



# City of Wilmington Annual Budget Fiscal Year 2019



**Michael S. Purzycki, Mayor**

# City of Wilmington Delaware



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## Approved Budget FY 2019

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**Michael S. Purzycki**  
Mayor

Prepared by the  
Office of Management and Budget

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**Fiscal Year 2019 • Approved by City Council • May 17, 2018**

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, 2017.

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

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Wilmington  
Delaware**

For the Fiscal Year Beginning

**July 1, 2017**

*Christopher P. Morill*

Executive Director

# CITY ADMINISTRATION

**Mayor - Michael S. Purzycki**

**Treasurer - Velda Jones-Potter**

## THE COUNCIL

**President - Hanifa G.N. Shabazz**

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

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

**3rd District** . . . . . Zanthia Oliver

**4th District** . . . . . Michelle Harlee

**5th District** . . . . . Va'Shun A. Turner

**6th District** . . . . . Yolanda McCoy

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

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

**At Large** . . . . . Ciro Adams

**At Large** . . . . . Rysheema Dixon

**At Large** . . . . . Samuel L. Guy

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

Maribel Seijo, City Clerk

Marchelle Basnight, City Council Chief of Staff

## CITY OFFICIALS

### **Tanya Washington**

Charlotte B. Barnes

Patrick T. Carter

Michael Donohue

Jeffrey C. Flynn

Herb M. Inden

Kevin F. Kelley

Luke W. Mette

Willie J. Patrick, Jr.

Jeffrey J. Starkey

Robert J. Tracy

Robert L. Weir

Kelly A. Williams

Terence J. Williams

### **Chief of Staff**

Director of Human Resources

Director of Finance

Chief of Fire

Director of Economic Development Office

Director of Planning

Director of Parks and Recreation

City Solicitor

Director of Emergency Management Office

Commissioner of Licenses & Inspections

Chief of Police

Director of Real Estate and Housing

Commissioner of Public Works

City Auditor

## OFFICE OF MANAGEMENT & BUDGET

### **Robert S. Greco**

Robert G. Winkeler

George G. Hayford

Stephanie L. Mergler

Daniel P. Owens

### **Budget Director**

Senior Analyst/Systems Coordinator

Senior Analyst

Budget Analyst II

Budget Analyst II



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# City of Wilmington



MICHAEL S. PURZYCKI  
Mayor

## FISCAL YEAR 2019 BUDGET MESSAGE

### PROGRESS

A year ago, I presented my first budget as Mayor of the City of Wilmington, describing the goals I had for the City. I think it is fair to say we have had some significant success in improving the City's health overall, but it is also accurate to say we have a long way to go to get to what we all imagine our City can be. But make no mistake; the state of the City is good.

Generally speaking, there is much to be optimistic about. Our economy is solid, as is our bond rating. There are one thousand rental units and two hotels under development, in addition to the new Marriott Residence Inn hotel that recently opened downtown. While some traditional employers are contracting in size, smaller employers are growing and see Wilmington as a place to build their businesses. More restaurants are opening downtown, and enthusiasm is high with the opening of the Mid-town Park Garage.

The Riverfront continues to thrive, with the Christina River Bridge set to be completed early next year. The Philadelphia 76ers training center will offer a great venue for watching world-class players as well as a place for our young people to develop their athletic skills in a first-rate facility. And there are many more exciting economic development projects on the horizon.

Our most important challenge last fiscal year was to deal with a looming projected four-year, \$54 million cumulative deficit. A 7.5% increase in the property tax in the current fiscal year aided in smoothing out the burden of these projected deficits, along with making some difficult decisions about reducing staffing.

When members of City Council and I stood for election last year, the dominant issue in the City was crime. We were called upon to improve public safety. In response, I chose to conduct a nationwide search for a new police chief. After a thorough search, we selected Robert Tracy to lead the Department, the first chief to come from outside the Department in the City's history.

Chief Tracy has brought to Wilmington data-driven policing at a level not seen before. He has made organizational discipline, accountability, and police district integrity the cornerstones of his



deployment strategy. He has created a culture of personal involvement and community engagement that have yielded strong relationships with our neighborhoods.

We have more police officers on the street than ever before, and, notably, thanks to the Department's leadership, we will have the lowest overtime usage in over five years. But nothing speaks louder than results. After finishing last year with record levels of violent crime, the trends are encouraging. As of the end of June 2018, overall crime is down 9% year over year. Notably, shootings incidents are down 57%, the number of shooting victims is down 59%, and shooting homicides are down 47%. It is far too early to declare victory, but we feel very good about the direction of our Police Department and its management of public safety.

Speaking of public safety, my administration identified sub-market salaries for our police officers and command staff as a problem in retaining personnel and as the source of low morale among the rank and file. We worked hard with the Fraternal Order of Police (FOP) Rank & File and the FOP Captains & Inspectors unions to reach four-year agreements that were overwhelmingly ratified by the membership. We are gratified with the cooperation of the membership in reaching an agreement that compensates our officers fairly and allows for the more efficient deployment of personnel. We look forward to successful negotiations with our firefighter, laborer, and clerical unions this summer.

### **CHALLENGES**

Although we do not call for a property tax increase this year, and management improvements have better controlled spending, challenges remain, and we should be mindful of how we deal with out-year projected deficits. Structural financial constraints continue to impede our ability to adequately fund needed capital projects and services for our residents. Aged infrastructure that requires millions of dollars each year in maintenance and replacements drains our resources. Far too many neighborhoods are beset by poverty and crime. And too many of our citizens live in substandard rental housing — a condition that begs to be corrected.

There is also a specific issue of urgent importance that I want to explain that is generally not well understood by many of our citizens, but which is the cornerstone of property tax fairness. This is the matter of property reassessment.

The last time New Castle County conducted a general reassessment was in 1983 — 35 years ago. Since then, property values necessarily changed relative to one another while the original assessments remained the same. Consequently, basic fairness is being denied to too many of our taxpayers. In the City, our residents living in condominiums are generally overtaxed, and in some cases severely overtaxed. This is simply wrong.

While historically these inequities have not affected the City's overall revenues, today we face a potential financial hardship because the courts have opened the doors to assessment appeals that never before existed. The consequence of a backlog of appeals (in the context of a redefined standard for appeal) is that the County is negotiating resolution of these appeals with land owners in a way that has reduced revenue to the City by almost \$600,000 over recent years, and a similar amount is projected anticipated in FY 2019. These losses only promise to get worse if nothing is done to rectify the situation.

If we don't find a satisfactory appeals process that is fair to all city taxpayers, the City will bleed to death by a thousand cuts, or a thousand tax appeals. Our goal for the short term is to get a moratorium on the assessment appeals until the courts clarify the proper basis for review. We will work with the County on achieving a result that protects the City treasury, but if we are not able to do so, we will be forced to seek protection of the courts. In the end, a full reassessment of all County properties is the correct path to follow.

### **NEIGHBORHOOD IMPROVEMENT**

Our most pressing goal should always be the improvement of our neighborhoods. To achieve this goal, last year I announced our first Neighborhood Stabilization Project in West Center City, a pilot project for redeveloping neighborhoods. The components of this project include:

- More focused public safety initiatives featuring intense community engagement
- The first rental inspections conducted in the City in 10 years
- Doubling of trash collections
- Improvement of housing stock
- The acquisition of problem properties
- General aesthetic improvements
- Improvement to the Hicks Anderson Community Center and Helen Chambers Park
- A coordinated effort with partner agencies to rebuild the community

At the same time, we have encouraged the State to help better coordinate the deployment of services as recommended by the Centers for Disease Control and Prevention (CDC). I want to commend Council President Shabazz for her efforts related to the CDC report.

The results in West Center City so far have been encouraging. We have not been able to improve housing as much as I would have liked, largely because the time required to take properties to sheriff's sale and take title is a full six months, if not longer. At last, however, the City will have complete control of 20 properties and will have a plan and funds in place for rehabilitating them. We have agreements with the Wilmington Housing Authority to fully rehabilitate 19 properties and make them available for sale.

Notwithstanding that we are behind in our housing schedule, there are tangible signs of improvement in West Center City. Members of the community report increased satisfaction with our efforts. There have been only two shootings as of June 2018, a decrease of 80% year over year, and crime overall is down 16%. Most encouraging is a significant increase in calls for service, indicating a willingness on the part of citizens to involve our police officers in assisting with criminal behavior. Notably, we have 50 applicants for our Exterior Home Improvement program in West Center City alone. Working with Council and the community, we are increasingly confident of success in West Center City. And working with the Planning Department, Police Department, and City Council, we will soon identify a second stabilization area.

### **HOME OWNERSHIP**

I have identified a lack of home ownership as a major cause of weak neighborhoods in our City. Accordingly, I am instructing the Director of Real Estate and Housing and the Director of Economic Development to jointly formulate a plan to provide homeownership opportunities for

our qualified resident renters so that they may purchase a fully-renovated home priced under market value, financed with a 15-year mortgage. Young families can have a chance not only of home ownership, but also of owning their home debt-free in 15 years. In other words, we can ensure an important source of wealth accumulation for many of our citizens who have historically been denied a path to home equity.

In our City, we have an estimated 17,000 rental units with 2,700 landlords, too many of whom are not licensed. While landlords generally are responsible and maintain their units, too many take advantage of our residents by charging high rents and not maintaining their properties. Our City abandoned rental inspections a decade ago, and the result has been distressing. Too often our children are being raised in homes unfit for human habitation with detrimental effects on their physical and emotional well-being. Poorly maintained rental units ruin neighborhoods. I have called for the hiring of four additional Code Inspectors in the Department of Licenses and Inspections (L&I) to augment the staff necessary to adequately inspect our rental properties. We have much work to do. Of the units we have thus far inspected, 85% have failed.

In addition to more aggressive inspections, I implore City Council to pass our proposed Crime and Blight legislation to give us the tools necessary to deal with irresponsible property owners. We have heard Council's concerns, and I want to make clear that commercial and investor interests are the target of our proposed legislation — not homeowners. We will add a revision to the proposed legislation to protect homeowners who do not have adequate means to improve their properties to meet codes. To assist those homeowners, we have set aside \$500,000 of federal home improvement funds. I also will be requesting legislation to authorize assessment of a fee of \$100 per rental unit to fund the staffing necessary to maintain rental units in acceptable condition.

### **IMPROVED GOVERNMENT AND QUALITY OF LIFE**

Our internal processes have needed improvement for some time, and we have embarked on a number of initiatives to bring the City up to acceptable standards and practices. I had hoped to accomplish more by now, but I confess I have not yet acclimated myself to the pace at which government functions. Hopefully, we can continue to reduce the level of bureaucratic inertia. In any case, in the Department of L&I, we are about to launch a digital plans submission and review system that will greatly shorten the period of time for obtaining plan approval. All of the relevant departments will communicate online and review plans together. This follows our previous initiative of reducing the approval time for sewer applications from 65 days to 10 days.

We are currently beta testing a 311 call center, which should be fully operational before the end of FY 2018. This will make dealing with complaints and searches for information much more user-friendly, not to mention provide the ability to easily track the progress online of any request or inquiry.

We will implement an Open Government information sharing platform for internal sharing of information, as well as making the facts of government transparent to all of our citizens, including our friends in the press.

We have been working with relevant parties to change all the street lights in the City to LED lighting. This will allow us to incorporate smart technologies, as well as provide lighting tailored to a specific neighborhood requirement. This will profoundly change the City's appearance and provide improved safety along darker streets when completed at the end of next year.

There are countless ways to improve "Quality of Life." One of these ways is to sponsor an event for high school students to become acquainted with the country's Historically Black Colleges and Universities (HBCUs) and understand the educational options available to them. Last fall, 700 young men and women joined us for a spectacular day of learning about HBCUs. One-hundred and twenty students were accepted to college on the spot, and there were scholarships totaling \$114,000 awarded that day. We are already gearing up for our next HBCU education event.

Another way to assess quality of life is by the availability of quality places of recreation for children and young adults. To that end, let me say a few words about athletic fields in our City. The proposal well over a year ago by Salesianum High School (a private school) to fully fund a comprehensive renovation and expansion of Baynard Stadium, and the subsequent debate, revealed that, in fact, the City has few athletic fields available for youth football and other activities.

While the Salesianum proposal would not have diminished public access to Baynard Stadium at all from its historical usage — a 60-year history — what was clear was that new athletic fields needed to be identified and improved for our youth. This Administration made one proposal after another, but Council members, with virtually one voice, appeared committed to their one field of choice — Eden Park. It was not an acceptable choice from our view because of increased costs. However, in light of Council's strong feelings on the matter, and after value engineering the project, the City will fund the construction of the field at Eden Park, assuming the cost can be kept under \$2 million dollars — which our Parks & Recreation Director informs me is feasible. Hopefully, this will set the stage for our youth to have two state-of-the-art athletic fields, one of which will be located in a grand new stadium funded without taxpayer dollars.

## **BUDGET HIGHLIGHTS**

The General Fund operating budget for FY 2019 has expenditures of \$162.3 million, up by almost \$7.4 million over last fiscal year. But of that amount, \$2.7 million is debt service, \$2.6 million is from the contract settlement with the police union, and \$2 million was an unanticipated but required contribution to the state-sponsored pension plans for City employees. It is important to note that due to increased contributions from employees and better health practices, the City's cost of healthcare in this budget increased by less than one percent, precisely the kind of budget controls we were hoping for. Below are the highlights of the FY 2019 General Fund Budget followed by those of the Water/Sewer Fund.

### **The General Fund**

- The FY 2019 operating budget expenditures total **\$162,299,001** – up \$7,375,923 or 4.8% from FY 2018.
- Staffing increased by a net total of 2.95 full-time equivalents (FTE). The change in FTE, along with other personnel actions, including changes in grades and salary adjustments, resulted in a net increase of about \$300,900.

- Debt Service increased by almost \$2.7 million. Roughly half of that increase is the projected debt service from a planned bond issuance in Spring of 2018 to provide funding for previously approved FY 2016-2017 Capital Budget projects. The remaining half of the increase is in the existing debt service schedule and is the result of refinancing an older bond issue that temporarily lowered debt service the previous two fiscal years. The refinancing savings do not continue into FY 2019.
- Regular Salaries are up over \$2.6 million or 4.9%. Most of the increase is in Police, a result of the recently settled labor contract with the Fraternal Order of Police union. Somewhat offsetting the increase in salaries was the elimination of Police shift differential pay, saving \$704,000.
- In total, the cost of the State-sponsored pension plans rose \$2 million, a 55% increase from last fiscal year. While the ever increasing number of new City employees entering the pension plans contributes to an increase each year, that effect (about \$500,000 for FY 2019) pales in comparison to the increases in the State's actuarially required contributions, especially the dramatic 46% spike in the public safety employees plan.
- As an integral part of the initiative to eliminate blight, a total of almost \$300,000 was added to L&I's budget in critical areas such as demolition and property maintenance. In Real Estate & Housing, \$250,000 was added to support the acquisition of problem properties, along with architectural and engineering services to stabilize the properties once acquired.
- To address the poor condition of rental properties in some areas of the City, four new Housing Code Inspector positions were added in the Department of Licenses & Inspections at a cost of \$343,460.
- The Internal Services Chargeback account group increased by almost \$346,000, entirely due to a 10.5% increase in Data Processing. Major initiatives contributing to the increase include specialized software for L&I to more effectively fight blight, a dedicated software training consultant, and a senior software application specialist.
- 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 FY 2016, 50% in FY 2017, and 75% in FY 2018. The charge is 100% in FY 2019 and beyond. The 100% charge for FY 2019 to the General Fund will cost about \$1.04 million, an increase of almost \$300,000 from last fiscal year.
- Based on State-provided data on traffic accidents and violations within Wilmington, the City will be placing digital red-light cameras at 17 additional intersections. Red-light commission fees were increased \$200,000 as a result. The increase in costs will be more than offset by the additional \$1.5 million in red-light enforcement citations expected to be generated. Both figures include a downward adjustment that assumes the cameras will not be fully operational until halfway through the fiscal year.
- The budget for Consultants decreased \$509,000, with major reductions in the Police, Fire, and Planning Departments. Police and Fire have a biennial job employee promotion process administered by specialized consultants. Because FY 2019 will be an off year in the promotional cycle for both Departments, a combined total of \$327,000 could be excluded from the budget. For FY 2018, \$125,000 was budgeted in Planning for a consultant to assist in developing a City-wide ADA compliance self-evaluation and

transition plan. That funding is no longer needed in FY 2019 and was removed.

- The budget was balanced without a Property Tax increase or use of Fund Balance.

## **The Water/Sewer Fund**

- The FY 2019 operating budget expenditures total \$75,449,620 – up \$4,388,692, or 6.2 % from FY 2018. The FY 2019 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, along with 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.
- Staffing increased by a net total of 2.90 full-time equivalents (FTE). The change in FTE, along with other personnel actions, including change in grades and salary adjustments, resulted in a net increase of \$277,700.
- There is a \$1.54 million increase in the contract for Veolia to operate and maintain the City's sewage treatment plant. The City’s 20-year contract with Veolia will expire at the end of FY 2018. As the City prepares a request-for-proposal (RFP) package to bid for a new long-term contract, Veolia has agreed to a one-year extension to continue its services at the Plant. However, without the certainty of a long-term agreement, some large risk-inherent items have been priced into the contract cost up front, causing the increase.
- Total Debt Service increased a net \$931,281. New debt service projected from a planned bond issuance in Spring of 2018 to provide funding for previously approved FY 2016-2017 Capital Budget projects added \$1,533,155. This was partially offset by a reduction of \$601,874 in the existing debt service schedule.
- A total of \$504,000 was added to the Repairs to Equipment account in the Water System Division, reflecting a more aggressive electrical and mechanical preventative maintenance program for pumps and valves at filter plants and pumping stations. The increase also covers the expansion of the boiler maintenance contract on the boiler feed pumps, condensate return systems, heat exchangers, and associated piping at the filter plants.
- The Finance Department increased delinquent water/sewer bill collection expenses, especially as it relates to the sheriff sale process and related legal support. The increase of almost \$436,000 reflects greater utilization of sheriff sales against those property owners who have not complied with payment initiatives on their delinquent accounts.
- The Internal Services Chargeback account group increased by almost \$250,500, with Data Processing and Postage up \$180,600 and \$69,900 respectively. The conversion to monthly processing and mailing of water/sewer bills accounted for the entire rise in Postage and most of the increase in Data Processing.
- The Indirect Cost expense to the Water/Sewer Fund rose by \$255,700, reflecting budget increases in the supporting services provided to the Water/Sewer Fund’s utility functions by the General Fund.
- The use of specialized procurement processes, block pricing, and the operation of large

pumps during off-peak hours of demand have resulted in a 20% savings in electricity costs, allowing for a \$205,500 reduction to the budget.

- There is an approved increase to water and sewer rates of 4.0%. This will allow the City to build toward a fully-funded 60-day operating reserve, while meeting the minimum debt coverage ratio set by policy. This rate increase was strongly recommended by the City's independent Water/Sewer Citizens Advisory Board.
- Stormwater rates will remain the same as last fiscal year, also as recommended by the Water/Sewer Citizens Advisory Board.

## CONCLUSION

It can be said that a budget is an expression of our values and goals. Through numerous interactions, forums, and public meetings with citizens, business leaders, and City Council, it is clear there is very little difference of opinion on what those goals are. We all want clean, safe, and prosperous neighborhoods; we want a strong economy; we want jobs, clean parks, and a city government that runs well. How we can accomplish these goals is where we sometimes differ. But that disagreement should not undermine our efforts to make progress together.

Nothing is perfect, and no budget is perfect. Mayors are not perfect. Candidly, there are things in my own budget I would change. Budgets of thousands of lines always have something we don't like. But I believe this budget satisfies our most important objectives.

I ask you to consider that in one year this Administration has worked very hard to put our City on the right path. It is a path to better housing, better and cleaner neighborhoods, better technology, more beautiful public spaces, and a safer city. It is a path to attracting businesses, jobs and the resulting vital tax revenues. It is a path, above all, of inclusion and shared prosperity. But none of this is easy. Government's fundamental inefficiency sometimes frustrates our highest aspirations. And changing history's legacy is hard work. But this is our chosen responsibility and our highest calling.

To all who call the City of Wilmington home, who work here, and who visit here, I ask for your continued support. To Council, I also ask that you give us a chance to succeed, or even, in good faith, to fail. Extend us trust until we break that trust. I ask that you give us a chance to vindicate an aspirational decision to work together for a better future for Wilmington.

Respectfully,



Michael S. Purzycki  
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.*

N

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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.

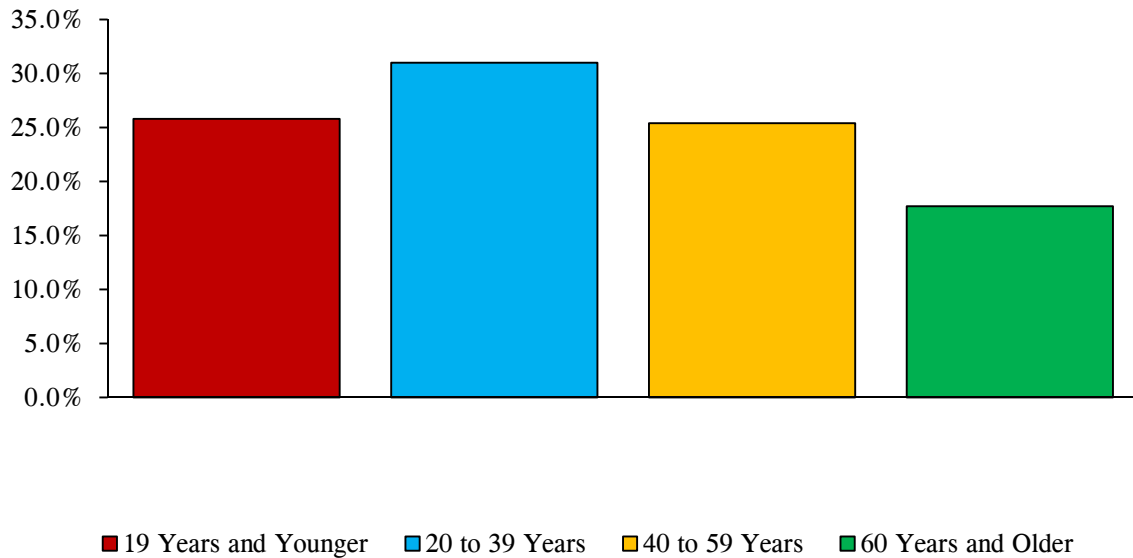
## POPULATION TRENDS

	<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



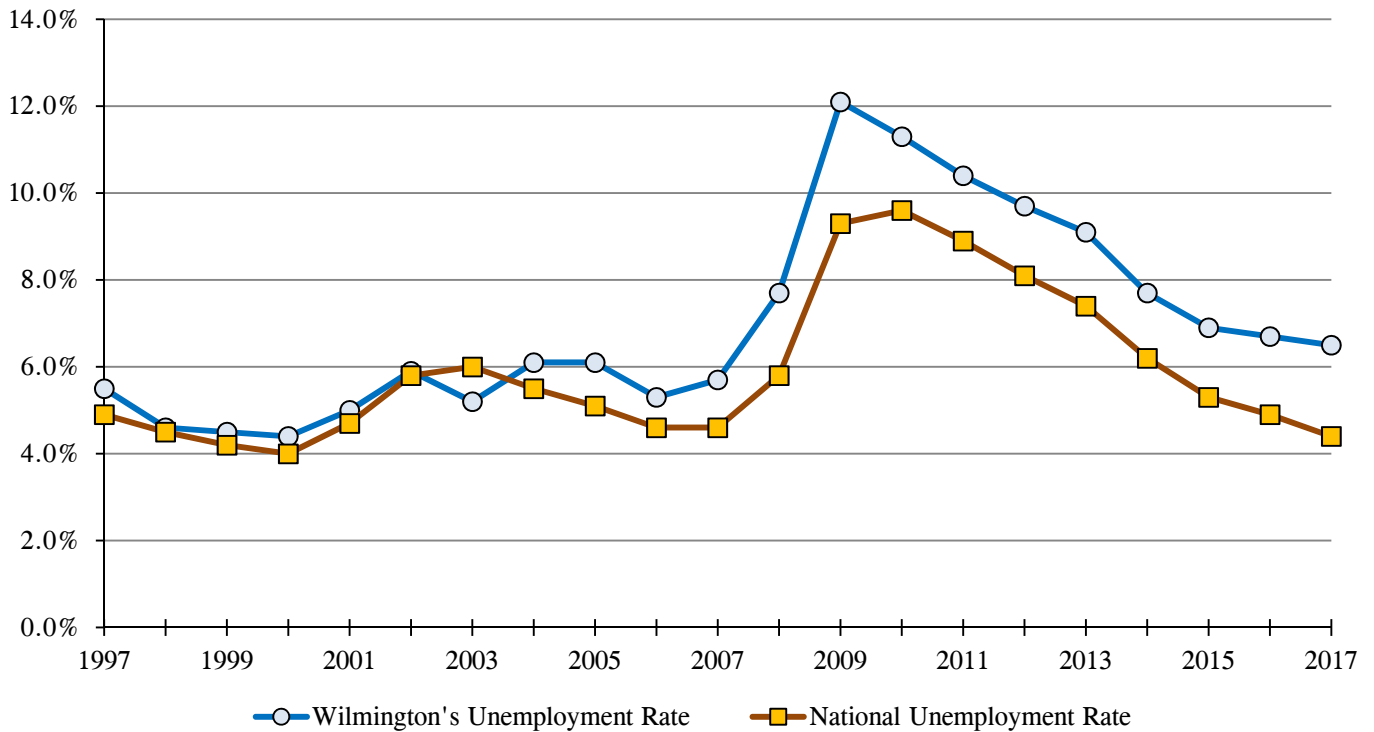
<b>PERCENT OF HOUSEHOLDS BY ANNUAL INCOME (in 2016 inflation adjusted dollars)</b>	
\$0 to \$9,999	13.6%
\$10,000 to \$14,999	7.6%
\$15,000 to \$24,999	12.2%
\$25,000 to \$34,999	12.4%
\$35,000 to \$49,999	11.9%
\$50,000 to \$74,999	16.7%
\$75,000 to \$99,999	8.6%
\$100,000 to \$149,999	10.2%
\$150,000 or more	6.9%
<b>MEDIAN HOUSEHOLD INCOME</b>	<b>\$40,065</b>

Source: U.S. Census Bureau, 2016 American Community Survey.

## WILMINGTON EMPLOYMENT TRENDS

Employment is a strong indicator of the City of Wilmington's overall health. While the City's unemployment rate has continued to improve, it has remained above the national trend, 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.

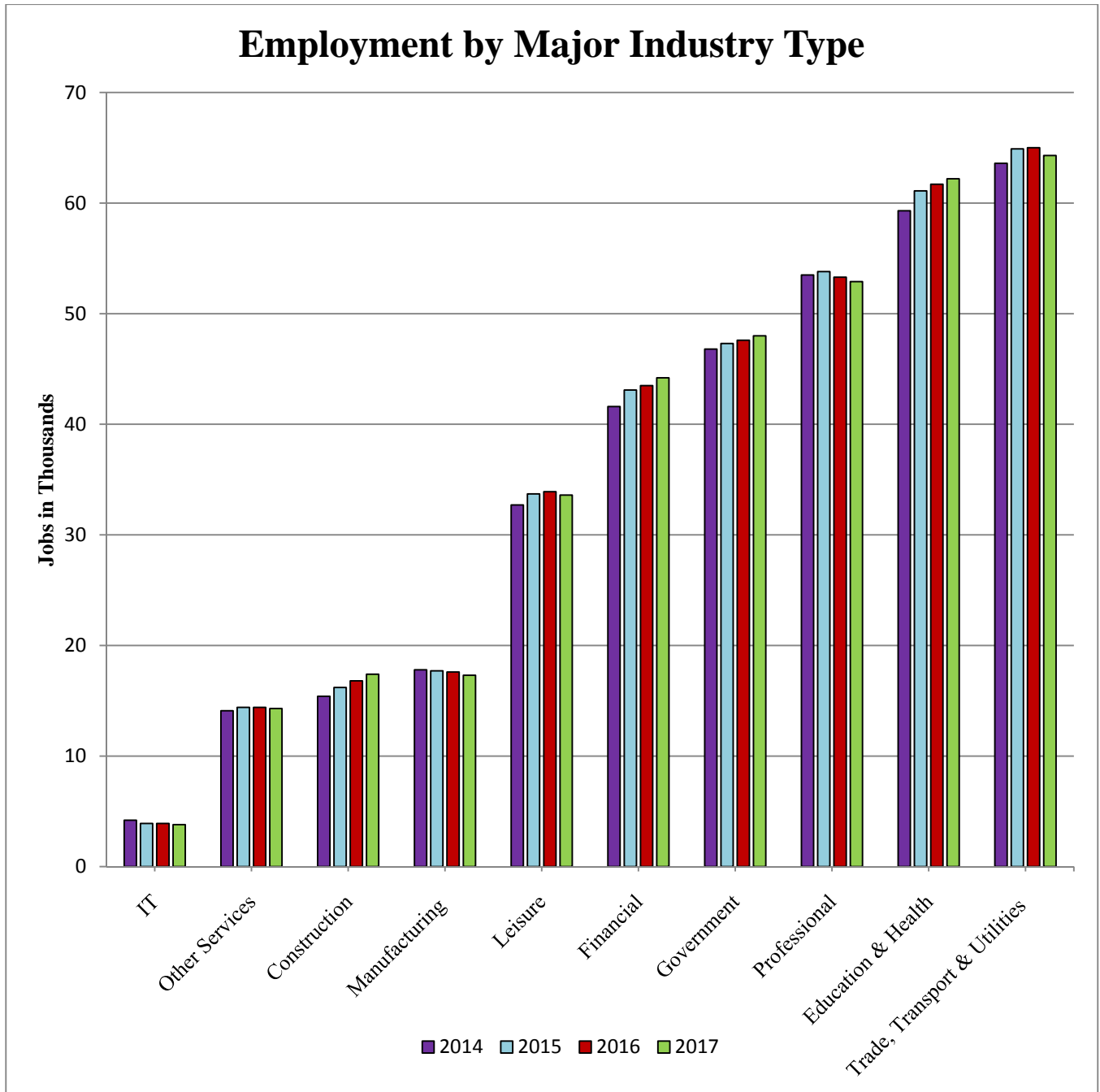
### City of Wilmington's Unemployment Rate (%)



Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics & Annual Average Unemployment Rate, 2017.

## 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, 2017.

## WILMINGTON METRO AREA EMPLOYMENT TRENDS

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

<b>Employer</b>	<b>Business</b>	<b>Employees</b>
State of Delaware	Government	14,199
Christiana Care Health System	Hospital/Healthcare	11,308
University of Delaware	Public Education	4,493
Amazon (DE Fulfillment Centers)	Catalog & Mail Order	4,300
Nemours (A.I. DuPont Hospital)	Hospital/Healthcare	3,795
DuPont Company	Science and Engineering	3,500
AstraZeneca Pharmaceuticals LP	Pharmaceuticals/Chemicals	2,500
YMCA of Delaware	Nonprofit	2,469
Christina School District	Public Education	2,390
Red Clay School District	Public Education	2,200
Delaware Tech. Comm. College	Public Education	2,100
New Castle County	Government	2,000
M&T Bank / Washington Trust	Banking	1,900
Brandywine School District	Public Education	1,472
Siemens Healthcare Diagnostics	Healthcare	1,410
Connections Community Support	Hospital/Healthcare	1,200
Saint Francis Healthcare	Hospital/Healthcare	1,200
Delaware State University	Public Education	1,009
The Chemours Company	Chemicals	1,000
Wilmington VA Medical Center	Hospital/Healthcare	980
Delmarva Power	Utility	898
AAA	Automotive/Travel	890
Blackrock Capital Management, Inc.	Financial	834
WSFS Bank	Banking	801

Source: Delaware Business Times, Book of Lists, 2017.

## Wage Tax, Net Profits Tax, and Head Tax Revenue

Maintaining the diversity of the City’s revenue sources is an important component in assuring stable income during an economic downturn. In general, Wilmington has seen the diversity of its largest taxpayers increase or remain stable over the last three fiscal years.

### Wage Tax Withholdings

<b>Fiscal Year</b>	<b>Wage Tax Withholdings by Top Ten Taxpayers</b>	<b>Total Wage Tax Withholdings</b>	<b>Top Ten Wage Tax Withholdings as a % of Total</b>
2017	\$22,315,103	\$60,334,780	37.0%
2016	\$21,043,574	\$57,554,177	36.6%
2015	\$25,643,559	\$57,891,999	44.3%

### Net Profits Tax

<b>Fiscal Year</b>	<b>Net Profits Tax Payments by Top Ten Taxpayers</b>	<b>Total Net Profits Tax Payments</b>	<b>Top Ten Net Profits Tax Payments as a % of Total</b>
2017	\$2,969,314	\$6,577,048	45.1%
2016	\$2,910,639	\$5,545,183	52.5%
2015	\$2,556,049	\$5,746,392	44.5%

### Head Tax

<b>Fiscal Year</b>	<b>Head Tax Payments by Top Ten Taxpayers</b>	<b>Total Head Tax Payments</b>	<b>Top Ten Head Tax Payments as a % of Total</b>
2017	\$1,544,280	\$3,853,010	40.1%
2016	\$1,672,275	\$3,926,973	42.6%
2015	\$2,047,830	\$4,260,172	48.1%

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, combined, represent almost a quarter of the total taxable assessment value in the City.

<b>Name</b>	<b>Property Type</b>	<b>Taxable Assessment</b>	<b>Percent of Total Taxable Assessment</b>
Buccini Pollin Group	Office & Residential	\$95,453,800	4.42%
JP Morgan Chase	Office Building	55,412,300	2.56%
Bank of America	Office Building	54,057,400	2.50%
M & T Bank	Office Building	52,803,060	2.44%
Delmarva	Electric & Gas Utility	46,017,300	2.13%
DCL Leasing Partners	Office Building	41,000,000	1.90%
1201 N. Market St., LLC	Office Building	35,000,000	1.62%
Calpine Mid-Atlantic	Electric Generation	32,900,100	1.52%
TRC Rubenstein	Office Building	28,548,300	1.32%
222 Delaware Partners LP	Office Building	22,000,000	1.02%
Brandywine Office Investment	Office Building	21,329,800	0.99%
Verizon	Office Building & Utility	15,866,100	0.73%
<b>Total</b>		<b>\$500,388,160</b>	<b>23.16%</b>

Source: City of Wilmington Department of Finance.



### New Construction Permits Issued

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Single-Family	22	7	29	47	21
Multi-Family	3	2	6	3	2
Non-Residential	4	9	14	5	4
<b>Total</b>	<b>29</b>	<b>18</b>	<b>49</b>	<b>55</b>	<b>27</b>

### Total Value of New Construction Activity

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Residential	\$22,457,667	\$13,478,141	\$20,039,224	\$51,556,503	\$16,059,413
Non-Residential	\$5,383,608	\$18,583,810	\$67,428,205	\$877,789	\$50,501,425
<b>Total</b>	<b>\$27,841,275</b>	<b>\$32,061,951</b>	<b>\$87,467,429</b>	<b>\$52,434,292</b>	<b>\$66,560,838</b>

### Renovation Construction Permits Issued

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Residential	2,232	2,449	2,520	1,492	1,564
Non-Residential	447	346	413	169	680
<b>Total</b>	<b>2,679</b>	<b>2,795</b>	<b>2,933</b>	<b>1,661</b>	<b>2,244</b>

### Total Value of Renovation Construction Activity

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Residential	\$49,604,102	\$46,918,681	\$53,225,787	\$30,537,265	\$50,501,425
Non-Residential	\$56,438,330	\$61,920,799	\$229,096,394	\$84,915,796	\$163,145,846
<b>Total</b>	<b>\$106,042,432</b>	<b>\$108,839,480</b>	<b>\$282,322,181</b>	<b>\$115,453,061</b>	<b>\$213,647,271</b>

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

## **ECONOMIC DEVELOPMENT ACTIVITY**

Wilmington's economy continues to be driven by its position as an employment center for corporate banking. There are 11,809 employees in the Finance and Insurance industry, which equates to about one-fourth of the City's nearly 50,000-person total workforce, making it the largest employment sector in Wilmington. Average employment in the industry increased almost 4% during calendar year 2017, maintaining pre-recession levels. The growth in this sector is due in part to the analytical skill-set of the region's workforce, which has its roots in the chemical and engineering industries, and was further developed by the growth of the credit card industry.

The Government sector employs the second largest percentage (roughly 20%) of the City's workforce with just over 10,000 people working in one of the City's many local, county, state or federal government offices. Other major industries include the Professional and Technical Services industry (which consists of the legal, accounting, and engineering professions) and the Healthcare and Social Assistance industry. Respectively, these sectors employ 6,813 and 6,170 people or 14% and 12% of the City's workforce.

Areas of notable employment growth over the past year include the Construction industry, which involves the construction of buildings as well as specialty trades, and the Information industry, which involves data processing and telecommunications, among other things. Though both are relatively small components of Wilmington's overall employment landscape with 1,365 and 433 workers respectively, they both experienced growth well above other industries in the past year. The Construction industry added 384 workers (an increase of 39.1%), while the Information Industry added 106 workers (an increase of 32.4%). The Management of Companies and Enterprises industry, which includes securities holding companies, also experienced growth over the past year at a more modest 13.3%; however, employment in that sector saw growth of 73.7% from 2015 to 2017, adding a total of 1,309 employees over the two-year period, bringing the total number of workers to 3,085.

Much of the growth in the Construction industry can be attributed to strong development activity throughout the City. Several market-rate residential projects, new hotels, and dining opportunities have either recently been completed or are currently in development. Notable examples include:

- The Residences at Mid-town Park, a new \$75 million landmark mixed-use retail and residential development under construction by the Buccini/Pollin Group at the former site of the previously vacant and deteriorating Midtown Parking Garage
- 101 Avenue of the Arts, a \$20 million residential development by the Capano Corporation on the Christina River
- The \$40 million Galleria at 2000 Pennsylvania Avenue, a mixed-use retail/residential development under construction by the Tsionas Development Corporation near the intersection of Union Street and Pennsylvania Avenue
- Bancroft Mills, a \$70 million residential development on the bank of the Brandywine River near Rockford Park
- Wilmington Brew Works, a \$1.5 million production brewery at the former site of the Harper-Thiel Electroplating Company on Miller Road in Northwest Wilmington

Each of these projects represents significant private investment in Wilmington's high-end real estate market.

### **Business Incentive Program**

The Office of Economic Development (OED) supports the growth of private industry within the City and utilizes a number of tools to accomplish this goal. One of the City's newest tools is the Grow Wilmington Fund, which was established in late 2014 as a partnership between the National Development Council, Discover Bank, and Wilmington UDAG Corporation. Seeded with \$1 million of public funds from Wilmington UDAG Corporation, this Small Business Administration 7(a) loan fund was capitalized at \$4 million to support the growth of existing small businesses already operating within the City and businesses outside of Wilmington looking to relocate within City limits. So far, all \$4 million has been invested to support nearly a dozen businesses across manufacturing, retail, automotive services, and media/video production industries. Collectively, participating businesses increased employment 50% above their previous employment levels.

One example of successful use of the Grow Wilmington Fund is Campanella's Auto & Tire Center, a family-owned business previously located outside the City in New Castle County. A \$2 million loan from the Fund supported the company's relocation to a redeveloped vacant warehouse within City limits.

The success of the Grow Wilmington Fund inspired the establishment of the Grow Delaware Fund, a state-wide loan fund that seeks to replicate the success of the Grow Wilmington Fund. Wilmington businesses can continue to take advantage of the low interest rates and extended fixed-rate terms that the Grow Wilmington Fund provided through a set-aside targeted specifically for the City within the state-wide fund.

The Office of Economic Development (OED) also manages the highly successful Economic Development Strategic Fund, which is used to provide job creation and retention incentives to private businesses. The Fund's expenditures are recouped by the City's General Fund in two or three years by the wage taxes generated from new and retained jobs. Each incentive is contractually-based, with performance requirements and claw-backs. Since the initial appropriation of the 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 \$75 million of additional Wage Taxes to the City's General Fund between Fiscal Year 2002 and Fiscal Year 2017.

Strategic Fund highlights in Fiscal Year 2017 and early Fiscal Year 2018 include new incentive agreements supporting the growth of two Wilmington-based start-up companies, Fair Square Financial, a new credit card company, and CollegeAve Student Loans, a private education lender.

### **Downtown Development**

New construction and adaptive reuse projects are transforming downtown Wilmington into a thriving mixed-use community, adding significant residential, retail, food and beverage, and entertainment options to its well-established core of corporate office spaces.

Much of this development has been spurred by the state-run Downtown Development District (DDD), which was established by Governor Markell in 2014 and remains a driving force for Wilmington's downtown real estate market. Since the start of the program, the State has reserved over \$23 million in grant funds for qualified projects, and disbursed almost \$6 million. This funding has supported over \$102 million of completed development and over \$288 million of development now under construction or about to begin construction.

Notable projects supported by the program include the Residences at Mid-town Park and Mid-town Park Garage, which celebrated a grand opening for the garage and commencement of pre-leasing for its residences in April 2018. This landmark residential development represents the remediation of the previously vacant and deteriorating Midtown Parking Garage. It will provide 229 new-construction apartment units and five levels of underground parking in the heart of Wilmington's downtown, expanding Wilmington's residential and retail core westward to Orange Street.

The Residences at Mid-town Park sit directly across from 200 West 9<sup>th</sup> Street, another DDD supported renovation completed at the end of 2017 featuring 33 new apartment units. Several other residential buildings along Shipley Street and 9th Street are also targeted for redevelopment, along with the creation of a new pedestrian plaza in the middle of the 800 block of Market Street, which will connect the Mid-town project to the Market Street corridor. These new projects join recent additions at 608 & 627 North Market Street, as well as the three addresses comprising Market Street Village, which opened in the summer of 2015 and provided 152 new units of market-rate and affordable housing for a total investment of \$41 million.

In addition to development spurred by DDD, the City has seen an emerging development trend involving the conversion of vacant Class B and C office space into more marketable uses. An example is the Marriott Residence Inn, a new \$12 million hotel located near the Brandywine River, which opened its doors in the spring of 2018. The project converted a long-vacant, 67,000-square-foot office building into a 96-room extended-stay hotel carrying the Marriott luxury brand and has added 20 full-time and 15 part-time jobs to Wilmington's hospitality industry.

Other adaptive reuse projects are rejuvenating the Market Street commercial corridor. A prominent example is 913 North Market Street, which is being converted from a 12-story office building into a mixed-use property with retail on the ground floor and 80 apartments above. Additionally, 68 apartment units have been proposed as part of the renovation of the high-rise office building located at 901 N. Market Street. These conversions decrease the City's commercial vacancy rate while bringing more residents and visitors downtown who will patronize businesses.

Several new restaurants are also expected to draw visitors to the Market Street corridor. Among them are Stitch House Brewery, a craft microbrewery located at 829 North Market Street, Margaux, a French restaurant located at 902 North Market Street, and Bardea, an Italian restaurant located at the corner of 620 North Market Street.

To incentivize further development of the Market Street corridor, OED, in partnership with the City Planning Department's historic preservation office, secured National Register of Historic Places designation for an expanded area of the corridor in March of 2017. The new district, entitled "Wilmington Downtown Commercial National Register Historic District," extends from 6th Street to 9th Street and from Shipley to King. Previously, only buildings located in the Lower Market Historic District (which ends at 5th Street) and buildings with individual historic designations had access to the federal Historic Tax Credit program. The new district unites and expands that area and provides greater access to a valuable financial tool that supports economic development as well as historic preservation.

To help revitalize the area immediately west of the Market Street corridor, the Wilmington Renaissance Corporation (WRC), a public/private partnership funded by many of the leading businesses within the downtown business district of the City, 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 selected, which has garnered wide community support, is to transform an area of downtown 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 with two or three bedrooms in early June 2015. The first units are now available for homeownership.

### **The Riverfront**

The Riverfront continues to serve as a prime destination for dining, entertainment, and shopping. This attractive location along the banks of the Christina River has inspired a wave of residential and commercial development aimed at capitalizing on the area's broad appeal to residents and visitors.

One new high-end residential development is the Residences at Harlan Flats, which is being constructed in three phases. Now complete and leasing, Phase II brings an additional 73 apartment units to the existing five-story building completed in late 2014. With a total of 189 luxury units featuring covered on-site parking and an in-ground swimming pool, Residences at Harlan Flats is the newest addition in the Justison Landing housing complex. The \$20 million project (Phases I and II) features one- and two-bedroom apartments with balconies, river views and an outdoor pool and terrace. Two parcels remaining in the Justison Landing master plan have been approved for mixed-use development and are available for future economic development opportunities.

The Riverfront has also become a popular site for new hotels. A 122-room Hyatt Place hotel is currently under construction by ONIX Group, a Pennsylvania-based real estate firm. The \$23 million project will feature a banquet hall and will be attached to the existing Big Fish Grill restaurant. Hyatt Place will sit next to a new \$30 million, 120-room Homewood Suites, under construction by Buccini/Pollin Group. These expanded lodging options will be located near the Chase Center and are expected to allow the venue to host larger conventions and trade shows.

These new residential and lodging developments will soon be joined by the "76ers Fieldhouse," a 140,000-square-foot multi-purpose sports complex and youth training center on the southeast side of the Christina River. The facility will provide a new home for the Philadelphia 76ers NBA G League affiliate team, the Delaware Blue Coats. In addition, the complex will host youth athletic training sessions and competitions on its three full-sized, professional basketball courts, two indoor turf soccer fields, and world-class sports performance and athletic training area.

The 76ers Fieldhouse is expected to help spur development on the southeast side of the Riverfront. To help continue to revitalize this portion of the City, the Riverfront Development Corporation has hired Robert A.M. Stern Architects ("RAMSA") to conduct a master planning effort for approximately 70 acres of waterfront property on the east bank of the Christina River. The South Market Street Master Plan Project will include an illustrative site plan, conceptual renderings, typical site sections, and gross building area calculations and parking counts. This document will guide public and private investment and development on the east bank of the Christina River, which will soon be connected to the Riverfront by the Christina River Bridge.

The Delaware Department of Transportation (DelDOT) broke ground on the multi-modal Christina River Bridge in June 2017 after completing land acquisition, environmental permitting, and design. This \$28 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 also designed for bike and pedestrian use and will create a greenway connection from the Riverwalk on the west side of the Christina River to the east side.

DelDOT is also currently in the planning phase for transportation infrastructure on the east bank of the Christina River that will open the area to mixed-use development. The project will complement the City's \$28 million South Wilmington Wetland Project, which will turn more than 25 acres of brownfield into a stormwater management park. DelDOT is exploring a multi-modal connection between the bridge project and the Southbridge Community, which will form the southern edge of the Wetland Park and also open previously land locked parcels to the south and east to residential and light industrial development.

### **Neighborhood Improvements**

Exciting new developments are helping to revitalize the City's disinvested residential neighborhoods. One prominent project is the \$100 million redevelopment of The Flats, a ten-acre neighborhood along Bancroft Parkway on Wilmington's west side that will result in the demolition of 430 obsolete residential units and the construction of 450 new units in their place. Woodlawn Trustees, a 100-year-old foundation created by the Wilmington industrialist and philanthropist William Bancroft, broke ground on the project in May 2015. The first of six development phases has been completed with residents occupying 72 new energy-efficient units along Union Street. The second phase will bring an additional 72 affordable units to the community and is nearing completion. The first two phases together bring over \$30 million investment in this community, which was built in fulfillment of William Bancroft's vision to provide clean, affordable housing for Wilmington's working class.

Another notable project is the Delaware Center for Homeless Veterans' \$11 million renovation of the vacant Layton Home for Aged in the City's Eastside neighborhood. Known as The Pearl Center, the project will feature 51 apartments, of which 40 will be used to provide housing for homeless veterans (the remaining nine will be rented at market rate). Plans for the facility also include social services to support local veterans and a full-service kitchen offering culinary arts training to veterans looking to improve their marketability in the workforce.

### **Conclusion**

Wilmington's economy continues to be bolstered by strong hiring in the Financial sector, while significant gains in other industries, such as Construction and Information, show that the City's workforce is nimble and ready to meet the labor demands of employers looking to expand their existing businesses or to establish new operations in Wilmington. The City's economy is also supported by substantial commercial and real estate development, which demonstrates the success of the wide-ranging business, neighborhood, and economic development programs.

The ongoing transformation of the City's downtown, Riverfront, and residential neighborhoods has generated economic activity, excitement, and a positive sense of pride. And with the use of thoughtful, data-driven planning processes involving collaboration of the business community, nonprofits, neighborhood groups, and government, the course is set for future growth and continued success.



# **CITIZEN'S GUIDE TO THE BUDGET PROCESS**

## **The Budget Process**

**For a one page summary of the budget process please see the Budget Process Calendar on Page 21.**

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

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

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

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

In other limited cases, such as with utilities, office supplies, repairs to equipment, and printing, the current year's budget allotment is reduced 20%, and then this reduced figure is put in as the new Level I amount. For those line items, Departments have to justify only the portion of their request that exceeds the 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 composed 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. Other Appropriations) "*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 document for more details.**

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 biennial 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 (CAFR). The City's CAFR for FY 2016 was awarded the Certificate of Achievement in financial reporting by the Government Financial Officers Association (GFOA).

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 27**). 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.

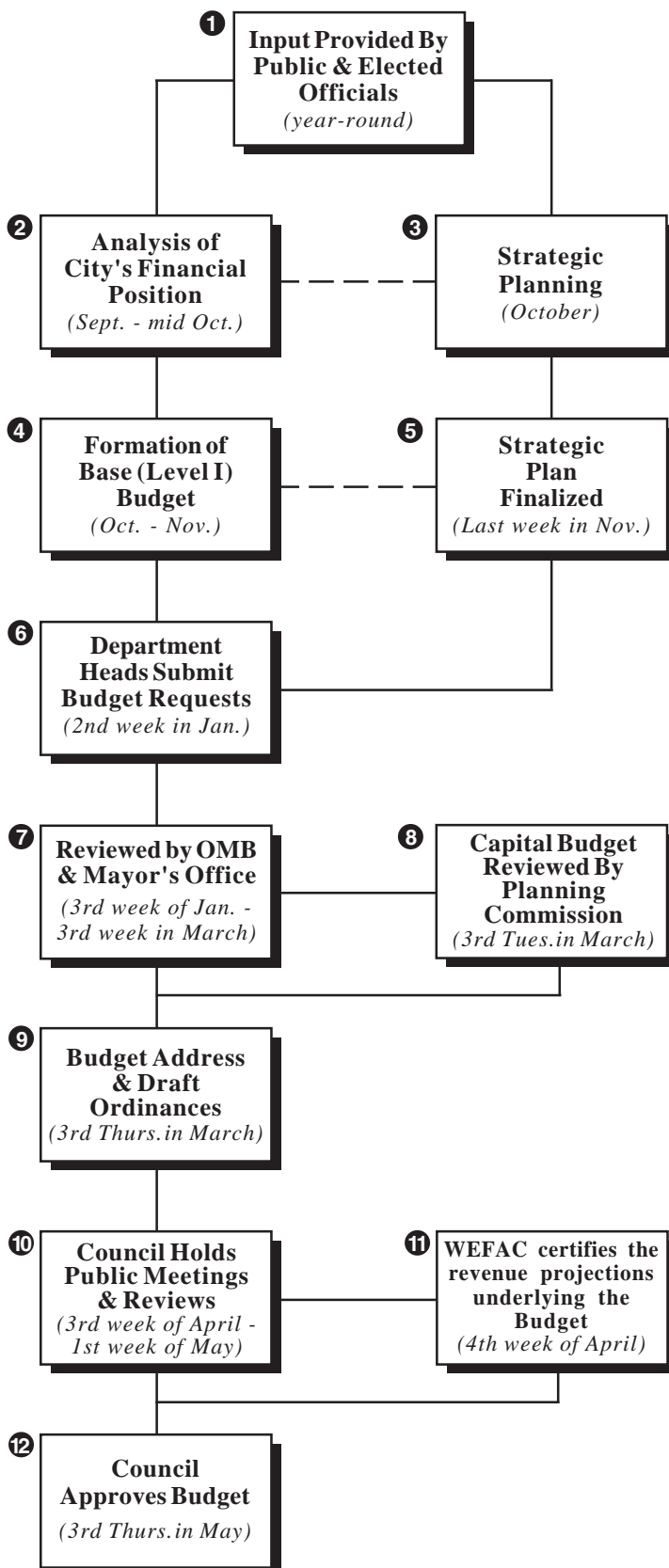
The basis of budgeting for each City fund matches the basis of accounting (the underlying fiscal principles used in the development of the financial statements and for recording financial activity) for that fund. The General, and Special funds are budgeted and operate under a **modified accrual basis**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

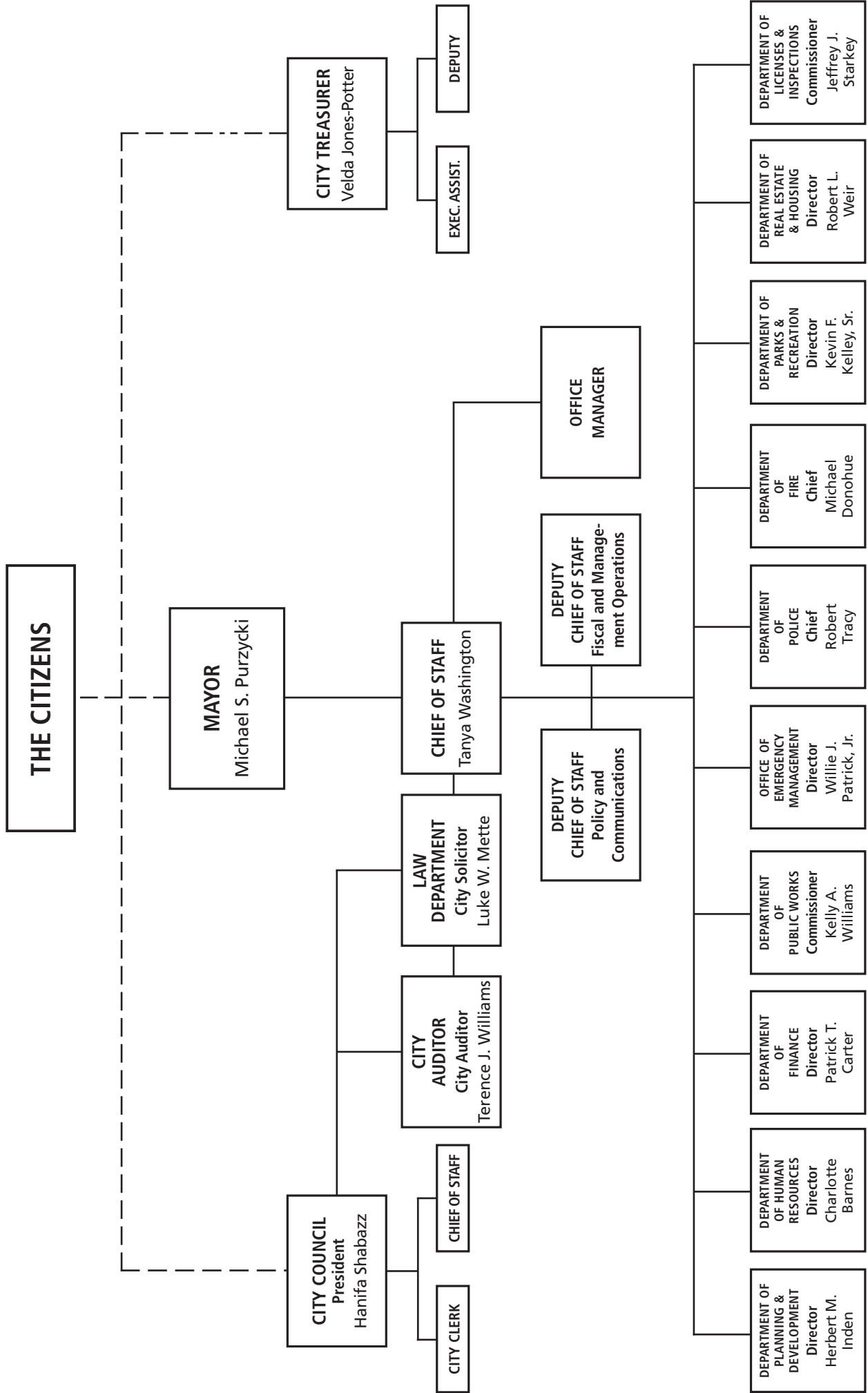
# STATEMENT OF FINANCIAL POLICIES

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** 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 (HUD).
- **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 that 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 HUD.
- **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 in the General and Water/Sewer Funds. 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 2019**

#### **The General Fund**

- The FY 2019 operating budget expenditures total **\$162,299,001** – up \$7,375,923 or 4.8% from FY 2018.
- Staffing increased by a net total of 2.95 full-time equivalents (FTE). The change in FTE, along with other personnel actions, including changes in grades and salary adjustments, resulted in a net increase of about \$300,900.
  - In the Mayor’s Office, staffing was reduced a net 1.00 FTE, for a savings of almost \$109,000. A vacant Economic Development Specialist position in the Office of Economic Development was eliminated. In addition, the position of Youth Intervention Specialist was moved to the Police Department. Offsetting that transfer was the shifting of the position of Community Development Specialist from the Parks & Recreation Department into the Mayor’s Office.
  - While the total number of positions (in all funds) remained the same as last fiscal year, City Council decreased by 0.15 FTE in the General Fund, for a savings of \$22,000. The split-funded position of Chief of Staff, previously budgeted 90% General Fund and 10% CATV Fund, was reallocated as 75% General Fund and 25% CATV Fund.
  - The Audit Department increased 1.00 FTE by adding a third Senior Auditor position at a cost of \$107,000. In addition, the salary of the Audit Manager was increased by \$3,000.
  - In the Law Department, a reorganization of support functions resulted in the deletion of the Legal Legislative Assistant and Legal Administrative Assistant positions, allowing the addition of a much needed Assistant City Solicitor position. The net result was a 1.00 FTE decrease and a savings of \$54,800.
  - The Finance Department decreased by a net 1.80 FTE, for a savings of \$185,479. A Revenue Collector position and a split-funded (80% General Fund and 20% Water/Sewer Fund) Senior Accountant position were eliminated. In an additional offsetting action that resulted in no net change in FTE, the split-funded Senior Financial Officer position was eliminated, allowing the restoration of the split-funded Revenue Manager position that had been eliminated several years ago.
  - The Human Resources Department added a new position with the title of Human Resources Coordinator. This added 1.00 FTE at a cost of \$85,900.
  - The four appointed exempt positions in the City Treasurer’s Office (three of which are split-funded between the General Fund and Pensions and the fourth is 100% Pensions) received salary increases. The total cost to the General Fund was \$15,600.
  - The three Planner II positions (one of which is split-funded 55% General Fund and 45% CDBG Fund) in the Department of Planning & Development were upgraded at a cost to the General Fund of \$6,800. The upgrade had no effect on the number of positions.

# **BUDGET HIGHLIGHTS**

## **CITY OF WILMINGTON**

### **FISCAL YEAR 2019**

#### **The General Fund** (continued)

- In the Department of Real Estate & Housing, the position of Program Coordinator was upgraded to the position of Acquisition & Disposition Manager. Because the position is split-funded (18% General Fund and 82% CDBG Fund), the cost of the upgrade to the General Fund is less than \$500.
- As part of an initiative to address the poor condition of rental properties in some areas of the City, the Department of Licenses & Inspections increased the total number of Housing Code Inspectors to 18. This resulted in an increase of 4.00 FTE at a cost of \$343,460.
- In the Public Works Department, there was a net decrease of 0.10 FTE. A split-funded (60% General Fund and 40% Water/Sewer Fund) Administrative Clerk I position was deleted and replaced by a Purchasing Coordinator position (split-funded 50% General Fund and 50% Water/Sewer Fund). Four split-funded (30% General Fund and 70% Water/Sewer) Constituent Services Assistant positions and one split-funded (30% General Fund and 70% Water/Sewer) Constituent Services Supervisor were upgraded as part of the City's 311 Call Center expansion. In addition, two Assistant Street Supervisor positions and one split-funded (20% General Fund and 80% Water/Sewer) Assistant Street & Sewer Maintenance Supervisor position were upgraded. The net effect of all the changes was an increase of \$1,650.
- The Parks & Recreation Department decreased a net 1.00 FTE. While there were two positions transferred to other departments, an additional Labor Foreman II position was created. The two positions transferred out were the Community Development Specialist (moved to the Mayor's Office) and the City Forester (moved to Public Works Water/Sewer Fund). There was also an upgrade (an Assistant Park Maintenance Supervisor became a Park Maintenance Supervisor) and a downgrade (a Maintenance Mechanic I became a General Laborer I). The net savings from all the changes was \$98,100.
- The Police Department increased 2.00 FTE at total cost of \$199,700. There was a new position created (Crime Analyst at a cost of \$100,300) and another position transferred in (Youth Intervention Specialist from the Mayor's Office at a cost of \$99,350). In addition, a Teleserve Operator was upgraded to an Emergency Call Operator and a vacant Records Supervisor position was moved up by one grade. The combined cost of the upgrades was \$6,500.
- Debt Service increased by almost \$2.7 million. Roughly half of that increase is the projected debt service from a planned bond issuance in Spring of 2018 to provide funding for previously approved FY 2016-2017 Capital Budget projects. The remaining half of the increase is in the existing debt service schedule and is the result of refinancing an older bond issue that temporarily lowered debt service the previous two fiscal years. The refinancing savings do not continue into FY 2019.
- Regular Salaries are up over \$2.6 million or 4.9%. Most of the increase is in Police, a result of the recently settled labor contract with the Fraternal Order of Police union. Somewhat offsetting the increase in salaries was the elimination of Police shift differential pay, saving \$704,000.

