

# City of Wilmington Delaware



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## Annual Budget FY 2014

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**Dennis P. Williams**  
Mayor

Prepared by the  
Office of Management and Budget

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**Fiscal Year 2014 • Approved by City Council • May 30, 2013**

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, 2012.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
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**July 1, 2012**

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**Treasurer - Henry W. Supinski**

## THE COUNCIL

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**1st District** . . . . . Nnamdi O. Chukwuocha

**2nd District** . . . . . Ernest Congo, II

**3rd District** . . . . . Darius J. Brown

**4th District** . . . . . Hanifa G.N. Shabazz

**5th District** . . . . . Samuel Prado

**6th District** . . . . . Sherry Dorsey Walker

**7th District** . . . . . Robert A. Williams

**8th District** . . . . . Charles M. Freel

**At Large** . . . . . Michael A. Brown, Sr.

**At Large** . . . . . Justen A. Wright

**At Large** . . . . . Maria D. Cabrera

**At Large** . . . . . Loretta Walsh

Maribel Ruiz, City Clerk

Romain L. Alexander, City Council Chief of Staff

## CITY OFFICIALS

### **John R. Matlusky**

Cleon L. Cauley, Sr.

Christine R. Dunning

Nailah B. Gilliam

Anthony Goode

Harold B. Gray

Sophia Hanson

Earl T. Jeter

Dr. Jacqueline D. Jenkins

Claude W. McCrea, Jr.

Michael P. Migliore

Laura Papas

Jeffrey J. Starkey

### **Chief of Staff**

Commissioner of Public Works

Chief of Police

Acting Director of Real Estate and Housing

Chief of Fire

Director of Economic Development Office

Director of Planning

City Auditor

Director of Human Resources

Director of Parks and Recreation

City Solicitor

Director of Finance

Commissioner of Licenses and Inspections

## OFFICE OF MANAGEMENT & BUDGET

### **Robert S. Greco**

Matthew J. Razze

George G. Hayford

Toni J. Cleaver

### **Budget Director**

Senior Analyst/Systems Coordinator

Senior Analyst

Budget Analyst II



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DENNIS P. WILLIAMS  
MAYOR

City of Wilmington  
Delaware



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## FISCAL YEAR 2014 BUDGET MESSAGE

### A NEW DAY

On my inauguration as the first new Mayor of the City of Wilmington in 12 years, I made a promise to deliver the change voters demanded. For years, Wilmington has been plagued with many familiar challenges, namely crime, poor education for our children, and fiscal instability. And for years, political expediency often trumped making the tough decisions. We are drawing the line and setting a new course for Wilmington's future. The challenges we face remain the same, but it is our resolve that is different.

We will think differently, speak honestly, and lead boldly to not only change perceptions, but transform Wilmington's reality. The people of Wilmington gave us a mandate for change. No longer will we proceed with the status quo—*"that'll do"* won't do anymore. It is not working for our City and it is not working for our people.

But the change we need cannot be accomplished by me alone. It takes all of us. This change depends on my Administration, all City employees, and every resident of this City working with City Council, the business community, neighborhood leaders, and faith-based organizations. We all have an important part to play.

For Wilmington to thrive, it requires a team effort. I may be the Mayor, but I do not come up with every bright idea or execute every project. It takes the hard work, tireless commitment, and devoted service of all of us.

### GUIDING PRINCIPLES

My vision for Wilmington stands on four guiding principles that together will rebuild a sense of unity and pride among us:

- ◆ Developing City employees into true public servants.
- ◆ Energizing neighborhoods to create a City we can all be proud to call home.
- ◆ Motivating parents and children to shape their own futures.
- ◆ Creating economic prosperity that touches every corner of the City.

## **Public Service**

It is said that “Change begins with me”, and so we first look inward to fix what is broken. We are establishing a new culture in City Hall where constituents are recognized as more than just a house number. They are our valued customers and we are here to serve.

Customer service is, and will remain, a top priority in my Administration. Already, we have launched a Citywide customer service training initiative. Starting at the top, with Department and Division Heads to front-line staff, we will treat our customers with respect and provide the best in service.

Expanded use of our *City Works* system by the Constituent Services Division and the new *Report It - Resolve It* online application implemented by the Public Works Department make it easier for customers to report problems and get them resolved faster. This requires that all staff throughout the city work together to solve problems and respond to customer needs.

## **Neighborhoods**

Even as we work internally to do things better, we are working to develop a more active and engaged community to help give the power to change the state of our neighborhoods to the people who live in them. To this end, I have instituted a Director of Neighborhood Development, whose role is to work with the Neighborhood Planning Councils, civic groups and community associations to empower, educate and energize citizens at the grass roots level to take ownership for building their neighborhoods.

There is much to be done to make our City truly great. But one thing we know for sure, only a safe city will be a great city. I promised aggressive policing. I vowed that I would not “hug thugs”. I pledged a peaceful and safe city. Officers are visible and out in the community as never before. Citizens are becoming more engaged and are assisting Police to help prevent crime. In just the first few months of this Administration, the Wilmington Police Department has responded to calls for service, made arrests, seized drugs and apprehended firearms in near-record numbers.

## **Children/Achievement**

Key to revitalizing our neighborhoods is the preparation of our children to be responsible citizens and motivate them to shape their own future. As parents, teachers, and community leaders, we must have high expectations for our children, and do our part to help them succeed.

I have appointed a Task Force on Youth, Education and Citizenship focused on improving the development and achievement of young people - from 23rd and Lamont Streets, to 3rd and Clayton Streets, to 4<sup>th</sup> Street & Greenhill Avenue, to 38th & Monroe Streets, and everything in between.

Children want to do the right thing. They simply need to know that we care. I have made it a practice to visit bus stops across the City to speak with young people heading to and from school. Something so easy to do and costs us nothing goes a long way toward instilling pride and respect.

## **Economic Prosperity**

A City thrives on its economic sustainability. While we will look to stimulate economic growth in Wilmington by encouraging small business development and entrepreneurship, I am equally focused on retaining the businesses that are already vested with us and creating jobs for Wilmington residents from all walks of life. Sustained economic growth and vitality demands that we preserve the City’s role as the center of commerce for the State of Delaware.



## **BUDGET DISCUSSION**

A budget is about values and priorities. It is often said, “show me your checkbook and I will show you your priorities.” I believe I can write with confidence that this Administration and City Council share a number of core values and priorities. Among them are public safety, youth development, and fiscal responsibility. The fiscal year (FY) 2014 budget reflects those values and the programs and initiatives that I believe are necessary to build a strong City.

### **THE GENERAL FUND**

I am very pleased that the FY 2014 budget does not include any tax increases and does not lay off any City employees. However, I recognize that this budget also does not include raises for employees—the fifth year in a row for a majority of the workforce. I am mindful of the challenge this places on City workers and their families, and I am committed to an open and honest dialogue about how we can work together to do the best we can with the resources we have going forward. As the leader of this great City, I am prepared to make the difficult decisions, even when it pains me to do so, in order to do the right thing.

Below are the spending highlights of the General Fund for FY 2014.

### **General Fund Expenditures**

- The FY 2014 operating budget expenditures total **\$145,376,145** – up \$2,448,122, or 1.7% from FY 2013. This increase was driven in large part by a number of largely uncontrollable cost factors. Actuarially required pension and pension healthcare contributions rose a total of almost \$942,000. To retain 14 patrol officers that had been principally funded through the now defunct COPS grant, \$683,000 in salary and benefits were added to the General Fund. Employee medical benefit costs increased \$622,000 and contractual employee salary step increases added another \$542,500. Because the Fire SAFER grant will end in mid-year of FY 2014, the half-year cost of \$383,000 for the 13 firefighters currently in the grant was added to the General Fund to avoid reducing the authorized strength. Lastly, required technology upgrades, especially in the area of public safety communications, increased costs by \$382,400.
- Staffing increased by a net total of 12.75 Full-Time Equivalent (FTE) positions. Absorbing the remaining portion of COPS grant-funded patrol officers resulted in 9.67 FTEs transferred in. Retaining SAFER grant-funded firefighters after that grant ends in mid-year of FY 2014 added in a prorated 6.50 FTEs. A FY 2013 mid-year budget amendment by City Council and another by my Administration added a net 2.00 and 3.00 FTEs respectively, which carried over into FY 2014. A reduction of housing related federal grant funds necessitated a change in the split-funding proration of a number of Real Estate & Housing employees that resulted in 0.93 FTE transferred in. In Finance, although 1.00 FTE (a vacant Senior PREO position) was deleted, it was offset by a net 0.85 FTE increase resulting from the reallocation of costs for a number of positions split-funded between the General and Water/Sewer Funds. In Public Works 0.25 FTE was transferred out because the Fleet Manager (previously the Administrative Engineer) will now be funded 25% by the Water/Sewer Fund. Lastly, City Council transferred out 8.95 FTEs to the CATV Fund.

- As part of the actions necessary to avoid a larger budget deficit, there is no allowance for a general Cost of Living Adjustment (COLA) for employees. A 2.5% COLA would cost about \$1.75 million. This will be the fifth year in a row that economic conditions have dictated that there be no provision for employee COLAs. However, anniversary-based salary step increases for all eligible employees will continue.
- A \$250,000 increase in the Miscellaneous Projects account is a request from City Council to fund youth initiatives and other special projects of interest to Council.
- Consulting costs increased a total of \$241,300 City-wide, fueled largely by three major factors. The contractually mandated administration of the Police Department's bi-annual testing and promotional process by an independent third party added \$150,000. A mayoral initiative for a consultant to develop an education, arts, and cultural affairs integration vision plan will cost \$45,000. Lastly, after a number of years of reduced spending during the recession, the Office of Economic Development has begun to greatly expand the number and scope of its projects, leading to a \$35,000 increase for architectural and engineering support services.
- At the request of Council, the cost of the entire Cable and Communications Division of City Council, along with portions of the salary and benefit costs of three senior staff members have been transferred out of the General Fund and into a special CATV Fund. The Comcast franchise fee revenue has also been transferred from the General Fund to the CATV Fund. Because the loss of over \$1.06 million in Comcast franchise fee revenue exceeds the almost \$900,000 of costs transferred out, the General Fund bottom line will be negatively impacted by about \$160,000.
- Fire overtime increased \$150,000 to support the new Fire Chief's controlled company closure program that is replacing the previous Administration's often maligned continuous rolling bypass system. The controlled company closure program will strike a better balance between public safety and fiscal responsibility.
- The City Treasurer was able to take advantage of historically low bond interest rates to refinance some outstanding series of general obligation bonds with higher interest rates. As a result, total Debt Service decreased by \$736,713 in FY 2014.
- The FY 2014 General Fund Budget does not include any tax or fee increases. To balance the budget, the Administration had made a final proposal to transfer \$375,000 from the Economic Strategic Fund. Instead, Council made a number of departmental appropriation changes (\$1.25 million in reductions and \$814,000 in additional Council requests) that were approved through a final floor amendment. The net effect of these spending changes are reflected in the budget control accounts of the affected departments.

### **General Fund Revenues**

The severe economic downturn and recession that began in 2008 continues to affect City revenues, but on a lessening scale. Projected revenues are increasing modestly in FY 2014. Audit and collection efforts have yielded additions to base revenues that have helped maintain fiscal stability until more substantial economic growth occurs. Total revenue before transfers is projected to increase by a net \$4,950,278 (or 3.5%) above the FY 2013 Budget to a new total of \$145,540,837. The net change from Budget to Budget (FY 2014 vs. FY 2013) can be broken down as follows:

<b>REVENUE</b>	<b>INCREASE/ (DECREASE)</b>	<b>TOTAL</b>
Wage & Net Profits Tax	\$3,840,543	\$62,033,043
Other Revenues	1,728,107	6,240,640
County Seat Relief Package	429,275	8,117,796
Task Force Revenue	257,421	4,294,993
Fines	100,000	8,950,000
Licenses, Permits & Fees	33,587	3,520,360
Interest Earnings	0	207,193
Property Taxes	(32,340)	38,424,100
Other Governments	(444,242)	7,440,683
Other Taxes	(962,073)	6,312,029
<b>TOTAL</b>	<b>\$4,950,278</b>	<b>\$145,540,837</b>

### **Wage and Net Profits Tax**

The FY 2014 Wage & Net Profits Tax projection is \$62.0 million, a \$3.8 million increase above FY 2013. The FY 2013 Wage Tax revenue has been stronger than anticipated, fueled by an improving local economy and higher than projected Plan for Change audit-generated receipts. As a result, the Wage Tax revenue base is now nearly \$51.8 million. Building on that base is an additional \$1.3 million from a projected 2.5% growth in overall employee compensation levels. Finally, the “Plan for Change” audit and collection efforts should yield \$4.0 million. The Net Profits portion of this revenue category is slated to remain at \$5 million for FY 2014.

**Other Revenues**, Other Revenues is comprised of Indirect Costs, General Government Charges and other Miscellaneous Income. General Government Charges and Miscellaneous revenue is expected to remain unchanged. However, as a result of a recently completed comprehensive study, Indirect Costs were

increased by just over \$1.7 million. Indirect Costs are a charge to the Water/Sewer Fund that offset costs incurred by the General Fund in support of the water, sewer, and stormwater utilities. The City's indirect cost plan had not been revised since the mid 1990's.

### **The County Seat Relief Package**

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

The FY 2014 projections total \$8.1 million. The breakout is as follows: \$2.24 million for a payment in lieu of taxes (PILOT) by the State on what would usually be tax-exempt properties in the City (this is up \$171,092 from the FY 2013 budget); \$4.6 million as part of the State's Uniform Commercial Code (UCC) filing fees (this is up \$129,690 from the FY 2013 budget); \$300,000 in Statutory Trust Filing Fees (no change); and \$978,243 in New Castle County Corporate Filing Fees (this is up by \$128,493). In total, there is a \$429,275 increase in County Seat Relief Package revenues from the FY 2013 budget.

**Task Force Revenues** Task Force Revenues are the revenue sources that were created as a result of the 2003 Governor's Task Force, which took effect early in FY 2004. As a result, each county seat (Wilmington is the county seat of New Castle County) in the State receives the revenue derived from a \$20 State filing fee for Corporations and Limited Liability Companies (LLC). The State also passed enabling legislation that allowed the City to create a 2% 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 \$257,421 higher for FY 2014. Two of the four components of the Task Force Revenues will increase from the FY 2013 Budget: Corporate Filings by \$29,925, and LLC Filings by \$377,496. Lodging Tax is expected to remain at the FY 2013 budgeted level, and Natural Gas Tax is projected to fall by \$150,000 below the FY 2013 budgeted figure due to lower prices and consumption.

**Fines** will increase by \$100,000 to a total of \$8,950,000. The breakout is as follows:

**Criminal/Traffic Fines** revenue is projected to total \$3.95 million in FY 2014, up \$100,000 from the FY 2013 budget. This revenue account consists of red-light camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. Despite significant downtime at several locations early in Fiscal Year 2013, the budgeted projection for red-light camera fines is expected to be met. Though violations tend to decrease somewhat at older sites, red-light camera fines are projected to equal the FY 2013 level of \$3.1 million again in FY 2014. There is no change in the \$450,000 projected for miscellaneous traffic and criminal fines. But, based on increased activity, L&I Instant Ticketing revenues are projected to increase by \$100,000 to reach a new total of \$400,000 in FY 2014.

**Parking Tickets/Booting Fines** are forecast to remain at the FY 2013 level of \$5.0 million. Long-term vacancies of PREO's in FY 2013 has led to a \$500,000 drop in the projected revenue amount. For FY 2014, ticket issuance is expected to climb, as an emphasis on prompt replacement of vacancies will be initiated.

**Licenses, Permits and Fees** revenue is projected to be just over \$3.5 million in FY 2014, or \$33,587 above the FY 2013 budget. Business Licenses and Permits will remain stable at \$1.6 million and \$1.4 million respectively, but Fees are slated to rise by \$33,587 based on recent trends.

**Interest Earnings**

Although the City's cash balances available for investment have improved somewhat recently, thanks in part to the November 2011 capital bond proceeds and an operating surplus in FY 2012, interest rates are projected to remain stubbornly low. As a result, Interest Earnings are projected to remain at the FY 2013 level of \$207,193.

**Property Taxes** are projected to total a net \$38,424,100, down slightly by \$32,340. Although gross billings were up a little this fiscal year, owners of some large commercial properties continue to wage successful assessment appeals. The revenue loss from appeals in FY 2014 is projected to be \$380,000, and will be in addition to the \$120,000 reduction for appeals and other billing adjustments projected for the current fiscal year. Approximately \$229,000 of revenue resulting from expiring tax incentives and reassessments due to property improvements will help to offset these reductions. Penalty and Interest, along with collections from prior years will add \$650,000 in revenue for FY 2014, consistent with FY 2013.

**Other Governments** consists of the State Pension Contribution and the State Port Debt Reimbursement. The State Pension Contribution is a pass-through grant of \$6,984,517 (no change) in revenue that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. The State Port Debt Reimbursement is related to the 1996 sale of the Port from the City to the State. The State requested as part of the terms of the sale that the Port debt remain as a liability on the City's books. However, the State did agree to reimburse the City annually for the amount the City was scheduled to pay out to service the Port debt. The amount for FY 2014 will be \$456,166, and represents more than a \$444,000 decrease below Fiscal Year 2013. This decrease is result of a recent refinancing of some general obligation bonds, taking advantage of historically low interest rates.

**Other Taxes** are projected in total to decrease \$962,073 for FY 2014.

**Real Estate Transfer Tax** revenues are slated to remain nearly the same for FY 2014. The average price of residential homes remains below the levels of prior years, but the number of sales is increasing slightly. Large commercial property transfers are occurring, but at a meager pace. As a result, FY 2014 revenues are forecast to grow a modest \$100,000 to a total of \$2.0 million.

**Head Tax** revenue is projected to remain at \$3.57 million for FY 2014. Although new jobs are forecasted to come online, no net growth is expected due to the relocation (loss) of some existing jobs.

**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 2014, Franchise Fees will decrease by \$1,062,073 as a result of City Council transferring the Comcast franchise revenue into the special CATV Fund. Based on recent trending, the annual Delmarva Power payment is expected to be just under \$745,000, unchanged from FY 2013.

## **THE WATER/SEWER FUND**

In years past there were decisions made that were not always fiscally prudent, including avoiding or reducing required water and sewer rate increase requests. However, to the credit of the previous Administration and City Council, they recognized the need to bring the Water/Sewer Fund to fiscal solvency. Working to correct the mistakes of the past and improve the fiscal stability of our water utilities, they establishing the Water, Sewer & Stormwater Citizen's Advisory Board. Made up of industry experts, it was created in part to de-politicize the rate-setting process.

I commend the Board for their hard work. They found it necessary to increase rates in order to continue the progress made thus far. And while it was a difficult decision, and one that I did not take lightly, I accepted the Advisory Board's recommendation to increase Water/Sewer rates by 12% and Stormwater Fees by 11% in FY 2014.

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

### **Water/Sewer Fund Expenditures**

- The FY 2014 operating budget expenditures total **\$66,611,807** – up \$2,275,943, or 3.5% from FY 2013. The FY 2014 budget continues to support the high-priority initiatives begun in recent years deemed essential to achieving financially self-sustaining and environmentally-sound water, sewer, and stormwater utilities. These include an accelerated Combined Sewer Overflow (CSO) mitigation effort, and finished water filtration and supply improvements that exceed EPA standards, contributing to the stability of northern Delaware's water supply, especially in times of drought.
- The City recently commissioned an in-depth study of all supporting services to the Water/Sewer Fund's utility functions to create an updated and accurate indirect cost plan. The indirect cost charges (that flow as revenue to the supporting General Fund) had not been updated since the mid-1990s, when they were temporarily frozen as a result of a mediated agreement between the City and New Castle County (NCC) because of a dispute over the NCC sewer bill. Incorporating the new indirect cost plan increased the indirect cost expense to the Water/Sewer Fund by \$1.7 million.
- Recently completed capital projects of extraordinary scope and price, such as the Cool Spring Reservoir project, raising the level of Hoopes Dam, and the Real Time Control system have greatly increased the fixed asset value of the Water/Sewer Fund, resulting in a \$733,000 increase in depreciation expense.
- Professional Fees, including consulting, engineering, and legal fees increased a total of \$103,000. The contract extension on the NCC sewer agreement ends on June 30,2013. Expert legal counsel will be needed to help the City negotiate a new multi-year contract with New Castle County that settles outstanding issues and paves the way for better cooperation in the future. Increased consulting and engineering fees will support critical initiatives such as GIS integration of asset management and a detailed structural analysis of the Hoopes Reservoir dam to determine the extent of concrete deterioration due to alkali-silica reaction (ASR). Left untreated, ASR can cause serious expansion and cracking in concrete, resulting in critical structural problems.

- Data Processing and Communications internal service costs increased by a total of \$70,000. This increase supports the continued implementation of the *City Works* project that will provide (among other enhancements) GIS integrated infrastructure management, project status and task tracking, and custom-tailored constituent and customer services.
- Overall debt service interest costs were reduced by \$98,400, reflecting the greater use of low-interest State Revolving Fund loans in place of general obligation bonds. Another benefit of using the State Revolving Loan Fund is that it substantially reduces the associated issuance costs.
- Contracted maintenance for water and sewer lines, along with a large-scale concrete restoration project at the waste water treatment plant caused an increase to maintenance costs of \$217,000. More than offsetting this increase is a \$330,000 savings (a 29.9% reduction) in electricity costs resulting from the City's green initiatives and lower contractual pricing available because of deregulation.
- Staffing decreased by a net 2.60 FTEs. In Public Works, four (4) vacant positions (two Pumping Station Operators and two Plant Operator IIIs) were deleted and replaced by two (2) new positions: a Water Distribution Supervisor and a Plant Mechanic. Slightly offsetting that staffing reduction was the addition of 0.25 FTE that resulted from the Administrative Engineer position changing from 100% General Fund to 25% Water-Sewer Fund/75% General Fund. Also, the title of the Administrative Engineer was changed to Fleet Manager. In the Finance Department, a net 0.85 FTE was reduced as a result of the reallocation of costs between the Water/Sewer Fund and the General Fund for four variously split-funded positions.

### **Water/Sewer Fund Revenues**

Total Water/Sewer Fund revenues are projected to increase more than \$5.0 million above FY 2013, to a new total of \$73.3 million in FY 2014. Water/Sewer revenues are a combination of Water/Sewer User Fees, Stormwater Billings, and New Castle County (NCC) Sewer, along with the smaller revenue categories of Interest, Rentals, and Solar Panel Revenue. While each of these categories were affected by different factors, it was the overall rate structure that had to be addressed to avoid a fiscal crisis. For almost a decade, rates had not been properly aligned to provide adequate cash flow to the Fund's utility operations. As a result, the General Fund had been subsidizing the Water/Sewer Fund's cash shortages. This led to a situation where nearly all the cash reserves in the General Fund had been depleted, with the City on the path to insolvency had nothing been done. To rectify this, a multi-year plan of prudent rate increases was implemented, starting in FY 2010. As a result, the City is well on its way to achieving a self-sufficient Water/Sewer Fund with adequate operating reserves and proper debt coverage ratios.

### **Water/Sewer User Fees**

The base amount of Water/Sewer User Fees has grown in recent years as a result of the rate increases to stabilize the Fund. Additionally, the City has seen the base increase beyond projections beginning with the FY 2011 final revenues. For FY 2013, that base is expected to grow to \$37.8 million. A 12% increase in Water/Sewer User Fees will generate an additional \$4.5 million. When coupled with special sewer and other miscellaneous revenue items, total User Fees is projected to be \$46.3 million, a net increase of \$4.1 million above the FY 2013 budget. Even with the increase, the City's rates will still be among the lowest 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 \$7.2 million. For FY 2014, an 11% increase in Stormwater Fees will generate an additional \$791,000. After allowing for uncollectibles of \$1.1 million (mostly due to disputes concerning a few large federal and state controlled properties), more than \$6.8 million in revenue is projected for FY 2014, a net increase of \$1.3 million above the FY 2013 budget.

### **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 2014, the net base fee of \$18.8 million represents the County's share of costs for operating the City's sewage treatment plant and sewage sludge disposal, adjusted downward by \$709,000 to take into account the annual reconciliation process and at-risk amounts for treatment plant water/sewer charges. An additional \$785,000 will be billed as a one-time reimbursement to the City for extensive repairs to concrete at the sewage treatment facility. The total revenue for FY 2014 is \$18,915,070.

### **Interest and Rentals**

Previously, all interest earned on City cash balances, regardless of the source, was booked as revenue to the General Fund. Starting in FY 2007, to help bolster the Water/Sewer Fund, interest earned on unspent Water/Sewer capital cash balances was booked as revenue to the Water/Sewer Fund. In FY 2014, interest is projected to remain at \$15,000. 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 \$13,000 to \$1,069,000.

### **Solar Panel Revenue**

This was a new revenue source beginning in FY 2012 and results from the recent installation of solar panels at various city sites, most notably the Porter Filter Plant. Based on analysis by the Public Works Department, \$200,000 is expected to be received in FY 2014.

## **CONCLUSION**

I ran for Mayor for one very simple reason: I love this City and care deeply about its people. My roots run deep here. I was born and raised here, I attended school here, walked the beat as a police officer, and served Wilmington for seventeen years in the Delaware General Assembly. As a true Wilmingtonian, I believe it is not enough to view Wilmington for what it is today. We must see what Wilmington can become, and act now to make it happen.

As we look forward, I am not blind to the City's shortcomings and the realities that can limit our growth and progress. But I am also aware that Wilmington has plenty to offer. Despite our challenges, we continue to be the center of enterprise and culture for the entire State. We are strategically located at the midpoint of the most densely populated section of the East Coast, affording us tremendous commercial opportunity. Wilmington has a rich history and culture. We have wonderful parks and great architecture in our downtown and neighborhoods. But, unless we conquer the challenges facing us, we risk losing these great assets.



This FY 2014 budget reflects our priorities - the expenditures necessary for public health and safety, for economic development, and for uplifting our neighborhoods and children. I believe that by working together, we can make Wilmington a safer, more vibrant place to live, work, play and learn. I am challenging each and every one of you to join me in this great endeavor.

Respectfully,

A handwritten signature in cursive script that reads "Dennis P. Williams". The signature is written in black ink and is positioned below the word "Respectfully,".

Dennis P. Williams  
Mayor



**WILMINGTON**

**FACTS & FIGURES**



**LEGEND**

- ★ Capital Cities
- State Boundaries
- Rivers

**CITY OF WILMINGTON**  
**"The First City of The First State"**  
*Delaware was the first to ratify the U.S. Constitution, thus becoming the "First State" in the new union. The City of Wilmington was founded in 1638 and was the first permanent settlement in what would later become Delaware.*

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# 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.

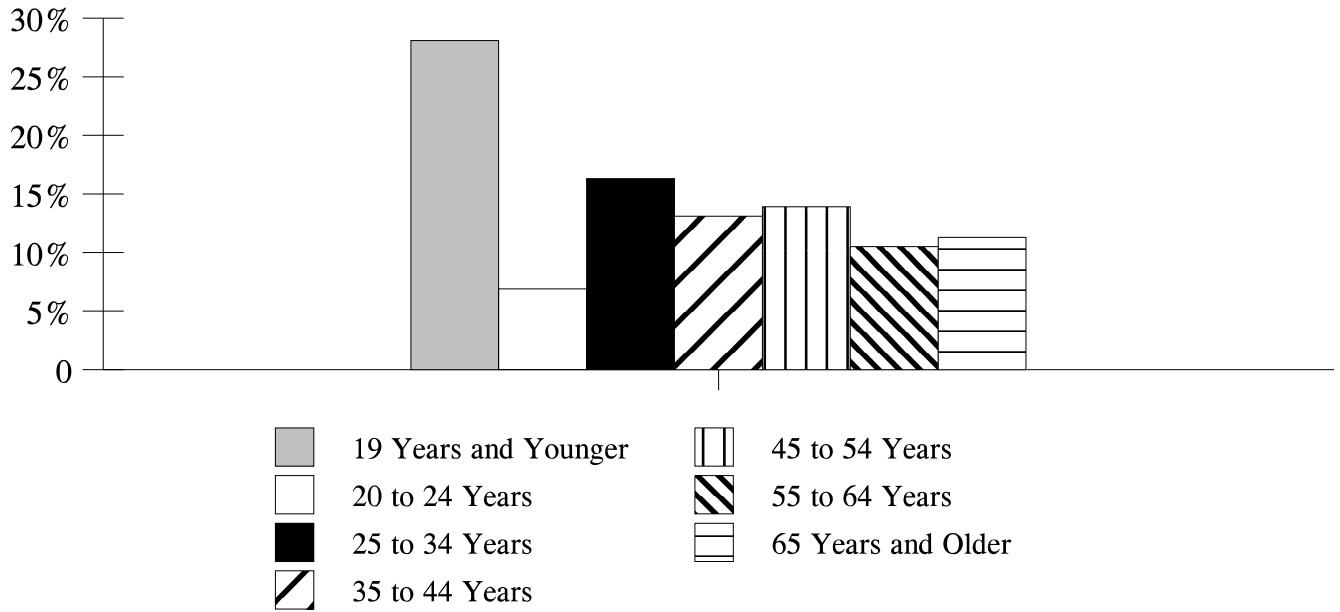
## POPULATION TRENDS

	<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



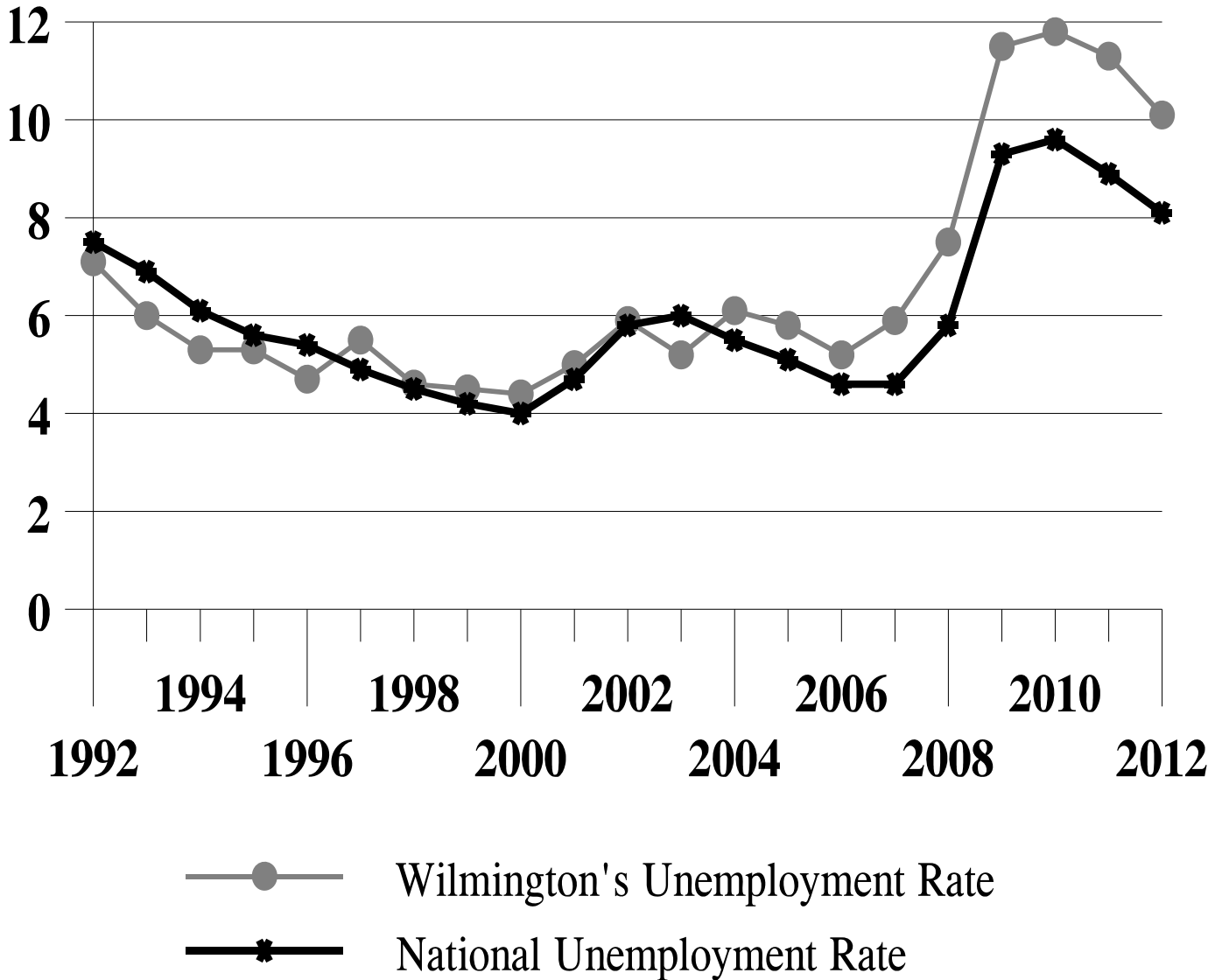
<b>PERCENT OF HOUSEHOLDS BY ANNUAL INCOME (in 2011 inflation adjusted dollars)</b>	
\$0 to \$9,999	1.1%
\$10,000 to \$14,999	3.8%
\$15,000 to \$24,999	13.9%
\$25,000 to \$34,999	13.2%
\$35,000 to \$49,999	26.6%
\$50,000 to \$64,999	16.4%
\$65,000 to \$74,999	7.2%
\$75,000 to \$99,999	9.1%
\$100,000 or more	8.7%
<b>MEDIAN HOUSEHOLD INCOME</b>	<b>\$38,325</b>

Source: U.S. Census Bureau, 2011 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



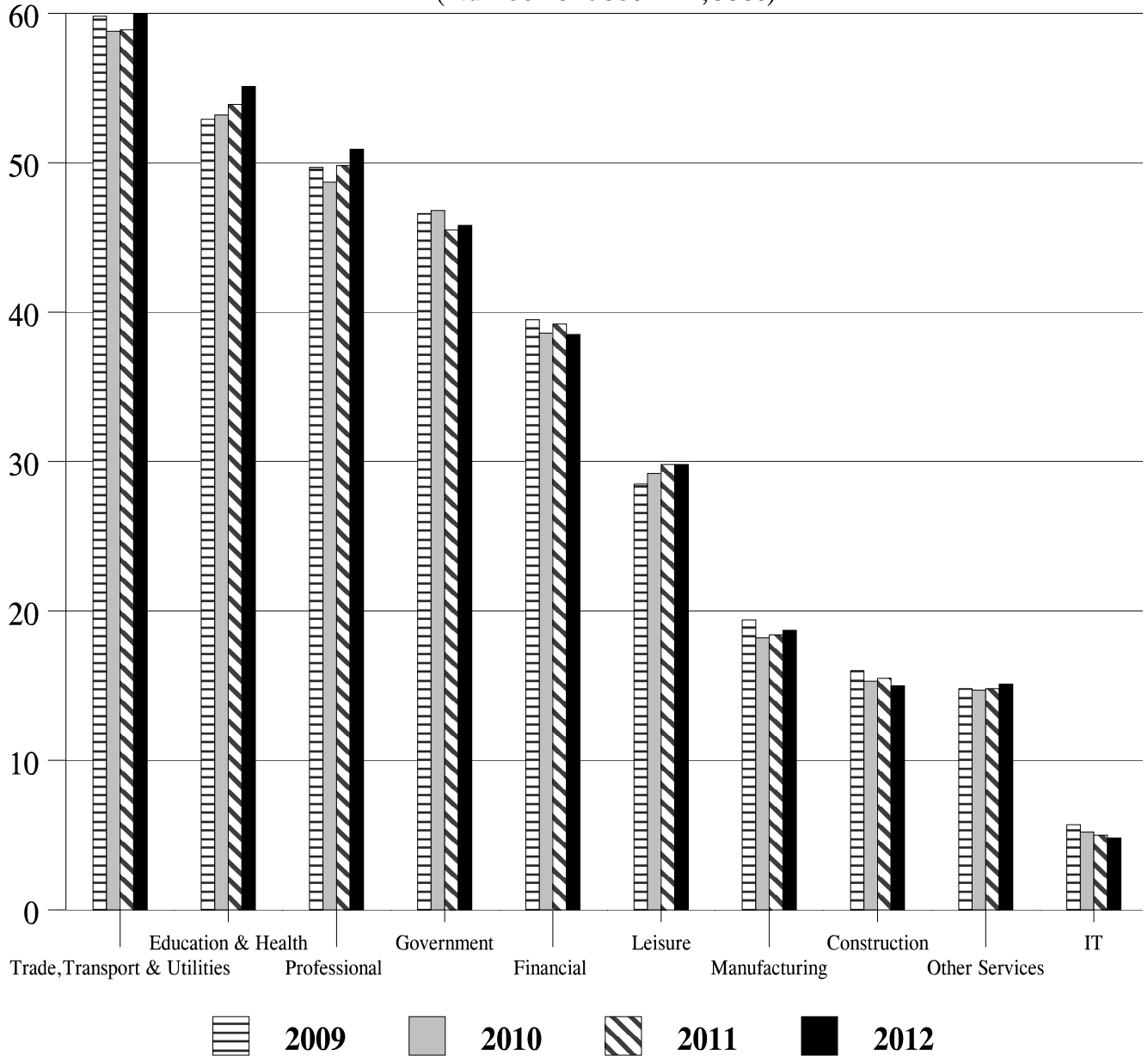
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics & Annual Average Unemployment Rate, 2012.

# 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, 2012.



## MAJOR AREA EMPLOYERS

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

<b>Employer</b>	<b>Business</b>	<b>Employees</b>
State of Delaware (Non-education)	State Government	13,000
Christiana Care Health Services	Hospital/Healthcare Complex	10,400
Dupont	Chemicals and Energy	8,100
Bank Of America	Banking	7,100
AstraZeneca Inc. N.A.	Pharmaceuticals/Chemicals	4,500
Wal-Mart Stores, Inc.	Retailer	4,700
University of Delaware	Higher Education	4,000
A.I. Dupont Institute	Children's Hospital/Healthcare	2,821
Christiana School District	Public Education	2,300
The Y of Delaware	Civic/Social Services	2,300
Citibank Delaware	Banking	2,000
Red Clay School District	Public Education	1,750
M&T Bank	Banking	1,700
Walgreens	Retail Pharmacy	1,700
Siemens	Medical Instrumentation Manuf.	1,630
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
St. Francis Healthcare Services**	Healthcare	1,200
Capital One**	Financial Services	1,122

Source: Delaware Business Ledger (DBL), Book of Lists, 2013.

\* The 2013 edition of DBL's 2013 Book Lists contains only information on the top 25 employers statewide. 2011 data is used for Wilmington area major employers that are not listed in the State's top 25 list.

\*\* 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 2012, 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 2012

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

### Calendar Year 2011

Name	Withholdings	% of Total Withholdings
JP Morgan Chase	\$4,629,592	8.8%
State of Delaware	\$3,269,740	6.2%
Dupont	\$2,524,504	4.8%
Bank of America	\$2,284,713	4.3%
Christiana Care	\$1,499,058	2.8%

### 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%

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 11 largest real estate owners that in total represent one-quarter of the total taxable assessment value in the City.

Name	Property Type	Taxable Assessment	% of Total Assessment
Buccini/Pollin Group	Office & Luxury Residential	\$100,000,000	4.60%
JP Morgan Chase	Office Building	63,700,000	2.94%
Dupont	Corporate Headquarters	58,500,000	2.70%
Bank of America	Office Building	54,250,000	2.50%
M&T Bank	Office Building	52,300,000	2.40%
DCL Leasing Partners	Office Building	41,000,000	1.89%
Delmarva Power	Electric & Gas Utility	\$36,900,000	1.70%
1201 Market Street LLC	Office Building	35,000,000	1.61%
Calpine Mid-Atlantic	Electric Generation	32,300,000	1.49%
HUB Properties Trust	Office Building	31,100,000	1.44%
TRC/Rubenstein	Office Building	29,300,000	1.35%
<b>Total</b>		<b>\$534,350,000</b>	<b>24.62%</b>

Source: City of Wilmington Revenue Division.

## New Construction Permits Issued

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
<b>Single-Family</b>	61	67	49	31	7
<b>Multi-Family</b>	3	2	3	2	3
<b>Non-Residential</b>	22	8	8	7	6
<b>TOTAL</b>	<b>86</b>	<b>77</b>	<b>60</b>	<b>40</b>	<b>16</b>

## Total Value of New Construction Activity

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
<b>Residential</b>	\$ 10,206,865	\$ 9,990,200	\$ 29,846,027	\$ 4,650,925	\$ 25,154,312
<b>Non-Residential</b>	\$ 35,543,146	\$ 11,125,024	\$ 8,543,544	\$ 49,391,949	\$ 38,583,903
<b>TOTAL</b>	<b>\$ 45,750,011</b>	<b>\$ 21,115,224</b>	<b>\$ 38,389,571</b>	<b>\$ 54,042,874</b>	<b>\$ 63,738,215</b>

## Renovation Construction Permits Issued

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
<b>Residential</b>	2,935	2,646	3,000	1,919	2,293
<b>Non-Residential</b>	732	571	326	247	319
<b>TOTAL</b>	<b>3,667</b>	<b>3,217</b>	<b>3,326</b>	<b>2,166</b>	<b>2,612</b>

## Total Value of Renovation Construction Activity

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
<b>Residential</b>	\$ 21,132,548	\$ 18,224,978	\$ 46,087,753	\$ 64,514,060	\$ 17,552,355
<b>Non-Residential</b>	\$ 84,352,813	\$ 73,261,487	\$ 35,798,778	\$ 94,577,430	\$ 83,326,487
<b>TOTAL</b>	<b>\$105,485,361</b>	<b>\$ 91,486,465</b>	<b>\$ 81,886,531</b>	<b>\$ 159,091,490</b>	<b>\$ 100,878,842</b>

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**

The Office of Economic Development (OED) manages the City's Economic Development Strategic Fund, which is used to make job creation and retention incentives to private businesses. The Fund's expenditures are recouped by the City's General Fund in two or three years by the wage taxes generated from the new or retained jobs. Each incentive is contractually-based, with performance requirements and claw-backs. Since the enabling legislation and initial appropriation in 2002, the City has executed over twenty-five contracts involving incentives of \$11 million, resulting in \$36.5 million of wage taxes. In FY 2012, the jobs attributed to the Strategic Fund Incentive Program accounted for \$5.5 million of the City's wage tax base. With a fund balance of over \$4 million, The Strategic Fund will continue to be an effective business development tool for the OED.

Strategic Fund highlights in FY 2013 include the provision of a \$1 million dollar letter of credit to the Riverfront Westin Hotel project. The letter of credit was essential to the capital structure of the \$40 million dollar project, and the City's \$1 million held in reserve will be returned to the Fund when the project cash flow is stabilized or within five years of opening, whichever occurs first.

The Strategic Fund also supported the establishment of a new manufacturing facility for Masley Enetrprises, a specialty glove manufacturer with customers in the industrial and defense sectors. The new facility employs 30 people from the local work force and has federal *HUBZone* status, the first such designation within the City. The *Historically Underutilized Business Zones (HUBZone)* program helps small businesses gain preferential access to federal procurement opportunities.

This year also saw the application of Strategic Fund dollars to assist small businesses that have historically been difficult to support due to protracted pay-back periods and the high risk of failure associated with small businesses start-ups. The Economic Development Office partnered with local *Community Development Financial Institutions* to design an innovative hybrid, micro-loan incentive that combines the fiduciary protection of a traditional loan with the incentive of principal reduction upon performance milestones. This product was used for the relocation of the Ninth Street Bookstore, the City's only family-owned bookstore and the newly constructed Latin Fusion restaurant and La Fia Bakery.

The Capital One merger with ING Direct was completed in FY 2013 with the new brand, Capital One 360, headquartered in Wilmington. The new business has already grown from its predecessor's size of approximately 1,000 jobs to 1,250. And they have committed to adding another 150 jobs on top of that over the next few years. The future potential growth of Capital One 360 represents a tremendous opportunity for the financial services sector, traditionally a strong business area that was weakened by the financial crisis. The City and the State are working with Capital One 360 to ensure the regions's strong financial services workforce and advantageous business polices continue to be attractive and compelling location for investment and growth.

## **Downtown Development**

The 2008 establishment of the Upstairs Fund was a targeted effort by the City to improve the underutilized 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 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 upper-story vacancies, while attracting the retail, food & beverage, and entertainment industries.

An initial investment of \$15.5 million of General Obligation Bond proceeds leveraged over \$60 million in private sector investment. Between 2009 and 2011, the Upstairs Fund produced 35 new residential units, eight new retail stores, and seven new office spaces within six renovated buildings. In 2012, another 13 buildings, containing 17 residential units and nine retail/office units, were completed and available for leasing. Several new restaurants now occupy the once vacant storefronts and retail spaces, with six new establishments opening in the past year. In addition, new retail stores have opened, expanding shopping opportunities and contributing to the revival of downtown Wilmington.

Undoubtedly, the largest success of the Upstairs 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 was written about in the New York Times. In its first year, the World Café Live at the Queen hosted 700 performances, sold over 50,000 tickets, booked 170 special events, and welcomed 120,000 guests. The 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, underwent a \$35 million renovation that converted 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 preserves its historic architecture. Owned by the Pettinaro Co., the building is the new home of Wilmington law firm Young Conaway Stargatt & Taylor, LLP.

In its third year of construction, the expansion of the ten-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 cost to \$210 million. This major expansion doubles the size of the emergency room, creates 30 new single-occupancy patient rooms, and provides the capacity for another 90 beds. In addition, 51,000 square feet of professional office space for private medical practices will be provided. The new Emergency Room opened in June of 2013, and the final phases of construction are scheduled for completion in early 2014. This project continues to generate a significant number of construction jobs and will result in 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 (DCAD), located on Market Street, was founded in 1997 as a collaborative effort between two of the United States's most distinguished art schools: the Pratt Institute and the Corcoran College of Art and Design. Delaware's first and only professional art and design school, DCAD has grown from fifty students in its first year to 245 full-time students. Many of these students live in DCAD-provided student housing, creating the largest residential student population the City of Wilmington and DCAD have seen to date.

To support the future growth of DCAD's curriculum and student population, the school purchased the former Brandywine Suites Hotel in the 700 block of Market Street and is undertaking a \$3 million dollar renovation to convert the former hotel into a 98-bed campus residential facility. The project also includes new office and meeting spaces, a student cafeteria and dining space, and 5,000 square feet of retail space for which the College is negotiating the location of a national art supply retailer. The completion of the new dormitory project in fall of 2012 will increase the number of students living in downtown college-sponsored housing to 190.

### **The Riverfront**

New retail establishments have almost completely occupied the 150,000 square feet of available retail space at the Christina Crossing Shopping Center. This was 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 east sides of the Christina River, these improvements supported the redevelopment of the 10 acres of brownfields between South Market and South Walnut Streets that became 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 community, providing the first newly constructed supermarket in the City 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 has completed 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 Capital One 360 (formerly 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 this year, Grant & Eisenhofer P.A., a national litigation firm with offices in Wilmington, Washington, D.C., and New York.

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 that are now 75% occupied, and 13,000 square feet of retail space that is now 70% leased. Announced in early 2012, Justison Landing Phase II, a new five-story, 116 unit residential building has secured final financing and is anticipated to break-ground by the end of summer 2013. The \$20 million project will generate 80

construction jobs, \$200,000 in one-time City revenues and \$175,000 in annual recurring revenue. It will feature one- and two-bedroom apartments with balconies, river views and an outdoor pool and terrace.

To complement the new housing and offices, 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 micro-brewery; Harry's Seafood Grille, an elegant seafood restaurant owned and operated by a locally and nationally recognized restaurateur; Firestone, which features expansive outdoor seating on a scenic bend in the river; Big Fish Grill, 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. In the fall of 2012, the City celebrated the three-year anniversary of two educational and family-oriented amenities: 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 opened its \$25 million, 14-screen movie theater complex, featuring a four-story IMAX theater in December of 2012. The theater has 3-D digital screens and high-definition feeds for live broadcasts of events, such as professional sports, plays, and concerts. The theater provides employment for five full-time and 145 part-time workers, and is on course to draw over 500,000 visitors in its first year.

Adjacent to the Riverfront, the Wilmington Train Station underwent a \$37.7 million renovation that was completed in 2011. 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 renovation was funded in part by the federal stimulus package. With an annual rider-ship 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 concluded 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 is now able to provide fresh, pasteurized fruit juices that are sold under several prominent brand names.

### **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.

In the Delaware Ave area, and separately, in the Harlan Park community, once vacant lots 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 Riverside communities have welcomed a new restaurant, convenience store, and automotive supply store to complement 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.

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 was completed in May of 2013 and now accepting new residents. The new building features 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.

### **Technology Investment**

Fiber optic cables have been at a premium in northern Delaware, reflected in higher costs passed on to end users and restricting access to Big Data service levels. Services that may cost \$5,000 in Philadelphia can cost \$15,000 in Wilmington. A \$20 million dollar public/private investment was finalized in FY 2013 that will use public funds to lay additional fiber capacity alongside a planned private investment, bringing capacity to 1201 N. Market St. in the City.

When Chase Bank left 1201 N. Market St., they left behind a data center infrastructure that includes large, industrial backup power generation, as well as complementary backup power storage sought after by data storage and redundancy providers. IPR International out of Wayne, PA announced a new data center at 1201 N. Market and an investment to bring additional dedicated fiber capacity to the building. The owner of the 1201 N. Market St. parcel, in conjunction with the City's Office of Economic Development, successfully secured a \$4 million dollar grant from the State of Delaware's Infrastructure Investment Fund to install additional capacity that can greatly expand service to the northern Delaware market through telecom companies such as Fibertech Communications Inc. and Sunesys. The funding agreements were recently completed, with installation to take place in calendar year 2014.

### **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. The continued transformation of the City's downtown, riverfront, and neighborhoods have generated activity, excitement, and a 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 extended review process that includes the Human Resources Department and Mayor's Office. The deadline for budget submissions by Departments is the second week in January.

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

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

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

It is also during the time of the hearings that the Wilmington Economic and Financial Advisory Council (WEFAC) meets to certify the City's revenue projections underlying the Budget. WEFAC was created in 1994, and is comprised of ten members appointed by the Mayor. Its membership consists of business, academic, and financial leaders with multifaceted expertise and experience. WEFAC's primary functions are to advise the Mayor on revenue projections and trends, and to provide a sounding board on issues of urban economics. It is important to note that, by law, City Council cannot alter the Mayor's revenue budget projections.

After the Finance Committee has completed its hearings, meetings are held in which City Council and the Administration leadership finalize agreement on the Budget. By the third Thursday in May, City Council votes on the Budget. By law, City Council must approve a balanced Budget by June 1st. For the Budget to be legally balanced, revenues plus an amount of existing prior years' surpluses, if any, must equal operating expenditures plus any existing deficits. 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 223.**

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 2012 was awarded the Certificate of Achievement in financial reporting by the Government Financial Officers Association.

The City's financial statements and budget are prepared to conform to the standards of financial reporting set forth by the Government Accounting Standards Board (GASB) in its various Statements and Interpretations. As such, Funds are utilized to segregate the specific purposes and operations of the various activities of the City.

The City utilizes four major funds: The General, Special, Water/Sewer, and Internal Service funds for both budgeting and accounting purposes (**please see Description of Appropriated Funds on page 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.

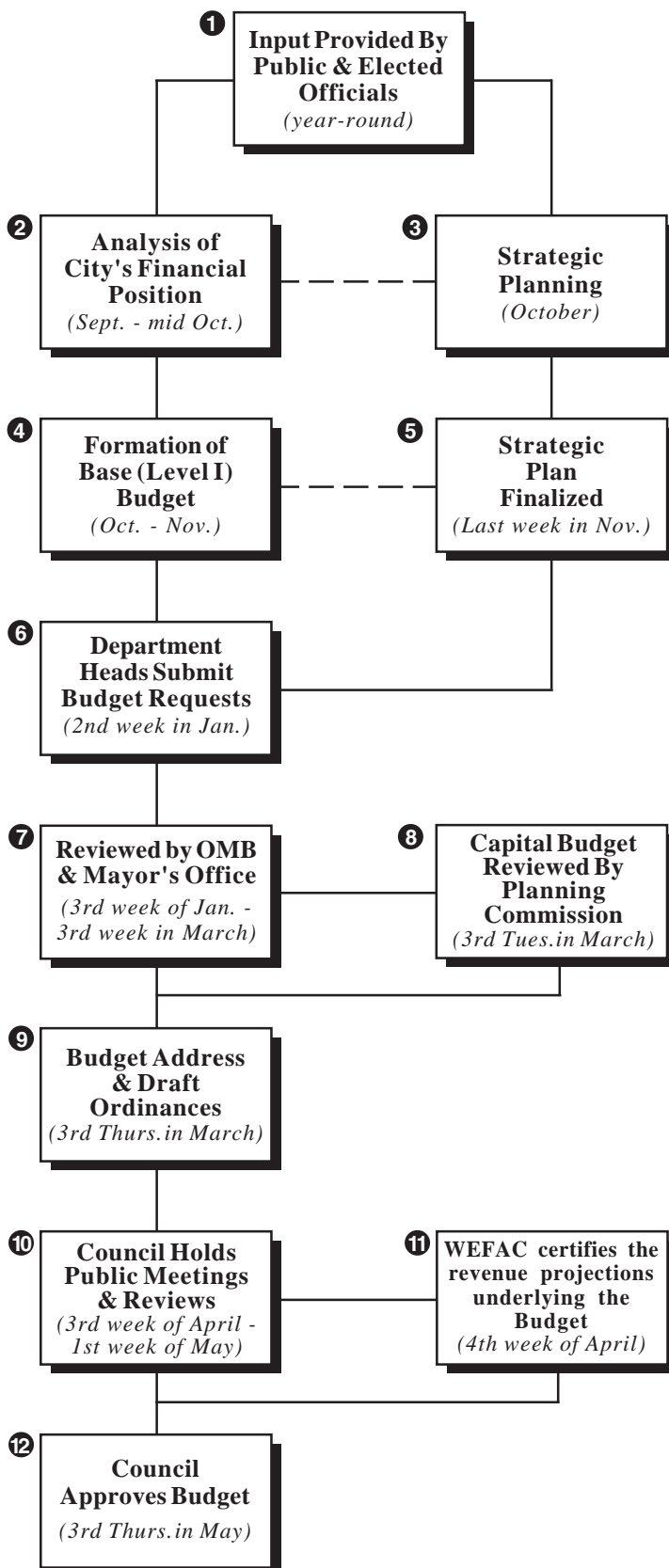
The basis of budgeting for each City fund matches the basis of accounting (the underlying fiscal principles used in the development of the financial statements and for recording financial activity) for that fund. The General, and Special funds are budgeted and operate under a **modified accrual basis** in which revenues are recognized when they become measurable and available as net current assets, and all expenses, except those related to fixed asset acquisition, are recorded when incurred (not when cash is paid out).

The Water/Sewer and Internal Service funds are budgeted and operate under the **accrual method** (used by most businesses) in which all revenues and expenses are recorded when recognized (i.e. when earned for revenues and when incurred for expenses), rather than when cash is collected or paid out.

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

- Depreciation of fixed assets is budgeted and expensed in the Water/Sewer and Internal Service funds. In the General Fund, however, no depreciation is budgeted or expensed, rather the *total cost* of fixed asset acquisitions are budgeted and then expensed when purchased.
- The total cost of fixed asset acquisitions in the Water/Sewer and Internal Service Funds are also budgeted, but only to establish an appropriation line item for spending authority. The fixed asset budgeted amounts and actual purchase amounts are reversed through the use of an equal but negative capitalization account. The fixed asset purchases are then expensed over their useful life through the depreciation account.
- Only interest payments are budgeted and expensed for debt service in the Water/Sewer and Internal Service funds; however, both principal and interest payments are budgeted and expensed in the General Fund.

# BUDGET PROCESS CALENDAR



- ① Community meetings, surveys, and presentations are used to gather information regarding services and issues.
- ② The Office of Management and Budget (OMB) evaluates the City's financial position and prepares preliminary forecasts for next fiscal year.
- ③ Department Heads develop five-year strategic plans.
- ④ OMB develops a baseline or Level I budget from historical data, trends, local economy and strategic plans.
- ⑤ Department Heads finalize Strategic Plan.
- ⑥ Based on Strategic Plan results and Level I amounts, departments submit budget requests to OMB.
- ⑦ During departmental meetings, OMB and the Mayor's Office review and evaluate requests, making recommendations as to funding.
- ⑧ The Planning Commission, a board of appointed citizens (5) and City officials (2), reviews and recommends a Capital Budget and Program to City Council.
- ⑨ The Mayor submits budget (operating and capital), revenue projections and tax rates for next fiscal year to City Council.
- ⑩ The Finance Committee of City Council holds public meetings on Mayor's proposed budget for each City Dept.
- ⑪ The Wilmington Economic and Financial Advisory Council (WEFAC) reviews, analyzes and certifies the revenue projections underlying the Budget. WEFAC consists of regional business, financial, and academic leaders appointed by the Mayor.
- ⑫ The City Council must approve a balanced budget by June 1 or 30 days prior to start of fiscal year.

# **CITY-WIDE STRATEGIC PLAN**

## **LONG-TERM POLICY GOALS AND OBJECTIVES**

### **1. MANAGE CITY GOVERNMENT EFFECTIVELY AND WITH CIVILITY**

- A. Require City employees to embrace a culture of service and effectiveness.
- B. Enforce and reward accountability through all levels of City operations.
- C. Actively engage residents, students, and small business owners from all neighborhoods.
- D. Interact and partner with community, cultural, and business leaders.
- E. Increase the level of customer service satisfaction and responsiveness to citizens.
- F. Maintain fiscal prudence and responsibility.

### **2. IMPROVE THE QUALITY OF LIFE IN OUR NEIGHBORHOODS**

- A. Reduce crime and increase citizens' sense of safety and security.
- B. Foster respect for cultural and ethnic diversity.
- C. Provide enriching cultural experiences and positive recreational activities.
- D. Enhance traditional City services (i.e. trash pickup, street cleaning, park maintenance, etc.)
- E. Improve traffic patterns and transportation links to neighborhoods.

### **3. FOSTER PROSPERITY**

- A. Preserve the City's role as the center of finance, commerce, and industry for the State.
- B. Expand and diversify the City's employment base and opportunities.
- C. Leverage public and private partnerships to sustain and expand development activities.
- D. Cultivate entrepreneurship.
- E. Increase manufacturing and the reuse of underutilized brownfields.

### **4. ENSURE CHILDREN BECOME RESPONSIBLE CITIZENS**

- A. Work with families to ensure that all institutions affecting the education and early development of the City's children fulfill their responsibilities.
- B. Inspire young people to choose a healthy way of life and encourage them to cultivate their dreams and to value achievement.
- C. Increase services and recreational opportunities for youth and families.

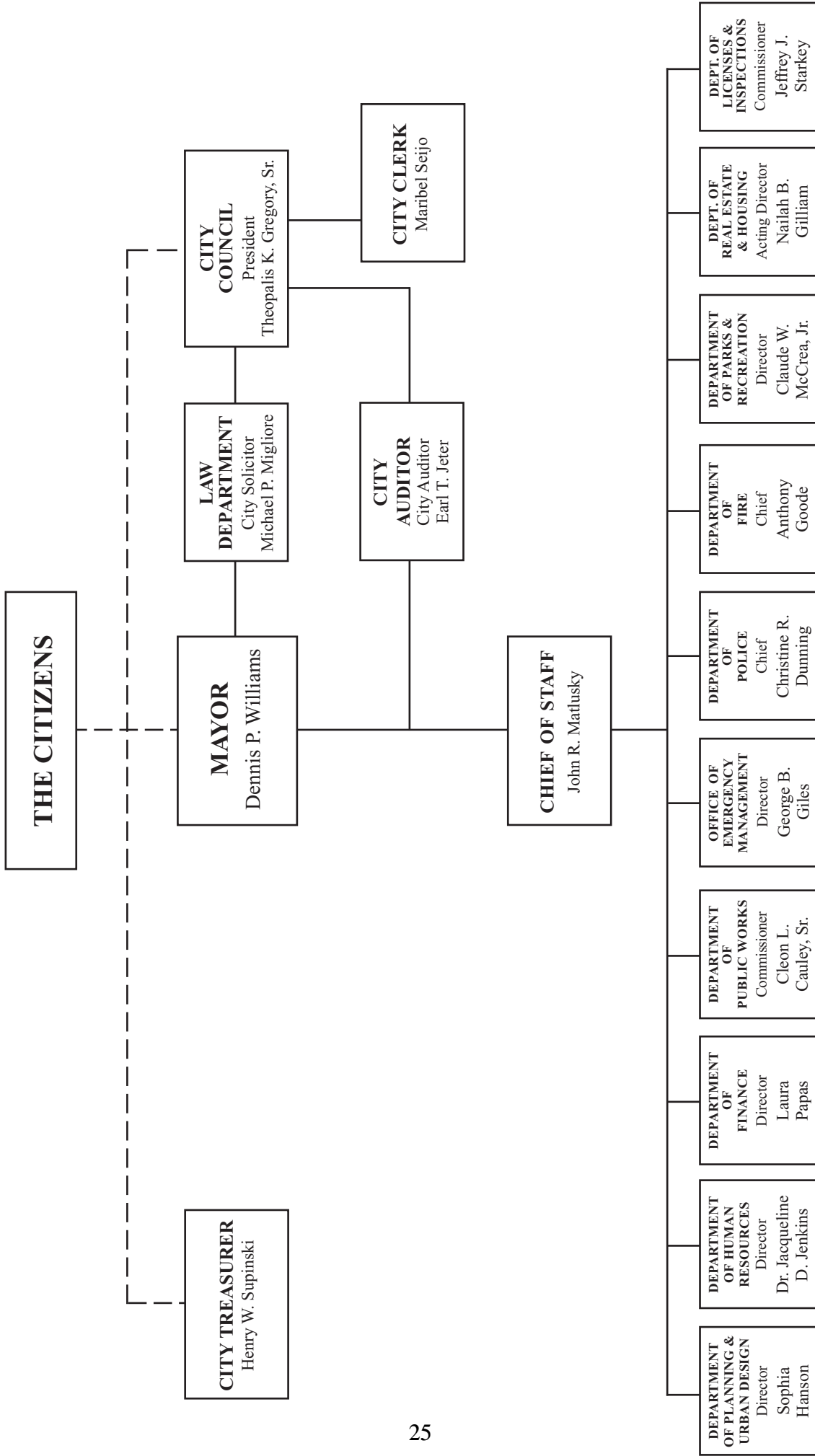


## **STATEMENT OF FINANCIAL POLICIES**

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.
- **Delaware State Fire Grant** is provided by the State of Delaware to all fire departments throughout the State to assist them in purchasing specialized gear and equipment and to provide funding for specific safety training programs.

