



Michael S. Purzycki, Mayor



**City of
Wilmington
Annual Budget
Fiscal Year 2020**

City of Wilmington Delaware



Approved Budget FY 2020

Michael S. Purzycki
Mayor

Prepared by the
Office of Management and Budget

Fiscal Year 2020 • Approved by City Council • May 21, 2019



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

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**City of Wilmington
Delaware**

For the Fiscal Year Beginning

July 1, 2018

Christopher P. Morill

Executive Director

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, 2018.

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.

CITY ADMINISTRATION

Mayor - Michael S. Purzycki

Treasurer - Velda Jones-Potter

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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

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At Large Rysheema Dixon

At Large Samuel L. Guy

At Large Loretta Walsh

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Marchelle Basnight, City Council Chief of Staff

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Kevin F. Kelley

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Jeffrey J. Starkey

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Kelly A. Williams

Terence J. Williams

Chief of Staff

Director of Human Resources

Chief of Fire

Director of Economic Development Office

City Solicitor

Director of Planning

Director of Parks and Recreation

Director of Emergency Management Office

Commissioner of Licenses & Inspections

Director of Finance

Chief of Police

Director of Real Estate and Housing

Commissioner of Public Works

City Auditor

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Robert G. Winkeler

George G. Hayford

Stephanie L. Mergler

Daniel P. Owens

Budget Director

Assistant Budget Director

Fiscal & Operations Analyst

Fiscal & Operations Analyst

Fiscal & Operations Analyst

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City of Wilmington



MICHAEL S. PURZYCKI
Mayor

FISCAL YEAR 2020 BUDGET MESSAGE

PROGRESS

I am proud to have served for the past two years as Mayor of the City of Wilmington. If I could distill this message into a few words, they would be this: In spite of the occasional political discord, there are many accomplishments we can be proud of and much to look forward to.

While acknowledging that challenges remain, the state of the City is vastly improved and getting better every day. Today we are a more confident and optimistic city. Wilmington is getting its swagger back.

By any measure, we are in a far better place than we were just a few years ago. Remember that the DuPont building was vacant (650,000 square feet of empty office space), adding to the massive office vacancies which included a number of the Bank of America buildings. The crime rate earned unwanted national attention, with 2017 being the most violent year in the City's history. Morale in our uniformed departments was at an all-time low. Our public buildings were tired, our parks were in disrepair, and the public was baffled that the City would not accept a \$20 million offer from Salesianum School to improve Baynard Stadium. Residents and businesses were moving out and fewer visitors were coming in.

As we took office in 2017, we were greeted with an \$8.5 million hit to our fund balance because of uninsured workers' compensation claims and unbudgeted retroactive labor union contract settlements. Our initial financial projections indicated a cumulative five-year budget deficit surpassing \$50 million if immediate actions were not taken.

But at that time, as we got to know one another and trust one another, we all worked together with a strong sense of common purpose to move the City forward and solve problems. Our first job was to get new leadership for our Police Department. Chief Robert Tracy is the first police chief to come from outside the Department and the transformation has been dramatic. The year 2018 was the least violent of the past 15 years. The men and women of our Police Department have done an extraordinary job of reducing shootings, shooting victims, and homicides. The Department's effort to build relationships with the community has resulted in a homicide clearance rate above the national average, and far above the clearance rate for urban centers. But crime is not just the responsibility of the Police Department. Police are not responsible for substandard housing, broken neighborhoods, struggling schools and inadequate support systems - we are. And in the end, it is our responsibility to lead in the effort to restore health to these fragile social ecosystems.

Development projects are now underway in every part of Wilmington. These include the addition of almost 1,000 new apartments (including more downtown), two more hotels on the Riverfront to complement the Westin, new restaurants all over town, a new bridge across the Christina River, and the South Wilmington wetlands and park project on the Christina's east bank.

Rodney Square is going to have a badly needed facelift, including a new fountain that will animate the square and brighten the City's center, making it more inviting to all. And the beautifully restored and re-purposed Cathedral of St. John in Brandywine Village will provide 53 units of affordable housing for low-income seniors.

The 76ers Elite Training Facility is already a beacon for our City and a major event space. Our kids can play their big games in this championship athletic environment. Chemours has occupied the renovated DuPont Building in spectacular office space that no one who worked here in the past would ever recognize. The cosmopolitan DECO Food Hall has recently opened. On the 7th Street Peninsula, the piles are being driven for the Pine Box, a 150,000 square foot multi-purpose sound stage that will add a new dimension to the Wilmington economy, while helping boost our national image when performers come from around the country to rehearse and perform.

The West Center City neighborhood stabilization continues, albeit at a slower pace than I had hoped. But The William Hicks Anderson Community Center (WHACC) is being transformed and the neighborhood is safer. A number of homes are being rehabilitated. Forty homes have received facade improvement grants. The land bank has contracted with a developer for the rehabilitation of five homes on 9th Street alone.

The Wilmington Housing Authority (WHA) has received approval from the US Department of Housing and Urban Development (HUD) to improve 42 homes across the City for home ownership. WHA is also a full partner in the Purpose Built Community project, a 400-unit complete redevelopment of Riverside. REACH Riverside has acquired the former Prestige Academy to build the Teen Warehouse, a teen learning and social services center. Together these two ambitious projects have the potential to transform the northeast side of our city.

UNMET EXPECTATIONS

While I am pleased with much of what we have accomplished, I remain disappointed that we have not done more.

I am disappointed that after five years we have not been able to reach an accord with our friends in New Castle County on a sewage treatment agreement. Consequently, we have referred the matter to arbitration. While we are confident of our position, we are willing to live with the consequences of the arbitrator rather than waste any more time trying to negotiate in vain.

Also regarding New Castle County, the Delaware Chancery Court has allowed us to join in a case where the issue of a long overdue property tax reassessment is being litigated. Too many of our citizens have been overtaxed for years. This applies generally to condominiums, but also to some poorer neighborhoods, where homeowners on the East Side, for example, pay a 20% average premium over what they should be paying. The County's lack of responsibility for decades has left the City in a vulnerable financial position, as reductions in assessments continue to erode property tax revenue.

We have had to deal with the disappointing failure of the Wilmington Housing Partnership. Its primary problem, aside from too many poor management decisions, was over \$5 million of debt that had been

borrowed from as far back as 2007, a major portion for which the City is now directly responsible, and for which there was never any reasonable prospect for repayment. After accounting for most of the creditor claims, we have decided to pay off the \$3.4 million portion of the City's assigned liability by restructuring the debt. Our debt position will remain exactly the same as before the restructuring. We will not use any current assets or cash to pay down the loan as has been otherwise proposed; to do so would needlessly strain our budget, requiring the cutting of services and programs or raising taxes. We did not create this problem, but like many legacy conditions we confront, it is up to us to solve it.

I want to also remind Council that there is our unfinished business in dealing with the issue of substandard housing. This so-called "blight issue", which is directed at rental housing in particular, has been before Council since my predecessor's administration. I believe the revised pending legislation addresses every reasonable objection raised in the past, including the need to support greatly expanded inspection and enforcement efforts with increases to annual rental business license fees. I implore Council to deal with this matter at once and to treat it as our most pressing issue. The children living in these poorly maintained homes and decaying neighborhoods are depending on us.

IMPROVED GOVERNMENT AND QUALITY OF LIFE

Disappointment will not deter us from pursuing continual improvement and progress. We have a plan for the installation of LED smart lighting throughout the entire city. The first phase, to be started this summer, will be for 250 lights to be installed in a number of neighborhoods, with the full installation to be completed over the next two years.

We are positioning ourselves as a smart city because we want the latest in technology and data to help our government to be more efficient. The budget includes funds to administer a small cell installation program that will complete 4G technology and eventually bring 5G higher speed technology to Wilmington.

Our parks and recreational facilities will again be a source of pride after years of disinvestment. WHACC is being completely refurbished. It will be a welcoming, bright, beautifully designed building with a sparkling new gym, computer room, lockers, and activity and study areas. But there will be one conspicuous absence - the intimidating security gate at the entrance will be gone. Our belief is that if we treat our youngsters like criminals, they will behave like criminals. If we treat them with trust and respect they will learn to return that respect. And it was at WHACC earlier this year that in cooperation with Simon Eye, a most generous corporate partner, we provided 300 citizens with new pairs of eyeglasses free of charge. We are scheduling a return visit in the upcoming months.

The former Baynard Stadium (now renamed as Abessinio Stadium) is receiving a \$20 million makeover by Salesianum School, and will be available to City children to a greater extent than ever before, thanks to Council and the leaders of Salesianum, who worked hard to reach a fair agreement. At the same time, Eden Park is getting a complete overhaul, which will include new pools, a new artificial turf field, and an adjacent practice field. All work is expected to be completed by this summer. We have also made long overdue investments in neighborhood parks, like Father Tucker, Connell, Speakman, Brown-Burton-Winchester, and Kosciuszko.

Our City/County office building is somewhat drab and tired, though better than it was a year ago. Its condition is a reflection of how we used to see ourselves. I stated a year ago that things are going to change. The modest improvements to our lobby already have made a noticeable change in the appearance of the building, and much more is still to come. These improvements are not just cosmetic any more than good grooming is cosmetic. It sets the tone for our workforce. It sends a message to employees and visitors that in this building there are expectations, and that we perform with pride in what we do each day. This is why

we are also renovating every one of our firehouses for the first time in decades. Our first-class firefighters deserve a first-class working environment.

Perhaps our greatest source of accomplishment this year has been with our Historically Black Colleges & Universities (HBCU) Week activities, which involved almost 10,000 attendees at a host of different events. This included the 1,700 students who attended our college fair, the 7,000 citizens who attended the battle of the bands, and the 300 who attended our recent celebratory banquet. These efforts have resulted in over 1,000 admissions and \$1 million in scholarships, including \$400,000 in technology and science scholarships from our friends at Chemours.

We are so much more efficient than we were in the past. For example, as a result of our new utility billing call center, our pickup time for calls has improved from a previous average of six minutes to a current time of 11 seconds. Abandoned calls have dropped from 25% to 2%. And 70% of all complaints to the center are resolved in the first call. This will be the standard for customer service in this government across-the-board.

Our one-source 311 system for all City inquiries will be up and running this summer, as will Open Gov, a government transparency platform, revealing every aspect and statistic of the City to the public. And On Base, which will digitize our permitting process, is now in the final stages of beta testing. We are employing CitiStat, a performance measurement system put into practice with great success by the City of Baltimore. The system helps to assess department efficiency and to keep our departments goal-oriented and accountable for achieving these goals.

Our first responders continue to do outstanding work, and overtime spending in both the Police and Fire Departments, seemingly uncontrollable for years, is coming in at or under budget for the first time in recent memory.

We will announce soon the reintroduction of our Beautiful City initiative. We have allocated \$400,000 in this budget in part to engage neighborhood organizations to keep our City clean. At the same time, the Delaware Dept of Transportation (DelDOT) and Public Works have been coordinating similar programs which will ensure that both major roadways and neighborhood streets are kept cleaner than ever before.

BUDGET HIGHLIGHTS

My first budget address included a five-year financial plan. The cornerstone of that plan included a 7.5% percent property tax increase, providing for a planned surplus. Council adopted that budget and soon after approved the creation of a tax stabilization reserve. There was no tax increase last fiscal year and there is no increase needed to balance this year's operating budget. I am also pleased to report that at the same time our critically important total fund balance value in the General Fund has been restored to over \$40 million, erasing the \$8.5 million deficit we inherited in FY 2017.

For the Water/Sewer Fund, we remain in the position of shoring up our reserve funds to meet industry standards and utility best practices. We recommended, and Council approved, a weighted-average total increase of 3.8% in the water, sewer, and stormwater bills to City customers. At the same time, the rate for City-supplied water to our County customers was not increased, owing to a long-standing disparity in charges for service between City and County customers. Like many others, this issue has been ignored for too long. We intend to find the correct balance between City and County rates and to work step-by-step toward achieving that goal.

The General Fund

- The FY 2020 operating budget expenditures total \$167,387,739 – up \$5,088,738 or 3.1% from FY 2019. The budget was balanced without a Property Tax increase or use of the Tax Stabilization Reserve.
- The Mayor's Office Internal Services Funds were consolidated into the new Department of Information Technologies in the General Fund. The new Department has an FY 2020 budget of just under \$8.6 million. However, the costs of the services of data processing, document management, mail, duplication & printing, mapping & graphics, and communications will no longer be prorated back to users. This allowed the elimination of the departmental internal service chargeback accounts across all City funds and departments, saving the General Fund \$6.5 million and largely offsetting the cost of the new department. The remaining \$2.1 million net cost increase to the General Fund (\$8.6 million minus \$6.5 million) was covered by a corresponding equal increase in Indirect Costs revenue. Thus, the net effect of the new department on the bottom line of the General Fund was zero.
- The budget contains a \$1.5 million allowance for up to a 2.0% cost-of-living-adjustment (COLA) salary increase for eligible employees. In addition, mandatory anniversary salary step increases for certain employees added \$381,000 to the budget.
- Staffing increased by a net total of 30.42 full-time equivalents (FTE), which includes changes made in the mid-FY 2019 budget amendment, along with the results of the latest biennial employee appeals process. The change in FTE, along with other personnel actions, including changes in grades and salary adjustments, resulted in a total net increase of \$2.91 million. The total cost of the appeals process in the General Fund was \$120,031.
- Exclusive of the new Department of Information Technologies, the budget for Consultants rose \$675,000, with major increases in Planning (up \$225,000), Police (up \$165,400), Public Works (up \$105,000), HR (a new \$100,000 request), and Fire (up \$67,200). In Planning, the increase will fund a consultant to complete the next phase of the City's ADA compliance self-evaluation and transition plan. Police and Fire have biennial job employee promotion processes administered by specialized consultants. Because FY 2020 will be an active year, the increases in Police and Fire are to cover the fees of those consultants. In Public Works, almost the entire increase will be used to pay for consultants to assist with 5G and small cell wireless infrastructure deployment in the City. Finally, in HR the new \$100,000 request will fund two separate items. One is a study for \$50,000 regarding the implementation of a new classification and compensation system. The remaining \$50,000 is for what is being called City University, a varied series of employee training and development opportunities provided by consultants.
- As part of Wilmington's Beautiful City Initiative, \$400,000 was allocated to Real Estate & Housing to support the day-employment clean-up program for a second year. This program hires local residents to clean streets and neighborhoods, giving them an opportunity to earn money throughout the summer while providing an important benefit for the entire City.
- Enhancing services in the Public Works and Parks & Recreation Departments was the driving force behind the \$223,000 increase in Temporary Agencies (excluding the new Department of Information Technologies). In the Parks Maintenance Division, \$93,000 was added to increase the number of workers and expand coverage into the winter months. To keep up with the increase in street maintenance work, pothole repairs, and sidewalk installations, \$70,000 was added in the Public Works Street Maintenance Division for additional labor. In the Street Cleaning Division of Public Works, the \$50,000 increase is designated to provide workers for urban forestry and corridor cleanup throughout the City.

- There was a \$212,000 rise in the Collection Expense - Parking Citation Commissions account. The contract with Conduent, the City's provider of parking citation processing and collections, increased \$162,000. The contract stipulates an annual fee increase of 2.5%. In addition, \$50,000 was included for a separate comprehensive accounts receivable review and expanded collection effort.
- As part of the HR Department's reorganization, the payroll function was outsourced to Automatic Data Processing, Inc (ADP) at a cost of \$93,115. This was one of the two major items that contributed to the citywide \$159,300 increase (excluding the new Department of Information Technologies) in the Miscellaneous Services - N.O.C. account. The other major contributor to the increase in the account was also in the HR Department, where \$50,000 was added for the cost of external investigations.
- In the Fire Department, \$141,000 was added to the Accessories & Parts For Equipment account for Knox Box replacement, Cradlepoint connectivity for fire trucks, and the necessary outfitting of three pieces of firefighting apparatus.
- A delay in the full implementation of the proposed city-wide municipal solid waste container and recycling program allowed a \$268,000 reduction in the Recycle Bank Program account in Public Works.
- Exclusive of the new Department of Information Technologies, Debt Service decreased by a net \$891,000. The majority of the projected additional debt service budgeted last fiscal year for the bond financing of the FY 2016-2017 Capital Budget was not realized because an interest-only Bond Anticipation Note (BAN) was utilized to finance the Capital Budget instead.

The Water/Sewer Fund

- The FY 2020 operating budget expenditures total \$77,925,640 – up \$2,476,020, or 3.2% from FY 2019. The FY 2020 Budget continues to support the high-priority initiatives essential to achieving financially self-sustaining and environmentally-sound water, sewer, and stormwater utilities. These include an accelerated Combined Sewer Overflow (CSO) mitigation effort, and finished water filtration and supply improvements that exceed EPA standards, contributing to the stability of northern Delaware's water supply, especially in times of drought.
- The budget contains a \$161,100 allowance for up to a 2.0% cost-of-living-adjustment (COLA) salary increase for eligible employees. In addition, mandatory anniversary salary step increases for certain employees added \$75,650 to the budget.
- Staffing increased by a net total of 1.80 full-time equivalents (FTE) and includes changes made in the mid-FY 2019 budget amendment, along with the results of the latest biennial employee appeals process. The change in FTE, along with other personnel actions, including changes in grades and salary adjustments, resulted in a total net increase of \$177,804. The total cost of the appeals process in the Water/Sewer Fund was \$45,271.
- The Indirect Cost expense to the Water/Sewer Fund rose by nearly \$2.3 million, reflecting the effect of the new Department of Information Technologies created in the General Fund. However, that increase is almost completely offset by the approximately \$2.2 million in savings resulting from the elimination of the Internal Services Funds departmental chargeback accounts.
- Depreciation increased \$1.35 million, reflecting the aggressive infrastructure replacement program adopted by the Public Works Department that increased both the number and value of the City's water, sewer, and stormwater infrastructure fixed assets.

- There is a \$1 million increase in the Contracted Maintenance Services account. The vast majority of the rise is attributable to the \$935,000 increase in the cost of the contract with Veolia to operate and maintain the City's sewage treatment plant. The fee paid to Veolia is adjusted each year using mutually agreed upon cost indices.
- In the Finance Department, the Miscellaneous Services account group rose by over \$553,000. The Department is implementing a Water Utility Call Center to be hosted by a third-party entity at a cost of \$400,000. Since the transition from quarterly to monthly water/sewer billing, the Department has seen a sizeable increase in customer calls and inquires, that at times, has overwhelmed the existing City customer service employees. The change to monthly billing has also increased the payments flowing through the Department's lockbox service, necessitating an increase of \$140,000 in the Lockbox Charges account.
- The \$259,000 increase in the Postage-Direct Charge account reflects the cost for the monthly processing and mailing of water/sewer bills that had previously been paid through the now-eliminated Postage internal service chargeback account. The Postage chargeback account was budgeted at \$190,000 last fiscal year. Thus, the net cost of mailing water/sewer bills has increased \$69,000 or 36%.
- The Repairs to Equipment account in the Water System Division was reduced by \$836,000, reflecting the better alignment of projected spending with electrical and mechanical preventative maintenance and testing program schedules.
- Total Debt Service decreased by just over \$981,400. The City continues to benefit from participation in the State's low-cost revolving loan fund, low bond interest rates, and the use of cash-on-hand for smaller water and sewer infrastructure projects.
- Although there are no increases in stormwater rates, there were revisions to some water and sewer customer classes and rates that will result in a weighted-average increase of 3.82% in the water/sewer bills of City residential customers. The typical City residential customer using 4,000 gallons per month will see their bill increase by \$2.21.

A VISION FOR A JUST CITY

My vision for Wilmington is that it becomes known as a just city. A just city means that we treat all neighborhoods and members of our community with equal respect. It means, above all, that people with problems believe that someone is listening and that somebody cares. A just city aspires to spread the wealth across race and class. It opens doors to employment and opportunity. A just city insists on clean and adequate housing for all its residents, attractive parks for its children to play in and properly funded schools for our leaders of tomorrow. A just city keeps its streets clean of the trash that conditions children to think that filth is normal. In a just city our neighborhoods bring us together – they don't separate us. This coming together requires that we pull our neighbors up and not push any out. A just city welcomes new residents to add to the cultural tapestry, while ensuring existing citizens are not displaced.

A just city celebrates the lives of those whose deeds history has too often forgotten – individuals like Tuskegee Airman Fred Johnson, our own hidden figure whose bust now sits in Warner School thanks to the efforts of our Cultural Affairs Director. A just city ensures that its children are properly educated. A just city opens doors to college for those for whom higher education is an unattainable dream. And in a just city our corporate community stands shoulder to shoulder with us, helping us to reach our goals.

To achieve this vision, we need economic prosperity and financial stability to allow us to fund the programs necessary to build our city. Never forget that cities either grow or they die. We cannot separate the developers, the corporate community, and the investors from the rest of us. We are in this together.

CONCLUSION

The future of the City is in our hands. If we draw upon the greatness that lies deep within our DNA, we can put Wilmington back on the map again. But if we wallow in the world of petty grievances and fight over political scraps and crumbs, we all lose.

I am reminded that Fred Johnson never let others limit him. He simply lived to his aspirations. He was an African American who flew planes in World War II, a Tuskegee Airman, a star athlete and outstanding academic, who returned home to teach in schools where all teachers were white, and where a friend of mine taught by Fred called him the best teacher she ever had. A congressional medal winner, Fred never let himself be limited by a lack of vision and he would tell us we should not either.

We have come far in two short years, yet there is so much more to do. Let's commit to continuing the journey - together.

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.

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WILMINGTON FACTS & FIGURES

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

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

LAND AREA AND POPULATION DENSITY

	<u>2000 Population</u>	<u>2010 Population</u>	<u>% Change</u>	<u>Land Area (sq. mile)</u>	<u>2010 Population Density (sq. mile)</u>
City	72,664	70,851	-2.5%	10.9	6,530.0
New Castle County	500,265	538,479	7.6%	426.3	1,263.2
Greater Wilmington Area	586,216	639,587	9.1%	774.3	826.0
State of Delaware	783,600	897,934	14.6%	1,955.0	460.8

Population

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

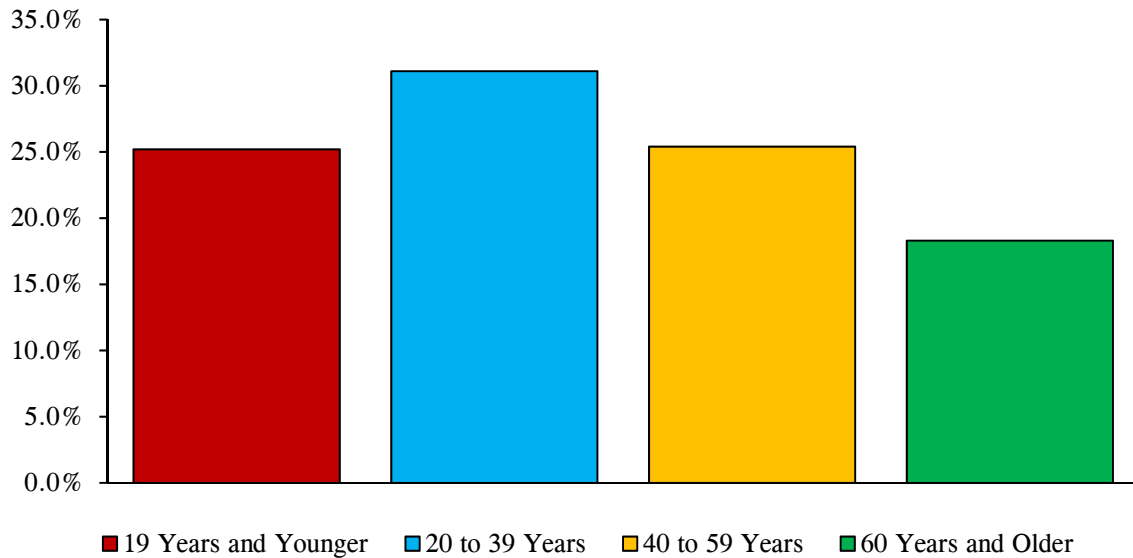
POPULATION TRENDS

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

CITY OF WILMINGTON DEMOGRAPHICS STATISTICS

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

Percentage of Population by Age Group



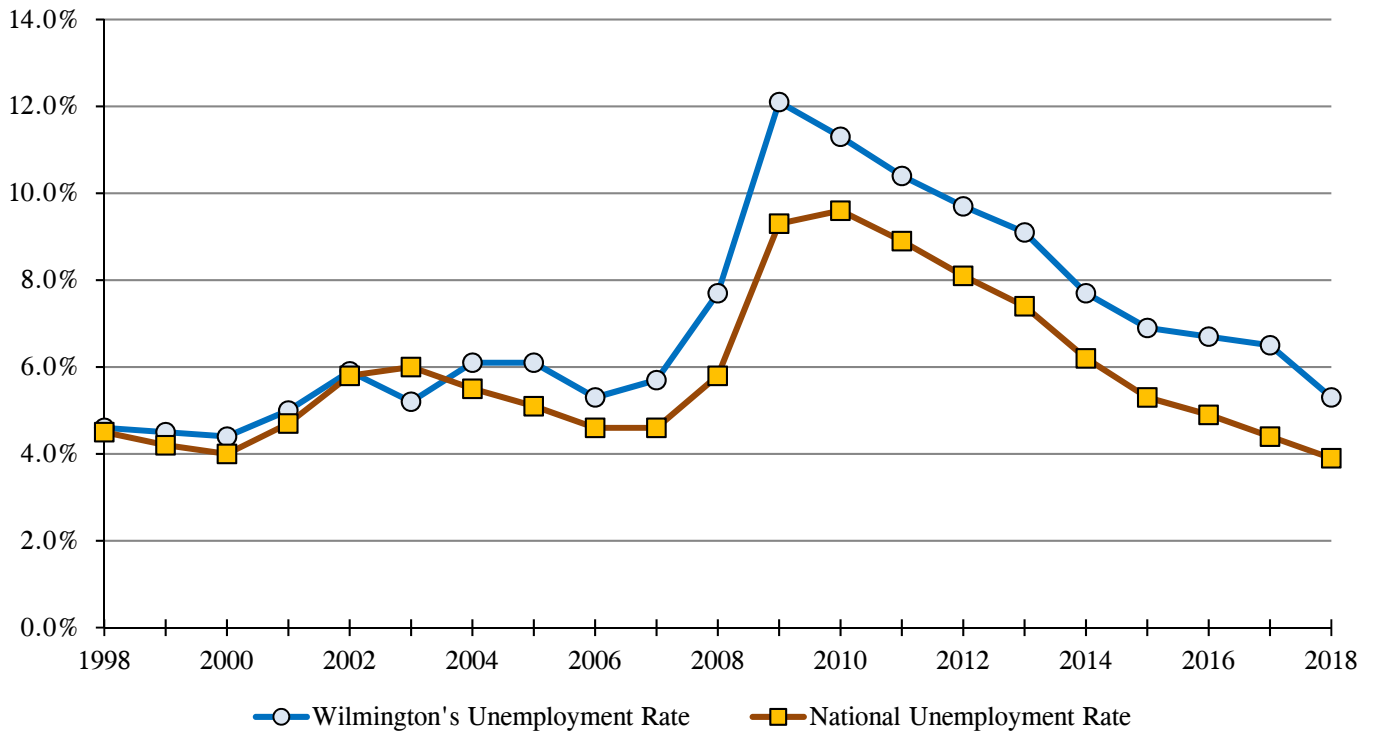
PERCENT OF HOUSEHOLDS BY ANNUAL INCOME (in 2017 inflation adjusted dollars)	
\$0 to \$9,999	10.5%
\$10,000 to \$14,999	5.2%
\$15,000 to \$24,999	11.6%
\$25,000 to \$34,999	12.9%
\$35,000 to \$49,999	12.5%
\$50,000 to \$74,999	15.9%
\$75,000 to \$99,999	9.9%
\$100,000 to \$149,999	11.5%
\$150,000 or more	9.9%
MEDIAN HOUSEHOLD INCOME	\$40,221

Source: U.S. Census Bureau, 2017 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 disproportionate 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.

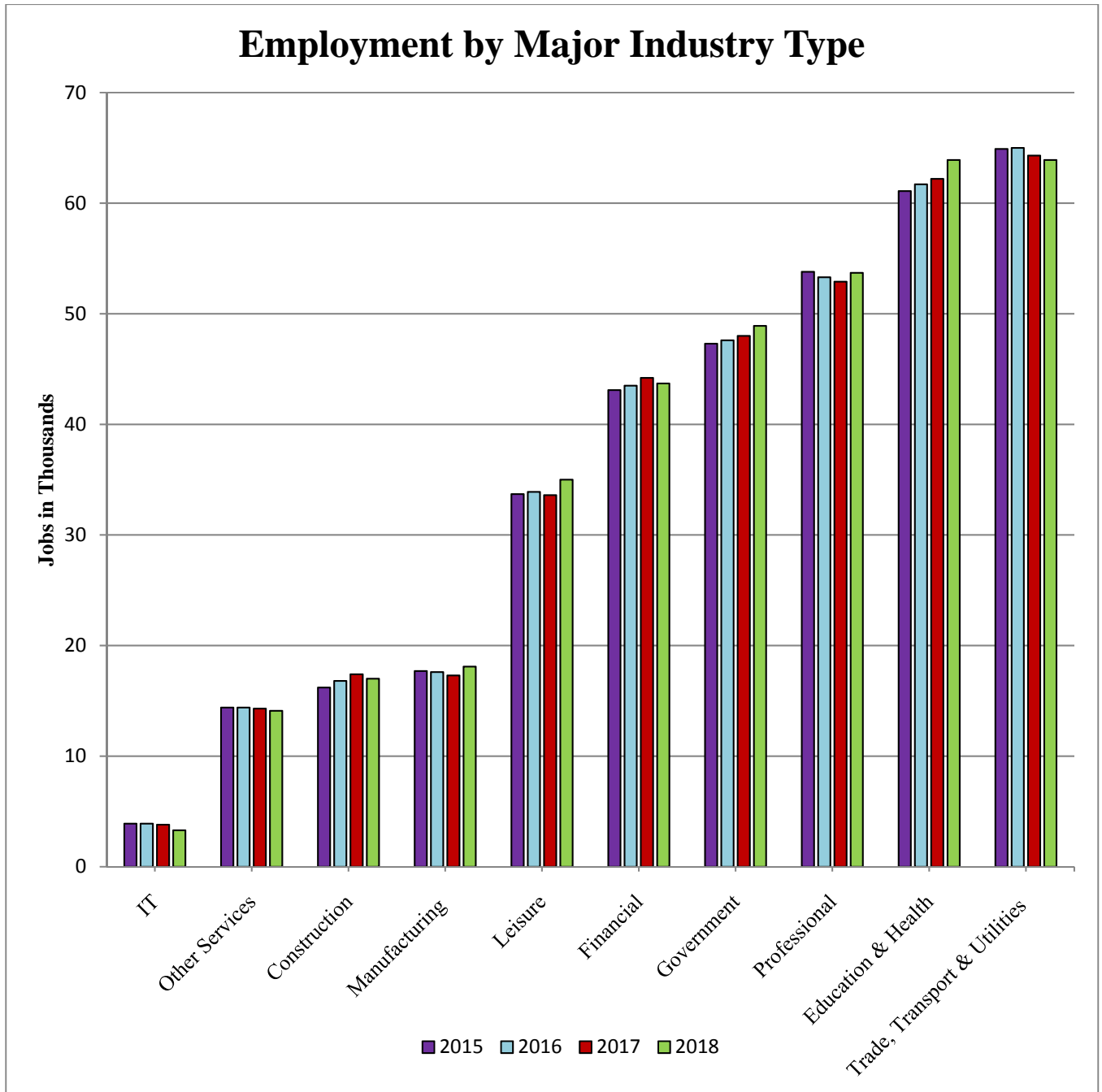
City of Wilmington's Unemployment Rate (%)



Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics & Annual Average Unemployment Rate, 2018.

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, 2018.

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. While net profits and head tax revenues have varied during the period detailed below, the diversity of the City's wage tax base has increased or remained stable.

TOP TEN TAXPAYERS

Wage Tax

Fiscal Year	Wage Tax Withholdings by Top Ten Taxpayers	Total Wage Tax Withholdings	Top Ten Wage Tax Withholdings as a % of Total
2018	\$22,529,813	\$60,466,936	37.3%
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

Fiscal Year	Net Profits Tax Payments by Top Ten Taxpayers	Total Net Profits Tax Payments	Top Ten Net Profits Tax Payments as a % of Total
2018	\$2,454,872	\$6,449,989	38.1%
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

Fiscal Year	Head Tax Payments by Top Ten Taxpayers	Total Head Tax Payments	Top Ten Head Tax Payments as a % of Total
2018	\$1,773,435	\$3,693,366	48.0%
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.

WAGE TAX, NET PROFITS TAX, AND HEAD TAX REVENUE

Tax Remits Grouped by Size

Wage Tax

Remit Range	Total Employers	Total Remits	Percent of Total Remits
Greater than \$1 million	9	\$20,177,799	34.1%
Between \$100,000 and \$1 million	66	\$17,317,602	29.2%
Between \$10,000 and \$100,000	524	\$14,039,980	23.7%
Less than \$10,000	5,284	\$7,705,172	13.0%
Total	5,883	\$59,240,553	100.0%

Net Profits Tax

Remit Range	Total Employers	Total Remits	Percent of Total Remits
Greater than \$1 million	0	\$0	0.0%
Between \$100,000 and \$1 million	7	\$3,086,595	51.2%
Between \$10,000 and \$100,000	50	\$1,653,963	27.5%
Less than \$10,000	1,975	\$1,284,025	21.3%
Total	2,032	\$6,024,583	100.0%

Head Tax

Remit Range	Total Employers	Total Remits	Percent of Total Remits
Greater than \$1 million	0	\$0	0.0%
Between \$100,000 and \$1 million	7	\$3,086,595	51.2%
Between \$10,000 and \$100,000	50	\$1,653,963	27.5%
Less than \$10,000	1,975	\$1,284,025	21.3%
Total	2,032	\$6,024,583	100.0%

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.

Name	Property Type	Taxable Assessment	Percent of Total Taxable Assessment
Buccini Pollin Group	Office & Residential	\$95,453,800	4.41%
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	1.89%
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%
Total		\$500,388,160	23.11%

Source: City of Wilmington Department of Finance.

New Construction Permits Issued

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Single-Family	7	29	47	21	20
Multi-Family	2	6	3	2	1
Non-Residential	9	14	5	4	7
Total	18	49	55	27	28

Total Value of New Construction Activity

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Residential	\$13,478,141	\$20,039,224	\$51,556,503	\$16,059,413	\$19,440,646
Non-Residential	\$18,583,810	\$67,428,205	\$877,789	\$50,501,425	\$27,175,173
Total	\$32,061,951	\$87,467,429	\$52,434,292	\$66,560,838	\$46,615,819

Renovation Construction Permits Issued

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Residential	2,449	2,520	1,492	1,564	1,720
Non-Residential	346	413	169	680	465
Total	2,795	2,933	1,661	2,244	2,691

Total Value of Renovation Construction Activity

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Residential	\$46,918,681	\$53,225,787	\$30,537,265	\$50,501,425	\$55,706,339
Non-Residential	\$61,920,799	\$229,096,394	\$84,915,796	\$163,145,846	\$129,610,607
Total	\$108,839,480	\$282,322,181	\$115,453,061	\$213,647,271	\$142,335,744

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

ECONOMIC DEVELOPMENT ACTIVITY

Employment

As reported by the Delaware Department of Labor, the total number of jobs within City limits remained steady at approximately 49,500 in calendar year 2018. This figure represents the total number of jobs located within the City, regardless of residency. The number of jobs within City limits has averaged close to 50,000 since 2008. Of those jobs, over 25% (about 13,000) are in the Financial Services/Technology Sector, followed in rank by the Legal, Technical, Professional, Government, and Healthcare Sectors.

It is worth highlighting that the number of employed Wilmington residents is 32,000 (out of a population of about 71,000), its highest point since the mid-2000's. The unemployment rate for City residents at the end of 2018 was 5.9%, trending down from a rolling average of 6.2% in 2018 and 6.5% and 6.7% in 2017 and 2016, respectively. This parallels the national trend and is consistent with the historical gap of about 2.5 percentage points greater than the State of Delaware unemployment rate of approximately 3.5%.

Strategic Fund Incentive Program

Through the Strategic Fund Incentive Program, the Office of Economic Development tracks employment figures across 41 companies of varying sizes and types. The wage taxes collected from this "index" of 41 companies remained steady at \$15 million in 2018 as compared to 2017, but represents an increase from \$14.5 million in 2016 and \$14 million in 2015. This upward trend of annual wage taxes generated from the Program is a key indicator of its efficacy. As incentive contracts expire, participating businesses continue to generate wage tax revenue as they grow. Since the initial creation of the Strategic Fund in 2002, the Program has provided approximately \$15 million in incentive payments to businesses, yielding approximately \$85 million in Wage Taxes to the City's General Fund.

Businesses

Delaware is home to a talented financial services and technology workforce, which has its roots in the 1981 State of Delaware Financial Center Development Act and the expansion of the consumer finance and credit card industries that followed. Delaware has nearly 48,000 jobs in the broad financial activities sector, with about 37,000 jobs in core financial services industries. Accordingly, Wilmington has a deep pool of existing financial services and technology talent.

As stated before, over one-fourth of the almost 50,000 total jobs located in Wilmington are related to financial and technology services, with sub-type specialization in Consumer Lending, Bank Operations, Digital Banking and User Experience, Risk Management, and Predictive Analytics. This concentration of financial services and technology jobs in the City of Wilmington is represented by a Location Quotient of 5.5, which means that the concentration of financial services and technology jobs in Wilmington is 5.5 times the national average. Wilmington also has a strong pipeline of new financial services and technology talent coming from local colleges and universities, as 6,000 related degrees were awarded in 2018 within a 45-minute drive of Wilmington.

The Wilmington corporate banking community remains strong in Wilmington, with national brands like Bank of America, Capital One, JP Morgan Chase, Citi, Navient, and TD Bank having a strong presence in the City. New job growth in the sector also includes startups such Fairsquare, College Ave, Acorn, Epic Research, Compass Red Analytics, and The Archer Group.

Notable developments in the Financial Services and Technology Sector this year include:

- Regional Banking leader M&T announced plans to add 200 new banking technology jobs to Wilmington starting in the third quarter of 2019;
- Acorn Financial announced plans to create 50 new banking technology jobs in Wilmington;
- Capital One completed consolidation of its 2,500 employees into 800 Delaware Avenue under a new 10-year lease with options to extend;
- TD Bank's regional headquarters at 1313 Market Street leased additional space to grow to 80 employees, with another 20 to 40 more expected in the coming years;
- Bank of America consolidated its 900 employees into 1100 French Street;
- Although BarclayCard USA announced plans to relocate about 500 IT jobs from its existing workforce of 2,200 persons to a new IT Center in New Jersey, its US credit card operations will remain headquartered in Wilmington with room for expansion.

Downtown and Riverfront Development

The Chemours Company completed its \$120 million renovation of 250,000 square feet in the Historic DuPont Building at 1007 Market Street, committing its presence of 750 employees to Wilmington. Chemours' revenues and net income have increased since its 2015 spin-off from DuPont, securing its position in the market as a modern, sustainable chemical company. Its renovated headquarters reflects its new image and is a tremendous source of pride for the company and the City of Wilmington. Of special note is that as a good corporate citizen and as part of its goal to develop greater diversity in its workforce, Chemours has partnered with the City of Wilmington to offer scholarships to local students to attend historically black colleges and universities.

As part of the Chemours headquarters renovation at 1007 Market Street, DECO Food Hall, a contemporary dining and gathering hall with eight dining options, opened this year. DECO is the latest example of the growing restaurant and entertainment district in Wilmington's downtown, which is drawing more visitors to the City and increasing overall economic activity.

The long-awaited public-private partnership between the Diamond State Port Corporation and international port operations company Gulftainer USA was finalized in late 2018. Gulftainer USA has assumed daily operations of the Port of Wilmington under a 50-year lease with commitments to invest \$300 million in the existing facility. Gulftainer USA plans to generate additional revenue at the Port by increasing throughput, (as measured by tonnage equivalent units (TEU)), from a historical average of 300,000 TEU to 750,000 TEU by 2021. It is anticipated that this growth in volume will result in additional longshoreman and dock labor positions at the Port, as well as other ancillary blue-collar jobs.

Other real estate developments are also helping to drive economic activity in the City. The 76ers Fieldhouse, a 140,000-square-foot multi-purpose sports complex and youth training center on the southeast side of the Christina River opened in the first quarter of 2019. The facility is the new home for the Philadelphia 76ers NBA G-League affiliate team, the Delaware Blue Coats. The complex contains a 3,000-seat basketball and entertainment arena, three indoor turf multi-purpose fields, one outdoor multi-purpose turf field, the Nemours Physical Therapy group, Titus Sports and Performance Training, and the

BPG Sports Corporation. The complex will host youth athletic training sessions and competitions year-round.

As part of the 76ers Fieldhouse development, The Delaware Department of Transportation (DelDOT) invested \$15 million in a new road network surrounding the Fieldhouse that will eventually be connected to the new \$45 million multi-modal Christina River Bridge. The bridge, which will connect US Route 13 on the east side of the Christina River to Wilmington's Riverfront on the west side, will allow vehicular access to the area from Interstate 495. The bridge is scheduled for completion in 2020 and will open access to 170 acres of formerly industrial land located along the east bank of the Christina River. That side of the Riverfront will be a great asset to the City and State of Delaware, with strong potential for further large-scale economic and housing developments.

Housing

Private investment in the residential housing market remains an area of growth for the City. Six new market-rate housing projects will break ground in the Downtown and Riverfront neighborhoods, generating another 500 units to be ready for occupancy in 2020. Additionally, there are 466 market-rate luxury units under construction outside of Downtown and the Riverfront slated to be completed in late 2020. Significantly, this expansion in new housing is motivating people to relocate to the City, contributing to wage tax growth and helping to support local businesses. Highlights include:

- 101 Avenue of the Arts, a \$20 million residential development by the Capano Corporation on the Christina River with 80 new units completed in the first quarter of 2019;
- A new seven-story, 200-unit building at 5th and Shipley streets, which is slated to break ground in the fourth quarter of 2019;
- The conversion of 901 Market Street from an unoccupied office building to 60 new market-rate units for delivery in the second quarter of 2020;
- A new four-story, 60-unit building at 2nd and Market Streets, which will incorporate the historic Cooper Building façade into the new structure;
- Conversion of office space at 10th and Orange Streets into 150 new units for delivery in the fourth quarter of 2020;
- Bancroft Mills, a \$70 million residential development on the south bank of the Brandywine River near Rockford Park, is expected to break ground in the fourth quarter of 2019;
- 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, is scheduled for delivery in the fourth quarter of 2019.

Conclusion

Wilmington is a key component of the \$400 billion Philadelphia-Wilmington-Camden metropolitan economy, enjoying all of the metro-wide area's economic advantages, but with a lower comparable cost-of-living, shorter commutes, and a centralized location that allows easy access to all the major mid-Atlantic metro areas. These fundamental strengths, combined with the ongoing transformation of the City's Downtown, Riverfront, and residential neighborhoods, will help Wilmington continue to grow in the competitive regional and national environment.



CITIZEN'S GUIDE TO THE BUDGET PROCESS

The Budget Process

For a one-page summary of the budget process please see the Budget Process Calendar on [page 19](#).

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

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

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

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

In other limited cases, such as with utilities, office supplies, repairs to equipment, and printing, the current year's budget allotment is reduced 20%, and then this reduced figure is put in as the new Level I amount. For those line items, Departments have to justify only the portion of their request that exceeds the 80% given to 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 2018 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 25](#)**). Funds can be thought of as being like the subsidiaries of a major conglomerate corporation. Each subsidiary is responsible for its own operational results and strategy, yet is still part of the larger conglomerate corporation when it comes to overall management and financial results.

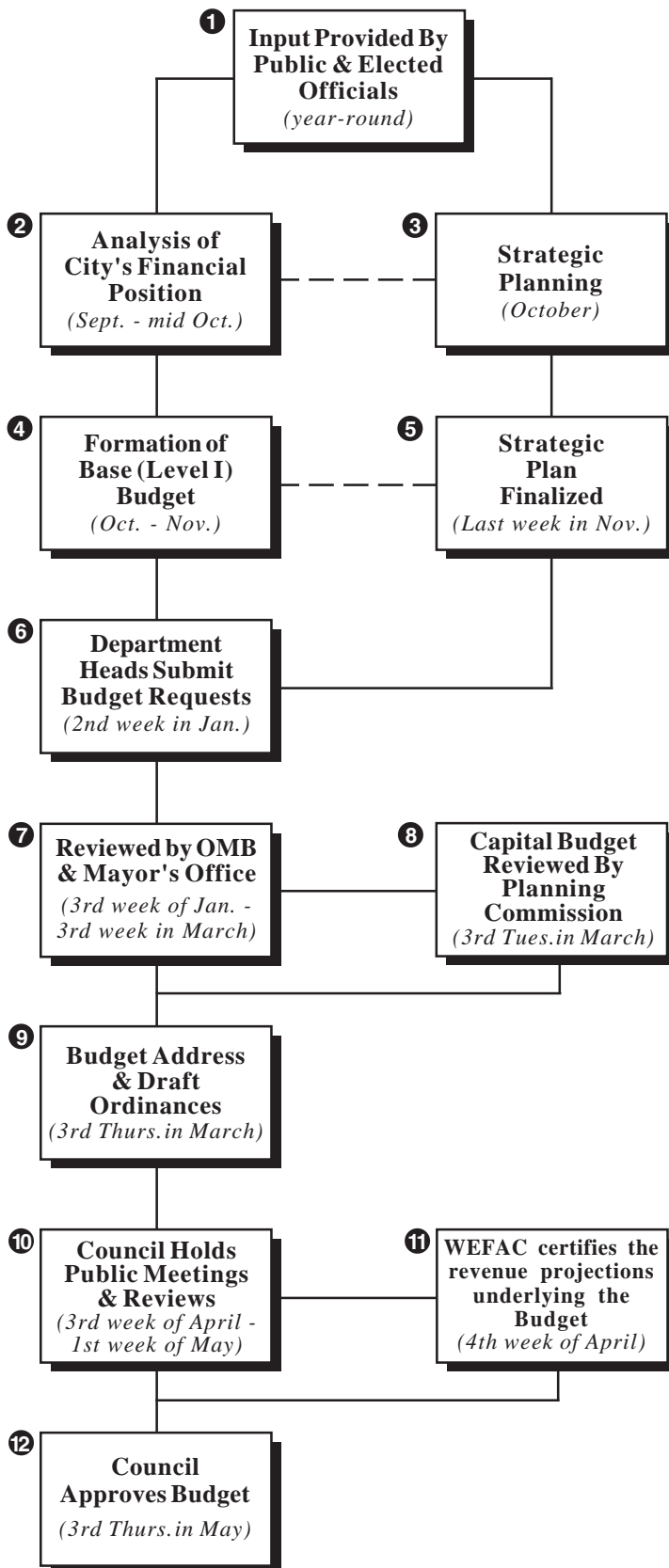
The basis of budgeting for each City fund matches the basis of accounting (the underlying fiscal principles used in the development of the financial statements and for recording financial activity) for that fund. The General, and Special funds are budgeted and operate under a **modified accrual basis**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

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

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

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

BUDGET PROCESS CALENDAR



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

WILMINGTON STRATEGIC PLAN

VISION STATEMENT

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

FOCUS AREA

EFFECTIVE CITY GOVERNMENT

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

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

FOCUS AREA

PUBLIC SAFETY

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

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

FOCUS AREA

ECONOMIC VITALITY

To Increase Opportunities for Citizens and Businesses to Achieve Economic Success

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

FOCUS AREA

QUALITY OF LIFE

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

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

MESSAGE ABOUT THE NEW STRATEGIC PLAN PERFORMANCE MEASURES

Because the City of Wilmington is committed to providing the public with detailed information about its finances and operations, it has partnered with OpenGov to develop an interactive platform that provides easy access to a wide variety of data about the City of Wilmington. Users will find information about how the City spends its money on operations and how it allocates funds for infrastructure and other capital projects. In addition, OpenGov will display dynamic performance data pulled from the City's Strategic Plan.

In order to ensure that the Strategic Plan will be accurate, relevant, and meaningful to constituents and other OpenGov users, the City decided to reevaluate the departmental objectives related to the Strategic Plan in order to meet the following criteria:

1. Can the objective be easily and consistently measured over time?
2. Does the objective measure the department's success in serving the public?
3. Does the objective measure the department's success in improving the quality of life of City residents?

The FY 2020 budget document includes annualized Strategic Plan measurements for each participating department. Because many of the departmental objectives are new, data for prior years is not always available. Included with each departmental Strategic Plan is a link to the department's OpenGov page. This page includes dynamic data for each measurement, while also providing up-to-date information about the department's budget and expenditures. A compilation of these pages may be found here: <http://bit.ly/WDeDSOG>.

STATEMENT OF FINANCIAL POLICIES

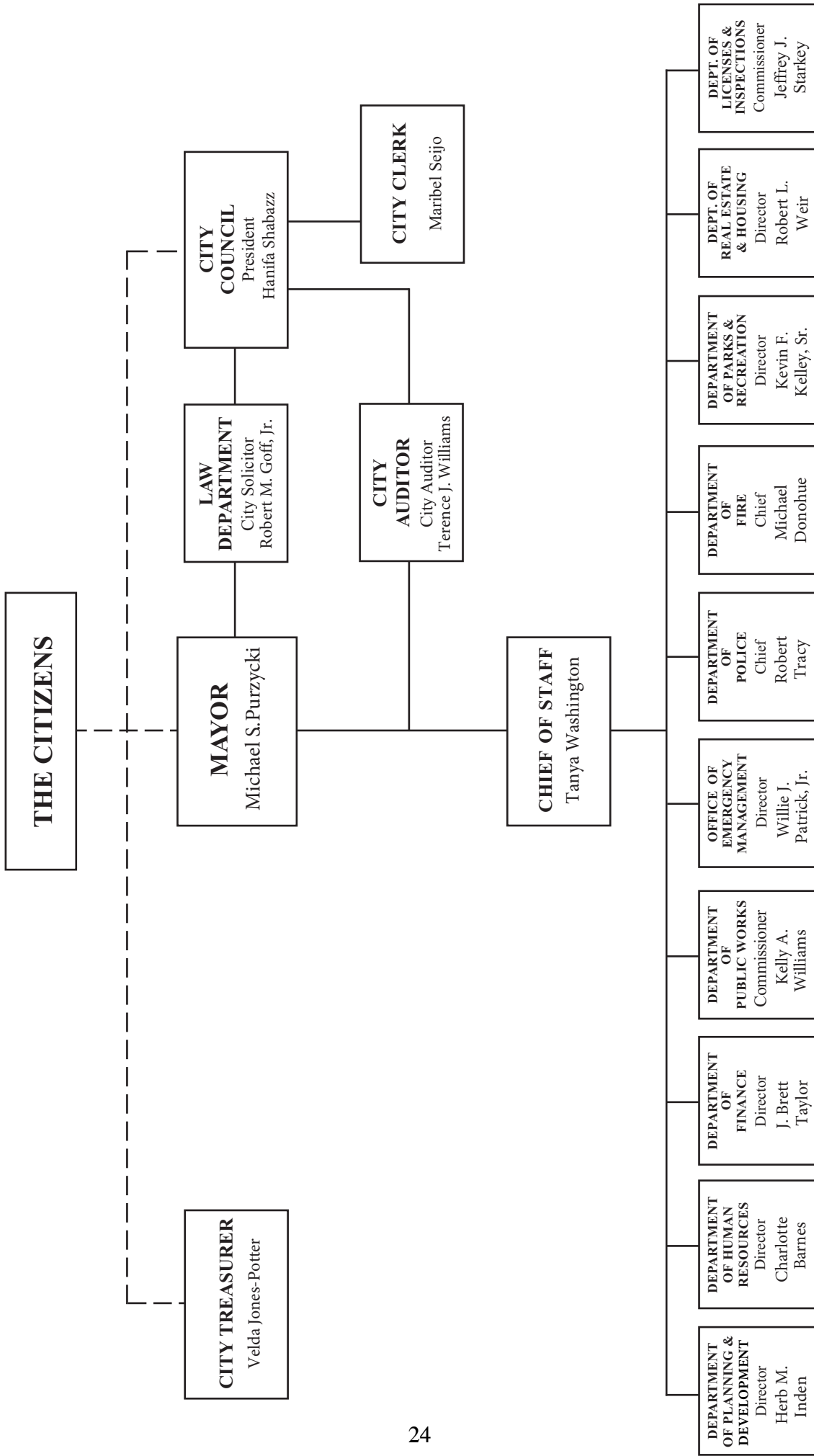
1. The City Code requires that the operating budget be balanced. Operating expenditures cannot exceed the total sum of projected revenues plus use of prior years' accumulated surplus (as approved by Council). Our financial policy extends the Code to include the following:
 - Enterprise Funds shall be 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 Licenses & Inspections.

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.

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.

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.

DESCRIPTION OF APPROPRIATED FUNDS

(continued)

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. In FY 2020, all Administrative Services Funds, except for the Motor Vehicle Fund, were eliminated and their activities transferred into the General Fund as part of the new Department of Information Technologies.
- **Self-Insurance:** Risk Management; Workers' Compensation; Health and Welfare (Employee Healthcare)

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 2020

The General Fund

- The FY 2020 operating budget expenditures total **\$167,387,739** – up \$5,088,738 or 3.1% from FY 2019. The budget was balanced without a Property Tax increase or use of the Tax Stabilization Reserve.
- The Mayor’s Office Internal Services Funds were consolidated into the new Department of Information Technologies in the General Fund. The new Department has an FY 2020 budget of just under \$8.6 million. However, the costs of the services of data processing, document management, mail, duplication & printing, mapping & graphics, and communications will no longer be prorated back to users. This allowed the elimination of the departmental internal service chargeback accounts across all City funds and departments, saving the General Fund \$6.5 million and largely offsetting the cost of the new department. The remaining \$2.1 million net cost increase to the General Fund (\$8.6 million minus \$6.5 million) was covered by a corresponding equal increase in Indirect Costs revenue. Thus, the net effect of the new department on the bottom line of the General Fund was zero.
- The budget contains a \$1.5 million allowance for up to a 2.0% cost-of-living-adjustment (COLA) salary increase for eligible employees. In addition, mandatory anniversary salary step increases for certain employees added \$381,000 to the budget.
- Staffing increased by a net total of 30.42 full-time equivalents (FTE), which includes changes made in the mid-FY 2019 budget amendment, along with the results of the latest biennial employee appeals process. The change in FTE, along with other personnel actions, including changes in grades and salary adjustments, resulted in a total net increase of \$2.91 million. The total cost of the appeals process in the General Fund was \$120,031. The appeals are not included in the departmental staffing discussion below.
 - Staffing for the newly created Department of Information Technologies was transferred in from the now defunct Mayor’s Office Internal Services Funds. The cost of the 21.00 FTE transferred in was \$2.14 million. The addition of an Information Help Desk Engineer (1.00 FTE) and an upgrade (an Information Help Desk Engineer became a Senior Information Desktop Engineer) added \$94,356 and \$5,563 in costs, respectively.
 - The position of Chief Strategist & Deputy Chief of Staff in City Council was changed to the position of Legislative & Community Director with a reduction in salary of \$24,000. The total savings, including benefits, is \$27,655. In addition, the position of Legislative & Policy Analyst was eliminated for a savings of \$91,802.
 - As part of a succession plan for the assumption of duties now performed by the Zoning Manager, a new position of Zoning Enforcement Officer (1.00 FTE) was created in Licenses & Inspections at cost of \$85,319. In addition, the Zoning Manager was upgraded from Grade Q to Grade T at cost of \$6,875.

BUDGET HIGHLIGHTS

CITY OF WILMINGTON

FISCAL YEAR 2020

The General Fund (continued)

- Public Works added a General Labor II position (1.00 FTE), citing the increased workload in the Property Maintenance Division caused by the aging buildings of the Municipal Complex. The Department also obtained upgrades for the CADD/GIS Engineering Coordinator and Assistant Building Services Manager in the mid-FY 2019 budget amendment. The total cost of the new position and upgrades is \$68,795.
- The Finance Department increased by a net 0.20 FTE. A new split-funded (50% General Fund and 50% Water/Sewer Fund) Senior Accountant position added 0.50 FTE at a cost of \$51,810. The funding for the Revenue Manager position, previously split-funded 65% General Fund and 35% Water/Sewer Fund, was reversed to 35% General Fund and 65% Water/Sewer Fund, resulting in a 0.30 FTE decrease and a savings of \$34,424. Finally, \$2,676 was added to cover the upgrade of a Purchasing Agent II (Grade P) to a Senior Procurement Specialist (Grade Q).
- The Human Resources (HR) Department is undergoing a multi-phased comprehensive reorganization that started with the mid-FY 2019 budget amendment. The budget amendment resulted in 4.00 FTE deletions, 4.05 FTE additions (involving two positions split-funded with the Self-Insurance Internal Services Funds), a downgrade, and an upgrade. The net cost of the amendment changes was \$28,145. In FY 2020, two new positions were added: a Director of Classification & Compensation (1.00 FTE) at a cost of \$123,493, and a Labor Relations Specialist (1.00 FTE) at a cost of \$100,214. In addition, the HR Compensation & Research Technician (Grade O) was upgraded to a Compensation Specialist (Grade Q) for a cost of \$1,015. The total cost of all the above changes in HR is \$252,867 and a net 2.05 increase in FTE.
- The Parks & Recreation Department increased a net 1.60 FTE. In the Youth & Families Division, a new split-funded (60% General Fund and 40% federal grant) Nutrition Program Coordinator position (0.60 FTE) was added at a cost of \$52,720. Also in the Youth & Families Division, the Accounts & Program Support Coordinator was upgraded to a Programs & Grants Coordinator at a cost of \$15,551. In the William “Hicks” Anderson Community Center (WHACC) Division, an Activities Coordinator position (1.00 FTE) was added at a cost of \$82,016, but this was more than offset by the \$92,900 in savings that resulted from the deletion of the Executive Director of WHACC position (-1.00 FTE). In the Recreation Division, a second Recreation Program Coordinator position (1.00 FTE) was added at a cost of \$82,016. Finally, in the Maintenance Division, the Technical Landscape Foreman was downgraded to a Labor Foreman II, saving \$10,616. The net cost of all the above changes in Parks & Recreation is \$128,787.
- The exempt position of Debt Manager/Systems Coordinator in the Treasurer’s Office was given a raise of \$8,100, costing \$9,506 including benefits. Because the position is split funded (50% General Fund and 50% Pensions Funds), the cost to the General Fund was \$4,753.

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2020

The General Fund (continued)

- The Police Department increased a net 3.57 FTE at a total cost of \$128,931. The mid-FY 2019 budget amendment deleted an Administrative Assistant (-1.00 FTE) for a savings of \$89,696, helping offset the \$121,844 cost of the new position of Police Policy & Communications Director (1.00 FTE). In FY 2020, a civilian Cold Case Investigator position (1.00 FTE) was created at a cost of \$96,783. Partially offsetting the cost of that new position was the \$35,549 in savings realized from the downgrade and reclassification of the Property Technician from Non-union Grade M to Union Local 1102 Grade G. Finally, because the funding provided by certain schools for five of the Department's School Resource Officers (SROs) does not cover 100% of the salary and benefits costs of the actual officers assigned to the schools, the dollar amount of the shortfall was (and is again this year) budgeted in the General Fund. However, in previous years, the FTE count for the SROs was not altered to reflect the shortfall. That was rectified this year, resulting in a shift of 2.57 FTE into the General Fund.
- Exclusive of the new Department of Information Technologies, the budget for Consultants rose \$675,000, with major increases in Planning (up \$225,000), Police (up \$165,400), Public Works (up \$105,000), HR (a new \$100,000 request), and Fire (up \$67,200). In Planning, the increase will fund a consultant to complete the next phase of the City's ADA compliance self-evaluation and transition plan. Police and Fire have biennial job employee promotion processes administered by specialized consultants. Because FY 2020 will be an active year, the increases in Police and Fire are to cover the fees of those consultants. In Public Works, almost the entire increase will be used to pay for consultants to assist with 5G and small cell wireless infrastructure deployment in the City. Finally, in HR the new \$100,000 request will fund two separate items. One is a study regarding the implementation of a new classification and compensation system for \$50,000. The remaining \$50,000 is for what is being called *City University*, a varied series of employee training and development opportunities provided by consultants.
- As part of Wilmington's Beautiful City Initiative, \$400,000 was allocated to Real Estate & Housing to support the day-employment clean-up program for a second year. This program hires local residents to clean streets and neighborhoods, giving them an opportunity to earn money throughout the summer while providing an important benefit for the entire City.
- Enhancing services in the Public Works and Parks & Recreation Departments was the driving force behind the \$223,000 increase in Temporary Agencies (excluding the new Department of Information Technologies). In the Parks Maintenance Division, \$93,000 was added to increase the number of workers and expand coverage into the winter months. To keep up with the increase in street maintenance work, pothole repairs, and sidewalk installations, \$70,000 was added in the Public Works Street Maintenance Division for additional labor. In the Street Cleaning Division of Public Works, the \$50,000 increase is designated to provide workers for urban forestry and corridor cleanup throughout the City.

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2020

The General Fund (continued)

- There was a \$212,000 rise in the Collection Expense - Parking Citation Commissions account. The contract with Conduent, the City's provider of parking citation processing and collections, increased \$162,000. The contract stipulates an annual fee increase of 2.5%. In addition, \$50,000 was included for a separate comprehensive accounts receivable review and expanded collection effort.
- As part of the HR Department's reorganization, the payroll function was outsourced to Automatic Data Processing, Inc (ADP) at a cost of \$93,115. This was one of the two major items that contributed to the citywide \$159,300 increase (excluding the new Department of Information Technologies) in the Miscellaneous Services - N.O.C. account. The other major contributor to the increase in the account was also in the HR Department, where \$50,000 was added for the cost of external investigations.
- In the Fire Department, \$141,000 was added to the Accessories & Parts For Equipment account for Knox Box replacement, Cradlepoint connectivity for fire trucks, and the necessary outfitting of three pieces of firefighting apparatus.
- A delay in the full implementation of the proposed city-wide municipal solid waste container and recycling program allowed a \$268,000 reduction in the Recycle Bank Program account in Public Works.
- Exclusive of the new Department of Information Technologies, Debt Service decreased by a net \$891,000. The majority of the projected additional debt service budgeted last fiscal year for the bond financing of the FY 2016-2017 Capital Budget was not realized because an interest-only Bond Anticipation Note (BAN) was utilized to finance the Capital Budget instead.

BUDGET HIGHLIGHTS

CITY OF WILMINGTON

FISCAL YEAR 2020

The Water/Sewer Fund

- The FY 2020 operating budget expenditures total **\$77,925,640** – up \$2,476,020, or 3.2% from FY 2019. The FY 2020 Budget continues to support the high-priority initiatives essential to achieving financially self-sustaining and environmentally-sound water, sewer, and stormwater utilities. These include an accelerated Combined Sewer Overflow (CSO) mitigation effort, and finished water filtration and supply improvements that exceed EPA standards, contributing to the stability of northern Delaware’s water supply, especially in times of drought.
- The budget contains a \$161,100 allowance for up to a 2.0% cost-of-living-adjustment (COLA) salary increase for eligible employees. In addition, mandatory anniversary salary step increases for certain employees added \$75,650 to the budget.
- Staffing increased by a net total of 1.80 full-time equivalents (FTE) and includes changes made in the mid-FY 2019 budget amendment, along with the results of the latest biennial employee appeals process. The change in FTE, along with other personnel actions, including changes in grades and salary adjustments, resulted in a total net increase of \$177,804. The total cost of the appeals process in the Water/Sewer Fund was \$45,271. Appeals are not included in the departmental staffing discussion below.
 - The Finance Department increased by 0.80 FTE. A new split-funded (50% General Fund and 50% Water/Sewer Fund) Senior Accountant position added 0.50 FTE at a cost of \$51,810. The funding for the Revenue Manager position, previously split-funded 65% General Fund and 35% Water/Sewer Fund was reversed to 35% General Fund and 65% Water/Sewer Fund, resulting in a 0.30 FTE increase and a cost of \$34,424.
 - In the Public Works Department, there was a net increase of 1.00 FTE. In the Water System Division the following changes took place: A Maintenance Mechanic I position (1.00 FTE) was added at a cost of \$66,974, but was more than offset by the elimination of the SCADA Technician position (-1.00 FTE) for a savings of \$92,546. The Water System Supervisor was upgraded from a Grade O to a Grade R for an increase of \$1,551, while the Water Production Supervisor was downgraded to an Assistant Water Production Supervisor (Grade O to Grade N) for a savings of \$6,667. Finally, a Maintenance Mechanic I was upgraded to a Maintenance Mechanic II (Grade E to Grade F) at a cost of \$1,743. In the Wastewater Treatment Division, a new position of Tree Climber II/Tree Crew Foreman (1.00 FTE) was created at a cost of \$75,245. The net effect of all the changes in the Department was a net increase of \$46,300.
- The Indirect Cost expense to the Water/Sewer Fund rose by nearly \$2.3 million, reflecting the effect of the new Department of Information Technologies created in the General Fund. However, that increase is almost completely offset by the approximately \$2.2 million in savings resulting from the elimination of the Internal Services Funds departmental chargeback accounts.

BUDGET HIGHLIGHTS

CITY OF WILMINGTON

FISCAL YEAR 2020

The Water/Sewer Fund (continued)

- Depreciation increased \$1.35 million, reflecting the aggressive infrastructure replacement program adopted by the Public Works Department that increased both the number and value of the City's water, sewer, and stormwater infrastructure fixed assets.
- There is a \$1 million increase in the Contracted Maintenance Services account. The vast majority of the rise is attributable to the \$935,000 increase in the cost of the contract with Veolia to operate and maintain the City's sewage treatment plant. The fee paid to Veolia is adjusted each year using mutually agreed upon cost indices.
- In the Finance Department, the Miscellaneous Services account group rose by over \$553,000. The Department is implementing a Water Utility Call Center to be hosted by a third-party entity at a cost of \$400,000. Since the transition from quarterly to monthly water/sewer billing, the Department has seen a sizeable increase in customer calls and inquires, that at times, has overwhelmed the existing City customer service employees. The change to monthly billing has also increased the payments flowing through the Department's lockbox service, necessitating an increase of \$140,000 in the Lockbox Charges account.
- The \$259,000 increase in the Postage-Direct Charge account reflects the cost for the monthly processing and mailing of water/sewer bills that had previously been paid through the now-eliminated Postage internal service chargeback account. The Postage chargeback account was budgeted at \$190,000 last fiscal year. Thus, the net cost of mailing water/sewer bills has increased \$69,000 or 36%.
- The Repairs to Equipment account in the Water System Division was reduced by \$836,000, reflecting the better alignment of projected spending with electrical and mechanical preventative maintenance and testing program schedules.
- Total Debt Service decreased by just over \$981,400. The City continues to benefit from participation in the State's low-cost revolving loan fund, low bond interest rates, and the use of cash-on-hand for smaller water and sewer infrastructure projects.
- Although there are no increases in stormwater rates, there were revisions to some water and sewer customer classes and rates that will result in a weighted-average increase of 3.82% in the water/sewer bills of City residential customers. The typical City residential customer using 4,000 gallons per month will see their bill increase by \$2.21.