# **BUDGET HIGHLIGHTS**

## **CITY OF WILMINGTON**

### **FISCAL YEAR 2019**

#### **The General Fund** (continued)

- In total, the cost of the State-sponsored pension plans rose \$2 million, a 55% increase from last fiscal year. While the ever increasing number of new City employees entering the pension plans contributes to an increase each year, that effect (about \$500,000 for FY 2019) pales in comparison to the increases in the State's actuarially required contributions, especially the dramatic 46% spike in the public safety employees plan.
- As an integral part of the Mayor's program to eliminate blight, a total of almost \$300,000 was added to L&I's budget in critical areas such as demolition and property maintenance. In Real Estate & Housing, \$250,000 was added to support the acquisition of problem properties, along with architectural and engineering services to stabilize the properties once acquired.
- The Internal Services Chargeback account group increased by almost \$346,000, entirely due to a 10.5% increase in Data Processing. Major initiatives contributing to the increase include specialized software for L&I to more effectively fight blight, a dedicated software training consultant, and a senior software application specialist.
- 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 FY 2016, 50% in FY 2017, and 75% in FY 2018. The charge is 100% in FY 2019 and beyond. The 100% charge for FY 2019 to the General Fund will cost about \$1.04 million, an increase of almost \$300,000 from last fiscal year.
- Based on State-provided data on traffic accidents and violations within Wilmington, the City will be placing digital red-light cameras at 17 additional intersections. Red-light commission fees were increased \$200,000 as a result. The increase in costs will be more than offset by the additional \$1.5 million in red-light enforcement citations expected to be generated. Both figures include a downward adjustment that assumes the cameras will not be fully operational until halfway through the fiscal year.
- The budget for Consultants decreased \$509,000, with major reductions in the Police, Fire, and Planning Departments. Police and Fire have a biennial job employee promotion process administered by specialized consultants. Because FY 2019 will be an off year in the promotional cycle for both Departments, a combined total of \$327,000 could be excluded from the budget. For FY 2018, \$125,000 was budgeted in Planning for a consultant to assist in developing a City-wide ADA compliance self-evaluation and transition plan. That funding is no longer needed in FY 2019 and was removed.
- The budget was balanced without a Property Tax increase or use of Fund Balance.



# **BUDGET HIGHLIGHTS**

## **CITY OF WILMINGTON**

### **FISCAL YEAR 2019**

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

- The FY 2019 operating budget expenditures total **\$75,449,620** – up \$4,388,692, or 6.2% from FY 2018. The FY 2019 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, along with 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.
- Staffing increased by a net total of 2.90 full-time equivalents (FTE). The change in FTE, along with other personnel actions, including change in grades and salary adjustments, resulted in a net increase of \$277,700.
  - The Finance Department increased by a net 0.80 FTE, at cost of \$80,100. An additional Billing Analyst position was created, just slightly offset by the elimination of the Senior Accountant position (split-funded 80% General Fund and 20% Water/Sewer Fund). Also, in an offsetting action that resulted in no net change in FTE, the split-funded Senior Financial Officer position was eliminated, allowing the restoration of the split-funded Revenue Manager position that had been eliminated several years ago.
  - In the Public Works Department, there was a net increase of 2.10 FTE. A split-funded (60% General Fund and 40% Water/Sewer Fund) Administrative Clerk I position was deleted, replaced by a Purchasing Coordinator position (split-funded 50% General Fund and 50% Water/Sewer Fund). Four split-funded (30% General Fund and 70% Water/Sewer) Constituent Services Assistant positions and a split-funded (30% General Fund and 70% Water/Sewer) Constituent Services Supervisor were upgraded as part of the City’s 311 Call Center expansion. Also upgraded was a split-funded (20% General Fund and 80% Water/Sewer) Assistant Street & Sewer Maintenance Supervisor position. Lastly, a new position of Tree Climber was created and the City Forester position was transferred in from the General Fund Parks & Recreation Department. The net effect of all the changes was an increase of \$197,700.
- There is a \$1.54 million increase in the contract for Veolia to operate and maintain the City's sewage treatment plant. The City’s 20-year contract with Veolia will expire at the end of FY 2018. As the City prepares a request-for-proposal (RFP) package to bid for a new long-term contract, Veolia has agreed to a one-year extension to continue its services at the Plant. However, without the certainty of a long-term agreement, some large risk-inherent items have been priced into the contract cost up front, causing the increase.
- Total Debt Service increased a net \$931,281. New debt service projected from a planned bond issuance in Spring of 2018 to provide funding for previously approved FY 2016-2017 Capital Budget projects added \$1,533,155. This was partially offset by a reduction of \$601,874 in the existing debt service schedule.

# **BUDGET HIGHLIGHTS**

## **CITY OF WILMINGTON**

**FISCAL YEAR 2019**

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

- A total of \$504,000 was added to the Repairs to Equipment account in the Water System Division, reflecting a more aggressive electrical and mechanical preventative maintenance program for pumps and valves at filter plants and pumping stations. The increase also covers the expansion of the boiler maintenance contract on the boiler feed pumps, condensate return systems, heat exchangers, and associated piping at the filter plants.
- The Finance Department increased delinquent water/sewer bill collection expenses, especially as it relates to the sheriff sale process and related legal support. The increase of almost \$436,000 reflects greater utilization of sheriff sales against those property owners who have not complied with payment initiatives on their delinquent accounts.
- The Internal Services Chargeback account group increased by almost \$250,500, with Data Processing and Postage up \$180,600 and \$69,900 respectively. The conversion to monthly processing and mailing of water/sewer bills accounted for the entire rise in Postage and most of the increase in Data Processing.
- The Indirect Cost expense to the Water/Sewer Fund rose by \$255,700, reflecting budgeted increases in the supporting services provided to the Water/Sewer Fund's utility functions by the General Fund.
- The use of specialized procurement processes, block pricing, and the operation of large pumps during off-peak hours of demand have resulted in a 20% savings in electricity costs, allowing for a \$205,500 reduction to the budget.
- There is an approved increase to water and sewer rates of 4.0%. This will allow the City to build toward a fully-funded 60-day operating reserve, while meeting the minimum debt coverage ratio set by policy. This rate increase was strongly recommended by the City's independent Water/Sewer Citizens Advisory Board.
- Stormwater rates will remain the same as last fiscal year, also as recommended by the Water/Sewer Citizens Advisory Board.

## SUMMARY OF COMBINED STATEMENT OF REVENUES

REVENUES	ACTUAL FY 2015	ACTUAL FY 2016	ACTUAL FY 2017	BUDGET FY 2018	APPROVED FY 2019
<b>General Fund</b>					
Taxes	\$111,345,910	\$110,399,299	\$116,742,811	\$117,389,932	\$118,583,877
Permits, Fees & Fines	11,744,885	12,746,282	10,682,706	11,500,000	12,880,000
Other	7,686,314	8,050,778	8,475,993	7,983,872	8,456,878
Task Force Revenues	5,053,288	5,113,176	5,113,278	5,318,626	5,484,226
County Seat Relief	9,658,837	9,933,561	10,216,881	9,843,339	10,858,339
State Pension Contributions	5,731,410	5,215,485	5,349,684	5,269,823	5,789,528
Transfers In	276,696	275,000	275,000	275,000	275,000
Prior Year Surplus	0	0	0	0	0
<b>Subtotal</b>	<b>151,497,340</b>	<b>151,733,581</b>	<b>156,856,353</b>	<b>157,580,592</b>	<b>162,327,848</b>
<b>Water/Sewer Fund</b>					
Direct User Charges	54,610,259	57,052,722	57,802,560	56,252,000	60,421,000
New Castle County Charges	18,095,165	18,837,257	22,543,855	20,133,523	19,634,665
Other	1,155,061	1,249,676	3,244,470	1,099,000	1,093,000
<b>Subtotal</b>	<b>73,860,485</b>	<b>77,139,655</b>	<b>83,590,885</b>	<b>77,484,523</b>	<b>81,148,665</b>
<b>Special Funds</b>					
Fed./State/County Grants	9,131,328	9,514,714	8,207,324	7,349,367	7,168,202
Other	5,636,767	5,773,650	5,888,799	6,175,031	6,422,686
<b>Subtotal</b>	<b>14,768,095</b>	<b>15,288,364</b>	<b>14,096,123</b>	<b>13,524,398</b>	<b>13,590,888</b>
<b>Total Revenues</b>	<b>\$240,125,920</b>	<b>\$244,161,600</b>	<b>\$254,543,361</b>	<b>\$248,589,513</b>	<b>\$257,067,401</b>

## SUMMARY OF COMBINED STATEMENT OF EXPENDITURES

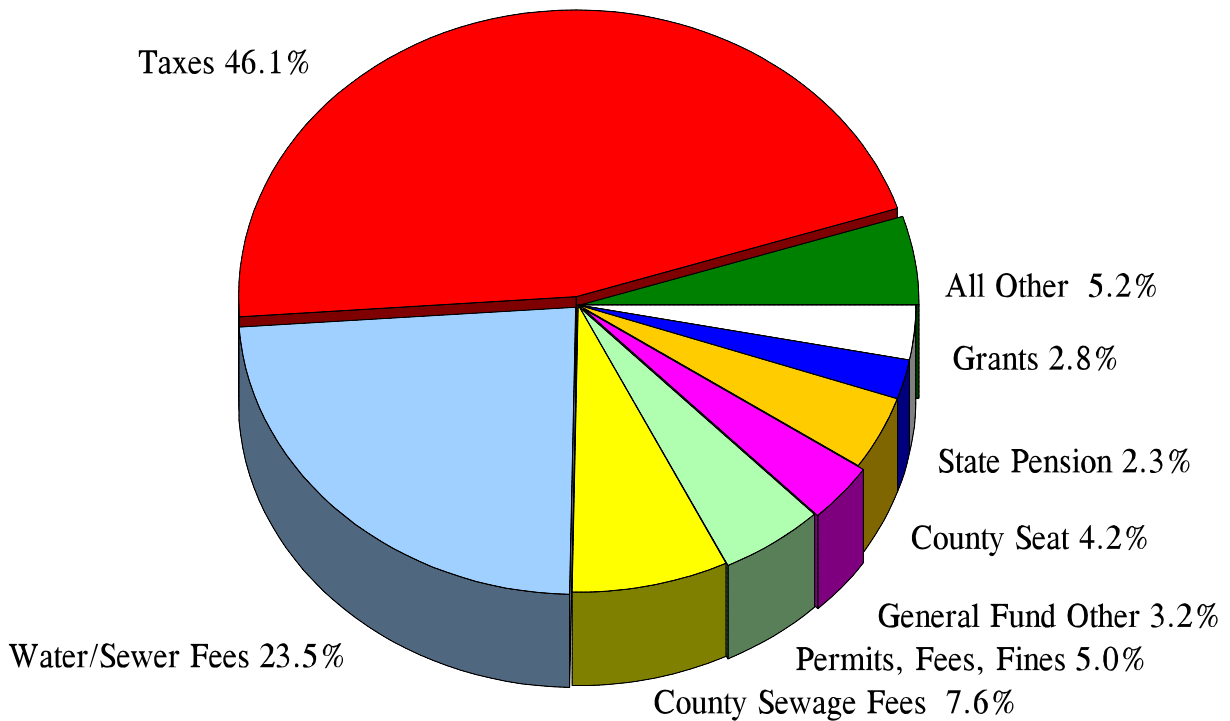
EXPENDITURES	ACTUAL FY 2015	ACTUAL FY 2016	ACTUAL FY 2017	BUDGET FY 2018	APPROVED FY 2019
<b>General Fund</b>					
Personal Services	\$101,450,360	\$104,230,277	\$108,889,512	\$104,450,736	\$108,160,209
M. S. & E.	36,693,593	32,242,171	40,648,141	37,501,049	38,497,384
Debt Service	12,478,444	13,147,914	13,567,340	11,980,293	14,650,408
Other	737,057	723,012	636,864	991,000	991,000
<b>Subtotal</b>	<b>151,359,454</b>	<b>150,343,374</b>	<b>163,741,857</b>	<b>154,923,078</b>	<b>162,299,001</b>
<b>Water/Sewer Fund</b>					
Personal Services	9,911,670	10,697,674	10,385,770	11,203,099	11,376,789
M. S. & E.	41,513,378	40,747,100	44,582,110	45,862,804	49,146,525
Debt Service	4,833,333	5,842,292	6,505,585	6,359,140	7,290,421
Other	7,756,293	7,841,555	8,624,864	7,635,885	7,635,885
<b>Subtotal</b>	<b>64,014,674</b>	<b>65,128,621</b>	<b>70,098,329</b>	<b>71,060,928</b>	<b>75,449,620</b>
<b>Special Funds</b>					
Personal Services	4,753,254	4,295,614	4,007,099	4,489,841	3,589,323
M. S. & E.	3,872,540	4,536,185	4,245,414	3,670,667	3,852,128
Debt Service	20,928	42,335	27,761	24,922	29,030
Other	5,847,059	6,130,259	5,544,831	5,178,121	6,300,866
<b>Subtotal</b>	<b>14,493,781</b>	<b>15,004,393</b>	<b>13,825,105</b>	<b>13,363,551</b>	<b>13,771,347</b>
<b>Total Expenditures</b>	<b>\$229,867,909</b>	<b>\$230,476,388</b>	<b>\$247,665,291</b>	<b>\$239,347,557</b>	<b>\$251,519,968</b>
<b>INCOME/(LOSS)</b>					
General Fund	137,886	1,390,207	(6,885,504)	2,657,514	28,847
Water/Sewer Fund	9,845,811	12,011,034	13,492,556	6,423,595	5,699,045
Special Funds	274,314	283,971	271,018	160,847	(180,459)
<b>Total Income/(Loss)</b>	<b>\$10,258,011</b>	<b>\$13,685,212</b>	<b>\$6,878,070</b>	<b>\$9,241,956</b>	<b>\$5,547,433</b>

**SUMMARY ALL FUNDS COMBINED  
FISCAL YEAR 2019**

<b>Revenues</b>	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Budget FY 2018</b>	<b>Budget FY 2019</b>	<b>Percent Change FY'19-'18</b>	<b>Page Reference*</b>
Taxes	\$110,399,299	\$116,742,811	\$117,389,932	\$118,583,877	1.0%	40
Permits, Fees, Fines	12,746,282	10,682,706	11,500,000	12,880,000	12.0%	40
Task Force Revenues	5,113,176	5,113,278	5,318,626	5,484,226	3.1%	40
County Seat Relief	9,933,561	10,216,881	9,843,339	10,858,339	10.3%	40
State Pension Contr.	5,215,485	5,349,684	5,269,823	5,789,528	9.9%	40
General Fund Other	7,389,057	7,910,933	7,869,638	8,335,304	5.9%	40
Water/Sewer Fees	57,052,722	57,802,560	56,252,000	60,421,000	7.4%	44
County Sewage Fees	18,837,257	22,543,855	20,133,523	19,634,665	-2.5%	44
Water/Sewer Other	1,249,676	3,244,470	1,099,000	1,093,000	-0.5%	44
Port Debt Reimburse.	936,721	840,060	389,234	396,574	1.9%	40
Special Funds Grants	9,514,714	8,207,327	7,349,367	7,168,202	-2.5%	42
Special Funds Other	<u>5,773,650</u>	<u>5,888,796</u>	<u>6,175,031</u>	<u>6,422,686</u>	<u>4.0%</u>	42
<b>Total Revenues</b>	<b><u>\$244,161,600</u></b>	<b><u>\$254,543,361</u></b>	<b><u>\$248,589,513</u></b>	<b><u>\$257,067,401</u></b>	<b><u>3.4%</u></b>	

\* See page listed for further information and details.

**Revenues All Funds  
Fiscal Year 2019**

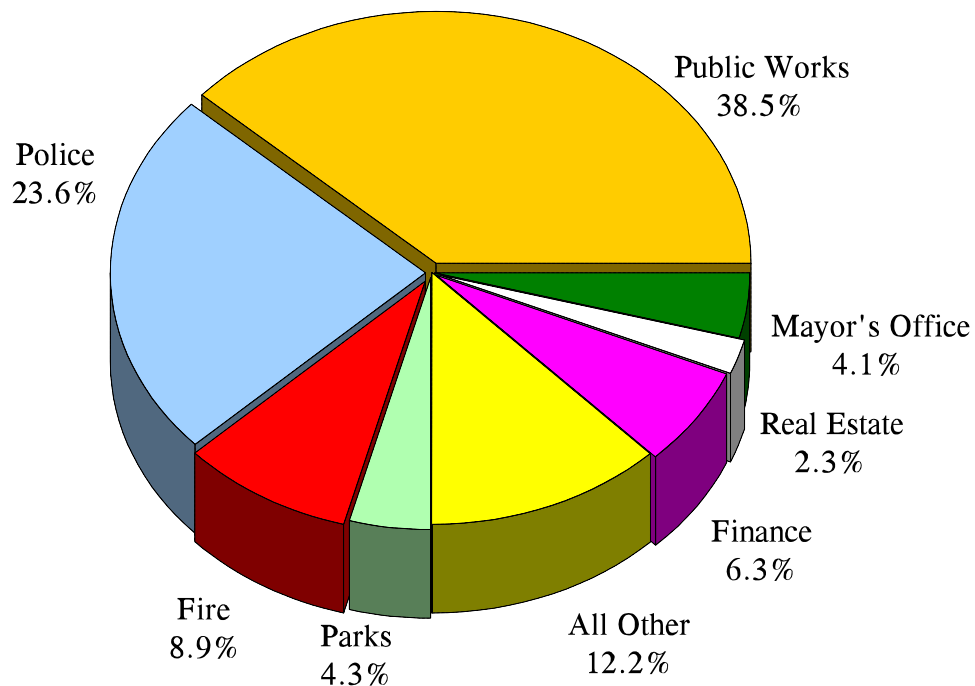


## SUMMARY OF ALL FUNDS COMBINED FISCAL YEAR 2019

<u>Expenditures</u>	<u>Actual FY 2016</u>	<u>Actual FY 2017</u>	<u>Budget FY 2018</u>	<u>Budget FY 2019</u>	<u>Percent Change FY'19-'18</u>	<u>Page Reference*</u>
Mayor's Office	\$10,995,009	\$10,582,523	\$9,814,992	\$10,213,860	4.1%	91
Council	3,127,578	3,194,147	3,377,407	3,636,122	7.7%	103
Treasurer	4,947,587	5,201,496	5,408,702	5,635,395	4.2%	109
Planning	1,559,961	1,807,940	1,927,022	1,757,417	-8.8%	117
Audit	784,813	758,543	828,955	1,020,279	23.1%	126
Law	2,919,489	3,028,380	2,727,179	2,859,818	4.9%	129
Finance	13,734,898	13,787,969	14,853,156	15,851,726	6.7%	137
Human Resources	2,041,957	2,052,493	2,215,564	2,357,538	6.4%	149
Licenses & Inspections	5,248,683	5,008,392	5,167,462	5,923,818	14.6%	167
Parks & Recreation	10,377,970	11,139,256	10,452,745	10,692,842	2.3%	179
Fire	21,405,071	25,586,630	22,150,551	22,412,532	1.2%	191
Police	56,573,550	64,726,634	57,121,977	59,275,551	3.8%	203
Public Works	84,814,445	89,114,137	91,667,863	96,834,240	5.6%	218
Real Estate & Housing	5,449,115	5,036,521	5,179,301	5,676,348	9.6%	240
Commerce (Port Debt)	1,280,777	1,290,546	512,858	910,954	77.6%	255
State Pension Contr.	5,215,485	5,349,684	5,269,823	5,789,528	9.9%	192 & 204
Contingent Reserves	<u>0</u>	<u>0</u>	<u>672,000</u>	<u>672,000</u>	<u>0.0%</u>	91
<b>Total Expenditures</b>	<b><u>\$230,476,388</u></b>	<b><u>\$247,665,291</u></b>	<b><u>\$239,347,557</u></b>	<b><u>\$251,519,968</u></b>	<b><u>5.1%</u></b>	

\* See page listed for further information and details.

## Expenditures All Funds Fiscal Year 2019



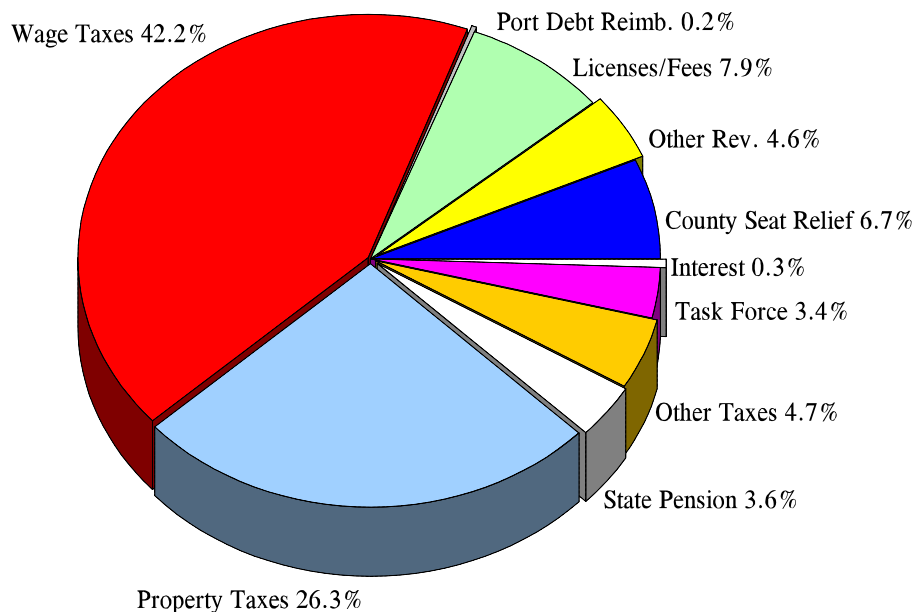
## SUMMARY OF GENERAL FUND FISCAL YEAR 2019

<u>Revenues</u>	<u>Actual FY 2016</u>	<u>Actual FY 2017</u>	<u>Budget FY 2018</u>	<u>Budget FY 2019</u>	<u>Percent Change FY'19-'18</u>	<u>Page Reference*</u>
Wage Tax	\$63,099,361	\$66,911,828	\$66,311,600	\$68,416,600	3.2%	68
Property Tax	40,246,355	40,596,911	43,847,261	42,567,487	-2.9%	69
Other Taxes	7,053,583	9,234,072	7,231,071	7,599,790	5.1%	70
Licenses, Permits, Fees & Fines	12,746,282	10,682,706	11,500,000	12,880,000	12.0%	71
Interest	236,539	506,098	340,000	550,000	61.8%	72
Other Revenues	6,877,518	7,129,835	7,254,638	7,510,304	3.5%	73
Task Force Revenues	5,113,176	5,113,278	5,318,626	5,484,226	3.1%	74
County Seat Relief	9,933,561	10,216,881	9,843,339	10,858,339	10.3%	75
State Pension Contr.	5,215,485	5,349,684	5,269,823	5,789,528	9.9%	76
Port Debt Reimburse.	936,721	840,060	389,234	396,574	1.9%	76
Transfers In/(Out)	275,000	275,000	275,000	275,000	0.0%	77
Use of Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>	<u>77</u>
<b>Total Revenues</b>	<b><u>\$151,733,581</u></b>	<b><u>\$156,856,353</u></b>	<b><u>\$157,580,592</u></b>	<b><u>\$162,327,848</u></b>	<b><u>3.0%</u></b>	

\* See page listed for further information and details.

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

## General Fund Revenues Fiscal Year 2019



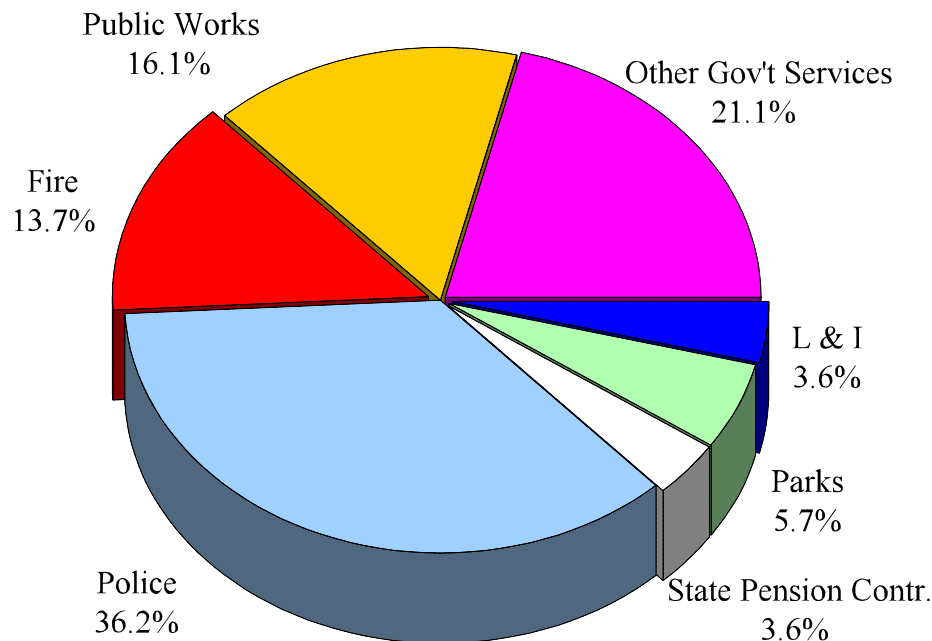
## SUMMARY OF GENERAL FUND FISCAL YEAR 2019

<u>Expenditures</u>	<u>Actual FY 2016</u>	<u>Actual FY 2017</u>	<u>Budget FY 2018</u>	<u>Budget FY 2019</u>	<u>Percent Change FY'19-'18</u>	<u>Page Reference*</u>
Mayor's Office	\$10,844,263	\$10,095,893	\$9,749,113	\$10,146,305	4.1%	91
Council	2,206,541	2,242,104	2,338,254	2,255,663	-3.5%	103
Treasurer	490,451	589,777	568,518	547,974	-3.6%	109
Planning	1,505,606	1,757,221	1,876,210	1,705,462	-9.1%	117
Audit	713,340	686,275	756,358	946,856	25.2%	126
Law	2,919,489	3,028,380	2,727,179	2,859,818	4.9%	129
Finance	9,419,435	9,464,729	9,967,239	10,094,649	1.3%	137
Human Resources	2,041,957	2,052,493	2,215,564	2,357,538	6.4%	150
Licenses & Inspections	5,248,683	5,008,392	5,167,462	5,923,818	14.6%	168
Parks & Recreation	8,710,667	9,639,608	8,770,695	9,226,071	5.2%	179
Fire	20,842,032	25,319,682	21,949,182	22,211,163	1.2%	192
Police	54,390,099	62,944,314	55,736,002	58,739,785	5.4%	204
Public Works	23,080,312	22,340,103	24,495,284	26,144,955	6.7%	218
Real Estate & Housing	1,434,237	1,932,656	2,151,337	1,766,462	-17.9%	240
Commerce (Port Debt)	1,280,777	1,290,546	512,858	910,954	77.6%	255
State Pension Contr.	5,215,485	5,349,684	5,269,823	5,789,528	9.9%	192 & 204
Contingent Reserves**	<u>0</u>	<u>0</u>	<u>672,000</u>	<u>672,000</u>	<u>0.0%</u>	91
<b>Total Expenditures</b>	<b><u>\$150,343,374</u></b>	<b><u>\$163,741,857</u></b>	<b><u>\$154,923,078</u></b>	<b><u>\$162,299,001</u></b>	<b><u>4.8%</u></b>	

\* See page listed for further information and details.

\*\* Includes a \$500,000 City-wide Operating Budget Contingency Fund and \$172,000 for snow and weather emergencies.

## General Fund Expenditures Fiscal Year 2019





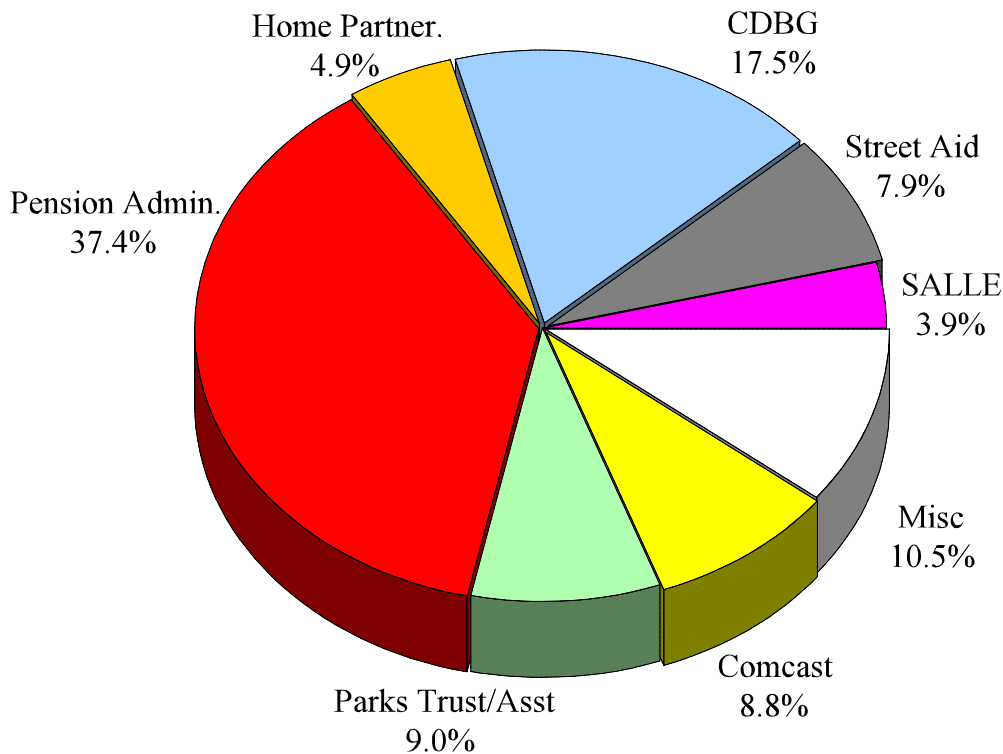
## SUMMARY OF SPECIAL FUNDS FISCAL YEAR 2019

<u>Revenues</u>	<u>Actual FY 2016</u>	<u>Actual FY 2017</u>	<u>Budget FY 2018</u>	<u>Budget FY 2019</u>	<u>Percent Change FY'19-'18</u>	<u>Page Reference*</u>
Municipal Street Aid	\$992,448	\$1,071,213	\$1,070,165	\$1,070,165	0.0%	78
CDBG	2,393,769	2,041,023	1,927,015	2,381,804	23.6%	78
Comcast Franchise	1,205,008	1,223,061	1,200,000	1,200,000	0.0%	78
COPS Grant	0	0	0	0	0.0%	79
SAFER	0	0	0	0	0.0%	79
Parks Assistance	1,443,509	1,075,945	1,231,879	1,082,889	-12.1%	79
Parks Trust Fund	111,506	54,016	134,847	135,265	0.3%	80
SALLE/LLEBG	2,183,451	1,782,320	1,385,975	535,766	-61.3%	80
Pension Admin.	4,457,136	4,611,719	4,840,184	5,087,421	5.1%	80
Home Partnership	744,080	200,275	369,177	671,808	82.0%	81
Byrne Grant	0	0	0	0	0.0%	N/A
Miscellaneous Grants	<u>1,757,457</u>	<u>2,036,551</u>	<u>1,365,156</u>	<u>1,425,770</u>	<u>4.4%</u>	81
<b>Total Revenues</b>	<b><u>\$15,288,364</u></b>	<b><u>\$14,096,123</u></b>	<b><u>\$13,524,398</u></b>	<b><u>\$13,590,888</u></b>	<b><u>0.5%</u></b>	

\* See page listed for further information and details.

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

## Special Funds Revenues Fiscal Year 2019



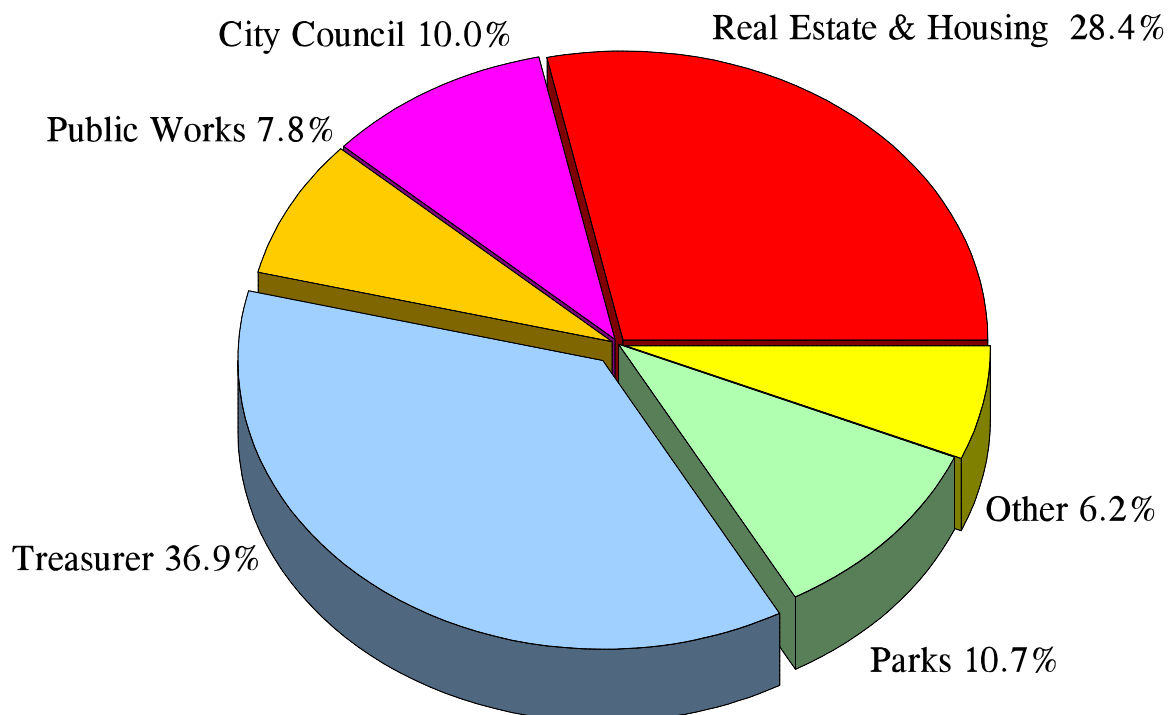
## SUMMARY OF SPECIAL FUNDS FISCAL YEAR 2019

<u>Expenditures</u>	<u>Actual FY 2016</u>	<u>Actual FY 2017</u>	<u>Budget FY 2018</u>	<u>Budget FY 2019</u>	<u>Percent Change FY'19-'18</u>	<u>Page Reference*</u>
Mayor's Office	\$150,746	\$486,630	\$65,879	\$67,555	2.5%	92
City Council	921,037	952,043	1,039,153	1,380,459	32.8%	103
Treasurer	4,457,136	4,611,719	4,840,184	5,087,421	5.1%	110
Planning	54,355	50,719	50,812	51,955	2.2%	117
Licenses & Inspections	0	0	0	0	0.0%	N/A
Parks & Recreation	1,667,303	1,499,648	1,682,050	1,466,771	-12.8%	180
Fire	563,039	266,948	201,369	201,369	0.0%	192
Police	2,183,451	1,782,320	1,385,975	535,766	-61.3%	204
Public Works	992,448	1,071,213	1,070,165	1,070,165	0.0%	219
Real Estate & Housing	<u>4,014,878</u>	<u>3,103,865</u>	<u>3,027,964</u>	<u>3,909,886</u>	<u>29.1%</u>	240
<b>Total Expenditures</b>	<b><u>\$15,004,393</u></b>	<b><u>\$13,825,105</u></b>	<b><u>\$13,363,551</u></b>	<b><u>\$13,771,347</u></b>	<b><u>3.1%</u></b>	

\* See page listed for further information and details.

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

## Special Funds Expenditures Fiscal Year 2019



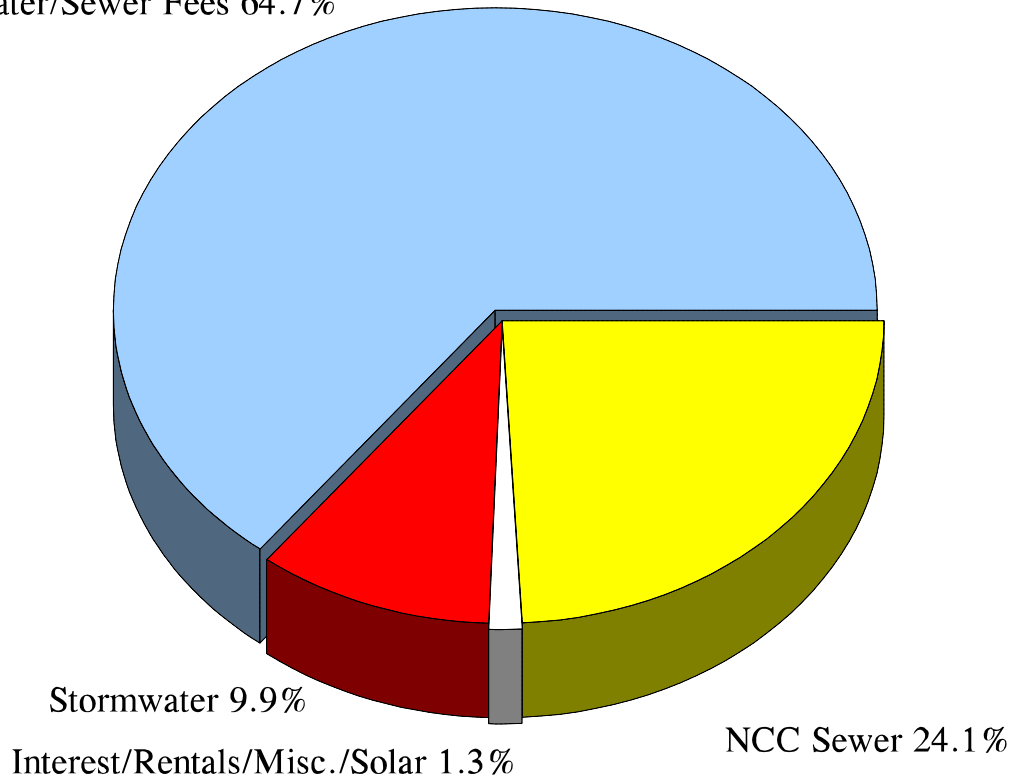
**SUMMARY OF WATER/SEWER FUND  
FISCAL YEAR 2019**

<b>Revenues</b>	<b>Actual FY 2016</b>	<b>Actual FY 2017</b>	<b>Budget FY 2018</b>	<b>Budget FY 2019</b>	<b>Percent Change FY'19-'18</b>	<b>Page Reference*</b>
Water/Sewer						
User Fees	\$48,920,622	\$51,245,529	\$48,378,000	\$52,375,000	8.3%	82
Stormwater Billings	8,132,100	6,557,031	7,874,000	8,046,000	2.2%	83
New Castle County						
Sewer Services	18,837,257	22,543,855	20,133,523	19,634,665	-2.5%	84
Interest	3,647	0	0	0	0.0%	85
Rentals/Misc.	1,113,799	3,171,860	978,000	1,062,000	8.6%	86
Solar Panels	132,230	72,610	121,000	31,000	-74.4%	87
<b>Total Revenues</b>	<b><u>\$77,139,655</u></b>	<b><u>\$83,590,885</u></b>	<b><u>\$77,484,523</u></b>	<b><u>\$81,148,665</u></b>	<b><u>4.7%</u></b>	

\* See page listed for further information and details.

## Water/Sewer Fund Revenues Fiscal Year 2019

Water/Sewer Fees 64.7%

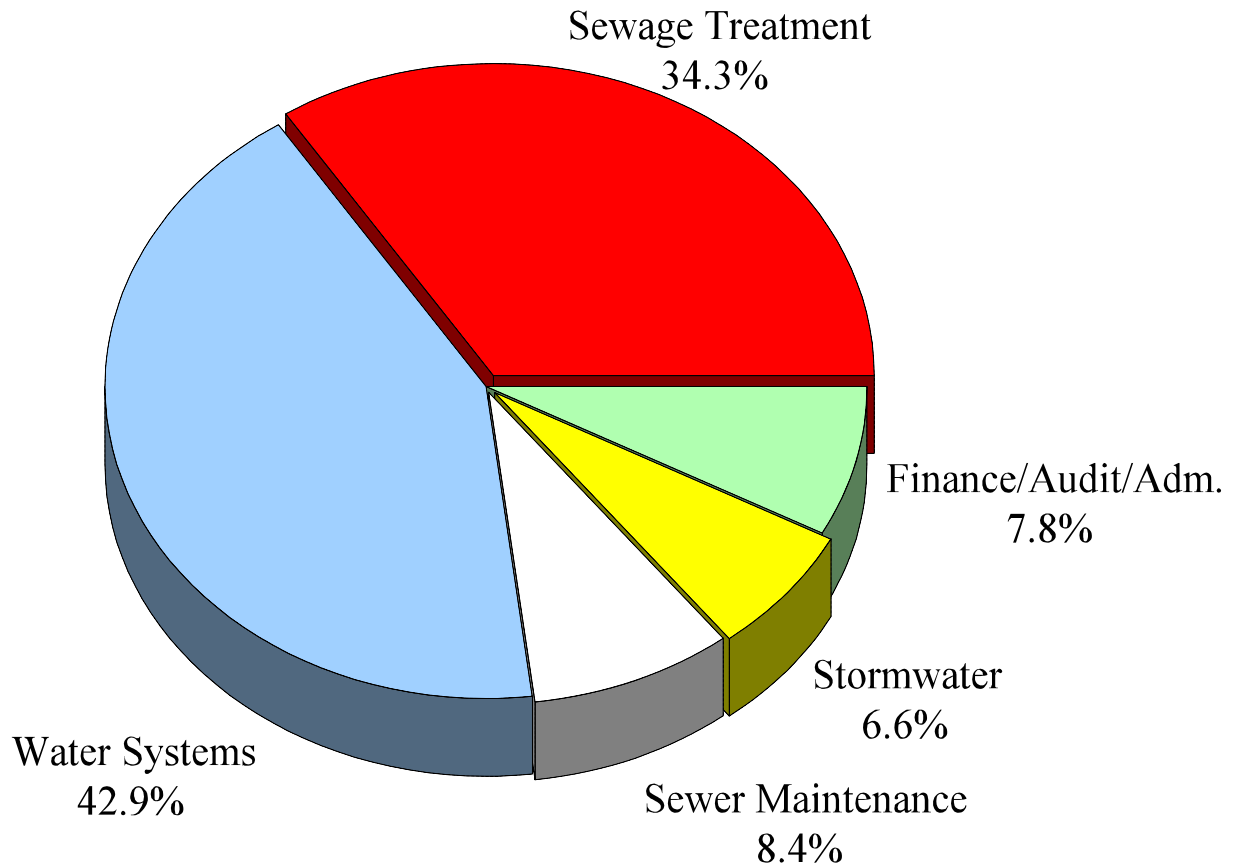


**SUMMARY OF WATER/SEWER FUND  
FISCAL YEAR 2019**

<u>Expenditures</u>	<u>Actual FY 2016</u>	<u>Actual FY 2017</u>	<u>Budget FY 2018</u>	<u>Budget FY 2019</u>	<u>Percent Change FY'19-'18</u>	<u>Page Reference*</u>
Audit	\$71,473	\$72,268	\$72,597	\$73,423	1.1%	126
Finance	4,315,463	4,323,240	4,885,917	5,757,077	17.8%	138
Public Works	<u>60,741,685</u>	<u>65,702,821</u>	<u>66,102,414</u>	<u>69,619,120</u>	<u>5.3%</u>	218
<b>Total Expenditures</b>	<b><u>\$65,128,621</u></b>	<b><u>\$70,098,329</u></b>	<b><u>\$71,060,928</u></b>	<b><u>\$75,449,620</u></b>	<b><u>6.2%</u></b>	

\* See page listed for further information and details.

## Water/Sewer Fund Expenditures Fiscal Year 2019



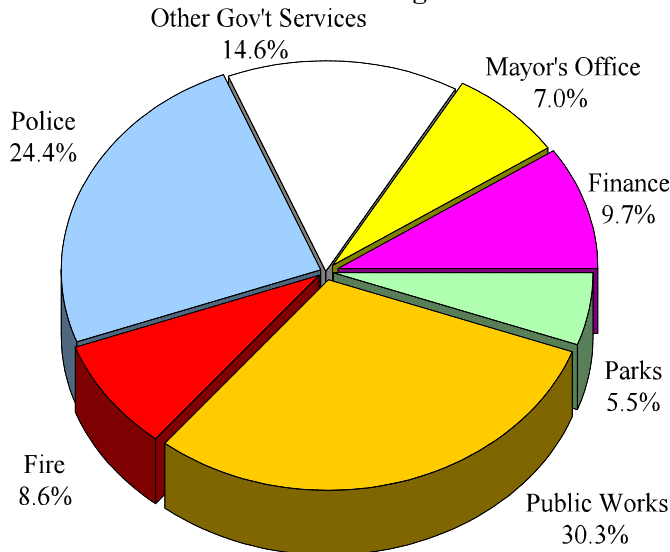
## SUMMARY OF INTERNAL SERVICE FUNDS FISCAL YEAR 2019

<u>Expenditures**</u>	<u>Actual</u> <u>FY 2016</u>	<u>Actual</u> <u>FY 2017</u>	<u>Budget</u> <u>FY 2018</u>	<u>Budget</u> <u>FY 2019</u>	<u>Percent</u> <u>Change</u> <u>FY'19-'18</u>	<u>Page</u> <u>Reference*</u>
Mayor's Office	\$7,396,488	\$8,234,613	\$8,690,048	\$9,312,859	7.2%	92
Human Resources	24,681,677	35,794,688	32,388,342	31,499,094	-2.7%	150
Public Works	<u>7,134,371</u>	<u>7,363,820</u>	<u>7,690,166</u>	<u>7,617,144</u>	<u>-1.0%</u>	219
<b>Total Expenditures</b>	<b><u>\$39,212,536</u></b>	<b><u>\$51,393,121</u></b>	<b><u>\$48,768,556</u></b>	<b><u>\$48,429,097</u></b>	<b><u>-0.7%</u></b>	

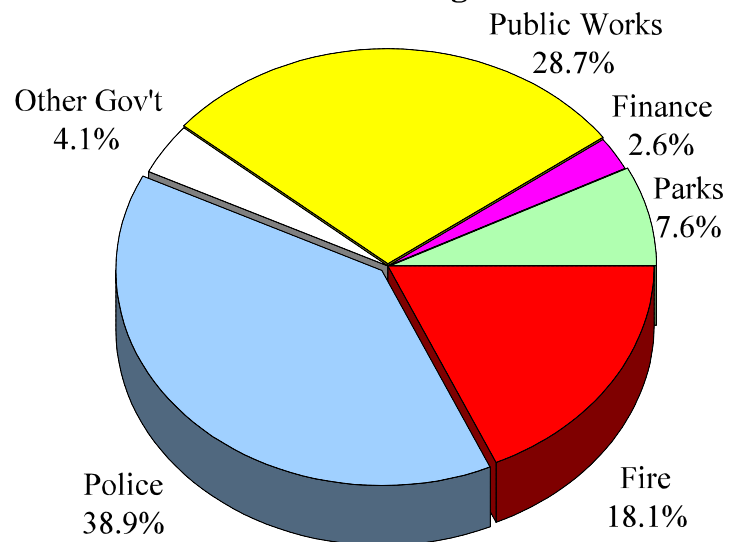
\* See page listed for further information and details.

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

### Administrative Services FY '19 Internal Service Charge Allocations



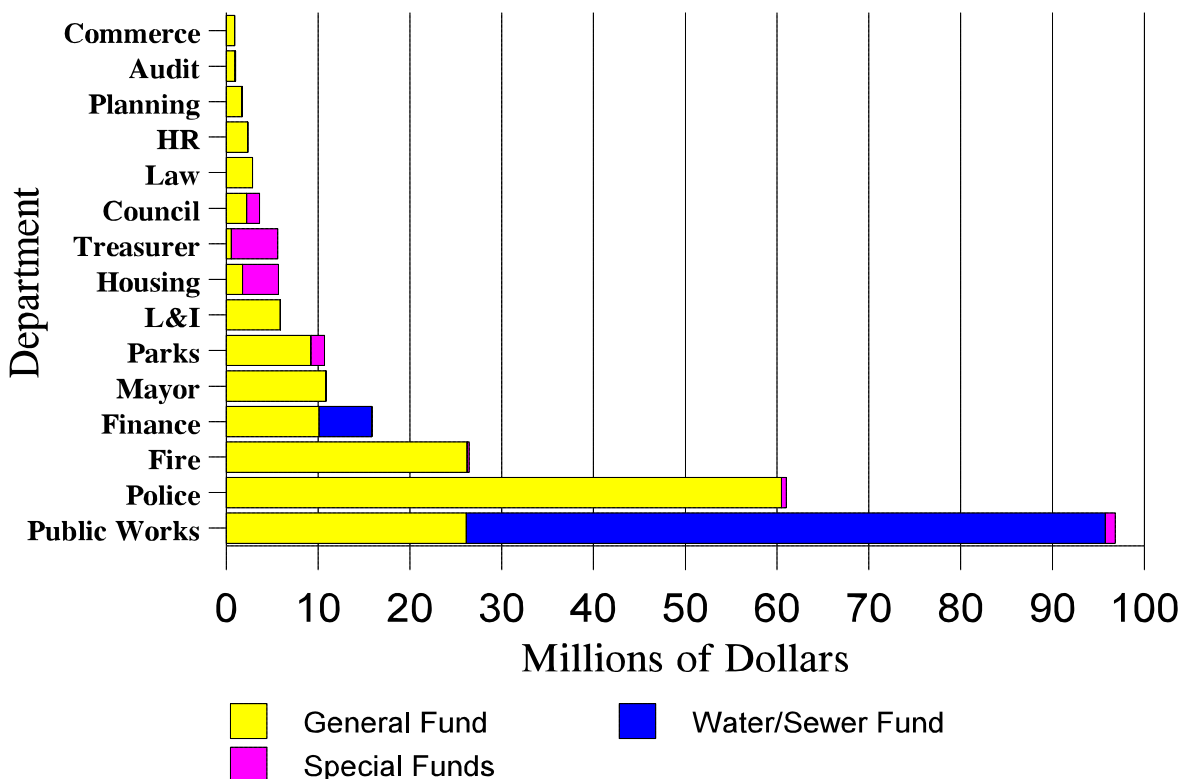
### Self-Insurance Program FY '19 Internal Service Charge Allocations



## DEPARTMENTAL BUDGETS BY FUND FISCAL YEAR 2019

<u>Expenditure</u>	<u>FY 2019 Budget General Fund</u>	<u>FY 2019 Budget Water/Sewer Fund</u>	<u>FY 2019 Budget Special Funds</u>	<u>FY 2019 Budget Total All Funds</u>
Mayor's Office	\$10,146,305	\$0	\$67,555	\$10,213,860
Council	2,255,663	0	1,380,459	3,636,122
Treasurer	547,974	0	5,087,421	5,635,395
Planning	1,705,462	0	51,955	1,757,417
Audit	946,856	73,423	0	1,020,279
Law	2,859,818	0	0	2,859,818
Finance	10,094,649	5,757,077	0	15,851,726
Human Resources	2,357,538	0	0	2,357,538
Licenses & Inspections	5,923,818	0	0	5,923,818
Parks & Recreation	9,226,071	0	1,466,771	10,692,842
Fire	22,211,163	0	201,369	22,412,532
Police	58,739,785	0	535,766	59,275,551
Public Works	26,144,955	69,619,120	1,070,165	96,834,240
Real Estate & Housing	1,766,462	0	3,909,886	5,676,348
Commerce (Port Debt)	910,954	0	0	910,954
State Pension Contr.	5,789,528	0	0	5,789,528
Contingent Reserves	<u>672,000</u>	<u>0</u>	<u>0</u>	<u>672,000</u>
<b>Total Expenditures</b>	<b><u>\$162,299,001</u></b>	<b><u>\$75,449,620</u></b>	<b><u>\$13,771,347</u></b>	<b><u>\$251,519,968</u></b>

### FY 2019 Total Departmental Budgets Breakout by Fund



CAPITAL IMPROVEMENTS PROGRAM  
FISCAL YEARS 2018-2023  
(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	
		2018	2019	2020	2021	2022	2023			
FINANCE	G	250	0	397	0	690	0	1,337	1,337	
	W	689	0	476	0	310	0	1,475	1,475	
FIRE	G	3,150	0	6,400	0	4,050	0	13,600	13,600	
OFFICE OF THE MAYOR	G	3,160	0	4,500	0	4,500	0	12,160	12,160	
PARKS AND RECREATION	G	2,910	0	3,340	0	31,585	0	37,835	37,835	
	O	0	0	0	0	250	0	0	250	
POLICE	G	0	0	2,500	0	0	0	2,500	2,500	
PUBLIC WORKS	G	6,795	0	12,500	0	12,500	0	31,795	31,795	
	W	55,100	0	38,100	0	24,800	0	118,000	118,000	
REAL ESTATE & HOUSING	G	1,000	0	0	0	0	0	1,000	1,000	
TRANSPORTATION	G	3,000	0	2,550	0	2,550	0	8,100	8,100	
	O	8,000	0	8,000	0	8,000	0	0	24,000	
TOTAL BY FUND	G	20,265	0	32,187	0	55,875	0	108,327	108,327	
	O	8,000	0	8,000	0	8,250	0	0	24,250	
	W	55,789	0	38,576	0	25,110	0	119,475	119,475	
GRAND TOTAL		84,054	0	78,763	0	89,235	0	227,802	252,052	

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

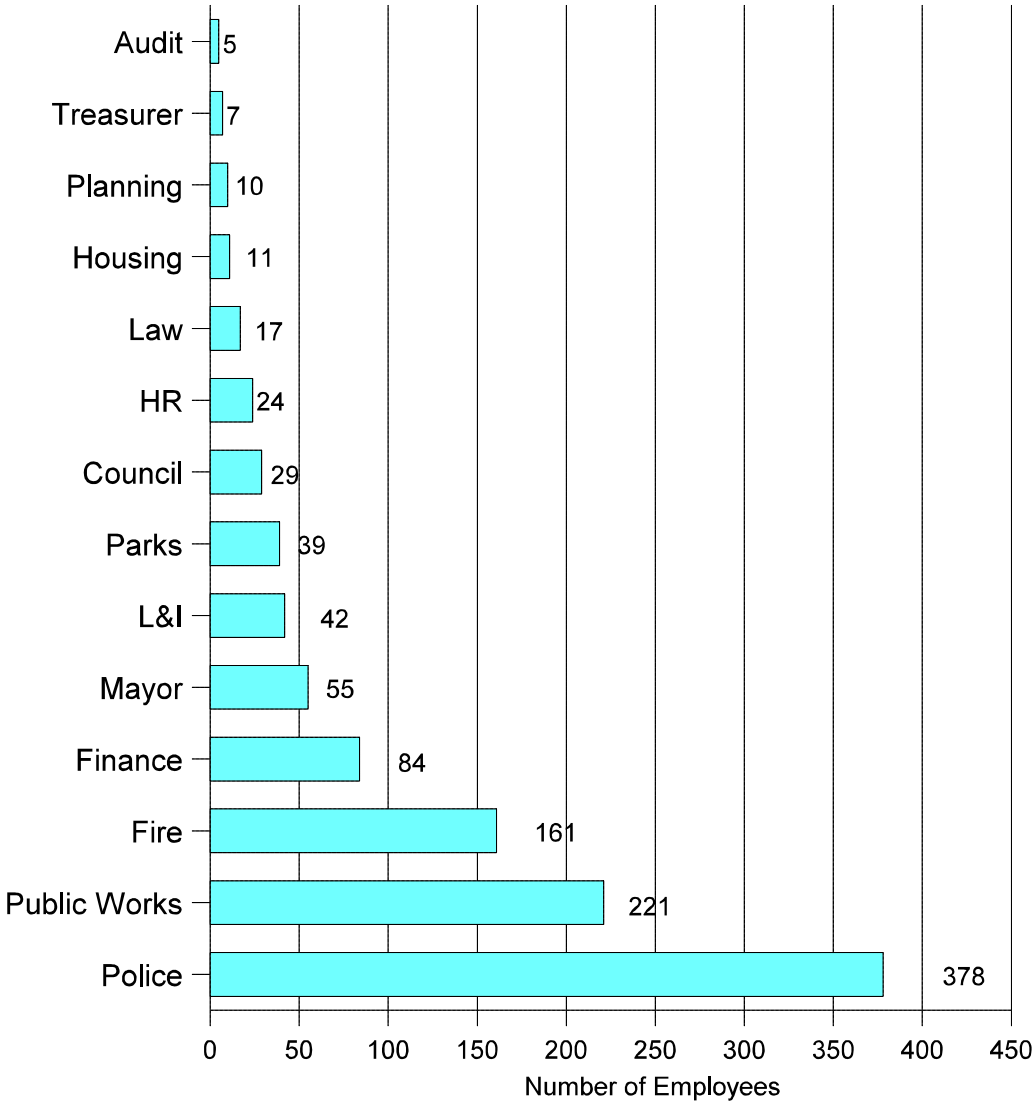
## SUMMARY OF STAFFING LEVELS FISCAL YEAR 2019

### TOTAL NUMBER OF EMPLOYEES ALL FUNDS COMBINED

<u>Department</u>	<u>Budget FY2015</u>	<u>Budget FY2016</u>	<u>Budget FY2017</u>	<u>Budget FY2018</u>	<u>Budget FY2019</u>	<u>Net Change FY'19-'18</u>
Mayor's Office	59.00	59.00	59.00	57.00	55.00	(2.00)
Council	29.00	29.00	29.00	29.00	29.00	0.00
Treasurer	6.00	6.00	6.00	7.00	7.00	0.00
Planning	11.00	11.00	10.00	10.00	10.00	0.00
Audit	4.00	4.00	4.00	4.00	5.00	1.00
Law	20.00	20.00	20.00	18.00	17.00	(1.00)
Finance	88.00	88.00	86.00	85.00	84.00	(1.00)
Human Resources	22.00	22.00	24.00	23.00	24.00	1.00
Licenses & Inspections	38.00	38.00	38.00	38.00	42.00	4.00
Parks & Recreation	42.00	41.00	41.00	40.00	39.00	(1.00)
Fire	177.00	177.00	177.00	161.00	161.00	0.00
Police	382.00	382.00	381.00	376.00	378.00	2.00
Public Works	223.00	223.00	221.00	219.00	221.00	2.00
Real Estate & Housing	<u>12.00</u>	<u>12.00</u>	<u>11.00</u>	<u>11.00</u>	<u>11.00</u>	<u>0.00</u>
<b>TOTAL</b>	<b><u>1,113</u></b>	<b><u>1,112</u></b>	<b><u>1,107</u></b>	<b><u>1,078</u></b>	<b><u>1,083</u></b>	<b><u>5.00</u></b>
<b>Total Employees per every 1,000 Persons in City Population</b>	<b><u>15.71</u></b>	<b><u>15.69</u></b>	<b><u>15.62</u></b>	<b><u>15.22</u></b>	<b><u>15.29</u></b>	



**TOTAL NUMBER OF CITY EMPLOYEES BY DEPT.  
FISCAL YEAR 2019  
(ALL FUNDS)**



Almost 74% (or 802) of the City’s employees work to provide Public Safety (Police, Fire, L&I) and Public Works services.