## **DESCRIPTION OF APPROPRIATED FUNDS**

(continued)

### **Special Funds (continued)**

- **Byrne Grant** is a federal award to support interdisciplinary activities to prevent and control crime.
- **The Community Oriented Policing Services Office (COPS) Grant** is a federal award to help law enforcement agencies to hire more community policing officers, to acquire new technologies and equipment, and to promote innovative approaches to solving crime.
- **Workforce Investment Board (WIB)** is a U.S. Department of Labor program that provides funding for community occupational training and employment service opportunities.
- **Staffing for Adequate Fire and Emergency Response (SAFER)** is a federal grant providing funding directly to fire departments to help them increase the number of trained “front line” firefighters available in their communities.
- **Housing Opportunities for Persons with AIDS (HOPWA) Program** is a federal grant providing housing assistance and supportive services for low-income people with HIV/AIDS and related diseases, and their families.
- **Local Emergency Planning Committees (LEPC)** funding is provided by the U.S. Environmental Protection Agency to help communities work to understand chemical hazards, develop emergency plans in case of an accidental release, and look for ways to prevent chemical accidents.
- **CATV** funding is provided by the annual fee paid by Comcast for its cable franchise in the City of Wilmington. City Council created the CATV fund to support the activities of the City’s Cable channel 22 WITN station which is managed by City Council.
- **DE-LEAD** is a federal grant from the Department of Housing and Urban Development to support lead-based paint hazard control in low-income and moderate-income owner-occupied and rental properties.

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

- **The Water/Sewer Fund** summarizes the City's water production and distribution, sewage treatment and disposal activities, along with stormwater control. Expenditures regarding these activities are funded by water, sewer and stormwater service charges.

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

## **DESCRIPTION OF APPROPRIATED FUNDS**

(continued)

### **The Commerce Fund (defunct) continued**

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

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

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

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

### **Funding Appropriation**

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

Most of the City's Special Funds are also appropriated through the budget process, but there are notable exceptions, such as the Pension and Parks Trust funds. While a small portion of administrative costs related to these two funds is appropriated and shown in the budget, the large majority of activities, revenues, and costs of these funds is controlled by legally independent boards and trusts, and are not appropriated through the budget process.

Only those Funds (or portions of those Funds) in which the City Council can appropriate expenditures are included in the budget document.

# **BUDGET**

# **SUMMARY**

# **BUDGET HIGHLIGHTS**

## **CITY OF WILMINGTON**

### **FISCAL YEAR 2014**

#### **The General Fund**

- The Fiscal Year (FY) 2014 operating budget expenditures total **\$145,376,145** – up \$2,448,122, or 1.7% from FY 2013. This increase was driven in large part by a number of largely uncontrollable cost factors. Actuarially required pension and pension healthcare contributions rose a total of almost \$942,000. To retain 14 patrol officers that had been principally funded through the now defunct COPS grant, \$683,000 in salary and benefits were added to the General Fund. Employee medical benefit costs increased \$622,000 and contractual employee salary step increases added another \$542,500. Because the Fire SAFER grant will end in mid-year of FY 2014, the half-year cost of \$383,000 for the 13 firefighters currently in the grant was added to the General Fund to avoid reducing the authorized strength. Lastly, required technology upgrades, especially in the area of public safety communications, increased costs by \$382,400.
- Staffing increased by a net total of 12.75 Full-Time Equivalent (FTE) positions. Absorbing the remaining portion of COPS grant-funded patrol officers resulted in 9.67 FTEs transferred in. Retaining SAFER grant-funded firefighters after that grant ends in mid-year of FY 2014 added in a prorated 6.50 FTEs. A FY 2013 mid-year budget amendment by City Council and another by the Mayor added a net 2.00 and 3.00 FTEs respectively, which carried over into FY 2014. A reduction of housing related federal grant funds necessitated a change in the split-funding proration of a number of Real Estate & Housing employees that resulted in 0.93 FTE transferred in. In Finance, although 1.00 FTE (a vacant Senior PREO position) was deleted, it was offset by a net 0.85 FTE increase resulting from the reallocation of costs for a number of positions split-funded between the General and Water/Sewer Funds. In Public Works 0.25 FTE was transferred out because the Fleet Manager (previously the Administrative Engineer) will now be funded 25% by the Water/Sewer Fund. Lastly, City Council transferred out 8.95 FTEs to the CATV Fund.
- As part of the actions necessary to avoid a larger budget deficit, there is no allowance for a general Cost of Living Adjustment (COLA) for employees. A 2.5% COLA would cost about \$1.75 million. This will be the fifth year in a row that economic conditions have dictated that there be no provision for employee COLAs. However, anniversary-based salary step increases for all eligible employees will continue.
- A \$250,000 increase in the Miscellaneous Projects account is a request from City Council to fund youth initiatives and other special projects of interest to Council.
- Consulting costs increased a total of \$241,300 City-wide, fueled largely by three major factors. The contractually mandated administration of the Police Department's bi-annual testing and promotional process by an independent third party added \$150,000. A mayoral initiative for a consultant to develop an education, arts, and cultural affairs integration vision plan will cost \$45,000. Lastly, after a number of years of reduced spending during the recession, the Office of Economic Development has begun to greatly expand the number and scope of its projects, leading to a \$35,000 increase for architectural and engineering support services.



**BUDGET HIGHLIGHTS**  
**CITY OF WILMINGTON**  
**FISCAL YEAR 2014**

**The General Fund** (continued)

- At the request of Council, the cost of the entire Cable and Communications Division of City Council, along with portions of the salary and benefit costs of three senior staff members have been transferred out of the General Fund and into a special CATV Fund. The Comcast franchise fee revenue has also been transferred from the General Fund to the CATV Fund. Because the loss of over \$1.06 million in Comcast franchise fee revenue exceeds the almost \$900,000 of costs transferred out, the General Fund bottom line will be negatively impacted by about \$160,000.
- Fire overtime increased \$150,000 to support the new Fire Chief's controlled company closure program that is replacing the previous Administration's often maligned continuous rolling bypass system. According to the Chief, the controlled company closure program will strike a better balance between public safety and fiscal responsibility.
- The City Treasurer was able to take advantage of historically low bond interest rates to refinance some outstanding series of general obligation bonds with higher interest rates. As a result, total Debt Service decreased by \$736,713 in FY 2014.
- The FY 2014 Budget does not include any tax or fee increases. To balance the budget, the Administration had made a final proposal to transfer \$375,000 from the Economic Strategic Fund. Instead, Council made a number of departmental appropriation changes (\$1.25 million in reductions and \$814,000 in additional Council requests) that were approved through a final floor amendment. The net effect of these spending changes are reflected in the budget control accounts of the affected departments.

# **BUDGET HIGHLIGHTS**

## **CITY OF WILMINGTON**

### **FISCAL YEAR 2014**

#### **The Water/Sewer Fund**

- The FY 2014 operating budget expenditures total **\$66,611,807** – up \$2,275,943, or 3.5% from FY 2013. The FY 2014 budget continues to support the high-priority initiatives begun in recent years deemed essential to achieving financially self-sustaining and environmentally-sound water, sewer, and stormwater utilities. These include an accelerated Combined Sewer Overflow (CSO) mitigation effort, and finished water filtration and supply improvements that exceed EPA standards, contributing to the stability of northern Delaware’s water supply, especially in times of drought.
- The City recently commissioned an in-depth study of all supporting services to the Water/Sewer Fund’s utility functions to create an updated and accurate indirect cost plan. The indirect cost charges (that flow as revenue to the supporting General Fund) had not been updated since the mid-1990s, when they were temporarily frozen as a result of a mediated agreement between the City and New Castle County (NCC) because of a dispute over the NCC sewer bill. Incorporating the new indirect cost plan increased the indirect cost expense to the Water/Sewer Fund by \$1.7 million.
- Recently completed capital projects of extraordinary scope and price, such as the Cool Spring Reservoir project, raising the level of Hoopes Dam, and the Real Time Control system have greatly increased the fixed asset value of the Water/Sewer Fund, resulting in a \$733,000 increase in depreciation expense.
- Professional Fees, including consulting, engineering, and legal fees increased a total of \$103,000. The contract extension on the NCC sewer agreement ends on June 30, 2013. Expert legal counsel will be needed to help the City negotiate a new multi-year contract with New Castle County that settles outstanding issues and paves the way for better cooperation in the future. Increased consulting and engineering fees will support critical initiatives such as GIS integration of asset management and a detailed structural analysis of the Hoopes Reservoir dam to determine the extent of concrete deterioration due to alkali-silica reaction (ASR). Left untreated, ASR can cause serious expansion and cracking in concrete, resulting in critical structural problems.
- Data Processing and Communications internal service costs increased by a total of \$70,000. This increase supports the continued implementation of the *City Works* project that will provide (among other enhancements) GIS integrated infrastructure management, project status and task tracking, and custom-tailored constituent and customer services.
- Overall debt service interest costs were reduced by \$98,400, reflecting the greater use of low-interest State Revolving Fund loans in place of general obligation bonds. Another benefit of using the State Revolving Loan Fund is that it substantially reduces the associated issuance costs.

**BUDGET HIGHLIGHTS**  
**CITY OF WILMINGTON**  
**FISCAL YEAR 2014**

**The Water/Sewer Fund** (continued)

- Contracted maintenance for water and sewer lines, along with a large-scale concrete restoration project at the waste water treatment plant caused an increase to maintenance costs of \$217,000. More than offsetting this increase is a \$330,000 savings (a 29.9% reduction) in electricity costs resulting from the City's green initiatives and lower contractual pricing available because of deregulation.
- Staffing decreased by a net 2.60 FTEs. In Public Works, four (4) vacant positions (two Pumping Station Operators and two Plant Operator IIIs) were deleted and replaced by two (2) new positions: a Water Distribution Supervisor and a Plant Mechanic. Slightly offsetting that staffing reduction was the addition of 0.25 FTE that resulted from the Administrative Engineer position changing from 100% General Fund to 25% Water-Sewer Fund/75% General Fund. Also, the title of the Administrative Engineer was changed to Fleet Manager. In the Finance Department, a net 0.85 FTE was reduced as a result of the reallocation of costs between the Water/Sewer Fund and the General Fund for four variously split-funded positions.
- As part of a planned series of rate adjustments needed to properly fund the City's water, sewer and stormwater utilities, there is a 12% increase in water and sewer rates and an 11% increase to stormwater rates. The setting of rates is based on the recommendations of the recently formed Citizens Advisory Board, created in part to help de-politicize the rate-making process.

**SUMMARY OF COMBINED STATEMENT OF REVENUES  
FY 2010 - FY 2014**

<b>REVENUES</b>	<b>ACTUAL FY2010</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
<b>General Fund</b>					
Taxes	\$101,075,449	\$102,735,970	\$108,219,923	\$103,923,042	\$106,769,172
Permits, Fees & Fines	12,072,268	12,652,152	14,376,495	12,336,773	12,470,360
Other	7,705,367	6,085,892	6,766,871	5,620,134	6,903,999
Task Force Revenues	3,840,957	4,183,747	4,207,837	4,037,572	4,294,993
County Seat Relief	7,546,150	7,949,369	7,708,292	7,688,521	8,117,796
State Pension Contributions	7,434,474	6,981,542	6,549,346	6,984,517	6,984,517
Transfers In	275,000	1,400,422	577,160	375,000	275,000
Prior Year Surplus	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,962,464</u>	<u>0</u>
<b>Subtotal</b>	<b>139,949,665</b>	<b>141,989,094</b>	<b>148,405,924</b>	<b>142,928,023</b>	<b>145,815,837</b>
<b>Water/Sewer Fund</b>					
Direct User Charges	34,585,206	39,559,528	45,447,703	47,647,790	53,103,000
New Castle County Charges	16,717,945	17,646,669	17,583,585	19,364,771	18,915,070
Other	<u>1,045,994</u>	<u>1,437,456</u>	<u>1,750,956</u>	<u>1,271,000</u>	<u>1,284,000</u>
<b>Subtotal</b>	<b>52,349,145</b>	<b>58,643,653</b>	<b>64,782,244</b>	<b>68,283,561</b>	<b>73,302,070</b>
<b>Special Funds</b>					
Fed./State/County Grants	9,062,038	10,223,426	13,355,636	8,476,083	6,550,611
Other	<u>1,874,756</u>	<u>2,385,417</u>	<u>2,795,067</u>	<u>3,605,733</u>	<u>3,775,195</u>
<b>Subtotal</b>	<b>10,936,794</b>	<b>12,608,843</b>	<b>16,150,703</b>	<b>12,081,816</b>	<b>10,325,806</b>
<b>Total Revenues</b>	<b><u>\$203,235,604</u></b>	<b><u>\$213,241,590</u></b>	<b><u>\$229,338,871</u></b>	<b><u>\$223,293,400</u></b>	<b><u>\$229,443,713</u></b>

**SUMMARY OF COMBINED STATEMENT OF EXPENDITURES  
FY 2010 - FY 2014**

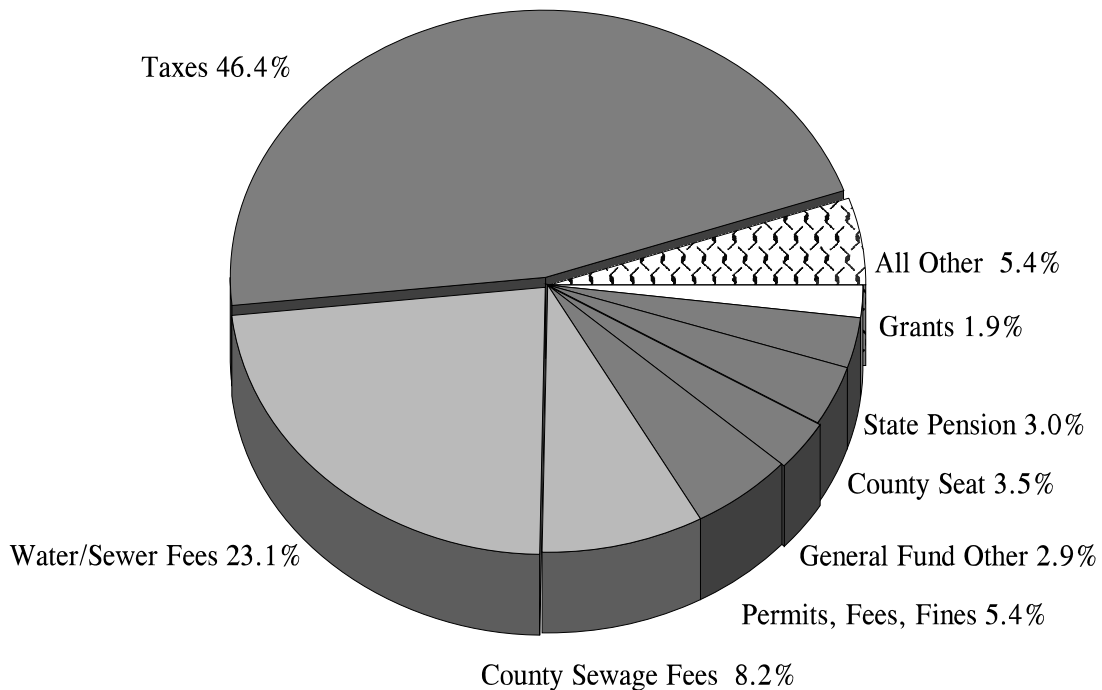
<b>EXPENDITURES</b>	<b>ACTUAL FY2010</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
<b>General Fund</b>					
Personal Services	\$93,489,795	\$94,381,824	\$93,728,339	\$95,276,696	\$97,718,169
M. S. & E.	35,048,618	31,584,870	32,323,387	33,873,607	34,877,355
Debt Service	11,549,349	8,257,993	11,000,745	12,737,650	12,173,051
Other	656,461	575,464	411,214	1,040,070	607,570
<b>Subtotal</b>	<b>140,744,223</b>	<b>134,800,151</b>	<b>137,463,685</b>	<b>142,928,023</b>	<b>145,376,145</b>
<b>Water/Sewer Fund</b>					
Personal Services	9,430,688	10,085,484	9,921,995	10,356,968	10,183,861
M. S. & E.	33,621,126	33,317,873	37,155,482	41,045,747	42,860,063
Debt Service	5,506,711	4,283,208	6,193,410	6,304,572	6,206,159
Other	6,419,913	6,896,952	7,361,725	6,628,576	7,361,724
<b>Subtotal</b>	<b>54,978,438</b>	<b>54,583,517</b>	<b>60,632,612</b>	<b>64,335,863</b>	<b>66,611,807</b>
<b>Special Funds</b>					
Personal Services	3,307,562	3,856,725	5,208,599	4,328,097	3,536,161
M. S. & E.	4,033,812	5,213,524	6,554,609	2,951,709	2,156,393
Other	3,595,420	3,538,594	4,387,495	4,802,010	4,470,647
<b>Subtotal</b>	<b>10,936,794</b>	<b>12,608,843</b>	<b>16,150,703</b>	<b>12,081,816</b>	<b>10,163,201</b>
<b>Total Expenditures</b>	<b>\$206,659,455</b>	<b>\$201,992,511</b>	<b>\$214,247,000</b>	<b>\$219,345,702</b>	<b>\$222,151,153</b>
<b>INCOME/(LOSS)</b>					
General Fund	(794,558)	7,188,943	10,942,239	0	439,692
Water/Sewer Fund	(2,629,293)	4,060,136	4,149,632	3,947,698	6,690,263
Special Funds	0	0	0	0	162,605
<b>Total Income/(Loss)</b>	<b>(\$3,423,851)</b>	<b>\$11,249,079</b>	<b>\$15,091,871</b>	<b>\$3,947,698</b>	<b>\$7,292,560</b>

**SUMMARY ALL FUNDS COMBINED  
FISCAL YEAR 2014**

<b>Revenues</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>Budget FY 2014</b>	<b>Percent Change FY'14-'13</b>	<b>Page Reference*</b>
Taxes	\$102,735,970	\$108,219,923	\$103,923,042	\$106,769,172	2.7%	38
Permits, Fees, Fines	12,652,152	14,376,495	12,336,773	12,470,360	1.1%	38
Task Force Revenues	4,183,747	4,207,837	4,037,572	4,294,993	6.4%	38
County Seat Relief	7,949,369	7,708,292	7,688,521	8,117,796	5.6%	38
State Pension Contr.	6,981,542	6,549,346	6,984,517	6,984,517	0.0%	38
General Fund Other	6,700,487	5,841,059	7,057,190	6,722,833	-4.7%	38
Water/Sewer Fees	39,559,528	45,447,703	47,647,790	53,103,000	11.4%	42
County Sewage Fees	17,646,669	17,583,585	19,364,771	18,915,070	-2.3%	42
Water/Sewer Other	1,437,456	1,750,956	1,271,000	1,284,000	1.0%	42
Port Debt Reimburse.	785,827	1,502,972	900,408	456,166	-49.3%	38
Special Funds Grants	10,223,426	13,355,636	8,476,083	4,426,465	-47.8%	40
Special Funds Other	2,385,417	2,795,067	3,605,733	5,899,341	63.6%	40
<b>Total Revenues</b>	<b><u>\$213,241,590</u></b>	<b><u>\$229,338,871</u></b>	<b><u>\$223,293,400</u></b>	<b><u>\$229,443,713</u></b>	<b><u>2.8%</u></b>	

\* See page listed for further information and details.

**Revenues All Funds  
Fiscal Year 2014**

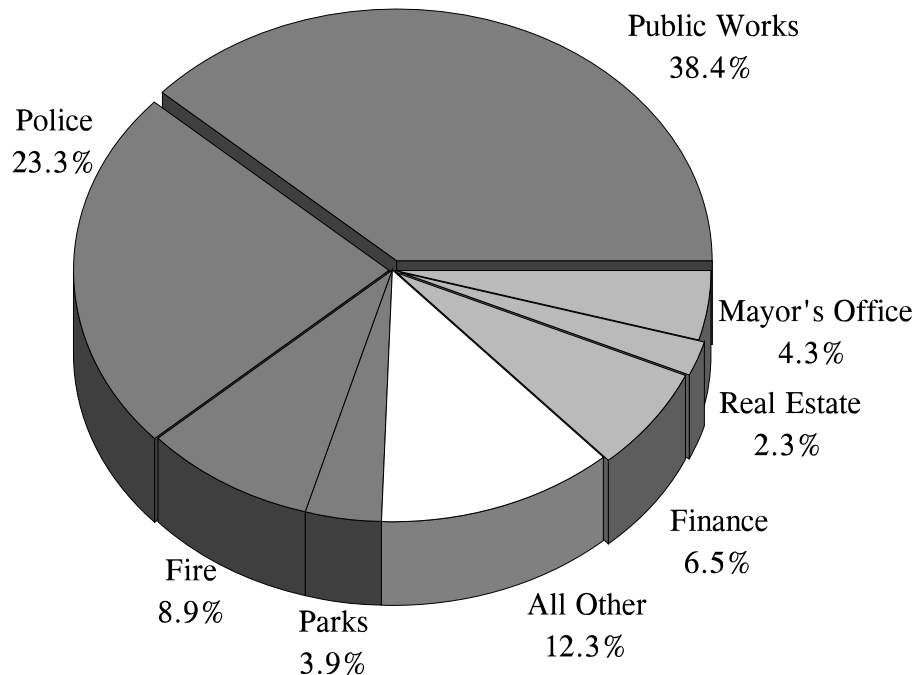


## SUMMARY OF ALL FUNDS COMBINED FISCAL YEAR 2014

<u>Expenditures</u>	<u>Actual FY 2011</u>	<u>Actual FY 2012</u>	<u>Budget FY 2013</u>	<u>Budget FY 2014</u>	<u>Percent Change FY'14-'13</u>	<u>Page Reference*</u>
Mayor's Office	\$7,482,571	\$7,552,314	\$7,081,856	\$9,483,549	33.9%	89
Council	2,402,626	2,560,701	2,481,241	3,042,336	22.6%	99
Treasurer	2,715,067	3,143,402	3,862,894	4,086,282	5.8%	107
Planning	1,529,761	1,581,753	1,611,465	1,677,423	4.1%	115
Audit	766,260	761,418	773,549	766,540	-0.9%	124
Law	2,890,737	3,104,875	2,893,004	3,009,578	4.0%	129
Finance	13,234,323	13,935,261	13,846,562	14,487,797	4.6%	135
Human Resources	1,767,377	1,819,672	2,037,916	2,001,801	-1.8%	145
Licenses & Inspections	4,255,229	4,121,324	4,528,006	4,768,281	5.3%	158
Parks & Recreation	9,771,848	9,362,179	9,437,900	8,671,010	-8.1%	163
Fire	19,633,389	21,871,948	19,840,344	19,878,902	0.2%	173
Police	50,261,709	51,996,210	50,285,328	51,849,321	3.1%	181
Public Works	72,102,207	78,512,752	86,399,040	85,284,048	-1.3%	192
Real Estate & Housing	5,019,034	5,275,696	5,393,490	5,154,366	-4.4%	208
Commerce (Port Debt)	1,178,833	2,096,986	1,263,590	880,402	-30.3%	221
State Pension Contr.	6,981,540	6,550,509	6,984,517	6,984,517	0.0%	174 & 182
Contingent Reserves	<u>0</u>	<u>0</u>	<u>625,000</u>	<u>125,000</u>	<u>-80.0%</u>	89
<b>Total Expenditures</b>	<b><u>\$201,992,511</u></b>	<b><u>\$214,247,000</u></b>	<b><u>\$219,345,702</u></b>	<b><u>\$222,151,153</u></b>	<b><u>1.3%</u></b>	

\* See page listed for further information and details.

## Expenditures All Funds Fiscal Year 2014



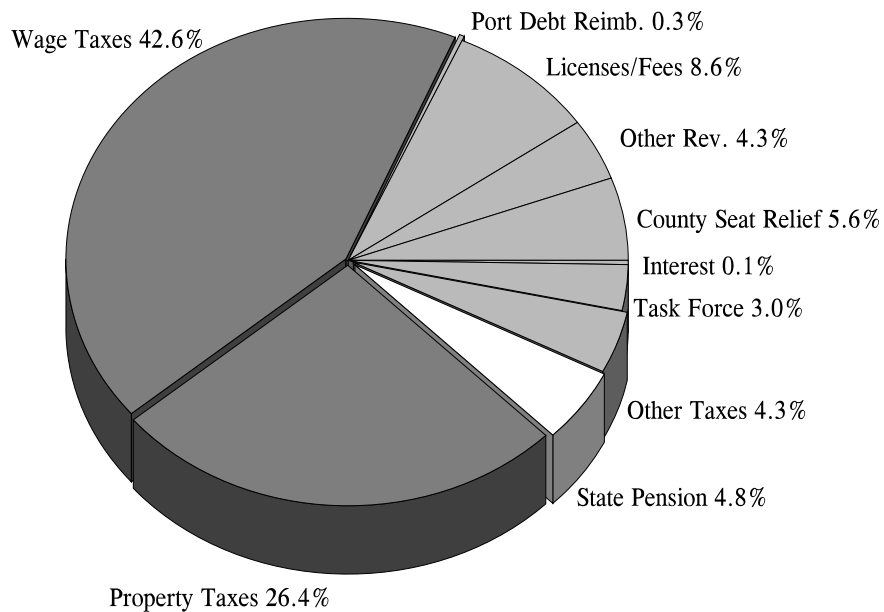
## SUMMARY OF GENERAL FUND FISCAL YEAR 2014

<u>Revenues</u>	<u>Actual FY 2011</u>	<u>Actual FY 2012</u>	<u>Budget FY 2013</u>	<u>Budget FY 2014</u>	<u>Percent Change FY'14-'13</u>	<u>Page Reference*</u>
Wage Tax	\$56,550,527	\$60,855,276	\$58,192,500	\$62,033,043	6.6%	68
Property Tax	39,187,019	39,013,879	38,456,440	38,424,100	-0.1%	69
Other Taxes	6,998,424	8,350,768	7,274,102	6,312,029	-13.2%	70
Licenses, Permits, Fees & Fines	12,652,152	14,376,495	12,336,773	12,470,360	1.1%	71
Interest	177,544	164,501	207,193	207,193	0.0%	72
Other Revenues	5,122,521	5,099,398	4,512,533	6,240,640	38.3%	73
Task Force Revenues	4,183,747	4,207,837	4,037,572	4,294,993	6.4%	74
County Seat Relief	7,949,369	7,708,292	7,688,521	8,117,796	5.6%	75
State Pension Contr.	6,981,542	6,549,346	6,984,517	6,984,517	0.0%	76
Port Debt Reimburse.	785,827	1,502,972	900,408	456,166	-49.3%	76
Transfers In/(Out)	1,400,422	577,160	375,000	275,000	-26.7%	77
Use of Fund Balance	<u>0</u>	<u>0</u>	<u>1,962,464</u>	<u>0</u>	<u>-100.0%</u>	<u>77</u>
<b>Total Revenues</b>	<b><u>\$141,989,094</u></b>	<b><u>\$148,405,924</u></b>	<b><u>\$142,928,023</u></b>	<b><u>\$145,815,837</u></b>	<b><u>2.0%</u></b>	

\* 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 2014





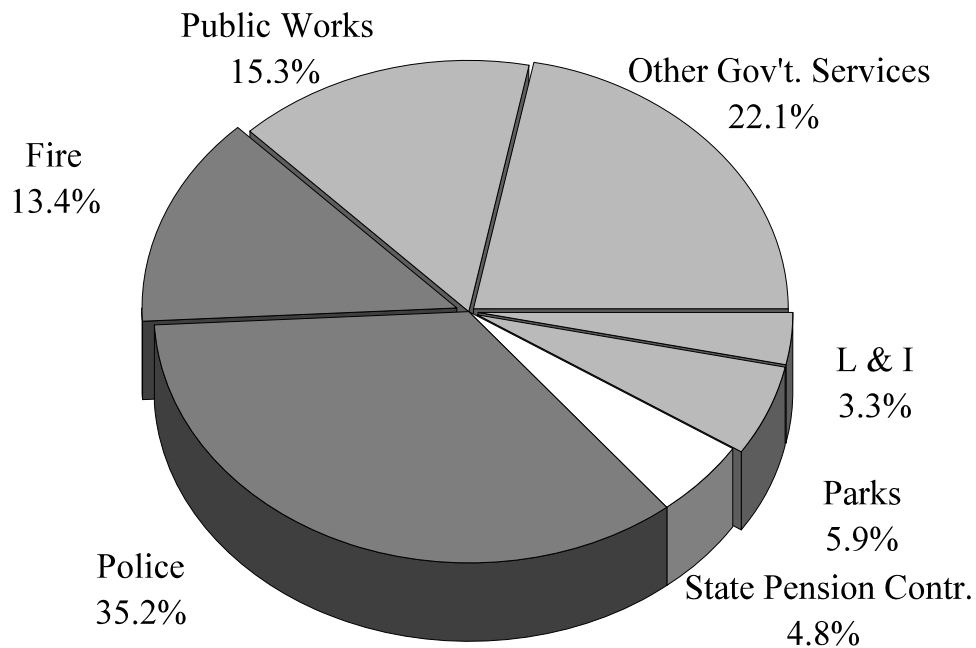
## SUMMARY OF GENERAL FUND FISCAL YEAR 2014

<u>Expenditures</u>	<u>Actual FY 2011</u>	<u>Actual FY 2012</u>	<u>Budget FY 2013</u>	<u>Budget FY 2014</u>	<u>Percent Change FY'14-'13</u>	<u>Page Reference*</u>
Mayor's Office	\$7,241,634	\$7,381,368	\$7,020,620	\$9,420,801	34.2%	89
Council	2,402,626	2,560,701	2,481,241	2,142,868	-13.6%	100
Treasurer	407,194	428,675	413,353	432,507	4.6%	107
Planning	1,470,955	1,522,602	1,575,412	1,635,362	3.8%	115
Audit	708,260	701,418	713,549	695,648	-2.5%	124
Law	2,890,737	3,104,875	2,893,004	3,009,578	4.0%	130
Finance	9,917,370	10,524,950	10,122,497	10,045,995	-0.8%	136
Human Resources	1,767,377	1,819,672	2,037,916	2,001,801	-1.8%	146
Licenses & Inspections	4,255,229	4,121,324	4,528,006	4,768,281	5.3%	158
Parks & Recreation	7,702,528	8,058,670	8,201,708	8,549,590	4.2%	164
Fire	18,817,517	18,385,493	18,807,402	19,496,240	3.7%	173
Police	47,842,208	48,645,042	48,918,146	51,105,072	4.5%	182
Public Works	20,003,409	20,254,686	24,957,008	22,310,769	-10.6%	192
Real Estate & Housing	1,212,734	1,306,714	1,385,054	1,771,714	27.9%	208
Commerce (Port Debt)	1,178,833	2,096,986	1,263,590	880,402	-30.3%	221
State Pension Contr.	6,981,540	6,550,509	6,984,517	6,984,517	0.0%	174 & 182
Contingent Reserves**	<u>0</u>	<u>0</u>	<u>625,000</u>	<u>125,000</u>	<u>-80.0%</u>	89
<b>Total Expenditures</b>	<b><u>\$134,800,151</u></b>	<b><u>\$137,463,685</u></b>	<b><u>\$142,928,023</u></b>	<b><u>\$145,376,145</u></b>	<b><u>1.7%</u></b>	

\* See page listed for further information and details.

\*\* While Council appropriated the usual \$125,000 for snow and weather emergencies, they deleted funding for the \$300,000 City-wide Operating Budget Contingency Fund.

## General Fund Expenditures Fiscal Year 2014



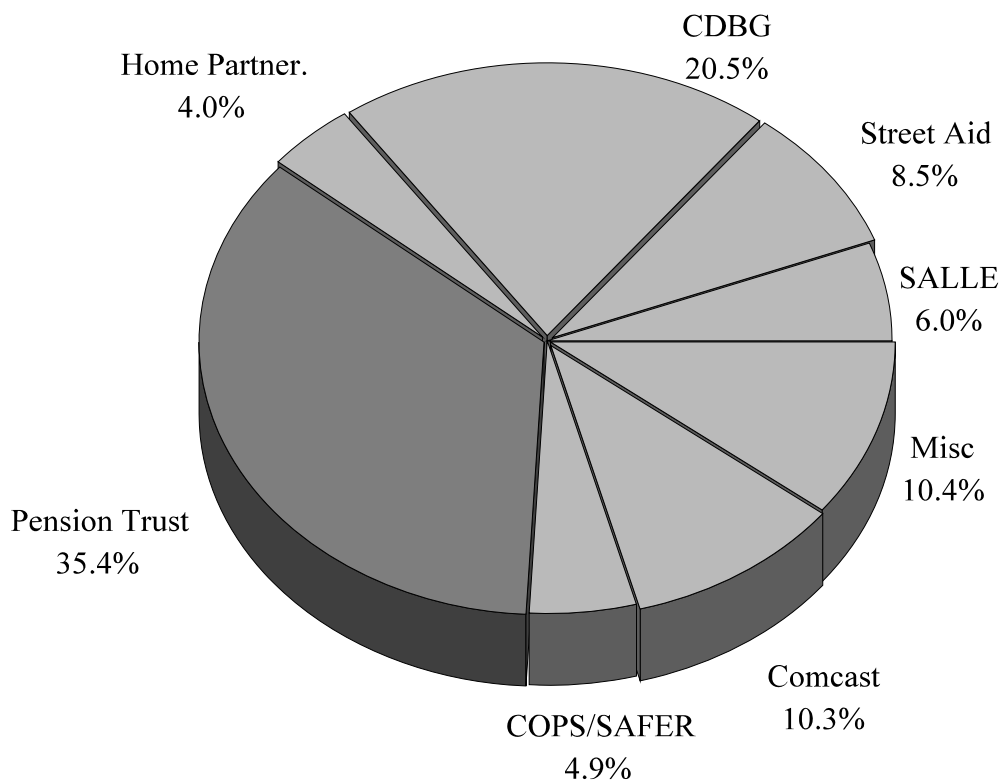
## SUMMARY OF SPECIAL FUNDS FISCAL YEAR 2014

<u>Revenues</u>	<u>Actual FY 2011</u>	<u>Actual FY 2012</u>	<u>Budget FY 2013</u>	<u>Budget FY 2014</u>	<u>Percent Change FY'14-'13</u>	<u>Page Reference*</u>
Municipal Street Aid	\$890,234	\$1,095,765	\$890,234	\$874,166	-1.8%	78
CDBG	2,953,370	2,496,644	2,368,343	2,114,703	-10.7%	78
Comcast Franchise	0	0	0	1,062,073	N/A	78
COPS Grant	993,248	1,303,879	808,407	125,495	-84.5%	79
SAFER	0	581,546	841,158	382,662	-54.5%	79
Parks Assistance	1,497,245	914,398	800,000	0	-100.0%	79
Parks Trust Fund	77,544	80,340	156,192	121,420	-22.3%	80
SALLE/LLEBG	1,248,816	2,047,289	558,775	618,754	10.7%	80
Pension Admin.	2,307,873	2,714,727	3,449,541	3,653,775	5.9%	80
Home Partnership	102,916	752,738	620,147	416,976	-32.8%	81
Byrne Grant	177,437	0	0	0	0.0%	81
Miscellaneous Grants	<u>2,360,160</u>	<u>4,163,377</u>	<u>1,589,019</u>	<u>955,782</u>	<u>-39.9%</u>	81
<b>Total Revenues</b>	<b><u>\$12,608,843</u></b>	<b><u>\$16,150,703</u></b>	<b><u>\$12,081,816</u></b>	<b><u>\$10,325,806</u></b>	<b><u>-14.5%</u></b>	

\* 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 endowment. The Comcast franchise fee is a special exception related to City Council's CATV Fund.

## Special Funds Revenues Fiscal Year 2014



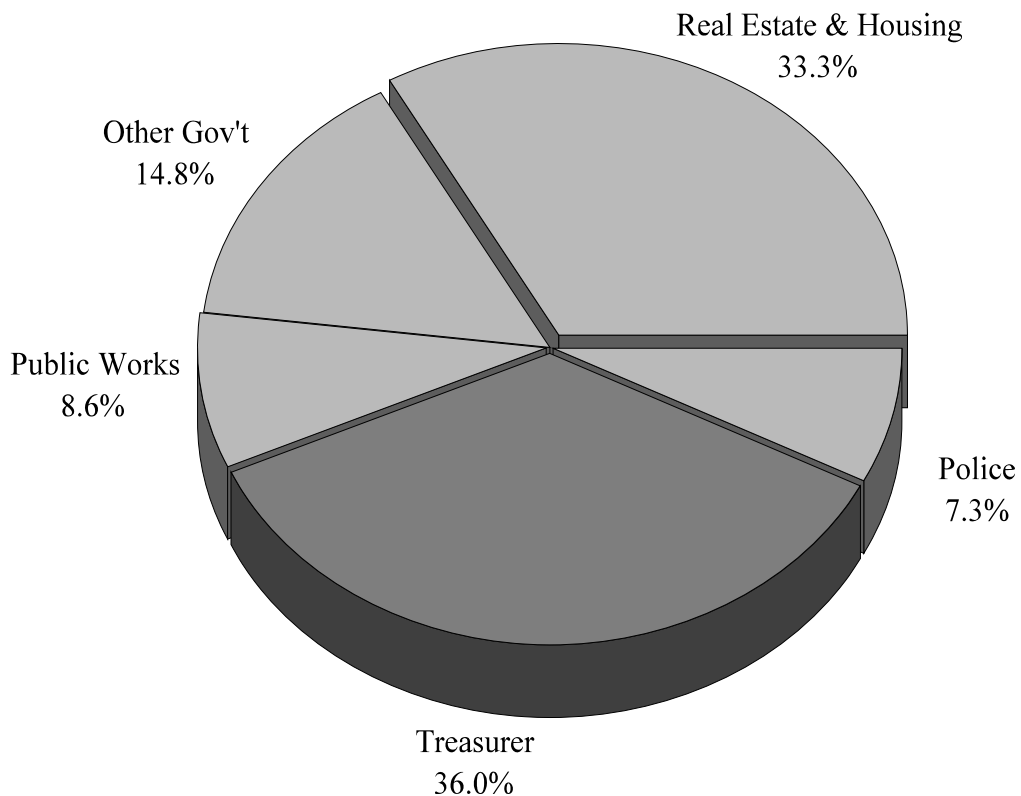
## SUMMARY OF SPECIAL FUNDS FISCAL YEAR 2014

<u>Expenditures</u>	<u>Actual FY 2011</u>	<u>Actual FY 2012</u>	<u>Budget FY 2013</u>	<u>Budget FY 2014</u>	<u>Percent Change FY'14-'13</u>	<u>Page Reference*</u>
Mayor's Office	\$240,937	\$170,946	\$61,236	\$62,748	2.5%	90
City Council	0	0	0	899,468	N/A	100
Treasurer	2,307,873	2,714,727	3,449,541	3,653,775	5.9%	108
Planning	58,806	59,151	36,053	42,061	16.7%	115
Licenses & Inspections	0	0	0	0	0.0%	N/A
Parks & Recreation	2,069,320	1,303,509	1,236,192	121,420	-90.2%	164
Fire	815,872	3,486,455	1,032,942	382,662	-63.0%	174
Police	2,419,501	3,351,168	1,367,182	744,249	-45.6%	182
Public Works	890,234	1,095,765	890,234	874,166	-1.8%	193
Real Estate & Housing	<u>3,806,300</u>	<u>3,968,982</u>	<u>4,008,436</u>	<u>3,382,652</u>	<u>-15.6%</u>	208
<b>Total Expenditures</b>	<b><u>\$12,608,843</u></b>	<b><u>\$16,150,703</u></b>	<b><u>\$12,081,816</u></b>	<b><u>\$10,163,201</u></b>	<b><u>-15.9%</u></b>	

\* See page listed for further information and details.

Except in the special case of the CATV Fund in City Council, for these Special Funds, total expenditures are equal to total revenues for purposes of appropriation. Therefore, there is no income, fund balance or change in fund balance.

## Special Funds Expenditures Fiscal Year 2014

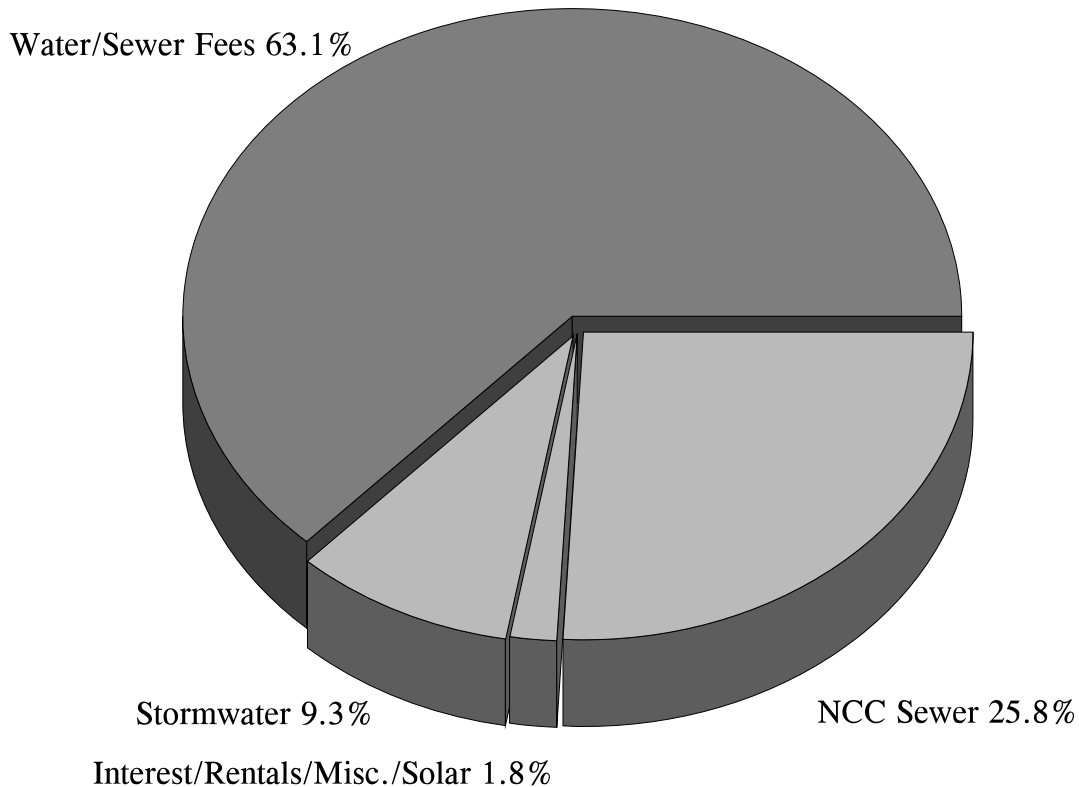


**SUMMARY OF WATER/SEWER FUND  
FISCAL YEAR 2014**

<b>Revenues</b>	<b>Actual FY 2011</b>	<b>Actual FY 2012</b>	<b>Budget FY 2013</b>	<b>Budget FY 2014</b>	<b>Percent Change FY'14-'13</b>	<b>Page Reference*</b>
Water/Sewer						
User Fees	\$35,332,168	\$40,836,954	\$42,164,000	\$46,274,000	9.7%	82
Stormwater Billings	4,227,360	4,610,749	5,483,790	6,829,000	24.5%	83
New Castle County						
Sewer Services	17,646,669	17,583,585	19,364,771	18,915,070	-2.3%	84
Interest	15,000	37,969	15,000	15,000	0.0%	85
Rentals/Misc.	1,422,456	1,112,153	1,056,000	1,069,000	1.2%	86
Solar Panels	0	600,834	200,000	200,000	0.0%	86
<b>Total Revenues</b>	<b><u>\$58,643,653</u></b>	<b><u>\$64,782,244</u></b>	<b><u>\$68,283,561</u></b>	<b><u>\$73,302,070</u></b>	<b><u>7.4%</u></b>	

\* See page listed for further information and details.

## Water/Sewer Fund Revenues Fiscal Year 2014

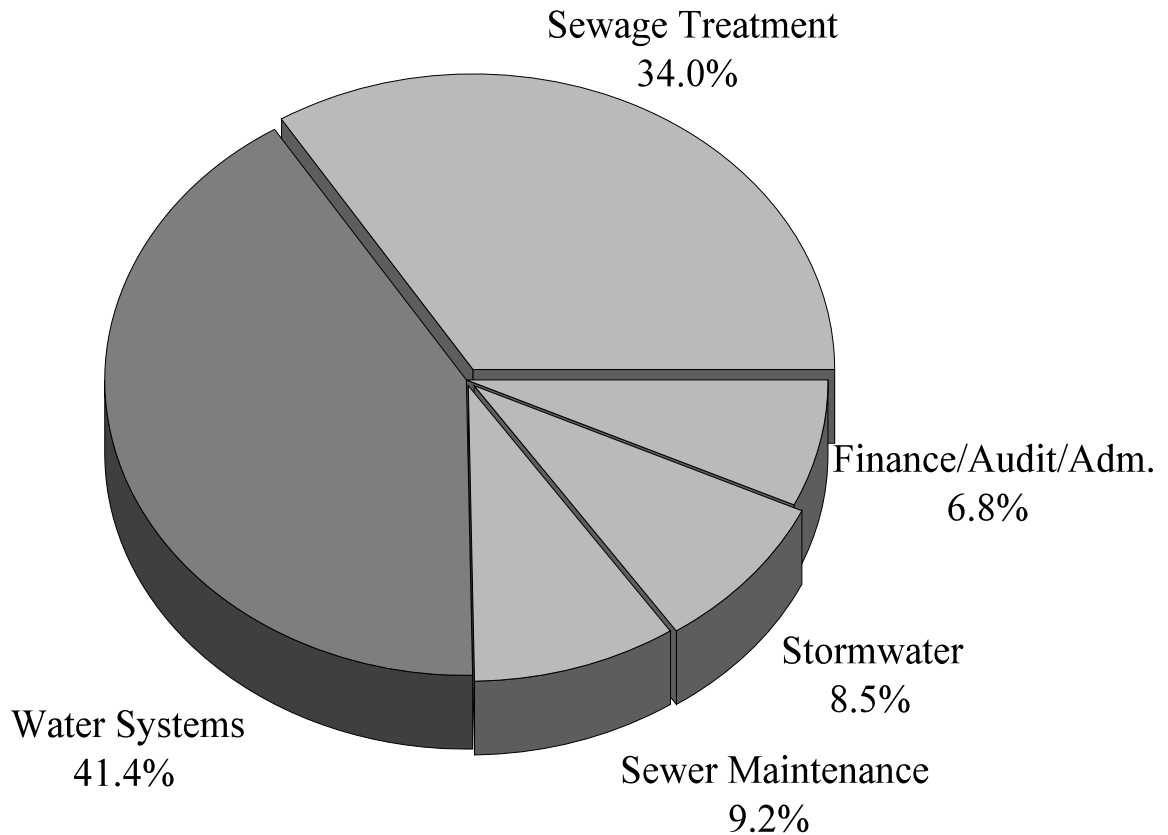


**SUMMARY OF WATER/SEWER FUND  
FISCAL YEAR 2014**

<u>Expenditures</u>	<u>Actual FY 2011</u>	<u>Actual FY 2012</u>	<u>Budget FY 2013</u>	<u>Budget FY 2014</u>	<u>Percent Change FY'14-'13</u>	<u>Page Reference*</u>
Audit	\$58,000	\$60,000	\$60,000	\$70,892	18.2%	124
Finance	3,316,953	3,410,311	3,724,065	4,441,802	19.3%	136
Public Works	<u>51,208,564</u>	<u>57,162,301</u>	<u>60,551,798</u>	<u>62,099,113</u>	<u>2.6%</u>	192
<b>Total Expenditures</b>	<b><u>\$54,583,517</u></b>	<b><u>\$60,632,612</u></b>	<b><u>\$64,335,863</u></b>	<b><u>\$66,611,807</u></b>	<b><u>3.5%</u></b>	

\* See page listed for further information and details.

## Water/Sewer Fund Expenditures Fiscal Year 2014



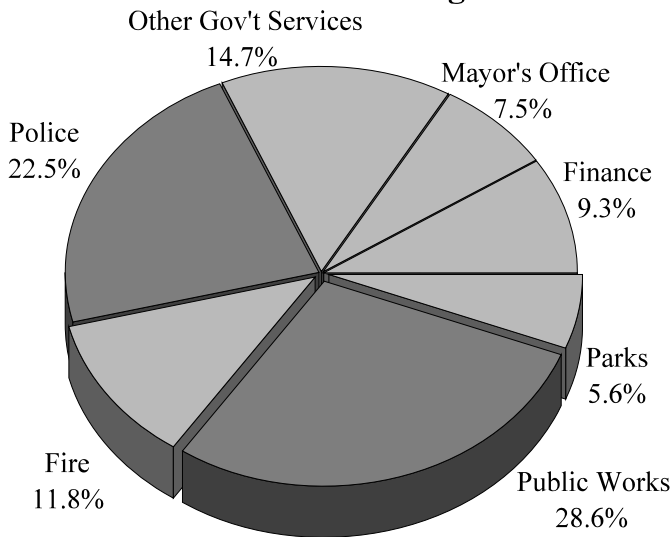
## SUMMARY OF INTERNAL SERVICE FUNDS FISCAL YEAR 2014

<u>Expenditures**</u>	<u>Actual FY 2011</u>	<u>Actual FY 2012</u>	<u>Budget FY 2013</u>	<u>Budget FY 2014</u>	<u>Percent Change FY'14-'13</u>	<u>Page Reference*</u>
Mayor's Office	\$6,461,275	\$7,471,354	\$8,168,356	\$8,960,206	9.7%	90
Human Resources	21,079,454	21,951,126	22,250,895	23,087,610	3.8%	146
Public Works	<u>7,222,559</u>	<u>7,223,656</u>	<u>7,191,773</u>	<u>7,839,717</u>	<u>9.0%</u>	193
<b>Total Expenditures</b>	<b><u>\$34,763,288</u></b>	<b><u>\$36,646,136</u></b>	<b><u>\$37,611,024</u></b>	<b><u>\$39,887,533</u></b>	<b><u>6.1%</u></b>	

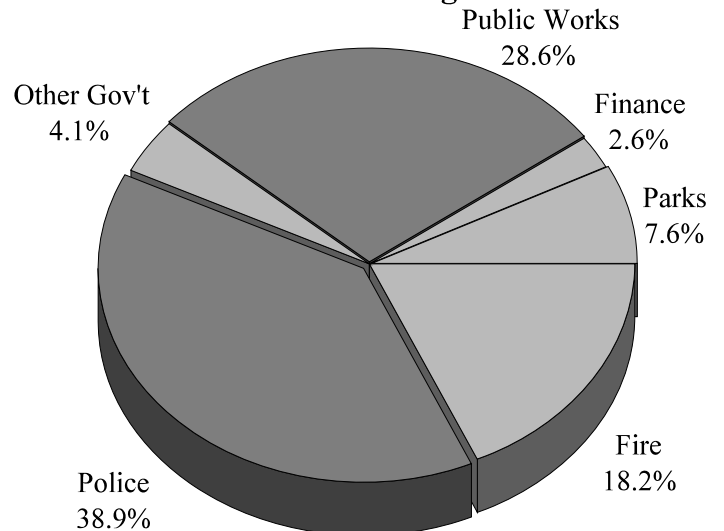
\* See page listed for further information and details.

\*\* 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 '14 Internal Service Charge Allocations



### Self-Insurance Program FY '14 Internal Service Charge Allocations



**CAPITAL IMPROVEMENTS PROGRAM**  
**FISCAL YEARS 2014-2019**  
(000 omitted)

<b>SUMMARY: TOTAL FUNDS RECOMMENDED BY FISCAL YEAR AND DEPARTMENT</b>										
NAME OF DEPARTMENT	TYPE OF FUNDING	<u>FISCAL YEARS</u>						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD	
		2014	2015	2016	2017	2018	2019			
FINANCE	G	547	0	1,080	0	663	0	2,290	2,290	
	W	1,305	0	1,464	0	1,074	0	3,843	3,843	
FIRE	G	2,100	0	10,825	0	600	0	13,525	13,525	
OFFICE OF THE MAYOR	G	274	0	0	0	0	0	274	274	
PARKS AND RECREATION	G	2,845	0	5,515	0	4,040	0	12,400	12,400	
	O	150	0	150	0	175	0	0	475	
PLANNING	G	800	0	0	0	0	0	800	800	
POLICE	G	750	0	0	0	0	0	750	750	
PUBLIC WORKS	G	6,900	0	15,700	0	14,700	0	37,300	37,300	
	W	43,500	0	48,800	0	35,800	0	128,100	128,100	
REAL ESTATE & HOUSING	G	1,500	0	1,500	0	300	0	3,300	3,300	
TRANSPORTATION	G	3,050	0	2,450	0	2,450	0	7,950	7,950	
	O	8,000	0	0	0	0	0	0	8,000	
<b>TOTAL BY FUND</b>	G	18,766	0	37,070	0	22,753	0	78,589	78,589	
	O	8,150	0	150	0	175	0	0	8,475	
	W	44,805	0	50,264	0	36,874	0	131,943	131,943	
<b>GRAND TOTAL</b>		71,721	0	87,484	0	59,802	0	210,532	219,007	

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

**CAPITAL IMPROVEMENTS PROGRAM**  
**FISCAL YEARS 2014-2019**  
(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
		2014	2015	2016	2017	2018	2019		
FINANCE	NS	195	0	191	0	102	0	488	488
	NR	296	0	220	0	82	0	598	598
	UE	632	0	1,001	0	716	0	2,349	2,349
	RE	729	0	1,132	0	837	0	2,698	2,698
FIRE	NR	1,100	0	6,575	0	600	0	8,275	8,275
	RE	1,000	0	4,250	0	0	0	5,250	5,250
OFFICE OF THE MAYOR	NS	274	0	0	0	0	0	274	274
PARKS AND RECREATION	NS	330	0	385	0	440	0	1,155	1,155
	UE	1,760	0	2,055	0	2,410	0	5,750	6,225
	RE	905	0	3,225	0	1,365	0	5,495	5,495
PLANNING	UE	800	0	0	0	0	0	800	800
POLICE	UE	750	0	0	0	0	0	750	750
PUBLIC WORKS	NS	6,000	0	4,500	0	3,500	0	14,000	14,000
	UE	25,000	0	27,800	0	19,800	0	72,600	72,600
	RE	19,400	0	32,200	0	27,200	0	78,800	78,800
REAL ESTATE & HOUSING	NS	1,000	0	1,000	0	300	0	2,300	2,300
	UE	500	0	500	0	0	0	1,000	1,000
TRANSPORTATION	NR	10,500	0	2,000	0	2,000	0	6,500	14,500
	UE	550	0	450	0	450	0	1,450	1,450
<b>TOTAL BY EXPENDITURE CATEGORY</b>									
	NS	7,799	0	6,076	0	4,342	0	18,217	18,217
	NR	11,896	0	8,795	0	2,682	0	15,373	23,373
	UE	29,992	0	31,806	0	23,376	0	84,699	85,174
	RE	22,034	0	40,807	0	29,402	0	92,243	92,243
<b>GRAND TOTAL</b>		<b>71,721</b>	<b>0</b>	<b>87,484</b>	<b>0</b>	<b>59,802</b>	<b>0</b>	<b>210,532</b>	<b>219,007</b>

Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 225-226)

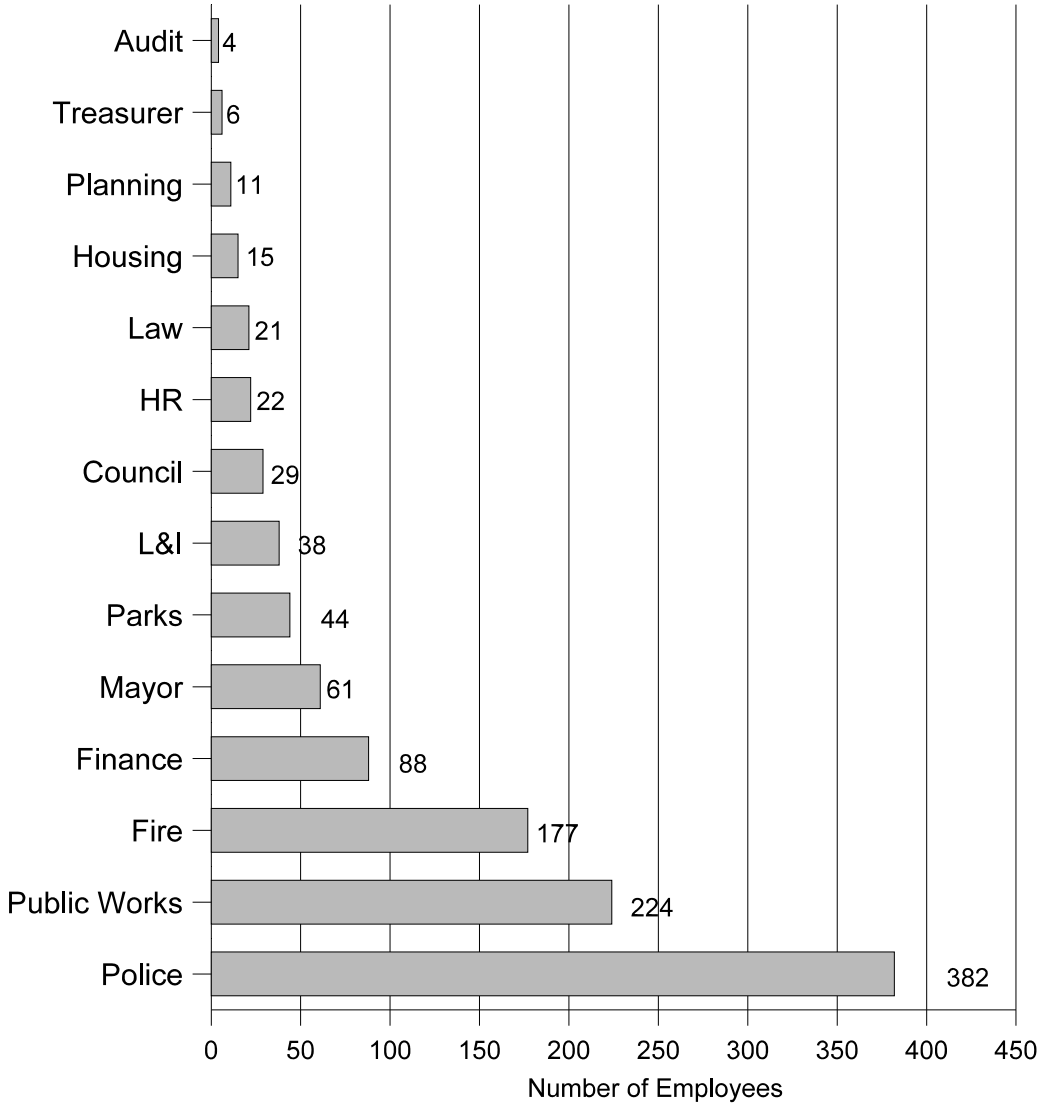


## SUMMARY OF STAFFING LEVELS FISCAL YEAR 2014

### TOTAL NUMBER OF EMPLOYEES ALL FUNDS

<u>Department</u>	<u>Actual FY2010</u>	<u>Actual FY2011</u>	<u>Budget FY2012</u>	<u>Budget FY2013</u>	<u>Budget FY2014</u>	<u>Net Change FY'14-'13</u>
Mayor's Office	60.00	59.00	58.00	57.00	61.00	4.00
Council	29.00	29.00	28.00	27.00	29.00	2.00
Treasurer	7.00	7.00	6.00	6.00	6.00	0.00
Planning	12.00	12.00	11.00	11.00	11.00	0.00
Audit	5.00	5.00	4.00	4.00	4.00	0.00
Law	23.00	23.00	21.00	21.00	21.00	0.00
Finance	75.00	97.00	93.00	90.00	88.00	(2.00)
Human Resources	23.00	23.00	22.00	22.00	22.00	0.00
Licenses & Inspections	44.00	42.00	38.00	38.00	38.00	0.00
Parks & Recreation	53.00	50.00	44.00	44.00	44.00	0.00
Fire	172.00	172.00	177.00	177.00	177.00	0.00
Police	416.00	402.00	390.00	382.00	382.00	0.00
Public Works	229.00	229.00	226.00	226.00	224.00	(2.00)
Real Estate & Housing	<u>17.00</u>	<u>17.00</u>	<u>16.00</u>	<u>15.00</u>	<u>15.00</u>	<u>0.00</u>
<b>TOTAL</b>	<b><u>1,165</u></b>	<b><u>1,167</u></b>	<b><u>1,134</u></b>	<b><u>1,120</u></b>	<b><u>1,122</u></b>	<b><u>2.00</u></b>
<b>Total Employees per every 1,000 Persons in City Population</b>	<b><u>16.00</u></b>	<b><u>16.02</u></b>	<b><u>16.01</u></b>	<b><u>15.81</u></b>	<b><u>15.84</u></b>	

**TOTAL NUMBER OF CITY EMPLOYEES BY DEPT.  
FISCAL YEAR 2014  
(ALL FUNDS)**



Over 73% (or 821) of the City's employees work to provide Public Safety (Police, Fire, L&I) and Public Works services.