SUMMARY OF COMBINED STATEMENT OF REVENUES

REVENUES	ACTUAL FY 2016	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
General Fund					
Taxes	\$110,399,299	\$116,742,811	\$118,405,079	\$118,583,877	\$120,900,615
Permits, Fees & Fines	12,746,282	10,682,706	11,472,285	12,880,000	14,207,290
Other	8,050,778	8,475,993	8,533,040	8,456,878	11,402,383
Task Force Revenues	5,113,176	5,113,278	5,497,897	5,484,226	5,883,626
County Seat Relief	9,933,561	10,216,881	10,390,282	10,858,339	11,088,839
State Pension Contributions	5,215,485	5,349,684	6,189,899	5,789,528	6,189,900
Transfers In	275,000	275,000	275,000	275,000	275,000
Prior Year Surplus	0	0	0	0	0
Subtotal	151,733,581	156,856,353	160,763,482	162,327,848	169,947,653
Water/Sewer Fund					
Direct User Charges	57,052,722	57,802,560	60,804,179	60,421,000	62,970,000
New Castle County Charges	18,837,257	22,543,855	21,522,899	19,634,665	19,578,000
Other	1,249,676	3,244,470	1,002,879	1,093,000	1,115,000
Subtotal	77,139,655	83,590,885	83,329,957	81,148,665	83,663,000
Special Funds					
Fed./State/County Grants	9,514,714	8,207,324	7,098,896	7,168,202	6,669,223
Other	5,773,650	5,888,799	6,910,725	6,422,686	6,431,743
Subtotal	15,288,364	14,096,123	14,009,621	13,590,888	13,100,966
Total Revenues	\$244,161,600	\$254,543,361	\$258,103,060	\$257,067,401	\$266,711,619

SUMMARY OF COMBINED STATEMENT OF EXPENDITURES

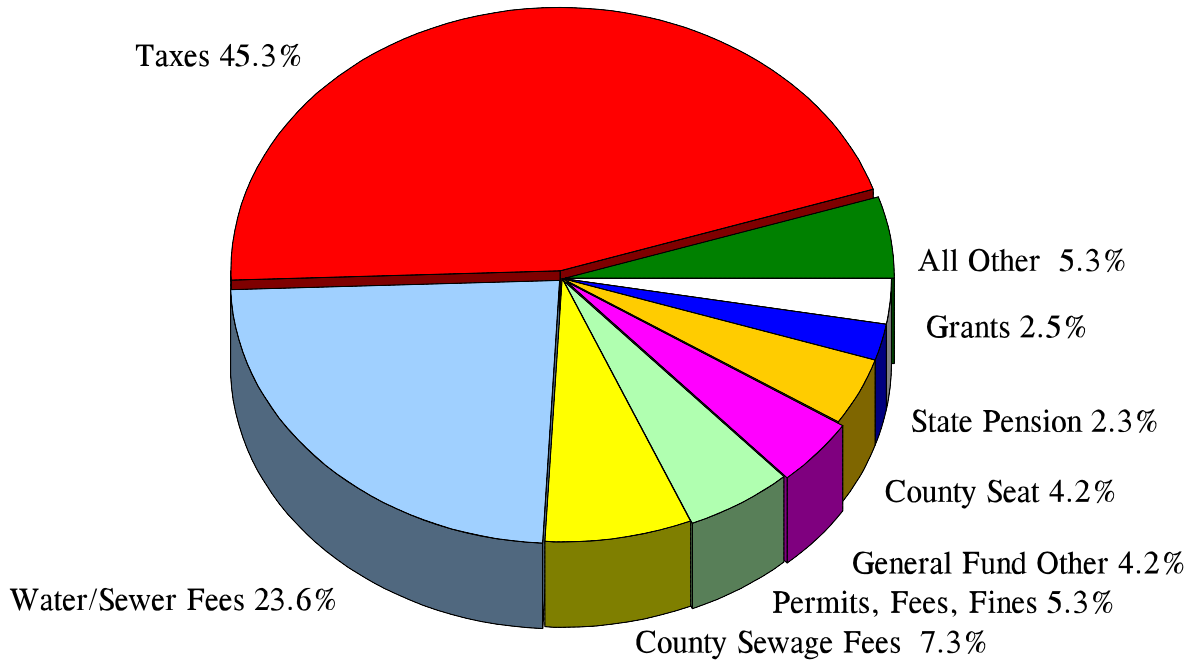
EXPENDITURES	ACTUAL FY 2016	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
General Fund					
Personal Services	\$104,230,277	\$108,889,512	\$104,554,957	\$108,160,209	\$112,291,780
M. S. & E.	32,242,171	40,648,141	37,735,560	38,497,384	40,011,459
Debt Service	13,147,914	13,567,340	12,220,563	14,650,408	14,086,000
Other	723,012	636,864	291,027	991,000	998,500
Subtotal	150,343,374	163,741,857	154,802,107	162,299,001	167,387,739
Water/Sewer Fund					
Personal Services	10,697,674	10,385,770	10,611,500	11,376,789	11,910,509
M. S. & E.	40,747,100	44,582,110	47,904,692	49,146,525	50,716,508
Debt Service	5,842,292	6,505,585	5,579,777	7,290,421	6,309,048
Other	7,841,555	8,624,864	8,989,575	7,635,885	8,989,575
Subtotal	65,128,621	70,098,329	73,085,544	75,449,620	77,925,640
Special Funds					
Personal Services	4,295,614	4,007,099	4,271,479	3,589,323	3,696,847
M. S. & E.	4,536,185	4,245,414	4,303,954	3,852,128	3,764,887
Debt Service	42,335	27,761	51,209	29,030	35,534
Other	6,130,259	5,544,831	5,110,234	6,300,866	5,616,297
Subtotal	15,004,393	13,825,105	13,736,876	13,771,347	13,113,565
Total Expenditures	\$230,476,388	\$247,665,291	\$241,624,527	\$251,519,968	\$258,426,944
INCOME/(LOSS)					
General Fund	1,390,207	(6,885,504)	5,961,375	28,847	2,559,914
Water/Sewer Fund	12,011,034	13,492,556	10,244,413	5,699,045	5,737,360
Special Funds	283,971	271,018	272,745	(180,459)	(12,599)
Total Income/(Loss)	\$13,685,212	\$6,878,070	\$16,478,533	\$5,547,433	\$8,284,675

**SUMMARY ALL FUNDS COMBINED
FISCAL YEAR 2020**

Revenues	Actual FY 2017	Actual FY 2018	Budget FY 2019	Budget FY 2020	Percent Change FY'20-'19	Page Reference*
Taxes	\$116,742,811	\$118,405,079	\$118,583,877	\$120,900,615	2.0%	40
Permits, Fees, Fines	10,682,706	11,472,285	12,880,000	14,207,290	10.3%	40
Task Force Revenues	5,113,278	5,497,897	5,484,226	5,883,626	7.3%	40
County Seat Relief	10,216,881	10,390,282	10,858,339	11,088,839	2.1%	40
State Pension Contr.	5,349,684	6,189,899	5,789,528	6,189,900	6.9%	40
General Fund Other	7,910,933	8,418,806	8,335,304	11,081,027	32.9%	40
Water/Sewer Fees	57,802,560	60,804,179	60,421,000	62,970,000	4.2%	44
County Sewage Fees	22,543,855	21,522,899	19,634,665	19,578,000	-0.3%	44
Water/Sewer Other	3,244,470	1,002,879	1,093,000	1,115,000	2.0%	44
Port Debt Reimburse.	840,060	389,234	396,574	596,356	50.4%	40
Special Funds Grants	8,207,327	8,175,095	7,168,202	6,669,223	-7.0%	42
Special Funds Other	<u>5,888,796</u>	<u>5,834,526</u>	<u>6,422,686</u>	<u>6,431,743</u>	<u>0.1%</u>	42
Total Revenues	<u>\$254,543,361</u>	<u>\$258,103,060</u>	<u>\$257,067,401</u>	<u>\$266,711,619</u>	<u>3.8%</u>	

* See page listed for further information and details.

**Revenues All Funds
Fiscal Year 2020**

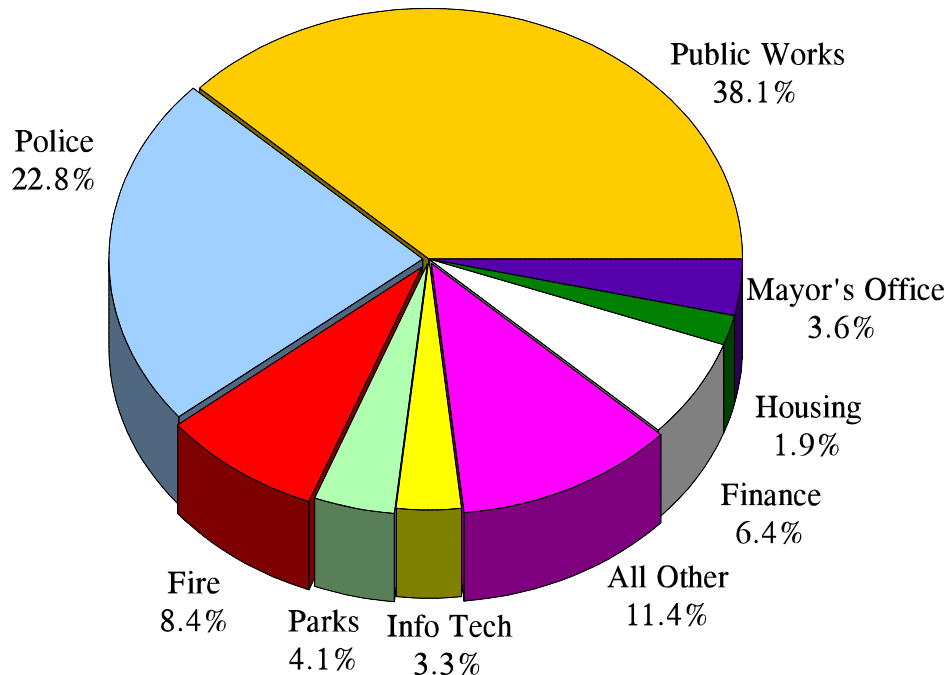


**SUMMARY OF ALL FUNDS COMBINED
FISCAL YEAR 2020**

<u>Expenditures</u>	<u>Actual FY 2017</u>	<u>Actual FY 2018</u>	<u>Budget FY 2019</u>	<u>Budget FY 2020</u>	<u>Percent Change FY'20-'19</u>	<u>Page Reference*</u>
Mayor's Office	\$10,582,523	\$9,821,825	\$10,213,860	\$9,312,852	-8.8%	93
Council	3,194,147	2,994,242	3,636,122	3,210,721	-11.7%	103
Treasurer	5,201,496	5,155,582	5,635,395	5,660,444	0.4%	109
Planning	1,807,940	1,547,023	1,757,417	1,626,651	-7.4%	117
Audit	758,543	801,028	1,020,279	900,219	-11.8%	128
Law	3,028,380	2,881,761	2,859,818	2,649,858	-7.3%	131
Finance	13,787,969	13,994,305	15,851,726	16,442,794	3.7%	137
Human Resources	2,052,493	1,991,580	2,357,538	2,354,983	-0.1%	149
Licenses & Inspections	5,008,392	4,689,782	5,923,818	5,560,768	-6.1%	161
Parks & Recreation	11,139,256	10,320,964	10,692,842	10,522,274	-1.6%	171
Fire	25,586,630	23,436,377	22,412,532	21,701,448	-3.2%	185
Police	64,726,634	60,030,743	59,275,551	59,012,703	-0.4%	199
Public Works	89,114,137	92,965,729	96,834,240	98,451,007	1.7%	210
Real Estate & Housing	5,036,521	4,299,213	5,676,348	4,860,442	-14.4%	230
Commerce (Port Debt)	1,290,546	504,473	910,954	720,226	-20.9%	245
Information Tech.	0	0	0	8,577,654	N/A	247
State Pension Contr.	5,349,684	6,189,900	5,789,528	6,189,900	6.9%	186 & 200
Contingent Reserves	<u>0</u>	<u>0</u>	<u>672,000</u>	<u>672,000</u>	<u>0.0%</u>	93
Total Expenditures	<u>\$247,665,291</u>	<u>\$241,624,527</u>	<u>\$251,519,968</u>	<u>\$258,426,944</u>	<u>2.7%</u>	

* See page listed for further information and details.

**Expenditures All Funds
Fiscal Year 2020**



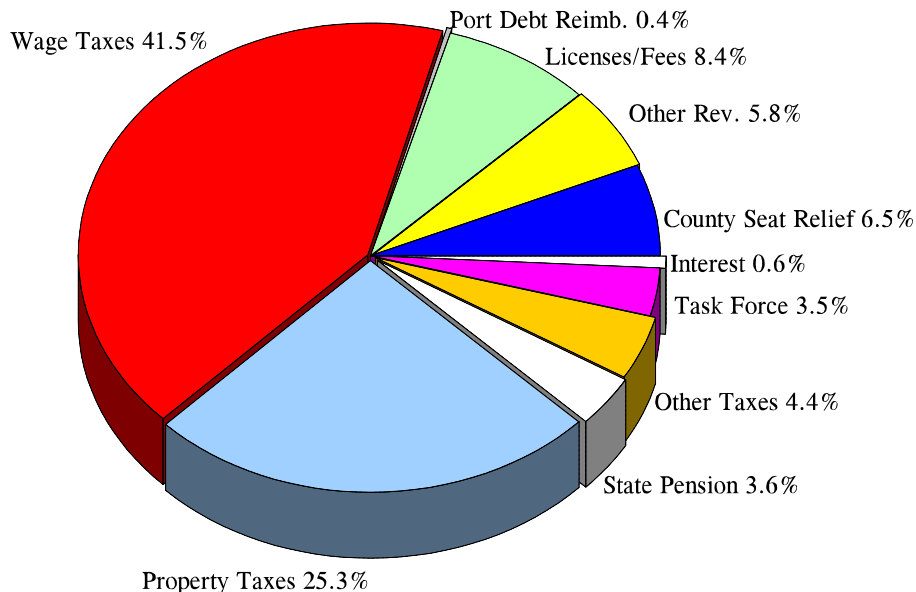
SUMMARY OF GENERAL FUND FISCAL YEAR 2020

<u>Revenues</u>	<u>Actual FY 2017</u>	<u>Actual FY 2018</u>	<u>Budget FY 2019</u>	<u>Budget FY 2020</u>	<u>Percent Change FY'20-'19</u>	<u>Page Reference*</u>
Wage Tax	\$66,911,828	\$67,374,157	\$68,416,600	\$70,461,600	3.0%	70
Property Tax	40,596,911	43,266,138	42,567,487	42,915,724	0.8%	71
Other Taxes	9,234,072	7,764,784	7,599,790	7,523,291	-1.0%	72
Licenses, Permits, Fees & Fines	10,682,706	11,472,285	12,880,000	14,207,290	10.3%	73 & 74
Interest	506,098	989,567	550,000	1,031,000	87.5%	75
Other Revenues	7,129,835	7,154,239	7,510,304	9,775,027	30.2%	76
Task Force Revenues	5,113,278	5,497,897	5,484,226	5,883,626	7.3%	77
County Seat Relief	10,216,881	10,390,282	10,858,339	11,088,839	2.1%	78
State Pension Contr.	5,349,684	6,189,899	5,789,528	6,189,900	6.9%	79
Port Debt Reimburse.	840,060	389,234	396,574	596,356	50.4%	79
Transfers In/(Out)	275,000	275,000	275,000	275,000	0.0%	80
Use of Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>	80
Total Revenues	<u>\$156,856,353</u>	<u>\$160,763,482</u>	<u>\$162,327,848</u>	<u>\$169,947,653</u>	<u>4.7%</u>	

* See page listed for further information and details

Other Taxes include Franchise Fees, Head Tax, and Real Estate Transfer Tax. Other Revenues include indirect cost allocations, miscellaneous user charges, and rental fees. 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 2020



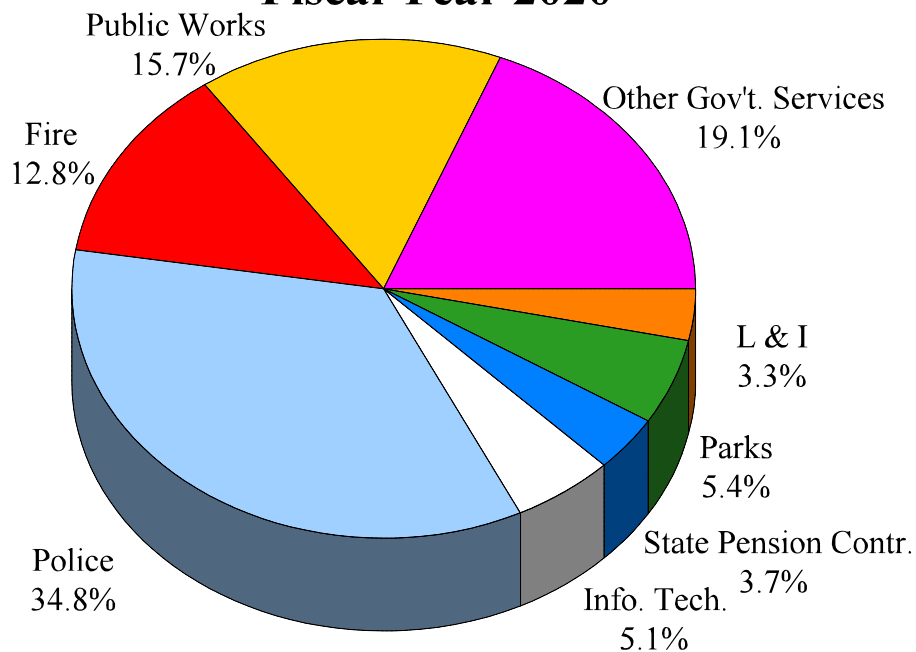
SUMMARY OF GENERAL FUND FISCAL YEAR 2020

Expenditures	Actual FY 2017	Actual FY 2018	Budget FY 2019	Budget FY 2020	Percent Change FY'20-'19	Page Reference*
Mayor's Office	\$10,095,893	\$9,621,253	\$10,146,305	\$9,240,085	-8.9%	93
Council	2,242,104	2,133,087	2,255,663	2,098,122	-7.0%	103
Treasurer	589,777	556,821	547,974	463,226	-15.5%	109
Planning	1,757,221	1,496,304	1,705,462	1,590,614	-6.7%	117
Audit	686,275	728,431	946,856	815,235	-13.9%	128
Law	3,028,380	2,881,761	2,859,818	2,649,858	-7.3%	131
Finance	9,464,729	9,082,346	10,094,649	9,583,774	-5.1%	137
Human Resources	2,052,493	1,991,580	2,357,538	2,354,983	-0.1%	150
Licenses & Inspections	5,008,392	4,689,782	5,923,818	5,560,768	-6.1%	162
Parks & Recreation	9,639,608	8,868,946	9,226,071	9,029,613	-2.1%	171
Fire	25,319,682	23,391,253	22,211,163	21,500,079	-3.2%	186
Police	62,944,314	57,331,318	58,739,785	58,293,804	-0.8%	200
Public Works	22,340,103	23,808,871	26,144,955	26,208,763	0.2%	210
Real Estate & Housing	1,932,656	1,525,981	1,766,462	1,839,035	4.1%	230
Commerce (Port Debt)	1,290,546	504,473	910,954	720,226	-20.9%	245
Information Tech.	0	0	0	8,577,654	N/A	248
State Pension Contr.	5,349,684	6,189,900	5,789,528	6,189,900	6.9%	186 & 200
Contingent Reserves**	<u>0</u>	<u>0</u>	<u>672,000</u>	<u>672,000</u>	<u>0.0%</u>	93
Total Expenditures	<u>\$163,741,857</u>	<u>\$154,802,107</u>	<u>\$162,299,001</u>	<u>\$167,387,739</u>	<u>3.1%</u>	

* 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 2020



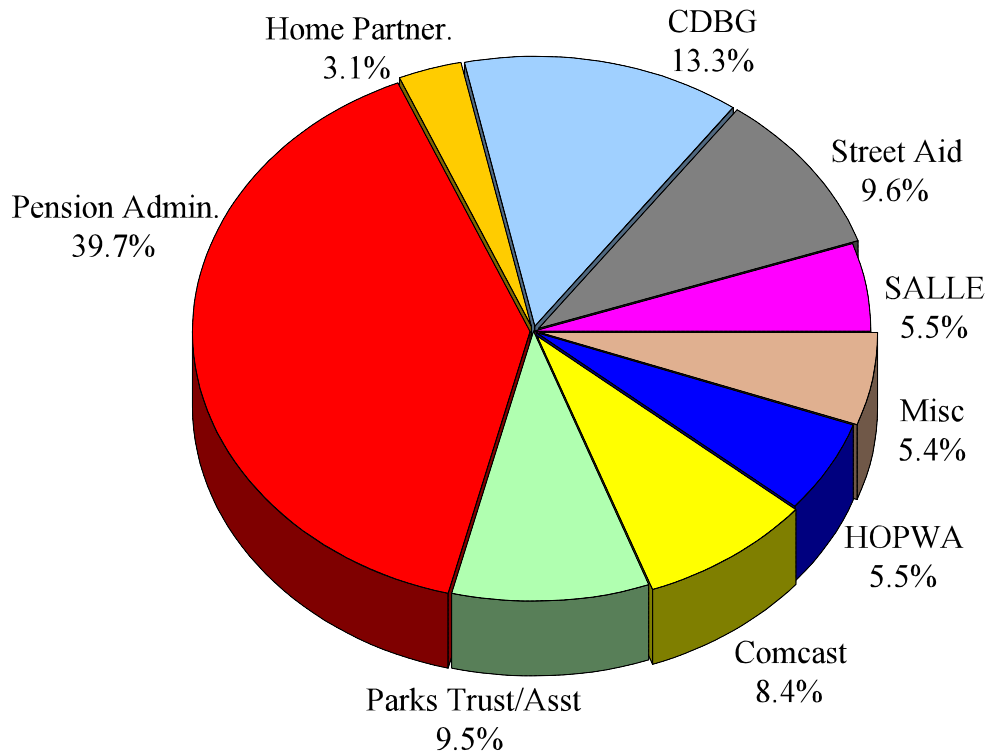
SUMMARY OF SPECIAL FUNDS FISCAL YEAR 2020

<u>Revenues</u>	<u>Actual FY 2017</u>	<u>Actual FY 2018</u>	<u>Budget FY 2019</u>	<u>Budget FY 2020</u>	<u>Percent Change FY'20-'19</u>	<u>Page Reference*</u>
Municipal Street Aid	\$1,071,213	\$1,055,870	\$1,070,165	\$1,260,608	17.8%	81
CDBG	2,041,023	1,551,181	2,381,804	1,738,806	-27.0%	81
Comcast Franchise	1,223,061	1,133,900	1,200,000	1,100,000	-8.3%	81
Emergency Shelter Workforce	190,621	181,101	182,615	184,465	1.0%	82
Investment	369,687	269,624	248,617	253,589	2.0%	84
Parks Assistance	1,075,945	1,080,529	1,082,889	1,104,547	2.0%	82
Parks Trust Fund	54,016	101,865	135,265	134,525	-0.5%	83
SALLE/LLEBG	1,782,320	2,699,425	535,766	718,899	34.2%	83
Pension Admin.	4,611,719	4,598,761	5,087,421	5,197,218	2.2%	83
Home Partnership	200,275	406,581	671,808	411,009	-38.8%	84
HOPWA	698,977	685,088	725,614	723,164	-0.3%	82
Miscellaneous Grants	<u>777,266</u>	<u>245,696</u>	<u>268,924</u>	<u>274,136</u>	<u>1.9%</u>	84
Total Revenues	<u>\$14,096,123</u>	<u>\$14,009,621</u>	<u>\$13,590,888</u>	<u>\$13,100,966</u>	<u>-3.6%</u>	

* See page listed for further information and details.

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

Special Funds Revenues Fiscal Year 2020



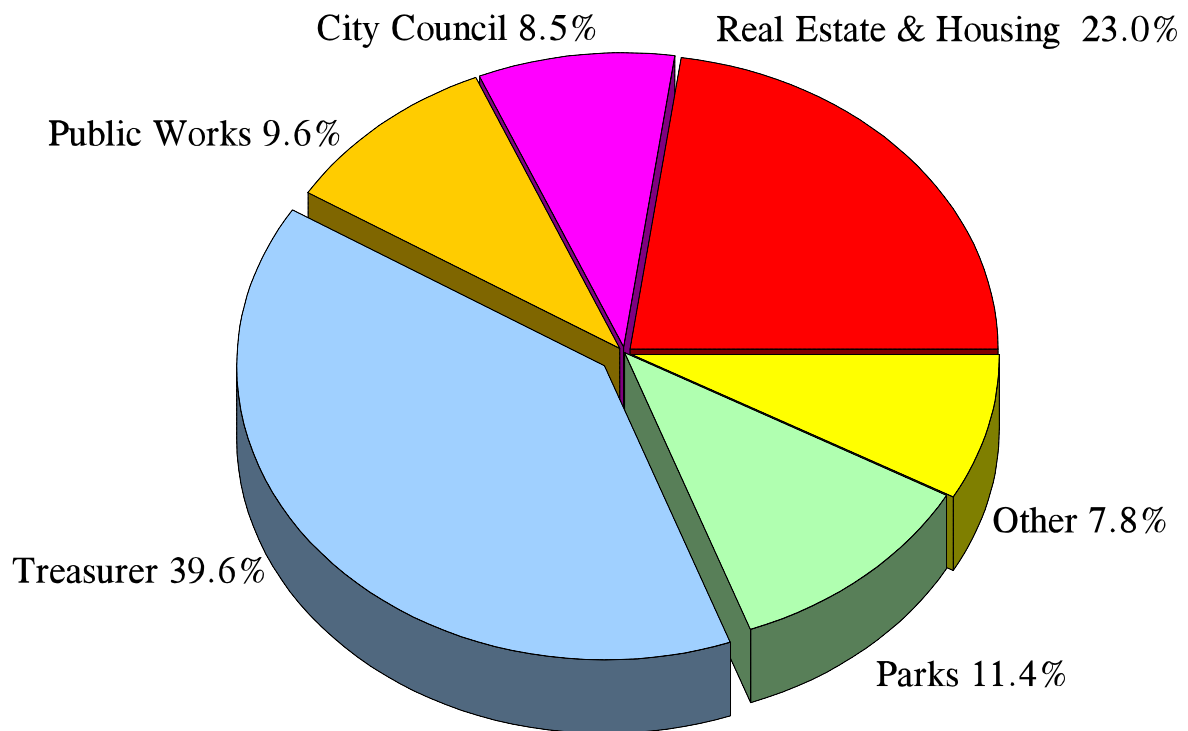
**SUMMARY OF SPECIAL FUNDS
FISCAL YEAR 2020**

<u>Expenditures</u>	<u>Actual FY 2017</u>	<u>Actual FY 2018</u>	<u>Budget FY 2019</u>	<u>Budget FY 2020</u>	<u>Percent Change FY'20-'19</u>	<u>Page Reference*</u>
Mayor's Office	\$486,630	\$200,572	\$67,555	\$72,767	7.7%	94
City Council	952,043	861,155	1,380,459	1,112,599	-19.4%	103
Treasurer	4,611,719	4,598,761	5,087,421	5,197,218	2.2%	110
Planning	50,719	50,719	51,955	36,037	-30.6%	117
Licenses & Inspections	0	0	0	0	0.0%	N/A
Parks & Recreation	1,499,648	1,452,018	1,466,771	1,492,661	1.8%	172
Fire	266,948	45,124	201,369	201,369	0.0%	186
Police	1,782,320	2,699,425	535,766	718,899	34.2%	200
Public Works	1,071,213	1,055,870	1,070,165	1,260,608	17.8%	211
Real Estate & Housing	<u>3,103,865</u>	<u>2,773,232</u>	<u>3,909,886</u>	<u>3,021,407</u>	<u>-22.7%</u>	230
Total Expenditures	<u>\$13,825,105</u>	<u>\$13,736,876</u>	<u>\$13,771,347</u>	<u>\$13,113,565</u>	<u>-4.8%</u>	

* See page listed for further information and details.

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

Special Funds Expenditures Fiscal Year 2020



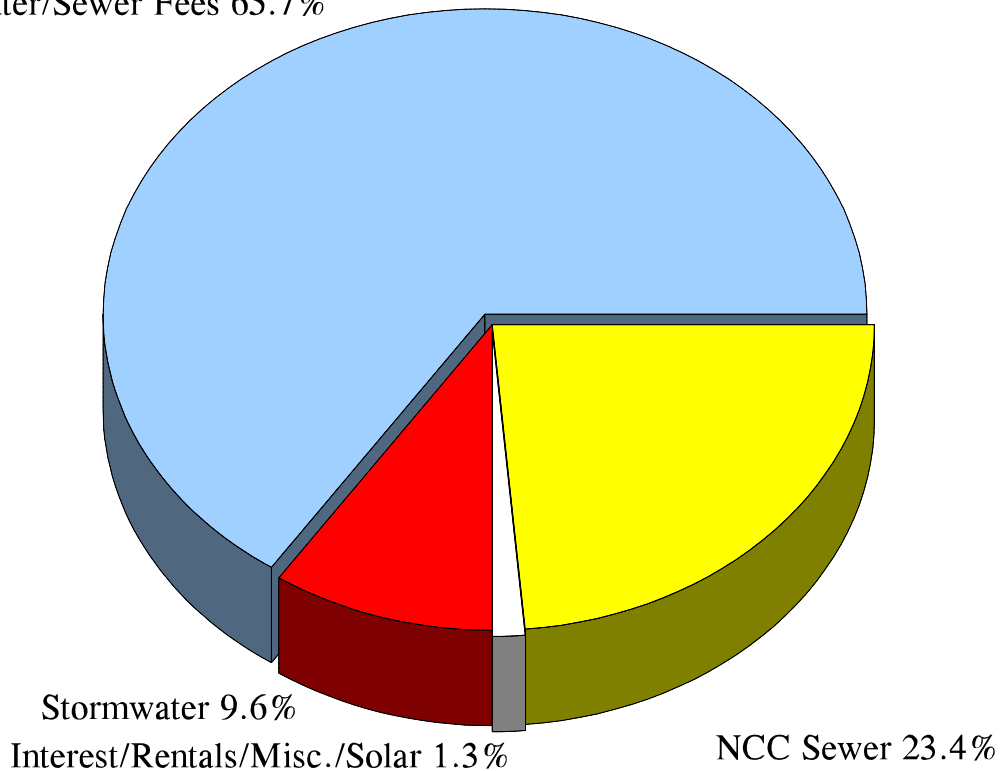
**SUMMARY OF WATER/SEWER FUND
FISCAL YEAR 2020**

Revenues	Actual FY 2017	Actual FY 2018	Budget FY 2019	Budget FY 2020	Percent Change FY'20-'19	Page Reference*
Water/Sewer						
User Fees	\$51,245,529	\$52,047,403	\$52,375,000	\$54,940,000	4.9%	85
Stormwater Billings	6,557,031	8,756,776	8,046,000	8,030,000	-0.2%	86
New Castle County						
Sewer Services	22,543,855	21,522,899	19,634,665	19,578,000	-0.3%	87
Interest	0	0	0	0	0.0%	88
Rentals/Misc.	3,171,860	981,737	1,062,000	1,085,000	2.2%	89
Solar Panels	72,610	21,142	31,000	30,000	-3.2%	90
Total Revenues	<u>\$83,590,885</u>	<u>\$83,329,957</u>	<u>\$81,148,665</u>	<u>\$83,663,000</u>	<u>3.1%</u>	

* See page listed for further information and details.

Water/Sewer Fund Revenues Fiscal Year 2020

Water/Sewer Fees 65.7%

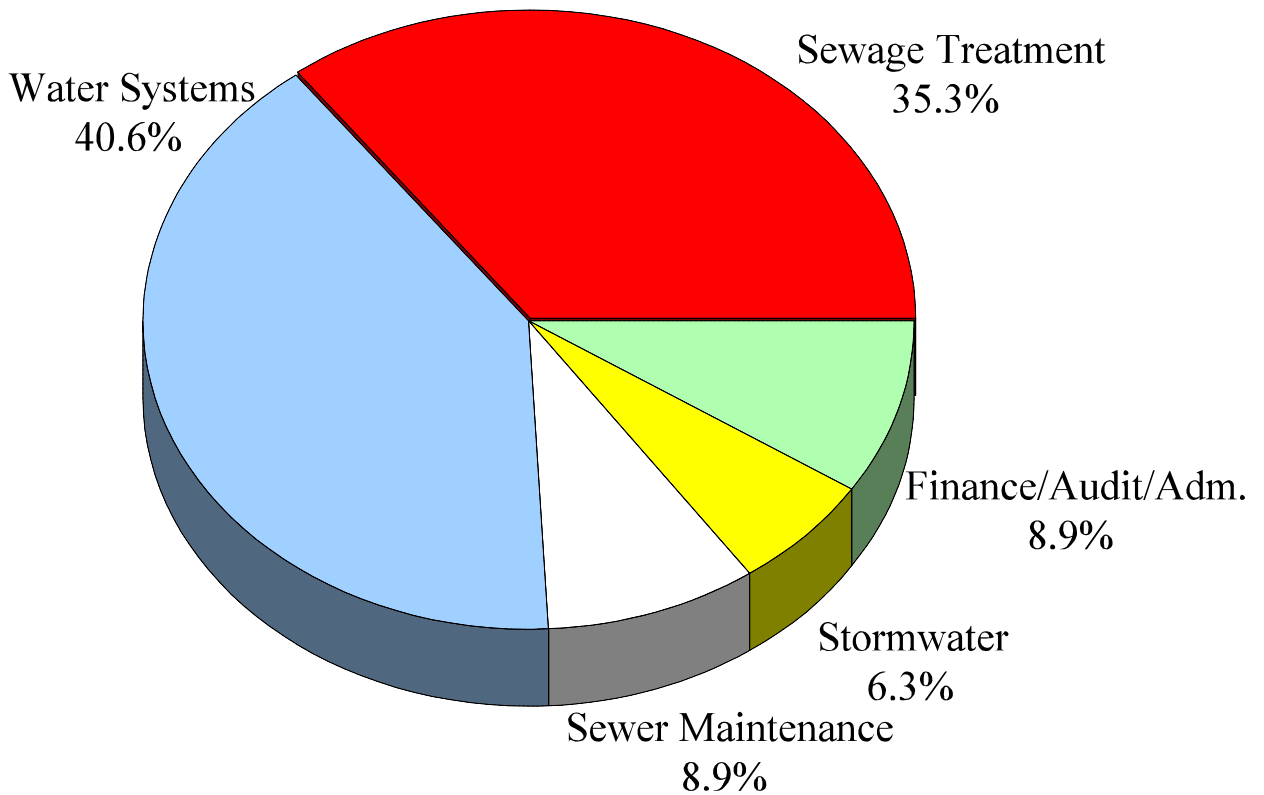


**SUMMARY OF WATER/SEWER FUND
FISCAL YEAR 2020**

<u>Expenditures</u>	<u>Actual FY 2017</u>	<u>Actual FY 2018</u>	<u>Budget FY 2019</u>	<u>Budget FY 2020</u>	<u>Percent Change FY'20-'19</u>	<u>Page Reference*</u>
Audit	\$72,268	\$72,597	\$73,423	\$84,984	15.7%	128
Finance	4,323,240	4,911,959	5,757,077	6,859,020	19.1%	138
Public Works	<u>65,702,821</u>	<u>68,100,988</u>	<u>69,619,120</u>	<u>70,981,636</u>	2.0%	210
Total Expenditures	<u>\$70,098,329</u>	<u>\$73,085,544</u>	<u>\$75,449,620</u>	<u>\$77,925,640</u>	<u>3.3%</u>	

* See page listed for further information and details.

Water/Sewer Fund Expenditures Fiscal Year 2020



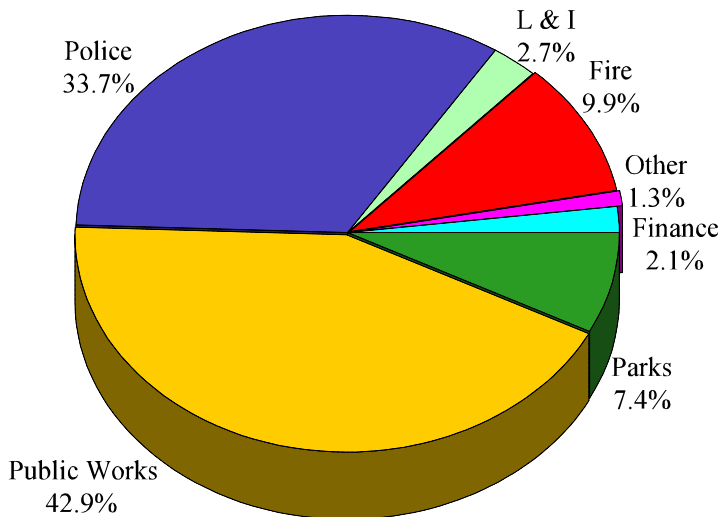
SUMMARY OF INTERNAL SERVICES FUNDS FISCAL YEAR 2020

Expenditures**	Actual FY 2017	Actual FY 2018	Budget FY 2019	Budget FY 2020	Percent Change FY'20-'19	Page Reference*
Mayor's Office	\$8,234,613	\$8,422,542	\$9,312,859	\$0	-100.0%	94
Human Resources (HR)	35,794,688	30,034,283	31,499,094	31,832,659	1.1%	150
Public Works	<u>7,363,820</u>	<u>8,095,868</u>	<u>7,617,144</u>	<u>7,714,386</u>	<u>1.3%</u>	211
Total Expenditures	<u>\$51,393,121</u>	<u>\$46,552,693</u>	<u>\$48,429,097</u>	<u>\$39,547,045</u>	<u>-18.3%</u>	

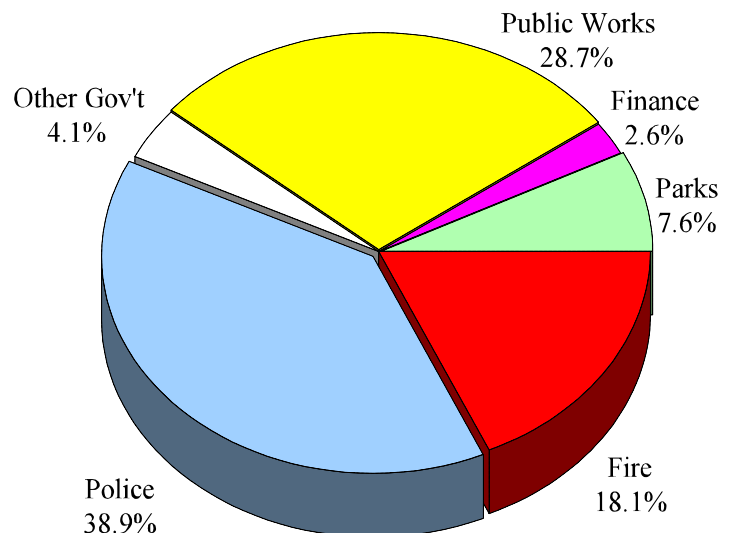
* See page listed for further information and details.

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

Public Works Motor Vehicle Costs FY '20 Internal Service Charge Allocations



HR Self-Insurance Program FY '20 Internal Service Charge Allocations

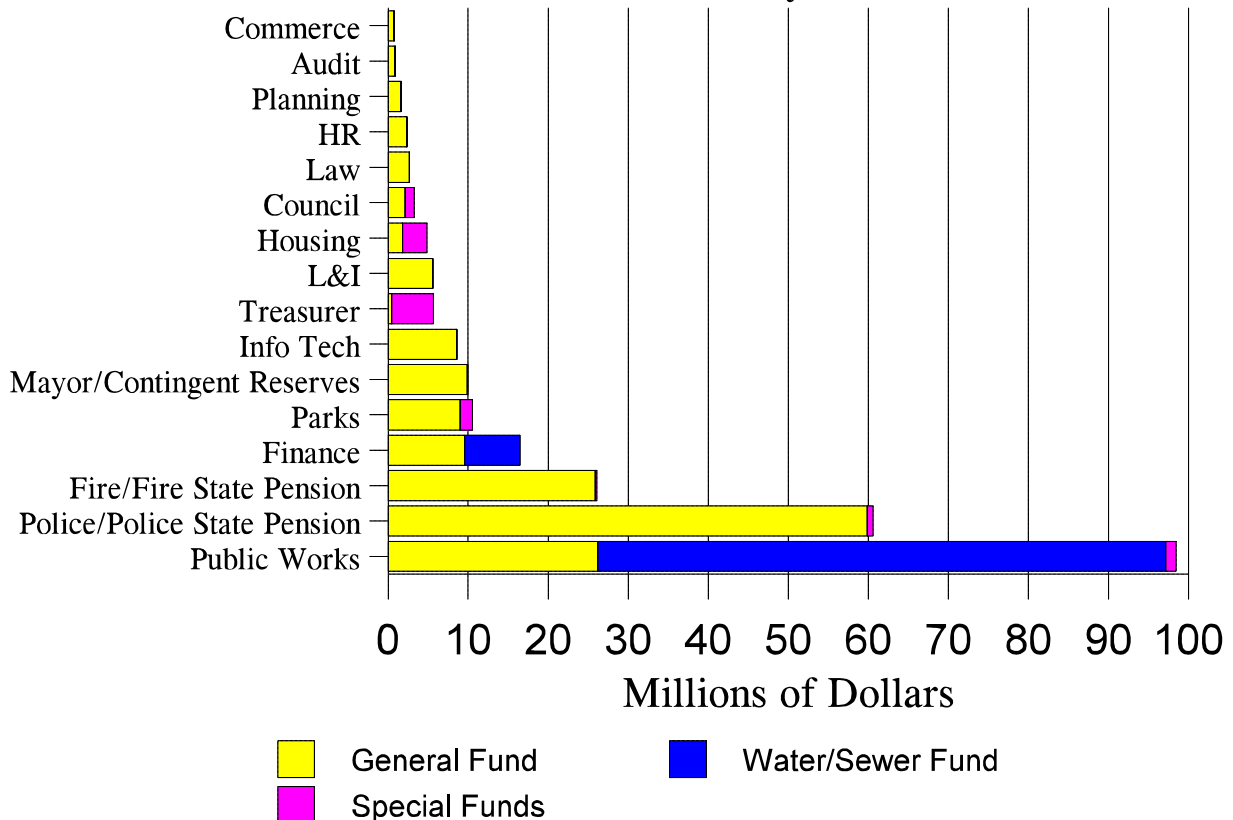


DEPARTMENTAL BUDGETS BY FUND FISCAL YEAR 2020

<u>Expenditure</u>	<u>FY 2020 Budget General Fund</u>	<u>FY 2020 Budget Water/Sewer Fund</u>	<u>FY 2020 Budget Special Funds</u>	<u>FY 2020 Budget Total All Funds</u>
Mayor's Office	\$9,240,085	\$0	\$72,767	\$9,312,852
Council	2,098,122	0	1,112,599	3,210,721
Treasurer	463,226	0	5,197,218	5,660,444
Planning	1,590,614	0	36,037	1,626,651
Audit	815,235	84,984	0	900,219
Law	2,649,858	0	0	2,649,858
Finance	9,583,774	6,859,020	0	16,442,794
Human Resources	2,354,983	0	0	2,354,983
Licenses & Inspections	5,560,768	0	0	5,560,768
Parks & Recreation	9,029,613	0	1,492,661	10,522,274
Fire	21,500,079	0	201,369	21,701,448
Police	58,293,804	0	718,899	59,012,703
Public Works	26,208,763	70,981,636	1,260,608	98,451,007
Real Estate & Housing	1,839,035	0	3,021,407	4,860,442
Commerce (Port Debt)	720,226	0	0	720,226
Info. Technologies	8,577,654	0	0	8,577,654
State Pension Contr.	6,189,900	0	0	6,189,900
Contingent Reserves	672,000	0	0	672,000
Total Expenditures	<u>\$167,387,739</u>	<u>\$77,925,640</u>	<u>\$13,113,565</u>	<u>\$258,426,944</u>

FY 2020 Total Departmental Budgets

Breakout by Fund



**Capital Improvements Program
Fiscal Years 2020 - 2025**

Summary: Total Funds Recommended by Fiscal Year and Department

Department	Type of Funding	Fiscal Year					Total City Funds	Total City / Matching Funds
		2020	2021	2022	2023	2024		
Finance	G	318,410	0	505,790	0	429,530	1,253,730	1,253,730
	W	642,500	0	722,500	0	572,500	1,937,500	1,937,500
Fire	G	3,000,000	0	10,500,000	0	5,000,000	18,500,000	18,500,000
Mayor's Office	G	1,363,000	0	2,601,000	0	2,603,000	6,567,000	6,567,000
Parks	G	2,000,000	0	4,362,500	0	4,759,375	11,121,875	11,121,875
Police	G	1,210,000	0	0	0	0	1,210,000	1,210,000
Public Works	G	9,000,000	0	10,500,000	0	10,500,000	30,000,000	30,000,000
	W	51,400,000	0	57,800,000	0	45,800,000	155,000,000	155,000,000
Real Estate and Housing	G	4,400,000	0	6,000,000	0	6,000,000	16,400,000	16,400,000
Transportation	G	4,500,000	0	6,500,000	0	5,500,000	16,500,000	16,500,000
	O	2,000,000	0	8,000,000	0	8,000,000	0	18,000,000
Total by Fund	G	25,791,410	0	40,969,290	0	34,791,905	101,552,605	101,552,605
	O	2,000,000	0	8,000,000	0	8,000,000	0	18,000,000
	W	52,042,500	0	58,522,500	0	46,372,500	156,937,500	156,937,500
Grand Total		79,833,910	0	107,491,790	0	89,164,405	258,490,105	276,490,105

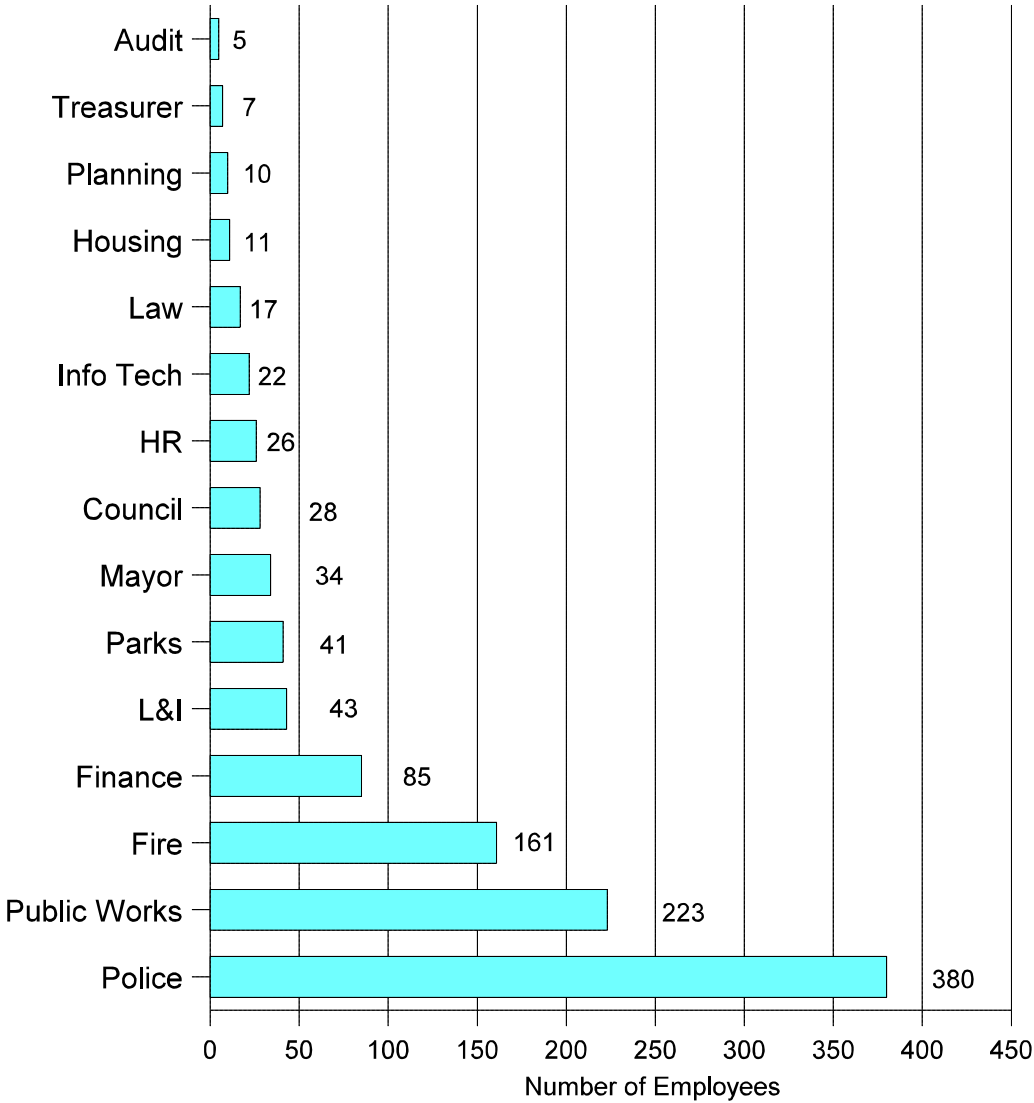
Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service

SUMMARY OF STAFFING LEVELS FISCAL YEAR 2020

TOTAL NUMBER OF EMPLOYEES ALL FUNDS COMBINED

<u>Department</u>	<u>Budget FY2016</u>	<u>Budget FY2017</u>	<u>Budget FY2018</u>	<u>Budget FY2019</u>	<u>Budget FY2020</u>	<u>Net Change FY'20-'19</u>
Mayor's Office	59.00	59.00	57.00	55.00	34.00	(21.00)
Council	29.00	29.00	29.00	29.00	28.00	(1.00)
Treasurer	6.00	6.00	7.00	7.00	7.00	0.00
Planning	11.00	10.00	10.00	10.00	10.00	0.00
Audit	4.00	4.00	4.00	5.00	5.00	0.00
Law	20.00	20.00	18.00	17.00	17.00	0.00
Finance	88.00	86.00	85.00	84.00	85.00	1.00
Human Resources	22.00	24.00	23.00	24.00	26.00	2.00
Licenses & Inspections	38.00	38.00	38.00	42.00	43.00	1.00
Parks & Recreation	41.00	41.00	40.00	39.00	41.00	2.00
Fire	177.00	177.00	161.00	161.00	161.00	0.00
Police	382.00	381.00	376.00	378.00	380.00	2.00
Public Works	223.00	221.00	219.00	221.00	223.00	2.00
Real Estate & Housing	12.00	11.00	11.00	11.00	11.00	0.00
Information Technologies	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>22.00</u>	<u>22.00</u>
TOTAL	<u>1,112</u>	<u>1,107</u>	<u>1,078</u>	<u>1,083</u>	<u>1,093</u>	<u>10.00</u>
Total Employees per every 1,000 Persons in City Population	<u>15.69</u>	<u>15.62</u>	<u>15.22</u>	<u>15.29</u>	<u>15.44</u>	

**TOTAL NUMBER OF CITY EMPLOYEES BY DEPT.
FISCAL YEAR 2020
(ALL FUNDS)**



Almost 74% (or 807) of the City’s employees work to provide Public Safety (Police, Fire, L&I) and Public Works services.

**STAFFING LEVELS BY FUND
FISCAL YEAR 2020**

**GENERAL FUND
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Budget FY2016</u>	<u>Budget FY2017</u>	<u>Budget FY2018</u>	<u>Budget FY2019</u>	<u>Budget FY2020</u>	<u>Net Change FY'20-'19</u>
Mayor's Office	37.50	36.50	34.50	33.50	33.50	0.00
Council	19.55	19.55	20.35	20.20	19.20	(1.00)
Treasurer	2.92	2.92	3.00	3.00	3.00	0.00
Planning	10.49	9.53	9.55	9.55	9.55	0.00
Audit	4.00	4.00	4.00	5.00	5.00	0.00
Law	20.00	20.00	18.00	17.00	17.00	0.00
Finance	61.85	61.45	60.45	58.65	58.85	0.20
Human Resources	13.55	13.55	13.55	14.55	16.60	2.05
Licenses & Inspections	38.00	38.00	38.00	42.00	43.00	1.00
Parks & Recreation	41.00	41.00	40.00	39.00	40.60	1.60
Fire	177.00	177.00	161.00	161.00	161.00	0.00
Police	374.00	374.00	369.00	371.00	374.57	3.57
Public Works	120.65	120.15	118.15	118.05	119.05	1.00
Real Estate & Housing	1.52	1.48	1.48	1.48	1.48	0.00
Information Technologies	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>22.00</u>	<u>22.00</u>
TOTAL	<u>922.03</u>	<u>919.13</u>	<u>891.03</u>	<u>893.98</u>	<u>924.40</u>	<u>30.42</u>

**SPECIAL FUNDS
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Budget FY2016</u>	<u>Budget FY2017</u>	<u>Budget FY2018</u>	<u>Budget FY2019</u>	<u>Budget FY2020</u>	<u>Net Change FY'20-'19</u>
Mayor's Office	0.50	0.50	0.50	0.50	0.50	0.00
Treasurer	3.08	3.08	4.00	4.00	4.00	0.00
Planning	0.51	0.47	0.45	0.45	0.45	0.00
City Council	9.45	9.45	8.65	8.80	8.80	0.00
Parks & Recreation	0.00	0.00	0.00	0.00	0.40	0.40
Real Estate and Housing	10.48	9.52	9.52	9.52	9.52	0.00
Fire	0.00	0.00	0.00	0.00	0.00	0.00
Police	<u>8.00</u>	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>	<u>5.43</u>	<u>(1.57)</u>
TOTAL	<u>32.02</u>	<u>30.02</u>	<u>30.12</u>	<u>30.27</u>	<u>29.10</u>	<u>(1.17)</u>

**STAFFING LEVELS BY FUND
FISCAL YEAR 2020**

**WATER/SEWER FUND
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Budget FY2016</u>	<u>Budget FY2017</u>	<u>Budget FY2018</u>	<u>Budget FY2019</u>	<u>Budget FY2020</u>	<u>Net Change FY'20-'19</u>
Finance	26.15	24.55	24.55	25.35	26.15	0.80
Public Works	<u>102.35</u>	<u>100.85</u>	<u>100.85</u>	<u>102.95</u>	<u>103.95</u>	<u>1.00</u>
TOTAL	<u>128.50</u>	<u>125.40</u>	<u>125.40</u>	<u>128.30</u>	<u>130.10</u>	<u>1.80</u>

**COMMERCE FUND
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Budget FY2016</u>	<u>Budget FY2017</u>	<u>Budget FY2018</u>	<u>Budget FY2019</u>	<u>Budget FY2020</u>	<u>Net Change FY'20-'19</u>
Mayor's Office	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

**INTERNAL SERVICE FUNDS
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Budget FY2016</u>	<u>Budget FY2017</u>	<u>Budget FY2018</u>	<u>Budget FY2019</u>	<u>Budget FY2020</u>	<u>Net Change FY'20-'19</u>
Mayor's Office	21.00	22.00	22.00	21.00	0.00	(21.00)
Human Resources	8.45	10.45	9.45	9.45	9.40	(0.05)
Finance	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	<u>29.45</u>	<u>32.45</u>	<u>31.45</u>	<u>30.45</u>	<u>9.40</u>	<u>(21.05)</u>
TOTAL ALL FUNDS	<u>1,112</u>	<u>1,107</u>	<u>1,078</u>	<u>1,083</u>	<u>1,093</u>	<u>10.00</u>

**FUND BALANCE
GENERAL FUND
FISCAL YEAR 2020**

Fund Balance Activity	Actual FY 2018	Estimated FY 2019	Projected FY 2020
Fund Balance as of July 1	\$33,928,774	\$40,074,179	\$43,270,962
Excess of Revenues Over/(Under) Expenditures	5,686,375	2,921,783	2,284,914
Other Financing Sources/(Uses):			
Transfer from/(to) Wilmington Parking Authority	275,000	275,000	275,000
Transfer from/(to) Special/Other Funds	184,030	0	0
Total Other Financing Sources/(Uses)	459,030	275,000	275,000
Prior Period Adjustments	0	0	0
Net Change in Fund Balance	6,145,405	3,196,783	2,559,914
Total Fund Balance as of June 30	\$40,074,179	\$43,270,962	\$45,830,876

Summary of Fund Balance

Non-spendable	\$2,995,512	\$2,935,602	\$2,876,890
Committed - Budget Reserve ¹	15,730,559	16,738,774	17,378,570
Committed - Tax Stabilization Reserve ²	21,348,108	23,596,586	25,575,416
Total Fund Balance as of June 30	\$40,074,179	\$43,270,962	\$45,830,876

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.

1. The Budget Reserve is set at the end of each fiscal year to be 10% of the next year’s General Fund Budget.
2. Beginning in FY 2018, the City created a Tax Stabilization Reserve, equal to the net unrestricted General Fund balance. This replaces the Unassigned Fund balance.

**FUND NET POSITION
WATER/SEWER FUND
FISCAL YEAR 2020**

Fund Net Position Activity	Actual FY 2018	Estimated FY 2019	Projected FY 2020
Net Position as of July 1	\$148,399,345	\$159,162,460	\$168,700,930
Excess of Revenues Over/(Under) Expenditures	15,340,013	14,969,314	10,931,408
Non-Operating Revenues/(Expenses)			
Interest Expense	(5,579,777)	(6,523,844)	(6,309,048)
Other	1,002,879	1,093,000	1,115,000
Total Non-Operating Revenues/(Expenses)	(4,576,898)	(5,430,844)	(5,194,048)
Income/(Loss) Before Transfers	10,763,115	9,538,470	5,737,360
Prior Period Adjustment	0	0	0
Change in Net Position	10,763,115	9,538,470	5,737,360
Total Net Position as of June 30	\$159,162,460	\$168,700,930	\$174,438,290

Summary of Fund Net Position

Invested in Capital Assets, Net of Related Debt	\$124,497,454	\$126,497,454	\$128,497,454
Restricted - Operation and Maintenance Reserve ¹	12,826,435	13,247,359	13,578,543
Restricted - Rate Stabilization Reserve ²	21,838,571	28,956,117	32,362,293
Total Fund Net Position as of June 30	\$159,162,460	\$168,700,930	\$174,438,290

NET POSITION

For the Water/Sewer Fund (and other proprietary and fiduciary funds), the difference between fund assets and liabilities is labeled as “**Net Position**” on the financial statement. Net Position is 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.

1. Beginning in FY 2018, the City created an Operation and Maintenance Reserve, equal to 17% of the following fiscal year’s Water/Sewer Fund operating budget.
2. Beginning in FY 2018, the City created a Rate Stabilization Reserve, equal to the net unrestricted Water/Sewer Fund balance. This replaces the Unrestricted balance.

TOTAL FUND BALANCE & NET POSITION (MEMORANDUM ONLY)
GENERAL & WATER/SEWER FUNDS
FISCAL YEAR 2020

Fund Balance & Net Position Activity	Actual FY 2018	Estimated FY 2019	Projected FY 2020
Fund Balance & Net Position as of July 1	\$182,328,119	\$199,236,639	\$211,971,892
Excess of Revenues Over/(Under) Expenditures	21,026,388	18,657,674	13,216,322
Total Other Financing Sources/(Uses)	459,030	275,000	275,000
Total Non-Operating Revenues/(Expenses)			
Water/Sewer Fund	(4,576,898)	(6,197,421)	(5,194,048)
Prior Period Adjustments	0	0	0
Change in Fund Balance & Net Position	16,908,520	12,735,253	8,297,274
Total Fund Balance & Net Position as of June 30	\$199,236,639	\$211,971,892	\$220,269,166
Summary of Fund Balance & Net Position			
Non-spendable	\$2,995,512	\$2,935,602	\$2,876,890
Committed - Budget Reserve	15,730,559	16,738,774	17,378,570
Committed - Tax Stabilization Reserve	21,348,108	23,596,586	25,575,416
Invested in Capital Assets, Net of Related Debt	124,497,454	126,497,454	128,497,454
Restricted - Operation and Maintenance Reserve	12,826,435	13,247,359	13,578,543
Restricted - Rate Stabilization Reserve	21,838,571	28,956,117	32,362,293
Total Fund Balance & Net Position as of June 30	\$199,236,639	\$211,971,892	\$220,269,166

City of Wilmington General Fund

ACTUAL, BUDGETED & PROJECTED REVENUES AND EXPENDITURES

(Preliminary)

Revenue Type	Actual	Projected	Budget	Projected	Projected	Projected	Projected	Projected
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	
Wage & Net Profits Tax	\$67,374,157	\$68,916,600	\$70,461,600	\$71,327,760	\$73,207,760	\$75,134,760	\$77,109,760	
Property Tax	43,266,138	42,767,487	42,915,724	44,143,800	45,659,222	46,968,499	48,317,054	
Real Estate Transfer Tax	3,182,700	3,200,000	2,730,178	2,812,083	2,896,446	2,983,339	3,072,839	
Head Tax	3,693,366	3,874,000	3,874,000	3,779,320	3,779,320	3,779,320	3,779,320	
Franchise Fees	888,718	921,140	919,113	904,203	901,585	898,967	896,349	
Licenses, Permits, Fees	5,510,432	4,800,000	5,065,290	5,065,290	5,065,290	5,065,290	5,065,290	
Fines	5,961,853	6,080,000	9,142,000	8,839,016	8,839,016	8,839,016	8,839,016	
Interest Income	989,567	1,100,000	1,031,000	1,327,780	1,368,369	1,452,671	1,466,341	
Indirect Costs	5,476,638	5,732,304	8,012,027	8,212,328	8,417,636	8,628,077	8,843,779	
Other Miscellaneous Revenues	1,677,601	1,778,000	1,763,000	1,763,000	1,763,000	1,763,000	1,763,000	
Task Force Revenues	5,497,897	5,734,226	5,883,626	6,107,441	6,219,212	6,333,225	6,449,534	
County Seat Relief Package	10,390,282	10,858,339	11,088,839	11,342,511	11,434,346	11,527,467	11,621,891	
State Port Debt Reimbursement	389,234	396,574	596,356	870,857	554,204	553,829	0	
State Pension Contribution	6,189,899	5,789,528	6,189,900	6,189,900	6,189,900	6,189,900	6,189,900	
Total Revenues	\$160,488,482	\$161,948,198	\$169,672,653	\$172,685,289	\$176,295,306	\$180,117,360	\$183,414,074	

Expenditure Type	Actual	Projected	Budget	Projected	Projected	Projected	Projected	Projected
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	
Salaries and Wages	\$61,483,224	\$62,353,291	\$66,228,578	\$68,063,150	\$69,944,613	\$71,874,109	\$73,852,807	
Health Benefits	15,982,978	16,526,876	17,742,128	19,099,440	20,883,925	22,835,886	24,971,066	
Pension and Retirement	18,393,896	18,654,193	19,428,495	19,565,038	20,292,013	20,912,844	21,193,964	
Other Employee Benefits	2,504,960	2,540,408	2,702,679	2,778,185	2,855,630	2,935,061	3,016,527	
Equipment & Services	18,570,900	21,611,795	29,051,471	30,014,844	30,659,417	31,330,499	32,052,011	
General Liability	1,524,467	1,383,089	1,417,664	1,453,106	1,489,433	1,526,669	1,564,836	
Workers' Compensation	5,835,171	3,004,907	3,089,945	3,176,270	3,264,812	3,355,625	3,448,764	
Internal Services	11,805,022	13,395,735	7,124,379	7,385,870	7,656,958	7,937,996	8,229,349	
Debt Service	12,220,563	13,496,235	14,086,000	15,725,236	14,635,270	14,668,486	14,678,317	
Special Purpose	291,027	270,358	326,500	334,663	343,029	351,605	360,395	
State Pension Contribution	6,189,899	5,789,528	6,189,900	6,189,900	6,189,900	6,189,900	6,189,900	
Total Expenditures	\$154,802,107	\$159,026,415	\$167,387,739	\$173,785,700	\$178,214,999	\$183,918,679	\$189,557,937	
Operating Surplus/(Deficit)	\$5,686,375	\$2,921,783	\$2,284,914	(\$1,100,412)	(\$1,919,693)	(\$3,801,319)	(\$6,143,863)	
Net Adj. & Transfers In/(Out)	459,030	275,000	275,000	275,000	275,000	275,000	275,000	
Surplus/(Deficit)	\$6,145,405	\$3,196,783	\$2,559,914	(\$825,412)	(\$1,644,693)	(\$3,526,319)	(\$5,868,863)	

Total Fund Balance	\$40,074,179	\$43,270,962	\$45,830,876	\$45,005,464	\$43,360,771	\$39,834,452	\$33,965,589	
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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 2020), as well as the next four outyears (FY 2021 through 2024). For FY 2020, the approved budget is shown and is the base year upon which the FY 2021 through 2024 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 2019 embodies projected year-end revenues that have been reviewed by the Wilmington Economic & Financial Advisory Council, as well as expenditure estimates presented to the City's Expenditure Review Board.

GENERAL INFLATION ASSUMPTIONS

The Office of Management and Budget relies on the Survey of Professional Forecasters for its general inflation projections. Conducted by the Federal Reserve Bank of Philadelphia, this survey is the oldest quarterly survey of macroeconomic forecasts in the United States. The May 10, 2019 release projects headline Consumer Price Index (CPI) growth of 1.9% in calendar year 2019, followed by slightly higher increases in inflation through calendar year 2023 (see table below).

Calendar Year	Survey of Professional Forecasters Projected Annual Headline CPI Increase
2019	1.90%
2020	2.10%
2022	2.10%
2022	2.15%
2023	2.15%

Federal Reserve Bank of Philadelphia, Survey of Professional Forecasters, May 10, 2019

While local factors may vary, the regional CPI for the Philadelphia-Wilmington-Atlantic City Consolidated Metropolitan Statistical Area has trended close to the 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 national 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 2021 through FY 2024 outyear revenue projections. In many cases these assumptions rely on the budgeted revenue for FY 2020 as a starting base; further details on how the FY 2020 revenues were derived can be found in the *Revenues* section of the budget book.

Wage & Net Profit Taxes (FY 2020 Base Year: \$70,461,600 - 41.5% of total revenues)

Wage and Net Profits Tax revenues for FY 2020 are projected to total almost \$70.5 million, an increase of \$2.0 million from the FY 2019 budget. This was based on an assumption of a starting wage tax base of \$61.2 million, flat job growth in FY 2020, a 2.5% increase in taxable wages, and \$1.25 million in one-time audit and collection revenue. Net profits are projected to remain flat in FY 2020.

In their June 2019 report, the Delaware Economic and Financial Advisory Council (DEFAC) projects 3.5% wage and salaries growth for FY 2021. 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 profits tax receipts are projected to grow annually (exclusive of audit and collection revenue) by 2.5% for FY 2021 through 2024, matching expected normal wage inflation. For wage tax, this also assumes flat job growth, annual audit and collection revenue remaining level at \$1.25 million throughout the projection period. Of special note is the reduction of almost \$1 million made to the wage tax base in the outyears to account for the planned relocation of 526 Barclays jobs out of the City, which is expected to be completed by the end of FY 2020. News of the relocation came well after the FY 2020 budget process was completed.

