

City of Wilmington Annual Budget Fiscal Year 2017



Dennis P. Williams, Mayor

City of Wilmington Delaware



Approved Budget FY 2017

Dennis P. Williams
Mayor

Prepared by the
Office of Management and Budget

Fiscal Year 2017 • Approved by City Council • May 25, 2016

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, 2015.

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
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**City of Wilmington
Delaware**

For the Fiscal Year Beginning

July 1, 2015

A handwritten signature in black ink, appearing to read 'Jeffrey R. Egan'.

Executive Director

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Treasurer - Henry W. Supinski

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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.

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At Large Loretta Walsh

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Romain L. Alexander, City Council Chief of Staff

CITY OFFICIALS

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Chief of Staff

Director of Human Resources

Chief of Police

Director of Economic Development Office

Director of Real Estate and Housing

Chief of Fire

City Auditor

Director of Parks and Recreation

City Solicitor

Commissioner of Licenses and Inspections

Director of Planning

Commissioner of Public Works

Director of Finance

OFFICE OF MANAGEMENT & BUDGET

Robert S. Greco

Matthew J. Razze

George G. Hayford

Toni J. Cleaver

Nathan A. Roby

Budget Director

Senior Analyst/Systems Coordinator

Senior Analyst

Budget Analyst II

Budget Analyst II

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DENNIS P. WILLIAMS
MAYOR

City of Wilmington
Delaware



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FISCAL YEAR 2017 BUDGET MESSAGE

MAKING PROGRESS

On the first day of taking office on January 8, 2013, we went to work to build relationships with all those who wanted to see positive change in our City. We started working to build safe and strong neighborhoods. We started creating sustainable job opportunities for local residents. We started making City government operate more efficiently to better serve our citizens. We started opening our doors to welcome new businesses and development projects that have created new economic growth across the City. We introduced new arts and cultural events and free music festivals to bring a vibrant energy to Downtown. We started establishing new opportunities for our youth through job programs, internships, and countless extracurricular activities.

We have seen our efforts pay off. Hundreds of apartments Downtown and along the Riverfront are full. There is more than \$350 million worth of private investment taking place in our City. Approximately 200,000 tickets were sold to performances at The Grand, Playhouse, World Café Live at the Queen and Delaware Theatre Company in 2015 alone. We are making progress.

PUBLIC SAFETY

Nothing is more critical to establishing a vibrant, prosperous city than public safety. That is why ensuring the safety of our residents and visitors remains the top priority of my Administration.

In 2014, I created the Wilmington Police Department's first-ever homicide-only unit, and last year we added a dozen more officers, expanding the group to become the Homicide/Violent Crimes Unit. Increasing the size of this unit allowed for a comprehensive approach to investigating violent crime. Additionally, the Department's renewed focus on community policing has led to an increase in crime clearance rates and has strengthened relationships between the police and the community.

Specifically, the Police Department's clearance rate for homicide cases in 2015 was 50%, a rate multiple times higher than the clearance rates in previous years. The men and women of this Department also solved six cold cases last year, bringing closure to families who have longed for justice.

The Wilmington Police Department continues its partnerships with state and federal law enforcement agencies, including the Department of Justice and the FBI. This partnership led to a 91-count indictment

against 13 gang members, involving six homicides, numerous violent crimes and weapons charges, representing one of the largest prosecution cases in our history.

The Wilmington Police Department has also continued to work closely with the Violence Reduction Network (VRN). As one of the first cities in the country to be selected to participate in the VRN, Wilmington police officers received high-level training, expertise, and resources from this elite federal network. Specifically, the VRN provided our entire Police Department with Blue Courage Training, which teaches officers to transition from a mindset as "warriors" to a mindset of serving as the community's protectors. The training emphasized that community policing should not be determined by participating in a unit, but rather that every sworn member of the force is a community police officer.

A great example of this is Sergeant Gary Tabor, who created and spearheads the Department's *Book 'Em* program. The *Book 'Em* program promotes positive interaction between police and city youth, as officers provide age-appropriate books to neighborhood kids. In the past year, the program has expanded to include 20 Wilmington Police Officers who distribute more than 4,000 books to city kids every month.

While this illustrates some positive steps in the right direction, we know there is still much more work to be done. That is why we are now deploying *Operation Disrupt*, a violence reduction deployment strategy that floods hot spot crime areas throughout the City with an increased number of uniformed police officers. Placing these additional officers on the streets increases the visible presence of law enforcement, and also strengthens relationships with residents who live in these neighborhoods, as more officers are now walking the street.

We also hired former Commissioner of the Philadelphia Police Department, Charles Ramsey, as a public safety consultant for the Wilmington Police Department. Commissioner Ramsey served as Co-Chair of President Obama's Task Force on 21st Century Policing. He has led the police departments of Chicago, Washington, D.C. and Philadelphia. He is the top cop in the country, and he is here to help the City of Wilmington.

We have increased the use of technology to more efficiently respond to crime. For example, the Department now uses *Match Point*, a system that analyzes and matches shell casings to others entered into a nationwide database. In the past, this process could take weeks, but today our police can determine if a gun was used in multiple crimes in just a matter of minutes. The Department also has implemented a body camera pilot program. Twenty-three officers are wearing body cameras that will work to provide transparency and accountability to the community. Lastly, the Department is gearing up to open the Real Time Crime Center, which will allow police to monitor all areas of the City from one central location.

ECONOMIC DEVELOPMENT

Since taking office, we have worked to maximize Wilmington's potential as an emerging place for businesses, job creation, strong neighborhoods and economic opportunity for everyone in our City. With more than 53,000 people employed in the City of Wilmington, the unemployment rate has dropped from a high of 9.7% in 2012 when I took Office to 6.0% today. And our strongest business sector, the financial industry, which employs more than 12,000 people, has nearly 2,000 more workers here in Wilmington than it did before the Great Recession.

Many new housing opportunities have been created across Wilmington, such as the development of Market Street Village, Walnut Street Development Project, the Lofts at Clifford Brown Walk, and the expansion of the Harlan Flats. In addition to the 116 new housing units, new hotels are being built Downtown and along the Riverfront. The new Homewood Suites by Hilton, Residence Inn and Marriott hotels will work

to further enhance Wilmington's reputation as an attractive, regional destination for conferences and conventions. They also will draw leisure travelers to explore our historic city, eat at our restaurants, and enjoy our many entertainment options and retail shops.

These projects are not the only development efforts happening. There is more than \$350 million worth of private investment currently underway in Wilmington. There are key projects, like the Residences at Midtown Park, where \$70 million has been invested to build a luxury residential complex targeting millennials; the 2000 Pennsylvania Avenue project with \$40 million invested to redevelop property into high-quality mixed-use space of residences and commercial businesses; Sacred Heart Village with \$7 million invested to provide housing for low-income seniors; and the \$3 million redevelopment of the historic Harper Thiel site into a shopping plaza.

We are excited to welcome this new era of entrepreneurs and economic growth throughout the City of Wilmington. In the last three years, more than 3,000 new business licenses have been issued, 21 new storefronts opened in downtown Wilmington, and more than 400 local business owners received entrepreneurial training and technical assistance through the City's Diverse Business Exchange. We have made it a priority to build on existing development activities, and to encourage further development by streamlining government services and getting the message out that Wilmington is an excellent location for investment and development.

YOUTH

While we can tout the progress of our City's economy, we must all ask ourselves, what good is it to grow businesses if we are not equally growing the minds and opportunities of our future generations?

It is true that our municipal government does not have direct control over the school districts that serve the City. But that should not stop us from playing an active role in sharing educational opportunities, exposing youth to diverse cultural activities, and providing much needed services and support to assist students in achieving academic success.

Under my Administration, the Department of Parks and Recreation has rededicated itself to supporting the mental, physical and social needs of our youth through structured programming. Gone are the days when supervisors would unlock the gym, roll out the balls and just watch kids play. Today, our children need more.

Over the past three years, the Department of Parks and Recreation has expanded the Summer Youth Employment program, which provides local youth with valuable work experience. Through this program, children 14 to 20 years of age learn about job readiness, customer service, financial literacy, and conflict resolution. In 2015, the number of youth participants rose to 570, compared to the 340 participants in the summer of 2012. In addition to the Youth Employment program, Parks and Recreation also supports the education advancement of our youth by offering access to college tours, SAT prep courses, and college and career fairs.

Positively impacting our youth is not just a job for one department. We must all do our part to ensure that our youth become, and stay, motivated to succeed, with the ability to shape their own futures. That is why we increased by fivefold the Office of the Mayor's Academic Scholarship fund, which provides scores of college-bound students with scholarships. We also hosted several fun-day events at local community centers across the City, presented a Back-to-School concert in partnership with local organizations, and passed out 1,250 book bags filled with school supplies for children in need.

EFFECTIVE CITY GOVERNMENT

Service to our constituents, both residents and businesses, is something that government must do effectively and efficiently. It is not enough to simply go through the motions. We have a duty to deliver the highest-quality service, and we are committed to exploring new ways to be more accessible, responsive, and customer-friendly.

Technology will be key to enhancing our ability and capacity to serve the citizens of Wilmington. Specifically, the Office of Information Technology is leading the charge to design a new and more responsive website so city services become easily available on-the-go and across mobile devices. The Finance Department is implementing online bill payment software, so citizens will have the option of viewing and paying their utility or property tax bills online. This summer, we will also implement a digital parking permit system, which will automate the City's residential parking permit application process. Residents will be able to access the system any time, day or night, to renew their residential parking permit from the comfort of their home.

Moving services online is not the only way we are looking to make things more convenient for our constituents. Currently, the City of Wilmington bills its utility customers quarterly. We are looking to change this. By the fall of 2016, our goal is to begin sending utility bills out monthly. Monthly billing will allow our customers to budget more efficiently by aligning their utility bill with their other monthly expenses. Monthly billing will also provide our customers with a more timely record of water usage, giving them the opportunity to find and repair leaks sooner before incurring abnormally high water bills.

The City will also be implementing an online service that will streamline the request for building permits. This online permit process will facilitate and encourage everything from home renovations to the construction of new office towers, keeping Wilmington a place where businesses start and grow.

However, operating more effectively and offering better customer service is not limited to the City Departments. As Mayor of the City of Wilmington, I have a responsibility to be more creative in finding ways to provide better service to our citizens. I pride myself on not being a "ninth floor" mayor, but realized I could not reach everyone on the street. This meant I had to find a way to make myself even more available to those in need. That is why I instituted an open-door policy. Every week, anyone with a concern, complaint or idea has an opportunity to share it with me directly during "Walk-in Wednesdays".

CREATING A NEW WILMINGTON

In addition to the traditional means of growing and building our City, we are developing creative ways to address public safety, economic prosperity, and ensuring a higher quality of life. An example of this is the City's partnership with Governor Markell and State of Delaware lawmakers to establish the Wilmington Neighborhood Conservancy Land Bank. This Land Bank will acquire, manage, and maintain vacant, abandoned and foreclosed properties to restore and re-purpose them into productive use. Vacant properties are magnets for crime and delinquent activity, so the land bank will work to eliminate vacant properties and transform them into productive sites through private development and public use in ways that will increase property values and protect communities.

Another unique way we have tried to increase the safety of neighborhoods around the City is through initiatives like the East Side Proactive Focus Zone, a multi-agency program that aggressively addresses public safety and quality of life issues in an area just outside Downtown, between the Brandywine and Christina Rivers. This area was picked for its high number of vacant properties, and the initiative allows

housing inspectors and police to walk side by side to address problem properties where officers have been receiving complaints about drug sales and loitering.

Responding to vacant properties is not the only way to improve public safety. We all know that well-lit areas tend to increase safety and a sense of security. With that mind, the City will launch a pilot sidewalk lighting project in partnership with Delmarva Power and the Neighborhood Planning Council leadership. Specifically, this project will increase the amount of street and sidewalk lighting throughout a given neighborhood. City designers created a model for an easily attachable sidewalk lamp that will connect to existing utility poles as well as streetlights. The new lamps will flood sidewalks with additional light, helping residents to feel safer.

As we work to erase blighted areas within our communities, we are also working to create new, open public spaces for children and families to enjoy. We have worked with State legislators, along with other community and civic partners, to push forward development of the Wilmington Skate and Wellness Plaza. The project will be a premier skate plaza and also feature areas for walking, running, and exercising. The Plaza will be located near 300 Liberty Street, the currently unused public space under Interstate 95, directly off of Maryland Avenue. This plaza will serve as a pedestrian gateway connecting the Browntown and Hedgeville neighborhoods with the Riverfront. Similar to lively parks and public spaces in Philadelphia, the Wilmington Skate and Wellness Plaza will be a great outdoor place for families and our young people to come together to play and relax.

Like the Skate and Wellness Plaza, the arts will play an integral part in defining our new Wilmington. The production of live music festivals, film events, holiday celebrations, and monthly art shows through the Office of Cultural Affairs has directly impacted the economic vitality of the City's restaurants, hotels and entertainment venues.

In 2015, City events such as the 27th Annual Clifford Brown Jazz Festival, the 4th of July Celebration, the inaugural Summer Stage concert series, and the Blues Fest brought close to 50,000 people to Rodney Square and the Riverfront. These events brought millions of dollars to Downtown and Riverfront businesses. Wilmington is now growing and changing in many positive ways. Three years ago, I said it was the beginning of a new day, and we are now experiencing the emergence of a new City.

BUDGET DISCUSSION

THE GENERAL FUND

Below are the spending highlights of the General Fund for Fiscal Year 2017.

- The Fiscal Year 2017 operating budget expenditures total **\$154,038,640** – up \$2,341,782, or 1.5% from FY 2016. Despite the City having to absorb \$4.4 million in uncontrollable cost increases and the loss of \$1.9 million in State public safety pension revenue, the Budget was balanced with no tax or fee increases through a broad and shared sacrifice by all Departments to reduce expenditures and create further efficiencies, along with strong fiscal management.
- Staffing decreased by a net total of 2.90 full-time equivalents (FTE). These changes are detailed below:
 - In the Mayor’s Office, a net 1.0 FTE was deleted. A vacant Program Support Specialist position in the Office of Economic Development was eliminated, as well as the vacant Civil Appeals Director position in the Constituent Services Division. These deletions more than offset the addition of a new Constituent Services Representative position in the Constituent Services Division.
 - In the Finance Department, a net total of 0.40 FTE was deleted. Through a reallocation that changed the funding splits of ten positions, a net 2.10 FTE were transferred in from the Water/Sewer Fund. More than offsetting this, four vacant positions (three of which were split-funded) were deleted, eliminating a net 2.50 FTE. The four vacant deleted positions were a Senior Financial Analyst, an Assistant Billing Manager, a Contract Compliance Officer, and an Account Entry Clerk.
 - In the Planning Department, a net total of 0.96 FTE was deleted. A vacant Planning Aide position was deleted for a 1.00 FTE reduction. However, the reallocation of costs for the Planner II position that is split-funded between the General Fund and the CDBG Fund added back a 0.04 FTE.
 - In the Real Estate & Housing Department, a net total of 0.04 FTE was deleted. The reallocation of costs between the General Fund and the CDBG Fund for the split-funded Development Specialist position added back 0.26 FTE. This was just slightly more than offset by the savings from the elimination of the split-funded (30% General Fund - 70% CDBG funds) Property Manager position.
 - In the Public Works Department, a net 0.50 FTE was deleted. A position of Contracts & Fleet Administrator was created to bring citywide vehicle fleet management in house. More than offsetting this increase was the elimination of two vacancies, one of which was split-funded, resulting in a decrease of 1.50 FTE. The long-vacant Utility Yard Mechanic position in the Street Cleaning Division was deleted, along with the vacant Purchasing Coordinator II position in the Administration Division that had been split-funded 50% General Fund and 50% Water/Sewer Fund.
- After several years of relatively modest employee medical benefit cost increases, inflationary pressure on the price of many medical procedures and prescription drugs has come roaring back. The City’s Health and Welfare Fund budget (from which the City’s active employee medical benefits are administered and then charged back to the

Departments through the Hospitalization account), increased by a staggering \$4.6 million or 25.7% in FY 2017. To offset the effect on the operating budget, \$2 million in fund balance was transferred from the Risk Management Fund to the Health and Welfare Fund. This will help lower the impact to the General Fund to a somewhat more manageable \$1.79 million or 12.4% increase to Hospitalization.

- A reduction of almost \$1.9 million in annual funding from the State of Delaware to support the City's old Police and Fire pension plans led to a sizable increase in the City's actuarial funding target for Fire. Fortunately, recent good investment returns helped allow some offsetting decreases to the actuarial targets of the City's other pension plans. But, in the end, the General Fund still had to absorb a net overall increase of \$878,000 for Pension and Pension Healthcare.
- Cost of Living Adjustments awarded in FY 2016 (which continue forward into FY 2017), along with employee anniversary salary step advancements, added \$1.4 million to Personal Services.
- Together, Overtime, Comp Time Payouts, and the newly created Standby Pay, increased by \$681,000. Almost half of the increase was attributable to a \$310,000 rise in Fire Overtime to cover minimum manning requirements. Police Overtime and Comp Time Payouts each increased by \$100,000 in recognition of consistently higher actual utilization. Lastly, Public Works and Licenses and Inspections (L&I) budgeted \$67,000 and \$25,000 respectively for Standby Pay. In previous fiscal years, Standby Pay had been an unbudgeted expense charged against Regular Salaries.
- In FY 2016, the City began a four-year phase-in to appropriately charge itself for water, sewer, and stormwater services used by Departments in the General Fund. The General Fund paid 25% of these charges in 2016. It will pay 50% in FY 2017, 75% in 2018, and then 100% in FY 2019 and beyond. Starting with a base fee of just under \$1.05 million for water, sewer, and stormwater services, the 50% charge for FY 2017 to the General Fund will be about \$527,000, an increase of almost \$264,000 from last fiscal year.
- As part of the final budget compromise, \$100,000 in funding was added to the Office of Management & Budget (OMB) for Consultants. The funding is to be used to hire specialists to assist OMB in performing departmental operational reviews.
- In total, Administrative Internal Services chargebacks decreased a net \$97,500. This was primarily caused by a reduction in Telephone charges, one of the larger components of Administrative Internal Services. The elimination of the one-time costs budgeted last fiscal year for the City's new telephone system enabled total Telephone charges to be lowered by \$123,400.
- Debt Service decreased by a net \$334,800. Good timing and a strong bond rating resulted in a record bond premium on the City's recent bond issuance that lowered the effective overall interest rate to just 3.18%. This is lower than the original FY 2016 budgeted interest rate of 3.5%.
- The FY 2017 Budget was crafted to ensure financial stability without reductions to essential services and programs. This was done without relying on any increases to taxes and fees.

The new Water, Sewer, and Stormwater Charges notwithstanding, Departments cut nearly \$510,000 from the total FY 2017 Material, Supplies, and Equipment (MS&E) portion of the Budget, a reduction of almost 2.7% from last fiscal year.

- The Budget was balanced with no increases to taxes and fees.

THE WATER/SEWER FUND

It is imperative that we provide adequate resources to maintain our aging infrastructure, as well as provide superior drinking water and sewage treatment for the half-million people we serve in Greater Wilmington.

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

- The FY 2017 operating budget expenditures total **\$73,235,279** – up \$1,925,897, or 2.7% from FY 2016. The FY 2017 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’s Renewable Energy Bio-solids Facility (REBF) is scheduled to become fully operational late in the First Quarter of Fiscal Year 2017. The REBF is a cutting edge, renewable energy facility that will lower the City’s carbon emissions, produce energy from processed Cherry Island Landfill gas to power the City’s Wastewater Treatment Plant, and greatly reduce the tonnage of sewer sludge to be disposed. The operation and maintenance of the REBF will be managed through a 20-year guaranteed energy savings contract with Honeywell. The Contracted Maintenance Services account in the Public Works Wastewater Treatment Division was increased by \$2.1 million to cover startup costs and contingencies related to the REBF.
- The comprehensive multi-year program to replace all small water meters (mostly affecting residential customers with 5/8 inch connections) with new, more accurate and more durable models will begin in earnest in FY 2017. The goal is to replace at least 6,000 of the old meters per year at a cost of \$1 million each year. The total replacement of all small meters should be completed in five years.
- Total Personal Services in the Water/Sewer Fund increased by almost \$323,000. The increase in Hospitalization (employee medical costs) of nearly \$311,000 accounted for more than 96% of that rise. As mentioned previously, after several years of relatively modest employee medical benefit cost increases, inflationary pressure on the price of many medical procedures and prescription drugs has come roaring back.
- Repairs to Water Lines rose by \$350,000, reflecting additional funding for the expanded maintenance program for water main valve maintenance and repair.
- Time and heavy usage of the Cool Spring Reservoir park have severely degraded the pond and the buffering landscaping. Public Works has added \$320,000 to the FY 2017 Budget

to secure a complete environmental management services contractor to restore the pond to its original condition and to keep it there. Services will include controlling and managing nutrient levels, buffers, sedimentation, aeration, maintaining the proper ecological balance between flora and fauna, working with regulated species, and maintaining winter pond ecology.

- Rather than waiting until after problems develop to take action, \$285,000 was added to the Repairs to Equipment account in the Water System Division to proactively maintain the boiler feed pumps, condensate return systems, heat exchanges, and associated piping at the City's filter plants.
- The Indirect Cost expense to the Water/Sewer Fund rose by \$223,100, reflecting the budgeted increases in the supporting services provided to the Water/Sewer Fund's utility functions by the General Fund.
- Staffing decreased by a net total of 3.10 FTE. These changes are detailed below:
 - In the Finance Department, a net total of 1.60 FTE were deleted as a result of actions taken on 15 positions. Through a reallocation that changed the funding splits of ten positions, a net 2.10 FTE were transferred out to the General Fund. In addition, three vacant split-funded positions were deleted, eliminating a net 1.50 FTE. The three vacant split-funded positions deleted were a Senior Financial Analyst, an Assistant Billing Manager, and an Account Entry Clerk. Finally, offsetting these reductions was the 2.00 FTE addition that resulted from increasing the total number of Billing Analyst and Customer Service Consultant II positions by one each.
 - In the Public Works Department, a total of 1.50 FTE was deleted. In the Administration Division, the vacant Purchasing Coordinator II position that had been split-funded 50% General Fund and 50% Water/Sewer Fund was eliminated. Also, as part of the final budget compromise with City Council, a vacant Plant Mechanic II position (1.00 FTE) in the Water System Division was deleted.
- The special concrete repairs to the Wastewater Treatment Plant's fine screen buildings will be completed in FY 2016. The one-time funding that had been budgeted for the engineering and construction costs for this project was eliminated in FY 2017, saving \$1,047,000.
- Bond-Interest Payments decreased by a net \$1.87 million. Good timing and a strong bond rating resulted in a record bond premium on the City's recent bond issuance that lowered the effective overall interest rate to just 3.18%. This is lower than the original FY 2016 budgeted interest rate of 3.5%.
- There are no increases to water, sewer, and stormwater rates.

CONCLUSION

We are at an important time in Wilmington's history. We are transforming from a city dominated solely by large corporations to a city in the midst of a jobs revolution. Wilmington is becoming a center for new small businesses, a hotbed for a new wave of residents moving Downtown and along the Riverfront, a municipality operating a more effective government, and a home for new arts and entertainment venues.

We have come too far to lessen our efforts now. Opportunities have been launched in new industries and unique urban experiences have been created. Wilmington has become more approachable, fun and vibrant. We must continue to work together to keep Wilmington moving forward, and to ensure it remains a place where families raise their children, businesses set up shop, young professionals choose to live, and visitors come to enjoy the restaurants and many entertainment options. The FY 2017 Budget demonstrates our strong commitment to providing the resources to keep the progress going, while still maintaining fiscal responsibility.

Respectfully,

A handwritten signature in cursive script that reads "Dennis P. Williams".

Dennis P. Williams
Mayor of the City of Wilmington

WILMINGTON

FACTS & FIGURES



LEGEND

- ★ Capital Cities
- State Boundaries

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 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 populations, 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%	10.9	6,530.0
New Castle County	500,265	538,479	7.6%	426.3	1,263.2
Greater Wilmington Area	586,216	639,587	9.1%	774.3	826.0
State of Delaware	783,600	897,934	14.6%	1,955.0	460.8

Population

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

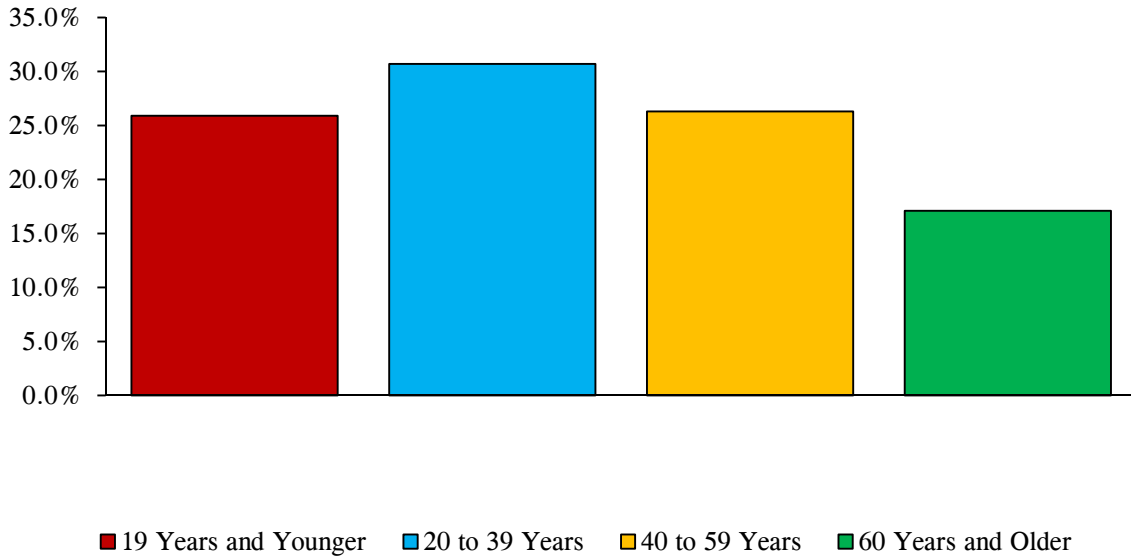
POPULATION TRENDS

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

CITY OF WILMINGTON DEMOGRAPHICS STATISTICS

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

Percentage of Population by Age Group



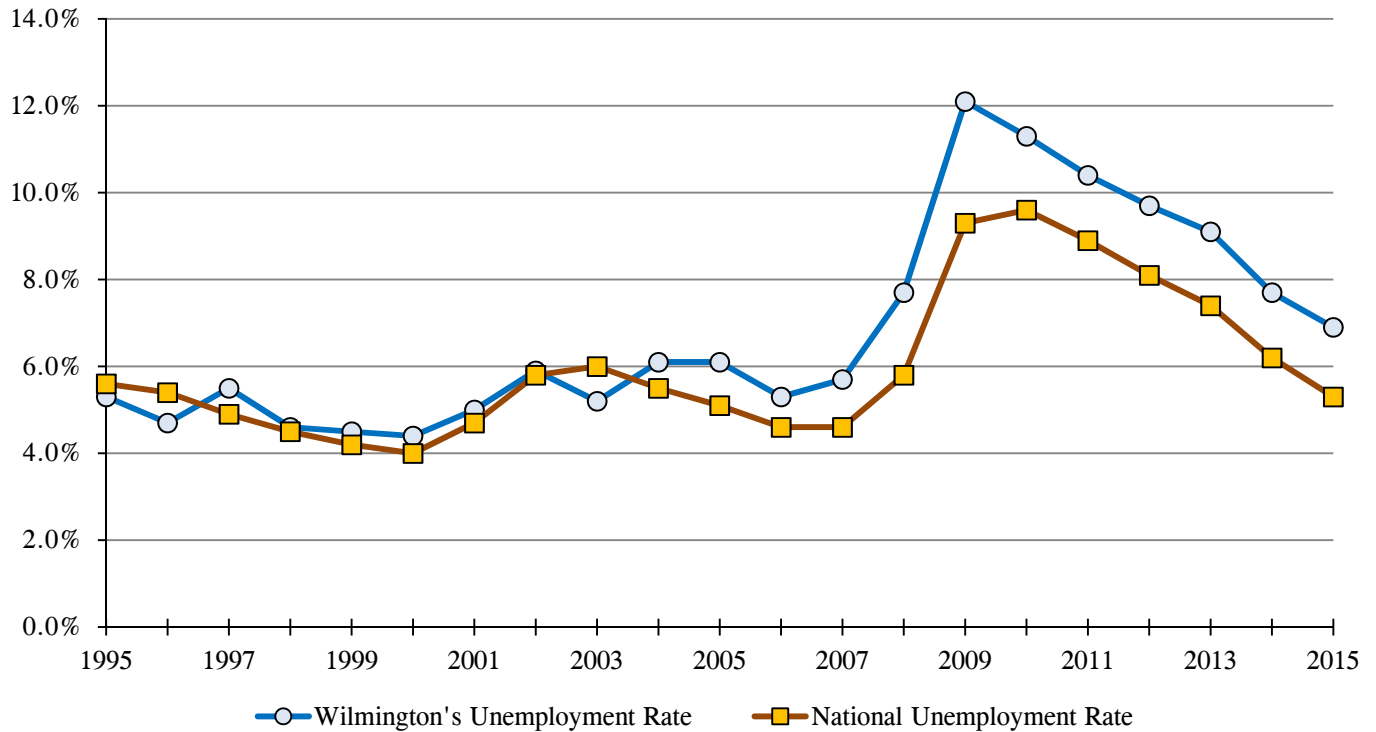
PERCENT OF HOUSEHOLDS BY ANNUAL INCOME (in 2014 inflation adjusted dollars)	
\$0 to \$9,999	13.0%
\$10,000 to \$14,999	7.6%
\$15,000 to \$24,999	13.6%
\$25,000 to \$34,999	12.4%
\$35,000 to \$49,999	12.1%
\$50,000 to \$74,999	15.7%
\$75,000 to \$99,999	9.9%
\$100,000 to \$149,999	9.1%
\$150,000 or more	6.7%
MEDIAN HOUSEHOLD INCOME	\$38,979

Source: U.S. Census Bureau, 2014 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 stay 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.

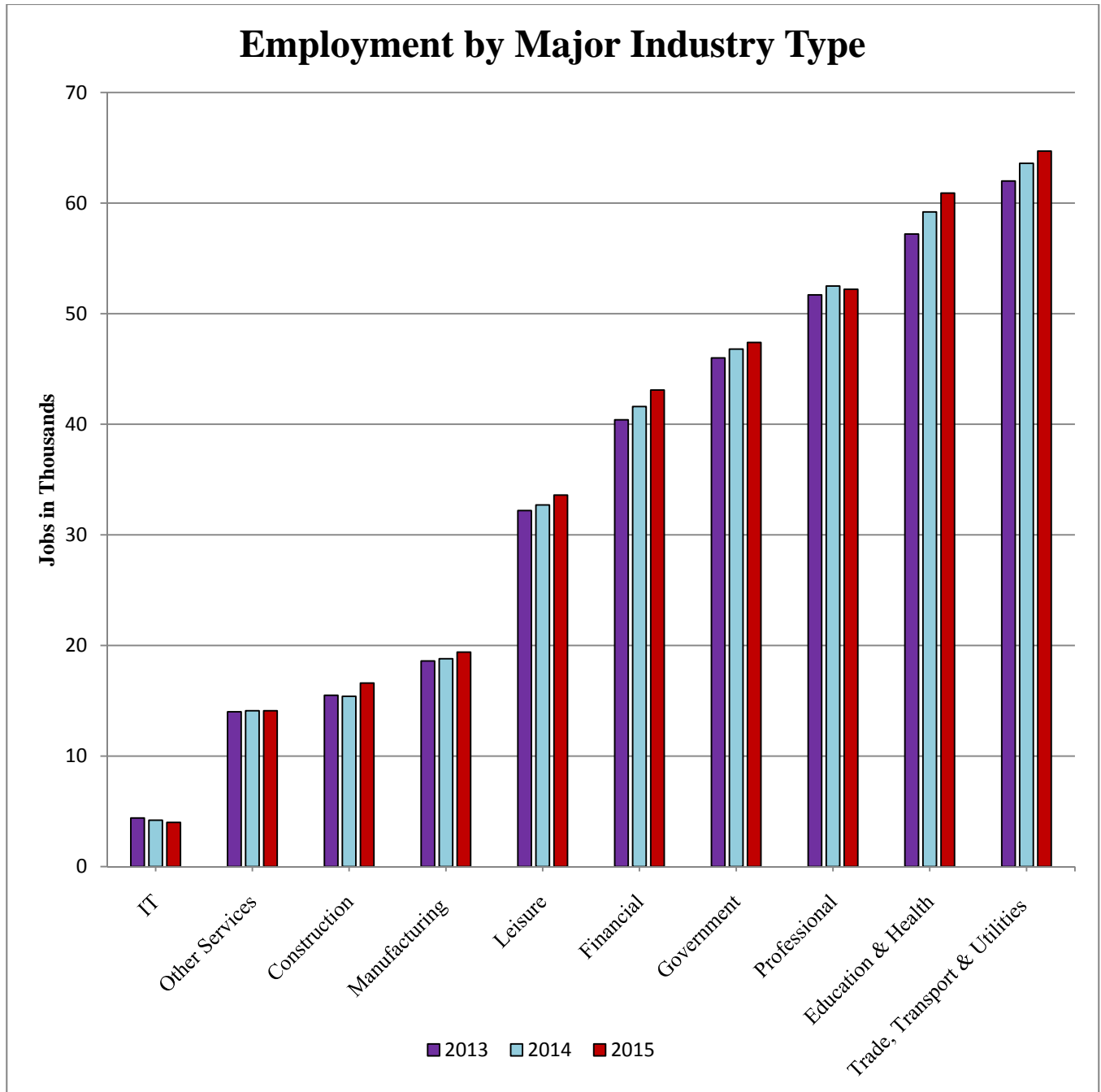
City of Wilmington's Unemployment Rate (%)



Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics & Annual Average Unemployment Rate, 2015.

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.



Source: U.S. Department of Labor, Bureau of Labor Statistics, Current Employment Statistics Program, 2015.

WILMINGTON EMPLOYMENT TRENDS

Major area employers within commuting distance of the City of Wilmington.

Employer	Business	Employees
State of Delaware	Government	18,800
Christiana Care Health System	Hospital/Healthcare	11,100
DuPont Company	Science and Engineering	6,000
University of Delaware	Public Education	4,000
Nemours (A.I. DuPont Hospital)	Hospital/Healthcare	3,740
Christina School District	Public Education	2,485
YMCA of Delaware	Nonprofit	2,469
Red Clay School District	Public Education	2,305
AstraZeneca Pharmaceuticals LP	Pharmaceuticals/Chemicals	2,100
M&T Bank	Banking	1,835
New Castle County	Government	1,800
Brandywine School District	Public Education	1,472
Delmarva Power	Utility	1,400
Computer Aid, INC (CAI)	Technology	1,200
Saint Francis Healthcare	Hospital/Healthcare	1,200
DuPont Pharmaceuticals	Pharmaceuticals/Chemicals	1,001
Wilmington VA Medical Center	Hospital/Healthcare	980
Goodwill of Delaware	Nonprofit	900
AAA	Automotive/Travel	890
WSFS Bank	Banking	801
Aetna	Insurance	750
Christiana Care Visiting Nurses Association	Hospital/Healthcare	670
Incyte Corporation	Pharmaceuticals/Chemicals	500
Berkshire Hathaway	Real Estate	339
Patterson-Schwartz	Real Estate	330

Source: Delaware Business Times, Book of Lists, 2016.

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 2014, no one entity was providing more than 11% of total Wage Taxes withheld. Below are the City's top five Wage Tax withholders over the past three calendar years.

Calendar Year 2015

Name	Withholdings	% of Total Withholdings
JP Morgan Chase	\$5,724,047	10.1%
State of Delaware	\$3,489,913	6.2%
Barclays	\$2,206,559	3.9%
Christiana Care Health Systems	\$1,839,479	3.3%
Bank of America	\$1,686,190	3.0%

Calendar Year 2014

Name	Withholdings	% of Total Withholdings
JP Morgan Chase	\$5,839,279	10.7%
DuPont	\$5,139,061	9.4%
State of Delaware	\$3,443,612	6.3%
Bank of America	\$2,685,793	4.9%
Barclays	\$1,972,340	3.6%

Calendar Year 2013

Name	Withholdings	% of Total Withholdings
JP Morgan Chase	\$5,441,773	9.9%
State of Delaware	\$3,387,085	6.2%
DuPont	\$3,157,830	5.8%
Bank of America	\$2,013,280	3.7%
Barclays	\$1,799,199	3.3%

Source: City of Wilmington Department of Finance.

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 largest real estate owners that in total represent over 25% of the total taxable assessment value in the City.

Name	Property Type	Taxable Assessment	Percent of Taxable Assessment
Buccini Pollin Group	Office & Residential	\$139,388,600	6.48%
JP Morgan Chase	Office Building	55,463,100	2.58%
Bank of America	Office Building	53,137,500	2.47%
M&T Bank	Office Building	52,805,360	2.46%
The Chemours Company	Office Building	45,317,600	2.11%
Delmarva	Electric & Gas Utility	42,626,500	1.98%
DCL Leasing Partners	Office Building	41,000,000	1.91%
1201 N. Market St., LLC	Office Building	35,000,000	1.63%
Calpine Mid-Atlantic	Electric Generation	32,703,400	1.52%
Verizon	Office Bldg. & Utility	29,844,100	1.39%
TRC Rubenstein	Office Building	28,548,300	1.33%
HUB Properties	Office Building	20,319,900	0.94%
Total		\$576,154,360	26.79%

Source: City of Wilmington Department of Finance.

New Construction Permits Issued

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Single-Family	31	7	22	7	29
Multi-Family	2	3	3	2	6
Non-Residential	7	6	4	9	14
Total	40	16	29	18	49

Total Value of New Construction Activity

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Residential	\$4,650,925	\$25,154,312	\$22,457,667	\$13,478,141	\$20,039,224
Non-Residential	\$49,391,949	\$38,583,903	\$5,383,608	\$18,583,810	\$67,428,205
Total	\$54,042,874	\$63,738,215	\$27,841,275	\$32,061,951	\$87,467,429

Renovation Construction Permits Issued

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Residential	1,919	2,293	2,232	2,449	2,520
Non-Residential	247	319	447	346	413
Total	2,166	2,612	2,679	2,795	2,933

Total Value of Renovation Construction Activity

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Residential	\$64,514,060	\$17,552,355	\$49,604,102	\$46,918,681	\$53,225,787
Non-Residential	\$94,577,430	\$83,326,487	\$56,438,330	\$61,920,799	\$229,096,394
Total	\$159,091,490	\$100,878,842	\$106,042,432	\$108,839,480	\$282,322,181

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

ECONOMIC DEVELOPMENT ACTIVITY

Wilmington continues to make steady progress toward a full recovery from the significant impact of the collapse of financial markets during the Great Recession. Since 2012, Wilmington's unemployment rate has dropped from an annual average of 9.7% to 6.9% (not seasonally adjusted) and hiring in Financial Services and Insurance (a core sector of Wilmington's economic base) has exceeded pre-recession levels, with nearly 12,000 jobs as of the end of 2015. The growth in this sector is due in part to the analytical skill-set of our workforce, which has its roots in the chemical and engineering industries, and was further developed by growth of the credit card industry.

Wilmington in particular, is uniquely positioned to meet the growing demand for the next generation of financial, technical and predictive analytics jobs, and industries such as healthcare and energy, which will come to rely more heavily on information technology and analytical skills.

Business Incentive Program

The Office of Economic Development (OED) manages the City's Economic Development Strategic Fund, which is used to make contractually-based job creation and job retention incentive offers to private businesses. The Fund's incentive 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 memorialized, and contains performance requirements and claw-back terms.

Since the enabling legislation and initial appropriation of the Economic Development Strategic Fund in 2002, the City has executed over 35 contracts that have provided a total of \$12.2 million in incentive payments. These incentives have yielded over \$60 million of additional wage taxes to the City's General Fund between fiscal years 2002 and 2015. In FY 2015 alone, the jobs attributed to the Business Incentive Program accounted for over \$9 million of the City's wage tax base.

Strategic Fund highlights in FY 2016 include the execution of a Job Creation Incentive Agreement to assist a new Marriott Residence Inn hotel that will occupy a formerly vacant office building downtown near the Brandywine River and a \$2 million Job Retention Incentive offer to the Chemours Company. Chemours, after transitioning to an independent company spun off from Dupont in the summer of 2015, is finalizing its analysis as to where to locate its international headquarters.

While no official announcement has been made regarding its location decision, a major concern to the corporation about locating permanently in Wilmington was addressed through new State legislation passed in early 2016. This new legislation altered the methodology for calculating corporate income tax liabilities and made Delaware and Wilmington a more attractive and competitive candidate for Chemours. The State of Delaware has also offered a \$7.9 million incentive package to retain the Chemours Company in Wilmington.

Another highlight and major achievement of FY 2016 was the closing of the first Grow Wilmington Fund (GWF) loan which will support the expansion of a local small business. The Kitchen, a full-service film and video production and equipment rental house, was able to obtain a \$210,000 loan fixed at a 2.99% interest rate for 10 years through the GWF. This new tool was created in late 2014 as a partnership between the National Development Council, Discover Bank, and Wilmington Urban Development Action Grant (UDAG) Corporation. The GWF offers loans ranging from \$125,000 to \$4 million, and leverages the advantages of low interest rates and extended fixed-rate terms for new and existing businesses. This

program is exclusive to Wilmington and increases our competitiveness and capacity to support the growth of small business

Downtown Development

Since the 2014 establishment of Governor Markell's Downtown Development District (DDD), 15 development projects within the City of Wilmington have received or been designated to receive over \$11 million in DDD funds. Combined, those projects leverage over \$130 million in private investment to construct or rehabilitate new and existing housing, retail, and commercial space in downtown Wilmington.

In the first two funding rounds alone, the program has produced 232 apartment units, 20 commercial units, and over 7,000 square feet of ground floor in the downtown area. Now in its third round of funding, the program is aimed at assisting Delaware cities in attracting private development to their downtown cores, and is modeled after similar successful programs in other states and cities. One recent notable project supported by the program is the Residences at Midtown Park & Garage, which broke ground in June 2016. This new landmark residential development of the previously vacant and deteriorating Midtown Parking Garage will provide 229 new apartment units, and 5 levels of underground parking. The project expands the heart of Wilmington's downtown residential core westward to Orange Street.

Several other residential buildings along Shipley Street and 9th Street are also targeted for redevelopment, and the creation of a new pedestrian plaza in the middle of the 800 block of Market Street will provide a new east-west connection between the Midtown project and the Market Street corridor. The new developments are in addition to the projects completed in the summer of 2015 at 608 & 627 N. Market, and at the three addresses comprising Market Street Village. These recently completed projects provided a total of 152 new units of market-rate and affordable housing for a total investment of \$41 million.

The Office of Economic Development, in partnership with the Planning and Development Department, is pursuing a National Register of Historic Places designation for an expanded area of the downtown Market Street corridor as an additional means of supporting downtown development. Currently, only buildings downtown with the Lower Market Historic District (which ends at 5th Street), and buildings with individual historic designations have access to the federal Historic Tax Credit program. Through this new district designation, buildings within a wider swath of the downtown area (extending all the way to 9th Street) will have access to this valuable financial tool that both supports historic preservation as well as economic development.

The Wilmington Renaissance Corp (WRC) is a public/private partnership funded by many of the leading businesses within the Downtown business district of the City. WRC has benchmarked best practices of other cities, and assembled local focus groups to come up with one "Big Idea" for Wilmington to adopt. The priority idea, which has garnered wide community support, is to transform the area bounded by Fourth, Ninth, Market and Washington Streets into a "Creative District" to serve as a hub for Wilmington's artistic, technological, and design communities. The project is a multi-year initiative involving real estate development, as well as programming and public art interventions. The project secured funding for the development of the first installment of artist housing in early 2015 and broke ground on seven one-bedroom live/work condominium units, and three single-family homes in June 2015. The first units will be available in summer of 2016.

The new \$10 million Marriott Residence Inn hotel locating in downtown Wilmington, near the Brandywine River, broke ground in the fall of 2015. The project converts a vacant, 67,000 square foot office building into a 96-room extended-stay hotel carrying the Marriott luxury brand. It is anticipated that the new hotel, once completed in spring of 2017, will create 20 full-time and 15 part-time employment positions.

The Riverfront

Phase II of III of the Residences at Harlan Flats broke ground in late 2015, and is projected to be complete in spring of 2017. The new phase of development adds an additional 76 apartment units (overtop of covered parking spaces) to the existing five-story 116-unit building that was completed in late 2014. The \$20 million project (both phases) features one- and two-bedroom apartments with balconies, river views, and an outdoor pool and terrace. The project covers 20-acres of the Justison Landing redevelopment site. Two sites approved for mixed-use development remain for future economic development opportunities.

The Delaware Department of Transportation has completed land acquisition, environmental permitting and concept design of the new multi-modal Christina River bridge crossing. This \$40 million project will connect US Route 13 on the east side of the Christina River to Wilmington's Riverfront on the west side, allowing for vehicular access to the area from I-495. The bridge is designed for bike and pedestrian use, and will create a greenway connection from the Riverwalk to the east side, where future north-south transportation connections are planned. Construction of the bridge is scheduled to start in late fall of 2016, and will be completed in 2019.

Neighborhood Improvements

The \$100 million redevelopment of a ten-acre neighborhood along Bancroft Parkway on Wilmington's west side is nearing completion of its first phase. Woodlawn Trustees, a 100-year old foundation created by the Wilmington industrialist and philanthropist William Bancroft, broke ground in May of 2015 on the first of a seven-phase, ten-year project that will result in the demolition of 430 obsolete residential units and the construction of 450 new units in their place. Phase I consists of 72 new energy-efficient units along Union Street, and represents a \$15.5 million initial investment in the community. The City is coordinating with the contractors to help leverage the employment of City residents on the project.

Authorizing legislation for the Neighborhood Conservancy and Land Bank (NCLB), championed by the City and a group of stakeholders in housing and neighborhood revitalization, was passed by the Delaware General Assembly and signed by the Governor in mid-2015. Land banks are a comprehensive tool used to acquire, hold, manage, and dispose of vacant and blighted properties in an effort to put them back into productive use more efficiently. The NCLB will allow the City to be more aggressive, strategic, and transparent in its effort to deal with vacancy and blight.

The City has also procured the services of The Reinvestment Fund, a national leader in the financing of neighborhood revitalization, to perform a Market Value Analysis (MVA) of the City's real estate market to guide future investments in stabilizing and strengthening the local housing market.

Economic Development Planning

OED has worked in coordination with New Castle County to develop a Comprehensive Economic Development Plan for the City. The Economic Development Strategic Action Plan was released in the fall of 2014 and adopted by City Council in spring of 2015. It outlines a number of recommendations to position the City for long-term economic growth. OED is seeking support from the business community as it implements various elements of the plan.

Conclusion

Wilmington continues to grow despite some recent setbacks. Strong hiring in the Financial Services and Insurance sector and declining unemployment are key indicators of Wilmington's economic recovery. Gains won through the Business Incentive Program demonstrate that 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 and Riverfront neighborhoods have generated activity, excitement, and a sense of pride in Wilmington. Thoughtful, data-driven planning processes that involve collaborations of the business community, nonprofits, neighborhood groups, and government, have set the course for continued future growth in the City.

CITIZEN'S GUIDE TO THE BUDGET PROCESS

The Budget Process

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

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

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

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

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

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

All materials and instructions necessary for Department Heads to craft their budget requests are given to them during the Budget Kick-off meeting, which is held the first week in December. Part of the material they receive includes the Level I Budget developed by OMB. It should be noted that requests for staffing increases or position upgrades go through an additional 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. Once completed, the Approved Budget Book is accessible through the City's website. OMB also provides free hard copies of the Approved Budget Book 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 255.**

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 2015 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 25**). 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.

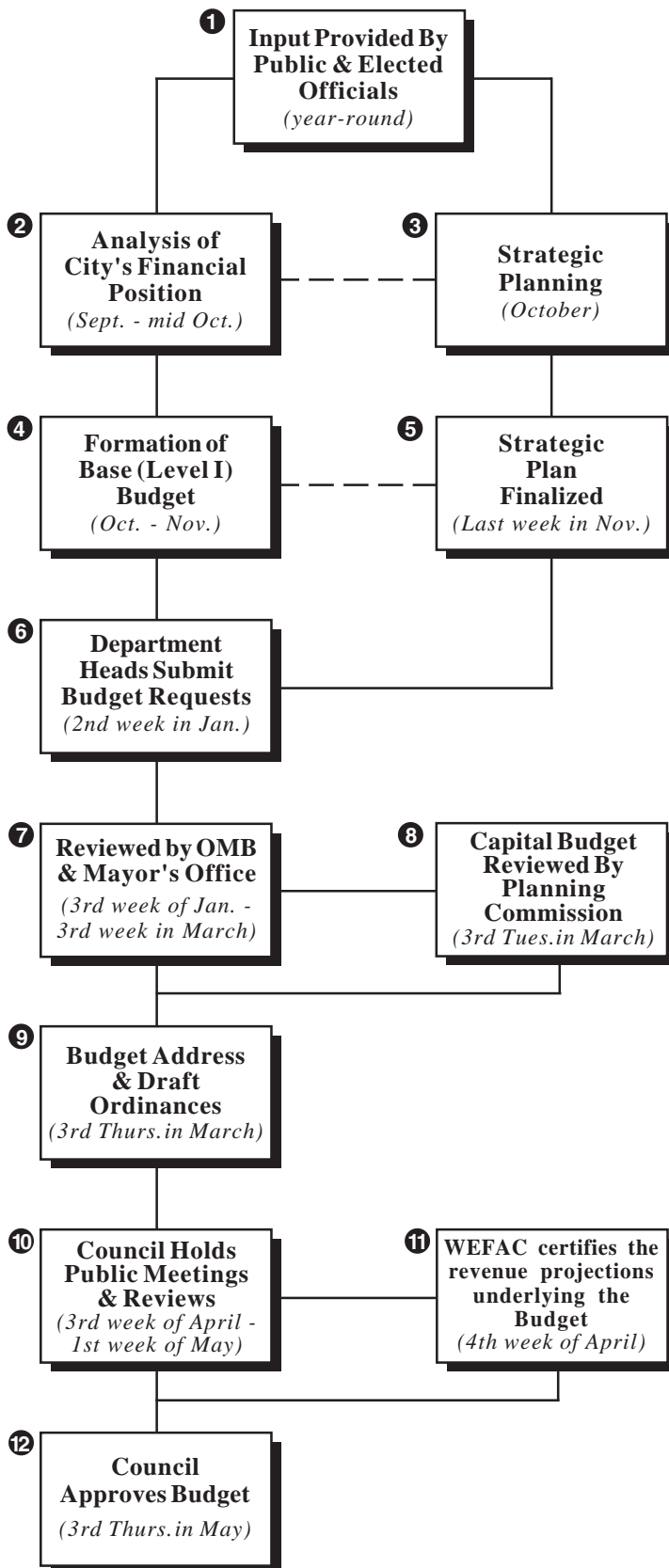
The basis of budgeting for each City fund matches the basis of accounting (the underlying fiscal principles used in the development of the financial statements and for recording financial activity) for that fund. The General, and Special funds are budgeted and operate under a **modified accrual basis**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

WILMINGTON STRATEGIC PLAN

VISION STATEMENT

To Be a Thriving City, Where Communities Are Safe, Businesses Are Eager to Invest, and People Prefer to Live.

FOCUS AREA

EFFECTIVE CITY GOVERNMENT

To Meet Citizens' Service Needs in a Professional, Caring, and Efficient Manner

- | | |
|--------------------|------------------------------|
| City-wide goal #1: | Embrace a Culture of Service |
| City-wide goal #2: | Increase Accountability |
| City-wide goal #3: | Enhance Fiscal Prudence |
| City-wide goal #4: | Ensure Transparency |

FOCUS AREA

PUBLIC SAFETY

To Decrease Crime and Improve Residents' and Visitors' Sense of Security

- | | |
|--------------------|--|
| City-wide goal #5: | Prevent and Deter Violent Crime |
| City-wide goal #6: | Cultivate Positive Community Relationships. |
| City-wide goal #7: | Promote Professionalism. |
| City-wide goal #8: | Reintegrate Formally Incarcerated Individuals. |

FOCUS AREA

ECONOMIC VITALITY

To Increase Opportunities for Citizens and Businesses to Achieve Economic Success

- | | |
|---------------------|---------------------------------------|
| City-wide goal #9: | Streamline Permitting Process. |
| City-wide goal #10: | Build a Skilled Workforce. |
| City-wide goal #11: | Cultivate Entrepreneurship. |
| City-wide goal #12: | Attract, Retain, and Expand Business. |

FOCUS AREA

QUALITY OF LIFE

To Enhance the City's Position as a Desirable Place to Live, Work, and Play

- | | |
|---------------------|--|
| City-wide goal #13: | Offer Enhanced Recreational Opportunities. |
| City-wide goal #14: | Support Enriching Cultural Experiences. |
| City-wide goal #15: | Enhance City Services. |
| City-wide goal #16: | Inspire Young People to Achieve Success. |
| City-wide goal #17: | Improve Housing Quality. |
| City-wide goal #18: | Enhance Environmental Sustainability. |

Special Note:

This new Wilmington Strategic Plan outlines the primary focus areas and administrative and service-related City-wide goals. The Plan also defines key measurable objectives authorized to achieve those stated goals. Those objectives are linked to the City-wide goals and are part of the Departmental budget summaries. Each Department will use their individual plan as an edict which will channel services and programming toward measurable outcomes and marked improvements in efficiency.

As of the time of publication of the FY 2017 Approved Budget Book, the Mayor's Office and Department Heads had only just completed the third (and next to the last phase) of the Strategic Plan--the development of relevant performance measures for the departmental objectives. The creation and tracking of performance measures is the most important, time-consuming, and data-intensive part of the strategic planning process. A concerted effort is now underway to collect the pertinent data (both past and present) related to the newly created performance measures. This data collection process is scheduled to be completed by November 1, 2016. In the interim, Departmental graphical performance trends will continue to serve as rough proxies of performance measurement.

STATEMENT OF FINANCIAL POLICIES

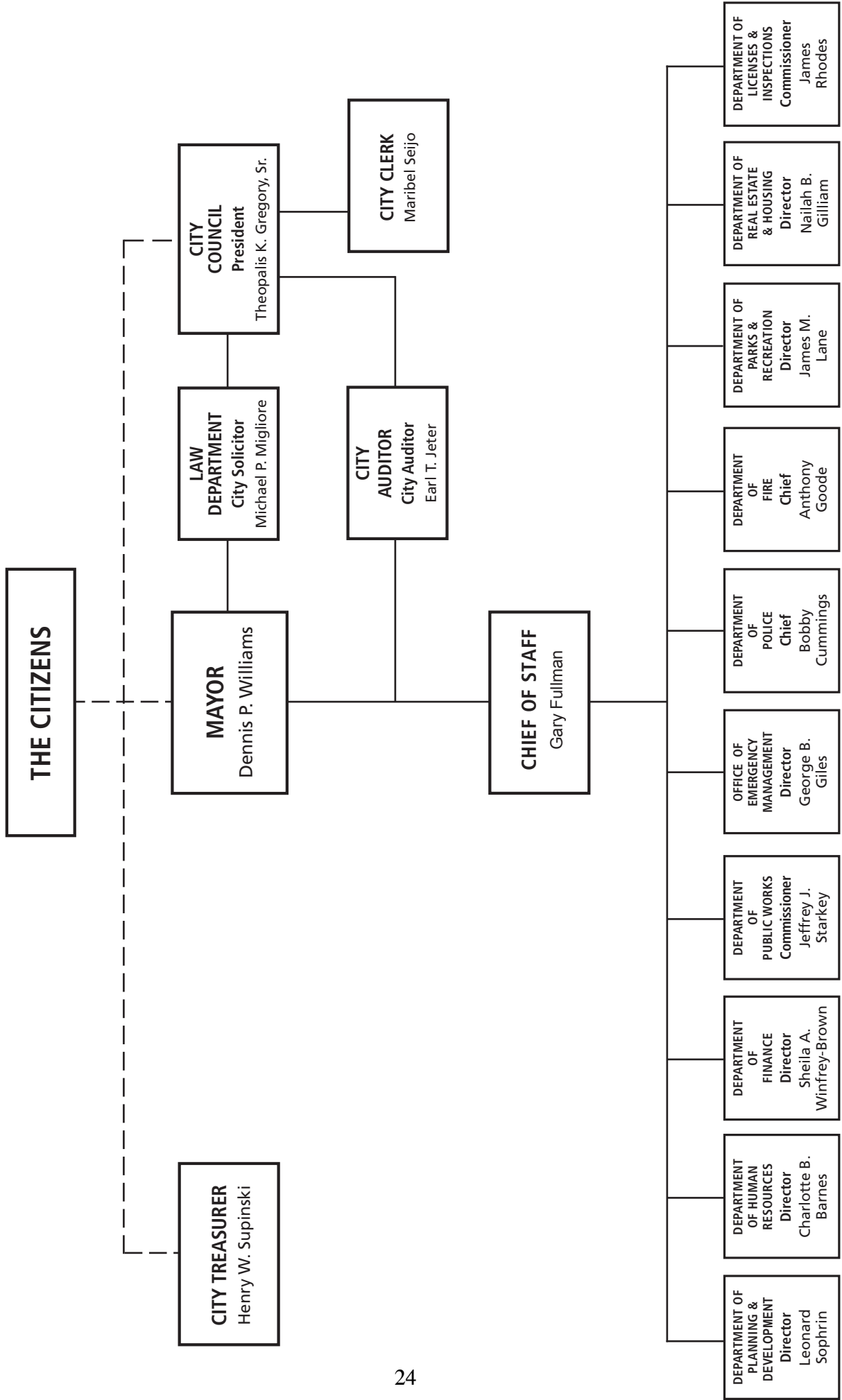
1. The City Code requires that the operating budget be "balanced" or operating expenditures must be equal to revenues, plus prior years' accumulated surplus may be used if approved by Council. Our financial policy extends the code to include the following:
 - Enterprise Funds shall be self-sufficient 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.
 - 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.