**SUMMARY OF STAFFING LEVELS  
FISCAL YEAR 2014**

**GENERAL FUND  
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Actual FY2010</u>	<u>Actual FY2011</u>	<u>Budget FY2012</u>	<u>Budget FY2013</u>	<u>Budget FY2014</u>	<u>Net Change FY'14-'13</u>
Mayor's Office	38.50	37.50	34.50	33.50	37.50	4.00
Council	29.00	29.00	28.00	27.00	20.05	(6.95)
Treasurer	3.42	3.42	2.92	2.92	2.92	0.00
Planning	11.60	11.60	10.60	10.63	10.63	0.00
Audit	5.00	5.00	4.00	4.00	4.00	0.00
Law	23.00	23.00	21.00	21.00	21.00	0.00
Finance	44.25	67.55	65.45	63.65	62.50	(1.15)
Human Resources	16.00	16.00	15.00	15.00	15.00	0.00
Licenses & Inspections	44.00	42.00	38.00	38.00	38.00	0.00
Parks & Recreation	53.00	50.00	44.00	44.00	44.00	0.00
Fire	172.00	172.00	164.00	164.00	170.50	6.50
Police	408.00	378.00	365.00	362.65	372.32	9.67
Public Works	126.25	126.25	123.25	122.65	122.40	(0.25)
Real Estate & Housing	<u>2.43</u>	<u>1.83</u>	<u>1.35</u>	<u>1.55</u>	<u>2.48</u>	<u>0.93</u>
<b>TOTAL</b>	<b><u>976.45</u></b>	<b><u>963.15</u></b>	<b><u>917.07</u></b>	<b><u>910.55</u></b>	<b><u>923.30</u></b>	<b><u>12.75</u></b>

**SPECIAL FUNDS  
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Actual FY2010</u>	<u>Actual FY2011</u>	<u>Budget FY2012</u>	<u>Budget FY2013</u>	<u>Budget FY2014</u>	<u>Net Change FY'14-'13</u>
Mayor's Office	0.50	0.50	0.50	0.50	0.50	0.00
Treasurer	3.58	3.58	3.08	3.08	3.08	0.00
Planning	0.40	0.40	0.40	0.37	0.37	0.00
City Council	0.00	0.00	0.00	0.00	8.95	8.95
Real Estate and Housing	14.57	15.17	14.65	13.45	12.52	(0.93)
Fire	0.00	0.00	13.00	13.00	6.50	(6.50)
Police	<u>8.00</u>	<u>24.00</u>	<u>25.00</u>	<u>19.35</u>	<u>9.68</u>	<u>(9.67)</u>
<b>TOTAL</b>	<b><u>27.05</u></b>	<b><u>43.65</u></b>	<b><u>56.63</u></b>	<b><u>49.75</u></b>	<b><u>41.60</u></b>	<b><u>(8.15)</u></b>

**SUMMARY OF STAFFING LEVELS  
FISCAL YEAR 2014**

**WATER/SEWER FUND  
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Actual FY2010</u>	<u>Actual FY2011</u>	<u>Budget FY2012</u>	<u>Budget FY2013</u>	<u>Budget FY2014</u>	<u>Net Change FY'14-'13</u>
Finance	30.75	29.45	27.55	26.35	25.50	(0.85)
Public Works	<u>102.75</u>	<u>102.75</u>	<u>102.75</u>	<u>103.35</u>	<u>101.60</u>	<u>(1.75)</u>
<b>TOTAL</b>	<b><u>133.50</u></b>	<b><u>132.20</u></b>	<b><u>130.30</u></b>	<b><u>129.70</u></b>	<b><u>127.10</u></b>	<b><u>(2.60)</u></b>

**COMMERCE FUND  
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Actual FY2010</u>	<u>Actual FY2011</u>	<u>Budget FY2012</u>	<u>Budget FY2013</u>	<u>Budget FY2014</u>	<u>Net Change FY'14-'13</u>
Mayor's Office	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>TOTAL</b>	<b><u>0.00</u></b>	<b><u>0.00</u></b>	<b><u>0.00</u></b>	<b><u>0.00</u></b>	<b><u>0.00</u></b>	<b><u>0.00</u></b>

**INTERNAL SERVICE FUNDS  
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Actual FY2010</u>	<u>Actual FY2011</u>	<u>Budget FY2012</u>	<u>Budget FY2013</u>	<u>Budget FY2014</u>	<u>Net Change FY'14-'13</u>
Mayor's Office	21.00	21.00	23.00	23.00	23.00	0.00
Human Resources	7.00	7.00	7.00	7.00	7.00	0.00
Finance	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>TOTAL</b>	<b><u>28.00</u></b>	<b><u>28.00</u></b>	<b><u>30.00</u></b>	<b><u>30.00</u></b>	<b><u>30.00</u></b>	<b><u>0.00</u></b>
<b>TOTAL ALL FUNDS</b>	<b><u>1,165</u></b>	<b><u>1,167</u></b>	<b><u>1,134</u></b>	<b><u>1,120</u></b>	<b><u>1,122</u></b>	<b><u>2.00</u></b>

# Actual and Projected Fund Balances and Net Assets

**FUND BALANCE  
GENERAL FUND  
FISCAL YEAR 2014**

<b>Fund Balance Activity</b>	<b>Actual FY 2012</b>	<b>Estimated FY 2013</b>	<b>Projected FY 2014</b>
Fund Balance as of July 1	\$37,801,380	\$45,245,468	\$47,693,271
Excess of Revenues Over/(Under) Expenditures	10,365,079	2,072,803	164,692
Other Financing Sources/(Uses):			
Transfer from/(to) Water/Sewer Fund	-	-	-
Transfer from/(to) Wilmington Parking Authority	275,000	375,000	275,000
Transfer from/(to) Special/Other Funds	<u>(3,195,991)</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources/(Uses)	(2,920,991)	375,000	275,000
<b>Net Change in Fund Balance</b>	<b>7,444,088</b>	<b>2,447,803</b>	<b>439,692</b>
<b>Total Fund Balance as of June 30</b>	<b><u>\$45,245,468</u></b>	<b><u>\$47,693,271</u></b>	<b><u>\$48,132,963</u></b>

**Summary of Fund Balance**

Non-spendable	\$9,988,293	\$7,238,293	\$4,488,293
Committed (Budget Reserve*)	14,292,802	14,537,625	15,123,967
Unassigned	<u>20,964,373</u>	<u>25,917,354</u>	<u>28,520,703</u>
<b>Total Fund Balance as of June 30</b>	<b><u>\$45,245,468</u></b>	<b><u>\$47,693,271</u></b>	<b><u>\$48,132,963</u></b>

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

**FUND BALANCE**

For the General Fund (and other governmental funds), the difference between fund assets and liabilities is labeled as “**Fund Balance**” on the financial statement. Fund balance is further defined by the following subcategories:

**Non-spendable** – Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.

**Restricted** – Amounts that can be spent only for specific purposes because of the City Charter, City Code, State or federal laws, or externally imposed conditions by grantors or creditors.

**Committed** – Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance or resolution. This includes the Budget Reserve Account.

**Assigned** – Amounts that are allocated for a future use by the Mayor, but are not spendable until a budget ordinance appropriating the amounts is passed by City Council.

**Unassigned** – All amounts not included in other spendable classifications.

**FUND NET ASSETS  
WATER/SEWER FUND  
FISCAL YEAR 2014**

<b>Fund Net Assets Activity</b>	<b>Actual FY 2012</b>	<b>Estimated FY 2013</b>	<b>Projected FY 2014</b>
Net Assets as of July 1	\$97,624,885	\$102,097,361	\$108,677,170
Excess of Revenues Over/(Under) Expenditures	10,184,545	11,144,099	11,612,422
Non-Operating Revenues/(Expenses)			
Interest Expense	(6,324,914)	(5,835,290)	(6,206,159)
Other	<u>612,845</u>	<u>1,271,000</u>	<u>1,284,000</u>
Total Non-Operating Revenues/(Expenses)	(5,712,069)	(4,564,290)	(4,922,159)
Income/(Loss) Before Transfers	4,472,476	6,579,809	6,690,263
Transfer from/(to) General Fund	-	-	-
<b>Change in Net Assets</b>	<b>4,472,476</b>	<b>6,579,809</b>	<b>6,690,263</b>
<b>Total Net Assets as of June 30</b>	<b><u>\$102,097,361</u></b>	<b><u>\$108,677,170</u></b>	<b><u>\$115,367,433</u></b>

**Summary of Fund Net Assets**

Invested in Capital Assets, Net of Related Debt	\$118,391,959	\$120,391,959	\$122,391,959
Unrestricted	<u>(16,294,598)</u>	<u>(11,714,789)</u>	<u>(7,024,526)</u>
<b>Total Fund Net Assets as of June 30</b>	<b><u>\$102,097,361</u></b>	<b><u>\$108,677,170</u></b>	<b><u>\$115,367,433</u></b>

**NET ASSETS**

For the Water/Sewer Fund (and other proprietary and fiduciary funds), the difference between fund assets and liabilities is labeled as “Net Assets” on the financial statement. Net Assets are classified as “Invested in Capital Assets, Net of Related Debt,” legally “Restricted” for a specific purpose or “Unrestricted” and available for appropriation for the general purposes of the fund.

**TOTAL FUND BALANCE & NET ASSETS (MEMORANDUM ONLY)**  
**GENERAL & WATER/SEWER FUNDS**  
**FISCAL YEAR 2014**

<b>Fund Balance &amp; Net Assets Activity</b>	<b>Actual FY 2012</b>	<b>Estimated FY 2013</b>	<b>Projected FY 2014</b>
Fund Balance & Net Assets as of July 1	\$135,426,265	\$147,342,829	\$156,370,441
Excess of Revenues Over/(Under) Expenditures	20,549,624	13,216,902	11,777,114
Total Other Financing Sources/(Uses)	(2,920,991)	375,000	275,000
Total Non-Operating Revenues/(Expenses)			
Water Fund	(5,712,069)	(4,564,290)	(4,922,159)
Operating Transfer to Water Fund from General Fund	-	-	-
<b>Change in Fund Balance &amp; Net Assets</b>	<b>11,916,564</b>	<b>9,027,612</b>	<b>7,129,955</b>
<b>Total Fund Balance &amp; Net Assets as of June 30</b>	<b><u>\$147,342,829</u></b>	<b><u>\$156,370,441</u></b>	<b><u>\$163,500,396</u></b>

**Summary of Fund Balance & Net Assets**

Non-spendable	\$9,988,293	\$7,238,293	\$4,488,293
Budget Reserve	14,292,802	14,537,625	15,123,967
Unassigned	20,964,373	25,917,354	28,520,703
Invested in Capital Assets, Net of Related Debt	118,391,959	120,391,959	122,391,959
Unrestricted	<u>(16,294,598)</u>	<u>(11,714,789)</u>	<u>(7,024,526)</u>
<b>Total Fund Balance &amp; Net Assets as of June 30</b>	<b><u>\$147,342,829</u></b>	<b><u>\$156,370,441</u></b>	<b><u>\$163,500,396</u></b>





# City of Wilmington General Fund

## ACTUAL, BUDGETED & PROJECTED REVENUES AND EXPENDITURES

<u>Revenue Type</u>	<u>Actual FY 2012</u>	<u>Projected FY 2013</u>	<u>Budget FY 2014</u>	<u>Projected FY 2015</u>	<u>Projected FY 2016</u>	<u>Projected FY 2017</u>	<u>Projected FY 2018</u>
Wage & Net Profits Tax	\$60,855,276	\$61,492,500	\$62,033,043	\$65,104,365	\$67,075,518	\$69,558,161	\$72,127,697
Property Tax	39,013,879	38,456,440	38,424,100	42,152,510	42,103,510	42,054,510	42,005,510
Real Estate Transfer Tax	2,971,602	\$3,200,000	\$2,000,000	\$2,100,000	\$2,163,000	\$2,227,890	\$2,294,727
Head Tax	3,662,184	3,567,200	3,567,200	3,621,200	3,675,200	3,729,200	3,783,200
Franchise Fee	1,716,982	1,806,902	744,829	752,277	763,561	778,832	798,303
Licenses, Permits, Fees & Fines	14,376,495	12,086,773	12,470,360	12,118,369	12,067,578	12,018,017	12,069,717
Interest Income	164,501	207,193	207,193	211,759	287,245	290,414	423,095
Indirect Costs	2,784,533	2,784,533	4,512,640	4,625,456	4,741,092	4,859,619	4,981,109
Other Miscellaneous Revenues	2,314,865	1,828,000	1,728,000	1,728,000	1,728,000	1,728,000	1,728,000
Task Force Revenues	4,207,837	4,187,577	4,294,993	4,408,055	4,512,914	4,620,289	4,730,240
County Seat Relief Package	7,708,292	8,209,613	8,117,796	8,279,616	8,423,162	8,570,297	8,721,110
State Port Debt Reimbursement	1,502,972	900,408	456,166	934,165	936,721	840,060	389,234
State Pension Contribution	6,549,346	6,984,517	6,984,517	7,155,315	7,155,315	7,155,315	7,155,315
<b>Total Revenues</b>	<b>\$147,828,764</b>	<b>\$145,711,656</b>	<b>\$145,540,837</b>	<b>\$153,191,087</b>	<b>\$155,632,816</b>	<b>\$158,430,604</b>	<b>\$161,207,257</b>

<u>Expenditure Type</u>	<u>Actual FY 2012</u>	<u>Projected FY 2013</u>	<u>Budget FY 2014</u>	<u>Projected FY 2015</u>	<u>Projected FY 2016</u>	<u>Projected FY 2017</u>	<u>Projected FY 2018</u>
Salaries and Wages	\$57,993,570	\$59,949,758	\$58,585,050	\$59,275,472	\$59,649,484	\$60,023,495	\$60,397,507
Health Benefits	\$12,195,665	\$12,973,837	\$14,116,186	\$15,096,868	\$16,088,480	\$17,153,292	\$18,296,719
Pension and Retirement	\$14,380,654	\$14,737,736	\$15,564,478	\$16,400,299	\$17,189,334	\$17,997,705	\$18,826,103
Other Employee Benefits	\$2,604,538	\$2,684,141	\$2,467,939	\$2,490,630	\$2,503,767	\$2,507,253	\$2,500,993
Equipment & Services	\$16,351,547	\$16,594,297	\$17,937,060	\$18,121,465	\$18,515,480	\$18,919,345	\$19,333,307
General Liability	\$1,318,206	\$1,350,000	\$1,284,334	\$1,316,442	\$1,349,353	\$1,383,087	\$1,417,664
Workers' Compensation	\$3,060,525	\$2,900,000	\$2,841,800	\$2,871,639	\$2,901,478	\$2,931,317	\$2,961,156
Internal Services	\$11,593,109	\$12,442,830	\$12,939,160	\$13,294,987	\$13,650,426	\$14,021,527	\$14,403,363
Debt Service	\$11,000,745	\$12,346,350	\$12,173,051	\$14,322,439	\$14,489,329	\$15,874,735	\$14,914,110
Special Purpose	\$411,214	\$504,589	\$482,570	\$894,115	\$927,718	\$962,611	\$998,844
State Pension Contribution	\$6,553,912	\$7,155,315	\$6,984,517	\$7,155,315	\$7,155,315	\$7,155,315	\$7,155,315
<b>Total Expenditures</b>	<b>\$137,463,685</b>	<b>\$143,638,853</b>	<b>\$145,376,145</b>	<b>\$151,239,671</b>	<b>\$154,420,164</b>	<b>\$158,929,682</b>	<b>\$161,205,081</b>

<b>Operating Surplus/(Deficit)</b>	<b>\$10,365,079</b>	<b>\$2,072,803</b>	<b>\$164,692</b>	<b>\$1,951,416</b>	<b>\$1,212,652</b>	<b>(\$499,078)</b>	<b>\$2,176</b>
<b>Net Adj. &amp; Transfers In/(Out)</b>	<b>(2,920,991)</b>	<b>375,000</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>
<b>Surplus/(Deficit)</b>	<b>\$7,444,088</b>	<b>\$2,447,803</b>	<b>\$439,692</b>	<b>\$2,226,416</b>	<b>\$1,487,652</b>	<b>(\$224,078)</b>	<b>\$277,176</b>

<b>Total Fund Balance</b>	<b>\$45,245,468</b>	<b>\$47,693,271</b>	<b>\$48,132,963</b>	<b>\$50,359,379</b>	<b>\$51,847,031</b>	<b>\$51,622,953</b>	<b>\$51,900,129</b>
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## ASSUMPTIONS USED IN OUTYEAR REVENUE AND EXPENDITURE PROJECTIONS

### BASE YEAR

Each year the Office of Management and Budget develops a five-year revenue and expenditure projection which covers the budget year (FY 2014), as well as the next four outyears (Fiscal Years 2014 through 2018). For FY 2014, the Approved Budget is shown, and is the base year upon which the Fiscal Year 2015 through 2018 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 2013 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 10, 2013 release projects headline Consumer Price Index (CPI) growth of 1.7% in calendar year 2013, followed by an increase in inflation in 2014 to 2.2%. Inflation projections for 2016 and 2017 are 2.4% per year.

Calendar Year	Survey of Professional Forecasters Projected Annual Headline CPI Increase
2013	1.7%
2014	2.2%
2015	2.3%
2016	2.4%
2017	2.4%

Federal Reserve Bank of Philadelphia, Survey of Professional Forecasters, May 10, 2013

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 2014 Base Year: \$62,033,043 - 42.6% of total revenues)**

The FY 2014 Wage & Net Profits Tax projection is \$62.0 million, a \$3.8 million increase above FY 2013. The FY 2013 Wage Tax revenue has been stronger than anticipated, fueled by an improving local economy and higher than projected Plan for Change audit-generated receipts. As a result, the Wage Tax revenue base is now nearly \$51.8 million. Building on that base is an additional \$1.3 million from a projected 2.5% growth in overall employee compensation levels. Finally, the “Plan for Change” audit and collection efforts should yield \$4.0 million. The Net Profits portion of this revenue category is slated to remain at \$5 million for FY 2014.

In their June 2013 report, the Delaware Economic and Financial Advisory Council (DEFAC) projected 5.0% growth for FY 2015 in total State Personal Income Tax, a tax roughly equivalent to the City Wage Tax. However, due to the City’s high concentration of certain business sectors, as well as corporate headquarter locations that are associated with relatively volatile executive bonus compensation, volatility of the City’s single largest revenue source remains high. As such, a somewhat more conservative outyear growth factor is necessary.

Given the above, coupled with the fact that the City’s recovery from economic downturns has traditionally lagged behind the State, City Wage & Net Profit Tax receipts are projected to grow (exclusive of Plan for Change revenue), by 4.0% in FY 2015, along with positive growth of 3.5% in Fiscal Years 2016 through 2018. Plan for Change revenue is forecasted to increase \$4.5 million in FY 2015, and then decrease to \$4.0 million in Fiscal Years 2016 through 2018.

### **Property Tax (FY 2014 Base Year: \$38,424,100 - 26.4% of total revenues)**

Property Taxes are projected to total a net \$38,424,100, down slightly by \$32,340. Although gross billings were up a little this fiscal year, owners of some large commercial properties continue to wage successful assessment appeals. The revenue loss from appeals in FY 2014 is projected to be \$380,000, and will be in addition to the \$120,000 reduction for appeals and other billing adjustments projected for the current fiscal year. Approximately \$229,000 of revenue resulting from expiring tax incentives and reassessments due to property improvements will help to offset these reductions. Penalty and Interest, along with collections from prior years will add \$650,000 in revenue for FY 2014, consistent with FY 2013.

In order to offset the sizeable increases in projected expenses, a 10.0% Property Tax rate increase has been included for FY 2015. And, beginning in FY 2015, a decrease of \$50,000 has been factored into the base each year resulting from the net effect of successful assessment appeals of commercial properties, property improvement reassessments, and expiring tax incentives.

### **Real Estate Transfer Tax (FY 2014 Base Year: \$2,000,000 - 1.4% of total revenues)**

Real Estate Transfer Tax revenues are slated to remain nearly the same for FY 2014. The average price of residential homes remains below the levels of prior years, but the number of sales is increasing slightly. Large commercial property transfers are occurring, but are inconsistent and also below historical high levels. As a result, FY 2014 revenues are forecasted to grow a modest \$100,000 to a total of \$2.0 million.

A growth rate of 5.0% is projected for Fiscal Year 2015, along with rate increases of 3.0% for fiscal years 2016 through 2018.

**Head Tax (FY 2014 Base Year: \$3,567,200 - 2.4% of total revenues)**

Head Tax revenue is projected to remain at \$3.57 million for FY 2014. Although new jobs are forecasted to come online, no net growth is expected due to the relocation (loss) of some existing jobs.

Beyond FY 2014, 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 300 additional jobs in FY 2015 and FY 2016, and a net of 350 additional jobs in FY 2017 and FY 2018.

**Franchise Fees (FY 2014 Base Year: \$744,829 - 0.5% 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 2014, Franchise Fees will decrease by \$1,062,073 as a result of City Council transferring the Comcast franchise revenue into the special CATV Fund. Based on recent trending, the annual Delmarva Power payment is expected to be just under \$745,000, unchanged from FY 2013. Slight growth in the Delmarva Power remittance is forecasted in FY 2015 and beyond, at a rate of 1.25% annually.

**Licenses, Permits, Fees, and Fines (FY 2014 Base Year: \$12,470,360 - 8.6% of total revenues)**

Criminal/Traffic Fines revenue is projected to total \$3.95 million in FY 2014, up \$100,000 from the FY 2013 budget. This revenue account consists of red-light camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. Despite significant downtime at several locations early in Fiscal Year 2013, the budgeted projection for red-light camera fines is expected to be met. Though violations tend to decrease somewhat at older sites, red-light camera fines are projected to equal the FY 2013 level of \$3.1 million again in FY 2014.

There is no change in the \$450,000 projected for miscellaneous traffic and criminal fines. But, based on increased activity, L&I Instant Ticketing revenues are projected to increase by \$100,000 to reach a new total of \$400,000 in FY 2014. For FY 2015, red-light camera fines are expected to decline by \$400,000, and diminish further by \$100,000 in both FY 2016 and 2017, then remain unchanged in FY 2018. For the outyears of the projection, Criminal Fines and L&I Instant Ticketing revenues are expected to remain at current levels.

Parking Tickets/Booting Fines are forecast to remain at the FY 2013 level of \$5.0 million. Long-term vacancies of PREO's in FY 2013 has led to a \$500,000 drop in the projected amount. For FY 2014, ticket issuance is expected to climb, as an emphasis on prompt replacement of vacancies will be initiated. Parking Ticket/Booting Fines revenues are forecasted to remain at FY 2014 levels throughout the projection period.

Licenses, Permits and Fees revenue is projected to be just over \$3.5 million in FY 2014, or \$33,587 above the FY 2013 budget. Business Licenses and Permits will remain stable at \$1.6 million and \$1.4 million respectively, but Fees are slated to rise by \$33,587 based on recent trends. The Permits and Fees portion of this revenue source (with a base of \$1.9 million) is projected to grow modestly in outyears, at an annual rate of 2.5%. Business Licenses are forecasted to remain at the FY 2014 level for Fiscal Years 2015 through 2018.

**Interest Income (FY 2014 Base Year: \$207,193 - 0.1% of total revenues)**

Although the City's cash balances available for investment have improved somewhat recently, thanks in part to the November 2011 capital bond proceeds and an operating surplus in FY 2012, interest rates are projected

to remain stubbornly low. As a result, Interest Earnings are projected to remain at the FY 2013 level of \$207,193 in FY 2014. Going forward, an interest rate of 0.25% in FY 2014 is increased by 15 basis points each year and assumes the following additions to the investment base:

1. A weighted average of \$12.5 million from the unspent portion of the FY 2012 capital borrowing, plus \$10 million from the unspent portion of an assumed January, 2014 capital borrowing of \$20 million will be invested in FY 2015.
2. A weighted average of the unspent portion from an assumed January 2016 capital borrowing of \$20 million will be invested in FY 2016, with the decreasing invested balance from the unspent portion carrying into 2017.
3. A weighted average of the unspent portion from an assumed January 2018 capital borrowing of \$20 million will be invested in FY 2018.

In addition, for FY 2015 through FY 2018, the projected annual increases or decreases in fund balance (surpluses or deficits) are added to or subtracted from the investment base.

**Indirect Costs (FY 2014 Base Year: \$4,512,640 - 3.1% of total revenues)**

Indirect Costs are a charge to the Water/Sewer Fund that offset costs incurred by the General Fund in support of the water, sewer, and stormwater utilities. The City's indirect cost plan had not been revised since the mid 1990's. However, as a result of a recently completed comprehensive study, Indirect Costs were increased by just over \$1.7 million. For FY 2015 and subsequent years, this category has been increased by 2.5% per year.

**Other Miscellaneous Revenues (FY 2014 Base Year: \$1,728,000 - 1.2% of total revenues)**

Other Revenues, comprised of Rental Income, General Government Charges and other Miscellaneous Income, is expected to remain unchanged at \$1,728,000 for FY 2014. No outyear growth is forecasted in these revenues.

**Task Force Revenues (FY 2014 Base Year: \$4,294,993 - 3.0% of total revenues)**

Task Force Revenues are the revenue sources that were created as a result of the 2003 Governor's Task Force, which took effect early in FY 2004. As a result, each county seat (Wilmington is the county seat of New Castle County) in the State receives the revenue derived from a \$20 State filing fee for Corporations and Limited Liability Companies (LLC). The State also passed enabling legislation that allowed the City to create a 2% 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 \$257,421 higher for FY 2014. Two of the four components of the Task Force Revenues will increase from the FY 2013 Budget: Corporate Filings by \$29,925, and LLC Filings by \$377,496. Lodging Tax is expected to remain at the FY 2013 budgeted level, and Natural Gas Tax is projected to fall by \$150,000 below the FY 2013 budgeted figure due to lower prices and consumption.

For the outyears, Corporate Filings and LLC revenue has been increased by 3.0% for FY 2015, in tandem with the State's estimation of growth, and kept at 2.5% annual growth 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 2015, and 2.0% for Fiscal Years 2016 through 2018.

**County Seat Relief Package (FY 2014 Base Year: \$8,117,796 - 5.6% 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 2014 projections total \$8.1 million. The breakout is as follows: \$2.24 million for a payment in lieu of taxes (PILOT) by the State on what would usually be tax-exempt properties in the City (this is up \$171,092 from the FY 2013 budget); \$4.6 million as part of the State's Uniform Commercial Code (UCC) filing fees (this is up \$129,690 from the FY 2013 budget); \$300,000 in Statutory Trust Filing Fees (no change); and \$978,243 in New Castle County Corporate Filing Fees (this is up by \$128,493). In total, there is a \$429,275 increase in County Seat Relief Package revenues from the FY 2013 budget.

For Fiscal Years 2015 through 2018, the PILOT revenue and Statutory Trust Filing Fees remain unchanged. New Castle County Corporate Filings and UCC Filing Fee Revenues are projected to grow at 2.9% for FY 2015, per DEFAC estimations. Further growth of 2.5% in UCC Filings and New Castle County Corporate Filings for Fiscal Years 2016 through 2018 has also been incorporated into the projection.

**State Port Debt Reimbursement (FY 2014 Base Year: \$456,166 - 0.3% of total revenues)**

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 2014 will be \$456,166, and represents more than a \$444,000 decrease below Fiscal Year 2013. This results from the recent refinancing of some general obligation bonds, taking advantage of historically low interest rates. The Debt Reimbursement has been adjusted for outyears per the appropriate debt schedule.

**State Pension Contribution (FY 2014 Base Year: \$6,984,517 - 4.8% of total revenues)**

The State Pension Contribution is a pass-through grant of \$6,984,517 (no change) in revenue that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. But because the State Pension Contributions received in Fiscal Year 2013 was slightly higher than projected, that amount (\$7,155,315) has been projected for Fiscal Year 2014, and remains at that level through FY 2018.

**Net Adjustments & Transfers (FY 2014 Base Year: \$275,000)**

There are no prior year designations in FY 2014. Only the usual transfer from the Wilmington Parking Authority (WPA) in the amount of \$275,000 is budgeted. No change is anticipated for the outyears.

## **OUTYEAR PROJECTION ASSUMPTIONS - EXPENDITURES**

### **Salaries and Wages (FY 2014 Base Year: \$58,585,050 - 40.3% 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 2014 budget serves as the base year for estimating future costs. In FY 2014, no allowance was made for Cost of Living Adjustments (COLAs). Anniversary-based salary step increases for all eligible employees will continue during FY 2014, costing approximately \$600,000.

Due to the slow economic recovery, no allowance for COLAs is being assumed for the entire projection period, but anniversary salary step increases are assumed to continue. In addition, to further reduce expenses, it is assumed that in each year, five vacant positions will be eliminated.

This projection also assumes that the City will retain the police officers hired under the COPS grant after the March 2014 required retention period ends. It is also assumed that the firefighters paid for by the SAFER grant will also be retained when that grant funding ends in mid-FY 2014.

### **Health Benefits, Active Employees (FY 2014 Base Year: \$14,116,186 - 9.7% of total expenditures)**

Health benefit plan cost trend rates are expected to decline to the lowest level in 11 years of trend forecasts, with most medical and all prescription drug projected trends dipping into single digits, according to the 2013 Segal Health Plan Cost Trend Survey. The City's Department of Human Resources concurs, with their research indicating a 6.5% increase for FY 2015, followed by a 7.0% increase for each year thereafter to the end of the projection period.

### **Pension and Retirement Healthcare (FY 2014 Base Year: \$15,564,478 -10.7% of total expenditures)**

In FY 2012 the City closed the last of its pension plans to new employees. All employees hired since that time participate in a State-sponsored pension program in which the City pays the State of Delaware a set percentage of an employee's salary. For FY 2014, it is 15.52% for police officers and firefighters, and 6.62% for civilian participants. Because the funding percentages are estimated to increase by only 10 basis points each year, the major cost growth will result from the number of new employees hired each year that fill vacancies left by former employees that were in one of the older City-sponsored pension plans. It is assumed that an average of 33 civilians, 12 police officers and 5 firefighters will be hired and added to the State-sponsored pension plans each year. As a result, the \$3.6 million General Fund total cost of the State-sponsored pension plans in FY 2014 is projected to grow to almost \$4.5 million by FY 2018.

In contrast, the cost of the now-closed City-sponsored pension plans are the actuarially determined dollar amounts derived each year by the City's Actuary. This actuarially required contribution for each of the City's closed plans is calculated to cover ongoing costs, plus provide a contribution to eliminate any unfunded liability within the next 16 years. The Pension Coordinator, working with the City's Actuary, projects 4.0% annual growth in the funding targets through FY 2018. The General Fund cost of the City-sponsored pension plans totals \$10.4 million for FY 2014. This is projected to grow to \$12.1 million by the end of the projection period.

In FY 2000, the City developed, and opened to all employees, a retiree healthcare program. Since then, the unfunded liability for the program has grown dramatically, forcing ever increasing annual contributions in 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 \$205,000 (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 2014 is \$1.84 million, and will grow to \$2.66 million by FY 2018.

**Other Employee Benefits (FY 2014 Base Year: \$2,467,939 - 1.7% of total expenditures)**

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

**Equipment and Services (FY 2014 Base Year: \$17,937,060 - 12.3% of total expenditures)**

This is a relatively broad grouping of expenditures that includes costs such as professional services contracts, landfill fees and utilities, as well as basic materials, supplies, and equipment. In general, departmental managers have demonstrated the ability to effectively contain aggregate Equipment and Services costs while maintaining comparable levels of City services in the midst of unavoidable increases and significant budget reductions over the past several fiscal years.

In the FY 2014 budget, City Council made a number of departmental appropriation changes (\$614,000 in reductions and \$183,500 in additional Council requests) that were approved in a final floor amendment. The net effect of these spending changes are reflected in the budget control accounts of the affected departments, and were assumed to remain in place when projecting forward.

To more accurately estimate future costs, certain account groups within this category were analyzed separately, such as electricity, commission fees on audit collections, and community activities.

For FY 2014, the General Fund electricity base cost is \$1.45 million (which excludes the \$874,166 from the State's Municipal Street Aid grant used to offset City street lighting electricity costs). In FY 2014, the City was able to contractually lock in electricity rates that will not increase over the next three or four years. As a result, the projection keeps electricity costs level at \$1.45 million throughout the projection period, with the assumption that the Municipal Street Aid grant funding will also remain constant.

As the audit and revenue collections program known as the Plan for Change matures, commission fees paid for third-party collection assistance will diminish because collection efforts in certain areas will no longer be needed and some collection efforts will be brought back in-house. As a result, the Finance Department is projecting a permanent reduction of \$500,000 to its collection expenses base starting in FY 2015.

The Mayor's Office and City Council each have a budget account group known as Community Activities, which includes the cost for such things as grants to non-profit agencies and a scholarship tuition assistance program. For FY 2014, the total amount budgeted for Community Activities is \$983,500 (\$550,500 in the Mayor's Office and \$428,000 in City Council). It is assumed that this funding will remain constant through the projection period.

For this projection, the Contingency Fund and the Snow & Weather Emergencies Fund are included in the Equipment and Services category (although they are budgeted separately in the budget book summaries). Normally, the Contingency Fund is budgeted at \$300,000, but as part of the Council's final floor amendment to the FY 2014 budget, the appropriation was eliminated. However, it is assumed that the Contingency Fund will be budgeted at \$300,000 in each of the outyears of the projection. The Snow and Weather Emergencies

Fund was budgeted at \$125,000 in FY 2014 and is projected to remain at that level through the projection period.

Excluding the Contingency and Weather Emergencies Funds, electricity, commission fees on audit collections, and community activities, the remaining base of this expenditure category is expected to respond to overall inflationary pressures of 2.5% per year.

**General Liability (FY 2014 Base Year: \$1,284,334 - 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. In the recent past, this cost category was experiencing extreme volatility. 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 had 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 were implemented in an attempt to achieve greater accuracy and stability in this area. As a result of these tighter controls, this expense account has experienced somewhat less volatility, and is projected to increase by 2.5% annually.

**Workers' Compensation (FY 2014 Base Year: \$2,841,800 - 2.0% of total expenditures)**

Actual Workers' Compensation expenditures, which are actuarially determined, have been highly volatile from year to year. The FY 2014 budget, which is derived from these expenditures, is used as a base for forecasting purposes. Annual growth is projected to parallel the growth in Salaries and Wages.

**Internal Services (FY 2014 Base Year: \$12,939,160 - 8.9% 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 2012, the City completed the final stages of its comprehensive information technology upgrade and expansion program that had resulted in double-digit increases to Data Processing costs in prior years. Although to a lesser degree, the Division of Integrated Technology continues to upgrade City software and communications equipment, including projects scheduled throughout the projected period that average roughly \$250,000 annually. Data Processing costs outside of these projects are estimated to increase at rates similar to those of other MS&E categories for each year subsequent to FY 2014.

Motor Vehicle costs, which had increased significantly in recent years, have begun to show greater levels of consistency due to limited vehicle purchases and updated depreciation calculations. Fuel cost increases are projected at 4.5% for each year subsequent to FY 2014, though estimates from various private and government sources vary considerably. All other Motor Vehicle costs are expected to grow by 2.5% annually.

For the other services making up the rest of this category, it is assumed that average annual inflationary pressures of 2.5% will apply. This results in a weighted-average growth of approximately 2.75% annually for the Internal Services category as a whole (excluding General Liability and Workers' Compensation) for Fiscal Years 2015 through 2018.

**Debt Service (FY 2014 Base Year: \$12,173,051 - 8.4% of total expenditures)**

Debt Service is based on the existing debt schedules as provided by the Finance Department, with estimates added for any expected new borrowing or refinancing. To fund the City's biannual capital budgets, it is assumed a \$20 million bond issuance will take place in January of 2014 and another \$20 million bond issuance will take place in January of 2016. It is assumed that the debt service for both bond issues will be structured as level, semi-annual payments over a term of 20 years, with no capitalization of interest. The interest rate for the calendar year 2014 issuance is assumed to be 3.25% and 4.0% for the calendar year 2016 issuance. Because of the timing, the new annual debt service of \$1.37 million for the first new issuance will begin in FY 2015, with the new annual debt service of \$1.46 million for the second new issuance starting in FY 2017.

**Special Purpose (FY 2014 Base Year: \$482,570 - 0.3% of total expenditures)**

This expenditure category funds the Delaware SPCA (\$341,970), provides an operating subsidy to the Wilmington Institute Free Library (\$60,000), covers a portion of operational expenses for the City-owned Rock Manor golf course (\$61,600), and includes a total of \$19,000 for some smaller specialty items in City Council. All items, except for the SPCA funding, are projected to grow annually by 2.5% per year starting in FY 2015.

The SPCA had been providing animal control in the City, but no longer wants to provide that service. Through negotiations, the SPCA reluctantly agreed to temporarily provide animal control for up to another six months into FY 2014, with the stipulations that the City must actively pursue creating its own animal control program, and that during the extension period the City pay the SPCA at double its previous rate. As a result, a base amount of \$750,000 is projected for FY 2015 for animal control services. That base cost is increased by 4.0% per year thereafter. It should be noted that there are many details regarding animal control that still have to be worked out, so it is quite possible that this cost could end up being substantially higher than estimated.

**State Pension Contribution (FY 2014 Base Year: \$6,984,517 - 4.8% of total expenditures)**

The State Pension Contribution, a grant from the State that is booked as a pass-through in the General Fund to meet the requirements of GASB pronouncement #24, is \$6,984,517 for FY 2014. As such, an equal and offsetting amount is included as General Fund revenue. This expenditure is split between the Police and Fire Departments, with \$4,338,286 budgeted in Fire and \$2,646,231 budgeted in Police. Since the FY 2013 actual looks to be coming in at \$7,155,315, that figure is being projected for FY 2015 through FY 2018.



# FISCAL YEAR 2014 REVENUES

## Overview

### GENERAL FUND

The severe economic downturn and recession that began in 2008 continues to affect City revenues, but on a lessening scale. Projected revenues are increasing modestly in FY 2014. Audit and collection efforts have yielded additions to base revenues that have helped maintain fiscal stability until more substantial economic growth occurs. Total revenue before transfers is projected to increase by a net \$4,950,278 (or 3.5%) above the FY 2013 Budget to a new total of \$145,540,837. The net change from Budget to Budget (FY 2014 vs. FY 2013) can be broken down as follows:

REVENUE	INCREASE/ (DECREASE)	TOTAL
Wage & Net Profits Tax	\$3,840,543	\$62,033,043
Other Revenues	1,728,107	6,240,640
County Seat Relief Package	429,275	8,117,796
Task Force Revenue	257,421	4,294,993
Fines	100,000	8,950,000
Licenses, Permits & Fees	33,587	3,520,360
Interest Earnings	0	207,193
Property Taxes	(32,340)	38,424,100
Other Governments	(444,242)	7,440,683
Other Taxes	(962,073)	6,312,029
<b>TOTAL</b>	<b>\$4,950,278</b>	<b>\$145,540,837</b>

### WATER/SEWER FUND

Total Water/Sewer Fund revenues are projected to increase more than \$5.0 million above FY 2013, to a new total of \$73.3 million in FY 2014. Water/Sewer revenues are a combination of Water/Sewer User Fees, Stormwater Billings, and New Castle County (NCC) Sewer, along with the smaller revenue categories of Interest, Rentals, and Solar Panel Revenue. While each of these categories were affected by different factors, it was the overall rate structure that had to be addressed to avoid a fiscal crisis. For almost a decade, rates had not been properly aligned to provide adequate cash flow to the Fund's utility operations. As a result, the General Fund had been subsidizing the Water/Sewer Fund's cash shortages. This led to a situation where nearly all the cash reserves in the General Fund had been depleted, with the City on the path to insolvency had nothing been done. To rectify this, a multi-year plan of prudent rate increases was implemented, starting in FY 2010. As a result, the City is well on its way to achieving a self-sufficient Water/Sewer Fund with adequate operating reserves and proper debt coverage ratios.

# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## General Fund Revenues Fiscal Year 2014

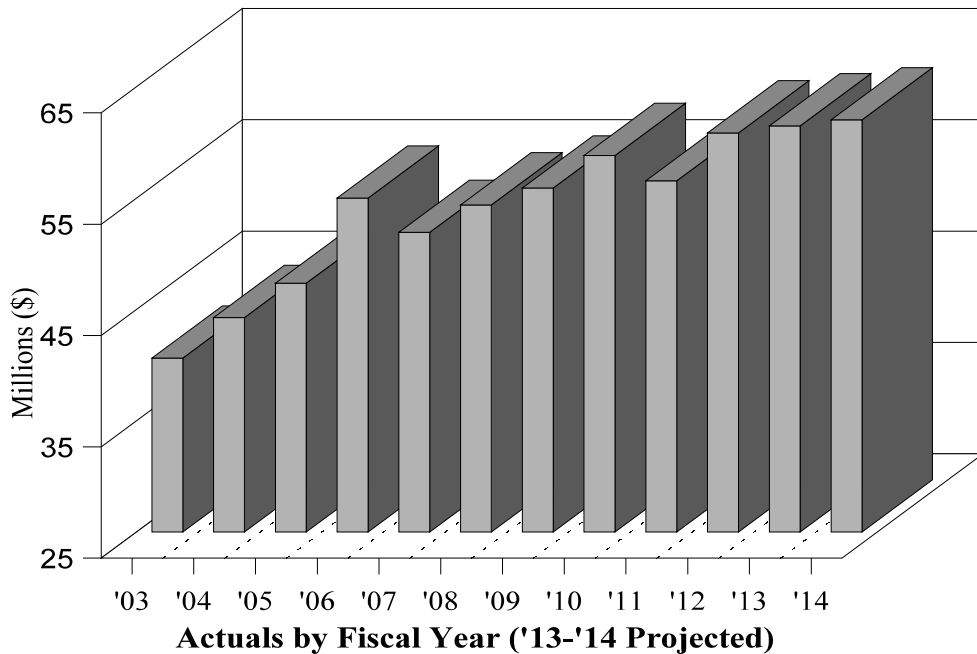
### WAGE & NET PROFITS TAX

**Basis:** Growth of local economy

**Critical Assumption:** The FY 2014 Wage & Net Profits Tax projection is \$62.0 million, a \$3.8 million increase above FY 2013. The FY 2013 Wage Tax revenue has been stronger than anticipated, fueled by an improving local economy and higher than projected Plan for Change audit-generated receipts. As a result, the Wage Tax revenue base is now nearly \$51.8 million. Building on that base is an additional \$1.3 million from a projected 2.5% growth in overall employee compensation levels. Finally, the “Plan for Change” audit and collection efforts should yield \$4.0 million. The Net Profits portion of this revenue category is slated to remain at \$5 million for FY 2014.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$56,550,527	\$60,855,276	\$58,192,500	\$61,492,500	\$62,033,043

### Wage & Net Profits Tax Revenue



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## General Fund Revenues Fiscal Year 2014

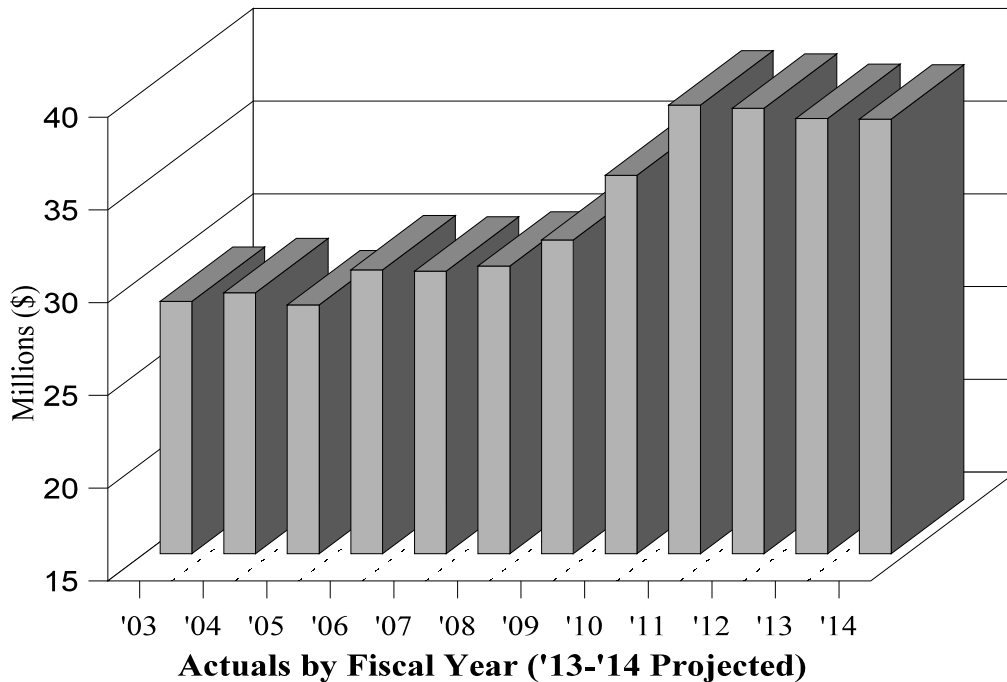
### PROPERTY TAX

**Basis:** Assessment rolls

**Critical Assumption:** Property Taxes are projected to total a net \$38,424,100, down slightly by \$32,340. Although gross billings were up a little this fiscal year, owners of some large commercial properties continue to wage successful assessment appeals. The revenue loss from appeals in FY 2014 is projected to be \$380,000, and will be in addition to the \$120,000 reduction for appeals and other billing adjustments projected for the current fiscal year. Approximately \$229,000 of revenue resulting from expiring tax incentives and reassessments due to property improvements will help to offset these reductions. Penalty and Interest, along with collections from prior years will add \$650,000 in revenue for FY 2014, consistent with FY 2013.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$39,187,019	\$39,013,879	\$38,456,440	\$38,456,440	\$38,424,100

### Property Tax Revenue



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## General Fund Revenues Fiscal Year 2014

### OTHER TAXES

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

**Critical Assumption:** Other Taxes are projected to decrease \$962,073 for FY 2014. The breakout is as follows:

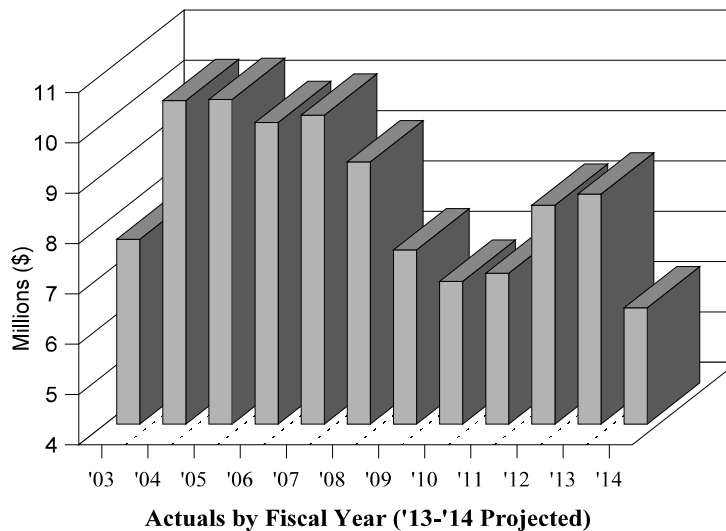
Real Estate Transfer Tax revenues are slated to remain nearly the same for FY 2014. The average price of residential homes remains below the levels of prior years, but the number of sales is increasing slightly. Large commercial property transfers are occurring, but are inconsistent and also below historical high levels. As a result, FY 2014 revenues are forecasted to grow a modest \$100,000 to a total of \$2.0 million.

Head Tax revenue is projected to remain at \$3.57 million for FY 2014. Although new jobs are forecasted to come online, no net growth is expected due to the relocation (loss) of some existing jobs.

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 2014, Franchise Fees will decrease by \$1,062,073 as a result of City Council transferring the Comcast franchise revenue into the special CATV Fund. Based on recent trending, the annual Delmarva Power payment is expected to be just under \$745,000, unchanged from FY 2013.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$6,998,424	\$8,350,768	\$7,274,102	\$8,574,102	\$6,312,029

### Other Taxes





# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## General Fund Revenues Fiscal Year 2014

### LICENSES, PERMITS, FEES, AND FINES

**Basis:** Trend analysis

**Critical Assumption:** Fines will increase by \$100,000 to a total of \$8,950,000. The breakout is as follows:

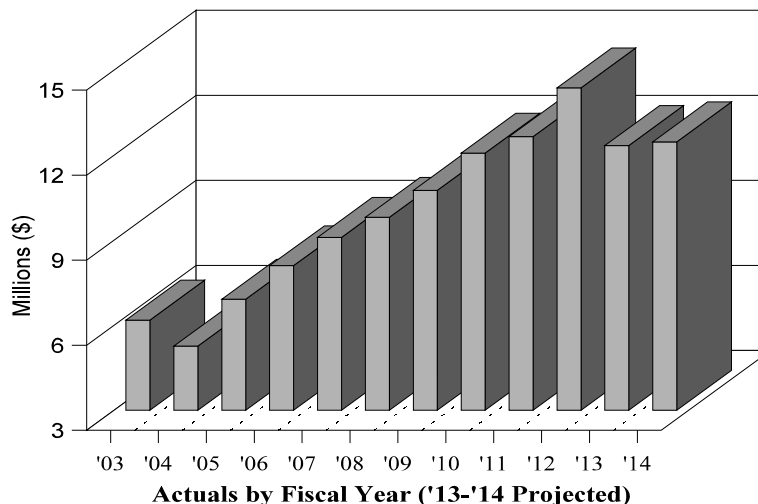
Criminal/Traffic Fines revenue is projected to total \$3.95 million in FY 2014, up \$100,000 from the FY 2013 budget. This revenue account consists of red-light camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. Despite significant downtime at several locations early in Fiscal Year 2013, the budgeted projection for red-light camera fines is expected to be met. Though violations tend to decrease somewhat at older sites, red-light camera fines are projected to equal the FY 2013 level of \$3.1 million again in FY 2014. There is no change in the \$450,000 projected for miscellaneous traffic and criminal fines. But, based on increased activity, L&I Instant Ticketing revenues are projected to increase by \$100,000 to reach a new total of \$400,000 in FY 2014.

Parking Tickets/Booting Fines are forecast to remain at the FY 2013 level of \$5.0 million. Long-term vacancies of PREO's in FY 2013 has led to a \$500,000 drop in the projected amount. For FY 2014, ticket issuance is expected to climb, as an emphasis on prompt replacement of vacancies will be initiated.

Licenses, Permits and Fees revenue is projected to be just over \$3.5 million in FY 2014, or \$33,587 above the FY 2013 budget. Business Licenses and Permits will remain stable at \$1.6 million and \$1.4 million respectively, but Fees are slated to rise by \$33,587 based on recent trends.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$12,652,152	\$14,376,495	\$12,336,773	\$12,086,773	\$12,470,360

**Licenses, Permits, Fees & Fines**



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## General Fund Revenues Fiscal Year 2014

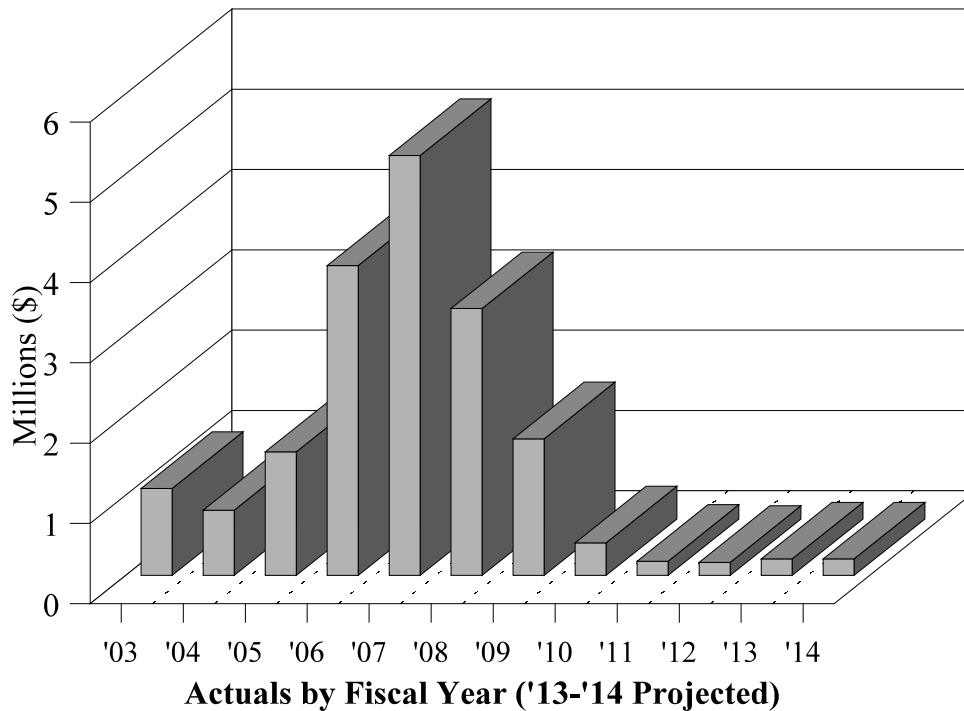
### INTEREST

**Basis:** Trend analysis/Cash flow analysis/Bond issuance

**Critical Assumption:** Although the City's cash balances available for investment have improved somewhat recently, thanks in part to the November 2011 capital bond proceeds and an operating surplus in FY 2012, interest rates are projected to remain stubbornly low. As a result, Interest Earnings are projected to remain at the FY 2013 level of \$207,193.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$177,544	\$164,501	\$207,193	\$207,193	\$207,193

### Interest Revenue



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## General Fund Revenues Fiscal Year 2014

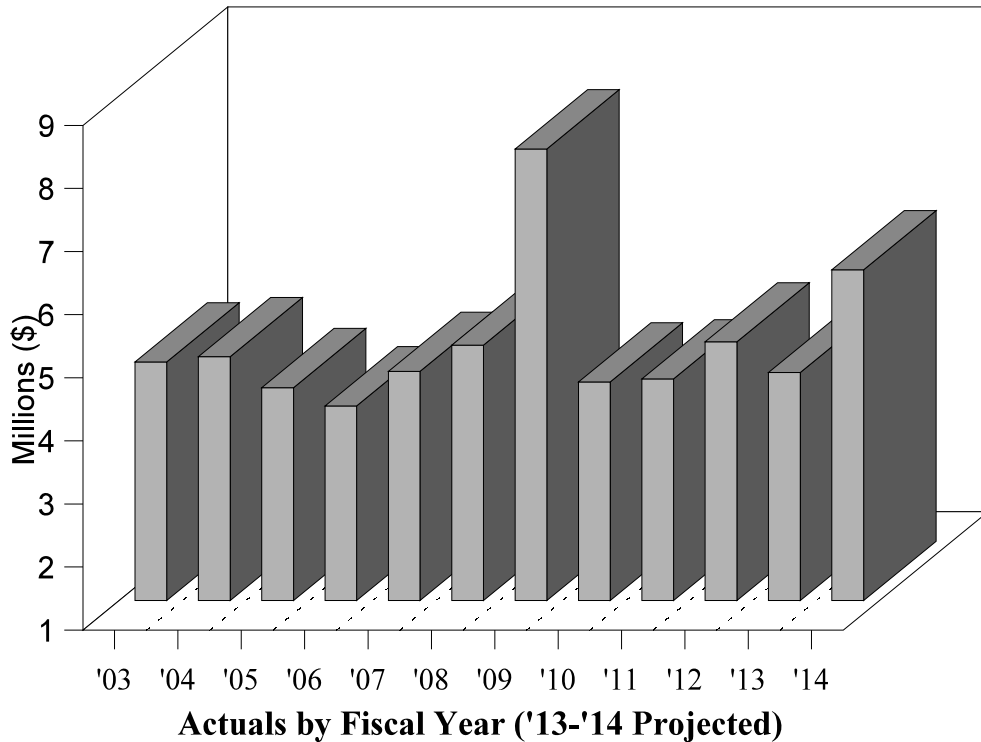
### OTHER REVENUES

**Basis:** Trend analysis/Contractual

**Critical Assumption:** Other Revenues is comprised of Indirect Costs, General Government Charges and other Miscellaneous Income. General Government Charges and Miscellaneous revenue is expected to remain unchanged. However, as a result of a recently completed comprehensive study, Indirect Costs were increased by just over \$1.7 million. Indirect Costs are a charge to the Water/Sewer Fund that offset costs incurred by the General Fund in support of the water, sewer, and stormwater utilities. The City's indirect cost plan had not been revised since the mid 1990's.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$5,122,521	\$5,099,398	\$4,512,533	\$4,612,533	\$6,240,640

### Other Revenues



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## General Fund Revenues Fiscal Year 2014

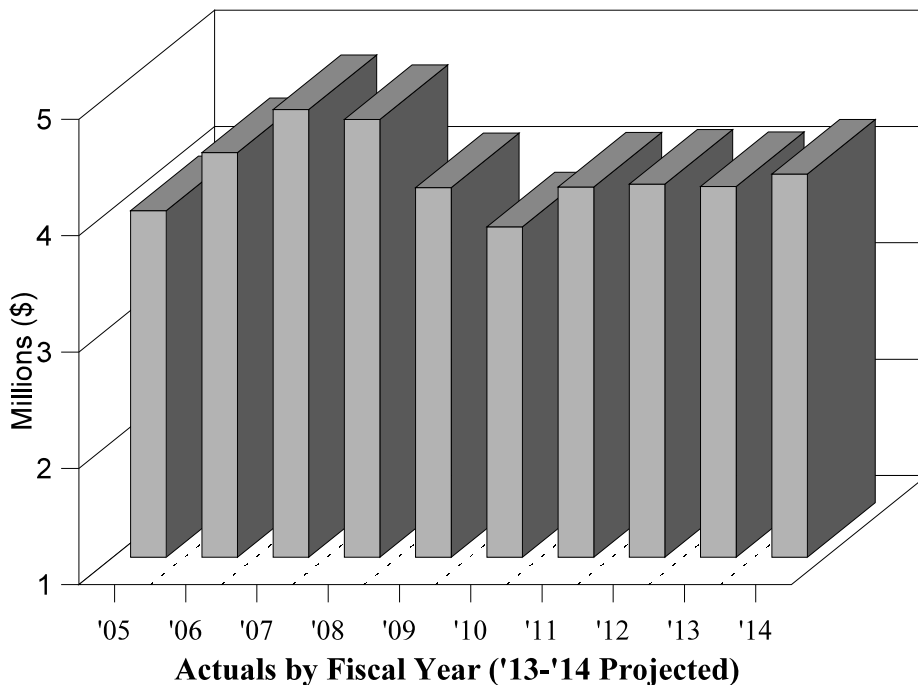
### TASK FORCE REVENUES

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

**Critical Assumption:** Task Force Revenues are the revenue sources that were created as a result of the 2003 Governor’s Task Force, which took effect early in FY 2004. As a result, each county seat (Wilmington is the county seat of New Castle County) in the State receives the revenue derived from a \$20 State filing fee for Corporations and Limited Liability Companies (LLC). The State also passed enabling legislation that allowed the City to create a 2% Lodging Tax and a 2% Natural Gas Franchise Fee on gross sales of natural gas in the City. In total, Task Force Revenues are projected to be \$257,421 higher for FY 2014. Two of the four components of the Task Force Revenues will increase from the FY 2013 Budget: Corporate Filings by \$29,925, and LLC Filings by \$377,496. Lodging Tax is expected to remain at the FY 2013 budgeted level, and Natural Gas Tax is projected to fall by \$150,000 below the FY 2013 budgeted figure due to lower prices and consumption.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$4,183,747	\$4,207,837	\$4,037,572	\$4,187,572	\$4,294,993

### Task Force Revenues



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## General Fund Revenues Fiscal Year 2014

### COUNTY SEAT RELIEF PACKAGE

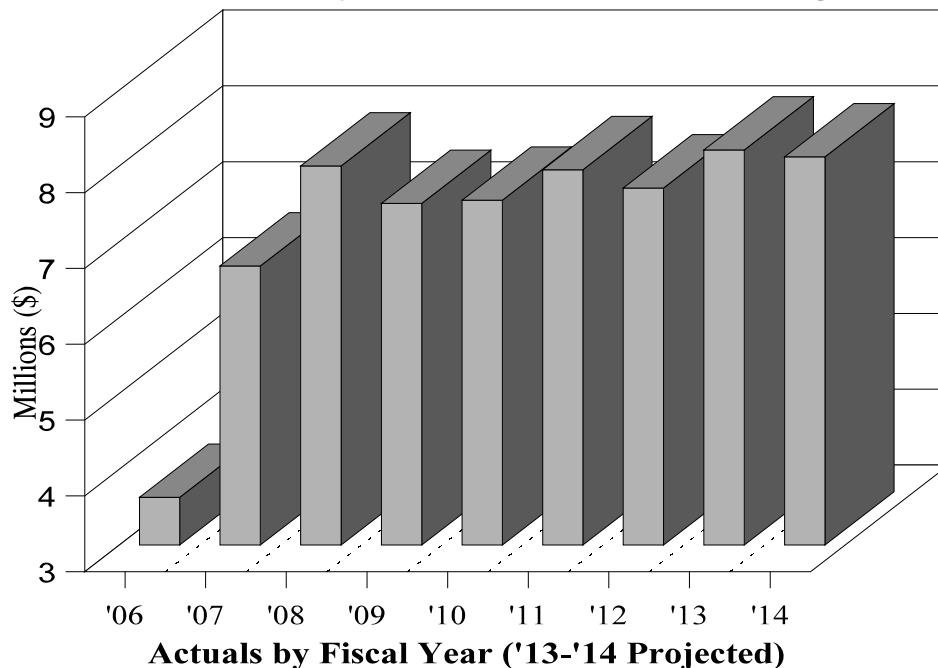
**Basis:** Estimates from the State Finance Secretary’s Office