Property Tax (FY 2020 Base Year: \$42,915,724 - 25.3% of total revenues)

Property Taxes are budgeted to total \$42.9 million in FY 2020, an increase of \$348,237 compared to the FY 2019 budget. This is built on projected base billings of \$42.8 million. An additional \$250,000 loss is included for FY 2020 reassessment appeals, though this is offset by \$52,972 in increased revenue from expiring tax incentives and projected property improvements. The usual 2.0% allowance for doubtful accounts further reduces revenue by \$851,000. Lastly, one-time revenue from Penalty and Interest is expected to be \$1.2 million, up \$200,000 over the FY 2019 budget due to improved collection efforts.

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 annual 3.0% rate increase, consistent with the historical annual average rate increase. Based on the combined outyear revenue and expenditure projection presented here, these increases are sufficient to keep total fund balance at or above the FY 2017 yearend level of \$33.9 million through the end of FY 2024. The FY 2017 level was chosen as a baseline because it represents the City's financial position when the current Administration took office. It should be noted that specific property tax rate increases have not been proposed by either the Administration or Council, and that alternative revenue enhancements (and spending cuts) could be used to maintain the targeted level of fund balance. The 3.0% annual rate increases in the model are used as proxies under the presumption that corrective action will be taken.

Other projection assumptions include assessment appeals leveling off relative to FY 2019 and 2020, with outyears projected at \$50,000 each year. The cumulative amount added from expiring incentives totals \$258,221 over the period of FY 2021 through FY 2024, with the bulk of the expirations occurring in FY 2022. Lastly, the allowance for uncollectables (2.0% of gross billings, or approximately \$850,000 annually) and one-time penalty and interest collections (\$1.2 million annually) are expected to remain at the same level as FY 2020.

Real Estate Transfer Tax (FY 2020 Base Year: \$2,730,178 - 1.6% of total revenues)

Real Estate Transfer Tax revenues are budgeted to decline slightly by \$74,472 relative to the FY 2019 budget, to a new total of \$2.7 million. This figure is conservatively based on average historical residential and commercial transfers minus one standard deviation. While the City has seen growth in Transfer Tax in recent years, there has historically been tremendous annual revenue variability, especially regarding commercial transfers. Given this, the City uses a 3.0% annual increase for the FY 2021 to FY 2024 outyear projections, consistent with 30-year average annual growth of property prices in Wilmington.

Head Tax (FY 2020 Base Year: \$3,874,000 - 2.3% of total revenues)

Head Tax revenue is budgeted to remain at \$3.87 million for FY 2020, as net job growth is budgeted to be flat. FY 2021 includes an offset for the 526 jobs to be lost in the Barclays relocation, with no net job growth or reduction assumed for the remainder of the projection period.

Franchise Fees (FY 2020 Base Year: \$919,113 - 0.5% of total revenues)

Franchise Fees consists of 2% of the gross revenues from electricity sales in the City and is budgeted to be \$919,113 in FY 2020, a slight decrease relative to the FY 2019 budget. Based on the continued trend of reduced electricity use, the outyear projection includes slight average decreases of 0.6% annually for FY 2021 through FY 2024.

Licenses, Permits, Fees (FY 2020 Base Year: \$5,065,290 - 3.0% of total revenues)

Collectively, Licenses, Permits, and Fees revenue is budgeted to be up by a net \$265,290 in FY 2020 relative to the FY 2019 budget. Business License revenue is projected to increase by \$863,290, largely due to the proposed increase in the Rental Business License fee. However, this increase is largely offset by a projected reduction in the revenue from Permits, which is down \$600,000, as Permits are expected to return to more historic levels following the completion of several large one-time construction projects in FY 2019. No changes are expected to total Licenses, Permits, and Fees revenues for the remainder of the projection period.

Fines (FY 2020 Base Year: \$9,142,000 - 5.4% of total revenues)

The Fines category consists of redlight camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. Revenue is projected to total \$6.1 million in FY 2020, up \$1.0 million from the FY 2019 budget. The largest portion of Fines is derived from redlight camera citations, which is up by about \$1.0 million in FY 2020, for a new total of \$5.45 million. This includes 17 new redlight cameras that are anticipated to be in service by the beginning of FY 2020. For FY 2021, the redlight revenue base is reduced by almost \$303,000, reflecting a new analysis that indicates that the 17 new cameras will not, on average, exceed the performance of the top 25% of existing cameras in revenue generation. No other changes to this category are expected in subsequent years.

Parking Tickets and Booting fees are budgeted to total slightly over \$3.0 million in FY 2020, which is a \$62,000 increase over the FY 2019 budget. This change is net of a \$238,000 decline in projected citations, offset by a \$300,000 increase due to improved collections of existing receivables. No change is projected in the outyear period.

Criminal Fines and L&I Instant Ticketing are expected to remain flat for the projection period.

Interest Income (FY 2020 Base Year: \$1,031,000 - 0.6% of total revenues)

As interest rates continue to increase, the interest earned by the City on cash balances is projected to grow between FY 2021 and FY 2024, though this is offset by planned reductions to fund balance. The projection assumes an interest rate of 2.85% in FY 2021, which is projected to increase by 25 basis points each year going forward and includes the following additions to the investment base:

1. FY 2021: a weighted average of \$4.4 million from the unspent portion of the November 2020 capital borrowing, plus \$2.6 million in fund surplus;
2. FY 2022: a weighted average of \$5.3 million from the unspent portion of the November 2020 capital borrowing, net of the FY 2021 deficit;
3. FY 2023: a weighted average of \$1.6 million from the unspent portion of the November 2020 capital borrowing, plus a weighted average of \$3.8 million from the November 2022 capital borrowing, net of the FY 2022 deficit;
4. FY 2024: a weighted average of \$4.6 million from the unspent portion of the November 2020 capital borrowing, net of the FY 2023 deficit.

Indirect Costs (FY 2020 Base Year: \$8,012,027 - 4.7% 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. Indirect Costs are budgeted to rise by almost \$2.3 million relative to the FY 2019 budget, reflecting the Water/Sewer Fund's reimbursement of various internal services charges transferred to the General Fund beginning in FY 2020. For FY 2021 and subsequent years, this category is estimated to increase by 2.5% per year.

Other Miscellaneous Revenues (FY 2020 Base Year: \$1,763,000 - 1.0% 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 2020 Base Year: \$5,883,626 - 3.5% 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 (including Wilmington, 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 2020. Based on DEFAC projections, this is projected to decline by 2.1% in FY 2021, then remain flat from FY 2022 through FY 2024.

2. A State Limited Liability Corporation (LLC) filing tax, budgeted at \$3.4 million for FY 2020. This is projected to grow by 6.6% in FY 2021 per DEFAC, then by 2.5% for the remainder of the outyear period.
3. A 2% lodging tax on hotels in the City, budgeted at \$771,744 in FY 2020. Per prior year trends, this is projected to grow, on average, by 1.9% per year.
4. A natural gas franchise fee, budgeted at \$537,689 in FY 2019. Per prior year trends, this is projected to increase by an average of 1.6% annually.

County Seat Relief Package (FY 2020 Base Year: \$11,088,839 - 6.5% 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 2020, this totals almost \$11.1 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 2020 and is projected to remain level through outyears FY 2021 to FY 2024.
2. \$1.0 million in Statutory Trust filing fees in FY 2020, which is the capped amount. This is expected to remain flat during the projected period.
3. \$6.3 million in State Uniform Commercial Code (UCC) filing fees in FY 2020. Based on DEFAC projections, this expected to grow 4.2% in FY 2021, and 1.4% annually during the remainder of the projection period.
4. \$1.3 million in New Castle County Corporate Filing Fees in FY 2020. Based on DEFAC projections of franchise tax growth, this is projected to decline by 0.7% in FY 2021, then remain flat from FY 2022 through FY 2024.

State Port Debt Reimbursement (FY 2020 Base Year: \$596,356 - 0.4% 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. Following their long-term lease of the Port, the State provided the City with full payment for the outstanding debt. The City has amortized these funds and will continue to budget debt reimbursement payments for the remaining life of the associated bonds. The outyear projection is based on the existing port debt service schedule, with the final payment concluding in FY 2023.

State Pension Contribution (FY 2020 Base Year: \$6,189,900 - 3.6% of total revenues)

The State Pension Contribution is a pass-through grant of \$6,189,900 in revenue that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. The State pension contribution has been projected to remain level through FY 2024.

Net Adjustments & Transfers (FY 2020 Base Year: \$275,000)

There are no prior year designations in FY 2020. Only the usual transfer from the Wilmington Parking Authority (WPA) in the amount of \$275,000 is budgeted, with no change anticipated for the outyears.

OUTYEAR PROJECTION ASSUMPTIONS - EXPENDITURES

Salaries and Wages (FY 2020 Base Year: \$66,228,578 - 39.6% 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 2020 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 have expired and the City is currently negotiating with them.

For FY 2021 through FY 2024, 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 2020 Base Year: \$17,742,128 - 10.6% 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 continues to work with the labor unions to fully implement the report's recommendations, especially regarding higher employee healthcare contributions.

The Human Resources Department and USI (the City's insurance broker and consultant) project that on an annual basis during the period of FY 2021 to FY 2024, medical stop-loss insurance will increase 20.0%; medical costs will increase 9.0%; prescription costs will increase by 11.0%; and dental costs will increase by 5.0%. Taken in total, this equates to an overall weighted-average increase in base Healthcare costs of 9.4% 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 2021. For the FY 2020 budget, the equivalent weighted-average employee contribution rate was projected to be just under 9.5%.

Pension and Retirement Healthcare (FY 2020 Base Year: \$19,428,495 - 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 2020, it is 16.84% for police officers and firefighters, and

7.28% for civilian participants. Because the State funding percentages are estimated to increase annually by only 15 basis points for civilians and 25 basis points for police and firefighters, the major cost growth will result from the number of new employees hired each year that fill vacancies left by former employees that were in one of the older City-sponsored pension plans. It is assumed that an average of 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 \$5.7 million General Fund total cost of the State-sponsored pension plans in FY 2020 is projected to grow to \$6.7 million by FY 2024.

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 (ARC) 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 10 years. The Pension Coordinator, working with the City's Actuary, projects a 4.45% decrease in the ARC for FY 2021; an increase of 1.17% in FY 2022; no change in FY 2023; and a 3.48% decrease in FY 2024. This works out to be a weighted-average funding target decrease of 1.72% annually for the projection period. For FY 2020, the General Fund cost of the City-sponsored pension plans totals \$10.4 million. This is projected to decline to \$9.7 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 \$213,100 (the General Fund's prorated contribution) for at least the next 5 years. These increases have been incorporated into the outyears of the projection. The General Fund retiree healthcare budget cost for FY 2020 is \$3.2 million and will grow to over \$4.0 million by FY 2024.

Other Employee Benefits (FY 2020 Base Year: \$2,702,679 - 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 2020 Base Year: \$29,051,471 - 17.4% 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, collection commissions on parking and traffic violations, 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 fee was fully implemented in FY 2019. Starting with a base fee of \$1.02 million in FY 2020, the most recent water/sewer utility study projects required rate increases in the outyears that will raise the base fee to roughly \$1.15 million by FY 2024.

The City uses an energy procurement consulting firm specializing in designing and maintaining large-scale energy portfolios and the City's energy contract purchases. According to the consultant, electricity cost for the City will rise 3.1% in FY 2021, be almost flat in FY 2022, increase just under 1% in FY 2023, and then jump almost 3.8% in FY 2024. This equates to an average annual growth rate of just under 2.0% over the projection period.

Given the above, the FY 2020 base cost for electricity of \$1.22 million rises to \$1.32 million by FY 2024, an increase of \$100,000 over the projection period. 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 \$1.26 million in FY 2020 will remain constant throughout the entire projection period.

The City has two contracts with Conduent Transportation to help in the collection of parking and redlight camera violations, as well as to administer certain parts of the respective citation programs. The Finance Department anticipates entering into a new contract with Conduent in FY 2021 to handle all collection activities for parking citations. This will result in an increase of 6.0% in the parking citations contract cost in FY 2021, followed by 2.0% annual increases for the remainder of the projection period. It is further anticipated that in FY 2021 the City will renew its redlight camera citations contract with Conduent, and that there will be a one-time increase to the flat-rate commission fee charged per redlight camera. This will result in a 19.6% increase in the redlight camera contract cost for FY 2021, followed by no increases for FY 2022 through FY 2024. The total combined cost for the parking and redlight camera contracts is expected to increase from \$2.6 million in FY 2020 to just over \$3.0 million by FY 2024, representing an average annual increase of 3.8%.

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 2020, the total budgeted for Community Activities is \$932,750 (\$619,750 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 2020. 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 2020 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 2020 Base Year: \$1,417,664 - 0.8% 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 2020 budget of \$1.42 million. This figure is projected to increase by 2.5% annually.

Workers' Compensation (FY 2020 Base Year: \$3,089,945 - 1.8% of total expenditures)

Workers' Compensation expenditures in FY 2017 spiked because of 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 this type of rare event, funding for stop-loss insurance coverage and to help build a reserve in the Workers' Compensation Fund is included in the budget. The FY 2020 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 2020 Base Year: \$7,124,379 - 4.3% of total expenditures)

This category used to encompasses various expenditures incurred by operating departments but budgeted centrally. Prior to FY 2020, this included charges for motor vehicles, telephone and radio usage, postage, data processing, document management, and mapping and graphics. Starting in FY 2020, only motor vehicle charges will remain in the category. In the Budget Book summaries, Internal Services also includes General Liability and Workers' Compensation; however for this projection they are analyzed separately above.

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 2020, though estimates from various private and government sources vary considerably. Fortunately, fuel accounts for 13% of the total Motor Vehicle costs. The 87% of all other Motor Vehicle costs are expected to grow by 3.1% annually. This results in a weighted average annual growth rate of 3.67%.

Debt Service (FY 2020 Base Year: \$14,086,000 - 8.4% of total expenditures)

Debt Service is based on the existing debt schedules as provided by the Treasurer's Office, with estimates added for any expected new borrowing or refinancing. To fund the City's biennial capital budgets, it is assumed a \$46.9 million bond issuance will take place in November of 2020 (FY 2021) and a \$13.0 million bond issuance in November 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 2021 issuance is assumed to be 4.00%, resulting in \$3.43 million in annualized debt service cost. The FY 2023 issuance has an assumed interest rate of 4.25%, resulting in just under \$972,000 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 payment on each of the new bond issuances does not occur until the succeeding fiscal year.

Special Purpose (FY 2020 Base Year: \$326,500 - 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. The base fee to the State Office of Animal Welfare for FY 2020 is \$307,500 in FY 2020 and is projected to grow by 2.5% per year through FY 2023.

State Pension Contribution (FY 2020 Base Year: \$6,189,900 - 3.7% of total expenditures)

The State Pension Contribution, a grant from the State that is booked as a pass-through in the General Fund to meet the requirements of GASB pronouncement #24, is \$6,189,900 for FY 2020. As such, an equal and offsetting amount is included as General Fund revenue. This expenditure is split between the Police and Fire Departments, with \$4,648,667 budgeted in Fire and \$1,541,233 budgeted in Police. The total FY 2020 figure remains unchanged through the projection period.



FISCAL YEAR 2020 REVENUES

Overview

GENERAL FUND

Total revenue before transfers is projected to increase by a net \$7,619,805 or 4.7% above the FY 2019 budget, to a new total of **\$169,672,653**. The net change from budget to budget (FY 2020 vs. FY 2019) by revenue category is shown in the following table:

REVENUE	INCREASE/ (DECREASE)	TOTAL
Other Revenues	\$2,264,723	\$9,775,027
Wage & Net Profits Tax	\$2,045,000	\$70,461,600
Fines	\$1,062,000	\$9,142,000
Other Governments	\$600,154	\$6,786,256
Interest Earnings	\$481,000	\$1,031,000
Task Force Revenues	\$399,400	\$5,883,626
Property Taxes	\$348,237	\$42,915,724
Licenses, Permits & Fees	\$265,290	\$5,065,290
County Seat Relief Package	\$230,500	\$11,088,839
Other Taxes	(\$76,499)	\$7,523,291
TOTAL	\$7,619,805	\$169,672,653

WATER/SEWER FUND

Total Water/Sewer Fund revenues are projected to increase by \$2.5 million, to a new total of almost \$83.7 million in FY 2020. 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. The FY 2020 budget includes revisions to some customer classes and rates (see Water/Sewer User Fees and Stormwater Billings) equivalent to an across-the-board rate increase of 2.7%.

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2020

WAGE & NET PROFITS TAX

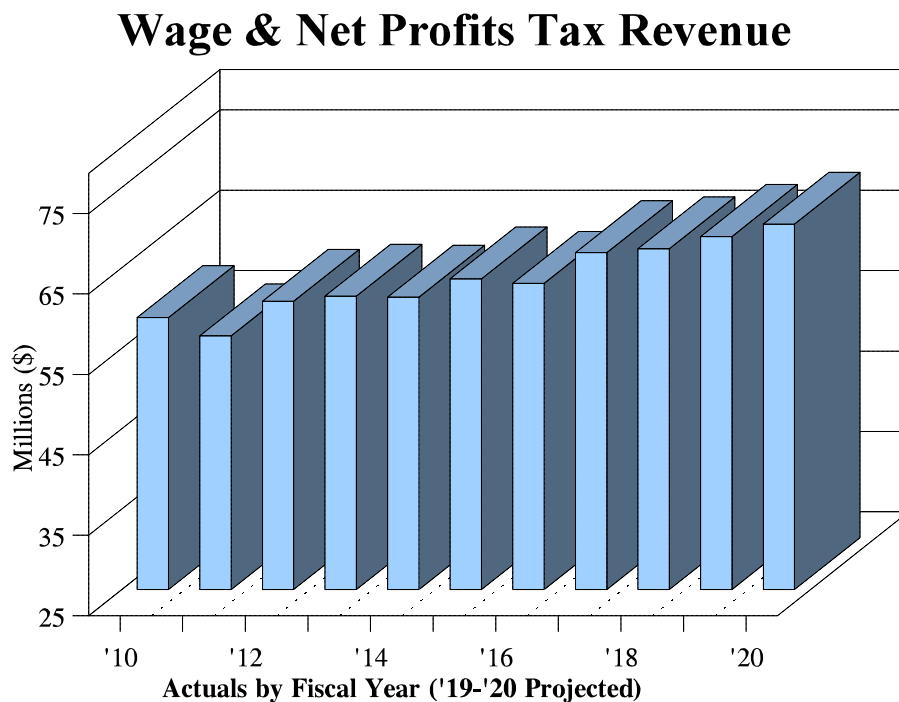
Basis: Growth of local economy

Critical Assumption: Wage and Net Profits Tax revenues for FY 2020 are projected to total almost \$70.5 million, an increase of \$2.0 million from FY 2019.

Wage Tax revenue is projected to be slightly less than \$64.0 million. This is built on an adjusted starting Wage Tax base of \$61.2 million, which includes \$65,000 expected to be added to the base by FY 2019 audit activities. While job growth is assumed to be flat for FY 2020, 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 March 2019 report projects State wages and salaries growth to be 3.7% in FY 2020.) Finally, audit and collection efforts in FY 2020 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, is expected to remain stable in FY 2020, for a total of \$6.5 million.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$66,911,828	\$67,374,157	\$68,416,600	\$68,916,600	\$70,461,600



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2020

PROPERTY TAX

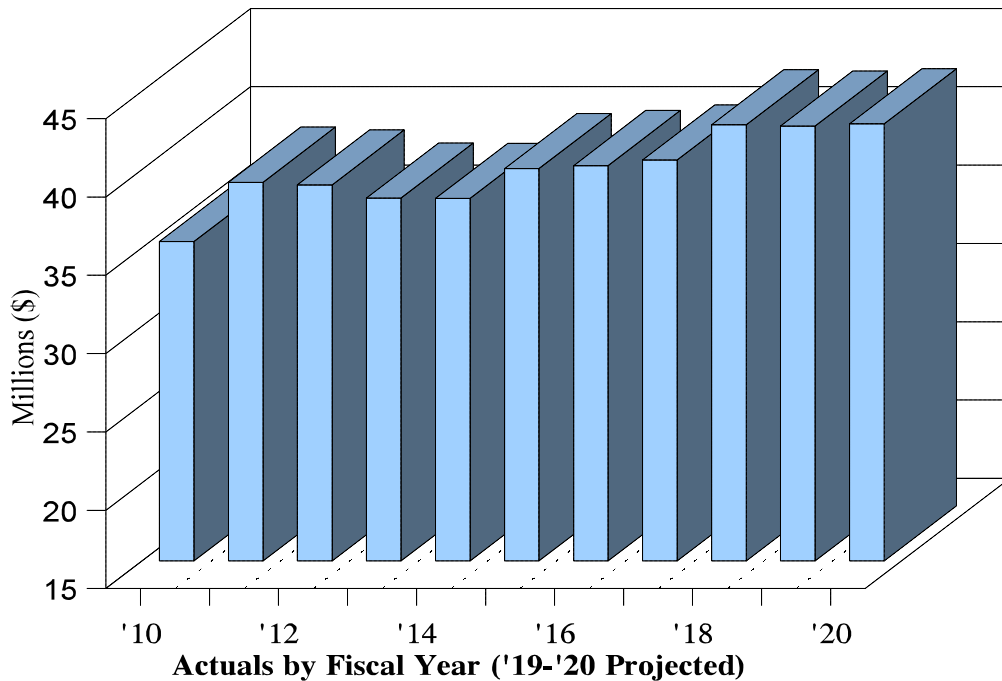
Basis: Assessment rolls

Critical Assumption: Property Taxes are projected to total slightly more than \$42.9 million, an increase of \$348,237. Projected base billings for FY 2020 are \$42.8 million, which is inclusive of \$371,000 in incentives expiring in FY 2019. This base is reduced by a projected \$250,000 resulting from reassessment appeals, though this is partially offset by a combined \$52,972 in additional revenue due to expiring tax incentives and projected property improvements. The usual 2.0% allowance for doubtful accounts further reduces revenue by \$851,000. Lastly, one-time revenue from Penalty and Interest is expected to be \$1.2 million, up \$200,000 over FY 2019 due to improved collection efforts.

There is no Property Tax rate increase included in the FY 2020 budget.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$40,596,911	\$43,266,138	\$42,567,487	\$42,767,487	\$42,915,724

Property Tax Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2020

OTHER TAXES

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

Critical Assumption: Other Taxes are projected to decrease by \$76,499 in FY 2020. The breakout is as follows:

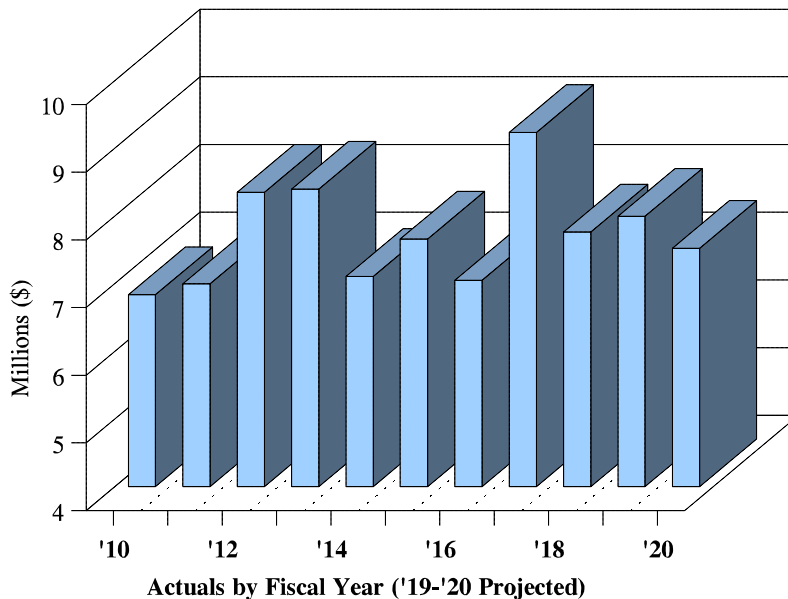
Franchise Fees revenue previously consisted of 2% of gross revenues from electricity sales in the City and 5% of gross revenues from cable television service sales in the City. In Wilmington, Delmarva Power is the sole distributor of electricity and Comcast is currently the only provider of cable TV 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 \$919,113 in FY 2020, which is down slightly from FY 2019 and consistent with historical trends.

Real Estate Transfer Tax revenues are projected to decline by \$74,472 to a new total of \$2.7 million, conservatively based on historical residential and commercial transfers, net of one standard deviation.

Head Tax revenue is projected to remain at \$3.87 million for FY 2020, as the projection assumes flat job growth.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$9,234,072	\$7,764,784	\$7,599,790	\$7,995,140	\$7,523,291

Other Taxes



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2020

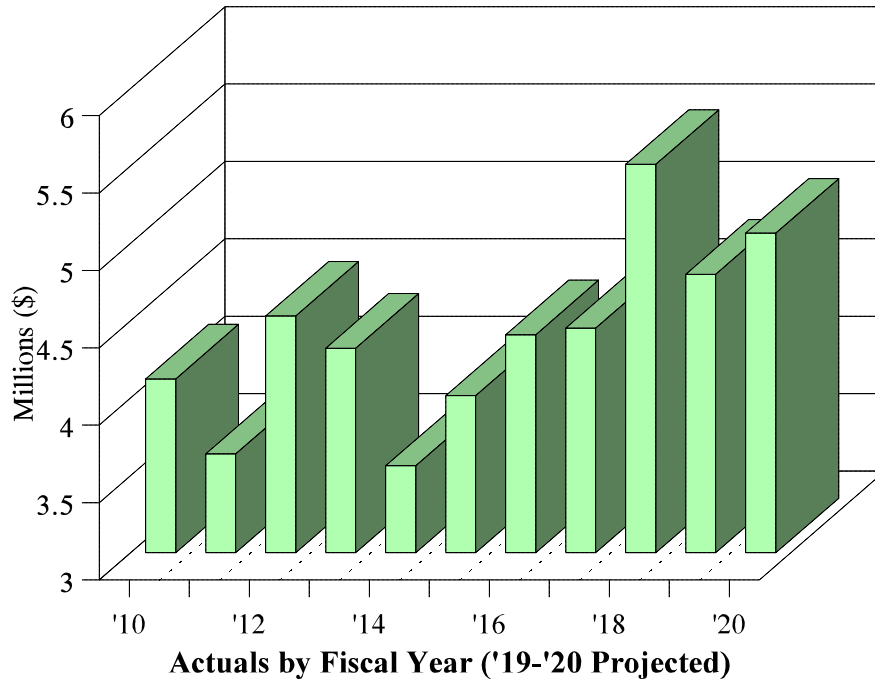
LICENSES, PERMITS, AND FEES

Basis: Trend analysis

Critical Assumption: Licenses, Permits, and Fees revenue is projected to be up by a net \$265,290 in FY 2020. Business License revenue is expected to be up by \$863,290 to a new total of just under \$2.5 million. This is inclusive of the effect of the proposed increase in the Rental Business License fee, which is projected to result in an additional \$815,290 in FY 2020. However, the increase in Licenses revenue is largely offset by a projected reduction in the revenue from Permits, which is down \$600,000 relative to FY 2019, to a new total of \$2.1 million. The inflating effect of several large one-time construction projects in FY 2019 was removed for FY 2020, returning Permits revenue back to more historic levels. Finally, Fees are expected to remain nearly flat at \$500,000.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$4,449,962	\$5,510,432	\$4,800,000	\$4,800,000	\$5,065,290

Licenses, Permits, and Fees



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2020

FINES

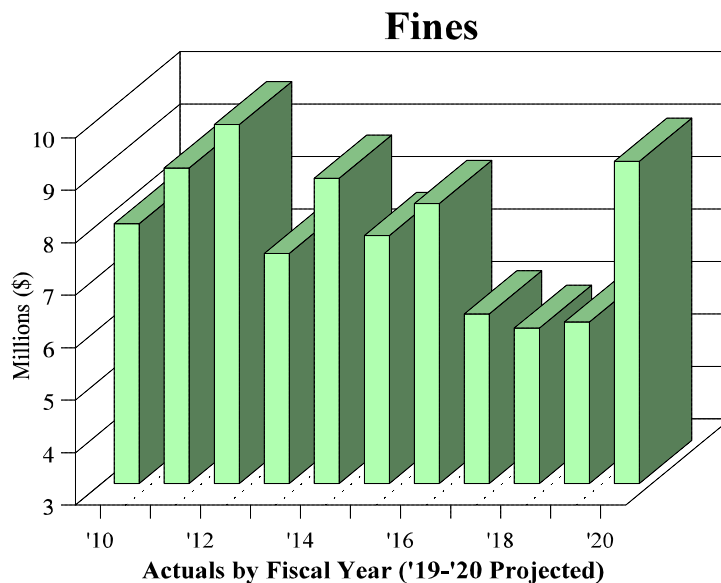
Basis: Trend analysis

Critical Assumption: Fines are projected to increase by slightly more than \$1.0 million, to a total of \$9.1 million. The breakout is as follows:

Criminal/Traffic Fines revenue consists of red light camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. Revenue is projected to total \$6.1 million in FY 2020, up \$1.0 million from the FY 2019 budget. The largest portion of Criminal/Traffic Fines is derived from red light camera citations, which is up by slightly more than \$1.0 million in FY 2020, for a new total of \$5.45 million. This includes 17 new red light cameras that are anticipated to be in service by the beginning of FY 2020. While the total annual revenue from these cameras is expected to be \$3.0 million, half a year of revenue had been budgeted in FY 2019, for a net FY 2020 budget increase of \$1.5 million. This is partially offset by the removal of seven existing cameras, for a reduction of \$500,000. Criminal Fines and L&I Instant Ticketing are expected to remain flat, at \$230,000 and \$400,000, respectively.

Parking Tickets/Booting Fines are projected to total slightly over \$3.0 million in FY 2020, which is a \$62,000 increase over FY 2019. This change is net of a \$238,000 decline in projected citations, offset by a \$300,000 increase due to improved collections of existing receivables.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$6,232,744	\$5,961,853	\$8,080,000	\$6,080,000	\$9,142,000



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2020

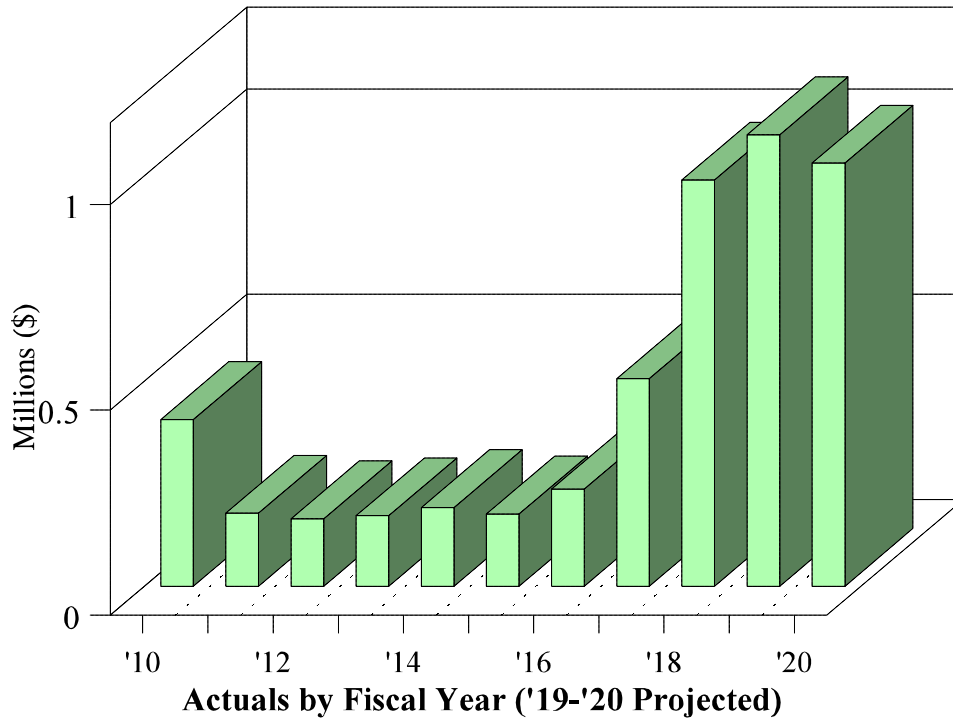
INTEREST

Basis: Trend analysis / cash flow analysis / bond issuance

Critical Assumption: As interest rates continue to increase, the interest earned by the City on cash balances is projected to grow significantly. Given existing fund balances, net of spend down of outstanding capital funds, interest revenue is expected to increase by \$481,000 in FY 2020, for a new total of \$1.0 million.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$506,098	\$989,567	\$550,000	\$1,100,000	\$1,031,000

Interest Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

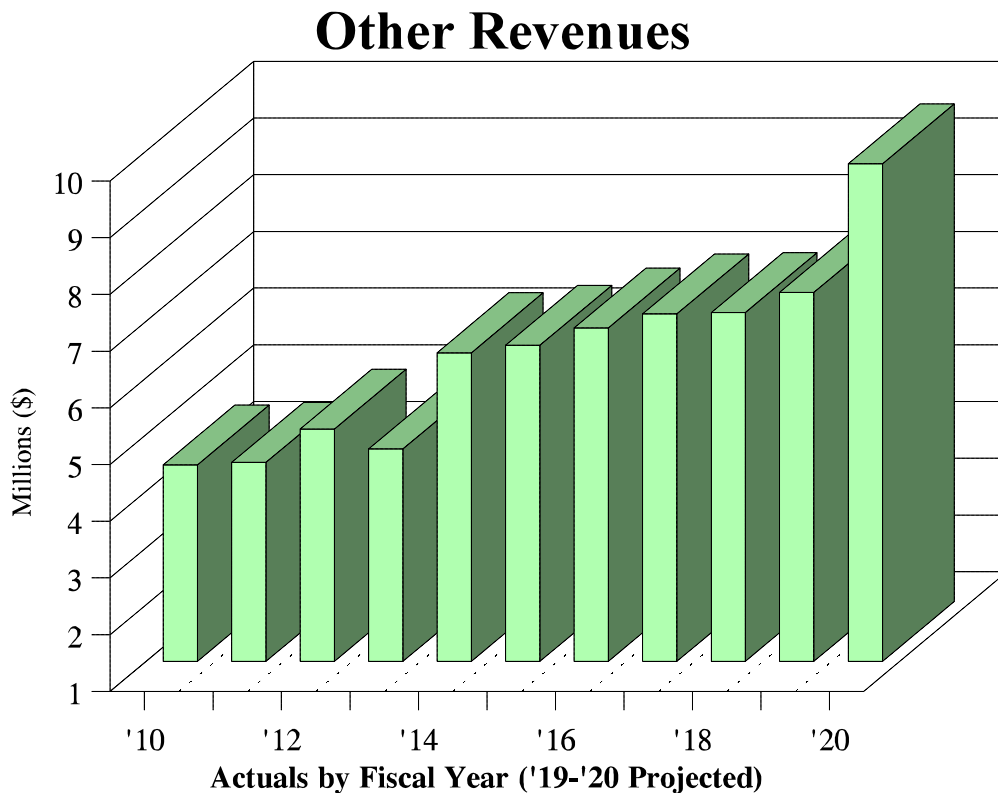
General Fund Revenues Fiscal Year 2020

OTHER REVENUES

Basis: Trend analysis / contractual

Critical Assumption: Other Revenues is comprised of Indirect Costs, General Government Charges, Rentals, and other miscellaneous revenues. The largest component of this category are Indirect Costs, which 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 \$2.3 million, to a new total of \$8.0 million, reflecting the Water/Sewer Fund’s reimbursement of various internal services charges transferred to the General Fund beginning in FY 2020. Other items in this category are budgeted as per historical trend, and are collectively expected to decrease by \$15,000.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$7,129,835	\$7,154,239	\$7,510,304	\$7,510,304	\$9,775,027



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2020

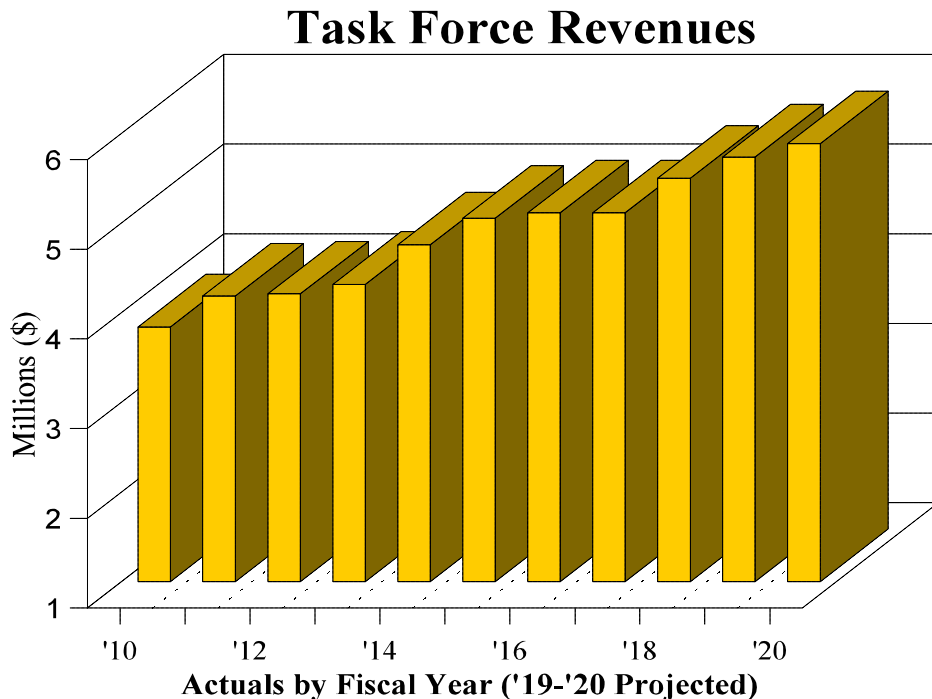
TASK FORCE REVENUES

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 the 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 \$399,400 higher in FY 2020. The largest component of this increase is the LLC Filing Tax, which (per DEFAC growth projections) is projected to grow by \$385,600, to a new total of \$3.4 million. Lodging Tax and Corporate Filing Tax are project to increase by \$2,400 and \$11,400, respectively, while Natural Gas Tax is expected to remain flat.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$5,113,278	\$5,497,897	\$5,484,226	\$5,734,226	\$5,883,626



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2020

COUNTY SEAT RELIEF PACKAGE

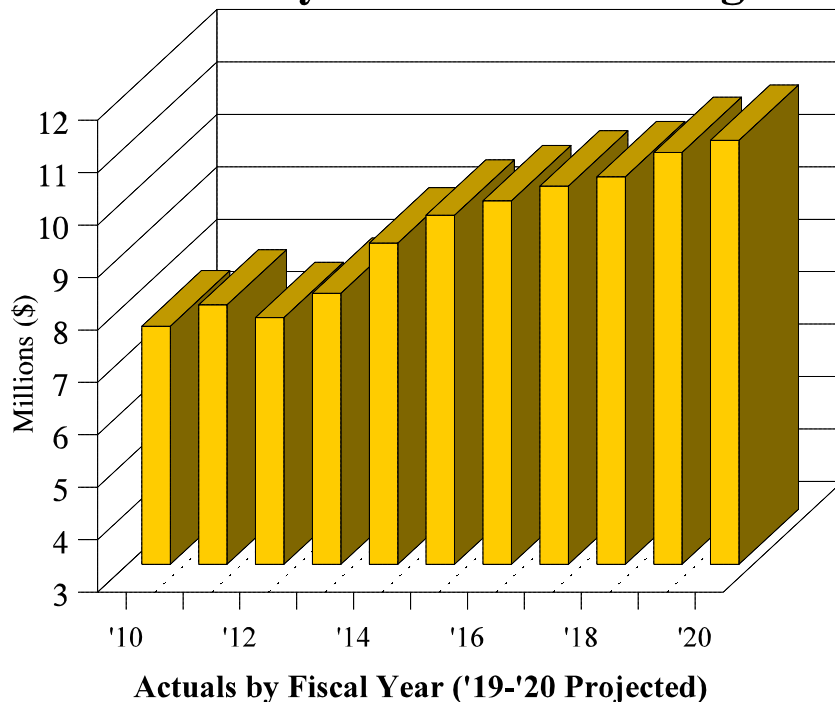
Basis: Estimates from the State Finance Secretary’s Office

Critical Assumption: The County Seat Relief Package is a bundle of escalating revenue enhancements 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. The FY 2020 projections total \$11.1 million, which is a \$230,500 increase from the FY 2019 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 2019 budget).
- \$6.3 million as part of the State’s Uniform Commercial Code (UCC) filing fees (up \$230,500 from the FY 2019 budget).
- \$1.0 million (the capped amount) in Statutory Trust Filing Fees (no change from the FY 2019 budget).
- \$1.3 million in New Castle County Corporate Filing Fees (no change from the FY 2019 budget).

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$10,216,881	\$10,390,282	\$10,858,339	\$10,858,339	\$11,088,839

County Seat Relief Package



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2020

OTHER GOVERNMENTS

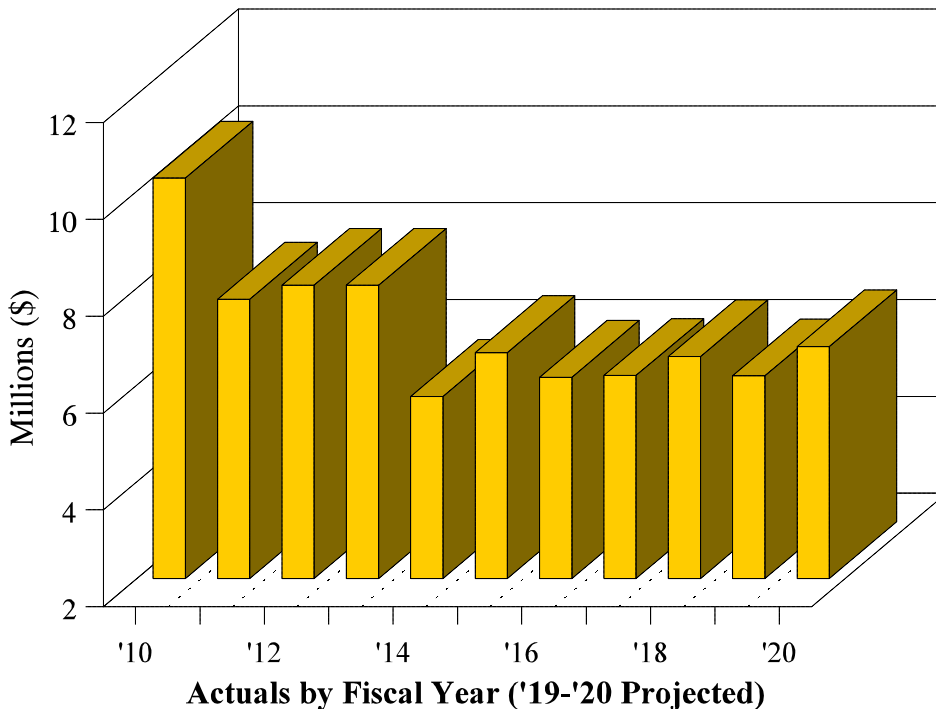
Basis: Estimates from the Delaware State Board of Pension Trustees / current debt schedules

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 2020 contributions will total nearly \$6.2 million, an increase of \$400,372 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. Per the sale agreement, the outstanding Port debt remains as a liability on the City’s books. Following their long-term lease of the Port, the State provided the City with full payment for the outstanding debt. The City has amortized these funds and will continue to budget debt reimbursement payments for the remaining life of the associated bonds. For FY 2020, the Reimbursement is \$596,356, a \$199,782 increase from FY 2019.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$6,189,744	\$6,579,133	\$6,186,102	\$6,186,102	\$6,786,256

Other Governments



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2020

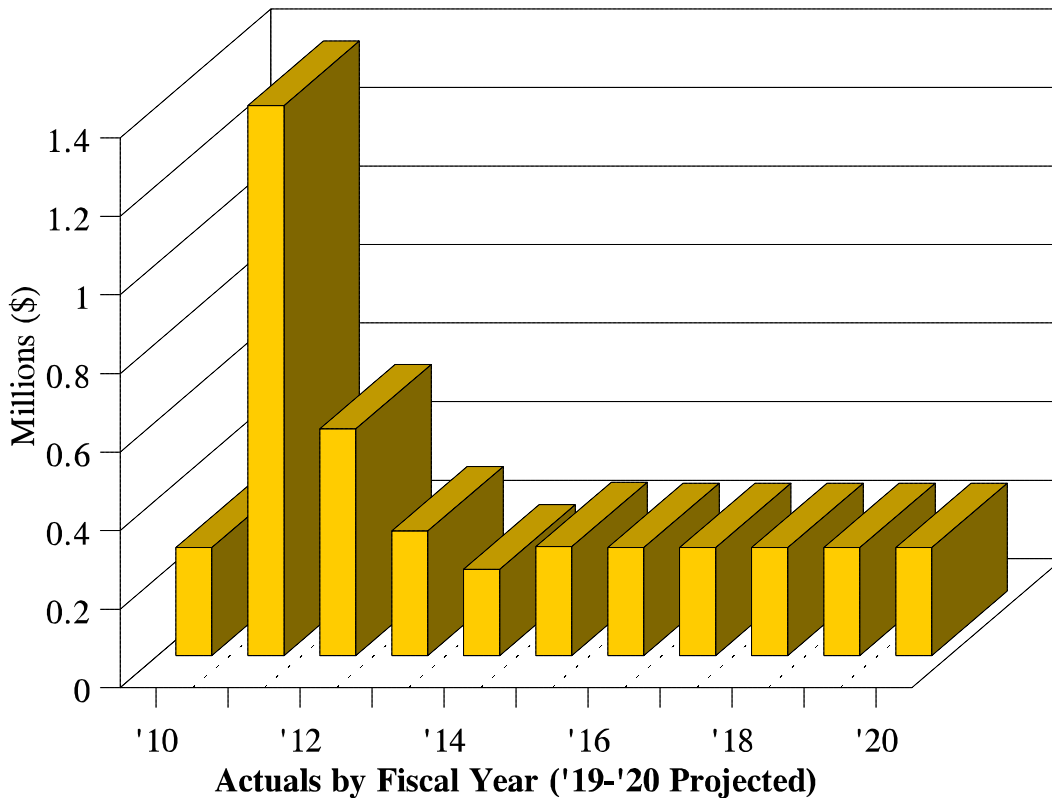
TRANSFERS AND USE OF FUND BALANCE

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

Critical Assumption: There are no prior year designations in FY 2020. There is only the usual transfer from the Wilmington Parking Authority (WPA) in the amount of \$275,000.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 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 2020

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 increase \$190,443 over the FY 2019 level.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$1,071,213	\$1,055,870	\$1,070,165	\$1,070,165	\$1,260,608

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Basis: Estimate from Federal Government (HUD)

Critical Assumption: Funding is expected to decrease by almost \$643,000 compared to the FY 2019 award.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$2,041,023	\$1,551,181	\$2,381,804	\$2,381,804	\$1,738,806

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 2020, this revenue source is expected to decrease by \$100,000 relative to the FY 2019 budgeted level.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$1,223,061	\$1,133,900	\$1,200,000	\$1,200,000	\$1,100,000

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2020

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS GRANT (HOPWA)

Basis: Estimate from Federal Government (HUD)

Critical Assumption: The Housing Opportunities for Persons With AIDS is a Federal program dedicated to the housing needs of people living with HIV/AIDS and their families. The budget is expected to decrease by \$2,450 for FY 2020.

FY 2017 Actual	FY 2018 Actual	FY 2018 Budget	FY 2019 Projected	FY 2020 Budget
\$698,977	\$685,088	\$725,614	\$725,614	\$723,164

EMERGENCY SHELTER GRANTS (ESG)

Basis: Estimate from Federal Government (HUD)

Critical Assumption: This ESG program is intended to assist in the operation and rehabilitation of emergency and transitional shelters. It is expected to increase slightly in FY 2020.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$190,621	\$181,101	\$182,615	\$182,615	\$184,465

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 increase by \$21,658 over the FY 2019 budget.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$1,075,945	\$1,080,529	\$1,082,889	\$1,082,889	\$1,104,547

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2020

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 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$54,016	\$101,865	\$135,265	\$135,265	\$134,525

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

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

Critical Assumption: These grants are anticipated to increase by \$183,133 from FY 2019.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$1,782,320	\$2,699,425	\$535,766	\$535,766	\$718,899

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 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$4,611,719	\$4,598,761	\$5,087,421	\$5,087,421	\$5,197,218

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2020

HOME PARTNERSHIP FUND

Basis: Estimate from Federal Government (HUD)

Critical Assumption: The Home Partnership Program is awarded through HUD and is expected to decrease by \$260,799 in FY 2020.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$200,275	\$406,581	\$671,808	\$671,808	\$411,009

WORKFORCE INVESTMENT BOARD GRANT

Basis: Estimate from State of Delaware

Critical Assumption: The Workforce Investment Board Grant provides funding for the City's Youth Career Development Program. Revenues are expected to increase slightly in FY 2020.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$369,687	\$269,624	\$248,617	\$248,617	\$253,589

MISCELLANEOUS GRANTS

Basis: State of Delaware award letters

Critical Assumption: Miscellaneous Grants is a combined total of three State grants: the Local Emergency Planning Committee Grant (\$72,767 in FY 2020), the State Fire Grant (\$201,369), and the Neighborhood Stabilization Program (\$0 in FY 2020, but with actuals in prior years).

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$777,266	\$245,696	\$268,924	\$268,924	\$274,136

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2020

WATER/SEWER USER FEES

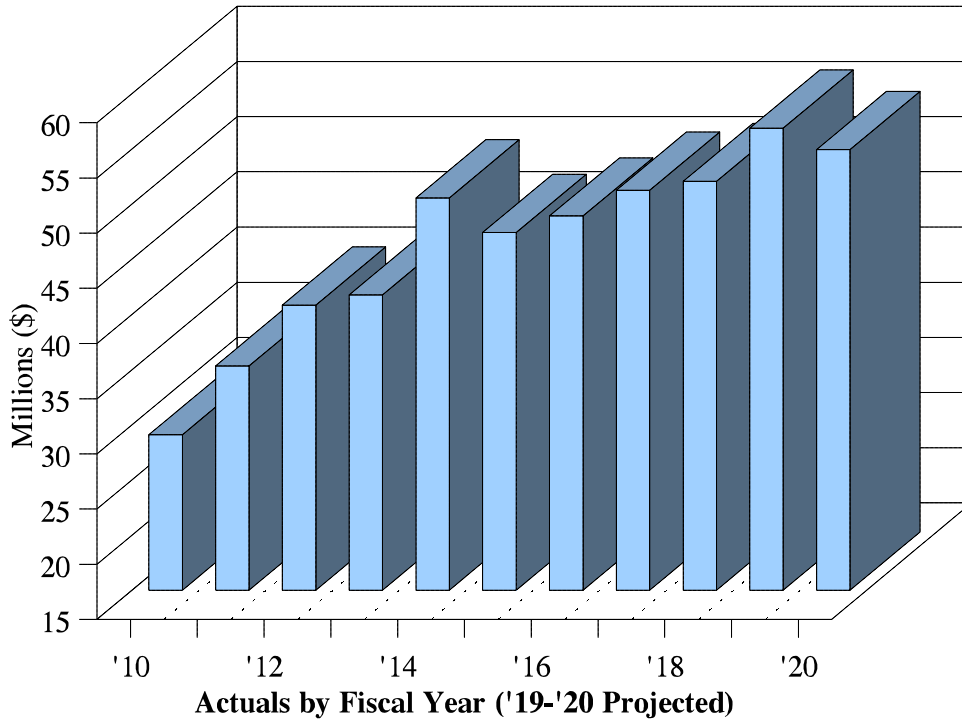
Basis: Trend analysis / management initiatives / proposed rate increase

Critical Assumption: The base amount of Water/Sewer User Fees had been growing in recent years as a result of rate increases to stabilize the Fund. For FY 2020, base billings, forecasted through financial modeling using current consumption data, are projected to be \$49.8 million. Revisions to some customer classes and rates are projected to yield an additional \$1.2 million in revenue, equivalent to a weighted average increase of 2.7%. Revenue from special sewer fees and other miscellaneous sources will contribute \$4.9 million, up \$666,000 from FY 2019. Finally, subtracting the allowance for doubtful accounts (\$1.02 million) results in a net total User Fees projection of \$54.9 million, an increase of \$2.57 million from the FY 2019 budget.

For the average City residential customer, this increase (combined with unchanged stormwater rates, see below) results in a total bill increase of 3.82%, or \$2.21 per month. There is no increase for County water customers.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$51,245,529	\$52,047,403	\$52,375,000	\$56,875,000	\$54,940,000

Water/Sewer User Fees



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2020

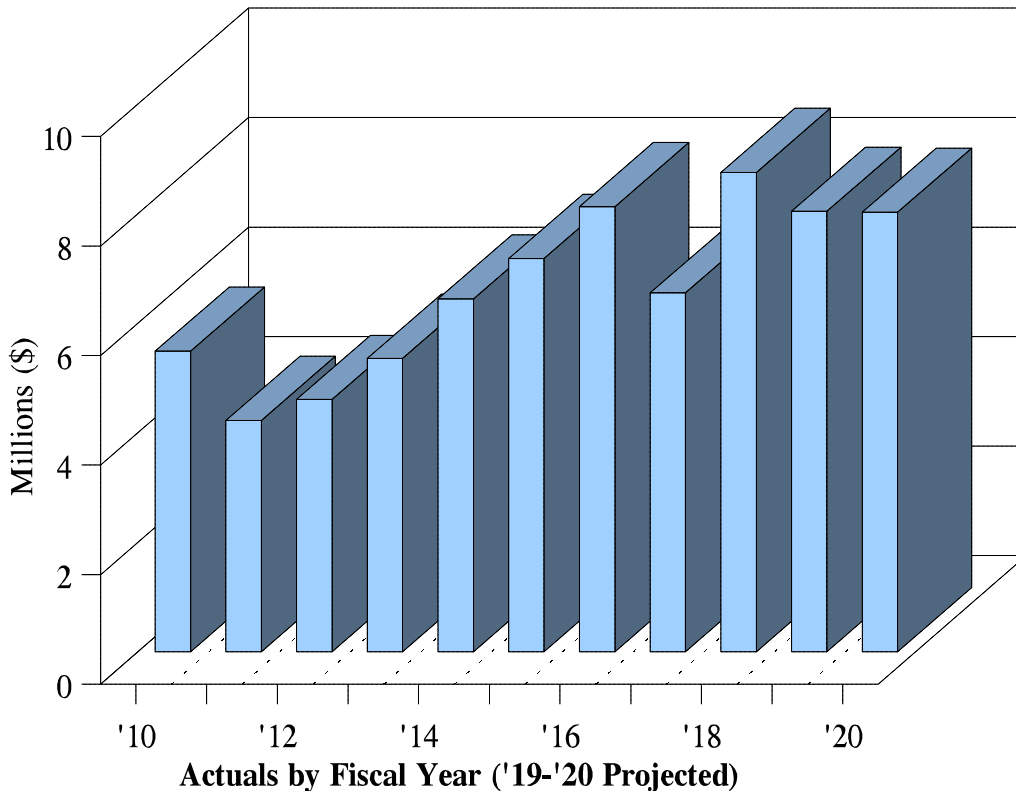
STORMWATER BILLINGS

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 2020 is \$8.45 million. After allowing a total of \$423,000 for uncollectible accounts, \$8.03 million in revenue is projected for FY 2020, a net decrease of \$16,000 relative to the FY 2019 budget. There is no increase to stormwater rates for FY 2020.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$6,557,031	\$8,756,776	\$8,046,000	\$8,046,000	\$8,030,000

Stormwater Billings



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2020

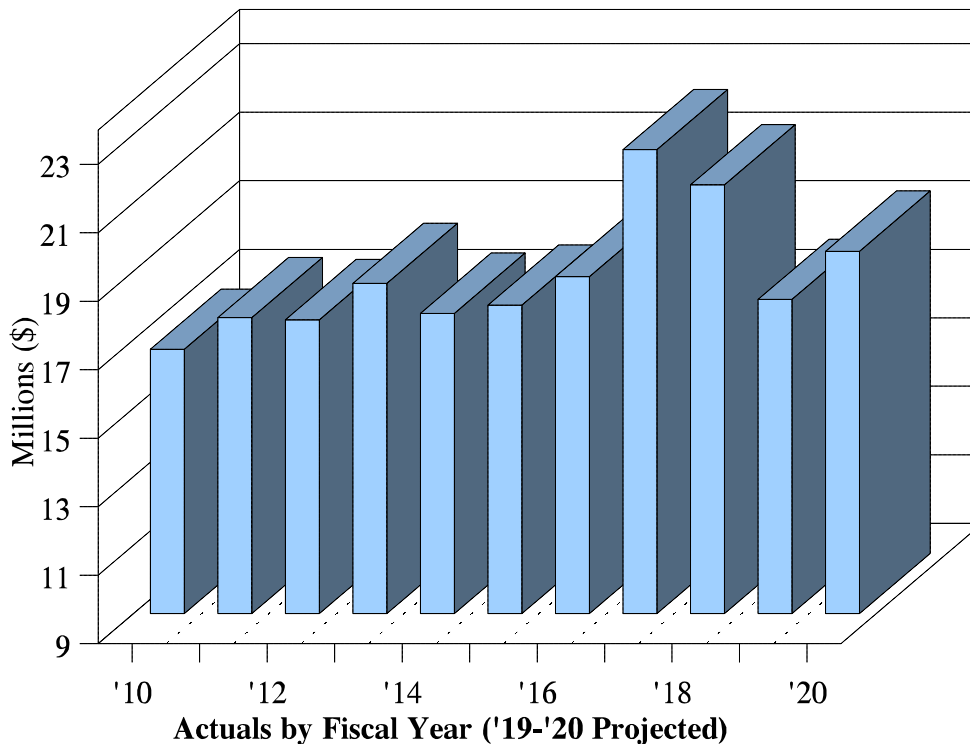
NEW CASTLE COUNTY SEWER SERVICES

Basis: Contract with New Castle County

Critical Assumption: Revenues associated with the City’s treatment of New Castle County sewage total \$19.6 million in FY 2020, down \$56,665 from the FY 2019 budget. This decrease is inclusive of an offsetting contingency to account for potential arbitration between the City and the County, as the County has been acting out of contract since 2015.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$22,543,855	\$21,522,899	\$19,634,665	\$18,175,352	\$19,578,000

NCC Sewer Services



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2020

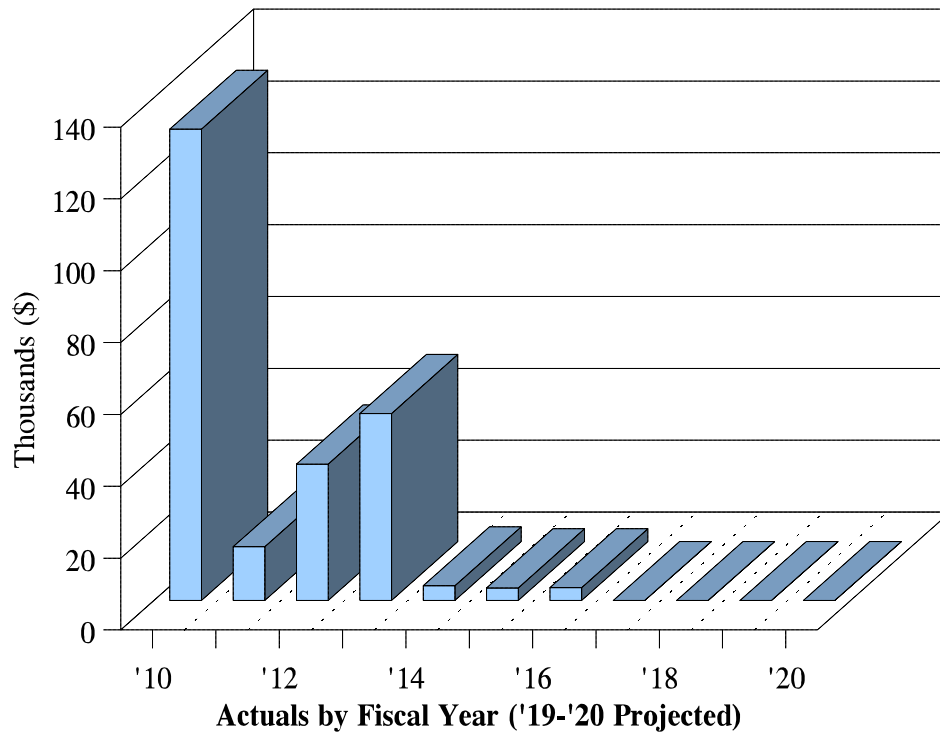
INTEREST

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. As there is an ongoing discussion regarding the handling and calculation of interest in the Water/Sewer Fund, no actuals have been booked since FY 2016 and no revenue is budgeted for FY 2020.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$0	\$0	\$0	\$0	\$0

Interest Income



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2020

RENTALS/MISCELLANEOUS

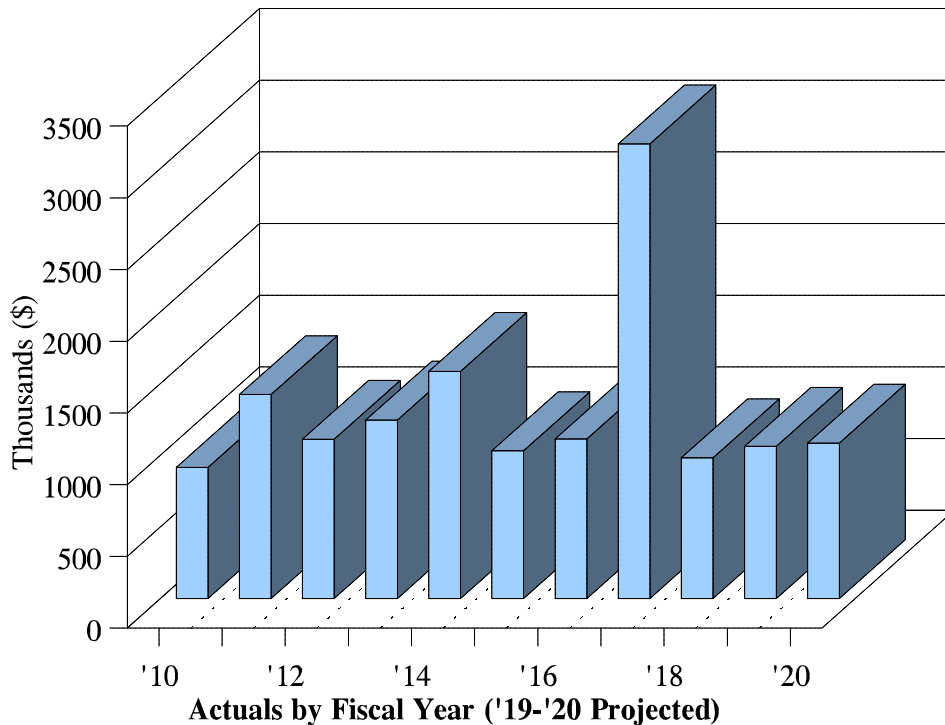
Basis: Lease / contracts

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 \$23,000 to a total of \$1.09 million in FY 2020.

Actuals in FY 2017 reflect the one-time \$2.2 million EPA fine of the International Petroleum Corporation for Clean Water Act violations.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$3,171,860	\$981,737	\$1,062,000	\$1,062,000	\$1,085,000

Rentals/Miscellaneous



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2020

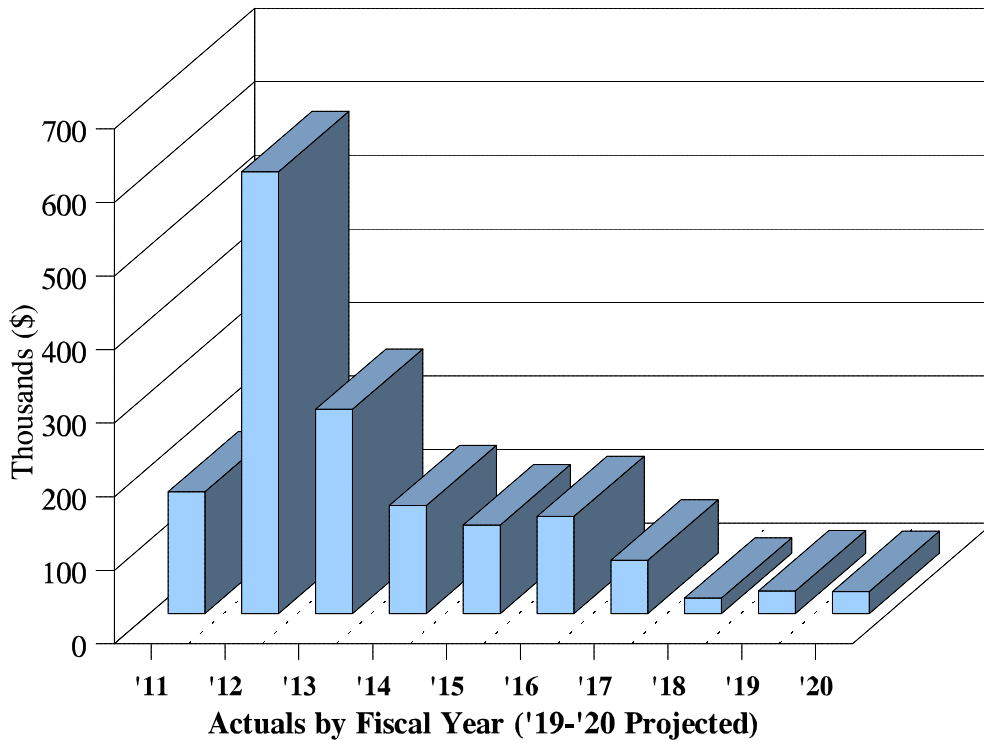
SOLAR PANEL REVENUE

Basis: Lease / contracts

Critical Assumption: As a result of the installation of solar panel arrays at various municipal sites (most notably the Porter Filter Plant), the City earns, and subsequently sells, Solar Renewable Energy Credits (SRECs). For FY 2020, \$30,000 in revenue is expected, down by \$1,000.

FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 Projected	FY 2020 Budget
\$72,610	\$21,142	\$31,000	\$31,000	\$30,000

Solar Panel Revenue



**CITY OF WILMINGTON
TAX RATES FOR FISCAL YEAR 2020**

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 2020
(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, and Economic Development.

SUMMARY OF FUNDING FOR THE MAYOR'S OFFICE

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
MAYOR'S OFFICE	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	5,687,484	5,457,111	5,821,699	3,797,058
Materials, Supplies & Equipment	6,870,699	7,216,106	7,488,944	1,669,295
Internal Services	1,251,943	1,124,569	1,249,502	102,355
Debt Service	4,151,222	3,729,236	4,035,180	3,744,144
Special Purpose	20,000	0	0	0
Contingent Reserves	0	0	672,000	672,000
Depreciation	835,788	717,345	931,394	0
TOTAL	18,817,136	18,244,367	20,198,719	9,984,852
STAFFING LEVELS	59.00	57.00	55.00	34.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
MAYOR'S OFFICE	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	3,711,392	3,475,400	3,684,531	3,724,291
Materials, Supplies & Equipment	1,465,952	1,691,806	1,582,252	1,669,295
Internal Services	859,365	761,451	919,391	102,355
Debt Service	4,039,184	3,692,596	3,960,131	3,744,144
Special Purpose	20,000	0	0	0
TOTAL	10,095,893	9,621,253	10,146,305	9,240,085
STAFFING LEVELS	36.50	34.50	33.50	33.50

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
CONTINGENT RESERVES	FY 2017	FY 2018	FY 2019	FY 2020
Contingency	0	0	500,000	500,000
Snow & Weather Emergencies	0	0	172,000	172,000
TOTAL	0	0	672,000	672,000
STAFFING LEVELS	0.00	0.00	0.00	0.00

* Differs from Summary of All Funds Combined – Expenditures table on [page 39](#) due to Internal Service Funds and Contingent Reserve expenses being listed separately.

