

City of Wilmington Delaware



Approved Budget FY 2015

Dennis P. Williams
Mayor

Prepared by the
Office of Management and Budget

Fiscal Year 2015 • Approved by Council • March 22, 2014



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Wilmington
Delaware**

For the Fiscal Year Beginning

July 1, 2013

A handwritten signature in black ink, reading 'Jeffrey R. Emswiler', is located below the date.

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, 2013.

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 - Dennis P. Williams

Treasurer - Henry W. Supinski

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2nd District Ernest Congo, II

3rd District Darius J. Brown

4th District Hanifa G.N. Shabazz

5th District Samuel Prado

6th District Sherry Dorsey Walker

7th District Robert A. Williams

8th District Charles M. Freel

At Large Michael A. Brown, Sr.

At Large Justen A. Wright

At Large Maria D. Cabrera

At Large Loretta Walsh

Maribel Ruiz, City Clerk

Romain L. Alexander, City Council Chief of Staff

CITY OFFICIALS

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Bobby Cummings

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Anthony Goode

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Earl T. Jeter

James M. Lane

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Leonard Sophrin

Jeffrey J. Starkey

Sheila A. Winfrey-Brown

Chief of Staff

Director of Human Resources

Chief of Police

Director of Real Estate and Housing

Chief of Fire

Director of Economic Development Office

City Auditor

Director of Parks and Recreation

City Solicitor

Commissioner of Licenses and Inspections

Director of Planning

Commissioner of Public Works

Director of Finance

OFFICE OF MANAGEMENT & BUDGET

Robert S. Greco

Matthew J. Razze

George G. Hayford

Toni J. Cleaver

Nathan A. Roby

Budget Director

Senior Analyst/Systems Coordinator

Senior Analyst

Budget Analyst II

Budget Analyst II

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DENNIS P. WILLIAMS
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City of Wilmington
Delaware



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FISCAL YEAR 2015 BUDGET MESSAGE

WORKING TOGETHER

Our charge is to build a thriving City where families prefer to live, educational opportunities for our youth are plentiful, communities are safe, and businesses are happy to invest in the future of our citizens. It takes the hard work, tireless commitment, and devoted service of us all.

I am pleased to report that our City is stronger today than it was a year ago because we are working together. I appreciate my bi-weekly breakfast meetings with the Council President Gregory. It gives us a chance to discuss the large issues impacting our City and his perspective on these matters has been beneficial as we continue the City's progress.

Quarterly, I convene a gathering of the entire State delegation. I appreciate the exchange of ideas with Governor Jack Markell, Congressman John Carney, US Senator Chris Coons, and US Senator Tom Carper. We discuss important issues such as improving public safety, building economic development, providing jobs to our residents and bringing more resources to our communities. Similar meetings are held with the Wilmington Delegation to the Delaware General Assembly. Collectively, we come to the table, roll up our sleeves, and work together to tackle challenging issues.

Public Safety

There has been no issue more challenging than that of public safety. We are not out of the woods yet, but we continue to see signs of progress. "Park and Walk", where police officers get out of their vehicles and walk the community is up over a thousand percent. If you are on the Market Street Mall you can't help but notice the number of officers walking the street, talking with residents, and engaging shop owners. In our neighborhoods, officers are employing a philosophy where they are committed to building relationships with City residents as a way of reducing crime.

While our future is optimistic, we know we have only begun to turn the corner. How do we continue our progress?

First, we must increase the number of police officers on the street to ensure the safety of our neighborhoods. Attrition is real; the City of Wilmington's Police Department loses great officers every year. We must be proactive by hiring replacements if we want to maintain our success. That is why this budget contains funding for another police academy this year.

The new graduates of that police academy will join existing forces in continuing to implement a new sector deployment plan. The plan geographically divides Wilmington into three sectors, reducing response times to incidents and building deeper community support. With the “Park and Walk” initiative, patrol officers are being asked to get out of their vehicles and become a positive part of the communities they serve. Our officers are responding, and the Police Department and our communities are benefitting from the new interaction.

Take the example of Master Corporal Gary Taber. After hearing the statistic that a child who reads well by the third grade is four times more likely to graduate from high school, he seized the opportunity to provide children in the Riverside community with age-appropriate books. Master Corporal Taber visited the Catholic Charities Thrift Center, who provided books that he has since distributed to scores of children while on patrol. Now, “Book ‘em” means something totally different than when I was on the Force. “Book ‘em” is now short for the *Book ‘em, Cops and Kid Literacy Initiative*. This officer-initiated program will be adopted Citywide. It is not a “Hug a Thug” or a “Scared Straight” approach; this is simply helping children at an age when their opinions are still impressionable.

Neighborhoods are not the only areas in the City where we altered the deployment strategy. Downtown is the economic engine of our City. We listened to the concerns of the business district and responded with a solution. In October, we redeployed police officers to Wilmington’s Downtown. The primary goal of the redeployment was to ensure the safety of Downtown’s many residents, shop owners, and visitors. However, the outcome was far greater. Officers assigned to the deployment have become invested in the well-being of the community.

One officer in particular, Sergeant Malcolm Stoddard, did more than patrol the streets Downtown; he engaged with local schools, small businesses and residents. While walking on patrol on the Market Street Mall, Sergeant Stoddard noticed several empty storefronts. As a 13-year veteran of the Police Department, he was aware of the heightened potential for vandalism and nuisance crimes in areas with vacant buildings and saw this as an opportunity to deter crime by improving the community’s physical environment.

Sergeant Stoddard led a charge that involved partnering with a local art supplies store, Downtown Visions, Preservation Initiatives, and local students from Kuumba Academy, Bancroft Elementary, and Stubbs Elementary to paint murals that were displayed in those vacant storefronts. This mural project is another example of how the police and the community are successfully working together.

Those strategies are effective, but we cannot and will not stop there. We must be willing to explore new and creative ideas to address the violence in our communities. The Cure Violence program takes a public health approach to violence prevention, and aims to reduce street violence by using outreach workers to interrupt potentially violent situations. Evaluations have shown the successful impact of the Cure Violence model in reducing gun violence in multiple cities, including Chicago, New York, Philadelphia, and Baltimore. That is why, working together, we will be implementing this plan.

Neighborhoods

We know the success of our City is directly related to the success of our neighborhoods. In January, we engaged civic, neighborhood and community organizations to form community clusters. These groups look to address issues of public safety, offer community-organizing training, and provide access to a variety of City resources. This collaborative effort between neighborhood and community groups is creating new partnerships and helping to stabilize our neighborhoods.

These clusters also take into account that not all neighborhoods are the same, and that the strength of any one individual neighborhood is directly related to the strength of its schools and churches. We connected with members of the faith-based community to establish the Mayor's Ministerial Advisory Council. We are hopeful this Advisory Council will create an opportunity for different religious leaders to come together and work to achieve common goals for the common good.

Religious leaders often have close connections to their respective communities, bring a different perspective and insight, and can help the City build a bridge to our neighborhoods. A religious leader who is positively impacting the community is Reverend Dr. Terrence Keeling, Pastor of Central Baptist Church. In working with Councilwoman Shabazz and many other community stakeholders, Reverend Keeling spearheaded the Eastside Rising Initiative.

We supported this initiative by providing scholarship opportunities for Wilmington residents to receive skill development and training with Local Union 55 for potential construction jobs. Initiatives like Eastside Rising allow citizens, public and private stakeholders, and community activists to work together to revitalize communities. The revitalization includes improving home ownership rates, human services, entrepreneurship, and education to create a better place to live, learn, worship and work.

Youth Development

As we focus on our neighborhoods we have to pay special attention to the development of our young citizens and ensure the City remains a great place to grow up.

For our children to effectively compete in today's global economy, we must nurture them academically, broaden their horizons, and ensure they are equipped for success. We can do each of these things through a variety of methods.

One method is exemplified by the new Community Education Building. This state-of-the-art facility will house several progressive charter schools, bringing high quality educational opportunities to City youth. In addition to the many academic benefits, the Community Education Building will spur the creation of new job opportunities for Wilmington residents.

Another way we help young people succeed is through the Mayor's Office scholarship awards program, which seeks to recognize the academic achievement and community involvement of City youth. Last year, we awarded almost \$20,000 in scholarships to the City of Wilmington's top high school students.

Other educational opportunities for youth include the annual Spring and Fall College Tours sponsored by the Department of Parks and Recreation. Last year, 81 high school students visited colleges and universities in Maryland, North Carolina, Virginia, and Washington D.C.

Exposure to unique and diverse cultural experiences, like the arts and other creative forms of expression, enrich a child's learning experience. Last year, we partnered with the Grand Opera House to create a free arts and cultural activities program in the many parks and public spaces across the City of Wilmington. As Councilman Chukwuocha demonstrated through his vacant property-painting project, sharing the arts with our youth is invaluable.

As we look to broaden the horizons of our youth, we realize that some children lack the basic necessities. The Department of Parks and Recreation's Child and Adult Care Food Program's mission is to provide better access to food and promote healthy eating through nutrition education. The Department also serves a hot meal to children each day through the At Risk Meal Program, offered at 36 different locations throughout the City. We look to continue to increase the number of locations and meals served.

Together, we can nourish our future leaders and inspire them to have a positive impact on our community.

Economic Development

Wilmington's future is bright. Take the actions of the many businesses that continue to make strong investments in our City. Westin Hotel believes in Wilmington. That's why they opened their newest hotel, the Westin Wilmington, on the City's Riverfront.

Small business owners with entrepreneurial spirit believe in Wilmington. That is why you see the Riverfront and Downtown continue to grow, and more small businesses, like Jerry's Artorama; Latin Fusion; The Kitchen; EntreDonovan and La Fia, opening and bringing new life to our communities; and the expansion of Baine's Deli and Dunkin Donuts in the Hercules Building.

Woodlawn Trustees have believed in Wilmington and provided affordable housing to our residents for over 100 years, and they still believe. That is why their new plan proposes to demolish 430 outdated units and build 450 new units in our City. This construction project will create jobs and the homes will create countless opportunities to bring more residents to the City of Wilmington.

Capital One also believes in us and has led a local bankers' initiative that successfully rallied support for the Queen Theater on Market Street. Capital One also has expanded operations into the former Wilmington Trust office building Downtown, and agreed to expand their workforce in the City.

If you do not believe, visit the newly renovated Wilmington Library, which sits at the very heart of our City at Rodney Square. Walk through the Children's Department and teen area, sit down and check your email at one of the computers, or spend some time in the new and improved job center or one of the meeting rooms.

Or, take a ride on the Wilmington Trolley, an amenity spearheaded by DART First State and Downtown Visions. The Trolley runs every 20 minutes, connecting the Riverfront, Downtown, and part of the Trinity vicinity, for just a dollar each way.

These investments are just the beginning. In the coming months, we will be bringing forth a comprehensive economic development plan to build on this momentum, with a focus on creating quality, good paying local jobs. It must be made perfectly clear that economic development in Wilmington will only be successful when it begins with local job creation. Working together, we will make this happen.

BUDGET DISCUSSION

The choices for balancing the budget in the face of uncontrollable costs increases, coupled with key strategic initiatives were clear. Forced to choose between eliminating city services through massive layoffs or raising more tax revenue, I made the gut-wrenching decision to do the latter.

The decision to raise revenue through taxes is never easy. No mayor, town manager, county executive or governor relishes this prospect. However, as with managing a household budget, when costs increase but your income does not, difficult decisions must be made.

A livable City must have a thriving economy, strong neighborhoods and vast opportunities for the youth. City government has an important role in promoting each of these efforts while still shouldering the responsibility of providing quality services to our citizens. The modest 5.0% property tax increase will allow us to accomplish these goals.

THE GENERAL FUND

Below are the spending highlights of the General Fund for FY 2015.

General Fund Expenditures

- The Fiscal Year (FY) 2015 operating budget expenditures total **\$150,039,645** – up \$4,663,501, or 3.2% from FY 2014. This increase was driven in large part by a number of mostly uncontrollable cost factors. Actuarially required pension and pension healthcare contributions rose a total of almost \$852,000. The need to finance critical infrastructure projects in the FY 2014-2015 Capital Budget was responsible for \$716,000 of an overall \$1.1 million increase in Debt Service costs. Contractual employee salary step increases added about another \$500,000. To retain those firefighters that had been principally funded through the now defunct SAFER grant, \$382,700 in salary and benefits for 6.5 Full-Time Equivalent (FTE) positions were moved into the General Fund. Removed last fiscal year by Council, the restoration of a fiscally prudent operating contingency fund added \$300,000. Lastly, required technology upgrades, vehicles and fuel, especially for public safety, increased costs by a total of \$281,400.
- Staffing increased by a net total of 1.60 FTEs. These changes are detailed below:
 - Retaining SAFER grant-funded Firefighters after the grant ended in mid-year of FY 2014 added in a prorated 6.50 FTEs, while absorbing the remaining portion of a COPS grant-funded Patrol Officer resulted in an additional 0.88 FTE transferred in.
 - The Mayor's Office reinstated the 1.00 FTE Marketing & Special Projects Coordinator position and changed the title to Public Relations & Communications Officer.
 - Parks & Recreation eliminated 2.00 FTEs, a vacant Park Maintenance Supervisor position and a vacant Nursery Technician position.
 - Public Works deleted 1.75 FTE, a vacant General Laborer position and the vacant Fleet Manager position which was split-funded 75% General Fund and 25% Water/Sewer Fund.

- In Finance, a net 1.15 FTEs were eliminated. 2.30 FTEs (two vacant PREO positions and the vacant split-funded Revenue Division Manager position) were deleted, along with an additional net 0.50 FTE decrease resulting from the reallocation of costs for a number of positions split-funded between the General and Water/Sewer Funds. These reductions were offset by the addition of 1.00 new FTE Grants Accountant position and the reinstatement of a split-funded 0.65 FTE Accounting Manager Position.
- The Law Department deleted 1.00 FTE, a vacant Legal Administrator position.
- Three vacant positions, split-funded between the General Fund and Federal Grant Funds in Real Estate & Housing, were eliminated. The vacant positions were a Senior Rehabilitation Specialist, an Administrative Assistant, and a Program Management Director. These eliminated positions netted to a 0.68 FTE reduction to the General Fund.
- In the Planning Department, the reallocation of costs for the Planner II position that is split-funded between the General Fund and federal grant funds netted to a 0.20 FTE reduction.
- As part of the actions necessary to avoid a budget deficit, there is no allowance for a general Cost of Living Adjustment (COLA) for employees. A 2.5% COLA would have added about \$1.75 million to the FY 2015 budget. This will be the sixth year in a row that budget constraints have dictated that there be no provision for employee COLAs. However, anniversary-based salary step increases for all eligible employees will continue.
- Council made a number of Departmental MS&E appropriation reductions to last fiscal year's budget that totaled \$430,500. The reductions were shown as negative offsets through the use of MSE-Budget Control accounts in the affected Departments. Because those negative offsets in the MSE-Budget Control accounts were zeroed out in FY 2015, the effect is an increase of \$430,500.
- Council also made a number of Departmental Personal Services (PS) appropriation reductions to last fiscal year's budget that totaled \$354,476. These reductions were shown as negative offsets through the use of PS-Budget Control accounts in the affected Departments. Because these negative offsets in the PS-Budget Control accounts were zeroed out in FY 2015, the effect is an increase of \$354,476.
- Miscellaneous Projects increased by a net total of \$372,000 to fund several large initiatives and to support the continuation of programs introduced last year. In Parks & Recreation, \$200,000 was added to implement the Cure Violence project, an anti-violence program modeled after the Chicago Project for Violence Prevention which aims at reducing street violence by using outreach workers to interrupt potentially violent situations. Another \$100,000 was added in Parks & Recreation to continue the highly successful Arts in the Parks program that was started last summer. In the Mayor's Office, a net total of \$72,700 was added to fund a number of special projects, including neighborhood development interns from the University of Delaware, the Sister Cities program, and expanded festival programming.
- Because of the present vacancy rate and projected increased attrition over the coming months, \$352,000 was added to the Police Department to fund the cost of a Police Academy class for 30 recruits. The authorized strength of the Department will remain at 320 sworn officers.