**STAFFING LEVELS BY FUND  
FISCAL YEAR 2019**

**GENERAL FUND  
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Budget FY2015</u>	<u>Budget FY2016</u>	<u>Budget FY2017</u>	<u>Budget FY2018</u>	<u>Budget FY2019</u>	<u>Net Change FY'19-'18</u>
Mayor's Office	37.50	37.50	36.50	34.50	33.50	(1.00)
Council	20.05	19.55	19.55	20.35	20.20	(0.15)
Treasurer	2.92	2.92	2.92	3.00	3.00	0.00
Planning	10.43	10.49	9.53	9.55	9.55	0.00
Audit	4.00	4.00	4.00	4.00	5.00	1.00
Law	20.00	20.00	20.00	18.00	17.00	(1.00)
Finance	60.55	61.85	61.45	60.45	58.65	(1.80)
Human Resources	14.00	13.55	13.55	13.55	14.55	1.00
Licenses & Inspections	38.00	38.00	38.00	38.00	42.00	4.00
Parks & Recreation	42.00	41.00	41.00	40.00	39.00	(1.00)
Fire	177.00	177.00	177.00	161.00	161.00	0.00
Police	373.20	374.00	374.00	369.00	371.00	2.00
Public Works	120.65	120.65	120.15	118.15	118.05	(0.10)
Real Estate & Housing	<u>1.80</u>	<u>1.52</u>	<u>1.48</u>	<u>1.48</u>	<u>1.48</u>	<u>0.00</u>
<b>TOTAL</b>	<b><u>922.10</u></b>	<b><u>922.03</u></b>	<b><u>919.13</u></b>	<b><u>891.03</u></b>	<b><u>893.98</u></b>	<b><u>2.95</u></b>

**SPECIAL FUNDS  
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Budget FY2015</u>	<u>Budget FY2016</u>	<u>Budget FY2017</u>	<u>Budget FY2018</u>	<u>Budget FY2019</u>	<u>Net Change FY'19-'18</u>
Mayor's Office	0.50	0.50	0.50	0.50	0.50	0.00
Treasurer	3.08	3.08	3.08	4.00	4.00	0.00
Planning	0.57	0.51	0.47	0.45	0.45	0.00
City Council	8.95	9.45	9.45	8.65	8.80	0.15
Real Estate and Housing	10.20	10.48	9.52	9.52	9.52	0.00
Fire	0.00	0.00	0.00	0.00	0.00	0.00
Police	<u>8.80</u>	<u>8.00</u>	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>	<u>0.00</u>
<b>TOTAL</b>	<b><u>32.10</u></b>	<b><u>32.02</u></b>	<b><u>30.02</u></b>	<b><u>30.12</u></b>	<b><u>30.27</u></b>	<b><u>0.15</u></b>

**STAFFING LEVELS BY FUND  
FISCAL YEAR 2019**

**WATER/SEWER FUND  
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Budget FY2015</u>	<u>Budget FY2016</u>	<u>Budget FY2017</u>	<u>Budget FY2018</u>	<u>Budget FY2019</u>	<u>Net Change FY'19-'18</u>
Finance	27.45	26.15	24.55	24.55	25.35	0.80
Public Works	<u>102.35</u>	<u>102.35</u>	<u>100.85</u>	<u>100.85</u>	<u>102.95</u>	<u>2.10</u>
<b>TOTAL</b>	<b><u>129.80</u></b>	<b><u>128.50</u></b>	<b><u>125.40</u></b>	<b><u>125.40</u></b>	<b><u>128.30</u></b>	<b><u>2.90</u></b>

**COMMERCE FUND  
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Budget FY2015</u>	<u>Budget FY2016</u>	<u>Budget FY2017</u>	<u>Budget FY2018</u>	<u>Budget FY2019</u>	<u>Net Change FY'19-'18</u>
Mayor's Office	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>TOTAL</b>	<b><u>0.00</u></b>	<b><u>0.00</u></b>	<b><u>0.00</u></b>	<b><u>0.00</u></b>	<b><u>0.00</u></b>	<b><u>0.00</u></b>

**INTERNAL SERVICE FUNDS  
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Budget FY2015</u>	<u>Budget FY2016</u>	<u>Budget FY2017</u>	<u>Budget FY2018</u>	<u>Budget FY2019</u>	<u>Net Change FY'19-'18</u>
Mayor's Office	21.00	21.00	22.00	22.00	21.00	(1.00)
Human Resources	8.00	8.45	10.45	9.45	9.45	0.00
Finance	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>TOTAL</b>	<b><u>29.00</u></b>	<b><u>29.45</u></b>	<b><u>32.45</u></b>	<b><u>31.45</u></b>	<b><u>30.45</u></b>	<b><u>(1.00)</u></b>
<b>TOTAL ALL FUNDS</b>	<b><u>1,113</u></b>	<b><u>1,112</u></b>	<b><u>1,107</u></b>	<b><u>1,078</u></b>	<b><u>1,083</u></b>	<b><u>5.00</u></b>

**FUND BALANCE  
GENERAL FUND  
FISCAL YEAR 2019**

<b>Fund Balance Activity</b>	<b>Actual FY 2017</b>	<b>Estimated FY 2018</b>	<b>Projected FY 2019</b>
Fund Balance as of July 1	\$42,314,362	\$33,928,774	\$38,462,607
Excess of Revenues Over/(Under) Expenditures	(7,160,504)	4,258,833	(246,153)
Other Financing Sources/(Uses):			
Transfer from/(to) Wilmington Parking Authority	275,000	275,000	275,000
Transfer from/(to) Special/Other Funds	<u>(1,500,084)</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources/(Uses)	(1,225,084)	275,000	275,000
Prior Period Adjustments	0	0	0
<b>Net Change in Fund Balance</b>	<b>(8,385,588)</b>	<b>4,533,833</b>	<b>28,847</b>
<b>Total Fund Balance as of June 30</b>	<b><u>\$33,928,774</u></b>	<b><u>\$38,462,607</u></b>	<b><u>\$38,491,454</u></b>

**Summary of Fund Balance**

Non-spendable	\$3,058,580	\$2,997,408	\$2,937,460
Committed (Budget Reserve*)	15,492,308	16,229,900	16,697,688
Unassigned	<u>15,377,886</u>	<u>19,235,299</u>	<u>18,856,306</u>
<b>Total Fund Balance as of June 30</b>	<b><u>\$33,928,774</u></b>	<b><u>\$38,462,607</u></b>	<b><u>\$38,491,454</u></b>

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

**FUND BALANCE**

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

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

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

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

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

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

**FUND NET ASSETS  
WATER/SEWER FUND  
FISCAL YEAR 2019**

<b>Fund Net Assets Activity</b>	<b>Actual FY 2017</b>	<b>Estimated FY 2018</b>	<b>Projected FY 2019</b>
Net Assets as of July 1	\$134,892,041	\$148,399,345	\$157,395,135
Excess of Revenues Over/(Under) Expenditures	16,768,419	14,255,930	11,896,466
Non-Operating Revenues/(Expenses)			
Interest Expense	(6,505,585)	(6,359,140)	(7,290,421)
Other	<u>3,244,470</u>	<u>1,099,000</u>	<u>1,093,000</u>
Total Non-Operating Revenues/(Expenses)	(3,261,115)	(5,260,140)	(6,197,421)
Income/(Loss) Before Transfers	13,507,304	8,995,790	5,699,045
Prior Period Adjustment	0	0	0
<b>Change in Net Assets</b>	<b>13,507,304</b>	<b>8,995,790</b>	<b>5,699,045</b>
<b>Total Net Assets as of June 30</b>	<b><u>\$148,399,345</u></b>	<b><u>\$157,395,135</u></b>	<b><u>\$163,094,180</u></b>

**Summary of Fund Net Assets**

Invested in Capital Assets, Net of Related Debt	\$120,943,085	\$122,943,085	\$124,943,085
Unrestricted	<u>27,456,260</u>	<u>34,452,050</u>	<u>38,151,095</u>
<b>Total Fund Net Assets as of June 30</b>	<b><u>\$148,399,345</u></b>	<b><u>\$157,395,135</u></b>	<b><u>\$163,094,180</u></b>

**NET ASSETS**

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

**TOTAL FUND BALANCE & NET ASSETS (MEMORANDUM ONLY)  
GENERAL & WATER/SEWER FUNDS  
FISCAL YEAR 2019**

<b>Fund Balance &amp; Net Assets Activity</b>	<b>Actual FY 2017</b>	<b>Estimated FY 2018</b>	<b>Projected FY 2019</b>
Fund Balance & Net Assets as of July 1	\$177,206,403	\$182,328,119	\$195,857,742
Excess of Revenues Over/(Under) Expenditures	9,607,915	18,514,763	11,650,313
Total Other Financing Sources/(Uses)	(1,225,084)	275,000	275,000
Total Non-Operating Revenues/(Expenses)			
Water Fund	(3,261,115)	(5,260,140)	(6,197,421)
Prior Period Adjustments	0	0	0
<b>Change in Fund Balance &amp; Net Assets</b>	<b>5,121,716</b>	<b>13,529,623</b>	<b>5,727,892</b>
<b>Total Fund Balance &amp; Net Assets as of June 30</b>	<b><u>\$182,328,119</u></b>	<b><u>\$195,857,742</u></b>	<b><u>\$201,585,634</u></b>

**Summary of Fund Balance & Net Assets**

Non-spendable	\$3,058,580	\$2,997,408	\$2,937,460
Budget Reserve	15,492,308	16,229,900	16,697,688
Unassigned	15,377,886	19,235,299	18,856,306
Invested in Capital Assets, Net of Related Debt	120,943,085	122,943,085	124,943,085
Unrestricted	<u>27,456,260</u>	<u>34,452,050</u>	<u>38,151,095</u>
<b>Total Fund Balance &amp; Net Assets as of June 30</b>	<b><u>\$182,328,119</u></b>	<b><u>\$195,857,742</u></b>	<b><u>\$201,585,634</u></b>

# City of Wilmington General Fund

## ACTUAL, BUDGETED & PROJECTED REVENUES AND EXPENDITURES (Preliminary)

Revenue Type	Actual FY 2017	Projected FY 2018	Budget FY 2019	Projected FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023
Wage & Net Profits Tax	\$66,911,828	\$66,311,600	\$68,416,600	\$70,224,600	\$72,077,600	\$73,976,600	\$75,922,600
Property Tax	40,596,911	42,847,261	42,567,487	46,647,457	46,673,657	46,698,786	46,710,050
Real Estate Transfer Tax	4,459,922	3,004,650	2,804,650	2,860,743	2,917,958	2,976,317	3,035,843
Head Tax	3,853,010	3,874,000	3,874,000	3,874,000	3,874,000	3,874,000	3,874,000
Franchise Fee	921,140	952,421	921,140	919,113	917,091	915,074	913,061
Licenses, Permits, Fees & Fines	10,682,706	11,400,000	12,880,000	13,280,000	13,280,000	13,280,000	13,280,000
Interest Income	506,098	550,000	550,000	1,200,577	1,529,745	1,491,489	1,732,785
Indirect Costs	5,246,555	5,476,638	5,732,304	5,875,612	6,022,502	6,173,064	6,327,391
Other Miscellaneous Revenues	1,883,280	1,778,000	1,778,000	1,778,000	1,778,000	1,778,000	1,778,000
Task Force Revenues	5,113,278	5,318,626	5,484,226	5,648,606	5,695,710	5,743,542	5,792,106
County Seat Relief Package	10,216,881	10,250,135	10,858,339	11,022,941	11,191,464	11,332,135	11,475,488
State Port Debt Reimbursement	840,060	389,234	396,574	569,356	870,857	554,204	553,829
State Pension Contribution	5,349,684	5,269,823	5,789,528	5,789,528	5,789,528	5,789,528	5,789,528
<b>Total Revenues</b>	<b>\$156,581,353</b>	<b>\$157,422,388</b>	<b>\$162,052,848</b>	<b>\$169,690,533</b>	<b>\$172,618,113</b>	<b>\$174,582,740</b>	<b>\$177,184,681</b>

Expenditure Type	Actual FY 2017	Projected FY 2018	Budget FY 2019	Projected FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023
Salaries and Wages	\$66,610,593	\$61,406,943	\$63,220,752	\$65,056,037	\$66,877,358	\$68,745,509	\$70,661,636
Health Benefits	15,914,604	15,584,856	17,644,455	18,463,081	19,996,013	21,656,713	23,455,847
Pension and Retirement	18,409,160	17,413,923	18,872,948	19,273,958	20,476,281	20,912,222	21,413,306
Other Employee Benefits	2,605,471	2,527,532	2,632,526	2,707,029	2,783,459	2,861,863	2,942,291
Equipment & Services	16,326,758	20,291,311	21,385,653	22,316,063	22,742,478	23,063,283	23,441,637
General Liability	1,603,907	1,383,089	1,383,089	1,417,666	1,453,108	1,489,436	1,526,671
Workers' Compensation	10,883,707	3,936,907	3,004,907	3,089,949	3,177,190	3,266,686	3,358,490
Internal Services	11,853,769	13,049,878	13,395,735	13,842,232	14,303,611	14,780,369	15,273,017
Debt Service	13,567,340	11,980,293	14,650,408	14,694,358	15,299,370	13,938,252	14,266,530
Special Purpose	616,864	319,000	319,000	326,975	335,149	343,528	352,116
State Pension Contribution	5,349,684	5,269,823	5,789,528	5,789,528	5,789,528	5,789,528	5,789,528
<b>Total Expenditures</b>	<b>\$163,741,857</b>	<b>\$153,163,555</b>	<b>\$162,299,001</b>	<b>\$166,976,876</b>	<b>\$173,233,545</b>	<b>\$176,847,389</b>	<b>\$182,481,069</b>
<b>Operating Surplus/(Deficit)</b>	<b>(\$7,160,504)</b>	<b>\$4,258,833</b>	<b>(\$246,153)</b>	<b>\$2,713,658</b>	<b>(\$615,433)</b>	<b>(\$2,264,649)</b>	<b>(\$5,296,388)</b>
<b>Net Adj. &amp; Transfers In/(Out)</b>	<b>(1,225,084)</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>
<b>Surplus/(Deficit)</b>	<b>(\$8,385,588)</b>	<b>\$4,533,833</b>	<b>\$28,847</b>	<b>\$2,988,658</b>	<b>(\$340,433)</b>	<b>(\$1,989,649)</b>	<b>(\$5,021,388)</b>

<b>Total Fund Balance</b>	<b>\$33,928,774</b>	<b>\$38,462,607</b>	<b>\$38,491,454</b>	<b>\$41,480,112</b>	<b>\$41,139,679</b>	<b>\$39,150,031</b>	<b>\$34,128,643</b>
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## **ASSUMPTIONS USED IN OUTYEAR REVENUE AND EXPENDITURE PROJECTIONS**

### **BASE YEAR**

Each year the Office of Management and Budget develops a five-year revenue and expenditure projection covering the budget year (FY 2019), as well as the next four outyears (FY 2020 through 2023). For FY 2019, the approved budget is shown and is the base year upon which the FY 2020 through 2023 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 2018 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 12, 2018 release projects headline Consumer Price Index (CPI) growth of 2.5% in calendar year 2018, followed by slightly lower increases in inflation through calendar year 2022 (see table below).

<b>Calendar Year</b>	<b>Survey of Professional Forecasters Projected Annual Headline CPI Increase</b>
2018	2.50%
2019	2.20%
2020	2.30%
2021	2.20%
2022	2.20%

Federal Reserve Bank of Philadelphia, Survey of Professional Forecasters, May 12, 2018

While local factors may vary, the regional CPI for the Philadelphia-Wilmington-Atlantic City Consolidated Metropolitan Statistical Area has trended somewhat below national cost-of-living growth in recent years. However, as the Implicit Price Deflator for State & Local Government Purchases (S&L IPD) generally exceeds both the nation and regional CPI, we have taken a conservative approach and assumed 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 calculations and overriding assumptions included.



## **OUTYEAR PROJECTION ASSUMPTIONS - REVENUES**

The following section details the assumptions used in creating the FY 2020 through FY 2023 outyear revenue projections. In many cases these assumptions rely on the budgeted revenue for FY 2019 as a starting base; further details on how the FY 2019 revenues were derived can be found in the *Revenues* section of the budget book.

### **Wage & Net Profit Taxes (FY 2019 Base Year: \$68,416,600 - 42.2% of total revenues)**

The FY 2019 Wage and Net Profits Tax revenue budget totals just over \$68.4 million, an increase of \$2.1 million from FY 2018. This is based on an assumption of a starting wage tax base of \$59.2 million, flat job growth in FY 2019, a 2.5% increase in taxable wages, and \$1.25 million in one-time audit and collection revenue. Additionally, net profits are projected to grow by 2.5% in FY 2019.

In their June 2018 report, the Delaware Economic and Financial Advisory Council (DEFAC) projects 4.8% wage growth for FY 2020 as part of total State personal income 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, City wage and net profit tax receipts are projected to grow annually (exclusive of audit and collection revenue) by 2.5% for FY 2020 through 2022, matching expected normal wage inflation. For Wage Tax, this also assumes flat job growth and annual audit and collection revenue remaining level at \$1.25 million throughout the projection period.

### **Property Tax (FY 2019 Base Year: \$42,567,487 - 26.3% of total revenues)**

Property Taxes are budgeted to total \$42,567,487 in FY 2019, a net decrease of \$1.28 million compared to FY 2018. This is built on projected base billings of \$42.3 million, down \$1.3 million due to reassessment appeals in FY 2018. An additional \$250,000 loss is included for FY 2019 reassessment appeals, though this is offset by \$396,000 in increased revenue from expiring tax incentives and projected property improvements.

Because the City relies upon New Castle County for its property tax assessments, and no systematic reassessment has been performed since 1983, Property Tax revenue will remain effectively flat unless the City increases the property tax rate. As such, periodic rate increases have been necessary to keep pace with inflation. For the outyear projection, we have assumed a 9.75% rate increase in FY 2020, and no increases for the rest of the projection period. Based on the combined outyear revenue and expenditure projection presented here, this is sufficient to return the fund balance to the same level as FY 2017 by the end of FY 2023. It should be noted that a specific rate increase has not been proposed by either the Administration or Council and that various alternative revenue enhancements could be used to restore fund balance; however, this has been included under the presumption that corrective action will be taken.

Other projection assumptions include assessment appeals leveling off relative to FY 2018 and 2019, with outyears projected at \$50,000 each year. The amount added from expiring incentives varies in each of the outyears, averaging about \$48,000 annually. Lastly, the allowance for uncollectables (2.0% of gross billings, or approximately \$850,000 annually) and one-time penalty and interest collections (\$1.0 million annually) are expected to remain at the same level as FY 2019.

**Real Estate Transfer Tax (FY 2019 Base Year: \$2,804,650 - 1.7% of total revenues)**

Real Estate Transfer Tax revenues are slated to rise by \$400,000, to a new total of \$2.8 million in FY 2019, as the City continues to see strong growth in Transfer Tax from residential sales. However, given the tremendous variability in commercial property sales, the City uses a conservative 2.0% annual increase for the FY 2020 to FY 2023 outyear projections.

**Head Tax (FY 2019 Base Year: \$3,874,000 - 2.4% of total revenues)**

Head Tax revenue is budgeted to remain at \$3.87 million for FY 2019, as net job growth is expected to be flat. No net additional job growth is assumed for FY 2020 and beyond.

**Franchise Fees (FY 2019 Base Year: \$921,140 - 0.6% of total revenues)**

Franchise Fees consists of 2% of the gross revenues from electricity sales in the City and is budgeted to be \$921,140 in FY 2019, a slight decrease relative to FY 2018. Based on the continued trend of reduced electricity use, the outyear projection includes slight annual decreases of 0.22% annually for FY 2020 through FY 2023.

**Licenses, Permits, Fees, and Fines (FY 2019 Base Year: \$12,880,000 - 7.9% of total revenues)**

Licenses, Permits, Fees, and Fines revenue are budgeted to collectively increase by \$1.38 million in FY 2019, to a new total of \$12.9 million. The largest portion of this category is derived from red-light camera fines. This is budgeted to grow from \$3.15 million in FY 2018 to \$4.45 million in FY 2019, due to the addition of 17 new red-light cameras midway through FY 2019. Red-light revenues are projected to further grow to \$5.45 million in FY 2020, which would include a full year of revenue from the 17 new cameras and the elimination of seven older cameras. No changes are projected for red-light revenue for FY 2021 through FY 2023.

Conversely, permit revenue is expected to decline by \$600,000 in FY 2020, to a new total of \$2.1 million, due to the completion of several large construction projects begun in FY 2019. Given that construction activity tends to be highly variable, no growth in permit revenue is projected for the remainder of the projection period.

Other revenues in this category include business licenses, criminal fines, L&I instant ticketing, parking tickets and booting fines, and other miscellaneous fees. Collectively these total \$5.7 million in FY 2019 and are projected to remain flat for outyears FY 2020 through FY 2023.

**Interest Income (FY 2019 Base Year: \$550,000 - 0.3% of total revenues)**

As interest rates continue to increase, the interest earned by the City on cash balances is projected to grow significantly between FY 2020 and FY 2023. The projection assumes an interest rate of 2.0% in FY 2020, which is projected to increase by 25 basis points each year going forward and includes the following additions to the investment base:

1. FY 2020: a weighted average of \$5.0 million from the unspent portion of the July 2018 capital borrowing, plus \$28,847 in fund surplus;
2. FY 2021: a weighted average of \$10.0 million from the unspent portion of the July 2020 capital borrowing, plus \$2.9 million in fund surplus;

3. FY 2022: a weighted average of \$5.0 million from the unspent portion of the July 2020 capital borrowing, net of \$340,433 fund deficit;
4. FY 2023: a weighted average of \$10.0 million from the unspent portion of the July 2022 capital borrowing, net of \$1.9 million fund deficit.

**Indirect Costs (FY 2019 Base Year: \$5,732,304 - 3.5% of total revenues)**

Indirect Costs reflects the revenue provided to the General Fund to cover the costs of supporting services provided to the Water/Sewer Fund's utility functions. For FY 2020 and subsequent years, this category is estimated to increase by 2.5% per year.

**Other Miscellaneous Revenues (FY 2019 Base Year: \$1,778,000 - 1.1% of total revenues)**

Other Miscellaneous Revenues is composed of general government charges, rentals, and other revenues. No outyear growth is forecasted for these revenues.

**Task Force Revenues (FY 2019 Base Year: \$5,484,226 - 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 in the State (Wilmington is the county seat of New Castle County) receives the revenue derived from the following:

1. A State corporate filing tax, budgeted at \$1.2 million in FY 2019. Per DEFAC, this is projected to grow by 1.0% per year.
2. A State Limited Liability Corporation (LLC) filing tax, budgeted at \$2.9 million for FY 2019. This is projected to grow by 5.0% in FY 2020 per DEFAC, then by 1.0% for the remainder of the outyear period.
3. A 2% lodging tax on hotels in the City, budgeted at \$760,344 in FY 2019. Per prior year trends, this is projected to grow by 1.5% per year.
4. A natural gas franchise fee, budgeted at \$537,689 in FY 2019. Per prior year trends, this is projected to decrease by 1.5% per year as gas prices decline and energy efficiency improves.

**County Seat Relief Package (FY 2019 Base Year: \$10,858,339 - 6.7% of total revenues)**

The County Seat Relief Package is a bundle of escalating revenue enhancements that built on the work of the Governor's Task Force (see the Task Force Revenues section above) and was intended to provide further diversified revenue support to the three county seats in the State of Delaware. In FY 2019, this totals almost \$10.9 million and consists of the following four components:

1. A payment in lieu of taxes (PILOT) on what would otherwise be tax-exempt properties in the City. This is budgeted at \$2.5 million in FY 2019 and is projected to remain level through outyears FY 2020 to FY 2023.
2. \$1.0 million in Statutory Trust filing fees in FY 2019, which is the capped amount. This is expected to remain flat during the projected period.

3. \$6.1 million in State Uniform Commercial Code (UCC) filing fees in FY 2019. Based on DEFAC projections, this expected to grow 2.5% in FY 2020 and FY 2021, and 2.0% in FY 2022 and FY 2023.
4. \$1.3 million in New Castle County Corporate Filing Fees in FY 2019. Based on DEFAC projections of franchise tax growth, this is projected to grow by 1.0% each year from FY 2020 to FY 2023.

**State Port Debt Reimbursement (FY 2019 Base Year: \$396,574 - 0.2% of total revenues)**

The State Port Debt Reimbursement is related to the 1996 sale of the port from the City to the State. Per the sale agreement, the outstanding port debt remains as a liability on the City's books but is reimbursed annually by the State of Delaware. The outyear projection is based on the existing port debt service schedule.

**State Pension Contribution (FY 2019 Base Year: \$5,789,528 - 3.6% of total revenues)**

The State Pension Contribution is a pass-through grant of \$5,789,528 (no change from FY 2018) 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 2023.

**Net Adjustments & Transfers (FY 2019 Base Year: \$275,000)**

There are no prior year designations in FY 2019. Only the usual transfer from the Wilmington Parking Authority (WPA) in the amount of \$275,000 is budgeted. No change to the amount is anticipated for the outyears.

## **OUTYEAR PROJECTION ASSUMPTIONS - EXPENDITURES**

### **Salaries and Wages (FY 2019 Base Year: \$63,220,752 - 39.0% 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 2019 budget serves as the base year for estimating future costs, and all numbers are reported net of projected attrition.

It should be noted that in FY 2017 a special budget amendment approved the use of fund balance to cover the \$4.5 million cost of one-time bonuses, Cost of Living Adjustments (COLAs), and retroactive compensation for all employees covering the five-year period of FY 2013 through FY 2017. Subsequently, the Police Rank & File and Police Captains & Inspectors unions settled new contracts which run through FY 2020 and provide for a 2.0% Cost of Living Adjustment (COLA) in that last year. The remaining three unions have labor contracts that expired at the end of FY 2018, and the City has begun negotiations with them.

For FY 2020 through FY 2023, it is assumed that all employees will receive an annual COLA. Because of fiscal constraints, it is further assumed that COLAs will not exceed 2.0% per year. Automatic anniversary salary step increases are assumed to continue unaltered throughout the projection period for all eligible employees at a cost of about \$500,000 each year.

### **Health Benefits, Active Employees (FY 2019 Base Year: \$17,644,455 - 10.9% of total expenditures)**

In the Health and Welfare Fund, the Self-Insurance Cost account group includes the cost centers for employee medical claims, prescriptions usage, and dental claims. In recent years, the City was experiencing healthcare cost increases and employee plan utilization that was well above the national average. As a result, the City developed a three-year strategic plan and assembled the Wilmington Employee Healthcare Task Force to study all aspects of the City's employee healthcare program, with an eye toward substantially containing future cost growth. This led to the identification of key areas ripe for cost efficiencies, as well as programs to help increase the overall level of employee wellness. The Healthcare Task Force issued their report in April of 2017. The Administration is currently working with the labor unions to fully implement the report's recommendations.

As a result of the above, the Human Resources Department and USI (the City's insurance broker and consultant) project that on an annual basis during the period of FY 2020 to FY 2023, medical stop-loss insurance will increase 18.0%; medical and prescription costs by 8.44%; and dental costs by 4.0%. Taken in total, this equates to an overall weighted-average increase in base Healthcare costs of 8.35% annually through the projection period.

In addition, the City wants to change all employee contributions for healthcare from a fixed dollar amount to a percentage of cost. The projection assumes a weighted-average employee contribution rate of 11.0% beginning in FY 2020. For the FY 2019 budget, the equivalent weighted-average employee contribution rate was projected to be just under 8.9%.

Finally, based on the results of a claims audit, it was discovered that some of the costs for retiree healthcare were being charged to the active employee healthcare program. Properly allocating the costs of retiree healthcare to the Pension Healthcare Fund where it belongs results in a cumulative reduction of \$2.9 million to the General Fund through the four-year projection period.

**Pension and Retirement Healthcare (FY 2019 Base Year: \$18,872,948 - 11.6% 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 2019, it is 16.68% for police officers and firefighters, and 7.29% for civilian participants. Because the funding percentages are estimated to stay steady (per the City Treasurer's Office), the major growth in cost is caused by the number of new City 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 34 civilians, 12 police officers, and 6 firefighters will be hired and added to the State-sponsored pension plans each year. As a result, the \$5.6 million General Fund total cost of the State-sponsored pension plans in FY 2019 is projected to grow to \$6.7 million by FY 2023.

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 11 years. The Pension Coordinator, working with the City's Actuary, projects small annual decreases (averaging -0.66%) in the funding targets for FY 2020 and FY 2022, no increase in FY 2023, and a moderate spike upward of 6.74% in FY 2021. This works out to be a weighted-average funding target increase of 1.31% annually for the projection period. For FY 2019, the General Fund cost of the City-sponsored pension plans totals almost \$10.7 million. This is projected to grow to \$11.2 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 \$208,000 (the General Fund's prorated contribution) for at least the next 7 years. These increases have been incorporated into the outyears of the projection. The General Fund retiree healthcare budget cost for FY 2019 is \$2.9 million and will grow to \$3.7 million by FY 2023.

**Other Employee Benefits (FY 2019 Base Year: \$2,632,526 - 1.6% of total expenditures)**

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

**Equipment and Services (FY 2019 Base Year: \$21,385,653 - 13.2% 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 water utilities, electricity, and community activities.

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 FY 2016, 50% in FY 2017, and 75% in FY 2018. The charge is 100% in FY 2019 and beyond. Starting

with a base fee of \$1.04 million in FY 2019, the most recent financial study projects required rate increases in the outyears that will raise the base fee to roughly \$1.16 million by FY 2023.

The City uses an energy procurement consulting firm specializing in designing and maintaining large-scale energy portfolios. According to the Consultant, electricity prices in northern Delaware will rise 3.1% in FY 2020, be almost flat in FY 2021 and FY 2022, and then increase about 1.6% in FY 2023. This equates to an average annual growth rate of 1.3% over the projection period.

Given the above, the FY 2019 base cost for electricity of \$1.22 million rises to \$1.68 million in FY 2020 and stays approximately at that level until FY 2023, when it increases to \$1.28 million. In addition, the City receives an annual Municipal Street Aid grant from the State that is used to offset the electricity costs of street lighting that would otherwise be a cost to the General Fund. Based on the State funding formula, the assumption is made that the Municipal Street Aid grant funding of \$1.07 million in FY 2019 will remain constant throughout the entire projection period.

The Mayor's Office and City Council each have a budget account group known as Community Activities, which includes expenditures such as grants to non-profit agencies and a scholarship tuition assistance program. For FY 2019, the total budgeted for Community Activities is \$926,250 (\$613,250 in the Mayor's Office and \$313,000 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 2019. 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 2019 and is projected to remain at that level through the projection period.

Excluding commissions, the Contingency and Weather Emergencies Funds, community activities, electricity, and the water/sewer utilities, the remaining base of the Equipment and Services category is expected to respond to overall inflationary pressures of 2.5% annually.

**General Liability (FY 2019 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 2019 budget of \$1.38 million. This figure is projected to increase by 2.5% annually.

**Workers' Compensation (FY 2019 Base Year: \$3,004,907 - 1.9% of total expenditures)**

Workers' Compensation expenditures in FY 2017 reflect the extraordinary and tragic event of the City losing three firefighters as a result of injuries sustained while fighting a home arson fire. The tragedy was compounded by the fact that the City had no catastrophic stop-loss insurance to cover the nearly \$6.5 million in out-of-state workers' comp medical bills incurred as a result of the event. To ensure that the City is no longer unprepared for these types of events, funding was added in FY 2018 for stop-loss insurance coverage and to build a reserve to better protect the City from future catastrophic events. The FY 2019 budget, which was actuarially derived, is used as the base for forecasting purposes. Annual growth is projected to parallel the growth in Salaries and Wages.

**Internal Services (FY 2019 Base Year: \$13,395,735 - 8.3% 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.

The Division of Integrated Technology continues to periodically upgrade major City software and communications equipment, including projects scheduled throughout the projected period that average roughly \$346,000 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 2019.

In recent years, total Motor Vehicle fund costs have shown greater consistency due to better managing the size of the fleet. Fuel cost increases are projected at 7.5% for each year subsequent to FY 2019, though estimates from various private and government sources vary considerably. Fortunately, fuel accounts for only 13% of the total Motor Vehicle costs. The 87% of all other Motor Vehicle costs are expected to grow by 3.0% annually. This results in a weighted average annual growth rate of 3.59%.

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 3.2% annually for the Internal Services category as a whole (excluding General Liability and Workers' Compensation) for FY 2019 through 2022.

**Debt Service (FY 2019 Base Year: \$14,650,408 - 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 July of 2018 (FY 2019), July of 2020 (FY 2021), and July of 2022 (FY 2023).

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 2019 issuance is assumed to be 3.75%, resulting in \$1.37 million in annualized debt service cost. The FY 2021 issuance has an assumed interest rate of 4.25%, resulting in \$1.46 million in annualized debt service costs. The FY 2023 issuance has an assumed interest rate of 4.75%, resulting in \$1.56 million in annualized debt service costs. Because debt service is paid on a semi-annual basis, special consideration is given for the timing of the bond issuances. As such, the second of the semi-annual debt service payments on the FY 2023 bond issuance would not occur until FY 2024, which is beyond the projection period.

**Special Purpose (FY 2019 Base Year: \$319,000 - 0.2% of total expenditures)**

This expenditure category funds animal control and also 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 2020. The City started utilizing the recently established State Office of Animal Welfare for animal control services in FY 2018. For a few years prior to that, as the various SPCAs and other animal organizations in the State of Delaware decided to get out of the animal control business, the City had been forced into paying an exorbitant \$600,000 annual fee to the sole remaining provider of these services. The equitable fee structure of the State Office of Animal Welfare is \$300,000 in FY 2019 and is projected to grow by 2.5% per year through FY 2023.



**State Pension Contribution (FY 2019 Base Year: \$5,789,528 - 3.6% 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 \$5,789,528 for FY 2019. As such, an equal and offsetting amount is included as General Fund revenue. This expenditure is split between the Police and Fire Departments, with \$4,061,268 budgeted in Fire and \$1,728,260 budgeted in Police. The total FY 2019 figure remains unchanged through the projection period.

# FISCAL YEAR 2019 REVENUES

## Overview

### GENERAL FUND

Total revenue before transfers is projected to increase by a net \$4,747,256, or 3.0% above the FY 2018 Budget, to a new total of **\$162,052,848**. The net change from Budget to Budget (FY 2019 vs. FY 2018) by revenue category is shown in the following table:

REVENUE	INCREASE/ (DECREASE)	TOTAL
Wage & Net Profits Tax	\$2,105,000	\$68,416,600
County Seat Relief Package	1,015,000	10,858,339
Fines	980,000	8,080,000
Other Governments	527,045	6,186,102
Licenses, Permits & Fees	400,000	4,800,000
Other Taxes	368,719	7,599,790
Other Revenues	255,666	7,510,304
Interest Earnings	210,000	550,000
Task Force Revenues	165,600	5,484,226
Property Taxes	(\$1,279,774)	\$42,567,487
<b>TOTAL</b>	<b>\$4,747,256</b>	<b>\$162,052,848</b>

### Water/Sewer Fund

Total Water/Sewer Fund revenues are projected to increase by almost \$3.7 million, to a new total of \$81.1 million in FY 2019. 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 2019

### WAGE & NET PROFITS TAX

**Basis:** Growth of local economy

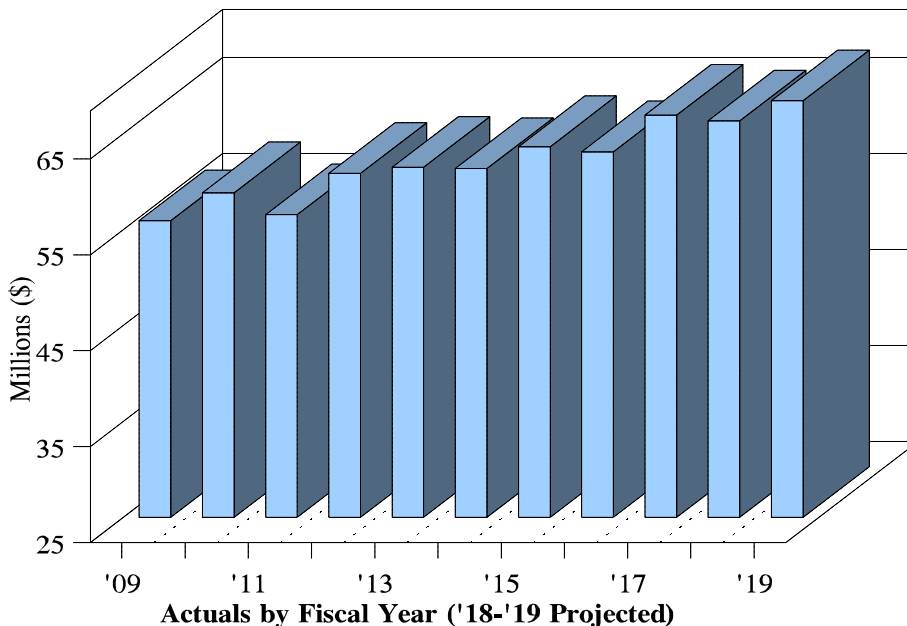
**Critical Assumption:** The FY 2019 Wage and Net Profits Tax projection totals just over \$68.4 million, an increase of \$2.1 million from FY 2018.

Wage Tax revenue is projected to be \$61.9 million based on the assumptions and calculations described below. The adjusted starting Wage Tax base was calculated to be \$59.2 million, which includes \$125,000 expected to be added by the end of FY 2018 from audit activities. While job growth is assumed to be flat for FY 2019, higher employee compensation is projected to increase taxable wages by 2.5%, further expanding the base revenue by \$1.5 million. For comparison, DEFAC’s 12/17/2017 report projected State wages and salaries growth to be 4.0% in FY 2019. Finally, audit and collection efforts in FY 2019 are expected to yield \$1.25 million in one-time revenue, the same as the current fiscal year.

Net Profits revenue, which is remitted by business partnerships, professional associations, and limited liability corporations, continues to show robust growth and is projected to increase by \$500,000 in FY 2019, to a new total of \$6.5 million.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$63,099,361	\$66,911,828	\$66,311,600	\$66,311,600	\$68,416,600

### Wage & Net Profits Tax Revenue



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## General Fund Revenues Fiscal Year 2019

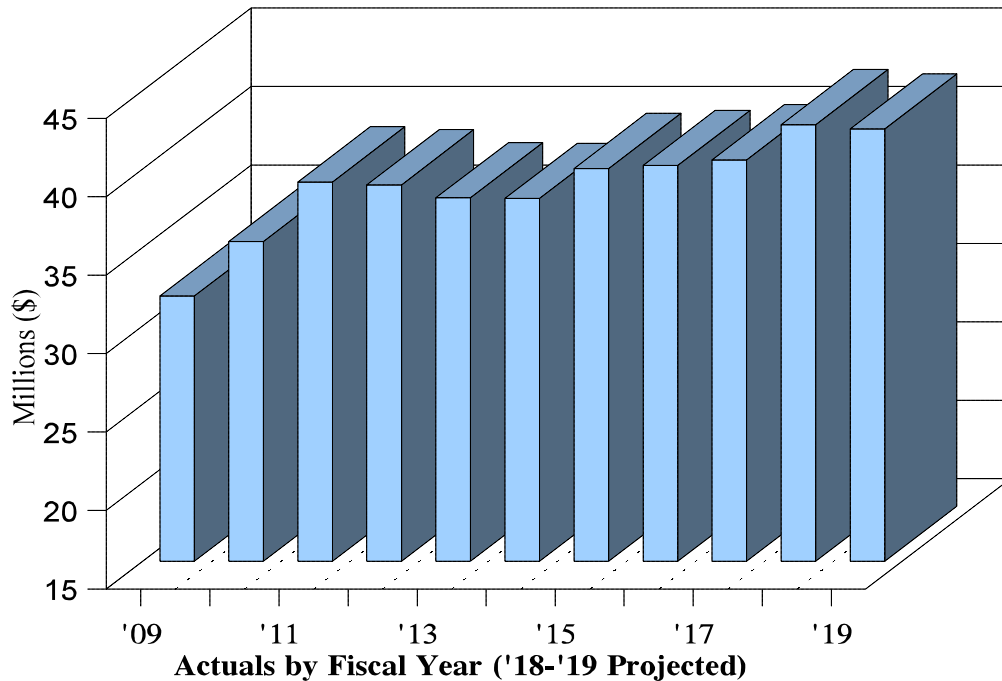
### PROPERTY TAX

**Basis:** Assessment rolls

**Critical Assumption:** Property Taxes are projected to total almost \$42.6 million, a decrease of just under \$1.3 million from the FY 2018 budget. During the first half of FY 2018, Property Tax revenue declined by more than \$1.0 million as a result of reassessment appeals, and is estimated to decline further in the second half of the fiscal year by an additional \$300,000. This brings projected base billings for FY 2019 down to \$42.3 million. In FY 2019, \$396,000 in additional revenue due to expiring tax incentives and projected property improvements will be largely offset by an expected \$250,000 loss resulting from additional reassessment appeals. The usual 2.0% allowance for doubtful accounts further reduces revenue by almost \$850,000. Lastly, one-time revenue from Penalty and Interest is expected to be \$1.0 million, the same as last fiscal year.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$40,246,355	\$40,596,911	\$43,847,261	\$42,847,261	\$42,567,487

### Property Tax Revenue



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## General Fund Revenues Fiscal Year 2019

### OTHER TAXES

**Basis:** Contractual / trend analysis minus one-time events / growth of local economy

**Critical Assumption:** Other Taxes are projected to increase by \$368,719 for FY 2019. The breakout is as follows:

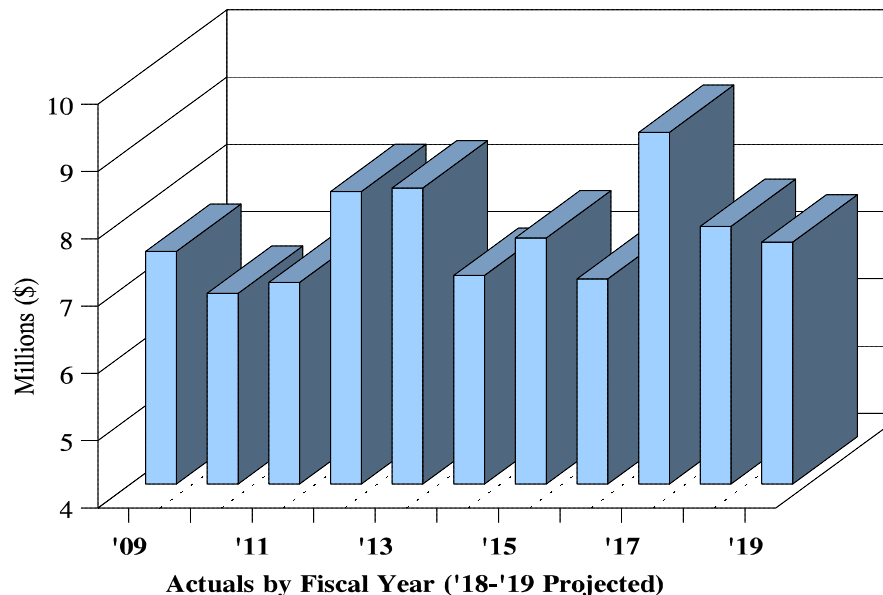
**Franchise Fees** revenue previously consisted of 2% of gross revenues from electricity sales in the City and 5% of gross revenues from cable television service sales in the City. In Wilmington, Delmarva Power is the sole distributor of electricity, and Comcast is currently the only provider of cable 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. It is projected to be \$921,140 in FY 2019, which was set to match the latest audited figure from FY 2017. This represents a minor \$31,281 decrease from the FY 2018 budget.

**Real Estate Transfer Tax** revenues are slated to rise by \$400,000 to \$2.8 million for FY 2019, following the recent trend in increased commercial property transfers.

**Head Tax** revenue is projected to remain at \$3.87 million for FY 2019, as job growth is expected to be flat.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$7,053,583	\$9,234,072	\$7,231,071	\$7,831,071	\$7,599,790

### Other Taxes



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## General Fund Revenues Fiscal Year 2019

### LICENSES, PERMITS, FEES, AND FINES

**Basis:** Trend analysis

**Critical Assumption:** Licenses, Permits, Fees, and Fines are projected to increase by \$1.4 million, to a total of \$12.9 million. The breakout is as follows:

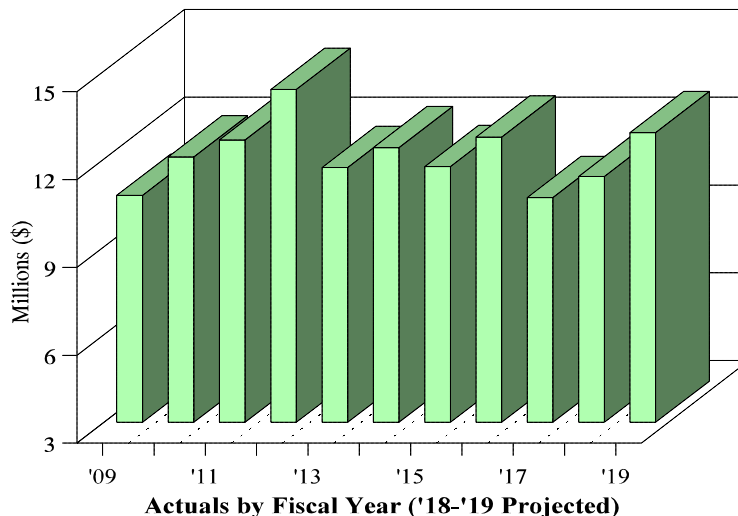
**Licenses, Permits and Fees** revenue is projected to be up by \$400,000 in FY 2019. Business License revenue is expected to hold at \$1.6 million, while Fees (mostly Parking Meter Fees) is projected to fall by \$100,000. Several large construction projects are slated to begin in FY 2019 that are expected to increase Building Permit revenue by \$500,000.

**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 \$5.1 million in FY 2019, up \$1.3 million from the FY 2018 budget. The largest portion of Criminal/Traffic Fines is derived from red-light camera citations. It is anticipated that 17 additional red-light cameras will be placed in service mid-way through FY 2019, projected to yield \$1.5 million in revenue. Criminal Fines are projected to drop slightly to \$230,000, while L&I Instant Ticketing will remain at \$400,000.

**Parking Tickets/Booting Fines** in the FY 2018 second quarter WEFAC projection were forecast to come in at year-end \$300,000 below the budget of \$3.3 million. The FY 2018 WEFAC projection of \$3.0 million was rolled forward for FY 2019.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$12,746,282	\$10,682,706	\$11,500,000	\$11,400,000	\$12,880,000

### Licenses, Permits, Fees & Fines



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## General Fund Revenues Fiscal Year 2019

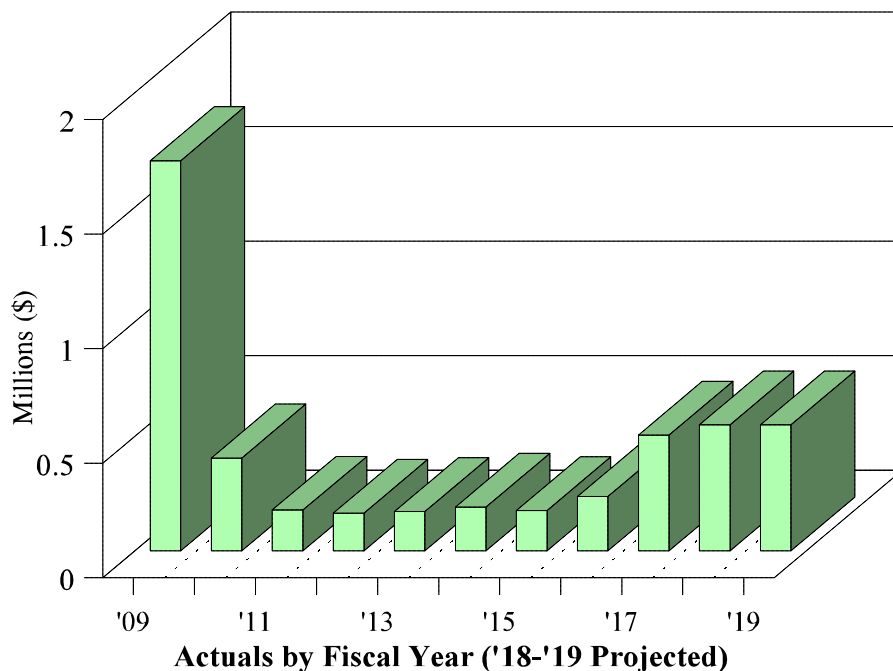
### INTEREST

**Basis:** Trend analysis / cash flow analysis / bond issuance

**Critical Assumption:** The City's cash balances available for investment have improved modestly. The influx of cash from capital bond issuances has been somewhat offset by retroactive and lump-sum payments made as part of recent labor settlements. Interest rates have also inched up a bit, but remain at low levels. Based on these trends and the FY 2018 projection, Interest Earnings are projected at \$550,000, equal to the FY 2018 second quarter projection.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$236,539	\$506,098	\$340,000	\$550,000	\$550,000

### Interest Revenue



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

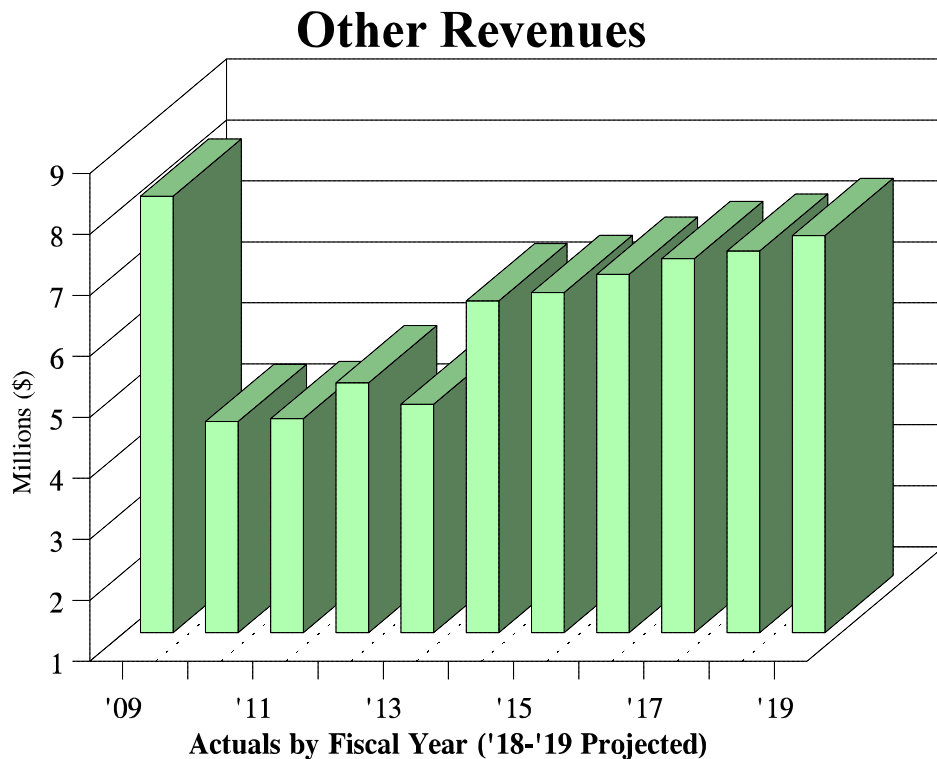
## General Fund Revenues Fiscal Year 2019

### OTHER REVENUES

**Basis:** Trend analysis / contractual

**Critical Assumption:** Other Revenues is comprised of Indirect Costs, General Government Charges, Rentals, and Miscellaneous. Rentals and Miscellaneous revenues are expected to remain unchanged. Indirect Costs are charges to the Water/Sewer Fund reimbursing costs incurred by the General Fund in support of the water, sewer, and stormwater utilities. Indirect Costs will rise by almost \$256,000, to a new total of \$5.7 million, reflecting the budget increases in the supporting services provided by the General Fund. The final item, General Government Charges, are projected to remain at the FY 2018 level of \$1.5 million, bringing the total for the entire category to \$7.5 million.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$6,877,518	\$7,129,835	\$7,254,638	\$7,254,638	\$7,510,304





# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## General Fund Revenues Fiscal Year 2019

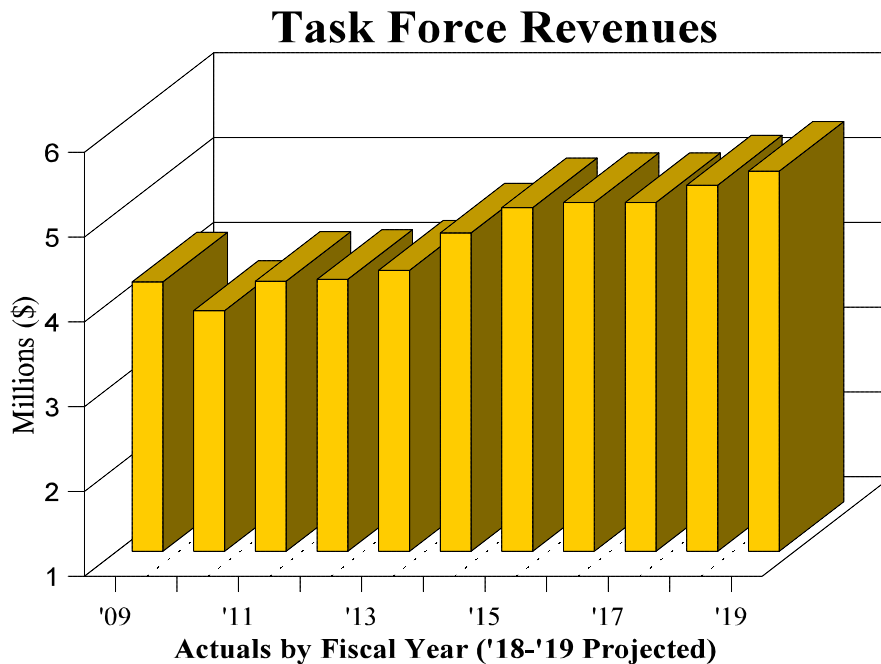
### TASK FORCE REVENUES

**Basis:** Governor’s Task Force Report analysis / trend analysis / agreement with State

**Critical Assumption:** Task Force Revenues are the revenue sources that were created as a result of the 2003 Governor’s Task Force, which took effect early in FY 2004. As a result, each county seat (Wilmington is the county seat of New Castle County) in the State receives the revenue derived from a \$20 State filing fee for Corporations and Limited Liability Companies (LLC). The State also passed enabling legislation that allowed the City to create a 2% Lodging Tax and a 2% Natural Gas Franchise Fee on gross sales of natural gas in the City.

In total, Task Force Revenues are projected to be \$165,600 higher for FY 2019. Two of the four components of the Task Force Revenues were increased: LLC Filings and the Corporate Filing Tax. Per DEFAC’s growth estimates, LLC Filings will rise by 5.0% or \$141,900, and Corporate Filing Tax by 2.0%, or \$23,700. Lodging Tax and the Natural Gas Franchise Fee revenues are set to remain level at \$760,344 and \$537,689, respectively.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$5,113,176	\$5,113,278	\$5,318,626	\$5,318,626	\$5,484,226



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## General Fund Revenues Fiscal Year 2019

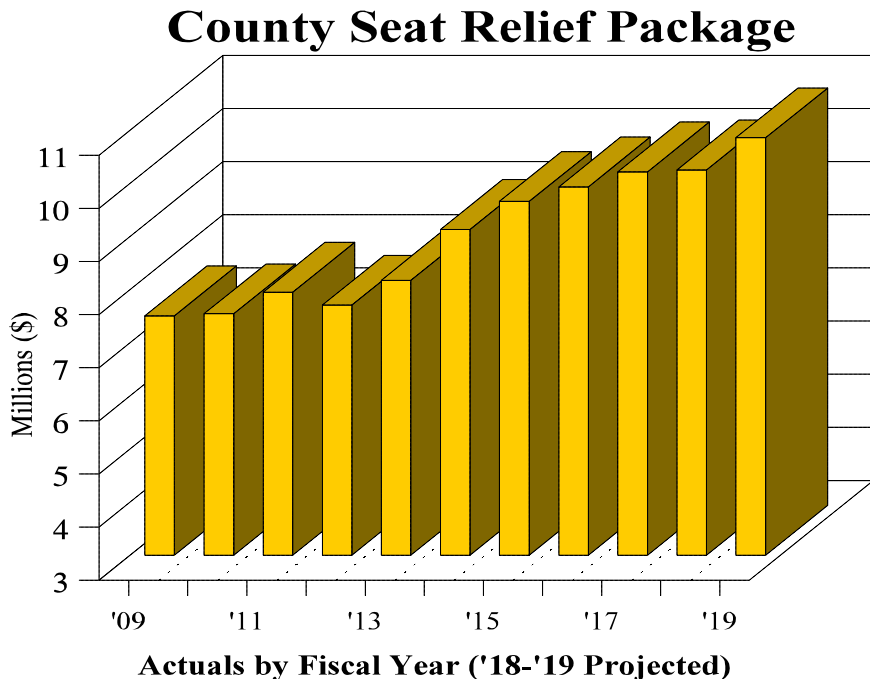
### COUNTY SEAT RELIEF PACKAGE

**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 2019 projections total \$10.9 million, which is a \$1.0 million increase from the FY 2018 budget. The breakout is as follows:

- \$2.5 million for a payment in lieu of taxes (PILOT) by the State on what would usually be tax-exempt properties in the City (no change from the FY 2018 budget).
- \$6.1 million as part of the State’s Uniform Commercial Code (UCC) filing fees (up \$1.0 million from the FY 2018 budget).
- \$1.0 million (the capped amount) in Statutory Trust Filing Fees (no change from the FY 2018 budget).
- \$1.3 million in New Castle County Corporate Filing Fees (no change from the FY 2018 budget).

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$9,933,561	\$10,216,881	\$9,843,339	\$10,250,135	\$10,858,339



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## General Fund Revenues Fiscal Year 2019

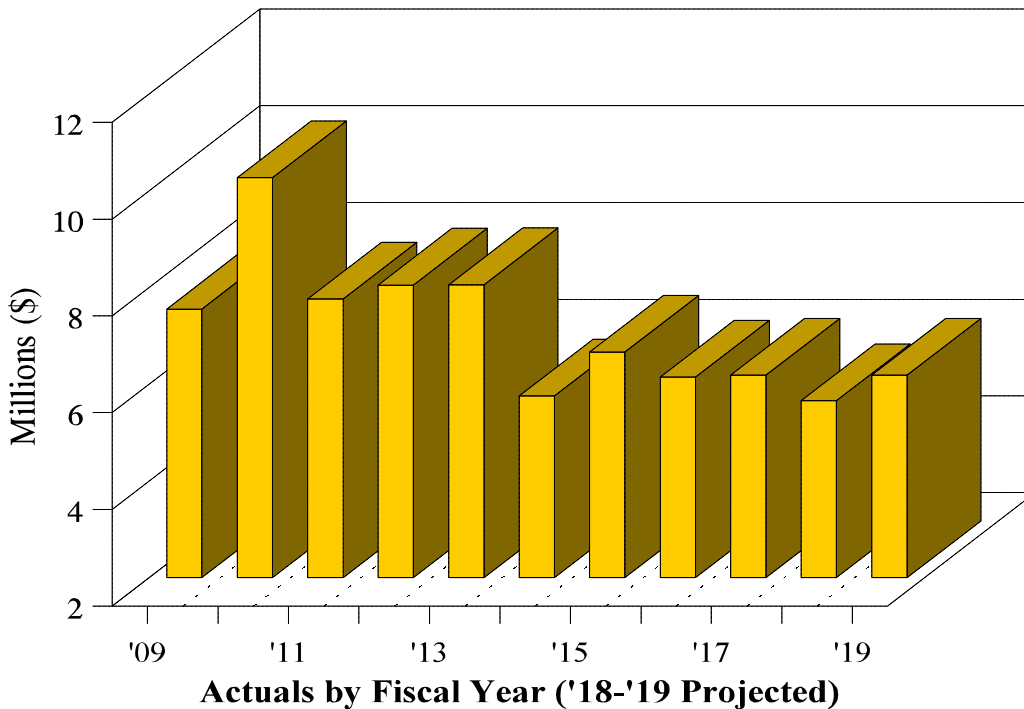
### OTHER GOVERNMENTS

**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 that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. The City’s pension actuary has projected that the FY 2019 contributions will total \$5,789,528, an increase of \$519,705 above the current fiscal year estimate. 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 annually reimburse the amount the City was scheduled to pay out to service the Port debt. The State Port Debt Reimbursement for FY 2019 will be \$396,574, which represents a \$7,340 increase from FY 2018.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$6,152,206	\$6,189,744	\$5,659,057	\$5,659,057	\$6,186,102

### Other Governments



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## General Fund Revenues Fiscal Year 2019

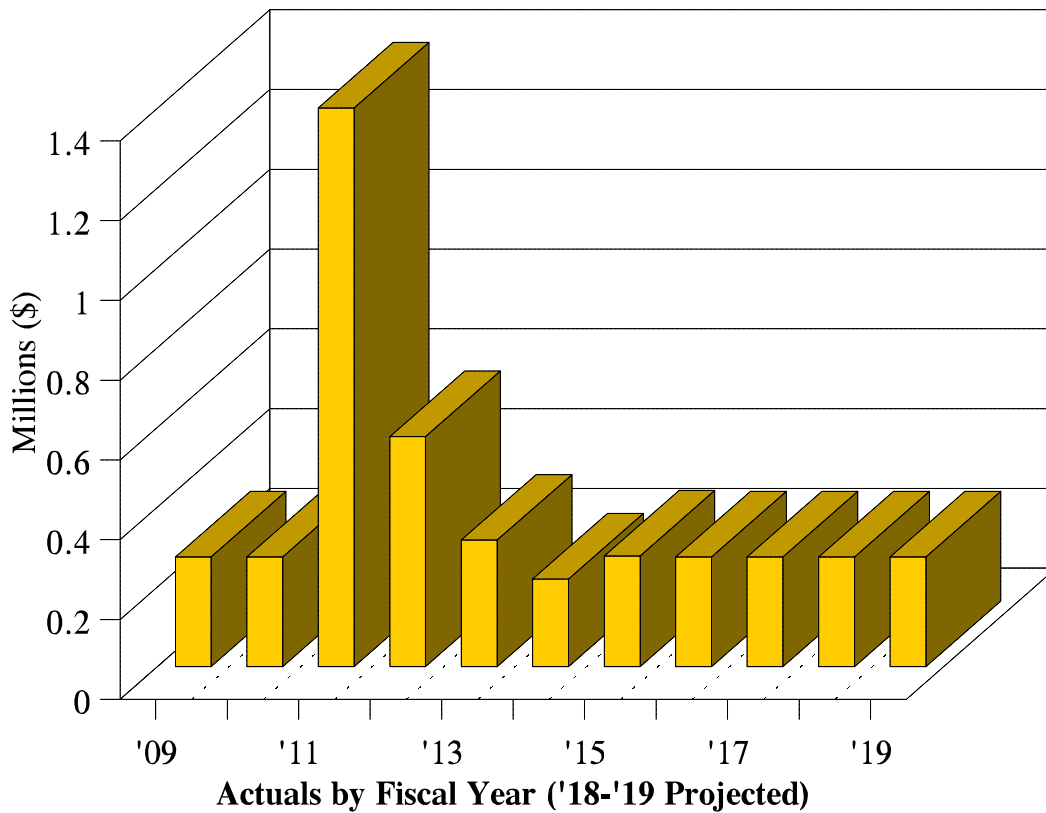
### TRANSFERS AND USE OF FUND BALANCE

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

**Critical Assumption:** There are no prior year designations in FY 2019. There is only the usual transfer from the Wilmington Parking Authority (WPA) in the amount of \$275,000.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$275,000	\$275,000	\$275,000	\$275,000	\$275,000

## Transfers & Use of Fund Balance



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## Special Funds Revenues Fiscal Year 2019

### 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 equal to the FY 2018 level.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$992,448	\$1,071,213	\$1,070,165	\$1,070,165	\$1,070,165

### COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

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

**Critical Assumption:** Funding is expected to increase by almost \$455,000 more than the FY 2018 award.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$2,393,769	\$2,041,023	\$1,927,015	\$1,927,015	\$2,381,804

### 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 2019, this revenue source is expected to remain at the FY 2018 budgeted level.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$1,205,008	\$1,223,061	\$1,200,000	\$1,200,000	\$1,200,000

# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## Special Funds Revenues Fiscal Year 2019

### 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. No additional funding was secured beyond FY 2015.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$0	\$0	\$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 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$0	\$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 currently projected to decrease from the FY 2018 amount by about \$150,000.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$1,443,509	\$1,075,945	\$1,231,879	\$1,231,879	\$1,082,889

# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## Special Funds Revenues Fiscal Year 2019

### 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 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$111,506	\$54,016	\$134,847	\$134,847	\$135,265

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

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

**Critical Assumption:** These grants are anticipated to decrease significantly from FY 2018.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$2,183,451	\$1,782,320	\$1,385,975	\$1,385,975	\$535,766

### 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 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$4,457,136	\$4,611,719	\$4,840,184	\$4,840,184	\$5,087,421

# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## Special Funds Revenues Fiscal Year 2019

### HOME PARTNERSHIP FUND

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

**Critical Assumption:** The Home Partnership Program is awarded through HUD and is expected to increase significantly in FY 2019.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$744,080	\$200,275	\$369,177	\$369,177	\$671,808

### 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 \$725,614) and the Emergency Shelter Grant (ESG at \$182,615). The State grants are the Local Emergency Planning Committee Grant (LEPC at \$67,555), the Workforce Investment Board (WIB at \$248,617), and the State Fire Grant (\$201,369).