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

The FY 2014 projections total \$8.1 million. The breakout is as follows: \$2.24 million for a payment in lieu of taxes (PILOT) by the State on what would usually be tax-exempt properties in the City (this is up \$171,092 from the FY 2013 budget); \$4.6 million as part of the State’s Uniform Commercial Code (UCC) filing fees (this is up \$129,690 from the FY 2013 budget); \$300,000 in Statutory Trust Filing Fees (no change); and \$978,243 in New Castle County Corporate Filing Fees (this is up by \$128,493). In total, there is a \$429,275 increase in County Seat Relief Package revenues from the FY 2013 budget.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$7,949,369	\$7,708,292	\$7,688,521	\$8,209,613	\$8,117,796

### County Seat Relief Package



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## General Fund Revenues Fiscal Year 2014

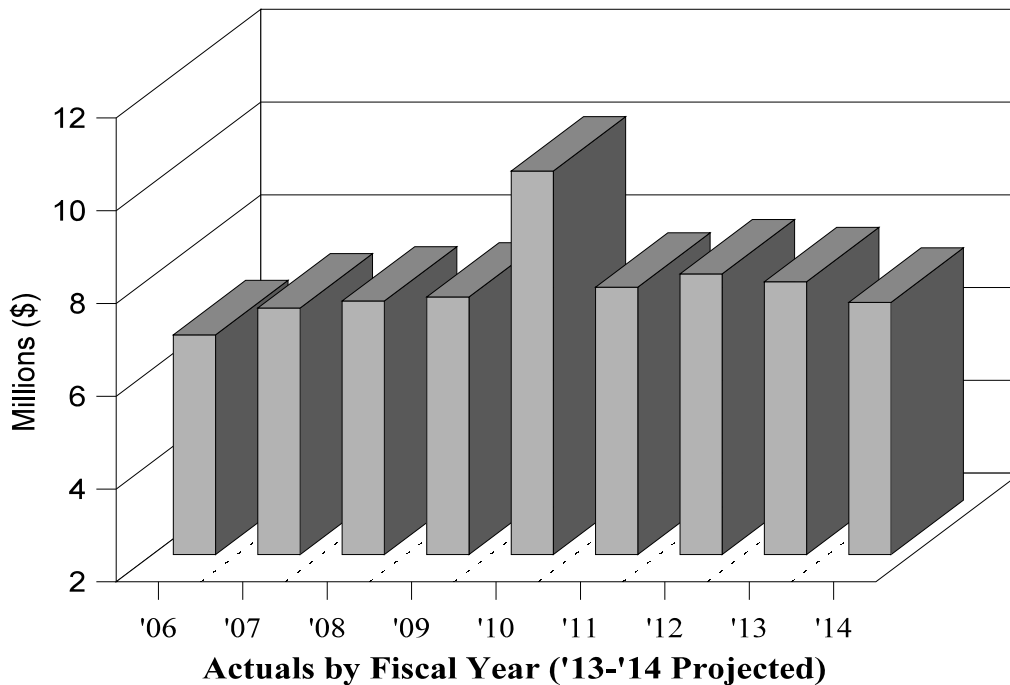
### OTHER GOVERNMENTS

**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 \$6,984,517 (no change) in revenue that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. The State Port Debt Reimbursement is related to the 1996 sale of the Port from the City to the State. The State requested as part of the terms of the sale that the Port debt remain as a liability on the City's books. However, the State did agree to reimburse the City annually for the amount the City was scheduled to pay out to service the Port debt. The amount for FY 2014 will be \$456,166, and represents more than a \$444,000 decrease below Fiscal Year 2013. This results from the recent refinancing of some general obligation bonds, taking advantage of historically low interest rates.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$7,767,369	\$8,052,318	\$7,884,925	\$7,884,925	\$7,440,683

### Other Governments



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## General Fund Revenues Fiscal Year 2014

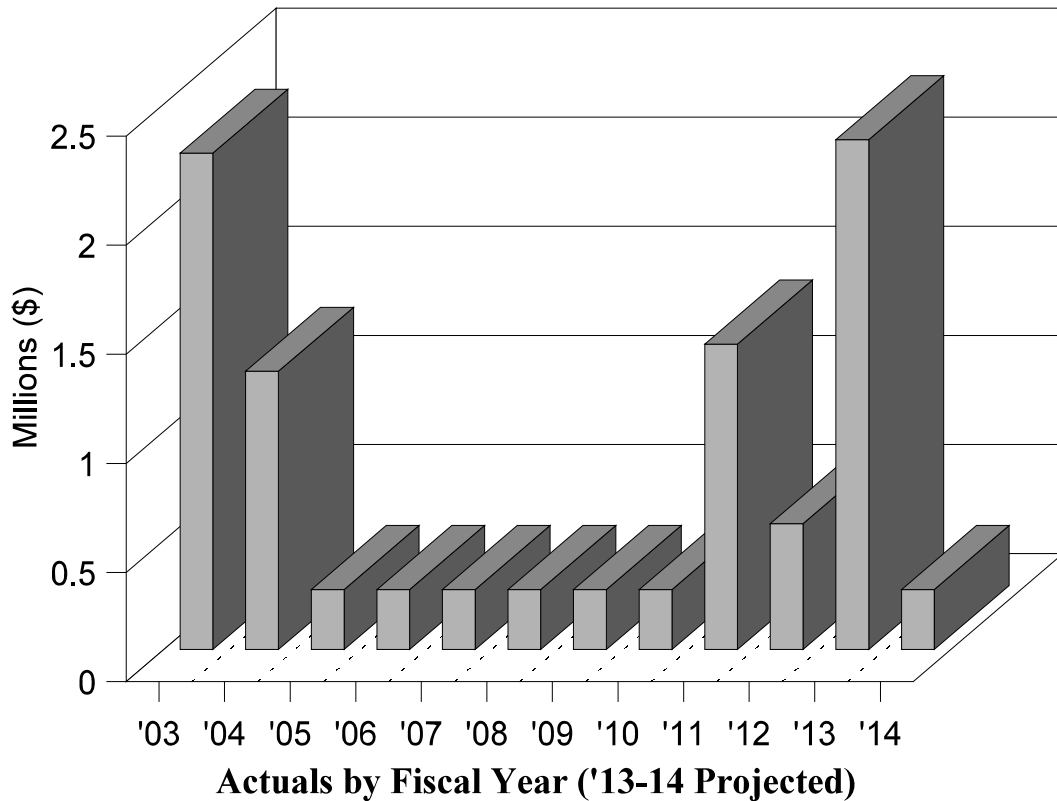
### TRANSFERS AND USE OF FUND BALANCE

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

**Critical Assumption:** There are no prior year designations in FY 2014. Only the usual transfer from the Wilmington Parking Authority (WPA) in the amount of \$275,000 is budgeted.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$1,400,422	\$577,160	\$2,337,464	\$2,337,464	\$275,000

## Transfers & Use of Fund Balance



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## Special Funds Revenues Fiscal Year 2014

### MUNICIPAL STREET AID

**Basis:** State of Delaware grant award letter

**Critical Assumption:** This grant is used to offset street lighting electricity costs and is anticipated to remain nearly the same as the FY 2013 level.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$890,234	\$1,095,765	\$890,234	\$890,234	\$874,166

### COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

**Basis:** Estimate from Federal Government (HUD)

**Critical Assumption:** Due to a reduction of the program on the Federal level, the City's grant for FY 2014 will decrease by approximately \$254,000 or 10.7%.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$2,953,370	\$2,496,644	\$2,368,343	\$2,368,343	\$2,114,703

### COMCAST FRANCHISE FEES

**Basis:** Trend Analysis and Growth of local economy

**Critical Assumption:** Comcast Franchise Fees revenue consists of 5% of gross revenues from cable television service sales in the City. In Wilmington, Comcast is currently the only provider of cable TV service. In FY 2014, for the first time, Franchise Fees will be budgeted as a special revenue fund, a result of City Council transferring the Comcast franchise revenue into the CATV Fund.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$0	\$0	\$0	\$0	\$1,062,073



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## Special Funds Revenues Fiscal Year 2014

### 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 2014 amount represents funding for 1.68 Full-time Equivalent (FTEs) Patrol Officers, and results from two long-term vacancies within the original three-year term of funding for 16 positions.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$993,248	\$1,303,879	\$808,407	\$808,407	\$125,495

### S.A.F.E.R. GRANT

**Basis:** U.S. Department of Homeland Security Award

**Critical Assumption:** The Staffing for Adequate Fire & Emergency Response Grant was created to provide funding to fire departments to help increase the number of trained firefighters in communities. Although planned as a two-year award funding salary and benefit costs for 13 firefighters, the grant will span a partial third year due to an initial delay in implementation.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$0	\$581,546	\$841,158	\$841,158	\$382,662

### PARKS ASSISTANCE

**Basis:** Estimate from Federal Government

**Critical Assumption:** These funds are used for the Summer and Evening Food Programs. At this time, a commitment for funding has yet to be received for FY 2014.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$1,497,245	\$914,398	\$800,000	\$800,000	\$0

# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## Special Funds Revenues Fiscal Year 2014

### 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 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$77,544	\$80,340	\$156,192	\$156,192	\$121,420

### 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 slightly for FY 2014.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$1,248,816	\$2,047,289	\$558,775	\$558,775	\$618,754

### 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 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$2,307,873	\$2,714,727	\$3,449,541	\$3,449,541	\$3,653,775

# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## Special Funds Revenues Fiscal Year 2014

### 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 \$203,000 less than FY 2013.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$102,916	\$752,738	\$620,147	\$620,147	\$416,976

### 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. No funding is anticipated through this grant for FY 2014.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$177,437	\$0	\$0	\$0	\$0

### MISCELLANEOUS GRANTS

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

**Critical Assumption:** Miscellaneous Grants is a combined total of four Federal grants and three State grants. The Federal grants are Housing Opportunities for People With AIDS (\$586,533), Emergency Shelter Grant (\$239,940), the Neighborhood Stabilization Program (\$46,202), and the De-Lead Delaware Grant (Federal HUD pass-through at \$20,359). The only State grant currently funded is the Local Emergency Planning Committee Grant (LEPC at \$62,748). No commitments for funding of the Workforce Investment Board (WIB) or the State Fire Grants have yet been received for FY 2014.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$2,360,160	\$4,163,377	\$1,589,019	\$1,589,019	\$955,782

# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## Water/Sewer Fund Revenues Fiscal Year 2014

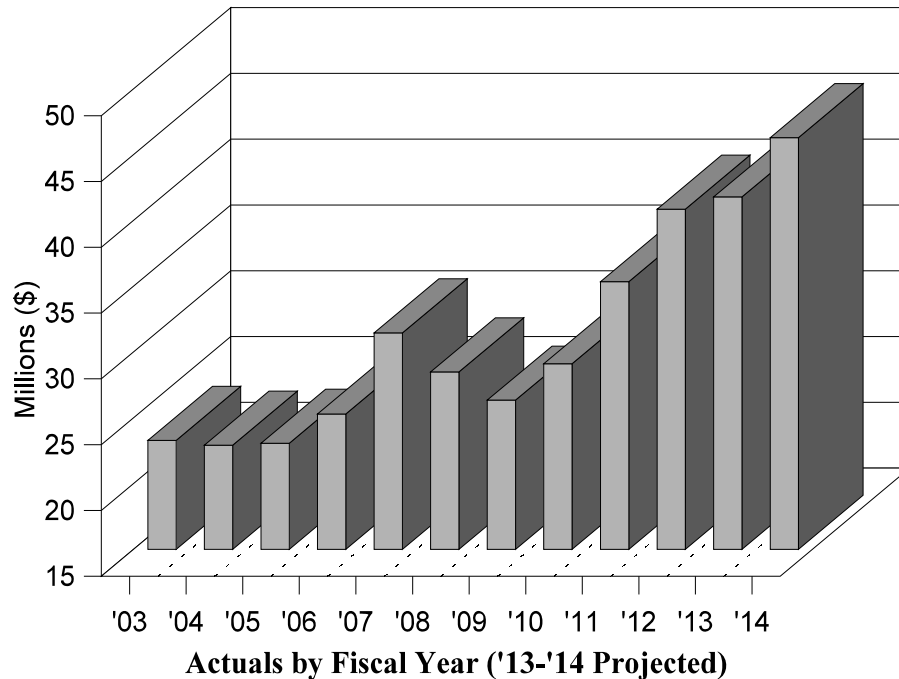
### WATER/SEWER USER FEES

**Basis:** Trend analysis/Management initiatives/Proposed rate increase

**Critical Assumption:** The base amount of Water/Sewer User Fees has grown in recent years as a result of the rate increases to stabilize the Fund. Additionally, the City has seen the base increase beyond projections beginning with the FY 2011 final revenues. For FY 2013, that base is expected to grow to \$37.8 million. A 12% increase in Water/Sewer User Fees for FY 2014 will generate an additional \$4.5 million. When coupled with special sewer and other miscellaneous revenue items, total User Fees is projected to be \$46.3 million, a net increase of \$4.1 million above the FY 2013 budget. Even with the increase, the City's rates will still be among the lowest in the region.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$35,332,168	\$40,836,954	\$42,164,000	\$41,764,000	\$46,274,000

### Water/Sewer User Fees



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## Water/Sewer Fund Revenues Fiscal Year 2014

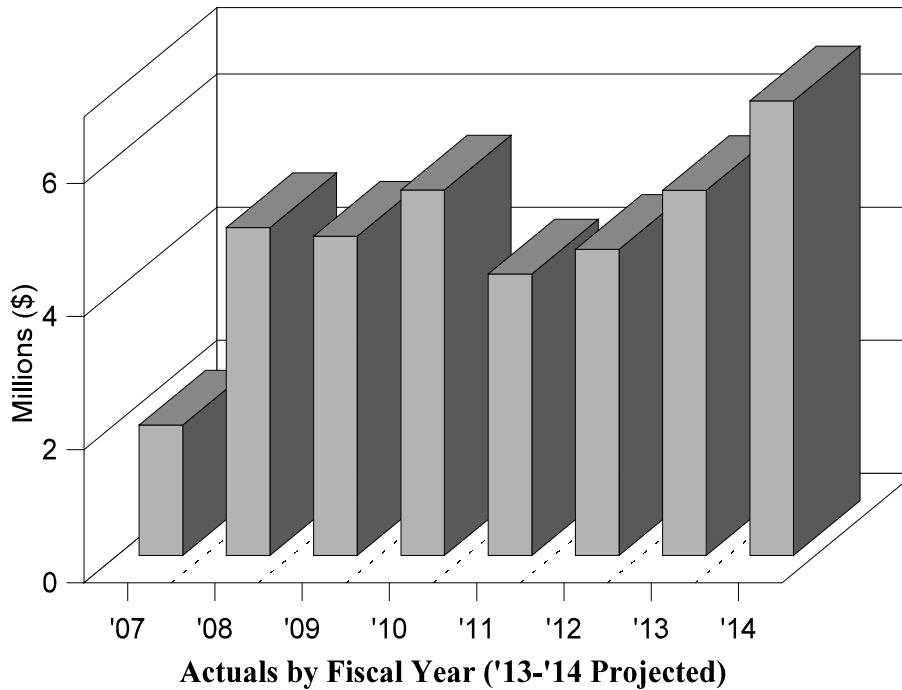
### STORMWATER BILLINGS

**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 \$7.2 million. For FY 2014, an 11% increase in Stormwater Fees will generate an additional \$791,000. After allowing for uncollectibles of \$1.1 million (mostly due to disputes concerning a few large federal and state controlled properties), more than \$6.8 million in revenue is projected for FY 2014, a net increase of \$1.3 million above the FY 2013 budget.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$4,227,360	\$4,610,749	\$5,483,790	\$5,483,790	\$6,829,000

### Stormwater Billings



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

# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## Water/Sewer Fund Revenues Fiscal Year 2014

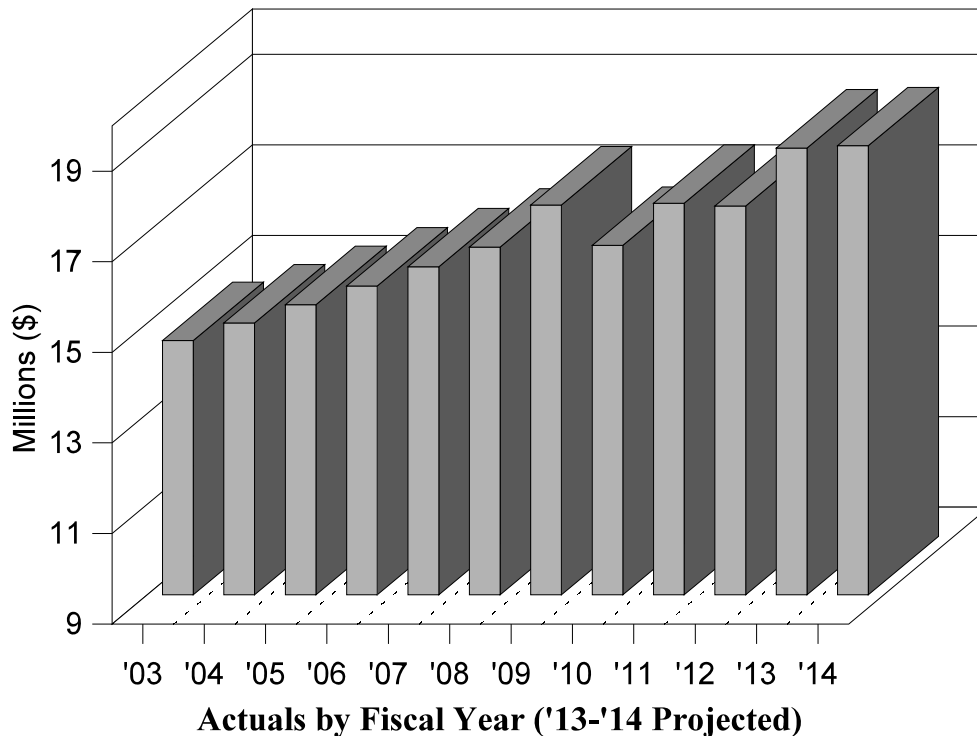
### NEW CASTLE COUNTY SEWER SERVICES

**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 2014, the net base fee of \$18.8 million represents the County’s share of costs for operating the City’s sewage treatment plant and sewage sludge disposal, adjusted downward by \$709,000 to take into account the annual reconciliation process and at-risk amounts for treatment plant water/sewer charges. An additional \$785,000 will be billed as a one-time reimbursement to the City for extensive repairs to concrete at the sewage treatment facility. The total revenue for FY 2014 is \$18,915,070.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$17,646,669	\$17,583,585	\$19,364,771	\$18,864,771	\$18,915,070

### NCC Sewer Services



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## Water/Sewer Fund Revenues Fiscal Year 2014

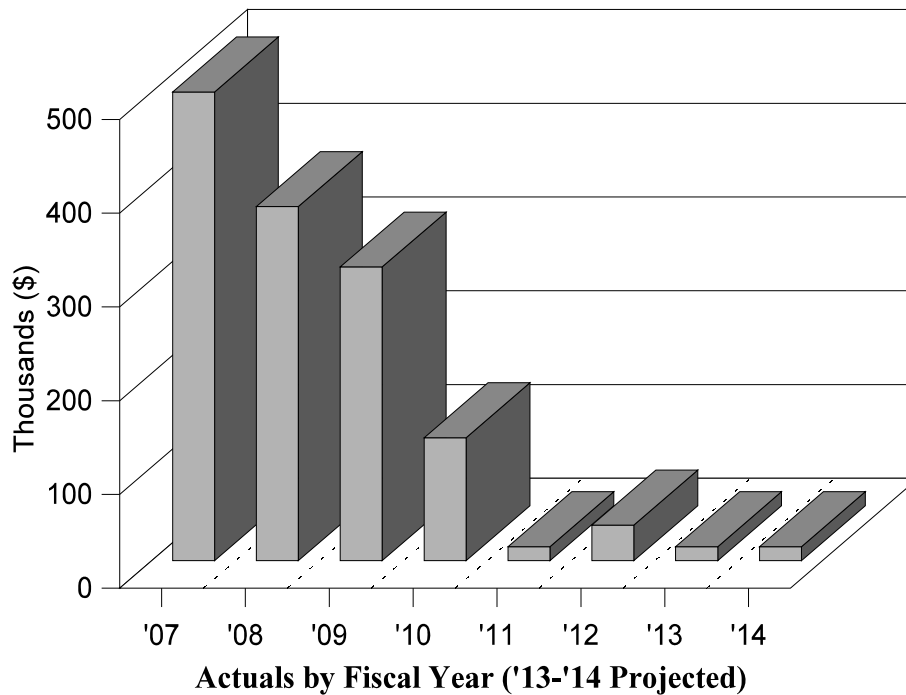
### INTEREST

**Basis:** Trend analysis/Cash flow analysis

**Critical Assumption:** Previously, all interest earned on City cash balances, regardless of the source, was booked as revenue to the General Fund. Starting in FY 2007, to help bolster the Water/Sewer Fund, interest earned on unspent Water/Sewer capital cash balances was booked as revenue to the Water/Sewer Fund. In FY 2014, interest is projected to remain at \$15,000.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$15,000	\$37,969	\$15,000	\$15,000	\$15,000

### Interest Income



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

# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## Water/Sewer Fund Revenues Fiscal Year 2014

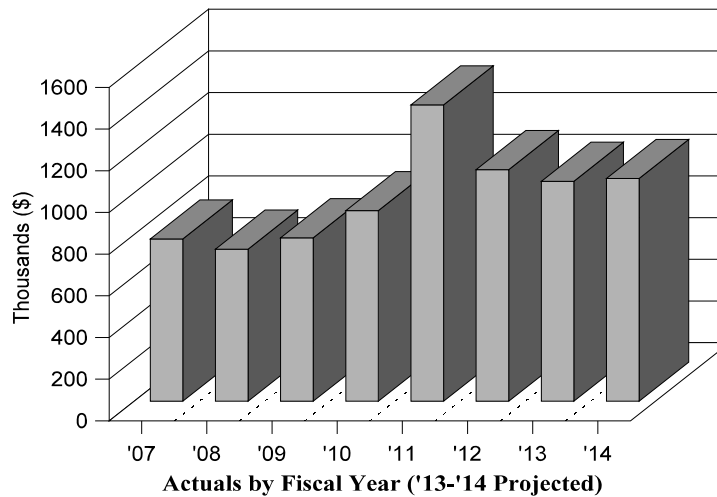
### RENTALS/MISCELLANEOUS

**Basis:** Lease/Contracts

**Critical Assumption:** Rental income, which is derived by charging fees to telecommunications companies that rent space on the City’s water tanks for antennae and transmitters, is projected to increase by \$13,000 to \$1,069,000.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$1,422,456	\$1,112,153	\$1,056,000	\$1,056,000	\$1,069,000

### Rentals/Miscellaneous



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

### SOLAR PANEL REVENUE

**Basis:** Lease/Contracts.

**Critical Assumption:** This was a new revenue source beginning in FY 2012 and results from the recent installation of solar panels at various city sites, most notably the Porter Filter Plant. Based on analysis by the Public Works Department, \$200,000 is expected to be received in FY 2014.

FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget
\$0	\$600,834	\$200,000	\$200,000	\$200,000



**CITY OF WILMINGTON  
TAX RATES FOR FISCAL YEAR 2014**

**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 2014**  
**(Continued)**

**FRANCHISE TAX**

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

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

**LODGING TAX**

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

**Rate:** 2.0% of rent.

# MAYOR'S OFFICE

The mission of the Mayor's Office is to provide the executive and administrative management necessary for the coordination and direction of overall City activities and policies. In addition to the executive function, the Mayor's Office houses the Offices of Public Safety, Constituent Services, Cultural Affairs, Management and Budget, Integrated Technologies, Communications, and Economic Development.

## SUMMARY OF FUNDING FOR THE MAYOR'S OFFICE

<b>TOTAL ALL FUNDS*</b> <b>MAYOR'S OFFICE</b>	<b>ACTUAL</b> <b>FY2011</b>	<b>ACTUAL</b> <b>FY2012</b>	<b>BUDGET</b> <b>FY2013</b>	<b>APPROVED</b> <b>FY2014</b>
Personal Services	5,098,760	5,386,339	5,319,447	5,625,553
Materials, Supplies & Equipment	5,004,922	5,681,015	6,253,812	6,973,344
Internal Services	1,293,285	1,356,657	1,206,832	1,257,702
Debt Service	1,571,374	1,825,223	1,635,502	3,575,579
Special Purpose	255,824	91,600	91,600	121,600
Contingent Reserves	0	0	625,000	125,000
Depreciation	719,681	682,834	743,019	889,977
Capitalization	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b><u>13,943,846</u></b>	<b><u>15,023,668</u></b>	<b><u>15,875,212</u></b>	<b><u>18,568,755</u></b>
<b>STAFFING LEVELS</b>	<b>59.00</b>	<b>58.00</b>	<b>57.00</b>	<b>61.00</b>

<b>GENERAL FUND</b> <b>MAYOR'S OFFICE</b>	<b>ACTUAL</b> <b>FY2011</b>	<b>ACTUAL</b> <b>FY2012</b>	<b>BUDGET</b> <b>FY2013</b>	<b>APPROVED</b> <b>FY2014</b>
Personal Services	3,367,370	3,352,289	3,276,488	3,520,426
Materials, Supplies & Equipment	1,249,465	1,248,724	1,247,814	1,406,601
Internal Services	920,240	985,974	918,577	954,004
Debt Service	1,448,735	1,702,781	1,486,141	3,418,170
Special Purpose	<u>255,824</u>	<u>91,600</u>	<u>91,600</u>	<u>121,600</u>
<b>TOTAL</b>	<b><u>7,241,634</u></b>	<b><u>7,381,368</u></b>	<b><u>7,020,620</u></b>	<b><u>9,420,801</u></b>
<b>STAFFING LEVELS</b>	<b>37.50</b>	<b>34.50</b>	<b>33.50</b>	<b>37.50</b>

<b>CONTINGENT RESERVES</b> <b>MAYOR'S OFFICE</b>	<b>ACTUAL</b> <b>FY2011</b>	<b>ACTUAL</b> <b>FY2012</b>	<b>BUDGET</b> <b>FY2013</b>	<b>APPROVED</b> <b>FY2014</b>
Contingency	0	0	500,000	0
Snow & Weather Emergencies	<u>0</u>	<u>0</u>	<u>125,000</u>	<u>125,000</u>
<b>TOTAL</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>625,000</u></b>	<b><u>125,000</u></b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

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

<b>LOCAL EMERGENCY PLANNING COMMITTEE (LEPC) FUND MAYOR'S OFFICE</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	105,256	60,684	61,236	62,748
Materials, Supplies & Equipment	<u>135,681</u>	<u>110,262</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b><u>240,937</u></b>	<b><u>170,946</u></b>	<b><u>61,236</u></b>	<b><u>62,748</u></b>
<b>STAFFING LEVELS</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>

<b>INTERNAL SERVICES FUNDS MAYOR'S OFFICE</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	1,626,134	1,973,366	1,981,723	2,042,379
Materials, Supplies & Equipment	3,619,776	4,322,029	5,005,998	5,566,743
Internal Services	373,045	370,683	288,255	303,698
Debt Service	122,639	122,442	149,361	157,409
Depreciation	719,681	682,834	743,019	889,977
Capitalization	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b><u>6,461,275</u></b>	<b><u>7,471,354</u></b>	<b><u>8,168,356</u></b>	<b><u>8,960,206</u></b>
<b>STAFFING LEVELS</b>	<b>21.00</b>	<b>23.00</b>	<b>23.00</b>	<b>23.00</b>

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

- Total Salaries and Benefits increased \$343,352 due in large part to a mid-year budget amendment that added four positions, two in the Mayor's Administrative Division, one in the Constituent Service Division, and one in the Economic Development Division. For FY 2014, one of the new positions, a Community Referral Specialist, was transferred to the Parks and Recreation Department.
- Hospitalization and Pension Healthcare costs increased \$43,404 and \$10,241 respectively. However, Pension costs decreased \$34,850 because of the influx of newly appointed employees who are covered by the less-costly State Pension Plan.
- Professional Fees expenditures increased \$82,245 for the development of an Education Arts and Cultural Affairs integration vision plan, and for Architectural and Engineering support related to Office of Economic Development projects.
- Miscellaneous Services rose \$15,470 due to a new building management agreement covering additional square footage at the Emergency Operations Center.
- Printing and Advertising costs were able to be reduced by \$6,206 because of a new policy to consolidate the advertising expenses associated with filling vacancies into the budget of the Human Resources Department.
- Debt Service grew by \$1,932,029 and includes the beginning of a full year's worth of principal payments for the \$15.1 million Upstairs Fund capital project.
- Special Purpose in the Mayor's Administrative Division was increased by \$60,000 to cover the annual funding commitment to the Wilmington Library that was transferred out of City Council's budget at their request.
- The amounts noted as Budget Control Accounts are a part of City Council's final floor amendment that changed the Mayor's Office appropriations by a decrease of \$99,414 in Personal Services and an increase of \$20,000 in M., S. & E.
- Funding in the amount of \$100,000 for the United States Attorney's FED-UP program, which supports an attorney to prosecute felons in possession of firearms in the City, was moved from the Contingency Fund into the Law Department to comport with the new accounting treatment.
- The proposed \$300,000 request for the Contingency Fund was eliminated in a final floor amendment by City Council.

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

- Total Salaries rose by \$11,943, resulting from employee annual salary step increases and position upgrades for four Helpdesk Engineers and one Desktop Engineer as part of the biennial appeals process. Higher Pension, Pension Healthcare, and Hospitalization costs combined to inflate total employee benefits by \$48,713.
- Machinery and Equipment costs rose \$201,660 in the Communications Division to support the continued upgrade of handheld radios for the Fire Department, and to implement a new City-wide telephone and voice mail system. The radios and telephone equipment will be purchased through capital leases, spreading the cash outlay for the purchase over five years.
- Costs for Machinery and Equipment grew in the Data Processing Division by \$305,500 mainly due to the increased need for server data storage.
- Contracted Maintenance increased \$135,658 to fund maintenance agreements for servers no longer covered by warranty, network upgrades, and the cost to retrofit new Fire Department radios into vehicles.
- Other Non-Capitalized Equipment appropriations grew by a net \$99,463 across all Divisions, primarily to cover additional vehicle data terminals for the Police Department, and an increased number of City-wide desktop PC replacements.
- Consultant expenses decreased \$23,580, as a result of decreasing needs for KRONOS support. However, a required disaster recovery audit study, along with intern assistance, offset greater savings.
- Miscellaneous Parts increased \$25,539 due to higher costs for radio batteries, cell phone accessories, speaker mics, and radio replacement parts.

**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: OFFICE OF THE MAYOR**

**FUND: GENERAL**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Regular Salaries	2,415,236	2,255,694	2,221,734	2,526,651
Temporary Salaries	1,321	20,205	5,000	0
Acting Out of Class	2,345	1,920	0	0
Sick Leave Bonus	1,000	1,100	0	0
Overtime/Special Events	200	1,778	0	0
Meal Allowance	0	0	0	0
Internet Reimbursement	0	0	0	0
Pension Contribution	299,466	431,616	399,348	364,498
Social Security	146,549	138,661	135,216	154,191
Medicare Tax	34,602	32,573	31,769	36,152
Hospitalization	412,165	409,658	452,911	496,315
Life Insurance	8,816	7,683	7,641	8,923
Pension Healthcare	45,670	51,401	59,462	69,703
Deferred Comp Contribution	0	0	0	0
Personal Services Adjustment	0	0	(36,593)	(36,593)
PS-Budget Control Account	<u>0</u>	<u>0</u>	<u>0</u>	<u>(99,414)</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>3,367,370</b>	<b>3,352,289</b>	<b>3,276,488</b>	<b>3,520,426</b>

**MATERIALS, SUPPLIES & EQUIPMENT**

Printing & Advertising	89,707	82,633	77,830	71,624
Communications & Utilities	28,880	26,780	33,360	33,360
Transportation	17,428	28,152	17,650	35,000
Rentals	33,550	34,362	35,124	43,445
Contracted Maintenance Repairs	2,409	1,382	2,716	3,500
Professional Fees	175,452	209,639	193,756	276,000
Other Fees	9,480	120,734	0	0
Memberships & Registrations	39,183	35,106	47,960	63,090
Miscellaneous Services	130,416	47,361	195,280	210,750
Office & General Supplies	8,872	9,198	12,734	14,332
Wearing Apparel and Safety	971	0	0	0
Miscellaneous Parts	52,676	53,820	64,904	65,500
Construction and Repairs	0	0	1,000	1,000
Equipment	1,386	6,620	5,500	13,500
Fixed Assets	0	9,352	0	0
Miscellaneous Projects	531,425	439,989	464,500	461,000
Community Activities	127,630	143,596	95,500	94,500
MSE-Budget Control Account	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,000</u>
<b>TOTAL M., S. &amp; E.</b>	<b>1,249,465</b>	<b>1,248,724</b>	<b>1,247,814</b>	<b>1,406,601</b>

DEPARTMENT: OFFICE OF THE MAYOR

FUND: GENERAL

<u>INTERNAL SERVICES</u>	<u>ACTUAL FY2011</u>	<u>ACTUAL FY2012</u>	<u>BUDGET FY2013</u>	<u>APPROVED 2014</u>
Administrative Services	886,049	929,825	856,091	891,518
Self-Insurance	<u>34,191</u>	<u>56,149</u>	<u>62,486</u>	<u>62,486</u>
<b>TOTAL INTERNAL SERVICES</b>	<b>920,240</b>	<b>985,974</b>	<b>918,577</b>	<b>954,004</b>
<b><u>DEBT SERVICE</u></b>				
Principal Payments	208,961	615,074	413,622	2,373,426
Interest Payments	<u>1,239,774</u>	<u>1,087,707</u>	<u>1,072,519</u>	<u>1,044,744</u>
<b>TOTAL DEBT SERVICE</b>	<b>1,448,735</b>	<b>1,702,781</b>	<b>1,486,141</b>	<b>3,418,170</b>
<b><u>SPECIAL PURPOSE</u></b>				
Wilmington Arts Commission	375	0	0	0
Rock Manor Golf Course	<u>255,449</u>	<u>91,600</u>	<u>91,600</u>	<u>121,600</u>
<b>TOTAL SPECIAL PURPOSE</b>	<b>255,824</b>	<b>91,600</b>	<b>91,600</b>	<b>121,600</b>

DEPARTMENT: OFFICE OF THE MAYOR

FUND: CONTINGENT RESERVES

<u>CONTINGENT RESERVES</u>	<u>ACTUAL FY2011</u>	<u>ACTUAL FY2012</u>	<u>BUDGET FY2013</u>	<u>APPROVED FY2014</u>
Contingency	0	0	500,000	0
Snow & Weather Emergencies	<u>0</u>	<u>0</u>	<u>125,000</u>	<u>125,000</u>
<b>CONTINGENT RESERVES TOTAL</b>	<b>0</b>	<b>0</b>	<b>625,000</b>	<b>125,000</b>
<b>GENERAL FUND TOTAL</b>	<b><u>7,241,634</u></b>	<b><u>7,381,368</u></b>	<b><u>7,645,620</u></b>	<b><u>9,545,801</u></b>



## DEPARTMENT: OFFICE OF THE MAYOR

FUND: LEPC

	ACTUAL FY2011	ACTUAL FY2012	BUDGET FY2013	APPROVED FY2014
<b>PERSONAL SERVICES</b>				
Regular Salaries	83,105	42,332	42,169	42,169
Temporary Salaries	0	0	0	0
Pension Contribution	3,951	7,051	7,801	9,066
Social Security	5,086	2,561	2,550	2,553
Medicare Tax	1,190	599	596	597
Hospitalization	11,196	7,259	7,117	7,243
Life Insurance	345	108	115	120
Pension Healthcare	<u>383</u>	<u>774</u>	<u>888</u>	<u>1,000</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>105,256</b>	<b>60,684</b>	<b>61,236</b>	<b>62,748</b>
<b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	0	0	0	0
Communications & Utilities	17,101	1,374	0	0
Transportation	282	778	0	0
Rentals	0	0	0	0
Professional Fees	0	0	0	0
Memberships & Registrations	0	0	0	0
Miscellaneous Services	0	0	0	0
Office & General Supplies	0	1,893	0	0
Wearing Apparel and Safety	0	0	0	0
Miscellaneous Materials	2,808	0	0	0
Equipment	57,416	0	0	0
Site Preparation	(23,342)	0	0	0
Fixed Assets	<u>81,416</u>	<u>106,217</u>	<u>0</u>	<u>0</u>
<b>TOTAL M., S. &amp; E.</b>	<b>135,681</b>	<b>110,262</b>	<b>0</b>	<b>0</b>
<b>LEPC FUND TOTAL</b>	<b><u>240,937</u></b>	<b><u>170,946</u></b>	<b><u>61,236</u></b>	<b><u>62,748</u></b>

## DEPARTMENT: OFFICE OF THE MAYOR

## FUND: INTERNAL SERVICES

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Regular Salaries	1,137,388	1,257,548	1,284,212	1,296,155
Temporary Salaries	131	0	0	0
Acting Out of Class	338	1,169	0	0
Sick Leave Bonus	1,300	1,500	0	0
Overtime	218	2,775	0	0
Meal Allowance	0	10	0	0
Internet Reimbursements	(165)	0	0	0
Pension Contribution	160,044	273,224	264,775	284,334
Social Security	69,600	77,185	78,525	79,136
Medicare Tax	16,283	18,051	18,367	18,507
Hospitalization	211,349	278,813	289,775	312,813
Life Insurance	5,249	5,408	5,244	5,434
Pension Healthcare	21,177	31,597	40,825	46,000
Deferred Comp Contribution	0	0	0	0
Accrued Sick/Vacation	3,222	26,086	0	0
<b>TOTAL PERSONAL SERVICES</b>	<b>1,626,134</b>	<b>1,973,366</b>	<b>1,981,723</b>	<b>2,042,379</b>
<b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	91,473	103,220	120,000	120,000
Communications & Utilities	847,858	824,138	1,292,274	1,340,366
Transportation	7,459	9,508	6,500	9,000
Rentals of Office Equipment	99,106	94,622	102,621	102,421
Contracted Maintenance Repairs	204,521	349,092	399,068	534,726
Professional Fees	843,831	1,524,214	1,601,580	1,578,000
Other Fees	0	0	0	0
Memberships & Registrations	7,660	11,484	15,045	16,045
Miscellaneous Services	277,158	136,783	99,262	104,600
Office & General Supplies	131,926	138,664	164,320	166,576
Uniforms & Related Equipment	0	0	272	220
Miscellaneous Parts	74,660	109,856	52,061	77,600
Equipment	511,700	563,329	855,994	949,689
Fixed Assets	524,724	457,119	1,210,340	1,717,500
Capitalized Exps -Op.	(2,300)	0	(913,340)	(1,150,000)
<b>TOTAL M., S. &amp; E.</b>	<b>3,619,776</b>	<b>4,322,029</b>	<b>5,005,998</b>	<b>5,566,743</b>
<b><u>INTERNAL SERVICES</u></b>				
Administrative Services	359,413	357,149	274,609	290,052
Self-Insurance	13,632	13,534	13,646	13,646
<b>TOTAL INTERNAL SERVICES</b>	<b>373,045</b>	<b>370,683</b>	<b>288,255</b>	<b>303,698</b>

**DEPARTMENT: OFFICE OF THE MAYOR**

**FUND: INTERNAL SERVICES**

	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
<b>DEBT SERVICE</b>				
Amortization	6,296	5,953	6,512	6,512
Interest Payments	<u>116,343</u>	<u>116,489</u>	<u>142,849</u>	<u>150,897</u>
<b>TOTAL DEBT SERVICE</b>	<b>122,639</b>	<b>122,442</b>	<b>149,361</b>	<b>157,409</b>
<b>OTHER</b>				
Capitalized Expenditures	0	0	0	0
Depreciation	<u>719,681</u>	<u>682,834</u>	<u>743,019</u>	<u>889,977</u>
<b>TOTAL OTHER</b>	<b>719,681</b>	<b>682,834</b>	<b>743,019</b>	<b>889,977</b>
<b>INTERNAL SERVICES FUND TOTAL</b>	<b><u>6,461,275</u></b>	<b><u>7,471,354</u></b>	<b><u>8,168,356</u></b>	<b><u>8,960,206</u></b>



# 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.

<b>PRIORITIES FOR FISCAL YEAR 2014</b>
<ul style="list-style-type: none"> <li>• 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.</li> </ul>

## SUMMARY OF FUNDING FOR CITY COUNCIL

<b>ALL FUNDS CITY COUNCIL</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	1,772,076	1,858,016	1,885,027	2,176,228
Materials, Supplies & Equipment	339,608	369,234	288,099	594,940
Internal Services	203,466	238,819	218,043	223,798
Debt Service	19,806	26,988	18,572	28,370
Special Purpose	67,670	67,644	71,500	19,000
<b>TOTAL</b>	<b><u>2,402,626</u></b>	<b><u>2,560,701</u></b>	<b><u>2,481,241</u></b>	<b><u>3,042,336</u></b>
<b>STAFFING LEVELS</b>	<b>29.00</b>	<b>28.00</b>	<b>27.00</b>	<b>29.00</b>

<b>GENERAL FUND CITY COUNCIL</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	1,772,076	1,858,016	1,885,027	1,404,760
Materials, Supplies & Equipment	339,608	369,234	288,099	507,100
Internal Services	203,466	238,819	218,043	211,369
Debt Service	19,806	26,988	18,572	639
Special Purpose	<u>67,670</u>	<u>67,644</u>	<u>71,500</u>	<u>19,000</u>
<b>TOTAL</b>	<b><u>2,402,626</u></b>	<b><u>2,560,701</u></b>	<b><u>2,481,241</u></b>	<b><u>2,142,868</u></b>
<b>STAFFING LEVELS</b>	<b>29.00</b>	<b>28.00</b>	<b>27.00</b>	<b>20.05</b>

<b>CATV FUND CITY COUNCIL</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	0	0	0	771,468
Materials, Supplies & Equipment	0	0	0	87,840
Internal Services	0	0	0	12,429
Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,731</u>
<b>TOTAL</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>899,468</u></b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>8.95</b>

## MAJOR FUNDING CHANGES FROM PRIOR YEAR

- A mid-year FY 2013 budget amendment reorganized Council staff and resulted in two additional positions that carried forward into FY 2014 at a combined cost of \$195,083. The two new positions are a Director of Communications & Policy (\$125,929) and a Legislative Analyst/Bailiff (\$69,154).
- At the request of Council, the cost of the entire Cable and Communications Division, along with portions of the salary and benefit costs of three senior staff members, have been transferred out of the General Fund and into a special CATV Fund. The supporting Comcast Franchise Fee revenue has also been transferred from the General Fund to the CATV Fund. The transfer of the \$1.06 million in Comcast Franchise Fee revenue exceeds the \$899,468 of total costs transferred out.
- The total budget for the Cable and Communications Division increased by \$156,209 or 21%, mainly as the result of having to support the cost of 80% of the new Director of Communications & Policy position, 10% of the cost of the Chief of Staff position, and 5% of the cost of the Deputy Chief of Staff position. As mentioned above, these and all other costs of the Cable and Communications Division are budgeted in the CATV Fund.
- \$18,000 was added to the License Support Agreement account in the Cable and Communications Division for video streaming contract services to be provided by Swagit for WITN Channel 22.
- A \$250,000 increase in the Miscellaneous Projects account of the Legislative Division was a request from City Council to fund youth initiatives and other special projects of interest to Council.
- Grant funding in the amount of \$60,000 for the Wilmington Institute Free Library was transferred to the Mayor's Office at the request of Council.

**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: CITY COUNCIL**

**FUND: GENERAL**

	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
<b><u>PERSONAL SERVICES</u></b>				
Regular Salaries	1,230,683	1,235,856	1,238,358	907,510
Temporary Salaries	16,344	14,625	22,050	24,222
Acting Out of Class	4,901	0	0	0
Sick Leave Bonus	600	0	600	400
Overtime	231	568	0	0
Internet Reimbursements	0	0	0	0
Pension Contribution	111,924	189,475	181,620	136,409
Social Security	76,712	76,391	77,007	55,712
Medicare Tax	17,941	17,866	18,009	13,028
Hospitalization	271,772	276,018	294,099	223,513
Life Insurance	5,687	5,366	5,359	3,866
Pension Healthcare	35,281	41,851	47,925	40,100
Deferred Comp Contribution	0	0	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>1,772,076</b>	<b>1,858,016</b>	<b>1,885,027</b>	<b>1,404,760</b>
<b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	16,347	15,557	17,700	18,000
Transportation	10,902	7,312	2,000	3,000
Rentals	800	0	1,000	1,000
Contracted Maintenance Repairs	16,292	15,855	22,000	2,000
Professional Fees	5,325	9,747	0	5,000
Memberships & Registrations	13,052	15,270	21,800	21,000
Miscellaneous Services	8,200	6,275	9,340	4,000
Office & General Supplies	2,334	3,706	7,225	6,600
Wearing Apparel & Safety	981	0	2,250	0
Miscellaneous Parts	20,325	14,288	31,784	17,500
Equipment	8,690	12,171	6,500	1,000
Fixed Assets	0	0	0	0
Community Activities	<u>236,360</u>	<u>269,053</u>	<u>166,500</u>	<u>428,000</u>
<b>TOTAL M., S. &amp; E.</b>	<b>339,608</b>	<b>369,234</b>	<b>288,099</b>	<b>507,100</b>
<b><u>INTERNAL SERVICES</u></b>				
Administrative Services	192,189	222,872	201,077	195,586
Self-Insurance	<u>11,277</u>	<u>15,947</u>	<u>16,966</u>	<u>15,783</u>
<b>TOTAL INTERNAL SERVICES</b>	<b>203,466</b>	<b>238,819</b>	<b>218,043</b>	<b>211,369</b>



<b>DEBT SERVICE</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Principal Payments	1,310	8,995	964	321
Interest Payments	<u>18,496</u>	<u>17,993</u>	<u>17,608</u>	<u>318</u>
<b>TOTAL DEBT SERVICE</b>	<b>19,806</b>	<b>26,988</b>	<b>18,572</b>	<b>639</b>
 <b><u>SPECIAL PURPOSE</u></b>				
Wilmington Institute Free Library	60,000	60,000	60,000	0
Other	<u>7,670</u>	<u>7,644</u>	<u>11,500</u>	<u>19,000</u>
<b>TOTAL SPECIAL PURPOSE</b>	<b>67,670</b>	<b>67,644</b>	<b>71,500</b>	<b>19,000</b>
 <b>GENERAL FUND TOTAL</b>	 <b><u>2,402,626</u></b>	 <b><u>2,560,701</u></b>	 <b><u>2,481,241</u></b>	 <b><u>2,142,868</u></b>

**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: CITY COUNCIL**

**FUND: CATV**

	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
<b><u>PERSONAL SERVICES</u></b>				
Regular Salaries	0	0	0	477,433
Temporary Salaries	0	0	0	15,000
Acting Out of Class	0	0	0	0
Sick Leave Bonus	0	0	0	200
Overtime	0	0	0	0
Internet Reimbursements	0	0	0	0
Pension Contribution	0	0	0	91,407
Social Security	0	0	0	29,123
Medicare Tax	0	0	0	6,811
Hospitalization	0	0	0	131,470
Life Insurance	0	0	0	2,124
Pension Healthcare	0	0	0	17,900
Deferred Comp Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>771,468</b>
<b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	0	0	0	0
Transportation	0	0	0	5,000
Rentals	0	0	0	0
Contracted Maintenance Repairs	0	0	0	20,000
Professional Fees	0	0	0	0
Memberships & Registrations	0	0	0	10,500
Miscellaneous Services	0	0	0	23,340
Office & General Supplies	0	0	0	1,500
Wearing Apparel & Safety	0	0	0	3,000
Miscellaneous Parts	0	0	0	19,000
Equipment	0	0	0	5,500
Fixed Assets	0	0	0	0
Community Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL M., S. &amp; E.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>87,840</b>
<b><u>INTERNAL SERVICES</u></b>				
Administrative Services	0	0	0	2,635
Self-Insurance	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,794</u>
<b>TOTAL INTERNAL SERVICES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,429</b>

<b>DEBT SERVICE</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Principal Payments	0	0	0	10,501
Interest Payments	<u>0</u>	<u>0</u>	<u>0</u>	<u>17,230</u>
<b>TOTAL DEBT SERVICE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27,731</b>
<b>CATV FUND TOTAL</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>899,468</u></b>



# 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.

<b>PRIORITIES FOR FISCAL YEAR 2014</b>
<ul style="list-style-type: none"> <li>• Enhance website to facilitate retirement planning for employees.</li> <li>• Facilitate the transition of the City's Deferred Compensation program from the Hartford to Massachusetts Mutual (Mass Mutual).</li> </ul>

## SUMMARY OF FUNDING FOR CITY TREASURER

<b>TOTAL ALL FUNDS CITY TREASURER</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	569,702	626,779	609,023	637,692
Materials, Supplies & Equipment	1,095,231	923,735	1,127,228	1,068,567
Internal Services	134,380	136,406	126,643	130,023
Other	<u>915,754</u>	<u>1,456,482</u>	<u>2,000,000</u>	<u>2,250,000</u>
<b>TOTAL</b>	<b><u>2,715,067</u></b>	<b><u>3,143,402</u></b>	<b><u>3,862,894</u></b>	<b><u>4,086,282</u></b>
<b>STAFFING LEVELS</b>	<b>7.00</b>	<b>7.00</b>	<b>6.00</b>	<b>6.00</b>

<b>GENERAL FUND CITY TREASURER</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	271,882	300,564	283,424	300,920
Materials, Supplies & Equipment	37,407	19,553	30,670	30,070
Internal Services	<u>97,905</u>	<u>108,558</u>	<u>99,259</u>	<u>101,517</u>
<b>TOTAL</b>	<b><u>407,194</u></b>	<b><u>428,675</u></b>	<b><u>413,353</u></b>	<b><u>432,507</u></b>
<b>STAFFING LEVELS</b>	<b>3.42</b>	<b>3.42</b>	<b>2.92</b>	<b>2.92</b>

<b>PENSION ADMIN. FUNDS CITY TREASURER</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	297,820	326,215	325,599	336,772
Materials, Supplies & Equipment	1,057,824	904,182	1,096,558	1,038,497
Internal Services	36,475	27,848	27,384	28,506
Other	<u>915,754</u>	<u>1,456,482</u>	<u>2,000,000</u>	<u>2,250,000</u>
<b>TOTAL</b>	<b><u>2,307,873</u></b>	<b><u>2,714,727</u></b>	<b><u>3,449,541</u></b>	<b><u>3,653,775</u></b>
<b>STAFFING LEVELS</b>	<b>3.58</b>	<b>3.58</b>	<b>3.08</b>	<b>3.08</b>

### MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Total Personal Services grew by \$28,669 or 4.7% across all funds due to increases in Pension Contributions, Hospitalization, and Pension Healthcare by \$19,288, \$1,602, and \$1,573 respectively.
- In the Pension Funds, total Materials, Supplies, and Equipment costs decreased by \$58,061 or 5.3%. The City has its Actuary perform a full review every other fiscal year. Since FY 2014 will be an off year for an actuarial review, consultant costs were reduced by \$40,000. In addition, Trustee Fees decreased a net \$21,445 because portions of the pension fund portfolio are now invested in less costly indexed funds.
- In the Pension Funds, Travel and Subsistence increased by \$1,014 to allow staff members to attend professional education seminars.
- In the Pension Funds, Furn. Fix. & Office Equipment increased by \$1,760 to cover the replacement of chairs, calculators and other worn-out office equipment.
- The Internal Services account group increased by a net of \$3,380 across all funds, mainly due to increase in costs of Data Processing, which is up \$2,683. Telephone costs increased slightly by a net of \$698.
- The annual self-insurance funding target for retiree medical costs was increased by \$250,000, bringing the total funding for the program to \$2.25 million for FY 2014.

# 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-F on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Number of Fund Managers Interviewed	4	5	4	7	5

**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-B and 1-F on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Percentage of Funds Invested	95%	95%	96%	96%	96%

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

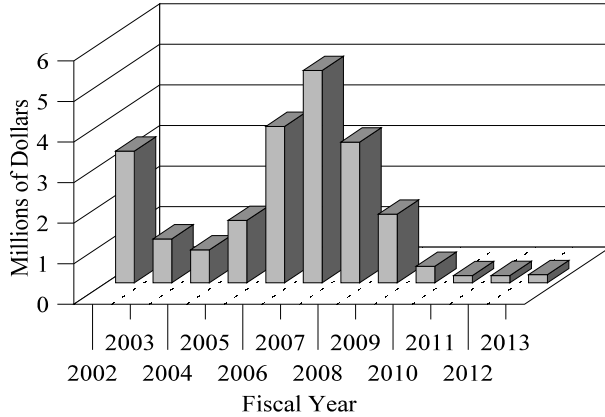
**Objective:** Fund the actuarially determined Annual Required Contribution at 100% each year.

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

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Annual Required Contribution (in \$ millions)	\$9.8	\$9.8	\$11.9	\$11.9	\$12.2

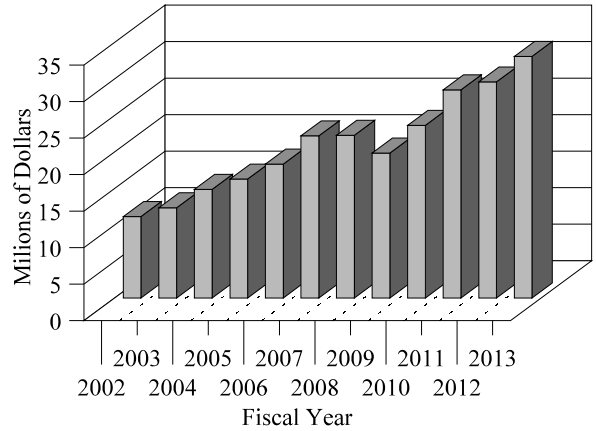
# City Treasurer Performance Trends

### General Fund Investment Income



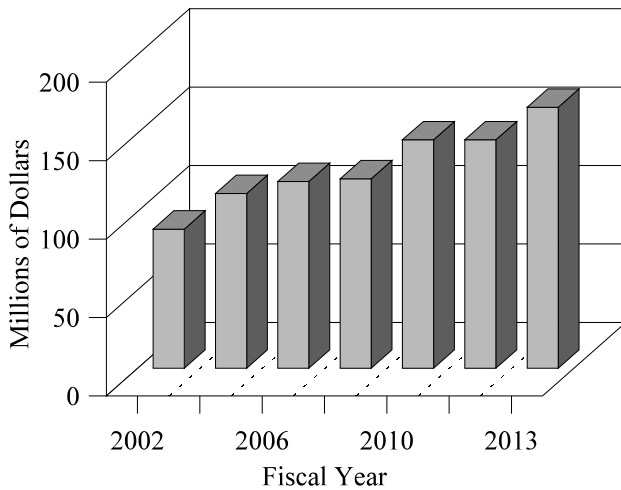
Prudent cash management and investment policies have enabled the City Treasurer to earn an average of over \$2.5 million per year since FY 2002. Much lower interest rates and delayed capital borrowing were responsible for the declines in FY 2009 through FY 2013.

### Deferred Compensation Fund



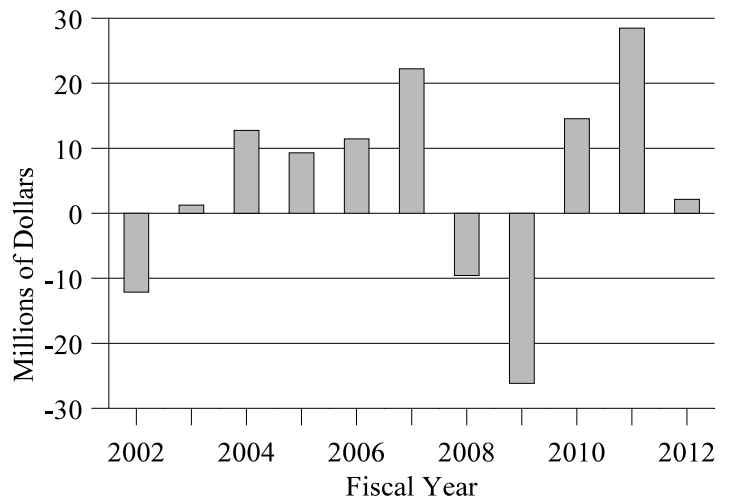
The City's Deferred Compensation plan is available on a voluntary basis to employees who wish to supplement their retirement income by investing a portion of their current earnings on a tax deferred basis.

### 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, 2011 and 2012.



**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: CITY TREASURER**

**FUND: GENERAL**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Regular Salaries	190,845	191,563	190,501	194,838
Sick Leave Bonus	300	200	0	0
Internet Reimbursement	0	0	0	0
Pension Contribution	25,142	52,573	43,407	54,454
Social Security	11,260	11,498	11,541	11,796
Medicare Tax	2,692	2,711	2,719	2,757
Hospitalization	37,218	36,834	37,597	38,498
Life Insurance	711	652	653	688
Pension Healthcare	3,714	4,533	5,180	6,063
Deferred Compensation Contribution	0	0	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(8,174)</u>	<u>(8,174)</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>271,882</b>	<b>300,564</b>	<b>283,424</b>	<b>300,920</b>
<b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	160	250	320	320
Transportation	0	0	1,500	1,500
Professional Fees	32,760	15,580	21,500	21,500
Memberships & Registrations	100	922	1,100	1,100
Miscellaneous Services	3,265	1,639	5,000	4,400
Office & General Supplies	1,122	1,004	1,000	1,000
Equipment	<u>0</u>	<u>159</u>	<u>250</u>	<u>250</u>
<b>TOTAL M. S. &amp; E.</b>	<b>37,407</b>	<b>19,553</b>	<b>30,670</b>	<b>30,070</b>
<b><u>INTERNAL SERVICES</u></b>				
Administrative Services	92,775	102,909	93,797	96,055
Self-Insurance	<u>5,130</u>	<u>5,649</u>	<u>5,462</u>	<u>5,462</u>
<b>TOTAL INTERNAL SERVICES</b>	<b>97,905</b>	<b>108,558</b>	<b>99,259</b>	<b>101,517</b>
<b><u>GENERAL FUND TOTAL</u></b>	<b><u>407,194</u></b>	<b><u>428,675</u></b>	<b><u>413,353</u></b>	<b><u>432,507</u></b>

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Regular Salaries	227,224	224,325	223,711	225,036
Internet Reimbursement	0	0	0	0
Accrued Vacation Pay	(4,648)	3,523	0	0
Pension Contribution	28,541	40,109	45,019	53,260
Social Security	13,592	13,534	13,487	13,661
Medicare Tax	3,238	3,187	3,179	3,196
Hospitalization	25,468	36,093	36,199	36,900
Life Insurance	774	677	703	728
Pension Healthcare	3,631	4,767	5,470	6,160
Deferred Compensation Contribution	0	0	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(2,169)</u>	<u>(2,169)</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>297,820</b>	<b>326,215</b>	<b>325,599</b>	<b>336,772</b>
 <b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	250	125	320	300
Transportation	0	2,278	2,000	3,014
Rentals	0	0	60	60
Contracted Maintenance	0	0	128	102
Professional Fees	1,052,965	896,842	1,088,175	1,026,730
Other Fees	450	976	900	900
Memberships & Registrations	1,637	1,480	3,015	3,625
Office & General Supplies	676	1,002	770	816
Miscellaneous Parts	590	788	700	700
Equipment	<u>1,256</u>	<u>691</u>	<u>490</u>	<u>2,250</u>
<b>TOTAL M. S. &amp; E.</b>	<b>1,057,824</b>	<b>904,182</b>	<b>1,096,558</b>	<b>1,038,497</b>
 <b><u>INTERNAL SERVICES</u></b>				
Administrative Services	35,359	26,775	26,270	27,392
Self-Insurance	<u>1,116</u>	<u>1,073</u>	<u>1,114</u>	<u>1,114</u>
<b>TOTAL INTERNAL SERVICES</b>	<b>36,475</b>	<b>27,848</b>	<b>27,384</b>	<b>28,506</b>
 <b><u>OTHER</u></b>				
Self Insurance Costs	<u>915,754</u>	<u>1,456,482</u>	<u>2,000,000</u>	<u>2,250,000</u>
<b>TOTAL OTHER</b>	<b>915,754</b>	<b>1,456,482</b>	<b>2,000,000</b>	<b>2,250,000</b>
 <b>PENSION ADMIN. FUNDS TOTAL</b>	 <b><u>2,307,873</u></b>	 <b><u>2,714,727</u></b>	 <b><u>3,449,541</u></b>	 <b><u>3,653,775</u></b>

# DEPARTMENT OF PLANNING AND URBAN DESIGN

The mission of the Department of Planning and Urban Design 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 Urban Design 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 2014

- 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.
- Provide staff support to the Mayor's Access Wilmington Committee - The Mayor's Committee for People with Disabilities. Organize an Access Neighborhood Parks Tour for the Committee. Additionally, organize the 2013 Access Wilmington Award Reception and City/County Building Lobby Art Exhibit for Disability Awareness Month (October 2013).
- Conduct ongoing outreach to the Neighborhood Planning Councils. Complete two newsletters and neighborhood development outreach material. Coordinate NPC Capital Grant application process, and oversee Capital project implementation.
- Complete rezoning for the Baynard Boulevard/Concord Avenue analysis area. Additionally, complete the Neighborhood Comprehensive Plan for the analysis area.
- Initiate the Neighborhood Notebook for Midtown Brandywine.
- Process approximately 300 HUD Part 58 Environmental Reviews and 106 Historic Reviews.
- Update the City's Five-Year Environmental Review Record with HUD and the Programmatic Agreement with the State Historic Preservation Office.
- Complete the Citywide Plan of Land Use and submit to the State for Certification.