LOCAL EMERGENCY PLANNING COMMITTEE (LEPC) FUND MAYOR'S OFFICE	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Personal Services	125,755	132,873	67,555	72,767
Materials, Supplies & Equipment	360,875	67,699	0	0
TOTAL	486,630	200,572	67,555	72,767
STAFFING LEVELS	0.50	0.50	0.50	0.50

INTERNAL SERVICES FUND MAYOR'S OFFICE	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Personal Services	1,850,337	1,848,838	2,069,613	0
Materials, Supplies & Equipment	5,043,872	5,456,601	5,906,692	0
Internal Services	392,578	363,118	330,111	0
Debt Service	112,038	36,640	75,049	0
Depreciation	835,788	717,345	931,394	0
TOTAL	8,234,613	8,422,542	9,312,859	0
STAFFING LEVELS	22.00	22.00	21.00	0.00

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

- Personal Services increased by \$25,397, largely due to a citywide 2% COLA. In addition, three positions were upgraded during the biennial appeals process. Two Budget Analyst II positions were upgraded to a Fiscal & Operations Analyst, and one Senior Analyst/Systems Coordinator was upgraded to an Assistant Budget Director, resulting in a total increase of \$7,443.
- Temporary Salaries, which was used to fund receptionist coverage during staff shortages, decreased by \$7,000 to zero. However, this decrease was offset by a \$30,000 increase to Temporary Agencies, which will fund receptionist coverage as well as general office assistance.
- A net increase of \$30,672 in Miscellaneous Services will help fund the Historically Black Colleges & Universities (HBCU) Week and other community engagement events.
- Debt Service costs decreased by \$215,987 per the existing debt service schedule.

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

- The elimination of departmental internal services chargebacks and the creation of a new Department of Information Technologies resulted in the following changes:
 - A \$9,312,859 total decrease from FY 2019 to the Internal Services Funds and a net increase of \$8,577,654 to the General Fund. This increase is offset by the removal of departmental internal services chargebacks (approximately \$6.5 million citywide) and an increase of approximately \$2.1 million in Indirect Cost revenue from the Water/Sewer Fund. Thus, the net effect of the new department on the General Fund's bottom line is zero.
 - A decrease of 21 positions from the Internal Services Funds in the Mayor's Office and an increase of 21 positions to the General Fund in the Department of Information Technologies. The net effect on the City's total number of positions is zero.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: MAYOR'S OFFICE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	2,472,828	2,253,324	2,482,025	2,554,994
Temporary Salaries	30,275	71,624	7,000	0
Acting Out of Class	15,306	0	0	0
Sick Leave Bonus	2,100	1,800	0	0
Overtime/Special Events	117	0	0	0
Meal Allowance	0	0	0	0
Health Cash Back	5,318	3,600	4,800	4,800
Pension Contribution	260,814	237,348	206,686	221,278
Social Security	152,830	141,860	152,204	154,115
Medicare Tax	35,762	33,177	35,596	35,813
Hospitalization	538,582	526,165	592,248	538,854
Life Insurance	8,247	7,584	8,015	8,032
Pension Healthcare	85,902	102,739	108,875	115,843
State Pension Plan - Civilian	103,311	96,179	125,065	129,646
Personal Services Adjustment	0	0	0	0
Attrition	0	0	(37,983)	(39,084)
TOTAL PERSONAL SERVICES	3,711,392	3,475,400	3,684,531	3,724,291
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	42,417	71,844	88,115	97,431
Communications & Utilities	4,120	33,911	38,785	35,885
Transportation	9,305	7,422	20,500	27,300
Rentals	49,123	26,359	43,864	42,525
Contracted Maintenance Repairs	(1,854)	2,721	4,857	4,132
Professional Fees	386,322	364,990	371,000	402,000
Other Fees	0	0	0	0
Memberships & Registrations	37,970	38,160	52,481	57,900
Miscellaneous Services	(91,443)	217,295	260,528	291,200
Office & General Supplies	8,828	9,166	11,172	10,672
Miscellaneous Parts	44,185	45,772	66,700	65,500
Construction and Repairs	1,006	0	1,000	1,000
Equipment	2,595	88,487	10,000	10,000
Fixed Assets	0	0	0	4,000
Miscellaneous Projects	272,208	364,004	201,000	206,500
Community Activities	701,170	421,675	412,250	413,250
MSE-Budget Control Account	0	0	0	0
TOTAL M., S. & E.	1,465,952	1,691,806	1,582,252	1,669,295

DEPARTMENT: MAYOR'S OFFICE

FUND: GENERAL

	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
INTERNAL SERVICES				
Administrative Services	746,955	681,422	852,361	33,603
Self-Insurance	112,410	80,029	67,030	68,752
TOTAL INTERNAL SERVICES	859,365	761,451	919,391	102,355
DEBT SERVICE				
Principal Payments	3,254,840	2,966,713	3,337,313	3,242,681
Interest Payments	784,344	725,883	622,818	501,463
TOTAL DEBT SERVICE	4,039,184	3,692,596	3,960,131	3,744,144
SPECIAL PURPOSE				
Other Special Purpose	20,000	0	0	0
TOTAL SPECIAL PURPOSE	20,000	0	0	0

DEPARTMENT: CONTINGENT RESERVES

FUND: GENERAL

	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
CONTINGENT RESERVES				
Contingency	0	0	500,000	500,000
Snow & Weather Emergencies	0	0	172,000	172,000
TOTAL CONTINGENT RESERVES	0	0	672,000	672,000
GENERAL FUND TOTAL	10,095,893	9,621,253	10,818,305	9,912,085

DEPARTMENT: MAYOR'S OFFICE**FUND: LEPC**

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	89,614	92,461	44,977	53,550
Pension Contribution	11,090	11,978	11,739	3,898
Social Security	5,451	5,614	2,729	3,182
Medicare Tax	1,275	1,313	638	744
Hospitalization	16,944	19,887	5,727	9,544
Life Insurance	120	120	120	120
Pension Healthcare	1,261	1,500	1,625	1,729
Personal Services Adjustment	0	0	0	0
TOTAL PERSONAL SERVICES	125,755	132,873	67,555	72,767
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	36,257	633	0	0
Transportation	1,329	0	0	0
Contracted Maintenance	5,826	0	0	0
Professional Fees	15,000	285	0	0
Memberships & Registrations	500	190	0	0
Miscellaneous Services	273,330	45,366	0	0
Office & General Supplies	500	993	0	0
Wearing Apparel and Safety	0	0	0	0
Miscellaneous Parts	1,387	6,986	0	0
Equipment	230	230	0	0
Fixed Assets	0	13,016	0	0
Community Activities	26,516	0	0	0
TOTAL M., S. & E.	360,875	67,699	0	0
 LEPC FUND TOTAL	 486,630	 200,572	 67,555	 72,767

DEPARTMENT: MAYOR'S OFFICE

FUND: INTERNAL SERVICES

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	1,129,405	1,134,154	1,263,200	0
Temporary Salaries	0	0	0	0
Acting Out of Class	0	0	0	0
Sick Leave Bonus	1,300	900	0	0
Overtime	1,101	4,551	0	0
Meal Allowance	0	0	0	0
Health Cash Back	4,598	2,960	2,160	0
Pension Contribution	275,792	272,004	266,311	0
Social Security	68,583	68,691	76,481	0
Medicare Tax	16,039	16,065	17,884	0
Hospitalization	278,508	298,322	348,640	0
Life Insurance	4,559	4,510	4,993	0
Pension Healthcare	47,912	66,000	68,250	0
State Pension Plan - Civilian	11,757	12,149	21,694	0
Accrued Sick/Vacation	10,783	(31,468)	0	0
Personal Services Adjustment	0	0	0	0
TOTAL PERSONAL SERVICES	1,850,337	1,848,838	2,069,613	0
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	89,483	65,667	73,300	0
Communications & Utilities	1,188,580	1,195,925	1,404,330	0
Transportation	3,917	6,912	6,500	0
Rentals of Office Equipment	98,416	109,475	120,621	0
Contracted Maintenance Repairs	490,730	389,534	773,999	0
Professional Fees	1,366,281	1,391,344	1,625,000	0
Memberships & Registrations	47,476	8,911	70,000	0
Miscellaneous Services	68,923	35,858	59,620	0
Office & General Supplies	135,133	128,558	135,848	0
Uniforms & Related Equipment	998	10,521	6,500	0
Miscellaneous Parts	56,199	65,259	77,000	0
Equipment	1,196,856	1,368,691	1,553,974	0
Fixed Assets	300,880	679,946	0	0
Capitalized Exps - Op.	0	0	0	0
TOTAL M., S. & E.	5,043,872	5,456,601	5,906,692	0
 <u>INTERNAL SERVICES</u>				
Administrative Services	377,876	347,833	315,518	0
Self-Insurance	14,702	15,285	14,593	0
TOTAL INTERNAL SERVICES	392,578	363,118	330,111	0

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

DEBT SERVICE	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Amortization	918	0	0	0
Interest Payment	111,120	36,640	75,049	0
TOTAL DEBT SERVICE	112,038	36,640	75,049	0
DEPRECIATION				
Depreciation	835,788	717,345	931,394	0
TOTAL DEPRECIATION	835,788	717,345	931,394	0
INTERNAL SERVICES FUND TOTAL	8,234,613	8,422,542	9,312,859	0

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 2020

- 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 2020 (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

TOTAL ALL FUNDS CITY COUNCIL	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Personal Services	2,353,523	2,125,150	2,410,383	2,344,844
Materials, Supplies & Equipment	556,755	582,774	963,595	792,979
Internal Services	238,561	218,375	213,394	17,330
Debt Service	28,444	51,916	29,750	36,568
Special Purpose	16,864	16,027	19,000	19,000
TOTAL	3,194,147	2,994,242	3,636,122	3,210,721
STAFFING LEVELS	29.00	29.00	29.00	28.00

GENERAL FUND CITY COUNCIL	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Personal Services	1,508,403	1,422,103	1,516,457	1,541,166
Materials, Supplies & Equipment	502,165	495,799	506,092	519,592
Internal Services	213,989	198,451	213,394	17,330
Debt Service	683	707	720	1,034
Special Purpose	16,864	16,027	19,000	19,000
TOTAL	2,242,104	2,133,087	2,255,663	2,098,122
STAFFING LEVELS	19.55	20.35	20.20	19.20

CATV FUND CITY COUNCIL	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Personal Services	845,120	703,047	893,926	803,678
Materials, Supplies & Equipment	54,590	86,975	457,503	273,387
Internal Services	24,572	19,924	0	0
Debt Service	27,761	51,209	29,030	35,534
TOTAL	952,043	861,155	1,380,459	1,112,599
STAFFING LEVELS	9.45	8.65	8.80	8.80

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

- Two position changes resulted in a net savings of \$81,475 in Regular Salaries. The Chief Strategist/Deputy Chief of Staff position was changed to a Legislative & Community Director at a total savings of \$27,655, while the Legislative & Policy Analyst position was eliminated, resulting in a savings of \$57,500. These savings were offset by a \$96,212 increase to Temporary Salaries, which will be used to fund strategy and policy analysis.
- In MS&E, consultants increased by a net \$10,000 to fund collaboration on Council's Strategic Plan updates.

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

- Excluding a one-time \$50,000 appropriation from fund balance to Temporary Salaries in FY 2019, Personal Services decreased by 4.7%, largely due to decreases in Pension Contribution and Healthcare. In addition, the Senior Producer/Technical Advisor position was converted to a Producer position, for a total savings of \$8,067.
- Excluding a one-time appropriation from fund balance of \$200,000 to Equipment and Machinery in FY 2019, MS&E increased by 6.2%. This is the result of a net \$13,004 increase to Consultants, which will fund a Comcast Franchise fee audit.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: CITY COUNCIL

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	924,922	856,721	910,688	829,213
Temporary Salaries	23,369	12,828	34,448	130,660
Sick Leave Bonus	0	1,659	1,600	1,600
Health Cash Back	8,500	7,120	6,720	6,480
Pension Contribution	134,097	99,165	64,210	70,109
Social Security	57,633	52,970	58,314	56,926
Medicare Tax	13,479	12,388	13,637	13,311
Hospitalization	267,792	275,351	298,804	312,115
Life Insurance	3,877	3,862	3,953	3,691
Pension Healthcare	50,480	61,050	65,649	66,394
State Pension Plan - Civilian	24,254	38,989	42,934	35,167
Personal Services Adjustment	0	0	15,500	15,500
TOTAL PERSONAL SERVICES	1,508,403	1,422,103	1,516,457	1,541,166
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	13,689	24,721	16,500	16,500
Transportation	9,320	19,112	18,000	20,000
Rentals	900	900	1,000	1,000
Contracted Maintenance Repairs	697	0	1,500	1,500
Professional Fees	38,204	82,234	105,000	115,000
Memberships & Registrations	12,246	15,549	21,700	23,700
Miscellaneous Services	2,601	1,714	3,500	3,000
Office & General Supplies	6,510	7,697	6,600	6,600
Miscellaneous Parts	9,866	9,934	18,292	18,292
Equipment	500	871	1,000	1,000
Community Activities	407,632	333,067	313,000	313,000
TOTAL M., S. & E.	502,165	495,799	506,092	519,592
 <u>INTERNAL SERVICES</u>				
Administrative Services	180,159	177,047	196,505	0
Self-Insurance	33,830	21,404	16,889	17,330
TOTAL INTERNAL SERVICES	213,989	198,451	213,394	17,330

DEBT SERVICE	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Principal Payments	414	460	497	845
Interest Payments	269	247	223	189
TOTAL DEBT SERVICE	683	707	720	1,034
SPECIAL PURPOSE				
Wilmington Institute Free Library	0	0	0	0
Other	16,864	16,027	19,000	19,000
TOTAL SPECIAL PURPOSE	16,864	16,027	19,000	19,000
GENERAL FUND TOTAL	2,242,104	2,133,087	2,255,663	2,098,122

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	503,479	414,593	492,241	494,591
Temporary Salaries	24,593	20,896	65,000	15,000
Sick Leave Bonus	400	400	200	200
Pension Contribution	74,082	38,607	42,353	24,777
Social Security	31,759	26,224	30,556	29,999
Medicare Tax	7,428	6,133	7,148	7,017
Hospitalization	165,759	145,017	186,159	160,266
Life Insurance	1,799	1,469	2,112	2,112
Pension Healthcare	21,170	30,660	28,601	30,430
State Pension Plan - Civilian	14,651	19,048	24,056	23,786
Personal Services Adjustment	0	0	15,500	15,500
TOTAL PERSONAL SERVICES	845,120	703,047	893,926	803,678

MATERIALS, SUPPLIES & EQUIPMENT

Transportation	5	4,255	5,000	5,000
Rentals	1,800	1,350	13,400	13,400
Contracted Maintenance Repairs	5,000	13,721	20,000	20,000
Professional Fees	2,825	6,585	145,996	159,000
Memberships & Registrations	18,573	18,627	22,107	24,987
Miscellaneous Services	16,500	18,000	18,000	18,000
Office & General Supplies	1,105	1,484	4,500	4,500
Wearing Apparel & Safety	0	1,441	3,500	3,500
Miscellaneous Parts	3,874	16,097	19,500	19,500
Equipment	4,908	5,415	105,500	5,500
Fixed Assets	0	0	100,000	0
TOTAL M., S. & E.	54,590	86,975	457,503	273,387

INTERNAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Administrative Services	18,388	17,098	0	0
Self-Insurance	6,184	2,826	0	0
TOTAL INTERNAL SERVICES	24,572	19,924	0	0
<u>DEBT SERVICE</u>				
Principal Payments	13,887	36,925	16,351	23,443
Interest Payments	13,874	14,284	12,679	12,091
TOTAL DEBT SERVICE	27,761	51,209	29,030	35,534
CATV FUND TOTAL	952,043	861,155	1,380,459	1,112,599

CITY TREASURER

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

PRIORITIES FOR FISCAL YEAR 2020
<ul style="list-style-type: none"> • 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. • Improve public access to information on capital funding for projects and facilities. • Improve retirees’ experience in the pension application process by providing more streamlined procedures and better access to information, including direct online tools. • Implement Community Engagement Initiatives that increase awareness of this office’s services, strengthen financial knowledge, and provide consumer finance protection assistance for residents.

SUMMARY OF FUNDING FOR CITY TREASURER

TOTAL ALL FUNDS CITY TREASURER	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Personal Services	803,382	797,114	829,173	854,327
Materials, Supplies & Equipment	903,926	931,783	1,170,030	1,038,404
Internal Services	185,278	176,685	136,192	17,713
Other	3,308,910	3,250,000	3,500,000	3,750,000
TOTAL	5,201,496	5,155,582	5,635,395	5,660,444
STAFFING LEVELS	6.00	7.00	7.00	7.00

GENERAL FUND CITY TREASURER	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Personal Services	395,999	342,935	349,206	358,130
Materials, Supplies & Equipment	39,326	65,717	92,400	88,600
Internal Services	154,452	148,169	106,368	16,496
TOTAL	589,777	556,821	547,974	463,226
STAFFING LEVELS	2.92	3.00	3.00	3.00

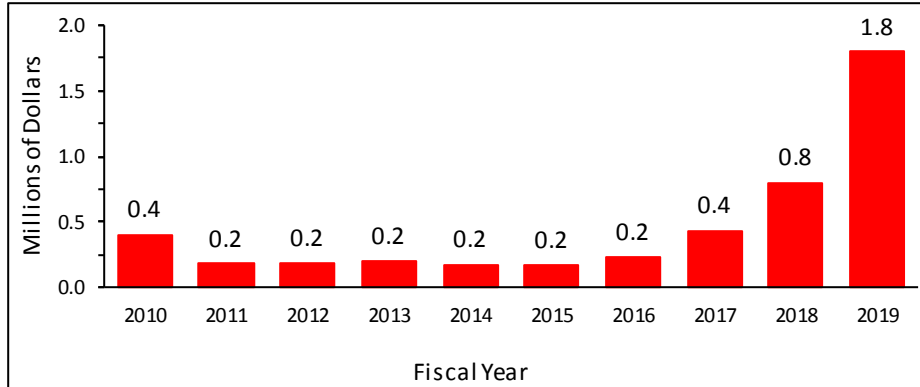
PENSION ADMIN. FUNDS	ACTUAL	ACTUAL	BUDGET	APPROVED
CITY TREASURER	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	407,383	454,179	479,967	496,197
Materials, Supplies & Equipment	864,600	866,066	1,077,630	949,804
Internal Services	30,826	28,516	29,824	1,217
Other	3,308,910	3,250,000	3,500,000	3,750,000
TOTAL	4,611,719	4,598,761	5,087,421	5,197,218
STAFFING LEVELS	3.08	4.00	4.00	4.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- In Personal Services, the Debt Manager/Systems Coordinator received a salary increase of \$8,100 (split between General Fund 50% and Pension Funds 50%).
- Temporary salaries increased by \$34,000 across all funds to assist in departmental duties such as records management, reconciliations, and cash flow analysis and projections.
- Total Professional Fees in the Pension Funds decreased by \$134,800 or 12.7%. The City has its actuary perform a full review every other fiscal year. Since FY 2020 will be an off-year for actuarial review, Consultant Costs were reduced by \$120,000. Trustee Fees, based on the projected value of all pension funds managed, was reduced by \$14,800.
- The annual self-insurance funding target for retiree Medical Costs was increased by \$250,000, bringing the total funding for the program to \$3.75 million for FY 2020.

CITY TREASURER PERFORMANCE TRENDS

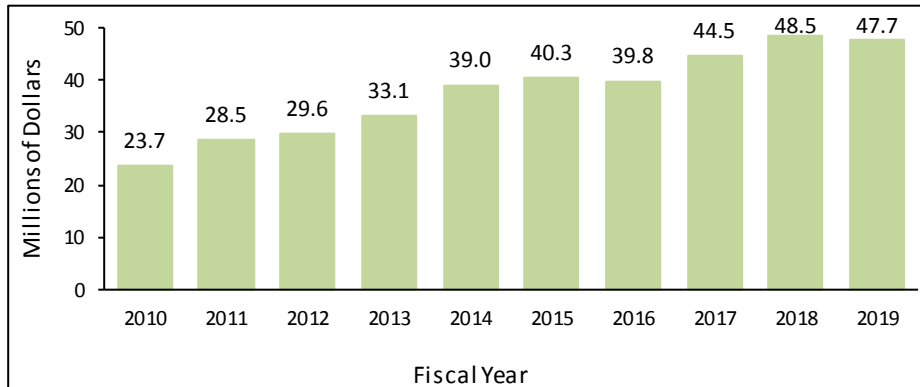
General Fund Investment Income



\$1.8 Million
as of May 31, 2019

Prudent cash management and investment policies dictate the investment vehicles permitted to change daily cash balances. Interest rates have been slowly increasing over the past two years, as reflected in the investment revenue realized.

Deferred Compensation Fund

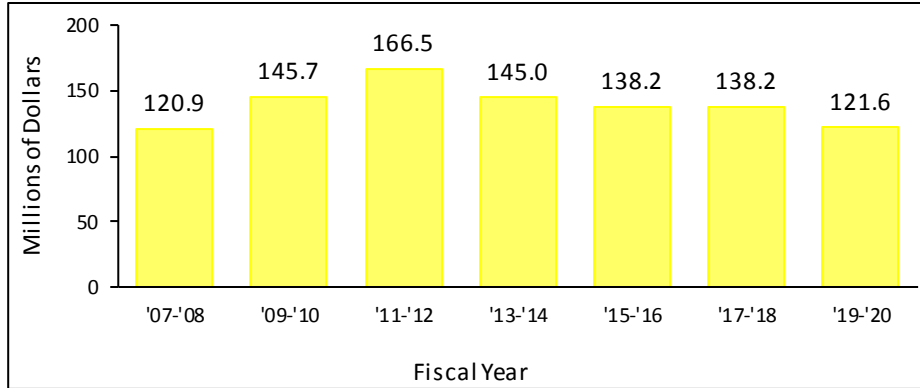


\$47.7 Million
as of May 31, 2019

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.

CITY TREASURER PERFORMANCE TRENDS

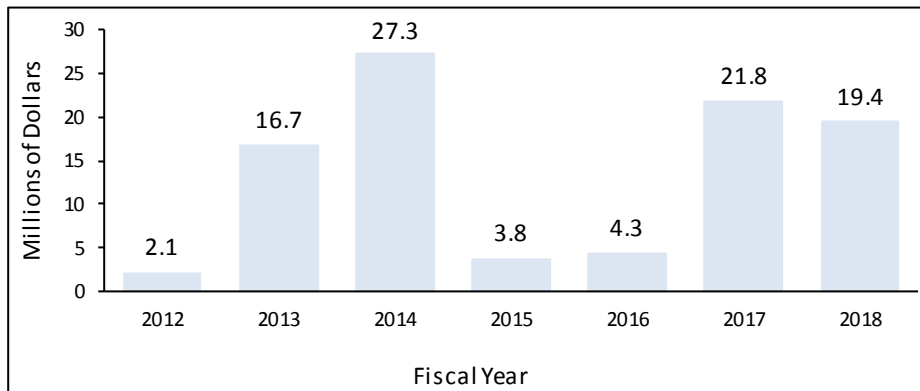
Unfunded Pension Liability - Calculated Biennially



\$121.63 Million
as of May 31, 2019

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 strong stock market returns. In addition, the City is unwavering in its ability and willingness to fund 100% of the ARC.

Net Pension Fund Income / Loss



\$19.4 Million
as of June 30, 2018

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

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	245,405	220,660	230,859	237,675
Temporary Salaries	5,978	532	0	6,000
Sick Leave Bonus	500	1,000	0	0
Pension Contribution	65,105	46,603	47,375	51,231
Social Security	15,077	13,353	13,992	14,192
Medicare Tax	3,526	3,129	3,271	3,316
Hospitalization	52,144	47,879	51,728	43,353
Life Insurance	844	779	720	720
Pension Healthcare	7,420	9,000	9,746	10,374
Personal Services Adjustment	0	0	(8,485)	(8,731)
TOTAL PERSONAL SERVICES	395,999	342,935	349,206	358,130
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	300	160	350	350
Transportation	1,901	5,404	10,000	10,000
Rentals	0	300	300	300
Professional Fees	33,600	26,269	39,000	35,000
Other Fees	216	198	5,000	4,000
Memberships & Registrations	185	5,470	8,450	8,750
Miscellaneous Services	1,910	45	800	500
Office & General Supplies	889	1,387	1,500	1,500
Misc. Mat. Supp., & Parts	0	673	700	700
Equipment	325	998	300	1,500
Fixed Assets	0	2,000	0	0
Community Activities	0	22,813	26,000	26,000
TOTAL M., S. & E.	39,326	65,717	92,400	88,600
 <u>INTERNAL SERVICES</u>				
Administrative Services	136,144	139,317	100,574	10,542
Self-Insurance	18,308	8,852	5,794	5,954
TOTAL INTERNAL SERVICES	154,452	148,169	106,368	16,496
 GENERAL FUND TOTAL	 589,777	 556,821	 547,974	 463,226

DEPARTMENT: CITY TREASURER

FUND: PENSION ADMIN.

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	266,855	295,691	312,478	314,672
Temporary Salaries	0	532	0	28,000
Acting Out Of Classification	0	406	0	0
Accrued Vacation Pay	1,914	(559)	0	0
Pension Contribution	63,339	63,479	70,043	52,213
Social Security	16,103	18,080	19,148	18,768
Medicare Tax	3,766	4,232	4,481	4,391
Hospitalization	46,401	59,317	62,104	65,677
Life Insurance	878	1,001	960	960
Pension Healthcare	8,127	12,000	13,004	13,832
Personal Services Adjustment	0	0	(2,251)	(2,316)
TOTAL PERSONAL SERVICES	407,383	454,179	479,967	496,197

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	0	246	250	252
Transportation	4,913	2,734	4,500	10,000
Rentals	924	300	300	300
Contracted Maintenance	0	0	80	0
Professional Fees	853,002	856,241	1,061,700	926,900
Other Fees	539	0	2,400	2,500
Memberships & Registrations	3,466	3,915	4,000	6,252
Office & General Supplies	745	588	800	1,500
Miscellaneous Parts	604	230	600	600
Equipment	407	1,812	3,000	1,500
TOTAL M., S. & E.	864,600	866,066	1,077,630	949,804

INTERNAL SERVICES

Administrative Services	29,593	27,294	28,640	0
Self-Insurance	1,233	1,222	1,184	1,217
TOTAL INTERNAL SERVICES	30,826	28,516	29,824	1,217

OTHER

Self Insurance Costs	3,308,910	3,250,000	3,500,000	3,750,000
TOTAL OTHER	3,308,910	3,250,000	3,500,000	3,750,000

PENSION ADMIN. FUNDS TOTAL	4,611,719	4,598,761	5,087,421	5,197,218
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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 items like the City's comprehensive development plan, the Bicycle 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 2020

- 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 as well as the Bicycle Plan updates by utilizing consultant services to coordinate the planning and public outreach process and develop a new plan format for both Plans; and implement recommended improvements from each plan such as various land use codes (e.g., zoning and subdivision codes) and methods for creating a bike friendly City 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 2020 (Continued)

- Represent the City on various boards and commissions, including the Wilmington Neighborhood Conservancy Land Bank, the Wilmington UDAG Corporation, Access Wilmington, and the Rodney Square Conservancy.
- Work with Licenses & Inspections, Real Estate & Housing, and other Departments on the Mayor's Neighborhood Stabilization initiative.
- 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

TOTAL ALL FUNDS PLANNING DEPARTMENT	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Personal Services	1,059,258	1,067,686	1,119,446	1,132,863
Materials, Supplies & Equipment	140,425	14,711	40,355	267,270
Internal Services	368,804	336,555	380,959	50,961
Debt Service	239,453	128,071	216,657	175,557
TOTAL	1,807,940	1,547,023	1,757,417	1,626,651
STAFFING LEVELS	10.00	10.00	10.00	10.00

GENERAL FUND PLANNING DEPARTMENT	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Personal Services	1,008,539	1,016,967	1,067,491	1,096,826
Materials, Supplies & Equipment	140,425	14,711	40,355	267,270
Internal Services	368,804	336,555	380,959	50,961
Debt Service	239,453	128,071	216,657	175,557
TOTAL	1,757,221	1,496,304	1,705,462	1,590,614
STAFFING LEVELS	9.53	9.55	9.55	9.55

COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG) PLANNING DEPARTMENT	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Personal Services	50,719	50,719	51,955	36,037
TOTAL	50,719	50,719	51,955	36,037
STAFFING LEVELS	0.47	0.45	0.45	0.45

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services increased by \$29,335 in the General Fund, largely due to a 2% citywide COLA. In addition, two positions were upgraded in the biennial appeals process. One Planner II position was upgraded to a Senior Planner III, leading to a total increase of \$2,010, and the Senior Planner Design & Review position was upgraded to a higher grade and step, leading to an increase of \$5,965.
- Materials, Supplies, and Equipment increased by a total of \$226,915, largely because of a \$225,000 increase to Consultants for ongoing expenses related to the Americans with Disabilities Act (ADA) Plan.
- Debt Service decreased by \$41,100 per the existing debt service schedule.

DEPARTMENT OF PLANNING AND DEVELOPMENT

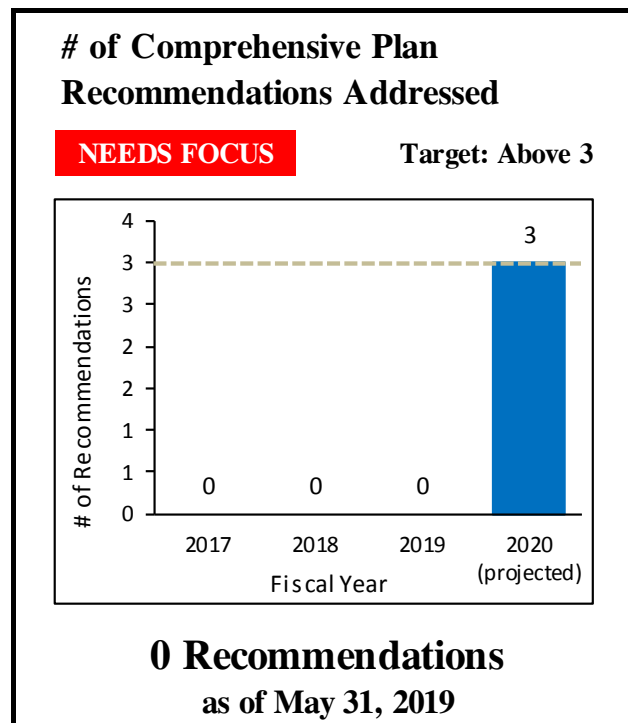
STRATEGIC PLAN

Current data for the goals and objectives listed below may be found on the Planning & Development OpenGov story page at <http://bit.ly/WDe18OG>.

Focus Area: Effective City Government

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

Objective 1: Implement recommendations from the adopted 2028 Comprehensive Plan.



Note: Prior-year data is not available as the 2028 Comprehensive Plan was adopted in the third quarter of Fiscal Year 2019. The Department will determine which recommendations to prioritize by establishing working groups and steering committees. Resulting recommendations will be submitted to the City Planning Commission for approval.

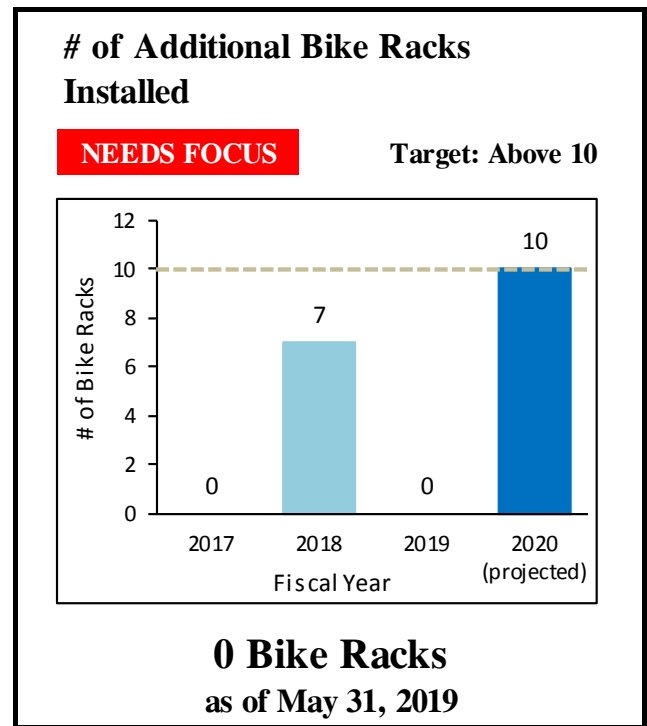
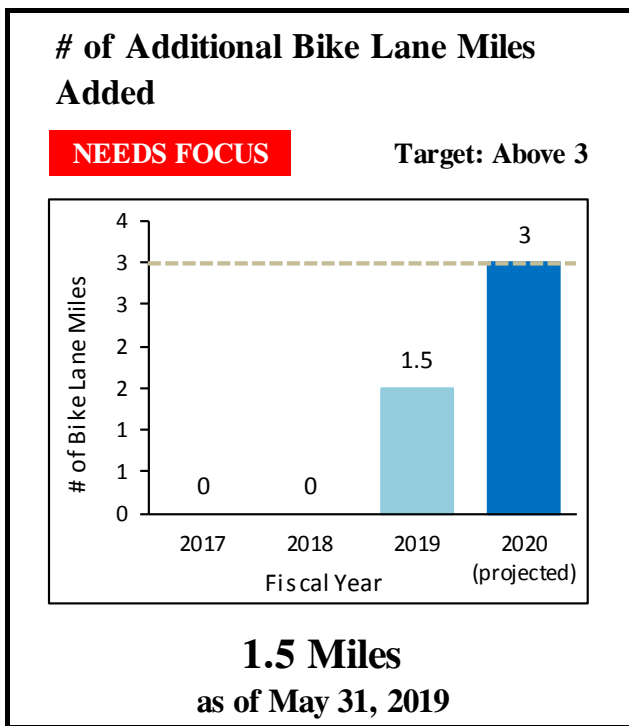
DEPARTMENT OF PLANNING AND DEVELOPMENT

STRATEGIC PLAN

Focus Area: Quality of Life

CITY-WIDE GOAL #18: Enhance Environmental Sustainability.

Objective 1: Partner with DeIDOT to create and enhance a citywide bicycle network.



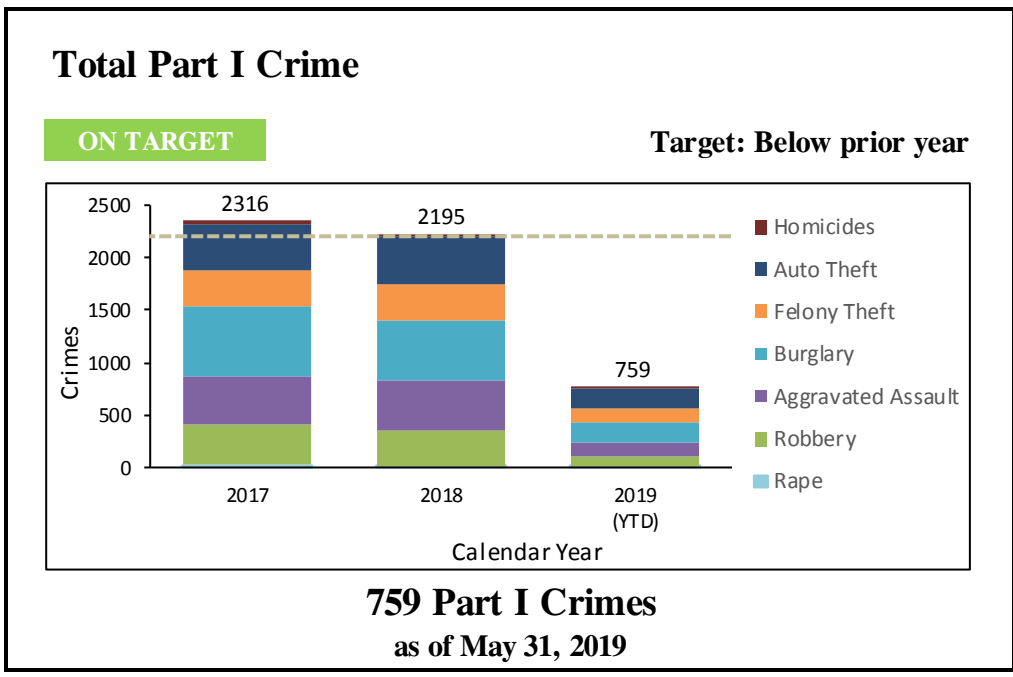
DEPARTMENT OF PLANNING AND DEVELOPMENT

STRATEGIC PLAN

Focus Area: Quality of Life

CITY-WIDE GOAL #18: Enhance City Services.

Objective 1: Improve neighborhood quality of life through the Neighborhood Stabilization Program (NSP) by coordinating efforts by the Departments of Licenses & Inspections, Real Estate & Housing, Public Works, and Police. The NSP, piloted in the West Center City neighborhood, targets crime and blight reduction in “tipping point areas” by focusing the City’s resources to preserve and stabilize neighborhoods at risk of deterioration and rehabilitate areas with high levels of vacancy and crime. Success will be determined by reductions in crime and code violations.



Note: Part I Crime data is derived from the Police Department’s weekly CompStat reports.

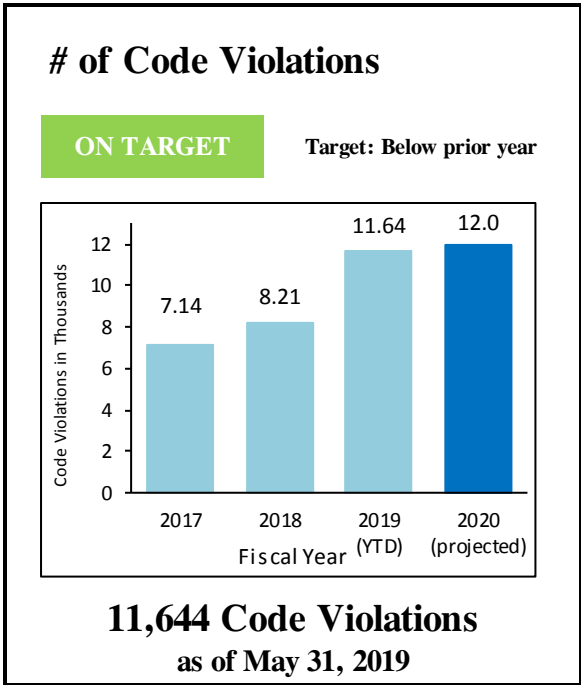
DEPARTMENT OF PLANNING AND DEVELOPMENT

STRATEGIC PLAN

Focus Area: Quality of Life

CITY-WIDE GOAL #18: Enhance City Services. (Cont'd)

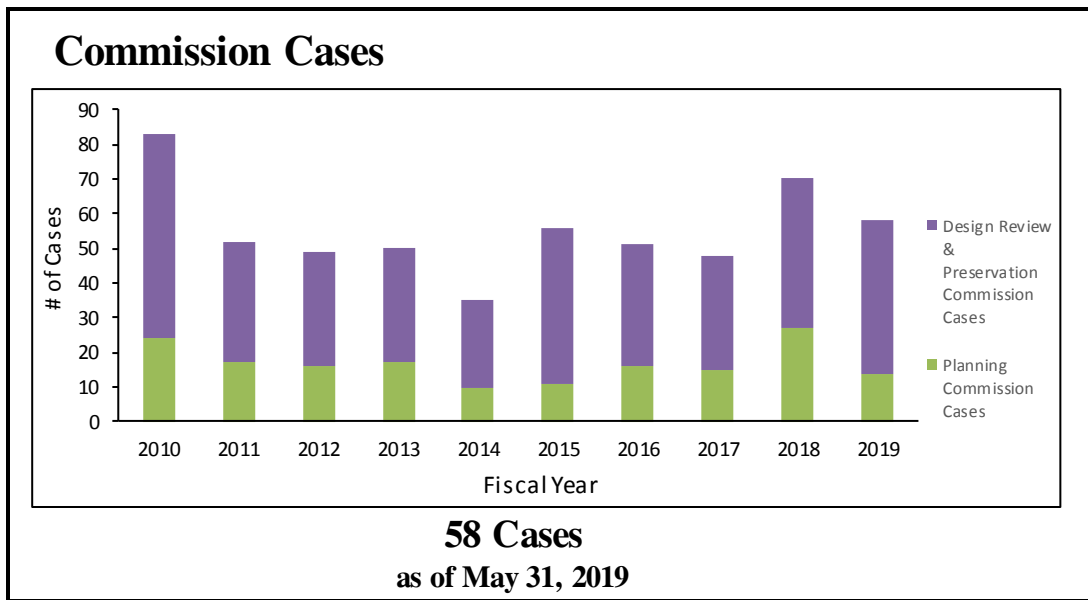
Objective 1 (Cont'd): Improve neighborhood quality of life through the Neighborhood Stabilization Program (NSP) by coordinating efforts by the Departments of Licenses & Inspections, Real Estate & Housing, Public Works, and Police. The NSP, piloted in the West Center City neighborhood, targets crime and blight reduction in “tipping point areas” by focusing the City’s resources to preserve and stabilize neighborhoods at risk of deterioration and rehabilitate areas with high levels of vacancy and crime. Success will be determined by reductions in crime and code violations.



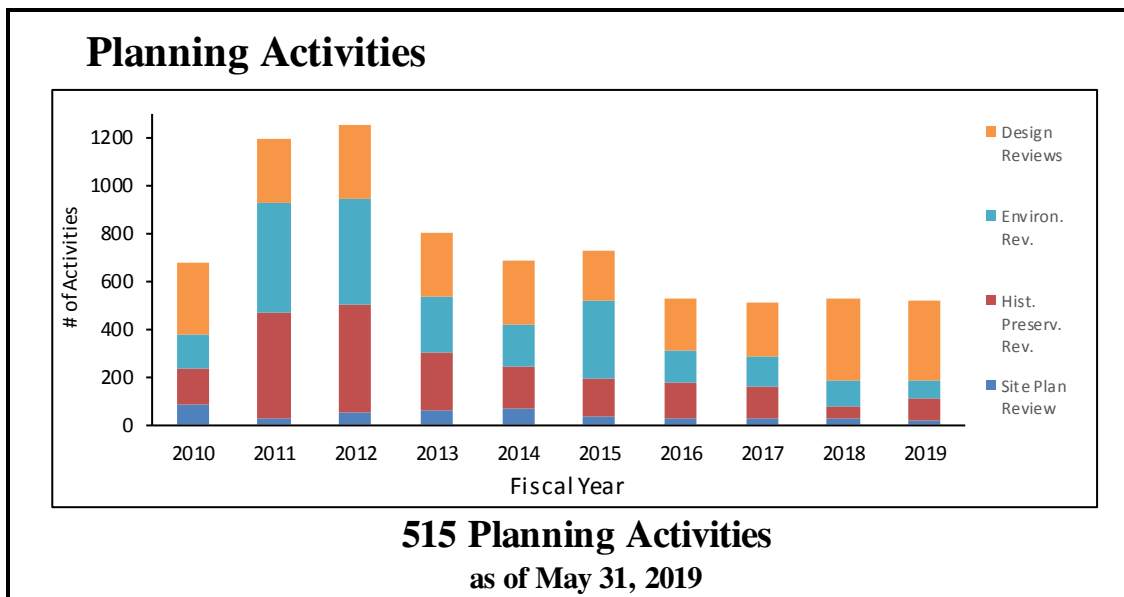
Note: This code violation data is provided by the Department of Licenses & Inspections (L&I). To help reduce blight and better enforce the housing code, L&I is actively working to increase the number of code violations issued in the City. The above number is therefore expected to increase in the next year but eventually decrease as neighborhoods improve.

DEPARTMENT OF PLANNING AND DEVELOPMENT

PERFORMANCE TRENDS



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



The Department ensures that land use and planning policies address the social, cultural, and economic needs of City residents by conducting design reviews, environmental reviews, historical preservation reviews, and site plan reviews.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: PLANNING AND DEVELOPMENT

FUND: GENERAL

	ACTUAL	ACTUAL	BUDGET	APPROVED
PERSONAL SERVICES	FY 2017	FY 2018	FY 2019	FY 2020
Regular Salaries	634,446	640,571	662,321	692,537
Temporary Salaries	36,016	40,118	61,089	45,909
Acting Out of Class	0	0	0	0
Health Cash Back	1,180	2,400	2,400	2,400
Pension Contribution	131,662	126,278	112,708	132,805
Social Security	41,015	41,805	44,607	44,545
Medicare Tax	9,592	9,777	10,434	10,417
Hospitalization	116,339	109,668	130,677	124,419
Life Insurance	2,277	2,276	2,292	2,292
Pension Healthcare	23,186	28,934	31,037	33,024
State Pension Plan - Civilian	12,826	15,139	20,627	19,489
Personal Services Adjustment	0	0	0	0
Attrition	0	0	(10,701)	(11,011)
TOTAL PERSONAL SERVICES	1,008,539	1,016,966	1,067,491	1,096,826
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	856	856	1,000	1,200
Communications & Utilities	0	0	64	0
Transportation	507	507	1,200	1,700
Rentals	300	300	300	0
Contracted Maintenance Repairs	0	0	0	0
Professional Fees	125,000	125,000	25,000	250,000
Memberships & Registrations	1,048	1,048	3,495	3,574
Miscellaneous Services	50	50	0	0
Office & General Supplies	1,367	1,367	1,000	1,000
Miscellaneous Parts	1,766	1,766	1,000	1,000
Equipment	675	675	500	2,000
Community Activities	8,856	8,856	6,796	6,796
TOTAL M., S. & E.	140,425	140,425	40,355	267,270
 <u>INTERNAL SERVICES</u>				
Administrative Services	301,679	301,679	331,253	0
Self-Insurance	67,125	67,125	49,706	50,961
TOTAL INTERNAL SERVICES	368,804	368,804	380,959	50,961
 <u>DEBT SERVICE</u>				
Principal Payments	149,115	44,880	137,397	88,437
Interest Payments	90,338	83,191	79,260	87,120
TOTAL DEBT SERVICE	239,453	128,071	216,657	175,557
 GENERAL FUND TOTAL	 1,757,221	 1,654,266	 1,705,462	 1,590,614

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

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	28,200	28,200	28,520	26,886
Pension Contribution	7,025	7,025	7,443	1,957
Social Security	1,697	1,697	1,714	1,644
Medicare Tax	397	397	401	385
Hospitalization	12,099	12,099	12,306	3,501
Life Insurance	115	115	108	108
Pension Healthcare	1,186	1,186	1,463	1,556
Personal Services Adjustment	0	0	0	0
TOTAL PERSONAL SERVICES	50,719	50,719	51,955	36,037
CDBG FUND TOTAL	50,719	50,719	51,955	36,037



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 2020
<ul style="list-style-type: none">• 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

TOTAL ALL FUNDS AUDIT DEPARTMENT	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Personal Services	395,112	395,899	621,782	601,266
Materials, Supplies & Equipment	249,503	298,788	281,748	295,566
Internal Services	113,928	106,341	116,749	3,387
TOTAL	758,543	801,028	1,020,279	900,219
STAFFING LEVELS	4.00	4.00	5.00	5.00

GENERAL FUND AUDIT DEPARTMENT	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Personal Services	395,112	395,899	621,782	601,266
Materials, Supplies & Equipment	177,235	226,191	208,325	210,582
Internal Services	113,928	106,341	116,749	3,387
TOTAL	686,275	728,431	946,856	815,235
STAFFING LEVELS	4.00	4.00	5.00	5.00

WATER/SEWER FUND AUDIT DEPARTMENT	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Materials, Supplies & Equipment	72,268	72,597	73,423	84,984
TOTAL	72,268	72,597	73,423	84,984
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services decreased by \$20,516. The additional cost of a 2% COLA in the FY 2020 budget was more than offset by a \$24,136 reduction in Hospitalization costs.
- Accounting costs were allocated between the General and Water/Sewer Funds (68% and 32%, respectively). The result is a \$680 decrease in the General Fund and a \$11,680 increase in the Water Fund.
- To properly fund temporary office assistance and other temporary accounting-related services needed throughout the year, Temporary Agencies is being budgeted at \$20,000 in the FY 2020 General Fund, a \$7,665 increase.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: AUDIT DEPARTMENT

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	265,083	252,663	400,698	402,338
Acting Out Of Classification	3,344	3,596	0	0
Temporary Salaries	0	0	0	0
Sick Leave Bonus	200	0	0	0
Overtime	0	0	0	0
Pension Contribution	21,662	21,930	21,867	23,586
Social Security	15,738	14,994	24,264	23,660
Medicare Tax	3,681	3,507	5,675	5,534
Hospitalization	63,500	74,311	128,725	104,589
Life Insurance	781	918	1,200	1,200
Pension Healthcare	8,606	12,000	16,250	17,290
State Pension Plan - Civilian	12,517	11,980	23,103	23,069
Personal Services Adjustment	0	0	0	0
TOTAL PERSONAL SERVICES	395,112	395,899	621,782	601,266
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	500	433	640	512
Transportation	2,316	5,389	8,000	10,000
Professional Fees	155,696	202,549	165,335	172,320
Memberships & Registrations	17,779	15,906	23,400	24,800
Office & General Supplies	717	1,037	500	500
Misc. Mat. Supp. & Parts	227	113	450	450
Equipment	0	764	10,000	2,000
TOTAL M., S. & E.	177,235	226,191	208,325	210,582
 <u>INTERNAL SERVICES</u>				
Administrative Services	105,007	101,640	113,452	0
Self-Insurance	8,921	4,701	3,297	3,387
TOTAL INTERNAL SERVICES	113,928	106,341	116,749	3,387
 GENERAL FUND TOTAL	 686,275	 728,431	 946,856	 815,235

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

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Professional Fees	60,000	60,000	60,000	71,680
Supporting Services	12,268	12,597	13,423	13,304
TOTAL M., S. & E.	72,268	72,597	73,423	84,984
WATER SEWER FUND TOTAL	72,268	72,597	73,423	84,984

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 2020
<ul style="list-style-type: none"> • Continue to provide effective and efficient legal advice to the City, generally, as appropriate. • Aggressively defend and prosecute litigation. • Assist in and prosecute code enforcement and collection actions. • Provide actionable legal advice on various employment matters. • Provide strategic and legal support in the negotiations of collective bargaining agreements. • Deliver necessary and appropriate legal support to City Council. • Meet budget targets.

SUMMARY OF FUNDING FOR THE LAW DEPARTMENT

TOTAL ALL FUNDS LAW DEPARTMENT	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Personal Services	2,327,537	2,079,732	2,035,349	2,066,068
Materials, Supplies & Equipment	435,883	575,123	601,715	560,123
Internal Services	264,960	226,906	222,754	23,667
TOTAL	3,028,380	2,881,761	2,859,818	2,649,858
STAFFING LEVELS	20.00	18.00	17.00	17.00

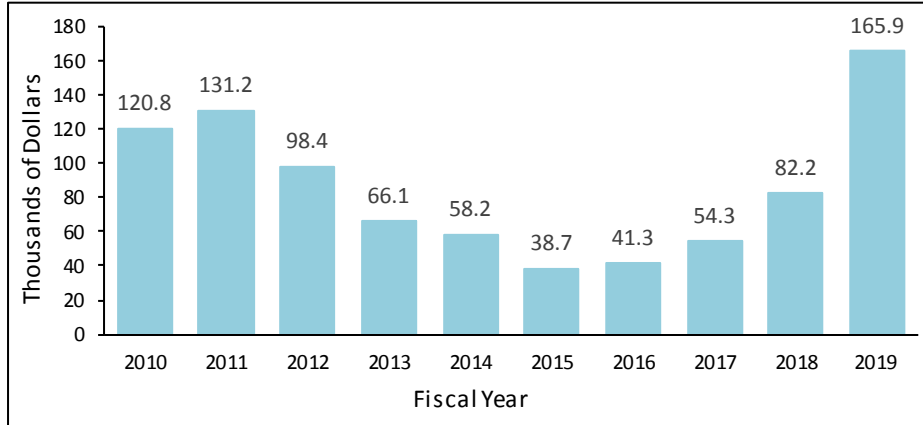
GENERAL FUND LAW DEPARTMENT	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Personal Services	2,327,537	2,079,732	2,035,349	2,066,068
Materials, Supplies & Equipment	435,883	575,123	601,715	560,123
Internal Services	264,960	226,906	222,754	23,667
TOTAL	3,028,380	2,881,761	2,859,818	2,649,858
STAFFING LEVELS	20.00	18.00	17.00	17.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services increased \$30,719, or 1.5%, above the FY 2019 budget. An allowance for a 2% COLA caused an increase of \$31,880 in Regular Salaries. Pension Contribution for the City's closed plans also increased \$11,870. However, these increases were somewhat offset with a \$22,788 reduction in Hospitalization costs in the FY 2020 budget.
- Through the biennial appeals process, the Nuisance Property Administrator position was upgraded at a cost of \$1,732 to the General Fund.
- Total MS&E is budgeted at \$560,123, a \$41,592 decrease from FY 2019. To align the budget more closely with historical actual costs, Court Cost & Notary Fees is budgeted at \$125,000 in FY 2020, a \$42,000 reduction from FY 2019.

LAW DEPARTMENT PERFORMANCE TRENDS

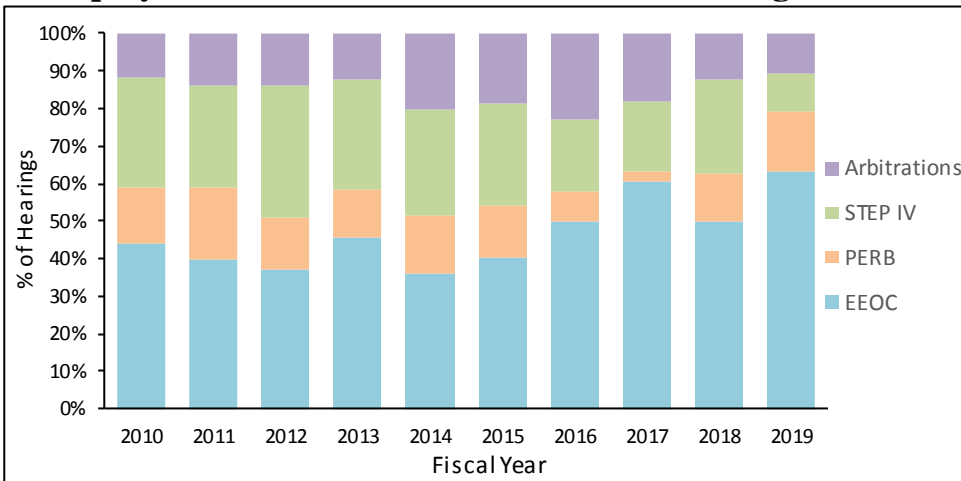
Housing Code Prosecution Fines



**\$165,851 Fines Issued
as of May 31, 2019**

Several changes have resulted in higher fines imposed for housing code violations. First, there have been a slight increase in cases per calendar resulting in higher fines. Additionally, an increase in high profile cases which involve properties with a substantial number of violations has also led to an increase in fines over the course of FY 2018 and FY 2019.

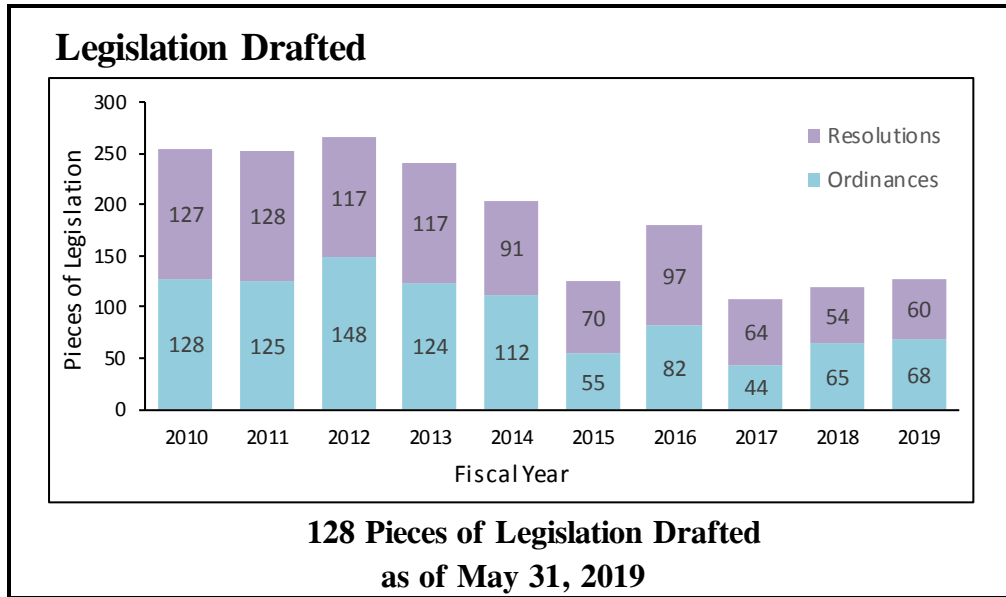
Employment & Labor Administrative Hearings



as of May 31, 2019

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

LAW DEPARTMENT PERFORMANCE TRENDS



The demand for legislative drafting services is reflected above. Although the demand for these services increased from FY 2016 to FY 2017, demand since then has remained relatively stable.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: LAW

FUND: GENERAL

	ACTUAL	ACTUAL	BUDGET	APPROVED
PERSONAL SERVICES	FY 2017	FY 2018	FY 2019	FY 2020
Regular Salaries	1,554,042	1,335,288	1,347,728	1,379,608
Temporary Salaries	11,738	33,580	6,000	6,000
Acting Out Of Classification	384	0	0	0
Sick Leave Bonus	300	300	300	0
Health Cash Back	0	0	0	4,800
Pension Contribution	234,777	174,788	147,179	159,049
Social Security	95,427	82,973	82,576	83,364
Medicare Tax	22,318	19,405	19,312	19,499
Hospitalization	305,125	328,284	336,294	313,506
Life Insurance	4,902	4,202	4,080	4,080
Pension Healthcare	49,903	54,000	55,250	58,786
State Pension Plan - Civilian	48,621	46,912	57,142	58,483
Personal Services Adjustment	0	0	(20,512)	(21,107)
TOTAL PERSONAL SERVICES	2,327,537	2,079,732	2,035,349	2,066,068
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	135	250	102	102
Communications & Utilities	77	83	131	105
Transportation	4,145	372	5,000	5,000
Contracted Maintenance Repairs	48	0	328	262
Professional Fees	283,459	385,472	358,033	358,033
Other Fees	59,167	125,417	167,000	125,000
Memberships & Registrations	24,877	23,232	29,715	29,715
Miscellaneous Services	49,734	34,739	34,406	34,906
Office & General Supplies	6,921	4,661	5,000	5,000
Equipment	7,320	897	2,000	2,000
Projects	0	0	0	0
TOTAL M., S. & E.	435,883	575,123	601,715	560,123
 <u>INTERNAL SERVICES</u>				
Administrative Services	201,392	193,783	199,713	0
Self-Insurance	63,568	33,123	23,041	23,667
TOTAL INTERNAL SERVICES	264,960	226,906	222,754	23,667
 GENERAL FUND TOTAL	 3,028,380	 2,881,761	 2,859,818	 2,649,858



DEPARTMENT OF FINANCE

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

PRIORITIES FOR FISCAL YEAR 2020
<ul style="list-style-type: none"> • Improve customer service throughout the Department of Finance while preserving its fiduciary responsibilities to the citizens of the City. • Maximize revenues through improved collections processes. • Improve our business processes through enhanced data management and decision-making, improved technology and quality control/quality assurance.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF FINANCE

TOTAL ALL FUNDS FINANCE DEPARTMENT	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Personal Services	7,048,518	7,339,489	7,757,822	8,038,244
Materials, Supplies & Equipment	5,047,597	5,092,157	6,194,496	7,987,782
Internal Services	1,644,952	1,527,240	1,768,905	312,407
Debt Service	46,902	35,419	130,503	104,361
TOTAL	13,787,969	13,994,305	15,851,726	16,442,794
STAFFING LEVELS	86.00	85.00	84.00	85.00

GENERAL FUND FINANCE DEPARTMENT	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Personal Services	4,888,226	4,959,801	5,293,734	5,415,701
Materials, Supplies & Equipment	3,457,092	3,227,163	3,793,640	3,938,550
Internal Services	1,082,384	864,962	921,427	176,433
Debt Service	37,027	30,420	85,848	53,090
TOTAL	9,464,729	9,082,346	10,094,649	9,583,774
STAFFING LEVELS	61.45	60.45	58.65	58.85

WATER/SEWER FUND FINANCE DEPARTMENT	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Personal Services	2,160,292	2,379,688	2,464,088	2,622,543
Materials, Supplies & Equipment	1,590,505	1,864,994	2,400,856	4,049,232
Internal Services	562,568	662,278	847,478	135,974
Debt Service	9,875	4,999	44,655	51,271
TOTAL	4,323,240	4,911,959	5,757,077	6,859,020
STAFFING LEVELS	24.55	24.55	25.35	26.15

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

- Personal Services increased by a net 0.20 FTE. A new split-funded (50% General Fund and 50% Water/Sewer Fund) Senior Accountant position added 0.50 FTE at a cost of \$51,810. The funding for the Revenue Manager position, previously split-funded 65% General Fund and 35% Water/Sewer Fund was reversed to 35% General Fund and 65% Water/Sewer Fund, resulting in a 0.30 FTE decrease and a savings of \$34,424. Finally, \$2,676 was added to cover the upgrade of a Purchasing Agent II (Grade P) to a Senior Procurement Specialist (Grade Q).
- Pension Contributions and Hospitalization increased a combined total of \$11,700.
- Overtime increased by \$12,500 due to staffing needs during the Wage Tax filing season.
- Workshop/Seminars–Training increased by \$18,500 for inhouse training and workshops in relation to preparation of the Comprehensive Annual Financial Report (CAFR).
- Because sheriff sale activity is trending upward, Collection Expense–Legal and Sheriff Sale increased by \$75,000.
- Collection Expense–Parking Citation Commissions rose by \$212,000 to cover the increase in the cost of fees associated with the Padlock digital parking permit application, validation, and enforcement system (based on license plate scanning), and the parking citations contract, which increased by 2.5%. Also included in the increase was \$50,000 for a separate comprehensive accounts receivable review and expanded collection effort.
- Due to an increased number of customers using a credit card for payments, Collection Expense–Credit Cards Fees increased by \$10,000.
- Lockbox Charges rose by \$10,000 to cover an increase in the number of transactions processed.
- Collection Expense–Wage & Head Audit decreased by \$160,000 based on current year expenditures to date.

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

- Personal Services increased by 0.80 FTE. A new split-funded (50% General Fund and 50% Water/Sewer Fund) Senior Accountant position added 0.50 FTE at a cost of \$51,810. The funding for the Revenue Manager position, previously split-funded 65% General Fund and 35% Water/Sewer Fund was reversed to 35% General Fund and 65% Water/Sewer Fund, resulting in a 0.30 FTE increase and a cost of \$34,424.
- Pension Contributions and Hospitalization increased a combined total of \$32,217.
- The \$264,000 increase in the Postage-Direct Charge account reflects the cost for the monthly processing and mailing of water/sewer bills that had previously been paid through the now-eliminated Postage internal service chargeback account. The Postage chargeback account was budgeted at \$188,500 last fiscal year.
- Due to staffing needs during the preparation of the Comprehensive Annual Financial Report, Professional Fees increased by \$25,000.
- Workshop/Seminars–Training increased by \$30,000 for inhouse training and workshops related to in preparation of the Comprehensive Annual Financial Report (CAFR).
- The Miscellaneous Services account group rose by over \$553,000. The Department is implementing a Water Utility Call Center to be hosted by a third-party entity at a cost of \$400,000. Since the transition from quarterly to monthly water/sewer billing, the Department has seen a sizeable increase in customer calls and inquires, that at times has overwhelmed the existing City customer service employees. The change to monthly billing has also increased the payments flowing through the Department’s lockbox service, necessitating an increase of \$140,000 in the Lockbox Charges account.
- The Indirect Cost expense to the Water/Sewer Fund rose by nearly \$751,600 reflecting the effect of the new Department of Information Technologies created in the General Fund. However, that increase is almost completely offset by the almost \$712,000 in savings resulting from the elimination of the Internal Services Funds departmental chargeback accounts.

DEPARTMENT OF FINANCE

STRATEGIC PLAN

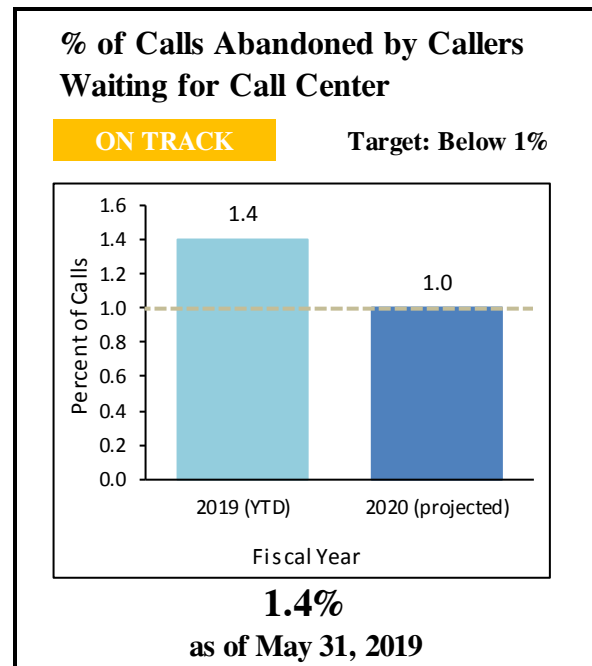
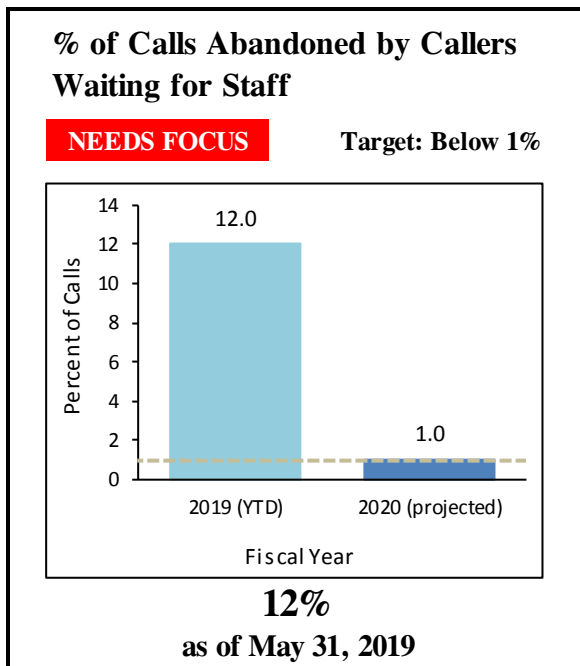
The mission of the Department of Finance is to manage the fiscal activities of the City to maintain and improve the City's financial position. The Department completes its mission by billing and collecting revenues, providing water meter-reading service, maintaining the City's accounting system, preparing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

Current data for the goals and objectives listed below can be found on the Finance OpenGov story page at <http://bit.ly/WDe150G>.