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$1,757,457	\$2,036,551	\$1,365,156	\$1,365,156	\$1,425,770



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## Water/Sewer Fund Revenues Fiscal Year 2019

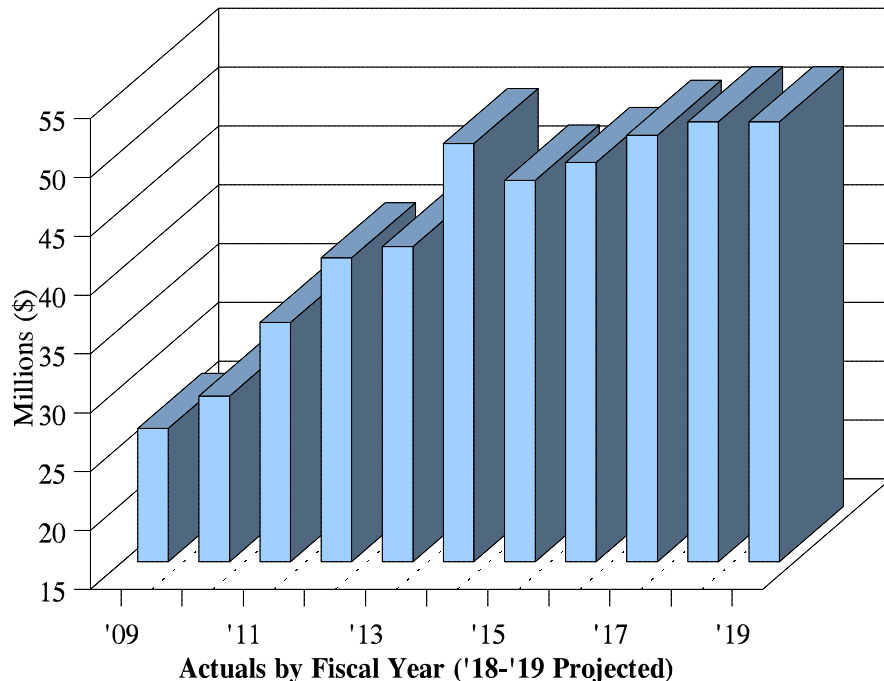
### WATER/SEWER USER FEES

**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 2019, base billings, forecasted through financial modeling using current consumption data, are projected to be \$47.7 million. As a result of MUNIS software limitations, the conversion to monthly billing necessitated the lowering of the consumption allowances and the fixed fee facilities charges. A 4.0% rate increase was approved for FY 2019, but will not take effect until September 1, 2018 - two months into the fiscal year. The rate increase is projected to yield an additional \$1.39 million in revenue. Revenue from special sewer fees and other miscellaneous sources will contribute \$4.25 million, up \$350,000 from FY 2018. Finally, subtracting the allowance for doubtful accounts (\$982,000) results in a net total User Fees projection of \$52.4 million, an increase of \$4.0 million from the FY 2018 budget.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$48,920,622	\$51,245,529	\$48,378,000	\$52,378,000	\$52,375,000

### Water/Sewer User Fees



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

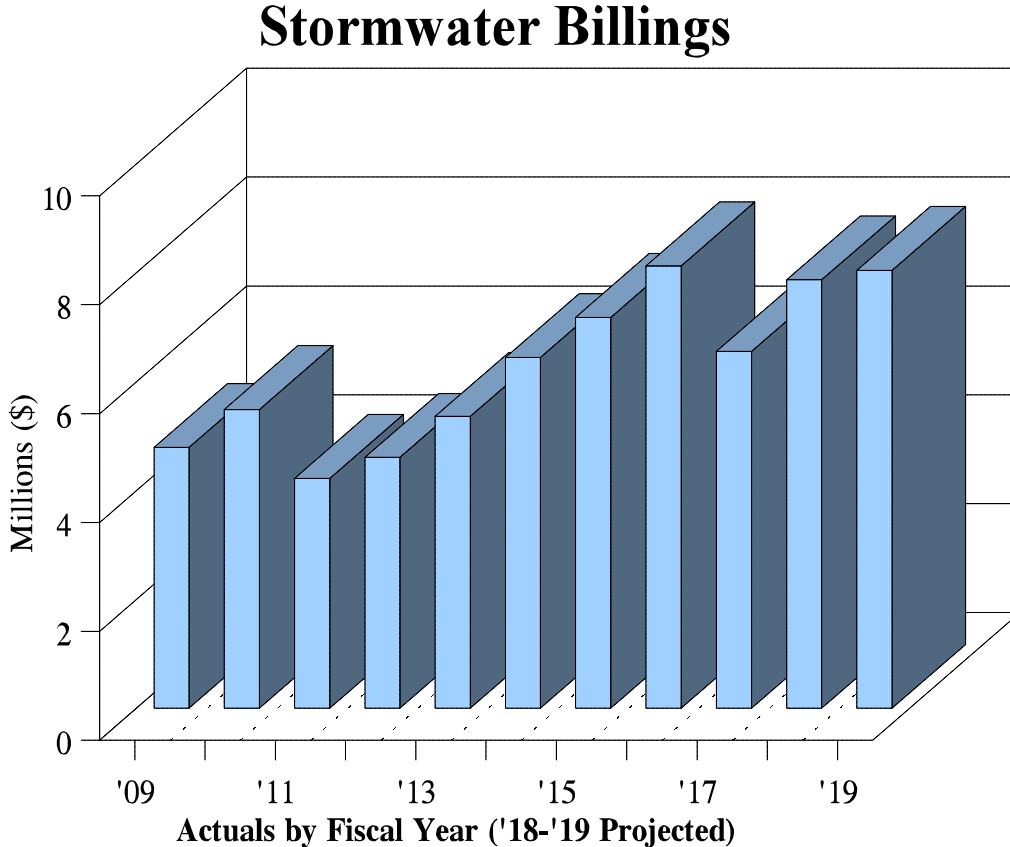
## Water/Sewer Fund Revenues Fiscal Year 2019

### 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 stormwater runoff. The Stormwater Billings base for FY 2019 is \$8.47 million. After allowing a total of \$423,000 for uncollectible accounts, \$8.05 million in revenue is projected for FY 2019, a net increase of \$172,000 above the FY 2018 budget. There is no increase to stormwater rates for FY 2019.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$8,132,100	\$6,557,031	\$7,874,000	\$7,874,000	\$8,046,000



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## Water/Sewer Fund Revenues Fiscal Year 2019

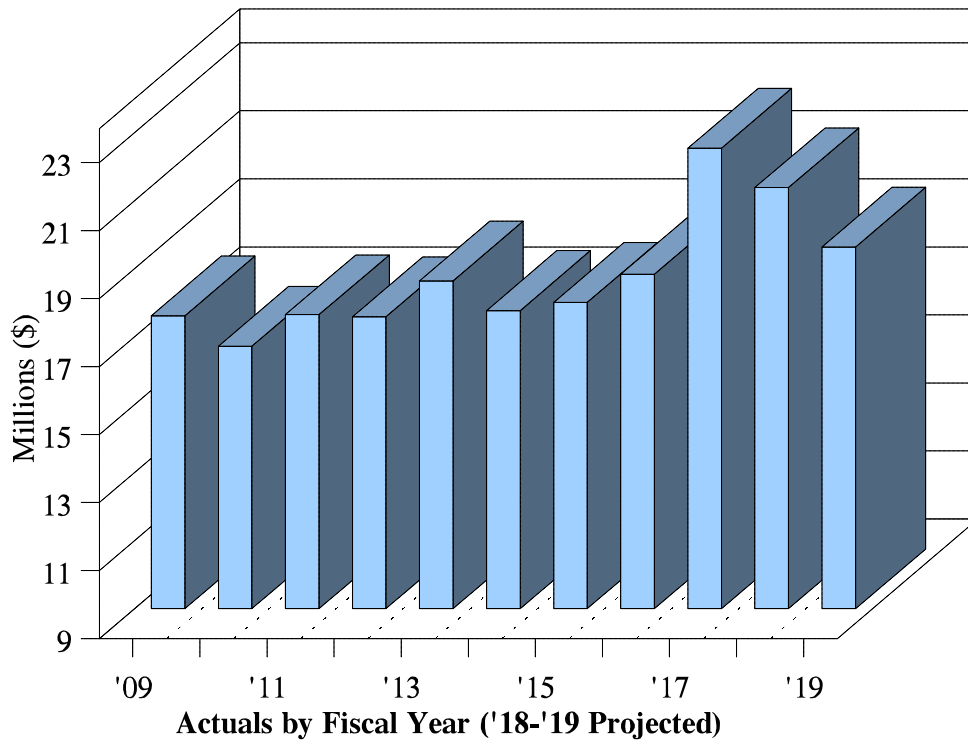
### NEW CASTLE COUNTY SEWER SERVICES

**Basis:** Contract with New Castle County

**Critical Assumption:** A tentative agreement for a new contract has been reached with New Castle County for the treatment of the County’s sewage. Based on the agreement, total revenue for FY 2019 is projected at \$19,634,665, a decrease of almost \$500,000 from last fiscal year.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$18,837,257	\$22,543,855	\$20,133,523	\$21,383,523	\$19,634,665

### NCC Sewer Services



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## Water/Sewer Fund Revenues Fiscal Year 2019

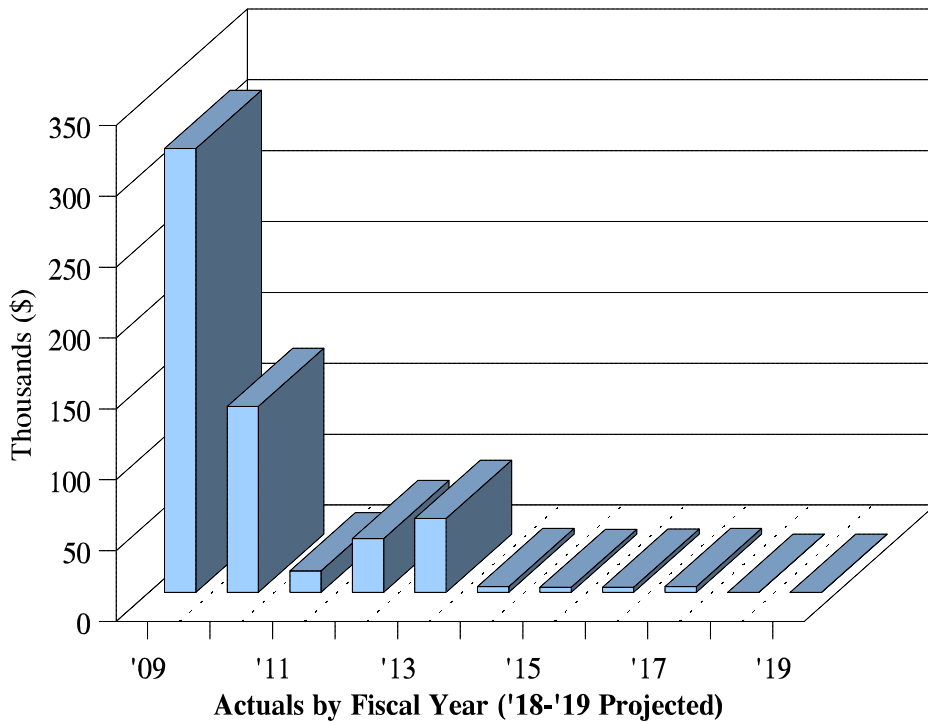
### INTEREST

**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 three years of actual revenues, the posting of interest into the Water/Sewer Fund has been suspended.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$3,647	\$0	\$0	\$0	\$0

### Interest Income



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## Water/Sewer Fund Revenues Fiscal Year 2019

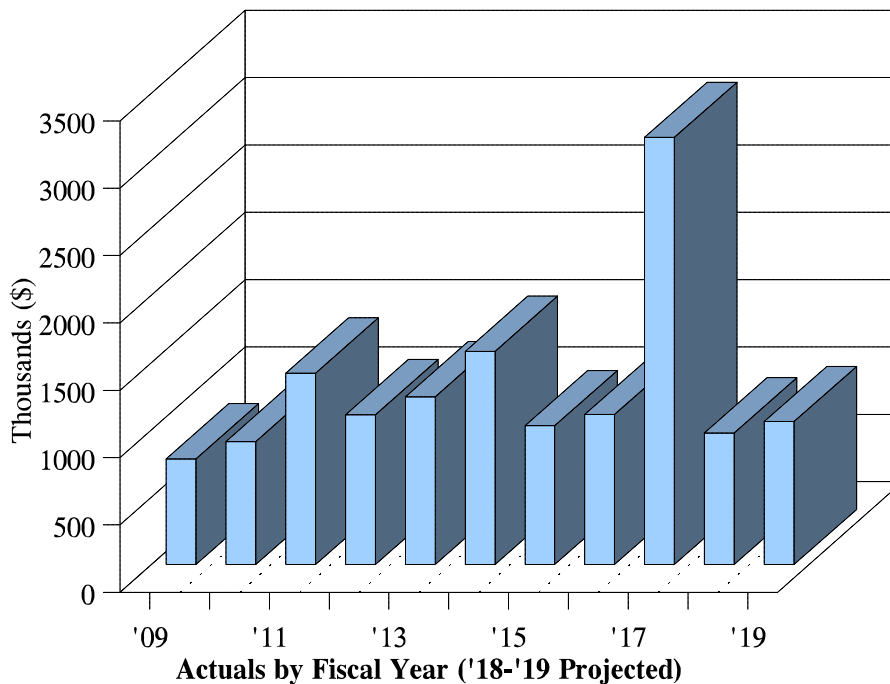
### RENTALS/MISCELLANEOUS

**Basis:** Lease / contracts

**Critical Assumption:** Rental income, which is derived by charging fees to telecommunications companies that rent space on the City’s water tanks for antennae and transmitters, is projected to increase by \$84,000 to \$1,062,000 in FY 2019.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$1,113,799	\$3,171,860	\$978,000	\$978,000	\$1,062,000

### Rentals/Miscellaneous



# REVENUE BUDGET AND CRITICAL ASSUMPTIONS

## Water/Sewer Fund Revenues Fiscal Year 2019

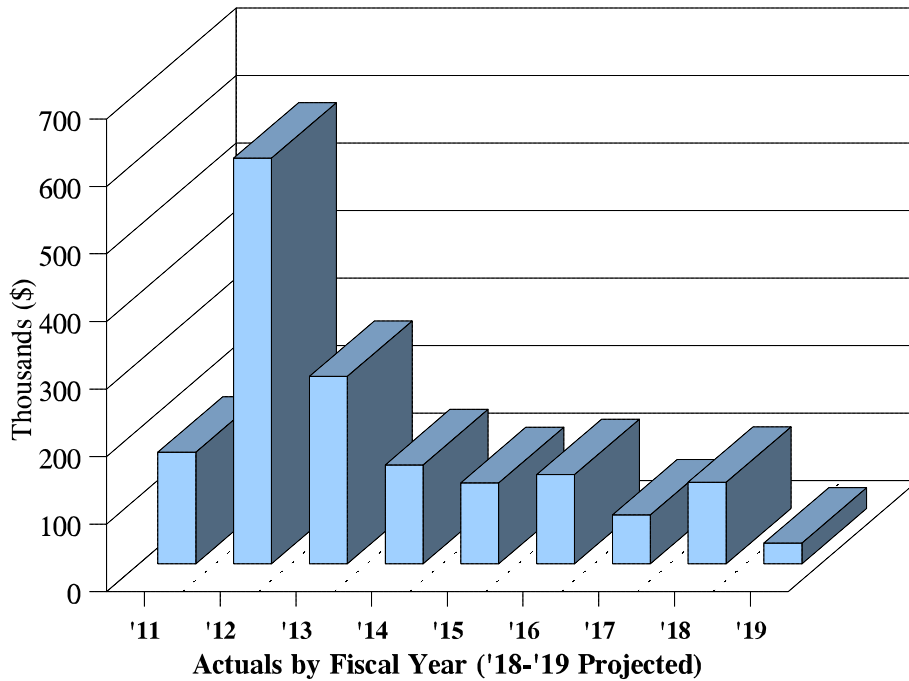
### SOLAR PANEL REVENUE

**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 2019, \$31,000 in revenue is expected, down by \$90,000.

FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget
\$132,230	\$72,610	\$121,000	\$121,000	\$31,000

### Solar Panel Revenue



**CITY OF WILMINGTON  
TAX RATES FOR FISCAL YEAR 2019**

**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:** \$1.995 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 2019**  
(Continued)

**FRANCHISE TAX**

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

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

**LODGING TAX**

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

**Rate:** 2.0% of rent.





# MAYOR'S OFFICE

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

## SUMMARY OF FUNDING FOR THE MAYOR'S OFFICE

<b>TOTAL ALL FUNDS*</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>MAYOR'S OFFICE</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services	5,867,438	5,687,484	6,037,470	5,821,699
Materials, Supplies & Equipment	6,050,000	6,870,699	6,831,222	7,488,944
Internal Services	1,051,544	1,251,943	1,187,340	1,249,502
Debt Service	4,374,120	4,151,222	3,517,614	4,035,180
Special Purpose	117,000	20,000	0	0
Contingent Reserves	0	0	672,000	672,000
Depreciation	931,395	835,788	931,394	931,394
<b>TOTAL</b>	<b>18,391,497</b>	<b>18,817,136</b>	<b>19,177,040</b>	<b>20,198,719</b>
<b>STAFFING LEVELS</b>	<b>59.00</b>	<b>59.00</b>	<b>57.00</b>	<b>55.00</b>

<b>GENERAL FUND</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>MAYOR'S OFFICE</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services	3,956,712	3,711,392	3,793,994	3,684,531
Materials, Supplies & Equipment	1,788,533	1,465,952	1,630,523	1,582,252
Internal Services	723,244	859,365	880,927	919,391
Debt Service	4,258,774	4,039,184	3,443,669	3,960,131
Special Purpose	117,000	20,000	0	0
<b>TOTAL</b>	<b>10,844,263</b>	<b>10,095,893</b>	<b>9,749,113</b>	<b>10,146,305</b>
<b>STAFFING LEVELS</b>	<b>37.50</b>	<b>36.50</b>	<b>34.50</b>	<b>33.50</b>

<b>CONTINGENT RESERVES</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>MAYOR'S OFFICE</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Contingency	0	0	500,000	500,000
Snow & Weather Emergencies	0	0	172,000	172,000
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>672,000</b>	<b>672,000</b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

\* Differs from Summary of All funds Combined – Expenditures table on page 39 due to Internal Service Funds and Contingent Reserve expenses listed separately.

<b>LOCAL EMERGENCY PLANNING COMMITTEE (LEPC) FUND MAYOR'S OFFICE</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	126,816	125,755	65,879	67,555
Materials, Supplies & Equipment	23,930	360,875	0	0
<b>TOTAL</b>	<b>150,746</b>	<b>486,630</b>	<b>65,879</b>	<b>67,555</b>
<b>STAFFING LEVELS</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>

<b>INTERNAL SERVICES FUND MAYOR'S OFFICE</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	1,783,910	1,850,337	2,177,597	2,069,613
Materials, Supplies & Equipment	4,237,537	5,043,872	5,200,699	5,906,692
Internal Services	328,300	392,578	306,413	330,111
Debt Service	115,346	112,038	73,945	75,049
Depreciation	931,395	835,788	931,394	931,394
<b>TOTAL</b>	<b>7,396,488</b>	<b>8,234,613</b>	<b>8,690,048</b>	<b>9,312,859</b>
<b>STAFFING LEVELS</b>	<b>21.00</b>	<b>22.00</b>	<b>22.00</b>	<b>21.00</b>

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

- General Fund staffing in the Department decreased by one net position. There were several changes that contributed to the decrease which are outlined below.
- A Youth Intervention Specialist has been transferred to the Police Department, resulting in a decrease to the Mayor's Office budget of \$99,350.
- A Community Referral Specialist has been transferred into the Mayor's Office from the Parks Department at a cost of \$83,459 in salary and benefits.
- An Economic Development Specialist position was deleted and will result in savings of \$97,863.
- There was one position upgraded for FY 2019. A Constituent Services Officer has been changed to a Communications Specialist at a first-year cost of \$4,574.
- An appropriation of \$7,000 in Temporary Salaries will allow for receptionist coverage during staff shortages.
- Miscellaneous Services has been increased by \$18,168, including an additional \$10,000 in Contracted Maintenance Services for graffiti removal.
- Total Internal Service allocations have increased by more than \$38,000 due to higher Data Processing costs.
- Debt Service costs increased by \$516,462, a result of an older bond issue that temporarily lowered debt service the previous two fiscal years. The refinancing savings do not continue into FY 2019.

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

- In the Data Processing Fund, the Helpdesk Manager position was deleted, which will save \$112,588 in salary and benefits.
- Consultant Costs have increased by \$343,000 in the Data Processing Fund. To offset the deletion of the Helpdesk Manager, \$85,000 has been included to provide funding for an Operations Manager. Additional funds are also earmarked to provide support for new software modules requested by various departments to increase operational efficiency.
- Equipment increased by more than \$246,000. Several factors contributed to this increase, including higher costs for existing PC software licenses, new software modules for specific departmental functions, and cloud storage.
- Postage-Direct Charge, included within Communications & Utilities, has been increased by \$68,000 in anticipation of the move to monthly utility (water and sewer) billing.
- An \$82,630 increase in Repairs to Mechanical Office Equipment contributed to an overall \$53,630 net increase in Contracted Maintenance. The bulk of the increase results from a \$60,000 rise in the cost of network application storage.

**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: MAYOR'S OFFICE**

**FUND: GENERAL**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	2,650,250	2,472,828	2,466,284	2,482,025
Temporary Salaries	37,695	30,275	0	7,000
Acting Out of Class	21,215	15,306	0	0
Sick Leave Bonus	1,800	2,100	0	0
Overtime/Special Events	1,587	117	0	0
Meal Allowance	0	0	0	0
Health Cash Back	7,076	5,318	4,560	4,800
Pension Contribution	228,760	260,814	252,766	206,686
Social Security	165,988	152,830	148,833	152,204
Medicare Tax	38,831	35,762	34,809	35,596
Hospitalization	603,181	538,582	691,843	592,248
Life Insurance	8,719	8,247	8,250	8,015
Pension Healthcare	89,302	85,902	103,500	108,875
State Pension Plan - Civilian	102,308	103,311	102,024	125,065
Personal Services Adjustment	0	0	19,108	0
Attrition	0	0	(37,983)	(37,983)
<b>TOTAL PERSONAL SERVICES</b>	<b>3,956,712</b>	<b>3,711,392</b>	<b>3,793,994</b>	<b>3,684,531</b>
 <b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	127,898	42,417	93,699	88,115
Communications & Utilities	34,305	4,120	38,905	38,785
Transportation	7,612	9,305	28,700	20,500
Rentals	59,568	49,123	44,080	43,864
Contracted Maintenance Repairs	2,500	(1,854)	4,651	4,857
Professional Fees	387,550	386,322	396,000	371,000
Other Fees	0	0	0	0
Memberships & Registrations	43,734	37,970	59,146	52,481
Miscellaneous Services	191,394	(91,443)	242,360	260,528
Office & General Supplies	10,265	8,828	11,172	11,172
Miscellaneous Parts	49,085	44,185	52,000	66,700
Construction and Repairs	0	1,006	1,000	1,000
Equipment	4,605	2,595	10,000	10,000
Fixed Assets	0	0	0	0
Miscellaneous Projects	507,588	272,208	205,560	201,000
Community Activities	362,429	701,170	443,250	412,250
MSE-Budget Control Account	0	0	0	0
<b>TOTAL M., S. &amp; E.</b>	<b>1,788,533</b>	<b>1,465,952</b>	<b>1,630,523</b>	<b>1,582,252</b>

## DEPARTMENT: MAYOR'S OFFICE

## FUND: GENERAL

	ACTUAL	ACTUAL	BUDGET	APPROVED
	FY 2016	FY 2017	FY 2018	FY 2019
<b>INTERNAL SERVICES</b>				
Administrative Services	695,675	746,955	813,897	852,361
Self-Insurance	27,569	112,410	67,030	67,030
<b>TOTAL INTERNAL SERVICES</b>	<b>723,244</b>	<b>859,365</b>	<b>880,927</b>	<b>919,391</b>
<b>DEBT SERVICE</b>				
Principal Payments	3,327,297	3,254,840	2,738,287	3,337,313
Interest Payments	931,477	784,344	705,382	622,818
<b>TOTAL DEBT SERVICE</b>	<b>4,258,774</b>	<b>4,039,184</b>	<b>3,443,669</b>	<b>3,960,131</b>
<b>SPECIAL PURPOSE</b>				
Other Special Purpose	117,000	20,000	0	0
<b>TOTAL SPECIAL PURPOSE</b>	<b>117,000</b>	<b>20,000</b>	<b>0</b>	<b>0</b>

## DEPARTMENT: MAYOR'S OFFICE

## FUND: CONTINGENT RESERVES

	ACTUAL	ACTUAL	BUDGET	APPROVED
	FY 2016	FY 2017	FY 2018	FY 2019
<b>CONTINGENT RESERVES</b>				
Contingency	0	0	500,000	500,000
Snow & Weather Emergencies	0	0	172,000	172,000
<b>TOTAL CONTINGENT RESERVES</b>	<b>0</b>	<b>0</b>	<b>672,000</b>	<b>672,000</b>
<b>GENERAL FUND TOTAL</b>	<b>10,844,263</b>	<b>10,095,893</b>	<b>10,421,113</b>	<b>10,818,305</b>

## DEPARTMENT: MAYOR'S OFFICE

FUND: LEPC

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	88,776	89,614	43,878	44,977
Pension Contribution	11,592	11,090	11,057	11,739
Social Security	5,445	5,451	2,661	2,729
Medicare Tax	1,274	1,275	622	638
Hospitalization	18,347	16,944	5,772	5,727
Life Insurance	121	120	120	120
Pension Healthcare	1,261	1,261	1,500	1,625
Personal Services Adjustment	0	0	269	0
<b>TOTAL PERSONAL SERVICES</b>	<b>126,816</b>	<b>125,755</b>	<b>65,879</b>	<b>67,555</b>
 <b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Communications & Utilities	14,443	36,257	0	0
Transportation	0	1,329	0	0
Contracted Maintenance	2,750	5,826	0	0
Professional Fees	0	15,000	0	0
Memberships & Registrations	350	500	0	0
Miscellaneous Services	4,495	273,330	0	0
Office & General Supplies	1,892	500	0	0
Wearing Apparel and Safety	0	0	0	0
Miscellaneous Parts	0	1,387	0	0
Equipment	0	230	0	0
Community Activities	0	26,516	0	0
<b>TOTAL M., S. &amp; E.</b>	<b>23,930</b>	<b>360,875</b>	<b>0</b>	<b>0</b>
 <b>LEPC FUND TOTAL</b>	 <b>150,746</b>	 <b>486,630</b>	 <b>65,879</b>	 <b>67,555</b>



## DEPARTMENT: MAYOR'S OFFICE

## FUND: INTERNAL SERVICES

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	1,151,649	1,129,405	1,320,252	1,263,200
Temporary Salaries	0	0	0	0
Acting Out of Class	538	0	0	0
Sick Leave Bonus	1,500	1,300	0	0
Overtime	1,517	1,101	5,000	0
Meal Allowance	0	0	0	0
Health Cash Back	4,036	4,598	2,160	2,160
Pension Contribution	244,365	275,792	264,334	266,311
Social Security	70,372	68,583	80,001	76,481
Medicare Tax	16,458	16,039	18,719	17,884
Hospitalization	225,613	278,508	378,244	348,640
Life Insurance	4,739	4,559	5,233	4,993
Pension Healthcare	46,230	47,912	66,000	68,250
State Pension Plan - Civilian	9,556	11,757	25,811	21,694
Accrued Sick/Vacation	7,337	10,783	0	0
Personal Services Adjustment	0	0	11,843	0
<b>TOTAL PERSONAL SERVICES</b>	<b>1,783,910</b>	<b>1,850,337</b>	<b>2,177,597</b>	<b>2,069,613</b>

**MATERIALS, SUPPLIES & EQUIPMENT**

Printing & Advertising	67,556	89,483	76,000	73,300
Communications & Utilities	1,119,804	1,188,580	1,336,271	1,404,330
Transportation	4,123	3,917	8,000	6,500
Rentals of Office Equipment	99,528	98,416	120,421	120,621
Contracted Maintenance Repairs	510,506	490,730	720,369	773,999
Professional Fees	1,337,419	1,366,281	1,282,000	1,625,000
Memberships & Registrations	11,765	47,476	72,000	70,000
Miscellaneous Services	46,556	68,923	56,620	59,620
Office & General Supplies	127,935	135,133	138,380	135,848
Uniforms & Related Equipment	975	998	6,300	6,500
Miscellaneous Parts	58,916	56,199	77,000	77,000
Equipment	786,638	1,196,856	1,307,338	1,553,974
Fixed Assets	65,816	300,880	0	0
Capitalized Exps - Op.	0	0	0	0
<b>TOTAL M., S. &amp; E.</b>	<b>4,237,537</b>	<b>5,043,872</b>	<b>5,200,699</b>	<b>5,906,692</b>

**INTERNAL SERVICES**

Administrative Services	314,130	377,876	291,820	315,518
Self-Insurance	14,170	14,702	14,593	14,593
<b>TOTAL INTERNAL SERVICES</b>	<b>328,300</b>	<b>392,578</b>	<b>306,413</b>	<b>330,111</b>

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

<b>DEBT SERVICE</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Amortization	0	918	0	0
Interest Payment	115,346	111,120	73,945	75,049
<b>TOTAL DEBT SERVICE</b>	<b>115,346</b>	<b>112,038</b>	<b>73,945</b>	<b>75,049</b>
<b>DEPRECIATION</b>				
Depreciation	931,395	835,788	931,394	931,394
<b>TOTAL DEPRECIATION</b>	<b>931,395</b>	<b>835,788</b>	<b>931,394</b>	<b>931,394</b>
<b>INTERNAL SERVICES FUND TOTAL</b>	<b>7,396,488</b>	<b>8,234,613</b>	<b>8,690,048</b>	<b>9,312,859</b>



# CITY COUNCIL

City Council is the legislative branch and seat of the City of Wilmington's Government. Council's responsibilities include enacting ordinances, rules, and regulations, which are necessary and required for the execution of those expressed and implied powers of local self-government granted to the City by the State General assembly pursuant to the Constitution of the State of Delaware. By function, Council is also responsible to the Citizens of Wilmington whom they represent.

Coming under the auspices of City Council, the City Clerk's Office represents the supporting staff of Wilmington's City Council. The City Clerk is the official keeper of the City Seal. In addition, the Office is responsible for the receipt and transmission of all official communications of Council and for maintaining precise records of all laws passed by Council. Furthermore, the City Clerk's Office performs a multitude of other functions which City Council deems necessary and required for the proper discharge of its duties.

## PRIORITIES FOR FISCAL YEAR 2019

- Carry out the mission of City Council:
  - Provide visionary leadership in policymaking on quality of life matters.
  - Develop well-researched legislation that will enable Wilmington government to provide its residents, visitors, and businesses with the highest quality of public services in a fiscally responsible manner through cooperative decision-making, strong ethical leadership, open communications, and transparency with its public.
  - Fulfill the critical responsibility of providing a check on the executive branch of City government both through individual City Council Committees and legislative measures to enhance transparency, accountability, and adherence to stated and collectively agreed upon goals for City operations.
  - Connect with constituents to identify needs in the community and to devise strategies to address those needs, both through legislation and through collaboration with the executive branch of City government.
- 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.
- Work to help mitigate the cost and size of City government, alleviating the need – to the greatest extent practicable – for additional taxes and fees, and through periodic reviews of departmental operations, structures, expenditures, and priorities.
- Further develop and promote the City's government television station, WITN-22, as a platform for the dissemination of news and information of importance and interest to residents, with the provision of more original programming and the integration of social media platforms to help leverage the station's capacity to connect Wilmingtonians.
- Provide oversight regarding the Public and Educational television channels in Wilmington, and coordinate the process for establishing new agreements with a Third-Party Operator and Educational Access Channel Manager at the conclusion of the current contracts.

## PRIORITIES FOR FISCAL YEAR 2019 (Continued)

- Give a voice to the City and its residents 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 raised in an urban setting.
- Advocate, when appropriate, for a resolution of issues or concerns that arise between members of the public and their government.
- Advocate for issues and values that are important to City Council and its constituents, such as safe and vibrant neighborhoods, increased housing opportunities, an effective education system, and economic lifelines to help lift citizens out of poverty.
- Work towards addressing the priorities identified through City Council's Strategic Planning Process, adopted by Resolution 17-089, with efforts towards ensuring a:
  - Safe and Secure Wilmington
  - Growing Wilmington
  - Stabilized Wilmington
  - Resident and Visitor Friendly Wilmington
  - Business Friendly Wilmington
  - Prosperous and Sustainable Wilmington
  - Wilmington for All Ages
  - Healthy Wilmington
  - Transparent and Well-Represented Wilmington
  - Connected, Informed and Engaged Wilmington

**SUMMARY OF FUNDING FOR CITY COUNCIL**

<b>TOTAL ALL FUNDS CITY COUNCIL</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	2,354,146	2,353,523	2,488,693	2,410,383
Materials, Supplies & Equipment	529,080	556,755	618,499	963,595
Internal Services	182,841	238,561	225,586	213,394
Debt Service	42,999	28,444	25,629	29,750
Special Purpose	18,512	16,864	19,000	19,000
<b>TOTAL</b>	<b>3,127,578</b>	<b>3,194,147</b>	<b>3,377,407</b>	<b>3,636,122</b>
<b>STAFFING LEVELS</b>	<b>29.00</b>	<b>29.00</b>	<b>29.00</b>	<b>29.00</b>

<b>GENERAL FUND CITY COUNCIL</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	1,532,840	1,508,403	1,608,098	1,516,457
Materials, Supplies & Equipment	487,879	502,165	509,092	506,092
Internal Services	166,646	213,989	201,357	213,394
Debt Service	664	683	707	720
Special Purpose	18,512	16,864	19,000	19,000
<b>TOTAL</b>	<b>2,206,541</b>	<b>2,242,104</b>	<b>2,338,254</b>	<b>2,255,663</b>
<b>STAFFING LEVELS</b>	<b>19.55</b>	<b>19.55</b>	<b>20.35</b>	<b>20.20</b>

<b>CATV FUND CITY COUNCIL</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	821,306	845,120	880,595	893,926
Materials, Supplies & Equipment	41,201	54,590	109,407	457,503
Internal Services	16,195	24,572	24,229	0
Debt Service	42,335	27,761	24,922	29,030
<b>TOTAL</b>	<b>921,037</b>	<b>952,043</b>	<b>1,039,153</b>	<b>1,380,459</b>
<b>STAFFING LEVELS</b>	<b>9.45</b>	<b>9.45</b>	<b>8.65</b>	<b>8.80</b>

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

- The Chief of Staff position has an updated cost allocation. The previous allocation of 90% General Fund and 10% CATV Fund will be revised to 75% General Fund and 25% CATV Fund. This change in allocation will save the General Fund \$22,135 in FY 2019.
- \$34,448 was added to Temporary Salaries for two limited service positions, which will allow the Legislative Administrative Staff to dedicate more time directly assisting City Council.
- State Pension Plan increased \$24,223, whereas Pension Contribution fell significantly, decreasing \$64,100. The changes in both Pension Plan accounts reflect the correct plans being allocated to the current employees, as well as minor attrition occurring in the Department.
- Hospitalization decreased \$120,023 due to the correct plans being allocated to employees in FY 2019.
- To more accurately allocate funding, \$100,000 was moved from the Miscellaneous Projects account, with \$90,000 shifted to Consultants and \$10,000 added to Travel.
- The Consultants account increased \$90,000, the result of the shift mentioned above. \$60,000 was added in the Legislative Division for a consulting contract pertaining to the Wilmington Community Advisory Council. In the City Clerk Division, \$30,000 was added to fund two Urban Policy Fellows from the University of Delaware to assist City Council with Legislative and Policy Research.
- Internal Services increased a total of \$12,037 due to higher Data Processing charges.

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

- The Chief of Staff position has an updated cost allocation. The previous allocation of 90% General Fund and 10% CATV Fund will be revised to 75% General Fund and 25% CATV Fund. This change in allocation will cost the CATV Fund an additional \$22,135 in FY 2019.
- A Producer position was added at a cost of \$84,541.
- The Director of Communications position was deleted, saving the CATV Fund \$135,996. These savings were transferred to the Consultant account in the Materials, Supplies & Equipment (MS&E) account group.
- MS&E increased by \$148,096. As mentioned above, the savings of \$135,996 from the deletion of the Director of Communications position was transferred to Consultants. A consultant will perform the functions of the deleted position. In addition, Parking Fees increased \$12,600.
- A special \$250,000 appropriation of fund balance was budgeted in FY 2019, with \$50,000 allocated to Personal Services and \$200,000 allocated to MS&E.

**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: CITY COUNCIL**

**FUND: GENERAL**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	921,486	924,922	898,079	910,688
Temporary Salaries	22,432	23,369	0	34,448
Sick Leave Bonus	0	0	400	1,600
Health Cash Back	7,320	8,500	4,560	6,720
Pension Contribution	129,621	134,097	128,310	64,210
Social Security	57,203	57,633	53,487	58,314
Medicare Tax	13,378	13,479	12,505	13,637
Hospitalization	315,950	267,792	418,827	298,804
Life Insurance	3,791	3,877	3,971	3,953
Pension Healthcare	49,298	50,480	61,050	65,649
State Pension Plan - Civilian	12,361	24,254	18,711	42,934
Personal Services Adjustment	0	0	8,198	15,500
<b>TOTAL PERSONAL SERVICES</b>	<b>1,532,840</b>	<b>1,508,403</b>	<b>1,608,098</b>	<b>1,516,457</b>
 <b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing and Advertising	12,523	13,689	18,000	16,500
Transportation	12,510	9,320	8,000	18,000
Rentals	667	900	1,000	1,000
Contracted Maintenance Repairs	600	697	2,000	1,500
Professional Fees	3,000	38,204	5,000	105,000
Memberships & Registrations	17,988	12,246	22,200	21,700
Miscellaneous Services	1,607	2,601	4,000	3,500
Office & General Supplies	3,035	6,510	6,600	6,600
Miscellaneous Parts	13,586	9,866	18,292	18,292
Equipment	0	500	1,000	1,000
Community Activities	422,363	407,632	423,000	313,000
<b>TOTAL M., S. &amp; E.</b>	<b>487,879</b>	<b>502,165</b>	<b>509,092</b>	<b>506,092</b>
 <b><u>INTERNAL SERVICES</u></b>				
Administrative Services	158,688	192,966	184,468	207,591
Self-Insurance	7,958	21,023	16,889	5,803
<b>TOTAL INTERNAL SERVICES</b>	<b>166,646</b>	<b>213,989</b>	<b>201,357</b>	<b>213,394</b>



	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
<b>DEBT SERVICE</b>				
Principal Payments	376	414	460	497
Interest Payments	288	269	247	223
<b>TOTAL DEBT SERVICE</b>	<b>664</b>	<b>683</b>	<b>707</b>	<b>720</b>
<b><u>SPECIAL PURPOSE</u></b>				
Wilmington Institute Free Library	0	0	0	0
Other	18,512	16,864	19,000	19,000
<b>TOTAL SPECIAL PURPOSE</b>	<b>18,512</b>	<b>16,864</b>	<b>19,000</b>	<b>19,000</b>
<b>GENERAL FUND TOTAL</b>	<b>2,206,541</b>	<b>2,242,104</b>	<b>2,338,254</b>	<b>2,255,663</b>

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	505,079	503,479	487,319	492,241
Temporary Salaries	22,857	24,593	25,000	65,000
Sick Leave Bonus	1,100	400	200	200
Pension Contribution	96,253	74,082	97,870	42,353
Social Security	31,931	31,759	29,245	30,556
Medicare Tax	7,468	7,428	6,805	7,148
Hospitalization	127,693	165,759	189,267	186,159
Life Insurance	2,003	1,799	2,050	2,112
Pension Healthcare	21,017	21,170	25,950	28,601
State Pension Plan - Civilian	5,905	14,651	7,016	24,056
Personal Services Adjustment	0	0	9,873	15,500
<b>TOTAL PERSONAL SERVICES</b>	<b>821,306</b>	<b>845,120</b>	<b>880,595</b>	<b>893,926</b>
 <b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Transportation	207	5	5,000	5,000
Rentals	2,000	1,800	800	13,400
Contracted Maintenance Repairs	0	5,000	20,000	20,000
Professional Fees	0	2,825	10,000	145,996
Memberships & Registrations	13,676	18,573	22,107	22,107
Miscellaneous Services	20,340	16,500	18,000	18,000
Office & General Supplies	795	1,105	4,500	4,500
Wearing Apparel & Safety	0	0	3,500	3,500
Miscellaneous Parts	4,183	3,874	20,000	19,500
Equipment	0	4,908	5,500	105,500
Fixed Assets	0	0	0	100,000
<b>TOTAL M., S. &amp; E.</b>	<b>41,201</b>	<b>54,590</b>	<b>109,407</b>	<b>457,503</b>

<b>INTERNAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Administrative Services	15,801	18,388	22,010	0
Self-Insurance	394	6,184	2,219	0
<b>TOTAL INTERNAL SERVICES</b>	<b>16,195</b>	<b>24,572</b>	<b>24,229</b>	<b>0</b>
<b><u>DEBT SERVICE</u></b>				
Principal Payments	24,168	13,887	11,897	16,351
Interest Payments	18,167	13,874	13,025	12,679
<b>TOTAL DEBT SERVICE</b>	<b>42,335</b>	<b>27,761</b>	<b>24,922</b>	<b>29,030</b>
<b>CATV FUND TOTAL</b>	<b>921,037</b>	<b>952,043</b>	<b>1,039,153</b>	<b>1,380,459</b>

# CITY TREASURER

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

<b>PRIORITIES FOR FISCAL YEAR 2019</b>
<ul style="list-style-type: none"> <li>Develop, document and implement Standard Operating Procedures (SOPs) and data management systems to more efficiently share information and coordinate across departments and with financial institutions; and effectively manage essential treasury functions, including debt, capital projects, and cash forecasting.</li> <li>Improve public access to information on capital funding for projects and facilities.</li> <li>Improve retirees’ experience in the pension application process by providing more streamlined procedures and better access to information, including direct online tools.</li> <li>Implement Community Engagement Initiatives that increase awareness of this office’s services, strengthen financial knowledge, and provide consumer finance protection assistance for residents.</li> </ul>

## SUMMARY OF FUNDING FOR CITY TREASURER

<b>TOTAL ALL FUNDS CITY TREASURER</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	743,959	803,382	824,230	829,173
Materials, Supplies & Equipment	864,767	903,926	1,206,390	1,170,030
Internal Services	156,998	185,278	128,082	136,192
Other	3,181,863	3,308,910	3,250,000	3,500,000
<b>TOTAL</b>	<b>4,947,587</b>	<b>5,201,496</b>	<b>5,408,702</b>	<b>5,635,395</b>
<b>STAFFING LEVELS</b>	<b>6.00</b>	<b>6.00</b>	<b>7.00</b>	<b>7.00</b>

<b>GENERAL FUND CITY TREASURER</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	344,991	395,999	350,352	349,206
Materials, Supplies & Equipment	17,566	39,326	117,950	92,400
Internal Services	127,894	154,452	100,216	106,368
<b>TOTAL</b>	<b>490,451</b>	<b>589,777</b>	<b>568,518</b>	<b>547,974</b>
<b>STAFFING LEVELS</b>	<b>2.92</b>	<b>2.92</b>	<b>3.00</b>	<b>3.00</b>

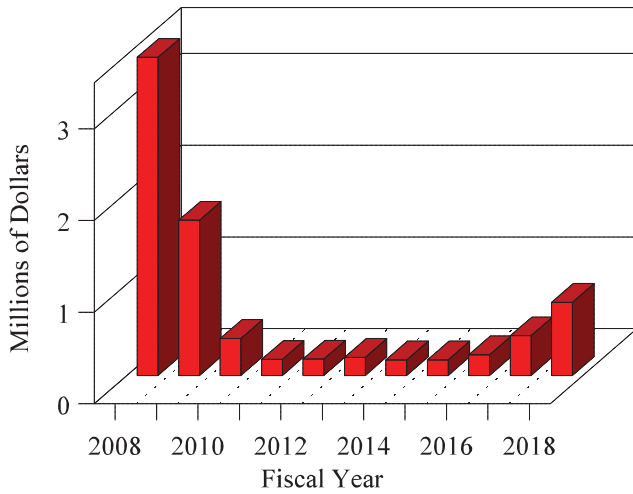
<b>PENSION ADMIN. FUNDS CITY TREASURER</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	398,968	407,383	473,878	479,967
Materials, Supplies & Equipment	847,201	864,600	1,088,440	1,077,630
Internal Services	29,104	30,826	27,866	29,824
Other	3,181,863	3,308,910	3,250,000	3,500,000
<b>TOTAL</b>	<b>4,457,136</b>	<b>4,611,719</b>	<b>4,840,184</b>	<b>5,087,421</b>
<b>STAFFING LEVELS</b>	<b>3.08</b>	<b>3.08</b>	<b>4.00</b>	<b>4.00</b>

#### MAJOR FUNDING CHANGES FROM PRIOR YEAR

- In Personal Services, four appointed exempt positions (three of which are split-funded between General Fund and Pension Fund, while the fourth is 100% Pension Fund) received salary increases. The total cost to the General Fund was \$15,624.
- Total Professional Fees in the Pension Funds decreased by a net of \$10,500 or 1.0%. While Consultant costs for the biennial pension healthcare valuation grew \$110,000, Trustee Fees (based on the value of all pension funds managed) decreased by \$120,500.
- The annual self-insurance funding target for retiree Medical Costs was increased by \$250,000, bringing the total funding for the program to \$3.5 million for FY 2019.

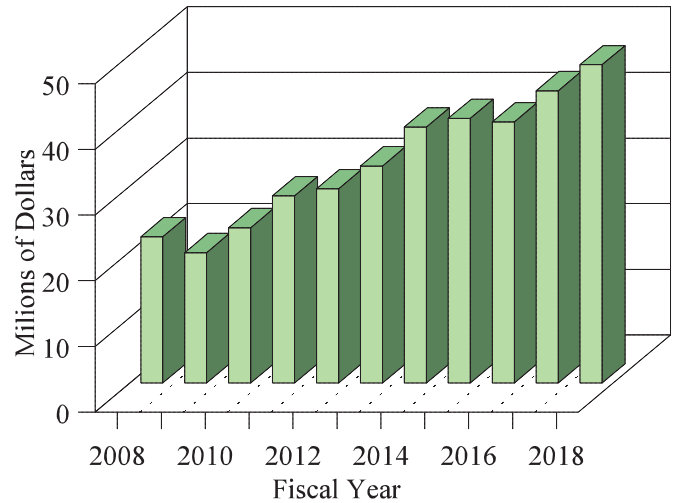
# City Treasurer Performance Trends

## General Fund Investment Income



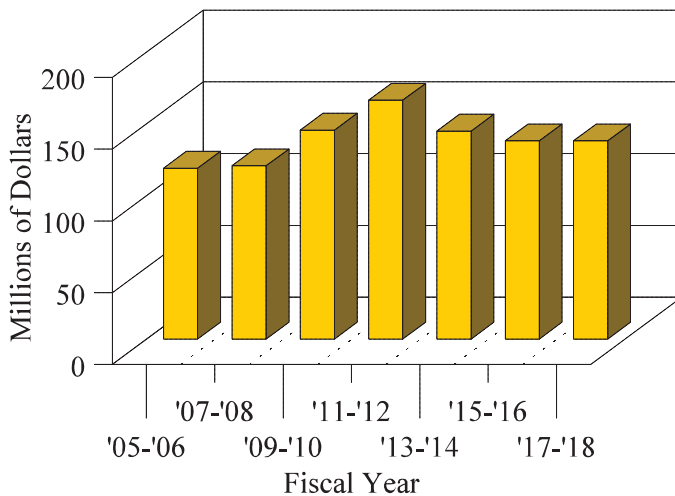
Prudent cash management and investment policies dictate the investment vehicles permitted to manage daily cash balances. Interest rates have been very low since 2009, limiting the City's ability to earn interest income. Most recently, rates have begun to increase.

## Deferred Compensation Fund



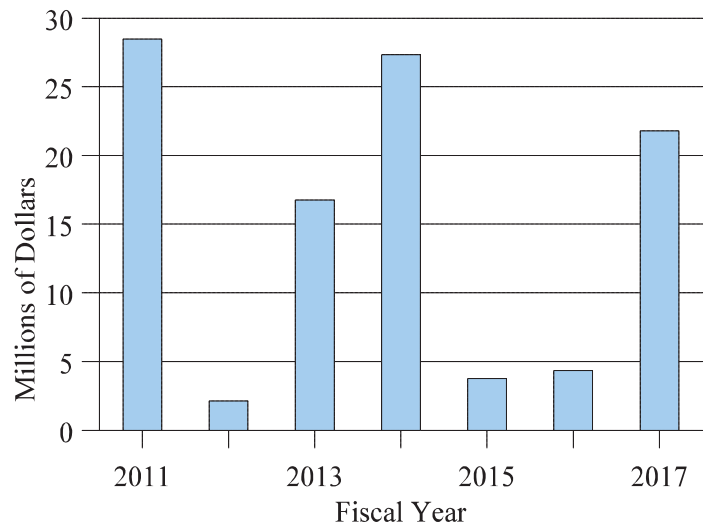
The City's Deferred Compensation plan is available on a voluntary basis to employees who wish to supplement their retirement income by investing a portion of their current earnings on a tax-deferred basis.

## 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 valuation, 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.

**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: CITY TREASURER**

**FUND: GENERAL**

<b>PERSONAL SERVICES</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Regular Salaries	214,012	245,405	220,141	230,859
Temporary Salaries	0	5,978	0	0
Sick Leave Bonus	300	500	0	0
Pension Contribution	50,830	65,105	45,630	47,375
Social Security	12,958	15,077	13,210	13,992
Medicare Tax	3,031	3,526	3,090	3,271
Hospitalization	55,806	52,144	66,508	51,728
Life Insurance	693	844	720	720
Pension Healthcare	7,361	7,420	9,000	9,746
Personal Services Adjustment	0	0	(7,947)	(8,485)
<b>TOTAL PERSONAL SERVICES</b>	<b>344,991</b>	<b>395,999</b>	<b>350,352</b>	<b>349,206</b>
<b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	250	300	350	350
Transportation	0	1,901	10,000	10,000
Rentals	0	0	300	300
Professional Fees	14,250	33,600	39,000	39,000
Other Fees	0	216	5,000	5,000
Memberships & Registrations	692	185	8,100	8,450
Miscellaneous Services	1,247	1,910	1,000	800
Office & General Supplies	912	889	1,500	1,500
Misc. Mat. Supp., & Parts	0	0	700	700
Equipment	215	325	1,000	300
Fixed Assets	0	0	25,000	0
Community Activities	0	0	26,000	26,000
<b>TOTAL M., S. &amp; E.</b>	<b>17,566</b>	<b>39,326</b>	<b>117,950</b>	<b>92,400</b>
<b><u>INTERNAL SERVICES</u></b>				
Administrative Services	123,932	136,144	94,422	100,574
Self-Insurance	3,962	18,308	5,794	5,794
<b>TOTAL INTERNAL SERVICES</b>	<b>127,894</b>	<b>154,452</b>	<b>100,216</b>	<b>106,368</b>
<b>GENERAL FUND TOTAL</b>	<b>490,451</b>	<b>589,777</b>	<b>568,518</b>	<b>547,974</b>

## DEPARTMENT: CITY TREASURER

## FUND: PENSION ADMIN.

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	248,432	266,855	297,138	312,478
Acting Out Of Classification	6,672	0	0	0
Accrued Vacation Pay	11,368	1,914	0	0
Pension Contribution	70,895	63,339	66,354	70,043
Social Security	15,623	16,103	17,949	19,148
Medicare Tax	3,654	3,766	4,197	4,481
Hospitalization	33,785	46,401	76,992	62,104
Life Insurance	775	878	960	960
Pension Healthcare	7,764	8,127	12,000	13,004
Personal Services Adjustment	0	0	(1,712)	(2,251)
<b>TOTAL PERSONAL SERVICES</b>	<b>398,968</b>	<b>407,383</b>	<b>473,878</b>	<b>479,967</b>
 <b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	0	0	240	250
Transportation	0	4,913	3,600	4,500
Rentals	0	924	300	300
Contracted Maintenance	0	0	100	80
Professional Fees	843,590	853,002	1,072,200	1,061,700
Other Fees	575	539	2,000	2,400
Memberships & Registrations	1,705	3,466	3,500	4,000
Office & General Supplies	753	745	800	800
Miscellaneous Parts	578	604	700	600
Equipment	0	407	5,000	3,000
<b>TOTAL M., S. &amp; E.</b>	<b>847,201</b>	<b>864,600</b>	<b>1,088,440</b>	<b>1,077,630</b>
 <b><u>INTERNAL SERVICES</u></b>				
Administrative Services	28,167	29,593	26,682	28,640
Self-Insurance	937	1,233	1,184	1,184
<b>TOTAL INTERNAL SERVICES</b>	<b>29,104</b>	<b>30,826</b>	<b>27,866</b>	<b>29,824</b>
 <b><u>OTHER</u></b>				
Self Insurance Costs	3,181,863	3,308,910	3,250,000	3,500,000
<b>TOTAL OTHER</b>	<b>3,181,863</b>	<b>3,308,910</b>	<b>3,250,000</b>	<b>3,500,000</b>
 <b>PENSION ADMIN. FUND TOTAL</b>	 <b>4,457,136</b>	 <b>4,611,719</b>	 <b>4,840,184</b>	 <b>5,087,421</b>





# 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 to address those needs.

## PRIORITIES FOR FISCAL YEAR 2019

- Continue to 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.
- Complete the Comprehensive Development Plan update process by utilizing consultant services to coordinate the planning and public outreach process and develop a new plan format that combines the current city-wide Plan with the neighborhood plans for State certification; and implement recommended improvements to various land use codes (e.g., zoning and subdivision codes) as identified through the update process using in-house staff and consultants where necessary.
- Continued membership in WILMAPCO, the regional metropolitan planning organization, as a member of the Technical Advisory Committee and the Council to review and make recommendations on Federally- and State-funded transportation projects and programs and to promote the City's interest for obtaining DelDOT project funding.
- Promote a well-balanced multi-modal transportation system by planning and implementing city-wide transportation improvements through the efforts of the Wilmington Initiatives Partnership (City, Delaware Department of Transportation, Delaware Transit Corporation, and WILMAPCO) and the update to the City's 2008 Bicycle Plan.
- Continue to support the Neighborhood Planning Council (NPC) Leadership Committee and coordinate the NPC Capital Grant application process.
- Process HUD Part 58 Environmental Reviews and 106 Historic Reviews.
- Work with OMB to prepare the annual Capital Budget, Capital Improvement Program, and any necessary amendments.

**PRIORITIES FOR FISCAL YEAR 2019 (Continued)**

- Represent the City on various boards and commissions, including Wilmington Neighborhood Conservancy Land Bank, the Wilmington UDAG Corporation, and the Wilmington Housing Partnership.
- Complete research projects addressing areas of interest for the Planning Department, the Mayor's Office, and City Council including requests for rezoning analyses, land use studies, and other planning related projects.

**SUMMARY OF FUNDING FOR THE DEPARTMENT OF PLANNING AND DEVELOPMENT**

<b>TOTAL ALL FUNDS PLANNING DEPARTMENT</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	1,096,260	1,059,258	1,112,362	1,119,446
Materials, Supplies & Equipment	36,782	140,425	196,456	40,355
Internal Services	296,398	368,804	358,276	380,959
Debt Service	130,521	239,453	259,928	216,657
<b>TOTAL</b>	<b>1,559,961</b>	<b>1,807,940</b>	<b>1,927,022</b>	<b>1,757,417</b>
<b>STAFFING LEVELS</b>	<b>11.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>

<b>GENERAL FUND PLANNING DEPARTMENT</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	1,041,905	1,008,539	1,061,550	1,067,491
Materials, Supplies & Equipment	36,782	140,425	196,456	40,355
Internal Services	296,398	368,804	358,276	380,959
Debt Service	130,521	239,453	259,928	216,657
<b>TOTAL</b>	<b>1,505,606</b>	<b>1,757,221</b>	<b>1,876,210</b>	<b>1,705,462</b>
<b>STAFFING LEVELS</b>	<b>10.49</b>	<b>9.53</b>	<b>9.55</b>	<b>9.55</b>

<b>COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG) PLANNING DEPARTMENT</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	54,355	50,719	50,812	51,955
<b>TOTAL</b>	<b>54,355</b>	<b>50,719</b>	<b>50,812</b>	<b>51,955</b>
<b>STAFFING LEVELS</b>	<b>0.51</b>	<b>0.47</b>	<b>0.45</b>	<b>0.45</b>

## MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Three Planner II positions were upgraded. The upgrades will result in an additional \$6,285 cost to the General Fund and \$1,474 to the CDBG Fund.
- Materials, Supplies, and Equipment decreased by a total of \$156,101. A decrease of \$150,000 in Consultants was the main factor in the overall decrease. This decrease is mainly the result of a one-time \$125,000 expense in FY 2018 for the Americans with Disabilities Act (ADA) Plan.
- Debt Service decreased a net of \$43,271. While interest payments on existing debt increased \$535, principal payments decreased by \$43,805.
- The Internal Service costs increased by \$22,683 in the General Fund entirely due to an increase in Data Processing costs.

# DEPARTMENT OF PLANNING AND DEVELOPMENT

## STRATEGIC PLAN

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### Focus Area: Effective City Government

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

**Objective 1:** Update the City-wide comprehensive plan by December 30, 2018.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Percentage of comprehensive plan completed	N/A	5%	50%	100%

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of constituent inquiries	2,060	2,107	1,819	1,900
Number of constituent inquiries responded to in 48 hours	2,041	2,065	1,787	1,875
Percentage of constituent inquiries responded to in 48 hours	99.0%	98.0%	98.2%	98.7%

# DEPARTMENT OF PLANNING AND DEVELOPMENT

## STRATEGIC PLAN

### Focus Area: Effective City Government

**Objective 3:** Complete all codified planning activities within the associated time frame: 60 days for Planning Commission Cases; 30 days for all other Cases and Reviews (includes Design Review and Preservation (DRPC) Cases, Historic Preservation Reviews, Design Reviews, Environmental Reviews, Site Plan Reviews, Waterfront Reviews, and Curb Cut Reviews).