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.
 - One-time, temporary, or highly volatile sources of funding shall not be used to incur long-term or permanent increases in expenditures.
 - 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 deemed as priorities by 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 98% 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 and subsequent interest charges.
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. Although total annual General Fund debt service cost as a percentage of the annual operating budget shall not exceed 17.5%, as mandated by Delaware State law, the City shall strive to keep that percentage to below 11%.
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 HIGHLIGHTS

CITY OF WILMINGTON

FISCAL YEAR 2017

The General Fund

- The Fiscal Year (FY) 2017 operating budget expenditures total **\$154,038,640** – up \$2,341,782, or 1.5% from FY 2016. Despite the City having to absorb \$4.4 million in uncontrollable cost increases and the loss of \$1.9 million in State public safety pension revenue, the Budget was balanced with no tax or fee increases through a broad and shared sacrifice by all Departments to reduce expenditures and create further efficiencies, along with strong fiscal management.
- Staffing decreased by a net total of 2.90 full-time equivalents (FTE). These changes are detailed below:
 - In the Mayor’s Office, a net 1.0 FTE was deleted. A vacant Program Support Specialist position in the Office of Economic Development was eliminated, as well as the vacant Civil Appeals Director position in the Constituent Services Division. These deletions more than offset the addition of a new Constituent Services Representative position in the Constituent Services Division.
 - In the Finance Department, a net total of 0.40 FTE was deleted. Through a reallocation that changed the funding splits of ten positions, a net 2.10 FTE were transferred in from the Water/Sewer Fund. More than offsetting this, four vacant positions (three of which were split-funded) were deleted, eliminating a net 2.50 FTE. The four vacant deleted positions were a Senior Financial Analyst, an Assistant Billing Manager, a Contract Compliance Officer, and an Account Entry Clerk.
 - In the Planning Department, a net total of 0.96 FTE was deleted. A vacant Planning Aide position was deleted for a 1.00 FTE reduction. However, the reallocation of costs for the Planner II position that is split-funded between the General Fund and the CDBG Fund added back a 0.04 FTE.
 - In the Real Estate & Housing Department, a net total of 0.04 FTE was deleted. The reallocation of costs between the General Fund and the CDBG Fund for the split-funded Development Specialist position added back 0.26 FTE. This was just slightly more than offset by the savings from the elimination of the split-funded (30% General Fund - 70% CDBG funds) Property Manager position.
 - In the Public Works Department, a net 0.50 FTE was deleted. A position of Contracts & Fleet Administrator was created to bring city-wide vehicle fleet management in house. More than offsetting this increase was the elimination of two vacancies, one of which was split-funded, resulting in a decrease of 1.50 FTE. The long-vacant Utility Yard Mechanic position in the Street Cleaning Division was deleted, along with the vacant Purchasing Coordinator II position in the Administration Division that had been split-funded 50% General Fund and 50% Water/Sewer Fund.

BUDGET HIGHLIGHTS

CITY OF WILMINGTON

FISCAL YEAR 2017

The General Fund (continued)

- After several years of relatively modest employee medical benefit cost increases, inflationary pressure on the price of many medical procedures and prescription drugs has come roaring back. The City's Health and Welfare Fund budget (from which the City's active employee medical benefits are administered and then charged back to the Departments through the Hospitalization account), increased by a staggering \$4.6 million or 25.7% in FY 2017. To offset the effect on the operating budget, \$2 million in fund balance was transferred from the Risk Management Fund to the Health and Welfare Fund. This will lower the impact to the General Fund to a somewhat more manageable \$1.79 million or 12.4% increase to Hospitalization.
- A reduction of almost \$1.9 million in annual funding from the State of Delaware to support the City's old Police and Fire pension plans led to a sizable increase in the City's actuarial funding target for Fire. Fortunately, recent good investment returns helped allow some offsetting decreases to the actuarial targets of the City's other pension plans. But, in the end, the General Fund still had to absorb a net overall increase of \$878,000 for Pension and Pension Healthcare.
- Cost of Living Adjustments awarded in FY 2016 (which continue forward into FY 2017), along with employee anniversary salary step advancements, added \$1.4 million to Personal Services.
- Together, Overtime, Comp Time Payouts, and the newly created Standby Pay, increased by \$681,000. Almost half of the increase was attributable to a \$310,000 rise in Fire Overtime to cover minimum manning requirements. Police Overtime and Comp Time Payouts each increased by \$100,000 in recognition of consistently higher actual utilization. Lastly, Public Works and Licenses and Inspections (L&I) budgeted \$67,000 and \$25,000 respectively for Standby Pay. In previous fiscal years, Standby Pay had been an unbudgeted expense charged against Regular Salaries.
- In FY 2016, the City began a four-year phase-in to appropriately charge itself for water, sewer, and stormwater services used by Departments in the General Fund. The General Fund paid 25% of these charges in 2016. It will pay 50% in FY 2017, 75% in 2018, and then 100% in FY 2019 and beyond. Starting with a base fee of just under \$1.05 million for water, sewer, and stormwater services, the 50% charge for FY 2017 to the General Fund will be about \$527,000, an increase of almost \$264,000 from last fiscal year.
- As part of the final budget compromise, \$100,000 in funding was added to the Office of Management & Budget (OMB) for Consultants. The funding is to be used to hire specialists to assist OMB in performing departmental operational reviews.

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2017

The General Fund (continued)

- In total, Administrative Internal Services chargebacks decreased a net \$97,500. This was primarily caused by a reduction in Telephone charges, one of the larger components of Administrative Internal Services. The elimination of the one-time costs budgeted last fiscal year for the City's new telephone system enabled total Telephone charges to be lowered by \$123,400.
- Debt Service decreased by a net \$334,800. Good timing and a strong bond rating resulted in a record bond premium on the City's recent bond issuance that lowered the effective overall interest rate to just 3.18%. This is lower than the original FY 2016 budgeted interest rate of 3.5%.
- The FY 2017 Budget was crafted to ensure financial stability without reductions to essential services and programs. This was done without relying on any increases to taxes and fees. The new Water, Sewer, and Stormwater Charges notwithstanding, Departments cut nearly \$510,000 from the total FY 2017 MS&E Budget, a reduction of almost 2.7% from last fiscal year.
- The Budget was balanced with no increases to taxes and fees.

BUDGET HIGHLIGHTS

CITY OF WILMINGTON

FISCAL YEAR 2017

The Water/Sewer Fund

- The FY 2017 operating budget expenditures total **\$73,235,279** – up \$1,925,897, or 2.7% from FY 2016. The FY 2017 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’s Renewable Energy Bio-solids Facility (REBF) is scheduled to become fully operational late in the First Quarter of Fiscal Year 2017. The REBF is a cutting edge, renewable energy facility that will lower the City's carbon emissions, produce energy from processed Cherry Island Landfill gas to power the City’s Wastewater Treatment Plant, and greatly reduce the tonnage of sewer sludge to be disposed. The operation and maintenance of the REBF will be managed through a 20-year guaranteed energy savings contract with Honeywell. The Contracted Maintenance Services account in the Public Works Wastewater Treatment Division was increased by \$2.1 million to cover startup costs and contingencies related to the REBF.
- The comprehensive multi-year program to replace all small water meters (mostly affecting residential customers with 5/8 inch connections) with new, more accurate and more durable models will begin in earnest in FY 2017. The goal is to replace at least 6,000 of the old meters per year at a cost of \$1 million each year. The total replacement of all small meters should be completed in five years.
- Total Personal Services in the Water/Sewer Fund increased by almost \$323,000. The increase in Hospitalization (employee medical costs) of nearly \$311,000 accounted for more than 96% of that rise. As mentioned previously, after several years of relatively modest employee medical benefit cost increases, inflationary pressure on the price of many medical procedures and prescription drugs has come roaring back.
- Repairs to Water Lines rose by \$350,000, reflecting additional funding for the expanded maintenance program for water main valve maintenance and repair.
- Time and heavy usage of the Cool Spring Reservoir park have severely degraded the pond and the buffering landscaping. Public Works has added \$320,000 to the FY 2017 Budget to secure a complete environmental management services contractor to restore the pond to its original condition and to keep it there. Services will include controlling and managing nutrient levels, buffers, sedimentation, aeration, maintaining the proper ecological balance between flora and fauna, working with regulated species, and maintaining winter pond ecology.

BUDGET HIGHLIGHTS

CITY OF WILMINGTON

FISCAL YEAR 2017

The Water/Sewer Fund (continued)

- Rather than waiting until after problems develop to take action, \$285,000 was added to the Repairs to Equipment account in the Water System Division to proactively maintain the boiler feed pumps, condensate return systems, heat exchanges, and associated piping at the City's filter plants.
- The Indirect Cost expense to the Water/Sewer Fund rose by \$223,100, reflecting the budgeted increases in the supporting services provided to the Water/Sewer Fund's utility functions by the General Fund.
- Staffing decreased by a net total of 3.10 FTE. These changes are detailed below:
 - In the Finance Department, a net total of 1.60 FTE were deleted as a result of actions taken on 15 positions. Through a reallocation that changed the funding splits of ten positions, a net 2.10 FTE were transferred out to the General Fund. In addition, three vacant split-funded positions were deleted, eliminating a net 1.50 FTE. The three vacant split-funded positions deleted were a Senior Financial Analyst, an Assistant Billing Manager, and an Account Entry Clerk. Finally, offsetting these reductions was the 2.00 FTE addition that resulted from increasing the total number of Billing Analyst and Customer Service Consultant II positions by one each.
 - In the Public Works Department, a total of 1.50 FTE was deleted. In the Administration Division, the vacant Purchasing Coordinator II position that had been split-funded 50% General Fund and 50% Water/Sewer Fund was eliminated. Also, as part of the final budget compromise with City Council, a vacant Plant Mechanic II position (1.00 FTE) in the Water System Division was deleted.
- The special concrete repairs to the Wastewater Treatment Plant's fine screen buildings will be completed in FY 2016. The one-time funding that had been budgeted for the engineering and construction costs for this project was eliminated in FY 2017, saving \$1,047,000.
- Bond-Interest Payments decreased by a net \$1.87 million. Good timing and a strong bond rating resulted in a record bond premium on the City's recent bond issuance that lowered the effective overall interest rate to just 3.18%. This is lower than the original FY 2016 budgeted interest rate of 3.5%.
- There are no increases to water, sewer, and stormwater rates.

**SUMMARY OF COMBINED STATEMENT OF REVENUES
FY 2013 - FY 2017**

REVENUES	ACTUAL FY 2013	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
General Fund					
Taxes	\$108,579,807	\$106,613,151	\$111,345,910	\$112,145,731	\$114,125,910
Permits, Fees & Fines	11,710,873	12,383,766	11,744,885	12,800,000	12,350,000
Other	5,819,430	7,091,061	7,686,314	7,920,204	7,954,615
Task Force Revenues	4,314,782	4,754,986	5,053,288	4,745,026	5,232,226
County Seat Relief	8,172,793	9,129,958	9,658,837	8,765,836	9,643,339
State Pension Contributions	7,155,315	5,302,444	5,731,410	7,155,315	5,269,823
Transfers In	316,616	220,247	276,696	275,000	275,000
Prior Year Surplus	0	0	0	0	0
Subtotal	146,069,616	145,495,613	151,497,340	153,807,112	154,850,913
Water/Sewer Fund					
Direct User Charges	47,135,438	56,990,787	54,610,259	53,026,216	54,545,000
New Castle County Charges	18,638,495	17,769,628	18,095,165	19,380,024	18,374,244
Other	1,575,964	1,735,386	1,155,061	1,209,784	1,201,000
Subtotal	67,349,897	76,495,801	73,860,485	73,616,024	74,120,244
Special Funds					
Fed./State/County Grants	8,553,855	10,256,791	10,315,283	7,817,942	7,866,059
Other	2,238,593	3,981,965	4,452,812	4,408,467	4,767,694
Subtotal	10,792,448	14,238,756	14,768,095	12,226,409	12,633,753
Total Revenues	\$224,211,961	\$236,230,170	\$240,125,920	\$239,649,545	\$241,604,910

**SUMMARY OF COMBINED STATEMENT OF EXPENDITURES
FY 2013 - FY 2017**

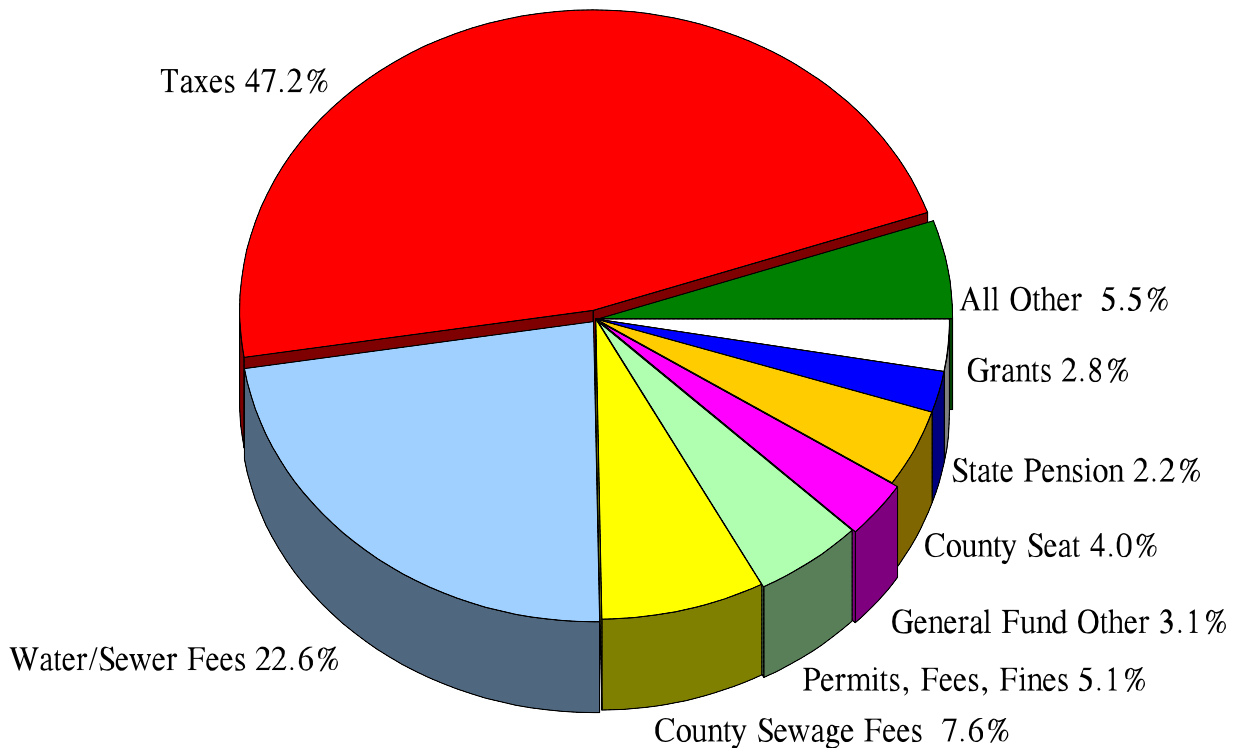
EXPENDITURES	ACTUAL FY 2013	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
General Fund					
Personal Services	\$100,953,853	\$99,668,942	\$101,450,360	\$99,626,038	\$102,817,111
M. S. & E.	30,204,149	33,524,002	36,693,593	36,654,117	36,554,241
Debt Service	12,334,651	12,038,814	12,478,444	14,255,703	13,920,928
Other	504,589	794,921	737,057	1,161,000	746,360
Subtotal	143,997,242	146,026,679	151,359,454	151,696,858	154,038,640
Water/Sewer Fund					
Personal Services	9,957,704	9,439,140	9,911,670	10,524,989	10,847,840
M. S. & E.	36,297,602	41,801,824	41,513,378	44,899,826	48,371,303
Debt Service	5,965,399	5,832,865	4,833,333	7,999,121	6,130,690
Other	7,685,779	7,885,446	7,756,293	7,885,446	7,885,446
Subtotal	59,906,484	64,959,275	64,014,674	71,309,382	73,235,279
Special Funds					
Personal Services	4,183,926	4,346,615	4,753,254	3,748,029	3,423,937
M. S. & E.	3,785,482	4,534,979	3,893,468	3,326,049	3,830,748
Other	2,823,040	5,087,982	5,847,059	4,938,826	5,150,146
Subtotal	10,792,448	13,969,576	14,493,781	12,012,904	12,404,831
Total Expenditures	\$214,696,174	\$224,955,530	\$229,867,909	\$235,019,144	\$239,678,750
INCOME/(LOSS)					
General Fund	2,072,374	-531,066	137,886	2,110,254	812,273
Water/Sewer Fund	7,443,413	11,536,526	9,845,811	2,306,642	884,965
Special Funds	0	269,180	274,314	213,505	228,922
Total Income/(Loss)	\$9,515,787	\$11,274,640	\$10,258,011	\$4,630,401	\$1,926,160

**SUMMARY ALL FUNDS COMBINED
FISCAL YEAR 2017**

Revenues	Actual FY 2014	Actual FY 2015	Budget FY 2016	Budget FY 2017	Percent Change FY'17-'16	Page Reference*
Taxes	\$106,613,151	\$111,345,910	\$112,145,731	\$114,125,910	1.8%	38
Permits, Fees, Fines	12,383,766	11,744,885	12,800,000	12,350,000	-3.5%	38
Task Force Revenues	4,754,986	5,053,288	4,745,026	5,232,226	10.3%	38
County Seat Relief	9,129,958	9,658,837	8,765,836	9,643,339	10.0%	38
State Pension Contr.	5,302,444	5,731,410	7,155,315	5,269,823	-26.4%	38
General Fund Other	6,855,142	7,028,845	7,258,483	7,389,555	1.8%	38
Water/Sewer Fees	56,990,787	54,610,259	53,026,216	54,545,000	2.9%	42
County Sewage Fees	17,769,628	18,095,165	19,380,024	18,374,244	-5.2%	42
Water/Sewer Other	1,735,386	1,155,061	1,209,784	1,201,000	-0.7%	42
Port Debt Reimburse.	456,166	934,165	936,721	840,060	-10.3%	38
Special Funds Grants	9,090,991	9,131,328	6,686,881	6,666,059	-0.3%	40
Special Funds Other	<u>5,147,765</u>	<u>5,636,767</u>	<u>5,539,528</u>	<u>5,967,694</u>	<u>7.7%</u>	40
Total Revenues	<u>\$236,230,170</u>	<u>\$240,125,920</u>	<u>\$239,649,545</u>	<u>\$241,604,910</u>	<u>0.8%</u>	

* See page listed for further information and details.

**Revenues All Funds
Fiscal Year 2017**

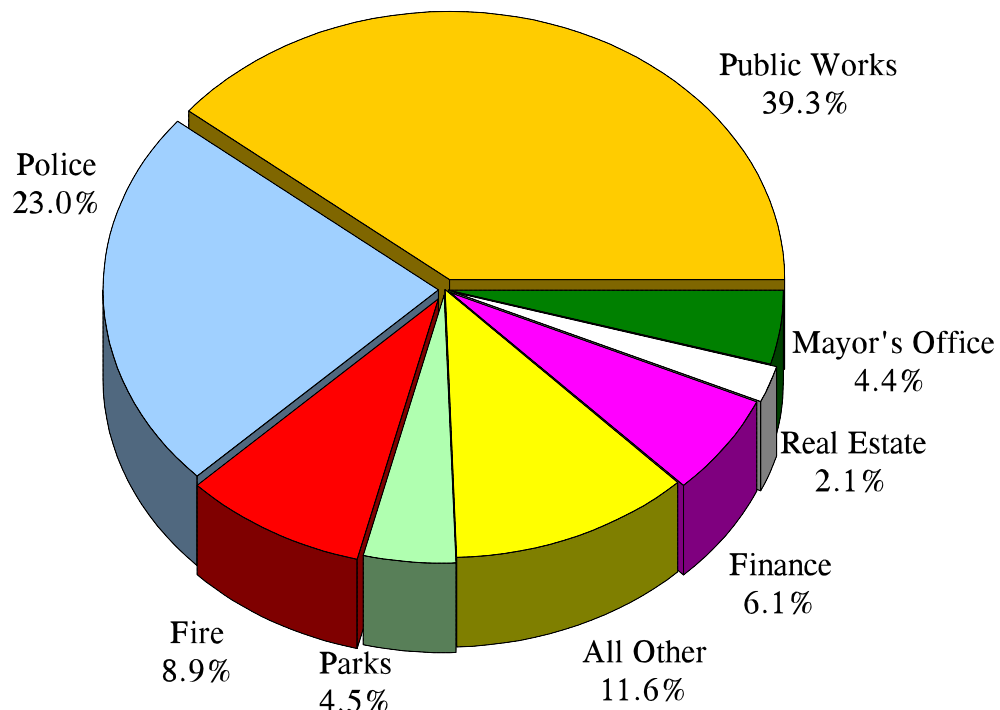


SUMMARY OF ALL FUNDS COMBINED FISCAL YEAR 2017

<u>Expenditures</u>	<u>Actual FY 2014</u>	<u>Actual FY 2015</u>	<u>Budget FY 2016</u>	<u>Budget FY 2017</u>	<u>Percent Change FY'17-'16</u>	<u>Page Reference*</u>
Mayor's Office	\$9,433,291	\$9,996,747	\$10,508,251	\$10,529,008	0.2%	89
Council	3,062,740	3,102,350	3,076,760	3,200,216	4.0%	100
Treasurer	4,344,269	4,820,055	4,736,377	5,100,629	7.7%	107
Planning	1,741,573	1,618,715	1,739,139	1,813,166	4.3%	116
Audit	716,027	730,535	783,252	790,690	1.0%	126
Law	2,820,393	3,079,193	2,935,345	2,930,886	-0.2%	129
Finance	13,537,371	13,562,724	14,820,413	14,723,765	-0.7%	137
Human Resources	1,827,818	1,992,565	2,089,349	2,129,232	1.9%	151
Licenses & Inspections	4,962,720	4,952,567	5,167,315	5,272,375	2.0%	170
Parks & Recreation	9,533,623	10,924,763	10,573,302	10,748,906	1.7%	181
Fire	20,932,252	21,712,740	19,458,781	21,452,000	10.2%	193
Police	57,199,941	57,646,946	53,733,709	55,211,199	2.8%	203
Public Works	83,477,336	82,650,074	91,459,256	94,122,711	2.9%	218
Real Estate & Housing	5,101,572	6,002,960	5,076,804	4,966,238	-2.2%	238
Commerce (Port Debt)	962,160	1,343,565	1,280,776	1,290,546	0.8%	253
State Pension Contr.	5,302,444	5,731,410	7,155,315	5,269,823	-26.4%	194 & 204
Contingent Reserves	<u>0</u>	<u>0</u>	<u>425,000</u>	<u>127,360</u>	<u>-70.0%</u>	89
Total Expenditures	<u>\$224,955,530</u>	<u>\$229,867,909</u>	<u>\$235,019,144</u>	<u>\$239,678,750</u>	<u>2.0%</u>	

* See page listed for further information and details.

Expenditures All Funds Fiscal Year 2017



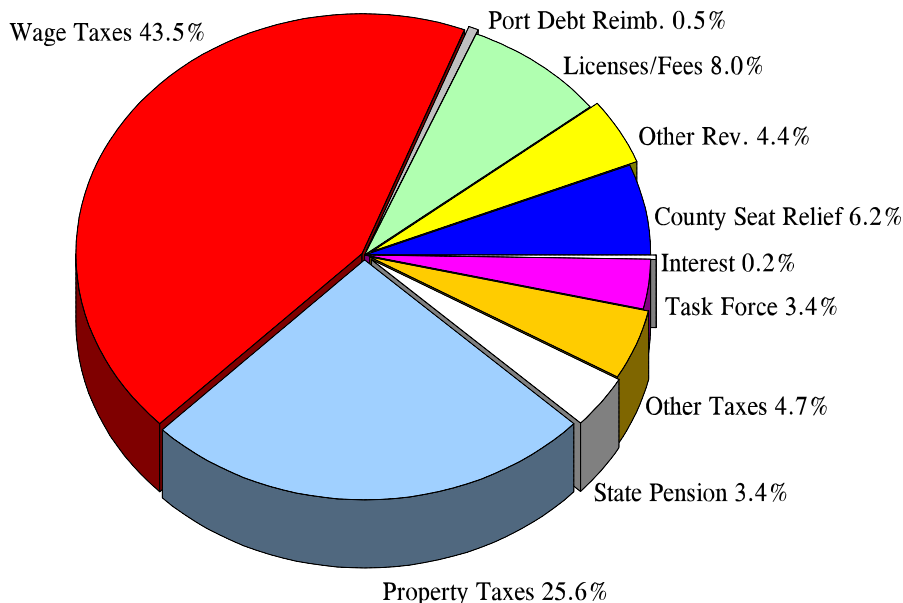
SUMMARY OF GENERAL FUND FISCAL YEAR 2017

<u>Revenues</u>	<u>Actual FY 2014</u>	<u>Actual FY 2015</u>	<u>Budget FY 2016</u>	<u>Budget FY 2017</u>	<u>Percent Change FY'17-'16</u>	<u>Page Reference*</u>
Wage Tax	\$61,366,603	\$63,638,392	\$65,401,600	\$67,231,600	2.8%	66
Property Tax	38,140,803	40,046,863	39,727,500	39,566,179	-0.4%	67
Other Taxes	7,105,745	7,660,655	7,016,631	7,328,131	4.4%	68
Licenses, Permits, Fees & Fines	12,383,766	11,744,885	12,800,000	12,350,000	-3.5%	69
Interest	192,064	176,237	232,037	240,000	3.4%	70
Other Revenues	6,442,831	6,575,912	6,751,446	6,874,555	1.8%	71
Task Force Revenues	4,754,986	5,053,288	4,745,026	5,232,226	10.3%	72
County Seat Relief	9,129,958	9,658,837	8,765,836	9,643,339	10.0%	73
State Pension Contr.	5,302,444	5,731,410	7,155,315	5,269,823	-26.4%	74
Port Debt Reimburse.	456,166	934,165	936,721	840,060	-10.3%	74
Transfers In/(Out)	220,247	276,696	275,000	275,000	0.0%	75
Use of Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>	75
Total Revenues	<u>\$145,495,613</u>	<u>\$151,497,340</u>	<u>\$153,807,112</u>	<u>\$154,850,913</u>	<u>0.7%</u>	

* See page listed for further information and details.

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

General Fund Revenues Fiscal Year 2017



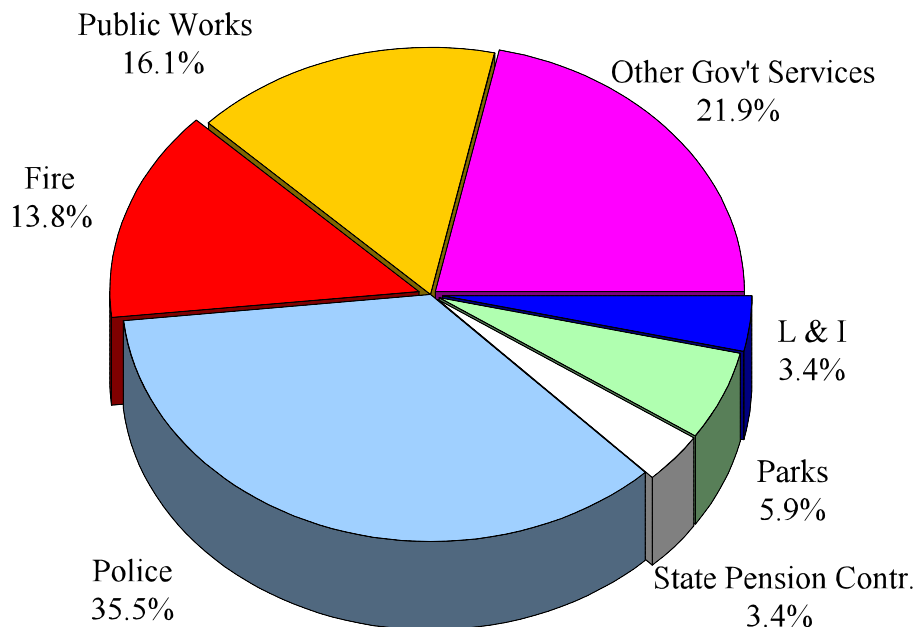
SUMMARY OF GENERAL FUND FISCAL YEAR 2017

<u>Expenditures</u>	<u>Actual FY 2014</u>	<u>Actual FY 2015</u>	<u>Budget FY 2016</u>	<u>Budget FY 2017</u>	<u>Percent Change FY'17-'16</u>	<u>Page Reference*</u>
Mayor's Office	\$9,239,324	\$9,855,945	\$10,442,804	\$10,461,651	0.2%	89
Council	2,166,120	2,192,709	2,159,204	2,229,138	3.2%	100
Treasurer	449,429	472,532	453,004	463,891	2.4%	107
Planning	1,699,512	1,592,393	1,688,491	1,762,874	4.4%	116
Audit	645,135	659,178	711,779	718,422	0.9%	126
Law	2,820,393	3,079,193	2,935,345	2,930,886	-0.2%	130
Finance	9,457,929	9,314,211	9,999,973	9,872,907	-1.3%	137
Human Resources	1,827,818	1,992,565	2,089,349	2,129,232	1.9%	152
Licenses & Inspections	4,962,720	4,952,567	5,167,315	5,272,375	2.0%	170
Parks & Recreation	8,366,574	9,374,534	9,186,463	9,070,747	-1.3%	181
Fire	20,084,197	20,968,819	19,032,412	21,250,631	11.7%	193
Police	54,725,949	55,858,211	53,212,298	54,669,955	2.7%	204
Public Works	21,599,992	22,131,957	23,962,930	24,740,393	3.2%	218
Real Estate & Housing	1,716,983	1,839,665	1,794,400	1,777,809	-0.9%	238
Commerce (Port Debt)	962,160	1,343,565	1,280,776	1,290,546	0.8%	253
State Pension Contr.	5,302,444	5,731,410	7,155,315	5,269,823	-26.4%	194 & 204
Contingent Reserves**	<u>0</u>	<u>0</u>	<u>425,000</u>	<u>127,360</u>	<u>-70.0%</u>	89
Total Expenditures	<u>\$146,026,679</u>	<u>\$151,359,454</u>	<u>\$151,696,858</u>	<u>\$154,038,640</u>	<u>1.5%</u>	

* See page listed for further information and details.

** Includes a \$500,000 Citywide Operating Budget Contingency Fund, \$172,000 for snow and weather emergencies, and a negative offset of \$544,640 for anticipated prescription savings to be prorated once the details are ascertained.

General Fund Expenditures Fiscal Year 2017



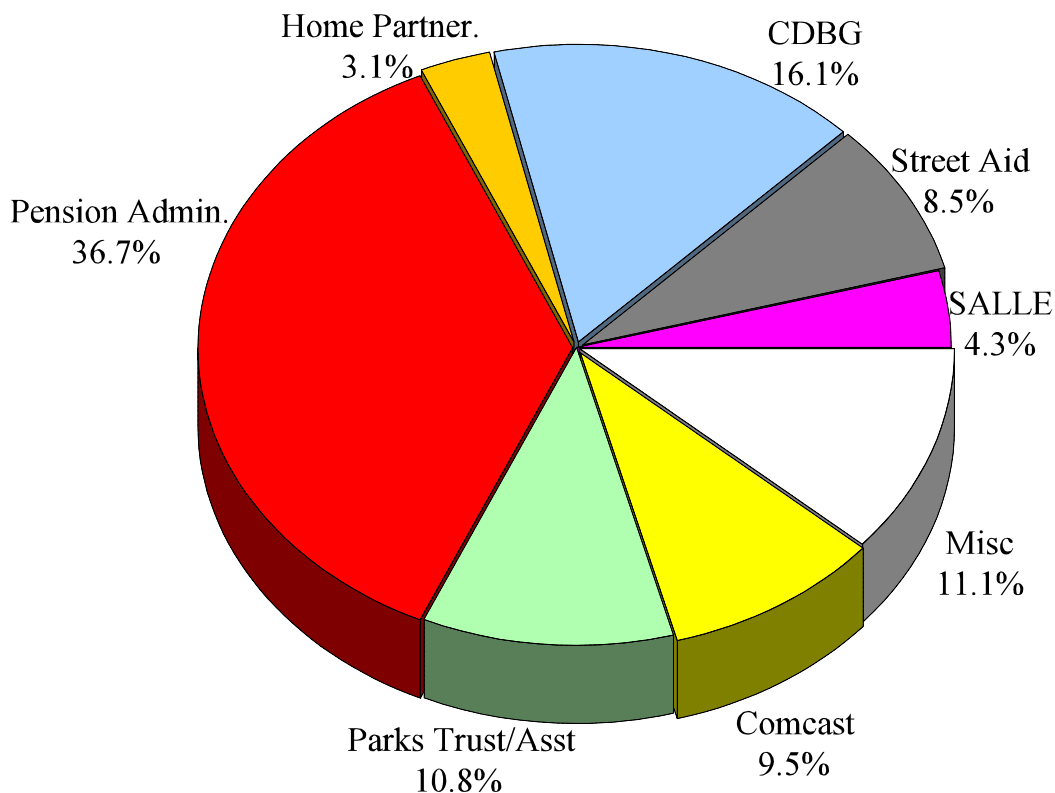
SUMMARY OF SPECIAL FUNDS FISCAL YEAR 2017

<u>Revenues</u>	<u>Actual FY 2014</u>	<u>Actual FY 2015</u>	<u>Budget FY 2016</u>	<u>Budget FY 2017</u>	<u>Percent Change FY'17-'16</u>	<u>Page Reference*</u>
Municipal Street Aid	\$1,068,403	\$823,313	\$1,078,857	\$1,070,165	-0.8%	76
CDBG	1,763,410	2,453,999	2,077,013	2,028,437	-2.3%	76
Comcast Franchise	1,165,800	1,183,955	1,131,061	1,200,000	6.1%	76
COPS Grant	121,033	29,765	0	0	0.0%	77
SAFER	404,814	0	0	0	0.0%	77
Parks Assistance	802,640	1,045,327	984,149	1,231,879	25.2%	77
Parks Trust Fund	87,125	105,289	125,094	130,956	4.7%	78
SALLE/LLEBG	2,352,959	1,758,970	521,411	541,244	3.8%	78
Pension Admin.	3,894,840	4,347,523	4,283,373	4,636,738	8.3%	78
Home Partnership	644,686	726,581	374,716	386,511	3.1%	79
Byrne Grant	0	0	0	0	0.0%	79
Miscellaneous Grants	<u>1,933,046</u>	<u>2,293,373</u>	<u>1,650,735</u>	<u>1,407,823</u>	<u>-14.7%</u>	
Total Revenues	<u>\$14,238,756</u>	<u>\$14,768,095</u>	<u>\$12,226,409</u>	<u>\$12,633,753</u>	<u>3.3%</u>	

* See page listed for further information and details.

Special Funds Revenues consist of supplemental revenues derived from non-taxation sources such as Federal and State grants and endowments. The Comcast franchise fee is a special exception related to City Council's CATV Fund.

Special Funds Revenues Fiscal Year 2017



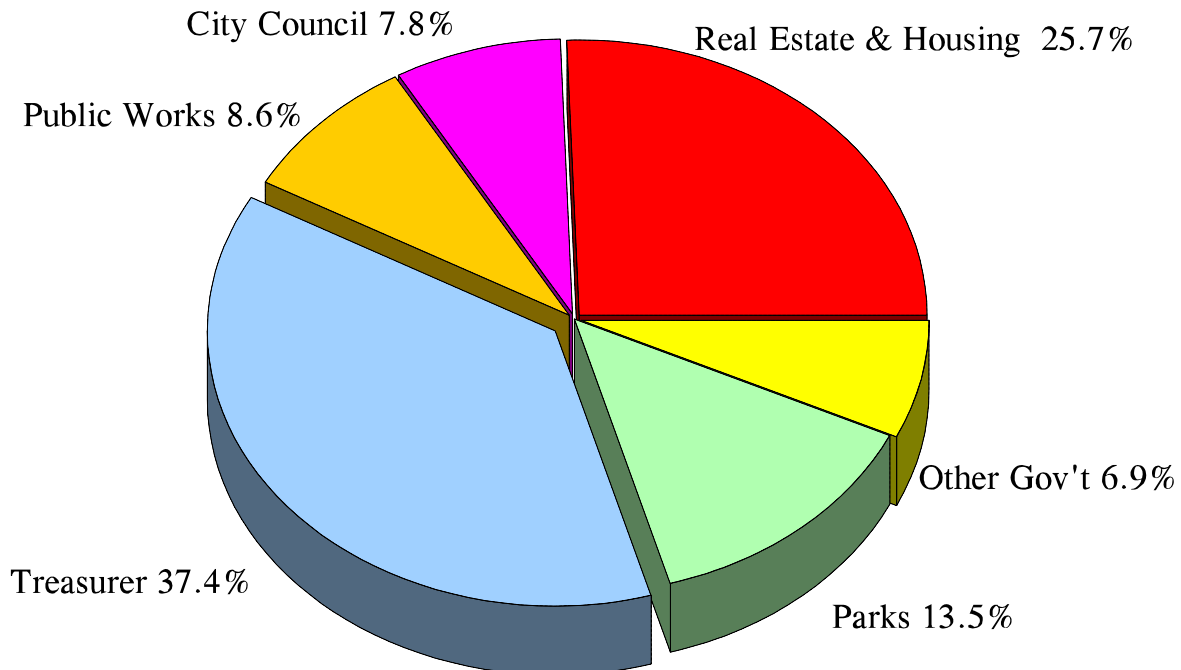
SUMMARY OF SPECIAL FUNDS FISCAL YEAR 2017

<u>Expenditures</u>	<u>Actual FY 2014</u>	<u>Actual FY 2015</u>	<u>Budget FY 2016</u>	<u>Budget FY 2017</u>	<u>Percent Change FY'17-'16</u>	<u>Page Reference*</u>
Mayor's Office	\$193,967	\$140,802	\$65,447	\$67,357	2.9%	89
City Council	896,620	909,641	917,556	971,078	5.8%	101
Treasurer	3,894,840	4,347,523	4,283,373	4,636,738	8.3%	108
Planning	42,061	26,322	50,648	50,292	-0.7%	116
Licenses & Inspections	0	0	0	0	0.0%	N/A
Parks & Recreation	1,167,049	1,550,229	1,386,839	1,678,159	21.0%	182
Fire	848,055	743,921	426,369	201,369	-52.8%	194
Police	2,473,992	1,788,735	521,411	541,244	3.8%	204
Public Works	1,068,403	823,313	1,078,857	1,070,165	-0.8%	219
Real Estate & Housing	<u>3,384,589</u>	<u>4,163,295</u>	<u>3,282,404</u>	<u>3,188,429</u>	<u>-2.9%</u>	238
Total Expenditures	<u>\$13,969,576</u>	<u>\$14,493,781</u>	<u>\$12,012,904</u>	<u>\$12,404,831</u>	<u>3.3%</u>	

* 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 net income, fund balance or change in fund balance.

Special Funds Expenditures Fiscal Year 2017

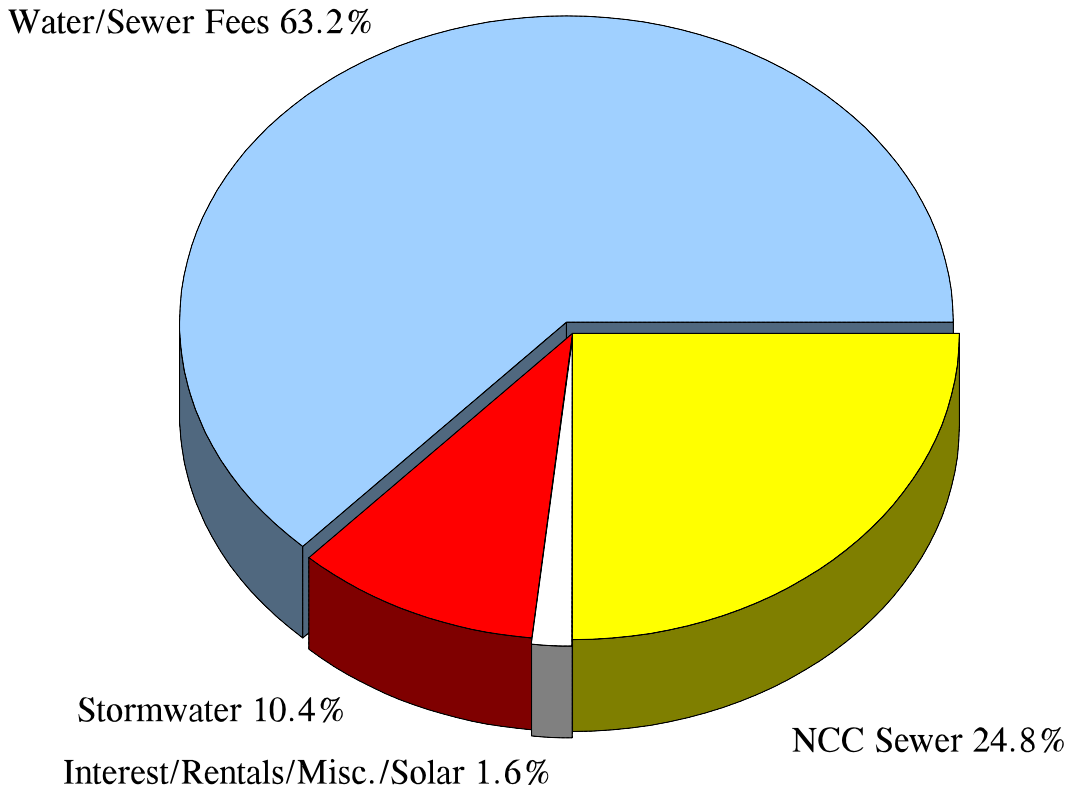


**SUMMARY OF WATER/SEWER FUND
FISCAL YEAR 2017**

Revenues	Actual FY 2014	Actual FY 2015	Budget FY 2016	Budget FY 2017	Percent Change FY'17-'16	Page Reference*
Water/Sewer						
User Fees	\$50,543,673	\$47,426,458	\$45,581,216	\$46,859,000	2.8%	80
Stormwater Billings	6,447,114	7,183,801	7,445,000	7,686,000	3.2%	81
New Castle County						
Sewer Services	17,769,628	18,095,165	19,380,024	18,374,244	-5.2%	82
Interest	4,135	3,502	30,000	4,000	-86.7%	83
Rentals/Misc.	1,584,492	1,031,263	1,127,784	1,047,000	-7.2%	84
Solar Panels	<u>146,759</u>	<u>120,296</u>	<u>52,000</u>	<u>150,000</u>	<u>188.5%</u>	85
Total Revenues	<u>\$76,495,801</u>	<u>\$73,860,485</u>	<u>\$73,616,024</u>	<u>\$74,120,244</u>	<u>0.7%</u>	

* See page listed for further information and details.

Water/Sewer Fund Revenues Fiscal Year 2017

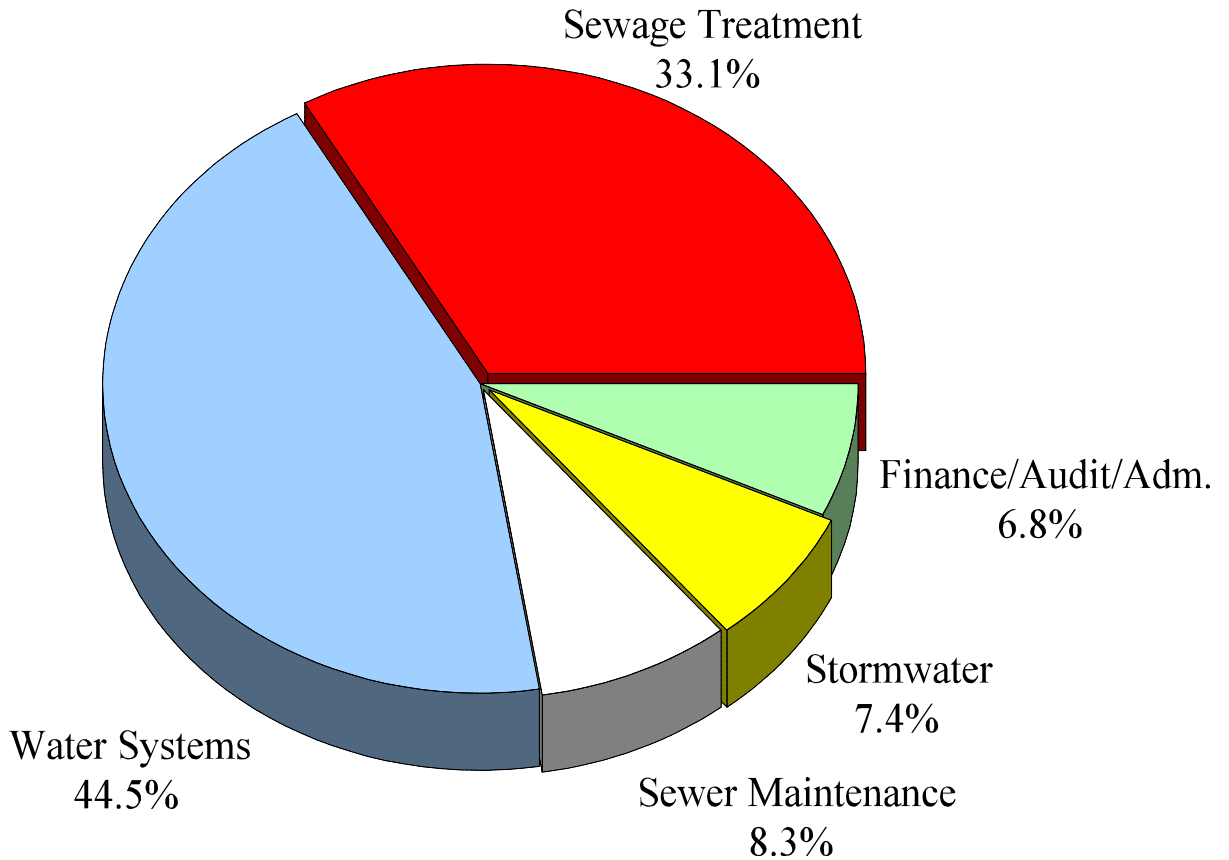


**SUMMARY OF WATER/SEWER FUND
FISCAL YEAR 2017**

<u>Expenditures</u>	<u>Actual FY 2014</u>	<u>Actual FY 2015</u>	<u>Budget FY 2016</u>	<u>Budget FY 2017</u>	<u>Percent Change FY'17-'16</u>	<u>Page Reference*</u>
Audit	\$70,892	\$71,357	\$71,473	\$72,268	1.1%	126
Finance	4,079,442	4,248,513	4,820,440	4,850,858	0.6%	138
Public Works	<u>60,808,941</u>	<u>59,694,804</u>	<u>66,417,469</u>	<u>68,312,153</u>	<u>2.9%</u>	218
Total Expenditures	<u>\$64,959,275</u>	<u>\$64,014,674</u>	<u>\$71,309,382</u>	<u>\$73,235,279</u>	<u>2.7%</u>	

* See page listed for further information and details.

Water/Sewer Fund Expenditures Fiscal Year 2017



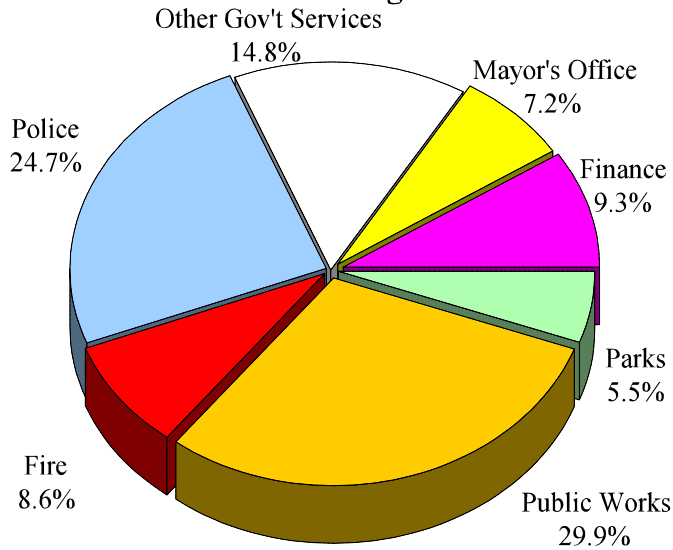
SUMMARY OF INTERNAL SERVICE FUNDS FISCAL YEAR 2017

<u>Expenditures**</u>	<u>Actual FY 2014</u>	<u>Actual FY 2015</u>	<u>Budget FY 2016</u>	<u>Budget FY 2017</u>	<u>Percent Change FY'17-'16</u>	<u>Page Reference*</u>
Mayor's Office	\$7,674,890	\$6,505,902	\$8,618,713	\$8,753,016	1.6%	90
Human Resources	23,831,955	29,692,130	23,884,267	29,946,093	25.4%	152
Public Works	<u>7,799,586</u>	<u>7,534,479</u>	<u>7,630,749</u>	<u>7,276,564</u>	<u>-4.6%</u>	219
Total Expenditures	<u>\$39,306,431</u>	<u>\$43,732,511</u>	<u>\$40,133,729</u>	<u>\$45,975,673</u>	<u>15.9%</u>	

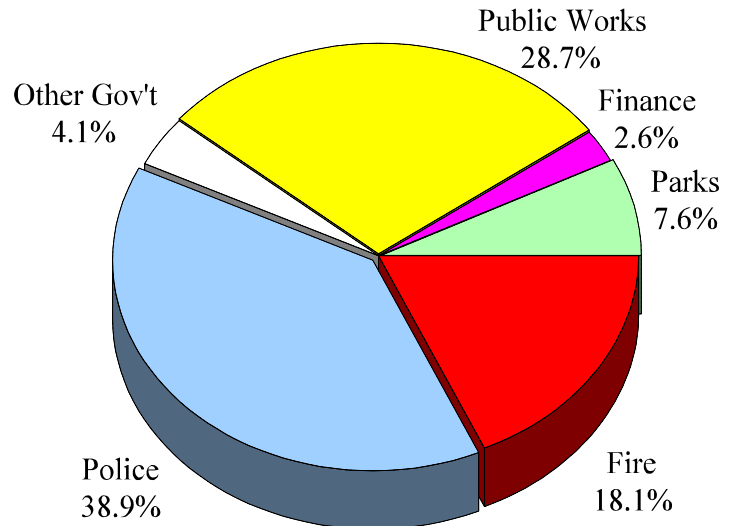
* See page listed for further information and details.

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

Administrative Services FY '17 Internal Service Charge Allocations



Self-Insurance Program FY '17 Internal Service Charge Allocations



CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(000 omitted)

SUMMARY: TOTAL FUNDS RECOMMENDED BY FISCAL YEAR AND DEPARTMENT

NAME OF DEPARTMENT	TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2016	2017	2018	2019	2020	2021		
FINANCE	G	578	0	792	0	816	0	2,186	2,186
	W	1,374	0	1,533	0	1,458	0	4,365	4,365
	I	0	0	150	0	0	0	150	150
FIRE	G	2,350	0	4,250	0	4,550	0	11,150	11,150
OFFICE OF THE MAYOR	G	268	0	0	0	0	0	268	268
	I	0	0	5,000	0	0	0	5,000	5,000
PARKS AND RECREATION	G	3,075	0	3,340	0	3,340	0	9,755	9,755
	O	300	0	300	0	300	0	0	900
POLICE	G	380	0	0	0	0	0	380	380
PUBLIC WORKS	G	10,150	0	12,000	0	12,500	0	34,650	34,650
	W	45,800	0	51,100	0	48,600	0	145,500	145,500
	O	4,500	0	200	0	200	0	0	4,900
TRANSPORTATION	G	3,050	0	6,800	0	6,800	0	16,650	16,650
	O	6,000	0	8,000	0	8,000	0	0	22,000
TOTAL BY FUND	G	19,851	0	27,182	0	28,006	0	75,039	75,039
	O	10,800	0	8,500	0	8,500	0	0	27,800
	W	47,174	0	52,633	0	50,058	0	149,865	149,865
	I	0	0	5,150	0	0	0	5,150	5,150
GRAND TOTAL		77,825	0	93,465	0	86,564	0	230,054	257,854

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

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(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
		2016	2017	2018	2019	2020	2021		
FINANCE	NS	18	0	0	0	0	0	18	18
	NR	36	0	184	0	55	0	275	275
	UE	1,265	0	1,495	0	1,416	0	4,176	4,176
	RE	633	0	796	0	803	0	2,232	2,232
FIRE	NR	1,250	0	1,750	0	2,050	0	5,050	5,050
	RE	1,100	0	2,500	0	2,500	0	6,100	6,100
OFFICE OF THE MAYOR	NS	268	0	0	0	0	0	268	268
	NR	0	0	5,000	0	0	0	5,000	5,000
PARKS AND RECREATION	NR	150	0	0	0	0	0	150	150
	UE	2,330	0	2,380	0	2,380	0	6,340	7,090
	RE	895	0	1,260	0	1,260	0	3,265	3,415
	RE	380	0	0	0	0	0	380	380
PUBLIC WORKS	NS	450	0	0	0	0	0	450	450
	UE	37,800	0	37,800	0	35,300	0	106,000	110,900
	RE	22,200	0	25,500	0	26,000	0	73,700	73,700
TRANSPORTATION	UE	9,050	0	14,800	0	14,800	0	16,650	38,650
TOTAL BY EXPENDITURE CATEGORY	NS	736	0	0	0	0	0	736	736
	NR	1,436	0	6,934	0	2,105	0	10,475	10,475
	UE	50,445	0	56,475	0	53,896	0	133,166	160,816
	RE	25,208	0	30,056	0	30,563	0	85,677	85,827
GRAND TOTAL		77,825	0	93,465	0	86,564	0	230,054	257,854

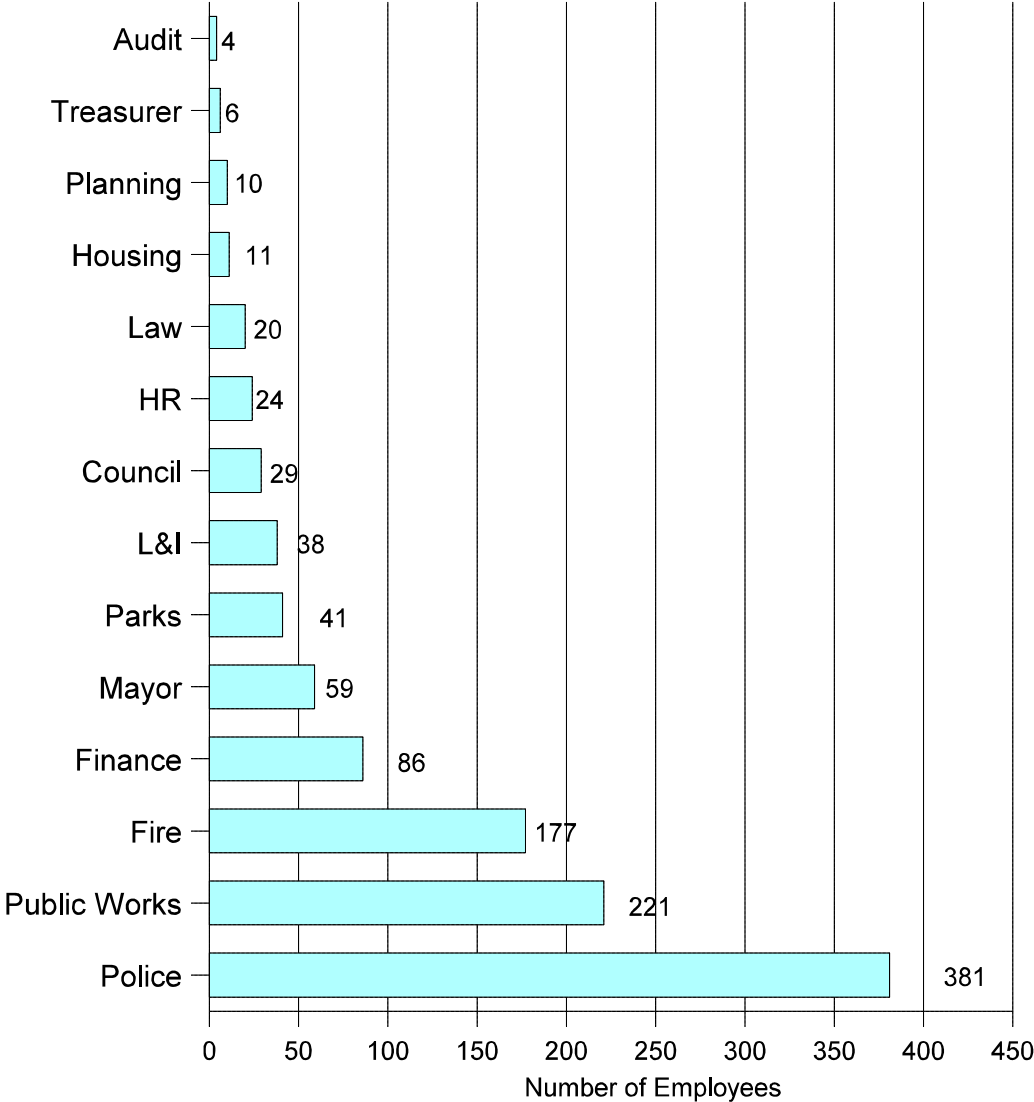
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 257-258)

SUMMARY OF STAFFING LEVELS FISCAL YEAR 2017

TOTAL NUMBER OF EMPLOYEES ALL FUNDS COMBINED

<u>Department</u>	<u>Budget FY2013</u>	<u>Budget FY2014</u>	<u>Budget FY2015</u>	<u>Budget FY2016</u>	<u>Budget FY2017</u>	<u>Net Change FY'17-'16</u>
Mayor's Office	57.00	60.00	59.00	59.00	59.00	0.00
Council	27.00	29.00	29.00	29.00	29.00	0.00
Treasurer	6.00	6.00	6.00	6.00	6.00	0.00
Planning	11.00	11.00	11.00	11.00	10.00	(1.00)
Audit	4.00	4.00	4.00	4.00	4.00	0.00
Law	21.00	21.00	20.00	20.00	20.00	0.00
Finance	90.00	87.00	88.00	88.00	86.00	(2.00)
Human Resources	22.00	21.00	22.00	22.00	24.00	2.00
Licenses & Inspections	38.00	38.00	38.00	38.00	38.00	0.00
Parks & Recreation	44.00	44.00	42.00	41.00	41.00	0.00
Fire	177.00	177.00	177.00	177.00	177.00	0.00
Police	382.00	382.00	382.00	382.00	381.00	(1.00)
Public Works	226.00	224.00	223.00	223.00	221.00	(2.00)
Real Estate & Housing	<u>15.00</u>	<u>15.00</u>	<u>12.00</u>	<u>12.00</u>	<u>11.00</u>	<u>(1.00)</u>
TOTAL	<u>1,120</u>	<u>1,119</u>	<u>1,113</u>	<u>1,112</u>	<u>1,107</u>	<u>(5.00)</u>
Total Employees per every 1,000 Persons in City Population	<u>15.81</u>	<u>15.79</u>	<u>15.71</u>	<u>15.69</u>	<u>15.62</u>	

**TOTAL NUMBER OF CITY EMPLOYEES BY DEPT.
FISCAL YEAR 2017
(ALL FUNDS)**



Almost 74% (or 817) of the City’s employees work to provide Public Safety (Police, Fire, L&I) and Public Works services.