- After the Delaware SPCA decided it no longer wanted to be in the animal control business, the City was able to reach an agreement with the Kent County SPCA to provide animal control in Wilmington for an annual fee of \$600,000. Although this is a \$258,000 increase over last year's original budget, it is considerably less on an annualized basis than the punitive rate structure that the Delaware SPCA imposed in its 6-month contract extension with the City for the first half of FY 2014.
- Temporary Agencies rose by about \$200,000 City-wide, with the single largest increase of \$150,000 occurring in the Finance Department. The increase in Finance will support the transition to using more in-house support in place of consultants in the Earned Income Tax Division; provide staffing for the offsite cashier station at the State DMV for the scofflaw registration-hold program; and improve the efficiency of the Parking Enforcement Division's vehicle booting process.
- Police Overtime was increased by almost \$193,000. This increase will be used to bolster patrol deployment and investigative activities to combat the drug related turf war shootings and homicides that have plagued the City in recent years.
- Temporary Salaries is up almost \$153,000 in the Youth & Families Division of the Parks & Recreation Department. Most of that increase is to allow for a greatly expanded Summer Youth Employment program, increasing the number of youth participants from 70 to 250.
- As part of the City's overall strategy for neighborhood redevelopment and viability, funding for the demolition of dangerous and abandoned eyesore properties was increased to \$350,000. This is \$100,000 more than what was budgeted last fiscal year.
- Hospitalization (employee medical costs) decreased by \$471,000 because of several contractual changes being implemented by the Human Resources Department that will eliminate broker commission payments and reduce medical stop-loss insurance premiums.
- By decoupling from the State's utility contract and continuing the green initiatives implemented over the past several years, the City has been able to lock in favorable rates for electricity for the next three years. As a result, the budget for Electricity declined by over \$130,000.
- As stated previously, to balance the FY 2015 budget a 5.0% Property Tax increase was approved. The average residential homeowner will pay \$3.31 more per month. This modest property tax increase will allow us to accomplish our goals.

General Fund Revenues

The City continues its recovery from the severe economic downturn and recession that began in 2008. Projected revenues are increasing modestly in FY 2015. However, larger increases in uncontrollable expenditures necessitated a 5.0% increase in the property tax rate in order to balance this year's budget. Total revenue before transfers is projected to increase by a net \$5,631,155 (or 3.7%) above the FY 2014 Budget, to a new total of \$151,171,992. The net change from Budget to Budget (FY 2015 vs. FY 2014) can be broken down as follows:

REVENUE	INCREASE/ (DECREASE)	TOTAL
Wage & Net Profits Tax	\$2,932,557	\$64,965,600
Other Governments	648,797	8,089,480
Property Taxes	525,812	38,949,912
Other Revenues	481,827	6,722,467
County Seat Relief Package	454,432	8,572,228
Other Taxes	225,802	6,537,831
Fines	200,000	9,150,000
Task Force Revenues	157,362	4,452,355
Interest Earnings	4,566	211,759
Licenses, Permits & Fees	0	3,520,360
TOTAL	\$5,631,155	\$151,171,992

Wage and Net Profits Tax

The FY 2015 Wage & Net Profits Tax projection totals just under \$65.0 million, a \$2.9 million increase above FY 2014. The FY 2014 Wage Tax revenue has been growing, fueled by an improving local economy. The Wage Tax revenue base is now nearly \$53.7 million and is expected to grow by \$400,000, a by-product of current year Plan for Change audit-generated receipts. Building on that base is an additional \$1.9 million from a projected 3.5% growth in overall employee compensation levels. Finally, the "Plan for Change" audit and collection efforts will add \$3.5 million, a \$500,000 decline from the FY 2014 level, as the pool of non-payers gradually shrinks. The Net Profits portion of this revenue category is projected to climb by \$500,000 to \$5.5 million for FY 2015 based on growth realized in the previous year.

Other Governments consists of the State Pension Contribution and the State Port Debt Reimbursement. The State Pension Contribution is a pass-through grant of \$7,155,315 (an increase of \$170,798) in revenue that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. The State Port Debt Reimbursement is related to the 1996 sale of the Port from the City to the State. The State requested as part of the terms of the sale that the Port debt remain as a liability on the City's books. However, the State did agree to reimburse the City annually for the amount the City was scheduled to pay out to service the Port debt. The amount for FY 2015 will be \$934,165, and represents nearly a \$478,000 increase over this fiscal year.

Property Taxes are projected to total a \$38,949,912, a net increase of 525,812. Gross billings continue to decline as owners of some large commercial properties wage successful assessment appeals. Further revenue loss from appeals in FY 2015 is projected to be \$250,000, and is in addition to the approximate \$1.0 million reduction for appeals and other billing adjustments projected for the current fiscal year. Approximately \$265,000 of revenue resulting from expiring tax incentives and reassessments due to property improvements will help to offset these reductions. The budget also includes a 5.0% increase in the Property Tax rate that will generate \$1.8 million. The average homeowner will see an annual increase of \$39.67, or \$3.31 per month in their bill. Lastly, Penalty and Interest will add \$650,000 in revenue for FY 2015, consistent with FY 2014.

Other Revenues is comprised of Indirect Costs, General Government Charges and other Miscellaneous Income. General Government Charges and Miscellaneous revenue is expected to remain unchanged. Indirect costs are a charge to the Water/Sewer Fund that offset costs incurred by the General Fund in support of the water, sewer, and stormwater utilities. Prior to FY 2014, the City's indirect cost plan had not been revised since the mid 1990's. Based on several cost components of the FY 2015 General Fund budget, Indirect Costs will rise to \$4,994,467, an increase of \$481,827.

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

The FY 2015 projections total \$8.6 million. The breakout is as follows: \$2.6 million for a payment in lieu of taxes (PILOT) by the State on what would usually be tax-exempt properties in the City (this is up \$319,245 from the FY 2014 budget); \$4.7 million as part of the State's Uniform Commercial Code (UCC) filing fees (this is up \$105,841 from the FY 2014 budget); \$300,000 in Statutory Trust Filing Fees (no change); and \$1.0 million in New Castle County Corporate Filing Fees (this is up by \$29,346). In total, there is a \$454,432 increase in County Seat Relief Package revenues from the FY 2014 budget.

Other Taxes are projected to increase \$225,802 for FY 2015. The breakout is as follows:

Real Estate Transfer Tax revenues are slated to remain the same for FY 2015. The average price of residential homes remains below the levels of prior years, but the number of sales is increasing slightly. Medium and large commercial property transfers are occurring, but at a pace that is extremely unpredictable. As a result, FY 2015 revenues are forecasted to stay flat at a total of \$2.0 million.

Head Tax revenue is projected to increase slightly by \$54,000, to \$3.6 million for FY 2015, reflecting a net increase of 300 new jobs.

Franchise Fees revenue previously consisted of 2.0% of the gross revenues from electricity sales in the City and 5.0% of gross revenues from cable television service sales in the City. In Wilmington, Delmarva Power is the sole distributor of electricity and Comcast is currently the only provider of cable TV service. However, in FY 2014, City Council transferred the Comcast franchise revenue into the special CATV Fund. The annual Delmarva Power payment remains the sole source of revenue in this category, and is expected to be \$916,631, equaling the most recent remittance. This represents an increase of \$171,802 over the current budget.

Fines will increase by \$200,000 to a total of \$9,150,000. The breakout is as follows:

Criminal/Traffic Fines revenue consists of red-light camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. Revenue is projected to total \$4.95 million in FY 2015, up \$1 million from the FY 2014 budget. This increase is solely due to red-light camera fines. A recent change in the review process used to verify accuracy prior to the issuance of red-light camera violations has resulted in significantly fewer violations being dismissed, boosting this revenue source. Accordingly, the projection for red-light fines has been raised by \$1 million in FY 2015. There is no change in the \$450,000 projected for miscellaneous Criminal Fines or the \$400,000 for the L&I Instant Ticketing revenues in FY 2015.

Parking Tickets/Booting Fines are forecast to decrease \$800,000 from \$5.0 million in FY 2014 down to \$4.2 million for FY 2015. Revisions in parking regulations, the pilot program for “smart” meter installation, and an increase in the amount of uncollectibles have all contributed to the decrease.

Task Force Revenues are the revenue sources that were created as a result of the 2003 Governor’s Task Force, which took effect early in FY 2004. As a result, each county seat (Wilmington is the county seat of New Castle County) in the State receives the revenue derived from a \$20 State filing fee for Corporations and Limited Liability Companies (LLC). The State also passed enabling legislation that allowed the City to create a 2.0% Lodging Tax and a 2.0% Natural Gas Franchise Fee on gross sales of natural gas in the City.

In total, Task Force Revenues are projected to be \$157,362 higher for FY 2015. Two of the four components of the Task Force Revenues will increase from the FY 2014 Budget as a result of State growth estimates: Corporate Filings by \$30,823, and LLC Filings by \$110,750, to new totals of \$1,058,248 and \$2,325,746 respectively. Lodging Tax and Natural Gas Tax are projected to increase modestly by 1.5% above the FY 2014 budgeted levels to \$489,357 and \$579,004, generating increases of \$7,232 and \$8,557.

Interest Earnings

Although the City’s cash balances available for investment have improved somewhat, and will be supplemented by capital bond proceeds in early FY 2015, interest rates are projected to remain stubbornly low. As a result, Interest Earnings are projected to remain nearly flat at \$211,759, or \$4,566 above the FY 2014 level.

Licenses, Permits and Fees revenue is projected to remain at just over \$3.5 million in FY 2015. Business Licenses and Permits are expected to hold at \$1.6 million and \$1.4 million respectively, while Fees will remain at \$525,000.

THE WATER/SEWER FUND

It is imperative we provide adequate resources to maintain our aging infrastructure, as well as provide superior drinking water and sewage disposal to the 140,000 customers in Wilmington and northern New Castle County.

I, along with City Council, recognize the need to continue the considerable work done in recent years to move the Water/Sewer Fund to greater fiscal stability. Under Councilman Freel's leadership, the Water, Wastewater and Sewer Citizen's Advisory Board was established. It is made up of citizens and industry experts whose mission is to maintain the integrity of the rate-setting process. I commend the diligent work of this Board and the comprehensive approach taken to look at all factors impacting fair and equitable rate setting. For FY 2015, we have implemented both key recommendations coming from the Board.

The first was to increase Water, Sewer, and Storm Water Utility rates by 5.0%. This will support the high-priority initiatives deemed essential to achieving financially self-sustained and environmentally-sound water, sewer, and storm water utilities. I struggled a bit with the decision to accept this recommendation, given the number of recent rate increases. But I strongly believe there has been a balanced approach between increasing rates, controlling expenditures and collecting what is owed.

Instead of relying solely on rate increases, the Public Works Department continues its successful cost containment efforts, while the Finance Department has brought a renewed focus on accurately billing and collecting for the water produced and consumed by the utility's customers. To date, these efforts have resulted in an additional \$2.4 million dollars for the Water/Sewer Fund.

These two Departments will also continue to work together to ensure implementation of the second key recommendation of the Water, Wastewater and Sewer Citizen's Advisory Board. That recommendation is that all City facilities be billed and required to pay for water usage, sewage treatment, and stormwater runoff mitigation. These charges will be phased in over a four-year period starting at the end of Fiscal Year 2015.

Again, I reiterate it was not easy to accept these recommendations, as it will be a burden for us all. However, by enduring this sacrifice together, the Water/Sewer Fund will maintain its fiscal solvency.

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

Water/Sewer Fund Expenditures

- The FY 2015 operating budget expenditures total **\$67,977,140** – up \$1,365,334, or 2.0% from FY 2014. The FY 2015 budget continues to support the high-priority initiatives begun in recent years deemed essential to achieving financially self-sustaining and environmentally-sound water, sewer, and stormwater utilities. These include an accelerated Combined Sewer Overflow (CSO) mitigation effort, and finished water filtration and supply improvements that exceed EPA standards, contributing to the stability of northern Delaware's water supply, especially in times of drought.
- In Public Works, there is a \$534,500 increase in Contracted Maintenance Services that is mainly split between the Water System and the Wastewater Treatment Divisions. In the Water System Division, additional funding of \$250,000 will support a comprehensive water tank inspection, maintenance, and repainting program. There is also a \$40,000 increase for additional fire hydrant testing, maintenance, and repair. In the Wastewater

Treatment Division, there is an increase of \$229,000 in the contract for Veolia to operate and maintain the City's sewage treatment plant and to provide certain capital improvements. This increase results in part from using mutually agreed upon cost indices that have risen over the past year.

- The Indirect Cost expense to the Water/Sewer Fund increased by \$482,000. The City recently commissioned an in-depth study of all supporting services to the Water/Sewer Fund's utility functions to create an updated and accurate indirect cost plan. The indirect cost charges (that flow as revenue to the supporting General Fund) had not been updated since the mid-1990s, when they were frozen as a result of a mediated agreement between the City and New Castle County (NCC) because of a dispute over the NCC sewer bill.
- Overall debt service interest costs increased by a net \$347,000. While the need to finance critical infrastructure projects in the FY 2014-2015 Capital Budget added \$728,100 in new interest costs, this was partially offset by a reduction in the existing debt service schedule of \$381,000.
- Recently completed capital projects of extraordinary scope and price, such as the Cool Spring Reservoir project, raising the level of Hoopes Dam, and the Real Time Control system have greatly increased the fixed asset value of the Water/Sewer Fund, resulting in a \$324,100 increase in depreciation expense.
- Motor Vehicle Costs increased by almost \$261,000, reflecting the depreciation, maintenance, fuel, and lease interest costs of the Public Works Department's fleet of vehicles, trucks, and highly specialized large apparatus.
- In total, Consultants, Engineering and the Contracted Maintenance account group decreased by almost \$510,000. Public Works has made it a priority to use more in-house talent whenever feasible. Also, increased funding last fiscal year for some large one-time projects in areas such as condition assessment did not need to be carried forward into the FY 2015 budget, and was deleted.
- As part of a planned series of rate adjustments needed to properly fund the City's water, sewer and stormwater utilities, there is a 5.0% increase in water, sewer, and stormwater rates. The setting of rates is based on the recommendations of the Citizens Advisory Board, created in part to help de-politicize the rate-making process. The typical residential customer will pay \$2.39 more per month.
- Staffing increased by a net 2.90 FTEs.
 - In Public Works, there is an increase of 0.75 FTE. A 1.00 FTE new GIS Technician position was added, but was offset 0.25 FTE by the deletion of the vacant Fleet Manager position which was split-funded 75% General Fund and 25% Water/Sewer Fund.
 - In Finance, a number of changes took place that netted to an overall increase of 2.15 FTEs. While 2.00 new FTE positions were added (a Billing Analyst and a Staff Accountant), the reallocation of costs between the Water/Sewer Fund and the General Fund for four variously split-funded positions, along with the deletion of

the split-funded Revenue Division Manager position, netted to a slight decrease of 0.20 FTE. Lastly, the split-funded Accounting Manager Position was reinstated, adding 0.35 FTE.

- As part of a planned series of rate adjustments needed to properly fund the City's water, sewer and stormwater utilities, there is a 5.0% increase in water, sewer, and stormwater rates. The setting of rates is based on the recommendations of the Citizens Advisory Board, created in part to help de-politicize the rate-making process. The typical residential customer will pay \$2.39 more per month.

Water/Sewer Fund Revenues

Total Water/Sewer Fund revenues are projected to decrease by almost \$255,000 from FY 2014, to a new total of \$73.05 million in FY 2015. Water/Sewer revenues are a combination of Water/Sewer User Fees, Stormwater Billings, and New Castle County (NCC) Sewer, along with the smaller revenue categories of Interest, Rentals, and Solar Panel Revenue. While each of these categories were affected by different factors, it was the overall rate structure that had to be addressed to avoid a fiscal crisis. For almost a decade, rates had not been properly aligned to provide adequate cash flow to the Fund's utility operations. As a result, the General Fund had been subsidizing the Water/Sewer Fund's cash shortages. This led to a situation where nearly all the cash reserves in the General Fund had been depleted, with the City on the path to insolvency had nothing been done. To rectify this, a multi-year plan of prudent rate increases was implemented, starting in FY 2010. As a result, the City is well on its way to achieving a self-sufficient Water/Sewer Fund with adequate operating reserves and proper debt coverage ratios by FY 2018.

Water/Sewer User Fees

The base amount of Water/Sewer User Fees had been growing in recent years as a result of the rate increases to stabilize the Fund. However, beginning in FY 2013, consumption, most notably within commercial accounts, began decreasing. For FY 2014, consumption is down about 5.0%, equating to a loss in base revenue of more than \$2 million. A 5.0% increase in Water/Sewer User Fees for FY 2015 will generate just under \$2 million. But, when coupled with the decrease in consumption and other changes in special sewer and other miscellaneous revenue items, total User Fees is projected to be \$45.4 million, a net decrease of \$862,000 from the FY 2014 budget. The typical residential customer will see an increase of \$2.15 per month.