Focus Area: Effective City Government

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

Objective 1: Improve Customer Service Provided by the Finance Department.



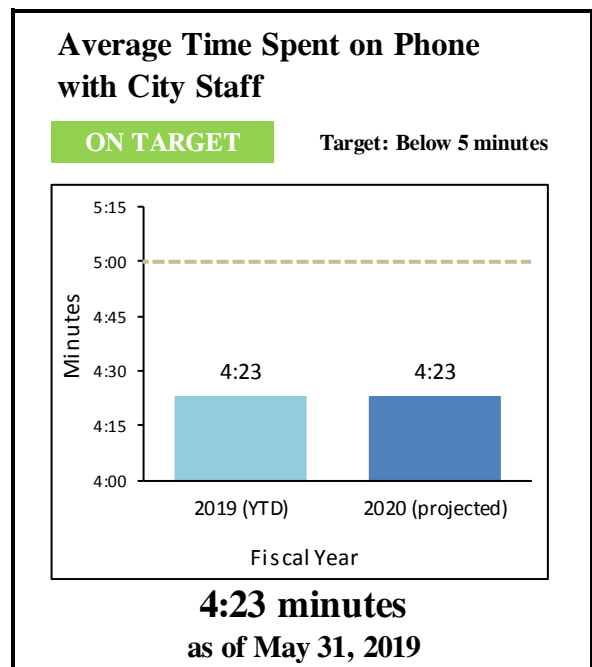
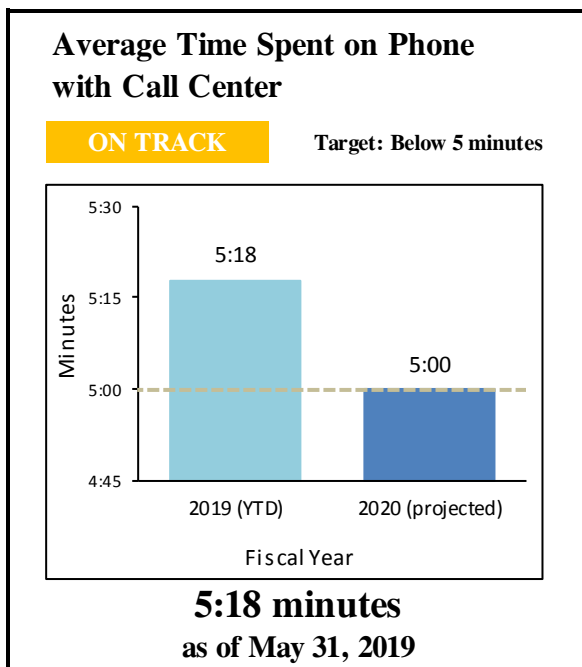
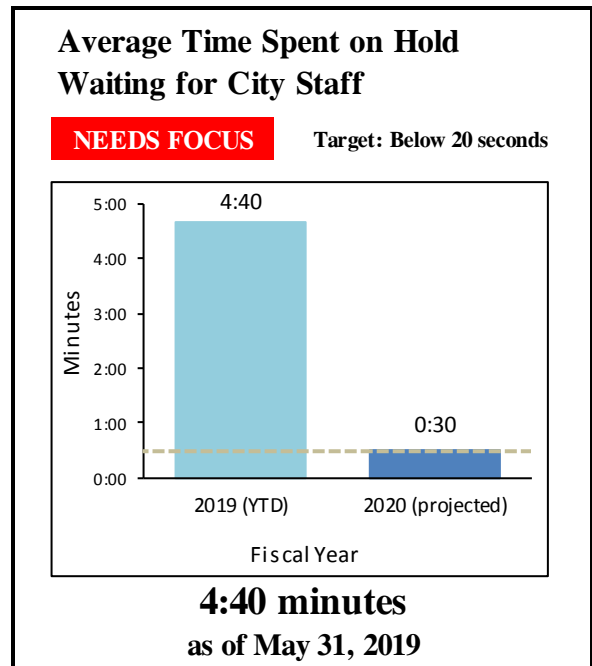
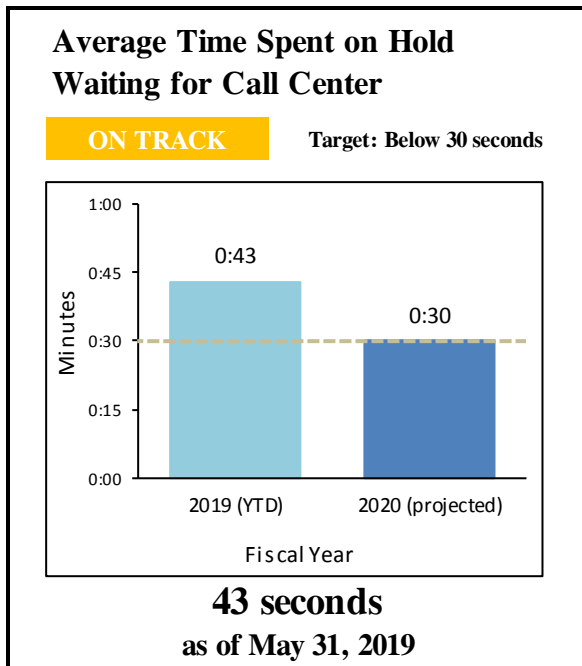
DEPARTMENT OF FINANCE

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #1: Embrace a Culture of Service. (Cont'd)

Objective 1 (Cont'd): Improve Customer Service Provided by the Finance Department.



DEPARTMENT OF FINANCE

STRATEGIC PLAN

Focus Area: Effective City Government

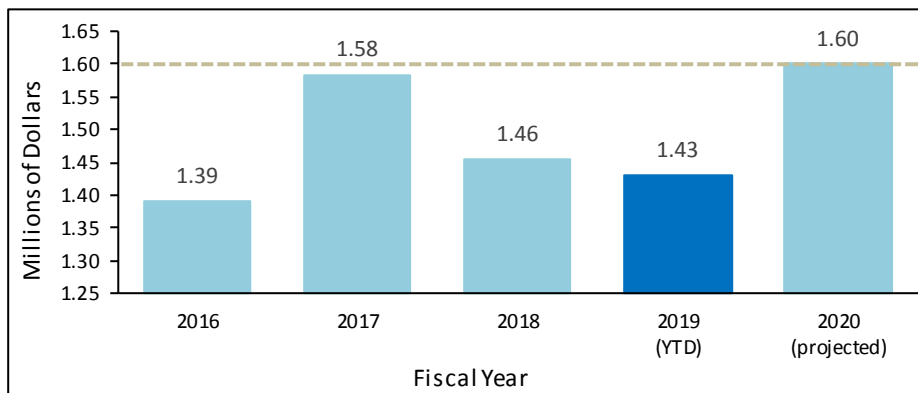
CITY-WIDE GOAL #3: Enhance Fiscal Prudence

Objective 1: Improve Delinquent Account Collections.

Average Monthly Amount Collected on Delinquent Accounts

NEEDS FOCUS

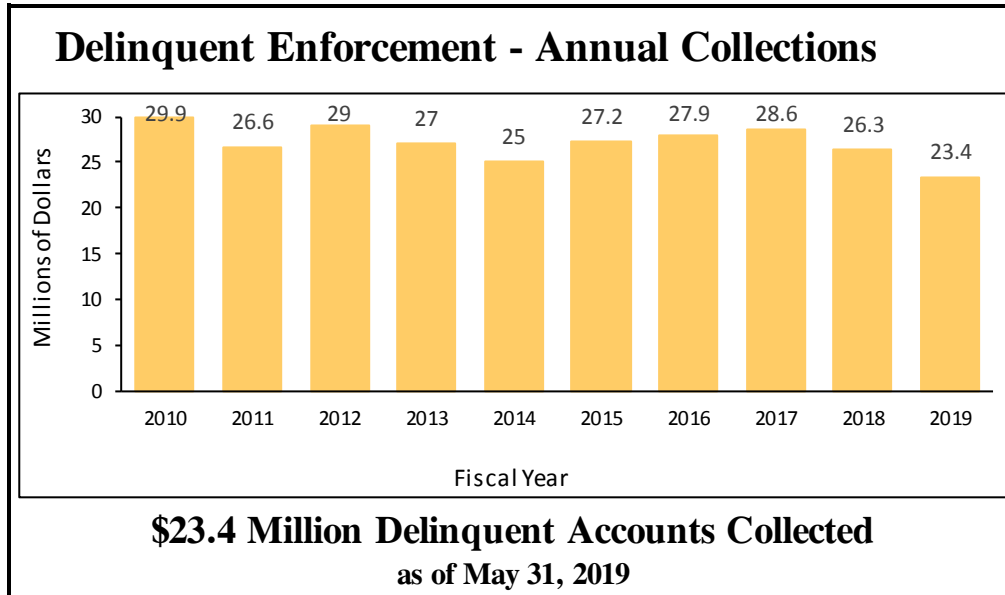
Target: Above \$1.6 M



\$1.43 Million
as of May 31, 2019

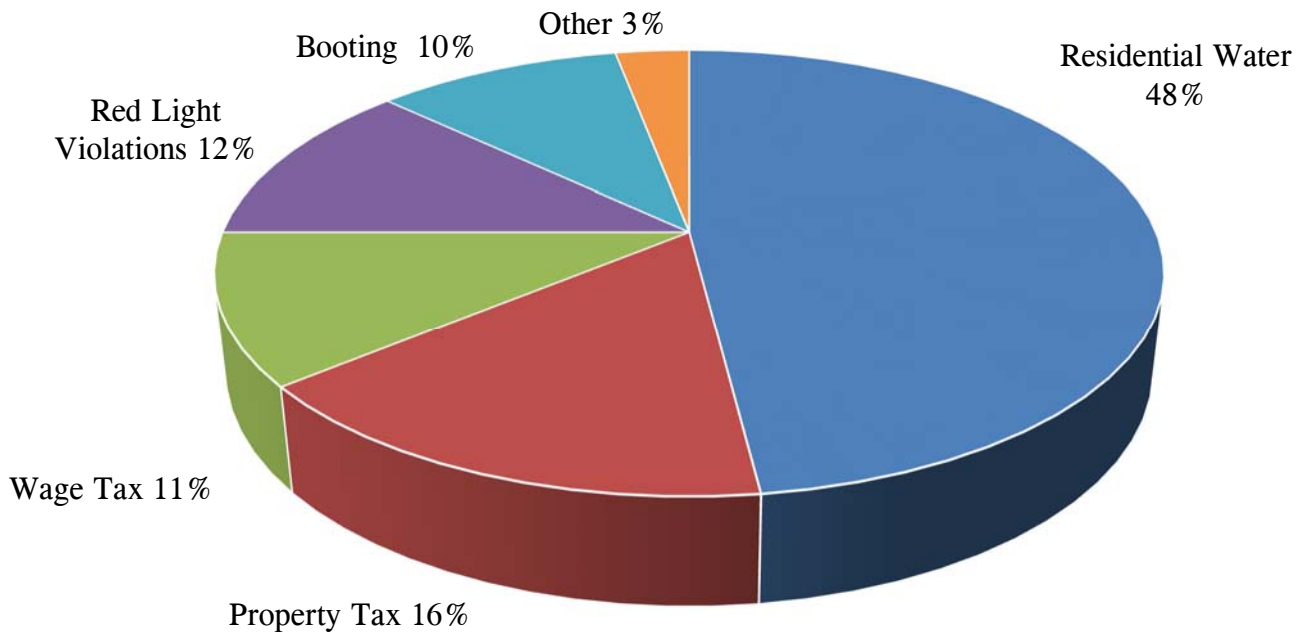
DEPARTMENT OF FINANCE

PERFORMANCE TRENDS



The Finance Department is responsible for collecting delinquent net profit, property and wage taxes, business licenses, fees and water bills. In FY 2019, \$23.4 million in delinquent accounts was collected.

Delinquent Collections by Revenue Type FY 2019



DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: FINANCE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	2,848,565	2,867,805	3,113,397	3,190,215
Temporary Salaries	45,385	31,066	10,000	10,000
Acting Out of Class	5,046	2,968	0	0
Sick Leave Bonus	2,800	2,300	7,600	7,600
Overtime	51,602	54,553	71,500	84,000
Meal Allowance	2,322	2,182	7,100	8,100
Clothing Allowance	3,875	3,760	0	4,000
Health Cash Back	0	400	0	2,400
Pension Contribution	596,331	554,706	563,367	558,463
Social Security	177,943	177,453	193,022	195,741
Medicare Tax	41,653	41,500	45,213	45,783
Hospitalization	911,850	964,227	1,094,138	1,095,804
Life Insurance	12,424	12,328	13,667	13,816
Pension healthcare	136,529	181,350	190,610	203,505
State Pension Plan - Civilian	51,901	63,203	80,404	95,349
Personal Services Adjustment	0	0	(96,284)	(99,075)
PS-Budget Control Account	0	0	0	0
TOTAL PERSONAL SERVICES	4,888,226	4,959,801	5,293,734	5,415,701
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	42,511	47,505	70,200	68,320
Communications & Utilities	15,003	13,815	15,880	15,880
Transportation	9,965	8,946	22,300	22,550
Rentals	0	0	0	0
Contracted Maintenance Repairs	0	228	480	400
Professional Fees	309,834	316,626	367,000	367,000
Memberships & Registrations	25,024	9,439	41,750	60,050
Miscellaneous Services	2,968,524	2,791,473	3,220,000	3,365,000
Office & General supplies	15,464	13,910	16,250	16,250
Wearing Apparel and Safety	10,486	8,877	10,920	10,500
Miscellaneous Parts	398	263	760	600
Equipment	59,883	16,081	28,100	12,000
Miscellaneous Projects	0	0	0	0
MSE-Budget Control Account	0	0	0	0
TOTAL M. S. & E.	3,457,092	3,227,163	3,793,640	3,938,550

DEPARTMENT: FINANCE

FUND: GENERAL

INTERNAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Administrative Services	897,607	744,321	825,263	77,768
Self-Insurance	184,777	120,641	96,164	98,665
TOTAL INTERNAL SERVICES	1,082,384	864,962	921,427	176,433
DEBT SERVICE				
Principal Payments	8,377	1,360	38,311	25,011
Interest Payments	28,650	29,060	47,537	28,079
TOTAL DEBT SERVICE	37,027	30,420	85,848	53,090
GENERAL FUND TOTAL	9,464,729	9,082,346	10,094,649	9,583,774

DEPARTMENT: FINANCE

FUND: WATER/SEWER

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	1,236,232	1,336,860	1,454,944	1,560,489
Temporary Salaries	13,718	18,296	0	0
Acting Out of Class	0	0	0	0
Sick Leave Bonus	0	300	2,500	2,500
Overtime	21,558	23,430	34,000	40,000
Meal Allowance	631	578	3,400	4,000
Clothing Allowance	750	750	750	750
Health Cash Back	0	0	0	0
Accrued Sick/Vacation	8,257	(4,227)	0	0
Pension Contribution	161,726	361,005	254,694	250,306
Social Security	76,402	81,855	89,827	94,604
Medicare Tax	17,880	19,144	21,086	22,126
Hospitalization	356,750	429,207	473,396	498,249
Life Insurance	5,394	5,628	6,007	6,248
Pension healthcare	236,135	73,650	82,390	90,425
State Pension Plan - Civilian	24,859	33,212	41,094	52,846
Personal Services Adjustment	0	0	0	0
TOTAL PERSONAL SERVICES	2,160,292	2,379,688	2,464,088	2,622,543

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	17,138	40,826	95,400	96,420
Communications & Utilities	80	124	640	265,000
Transportation	6,901	6,936	18,000	18,000
Contracted Maintenance Repairs	0	1,219	1,462	1,512
Professional Fees	59,789	102,433	140,000	165,000
Memberships & Registrations	7,442	7,466	20,250	53,750
Miscellaneous Services	339,607	425,782	792,840	1,346,000
Office & General supplies	6,879	7,085	10,780	12,700
Wearing Apparel and Safety	1,979	1,756	2,950	2,950
Miscellaneous Parts	579	2,112	2,208	4,000
Supporting Services	1,137,962	1,258,919	1,303,826	2,055,400
Equipment	12,149	10,336	12,500	28,500
TOTAL M. S. & E.	1,590,505	1,864,994	2,400,856	4,049,232

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

INTERNAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Administrative Services	453,961	597,865	798,529	85,730
Self-Insurance	108,607	64,413	48,949	50,244
TOTAL INTERNAL SERVICES	562,568	662,278	847,478	135,974
DEBT SERVICE				
Interest Payments	9,875	4,999	44,655	51,271
TOTAL OTHER	9,875	4,999	44,655	51,271
WATER/SEWER FUND TOTAL	4,323,240	4,911,959	5,757,077	6,859,020



DEPARTMENT OF HUMAN RESOURCES

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

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

PRIORITIES FOR FISCAL YEAR 2020
<ul style="list-style-type: none"> • Implement a new city-wide training, learning and career development platform (“City University”). • Identify and implement new Classification and Compensation System. • Ensure prompt and thorough investigation of workplace complaints. • Continue developing strategic processes to promote compliance with ADA, FMLA and City Code §40-54. • Expand the portfolio of population health programs for employees and retirees while delivering exemplary customer service. • Manage risk by implementing more effective claims, management practice and programs.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF HUMAN RESOURCES

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
HUMAN RESOURCES	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	2,272,979	2,337,034	2,656,218	2,970,151
Materials, Supplies & Equipment	4,788,265	3,601,834	4,942,456	5,831,062
Internal Services	605,873	584,116	618,309	21,072
Debt Service	21,160	20,193	20,258	40,281
Depreciation	0	391	12,554	12,554
Special Purpose	30,158,904	25,482,295	25,606,837	25,312,522
TOTAL	37,847,181	32,025,863	33,856,632	34,187,642
STAFFING LEVELS	24.00	23.00	24.00	26.00

*Differs from Summary of All Funds Combined – Expenditures table on [page 39](#) due to inclusion of Internal Service Funds.

GENERAL FUND HUMAN RESOURCES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Personal Services	1,361,804	1,308,118	1,550,117	1,838,207
Materials, Supplies & Equipment	112,321	126,413	206,829	465,460
Internal Services	557,208	536,856	580,334	11,035
Debt Service	21,160	20,193	20,258	40,281
TOTAL	2,052,493	1,991,580	2,357,538	2,354,983
STAFFING LEVELS	13.55	13.55	14.55	16.60

RISK MANAGEMENT FUND HUMAN RESOURCES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Personal Services	199,201	176,511	239,715	190,617
Materials, Supplies & Equipment	3,969,547	2,544,420	3,395,147	3,904,149
Internal Services	27,990	32,181	27,694	7,081
Depreciation	0	0	12,554	12,554
Special Purpose	(1,426,550)	53,549	0	0
TOTAL	2,770,188	2,806,661	3,675,110	4,114,401
STAFFING LEVELS	2.05	1.75	1.75	1.30

WORKERS' COMPENSATION FUND HUMAN RESOURCES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Personal Services	516,406	594,904	531,419	511,863
Materials, Supplies & Equipment	536,982	767,299	1,118,560	1,156,875
Internal Services	18,311	12,783	7,181	2,213
Depreciation	0	391	0	0
Special Purpose	11,642,449	5,365,974	2,757,000	3,072,878
TOTAL	12,714,148	6,741,351	4,414,160	4,743,829
STAFFING LEVELS	5.15	4.65	4.65	4.30

HEALTH AND WELFARE FUND HUMAN RESOURCES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Personal Services	195,568	257,501	334,967	429,464
Materials, Supplies & Equipment	169,415	163,702	221,920	304,578
Internal Services	2,364	2,296	3,100	743
Special Purpose	19,943,005	20,062,772	22,849,837	22,239,644
TOTAL	20,310,352	20,486,271	23,409,824	22,974,429
STAFFING LEVELS	3.25	3.05	3.05	3.80

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

- Ordinance 18-055 implemented a reorganization of the Human Resources Department. Four positions (Director of Labor Relations & Classification, Payroll Manager, and two Payroll Specialists) were deleted. The HR Information & Systems Analyst position was downgraded. Additionally, the HR Information Systems Administrator was upgraded, and five positions (Deputy Director of HR, Director of Employment Services, Compliance Specialist, Employee Engagement Administrator, and Retirement Specialist) were added. The net effect from the ordinance is an additional \$28,145 in costs in the General Fund and \$113,795 in additional costs in the Internal Service Funds in FY 2020.
- Personal Services increased \$288,090. Regular Salaries and Hospitalization both increased significantly, rising \$205,365 and \$88,658, respectively. Offsetting these increases was a decrease in Pension Contribution, which is budgeted at \$170,404, a decrease of \$41,211. In addition to the departmental reorganization, the allowance for a 2% COLA was budgeted, two positions were added, and one was upgraded.
- A Director of Classification & Compensation position was added. This position will handle the classification function of the now-deleted Director of Labor Relations & Classification position. The total cost to the General Fund of adding this position will be \$123,493.
- A Labor Relations Specialist position was added. This position will handle the labor relations function of the now-deleted Director of Labor Relations & Classification position. The total cost to the General Fund is \$100,214.
- The HR Compensation & Research Technician position (NUC, Grade O) was upgraded to a Compensation Specialist (NUC, Grade Q). The cost to the General Fund is \$1,015.
- Consultants costs, which were budgeted at \$0 in the prior year, are budgeted at \$100,000 in FY 2020. Of this amount, \$50,000 is budgeted in the Employment Services Division for the implementation of *City University*, a varied series of employee training and development opportunities. Furthermore, \$50,000 is budgeted in the Compensation & Classification Division to study the implementation of a new classification and compensation system.
- Miscellaneous Charges-N.O.C. increased by \$142,347 from FY 2019 to a new FY 2020 budgeted total of \$176,115. To handle external investigations, \$50,000 is being added to the Compliance Division. Additionally, support for the new payroll vendor is being budgeted in the Compensation & Classification Division at a total cost of \$93,115.

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

- In FY 2019, the Employee Benefits Specialist's payroll allocation was 10% Risk Management Fund and 90% Health & Welfare Fund. Through the biennial appeals process, the position was upgraded to a Senior Employee Benefits Administrator at a cost of \$2,202 and will now be fully funded from the Health and Welfare Fund.
- The Risk Manager position, split between the Risk Management and Workers' Compensation Funds, was deleted. This will save both the Risk Management and Workers' Compensation Funds \$60,733 each.
- In the Risk Management Fund, Liability is budgeted at \$657,013, a \$78,332 increase from FY 2019. This is due to an anticipated 10% increase in the expenses for General, Crime, and Cyber liability policies.
- In collaboration with the Law Department, Insurance Claims-Legal Defense in the Risk Management Fund is budgeted at \$1,195,000, a \$345,000 increase from FY 2019.
- Through the biennial appeals process, the Occupational Health Nurse position was upgraded at a cost to the Workers' Compensation Fund of \$1,869.
- Through an estimate provided by the Law Department, Insurance Claims-Legal Defense in the Workers' Compensation Fund is budgeted at \$165,000, a \$45,000 increase from FY 2019.
- Because of an anticipated 25% increase in the contract budgeted in FY 2019 that never materialized, Consultants in the Workers' Compensation Fund is budgeted at \$243,000 in FY 2020, an \$18,000 decrease.
- Medical Costs in the Health & Welfare Fund increased 4.1% above FY 2019 to a new budgeted total of \$14,478,669 in FY 2020.
- Among other factors, the migration towards mandatory generic prescriptions has caused Prescription Costs to decrease \$546,269 from FY 2019. In FY 2020, Prescription Costs are budgeted at \$4,010,533.
- Dental Costs, Medical Stop Loss Insurance, and Medical Admin. Fees are all down from FY 2019 due to reallocating a more accurate breakdown of costs between active and retired employees. Dental Costs are budgeted at \$1,146,600, a \$323,400 decrease from FY 2019. Medical Stop Loss is budgeted at \$1,575,163, a \$52,152 decrease from FY 2019. Medical Admin. Fees are budgeted at \$612,927, a \$263,041 decrease from FY 2019.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: HUMAN RESOURCES

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	806,696	743,353	920,913	1,126,278
Temporary Salaries	19,206	28,553	28,800	23,970
Acting Out of Classification	11,525	5,571	8,700	1,500
Sick Leave Bonus	0	0	900	600
Overtime	2,676	1,827	2,620	1,000
Meal Allowance	144	196	119	102
Pension Contribution	227,196	212,617	211,615	170,404
Social Security	52,822	52,971	58,412	68,267
Medicare Tax	12,545	11,732	13,660	15,964
Hospitalization	191,195	203,738	247,699	336,357
Life Insurance	3,107	2,988	3,479	3,976
Pension Healthcare	31,658	40,650	47,286	57,401
State Pension Plan - Civilian	3,034	3,922	12,701	39,372
Personal Services Adjustment	0	0	(6,787)	(6,984)
TOTAL PERSONAL SERVICES	1,361,804	1,308,118	1,550,117	1,838,207
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	7,131	11,435	10,755	10,175
Communications & Utilities	112	89	200	200
Transportation	11,191	5,740	10,364	14,364
Contracted Maintenance	432	685	650	650
Professional Fees	15,570	43,203	20,075	120,075
Other Fees	0	0	4,589	4,589
Memberships & Registrations	31,700	38,002	77,748	81,717
Miscellaneous Services	3,674	3,688	33,768	176,115
Office & General Supplies	7,125	6,771	7,400	8,375
Wearing Apparel & Safety Supplies	431	492	500	500
Miscellaneous Parts	34,756	16,308	40,780	40,700
Equipment	199	0	0	8,000
TOTAL M., S. & E.	112,321	126,413	206,829	465,460

DEPARTMENT: HUMAN RESOURCES**FUND: GENERAL**

INTERNAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Administrative Services	538,843	527,289	573,681	4,203
Self-Insurance	18,365	9,567	6,653	6,832
TOTAL INTERNAL SERVICES	557,208	536,856	580,334	11,035
DEBT SERVICE				
Principal Payments	5,923	4,730	5,039	25,658
Interest Payments	15,237	15,463	15,219	14,623
TOTAL DEBT SERVICE	21,160	20,193	20,258	40,281
GENERAL FUND TOTAL	2,052,493	1,991,580	2,357,538	2,354,983

DEPARTMENT: HUMAN RESOURCES

FUND: RISK MANAGEMENT

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	112,142	94,118	124,238	96,437
Temporary Salaries	20,059	19,556	34,500	34,500
Overtime	153	475	0	0
Meal Allowance	247	153	0	0
Health Cash Back	242		0	0
Compensated Absences	(1,940)	(2,181)	0	0
Pension Contribution	33,275	26,359	25,624	28,049
Social Security	8,039	6,841	9,657	7,952
Medicare Tax	1,880	1,600	2,258	1,860
Hospitalization	19,777	22,920	35,113	16,982
Life Insurance	404	354	420	312
Pension Healthcare	4,521	5,250	5,688	4,496
State Pension Plan - Civilian	402	1,066	3,326	1,170
Personal Services Adjustment	0	0	(1,109)	(1,141)
TOTAL PERSONAL SERVICES	199,201	176,511	239,715	190,617
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing	0	0	70	132
Transportation	1,267	1,649	4,250	4,250
Insurance	3,826,660	2,414,542	3,238,863	3,722,852
Professional Fees	137,898	124,298	147,000	172,100
Memberships & Registrations	1,345	1,465	2,464	2,315
Office & General Supplies	2,377	2,466	2,500	2,500
Equipment	0	0	0	0
TOTAL M., S. & E.	3,969,547	2,544,420	3,395,147	3,904,149

DEPARTMENT: HUMAN RESOURCES

FUND: RISK MANAGEMENT

	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
<u>INTERNAL SERVICES</u>				
Administrative Services	26,891	31,036	26,595	5,953
Self-Insurance	1,099	1,145	1,099	1,128
TOTAL INTERNAL SERVICES	27,990	32,181	27,694	7,081
<u>OTHER</u>				
Depreciation	0	0	12,554	12,554
TOTAL DEBT SERVICE	0	0	12,554	12,554
<u>SPECIAL PURPOSE</u>				
Claims Expense	(1,426,550)	53,549	0	0
TOTAL SPECIAL PURPOSE	(1,426,550)	53,549	0	0
RISK MANAGEMENT FUND TOTAL	2,770,188	2,806,661	3,675,110	4,114,401

DEPARTMENT: HUMAN RESOURCES

FUND: WORKERS' COMPENSATION

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	249,027	247,075	292,215	277,586
Temporary Salaries	38,996	39,698	40,840	40,840
Overtime	797	506	2,510	2,520
Meal Allowance	99	111	200	200
Compensated Absences	(804)	137	0	0
Pension Contribution	57,078	55,092	55,972	61,284
Social Security	17,434	17,304	20,417	19,123
Medicare Tax	4,079	4,047	4,775	4,473
Hospitalization	135,571	213,271	92,295	85,564
Life Insurance	1,018	975	1,114	1,032
Pension Healthcare	10,569	13,950	15,113	14,870
State Pension Plan - Civilian	2,542	2,738	5,968	4,371
Personal Services Adjustment	0	0	0	0
TOTAL PERSONAL SERVICES	516,406	594,904	531,419	511,863
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	45	0	660	660
Transportation	4,868	6,150	8,000	8,000
Insurance	227,544	422,951	655,000	700,000
Rentals	300	5	240	240
Contracted Maintenance	261	711	900	900
Professional Fees	291,730	309,229	417,100	401,100
Memberships & Registrations	3,308	6,688	10,860	11,075
Office & General Supplies	1,288	1,745	2,200	2,300
Wearing Apparel & Safety	85	1,968	2,100	2,100
Miscellaneous Parts	6,114	16,202	20,500	30,500
Equipment	1,439	1,650	1,000	0
TOTAL M., S. & E.	536,982	767,299	1,118,560	1,156,875

DEPARTMENT: HUMAN RESOURCES

FUND: WORKERS' COMPENSATION

	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
INTERNAL SERVICES				
Administrative Services	16,097	10,600	5,028	0
Self-Insurance	2,214	2,183	2,153	2,213
TOTAL INTERNAL SERVICES	18,311	12,783	7,181	2,213
SPECIAL PURPOSE				
Workers' Compensation	11,642,449	5,365,974	2,757,000	3,072,878
TOTAL SPECIAL PURPOSE	11,642,449	5,365,974	2,757,000	3,072,878
OTHER				
Depreciation	0	391	0	0
TOTAL DEBT SERVICE	0	391	0	0
WORKERS' COMPENSATION FUND TOTAL	12,714,148	6,741,351	4,414,160	4,743,829

DEPARTMENT: HUMAN RESOURCES

FUND: HEALTH AND WELFARE

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	117,853	158,331	210,657	273,233
Temporary Salaries	13,517	19,067	12,000	20,000
Health Cash Back	2,178	0	0	4,500
Overtime	0	459	0	1,000
Compensated Absences	4,500	(139)	0	0
Pension Contribution	25,439	25,407	25,158	28,144
Social Security	7,903	10,611	13,451	17,469
Medicare Tax	1,848	2,482	3,146	4,086
Hospitalization	13,882	25,571	50,179	52,958
Life Insurance	490	707	732	912
Pension Healthcare	5,165	9,150	9,913	13,141
State Pension Plan - Civilian	2,793	5,855	9,731	14,021
Personal Services Adjustment	0	0	0	0
TOTAL PERSONAL SERVICES	195,568	257,501	334,967	429,464
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	0	0	320	500
Communications & Utilities	131	64	150	500
Transportation	0	1,645	4,500	8,750
Professional Fees	164,827	156,582	209,000	245,603
Memberships & Registrations	995	4,142	5,950	42,725
Office & General Supplies	1,999	1,269	2,000	3,500
Wearing Apparel and Safety	0	0	0	600
Miscellaneous Parts	1,463		0	1,150
Equipment	0	0	0	1,250
TOTAL M., S. & E.	169,415	163,702	221,920	304,578
 <u>INTERNAL SERVICES</u>				
Administrative Services	1,611	1,558	2,377	0
Self-Insurance	753	738	723	743
TOTAL INTERNAL SERVICES	2,364	2,296	3,100	743
 <u>SPECIAL PURPOSE</u>				
Self-Insurance Costs	19,943,005	20,062,772	22,849,837	22,239,644
TOTAL SPECIAL PURPOSE	19,943,005	20,062,772	22,849,837	22,239,644
 HEALTH & WELFARE FUND TOTAL	 20,310,352	 20,486,271	 23,409,824	 22,974,429



DEPARTMENT OF LICENSES & INSPECTIONS

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

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

PRIORITIES FOR FISCAL YEAR 2020
<ul style="list-style-type: none"> • Proactive code enforcement to achieve compliance for the quality-of-life violations. • Develop tracking metrics to improve deployment of resources to address housing code violations. • Enforcement of blighted properties. • Continue to develop the L&I web base applications. • Implement Phase II of On-Base permitting software for electronic plan submission. • Aggressively demolish properties that are blight to the community. • Explore civil penalties for code violations. • Adoption of the International Code Council building codes.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF LICENSES & INSPECTIONS

TOTAL ALL FUNDS	ACTUAL	ACTUAL	BUDGET	APPROVED
LICENSES & INSPECTIONS	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	3,344,158	3,375,388	4,075,548	4,222,783
Materials, Supplies & Equipment	414,560	498,376	921,060	773,560
Internal Services	644,884	536,058	622,157	249,670
Debt Service	4,790	4,960	5,053	7,255
Special Purpose	600,000	275,000	300,000	307,500
TOTAL	5,008,392	4,689,782	5,923,818	5,560,768
STAFFING LEVELS	38.00	38.00	42.00	43.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
LICENSES & INSPECTIONS	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	3,344,158	3,375,388	4,075,548	4,222,783
Materials, Supplies & Equipment	414,560	498,376	921,060	773,560
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Special Purpose	600,000	275,000	300,000	307,500
TOTAL	5,008,392	4,689,782	5,923,818	5,560,768
STAFFING LEVELS	38.00	38.00	42.00	43.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

GENERAL FUND

- A 2% COLA for eligible employees was budgeted in FY 2020.
- Personal Services increased by \$147,235 over FY 2019. Regular Salaries and Pension Contribution (rising \$147,059 and \$24,910, respectively) were the main cost drivers behind this increase. However, a \$77,206 decrease in Hospitalization somewhat offset these increases.
- All 18 Code Enforcement Inspectors were upgraded through the biennial appeals process at a total cost of \$46,901. Additionally, an Administrative Clerk I position was also upgraded to an Administrative Clerk III at a cost of \$2,400.
- The Zoning Manager position was upgraded at a cost of \$6,875.
- As part of a succession plan for the assumption of duties now performed by the Zoning Manager, a new position of Zoning Enforcement Officer (1.00 FTE) was created in Licenses & Inspections at cost of \$85,319.
- To more accurately reflect historical costs, both Property Maintenance and Demolition costs were reduced in FY 2020. Property Maintenance is budgeted at \$150,000 (a \$75,000 reduction from FY 2019), while Demolition is budgeted at \$400,000 (a \$100,000 reduction from FY 2019).

DEPARTMENT OF LICENSES & INSPECTIONS

STRATEGIC PLAN

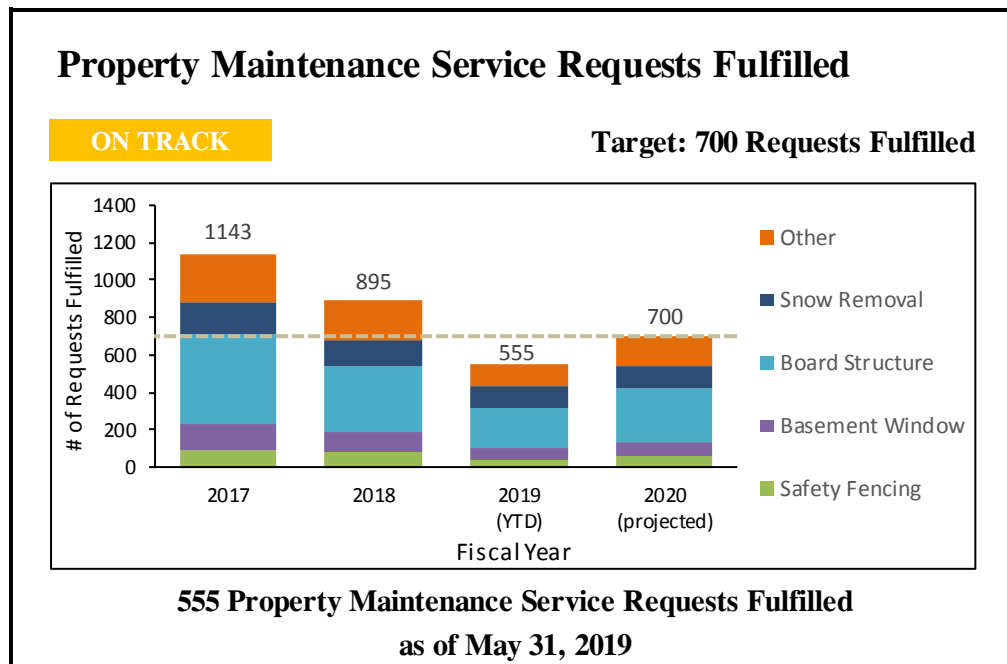
The Department of Licenses and Inspections (L&I) strives to promote and protect a safe living and working environment for all citizens of the City of Wilmington. This is achieved by enforcing and implementing the Wilmington City Code in a fair and unbiased manner. Our goal is to facilitate voluntary compliance by working in partnership with our constituents.

Current data for the goals and objectives listed below can be found on the Licenses & Inspections OpevGov story page at <http://bit.ly/WDe21OG>.

Focus Area: Quality of Life

CITY-WIDE GOAL #17: Improve Housing Quality

Objective 1: Effectively and Efficiently Address Structurally Deficient Properties through Property Maintenance.



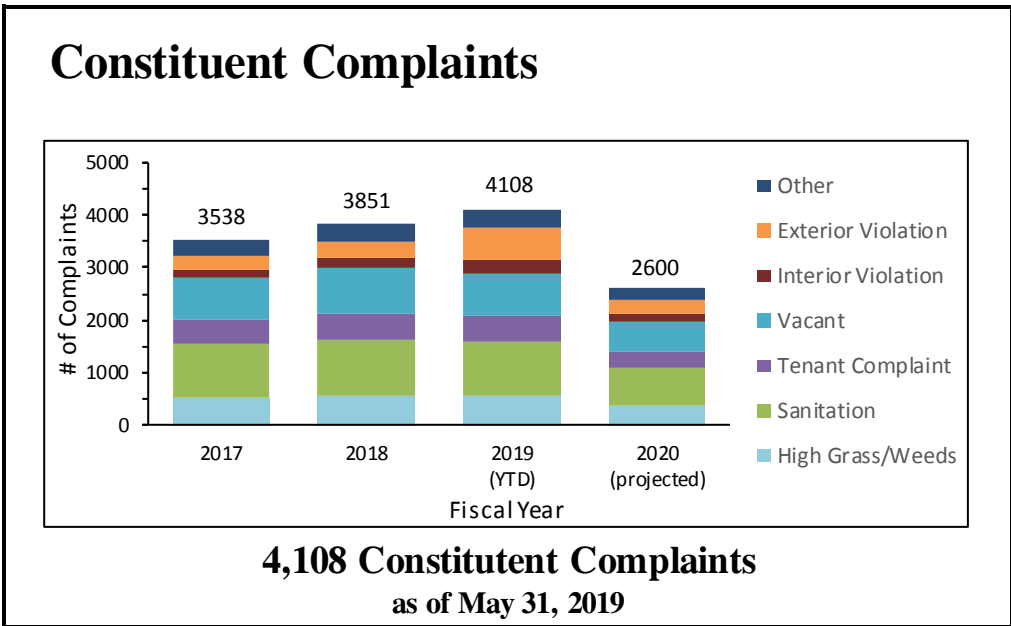
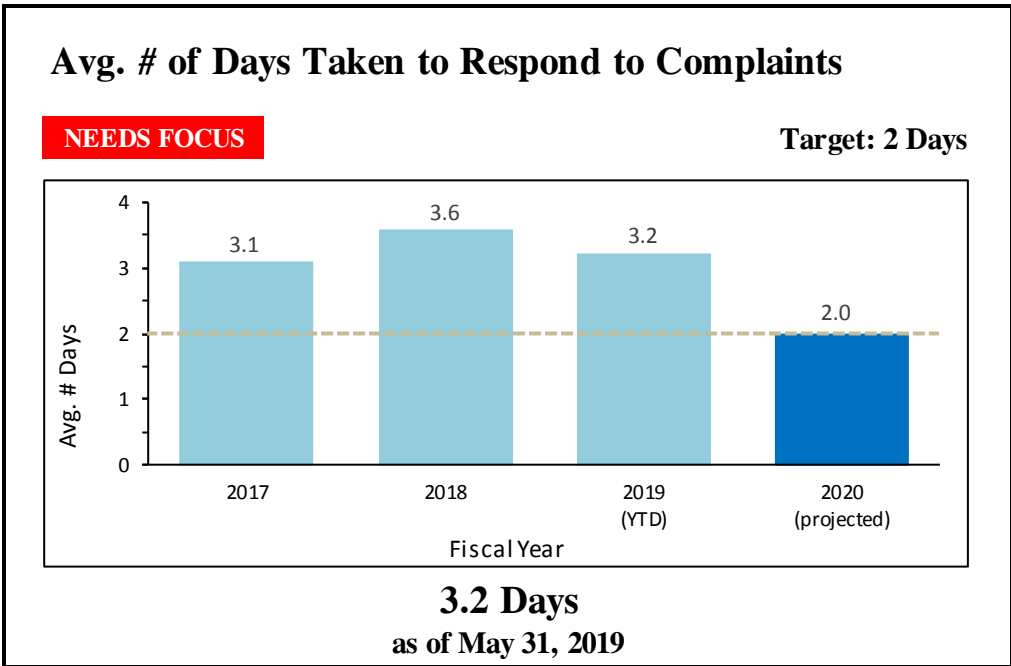
DEPARTMENT OF LICENSES & INSPECTIONS

STRATEGIC PLAN

Focus Area: Quality of Life

CITY-WIDE GOAL #17: Improve Housing Quality

Objective 2: Respond to All Constituent Complaints within Two Business Days



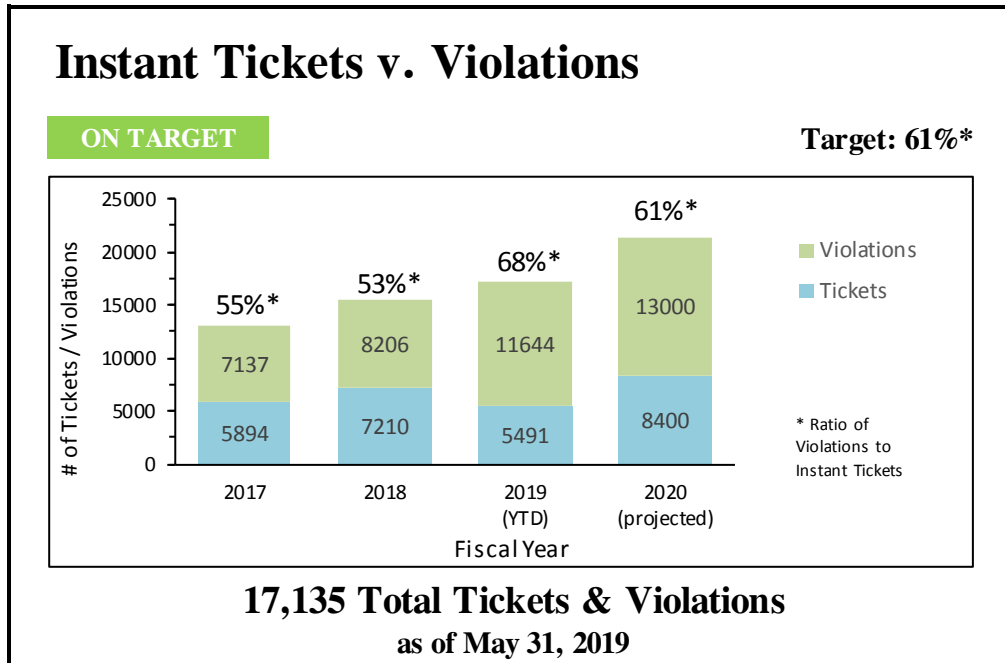
DEPARTMENT OF LICENSES & INSPECTIONS

STRATEGIC PLAN

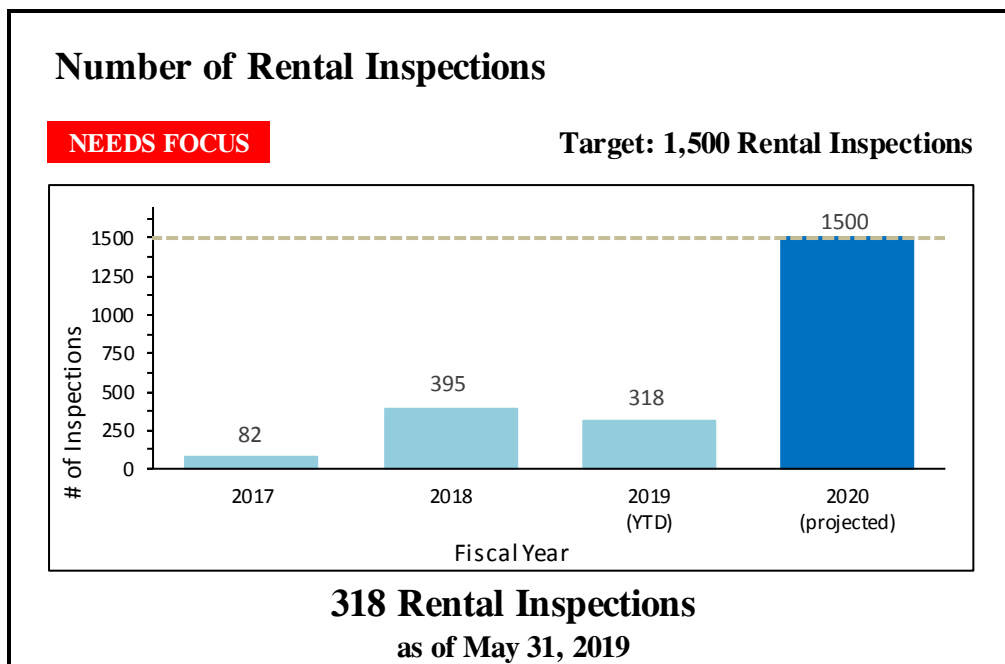
Focus Area: Quality of Life

CITY-WIDE GOAL #17: Improve Housing Quality

Objective 3: Better Utilize Limited Resources by Focusing on Code Violations Rather than Instant Tickets

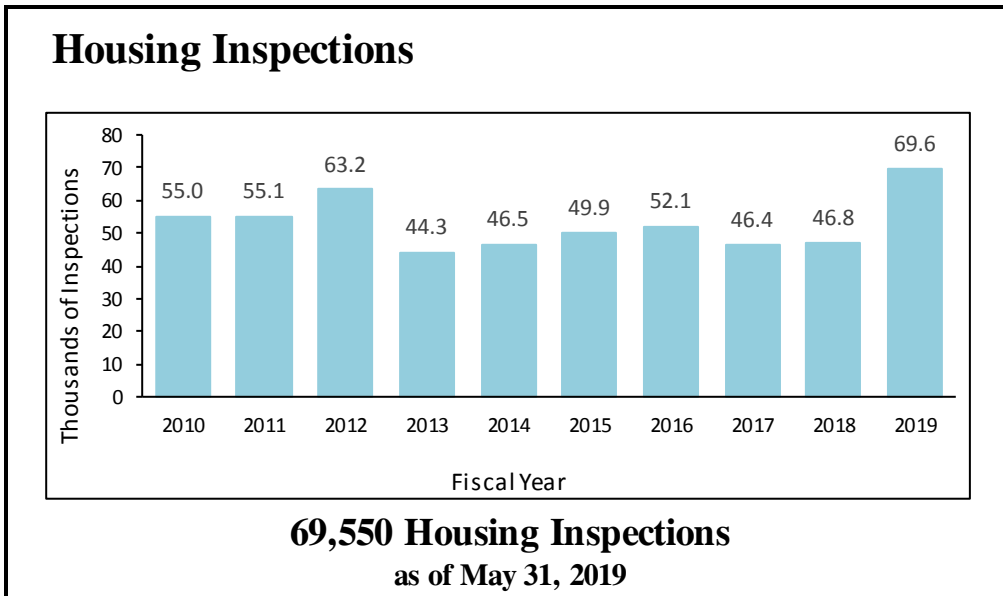


Objective 4: Increase the Number of Rental Inspections to Improve the Quality of Rental Housing

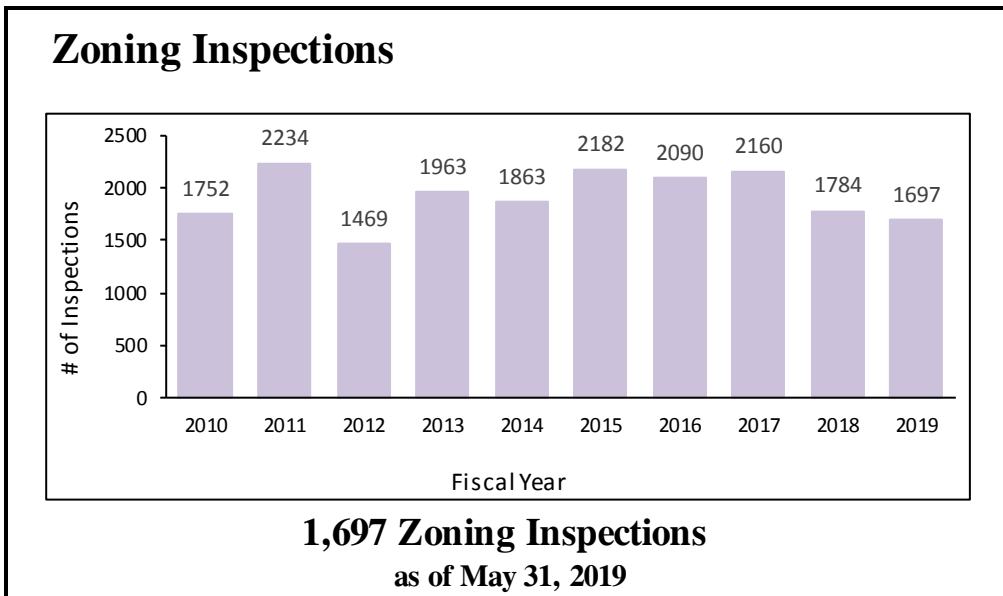


DEPARTMENT OF LICENSES AND INSPECTIONS

PERFORMANCE TRENDS



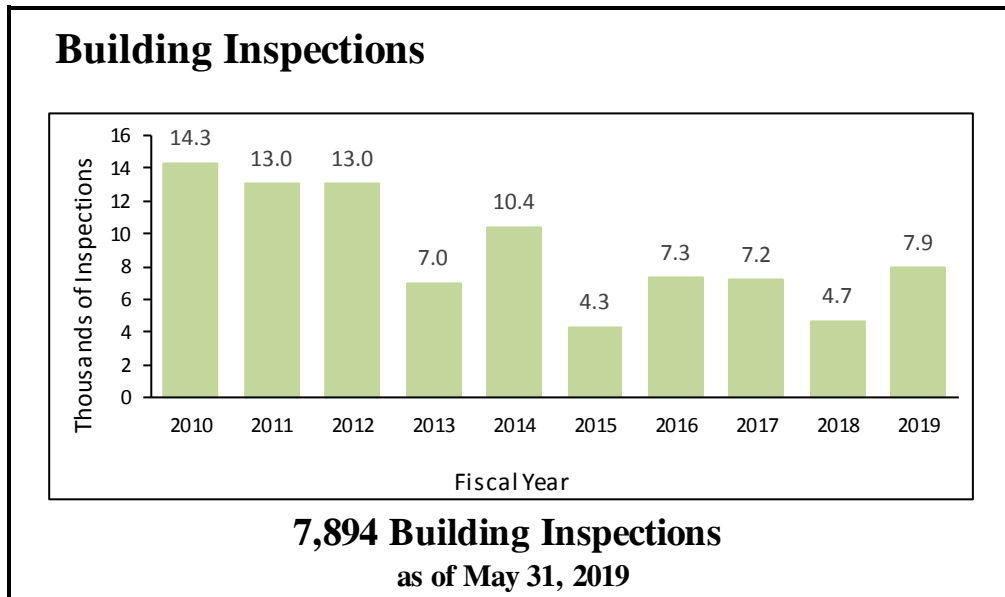
Housing inspections performed include rentals, tenant complaints, sanitation, graffiti, and neighborhood stabilization inspections.



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.

DEPARTMENT OF LICENSES AND INSPECTIONS

PERFORMANCE TRENDS



The number of comprehensive building inspections is largely based on market demand.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: LICENSES AND INSPECTIONS

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	1,944,792	1,949,256	2,332,528	2,479,587
Temporary Salaries	5,059	0	0	0
Acting Out of Classification	4,055	0	0	1,200
Sick Leave Bonus	1,700	1,500	900	4,200
Overtime	26,437	33,218	45,000	50,000
Meal Allowance	42	209	100	1,500
Clothing Allowance	7,125	7,000	9,500	8,500
Standby Pay	20,540	21,583	26,880	25,000
Health Cash Back	5,060	5,160	4,560	9,360
Pension Contribution	460,220	462,913	486,035	510,945
Social Security	122,543	122,734	146,342	155,448
Medicare Tax	28,659	28,704	34,226	36,357
Hospitalization	589,919	592,400	840,720	763,514
Life Insurance	8,242	8,199	9,963	10,242
Pension Healthcare	87,769	114,000	136,500	148,694
State Pension Plan - Civilian	21,846	19,812	42,780	53,914
Personal Services Adjustment	10,150	8,700	(40,486)	(35,678)
TOTAL PERSONAL SERVICES	3,344,158	3,375,388	4,075,548	4,222,783

MATERIALS, SUPPLIES & EQUIPMENT

Printing and Advertising	6,873	16,863	16,000	16,000
Transportation	0	56	3,000	2,500
Rentals	0	0	34,560	34,560
Contracted Maintenance	124,919	138,600	225,000	150,000
Professional Fees	40,869	54,833	45,000	47,000
Other Fees	4,755	3,781	8,000	10,000
Memberships & Registrations	5,173	25,269	24,000	25,500
Miscellaneous Services	0	0	3,000	3,000
Office & General Supplies	4,597	5,306	5,500	5,000
Wearing Apparel & Safety Supplies	12,025	13,834	18,700	36,500
Miscellaneous Parts	1,166	1,643	4,100	3,500
Construction & Repairs	213,064	228,635	530,000	430,000
Equipment	1,119	9,556	4,200	10,000
Fixed Assets	0	0	0	0
MSE Budget Control Account	0	0	0	0
TOTAL M., S. & E.	414,560	498,376	921,060	773,560

DEPARTMENT: LICENSES AND INSPECTIONS

FUND: GENERAL

INTERNAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Administrative Services	537,715	485,486	589,767	216,377
Self-Insurance	107,169	50,572	32,390	33,293
TOTAL INTERNAL SERVICES	644,884	536,058	622,157	249,670
<u>DEBT SERVICE</u>				
Principal Payments	2,905	3,228	3,489	5,926
Interest Payments	1,885	1,732	1,564	1,329
TOTAL DEBT SERVICE	4,790	4,960	5,053	7,255
<u>SPECIAL PURPOSE</u>				
Animal Control	600,000	275,000	300,000	307,500
TOTAL SPECIAL PURPOSE	600,000	275,000	300,000	307,500
GENERAL FUND TOTAL	5,008,392	4,689,782	5,923,818	5,560,768



DEPARTMENT OF PARKS & RECREATION

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

PRIORITIES FOR FISCAL YEAR 2020
<ul style="list-style-type: none"> • Implement a year-round youth career development program. • Create standards of care for the Park Maintenance Division. • Increase and improve collaborative partnerships with parents, government agencies, and community groups. • Seek grant opportunities to conduct program initiatives not supported by the General Fund. • Promote healthy lifestyles by continuing to offer recreation programs, information sessions, evening feeding, and summer food programs. • Expand tutoring programs to assist students in achieving academic success.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF PARKS & RECREATION

TOTAL ALL FUNDS	ACTUAL	ACTUAL	BUDGET	PROPOSED
DEPT. OF PARKS & RECREATION	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	5,166,974	5,095,364	5,096,211	5,328,181
Materials, Supplies & Equipment	2,029,285	2,164,129	2,345,230	2,400,781
Internal Services	2,038,713	1,607,299	1,339,642	1,019,829
Debt Service	1,904,284	1,454,172	1,911,759	1,773,483
TOTAL	11,139,256	10,320,964	10,692,842	10,522,274
STAFFING LEVELS	41.00	40.00	39.00	41.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	PROPOSED
DEPT. OF PARKS & RECREATION	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	4,509,983	4,474,797	4,507,177	4,730,122
Materials, Supplies & Equipment	1,190,061	1,336,111	1,470,926	1,509,612
Internal Services	2,035,280	1,603,866	1,336,209	1,016,396
Debt Service	1,904,284	1,454,172	1,911,759	1,773,483
TOTAL	9,639,608	8,868,946	9,226,071	9,029,613
STAFFING LEVELS	41.00	40.00	39.00	40.60

PARKS ASSISTANCE FUND	ACTUAL	ACTUAL	BUDGET	PROPOSED
DEPT. OF PARKS & RECREATION	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	238,113	252,511	239,650	244,443
Materials, Supplies & Equipment	837,832	828,018	843,239	860,104
TOTAL	1,075,945	1,080,529	1,082,889	1,104,547
STAFFING LEVELS	0.00	0.00	0.00	0.40

PARKS TRUST FUND	ACTUAL	ACTUAL	BUDGET	PROPOSED
DEPT. OF PARKS & RECREATION	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	49,191	98,432	100,767	100,027
Materials, Supplies & Equipment	1,392	0	31,065	31,065
Internal Services	3,433	3,433	3,433	3,433
TOTAL	54,016	101,865	135,265	134,525
STAFFING LEVELS	0.00	0.00	0.00	0.00

WORKFORCE INVESTMENT BOARD (WIB)	ACTUAL	ACTUAL	BUDGET	PROPOSED
DEPT. OF PARKS & RECREATION	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	369,687	269,624	248,617	253,589
TOTAL	369,687	269,624	248,617	253,589
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Relative to the FY 2019 original budget, General Fund full-time equivalents (FTEs) increased by net 1.60, at a total cost of \$128,787. This includes the following changes:
 - In the Youth & Families Division, a new Nutrition Program Coordinator position (split-funded 60% General Fund and 40% federal grant) has been added at a cost of \$52,720;
 - Also in the Youth & Families Division, the Accounts & Program Support Coordinator has been upgraded to a Programs & Grants Coordinator at a cost of \$15,551;
 - In the William “Hicks” Anderson Community Center (WHACC) Division, an Activities Coordinator position has been added at a cost of \$82,016, but this was more than offset by the \$92,900 in savings that resulted from the deletion of the Executive Director of WHACC position;
 - In the Recreation Division, a second Recreation Program Coordinator position has been added at a cost of \$82,016;
 - In the Maintenance Division, the Technical Landscape Foreman has been downgraded to a Labor Foreman II, saving \$10,616.
- Temporary Agencies are budgeted to increase by a net \$56,326. This includes a \$93,076 increase in the Maintenance Division in order to add additional parks maintenance staff. Partially offsetting this is a \$36,750 decrease in the Recreation Division, as the new Recreation Program Coordinator position will handle sports league activities previously performed by outside temp agencies.
- Temporary Salaries have risen by \$48,189. This covers costs associated with the increased minimum wage for temp workers, year-round youth development programs, as well as a year-round aquatics coordinator and lifeguards at the WHACC pool.
- Total budgeted overtime has been reduced by \$30,149, due in part to the offsetting increase in Temp Agencies funding in the Maintenance Division.
- Contracted Maintenance Services in the Maintenance Division, which is used for a variety of electrical, water, plumbing, and fencing repairs, has been reduced by \$21,698. However, these savings have largely been reprogrammed to other lines in the Maintenance Division. The largest of these offsetting increases is for Agricultural and Landscaping, which includes an additional \$13,800 to pay for mulch for playground surfaces.
- In the Maintenance Division, Other Noncapitalized Equipment is budgeted to increase by \$20,275, which includes replacement lawn mowers, leaf blowers, and snow removal equipment.
- Overall Debt Service is budgeted to decrease by \$138,276, due in part to the FY 2016-17 capital budget being funded in FY 2019 via an interest-only Bond Anticipation Note (BAN).

DEPARTMENT OF PARKS & RECREATION

STRATEGIC PLAN

Wilmington’s parks serve as a positive gathering place for residents and visitors to explore and enjoy the outdoors, build stronger communities, and to promote healthy living.

It is the mission of the Department of Parks and Recreation to provide comprehensive and quality programming that supports the holistic wellness of city residents, maintain the park lands and related facilities, and also provide recreational, social, cultural, employment and educational opportunities for all.

Current data for the goals and objectives listed below can be found on the Parks and Recreation OpenGov story page at <http://bit.ly/WDe29OG>.

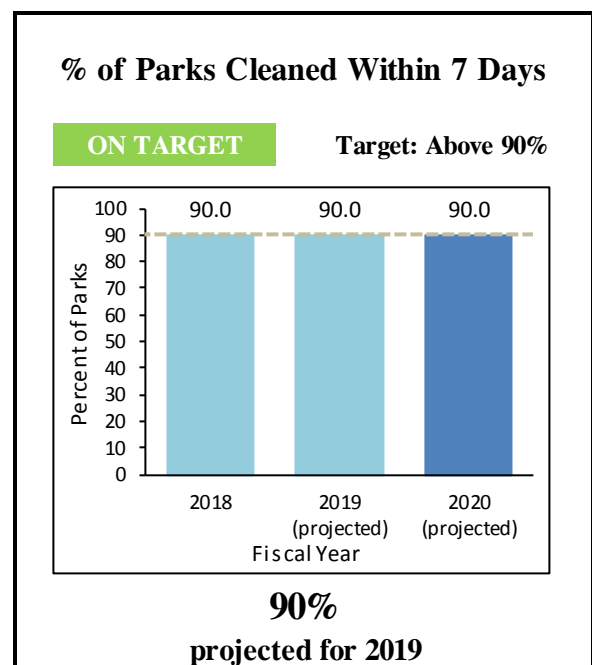
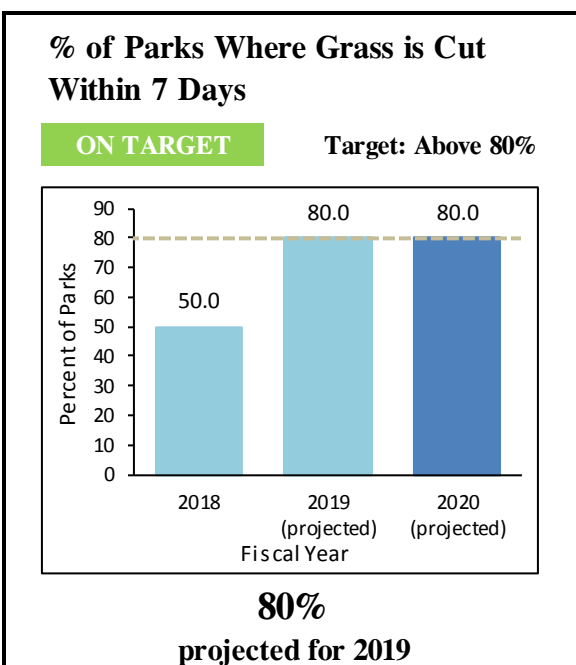
Focus Area: Quality of Life

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

Objective 1: Ensure all City Parks are properly maintained by mowing grass and cleaning on a weekly basis.

Safe, clean, and inviting parks are an important part of a thriving city. In order to provide a system of well-maintained parks for all constituents and visitors, the Department of Parks and Recreation strives to ensure all City parks are cleaned and mowed at least once weekly.

Cleaning efforts involve removing any debris and trash and surveying the park for any potential issues that may need to be addressed. This might include reporting graffiti to Constituent Services for removal or identifying equipment that might need repairs. Once parks are clean and free of debris, grass is cut to ensure that open green space may be used for recreation and leisure.



DEPARTMENT OF PARKS & RECREATION

STRATEGIC PLAN

Focus Area: Quality of Life

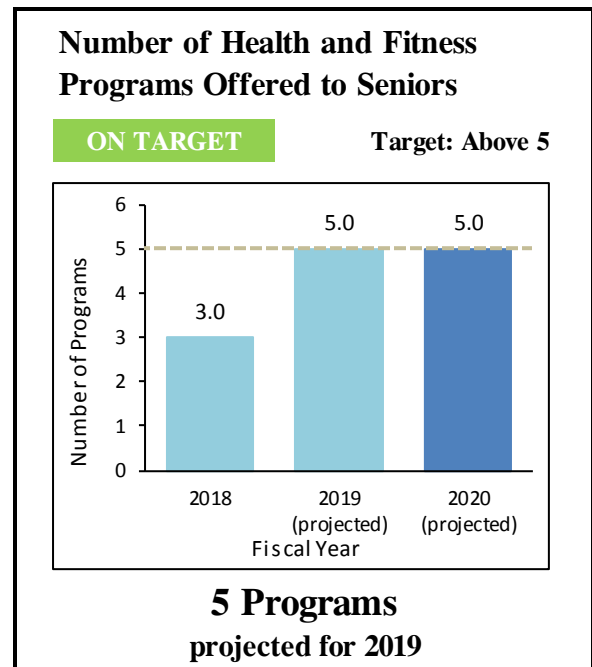
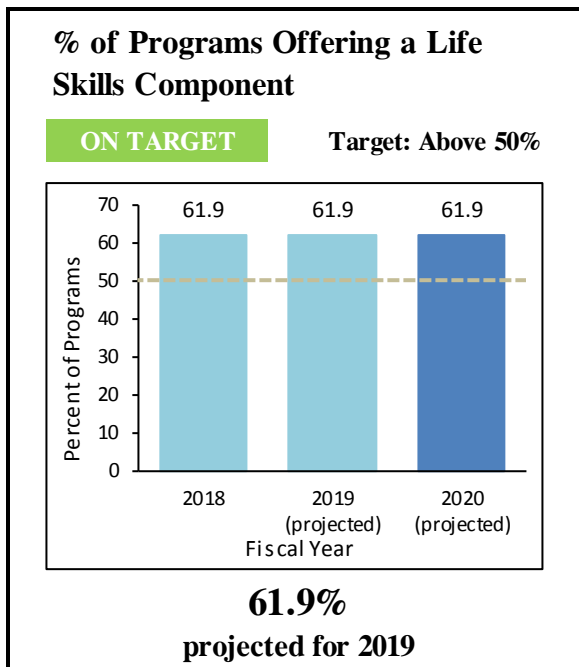
CITY-WIDE GOAL #13: Offer Enhanced Recreational Opportunities.

Objective 2: Provide desirable and enriching opportunities for residents of all ages.

Quality recreational programs are a key component of healthy communities. Not only do they offer residents opportunities to engage in physical activity – which has been shown to positively affect physical, mental and emotional health – but they also offer residents the chance to build and strengthen relationships with fellow community members and develop important life skills at all ages.