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Average number of review days for Planning Commission Cases	25	25	25	25
Average number of review days for all other Cases and Reviews	23	24	20	20
Average number of review days for DRPC Cases	N/A	N/A	25	24
Average number of review days for In-House Design Reviews	N/A	N/A	1	1
Average number of review days for Environmental Reviews	N/A	N/A	30	30
Percentage of Planning Commission Cases completed within 60 days	100%	100%	100%	100%
Percentage of all other Cases and Reviews completed within 30 days	95.0%	95.0%	95.0%	96.0%

### Focus Area: Public Safety

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

**Objective 1:** Increase grant funding received by Neighborhood Planning Councils for community driven capital projects.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of grant applications submitted	4	2	1	2
Number of grants awarded	4	2	1	2
Total amount allocated through grants	\$10,364	\$21,032	\$35,000	\$100,000

# DEPARTMENT OF PLANNING AND DEVELOPMENT

## STRATEGIC PLAN

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### Focus Area: Quality of Life

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**CITY-WIDE GOAL #18: Enhance Environmental Sustainability.**

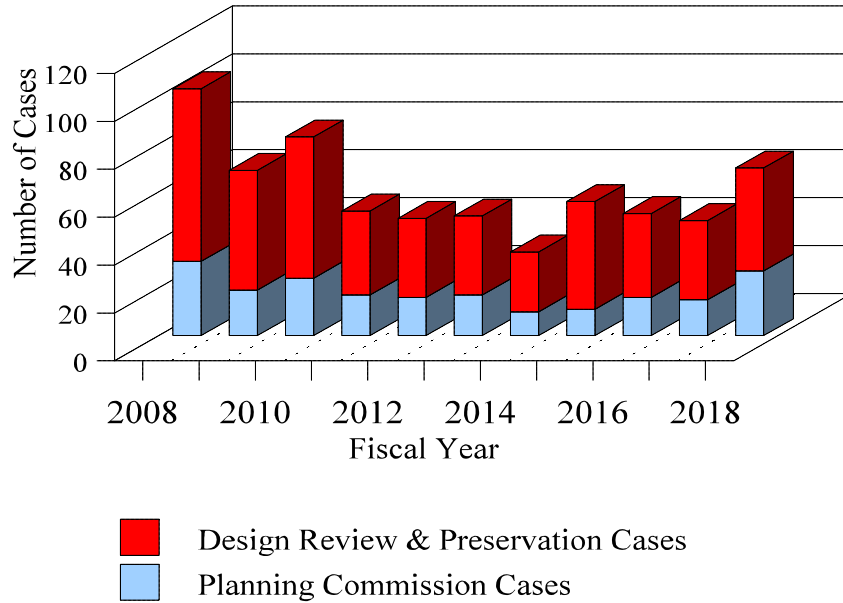
**Objective 1:** Partner with DeIDOT to create and enhance a City-wide bicycle network.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Update to Citywide Bicycle Plan - percentage complete	N/A	15%	50%	100%
Number of bike racks in the City	64	64	64	75
Number of miles of bicycle infrastructure	N/A	N/A	2	3



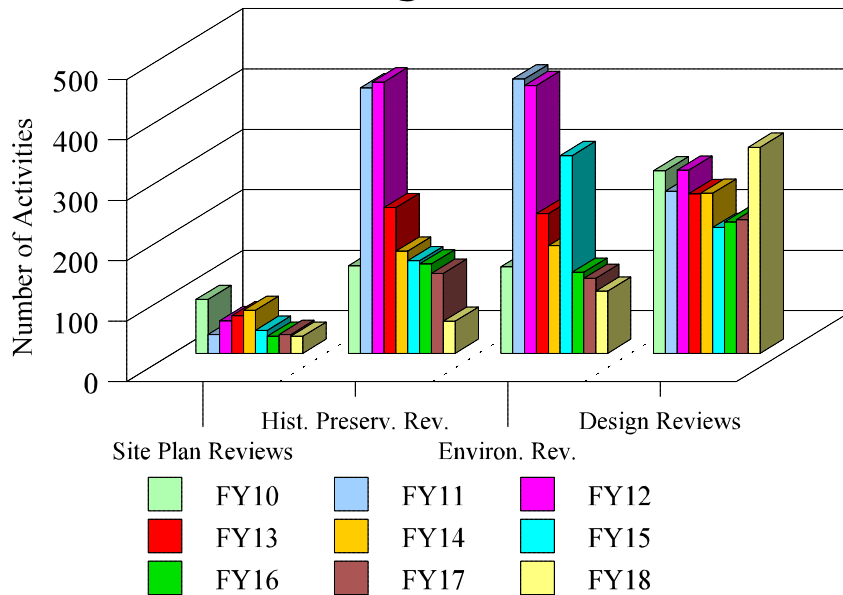
# Department of Planning and Development Performance Trends

## Commission Activities



The Department of Planning and Development provides staff support, analyses, and project monitoring for the City’s Planning and Design Review & Preservation 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**

	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>PERSONAL SERVICES</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Regular Salaries	656,460	634,446	656,050	662,321
Temporary Salaries	42,693	36,016	62,816	61,089
Acting Out of Class	0	0	0	0
Health Cash Back	460	1,180	2,400	2,400
Pension Contribution	112,363	131,662	125,736	112,708
Social Security	42,838	41,015	44,094	44,607
Medicare Tax	10,021	9,592	10,313	10,434
Hospitalization	138,460	116,339	119,312	130,677
Life Insurance	2,409	2,277	2,292	2,292
Pension Healthcare	23,890	23,186	28,650	31,037
State Pension Plan - Civilian	12,311	12,826	15,448	20,627
Personal Services Adjustment	0	0	5,140	0
Attrition	0	0	(10,701)	(10,701)
<b>TOTAL PERSONAL SERVICES</b>	<b>1,041,905</b>	<b>1,008,539</b>	<b>1,061,550</b>	<b>1,067,491</b>
 <b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	643	856	1,000	1,000
Communications & Utilities	0	0	80	64
Transportation	710	507	1,400	1,200
Rentals	600	300	400	300
Contracted Maintenance Repairs	0	0	400	0
Professional Fees	12,714	125,000	175,000	25,000
Memberships & Registrations	1,852	1,048	5,400	3,495
Miscellaneous Services	0	50	0	0
Office & General Supplies	3,117	1,367	2,580	1,000
Miscellaneous Parts	2,191	1,766	2,400	1,000
Equipment	8,159	675	1,000	500
Community Activities	6,796	8,856	6,796	6,796
<b>TOTAL M., S. &amp; E.</b>	<b>36,782</b>	<b>140,425</b>	<b>196,456</b>	<b>40,355</b>
 <b><u>INTERNAL SERVICES</u></b>				
Administrative Services	278,937	301,679	308,570	331,253
Self-Insurance	17,461	67,125	49,706	49,706
<b>TOTAL INTERNAL SERVICES</b>	<b>296,398</b>	<b>368,804</b>	<b>358,276</b>	<b>380,959</b>
 <b><u>DEBT SERVICE</u></b>				
Principal Payments	69,355	149,115	181,203	137,397
Interest Payments	61,166	90,338	78,725	79,260
<b>TOTAL DEBT SERVICE</b>	<b>130,521</b>	<b>239,453</b>	<b>259,928</b>	<b>216,657</b>
 <b>GENERAL FUND TOTAL</b>	 <b>1,505,606</b>	 <b>1,757,221</b>	 <b>1,876,210</b>	 <b>1,705,462</b>

**DEPARTMENT: PLANNING AND DEVELOPMENT****FUND: CDBG**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	31,737	28,200	27,667	28,520
Pension Contribution	7,939	7,025	6,972	7,443
Social Security	1,923	1,697	1,662	1,714
Medicare Tax	450	397	389	401
Hospitalization	10,892	12,099	12,422	12,306
Life Insurance	126	115	108	108
Pension Healthcare	1,288	1,186	1,350	1,463
Personal Services Adjustment	0	0	242	0
<b>TOTAL PERSONAL SERVICES</b>	<b>54,355</b>	<b>50,719</b>	<b>50,812</b>	<b>51,955</b>
<b>CDBG FUND TOTAL</b>	<b>54,355</b>	<b>50,719</b>	<b>50,812</b>	<b>51,955</b>

# AUDIT DEPARTMENT

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

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

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

## PRIORITIES FOR FISCAL YEAR 2019

- Conduct scheduled audits using sound methods, professionalism, integrity, objectivity and confidentiality.
- Evaluate controls, note commendable practices, and recommend feasible process improvements.
- Assist the external auditors with the annual audits of the CAFR and Federal Funds.
- Continue to aid in the development of a strong internal control environment within the City of Wilmington.
- Conduct quarterly follow-ups to ensure effective implementation of agreed-upon recommendations.
- Advise and consult with City management regarding improvements in operating efficiencies, effectiveness, and results.
- Continue to develop the knowledge, skills, and effectiveness of departmental staff.

**SUMMARY OF FUNDING FOR THE AUDIT DEPARTMENT**

<b>TOTAL ALL FUNDS AUDIT DEPARTMENT</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	440,377	395,112	453,723	621,782
Materials, Supplies & Equipment	247,530	249,503	268,897	281,748
Internal Services	96,906	113,928	106,335	116,749
<b>TOTAL</b>	<b>784,813</b>	<b>758,543</b>	<b>828,955</b>	<b>1,020,279</b>
<b>STAFFING LEVELS</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>5.00</b>

<b>GENERAL FUND AUDIT DEPARTMENT</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	440,377	395,112	453,723	621,782
Materials, Supplies & Equipment	176,057	177,235	196,300	208,325
Internal Services	96,906	113,928	106,335	116,749
<b>TOTAL</b>	<b>713,340</b>	<b>686,275</b>	<b>756,358</b>	<b>946,856</b>
<b>STAFFING LEVELS</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>5.00</b>

<b>WATER/SEWER FUND AUDIT DEPARTMENT</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Materials, Supplies & Equipment	71,473	72,268	72,597	73,423
<b>TOTAL</b>	<b>71,473</b>	<b>72,268</b>	<b>72,597</b>	<b>73,423</b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

<b>MAJOR FUNDING CHANGES FROM PRIOR YEAR</b>
<ul style="list-style-type: none"> <li>• In order to further aid other City Departments with process improvements, monitor whether they maintain an efficient use of City resources, and ensure they have adequate controls in place to control risks, a Senior Auditor position was added, resulting in \$107,049 in additional costs.</li> <li>• The new City Auditor’s salary is budgeted at \$112,000, an increase of \$13,528 above the previous City Auditor’s salary.</li> <li>• The Auditing Manager was given a \$3,000 raise, costing a total of \$4,022 once the impact on benefits is included.</li> <li>• To purchase two new desks and other furniture, \$10,000 is being added to Furniture, Fixtures, and Office Equipment.</li> <li>• Internal Services increased \$10,414 due to higher Data Processing costs.</li> <li>• In the Water/Sewer Fund, total MS&amp;E increased \$826 due to higher Indirect Cost charges.</li> </ul>

**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: AUDIT DEPARTMENT**

**FUND: GENERAL**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	300,960	265,083	303,589	400,698
Acting Out Of Classification	0	3,344	0	0
Temporary Salaries	0	0	0	0
Sick Leave Bonus	0	200	0	0
Overtime	0	0	0	0
Pension Contribution	17,800	21,662	19,666	21,867
Social Security	17,727	15,738	17,821	24,264
Medicare Tax	4,146	3,681	4,168	5,675
Hospitalization	75,357	63,500	77,374	128,725
Life Insurance	1,030	781	960	1,200
Pension Healthcare	10,083	8,606	12,000	16,250
State Pension Plan - Civilian	13,274	12,517	15,992	23,103
Personal Services Adjustment	0	0	2,153	0
<b>TOTAL PERSONAL SERVICES</b>	<b>440,377</b>	<b>395,112</b>	<b>453,723</b>	<b>621,782</b>
 <b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing and Advertising	0	500	800	640
Transportation	5,620	2,316	6,700	8,000
Professional Fees	161,222	155,696	169,500	165,335
Memberships & Registrations	8,596	17,779	18,450	23,400
Office & General Supplies	254	717	400	500
Misc. Mat. Supp. & Parts	365	227	450	450
Equipment	0	0	0	10,000
<b>TOTAL M., S. &amp; E.</b>	<b>176,057</b>	<b>177,235</b>	<b>196,300</b>	<b>208,325</b>
 <b><u>INTERNAL SERVICES</u></b>				
Administrative Services	94,927	105,007	103,038	113,452
Self-Insurance	1,979	8,921	3,297	3,297
<b>TOTAL INTERNAL SERVICES</b>	<b>96,906</b>	<b>113,928</b>	<b>106,335</b>	<b>116,749</b>
 <b>GENERAL FUND TOTAL</b>	 <b>713,340</b>	 <b>686,275</b>	 <b>756,358</b>	 <b>946,856</b>

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

<b>MATERIALS, SUPPLIES &amp; EQUIPMENT</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Professional Fees	60,000	60,000	60,000	60,000
Supporting Services	11,473	12,268	12,597	13,423
<b>TOTAL M., S. &amp; E.</b>	<b>71,473</b>	<b>72,268</b>	<b>72,597</b>	<b>73,423</b>
<b>WATER SEWER FUND TOTAL</b>	<b>71,473</b>	<b>72,268</b>	<b>72,597</b>	<b>73,423</b>

# LAW DEPARTMENT

The Law Department provides counsel and representation to the Mayor, City Council, all City departments, as well as certain boards and commissions.

PRIORITIES FOR FISCAL YEAR 2019
<ul style="list-style-type: none"> <li>• Continue to provide effective and efficient legal (and strategic) advice to the City, generally, as appropriate</li> <li>• Aggressively defend and prosecute litigation</li> <li>• Assist in and prosecute (as appropriate) code enforcement and collection actions</li> <li>• Provide actionable legal advice on various employment matters</li> <li>• Provide strategic and legal support in the negotiations of collective bargaining agreements</li> <li>• Deliver necessary and appropriate legal support to City Council</li> <li>• Meet budget targets</li> </ul>

## SUMMARY OF FUNDING FOR THE LAW DEPARTMENT

TOTAL ALL FUNDS LAW DEPARTMENT	ACTUAL FY 2016	ACTUAL FY 2017	BUDGET FY 2018	APPROVED FY 2019
Personal Services	2,257,397	2,327,537	2,033,801	2,035,349
Materials, Supplies & Equipment	463,939	435,883	487,220	601,715
Internal Services	198,153	264,960	206,158	222,754
<b>TOTAL</b>	<b>2,919,489</b>	<b>3,028,380</b>	<b>2,727,179</b>	<b>2,859,818</b>
<b>STAFFING LEVELS</b>	<b>20.00</b>	<b>20.00</b>	<b>18.00</b>	<b>17.00</b>

GENERAL FUND LAW DEPARTMENT	ACTUAL FY 2016	ACTUAL FY 2017	BUDGET FY 2018	APPROVED FY 2019
Personal Services	2,257,397	2,327,537	2,033,801	2,035,349
Materials, Supplies & Equipment	463,939	435,883	487,220	601,715
Internal Services	198,153	264,960	206,158	222,754
<b>TOTAL</b>	<b>2,919,489</b>	<b>3,028,380</b>	<b>2,727,179</b>	<b>2,859,818</b>
<b>STAFFING LEVELS</b>	<b>20.00</b>	<b>20.00</b>	<b>18.00</b>	<b>17.00</b>



## MAJOR FUNDING CHANGES FROM PRIOR YEAR

- In the Law Department, a reorganization of support functions resulted in the deletion of one Legal Legislative Assistant position and one Legal Administrative Assistant position, and the addition of one Assistant City Solicitor position. The net result was a 1.00 FTE decrease and a savings of \$54,800.
- Pension Contribution and Hospitalization Costs both increased in FY 2019, \$42,563 and \$30,749, respectively. Last year's budget assumed fewer in-house promotions to fill newly created positions as part of a staffing reorganization. This resulted in lower new Pension Plan costs and Hospitalization being budgeted in FY 2018.
- To help facilitate the anticipated increase in Sheriff Sales in FY 2019, Court Costs and Notary Fees increased \$82,000.
- \$25,000 was added to Consultants for Ethics Commission support as well as to assist with conflict investigations.
- Due to reductions in users and content, Electronic Legal Research decreased \$10,900.
- Internal Service expenses increased \$16,596 due to a rise in Data Processing costs.

# LAW DEPARTMENT

## STRATEGIC PLAN

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### Focus Area: Effective City Government

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

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of legal inquiries from constituents	246	260	229	245
Number of responses within 5 business days	246	260	206	220
Percentage of constituents receiving response within 5 business days	100%	100%	90.0%	89.8%

**CITY-WIDE GOAL #3: Enhance Fiscal Prudence.**

**Objective 1:** Recover sheriff sales revenue at least three times greater than total departmental court costs & notary fees.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Total court costs & notary fees	\$77,824	\$59,167	\$127,312	\$167,000
Total revenue recovered from sheriff sales	\$642,605	\$239,102	\$564,451	\$560,000
Ratio of recovered sheriff sale revenues to total court cost & notary fees	8.3	4.0	4.4	3.4

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18*	FY 2019 Projected*
Number of hours used for outside litigation	692	534	459	421
Total cost of all Law Department outside counsel	\$219,821	\$164,765	\$235,000	\$250,000

\*A portion of these hours was used for general legal advice and transactional work.

# LAW DEPARTMENT

## STRATEGIC PLAN

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### Focus Area: Public Safety

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**CITY-WIDE GOAL #4: Ensure Transparency.**

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of FOIA inquiries	56	190	182	216
Number of responses to FOIA requests within 15 days	99%	99%	99%	99%
Percentage of responses issued within 15 days	99%	99%	99%	99%

**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	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of training sessions held	12	2	1	1
Number of attendees at training sessions	305	305	314	314
Number of active WPD officers at time of training	305	305	314	314
Percentage of WPD officers trained	100%	100%	100%	100%

# LAW DEPARTMENT

## STRATEGIC PLAN

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### Focus Area: Economic Vitality

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**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	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of contracts received	251	185	285	220
Percentage of contracts reviewed within 15 business days	90%	90%	90%	90%
Average number of business days a contract is under review	7	7	7	7

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### Focus Area: Quality of Life

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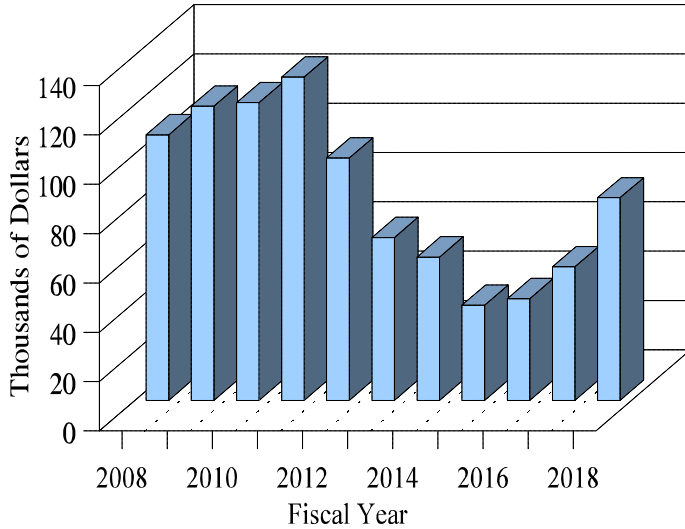
**CITY-WIDE GOAL #16: Inspire Young People to Achieve Success.**

**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	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of students hired	1	2	1	1
Number of hours worked	480	480	310	390

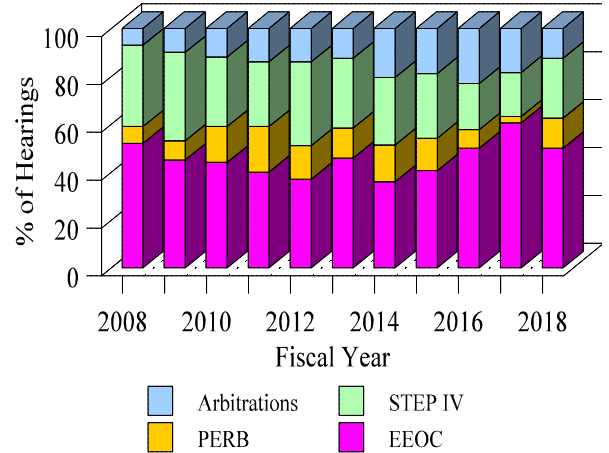
# Law Department Performance Trends

## Housing Code Prosecution Fines



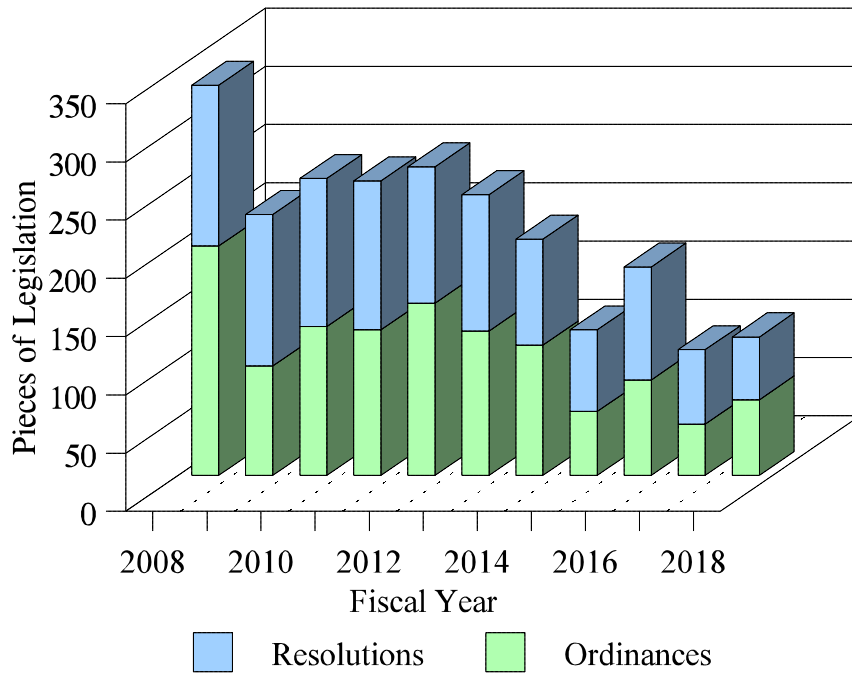
Several changes have resulted in lower fines imposed for housing code violations. First, sanitation violations were changed from a criminal designation to civil. The City is also seeing less repeat offenders.

## 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**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	1,517,214	1,554,042	1,380,566	1,347,728
Temporary Salaries	12,105	11,738	17,370	6,000
Acting Out Of Classification	0	384	0	0
Sick Leave Bonus	300	300	300	300
Pension Contribution	206,471	234,777	104,616	147,179
Social Security	93,505	95,427	85,043	82,576
Medicare Tax	21,868	22,318	19,646	19,312
Hospitalization	311,830	305,125	305,545	336,294
Life Insurance	5,041	4,902	4,320	4,080
Pension Healthcare	48,729	49,903	54,000	55,250
State Pension Plan - Civilian	40,334	48,621	73,218	57,142
Personal Services Adjustment	0	0	(10,823)	(20,512)
<b>TOTAL PERSONAL SERVICES</b>	<b>2,257,397</b>	<b>2,327,537</b>	<b>2,033,801</b>	<b>2,035,349</b>
 <b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing and Advertising	154	135	128	102
Communications & Utilities	59	77	164	131
Transportation	1,550	4,145	6,750	5,000
Contracted Maintenance Repairs	0	48	410	328
Professional Fees	313,294	283,459	318,033	358,033
Other Fees	77,824	59,167	85,000	167,000
Memberships & Registrations	17,629	24,877	29,835	29,715
Miscellaneous Services	45,579	49,734	40,900	34,406
Office & General Supplies	5,360	6,921	5,000	5,000
Equipment	2,490	7,320	1,000	2,000
Projects	0	0	0	0
<b>TOTAL M., S. &amp; E.</b>	<b>463,939</b>	<b>435,883</b>	<b>487,220</b>	<b>601,715</b>
 <b><u>INTERNAL SERVICES</u></b>				
Administrative Services	184,097	201,392	183,117	199,713
Self-Insurance	14,056	63,568	23,041	23,041
<b>TOTAL INTERNAL SERVICES</b>	<b>198,153</b>	<b>264,960</b>	<b>206,158</b>	<b>222,754</b>
 <b>GENERAL FUND TOTAL</b>	 <b>2,919,489</b>	 <b>3,028,380</b>	 <b>2,727,179</b>	 <b>2,859,818</b>



# 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.

<b>PRIORITIES FOR FISCAL YEAR 2019</b>
<ul style="list-style-type: none"> <li>• Increase the collection of delinquent accounts.</li> <li>• Implement monthly Utility Billing Project.</li> <li>• Increase the ease of doing business with the City of Wilmington through e-commerce programs.</li> <li>• Increase the level of customer satisfaction and responsiveness to citizens and vendors by initiating the Finance Department's phone systems into the 311 Phone System and enhancing E-Commerce programs.</li> <li>• Ensure timeliness and accuracy of periodic financial reports.</li> <li>• Approval of Red Light Enforcement Program by DelDOT.</li> </ul>

## SUMMARY OF FUNDING FOR THE DEPARTMENT OF FINANCE

<b>TOTAL ALL FUNDS FINANCE DEPARTMENT</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	7,474,065	7,048,518	7,889,816	7,757,822
Materials, Supplies & Equipment	5,005,898	5,047,597	5,314,137	6,194,496
Internal Services	1,223,354	1,644,952	1,595,973	1,768,905
Debt Service	31,581	46,902	53,230	130,503
<b>TOTAL</b>	<b>13,734,898</b>	<b>13,787,969</b>	<b>14,853,156</b>	<b>15,851,726</b>
<b>STAFFING LEVELS</b>	<b>88.00</b>	<b>86.00</b>	<b>85.00</b>	<b>84.00</b>

<b>GENERAL FUND FINANCE DEPARTMENT</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	5,158,949	4,888,226	5,494,132	5,293,734
Materials, Supplies & Equipment	3,496,380	3,457,092	3,583,100	3,793,640
Internal Services	746,045	1,082,384	866,963	921,427
Debt Service	18,061	37,027	23,044	85,848
<b>TOTAL</b>	<b>9,419,435</b>	<b>9,464,729</b>	<b>9,967,239</b>	<b>10,094,649</b>
<b>STAFFING LEVELS</b>	<b>61.85</b>	<b>61.45</b>	<b>60.45</b>	<b>58.65</b>



<b>WATER/SEWER FUND FINANCE DEPARTMENT</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	2,315,116	2,160,292	2,395,684	2,464,088
Materials, Supplies & Equipment	1,509,518	1,590,505	1,731,037	2,400,856
Internal Services	477,309	562,568	729,010	847,478
Debt Service	13,520	9,875	30,186	44,655
<b>TOTAL</b>	<b>4,315,463</b>	<b>4,323,240</b>	<b>4,885,917</b>	<b>5,757,077</b>
<b>STAFFING LEVELS</b>	<b>26.15</b>	<b>24.55</b>	<b>24.55</b>	<b>25.35</b>

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

- Personal Services decreased by a net 1.80 FTE, for a savings of \$185,479. A Revenue Collector position and a split-funded (80% General Fund and 20% Water/Sewer Fund) Senior Accountant position were eliminated. In an additional offsetting action that resulted in no net change in FTE, the split-funded Senior Financial Officer position was eliminated, allowing the restoration of the split-funded Revenue Manager position that had been eliminated several years ago.
- Pension Contributions and Hospitalization decreased a combined total of \$87,459.
- Professional Fees increased by \$49,500, due to staffing needs during Wage Tax filing season and for the preparation of the Comprehensive Annual Financial Report.
- Collection Expense-Fire Alarms increased \$10,000 to cover related expenses for the False Alarm Reduction Program.
- Collection Expense-Parking Citation Commissions decreased by \$67,000 to match the decline in revenue from parking citations.
- Based on State-provided data on traffic accidents and violations within Wilmington, the City will be placing digital red-light cameras at 17 additional intersections. Collection Expense-Red-Light Commission fees were increased \$200,000 as a result. The increase in costs will be more than offset by the additional \$1.5 million in red-light enforcement citations expected to be generated. Both figures include a downward adjustment that assumes the cameras will not be fully operational until halfway through the fiscal year.
- Collection Expense-Wage & Head Audit increased by \$25,000 to assist accounting and law firms with the collection of Wage Taxes.
- Furniture, Fixtures and Office Equipment increased by \$11,600 to replace furniture and office equipment due to wear and tear.
- Computer Software Licenses increased by \$7,000 to provide support and maintenance for a comprehensive debt management software program.

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

- Personal Services increased by a net 0.80 FTE, at cost of \$80,100. An additional Billing Analyst position was created, just slightly offset by elimination of the Senior Accountant position (split-funded 80% General Fund and 20% Water/Sewer Fund). Also, in an offsetting action that resulted in no net change in FTE, the split-funded Senior Financial Officer position was eliminated, allowing the restoration of the split-funded Revenue Manager position that had been eliminated.
- Pension Contributions and Hospitalization decreased a combined total of \$10,584.
- Printing and Advertising increased by \$54,600 mainly due to switching from quarterly to monthly water/sewer billing.
- Professional Fees increased by \$70,000, due to staffing needs during the preparation of the Comprehensive Annual Financial Report.
- Because sheriff sale activity is trending upward, the associated Collection Expense-Court Costs was increased by \$41,000.
- There was an increase in delinquent water/sewer bill collection expenses, especially as it relates to the sheriff sale process and related legal support. The increase of almost \$436,000 reflects greater utilization of sheriff sales against those property owners who have not complied with payment initiatives on their delinquent accounts.
- Collection Expense-Credit Card Fees increased by \$20,000, as a result of an increased number of customers using a credit card for payments of water/sewer bills.
- Lockbox Charges increased by \$10,000 to support monthly billing processing fees.
- The Indirect Costs expense went up by \$44,907, reflecting the budgeted increases in the supporting services provided to the Water/Sewer Fund's utility functions by the General Fund.
- The Internal Services account group increased by a net of \$118,468, mainly due to increases in Postage and Data Processing in the amount of \$69,911 and \$48,557, respectively. The conversion to monthly water/sewer billing was the major driver of these increases.

# DEPARTMENT OF FINANCE

## STRATEGIC PLAN

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### Focus Area: Effective City Government

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

**Objective 1:** Implement E-Payables by December 2018.

Critical Indicator	Date Completed			
E-Payables implemented	began 5/23/2018			
	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of vendors processed via e-payables	N/A	N/A	7	36
Total cost of electronic issuance	N/A	N/A	\$99,156	\$3,900,683

**CITY-WIDE GOAL #2: Increase Accountability.**

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of approved City invoices received	24,582	30,053	21,687	19,518
Number of City bills paid within 30 days of invoice date	20,895	25,545	16,265	16,005
Percentage of City bills paid within 30 days of invoice date	85.0%	85.0%	75.0%	82.0%

**Objective 2:** Comply with procedures for periodic accounting by closing within 10 business days of month end.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of monthly closings within 10 business days of month end	12	12	12	12

# DEPARTMENT OF FINANCE

## STRATEGIC PLAN

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### Focus Area: Effective City Government

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**Objective 3:** Complete a financial software system upgrade.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Complete a financial software system upgrade	N/A	N/A	N/A	Sept. 2018

**CITY-WIDE GOAL #3:** Enhance Fiscal Prudence.

**Objective 1:** Maintain or improve the City's bond rating.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
City's bond rating from Moody	Aa2	Aa2	Aa2	Aa2
City's bond rating from S&P	AA	AA	AA	AA
City's bond rating from Fitch	AA-	AA-	AA-	AA-

# DEPARTMENT OF FINANCE

## STRATEGIC PLAN

### Focus Area: Effective City Government

**CITY-WIDE GOAL #4: Ensure Transparency.**

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	FY 2019 Projected
Complete CAFR by December 31 <sup>st</sup> of each year	Yes	No	Yes	Yes

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	FY 2019 Projected
Receive the Certificate of Excellence in Financial Reporting	Yes	TBD	Yes	Yes

### Focus Area: Public Safety

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

**Objective 1:** Enforce standard operating procedures and training to reduce number of approved parking citation appeals to zero.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of training sessions	3	3	3	3
Number of PREOs trained	16 of 16	16 of 16	15 of 15	15 of 15
Number of parking citations appealed	4,022	3,502	3,271	3,598
Number of parking citation appeals approved	1,861	1,746	987	900
Percentage of parking citation appeals approved	46.3%	49.9%	30.2%	25.0%

# DEPARTMENT OF FINANCE

## STRATEGIC PLAN

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### Focus Area: Economic Vitality

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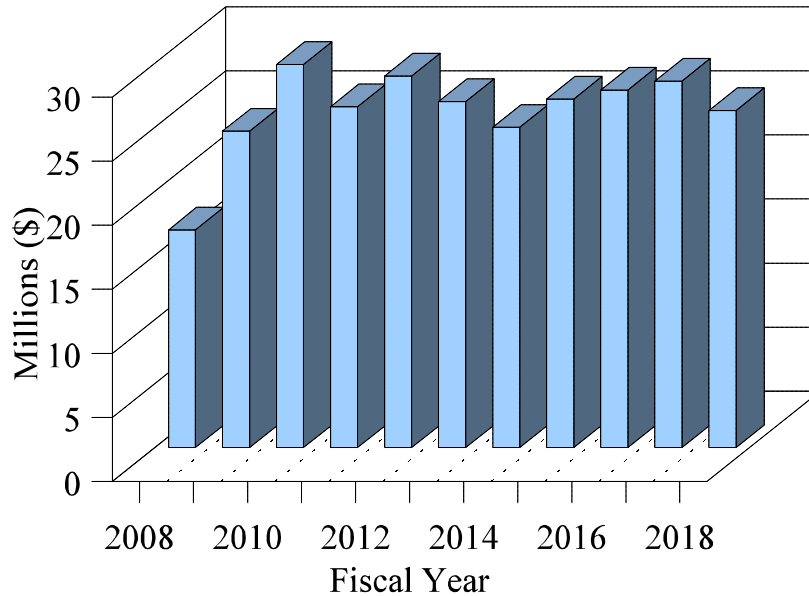
**CITY-WIDE GOAL #12: Attract, Retain, and Expand Business.**

**Objective 1:** Fully implement electronic bidding by June 2018.

<b>Critical Indicator</b>	<b>FY 2016 Actual</b>	<b>FY 2017 Actual</b>	<b>FY 2018 Actual</b>	<b>FY 2019 Projected</b>
Total number of bids received	112	170	150	175
Number of electronic bids received	N/A	N/A	N/A	4
Percentage of electronic bids processed	N/A	N/A	N/A	2.3%

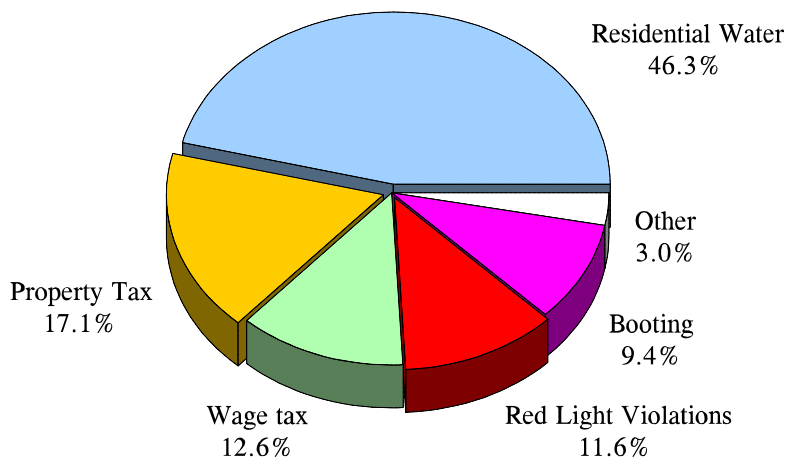
# Department of Finance Performance Trends

## 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 2018, \$26.3 million in delinquent accounts was collected.

## Delinquent Collections by Revenue Type FY 2018



**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: FINANCE**

**FUND: GENERAL**

	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>PERSONAL SERVICES</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Regular Salaries	3,021,551	2,848,565	3,203,048	3,113,397
Temporary Salaries	59,225	45,385	7,500	10,000
Acting Out of Class	4,855	5,046	4,500	0
Sick Leave Bonus	4,200	2,800	8,000	7,600
Overtime	67,666	51,602	68,500	71,500
Meal Allowance	5,059	2,322	6,850	7,100
Clothing Allowance	4,427	3,875	4,000	0
Health Cash Back	0	0	0	0
Pension Contribution	532,236	596,331	611,777	563,367
Social Security	191,541	177,943	197,656	193,022
Medicare Tax	44,775	41,653	46,227	45,213
Hospitalization	1,032,369	911,850	1,133,187	1,094,138
Life Insurance	12,476	12,424	14,097	13,667
Pension healthcare	132,846	136,529	181,350	190,610
State Pension Plan - Civilian	45,723	51,901	71,186	80,404
Personal Services Adjustment	0	0	(63,746)	(96,284)
PS-Budget Control Account	0	0	0	0
<b>TOTAL PERSONAL SERVICES</b>	<b>5,158,949</b>	<b>4,888,226</b>	<b>5,494,132</b>	<b>5,293,734</b>
 <b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	47,714	42,511	68,650	70,200
Communications & Utilities	11,719	15,003	16,050	15,880
Transportation	17,082	9,965	21,550	22,300
Rentals	0	0	0	0
Contracted Maintenance Repairs	0	0	500	480
Professional Fees	336,071	309,834	317,500	367,000
Memberships & Registrations	19,920	25,024	42,150	41,750
Miscellaneous Services	3,024,777	2,968,524	3,079,000	3,220,000
Office & General supplies	9,806	15,464	16,000	16,250
Wearing Apparel and Safety	12,218	10,486	11,400	10,920
Miscellaneous Parts	637	398	800	760
Equipment	16,436	59,883	9,500	28,100
Miscellaneous Projects	0	0	0	0
MSE-Budget Control Account	0	0	0	0
<b>TOTAL M. S. &amp; E.</b>	<b>3,496,380</b>	<b>3,457,092</b>	<b>3,583,100</b>	<b>3,793,640</b>



## DEPARTMENT: FINANCE

## FUND: GENERAL

<b>INTERNAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Administrative Services	702,175	897,607	770,799	825,263
Self-Insurance	43,870	184,777	96,164	96,164
<b>TOTAL INTERNAL SERVICES</b>	<b>746,045</b>	<b>1,082,384</b>	<b>866,963</b>	<b>921,427</b>
<b>DEBT SERVICE</b>				
Principal Payments	1,586	8,377	(1,814)	38,311
Interest Payments	16,475	28,650	24,858	47,537
<b>TOTAL DEBT SERVICE</b>	<b>18,061</b>	<b>37,027</b>	<b>23,044</b>	<b>85,848</b>
<b>GENERAL FUND TOTAL</b>	<b>9,419,435</b>	<b>9,464,729</b>	<b>9,967,239</b>	<b>10,094,649</b>

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	1,330,653	1,236,233	1,381,219	1,454,944
Temporary Salaries	0	13,718	0	0
Acting Out of Class	0	0	0	0
Sick Leave Bonus	200	0	3,100	2,500
Overtime	33,464	21,558	36,000	34,000
Meal Allowance	1,272	631	3,600	3,400
Clothing Allowance	750	750	750	750
Health Cash Back	0	0	0	0
Accrued Sick/Vacation	3,568	8,257	0	0
Pension Contribution	229,378	161,726	257,105	254,694
Social Security	82,622	76,402	84,899	89,827
Medicare Tax	19,324	17,880	19,857	21,086
Hospitalization	391,457	356,750	481,569	473,396
Life Insurance	5,522	5,394	5,824	6,007
Pension healthcare	199,753	236,134	73,650	82,390
State Pension Plan - Civilian	17,153	24,859	34,897	41,094
Personal Services Adjustment	0	0	13,214	0
<b>TOTAL PERSONAL SERVICES</b>	<b>2,315,116</b>	<b>2,160,292</b>	<b>2,395,684</b>	<b>2,464,088</b>

**MATERIALS, SUPPLIES & EQUIPMENT**

Printing & Advertising	13,140	17,138	40,800	95,400
Communications & Utilities	30	80	800	640
Transportation	8,445	6,901	16,500	18,000
Contracted Maintenance Repairs	0	0	1,828	1,462
Professional Fees	79,264	59,789	70,000	140,000
Memberships & Registrations	6,948	7,442	19,650	20,250
Miscellaneous Services	256,323	339,607	283,000	792,840
Office & General supplies	8,327	6,879	11,580	10,780
Wearing Apparel and Safety	2,679	1,979	2,950	2,950
Miscellaneous Parts	1,415	579	2,760	2,208
Supporting Services	1,120,246	1,137,962	1,258,919	1,303,826
Equipment	12,701	12,149	22,250	12,500
<b>TOTAL M. S. &amp; E.</b>	<b>1,509,518</b>	<b>1,590,505</b>	<b>1,731,037</b>	<b>2,400,856</b>

## DEPARTMENT: FINANCE

## FUND: WATER/SEWER

	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>INTERNAL SERVICES</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Administrative Services	452,304	453,961	680,061	798,529
Self-Insurance	25,005	108,607	48,949	48,949
<b>TOTAL INTERNAL SERVICES</b>	<b>477,309</b>	<b>562,568</b>	<b>729,010</b>	<b>847,478</b>
<b>DEBT SERVICE</b>				
Interest Payments	13,520	9,875	30,186	44,655
<b>TOTAL OTHER</b>	<b>13,520</b>	<b>9,875</b>	<b>30,186</b>	<b>44,655</b>
<b>WATER/SEWER FUND TOTAL</b>	<b>4,315,463</b>	<b>4,323,240</b>	<b>4,885,917</b>	<b>5,757,077</b>

# 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.

<b>PRIORITIES FOR FISCAL YEAR 2019</b>
<ul style="list-style-type: none"> <li>• Enhance the delivery of human resources services to City Departments through the implementation of revised legislation, policies and procedures, and management information systems</li> <li>• Promote harmonious and effective working relationships with all collective bargaining units affiliated with the City of Wilmington</li> <li>• Manage the City's risk exposure by implementing more effective personnel, health and safety, insurance, and claims management practices and programs</li> <li>• Provide management and employee training to continue to develop the City's workforce and enhance productivity</li> <li>• Effectively monitor productive and non-productive time through use of ongoing audits of the electronic timekeeping system</li> <li>• Recognize and reward employees for exemplary contributions to the City of Wilmington</li> </ul>

## SUMMARY OF FUNDING FOR THE DEPARTMENT OF HUMAN RESOURCES

<b>TOTAL ALL FUNDS*</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>HUMAN RESOURCES</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services	2,262,066	2,272,979	2,540,233	2,656,218
Materials, Supplies & Equipment	4,364,613	4,788,265	4,957,398	4,942,456
Internal Services	521,033	605,873	573,289	618,309
Debt Service	24,457	21,160	17,714	20,258
Depreciation	0	0	12,554	12,554
Special Purpose	19,551,465	30,158,904	26,502,718	25,606,837
<b>TOTAL</b>	<b>26,723,634</b>	<b>37,847,181</b>	<b>34,603,906</b>	<b>33,856,632</b>
<b>STAFFING LEVELS</b>	<b>22.00</b>	<b>24.00</b>	<b>23.00</b>	<b>24.00</b>

\*Differs from Summary of All Funds Combined – Expenditures table on page 39 due to inclusion of Internal Service Funds.

<b>GENERAL FUND HUMAN RESOURCES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	1,412,695	1,361,804	1,437,082	1,550,117
Materials, Supplies & Equipment	120,964	112,321	223,604	206,829
Internal Services	483,841	557,208	537,164	580,334
Debt Service	24,457	21,160	17,714	20,258
<b>TOTAL</b>	<b>2,041,957</b>	<b>2,052,493</b>	<b>2,215,564</b>	<b>2,357,538</b>
<b>STAFFING LEVELS</b>	<b>13.55</b>	<b>13.55</b>	<b>13.55</b>	<b>14.55</b>

<b>RISK MANAGEMENT FUND HUMAN RESOURCES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	228,577	199,201	306,670	239,715
Materials, Supplies & Equipment	3,496,483	3,969,547	3,471,256	3,395,147
Internal Services	23,202	27,990	26,040	27,694
Depreciation	0	0	12,554	12,554
Special Purpose	(3,042,566)	(1,426,550)	0	0
<b>TOTAL</b>	<b>705,696</b>	<b>2,770,188</b>	<b>3,816,520</b>	<b>3,675,110</b>
<b>STAFFING LEVELS</b>	<b>1.95</b>	<b>2.05</b>	<b>1.75</b>	<b>1.75</b>

<b>WORKERS' COMPENSATION FUND HUMAN RESOURCES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	459,844	516,406	509,867	531,419
Materials, Supplies & Equipment	586,749	536,982	1,082,638	1,118,560
Internal Services	11,718	18,311	7,149	7,181
Special Purpose	1,653,376	11,642,449	2,718,000	2,757,000
<b>TOTAL</b>	<b>2,711,687</b>	<b>12,714,148</b>	<b>4,317,654</b>	<b>4,414,160</b>
<b>STAFFING LEVELS</b>	<b>4.65</b>	<b>5.15</b>	<b>4.65</b>	<b>4.65</b>

<b>HEALTH AND WELFARE FUND HUMAN RESOURCES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	160,950	195,568	286,614	334,967
Materials, Supplies & Equipment	160,417	169,415	179,900	221,920
Internal Services	2,272	2,364	2,936	3,100
Special Purpose	20,940,655	19,943,005	23,784,718	22,849,837
<b>TOTAL</b>	<b>21,264,294</b>	<b>20,310,352</b>	<b>24,254,168</b>	<b>23,409,824</b>
<b>STAFFING LEVELS</b>	<b>1.85</b>	<b>3.25</b>	<b>3.05</b>	<b>3.05</b>

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

- To assist with Family and Medical Leave Act (FMLA) and Americans with Disabilities Act (ADA) matters, a Human Resources Coordinator was added to the Administrative Division at a total cost of \$85,860.
- Temporary Salaries increased \$16,800. The Payroll Division is requesting temporary support for six months during the hiring process for the vacant Human Resources Information Systems Analyst position.
- Miscellaneous Charges- N.O.C. decreased \$21,331. While a placeholder of \$50,000 in the FY 2018 budget for a compensation study was removed, \$30,000 was requested in FY 2019 to fund external harassment investigations involving conflicts.
- Internal Services increased \$43,170 due to higher Data Processing Costs.
- Debt Service increased \$2,544. While interest payments decreased \$601, principal payments increased \$3,145.

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

- The Employee Benefits Assistant was upgraded to an Employee Benefits Specialist, resulting in a \$5,122 increase which is split between the Risk Management and Health and Welfare Funds.
- The Medical Records Clerk was upgraded to a Medical Dispensary Coordinator, costing the Workers' Compensation Fund \$2,963.
- A manual increase to Social Security for temporary salaries was erroneously entered in the Risk Management Fund in FY 2018. For FY 2019, this results in a budget reduction of almost \$85,000.
- Temporary Salaries increased \$51,466 to a total of \$87,340 for FY 2019. In the Workers' Compensation Division, two temporary employees are being requested at a total cost of \$7,000. One will assist with summer youth hiring while the other will assist with fitness-for-duty examinations. Furthermore, in the Health and Welfare Division, temporary assistance is being requested during the benefits enrollment cycle, resulting in total cost of \$12,000. In addition to the temporary employees being requested, the Acting Risk Manager was budgeted for \$68,340, split between the Risk Management and Workers' Compensation Funds.
- Insurance Costs decreased \$78,634 in the Risk Management Fund. In addition to smaller increases in Fire and Liability Costs, Insurance Claims-Risk Control increased \$78,000. However, these increases were offset by a net decrease of \$207,032 in Insurance Claims based on the projections from the Actuary Report.
- In the Workers' Compensation Fund, W/C Indemnity increased \$479,000 based on the Actuary Study for FY 2019.
- Based on FY 2018 actuals, Medical Stop Loss Insurance increased \$185,896 in the Health and Welfare fund.
- Medical Costs decreased by \$1,885,513, split between the Workers' Compensation and Health and Welfare funds. Based on projections provided by USI Insurance Services, including reallocating a more accurate breakdown of active and retired employees, Medical Costs in the Health and Welfare Fund are budgeted at \$13,905,750, a decrease of \$1,445,513 from FY 2018. Furthermore, based on the Actuary Study for FY 2019, Medical Costs in Workers' Compensation are budgeted at \$1,000,000, a \$440,000 decrease from FY 2018.
- Prescription Costs were projected to increase \$665,602. This increase was offset by \$374,066 in costs being properly allocated to the Pension Healthcare Fund for retiree healthcare. Total Prescription costs are budgeted at \$4,556,802.

# DEPARTMENT OF HUMAN RESOURCES

## STRATEGIC PLAN

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### Focus Area: Effective City Government

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**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	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
<b>Number of meetings held (by bargaining unit):</b>	11	12	25	20
FOP Rank & File	0	0	1	4
FOP Captains & Inspectors	0	0	0	4
AFSCME Local 1102	4	3	7	4
AFSCME Local 320	1	3	5	4
Firefighters Local 1590	6	6	12	4

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Total number of individuals enrolled	901	81	330	400
Number of individuals enrolled electronically	901	0	330	400
Percentage of individuals enrolled electronically	100%	0%	100%	100%
Total number of employee benefit/status changes processed	66	74	73	85
Average number of days to process employee benefit/status changes	2	2	2	2
Percentage of benefit/status changes processed within 10 days.	92.0%	92.0%	94.0%	95.0%



# DEPARTMENT OF HUMAN RESOURCES

## STRATEGIC PLAN

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### Focus Area: Effective City Government

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of offers for non-uniformed personnel made	44	55	43	46
Number of offers for non-uniformed personnel accepted	40	48	43	46
Average number of days to fill a non-uniformed position from posting	90	59	36	70
Percentage of non-uniformed positions filled within 90 days of posting	73.0%	87.0%	98.0%	90.0%

**CITY-WIDE GOAL #2: Increase Accountability.**

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Date needs assessment was completed	3/11/15	N/A	6/6/18	6/6/19
Number of needs identified	5	0	9	9
Number of needs addressed through training	2	0	1	5
Number of training/workshops held	30	9	11	15
Number of participants in trainings/workshops	338	50	452	500
Total amount spent on trainings/workshops	\$18,928	\$11,443	\$22,207	\$50,000

# DEPARTMENT OF HUMAN RESOURCES

## STRATEGIC PLAN

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### Focus Area: Effective City Government

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of informational workshops held	15	2	8	25
Number of attendees at workshops	728	30	184	500
Number of organized initiatives	7	2	7	8
Number of employees reached by organized initiatives*	212	40	1,100	1,100
Number of health fairs held	1	1	2	2
Number of attendees at health fairs	146	155	380	400
Number of flu shots administered	300	300	275	300

\*Organized initiatives include global emails & mass distribution of posters to reach all City Employees.

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of complaints filed	26	9	19	8
Average number of days to complete investigation	102	70	62	90
Percentage of investigations completed in 90 days	35.0%	62.5%	31.0%	90.0%

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of grievances filed	15	16	10	12
Number of grievances completed in designated time frame	7	7	9	10
Percentage of grievances completed in designated time frame	46.7%	43.8%	90.0%	83.3%

# DEPARTMENT OF HUMAN RESOURCES

## STRATEGIC PLAN

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### Focus Area: Effective City Government

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**Objective 5:** Eliminate Payroll audit findings and exceptions.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Total number of audit findings	5	4	7	0
Number of audit findings against Payroll Division	3	2	3	0
Percentage of audit findings against Payroll Division	60.0%	50.0%	42.9%	0%
Number of audit findings corrected	3	2	3	0

### CITY-WIDE GOAL #3: Enhance Fiscal Prudence.

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of new worker's compensation claims filed	185	183	199	200
Number of new WC claims accepted	172	171	180	185
Number of WC claims w/payments (all years)	278	286	307	300
Number of WC claims with lost days	36	50	54	50
Average number of working days lost	67	80	63*	50
Average cost for WC claims	\$9,598	\$32,721	\$11,611	\$11,000
Total cost for WC claims	\$2,668,175	\$9,358,014	\$3,564,723	\$2,500,000
Number of safety trainings	17	27	23	25
Number of safety training participants	248	305	403	450

\* Through May 15, 2018

# DEPARTMENT OF HUMAN RESOURCES

## STRATEGIC PLAN

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### Focus Area: Effective City Government

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of auto claims filed	123	109	111	120
Average cost per auto claim	\$901	\$1,624	\$1,436	\$1,500
Number of property/casualty claims filed	97	63	41	45
Average cost per property/casualty claim	\$6,644	\$1,274	\$739	\$1,000
Number of police liability claims filed	4	3	0	2
Average cost per police liability claim	\$216,750	\$4,200	\$0	\$10,000

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 Projected	FY 2019 Projected
Total cost for HC	\$22,052,774	\$18,429,968	\$16,463,297	\$20,749,595
Total number of employees	1,093	1,107	1,078	1,083
Average cost per employee for HC	\$20,176	\$16,649	\$15,272	\$19,159
Average percentage of employee contribution for HC costs	4.3%	5.0%	5.0%	9.0%
Total cost for medical	\$15,973,257	\$15,106,540	\$13,260,866	\$16,154,632
Average cost per employee for medical charges	\$14,614	\$13,646	\$12,301	\$14,917
Number of migrants from POS 1/PPO 1	21	1	1	1
Total cost for Rx	\$6,079,517	\$3,323,428	\$3,202,431	\$4,594,963
Average cost per employee for Rx	\$5,562	\$3,002	\$2,971	\$4,243

# DEPARTMENT OF HUMAN RESOURCES

## STRATEGIC PLAN

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**Focus Area: Quality of Life**

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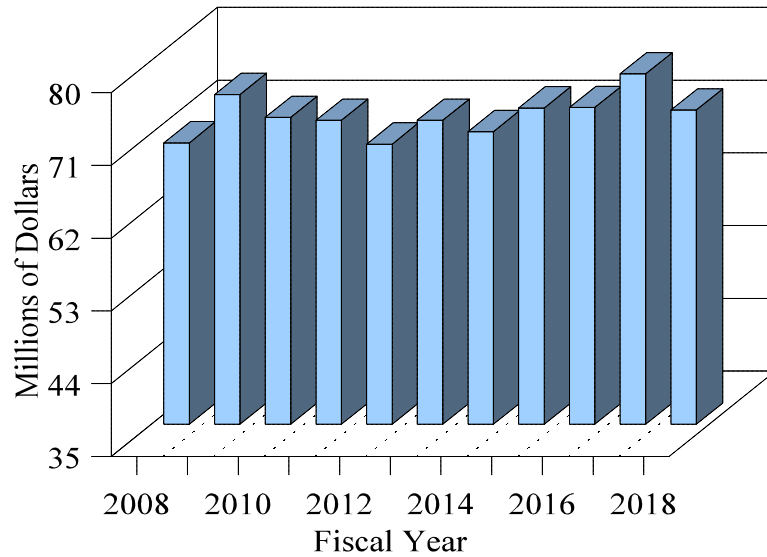
**CITY-WIDE GOAL #15: Enhance City Services.**

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Total positions city-wide (excluding Fire and Police)	N/A	525	520	524
Number of vacant positions in a year	N/A	124	102	120
Average number of days a position remains vacant	N/A	255	265	250
Percentage of vacant positions	N/A	23.6%	19.6%	22.9%

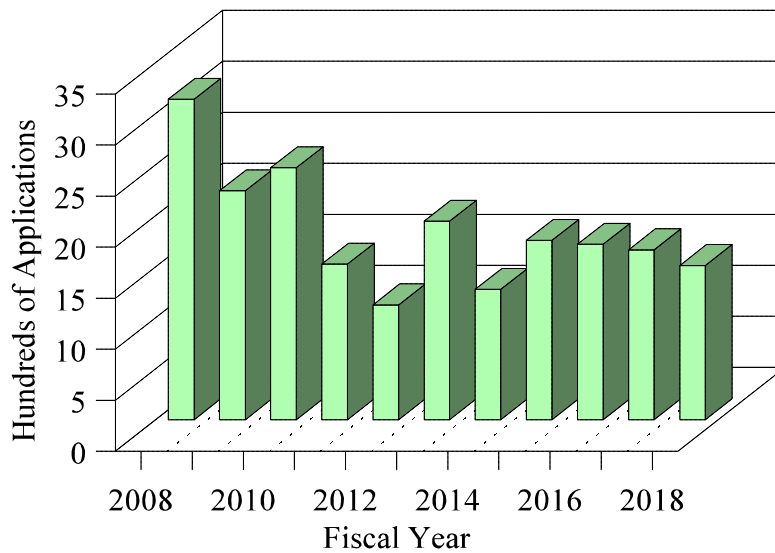
# Department of Human Resources Performance Trends

## Payroll - All Employees



Payroll continues to be dominated by factors such as Public Safety compensation and settlements of retroactive labor contracts.

## Employment Applications



The number of employment applications can widely vary and reflects many factors, including economic conditions, the timing of Police and Fire recruitment classes, and the use of general hiring freezes.