Stormwater Billings

The Stormwater Property Fee is charged to all property owners in the City. The fee is not based on a consumption factor, but rather on the size of a property and the characteristics of that parcel's land and buildings as they relate to the generation of storm runoff. The Stormwater Billings base last year was \$8.0 million. For FY 2015, a 5.0% increase in Stormwater Fees will generate an additional \$345,720. After allowing for uncollectibles of \$1.2 million (mostly due to disputes concerning a few large federal and state controlled properties), almost \$7.3 million in revenue is projected for FY 2015, a net increase of \$435,000 above the FY 2014 budget. The average residential property owner will pay an additional 24 cents per month.

New Castle County Sewer

The City and New Castle County are currently in the midst of negotiating a new contract defining the fee structure for treating the County's sewage. Until a new contract is agreed upon, the terms of the expired contract, settled through arbitration, will continue. For FY 2015, the net base fee of \$19.0 million represents the County's share of costs for operating the City's sewage treatment plant

and sewage sludge disposal, adjusted downward by \$609,000 to take into account the annual reconciliation process and at-risk amounts for treatment plant water/sewer charges. An additional \$768,000 will be billed as a one-time reimbursement to the City for extensive repairs to concrete at the sewage treatment facility. The total revenue for FY 2015 is \$19,143,468.

Interest and Rentals

Previously, all interest earned on City cash balances, regardless of the source, was booked as revenue to the General Fund. Starting in FY 2007, to help bolster the Water/Sewer Fund, interest earned on unspent Water/Sewer capital cash balances was booked as revenue to the Water/Sewer Fund. In FY 2015, interest is projected to increase to \$30,000. Rental income, which is derived by charging fees to telecommunications companies that rent space on the City's water tanks for antennae and transmitters, is projected to increase by \$77,000 to \$1,146,000. The combined total revenue projected in FY 2015 for this category is \$1,176,000.

Solar Panel Revenue

This was a new revenue source that began in FY 2011. Although small in value, because of the special nature of this revenue, it is accounted for in its own separate category. As a result of the installation of solar panel arrays at various municipal sites (most notably the Porter Filter Plant), the City earns Solar Renewable Energy Credits (SRECs). Revenue is obtained from the sale of these credits by the City. Because of the sharp decline in the regional selling price of SRECs, only \$52,000 in revenue is expected to be received in FY 2015, a decrease of \$148,000 from last fiscal year.

CONCLUSION

The FY 2015 budget will allow us to keep working to make our streets safer, our neighborhoods stronger, and our children better prepared for the future. As I stated before, the state of our City is stronger today than it was one year ago. It is stronger because we – the Administration and City Council, the corporate community and entrepreneurs, police officers and citizens – are working together. I am further convinced that if we sustain our close cooperation, and continue to summon what is best in us, Wilmington will thrive and prosper as never before.

Respectfully,

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

Dennis P. Williams

Mayor

WILMINGTON

FACTS & FIGURES



WILMINGTON FACTS & FIGURES

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

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

LAND AREA AND POPULATION DENSITY

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

Population

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

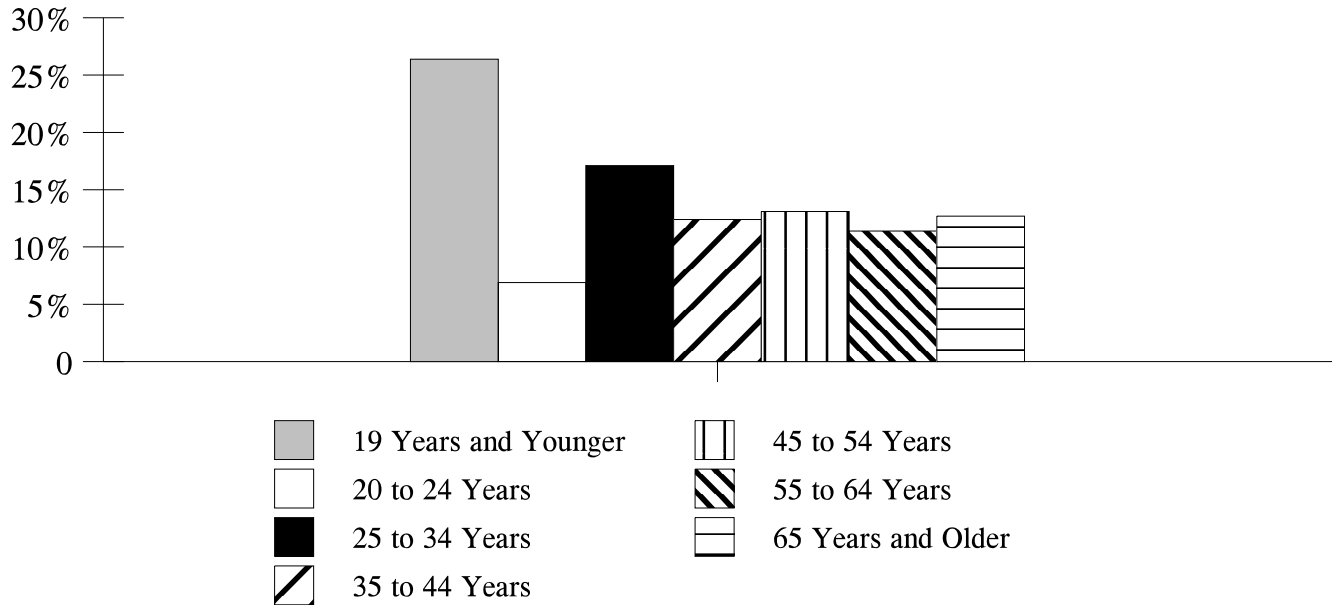
POPULATION TRENDS

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

CITY OF WILMINGTON DEMOGRAPHICS STATISTICS

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

Percentage of Population by Age Group



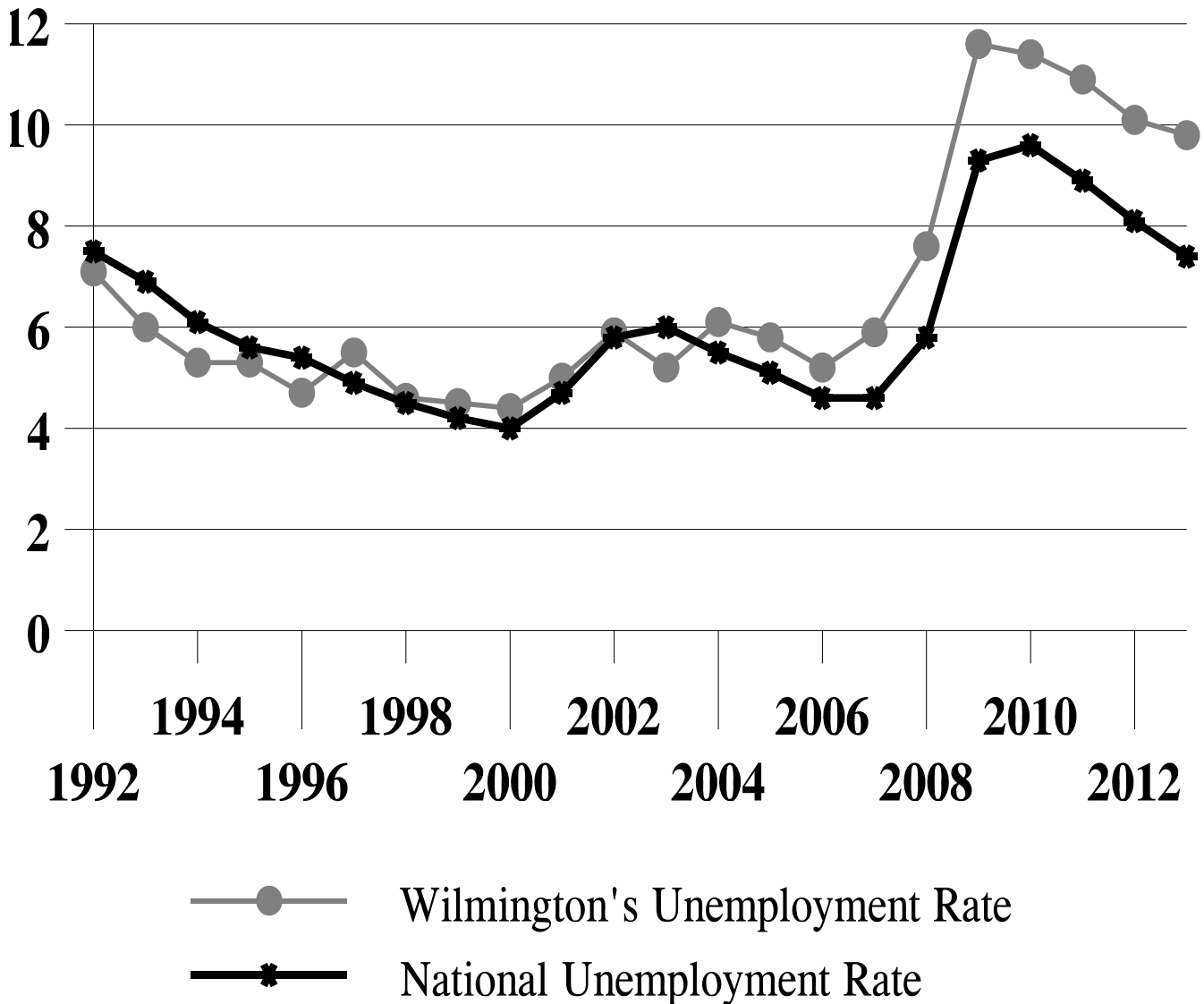
PERCENT OF HOUSEHOLDS BY ANNUAL INCOME (in 2012 inflation adjusted dollars)	
\$0 to \$9,999	12.0%
\$10,000 to \$14,999	9.9%
\$15,000 to \$24,999	11.5%
\$25,000 to \$34,999	13.9%
\$35,000 to \$49,999	11.4%
\$50,000 to \$74,999	14.8%
\$75,000 to \$99,999	10.9%
\$100,000 to \$149,999	10.7%
\$150,000 or more	5.0%
MEDIAN HOUSEHOLD INCOME	\$38,468

Source: U.S. Census Bureau, 2012 American Community Survey.

WILMINGTON EMPLOYMENT TRENDS

Employment is a strong indicator of the City of Wilmington's overall health. The City's unemployment rate continues to stay above national trends, reflecting the disproportional impact of today's economy on Wilmington's predominantly youthful population. Higher unemployment leads to an increase in demand for City services and resources, such as Summer Youth Employment and Policing.

City of Wilmington's Unemployment % Rate



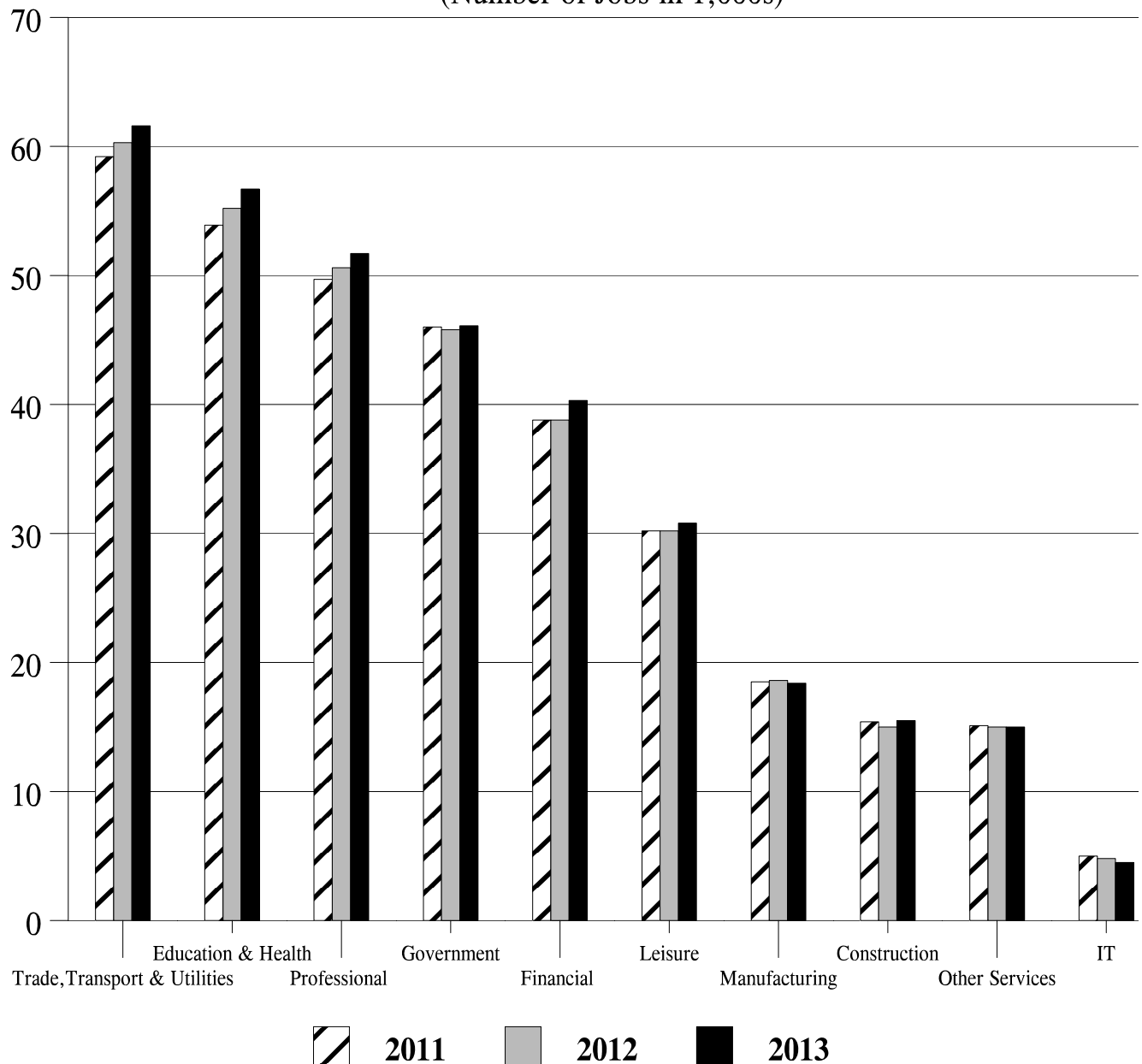
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics & Annual Average Unemployment Rate, 2013.

WILMINGTON PMSA EMPLOYMENT BY INDUSTRY

Industries located in and around the City of Wilmington promote economic development and job creation, as well as form the basis of the City's largest revenue source, Wage & Net Profits taxes. As such, the fiscal health of the City is closely connected to the health and stability of its employment base. Below are the major industries and their levels of employment within the Greater Wilmington Area.

Employment By Major Industry Type

(Number of Jobs in 1,000s)



Source: U.S. Department of Labor, Bureau of Labor Statistics, Current Employment Statistics Program, 2013.

MAJOR AREA EMPLOYERS

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

Employer	Business	Employees
State of Delaware (Non-education)	State Government	13,000
Christiana Care Health Services	Hospital/Healthcare Complex	10,400
Dupont	Chemicals and Energy	8,100
Bank Of America	Banking	7,100
AstraZeneca Inc. N.A.	Pharmaceuticals/Chemicals	4,500
Wal-Mart Stores, Inc.	Retailer	4,700
University of Delaware	Higher Education	4,000
A.I. Dupont Institute	Children's Hospital/Healthcare	2,821
Christiana School District	Public Education	2,300
The Y of Delaware	Civic/Social Services	2,300
Citibank Delaware	Banking	2,000
Red Clay School District	Public Education	1,750
M&T Bank	Banking	1,700
Walgreens	Retail Pharmacy	1,700
Siemens	Medical Instrumentation Manuf.	1,630
Delaware Park	Entertainment Facility	1,550
Brandywine School District*	Public Education	1,450
Comcast	Communications	1,450
Delmarva Power / PEPCO*	Electric & Gas Utility	1,438
Amtrak*	National Railroad	1,400
Colonial School District	Public Education	1,271
New Castle County Government*	County Government	1,250
St. Francis Healthcare Services**	Healthcare	1,200
Capital One**	Financial Services	1,122

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

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

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

Largest Wage Tax Withholders in the City of Wilmington

Maintaining the diversity of the City's top revenue source, Wage and Net Profits Tax, is an important component in assuring stable income during an economic downturn. As of calendar year 2013, no one entity was providing more than 10% of total Wage Taxes withheld. Below are the City's top five Wage Tax withholders over the past three calendar years.

Calendar Year 2013

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

Calendar Year 2012

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

Calendar Year 2011

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

Source: City of Wilmington Revenue Division.