After evaluating its slate of recreational programs offered to City residents, the Department of Parks and Recreation determined that two areas need further focus:

1. The importance of incorporating a life skills component into programming offered to City youth in order to help prepare young people for future educational and career opportunities.
2. The number of physical fitness programs offered to senior citizens, a population that could benefit greatly from structured physical activity and social interaction but has historically been under-served.



DEPARTMENT OF PARKS & RECREATION

STRATEGIC PLAN

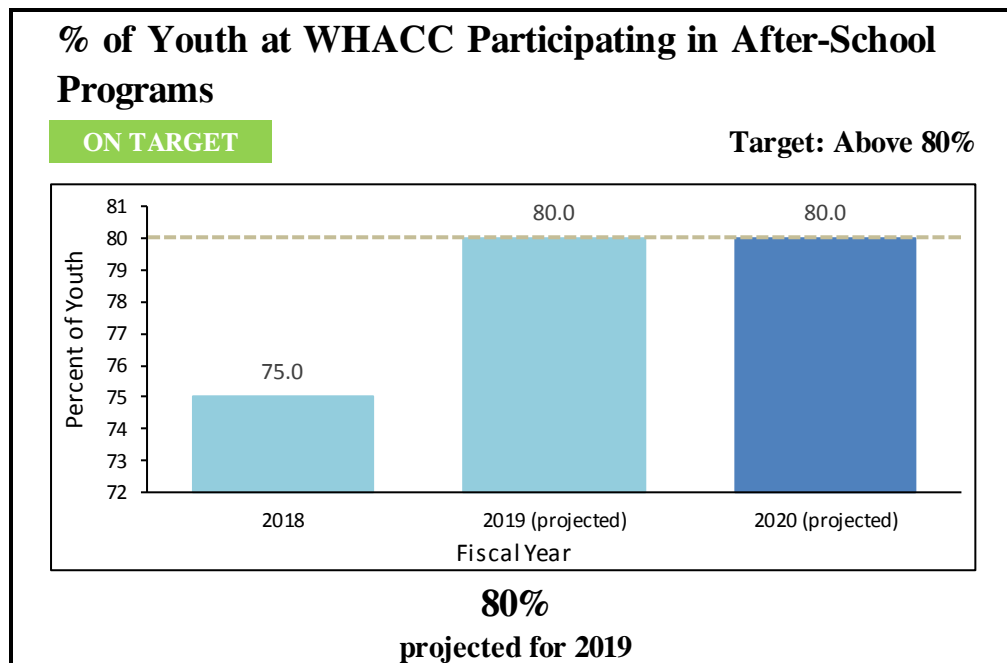
Focus Area: Quality of Life

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

Objective 3: Fulfill the mission of William “Hicks” Anderson Community Center (WHACC) by increasing participation in high-quality enrichment programming offered in the West Center City community.

The mission of the William “Hicks” Anderson Community Center is to build and strengthen neighborhoods and people by bringing together residents of West Center City through meaningful community building and high-quality enrichment programming for all ages and backgrounds. WHACC is currently focusing on increasing the percentage of youth aged 6 to 12 participating in after-school enrichment programs.

The Parks Department is also currently renovating WHACC and making improvements to facilities in order to meet programming and operational needs. For more information on the renovations, see here: <http://bit.ly/WHACC20>.



DEPARTMENT OF PARKS & RECREATION

STRATEGIC PLAN

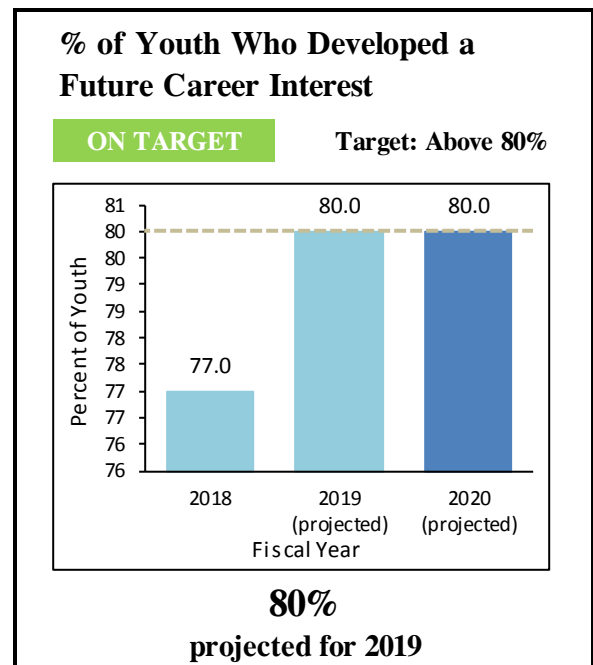
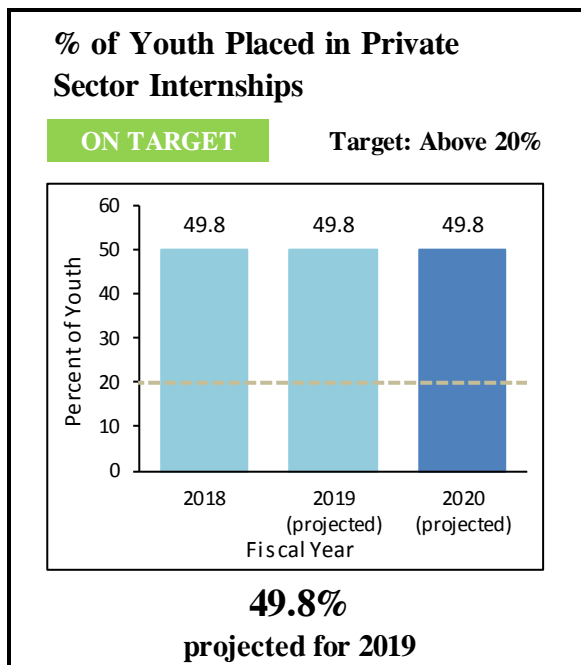
Focus Area: Quality of Life

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

Objective 1: Provide city youth with opportunities to develop and enhance their career pathways by gaining experience in the workplace and through building life skills via the Youth Career Development Program.

The Youth Career Development Program is designed to provide youth with meaningful opportunities for employment by placing them at paid summer internships in various job sites throughout the City. Youth are given the chance to shadow professionals in areas of special interest while gaining insight into future career opportunities and developing important life skills. To participate, youth must submit an application to the Department of Parks and Recreation, be between the ages of 14 and 20, and meet certain income, residency, and job-eligibility requirements.

Success of the program is measured by administering a survey to participants at the end of their experience to determine whether the internship sparked an interest in future career opportunities while teaching valuable life skills. The City also measures the ratio of private to public sector placements. Because most youth are placed within governmental and nonprofit organizations, the City is striving to expand the range of options available to participants by placing at least 20% of youth in the private sector.



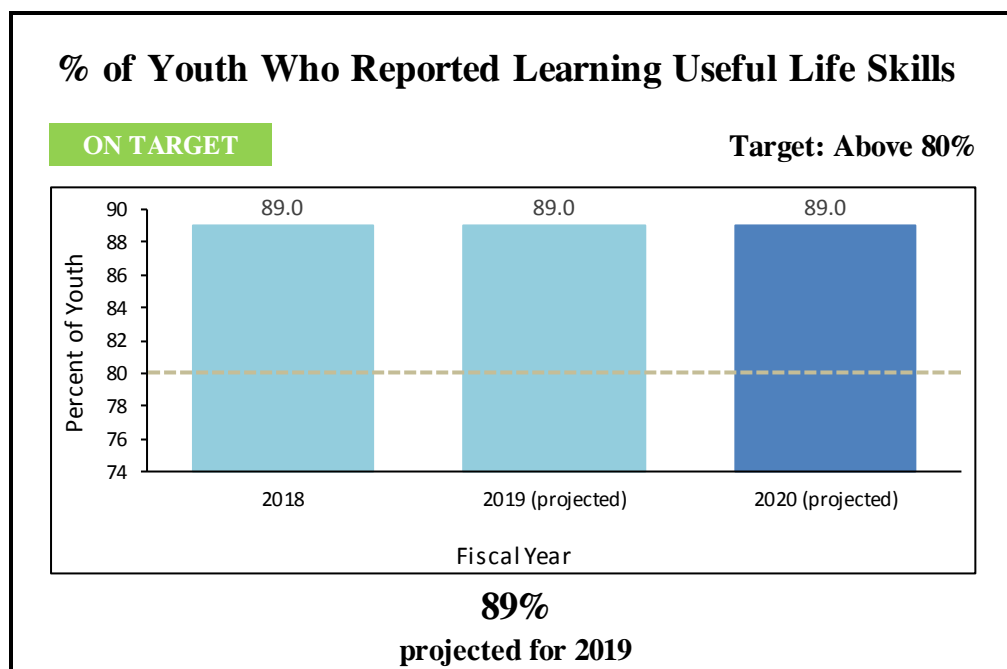
DEPARTMENT OF PARKS & RECREATION

STRATEGIC PLAN

Focus Area: Quality of Life

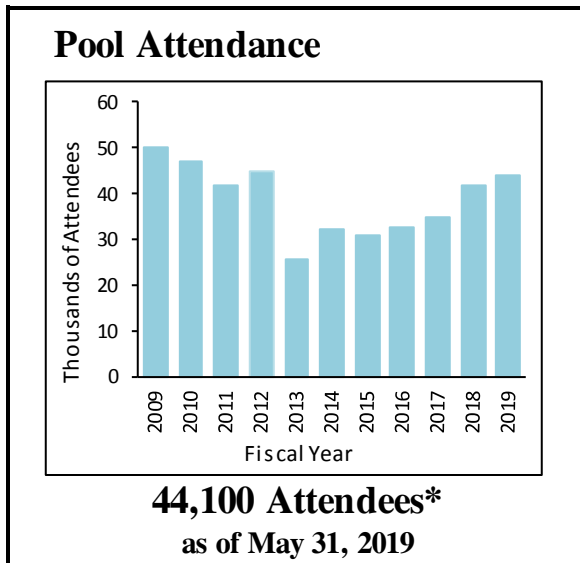
CITY-WIDE GOAL #16: Inspire Young People to Achieve Success.

Objective 1 (Cont.): Provide city youth with opportunities to develop and enhance their career pathways by gaining experience in the workplace and through building life skills via the Youth Career Development Program.

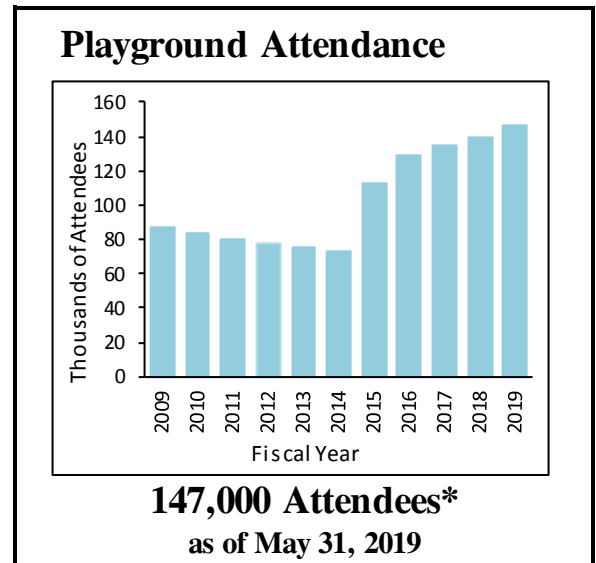


DEPARTMENT OF PARKS & RECREATION

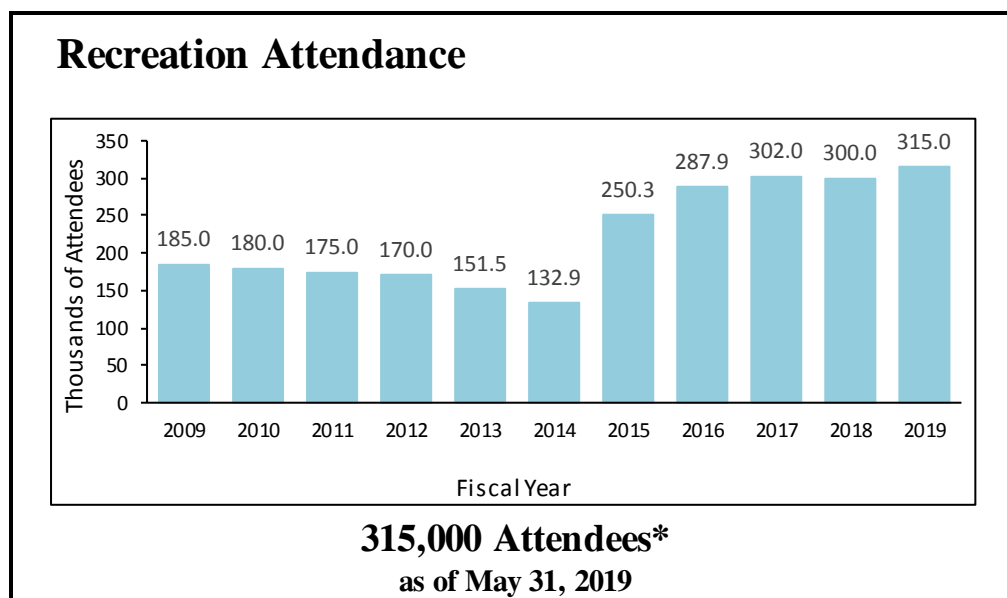
PERFORMANCE TRENDS



Pool Attendance has generally declined due to a shortening of the season to trim costs. A longer season implemented in FY 2014 reversed this trend.



Figures include by City parks and the William “Hicks” Anderson Community Center.



A variety of programs are offered to afford all citizens recreational opportunities, including sports leagues, fitness activities, movies in the park, youth summer camps, and others.

* FY 2019 values estimated.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: PARKS & RECREATION

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	PROPOSED FY 2020
Regular Salaries	1,843,830	1,836,177	1,786,888	1,899,221
Temporary Salaries	1,137,716	1,126,345	1,199,152	1,247,341
Acting Out of Class	729	1,917	1,000	1,000
Sick Leave Bonus	1,300	2,600	1,500	1,500
Overtime	151,923	195,698	160,555	130,406
Meal Allowance	6,866	5,608	4,000	4,000
Clothing Allowance	0	2,375	0	0
Health Cash Back	3,424	2,760	2,160	2,160
Pension Contribution	379,642	289,637	278,324	274,804
Social Security	192,607	193,432	192,581	211,657
Medicare Tax	44,841	45,237	45,038	49,501
Hospitalization	596,878	592,987	740,647	788,321
Life Insurance	8,455	8,248	8,637	9,182
Pension Healthcare	94,354	120,000	126,750	140,395
State Pension Plan (Civilian)	47,418	51,776	54,868	68,310
Personal Services Adjustment	0	0	(94,923)	(97,676)
TOTAL PERSONAL SERVICES	4,509,983	4,474,797	4,507,177	4,730,122
 MATERIALS, SUPPLIES & EQUIPMENT				
Printing & Advertising	4,269	2,001	18,292	17,652
Communications & Utilities	246,351	210,724	235,033	235,026
Transportation	2,396	5,648	6,450	7,300
Rentals	68,957	75,909	74,223	65,651
Contracted Maintenance	53,602	49,687	83,129	68,543
Professional Fees	258,514	311,341	347,734	404,359
Other Fees	51,403	52,041	53,784	58,392
Memberships & Registrations	6,679	7,877	9,450	8,950
Miscellaneous Services	174,766	240,527	268,852	234,971
Office & General supplies	15,840	16,719	16,344	16,920
Wearing Apparel & Safety Supplies	52,564	63,603	52,837	56,417
Miscellaneous Parts	120,349	164,869	165,098	175,456
Petroleum & Chemicals	16,383	28,873	27,000	27,000
Construction & Repairs	9,205	16,527	24,500	23,500
Equipment	23,975	42,265	38,200	58,475
Community Activities	84,808	47,500	50,000	51,000
MSE-Budget Control Account	0	0	0	0
TOTAL M., S. & E.	1,190,061	1,336,111	1,470,926	1,509,612

DEPARTMENT: PARKS & RECREATION

FUND: GENERAL

	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	PROPOSED FY 2020
INTERNAL SERVICES				
Administrative Services	922,147	1,014,093	920,793	589,747
Self-Insurance	1,113,133	589,773	415,416	426,649
TOTAL INTERNAL SERVICES	2,035,280	1,603,866	1,336,209	1,016,396
DEBT SERVICE				
Principal Payments	1,078,286	651,238	1,048,430	981,389
Interest Payments	825,998	802,934	863,329	792,094
TOTAL DEBT SERVICE	1,904,284	1,454,172	1,911,759	1,773,483
GENERAL FUND TOTAL	9,639,608	8,868,946	9,226,071	9,029,613

DEPARTMENT: PARKS & RECREATION

FUND: PARKS ASSISTANCE

	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	PROPOSED FY 2020
PERSONAL SERVICES				
Temporary Salaries	221,223	234,624	222,651	227,104
Social Security	13,688	14,496	13,776	14,052
Medicare Tax	3,202	3,391	3,223	3,287
TOTAL PERSONAL SERVICES	238,113	252,511	239,650	244,443
MATERIALS, SUPPLIES & EQUIPMENT				
Transportation	0	1,190	0	0
Rentals	0	0	0	0
Miscellaneous Services	858	22,392	864	881
Wearing Apparel & Safety Supplies	1,800	4,852	1,812	1,848
Miscellaneous Parts	835,174	799,584	840,563	857,374
Community Activities	0	0	0	0
TOTAL M., S. & E.	837,832	828,018	843,239	860,104
PARKS ASSISTANCE FUND TOTAL	1,075,945	1,080,529	1,082,889	1,104,547

DEPARTMENT: PARKS & RECREATION

FUND: PARKS TRUST

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	PROPOSED FY 2020
Regular Salaries	50,505	50,811	50,301	51,307
Temporary Salaries	0	0	2,500	0
Pension Contributions	(46,458)	13,086	13,129	14,161
Social Security	3,020	3,025	3,274	2,959
Medicare Tax	706	707	766	685
Life Insurance	243	240	240	240
Hospitalization	38,653	27,563	27,307	27,426
Pension Healthcare	2,522	3,000	3,250	3,250
TOTAL PERSONAL SERVICES	49,191	98,432	100,767	100,027
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	1,392	0	1,750	1,750
Transportation	0	0	700	700
Rentals	0	0	3,800	3,800
Contracted Maintenance Repairs	0	0	3,500	3,500
Memberships & Registrations	0	0	3,150	3,150
Miscellaneous Services	0	0	13,250	13,250
Office & General supplies	0	0	50	50
Wearing Apparel & Safety Supplies	0	0	150	150
Miscellaneous Parts	0	0	4,315	4,315
Construction & Repairs	0	0	200	200
Equipment	0	0	200	200
TOTAL M., S. & E.	1,392	0	31,065	31,065
 <u>INTERNAL SERVICES</u>				
Self-Insurance	3,433	3,433	3,433	3,433
TOTAL INTERNAL SERVICES	3,433	3,433	3,433	3,433
 PARKS TRUST FUND TOTAL	 54,016	 101,865	 135,265	 134,525

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

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	PROPOSED FY 2020
Temporary Salaries	343,381	250,464	230,949	235,568
Social Security	21,317	15,530	14,319	14,605
Medicare Tax	4,989	3,630	3,349	3,416
TOTAL PERSONAL SERVICES	369,687	269,624	248,617	253,589
WIB FUND TOTAL	369,687	269,624	248,617	253,589



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.

PRIORITIES FOR FISCAL YEAR 2020
<ul style="list-style-type: none"> • Secure funding for the renovation of remaining stations. • Replace fire apparatus according to recommended replacement cycle. • Continue free smoke and carbon monoxide alarm programs for seniors and needy citizens. • Increase public education programs, targeting senior citizens and children. • Begin a recruit class any time uniformed staffing falls below 95% of authorized strength of 156 positions. • Continue the officer development program.

SUMMARY OF FUNDING FOR THE FIRE DEPARTMENT

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	PROPOSED
FIRE DEPARTMENT	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	23,872,922	22,838,972	21,756,142	21,974,633
Materials, Supplies & Equipment	607,261	790,648	912,281	1,112,330
Internal Services	4,321,030	3,657,946	2,423,430	1,809,425
Debt Service	678,014	797,478	1,381,947	1,453,727
TOTAL	29,479,227	28,085,044	26,473,800	26,350,115
STAFFING LEVELS	177.00	161.00	161.00	161.00

* Differs from Summary of All funds Combined – Expenditures table on [page 39](#) due to the inclusion of State Pension Contributions.

GENERAL FUND FIRE DEPARTMENT	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	PROPOSED FY 2020
Personal Services	19,973,189	18,190,305	17,694,874	17,325,966
Materials, Supplies & Equipment	347,449	745,524	710,912	910,961
Internal Services	4,321,030	3,657,946	2,423,430	1,809,425
Debt Service	678,014	797,478	1,381,947	1,453,727
TOTAL	25,319,682	23,391,253	22,211,163	21,500,079
STAFFING LEVELS	177.00	161.00	161.00	161.00

STATE PENSION CONTRIBUTIONS FIRE DEPARTMENT	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	PROPOSED FY 2020
Personal Services	3,892,597	4,648,667	4,061,268	4,648,667
TOTAL	3,892,597	4,648,667	4,061,268	4,648,667
STAFFING LEVELS	0.00	0.00	0.00	0.00

STATE FIRE GRANT FIRE DEPARTMENT	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	PROPOSED FY 2020
Personal Services	0	0	0	0
Materials, Supplies & Equipment	66,905	2,621	201,369	201,369
TOTAL	66,905	2,621	201,369	201,369
STAFFING LEVELS	0.00	0.00	0.00	0.00

FEDERAL EMERGENCY MANAGEMENT & OTHER MISCELLANEOUS GRANTS FIRE DEPARTMENT	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	PROPOSED FY 2020
Personal Services	7,136	0	0	0
Materials, Supplies & Equipment	192,907	42,503	0	0
TOTAL	200,043	42,503	0	0
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Salaries and Wages are budgeted to increase by \$78,628. This is inclusive of an allowance for a 2.0% cost-of-living adjustment (COLA). However, due to a significant number of retirements, the Department plans to conduct classes in both FY 2019 and FY 2020. Because Probationary Firefighters earn less than experienced Firefighters in early years, total Salaries and Wages increased by only 0.7% in FY 2020.
- Exclusive of the State Pension Contribution, Employee Benefits are budgeted to decrease by a \$444,255. Increases in Hospitalization and County / Municipal Pension Contributions are more than fully offset by a \$644,000 reduction to the actuarially determined contribution to the City's "old" Fire Pension plan.
- The State Pension Contribution passthrough will increase by \$587,399. However, this increase is matched by an equivalent increase in revenue, and consequently has no impact on fund balance.
- Accessories and Parts for Equipment is budgeted to increase by \$141,000, which includes the purchase of a Knox Box replacement, Cradlepoint connectivity for trucks, and outfitting for two fire engines and a ladder truck.
- Consultant costs are up \$67,000, largely due to the biennial promotional process that will occur in FY 2020.
- Registration Fees have been increased by a net \$8,000, mainly due to training costs associated with a rookie class of 13 Probationary Firefighters.
- Contracted Maintenance is budgeted to decrease by \$12,000 due to reductions in building and boat maintenance costs.
- Overall Debt Service is budgeted to decrease by \$207,513, due in part to the FY 2016-17 capital budget being funded in FY 2019 via an interest-only Bond Anticipation Note (BAN).

DEPARTMENT OF FIRE

STRATEGIC PLAN

The Wilmington Fire Department is a career, professional fire department established in 1921. The department currently maintains six engine companies, two ladder companies, and a marine fire fighting force. The department is divided into two functional divisions, each under the command of a Deputy Chief: the Operations Division and the Administrative Division.

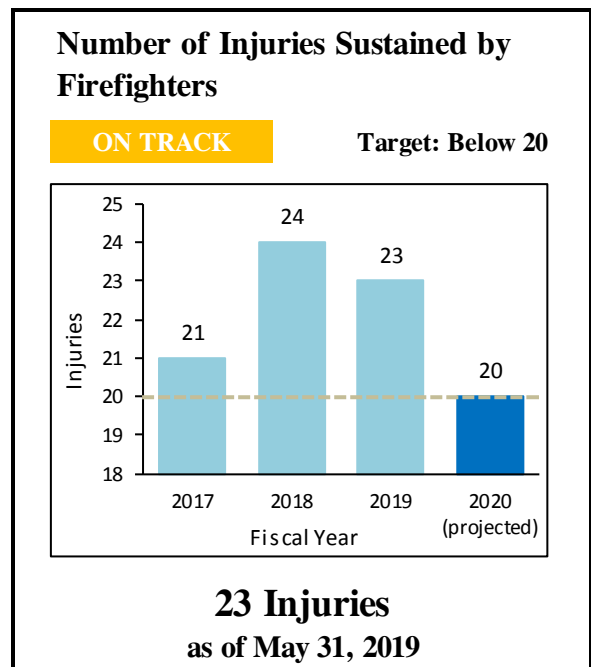
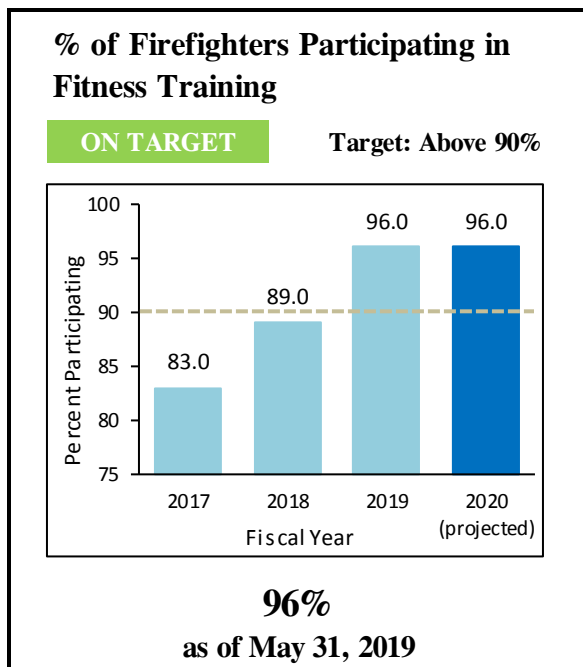
Department officials have shown their commitment to providing the best emergency services delivery through the promotion of implementation of National Fire Protection Agency standards, continuous training, active involvement with community associations, and implementation of a Customer Satisfaction Survey.

Current data for the goals and objectives listed below can be found on the Fire Department OpenGov story page at <http://bit.ly/WDe31OG>.

Focus Area: Public Safety

CITY-WIDE GOAL #7: Promote Professionalism.

Objective 1: Implement a physical fitness training program for firefighters, and reduce firefighter injuries. The Department is striving to promote professionalism and enhance public safety by ensuring that all firefighters are well trained and in peak physical condition. The implementation of a physical fitness program and an injury reduction program will help promote a healthy, well-prepared workforce while also reducing time off for sickness and injury.



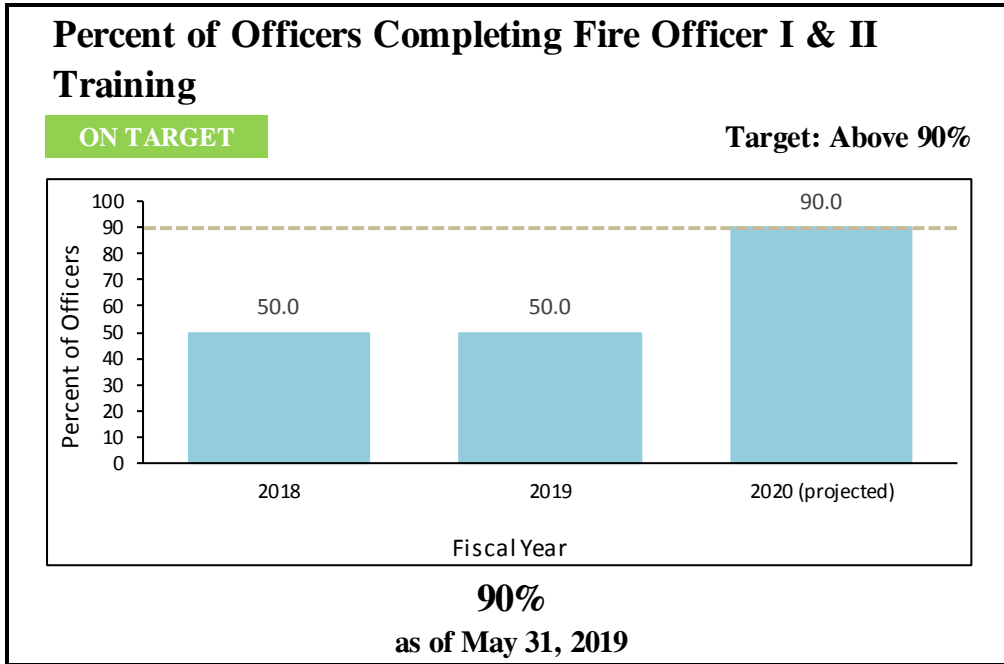
DEPARTMENT OF FIRE

STRATEGIC PLAN

Focus Area: Public Safety

CITY-WIDE GOAL #7: Promote Professionalism.

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



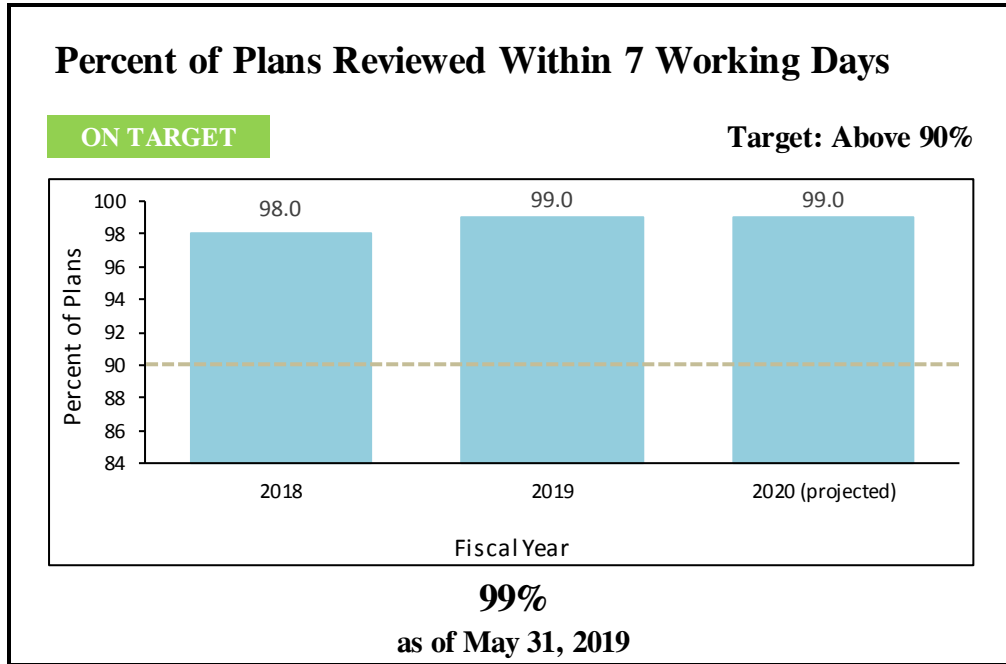
DEPARTMENT OF FIRE

STRATEGIC PLAN

Focus Area: Economic Vitality

CITY-WIDE GOAL #9: Streamline Permitting Process.

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



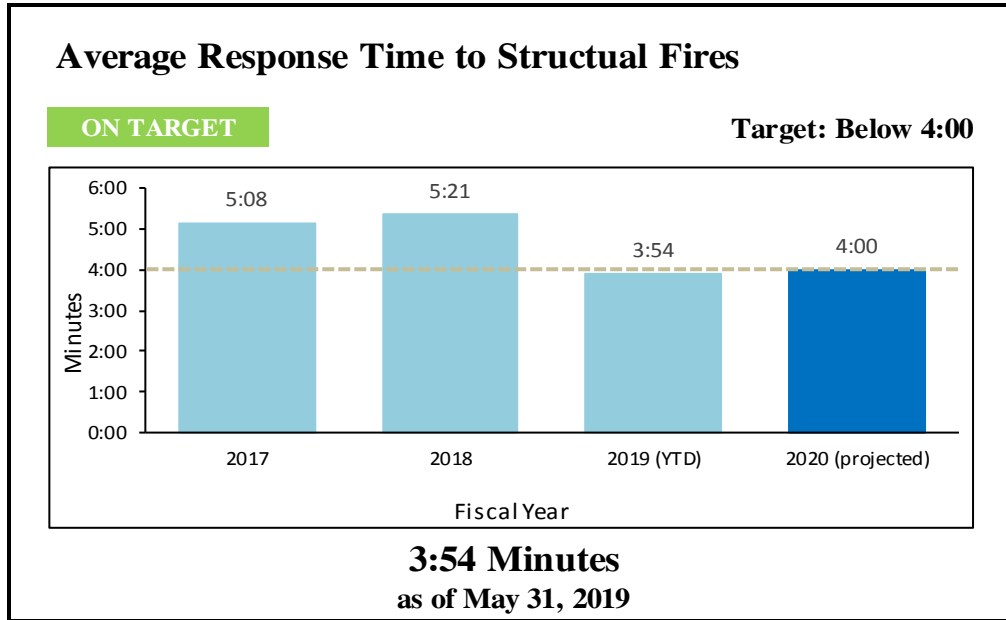
DEPARTMENT OF FIRE

STRATEGIC PLAN

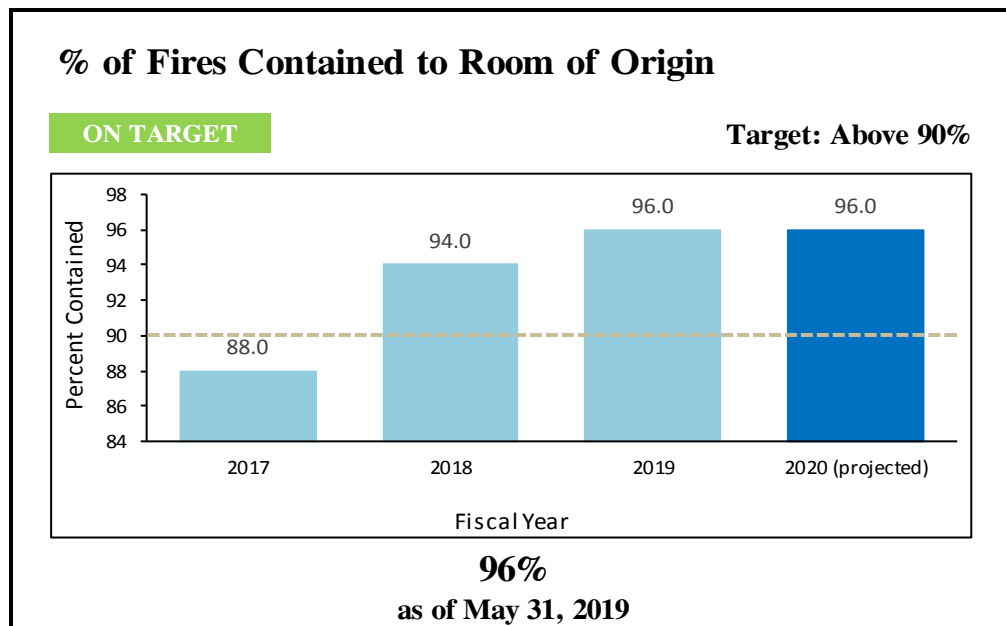
Focus Area: Quality of Life

CITY-WIDE GOAL #15: Enhance City Services.

Objective 1: Achieve a response time from dispatch to arrival of four minutes for the first arriving unit per National Fire Protection Agency Standard 1710.



Objective 2: Keep at least 90% of structural fires to room of origin, which significantly reduces damage to the affected structure and adjoining properties.



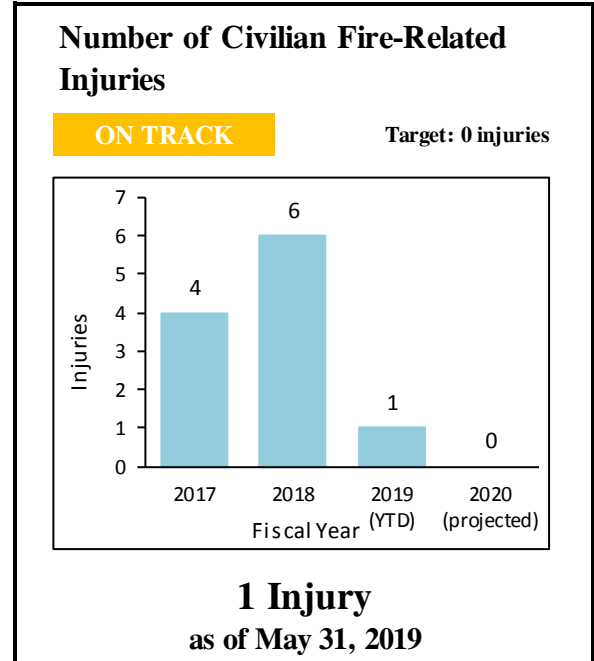
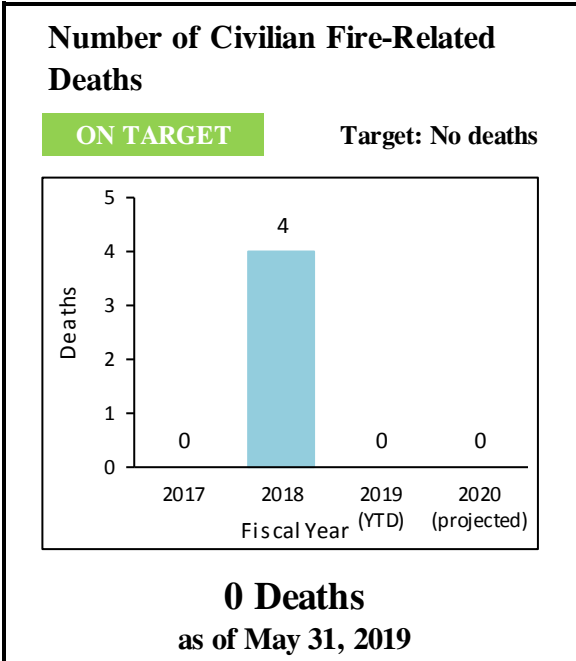
DEPARTMENT OF FIRE

STRATEGIC PLAN

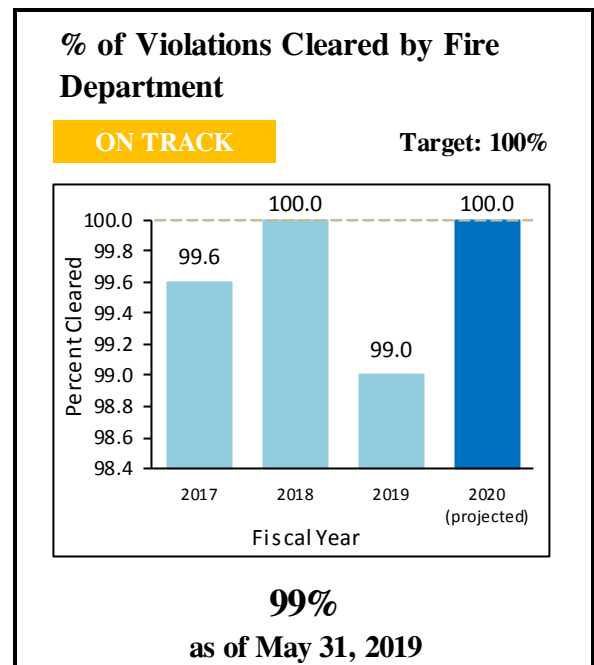
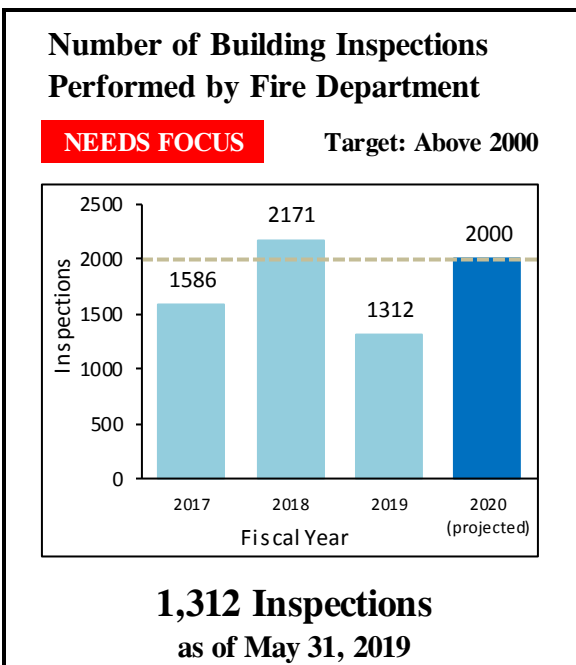
Focus Area: Quality of Life

CITY-WIDE GOAL #15: Enhance City Services.

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



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



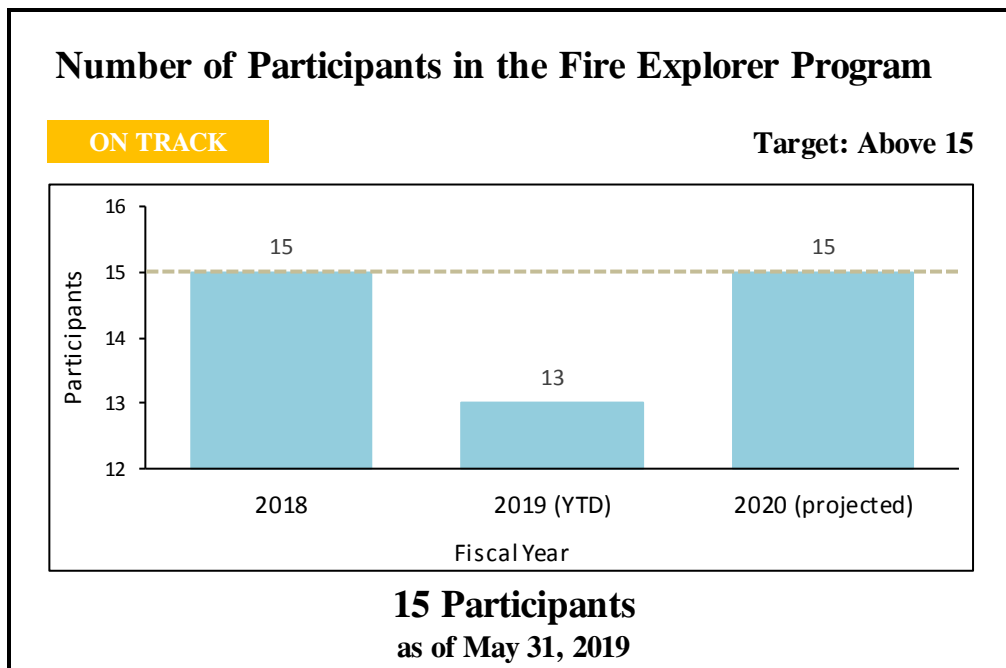
DEPARTMENT OF FIRE

STRATEGIC PLAN

Focus Area: Quality of Life

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

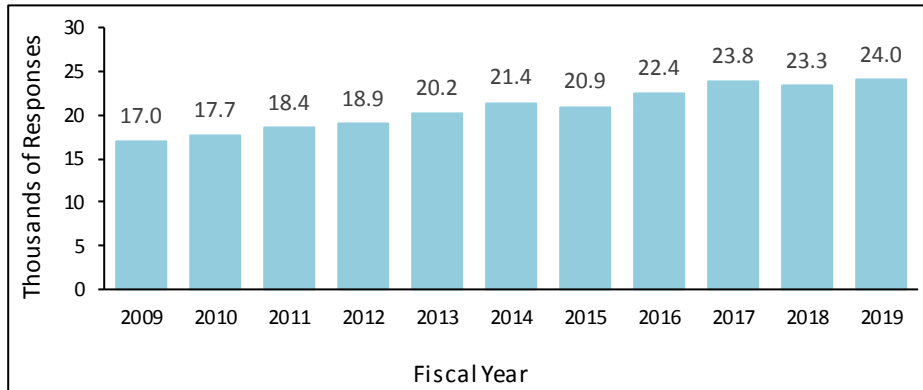
Objective 1: Increase involvement in the Fire Explorer program. Involving youth with the Explorer Program will assist young people ages 14-20 in choosing a career in the emergency services field. Six members of the Wilmington Fire Department Explorer Post 100 have been hired as Wilmington Firefighters over the past several years.



DEPARTMENT OF FIRE

PERFORMANCE TRENDS

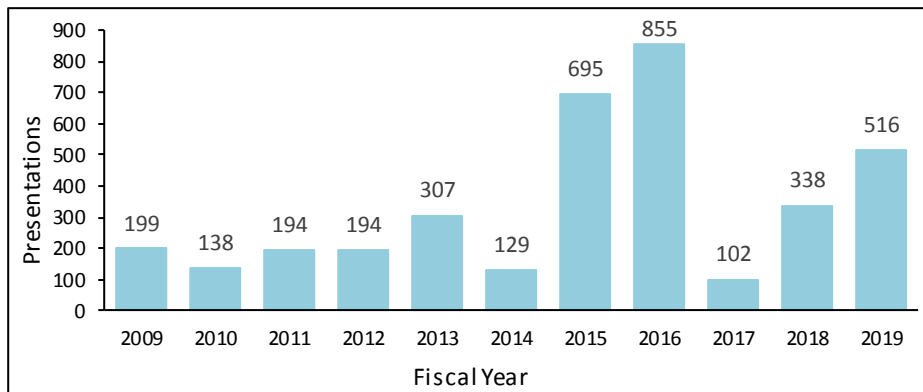
Total Fire Department Responses



24,008 Responses
as of May 31, 2019

Total responses includes those for engine and ladder companies, rescue and ambulance units, and marine fire units.

Public Education Programs

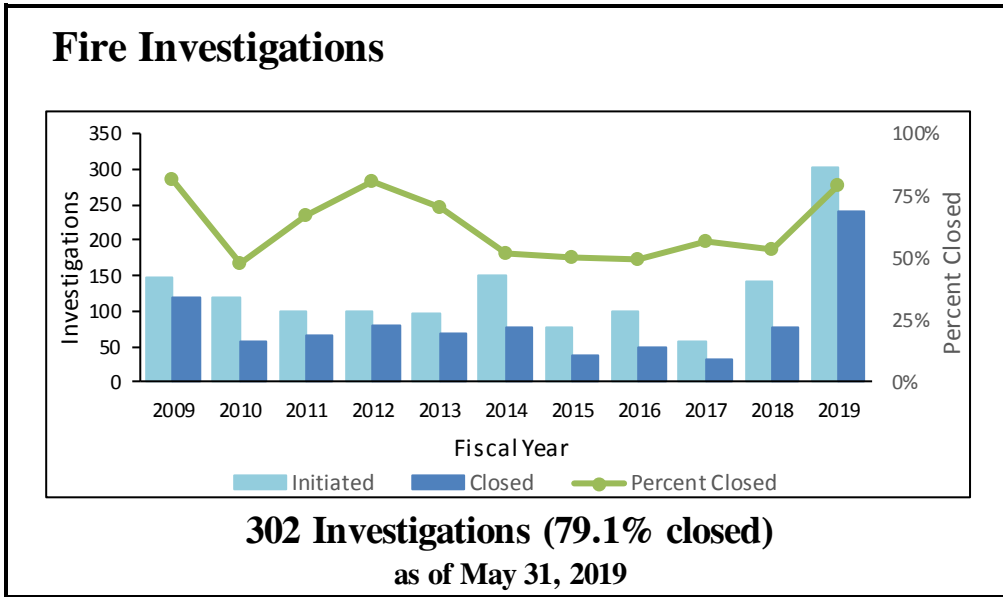


516 Presentations
as of May 31, 2019

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.

DEPARTMENT OF FIRE

PERFORMANCE TRENDS



The Prevention Division is responsible for investigating fires to determine cause. The increases in FY 2018 and FY 2019 are due to additional training regarding when investigations should be initiated.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: FIRE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	PROPOSED FY 2020
Regular Salaries	11,544,749	10,201,859	10,097,008	10,194,956
Acting Out of Class	7,274	5,070	8,680	9,360
Shift Differential	772	1,041	0	0
Overtime	1,676,971	1,318,607	1,200,000	1,205,000
Holiday Pay	25,662	24,033	25,000	0
Standby Pay	31	46,193	0	0
Health Cashback	14,880	18,200	14,400	14,400
Pension Contribution	1,651,008	1,664,340	934,150	290,296
Social Security	15,501	16,067	16,322	16,695
Medicare Tax	171,437	151,913	151,419	153,780
Hospitalization	3,256,508	3,293,993	3,444,369	3,523,654
Life Insurance	41,175	38,068	37,512	38,165
County/Municipal Pension Contribution	1,147,690	919,891	1,347,513	1,430,891
Pension Healthcare	413,670	483,000	523,250	556,738
State Pension Plan - Civilian	5,861	8,030	8,399	8,460
Personal Services Adjustment	0	0	(113,148)	(116,429)
TOTAL PERSONAL SERVICES	19,973,189	18,190,305	17,694,874	17,325,966
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	477	0	898	1,299
Communications & Utilities	85,329	80,882	101,069	101,056
Transportation	2,015	4,944	20,000	20,000
Contracted Maintenance Repairs	27,384	129,278	117,000	105,000
Professional Fees	0	92,322	37,920	105,100
Memberships & Registrations	21,470	57,645	65,056	73,005
Miscellaneous services	107,804	75,742	83,740	82,550
Office & General Supplies	25,012	25,238	26,530	27,370
Wearing Apparel & Safety Supplies	36,473	123,752	190,075	188,761
Miscellaneous Parts	33,362	22,752	23,200	162,600
Construction & Repairs	1,600	0	1,024	820
Equipment	6,523	13,865	14,400	13,400
Fixed Assets	0	89,202	0	0
Community Activities	0	29,902	30,000	30,000
TOTAL M., S. & E.	347,449	745,524	710,912	910,961

DEPARTMENT: FIRE**FUND: GENERAL**

	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	PROPOSED FY 2020
INTERNAL SERVICES				
Administrative Services	1,130,137	1,209,574	1,429,648	788,066
Self-Insurance	3,190,893	2,448,372	993,782	1,021,359
TOTAL INTERNAL SERVICES	4,321,030	3,657,946	2,423,430	1,809,425

DEBT SERVICE

Principal Payments	192,008	303,660	771,276	887,089
Interest Payments	486,006	493,818	610,671	566,638
TOTAL DEBT SERVICE	678,014	797,478	1,381,947	1,453,727

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

	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	PROPOSED FY 2020
PERSONAL SERVICES				
State Pension Contributions	3,892,597	4,648,667	4,061,268	4,648,667
TOTAL PERSONAL SERVICES	3,892,597	4,648,667	4,061,268	4,648,667

GENERAL FUND TOTAL	29,212,279	28,039,920	26,272,431	26,148,746
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DEPARTMENT: FIRE**FUND: STATE FIRE GRANT**

	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	PROPOSED FY 2020
PERSONAL SERVICES				
Overtime	0	0	0	0
Medicare Tax	0	0	0	0
TOTAL PERSONAL SERVICES	0	0	0	0

MATERIALS, SUPPLIES & EQUIPMENT

Contracted Maintenance	20,854	2,621	8,568	8,568
Professional Fees	25,350	0	2,292	2,292
Memberships & Registrations	0	0	3,000	3,000
Wearing Apparel & Safety Supplies	20,701	0	87,509	87,509
Fixed Assets	0	0	100,000	100,000
TOTAL M., S. & E.	66,905	2,621	201,369	201,369

STATE FIRE GRANT TOTAL	66,905	2,621	201,369	201,369
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DEPARTMENT: FIRE**FUND: FEDERAL EMERGENCY MANAGEMENT
& OTHER MISCELLANEOUS GRANTS**

	ACTUAL	ACTUAL	BUDGET	PROPOSED
PERSONAL SERVICES	FY 2017	FY 2018	FY 2019	FY 2020
Overtime	7,136	0	0	0
TOTAL PERSONAL SERVICES	7,136	0	0	0
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	892	0	0	0
Transportation	2,657	0	0	0
Contracted Maintenance	119,001	18,230	0	0
Professional Fees	4,195	0	0	0
Miscellaneous Parts	63,266	14,850	0	0
Fixed Assets	2,896	9,423	0	0
TOTAL M., S. & E.	192,907	42,503	0	0
FEDERAL EMERG. MGMT. & OTHER MISC. GRANTS TOTAL	200,043	42,503	0	0

DEPARTMENT OF POLICE

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

PRIORITIES FOR FISCAL YEAR 2020
<ul style="list-style-type: none"> • Reduce crime and shooting incidents. • Continue to enhance public trust through police legitimacy and procedural justice. • Improve performance through organizational discipline, accountability, communication, and personnel training and development. • Maintain a heightened state of awareness and preparedness while working with our State and Federal partners.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF POLICE

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	PROPOSED
DEPARTMENT OF POLICE	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	53,913,468	51,573,167	52,428,637	53,125,930
Materials, Supplies & Equipment	2,329,818	3,267,029	2,050,958	2,323,757
Internal Services	9,548,244	6,352,545	6,211,859	4,857,152
Debt Service	392,191	379,235	312,357	247,097
TOTAL	66,183,721	61,571,976	61,003,811	60,553,936
STAFFING LEVELS	381.00	376.00	378.00	380.00

*Differs from Summary of All Funds Combined – Expenditures table on [page 39](#) due to the inclusion of State Pension Contributions.

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	PROPOSED
DEPARTMENT OF POLICE	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	51,267,547	48,480,946	50,164,611	50,865,798
Materials, Supplies & Equipment	1,736,332	2,118,592	2,050,958	2,323,757
Internal Services	9,548,244	6,352,545	6,211,859	4,857,152
Debt Service	392,191	379,235	312,357	247,097
TOTAL	62,944,314	57,331,318	58,739,785	58,293,804
STAFFING LEVELS	374.00	369.00	371.00	374.57

STATE PENSION CONTRIBUTION	ACTUAL	ACTUAL	BUDGET	PROPOSED
DEPARTMENT OF POLICE	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	1,457,087	1,541,233	1,728,260	1,541,233
TOTAL	1,457,087	1,541,233	1,728,260	1,541,233
STAFFING LEVELS	0.00	0.00	0.00	0.00

SALLE & OTHER SPECIAL GRANTS	ACTUAL	ACTUAL	BUDGET	PROPOSED
DEPARTMENT OF POLICE	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	1,188,834	1,550,988	535,766	718,899
Materials, Supplies & Equipment	593,486	1,148,437	0	0
TOTAL	1,782,320	2,699,425	535,766	718,899
STAFFING LEVELS	7.00	7.00	7.00	5.43

COPS GRANT	ACTUAL	ACTUAL	BUDGET	PROPOSED
DEPARTMENT OF POLICE	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	0	0	0	0
TOTAL	0	0	0	0
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Relative to the FY 2019 original budget, total uniformed and civilian Police Department staffing increased by a net total of 3.57 FTE, at a total cost of \$93,382 to the General Fund. Uniformed staffing (authorized strength) increased by 1.00 FTE, to 315 FTEs. Changes include:
 - Addition of a civilian Cold Case Investigator position at a cost of \$96,783;
 - As part of the mid-year budget amendment, deletion of an Administrative Assistant for a savings of \$89,696; addition of a Police Policy & Communications Director for an increase of \$121,844; and the addition of one School Resource Officer (SRO);
 - Downgrade of a vacant Property Technician from an M to a G, for a savings of \$35,549;
 - Because the funding provided by certain schools for the five School Resource Officers does not cover 100% of the salary and benefits costs of the actual officers assigned to the schools, the dollar amount of the shortfall was (and is again this year) budgeted in the General Fund. However, in previous years, the FTE count for the SROs was not altered to reflect the shortfall. This has been adjusted this year, resulting in a shift of 2.57 FTE into the General Fund.
- Regular Salaries are budgeted to increase by \$368,371. This is inclusive of an allowance for a 2.0% cost-of-living adjustment (COLA). However, due to a significant number of retirements, the average budgeted salary of a sworn officer (prior to addition of the COLA) is lower than in FY 2019. This results in a net increase to salaries of only 1.4%.
- Exclusive of the State Pension Contribution, Employee Benefits are budgeted to increase by \$120,517. Decreases in Hospitalization (largely due to new employees moving to the less expensive PPO2 plan) were largely offset by increases to the City and State Pension plans.
- The State Pension Contribution passthrough will decrease by \$187,027. As this is matched by an equivalent decrease in revenue, there is no impact on fund balance.
- In order to more accurately match historical trends, Comp Time Payouts have been increased by \$200,000, to a new total of \$750,000.
- The budget for Consultants has increased by \$165,437 to cover the cost of the biennial promotional process.
- Contracted Maintenance Services increased by a net \$90,857, mainly due to technology maintenance agreements and warrantee costs associated with the Real Time Crime Center's NC4 Street Smart software and related equipment.
- Overall Debt Service is budgeted to decrease by \$65,260, due in part to the FY 2016-17 capital budget being funded in FY 2019 via an interest-only Bond Anticipation Note (BAN).

DEPARTMENT OF POLICE

STRATEGIC PLAN

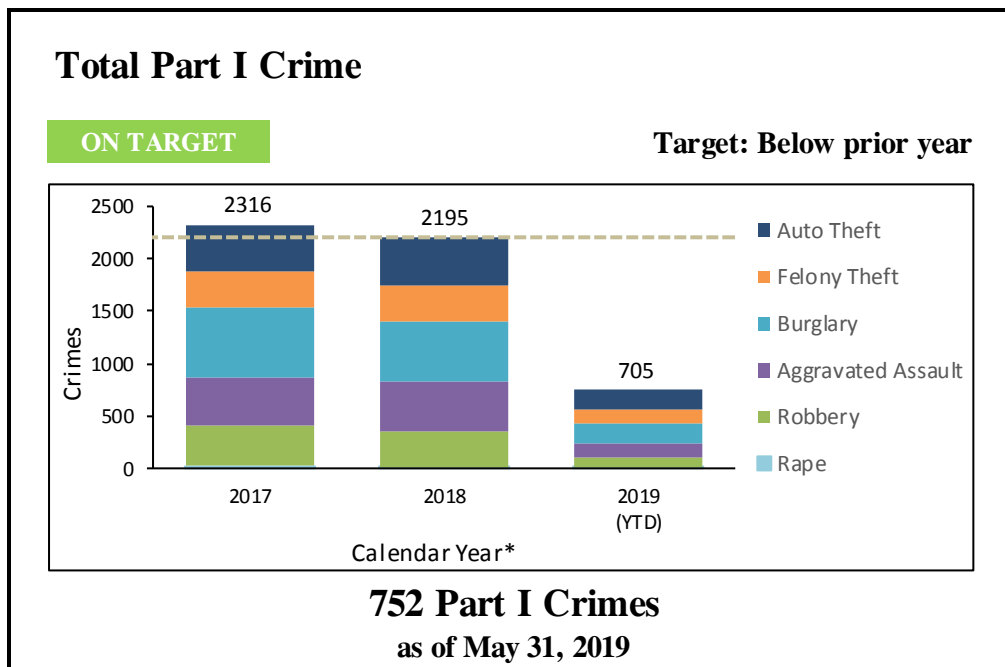
The Wilmington Police Department provides citizens with weekly data-driven performance measurements for the Wilmington Police Department via ComStat. This methodology, which has been used by the New York Police Department since 1994, allows the WPD to track data in near real-time, providing the department greater levels of accountability, focus, and follow-up. The data supports efficient, targeted policing across the city for all residents and visitors, is also used as a management tool for reducing crime, improving procedures and training, and providing transparency to the public and City government.

Current data for the goals and objectives listed below can be found on the Police Department OpenGov story page at <http://bit.ly/WDe32OG>, along with the CompStat page at <http://bit.ly/WPDCompStat>.

Focus Area: Public Safety

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

Objective 1: Reduce the number of Part I crimes committed in the City. As defined by the Uniform Crime Reporting (UCR) program, these are the most serious crimes, and include criminal homicide, rape, robbery, aggravated assault, burglary, larceny (felony) theft, and motor vehicle theft. Homicide is tracked separately as part of Objective 2 (see below).



Note: CompStat tracks and reports on a calendar year, rather than a fiscal year, basis.

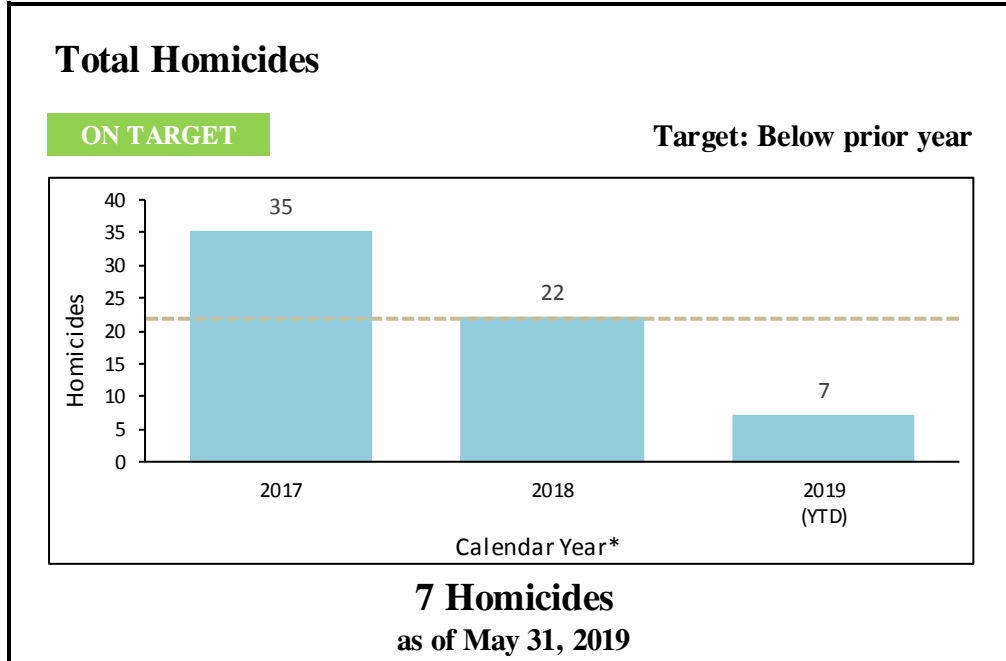
DEPARTMENT OF POLICE

STRATEGIC PLAN

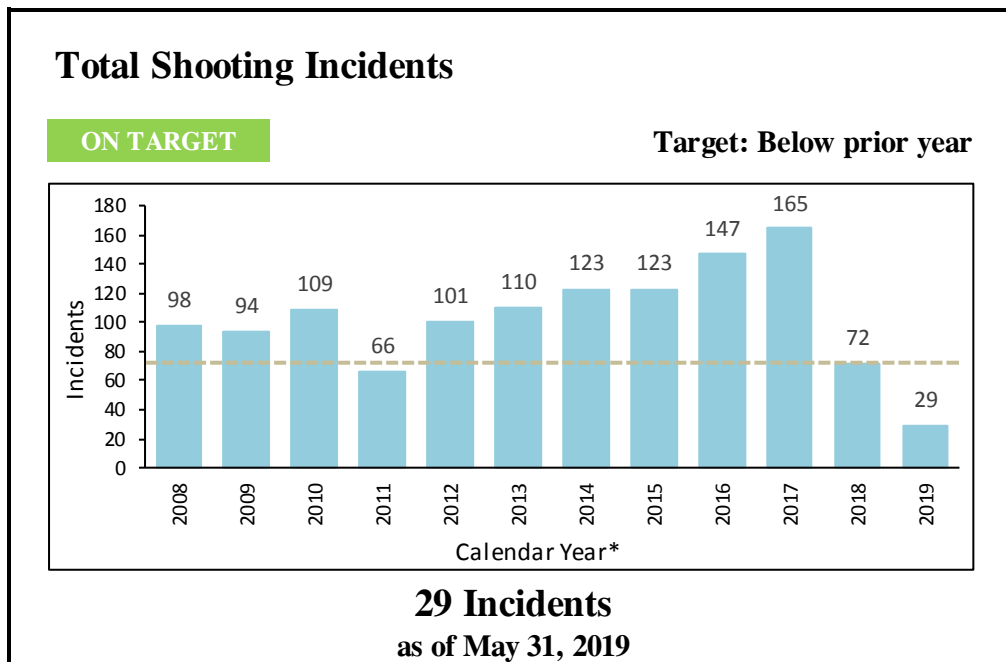
Focus Area: Public Safety

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

Objective 2: Reduce the number of homicides committed in the City.



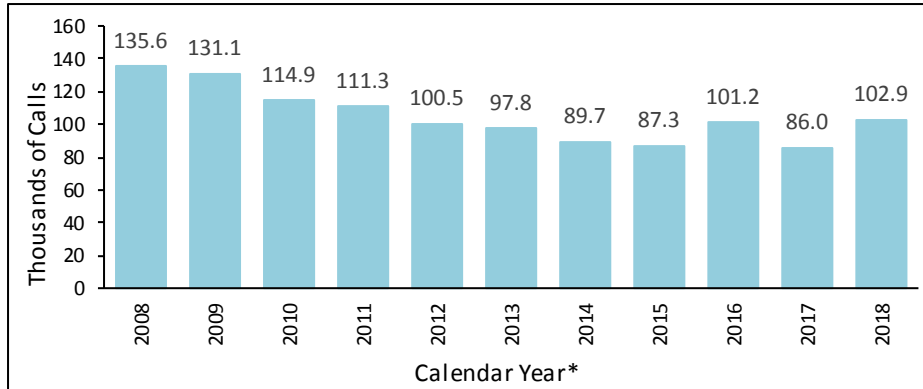
Objective 3: Reduce the number of shooting incidents committed in the City. CY 2019 data is as of May 31 2019.



DEPARTMENT OF POLICE

PERFORMANCE TRENDS

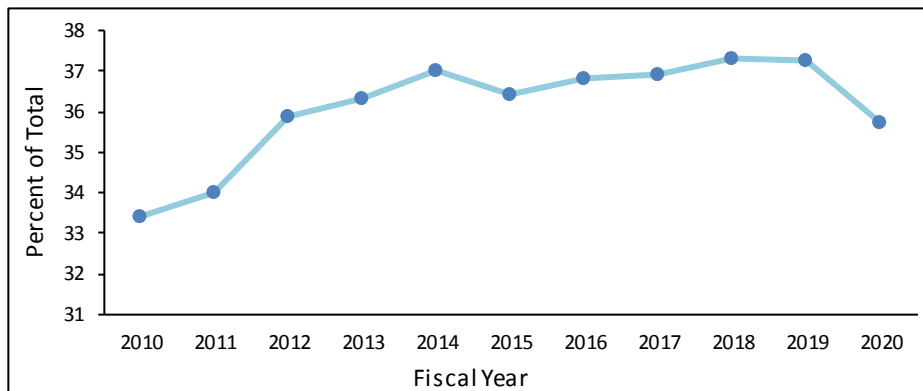
911 Calls Resulting in Dispatch



102,862 Incidents
as of December 31, 2018

The total number of calls for Police services has declined over the last decade, though the most recent five years have seen modest increases. With changes in policies and better screening techniques, the Department has reduced the number of calls for service resulting in dispatch, allowing for better use of available resources.