**STAFFING LEVELS BY FUND
FISCAL YEAR 2017**

**GENERAL FUND
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Budget FY2013</u>	<u>Budget FY2014</u>	<u>Budget FY2015</u>	<u>Budget FY2016</u>	<u>Budget FY2017</u>	<u>Net Change FY'17-'16</u>
Mayor's Office	33.50	36.50	37.50	37.50	36.50	(1.00)
Council	27.00	20.05	20.05	19.55	19.55	0.00
Treasurer	2.92	2.92	2.92	2.92	2.92	0.00
Planning	10.63	10.63	10.43	10.49	9.53	(0.96)
Audit	4.00	4.00	4.00	4.00	4.00	0.00
Law	21.00	21.00	20.00	20.00	20.00	0.00
Finance	63.65	61.70	60.55	61.85	61.45	(0.40)
Human Resources	15.00	14.00	14.00	13.55	13.55	0.00
Licenses & Inspections	38.00	38.00	38.00	38.00	38.00	0.00
Parks & Recreation	44.00	44.00	42.00	41.00	41.00	0.00
Fire	164.00	170.50	177.00	177.00	177.00	0.00
Police	362.65	372.32	373.20	374.00	374.00	0.00
Public Works	122.65	122.40	120.65	120.65	120.15	(0.50)
Real Estate & Housing	<u>1.55</u>	<u>2.48</u>	<u>1.80</u>	<u>1.52</u>	<u>1.48</u>	<u>(0.04)</u>
TOTAL	<u>910.55</u>	<u>920.50</u>	<u>922.10</u>	<u>922.03</u>	<u>919.13</u>	<u>(2.90)</u>

**SPECIAL FUNDS
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Budget FY2013</u>	<u>Budget FY2014</u>	<u>Budget FY2015</u>	<u>Budget FY2016</u>	<u>Budget FY2017</u>	<u>Net Change FY'17-'16</u>
Mayor's Office	0.50	0.50	0.50	0.50	0.50	0.00
Treasurer	3.08	3.08	3.08	3.08	3.08	0.00
Planning	0.37	0.37	0.57	0.51	0.47	(0.04)
City Council	0.00	8.95	8.95	9.45	9.45	0.00
Real Estate and Housing	13.45	12.52	10.20	10.48	9.52	(0.96)
Fire	13.00	6.50	0.00	0.00	0.00	0.00
Police	<u>19.35</u>	<u>9.68</u>	<u>8.80</u>	<u>8.00</u>	<u>7.00</u>	<u>(1.00)</u>
TOTAL	<u>49.75</u>	<u>41.60</u>	<u>32.10</u>	<u>32.02</u>	<u>30.02</u>	<u>(2.00)</u>

**STAFFING LEVELS BY FUND
FISCAL YEAR 2017**

**WATER/SEWER FUND
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Budget FY2013</u>	<u>Budget FY2014</u>	<u>Budget FY2015</u>	<u>Budget FY2016</u>	<u>Budget FY2017</u>	<u>Net Change FY'17-'16</u>
Finance	26.35	25.30	27.45	26.15	24.55	(1.60)
Public Works	<u>103.35</u>	<u>101.60</u>	<u>102.35</u>	<u>102.35</u>	<u>100.85</u>	<u>(1.50)</u>
TOTAL	<u>129.70</u>	<u>126.90</u>	<u>129.80</u>	<u>128.50</u>	<u>125.40</u>	<u>(3.10)</u>

**COMMERCE FUND
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Budget FY2013</u>	<u>Budget FY2014</u>	<u>Budget FY2015</u>	<u>Budget FY2016</u>	<u>Budget FY2017</u>	<u>Net Change FY'17-'16</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>
TOTAL	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

**INTERNAL SERVICE FUNDS
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Budget FY2013</u>	<u>Budget FY2014</u>	<u>Budget FY2015</u>	<u>Budget FY2016</u>	<u>Budget FY2017</u>	<u>Net Change FY'17-'16</u>
Mayor's Office	23.00	23.00	21.00	21.00	22.00	1.00
Human Resources	7.00	7.00	8.00	8.45	10.45	2.00
Finance	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	<u>30.00</u>	<u>30.00</u>	<u>29.00</u>	<u>29.45</u>	<u>32.45</u>	<u>3.00</u>
TOTAL ALL FUNDS	<u>1,120</u>	<u>1,119</u>	<u>1,113</u>	<u>1,112</u>	<u>1,107</u>	<u>(5.00)</u>

**FUND BALANCE
GENERAL FUND
FISCAL YEAR 2017**

Fund Balance Activity	Actual FY 2015	Estimated FY 2016	Projected FY 2017
Fund Balance as of July 1	\$46,057,266	\$46,195,152	\$46,460,584
Excess of Revenues Over/(Under) Expenditures	(138,810)	(9,568)	537,273
Other Financing Sources/(Uses):			
Transfer from/(to) Wilmington Parking Authority	275,000	275,000	275,000
Transfer from/(to) Special/Other Funds	<u>1,696</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources/(Uses)	276,696	275,000	275,000
Prior Period Adjustments	0	0	0
Net Change in Fund Balance	137,886	265,432	812,273
Total Fund Balance as of June 30	<u>\$46,195,152</u>	<u>\$46,460,584</u>	<u>\$47,272,857</u>
Summary of Fund Balance			
Non-spendable	\$3,184,707	\$2,960,671	\$2,812,637
Committed (Budget Reserve*)	15,169,686	15,403,864	15,788,961
Unassigned	<u>27,840,759</u>	<u>28,096,049</u>	<u>28,671,259</u>
Total Fund Balance as of June 30	<u>\$46,195,152</u>	<u>\$46,460,584</u>	<u>\$47,272,857</u>

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

FUND 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 2017**

Fund Net Assets Activity	Actual FY 2015	Estimated FY 2016	Projected FY 2017
Net Assets as of July 1	\$119,856,163	\$123,319,196	\$127,539,697
Excess of Revenues Over/(Under) Expenditures	13,683,105	9,957,160	5,814,655
Non-Operating Revenues/(Expenses)			
Interest Expense	(4,833,333)	(6,985,916)	(6,130,690)
Other	<u>1,155,061</u>	<u>1,249,257</u>	<u>1,201,000</u>
Total Non-Operating Revenues/(Expenses)	(3,678,272)	(5,736,659)	(4,929,690)
Income/(Loss) Before Transfers	10,004,833	4,220,501	884,965
Prior Period Adjustment	(6,541,800)	0	0
Change in Net Assets	3,463,033	4,220,501	884,965
Total Net Assets as of June 30	<u>\$123,319,196</u>	<u>\$127,539,697</u>	<u>\$128,424,662</u>

Summary of Fund Net Assets

Invested in Capital Assets, Net of Related Debt	\$116,858,039	\$118,858,039	\$120,858,039
Unrestricted	<u>6,461,157</u>	<u>8,681,658</u>	<u>7,566,623</u>
Total Fund Net Assets as of June 30	<u>\$123,319,196</u>	<u>\$127,539,697</u>	<u>\$128,424,662</u>

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 2017

Fund Balance & Net Assets Activity	Actual FY 2015	Estimated FY 2016	Projected FY 2017
Fund Balance & Net Assets as of July 1	\$165,913,429	\$169,514,348	\$174,000,281
Excess of Revenues Over/(Under) Expenditures	13,544,295	9,947,592	6,351,928
Total Other Financing Sources/(Uses)	276,696	275,000	275,000
Total Non-Operating Revenues/(Expenses)			
Water Fund	(3,678,272)	(5,736,659)	(4,929,690)
Prior Period Adjustments	(6,541,800)	0	0
Change in Fund Balance & Net Assets	3,600,919	4,485,933	1,697,238
Total Fund Balance & Net Assets as of June 30	<u>\$169,514,348</u>	<u>\$174,000,281</u>	<u>\$175,697,519</u>

Summary of Fund Balance & Net Assets

Non-spendable	\$3,184,707	\$2,960,671	\$2,812,637
Budget Reserve	15,169,686	15,403,864	15,788,961
Unassigned	27,840,759	28,096,049	28,671,259
Invested in Capital Assets, Net of Related Debt	116,858,039	118,858,039	120,858,039
Unrestricted	<u>6,461,157</u>	<u>8,681,658</u>	<u>7,566,623</u>
Total Fund Balance & Net Assets as of June 30	<u>\$169,514,348</u>	<u>\$174,000,281</u>	<u>\$175,697,519</u>

City of Wilmington General Fund

ACTUAL, BUDGETED & PROJECTED REVENUES AND EXPENDITURES

(Preliminary)

<u>Revenue Type</u>	Actual FY 2015	Projected FY 2016	Budget FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020	Projected FY 2021
Wage & Net Profits Tax	\$63,638,392	\$64,401,600	\$67,231,600	\$70,055,600	\$72,303,600	\$74,418,600	\$76,482,600
Property Tax	40,046,863	40,077,500	39,566,179	45,130,606	45,008,106	44,983,606	45,057,106
Real Estate Transfer Tax	2,501,244	2,300,000	2,357,500	2,404,650	2,452,743	2,514,062	2,576,913
Head Tax	4,260,172	4,000,000	4,054,000	4,108,000	4,162,000	4,216,000	4,270,000
Franchise Fee	899,239	916,631	916,631	953,663	972,736	992,191	1,012,035
Licenses, Permits, Fees & Fines	11,744,885	12,550,000	12,350,000	11,506,000	11,077,400	10,650,586	10,625,601
Interest Income	176,237	232,037	240,000	329,061	372,435	469,792	440,822
Indirect Costs	4,994,467	5,023,446	5,246,555	5,377,719	5,512,162	5,649,966	5,791,215
Other Miscellaneous Revenues	1,581,445	1,628,000	1,628,000	1,628,000	1,628,000	1,628,000	1,628,000
Task Force Revenues	5,053,288	5,020,026	5,232,226	5,418,278	5,568,976	5,723,957	5,883,346
County Seat Relief Package	9,658,837	9,625,539	9,643,339	9,674,065	9,735,824	9,798,200	9,861,200
State Port Debt Reimbursement	934,165	936,721	840,060	389,234	396,574	569,356	870,857
State Pension Contribution	5,731,410	7,155,315	5,269,823	5,269,823	5,269,823	5,269,823	5,269,823
Total Revenues	\$151,220,644	\$153,866,815	\$154,575,913	\$162,244,699	\$164,460,379	\$166,884,138	\$169,769,518

<u>Expenditure Type</u>	Actual FY 2015	Projected FY 2016	Budget FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020	Projected FY 2021
Salaries and Wages	\$61,234,856	\$60,622,683	\$60,900,631	\$61,734,626	\$62,235,566	\$62,736,506	\$63,237,445
Health Benefits	15,971,532	17,157,544	16,009,301	16,355,229	19,101,556	20,511,687	22,025,256
Pension and Retirement	15,988,797	16,023,827	17,539,125	18,418,489	19,316,224	20,233,057	21,169,743
Other Employee Benefits	2,523,765	2,591,418	2,553,590	2,579,804	2,601,377	2,622,951	2,644,524
Equipment & Services	17,166,075	18,949,308	19,739,318	20,178,941	20,779,644	21,104,621	21,530,970
General Liability	3,450,445	1,349,354	1,383,089	1,417,666	1,453,108	1,489,436	1,526,671
Workers' Compensation	4,141,896	2,894,902	3,004,907	3,035,754	3,061,140	3,086,526	3,111,913
Internal Services	11,935,177	13,196,426	13,098,927	13,459,147	13,829,274	14,209,579	14,600,343
Debt Service	12,478,444	13,199,606	13,920,928	12,378,186	14,354,509	15,171,774	15,768,122
Special Purpose	737,057	736,000	619,000	619,475	619,962	620,461	620,972
State Pension Contribution	5,731,410	7,155,315	5,269,823	5,269,823	5,269,823	5,269,823	5,269,823
Total Expenditures	\$151,359,454	\$153,876,383	\$154,038,640	\$155,447,141	\$162,622,182	\$167,056,420	\$171,505,783

Operating Surplus/(Deficit)	(\$138,810)	(\$9,568)	\$537,273	\$6,797,558	\$1,838,197	(\$172,282)	(\$1,736,264)
Net Adj. & Transfers In/(Out)	276,696	275,000	275,000	275,000	275,000	275,000	275,000
Surplus/(Deficit)	\$137,886	\$265,432	\$812,273	\$7,072,558	\$2,113,197	\$102,718	(\$1,461,264)

Total Fund Balance	\$46,195,152	\$46,460,584	\$47,272,857	\$54,345,415	\$56,458,612	\$56,561,330	\$55,100,066
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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 2017), as well as the next four outyears (FY 2018 through 2021). For FY 2017, the Approved Budget is shown, and is the base year upon which the FY 2018 through 2021 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 details that follow. FY 2016 embodies projected year-end revenues that have been reviewed by the Wilmington Economic & Financial Advisory Council, as well as expenditure estimates presented to the City's Expenditure Review Board.

GENERAL INFLATION ASSUMPTIONS

The Office of Management and Budget relies on the Survey of Professional Forecasters for its general inflation projections. Conducted by the Federal Reserve Bank of Philadelphia, this survey is the oldest quarterly survey of macroeconomic forecasts in the United States. The May 13, 2016 release projects headline Consumer Price Index (CPI) growth of 1.50% in calendar year 2016, followed by slightly larger increases in inflation through calendar year 2020. See table below.

Calendar Year	Survey of Professional Forecasters Projected Annual Headline CPI Increase
2016	<i>1.50%</i>
2017	<i>2.10%</i>
2018	<i>2.30%</i>
2019	<i>2.30%</i>
2020	<i>2.30%</i>

Federal Reserve Bank of Philadelphia, Survey of Professional Forecasters, May 13, 2016

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 2017 Base Year: \$67,231,600 - 43.5% of total revenues)

The FY 2017 Wage and Net Profits Tax projection totals just over \$67.2 million, a \$1.83 million increase above FY 2016. Wage Tax revenue has been growing, albeit modestly, fueled by an improving local economy. The Wage Tax base is now almost \$57.9 million, with another \$100,000 added by the end of FY 2016 from ongoing audit and collection activities. For FY 2017, job growth and rising employee compensation are projected to increase taxable wages by 3.5%, further expanding base revenue by \$2.03 million. Finally, audit and collection efforts for FY 2017 are expected to bring in \$1.5 million in one-time revenue, \$500,000 less than last fiscal year. In total, FY 2017 Wage Tax revenue is projected to be \$61.5 million. The Net Profits portion of this revenue category is projected to increase by \$200,000 to \$5.7 million for FY 2017.

In their June 2016 report, the Delaware Economic and Financial Advisory Council (DEFAC) projected 4.3% growth for FY 2018 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 fluctuating executive bonus compensation, volatility of the City's single largest revenue source remains high. As such, a more conservative outyear growth factor is necessary. Given the above, coupled with the fact that the City's recovery from economic downturns has traditionally lagged behind the State, City Wage & Net Profit Tax receipts are projected to grow (exclusive of audit and collection revenue), by 3.3% in FY 2018. Growth of 3.0% in Fiscal Years 2019 through 2021 is also expected. Audit and collection revenue is forecasted to increase by \$500,000 to \$2.0 million in FY 2018 and FY 2019, and then decrease to \$1.8 million in FY 2020 and \$1.5 million in FY 2021.

Property Tax (FY 2017 Base Year: \$39,566,179 - 25.6% of total revenues)

Property Taxes are projected to total \$39,566,179, a net decrease of \$161,321. Base billings for FY 2016 were \$39.5 million. However, assessment appeals from owners of some large commercial properties are pending. Revenue loss from appeals is projected to be \$500,000, and is in addition to the \$50,000 reduction for other billing adjustments in FY 2016. Helping to offset these reductions is \$403,000 of additional revenue resulting from expiring tax incentives and higher assessments due to property improvements. A 2.0% adjustment downward for uncollectible accounts reduces the net base revenue for FY 2017 by \$787,000. Lastly, Penalty and Interest is expected to add \$1.0 million in one-time revenue, an increase of \$350,000 from last fiscal year. There is no change to the property tax rate in FY 2017.

To help balance the budget, a 15.0% Property Tax increase (yielding \$5.8 million) has been projected for FY 2018. The amount calculated for adjustments for assessment appeals was lowered by \$100,000 each year in FY 2018 through FY 2021. The amount expected from expiring incentives and reassessments from improvements was also reduced to \$225,000 in all of the outyears.

Real Estate Transfer Tax (FY 2017 Base Year \$2,357,500 - 1.5% of total revenues)

Real Estate Transfer Tax revenues are slated to rise by \$57,500 to \$2,357,500 for FY 2017, an increase of 2.5% over the projection for FY 2016, but less than the FY 2015 total of \$2.5 million. The average price of residential homes is rising slowly, and the number of sales is increasing modestly. Medium and large commercial property transfers are also occurring, but at a pace that is extremely unpredictable. As such, only minimal growth is forecast in this area. For Fiscal Years 2018 and 2019, growth of 2.0% is projected, increasing to 2.5% for FY 2020 and FY 2021.

Head Tax (FY 2017 Base Year \$4,054,000 - 2.6% of total revenues)

Head Tax revenue is projected to increase by \$254,000, to \$4.054 million for FY 2017. The FY 2016 mid-year projection had been increased by \$200,000 to \$4.0 million, which became the base for FY 2017, and was further increased by \$54,000, the equivalent of 300 net new jobs. Beyond FY 2017, Head Tax reflects a net of 300 additional jobs annually.

Franchise Fees (FY 2017 Base Year \$916,631 - 0.6% of total revenues)

Franchise Fees revenue previously consisted 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. However, in FY 2014, City Council transferred the Comcast franchise revenue into the special CATV Fund. The annual Delmarva Power payment remains the sole source of revenue in this category, and is projected to be \$916,631, unchanged from the current FY 2016 budget and projection.

Slight growth in the Delmarva Power remittance is forecasted in FY 2018 and beyond, at a rate of 2.0% annually.

Licenses, Permits, Fees, and Fines (FY 2017 Base Year \$12,350,000 - 8.0% of total revenues)

Licenses, Permits and Fees revenue is projected to rise by \$200,000 to \$4.4 million in FY 2017. Business Licenses and Fees are expected to hold at \$1.6 million and \$600,000 respectively. However, Permits (Building) are projected to increase by \$200,000, due to several large development projects getting underway the summer of 2016.

Business Licenses are forecasted to remain at the FY 2017 levels throughout the projection period.

Fines are projected to decrease by \$650,000, to a total of \$8.0 million. The breakout is as follows: Criminal/Traffic Fines revenue consists of red-light camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. Revenue is projected to total \$4.7 million in FY 2017, down \$50,000 from the FY 2016 budget, and is broken down as follows: Red-light camera fines at \$4.0 million (no change), Criminal Fines at \$250,000 (down \$50,000), and L & I Instant Ticketing at \$400,000 (no change).

As no new red-light camera sites are anticipated, and violations decrease at older sites, a reduction of \$350,000 each year is forecasted for FY 2018 and FY 2019, with a further decrease of \$300,000 in FY 2020, and remaining level for FY 2021. Criminal Fines and L&I Instant Ticketing revenue is expected to remain at the FY 2017 levels throughout the projection period.

Parking Tickets/Booting Fines are forecast to decrease \$600,000 from the \$3.9 million budgeted in FY 2016, down to \$3.3 million in FY 2017. There has been a three-year downward trend resulting from reduced ticket writing activity and changes in parking regulations. The trend is expected to continue throughout the projection period, with revenue decreasing to \$2.75 million in FY 2018, \$2.6 million in FY 2019, \$2.4 million in FY 2020, and finally to \$2.3 million in FY 2021.

Interest Income (FY 2017 Base Year \$240,000 - 0.2% of total revenues)

The City's cash balances available for investment have improved somewhat, supplemented by capital bond proceeds in early FY 2016. Interest rates have inched up a bit, but remain stubbornly low. Accordingly, Interest Earnings are projected to rise minimally by \$7,963 above the FY 2016 budgeted amount.

The base interest rate of 0.40% in FY 2017 is increased by 10 basis points each year going forward, and assumes the following additions to the investment base from bond issuances:

1. A weighted average of \$5.0 million from the unspent portion of the FY 2014 capital borrowing, plus \$15.0 million from an assumed FY 2016 capital borrowing will be invested in FY 2018.
2. A weighted average of \$10.0 million from the unspent FY 2016 capital borrowing will be invested in FY 2019.
3. A weighted average of \$5.0 million from the unspent portion of the FY 2016 capital borrowing, plus \$15.0 million from an assumed FY 2018 capital borrowing will be invested in FY 2020.
4. A weighted average of \$10.0 million from the unspent FY 2018 capital borrowing will be invested in FY 2021.

In addition, for FY 2018 through FY 2021, the projected annual changes in fund balance (surpluses or deficits) are added or subtracted from the investment base.

Indirect Costs (FY 2017 Base Year \$5,246,555 - 3.4% of total revenues)

Indirect Cost is a charge to the Water/Sewer Fund that offset costs incurred by the General Fund in support of the water, sewer, and stormwater utilities. Indirect Cost will rise by \$223,109, to a new total of \$5,246,555. For FY 2018 and subsequent years, this category has been increased by 2.5% per year.

Other Miscellaneous Revenues (FY 2017 Base Year \$1,628,000 - 1.1% of total revenues)

Other Revenues, comprised of Rental Income, General Government Charges and other Miscellaneous Income, will fall by \$100,000 due to a decrease in False Alarm Reduction revenue. No outyear growth is forecasted in these revenues.

Task Force Revenues (FY 2017 Base Year \$5,232,226 - 3.4% 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 \$487,200 higher for FY 2017. Two of the four components of the Task Force Revenues were increased as a result of applying State growth estimates to the projected FY 2016 revenues. These two components were Corporate Filings (up by \$66,900) and LLC Filings (up by \$345,300), to new totals of \$1,283,060 and \$2,787,333 respectively.

Lodging Tax is projected to increase by \$125,000 to a new total of \$624,144 based on the FY 2016 projection, while the Natural Gas Tax is slated to fall \$50,000 below the FY 2016 budgeted level, to just under \$538,000, in recognition of almost historically low natural gas prices.

For the outyears, Corporate Filings and LLC revenues have been increased by 4.0% for FY 2018, slightly lower than DEFAC's 5.0% growth estimate. For the last three fiscal years of the projection, the annual growth rate is 3.0%. Lodging Tax, along with the Natural Gas Franchise Fee, have been forecasted to increase at 2.0% annually for Fiscal Years 2018 through 2021.

County Seat Relief Package (FY 2017 Base Year \$9,643,339 - 6.2% of total revenues)

The County Seat Relief Package is a bundle of escalating revenue enhancements authorized by former Governor Minner and approved by the Delaware General Assembly that 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 2017 projections total \$9.6 million. The breakout is as follows: \$2.5 million for a payment in lieu of taxes (PILOT) by the State on what would usually be tax-exempt properties in the City (down \$40,297 from the FY 2016 budget); \$4.9 million as part of the State's Uniform Commercial Code (UCC) filing fees (up \$100,000 from the FY 2016 budget); \$1.0 million in Statutory Trust Filing Fees (up \$800,000, based on actual remittances received the past two years); and \$1.3 million in New Castle County Corporate Filing Fees (up \$17,800 from the FY 2016 budget). In total, there is a \$877,503 increase in County Seat Relief Package revenues from the FY 2016 budget.

For FY 2018 through FY 2021, the PILOT revenue and Statutory Trust Filing Fees remain unchanged. UCC Filing Fee Revenues and New Castle County Corporate Filings are projected to grow at 0.5% for FY 2018, per DEFAC estimates. We are projecting a higher annual growth of 1.0% in UCC Filings and New Castle County Corporate Filings for FY 2019 through FY 2021.

State Port Debt Reimbursement (FY 2017 Base Year \$840,060 - 0.5% of total revenues)

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 2017 will be \$840,060, and represents a \$96,661 decrease below FY 2016. The Debt Reimbursement has been adjusted for outyears per the debt service schedule.

State Pension Contribution (FY 2017 Base Year \$5,269,823 - 3.4% of total revenues)

The State Pension Contribution is a pass-through grant of \$5,269,823 (a reduction of \$1.9 million) in revenue that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. State Pension Contributions have been projected to remain level through FY 2021.

Net Adjustments & Transfers (FY 2017 Base Year \$275,000)

There are no prior year designations in FY 2017. 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 2017 Base Year: \$60,900,631 - 39.5% 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 2017 budget serves as the base year for estimating future costs, and all numbers are reported net of projected attrition. In FY 2017, all bargaining units were budgeted with a 2% Cost of Living Adjustment (COLA), except for the Local 1102 and 320 bargaining units that were budgeted with a 2.25% and 3% COLA, respectively, the result of their collective bargaining agreements (CBAs) settled in FY 2016. Anniversary-based salary step increases for all eligible employees are projected to cost approximately \$500,000 in FY 2017.

The City is currently in labor negotiations with most of its collective bargaining units. A 1.0% COLA is added in FY 2018 only for Local 1590 (firefighters) due to a recent settlement. There are no other COLAs projected, but anniversary salary step increases are assumed to continue throughout the projection period for all bargaining units at a cost of \$502,838 each year. Additionally, an adjustment of \$171,000 is added in each of the outyears to account for the addition of longevity pay for Fire salaries as a result of their new CBA.

Health Benefits, Active Employees (FY 2017 Base Year: \$16,009,301 - 10.4% of total expenditures)

Over the last two years, the City has experienced healthcare growth well above the national average. As a result, and in consultation with USI (the City's insurance broker and consultant), the City has completed a three-year strategic plan and assembled the Wilmington Employee Healthcare Task Force, all in an effort to reduce the rate of future growth and identify current cost savings. The Task Force is modeled closely after the Delaware State Employees Health Plan Task Force that was assembled in September of 2015. It is comprised of experts in healthcare from the public and private sectors. A final report is expected sometime in FY 2017.

Healthcare cost trends are forecast to increase over the period, and increase substantially for prescription drug coverage, according to the 2016 Segal Health Plan Cost Trend Survey. In addition, the base cost of providing healthcare increased by over \$4.4 million in FY 2017. The increase is due to rising costs in medical and prescription coverage, and medical stop-loss insurance. In FY 2017, the City used \$2 million in Risk Management fund balance to offset the rising costs of healthcare, reducing the overall cost increase from \$4.4 million down to \$2.4 million. The projection assumes another \$2 million from Risk Management fund balance again in FY 2018 for the same purpose. Although the transfer is a one-time measure, it will allow the City time to enact the recommendations of the Task Force.

As a result of the above, Human Resources (HR) and USI project that during the period of FY 2018 to FY 2021, prescription and stop-loss insurance will increase by 11.3% and 15.0% per year, respectively. It is also projected that Dental costs will rise by just 3.5% per year, while medical costs will increase by 8.0% annually. Taken in total, this equates to an overall weighted-average increase in base Healthcare costs of 8.28% per year through the projection period.

It is the goal of the City to change all employee contributions for health coverage from a fixed amount to a shared percentage of cost. The projection assumes a weighted-average contribution rate of 5.75% in FY 2018, that increases by 75 basis points each year thereafter, reaching 8.0% by FY 2021. The cumulative reduced cost to the City is roughly \$1.9 million over the projection period. Additionally, low disruption cost containment measures identified by USI are expected to result in a one-time medical base reduction of \$765,399 in FY 2018.

Pension and Retirement Healthcare (FY 2017 Base Year: \$17,539,125 - 11.4% 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 2017, it is 13.77% for police officers and firefighters, and 6.76% 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 \$3.7 million General Fund total cost of the State-sponsored pension plans in FY 2017 is projected to grow to \$4.6 million by FY 2021.

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 13 years. The Pension Coordinator, working with the City's Actuary, projects 4.0% annual growth in the funding targets through FY 2021. The General Fund cost of the City-sponsored pension plans totals just over \$11.3 million for FY 2017. This is projected to grow to \$13.2 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 an 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. The revisions to program benefits were 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 \$210,000 (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 2017 is \$2.47 million, and will grow to \$3.30 million by FY 2021.

Other Employee Benefits (FY 2017 Base Year: \$2,553,590 - 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 2017 Base Year: \$19,739,318 - 12.8% 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.

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

In FY 2016, the City began a four-year phase-in to charge the General Fund for water, sewer, and stormwater services. The General Fund will be charged 50% of these costs in FY 2017, 75% in FY 2018, and 100% in FY 2019 and beyond. Starting with a base fee of just over \$1.05 million in FY 2017, the most recent financial study projects required rate increases in the outyears that will raise the base fee to roughly \$1.39 million in FY 2021.

By decoupling from the State's utility contract and continuing the green initiatives implemented over the past several years, the City has been able to lock in favorable rates for electricity through FY 2017. As a result, the \$1.32 budgeted for Electricity in FY 2017 is relatively unchanged from the previous year. In addition, the City receives an annual Municipal Street Aid grant from the State of about \$1.1 million that is used to offset the electricity costs of street lighting that would otherwise be a cost to the General Fund.

Given the above, the projection increases electricity costs by 2.5% in FY 2018 (to \$1.35 million), then remains flat over the next two years due to the expectation of being able to contractually lock in rates. Another 2.5% increase is assumed in the last year of the projection, which would begin a new contract period. The assumption is also made that the Municipal Street Aid grant funding will remain constant throughout the projection period.

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 2017, the total amount budgeted for Community Activities is \$1,139,810 (\$711,810 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). The Contingency Fund was budgeted at \$500,000 for FY 2017. It is assumed it will remain at \$500,000 in the outyears of the projection. The Snow and Weather Emergencies Fund was budgeted at \$172,000 in FY 2017, and is projected to remain at that level through the projection period.

According to the Finance Department, Parking and Red-light revenue collections are expected to decline 30% and 25%, respectively, over the projection period. As a result, the collection commissions paid to external agencies are expected to decline at a comparable rate. Over the projection period, parking collection commissions will decrease from \$1,102,500 in FY 2017 to \$768,408 in FY 2021, and red-light collection commissions will decrease from \$1,020,000 in FY 2017 to \$765,000 in FY 2021.

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

General Liability (FY 2017 Base Year: \$1,383,089 - 0.9% of total expenditures)

Being self-insured, the City relies heavily on an actuary to annually review claims experience and rate potential liability. Once an accrued liability figure is determined, it is compared to that of the previous fiscal year. Changes in the liability figure on the balance sheet result in changes to the expenses booked under General Liability in the income statement. As a result, this cost category can experience extreme volatility in the short-term. The long-term running average of actual experience was used to derive the FY 2017 budget of \$1.3 million. This figure is projected to increase by 2.5% annually.

Workers' Compensation (FY 2017 Base Year: \$3,004,907 - 2.0% of total expenditures)

Actual Workers' Compensation expenditures, which are actuarially determined, have experienced an increase in the last two years. The increase is attributed to the severity of claims, as the number of paid claims has actually decreased. The FY 2017 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 2017 Base Year: \$13,098,927 - 8.5% 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 above.

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. The Division of Integrated Technology continues to upgrade City software and communications equipment, although to a lesser degree, 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 2017.

In recent years, Motor Vehicle costs have shown greater consistency due to better managing the size of the fleet. Fuel cost increases are projected at 3.5% for each year subsequent to FY 2017, 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 FY 2018 through 2021.

Debt Service (FY 2017 Base Year: \$13,920,928 - 9.0% 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 biennial capital budgets, it is assumed a \$20 million bond issuance will take place in October of 2017 (FY 2018) and another \$20 million bond issuance will take place in October of 2019 (FY 2020).

It is assumed that the debt service for the 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 FY 2018 issuance is assumed to be 3.50%, resulting in a \$1.39 million annual debt service cost. The FY 2020 issuance has an assumed interest rate of 3.75%, and \$1.43 million in annualized debt service costs. Special consideration is also given for the timing of the issuances.

A refinancing of previously issued debt will take place in FY 2017. As a result, the City expects to save \$1,377,907 in FY 2018, \$200,712 in FY 2019, \$65,347 in FY 2020, and \$65,861 in FY 2021.

Special Purpose (FY 2017 Base Year: \$619,000 - 0.4% of total expenditures)

This expenditure category funds animal control for a total of \$600,000, and includes a total of \$19,000 for some smaller specialty items in City Council. The City Council funding is projected to grow annually by 2.5% per year starting in FY 2018.

Over the course of FY 2017, the State will transition into becoming the sole provider of animal control services for municipalities. It is expected that a State-run animal control system will result in some savings, however, no details have been provided at this point. As such, the \$600,000 budgeted in FY 2017 is kept constant through the FY 2018-2021 projection period.

State Pension Contribution (FY 2017 Base Year: \$5,269,823 - 3.4% 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 \$5,269,823 for FY 2017. As such, an equal and offsetting amount is included as General Fund revenue. This expenditure is split between the Police and Fire Departments, with \$3,629,111 budgeted in Fire and \$1,640,712 budgeted in Police. The FY 2017 figure remains unchanged through the projection period.

FISCAL YEAR 2017 REVENUES

Overview

GENERAL FUND

Most of the City's larger revenue streams continue to show modest, but steady, growth. Total revenue before transfers is projected to increase by a net \$1,043,801 or 0.7% above the FY 2016 Budget, to a new total of \$154,575,913. The net change from Budget to Budget (FY 2017 vs. FY 2016) can be broken down as follows:

REVENUE	INCREASE/ (DECREASE)	TOTAL
Wage & Net Profits Tax	\$1,830,000	\$67,231,600
County Seat Relief Package	877,503	9,643,339
Task Force Revenues	487,200	5,232,226
Other Taxes	311,500	7,328,131
Licenses, Permits & Fees	200,000	4,400,000
Other Revenues	123,109	6,874,555
Interest Earnings	7,963	240,000
Property Taxes	(161,321)	39,566,179
Fines	(650,000)	7,950,000
Other Governments	(1,982,153)	6,109,883
TOTAL	\$1,043,801	\$154,575,913

WATER/SEWER FUND

Total Water/Sewer Fund revenues are projected to increase by more than \$504,000 above FY 2016, to a new total of \$74.1 million in FY 2017. 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 was 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 Water/Sewer Fund is very close to total self-sufficiency, with enough income to no longer require financial support from the City's General Fund.

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2017

WAGE & NET PROFITS TAX

Basis: Growth of local economy

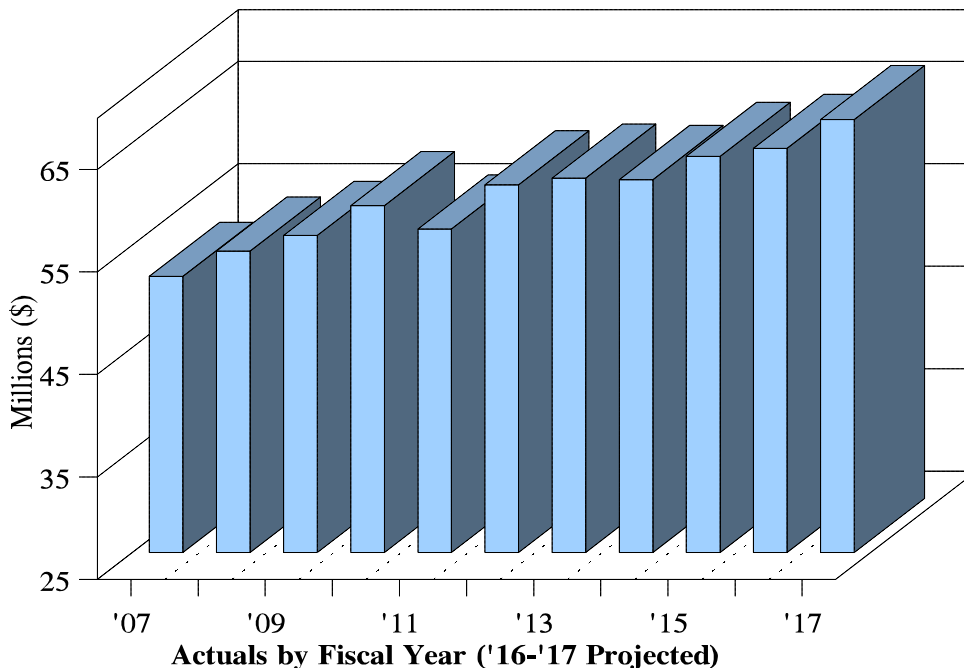
Critical Assumption: The FY 2017 Wage and Net Profits Tax projection totals just over \$67.2 million, a \$1.83 million increase above FY 2016.

Wage Tax revenue has been growing, albeit modestly, fueled by an improving local economy. The Wage Tax base is now almost \$57.9 million, with another \$100,000 expected to be added by the end of FY 2016 from ongoing audit and collection activities. For FY 2017, job growth and rising employee compensation are projected to increase taxable wages by 3.5%, further expanding base revenue by \$2.03 million. Finally, audit and collection efforts for FY 2017 are expected to bring in \$1.5 million in one-time revenue, \$500,000 less than last fiscal year. In total, FY 2017 Wage Tax revenue is projected to be \$61.5 million.

The Net Profits portion of this revenue category is projected to increase by \$200,000 to \$5.7 million for FY 2017.

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$61,366,603	\$63,638,391	\$65,401,600	\$64,401,600	\$67,231,600

Wage & Net Profits Tax Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2017

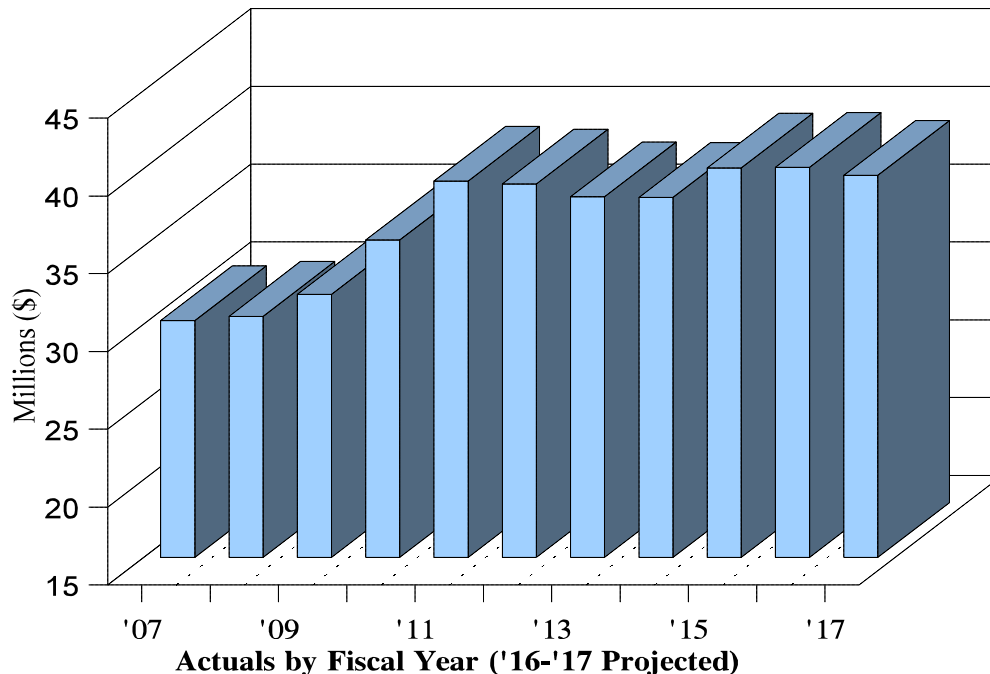
PROPERTY TAX

Basis: Assessment rolls

Critical Assumption: Property Taxes are projected to total \$39,566,179, a net decrease of \$161,321. Base billings for FY 2016 were \$39.5 million. However, assessment appeals from owners of some large commercial properties are pending. Revenue loss from appeals is projected to be \$500,000, and is in addition to the \$50,000 reduction for other billing adjustments in FY 2016. Helping to offset these reductions is \$403,000 of additional revenue resulting from expiring tax incentives and higher assessments due to property improvements. A 2.0% adjustment downward for uncollectible accounts reduces the net base revenue for FY 2017 by \$787,000. Lastly, Penalty and Interest is expected to add \$1.0 million in one-time revenue, an increase of \$350,000 from last fiscal year. There is no change to the property tax rate in FY 2017.

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$38,140,803	\$40,046,863	\$39,727,500	\$40,077,500	\$39,566,179

Property Tax Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2017

OTHER TAXES

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

Critical Assumption: Other Taxes are projected to increase by \$311,500 for FY 2017. The breakout is as follows:

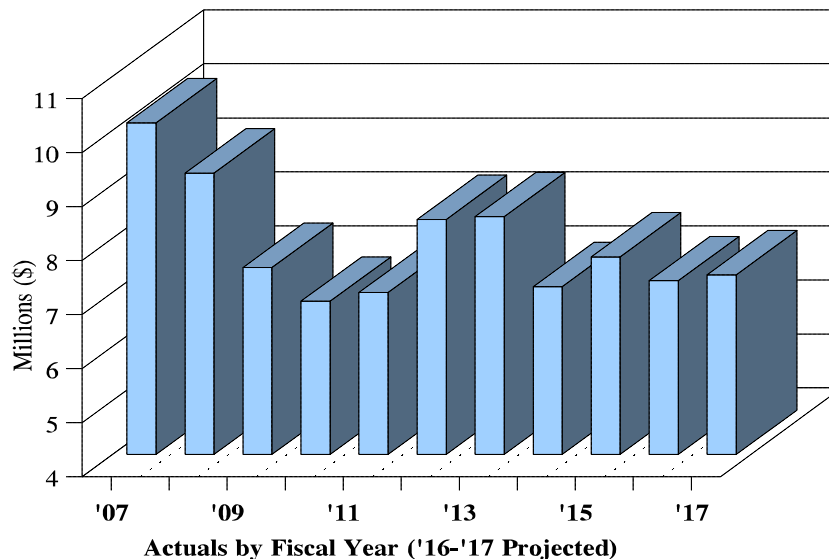
Franchise Fees revenue previously consisted of 2% of the gross revenues from electricity sales in the City and 5% of gross revenues from cable television service sales in the City. In Wilmington, Delmarva Power is the sole distributor of electricity and Comcast is currently the only provider of cable TV service. However, in FY 2014, City Council transferred the Comcast franchise revenue into the special CATV Fund. The annual Delmarva Power payment remains the sole source of revenue in this category, and is projected to be \$916,631, unchanged from the current FY 2016 budget and projection.

Real Estate Transfer Tax revenues are slated to rise by \$57,500 to \$2,357,500 for FY 2017, an increase of 2.5% over the projection for FY 2016, but less than the FY 2015 total of \$2.5 million. The average price of residential homes is rising slowly, and the number of sales is increasing modestly. Medium and large commercial property transfers are also occurring, but at a pace that is extremely unpredictable.

Head Tax revenue is projected to increase by \$254,000, to \$4.054 million for FY 2017. The FY 2016 mid-year projection had been increased by \$200,000 to \$4.0 million, which became the base for FY 2017, and was further increased by \$54,000, the equivalent of 300 net new jobs.

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$7,105,745	\$7,660,655	\$7,016,631	\$7,216,631	\$7,328,131

Other Taxes



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2017

LICENSES, PERMITS, FEES, AND FINES

Basis: Trend analysis

Critical Assumption: Licenses, Permits and Fees revenue is projected to rise by \$200,000 to \$4.4 million in FY 2017.

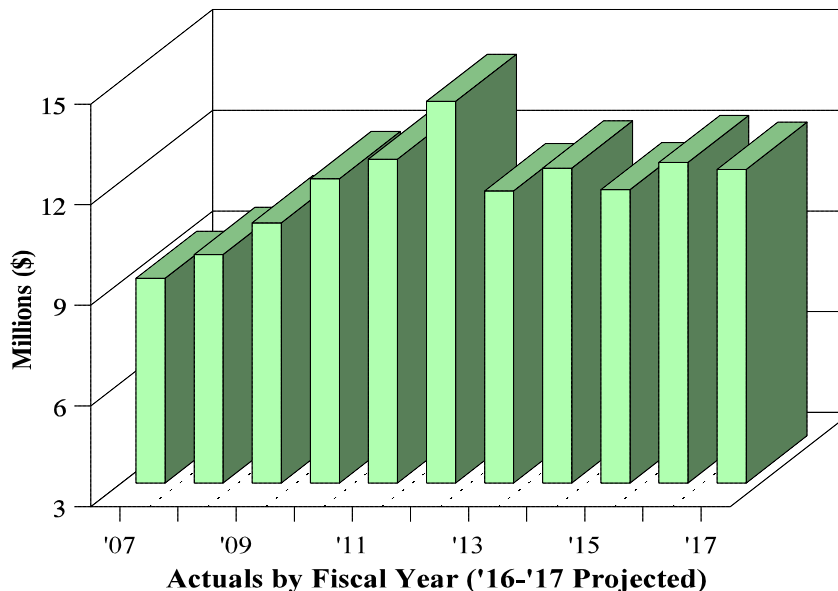
Business Licenses and Fees are expected to hold at \$1.6 million and \$600,000 respectively. However, Permits (Building) are projected to increase by \$200,000, due to several large development projects getting underway the summer of 2016.

Fines are projected to decrease by \$650,000, to a total of \$8.0 million. The breakout is as follows: Criminal/Traffic Fines revenue consists of red-light camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. Revenue is projected to total \$4.7 million in FY 2017, down \$50,000 from the FY 2016 budget, and is broken down as follows: Red-light camera fines at \$4.0 million (no change), Criminal Fines at \$250,000 (down \$50,000), and L & I Instant Ticketing at \$400,000 (no change).

Parking Tickets/Booting Fines are forecast to decrease \$600,000 from the \$3.9 million budgeted in FY 2016, down to \$3.3 million in FY 2017. There has been a three-year downward trend resulting from reduced ticket writing activity and changes in parking regulations.

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$12,383,766	\$11,744,885	\$12,800,000	\$12,550,000	\$12,350,000

Licenses, Permits, Fees & Fines



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2017

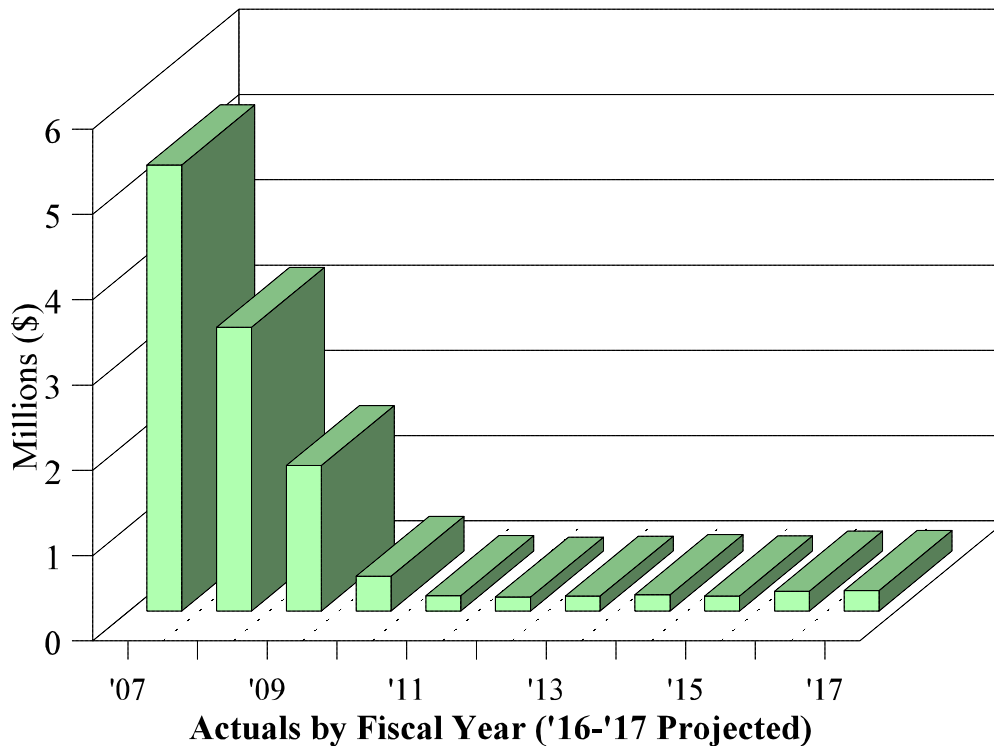
INTEREST

Basis: Trend analysis/Cash flow analysis/Bond issuance

Critical Assumption: The City’s cash balances available for investment have improved somewhat, supplemented by capital bond proceeds in early FY 2016. Interest rates have inched up a bit, but remain stubbornly low. Accordingly, Interest Earnings are projected to rise minimally by \$7,963 above the FY 2016 budgeted amount.

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$192,064	\$176,237	\$232,037	\$232,037	\$240,000

Interest Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

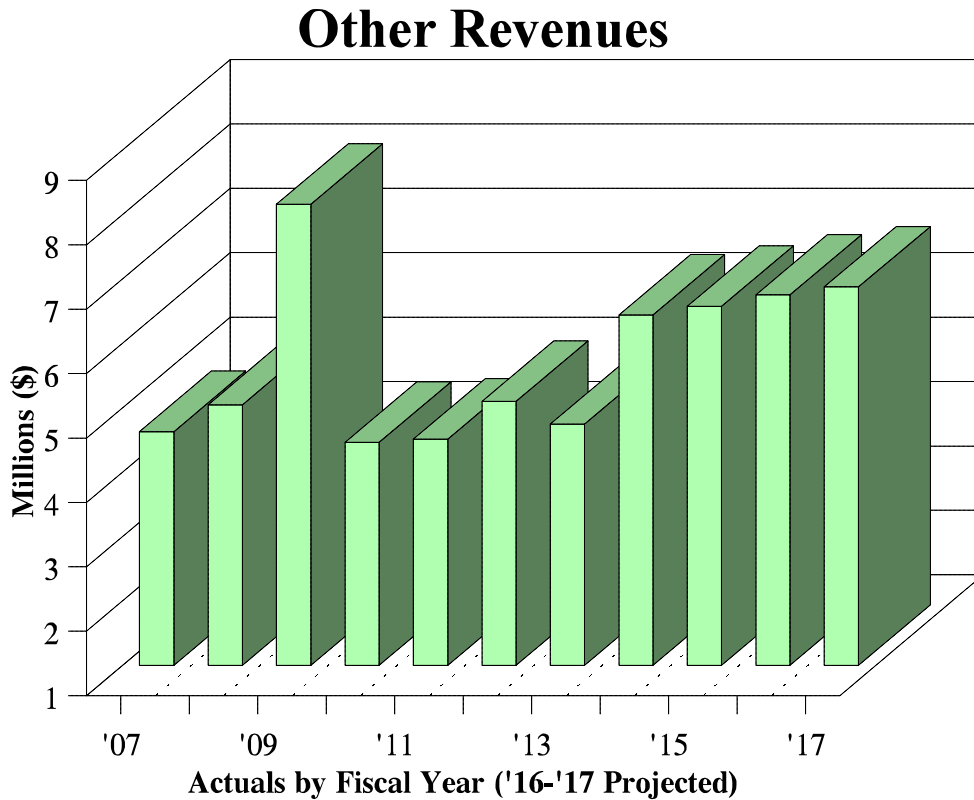
General Fund Revenues Fiscal Year 2017

OTHER REVENUES

Basis: Trend analysis/Contractual

Critical Assumption: Other Revenues is comprised of Indirect Cost, General Government Charges, Rentals, and Miscellaneous. Rentals and Miscellaneous revenues are expected to remain unchanged. Indirect Cost is a charge to the Water/Sewer Fund that offset costs incurred by the General Fund in support of the water, sewer, and stormwater utilities. Indirect Cost will rise by \$223,109, to a new total of \$5,246,555, reflecting the budget increases in the supporting services provided to the Water/Sewer Fund’s utility functions by the General Fund. The remaining portion of this category, General Government Charges, will fall by \$100,000 due to a decrease in False Alarm Reduction revenue.

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$6,442,831	\$6,575,912	\$6,751,446	\$6,651,446	\$6,874,555



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2017

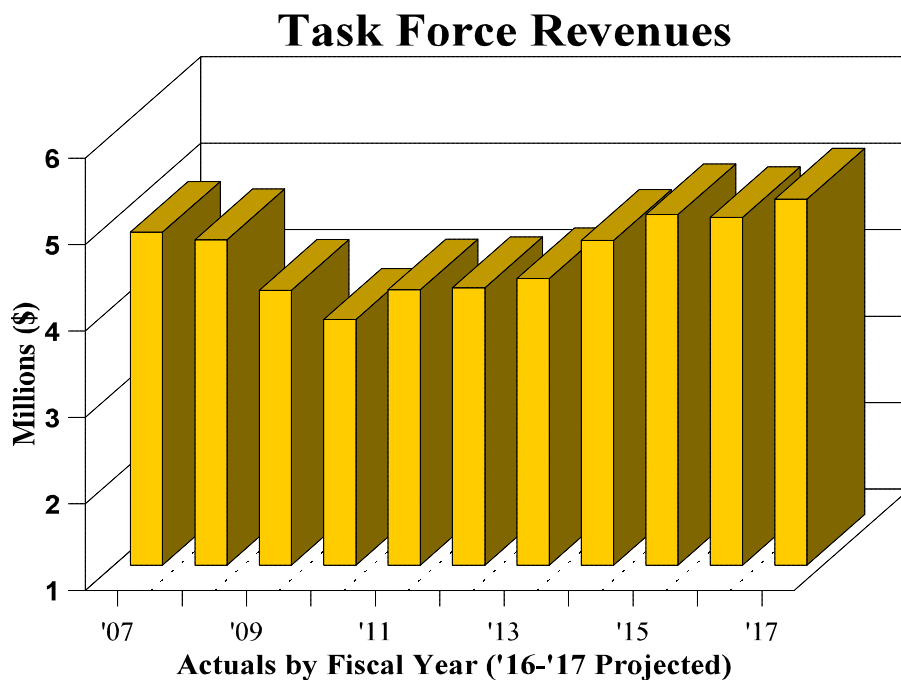
TASK FORCE REVENUES

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.