Largest Real Estate Taxpayers in the City of Wilmington

Property tax is the City's second largest revenue source. Changes in the housing, construction, and building industries directly affect City revenue through the issuance of permits and the levying of property taxes. Below are the 11 largest real estate owners that in total represent one-quarter of the total taxable assessment value in the City.

Name	Property Type	Taxable Assessment	% of Taxable Assessment
Buccini/Pollin Group	Office & Luxury Residential	\$89,000,000	4.08 %
JP Morgan Chase	Office Building	63,700,000	2.93 %
Bank of America	Office Building	52,700,000	2.42 %
M&T Bank	Office Building	52,300,000	2.40 %
Dupont	Corporate Headquarters	51,300,000	2.36 %
DCL Leasing Partners	Office Building	41,000,000	1.89 %
Delmarva Power	Electric & Gas Utility	\$37,200,000	1.71 %
1201 Market Street LLC	Office Building	35,000,000	1.61 %
Calpine Mid-Atlantic	Electric Generation	32,300,000	1.48 %
Verizon	Office Building & Utility	29,900,000	1.37 %
TRC/Rubenstein	Office Building	29,300,000	1.35 %
Total		\$513,700,000	23.60 %

Source: City of Wilmington Revenue Division.

New Construction Permits Issued

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Single-Family	67	49	31	7	22
Multi-Family	2	3	2	3	3
Non-Residential	8	8	7	6	4
TOTAL	77	60	40	16	29

Total Value of New Construction Activity

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Residential	\$ 9,990,200	\$ 29,846,027	\$ 4,650,925	\$ 25,154,312	\$ 22,457,667
Non-Residential	\$ 11,125,024	\$ 8,543,544	\$ 49,391,949	\$ 38,583,903	\$ 5,383,608
TOTAL	\$ 21,115,224	\$ 38,389,571	\$ 54,042,874	\$ 63,738,215	\$ 27,841,275

Renovation Construction Permits Issued

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Residential	2,646	3,000	1,919	2,293	2,232
Non-Residential	571	326	247	319	447
TOTAL	3,217	3,326	2,166	2,612	2,679

Total Value of Renovation Construction Activity

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Residential	\$ 18,224,978	\$ 46,087,753	\$ 64,514,060	\$ 17,552,355	\$ 49,604,102
Non-Residential	\$ 73,261,487	\$ 35,798,778	\$ 94,577,430	\$ 83,326,487	\$ 56,438,330
TOTAL	\$ 91,486,465	\$ 81,886,531	\$159,091,490	\$ 100,878,842	\$ 106,042,432

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

ECONOMIC DEVELOPMENT ACTIVITY

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

Business Incentive Program

The Office of Economic Development (OED) manages the City's Economic Development Strategic Fund, which is used to make contractually-based job creation and job retention incentive offers to private businesses. The Fund's incentive expenditures are recouped by the City's General Fund in two or three years by the wage taxes generated from the new or retained jobs. Each incentive is contractually memorialized and contains performance requirements and claw-back terms.

Since the enabling legislation and initial appropriation of the Wilmington Strategic Fund in 2002, the City has executed over twenty-five contracts that have provided a total of \$11.75 million in incentive payments. These incentives have yielded \$40 million of additional wage taxes to the City's General Fund between FY 2002 and FY 2013. In FY 2014 alone, the jobs attributed to the Strategic Fund Incentive Program accounted for \$6 million of the City's wage tax base. This is expected to grow to \$6.75 million in FY 2015. With an unencumbered balance of approximately \$3 million, the Strategic Fund will continue to be an effective business development tool for the OED.

Strategic Fund highlights in FY 2014 include the execution of a new \$750,000 Job Creation Incentive Agreement to assist Navient (a new corporation formed to administer Delaware-based Sallie Mae's legacy student loan portfolio) in establishing a new headquarters in Wilmington. Navient will open operations with 100 employees in fall of 2014, and is anticipating the addition of five to ten employees annually in its first five years. Wage tax revenues from Navient are expected to increase the City's tax base by approximately \$500,000 in year-one of its Wilmington-based operations.

TD Bank established a Wilmington office in late 2013, taking 25,000 square feet in the Hercules Building. TD bank opened its office with 65 employees and is a potential employment expansion opportunity for Wilmington's banking sector.

The Capital One merger with ING Direct was completed in 2013 with the new company, Capital One 360, headquartered in Wilmington. At the time of the merger, ING Direct had 1,250 Wilmington employees. Capital One 360 now has almost 2,000 employees located across three major office buildings in Wilmington's central business and Riverfront districts. Capital One 360 has continued ING Direct's legacy of community development, and is a significant contributor to Wilmington's philanthropic and affordable housing organizations. The potential employment growth of Capital One 360 represents a tremendous opportunity for Wilmington's financial services sector.

Downtown Development

In March of 2014, Delaware Governor Jack Markel proposed his Downtown Development Initiative legislation aimed at assisting Delaware cities in attracting private development to their downtown cores. The Governor's Downtown Development Initiative is modeled after similar programs in other states and cities, including Wilmington's Upstairs Fund initiative. The Upstairs Fund initiative invested \$15.5 million of City General

Obligation Bond proceeds between 2009 and 2013 and leveraged over \$50 million in private sector investment in its Market Street Downtown Historic District. Like the Upstairs Fund, the Governor's Downtown Development Initiative will grant reimbursement dollars for eligible private development expenses incurred on approved projects and pursuant to a competitive process administered by a jurisdictional agency, in this case the Delaware State Housing Authority. The State Legislature appropriated \$7 million dollars to the Governor's Downtown Development Initiative in the FY 2015 budget and Wilmington is in the process of reviewing the State regulations and preparing applications for the creation of targeted districts and projects. The Governor's Downtown Development Initiative represents an opportunity to build upon the investment momentum created by the Upstairs Fund at no additional cost to the City's General Fund.

The Buccini Pollin group received permits in the spring of 2014 for two residential projects in the 600 block of the Market Street Historic District. The first project on the west side of the block is a renovation of the former Delaware State University education building into 30 new market-rate rental units. The second project on the east side of the block is new construction consisting of 45 new market-rate residential units. The two projects together represent a \$16 million investment.

The Community Education Building (CEB), the \$35 million dollar conversion of a former Bank of America building, is completed and poised to open its doors in August of 2014. The CEB is a joint initiative between Bank of America and Delaware's Longwood Foundation to establish a state-of-the-art urban education building to house charter schools. The CEB is designed to accommodate 2,000 students through sub-let arrangements with up to four Charter schools. Kuumba Academy and the Academia Antonia Alonso, totaling 1,000 students, are scheduled to open in September of 2014.

In response to Wilmington's growing charter school presence, the Buccini Pollin group has submitted a City-supported application to the Delaware State Housing Authority for affordable housing tax-credits to support the creation of 77 new workforce residential units. The \$25 million Market Street Village project, intended to provide affordable housing for teachers working at Wilmington's new Community Education Building, will convert three abandoned buildings along Wilmington's historic Market Street, placing 60,000 square feet of currently vacant real estate back into productive use.

The iconic 9th Street Parking garage, built in the late 1960s and vacant since 2009, was purchased by a Wilmington-based development company in 2013. Demolition of the two-acre site, bounded by 8th and 9th and Orange and Shipley streets, was completed in June of 2014. Pre-development planning is underway for a \$50 million, 250-unit market-rate residential project. The project will include interior structured parking and 10,000 square feet of new retail space facing 9th street. The project is expected to proceed through design and funding by early 2015.

In its final year of construction, the expansion of the ten-acre Wilmington Campus of the Christiana Care Health System is on schedule to be completed by year-end 2014. First announced in 2009, the \$210 million expansion doubled the size of the emergency room, created 30 new single-occupancy patient rooms, and provided the capacity for another 90 beds. In addition, 51,000 square feet of professional office space for private medical practices have been added. The final phase of the project, a new entrance lobby and outdoor healing garden, was dedicated in June of 2014. Christiana Care is projecting 500 new jobs as a result of the expansion project. Christiana's collaboration with Jefferson Medical School, and its vision to become a regional joint replacement and rehabilitation hospital, will serve the City well into the 21st century.

The Wilmington Renaissance Corp (WRC) is a public/private partnership funded by many of the leading businesses within the Downtown business district of the City. WRC has benchmarked best practices of other cities, and assembled local focus groups to come up with one Big Idea for Wilmington to adopt. The priority

idea, which has garnered wide community support, is to transform a selected area of the Downtown into a 'Creative District'. The process will include an inventory of real estate, application for private and public funds, and targeting prospective artists to settle within the district to make and to sell their art. The City, State, and the private sector will all work with WRC to enhance the potential to develop this idea as an engine to further drive the economic development of Downtown.

The Riverfront

The new 180 room Westin Hotel opened its doors adjacent to the Chase Center on Wilmington's Riverfront in April of 2014. The project sits at the southern gateway to Wilmington, and features cutting-edge architecture and interior design. Surrounding the Westin are Wilmington's many Riverfront attractions, such as the Blue Rocks stadium; the Shipyard Shops; the Delaware Children's Museum; and a multitude of dining options, including Iron Hill Brewery, Big Fish, Joe's Crab Shack, Firestone, and Kooma. The addition of a full-service hotel to the Wilmington market will help attract guests who are currently lodging outside of the City, as well as increase the Chase Center's stature as a premier regional conference destination. The \$40 million dollar project brought 150 construction jobs to Wilmington between 2012 through 2014 and will employ 100 permanent jobs, generating \$260,000 in annual lodging and wage tax revenues for the City's General Fund.

Announced in early 2012, the Residences at Harlan Flats, a new five-story, 116 unit market rate residential building is 50% completed and expected to open in December of 2014. The \$20 million project will feature one- and two-bedroom apartments with balconies, river views and an outdoor pool and terrace. The project is generating 80 construction jobs and \$200,000 in one-time City revenues, and is expected to bring in \$175,000 in annual recurring revenue. This project represents the second of three phases of the 20-acre Justison Landing redevelopment site. There remain two approved mixed-use development sites still available for future economic development opportunities.

The Delaware Department of Transportation has completed land acquisition, environmental permitting and concept design of the new multi-modal Christina River bridge crossing. In planning since 2008, this \$40 million project will connect US Route 13 on the east side of the Christina River to Wilmington's Riverfront on the west side, allowing for vehicular access to the area from I495. The bridge is designed for bike and pedestrian use, and will create a greenway connection from the Riverwalk on the west side of the Christina River to the east side, where future north-south transportation connections are planned. Construction of the bridge is scheduled to start in 2016.

Small and Minority Business Development

The Office of Economic Development operates a division dedicated to small and minority business development. Through its Small & Minority Business Enterprise Office (SMBEO), OED provides business training, promotes the utilization of disadvantaged businesses within the City's purchasing structure, and facilitates access to loans and financial support. SMBEO also hosts business events and training sessions, including monthly networking mixers, educational workshops, and a golf classic which raises funds for business development programs.

The 12-week Small Business Success Series, a night course that teaches business plan development and provides one-on-one technical assistance, graduated 13 businesses in spring of 2014. As part of the Annual Business Plan Competition, 15 start-up and emerging companies competed for \$10,000 in seed money. Six businesses were selected to receive funds ranging from \$1,000 to \$2,500. The winners of the competition, along with four established local businesses that have impacted the community, were awarded at the Annual Thomas J. Moyer Awards Banquet.

SMBEO's 8-week Contractor Assistance Program recently underwent major redesign and re-branding. The new program, called Prime Connections, will be a 9-month advanced construction management and capacity-building program for minority contractors. The program format and curriculum were designed with support and input from local educational institutions, resource agencies, construction industry associations, and select contractors. Prime Connections is scheduled to launch in October 2014.

SMBEO offers special incentives in the form of loan guarantees or principal forgiveness options to support small and minority business lending. SMBEO relies heavily on the business planning expertise of the Small Business Development Center (SBDC), and partners with the First State Community Loan Fund and the Wilmington Economic Development Corporation (WEDCO) for underwriting and loan servicing. Once businesses are approved for financing by one of the partner lenders, SMBEO can apply the appropriate incentive to support the transaction.

Neighborhood Improvements

Woodlawn Trustees (a 100-year old foundation created by the Wilmington industrialist and philanthropist William Bancroft), has received approvals and funding for the first of a five-phase, eight-year project that will result in the demolition of 430 outdated housing units and the construction of 450 new units in their place. Known as "The Flats," this ten-acre neighborhood on Wilmington's west side is comprised of rental properties owned and managed in accordance with William Bancroft's vision to provide clean, affordable housing for Wilmington's working class and poor.

The new modern units will be better insulated to provide the residents relief from high energy costs, and the City will benefit from the creation of more off-street parking, as well as jobs for City residents throughout the duration of the multi-phased effort. Improvements are also planned to City storm water systems that will allow retained rain water to be utilized for landscaping purposes. The Woodlawn Trustees are committed to working with all residents to make the transition into their new homes as easy as possible. The Administration and the City Council have endorsed this residential redevelopment plan, and are working with contractors to leverage the employment of City residents on the project.

Business Roundtable

Mayor Williams and the Office of Economic Development have engaged Wilmington's business community in the business roundtable in an effort to improve the City's economic landscape. The roundtable consists of members from multiple business sectors and professional associations (such as real estate, non-profits, hospitality, finance, chambers of commerce, and healthcare) who meet quarterly with the Mayor and his staff to address economic initiatives and challenges.

Roundtable members serve on subcommittees organized around issues central to economic development, such as planning, marketing, and workforce development. The subcommittees meet as working groups in between the quarterly scheduled roundtable meetings. Each subcommittee works on planning and strategy to meet goals highlighted by the Mayor and members of the roundtable. Subcommittees provide updates, discuss progress, and gain feedback during the business roundtable quarterly meetings.

The Economic Planning Subcommittee works with the City to coordinate and implement a comprehensive economic development plan. The Subcommittee is also focusing on improving the effectiveness and efficiency of City processes.

The Workforce Development Subcommittee is working to promote employment of City residents and develop small and minority businesses. The Subcommittee is creating partnerships with key stakeholders in an effort to develop projections of workforce requirements, an inventory of the skills required for that projected

workforce, and a list of those able to provide the skills training. The City's goal is to develop a more prepared workforce for current and future businesses and employment prospects.

The Marketing Subcommittee has incorporated its goals and united with other entities within the City to work on a plan to position Wilmington as a magnet for business development and operations. The partnership continues to explore ways to enhance the image of Wilmington as a desirable business location. Members of the marketing partnership utilize their respective information channels to promote and share social activities occurring throughout the City.

Economic Development Planning Process

OED is working in coordination with New Castle County to develop a Comprehensive Economic Development Plan for the City. The City and New Castle County retained a consulting firm to first do a SWOT (strengths, weaknesses, opportunities, and threats) analysis, and then provide recommendations on how to improve the City's economic outlook based on the findings.

OED coordinated focus group conversations with members of the community, business roundtable members, legislators and other key stakeholders in order to contribute their respective feedback to the initial analysis of the City. Their input, along with the collection of data that was coordinated through OED for the first phase of the project, was organized by the consultants to create the SWOT analysis for the City. The findings from these analyses, along with recommendations, were presented to the public during an open forum in late July of 2014.

The second phase of the economic development plan includes New Castle County's plan reconciliation; consolidation and prioritization of recommended actions; final edits by consultants; presentation to City leadership; and the unveiling of the final plan to the public. Both phases of the plan should be completed over the next several months, and then the steps toward implementation will follow.

Conclusion

Wilmington continues to build upon its successes of the past ten years. Key gains won through the Business Incentive Program demonstrate that even in this new age of economic uncertainty, Wilmington's business-friendly policies still meet the needs of the private sector and continue to draw investment. The continued transformation of the City's Downtown, Riverfront, and neighborhoods have generated activity, excitement, and a sense of pride in Wilmington.



CITIZEN'S GUIDE TO THE BUDGET PROCESS

The Budget Process

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

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

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

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

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

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

All materials and instructions necessary for Department Heads to craft their budget requests are given to them during the Budget Kick-off meeting, which is held the first week in December. Part of the material they receive includes the Level I Budget developed by OMB. It should be noted that requests for staffing increases or position upgrades go through an additional extended review process that includes the Human Resources Department and Mayor's Office. The deadline for budget submissions by Departments is the second week in January.

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

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

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

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

After the Finance Committee has completed its hearings, meetings are held in which City Council and the Administration leadership finalize agreement on the Budget. By the third Thursday in May, City Council votes on the Budget. By law, City Council must approve a balanced Budget by June 1st. For the Budget to be legally balanced, revenues plus an amount of existing prior years' surpluses, if any, must equal operating expenditures plus any existing deficits. Copies of the Approved Budget Book are normally available at the start of the fiscal year through OMB upon request.