**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: HUMAN RESOURCES**

**FUND: GENERAL**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	872,503	806,696	859,224	920,913
Temporary Salaries	3,425	19,206	12,000	28,800
Acting Out of Classification	54	11,525	0	8,700
Sick Leave Bonus	0	0	900	900
Overtime	3,347	2,676	2,620	2,620
Meal Allowance	196	144	153	119
Pension Contribution	202,945	227,196	203,183	211,615
Social Security	54,810	52,822	52,569	58,412
Medicare Tax	14,109	12,545	12,084	13,660
Hospitalization	220,954	191,195	240,879	247,699
Life Insurance	3,218	3,107	3,239	3,479
Pension Healthcare	33,978	31,658	40,650	47,286
State Pension Plan - Civilian	3,156	3,034	9,075	12,701
Personal Services Adjustment	0	0	506	(6,787)
<b>TOTAL PERSONAL SERVICES</b>	<b>1,412,695</b>	<b>1,361,804</b>	<b>1,437,082</b>	<b>1,550,117</b>
 <b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing and Advertising	4,485	7,131	10,885	10,755
Communications & Utilities	0	112	200	200
Transportation	10,015	11,191	9,734	10,364
Contracted Maintenance	419	432	812	650
Professional Fees	34,802	15,570	22,850	20,075
Other Fees	0	0	1,049	4,589
Memberships & Registrations	30,165	31,700	76,010	77,748
Miscellaneous Services	4,914	3,674	55,099	33,768
Office & General Supplies	7,793	7,125	7,990	7,400
Wearing Apparel & Safety Supplies	0	431	500	500
Miscellaneous Parts	28,371	34,756	38,475	40,780
Equipment	0	199	0	0
<b>TOTAL M., S. &amp; E.</b>	<b>120,964</b>	<b>112,321</b>	<b>223,604</b>	<b>206,829</b>

**DEPARTMENT: HUMAN RESOURCES****FUND: GENERAL**

<b>INTERNAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Administrative Services	479,782	538,843	530,511	573,681
Self-Insurance	4,059	18,365	6,653	6,653
<b>TOTAL INTERNAL SERVICES</b>	<b>483,841</b>	<b>557,208</b>	<b>537,164</b>	<b>580,334</b>
<b>DEBT SERVICE</b>				
Principal Payments	5,515	5,923	1,894	5,039
Interest Payments	18,942	15,237	15,820	15,219
<b>TOTAL DEBT SERVICE</b>	<b>24,457</b>	<b>21,160</b>	<b>17,714</b>	<b>20,258</b>
<b>GENERAL FUND TOTAL</b>	<b>2,041,957</b>	<b>2,052,493</b>	<b>2,215,564</b>	<b>2,357,538</b>



## DEPARTMENT: HUMAN RESOURCES

## FUND: RISK MANAGEMENT

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	149,364	112,142	123,116	124,238
Temporary Salaries	18,827	20,059	14,687	34,500
Overtime	1	153	0	0
Meal Allowance	34	247	0	0
Health Cash Back	948	242	0	0
Compensated Absences	(14,228)	(1,940)	0	0
Pension Contribution	34,461	33,275	25,520	25,624
Social Security	10,269	8,039	98,481	9,657
Medicare Tax	2,402	1,880	1,740	2,258
Hospitalization	18,267	19,777	34,444	35,113
Life Insurance	379	404	420	420
Pension Healthcare	6,697	4,521	5,250	5,688
State Pension Plan - Civilian	1,156	402	3,179	3,326
Personal Services Adjustment	0	0	(167)	(1,109)
<b>TOTAL PERSONAL SERVICES</b>	<b>228,577</b>	<b>199,201</b>	<b>306,670</b>	<b>239,715</b>
<b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing	35	0	70	70
Transportation	1,066	1,267	2,250	4,250
Insurance	3,364,107	3,826,660	3,317,497	3,238,863
Professional Fees	116,250	137,898	146,950	147,000
Memberships & Registrations	1,534	1,345	1,489	2,464
Office & General Supplies	2,978	2,377	3,000	2,500
Equipment	10,513	0	0	0
<b>TOTAL M., S. &amp; E.</b>	<b>3,496,483</b>	<b>3,969,547</b>	<b>3,471,256</b>	<b>3,395,147</b>

## DEPARTMENT: HUMAN RESOURCES

## FUND: RISK MANAGEMENT

	ACTUAL FY 2016	ACTUAL FY 2017	BUDGET FY 2018	APPROVED FY 2019
<b>INTERNAL SERVICES</b>				
Administrative Services	22,135	26,891	24,941	26,595
Self-Insurance	1,067	1,099	1,099	1,099
<b>TOTAL INTERNAL SERVICES</b>	<b>23,202</b>	<b>27,990</b>	<b>26,040</b>	<b>27,694</b>
<b><u>OTHER</u></b>				
Depreciation	0	0	12,554	12,554
<b>TOTAL DEBT SERVICE</b>	<b>0</b>	<b>0</b>	<b>12,554</b>	<b>12,554</b>
<b><u>SPECIAL PURPOSE</u></b>				
Claims Expense	(3,042,566)	(1,426,550)	0	0
<b>TOTAL SPECIAL PURPOSE</b>	<b>(3,042,566)</b>	<b>(1,426,550)</b>	<b>0</b>	<b>0</b>
<b>RISK MANAGEMENT FUND TOTAL</b>	<b>705,696</b>	<b>2,770,188</b>	<b>3,816,520</b>	<b>3,675,110</b>

## DEPARTMENT: HUMAN RESOURCES

## FUND: WORKERS' COMPENSATION

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	250,118	249,027	285,447	292,215
Temporary Salaries	31,378	38,996	21,188	40,840
Acting Out of Class	0	0	0	0
Overtime	1,184	797	2,520	2,510
Meal Allowance	124	99	200	200
Compensated Absences	16,147	(804)	0	0
Pension Contribution	47,830	57,078	53,142	55,972
Social Security	17,169	17,434	18,632	20,417
Medicare Tax	3,979	4,079	4,032	4,775
Hospitalization	78,252	135,571	101,532	92,295
Life Insurance	969	1,018	1,099	1,114
Pension Healthcare	10,235	10,569	13,950	15,113
State Pension Plan - Civilian	2,294	2,542	5,622	5,968
Personal Services Adjustment	165	0	2,503	0
<b>TOTAL PERSONAL SERVICES</b>	<b>459,844</b>	<b>516,406</b>	<b>509,867</b>	<b>531,419</b>

**MATERIALS, SUPPLIES & EQUIPMENT**

Printing and Advertising	150	45	660	660
Transportation	3,567	4,868	8,000	8,000
Insurance	240,324	227,544	655,000	655,000
Rentals	5	300	300	240
Contracted Maintenance	506	261	820	900
Professional Fees	306,893	291,730	378,308	417,100
Memberships & Registrations	5,302	3,308	10,550	10,860
Office & General Supplies	1,747	1,288	2,200	2,200
Wearing Apparel & Safety	1,554	85	2,100	2,100
Miscellaneous Parts	16,309	6,114	22,700	20,500
Equipment	10,392	1,439	2,000	1,000
<b>TOTAL M., S. &amp; E.</b>	<b>586,749</b>	<b>536,982</b>	<b>1,082,638</b>	<b>1,118,560</b>

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

<b>INTERNAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Administrative Services	9,899	16,097	4,996	5,028
Self-Insurance	1,819	2,214	2,153	2,153
<b>TOTAL INTERNAL SERVICES</b>	<b>11,718</b>	<b>18,311</b>	<b>7,149</b>	<b>7,181</b>
<b><u>SPECIAL PURPOSE</u></b>				
Workers' Compensation	1,653,376	11,642,449	2,718,000	2,757,000
<b>TOTAL SPECIAL PURPOSE</b>	<b>1,653,376</b>	<b>11,642,449</b>	<b>2,718,000</b>	<b>2,757,000</b>
<b>WORKERS' COMPENSATION FUND TOTAL</b>	<b>2,711,687</b>	<b>12,714,148</b>	<b>4,317,654</b>	<b>4,414,160</b>

**DEPARTMENT: HUMAN RESOURCES**

**FUND: HEALTH AND WELFARE**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	95,826	117,853	187,297	210,657
Temporary Salaries	12,551	13,517	0	12,000
Health Cash Back	492	2,178	0	0
Compensated Absences	6,174	4,500	0	0
Pension Contribution	21,838	25,439	24,665	25,158
Social Security	6,893	7,903	11,168	13,451
Medicare Tax	1,659	1,848	2,611	3,146
Hospitalization	9,907	13,882	41,577	50,179
Life Insurance	383	490	726	732
Pension Healthcare	4,120	5,165	9,150	9,913
State Pension Plan - Civilian	1,107	2,793	7,778	9,731
Personal Services Adjustment	0	0	1,642	0
<b>TOTAL PERSONAL SERVICES</b>	<b>160,950</b>	<b>195,568</b>	<b>286,614</b>	<b>334,967</b>
 <b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	0	0	400	320
Communications & Utilities	0	131	150	150
Transportation	316	0	3,000	4,500
Professional Fees	158,910	164,827	171,500	209,000
Memberships & Registrations	149	995	3,250	5,950
Office & General Supplies	1,042	1,999	1,600	2,000
Miscellaneous Parts	0	1,463	0	0
Equipment	0	0	0	0
<b>TOTAL M., S. &amp; E.</b>	<b>160,417</b>	<b>169,415</b>	<b>179,900</b>	<b>221,920</b>
 <b><u>INTERNAL SERVICES</u></b>				
Administrative Services	1,701	1,611	2,213	2,377
Self-Insurance	571	753	723	723
<b>TOTAL INTERNAL SERVICES</b>	<b>2,272</b>	<b>2,364</b>	<b>2,936</b>	<b>3,100</b>
 <b><u>SPECIAL PURPOSE</u></b>				
Self-Insurance Costs	20,940,655	19,943,005	23,784,718	22,849,837
<b>TOTAL SPECIAL PURPOSE</b>	<b>20,940,655</b>	<b>19,943,005</b>	<b>23,784,718</b>	<b>22,849,837</b>
 <b>HEALTH &amp; WELFARE FUND TOTAL</b>				
	<b>21,264,294</b>	<b>20,310,352</b>	<b>24,254,168</b>	<b>23,409,824</b>

# DEPARTMENT OF LICENSES & INSPECTIONS

The Department of Licenses and Inspections (L&I) is responsible for promoting the general welfare and protecting the life, health, and safety of all citizens of Wilmington by monitoring the City’s building stock through code enforcement and abatement of code violations. This is achieved by regulating various activities through the issuance of permits, licenses, certificates, and the appropriate inspections to assure compliance with all laws and ordinances this Department is empowered to enforce.

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

<b>PRIORITIES FOR FISCAL YEAR 2019</b>
<ul style="list-style-type: none"> <li>• Explore civil penalties for code violations.</li> <li>• Reduce and realign Code Enforcement Inspectors’ districts.</li> <li>• Upgrade L &amp; I code enforcement software to accept civil penalties for all violations.</li> <li>• Continue to develop the L &amp; I Web base application.</li> <li>• Implement on-base permitting software for electronic plan submission.</li> <li>• Efficient plan review and permit issuance.</li> <li>• Create electronic online test for mechanical trades.</li> <li>• Aggressively demolish properties that are blight to the community.</li> <li>• 2018 Code adoption.</li> </ul>

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

<b>TOTAL ALL FUNDS</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>LICENSES &amp; INSPECTIONS</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services	3,656,441	3,344,158	3,666,533	4,075,548
Materials, Supplies & Equipment	485,854	414,560	602,800	921,060
Internal Services	514,229	644,884	593,169	622,157
Debt Service	4,659	4,790	4,960	5,053
Special Purpose	587,500	600,000	300,000	300,000
<b>TOTAL</b>	<b>5,248,683</b>	<b>5,008,392</b>	<b>5,167,462</b>	<b>5,923,818</b>
<b>STAFFING LEVELS</b>	<b>38.00</b>	<b>38.00</b>	<b>38.00</b>	<b>42.00</b>

<b>GENERAL FUND</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>LICENSES &amp; INSPECTIONS</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services	3,656,441	3,344,158	3,666,533	4,075,548
Materials, Supplies & Equipment	485,854	414,560	602,800	921,060
Internal Services	514,229	644,884	593,169	622,157
Debt Service	4,659	4,790	4,960	5,053
Special Purpose	587,500	600,000	300,000	300,000
<b>TOTAL</b>	<b>5,248,683</b>	<b>5,008,392</b>	<b>5,167,462</b>	<b>5,923,818</b>
<b>STAFFING LEVELS</b>	<b>38.00</b>	<b>38.00</b>	<b>38.00</b>	<b>42.00</b>

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

- To assist with pre-rental inspections, four Code Enforcement Inspector positions will be added at a total cost of \$343,460.
- As a result of the Mayor's proposed blight legislation, Demolition costs increased \$220,000, to \$500,000 in FY 2019.
- Property Maintenance is budgeted at \$225,000, a \$70,000 increase from FY 2018. These additional funds are to assist in implementing the Mayor's proposed blight legislation.
- Parking Fees of \$34,560 were added to the FY 2019 Budget. Due to their off-site parking, inspectors currently travel one hour, roundtrip, daily to and from the City/County Building. The \$34,560 proposed will be used to purchase parking permits for the L&I fleet at the Custom House Garage across from the City/County Building. This will greatly reduce travel time and increase productivity.
- Internal Services increased a total of \$28,988, due to an increase in 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:** Provide sensitivity training to all Departmental employees annually.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of Departmental employees	36	34	38	42
Number of Departmental employees trained	24	34	38	42
Percentage of Departmental employees trained	66.7%	100%	100%	100%

**Objective 2:** Respond to all constituent complaints within 48 hours.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of constituent complaints received	3,746	3,524	3,428	3,600
Number of complaints responded to within 48 hours	N/A	N/A	2,059	2,520
Percentage of complaints responded to within 48 hours	N/A	N/A	60.1%	70.0%

**Objective 3:** Increase the percentage of warning tickets to total tickets issued in an effort to educate constituents on code requirements.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Total tickets issued	7,128	6,494	7,478	9,000
Number of warning tickets issued	2,740	1,754	1,225	2,000
Percentage of warning tickets to total tickets	38.4%	27.0%	16.4%	22.2%



# DEPARTMENT OF LICENSES & INSPECTIONS

## Strategic Plan

### Focus Area: Effective City Government

**CITY-WIDE GOAL #2: Increase Accountability.**

**Objective 1:** Create and/or update Department standard operating procedures (SOPs) for all processes annually.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of processes identified within the Department	N/A	N/A	8	4
Number of SOPs created and/or updated	N/A	1	3	4
Percentage of SOPs created and/or updated	N/A	N/A	37.5%	100%

**CITY-WIDE GOAL #3: Enhance Fiscal Prudence.**

**Objective 1:** Reduce the number of property owners with outstanding balances of \$500 or more in unpaid L&I fines and fees.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of occurrences of property owners with balances of \$500 or more	1,015	1,221	1,990	1,500
Number of occurrences of property owners with balances of \$2,000 or more	279	466	1,200	800

# DEPARTMENT OF LICENSES & INSPECTIONS

## STRATEGIC PLAN

### Focus Area: Public Safety

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

**Objective 1:** At least one-third of vacant structures stabilized or secured.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Total number of city-wide vacant structures (exclusive of City inventory)	1,460	1,706	1,587	1,430
Number of structures secured	224	307	965	400
Percentage of identified structures secured	15.3%	18.0%	60.8%	28.0%

**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	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of licensed landlords	N/A	2,869	2,756	3,500
Number of landlords trained*	N/A	N/A	N/A	3,500
Percentage of landlords trained*	N/A	N/A	N/A	100%
Number of new rental inspections	N/A	N/A	241	500

\* City-provided landlord training is contingent upon passage of proposed blight legislation.

# DEPARTMENT OF LICENSES & INSPECTIONS

## STRATEGIC PLAN

### 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	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected*
Number of commercial plans submitted to L&I	310	294	227	250
Average number of working days for completion	N/A	N/A	N/A	14
Number of reviews completed within 21 working days	N/A	N/A	N/A	200
Percentage of reviews completed by L & I within 21 working days	N/A	N/A	N/A	80.0%

\*New software to be implemented will allow for more accurate tracking of plan review and permitting processes.

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected*
Number of residential plans submitted to L&I	N/A	1,575	1,772	1,900
Average number of working days for completion	N/A	N/A	N/A	14
Number of reviews completed within 14 working days	N/A	N/A	N/A	1,520
Percentage of reviews completed within 14 working days	N/A	N/A	N/A	80.0%

\*New software to be implemented will allow for more accurate tracking of plan review and permitting processes.

# DEPARTMENT OF LICENSES & INSPECTIONS

## STRATEGIC PLAN

### Focus Area: Economic Vitality

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

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of local contractors currently working with L&I	2	2	7	7
Number of new local contractors that previously had not worked with L&I	N/A	1	3	3
Number of potential new local contractors contacted	N/A	N/A	10	5

### 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	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of properties identified as structurally deficient	15	15	8	25
Number of identified properties demolished	5	6	7	12
Number of identified properties stabilized through property maintenance	3	4	4	15
Total spent on demolitions	\$223,224	\$259,642	\$255,385	\$500,000
Average spent per demolition	\$25,000	\$30,000	\$36,484	\$41,667
Average number of days to complete a demolition	60	45	45	45
Total spent on property maintenance	\$118,154	\$125,152	\$141,993	\$225,000
Average spent per property maintenance	\$500	\$500	\$303	\$450
Average number of days to complete property maintenance	1	1	2	2

# DEPARTMENT OF LICENSES & INSPECTIONS

## STRATEGIC PLAN

### Focus Area: Quality of Life

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

**Objective 1:** Increase the number of internship opportunities within the Department through partnerships with outside organizations.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of participating organizations	2	1	1	2
Number of young adult interns	5	2	4	5

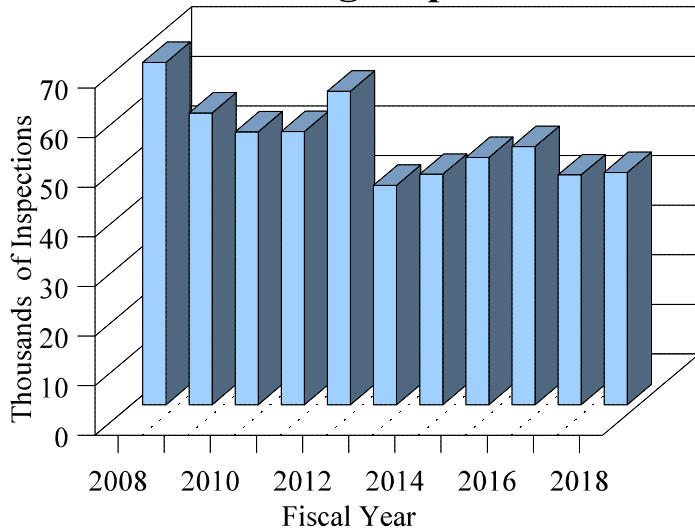
**CITY-WIDE GOAL #17: Improve Housing Quality.**

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Sanitation complaints by category:				
High grass and weeds	480	529	480	550
Trash, garbage, illegal dumping	1,055	1,008	1,032	1,100
Fecal matter	55	42	40	25

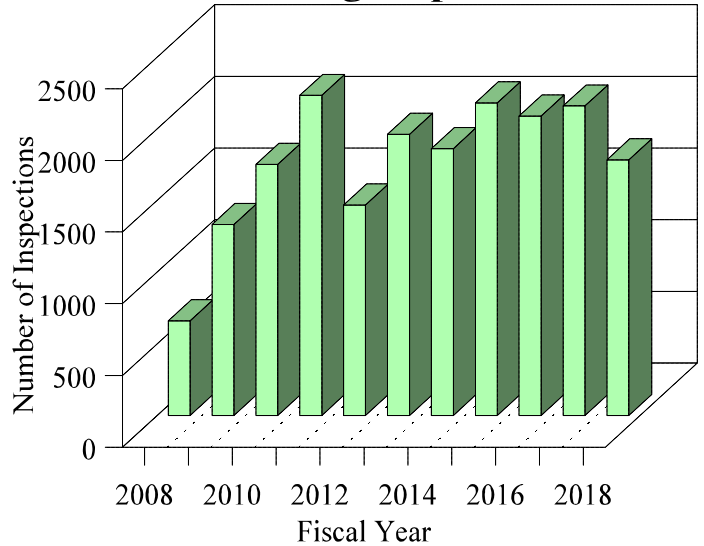
# Department of Licenses and Inspections Performance Trends

## Housing Inspections



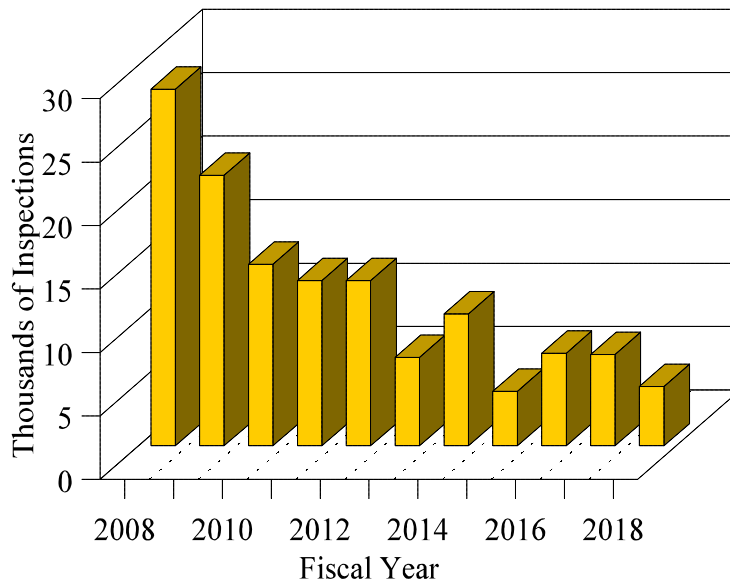
Housing inspections performed include pre-rentals, lead paint, tenant complaints, sanitation, graffiti, and abandoned vehicles on private property.

## 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 change in recent years is a consequence of the level of building activity.

**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: LICENSES AND INSPECTIONS**

**FUND: GENERAL**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	2,135,389	1,944,792	2,100,545	2,332,528
Temporary Salaries	22,829	5,059	0	0
Acting Out of Classification	290	4,055	1,500	0
Sick Leave Bonus	1,600	1,700	2,000	900
Overtime	48,034	26,437	45,000	45,000
Meal Allowance	532	42	250	100
Clothing Allowance	7,250	7,125	7,500	9,500
Standby Pay	26,499	20,540	25,000	26,880
Health Cash Back	7,320	5,060	4,800	4,560
Pension Contribution	424,264	460,220	448,324	486,035
Social Security	137,121	122,543	132,529	146,342
Medicare Tax	32,069	28,659	29,783	34,226
Hospitalization	687,752	589,919	732,056	840,720
Life Insurance	8,621	8,242	8,997	9,963
Pension Healthcare	85,244	87,769	114,000	136,500
State Pension Plan - Civilian	21,977	21,846	33,981	42,780
Personal Services Adjustment	9,650	10,150	(19,732)	(40,486)
<b>TOTAL PERSONAL SERVICES</b>	<b>3,656,441</b>	<b>3,344,158</b>	<b>3,666,533</b>	<b>4,075,548</b>
 <b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing and Advertising	10,385	6,873	10,000	16,000
Transportation	0	0	3,500	3,000
Rentals	300	0	300	34,560
Contracted Maintenance	118,154	124,919	155,000	225,000
Professional Fees	47,200	40,869	52,000	45,000
Other Fees	4,810	4,755	10,000	8,000
Memberships & Registrations	12,223	5,173	24,000	24,000
Miscellaneous Services	3,963	0	0	3,000
Office & General Supplies	6,471	4,597	6,000	5,500
Wearing Apparel & Safety Supplies	32,261	12,025	23,000	18,700
Miscellaneous Parts	1,699	1,166	4,000	4,100
Construction & Repairs	233,634	213,064	305,000	530,000
Equipment	14,754	1,119	10,000	4,200
Fixed Assets	0	0	0	0
MSE Budget Control Account	0	0	0	0
<b>TOTAL M., S. &amp; E.</b>	<b>485,854</b>	<b>414,560</b>	<b>602,800</b>	<b>921,060</b>

## DEPARTMENT: LICENSES AND INSPECTIONS

FUND: GENERAL

<b>INTERNAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Administrative Services	491,198	537,715	560,779	589,767
Self-Insurance	23,031	107,169	32,390	32,390
<b>TOTAL INTERNAL SERVICES</b>	<b>514,229</b>	<b>644,884</b>	<b>593,169</b>	<b>622,157</b>
<b><u>DEBT SERVICE</u></b>				
Principal Payments	2,635	2,905	3,228	3,489
Interest Payments	2,024	1,885	1,732	1,564
<b>TOTAL DEBT SERVICE</b>	<b>4,659</b>	<b>4,790</b>	<b>4,960</b>	<b>5,053</b>
<b><u>SPECIAL PURPOSE</u></b>				
Animal Control	587,500	600,000	300,000	300,000
<b>TOTAL SPECIAL PURPOSE</b>	<b>587,500</b>	<b>600,000</b>	<b>300,000</b>	<b>300,000</b>
<b>GENERAL FUND TOTAL</b>	<b>5,248,683</b>	<b>5,008,392</b>	<b>5,167,462</b>	<b>5,923,818</b>





# 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.

<b>PRIORITIES FOR FISCAL YEAR 2019</b>
<ul style="list-style-type: none"> <li>• Implement a year-round youth career development program.</li> <li>• Create standards of care for the Park Maintenance Division.</li> <li>• Increase and improve collaborative partnerships with parents, government agencies, and community groups.</li> <li>• Seek grant opportunities to conduct program initiatives not supported by the General Fund.</li> <li>• Promote healthy lifestyles by continuing to offer recreation programs, information sessions, evening feeding, and summer food programs.</li> <li>• Expand tutoring programs to assist students in achieving academic success.</li> </ul>

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

<b>TOTAL ALL FUNDS</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPT. OF PARKS &amp; RECREATION</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services	5,187,434	5,166,974	5,221,841	5,096,211
Materials, Supplies & Equipment	2,383,291	2,029,285	2,463,760	2,345,230
Internal Services	1,080,947	2,038,713	1,319,381	1,339,642
Debt Service	1,726,298	1,904,284	1,447,763	1,911,759
<b>TOTAL</b>	<b>10,377,970</b>	<b>11,139,256</b>	<b>10,452,745</b>	<b>10,692,842</b>
<b>STAFFING LEVELS</b>	<b>41.00</b>	<b>41.00</b>	<b>40.00</b>	<b>39.00</b>

<b>GENERAL FUND</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPT. OF PARKS &amp; RECREATION</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services	4,467,337	4,509,983	4,553,453	4,507,177
Materials, Supplies & Equipment	1,439,518	1,190,061	1,453,531	1,470,926
Internal Services	1,077,514	2,035,280	1,315,948	1,336,209
Debt Service	1,726,298	1,904,284	1,447,763	1,911,759
<b>TOTAL</b>	<b>8,710,667</b>	<b>9,639,608</b>	<b>8,770,695</b>	<b>9,226,071</b>
<b>STAFFING LEVELS</b>	<b>41.00</b>	<b>41.00</b>	<b>40.00</b>	<b>39.00</b>

<b>PARKS ASSISTANCE FUND</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPT. OF PARKS &amp; RECREATION</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services	501,399	238,113	252,715	239,650
Materials, Supplies & Equipment	942,110	837,832	979,164	843,239
<b>TOTAL</b>	<b>1,443,509</b>	<b>1,075,945</b>	<b>1,231,879</b>	<b>1,082,889</b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

<b>PARKS TRUST FUND</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPT. OF PARKS &amp; RECREATION</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services	106,410	49,191	100,349	100,767
Materials, Supplies & Equipment	1,663	1,392	31,065	31,065
Internal Services	3,433	3,433	3,433	3,433
<b>TOTAL</b>	<b>111,506</b>	<b>54,016</b>	<b>134,847</b>	<b>135,265</b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

<b>WORKFORCE INVESTMENT BOARD (WIB)</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPT. OF PARKS &amp; RECREATION</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services	112,288	369,687	315,324	248,617
<b>TOTAL</b>	<b>112,288</b>	<b>369,687</b>	<b>315,324</b>	<b>248,617</b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## MAJOR FUNDING CHANGES FROM PRIOR YEAR

- The City Forester position was transferred to the Department of Public Works and will be paid from the Water/Sewer Fund. The effect on the General Fund is a savings of \$90,968.
- A Community Referral Specialist has been transferred to the Mayor's Office Administration Division and represents a decrease of \$83,459 in salary and benefit costs to the Parks Department.
- An additional Labor Foreman II position has been created in the Maintenance Division to augment current staffing needed to properly maintain parks and related infrastructure. The first-year cost is expected to be \$74,804.
- The Assistant Park Maintenance Supervisor position has been upgraded to Park Maintenance Supervisor at an annual cost of \$2,734.
- Temporary Salaries have risen by \$72,342. This increase will fund the cost of one additional youth counselor and increased hourly rates for administrative and supervisory personnel of Parks programs, along with an additional 10 total hours per Summer Youth position.
- Employee Benefits have fallen by a total of \$22,024 due to slightly lower Pension and Hospitalization costs.
- Printing and Advertising costs have been increased by more than \$10,000 to further promote the events and activities offered by the Department.
- Contracted Maintenance has increased by a little more than \$3,000, due in part to additional costs for the GPS software used to monitor the location of departmental vehicles.
- A total of \$5,524 was added in Professional Fees to allow for the hiring of drivers that cannot be funded from the Summer Youth Program.
- Petroleum & Chemicals was reduced by \$4,500 to match the recent rate of actual expenditures.
- Funding for Community Activities has been increased by \$3,000 to fund the Summer City Cinema program.
- The Equipment account has been increased by \$7,390. Some replacement outdoor tools in the Maintenance Division will be purchased, and \$5,000 has been earmarked to initiate a new entrepreneur/incubator program at the William "Hicks" Anderson Community Center.
- Debt Service expenditures will increase by \$463,996. Approximately half of this increase is related to new borrowing in the upcoming issuance. The remaining half of the increase is in the existing debt schedule and is the result of refinancing an older bond issue that temporarily lowered payments the last two fiscal years. The refinancing savings do not continue into FY 2019.

# DEPARTMENT OF PARKS & RECREATION

## STRATEGIC PLAN

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### Focus Area: Effective City Government

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

**Objective 1:** Achieve at least a 95% constituent satisfaction rate with park programming.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of surveys completed	18	19	20	20
Percentage of respondents satisfied	94.4%	94.7%	95.0%	95.0%

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### Focus Area: Public Safety

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

**Objective 1:** Increase the number of participants in City organized recreational activities by 5% annually.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of City organized programs	4	4	4	4
Number of participants	14,137	14,843	15,931	18,310
Average number of participants per program	3,534	3,710	3,983	4,577

# DEPARTMENT OF PARKS & RECREATION

## STRATEGIC PLAN

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### Focus Area: Public Safety

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

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of park community events	7	10	10	10
Number of community center events	2	2	2	2
Number of participating organizations	9	2	2	2

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### Focus Area: Economic Vitality

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**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	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of events held	N/A	N/A	5	5
Number of participating organizations	N/A	N/A	20	20

# DEPARTMENT OF PARKS & RECREATION

## STRATEGIC PLAN

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### Focus Area: Quality of Life

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

**Objective 1:** Increase senior citizen participation in City programs targeting persons age 55 and over by 5%.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of events	4	4	7	7
Number of participants	900	900	1,400	1,470
Annual percentage increase in participants	N/A	0%	55.6%	5.0%

#### **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	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of attendees at Summer in the Parks events	3,962	5,015	3,535	3,735
Number of events	94	96	61	61
Number of unique artists/entertainment	215	40	191	200
Number of parks with Summer in the Parks events	20	21	21	21

#### **CITY-WIDE GOAL #15: Enhance City Services.**

**Objective 1:** Provide City programming at 100% of eligible parks.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of parks eligible for programming	26	26	26	26
Number of parks with programming	26	26	26	26
Percentage of parks offering City programming	100%	100%	100%	100%

# DEPARTMENT OF PARKS & RECREATION

## STRATEGIC PLAN

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### Focus Area: Quality of Life

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

**Objective 1:** Maintain at least 85% City youth participation in Summer Job Program.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of youth employed	548	450	450	375
Number of youth that are City residents	480	370	385	325
Percentage of youth that are City residents	87.6%	82.2%	85.6%	86.7%

**Objective 2:** Increase number of meals served by City Food Programs by 5% in FY 2019.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018* as of 5/31/18	FY 2019 Projected
Number of meals served	86,342	90,000	153,399	95,000
Reimbursement for meals served	\$810,589	\$851,063	\$1,079,852	\$900,000
Number of sites participating in City Food Program	84	86	99	90

\* Increases in FY 2018 due in part to one-time inclusion of snacks in the City Food Program.

#### **CITY-WIDE GOAL #18: Enhance Environmental Sustainability.**

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

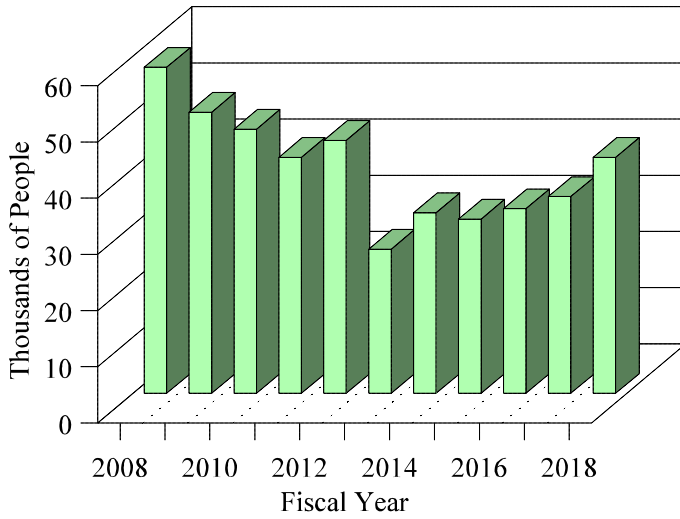
Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected*
Number of trees marked for removal	14	14	18	N/A
Number of trees removed from parks	12	14	18	N/A
Number of trees planted in parks	40	60	40	N/A

\* Responsibility for trees was transferred to Public Works beginning in FY 2019.



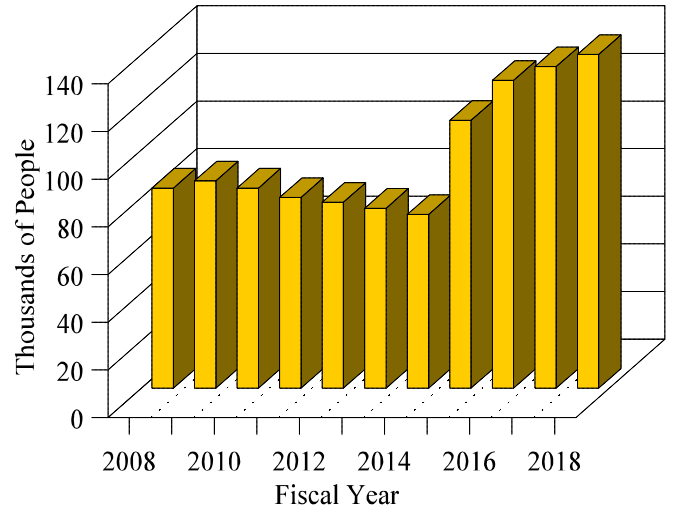
# Department of Parks and Recreation Performance Trends

## Pool Attendance



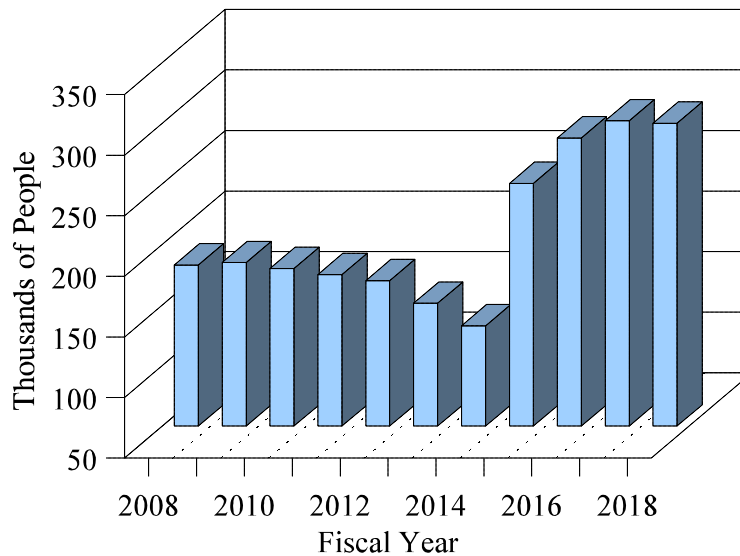
Pool attendance had generally declined due to a shortening of the season to trim costs. A longer season implemented in FY 2014 reversed that trend.

## 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**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	1,842,530	1,843,830	1,858,023	1,786,888
Temporary Salaries	1,063,964	1,137,716	1,126,810	1,199,152
Acting Out of Class	81	729	1,000	1,000
Sick Leave Bonus	2,250	1,300	1,200	1,500
Overtime	188,644	151,923	164,744	160,555
Meal Allowance	7,556	6,866	3,260	4,000
Health Cash Back	0	3,424	2,400	2,160
Pension Contribution	290,522	379,642	295,345	278,324
Social Security	190,779	192,607	190,621	192,581
Medicare Tax	44,436	44,841	44,579	45,038
Hospitalization	707,395	596,878	752,621	740,647
Life Insurance	7,643	8,455	8,897	8,637
Pension Healthcare	89,110	94,354	120,000	126,750
State Pension Plan (Civilian)	32,427	47,418	56,806	54,868
Personal Services Adjustment	0	0	(72,853)	(94,923)
<b>TOTAL PERSONAL SERVICES</b>	<b>4,467,337</b>	<b>4,509,983</b>	<b>4,553,453</b>	<b>4,507,177</b>

**MATERIALS, SUPPLIES & EQUIPMENT**

Printing & Advertising	5,792	4,269	8,200	18,292
Communications & Utilities	246,964	246,351	240,041	235,033
Transportation	9,089	2,396	8,450	6,450
Rentals	69,754	68,957	73,848	74,223
Contracted Maintenance	32,935	53,602	80,050	83,129
Professional Fees	259,551	258,514	342,210	347,734
Other Fees	38,648	51,403	53,520	53,784
Memberships & Registrations	4,963	6,679	10,150	9,450
Miscellaneous Services	187,969	174,766	271,707	268,852
Office & General supplies	15,706	15,840	17,171	16,344
Wearing Apparel & Safety Supplies	35,799	52,564	51,768	52,837
Miscellaneous Parts	128,248	120,349	163,606	165,098
Petroleum & Chemicals	25,769	16,383	31,500	27,000
Construction & Repairs	21,362	9,205	23,500	24,500
Equipment	48,750	23,975	30,810	38,200
Community Activities	308,219	84,808	47,000	50,000
MSE-Budget Control Account	0	0	0	0
<b>TOTAL M., S. &amp; E.</b>	<b>1,439,518</b>	<b>1,190,061</b>	<b>1,453,531</b>	<b>1,470,926</b>

**DEPARTMENT: PARKS & RECREATION**

**FUND: GENERAL**

<b>INTERNAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Administrative Services	830,173	922,147	900,532	920,793
Self-Insurance	247,341	1,113,133	415,416	415,416
<b>TOTAL INTERNAL SERVICES</b>	<b>1,077,514</b>	<b>2,035,280</b>	<b>1,315,948</b>	<b>1,336,209</b>
<b><u>DEBT SERVICE</u></b>				
Principal Payments	942,435	1,078,286	691,401	1,048,430
Interest Payments	783,863	825,998	756,362	863,329
<b>TOTAL DEBT SERVICE</b>	<b>1,726,298</b>	<b>1,904,284</b>	<b>1,447,763</b>	<b>1,911,759</b>
<b>GENERAL FUND TOTAL</b>	<b>8,710,667</b>	<b>9,639,608</b>	<b>8,770,695</b>	<b>9,226,071</b>

**DEPARTMENT: PARKS & RECREATION**

**FUND: PARKS ASSISTANCE**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Temporary Salaries	465,722	221,223	234,756	222,651
Social Security	28,878	13,688	14,555	13,776
Medicare Tax	6,799	3,202	3,404	3,223
<b>TOTAL PERSONAL SERVICES</b>	<b>501,399</b>	<b>238,113</b>	<b>252,715</b>	<b>239,650</b>
<b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Transportation	4,369	0	0	0
Rentals	3,549	0	0	0
Miscellaneous Services	7,496	858	0	864
Wearing Apparel & Safety Supplies	2,962	1,800	0	1,812
Miscellaneous Parts	862,769	835,174	979,164	840,563
Community Activities	60,965	0	0	0
<b>TOTAL M., S. &amp; E.</b>	<b>942,110</b>	<b>837,832</b>	<b>979,164</b>	<b>843,239</b>
<b>PARKS ASSISTANCE FUND TOTAL</b>	<b>1,443,509</b>	<b>1,075,945</b>	<b>1,231,879</b>	<b>1,082,889</b>

## DEPARTMENT: PARKS &amp; RECREATION

## FUND: PARKS TRUST

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	53,663	50,505	50,301	50,301
Temporary Salaries	0	0	2,500	2,500
Pension Contributions	11,665	(46,458)	12,831	13,129
Social Security	3,238	3,020	3,119	3,274
Medicare Tax	757	706	787	766
Life Insurance	247	243	240	240
Hospitalization	34,319	38,653	27,571	27,307
Pension Healthcare	2,521	2,522	3,000	3,250
<b>TOTAL PERSONAL SERVICES</b>	<b>106,410</b>	<b>49,191</b>	<b>100,349</b>	<b>100,767</b>
<b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Communications & Utilities	1,663	1,392	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
<b>TOTAL M., S. &amp; E.</b>	<b>1,663</b>	<b>1,392</b>	<b>31,065</b>	<b>31,065</b>
<b><u>INTERNAL SERVICES</u></b>				
Self-Insurance	3,433	3,433	3,433	3,433
<b>TOTAL INTERNAL SERVICES</b>	<b>3,433</b>	<b>3,433</b>	<b>3,433</b>	<b>3,433</b>
<b>PARKS TRUST FUND TOTAL</b>	<b>111,506</b>	<b>54,016</b>	<b>134,847</b>	<b>135,265</b>

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

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Temporary Salaries	104,287	343,381	292,916	230,949
Social Security	6,489	21,317	18,161	14,319
Medicare Tax	1,512	4,989	4,247	3,349
<b>TOTAL PERSONAL SERVICES</b>	<b>112,288</b>	<b>369,687</b>	<b>315,324</b>	<b>248,617</b>
<b>WIB FUND TOTAL</b>	<b>112,288</b>	<b>369,687</b>	<b>315,324</b>	<b>248,617</b>

# DEPARTMENT OF FIRE

The mission of the Fire Department is to create a safe environment and enhance 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.

<b>PRIORITIES FOR FISCAL YEAR 2019</b>
<ul style="list-style-type: none"> <li>• Secure funding for the renovation of remaining stations.</li> <li>• Replace fire apparatus according to recommended replacement cycle.</li> <li>• Continue free smoke and carbon monoxide alarm programs for seniors and needy citizens.</li> <li>• Increase public education programs, targeting senior citizens and children.</li> <li>• Complete the purchase of firefighter turn-out gear.</li> <li>• Begin a recruit class any time authorized strength falls below 156 uniformed positions.</li> <li>• Institute an officer development program.</li> </ul>

## SUMMARY OF FUNDING FOR THE FIRE DEPARTMENT

<b>TOTAL ALL FUNDS*</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>FIRE DEPARTMENT</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services	22,343,906	23,872,922	21,679,678	21,756,142
Materials, Supplies & Equipment	550,374	607,261	999,939	912,281
Internal Services	1,704,115	4,321,030	2,394,347	2,423,430
Debt Service	610,265	678,014	705,698	1,381,947
<b>TOTAL</b>	<b>25,208,660</b>	<b>29,479,227</b>	<b>25,779,662</b>	<b>26,473,800</b>
<b>STAFFING LEVELS</b>	<b>177.00</b>	<b>177.00</b>	<b>161.00</b>	<b>161.00</b>

\* Differs from Summary of All funds Combined – Expenditures table on page 39 due to the inclusion of State Pension Contributions.

<b>GENERAL FUND FIRE DEPARTMENT</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	18,206,001	19,973,189	18,050,567	17,694,874
Materials, Supplies & Equipment	321,651	347,449	798,570	710,912
Internal Services	1,704,115	4,321,030	2,394,347	2,423,430
Debt Service	610,265	678,014	705,698	1,381,947
<b>TOTAL</b>	<b>20,842,032</b>	<b>25,319,682</b>	<b>21,949,182</b>	<b>22,211,163</b>
<b>STAFFING LEVELS</b>	<b>177.00</b>	<b>177.00</b>	<b>161.00</b>	<b>161.00</b>

<b>STATE PENSION CONTRIBUTIONS FIRE DEPARTMENT</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	3,803,589	3,892,597	3,629,111	4,061,268
<b>TOTAL</b>	<b>3,803,589</b>	<b>3,892,597</b>	<b>3,629,111</b>	<b>4,061,268</b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

<b>STATE FIRE GRANT FIRE DEPARTMENT</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	36,547	0	0	0
Materials, Supplies & Equipment	127,037	66,905	201,369	201,369
<b>TOTAL</b>	<b>163,584</b>	<b>66,905</b>	<b>201,369</b>	<b>201,369</b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

<b>FEDERAL EMERGENCY MANAGEMENT &amp; OTHER MISCELLANEOUS GRANTS FIRE DEPARTMENT</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	297,769	7,136	0	0
Materials, Supplies & Equipment	101,686	192,907	0	0
<b>TOTAL</b>	<b>399,455</b>	<b>200,043</b>	<b>0</b>	<b>0</b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Uniformed staffing remains at 156 positions and total personnel at 161. However, due to a significant number of retirements, the Department recently concluded a fire school class that featured 17 graduates. Because Probationary Firefighters earn less than experienced Firefighters in early years, salary savings totaling almost \$257,000 have been realized in FY 2019.
- The actuarially determined contribution to the City's "old" Fire Pension plan decreased by more than \$726,000. However, because the State-sponsored County-Municipal Pension Plan increased by \$462,000, the net effect is an approximate \$264,000 decrease in total pension costs in the Department.
- Professional Fees (Consultants) have been reduced by a total of \$175,000. The majority of this is for the biennial promotional process that will not occur in FY 2019. Also, \$50,000, which had been earmarked in FY 2018 to reduce the backlog of fire plan reviews, will not recur this year.
- Transportation costs increased by \$15,000. An annual conference attended by Department leaders, previously held within driving distance, will be held in a more distant location in FY 2019, requiring air travel, per diem payments, and lodging.
- Contracted Maintenance was decreased by \$6,000 in the Repairs account as some recently purchased equipment remains under warranty.
- Wearing Apparel & Safety Supplies has been increased by \$79,469 in expectation of a recruit class in FY 2019. In addition, the purchase of \$700,000 in new turn-out gear, along with \$560,000 for upgraded firefighter communication radios, will be funded through a capital lease to spread the cost over a five-year period. The effect is a \$279,000 appropriation in capital lease (Debt Service) payments.
- Overall Debt Service increased by approximately \$403,000, excluding the additional capital lease payments listed above. This is the result of the anticipated FY 2016 Capital Budget borrowing and the end of savings from the refinancing of an older bond issue.



# DEPARTMENT OF FIRE

## STRATEGIC PLAN

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### Focus Area: Effective City Government

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**CITY-WIDE GOAL #3: Enhance Fiscal Prudence.**

**Objective 1:** Increase supplemental funding for the Fire Department.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Total amount of supplemental funding awarded	\$426,369	\$201,369	\$243,695	\$201,000

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### Focus Area: Public Safety

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

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of programs	255	225	338	335
Number of participants	174,132	120,000	36,788	40,000

# DEPARTMENT OF FIRE

## STRATEGIC PLAN

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### Focus Area: Public Safety

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**CITY-WIDE GOAL #7: Promote Professionalism.**

**Objective 1:** Implement a physical fitness training program for firefighters (FF) with 100% participation.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of FF work injuries	21	21	24	12
Number of FFs	172	172	156	156
Number of FF participants in Cardio Kinetics (CK)	154	144	139	156
Percentage of FF workforce participating in CK	89.5%	83.7%	89.1%	100%

**Objective 2:** Ensure all Captains and Lieutenants complete Nation Fire Protection Association (NFPA) Fire Officer II designation.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Total number of Captains & Lieutenants	50	50	50	50
Number of Captains & Lieutenants completing NFPA Officer II designation	0	0	25	50
Percentage of Captains & Lieutenants completing NFPA Officer II designation	0%	0%	50.0%	50.0%
Number of Captains & Lieutenants trained this year	0	0	25	25

# DEPARTMENT OF FIRE

## STRATEGIC PLAN

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### Focus Area: Economic Vitality

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**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	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of plans submitted to Fire Marshall Office	340	325	313	325
Average number of days for plan review	10	10	7	7
Number of reviews taking over seven working days	340	325	7	10
Percentage of reviews taking over seven working days	100%	100%	2.2%	3.1%

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### Focus Area: Quality of Life

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**CITY-WIDE GOAL #15: Enhance City Services.**

**Objective 1:** Achieve a response time from dispatch to arrival of five minutes or less.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Average call response time (minutes)	5:27	5:08	5:21	5:05
Number of total responses	22,448	23,829	23,269	25,000
Number of calls responded to within 4 minutes	9,543	10,264	10,103	10,500
Percentage of calls responded to within 4 minutes	42.5%	43.1%	43.4%	42.0%

# DEPARTMENT OF FIRE

## STRATEGIC PLAN

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### Focus Area: Quality of Life

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**Objective 2:** Keep at least 90% of structural fires to room of origin.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of structural fires kept to room of origin	234	188	301	275
Percentage of structural fires kept to room of origin	92%	88%	94%	90%

**Objective 3:** Reduce civilian fire-related injuries and deaths to zero.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of civilian fire-related deaths	2	0	4	0
Number of civilian fire-related injuries	8	4	6	3

**Objective 4:** Increase building inspections and clear 100% of violations found during inspection.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of building inspections	1,682	1,586	2,171	2,250
Number of violations	726	1,045	645	600
Number of violations cleared	726	1,041	645	600
Percentage of violations cleared	100%	99.6%	100%	100%

# DEPARTMENT OF FIRE

## STRATEGIC PLAN

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### Focus Area: Quality of Life

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

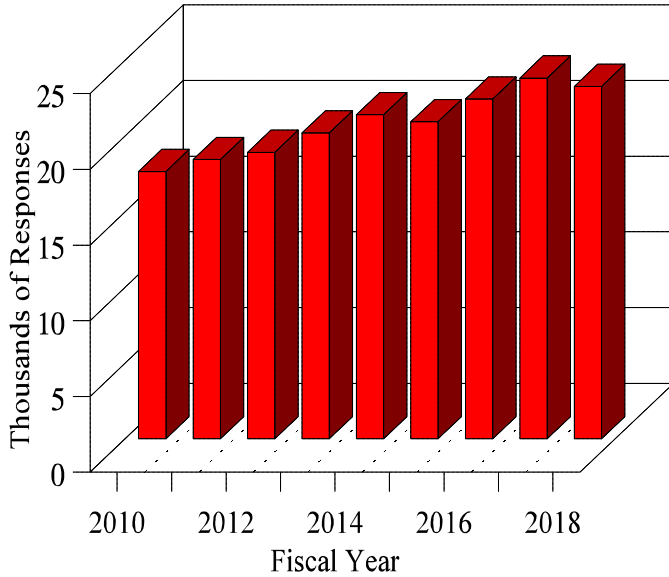
**Objective 1:** Increase involvement in the Fire Explorer program.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of individuals applying to Fire Explorer program	N/A	N/A	15	15
Number of individuals completing Fire Explorer program*	N/A	N/A	0	7
Number of Fire Explorer participants going into fire or EMS field*	N/A	N/A	0	0

\* The multiyear Fire Explorer program accepts individuals at age fourteen; consequently participants will not complete the program or enter a related field for several years.

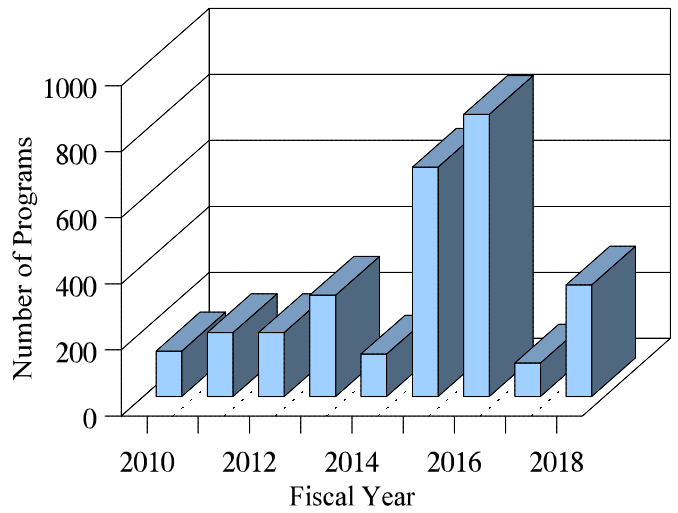
# Fire Department Performance Trends

## Total Responses



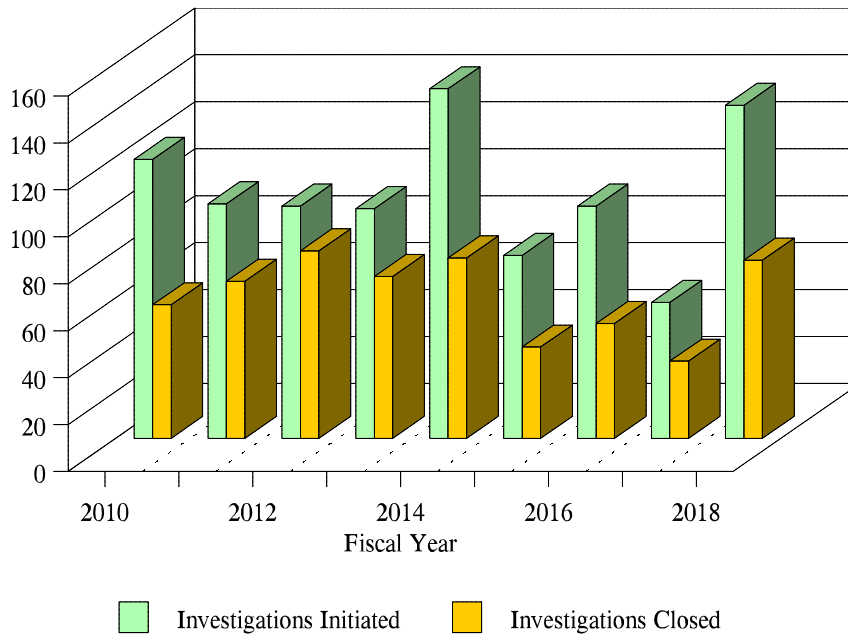
Total responses include those for the engine and ladder companies, rescue and ambulance units, and fireboat.

## Public Education Programs



Public education through group prevention presentations is one of the Department's goals and contributes to fire safety. In FY 2017, a change in Administration contributed to fewer presentations.

## Fire Investigations



The Prevention Division is responsible for investigating fires to determine cause. The increase in FY 2018 is due to additional training regarding when investigations should be initiated.

**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: FIRE**

**FUND: GENERAL**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	10,311,233	11,544,749	10,353,746	10,097,008
Acting Out of Class	9,141	7,274	10,900	8,680
Shift Differential	115,495	772	0	0
Overtime	718,717	1,676,971	1,200,000	1,200,000
Holiday Pay	40,404	25,662	25,000	25,000
Standby Pay	221	31	0	0
Health Cashback	9,760	14,880	14,400	14,400
Pension Contribution	1,687,616	1,651,008	1,660,389	934,150
Social Security	18,052	15,501	15,922	16,322
Medicare Tax	145,404	171,437	143,254	151,419
Hospitalization	3,640,516	3,256,508	3,368,616	3,444,369
Life Insurance	40,898	41,175	37,896	37,512
County/Municipal Pension Contribution	1,032,133	1,147,690	885,141	1,347,513
Pension Healthcare	433,334	413,670	483,000	523,250
State Pension Plan - Civilian	3,077	5,861	7,997	8,399
Personal Services Adjustment	0	0	(155,694)	(113,148)
<b>TOTAL PERSONAL SERVICES</b>	<b>18,206,001</b>	<b>19,973,189</b>	<b>18,050,567</b>	<b>17,694,874</b>
 <b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	574	477	1,123	898
Communications & Utilities	89,578	85,329	97,086	101,069
Transportation	4,616	2,015	5,000	20,000
Contracted Maintenance Repairs	50,369	27,384	123,000	117,000
Professional Fees	26,715	0	212,920	37,920
Memberships & Registrations	23,232	21,470	68,870	65,056
Miscellaneous services	76,163	107,804	79,113	83,740
Office & General Supplies	16,453	25,012	26,912	26,530
Wearing Apparel & Safety Supplies	17,923	36,473	110,606	190,075
Miscellaneous Parts	5,298	33,362	27,960	23,200
Construction & Repairs	899	1,600	1,280	1,024
Equipment	9,831	6,523	14,700	14,400
Fixed Assets	0	0	0	0
Community Activities	0	0	30,000	30,000
<b>TOTAL M., S. &amp; E.</b>	<b>321,651</b>	<b>347,449</b>	<b>798,570</b>	<b>710,912</b>

**DEPARTMENT: FIRE****FUND: GENERAL**

<b>INTERNAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Administrative Services	1,015,337	1,130,137	1,400,565	1,429,648
Self-Insurance	688,778	3,190,893	993,782	993,782
<b>TOTAL INTERNAL SERVICES</b>	<b>1,704,115</b>	<b>4,321,030</b>	<b>2,394,347</b>	<b>2,423,430</b>

**DEBT SERVICE**

Principal Payments	139,556	192,008	219,624	771,276
Interest Payments	470,709	486,006	486,074	610,671
<b>TOTAL DEBT SERVICE</b>	<b>610,265</b>	<b>678,014</b>	<b>705,698</b>	<b>1,381,947</b>

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

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
State Pension Contributions	3,803,589	3,892,597	3,629,111	4,061,268
<b>TOTAL PERSONAL SERVICES</b>	<b>3,803,589</b>	<b>3,892,597</b>	<b>3,629,111</b>	<b>4,061,268</b>

<b>GENERAL FUND TOTAL</b>	<b>24,645,621</b>	<b>29,212,279</b>	<b>25,578,293</b>	<b>26,272,431</b>
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**DEPARTMENT: FIRE****FUND: STATE FIRE GRANT**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Overtime	36,017	0	0	0
Medicare Tax	530	0	0	0
<b>TOTAL PERSONAL SERVICES</b>	<b>36,547</b>	<b>0</b>	<b>0</b>	<b>0</b>

**MATERIALS, SUPPLIES & EQUIPMENT**

Contracted Maintenance	27,645	20,854	8,568	8,568
Professional Fees	44,776	25,350	5,292	2,292
Memberships & Registrations	0	0	0	3,000
Wearing Apparel & Safety Supplies	36,864	20,701	87,509	87,509
Fixed Assets	17,752	0	100,000	100,000
<b>TOTAL M., S. &amp; E.</b>	<b>127,037</b>	<b>66,905</b>	<b>201,369</b>	<b>201,369</b>

<b>STATE FIRE GRANT TOTAL</b>	<b>163,584</b>	<b>66,905</b>	<b>201,369</b>	<b>201,369</b>
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**DEPARTMENT: FIRE****FUND: FEDERAL EMERGENCY MANAGEMENT  
& OTHER MISCELLANEOUS GRANTS**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Overtime	297,769	7,136	0	0
<b>TOTAL PERSONAL SERVICES</b>	<b>297,769</b>	<b>7,136</b>	<b>0</b>	<b>0</b>
 <b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	5,396	892	0	0
Transportation	11,352	2,657	0	0
Contracted Maintenance	6,841	119,001	0	0
Professional Fees	44,776	4,195	0	0
Miscellaneous Parts	31,218	63,266	0	0
Fixed Assets	2,103	2,896	0	0
<b>TOTAL M., S. &amp; E.</b>	<b>101,686</b>	<b>192,907</b>	<b>0</b>	<b>0</b>
 <b>FEDERAL EMERG. MGMT. &amp; OTHER MISC. GRANTS TOTAL</b>				
	<b>399,455</b>	<b>200,043</b>	<b>0</b>	<b>0</b>

# 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.

<b>PRIORITIES FOR FISCAL YEAR 2019</b>
<ul style="list-style-type: none"> <li>• Reduce crime and shooting incidents.</li> <li>• Continue to enhance public trust through police legitimacy and procedural justice.</li> <li>• Improve performance through organizational discipline, accountability, communication, and personnel training and development.</li> <li>• Maintain a heightened state of awareness and preparedness while working with our State and Federal partners.</li> </ul>

## SUMMARY OF FUNDING FOR THE DEPARTMENT OF POLICE

<b>TOTAL ALL FUNDS*</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPARTMENT OF POLICE</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services	49,520,764	53,913,468	49,810,169	52,428,637
Materials, Supplies & Equipment	3,261,460	2,329,818	2,356,881	2,050,958
Internal Services	4,784,506	9,548,244	6,183,506	6,211,859
Debt Service	418,716	392,191	412,133	312,357
<b>TOTAL</b>	<b>57,985,446</b>	<b>66,183,721</b>	<b>58,762,689</b>	<b>61,003,811</b>
<b>STAFFING LEVELS</b>	<b>382.00</b>	<b>381.00</b>	<b>376.00</b>	<b>378.00</b>

\*Differs from Summary of All Funds Combined – Expenditures table on page 39 due to the inclusion of State Pension Contributions.

<b>GENERAL FUND</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPARTMENT OF POLICE</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services	47,174,964	51,267,547	46,783,482	50,164,611
Materials, Supplies & Equipment	2,011,913	1,736,332	2,356,881	2,050,958
Internal Services	4,784,506	9,548,244	6,183,506	6,211,859
Debt Service	418,716	392,191	412,133	312,357
<b>TOTAL</b>	<b>54,390,099</b>	<b>62,944,314</b>	<b>55,736,002</b>	<b>58,739,785</b>
<b>STAFFING LEVELS</b>	<b>374.00</b>	<b>374.00</b>	<b>369.00</b>	<b>371.00</b>

<b>STATE PENSION CONTRIBUTION</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPARTMENT OF POLICE</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services	1,411,896	1,457,087	1,640,712	1,728,260
<b>TOTAL</b>	<b>1,411,896</b>	<b>1,457,087</b>	<b>1,640,712</b>	<b>1,728,260</b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

<b>SALLE &amp; OTHER SPECIAL GRANTS</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPARTMENT OF POLICE</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services	933,904	1,188,834	1,385,975	535,766
Materials, Supplies & Equipment	1,249,547	593,486	0	0
<b>TOTAL</b>	<b>2,183,451</b>	<b>1,782,320</b>	<b>1,385,975</b>	<b>535,766</b>
<b>STAFFING LEVELS</b>	<b>8.00</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>

<b>COPS GRANT</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPARTMENT OF POLICE</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Uniformed staffing (authorized strength) remains at 314 positions for FY 2019. However, as a result of the recent four-year labor agreement with Fraternal Order of Police Lodge 1, Regular Salaries have risen by more than \$2.6 million. The labor agreement includes cost of living adjustments, the roll-in of Shift Differential into base salaries, and a partial buy-back of Shooting Days.
- As a result of the previously mentioned labor agreement, Shift Differential has been eliminated for FY 2019, reducing the General Fund budget by \$704,000.
- One new position has been created, a Crime Analyst at a Grade Q-4, who will analyze and track gun violence in the city. The first-year cost, including benefits for the position, is \$100,300.
- A Youth Intervention Specialist, previously budgeted in the Mayor's Office, has been transferred to the Police Department and will add \$99,350 to the Department's FY 2019 budget.
- Two civilian positions in the Department have been upgraded: one vacant Teleserve Operator, Grade F, will move to Grade H, and the Records Supervisor has been upgraded from a Grade L to a Grade M. The combined cost of these upgrades is \$6,500.
- The actuarially determined contribution to the City's "old" Police Pension plan decreased by almost \$236,000. But because the State-sponsored County-Municipal Pension Plan increased by more than \$1.4 million, the net effect is an approximately \$1.2 million increase in total pension costs in the Department.
- Professional Fees, which includes Consultants, have been reduced by \$152,000, as the biennial promotional exam will not occur in FY 2019.
- Miscellaneous Services will decrease by \$110,357. There were two one-time appropriations in FY 2018 that do not carry over to FY 2019: the repayment of some unallowable costs from a prior Federal grant, along with costs to archive departmental records. In addition, the cost of maintenance contracts to repair downtown cameras will fall by almost \$23,000.
- Equipment appropriations have decreased by almost \$44,000 as the Department will complete the replacement of the KRATOS employee access system in FY 2018.
- Other Fees are slated to increase by \$8,255, as the cost of the maintenance contract for the Public Safety Building has risen by 3.1%.
- The Travel account has been increased by \$7,500 to allow for additional off-site staff training.
- Debt Service expenditures are slated to decrease by \$100,000, as some older debt issues have been satisfied.

# DEPARTMENT OF POLICE

## STRATEGIC PLAN

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### Focus Area: Effective City Government

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**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	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of walking and bicycle patrols	8,709	8,751	14,436	15,000
Number of community meetings organized by Captains	0	12	17	25

**Objective 2:** Respond to all 911 calls for service in accordance with National Emergency Number Association (NENA) and APCO (Association of Public-Safety Communications) standards.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
<b>Call Answering</b>				
Number of calls for service	96,080	110,536	37,275	74,550
Number of calls answered within 10 seconds	57,648	89,534	31,593	68,778
Percentage of calls answered within 10 seconds	60.0%	81.0%	84.8%	92.3%
<b>Call Response</b>				
Number of calls answered within national standard	57,542	90,021	31,503	68,778
Percentage of calls answered within national standard	59.9%	81.4%	84.5%	92.2%

# DEPARTMENT OF POLICE

## STRATEGIC PLAN

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### Focus Area: Effective City Government

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of Targeted Analytical Policing System (TAPS) meetings*	45	45	N/A	N/A
Number of CompStat Meetings*	N/A	N/A	22	52

\* Beginning in FY 2018, CompStat replaced TAPS.