Police Budget as a Percent of Total General Fund Operating Budget



35.7% of Total

The Police Department budget declined in FY 2020, both in absolute dollars and as a percentage of the General Fund budget. However, this decline was largely driven by transfer of the Internal Service funds to the General Fund (see page 29 for details). Exclusive of this, the Police Department was approximately 36.7% of the total General Fund, down slightly relative to FY 2019.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: POLICE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	PROPOSED FY 2020
Regular Salaries	27,373,625	25,301,114	27,033,395	27,401,766
Temporary Salaries	469,720	442,586	487,500	497,250
Acting Out of Class	2,964	2,325	2,500	2,500
Shift Differential	688,983	638,944	37,500	39,000
Shooting Days	18,864	21,744	30,000	30,000
Sick Leave Bonus	2,000	1,100	3,000	3,000
Overtime	2,809,063	1,910,225	2,112,000	2,112,000
Comp Time Payouts	665,001	743,308	550,000	750,000
Civilian Holiday-Overtime	123,327	129,162	115,000	135,000
Court overtime	29,320	35,548	55,709	55,709
Special Events Overtime	664,035	597,862	465,000	465,000
Meal Allowance	14,570	11,843	12,900	12,900
Clothing Allowance	50,772	114,395	85,750	85,750
Health Cashback	27,840	25,800	21,600	24,000
Pension Contribution	6,660,251	7,191,248	6,643,130	6,661,751
Social Security	210,917	208,535	235,014	214,271
Medicare Tax	469,895	434,773	433,994	431,186
Hospitalization	7,127,231	7,131,233	7,648,653	7,435,148
Life Insurance	93,893	89,409	88,380	89,630
County/Municipal Pension Contribution	2,774,110	2,273,144	3,567,100	3,793,462
Pension Healthcare	940,649	1,118,580	1,205,750	1,295,277
State Pension Plan-Civilian	50,517	57,499	66,958	88,771
Personal Services Adjustment	0	569	(736,222)	(757,573)
TOTAL PERSONAL SERVICES	51,267,547	48,480,946	50,164,611	50,865,798

DEPARTMENT: POLICE

FUND: GENERAL

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	PROPOSED FY 2020
Printing & Advertising	15,184	17,042	17,200	22,500
Communications & Utilities	153,739	134,296	166,440	167,440
Transportation	7,810	7,068	14,500	12,500
Rentals	14,400	40,699	54,726	59,622
Contracted Maintenance Repairs	39,522	27,857	48,645	48,502
Professional Fees	436,321	489,260	412,000	577,437
Other Fees	313,769	317,872	334,248	340,000
Memberships & Registrations	34,306	41,077	45,240	45,240
Miscellaneous Services	190,660	422,347	385,449	476,906
Office & General Supplies	89,389	89,176	95,200	95,200
Wearing Apparel & Safety Supplies	228,599	294,141	257,000	273,000
Miscellaneous Parts	202,440	145,869	205,060	187,660
Equipment	10,193	91,888	15,250	17,750
TOTAL M., S. & E.	1,736,332	2,118,592	2,050,958	2,323,757
 INTERNAL SERVICES				
Administrative Services	3,209,346	3,138,954	4,081,425	2,668,276
Self-Insurance	6,338,898	3,213,591	2,130,434	2,188,876
TOTAL INTERNAL SERVICES	9,548,244	6,352,545	6,211,859	4,857,152
 DEBT SERVICE				
Principal Payments	267,136	265,456	198,662	149,750
Interest Payments	125,055	113,779	113,695	97,347
TOTAL DEBT SERVICE	392,191	379,235	312,357	247,097
 TOTAL GENERAL FUND	 62,944,314	 57,331,318	 58,739,785	 58,293,804

DEPARTMENT: POLICE

FUND: STATE PENSION CONTRIBUTIONS

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	PROPOSED FY 2020
State Pension Contributions	1,457,087	1,541,233	1,728,260	1,541,233
TOTAL PERSONAL SERVICES	1,457,087	1,541,233	1,728,260	1,541,233

DEPARTMENT: POLICE

FUND: SALLE

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	PROPOSED FY 2020
Regular Salaries	251,982	218,883	381,549	393,857
Temporary Salaries	146,029	126,942	0	0
Shift Differential	1,472	1,333	0	0
Overtime	528,508	902,057	0	0
Pension Contributions	136,555	198,067	0	110,501
Social Security	9,029	6,068	0	0
Medicare Tax	8,720	9,577	5,492	5,409
Hospitalization	79,889	67,014	60,651	128,321
Life Insurance	1,032	1,100	1,680	1,302
County/Municipal Pension Contribution	17,779	12,108	63,644	60,746
Pension Healthcare	7,839	7,839	22,750	18,763
TOTAL PERSONAL SERVICES	1,188,834	1,550,988	535,766	718,899
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	12,538	7,230	0	0
Transportation	53,010	68,983	0	0
Rentals	32,053	45,126	0	0
Professional Fees	120,972	41,966	0	0
Memberships & Registrations	38,375	82,090	0	0
Miscellaneous Services	52,442	69,939	0	0
Wearing Apparel & Safety Supplies	78,414	98,660	0	0
Miscellaneous Parts	25,805	37,095	0	0
Equipment	136,605	81,005	0	0
Fixed Assets	43,272	616,343	0	0
TOTAL M., S. & E.	593,486	1,148,437	0	0
 SALLE FUND TOTAL	 1,782,320	 2,699,425	 535,766	 718,899



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.

PRIORITIES FOR FISCAL YEAR 2020

- Continue implementation of Beautiful City Initiative.
- Comprehensive installation of LED street lighting through-out Wilmington.
- Issuance of RFP for long-term operation of the Wastewater Treatment Plant.
- Increase contractor compliance with the Roadway Cut Management legislation.
- Continue Street Paving and Reconstruction and ADA Curb Ramp Installation.
- Construct the South Wilmington Wetlands Project and begin sewer separation.
- Continue implementation of GIS and Cityworks programs with focus on Computerized Maintenance Management.
- 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.
- Improve on street-metered parking through deployment of additional multi-space meters, evaluation/implementation of additional payment methods, and installation of improved signage.
- 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.
- Implement City-wide residential containerized municipal solid waste (MSW) containers beyond the pilot area and changes to the sanitation code.
- Implement suggestions for to adjust special pickup/bulk pickup of MSW.
- Optimize Co-Generation and Sludge Processing Facilities.
- Design and implement green infrastructure program on City owned properties.
- Expand City's urban tree canopy.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF PUBLIC WORKS

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	16,179,843	16,922,182	18,564,733	19,188,371
Materials, Supplies & Equipment	51,616,476	58,639,770	59,481,518	63,020,773
Internal Services	8,458,823	7,020,177	6,630,378	5,022,996
Debt Service	10,459,973	10,102,137	12,410,274	11,215,082
Capitalization	(2,622,148)	(3,704,207)	(3,500,000)	(4,500,000)
Depreciation	12,384,990	12,081,538	10,864,481	12,218,171
TOTAL	96,477,957	101,061,597	104,451,384	106,165,393
STAFFING LEVELS	221.00	219.00	221.00	223.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	8,583,051	8,690,369	9,652,032	9,900,405
Materials, Supplies & Equipment	6,063,462	7,217,332	8,048,189	8,246,579
Internal Services	3,931,373	3,592,522	3,458,183	3,250,398
Debt Service	3,762,217	4,308,648	4,986,551	4,811,381
TOTAL	22,340,103	23,808,871	26,144,955	26,208,763
STAFFING LEVELS	120.15	118.15	118.05	119.05

WATER/SEWER FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	7,596,792	8,231,813	8,912,701	9,287,966
Materials, Supplies & Equipment	38,384,053	42,344,872	42,894,064	44,921,574
Internal Services	3,972,717	2,959,949	2,930,704	1,524,744
Debt Service	6,495,711	5,574,779	7,245,766	6,257,777
Depreciation	9,253,548	8,989,575	7,635,885	8,989,575
TOTAL	65,702,821	68,100,988	69,619,120	70,981,636
STAFFING LEVELS	100.85	100.85	102.95	103.95

*Differs from Summary of All Funds Combined – Expenditures table on [page 39](#) due to inclusion of Internal Services funds.

MOTOR VEHICLE FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY 2017	FY 2018	FY 2019	FY 2020
Materials, Supplies & Equipment	6,097,748	8,021,696	7,469,100	8,592,012
Internal Services	554,733	467,706	241,491	247,854
Debt Service	202,045	218,710	177,957	145,924
Capitalization	(2,622,148)	(3,704,207)	(3,500,000)	(4,500,000)
Depreciation	3,131,442	3,091,963	3,228,596	3,228,596
TOTAL	7,363,820	8,095,868	7,617,144	7,714,386
STAFFING LEVELS	0.00	0.00	0.00	0.00

MUNICIPAL STREET AID FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY 2017	FY 2018	FY 2019	FY 2020
Materials, Supplies & Equipment	1,071,213	1,055,870	1,070,165	1,260,608
TOTAL	1,071,213	1,055,870	1,070,165	1,260,608
STAFFING LEVELS	0.00	0.00	0.00	0.00

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

- In Personal Services, a General Laborer II position (1.00 FTE) was added to support the increased workload in the Property Maintenance Division caused by the aging buildings of the Municipal Complex. The Department also obtained upgrades for the CADD/GIS Engineering Coordinator and Assistant Building Services Manager in the mid-FY 2019 budget amendment. The total cost of the new position and upgrades is \$68,795. Also, nine positions were upgraded (including seven that are split-funded) through the Biennial Classification Appeal Process in FY 2019 that cost \$14,532.
- Regular Salaries rose by \$188,065 due to employee anniversary step increases and a proposed 2% Cost of Living Adjustment. Pension Contribution and Pension-Healthcare increased by \$59,427 and \$28,303, respectively.
- Overtime increased by \$45,000 to cover special events, snow removal, and the Mayor's special cleanup program.
- Contracted Maintenance increased by \$71,300 due to the high cost of maintenance to existing structures.
- Almost the entire increase of \$105,000 in Consultants will be used to support and assist with 5G and small cell wireless infrastructure deployment in the City.
- Temporary Agencies increased \$132,000 for additional laborers to support the gateway cleanup initiative, street maintenance, pothole repairs, and sidewalk installation.
- Engineering costs increased by \$20,000 for traffic signal improvements to help reduce the congestion projected to result from the upcoming DelDOT Interstate 95 viaduct project.
- A delay in the full implementation of the proposed city-wide municipal solid waste container and recycling program allowed a \$268,000 reduction the Recycle Bank Program account.
- Material and Supplies – Roads costs increased by \$117,000 due to the purchase of special paint epoxy used for road markings.
- Debt Service decreased by \$175,170 due in part to the FY 2016-17 capital budget being funded in FY 2019 via an interest-only Bond Anticipation Note (BAN).

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

- In Personal Services, there was a net increase of 1.00 FTE. A Maintenance Mechanic I position (1.00 FTE) was added at a cost of \$66,974. The cost was more than offset by the elimination of the SCADA Technician position (-1.00 FTE) for a savings of \$92,546. Also, the Water System Supervisor was upgraded at a cost of \$1,551, while the Water Production Supervisor was downgraded to an Assistant Water Production Supervisor for a savings of \$6,667. A Maintenance Mechanic I was upgraded to a Maintenance Mechanic II at a cost of \$1,743. In the Wastewater Treatment Division, a new position of Tree Climber II/Tree Crew Foreman (1.00 FTE) was created at a cost of \$75,245. The net effect of all the changes was an increase of \$46,300.
- Regular Salaries rose by \$190,129 due to employee anniversary step increases and a proposed 2% Cost of Living Adjustment. Hospitalization and Pension-Healthcare increased by \$40,028 and \$31,347, respectively.
- Overtime increased by \$57,000 to cover emergency callouts.
- Repairs to Equipment was reduced by \$835,975, reflecting the better alignment of projected spending with electrical and mechanical preventative maintenance and testing program schedules.
- Repairs to Building and Structures increased by \$98,000 due to higher costs of maintaining structures, parking lots, sidewalks, and driveways.
- Consultant expenses increased by \$47,000 due to on-call assistance for utility billing operations that include analytical support, benchmarking, and related services.
- Engineering Costs in the Sewer Maintenance Division increased \$100,000 for engineering support for the design of a new 84-inch force main and sewage pumping station at 11th Street.
- Contracted Maintenance Services, which includes the contract with Veolia to operate and maintain the City's wastewater treatment plant, tank painting, and hydrant testing and maintenance, increased by \$1,019,621.
- The Indirect Cost expense to the Water/Sewer Fund rose by \$1,528,268 reflecting the effect of the new Department of Information Technologies created in the General Fund. However, that increase is almost completely offset by the \$1,405,960 in savings resulting from the elimination of the Internal Services Funds departmental chargeback accounts.
- Annual Water Protection Subsidy for the City's senior citizens rose by \$20,000.
- Debt Service decreased by \$987,989. The City continues to benefit from participation in the State's low-cost revolving loan fund, low bond interest rates, and the use of cash-on-hand for smaller water and sewer infrastructure projects.
- Depreciation has increased \$1.35 million, reflecting the aggressive infrastructure replacement program adopted by the Department that has increased both the number and value of the City's water, sewer, and stormwater infrastructure fixed assets.

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

- Repairs to Equipment increased by \$65,000 due to the higher cost of repairs to fleet equipment.
- Miscellaneous Services increased by \$57,912 due to increases in motor vehicle fleet maintenance.
- Based on the FY 2020 vehicle replacement program, Automotive Equipment increased by \$1,000,000. This was offset by an equal negative amount in Capitalized Exps-Operating.

DEPARTMENT OF PUBLIC WORKS

STRATEGIC PLAN

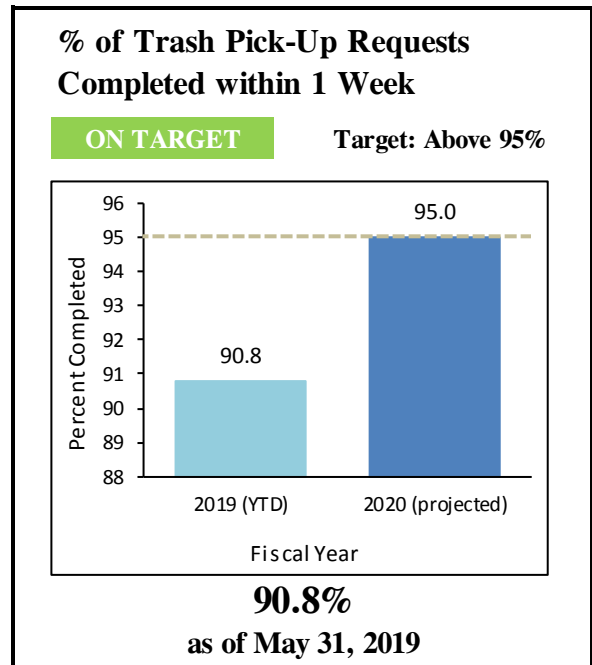
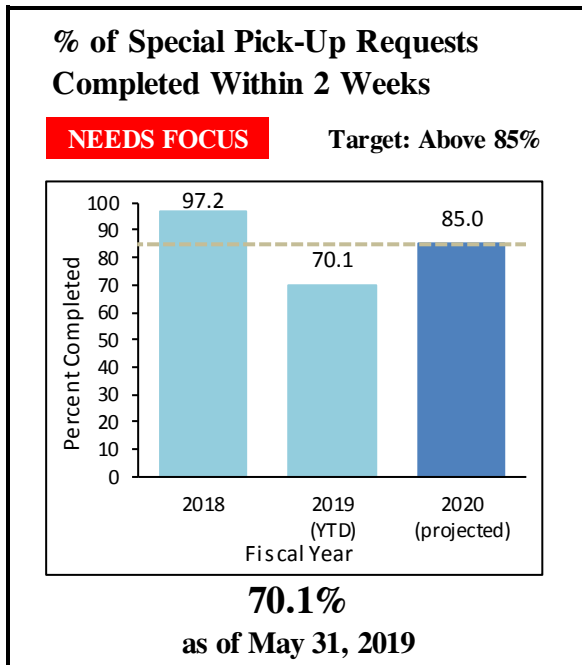
The **Department of Public Works (DPW)** provides a wide array of important City services, including recycling and solid waste collection; treatment and distribution of high-quality drinking water; collection and treatment of sewage; storm water management; sweeping of all City streets; street paving and repairs; maintenance of traffic signs and signals; snow removal; and maintenance of the City fleet and City properties.

Current data for the goals and objectives listed below can be found on the Public Works OpenGov story page at <http://bit.ly/WDe22OG>.

Focus Area: Effective City Government

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

Objective 1: Respond to All Service Requests Received by Constituents within the Time Frame Specified for Each Category Listed Below



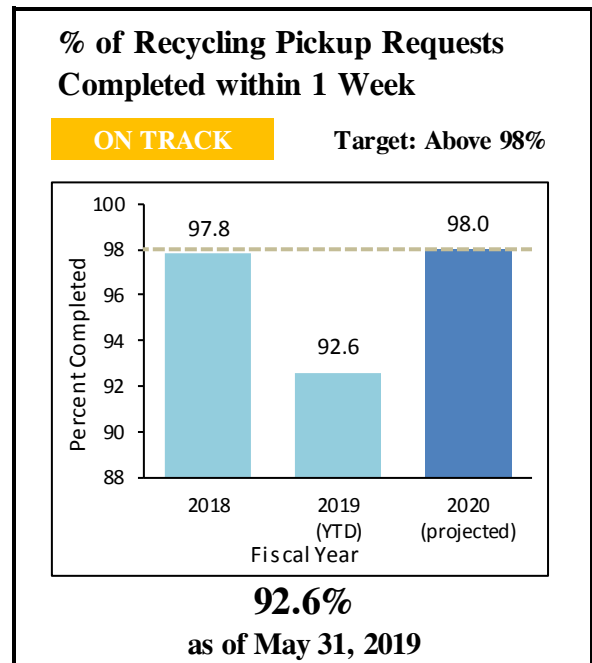
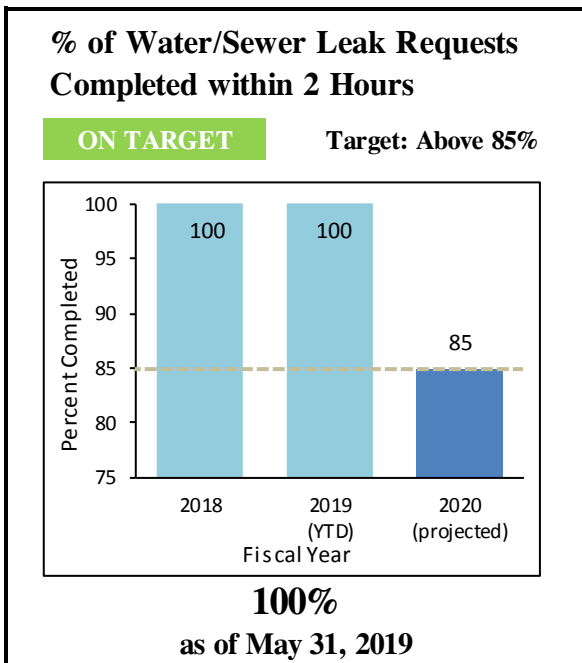
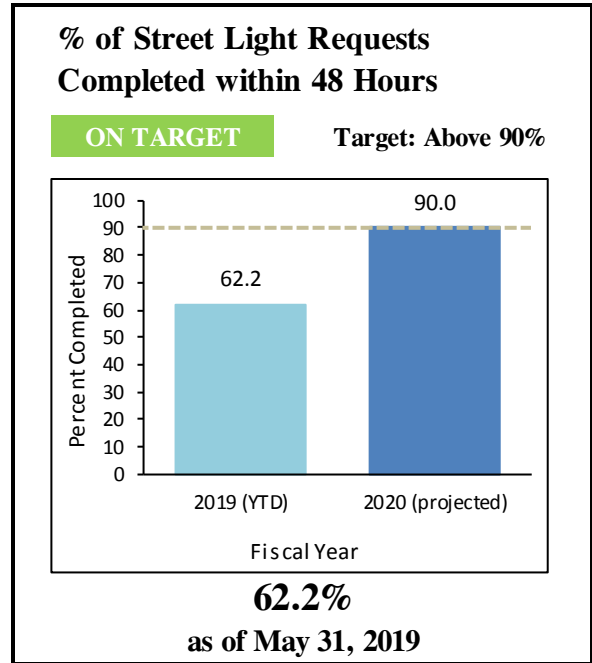
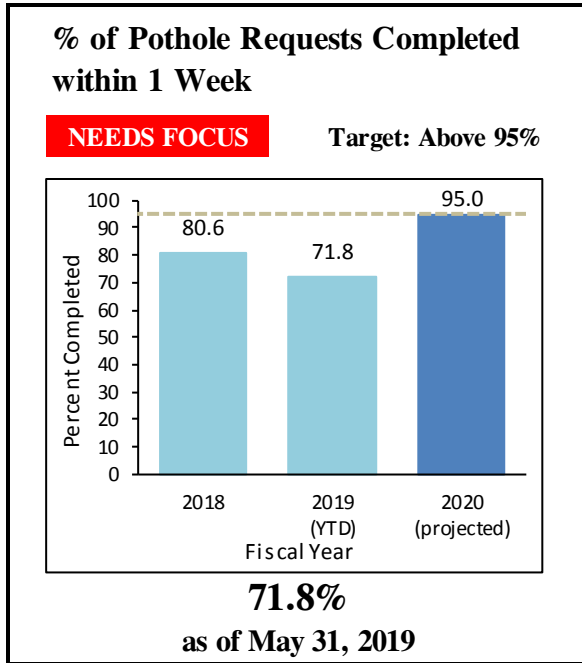
DEPARTMENT OF PUBLIC WORKS

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #1: Embrace a Culture of Service. (Cont'd)

Objective 1 (Cont'd): Respond to All Service Requests Received by Constituents within the Time Frame Specified for Each Category Listed Below



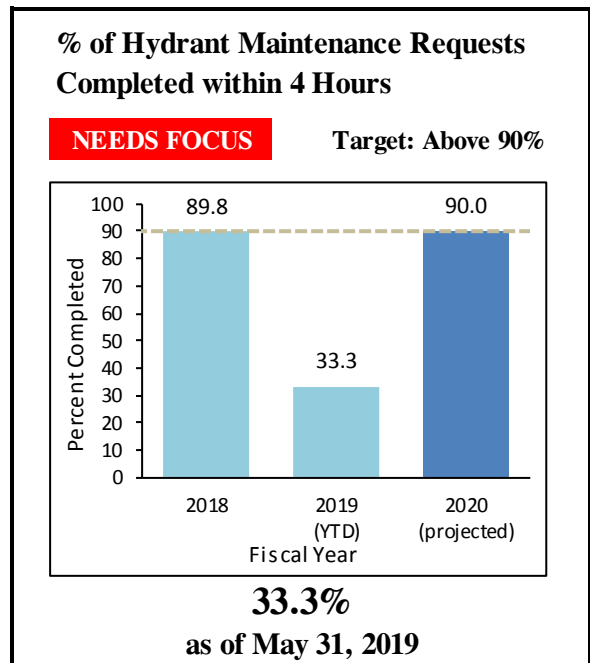
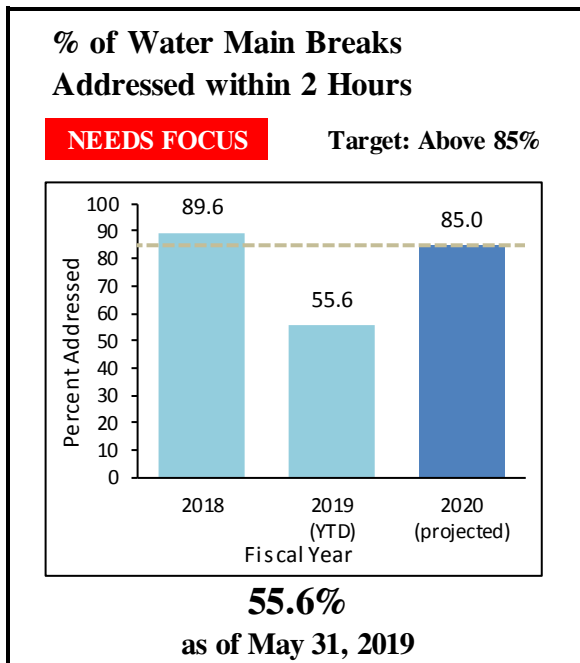
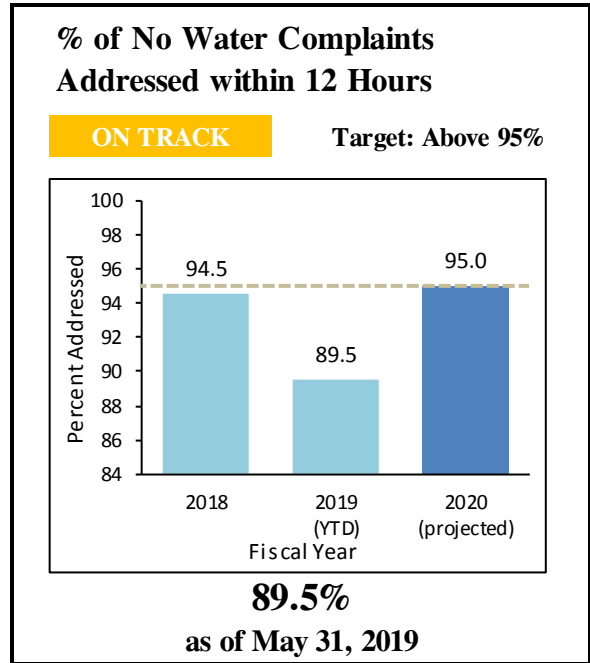
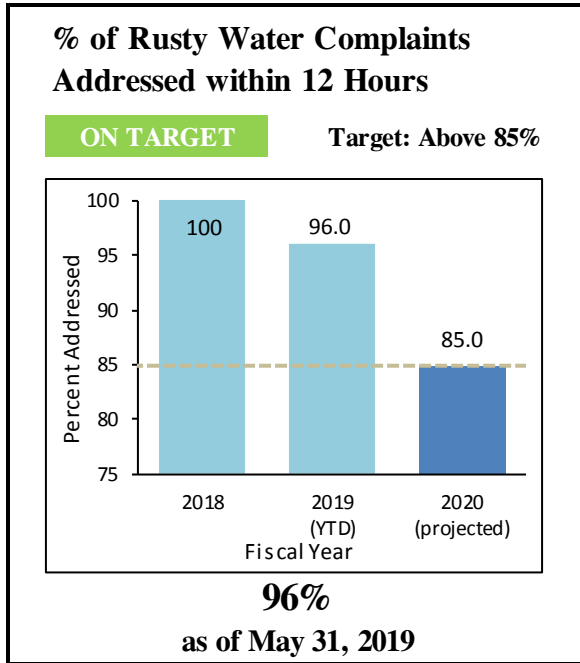
DEPARTMENT OF PUBLIC WORKS

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #1: Embrace a Culture of Service. (Cont'd)

Objective 1 (Cont'd): Respond to All Service Requests Received by Constituents within the Time Frame Specified for Each Category Listed Below



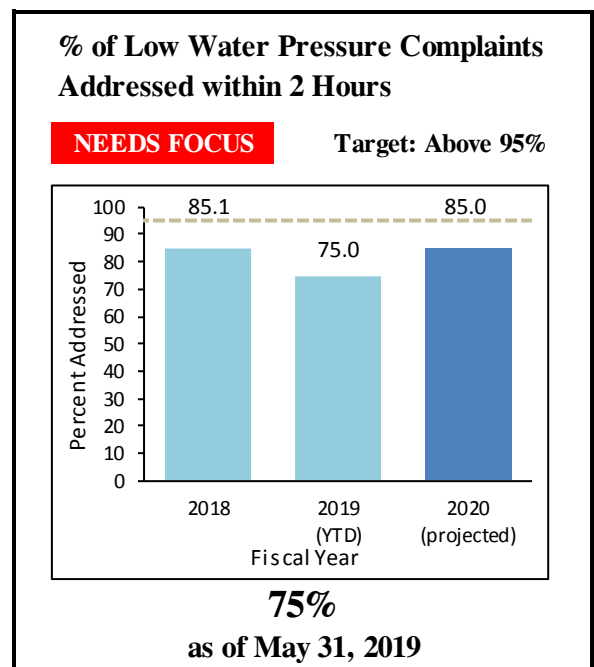
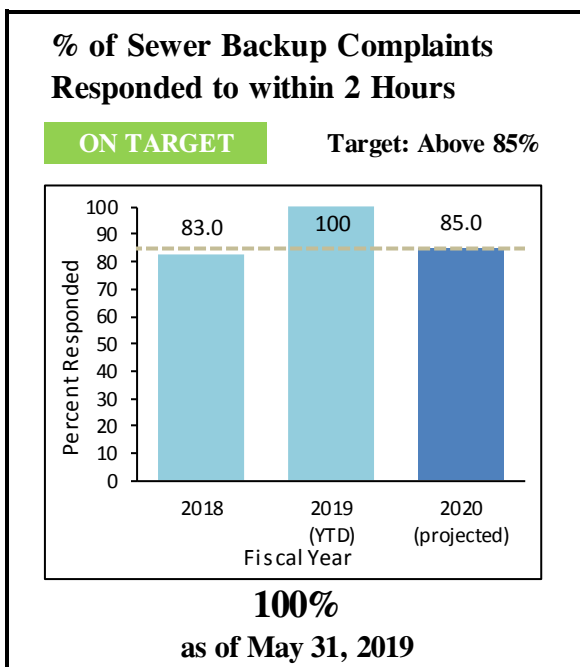
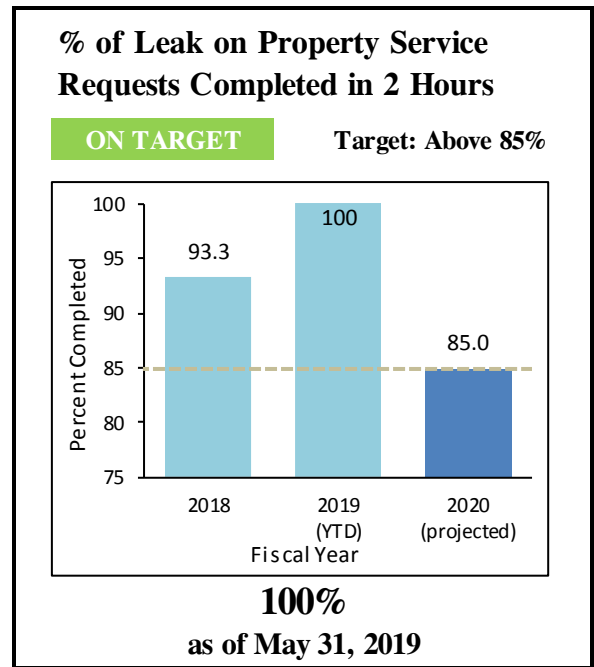
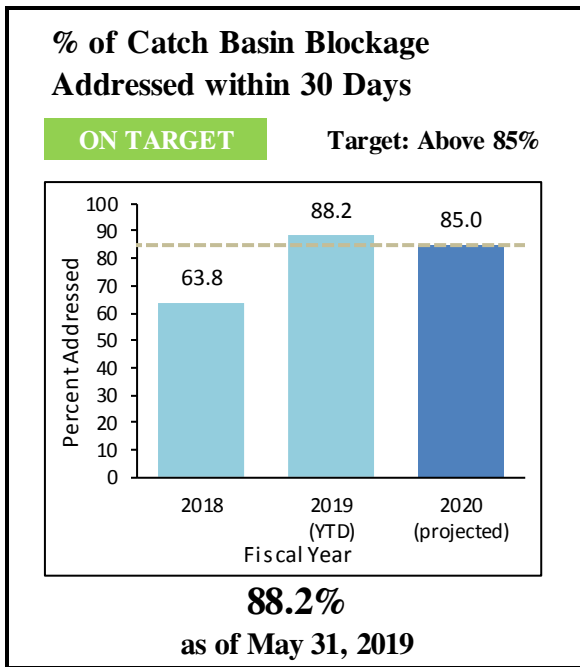
DEPARTMENT OF PUBLIC WORKS

STRATEGIC PLAN

Focus Area: Effective City Government

CITY-WIDE GOAL #1: Embrace a Culture of Service. (Cont'd)

Objective 1 (Cont'd): Respond to All Service Requests Received by Constituents within the Time Frame Specified for Each Category Listed Below



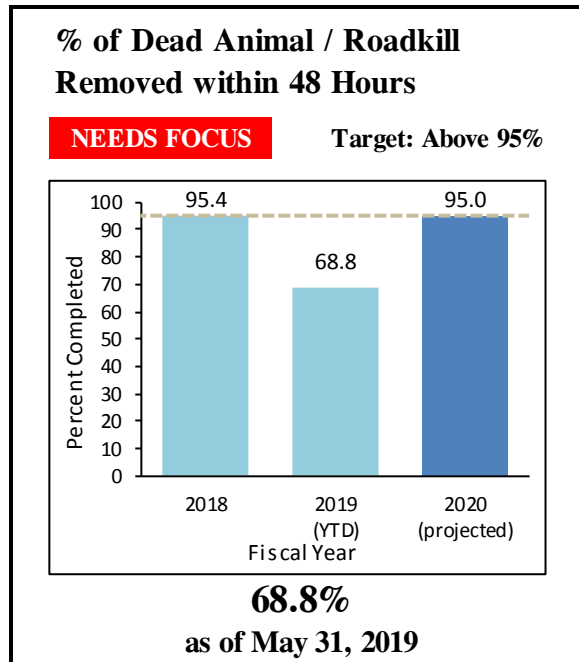
DEPARTMENT OF PUBLIC WORKS

STRATEGIC PLAN

Focus Area: Effective City Government

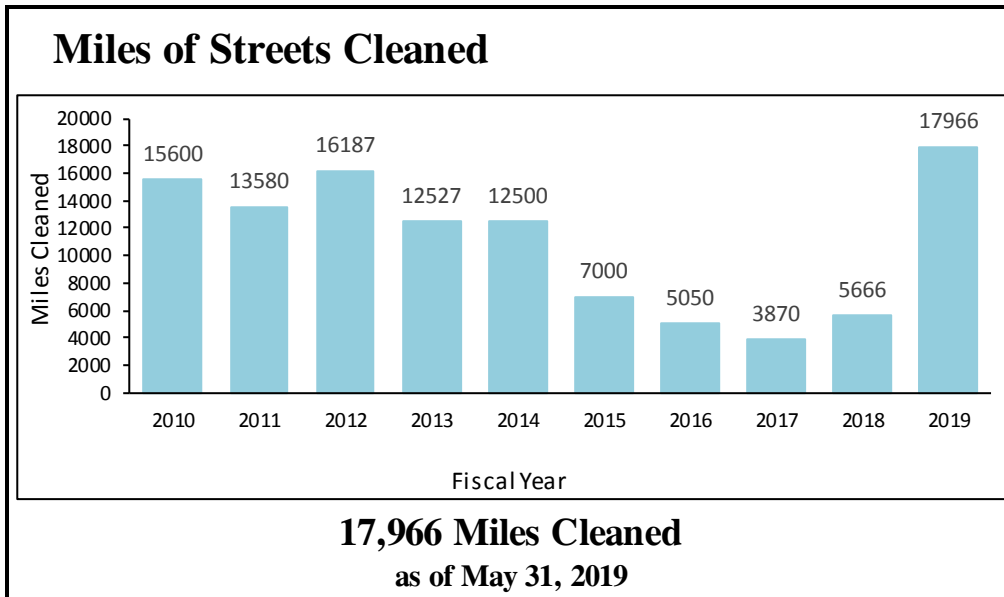
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Objective 1 (Cont'd): Respond to All Service Requests Received by Constituents within the Time Frame Specified for Each Category Listed Below

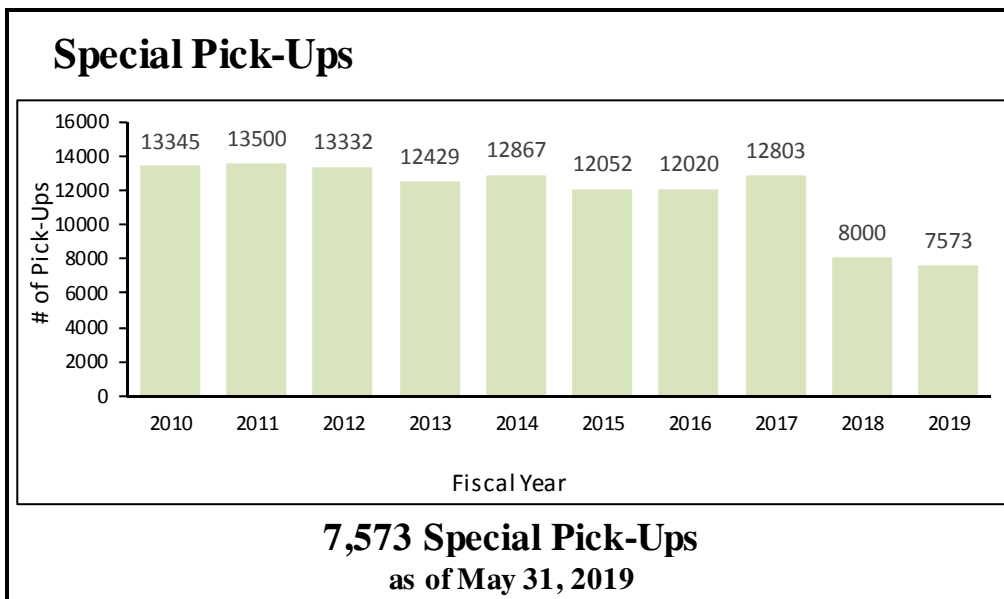


DEPARTMENT OF PUBLIC WORKS

PERFORMANCE TRENDS



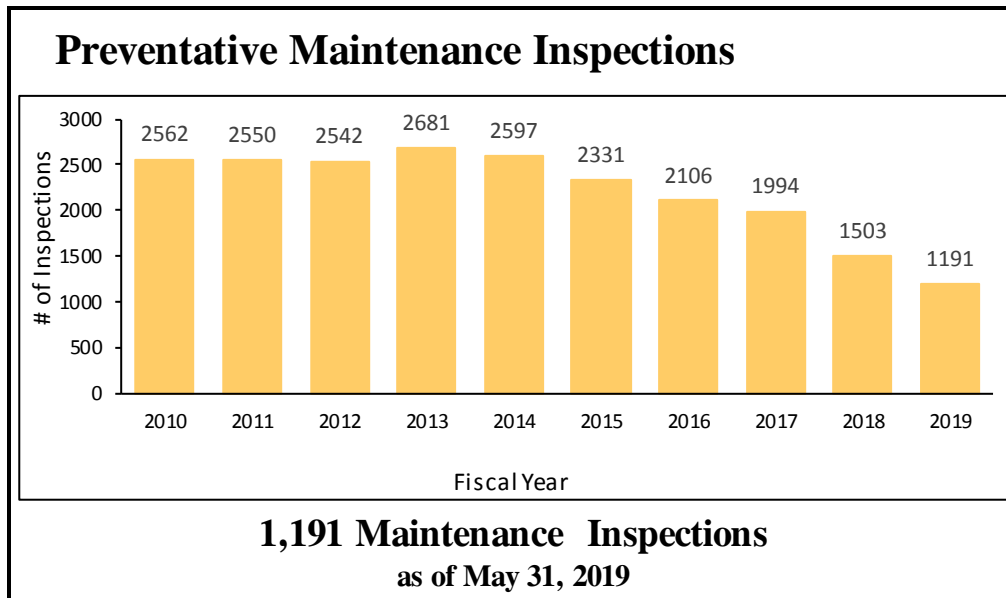
Aggressive management is required to maintain City streets in a litter free condition. In FY 2019, the number increased due to an addition of updated equipment and full crew staffing.



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

DEPARTMENT OF PUBLIC WORKS

PERFORMANCE TRENDS



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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: PUBLIC WORKS

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	4,507,895	4,523,446	5,014,609	5,202,674
Temporary Salaries	6,599	4,800	8,000	8,000
Acting Out of Class	12,880	16,530	15,850	15,250
Sick Leave Bonus	8,950	7,350	9,500	9,500
Overtime	308,390	383,549	413,300	458,800
Holiday Pay	100,225	100,286	110,000	110,000
Meal Allowance	6,147	6,281	9,100	9,100
Clothing Allowance	0	7,500	0	7,600
Standby Pay	62,997	68,985	67,600	72,600
Health Cash Back	18	0	0	0
Pension Contribution	979,235	916,771	967,423	1,015,431
Social Security	301,301	308,263	340,088	353,736
Medicare Tax	70,659	72,145	79,530	82,736
Hospitalization	1,870,694	1,825,843	2,317,129	2,220,391
Life Insurance	22,456	22,442	26,451	27,044
Pension Healthcare	252,167	354,450	383,377	411,680
State Pension Plan - Civilian	55,579	71,728	84,240	95,659
Personal Services Adjustment	16,859	0	(194,165)	(199,796)
TOTAL PERSONAL SERVICES	8,583,051	8,690,369	9,652,032	9,900,405
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	7,099	3,100	9,200	9,200
Communications & Utilities	947,627	1,452,716	1,732,139	1,708,729
Transportation	468	4,029	3,500	3,500
Rentals	85,264	88,639	212,500	217,500
Contracted Maintenance Repairs	1,206,611	2,015,047	1,577,300	1,648,600
Professional Fees	822,304	780,453	730,300	987,300
Other Fees	2,406,081	2,000,686	2,825,000	2,587,000
Memberships & Registrations	9,238	10,276	28,900	28,900
Miscellaneous Services	190,627	249,850	381,600	381,600
Office & General Supplies	8,923	9,181	12,600	12,600
Wearing Apparel & Safety Supplies	69,720	72,551	90,150	91,650
Miscellaneous Parts	119,431	134,420	158,200	166,200
Construction & Repairs	161,808	383,712	257,500	374,500
Equipment	27,359	10,732	27,300	27,300
Fixed Assets	902	1,940	2,000	2,000
MSE - Budget Control Account	0	0	0	0
TOTAL M., S. & E.	6,063,462	7,217,332	8,048,189	8,246,579

DEPARTMENT: PUBLIC WORKS**FUND: GENERAL**

INTERNAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Administrative Services	2,705,975	2,871,434	2,912,850	2,690,636
Self-Insurance	1,225,398	721,088	545,333	559,762
TOTAL INTERNAL SERVICES	3,931,373	3,592,522	3,458,183	3,250,398
DEBT SERVICE				
Principal Payments	1,754,282	2,347,524	2,738,268	2,752,756
Interest Payments	2,007,935	1,961,124	2,248,283	2,058,625
TOTAL DEBT SERVICE	3,762,217	4,308,648	4,986,551	4,811,381
GENERAL FUND TOTAL	22,340,103	23,808,871	26,144,955	26,208,763

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

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	3,984,061	4,157,000	4,791,365	4,977,215
Temporary Salaries	8,445	0	0	0
Acting Out of Class	6,515	6,205	10,700	7,000
Shift Differential	3,132	3,547	3,500	3,800
Sick Leave Bonus	5,300	4,850	7,500	7,000
Overtime	437,211	561,477	442,500	499,500
Holiday Pay	3,653	1,918	4,500	4,500
Meal Allowance	12,535	18,938	19,400	20,550
Clothing Allowance	0	12,281	0	12,950
Standby Pay	166,793	165,475	165,600	170,600
Health Cash Back	4,270	2,400	0	3,360
Accrued Vacation Pay	30,799	(15,693)	0	0
Pension Contribution	179,789	724,812	703,923	716,015
Social Security	280,734	298,779	329,859	342,929
Medicare Tax	65,656	69,875	77,139	80,199
Hospitalization	1,348,797	1,393,815	1,841,083	1,881,097
Life Insurance	18,978	18,750	23,340	24,018
Pension Healthcare	207,150	302,550	328,108	359,455
State Pension Plan - Civilian	54,734	66,723	166,235	179,888
Pension Healthcare - Implicit	778,240	438,111	0	0
Personal Services Adjustment	0	0	(2,051)	(2,110)
TOTAL PERSONAL SERVICES	7,596,792	8,231,813	8,912,701	9,287,966

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

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Printing & Advertising	45,055	57,269	63,900	63,900
Communications & Utilities	878,158	856,402	1,013,440	1,039,036
Transportation	7,297	9,546	10,800	10,800
Rentals	540	700	10,760	760
Contracted Maintenance Repairs	5,974,413	9,433,289	8,385,225	7,649,250
Professional Fees	3,155,470	3,556,142	3,761,000	3,853,000
Other Fees	310,583	272,951	413,000	413,000
Memberships & Registrations	47,604	49,812	62,770	67,770
Miscellaneous Services	21,417,400	21,515,962	22,000,513	23,030,134
Office & General Supplies	11,292	10,431	12,600	12,600
Wearing Apparel & Safety Supplies	30,927	33,545	39,800	45,800
Miscellaneous Parts	920,165	839,471	836,500	824,500
Petroleum & Chemicals	656,424	719,857	786,000	786,000
Construction & Repairs	319,202	278,878	547,500	547,500
Supporting Services	4,096,325	4,205,122	4,415,056	5,943,324
Equipment	365,081	366,423	442,200	449,200
Testing and Inspection	3,895	7,500	8,000	8,000
Community Activities	144,222	131,572	85,000	177,000
TOTAL M., S. & E.	38,384,053	42,344,872	42,894,064	44,921,574
 INTERNAL SERVICES				
Administrative Services	1,873,512	1,767,932	2,060,463	631,284
Self-Insurance	2,099,205	1,192,017	870,241	893,460
TOTAL INTERNAL SERVICES	3,972,717	2,959,949	2,930,704	1,524,744
 DEBT SERVICE				
Amortized Bond Issuance Costs	0	0	0	0
Interest Payments	6,495,711	5,574,779	7,245,766	6,257,777
TOTAL DEBT SERVICE	6,495,711	5,574,779	7,245,766	6,257,777
 OTHER				
Depreciation	9,253,548	8,989,575	7,635,885	8,989,575
TOTAL OTHER	9,253,548	8,989,575	7,635,885	8,989,575
 WATER/SEWER FUND TOTAL	 65,702,821	 68,100,988	 69,619,120	 70,981,636

DEPARTMENT: PUBLIC WORKS

FUND: MOTOR VEHICLE

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Communications & Utilities	27,334	17,956	35,000	35,000
Transportation	4,160	4,650	8,200	8,200
Rentals	0	55,100	55,100	55,100
Contracted Maintenance Repairs	613,152	651,887	791,000	856,000
Professional Fees	84,303	95,473	60,000	60,000
Memberships & Registrations	1,452	1,560	2,300	2,300
Miscellaneous Services	1,925,172	2,115,660	2,009,000	2,066,912
Miscellaneous Parts	2,703	4,401	8,500	8,500
Petroleum & Chemicals	706,684	885,744	1,000,000	1,000,000
Fixed Assets	2,732,788	4,189,265	3,500,000	4,500,000
TOTAL M., S. & E.	6,097,748	8,021,696	7,469,100	8,592,012
<u>INTERNAL SERVICES</u>				
Administrative Services	197,441	159,887	85,153	87,608
Self-Insurance	357,292	307,819	156,338	160,246
TOTAL INTERNAL SERVICES	554,733	467,706	241,491	247,854
<u>DEBT SERVICE</u>				
Amortized Bond Issuance Costs	0	0	0	0
Interest Payments	202,045	218,710	177,957	145,924
TOTAL DEBT SERVICE	202,045	218,710	177,957	145,924
<u>OTHER</u>				
Capitalized Expenditures	(2,622,148)	(3,704,207)	(3,500,000)	(4,500,000)
Depreciation	3,131,442	3,091,963	3,228,596	3,228,596
TOTAL OTHER	509,294	(612,244)	(271,404)	(1,271,404)
MOTOR VEHICLE FUND TOTAL	7,363,820	8,095,868	7,617,144	7,714,386

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

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Communications & Utilities	1,071,213	1,055,870	1,070,165	1,260,608
Contracted Maintenance	0	0	0	0
TOTAL M., S. & E.	1,071,213	1,055,870	1,070,165	1,260,608
 MUNICIPAL STREET AID TOTAL	 1,071,213	 1,055,870	 1,070,165	 1,260,608



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 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 partners with other City departments, government agencies, the private sector, and other organizations that share its goals.

PRIORITIES FOR FISCAL YEAR 2020
<ul style="list-style-type: none">• Actively coordinate with the 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 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 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

TOTAL ALL FUNDS	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	990,051	911,399	1,128,892	1,137,142
Materials, Supplies & Equipment	367,275	385,936	617,900	1,077,900
Internal Services	245,484	242,034	270,517	47,283
Debt Service	1,197,790	899,610	858,173	731,820
Special Purpose	2,235,921	1,860,234	2,800,866	1,866,297
TOTAL	5,036,521	4,299,213	5,676,348	4,860,442
STAFFING LEVELS	11.00	11.00	11.00	11.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	264,890	152,293	157,772	165,932
Materials, Supplies & Equipment	224,492	232,044	480,000	894,000
Internal Services	245,484	242,034	270,517	47,283
Debt Service	1,197,790	899,610	858,173	731,820
TOTAL	1,932,656	1,525,981	1,766,462	1,839,035
STAFFING LEVELS	1.48	1.48	1.48	1.48

COMMUNITY DEVELOPMENT	ACTUAL	ACTUAL	BUDGET	APPROVED
BLOCK GRANT FUND (CDBG)	FY 2017	FY 2018	FY 2019	FY 2020
DEPT OF REAL ESTATE & HOUSING	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	638,740	659,868	896,290	896,135
Materials, Supplies & Equipment	142,783	153,892	137,900	183,900
Special Purpose	1,208,780	686,702	1,295,659	622,734
TOTAL	1,990,303	1,500,462	2,329,849	1,702,769
STAFFING LEVELS	8.81	8.81	8.81	8.81

HOME INVESTMENT PARTNERSHIPS	ACTUAL	ACTUAL	BUDGET	APPROVED
PROGRAM FUND	FY 2017	FY 2018	FY 2019	FY 2020
DEPT OF REAL ESTATE & HOUSING	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	32,974	55,035	39,168	40,211
Special Purpose	167,301	351,546	632,640	370,798
TOTAL	200,275	406,581	671,808	411,009
STAFFING LEVELS	0.41	0.41	0.41	0.41

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	16,478	31,892	20,208	19,318
Special Purpose	682,499	653,196	705,406	703,846
TOTAL	698,977	685,088	725,614	723,164
STAFFING LEVELS	0.17	0.17	0.17	0.17

EMERGENCY SOLUTIONS GRANT (ESG)	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	13,280	12,311	15,454	15,546
Special Purpose	177,341	168,790	167,161	168,919
TOTAL	190,621	181,101	182,615	184,465
STAFFING LEVELS	0.13	0.13	0.13	0.13

NEIGHBORHOOD STABILIZATION PROGRAM GRANT (NSP)	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	23,689	0	0	0
TOTAL	23,689	0	0	0
STAFFING LEVELS	0.00	0.00	0.00	0.00

DE-LEAD GRANT	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	0	0	0	0
TOTAL	0	0	0	0
STAFFING LEVELS	0.00	0.00	0.00	0.00

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

- Personal Services increased by \$10,043, largely because of a citywide 2% COLA and an increase in Regular Salaries from the previous year.
- In MS&E, Miscellaneous Projects increased by \$414,800, \$400,000 of which will support Wilmington's Beautiful City Initiative (WBCI). Launched in 2017, WBCI is a sustained drive by City government and the community to clean the City and keep it clean. The \$400,000 increase will be used to hire local residents to clean streets and neighborhoods, providing them with an opportunity to earn money throughout the summer while providing an important benefit for the entire city.
- Debt Service decreased by \$126,353 per the existing debt service schedule.

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

- The Department's CDBG award is \$192,197 (26.9%) lower than last year's allocation.
- Despite a citywide 2% COLA, Personal Services decreased by \$155 due to the departure of two employees with City Pensions and the addition of two employees with State Pensions.
- MS&E increased by 33.4% due to a \$45,000 increase in Consultants, which will fund staff support for HUD-funded programs.

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

- Collectively, the HOME, HOPWA, and ESG grant funds decreased by a net \$94,394 (6%), largely due to a smaller award in the HOME fund.

DEPARTMENT OF REAL ESTATE & HOUSING

STRATEGIC PLAN

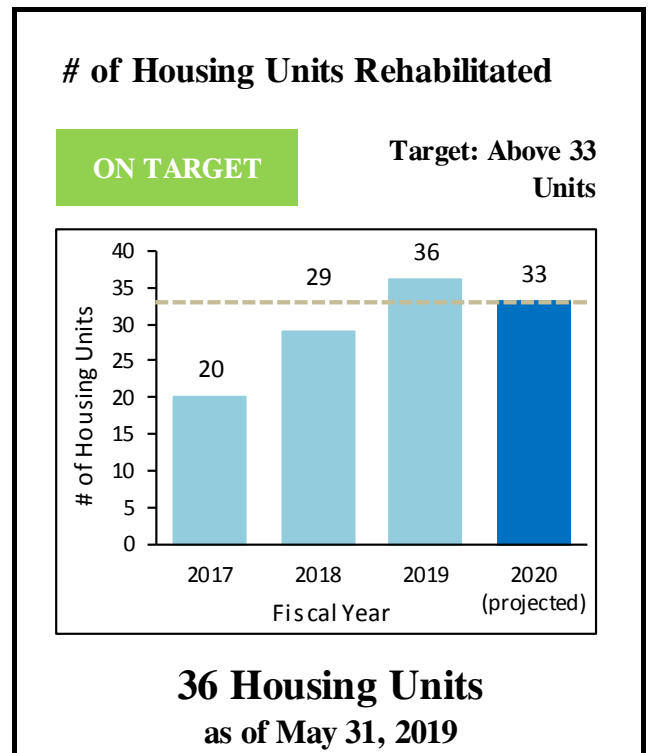
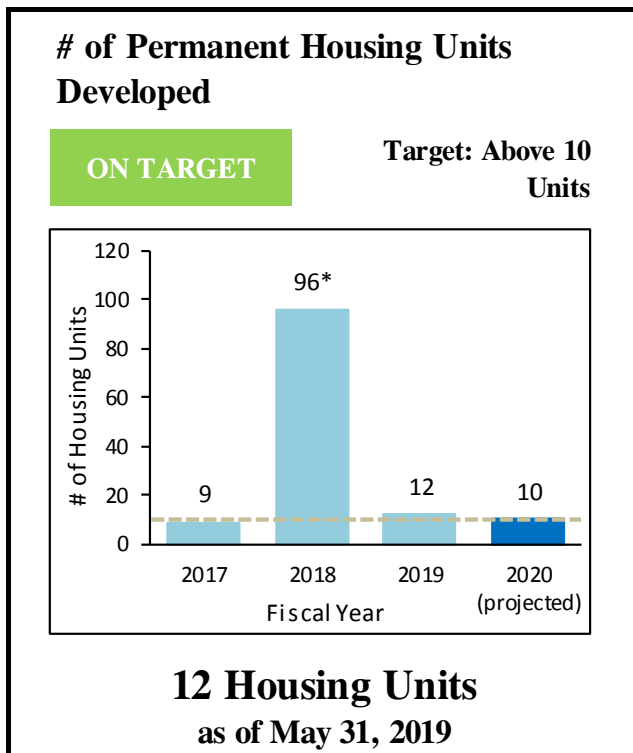
The Department is committed to developing inclusive programs that address the needs of the City’s residential neighborhoods, so that current and future residents receive decent, safe and affordable housing opportunities that are available to current and future residents.

Current data for the goals and objectives listed below may be found on the Real Estate & Housing OpenGov story page at <http://bit.ly/WDe19OG>.

Focus Area: Quality of Life

CITY-WIDE GOAL #17: Improve Housing Quality.

Objective 1: Increase the number of permanent housing units available for low/moderate income families/individuals through the development of new quality housing stock and the rehabilitation of existing units.



*FY 2018 reflects the completion of two Low Income Housing Tax Credit projects containing a total of 88 housing units.

Note: Given the lead time necessary to move a new housing development project from conception to occupancy, success will be measured by the commitment of funds to a project.

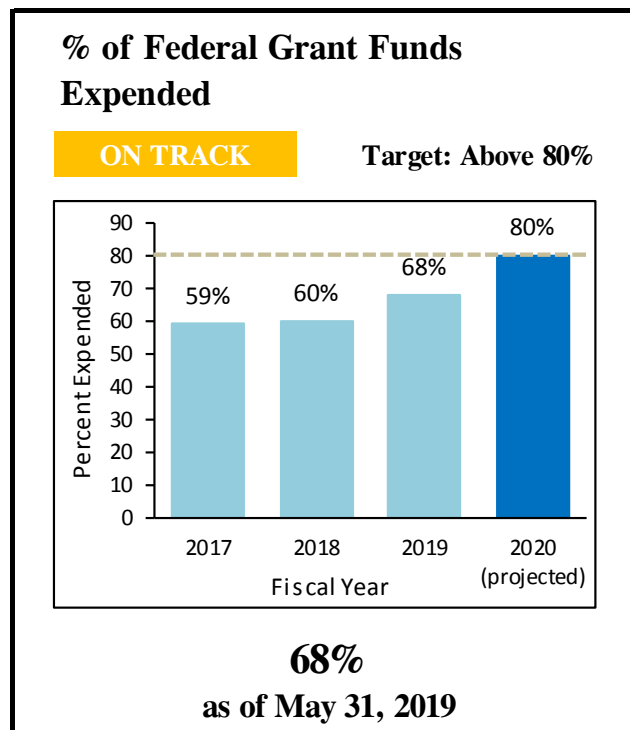
DEPARTMENT OF REAL ESTATE & HOUSING

STRATEGIC PLAN

Focus Area: Quality of Life

CITY-WIDE GOAL #17: Enhance City Services.

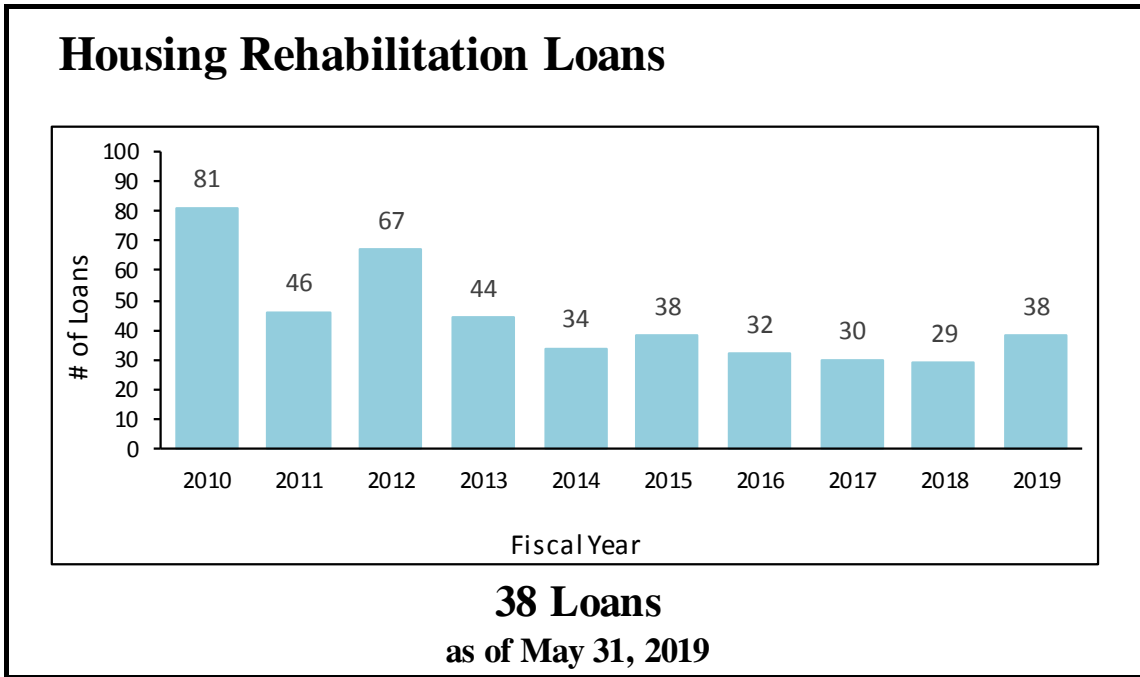
Objective 1: Expend at least 80% of federal grant funds awarded by the United States Department of Housing and Urban Development (HUD) within the fiscal year they were awarded.



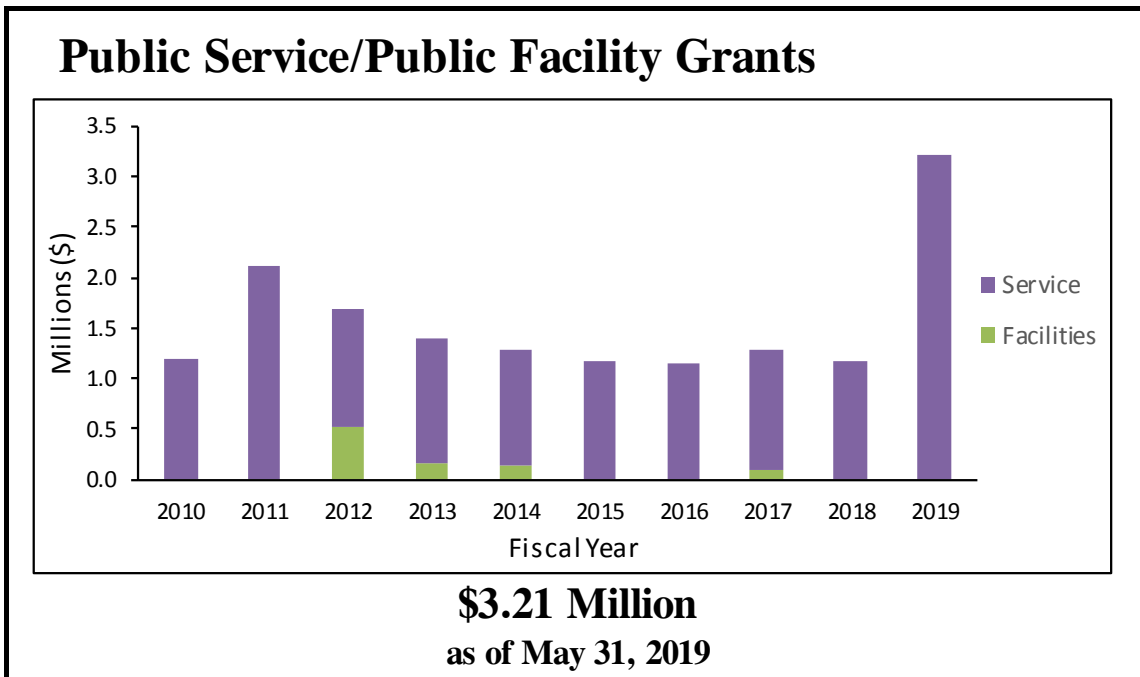
Note: Federal grants complement the development of housing by funding services necessary for communities to thrive. The Department of Real Estate & Housing has chosen to measure the percentage of funds expended within the fiscal year they were awarded because numerous outside groups rely on the prompt receipt of this funding to address a multitude of needs in the City’s communities.

DEPARTMENT OF REAL ESTATE AND HOUSING

PERFORMANCE TRENDS



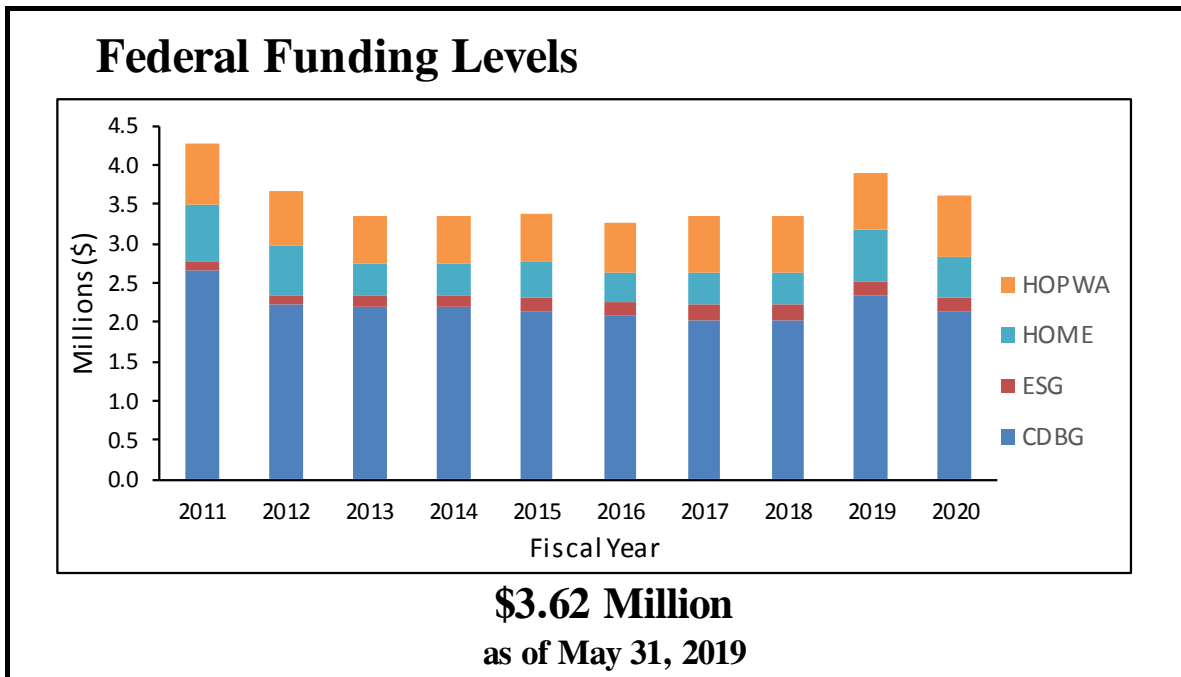
The above chart does not include new construction, homeownership, or rental housing loans and grants to developers.



The above chart represents federally-funded public services and administration grants.