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FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$4,754,986	\$5,053,288	\$4,745,026	\$5,020,026	\$5,232,226



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2017

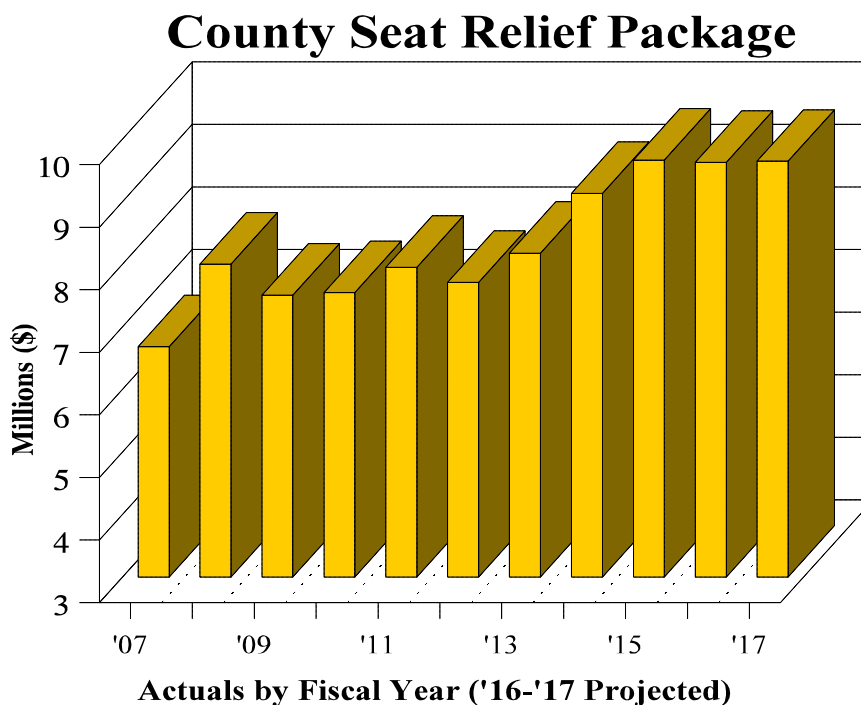
COUNTY SEAT RELIEF PACKAGE

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 2017 projections total \$9.6 million. The breakout is as follows: \$2.5 million for a payment in lieu of taxes (PILOT) by the State on what would usually be tax-exempt properties in the City (down \$40,297 from the FY 2016 budget); \$4.9 million as part of the State’s Uniform Commercial Code (UCC) filing fees (up \$100,000 from the FY 2016 budget); \$1.0 million in Statutory Trust Filing Fees (up \$800,000, based on actual remittances received the past 2 years); and \$1.3 million in New Castle County Corporate Filing Fees (up \$17,800 from the FY 2016 budget). In total, there is a \$877,503 increase in County Seat Relief Package revenues from the FY 2016 budget.

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$9,129,958	\$9,658,837	\$8,765,836	\$9,625,539	\$9,643,339



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2017

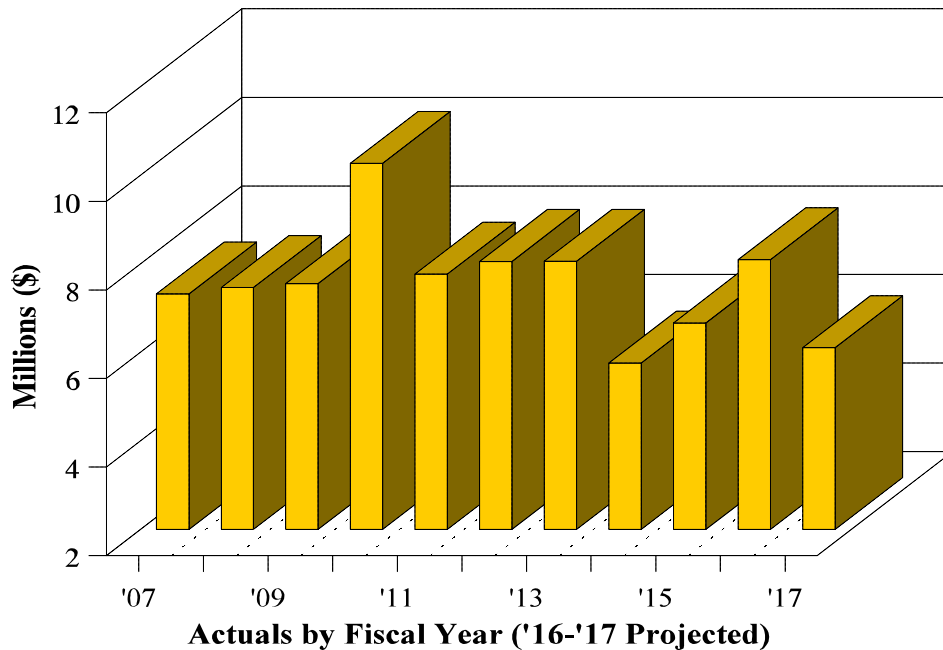
OTHER GOVERNMENTS

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 \$5,269,823 (a reduction of \$1.9 million) 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 2017 will be \$840,060, and represents a \$96,661 decrease below FY 2016.

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$5,758,610	\$6,665,575	\$8,092,036	\$8,092,036	\$6,109,883

Other Governments



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2017

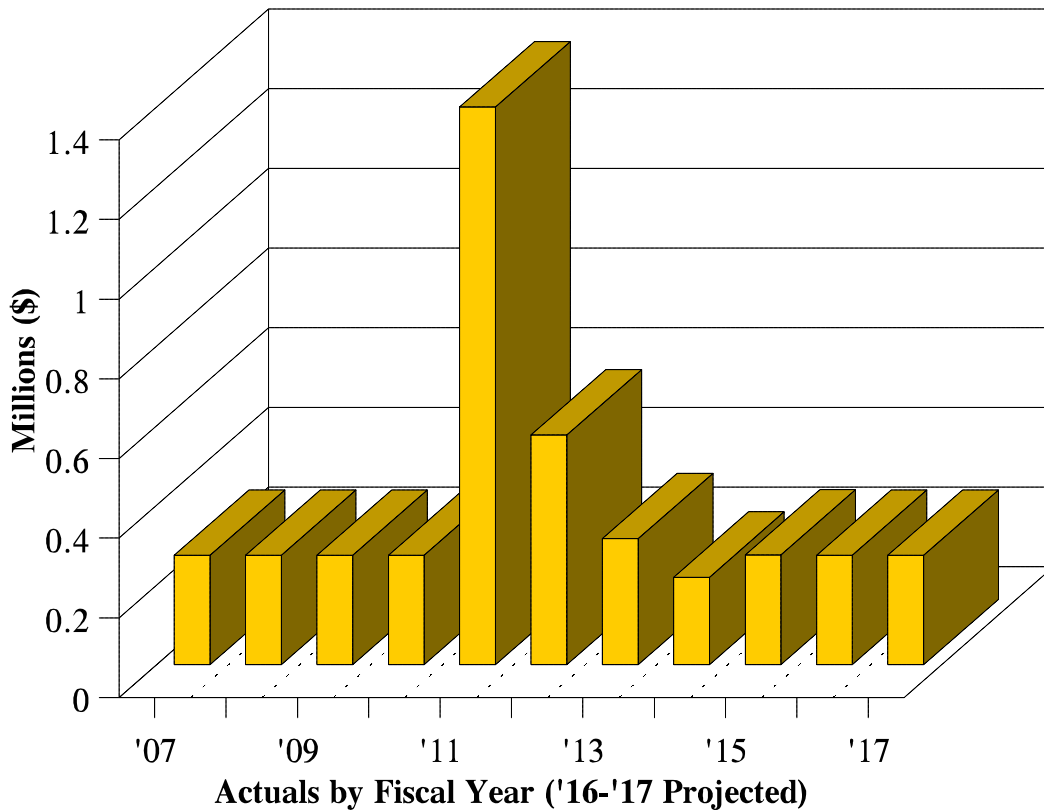
TRANSFERS AND USE OF FUND BALANCE

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

Critical Assumption: There are no prior year designations in FY 2017. There is only the usual transfer from the Wilmington Parking Authority (WPA) in the amount of \$275,000.

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$220,247	\$276,696	\$275,000	\$275,000	\$275,000

Transfers & Use of Fund Balance



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2017

MUNICIPAL STREET AID

Basis: State of Delaware grant award letter

Critical Assumption: This grant is used to offset electricity costs for street lighting, and is anticipated to remain nearly equal to the FY 2016 level.

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$1,068,403	\$823,313	\$1,078,857	\$1,078,857	\$1,070,165

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Basis: Estimate from Federal Government (HUD)

Critical Assumption: Funding is expected to decrease minimally by almost \$49,000 less than the FY 2016 award.

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$1,763,410	\$2,453,999	\$2,077,013	\$2,077,013	\$2,028,437

COMCAST FRANCHISE FEES

Basis: Trend Analysis and Growth of local economy

Critical Assumption: Comcast Franchise Fees revenue consists of 5.0% 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 were budgeted as a special revenue fund, a result of City Council transferring the Comcast franchise revenue into the CATV Fund. For FY 2017, this revenue source is expected to grow slightly from at the FY 2016 budgeted level, following the trend of recent years.

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$1,165,800	\$1,183,955	\$1,131,061	\$1,131,061	\$1,200,000

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2017

COMMUNITY ORIENTED POLICING SERVICES (COPS) GRANT

Basis: U.S. Department of Justice Grant

Critical Assumption: The Community Oriented Policing Services (COPS) grant is a Federal award to help law enforcement agencies to hire more community policing officers, acquire new technologies and equipment, and promote innovative approaches to solving crime. The FY 2015 amount represented the remaining funds for 0.80 Full-time Equivalent (FTE) Patrol Officers. No additional funding was secured beyond FY 2015.

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$121,033	\$29,765	\$0	\$0	\$0

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 help fire departments increase the number of trained firefighters in communities. Although planned as a two-year award to fund salary and benefit costs for 13 firefighters, the grant spanned a partial third year due to an initial delay in implementation. Funds were exhausted in FY 2014, and the City was unable to secure an additional award.

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$404,814	\$0	\$0	\$0	\$0

PARKS ASSISTANCE

Basis: Estimate from Federal Government

Critical Assumption: These funds are used for the Summer and Evening Food Programs. Funding is projected to increase by almost \$248,000 in FY 2017.

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$802,640	\$1,045,327	\$984,149	\$984,149	\$1,231,879

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2017

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 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$87,125	\$105,289	\$125,094	\$125,094	\$130,956

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 in FY 2017.

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$2,352,959	\$1,758,970	\$521,411	\$521,411	\$541,244

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 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$3,894,840	\$4,347,523	\$4,283,373	\$4,283,373	\$4,636,738

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2017

HOME PARTNERSHIP FUND

Basis: Estimate from Federal Government (HUD)

Critical Assumption: The Home Partnership Program is awarded through HUD and is expected to increase slightly in FY 2017.

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$644,686	\$726,581	\$374,716	\$374,716	\$386,511

MISCELLANEOUS GRANTS

Basis: Federal/State of Delaware award letters

Critical Assumption: Miscellaneous Grants is a combined total of two Federal grants and three State grants. The Federal grants are Housing Opportunities for People With AIDS (HOPWA at \$636,800) and the Emergency Shelter Grant (ESG at \$186,973). The State grants are the Local Emergency Planning Committee Grant (LEPC at \$67,357), the Workforce Investment Board (WIB at \$351,324) and the State Fire Grant (\$201,369).

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$1,933,046	\$2,293,373	\$1,650,735	\$1,650,735	\$1,407,823

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2017

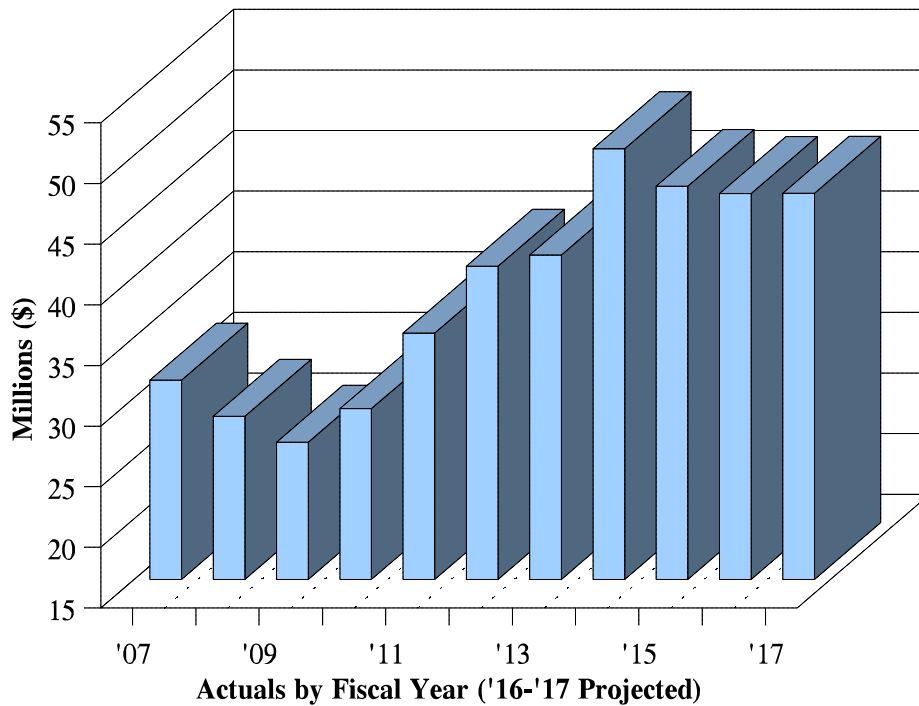
WATER/SEWER USER FEES

Basis: Trend analysis/Management initiatives/Proposed rate increase

Critical Assumption: The base amount of Water/Sewer User Fees had been growing in recent years as a result of the rate increases to stabilize the Fund. For FY 2017, base billings, forecasted through financial modeling using current consumption data, will increase to \$42.9 million. After factoring in the allowance for uncollectible accounts, and adding special sewer and other miscellaneous revenue, total User Fees is projected to be \$46.9 million, a net increase of \$1.3 million over the FY 2016 budget. There is no increase to water and sewer rates for FY 2017.

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$50,543,673	\$47,426,458	\$45,581,216	\$46,828,743	\$46,859,000

Water/Sewer User Fees



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2017

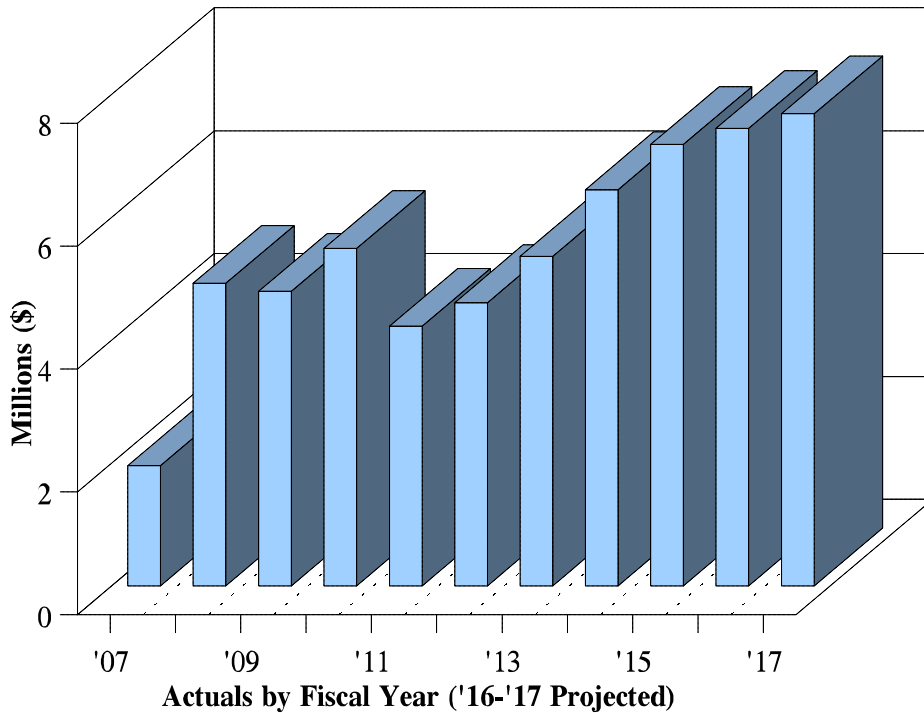
STORMWATER BILLINGS

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 for FY 2016 is \$8.1 million. After allowing a total of \$405,000 for uncollectible accounts, almost \$7.7 million in revenue is projected for FY 2017, a net increase of \$241,000 above the FY 2016 budget. There is no increase to stormwater rates for FY 2017.

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$6,447,114	\$7,183,801	\$7,445,000	\$7,445,000	\$7,686,000

Stormwater Billings



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2017

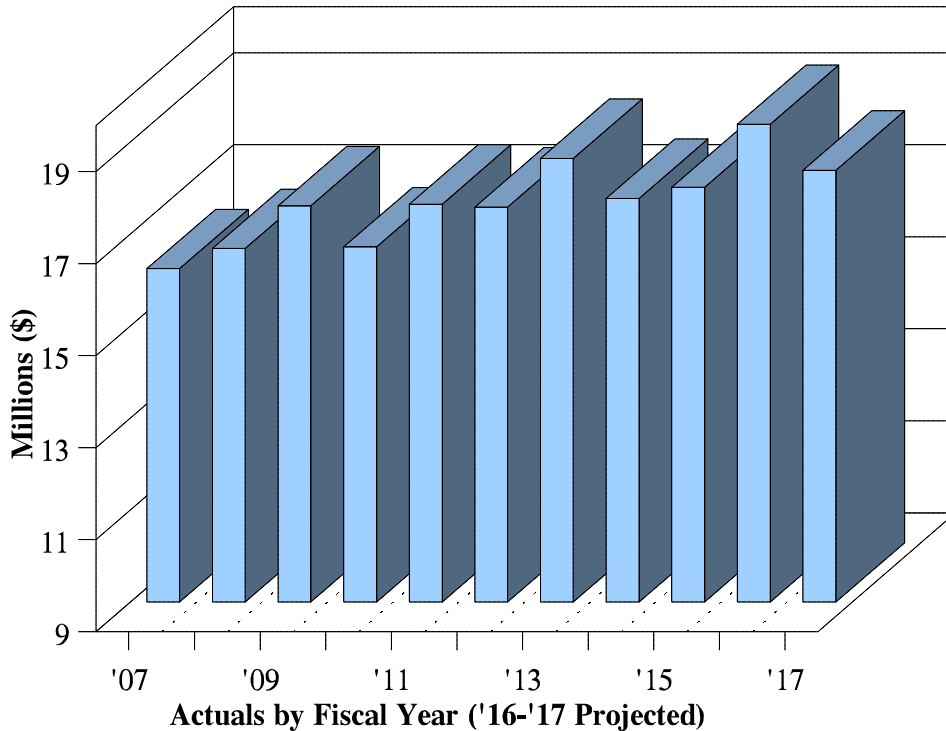
NEW CASTLE COUNTY SEWER SERVICES

Basis: Contract with New Castle County

Critical Assumption: The City and New Castle County are currently in the midst of negotiating a new contract defining the fee structure for treating the County’s sewage. Until a new contract is agreed upon, the terms of the expired contract, settled through arbitration, will continue. Total revenue for FY 2017 is projected at \$18,374,244, a net decrease of \$1,005,780 from last fiscal year. The decrease occurred because a one-time reimbursement of \$1,047,000 to the City for special repairs to concrete at the sewage treatment facility in FY 2016 will not recur.

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$17,769,628	\$18,095,165	\$19,380,024	\$19,380,024	\$18,374,244

NCC Sewer Services



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2017

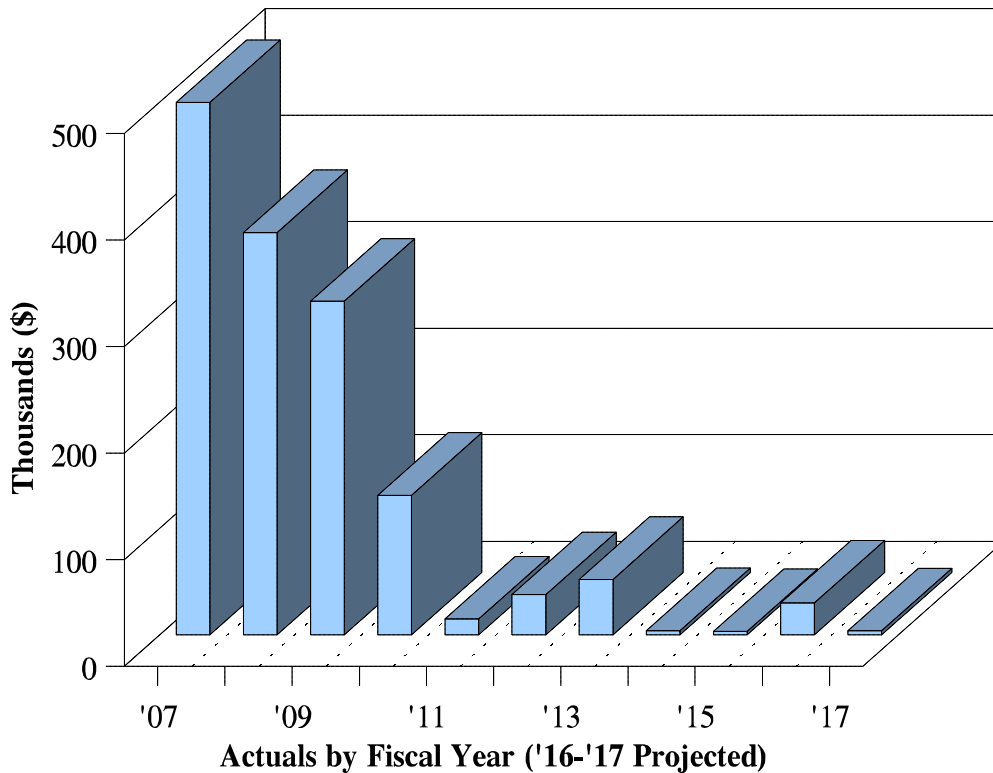
INTEREST

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. But based on the last two years of actual revenues, interest is projected to decrease by \$26,000 to \$4,000.

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$4,135	\$3,502	\$30,000	\$30,000	\$4,000

Interest Income



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2017

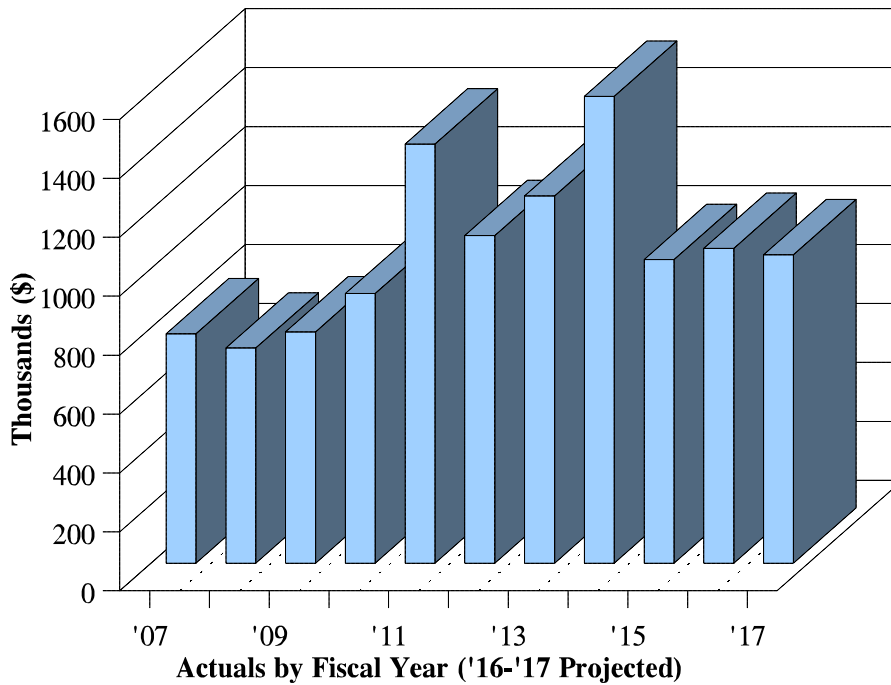
RENTALS/MISCELLANEOUS

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 decrease by almost \$81,000 to \$1,047,000.

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$1,584,492	\$1,031,263	\$1,127,784	\$1,069,130	\$1,047,000

Rentals/Miscellaneous



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2017

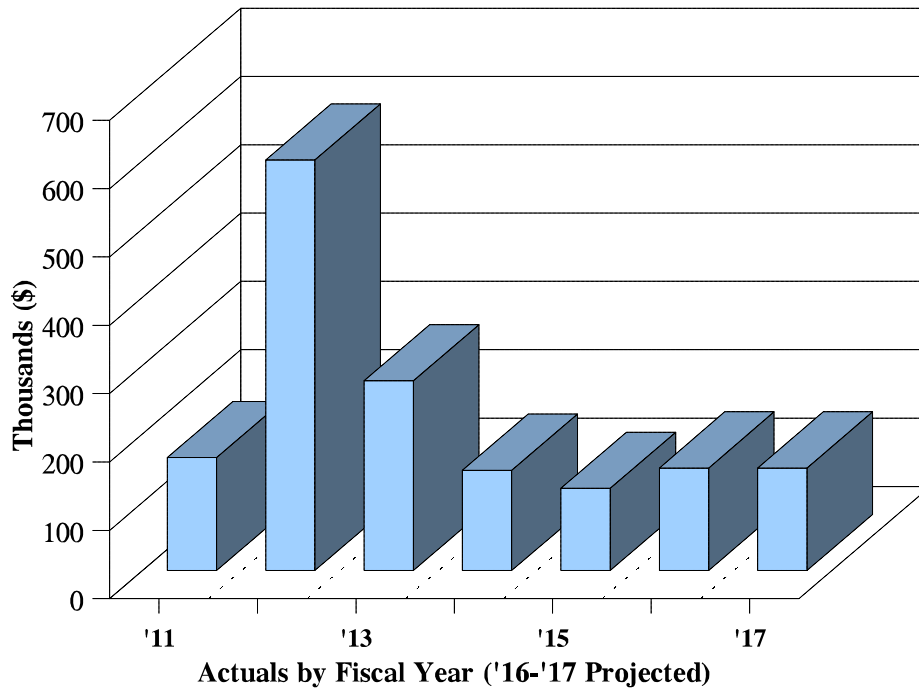
SOLAR PANEL REVENUE

Basis: Lease/Contracts.

Critical Assumption: This was a new revenue source that began in FY 2011. Although small in value, because of the special nature of this revenue, it is accounted for in its own separate category. As a result of the installation of solar panel arrays at various municipal sites (most notably the Porter Filter Plant), the City earns Solar Renewable Energy Credits (SRECs). Revenue is obtained from the sale of these credits by the City. For FY 2017, \$150,000 in revenue is expected, up by \$98,000.

FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget
\$146,759	\$120,296	\$52,000	\$150,127	\$150,000

Solar Panel Revenue



**CITY OF WILMINGTON
TAX RATES FOR FISCAL YEAR 2017**

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: \$1.855 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 2017
(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

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
MAYOR'S OFFICE	FY2014	FY2015	FY2016	FY2017
Personal Services	5,460,952	5,476,516	5,658,300	5,913,758
Materials, Supplies & Equipment	5,925,585	4,931,914	6,697,253	6,848,438
Internal Services	1,206,281	1,137,229	1,244,729	1,248,559
Debt Service	3,576,686	3,931,342	4,441,742	4,303,329
Special Purpose	120,000	119,000	117,000	0
Contingent Reserves	0	0	425,000	127,360
Depreciation	818,677	906,648	967,940	967,940
TOTAL	17,108,181	16,502,649	19,551,964	19,409,384
STAFFING LEVELS	60.00	59.00	59.00	59.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
MAYOR'S OFFICE	FY2014	FY2015	FY2016	FY2017
Personal Services	3,454,109	3,662,376	3,706,261	3,773,241
Materials, Supplies & Equipment	1,408,962	1,460,078	1,513,219	1,674,649
Internal Services	845,709	819,858	929,843	932,598
Debt Service	3,410,544	3,794,633	4,176,481	4,081,163
Special Purpose	120,000	119,000	117,000	0
TOTAL	9,239,324	9,855,945	10,442,804	10,461,651
STAFFING LEVELS	36.50	37.50	37.50	36.50

CONTINGENT RESERVES	ACTUAL	ACTUAL	BUDGET	APPROVED
MAYOR'S OFFICE	FY2014	FY2015	FY2016	FY2017
Contingency	0	0	300,000	(44,640)
Snow & Weather Emergencies	0	0	125,000	172,000
TOTAL	0	0	425,000	127,360
STAFFING LEVELS	0.00	0.00	0.00	0.00

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

LOCAL EMERGENCY PLANNING COMMITTEE (LEPC) FUND MAYOR'S OFFICE	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Personal Services	143,008	122,629	65,447	67,357
Materials, Supplies & Equipment	50,959	18,173	0	0
TOTAL	193,967	140,802	65,447	67,357
STAFFING LEVELS	0.50	0.50	0.50	0.50

INTERNAL SERVICES FUND MAYOR'S OFFICE	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Personal Services	1,863,835	1,691,511	1,886,592	2,073,160
Materials, Supplies & Equipment	4,465,664	3,453,663	5,184,034	5,173,789
Internal Services	360,572	317,371	314,886	315,961
Debt Service	166,142	136,709	265,261	222,166
Depreciation	818,677	906,648	967,940	967,940
TOTAL	7,674,890	6,505,902	8,618,713	8,753,016
STAFFING LEVELS	23.00	21.00	21.00	22.00

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

- Personal Services costs increased a net total of \$66,980.
- To better meet the demands on the Constituent Service Division, the vacant Civil Appeals Director position was deleted, while a new position of Constituent Services Representative was created. The changes from these positions represent a total net decrease of \$45,226 in salaries and benefits, which helped offset increases as a result of COLAS and step increases.
- Like other Departments, the Mayor’s Office experienced a sharp increase in Hospitalization (up \$88,471). However, Pensions decreased a net total of \$31,186, due to reductions in the actuarial targets and the deletion of the vacant Civil Appeals Director position.
- The Community Activities account group increased a net total of \$134,950. Funding in the amount of \$225,000 for the “Cease Violence” non-profit organization has been moved from the Department of Parks and Recreation into the Mayor’s Office Community Activities allocation. Miscellaneous Projects was reduced by \$363,300, which includes a \$103,300 reduction to the annual allocation of funds to CityFest. The remaining \$260,000 was shifted from Miscellaneous Projects to Grants To Agencies to better adhere to accounting policies.
- Consultant costs were increased by just over \$78,000. Cuts shared by the Administration and Cultural Affairs divisions of \$30,000, were offset by the \$100,000 increase in the Office of Management and Budget to fund Departmental Operational Reviews suggested by Council.
- Temporary Agencies decreased \$29,000. Phone support for the Constituent Service Division will now be covered by the new Constituent Services Representative position.
- Rentals-N.O.C costs were reduced by \$10,000 in Cultural Affairs in an effort to control expenditures. Additional fundraising efforts are planned to assist with Cultural Affairs event funding.
- Debt Service costs decreased by a net total of \$95,318. This decrease is nearly exclusively represented in interest payments.

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

- Personal Services costs increased a net total of \$186,568. Increases in Regular Salaries (\$108,168) and Hospitalization (\$74,624) were partially offset by savings in Pensions (\$12,907).
- Three new positions were created within the Data Processing Division: a Helpdesk Manager, an Application Support Specialist I, and a Network Technician, increasing the budget by \$302,172. However, the cost of the three new positions was offset by the deletion of a vacant Document Management Systems Administrator position and a vacant Telecom Manager position, for a savings of \$175,638. The total net effect of these personnel changes was a \$126,534 increase in Personal Services costs.
- Other increases to Regular Salaries were the result of annual step increases and COLAs.
- Pensions decreased due to changes in the actuarial targets.
- Total MS&E was reduced by \$10,245. Significant cuts were made throughout the Department, such as to Consultants (down \$311,000), Workshop/Training (down \$35,000) and Machinery & Equipment (down \$47,000). However, savings were offset by increases in Network Switch Infrastructure (up \$250,000) and Repairs to Mechanical Office Equipment (up \$153,908), reflecting major hardware system upgrades.
- There were three major increases in the Repairs to Mechanical Office Equipment account. KRONOS support and maintenance increased just over \$35,000, Police and Fire Telestaff increased \$44,000 to complete the transition of all employees to KRONOS, and the needed expansion of network storage accounted for \$86,000.
- Internal Services increased \$1,075, due primarily to the rise in Data Processing costs.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: MAYOR'S OFFICE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Regular Salaries	2,371,971	2,457,301	2,573,378	2,573,069
Temporary Salaries	1,827	22,234	0	0
Acting Out of Class	1,340	0	0	0
Sick Leave Bonus	1,000	1,600	0	0
Overtime/Special Events	2,466	613	0	0
Meal Allowance	20	0	0	0
Health Cash Back	0	7,466	0	6,960
Pension Contribution	279,617	259,350	270,059	224,175
Social Security	147,253	151,833	157,734	157,591
Medicare Tax	34,453	35,532	36,912	36,856
Hospitalization	440,916	534,598	500,634	589,105
Life Insurance	8,677	9,070	8,910	8,743
Pension Healthcare	71,807	81,478	93,750	98,550
State Pension Plan - Civilian	92,762	101,301	101,477	116,175
Personal Services Adjustment	0	0	(36,593)	(37,983)
PS-Budget Control Account	0	0	0	0
TOTAL PERSONAL SERVICES	3,454,109	3,662,376	3,706,261	3,773,241
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	106,395	94,924	97,633	96,493
Communications & Utilities	43,206	38,022	48,402	45,927
Transportation	17,078	32,416	29,600	28,600
Rentals	42,327	55,331	56,050	45,350
Contracted Maintenance Repairs	2,238	2,238	3,300	3,140
Professional Fees	312,846	295,016	340,600	389,715
Other Fees	0	0	0	0
Memberships & Registrations	46,136	49,114	62,362	60,832
Miscellaneous Services	173,052	205,759	209,912	212,962
Office & General Supplies	12,259	10,936	15,000	12,440
Miscellaneous Parts	59,147	44,822	62,500	55,380
Construction and Repairs	0	75	1,000	1,000
Equipment	4,668	10,380	10,000	11,000
Fixed Assets	0	0	0	0
Miscellaneous Projects	489,186	498,939	471,860	108,560
Community Activities	100,424	122,106	105,000	603,250
MSE-Budget Control Account	0	0	0	0
TOTAL M., S. & E.	1,408,962	1,460,078	1,513,219	1,674,649

DEPARTMENT: MAYOR'S OFFICE

FUND: GENERAL

	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
INTERNAL SERVICES				
Administrative Services	738,608	668,463	864,622	865,568
Self-Insurance	107,101	151,395	65,221	67,030
TOTAL INTERNAL SERVICES	845,709	819,858	929,843	932,598
DEBT SERVICE				
Principal Payments	2,373,426	2,814,658	3,253,157	3,255,495
Interest Payments	1,037,118	979,975	923,324	825,668
TOTAL DEBT SERVICE	3,410,544	3,794,633	4,176,481	4,081,163
SPECIAL PURPOSE				
Other Special Purpose	120,000	119,000	117,000	0
TOTAL SPECIAL PURPOSE	120,000	119,000	117,000	0

DEPARTMENT: MAYOR'S OFFICE

FUND: CONTINGENT RESERVES

	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
CONTINGENT RESERVES				
Contingency	0	0	300,000	(44,640)
Snow & Weather Emergencies	0	0	125,000	172,000
TOTAL CONTINGENT RESERVES	0	0	425,000	127,360
GENERAL FUND TOTAL	9,239,324	9,855,945	10,867,804	10,589,011

DEPARTMENT: MAYOR'S OFFICE

FUND: LEPC

PERSONAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Regular Salaries	110,318	87,553	42,169	43,013
Pension Contribution	8,512	11,307	11,302	10,710
Social Security	5,083	5,344	2,590	2,601
Medicare Tax	1,189	1,250	606	608
Hospitalization	16,860	15,876	7,410	8,955
Life Insurance	104	124	120	120
Pension Healthcare	942	1,175	1,250	1,350
TOTAL PERSONAL SERVICES	143,008	122,629	65,447	67,357
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	5,918	5,564	0	0
Transportation	638	0	0	0
Professional Fees	0	0	0	0
Memberships & Registrations	331	347	0	0
Miscellaneous Services	13,291	960	0	0
Office & General Supplies	646	944	0	0
Wearing Apparel and Safety	958	0	0	0
Miscellaneous Parts	7,147	9,066	0	0
Equipment	0	0	0	0
Fixed Assets	22,030	1,292	0	0
TOTAL M., S. & E.	50,959	18,173	0	0
LEPC FUND TOTAL	193,967	140,802	65,447	67,357

DEPARTMENT: MAYOR'S OFFICE

FUND: INTERNAL SERVICES

PERSONAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Regular Salaries	1,182,344	1,036,196	1,179,280	1,287,448
Temporary Salaries	0	900	0	0
Acting Out of Class	0	11,648	0	0
Sick Leave Bonus	2,200	2,400	0	0
Overtime	1,053	1,319	0	0
Meal Allowance	0	0	0	0
Health Cash Back	0	4,826	0	2,161
Pension Contribution	300,707	267,713	276,469	253,415
Social Security	72,367	64,240	72,242	78,203
Medicare Tax	16,924	15,024	16,895	18,291
Hospitalization	256,716	230,155	270,391	345,015
Life Insurance	5,046	4,616	4,949	5,214
Pension Healthcare	38,817	39,742	52,500	59,400
State Pension Plan - Civilian	10,468	8,517	13,866	24,013
Accrued Sick/Vacation	(22,807)	4,215	0	0
TOTAL PERSONAL SERVICES	1,863,835	1,691,511	1,886,592	2,073,160
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	89,342	80,055	115,000	107,000
Communications & Utilities	1,202,670	1,232,950	1,399,281	1,375,131
Transportation	6,200	1,329	8,500	8,500
Rentals of Office Equipment	120,722	68,082	113,421	125,421
Contracted Maintenance Repairs	418,347	500,560	638,026	758,934
Professional Fees	1,425,938	1,397,559	1,544,500	1,236,000
Memberships & Registrations	1,367	33,151	95,750	59,650
Miscellaneous Services	63,288	63,189	79,620	59,620
Office & General Supplies	144,024	131,576	161,105	161,240
Uniforms & Related Equipment	1,153	0	1,000	1,000
Miscellaneous Parts	57,412	55,030	77,000	68,300
Equipment	704,211	709,275	903,831	1,212,993
Fixed Assets	1,111,766	133,621	47,000	0
Capitalized Exps - Op.	(880,776)	(952,714)	0	0
TOTAL M., S. & E.	4,465,664	3,453,663	5,184,034	5,173,789
<u>INTERNAL SERVICES</u>				
Administrative Services	346,327	302,381	300,717	301,368
Self-Insurance	14,245	14,990	14,169	14,593
TOTAL INTERNAL SERVICES	360,572	317,371	314,886	315,961

DEPARTMENT: MAYOR'S OFFICE**FUND: INTERNAL SERVICES**

	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
DEBT SERVICE				
Amortization	0	0	6,512	6,512
Interest Payment	166,142	136,709	258,749	215,654
TOTAL DEBT SERVICE	166,142	136,709	265,261	222,166
<u>DEPRECIATION</u>				
Depreciation	818,677	906,648	967,940	967,940
TOTAL DEPRECIATION	818,677	906,648	967,940	967,940
INTERNAL SERVICES FUND TOTAL	7,674,890	6,505,902	8,618,713	8,753,016



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

PRIORITIES FOR FISCAL YEAR 2017

- Review the City's Operating, Water/Sewer and Capital Budgets as proposed annually by the Executive Branch of City government, and justify the appropriation of funds to support the annual operations of the City's departments, offices, boards and commissions.
- Mitigate the cost and size of City government, and thus mitigate the need for additional taxes or fees, by continuously reviewing departmental expenditures and priorities.
- Reduce government expenditures through periodic management reviews of the operations and structure of City Departments.
- Create a Land Bank Program that encompasses a comprehensive neighborhood planning approach, and a public and private funding mechanism, to bring about safe, attractive and thriving neighborhoods and communities.
- Give a voice to the City and its people regarding the education of its children and help create an education system whereby children are taught in a properly-funded environment that accounts for the unique needs of children who are being raised in an urban setting.
- Support an effective public safety and crime prevention strategy through the appropriation of justifiable resources to minimize incidents of criminal and violent behavior, reduce the illegal use of guns and other weapons, and foster communication and cooperation among police and citizens.
- Support an aggressive economic development and job creation program.

PRIORITIES FOR FISCAL YEAR 2017 (Continued)

- Support the growth of existing businesses, and help to create new business opportunities, both large and small.
- Monitor the City’s delivery of constituent services for timeliness and effectiveness, and advocate when appropriate for a resolution of issues or concerns that arise between citizens and their government.
- Advocate for issues and values that are important to City Council, such as safe and vibrant neighborhoods, increased housing opportunities, an effective education system and economic lifelines to help lift citizens out of poverty.

SUMMARY OF FUNDING FOR CITY COUNCIL

TOTAL ALL FUNDS CITY COUNCIL	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Personal Services	2,217,600	2,279,149	2,214,193	2,296,742
Materials, Supplies & Equipment	600,694	573,988	582,176	613,167
Internal Services	197,074	209,412	231,521	241,314
Debt Service	28,320	21,744	29,870	29,993
Special Purpose	19,052	18,057	19,000	19,000
TOTAL	3,062,740	3,102,350	3,076,760	3,200,216
STAFFING LEVELS	29.00	29.00	29.00	29.00

GENERAL FUND CITY COUNCIL	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Personal Services	1,443,315	1,496,303	1,418,782	1,484,669
Materials, Supplies & Equipment	523,636	491,749	507,100	507,100
Internal Services	179,478	185,784	213,658	217,686
Debt Service	639	816	664	683
Special Purpose	19,052	18,057	19,000	19,000
TOTAL	2,166,120	2,192,709	2,159,204	2,229,138
STAFFING LEVELS	20.05	20.05	19.55	19.55

CATV FUND CITY COUNCIL	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Personal Services	774,285	782,846	795,411	812,073
Materials, Supplies & Equipment	77,058	82,239	75,076	106,067
Internal Services	17,596	23,628	17,863	23,628
Debt Service	27,681	20,928	29,206	29,310
TOTAL	896,620	909,641	917,556	971,078
STAFFING LEVELS	8.95	8.95	9.45	9.45

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

- Personal Services increased a total of \$65,886. The largest portion of the increase in the General Fund is due to Hospitalization (\$58,190). Other notable increases occurred in Temporary Salaries (\$2,691), Pension Healthcare (\$3,910), and Personal Services Adjustment (\$1,500). The increase in Temporary Salaries is the result of a \$2.00 per hour raise for the Office Assistant, while the increase in the Personal Services Adjustment is a set-aside for staff development.
- Materials, Supplies & Equipment did not change from the previous year.
- Internal Services increased a total of \$4,028. The majority of the increase is attributed to higher Data Processing costs (\$2,957).

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

- Personal Services increased a net total of \$16,662 in the CATV Fund. Hospitalization was the main driving factor for the increase, with other smaller increases being offset by savings in Pensions and an increase in Attrition for a vacant Producer/Director position that is expected to remain unfilled for the second year in a row.
- Materials, Supplies & Equipment increased \$30,991. Contracted Maintenance Repairs increased \$20,000 to cover maintenance costs of WITN equipment, and Temporary Agencies increased \$5,000 for a Policy Fellow to assist with television and social media policy.
- Internal Services increased a total of \$5,765. The majority of the increase is due to Motor Vehicle charges for a new WITN vehicle.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: CITY COUNCIL

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Regular Salaries	916,086	904,224	887,837	888,296
Temporary Salaries	21,339	20,398	24,222	26,913
Sick Leave Bonus	1,000	300	400	400
Health Cash Back	0	9,220	0	7,200
Pension Contribution	140,819	144,113	144,277	135,021
Social Security	57,129	56,425	55,210	55,529
Medicare Tax	13,360	13,197	12,910	12,987
Hospitalization	234,046	284,075	228,808	286,998
Life Insurance	3,778	3,917	3,746	3,746
Pension Healthcare	40,554	45,935	48,875	52,785
State Pension Plan - Civilian	15,204	14,499	12,497	13,294
Personal Services Adjustment	0	0	0	1,500
TOTAL PERSONAL SERVICES	1,443,315	1,496,303	1,418,782	1,484,669
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	10,510	14,562	18,000	18,000
Transportation	15,979	11,964	3,000	3,000
Rentals	600	0	1,000	1,000
Contracted Maintenance Repairs	600	0	2,000	2,000
Professional Fees	12,459	5,000	5,000	5,000
Memberships & Registrations	18,338	20,113	21,000	21,000
Miscellaneous Services	2,709	2,622	4,000	4,000
Office & General Supplies	5,930	4,724	6,600	6,600
Miscellaneous Parts	17,195	15,499	17,500	17,500
Equipment	824	789	1,000	1,000
Community Activities	438,492	416,476	428,000	428,000
TOTAL M., S. & E.	523,636	491,749	507,100	507,100
 <u>INTERNAL SERVICES</u>				
Administrative Services	154,458	150,128	197,251	200,797
Self-Insurance	25,020	35,656	16,407	16,889
TOTAL INTERNAL SERVICES	179,478	185,784	213,658	217,686

	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
DEBT SERVICE				
Principal Payments	321	490	376	414
Interest Payments	318	326	288	269
TOTAL DEBT SERVICE	639	816	664	683
<u>SPECIAL PURPOSE</u>				
Wilmington Institute Free Library	0	0	0	0
Other	19,052	18,057	19,000	19,000
TOTAL SPECIAL PURPOSE	19,052	18,057	19,000	19,000
GENERAL FUND TOTAL	2,166,120	2,192,709	2,159,204	2,229,138

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: CITY COUNCIL

FUND: CATV

PERSONAL SERVICES	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Regular Salaries	485,378	458,155	514,649	515,982
Temporary Salaries	11,113	27,804	15,000	20,000
Sick Leave Bonus	100	600	200	200
Pension Contribution	89,186	107,791	108,715	92,868
Social Security	30,602	29,611	32,360	32,511
Medicare Tax	7,108	6,925	7,568	7,604
Hospitalization	125,763	127,876	153,552	176,061
Life Insurance	1,938	1,966	2,252	2,242
Pension Healthcare	17,744	18,820	23,625	25,515
State Pension Plan - Civilian	5,353	3,298	6,769	9,668
Personal Services Adjustment	0	0	(69,279)	(70,578)
TOTAL PERSONAL SERVICES	774,285	782,846	795,411	812,073
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Transportation	4,617	635	5,000	5,000
Rentals	0	0	0	1,800
Contracted Maintenance Repairs	13,838	16,115	0	20,000
Professional Fees	0	0	0	5,000
Memberships & Registrations	7,786	7,672	17,236	19,767
Miscellaneous Services	23,341	23,340	23,340	23,000
Office & General Supplies	1,594	1,930	1,500	3,000
Wearing Apparel & Safety	0	3,509	3,000	3,000
Miscellaneous Parts	19,798	20,462	19,500	20,000
Equipment	6,084	8,576	5,500	5,500
TOTAL M., S. & E.	77,058	82,239	75,076	106,067
 <u>INTERNAL SERVICES</u>				
Administrative Services	16,413	21,921	16,158	21,921
Self-Insurance	1,183	1,707	1,705	1,707
TOTAL INTERNAL SERVICES	17,596	23,628	17,863	23,628

DEBT SERVICE	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Principal Payments	10,501	8,536	13,098	13,887
Interest Payments	17,180	12,392	16,108	15,423
TOTAL DEBT SERVICE	27,681	20,928	29,206	29,310
CATV FUND TOTAL	896,620	909,641	917,556	971,078



CITY TREASURER

The City Treasurer has been entrusted to serve as the custodian of all City funds on deposit in various operating accounts. To meet these custodial duties the Treasurer must actively and effectively manage the funds in a prudent manner. This involves the management of the City's cash and debt and the administration of the City's pension program. Related duties include check issuance, account reconciliation, wage attachments, and control over the Deferred Compensation Program and other employee payroll deductions.

PRIORITIES FOR FISCAL YEAR 2017
<ul style="list-style-type: none"> • Review the City's Other Post-Employment Benefits (OPEB) Portfolio and its Investment Managers for opportunities to improve performance and possibly increase the level of contribution if needed. • Examine opportunities for Restructuring and/or Refunding City debt.

SUMMARY OF FUNDING FOR CITY TREASURER

TOTAL ALL FUNDS CITY TREASURER	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Personal Services	664,461	681,257	666,388	693,890
Materials, Supplies & Equipment	886,829	1,069,305	1,189,514	1,273,784
Internal Services	125,321	148,099	130,475	132,955
Other	2,667,658	2,921,394	2,750,000	3,000,000
TOTAL	4,344,269	4,820,055	4,736,377	5,100,629
STAFFING LEVELS	6.00	6.00	6.00	6.00

GENERAL FUND CITY TREASURER	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Personal Services	329,455	333,596	315,465	329,189
Materials, Supplies & Equipment	17,329	17,495	35,670	30,670
Internal Services	102,645	121,441	101,869	104,032
TOTAL	449,429	472,532	453,004	463,891
STAFFING LEVELS	2.92	2.92	2.92	2.92

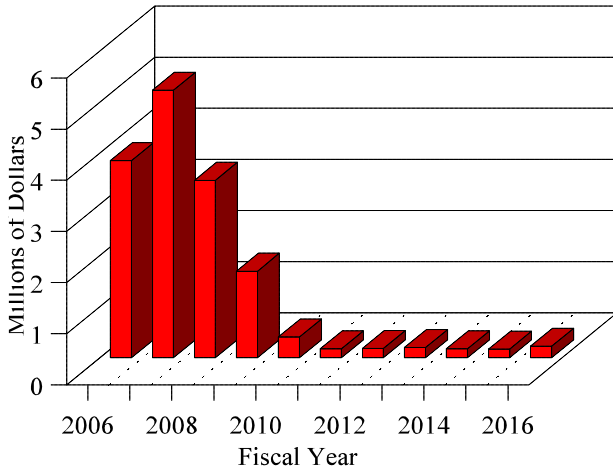
PENSION ADMIN. FUNDS	ACTUAL	ACTUAL	BUDGET	APPROVED
CITY TREASURER	FY2014	FY2015	FY2016	FY2017
Personal Services	335,006	347,661	350,923	364,701
Materials, Supplies & Equipment	869,500	1,051,810	1,153,844	1,243,114
Internal Services	22,676	26,658	28,606	28,923
Other	2,667,658	2,921,394	2,750,000	3,000,000
TOTAL	3,894,840	4,347,523	4,283,373	4,636,738
STAFFING LEVELS	3.08	3.08	3.08	3.08

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Total Personal Services grew by \$27,502 or 4.1% across all funds due to Cost of Living Adjustments, step increases, and increases in Hospitalization.
- Total Professional Fees in the Pension Funds increased by \$89,270 or 7.7%. Consultant costs for the biennial pension healthcare valuation grew \$44,242. Trustee Fees, based on the value of all pension funds managed, are slated to rise by \$45,028.
- The annual self-insurance funding target for retiree Medical Costs was increased by \$250,000, bringing the total funding for the program to \$3.0 million for FY 2017.

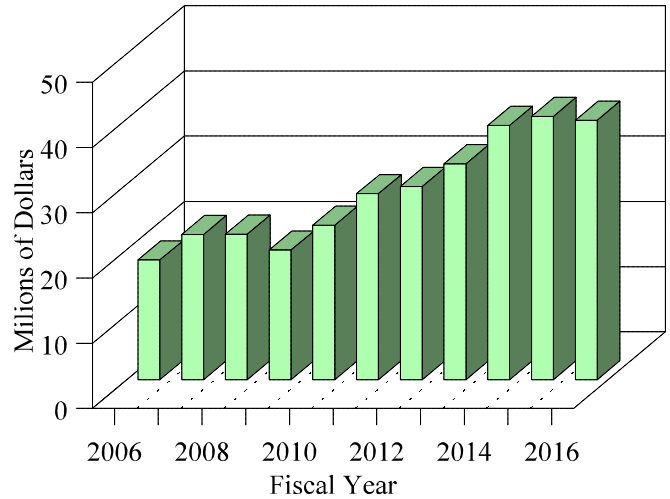
City Treasurer Performance Trends

General Fund Investment Income



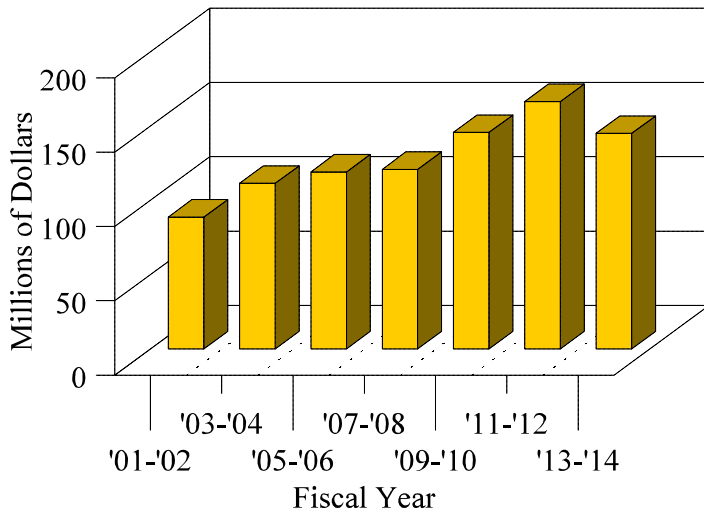
Prudent cash management and investment policies have enabled the City Treasurer to earn an average of over \$2.5 million per year since FY 2002. Much lower interest rates were responsible for the declines.

Deferred Compensation Fund



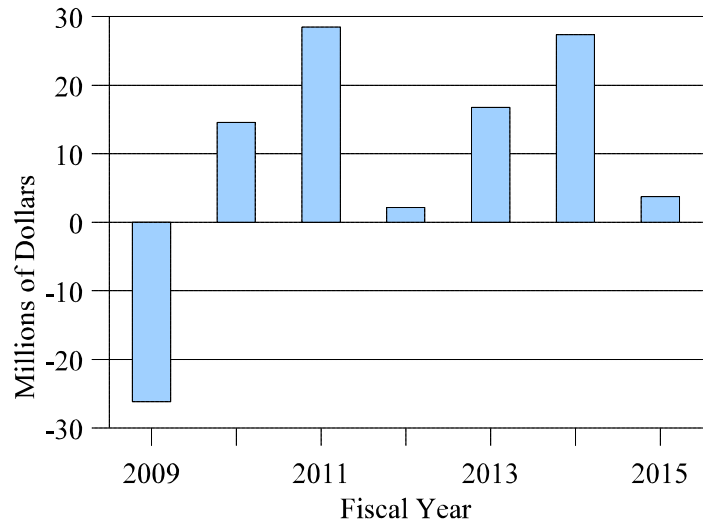
The City's Deferred Compensation plan is available on a voluntary basis to employees who wish to supplement their retirement income by investing a portion of their current earnings on a tax deferred basis.

Unfunded Pension Liability Calculated Biennially



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 Liability declined in the most recent evaluation, reflecting the ongoing stock market recovery. In addition, the City is unwavering in its ability and willingness to fund 100% of the ARC.

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 recovered well as financial market conditions improved in the subsequent years.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: CITY TREASURER

FUND: GENERAL

	ACTUAL	ACTUAL	BUDGET	APPROVED
PERSONAL SERVICES	FY2014	FY2015	FY2016	FY2017
Regular Salaries	195,036	196,679	195,926	200,699
Sick Leave Bonus	300	200	0	0
Pension Contribution	74,688	69,145	65,715	61,318
Social Security	11,823	11,918	12,018	12,112
Medicare Tax	2,765	2,788	2,810	2,832
Hospitalization	38,297	45,476	39,184	52,139
Life Insurance	640	700	686	690
Pension Healthcare	5,906	6,690	7,300	7,884
Personal Services Adjustment	0	0	(8,174)	(8,485)
TOTAL PERSONAL SERVICES	329,455	333,596	315,465	329,189
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	320	250	320	320
Transportation	0	12	1,000	1,000
Professional Fees	13,475	13,425	25,000	20,000
Other Fees	0	0	5,000	5,000
Memberships & Registrations	1,276	790	1,100	1,100
Miscellaneous Services	1,126	1,899	2,000	2,000
Office & General Supplies	990	961	1,000	1,000
Equipment	142	158	250	250
TOTAL M. S. & E.	17,329	17,495	35,670	30,670
<u>INTERNAL SERVICES</u>				
Administrative Services	96,454	112,241	96,273	98,238
Self-Insurance	6,191	9,200	5,596	5,794
TOTAL INTERNAL SERVICES	102,645	121,441	101,869	104,032
GENERAL FUND TOTAL	449,429	472,532	453,004	463,891

DEPARTMENT: CITY TREASURER

FUND: PENSION ADMIN.

	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
PERSONAL SERVICES				
Regular Salaries	226,435	228,287	228,396	235,777
Accrued Vacation Pay	(722)	436	0	0
Pension Contribution	53,966	63,522	67,050	63,710
Social Security	13,793	13,894	14,064	14,427
Medicare Tax	3,226	3,249	3,290	3,375
Hospitalization	31,391	30,463	31,858	40,610
Life Insurance	686	753	734	737
Pension Healthcare	6,231	7,057	7,700	8,316
Personal Services Adjustment	0	0	(2,169)	(2,251)
TOTAL PERSONAL SERVICES	335,006	347,661	350,923	364,701
MATERIALS, SUPPLIES & EQUIPMENT				
Printing & Advertising	90	0	240	240
Transportation	0	2,060	3,600	3,600
Rentals	0	0	38	38
Contracted Maintenance	0	0	66	66
Professional Fees	866,374	1,046,405	1,143,980	1,233,250
Other Fees	75	0	500	500
Memberships & Registrations	1,486	1,917	3,720	3,720
Office & General Supplies	358	762	800	800
Miscellaneous Parts	487	326	700	700
Equipment	630	340	200	200
TOTAL M. S. & E.	869,500	1,051,810	1,153,844	1,243,114
INTERNAL SERVICES				
Administrative Services	21,293	25,043	27,462	27,739
Self-Insurance	1,383	1,615	1,144	1,184
TOTAL INTERNAL SERVICES	22,676	26,658	28,606	28,923
OTHER				
Self Insurance Costs	2,667,658	2,921,394	2,750,000	3,000,000
TOTAL OTHER	2,667,658	2,921,394	2,750,000	3,000,000
PENSION ADMIN. FUND TOTAL	3,894,840	4,347,523	4,283,373	4,636,738



DEPARTMENT OF PLANNING AND DEVELOPMENT

The mission of the Department of Planning and Development is to improve the quality of life for City residents by ensuring that physical, social, and economic development in the City occurs in a rational and comprehensive manner that addresses community needs and governmental priorities.