### CITY-WIDE GOAL #4: Ensure Transparency.

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Total number of claims submitted	74	32	23	45
Number of claims submitted online	19	14	10	20
Number of claims submitted by dropbox	55	18	13	20
Number of claims submitted in person	0	0	0	5

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### Focus Area: Public Safety

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

**Objective 1:** Increase the clearance rate on homicides by 10% in 2019.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of homicides	26	18	11	23
Percentage of homicides cleared (clearance rate)	65.0%	44.0%	36.0%	39.5%

# DEPARTMENT OF POLICE

## STRATEGIC PLAN

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### Focus Area: Public Safety

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**Objective 2:** Reduce the number of shooting incidents.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of shooting incidents recorded by Shot Spotter	381	493	180	324
Number of shooting victims	138	191	42	125
Number of guns seized	288	168	241	500
Number of guns tested in Matchpoint	223	114	87	180
Number of guns with a positive match in Matchpoint	36	10	5	N/A*
Percentage of guns tested with a positive match in Matchpoint	16.1%	8.8%	5.7%	N/A*

\* Due to a change in the State Firearms Lab, multiple cases had to be reexamined. As a result, the process of confirmation of National Integrated Ballistic Information Network (NIBIN) potential leads involving seized firearms has been significantly slowed.

**Objective 3:** Reduce Part 1 Crime.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of Part 1 property crimes	3,227	3,597	1,250	2,437
Number of Part 1 violent crimes	850	941	331	645

### 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	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of Youth Academies held	1	1	1	1
Number of Citizen Academies held	0	1	0	1
Number of youth participants	25	25	24	24
Number of citizen participants	0	20	0	24

# DEPARTMENT OF POLICE

## STRATEGIC PLAN

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### Focus Area: Public Safety

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of park and walks completed	8,709	8,751	14,398	31,676

### CITY-WIDE GOAL #7: Promote Professionalism.

**Objective 1:** Reduce the number of substantiated citizen complaints against the Department by 5%.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of complaints lodged by residents	74	77	23	44
Number of substantiated complaints	12	3	4	7
Number of unsubstantiated complaints	62	63	4	8

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### Focus Area: Economic Vitality

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### 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 2019.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of panhandling complaints	497	429	176	317
Number of loitering complaints	965	552	133	239
Number of theft from vehicle complaints	941	1,230	473	851



# DEPARTMENT OF POLICE

## STRATEGIC PLAN

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### Focus Area: Quality of Life

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#### **CITY-WIDE GOAL #15: Enhance City Services.**

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of calls for service – social/physical disorder	389	385	708	1,260
Number of Police coordinated Block Clean-ups	0	1	2	2

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

**Objective 1:** Increase the number of officers and youth involved in the “*Book ‘em*” program.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of books handed out to youth	12,000	14,000	7,210	15,141
Number of youth receiving books	6,000	7,000	3,700	7,430
Number of officers participating	21	30	39	39

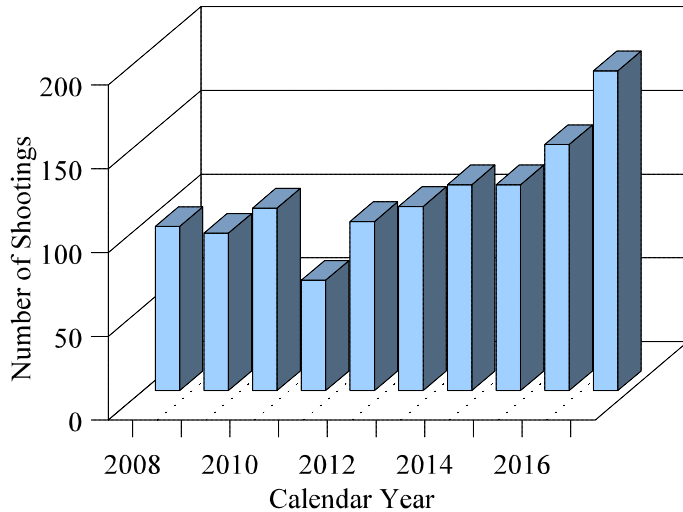
#### **CITY-WIDE GOAL #18: Enhance Environmental Sustainability**

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of lbs. recycled	900	1,800	2,000	2,000
Total total cost savings	\$720	\$1,440	\$1,600	\$1,600

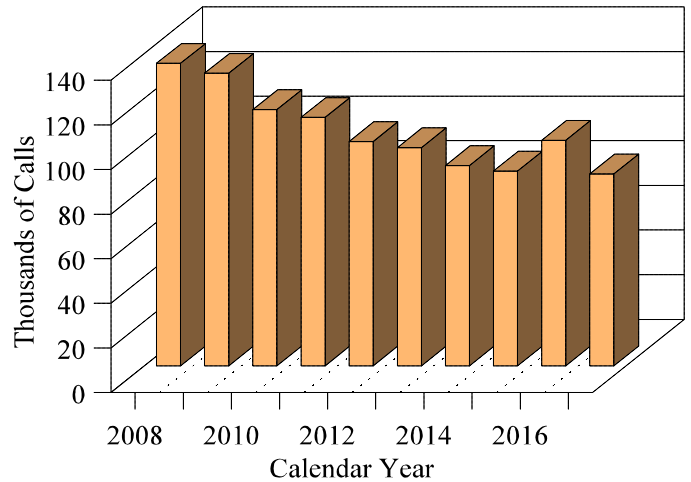
# Department of Police Performance Trends

## Shootings in Wilmington



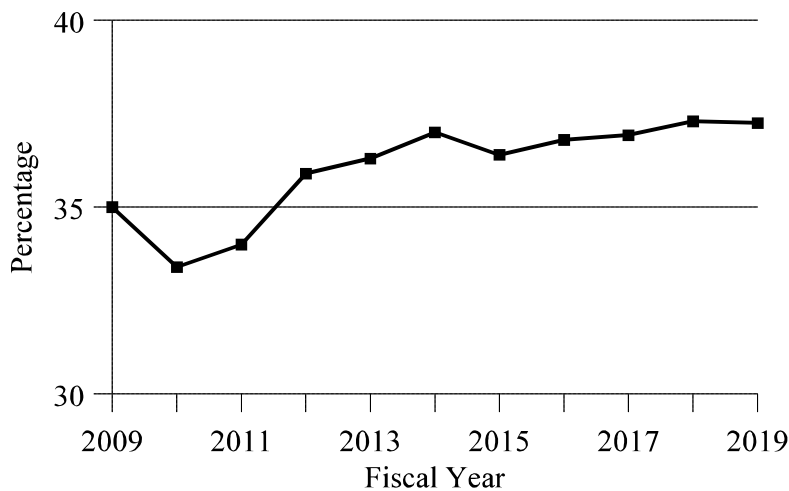
After finishing 2017 with record levels of violent crime, trends for 2018 are encouraging. As of June 2018, shooting incidents are down 57% year-over-year, and shooting homicides are down 47%.

## 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



While the Police Department's General Fund budget has increased for FY 2019, it remained effectively level as a percentage of the total General Fund.

**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: POLICE**

**FUND: GENERAL**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	23,506,432	27,373,625	24,421,455	27,033,395
Temporary Salaries	486,631	469,720	487,500	487,500
Acting Out of Class	6,495	2,964	2,500	2,500
Shift Differential	691,395	688,983	741,500	37,500
Shooting Days	17,685	18,864	30,000	30,000
Sick Leave Bonus	2,800	2,000	3,000	3,000
Overtime	2,655,462	2,809,063	2,107,000	2,112,000
Comp Time Payouts	886,345	665,001	550,000	550,000
Civilian Holiday-Overtime	105,158	123,327	112,500	115,000
Court overtime	32,839	29,320	55,759	55,709
Special Events Overtime	567,006	664,035	465,000	465,000
Meal Allowance	20,023	14,570	14,900	12,900
Clothing Allowance	112,564	50,772	85,750	85,750
Health Cashback	30,760	27,840	24,000	21,600
Pension Contribution	6,465,180	6,660,251	6,878,783	6,643,130
Social Security	250,914	210,917	226,188	235,014
Medicare Tax	421,654	469,895	402,104	433,994
Hospitalization	7,560,743	7,127,231	7,501,813	7,648,653
Life Insurance	74,293	93,893	87,670	88,380
County/Municipal Pension Contribution	2,322,058	2,774,110	2,130,457	3,567,100
Pension Healthcare	918,568	940,649	1,107,000	1,205,750
State Pension Plan-Civilian	39,959	50,517	50,915	66,958
Personal Services Adjustment	0	0	(702,312)	(736,222)
<b>TOTAL PERSONAL SERVICES</b>	<b>47,174,964</b>	<b>51,267,547</b>	<b>46,783,482</b>	<b>50,164,611</b>

## DEPARTMENT: POLICE

## FUND: GENERAL

<b>MATERIALS, SUPPLIES &amp; EQUIPMENT</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Printing & Advertising	23,850	15,184	19,560	17,200
Communications & Utilities	163,606	153,739	168,800	166,440
Transportation	27,824	7,810	7,000	14,500
Rentals	45,383	14,400	43,020	54,726
Contracted Maintenance Repairs	20,312	39,522	57,028	48,645
Professional Fees	576,511	436,321	564,000	412,000
Other Fees	292,884	313,769	325,993	334,248
Memberships & Registrations	39,298	34,306	46,655	45,240
Miscellaneous Services	224,145	190,660	495,806	385,449
Office & General Supplies	93,732	89,389	96,000	95,200
Wearing Apparel & Safety Supplies	293,722	228,599	287,450	257,000
Miscellaneous Parts	162,332	202,440	186,550	205,060
Equipment	48,314	10,193	59,019	15,250
<b>TOTAL M., S. &amp; E.</b>	<b>2,011,913</b>	<b>1,736,332</b>	<b>2,356,881</b>	<b>2,050,958</b>
 <b>INTERNAL SERVICES</b>				
Administrative Services	3,401,789	3,209,346	4,053,072	4,081,425
Self-Insurance	1,382,717	6,338,898	2,130,434	2,130,434
<b>TOTAL INTERNAL SERVICES</b>	<b>4,784,506</b>	<b>9,548,244</b>	<b>6,183,506</b>	<b>6,211,859</b>
 <b>DEBT SERVICE</b>				
Principal Payments	275,906	267,136	304,108	198,662
Interest Payments	142,810	125,055	108,025	113,695
<b>TOTAL DEBT SERVICE</b>	<b>418,716</b>	<b>392,191</b>	<b>412,133</b>	<b>312,357</b>
 <b>TOTAL GENERAL FUND</b>	 <b>55,801,995</b>	 <b>64,401,401</b>	 <b>57,376,714</b>	 <b>60,468,045</b>

## DEPARTMENT: POLICE

## FUND: STATE PENSION CONTRIBUTIONS

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
State Pension Contributions	1,411,896	1,457,087	1,640,712	1,728,260
<b>TOTAL PERSONAL SERVICES</b>	<b>1,411,896</b>	<b>1,457,087</b>	<b>1,640,712</b>	<b>1,728,260</b>

## DEPARTMENT: POLICE

FUND: SALLE

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	298,395	251,982	527,825	381,549
Temporary Salaries	112,385	146,029	0	0
Shift Differential	718	1,472	0	0
Overtime	292,242	528,508	0	0
Pension Contributions	110,024	136,555	640,906	0
Social Security	7,796	9,029	0	0
Medicare Tax	7,498	8,720	7,451	5,492
Hospitalization	66,021	79,889	161,856	60,651
Life Insurance	14,251	1,032	1,680	1,680
County/Municipal Pension Contribution	14,951	17,779	25,257	63,644
Pension Healthcare	9,623	7,839	21,000	22,750
<b>TOTAL PERSONAL SERVICES</b>	<b>933,904</b>	<b>1,188,834</b>	<b>1,385,975</b>	<b>535,766</b>
 <b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Communications & Utilities	2,550	12,538	0	0
Transportation	71,597	53,010	0	0
Rentals	13,298	32,053	0	0
Professional Fees	40,137	120,972	0	0
Memberships & Registrations	39,170	38,375	0	0
Miscellaneous Services	66,506	52,442	0	0
Wearing Apparel & Safety Supplies	63,218	78,414	0	0
Miscellaneous Parts	53,027	25,805	0	0
Equipment	187,559	136,605	0	0
Fixed Assets	712,485	43,272	0	0
<b>TOTAL M., S. &amp; E.</b>	<b>1,249,547</b>	<b>593,486</b>	<b>0</b>	<b>0</b>
 <b>SALLE FUND TOTAL</b>	 <b>2,183,451</b>	 <b>1,782,320</b>	 <b>1,385,975</b>	 <b>535,766</b>

**DEPARTMENT: POLICE****FUND: COPS GRANT**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	0	0	0	0
Medicare Tax	0	0	0	0
Hospitalization	0	0	0	0
Life Insurance	0	0	0	0
County/Municipal Pension	0	0	0	0
Pension Healthcare	0	0	0	0
<b>TOTAL PERSONAL SERVICES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>COPS GRANT TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# 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 DeIDOT, 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 Environmental Protection Agency.

## PRIORITIES FOR FISCAL YEAR 2019

- Commissioning of Wilmington Co-Generation and Sludge Processing Facilities and continued optimization operations.
- Issuance 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 CSOs.
- 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 and valve exercising and 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.
- Improve on street-metered parking through deployment of additional multi-space meters, evaluation/implementation of additional payment methods, and installation of improved signage.
- Continue Street Paving and Reconstruction and ADA Curb Ramp Installation.
- Continue program of repairing and painting elevated water storage tanks.
- Complete construction of separate flow meters on the three force mains entering the wastewater treatment plant and main effluent channel for process control.
- Continue program of testing and replacing large water meters.
- Continue phased program to replace small water meters within the next 12 months.
- Implementation of city-wide residential containerized municipal solid waste (MSW) containers.
- Study the impact of a comprehensive street cleaning program.
- Explore LED street lightning through-out Wilmington.



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

<b>TOTAL ALL FUNDS*</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPARTMENT OF PUBLIC WORKS</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services	17,312,330	16,179,843	18,548,491	18,564,733
Materials, Supplies & Equipment	52,523,441	51,616,475	56,867,182	59,481,518
Internal Services	5,639,131	8,458,823	6,481,177	6,630,378
Debt Service	9,764,648	10,459,973	10,096,698	12,410,274
Capitalization	(4,527,262)	(2,622,148)	(3,500,000)	(3,500,000)
Depreciation	11,236,528	12,384,991	10,864,481	10,864,481
<b>TOTAL</b>	<b>91,948,816</b>	<b>96,477,957</b>	<b>99,358,029</b>	<b>104,451,384</b>
<b>STAFFING LEVELS</b>	<b>223.00</b>	<b>221.00</b>	<b>219.00</b>	<b>221.00</b>

<b>GENERAL FUND</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPARTMENT OF PUBLIC WORKS</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services	9,096,145	8,583,051	9,741,076	9,652,032
Materials, Supplies & Equipment	6,943,899	6,063,462	7,737,948	8,048,189
Internal Services	3,202,929	3,931,373	3,440,995	3,458,183
Debt Service	3,837,339	3,762,217	3,575,265	4,986,551
<b>TOTAL</b>	<b>23,080,312</b>	<b>22,340,103</b>	<b>24,495,284</b>	<b>26,144,955</b>
<b>STAFFING LEVELS</b>	<b>120.65</b>	<b>120.15</b>	<b>118.15</b>	<b>118.05</b>

<b>WATER/SEWER FUND</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPARTMENT OF PUBLIC WORKS</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services	8,216,185	7,596,792	8,807,415	8,912,701
Materials, Supplies & Equipment	36,582,943	38,384,052	40,531,469	42,894,064
Internal Services	2,105,853	3,972,717	2,798,691	2,930,704
Debt Service	5,828,772	6,495,711	6,328,954	7,245,766
Depreciation	8,007,932	9,253,549	7,635,885	7,635,885
<b>TOTAL</b>	<b>60,741,685</b>	<b>65,702,821</b>	<b>66,102,414</b>	<b>69,619,120</b>
<b>STAFFING LEVELS</b>	<b>102.35</b>	<b>100.85</b>	<b>100.85</b>	<b>102.95</b>

\*Differs from Summary of All Funds combined – Expenditures table on page 39 due to inclusion of Internal Services funds.

<b>MOTOR VEHICLE FUND</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPARTMENT OF PUBLIC WORKS</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Materials, Supplies & Equipment	8,004,151	6,097,748	7,527,600	7,469,100
Internal Services	330,349	554,733	241,491	241,491
Debt Service	98,537	202,045	192,479	177,957
Capitalization	(4,527,262)	(2,622,148)	(3,500,000)	(3,500,000)
Depreciation	3,228,596	3,131,442	3,228,596	3,228,596
<b>TOTAL</b>	<b>7,134,371</b>	<b>7,363,820</b>	<b>7,690,166</b>	<b>7,617,144</b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

<b>MUNICIPAL STREET AID FUND</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPARTMENT OF PUBLIC WORKS</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Materials, Supplies & Equipment	992,448	1,071,213	1,070,165	1,070,165
<b>TOTAL</b>	<b>992,448</b>	<b>1,071,213</b>	<b>1,070,165</b>	<b>1,070,165</b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

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

- In Personal Services, there was a net decrease of 0.10 FTE. A split-funded (60% General Fund and 40% Water/Sewer Fund) Administrative Clerk I position was deleted, replaced by a Purchasing Coordinator position (split-funded 50% General Fund and 50% Water/Sewer Fund). Four split-funded (30% General Fund and 70% Water/Sewer) Constituent Services Assistant positions and a split-funded (30% General Fund and 70% Water/Sewer) Constituent Services Supervisor were upgraded as part of the City's 311 Call Center expansion. In addition, two Assistant Street Supervisor positions and a split-funded (20% General Fund and 80% Water/Sewer) Assistant Street & Sewer Maintenance Supervisor position were upgraded. The net effect of all these changes was an increase of \$1,650.
- Regular Salaries rose by \$27,228 as a result of employee anniversary step increases. Pension Contribution and Hospitalization decreased by \$42,814 and \$47,753, respectively.
- Electricity costs increased by \$50,000 due to a tariff rate increase on street lights.
- 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 FY 2016, 50% in FY 2017, and 75% in FY 2018. The charge is 100% in FY 2019 and beyond. The 100% charge for FY 2019 to the General Fund will cost about \$1.04 million, an increase of almost \$300,000 from last fiscal year.
- Repairs to Roads and Appurtenances increased by \$25,000, primarily due to the number of emergency sidewalk repairs.
- Contracts to maintain major gateway plantings resulted in an increase to Greenspace Maintenance by \$145,000.
- Temporary Agencies increased \$42,000 for additional laborers to support the gateway cleanup initiative, street maintenance, pothole repairs, and sidewalk installation.
- Consultant Fees decreased by \$145,000 because the funding for gateway plantings was moved to a new account titled Greenspace Maintenance.
- Janitorial Services increased by \$52,000 based on the price to meet hospital-level sanitizing at the medical dispensary.
- Material and Supplies decreased by \$117,000 to match average expected winter weather usage. Additional needs caused by large storms or more numerous weather events will be covered by the Snow and Weather Emergencies Contingency Fund.
- Total Debt Service increased by a net of \$1,411,286. New debt service projected from a planned bond issuance in the Spring of 2018 to provide funding for previously approved FY 2016-2017 Capital Budget projects added \$907,882. There was also an increase of \$503,404 in the existing debt service schedule.

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

- In Personal Services, there was a net increase of 2.10 FTE. A split-funded (60% General Fund and 40% Water/Sewer Fund) Administrative Clerk I position was deleted, replaced by a Purchasing Coordinator position (split-funded 50% General Fund and 50% Water/Sewer Fund). Four split-funded (30% General Fund and 70% Water/Sewer) Constituent Services Assistant positions and a split-funded (30% General Fund and 70% Water/Sewer) Constituent Services Supervisor were upgraded as part of the City's 311 Call Center expansion. Also upgraded was a split-funded (20% General Fund and 80% Water/Sewer) Assistant Street & Sewer Maintenance Supervisor position. Lastly, a new position of Tree Climber was created, and the City Forester position was transferred in from the General Fund Parks & Recreation Department. The net effect of all these changes was an increase of \$197,700.
- Regular Salaries rose by \$152,438 as a result of employee anniversary step increases. Pension Contribution and Hospitalization decreased by \$22,387 and \$60,009, respectively.
- The use of specialized procurement processes, block pricing, and the operation of large pumps during off-peak hours of demand have resulted in a 20% savings in electricity costs, allowing for a \$205,500 reduction to the budget.
- A total of \$504,225 was added to the Repairs to Equipment account, reflecting a more aggressive electrical and mechanical preventative maintenance program for pumps and valves at filter plants and pumping stations. The increase also covers expansion of the boiler maintenance contract on boiler feed pumps, condensate return systems, heat exchangers, and associated piping at the filter plants.
- Repairs to Building and Structures increased by \$101,200 due to higher costs of maintaining structures, parking lots, sidewalks, and driveways.
- Repairs to Water Lines rose by \$263,000, reflecting the expanded maintenance program for water valve maintenance and repair.
- Based on last fiscal year's actual expenditures for Sewer Interceptor Cleaning, and the current fiscal year's actual spending trend, Condition Assessment was decreased by \$200,000.
- There is a \$1.54 million increase in the contract for Veolia to operate and maintain the City's sewage treatment plant. The City's 20-year contract with Veolia will expire at the end of FY 2018. As the City prepares a request-for-proposal (RFP) package to bid for a new long-term contract, Veolia has agreed to a one-year extension to continue its services at the Plant. However, without the certainty of a long-term agreement, some large risk-inherent items have been priced into the contract cost up front, causing the increase.
- The Indirect Cost expense to the Water/Sewer Fund rose by \$209,934, reflecting budgeted increases in supporting services provided to the Water/Sewer Fund's utility functions by the General Fund.
- Total Debt Service increased by a net of \$916,812. New debt service projected from a planned bond issuance in Spring of 2018 to provide funding for previously approved FY 2016-2017 Capital Budget projects added \$1,488,500. This was partially offset by a reduction of \$571,688 in the existing debt service schedule.

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

- Repairs to Equipment increased by \$125,000, mostly due to the higher cost of repairs to fleet equipment.
- Consultant Fees decreased by \$30,000. The newly created Contract & Fleet Administrator position will bring previously contracted fleet management in-house.
- Based on motor vehicle fleet maintenance and use of internal resources, Contracted Maintenance Services was reduced \$167,000.

# DEPARTMENT OF PUBLIC WORKS

## STRATEGIC PLAN

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### Focus Area: Effective City Government

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**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 end of FY 2019.

	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of users by application				
Snow Clearance	N/A	Developed but not launched to public	1,300	2,500
Trash Collection	N/A	In process of developing	In process of developing	100
Street Cleaning	N/A	In process of developing	In process of developing	100

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of calls from constituents received	18,710	19,989	15,648	18,000
Number of constituent calls responded to within 72 hours	N/A	N/A	N/A	9,000
Percentage of constituent calls responded to within 72 hours	N/A	N/A	N/A	50.0%

\* Software for tracking responses to constituents will be implemented in FY 2019.

# DEPARTMENT OF PUBLIC WORKS

## STRATEGIC PLAN

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### Focus Area: Effective City Government

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**CITY-WIDE GOAL #2: Increase Accountability.**

**Objective 1:** Ensure 100% of work tasks are entered and managed through Cityworks software.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of work orders logged in Cityworks	19,253	14,754	11,346	16,000
Number of work orders completed in Cityworks	18,588	13,859	9,912	15,500
Percentage of work orders completed in Cityworks	96.5%	93.9%	87.4%	96.9%
Total number of managers	14	21	21	21
Number of managers using Cityworks	11	16	21	21
Percentage of managers using Cityworks	78.6%	76.2%	100%	100%

**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	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Date review completed by each major service				
Sanitation Services	7/1/15	7/1/16	7/1/17	12/31/18
Water Distribution	3/1/16	3/1/17	3/1/18	12/31/18
Wastewater Services	7/1/15	7/1/16	7/1/17	12/31/18
Total number of proposed changes	4	5	8	12
Number of changes approved	0	1	0	12
Percentage of changes approved	0%	20%	0%	100%

# DEPARTMENT OF PUBLIC WORKS

## STRATEGIC PLAN

### Focus Area: Public Safety

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

**Objective 1:** Reduce incidents of illegal dumping using camera deployment.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of incidents of illegal dumping reported	9	58	150	100
Number of cameras deployed	4	10	15	17

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

**Objective 1:** Hold educational events relating to Public Works, serving at least 1,500 attendees each year.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of educational events	15	24	20	15
Number of attendees	1,200	1,500	1,600	1,500

**Objective 2:** Continue to improve community relationships by implementing at least 10 streetscape programs in neighborhoods.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of streetscapes completed	7	10	10	10
Amount spent on streetscapes	\$100,000	\$150,000	\$150,000	\$150,000
Average amount spent per streetscape	\$14,285	\$15,000	\$15,000	\$15,000



# DEPARTMENT OF PUBLIC WORKS

## STRATEGIC PLAN

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### Focus Area: Public Safety

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of coordinated clean-up projects	12	12	12	15
Number of neighborhood groups participating	N/A	12	12	15
Tons of trash collected	N/A	N/A	25	30

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### Focus Area: Economic Vitality

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**CITY-WIDE GOAL #9:** Streamline Permitting Process.

**Objective 1:** Achieve and maintain 100% compliance with the State Department of Natural Resources and Environmental Control (DNREC).

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of plans submitted to DPW	18	23	25	25
Average of working days for completion	64	64	30	30
Number of reviews completed within DNREC compliance	14	6	15	15
Percentage of reviews completed within DNREC compliance	100%	100%	100%	100%

# DEPARTMENT OF PUBLIC WORKS

## STRATEGIC PLAN

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### Focus Area: Economic Vitality

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**Objective 2:** Achieve and maintain a 30-working-day turnaround for the plan review and permit process for construction of water and sewer projects.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of plans submitted to DPW	22	42	36	40
Average number of working days for completion	52	28	70	30
Number of reviews completed within 30 days	9	12	16	20
Percentage of reviews completed within 30 days	40.9%	28.6%	44.4%	50.0%

### CITY-WIDE GOAL #11: Cultivate Entrepreneurship.

**Objective 1:** Support innovative technology through at least one private pilot program with local entrepreneurs.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of private pilot programs proposed	2	5	5	6
Number of private pilot programs implemented	2	5	5	6

# DEPARTMENT OF PUBLIC WORKS

## STRATEGIC PLAN

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### Focus Area: Quality of Life

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

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of capital projects approved	21	19	25	20
Number of capital projects with recreational opportunities	2	9	4	10
Dollar amount of capital projects approved (in millions)	\$14.6	\$11.25	\$30.0	\$30.0
Dollar amount of recreational portion of capital projects approved	\$300,000	\$500,000	\$750,000	\$400,000

**CITY-WIDE GOAL #15: Enhance City Services.**

**Objective 1:** Complete one or more parking technology needs assessments.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of parking technological needs assessments completed	N/A	N/A	2	2

# DEPARTMENT OF PUBLIC WORKS

## STRATEGIC PLAN

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### Focus Area: Quality of Life

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

**Objective 1:** Encourage Department participation in youth mentor programs.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of employees participating in a mentor program	5	5	7	8
Number of individuals mentored	6	6	7	8

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of partnering universities	2	2	1	2
Number of training events held	2	5	8	9
Number of individual participants	10	20	700	1,000

# DEPARTMENT OF PUBLIC WORKS

## STRATEGIC PLAN

### Focus Area: Quality of Life

**CITY-WIDE GOAL #18: Enhance Environmental Sustainability.**

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

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of recognitions	2	2	2	2

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

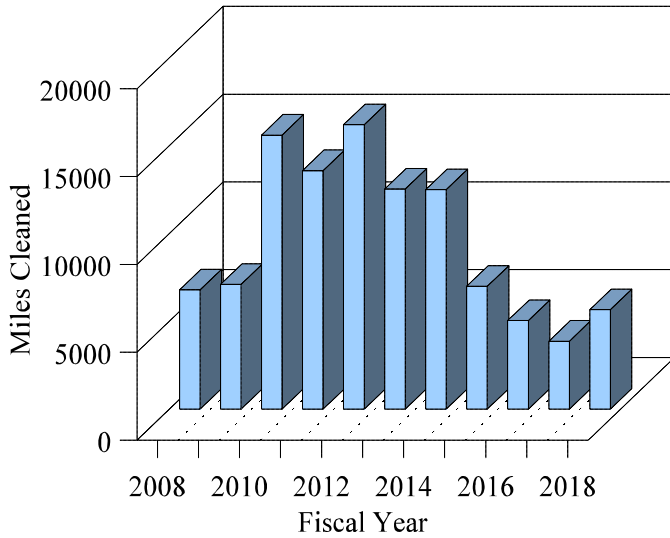
Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Carbon footprint reduction	N/A	5%	10%	10%

**Objective 3:** Conduct a needs assessment to make beneficial use of natural refuse for Public Works projects by June 2019.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of needs assessments completed	N/A	N/A	N/A	1

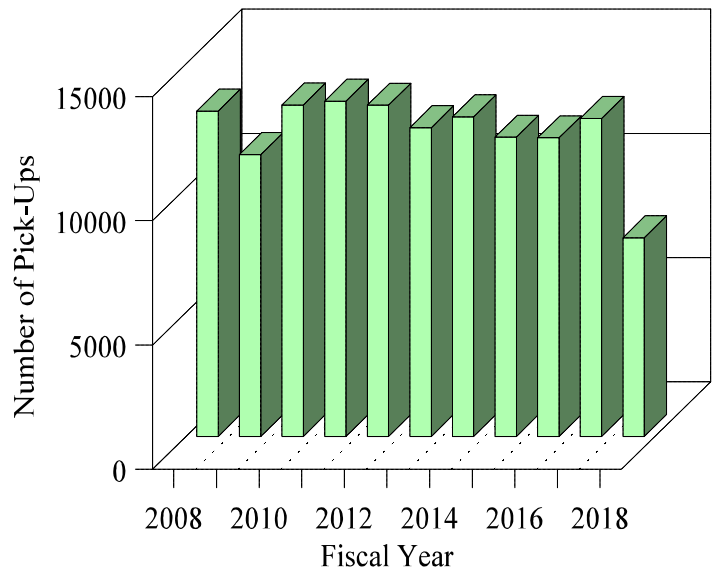
# Department of Public Works Performance Trends

## Miles of Streets Cleaned



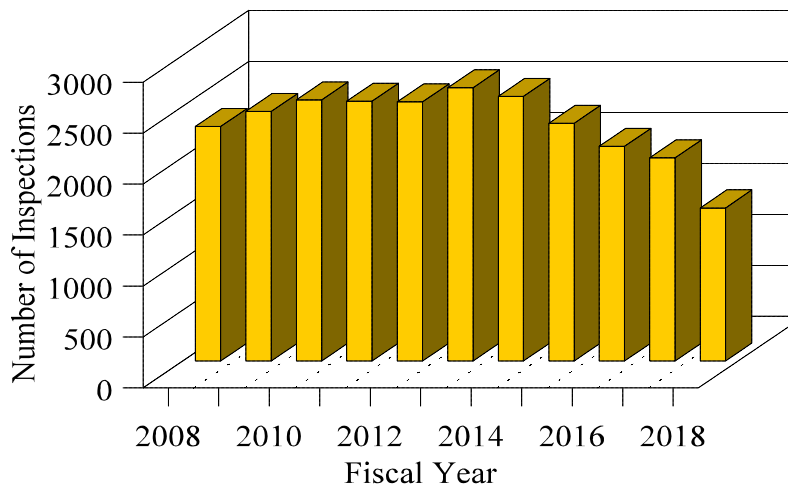
Aggressive management is required to maintain City streets in a litter free condition. In FY 2018, the number increased due to an addition of updated equipment and full crew staffing.

## Special Pick-Ups



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

## Preventative Maintenance Inspections



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

**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: PUBLIC WORKS**

**FUND: GENERAL**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	4,747,973	4,507,895	4,987,381	5,014,609
Temporary Salaries	4,800	6,599	8,000	8,000
Acting Out of Class	11,225	12,880	9,350	15,850
Sick Leave Bonus	6,700	8,950	9,800	9,500
Overtime	381,531	308,390	415,300	413,300
Holiday Pay	94,899	100,225	125,000	110,000
Meal Allowance	6,012	6,147	7,900	9,100
Standby Pay	67,197	62,997	66,600	67,600
Health Cash Back	2,774	18	1,600	0
Pension Contribution	909,749	979,235	997,933	967,423
Social Security	323,836	301,301	337,924	340,088
Medicare Tax	75,949	70,659	79,025	79,530
Hospitalization	2,139,553	1,870,694	2,364,882	2,317,129
Life Insurance	21,954	22,456	26,486	26,451
Pension Healthcare	247,204	252,167	354,450	383,377
State Pension Plan - Civilian	54,789	55,579	78,939	84,240
Personal Services Adjustment	0	16,859	(129,494)	(194,165)
<b>TOTAL PERSONAL SERVICES</b>	<b>9,096,145</b>	<b>8,583,051</b>	<b>9,741,076</b>	<b>9,652,032</b>
 <b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	8,457	7,099	9,400	9,200
Communications & Utilities	607,810	947,627	1,383,498	1,732,139
Transportation	2,093	468	3,500	3,500
Rentals	918,346	85,264	207,500	212,500
Contracted Maintenance Repairs	1,211,084	1,206,611	1,402,300	1,577,300
Professional Fees	841,352	822,304	833,300	730,300
Other Fees	2,738,276	2,406,081	2,825,000	2,825,000
Memberships & Registrations	9,508	9,238	26,900	28,900
Miscellaneous Services	203,487	190,627	321,600	381,600
Office & General Supplies	11,366	8,923	12,600	12,600
Wearing Apparel & Safety Supplies	64,134	69,720	88,650	90,150
Miscellaneous Parts	116,423	119,431	155,900	158,200
Construction & Repairs	171,861	161,808	410,500	257,500
Equipment	12,185	27,359	25,300	27,300
Fixed Assets	27,517	902	32,000	2,000
MSE - Budget Control Account	0	0	0	0
<b>TOTAL M., S. &amp; E.</b>	<b>6,943,899</b>	<b>6,063,462</b>	<b>7,737,948</b>	<b>8,048,189</b>

## DEPARTMENT: PUBLIC WORKS

## FUND: GENERAL

<b>INTERNAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Administrative Services	2,921,529	2,705,975	2,895,662	2,912,850
Self-Insurance	281,400	1,225,398	545,333	545,333
<b>TOTAL INTERNAL SERVICES</b>	<b>3,202,929</b>	<b>3,931,373</b>	<b>3,440,995</b>	<b>3,458,183</b>
<b>DEBT SERVICE</b>				
Principal Payments	1,832,959	1,754,282	1,711,296	2,738,268
Interest Payments	2,004,380	2,007,935	1,863,969	2,248,283
<b>TOTAL DEBT SERVICE</b>	<b>3,837,339</b>	<b>3,762,217</b>	<b>3,575,265</b>	<b>4,986,551</b>
<b>GENERAL FUND TOTAL</b>	<b>23,080,312</b>	<b>22,340,103</b>	<b>24,495,284</b>	<b>26,144,955</b>



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

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	4,229,383	3,984,061	4,638,927	4,791,365
Temporary Salaries	0	8,445	0	0
Acting Out of Class	9,447	6,515	7,200	10,700
Shift Differential	3,693	3,132	3,500	3,500
Sick Leave Bonus	6,900	5,300	7,500	7,500
Overtime	441,222	437,211	442,500	442,500
Holiday Pay	3,633	3,653	6,000	4,500
Meal Allowance	14,400	12,535	16,800	19,400
Standby Pay	163,429	166,793	146,000	165,600
Health Cash Back	5,198	4,270	4,200	0
Accrued Vacation Pay	15,212	30,799	0	0
Pension Contribution	577,132	179,789	726,310	703,923
Social Security	297,893	280,734	318,179	329,859
Medicare Tax	69,747	65,656	74,417	77,139
Hospitalization	1,469,396	1,348,797	1,901,092	1,841,083
Life Insurance	18,632	18,978	22,695	23,340
Pension Healthcare	202,795	207,150	302,550	328,108
State Pension Plan - Civilian	33,760	54,734	137,313	166,235
Pension Healthcare - Implicit	654,313	778,240	0	0
Personal Services Adjustment	0	0	52,232	(2,051)
<b>TOTAL PERSONAL SERVICES</b>	<b>8,216,185</b>	<b>7,596,792</b>	<b>8,807,415</b>	<b>8,912,701</b>

**DEPARTMENT: PUBLIC WORKS**

**FUND: WATER/SEWER**

<b>MATERIALS, SUPPLIES &amp; EQUIPMENT</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Printing & Advertising	47,031	45,055	66,500	63,900
Communications & Utilities	726,812	878,157	1,171,926	1,013,440
Transportation	7,276	7,297	10,050	10,800
Rentals	540	540	10,760	10,760
Contracted Maintenance Repairs	7,518,889	5,974,413	7,716,800	8,385,225
Professional Fees	3,150,974	3,155,470	3,729,500	3,761,000
Other Fees	284,799	310,583	385,200	413,000
Memberships & Registrations	42,576	47,604	59,170	62,770
Miscellaneous Services	18,874,120	21,417,400	20,451,341	22,000,513
Office & General Supplies	8,694	11,292	12,600	12,600
Wearing Apparel & Safety Supplies	27,822	30,927	37,800	39,800
Miscellaneous Parts	539,217	920,165	776,500	836,500
Petroleum & Chemicals	578,851	656,424	806,500	786,000
Construction & Repairs	323,909	319,202	457,500	547,500
Supporting Services	3,891,727	4,096,325	4,205,122	4,415,056
Equipment	414,564	365,081	442,200	442,200
Testing and Inspection	5,820	3,895	15,000	8,000
Community Activities	139,322	144,222	177,000	85,000
<b>TOTAL M., S. &amp; E.</b>	<b>36,582,943</b>	<b>38,384,052</b>	<b>40,531,469</b>	<b>42,894,064</b>
 <b>INTERNAL SERVICES</b>				
Administrative Services	1,630,244	1,873,512	1,928,450	2,060,463
Self-Insurance	475,609	2,099,205	870,241	870,241
<b>TOTAL INTERNAL SERVICES</b>	<b>2,105,853</b>	<b>3,972,717</b>	<b>2,798,691</b>	<b>2,930,704</b>
 <b>DEBT SERVICE</b>				
Amortized Bond Issuance Costs	0	0	0	0
Interest Payments	5,828,772	6,495,711	6,328,954	7,245,766
<b>TOTAL DEBT SERVICE</b>	<b>5,828,772</b>	<b>6,495,711</b>	<b>6,328,954</b>	<b>7,245,766</b>
 <b>OTHER</b>				
Depreciation	8,007,932	9,253,549	7,635,885	7,635,885
<b>TOTAL OTHER</b>	<b>8,007,932</b>	<b>9,253,549</b>	<b>7,635,885</b>	<b>7,635,885</b>
 <b>WATER/SEWER FUND TOTAL</b>	 <b>60,741,685</b>	 <b>65,702,821</b>	 <b>66,102,414</b>	 <b>69,619,120</b>

## DEPARTMENT: PUBLIC WORKS

## FUND: MOTOR VEHICLE

<b>MATERIALS, SUPPLIES &amp; EQUIPMENT</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Communications & Utilities	33,621	27,334	35,000	35,000
Transportation	4,375	4,160	9,700	8,200
Rentals	1,675	0	55,100	55,100
Contracted Maintenance Repairs	788,730	613,152	666,000	791,000
Professional Fees	71,508	84,303	90,000	60,000
Memberships & Registrations	1,680	1,452	2,300	2,300
Miscellaneous Services	1,860,544	1,925,172	2,161,000	2,009,000
Miscellaneous Parts	2,005	2,703	8,500	8,500
Petroleum & Chemicals	663,445	706,684	1,000,000	1,000,000
Fixed Assets	4,576,568	2,732,788	3,500,000	3,500,000
<b>TOTAL M., S. &amp; E.</b>	<b>8,004,151</b>	<b>6,097,748</b>	<b>7,527,600</b>	<b>7,469,100</b>
<b><u>INTERNAL SERVICES</u></b>				
Administrative Services	254,068	197,441	85,153	85,153
Self-Insurance	76,281	357,292	156,338	156,338
<b>TOTAL INTERNAL SERVICES</b>	<b>330,349</b>	<b>554,733</b>	<b>241,491</b>	<b>241,491</b>
<b><u>DEBT SERVICE</u></b>				
Amortized Bond Issuance Costs	0	0	0	0
Interest Payments	98,537	202,045	192,479	177,957
<b>TOTAL DEBT SERVICE</b>	<b>98,537</b>	<b>202,045</b>	<b>192,479</b>	<b>177,957</b>
<b><u>OTHER</u></b>				
Capitalized Expenditures	(4,527,262)	(2,622,148)	(3,500,000)	(3,500,000)
Depreciation	3,228,596	3,131,442	3,228,596	3,228,596
<b>TOTAL OTHER</b>	<b>(1,298,666)</b>	<b>509,294</b>	<b>(271,404)</b>	<b>(271,404)</b>
<b>MOTOR VEHICLE FUND TOTAL</b>	<b>7,134,371</b>	<b>7,363,820</b>	<b>7,690,166</b>	<b>7,617,144</b>

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

<b>MATERIALS, SUPPLIES &amp; EQUIPMENT</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Communications & Utilities	992,448	1,071,213	1,070,165	1,070,165
Contracted Maintenance	0	0	0	0
<b>TOTAL M., S. &amp; E.</b>	<b>992,448</b>	<b>1,071,213</b>	<b>1,070,165</b>	<b>1,070,165</b>
<b>MUNICIPAL STREET AID TOTAL</b>	<b>992,448</b>	<b>1,071,213</b>	<b>1,070,165</b>	<b>1,070,165</b>



# DEPARTMENT OF REAL ESTATE & HOUSING

The mission of the Department of Real Estate and Housing is to improve the quality of life for residents in the City of Wilmington by increasing the supply of affordable housing, improving housing markets and the quality of existing housing stock, promoting self-sufficiency, and engaging in activities to stabilize and revitalize neighborhoods.

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

## PRIORITIES FOR FISCAL YEAR 2019

- Actively coordinate with the Wilmington Housing Partnership (WHP), Wilmington Neighborhood Conservancy Land Bank (WNCLB), Wilmington Housing Authority (WHA), Community Development Corporations (CDCs), and other non-profit and for-profit developers to address neglected and vacant properties through acquisition, disposition, demolition and/or rehabilitation.
- Increase homeownership opportunities through City-sponsored initiatives and collaborative efforts with the WHP, WHA, WNCLB, CDCs, and other non-profit and for-profit developers.
- Work with governmental and private-sector employers located within the City proper to expand Live Near Your Work opportunities for both City and non-City employees.
- Direct the use of funds to assist homeowners with minor repairs and improvements as part of the City's neighborhood stabilization initiative.
- Work with State and local housing authorities to create development opportunities including Enterprise Zones, Purpose Built Communities, and re-purposing of brownfields, as part of the City's broader neighborhood stabilization initiative.
- Participate in a State-wide consortium to complete an assessment of policies to further fair housing in Wilmington and the surrounding region.
- Improve the City's neighborhood stabilization and revitalization efforts through the integration and analysis of Geographic Information System (GIS) data.
- Aggressively seek additional funding sources and collaborative partnerships to leverage diminishing Federal and local dollars.
- Fund programs and projects that provide needed public services to low- and moderate-income families and neighborhoods, such as community greening efforts, senior housing repair, housing counseling, homelessness prevention, youth programs, and programs that assist persons living with HIV/AIDS.
- Fulfill obligatory allocation, expenditure, monitoring, and reporting requirement for all Federal funding received.

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

<b>TOTAL ALL FUNDS DEPT OF REAL ESTATE &amp; HOUSING</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	1,173,891	990,051	1,117,382	1,128,892
Materials, Supplies & Equipment	285,707	367,275	304,729	617,900
Internal Services	203,739	245,484	252,513	270,517
Debt Service	837,382	1,197,790	1,576,556	858,173
Special Purpose	2,948,396	2,235,921	1,928,121	2,800,866
<b>TOTAL</b>	<b>5,449,115</b>	<b>5,036,521</b>	<b>5,179,301</b>	<b>5,676,348</b>
<b>STAFFING LEVELS</b>	<b>12.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>

<b>GENERAL FUND DEPT OF REAL ESTATE &amp; HOUSING</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	268,039	264,890	153,068	157,772
Materials, Supplies & Equipment	125,077	224,492	169,200	480,000
Internal Services	203,739	245,484	252,513	270,517
Debt Service	837,382	1,197,790	1,576,556	858,173
<b>TOTAL</b>	<b>1,434,237</b>	<b>1,932,656</b>	<b>2,151,337</b>	<b>1,766,462</b>
<b>STAFFING LEVELS</b>	<b>1.52</b>	<b>1.48</b>	<b>1.48</b>	<b>1.48</b>

<b>COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG) DEPT OF REAL ESTATE &amp; HOUSING</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	730,710	638,740	889,389	896,290
Materials, Supplies & Equipment	160,630	142,783	135,529	137,900
Special Purpose	1,448,074	1,208,780	851,285	1,295,659
<b>TOTAL</b>	<b>2,339,414</b>	<b>1,990,303</b>	<b>1,876,203</b>	<b>2,329,849</b>
<b>STAFFING LEVELS</b>	<b>9.17</b>	<b>8.81</b>	<b>8.81</b>	<b>8.81</b>

<b>HOME PARTNERSHIP FUND DEPT OF REAL ESTATE &amp; HOUSING</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Personal Services	36,988	32,974	39,020	39,168
Special Purpose	707,092	167,301	330,157	632,640
<b>TOTAL</b>	<b>744,080</b>	<b>200,275</b>	<b>369,177</b>	<b>671,808</b>
<b>STAFFING LEVELS</b>	<b>0.41</b>	<b>0.41</b>	<b>0.41</b>	<b>0.41</b>

<b>HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPT OF REAL ESTATE &amp; HOUSING</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services	19,278	16,478	20,346	20,208
Special Purpose	610,778	682,499	584,614	705,406
<b>TOTAL</b>	<b>630,056</b>	<b>698,977</b>	<b>604,960</b>	<b>725,614</b>
<b>STAFFING LEVELS</b>	<b>0.17</b>	<b>0.17</b>	<b>0.17</b>	<b>0.17</b>

<b>EMERGENCY SHELTER GRANT (ESG)</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPT OF REAL ESTATE &amp; HOUSING</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services	13,490	13,280	15,559	15,454
Special Purpose	182,452	177,341	162,065	167,161
<b>TOTAL</b>	<b>195,942</b>	<b>190,621</b>	<b>177,624</b>	<b>182,615</b>
<b>STAFFING LEVELS</b>	<b>0.13</b>	<b>0.13</b>	<b>0.13</b>	<b>0.13</b>

<b>NEIGHBORHOOD STABILIZATION PROGRAM GRANT (NSP)</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPT OF REAL ESTATE &amp; HOUSING</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services	43,601	23,689	0	0
<b>TOTAL</b>	<b>43,601</b>	<b>23,689</b>	<b>0</b>	<b>0</b>
<b>STAFFING LEVELS</b>	<b>0.60</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

<b>DE-LEAD GRANT</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEPT OF REAL ESTATE &amp; HOUSING</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services	61,785	0	0	0
<b>TOTAL</b>	<b>61,785</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>



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

- In Personal Services, the position of Program Coordinator was upgraded to the position of Acquisition & Disposition Manager. Because the position is split-funded (18% General Fund and 82% CDBG Fund), the cost of the upgrade to the General Fund is less than \$500.
- Disposition Cost increased by \$25,000 to maintain city-owned properties.
- Miscellaneous Projects increased by \$285,000, to cover non-Federal acquisition, stabilization, architectural, and engineering services for city-owned properties.
- Internal Services increased by \$18,004, solely due to Data Processing costs.
- Debt Service decreased \$718,383, due to a reduction in the existing debt service schedule.

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

- The Department's CDBG budget increased a net \$453,646, or 24.18% above last year's allocation, supported mainly by reconciliation of prior years and the reallocation of unexpended funds.
- Personal Services increased a net \$6,366 due to the newly created GIS Technician position, which was mostly offset by savings from the deletion of the vacant Senior Rehabilitation Loan Specialist position.
- MS&E increased by \$2,371, mainly due to an increase in Professional Fees.

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

- Collectively, the HOME, HOPWA, and ESG grant funds increased by a net \$428,276, to a new total of \$1,580,037. The HOME, HOPWA and ESG funds awards increased by \$302,631, \$120,654 and \$4,991 respectively.

# 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 Department staff.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Total number of employees	12	11	11	11
Number of employees cross-trained	4	8	7	10
Percentage of employees cross-trained	33.3%	72.7%	63.6%	90.9%

**CITY-WIDE GOAL #3: Enhance Fiscal Prudence.**

**Objective 1:** Obtain at least a 100% private sector funding match rate on City funds spent on housing development.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Total City funds budgeted for housing development	N/A	N/A	\$428,849	\$240,000
Total matching private sector funding for housing development	N/A	N/A	\$330,000	\$1,440,014
Combined City and private sector funding for housing development	\$1,119,842	\$1,024,720	\$758,849	\$1,680,014
Private sector funding match rate	N/A	N/A	76.9%	600%

**CITY-WIDE GOAL #4: Ensure Transparency.**

**Objective 1:** List all Federal programs Real Estate and Housing is involved with on the City's website.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of Federal programs	6	5	5	5
Number of Federal programs on website	6	5	5	5

# DEPARTMENT OF REAL ESTATE & HOUSING

## STRATEGIC PLAN

### Focus Area: Public Safety

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

**Objective 1:** Transfer vacant and blighted properties to the Wilmington Neighborhood Conservancy Land Bank (WNCLB).

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of houses in City inventory	193	208	64	24
Number of structures transferred to WNCLB for stabilization	N/A	N/A	73	40

**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	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of units beautified	N/A	9	5	30
Average amount spent on façade program	N/A	\$30,000	\$13,500	\$120,000
Average amount spent per unit	N/A	\$3,334	\$2,700	\$4,000

# DEPARTMENT OF REAL ESTATE & HOUSING

## STRATEGIC PLAN

### Focus Area: Quality of Life

**CITY-WIDE GOAL #7: Improve Housing Quality.**

**Objective 1:** Increase the number of units funded for home ownership.

Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of units produced for home ownership	N/A	9	8	10
Total amount spent by City	N/A	\$403,142	\$896,616	\$1,233,730
Average amount spent by City per unit	N/A	\$44,794	\$112,077	\$123,373

**Objective 2:** Maintain the number of units rehabilitated by the Department.

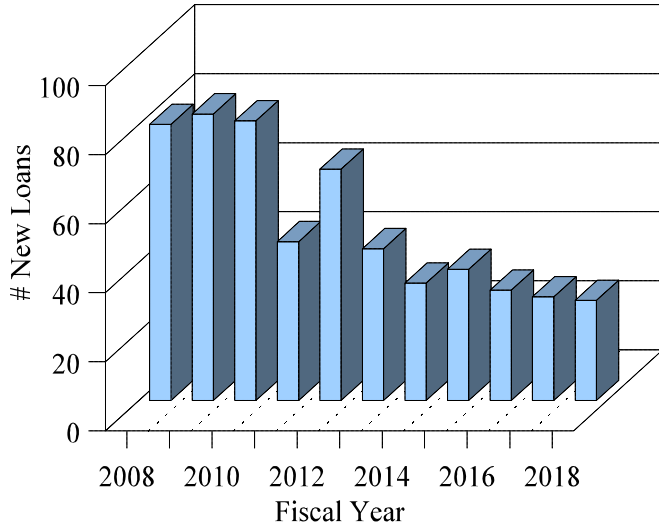
Critical Indicator	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Number of units rehabilitated	39	20	29	33
Amount spent on rehabilitation	\$407,994	\$179,083	\$188,181	\$297,000
Average amount spent per unit on rehabilitation	\$10,461	\$8,954	\$6,489	\$9,000

**Objective 3:** 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	FY 2016 Actual	FY 2017 Actual	FY 2018 as of 5/31/18	FY 2019 Projected
Amount of CDBG funds spent	\$2,739,585	\$1,731,766	\$1,312,550	\$1,613,546
Percentage of spending on low- and moderate-income persons	20%	18%	40%	55%
Percentage of spending on slums and blight	58%	72%	0%	0%
Percentage of spending on serious needs or threats	3%	0%	0%	0%
Percentage of spending on administrative functions	19%	10%	60%	45%

# 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

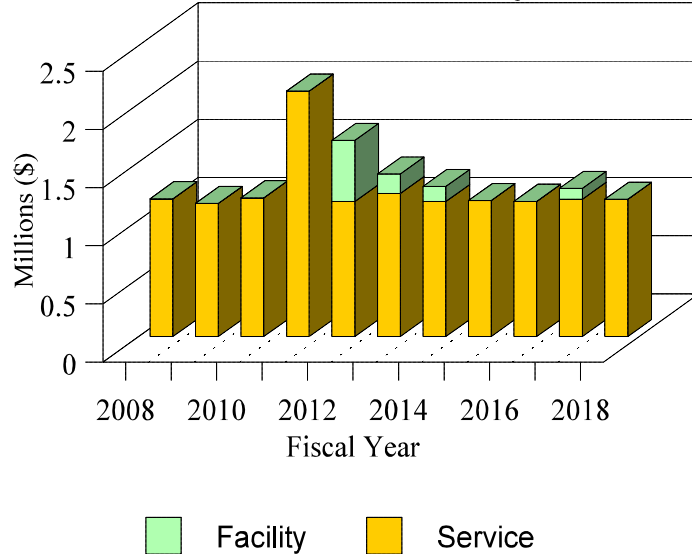
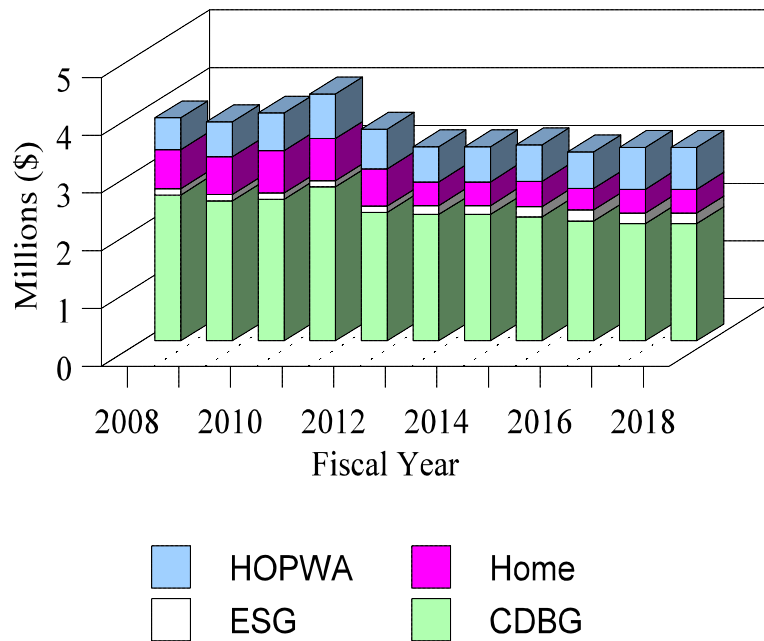


Chart represents federally-funded public services and administration grants.

### Federal Funding Levels



Funding for CDBG, HOPWA, ESG, and Home remain unchanged for FY 2018.