## PRIORITIES FOR FISCAL YEAR 2014 (continued)

- Complete approximately six research projects addressing the 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 City Zoning Code and/or maps, before land use conflicts arise.
- Work with the Wilmington Renaissance Corporation, Downtown Visions, and Real Estate and Housing in developing an artist housing program.
- Promote a well balanced multi-modal transportation system by planning and implementing citywide transportation improvements through the continuing efforts of the Wilmington Initiatives partnership between the City, Delaware Department of Transportation (DelDOT), Delaware Transit Corporation, and WILMAPCO.
- Continued involvement with Wilmapco, the regional metropolitan planning organization, as members of the Technical Advisory Committee, to provide review and recommendations for federally funded projects and programs; and to coordinate funding requests for planning studies and project implementation.
- Support and encourage the development of bicycle related projects, programs, and events by working with the Wilmington Bike Committee, Wilmapco and the State.
- Complete survey of Concord Heights. In the course of federal project administration, the State Division of Historical and Cultural Affairs noted the striking architectural significance of the area centered on Baynard Boulevard and adjacent blocks between Concord Avenue and Haynes Park, and recommended that it be surveyed. The area, developed historically as "Concord Heights" between 1910 and about 1932, has been the focus of the phased architectural and documentary survey for the past three years by staff of the Department of Planning and Urban Design. In the continuum of City development, Concord Heights represents a controlled bridge between the earlier trend of high density urban land use and the later explosion of post World War II suburban expansion.
- Reconvene the Wilmington Preservation Roundtable. The Wilmington Preservation Roundtable meets occasionally to update historic preservation professionals and interested citizens on projects within and affecting the City. The meetings are informal yet provide important networking opportunities while introducing participants to projects-in-progress and hidden gems within the Wilmington community.

**SUMMARY OF FUNDING FOR  
THE DEPARTMENT OF PLANNING AND URBAN DESIGN**

<b>TOTAL ALL FUNDS DEPARTMENT OF PLANNING AND URBAN DESIGN</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	1,062,795	1,048,690	1,067,681	1,080,871
Materials, Supplies & Equipment	18,954	19,726	27,656	33,859
Internal Services	311,618	363,009	353,932	362,010
Debt Service	<u>136,394</u>	<u>150,328</u>	<u>162,196</u>	<u>200,683</u>
<b>TOTAL</b>	<b><u>1,529,761</u></b>	<b><u>1,581,753</u></b>	<b><u>1,611,465</u></b>	<b><u>1,677,423</u></b>
<b>STAFFING LEVELS</b>	<b>12.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>

<b>GENERAL FUND DEPARTMENT OF PLANNING AND URBAN DESIGN</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	1,003,989	989,539	1,031,628	1,038,810
Materials, Supplies & Equipment	18,954	19,726	27,656	33,859
Internal Services	311,618	363,009	353,932	362,010
Debt Service	<u>136,394</u>	<u>150,328</u>	<u>162,196</u>	<u>200,683</u>
<b>TOTAL</b>	<b><u>1,470,955</u></b>	<b><u>1,522,602</u></b>	<b><u>1,575,412</u></b>	<b><u>1,635,362</u></b>
<b>STAFFING LEVELS</b>	<b>11.60</b>	<b>10.60</b>	<b>10.63</b>	<b>10.63</b>

<b>COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG) DEPARTMENT OF PLANNING AND URBAN DESIGN</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	<u>58,806</u>	<u>59,151</u>	<u>36,053</u>	<u>32,426</u>
<b>TOTAL</b>	<b><u>58,806</u></b>	<b><u>59,151</u></b>	<b><u>36,053</u></b>	<b><u>32,426</u></b>
<b>STAFFING LEVELS</b>	<b>0.40</b>	<b>0.40</b>	<b>0.37</b>	<b>0.37</b>

<b>DE-LEAD DEPARTMENT OF PLANNING AND URBAN DESIGN</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,635</u>
<b>TOTAL</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>9,635</u></b>
<b>STAFFING LEVELS</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Because of projected reductions to several federal grant funds, the Preservation Planner position's cost was reallocated from 69% General Fund and 31% State Preservation Grant funds in FY 2013 to 61% General Fund, 22% State Preservation Grant, and the addition of 17% De-Lead Funds for FY 2014.
- For FY 2014, the vacant Planner II position's allocation remained the same as the previous year (63% General Fund and 37% CDBG Funds). Although there was a 10% (\$3,627) reduction of CDBG funding available for this vacancy, a lower starting salary and the lower cost pension plan used for new employees reduced the cost to the General Fund of this position by \$6,175, more than offsetting the CDBG funding reduction and allowing the funding allocation percentages to remain intact.
- Also in Personal Services is growth in employee benefit costs, such as Pensions (up \$10,705), Pension Healthcare (up \$2,392), and Hospitalization (up \$2,527). These costs are partially offset by a decrease in Regular Salaries of \$4,230.
- Materials, Supplies, and Equipment General Fund expenditures grew by a total of \$24,203 (87.5%), with the most significant increase being an \$18,000 increase in Temporary Agencies for the addition of an ADA receptionist. Another notable increase is a \$5,000 increase to Furniture, Fixtures, and Office Equipment for the purchase of a high-speed scanner and furniture for a new waiting area adjacent to the Director's office.
- The Internal Services account group increased \$8,078, largely due to a City-wide increase of Data Processing (\$7,501), and a small increase of \$577 in Telephone costs.
- The amount in the MSE-Budget Control Account reflects City Council's final floor amendment that decreased the Planning Department appropriation by \$18,000.

## DEPARTMENT OF PLANNING AND URBAN DESIGN 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-C, 1-D, 2-E, and 3-E on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Special Projects	16	18	17	17	17
Neighborhood Notebooks	2	1	2	2	2
Comprehensive Plans	2	2	2	2	2

## DEPARTMENT OF PLANNING AND URBAN DESIGN

### 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 396 Environmental Reviews, 310 Planning Commission and Design Review Cases, and 72 Other Site Plan Reviews.

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

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Environmental and 106 Reviews	370	449	396	472	425
Planning Commission and Design Review Cases (includes internal reviews)	300	319	310	316	300
Other Site Plan Reviews (Curb Cuts, Waterfront, Subdivisions, Demolitions and Parking Lots )	80	54	72	62	72

**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 7 historic preservation and 12 special planning projects that will promote development in the City.

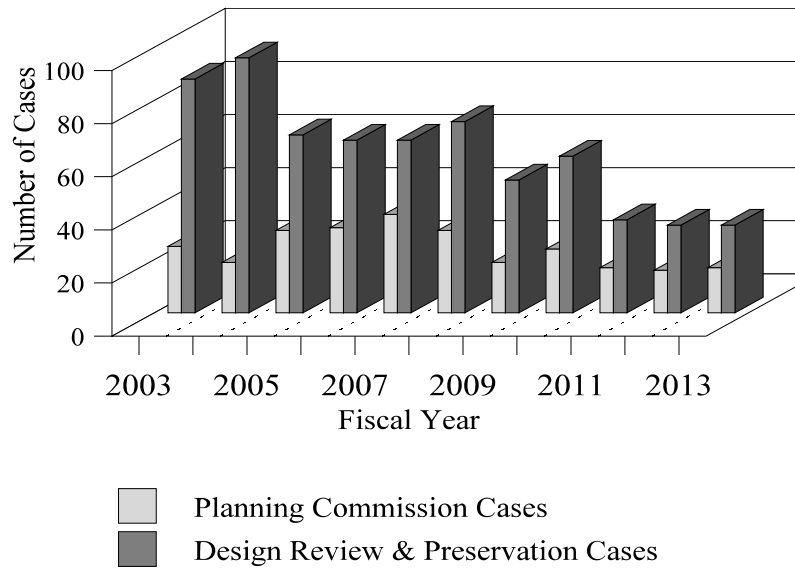
*Goal #3 corresponds to the City's Strategic Plan, Policy Statements 1-C, 1-D, 3-B, and 3-E on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Historic Preservation Projects	6	9	7	9	8
Special Planning Projects	12	15	12	14	13



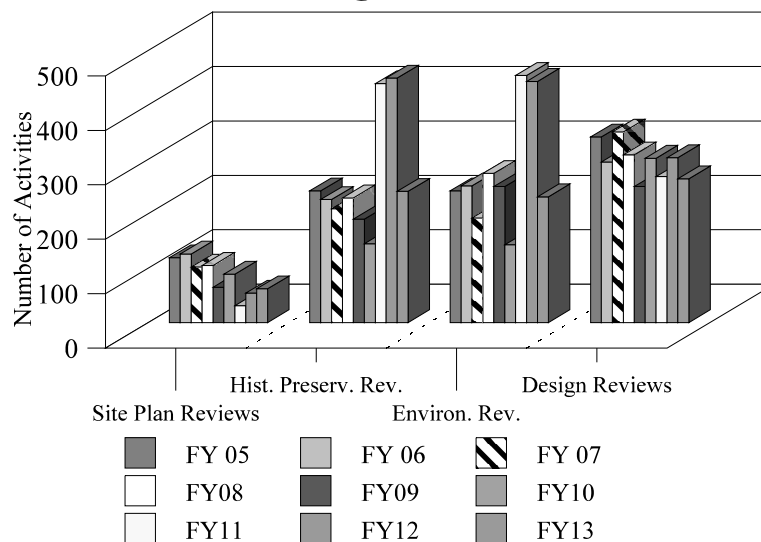
# Department of Planning and Urban Design Performance Trends

## 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 AND URBAN DESIGN**

**FUND: GENERAL**

	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
<b><u>PERSONAL SERVICES</u></b>				
Regular Salaries	693,532	653,209	665,008	660,778
Temporary Salaries	12,792	7,880	36,329	32,438
Acting Out of Class	455	455	455	500
Sick Leave Bonus	600	300	0	0
Overtime	0	0	0	1,000
Internet Reimbursements	0	0	0	0
Pension Contribution	89,612	139,118	133,212	143,917
Social Security	43,393	40,586	43,080	42,169
Medicare Tax	10,149	9,492	10,075	9,516
Hospitalization	136,048	120,159	132,492	135,019
Life Insurance	2,843	2,330	2,418	2,522
Pension Healthcare	14,566	16,010	18,868	21,260
Deferred Comp Contribution	0	0	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(10,309)</u>	<u>(10,309)</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>1,003,989</b>	<b>989,539</b>	<b>1,031,628</b>	<b>1,038,810</b>
 <b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	492	1,042	2,500	1,750
Communications & Utilities	0	0	150	120
Transportation	152	446	2,800	3,300
Rentals	18	9	0	500
Contracted Maintenance Repairs	0	0	860	860
Professional Fees	922	722	1,500	19,500
Memberships & Registrations	5,194	5,898	6,000	5,863
Miscellaneous Services	0	0	0	0
Office & General Supplies	3,567	4,231	6,550	4,500
Miscellaneous Parts	401	471	500	1,170
Equipment	1,412	112	0	5,000
Community Activities	6,796	6,795	6,796	9,296
MSE-Budget Control Account	<u>0</u>	<u>0</u>	<u>0</u>	<u>(18,000)</u>
<b>TOTAL M., S. &amp; E.</b>	<b>18,954</b>	<b>19,726</b>	<b>27,656</b>	<b>33,859</b>
 <b><u>INTERNAL SERVICES</u></b>				
Administrative Services	290,371	322,874	307,708	315,786
Self-Insurance	<u>21,247</u>	<u>40,135</u>	<u>46,224</u>	<u>46,224</u>
<b>TOTAL INTERNAL SERVICES</b>	<b>311,618</b>	<b>363,009</b>	<b>353,932</b>	<b>362,010</b>
 <b><u>DEBT SERVICE</u></b>				
Principal Payments	54,963	73,088	88,641	133,866
Interest Payments	<u>81,430</u>	<u>77,240</u>	<u>73,555</u>	<u>66,817</u>
<b>TOTAL DEBT SERVICE</b>	<b>136,394</b>	<b>150,328</b>	<b>162,196</b>	<b>200,683</b>
 <b>GENERAL FUND TOTAL</b>	 <b><u>1,470,955</u></b>	 <b><u>1,522,602</u></b>	 <b><u>1,575,412</u></b>	 <b><u>1,635,362</u></b>

**DEPARTMENT: PLANNING AND URBAN DESIGN**

**FUND: CDBG**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Regular Salaries	24,291	22,976	22,095	21,036
Temporary Salaries	20,777	20,291	0	0
Pension Contribution	2,956	3,860	4,088	1,393
Social Security	2,765	2,652	1,342	1,276
Medicare Tax	646	620	314	299
Hospitalization	6,772	8,058	7,472	7,593
Pension Healthcare	475	605	657	740
Life Insurance	<u>124</u>	<u>89</u>	<u>85</u>	<u>89</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>58,806</b>	<b>59,151</b>	<b>36,053</b>	<b>32,426</b>
<b>CDBG FUND TOTAL</b>	<b><u>58,806</u></b>	<b><u>59,151</u></b>	<b><u>36,053</u></b>	<b><u>32,426</u></b>

**DEPARTMENT: PLANNING AND URBAN DESIGN**

**FUND: DE-LEAD**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Regular Salaries	0	0	0	0
Temporary Salaries	0	0	0	8,950
Pension Contribution	0	0	0	0
Social Security	0	0	0	555
Medicare Tax	0	0	0	130
Hospitalization	0	0	0	0
Pension Healthcare	0	0	0	0
Life Insurance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,635</b>
<b>DE-LEAD FUND TOTAL</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>9,636</u></b>



# AUDIT DEPARTMENT

The mission of the Audit Department is to promote honest, effective and fully accountable City government. The primary objective of the Audit Department is to assist the Mayor, members of the City Council and City management in the effective discharge of their responsibilities by furnishing them with analysis, appraisals, recommendations, counsel and information concerning the activities reviewed. The Audit Department helps to improve City government performance and accountability by:

- Assessing the reliability of financial and operating information.
- Evaluating the efficiency and effectiveness of departments.
- Testing the adequacy of controls for preventing waste and safeguarding assets.
- Verifying compliance with policies, procedures, and regulations.
- Providing City employees with ways to increase internal control knowledge and awareness and improve assessment capabilities.

The Audit Department is committed to providing independent and objective assurance and management advisory services in accordance with the Institute of Internal Auditor's Standards for the Practices of Internal Auditing and relevant governmental auditing standards. It seeks to probatively identify risks, evaluate controls, and make recommendations that will strengthen City operations.

## PRIORITIES FOR FISCAL YEAR 2014

- 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 AUDIT DEPARTMENT**

<b>TOTAL ALL FUNDS AUDIT DEPARTMENT</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	448,320	430,224	428,677	401,118
Materials, Supplies & Equipment	234,656	243,131	246,800	263,592
Internal Services	<u>83,283</u>	<u>88,063</u>	<u>98,072</u>	<u>101,830</u>
<b>TOTAL</b>	<b><u>766,259</u></b>	<b><u>761,419</u></b>	<b><u>773,549</u></b>	<b><u>766,540</u></b>
<b>STAFFING LEVELS</b>	<b>5.00</b>	<b>5.00</b>	<b>4.00</b>	<b>4.00</b>

<b>GENERAL FUND AUDIT DEPARTMENT</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	448,320	430,224	428,677	401,118
Materials, Supplies & Equipment	176,656	183,131	186,800	192,700
Internal Services	<u>83,283</u>	<u>88,063</u>	<u>98,072</u>	<u>101,830</u>
<b>TOTAL</b>	<b><u>708,259</u></b>	<b><u>701,418</u></b>	<b><u>713,549</u></b>	<b><u>695,648</u></b>
<b>STAFFING LEVELS</b>	<b>5.00</b>	<b>5.00</b>	<b>4.00</b>	<b>4.00</b>

<b>WATER/SEWER FUND AUDIT DEPARTMENT</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Materials, Supplies & Equipment	<u>58,000</u>	<u>60,000</u>	<u>60,000</u>	<u>70,892</u>
<b>TOTAL</b>	<b><u>58,000</u></b>	<b><u>60,000</u></b>	<b><u>60,000</u></b>	<b><u>70,892</u></b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**MAJOR FUNDING CHANGES FROM PRIOR YEAR**

- Personal Services decreased by \$27,559 because the new City Auditor, the new Auditing Administrative Assistant, and the vacant Senior Auditor-IT position are budgeted at significantly lower salaries than the long-tenured persons who have recently vacated these positions.
- Materials, Supplies & Equipment increased \$5,900. The majority of this increase (\$5,000) is in Registrations and Travel to allow staff members to pursue required continuing education and professional development opportunities. In addition, Advertising grew by \$900 to support a City-wide external communications campaign to increase public awareness of the Fraud Hotline program.
- Internal Services increased \$3,757 in the General Fund primarily due to the rise in Data Processing costs (\$3,444) related to the maintenance and licensing cost for Audit Data Analytics software.
- In the Water/Sewer Fund, Materials, Supplies & Equipment increased \$10,892 because of a new Indirect Cost charge resulting from the newly implemented Indirect Cost Plan.

# AUDIT 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 (GAGAS).

**Objective:** Ensure the Audit Department is in 100% compliance with IIA and GAGAS.

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

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 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 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-B, 1-E, and 1-F on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Number of Audit Reports Issued	12	15	15	11	24

**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-A and 1-E on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Technical Training Hours	20	27	25	25	25

**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: AUDIT DEPARTMENT**

**FUND: GENERAL**

	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>PERSONAL SERVICES</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY 2014</b>
Regular Salaries	321,517	292,557	291,605	272,713
Sick Leave Bonus	500	500	500	0
Internet Reimbursements	0	0	0	0
Pension Contribution	40,475	60,423	56,868	29,213
Social Security	19,423	17,520	17,636	16,418
Medicare Tax	4,542	4,097	4,124	3,839
Hospitalization	54,776	48,031	49,924	69,987
Life Insurance	1,164	896	920	948
Pension Healthcare	5,922	6,200	7,100	8,000
Deferred Comp Contribution	0	0	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>448,320</b>	<b>430,224</b>	<b>428,677</b>	<b>401,118</b>
<b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing and Advertising	0	0	0	900
Transportation	1,854	487	2,500	4,500
Professional Fees	166,813	172,780	175,000	175,000
Memberships & Registrations	7,717	8,689	8,500	11,500
Office & General Supplies	272	172	800	800
Misc. Mat. Supp. & Parts	0	537	0	0
Equipment	<u>0</u>	<u>466</u>	<u>0</u>	<u>0</u>
<b>TOTAL M., S. &amp; E.</b>	<b>176,656</b>	<b>183,131</b>	<b>186,800</b>	<b>192,700</b>
<b><u>INTERNAL SERVICES</u></b>				
Administrative Services	80,745	84,989	94,975	98,733
Self-Insurance	<u>2,538</u>	<u>3,074</u>	<u>3,097</u>	<u>3,097</u>
<b>TOTAL INTERNAL SERVICES</b>	<b>83,283</b>	<b>88,063</b>	<b>98,072</b>	<b>101,830</b>
<b>GENERAL FUND TOTAL</b>	<b><u>708,259</u></b>	<b><u>701,419</u></b>	<b><u>713,549</u></b>	<b><u>695,648</u></b>



**DEPARTMENT: AUDIT DEPARTMENT**

**FUND: WATER/SEWER**

<b>MATERIALS, SUPPLIES &amp; EQUIPMENT</b>	<b>ACTUAL FY 2011</b>	<b>ACTUAL FY 2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Professional Fees	<u>58,000</u>	<u>60,000</u>	<u>60,000</u>	<u>70,892</u>
<b>TOTAL M., S. &amp; E.</b>	<b>58,000</b>	<b>60,000</b>	<b>60,000</b>	<b>70,892</b>
 <b>WATER/SEWER FUND TOTAL</b>	 <b><u>58,000</u></b>	 <b><u>60,000</u></b>	 <b><u>60,000</u></b>	 <b><u>70,892</u></b>



# LAW DEPARTMENT

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

<b>PRIORITIES FOR FISCAL YEAR 2014</b>
<ul style="list-style-type: none"> <li>• Provide legal counsel to City departments, boards, and commissions and to City Council, and ensure all aspects of City Government are serving the public as mandated by City Code.</li> <li>• Eliminate or minimize potential litigation against the City by providing legal advice on an ongoing basis.</li> <li>• 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.</li> <li>• 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.</li> <li>• Assist all departments in carrying out State and Federal law applicable to the City.</li> <li>• Provide legal counsel and representation regarding the City's business and economic development, neighborhood planning initiatives, and issues involving environmental impacts.</li> <li>• Draft legislation to revise the City Code to improve the operational efficiency of the City.</li> </ul>

## SUMMARY OF FUNDING FOR THE LAW DEPARTMENT

<b>TOTAL ALL FUNDS LAW DEPARTMENT</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	2,250,595	2,284,667	2,268,913	2,290,359
Materials, Supplies & Equipment	444,418	598,372	436,373	525,338
Internal Services	195,724	221,836	187,718	193,881
<b>TOTAL</b>	<b><u>2,890,737</u></b>	<b><u>3,104,875</u></b>	<b><u>2,893,004</u></b>	<b><u>3,009,578</u></b>
<b>STAFFING LEVELS</b>	<b>23.00</b>	<b>21.00</b>	<b>21.00</b>	<b>21.00</b>

<b>GENERAL FUND LAW DEPARTMENT</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	2,250,595	2,284,667	2,268,913	2,290,359
Materials, Supplies & Equipment	444,418	598,372	436,373	525,338
Internal Services	<u>195,724</u>	<u>221,836</u>	<u>187,718</u>	<u>193,881</u>
<b>TOTAL</b>	<b><u>2,890,737</u></b>	<b><u>3,104,875</u></b>	<b><u>2,893,004</u></b>	<b><u>3,009,578</u></b>
<b>STAFFING LEVELS</b>	<b>23.00</b>	<b>21.00</b>	<b>21.00</b>	<b>21.00</b>

#### MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services increased \$21,446 largely due to the increases in Pension costs (up \$15,674), Pension Healthcare (up \$4,725), and Hospitalization (up \$5,011). A reduction to Regular Salaries (\$5,755) contributed to a small offsetting savings.
- Total Materials, Supplies, Equipment (MS&E) rose \$88,965 (20.4%). Professional Fees increased \$100,000 for the Fed Up Program, which was transferred into the Law Department from the Mayor's Contingency Fund to comport with a new accounting treatment of this program. Offsets include reductions to Court Costs and Notary Fees (down \$10,000), Registration Fees (down \$1,000) and Miscellaneous Charges (down \$1,000).
- Internal Service expenses increased \$6,163 (3.3%) due to the rise in Data Processing costs (\$5,488), and a small increase of \$675 in Telephone costs.
- The amounts in the Budget Control Accounts reflect City Council's final floor amendment that increased the Law Department appropriations by \$3,000 in Personal Services and \$500 in MS&E.

## LAW DEPARTMENT PERFORMANCE INDICATORS

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

**Objective:** Recover 60% 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 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Percentage of Court Cost recovered	60%	72%	60%	75%	60%

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

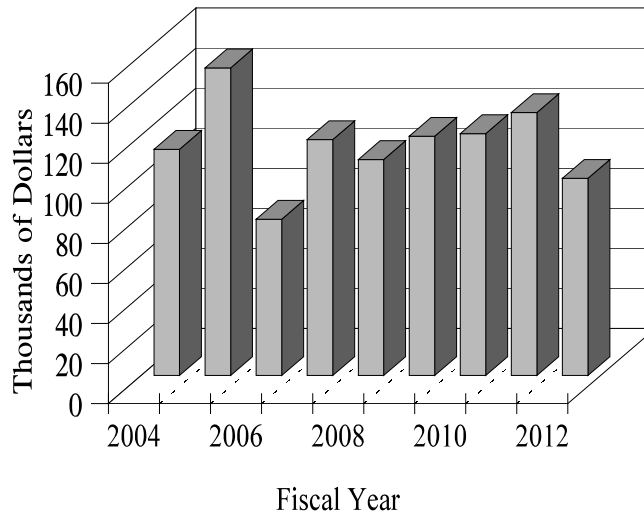
**Objective:** File no less than 500 writs of monition/vend ex monitions against tax-delinquent property owners.

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

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Number of filings	600	694	500	884	500

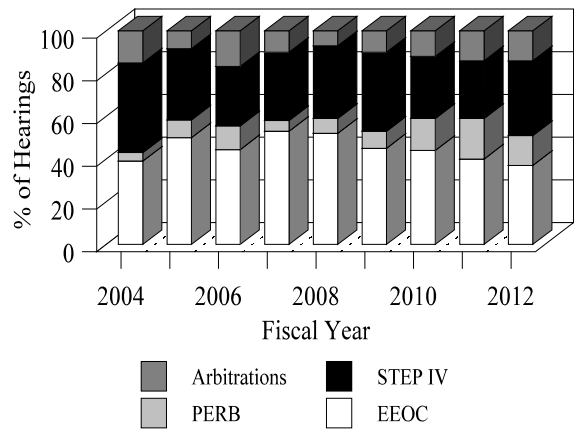
# Law Department Performance Trends

## Fines Imposed for Housing Code Prosecutions



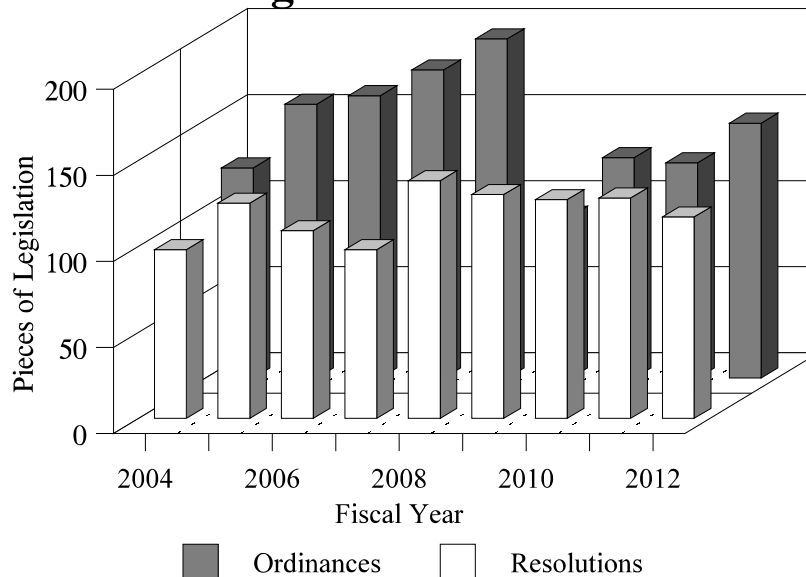
Emphasis continues to be placed on housing code enforcement and prosecution to maintain quality of existing housing stock and to improve the living conditions of City residents.

## Administrative Hearings Employment & Labor



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

## Legislation Drafted



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

**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: LAW**

**FUND: GENERAL**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY 2014</b>
Regular Salaries	1,594,758	1,539,179	1,536,500	1,530,745
Temporary Salaries	6,875	4,940	8,840	8,840
Sick Leave Bonus	300	300	0	300
Internet Reimbursement	0	0	0	0
Overtime	0	0	0	0
Pension Contribution	209,639	328,743	315,219	330,893
Social Security	96,057	93,753	94,145	92,772
Medicare Tax	22,709	21,951	22,044	21,698
Hospitalization	285,252	258,543	269,821	274,832
Life Insurance	5,868	4,708	4,830	5,040
Pension Healthcare	29,137	32,550	37,275	42,000
Personal Services Adjustment	0	0	(19,761)	(19,761)
PS-Budget Control Account	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,000</u>
<b>TOTAL PERSONAL SERVICES</b>	<b><u>2,250,595</u></b>	<b><u>2,284,667</u></b>	<b><u>2,268,913</u></b>	<b><u>2,290,359</u></b>
 <b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	35	0	1,212	512
Communications & Utilities	51	137	256	256
Transportation	2,298	2,731	3,650	3,650
Rentals	0	0	0	0
Contracted Maintenance Repair	483	199	800	800
Professional Fees	218,117	413,323	177,500	277,500
Other Fees	141,611	101,167	160,000	150,000
Memberships & Registrations	32,913	32,104	35,500	36,515
Miscellaneous Services	42,711	42,090	50,605	49,605
Office & General Supplies	6,199	6,621	6,000	6,000
Equipment	0	0	850	0
MSE-Budget Control Account	<u>0</u>	<u>0</u>	<u>0</u>	<u>500</u>
<b>TOTAL M., S. &amp; E.</b>	<b><u>444,418</u></b>	<b><u>598,372</u></b>	<b><u>436,373</u></b>	<b><u>525,338</u></b>
 <b><u>INTERNAL SERVICES</u></b>				
Administrative Services	177,663	200,229	166,067	172,230
Self-Insurance	<u>18,061</u>	<u>21,607</u>	<u>21,651</u>	<u>21,651</u>
<b>TOTAL INTERNAL SERVICES</b>	<b><u>195,724</u></b>	<b><u>221,836</u></b>	<b><u>187,718</u></b>	<b><u>193,881</u></b>
 <b>GENERAL FUND TOTAL</b>	 <b><u>2,890,737</u></b>	 <b><u>3,104,875</u></b>	 <b><u>2,893,004</u></b>	 <b><u>3,009,578</u></b>





# 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.

<b>PRIORITIES FOR FISCAL YEAR 2014</b>
<ul style="list-style-type: none"> <li>• Continue to grow the City's revenue base through audits and collections.</li> <li>• Continue to reassert and reinvent the role of the Purchasing Division by leveraging technology and bid/contract management.</li> <li>• Collaborate with other City Departments, agencies, and external organizations to create and improve working relationships/partnerships; improve timely and accurate financial data/reporting.</li> <li>• 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.</li> <li>• Increase Citywide revenue collections and opportunities by creating and implementing new strategies, tactics and legislation.</li> <li>• Advance the use of technology to provide additional and broader service levels to our residents and businesses.</li> <li>• Develop policies and organizational management strategies to improve communications with our stakeholders, rate payers and constituents.</li> </ul>

## SUMMARY OF FUNDING FOR THE DEPARTMENT OF FINANCE

<b>TOTAL ALL FUNDS</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPARTMENT OF FINANCE</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY 2014</b>
Personal Services	7,085,847	7,321,523	7,413,555	7,416,749
Materials, Supplies & Equipment	4,768,730	4,882,624	4,874,308	5,468,986
Internal Services	1,373,946	1,725,453	1,551,902	1,595,605
Debt Service	5,800	5,661	5,647	6,457
Depreciation/Amortization	0	0	1,150	0
<b>TOTAL</b>	<u><b>13,234,323</b></u>	<u><b>13,935,261</b></u>	<u><b>13,846,562</b></u>	<u><b>14,487,797</b></u>
<b>STAFFING LEVELS</b>	<b>97.00</b>	<b>93.00</b>	<b>90.00</b>	<b>88.00</b>

<b>GENERAL FUND</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPARTMENT OF FINANCE</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY 2014</b>
Personal Services	4,886,854	5,001,302	5,157,072	5,166,205
Materials, Supplies & Equipment	4,323,318	4,450,694	4,084,613	3,972,851
Internal Services	701,398	1,067,293	875,165	900,482
Debt Service	<u>5,800</u>	<u>5,661</u>	<u>5,647</u>	<u>6,457</u>
<b>TOTAL</b>	<b><u>9,917,370</u></b>	<b><u>10,524,950</u></b>	<b><u>10,122,497</u></b>	<b><u>10,045,995</u></b>
<b>STAFFING LEVELS</b>	<b>67.55</b>	<b>65.45</b>	<b>63.65</b>	<b>62.50</b>

<b>WATER/SEWER FUND</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPARTMENT OF FINANCE</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY 2014</b>
Personal Services	2,198,993	2,320,221	2,256,483	2,250,544
Materials, Supplies & Equipment	445,412	431,930	789,695	1,496,135
Internal Services	672,548	658,160	676,737	695,123
Other	<u>0</u>	<u>0</u>	<u>1,150</u>	<u>0</u>
<b>TOTAL</b>	<b><u>3,316,953</u></b>	<b><u>3,410,311</u></b>	<b><u>3,724,065</u></b>	<b><u>4,441,802</u></b>
<b>STAFFING LEVELS</b>	<b>29.45</b>	<b>27.55</b>	<b>26.35</b>	<b>25.50</b>

## GENERAL FUND MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Total Personal Services increased by \$97,899, even though there were two vacant position eliminations. The deletion of the Revenue Operation Supervisor and a Senior Parking Regulations Enforcement Officer reduced the workforce by two full-time equivalent positions, creating a total savings of \$159,877. But, offsetting these savings were salary step increases, along with a rise in Pension, Hospitalization, and Pension Healthcare, which grew by \$84,120, \$43,620, and \$12,368 respectively. The Department has also reallocated the funding splits between the General Fund and the Water/Sewer Fund for a number of positions to better align with the work being performed.
- Overtime increased by \$5,000 due to the Department's increased collection efforts on more numerous, lower-value delinquent accounts.
- Consultant costs increased \$15,000 to provide financial advisory expertise for the development of revenue initiatives and operational analysis.
- Temporary Agencies expenses increased by \$90,000 to support the review, updating, and tracking of accounts for collection and other associated filing and clerical duties.
- Parking Citation Commissions increased by \$75,000 to cover the cost of the fees associated with a PayLock digital parking permit application, validation, and enforcement system based on license plate scanning and recognition technology.
- Because sheriff sale activity is trending downward, the associated Collection Expense-Court Costs and Collection Expense-Legal Fees were reduced by \$16,000 and \$43,000 respectively.
- Furniture, Fixtures & Office Equipment increased by \$6,100 for the replacement of chairs and other worn-out office equipment.
- Internal Services increased \$25,317 due to increases in Data Processing, Radio Usage and Telephone in the amount of \$18,010, \$3,699 and \$3,732 respectively.
- The amount in the PS-Budget Control Account reflects City Council's final floor amendment that decreased the Finance Department appropriation by \$88,766.
- The amount in the MSE-Budget Control Account reflects City Council's final floor amendment that decreased the Finance Department appropriation by \$212,000.

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

- Pension Contributions, Hospitalization, and Pension Healthcare grew at a combined total of \$26,752.
- Overtime increased by \$8,000 to cover Accounts Payable clerks when out sick or on vacation.
- In MS&E, a true-up of the allocation of the costs of services rendered by the Water/Sewer Fund versus the General Fund is responsible for large swings in expenses. A good example is that Court Costs and Legal Collection increased by \$16,000 and \$43,000 respectively, reflecting the reallocation of these expenditures from the General Fund.
- Indirect Costs went up by \$642,042, per a new assessment based on the work of the consultant hired by the City to develop an updated indirect cost plan.
- Furniture, Fixtures & Office Equipment increased \$7,300 due to the replacement of chairs, calculators and other worn-out office equipment.
- Internal Services increased by \$18,387 because of increases in Data Processing and Telephone in the amounts of \$16,057 and \$2,330 respectively.
- The amount in the PS-Budget Control Account reflects City Council's final floor amendment that decreased the Finance Department appropriation by \$21,691.

# DEPARTMENT OF FINANCE

## PERFORMANCE INDICATORS

**Goal #1:** To maximize revenues.

**Objective:** Collect \$4,000,000 in delinquent earned income taxes.

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

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Dollars Collected	\$10,000,000	\$5,000,000	\$4,000,000	\$5,500,000	\$4,000,000

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

**Objective:** 48% of payments processed automatically by lockbox.

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

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Numbers of Payments Processed	164,000	141,600	167,345	147,820	162,602
Percentage of Payments Processed	44 %	33 %	39 %	45 %	48 %

**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.

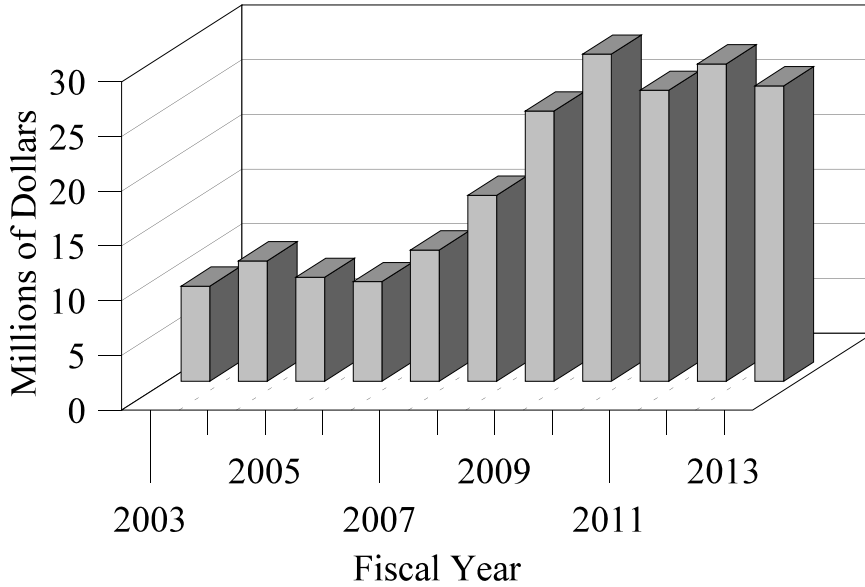
*Goal #3 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-E and 1-F on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
GFOA Certificate of Excellence in Financial Reporting Recipient	Yes	Yes	Yes	Pending	Yes

# Department of Finance

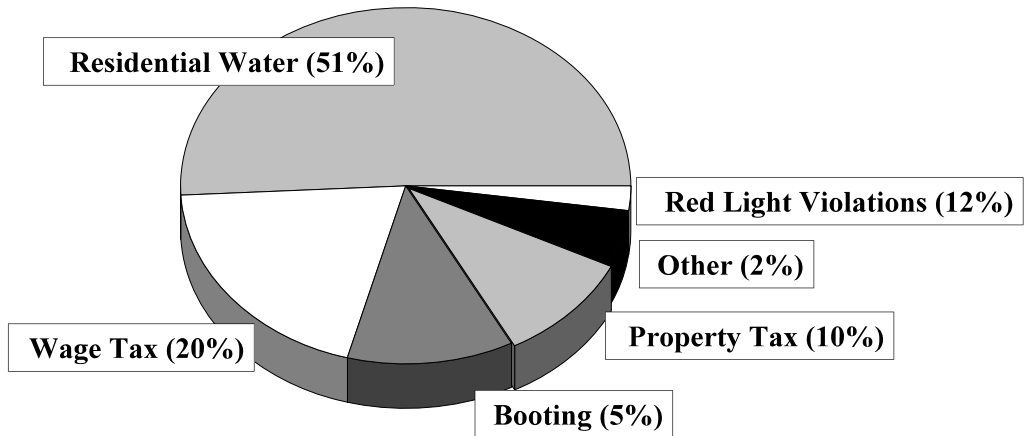
## Performance Trends

### Delinquent Enforcement Annual Collections



The Finance Department is responsible for collecting delinquent net profit, property and wage taxes, business licenses, fees, and water bills. \$27 million in delinquent accounts were collected in FY 2013.

### Delinquent Collections by Revenue Type FY 2013



**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: FINANCE**

**FUND: GENERAL**

	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b><u>PERSONAL SERVICES</u></b>	<b><u>FY2011</u></b>	<b><u>FY2012</u></b>	<b><u>FY 2013</u></b>	<b><u>FY 2014</u></b>
Regular Salaries	3,128,962	3,072,692	3,193,503	3,142,644
Temporary Salaries	1,114	0	0	5,000
Acting Out of Class	10,270	2,084	0	0
Sick Leave Bonus	4,900	3,700	1,170	1,770
Overtime	133,987	108,863	107,200	112,200
Meal Allowance	11,739	10,444	10,220	10,720
Clothing Allowance	5,126	4,761	5,750	6,875
Internet Reimbursements	165	0	0	0
Pension Contribution	415,233	647,604	637,076	721,196
Social Security	201,072	194,702	200,956	197,999
Medicare Tax	47,062	45,559	47,006	46,309
Hospitalization	853,714	820,989	920,002	963,622
Life Insurance	14,706	13,690	14,063	14,142
Pension Healthcare	58,804	73,386	112,969	125,337
Personal Services Adjustment	0	2,828	(92,843)	(92,843)
PS-Budget Control Account	0	0	0	(88,766)
Deferred Compensation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>4,886,854</b>	<b>5,001,302</b>	<b>5,157,072</b>	<b>5,166,205</b>
<b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	115,481	49,414	70,980	75,520
Communications & Utilities	13,384	11,964	16,460	16,428
Transportation	11,611	13,632	11,750	14,050
Rentals	58,999	62,594	40,000	0
Contracted Maintenance Repairs	0	236	2,040	2,120
Professional Fees	347,411	103,272	110,000	215,000
Memberships & Registrations	14,798	9,520	27,140	29,190
Miscellaneous Services	3,709,694	4,178,368	3,769,263	3,785,263
Office & General Supplies	13,542	9,771	18,200	17,400
Wearing Apparel and Safety	1,948	5,258	13,300	18,300
Miscellaneous Parts	0	0	800	800
Equipment	25,250	6,665	4,680	10,780
Fixed Assets	8,890	0	0	0
Moving/Relocation	2,310	0	0	0
MSE-Budget Control Account	<u>0</u>	<u>0</u>	<u>0</u>	<u>(212,000)</u>
<b>TOTAL M., S. &amp; E.</b>	<b>4,323,318</b>	<b>4,450,694</b>	<b>4,084,613</b>	<b>3,972,851</b>
<b><u>INTERNAL SERVICES</u></b>				
Administrative Services	646,387	764,213	785,356	810,673
Self-Insurance	<u>55,011</u>	<u>303,080</u>	<u>89,809</u>	<u>89,809</u>
<b>TOTAL INTERNAL SERVICES</b>	<b>701,398</b>	<b>1,067,293</b>	<b>875,165</b>	<b>900,482</b>

<b>DEBT SERVICE</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY 2014</b>
Principal Payments	1	20	20	822
Interest Payments	<u>5,799</u>	<u>5,641</u>	<u>5,627</u>	<u>5,635</u>
<b>TOTAL DEBT SERVICE</b>	<b>5,800</b>	<b>5,661</b>	<b>5,647</b>	<b>6,457</b>
<b>GENERAL FUND TOTAL</b>	<b><u>9,917,370</u></b>	<b><u>10,524,950</u></b>	<b><u>10,122,497</u></b>	<b><u>10,045,995</u></b>



## DEPARTMENT: FINANCE

## FUND: WATER/SEWER

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY 2013</b>	<b>APPROVED FY 2014</b>
Regular Salaries	1,429,094	1,394,994	1,414,202	1,390,783
Temporary Salaries	0	8,940	0	5,000
Acting Out of Class	1,732	277	0	0
Shift Differential	0	0	0	0
Sick Leave Bonus	200	600	1,230	1,230
Overtime	10,990	35,739	20,800	28,800
Meal Allowance	371	1,066	2,080	2,880
Clothing Allowance	975	940	750	1,875
Internet Reimbursements	0	0	0	0
Accrued Sick/Vacation	14,153	(8,861)	0	0
Pension Contribution	197,536	308,223	291,098	326,660
Social Security	88,286	87,876	87,502	87,091
Medicare Tax	20,684	20,552	20,464	20,362
Hospitalization	329,343	352,889	365,597	352,456
Life Insurance	6,590	5,855	5,979	5,986
Pension Healthcare	99,039	111,131	46,781	51,112
PS-Budget Control Account	<u>0</u>	<u>0</u>	<u>0</u>	<u>(23,691)</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>2,198,993</b>	<b>2,320,221</b>	<b>2,256,483</b>	<b>2,250,544</b>

<b>MATERIALS, SUPPLIES &amp; EQUIPMENT</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY 2013</b>	<b>APPROVED FY 2014</b>
Printing & Advertising	10,301	8,189	22,600	22,600
Communications & Utilities	27	0	880	864
Transportation	3,406	5,954	11,200	11,200
Contracted Maintenance Repairs	892	0	3,332	3,316
Professional Fees	27,792	(9,875)	34,000	34,000
Memberships & Registrations	8,782	11,506	18,060	18,060
Miscellaneous Services	88,123	117,486	379,940	437,440
Office & General Supplies	9,661	10,256	14,650	14,650
Wearing Apparel & Safety Supplies	2,338	1,723	4,900	4,900
Miscellaneous Parts	1,614	1,902	6,080	5,728
Supporting Services	276,672	276,557	276,683	918,707
Utility Billing Refunds	0	0	0	0
Equipment	15,804	8,232	17,370	24,670
Fixed Assets	0	0	0	0
<b>TOTAL M., S. &amp; E.</b>	<b>445,412</b>	<b>431,930</b>	<b>789,695</b>	<b>1,496,135</b>
<b><u>INTERNAL SERVICES</u></b>				
Administrative Services	640,859	470,686	630,921	649,307
Self-Insurance	31,689	187,474	45,816	45,816
<b>TOTAL INTERNAL SERVICE</b>	<b>672,548</b>	<b>658,160</b>	<b>676,737</b>	<b>695,123</b>
<b><u>OTHER</u></b>				
Depreciation	0	0	1,150	0
<b>TOTAL OTHER</b>	<b>0</b>	<b>0</b>	<b>1,150</b>	<b>0</b>
<b>WATER/SEWER FUND TOTAL</b>	<b><u>3,316,953</u></b>	<b><u>3,410,311</u></b>	<b><u>3,724,065</u></b>	<b><u>4,441,802</u></b>

# 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.

<b>PRIORITIES FOR FISCAL YEAR 2014</b>	
•	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

<b>TOTAL ALL FUNDS*</b>				
<b>DEPARTMENT OF HUMAN RESOURCES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	2,003,496	2,063,026	2,048,470	1,983,786
Materials, Supplies & Equipment	3,184,366	2,750,990	2,325,406	2,579,039
Internal Services	325,443	385,022	570,741	587,219
Debt Service	20,175	19,690	19,640	22,459
Depreciation	12,554	12,554	12,554	25,108
Special Purpose	<u>17,300,797</u>	<u>18,539,516</u>	<u>19,312,000</u>	<u>19,891,800</u>
<b>TOTAL</b>	<b><u>22,846,831</u></b>	<b><u>23,770,798</u></b>	<b><u>24,288,811</u></b>	<b><u>25,089,411</u></b>
<b>STAFFING LEVELS</b>	<b>23.00</b>	<b>22.00</b>	<b>22.00</b>	<b>22.00</b>

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

<b>GENERAL FUND</b>				
<b>DEPARTMENT OF HUMAN RESOURCES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	1,397,082	1,391,456	1,391,429	1,311,996
Materials, Supplies & Equipment	61,321	66,214	91,638	116,612
Internal Services	288,799	342,312	535,209	550,734
Debt Service	<u>20,175</u>	<u>19,690</u>	<u>19,640</u>	<u>22,459</u>
<b>TOTAL</b>	<b><u>1,767,377</u></b>	<b><u>1,819,672</u></b>	<b><u>2,037,916</u></b>	<b><u>2,001,801</u></b>
<b>STAFFING LEVELS</b>	<b>16.00</b>	<b>15.00</b>	<b>15.00</b>	<b>15.00</b>

<b>RISK MANAGEMENT FUND</b>				
<b>DEPARTMENT OF HUMAN RESOURCES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	128,770	141,853	128,901	139,183
Materials, Supplies & Equipment	2,286,140	1,925,597	1,242,024	1,648,272
Internal Services	26,542	31,884	25,146	25,726
Depreciation	12,554	12,554	12,554	25,108
Special Purpose	<u>(1,268,136)</u>	<u>9,638</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b><u>1,185,870</u></b>	<b><u>2,121,526</u></b>	<b><u>1,408,625</u></b>	<b><u>1,838,289</u></b>
<b>STAFFING LEVELS</b>	<b>1.30</b>	<b>1.30</b>	<b>1.30</b>	<b>1.30</b>

<b>WORKERS' COMP. FUND</b>				
<b>DEPARTMENT OF HUMAN RESOURCES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	386,827	423,838	421,612	426,994
Materials, Supplies & Equipment	743,780	663,282	890,194	781,165
Internal Services	8,783	9,256	7,591	7,815
Special Purpose	<u>2,422,529</u>	<u>2,518,571</u>	<u>2,115,000</u>	<u>2,100,500</u>
<b>TOTAL</b>	<b><u>3,561,919</u></b>	<b><u>3,614,947</u></b>	<b><u>3,434,397</u></b>	<b><u>3,316,474</u></b>
<b>STAFFING LEVELS</b>	<b>4.50</b>	<b>4.50</b>	<b>4.50</b>	<b>4.50</b>

<b>HEALTH &amp; WELFARE FUND</b>				
<b>DEPARTMENT OF HUMAN RESOURCES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	90,817	105,879	106,528	105,613
Materials, Supplies & Equipment	93,125	95,897	101,550	32,990
Internal Services	1,319	1,570	2,795	2,944
Special Purpose	<u>16,146,404</u>	<u>16,011,307</u>	<u>17,197,000</u>	<u>17,791,300</u>
<b>TOTAL</b>	<b><u>16,331,665</u></b>	<b><u>16,214,653</u></b>	<b><u>17,407,873</u></b>	<b><u>17,932,847</u></b>
<b>STAFFING LEVELS</b>	<b>1.20</b>	<b>1.20</b>	<b>1.20</b>	<b>1.20</b>

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

- Total Personal Services costs have risen by just under \$9,900. Two positions were upgraded during the biennial Classification Appeal Process in FY 2013, increasing Regular Salaries by approximately \$2,400. Employee Benefits costs increased almost \$6,300. Higher Hospitalization and Pension Healthcare contributed to this increase.
- Printing and Advertising will rise by \$5,025 to consolidate all advertising costs associated with filling vacancies into the Human Resources Department's budget. Previously, individual departments incurred this cost.
- Transportation is being increased by \$2,939 to allow additional departmental staff development and training.
- Tuition Reimbursement, included within Memberships and Registrations, will increase by \$14,000. A modification to the reimbursement policy is expected to generate substantially greater interest in this benefit.
- Total Internal Services will increase by \$15,524, fueled almost entirely by higher Data Processing allocations.
- The amount in the PS-Budget Control Account reflects City Council's final floor amendment that decreased the Human Resources Department appropriation by \$89,286.
- The amount in the MSE-Budget Control Account reflects City Council's final floor amendment that decreased the Human Resources Department appropriation by \$5,000.

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

- Employee Benefit costs across all of the Self Insurance Funds will rise by approximately \$18,500. Higher Pensions, Hospitalization and Pension Healthcare all contributed to this increase.
- No appropriation for Temporary Salaries was requested. In lieu of the \$5,200 requested in the past, \$6,500 in Temporary Agencies funding is included to allow greater flexibility to address needed part-time clerical tasks.
- In the Risk Management Fund, total Insurance costs will rise by more than \$378,000 in anticipation of slightly higher claims and significantly higher legal defense costs.
- Unemployment Insurance costs in the Workers' Compensation Fund will drop by \$150,000 from the current budget. An expected spike in costs related to a past reduction in the workforce did not occur.
- Medical, along with Consultant costs, and included within Profession Fees in the Workers' Compensation Fund, will increase by a total of \$31,400. Pre-employment drug testing for a higher number of summer youth workers, and an initial outside study on fitness for duty standards account for these increases.
- Professional Fees in the Health and Welfare Fund will decrease by \$76,000. The cost of an employee benefits consultant has been absorbed into the larger healthcare administration contract for cost efficiency purposes.
- In the Health and Welfare Fund, Self Insurance Costs will rise by \$594,000. This account group encompasses the cost centers for employee Hospitalization, Dental coverage and Life Insurance. Medical costs are set at \$500,000 above FY 2013, while Dental costs are expected to rise by \$88,000. The recent switch to a new prescription plan has held down the overall medical cost increase for FY 2014 to just 3.2%.

# 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 27 by administering collective bargaining agreements in a fair and consistent manner and with a more proactive role in the disciplinary process.

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

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL*	FY 2014 PROJECTED
Number of Grievances	20	21	20	33	27

\* The increase in grievances is partially due to a more stringent application of work rules, regulations and policies in administering discipline and/or termination for just 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-A, 1-B, and 1-E on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Number of Training Workshops	70	56	50	63	90
Number of Employees Trained	700	521	500	712	1,000

## 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 no more than 320.

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

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Auto, Property, Police and Other	175	185	170	146	155
Workers Compensation	165	168	160	73	73
<b>Total Claims Frequency</b>	<b>340</b>	<b>353</b>	<b>330</b>	<b>220</b>	<b>228</b>

**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-A, and 1-B on page 22.*

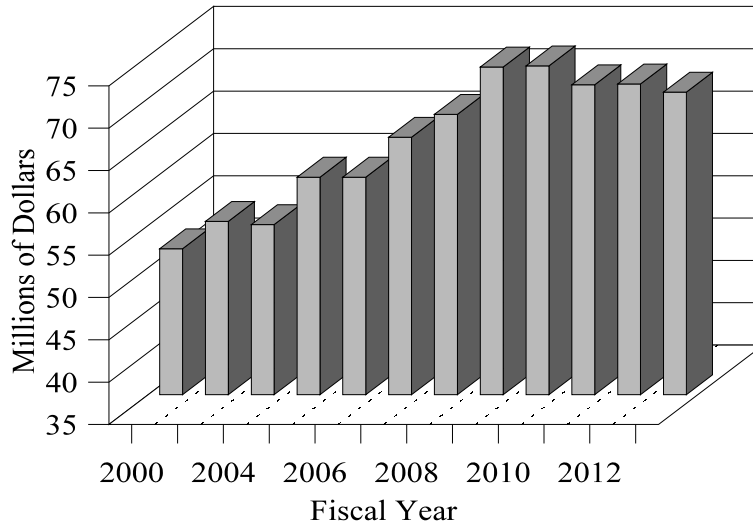
CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Number of Employees Awarded	200	302	220	240	220



# Department of Human Resources

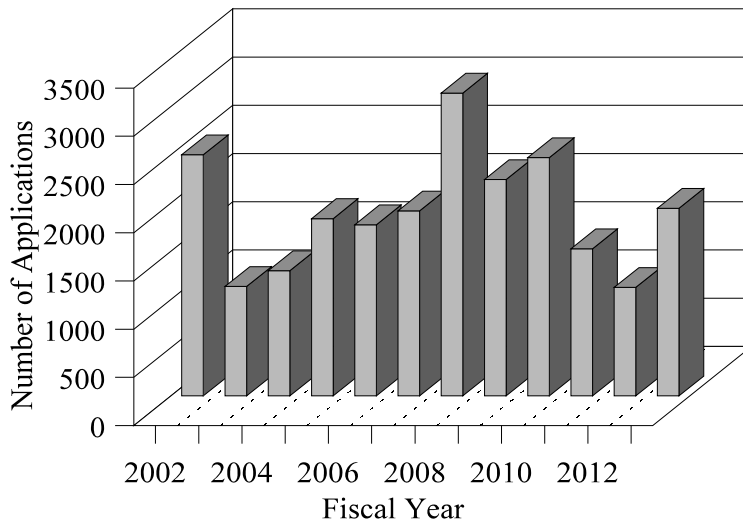
## Performance Trends

### Payroll - All Employees



The total City workforce declined again in FY 2013 from 1,134 to 1,120 positions. That, coupled with the fact that vacant positions are being held open for longer time periods, contributed to an overall reduction in total Payroll for FY 2013.