The Department of Planning and Development is responsible for preparing, modifying, and maintaining the City's comprehensive development plan, land use regulations, economic development strategies, and demographic and social impact studies. In addition, the Department serves as the principal liaison between City government and community organizations, business interests, and planning councils, working in partnership with these groups on the development of neighborhood plans and economic development strategies. The Department assists in the identification of community needs, and the determination of governmental priorities and the design of programs which address those needs.

PRIORITIES FOR FISCAL YEAR 2017

- The Planning Department will serve as a lead agent for the creation of the Wilmington Neighborhood Conservancy Land Bank to develop and implement blight remediation strategies which focus on the acquisition, management and disposition of vacant and abandoned properties; and also to address the link between crime, vacancy and abandonment. In addition, using a wide range of tools, the department will conduct analyses and make recommendations to the City's Administration to identify sections of the city that should be target areas for concentrated redevelopment, and to identify funding to leverage local matching dollars to assist with redevelopment efforts.
- Provide high quality planning services, including site plan review activities (subdivision, environmental/historical preservation, curb cut, waterfront development, parking lot landscaping and demolition); street actions; and staff support to City Planning Commission and the Design Review and Preservation Commission.
- Provide staff support to Access Wilmington: The Mayor's Committee for People with Disabilities. Organize the 2016 Access Wilmington Award Reception and City/County Building Lobby Art Exhibit for Disability Awareness Month (October 2016).
- Conduct ongoing outreach to the Neighborhood Planning Councils, to include newsletters and other neighborhood development outreach material. Coordinate the NPC Capital Grant application process and oversee the Capital Project implementation.
- Process HUD Part 58 Environmental Reviews and 106 Historic Reviews.
- Update the City's Environmental Review Record with HUD and the Programmatic Agreement with the State Historic Preservation Office.
- Initiate the Comprehensive Development Plan process by utilizing consultant services to coordinate the planning and public outreach process in order to develop a city-wide Plan for state certification.

PRIORITIES FOR FISCAL YEAR 2017 (continued)

- Work with OMB to prepare the annual Capital Budget and Capital Improvement Program, and any necessary amendments.
- Represent the City on various boards and commissions, including Wilmington Parking Authority and Wilmington Housing Partnership.
- Facilitate the planning and development of parks and open space facilities.
- Complete research projects addressing areas of interest 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 and land use issues through amendments to the Zoning Code and/or maps. Incorporate updated State and Federal regulations where necessary.
- Work with the Wilmington Renaissance Corporation, Downtown Visions, and the Department of Real Estate and Housing to implement the Creative Arts District and Eastside Rising "Strong Neighborhoods" initiatives.
- Promote a well-balanced multi-modal transportation system by planning and implementing citywide transportation improvements through the continuing efforts of the Wilmington Initiatives partnership (City, Delaware Department of Transportation, Delaware Transit Corporation, and WILMAPCO).
- Continued membership in 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 City funding requests for planning studies and project implementation.
- Support and encourage the development of bicycle and pedestrian related projects, programs, and events by working with the Wilmington Bike Committee, WILMAPCO and the State.
- Produce the Rodney Square Historic District brochure.
- Participate in the "Preservation 50" campaign locally, to highlight successful projects related to the National Preservation Act of 1966. Activities to include: Outreach to districts and businesses to highlight history; at least one nomination to the "Preservation 50" website highlighting community projects; and participation in the statewide "Delaware 2016" working group, planning strategies for participation.

PRIORITIES FOR FISCAL YEAR 2017 (continued)

- Together with the Office of Cultural Affairs, address city sculpture issues in the following ways: Create a comprehensive inventory of city sculpture; photograph all pieces for conditions assessment purposes and to share via the website in a photo-gallery to promote tourism; work with the Greater Wilmington Convention and Visitors Bureau on similar tourism effort; and develop a maintenance planning system for City-owned pieces.
- 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 DEVELOPMENT

TOTAL ALL FUNDS PLANNING DEPARTMENT	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Personal Services	1,118,943	975,810	1,086,170	1,048,299
Materials, Supplies & Equipment	56,975	42,508	44,880	145,191
Internal Services	367,755	408,751	368,870	377,758
Debt Service	197,900	191,646	239,219	241,918
TOTAL	1,741,573	1,618,715	1,739,139	1,813,166
STAFFING LEVELS	11.00	11.00	11.00	10.00

GENERAL FUND PLANNING DEPARTMENT	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Personal Services	1,076,882	949,488	1,035,522	998,007
Materials, Supplies & Equipment	56,975	42,508	44,880	145,191
Internal Services	367,755	408,751	368,870	377,758
Debt Service	197,900	191,646	239,219	241,918
TOTAL	1,699,512	1,592,393	1,688,491	1,762,874
STAFFING LEVELS	10.63	10.43	10.49	9.53

COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG) PLANNING DEPARTMENT	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Personal Services	32,426	26,322	50,648	50,292
TOTAL	32,426	26,322	50,648	50,292
STAFFING LEVELS	0.37	0.57	0.51	0.47

DE-LEAD PLANNING DEPARTMENT	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Personal Services	9,635	0	0	0
TOTAL	9,635	0	0	0
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- The Personal Services account group decreased a net \$37,871 across all funds from FY 2016. The decrease in Personal Service is mainly attributed to three personnel changes.
- A deletion of the vacant Planning Aide position allowed savings in salaries and benefits of \$67,890.
- The reallocation of costs for the Planner II position that is split-funded between the General Fund and the CDBG Fund caused an increase of \$4,280.
- An upgrade for the Planning Manager resulted in a total salary and benefit increase of \$4,406.
- Other savings in Personal Services were offset by the increase in Hospitalization.
- Consultant Costs increased by \$125,000 to provide matching funding for a City-wide Comprehensive Development Plan being partially supported by contributions from local businesses and non-profits.
- Debt Service increased slightly by \$2,699.
- The Internal Service costs increased by \$8,888 in the General Fund, led by a \$5,571 rise in Data Processing costs.

DEPARTMENT OF PLANNING AND DEVELOPMENT

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #1: Embrace a Culture of Service.

Objective 1: Update the city-wide comprehensive plan by June 30, 2017.

Critical Indicator
Comprehensive Plan Complete

Objective 2: Respond to all constituent inquires within 48 hours.

Critical Indicator
of Constituent Inquiries
of Constituent Inquiries responded to in 48 hours
% of Constituent Inquiries responded to in 48 hours

Objective 3: Complete all codified planning activities within the associated time frame below. 30 days for Design Review and Preservation cases, Historic Preservation Reviews, Design Reviews, Environmental Reviews, Site Plan Reviews, Waterfront Reviews, Curb Cut reviews. 60 days for Planning Commission Cases.

Critical Indicator
Avg. # of review days for Planning Commission Cases
Avg. # of review days for all other Cases and Reviews
% of Planning Commission Cases completed within 60 days
% of all other Cases and Reviews completed within 30 days

DEPARTMENT OF PLANNING AND DEVELOPMENT

STRATEGIC PLAN

Focus Area: Public Safety

CITY-WIDE GOAL #5: Prevent and Deter Violent Crime.

Objective 1: Continue partnership with industrial design group on project to fabricate and install sidewalk lighting.

Critical Indicator
of lights installed
of residents employed
% of Const. satisfied with lights

Objective 2: Reduce the social and economic burdens of vacant and abandoned parcels by continuing to lead the Crime and Blight Abatement Action Team.

Critical Indicator
of vacant properties in the City
of calls for service in specific areas

CITY-WIDE GOAL #6: Cultivate Positive Community Relationships.

Objective 1: Assist Neighborhood Planning Councils in receiving grants for community driven capital projects.

Critical Indicator
grant applications submitted
of grants awarded
Total \$ allocated through grants

DEPARTMENT OF PLANNING AND DEVELOPMENT

STRATEGIC PLAN

Focus Area: Economic Vitality

CITY-WIDE GOAL #9: Streamline Permitting Process.

Objective 1: Creating a transparent and consistent development and review process through the Wilmington Development Review Reform Working Team to expand real estate development activities and enhance development environment.

Critical Indicator
of permits received
of individual investors
Avg. # of days to complete based on project size
% of individuals satisfied with permitting process

Focus Area: Quality of Life

CITY-WIDE GOAL #13: Offer Enhanced Recreational Opportunities.

Objective 1: Partner with Department of Parks and Recreation to create a long-range capital improvement program for the entire parks system.

Critical Indicator
of planned projects
of planned projects completed
Total \$ of private funds leveraged

DEPARTMENT OF PLANNING AND DEVELOPMENT

STRATEGIC PLAN

Focus Area: Quality of Life

CITY-WIDE GOAL #14: Support Enriching Cultural Experiences.

Objective 1: Partner with the Wilmington Renaissance Corporation to acquire targeted properties in the proposed Creative District.

Critical Indicator
of properties targeted
of targeted properties acquired
Total \$ cost of acquiring targeted properties

CITY-WIDE GOAL #17: Improve Housing Quality.

Objective 1: Assist the Wilmington Neighborhood Conservancy Land Bank with identifying parcels throughout the City for redevelopment.

Critical Indicator
of properties identified
of properties transferred to the NCLB

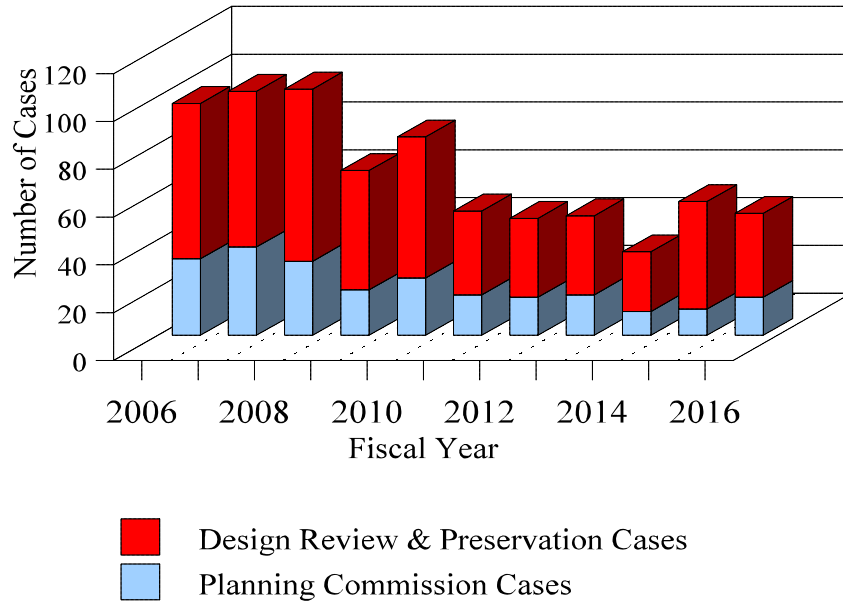
CITY-WIDE GOAL #18: Enhance Environmental Sustainability.

Objective 1: Partner with DeIDOT to create and enhance a city-wide bicycle network.

Critical Indicator
of bike racks in the City
of miles of bike lanes
of bike share stations
of bike share users

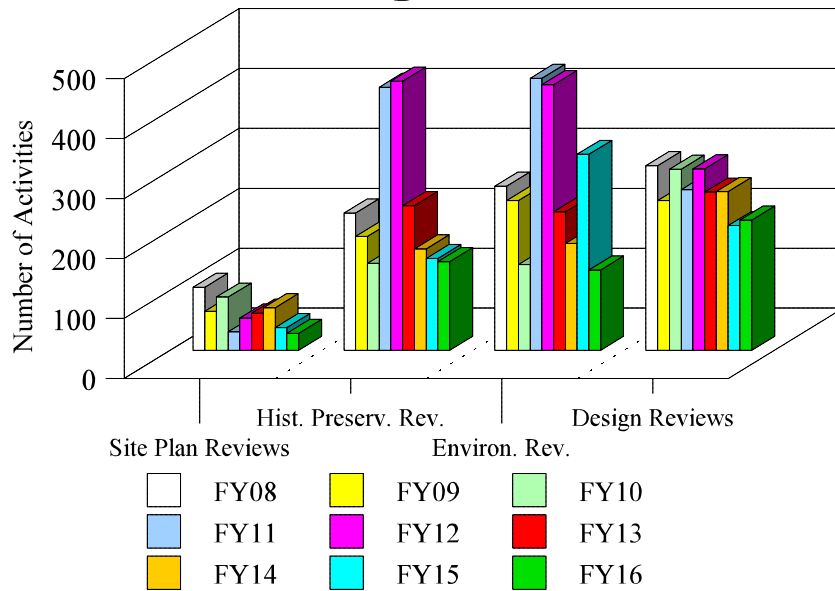
Department of Planning and Development Performance Trends

Commission Activities



The Department of Planning and Development provides staff support, analyses, and project monitoring for the City's Planning and Design Review Commissions.

Planning Activities



The Department of Planning and Development 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 DEVELOPMENT

FUND: GENERAL

	ACTUAL	ACTUAL	BUDGET	APPROVED
PERSONAL SERVICES	FY2014	FY2015	FY2016	FY2017
Regular Salaries	670,293	572,102	640,356	628,777
Temporary Salaries	28,917	44,126	46,531	40,673
Acting Out of Class	0	630	0	0
Health Cash Back	0	2,540	0	0
Pension Contribution	165,444	132,014	125,849	119,699
Social Security	42,538	37,950	42,094	40,946
Medicare Tax	9,949	8,878	9,845	9,574
Hospitalization	129,736	119,599	138,373	127,469
Life Insurance	2,428	2,177	2,475	2,287
Pension Healthcare	21,828	20,619	26,225	25,731
State Pension Plan - Civilian	5,749	8,853	14,083	13,552
Personal Services Adjustment	0	0	(10,309)	(10,701)
TOTAL PERSONAL SERVICES	1,076,882	949,488	1,035,522	998,007
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	0	428	1,100	800
Communications & Utilities	0	0	100	100
Transportation	5,431	(4,665)	4,400	1,100
Rentals	589	0	750	300
Contracted Maintenance Repairs	0	0	600	400
Professional Fees	29,994	34,018	18,000	125,000
Memberships & Registrations	4,859	1,521	5,383	4,095
Office & General Supplies	3,458	948	3,600	2,600
Miscellaneous Parts	1,016	3,461	2,150	2,000
Equipment	2,332	0	2,000	2,000
Community Activities	9,296	6,797	6,797	6,796
TOTAL M., S. & E.	56,975	42,508	44,880	145,191
 <u>INTERNAL SERVICES</u>				
Administrative Services	282,537	289,137	320,423	328,052
Self-Insurance	85,218	119,614	48,447	49,706
TOTAL INTERNAL SERVICES	367,755	408,751	368,870	377,758
 <u>DEBT SERVICE</u>				
Principal Payments	133,866	134,919	160,889	149,114
Interest Payments	64,034	56,727	78,330	92,804
TOTAL DEBT SERVICE	197,900	191,646	239,219	241,918
 GENERAL FUND TOTAL	 1,699,512	 1,592,393	 1,688,491	 1,762,874

DEPARTMENT: PLANNING AND DEVELOPMENT

FUND: CDBG

	ACTUAL	ACTUAL	BUDGET	APPROVED
PERSONAL SERVICES	FY2014	FY2015	FY2016	FY2017
Regular Salaries	27,042	15,264	28,695	27,878
Temporary Salaries	0	0	0	0
Pension Contribution	0	3,860	7,690	6,942
Social Security	1,015	927	1,742	1,688
Medicare Tax	237	217	407	395
Hospitalization	2,252	5,404	10,717	12,007
Life Insurance	93	87	122	113
Pension Healthcare	696	563	1,275	1,269
State Pension Plan - Civilian	1,091	0	0	0
TOTAL PERSONAL SERVICES	32,426	26,322	50,648	50,292
CDBG FUND TOTAL	32,426	26,322	50,648	50,292

DEPARTMENT: PLANNING AND DEVELOPMENT

FUND: DE-LEAD

	ACTUAL	ACTUAL	BUDGET	APPROVED
PERSONAL SERVICES	FY2014	FY2015	FY2016	FY2017
Temporary Salaries	8,937	0	0	0
Social Security	566	0	0	0
Medicare Tax	132	0	0	0
TOTAL PERSONAL SERVICES	9,635	0	0	0
DE-LEAD FUND TOTAL	9,635	0	0	0

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 proactively identify risks, evaluate controls, and make recommendations that will strengthen City operations.

PRIORITIES FOR FISCAL YEAR 2017

- 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 awareness among City employees that the maintenance of good internal controls is the responsibility of all employees.
- Monitor prior audits to assure complete and effective implementation of agreed-upon recommendations.
- Advise and consult with City management regarding improvements in operating efficiencies, effectiveness and results.
- Continue to development the knowledge, skills and effectiveness 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

TOTAL ALL FUNDS AUDIT DEPARTMENT	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Personal Services	375,081	366,671	419,257	423,498
Materials, Supplies & Equipment	252,454	267,908	256,353	257,052
Internal Services	88,492	95,956	107,642	110,140
TOTAL	716,027	730,535	783,252	790,690
STAFFING LEVELS	4.00	4.00	4.00	4.00

GENERAL FUND AUDIT DEPARTMENT	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Personal Services	375,081	366,671	419,257	423,498
Materials, Supplies & Equipment	181,562	196,551	184,880	184,784
Internal Services	88,492	95,956	107,642	110,140
TOTAL	645,135	659,178	711,779	718,422
STAFFING LEVELS	4.00	4.00	4.00	4.00

WATER/SEWER FUND AUDIT DEPARTMENT	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Materials, Supplies & Equipment	70,892	71,357	71,473	72,268
TOTAL	70,892	71,357	71,473	72,268
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services increased by \$4,241. Increases in Regular Salaries (\$10,534) were offset by savings in Hospitalization (\$7,779) due to the newly hired Staff Auditor utilizing a lower cost health plan than previously budgeted.
- Materials, Supplies & Equipment decreased a net total of \$96 in the General Fund. Increases in Printing, and Membership Fees were offset by decreases in Accounting, and Temporary Agency costs.
- Internal Services increased \$2,498, primarily due to the rise in Data Processing costs.
- In the Water/Sewer Fund, Materials, Supplies & Equipment increased \$795 due to higher Indirect Cost charges.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: AUDIT DEPARTMENT

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Regular Salaries	259,507	248,912	282,355	292,889
Temporary Salaries	0	0	0	0
Sick Leave Bonus	0	0	0	0
Overtime	28	0	0	0
Pension Contribution	19,518	19,929	20,100	19,049
Social Security	15,453	14,616	17,259	17,246
Medicare Tax	3,614	3,418	4,036	4,033
Hospitalization	56,034	59,884	71,671	63,892
Life Insurance	955	839	960	960
Pension Healthcare	7,781	7,837	10,000	10,800
State Pension Plan - Civilian	12,191	11,236	12,876	14,629
TOTAL PERSONAL SERVICES	375,081	366,671	419,257	423,498
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	800	0	0	1,000
Transportation	4,822	6,006	4,500	4,500
Professional Fees	161,181	172,662	166,500	163,000
Memberships & Registrations	13,866	17,048	13,000	15,450
Office & General Supplies	577	379	480	384
Misc. Mat. Supp. & Parts	316	456	400	450
Equipment	0	0	0	0
TOTAL M., S. & E.	181,562	196,551	184,880	184,784
 <u>INTERNAL SERVICES</u>				
Administrative Services	84,436	90,045	104,450	106,843
Self-Insurance	4,056	5,911	3,192	3,297
TOTAL INTERNAL SERVICES	88,492	95,956	107,642	110,140
 GENERAL FUND TOTAL	 645,135	 659,178	 711,779	 718,422

DEPARTMENT: AUDIT DEPARTMENT**FUND: WATER/SEWER**

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Professional Fees	60,000	60,000	60,000	60,000
Supporting Services	10,892	11,357	11,473	12,268
TOTAL M., S. & E.	70,892	71,357	71,473	72,268
WATER SWER FUND TOTAL	70,892	71,357	71,473	72,268

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.

PRIORITIES FOR FISCAL YEAR 2017
<ul style="list-style-type: none"> • 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. • Eliminate or minimize potential litigation against the City by providing legal advice and training on an ongoing basis. • Ensure the enforcement of Ordinances and other City laws within the City's jurisdiction, including the Housing, Building and Sanitation Codes and nuisance laws, and ensure collection of all debts, taxes and accounts due the City. • Encourage City departments to seek the advice and counsel of the Law Department on a regular basis to minimize the costs associated with litigation claims against the City. • Assist all departments in carrying out State and Federal law applicable to the City. • Provide legal counsel and representation regarding the City's business and economic development, neighborhood planning initiatives, and issues involving environmental impacts. • Draft legislation to revise the City Charter and City Code to improve the operational efficiency of the City.

SUMMARY OF FUNDING FOR THE LAW DEPARTMENT

TOTAL ALL FUNDS	ACTUAL	ACTUAL	BUDGET	APPROVED
LAW DEPARTMENT	FY 2014	FY 2015	FY 2016	FY 2017
Personal Services	2,257,618	2,191,766	2,224,012	2,231,854
Materials, Supplies & Equipment	354,337	675,727	501,400	484,165
Internal Services	208,438	211,700	209,933	214,867
TOTAL	2,820,393	3,079,193	2,935,345	2,930,886
STAFFING LEVELS	21.00	20.00	20.00	20.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
LAW DEPARTMENT	FY 2014	FY 2015	FY 2016	FY 2017
Personal Services	2,257,618	2,191,766	2,224,012	2,231,854
Materials, Supplies & Equipment	354,337	675,727	501,400	484,165
Internal Services	208,438	211,700	209,933	214,867
TOTAL	2,820,393	3,079,193	2,935,345	2,930,886
STAFFING LEVELS	21.00	20.00	20.00	20.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services increased \$7,841. An increase in Regular Salaries (\$31,057) from steps and COLAs was offset by savings in Pension Contribution (net reduction of \$24,275) and Hospitalization (\$7,154). The Hospitalization savings are a result of new hires utilizing a lower cost healthcare plan than previously budgeted.
- Total Materials, Supplies & Equipment decreased \$17,235. The majority of the decrease is due to a High Intensity Drug Trafficking Area (HIDTA) grant for Operation Heat. As a result, the account was reduced \$16,967. Several smaller savings in the areas of Court and Notary Fees, Subscriptions and Books, and Miscellaneous Services were mostly offset by a \$10,000 increase in Legal Fees for expected union negotiations.
- Internal Service expenses increased \$4,934, due primarily to the rise in Data Processing costs.

LAW DEPARTMENT

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #1: Embrace a Culture of Service.

Objective 1: Respond to all legal inquiries from constituents within 5 business days.

Critical Indicator
of legal inquiries from constituents
of responses within 5 business days
% of constituents receiving response within 5 business days

CITY-WIDE GOAL #3: Enhance Fiscal Prudence.

Objective 1: Recover 65% of the annual appropriation for court costs.

Critical Indicator
Total \$ appropriation for court costs
Total \$ of revenue from recovered court costs
% of annual appropriation recovered

Objective 2: Assess current discovery and motions practice to ensure matters are litigated in the most cost efficient manner by July 2015.

Critical Indicator
of hours used for outside litigation
Total \$ cost of all outside council

LAW DEPARTMENT

STRATEGIC PLAN

Focus Area: Public Safety

CITY-WIDE GOAL #4: Ensure Transparency.

Objective 1: Respond to Freedom of Information Act (FOIA) requests within 15 business days.

Critical Indicator
of FOIA inquiries
of responses to FOIA requests within 15 days
% of responses issued within 15 days

CITY-WIDE GOAL #6: Cultivate Positive Community Relationships.

Objective 1: Train 100% of WPD officers in policies and procedures regarding the use of excessive force.

Critical Indicator
of training sessions held
of attendees at training sessions
of active WPD officers at time of training
% of WPD officers trained

Objective 2: Assess if any public safety sections of the City Code need to be amended or revised.

Critical Indicator
of recommendations for revision
of revisions approved

LAW DEPARTMENT

STRATEGIC PLAN

Focus Area: Economic Vitality

CITY-WIDE GOAL #12: Attract, Retain, and Expand Business.

Objective 1: Review all proposed contracts and offer a recommendation within 15 business days.

Critical Indicator
of contracts received
Avg. # of days a contract is under review
% of contract reviewed within 15 days

Focus Area: Quality of Life

CITY-WIDE GOAL #14: Support Enriching Cultural Experiences.

Objective 1: Work with the Cultural Affairs Department to codify the Special Events Permitting process by June 2017.

Critical Indicator
Special Events Permitting process codified

CITY-WIDE GOAL #16: Inspire Young People to Achieve Success.

Objective 1: Maintain a relationship with local high schools through hiring high school students interested in a legal career to work in the City Solicitor's office.

Critical Indicator
of students hired
of hours worked

LAW DEPARTMENT

STRATEGIC PLAN

Focus Area: Quality of Life

CITY-WIDE GOAL #17: Improve Housing Quality.

Objective 1: Partner with the Department of Justice to hold Crime-Free Multi-Housing trainings for City landlords.

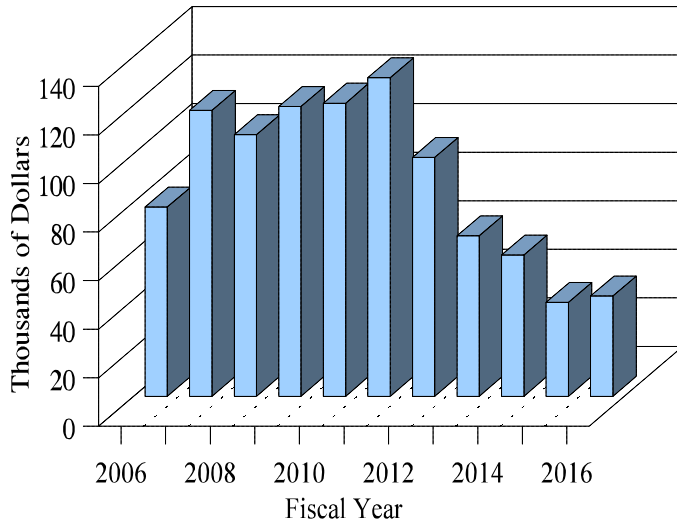
Critical Indicator
of training sessions held
of participants

Objective 2: Ensure all abated landlords are conforming to the legal requirements of their agreement.

Critical Indicator
of abatement agreements
of abated landlords requiring subsequent legal action
% of abatement agreements requiring legal action

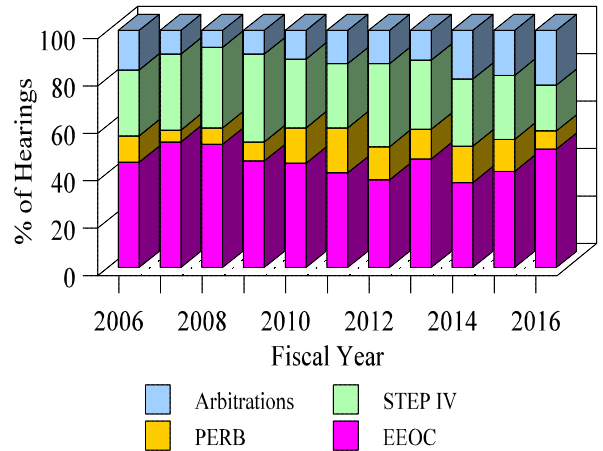
Law Department Performance Trends

Housing Code Prosecution Fines



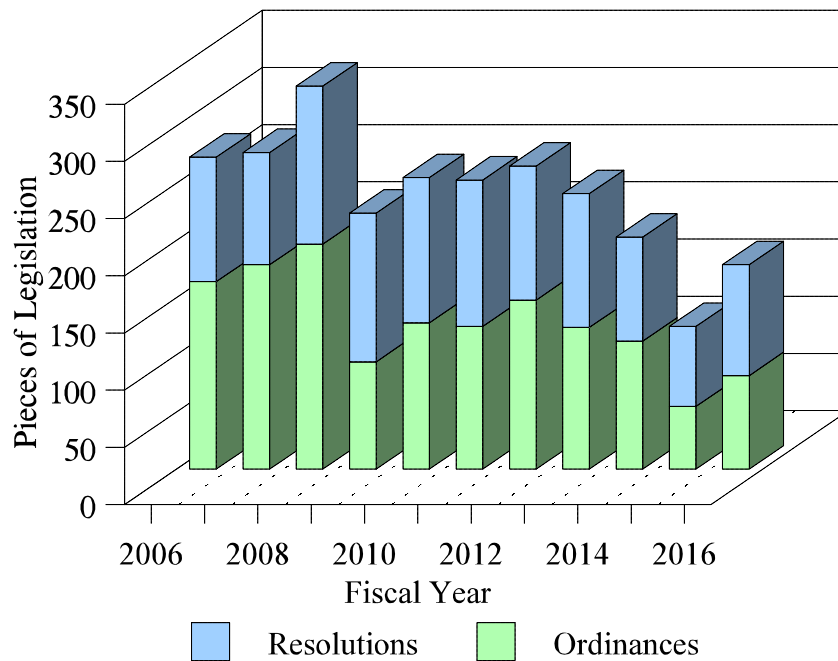
Several changes have resulted in lower fines imposed for housing code violations. First, sanitation violations were changed from a criminal designation to civil. The City is also seeing less repeat offenders.

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 2006 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

PERSONAL SERVICES	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Regular Salaries	1,499,103	1,426,445	1,473,658	1,504,716
Temporary Salaries	8,508	12,210	14,880	17,370
Acting Out Of Classification	3,242	283	0	0
Sick Leave Bonus	300	300	300	300
Pension Contribution	300,671	273,757	247,268	213,172
Social Security	92,296	88,047	91,093	93,096
Medicare Tax	21,585	20,592	21,303	21,774
Hospitalization	255,252	289,756	302,623	295,469
Life Insurance	4,928	4,792	4,800	4,800
Pension Healthcare	41,136	44,136	50,000	54,000
State Pension Plan - Civilian	30,597	31,448	37,848	47,669
Personal Services Adjustment	0	0	(19,761)	(20,512)
TOTAL PERSONAL SERVICES	2,257,618	2,191,766	2,224,012	2,231,854
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	256	70	200	160
Communications & Utilities	23	24	205	205
Transportation	4,308	871	5,150	5,150
Contracted Maintenance Repairs	329	0	640	512
Professional Fees	182,422	519,558	305,000	298,033
Other Fees	87,372	75,244	104,000	100,000
Memberships & Registrations	30,864	31,413	32,000	29,500
Miscellaneous Services	43,549	43,379	48,205	44,605
Office & General Supplies	5,214	5,081	6,000	5,000
Equipment	0	87	0	1,000
Projects	0	0	0	0
TOTAL M., S. & E.	354,337	675,727	501,400	484,165
 <u>INTERNAL SERVICES</u>				
Administrative Services	180,525	170,940	187,638	191,826
Self-Insurance	27,913	40,760	22,295	23,041
TOTAL INTERNAL SERVICES	208,438	211,700	209,933	214,867
 GENERAL FUND TOTAL	 2,820,393	 3,079,193	 2,935,345	 2,930,886

DEPARTMENT OF FINANCE

The mission of the Department of Finance is to manage the fiscal activities of the City to maintain and improve the City's financial position. The Department completes its mission by billing and collecting revenues, providing water meter-reading service, maintaining the city's accounting system, preparing the annual financial statements, coordinating City procurement and purchasing and providing excellent customer service.

PRIORITIES FOR FISCAL YEAR 2017
<ul style="list-style-type: none"> • Increase the level of customer satisfaction and responsiveness to citizens and vendors. • Ensure timeliness and accuracy of periodic financial reports. • Increase the ease of doing business with the City of Wilmington through electronic media. • Implementation of monthly utility billing. • Implementation of Purchasing Control Card. • Implementation of Digital Parking Permits. • Increase the collection of delinquent accounts.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF FINANCE

TOTAL ALL FUNDS FINANCE DEPARTMENT	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Personal Services	7,137,295	7,159,085	7,552,109	7,617,155
Materials, Supplies & Equipment	5,018,842	4,825,822	5,556,372	5,388,642
Internal Services	1,374,819	1,571,329	1,620,470	1,649,269
Debt Service	6,415	6,488	91,462	68,699
TOTAL	13,537,371	13,562,724	14,820,413	14,723,765
STAFFING LEVELS	87.00	88.00	88.00	86.00

GENERAL FUND FINANCE DEPARTMENT	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Personal Services	4,966,058	4,910,482	5,177,810	5,331,701
Materials, Supplies & Equipment	3,651,896	3,474,189	3,887,850	3,603,500
Internal Services	833,560	923,052	885,264	899,469
Debt Service	6,415	6,488	49,049	38,237
TOTAL	9,457,929	9,314,211	9,999,973	9,872,907
STAFFING LEVELS	61.70	60.55	61.85	61.45

WATER/SEWER FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
FINANCE DEPARTMENT	FY2014	FY2015	FY2016	FY2017
Personal Services	2,171,237	2,248,603	2,374,299	2,285,454
Materials, Supplies & Equipment	1,366,946	1,351,633	1,668,522	1,785,142
Internal Services	541,259	648,277	735,206	749,800
Debt Service	0	0	42,413	30,462
TOTAL	4,079,442	4,248,513	4,820,440	4,850,858
STAFFING LEVELS	25.30	27.45	26.15	24.55

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

- In Personal Services, a net total of 0.40 FTE was deleted. Through a reallocation that changed the funding split of ten positions, a net 2.10 FTE were transferred in from the Water/Sewer Fund. More than offsetting this, four vacant positions were deleted, eliminating a net 2.50 FTE. The four vacant deleted positions were a Senior Financial Analyst, an Assistant Billing Manager, a Contract Compliance Officer, and an Account Entry Clerk. The net changes resulted in a savings of \$46,224 to Salary and Benefits.
- Cost of Living Adjustments and employee step increases added \$35,418 to Regular Salaries. Hospitalization and Pension Healthcare also increased a combined total of \$155,349. These increases were slightly offset by \$57,000 in pension savings.
- Overtime increased by \$12,400, due to staffing needs during the Wage Tax filing season.
- Printing costs increased by \$3,500 to assist in printing of the Comprehensive Annual Financial Report (CAFR).
- Temporary Agencies expenses increased by \$16,000 to cover two (2) temps to support early morning vehicle booting and releases.
- Collection Expense-Legal decreased \$18,000 due to Sheriff Sale activity trending downward.
- Collection Expense-Fire Alarms decreased \$10,000 due to more efficient use of personnel to cover related expenses for the False Alarm Reduction Program.
- Collection Expense-Parking Citation Commissions increased by \$67,500 to cover the cost of fees associated with the Padlock digital parking permit application, validation and enforcement system based on license plate scanning.
- Collection Expense-Red-Light Camera Commissions decreased \$350,500 as a result of better pricing obtained through the latest contract with the vendor.
- Collection Expense-Wage & Head Audit increased by \$46,000 to fund accounting and law firms that assist with the collection of Wage Taxes.
- The Internal Services account group increased by a net \$14,205, mainly due to increases in Postage and Data Processing in the amount of \$1,494 and \$13,375 respectively.

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

- In Personal Services, staffing decreased by a net 1.60 FTE as a result of actions taken on 15 positions in the Department. Through a reallocation that changed the funding split of ten positions, a net 2.10 FTE were transferred out to the General Fund. In addition, three vacant split-funded positions were deleted, eliminating a net 1.50 FTE. The three vacant split-funded positions deleted were a Senior Financial Analyst, an Assistant Billing Manager, and an Account Entry Clerk. Finally, offsetting these reductions was the 2.00 FTE addition that resulted from increasing the total number of Billing Analyst and Customer Service Consultant II positions by one each. The net changes resulted in a savings of \$146,182 to Salary and Benefits.
- Printing Costs increased by \$19,400 because the Department will convert from quarterly to monthly water billing, requiring additional envelopes, flyers, and inserts for billing and customer notifications.
- Temporary Agencies increased by \$64,100, to cover the cost of three (3) temps to assist with monthly billing implementation.
- Collection Expense-Legal & Other increased by \$17,500, to cover personnel to assist with the collection of delinquent accounts.
- Indirect Costs went up by \$17,716, per the new Indirect Cost plan.
- Internal Services increased by \$14,594 because of increases in Data Processing and Postage of \$11,926 and \$3,083, respectively.

DEPARTMENT OF FINANCE

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #1: Embrace a Culture of Service.

Objective 1: Guarantee customers a return phone call within 24 hours.

Critical Indicator
of calls received
of calls returned within 24 hours
% of calls returned within 24 hours

Objective 2: Process customer/citizen requests in accordance with customer service standards 100% of the time.

Critical Indicator
of repeat phone calls from customers
of customer complaints
of checks processed within 48 hours
of written inquiries received
% of written inquiries responded to within 30 days
% of written inquiries responded to accurately

Objective 3: Implement Purchasing Cards by June 2017.

Critical Indicator
Purchasing Cards implemented
of invoices processed
Total \$ cost of issuing purchasing orders (POs)

DEPARTMENT OF FINANCE

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #2: Increase Accountability.

Objective 1: Pay all approved City bills within 30 days of invoice date.

Critical Indicator
of approved City bills received
of City bills paid within 30 days of invoice date
% of City bills paid within 30 days of invoice date
of City bills processed by Accounting within 10 days
% of City bills processed by Accounting within 10 days

Objective 2: Establish and comply with procedures for periodic accounting closing by Fiscal Year 2018.

Critical Indicator
Establish procedures for periodic accounting closing
of monthly closings within 10 business days of month end

Objective 3: Complete a financial software system upgrade by June 2017.

Critical Indicator
Complete a financial software system upgrade

DEPARTMENT OF FINANCE

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #3: Enhance Fiscal Prudence.

Objective 1: Bill annual revenue in compliance with WEFAC projections.

Critical Indicator
Total \$ revenue approved by WEFAC (original projection)
Total \$ revenue approved by WECAC in 3 rd Quarter
Total \$ billings
Total \$ revenue collected

Objective 2: Maintain or improve the City’s bond rating.

Critical Indicator
City’s bond rating from Moody
City’s bond rating from S&P
City’s bond rating from Fitch

CITY-WIDE GOAL #4: Ensure Transparency.

Objective 1: Complete and distribute the Comprehensive Annual Financial Report (CAFR) by December 31st of each year.

Critical Indicator
Complete CAFR by December 31 st of each year

Objective 2: Achieve annual Certificate of Excellence in Financial Reporting.

Critical Indicator
Receive the Certificate of Excellence in Financial Reporting

DEPARTMENT OF FINANCE

STRATEGIC PLAN

Focus Area: Public Safety

CITY-WIDE GOAL #6: Cultivate Positive Community Relationships.

Objective 1: Enforce standard operating procedures and training to ensure that Parking Regulation Enforcement Officers (PREOs) fairly enforce parking regulations.

Critical Indicator
of training sessions
of PREOs trained
of parking violations appealed
of appeals approved
% of appeals approved

Focus Area: Economic Vitality

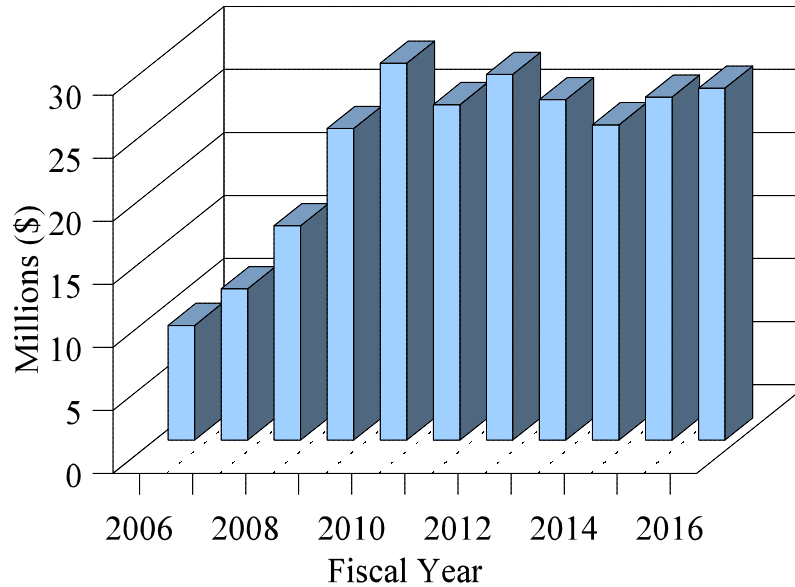
CITY-WIDE GOAL #12: Attract, Retain, and Expand Business.

Objective 1: Fully implement electronic bidding by June 2017.

Critical Indicator
Total # of bids received
of electronic bids received
% of electronic bids processed

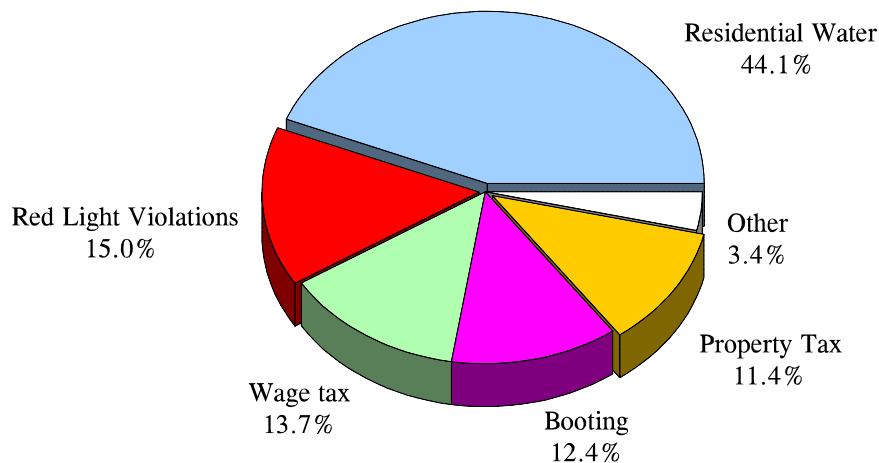
Department of Finance Performance Trends

Delinquent Enforcement Annual Collections



The Finance Department is responsible for collecting delinquent net profit, property and wage taxes, business licenses, fees, and water bills. In FY 2016, \$27.8 million in delinquent accounts was collected.

Delinquent Collections by Revenue Type FY 2016



DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: FINANCE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Regular Salaries	2,906,109	2,800,623	3,109,204	3,144,622
Temporary Salaries	1,011	0	7,500	7,500
Acting Out of Class	0	1,349	0	4,800
Sick Leave Bonus	3,300	3,200	4,000	6,400
Overtime	67,672	103,441	89,200	101,600
Meal Allowance	6,669	9,752	8,920	10,160
Clothing Allowance	4,375	3,750	3,750	4,250
Health Cash Back	0	1,143	0	0
Pension Contribution	756,366	643,381	674,962	597,958
Social Security	191,127	177,138	196,136	197,587
Medicare Tax	42,969	41,427	45,872	46,206
Hospitalization	849,019	970,160	912,442	1,056,501
Life Insurance	12,687	12,759	14,031	14,064
Pension healthcare	95,471	103,267	154,625	165,915
State Pension Plan - Civilian	29,283	39,092	49,930	70,422
Personal Services Adjustment	0	0	(92,762)	(96,284)
PS-Budget Control Account	0	0	0	0
TOTAL PERSONAL SERVICES	4,966,058	4,910,482	5,177,810	5,331,701
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	55,155	58,709	66,200	71,700
Communications & Utilities	12,171	10,548	16,300	16,300
Transportation	10,140	14,667	20,550	21,550
Rentals	0	0	0	0
Contracted Maintenance Repairs	0	0	600	600
Professional Fees	296,007	367,522	379,000	395,000
Memberships & Registrations	16,008	25,844	40,400	43,200
Miscellaneous Services	3,215,318	2,954,354	3,277,100	3,014,600
Office & General supplies	13,262	10,501	17,400	17,500
Wearing Apparel and Safety	16,777	17,627	10,500	12,550
Miscellaneous Parts	0	299	1,250	1,250
Equipment	17,058	14,118	8,550	9,250
Miscellaneous Projects	0	0	50,000	0
MSE-Budget Control Account	0	0	0	0
TOTAL M. S. & E.	3,651,896	3,474,189	3,887,850	3,603,500

DEPARTMENT: FINANCE**FUND: GENERAL**

	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
INTERNAL SERVICES				
Administrative Services	688,302	716,492	791,811	803,305
Self-Insurance	145,258	206,560	93,453	96,164
TOTAL INTERNAL SERVICES	833,560	923,052	885,264	899,469
<u>DEBT SERVICE</u>				
Principal Payments	822	900	23,716	8,377
Interest Payments	5,593	5,588	25,333	29,860
TOTAL DEBT SERVICE	6,415	6,488	49,049	38,237
GENERAL FUND TOTAL	9,457,929	9,314,211	9,999,973	9,872,907

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: FINANCE

FUND: WATER/SEWER

PERSONAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Regular Salaries	1,249,690	1,329,501	1,422,779	1,349,408
Temporary Salaries	0	0	0	0
Acting Out of Class	0	0	0	0
Sick Leave Bonus	0	400	2,800	3,100
Overtime	17,486	36,578	27,800	38,400
Meal Allowance	926	1,616	2,780	3,840
Clothing Allowance	625	750	500	750
Health Cash Back		1,017	0	0
Accrued Sick/Vacation	1,867	(17,498)	0	0
Pension Contribution	325,348	244,435	339,071	260,031
Social Security	77,011	83,273	88,468	83,922
Medicare Tax	18,011	19,475	20,693	19,624
Hospitalization	330,819	373,557	378,519	428,555
Life Insurance	5,249	5,970	6,170	5,786
Pension healthcare	134,391	151,245	65,375	66,285
State Pension Plan - Civilian	9,814	18,284	19,344	25,753
PS-Budget Control Account	0	0	0	0
TOTAL PERSONAL SERVICES	2,171,237	2,248,603	2,374,299	2,285,454
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	15,689	14,442	23,700	43,100
Communications & Utilities	259	0	860	800
Transportation	5,000	4,703	12,200	16,500
Contracted Maintenance Repairs	595	0	4,940	2,240
Professional Fees	39,000	29,847	51,500	115,600
Memberships & Registrations	7,274	7,676	22,400	22,400
Miscellaneous Services	332,832	196,318	386,090	404,840
Office & General supplies	10,808	9,200	15,370	12,600
Wearing Apparel and Safety	1,449	1,225	4,800	3,450
Miscellaneous Parts	462	0	4,016	3,000
Supporting Services	918,706	1,083,089	1,120,246	1,137,962
Equipment	34,872	5,133	22,400	22,650
TOTAL M. S. & E.	1,366,946	1,351,633	1,668,522	1,785,142

DEPARTMENT: FINANCE**FUND: WATER/SEWER**

INTERNAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Administrative Services	472,517	549,719	687,708	700,851
Self-Insurance	68,742	98,558	47,498	48,949
TOTAL INTERNAL SERVICES	541,259	648,277	735,206	749,800
<u>DEBT SERVICE</u>				
Interest Payments	0	0	42,413	30,462
TOTAL OTHER	0	0	42,413	30,462
WATER/SEWER FUND TOTAL	4,079,442	4,248,513	4,820,440	4,850,858



DEPARTMENT OF HUMAN RESOURCES

The mission of the Department of Human Resources (HR) is to provide the necessary human resources to City Departments in order to promote the highest quality workforce and a productive work environment, and maintain the city's operational and fiscal stability through the utilization of effective risk management techniques.

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

PRIORITIES FOR FISCAL YEAR 2017	
•	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, insurance, and claims management practices and programs.
•	Provide management and employee training to continue to develop the City's workforce and enhance productivity.
•	Effectively monitor productive and non-productive time through use of ongoing audits of the electronic timekeeping system.
•	Recognize and reward employees for exemplary contributions to the City of Wilmington.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF HUMAN RESOURCES

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
HUMAN RESOURCES	FY 2014	FY 2015	FY 2016	FY 2017
Personal Services	1,899,531	2,110,910	2,203,342	2,496,601
Materials, Supplies & Equipment	2,560,945	2,782,898	3,392,012	4,106,793
Internal Services	483,291	491,778	607,784	618,902
Debt Service	22,314	22,567	24,674	24,761
Depreciation	6,277	0	12,554	12,554
Special Purpose	20,687,415	26,276,541	19,733,250	24,815,714
TOTAL	25,659,773	31,684,694	25,973,616	32,075,325
STAFFING LEVELS	21.00	22.00	22.00	24.00

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

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
HUMAN RESOURCES	FY 2014	FY 2015	FY 2016	FY 2017
Personal Services	1,277,340	1,379,149	1,327,458	1,365,436
Materials, Supplies & Equipment	95,021	141,786	166,935	158,161
Internal Services	433,143	449,063	570,282	580,874
Debt Service	22,314	22,567	24,674	24,761
TOTAL	1,827,818	1,992,565	2,089,349	2,129,232
STAFFING LEVELS	14.00	14.00	13.55	13.55

RISK MANAGEMENT FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
HUMAN RESOURCES	FY 2014	FY 2015	FY 2016	FY 2017
Personal Services	141,726	210,965	204,609	249,177
Materials, Supplies & Equipment	1,833,421	1,952,926	2,329,024	3,045,809
Internal Services	32,578	25,534	26,913	27,416
Depreciation	6,277	0	12,554	12,554
Special Purpose	1,570,173	2,984,376	0	0
TOTAL	3,584,175	5,173,801	2,573,100	3,334,956
STAFFING LEVELS	1.30	1.80	1.95	2.05

WORKERS' COMPENSATION FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
HUMAN RESOURCES	FY 2014	FY 2015	FY 2016	FY 2017
Personal Services	374,572	407,295	496,983	575,323
Materials, Supplies & Equipment	591,831	626,631	718,903	724,173
Internal Services	15,200	14,625	7,579	7,602
Special Purpose	2,190,469	3,756,789	2,115,000	2,715,000
TOTAL	3,172,072	4,805,340	3,338,465	4,022,098
STAFFING LEVELS	4.50	4.50	4.65	5.15

HEALTH AND WELFARE FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
HUMAN RESOURCES	FY 2014	FY 2015	FY 2016	FY 2017
Personal Services	105,893	113,501	174,292	306,665
Materials, Supplies & Equipment	40,672	61,555	177,150	178,650
Internal Services	2,370	2,556	3,010	3,010
Special Purpose	16,926,773	19,535,376	17,618,250	22,100,714
TOTAL	17,075,708	19,712,988	17,972,702	22,589,039
STAFFING LEVELS	1.20	1.70	1.85	3.25

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

- Personal Services costs increased \$37,977. Increases in Regular Salaries (\$20,952) and Hospitalization (\$38,870) were partially offset by savings in Pensions (a net reduction of \$24,183). Regular Salaries increased as a result of step increases and COLAs, and Hospitalization increased as part of the city-wide spike in employee medical benefit costs. Pensions decreased due to changes in the actuarial targets.
- Materials, Supplies & Equipment decreased \$8,774. Professional Fees were reduced \$9,209, as all Background Investigations not related to residency will now be charged to the Risk Management Fund.
- Internal Services increased \$10,592, fueled almost entirely by higher Data Processing costs.

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

- Personal Services increased \$255,281 across all three Internal Services Funds. Step and COLA adjustments led to increases in Regular Salaries of \$12,875, and Hospitalization is up \$18,190. Those increases were partially offset by savings in Pensions. The bulk of the increase is the result of two new positions; an Employee Benefits Manager added to the Health & Welfare Fund for a total salary and benefits cost of \$110,794, and a Risk Manager split funded between the Risk Management Fund and the Workers' Compensation Fund for a total salary and benefit costs of \$119,970.
- In the Risk Management Fund, total Insurance costs increased \$698,651. Insurance Claims were the bulk of the increase (up \$560,429) based on a new actuarial report. Insurance Claims-Legal Defense was increased (up \$131,000) on the recommendation of the Law Department based on expected litigation.
- The account group for Professional Fees increased a net \$42,400. Consultants increased \$25,400, with an equal offset to Equipment. A previously budgeted set of fireproof cabinets for record storage were determined structurally unsafe for the floor, and as a result, the Department is moving forward with a digital file conversion plan. Additionally, Background Investigations increased \$17,000 to cover initial and ongoing background checks for employees.
- In the Workers' Compensation Fund, total Self-Insurance Costs increased \$600,000. The self-insurer's tax increased \$30,000 as a result of a rate increase from the State and COLAs pushing up the wage base. Additionally, Workers' Compensation claims are on the rise, and expected to increase by \$570,000 for FY 2017. The Department is currently looking into ways to reduce the growth in claims.
- In the Health and Welfare Fund, Self-Insurance Costs increased by \$4.6 million dollars. This account group encompasses the cost centers for employee Hospitalization, Prescription and Dental coverage, and Life Insurance. After several years of relatively modest employee medical benefit cost increases, inflationary pressure and increases in utilization have contributed to a 25.7% increase in Self-Insurance Costs in FY 2017. The Department is currently involved in strategic planning with an insurance broker in an effort to greatly reduce the above trend. As mentioned in the Budget Highlights section, \$2 million in fund balance was transferred from the Risk Management Fund to offset the effect on the operating budget.
- Medical Administration Fees and fees associated with the Affordable Care Act have been broken out of Medical Costs into separate accounts for greater transparency and to better track expenditures by category.

DEPARTMENT OF HUMAN RESOURCES

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #1: Embrace a Culture of Service.

Objective 1: Hold quarterly labor relations/management meetings for all five collective bargaining units to promote harmonious working relationships with employees.

Critical Indicator
of meetings held by Bargaining Unit
FOPR
FOPC
1102
320
1590

Objective 2: Optimize benefit enrollment process through automation, and improved on-boarding.

Critical Indicator
Total # of individuals enrolled
of individuals enrolled electronically
% of individuals enrolled electronically
Total # of employee benefit/status changes processed
Avg. # of days to process employee benefit/status changes
% of benefit/status changes processed within 10 days.

DEPARTMENT OF HUMAN RESOURCES

STRATEGIC PLAN

Focus Area: Effective City Government

Objective 3: Extend offers for non-uniformed personnel within 90 days at least 90% of the time.

Critical Indicator
of offers for non-uniformed personnel made
of offers for non-uniformed personnel accepted
Avg. # of days to fill a non-uniformed positions from posting
% of positions filled within 90 days of posting

CITY-WIDE GOAL #2: Increase Accountability.

Objective 1: Conduct annual City-wide training needs assessment.

Critical Indicator
Date needs assessment was completed
of needs identified
of needs addressed through training
of training/workshops held
of participants in trainings/workshops
Total \$ spent on trainings/workshops

Objective 2: Promote health and wellness awareness through organized initiatives and informational workshops.

Critical Indicator
of informational workshops held
of attendees at workshops
of organized initiatives
of attendees at organized initiatives
of health fairs held
of attendees at health fairs
of flu shots administered

DEPARTMENT OF HUMAN RESOURCES

STRATEGIC PLAN

Focus Area: Effective City Government

Objective 3: Complete investigations for all internal complaints within 90 days.

Critical Indicator
of complaints filed
Avg. # of days to complete investigation
% of investigations completed in 90 days

Objective 4: Address grievances within the timeframes outlined in City Code, and the respective CBAs.

Critical Indicator
of grievances filed
of grievances completed in designated time frame
% of grievances completed in designated time frame

Objective 5: Reduce Payroll audit findings and exceptions.

Critical Indicator
Total # of audit findings
of audit findings against Payroll Division
% of audit findings against Payroll Division
of audit findings corrected

DEPARTMENT OF HUMAN RESOURCES

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #3: Enhance Fiscal Prudence.

Objective 1: Decrease workers' injuries and control workers' compensation (WC) costs.

Critical Indicator
of WC claims filed
of WC claims accepted
Avg. # of working days lost
Avg. \$ cost per claim
Total \$ cost for WC claims
of safety trainings
of safety training participants

Objective 2: Minimize auto, property/casualty, and general liability costs.

Critical Indicator
of auto claims filed
Avg. \$ cost per auto claim
of property/casualty claims filed
Avg. \$ cost per property/casualty claim
of police liability claims filed
Avg. \$ cost per police liability claim

DEPARTMENT OF HUMAN RESOURCES

STRATEGIC PLAN

Focus Area: Effective City Government

Objective 3: Minimize healthcare (HC) and prescription (Rx) costs.

Critical Indicator
Total \$ cost for HC
Total # of employees
Avg. \$ cost per employee for HC
Avg. % of employee contribution for HC costs
Total \$ cost for medical
Avg. \$ cost per employee for medical charges
of migrants from POS 1
Total \$ cost for Rx
Avg. \$ cost per employee for Rx

CITY-WIDE GOAL #4: Ensure Transparency.

Objective 1: Evaluate and revise the Employees' Code of Conduct, and provide ongoing employee training on any revisions.