DEPARTMENT OF REAL ESTATE AND HOUSING

PERFORMANCE TRENDS



Federal funding decreased by a net \$287,389 from the previous year. The majority of this decrease was in the CDBG award, which is \$192,197 lower than FY 2019.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: REAL ESTATE & HOUSING

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	173,831	88,937	108,128	118,171
Temporary Salaries	0	0	0	0
Sick Leave Bonus	300	0	0	0
Overtime	0	0	0	0
Pension Contribution	40,687	15,697	16,918	18,299
Social Security	10,391	5,062	6,589	7,042
Medicare Tax	3,785	3,513	1,540	1,647
Hospitalization	26,847	16,899	25,210	20,716
Life Insurance	1,215	286	356	356
Pension Healthcare	5,741	19,064	4,807	5,118
State Pension Plan - Civilian	2,093	2,835	3,158	3,776
Personal Services Adjustment	0	0	0	0
Attrition	0	0	(8,934)	(9,193)
TOTAL PERSONAL SERVICES	264,890	152,293	157,772	165,932
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	2,052	67	2,000	1,600
Printing & Advertising	1,570	218	2,000	1,600
Miscellaneous Services	5,895	5,232	6,000	6,000
Contracted Maintenance	0	0	0	0
Professional Fees	0	0	0	0
Community Activities	214,975	226,527	470,000	884,800
TOTAL M., S. & E	224,492	232,044	480,000	894,000
 <u>INTERNAL SERVICES</u>				
Administrative Services	240,666	239,261	268,450	45,161
Self-Insurance	4,818	2,773	2,067	2,122
TOTAL INTERNAL SERVICES	245,484	242,034	270,517	47,283
 <u>DEBT SERVICE</u>				
Principal Payments	849,478	597,949	587,459	392,283
Interest Payments	348,312	301,661	270,714	339,537
TOTAL DEBT SERVICE	1,197,790	899,610	858,173	731,820

DEPARTMENT: REAL ESTATE & HOUSING

FUND: CDBG

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	381,884	401,708	526,387	548,998
Temporary Salaries	0	0	0	40,000
Acting Out of Classification	0	0	0	0
Health Cash Back	10	0	0	0
Pension Contribution	95,475	90,524	105,984	80,147
Social Security	23,072	23,591	31,831	35,338
Medicare Tax	5,396	7,929	7,445	8,266
Hospitalization	113,692	113,620	184,055	131,984
Life Insurance	1,617	1,144	2,097	2,110
Pension Healthcare	16,584	18,103	28,634	30,464
State Pension Plan - Civilian	1,010	3,249	9,857	18,828
Personal Services Adjustment	0	0	0	0
TOTAL PERSONAL SERVICES	638,740	659,868	896,290	896,135

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	1,525	1,214	3,700	3,700
Communications & Utilities	50	180	500	500
Transportation	904	1,568	8,500	8,500
Rentals	0	0	600	600
Professional Fees	118,908	129,944	100,000	145,000
Other Fees	0	0	0	0
Memberships & Registrations	1,879	2,150	6,600	5,600
Miscellaneous Services	6,987	5,528	5,500	5,500
Office & General Supplies	1,400	4,793	2,500	2,500
Wearing Apparel & Safety	4,653	5,290	6,000	6,000
Equipment	6,477	3,225	4,000	6,000
TOTAL M., S. & E.	142,783	153,892	137,900	183,900

SPECIAL PURPOSE

Grants & Fixed Charges	1,208,780	686,702	1,295,659	622,734
TOTAL SPECIAL PURPOSE	1,208,780	686,702	1,295,659	622,734

DEPARTMENT: REAL ESTATE & HOUSING

FUND: CDBG

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Above Xpectations			11,847	2,938
Catholic Charities			15,078	19,584
Catholic Charities-Bayard House			16,155	14,688
Challenge Program			39,849	32,871
Christiana Cultural Arts Center Inc.			25,848	21,543
Correct a Code Violation Program			0	300,000
DE Center for Homeless Veterans, Inc.			10,770	9,792
DE Community Reinvestment Action Council			5,385	2,938
DE Ecumenical Council on Children and Families			0	2,448
DE Division of Social Services			0	9,792
Delaware Futures, Inc.			5,385	9,792
Delaware Center for Horticulture Street Trees			72,167	72,000
Disposition Program Delivery			0	82,632
Duffy's Hope			5,385	0
HOND			0	4,896
Family Counseling of St. Paul			0	4,896
Fair Housing			10,000	10,000
Ingleside Housing Project			80,000	100,000
Interfaith - Homeownership Center			5,385	0
LACC - Homeless Prevention			24,233	4,896
LACC - Evening Enrichment Program			4,308	4,896
Lutheran Community Services			24,233	0
Ministry of Caring - House of Joseph I			24,233	14,688
Miscellaneous Housing Projects			616,303	361,284
Neighborhood House, Inc.			10,645	10,000
Salvation Army			5,385	9,792
STEHM, Inc.			5,385	4,896
Sojourners Place			16,155	4,896
Tech Impact - IT Works Technology			10,770	9,792
WEDCO Loan Collections			3,000	3,000
West Side Grows Together			0	4,407
West End Neighborhood House			20,463	24,481
YMCA Teen and Male Residence			16,155	12,730
YWCA Delaware			37,695	34,158
Wilmington HOPE Commission			10,770	18,116
Wilmington Placemakers Inc.			0	7,344
Budget Control			162,672	(607,452)
FY2017 Expenditures	1,208,780			
FY2018 Expenditures		686,702		
TOTAL GRANTS & FIXED CHARGES	1,208,780	686,702	1,295,659	622,734

DEPARTMENT: REAL ESTATE & HOUSING

FUND: HOME PARTNERSHIP

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	19,838	35,387	25,475	25,985
Health Cash Back	0	0	0	0
Pension Contribution	6,518	8,836	6,649	7,172
Social Security	1,112	2,101	1,547	1,480
Medicare Tax	260	491	362	346
Hospitalization	4,008	6,450	3,704	3,712
Life Insurance	96	153	98	98
Pension Healthcare	1,142	1,617	1,333	1,418
Personal Services Adjustment	0	0	0	0
TOTAL PERSONAL SERVICES	32,974	55,035	39,168	40,211
 SPECIAL PURPOSE				
Grants & Fixed Charges	167,301	351,546	632,640	370,798
TOTAL SPECIAL PURPOSE	167,301	351,546	632,640	370,798
 HOME PARTNERSHIP FUND TOTAL	 200,275	 406,581	 671,808	 411,009

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
CHDO Set-aside			82,968	0
Compton Towne Apartments			0	150,000
Cornerstone West CDC			0	110,000
Penrose LLC			0	120,798
HOME Proposed Housing Projects			414,346	1,998
Budget Control			135,326	(11,998)
Contingent Reserves	1,134			
FY2017 Expenditures	166,167			
FY2018 Expenditures		351,546		
TOTAL GRANTS & FIXED CHARGES	167,301	351,546	632,640	370,798

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	9,024	19,361	11,207	13,872
Pension Contribution	2,418	4,682	2,925	0
Social Security	538	1,173	674	827
Medicare Tax	126	274	158	193
Hospitalization	3,948	5,529	4,650	3,797
Life Insurance	29	43	41	41
Pension Healthcare	395	830	553	588
Personal Services Adjustment	0	0	0	0
TOTAL PERSONAL SERVICES	16,478	31,892	20,208	19,318
SPECIAL PURPOSE				
Grants & Fixed Charges	682,499	653,196	705,406	703,846
TOTAL SPECIAL PURPOSE	682,499	653,196	705,406	703,846
HOPWA FUND TOTAL	698,977	685,088	725,614	723,164

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Catholic Charities			61,155	10,213
Cecil County Emergency Housing			41,536	36,768
Delaware HIV Services, Inc.			585,700	647,530
Ministry of Caring-House of Joseph II			61,155	71,030
Budget Control			(44,140)	(61,695)
FY2016 Expenditures	682,499			
FY2017 Expenditures		653,196		
TOTAL GRANTS & FIXED CHARGES	682,499	653,196	705,406	703,846

DEPARTMENT: REAL ESTATE & HOUSING

FUND: EMERGENCY SHELTER GRANT

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	7,479	6,979	8,570	10,608
Pension Contribution	1,851	1,737	2,237	772
Social Security	450	418	516	633
Medicare Tax	105	98	121	148
Hospitalization	3,066	2,767	3,556	2,904
Life Insurance	26	28	31	31
Pension Healthcare	303	284	423	450
Personal Services Adjustment	0	0	0	0
TOTAL PERSONAL SERVICES	13,280	12,311	15,454	15,546
 SPECIAL PURPOSE				
Grants & Fixed Charges	177,341	168,790	167,161	168,919
TOTAL SPECIAL PURPOSE	177,341	168,790	167,161	168,919
 EMERGENCY SOLUTIONS GRANT				
FUND TOTAL	190,621	181,101	182,615	184,465

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Family Promise			17,093	17,212
Housing Alliance Delaware			40,042	37,217
Ministry of Caring			20,038	25,187
The Salvation Army			15,023	13,640
YWCA Delaware-Rapid Re-Housing			77,004	77,960
Budget Control			(2,039)	(2,297)
FY2017 Expenditures	177,341			
FY2018 Expenditures		181,101		
TOTAL GRANTS & FIXED CHARGES	177,341	181,101	167,161	168,919

DEPARTMENT: REAL ESTATE & HOUSING FUND: NEIGHBORHOOD STABILIZATION PROGRAM

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	14,624	0	0	0
Pension Contribution	3,730	0	0	0
Social Security	886	0	0	0
Medicare Tax	207	0	0	0
Hospitalization	3,630	0	0	0
Life Insurance	53	0	0	0
Pension Healthcare	559	0	0	0
TOTAL PERSONAL SERVICES	23,689	0	0	0
NEIGHBORHOOD STABILIZATION PROGRAM FUND TOTAL	23,689	0	0	0

DEPARTMENT: REAL ESTATE & HOUSING

FUND: DE-LEAD

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	0	0	0	0
Temporary Salaries	0	0	0	0
Overtime	0	0	0	0
Pension Contribution	0	0	0	0
Social Security	0	0	0	0
Medicare Tax	0	0	0	0
Hospitalization	0	0	0	0
Life Insurance	0	0	0	0
State Pension Plan - Civilian	0	0	0	0
Pension Healthcare	0	0	0	0
TOTAL PERSONAL SERVICES	0	0	0	0
DE-LEAD GRANT FUND TOTAL	0	0	0	0



DEPARTMENT OF COMMERCE

Prior to its restructuring in 1995, the Department of Commerce in the Commerce Fund was responsible for promoting and developing commerce and industry within the City of Wilmington. In addition, the Department managed and marketed the Port of Wilmington (the “Port”) 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 to the State of Delaware, effective September 1, 1995. Although the City retained the debt of the Commerce Fund, the State agreed to reimburse the City for both principle and interest, along with a “mortgage” payment based on a 30-year amortization of the sale price.

In February of 2002, under a new agreement with the State, the City received a lump sum payment of \$8 million from the State Transportation Fund, which eliminated all future outstanding mortgage payments. As a result, all future annual amortized gain figures were recalculated and re-amortized from FY 2002 to FY 2005. The State’s reimbursement of the City’s debt was not affected by this new agreement.

In FY 2009, the remaining balance of the City’s 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.

In 2018, the State entered into a long-term Port lease agreement with Gulftainer, and subsequently provided the City with full payment for the outstanding debt. The City has amortized these funds and will continue to budget debt reimbursement payments for the remaining life of the associated bonds.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF COMMERCE

TOTAL ALL FUNDS DEPARTMENT OF COMMERCE	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Debt Service	1,290,546	504,473	910,954	720,226
TOTAL	1,290,546	504,473	910,954	720,226
STAFFING LEVELS	0.00	0.00	0.00	0.00

GENERAL FUND DEPARTMENT OF COMMERCE	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Debt Service	1,290,546	504,473	910,954	720,226
TOTAL	1,290,546	504,473	910,954	720,226
STAFFING LEVELS	0.00	0.00	0.00	0.00

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: COMMERCE

FUND: GENERAL

	ACTUAL	ACTUAL	BUDGET	APPROVED
DEBT SERVICE	FY 2017	FY 2018	FY 2019	FY 2020
Principal Payments	1,063,581	320,439	749,639	588,328
Interest Payments	226,965	184,034	161,315	131,898
TOTAL DEBT SERVICE	1,290,546	504,473	910,954	720,226
GENERAL FUND TOTAL	1,290,546	504,473	910,954	720,226

DEPARTMENT OF INFORMATION TECHNOLOGIES

The mission of the Department of Information Technologies (DoIT) is to enable technology to increase the effectiveness and efficiency of services for the employees and citizens of the City of Wilmington. The Department strives to provide a secure, efficient, and flexible environment that will enhance the productivity of the City's workforce.

DoIT consists of six divisions, including Data Processing, Document Management, Mail Service, Duplication & Printing, Mapping & Graphics, and Communications.

PRIORITIES FOR FISCAL YEAR 2020
<ul style="list-style-type: none"> • Support the Mayor's Office by maintaining an accessible, interactive and responsive E-Government platform for citizen engagement. • Provide a secure, reliable, and stable computing environment for City Employees. • Continue to employ cost-effective and innovative Enterprise solutions while leveraging Cloud technologies strategically. • Invest in solutions to increase employee Cyber-Security awareness and computing skills to create a skilled workforce for the future.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF INFORMATION TECHNOLOGIES

TOTAL ALL FUNDS DEPARTMENT OF INFORMATION TECHNOLOGIES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Personal Services	0	0	0	2,249,219
Materials, Supplies & Equipment	0	0	0	6,001,530
Internal Services	0	0	0	0
Debt Service	0	0	0	326,905
Special Purpose	0	0	0	0
Depreciation	0	0	0	0
TOTAL	0	0	0	8,577,654
STAFFING LEVELS	0.00	0.00	0.00	22.00

SUMMARY OF FUNDING FOR THE DEPARTMENT OF INFORMATION TECHNOLOGIES

GENERAL FUND DEPARTMENT OF INFORMATION TECHNOLOGIES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Personal Services	0	0	0	2,249,219
Materials, Supplies & Equipment	0	0	0	6,001,530
Internal Services	0	0	0	0
Debt Service	0	0	0	326,905
Depreciation	0	0	0	0
TOTAL	0	0	0	8,577,654
STAFFING LEVELS	0.00	0.00	0.00	22.00

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

- The elimination of administrative Internal Services chargebacks and the creation of a new Department of Information Technologies resulted in the following changes:
 - A \$9,312,859 total decrease from FY 2019 to the Internal Services Funds and a net increase of \$8,577,654 to the General Fund. This increase is offset by the removal of departmental internal services chargebacks (approximately \$6.5 million citywide) and an increase of approximately \$2.1 million in Indirect Cost revenue from the Water/Sewer Fund. Thus, the net effect of the new department on the General Fund's bottom line is zero.
 - A decrease of 21 positions in the Internal Services Funds and an increase of 21 positions in the General Fund. The net effect on the City's total number of positions is zero.
 - The Internal Services Funds were accounted for on an accrual basis, which uses Depreciation to account for the cost of fixed assets. Because the General Fund is accounted for on a modified cash basis, which relies on Debt Service to account for fixed assets, Depreciation was reduced from \$931,394 to zero. Likewise, Debt Service increased by a net of \$29,856 with the addition of \$78,936 in principal payments.
- Personal Services increased by \$179,606, partially due to a citywide 2% COLA. In addition, the following changes were made:
 - Seven positions were upgraded during the biennial appeals process, leading to a total increase of \$10,028.
 - One position was upgraded from an Information Help Desk Engineer to a Senior Information Desktop Engineer, leading to an increase of \$5,563.
 - One Information Help Desk Engineer position was added, leading to an increase of \$94,356 and bringing the total number of positions in the Department to 22.
- Communications & Utilities decreased by \$173,800 due to direct postage charges for monthly water/sewer billing being moved to the Department of Finance in the Water/Sewer Fund.
- Repairs to Mechanical Office Equipment increased by \$74,700 largely because of rising costs associated with the City's timekeeping and emergency backup systems.
- Professional Fees increased by a total of \$341,600. This is largely due to a \$300,600 increase to Consultants, which is earmarked for additional Helpdesk management support, application development support, and projects in the Department of Licenses & Inspections (L&I).
- A new server is needed to store digitized records in L&I, leading to a \$75,626 increase to Other Noncapitalized Equipment and a net increase of \$56,126 to the Equipment line.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: INFORMATION TECHNOLOGIES

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Regular Salaries	0	0	0	1,367,711
Temporary Salaries	0	0	0	0
Acting Out of Class	0	0	0	0
Sick Leave Bonus	0	0	0	0
Overtime	0	0	0	5,000
Meal Allowance	0	0	0	0
Health Cash Back	0	0	0	2,160
Pension Contribution	0	0	0	293,456
Social Security	0	0	0	81,490
Medicare Tax	0	0	0	19,059
Hospitalization	0	0	0	372,764
Life Insurance	0	0	0	5,249
Pension Healthcare	0	0	0	76,076
State Pension Plan - Civilian	0	0	0	26,254
Accrued Sick/Vacation	0	0	0	0
Personal Services Adjustment	0	0	0	0
TOTAL PERSONAL SERVICES	0	0	0	2,249,219
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	0	0	0	73,300
Communications & Utilities	0	0	0	1,230,530
Transportation	0	0	0	8,500
Rentals of Office Equipment	0	0	0	120,621
Contracted Maintenance Repairs	0	0	0	848,699
Professional Fees	0	0	0	1,966,600
Memberships & Registrations	0	0	0	73,000
Miscellaneous Services	0	0	0	59,120
Office & General Supplies	0	0	0	149,060
Uniforms & Related Equipment	0	0	0	7,000
Miscellaneous Parts	0	0	0	77,000
Equipment	0	0	0	1,388,100
Fixed Assets	0	0	0	0
Capitalized Exps - Op.	0	0	0	0
TOTAL M., S. & E.	0	0	0	6,001,530
 <u>INTERNAL SERVICES</u>				
Administrative Services	0	0	0	0
Self-Insurance	0	0	0	0
TOTAL INTERNAL SERVICES	0	0	0	0

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: INFORMATION TECHNOLOGIES

FUND: GENERAL

DEBT SERVICE	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	APPROVED FY 2020
Amortization	0	0	0	296,863
Interest Payment	0	0	0	30,042
TOTAL DEBT SERVICE	0	0	0	326,905
DEPRECIATION				
Depreciation	0	0	0	0
TOTAL DEPRECIATION	0	0	0	0
GENERAL FUND TOTAL	0	0	0	8,577,654



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 2020 - FY 2025 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 2020 - FY 2025

The six year Capital Budget and Capital Improvements Program, as presented in City Planning Commission Resolution 5-19, totals \$276,490,105, with a FY 2020 Capital Budget in the amount of \$79,833,910 and the additional five year program adding \$196,656,195. 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 \$4,139,035. 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.

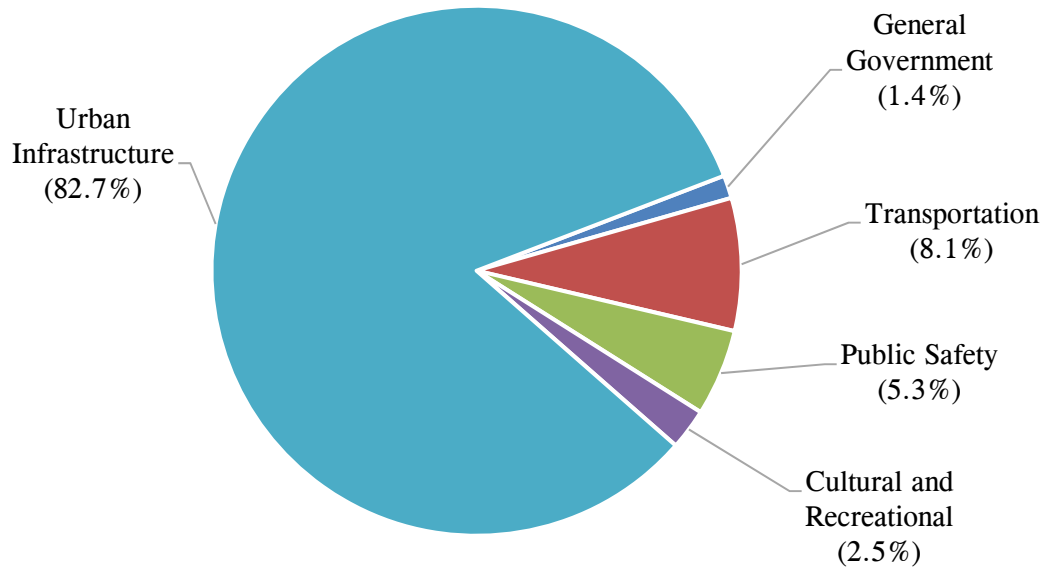
Estimated Annual Impact of Capital Spending on the Operating Budget

Department	Fund	Debt Service*	Personal Services	M. S. & E.	Total
Finance	General	\$23,793	\$0	\$0	\$23,793
	Water/Sewer	27,306	0	0	27,306
Fire	General	224,171	0	(15,000)	209,171
Mayor's Office	General	101,848	0	0	101,848
Parks & Recreation	General	149,447	0	(2,000)	147,447
Police	General	90,416	0	0	90,416
Public Works	General	672,513	0	(37,500)	635,013
	Water/Sewer	2,184,500	0	(164,500)	2,020,000
Real Estate & Housing	General	328,784	0	0	328,784
Transportation	General	336,257	0	20,000	356,257
TOTAL		\$4,139,035	\$0	(\$199,000)	\$3,940,035

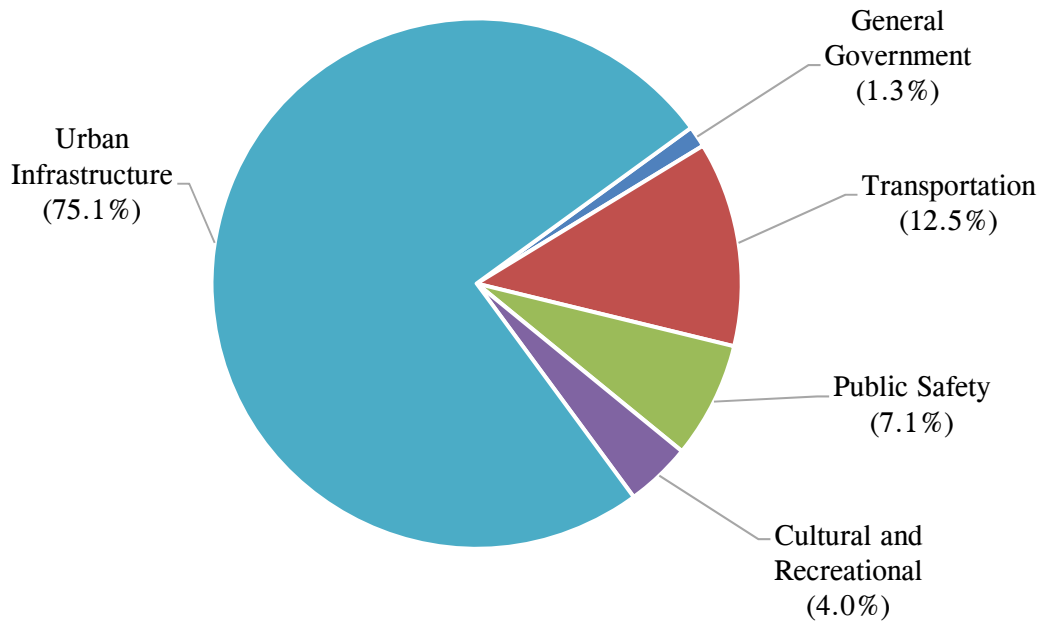
Fund	Debt Service*	Personal Services	M. S. & E.	Total
General	\$1,927,229	\$0	(\$34,500)	\$1,892,729
Water / Sewer	2,211,806	0	(164,500)	2,047,306
TOTAL	\$4,139,035	\$0	(\$199,000)	\$3,940,035

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

Capital Program Allocations FY 2020



Capital Program Allocations FY 2021 - FY 2025



**Capital Improvements Program
Fiscal Years 2020 - 2025**

Summary: Total Funds Recommended by Fiscal Year and Department

Department	Type of Funding	Fiscal Year					Total City Funds	Total City / Matching Funds
		2020	2021	2022	2023	2024		
Finance	G	318,410	0	505,790	0	429,530	1,253,730	1,253,730
	W	642,500	0	722,500	0	572,500	1,937,500	1,937,500
Fire	G	3,000,000	0	10,500,000	0	5,000,000	18,500,000	18,500,000
Mayor's Office	G	1,363,000	0	2,601,000	0	2,603,000	6,567,000	6,567,000
Parks	G	2,000,000	0	4,362,500	0	4,759,375	11,121,875	11,121,875
Police	G	1,210,000	0	0	0	0	1,210,000	1,210,000
Public Works	G	9,000,000	0	10,500,000	0	10,500,000	30,000,000	30,000,000
	W	51,400,000	0	57,800,000	0	45,800,000	155,000,000	155,000,000
Real Estate and Housing	G	4,400,000	0	6,000,000	0	6,000,000	16,400,000	16,400,000
Transportation	G	4,500,000	0	6,500,000	0	5,500,000	16,500,000	16,500,000
	O	2,000,000	0	8,000,000	0	8,000,000	0	18,000,000
Total by Fund	G	25,791,410	0	40,969,290	0	34,791,905	101,552,605	101,552,605
	O	2,000,000	0	8,000,000	0	8,000,000	0	18,000,000
	W	52,042,500	0	58,522,500	0	46,372,500	156,937,500	156,937,500
Grand Total		79,833,910	0	107,491,790	0	89,164,405	258,490,105	276,490,105

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

**Capital Improvements Program
Fiscal Years 2020 - 2025**

Summary: Total Funds Recommended by Expenditure Category

Department	Expend. Category	Fiscal Year					Total City Funds	Total City / Matching Funds
		2020	2021	2022	2023	2024		
Finance	NR	15,624	0	34,530	0	65,950	116,104	116,104
	RE	206,249	0	293,750	0	193,750	693,749	693,749
	UE	739,037	0	900,010	0	742,330	2,381,377	2,381,377
Fire	NR	1,000,000	0	2,500,000	0	5,000,000	8,500,000	8,500,000
	RE	2,000,000	0	8,000,000	0	0	10,000,000	10,000,000
Mayor's Office	UE	1,363,000	0	2,601,000	0	2,603,000	6,567,000	6,567,000
Parks	NR	100,000	0	262,500	0	275,625	638,125	638,125
	UE	1,900,000	0	4,100,000	0	4,483,750	10,483,750	10,483,750
Police	NR	150,000	0	0	0	0	150,000	150,000
	UE	1,060,000	0	0	0	0	1,060,000	1,060,000
Public Works	RE	14,500,000	0	15,500,000	0	15,500,000	45,500,000	45,500,000
	UE	45,900,000	0	52,800,000	0	40,800,000	139,500,000	139,500,000
Real Estate and Housing	UE	4,400,000	0	6,000,000	0	6,000,000	16,400,000	16,400,000
Transportation	UE	6,500,000	0	14,500,000	0	13,500,000	16,500,000	34,500,000
Total by Expenditure Category	NR	1,265,624	0	2,797,030	0	5,341,575	9,404,229	9,404,229
	RE	16,706,249	0	23,793,750	0	15,693,750	56,193,749	56,193,749
	UE	61,862,037	0	80,901,010	0	68,129,080	192,892,127	210,892,127
Grand Total		79,833,910	0	107,491,790	0	89,164,405	258,490,105	276,490,105

Expenditure Category: NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing. See [page 255](#) for detailed descriptions of categories.

**Capital Improvements Program
Fiscal Years 2020 - 2025**

Finance Department - Program Recommendations by Fiscal Year

Project	Expend. Category	Type of Funding	Fiscal Year					Total City Funds	Total City / Matching Funds	
			2020	2021	2022	2023	2024			2025
Cost of Bond Issue (General Fund)		G	318,410	0	505,790	0	429,530	0	1,253,730	1,253,730
Cost of Bond Issue (Water / Sewer Fund)		W	642,500	0	722,500	0	572,500	0	1,937,500	1,937,500
Total by Fund		G	318,410	0	505,790	0	429,530	0	1,253,730	1,253,730
		W	642,500	0	722,500	0	572,500	0	1,937,500	1,937,500
Total Finance Department Funds			960,910	0	1,228,290	0	1,002,030	0	3,191,230	3,191,230

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental
Bond Issuance Costs projected to be 1.25%

**Capital Improvements Program
Fiscal Years 2020 - 2025**

Fire Department - Program Recommendations by Fiscal Year

Project	Expend. Category	Type of Funding	Fiscal Year					Total City Funds	Total City / Matching Funds
			2020	2021	2022	2023	2024		
Apparatus Replacement	NR	G	1,000,000	0	2,500,000	0	4,250,000	7,750,000	7,750,000
Fire Station Renovations	RE	G	2,000,000	0	8,000,000	0	0	10,000,000	10,000,000
Ambulance Replacement	NR	G	0	0	0	0	750,000	750,000	750,000
Total by Fund		G	3,000,000	0	10,500,000	0	5,000,000	18,500,000	18,500,000
Total Fire Funds			3,000,000	0	10,500,000	0	5,000,000	18,500,000	18,500,000

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental
Expenditure Category: NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing. See [page 255](#) for detailed descriptions of categories.

**Capital Improvements Program
Fiscal Years 2020 - 2025**

Mayor's Office - Program Recommendations by Fiscal Year

Project	Expend. Category	Type of Funding	Fiscal Year					Total City Funds	Total City / Matching Funds	
			2020	2021	2022	2023	2024			2025
Five Percent for Art	UE	G	113,000	0	101,000	0	103,000	0	317,000	317,000
Site Acquisition	UE	G	500,000	0	1,000,000	0	1,000,000	0	2,500,000	2,500,000
Infrastructure and Site Improvements Closing Fund	UE	G	750,000	0	1,500,000	0	1,500,000	0	3,750,000	3,750,000
Total by Fund		G	1,363,000	0	2,601,000	0	2,603,000	0	6,567,000	6,567,000
Total Mayor's Office Funds			1,363,000	0	2,601,000	0	2,603,000	0	6,567,000	6,567,000

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental
Expenditure Category: NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing. See [page 255](#) for detailed descriptions of categories.

**Capital Improvements Program
Fiscal Years 2020 - 2025**

Parks and Recreation - Program Recommendations by Fiscal Year

Project	Expend. Category	Type of Funding	Fiscal Year					Total City Funds	Total City / Matching Funds	
			2020	2021	2022	2023	2024			2025
Park Improvements	UE	G	1,500,000	0	3,025,000	0	3,327,500	0	7,852,500	7,852,500
WHACC Improvements	UE	G	200,000	0	525,000	0	551,250	0	1,276,250	1,276,250
Pool Improvements	UE	G	200,000	0	550,000	0	605,000	0	1,355,000	1,355,000
Plazas, Squares, and Triangles	NR	G	100,000	0	262,500	0	275,625	0	638,125	638,125
Total by Fund		G	2,000,000	0	4,362,500	0	4,759,375	0	11,121,875	11,121,875
Total Parks and Recreation Funds			2,000,000	0	4,362,500	0	4,759,375	0	11,121,875	11,121,875

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental
Expenditure Category: NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing. See [page 255](#) for detailed descriptions of categories.

**Capital Improvements Program
Fiscal Years 2020 - 2025**

Police Department - Program Recommendations by Fiscal Year

Project	Expend. Category	Type of Funding	Fiscal Year					Total City Funds	Total City / Matching Funds	
			2020	2021	2022	2023	2024			2025
Public Safety Building Improvements	UE	G	560,000	0	0	0	0	0	560,000	560,000
Locker Room Improvements and Upgrades	UE	G	500,000	0	0	0	0	0	500,000	500,000
Firearms Range Trailer / Office	NR	G	150,000	0	0	0	0	0	150,000	150,000
Total by Fund		G	1,210,000	0	0	0	0	0	1,210,000	1,210,000
Total Police Department Funds			1,210,000	0	0	0	0	0	1,210,000	1,210,000

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental
Expenditure Category: NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing. See [page 255](#) for detailed descriptions of categories.

**Capital Improvements Program
Fiscal Years 2020 - 2025**

Public Works - Program Recommendations by Fiscal Year

Project	Expend. Category	Type of Funding	Fiscal Year					Total City Funds	Total City / Matching Funds	
			2020	2021	2022	2023	2024			2025
Street Paving and Reconstruction	RE	G	7,000,000	0	8,000,000	0	8,000,000	0	23,000,000	23,000,000
Emergency Sidewalk Repairs	UE	G	500,000	0	1,000,000	0	1,000,000	0	2,500,000	2,500,000
Building Improvements	RE	G	1,500,000	0	1,500,000	0	1,500,000	0	4,500,000	4,500,000
11th Street Sewage Pumping Station Upgrade	UE	W	4,500,000	0	10,000,000	0	5,000,000	0	19,500,000	19,500,000
Annual Minor Sewer Improvements	RE	W	1,500,000	0	1,500,000	0	1,500,000	0	4,500,000	4,500,000
Major Sewer Improvements	RE	W	4,000,000	0	4,000,000	0	4,000,000	0	12,000,000	12,000,000
Annual Water Improvements	UE	W	7,500,000	0	7,500,000	0	7,500,000	0	22,500,000	22,500,000
Porter Filter Plant Improvements	UE	W	4,000,000	0	8,000,000	0	5,000,000	0	17,000,000	17,000,000
Hoopes Dam	UE	W	3,000,000	0	4,000,000	0	0	0	7,000,000	7,000,000
Transmission Main Improvements	UE	W	4,000,000	0	4,000,000	0	4,000,000	0	12,000,000	12,000,000
Pressure Zone Reliability Improvements	UE	W	1,000,000	0	1,000,000	0	1,000,000	0	3,000,000	3,000,000
Pumping Station Improvements	UE	W	500,000	0	500,000	0	500,000	0	1,500,000	1,500,000
WWTP Electrical System Improvements	UE	W	6,300,000	0	0	0	0	0	6,300,000	6,300,000
WWTP Infrastructure Improvements	UE	W	8,800,000	0	14,000,000	0	14,000,000	0	36,800,000	36,800,000
South Wilmington Wetlands Park	UE	W	2,000,000	0	0	0	0	0	2,000,000	2,000,000
Sewer Separation Projects and Flow Monitoring	UE	W	1,000,000	0	0	0	0	0	1,000,000	1,000,000
Stormwater Drainage Management Program	UE	W	1,800,000	0	1,800,000	0	1,800,000	0	5,400,000	5,400,000
Storm Water Mitigation (Green Infrastructure)	UE	W	1,000,000	0	1,000,000	0	1,000,000	0	3,000,000	3,000,000
Urban Forest Management Program	RE	W	500,000	0	500,000	0	500,000	0	1,500,000	1,500,000
Total by Fund			9,000,000	0	10,500,000	0	10,500,000	0	30,000,000	30,000,000
			51,400,000	0	57,800,000	0	45,800,000	0	155,000,000	155,000,000
Total Public Works Funds			60,400,000	0	68,300,000	0	56,300,000	0	185,000,000	185,000,000

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental
Expenditure Category: NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing. See [page 255](#) for detailed descriptions of categories.

**Capital Improvements Program
Fiscal Years 2020 - 2025**

Real Estate and Housing - Program Recommendations by Fiscal Year

Project	Expend. Category	Type of Funding	Fiscal Year					Total City Funds	Total City / Matching Funds	
			2020	2021	2022	2023	2024			2025
Neighborhood Stabilization	UE	G	1,000,000	0	0	0	0	0	1,000,000	1,000,000
Housing Partnership Debt Assumption	UE	G	3,400,000	0	0	0	0	0	3,400,000	3,400,000
Acquisition, Rehabilitation, and Disposition	UE	G	0	0	6,000,000	0	6,000,000	0	12,000,000	12,000,000
Total by Fund		G	4,400,000	0	6,000,000	0	6,000,000	0	16,400,000	16,400,000
Total Real Estate and Housing Funds			4,400,000	0	6,000,000	0	6,000,000	0	16,400,000	16,400,000

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental
Expenditure Category: NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing. See [page 255](#) for detailed descriptions of categories.

**Capital Improvements Program
Fiscal Years 2020 - 2025**

Transportation Division - Program Recommendations by Fiscal Year

Project	Expend. Category	Type of Funding	Fiscal Year					Total City Funds	Total City / Matching Funds	
			2020	2021	2022	2023	2024			2025
ADA Curb Ramp and Sidewalk Compliance	UE	G	2,000,000	0	2,000,000	0	2,000,000	0	6,000,000	6,000,000
Traffic System Infrastructure	UE	G	2,000,000	0	2,500,000	0	1,500,000	0	6,000,000	6,000,000
Wilmington Transportation Initiatives	UE	G	500,000	0	2,000,000	0	2,000,000	0	4,500,000	4,500,000
		O	2,000,000	0	8,000,000	0	8,000,000	0	0	18,000,000
Total by Fund		G	4,500,000	0	6,500,000	0	5,500,000	0	16,500,000	16,500,000
		O	2,000,000	0	8,000,000	0	8,000,000	0	0	18,000,000
Total Transportation Division Funds			6,500,000	0	14,500,000	0	13,500,000	0	16,500,000	34,500,000

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental
Expenditure Category: NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing. See [page 255](#) for detailed descriptions of categories.

III. CAPITAL PROJECT DESCRIPTIONS - FISCAL YEARS 2020 - 2025

A. DEPARTMENT OF FINANCE

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

B. FIRE DEPARTMENT

1. Apparatus Replacement

Budget Request: \$1,000,000.
Program Request: \$6,750,000.

Budget: Provides funds for the replacement of Engine Pumper #2.

Program: Ongoing replacement program for Engine Pumpers #3 and #6 (\$1,000,000 each); Engine Pumper Squad #4 (\$1,500,000); Ladder Truck #2 (\$1,750,000); and Ladder Truck #3 (\$1,500,000).

<i>Annual Debt Service Impact</i>	<i>\$74,724</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>(\$5,000)</i>

2. Fire Station Renovations

Budget Request: \$2,000,000.
Program Request: \$8,000,000.

Budget: Provides funds for renovations to the City's fire stations, including structural, mechanical and cosmetic upgrades.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$149,447</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>(\$10,000)</i>

3. Rescue Ambulance Replacement

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

Budget: None.

Program: Ongoing program for the replacement of Rescue Ambulances #2, #3 and #6 (\$250,000 each), 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: \$113,000.
Program Request: \$204,000.

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: Ongoing.

Annual Debt Service Impact \$8,444
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

2. Site Acquisition

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

Budget: Provides funds for land acquisition in support of economic development projects, including public-private partnerships, with a focus on preventing the expansion of undesirable commercial uses in blighted areas, and supporting the development of light manufacturing/industrial business parks.

Program: Ongoing.

Annual Debt Service Impact \$37,362
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

3. Infrastructure and Site Improvements Closing Fund

Budget Request: \$750,000.

Program Request: \$3,000,000.

Budget: Provides funds for public infrastructure and site improvements to support economic development projects and other major investments that create employment opportunities and expand commercial and market rate residential development; and to leverage private redevelopment of underutilized and blighted areas. Includes land acquisition, construction of new roads and utilities, site preparation work and environmental remediation.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$56,043</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

D. PARKS AND RECREATION

1. Park Improvements

Budget Request: \$1,500,000.

Program Request: \$6,352,500.

Budget: Provides funds for necessary improvements to playground and fitness equipment, athletic facilities, walkways, fencing, landscaping and related site amenities in the Parks system.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$112,086</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

2. WHACC Improvements

Budget Request: \$200,000.
Program Request: \$1,076,250.

Budget: Provides funds for necessary interior and exterior improvements to the William Hicks Anderson Community Center, to meet programming and operational needs.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$14,945</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>(\$1,000)</i>

3. Pool Improvements

Budget Request: \$200,000.
Program Request: \$1,155,000.

Budget: Provides funds for improvements to pools, pool houses, and related site amenities.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$14,945</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>(\$1,000)</i>

4. Plazas, Squares & Triangles

Budget Request: \$100,000.
Program Request: \$538,125.

Budget: Provides funds for improvements to citywide public plazas, squares, triangles and fountains.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$7,472</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

E. POLICE DEPARTMENT

1. Public Safety Building Improvements

Budget Request: \$560,000.
Program Request: \$0.

Budget: Provides funds for improvements to the public safety building, including parking lot repaving, installation of security bollards and building signage, and window replacement.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$41,845</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

2. Locker Room Improvements and Upgrades

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

Budget: Provides funds for improvements to the existing locker rooms, showers and dressing areas, and the construction of a separate executive locker room.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$37,362</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

3. Firearms Range Trailer / Office

Budget Request: \$150,000.
Program Request: \$0.

Budget: Provides funds for the replacement of the aged and deteriorated firearms range trailer, which serves as a mobile office for Wilmington and New Castle County officers.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$11,209</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

F. PUBLIC WORKS

General Fund Projects

1. Street Paving and Reconstruction

Budget Request: \$7,000,000.
Program Request: \$16,000,000.

Budget: Provides funds for routine street paving and reconstruction 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>	\$523,066
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	(\$35,000)

2. Emergency Sidewalk Repairs

Budget Request: \$500,000.
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>	\$37,362
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	(\$2,500)

3. Building Improvements

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

Budget: Provides funds for necessary additions and renovations to the Louis L. Redding City/County Building and other municipal buildings.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$112,086
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

Water/Sewer Fund Projects

1. 11th Street Sewage Pumping Station Upgrade

Budget Request: \$4,500,000.
Program Request: \$15,000,000.

Budget: Provides funds for the rehabilitation and replacement of the aging sewage pumping station.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$191,250</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>(\$22,500)</i>

2. Annual Minor Sewer Improvements

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

Budget: Provides funds for the rehabilitation of small diameter sewers and other projects citywide, as identified through closed circuit TV (CCTV) inspection and modeling efforts.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$63,750</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>(\$7,500)</i>

3. Major Sewer Improvements

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

Budget: Provides funds for sewer reconstruction and rehabilitation of major brick sewers (24" and above) throughout the city.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$170,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>(\$20,000)</i>

4. Annual Water Improvements

Budget Request: \$7,500,000.
Program Request: \$15,000,000.

Budget: Provides funds for maintaining the citywide water distribution system, to improve water quality, pressure, fire flows and overall level of service.

Program: Ongoing.

Annual Debt Service Impact \$318,750
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. (\$37,500)

5. Porter Filter Plant Improvements

Budget Request: \$4,000,000.
Program Request: \$13,000,000.

Budget: Provides funds for upgrading the clarifiers and electrical system, and making other improvements the Porter Reservoir and Clear Well to provide top quality, safe drinking water.

Program: Ongoing.

Annual Debt Service Impact \$170,000
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. (\$20,000)

6. Hoopes Dam

Budget Request: \$3,000,000.
Program Request: \$4,000,000.

Budget: Provides funds for improvements to Hoopes Dam to assure dam safety and function.

Program: Ongoing.

Annual Debt Service Impact \$127,500
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. (\$15,000)

7. Transmission Main Improvements

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

Budget: Provides funds for transmission capacity improvements throughout the water district, including the installation of new transmission mains.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$170,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$20,000</i>

8. Pressure Zone Reliability Improvements

Budget Request: \$1,000,000.
Program Request: \$2,000,000.

Budget: Provides funds for improvements to pressure zones, tanks and mains, and strategic small main replacements, to improve reliability of service through redundant feeds which facilitate water storage and distribution maintenance.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$42,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$5,000</i>

9. Pumping Station Improvements

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

Budget: Provides funds for upgrades to pumps and electrical components at various pumping stations, to maintain consistent level of water service.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$21,250</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>(\$2,500)</i>

10. WWTP Electrical System Improvements

Budget Request: \$6,300,000.
Program Request: \$0.

Budget: Provides funds for the rehabilitation and replacement of aged infrastructure at the Waste Water Treatment Plant (12th Street and Hay Road) to improve the reliability of operations.

Program: None.

Annual Debt Service Impact \$267,750
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. (\$31,500)

11. WWTP Infrastructure System Improvements

Budget Request: \$8,800,000.
Program Request: \$28,000,000.

Budget: Provides funds for the rehabilitation and replacement of aged infrastructure at the Waste Water Treatment Plant (12th Street and Hay Road).

Program: Ongoing.

Annual Debt Service Impact \$374,000
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. (\$44,000)

12. South Wilmington Wetlands Park

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

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: None.

Annual Debt Service Impact \$85,000
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. (\$10,000)

13. Sewer Separation Projects & Flow Monitoring

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

Budget: Provides funds for the partial separation of combined sewers in the Interceptor B Basin at 15th and Walnut Streets to reduce overflow events.

Program: None.

Annual Debt Service Impact \$42,500
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$5,000

14. Stormwater Drainage Management Program

Budget Request: \$1,800,000.
Program Request: \$3,600,000.

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

Program: Ongoing.

Annual Debt Service Impact \$76,500
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. (\$9,000)

15. 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.

Annual Debt Service Impact \$42,500
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. (\$5,000)

16. Urban Forest Management Program

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

Budget: Provides funds for tree planting and stump removal, to support mandates for green infrastructure, storm water control, and 2-for-1 tree replacement.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	\$21,250
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

G. REAL ESTATE AND HOUSING

1. Neighborhood Stabilization

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

Budget: Provides funds for the acquisition, rehabilitation, and disposition of abandoned and foreclosed properties in order to stabilize neighborhoods.

Program: None.

<i>Annual Debt Service Impact</i>	\$74,724
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

2. Housing Partnership Debt Assumption

Budget Request: \$3,400,000.
Program Request: \$0.

Budget: Provides funds to satisfy outstanding debt incurred by the Wilmington Housing Partnership.

Program: None.

<i>Annual Debt Service Impact</i>	\$254,061
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

3. Acquisition, Rehabilitation, and Disposition

Budget Request: \$0.
Program Request: \$12,000,000.

Budget: None.

Program: Ongoing program to address the acquisition, demolition, rehabilitation and disposition of property for the creation of affordable housing opportunities.

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

H. TRANSPORTATION

1. ADA Curb Ramp and Sidewalk Compliance

Budget Request: \$2,000,000.
Program Request: \$4,000,000.

Budget: Provides funds for the installation of ADA compliant curb ramps and sidewalk repairs to facilitate compliance with Federal requirements.

Program: Ongoing.

Annual Debt Service Impact \$149,447
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$10,000

2. Traffic System Infrastructure

Budget Request: \$2,000,000.
Program Request: \$4,000,000.

Budget: Provides funds for traffic infrastructure improvements including signals, smart parking meters and decorative street lights; and for implementing emerging smart signal and parking technologies in order to maintain the existing traffic control system.

Program: Ongoing.

Annual Debt Service Impact \$149,447
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$10,000

3. Wilmington Transportation Initiatives

Budget Request: \$500,000. (Other Funds: \$2,000,000)
Program Request: \$4,000,000. (Other Funds: \$16,000,000)

Budget: None.

Program: Provides local matching funds to leverage federal funding for transportation projects managed through the Wilmington Initiatives partnership (City, DelDOT, Wilmapco), including Transportation Improvements Program (TIP), Transportation Alternatives Program (TAP), and legislator-sponsored projects.

<i>Annual Debt Service Impact</i>	\$37,362
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0



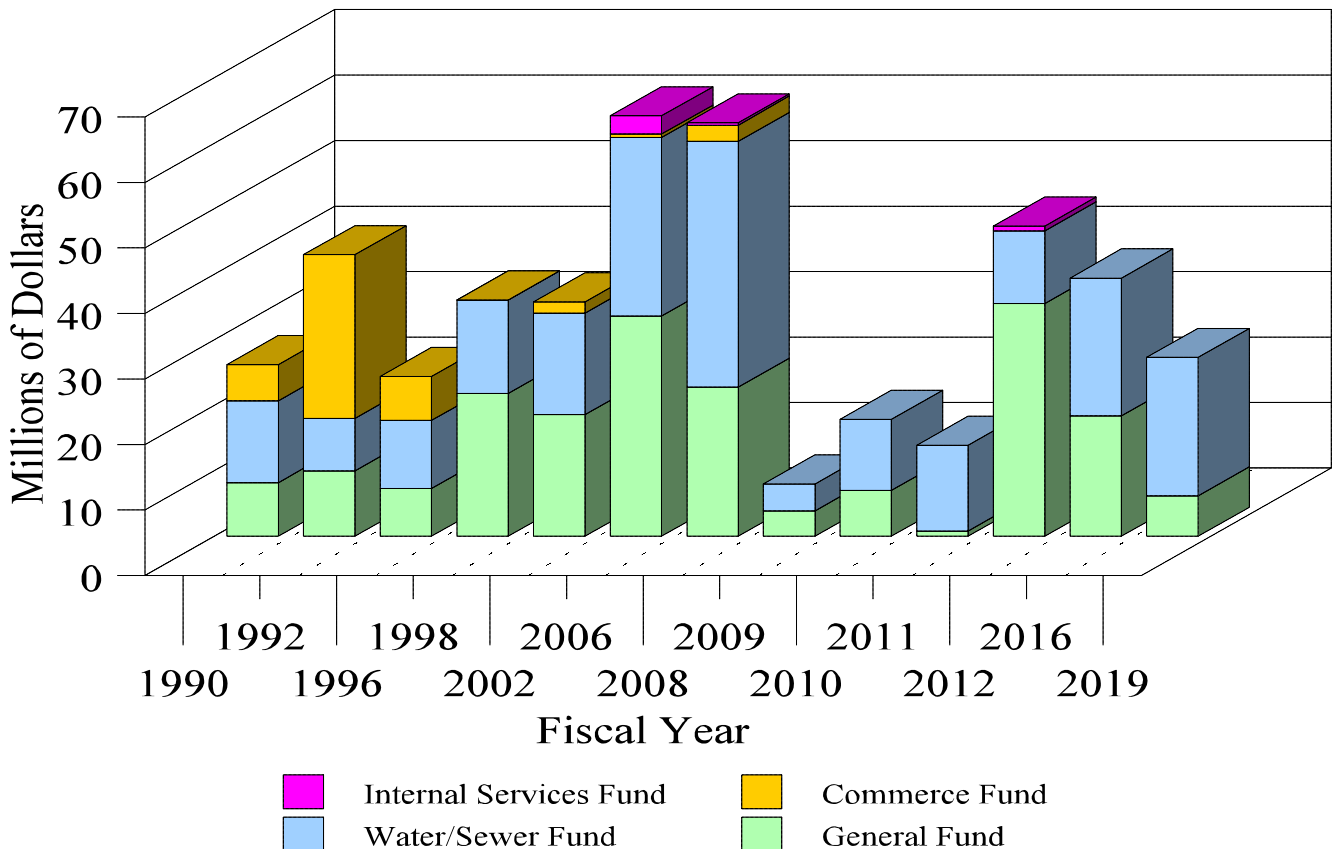
CAPITAL BORROWING AND DEBT MANAGEMENT

Borrowing History

The graph below illustrates the City's actual bond market participation for the fiscal years beginning with 1990 and ending in 2019. Amounts shown were borrowed for capital projects within the stated fiscal year. In some fiscal years, the City issued bonds to refinance past obligations at lower interest rates. Those refinancings are not included in the graph below. In other fiscal years, the City issued bonds for both refunding and new projects; only the new projects portion is shown in the graph below. There are also some fiscal years when the City did not issue any bonds.

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 2020 General Fund Operating Budget totaling \$167,387,739, the budgeted debt service of \$14,086,000 is well below the 17.5% legal debt limit of \$29,292,854.

General Obligation Bond Issuances Fiscal Years 1990-2019



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 was in November 2018 and was used to fund the FY 2016 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's policy goal is to keep that percentage 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-year and 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 \$29,292,854 for FY 2020). This State limit applies only to General Fund debt, not debt found in the Water/Sewer, Commerce, or Internal Service Funds.

The City's current bond rating from the three largest bond rating agencies are:

Fitch:	AA-	“Denotes expectations of very low default risk. Indicates very strong capacity for payment of financial commitments, and this capacity is not significantly vulnerable to foreseeable events.”
Moody's:	Aa2	“Issuers or issues demonstrate very strong creditworthiness relative to other US municipal or tax-exempt issuers or issues.”
Standard & Poor's:	AA	“Very strong capacity to meet financial commitments.”

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

The five tables below depict past and future debt service payments broken out by principal and interest, total debt service, and debt service as a percentage of the annual budget. Fiscal years 2011 through 2018 figures are actual payments. Fiscal years 2019 and 2020 are budgeted figures, and FY 2021 and beyond are figures based on the current structure of debt outstanding with no calculation added for assumed new borrowing. The average effective interest rates (yields) on outstanding balances are 2.85% for the General Fund, 2.77% for the Water/Sewer Fund, and 2.92% for the Internal Service Funds. (As the Commerce Fund has been exhausted and all debt service transferred to the General Fund, there are no outstanding Commerce Fund balances.)

GENERAL FUND	Principal	Interest	Total Debt Service	% of Total Budget
FY 2011	2,837,124	5,409,868	8,246,992	5.3%
FY 2012	5,679,233	5,321,512	11,000,745	7.1%
FY 2013	7,243,632	5,074,873	12,318,505	7.8%
FY 2014	6,842,619	5,196,194	12,038,813	7.8%
FY 2015	7,570,521	4,907,923	12,478,444	8.5%
FY 2016	8,105,713	5,042,201	13,147,914	8.7%
FY 2017	8,626,347	4,940,993	13,567,340	9.0%
FY 2018	7,431,939	4,705,948	12,137,887	7.5%
FY 2019	9,615,780	5,034,628	14,650,408	9.0%
FY 2020	9,441,089	4,644,911	14,086,000	8.4%
FY 2021	9,588,501	3,958,443	13,546,944	7.9%
FY 2022	7,601,487	3,606,827	11,208,314	6.4%
FY 2023	7,471,707	3,284,120	10,755,827	6.0%
FY 2024	7,349,589	2,930,364	10,279,953	5.6%
FY 2025	7,264,959	2,578,435	9,843,394	5.2%
FY 2026	7,361,894	2,227,391	9,589,285	4.9%
FY 2027	6,615,980	1,878,345	8,494,325	4.3%
FY 2028	5,981,680	1,582,570	7,564,250	3.7%
FY 2029	6,330,151	1,296,573	7,626,724	3.6%
FY 2030	6,187,497	986,786	7,174,283	3.3%
FY 2031	3,924,865	748,719	4,673,584	2.1%
FY 2032	5,505,825	550,338	6,056,163	2.7%
FY 2033	1,698,736	393,311	2,092,047	0.9%
FY 2034	1,785,720	306,801	2,092,521	0.9%
FY 2035	1,873,430	215,884	2,089,314	0.9%
FY 2036	1,970,615	120,465	2,091,080	0.8%
FY 2037	564,784	57,762	622,546	0.2%
FY 2038	590,456	29,523	619,979	0.2%
FY 2039	0	0	0	0.0%
TOTAL	\$163,061,873	\$77,031,708	\$240,093,581	

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

WATER/SEWER FUND	Principal	Interest	Total Debt Service	% of Total Budget
FY 2011	4,162,803	4,283,208	8,446,011	11.5%
FY 2012	6,522,388	6,193,410	12,715,798	17.4%
FY 2013	7,612,383	5,965,399	13,577,782	18.5%
FY 2014	7,674,780	5,832,865	13,507,645	18.4%
FY 2015	8,799,955	4,833,333	13,633,288	21.0%
FY 2016	9,026,243	5,842,292	14,868,535	20.9%
FY 2017	8,877,456	6,130,690	15,008,146	20.5%
FY 2018	7,398,682	6,359,140	13,757,822	18.2%
FY 2019	11,389,920	7,290,421	18,680,341	24.8%
FY 2020	13,869,992	6,309,048	20,179,040	25.9%
FY 2021	14,001,362	6,765,737	20,767,099	26.0%
FY 2022	15,994,044	6,307,107	22,301,151	27.2%
FY 2023	16,191,514	5,774,043	21,965,557	26.2%
FY 2024	16,545,347	5,183,198	21,728,545	25.3%
FY 2025	16,813,123	4,579,415	21,392,538	24.3%
FY 2026	16,329,590	3,980,040	20,309,630	22.5%
FY 2027	15,674,030	3,389,469	19,063,499	20.6%
FY 2028	14,970,911	2,858,298	17,829,209	18.8%
FY 2029	12,365,411	2,509,109	14,874,520	15.3%
FY 2030	11,795,318	1,978,006	13,773,324	13.8%
FY 2031	12,845,585	1,563,291	14,408,876	14.1%
FY 2032	9,014,767	1,196,203	10,210,970	9.7%
FY 2033	6,989,589	951,948	7,941,537	7.4%
FY 2034	7,033,641	742,198	7,775,839	7.1%
FY 2035	4,194,493	540,601	4,735,094	4.2%
FY 2036	4,366,499	372,229	4,738,728	4.1%
FY 2037	2,655,400	245,736	2,901,136	2.4%
FY 2038	2,416,111	155,059	2,571,170	2.2%
FY 2039	0	0	0	0.0%
TOTAL	\$285,531,337	\$108,131,493	\$393,662,830	

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

INTERNAL SERVICE FUNDS	Principal	Interest	Total Debt Service	% of Total Budget
FY 2011	89,492	425,562	515,054	3.2%
FY 2012	495,641	406,364	902,005	5.6%
FY 2013	428,432	357,357	785,789	4.9%
FY 2014	280,927	397,391	678,318	4.2%
FY 2015	455,418	301,225	756,643	5.5%
FY 2016	480,091	213,883	693,974	6.0%
FY 2017	520,025	405,121	925,146	5.8%
FY 2018	460,958	266,423	727,381	4.3%
FY 2019	396,422	116,237	512,659	2.8%
FY 2020	1,637,880	145,924	1,783,804	23.1%
FY 2021	1,860,816	94,550	1,955,366	24.7%
FY 2022	725,159	53,511	778,670	9.6%
FY 2023	179,754	37,674	217,428	2.6%
FY 2024	208,218	27,647	235,865	2.8%
FY 2025	218,821	16,971	235,792	2.7%
FY 2026	230,012	5,750	235,762	2.6%
FY 2027	0	0	0	0.0%
FY 2028	0	0	0	0.0%
FY 2029	0	0	0	0.0%
FY 2030	0	0	0	0.0%
TOTAL	\$8,668,066	\$3,271,590	\$11,939,656	

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

FUNDS COMBINED	Principal	Interest	Total Debt Service	% of Total Budget
FY 2011	7,089,419	10,118,638	17,208,057	7.9%
FY 2012	12,697,262	11,921,286	24,618,548	11.8%
FY 2013	15,284,447	11,397,629	26,682,076	12.5%
FY 2014	14,798,326	11,426,450	26,224,776	11.5%
FY 2015	16,825,894	10,042,481	26,868,375	11.8%
FY 2016	17,612,047	11,098,377	28,710,424	11.8%
FY 2017	18,023,828	11,476,804	29,500,632	12.1%
FY 2018	15,291,579	11,331,511	26,623,090	10.5%
FY 2019	21,402,122	12,441,286	33,843,408	12.7%
FY 2020	24,948,961	11,099,883	36,048,844	14.2%
FY 2021	25,450,679	10,818,730	36,269,409	14.0%
FY 2022	24,320,690	9,967,445	34,288,135	12.9%
FY 2023	23,842,975	9,095,837	32,938,812	12.1%
FY 2024	24,103,155	8,141,209	32,244,364	11.5%
FY 2025	24,296,903	7,174,821	31,471,724	11.0%
FY 2026	23,921,496	6,213,181	30,134,677	10.3%
FY 2027	22,290,010	5,267,814	27,557,824	9.5%
FY 2028	20,952,591	4,440,868	25,393,459	8.5%
FY 2029	18,695,562	3,805,682	22,501,244	7.3%
FY 2030	17,982,815	2,964,793	20,947,608	6.7%
FY 2031	16,770,450	2,312,010	19,082,460	5.9%
FY 2032	14,520,592	1,746,541	16,267,133	4.9%
FY 2033	8,688,325	1,345,259	10,033,584	3.0%
FY 2034	8,819,361	1,048,999	9,868,360	2.8%
FY 2035	6,067,924	756,485	6,824,409	1.9%
FY 2036	6,337,113	492,694	6,829,807	1.9%
FY 2037	3,220,184	303,498	3,523,682	0.9%
FY 2038	3,006,567	184,582	3,191,149	0.9%
FY 2039	0	0	0	0.0%
TOTAL	\$457,261,277	\$188,434,793	\$645,696,070	

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

GENERAL FUND

DEPARTMENT	ACTUAL FY 2016	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	BUDGET FY 2020
MAYOR'S OFFICE	\$4,258,774	\$4,039,184	\$3,692,596	\$3,960,131	\$3,744,144
% Departmental Expenses	39.3%	40.0%	38.4%	36.6%	37.8%
CITY COUNCIL	664	683	707	720	1,034
% Departmental Expenses	0.0%	0.0%	0.0%	0.0%	0.0%
PLANNING	130,522	239,454	128,071	216,657	175,557
% Departmental Expenses	8.7%	13.6%	8.6%	12.7%	11.0%
FINANCE	18,061	37,027	30,420	85,848	53,090
% Departmental Expenses	0.2%	0.4%	0.3%	0.9%	0.6%
HUMAN RESOURCES	24,457	21,160	20,192	20,258	40,281
% Departmental Expenses	1.2%	1.0%	1.0%	0.9%	1.7%
LICENSES & INSPECTIONS	4,659	4,791	4,960	5,053	7,255
% Departmental Expenses	0.1%	0.1%	0.1%	0.1%	0.1%
PARKS & RECREATION	1,726,299	1,904,284	1,454,172	1,911,759	1,773,483
% Departmental Expenses	19.8%	19.8%	16.4%	20.7%	19.6%
FIRE	610,265	678,013	797,478	1,381,947	1,453,727
% Departmental Expenses	2.5%	2.3%	2.8%	5.3%	5.6%
POLICE	418,715	392,191	379,235	312,357	247,097
% Departmental Expenses	0.8%	0.6%	0.6%	0.5%	0.4%
PUBLIC WORKS	3,837,339	3,762,217	4,308,648	4,986,551	4,811,381
% Departmental Expenses	16.6%	16.8%	18.1%	19.1%	18.4%
REAL ESTATE & HOUSING	837,382	1,197,790	899,609	858,173	731,820
% Departmental Expenses	58.4%	62.0%	59.0%	48.6%	39.8%
COMMERCE DEPARTMENT	1,280,777	1,290,546	504,473	910,954	720,226
% Departmental Expenses	100.0%	100.0%	100.0%	100.0%	100.0%
INFORMATION TECH	0	0	0	0	326,905
% Departmental Expenses	0.0%	0.0%	0.0%	0.0%	3.8%

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

GENERAL FUND (CONTINUED)

DEPARTMENT	ACTUAL FY 2016	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	BUDGET FY 2020
TOTAL DEBT SERVICE	\$13,147,914	\$13,567,340	\$12,220,563	\$14,650,408	\$14,086,000
% General Fund	8.7%	8.3%	7.9%	9.0%	8.4%
LEGAL DEBT SERVICE LIMIT (17.5%)	\$26,310,090	\$28,654,718	\$27,090,369	\$28,402,325	\$29,292,854

WATER/SEWER FUND

DEPARTMENT	ACTUAL FY 2016	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	BUDGET FY 2020
PUBLIC WORKS	\$5,828,772	\$6,495,711	\$5,574,779	\$7,245,766	\$6,257,777
% of Department Expenses	9.6%	9.8%	8.2%	10.4%	8.8%
FINANCE	\$13,520	\$9,875	\$4,999	\$44,655	\$51,271
% of Department Expenses	0.3%	0.2%	0.1%	0.8%	0.7%
TOTAL DEBT SERVICE	\$5,842,292	\$6,505,585	\$5,579,778	\$7,290,421	\$6,309,048
% of Water/Sewer Fund	9.0%	9.2%	7.6%	9.7%	8.1%

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)**

INTERNAL SERVICE (IS) FUNDS

DEPARTMENT	ACTUAL FY 2016	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	BUDGET FY 2020
MAYOR'S OFFICE	\$115,346	\$112,038	\$36,639	\$75,049	\$0
% of Department Expenses	1.6%	1.4%	0.5%	0.8%	0.0%
PUBLIC WORKS	\$98,537	\$202,045	\$218,710	\$177,957	\$145,924
% of Department Expenses	1.4%	2.7%	2.7%	2.3%	1.9%
TOTAL DEBT SERVICE	\$213,883	\$314,083	\$255,349	\$253,006	\$145,924
% of IS Fund	1.5%	2.0%	1.6%	1.5%	1.9%

ALL FUNDS

ALL DEPARTMENTS	ACTUAL FY 2016	ACTUAL FY 2017	ACTUAL FY 2018	BUDGET FY 2019	BUDGET FY 2020
TOTAL DEBT SERVICE	\$19,190,569	\$20,377,134	\$18,981,497	\$22,193,835	\$20,540,972
% of All Funds	8.9%	8.7%	8.3%	9.3%	8.4%

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

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
FISCAL YEARS 1996-2019**

Fiscal Year-end	Taxable Assessed Value	Gross Bonded Debt	Gross Debt Payable from Enterprise, Internal Service, and State Funds	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
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
2019	2,165,200,587	318,236,352	219,127,386	99,108,966	4.58%	1,399

**TOTAL DEBT BALANCES BY YEAR
FISCAL YEARS 2020-2039**

First Day of Fiscal Year	General Fund Debt	Water/Sewer Fund Debt	Internal Service Funds Debt	Total Debt
2020	99,108,966	214,066,725	5,060,661	318,236,352
2021	89,667,877	200,196,733	3,422,781	293,287,391
2022	80,079,376	186,195,371	1,561,964	267,836,711
2023	72,477,889	170,201,327	836,805	243,516,021
2024	65,006,181	154,009,814	657,051	219,673,046
2025	57,656,592	137,464,467	448,833	195,569,892
2026	50,391,633	120,651,344	230,012	171,272,989
2027	43,029,739	104,321,754	0	147,351,493
2028	36,413,759	88,647,724	0	125,061,483
2029	30,432,078	73,676,813	0	104,108,891
2030	24,101,928	61,311,402	0	85,413,330
2031	17,914,431	49,516,084	0	67,430,515
2032	13,989,566	36,670,500	0	50,660,066
2033	8,483,741	27,655,733	0	36,139,474
2034	6,785,005	20,666,143	0	27,451,148
2035	4,999,285	13,632,503	0	18,631,788
2036	3,125,855	9,438,009	0	12,563,864
2037	1,155,240	5,071,510	0	6,226,750
2038	590,456	2,416,111	0	3,006,567
2039	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.

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.

Budget Reserve: The Budget Reserve Account or "Rainy Day Account" is a set-aside of funds 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. Also see **Fund Balance**.

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.

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.

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.

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:

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 and the Tax Stabilization Reserve.

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.

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.

Location Quotient: A valuable way of quantifying how concentrated a particular industry, cluster, occupation, or demographic group is in a region as compared to the nation. It can reveal what makes a particular region unique in comparison to the national.

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 Position: For the Water/Sewer Fund (and other proprietary and fiduciary funds), the difference between fund assets and liabilities is labeled as *Net Position* on the financial statement. Net Position is 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. The Operation and Maintenance Reserve and the Rate Stabilization Reserve are part of the restricted net position of the Water/Sewer Fund.

Objective: A specific, well-defined, and measurable condition that must be attained in order to accomplish a stated goal.

Operation and Maintenance Reserve: The Operation and Maintenance Reserve was created in FY 2018 for the purpose of providing funding in the event of adverse economic conditions or a public emergency that impacts the operations and maintenance of the Water/Sewer Fund utilities. The Reserve is determined at the end of each fiscal year and is set to be equal to 17% of the following fiscal year's Water/Sewer Fund operating budget. The Reserve can be accessed in order to pay water and sewer obligations if the Mayor certifies that adverse economic conditions or a public emergency has occurred that impacts the operations and maintenance of the Water/Sewer Fund such that immediate action is required. Also see **Net Position**.

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.

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.

Rate Stabilization Reserve: The Rate Stabilization Reserve was created in FY 2018 with the purpose of providing future water and sewer rate stabilization for the Water/Sewer Fund. The Reserve is the net unrestricted Water/Sewer Fund balance as determined by the fiscal year-end Comprehensive Annual Financial Report. The Reserve can be accessed in order to pay City water/sewer obligations and to limit the need to increase rates when authorized by City Council by ordinance. Also see **Net Position**.

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.

Tax Stabilization Reserve: The Tax Stabilization Reserve was created in FY 2018 with the purpose of providing future tax stabilization for the General Fund. The Tax Stabilization Reserve is the net unrestricted General Fund balance as determined by the fiscal year-end Comprehensive Annual Financial Report. The Reserve can be accessed as may be necessary in order to pay City obligations and to limit the need to increase taxes when authorized by City Council by ordinance. Also see **Fund Balance**.

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.