Amending the Budget

After the start of the fiscal year, OMB has the authority to transfer budget allocations between accounts that are within the same Fund, Department, and Account Group. Account Groups are Personal Services; Materials, Supplies & Equipment; Debt Service, etc. Any other type of transfer, such as between Funds, Departments or different Account Groups, requires City Council approval by passage (through a simple majority vote) of an amending budget ordinance. The same holds true for any addition or deletion to the budget.

According to City Charter (Sec. 2-301 of the Wilmington City Code) "*The Council may not make any operating appropriations in addition to those included in the annual operating budget ordinance except:*

- a. To meet emergencies which could not be anticipated when the operating budget ordinance was passed;*
- b. To pay the expenses of holding special elections and elections on proposals to amend this Charter;*
- c. To pay the cost of councilmanic investigations and inquiries and the compensation of attorneys retained by the Council as authorized by this Charter."*

City Council must determine and approve the revenues by which an addition to the budget will be funded.

Capital Program and Capital Budget

Prior to the passage of the annual operating budget ordinance, Council must adopt a capital program and a capital budget. The Capital Program is a six-year plan listing projects for the purchase of property, equipment and public improvements that are of a permanent nature. The Capital Budget enacts spending authority for the first year of projects listed in the six year Capital Program. Generally, a capital project is fixed in nature, has a relatively long life expectancy and requires a substantial financial investment. Capital projects traditionally take the form of large-scale physical developments, such as buildings, streets and water mains. However, a wide range of other projects qualify for capital funding consideration, including fire fighting apparatus, street lighting, and computer software. **Please see the Capital Program section of this book for more details starting on page 227.**

The Capital Program is presented by the Mayor with the recommendation of the Planning Commission to City Council for approval. Council may delete projects from the program but may not otherwise amend the Capital Program unless requested through the Mayor and Planning Commission. The majority of the Capital Budget is funded using bond proceeds. Bonds enable the costs of projects with long-term benefits to be spread over many fiscal years. Bonds are usually issued for twenty years and are structured to match the usefulness of projects financed and the fiscal policy of the City.

Due to the planning required and in order to reduce the costs of bond issuance, the City has adopted a procedure of issuing bonds on a biannual basis. Therefore, capital projects are budgeted in only even numbered fiscal years and ordinances regarding the Capital Program and Budget in odd numbered years are normally insignificant and represent more of a formality than a substantive process.

The Capital Improvement Program (CIP) is designed to coordinate the biannual capital budgeting process with the operating budget process. The process includes: a) the establishment of a twelve-month capital project spending review; b) an inventory and needs assessment of existing capital facilities; c) the publication of a procedures manual; d) the creation of workshops to facilitate participation; and e) a combined review period for the CIP and the operating budget.

Public comment on the Capital Program and Budget is obtained during operating budget hearings and meetings of the Planning Commission.

Accounting and Budgeting Basis

The City's budget is prepared using the same basis of accounting methods and procedures utilized to prepare the Comprehensive Annual Financial Report. The City's Comprehensive Annual Financial Statement for FY 2013 was awarded the Certificate of Achievement in financial reporting by the Government Financial Officers Association.

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

The City utilizes four major funds: The General, Special, Water/Sewer, and Internal Service funds for both budgeting and accounting purposes (**please see Description of Appropriated Funds on page 26**). Funds can be thought of as being like the subsidiaries of a major conglomerate corporation. Each subsidiary is responsible for its own operational results and strategy, yet is still part of the larger conglomerate corporation when it comes to overall management and financial results.

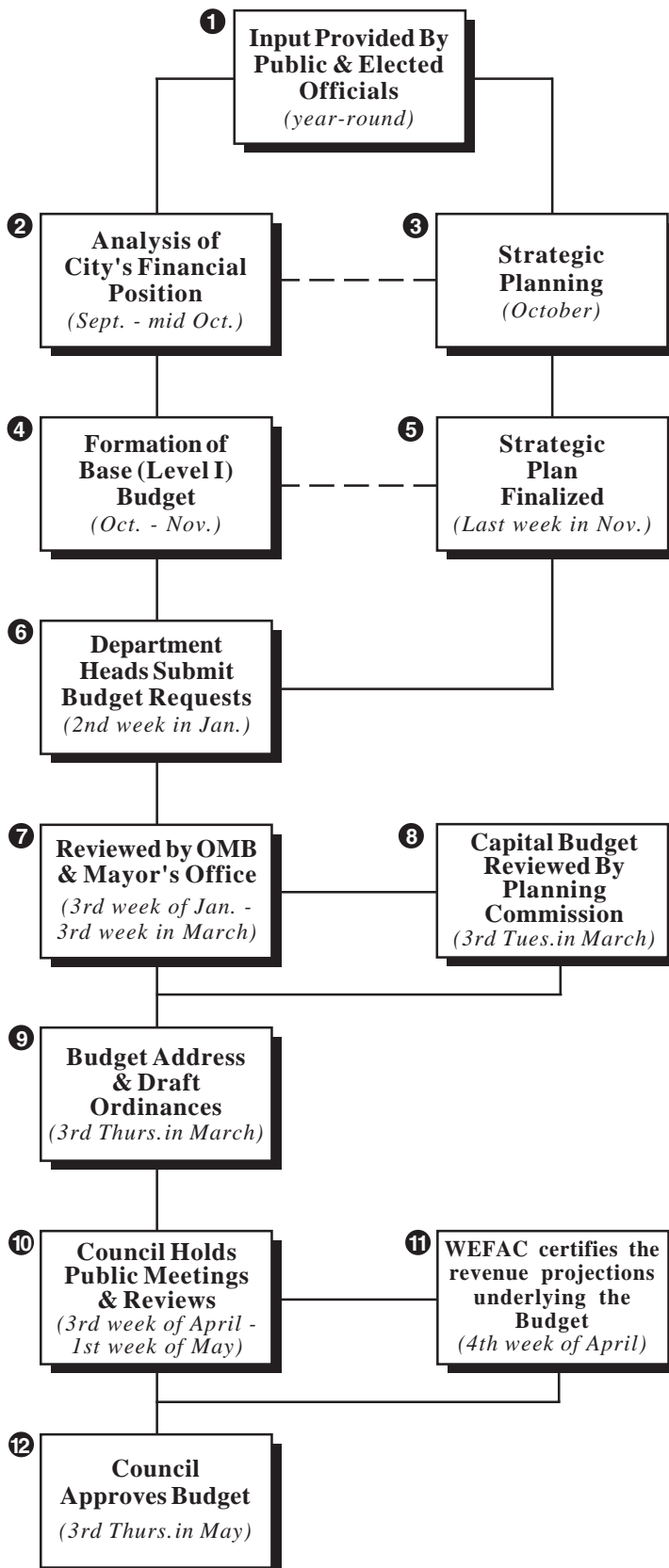
The basis of budgeting for each City fund matches the basis of accounting (the underlying fiscal principles used in the development of the financial statements and for recording financial activity) for that fund. The General, and Special funds are budgeted and operate under a **modified accrual basis**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

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

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

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

BUDGET PROCESS CALENDAR



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

WILMINGTON STRATEGIC PLAN

VISION STATEMENT

To be a thriving City, where communities are safe, businesses are eager to invest, and people prefer to live.

EFFECTIVE CITY GOVERNMENT

GOAL 1: To Meet Citizens' Service Needs in a Professional, Caring, and Efficient Manner

- A. Embrace a culture of service.
- B. Increase accountability.
- C. Enhance fiscal prudence.
- D. Ensure Transparency.

PUBLIC SAFETY

GOAL 2: To Decrease Crime and Improve Residents' and Visitors' Sense of Security

- A. Prevent and deter violent crime
- B. Cultivate positive community relationships.
- C. Promote professionalism.
- D. Reintegrate formally incarcerated individuals.

ECONOMIC VITALITY

GOAL 3: To Increase Opportunities for Citizens and Businesses to Achieve Economic Success

- A. Streamline permitting process.
- B. Build a skilled workforce.
- C. Cultivate entrepreneurship.
- D. Attract, retain, and expand business.

QUALITY OF LIFE

GOAL 4: To Enhance the City's Position as a Desirable Place to Live, Work, and Play

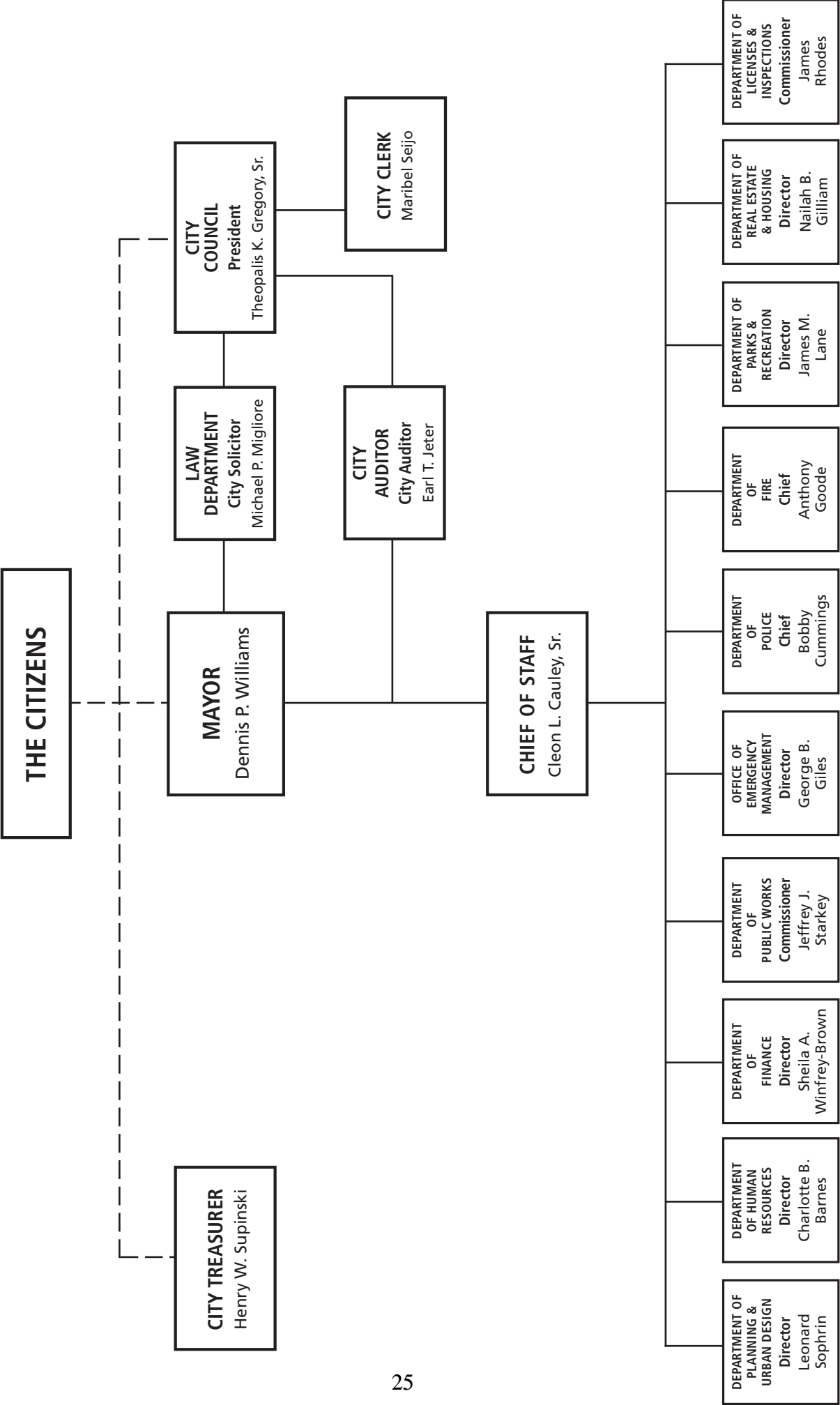
- A. Offer enhanced recreational opportunities.
- B. Support enriching cultural experiences.
- C. Enhance City services.
- D. Inspire young people to achieve success.
- E. Improve housing quality.

STATEMENT OF FINANCIAL POLICIES

1. The City Code requires that the operating budget be "balanced" or operating expenditures must be equal to revenues, plus prior years' accumulated surplus may be used if approved by Council. Our financial policy extends the code to include the following:
 - Enterprise Funds shall be self-sufficient and budgeted with a surplus or break-even operations. Water and Sewer user fees shall be adjusted to provide adequate cash flow to sustain water and sewer operations and the necessary infrastructure.
 - Internal Service Funds shall be budgeted at break-even with internal charges equal to expenditures. The Risk Management Fund shall be an exception in that this fund should, if possible, produce a positive fund balance. The building of a positive fund balance is important in risk management because a catastrophic fund balance reserve must be established. When the catastrophic reserve is established at an actuarially determined level, a balanced budget should be maintained.
 - Prior years' accumulated surpluses can be included in projected revenues with the exception of those funds designated for debt service, encumbrances or the Budget Reserve Account (see Policy #2). This policy limits tax increases because prior years' surplus are used prior to revenue enhancements.
2. Wilmington's financial position shall be managed conservatively. The following strategies shall be deployed:
 - The City shall maintain a Budget Reserve Account or "Rainy Day Account" equal to 10% of the General Fund Operating Budget. The Budget Reserve is to be used only in emergencies as declared by the Mayor and approved by a two-thirds majority vote of City Council.
 - One-time, temporary, or highly volatile sources of funding shall not be used to incur long-term or permanent increases in expenditures.
 - Operating contingencies shall be budgeted annually for general miscellaneous contingencies, snow removal and contingencies due to new or increased business activity.
 - Appropriations for pensions and retiree healthcare costs shall include amounts for current expenses, along with amounts amortizing prior unfunded liabilities, as actuarially determined and approved by the City Treasurer and the independent Board of Pension and Retirement.
 - The Risk Management Fund or Self-Insurance Fund shall maintain a fund balance reserve for catastrophic losses, in addition to the actuarially-calculated liability.
3. A target of 80% or more of the General Fund or operating budget should represent direct essential services deemed as priorities by the citizens, such as Police, Fire, Public Works, Parks & Recreation and L & I.

4. Cost containment shall be achieved by limiting growth of controllable expenses to no more than the increase in related cost indices such as 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 in 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 below 11%.
8. The City shall make maximum use of private resources. This includes the leveraging of non-public resources through public/private partnerships, as well as the privatization of services when those services can be provided more effectively, and at a reduced cost through the private sector.

CITY OF WILMINGTON ORGANIZATION CHART



DESCRIPTION OF APPROPRIATED FUNDS

The General Fund encompasses basic municipal operations and services, such as police and fire protection, residential trash collection, general governmental operations, etc. Revenues are derived from taxes, fees, fines, and interest on investments. The General Fund is designated as a governmental fund.

Special Funds contain specialized activities/services that are funded from specific sources including other governmental units, endowments, trusts, and agencies. Special Funds are designated as governmental funds.

- **State Aid to Local Law Enforcement (SALLE) Funds** are State of Delaware grants to be used for specific policing programs.
- **Parks Trust Fund** shown in the budget reflects contributions to the City from trusts to be used in the maintenance and improvement of specific City-owned parks. Only the contribution from the trusts to the City are appropriated and shown in the budget.
- **Municipal Street Aid Fund** reflects the fiscal activities regarding a special State of Delaware appropriation for Street maintenance.
- **Parks Assistance Fund** represents City activities in summer youth programs, senior programs, and other recreational and meal programs funded through federal and state grants.
- **HUD Section 8 Funds** are used exclusively for rental subsidies for aged and economically disadvantaged persons. Funding is obtained from the U.S. Department of Housing and Urban Development.
- **Community Development Block Grant (CDBG) Funds** are federally-funded activities administered by City staff and subrecipients for urban renewal and development.
- **Home Partnership Funds** are federal funds which address a variety of housing assistance programs to benefit low-to-moderate income City residents.
- **Pension Administration Funds** shown in the budget reflect the costs related to the administration of the City's five employee pension plans. The pension fiduciary trust funds themselves (including pension payroll and investment income) are not appropriated by City Council, but are controlled by an independent Board of Pensions.
- **Emergency Shelter Grant** is designed to improve the quality of emergency shelters for the homeless. Funding for this program is awarded through the United States Department of Housing and Urban Development.
- **Local Law Enforcement Block Grant (LLEBG)** is awarded by the United States Department of Justice to be used by local Police jurisdictions to enhance crime prevention and deployment.
- **New Castle County (NCC) Police Grant; NCC Fire Grant** are grants provided by New Castle County for supporting City policing operations, new Fire apparatus, and ambulance subsidy payments.
- **Delaware State Fire Grant** is provided by the State of Delaware to all fire departments throughout the State to assist them in purchasing specialized gear and equipment and to provide funding for specific safety training programs.