Critical Indicator
of recommended revisions
of revisions made
of training sessions
of attendees at training sessions

DEPARTMENT OF HUMAN RESOURCES

STRATEGIC PLAN

Focus Area: Quality of Life

CITY-WIDE GOAL #15: Enhance City Services.

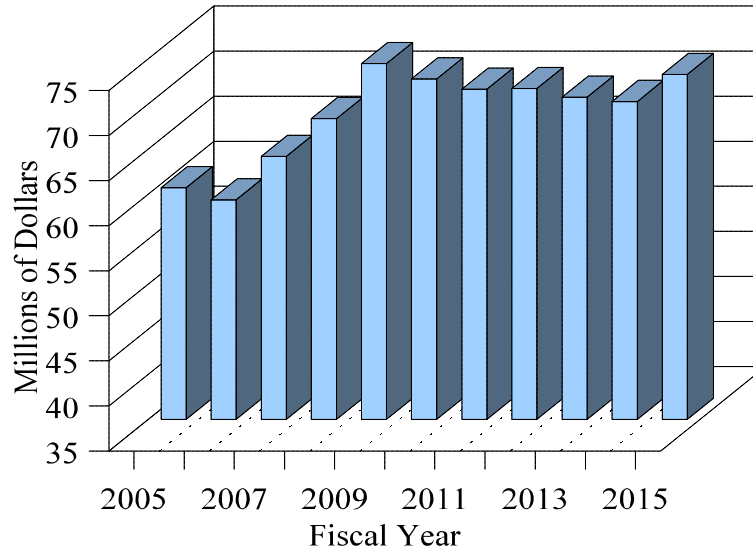
Objective 1: Enhance city services by maintaining a fully staffed workforce (exclusive of Fire and Police).

Critical Indicator
of vacant positions in a year
Avg. # of days a positions remains vacant

Department of Human Resources

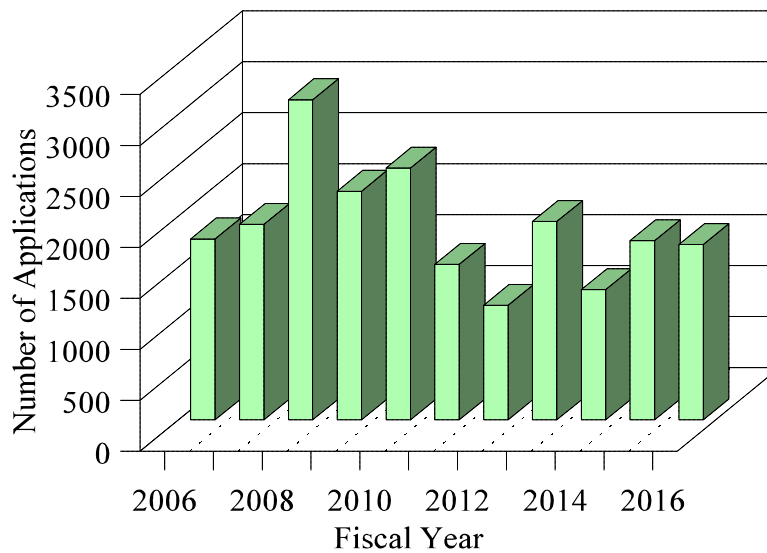
Performance Trends

Payroll - All Employees



Although the total City workforce declined again in FY 2015, other factors such as increased Police and Fire overtime led to an overall increase in payroll.

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

PERSONAL SERVICES	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Regular Salaries	806,150	841,516	813,560	834,513
Temporary Salaries	13,046	5,680	12,500	12,000
Acting Out of Classification	587	0	600	1,600
Sick Leave Bonus	600	0	1,300	900
Overtime	2,277	2,579	2,950	3,200
Meal Allowance	179	323	100	200
Pension Contribution	209,129	242,571	227,091	213,608
Social Security	50,384	51,685	50,872	50,402
Medicare Tax	11,798	12,106	11,897	11,789
Hospitalization	147,194	184,110	161,318	200,188
Life Insurance	2,859	3,368	3,231	3,235
Pension Healthcare	26,296	31,288	33,875	36,585
State Pension Plan - Civilian	6,841	3,923	14,703	4,003
Personal Services Adjustment	0	0	(6,539)	(6,787)
PS-Budget Control Account	0	0	0	0
TOTAL PERSONAL SERVICES	1,277,340	1,379,149	1,327,458	1,365,436
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	9,130	10,894	10,385	10,385
Communications & Utilities	72	127	200	200
Transportation	7,561	8,462	9,681	10,255
Contracted Maintenance	395	497	800	812
Professional Fees	26,179	19,632	32,059	22,850
Memberships & Registrations	21,863	53,756	60,211	61,107
Miscellaneous Services	3,777	3,988	5,189	5,189
Office & General Supplies	3,996	8,474	9,810	8,763
Miscellaneous Parts	21,090	35,508	38,600	38,600
Equipment	958	448	0	0
MSE-Budget Control Account	0	0	0	0
TOTAL M., S. & E.	95,021	141,786	166,935	158,161

DEPARTMENT: HUMAN RESOURCES**FUND: GENERAL**

INTERNAL SERVICES	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Administrative Services	425,087	437,299	563,844	574,221
Self-Insurance	8,056	11,764	6,438	6,653
TOTAL INTERNAL SERVICES	433,143	449,063	570,282	580,874
DEBT SERVICE				
Principal Payments	2,858	3,132	5,515	5,923
Interest Payments	19,456	19,435	19,159	18,838
TOTAL DEBT SERVICE	22,314	22,567	24,674	24,761
GENERAL FUND TOTAL	1,827,818	1,992,565	2,089,349	2,129,232

DEPARTMENT: HUMAN RESOURCES

FUND: RISK MANAGEMENT

PERSONAL SERVICES	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Regular Salaries	75,813	108,899	118,187	145,194
Temporary Salaries	8,934	15,078	17,625	17,625
Overtime	245	0	0	0
Meal Allowance	17	26	0	0
Health Cash Back	0	470	0	240
Compensated Absences	(1,161)	10,674	0	0
Pension Contribution	26,337	34,832	32,479	30,244
Social Security	5,127	8,306	8,352	8,810
Medicare Tax	1,199	1,947	1,954	2,060
Hospitalization	22,559	24,479	20,594	37,133
Life Insurance	265	375	450	491
Pension Healthcare	2,391	5,070	4,875	5,535
State Pension Plan - Civilian	0	809	1,161	2,954
Personal Services Adjustment	0	0	(1,068)	(1,109)
TOTAL PERSONAL SERVICES	141,726	210,965	204,609	249,177

MATERIALS, SUPPLIES & EQUIPMENT

Printing	0	0	70	70
Transportation	125	1,699	2,250	2,250
Insurance	1,795,555	1,807,891	2,179,099	2,877,750
Professional Fees	26,032	127,844	119,250	161,650
Memberships & Registrations	973	1,638	1,555	1,589
Office & General Supplies	10,736	2,495	1,400	2,500
Equipment	0	11,359	25,400	0
TOTAL M., S. & E.	1,833,421	1,952,926	2,329,024	3,045,809

DEPARTMENT: HUMAN RESOURCES

FUND: RISK MANAGEMENT

	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
<u>INTERNAL SERVICES</u>				
Administrative Services	31,588	24,525	25,846	26,317
Self-Insurance	990	1,009	1,067	1,099
TOTAL INTERNAL SERVICES	32,578	25,534	26,913	27,416
<u>OTHER</u>				
Depreciation	6,277	0	12,554	12,554
TOTAL DEBT SERVICE	6,277	0	12,554	12,554
<u>SPECIAL PURPOSE</u>				
Claims Expense	1,570,173	2,984,376	0	0
TOTAL SPECIAL PURPOSE	1,570,173	2,984,376	0	0
RISK MANAGEMENT FUND TOTAL	3,584,175	5,173,801	2,573,100	3,334,956

DEPARTMENT: HUMAN RESOURCES

FUND: WORKERS' COMPENSATION

PERSONAL SERVICES	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Regular Salaries	206,060	194,221	270,052	319,548
Temporary Salaries	21,227	28,371	35,875	35,875
Acting Out of Class	4,554	695	0	0
Sick Leave Bonus	0	0	0	0
Overtime	930	898	2,145	2,500
Meal Allowance	51	117	150	200
Compensated Absences	2,276	(1,122)	0	0
Pension Contribution	53,327	47,783	64,188	61,438
Social Security	14,122	13,599	18,803	19,338
Medicare Tax	3,303	3,180	4,397	4,522
Hospitalization	60,744	106,570	86,497	111,590
Life Insurance	1,004	832	1,079	1,210
Pension Healthcare	6,974	10,937	11,625	13,905
State Pension Plan - Civilian	0	1,214	2,172	5,197
TOTAL PERSONAL SERVICES	374,572	407,295	496,983	575,323

MATERIALS, SUPPLIES & EQUIPMENT

Printing and Advertising	418	132	825	660
Transportation	459	2,320	6,000	8,000
Insurance	238,455	277,241	282,750	285,000
Rentals	0	300	100	300
Contracted Maintenance	1,557	261	1,040	900
Professional Fees	321,737	317,596	383,188	378,308
Memberships & Registrations	2,956	3,684	7,950	10,155
Miscellaneous Services	(9)	0	0	0
Office & General Supplies	1,585	1,423	1,800	1,800
Wearing Apparel & Safety	88	2,065	100	2,100
Miscellaneous Parts	16,446	7,819	23,250	21,450
Equipment	8,139	13,790	11,900	15,500
TOTAL M., S. & E.	591,831	626,631	718,903	724,173

DEPARTMENT: HUMAN RESOURCES**FUND: WORKERS' COMPENSATION**

INTERNAL SERVICES	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Administrative Services	12,832	11,959	5,499	5,449
Self-Insurance	2,368	2,666	2,080	2,153
TOTAL INTERNAL SERVICES	15,200	14,625	7,579	7,602
<u>SPECIAL PURPOSE</u>				
Workers' Compensation	2,190,469	3,756,789	2,115,000	2,715,000
TOTAL SPECIAL PURPOSE	2,190,469	3,756,789	2,115,000	2,715,000
WORKERS' COMPENSATION FUND TOTAL	3,172,072	4,805,340	3,338,465	4,022,098

DEPARTMENT: HUMAN RESOURCES

FUND: HEALTH AND WELFARE

PERSONAL SERVICES	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Regular Salaries	62,756	65,148	105,475	193,848
Temporary Salaries	5,956	10,078	11,750	11,750
Health Cash Back	0	470	0	2,160
Compensated Absences	(1,236)	(324)	0	0
Pension Contribution	20,290	18,527	28,721	26,715
Social Security	4,226	4,935	7,229	11,809
Medicare Tax	988	1,270	1,690	2,762
Hospitalization	10,364	8,826	13,217	40,967
Life Insurance	246	808	425	759
Pension Healthcare	2,303	2,984	4,625	8,775
State Pension Plan - Civilian	0	779	1,160	7,120
TOTAL PERSONAL SERVICES	105,893	113,501	174,292	306,665
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	0	35	500	500
Communications & Utilities	1,667	1,673	150	150
Transportation	0	2,225	2,000	3,000
Professional Fees	36,143	54,538	171,500	171,500
Memberships & Registrations	0	1,107	1,500	1,500
Office & General Supplies	1,947	1,977	1,500	2,000
Equipment	915	0	0	0
TOTAL M., S. & E.	40,672	61,555	177,150	178,650
 <u>INTERNAL SERVICES</u>				
Administrative Services	1,476	1,528	2,311	2,287
Self-Insurance	894	1,028	699	723
TOTAL INTERNAL SERVICES	2,370	2,556	3,010	3,010
 <u>SPECIAL PURPOSE</u>				
Self-Insurance Costs	16,926,773	19,535,376	17,618,250	22,100,714
TOTAL SPECIAL PURPOSE	16,926,773	19,535,376	17,618,250	22,100,714
 HEALTH & WELFARE FUND TOTAL	 17,075,708	 19,712,988	 17,972,702	 22,589,039

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/specifications for renovations and new construction.

PRIORITIES FOR FISCAL YEAR 2017

- 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 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 International Code Council (I.C.C.) Building Code.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF LICENSES & INSPECTIONS

TOTAL ALL FUNDS LICENSES & INSPECTIONS	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Personal Services	3,316,671	3,288,971	3,404,473	3,503,300
Materials, Supplies & Equipment	500,484	539,209	560,450	558,000
Internal Services	485,214	519,811	597,733	606,285
Debt Service	4,482	4,576	4,659	4,790
Special Purpose	655,869	600,000	600,000	600,000
TOTAL	4,962,720	4,952,567	5,167,315	5,272,375
STAFFING LEVELS	38.00	38.00	38.00	38.00

GENERAL FUND LICENSES & INSPECTIONS	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Personal Services	3,316,671	3,288,971	3,404,473	3,503,300
Materials, Supplies & Equipment	500,484	539,209	560,450	558,000
Internal Services	485,214	519,811	597,733	606,285
Debt Service	4,482	4,576	4,659	4,790
Special Purpose	655,869	600,000	600,000	600,000
TOTAL	4,962,720	4,952,567	5,167,315	5,272,375
STAFFING LEVELS	38.00	38.00	38.00	38.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR GENERAL FUND
<ul style="list-style-type: none"> • Personal Services increased a net total of \$98,827. Standby Pay was previously budgeted as an Overtime cost but has been broken out for better management in FY 2017. Increases in Regular Salaries (\$36,958), Overtime (\$17,000), and Hospitalization (\$69,142) were slightly offset by savings in Pension Contributions (\$43,973). • Materials, Supplies & Equipment decreased a net total of \$2,450. An increase in Property Maintenance of \$40,000 was more than offset by savings in Consultants, Uniforms, and a reduction in Demolition. The increase in Property Maintenance is required to address the growing number of properties in need of immediate repair due to owners failing to comply with violations. • Internal Services increased a total of \$8,552, which was driven in large part by higher Data Processing costs.

DEPARTMENT OF LICENSES & INSPECTIONS

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #1: Embrace a Culture of Service.

Objective 1: Conduct ongoing customer satisfaction surveys, and improve customer service.

Critical Indicator
of satisfaction surveys received
of satisfied customers (good & above)
% of customers satisfied
of customers handled in-house
% of customers handled in-house

Objective 2: Provide sensitivity training to all Departmental employees by June 2017.

Critical Indicator
of Departmental employees
of Departmental employees trained
of sensitivity complaints filed

Objective 3: Respond to all constituent complaints within 48 hours

Critical Indicator
of constituent complaints received
of complaints responded to within 48 hours
% of complaints responded to within 48 hours

DEPARTMENT OF LICENSES & INSPECTIONS

STRATEGIC PLAN

Focus Area: Effective City Government

Objective 4: Increase the percentage of warning tickets to total tickets issued in an effort to educate constituents on code requirements

Critical Indicator
of all tickets issued
of warning tickets issued
of warning tickets issued

CITY-WIDE GOAL #2: Increase Accountability.

Objective 1: Create and/or update Department standard operating procedures (SOPs) for all processes by June 2017.

Critical Indicator
of processes identified within the Department
of SOPs created and/or updated
% of SOPs created and/or updated

CITY-WIDE GOAL #3: Enhance Fiscal Prudence.

Objective 1: Notify all property owners with outstanding balances of \$500 or more in unpaid L&I fines and fees within 30 days.

Critical Indicator
of occurrences of property owners with balances of \$500 or more
of notifications given within 30 days
% of notifications given within 30 days
of occurrences resolved during FY

DEPARTMENT OF LICENSES & INSPECTIONS

STRATEGIC PLAN

Focus Area: Public Safety

Objective 2: Work with the Crime and Blight Action Team to increase the reporting of properties with outstanding balances of \$2,000 or more in unpaid L&I fines and fees within 14 days.

Critical Indicator
of occurrences of property owners with balances of \$2,000 or more
of notifications given within 14 days
% of notifications given within 14 days
of occurrences resolved during FY

CITY-WIDE GOAL #5: Prevent and Deter Violent Crime.

Objective 1: Increase by 5% the number of vacant properties stabilized or secured in an effort to reduce illegal activity by June 2017.

Critical Indicator
Total # of city-wide vacant properties (exclusive of City inventory)
of vacant properties identified as needing stabilization
of properties stabilized
% of identified properties stabilized
Avg. # of weeks for stabilization

DEPARTMENT OF LICENSES & INSPECTIONS

STRATEGIC PLAN

Focus Area: Public Safety

CITY-WIDE GOAL #6: Cultivate Positive Community Relationships.

Objective 1: Ensure that all Landlords owning properties in the City receive Landlord training as a condition of licensure.

Critical Indicator
of licensed landlords
of trainings
of landlords participating
of unlicensed landlord complaints
of unlicensed landlord inspections
of complaints substantiated

Focus Area: Economic Vitality

CITY-WIDE GOAL #9: Streamline Permitting Process.

Objective 1: Achieve and maintain a 21 working day turnaround for the plan review and permit process for commercial projects

Critical Indicator
of commercial plans submitted to L&I
Avg. # of working days for completion
of reviews completed within 21 working days
% of reviews completed within 21 working days

DEPARTMENT OF LICENSES & INSPECTIONS

STRATEGIC PLAN

Focus Area: Economic Vitality

Objective 2: Achieve and maintain a 14 working day turnaround for the plan review and permit process for residential projects.

Critical Indicator
of residential plans submitted to L&I
Avg. # of working days for completion
of reviews completed within 14 working days
% of reviews completed within 14 working days

CITY-WIDE GOAL #12: Attract, Retain, and Expand Business.

Objective 1: Increase by five the number of local contractors working with L&I in 2016.

Critical Indicator
of contractors currently working with L&I
of new contractors that previously had not worked with L&I
of potential new contractors contacted

DEPARTMENT OF LICENSES & INSPECTIONS

STRATEGIC PLAN

Focus Area: Quality of Life

CITY-WIDE GOAL #15: Enhance City Services.

Objective 1: Effectively and efficiently address structurally deficient properties through demolition and property maintenance.

Critical Indicator
of properties identified as structurally deficient
of identified properties demolished
of identified properties stabilized through property maintenance
Total \$ spent on demolitions
Avg. \$ spent per demolition
Avg. # of days to complete a demolition
Total \$ spent on property maintenance
Avg. \$ spent per property maintenance
Avg. # of days to complete property maintenance

CITY-WIDE GOAL #16: Inspire Young People to Achieve Success.

Objective 1: Partner with the Challenge Program to provide job opportunities for young people in the City.

Critical Indicator
Total \$ allocated towards projects completed by Challenge Program
of projects completed by Challenge Program
of young adults participating in Challenge Program

DEPARTMENT OF LICENSES & INSPECTIONS

STRATEGIC PLAN

Focus Area: Quality of Life

Objective 2: Increase the number of internship opportunities within the Department through partnerships with outside organizations.

Critical Indicator
of participating organizations
of young adult interns

CITY-WIDE GOAL #17: Improve Housing Quality.

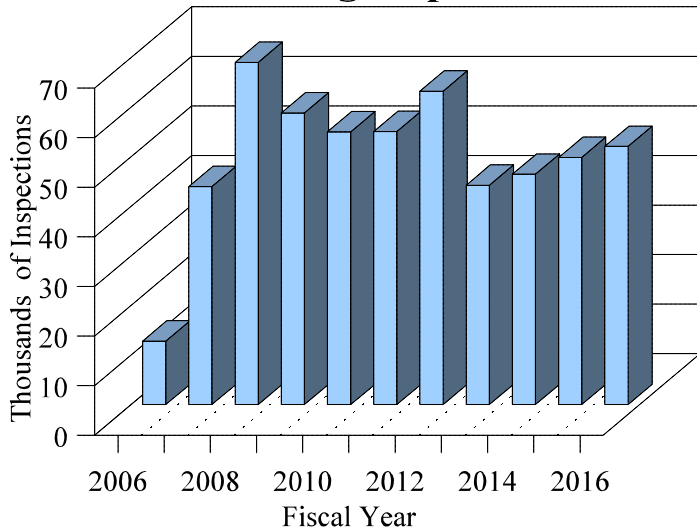
Objective 1: Address sanitation related issues affecting the physical environment of communities.

Critical Indicator
Sanitation complaints by category
High grass and weeds
Improperly placed and/or disposed trash
Junk/debris
Fecal matter
Total # of complaints
of warning tickets issued
of instant tickets issued

Department of Licenses and Inspections

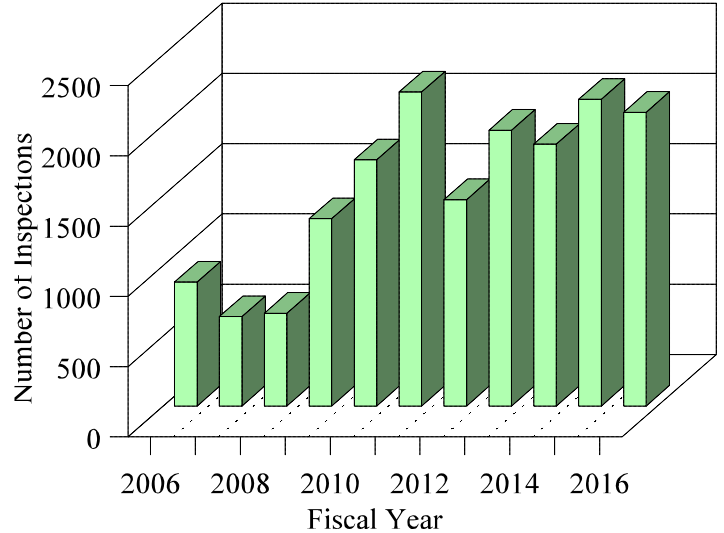
Performance Trends

Housing Inspections



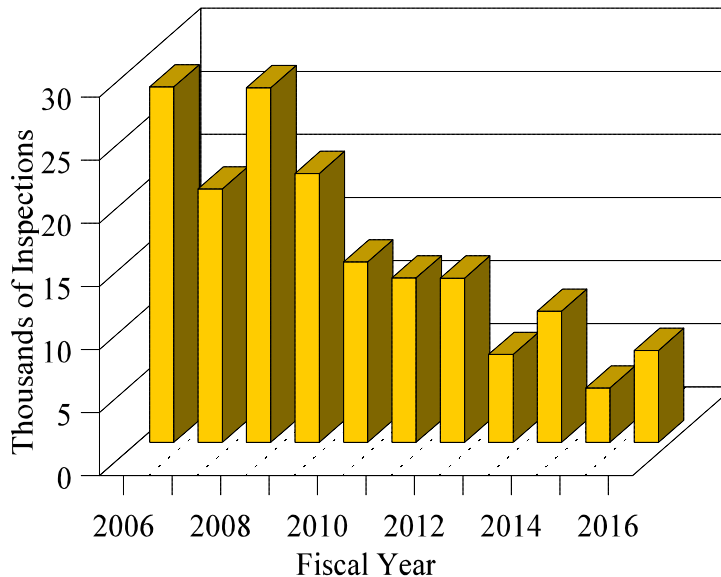
Housing inspections performed include pre-rentals, lead paint, tenant complaints, sanitation, graffiti, and abandoned vehicles on private property. The inspections spiked in 2007 due to enforcement of the Instant Ticketing program.

Zoning Inspections



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

Building Inspections



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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: LICENSES AND INSPECTIONS

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Regular Salaries	2,001,788	1,882,980	2,029,365	2,066,323
Temporary Salaries	2,820	13,393	0	0
Acting Out of Classification	2,107	474	1,500	1,500
Sick Leave Bonus	1,400	900	2,000	2,000
Overtime	28,599	42,562	53,000	45,000
Meal Allowance	140	70	500	250
Clothing Allowance	7,375	7,125	7,500	7,500
Standby Pay	0	23,204	0	25,000
Health Cash Back	0	7,620	0	4,800
Pension Contribution	507,524	476,875	507,967	463,994
Social Security	125,061	121,073	127,592	131,266
Medicare Tax	29,248	28,316	29,800	30,702
Hospitalization	530,253	593,946	560,038	629,180
Life Insurance	8,190	8,272	8,932	8,973
Pension Healthcare	53,247	57,826	95,000	102,600
State Pension Plan - Civilian	10,519	15,335	19,708	24,398
Personal Services Adjustment	8,400	9,000	(38,429)	(40,186)
TOTAL PERSONAL SERVICES	3,316,671	3,288,971	3,404,473	3,503,300
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	8,568	8,609	11,000	9,000
Communication & Utilities	0	0	0	0
Transportation	1,809	2,674	3,500	3,500
Rentals	0	300	200	200
Contracted Maintenance	120,339	139,264	100,000	140,000
Professional Fees	35,112	45,578	45,000	47,000
Other Fees	2,852	3,710	8,000	8,000
Memberships & Registrations	17,070	10,414	18,000	16,100
Office & General Supplies	4,652	5,553	5,000	5,000
Wearing Apparel & Safety Supplies	11,437	12,940	21,000	15,000
Miscellaneous Parts	1,058	963	2,750	2,500
Construction & Repairs	295,208	306,336	341,000	305,000
Equipment	2,379	2,868	5,000	6,700
Fixed Assets	0	0	0	0
MSE Budget Control Account	0	0	0	0
TOTAL M., S. & E.	500,484	539,209	560,450	558,000

DEPARTMENT: LICENSES AND INSPECTIONS

FUND: GENERAL

INTERNAL SERVICES	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Administrative Services	452,333	470,569	566,478	573,895
Self-Insurance	32,881	49,242	31,255	32,390
TOTAL INTERNAL SERVICES	485,214	519,811	597,733	606,285
<u>DEBT SERVICE</u>				
Principal Payments	2,252	2,426	2,635	2,905
Interest Payments	2,230	2,150	2,024	1,885
TOTAL DEBT SERVICE	4,482	4,576	4,659	4,790
<u>SPECIAL PURPOSE</u>				
Animal Control	655,869	600,000	600,000	600,000
TOTAL SPECIAL PURPOSE	655,869	600,000	600,000	600,000
GENERAL FUND TOTAL	4,962,720	4,952,567	5,167,315	5,272,375

DEPARTMENT OF PARKS & RECREATION

The mission of the Department of Parks & Recreation is to provide comprehensive and quality programming that supports the holistic wellness of City residents by offering recreational, social, cultural, employment, and educational opportunities for all City residents regardless of age or physical barriers.

PRIORITIES FOR FISCAL YEAR 2017
<ul style="list-style-type: none"> • Implement a tracking system to accurately collect participation data. • Create standards of care for the Park Maintenance Division. • Increase and improve collaborative partnerships with parents, government agencies, and community groups. • Seek grant opportunities to conduct program initiatives not supported by the General Fund. • Promote healthy lifestyles by continuing to offer recreation programs, information sessions, evening feeding, and summer food programs. • Expand tutoring programs to assist students in achieving academic success.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF PARKS & RECREATION

TOTAL ALL FUNDS	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT. OF PARKS & RECREATION	FY2014	FY2015	FY2016	FY2017
Personal Services	4,504,838	5,178,555	4,889,967	5,169,310
Materials, Supplies & Equipment	1,789,919	2,346,895	2,376,802	2,331,536
Internal Services	1,383,110	1,620,564	1,302,555	1,312,331
Debt Services	1,855,756	1,778,749	2,003,978	1,935,729
TOTAL	9,533,623	10,924,763	10,573,302	10,748,906
STAFFING LEVELS	44.00	42.00	41.00	41.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT. OF PARKS & RECREATION	FY2014	FY2015	FY2016	FY2017
Personal Services	3,981,428	4,469,305	4,319,881	4,504,813
Materials, Supplies & Equipment	1,149,713	1,509,349	1,563,482	1,321,307
Internal Services	1,379,677	1,617,131	1,299,122	1,308,898
Debt Services	1,855,756	1,778,749	2,003,978	1,935,729
TOTAL	8,366,574	9,374,534	9,186,463	9,070,747
STAFFING LEVELS	44.00	42.00	41.00	41.00

PARKS ASSISTANCE FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT. OF PARKS & RECREATION	FY2014	FY2015	FY2016	FY2017
Personal Services	165,182	209,800	201,894	252,715
Materials, Supplies & Equipment	637,458	835,527	782,255	979,164
TOTAL	802,640	1,045,327	984,149	1,231,879
STAFFING LEVELS	0.00	0.00	0.00	0.00

PARKS TRUST FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT. OF PARKS & RECREATION	FY2014	FY2015	FY2016	FY2017
Personal Services	80,944	99,837	90,596	96,458
Materials, Supplies & Equipment	2,748	2,019	31,065	31,065
Internal Services	3,433	3,433	3,433	3,433
TOTAL	87,125	105,289	125,094	130,956
STAFFING LEVELS	0.00	0.00	0.00	0.00

WORKFORCE INVESTMENT BOARD (WIB)	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT. OF PARKS & RECREATION	FY2014	FY2015	FY2016	FY2017
Personal Services	277,284	399,613	277,596	315,324
TOTAL	277,284	399,613	277,596	315,324
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Overtime has been increased by \$4,527 to meet additional demands for transportation to recreational and other City-sponsored events.
- Temporary Salaries have risen by \$19,375. This increase, along with a restructuring of program oversight personnel, will allow participants in the Summer Youth Program to work an additional week.
- Pension Contributions have decreased by \$35,230, as the actuarial targets for the closed civilian pension plans were lowered.
- Hospitalization has soared City-wide. For Parks & Recreation, the increase of \$153,314 is a more than 25% over FY 2016.
- Contracted Maintenance has increased by \$16,475. Non-covered building repairs, along with repairs to park roads, have driven up costs.
- Increased recycling has allowed for a \$10,000 decrease in Landfill Fees, budgeted within the Other Fees category.
- An increase of \$6,932 in Wearing Apparel & Safety Supplies will fund the cost of T-shirts donated for community-sponsored, and non-profit sporting events.
- The appropriation for Petroleum & Chemicals has been increased by \$1,940 to treat City pools during an expanded season, and for additional hours at the Hicks Anderson Community Center pool.
- Community Activities will continue to fund the popular “Arts in the Parks” program at \$75,000. However, funding for the “Cease Violence” non-profit organization has been moved to the Mayor’s Office, remaining at \$225,000.
- Debt Service expenditures will fall by \$68,249, as the latest bond issuance carried a lower interest rate than recent borrowings.

DEPARTMENT OF PARKS & RECREATION

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #1: Embrace a Culture of Service.

Objective 1: Maximize constituent satisfaction with park programming.

Critical Indicator
of surveys solicited
of surveys received
% of respondents satisfied (4 and above)
Avg. # for programming

Focus Area: Public Safety

CITY-WIDE GOAL #5: Prevent and Deter Violent Crime.

Objective 1: Increase the number of participants in City organized recreational activities.

Critical Indicator
of City organized programs
of participants
Avg. # of participants per program

CITY-WIDE GOAL #6: Cultivate Positive Community Relationship.

Objective 1: Involve community groups in care of City parks, and community centers.

Critical Indicator
of park community events
of community center events
of participating organizations

DEPARTMENT OF PARKS & RECREATION

STRATEGIC PLAN

Focus Area: Economic Vitality

CITY-WIDE GOAL #12: Attract, Retain, and Expand Business.

Objective 1: Partner with external organizations to sponsor at least five events that attract visitors to Wilmington.

Critical Indicator
of events held
Total \$ cost of sponsorship
Avg. \$ cost per event held
of participants

Focus Area: Quality of Life

CITY-WIDE GOAL #13: Offer Enhanced Recreational Opportunities.

Objective 1: Increase senior citizen participation to 600 for City programs targeting persons age 55 and over.

Critical Indicator
of events
of participants
Total \$ cost of programming
Avg. \$ cost per event

DEPARTMENT OF PARKS & RECREATION

STRATEGIC PLAN

Focus Area: Quality of Life

CITY-WIDE GOAL #14: Support Enriching Cultural Experiences.

Objective 1: Continue to expose citizens to a wide variety of cultural art experiences through supporting the Summer in the Parks program.

Critical Indicator
of attendees at Summer in the Parks events
of events
of unique artists/entertainment
of parks with Summer in the Parks events

CITY-WIDE GOAL #15: Enhance City Services.

Objective 1: Increase the number of park locations offering City programming.

Critical Indicator
of parks eligible for programming
of parks with programming
% of parks offering City programming

CITY-WIDE GOAL #16: Inspire Young People to Achieve Success.

Objective 1: Increase participation in the Summer Job Program by 5% in FY 2017.

Critical Indicator
of youth employed
of youth that are City residents
% of youth that are City residents

DEPARTMENT OF PARKS & RECREATION

STRATEGIC PLAN

Focus Area: Quality of Life

Objective 2: Increase participation in the City Food Programs by 5% in FY 2017.

Critical Indicator
of meals served
\$ of reimbursement for meals served
of sites participating in City Food Program

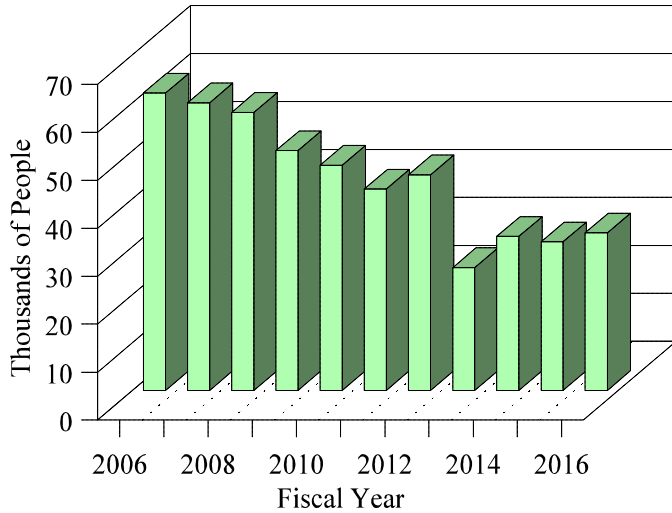
CITY-WIDE GOAL #18: Enhance Environmental Sustainability.

Objective 1: Develop and implement a tree replacement program in City parks.

Critical Indicator
of trees marked for removal
of trees removed from parks
of trees planted in parks

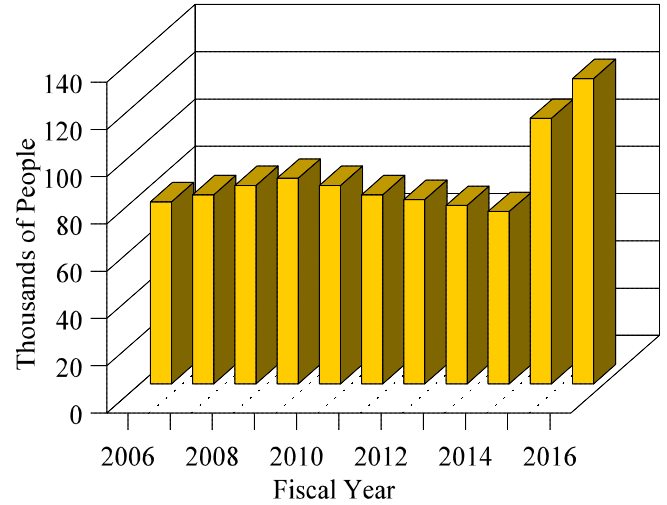
Department of Parks and Recreation Performance Trends

Pool Attendance



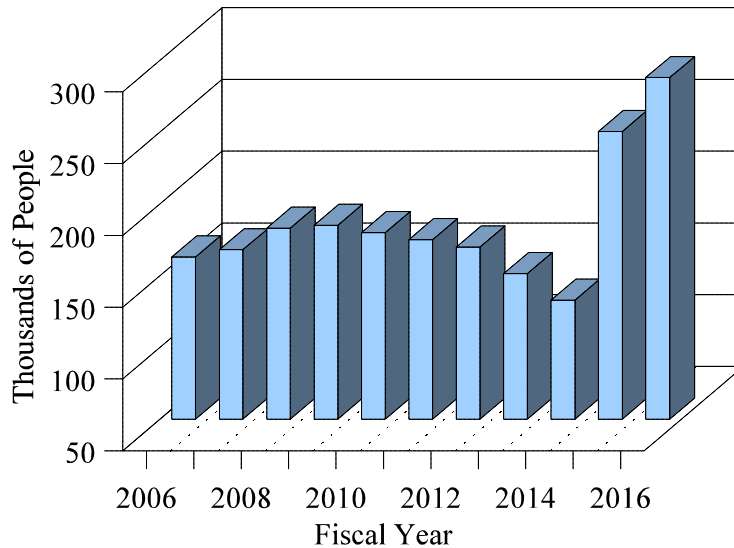
Pool attendance had generally declined due to a shortening of the season to trim costs. A longer season implemented in FY 2014 reversed that trend.

Playground Attendance



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

Recreation Attendance



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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: PARKS & RECREATION

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Regular Salaries	1,767,609	1,744,741	1,866,938	1,903,423
Temporary Salaries	714,778	1,155,434	1,045,443	1,064,818
Acting Out of Class	3,529	10,219	1,000	1,000
Sick Leave Bonus	1,900	1,900	1,500	1,500
Overtime	213,566	179,592	147,943	152,470
Meal Allowance	4,926	4,797	2,300	3,300
Pension Contribution	398,514	347,088	355,689	310,543
Social Security	165,971	188,999	189,734	190,735
Medicare Tax	38,818	44,203	44,374	44,607
Hospitalization	571,045	671,169	607,006	760,321
Life Insurance	7,805	8,090	8,933	9,058
Pension Healthcare	72,039	80,429	102,500	110,076
State Pension Plan (Civilian)	20,928	32,644	37,969	47,885
Personal Services Adjustment	0	0	(91,448)	(94,923)
PS-Budget Control Account	0	0	0	0
TOTAL PERSONAL SERVICES	3,981,428	4,469,305	4,319,881	4,504,813

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	3,087	6,966	10,000	8,200
Communications & Utilities	278,720	245,053	275,051	275,051
Transportation	4,783	3,669	10,200	10,200
Rentals	49,747	70,324	67,300	66,610
Contracted Maintenance	30,988	64,416	52,224	68,699
Professional Fees	325,072	287,113	262,018	261,118
Other Fees	31,371	36,754	52,820	42,820
Memberships & Registrations	3,304	4,991	8,870	7,200
Miscellaneous Services	125,970	182,019	243,528	215,707
Office & General supplies	19,611	18,347	16,545	16,204
Wearing Apparel & Safety Supplies	39,765	46,915	40,073	47,005
Miscellaneous Parts	165,177	129,089	134,120	136,820
Petroleum & Chemicals	22,863	18,579	28,560	30,500
Construction & Repairs	17,213	14,937	21,800	21,800
Equipment	24,020	38,646	29,248	28,748
Community Activities	8,022	341,531	311,125	84,625
MSE-Budget Control Account	0	0	0	0
TOTAL M., S. & E.	1,149,713	1,509,349	1,563,482	1,321,307

DEPARTMENT: PARKS & RECREATION**FUND: GENERAL**

	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
INTERNAL SERVICES				
Administrative Services	865,220	867,262	896,974	893,482
Self-Insurance	514,457	749,869	402,148	415,416
TOTAL INTERNAL SERVICES	1,379,677	1,617,131	1,299,122	1,308,898
DEBT SERVICE				
Principal Payments	1,066,130	1,043,864	1,148,741	1,078,280
Interest Payments	789,626	734,885	855,237	857,449
TOTAL DEBT SERVICE	1,855,756	1,778,749	2,003,978	1,935,729
GENERAL FUND TOTAL	8,366,574	9,374,534	9,186,463	9,070,747

DEPARTMENT: PARKS & RECREATION**FUND: PARKS ASSISTANCE**

	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
PERSONAL SERVICES				
Temporary Salaries	153,444	195,036	187,547	234,756
Social Security	9,513	11,965	11,627	14,555
Medicare Tax	2,225	2,799	2,720	3,404
TOTAL PERSONAL SERVICES	165,182	209,800	201,894	252,715
MATERIALS, SUPPLIES & EQUIPMENT				
Miscellaneous Parts	637,458	835,527	782,255	979,164
TOTAL M., S. & E.	637,458	835,527	782,255	979,164
PARKS ASSISTANCE FUND TOTAL	802,640	1,045,327	984,149	1,231,879

DEPARTMENT: PARKS & RECREATION

FUND: PARKS TRUST

PERSONAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Regular Salaries	48,059	48,059	47,875	49,310
Temporary Salaries	0	0	2,500	2,500
Pension Contributions	12,404	12,722	12,831	12,229
Social Security	2,973	2,904	2,968	3,212
Medicare Tax	695	679	694	751
Life Insurance	217	241	240	240
Hospitalization	14,573	32,941	20,988	25,516
Pension Healthcare	2,023	2,291	2,500	2,700
TOTAL PERSONAL SERVICES	80,944	99,837	90,596	96,458
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	2,748	2,019	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	0	0	200	200
TOTAL M., S. & E.	2,748	2,019	31,065	31,065
 <u>INTERNAL SERVICES</u>				
Self-Insurance	3,433	3,433	3,433	3,433
TOTAL INTERNAL SERVICES	3,433	3,433	3,433	3,433
 PARKS TRUST FUND TOTAL	 87,125	 105,289	 125,094	 130,956

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

PERSONAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Temporary Salaries	257,609	369,356	257,890	292,916
Social Security	15,945	24,523	15,971	18,161
Medicare Tax	3,730	5,734	3,735	4,247
TOTAL PERSONAL SERVICES	277,284	399,613	277,596	315,324
WIB FUND TOTAL	277,284	399,613	277,596	315,324

DEPARTMENT OF FIRE

The mission of the Fire Department is to create a safe environment and enhance the quality of life by working in partnership with the citizens of Wilmington, and by providing an effective and professional response to all man-made or natural hazards with well-trained emergency services personnel.

PRIORITIES FOR FISCAL YEAR 2017
<ul style="list-style-type: none"> • Secure funding for the renovation of remaining stations. • Replace fire apparatus according to recommended replacement cycle. • Continue the free smoke and carbon monoxide alarm programs for seniors and needy citizens. • Increase public education programs, targeting senior citizens and children.

SUMMARY OF FUNDING FOR THE FIRE DEPARTMENT

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
FIRE DEPARTMENT	FY2014	FY2015	FY2016	FY2017
Personal Services	20,767,751	21,548,004	20,725,922	21,435,727
Materials, Supplies & Equipment	766,750	682,589	582,088	548,616
Internal Services	2,246,142	2,882,921	2,380,626	2,389,061
Debt Service	522,184	414,204	649,059	707,707
TOTAL	24,302,827	25,527,718	24,337,695	25,081,111
STAFFING LEVELS	177.00	177.00	177.00	177.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
FIRE DEPARTMENT	FY2014	FY2015	FY2016	FY2017
Personal Services	16,746,304	17,208,200	15,622,008	17,806,616
Materials, Supplies & Equipment	569,567	463,494	380,719	347,247
Internal Services	2,246,142	2,882,921	2,380,626	2,389,061
Debt Service	522,184	414,204	649,059	707,707
TOTAL	20,084,197	20,968,819	19,032,412	21,250,631
STAFFING LEVELS	170.50	177.00	177.00	177.00

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

STATE PENSION CONTRIBUTIONS FIRE DEPARTMENT	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Personal Services	3,370,575	3,814,978	4,878,914	3,629,111
TOTAL	3,370,575	3,814,978	4,878,914	3,629,111
STAFFING LEVELS	0.00	0.00	0.00	0.00

STATE FIRE GRANT FIRE DEPARTMENT	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Personal Services	0	299,826	0	0
Materials, Supplies & Equipment	0	194,433	201,369	201,369
TOTAL	0	494,259	201,369	201,369
STAFFING LEVELS	0.00	0.00	0.00	0.00

FEDERAL EMERGENCY MANAGEMENT & OTHER MISCELLANEOUS GRANTS FIRE DEPARTMENT	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Personal Services	246,059	225,000	225,000	0
Materials, Supplies & Equipment	197,183	24,662	0	0
TOTAL	443,241	249,662	225,000	0
STAFFING LEVELS	0.00	0.00	0.00	0.00

SAFER GRANT FIRE DEPARTMENT	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Personal Services	404,814	0	0	0
TOTAL	404,814	0	0	0
STAFFING LEVELS	6.50	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Vacancies within uniformed staffing have contributed to rising Overtime costs. Total Overtime appropriations have been increased by \$310,000 to meet the recent rate of expenditures. No grant funding is anticipated in FY 2017 to supplement the General Fund Overtime appropriation.
- A Fire recruit class is not expected to begin until mid-FY 2017, and, as such, attrition savings in the amount of \$160,000 has been budgeted, which will partially offset higher Overtime costs.
- A reduction of almost \$1.9 million in annual funding from the State of Delaware to support the City's old Police and Fire pension plans led to a sizable increase in the actuarial funding target for the "Old Fire Plan". As a part of this decrease, the State Pension Contribution in Fire is nearly \$1.25 million lower in FY 2017, and commensurately, the City's Pension Contribution rose by \$1,178,381.
- Hospitalization has gone up by almost \$560,000, or 19.4 percent. Overall, Employee Benefits have risen by \$535,000.
- Most spending categories within Materials, Supplies & Equipment have remained flat for FY 2017. However, Contracted Maintenance costs were reduced by \$40,000, as the recent bond issuance will provide funds for station renovations. In addition, Uniforms & Related Equipment was reduced by \$10,000, which will be covered by unspent grant funds. The only account reflecting a noticeable increase is Consultants. A \$15,000 increase to restore the allocation to prior levels has been requested, as available alternative funding is not expected.
- Total Internal Service allocations will remain nearly level in FY 2017. Increases in Workers' Compensation and General Liability costs were offset by decreases in Telephone and Radio Usage.
- Debt Service costs will increase by \$58,648. This is attributable to the recent bond issuance which provided funding for new apparatus and station repairs.

DEPARTMENT OF FIRE

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #3: Enhance Fiscal Prudence.

Objective 1: Increase supplemental funding for the Fire Department.

Critical Indicator
Total \$ of supplemental funding sought
Total \$ of supplemental funding awarded

Focus Area: Public Safety

CITY-WIDE GOAL #6: Cultivate Positive Community Relationships.

Objective 1: Maintain fire prevention programs and number of people participating.

Critical Indicator
of programs
of participants

Objective 2: Establish and maintain safety training partnerships with community and business groups.

Critical Indicator
of community groups participating in mandatory training
of business groups participating in mandatory training

DEPARTMENT OF FIRE

STRATEGIC PLAN

Focus Area: Public Safety

CITY-WIDE GOAL #7: Promote Professionalism.

Objective 1: Implement a physical fitness training program for Fire Fighters (FF).

Critical Indicator
of FF work injuries
of FFs
of FF participants in Cardio Kinetics (CK)
% of FF workforce participating in CK
of FF improving CK score from last year

Objective 2: Ensure all Captains and Lieutenants complete NFPA Fire Officer II designation.

Critical Indicator
Total # of Capt. & Lt.
of Capt. & Lt. completing NFPA Officer II designation
% of Capt. & Lt. completing NFPA Officer II designation
of Capt. & Lt. trained this year

Focus Area: Economic Vitality

CITY-WIDE GOAL #9: Streamline Permitting Process.

Objective 1: Achieve and maintain a seven working day turnaround for the plan review and permit process.

Critical Indicator
of plans submitted to Fire Marshall Office
Avg. # of days for plan review
of reviews taking over seven working days
% of reviews taking over seven working days

DEPARTMENT OF FIRE

STRATEGIC PLAN

Focus Area: Quality of Life

CITY-WIDE GOAL #15: Enhance City Services.

Objective 1: Maintain or decrease response time from dispatch to arrival.

Critical Indicator
Avg. call response time (minutes)
of Fire Calls
of calls responded to within 4 minutes
% of calls responded to within 4 minutes
of Fires kept to room of origin
% of Fires kept to room of origin
of civilian fire related casualties
of civilian fire related injuries

Objective 2: Increase public safety by conducting building inspections.

Critical Indicator
of building inspections
of violations
of violations cleared

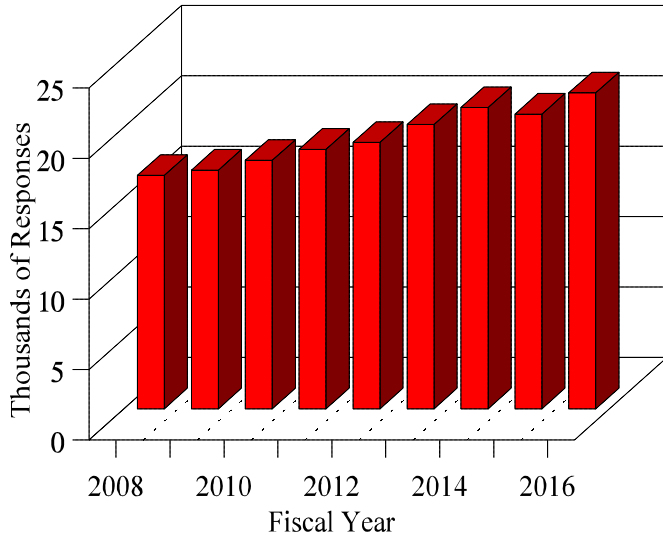
CITY-WIDE GOAL #16: Inspire Young People to Achieve Success.

Objective 1: Increase involvement in the Fire Explorer program.

Critical Indicator
of individuals applying to Fire Explorer program
of individuals completing Fire Explorer program
of Fire Explorer participants going into fire or EMS field

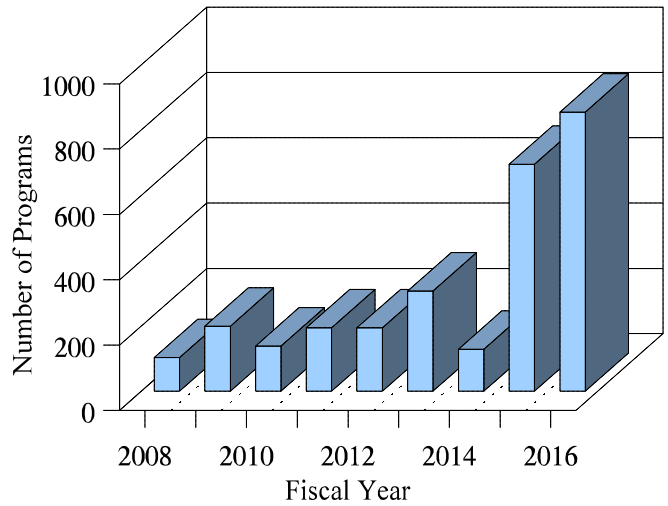
Fire Department Performance Trends

Total Responses



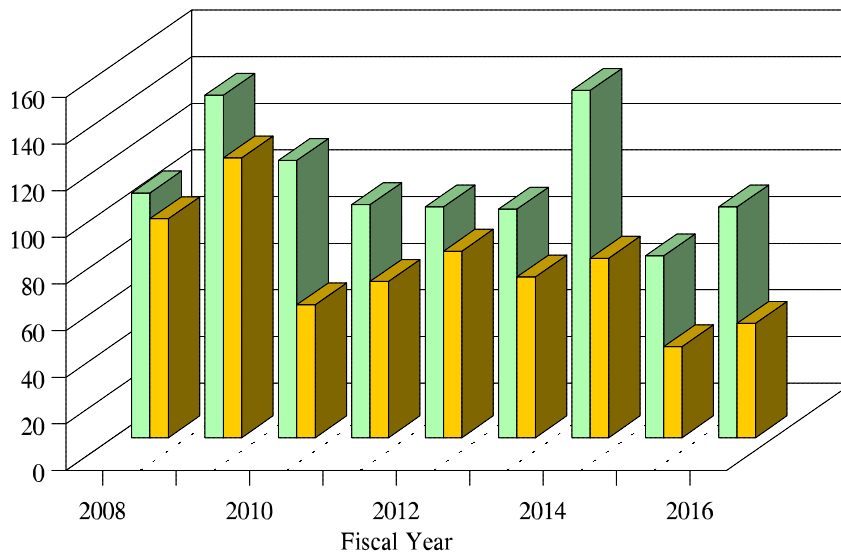
Total responses include those for the engine and ladder companies, rescue and ambulance units, as well as the fireboat.

Public Education Programs



Public education through group prevention presentations is one of the Department's goals and contributes to fire safety. Beginning in FY 2015, additional resources were allocated to the Fire Prevention Division resulting in more frequent program presentations.

Fire Investigations



■ Investigations Initiated
 ■ Investigations Closed

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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: FIRE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Regular Salaries	10,392,818	10,561,758	10,518,558	10,757,184
Acting Out of Class	10,834	7,618	12,520	13,820
Shift Differential	120,302	116,940	117,500	117,500
Overtime	597,922	943,654	250,000	560,000
Holiday Pay	67,800	86,231	25,000	25,000
Standby Pay	0	15,780	0	0
Health Cashback	0	14,160	0	9,600
Pension Contribution	1,350,948	493,312	125,165	1,246,486
Social Security	15,022	15,159	15,333	15,431
Medicare Tax	138,414	150,498	140,004	150,942
Hospitalization	2,665,438	3,330,686	2,890,801	3,450,390
Life Insurance	36,925	42,296	41,664	42,340
County/Municipal Pension Contribution	1,006,400	1,020,649	1,039,347	1,095,943
Pension Healthcare	339,793	405,776	442,500	477,900
State Pension Plan - Civilian	3,688	3,683	3,616	4,080
Personal Services Adjustment	0	0	0	(160,000)
TOTAL PERSONAL SERVICES	16,746,304	17,208,200	15,622,008	17,806,616
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	562	650	1,337	1,336
Communications & Utilities	101,716	98,338	100,108	100,108
Transportation	4,558	5,512	2,000	2,000
Contracted Maintenance Repairs	72,829	58,933	57,000	17,000
Professional Fees	108,264	28,150	27,500	42,500
Memberships & Registrations	27,410	41,944	42,540	42,412
Miscellaneous services	80,853	89,610	78,340	79,897
Office & General Supplies	24,257	17,548	25,294	25,194
Wearing Apparel & Safety Supplies	96,589	79,869	20,000	10,000
Miscellaneous Parts	30,951	23,090	10,000	9,700
Construction & Repairs	1,473	0	1,600	1,600
Equipment	9,994	14,465	15,000	15,500
Fixed Assets	7,790	4,880	0	0
Community Activities	2,321	505	0	0
TOTAL M., S. & E.	569,567	463,494	380,719	347,247

DEPARTMENT: FIRE**FUND: GENERAL**

INTERNAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Administrative Services	1,205,171	1,312,027	1,421,199	1,395,279
Self-Insurance	1,040,971	1,570,894	959,427	993,782
TOTAL INTERNAL SERVICES	2,246,142	2,882,921	2,380,626	2,389,061

DEBT SERVICE

Principal Payments	96,365	50,617	144,292	192,006
Interest Payments	425,819	363,587	504,767	515,701
TOTAL DEBT SERVICE	522,184	414,204	649,059	707,707

DEPARTMENT: FIRE**FUND: STATE PENSION CONTRIBUTIONS**

PERSONAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
State Pension Contributions	3,370,575	3,814,978	4,878,914	3,629,111
TOTAL PERSONAL SERVICES	3,370,575	3,814,978	4,878,914	3,629,111

GENERAL FUND TOTAL	23,454,772	24,783,797	23,911,326	24,879,742
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DEPARTMENT: FIRE**FUND: STATE FIRE GRANT**

PERSONAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Overtime	0	294,711	0	0
Medicare Tax	0	5,115	0	0
TOTAL PERSONAL SERVICES	0	299,826	0	0

MATERIALS, SUPPLIES & EQUIPMENT

Contracted Maintenance	0	0	8,568	8,568
Professional Fees	0	20,862	5,292	5,292
Memberships & Registrations	0	33,690	0	0
Wearing Apparel & Safety Supplies	0	82,895	87,509	87,509
Fixed Assets	0	56,986	100,000	100,000
TOTAL M., S. & E.	0	194,433	201,369	201,369

STATE FIRE GRANT TOTAL	0	494,259	201,369	201,369
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DEPARTMENT: FIRE

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

PERSONAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Overtime	246,059	225,000	225,000	0
TOTAL PERSONAL SERVICES	246,059	225,000	225,000	0
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	0	2,880	0	0
Transportation	0	2,861	0	0
Contracted Maintenance	16,301	18,641	0	0
Professional Fees	0	280	0	0
Miscellaneous Parts	0	0	0	0
Fixed Assets	180,882	0	0	0
TOTAL M., S. & E.	197,183	24,662	0	0
FEDERAL EMERG. MGT. & OTHER MISC. GRANT TOTAL	443,241	249,662	225,000	0

DEPARTMENT: FIRE

FUND: SAFER GRANT

PERSONAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Regular Salaries	261,976	0	0	0
Shift Differential	1,395	0	0	0
Holiday Pay	3,080	0	0	0
Medicare Tax	3,821	0	0	0
Hospitalization	79,603	0	0	0
Life Insurance	1,441	0	0	0
County/Municipal Pension Contribution	40,150	0	0	0
Pension Healthcare	13,347	0	0	0
TOTAL PERSONAL SERVICES	404,814	0	0	0
SAFER GRANT TOTAL	404,814	0	0	0

DEPARTMENT OF POLICE

The mission of the Police Department is to work in partnership with our fellow citizens, raise the level of public safety through law enforcement, and thereby reduce the fear and instance of crime. To achieve this, the Department will promote trust between the people and those responsible for their public safety, recognizing and communicating that it is everybody’s responsibility to protect and respect all individuals.