### 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**

	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
<b><u>PERSONAL SERVICES</u></b>				
Regular Salaries	961,176	913,939	916,495	921,727
Acting Out of Classification	6,176	165	0	0
Sick Leave Bonus	400	700	1,000	1,000
Overtime	841	354	3,000	1,500
Meal Allowance	0	0	300	150
Pension Contribution	122,724	191,714	181,872	166,424
Social Security	58,395	55,293	55,951	55,700
Medicare Tax	13,717	12,997	13,086	13,028
Hospitalization	208,993	189,692	196,201	199,864
Life Insurance	4,080	3,351	3,438	3,579
Pension Healthcare	20,580	23,251	26,625	30,000
State Pension Plan (Civilian)	0	0	0	14,859
Personal Services Adjustment	0	0	(6,539)	(6,539)
PS-Budget Control Account	<u>0</u>	<u>0</u>	<u>0</u>	<u>(89,296)</u>
<b>TOTAL PERSONAL SERVICES</b>	<b><u>1,397,082</u></b>	<b><u>1,391,456</u></b>	<b><u>1,391,429</u></b>	<b><u>1,311,996</u></b>
<b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	105	0	6,775	11,800
Communications and Utilities	26	132	200	200
Transportation	4,190	3,079	5,500	8,439
Contracted Maintenance	1,075	0	395	711
Professional Fees	9,519	24,496	21,600	25,355
Memberships & Registrations	12,072	10,906	22,868	40,757
Miscellaneous Services	2,923	4,003	3,989	3,989
Office & General Supplies	12,433	5,031	5,511	5,511
Miscellaneous Parts	17,883	18,567	24,000	23,850
Equipment	1,095	0	800	1,000
MSE-Budget Control Account	<u>0</u>	<u>0</u>	<u>0</u>	<u>(5,000)</u>
<b>TOTAL M., S. &amp; E.</b>	<b><u>61,321</u></b>	<b><u>66,214</u></b>	<b><u>91,638</u></b>	<b><u>116,612</u></b>
<b><u>INTERNAL SERVICES</u></b>				
Administrative Services	283,582	336,071	528,958	544,483
Self-Insurance	<u>5,217</u>	<u>6,241</u>	<u>6,251</u>	<u>6,251</u>
<b>TOTAL INTERNAL SERVICES</b>	<b><u>288,799</u></b>	<b><u>342,312</u></b>	<b><u>535,209</u></b>	<b><u>550,734</u></b>
<b><u>DEBT SERVICE</u></b>				
Principal Payments	2	69	69	2,858
Interest Payments	<u>20,173</u>	<u>19,621</u>	<u>19,571</u>	<u>19,601</u>
<b>TOTAL DEBT SERVICE</b>	<b><u>20,175</u></b>	<b><u>19,690</u></b>	<b><u>19,640</u></b>	<b><u>22,459</u></b>
<b>GENERAL FUND TOTAL</b>	<b><u>1,767,377</u></b>	<b><u>1,819,672</u></b>	<b><u>2,037,916</u></b>	<b><u>2,001,801</u></b>

## DEPARTMENT: HUMAN RESOURCES

## FUND: RISK MANAGEMENT

	ACTUAL FY2011	ACTUAL FY2012	BUDGET FY2013	APPROVED FY2014
<b>PERSONAL SERVICES</b>				
Regular Salaries	84,536	84,756	84,212	84,212
Compensated Absences	4,703	3,626	0	0
Pension Contribution	13,250	21,128	18,505	21,987
Social Security	6,805	6,793	5,040	5,077
Medicare Tax	1,759	1,626	1,179	1,188
Hospitalization	15,596	21,554	18,427	24,875
Life Insurance	345	297	299	312
Pension Healthcare	1,776	2,073	2,307	2,600
Personal Services Adjustment	0	0	(1,068)	(1,068)
<b>TOTAL PERSONAL SERVICES</b>	<b>128,770</b>	<b>141,853</b>	<b>128,901</b>	<b>139,183</b>
<b>MATERIALS, SUPPLIES &amp; EQUIPMENT</b>				
Transportation	1,518	35	2,250	2,250
Insurance	2,248,575	1,892,565	1,201,868	1,580,147
Professional Fees	31,496	30,636	34,651	35,850
Memberships & Registrations	1,290	805	1,755	2,875
Office & General Supplies	1,458	1,556	1,500	1,750
Equipment	1,803	0	0	25,400
<b>TOTAL M., S. &amp; E.</b>	<b>2,286,140</b>	<b>1,925,597</b>	<b>1,242,024</b>	<b>1,648,272</b>
<b>INTERNAL SERVICES</b>				
Administrative Services	25,510	30,852	24,117	24,697
Self-Insurance	1,032	1,032	1,029	1,029
<b>TOTAL INTERNAL SERVICES</b>	<b>26,542</b>	<b>31,884</b>	<b>25,146</b>	<b>25,726</b>
<b>OTHER</b>				
Depreciation	12,554	12,554	12,554	25,108
<b>TOTAL OTHER</b>	<b>12,554</b>	<b>12,554</b>	<b>12,554</b>	<b>25,108</b>
<b>SPECIAL PURPOSE</b>				
Claims Expense	(1,268,136)	9,638	0	0
<b>TOTAL SPECIAL PURPOSE</b>	<b>(1,268,136)</b>	<b>9,638</b>	<b>0</b>	<b>0</b>
<b>RISK MANAGEMENT FUND</b>				
<b>TOTAL</b>	<b>1,185,870</b>	<b>2,121,526</b>	<b>1,408,625</b>	<b>1,838,289</b>

## DEPARTMENT: HUMAN RESOURCES

## FUND: WORKERS' COMPENSATION

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Regular Salaries	262,876	262,553	264,562	264,979
Sick Leave Bonus	200	300	0	0
Overtime	(200)	319	0	0
Compensated Absences	303	1,537	0	0
Pension Contribution	33,210	54,332	51,754	60,726
Social Security	16,049	16,041	16,133	16,108
Medicare Tax	3,797	3,752	3,774	3,768
Hospitalization	63,816	76,803	76,147	71,354
Life Insurance	1,428	1,229	1,254	1,059
Pension Healthcare	<u>5,348</u>	<u>6,972</u>	<u>7,988</u>	<u>9,000</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>386,827</b>	<b>423,838</b>	<b>421,612</b>	<b>426,994</b>
 <b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	(83)	0	500	1,000
Transportation	0	0	0	1,000
Insurance	403,842	327,621	520,000	365,000
Rentals	17	22	25	50
Contracted Maintenance	470	230	1,000	1,500
Professional Fees	329,012	320,558	350,969	382,375
Memberships & Registrations	1,541	2,586	2,500	5,240
Office & General Supplies	1,471	997	1,100	2,600
Wearing Apparel and Safety	60	100	100	100
Miscellaneous Parts	6,542	8,598	14,000	18,300
Equipment	<u>908</u>	<u>2,570</u>	<u>0</u>	<u>4,000</u>
<b>TOTAL M., S. &amp; E.</b>	<b>743,780</b>	<b>663,282</b>	<b>890,194</b>	<b>781,165</b>
 <b><u>INTERNAL SERVICES</u></b>				
Administrative Services	6,743	7,272	5,561	5,785
Self-Insurance	<u>2,040</u>	<u>1,984</u>	<u>2,030</u>	<u>2,030</u>
<b>TOTAL INTERNAL SERVICES</b>	<b>8,783</b>	<b>9,256</b>	<b>7,591</b>	<b>7,815</b>
 <b><u>SPECIAL PURPOSE</u></b>				
Workers' Compensation	<u>2,422,529</u>	<u>2,518,571</u>	<u>2,115,000</u>	<u>2,100,500</u>
<b>TOTAL SPECIAL PURPOSE</b>	<b>2,422,529</b>	<b>2,518,571</b>	<b>2,115,000</b>	<b>2,100,500</b>
 <b>WORKERS' COMPENSATION</b>				
<b>FUND TOTAL</b>	<b><u>3,561,919</u></b>	<b><u>3,614,947</u></b>	<b><u>3,434,397</u></b>	<b><u>3,316,474</u></b>

## DEPARTMENT: HUMAN RESOURCES

## FUND: HEALTH AND WELFARE

	ACTUAL FY2011	ACTUAL FY2012	BUDGET FY2013	APPROVED FY2014
<b>PERSONAL SERVICES</b>				
Regular Salaries	65,305	64,848	67,287	68,308
Overtime	0	7,671	5,200	0
Internet Reimbursement	136	0	0	0
Compensated Absences	1,115	(286)	0	0
Pension Contribution	8,458	15,285	14,945	18,066
Social Security	3,782	4,055	4,357	4,046
Medicare Tax	829	1,003	1,018	946
Hospitalization	9,459	11,162	11,315	11,559
Life Insurance	307	282	276	288
Pension Healthcare	<u>1,426</u>	<u>1,859</u>	<u>2,130</u>	<u>2,400</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>90,817</b>	<b>105,879</b>	<b>106,528</b>	<b>105,613</b>
<b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing	70	0	2,000	1,500
Communications and Utilities	1,768	1,796	1,550	1,790
Professional Fees	89,608	92,426	96,000	26,500
Office and General Supplies	1,679	1,675	2,000	2,000
Equipment	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,200</u>
<b>TOTAL M., S. &amp; E.</b>	<b>93,125</b>	<b>95,897</b>	<b>101,550</b>	<b>32,990</b>
<b><u>INTERNAL SERVICES</u></b>				
Administrative Services	635	913	2,110	2,259
Self-Insurance	<u>684</u>	<u>657</u>	<u>685</u>	<u>685</u>
<b>TOTAL INTERNAL SERVICES</b>	<b>1,319</b>	<b>1,570</b>	<b>2,795</b>	<b>2,944</b>
<b><u>SPECIAL PURPOSE</u></b>				
Self-Insurance Costs	<u>16,146,404</u>	<u>16,011,307</u>	<u>17,197,000</u>	<u>17,791,300</u>
<b>TOTAL SPECIAL PURPOSE</b>	<b>16,146,404</b>	<b>16,011,307</b>	<b>17,197,000</b>	<b>17,791,300</b>
<b>HEALTH AND WELFARE</b>				
<b>FUND TOTAL</b>	<b><u>16,331,665</u></b>	<b><u>16,214,653</u></b>	<b><u>17,407,873</u></b>	<b><u>17,932,847</u></b>



# 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 2014

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

**SUMMARY OF FUNDING FOR THE DEPARTMENT OF LICENSES & INSPECTIONS**

<b>GENERAL FUND DEPT OF LICENSES &amp; INSPECTIONS</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	3,138,709	3,152,561	3,228,675	3,304,840
Materials, Supplies & Equipment	398,037	235,411	479,643	540,593
Internal Services	460,342	470,496	565,469	576,396
Debt Service	6,171	10,886	2,249	4,482
Special Purpose	<u>251,970</u>	<u>251,970</u>	<u>251,970</u>	<u>341,970</u>
<b>TOTAL</b>	<b><u>4,255,229</u></b>	<b><u>4,121,324</u></b>	<b><u>4,528,006</u></b>	<b><u>4,768,281</u></b>
<b>STAFFING LEVELS</b>	<b>42.00</b>	<b>38.00</b>	<b>38.00</b>	<b>38.00</b>

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

- Personal Services increased \$76,165, and is almost entirely attributable to actuarially required increases in Pension and Pension Healthcare costs.
- Temporary Salaries were reduced to zero from the \$15,000 that had been budgeted in FY 2013. Because the backlogged filing is currently being brought down to more manageable levels, the temporary clerical person now assisting in this endeavor will no longer be required in FY 2014.
- Demolition was increased \$50,000 to a total of \$250,000 to cover the costs for at least five emergency demolitions.
- As construction nears completion, the need for enhanced mechanical inspections of the Christiana Care Wilmington Hospital Expansion Project is diminishing. This allowed for an \$11,000 reduction in Consultant funding, as the outside expertise used to help perform these inspections will soon no longer be required.
- Although L& I increased its contract payment to the Delaware SPCA in mid-year of FY 2013, the SPCA does not want to continue to provide animal control services to the City. The \$90,000 increase provided in mid-year FY 2013 was carried forward, bringing the total budgeted amount for animal control services in FY 2014 to \$342,000. For roughly that new budgeted amount, the SPCA has agreed to extend its animal control services until only December of 2013. The City is actively pursuing various alternatives to allow for the continuation of City animal control after that date.
- Council added a \$25,000 MS&E appropriation through a final floor amendment. This is reflected in the MS&E budget control account.



# 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 2-A and 2-D on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Number of Lead-based Paint Inspections	100	30	75	13*	50

\* A one-time federally funded grant program running during FY 2013 enabled the majority of inspections in the City to be done by a community non-profit organization.

**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-E and 2-D on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Number of Housing Inspections	50,000	55,091	52,000	44,277	50,000

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

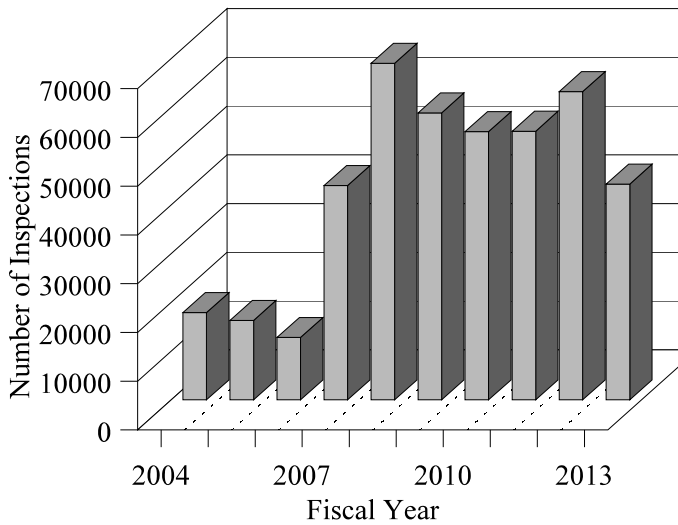
**Objective:** Complete at least 5,500 vacant structure inspections.

*Goal #3 corresponds to the City's Strategic Plan, Policy Statements 1-E and 2-D on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Vacant Property Inspections	5,000	6,992	6,300	4,779	5500

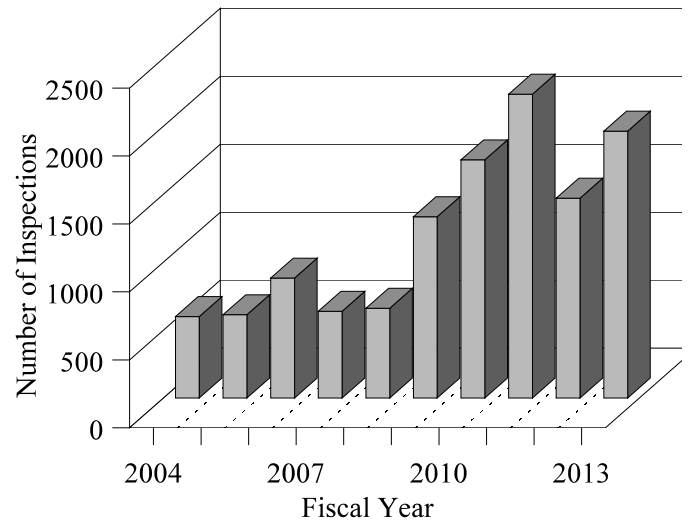
# Department of Licenses and Inspections Performance Trends

## Housing Inspections



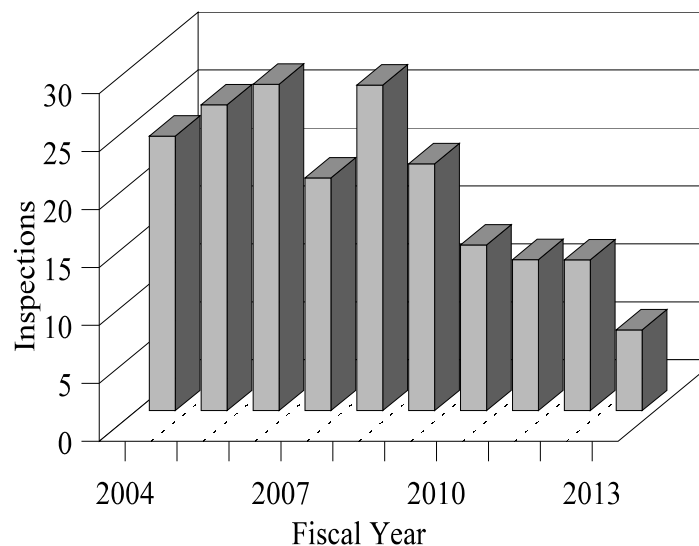
Housing inspections performed include: pre-rentals, lead paint, tenant complaints, sanitation, graffiti, and abandoned vehicles on private property. The inspections spiked in 2007 due to enforcement of the instant ticketing program.

## Zoning Inspections



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

## Building Inspections (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**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Regular Salaries	2,098,628	1,990,994	2,033,155	2,051,859
Temporary Salaries	0	0	15,000	0
Acting Out of Classification	937	1,342	2,000	1,500
Sick Leave Bonus	2,200	2,100	2,100	1,800
Overtime	19,705	22,821	30,000	30,000
Meal Allowance	136	309	500	500
Clothing Allowance	7,625	7,125	7,500	7,500
Internet Reimbursements	0	0	0	0
Pension Contribution	268,501	410,392	403,800	471,435
Social Security	131,532	124,129	127,471	125,315
Medicare Tax	30,762	29,030	29,813	29,311
Hospitalization	522,395	506,697	537,812	537,974
Life Insurance	9,811	8,218	8,603	8,975
Pension Healthcare	36,677	40,904	67,450	76,000
Deferred Comp Contribution	0	0	0	0
Personal Services Adjustment	<u>9,800</u>	<u>8,500</u>	<u>(36,529)</u>	<u>(37,329)</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>3,138,709</b>	<b>3,152,561</b>	<b>3,228,675</b>	<b>3,304,840</b>
<b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	8,250	6,563	7,000	8,000
Communications & Utilities	0	0	500	400
Transportation	0	11	3,000	3,500
Rentals	200	200	160	878
Contracted Maintenance	111,577	124,081	125,000	125,000
Professional Fees	29,073	21,994	50,000	39,000
Other Fees	5,909	6,494	7,900	8,000
Memberships & Registration	7,065	11,948	19,500	18,300
Miscellaneous Services	0	0	0	0
Office & General Supplies	5,187	4,830	10,000	9,400
Wearing Apparel & Safety Supplies	22,115	20,736	27,883	26,315
Miscellaneous Parts	900	524	3,500	3,800
Construction & Repairs	201,894	38,030	220,000	270,000
Equipment	5,867	0	3,200	2,000
Fixed Assets	0	0	2,000	1,000
MSE Budget Control Account	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,000</u>
<b>TOTAL M., S. &amp; E.</b>	<b>398,037</b>	<b>235,411</b>	<b>479,643</b>	<b>540,593</b>

## DEPARTMENT: LICENSES AND INSPECTIONS

FUND: GENERAL

<u>INTERNAL SERVICES</u>	<u>ACTUAL FY2011</u>	<u>ACTUAL FY2012</u>	<u>BUDGET FY2013</u>	<u>APPROVED FY2014</u>
Administrative Services	430,438	438,463	534,908	545,835
Self-Insurance	<u>29,904</u>	<u>32,033</u>	<u>30,561</u>	<u>30,561</u>
<b>TOTAL INTERNAL SERVICES</b>	<b>460,342</b>	<b>470,496</b>	<b>565,469</b>	<b>576,396</b>
 <b><u>DEBT SERVICE</u></b>				
Principal Payments	3,380	8,509	0	2,252
Interest Payments	<u>2,791</u>	<u>2,377</u>	<u>2,249</u>	<u>2,230</u>
<b>TOTAL DEBT SERVICE</b>	<b>6,171</b>	<b>10,886</b>	<b>2,249</b>	<b>4,482</b>
 <b><u>SPECIAL PURPOSE</u></b>				
Delaware SPCA/Animal Control	<u>251,970</u>	<u>251,970</u>	<u>251,970</u>	<u>341,970</u>
<b>TOTAL SPECIAL PURPOSE</b>	<b>251,970</b>	<b>251,970</b>	<b>251,970</b>	<b>341,970</b>
 <b>GENERAL FUND TOTAL</b>	 <b><u>4,255,229</u></b>	 <b><u>4,121,324</u></b>	 <b><u>4,528,006</u></b>	 <b><u>4,768,281</u></b>

# 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.

<b>PRIORITIES FOR FISCAL YEAR 2014</b>
<ul style="list-style-type: none"> <li>• Implement a tracking system to accurately collect participation data.</li> <li>• Create standards of care for the Park Maintenance Division.</li> <li>• Increase and improve collaborative partnerships with parents, government agencies, and community groups.</li> <li>• Seek grant opportunities to conduct program initiatives not supported by the General Fund.</li> <li>• Promote healthy lifestyles by continuing to offer recreation programs, information sessions, evening feeding, and summer food programs.</li> <li>• Expand tutoring programs to assist students in achieving academic success.</li> </ul>

## SUMMARY OF FUNDING FOR THE DEPARTMENT OF PARKS AND RECREATION

<b>TOTAL ALL FUNDS DEPT OF PARKS &amp; RECREATION</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	4,875,750	4,588,176	4,779,070	4,351,004
Materials, Supplies & Equipment	2,272,506	1,745,171	1,761,499	1,186,089
Internal Services	1,066,432	1,160,250	1,241,047	1,259,600
Debt Service	<u>1,557,160</u>	<u>1,868,582</u>	<u>1,656,284</u>	<u>1,874,317</u>
<b>TOTAL</b>	<b><u>9,771,848</u></b>	<b><u>9,362,179</u></b>	<b><u>9,437,900</u></b>	<b><u>8,671,010</u></b>
<b>STAFFING LEVELS</b>	<b>50.00</b>	<b>44.00</b>	<b>44.00</b>	<b>44.00</b>

<b>GENERAL FUND</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPT OF PARKS &amp; RECREATION</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Personal Services	4,024,497	4,077,827	4,237,376	4,264,082
Materials, Supplies & Equipment	1,057,871	955,047	1,070,434	1,155,024
Internal Services	1,063,000	1,157,214	1,237,614	1,256,167
Debt Service	<u>1,557,160</u>	<u>1,868,582</u>	<u>1,656,284</u>	<u>1,874,317</u>
<b>TOTAL</b>	<b><u>7,702,528</u></b>	<b><u>8,058,670</u></b>	<b><u>8,201,708</u></b>	<b><u>8,549,590</u></b>
<b>STAFFING LEVELS</b>	<b>50.00</b>	<b>44.00</b>	<b>44.00</b>	<b>44.00</b>

<b>PARKS ASSISTANCE FUND</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPT OF PARKS &amp; RECREATION</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Personal Services	285,137	126,164	140,000	0
Materials, Supplies & Equipment	<u>1,212,108</u>	<u>788,234</u>	<u>660,000</u>	<u>0</u>
<b>TOTAL</b>	<b><u>1,497,245</u></b>	<b><u>914,398</u></b>	<b><u>800,000</u></b>	<b><u>0</u></b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

<b>PARKS TRUST FUND</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPT OF PARKS &amp; RECREATION</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Personal Services	71,585	75,414	121,694	86,922
Materials, Supplies & Equipment	2,527	1,890	31,065	31,065
Internal Services	<u>3,432</u>	<u>3,036</u>	<u>3,433</u>	<u>3,433</u>
<b>TOTAL</b>	<b><u>77,544</u></b>	<b><u>80,340</u></b>	<b><u>156,192</u></b>	<b><u>121,420</u></b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

<b>WORKFORCE INVESTMENT</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>BOARD (WIB)</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
<b>DEPT OF PARKS &amp; RECREATION</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Personal Services	<u>494,531</u>	<u>308,771</u>	<u>280,000</u>	<u>0</u>
<b>TOTAL</b>	<b><u>494,531</u></b>	<b><u>308,771</u></b>	<b><u>280,000</u></b>	<b><u>0</u></b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Total personnel in the Department remained at 44 positions. However, during FY 2013, one vacant position, the Assistant Director of the William “Hicks” Anderson Community Center Division (WHACC), was deleted. For FY 2014, a Community Referral Specialist was transferred to WHACC from the Constituent Services Division of the Mayor’s Office to help serve the Hispanic community.
- Temporary Salaries have increased by a net \$46,085. The amount in the Youth & Families Division was reduced by the \$97,000 special one-time appropriation from City Council in FY 2013. An increase of \$66,000 in the Recreation Division will allow an earlier opening date for City pools, and an increase of \$62,000 in WHACC will permit longer hours of operation on weekends.
- Overtime appropriations have been reduced by a total of \$19,500 in the Maintenance and Recreation Divisions in an effort to restrict discretionary expenses.
- Total Employee Benefit costs rose by \$82,500, fueled by increases in Hospitalization, Pension Contributions, and Pension Healthcare.
- Communications & Utilities (Electricity) has been increased by \$20,000 to support longer operating hours at the Anderson Community Center.
- Temporary Agencies, included within Professional Fees, have increased by \$32,369 to hire a much needed receptionist in the common area at the Municipal Complex facility.
- Miscellaneous Services are slated to increase by a total of \$41,057. Most of this increase is within the WHACC budget to fund the installation of an additional security camera at \$8,000, travel costs for program participants to out-of-state competitions, and the startup costs for some new youth programs.
- Equipment costs feature a \$9,600 appropriation for the first phase of a three-year program to replace aging fitness equipment at the WHACC.
- Debt Service expenditures will increase by more than \$218,000 per the payment schedule provided by the Accounting Division.
- The amounts noted as Budget Control Accounts are a part of City Council’s final floor amendment that decreased the Parks Department appropriations by \$80,000 in Personal Services and \$16,000 in M., S. & E.

# 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 1-E and 2-C on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Senior Programs Implemented	20	20	20	3	2

**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 2-C, 4-B and 4-C on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Park Sites Operated	20	20	20	20	20

**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 1-E, 2-B, 2-C and 4-C on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
# of Female Targeted Programs Implemented	35	33	35	10	2

*\* The Administration changed effective January, 2013. New performance indicators (goals and objectives) are being developed to replace the current ones by the Director of Parks and Recreation.*



## 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 2-C, 4-B and 4-C on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Number of Youth-led Projects	12	10	12	1	1

**Goal #5:** To increase diversity in program participation.

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

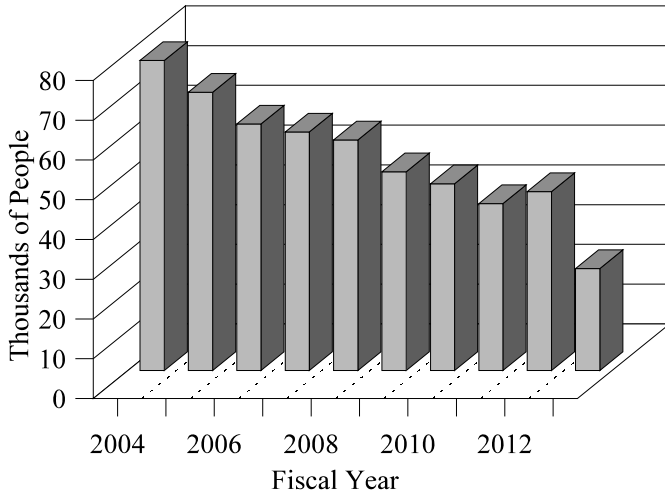
*Goal #5 corresponds to the City's Strategic Plan, Policy Statement 4-A, 4-B and 4-C on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Number of Family Inclusive Information Fairs Held	16	14	16	5	5

*\* The Administration changed effective January, 2013. New performance indicators (goals and objectives) are being developed to replace the current ones by the Director of Parks and Recreation.*

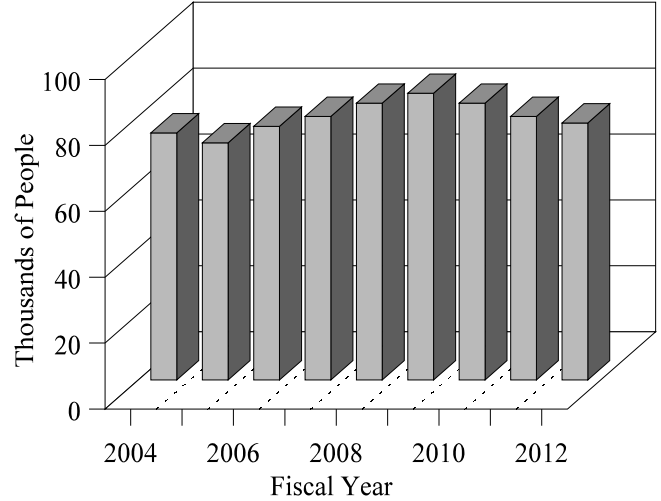
# Department of Parks and Recreation Performance Trends \*

### Pool Attendance



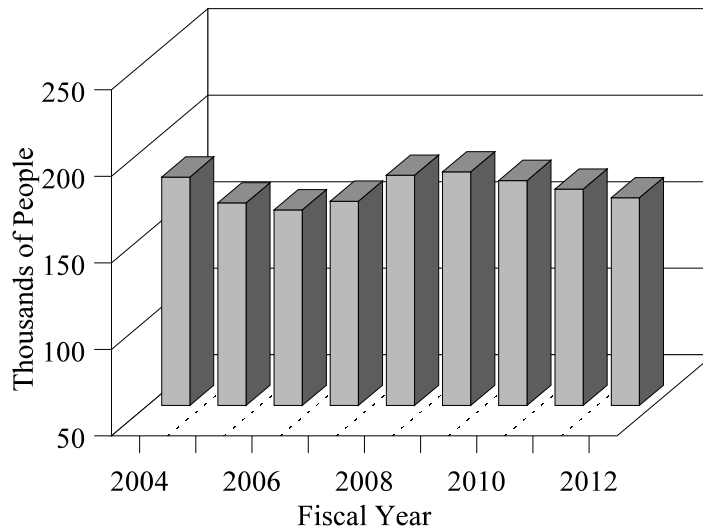
Pool attendance has generally declined due to both a shortening of the season to trim costs, and a lengthening of the school year.

### 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.

*\* The Administration changed effective January, 2013. New performance trends are being developed to replace the current ones by the Director of Parks and Recreation.*

**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: PARKS & RECREATION**

**FUND: GENERAL**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Regular Salaries	2,026,357	1,922,405	2,009,788	2,008,576
Temporary Salaries	757,693	807,031	868,263	914,348
Acting Out of Class	16	13	1,000	1,000
Sick Leave Bonus	2,300	3,500	1,500	1,500
Overtime	84,446	85,026	105,697	86,231
Meal Allowance	1,272	1,206	2,000	800
Pension Contribution	267,398	418,349	413,023	413,602
Social Security	176,480	173,087	183,364	183,132
Medicare Tax	41,276	40,456	42,884	42,828
Hospitalization	605,216	558,686	611,872	665,961
Life Insurance	9,230	8,317	9,304	9,585
Pension Healthcare	52,813	59,677	78,100	88,000
State Pension Plan (Civilian)	0	74	2,029	19,967
Personal Services Adjustment	0	0	(91,448)	(91,448)
PS-Budget Control Account	<u>0</u>	<u>0</u>	<u>0</u>	<u>(80,000)</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>4,024,497</b>	<b>4,077,827</b>	<b>4,237,376</b>	<b>4,264,082</b>

**MATERIALS, SUPPLIES & EQUIPMENT**

Printing & Advertising	904	8,860	9,400	9,900
Communications & Utilities	237,111	246,261	240,100	260,080
Transportation	5,637	4,272	5,500	9,248
Rentals	46,990	70,732	65,956	53,800
Contracted Maintenance	74,646	42,101	72,257	63,350
Professional Fees	226,883	191,487	212,975	245,344
Other Fees	47,381	48,209	54,000	58,244
Memberships & Registrations	7,018	7,523	8,150	7,940
Miscellaneous Services	103,928	118,736	134,151	175,208
Office & General Supplies	14,087	18,364	17,746	17,353
Wearing Apparel & Safety Supplies	36,288	37,659	36,000	35,613
Miscellaneous Parts	154,462	128,839	159,774	150,155
Petroleum & Chemicals	16,197	13,797	18,500	19,000
Construction & Repairs	14,680	11,466	18,825	29,414
Equipment	6,114	5,478	12,100	23,375
Fixed Assets	0	0	5,000	0
Community Activities	65,545	1,263	0	13,000
MSE-Budget Control Account	<u>0</u>	<u>0</u>	<u>0</u>	<u>(16,000)</u>
<b>TOTAL M., S. &amp; E.</b>	<b>1,057,871</b>	<b>955,047</b>	<b>1,070,434</b>	<b>1,155,024</b>

## DEPARTMENT: PARKS &amp; RECREATION

## FUND: GENERAL

<b>INTERNAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Administrative Services	745,694	770,630	847,467	866,020
Self-Insurance	<u>317,306</u>	<u>386,584</u>	<u>390,147</u>	<u>390,147</u>
<b>TOTAL INTERNAL SERVICES</b>	<b>1,063,000</b>	<b>1,157,214</b>	<b>1,237,614</b>	<b>1,256,167</b>
<b><u>DEBT SERVICE</u></b>				
Principal Payments	734,944	1,039,623	797,864	1,066,129
Interest Payments	<u>822,216</u>	<u>828,959</u>	<u>858,420</u>	<u>808,188</u>
<b>TOTAL DEBT SERVICE</b>	<b>1,557,160</b>	<b>1,868,582</b>	<b>1,656,284</b>	<b>1,874,317</b>
<b>GENERAL FUND TOTAL</b>	<b><u>7,702,528</u></b>	<b><u>8,058,670</u></b>	<b><u>8,201,708</u></b>	<b><u>8,549,590</u></b>

## DEPARTMENT: PARKS &amp; RECREATION

## FUND: PARKS ASSISTANCE

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Temporary Salaries	264,692	117,228	130,051	0
Social Security	16,568	7,242	8,063	0
Medicare Tax	<u>3,877</u>	<u>1,694</u>	<u>1,886</u>	<u>0</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>285,137</b>	<b>126,164</b>	<b>140,000</b>	<b>0</b>
<b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Transportation	17,100	0	9,000	0
Rentals	19,654	0	12,000	0
Professional Fees	12,095	0	11,000	0
Other Fees	24	0	3,500	0
Memberships & Registrations	291	0	0	0
Miscellaneous Services	48,895	0	15,000	0
Office & General Supplies	4,867	0	2,000	0
Miscellaneous Parts	1,167,599	787,223	605,500	0
Fixed Assets	763	0	2,000	0
Miscellaneous Projects	<u>(59,180)</u>	<u>1,011</u>	<u>0</u>	<u>0</u>
<b>TOTAL M., S. &amp; E.</b>	<b>1,212,108</b>	<b>788,234</b>	<b>660,000</b>	<b>0</b>
<b>PARKS ASSISTANCE FUND TOTAL</b>	<b><u>1,497,245</u></b>	<b><u>914,398</u></b>	<b><u>800,000</u></b>	<b><u>0</u></b>

**DEPARTMENT: PARKS & RECREATION****FUND: PARKS TRUST**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Regular Salaries	47,693	48,059	74,787	47,875
Temporary Salaries	0	0	2,500	2,500
Overtime	0	0	4,000	0
Pension Contributions	5,616	8,004	9,124	10,293
Social Security	2,952	2,975	5,039	2,968
Medicare Tax	689	696	1,179	694
Life Insurance	255	229	378	240
Hospitalization	13,222	13,901	24,687	20,352
Pension Healthcare	<u>1,158</u>	<u>1,550</u>	<u>0</u>	<u>2,000</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>71,585</b>	<b>75,414</b>	<b>121,694</b>	<b>86,922</b>
 <b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Communications & Utilities	2,527	1,890	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>
<b>TOTAL M., S. &amp; E.</b>	<b>2,527</b>	<b>1,890</b>	<b>31,065</b>	<b>31,065</b>
 <b><u>INTERNAL SERVICES</u></b>				
Self-Insurance	<u>3,432</u>	<u>3,036</u>	<u>3,433</u>	<u>3,433</u>
<b>TOTAL INTERNAL SERVICES</b>	<b>3,432</b>	<b>3,036</b>	<b>3,433</b>	<b>3,433</b>
 <b>PARKS TRUST FUND TOTAL</b>	 <b><u>77,544</u></b>	 <b><u>80,340</u></b>	 <b><u>156,192</u></b>	 <b><u>121,420</u></b>

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

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Temporary Salaries	459,388	286,825	260,102	0
Social Security	28,482	17,786	16,126	0
Medicare Tax	<u>6,661</u>	<u>4,160</u>	<u>3,772</u>	<u>0</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>494,531</b>	<b>308,771</b>	<b>280,000</b>	<b>0</b>
<b>WIB FUND TOTAL</b>	<b><u>494,531</u></b>	<b><u>308,771</u></b>	<b><u>280,000</u></b>	<b><u>0</u></b>

# 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.

<b>PRIORITIES FOR FISCAL YEAR 2014</b>
<ul style="list-style-type: none"> <li>• Secure funding for the renovation of remaining stations.</li> <li>• Replace fire apparatus according to recommended replacement cycle.</li> <li>• Continue the free smoke and carbon monoxide alarm programs for seniors and needy citizens.</li> <li>• Increase public education programs, targeting senior citizens and children.</li> </ul>

## SUMMARY OF FUNDING FOR THE FIRE DEPARTMENT

<b>TOTAL ALL FUNDS*</b> <b>FIRE DEPARTMENT</b>	<b>ACTUAL</b> <b>FY2011</b>	<b>ACTUAL</b> <b>FY2012</b>	<b>BUDGET</b> <b>FY2013</b>	<b>APPROVED</b> <b>FY2014</b>
Personal Service	20,204,527	19,938,508	20,096,814	20,152,050
Materials, Supplies & Equipment	1,469,750	3,507,538	897,962	720,121
Internal Services	2,215,066	2,270,308	2,729,038	2,784,959
Debt Service	325,107	434,901	454,816	560,058
<b>TOTAL</b>	<b><u>24,214,450</u></b>	<b><u>26,151,255</u></b>	<b><u>24,178,630</u></b>	<b><u>24,217,188</u></b>
<b>STAFFING LEVELS</b>	<b>172.00</b>	<b>177.00</b>	<b>177.00</b>	<b>177.00</b>

<b>GENERAL FUND</b> <b>FIRE DEPARTMENT</b>	<b>ACTUAL</b> <b>FY2011</b>	<b>ACTUAL</b> <b>FY2012</b>	<b>BUDGET</b> <b>FY2013</b>	<b>APPROVED</b> <b>FY2014</b>
Personal Services	15,623,466	15,077,655	14,917,370	15,431,102
Materials, Supplies & Equipment	653,878	602,629	706,178	720,121
Internal Services	2,215,066	2,270,308	2,729,038	2,784,959
Debt Service	325,107	434,901	454,816	560,058
<b>TOTAL</b>	<b><u>18,817,517</u></b>	<b><u>18,385,493</u></b>	<b><u>18,807,402</u></b>	<b><u>19,496,240</u></b>
<b>STAFFING LEVELS</b>	<b>172.00</b>	<b>164.00</b>	<b>164.00</b>	<b>170.50</b>

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

<b>STATE PENSION CONTRIBUTIONS FIRE DEPARTMENT</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	<u>4,581,061</u>	<u>4,279,307</u>	<u>4,338,286</u>	<u>4,338,286</u>
<b>TOTAL</b>	<b><u>4,581,061</u></b>	<b><u>4,279,307</u></b>	<b><u>4,338,286</u></b>	<b><u>4,338,286</u></b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

<b>STATE FIRE GRANT FUND FIRE DEPARTMENT</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Materials, Supplies & Equipment	<u>140,457</u>	<u>191,784</u>	<u>191,784</u>	<u>0</u>
<b>TOTAL</b>	<b><u>140,457</u></b>	<b><u>191,784</u></b>	<b><u>191,784</u></b>	<b><u>0</u></b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

<b>FEDERAL EMERGENCY MANAGEMENT &amp; OTHER MISCELLANEOUS GRANTS FIRE DEPARTMENT</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Materials, Supplies & Equipment	<u>675,415</u>	<u>2,713,125</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b><u>675,415</u></b>	<b><u>2,713,125</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

<b>SAFER GRANT FUND FIRE DEPARTMENT</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	<u>0</u>	<u>581,546</u>	<u>841,158</u>	<u>382,662</u>
<b>TOTAL</b>	<b><u>0</u></b>	<b><u>581,546</u></b>	<b><u>841,158</u></b>	<b><u>382,662</u></b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>13.00</b>	<b>13.00</b>	<b>6.50</b>



## MAJOR FUNDING CHANGES FROM PRIOR YEAR

- During Fiscal Year 2014, the remaining funds of the **SAFER** (Staffing for Adequate Fire & Emergency Response) Grant will be exhausted. A total of \$382,662 in salaries and benefits for 13 Firefighters is budgeted, and will fund 50% of the annual costs for these positions, or 6.5 Full-time Equivalents (FTEs). As such, there is a corresponding increase of an equal amount in the General Fund.
- The past utilization of a “rolling bypass” of an engine company will be replaced with a “conditional company closure” policy in FY 2014 that is expected to result in significantly fewer instances of engine company closures. To meet the anticipated additional costs, Overtime appropriations have been increased by \$150,000.
- Both Hospitalization and Pension Healthcare have increased by \$136,400 and \$50,000 respectively, due to overall increases in these areas, along with the previously stated transfer of 6.5 FTEs from the **SAFER** Grant into the General Fund.
- Pension Contributions decreased by more than \$218,000. Although total citywide Pension Contribution actuarial target levels have risen for FY 2014, the target for the old Fire Pension plan decreased by \$220,000. Contributions for the state-sponsored County/Municipal Pension Plan have increased by almost \$142,000, including the cost related to the transfer of firefighters from the **SAFER** Grant.
- Utilities costs have been increased by \$5,000 in anticipation of the opening of the new Station 5, which is on the ground floor of a new high-rise residential condo building.
- Contracted Maintenance Services will increase by almost \$18,000 to fund the condo fees related to the new fire station.
- A \$5,000 appropriation has been requested in Miscellaneous Projects to maintain funding for the Department’s Explorer Program. The program seeks to expose young men and women from the Greater Wilmington area to fire/emergency services as a vocation or avocation.
- The Department will be replacing all turnout gear in FY 2014. Total costs are expected to be \$390,000, and will be funded through a capital lease, with payments spread over a five-year period. Because FY 2013 included the final lease payments for a prior purchase, the incremental impact for FY 2014 is minimal.
- Debt Service costs will increase by \$105,242 per repayment schedules provided by the Finance Department.
- Total Internal Service allocations will rise by almost \$60,000, and is comprised of a nearly 14% increase in both Telephone and Radio for required public safety communications upgrades, along with a smaller increase of 3.8% in Data Processing.

## 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-E, 2-A and 2-D on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
% of Fires Contained to Room of Origin	95%	93%	95%	94%	96%

**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-C, 1-E and 2-A on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Number of Building Inspections	1,700	1,754	2,000	1,846	2,000
Citizens Educated	50,000	19,893	35,000	22,704	30,000

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

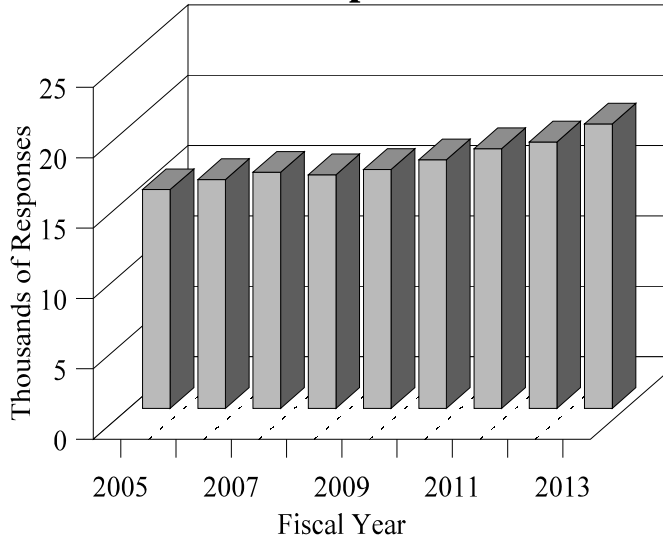
**Objective:** Maintain the average response time for fires to two minutes or less.

*Goal #3 corresponds to the City's Strategic Plan, Policy Statements 1-E, and 2-D on page 22.*

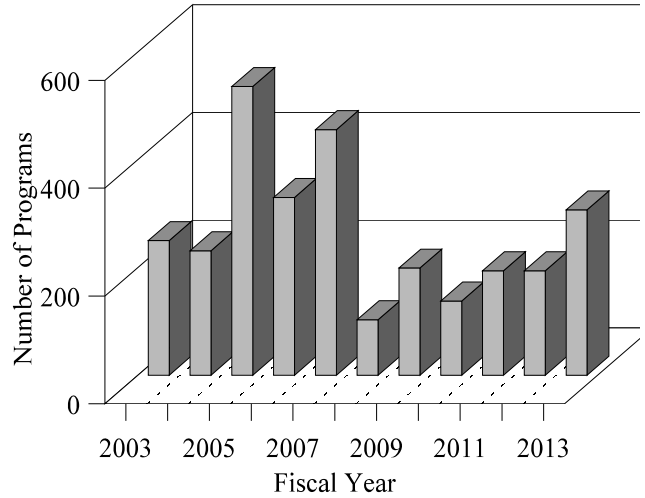
CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Average Fire Response Time	2 minutes & 30 seconds	2 minutes & 31 seconds	2 minutes & 30 seconds	2 minutes & 29 seconds	2 minutes & 28 seconds

# Fire Department Performance Trends

## Total Responses



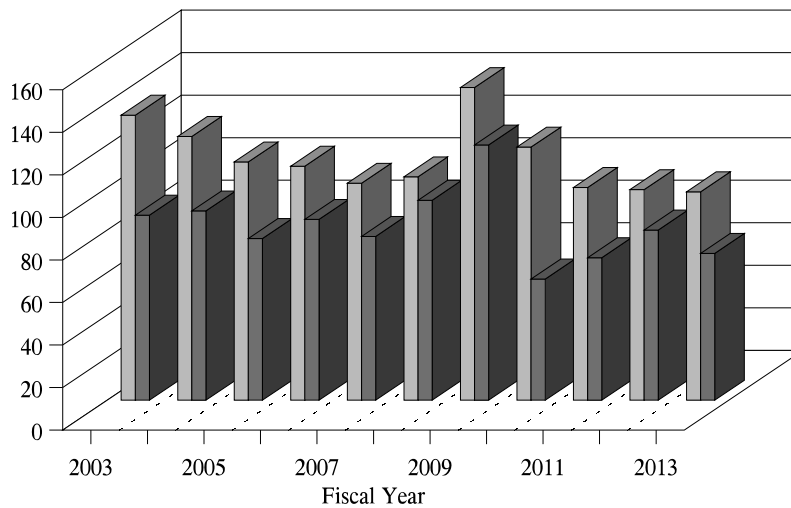
## Fire Prevention Division



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



Investigations Initiated
  Investigations Closed

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

**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: FIRE**

**FUND: GENERAL**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Regular Salaries	10,485,796	10,445,349	10,143,223	10,379,642
Temporary Salaries	10,267	0	0	0
Acting Out of Class	9,239	20,391	17,400	18,400
Shift Differential	73,994	98,013	125,862	127,216
Sick Leave Bonus	0	200	0	0
Overtime	990,669	351,262	260,000	410,000
Holiday Pay	49,479	25,033	0	0
Pension Contribution	246,745	351,771	396,221	177,843
Social Security	20,124	15,048	15,224	15,024
Medicare Tax	125,205	128,829	122,208	134,702
Hospitalization	2,595,816	2,496,407	2,654,127	2,790,500
Life Insurance	44,387	37,475	37,720	40,744
County/Municipal Pension Contribution	754,044	855,218	854,285	996,031
Pension Healthcare	<u>217,701</u>	<u>252,659</u>	<u>291,100</u>	<u>341,000</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>15,623,466</b>	<b>15,077,655</b>	<b>14,917,370</b>	<b>15,431,102</b>

**MATERIALS, SUPPLIES & EQUIPMENT**

Printing & Advertising	1,155	724	1,660	1,660
Communications & Utilities	122,556	99,021	120,168	125,168
Transportation	1,352	3,994	3,200	3,900
Contracted Maintenance Repairs	96,538	78,137	96,000	96,000
Professional Fees	63,931	83,175	124,359	113,005
Memberships & Registrations	48,388	45,823	69,738	67,738
Miscellaneous Services	62,599	72,772	97,857	115,766
Office & General Supplies	22,775	22,095	28,678	27,678
Wearing Apparel & Safety Supplies	148,607	138,678	110,060	106,748
Miscellaneous Parts	33,171	37,004	35,000	37,000
Construction & Repairs	2,631	2,409	2,458	2,458
Equipment	15,457	12,166	17,000	18,000
Fixed Assets	34,718	6,631	0	0
Community Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000</u>
<b>TOTAL M., S. &amp; E.</b>	<b>653,878</b>	<b>602,629</b>	<b>706,178</b>	<b>720,121</b>

## DEPARTMENT: FIRE

## FUND: GENERAL

<u>INTERNAL SERVICES</u>	<u>ACTUAL FY2011</u>	<u>ACTUAL FY2012</u>	<u>BUDGET FY2013</u>	<u>APPROVED FY2014</u>
Administrative Services	1,322,261	1,296,571	1,792,039	1,847,960
Self-Insurance	<u>892,805</u>	<u>973,737</u>	<u>936,999</u>	<u>936,999</u>
<b>TOTAL INTERNAL SERVICES</b>	<b>2,215,066</b>	<b>2,270,308</b>	<b>2,729,038</b>	<b>2,784,959</b>
 <b><u>DEBT SERVICE</u></b>				
Principal Payments	97,888	141,932	72,715	123,907
Interest Payments	<u>227,219</u>	<u>292,969</u>	<u>382,101</u>	<u>436,151</u>
<b>TOTAL DEBT SERVICE</b>	<b>325,107</b>	<b>434,901</b>	<b>454,816</b>	<b>560,058</b>

## DEPARTMENT: FIRE

## FUND: STATE PENSION CONTRIBUTIONS

<u>PERSONAL SERVICES</u>	<u>ACTUAL FY2011</u>	<u>ACTUAL FY2012</u>	<u>BUDGET FY2013</u>	<u>APPROVED FY2014</u>
State Pension Contributions	<u>4,581,061</u>	<u>4,279,307</u>	<u>4,338,286</u>	<u>4,338,286</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>4,581,061</b>	<b>4,279,307</b>	<b>4,338,286</b>	<b>4,338,286</b>
 <b>GENERAL FUND TOTAL</b>	 <b><u>23,398,578</u></b>	 <b><u>22,664,800</u></b>	 <b><u>23,145,688</u></b>	 <b><u>23,834,526</u></b>

## DEPARTMENT: FIRE

## FUND: STATE FIRE GRANT

<u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u>	<u>ACTUAL FY2011</u>	<u>ACTUAL FY2012</u>	<u>BUDGET FY2013</u>	<u>APPROVED FY2014</u>
Contracted Maintenance	0	0	8,160	0
Professional Fees	1,294	0	5,040	0
Wearing Apparel & Safety Supplies	587	0	178,584	0
Fixed Assets	<u>138,576</u>	<u>191,784</u>	<u>0</u>	<u>0</u>
<b>TOTAL M., S. &amp; E.</b>	<b>140,457</b>	<b>191,784</b>	<b>191,784</b>	<b>0</b>
 <b>STATE FIRE GRANT TOTAL</b>	 <b><u>140,457</u></b>	 <b><u>191,784</u></b>	 <b><u>191,784</u></b>	 <b><u>0</u></b>

**DEPARTMENT: FIRE**

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

<b>MATERIALS, SUPPLIES &amp; EQUIPMENT</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Memberships & Registrations	0	16,885	0	0
Miscellaneous Services	0	251,975	0	0
Fixed Assets	<u>675,415</u>	<u>2,444,265</u>	<u>0</u>	<u>0</u>
<b>TOTAL M. S. &amp; E.</b>	<b>675,415</b>	<b>2,713,125</b>	<b>0</b>	<b>0</b>
<b>FEDERAL EMERG. MGT. &amp; OTHER MISC. GRANTS TOTAL</b>	<b><u>675,415</u></b>	<b><u>2,713,125</u></b>	<b><u>0</u></b>	<b><u>0</u></b>

**DEPARTMENT: FIRE**

**FUND: SAFER GRANT**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Regular Salaries	0	412,989	486,550	241,672
Shift Differential	0	4,439	0	0
Holiday Pay	0	1,517	0	0
Medicare Tax	0	5,545	6,985	3,456
Hospitalization	0	76,366	249,968	85,640
Life Insurance	0	2,399	2,814	1,384
County/Municipal Pension Contribution	0	60,524	71,766	37,510
Pension Healthcare	<u>0</u>	<u>17,767</u>	<u>23,075</u>	<u>13,000</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>0</b>	<b>581,546</b>	<b>841,158</b>	<b>382,662</b>
<b>SAFER GRANT TOTAL</b>	<b><u>0</u></b>	<b><u>581,546</u></b>	<b><u>841,158</u></b>	<b><u>382,662</u></b>

# 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.

<b>PRIORITIES FOR FISCAL YEAR 2014</b>
<ul style="list-style-type: none"> <li>• Reduce crime.</li> <li>• Reduce street-level drug activity.</li> <li>• Increase public safety by reducing traffic accidents.</li> <li>• Establish a partnership with the community.</li> <li>• Improve professional standards within the Department.</li> <li>• Improve performance through personnel training and development.</li> <li>• Maintain a heightened state of awareness and preparedness.</li> </ul>

## SUMMARY OF FUNDING FOR THE DEPARTMENT OF POLICE

<b>TOTAL ALL FUNDS * DEPARTMENT OF POLICE</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	44,792,663	46,104,605	45,607,287	46,749,547
Materials, Supplies & Equipment	2,513,338	2,219,842	1,615,110	1,783,261
Internal Services	5,069,507	5,523,637	5,416,386	5,587,385
Debt Service	<u>286,681</u>	<u>419,328</u>	<u>292,776</u>	<u>375,359</u>
<b>TOTAL</b>	<b><u>52,662,189</u></b>	<b><u>54,267,412</u></b>	<b><u>52,931,559</u></b>	<b><u>54,495,552</u></b>
<b>STAFFING LEVELS</b>	<b>402.00</b>	<b>390.00</b>	<b>382.00</b>	<b>382.00</b>

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

<b>GENERAL FUND DEPARTMENT OF POLICE</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	40,938,081	41,154,327	41,593,874	43,359,067
Materials, Supplies & Equipment	1,547,939	1,547,750	1,615,110	1,783,261
Internal Services	5,069,507	5,523,637	5,416,386	5,587,385
Debt Service	<u>286,681</u>	<u>419,328</u>	<u>292,776</u>	<u>375,359</u>
<b>TOTAL</b>	<b><u>47,842,208</u></b>	<b><u>48,645,042</u></b>	<b><u>48,918,146</u></b>	<b><u>51,105,072</u></b>
<b>STAFFING LEVELS</b>	<b>378.00</b>	<b>365.00</b>	<b>362.65</b>	<b>372.32</b>

<b>STATE PENSION CONTRIBUTIONS DEPARTMENT OF POLICE</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	<u>2,400,480</u>	<u>2,271,202</u>	<u>2,646,231</u>	<u>2,646,231</u>
<b>TOTAL</b>	<b><u>2,400,480</u></b>	<b><u>2,271,202</u></b>	<b><u>2,646,231</u></b>	<b><u>2,646,231</u></b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

<b>SALLE &amp; OTHER SPECIAL GRANT FUNDS DEPARTMENT OF POLICE</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	460,854	1,375,197	558,775	618,754
Materials, Supplies & Equipment	<u>787,962</u>	<u>672,092</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b><u>1,248,816</u></b>	<b><u>2,047,289</u></b>	<b><u>558,775</u></b>	<b><u>618,754</u></b>
<b>STAFFING LEVELS</b>	<b>8.00</b>	<b>9.00</b>	<b>8.00</b>	<b>8.00</b>

<b>BYRNE GRANT FUND DEPARTMENT OF POLICE</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Materials, Supplies & Equipment	<u>177,437</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b><u>177,437</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

<b>COPS GRANT DEPARTMENT OF POLICE</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	<u>993,248</u>	<u>1,303,879</u>	<u>808,407</u>	<u>125,495</u>
<b>TOTAL</b>	<b><u>993,248</u></b>	<b><u>1,303,879</u></b>	<b><u>808,407</u></b>	<b><u>125,495</u></b>
<b>STAFFING LEVELS</b>	<b>16.00</b>	<b>16.00</b>	<b>11.35</b>	<b>1.68</b>



## MAJOR FUNDING CHANGES FROM PRIOR YEAR

- The total uniformed authorized strength remains at 320 officers. However, funding for 14 of the 16 COPS Grant officers expired in FY 2013. Due to vacancies, partial funding remains for one officer and a full-year of funding for another. For FY 2014, a total of 9.67 Full-time Equivalent (FTEs) have been absorbed into the General Fund at a cost of \$683,000 in salary and benefits.
- Higher Pension Contributions, Hospitalization, and Pension Healthcare contributed to an overall increase of \$1.35 million in Employee Benefits.
- The Department will continue to support the Camera Watch program. For FY 2014, \$402,003 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.
- The FY 2014 budget also includes \$83,000 in funding for the Child Development Community Policing (CDCP) program.
- Overall Consultant costs have increased by \$156,400 to fund the biennial promotional process.
- An overall increase of more than \$23,000 in Miscellaneous Services is attributable to costs for microfilming records that are required to be stored on-site.
- Office & General Supplies will rise by \$19,000 reflecting the growing need for printer/copier supplies.
- The Miscellaneous Parts appropriation will increase by a net of \$11,704. Ammunition costs have escalated 20% due to a increase in the cost of raw materials used in the manufacturing process.
- Internal Service appropriations will rise by \$171,000, mainly due to higher Telephone and Radio allocations for required public safety communications upgrades.
- The amount noted as a Budget Control Account is part of City Council's final floor amendment that increased the Police Department's M.,S.& E. appropriations by \$5,000.

## DEPARTMENT OF POLICE

### PERFORMANCE INDICATORS

**Goal #1:** Reduce Crime to create safe neighborhoods and safe communities, establishing a strong partnership between the police and the community.

**Objective:** Reduce Part I Crimes Against Persons by 5%.

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

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Percentage Change in the Number of Part I Crimes Against Persons	-5%	-6%	-5%	+5%	-5%
Number of Part I Crimes	2,363	2,350	2,233	2,468	2,344

**Goal #2:** Improve the Quality of Life in Wilmington by implementing comprehensive solutions, targeting drug dealers and the neighborhood “crews” promoting the sale of illegal drugs.

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

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

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Percentage Change in Number of Drug Arrests	+5%	+15%	+5%	-10%	+5%
Number of Drug Arrests	1,480	1,617	1,698	1,455	1,528

**Goal #3:** Improve traffic safety using modern data collection to identify problematic intersections and traffic patterns.

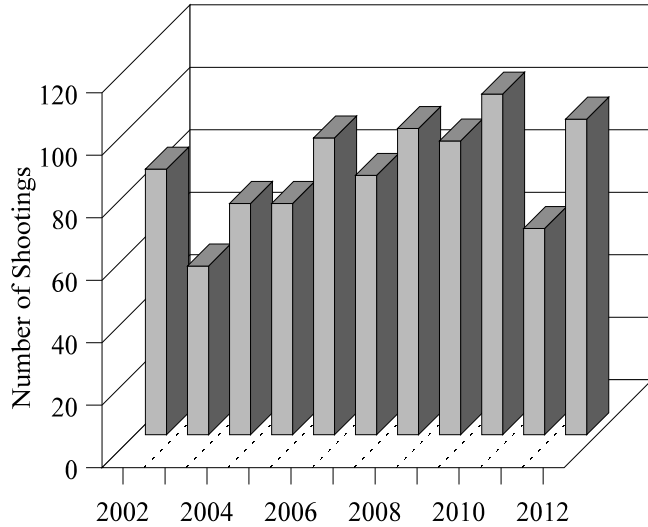
**Objective:** Reduce traffic accidents by 5%.

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

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Percentage Change in the Number of Traffic Accidents	-5%	-3%	+2%	+1%	-5%
Number of Traffic Accidents	2,967	3,031	3,092	3,057	2,904

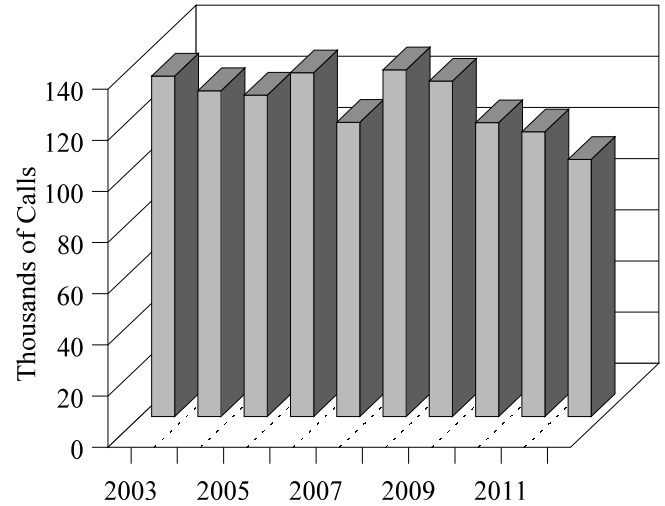
# Department of Police Performance Trends

### Shootings in Wilmington



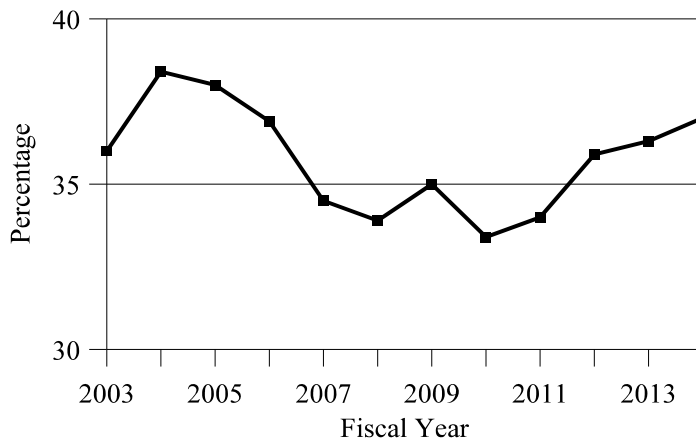
The Department continues to focus significant resources toward this area which has resulted in non-dispatched arrests and proactive policing by officers.

### 911 Calls Resulting in Dispatch



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

### Police Budget as a % of Total General Fund Operating Budget



The Department's General Fund budget has increased for FY 2014, and remains the highest among all City departments.

**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: POLICE**

**FUND: GENERAL**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Regular Salaries	23,141,577	22,821,835	23,336,336	23,705,605
Temporary Salaries	422,760	444,677	450,000	450,000
Acting Out of Class	9,729	3,454	5,000	2,500
Shift Differential	903,446	762,833	667,640	724,500
Shooting Days	3,580	26,688	0	0
Sick Leave Bonus	1,800	2,000	3,000	3,000
Overtime	1,723,074	1,579,069	1,639,800	1,657,200
Holiday Pay	932,716	142,356	0	0
Comp Time Payouts	453,921	408,520	454,250	430,000
Civilian Holiday-Overtime	133,881	101,091	112,500	112,500
Court Overtime	47,239	55,490	56,759	55,759
Special Events Overtime	450,726	396,382	446,368	446,368
Meal Allowance	11,752	14,207	13,000	13,300
Clothing Allowance	84,012	116,799	85,650	85,750
Pension Contribution	4,306,579	5,991,197	6,111,976	6,497,021
Social Security	211,406	215,632	210,219	210,031
Medicare Tax	354,384	361,563	348,959	369,080
Hospitalization	5,413,098	5,075,104	5,508,932	6,018,013
Life Insurance	99,627	82,793	82,619	88,595
County/Municipal Pension Contribution	1,720,683	1,974,369	2,026,436	2,354,468
Pension Healthcare	512,091	578,268	643,700	744,647
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(609,270)</u>	<u>(609,270)</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>40,938,081</b>	<b>41,154,327</b>	<b>41,593,874</b>	<b>43,359,067</b>

## DEPARTMENT: POLICE

## FUND: GENERAL

<b>MATERIALS, SUPPLIES &amp; EQUIPMENT</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Printing & Advertising	9,181	0	18,000	10,400
Communications & Utilities	363,263	343,028	240,780	237,864
Transportation	1,021	4,499	7,000	7,000
Rentals	50,020	50,590	52,124	52,099
Contracted Maintenance Repairs	54,761	42,637	105,980	99,684
Professional Fees	194,459	287,542	214,500	371,889
Other Fees	297,334	281,020	324,256	324,405
Memberships & Registrations	21,692	16,449	10,000	10,000
Miscellaneous Services	148,987	149,692	216,470	239,656
Office & General Supplies	72,170	80,243	85,000	104,000
Wearing Apparel & Safety Supplies	132,474	184,399	164,370	158,160
Miscellaneous Parts	101,933	107,651	129,630	141,334
Equipment	100,644	0	42,000	21,770
Fixed Assets	0	0	5,000	0
MSE-Budget Control Account	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000</u>
<b>TOTAL M., S. &amp; E.</b>	<b>1,547,939</b>	<b>1,547,750</b>	<b>1,615,110</b>	<b>1,783,261</b>

**INTERNAL SERVICES**

Administrative Services	3,283,457	3,482,969	3,411,187	3,582,186
Self-Insurance	<u>1,786,050</u>	<u>2,040,668</u>	<u>2,005,199</u>	<u>2,005,199</u>
<b>TOTAL INTERNAL SERVICES</b>	<b>5,069,507</b>	<b>5,523,637</b>	<b>5,416,386</b>	<b>5,587,385</b>

**DEBT SERVICE**

Principal Payments	152,878	286,341	153,961	243,681
Interest Payments	<u>133,803</u>	<u>132,987</u>	<u>138,815</u>	<u>131,678</u>
<b>TOTAL DEBT SERVICE</b>	<b>286,681</b>	<b>419,328</b>	<b>292,776</b>	<b>375,359</b>

## FUND: STATE PENSION CONTRIBUTIONS

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
State Pension Contributions	<u>2,400,480</u>	<u>2,271,202</u>	<u>2,646,231</u>	<u>2,646,231</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>2,400,480</b>	<b>2,271,202</b>	<b>2,646,231</b>	<b>2,646,231</b>
 <b>GENERAL FUND TOTAL</b>	 <b><u>50,242,688</u></b>	 <b><u>50,916,244</u></b>	 <b><u>51,564,377</u></b>	 <b><u>53,751,303</u></b>

**DEPARTMENT: POLICE**

**FUND: SALLE**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Regular Salaries	201,349	568,559	390,092	429,304
Shift Differential	6,984	21,823	0	0
Overtime	168,980	524,868	0	0
Holiday Pay	11,111	6,361	0	0
Court Overtime	118	2,873	0	0
Meal Allowance	550	2,123	0	0
Social Security	71	1,906	0	0
Medicare Tax	3,024	8,875	5,578	6,142
Hospitalization	37,646	140,564	89,526	98,764
Life Insurance	898	2,683	1,840	1,920
County/Municipal Pension Contribution	26,050	77,358	57,539	66,624
Pension Healthcare	<u>4,073</u>	<u>17,204</u>	<u>14,200</u>	<u>16,000</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>460,854</b>	<b>1,375,197</b>	<b>558,775</b>	<b>618,754</b>
<b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Communications & Utilities	38,187	49,391	0	0
Transportation	69,707	81,349	0	0
Rentals	11,237	20,918	0	0
Professional Fees	20,153	51,531	0	0
Memberships & Registrations	42,902	49,845	0	0
Miscellaneous Services	33,425	37,393	0	0
Office & General Supplies	121	57	0	0
Wearing Apparel & Safety Supplies	72,376	11,978	0	0
Miscellaneous Parts	4,375	3,514	0	0
Equipment	122,413	161,807	0	0
Fixed Assets	320,210	55,362	0	0
Community Activities	<u>52,856</u>	<u>148,947</u>	<u>0</u>	<u>0</u>
<b>TOTAL M., S. &amp; E.</b>	<b>787,962</b>	<b>672,092</b>	<b>0</b>	<b>0</b>
<b>SALLE FUND TOTAL</b>	<b><u>1,248,816</u></b>	<b><u>2,047,289</u></b>	<b><u>558,775</u></b>	<b><u>618,754</u></b>

**DEPARTMENT: POLICE**

**FUND: BYRNE GRANT**

<b>MATERIALS, SUPPLIES &amp; EQUIPMENT</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Equipment	<u>177,437</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL M., S. &amp; E.</b>	<b>177,437</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>BYRNE GRANT FUND TOTAL</b>	<b><u>177,437</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>

## DEPARTMENT: POLICE

## FUND: COPS GRANT

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Regular Salaries	686,746	884,035	549,256	74,737
Shift Differential	23,870	34,590	0	0
Overtime	24,043	(651)	0	0
Medicare Tax	10,508	13,770	7,876	1,056
Hospitalization	134,980	210,826	147,503	34,348
Life Insurance	3,713	4,065	2,611	402
County/Municipal Pension	91,478	130,420	81,015	11,599
Pension Healthcare	<u>17,910</u>	<u>26,824</u>	<u>20,146</u>	<u>3,353</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>993,248</b>	<b>1,303,879</b>	<b>808,407</b>	<b>125,495</b>
<b>COPS GRANT TOTAL</b>	<b><u>993,248</u></b>	<b><u>1,303,879</u></b>	<b><u>808,407</u></b>	<b><u>125,495</u></b>





# 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 Conservation District, Department of Public Health, Delaware River Basin Commission, and the U.S. Environmental Protection Agency.