DESCRIPTION OF APPROPRIATED FUNDS

(continued)

Special Funds (continued)

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

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

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

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

DESCRIPTION OF APPROPRIATED FUNDS

(continued)

The Commerce Fund (defunct) continued

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

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

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

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

Funding Appropriation

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

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

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

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2015

The General Fund

- The Fiscal Year (FY) 2015 operating budget expenditures total **\$150,039,645** – up \$4,663,501, or 3.2% from FY 2014. This increase was driven in large part by a number of mostly uncontrollable cost factors. Actuarially required pension and pension healthcare contributions rose a total of almost \$852,000. The need to finance critical infrastructure projects in the FY 2014-2015 Capital Budget was responsible for \$716,000 of an overall \$1.1 million increase in Debt Service costs. Contractual employee salary step increases added about another \$500,000. To retain those firefighters that had been principally funded through the now defunct SAFER grant, \$382,700 in salary and benefits for 6.5 Full-Time Equivalent (FTE) positions were moved into the General Fund. Removed last fiscal year by Council, the restoration of a fiscally prudent operating contingency fund added \$300,000. Lastly, required technology upgrades, vehicles and fuel, especially for public safety, increased costs by a total of \$281,400.
- Staffing increased by a net total of 1.60 FTEs. These changes are detailed below:
 - Retaining SAFER grant-funded Firefighters after the grant ended in mid-year of FY 2014 added in a prorated 6.50 FTEs, while absorbing the remaining portion of a COPS grant-funded Patrol Officer resulted in an additional 0.88 FTE transferred in.
 - The Mayor's Office reinstated the 1.00 FTE Marketing & Special Projects Coordinator position and changed the title to Public Relations & Communications Officer.
 - Parks & Recreation eliminated 2.00 FTEs, a vacant Park Maintenance Supervisor position and a vacant Nursery Technician position.
 - Public Works deleted 1.75 FTE, a vacant General Laborer position and the vacant Fleet Manager position which was split-funded 75% General Fund and 25% Water/Sewer Fund.
 - In Finance, a net 1.15 FTEs were eliminated. 2.30 FTEs (two vacant PREO positions and the vacant split-funded Revenue Division Manager position) were deleted, along with an additional net 0.50 FTE decrease resulting from the reallocation of costs for a number of positions split-funded between the General and Water/Sewer Funds. These reductions were offset by the addition of 1.00 new FTE Grants Accountant position and the reinstatement of a split-funded 0.65 FTE Accounting Manager Position.
 - The Law Department deleted 1.00 FTE, a vacant Legal Administrator position.
 - Three vacant positions, split-funded between the General Fund and Federal Grant Funds in Real Estate & Housing, were eliminated. The vacant positions were a Senior Rehabilitation Specialist, an Administrative Assistant, and a Program Management Director. These eliminated positions netted to a 0.68 FTE reduction to the General Fund.
 - In the Planning Department, the reallocation of costs for the Planner II position that is split-funded between the General Fund and federal grant funds netted to a 0.20 FTE reduction.

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2015

The General Fund (continued)

- As part of the actions necessary to avoid a budget deficit, there is no allowance for a general Cost of Living Adjustment (COLA) for employees. A 2.5% COLA would have added about \$1.75 million to the FY 2015 budget. This will be the sixth year in a row that budget constraints have dictated that there be no provision for employee COLAs. However, anniversary-based salary step increases for all eligible employees will continue.
- Council made a number of Departmental MS&E appropriation reductions to last fiscal year's budget that totaled \$430,500. The reductions were shown as negative offsets through the use of MSE-Budget Control accounts in the affected Departments. Because those negative offsets in the MSE-Budget Control accounts were zeroed out in FY 2015, the effect is an increase of \$430,500.
- Council also made a number of Departmental Personal Services (PS) appropriation reductions to last fiscal year's budget that totaled \$354,476. These reductions were shown as negative offsets through the use of PS-Budget Control accounts in the affected Departments. Because these negative offsets in the PS-Budget Control accounts were zeroed out in FY 2015, the effect is an increase of \$354,476.
- Miscellaneous Projects increased by a net total of \$372,000 to fund several large initiatives and to support the continuation of programs introduced last year. In Parks & Recreation, \$200,000 was added to implement the Cure Violence project, an anti-violence program modeled after the Chicago Project for Violence Prevention which aims at reducing street violence by using outreach workers to interrupt potentially violent situations. Another \$100,000 was added in Parks & Recreation to continue the highly successful Arts in the Parks program that was started last summer. In the Mayor's Office, a net total of \$72,700 was added to fund a number of special projects, including neighborhood development interns from the University of Delaware, the Sister Cities program, and expanded festival programming.
- Because of the present vacancy rate and projected increased attrition over the coming months, \$352,000 was added to the Police Department to fund the cost of a Police Academy class for 30 recruits. The authorized strength of the Department will remain at 320 sworn officers.
- After the Delaware SPCA decided it no longer wanted to be in the animal control business, the City was able to reach an agreement with the Kent County SPCA to provide animal control in Wilmington for an annual fee of \$600,000. Although this is a \$258,000 increase over last year's original budget, it is considerably less on an annualized basis than the punitive rate structure that the Delaware SPCA imposed in its 6-month contract extension with the City for the first half of FY 2014.

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2015

The General Fund (continued)

- Temporary Agencies rose by about \$200,000 City-wide, with the single largest increase of \$150,000 occurring in the Finance Department. The increase in Finance will support the transition to using more in-house support in place of consultants in the Earned Income Tax Division; provide staffing for the offsite cashier station at the State DMV for the scofflaw registration-hold program; and improve the efficiency of the Parking Enforcement Division's vehicle booting process.
- Police Overtime was increased by almost \$193,000. This increase will be used to bolster patrol deployment and investigative activities to combat the drug related turf war shootings and homicides that have plagued the City in recent years.
- Temporary Salaries is up almost \$153,000 in the Youth & Families Division of the Parks & Recreation Department. Most of that increase is to allow for a greatly expanded Summer Youth Employment program, increasing the number of youth participants from 70 to 250.
- As part of the City's overall strategy for neighborhood redevelopment and viability, funding for the demolition of dangerous and abandoned eyesore properties was increased to \$350,000. This is \$100,000 more than what was budgeted last fiscal year.
- Hospitalization (employee medical costs) decreased by \$471,000 because of several contractual changes being implemented by the Human Resources Department that will eliminate broker commission payments and reduce medical stop-loss insurance premiums.
- By decoupling from the State's utility contract and continuing the green initiatives implemented over the past several years, the City has been able to lock in favorable rates for electricity for the next three years. As a result, the budget for Electricity declined by over \$130,000.
- To balance the FY 2015 budget a 5.0% Property Tax increase was approved. The average residential homeowner will pay \$3.31 more per month.

BUDGET HIGHLIGHTS
CITY OF WILMINGTON
FISCAL YEAR 2015

The Water/Sewer Fund

- The FY 2015 operating budget expenditures total **\$67,977,140** – up \$1,365,334, or 2.0% from FY 2014. The FY 2015 budget continues to support the high-priority initiatives begun in recent years deemed essential to achieving financially self-sustaining and environmentally-sound water, sewer, and stormwater utilities. These include an accelerated Combined Sewer Overflow (CSO) mitigation effort, and finished water filtration and supply improvements that exceed EPA standards, contributing to the stability of northern Delaware’s water supply, especially in times of drought.
- In Public Works, there is a \$534,500 increase in Contracted Maintenance Services that is mainly split between the Water System and the Wastewater Treatment Divisions. In the Water System Division, additional funding of \$250,000 will support a comprehensive water tank inspection, maintenance, and repainting program. There is also a \$40,000 increase for additional fire hydrant testing, maintenance, and repair. In the Wastewater Treatment Division, there is an increase of \$229,000 in the contract for Veolia to operate and maintain the City’s sewage treatment plant and to provide certain capital improvements. This increase results in part from using mutually agreed upon cost indices that have risen over the past year.
- The Indirect Cost expense to the Water/Sewer Fund increased by \$482,000. The City recently commissioned an in-depth study of all supporting services to the Water/Sewer Fund’s utility functions to create an updated and accurate indirect cost plan. The indirect cost charges (that flow as revenue to the supporting General Fund) had not been updated since the mid-1990s, when they were frozen as a result of a mediated agreement between the City and New Castle County (NCC) because of a dispute over the NCC sewer bill.
- Overall debt service interest costs increased by a net \$347,000. While the need to finance critical infrastructure projects in the FY 2014-2015 Capital Budget added \$728,100 in new interest costs, this was partially offset by a reduction in the existing debt service schedule of \$381,000.
- Recently completed capital projects of extraordinary scope and price, such as the Cool Spring Reservoir project, raising the level of Hoopes Dam, and the Real Time Control system have greatly increased the fixed asset value of the Water/Sewer Fund, resulting in a \$324,100 increase in depreciation expense.
- Motor Vehicle Costs increased by almost \$261,000, reflecting the depreciation, maintenance, fuel, and lease interest costs of the Public Works Department’s fleet of vehicles, trucks, and highly specialized large apparatus.

BUDGET HIGHLIGHTS

CITY OF WILMINGTON

FISCAL YEAR 2015

The Water/Sewer Fund (continued)

- In total, Consultants, Engineering and the Contracted Maintenance account group decreased by almost \$510,000. Public Works has made it a priority to use more in-house talent whenever feasible. Also, increased funding last fiscal year for some large one-time projects in areas such as condition assessment did not need to be carried forward into the FY 2015 budget, and was deleted.
- Staffing increased by a net 2.90 FTEs.
 - In Public Works, there is an increase of 0.75 FTE. A 1.00 FTE new GIS Technician position was added, but was offset 0.25 FTE by the deletion of the vacant Fleet Manager position which was split-funded 75 % General Fund and 25 % Water/Sewer Fund.
 - In Finance, a number of changes took place that netted to an overall increase of 2.15 FTEs. While 2.00 new FTE positions were added (a Billing Analyst and a Staff Accountant), the reallocation of costs between the Water/Sewer Fund and the General Fund for four variously split-funded positions, along with the deletion of the split-funded Revenue Division Manager position, netted to a slight decrease of 0.20 FTE. Lastly, the split-funded Accounting Manager Position was reinstated, adding 0.35 FTE.
- As part of a planned series of rate adjustments needed to properly fund the City's water, sewer and stormwater utilities, there is a 5.0% increase in water, sewer, and stormwater rates. The setting of rates is based on the recommendations of the Citizens Advisory Board, created in part to help de-politicize the rate-making process. The typical residential customer will pay \$2.39 more per month.

SUMMARY OF COMBINED STATEMENT OF REVENUES
FY 2011 - FY 2015

REVENUES	ACTUAL FY2011	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
General Fund					
Taxes	\$102,735,970	\$108,219,923	\$108,579,807	\$106,769,172	\$110,453,343
Permits, Fees & Fines	12,652,152	14,376,495	11,710,873	12,470,360	12,670,360
Other	6,085,892	6,766,871	5,819,430	6,903,999	7,868,391
Task Force Revenues	4,183,747	4,207,837	4,314,782	4,294,993	4,452,355
County Seat Relief	7,949,369	7,708,292	8,172,793	8,117,796	8,572,228
State Pension Contributions	6,981,542	6,549,346	7,155,315	6,984,517	7,155,315
Transfers In	1,400,422	577,160	316,616	275,000	275,000
Prior Year Surplus	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	141,989,094	148,405,924	146,069,616	145,815,837	151,446,992
Water/Sewer Fund					
Direct User Charges	39,559,528	45,447,703	47,135,438	53,103,000	52,676,000
New Castle County Charges	17,646,669	17,583,585	18,638,495	18,915,070	19,143,468
Other	<u>1,437,456</u>	<u>1,750,956</u>	<u>1,575,964</u>	<u>1,284,000</u>	<u>1,228,000</u>
Subtotal	58,643,653	64,782,244	67,349,897	73,302,070	73,047,468
Special Funds					
Fed./State/County Grants	10,223,426	13,355,636	8,553,855	6,550,611	8,253,540
Other	<u>2,385,417</u>	<u>2,795,067</u>	<u>2,238,593</u>	<u>3,775,195</u>	<u>4,180,017</u>
Subtotal	12,608,843	16,150,703	10,792,448	10,325,806	12,433,557
Total Revenues	<u>\$213,241,590</u>	<u>\$229,338,871</u>	<u>\$224,211,961</u>	<u>\$229,443,713</u>	<u>\$236,928,017</u>

**SUMMARY OF COMBINED STATEMENT OF EXPENDITURES
FY 2011 - FY 2015**

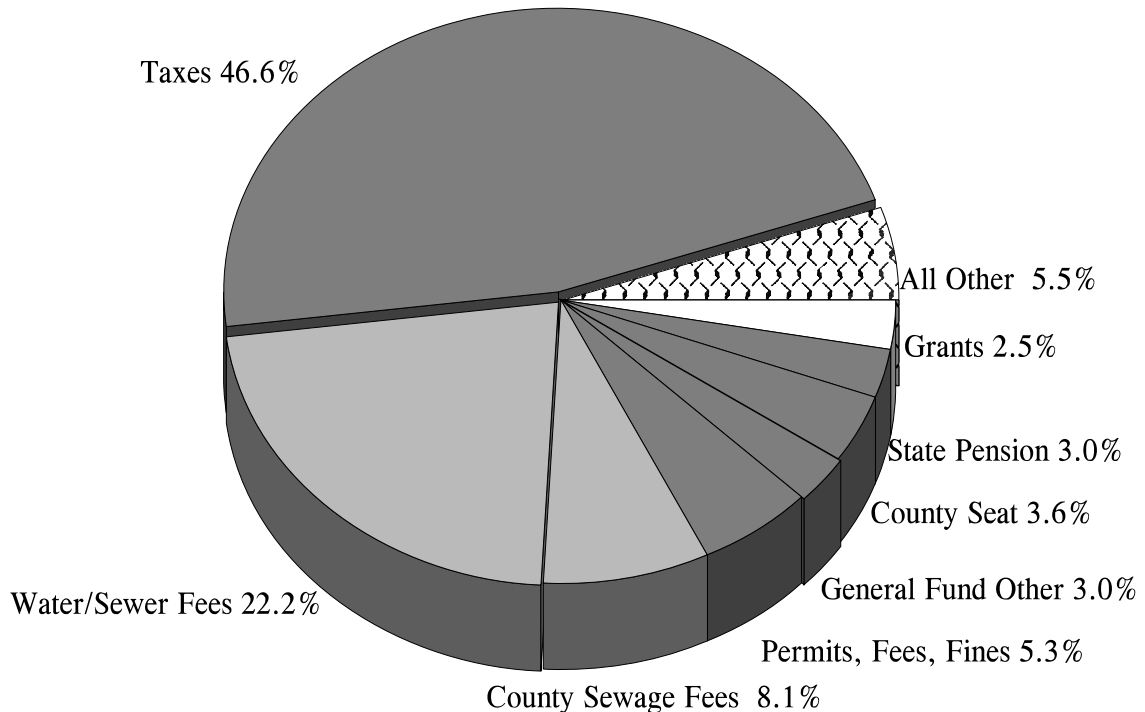
EXPENDITURES	ACTUAL FY2011	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
General Fund					
Personal Services	\$94,381,824	\$93,728,339	\$100,953,853	\$97,718,169	\$99,270,918
M. S. & E.	31,584,870	32,323,387	30,204,149	34,877,355	36,357,801
Debt Service	8,257,993	11,000,745	12,334,651	12,173,051	13,245,326
Other	<u>575,464</u>	<u>411,214</u>	<u>504,589</u>	<u>607,570</u>	<u>1,165,600</u>
Subtotal	134,800,151	137,463,685	143,997,242	145,376,145	150,039,645
Water/Sewer Fund					
Personal Services	10,085,484	9,921,995	9,957,704	10,183,861	10,387,796
M. S. & E.	33,317,873	37,155,482	36,297,602	42,860,063	43,350,404
Debt Service	4,283,208	6,193,410	5,965,399	6,206,159	6,553,161
Other	<u>6,896,952</u>	<u>7,361,725</u>	<u>7,685,779</u>	<u>7,361,724</u>	<u>7,685,779</u>
Subtotal	54,583,517	60,632,612	59,906,484	66,611,807	67,977,140
Special Funds					
Personal Services	3,856,725	5,208,599	4,183,926	3,536,161	3,642,514
M. S. & E.	5,213,524	6,554,609	3,785,482	2,156,393	3,628,414
Other	<u>3,538,594</u>	<u>4,387,495</u>	<u>2,823,040</u>	<u>4,470,647</u>	<u>4,969,356</u>
Subtotal	12,608,843	16,150,703	10,792,448	10,163,201	12,240,284
Total Expenditures	<u>\$201,992,511</u>	<u>\$214,247,000</u>	<u>\$214,696,174</u>	<u>\$222,151,153</u>	<u>\$230,257,069</u>
INCOME/(LOSS)					
General Fund	7,188,943	10,942,239	2,072,374	439,692	1,407,347
Water/Sewer Fund	4,060,136	4,149,632	7,443,413	6,690,263	5,070,328
Special Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>162,605</u>	<u>193,273</u>
Total Income/(Loss)	<u>\$11,249,079</u>	<u>\$15,091,871</u>	<u>\$9,515,787</u>	<u>\$7,292,560</u>	<u>\$6,670,948</u>