PRIORITIES FOR FISCAL YEAR 2017
<ul style="list-style-type: none"> • Reduce crime, and shooting incidents. • Reduce street-level drug activity. • Increase public safety by reducing traffic accidents. • Establish a partnership with the community. • Improve professional standards within the Department. • Improve performance through personnel training and development. • Maintain a heightened state of awareness and preparedness.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF POLICE

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2014	FY2015	FY2016	FY2017
Personal Services	49,272,603	49,642,233	47,181,736	48,329,281
Materials, Supplies & Equipment	3,038,001	2,387,416	2,252,280	1,998,980
Internal Services	6,445,885	7,101,064	6,169,568	6,130,770
Debt Service	375,321	432,665	406,526	392,880
TOTAL	59,131,810	59,563,378	56,010,110	56,851,911
STAFFING LEVELS	382.00	382.00	382.00	381.00

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

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2014	FY2015	FY2016	FY2017
Personal Services	46,372,400	46,514,301	44,383,924	46,147,325
Materials, Supplies & Equipment	1,532,343	1,810,181	2,252,280	1,998,980
Internal Services	6,445,885	7,101,064	6,169,568	6,130,770
Debt Service	375,321	432,665	406,526	392,880
TOTAL	54,725,949	55,858,211	53,212,298	54,669,955
STAFFING LEVELS	372.32	373.20	374.00	374.00

STATE PENSION CONTRIBUTION	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2014	FY2015	FY2016	FY2017
Personal Services	1,931,869	1,916,432	2,276,401	1,640,712
TOTAL	1,931,869	1,916,432	2,276,401	1,640,712
STAFFING LEVELS	0.00	0.00	0.00	0.00

SALLE & OTHER SPECIAL GRANTS	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2014	FY2015	FY2016	FY2017
Personal Services	847,301	1,181,735	521,411	541,244
Materials, Supplies & Equipment	1,505,658	577,235	0	0
TOTAL	2,352,959	1,758,970	521,411	541,244
STAFFING LEVELS	8.00	8.00	8.00	7.00

COPS GRANT	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2014	FY2015	FY2016	FY2017
Personal Services	121,033	29,765	0	0
TOTAL	121,033	29,765	0	0
STAFFING LEVELS	1.68	0.80	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Due to the termination of the contract for a School Resource Officer (SRO), one Special Funded Patrol Officer position has been eliminated. Authorized uniformed strength will go to 319 sworn positions, with the number of civilian positions remaining at 62. There is no effect on the General Fund.
- The Overtime and Comp Time Payouts accounts were each increased by \$100,000 in recognition of consistently higher actual utilization.
- A reduction of almost \$1.9 million in annual funding from the State of Delaware to support the City's old Police and Fire pension plans is reflected in an almost \$636,000 decrease in the State Pension Fund Contribution. This would normally translate into an equal increase in the annual funding target set by the City's actuary. However, recent good investment returns have offset the increase, and allowed for a reduction of \$209,000 in the Pension Contribution.
- Hospitalization has gone up by \$945,000, or 15.4 percent, and more than offset the savings in the Pension Contribution. In total, Employee Benefits have risen by \$254,000.
- Printing & Advertising costs have fallen by \$5,000, as a smaller academy class is anticipated in FY 2017.
- Professional Fees have decreased by a net \$244,605. Consultant costs have decreased in FY 2017 by \$457,000 due to three factors: The biennial promotional exam will not occur; \$75,000 earmarked in FY 2016 for an assessment of the public safety camera system has been completed; and camera watch operators will now be paid through a Temporary Agency account at a cost of \$212,000.
- Facility Management Fees, used to maintain the Public Safety Building, are rising by \$11,683, and contributed to an overall increase of \$16,912 in total Other Fees.
- Memberships & Registrations has fallen by \$10,373. FY 2016 included a one-time cost for a document management system used in conjunction with the Department's accreditation process.
- Wearing Apparel & Safety Supplies will decrease by \$13,500 due to the smaller recruit class in FY 2017.
- Miscellaneous Materials, Supplies & Parts will increase by \$7,266 to purchase technology supplies used in investigations.
- Total Internal Service allocations have decreased by \$38,798 in FY 2017. Increases in Workers Compensation and General Liability costs were more than offset by decreases in Telephone, Radio Usage and Motor Vehicle costs.
- Debt Service costs will decrease by \$13,646, as the latest bond issuance carried a lower interest rate than recent borrowings.

DEPARTMENT OF POLICE

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #1: Embrace a Culture of Service.

Objective 1: Utilize a deployment strategy centered on community policing that fosters positive and responsive relationships.

Critical Indicator
of walking and bicycle patrols
of community meetings organized by Captains
% of residents believing the police are doing a satisfactory job
% of residents having any contact with police over 2 years
% of residents that believe neighborhood is safe

Objective 2: Respond to all 911 calls for service in accordance with national standards.

Critical Indicator
Call Answering
Avg. time to answer call
of calls for service
of calls answered within 10 seconds
% of calls answered within 10 seconds
Call Response
Avg. Response time per call
of calls requiring response
of calls answered within national standard
% of calls answered within national standard

Objective 3: Maintain partnerships with City Departments to inform and coordinate responses to public safety issues.

Critical Indicator
of Targeted Analytical Policing System (TAPS) meetings
of TAPS recommendations
of TAPS recommendations achieved

DEPARTMENT OF POLICE

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #4: Ensure Transparency.

Objective 1: Improve transparency in the reporting of citizen complaints against police officers.

Critical Indicator
Total # of claims submitted
of claims submitted online
of claims submitted by dropbox
of claims submitted in person

Focus Area: Public Safety

CITY-WIDE GOAL #5: Prevent and Deter Violent Crime.

Objective 1: Increase the clearance rate on homicides by 10% in 2016.

Critical Indicator
of homicides
of homicides cleared (clearance rate)

Objective 2: Reduce the number of shooting incidents.

Critical Indicator
of shooting incidents
of shooting incidents recorded by Shot Spotter
of guns seized
of guns tested in Matchpoint
of guns with a positive match in Matchpoint
% of guns tested with a positive match in Matchpoint

DEPARTMENT OF POLICE

STRATEGIC PLAN

Focus Area: Public Safety

Objective 3: Reduce Part 1 Crime.

Critical Indicator
of Part 1 property crimes
of Part 1 violent crimes

CITY-WIDE GOAL #6: Cultivate Positive Community Relationships.

Objective 1: Continue a strong neighborhood initiative through the Youth Police Academy, and the Citizens Police Academy.

Critical Indicator
of Youth Academies held
of Citizen Academies held
of youth Participants
of citizen participants

Objective 2: Increase police engagement with community residents by raising the number of park and walks by 10% in 2016.

Critical Indicator
of park and walks completed

CITY-WIDE GOAL #7: Promote Professionalism.

Objective 1: Reduce the number of citizen complaints against the Department by 5% in 2016.

Critical Indicator
of complaints lodged against police by residents
of substantiated complaints
of unsubstantiated complaints

DEPARTMENT OF POLICE

STRATEGIC PLAN

Focus Area: Economic Vitality

CITY-WIDE GOAL #12: Attract, Retain, and Expand Business.

Objective 1: Reduce the number of nuisance complaints, and minor property crimes in the downtown area by 10% in 2016.

Critical Indicator
of panhandling complaints
of loitering complaints
of theft from vehicle complaints

Focus Area: Quality of Life

CITY-WIDE GOAL #15: Enhance City Services.

Objective 1: Implement programs to decrease physical (excessive trash, dilapidated conditions, and graffiti) and social (panhandling, loud parties, prostitution, barking dogs, etc.) disorder.

Critical Indicator
of calls for service – social/physical disorder
of Police coordinated Block Clean-ups

CITY-WIDE GOAL #16: Inspire Young People to Achieve Success.

Objective 1: Increase the number of officers and youth involved in “Book Em” in 2016.

Critical Indicator
of books handed out to youth
of youth receiving books
of officers participating

DEPARTMENT OF POLICE

STRATEGIC PLAN

Focus Area: Quality of Life

CITY-WIDE GOAL #18: Enhance Environmental Sustainability.

Objective 1: Transition overtime and compensatory time-off requests to paperless online systems in 2016.

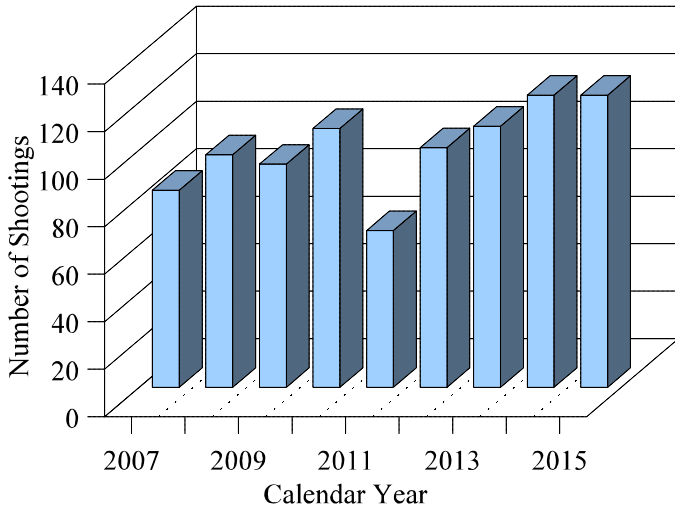
Critical Indicator
Transition time-off requests to online systems
of time-off requests occurrences
of time-off requests processed through online system
% of time-off requests processed through online system

Objective 1: Recycle spent ammunition casings used at the shooting range.

Critical Indicator
of lbs. recycled
Total \$ of cost savings

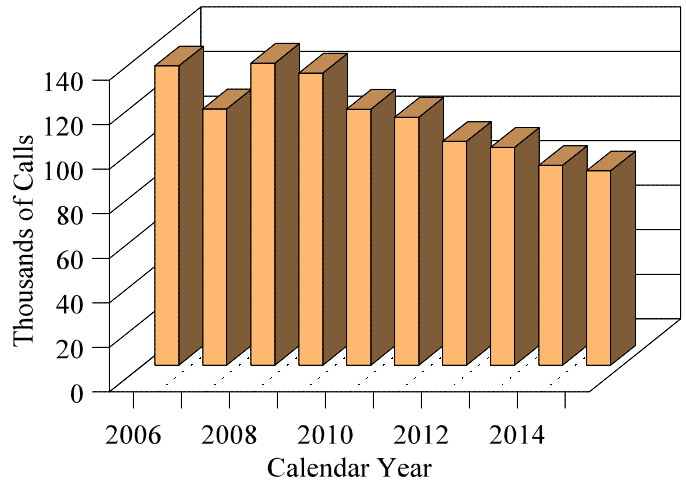
Department of Police Performance Trends

Shootings in Wilmington



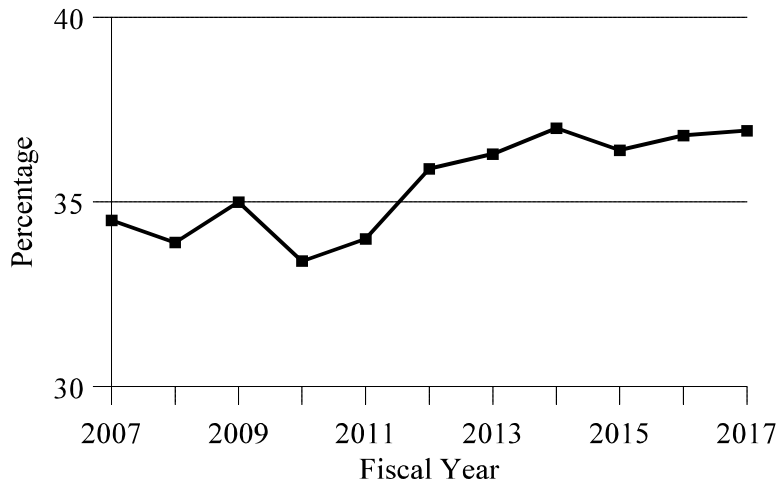
The Department continues to focus significant resources toward this area which has resulted in non-dispatched arrests and proactive policing by officers.

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 2017, and remains the highest among all City departments.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: POLICE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Regular Salaries	23,845,320	23,217,082	23,685,671	24,342,087
Temporary Salaries	434,638	447,015	470,000	479,400
Acting Out of Class	5,778	5,310	2,500	2,500
Shift Differential	739,572	665,614	731,500	731,500
Shooting Days	13,376	15,843	20,000	30,000
Sick Leave Bonus	2,300	2,600	3,000	3,000
Overtime	2,910,054	3,481,365	1,946,467	2,046,063
Holiday Pay	59	0	0	0
Comp Time Payouts	741,108	803,990	450,000	550,000
Civilian Holiday-Overtime	123,357	132,477	112,500	112,500
Court overtime	50,409	42,117	55,509	55,509
Special Events Overtime	441,620	559,324	446,368	446,368
Meal Allowance	15,655	21,511	14,200	14,200
Clothing Allowance	52,206	85,745	85,750	84,250
Health Cashback	0	25,800		26,400
Pension Contribution	7,177,586	6,155,378	6,918,413	6,709,129
Social Security	217,819	202,643	217,776	217,434
Medicare Tax	406,975	431,370	388,588	391,530
Hospitalization	5,870,101	6,909,268	6,137,783	7,083,206
Life Insurance	82,727	99,860	88,969	89,202
County/Municipal Pension Contribution	2,435,028	2,299,117	2,353,998	2,419,754
Pension Healthcare	784,008	880,828	935,000	1,009,800
State Pension Plan-Civilian	22,704	30,044	29,202	39,715
Personal Services Adjustment	0	0	(709,270)	(736,222)
TOTAL PERSONAL SERVICES	46,372,400	46,514,301	44,383,924	46,147,325

DEPARTMENT: POLICE

FUND: GENERAL

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Printing & Advertising	8,008	20,254	27,700	22,700
Communications & Utilities	161,711	156,092	167,000	167,500
Transportation	17,383	5,419	5,000	5,000
Rentals	45,315	53,273	69,150	37,150
Contracted Maintenance Repairs	51,454	54,711	70,025	68,210
Professional Fees	319,273	340,685	723,000	478,395
Other Fees	314,942	308,482	303,721	320,633
Memberships & Registrations	5,741	6,718	45,165	34,232
Miscellaneous Services	203,143	233,897	260,765	262,890
Office & General Supplies	100,953	78,359	96,000	96,000
Wearing Apparel & Safety Supplies	135,888	365,515	298,850	312,350
Miscellaneous Parts	151,663	180,776	177,884	185,150
Equipment	16,869	6,000	8,020	8,770
Fixed Assets	0	0	0	0
TOTAL M., S. & E.	1,532,343	1,810,181	2,252,280	1,998,980

INTERNAL SERVICES

Administrative Services	4,028,166	3,554,681	4,110,279	4,000,336
Self-Insurance	2,417,719	3,546,383	2,059,289	2,130,434
TOTAL INTERNAL SERVICES	6,445,885	7,101,064	6,169,568	6,130,770

DEBT SERVICE

Principal Payments	243,681	247,351	273,999	267,135
Interest Payments	131,640	185,314	132,527	125,745
TOTAL DEBT SERVICE	375,321	432,665	406,526	392,880

DEPARTMENT: POLICE

FUND: STATE PENSION CONTRIBUTIONS

PERSONAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
State Pension Contributions	1,931,869	1,916,432	2,276,401	1,640,712
TOTAL PERSONAL SERVICES	1,931,869	1,916,432	2,276,401	1,640,712

TOTAL GENERAL FUND	56,657,818	57,774,643	55,488,699	56,310,667
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DEPARTMENT: POLICE

FUND: SALLE

PERSONAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Regular Salaries	243,404	541,826	375,686	340,919
Temporary Salaries	14,641	70,313	0	0
Shift Differential	8,217	441	0	0
Overtime	505,823	440,831	0	0
Court Overtime	1,008	551	0	0
Social Security	2,560	4,878	0	0
Medicare Tax	340	10,118	5,402	4,758
Hospitalization	39,702	55,833	66,371	128,042
Life Insurance	785	3,993	1,920	1,680
County/Municipal Pension Contribution	23,745	40,643	52,032	46,945
Pension Healthcare	7,076	12,308	20,000	18,900
TOTAL PERSONAL SERVICES	847,301	1,181,735	521,411	541,244
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	2,923	0	0	0
Transportation	53,291	64,116	0	0
Rentals	15,079	3,974	0	0
Professional Fees	116,363	0	0	0
Memberships & Registrations	34,745	27,946	0	0
Miscellaneous Services	26,793	921	0	0
Office & General Supplies	1,200	0	0	0
Wearing Apparel & Safety Supplies	166,589	114,901	0	0
Miscellaneous Parts	17,321	4,897	0	0
Equipment	184,920	97,153	0	0
Fixed Assets	886,273	263,327	0	0
Community Activities	161	0	0	0
TOTAL M., S. & E.	1,505,658	577,235	0	0
 SALLE FUND TOTAL	 2,352,959	 1,758,970	 521,411	 541,244

DEPARTMENT: POLICE**FUND: COPS GRANT**

PERSONAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Regular Salaries	76,140	21,498	0	0
Shift Differential	4,191	0	0	0
Overtime	847	0	0	0
Medicare Tax	1,162	310	0	0
Hospitalization	23,100	3,802	0	0
Life Insurance	435	106	0	0
County/Municipal Pension	11,750	2,934	0	0
Pension Healthcare	3,408	1,115	0	0
TOTAL PERSONAL SERVICES	121,033	29,765	0	0
COPS GRANT TOTAL	121,033	29,765	0	0



DEPARTMENT OF PUBLIC WORKS

The mission of the Department of Public Works is to operate and maintain infrastructure and facilities, provide superior services for our customers, and promote environmental sustainability.

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 2017

- Startup of Wilmington Co-Generation and Sludge Processing Facilities and begin operations.
- Begin preparation of RFP for long term operation of the WWTP.
- Continue development of the South Wilmington Wetlands Project.
- 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 valve exercising and valve repair program.
- Continue SRF funded small main replacement projects throughout the water district.
- Continue SRF funded Transmission Main Improvements throughout the water district.
- Wilmington Transit Moving Forward (WTMF) Program Development Phase 2.
- Further optimize signal-timing using counts from downtown circulation study.
- Provide ongoing coordination for our photo-enforcement programs. Select new Red Light Camera vendor.
- Use GIS data for cost-effective LED signal retrofits and DPL street light conversions. Coordinate constituent use of iFactor for seamless reporting of outages.
- Coordinate signal tie-ins with ACS, to install up to ten (10) new Red Light Cameras.
- Continue program of repairing and painting elevated water storage tanks.
- Complete engineering work on the design of separate flow meters on the three force mains entering the wastewater treatment plant.
- Continue program of testing and replacing large water meters.
- Continue phased program to replace small water meters.
- Implementation of city-wide residential containerized municipal solid waste (MSW) containers.
- Study the impact of a comprehensive street clearing program.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF PUBLIC WORKS

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY 2014	FY 2015	FY 2016	FY 2017
Personal Services	15,817,921	16,082,156	17,120,053	18,062,556
Materials, Supplies & Equipment	49,922,048	48,878,819	55,457,353	59,139,552
Internal Services	6,618,457	8,054,210	6,352,654	6,411,665
Debt Service	9,562,861	8,317,700	12,325,594	10,251,151
Capitalization	(1,678,716)	(2,229,518)	(3,200,000)	(3,500,000)
Depreciation	11,034,351	11,081,186	11,034,351	11,034,351
TOTAL	91,276,922	90,184,553	99,090,005	101,399,275
STAFFING LEVELS	224.00	223.00	223.00	221.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY 2014	FY 2015	FY 2016	FY 2017
Personal Services	8,550,018	8,608,772	8,969,363	9,500,170
Materials, Supplies & Equipment	6,331,982	6,220,979	7,496,673	7,918,564
Internal Services	3,219,245	3,982,356	3,350,074	3,353,692
Debt Service	3,498,747	3,319,850	4,146,820	3,967,967
TOTAL	21,599,992	22,131,957	23,962,930	24,740,393
STAFFING LEVELS	122.40	120.65	120.65	120.15

WATER/SEWER FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY 2014	FY 2015	FY 2016	FY 2017
Personal Services	7,267,903	7,473,384	8,150,690	8,562,386
Materials, Supplies & Equipment	36,872,425	36,103,322	39,657,156	42,945,029
Internal Services	2,950,302	3,338,790	2,767,469	2,819,064
Debt Service	5,832,865	4,833,333	7,956,708	6,100,228
Depreciation	7,885,446	7,945,975	7,885,446	7,885,446
TOTAL	60,808,941	59,694,804	66,417,469	68,312,153
STAFFING LEVELS	101.60	102.35	102.35	100.85

*Differs from Summary of All Funds combined – Expenditures table on page 37 due to inclusion of Internal Services funds.

MOTOR VEHICLE FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY 2014	FY 2015	FY 2016	FY 2017
Materials, Supplies & Equipment	5,649,238	5,731,205	7,224,667	7,205,794
Internal Services	448,910	733,064	235,111	238,909
Debt Service	231,249	164,517	222,066	182,956
Capitalization	(1,678,716)	(2,229,518)	(3,200,000)	(3,500,000)
Depreciation	3,148,905	3,135,211	3,148,905	3,148,905
TOTAL	7,799,586	7,534,479	7,630,749	7,276,564
STAFFING LEVELS	0.00	0.00	0.00	0.00

MUNICIPAL STREET AID FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY 2014	FY 2015	FY 2016	FY 2017
Materials, Supplies & Equipment	1,068,403	823,313	1,078,857	1,070,165
TOTAL	1,068,403	823,313	1,078,857	1,070,165
STAFFING LEVELS	0.00	0.00	0.00	0.00

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

- In Personal Services, a net 0.50 FTE was deleted. A Contract & Fleet Administrator position was created to bring city-wide vehicle fleet management in-house. More than offsetting this increase was the elimination of two vacancies, one of which was split-funded, resulting in a decrease of 1.50 FTE. The long-vacant Utility Yard Mechanic position in the Street Cleaning Division was deleted, along with the vacant Purchasing Coordinator II position in the Administration Division that had been split-funded 50% General Fund and 50% Water/Sewer Fund. The net changes resulted in a savings of \$12,016 in salaries and benefits.
- Regular Salaries rose by \$165,775 as a result of the Cost of Living Adjustments awarded in FY 2016 and employee anniversary step increases. Hospitalization and Pension Healthcare increased by \$293,607 and \$21,698 respectively.
- Standby Pay increased by \$67,100 due to staffing needs after normal hours to attend to emergency duty. In previous years, Standby Pay had been an unbudgeted expense charged against Regular Salaries.
- In FY 2016, the City began a four-year phase-in to appropriately charge itself for water, sewer, and stormwater services used by Departments in the General Fund. The Property Maintenance Division of the Department paid 25% of these charges in FY 2016. It will pay 50% in FY 2017, 75% in FY 2018, and 100% in FY 2019 and beyond. Starting with a base fee of just under \$1.05 million for water, sewer, and stormwater services, the 50% charge for FY 2017 to the Property Maintenance Division will be about \$527,000, an increase of almost \$264,000 from last year.
- Building Maintenance costs for the City/County building increased by \$22,472, 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.
- Wearing Apparel and Safety Supplies increased by \$24,550 to purchase new safety supplies, shoes, and T-shirts.
- Traffic Signs and Signals increased by \$12,500 to purchase the following: Count-Down PED-LEDs, traffic signal LEDs, arrow LEDs, and retro-reflective regulatory signs.
- Material and Supplies-Roads costs increased by \$42,000 to cover additional salt, sand and brine needed for winter weather events.
- Roadway Markings increased by \$17,000 mostly due to the purchase of special paint epoxy used for road markings.
- Other Noncapitalized Equipment increased by \$13,000 to purchase grass mowers, and a cart washer for sanitation use.
- Machinery and Equipment increased by \$10,000 to purchase five (5) traffic controller cabinets.
- Debt Service decreased by \$178,853. Good timing and a strong bond rating resulted in a record bond premium on the City's recent bond issuance that lowered the effective overall interest rate to just 3.18%. This is lower than the original FY 2016 budgeted interest rate of 3.5%.

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

- In Personal Services, a total of 1.50 FTE was deleted. In the Administration Division, the vacant Purchasing Coordinator II position that had been split-funded 50% General Fund and 50% Water/Sewer Fund was eliminated. Also, as part of the final budget compromise with City Council, a vacant Plant Mechanic II position (1.00 FTE) in the Water System Division was deleted. The net changes resulted in a savings of \$112,895 in salaries and benefits.
- Regular Salaries rose by \$79,287 as a result of the Cost of Living Adjustments awarded in FY 2016 and employee anniversary step increases. Hospitalization and Pension Healthcare increased by \$260,746 and \$16,421 respectively.
- Standby Pay increased by \$169,800 due to staffing needs after normal hours to attend to emergency duty. In previous years, Standby Pay had been an unbudgeted expense charges against Regular Salaries.
- Electricity costs increased by \$98,700 to support 18 divisional sites for power services.
- Fuel Oil decreased by \$220,000, reflecting expected savings for fuel costs.
- In FY 2016, the City began a four-year phase-in to appropriately charge itself for water, sewer, and stormwater services used by Departments in the Water Sewer Fund. Starting with a base fee of \$233,592, the 50% charge for FY 2017 is \$116,796, an increase of \$58,398 from last year. The change is prorated through the Water System Division of the Department.
- Repairs to Equipment rose by \$1,338,000. The goal is to replace at least 6,000 of the small meters per year, at a cost of roughly \$1 million each year. The total replacement of all small meters should be completed in five years. In addition, \$285,000 was added to the account in the Water System Division to proactively maintain the boiler feed pumps, condensate return systems, heat exchanges, and associated piping at the City's filter plants.
- Repairs to Buildings and Structures increased by \$45,000 due to higher costs of maintaining structures, parking lots, sidewalks and driveways.
- Repairs to Water Lines rose by \$350,000, reflecting the expanded maintenance program for water valve maintenance and repair.
- Building Maintenance costs for the City/County building increased by \$28,140, based on a needs assessment by building management. The City shares the building maintenance cost with New Castle County. The cost split is 70% City and 30% County.
- The City's Renewable Energy Bio-solids facility (REBF) is scheduled to become fully operational late in the First Quarter of Fiscal Year 2017. The REBF is a cutting edge, renewable energy facility that will lower the City's carbon emissions, produce energy from processed Cherry island Landfill gas to power the City's Wastewater Treatment Plant, and greatly reduce the tonnage of sewer sludge to be disposed. The operation and maintenance of the REBF will be managed through a 20-year guaranteed energy savings contract with Honeywell. The Contracted Maintenance Services account in the Wastewater Treatment Division increased by \$2.1 million to cover startup costs and contingencies related to the REBF.

MAJOR FUNDING CHANGES FROM PRIOR YEAR (Continued)
WATER/SEWER FUND

- The Agricultural and Landscaping account increased by \$365,000 to secure a complete environmental management services contractor to restore the pond at Cool Spring Park to its original condition and to keep it there.
- Material and Supplies-Roads costs increased by \$30,000 to cover additional salt, sand and brine needed for winter weather related events.
- The Indirect Cost expense to the Water/Sewer Fund rose by \$204,598, reflecting the budgeted increases in the supporting services provided to the Water/Sewer Fund's utility functions by the General fund.
- Debt Service decreased by \$1,856,480. Good timing and a strong bond rating resulted in a record bond premium on the City's recent bond issuance that lowered the effective overall interest rate to just 3.18%. This is lower than the original FY 2016 budgeted interest rate of 3.5%.

MAJOR FUNDING CHANGES FROM PRIOR YEAR
MOTOR VEHICLE FUND

- Repairs to Equipment increased by \$40,000, mostly due to the higher cost of repairs to fleet equipment.
- Consultant Fees decreased by \$60,000. The newly created Contract & Fleet Administrator position will bring previously contracted fleet management in-house.
- Motor Fuels and Lubricants decreased by \$404,000, reflecting expected savings for fuel costs.
- Contracted Maintenance Services increased by \$116,127, due to increases in motor vehicle fleet maintenance.

DEPARTMENT OF PUBLIC WORKS

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #1: Embrace a Culture of Service.

Objective 1: Incorporate interactive applications (snow clearance, trash collection, and street cleaning) on the Public Works (PW) website by June 2017.

Critical Indicator
Incorporate three interactive application on PW website
of users by application
Snow Clearance
Trash Collection
Street Cleaning

Objective 2: Respond to all constituent communications within 72 hours.

Critical Indicator
of call from constituents received
of constituent calls responded to within 72 hours
% of constituent calls responded to within 72 hours

CITY-WIDE GOAL #2: Increase Accountability.

Objective 1: Achieve a 100% compliance of all work tasks entered, and managed in the Cityworks software by June 2018.

Critical Indicator
of work orders logged in Cityworks
of work orders completed in Cityworks
% of work orders completed in Cityworks
of managers using Cityworks
Total # of managers
% of managers using Cityworks

DEPARTMENT OF PUBLIC WORKS

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #3: Enhance Fiscal Prudence.

Objective 1: Review, benchmark, and propose new fees schedules for all major services every three years.

Critical Indicator
Years of review for by each major service
Sanitation Services
Water Distribution
Wastewater Services
Total # of proposed changes
of changes approved
% of changes approved

Focus Area: Public Safety

CITY-WIDE GOAL #5: Prevent and Deter Violent Crime.

Objective 1: Reduce incidents of illegal dumping in the City using camera deployment.

Critical Indicator
of incidents of illegal dumping reported
of cameras deployed

DEPARTMENT OF PUBLIC WORKS

STRATEGIC PLAN

Focus Area: Public Safety

CITY-WIDE GOAL #6: Cultivate Positive Community Relationships.

Objective 1: Hold 24 educational events relating to Public Works Services each year.

Critical Indicator
of educational events
of attendees

Objective 2: Continue to improve community relationships by implementing streetscape programs in neighborhoods.

Critical Indicator
of streetscapes completed
Total \$ spent on streetscapes
Avg. \$ spent per streetscape

Objective 3: Coordinate neighborhood clean-up projects each year.

Critical Indicator
of coordinated clean-up projects
of neighborhood groups participating
of tons of trash collected

DEPARTMENT OF PUBLIC WORKS

STRATEGIC PLAN

Focus Area: Economic Vitality

CITY-WIDE GOAL #9: Streamline Permitting Process.

Objective 1: Achieve and maintain 100% compliance with Delaware’s Department of Natural Resources and Environmental Control (DNREC’s).

Critical Indicator
of plans submitted to DPW
Avg. # of working days for completion
of reviews completed within DNREC compliance
% of reviews completed within DNREC compliance

Objective 2: Achieve and maintain a 30 working day turnaround for the plan review and permit process for construction (W/S) projects.

Critical Indicator
of plans submitted to DPW
Avg. # of working days for completion
of reviews completed within 30 days
% of reviews completed within 30 days

CITY-WIDE GOAL #11: Cultivate Entrepreneurship.

Objective 1: Support innovative technology through a private pilot program with one local entrepreneur by June 2017.

Critical Indicator
of programs proposed
of programs implemented

DEPARTMENT OF PUBLIC WORKS

STRATEGIC PLAN

Focus Area: Quality of Life

CITY-WIDE GOAL #13: Offer Enhanced Recreational Opportunities.

Objective 1: Incorporate recreational opportunities into the design of new DPW capital projects whenever possible.

Critical Indicator
of capital projects approved
of capital projects with recreational opportunities
Total \$ of capital projects approved
\$ of recreational portion of capital projects approved

CITY-WIDE GOAL #15: Enhance City Services.

Objective 1: Complete an assessment for parking technological needs by June 2017.

Critical Indicator
Complete assessment for parking technological needs

CITY-WIDE GOAL #16: Inspire Young People to Achieve Success.

Objective 1: Encourage Department participation in youth mentor programs.

Critical Indicator
of employees participating in a mentor program
of individuals mentored

DEPARTMENT OF PUBLIC WORKS

STRATEGIC PLAN

Focus Area: Quality of Life

Objective 2: Create partnerships with Universities to provide hands-on educational training opportunities.

Critical Indicator
of Universities participating
of training events held
of participants

CITY-WIDE GOAL #18: Enhance Environmental Sustainability.

Objective 1: Be recognized by national trade organizations for sustainability projects.

Critical Indicator
of recognitions

Objective 2: Reduce the carbon footprint by 5% at City facilities.

Critical Indicator
Carbon footprint

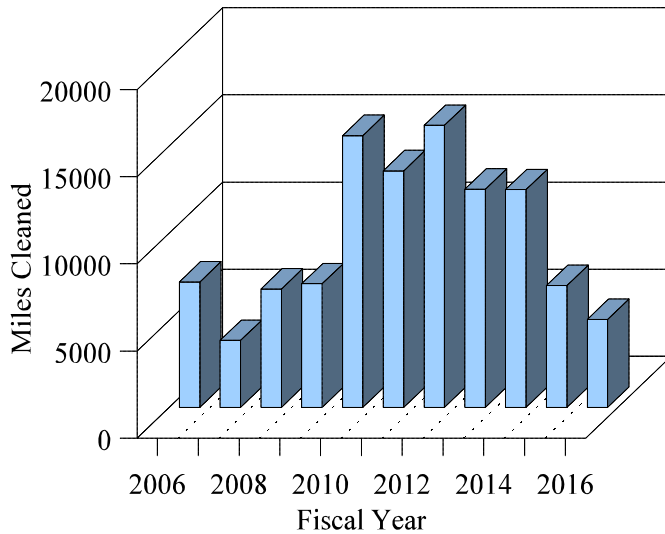
Objective 3: Conduct a needs assessment to make beneficial use of natural refuse for Public Works projects by June 2017.

Critical Indicator
Conduct needs assessment of natural refuse
of recommendations
of recommendations implemented

Department of Public Works

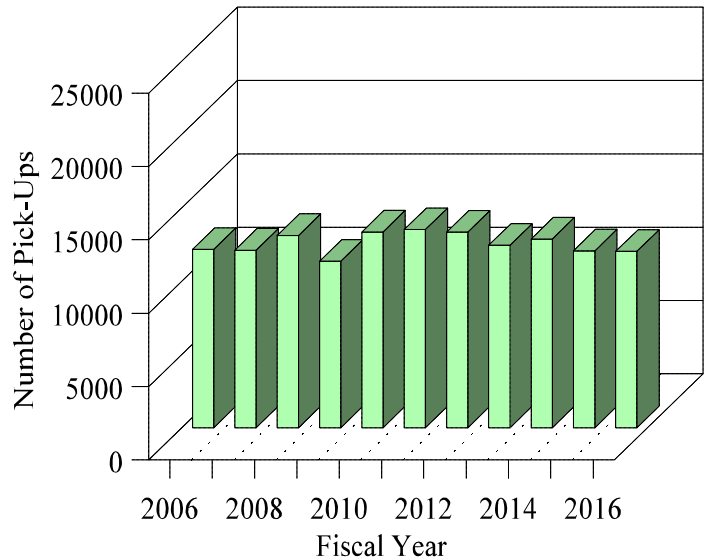
Performance Trends

Miles of Streets Cleaned



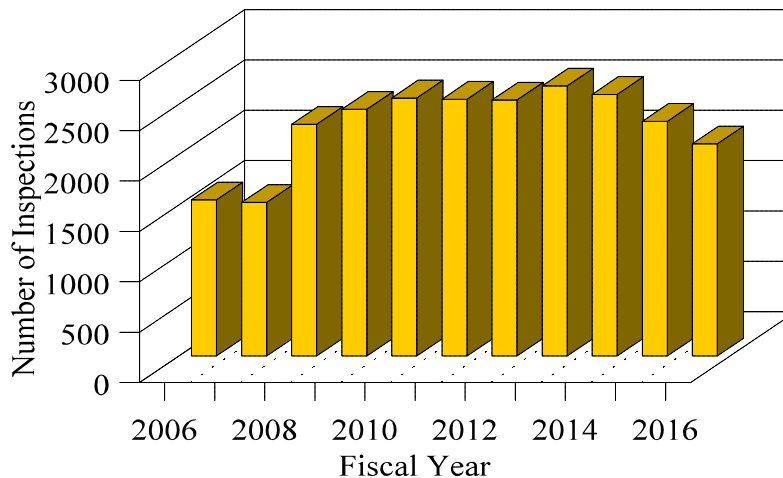
Aggressive management is required to maintain City streets in a litter free condition. In FY 2016, the number decreased due to retirements of Equipment Operators causing extended vacancies.

Special Pick-Ups



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

Preventative Maintenance Inspections



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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: PUBLIC WORKS

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Regular Salaries	4,444,806	4,294,171	4,824,081	4,989,856
Temporary Salaries	6,555	4,800	8,000	8,000
Acting Out of Class	4,704	14,346	3,850	9,350
Sick Leave Bonus	8,200	8,400	9,800	9,800
Overtime	420,959	398,325	341,800	412,100
Holiday Pay	149,428	133,244	125,000	125,000
Meal Allowance	6,977	8,159	6,900	8,800
Standby Pay	0	75,823	0	67,100
Health Cash Back	0	508	0	1,600
Pension Contribution	1,061,913	1,033,502	1,126,487	1,008,081
Social Security	309,516	303,352	327,440	343,439
Medicare Tax	72,357	70,946	76,578	80,317
Hospitalization	1,762,548	1,962,977	1,909,821	2,203,428
Life Insurance	22,284	22,363	26,017	26,677
Pension Healthcare	237,894	230,022	301,625	323,323
State Pension Plan - Civilian	41,877	47,834	69,020	77,464
Personal Services Adjustment	0	0	(187,056)	(194,165)
TOTAL PERSONAL SERVICES	8,550,018	8,608,772	8,969,363	9,500,170
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	7,725	7,235	12,450	10,950
Communications & Utilities	729,464	640,917	1,003,915	1,267,530
Transportation	0	2,695	1,000	1,500
Rentals	270,583	106,991	203,000	202,600
Contracted Maintenance Repairs	1,015,584	1,111,027	1,375,728	1,395,700
Professional Fees	633,860	808,515	780,300	781,300
Other Fees	2,735,502	2,689,763	3,168,000	3,176,000
Memberships & Registrations	11,762	6,406	29,150	29,650
Miscellaneous Services	282,830	243,797	312,600	312,600
Office & General Supplies	8,511	10,175	12,600	12,600
Wearing Apparel & Safety Supplies	27,127	38,670	59,100	83,650
Miscellaneous Parts	149,696	122,001	146,280	157,484
Construction & Repairs	448,549	402,816	339,000	410,500
Equipment	3,200	5,231	20,500	33,300
Fixed Assets	7,589	24,740	33,050	43,200
MSE - Budget Control Account	0	0	0	0
TOTAL M., S. & E.	6,331,982	6,220,979	7,496,673	7,918,564

DEPARTMENT: PUBLIC WORKS**FUND: GENERAL**

INTERNAL SERVICES	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Administrative Services	2,458,911	2,891,321	2,821,140	2,808,359
Self-Insurance	760,334	1,091,035	528,934	545,333
TOTAL INTERNAL SERVICES	3,219,245	3,982,356	3,350,074	3,353,692
DEBT SERVICE				
Principal Payments	1,589,865	1,490,410	2,020,452	1,845,428
Interest Payments	1,908,882	1,829,440	2,126,368	2,122,539
TOTAL DEBT SERVICE	3,498,747	3,319,850	4,146,820	3,967,967
GENERAL FUND TOTAL	21,599,992	22,131,957	23,962,930	24,740,393

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

PERSONAL SERVICES	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Regular Salaries	3,821,340	3,749,270	4,496,226	4,575,513
Temporary Salaries	0	0	0	0
Acting Out of Class	4,393	6,031	4,500	10,400
Shift Differential	3,916	3,845	4,500	4,500
Sick Leave Bonus	6,900	4,700	8,700	7,500
Overtime	469,236	473,119	506,500	487,500
Holiday Pay	5,617	5,974	6,000	6,000
Meal Allowance	13,052	17,731	13,900	14,050
Standby Pay	0	196,574	0	169,800
Health Cash Back	0	7,112	0	3,700
Accrued Vacation Pay	6,619	(74,597)	0	0
Pension Contribution	824,032	699,239	907,833	759,117
Social Security	265,722	274,225	309,774	321,299
Medicare Tax	62,176	64,133	72,451	75,139
Hospitalization	1,145,701	1,356,977	1,456,556	1,717,302
Life Insurance	17,381	18,630	22,464	22,670
Pension Healthcare	147,511	167,761	255,875	272,296
State Pension Plan - Civilian	45,520	57,713	87,387	117,651
Pension Healthcare - Implicit	428,787	444,947	0	0
Personal Services Adjustment	0	0	(1,976)	(2,051)
TOTAL PERSONAL SERVICES	7,267,903	7,473,384	8,150,690	8,562,386

DEPARTMENT: PUBLIC WORKS

FUND: WATER/SEWER

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Printing & Advertising	43,615	58,911	64,700	64,700
Communications & Utilities	1,290,987	1,050,043	1,347,398	1,284,946
Transportation	6,798	5,376	16,550	17,800
Rentals	15,540	640	1,760	1,760
Contracted Maintenance Repairs	7,971,086	7,083,393	8,016,660	8,707,800
Professional Fees	3,274,642	2,860,429	3,656,000	3,656,000
Other Fees	346,722	353,278	421,000	404,000
Memberships & Registrations	43,007	40,065	58,920	60,370
Miscellaneous Services	18,252,674	18,869,721	19,527,441	21,586,128
Office & General Supplies	9,729	8,084	13,700	13,700
Wearing Apparel & Safety Supplies	26,103	34,546	37,200	37,700
Miscellaneous Parts	426,298	405,631	615,400	989,100
Petroleum & Chemicals	669,323	619,054	897,500	897,500
Construction & Repairs	408,741	309,694	428,500	457,500
Supporting Services	3,583,040	3,900,021	3,891,727	4,096,325
Equipment	391,703	351,782	477,700	477,700
Testing and Inspection	8,440	1,985	15,000	15,000
Community Activities	103,977	150,669	170,000	177,000
TOTAL M., S. & E.	36,872,425	36,103,322	39,657,156	42,945,029
 <u>INTERNAL SERVICES</u>				
Administrative Services	1,792,299	1,654,571	1,923,874	1,948,823
Self-Insurance	1,158,003	1,684,219	843,595	870,241
TOTAL INTERNAL SERVICES	2,950,302	3,338,790	2,767,469	2,819,064
 <u>DEBT SERVICE</u>				
Amortized Bond Issuance Costs	0	0	132,024	132,024
Interest Payments	5,832,865	4,833,333	7,824,684	5,968,204
TOTAL DEBT SERVICE	5,832,865	4,833,333	7,956,708	6,100,228
 <u>OTHER</u>				
Depreciation	7,885,446	7,945,975	7,885,446	7,885,446
TOTAL OTHER	7,885,446	7,945,975	7,885,446	7,885,446
 WATER/SEWER FUND TOTAL	 60,808,941	 59,694,804	 66,417,469	 68,312,153

DEPARTMENT: PUBLIC WORKS

FUND: MOTOR VEHICLE

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Communications & Utilities	31,789	17,739	45,000	35,000
Transportation	4,608	6,782	14,700	12,700
Rentals	6,328	55,100	55,600	55,600
Contracted Maintenance Repairs	535,586	799,222	546,000	585,000
Professional Fees	59,897	59,897	60,000	0
Memberships & Registrations	2,174	1,596	3,000	3,000
Miscellaneous Services	1,827,696	1,583,770	1,894,367	2,012,494
Miscellaneous Parts	3,068	3,410	6,000	6,000
Petroleum & Chemicals	1,402,633	1,006,572	1,400,000	996,000
Fixed Assets	1,775,459	2,197,117	3,200,000	3,500,000
TOTAL M., S. & E.	5,649,238	5,731,205	7,224,667	7,205,794
 <u>INTERNAL SERVICES</u>				
Administrative Services	188,106	206,153	82,587	82,571
Self-Insurance	260,804	526,911	152,524	156,338
TOTAL INTERNAL SERVICES	448,910	733,064	235,111	238,909
 <u>DEBT SERVICE</u>				
Amortized Bond Issuance Costs	0	0	1,220	1,220
Interest Payments	231,249	164,517	220,846	181,736
TOTAL DEBT SERVICE	231,249	164,517	222,066	182,956
 <u>OTHER</u>				
Capitalized Expenditures	(1,678,716)	(2,229,518)	(3,200,000)	(3,500,000)
Depreciation	3,148,905	3,135,211	3,148,905	3,148,905
TOTAL OTHER	1,470,189	905,693	(51,095)	(351,095)
 MOTOR VEHICLE FUND TOTAL	 7,799,586	 7,534,479	 7,630,749	 7,276,564

DEPARTMENT: PUBLIC WORKS**FUND: MUNICIPAL STREET AID**

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	APPROVED FY 2017
Communications & Utilities	1,068,403	823,313	1,078,857	1,070,165
Contracted Maintenance	0	0	0	0
TOTAL M., S. & E.	1,068,403	823,313	1,078,857	1,070,165
MUNICIPAL STREET AID TOTAL	1,068,403	823,313	1,078,857	1,070,165



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 2017
<ul style="list-style-type: none">• Eliminate all A-133 Audit findings• Fulfill obligatory allocation, expenditure, monitoring and reporting requirement for all Federal funding received• Aggressively seek additional funding sources and collaborative partnerships to leverage diminishing Federal and local dollars.• Implement Fair Housing training requirement for all federal sub recipients.• Increase the supply of affordable housing that is decent, safe and sanitary.• Complete De-Lead Wilmington lead hazard control and healthy homes activities in 220 units located in target zip codes (19801, 19802, 19805, and 19806) with continued HUD, local funds and CDBG support.• Improve advertising and outreach efforts for increased homeowner repair program participation.• Engage in activities geared toward stabilization and revitalization of neighborhoods.• Support projects that reduce density in areas of high minority concentration.• Increase homeownership opportunities through City-sponsored initiatives and collaborative efforts with the WHP, WHA and other non-profit and for-profit developers.• To actively participate in the development of City of Wilmington Land Bank to address neglected and vacant properties through acquisition, disposition, demolition and rehabilitation.• To fund programs and projects that provide needed public services to low and moderate income families and neighborhoods such as neighborhood tree planting, senior housing repair, housing counseling, homelessness prevention, youth programs and programs that assist persons living with HIV/AIDS.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF REAL ESTATE & HOUSING

TOTAL ALL FUNDS DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Personal Services	1,129,455	1,367,788	1,114,238	1,071,242
Materials, Supplies & Equipment	162,994	332,191	243,744	249,510
Internal Services	206,447	208,631	256,198	260,793
Debt Service	1,182,352	1,168,685	1,273,798	1,234,547
Special Purpose	2,420,324	2,925,665	2,188,826	2,150,146
TOTAL	5,101,572	6,002,960	5,076,804	4,966,238
STAFFING LEVELS	15.00	12.00	12.00	11.00

GENERAL FUND DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Personal Services	219,816	339,568	146,504	147,469
Materials, Supplies & Equipment	108,368	122,781	117,900	135,000
Internal Services	206,447	208,631	256,198	260,793
Debt Service	1,182,352	1,168,685	1,273,798	1,234,547
TOTAL	1,716,983	1,839,665	1,794,400	1,777,809
STAFFING LEVELS	2.48	1.80	1.52	1.48

COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG) DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Personal Services	696,096	687,512	838,365	852,405
Materials, Supplies & Equipment	54,626	209,410	125,844	114,510
Special Purpose	980,262	1,530,755	1,062,156	1,011,230
TOTAL	1,730,984	2,427,677	2,026,365	1,978,145
STAFFING LEVELS	11.25	8.78	9.17	8.81

HOME PARTNERSHIP FUND DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Personal Services	40,674	42,690	36,915	37,651
Special Purpose	604,012	683,890	337,801	348,860
TOTAL	644,686	726,580	374,716	386,511
STAFFING LEVELS	0.38	0.46	0.41	0.41

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY2014	FY2015	FY2016	FY2017
Personal Services	18,030	18,988	18,227	19,107
Special Purpose	635,525	540,303	611,267	617,693
TOTAL	653,555	559,291	629,494	636,800
STAFFING LEVELS	0.17	0.16	0.17	0.17

EMERGENCY SHELTER GRANT (ESG)	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY2014	FY2015	FY2016	FY2017
Personal Services	11,673	13,206	13,938	14,610
Special Purpose	200,525	170,717	177,602	172,363
TOTAL	212,198	183,923	191,540	186,973
STAFFING LEVELS	0.14	0.10	0.13	0.13

NEIGHBORHOOD STABILIZATION PROGRAM GRANT (NSP)	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY2014	FY2015	FY2016	FY2017
Personal Services	70,551	72,236	60,289	0
TOTAL	70,551	72,236	60,289	0
STAFFING LEVELS	0.50	0.70	0.60	0.00

DE-LEAD GRANT	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY2014	FY2015	FY2016	FY2017
Personal Services	72,615	193,588	0	0
TOTAL	72,615	193,588	0	0
STAFFING LEVELS	0.08	0.00	0.00	0.00

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

- The reallocation of costs between the General Fund, NSP and CDBG for the split-funded Development Specialist position will net to a small increase to the General Fund. The potential reduction of NSP funds was offset by the savings from the elimination of the split-funded Property Manager position.
- MS&E increased \$17,100 (14.5%), solely attributable to increases in Disposition Costs. The Department struggled to fund necessary maintenance and repairs to properties not supported by federal grants. This increase is restoring funding back to the FY 2015 level of \$125,000.
- Internal Services grew by \$4,595, primarily related to Data Processing cost increases.
- Debt Service decreased \$39,251. Good timing and a strong bond rating resulted in a record bond premium on the City's recent bond issuance that lowered the effective interest rate to just 3.18%.

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

- The Department's CDBG budget decreased a net \$48,220, or 2.4% below last year's allocation. Personal Services increased a net \$14,040 due a reallocation of the split-funded Development Specialist position that was mostly offset by the savings caused by the deletion of the vacant Property Manager position. MS&E and Special Purpose decreased by \$11,334 and \$50,926 respectively, due to the reduction in award funds and program income.

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

- Collectively, the HOME, HOPWA, and ESG grant funds increased by a net \$14,534, to a new total of \$1,210,284. The HOME and HOPWA funds awards increased by \$11,795 and \$7,306 respectively. ESG funds fell by \$4,567 in FY 2017.

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

- Due to the depletion of the grant, costs for NSP were decreased to zero. Costs associated with personnel were shifted to the CDBG and General Funds.
- The De-Lead program was completed in mid-year of FY 2016 and closed out. There is no De-Lead funding in FY 2017.

DEPARTMENT OF REAL ESTATE & HOUSING

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #1: Embrace a Culture of Service.

Objective 1: Cross-train all staff.

Critical Indicator
Total # of employees
of employees cross trained by category

CITY-WIDE GOAL #3: Enhance Fiscal Prudence.

Objective 1: Increase the availability of outside funding for housing development.

Critical Indicator
Total \$ budgeted for housing development
\$ leveraged from outside sources for housing development
% of housing development budget from outside sources

CITY-WIDE GOAL #4: Ensure Transparency.

Objective 1: List all Federal programs Real Estate and Housing is involved with on the City’s website by June 2017.

Critical Indicator
List all Federal programs on website

DEPARTMENT OF REAL ESTATE & HOUSING

STRATEGIC PLAN

Focus Area: Public Safety

CITY-WIDE GOAL #5: Prevent and Deter Violent Crime.

Objective 1: Stabilize vacant properties in the City’s inventory effectively and efficiently.

Critical Indicator
Total # of houses in City inventory
of houses in City inventory stabilized
% of inventory stabilized
Avg. # of weeks to complete stabilization

CITY-WIDE GOAL #6: Cultivate Positive Community Relationships.

Objective 1: Assist with the beautification of neighborhoods through the City’s commercial and residential façade program.

Critical Indicator
of units beautified
Total \$ spent on façade program
Avg. \$ spent per unit

Focus Area: Quality of Life

CITY-WIDE GOAL #17: Improve Housing Quality.

Objective 1: Develop a Homestead Pilot Program by June 2017.

Critical Indicator
Develop a Homestead Pilot Program

DEPARTMENT OF REAL ESTATE & HOUSING

STRATEGIC PLAN

Focus Area: Quality of Life

Objective 2: Increase the number of units funded by RE&H for home ownership.

Critical Indicator
of units produced for home ownership
Total \$ spent by City
Avg. \$ spent per unit by City

Objective 3: Maintain the number of units rehabilitated by the Department.

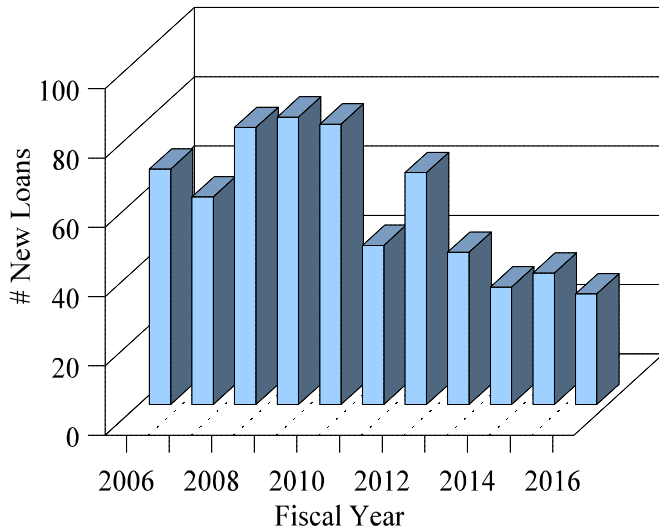
Critical Indicator
of units rehabilitated
Total \$ spent on rehabilitation
Avg. \$ spent per unit on rehabilitation

Objective 4: Ensure CDBG funds meet at least one of the three national objectives: benefit low and moderate income persons, prevent or eliminate slums or blight, or address a serious need or threat that has particular urgency.

Critical Indicator
Total \$ spent on CDBG
% of spending on low and moderate income persons
% of spending on slums and blight
% of spending on serious needs or threats
% of spending on administrative functions

Department of Real Estate and Housing Performance Trends

Housing Rehabilitation Loans



The above chart does not include new construction, homeownership or rental housing loans and grants to developers.

Public Service/Public Facility Grants

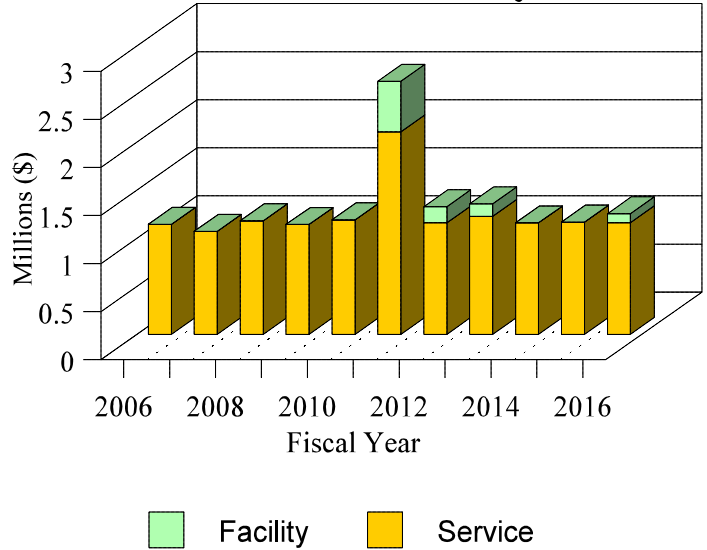
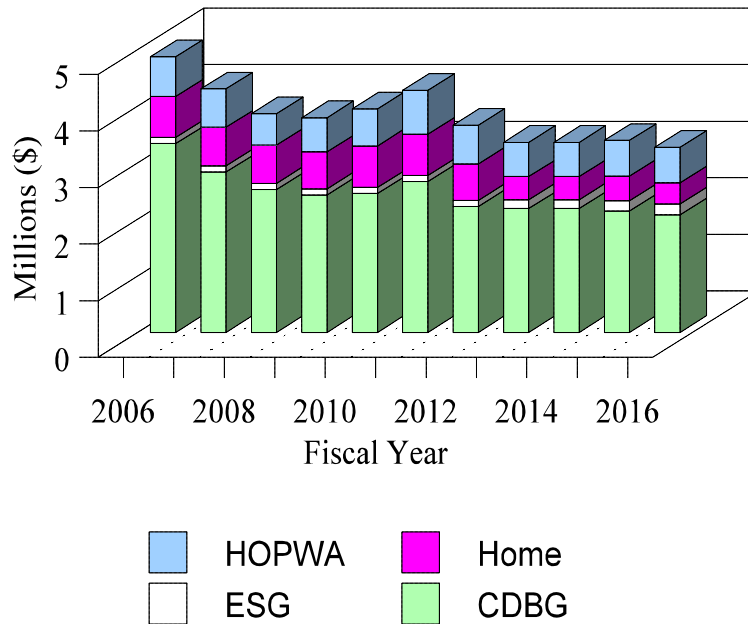


Chart represents federally-funded public services and administration grants.