**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: REAL ESTATE & HOUSING**

**FUND: GENERAL**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	154,753	173,831	106,193	108,128
Temporary Salaries	50,431	0	0	0
Sick Leave Bonus	200	300	0	0
Overtime	1,470	0	0	0
Pension Contribution	16,177	40,687	16,218	16,918
Social Security	12,584	10,391	6,444	6,589
Medicare Tax	2,944	3,785	1,509	1,540
Hospitalization	23,895	26,847	23,080	25,210
Life Insurance	591	1,215	356	356
Pension Healthcare	4,994	5,741	4,440	4,807
State Pension Plan - Civilian	0	2,093	2,966	3,158
Personal Services Adjustment	0	0	796	0
Attrition	0	0	(8,934)	(8,934)
<b>TOTAL PERSONAL SERVICES</b>	<b>268,039</b>	<b>264,890</b>	<b>153,068</b>	<b>157,772</b>
 <b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Communications & Utilities	618	2,052	1,600	2,000
Printing & Advertising	936	1,570	1,600	2,000
Miscellaneous Services	5,885	5,895	6,000	6,000
Contracted Maintenance	2,827	0	0	0
Professional Fees	1,875	0	0	0
Community Activities	112,936	214,975	160,000	470,000
<b>TOTAL M., S. &amp; E</b>	<b>125,077</b>	<b>224,492</b>	<b>169,200</b>	<b>480,000</b>
 <b><u>INTERNAL SERVICES</u></b>				
Administrative Services	202,641	240,666	250,446	268,450
Self-Insurance	1,098	4,818	2,067	2,067
<b>TOTAL INTERNAL SERVICES</b>	<b>203,739</b>	<b>245,484</b>	<b>252,513</b>	<b>270,517</b>
 <b><u>DEBT SERVICE</u></b>				
Principal Payments	505,690	849,478	1,261,813	587,459
Interest Payments	331,692	348,312	314,743	270,714
<b>TOTAL DEBT SERVICE</b>	<b>837,382</b>	<b>1,197,790</b>	<b>1,576,556</b>	<b>858,173</b>

## DEPARTMENT: REAL ESTATE &amp; HOUSING

FUND: CDBG

	ACTUAL FY 2016	ACTUAL FY 2017	BUDGET FY 2018	APPROVED FY 2019
<b>PERSONAL SERVICES</b>				
Regular Salaries	452,526	381,884	522,606	526,387
Acting Out of Classification	0	0	0	0
Health Cash Back	1,690	10	0	0
Pension Contribution	121,597	95,475	116,703	105,984
Social Security	27,642	23,072	31,607	31,831
Medicare Tax	6,464	5,396	7,390	7,445
Hospitalization	100,390	113,692	171,389	184,055
Life Insurance	1,962	1,617	2,103	2,097
Pension Healthcare	18,505	16,584	26,430	28,634
State Pension Plan - Civilian	(66)	1,010	6,419	9,857
Personal Services Adjustment	0	0	4,742	0
<b>TOTAL PERSONAL SERVICES</b>	<b>730,710</b>	<b>638,740</b>	<b>889,389</b>	<b>896,290</b>
 <b><u>MATERIALS, SUPPLIES &amp; EQUIPMENT</u></b>				
Printing & Advertising	1,590	1,525	3,950	3,700
Communications & Utilities	215	50	500	500
Transportation	707	904	8,500	8,500
Rentals				600
Professional Fees	78,365	118,908	99,000	100,000
Other Fees	0	0	0	0
Memberships & Registrations	5,986	1,879	8,500	6,600
Miscellaneous Services	65,120	6,987	5,579	5,500
Office & General Supplies	2,320	1,400	2,500	2,500
Wearing Apparel & Safety	5,272	4,653	5,000	6,000
Equipment	1,055	6,477	2,000	4,000
<b>TOTAL M., S. &amp; E.</b>	<b>160,630</b>	<b>142,783</b>	<b>135,529</b>	<b>137,900</b>
 <b><u>SPECIAL PURPOSE</u></b>				
Grants & Fixed Charges	1,448,074	1,208,780	851,285	1,295,659
<b>TOTAL SPECIAL PURPOSE</b>	<b>1,448,074</b>	<b>1,208,780</b>	<b>851,285</b>	<b>1,295,659</b>
 <b>CDBG FUND TOTAL</b>	 <b>2,339,414</b>	 <b>1,990,303</b>	 <b>1,876,203</b>	 <b>2,329,849</b>

DEPARTMENT: REAL ESTATE & HOUSING

FUND: CDBG

<b>GRANTS &amp; FIXED CHARGES DETAIL</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Property Repair Program			300,000	0
Above Xpectations			6,500	11,847
Catholic Charities			15,000	15,078
Catholic Charities-Bayard House			8,773	16,155
Challenge Program			29,000	39,849
Christiana Cultural Arts Center Inc.			8,668	25,848
Clarify			5,000	0
Culture Restoration Project			6,500	0
DE Center for Homeless Veterans, Inc.			0	10,770
DE Community Reinvestment Action Council			5,000	5,385
Delaware Futures, Inc.			0	5,385
Delaware Center for Horticulture Street Trees			70,000	72,167
Duffy's Hope			6,500	5,385
Fair Housing			0	10,000
Ingleside Housing Project			0	80,000
Interfaith - Homeownership Center			5,000	5,385
Interfaith - Youth Ambassador			8,500	0
LACC - Homeless Prevention			5,000	24,233
LACC - Evening Enrichment Program			5,000	4,308
Lutheran Community Services			31,000	24,233
Ministry of Caring - Hope House I			15,000	0
Ministry of Caring - House of Joseph I			15,000	24,233
Miscellaneous Housing Projects			98,558	616,303
Neighborhood House, Inc.			5,000	10,645
Our Youth, Inc.			5,000	0
Residential Facade Program			100,000	0
Salvation Army			5,000	5,385
STEHM, Inc.			5,000	5,385
Sojourners Place			0	16,155
Tech Impact - IT Works Technology			14,000	10,770
WEDCO Loan Collections			0	3,000
West End Neighborhood House			20,000	20,463
YMCA Teen and Male Residence			17,500	16,155
YWCA Delaware			36,500	37,695
Wilmington HOPE Commission			10,611	10,770
Budget Control			(11,325)	162,672
FY2016 Expenditures				
FY2017 Expenditures	1,448,074	1,208,780		
<b>TOTAL GRANTS &amp; FIXED CHARGES</b>	<b>1,448,074</b>	<b>1,208,780</b>	<b>851,285</b>	<b>1,295,659</b>



**DEPARTMENT: REAL ESTATE & HOUSING**

**FUND: HOME PARTNERSHIP**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	25,121	19,838	25,475	25,475
Health Cash Back	0	0	0	0
Pension Contribution	5,925	6,518	6,420	6,649
Social Security	1,473	1,112	1,491	1,547
Medicare Tax	345	260	349	362
Hospitalization	2,937	4,008	3,736	3,704
Life Insurance	68	96	98	98
Pension Healthcare	1,119	1,142	1,230	1,333
Personal Services Adjustment	0	0	221	0
<b>TOTAL PERSONAL SERVICES</b>	<b>36,988</b>	<b>32,974</b>	<b>39,020</b>	<b>39,168</b>
 <b>SPECIAL PURPOSE</b>				
Grants & Fixed Charges	707,092	167,301	330,157	632,640
<b>TOTAL SPECIAL PURPOSE</b>	<b>707,092</b>	<b>167,301</b>	<b>330,157</b>	<b>632,640</b>
 <b>HOME PARTNERSHIP FUND TOTAL</b>	 <b>744,080</b>	 <b>200,275</b>	 <b>369,177</b>	 <b>671,808</b>

<b>GRANTS &amp; FIXED CHARGES DETAIL</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
CHDO Set-aside			61,800	82,968
HOME Proposed Housing Projects			309,291	414,346
Budget Control			(40,934)	135,326
Contingent Reserves	142,435	1,134		
FY2016 Expenditures				
FY2017 Expenditures	564,657	166,167		
<b>TOTAL GRANTS &amp; FIXED CHARGES</b>	<b>707,092</b>	<b>167,301</b>	<b>330,157</b>	<b>632,640</b>

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	11,412	9,024	11,316	11,207
Pension Contribution	2,902	2,418	2,852	2,925
Social Security	692	538	681	674
Medicare Tax	162	126	159	158
Hospitalization	3,656	3,948	4,695	4,650
Life Insurance	39	29	41	41
Pension Healthcare	415	395	510	553
Personal Services Adjustment	0	0	92	0
<b>TOTAL PERSONAL SERVICES</b>	<b>19,278</b>	<b>16,478</b>	<b>20,346</b>	<b>20,208</b>
<b>SPECIAL PURPOSE</b>				
Grants & Fixed Charges	610,778	682,499	584,614	705,406
<b>TOTAL SPECIAL PURPOSE</b>	<b>610,778</b>	<b>682,499</b>	<b>584,614</b>	<b>705,406</b>
<b>HOPWA FUND TOTAL</b>	<b>630,056</b>	<b>698,977</b>	<b>604,960</b>	<b>725,614</b>

<b>GRANTS &amp; FIXED CHARGES DETAIL</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Catholic Charities			24,000	61,155
Cecil County Emergency Housing			24,000	41,536
Delaware HIV Services, Inc.			503,000	585,700
Ministry of Caring-House of Joseph II			34,845	61,155
Budget Control			(1,231)	(44,140)
FY2016 Expenditures				
FY2017 Expenditures	610,778	682,499		
<b>TOTAL GRANTS &amp; FIXED CHARGES</b>	<b>610,778</b>	<b>682,499</b>	<b>584,614</b>	<b>705,406</b>

**DEPARTMENT: REAL ESTATE & HOUSING**

**FUND: EMERGENCY SHELTER GRANT**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	8,086	7,479	8,653	8,570
Pension Contribution	1,993	1,851	2,181	2,237
Social Security	492	450	521	516
Medicare Tax	115	105	122	121
Hospitalization	2,481	3,066	3,591	3,556
Life Insurance	22	26	31	31
Pension Healthcare	301	303	390	423
Personal Services Adjustment	0	0	70	0
<b>TOTAL PERSONAL SERVICES</b>	<b>13,490</b>	<b>13,280</b>	<b>15,559</b>	<b>15,454</b>
<b>SPECIAL PURPOSE</b>				
Grants & Fixed Charges	182,452	177,341	162,065	167,161
<b>TOTAL SPECIAL PURPOSE</b>	<b>182,452</b>	<b>177,341</b>	<b>162,065</b>	<b>167,161</b>
<b>EMERGENCY SHELTER GRANT FUND TOTAL</b>	<b>195,942</b>	<b>190,621</b>	<b>177,624</b>	<b>182,615</b>

<b>GRANTS &amp; FIXED CHARGES DETAIL</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Catholic Charities			0	0
Family Promise			13,121	17,093
Housing Alliance Delaware			40,042	40,042
Ministry of Caring			15,000	20,038
The Salvation Army			21,000	15,023
YWCA Delaware-Rapid Re-Housing			74,439	77,004
Budget Control			(1,537)	(2,039)
FY2016 Expenditures				
FY2017 Expenditures	182,452	177,341		
<b>TOTAL GRANTS &amp; FIXED CHARGES</b>	<b>182,452</b>	<b>177,341</b>	<b>162,065</b>	<b>167,161</b>

**DEPARTMENT: REAL ESTATE & HOUSING      FUND: NEIGHBORHOOD STABILIZATION PROGRAM**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	27,072	14,624	0	0
Pension Contribution	7,053	3,730	0	0
Social Security	1,641	886	0	0
Medicare Tax	384	207	0	0
Hospitalization	6,290	3,630	0	0
Life Insurance	104	53	0	0
Pension Healthcare	1,057	559	0	0
<b>TOTAL PERSONAL SERVICES</b>	<b>43,601</b>	<b>23,689</b>	<b>0</b>	<b>0</b>
<b>NEIGHBORHOOD STABILIZATION PROGRAM FUND TOTAL</b>	<b>43,601</b>	<b>23,689</b>	<b>0</b>	<b>0</b>

**DEPARTMENT: REAL ESTATE & HOUSING**

**FUND: DE-LEAD**

<b>PERSONAL SERVICES</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>APPROVED FY 2019</b>
Regular Salaries	2,356	0	0	0
Temporary Salaries	45,306	0	0	0
Overtime	1,887	0	0	0
Pension Contribution	0	0	0	0
Social Security	3,229	0	0	0
Medicare Tax	744	0	0	0
Hospitalization	8,253	0	0	0
Life Insurance	10	0	0	0
State Pension Plan - Civilian	0	0	0	0
Pension Healthcare	0	0	0	0
<b>TOTAL PERSONAL SERVICES</b>	<b>61,785</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>DE-LEAD GRANT FUND TOTAL</b>	<b>61,785</b>	<b>0</b>	<b>0</b>	<b>0</b>



# DEPARTMENT OF COMMERCE

Prior to its restructuring in 1995, the Department of Commerce promoted and developed commerce and industry within the City of Wilmington along with managing and marketing the Port of Wilmington as a self-sufficient business entity. Although the Port was profitable, the City could no longer afford the infrastructure improvements necessary to maintain its competitiveness and profitability. Consequently, the City successfully negotiated a sale of the Port, which placed it under the auspices of the State of Delaware, effective September 1, 1995. By agreement, the City retained the debt of the previous existing Commerce Fund, but it was reimbursed for both 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 FY 2016	ACTUAL FY 2017	BUDGET FY 2018	APPROVED FY 2019
Debt Service	1,280,777	1,290,546	512,858	910,954
<b>TOTAL</b>	<b>1,280,777</b>	<b>1,290,546</b>	<b>512,858</b>	<b>910,954</b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

GENERAL FUND DEPARTMENT OF COMMERCE	ACTUAL FY 2016	ACTUAL FY 2017	BUDGET FY 2018	APPROVED FY 2019
Debt Service	1,280,777	1,290,546	512,858	910,954
<b>TOTAL</b>	<b>1,280,777</b>	<b>1,290,546</b>	<b>512,858</b>	<b>910,954</b>
<b>STAFFING LEVELS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**DEPARTMENTAL BUDGET DETAIL BY FUND**

**DEPARTMENT: COMMERCE**

**FUND: GENERAL**

	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>APPROVED</b>
<b>DEBT SERVICE</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Principal Payments	1,002,403	1,063,581	320,439	749,639
Interest Payments	278,374	226,965	192,419	161,315
<b>TOTAL DEBT SERVICE</b>	<b>1,280,777</b>	<b>1,290,546</b>	<b>512,858</b>	<b>910,954</b>
<b>GENERAL FUND TOTAL</b>	<b>1,280,777</b>	<b>1,290,546</b>	<b>512,858</b>	<b>910,954</b>

# 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 2018 - FY 2023 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 into 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 the term of 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 2018 - FY 2023**

The six year Capital Budget and Capital Improvements Program, as presented in City Planning Commission Resolution 1-17, totals \$252,052,000, with a FY 2018 Capital Budget in the amount of \$84,054,000 and the additional five year program adding \$167,998,000. 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 \$3,541,036. 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

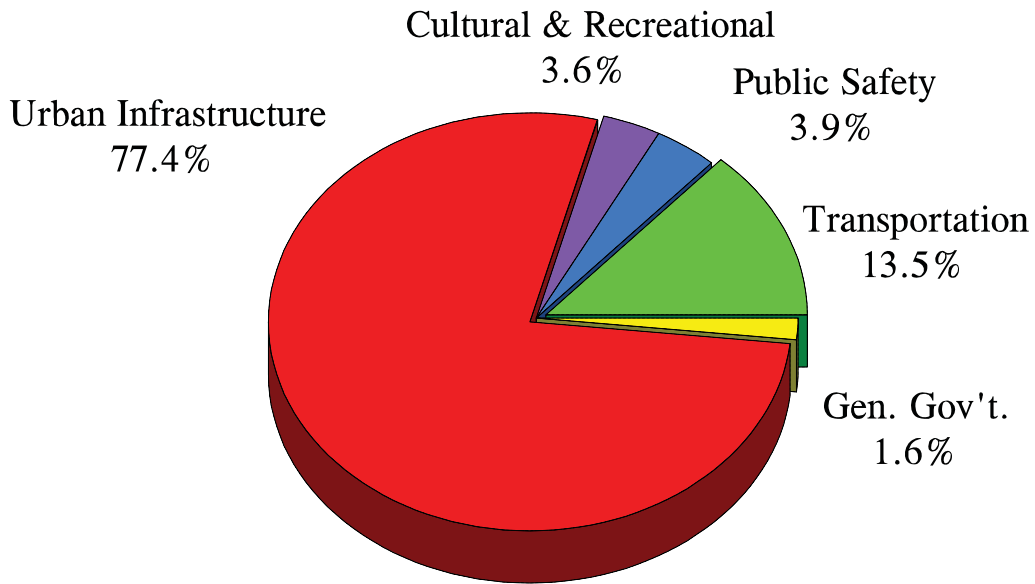
Department	Fund	Debt Service*	Personal Services	M. S. & E.	Total
Finance	General	\$17,875	\$0	\$0	\$17,875
	Water/Sewer	25,838	0	0	25,838
Fire	General	225,225	0	(2,000)	223,225
Mayor's Office	General	225,940	0	0	225,940
Parks & Recreation	General	208,065	0	0	208,065
Real Estate & Housing	General	71,500	0	0	71,500
Public Works	General	485,843	0	0	485,843
	Water/Sewer	2,066,250	0	0	2,066,250
Transportation	General	214,500	0	0	214,500
<b>TOTAL</b>		<b>\$3,541,036</b>	<b>\$0</b>	<b>(\$2,000)</b>	<b>\$3,539,036</b>

Fund	Debt Service*	Personal Services	M. S. & E.	Total
General	\$1,448,948	\$0	(\$2,000)	\$1,446,948
Water/Sewer	2,092,088	0	0	2,092,088
<b>TOTAL</b>	<b>\$3,541,036</b>	<b>\$0</b>	<b>(\$2,000)</b>	<b>\$3,539,036</b>

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

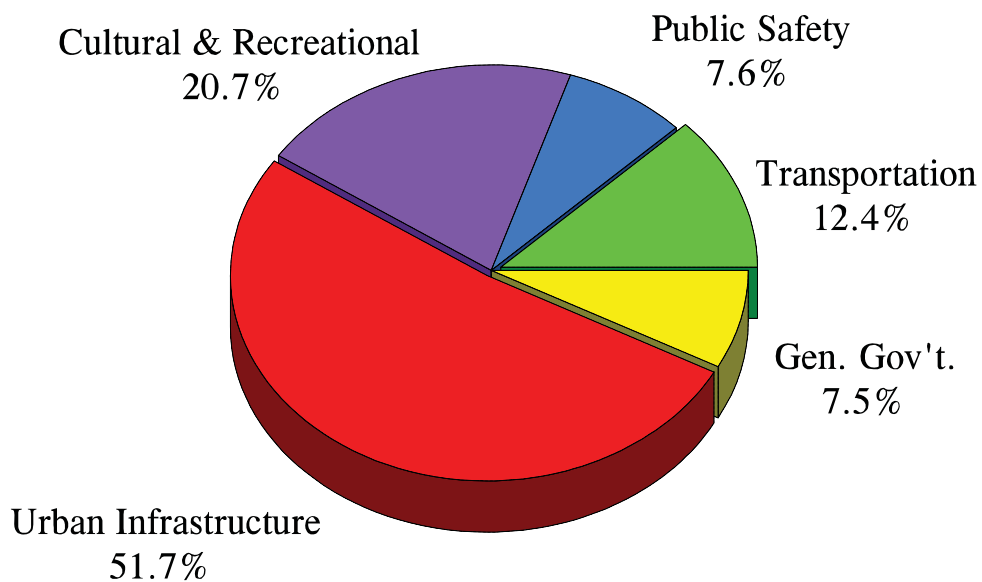
# Capital Budget Allocations

## Fiscal Years 2018-2019



# Capital Program Allocations

## Fiscal Years 2020-2023



CAPITAL IMPROVEMENTS PROGRAM  
FISCAL YEARS 2018-2023  
(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	
		2018	2019	2020	2021	2022	2023	2023	2023	2023	2023
FINANCE	G	250	0	397	0	690	0	1,337	0	1,337	1,337
	W	689	0	476	0	310	0	1,475	0	1,475	1,475
FIRE	G	3,150	0	6,400	0	4,050	0	13,600	0	13,600	13,600
OFFICE OF THE MAYOR	G	3,160	0	4,500	0	4,500	0	12,160	0	12,160	12,160
PARKS AND RECREATION	G	2,910	0	3,340	0	31,585	0	37,835	0	37,835	37,835
	O	0	0	0	0	250	0	0	0	250	250
POLICE	G	0	0	2,500	0	0	0	2,500	0	2,500	2,500
PUBLIC WORKS	G	6,795	0	12,500	0	12,500	0	31,795	0	31,795	31,795
	W	55,100	0	38,100	0	24,800	0	118,000	0	118,000	118,000
REAL ESTATE & HOUSING	G	1,000	0	0	0	0	0	1,000	0	1,000	1,000
TRANSPORTATION	G	3,000	0	2,550	0	2,550	0	8,100	0	8,100	8,100
	O	8,000	0	8,000	0	8,000	0	0	0	24,000	24,000
<b>TOTAL BY FUND</b>	G	20,265	0	32,187	0	55,875	0	108,327	0	108,327	108,327
	O	8,000	0	8,000	0	8,250	0	0	0	24,250	24,250
	W	55,789	0	38,576	0	25,110	0	119,475	0	119,475	119,475
<b>GRAND TOTAL</b>		84,054	0	78,763	0	89,235	0	227,802	0	227,802	252,052

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

CAPITAL IMPROVEMENTS PROGRAM  
FISCAL YEARS 2018-2023  
(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
		2018	2019	2020	2021	2022	2023		
FINANCE	NS	2	0	17	0	0	0	19	19
	NR	24	0	18	0	64	0	106	106
	UE	633	0	575	0	719	0	1,926	1,926
	RE	280	0	264	0	218	0	762	762
FIRE	NR	2,050	0	1,600	0	4,050	0	7,700	7,700
	RE	1,100	0	4,800	0	0	0	5,900	5,900
OFFICE OF THE MAYOR	NS	160	0	0	0	0	0	160	160
	UE	3,000	0	4,500	0	4,500	0	12,000	12,000
PARKS AND RECREATION	NR	0	0	0	0	1,550	0	1,550	1,550
	UE	1,700	0	2,130	0	28,560	0	32,390	32,390
	RE	1,210	0	1,210	0	1,725	0	4,095	4,145
POLICE	NS	0	0	1,500	0	0	0	1,500	1,500
	UE	0	0	1,000	0	0	0	1,000	1,000
PUBLIC WORKS	NR	95	0	0	0	0	0	95	95
	UE	39,300	0	33,100	0	19,800	0	92,200	92,200
	RE	22,500	0	17,500	0	17,500	0	57,500	57,500
REAL ESTATE & HOUSING	UE	1,000	0	0	0	0	0	1,000	1,000
TRANSPORTATION	UE	11,000	0	10,550	0	10,550	0	8,100	32,100
<b>TOTAL BY EXPENDITURE CATEGORY</b>									
	NS	162	0	1,517	0	0	0	1,679	1,679
	NR	2,169	0	1,618	0	5,664	0	9,451	9,451
	UE	56,633	0	51,855	0	64,129	0	148,416	172,616
	RE	25,090	0	23,774	0	19,443	0	68,257	68,307
<b>GRAND TOTAL</b>		<b>84,054</b>	<b>0</b>	<b>78,763</b>	<b>0</b>	<b>89,235</b>	<b>0</b>	<b>227,802</b>	<b>252,052</b>

**CAPITAL IMPROVEMENTS PROGRAM**  
**FISCAL YEARS 2018-2023**  
(000 omitted)

<b>FINANCE DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR</b>									
TYPE OF FUNDING	<u>FISCAL YEARS</u>						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD	
	2018	2019	2020	2021	2022	2023			
G	250	0	397	0	690	0	1,337	1,337	
W	689	0	476	0	310	0	1,475	1,475	
<b>Cost of Bond Issue (General Fund)</b>									
<b>Cost of Bond Issue (Water/Sewer Fund)</b>									
<b>TOTAL BY FUND</b>									
G	250	0	397	0	690	0	1,337	1,337	
W	689	0	476	0	310	0	1,475	1,475	
<b>TOTAL FINANCE FUNDS</b>									
	939	0	873	0	1,000	0	2,812	2,812	

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service  
Bond Issuance Costs projected to be 1.25%



**CAPITAL IMPROVEMENTS PROGRAM**  
**FISCAL YEARS 2018-2023**  
(000 omitted)

**FIRE DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR**

	Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
			2018	2019	2020	2021	2022	2023		
Apparatus Replacement	NR	G	2,050	0	1,600	0	3,750	0	7,400	7,400
Fire Station Renovations	RE	G	1,100	0	4,800	0	0	0	5,900	5,900
Rescue Ambulance Replacement	NR	G	0	0	0	0	300	0	300	300
<b>TOTAL BY FUND</b>		<b>G</b>	<b>3,150</b>	<b>0</b>	<b>6,400</b>	<b>0</b>	<b>4,050</b>	<b>0</b>	<b>13,600</b>	<b>13,600</b>
<b>TOTAL FIRE FUNDS</b>			<b>3,150</b>	<b>0</b>	<b>6,400</b>	<b>0</b>	<b>4,050</b>	<b>0</b>	<b>13,600</b>	<b>13,600</b>

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service  
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See page 259 for detailed description of categories)

**CAPITAL IMPROVEMENTS PROGRAM**  
**FISCAL YEARS 2018-2023**  
(000 omitted)

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

	Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
			2018	2019	2020	2021	2022	2023		
Five Percent For Art	NS	G	160	0	0	0	0	0	160	160
Site Acquisition	UE	G	1,000	0	1,000	0	1,000	0	3,000	3,000
Infrastructure & Site Improvements Closing Fund	UE	G	1,000	0	2,500	0	2,500	0	6,000	6,000
Upstairs Project	UE	G	1,000	0	1,000	0	1,000	0	3,000	3,000
<b>TOTAL BY FUND</b>		<b>G</b>	<b>3,160</b>	<b>0</b>	<b>4,500</b>	<b>0</b>	<b>4,500</b>	<b>0</b>	<b>12,160</b>	<b>12,160</b>
<b>TOTAL MAYOR'S OFFICE FUNDS</b>			<b>3,160</b>	<b>0</b>	<b>4,500</b>	<b>0</b>	<b>4,500</b>	<b>0</b>	<b>12,160</b>	<b>12,160</b>

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service  
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See page 259 for detailed description of categories)

CAPITAL IMPROVEMENTS PROGRAM  
FISCAL YEARS 2018-2023  
(000 omitted)

PARKS & RECREATION DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR												
Exp. Cat.	TYPE OF FUNDING	2018	2019	2020	2021	2022	2023	FISCAL YEARS			TOTAL LOCAL FUNDS 6 YEAR AND MATCHING 6 YEAR PERIOD	
								TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL CITY FUNDS 6 YEAR PERIOD		
Playground Improvements	UE G O	1,250 0	0 0	1,250 0	0 0	1,675 200	0 0	4,175 0	4,175 200			
Athletic Court Improvements	RE G O	275 0	0 0	275 0	0 0	350 50	0 0	900 0	900 50			
Park Walkways	RE G	550	0	550	0	625	0	1,725	1,725			
Park & Playground Fencing	RE G	385	0	385	0	450	0	1,220	1,220			
County Park Recovery	UE G	450	0	550	0	660	0	1,660	1,660			
Pool House Renovations	UE G	0	0	0	0	825	0	825	825			
Parking Lot Improvements/Replacements	RE G	0	0	0	0	250	0	250	250			
WHACC Improvements	UE G	0	0	330	0	25,200	0	25,530	25,530			
Plazas, Squares & Triangles	NR G	0	0	0	0	1,550	0	1,550	1,550			
<b>TOTAL BY FUND</b>	G O	2,910 0	0 0	3,340 0	0 0	31,585 250	0 0	37,835 0	37,835 250			
<b>TOTAL PARKS AND RECREATION FUNDS</b>		2,910	0	3,340	0	31,835	0	37,835	38,085			

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 page 259 for detailed description of categories)

CAPITAL IMPROVEMENTS PROGRAM  
FISCAL YEARS 2018-2023  
(000 omitted)

POLICE DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2018	2019	2020	2021	2022	2023		
UE	G	0	0	1,000	0	0	0	1,000	1,000
NS	G	0	0	1,500	0	0	0	1,500	1,500
<b>TOTAL BY FUND</b>		<b>0</b>	<b>0</b>	<b>2,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,500</b>	<b>2,500</b>
<b>TOTAL POLICE FUNDS</b>		<b>0</b>	<b>0</b>	<b>2,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,500</b>	<b>2,500</b>

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service  
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See page 259 for detailed description of categories)

CAPITAL IMPROVEMENTS PROGRAM  
FISCAL YEARS 2018-2023  
(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
			2018	2019	2020	2021	2022	2023		
Street Paving & Reconstruction	RE	G	5,000	0	10,000	0	10,000	0	25,000	25,000
Emergency Sidewalk Repairs	UE	G	700	0	1,000	0	1,000	0	2,700	2,700
Building Improvements	RE	G	1,000	0	1,500	0	1,500	0	4,000	4,000
Turner Building Carpet Replacement	NR	G	95	0	0	0	0	0	95	95
Annual Minor Sewer Improvements	RE	W	1,500	0	1,500	0	1,500	0	4,500	4,500
Major Sewer Improvements	RE	W	4,000	0	4,000	0	4,000	0	12,000	12,000
Annual Water Improvements	UE	W	7,500	0	7,500	0	7,500	0	22,500	22,500
Porter Filter Plant Improvements	UE	W	2,000	0	7,000	0	3,000	0	12,000	12,000
Pumping Station Improvements	UE	W	2,000	0	500	0	500	0	3,000	3,000
Transmission Improvements	UE	W	4,000	0	4,000	0	4,000	0	12,000	12,000
Raw Water Distribution Improvements	RE	W	2,500	0	0	0	0	0	2,500	2,500
Hoopes Dam	UE	W	4,500	0	0	0	0	0	4,500	4,500
Small Water Meter Replacement Program	RE	W	6,000	0	0	0	0	0	6,000	6,000
Architectural Improvements	RE	W	1,000	0	0	0	0	0	1,000	1,000

*continued*

**CAPITAL IMPROVEMENTS PROGRAM**  
**FISCAL YEARS 2018-2023**  
(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
			2018	2019	2020	2021	2022	2023		
Pressure Zone Reliability Improvements	UE	W	1,000	0	1,000	0	1,000	0	3,000	3,000
Brandywine Filter Plant Improvements	RE	W	1,000	0	0	0	0	0	1,000	1,000
WWTP Electrical System Improvements	UE	W	6,300	0	6,300	0	0	0	12,600	12,600
11th St. Pumping Station Reliability Improvements	UE	W	1,500	0	0	0	0	0	1,500	1,500
South Wilmington Wetlands Park	UE	W	3,500	0	2,000	0	0	0	5,500	5,500
Sewer Separation Projects & Flow Monitoring	UE	W	3,500	0	1,000	0	0	0	4,500	4,500
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	1,000	0	1,000	0	3,000	3,000
<b>TOTAL BY FUND</b>			<b>6,795</b>	<b>0</b>	<b>12,500</b>	<b>0</b>	<b>12,500</b>	<b>0</b>	<b>31,795</b>	<b>31,795</b>
			<b>55,100</b>	<b>0</b>	<b>38,100</b>	<b>0</b>	<b>24,800</b>	<b>0</b>	<b>118,000</b>	<b>118,000</b>
<b>TOTAL PUBLIC WORKS FUNDS</b>			<b>61,895</b>	<b>0</b>	<b>50,600</b>	<b>0</b>	<b>37,300</b>	<b>0</b>	<b>149,795</b>	<b>149,795</b>

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service  
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See page 259 for detailed description of categories)

CAPITAL IMPROVEMENTS PROGRAM  
FISCAL YEARS 2018-2023  
(000 omitted)

REAL ESTATE & HOUSING 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
		2018	2019	2020	2021	2022	2023		
UE	G	1,000	0	0	0	0	0	1,000	1,000
<b>Acquisition &amp; Demolition</b>									
	G	1,000	0	0	0	0	0	1,000	1,000
<b>TOTAL BY FUND</b>									
	G	1,000	0	0	0	0	0	1,000	1,000
<b>TOTAL REAL ESTATE &amp; HOUSING FUNDS</b>									
	G	1,000	0	0	0	0	0	1,000	1,000

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 page 259 for detailed description of categories)

**CAPITAL IMPROVEMENTS PROGRAM**  
**FISCAL YEARS 2018-2023**  
(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
			2018	2019	2020	2021	2022	2023		
Traffic System Infrastructure	UE	G	1,000	0	550	0	550	0	2,100	2,100
Wilmington Transportation Initiatives	UE	G	2,000	0	2,000	0	2,000	0	6,000	6,000
		O	8,000	0	8,000	0	8,000	0	0	24,000
<b>TOTAL BY FUND</b>		G	3,000	0	2,550	0	2,550	0	8,100	8,100
		O	8,000	0	8,000	0	8,000	0	0	24,000
<b>TOTAL TRANSPORTATION FUNDS</b>			11,000	0	10,550	0	10,550	0	8,100	32,100

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 page 259 for detailed description of categories)



### III. CAPITAL PROJECT DESCRIPTIONS - FISCAL YEARS 2018 - 2023

#### 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: \$2,050,000.  
Program Request: \$5,350,000.

Budget: Provides funds for the replacement of aging equipment used for fire calls and emergency medical responses as they reach or exceed the end of their service expectancy. Equipment targeted by this replacement program include Aerial Tower Ladder #3 (\$1,250,000) and an Engine Pumper (\$800,000).

Program: Ongoing replacement program, to include Engine Pumpers #2, #5 and #6 (\$800,000 each); Aerial Ladder #1 (\$1,250,000); Sqrut #3 (\$800,000); and Squad #4 (\$900,000).

<i>Annual Debt Service Impact</i>	\$146,575
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

##### 2. Fire Station Renovations

Budget Request: \$1,100,000.  
Program Request: \$4,800,000.

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. Design and engineering specifications and construction costs are included.

Program: Ongoing renovation program that includes Fire Stations #2 and #6 (\$2,400,000 each).

<i>Annual Debt Service Impact</i>	\$78,650
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; 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 (\$100,000 each), 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: \$160,000.  
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* \$11,440  
*Annual Operational Impact Personal Services* \$0  
*Annual Operational Impact M. S. & E.* \$0

**2. Site Acquisition**

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

Budget: Provides funds for the acquisition of land in support of economic development projects, including public-private partnerships. Particular areas of focus include acquisition in blighted areas to prevent the expansion of undesirable uses, and acquisition for the development of light manufacturing/ industrial business parks.

Program: Ongoing.

*Annual Debt Service Impact* \$71,500  
*Annual Operational Impact Personal Services* \$0  
*Annual Operational Impact M. S. & E.* \$0

**3. Infrastructure and Site Improvements Closing Fund**

Budget Request: \$1,000,000.

Program Request: \$5,000,000.

Budget: Funds investments in public infrastructure to support economic development projects and other major investments in order to leverage private redevelopment opportunities throughout the City, through land acquisition, construction of new roads and utilities, and site preparation work, including environmental remediation. Also creates a strategic fund for attracting new businesses and retaining existing business that will employ large numbers in targeted sectors.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$71,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. &amp; E.</i>	<i>\$0</i>

**4. Upstairs Project**

Budget Request: \$1,000,000.

Program Request: \$2,000,000.

Budget: Provides funding to stimulate economic revitalization through the redevelopment of vacant and partially vacant properties along neighborhood commercial corridors, by providing incentives for comprehensive renovations to existing buildings with vacant or underutilized upper floors. This program encourages the conversion of vacant upper floors into residential uses, with commercial renovations considered where warranted. Additional incentives will be provided for ground floor renovations in support of certain targeted commercial uses. This project expands the scope of the original Upstairs Market Street project.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$71,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. &amp; E.</i>	<i>\$0</i>

## D. PARKS AND RECREATION

### 1. Playground Improvements

Budget Request: \$1,250,000.  
Program Request: \$2,925,000. (Other Funds: \$200,000)

Budget: Provides funds for the replacement of existing playground equipment and amenities in the Parks system, in order to meet Consumer Product Safety Commission standards.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$89,375
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

### 2. Athletic Court Improvements

Budget Request: \$275,000.  
Program Request: \$625,000. (Other Funds: \$50,000)

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

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$19,663
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

### 3. Park Walkways

Budget Request: \$550,000.  
Program Request: \$1,175,000.

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>	\$39,325
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

**4. Park and Playground Fencing**

Budget Request: \$385,000.

Program Request: \$835,000.

Budget: Provides funds for the replacement of aging fencing, including ballfield backstops, at various park locations, including athletic fields, playgrounds and parks, for security and safety.

Program: Ongoing.

*Annual Debt Service Impact* \$27,528

*Annual Operational Impact Personal Services* \$0

*Annual Operational Impact M. S. & E.* \$0

**5. County Park Recovery**

Budget Request: \$450,000.

Program Request: \$1,210,000.

Budget: Provides funds for upgrades to city parks and ballfields formerly maintained by New Castle County (including Canby and Alapocas Parks).

Program: Ongoing.

*Annual Debt Service Impact* \$32,175

*Annual Operational Impact Personal Services* \$0

*Annual Operational Impact M. S. & E.* \$0

**6. Pool House Renovations**

Budget Request: \$0.

Program Request: \$825,000.

Budget: None.

Program: This program addresses necessary renovations for existing citywide pool house structures, in order to meet state Department of Health standards.

*Annual Debt Service Impact* \$0

*Annual Operational Impact Personal Services* \$0

*Annual Operational Impact M. S. & E.* \$0

**7. Parking Lot Improvements/Replacements**

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

Budget: None.

Program: This program addresses necessary improvements to parking lots serving city parks.

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

**8. WHACC Improvements**

Budget Request: \$0.  
Program Request: \$25,530,000.

Budget: None.

Program: This program addresses the need for interior and exterior improvements to the William Hicks Anderson Community Center, to meet programming and operational needs.

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

**9. Plazas, Squares & Triangles**

Budget Request: \$0.  
Program Request: \$1,550,000.

Budget: None.

Program: This program addresses paving, landscaping and the replacement of site amenities at citywide public plazas, squares and triangles.

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

## E. POLICE DEPARTMENT

### 1. Public Safety Building - Building Improvements

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

Budget: None.

Program: This program addresses: 1) the need for HVAC and plumbing improvements (\$500,000), including replacement of multiple heat pumps, plumbing upgrades, and the addition of bathroom ventilation systems; and 2) the reconfiguration of the building (\$500,000) to improve security and efficiency, with renovations to the Human Resources and Criminal Investigations Divisions, former Justice of the Peace Court 20, and the main public entrance lobby.

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

### 2. Public Safety Building - Parking Garage

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

Budget: None.

Program: This program addresses the need for a multi-level parking garage to provide additional parking space for employee and support vehicles.

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

## F. PUBLIC WORKS DEPARTMENT

### General Fund Projects

#### 1. Street Paving and Reconstruction

Budget Request: \$5,000,000.  
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>	\$357,500
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; 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>	\$50,050
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

#### 3. Building Improvements

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

Budget: Provides funds for necessary renovations and additions to the Louis L. Redding City/County Building and other municipal buildings.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$71,500
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	(\$1,500)



**4. Turner Building Carpet Replacement**

Budget Request: \$95,000.

Program Request: \$0.

Budget: Provides funds for the replacement of worn carpeting in the William G. Turner Building.

Program: None.

*Annual Debt Service Impact* \$6,793

*Annual Operational Impact Personal Services* \$0

*Annual Operational Impact M. S. & E.* \$0

**Water/Sewer Fund Projects**

**1. 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.

*Annual Debt Service Impact* \$56,250

*Annual Operational Impact Personal Services* \$0

*Annual Operational Impact M. S. & E.* \$0

**2. Major Sewer Improvements**

Budget Request: \$4,000,000.

Program Request: \$8,000,000.

Budget: Provides funds for the reconstruction and stabilization of major brick sewers (24" and above) throughout the city, including Prices Run, Shipley Run, and Rattlesnake Run.

Program: Ongoing.

*Annual Debt Service Impact* \$150,000

*Annual Operational Impact Personal Services* \$0

*Annual Operational Impact M. S. & E.* \$0

**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 the purchase of all appurtenances (hydrants, valves, etc.), to improve water quality, pressure and fire flows.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$281,250
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

**4. Porter Filter Plant Improvements**

Budget Request: \$2,000,000.

Program Request: \$10,000,000.

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.

<i>Annual Debt Service Impact</i>	\$75,000
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

**5. Pumping Station Improvements**

Budget Request: \$2,000,000.

Program Request: \$1,000,000.

Budget: Provides funds for upgrades to pumps and electrical components at various pumping stations, including Wills/Hoopes and remote pump stations, to maintain water service.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$75,000
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

**6. Transmission Improvements**

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

Budget: Provides funds for transmission capacity improvements throughout the water system, 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>\$150,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. &amp; E.</i>	<i>\$0</i>

**7. Raw Water Distribution Improvements**

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

Budget: Provides funds for the rehabilitation of the 42" raw water transmission main between the Brandywine Pumping Station and Porter Filter Plant.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$93,750</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. &amp; E.</i>	<i>\$0</i>

**8. Hoopes Dam**

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

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: None.

<i>Annual Debt Service Impact</i>	<i>\$168,750</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. &amp; E.</i>	<i>\$0</i>

**9. Small Water Meter Replacement Program**

Budget Request: \$6,000,000.

Program Request: \$0.

Budget: Provides funds for the replacement of 28,000 water meters located throughout the water district that are at the end of their useful life.

Program: None.

*Annual Debt Service Impact* \$225,000

*Annual Operational Impact Personal Services* \$0

*Annual Operational Impact M. S. & E.* \$0

**10. Architectural Improvements**

Budget Request: \$1,000,000.

Program Request: \$0.

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: None.

*Annual Debt Service Impact* \$37,500

*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* \$37,500

*Annual Operational Impact Personal Services* \$0

*Annual Operational Impact M. S. & E.* \$0

**12. Brandywine Filter Plant Improvements**

Budget Request: \$1,000,000.

Program Request: \$0.

Budget: Provides funds for structural, mechanical and aesthetic upgrades, including electrical, heating and HVAC system improvements, to the Brandywine Filter Plant.

Program: None.

*Annual Debt Service Impact* \$37,500

*Annual Operational Impact Personal Services* \$0

*Annual Operational Impact M. S. & E.* \$0

**13. WWTP Electrical System Improvements**

Budget Request: \$6,300,000.

Program Request: \$6,300,000.

Budget: Provides funds for the assessment and rehabilitation of the electrical distribution system at the Waste Water Treatment Plant (12<sup>th</sup> Street and Hay Road) to improve the reliability of operations.

Program: Ongoing.

*Annual Debt Service Impact* \$236,250

*Annual Operational Impact Personal Services* \$0

*Annual Operational Impact M. S. & E.* \$0

**14. 11<sup>th</sup> Street Pumping Station Reliability Improvements**

Budget Request: \$1,500,000.

Program Request: \$0.

Budget: Provides funds for the implementation of rehabilitation, reliability and capacity improvements to the 11<sup>th</sup> Street Pumping Station.

Program: None.

*Annual Debt Service Impact* \$56,250

*Annual Operational Impact Personal Services* \$0

*Annual Operational Impact M. S. & E.* \$0

**15. South Wilmington Wetlands Park**

Budget Request: \$3,500,000.  
Program Request: \$2,000,000.

Budget: Provides funds for the continued implementation of the wetlands restoration and storm water mitigation project in South Wilmington. Storm water management improvements include flood storage and drainage upgrades.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$131,250</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. &amp; E.</i>	<i>\$0</i>

**16. Sewer Separation Projects & Flow Monitoring**

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

Budget: Provides funds for the partial separation of combined sewers in the Interceptor A Basin, CSO 26 drainage area, and at 14<sup>th</sup> & Orange Streets. Funds are also provided for additional ongoing flow monitoring and mitigation efforts, to reduce overflow events.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$131,250</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. &amp; E.</i>	<i>\$0</i>

**17. 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.

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

**18. 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.

<i>Annual Debt Service Impact</i>	\$18,750
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

**19. Stormwater Mitigation (Green Infrastructure)**

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

Budget: Provides funds for expansion and implementation of green infrastructure projects to mitigate CSOs through the source control of storm water throughout the citywide collection system.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$37,500
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

**G. REAL ESTATE AND HOUSING**

**1. Acquisition and Demolition**

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

Budget: Provides funds for the purchase of vacant land and/or structures and related demolition costs for future development or neighborhood stabilization efforts.

Program: None.

<i>Annual Debt Service Impact</i>	\$71,500
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. &amp; E.</i>	\$0

## H. TRANSPORTATION

### 1. Traffic System Infrastructure

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

Budget: Provides funds for the implementation of the Improved Readability of Street Name Signs program; for traffic infrastructure improvements including traffic signals, smart parking meters and decorative street lights; and for implementing additional emerging parking technologies, in order to maintain the existing traffic control system.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$71,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. &amp; E.</i>	<i>\$0</i>

### 2. Wilmington Transportation Initiatives

Budget Request: \$2,000,000. (Other Funds: \$8,000,000)  
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. Also funds the implementation of adaptive signal controls and the installation of pedestrian ADA curb ramps.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$143,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. &amp; E.</i>	<i>\$0</i>





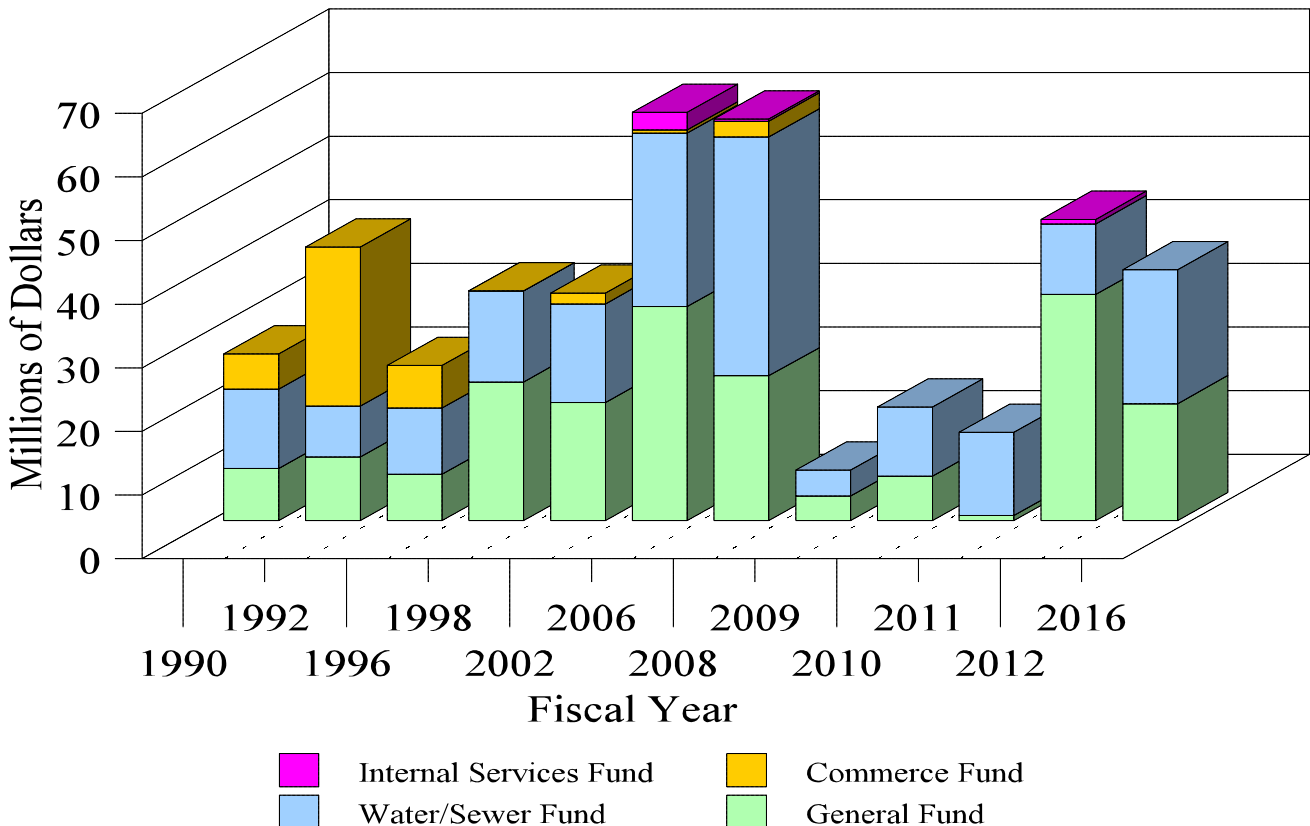
# CAPITAL BORROWING AND DEBT MANAGEMENT

## Borrowing History

The graph below illustrates the City's actual bond market participation for the fiscal years beginning with 1990 and ending in 2018. Amounts shown were borrowed for capital projects within the stated fund. In fiscal years 1994, 2002, 2005, 2007, 2008, 2010, 2012, 2013, 2017, and 2018, 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 2019 General Fund Operating Budget totaling \$162,299,001, the budgeted debt service of \$14,650,408 is well below the 17.5% legal debt limit of \$28,402,325.

### General Obligation Bond Issuances Fiscal Years 1990-2018



## **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. For instance, starting in 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 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 the Great Recession in 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. Continuing to concentrate on high-priority infrastructure projects, the City's most recent bond issuance (that was not a refinancing) was in November 2015 and was used to fund the FY 2014 Capital Budget.

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, although 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 \$28,402,325 for FY 2019). This State limit applies only to General Fund debt, not debt found in the Water/Sewer, Commerce, or Internal Service Funds.

The City's current bond rating from the three largest bond rating agencies are:

<b>Fitch:</b>	<b>AA-</b>	“Denotes expectations of very low default risk. Indicates very strong capacity for payment of financial commitments, and this capacity is not significantly vulnerable to foreseeable events.”
<b>Moody's:</b>	<b>Aa2</b>	“Issuers or issues demonstrate very strong creditworthiness relative to other US municipal or tax-exempt issuers or issues.”
<b>Standard &amp; Poor's:</b>	<b>AA</b>	“Very strong capacity to meet financial commitments.”

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

The five tables below depict past and future debt service payments broken out by principal and interest, total debt service, and debt service as a percentage of the annual budget. Fiscal Years 2011 through 2018 figures are actual payments. Fiscal Year 2019 is budget and 2020 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 4.44% for the General Fund, 4.57% 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.)

<b>GENERAL FUND</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>% of Total Budget</b>
<b>FY 2011</b>	2,837,124	5,409,868	8,246,992	5.3%
<b>FY 2012</b>	5,679,233	5,321,512	11,000,745	7.1%
<b>FY 2013</b>	7,243,632	5,074,873	12,318,505	7.8%
<b>FY 2014</b>	6,842,619	5,196,194	12,038,813	7.8%
<b>FY 2015</b>	7,570,521	4,907,923	12,478,444	8.5%
<b>FY 2016</b>	8,105,713	5,042,201	13,147,914	8.7%
<b>FY 2017</b>	8,626,347	4,940,993	13,567,340	9.0%
<b>FY 2018</b>	7,431,939	4,705,948	12,137,887	7.5%
<b>FY 2019</b>	9,615,780	5,034,628	14,650,408	8.8%
<b>FY 2020</b>	9,114,325	4,021,009	13,135,334	7.7%
<b>FY 2021</b>	9,397,043	3,660,301	13,057,344	7.5%
<b>FY 2022</b>	7,659,554	3,310,550	10,970,104	6.1%
<b>FY 2023</b>	7,589,534	2,982,815	10,572,349	5.8%
<b>FY 2024</b>	6,888,956	2,608,179	9,497,135	5.0%
<b>FY 2025</b>	6,924,731	2,274,570	9,199,301	4.8%
<b>FY 2026</b>	7,012,846	1,933,983	8,946,829	4.5%
<b>FY 2027</b>	6,162,937	1,604,589	7,767,526	3.8%
<b>FY 2028</b>	5,267,853	1,335,756	6,603,609	3.2%
<b>FY 2029</b>	4,737,497	1,105,180	5,842,677	2.7%
<b>FY 2030</b>	5,899,574	841,875	6,741,449	3.1%
<b>FY 2031</b>	5,142,471	588,273	5,730,744	2.6%
<b>FY 2032</b>	5,254,940	374,313	5,629,253	2.5%
<b>FY 2033</b>	1,235,035	235,589	1,470,624	0.6%
<b>FY 2034</b>	1,297,952	172,264	1,470,216	0.6%
<b>FY 2035</b>	1,363,199	105,735	1,468,934	0.6%
<b>FY 2036</b>	1,433,107	35,828	1,468,935	0.6%
<b>FY 2037</b>	0	0	0	0.0%
<b>TOTAL</b>	<b>\$156,334,462</b>	<b>\$72,824,949</b>	<b>\$229,159,411</b>	

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

<b>WATER/SEWER FUND</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>% of Total Budget</b>
<b>FY 2011</b>	4,162,803	4,283,208	8,446,011	11.5%
<b>FY 2012</b>	6,522,388	6,193,410	12,715,798	17.4%
<b>FY 2013</b>	7,612,383	5,965,399	13,577,782	18.5%
<b>FY 2014</b>	7,674,780	5,832,865	13,507,645	18.4%
<b>FY 2015</b>	8,799,955	4,833,333	13,633,288	21.0%
<b>FY 2016</b>	9,026,243	5,842,292	14,868,535	20.9%
<b>FY 2017</b>	8,877,456	6,130,690	15,008,146	20.5%
<b>FY 2018</b>	7,398,682	6,359,140	13,757,822	18.2%
<b>FY 2019</b>	10,653,418	7,290,421	17,943,839	23.2%
<b>FY 2020</b>	12,789,705	5,541,473	18,331,178	23.1%
<b>FY 2021</b>	12,559,189	5,141,625	17,700,814	21.8%
<b>FY 2022</b>	14,136,149	4,710,993	18,847,142	22.6%
<b>FY 2023</b>	14,007,210	4,244,665	18,251,875	21.4%
<b>FY 2024</b>	14,964,604	3,701,066	18,665,670	21.3%
<b>FY 2025</b>	15,174,494	3,150,055	18,324,549	20.4%
<b>FY 2026</b>	14,652,395	2,592,552	17,244,947	18.8%
<b>FY 2027</b>	13,961,407	2,057,894	16,019,301	17.0%
<b>FY 2028</b>	13,034,266	1,587,523	14,621,789	15.1%
<b>FY 2029</b>	8,441,899	1,353,855	9,795,754	9.9%
<b>FY 2030</b>	7,486,300	997,661	8,483,961	8.4%
<b>FY 2031</b>	9,248,632	740,839	9,989,471	9.6%
<b>FY 2032</b>	4,393,574	525,645	4,919,219	4.6%
<b>FY 2033</b>	5,120,273	175,952	5,296,225	4.8%
<b>FY 2034</b>	4,869,165	259,545	5,128,710	4.6%
<b>FY 2035</b>	1,958,357	133,572	2,091,929	1.8%
<b>FY 2036</b>	2,045,508	46,422	2,091,930	1.8%
<b>FY 2037</b>	0	0	0	0.0%
<b>TOTAL</b>	<b>\$239,571,235</b>	<b>\$89,692,095</b>	<b>\$329,263,330</b>	

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

<b>INTERNAL SERVICE FUNDS</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>% of Total Budget</b>
<b>FY 2011</b>	89,492	425,562	515,054	3.2%
<b>FY 2012</b>	495,641	406,364	902,005	5.6%
<b>FY 2013</b>	428,432	357,357	785,789	4.9%
<b>FY 2014</b>	280,927	397,391	678,318	4.2%
<b>FY 2015</b>	455,418	301,225	756,643	5.5%
<b>FY 2016</b>	480,091	213,883	693,974	6.0%
<b>FY 2017</b>	520,025	405,121	925,146	5.8%
<b>FY 2018</b>	460,958	266,423	727,381	4.3%
<b>FY 2019</b>	352,836	125,801	478,637	2.8%
<b>FY 2020</b>	423,131	111,810	534,941	3.0%
<b>FY 2021</b>	650,203	92,563	742,766	4.1%
<b>FY 2022</b>	455,620	72,291	527,911	2.8%
<b>FY 2023</b>	298,314	56,999	355,313	1.9%
<b>FY 2024</b>	220,348	42,193	262,541	1.3%
<b>FY 2025</b>	231,556	30,926	262,482	1.3%
<b>FY 2026</b>	243,360	19,084	262,444	1.3%
<b>FY 2027</b>	21,591	12,460	34,051	0.2%
<b>FY 2028</b>	297,240	5,976	303,216	1.4%
<b>FY 2029</b>	1,035	16	1,051	0.0%
<b>FY 2030</b>	0	0	0	0.0%
<b>TOTAL</b>	<b>\$6,406,218</b>	<b>\$3,343,445</b>	<b>\$9,749,663</b>	

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

<b>FUNDS COMBINED</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>% of Total Budget</b>
<b>FY 2011</b>	7,089,419	10,118,638	17,208,057	7.9%
<b>FY 2012</b>	12,697,263	11,921,286	24,618,549	11.8%
<b>FY 2013</b>	15,284,447	11,397,629	26,682,076	12.5%
<b>FY 2014</b>	14,798,326	11,426,450	26,224,776	11.5%
<b>FY 2015</b>	16,825,894	10,042,481	26,868,375	11.8%
<b>FY 2016</b>	17,612,047	11,098,377	28,710,424	11.8%
<b>FY 2017</b>	18,023,828	11,476,804	29,500,632	12.1%
<b>FY 2018</b>	15,291,579	11,331,511	26,623,090	10.5%
<b>FY 2019</b>	20,622,034	12,450,850	33,072,884	12.7%
<b>FY 2020</b>	22,327,161	9,674,292	32,001,453	12.0%
<b>FY 2021</b>	22,606,435	8,894,489	31,500,924	11.5%
<b>FY 2022</b>	22,251,323	8,093,834	30,345,157	10.8%
<b>FY 2023</b>	21,895,058	7,284,479	29,179,537	10.1%
<b>FY 2024</b>	22,073,908	6,351,438	28,425,346	9.6%
<b>FY 2025</b>	22,330,781	5,455,551	27,786,332	9.2%
<b>FY 2026</b>	21,908,601	4,545,619	26,454,220	8.5%
<b>FY 2027</b>	20,145,935	3,674,943	23,820,878	7.5%
<b>FY 2028</b>	18,599,359	2,929,255	21,528,614	6.6%
<b>FY 2029</b>	13,180,431	2,459,051	15,639,482	4.7%
<b>FY 2030</b>	13,385,874	1,839,536	15,225,410	4.4%
<b>FY 2031</b>	14,391,103	1,329,112	15,720,215	4.5%
<b>FY 2032</b>	9,648,514	899,958	10,548,472	2.9%
<b>FY 2033</b>	6,355,308	411,541	6,766,849	1.8%
<b>FY 2034</b>	6,167,117	431,809	6,598,926	1.7%
<b>FY 2035</b>	3,321,556	239,307	3,560,863	0.9%
<b>FY 2036</b>	3,478,615	82,250	3,560,865	1.0%
<b>FY 2037</b>	0	0	0	0.0%
<b>TOTAL</b>	<b>\$402,311,916</b>	<b>\$165,860,490</b>	<b>\$568,172,406</b>	



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

**GENERAL FUND**

<b>DEPARTMENT</b>	<b>ACTUAL FY 2015</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>BUDGET FY 2019</b>
<b>MAYOR'S OFFICE</b>	\$3,794,632	\$4,258,774	\$4,039,184	\$3,443,669	\$3,960,131
<b>% Departmental Expenses</b>	38.5%	39.3%	40.0%	33.0%	36.6%
<b>CITY COUNCIL</b>	816	664	683	707	720
<b>% Departmental Expenses</b>	0.0%	0.0%	0.0%	0.0%	0.0%
<b>PLANNING</b>	191,646	130,522	239,454	259,928	216,657
<b>% Departmental Expenses</b>	12.0%	8.7%	13.6%	13.9%	12.7%
<b>FINANCE</b>	6,488	18,061	37,027	23,044	85,848
<b>% Departmental Expenses</b>	0.1%	0.2%	0.4%	0.2%	0.9%
<b>HUMAN RESOURCES</b>	22,567	24,457	21,160	17,714	20,258
<b>% Departmental Expenses</b>	1.1%	1.2%	1.0%	0.8%	0.9%
<b>LICENSES &amp; INSPECTIONS</b>	4,576	4,659	4,791	4,960	5,053
<b>% Departmental Expenses</b>	0.1%	0.1%	0.1%	0.1%	0.1%
<b>PARKS &amp; RECREATION</b>	1,778,749	1,726,299	1,904,284	1,447,763	1,911,759
<b>% Departmental Expenses</b>	19.0%	19.8%	19.8%	16.5%	20.7%
<b>FIRE</b>	414,205	610,265	678,013	705,697	1,381,947
<b>% Departmental Expenses</b>	1.7%	2.5%	2.3%	2.8%	5.3%
<b>POLICE</b>	432,665	418,715	392,191	412,132	312,357
<b>% Departmental Expenses</b>	0.7%	0.8%	0.6%	0.7%	0.5%
<b>PUBLIC WORKS</b>	3,319,850	3,837,339	3,762,217	3,575,265	4,986,551
<b>% Departmental Expenses</b>	15.0%	16.6%	16.8%	14.6%	19.1%
<b>REAL ESTATE &amp; HOUSING</b>	1,168,684	837,382	1,197,790	1,576,556	858,173
<b>% Departmental Expenses</b>	63.5%	58.4%	62.0%	73.3%	48.6%
<b>COMMERCE DEPARTMENT</b>	1,343,565	1,280,777	1,290,546	512,858	910,954
<b>% Departmental Expenses</b>	100.0%	100.0%	100.0%	100.0%	100.0%

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

**GENERAL FUND (CONTINUED)**

DEPARTMENT	ACTUAL FY 2015	ACTUAL FY 2016	ACTUAL FY 2017	BUDGET FY 2018	BUDGET FY 2019
<b>TOTAL DEBT SERVICE</b>	<b>\$12,478,444</b>	<b>\$13,147,914</b>	<b>\$13,567,340</b>	<b>\$11,980,293</b>	<b>\$14,650,408</b>
<b>% General Fund</b>	<b>8.2%</b>	<b>8.7%</b>	<b>8.3%</b>	<b>7.7%</b>	<b>9.0%</b>
<b>LEGAL DEBT SERVICE LIMIT (17.5%)</b>	<b>\$26,487,904</b>	<b>\$26,310,090</b>	<b>\$28,654,825</b>	<b>\$27,111,539</b>	<b>\$28,402,325</b>

**WATER/SEWER FUND**

DEPARTMENT	ACTUAL FY 2015	ACTUAL FY 2016	ACTUAL FY 2017	BUDGET FY 2018	BUDGET FY 2019
<b>PUBLIC WORKS</b>	<b>\$4,833,333</b>	<b>\$5,828,772</b>	<b>\$6,495,711</b>	<b>\$6,328,954</b>	<b>\$7,245,766</b>
<b>% of Department Expenses</b>	<b>8.1%</b>	<b>9.6%</b>	<b>9.9%</b>	<b>9.6%</b>	<b>10.4%</b>
<b>TOTAL DEBT SERVICE</b>	<b>\$4,833,333</b>	<b>\$5,842,292</b>	<b>\$6,505,585</b>	<b>\$6,359,140</b>	<b>\$7,290,421</b>
<b>% of Water/Sewer Fund</b>	<b>7.6%</b>	<b>9.0%</b>	<b>9.3%</b>	<b>8.9%</b>	<b>9.7%</b>

**INTERNAL SERVICE (IS) FUNDS**

DEPARTMENT	ACTUAL FY 2015	ACTUAL FY 2016	ACTUAL FY 2017	BUDGET FY 2018	BUDGET FY 2019
<b>MAYOR'S OFFICE</b>	<b>\$136,708</b>	<b>\$115,346</b>	<b>\$112,038</b>	<b>\$73,945</b>	<b>\$75,049</b>
<b>% of Department Expenses</b>	<b>2.1%</b>	<b>1.6%</b>	<b>1.4%</b>	<b>0.9%</b>	<b>0.8%</b>
<b>PUBLIC WORKS</b>	<b>164,517</b>	<b>98,537</b>	<b>202,045</b>	<b>192,479</b>	<b>177,957</b>
<b>% of Department Expenses</b>	<b>2.2%</b>	<b>1.4%</b>	<b>2.7%</b>	<b>2.5%</b>	<b>2.3%</b>
<b>TOTAL DEBT SERVICE</b>	<b>\$301,225</b>	<b>\$213,883</b>	<b>\$314,083</b>	<b>\$266,424</b>	<b>\$253,006</b>
<b>% of IS Fund</b>	<b>2.1%</b>	<b>1.5%</b>	<b>2.0%</b>	<b>1.6%</b>	<b>1.5%</b>

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

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

**ALL FUNDS**

<b>ALL DEPARTMENTS</b>	<b>ACTUAL FY 2015</b>	<b>ACTUAL FY 2016</b>	<b>ACTUAL FY 2017</b>	<b>BUDGET FY 2018</b>	<b>BUDGET FY 2019</b>
<b>TOTAL DEBT SERVICE</b>	<b>\$17,613,002</b>	<b>\$19,190,569</b>	<b>\$20,377,134</b>	<b>\$18,605,857</b>	<b>\$22,149,180</b>
<b>% of All Funds</b>	<b>8.2%</b>	<b>8.9%</b>	<b>8.7%</b>	<b>8.2%</b>	<b>9.3%</b>

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

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE  
AND NET BONDED DEBT PER CAPITA  
FISCAL YEARS 1996-2018**

<b>Fiscal Year-end</b>	<b>Taxable Assessed Value</b>	<b>Gross Bonded Debt</b>	<b>Gross Debt Payable from Enterprise, Internal Service, and State Funds</b>	<b>Net General Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt per Capita</b>
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
2017	2,174,853,025	286,628,777	177,913,124	108,715,653	5.00%	1,534
2018	2,160,800,395	271,400,882	170,053,484	101,347,398	4.69%	1,430

**TOTAL DEBT BALANCES BY YEAR**  
**FISCAL YEARS 2019-2037**

<b>First Day of Fiscal Year</b>	<b>General Fund Debt</b>	<b>Water/Sewer Fund Debt</b>	<b>Internal Service Funds Debt</b>	<b>Total Debt</b>
2019	101,347,398	167,843,722	2,209,762	271,400,882
2020	92,381,556	168,843,127	2,842,398	264,067,081
2021	83,267,231	156,053,422	2,419,267	241,739,920
2022	73,870,188	143,494,233	1,769,067	219,133,488
2023	66,210,634	129,358,084	1,313,444	196,882,162
2024	58,621,100	115,350,874	1,015,130	174,987,104
2025	51,732,144	100,386,270	794,782	152,913,196
2026	44,807,413	85,211,776	563,226	130,582,415
2027	37,794,567	70,559,381	319,866	108,673,814
2028	31,631,630	56,597,974	298,275	88,527,879
2029	26,363,777	43,563,708	1,035	69,928,520
2030	21,626,280	35,121,809	0	56,748,089
2031	15,726,706	27,635,509	0	43,362,215
2032	10,584,234	18,386,877	0	28,971,111
2033	5,329,294	13,993,303	0	19,322,597
2034	4,094,259	8,873,030	0	12,967,289
2035	2,796,306	4,003,865	0	6,800,171
2036	1,433,107	2,045,508	0	3,478,615
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, and 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 that 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.