SUMMARY ALL FUNDS COMBINED FISCAL YEAR 2015

<u>Revenues</u>	<u>Actual FY 2012</u>	<u>Actual FY 2013</u>	<u>Budget FY 2014</u>	<u>Budget FY 2015</u>	<u>Percent Change FY'15-'14</u>	<u>Page Reference*</u>
Taxes	\$108,219,923	\$108,579,807	\$106,769,172	\$110,453,343	3.5%	38
Permits, Fees, Fines	14,376,495	11,710,873	12,470,360	12,670,360	1.6%	38
Task Force Revenues	4,207,837	4,314,782	4,294,993	4,452,355	3.7%	38
County Seat Relief	7,708,292	8,172,793	8,117,796	8,572,228	5.6%	38
State Pension Contr.	6,549,346	7,155,315	6,984,517	7,155,315	2.4%	38
General Fund Other	5,841,059	5,235,638	6,722,833	7,209,226	7.2%	38
Water/Sewer Fees	45,447,703	47,135,438	53,103,000	52,676,000	-0.8%	42
County Sewage Fees	17,583,585	18,638,495	18,915,070	19,143,468	1.2%	42
Water/Sewer Other	1,750,956	1,575,964	1,284,000	1,228,000	-4.4%	42
Port Debt Reimburse.	1,502,972	900,408	456,166	934,165	104.8%	38
Special Funds Grants	13,355,636	8,553,855	4,426,465	5,991,418	35.4%	40
Special Funds Other	<u>2,795,067</u>	<u>2,238,593</u>	<u>5,899,341</u>	<u>6,442,139</u>	<u>9.2%</u>	40
Total Revenues	<u>\$229,338,871</u>	<u>\$224,211,961</u>	<u>\$229,443,713</u>	<u>\$236,928,017</u>	<u>3.3%</u>	

* See page listed for further information and details.

Revenues All Funds Fiscal Year 2015

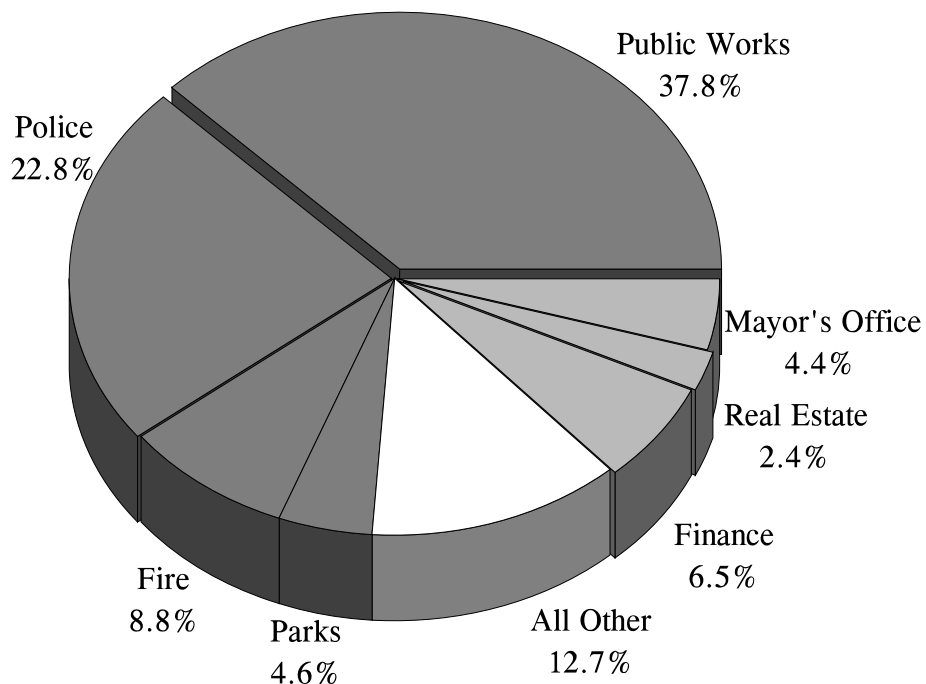


SUMMARY OF ALL FUNDS COMBINED FISCAL YEAR 2015

<u>Expenditures</u>	<u>Actual FY 2012</u>	<u>Actual FY 2013</u>	<u>Budget FY 2014</u>	<u>Budget FY 2015</u>	<u>Percent Change FY'15-'14</u>	<u>Page Reference*</u>
Mayor's Office	\$7,552,314	\$7,602,838	\$9,483,549	\$10,227,946	7.8%	91
Council	2,560,701	2,646,876	3,042,336	3,098,489	1.8%	101
Treasurer	3,143,402	2,617,258	4,086,282	4,493,913	10.0%	109
Planning	1,581,753	1,608,886	1,677,423	1,764,139	5.2%	117
Audit	761,418	789,381	766,540	755,310	-1.5%	126
Law	3,104,875	3,046,824	3,009,578	2,895,898	-3.8%	131
Finance	13,935,261	12,628,376	14,487,797	14,935,788	3.1%	137
Human Resources	1,819,672	1,729,717	2,001,801	2,116,170	5.7%	147
Licenses & Inspections	4,121,324	4,669,180	4,768,281	5,201,439	9.1%	160
Parks & Recreation	9,362,179	8,916,002	8,671,010	10,615,832	22.4%	165
Fire	21,871,948	20,010,010	19,878,902	20,302,387	2.1%	175
Police	51,996,210	54,303,213	51,849,321	52,518,264	1.3%	183
Public Works	78,512,752	81,349,116	85,284,048	86,950,701	2.0%	194
Real Estate & Housing	5,275,696	4,363,135	5,154,366	5,456,912	5.9%	212
Commerce (Port Debt)	2,096,986	1,260,047	880,402	1,343,566	52.6%	225
State Pension Contr.	6,550,509	7,155,315	6,984,517	7,155,315	2.4%	176 & 184
Contingent Reserves	<u>0</u>	<u>0</u>	<u>125,000</u>	<u>425,000</u>	<u>240.0%</u>	91
Total Expenditures	<u>\$214,247,000</u>	<u>\$214,696,174</u>	<u>\$222,151,153</u>	<u>\$230,257,069</u>	<u>3.6%</u>	

* See page listed for further information and details

Expenditures All Funds Fiscal Year 2015



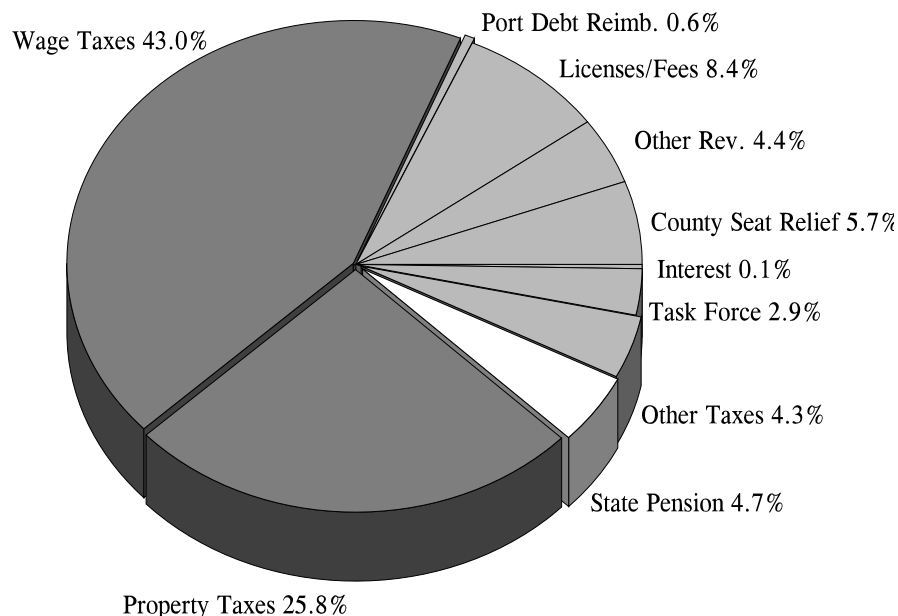
SUMMARY OF GENERAL FUND FISCAL YEAR 2015

Revenues	Actual FY 2012	Actual FY 2013	Budget FY 2014	Budget FY 2015	Percent Change FY'15-'14	Page Reference*
Wage Tax	\$60,855,276	\$61,997,470	\$62,033,043	\$64,965,600	4.7%	68
Property Tax	39,013,879	38,181,077	38,424,100	38,949,912	1.4%	69
Other Taxes	8,350,768	8,401,260	6,312,029	6,537,831	3.6%	70
Licenses, Permits, Fees & Fines	14,376,495	11,710,873	12,470,360	12,670,360	1.6%	71
Interest	164,501	171,723	207,193	211,759	2.2%	72
Other Revenues	5,099,398	4,747,299	6,240,640	6,722,467	7.7%	73
Task Force Revenues	4,207,837	4,314,782	4,294,993	4,452,355	3.7%	74
County Seat Relief	7,708,292	8,172,793	8,117,796	8,572,228	5.6%	75
State Pension Contr.	6,549,346	7,155,315	6,984,517	7,155,315	2.4%	76
Port Debt Reimburse.	1,502,972	900,408	456,166	934,165	104.8%	76
Transfers In/(Out)	577,160	316,616	275,000	275,000	0.0%	77
Use of Fund Balance	0	0	0	0	0.0%	77
Total Revenues	<u>\$148,405,924</u>	<u>\$146,069,616</u>	<u>\$145,815,837</u>	<u>\$151,446,992</u>	<u>5.1%</u>	

* See page listed for further information and details.

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

General Fund Revenues Fiscal Year 2015



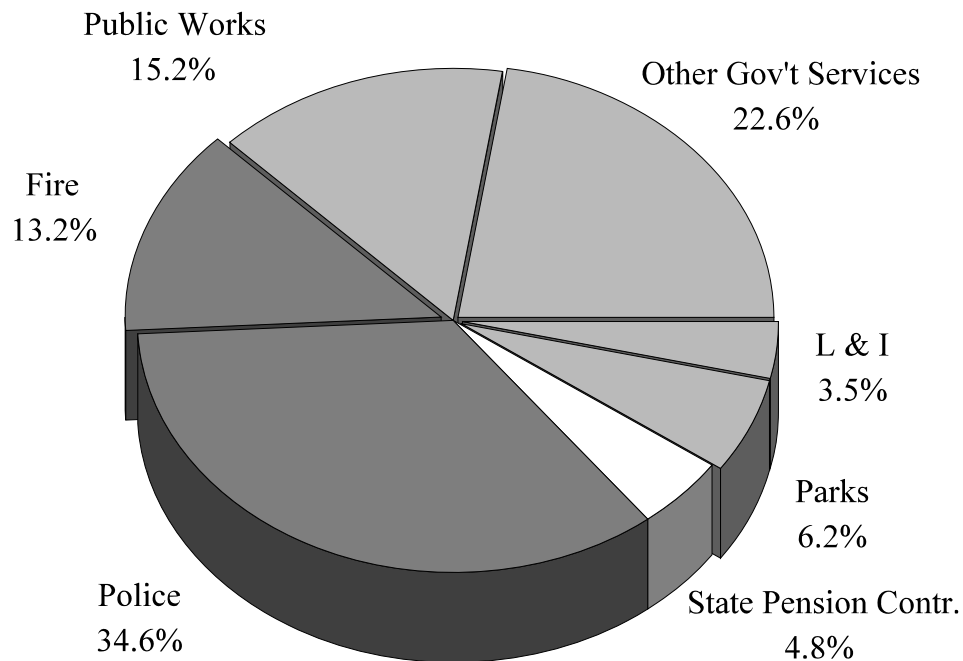
SUMMARY OF GENERAL FUND FISCAL YEAR 2015

<u>Expenditures</u>	<u>Actual FY 2012</u>	<u>Actual FY 2013</u>	<u>Budget FY 2014</u>	<u>Budget FY 2015</u>	<u>Percent Change FY'15-'14</u>	<u>Page Reference*</u>
Mayor's Office	\$7,381,368	\$7,390,552	\$9,420,801	\$10,163,709	7.9%	91
Council	2,560,701	2,646,876	2,142,868	2,160,701	0.8%	102
Treasurer	428,675	462,436	432,507	436,883	1.0%	109
Planning	1,522,602	1,589,101	1,635,362	1,723,907	5.4%	117
Audit	701,418	729,381	695,648	683,953	-1.7%	126
Law	3,104,875	3,046,824	3,009,578	2,895,898	-3.8%	132
Finance	10,524,950	9,265,913	10,045,995	10,123,518	0.8%	137
Human Resources	1,819,672	1,729,717	2,001,801	2,116,170	5.7%	148
Licenses & Inspections	4,121,324	4,669,180	4,768,281	5,201,439	9.1%	160
Parks & Recreation	8,058,670	7,790,754	8,549,590	9,231,100	8.0%	165
Fire	18,385,493	19,158,868	19,496,240	19,876,018	1.9%	175
Police	48,645,042	51,863,759	51,105,072	51,944,552	1.6%	184
Public Works	20,254,686	23,881,242	22,310,769	22,778,331	2.1%	194
Real Estate & Housing	1,306,714	1,357,277	1,771,714	1,779,585	0.4%	212
Commerce (Port Debt)	2,096,986	1,260,047	880,402	1,343,566	52.6%	225
State Pension Contr.	6,550,509	7,155,315	6,984,517	7,155,315	2.4%	176 & 184
Contingent Reserves**	<u>0</u>	<u>0</u>	<u>125,000</u>	<u>425,000</u>	<u>240.0%</u>	91
Total Expenditures	<u>\$137,463,685</u>	<u>\$143,997,242</u>	<u>\$145,376,145</u>	<u>\$150,039,645</u>	<u>3.2%</u>	

* See page listed for further information and details.