## PRIORITIES FOR FISCAL YEAR 2014

- Begin construction of Wilmington Co-Generation and Sludge Processing Facilities
- Assess impact of Real Time Control System to mitigate CSO's
- Update CSO Long Term Control Plan
- Continued implementation of GIS and Cityworks programs with focus on CMMS
- Increase contractor compliance with the Roadway Cut Management legislation
- Implementation of Cityworks permitting package with integration of L&I, FMO and Planning departments
- Continue hydrant testing and rehabilitation program
- Continue SRF funded Cleaning and Lining and small main replacement projects throughout the water district
- Wilmington Transit Corridors Program Development
- Further optimize signal-timing using counts from downtown circulation study
- Provide ongoing coordination for our photo-enforcement programs
- Use GIS data for cost-effective LED signal retrofits and DPL street light conversions
- Coordinate signal tie-ins with ACS, to install up to ten (10) new Red Light Cameras
- Update traffic signals with Light Emitting Diodes (LEDs) and count-down pedestrian signals
- Begin construction of WWTP Fine Screen Buildings Concrete Improvements
- Complete construction of Sewer Separation Project in the vicinity of Kentmere and Union Street

**SUMMARY OF FUNDING FOR THE DEPARTMENT OF PUBLIC WORKS**

<b>TOTAL ALL FUNDS*</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPARTMENT OF PUBLIC WORKS</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Personal Services	16,018,819	15,581,055	16,552,438	16,646,946
Materials, Supplies & Equipment	44,458,674	45,343,615	52,115,918	53,414,258
Internal Services	4,591,144	5,364,814	5,812,738	5,884,445
Debt Service	7,085,879	9,913,043	13,116,507	10,122,564
Capitalization	(2,579,228)	(721,672)	(3,200,000)	(3,200,000)
Depreciation	<u>9,749,478</u>	<u>10,255,553</u>	<u>9,193,213</u>	<u>10,255,552</u>
<b>TOTAL</b>	<b><u>79,324,767</u></b>	<b><u>85,736,408</u></b>	<b><u>93,590,814</u></b>	<b><u>93,123,765</u></b>
<b>STAFFING LEVELS</b>	<b>229.00</b>	<b>226.00</b>	<b>226.00</b>	<b>224.00</b>

<b>GENERAL FUND</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPARTMENT OF PUBLIC WORKS</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Personal Services	8,132,328	7,979,283	8,451,953	8,713,629
Materials, Supplies & Equipment	6,709,908	5,888,275	6,755,150	6,718,050
Internal Services	2,661,426	2,951,417	3,218,768	3,238,207
Debt Service	<u>2,499,747</u>	<u>3,435,711</u>	<u>6,531,137</u>	<u>3,640,883</u>
<b>TOTAL</b>	<b><u>20,003,409</u></b>	<b><u>20,254,686</u></b>	<b><u>24,957,008</u></b>	<b><u>22,310,769</u></b>
<b>STAFFING LEVELS</b>	<b>126.25</b>	<b>123.25</b>	<b>122.65</b>	<b>122.40</b>

<b>WATER/SEWER FUND</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPARTMENT OF PUBLIC WORKS</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Personal Services	7,886,491	7,601,772	8,100,485	7,933,317
Materials, Supplies & Equipment	30,660,243	33,881,559	37,148,284	38,175,072
Internal Services	1,481,670	2,123,835	2,371,032	2,422,841
Debt Service	4,283,208	6,193,410	6,304,572	6,206,159
Depreciation	<u>6,896,952</u>	<u>7,361,725</u>	<u>6,627,426</u>	<u>7,361,724</u>
<b>TOTAL</b>	<b><u>51,208,564</u></b>	<b><u>57,162,301</u></b>	<b><u>60,551,799</u></b>	<b><u>62,099,113</u></b>
<b>STAFFING LEVELS</b>	<b>102.75</b>	<b>102.75</b>	<b>103.35</b>	<b>101.60</b>

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

<b>MOTOR VEHICLE FUND</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPARTMENT OF PUBLIC WORKS</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Materials, Supplies & Equipment	6,198,289	4,478,016	7,322,250	7,646,970
Internal Services	448,048	289,562	222,938	223,397
Debt Service	302,924	283,922	280,798	275,522
Capitalization	(2,579,228)	(721,672)	(3,200,000)	(3,200,000)
Depreciation	<u>2,852,526</u>	<u>2,893,828</u>	<u>2,565,787</u>	<u>2,893,828</u>
<b>TOTAL</b>	<b><u>7,222,559</u></b>	<b><u>7,223,656</u></b>	<b><u>7,191,773</u></b>	<b><u>7,839,717</u></b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

<b>MUNICIPAL STREET AID FUND</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPARTMENT OF PUBLIC WORKS</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Materials, Supplies & Equipment	<u>890,234</u>	<u>1,095,765</u>	<u>890,234</u>	<u>874,166</u>
<b>TOTAL</b>	<b><u>890,234</u></b>	<b><u>1,095,765</u></b>	<b><u>890,234</u></b>	<b><u>874,166</u></b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

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

- Personal Services increased in total by \$261,676, to a new total of \$8,713,629. The increase is mainly attributable to increases in Pensions (up \$110,196), Hospitalization (up \$62,372,) and Pension Healthcare (up \$27,108) .
- Landfill Fees increased by \$80,200. The DNREC Cherry Island landfill tipping fee increased from \$76 per ton to \$78 per ton for 31,000 tons, while Peninsula Compost increased their charge for yard waste disposal from \$35 per ton to \$38 per ton for 1,400 tons.
- Building Maintenance costs for the City/County building increased by \$52,500 based on a needs assessment by the building management. The City shares the building maintenance cost with New Castle County. The cost split is 70% City and 30% County.
- Electricity costs decreased by \$40,000, signaling increased savings from the City's conversion to LED street lighting and supplementary power generated by recent solar panel installations. The City also anticipates an \$874,166 Municipal Street Aid State grant that will support electricity costs for street lighting.
- Contracted Maintenance Services is up by \$38,000 as a result of increased costs for security access control and camera maintenance, moving expenses related to departmental office reconfiguration in the City/County Building, and higher annual maintenance costs for generators at the Turner and Holloway buildings.
- Parking Fees expense increased by \$20,000. In prior years, these expenses were netted against rental revenue received by the City from Colonial Parking for the Government Center garage beneath the City/County building.
- Total Debt Service decreased \$2,890,254, as older bond issues are reaching the end of their terms.
- The amount in the MSE-Budget Control Account reflects City Council's final floor amendment that decreased the Public Works appropriation by \$230,000.

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

- Four vacant positions (two Pumping Stations Operators and two Plant Operators IIs) were deleted for a savings of \$134,340. These savings were offset by the \$94,906 cost for two new positions: a Water Distribution Supervisor and a Plant Mechanic. Altogether, the changes listed above resulted in a net savings of \$39,434.
- Pensions and Pension Healthcare increased by \$53,159 and \$19,742 respectively.
- Because of efficiencies in worker deployment allowed by analyzing the more detailed and accurate data available from the KRONOS timekeeping system, Overtime was reduced by a total of \$140,000.
- The City recently commissioned an in-depth study of all supporting services to the Water/Sewer Fund's utility functions to create an updated and accurate indirect cost plan. The indirect cost charges (that flow as revenue to the supporting General Fund) had not been updated since the mid- 1990s, when they were temporarily frozen as a result of a mediated agreement between the City and New Castle County (NCC) because of a dispute over the NCC sewer bill. Incorporating the new indirect cost plan increased the indirect cost expense to Public Works by \$1,075,064.
- Electricity decreased by \$330,000 due to the City's green initiatives and lower contractual pricing available because of deregulation.
- Misc. Supplies or Parts increased by \$79,000 to cover the cost of the annual contract for the replacement of fire hydrants, valve boxes, valve box covers, curb-stops, bushings, copper tubing and pipes.
- Contracted Maintenance Services decreased by \$171,586. While the FY 2014 estimated fee from Veolia, Inc. to operate and maintain the City's wastewater treatment plant decreased by \$222,186, other cost increases, such as for water tank painting, partially offset the savings.
- Consultant expenses grew by \$173,000 for water system leak detection services, utility billing transition support, the development of a wet weather management plan, and to assist in the evolving transition of the City's water, sewer, and storm water services to independent utilities.
- Legal fees decreased by \$100,000 from prior year estimates for the negotiation of a new long-term contract with New Castle County for City-provided wastewater treatment services.
- Repairs to Equipment increased by \$50,000 in the Water Systems Division for SCADA maintenance and repairs to fire alarms and sprinklers.
- Internal Services grew by a total of \$51,809, primarily related to the Data Processing cost supporting the continuing implementation of the *City Works* comprehensive customer service and complaints tracking system.
- Bond Interest Payments decreased \$98,413, as a result of the use of lower interest State Revolving Fund loans in place of general obligation bonds.

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

- Motor Fuels and Lubricants grew by \$327,000, reflecting increased prices for gasoline and diesel fuel.
- While the fleet maintenance services contract increased by over \$55,620, the hiring of a new Fleet Manager with greater expertise allowed for a 50%(\$60,000) reduction in the Department's consulting contract for fleet management and administration services.
- Depreciation, based on the recently revised and more accurate asset inventory list being utilized by the Accounting Division, increased \$328,041.

## DEPARTMENT OF PUBLIC WORKS

### PERFORMANCE INDICATORS

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

**Objective:** Schedule and coordinate approximately 12,500 requests for special pick-ups.

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

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Special Pick-Ups	13,500	13,033	13,500	12,429	12,500

**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-E and 2-D on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Tons of Leaves	350	1,200	350	960	2,850

**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-E, 2-D and 2-E on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Street Repairs (tons of "hot mix")	305	204	305	335	350

## 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-E and 2-D on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL*	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Flood Problems	0	17	0	18	20

**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-E and 2-D on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 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-E and 2-D on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 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 and 1-E on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Preventative Maintenance Inspections	2,500	2,681	2,500	2,591	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-F and 2-D on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Percent Tipping Fee Savings, Net of Recycling Costs	8.0%	23.0%	10.0%	26.0%	12.0%
Tipping Fees Savings, Net of Recycling Costs	\$208,000	\$386,325	\$167,977	\$453,377	\$211,973

## DEPARTMENT OF PUBLIC WORKS

### PERFORMANCE INDICATORS

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

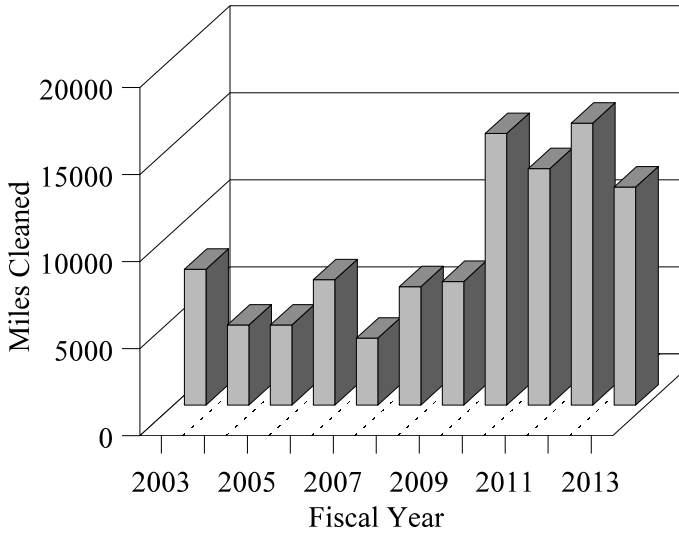
**Objective:** Provide periodic mechanical and manual sweeping of City streets and special pickups, collecting at least 5,900 tons of debris.

*Goal #9 corresponds to the City's Strategic Plan, Policy Statements 1-E and 2-D on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Street Cleaning (tons of debris, trash, etc.)	5,700	1,200	5,900	5,500	5,900

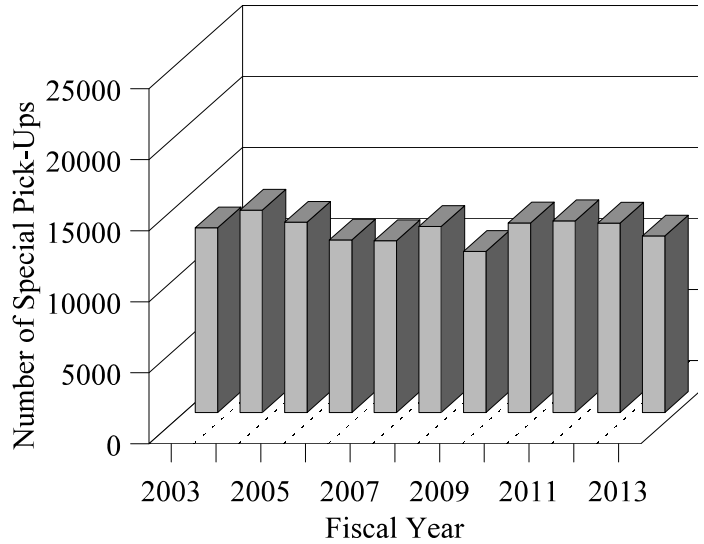
# Department of Public Works Performance Trends

### Miles of Streets Cleaned



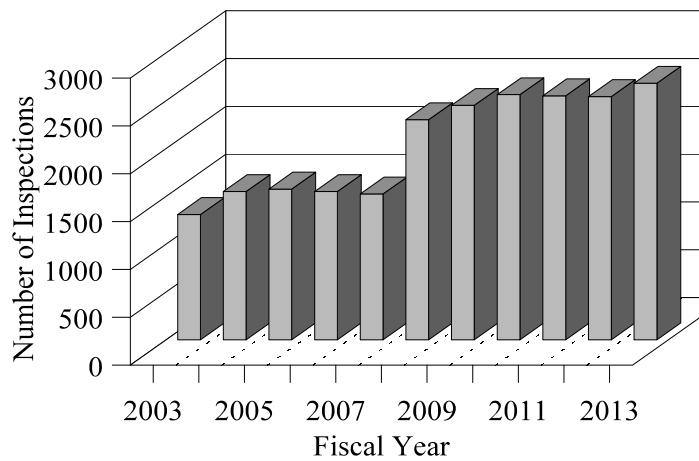
Aggressive management is required to maintain City streets in a litter free condition. FY 2013 dropped off somewhat due to retirements of Equipment Operators and these positions were vacant for some time.

### Special Pick-Ups



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

### Preventative Maintenance Inspections



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

**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: PUBLIC WORKS**

**FUND: GENERAL**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Regular Salaries	4,787,783	4,524,800	4,777,751	4,811,646
Temporary Salaries	6,920	7,164	8,000	8,000
Acting Out of Class	3,692	2,872	8,850	4,650
Shift Differential	0	0	0	0
Sick Leave Bonus	8,000	8,700	8,100	8,900
Overtime	318,584	252,738	345,000	345,500
Holiday Pay	113,590	91,048	71,250	92,000
Meal Allowance	6,856	5,387	12,000	10,600
Internet Reimbursements	0	0	0	0
Pension Contribution	650,185	941,480	948,344	1,058,540
Social Security	320,734	300,152	314,399	323,666
Medicare Tax	75,450	70,198	73,541	75,689
Hospitalization	1,661,288	1,582,755	1,828,424	1,890,796
Life Insurance	24,596	22,984	25,657	25,898
Deferred Comp Contribution	0	0	0	0
Pension Healthcare	154,649	165,119	217,692	244,800
Personal Services Adjustment	0	3,885	(187,055)	(187,056)
<b>TOTAL PERSONAL SERVICES</b>	<b>8,132,328</b>	<b>7,979,283</b>	<b>8,451,953</b>	<b>8,713,629</b>
<b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	5,840	5,207	14,300	14,300
Communications & Utilities	1,060,031	421,320	840,300	800,300
Transportation	0	762	0	1,000
Rentals	200,921	111,667	158,000	178,000
Contracted Maintenance Repairs	935,449	1,076,718	1,110,400	1,179,900
Professional Fees	697,285	600,623	737,800	744,800
Other Fees	2,768,858	2,770,421	2,967,000	3,047,200
Memberships & Registrations	8,730	12,966	29,150	29,150
Miscellaneous Services	428,167	508,234	369,800	414,800
Office & General Supplies	10,842	11,674	14,650	14,650
Wearing Apparel & Safety Supplies	22,174	38,576	35,600	35,600
Miscellaneous Parts	84,741	134,295	137,200	145,400
Construction & Repairs	434,371	144,562	289,000	289,000
Equipment	46,829	17,347	20,000	22,000
Fixed Assets	5,670	33,903	31,950	31,950
Landfill Fees Rebate	0	0	0	0
MSE- Budget Control Account	0	0	0	(230,000)
<b>TOTAL M., S. &amp; E.</b>	<b>6,709,908</b>	<b>5,888,275</b>	<b>6,755,150</b>	<b>6,718,050</b>

## DEPARTMENT: PUBLIC WORKS

FUND: GENERAL

<b>INTERNAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Administrative Services	2,304,553	2,459,455	2,708,242	2,727,680
Self-Insurance	<u>356,872</u>	<u>491,961</u>	<u>510,527</u>	<u>510,527</u>
<b>TOTAL INTERNAL SERVICES</b>	<b>2,661,426</b>	<b>2,951,417</b>	<b>3,218,768</b>	<b>3,238,207</b>
<b><u>DEBT SERVICE</u></b>				
Amortized Bond Issuance Costs	0	0	0	0
Principal Payments	651,771	1,505,185	4,491,476	1,696,261
Interest Payments	<u>1,847,976</u>	<u>1,930,526</u>	<u>2,039,661</u>	<u>1,944,622</u>
<b>TOTAL DEBT SERVICE</b>	<b>2,499,747</b>	<b>3,435,711</b>	<b>6,531,137</b>	<b>3,640,883</b>
<b>GENERAL FUND TOTAL</b>	<b><u>20,003,409</u></b>	<b><u>20,254,686</u></b>	<b><u>24,957,008</u></b>	<b><u>22,310,769</u></b>

## DEPARTMENT: PUBLIC WORKS

FUND: WATER/SEWER

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Regular Salaries	4,515,749	4,251,660	4,487,430	4,442,326
Temporary Salaries	0	0	0	10,000
Acting Out of Class	1,895	6,796	2,800	5,500
Shift Differential	5,946	5,013	6,000	5,000
Sick Leave Bonus	9,000	9,100	10,000	9,500
Overtime	584,136	454,298	652,500	512,500
Holiday Pay	8,095	5,603	7,000	6,000
Meal Allowance	17,982	10,872	21,100	16,100
Internet Reimbursements	0	0	0	0
Accrued Vacation Pay	60,338	(29,665)	0	0
Pension Contribution	576,807	827,497	890,956	944,115
Social Security	316,217	291,336	315,500	306,414
Medicare Tax	73,981	68,136	73,790	71,659
Hospitalization	1,228,514	1,208,204	1,429,434	1,380,695
Life Insurance	22,130	19,865	22,493	22,284
Pension Healthcare	119,346	127,060	183,458	203,200
Deferred Comp Contribution	346,356	345,998	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(1,976)</u>	<u>(1,976)</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>7,886,491</b>	<b>7,601,772</b>	<b>8,100,485</b>	<b>7,933,317</b>

## DEPARTMENT: PUBLIC WORKS

## FUND: WATER/SEWER

<b>MATERIALS SUPPLIES &amp; EQUIPMENT</b>	<b>ACTUAL FY 2011</b>	<b>ACTUAL FY 2012</b>	<b>BUDGET FY 2013</b>	<b>APPROVED FY 2014</b>
Printing & Advertising	59,987	57,034	72,200	72,200
Communications & Utilities	1,145,861	1,153,435	1,536,800	1,240,800
Transportation	9,469	7,704	18,200	19,200
Rentals	9,267	9,842	13,260	18,260
Contracted Maintenance Repairs	4,547,553	6,459,906	7,313,300	7,530,800
Professional Fees	3,185,275	3,537,112	3,767,500	3,870,500
Other Fees	366,439	322,598	498,040	472,000
Memberships & Registrations	47,883	45,015	57,320	60,570
Miscellaneous Services	16,994,846	18,074,117	18,756,328	18,584,742
Office & General Supplies	10,942	12,020	15,200	15,200
Wearing Apparel & Safety Supplies	20,524	29,461	41,200	41,200
Miscellaneous Parts	282,424	307,179	413,360	512,560
Petroleum & Chemicals	566,892	587,212	1,063,500	1,062,000
Construction & Repairs	395,459	313,404	393,500	428,500
Supporting Services	2,507,976	2,507,976	2,507,976	3,583,040
Equipment	327,176	336,370	495,600	478,500
Fixed Assets	40,705	0	0	0
Testing and Inspection	0	4,285	25,000	25,000
Community Activities	182,270	116,889	160,000	160,000
Projects	(40,705)	0	0	0
<b>TOTAL M., S. &amp; E.</b>	<b>30,660,243</b>	<b>33,881,559</b>	<b>37,148,284</b>	<b>38,175,072</b>
<b><u>INTERNAL SERVICES</u></b>				
Administrative Services	875,604	1,335,479	1,555,331	1,607,141
Self-Insurance	606,065	788,355	815,700	815,700
<b>TOTAL INTERNAL SERVICES</b>	<b>1,481,670</b>	<b>2,123,835</b>	<b>2,371,032</b>	<b>2,422,841</b>
<b><u>DEBT SERVICE</u></b>				
Amortized Bond Issuance Costs	155,209	123,395	132,024	132,024
Interest Payments	4,127,998	6,070,015	6,172,548	6,074,135
<b>TOTAL DEBT SERVICE</b>	<b>4,283,208</b>	<b>6,193,410</b>	<b>6,304,572</b>	<b>6,206,159</b>
<b><u>OTHER</u></b>				
Depreciation	6,896,952	7,361,725	6,627,426	7,361,724
<b>TOTAL OTHER</b>	<b>6,896,952</b>	<b>7,361,725</b>	<b>6,627,426</b>	<b>7,361,724</b>
<b>WATER/SEWER FUND TOTAL</b>	<b><u>51,208,564</u></b>	<b><u>57,162,301</u></b>	<b><u>60,551,799</u></b>	<b><u>62,099,113</u></b>

## DEPARTMENT: PUBLIC WORKS

## FUND: MOTOR VEHICLE

<b>MATERIALS, SUPPLIES &amp; EQUIPMENT</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Communications & Utilities	42,467	42,467	60,000	60,000
Transportation	24,089	35,082	35,000	37,100
Rentals	42,975	15,942	55,750	55,750
Contracted Maintenance Repairs	449,097	509,460	546,000	546,000
Professional Fees	89,501	115,438	120,000	60,000
Memberships & Registrations	614	475	2,500	2,500
Miscellaneous Services	1,719,093	1,766,914	1,911,000	1,966,620
Office & General Supplies	0	0	0	0
Miscellaneous Parts	8,630	92	6,000	6,000
Petroleum & Chemicals	1,242,595	1,270,474	1,386,000	1,713,000
Equipment	0	0	0	0
Fixed Assets	<u>2,579,228</u>	<u>721,672</u>	<u>3,200,000</u>	<u>3,200,000</u>
<b>TOTAL M., S. &amp; E.</b>	<b>6,198,289</b>	<b>4,478,016</b>	<b>7,322,250</b>	<b>7,646,970</b>
<b><u>INTERNAL SERVICES</u></b>				
Administrative Service	124,041	133,893	77,763	78,222
Self-Insurance	<u>324,007</u>	<u>155,669</u>	<u>145,175</u>	<u>145,175</u>
<b>TOTAL INTERNAL SERVICES</b>	<b>448,048</b>	<b>289,562</b>	<b>222,938</b>	<b>223,397</b>
<b><u>DEBT SERVICE</u></b>				
Amortized Bond Issuance Cost	2,698	8,960	1,220	1,220
Interest Payments	<u>300,226</u>	<u>274,962</u>	<u>279,578</u>	<u>274,302</u>
<b>TOTAL DEBT SERVICE</b>	<b>302,924</b>	<b>283,922</b>	<b>280,798</b>	<b>275,522</b>
<b><u>OTHER</u></b>				
Capitalized Expenditures	(2,579,228)	(721,672)	(3,200,000)	(3,200,000)
Depreciation	<u>2,852,526</u>	<u>2,893,828</u>	<u>2,565,787</u>	<u>2,893,828</u>
<b>TOTAL OTHER</b>	<b>273,298</b>	<b>2,172,156</b>	<b>(634,213)</b>	<b>(306,172)</b>
<b>MOTOR VEHICLE FUND TOTAL</b>	<b><u>7,222,559</u></b>	<b><u>7,223,656</u></b>	<b><u>7,191,773</u></b>	<b><u>7,839,717</u></b>

## DEPARTMENT: PUBLIC WORKS

## FUND: MUNICIPAL STREET AID

<b>MATERIALS, SUPPLIES &amp; EQUIPMENT</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Communications & Utilities	890,234	1,095,765	890,234	874,166
Contracted Maintenance	0	0	0	0
Construction and Repairs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL M., S. &amp; E.</b>	<b>890,234</b>	<b>1,095,765</b>	<b>890,234</b>	<b>874,166</b>
<b>MUNICIPAL STREET AID TOTAL</b>	<b><u>890,234</u></b>	<b><u>1,095,765</u></b>	<b><u>890,234</u></b>	<b><u>874,166</u></b>





# 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 2014

- Increase public awareness of the Home Repair Loan Program.
- Support the redevelopment and upgrade of affordable rental housing in the City.
- Support and encourage housing development that offers homeownership opportunities to low and moderate income families.
- Address neglected and vacant properties through acquisition, disposition, demolition and rehabilitation.
- Partnership with the Wilmington Housing Partnership (WHP) on housing projects in targeted neighborhood revitalization areas.
- Development of stronger RFP criteria to support Administration's emphasis on supporting programs that benefit youth and family programs, as well as housing-centric projects.
- Strengthen monitoring procedures to assure program compliance and meet all Federal expenditure requirements.
- Work to eliminate all A-133 audit findings.
- Fulfill obligatory allocation, expenditure and reporting requirements for Neighborhood Stabilization (NSP) and De-Lead Wilmington.
- Eliminate impediments to Fair Housing Choice identified in the current Statewide Fair Housing Analysis of Impediments (AI) Action Plan.
- Seek additional sources of funding to leverage decreasing Federal and local funds.

**SUMMARY OF FUNDING FOR THE DEPARTMENT OF REAL ESTATE & HOUSING**

<b>TOTAL ALL FUNDS DEPT OF REAL ESTATE &amp; HOUSING</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	1,234,521	1,119,697	1,295,449	1,335,617
Materials, Supplies & Equipment	249,732	213,178	211,850	162,606
Internal Services	149,556	182,904	239,579	246,354
Debt Service	762,385	828,904	844,602	1,189,142
Special Purpose	<u>2,622,840</u>	<u>2,931,013</u>	<u>2,802,010</u>	<u>2,220,647</u>
<b>TOTAL</b>	<b><u>5,019,034</u></b>	<b><u>5,275,696</u></b>	<b><u>5,393,490</u></b>	<b><u>5,154,366</u></b>
<b>STAFFING LEVELS</b>	<b>17.00</b>	<b>16.00</b>	<b>15.00</b>	<b>15.00</b>

<b>GENERAL FUND DEPT OF REAL ESTATE &amp; HOUSING</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	145,034	128,119	140,273	226,338
Materials, Supplies & Equipment	155,760	166,787	160,600	109,880
Internal Services	149,556	182,904	239,579	246,354
Debt Service	<u>762,385</u>	<u>828,904</u>	<u>844,602</u>	<u>1,189,142</u>
<b>TOTAL</b>	<b><u>1,212,734</u></b>	<b><u>1,306,714</u></b>	<b><u>1,385,054</u></b>	<b><u>1,771,714</u></b>
<b>STAFFING LEVELS</b>	<b>1.83</b>	<b>1.35</b>	<b>1.55</b>	<b>2.48</b>

<b>COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG) DEPT OF REAL ESTATE &amp; HOUSING</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	992,417	902,635	966,654	987,939
Materials, Supplies & Equipment	93,972	46,391	51,250	52,726
Special Purpose	<u>1,808,175</u>	<u>1,488,467</u>	<u>1,314,386</u>	<u>1,041,612</u>
<b>TOTAL</b>	<b><u>2,894,564</u></b>	<b><u>2,437,493</u></b>	<b><u>2,332,290</u></b>	<b><u>2,082,277</u></b>
<b>STAFFING LEVELS</b>	<b>13.75</b>	<b>13.59</b>	<b>11.48</b>	<b>11.25</b>

<b>HOME PARTNERSHIP FUND DEPT OF REAL ESTATE &amp; HOUSING</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Personal Services	72,554	65,238	41,171	33,382
Materials, Supplies & Equipment	0	0	0	0
Special Purpose	<u>30,362</u>	<u>687,500</u>	<u>578,976</u>	<u>383,594</u>
<b>TOTAL</b>	<b><u>102,916</u></b>	<b><u>752,738</u></b>	<b><u>620,147</u></b>	<b><u>416,976</u></b>
<b>STAFFING LEVELS</b>	<b>1.11</b>	<b>0.8</b>	<b>0.49</b>	<b>0.38</b>

<b>HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPT OF REAL ESTATE &amp; HOUSING</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Personal Services	21,451	20,966	19,378	17,018
Materials, Supplies & Equipment	0	0	0	0
Special Purpose	<u>679,616</u>	<u>657,809</u>	<u>672,148</u>	<u>569,515</u>
<b>TOTAL</b>	<b><u>701,067</u></b>	<b><u>678,775</u></b>	<b><u>691,526</u></b>	<b><u>586,533</u></b>
<b>STAFFING LEVELS</b>	<b>0.27</b>	<b>0.23</b>	<b>0.20</b>	<b>0.17</b>

<b>EMERGENCY SHELTER GRANT (ESG)</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPT OF REAL ESTATE &amp; HOUSING</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Personal Services	3,065	2,739	25,191	14,014
Special Purpose	<u>104,687</u>	<u>97,237</u>	<u>236,500</u>	<u>225,926</u>
<b>TOTAL</b>	<b><u>107,752</u></b>	<b><u>99,976</u></b>	<b><u>261,691</u></b>	<b><u>239,940</u></b>
<b>STAFFING LEVELS</b>	<b>0.04</b>	<b>0.03</b>	<b>0.26</b>	<b>0.14</b>

<b>NEIGHBORHOOD STABILIZATION PROGRAM GRANT (NSP)</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPT OF REAL ESTATE &amp; HOUSING</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Personal Services	0	0	91,192	46,202
Special Purpose	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>91,192</u></b>	<b><u>46,202</u></b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.94</b>	<b>0.50</b>

<b>DE-LEAD GRANT</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPT OF REAL ESTATE &amp; HOUSING</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Personal Services	0	0	11,590	10,724
Special Purpose	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>11,590</u></b>	<b><u>10,724</u></b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.08</b>	<b>0.08</b>

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

- Personal Services for the Real Estate & Housing Department increased \$86,065 (61.4%) in the General Fund. Due to federal budget cuts that reduced available HUD grant funding and caps on the percentage of grant funds allowable for administrative costs (including salaries), five positions that were split-funded between the General Fund and Special Funds were reallocated, producing a net increase of 0.93 FTE and \$63,555 into the General Fund.
- MS&E decreased \$50,750 (31.6%), mainly due to the reduction of Disposition Costs, which was reduced from \$150,000 to \$100,000, as the Department continues to explore opportunities to lower maintenance and repair expenses for properties not supported by federal grant funding. In addition, \$750 in Advertising was eliminated as part of the effort to consolidate City-wide advertising costs for filling vacant positions and placing it within the budget of the Human Resources Department.
- Internal Services grew by \$6,775, primarily related to Data Processing cost increases.
- Debt Service increased \$344,540 as Bond Principal Payments increased \$369,655, but were slightly offset by a \$25,115 reduction in Interest Payments.

**CDBG MAJOR FUNDING CHANGES FROM PRIOR YEAR**

- Because of continuing uncertainty and pressure to reduce at the federal level, amounts allocated from CDBG funding were decreased \$250,013 or 10.7% below last year's allocation.

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

- For FY 2014, there were significant decreases in both Home Partnership and HOPWA funding, with a \$104,993 (15.2%) reduction in HOPWA funding and a more substantial \$203,171 (32.7%) reduction in Home Partnership funds. ESG funding also decreased 8.3% or \$21,751.

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

- The NSP grant balance continues to be spent down, resulting in a \$44,990 (49.3%) decrease in the allocation for FY 2014.
- \$9,635 of De-Lead funds were transferred to the Planning Department to cover 17% of the costs of the Preservation Planner position. Had this transfer not occurred, the De-Lead budget would have been up \$8,769.

# 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 support maintenance and development affordable rental housing.

**Objective:** Preserve, rehabilitate or construct 339 housing units throughout the City.

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

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL*	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Home Repair Loan Program (CDBG/CDBG-R)	55	67	62	44	48
Housing Rehabilitation (State HRLP)	1	0	5	0	3
Acquisition and Rehabilitation for Homeownership	43	28	50	27	5
New Construction Home Ownership	48	7	18	11	10
Rental Housing (CDBG)	17	25	0	24	9
Tax Credit Projects (HOME/CDBG Rental)	47	12	35	0	114
Facade-Residential	66	0	65	5	30
Facade-Commercial	0	0	5	0	0
De-Lead Delaware Unit Completions	0	0	0	0	0
De-Lead Wilmington Unit Completions	97	0	99	0	144
NSP Housing Assistance Grants	30	39	0	0	0
<b>Total Occupied Rehabs</b>	<b>404</b>	<b>178</b>	<b>339</b>	<b>111</b>	<b>363</b>

\*Note: Numbers are based on completed projects with Certificates of Occupancy. Other projects, under development, are not reflected here. De-Lead Wilmington program was deferred until FY13.

## 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 2-D and 1-E on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Vacant Properties Acquired	20	9	12	4	6
Vacant Properties Disposed	20	3	10	12	13
Structures and Lots in the Property Inventory	162	168	170	160	153
Units Demolished*	17	7	5	2	4

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

**Goal #3:** Administer grants to meet Human Services and Facilities needs.

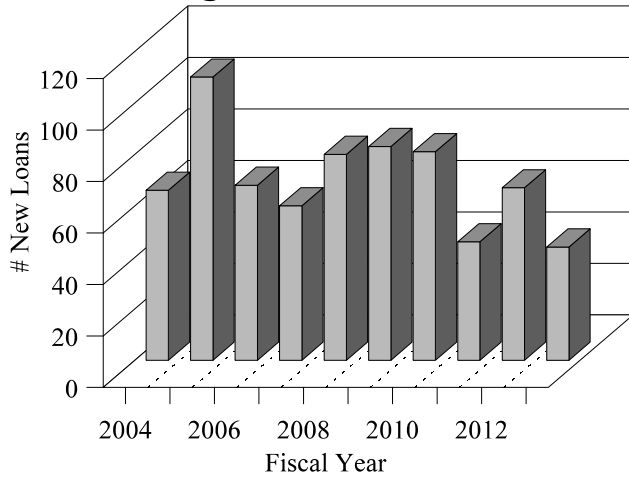
**Objective:** Administer funding for 27 Homeless and Transitional Housing, Fair Housing and related public service projects.

*Goal #3 corresponds to the City's Strategic Plan, Policy Statement 2-D and 1-E on page 22.*

CRITICAL INDICATOR	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED
Homeless/Transitional Housing Grant (CDBG, ESG & HOPWA)	19	18	21	21	29
Fair Housing Grants (CDBG)	1	4	2	1	1
Miscellaneous Public Service and Admin. Projects	3	4	2	2	2
Miscellaneous Public Facilities Projects	6	3	2	0	1
HPRP and TANF Grants	2	2	0	0	0
<b>Total Number of Contracts</b>	<b>31</b>	<b>31</b>	<b>27</b>	<b>24</b>	<b>33</b>

# 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)

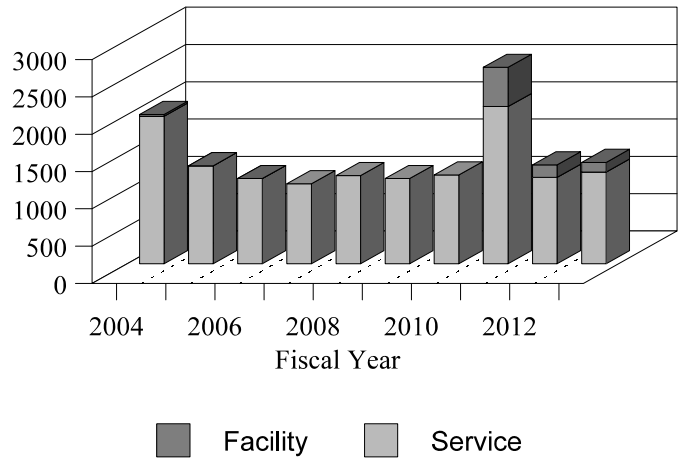
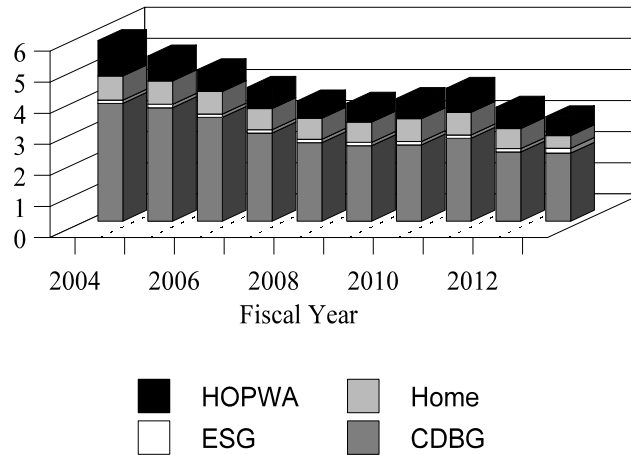


Chart represents federally-funded public services and administration grants.

## Federal Funding Levels

(In millions of dollars)



While there was a significant increase in ESG funding, overall Federal allocation decreased approximately 1% from FY 2013 levels (CDBG, HOPWA and HOME).

**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: REAL ESTATE & HOUSING**

**FUND: GENERAL**

	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>PERSONAL SERVICES</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Regular Salaries	102,266	96,906	99,231	156,087
Sick Leave Bonus	800	300	0	0
Overtime	(200)	326	0	0
Acting Out of Classification	0	3,277	0	0
Pension Contribution	12,780	45,080	18,684	22,696
Social Security	6,378	6,151	6,050	9,560
Medicare Tax	1,492	1,439	1,414	2,240
Hospitalization	18,965	(28,039)	20,396	38,806
Life Insurance	414	340	354	596
Pension Healthcare	2,139	2,339	2,751	4,960
Deferred Comp Contribution	0	0	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(8,607)</u>	<u>(8,607)</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>145,034</b>	<b>128,119</b>	<b>140,273</b>	<b>226,338</b>
<b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Communications & Utilities	1,709	1,148	1,000	1,000
Printing & Advert	4,051	2,045	3,600	2,880
Miscellaneous Services	2,657	4,596	6,000	6,000
Equipment	0	449	0	0
Community Activities	<u>147,343</u>	<u>158,549</u>	<u>150,000</u>	<u>100,000</u>
<b>TOTAL M., S. &amp; E.</b>	<b>155,760</b>	<b>166,787</b>	<b>160,600</b>	<b>109,880</b>
<b><u>INTERNAL SERVICES</u></b>				
Administrative Services	148,154	181,039	237,642	244,417
Self-Insurance	<u>1,402</u>	<u>1,865</u>	<u>1,937</u>	<u>1,937</u>
<b>TOTAL INTERNAL SERVICES</b>	<b>149,556</b>	<b>182,904</b>	<b>239,579</b>	<b>246,354</b>
<b><u>DEBT SERVICE</u></b>				
Principal Payments	258,059	346,434	375,787	745,442
Interest Payments	<u>504,325</u>	<u>482,470</u>	<u>468,815</u>	<u>443,700</u>
<b>TOTAL DEBT SERVICE</b>	<b>762,385</b>	<b>828,904</b>	<b>844,602</b>	<b>1,189,142</b>
<b>GENERAL FUND TOTAL</b>	<b><u>1,212,734</u></b>	<b><u>1,306,714</u></b>	<b><u>1,385,054</u></b>	<b><u>1,771,714</u></b>



## DEPARTMENT: REAL ESTATE &amp; HOUSING

FUND: CDBG

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Regular Salaries	701,448	602,437	642,550	639,655
Temporary Salaries	6,465	7,384	2,000	10,000
Overtime	935	0	0	0
Internet Reimbursements	0	0	0	0
Pension Contribution	88,435	101,765	119,730	127,507
Social Security	43,235	37,263	39,316	39,064
Medicare Tax	10,111	8,714	9,197	9,135
Hospitalization	123,973	126,072	130,860	137,397
Personal Services Adjustment	0	0	0	0
Pension-Healthcare	14,649	16,421	20,377	22,500
Life Insurance	<u>3,166</u>	<u>2,579</u>	<u>2,624</u>	<u>2,681</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>992,417</b>	<b>902,635</b>	<b>966,654</b>	<b>987,939</b>
<b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	2,129	2,616	6,450	4,450
Communications and Utilities	1,792	0	0	226
Transportation	6,346	5,765	7,400	7,900
Rentals	0	72	0	0
Professional Fees	54,442	15,164	20,000	20,000
Other Fees	3,434	766	4,000	1,000
Memberships & Registrations	4,090	4,327	3,700	3,200
Miscellaneous Services	15,277	9,229	0	7,200
Office & General Supplies	1,706	1,503	3,050	2,550
Wearing Apparel & Safety	4,219	6,796	5,400	5,000
Equipment	537	153	1,250	1,200
Community Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL M., S. &amp; E.</b>	<b>93,972</b>	<b>46,391</b>	<b>51,250</b>	<b>52,726</b>
<b>SPECIAL PURPOSE</b>				
Grants & Fixed Charges	<u>1,808,175</u>	<u>1,488,467</u>	<u>1,314,386</u>	<u>1,041,612</u>
<b>TOTAL SPECIAL PURPOSE</b>	<b>1,808,175</b>	<b>1,488,467</b>	<b>1,314,386</b>	<b>1,041,612</b>
<b>CDBG FUND TOTAL</b>	<b><u>2,894,564</u></b>	<b><u>2,437,493</u></b>	<b><u>2,332,290</u></b>	<b><u>2,082,277</u></b>

<b>GRANTS &amp; FIXED CHARGES DETAIL</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Property Repair Program			700,000	417,552
Disposition & Property Management			0	139,372
Residential Facade Program			0	146,986
Rental Conversion Pilot Program			0	0
Ingleside Housing Project			93,000	0
Delaware Center for Horticulture Street Trees			81,000	0
Miscellaneous Housing Projects			93,456	53,602
YWCA Delaware			79,120	57,500
DE Community Reinvestment Action Council			15,000	7,705
Neighborhood House, Inc			19,000	15,000
Sojourner's Place, Inc			20,000	0
West End Neighborhood House			25,000	22,500
Challenge Program			40,000	35,000
Salvation Army			7,500	5,000
Catholic Charities-Bayard House			16,679	15,000
Lutheran Community Services			35,000	32,500
Catholic Charities			31,778	0
Fair Housing			5,000	5,000
CHILD, Inc.			0	20,000
Interfaith Comm Housing-Freedom Arts Project			0	7,500
Interfaith Comm Housing-Youth Ambassador			0	5,000
Ministry of Caring/Hope House I			0	0
WEDCO Loan Collections			7,000	6,000
YMCA			30,880	22,500
Delaware Center for Justice			0	0
Christiana Cultural Arts Center Inc.			0	30,000
Duffy's Hope, Inc.			0	7,500
STEHM, Inc.			0	4,500
Budget Control Reduction			14,973	(14,105)
FY2011 Expenditures	1,808,175		0	0
FY2012 Expenditures	<u>          </u>	<u>1,488,467</u>	<u>          </u>	<u>          </u>
<b>GRANTS &amp; FIXED CHARGES TOTAL</b>	<b><u>1,808,175</u></b>	<b><u>1,488,467</u></b>	<b><u>1,314,386</u></b>	<b><u>1,041,612</u></b>

DEPARTMENT: REAL ESTATE & HOUSING

FUND: HOME PARTNERSHIP

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Regular Salaries	53,991	45,789	28,586	22,699
Pension Contribution	6,728	7,680	5,288	4,880
Social Security	3,225	2,790	1,745	1,338
Medicare Tax	754	652	408	313
Hospitalization	6,470	6,896	4,161	3,301
Pension-Healthcare	1,134	186	113	91
Life Insurance	252	1,245	870	760
<b>TOTAL PERSONAL SERVICES</b>	<b>72,554</b>	<b>65,238</b>	<b>41,171</b>	<b>33,382</b>
<b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Miscellaneous Projects	0	0	0	0
<b>TOTAL M., S. &amp; E.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>SPECIAL PURPOSE</u></b>				
Grants & Fixed Charges	30,362	687,500	578,976	383,594
<b>TOTAL SPECIAL PURPOSE</b>	<b>30,362</b>	<b>687,500</b>	<b>578,976</b>	<b>383,594</b>
<b>HOME PARTNERSHIP FUND TOTAL</b>	<b><u>102,916</u></b>	<b><u>752,738</u></b>	<b><u>620,147</u></b>	<b><u>416,976</u></b>

<b>GRANTS &amp; FIXED CHARGES DETAIL</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
CHDO Set-aside			63,163	56,846
HOME Proposed Housing Projects			515,813	322,173
Budget Control Set-Aside			0	4,575
FY2011 Expenditures	30,362		0	0
FY2012 Expenditures		687,500	0	0
<b>GRANTS &amp; FIXED CHARGES TOTAL</b>	<b><u>30,362</u></b>	<b><u>687,500</u></b>	<b><u>578,976</u></b>	<b><u>383,594</u></b>

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Regular Salaries	14,981	13,172	11,857	10,191
Pension Contribution	1,897	2,215	2,193	2,191
Social Security	917	801	720	619
Medicare Tax	214	187	168	145
Hospitalization	3,036	4,183	4,039	3,491
Pension-Healthcare	331	354	355	340
Life Insurance	<u>76</u>	<u>54</u>	<u>46</u>	<u>41</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>21,451</b>	<b>20,966</b>	<b>19,378</b>	<b>17,018</b>
<b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Professional Fees	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL M. S. &amp; E.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>SPECIAL PURPOSE</u></b>				
Grants & Fixed Charges	<u>679,616</u>	<u>657,809</u>	<u>672,148</u>	<u>569,515</u>
<b>TOTAL SPECIAL PURPOSE</b>	<b>679,616</b>	<b>657,809</b>	<b>672,148</b>	<b>569,515</b>
<b>HOPWA FUND TOTAL</b>	<b><u>701,067</u></b>	<b><u>678,775</u></b>	<b><u>691,526</u></b>	<b><u>586,533</u></b>

<b>GRANTS &amp; FIXED CHARGES DETAIL</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Delaware HIV Services, Inc.			487,048	487,048
Ministry of Caring-House of Joseph II			57,400	32,000
HOPWA			0	0
Catholic Charities			48,500	0
Connections Community Support Program			40,200	25,000
Cecil County Emergency Housing			39,000	25,000
Budget Control Set-Aside			0	467
FY2011 Expenditures	679,616		0	0
FY2012 Expenditures	<u>          </u>	<u>657,809</u>	<u>0</u>	<u>0</u>
<b>GRANTS &amp; FIXED CHARGES TOTAL</b>	<b><u>679,616</u></b>	<b><u>657,809</u></b>	<b><u>672,148</u></b>	<b><u>569,515</u></b>

## DEPARTMENT: REAL ESTATE &amp; HOUSING

## FUND: EMERGENCY SHELTER GRANT

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Regular Salaries	2,173	1,719	15,413	8,392
Pension Contribution	282	291	2,851	1,804
Social Security	133	105	936	510
Medicare Tax	31	24	219	119
Hospitalization	387	547	5,250	2,875
Pension Healthcare	48	46	462	34
Deferred Comp Contribution	0	0	0	280
Life Insurance	<u>11</u>	<u>7</u>	<u>60</u>	<u>0</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>3,065</b>	<b>2,739</b>	<b>25,191</b>	<b>14,014</b>
<b><u>SPECIAL PURPOSE</u></b>				
Grants & Fixed Charges	<u>104,687</u>	<u>97,237</u>	<u>236,500</u>	<u>225,926</u>
<b>TOTAL SPECIAL PURPOSE</b>	<b>104,687</b>	<b>97,237</b>	<b>236,500</b>	<b>225,926</b>
<b>EMERGENCY SHELTER GRANT</b>				
<b>FUND TOTAL</b>	<b><u>107,752</u></b>	<b><u>99,976</u></b>	<b><u>261,691</u></b>	<b><u>239,940</u></b>

<b>GRANTS &amp; FIXED CHARGES DETAIL</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Catholic Charities, Inc.			236,500	0
Connections Comm Support Program			0	60,021
Homeless Planning Council of DE, Inc.			0	30,000
Ministry of Caring/Hope I, II and III			0	30,000
The Salvation Army			0	41,564
YWCA Delaware-Rapid Re-Housing			0	55,000
Budget Control Set-Aside			0	9,341
FY2011 Expenditures	104,687		0	0
FY2012 Expenditures	<u>0</u>	<u>97,237</u>	<u>0</u>	<u>0</u>
<b>GRANTS &amp; FIXED CHARGES TOTAL</b>	<b><u>104,687</u></b>	<b><u>97,237</u></b>	<b><u>236,500</u></b>	<b><u>225,926</u></b>

**DEPARTMENT: REAL ESTATE & HOUSING**

**FUND: NSP**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Regular Salaries	0	0	60,545	29,672
Temporary Salaries	0	0	0	0
Pension Contribution	0	0	12,283	7,098
Social Security	0	0	3,709	1,826
Medicare Tax	0	0	867	426
Hospitalization	0	0	11,903	6,060
Pension Healthcare	0	0	1,669	1,000
Life Insurance	<u>0</u>	<u>0</u>	<u>216</u>	<u>120</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>0</b>	<b>0</b>	<b>91,192</b>	<b>46,202</b>
<b>NEIGHBORHOOD STABILIZATION PROGRAM FUND TOTAL</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>91,192</u></b>	<b><u>46,202</u></b>

**DEPARTMENT: REAL ESTATE & HOUSING**

**FUND: DE-LEAD**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY2011</b>	<b>ACTUAL FY2012</b>	<b>BUDGET FY2013</b>	<b>APPROVED FY2014</b>
Regular Salaries	0	0	7,786	7,786
Temporary Salaries	0	0	0	0
Pension Contribution	0	0	1,440	515
Social Security	0	0	470	481
Medicare Tax	0	0	110	112
Hospitalization	0	0	1,625	1,651
Pension Healthcare	0	0	141	160
Life Insurance	<u>0</u>	<u>0</u>	<u>18</u>	<u>19</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>0</b>	<b>0</b>	<b>11,590</b>	<b>10,724</b>
<b>DE-LEAD GRANT FUND TOTAL</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>11,590</u></b>	<b><u>10,724</u></b>

# 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 FY2011	ACTUAL FY2012	BUDGET FY2013	APPROVED FY2014
Debt Service	<u>1,178,833</u>	<u>2,096,986</u>	<u>1,263,590</u>	<u>880,402</u>
<b>TOTAL</b>	<b><u>1,178,833</u></b>	<b><u>2,096,986</u></b>	<b><u>1,263,590</u></b>	<b><u>880,402</u></b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

GENERAL FUND DEPARTMENT OF COMMERCE	ACTUAL FY2011	ACTUAL FY2012	BUDGET FY2013	APPROVED FY2014
Debt Service	<u>1,178,833</u>	<u>2,096,986</u>	<u>1,263,590</u>	<u>880,402</u>
<b>TOTAL</b>	<b><u>1,178,833</u></b>	<b><u>2,096,986</u></b>	<b><u>1,263,590</u></b>	<b><u>880,402</u></b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: COMMERCE**

**FUND: GENERAL**

	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEBT SERVICE</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Principal Payments	672,968	1,653,963	868,066	587,592
Interest Payments	<u>505,865</u>	<u>443,023</u>	<u>395,524</u>	<u>292,810</u>
<b>TOTAL DEBT SERVICE</b>	<b>1,178,833</b>	<b>2,096,986</b>	<b>1,263,590</b>	<b>880,402</b>
<b>GENERAL FUND TOTAL</b>	<b><u>1,178,833</u></b>	<b><u>2,096,986</u></b>	<b><u>1,263,590</u></b>	<b><u>880,402</u></b>



# **THE FY 2014 - FY 2019 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 2014 - FY 2019 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 term to 20 years for all tax supported and revenue obligations. However, under special circumstances, 5-year and 10-year borrowing terms can, and have, been used..

## **D. Expenditure Analysis**

Capital spending projects generally are within the following four categories:

### **1. New Service**

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

### **2. New Replacing Existing**

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

### **3. Upgrading Existing**

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

#### **4. Restoring Existing**

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

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

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

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

The restoration of existing facilities is generally undertaken when an existing facility has become so worn or deteriorated that major corrective action is needed to preserve its usefulness. While these expenditures do not result in the provision of new or improved service, they are among the most cost-efficient capital expenditures since maximum use is made of existing facilities.

#### **E. Method of Funding**

##### **1. City Obligations**

The bulk of funding for the City's Capital Improvements Program has traditionally come through general obligation bonds issued by the City and repaid out of the appropriate department operating budget over a 20 year period. In general, investors loan the City funds based upon its "bond" or promise to repay them using all means possible.

##### **2. Federal and State Funds**

In the past, the Federal and State governments have provided substantial support for capital programs in the City. For example, federal grants have often composed a major portion of funding for sewer and water projects, with local capital funding being used to "match" the Federal portion. Federal and State funds have been requested to supplement this year's budget.

##### **3. Unused Capital Funds**

Unexpended funds from previous Capital Budgets are reviewed annually to determine whether a former project has been temporarily delayed, altered or is no longer feasible. Based on this analysis, funds might then be transferred to current fiscal year projects in order to reduce the amount being currently borrowed.

**F. Capital Funding Proposed for FY 2014 - FY 2019**

The six year Capital Budget and Capital Improvements Program, as presented in City Planning Commission Resolution 1-13, totals \$219,007,000, with the FY 2014 Capital Budget in the amount of \$71,721,000 and the additional five year program adding \$147,286,000. A breakdown of these costs and the project descriptions are provided in the following pages.

**G. Impact of Capital Spending on the Operating Budget**

Because the majority of the projects in the Capital Budget are funded through the issuance of General Obligation Bonds, the payment of debt service has the greatest overall effect on the Operating Budget. The annual debt service expense that would result from bonds issued to fund the Capital Budget would be \$2,739,758. It should be noted that only the interest portion of debt service is booked (and budgeted) as an expense in the Water/Sewer Fund and Internal Service Funds.