Federal Funding Levels



While there was a slight increase in ESG funding, the overall Federal allocation decreased approximately 1% from FY 2015 levels.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: REAL ESTATE & HOUSING

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Regular Salaries	130,600	123,746	102,106	104,070
Temporary Salaries	25	134,565	0	0
Sick Leave Bonus	0	100	0	0
Overtime	486	1,585	0	0
Acting Out of Classification	1,459	0	0	0
Pension Contribution	52,441	38,860	26,495	23,344
Social Security	7,914	16,681	6,262	6,344
Medicare Tax	3,402	3,901	1,464	1,485
Hospitalization	18,194	15,829	14,415	16,109
Life Insurance	682	571	366	356
Pension Healthcare	3,884	3,730	3,800	3,996
State Pension Plan - Civilian	729	0	203	699
Personal Services Adjustment	0	0	(8,607)	(8,934)
TOTAL PERSONAL SERVICES	219,816	339,568	146,504	147,469
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	1,643	1,014	2,000	2,000
Printing & Advertising	1,788	1,477	2,700	2,000
Miscellaneous Services	4,937	6,000	6,000	6,000
Equipment	0	0	0	0
Community Activities	100,000	114,290	107,200	125,000
TOTAL M., S. & E	108,368	122,781	117,900	135,000
 <u>INTERNAL SERVICES</u>				
Administrative Services	203,627	204,574	254,193	258,726
Self-Insurance	2,820	4,057	2,005	2,067
TOTAL INTERNAL SERVICES	206,447	208,631	256,198	260,793
 <u>DEBT SERVICE</u>				
Principal Payments	745,441	768,620	859,596	849,477
Interest Payments	436,911	400,065	414,202	385,070
TOTAL DEBT SERVICE	1,182,352	1,168,685	1,273,798	1,234,547
 GENERAL FUND TOTAL	 1,716,983	 1,839,665	 1,794,400	 1,777,809

DEPARTMENT: REAL ESTATE & HOUSING

FUND: CDBG

PERSONAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Regular Salaries	439,259	422,948	523,034	517,047
Acting Out of Classification	0	50	0	0
Health Cash Back	0	2,240	0	0
Pension Contribution	93,822	114,411	130,744	123,131
Social Security	26,714	26,047	31,998	31,489
Medicare Tax	6,257	6,101	7,484	7,363
Hospitalization	110,604	96,773	116,146	144,293
Life Insurance	1,710	2,205	2,200	2,114
Pension Healthcare	15,783	16,737	22,925	23,787
State Pension Plan - Civilian	1,947	0	3,834	3,181
TOTAL PERSONAL SERVICES	696,096	687,512	838,365	852,405
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	4,389	1,884	3,950	3,950
Communications & Utilities	360	50	500	500
Transportation	6,136	5,653	13,000	8,500
Rentals	0	0	0	0
Professional Fees	17,365	184,766	52,500	80,560
Other Fees	0	593	0	0
Memberships & Registrations	5,997	2,736	9,500	8,500
Miscellaneous Services	657	3,956	35,894	5,000
Office & General Supplies	2,443	2,413	2,500	2,500
Wearing Apparel & Safety	4,836	5,542	5,000	5,000
Equipment	9,478	1,817	3,000	0
Fixed Assets	2,965	0	0	0
TOTAL M., S. & E.	54,626	209,410	125,844	114,510
 <u>SPECIAL PURPOSE</u>				
Grants & Fixed Charges	980,262	1,530,755	1,062,156	1,011,230
TOTAL SPECIAL PURPOSE	980,262	1,530,755	1,062,156	1,011,230
 CDBG FUND TOTAL	 1,730,984	 2,427,677	 2,026,365	 1,978,145

DEPARTMENT: REAL ESTATE & HOUSING

FUND: CDBG

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Property Repair Program			389,624	400,000
Residential Facade Program			220,000	0
NRSA and Choice Neighborhood Initiative			0	200,000
Delaware Center for Horticulture Street Trees			70,000	70,000
Miscellaneous Housing Projects			0	44,919
YWCA Delaware			43,000	39,000
DE Community Reinvestment Action Council			5,000	5,000
Neighborhood House, Inc.			16,243	13,500
West End Neighborhood House			40,000	20,000
Challenge Program			30,000	29,000
Salvation Army			5,000	5,000
Catholic Charities-Bayard House			10,000	8,773
Lutheran Community Services			30,133	31,000
Catholic Charities			15,000	15,000
Fair Housing			10,000	10,000
CHILD, Inc.			13,500	9,000
DE Center for Homeless Veterans, Inc.			10,000	12,000
Interfaith - Homeownership Center			5,150	5,000
Interfaith - Youth Ambassador			0	10,000
Habitat			30,000	0
Ministry of Caring - House of Joseph I			10,000	15,000
Ministry of Caring - Hope House I			11,000	15,000
WEDCO Loan Collections			3,000	3,000
YMCA			18,500	18,000
Delaware Center for Justice			10,000	0
Christiana Cultural Arts Center Inc.			13,500	10,000
Consumer Credit Counseling Service of DE Valley			5,226	0
STEHM, Inc.			5,000	5,000
Tech Impact - IT Works Technology			15,300	14,000
Clarify			0	5,000
One Village Alliance			0	10,000
Above Xpectations			0	10,000
Budget Control			27,980	(20,962)
FY2014 Expenditures	980,262			
FY2015 Expenditures		1,530,755		
TOTAL GRANTS & FIXED CHARGES	980,262	1,530,755	1,062,156	1,011,230

DEPARTMENT: REAL ESTATE & HOUSING

FUND: HOME PARTNERSHIP

PERSONAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Regular Salaries	27,887	28,236	24,484	24,973
Health Cash Back	0	160	0	0
Pension Contribution	5,532	6,447	6,562	6,218
Social Security	1,694	1,690	1,455	1,459
Medicare Tax	389	396	340	341
Hospitalization	4,184	3,882	2,951	3,455
Life Insurance	71	714	98	98
Pension Healthcare	917	1,165	1,025	1,107
TOTAL PERSONAL SERVICES	40,674	42,690	36,915	37,651
SPECIAL PURPOSE				
Grants & Fixed Charges	604,012	683,890	337,801	348,860
TOTAL SPECIAL PURPOSE	604,012	683,890	337,801	348,860
HOME PARTNERSHIP FUND TOTAL	644,686	726,580	374,716	386,511

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
CHDO Set-aside			56,207	57,977
HOME Proposed Housing Projects			281,594	290,881
Budget Control			0	2
FY2014 Expenditures	604,012			
FY2015 Expenditures		683,890		
TOTAL GRANTS & FIXED CHARGES	604,012	683,890	337,801	348,860

DEPARTMENT: REAL ESTATE & HOUSING

FUND: HOPWA

PERSONAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Regular Salaries	10,713	11,200	10,562	10,773
Pension Contribution	2,430	2,827	2,831	2,683
Social Security	640	698	642	653
Medicare Tax	163	163	150	153
Hospitalization	3,678	3,665	3,576	4,345
Life Insurance	46	39	41	41
Pension Healthcare	360	396	425	459
TOTAL PERSONAL SERVICES	18,030	18,988	18,227	19,107
SPECIAL PURPOSE				
Grants & Fixed Charges	635,525	540,303	611,267	617,693
TOTAL SPECIAL PURPOSE	635,525	540,303	611,267	617,693
HOPWA FUND TOTAL	653,555	559,291	629,494	636,800

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Delaware HIV Services, Inc.			550,931	525,377
Ministry of Caring-House of Joseph II			48,000	39,690
Catholic Charities			35,000	28,161
Cecil County Emergency Housing			37,000	24,469
Budget Control			(59,664)	(4)
FY2014 Expenditures	635,525			
FY2015 Expenditures		540,303		
TOTAL GRANTS & FIXED CHARGES	635,525	540,303	611,267	617,693

DEPARTMENT: REAL ESTATE & HOUSING

FUND: EMERGENCY SHELTER GRANT

	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
PERSONAL SERVICES				
Regular Salaries	7,034	7,775	8,077	8,238
Pension Contribution	1,434	1,962	2,165	2,051
Social Security	427	475	491	499
Medicare Tax	100	111	115	117
Hospitalization	2,414	2,544	2,734	3,323
Life Insurance	31	24	31	31
Pension Healthcare	233	315	325	351
Deferred Comp Contribution	0	0	0	0
TOTAL PERSONAL SERVICES	11,673	13,206	13,938	14,610
 SPECIAL PURPOSE				
Grants & Fixed Charges	200,525	170,717	177,602	172,363
TOTAL SPECIAL PURPOSE	200,525	170,717	177,602	172,363
 EMERGENCY SHELTER GRANT FUND TOTAL	212,198	183,923	191,540	186,973

	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
GRANTS & FIXED CHARGES DETAIL				
Connections Comm Support Program			20,000	0
Family Promise			30,000	37,191
Homeless Planning Council of DE, Inc.			45,000	40,042
Ministry of Caring			35,000	35,000
The Salvation Army			31,130	23,939
YWCA Delaware-Rapid Re-Housing			16,616	16,778
Catholic Charities			0	20,000
Budget Control			(144)	(587)
FY2014 Expenditures	200,525			
FY2015 Expenditures		170,717		
TOTAL GRANTS & FIXED CHARGES	200,525	170,717	177,602	172,363

DEPARTMENT: REAL ESTATE & HOUSING FUND: NEIGHBORHOOD STABILIZATION PROGRAM

PERSONAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Regular Salaries	42,719	42,552	37,277	0
Temporary Salaries	(1,586)	0	0	0
Pension Contribution	10,417	10,712	9,990	0
Social Security	2,497	2,596	2,297	0
Medicare Tax	587	607	537	0
Hospitalization	14,459	14,073	8,544	0
Life Insurance	249	166	144	0
Pension Healthcare	1,209	1,530	1,500	0
TOTAL PERSONAL SERVICES	70,551	72,236	60,289	0
NEIGHBORHOOD STABILIZATION PROGRAM FUND TOTAL	70,551	72,236	60,289	0

DEPARTMENT: REAL ESTATE & HOUSING

FUND: DE-LEAD

PERSONAL SERVICES	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Regular Salaries	6,187	9,582	0	0
Temporary Salaries	55,421	145,083	0	0
Overtime	0	408	0	0
Pension Contribution	182	0	0	0
Social Security	3,752	9,516	0	0
Medicare Tax	877	2,226	0	0
Hospitalization	6,136	26,202	0	0
Life Insurance	28	47	0	0
State Pension Plan - Civilian	0	381	0	0
Pension Healthcare	32	143	0	0
TOTAL PERSONAL SERVICES	72,615	193,588	0	0
DE-LEAD GRANT FUND TOTAL	72,615	193,588	0	0



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 principle 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 FY 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 FY 2002 to FY 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 FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Debt Service	962,160	1,343,565	1,280,776	1,290,546
TOTAL	962,160	1,343,565	1,280,776	1,290,546
STAFFING LEVELS	0.00	0.00	0.00	0.00

GENERAL FUND DEPARTMENT OF COMMERCE	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Debt Service	962,160	1,343,565	1,280,776	1,290,546
TOTAL	962,160	1,343,565	1,280,776	1,290,546
STAFFING LEVELS	0.00	0.00	0.00	0.00

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: COMMERCE

FUND: GENERAL

DEBT SERVICE	ACTUAL FY2014	ACTUAL FY2015	BUDGET FY2016	APPROVED FY2017
Principal Payments	587,592	1,013,134	1,002,402	1,063,581
Interest Payments	374,568	330,431	278,374	226,965
TOTAL DEBT SERVICE	962,160	1,343,565	1,280,776	1,290,546
GENERAL FUND TOTAL	962,160	1,343,565	1,280,776	1,290,546

THE CAPITAL IMPROVEMENTS PROGRAM

I. Introduction

The Capital Improvements Program is a six-year capital spending plan, adopted by City Council annually. The first year of the Capital Program is known as the Capital Budget. In alternating years, the Capital Budget includes two full fiscal years of funding due to the City's decision to bond biennially, instead of annually. This results in "off" years when the budget requests will be zero. The decision to bond biennially reduces the frequency of borrowing and lowers financing costs.

The Capital Improvements Program and Budget provide a schedule of expenditures to develop and improve the public facilities necessary to serve those who live and work in Wilmington. The projects reflect the physical development policies of the City, such as Comprehensive Development Plans, Urban Renewal Plans, etc. This document describes the development of a Capital Program; the statutory basis for the preparation of the Capital Program; and an explanation of the capital projects proposed for the FY 2016 - FY 2021 period.

II. A Guide to the Capital Improvements Program

A. Development of a Capital Program

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

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

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

B. Nature of a Capital Project

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

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

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

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

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

1. Fiscal Borrowing Limit

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

2. Self-Sustaining Projects

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

3. Bond Life

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

D. Expenditure Analysis

Capital spending projects generally are within the following four categories:

1. New Service

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

2. New Replacing Existing

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

3. Upgrading Existing

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

4. Restoring Existing

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

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

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

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

The restoration of existing facilities is 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 2016 - FY 2021

The six year Capital Budget and Capital Improvements Program, as presented in City Planning Commission Resolution 2-15, totals \$257,854,000, with a FY 2016 Capital Budget in the amount of \$77,825,000 and the additional five year program adding \$180,029,000. 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 \$3,338,069. 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

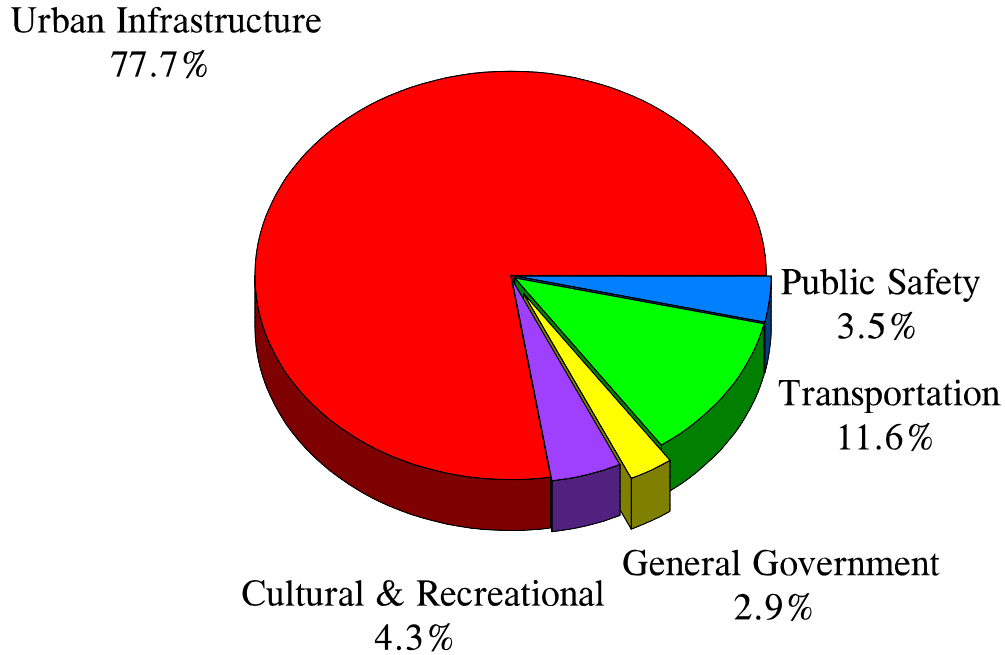
Department	Fund	Debt Service*	Personal Services	M. S. & E.	Total
Finance	General	\$42,252	\$0	\$0	\$42,252
	Water/Sewer	54,960	0	0	54,960
Fire	General	171,785	0	(2,000)	169,785
Mayor's Office	General	19,591	0	0	19,591
Parks & Recreation	General	224,783	0	(2,500)	222,283
Police	General	27,778	0	(1,000)	26,778
Public Works	General	741,965	0	0	741,965
	Water/Sewer	1,832,000	0	0	1,832,000
Transportation	General	222,955	0	0	222,955
TOTAL		\$3,338,069	\$0	(\$5,500)	\$3,332,569

Fund	Debt Service*	Personal Services	M. S. & E.	Total
General	\$1,451,109	\$0	(\$5,500)	\$1,445,609
Water/Sewer	1,886,960	0	0	1,886,960
TOTAL	\$3,338,069	\$0	(\$5,500)	\$3,332,569

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

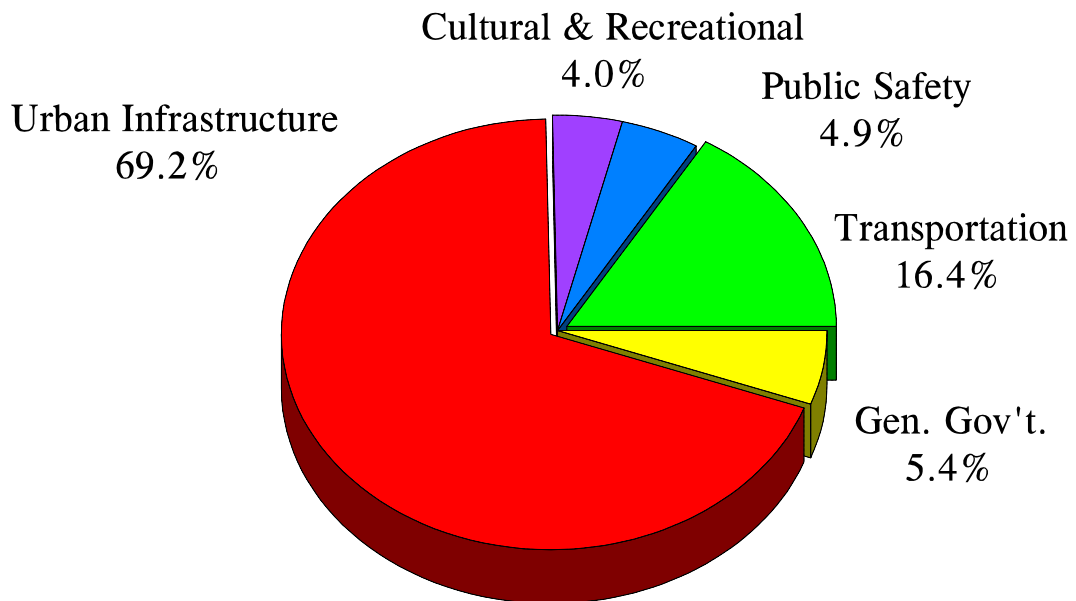
Capital Budget Allocations

Fiscal Years 2016-2017



Capital Program Allocations

Fiscal Years 2018-2021



CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(000 omitted)

SUMMARY: TOTAL FUNDS RECOMMENDED BY FISCAL YEAR AND DEPARTMENT

NAME OF DEPARTMENT	TYPE OF FUNDING	FISCAL YEARS					TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD	
		2016	2017	2018	2019	2020			2021
FINANCE	G	578	0	792	0	816	0	2,186	2,186
	W	1,374	0	1,533	0	1,458	0	4,365	4,365
	I	0	0	150	0	0	0	150	150
FIRE	G	2,350	0	4,250	0	4,550	0	11,150	11,150
OFFICE OF THE MAYOR	G	268	0	0	0	0	0	268	268
	I	0	0	5,000	0	0	0	5,000	5,000
PARKS AND RECREATION	G	3,075	0	3,340	0	3,340	0	9,755	9,755
	O	300	0	300	0	300	0	0	900
POLICE	G	380	0	0	0	0	0	380	380
PUBLIC WORKS	G	10,150	0	12,000	0	12,500	0	34,650	34,650
	W	45,800	0	51,100	0	48,600	0	145,500	145,500
	O	4,500	0	200	0	200	0	0	4,900
TRANSPORTATION	G	3,050	0	6,800	0	6,800	0	16,650	16,650
	O	6,000	0	8,000	0	8,000	0	0	22,000
TOTAL BY FUND	G	19,851	0	27,182	0	28,006	0	75,039	75,039
	O	10,800	0	8,500	0	8,500	0	0	27,800
	W	47,174	0	52,633	0	50,058	0	149,865	149,865
	I	0	0	5,150	0	0	0	5,150	5,150
GRAND TOTAL		77,825	0	93,465	0	86,564	0	230,054	257,854

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

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(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
		2016	2017	2018	2019	2020	2021		
FINANCE	NS	18	0	0	0	0	0	18	18
	NR	36	0	184	0	55	0	275	275
	UE	1,265	0	1,495	0	1,416	0	4,176	4,176
	RE	633	0	796	0	803	0	2,232	2,232
FIRE	NR	1,250	0	1,750	0	2,050	0	5,050	5,050
	RE	1,100	0	2,500	0	2,500	0	6,100	6,100
OFFICE OF THE MAYOR	NS	268	0	0	0	0	0	268	268
	NR	0	0	5,000	0	0	0	5,000	5,000
PARKS AND RECREATION	NR	150	0	0	0	0	0	150	150
	UE	2,330	0	2,380	0	2,380	0	6,340	7,090
	RE	895	0	1,260	0	1,260	0	3,265	3,415
	RE	380	0	0	0	0	0	380	380
PUBLIC WORKS	NS	450	0	0	0	0	0	450	450
	UE	37,800	0	37,800	0	35,300	0	106,000	110,900
	RE	22,200	0	25,500	0	26,000	0	73,700	73,700
TRANSPORTATION	UE	9,050	0	14,800	0	14,800	0	16,650	38,650
TOTAL BY EXPENDITURE CATEGORY	NS	736	0	0	0	0	0	736	736
	NR	1,436	0	6,934	0	2,105	0	10,475	10,475
	UE	50,445	0	56,475	0	53,896	0	133,166	160,816
	RE	25,208	0	30,056	0	30,563	0	85,677	85,827
GRAND TOTAL		77,825	0	93,465	0	86,564	0	230,054	257,854

Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 257-258)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(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
		2016	2017	2018	2019	2020	2021		
Cost of Bond Issue (General Fund)	G	578	0	792	0	816	0	2,186	2,186
Cost of Bond Issue (Water/Sewer Fund)	W	1,374	0	1,533	0	1,458	0	4,365	4,365
Cost of Bond Issue (Internal Service Fund)	I	0	0	150	0	0	0	150	150
TOTAL BY FUND									
	G	578	0	792	0	816	0	2,186	2,186
	W	1,374	0	1,533	0	1,458	0	4,365	4,365
	I	0	0	150	0	0	0	150	150
TOTAL FINANCE FUNDS		1,952	0	2,475	0	2,274	0	6,701	6,701

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

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(000 omitted)

FIRE DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	Type of Funding	FISCAL YEARS						TOTAL LOCAL FUNDS 6 YEAR AND MATCHING 6 YEAR PERIOD	
		2016	2017	2018	2019	2020	2021		
NR	G	1,250	0	1,750	0	1,750	0	4,750	4,750
RE	G	1,100	0	2,500	0	2,500	0	6,100	6,100
NR	G	0	0	0	0	300	0	300	300
TOTAL BY FUND		G	2,350	0	4,250	0	4,550	0	11,150
TOTAL FIRE FUNDS			2,350	0	4,250	0	4,550	0	11,150

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 257-258)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(000 omitted)

OFFICE OF THE MAYOR: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS						TOTAL LOCAL FUNDS 6 YEAR AND MATCHING 6 YEAR PERIOD	
		2016	2017	2018	2019	2020	2021		
NS	G	268	0	0	0	0	0	268	268
NR	I	0	0	5,000	0	0	0	5,000	5,000
Five Percent For Art									
Financial Management Software									
TOTAL BY FUND									
	G	268	0	0	0	0	0	268	268
	I	0	0	5,000	0	0	0	5,000	5,000
TOTAL MAYOR'S OFFICE FUNDS									
		268	0	5,000	0	0	0	5,268	5,268

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 257-258)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(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
		2016	2017	2018	2019	2020	2021		
UE	G	750	0	1,250	0	1,250	0	3,250	3,250
	O	200	0	200	0	200	0	0	600
RE	G	275	0	275	0	275	0	825	825
	O	50	0	50	0	50	0	0	150
RE	G	300	0	550	0	550	0	1,400	1,400
RE	G	170	0	385	0	385	0	940	940
UE	G	250	0	550	0	550	0	1,350	1,350
	O	50	0	50	0	50	0	0	150
UE	G	750	0	0	0	0	0	750	750
NR	G	150	0	0	0	0	0	150	150
UE	G	330	0	330	0	330	0	990	990
RE	G	100	0	0	0	0	0	100	100
TOTAL BY FUND		G 3,075	0	3,340	0	3,340	0	9,755	9,755
		O 300	0	300	0	300	0	0	900
TOTAL PARKS AND RECREATION FUNDS		3,375	0	3,640	0	3,640	0	9,755	10,655

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 257-258)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(000 omitted)

POLICE DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	Type of Funding	FISCAL YEARS						TOTAL LOCAL FUNDS 6 YEAR AND MATCHING 6 YEAR PERIOD
		2016	2017	2018	2019	2020	2021	
RE	G	380	0	0	0	0	0	380
Public Safety Building Improvements								
TOTAL BY FUND		380	0	0	0	0	0	380
TOTAL POLICE FUNDS		380	0	0	0	0	0	380

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 257-258)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(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
		2016	2017	2018	2019	2020	2021		
RE	G	6,000	0	10,000	0	10,000	0	26,000	26,000
RE	G	700	0	1,000	0	1,000	0	2,700	2,700
NS	G	250	0	0	0	0	0	250	250
NS	G	200	0	0	0	0	0	200	200
RE	G	2,000	0	1,000	0	1,500	0	4,500	4,500
UE	G	800	0	0	0	0	0	800	800
UE	G	200	0	0	0	0	0	200	200
RE	W	5,000	0	5,000	0	5,000	0	15,000	15,000
RE	W	1,500	0	1,500	0	1,500	0	4,500	4,500
UE	W	7,500	0	7,500	0	7,500	0	22,500	22,500
UE	W	2,000	0	2,000	0	2,000	0	6,000	6,000
UE	W	2,000	0	2,000	0	2,000	0	6,000	6,000
RE	W	3,000	0	3,000	0	3,000	0	9,000	9,000
UE	W	4,000	0	4,000	0	4,000	0	12,000	12,000
RE	W	1,000	0	1,000	0	1,000	0	3,000	3,000
UE	W	2,500	0	2,500	0	2,500	0	7,500	7,500
RE	W	2,500	0	2,500	0	2,500	0	7,500	7,500

continued

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(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
			2016	2017	2018	2019	2020	2021		
Pressure Zone Reliability Improvements	UE	W	1,000	0	1,000	0	1,000	0	3,000	3,000
WWTP Electrical System Improvements	UE	W	2,500	0	6,300	0	6,300	0	15,100	15,100
11th St. Pumping Station Reliability Improvements	UE	W	2,000	0	3,000	0	3,000	0	8,000	8,000
South Wilmington Wetlands Park	UE	W	4,000	0	3,500	0	2,000	0	9,500	9,500
		O	4,400	0	0	0	0	0	0	4,400
Sewer Separation Projects & Flow Monitoring	UE	W	2,000	0	2,000	0	1,000	0	5,000	5,000
Stormwater Drainage Management Program	UE	W	1,800	0	1,800	0	1,800	0	5,400	5,400
Urban Forest Management Program	RE	W	500	0	500	0	500	0	1,500	1,500
Stormwater Mitigation (Green Infrastructure)	UE	W	1,000	0	2,000	0	2,000	0	5,000	5,000
		O	100	0	200	0	200	0	0	500
TOTAL BY FUND		G	10,150	0	12,000	0	12,500	0	34,650	34,650
		W	45,800	0	51,100	0	48,600	0	145,500	145,500
		O	4,500	0	200	0	200	0	0	4,900
TOTAL PUBLIC WORKS FUNDS			60,450	0	63,300	0	61,300	0	180,150	185,050

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 257-258)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2016-2021
(000 omitted)

TRANSPORTATION DIVISION: 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
		2016	2017	2018	2019	2020	2021		
UE	G	550	0	550	0	550	0	1,650	1,650
UE	G	1,500	0	2,000	0	2,000	0	5,500	5,500
	O	6,000	0	8,000	0	8,000	0	0	22,000
UE	G	1,000	0	4,250	0	4,250	0	9,500	9,500
TOTAL BY FUND		G 3,050	0	6,800	0	6,800	0	16,650	16,650
		O 6,000	0	8,000	0	8,000	0	0	22,000
TOTAL TRANSPORTATION FUNDS		9,050	0	14,800	0	14,800	0	16,650	38,650

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 257-258)

III. CAPITAL PROJECT DESCRIPTIONS - FISCAL YEARS 2016 - 2021

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: \$1,250,000.
Program Request: \$3,500,000.

Budget: Provides funds for 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 two Engine Pumps (#102, #105).

Program: Ongoing replacement program for six Engine Pumps (#5, #6, #103, #104, Sky Boom #2, Squirt 4).

<i>Annual Debt Service Impact</i>	\$91,375
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

2. Fire Station Renovations

Budget Request: \$1,100,000.
Program Request: \$5,000,000.

Budget: Provides funds for upgrades to City Fire Stations #3 and #4, including structural, mechanical and cosmetic repairs in accordance with the 2007 Fire Station Renovation Master Plan. Includes design and engineering specifications and construction costs.

Program: Ongoing renovation program for Fire Stations #2 and #6.

<i>Annual Debt Service Impact</i>	\$80,410
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	(\$2,000)

3. Rescue Ambulance Replacement

Budget Request: \$0.
Program Request: \$300,000.

Budget: None.

Program: Ongoing replacement program for Rescue Ambulances #2, #3, and #6, which are used for fire calls and emergency medical response.

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

C. OFFICE OF THE MAYOR

1. Five Percent for Art

Budget Request: \$268,000.
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 directly related to budget year funding.

Annual Debt Service Impact \$19,591
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

2. Financial Management Software

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

Budget: None.

Program: This program would fund the purchase of replacement enterprise resource planning (ERP) software, a system of integrated applications to manage and automate functions related to the financial management, technology, services and human resource needs of the City.

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

D. PARKS AND RECREATION

1. Playground Improvements

Budget Request: \$750,000. (Other Funds: \$200,000)
Program Request: \$2,500,000. (Other Funds: \$400,000)

Budget: Provides funds for the replacement of existing playground equipment and amenities 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>	\$54,825
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

2. Athletic Court Improvements

Budget Request: \$275,000. (Other Funds: \$50,000)
Program Request: \$550,000. (Other Funds: \$100,000)

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

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$20,103
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

3. Park Walkways

Budget Request: \$300,000.
Program Request: \$1,100,000.

Budget: Provides funds for the replacement of existing walkways throughout the Parks System which are deteriorated, cracked and/or weakened.

Program: Ongoing.

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

4. Park and Playground Fencing

Budget Request: \$170,000.

Program Request: \$770,000.

Budget: Provides funds for the replacement of aging fences at various park locations, including athletic fields, playgrounds and parks.

Program: Ongoing.

Annual Debt Service Impact \$12,427

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

5. County Park Recovery

Budget Request: \$250,000. (Other Funds: \$50,000)

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

Budget: Provides funds for upgrades to City parks and ballfields formerly maintained by New Castle County. Improvements include ballfield fencing, backstops, and paving.

Program: Ongoing.

Annual Debt Service Impact \$18,275

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

6. Pool House Renovations

Budget Request: \$750,000.

Program Request: \$0.

Budget: Provides funds for renovations to existing citywide pool house structures, including plumbing, electrical fixtures, solar panels, and roofing, incorporating environmental design techniques where feasible.

Program: None.

Annual Debt Service Impact \$54,825

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. (\$2,500)

7. Plazas, Squares & Triangles

Budget Request: \$150,000.
Program Request: \$0.

Budget: Provides funds for paving, landscaping and the replacement of site amenities at citywide public plazas, squares and triangles.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$10,965</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

8. WHACC Improvements

Budget Request: \$330,000.
Program Request: \$660,000.

Budget: Provides funds for interior and exterior improvements to the William Hicks Anderson Community Center, to include offices and program areas, roofing and HVAC units, to meet programming and operational needs.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$24,123</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

9. Parking Lot Improvements/Replacements

Budget Request: \$100,000.
Program Request: \$0.

Budget: Provides funds for necessary improvements to parking lots serving city parks.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$7,310</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

E. POLICE DEPARTMENT

1. Public Safety Building Improvements

Budget Request: \$380,000.
Program Request: \$0.

Budget: Provides funds for necessary improvements to the public safety building, to include the replacement of the existing heat pumps, installation of a new fire alarm control panel, exterior window caulking, and upgrades to the House Sergeants Office.

Program: None.

<i>Annual Debt Service Impact</i>	\$27,778
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	(\$1,000)

F. PUBLIC WORKS DEPARTMENT

General Fund Projects

1. Street Paving and Reconstruction

Budget Request: \$6,000,000.
Program Request: \$20,000,000.

Budget: Provides funds for 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>	\$438,600
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

2. Emergency Sidewalk Repairs

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

Budget: Provides funds for emergency repairs to damaged sidewalks, as identified by Licenses & Inspections and managed by the Department of Public Works.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$51,170</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

3. 300 Block of E. 15th Street - Curbs, Sidewalk and Paving

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

Budget: Provides funds for the reconstruction of the street, curbs, and sidewalks along the 300 block of E. 15th Street to support housing development.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$18,275</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

4. Baynard Boulevard - Haynes Park Area Infrastructure Improvements

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

Budget: Provides funds to construct a 400 foot right of way extension at the northern terminus of Baynard Boulevard, and the installation of sidewalks along the north side of Miller Road adjacent to Haynes Park, to support redevelopment efforts.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$14,620</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

5. Building Improvements

Budget Request: \$2,000,000.

Program Request: \$2,500,000.

Budget: Provides funds for renovations and additions to the Louis L. Redding City/County Building and other municipal buildings as needed.

Program: Ongoing.

Annual Debt Service Impact \$146,200

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

6. City/County Building Renovations

Budget Request: \$800,000.

Program Request: \$0.

Budget: Provides funds for various renovation projects requested by individual City departments for improvements to their work spaces. Upgrades include security features (badge access, door buzzers), carpeting, furniture, and the reorganization of office space, as well as improvements to the building's electrical, data, mechanical, and fire systems.

Program: None.

Annual Debt Service Impact \$58,480

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

7. Municipal Complex Gas Monitoring & Ventilation

Budget Request: \$200,000.

Program Request: \$0.

Budget: Provides funds for upgrades to the existing gas monitoring detectors and ventilation system in various buildings within the Municipal Complex.

Program: None.

Annual Debt Service Impact \$14,620

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

Water/Sewer Fund Projects

1. Major Sewer Improvements

Budget Request: \$5,000,000.
Program Request: \$10,000,000.

Budget: Provides funds for 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>	<i>\$200,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

2. Annual Minor Sewer Improvements

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

Budget: Provides funds for the citywide rehabilitation of small diameter sewers and other necessary projects as identified through closed circuit TV (CCTV) inspection and modeling efforts.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$60,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

3. Annual Water Improvements

Budget Request: \$7,500,000.
Program Request: \$15,000,000.

Budget: Provides funds for maintaining the citywide water distribution system, including annual cleaning and lining of water mains, installation of new and replacement mains, service line renewal, valve/hydrant maintenance, and purchase of all appurtenances (hydrants, valves, etc.), to improve water quality, pressure and fire flows.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$300,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

4. Porter Filter Plant Improvements

Budget Request: \$2,000,000.

Program Request: \$4,000,000.

Budget: Provides funds for upgrades to the Porter Reservoir and Clear Well, including the replacement of chemical feed systems, upgrades to clarifiers, and other improvements to provide top quality, safe drinking water.

Program: Ongoing.

Annual Debt Service Impact \$80,000

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

5. Pumping Station Improvements

Budget Request: \$2,000,000.

Program Request: \$4,000,000.

Budget: Provides funds for upgrades to pumps and electrical components at various pumping stations, including Wills/Hoopes and various remote pump stations, to maintain water service.

Program: Ongoing.

Annual Debt Service Impact \$80,000

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

6. Raw Water Distribution Improvements

Budget Request: \$3,000,000.

Program Request: \$6,000,000.

Budget: Provides funds for the rehabilitation of the 42" raw water transmission main between the Brandywine Pumping Station and Porter Filter Plant.

Program: Ongoing.

Annual Debt Service Impact \$120,000

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

7. Transmission Improvements

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

Budget: Provides funds for transmission capacity improvements throughout the water system, including the elimination of the West Street Dam and installation of a new transmission main to provide redundant water flow into the western half of the City's High Service Zone.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$160,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

8. Architectural Improvements

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

Budget: Provides funds for architectural repairs, restoration and stabilization of historic structural components of the Brandywine Complex, including 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>\$40,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

9. Hoopes Dam

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

Budget: Provides funds for improvements to Hoopes Dam, including construction of a functional outlet/drain piping system, improvements to sluice gates and valves, and other concrete/mechanical improvements to address the overall safety and function of the facility.

Program: Ongoing.

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

10. Brandywine Filter Plant Improvements

Budget Request: \$2,500,000.

Program Request: \$5,000,000.

Budget: Provides funds for structural, mechanical and aesthetic improvements to the Head Works and Clearwell at the Brandywine Filter Plant.

Program: Ongoing.

Annual Debt Service Impact \$100,000

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

11. Pressure Zone Reliability Improvements

Budget Request: \$1,000,000.

Program Request: \$2,000,000.

Budget: Provides funds to establish secondary water feeds to water service zones, including Carr Road, to improve the reliability of service through redundant feeds which facilitate water storage and distribution maintenance.

Program: Ongoing.

Annual Debt Service Impact \$40,000

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

12. WWTP Electrical System Improvements

Budget Request: \$2,500,000.

Program Request: \$12,600,000.

Budget: Provides funds for the assessment and rehabilitation of the electrical distribution system at the Waste Water Treatment Plant (12th Street and Hay Road) to improve the reliability of operations.

Program: Ongoing.

Annual Debt Service Impact \$100,000

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

13. 11th Street Pumping Station Reliability Improvements

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

Budget: Provides funds for a feasibility study to identify and implement rehabilitation and capacity improvements to the 11th Street Pumping Station.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$80,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

14. South Wilmington Wetlands Park

Budget Request: \$4,000,000. (Other Funds: \$4,400,000)
Program Request: \$5,500,000.

Budget: Provides funds for 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 the implementation of the initial phase of the wetlands restoration project.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$160,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

15. Sewer Separation Projects & Flow Monitoring

Budget Request: \$2,000,000.
Program Request: \$3,000,000.

Budget: Provides funds for the partial separation of combined sewers in the Interceptor A Basin, CSO 26 drainage area, and at 14th & 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>	<i>\$80,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

16. Stormwater Drainage Management Program

Budget Request: \$1,800,000.

Program Request: \$3,600,000.

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

Program: Ongoing.

Annual Debt Service Impact \$72,000

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

17. Urban Forest Management Program

Budget Request: \$500,000.

Program Request: \$1,000,000.

Budget: Provides funds for tree planting and stump removal in support of green infrastructure, storm water control, and 2-for-1 tree replacement mandates.

Program: Ongoing.

Annual Debt Service Impact \$20,000

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

18. Stormwater Mitigation (Green Infrastructure)

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

Program Request: \$4,000,000. (Other Funds: \$400,000)

Budget: Provides funds for 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.

Annual Debt Service Impact \$40,000

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

G. TRANSPORTATION

1. Traffic System Infrastructure

Budget Request: \$550,000.
Program Request: \$1,100,000.

Budget: Provides funds for the implementation of the Improved Readability of Street Name Signs program, and for traffic infrastructure improvements including traffic signals, smart parking meters and decorative street lights, to maintain the existing traffic control system.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$40,205
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

2. Wilmington Transportation Initiatives

Budget Request: \$1,500,000. (Other Funds: \$6,000,000)
Program Request: \$4,000,000. (Other Funds: \$16,000,000)

Budget: Provides local matching funds for transportation projects managed through the Wilmington Initiatives partnership (City, DeIDOT, Wilmapco), including Transportation Improvements Program (TIP), Transportation Alternatives Program (TAP), and legislator-sponsored projects, which in turn leverage federal funding. The program also funds the implementation of adaptive signal controls and the installation of pedestrian ADA curb ramps.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$109,650
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

3. South Wilmington Transportation Improvements

Budget Request: \$1,000,000.
Program Request: \$8,500,000.

Budget: This program provides funds for parcel acquisition to implement transportation improvements in South Wilmington.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$73,100
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

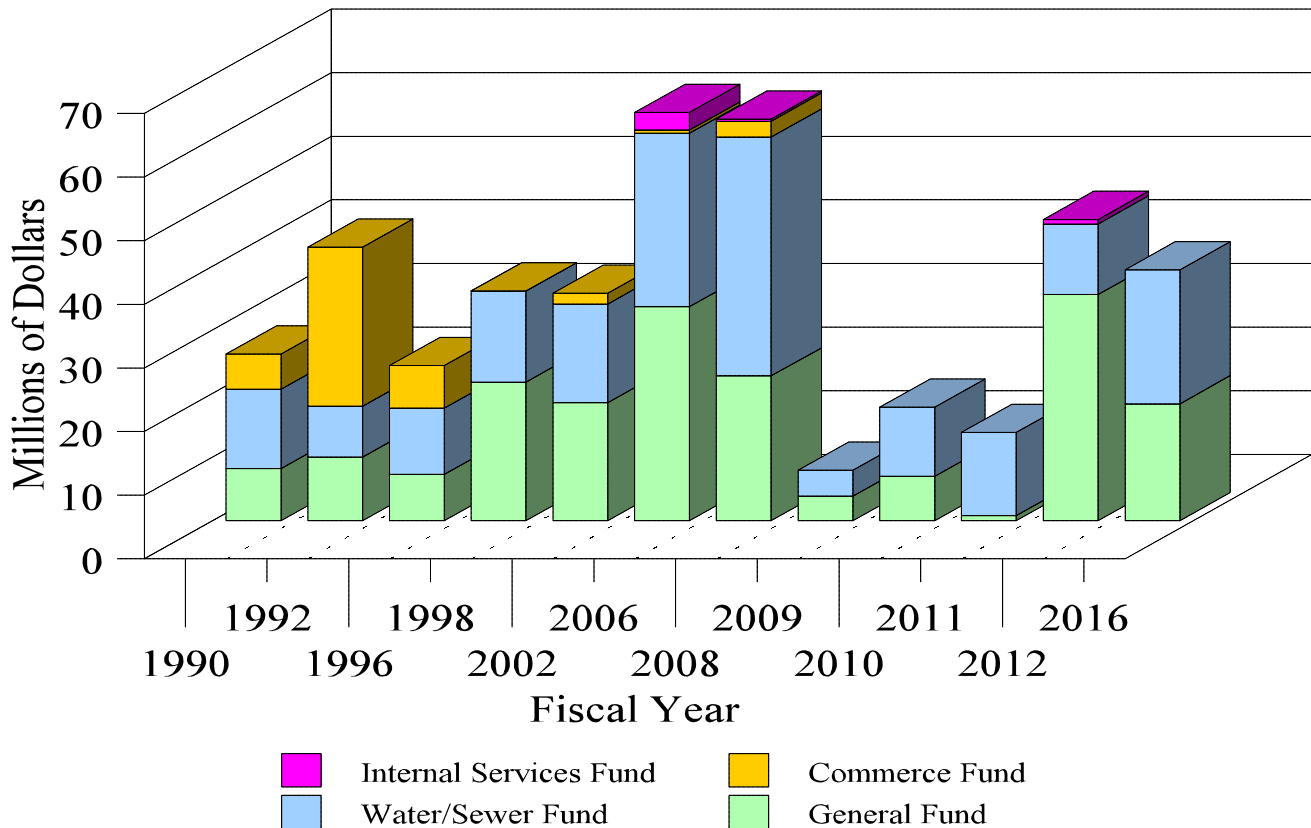
CAPITAL BORROWING AND DEBT MANAGEMENT

Borrowing History

The graph below illustrates the City's actual bond market participation for the fiscal years beginning with 1990 and ending in 2016. 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. Those 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 2017 General Fund Operating Budget totaling \$154,038,640, the budgeted debt service of \$13,920,928 is well below the 17.5% legal debt limit of \$26,956,762.

20-Year Historical General Obligation Bond Issuances



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. Although total annual General Fund debt service cost as a percentage of the annual operating budget shall not exceed 17.5%, as mandated by Delaware State law, the City shall strive to keep that percentage to below 11%.

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 \$26,956,762 for FY 2017). 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:

Fitch:	AA-	“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.”
Moody's:	Aa2	“Issuers or issues demonstrate very strong creditworthiness relative to other US municipal or tax-exempt issuers or issues.”
Standard & Poor's:	AA	“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 2011 through 2015 figures are actual payments. Fiscal Years 2016 and 2017 are budget and 2018 and beyond are figures based on the current structure of debt outstanding with no calculation added for assumed new borrowing. The average interest rates on outstanding balances are 4.45% for the General Fund, 4.68% for the Water/Sewer Fund, and 4.52% for the Internal Service Funds. (As the Commerce Fund has been exhausted and all debt service transferred to the General Fund, there are no outstanding Commerce Fund balances.)

GENERAL FUND	Principal	Interest	Total Debt Service	% of Total Budget
FY 2011	2,837,124	5,409,868	8,246,992	5.3%
FY 2012	5,679,233	5,321,512	11,000,745	7.1%
FY 2013	7,243,632	5,074,873	12,318,505	7.8%
FY 2014	6,842,619	5,196,194	12,038,813	7.8%
FY 2015	7,570,521	4,907,923	12,478,444	8.5%
FY 2016	8,895,770	5,359,933	14,255,703	9.2%
FY 2017	8,718,135	5,202,793	13,920,928	9.0%
FY 2018	8,194,142	4,862,509	13,056,651	8.3%
FY 2019	8,676,484	4,479,853	13,156,337	8.1%
FY 2020	8,978,711	4,144,344	13,123,055	7.9%
FY 2021	9,227,528	3,777,206	13,004,734	7.6%
FY 2022	7,548,866	3,409,145	10,958,011	6.3%
FY 2023	7,502,177	3,061,194	10,563,371	5.9%
FY 2024	7,002,827	2,688,176	9,691,003	5.3%
FY 2025	7,045,448	2,344,280	9,389,728	5.0%
FY 2026	7,133,771	1,997,707	9,131,478	4.7%
FY 2027	6,361,359	1,663,734	8,025,093	4.1%
FY 2028	5,394,346	1,373,045	6,767,391	3.3%
FY 2029	4,746,586	1,118,355	5,864,941	2.8%
FY 2030	5,899,574	844,838	6,744,412	3.2%
FY 2031	5,142,471	588,273	5,730,744	2.6%
FY 2032	5,254,940	374,313	5,629,253	2.5%
FY 2033	1,235,035	235,589	1,470,624	0.6%
FY 2034	1,297,952	172,264	1,470,216	0.6%
FY 2035	1,363,199	105,735	1,468,934	0.6%
FY 2036	1,433,107	35,828	1,468,935	0.6%
FY 2037	0	0	0	0.0%
TOTAL	\$157,225,557	\$73,749,484	\$230,975,041	

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

WATER/SEWER FUND	Principal	Interest	Total Debt Service	% of Total Budget
FY 2011	4,162,803	4,283,208	8,446,011	11.5%
FY 2012	6,522,388	6,193,410	12,715,798	17.4%
FY 2013	7,612,383	5,965,399	13,577,782	18.5%
FY 2014	7,674,780	5,832,865	13,507,645	18.4%
FY 2015	8,799,955	4,833,333	13,633,288	21.0%
FY 2016	9,026,243	7,999,121	17,025,364	23.2%
FY 2017	8,877,456	6,130,690	15,008,146	20.4%
FY 2018	10,599,591	6,739,338	17,338,929	23.1%
FY 2019	11,036,094	6,337,118	17,373,212	22.6%
FY 2020	11,459,617	5,944,897	17,404,514	22.1%
FY 2021	11,262,274	5,537,757	16,800,031	20.8%
FY 2022	12,878,913	5,087,787	17,966,700	21.7%
FY 2023	12,717,079	4,601,104	17,318,183	20.4%
FY 2024	13,735,534	4,062,267	17,797,801	20.4%
FY 2025	13,943,295	3,513,821	17,457,116	19.6%
FY 2026	13,417,081	2,964,882	16,381,963	17.9%
FY 2027	12,443,199	2,446,296	14,889,495	15.9%
FY 2028	11,755,824	1,966,948	13,722,772	14.3%
FY 2029	10,416,379	1,520,229	11,936,608	12.1%
FY 2030	8,471,442	1,149,156	9,620,598	9.5%
FY 2031	7,929,334	840,710	8,770,044	8.5%
FY 2032	5,470,887	579,318	6,050,205	5.7%
FY 2033	3,768,397	409,801	4,178,198	3.8%
FY 2034	3,840,250	267,957	4,108,207	3.7%
FY 2035	1,561,801	121,140	1,682,941	1.5%
FY 2036	1,641,893	41,047	1,682,940	1.4%
FY 2037	0	0	0	0.0%
TOTAL	\$231,024,892	\$95,369,599	\$326,394,491	

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

INTERNAL SERVICE FUNDS	Principal	Interest	Total Debt Service	% of Total Budget
FY 2011	89,492	425,562	515,054	3.2%
FY 2012	495,641	406,364	902,005	5.6%
FY 2013	428,432	357,357	785,789	4.9%
FY 2014	280,927	397,391	678,318	4.2%
FY 2015	455,418	301,225	756,643	5.5%
FY 2016	480,091	487,327	967,418	6.0%
FY 2017	520,025	405,121	925,146	5.8%
FY 2018	470,497	112,693	583,190	3.5%
FY 2019	355,805	92,793	448,598	2.7%
FY 2020	364,990	77,138	442,128	2.6%
FY 2021	593,802	56,145	649,947	3.7%
FY 2022	392,880	38,269	431,149	2.4%
FY 2023	232,444	28,550	260,994	1.4%
FY 2024	0	20,311	20,311	0.1%
FY 2025	0	20,311	20,311	0.1%
FY 2026	0	20,311	20,311	0.1%
FY 2027	0	20,311	20,311	0.1%
FY 2028	283,867	10,156	294,023	1.4%
FY 2029	0	0	0	0.0%
TOTAL	\$5,444,311	\$3,277,335	\$8,721,646	

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

FUNDS COMBINED	Principal	Interest	Total Debt Service	% of Total Budget
FY 2011	7,089,419	10,118,638	17,208,057	7.9%
FY 2012	12,697,263	11,921,286	26,715,535	11.8%
FY 2013	15,304,001	12,209,199	27,513,200	12.5%
FY 2014	14,798,326	11,426,450	26,224,776	11.5%
FY 2015	16,825,894	11,047,833	26,224,776	11.8%
FY 2016	17,860,140	10,377,892	28,238,032	11.8%
FY 2017	18,115,615	11,738,604	29,854,219	12.1%
FY 2018	19,264,230	11,714,540	30,978,770	12.4%
FY 2019	20,068,383	10,909,764	30,978,147	12.1%
FY 2020	20,803,318	10,166,379	30,969,697	11.8%
FY 2021	21,083,604	9,371,109	30,454,713	11.3%
FY 2022	20,820,658	8,535,201	29,355,859	10.7%
FY 2023	20,451,700	7,690,848	28,142,548	10.0%
FY 2024	20,738,361	6,770,754	27,509,115	9.5%
FY 2025	20,988,743	5,878,413	26,867,156	9.1%
FY 2026	20,550,852	4,982,900	25,533,752	8.4%
FY 2027	18,804,558	4,130,341	22,934,899	7.4%
FY 2028	17,434,037	3,350,149	20,784,186	6.5%
FY 2029	15,162,966	2,638,585	17,801,551	5.4%
FY 2030	14,371,016	1,993,994	16,365,010	4.9%
FY 2031	13,071,806	1,428,983	14,500,789	4.2%
FY 2032	10,725,828	953,631	11,679,459	3.3%
FY 2033	5,003,432	645,390	5,648,822	1.6%
FY 2034	5,138,202	440,221	5,578,423	1.5%
FY 2035	2,925,000	226,875	3,151,875	0.8%
FY 2036	3,075,000	76,875	3,151,875	0.9%
FY 2037	0	0	0	0.0%
TOTAL	\$393,172,352	\$99,756,097	\$492,928,449	

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

GENERAL FUND

DEPARTMENT	ACTUAL FY 2013	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	BUDGET FY 2017
MAYOR'S OFFICE	\$1,438,710	\$3,410,544	\$3,794,632	\$4,176,481	\$4,081,163
% Departmental Expenses	19.5%	36.9%	38.5%	38.4%	38.5%
CITY COUNCIL	18,513	639	816	664	683
% Departmental Expenses	0.7%	0.0%	0.0%	0.0%	0.0%
PLANNING	145,544	197,900	191,646	239,219	241,918
% Departmental Expenses	9.2%	11.6%	12.0%	14.2%	13.7%
FINANCE	5,619	6,415	6,488	49,049	38,237
% Departmental Expenses	0.1%	0.1%	0.1%	0.5%	0.4%
HUMAN RESOURCES	19,544	22,314	22,567	24,674	24,761
% Departmental Expenses	1.1%	1.2%	1.1%	1.2%	1.2%
LICENSES & INSPECTIONS	2,249	4,482	4,576	4,659	4,790
% Departmental Expenses	0.0%	0.1%	0.1%	0.1%	0.1%
PARKS & RECREATION	1,552,860	1,855,755	1,778,749	2,003,978	1,935,729
% Departmental Expenses	19.9%	22.2%	19.0%	21.8%	21.3%
FIRE	475,697	522,184	414,205	649,059	707,707
% Departmental Expenses	2.0%	2.2%	1.7%	2.7%	2.8%
POLICE	292,751	375,321	432,665	406,526	392,880
% Departmental Expenses	0.5%	0.7%	0.7%	0.7%	0.7%
PUBLIC WORKS	6,297,594	3,498,747	3,319,850	4,146,820	3,967,967
% Departmental Expenses	26.4%	16.2%	15.0%	17.3%	16.0%
REAL ESTATE & HOUSING	809,380	1,182,352	1,168,684	1,273,798	1,234,547
% Departmental Expenses	59.6%	68.9%	63.5%	71.0%	69.4%
COMMERCE DEPARTMENT	1,260,047	962,160	1,343,565	1,280,776	1,290,546
% Departmental Expenses	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 2013	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	BUDGET FY 2017
TOTAL DEBT SERVICE	\$12,318,506	\$12,038,814	\$12,478,444	\$14,255,703	\$13,920,928
% General Fund	8.6%	8.2%	8.2%	9.4%	9.0%
LEGAL DEBT SERVICE LIMIT (17.5%)	\$25,199,517	\$25,554,669	\$26,487,904	\$26,546,950	\$26,956,762

WATER/SEWER FUND

DEPARTMENT	ACTUAL FY 2013	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	BUDGET FY 2017
PUBLIC WORKS	\$5,965,399	\$5,832,865	\$4,833,333	\$7,999,121	\$6,130,690
% of Department Expenses	10.6%	9.6%	8.1%	12.0%	9.0%
TOTAL DEBT SERVICE	\$5,965,399	\$5,832,865	\$4,833,333	\$7,999,121	\$6,130,690
% of Water/Sewer Fund	10.0%	9.0%	7.6%	11.2%	8.4%

INTERNAL SERVICE (IS) FUNDS

DEPARTMENT	ACTUAL FY 2013	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	BUDGET FY 2017
MAYOR'S OFFICE	\$133,753	\$166,142	\$136,708	\$265,261	\$222,166
% of Department Expenses	1.6%	2.2%	2.1%	3.1%	2.5%
PUBLIC WORKS	223,604	231,249	164,517	222,066	182,956
% of Department Expenses	3.0%	3.0%	2.2%	2.9%	2.5%
TOTAL DEBT SERVICE	\$357,357	\$397,391	\$301,225	\$487,327	\$405,122
% of IS Fund	2.3%	2.6%	2.1%	3.0%	2.5%

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

ALL DEPARTMENTS	ACTUAL FY 2013	ACTUAL FY 2014	ACTUAL FY 2015	BUDGET FY 2016	BUDGET FY 2017
TOTAL DEPT SERVICE	\$18,641,262	\$18,269,070	\$17,613,002	\$22,742,151	\$20,456,740
% of All Funds	9.1%	8.7%	8.2%	10.2%	9.0%

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 1995-2016**

Fiscal Year-end	Taxable Assessed Value	Gross Bonded Debt	Gross Debt Payable from Enterprise, Internal Service, and State Funds	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
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	290,699,645	166,125,509	124,574,136	5.71%	1,758
2014	2,144,938,410	275,767,390	158,169,811	117,597,579	5.48%	1,660
2015	2,148,473,062	258,631,665	148,914,439	109,717,226	5.11%	1,549
2016	2,150,271,230	308,597,307	190,440,648	118,156,659	5.50%	1,668

TOTAL DEBT BALANCES BY YEAR
FISCAL YEARS 2017-2037

First Day of Fiscal Year	General Fund Debt	Water/Sewer Fund Debt	Internal Service Funds Debt	Total Debt
2017	118,156,659	187,226,339	3,214,309	308,597,307
2018	109,438,525	178,348,884	2,694,284	290,481,693
2019	101,244,383	167,749,293	2,223,787	271,217,463
2020	92,567,899	156,713,198	1,867,983	251,149,080
2021	83,589,188	145,253,581	1,502,993	230,345,762
2022	74,361,660	133,991,308	909,190	209,262,158
2023	66,812,794	121,112,395	516,311	188,441,500
2024	59,310,617	108,395,316	283,867	167,989,800
2025	52,307,790	94,659,783	283,867	147,251,440
2026	45,262,341	80,716,488	283,867	126,262,696
2027	38,128,570	67,299,406	283,867	105,711,843
2028	31,767,212	54,856,207	283,867	86,907,286
2029	26,372,866	43,100,383	0	69,473,249
2030	21,626,279	32,684,004	0	54,310,283
2031	15,726,706	24,212,561	0	39,939,267
2032	10,584,234	16,283,227	0	26,867,461
2033	5,329,294	10,812,340	0	16,141,634
2034	4,094,259	7,043,943	0	11,138,202
2035	2,796,306	3,203,694	0	6,000,000
2036	2,796,306	1,641,893	0	4,438,199
2037	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 appropriation 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. The term fiscal year is often abbreviated as "FY".

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 Measures: Statistical indicators 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.

Unassigned Fund Balance: See Fund Balance.

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