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

## Estimated Annual Impact of Capital Spending on the Operating Budget

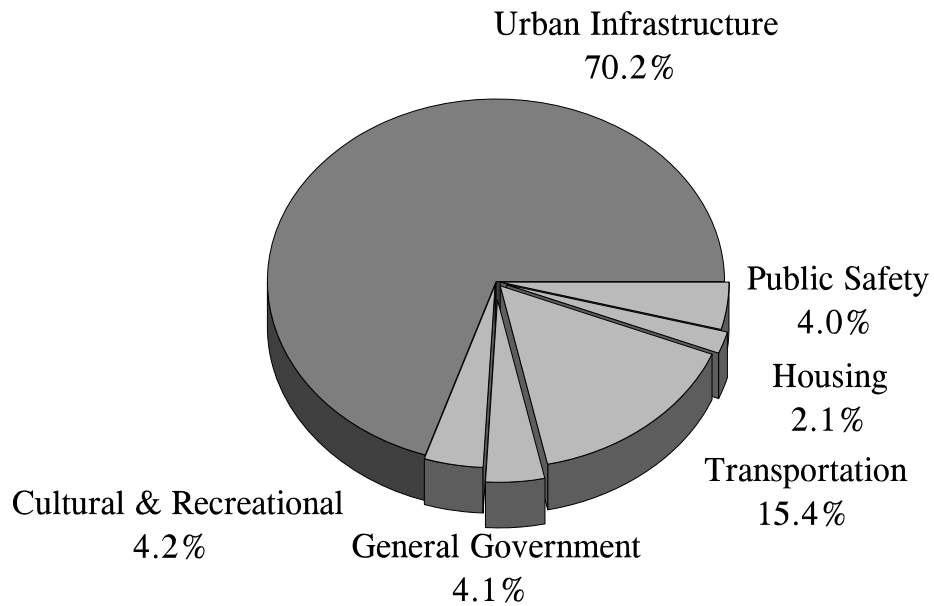
Department	Fund	Debt Service*	Personal Services	M. S. & E.	Total
<b>Finance</b>	General	\$37,415	\$0	\$0	<b>\$37,415</b>
	Water/Sewer	42,413	0	0	<b>42,413</b>
<b>Fire</b>	General	143,640	0	(5,000)	<b>138,640</b>
<b>Mayor's Office</b>	General	18,742	0	0	<b>18,742</b>
<b>Parks &amp; Recreation</b>	General	194,598	0	0	<b>194,598</b>
<b>Planning</b>	General	54,720	0	0	<b>54,720</b>
<b>Police</b>	General	51,300	0	0	<b>51,300</b>
<b>Public Works</b>	General	471,960	0	0	<b>471,960</b>
	Water/Sewer	1,413,750	0	(10,000)	<b>1,403,750</b>
<b>Real Estate &amp; Housing</b>	General	102,600	0	0	<b>102,600</b>
<b>Transportation</b>	General	208,620	0	0	<b>208,620</b>
<b>TOTAL</b>		<b>\$2,739,758</b>	<b>\$0</b>	<b>(\$15,000)</b>	<b>\$2,724,758</b>

FUND		Debt Service*	Personal Services	M. S. & E.	Total
<b>General</b>		\$1,283,595	\$0	(\$5,000)	\$1,278,595
<b>Water/Sewer</b>		1,456,163	0	(10,000)	1,446,163
<b>TOTAL</b>		<b>\$2,739,758</b>	<b>\$0</b>	<b>(\$15,000)</b>	<b>\$2,724,758</b>

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

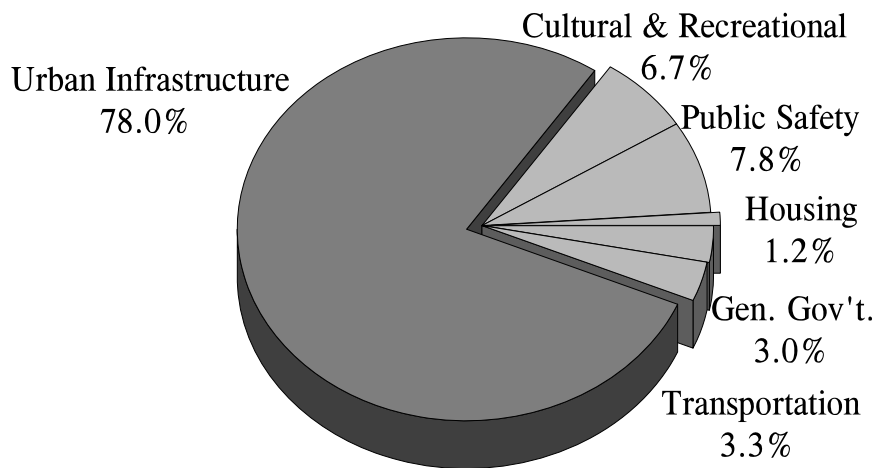
# Capital Budget Allocations

Fiscal Years 2014-2015



# Capital Program Allocations

Fiscal Years 2016-2018



**CAPITAL IMPROVEMENTS PROGRAM**  
**FISCAL YEARS 2014-2019**  
(000 omitted)

**SUMMARY: TOTAL FUNDS RECOMMENDED BY FISCAL YEAR AND DEPARTMENT**

NAME OF DEPARTMENT	TYPE OF FUNDING	FISCAL YEARS						TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2014	2015	2016	2017	2018	2019	
FINANCE	G	547	0	1,080	0	663	0	2,290
	W	1,305	0	1,464	0	1,074	0	3,843
FIRE	G	2,100	0	10,825	0	600	0	13,525
OFFICE OF THE MAYOR	G	274	0	0	0	0	0	274
PARKS AND RECREATION	G	2,845	0	5,515	0	4,040	0	12,400
	O	150	0	150	0	175	0	475
PLANNING	G	800	0	0	0	0	0	800
POLICE	G	750	0	0	0	0	0	750
PUBLIC WORKS	G	6,900	0	15,700	0	14,700	0	37,300
	W	43,500	0	48,800	0	35,800	0	128,100
REAL ESTATE & HOUSING	G	1,500	0	1,500	0	300	0	3,300
TRANSPORTATION	G	3,050	0	2,450	0	2,450	0	7,950
	O	8,000	0	0	0	0	0	8,000
<b>TOTAL BY FUND</b>	G	18,766	0	37,070	0	22,753	0	78,589
	O	8,150	0	150	0	175	0	8,475
	W	44,805	0	50,264	0	36,874	0	131,943
<b>GRAND TOTAL</b>		71,721	0	87,484	0	59,802	0	219,007

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



**CAPITAL IMPROVEMENTS PROGRAM**  
**FISCAL YEARS 2014-2019**  
(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
		2014	2015	2016	2017	2018	2019		
FINANCE	NS	195	0	191	0	102	0	488	488
	NR	296	0	220	0	82	0	598	598
	UE	632	0	1,001	0	716	0	2,349	2,349
	RE	729	0	1,132	0	837	0	2,698	2,698
FIRE	NR	1,100	0	6,575	0	600	0	8,275	8,275
	RE	1,000	0	4,250	0	0	0	5,250	5,250
OFFICE OF THE MAYOR	NS	274	0	0	0	0	0	274	274
PARKS AND RECREATION	NS	330	0	385	0	440	0	1,155	1,155
	UE	1,760	0	2,055	0	2,410	0	5,750	6,225
	RE	905	0	3,225	0	1,365	0	5,495	5,495
PLANNING	UE	800	0	0	0	0	0	800	800
POLICE	UE	750	0	0	0	0	0	750	750
PUBLIC WORKS	NS	6,000	0	4,500	0	3,500	0	14,000	14,000
	UE	25,000	0	27,800	0	19,800	0	72,600	72,600
	RE	19,400	0	32,200	0	27,200	0	78,800	78,800
REAL ESTATE & HOUSING	NS	1,000	0	1,000	0	300	0	2,300	2,300
	UE	500	0	500	0	0	0	1,000	1,000
TRANSPORTATION	NR	10,500	0	2,000	0	2,000	0	6,500	14,500
	UE	550	0	450	0	450	0	1,450	1,450
<b>TOTAL BY EXPENDITURE CATEGORY</b>									
	NS	7,799	0	6,076	0	4,342	0	18,217	18,217
	NR	11,896	0	8,795	0	2,682	0	15,373	23,373
	UE	29,992	0	31,806	0	23,376	0	84,699	85,174
	RE	22,034	0	40,807	0	29,402	0	92,243	92,243
<b>GRAND TOTAL</b>		<b>71,721</b>	<b>0</b>	<b>87,484</b>	<b>0</b>	<b>59,802</b>	<b>0</b>	<b>210,532</b>	<b>219,007</b>

Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 225-226)

**CAPITAL IMPROVEMENTS PROGRAM**  
**FISCAL YEARS 2014-2019**  
(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
	2014	2015	2016	2017	2018	2019		
Cost of Bond Issue (General Fund)	G 547	0	1,080	0	663	0	2,290	2,290
Cost of Bond Issue (Water/Sewer Fund)	W 1,305	0	1,464	0	1,074	0	3,843	3,843
<b>TOTAL BY FUND</b>	G 547	0	1,080	0	663	0	2,290	2,290
	W 1,305	0	1,464	0	1,074	0	3,843	3,843
<b>TOTAL FINANCE FUNDS</b>	1,852	0	2,544	0	1,737	0	6,133	6,133

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

**CAPITAL IMPROVEMENTS PROGRAM**  
**FISCAL YEARS 2014-2019**  
(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
			2014	2015	2016	2017	2018	2019		
Apparatus Replacement	NR	G	1,100	0	6,575	0	600	0	8,275	8,275
Fire Station Renovations	RE	G	1,000	0	4,250	0	0	0	5,250	5,250
<b>TOTAL BY FUND</b>		<b>G</b>	<b>2,100</b>	<b>0</b>	<b>10,825</b>	<b>0</b>	<b>600</b>	<b>0</b>	<b>13,525</b>	<b>13,525</b>
<b>TOTAL FIRE FUNDS</b>			<b>2,100</b>	<b>0</b>	<b>10,825</b>	<b>0</b>	<b>600</b>	<b>0</b>	<b>13,525</b>	<b>13,525</b>

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 225-226)

**CAPITAL IMPROVEMENTS PROGRAM**  
**FISCAL YEARS 2014-2019**  
(000 omitted)

**OFFICE OF THE MAYOR: PROGRAM RECOMMENDATION BY FISCAL YEAR**

Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2014	2015	2016	2017	2018	2019		
NS	G	274	0	0	0	0	0	274	274
<b>Five Percent For Art</b>									
<b>TOTAL BY FUND</b>		274	0	0	0	0	0	274	274
<b>TOTAL MAYOR'S OFFICE FUNDS</b>		274	0	0	0	0	0	274	274

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 225-226)

**CAPITAL IMPROVEMENTS PROGRAM**  
**FISCAL YEARS 2014-2019**  
(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
		2014	2015	2016	2017	2018	2019		
UE	G	755	0	885	0	1,050	0	2,690	2,690
UE	O	150	0	150	0	175	0	0	475
RE	G	300	0	510	0	540	0	1,350	1,350
UE	G	165	0	220	0	275	0	660	660
RE	G	0	0	2,000	0	0	0	2,000	2,000
UE	G	330	0	385	0	440	0	1,155	1,155
UE	G	330	0	385	0	440	0	1,155	1,155
RE	G	330	0	385	0	440	0	1,155	1,155
UE	G	30	0	30	0	30	0	90	90
RE	G	275	0	330	0	385	0	990	990
NS	G	330	0	385	0	440	0	1,155	1,155
<b>TOTAL BY FUND</b>		<b>2,845</b>	<b>0</b>	<b>5,515</b>	<b>0</b>	<b>4,040</b>	<b>0</b>	<b>12,400</b>	<b>12,400</b>
	<b>O</b>	<b>150</b>	<b>0</b>	<b>150</b>	<b>0</b>	<b>175</b>	<b>0</b>	<b>0</b>	<b>475</b>
<b>TOTAL PARKS AND RECREATION FUNDS</b>		<b>2,995</b>	<b>0</b>	<b>5,665</b>	<b>0</b>	<b>4,215</b>	<b>0</b>	<b>12,400</b>	<b>12,875</b>

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 225-226)

**CAPITAL IMPROVEMENTS PROGRAM**  
**FISCAL YEARS 2014-2019**  
(000 omitted)

**PLANNING 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
		2014	2015	2016	2017	2018	2019		
NPC Infrastructure Support	UE G	800	0	0	0	0	0	800	800
<b>TOTAL BY FUND</b>	<b>G</b>	<b>800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>800</b>	<b>800</b>
<b>TOTAL POLICE FUNDS</b>		<b>800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>800</b>	<b>800</b>

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 225-226)

**CAPITAL IMPROVEMENTS PROGRAM**  
**FISCAL YEARS 2014-2019**  
(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
		2014	2015	2016	2017	2018	2019		
UE	G	750	0	0	0	0	0	750	750
<b>Public Safety Bldg. Improvements</b>									
	G	750	0	0	0	0	0	750	750
<b>TOTAL BY FUND</b>									
		750	0	0	0	0	0	750	750
<b>TOTAL POLICE FUNDS</b>									

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 225-226)

**CAPITAL IMPROVEMENTS PROGRAM**  
**FISCAL YEARS 2014-2019**  
(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
			2014	2015	2016	2017	2018	2019		
Street Paving & Reconstruction	RE	G	4,000	0	13,000	0	13,000	0	30,000	30,000
Emergency Sidewalk Renovations	RE	G	400	0	200	0	200	0	800	800
Curb Ramp & Crosswalk Reconstruction	UE	G	500	0	500	0	500	0	1,500	1,500
Building Improvements	RE	G	2,000	0	2,000	0	1,000	0	5,000	5,000
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	1,800	0	1,800	0	1,800	0	5,400	5,400
Sewer Separation Projects/Flow Monitoring	NS	W	3,500	0	2,000	0	2,000	0	7,500	7,500
South Wilmington Wetlands Park	UE	W	4,500	0	2,000	0	2,000	0	8,500	8,500
Interceptor BA Reconstruction/Upgrade	RE	W	0	0	5,000	0	0	0	5,000	5,000
Urban Forest Management Program	NS	W	500	0	500	0	500	0	1,500	1,500
Storm Water Mitigation	UE	W	1,000	0	2,000	0	2,000	0	5,000	5,000
Porter Filter Plant Improvements	RE	W	2,000	0	2,000	0	2,000	0	6,000	6,000
Pumping Station Improvements	UE	W	2,000	0	2,000	0	2,000	0	6,000	6,000
Raw Water Distribution Improvements	RE	W	3,000	0	3,000	0	3,000	0	9,000	9,000
Pressure Zone Reliability Improvements	UE	W	2,000	0	0	0	0	0	2,000	2,000
Annual Water Improvements	RE	W	5,000	0	5,000	0	5,000	0	15,000	15,000

*continued*



**CAPITAL IMPROVEMENTS PROGRAM**  
**FISCAL YEARS 2014-2019**  
(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
		2014	2015	2016	2017	2018	2019		
Architectural Improvements	UE W	1,000	0	1,000	0	1,000	0	3,000	3,000
Transmission Main Improvements	UE W	4,000	0	4,000	0	4,000	0	12,000	12,000
Hoopes Dam	UE W	2,500	0	2,500	0	2,500	0	7,500	7,500
Brandywine Filter Plant Improvements	UE W	2,500	0	2,500	0	2,500	0	7,500	7,500
Rodney Reservoir	RE W	1,000	0	0	0	0	0	1,000	1,000
WWTP Electric & Gas Feed Upgrades	UE W	1,700	0	0	0	0	0	1,700	1,700
11th St. Pumping Station Upgrade	UE W	0	0	8,000	0	0	0	8,000	8,000
<b>TOTAL BY FUND</b>	G	6,900	0	15,700	0	14,700	0	37,300	37,300
	W	43,500	0	48,800	0	35,800	0	128,100	128,100
<b>TOTAL PUBLIC WORKS FUNDS</b>		50,400	0	64,500	0	50,500	0	165,400	165,400

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 225-226)

**CAPITAL IMPROVEMENTS PROGRAM**  
**FISCAL YEARS 2014-2019**  
(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
		2014	2015	2016	2017	2018	2019	
NS	G	1,000	0	1,000	0	300	0	2,300
UE	G	500	0	500	0	0	0	1,000
<b>TOTAL BY FUND</b>	<b>G</b>	<b>1,500</b>	<b>0</b>	<b>1,500</b>	<b>0</b>	<b>300</b>	<b>0</b>	<b>3,300</b>
<b>TOTAL REAL ESTATE &amp; HOUSING FUNDS</b>		<b>1,500</b>	<b>0</b>	<b>1,500</b>	<b>0</b>	<b>300</b>	<b>0</b>	<b>3,300</b>

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 225-226)

**CAPITAL IMPROVEMENTS PROGRAM**  
**FISCAL YEARS 2014-2019**  
(000 omitted)

Exp. Cat.	TRANSPORTATION DIVISION: PROGRAM RECOMMENDATION BY FISCAL YEAR	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2014	2015	2016	2017	2018	2019		
	TYPE OF FUNDING	2014	2015	2016	2017	2018	2019		
Traffic System Infrastructure	UE G	550	0	450	0	450	0	1,450	1,450
Wilmington Transportation Initiatives	NR G	2,500	0	2,000	0	2,000	0	6,500	6,500
	NR O	8,000	0	0	0	0	0	0	8,000
<b>TOTAL BY FUND</b>		<b>3,050</b>	<b>0</b>	<b>2,450</b>	<b>0</b>	<b>2,450</b>	<b>0</b>	<b>7,950</b>	<b>7,950</b>
		<b>8,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,000</b>
<b>TOTAL TRANSPORTATION FUNDS</b>		<b>11,050</b>	<b>0</b>	<b>2,450</b>	<b>0</b>	<b>2,450</b>	<b>0</b>	<b>7,950</b>	<b>15,950</b>

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 225-226)

### III. CAPITAL PROJECT DESCRIPTIONS - FISCAL YEARS 2014 - 2019

#### A. DEPARTMENT OF FINANCE

The figures provided in the budget and program summary sheets for the Cost of Bond Issue (General Fund) and the Cost of Bond Issue (Water/Sewer Fund) are not related to specific capital projects and as such are not identified in this chapter; rather, these figures represent the costs associated with fund borrowing (bond counsel and other related fees).

#### B. FIRE DEPARTMENT

##### 1. Apparatus Replacement

Budget Request: \$1,100,000.  
Program Request: \$7,175,000.

Budget: This program funds the replacement of aging equipment used for fire calls and emergency medical response, as they reach the end of their service expectancy. Equipment targeted by this replacement program include the 100' Aerial Ladders and 1500 G.P.M. Engine Pumpers.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$75,240
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

##### 2. Station Renovations

Budget Request: \$1,000,000.  
Program Request: \$4,250,000.

Budget: This program upgrades City fire stations with structural, mechanical and cosmetic repairs in accordance with the 2007 Fire Station Master Plan. Funds cover design and engineering specifications and construction costs for Stations 2, 3, and 4.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$68,400
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	(\$5,000)

## C. OFFICE OF THE MAYOR

### 1. Five Percent for Art

Budget Request: \$274,000.  
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>\$18,742</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. &amp; E.</i>	<i>\$0</i>

## D. PARKS AND RECREATION

### 1. Playground Improvements

Budget Request: \$755,000. (Other Funds: \$150,000)  
Program Request: \$1,935,000. (Other Funds: \$325,000)

Budget: This program funds the replacement of older playground equipment in the Parks system, in order to maintain safety and to meet Consumer Product Safety Commission standards.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$51,642</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. &amp; E.</i>	<i>\$0</i>

### 2. Athletic Court Renovations

Budget Request: \$300,000.  
Program Request: \$1,050,000.

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

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$20,520</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. &amp; E.</i>	<i>\$0</i>

**3. Monument Site Restorations**

Budget Request: \$165,000.  
Program Request: \$495,000.

Budget: This program funds improvements to various city monuments, plazas and public squares, and will restore the Caesar Rodney Statue and associated plaques and historic pedestal lamps.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$11,286
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

**4. Canby Pool Renovations**

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

Budget: None.

Program: This program funds renovations to the circulating systems at the Canby Pool, including the installation of a gutter system, pool main drains, and new pool interior walls, floor and decking. Bathhouse renovations include plumbing, toilet and sink fixtures, lighting and solar panels.

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

**5. Anderson Community Center Improvements**

Budget Request: \$330,000.  
Program Request: \$825,000.

Budget: This program funds continued improvements and renovation work to the William Hicks Anderson Community Center, including lighting for offices and program areas to meet programming and operational needs.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$22,572
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

**6. Park Fencing Improvements**

Budget Request: \$330,000.  
Program Request: \$825,000.

Budget: This program funds the replacement of aging fences at various park locations, including athletic fields and playgrounds.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$22,572
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

**7. County Park Improvements**

Budget Request: \$330,000.  
Program Request: \$825,000.

Budget: This program funds upgrades to City parks and ballfields formerly maintained by the County. Included improvements are ballfield fencing and backstops, bleachers and benches for the Canby and Alapocas ballfields.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$22,572
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

**8. Park Signage**

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

Budget: This program funds the replacement of park identification signage throughout the City, using standardized modern, low maintenance units.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$2,052
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

**9. Plazas & Triangles Renovations**

Budget Request: \$275,000.  
Program Request: \$715,000.

Budget: This program funds the renovation of parks and plaza sites throughout the City, and includes the planning and installation of design elements such as paving, landscaping, and other amenities at Pulaski Triangle and Freedom Plaza.

Program: Ongoing.

*Annual Debt Service Impact* \$18,810  
*Annual Operational Impact Personal Services* \$0  
*Annual Operational Impact M. S. & E.* \$0

**10. Decorative Fountain Restoration**

Budget Request: \$330,000.  
Program Request: \$825,000.

Budget: This program funds the restoration of park fountains at Fountain Plaza and H.B. duPont Plaza, including filter and pump room improvements and exterior fountain features.

Program: Ongoing.

*Annual Debt Service Impact* \$22,572  
*Annual Operational Impact Personal Services* \$0  
*Annual Operational Impact M. S. & E.* \$0

**E. PLANNING DEPARTMENT**

**1. Neighborhood Planning Council Infrastructure Support**

Budget Request: \$800,000.  
Program Request: \$0.

Budget: This program funds the development of neighborhood improvement projects prepared by the City's Neighborhood Planning Councils.

Program: None.

*Annual Debt Service Impact* \$54,720  
*Annual Operational Impact Personal Services* \$0  
*Annual Operational Impact M. S. & E.* \$0



## F. POLICE DEPARTMENT

### 1. Public Safety Building Improvements

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

Budget: This program funds necessary improvements to the 20 year old public safety building, which include a heat pump replacement, exterior/interior painting, carpet upgrades, pressure washing the building exterior, refurbishing Homeland Security cement barriers, security gate repairs, ceiling tile replacement, refurbishing the outdoor art sculpture, and reconfiguring the cell block area for conformance to detention facility requirements.

Program: None.

<i>Annual Debt Service Impact</i>	\$51,300
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

## G. PUBLIC WORKS DEPARTMENT

### General Fund Projects

### 1. Street Paving and Reconstruction

Budget Request: \$4,000,000.  
Program Request: \$26,000,000.

Budget: This program provides funds routine street paving, and the reconstruction and maintenance of deteriorated roadways throughout the City based on condition and use, in order to maintain roadway network infrastructure.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$273,600
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

**2. Emergency Sidewalk Renovations**

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

Budget: This program funds emergency repairs to damaged sidewalks as identified by the Departments of Public Works and Licenses & Inspections.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$27,360
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

**3. Curb Ramp & Crosswalk Reconstruction**

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

Budget: This program funds the reconstruction of failing curb ramps and crosswalks throughout the City to maintain roadway infrastructure in accordance with ADA requirements.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$34,200
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

**4. Building Improvements**

Budget Request: \$2,000,000.  
Program Request: \$3,000,000.

Budget: This program funds renovations and additions to the City/County Building and various other municipal buildings as needed.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$136,800
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

## Water/Sewer Fund Projects

### 1. Major Sewer Improvements

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

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

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$130,000
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

### 2. Annual Minor Sewer Improvements

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

Budget: This program funds the rehabilitation of small diameter sewers and other projects citywide as identified through closed circuit TV inspection and modeling efforts.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$48,750
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

### 3. Storm Water Drainage Projects

Budget Request: \$1,800,000.  
Program Request: \$3,600,000.

Budget: This program funds 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.

<i>Annual Debt Service Impact</i>	\$58,500
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

**4. Sewer Separation Projects / Flow Monitoring**

Budget Request: \$3,500,000.  
Program Request: \$4,000,000.

Budget: This program funds the partial separation of combined sewers at Wilmington Hospital, in Southbridge, and at various locations including Kentmere Parkway/Union Street and 14<sup>th</sup>/Orange Streets. Funds are also provided for additional ongoing flow monitoring and mitigation efforts, to reduce overflow events.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$113,750
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

**5. South Wilmington Wetlands Park**

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

Budget: This program funds the creation of a storm water mitigation wetland area in South Wilmington. Storm water management improvements, including flood storage and drainage upgrades, will be addressed through land acquisition, planning, design and initial phase implementation of the wetlands restoration project.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$146,250
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

**6. Interceptor BA Reconstruction /Upgrade**

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

Budget: None.

Program: This program funds reconstruction and upgrades to the interceptor BA to manage system flows and to mitigate combined sewer overflows (CSOs) in the area of Bancroft Mills to Rattlesnake Run, which has collapsed and is nonfunctional.

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

**7. Urban Forest Management Program**

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

Budget: This program funds tree planting and stump removal to support green infrastructure, storm water control and 2-for-1 tree replacement mandates.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$16,250</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. &amp; E.</i>	<i>\$0</i>

**8. Storm Water Mitigation**

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

Budget: This program funds green infrastructure implementation projects to mitigate CSOs through citywide source control of storm water, and within the CSO 4a drainage area. Matching funds are also provided for storm water mitigation at the Ed Oliver Golf Course.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$32,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. &amp; E.</i>	<i>\$0</i>

**9. Porter Filter Plant Improvements**

Budget Request: \$2,000,000.  
Program Request: \$4,000,000.

Budget: This program funds the rehabilitation of the 100 year old Porter Reservoir and Clear Well, including replacement of chemical feed systems, upgrades to clarifiers, and other improvements to provide top-quality, safe drinking water.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$65,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. &amp; E.</i>	<i>\$0</i>

**10. Pumping Station Improvements**

Budget Request: \$2,000,000.  
Program Request: \$4,000,000.

Budget: This program funds upgrades to pumps and electrical components at various pumping stations, including the Wills and Hoopes stations, to maintain water service.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$65,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. &amp; E.</i>	<i>\$0</i>

**11. Raw Water Distribution Improvements**

Budget Request: \$3,000,000.  
Program Request: \$6,000,000.

Budget: This program funds the rehabilitation of the 100 year old 42" raw water transmission main between the Brandywine Pumping Station and Porter Filter Plant.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$97,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. &amp; E.</i>	<i>\$0</i>

**12. Pressure Zone Reliability Improvements**

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

Budget: This program provides funds 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.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$65,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. &amp; E.</i>	<i>\$0</i>

**13. Annual Water Improvements**

Budget Request: \$5,000,000.

Program Request: \$10,000,000.

Budget: This program funds 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 (hydrants, valves, etc.) necessary to improve water quality, pressure and fire flows, as well as to maintain the distribution system, to improve citywide service.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$162,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. &amp; E.</i>	<i>\$0</i>

**14. Architectural Improvements**

Budget Request: \$1,000,000.

Program Request: \$2,000,000.

Budget: This program funds architectural repairs, restoration and stabilization of historic structures at the 100 year old Brandywine Complex, and includes the finished water pump room ceiling, cornice elements at the Head House, and wall restoration in the Boiler Room.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$32,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. &amp; E.</i>	<i>\$0</i>

**15. Transmission Main Improvements**

Budget Request: \$4,000,000.

Program Request: \$8,000,000.

Budget: This program funds transmission capacity improvements throughout the water system, including the elimination of the West Street Dam and installation of a new transmission main for redundant water flow into the western half of the City's High Service Zone.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$130,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. &amp; E.</i>	<i>\$0</i>

**16. Hoopes Dam**

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

Budget: This program funds improvements to Hoopes Dam, including construction of a functional outlet/drain piping system, improvements to sluice gates and valves, and concrete/mechanical improvements to address the overall safety and function of the Dam.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$81,250
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

**17. Brandywine Filter Plant Improvements**

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

Budget: This program funds plant upgrades including hydraulic, structural mechanical and aesthetic improvements to the Head Works at the Brandywine Filter Plant.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$81,250
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

**18. Rodney Reservoir**

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

Budget: This program funds the demolition of Rodney Reservoir, which is non-functional due to significant structural deficiencies, by removing the roof and filling in the reservoir to create a green space.

Program: None.

<i>Annual Debt Service Impact</i>	\$32,500
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0



**19. WWTP Electric & Gas Feed Upgrades**

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

Budget: This program funds necessary upgrades at the Waste Water Treatment Plant at 12<sup>th</sup> Street and Hay Road to increase the reliability of the electric feeds and to provide a natural gas feed to increase energy efficiency, which will bring the Plant into compliance with DNREC requirements.

Program: None.

*Annual Debt Service Impact* \$55,250  
*Annual Operational Impact Personal Services* \$0  
*Annual Operational Impact M. S. & E.* (\$10,000)

**20. 11<sup>th</sup> Street Pumping Station Upgrade**

Budget Request: \$0.  
Program Request: \$8,000,000.

Budget: None.

Program: This program funds upgrades to the 11<sup>th</sup> Street Pumping Station to increase capacity and assist with CSO mitigation.

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

**H. REAL ESTATE AND HOUSING**

**1. Acquisition and Demolition**

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

Budget: This program funds the purchase of vacant land and/or structures, and related demolition costs, for future development or neighborhood stabilization efforts.

Program: Ongoing.

*Annual Debt Service Impact* \$68,400  
*Annual Operational Impact Personal Services* \$0  
*Annual Operational Impact M. S. & E.* \$0

**2. Infrastructure Improvements**

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

Budget: This program funds the preliminary design, engineering and construction of infrastructure improvements, and includes infrastructure upgrades for the future redevelopment of the City-owned Diamond Salvage site.

Program: Ongoing.

*Annual Debt Service Impact* \$34,200  
*Annual Operational Impact Personal Services* \$0  
*Annual Operational Impact M. S. & E.* \$0

**I. TRANSPORTATION**

**1. Traffic System Infrastructure**

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

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

Program: Ongoing.

*Annual Debt Service Impact* \$37,620  
*Annual Operational Impact Personal Services* \$0  
*Annual Operational Impact M. S. & E.* \$0

**2. Wilmington Transportation Initiatives**

Budget Request: \$2,500,000. (Other Funds: \$8,000,000.)  
Program Request: \$4,000,000.

Budget: This program provides local matching funds for Wilmapco TIP projects, Transportation Enhancement projects, and legislator-sponsored projects, which in turn leverage federal project funding. The program also funds the implementation of adaptive signal controls and the installation of pedestrian ADA curb ramps.

Program: Ongoing.

*Annual Debt Service Impact* \$171,000  
*Annual Operational Impact Personal Services* \$0  
*Annual Operational Impact M. S. & E.* \$0

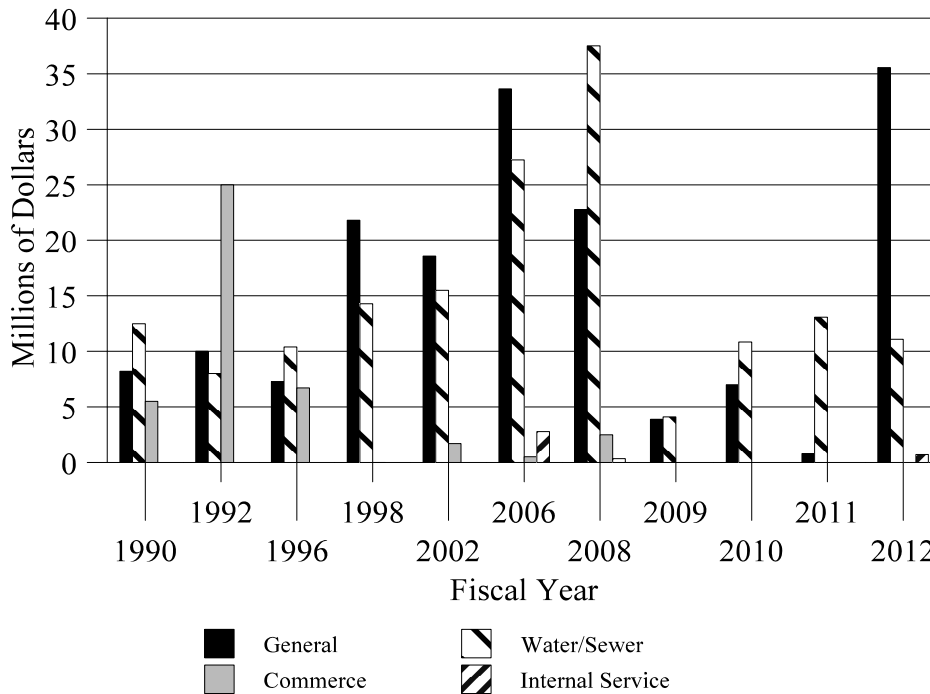
# CAPITAL BORROWING AND DEBT MANAGEMENT

## Borrowing History

The graph below illustrates the City's actual bond market participation for the fiscal years beginning with 1990 and ending in 2012. Amounts shown were borrowed for capital projects within the stated fund. In fiscal years 1994, 2002, 2005, 2007, 2008, 2010, 2012, and 2013 the City issued bonds to refinance past obligations at lower interest rates. 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 2014 General Fund Operating Budget totaling \$145,376,145, the budgeted debt service of \$12,173,051 is well below the 17.5% legal debt limit of \$25,440,825.

## 20-Year Historical General Obligation Borrowing



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

### **Uses of Debt Obligations**

The City of Wilmington issues debt in order to fund its biennial Capital Improvements Program. Specific initiatives have contributed to the fluctuations both in the aggregate debt and within specific funds, with recent years' larger increases reflecting the City's expanded efforts. For instance, from Fiscal Year 1990, funding for the Water/Sewer Fund increased as a result of major enhancements to the wastewater treatment facility. In 1998, the General Fund increased due to emphasis on economic and housing development of the downtown business district. In 2002, the rise in both the General and Water/Sewer Funds resulted, in large part, from an accelerated infrastructure maintenance schedule that attempted to reverse previous years of funding neglect for streets, parks, water facilities, water mains and sewer lines. The borrowing during 2006 and 2008 reflected similar goals, with increases in the General and Water/Sewer Funds resulting from a variety of capital improvements, including Christina Landing development; construction of the new Municipal Complex which serves both the Parks and Public Works departments; and ongoing repairs and upgrades to the City's water and sewer infrastructure, facilities, and reservoirs.

Because the City deferred issuing new debt for the majority of its capital improvements program during fiscal years 2009, 2010 and 2011, new borrowing was significantly less than in prior years, but did include a small number of Water/Sewer projects, as well as portion of the Market Street redevelopment project. In FY 2012, an in-depth analysis of the City's most pressing capital needs resulted in a consolidated and more efficiently sized Capital Budget. The bond issuance to fund the FY 2012 Capital Budget took place in November 2012.

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

### **Debt Management Policies**

The City takes a conservative approach to debt management. Debt shall never be incurred to finance operating activities, except in the special case, as approved by City Council, where the issuance of tax anticipation notes are to be used to bridge timing gaps in cash flow from tax revenue sources. Capital borrowing shall be structured to create level debt service over the life of the bonds and be opportunistic in regard to market conditions and special issues. The City will take an aggressive position regarding special issues in order to generate interest savings, fee income, or economic development incentives. 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.

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

The City's debt management is executed by a team of financial specialists that includes the City Treasurer, Budget Director, and Finance Director, along with support from outside financial and legal specialists that form the City's Bond Council.

The bulk of the City's Capital Improvement Program has traditionally been funded through general obligation bonds issued by the City and repaid out of the appropriate departmental operating budgets over a 20 year period, though 5 to 10 year bonds have been issued in special circumstances. Normally, general obligation bonds are issued for fixed asset purchases, infrastructure maintenance, and capital improvement projects. The City also uses short-term obligations (e.g. bond anticipation notes, capital leases, etc.) to bridge the time gap between initiation of a project/purchase and the anticipated bond issuance, when the nature of a purchase precludes the issuance of long-term debt, or when it is fiscally responsible to do so.

Per City Code, long-term debt cannot be issued for operating expenses. With City Council approval, the City may in special cases issue short-term tax anticipation notes in order to bridge timing gaps in cash flow from tax revenue sources.

Prior to the issuance of any short or long-term obligations, the City considers the effect of borrowing on its financial position, its ability to repay, and the legal debt limit imposed by the State of Delaware. As mandated, total General Fund debt service is limited to 17.5% of annual operating costs (equal to \$25,440,825 for FY 2014). This State limit applies only to General Fund debt, not debt found in the Water/Sewer, Commerce, or Internal Service Funds.

The City's current bond rating from the three largest bond rating agencies are:

<b>Fitch:</b>	<b>AA-</b>	“Denotes expectations of very low default risk. Indicates very strong capacity for payment of financial commitments, and this capacity is not significantly vulnerable to foreseeable events.”
<b>Moody's:</b>	<b>Aa2</b>	“Issuers or issues demonstrate very strong creditworthiness relative to other US municipal or tax-exempt issuers or issues.”
<b>Standard &amp; Poor's:</b>	<b>AA-</b>	“Very strong capacity to meet financial commitments.”

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

The five tables below depict past and future debt service payments broken out by principal and interest, total debt service, and debt service as a percentage of the annual budget. Fiscal Years 2001 through 2010 figures are actual payments. Fiscal Years 2013 and beyond are figures based on the current structure of debt outstanding with no calculation added for assumed new borrowing. The average interest rates on outstanding balances are 3.35% for the General Fund, 3.51% for the Water/Sewer Fund, and 2.94% 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.)

<b>GENERAL FUND</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>% of Total Budget</b>
<b>FY 2004</b>	4,683,310	3,627,639	8,310,949	9.8%
<b>FY 2005</b>	5,494,642	3,225,673	8,720,315	9.0%
<b>FY 2006</b>	5,689,234	3,518,079	9,207,313	8.8%
<b>FY 2007</b>	7,078,167	4,511,949	11,590,116	10.7%
<b>FY 2008</b>	7,717,810	4,066,631	11,784,441	9.6%
<b>FY 2009</b>	7,253,515	4,523,514	11,777,029	8.4%
<b>FY 2010</b>	6,537,018	5,012,331	11,549,349	8.2%
<b>FY 2011</b>	2,837,124	5,409,868	8,246,992	5.6%
<b>FY 2012</b>	5,679,233	5,321,512	11,000,745	9.5%
<b>FY 2013</b>	7,263,184	5,474,466	12,737,650	8.9%
<b>FY 2014</b>	6,976,557	5,196,494	12,173,051	8.4%
<b>FY 2015</b>	7,880,353	5,074,297	12,954,650	8.7%
<b>FY 2016</b>	8,353,805	4,767,735	13,121,540	8.6%
<b>FY 2017</b>	8,600,918	4,443,798	13,044,716	8.3%
<b>FY 2018</b>	7,946,981	4,137,111	12,084,092	7.5%
<b>FY 2019</b>	8,361,593	3,758,192	12,119,785	7.4%
<b>FY 2020</b>	8,605,072	3,432,278	12,037,350	7.1%
<b>FY 2021</b>	9,120,462	3,069,791	12,190,253	7.1%
<b>FY 2022</b>	6,639,280	2,722,062	9,361,342	5.3%
<b>FY 2023</b>	6,978,300	2,397,998	9,376,298	5.2%
<b>FY 2024</b>	6,553,153	2,036,113	8,589,266	4.6%
<b>FY 2025</b>	6,882,790	1,710,662	8,593,452	4.5%
<b>FY 2026</b>	7,202,479	1,375,479	8,577,958	4.4%
<b>FY 2027</b>	4,290,000	1,056,995	5,346,995	2.7%
<b>FY 2028</b>	3,645,804	821,999	4,467,803	2.2%
<b>FY 2029</b>	3,025,589	661,766	3,687,355	1.8%
<b>FY 2030</b>	4,315,000	478,638	4,793,638	2.2%
<b>FY 2031</b>	4,490,000	278,000	4,768,000	2.2%
<b>FY 2032</b>	4,705,000	94,100	4,799,100	2.1%
<b>FY 2033</b>	0	0	0	0.0%
<b>TOTAL</b>	<b>\$184,806,373</b>	<b>\$92,205,170</b>	<b>\$277,011,543</b>	

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

<b>WATER/SEWER FUND</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>% of Total Budget</b>
<b>FY 2004</b>	5,730,750	3,307,582	9,038,332	25.6%
<b>FY 2005</b>	4,498,287	3,064,567	7,562,854	19.5%
<b>FY 2006</b>	4,441,282	4,765,174	9,206,456	21.1%
<b>FY 2007</b>	5,237,659	3,893,068	9,130,727	19.9%
<b>FY 2008</b>	7,004,085	4,409,703	11,413,788	23.8%
<b>FY 2009</b>	7,572,918	5,635,798	13,208,716	24.9%
<b>FY 2010</b>	5,076,980	5,496,437	10,573,417	19.2%
<b>FY 2011</b>	4,162,803	4,283,208	8,446,011	14.6%
<b>FY 2012</b>	6,522,388	6,193,410	12,715,798	20.8%
<b>FY 2013</b>	7,612,383	6,304,572	13,916,955	21.4%
<b>FY 2014</b>	7,674,780	6,206,159	13,880,939	20.8%
<b>FY 2015</b>	8,799,955	5,844,883	14,644,838	21.4%
<b>FY 2016</b>	9,026,243	5,501,034	14,527,277	20.8%
<b>FY 2017</b>	8,722,743	5,153,320	13,876,063	19.3%
<b>FY 2018</b>	8,618,271	4,838,267	13,456,538	18.3%
<b>FY 2019</b>	8,971,966	4,492,068	13,464,034	17.9%
<b>FY 2020</b>	9,425,669	4,165,343	13,591,012	17.6%
<b>FY 2021</b>	9,541,747	3,824,843	13,366,590	16.9%
<b>FY 2022</b>	10,138,172	3,461,236	13,599,408	16.8%
<b>FY 2023</b>	10,340,245	3,068,250	13,408,495	16.1%
<b>FY 2024</b>	11,017,908	2,610,268	13,628,176	16.0%
<b>FY 2025</b>	11,485,038	2,145,729	13,630,767	15.6%
<b>FY 2026</b>	11,104,450	1,673,901	12,778,351	14.3%
<b>FY 2027</b>	11,390,150	1,239,523	12,629,673	13.8%
<b>FY 2028</b>	7,695,895	890,506	8,586,401	9.1%
<b>FY 2029</b>	5,957,493	614,420	6,571,913	6.8%
<b>FY 2030</b>	4,629,263	407,278	5,036,541	5.1%
<b>FY 2031</b>	5,091,617	224,813	5,316,430	5.2%
<b>FY 2032</b>	2,922,755	58,728	2,981,483	2.9%
<b>FY 2033</b>	137,540	1,508	139,048	0.1%
<b>FY 2034</b>	0	0	0	0.0%
<b>TOTAL</b>	<b>\$220,551,435</b>	<b>\$103,775,596</b>	<b>\$324,327,031</b>	

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

<b>COMMERCE FUND</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>% of Total Budget</b>
<b>FY 2004</b>	3,978,072	1,874,405	5,852,477	87.0%
<b>FY 2005</b>	4,080,206	1,385,539	5,465,745	82.5%
<b>FY 2006</b>	5,801,389	1,431,361	7,232,750	90.3%
<b>FY 2007</b>	4,571,463	1,210,639	5,782,102	84.1%
<b>FY 2008</b>	4,773,033	991,008	5,764,041	72.3%
<b>FY 2009</b>	2,564,306	689,034	3,253,340	53.3%
<b>FY 2010</b>	0	0	0	0.0%
<b>FY 2011</b>	0	0	0	0.0%
<b>FY 2012</b>	0	0	0	0.0%
<b>FY 2013</b>	0	0	0	0.0%
<b>TOTAL</b>	<b>\$25,768,469</b>	<b>\$7,581,986</b>	<b>\$33,350,455</b>	

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)**

<b>INTERNAL SERVICE FUNDS</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>% of Total Budget</b>
<b>FY 2006</b>	817,944	260,881	1,078,825	8.3%
<b>FY 2007</b>	637,480	667,406	1,304,886	15.6%
<b>FY 2008</b>	1,119,359	345,675	1,465,034	14.6%
<b>FY 2009</b>	1,281,228	359,784	1,641,012	12.9%
<b>FY 2010</b>	513,682	349,874	863,556	8.6%
<b>FY 2011</b>	89,492	425,562	515,054	4.3%
<b>FY 2012</b>	495,641	406,364	902,005	2.8%
<b>FY 2013</b>	428,432	430,159	858,591	2.8%
<b>FY 2014</b>	280,927	432,931	713,858	2.6%
<b>FY 2015</b>	455,418	128,653	584,071	3.4%
<b>FY 2016</b>	480,091	109,124	589,215	3.3%
<b>FY 2017</b>	245,215	94,861	340,076	1.9%
<b>FY 2018</b>	237,284	84,803	322,087	1.7%
<b>FY 2019</b>	254,799	73,652	328,451	1.7%
<b>FY 2020</b>	276,157	61,228	337,385	1.7%
<b>FY 2021</b>	491,141	44,222	535,363	2.7%
<b>FY 2022</b>	296,579	30,482	327,061	1.6%
<b>FY 2023</b>	132,140	24,809	156,949	0.7%
<b>FY 2024</b>	0	20,311	20,311	0.1%
<b>FY 2025</b>	0	20,311	20,311	0.1%
<b>FY 2026</b>	0	20,311	20,311	0.1%
<b>FY 2027</b>	0	20,311	20,311	0.1%
<b>FY 2028</b>	283,867	10,156	294,023	1.2%
<b>FY 2029</b>	0	0	0	0.0%
<b>TOTAL</b>	<b>\$8,816,876</b>	<b>\$4,421,870</b>	<b>\$13,238,746</b>	

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

<b>FUNDS COMBINED</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>% of Total Budget</b>
<b>FY 2004</b>	14,392,132	8,809,626	23,201,758	18.3%
<b>FY 2005</b>	14,073,135	7,675,779	21,748,914	15.3%
<b>FY 2006</b>	16,749,849	9,975,495	26,725,344	15.8%
<b>FY 2007</b>	17,524,769	10,283,062	27,807,831	16.4%
<b>FY 2008</b>	20,614,287	9,813,017	30,427,304	16.0%
<b>FY 2009</b>	18,671,967	11,208,130	29,880,097	14.0%
<b>FY 2010</b>	12,127,680	10,858,641	22,986,321	11.1%
<b>FY 2011</b>	7,089,419	10,118,638	17,208,057	7.9%
<b>FY 2012</b>	12,697,263	11,921,286	26,715,535	11.8%
<b>FY 2013</b>	15,304,001	12,209,199	27,513,200	12.4%
<b>FY 2014</b>	14,932,264	11,835,584	26,767,848	11.7%
<b>FY 2015</b>	17,135,726	11,047,833	28,183,559	12.0%
<b>FY 2016</b>	17,860,140	10,377,892	28,238,032	11.7%
<b>FY 2017</b>	17,568,876	9,691,979	27,260,855	11.1%
<b>FY 2018</b>	16,802,535	9,060,181	25,862,716	10.2%
<b>FY 2019</b>	17,588,358	8,323,913	25,912,271	10.0%
<b>FY 2020</b>	18,306,898	7,658,848	25,965,746	9.8%
<b>FY 2021</b>	19,153,351	6,938,857	26,092,208	9.6%
<b>FY 2022</b>	17,074,032	6,213,780	23,287,812	8.4%
<b>FY 2023</b>	17,450,685	5,491,057	22,941,742	8.0%
<b>FY 2024</b>	17,571,061	4,666,692	22,237,753	7.6%
<b>FY 2025</b>	18,367,828	3,876,702	22,244,530	7.4%
<b>FY 2026</b>	18,306,929	3,069,690	21,376,619	6.9%
<b>FY 2027</b>	15,680,150	2,316,829	17,996,979	5.7%
<b>FY 2028</b>	11,626,566	1,722,661	13,349,227	4.1%
<b>FY 2029</b>	8,983,081	1,276,186	10,259,267	3.1%
<b>FY 2030</b>	8,944,263	885,916	9,830,179	2.9%
<b>FY 2031</b>	9,581,617	502,813	10,084,430	2.9%
<b>FY 2032</b>	7,627,755	152,828	7,780,583	2.2%
<b>FY 2033</b>	137,540	1,508	139,048	0.0%
<b>FY 2034</b>	0	0	0	0.0%
<b>TOTAL</b>	<b>\$439,944,157</b>	<b>\$210,081,608</b>	<b>\$650,025,765</b>	

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

**GENERAL FUND**

<b>DEPARTMENT</b>	<b>ACTUAL FY 2010</b>	<b>ACTUAL FY 2011</b>	<b>ACTUAL FY 2012</b>	<b>BUDGET FY 2013</b>	<b>BUDGET FY 2014</b>
<b>MAYOR'S OFFICE</b>	\$1,390,099	\$1,448,735	\$1,702,781	\$1,486,141	\$3,418,170
<b>% Departmental Expenses</b>	19.2%	20.0%	23.1%	19.4%	35.8%
<b>CITY COUNCIL</b>	23,008	19,806	26,989	18,572	639
<b>% Departmental Expenses</b>	1.0%	0.8%	1.0%	0.7%	0.0%
<b>PLANNING</b>	94,292	136,394	150,328	162,196	200,683
<b>% Departmental Expenses</b>	6.4%	9.3%	9.9%	10.3%	12.3%
<b>FINANCE</b>	4,763	5,800	5,661	5,647	6,457
<b>% Departmental Expenses</b>	0.1%	0.1%	0.0%	0.1%	0.0%
<b>HUMAN RESOURCES</b>	16,568	20,175	19,690	19,640	22,459
<b>% Departmental Expenses</b>	0.9%	1.1%	1.1%	1.0%	1.1%
<b>LICENSES &amp; INSPECTIONS</b>	28,172	6,171	10,886	2,249	4,482
<b>% Departmental Expenses</b>	0.7%	0.1%	0.3%	0.1%	0.1%
<b>PARKS &amp; RECREATION</b>	1,898,986	1,557,160	1,868,581	1,656,284	1,874,317
<b>% Departmental Expenses</b>	24.7%	20.2%	23.2%	20.2%	21.9%
<b>FIRE</b>	473,480	325,107	434,901	454,816	560,058
<b>% Departmental Expenses</b>	2.0%	1.4%	1.9%	2.0%	2.4%
<b>POLICE</b>	555,277	286,681	419,328	292,776	375,359
<b>% Departmental Expenses</b>	1.1%	0.6%	0.8%	0.6%	0.7%
<b>PUBLIC WORKS</b>	2,953,249	2,499,747	3,435,711	6,531,137	3,640,883
<b>% Departmental Expenses</b>	14.8%	12.5%	17.0%	26.2%	16.3%
<b>REAL ESTATE &amp; HOUSING</b>	470,663	762,385	828,904	844,602	1,189,142
<b>% Departmental Expenses</b>	47.1%	62.9%	63.4%	61.0%	67.1%
<b>COMMERCE DEPARTMENT</b>	3,640,792	1,178,833	2,096,986	1,263,590	880,402
<b>% Departmental Expenses</b>	100.0%	100.0%	100.0%	100.0%	100.0%

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

**GENERAL FUND (CONTINUED)**

DEPARTMENT	ACTUAL FY 2010	ACTUAL FY 2011	ACTUAL FY 2012	BUDGET FY2013	BUDGET FY2014
<b>TOTAL DEBT SERVICE</b>	<b>\$11,549,349</b>	<b>\$8,246,992</b>	<b>\$11,000,745</b>	<b>\$12,737,650</b>	<b>\$12,173,051</b>
<b>% General Fund</b>	<b>8.6%</b>	<b>6.1%</b>	<b>8.0%</b>	<b>8.9%</b>	<b>8.4%</b>
<b>LEGAL DEBT SERVICE LIMIT (17.5%)</b>	<b>\$23,590,026</b>	<b>\$25,832,483</b>	<b>\$24,056,145</b>	<b>\$25,012,404</b>	<b>\$25,440,825</b>

**WATER/SEWER FUND**

DEPARTMENT	ACTUAL FY 2010	ACTUAL FY 2011	ACTUAL FY 2012	BUDGET FY 2013	BUDGET FY 2014
<b>PUBLIC WORKS</b>	<b>\$5,496,437</b>	<b>\$4,283,208</b>	<b>\$6,193,410</b>	<b>\$6,304,572</b>	<b>\$6,206,159</b>
<b>% of Department Expenses</b>	<b>10.6%</b>	<b>8.3%</b>	<b>10.8%</b>	<b>10.4%</b>	<b>10.0%</b>
<b>TOTAL DEBT SERVICE</b>	<b>\$5,496,437</b>	<b>\$4,283,208</b>	<b>\$6,193,410</b>	<b>\$6,304,572</b>	<b>\$6,206,159</b>
<b>% of Water/Sewer Fund</b>	<b>10.0%</b>	<b>7.8%</b>	<b>10.2%</b>	<b>9.8%</b>	<b>9.3%</b>

**INTERNAL SERVICE (IS) FUNDS**

DEPARTMENT	ACTUAL FY 2010	ACTUAL FY 2011	ACTUAL FY 2012	BUDGET FY 2013	BUDGET FY 2014
<b>MAYOR'S OFFICE</b>	<b>\$121,906</b>	<b>\$122,639</b>	<b>\$122,442</b>	<b>\$149,361</b>	<b>\$157,409</b>
<b>% of Department Expenses</b>	<b>2.4%</b>	<b>2.4%</b>	<b>2.0%</b>	<b>2.2%</b>	<b>2.1%</b>
<b>PUBLIC WORKS</b>	<b>227,968</b>	<b>302,923</b>	<b>283,922</b>	<b>280,798</b>	<b>275,522</b>
<b>% of Department Expenses</b>	<b>3.2%</b>	<b>4.2%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>3.5%</b>
<b>TOTAL DEBT SERVICE</b>	<b>\$349,874</b>	<b>\$425,562</b>	<b>\$406,364</b>	<b>\$430,159</b>	<b>\$432,931</b>
<b>% of IS Fund</b>	<b>3.1%</b>	<b>3.4%</b>	<b>2.8%</b>	<b>2.8%</b>	<b>2.6%</b>

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

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

**ALL FUNDS**

<b>ALL DEPARTMENTS</b>	<b>ACTUAL FY 2010</b>	<b>ACTUAL FY 2011</b>	<b>ACTUAL FY 2012</b>	<b>BUDGET FY 2013</b>	<b>BUDGET FY 2014</b>
<b>TOTAL DEBT SERVICE</b>	<b>\$17,395,660</b>	<b>\$12,955,762</b>	<b>\$17,600,519</b>	<b>\$19,472,381</b>	<b>\$18,812,141</b>
<b>% of All Funds</b>	<b>8.4%</b>	<b>6.4%</b>	<b>9.3%</b>	<b>8.8%</b>	<b>8.2%</b>

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 1995-2013**

<b>Fiscal Year-end</b>	<b>Taxable Assessed Value</b>	<b>Gross Bonded Debt</b>	<b>Gross Debt Payable from Enterprise, Internal Service, and State Funds</b>	<b>Net General Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt per Capita</b>
1995	1,977,292,100	184,312,883	122,194,848	62,118,035	3.10%	863
1996	1,968,023,897	193,705,913	130,306,742	63,399,171	3.20%	873
1997	2,177,955,491	187,255,451	129,983,103	57,272,348	2.60%	789
1998	2,085,292,700	182,689,920	126,997,807	55,692,113	2.70%	767
1999	2,102,649,126	212,644,705	134,215,478	78,429,227	3.70%	1,080
2000	2,110,113,191	201,850,206	126,725,369	75,124,837	3.60%	1,034
2001	2,136,221,597	193,200,403	119,525,333	73,675,070	3.40%	1,014
2002	2,115,498,937	210,494,211	129,219,543	81,274,668	3.80%	1,119
2003	2,114,078,568	193,818,399	115,330,004	78,488,395	3.71%	1,068
2004	2,182,337,973	184,549,800	111,306,574	73,243,226	3.36%	1,010
2005	2,134,545,304	178,806,711	105,737,075	73,069,636	3.42%	1,006
2006	2,213,839,948	227,706,776	123,183,846	104,522,930	4.72%	1,439
2007	2,300,886,160	286,659,775	178,667,598	107,992,177	4.69%	1,483
2008	2,183,048,645	266,829,357	166,599,233	100,230,124	4.59%	1,376
2009	2,176,247,400	274,287,535	163,713,284	110,574,250	5.08%	1,463
2010	2,220,181,556	266,933,790	156,146,773	110,787,017	4.99%	1,466
2011	2,239,927,925	252,641,967	151,894,478	100,747,489	4.50%	1,422
2012	2,222,588,846	301,229,983	172,739,520	128,490,463	5.78%	1,814
2013	2,181,176,410	290,576,136	166,002,000	124,574,136	5.71%	1,758

**TOTAL DEBT BALANCES BY YEAR  
FISCAL YEARS 2014-2034**

<b>First Day of Fiscal Year</b>	<b>General Fund Debt</b>	<b>Water/Sewer Fund Debt</b>	<b>Internal Service Funds Debt</b>	<b>Total Debt</b>
<b>2014</b>	124,574,136	162,691,901	3,433,617	290,699,654
<b>2015</b>	117,597,579	155,017,121	3,152,690	275,767,390
<b>2016</b>	109,717,226	146,217,166	2,697,273	258,631,665
<b>2017</b>	101,363,420	137,190,923	2,217,181	240,771,524
<b>2018</b>	92,762,502	128,468,180	1,971,967	223,202,649
<b>2019</b>	84,815,521	119,849,909	1,734,683	206,400,113
<b>2020</b>	76,453,929	110,877,943	1,479,884	188,811,756
<b>2021</b>	67,848,857	101,452,274	1,203,727	170,504,858
<b>2022</b>	58,728,394	91,910,526	712,586	151,351,506
<b>2023</b>	52,089,114	81,772,354	416,007	134,277,475
<b>2024</b>	45,110,814	71,432,109	283,867	116,826,790
<b>2025</b>	38,557,661	60,414,201	283,867	99,255,729
<b>2026</b>	31,674,872	48,929,163	283,867	80,887,902
<b>2027</b>	24,472,393	37,824,713	283,867	62,580,973
<b>2028</b>	20,182,393	26,434,563	283,867	46,900,823
<b>2029</b>	16,535,589	18,738,668	0	35,274,257
<b>2030</b>	13,510,000	12,781,175	0	26,291,175
<b>2031</b>	9,195,000	8,151,912	0	17,346,912
<b>2032</b>	4,705,000	3,060,295	0	7,765,295
<b>2033</b>	0	137,540	0	137,540
<b>2034</b>	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 (HUD). These monies are specifically designated to revitalize targeted underdeveloped areas of the City, remove artificial barriers and improve slum areas.

**City Charter:** The document issued by the State of Delaware which defines the City's purpose and privileges, and outlines its principles, functions, and organization.

**Contingent Reserves:** Funds set aside as a reserve for unplanned operating expenses and snow and weather emergencies.

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

**Debt Service:** Principal and interest payments on borrowed funds.

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

## **DESCRIPTION OF TERMS USED IN THIS BOOK**

(continued)

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

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

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

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

**Encumbrance:** Any commitment of funds against an appropriation. It may be in the form of a purchase order or a contract. Encumbrance accounting is formally integrated into the accounting system for expenditure control purposes. Until such time as the goods or services are received, the commitment is referred to as an encumbrance. Encumbered balances at year-end, with the authority of the Finance Director, may be re-appropriated into the subsequent year.

**Expenditure/Expense:** A decrease in net financial resources, such as for the payment of goods received or services rendered.

**Financial Statements:** The medium used to communicate accounting information about an entity. The basic elements (building blocks) of financial statements are assets, liabilities, equity, revenues, expenses, gains, and losses.

**Fiscal:** Pertaining to the finances of an entity, such as the City.

**Fiscal Year:** The twelve month period of time between July 1 and June 30 established as the operating and accounting time frame for City activities.

**Fixed Asset:** A tangible resource or thing with a relatively long life expectancy, requiring a substantial financial outlay and usually large scale in nature, such as buildings, streets and water pipes.

**Forward Supply Contracts:** Investment agreements requiring funds be set aside to purchase U.S. Strip Securities for payment of future debt service. These contracts arose from an advanced refinancing of long-term debt.

**Fund:** An independent accounting unit in which assets, liabilities and equity are segregated for specific purposes in accordance to Governmental Generally Accepted Accounting Principals (GAAP). The City utilizes four major funds: General, Water/Sewer, Special, and Internal Services.

**Fund Balance:** For the General Fund (and other governmental funds), the difference between fund assets and liabilities is labeled as “**Fund Balance**” on the financial statement. Fund balance is further defined by the following subcategories:

## **DESCRIPTION OF TERMS USED IN THIS BOOK**

(continued)

*Non-spendable Fund Balance* – Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.

*Restricted Fund Balance* – Amounts that can be spent only for specific purposes because of the City Charter, City Code, State or federal laws, or externally imposed conditions by grantors or creditors.

*Committed Fund Balance* – Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance or resolution. This includes the Budget Reserve Account.

*Assigned Fund Balance* – Amounts that are allocated for a future use by the Mayor, but are not spendable until a budget ordinance appropriating the amounts is passed by City Council.

*Unassigned Fund Balance* – All amounts not included in other spendable classifications.

**FY:** Abbreviation for “Fiscal Year”.

**GAAP (Generally Accepted Accounting Principles):** Uniform minimum standards and guidelines for financial accounting and reporting. The primary authoritative body on the application of GAAP to state and local governments is the Government Accounting Standards Board (GASB).

**GASB (Government Accounting Standards Board):** The regulatory body over governmental accounting principles and practices.

**General Obligation Bonds:** A bond that is secured by the full faith and credit of the City, with debt service from the bond being paid from City tax revenues. Such bonds are issued for the purpose of financing city capital improvement projects over a long period of time, usually 20 years.

**Goal:** A broad statement of intended accomplishments or a description of a general condition deemed desirable.

**GFOA (Government Finance Officers Association):** A professional association of state/provincial and local finance officers whose members are dedicated to the sound management of government financial resources and operations.

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

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

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

## **DESCRIPTION OF TERMS USED IN THIS BOOK**

(continued)

**Internal Service Chargebacks:** The group of accounts that record the costs that are charged to user departments for goods and services provided by the Internal Services.

**Indirect Costs:** Reimbursement payments from Enterprise Funds to the General Fund for general administrative services that the General Fund has provided such as accounting, legal advice and payroll.

**Infrastructure:** Facilities on which the continuance and growth of a community depend, such as streets, water/sewer lines, etc.

**Initiative:** A new program implemented to achieve a specific goal or objective.

**Interest:** The expense charged for a loan, usually a percentage of the amount borrowed.

**LLEBG: Local Law Enforcement Block Grant** awarded by the United States Department of Justice to be used by local Police jurisdictions to enhance crime prevention and deployment.

**Long Term Debt:** Debt with a maturity of more than one year after the date of issuance.

**M., S. & E (Materials, Supplies and Equipment):** The account group of expenses for goods and services needed to perform day-to-day operations such as equipment, contracted maintenance, repairs or consulting fees.

**Modified Accrual Basis:** The basis in accounting in which revenues are recognized and recorded when they become measurable and available as net current assets, and all expenses, except those related to fixed asset acquisition, are recorded when incurred (not when cash is paid out).

**Net Assets:** For the Water/Sewer Fund (and other proprietary, and fiduciary funds), the difference between fund assets and liabilities is labeled as *Net Assets* on the financial statement. Net Assets are classified as *Invested in Capital Assets*, *Net of Related Debt*, legally *Restricted* for a specific purpose or *Unrestricted* and available for appropriation for the general purposes of the fund.

**Objective:** A specific, well-defined, and measurable condition that must be attained in order to accomplish a stated goal.

**Operating Budget:** The current year estimated revenues and expenditures for the day-to-day operations of the City.

**Operating Transfer:** A legally authorized movement of cash or equity from one fund to another, usually between the Water/Sewer Fund and the General Fund.

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

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

## **DESCRIPTION OF TERMS USED IN THIS BOOK**

(continued)

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

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

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

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

**Property Tax Base:** The value of all taxable real property in the City, as certified by the New Castle County Board of Assessment. The tax base represents the net value after all abatements and exemptions.

**Proprietary Funds:** Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. The City has two different types of proprietary funds: the Water/Sewer Fund and the Internal Services Funds.

**Revenue:** Income received from sources such as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants and interest.

**Revenue Bonds:** A bond that is repaid and secured by the expected revenues from the project being financed or the entity doing the borrowing, such as a water/sewer system, and not by taxes.

**Risk Management/Self Insurance:** Cash set aside for the payment of liability claims against the City by a third party or to cover the cost of damage, destruction, injury or death as a result of City operations or natural disasters.

**SALLE:** State Aid for Local Law Enforcement. These monies are State of Delaware grants used for specific local law-enforcement programs such as training, consulting, counseling, and drug enforcement equipment.

**Special Purpose:** The same as **Grants and Fixed Charges** except the activity is usually not financed by State or Federal contributions and is requested by the City Administration or City Council.

**Surplus:** The amount by which total revenues exceed total expenditures.

**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.