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

General Fund Expenditures Fiscal Year 2015



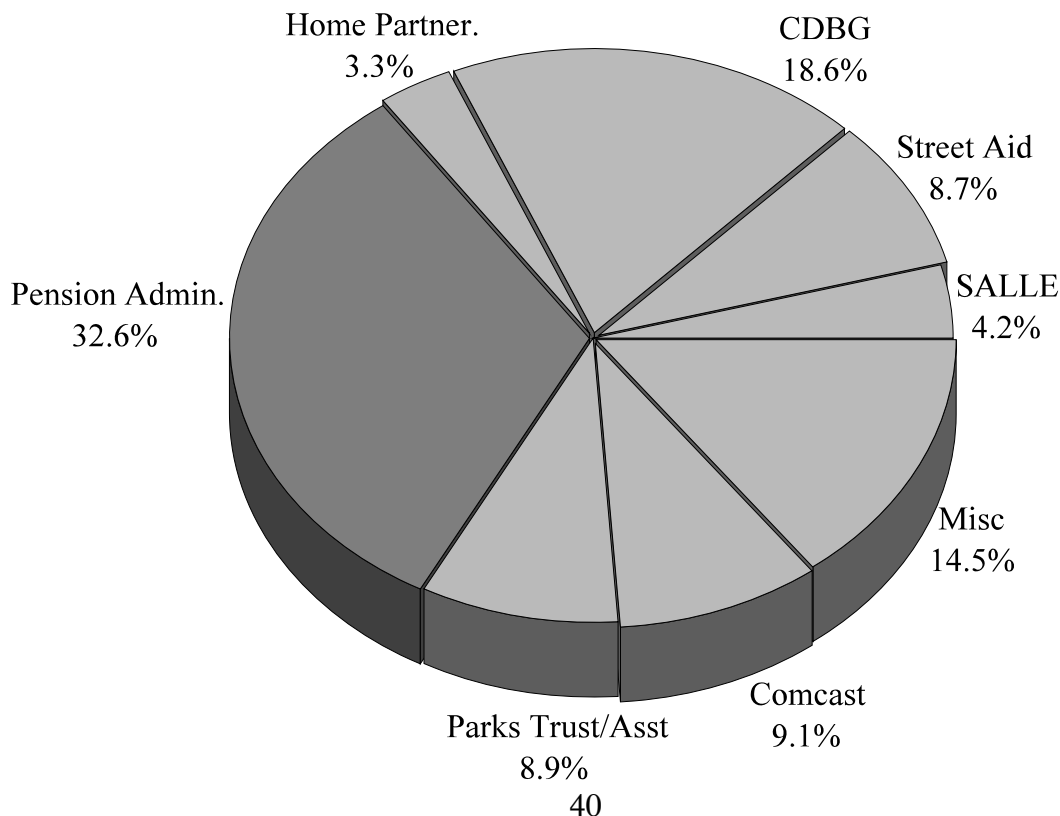
SUMMARY OF SPECIAL FUNDS FISCAL YEAR 2015

<u>Revenues</u>	<u>Actual FY 2012</u>	<u>Actual FY 2013</u>	<u>Budget FY 2014</u>	<u>Budget FY 2015</u>	<u>Percent Change FY'15-'14</u>	<u>Page Reference*</u>
Municipal Street Aid	1,095,765	983,853	874,166	1,078,857	23.4%	78
CDBG	2,496,644	1,960,779	2,114,703	2,318,614	9.6%	78
Comcast Franchise	0	0	1,062,073	1,131,061	6.5%	78
COPS Grant	1,303,879	750,476	125,495	51,514	-59.0%	79
SAFER	581,546	729,995	382,662	0	-100.0%	79
Parks Assistance	914,398	835,044	0	984,149	N/A	79
Parks Trust Fund	80,340	83,771	121,420	122,987	1.3%	80
SALLE/LLEBG	2,047,289	1,794,124	618,754	522,198	-15.6%	80
Pension Admin.	2,714,727	2,154,822	3,653,775	4,057,030	11.0%	80
Home Partnership	752,738	175,582	416,976	410,953	-1.4%	81
Byrne Grant	0	0	0	0	0.0%	N/A
Miscellaneous Grants	4,163,377	1,324,002	955,782	1,756,194	83.7%	81
Total Revenues	<u>\$16,150,703</u>	<u>\$10,792,448</u>	<u>\$10,325,806</u>	<u>\$12,433,557</u>	<u>20.4%</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 2015



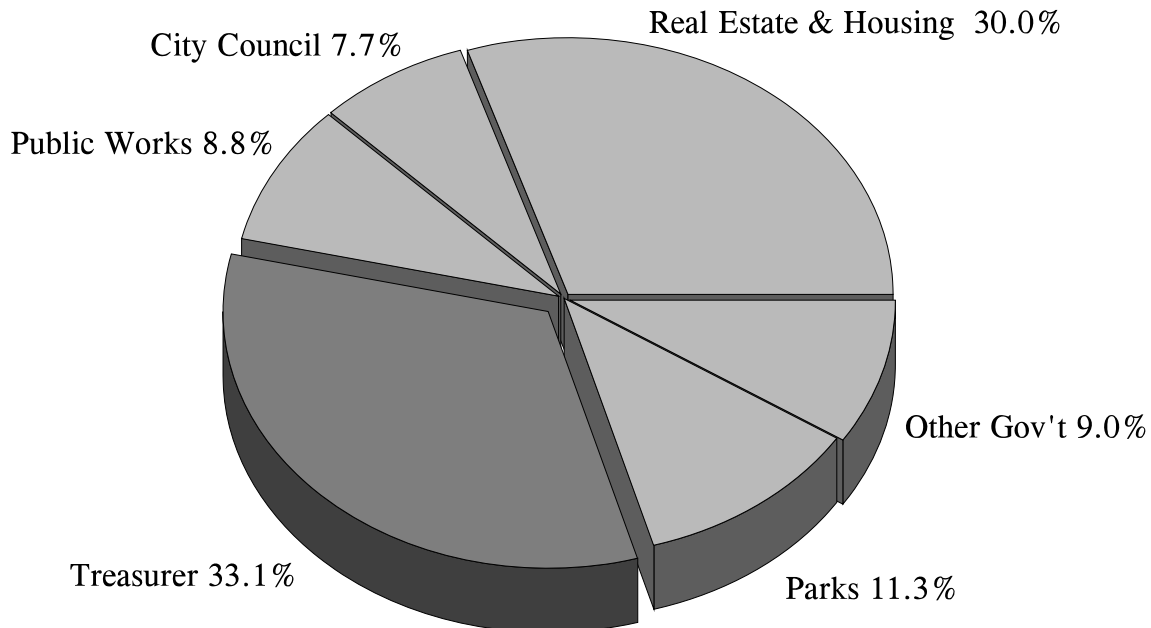
SUMMARY OF SPECIAL FUNDS FISCAL YEAR 2015

<u>Expenditures</u>	<u>Actual FY 2012</u>	<u>Actual FY 2013</u>	<u>Budget FY 2014</u>	<u>Budget FY 2015</u>	<u>Percent Change FY'15-'14</u>	<u>Page Reference*</u>
Mayor's Office	\$170,946	\$212,286	\$62,748	\$64,237	2.4%	92
City Council	0	0	899,468	937,788	4.3%	102
Treasurer	2,714,727	2,154,822	3,653,775	4,057,030	11.0%	110
Planning	59,151	19,785	42,061	40,232	-4.3%	117
Licenses & Inspections	0	0	0	0	0.0%	N/A
Parks & Recreation	1,303,509	1,125,248	121,420	1,384,732	1040.4%	166
Fire	3,486,455	851,142	382,662	426,369	11.4%	176
Police	3,351,168	2,439,454	744,249	573,712	-22.9%	184
Public Works	1,095,765	983,853	874,166	1,078,857	23.4%	195
Real Estate & Housing	<u>3,968,982</u>	<u>3,005,858</u>	<u>3,382,652</u>	<u>3,677,327</u>	<u>8.7%</u>	212
Total Expenditures	<u>\$16,150,703</u>	<u>\$10,792,448</u>	<u>\$10,163,201</u>	<u>\$12,240,284</u>	<u>20.4%</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 income, fund balance or change in fund balance.

Special Funds Expenditures Fiscal Year 2015

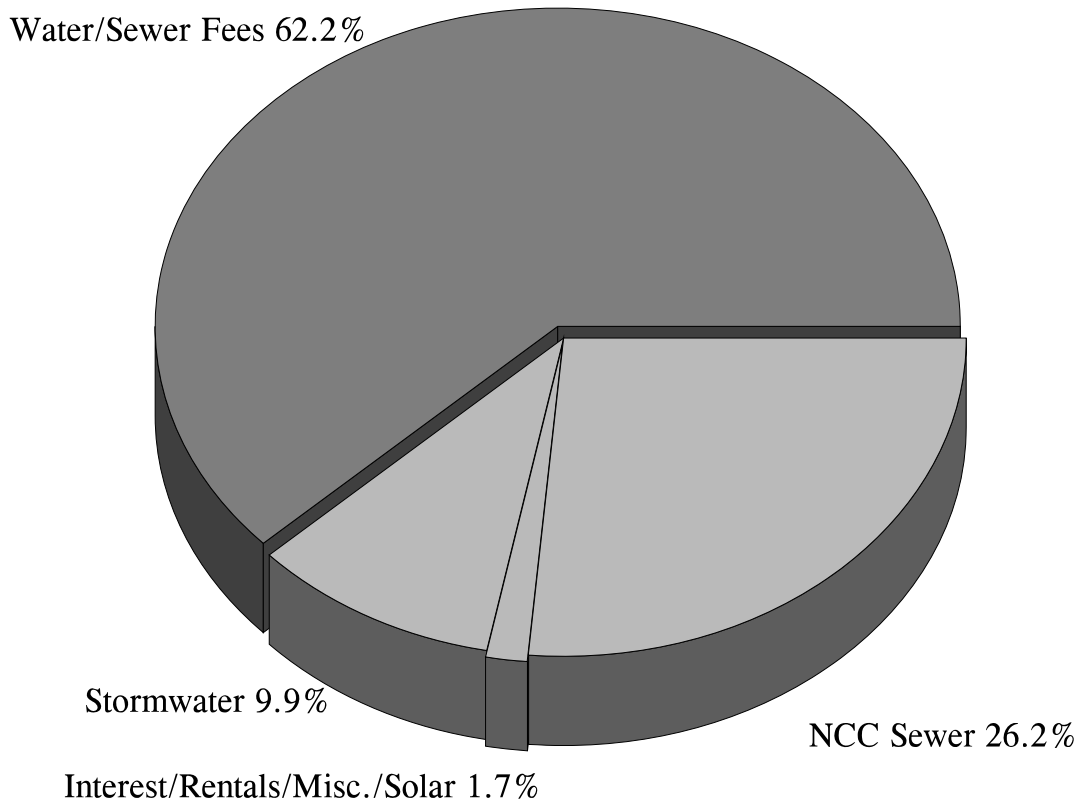


SUMMARY OF WATER/SEWER FUND FISCAL YEAR 2015

<u>Revenues</u>	<u>Actual FY 2012</u>	<u>Actual FY 2013</u>	<u>Budget FY 2014</u>	<u>Budget FY 2015</u>	<u>Percent Change FY'15-'14</u>	<u>Page Reference*</u>
Water/Sewer						
User Fees	\$40,836,954	\$41,773,110	\$46,274,000	\$45,412,000	-1.9%	82
Stormwater Billings	4,610,749	5,362,328	6,829,000	7,264,000	6.4%	83
New Castle County						
Sewer Services	17,583,585	18,638,495	18,915,070	19,143,468	1.2%	84
Interest	37,969	52,142	15,000	30,000	100.0%	85
Rentals/Misc.	1,112,153	1,246,062	1,069,000	1,146,000	7.2%	86
Solar Panels	<u>600,834</u>	<u>277,760</u>	<u>200,000</u>	<u>52,000</u>	<u>-74.0%</u>	87
Total Revenues	<u>\$64,782,244</u>	<u>\$67,349,897</u>	<u>\$73,302,070</u>	<u>\$73,047,468</u>	<u>-0.3%</u>	

* See page listed for further information and details.

Water/Sewer Fund Revenues Fiscal Year 2015

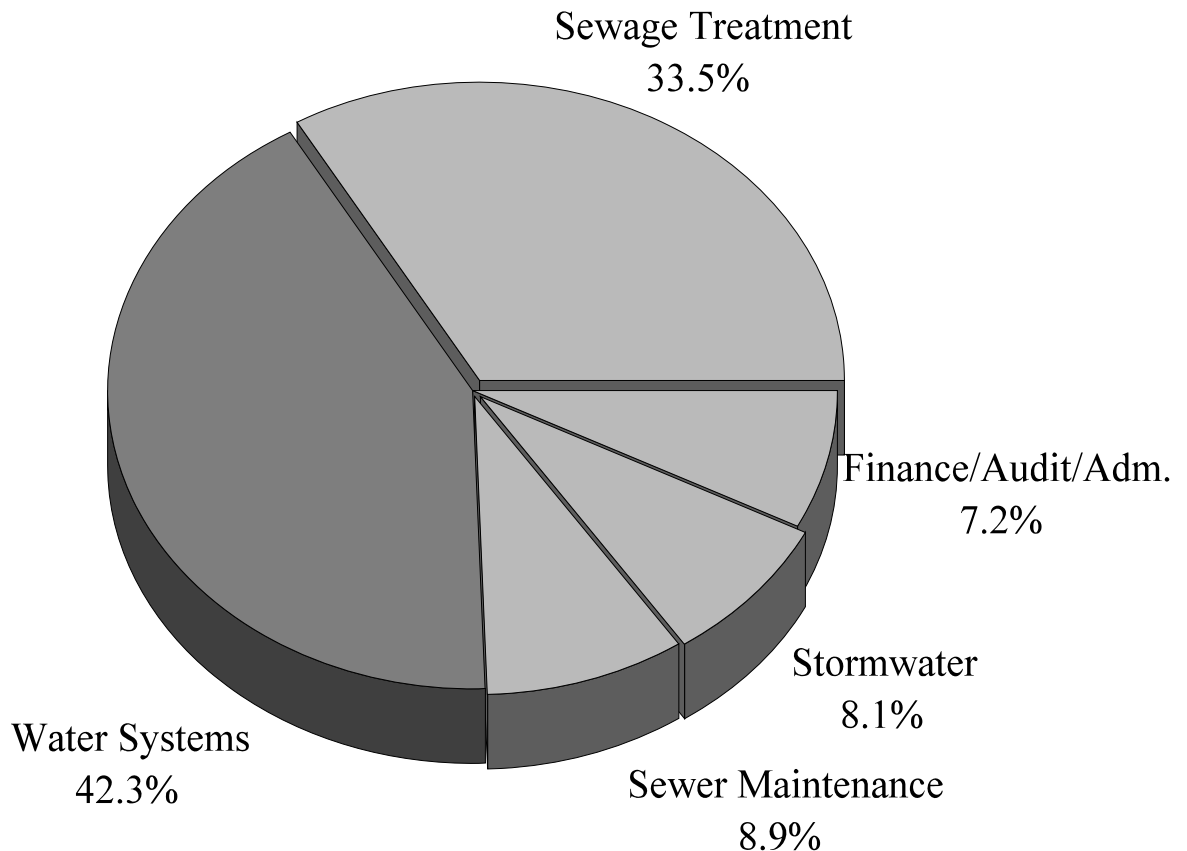


SUMMARY OF WATER/SEWER FUND FISCAL YEAR 2015

<u>Expenditures</u>	<u>Actual FY 2012</u>	<u>Actual FY 2013</u>	<u>Budget FY 2014</u>	<u>Budget FY 2015</u>	<u>Percent Change FY'15-'14</u>	<u>Page Reference*</u>
Audit	\$60,000	\$60,000	\$70,892	\$71,357	0.7%	126
Finance	3,410,311	3,362,463	4,441,802	4,812,270	8.3%	138
Public Works	<u>57,162,301</u>	<u>56,484,021</u>	<u>62,099,113</u>	<u>63,093,513</u>	<u>2.2%</u>	194
Total Expenditures	<u>\$60,632,612</u>	<u>\$59,906,484</u>	<u>\$66,611,807</u>	<u>\$67,977,140</u>	<u>2.1%</u>	

* See page listed for further information and details.

Water/Sewer Fund Expenditures Fiscal Year 2015



SUMMARY OF INTERNAL SERVICE FUNDS FISCAL YEAR 2015

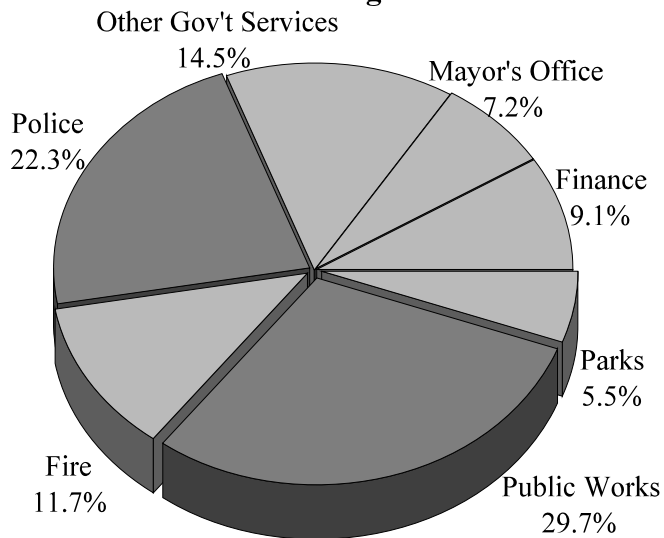
<u>Expenditures**</u>	<u>Actual FY 2012</u>	<u>Actual FY 2013</u>	<u>Budget FY 2014</u>	<u>Budget FY 2015</u>	<u>Percent Change FY'15-'14</u>	<u>Page Reference*</u>
Mayor's Office	\$7,471,354	\$8,385,567	\$8,960,206	\$8,684,835	-3.1%	92
Human Resources	21,951,126	22,047,138	23,087,610	22,842,249	-1.1%	148
Public Works	<u>7,223,656</u>	<u>7,481,188</u>	<u>7,839,717</u>	<u>7,864,054</u>	<u>0.3%</u>	195
Total Expenditures	<u>\$36,646,136</u>	<u>\$37,913,893</u>	<u>\$39,887,533</u>	<u>\$39,391,138</u>	<u>-1.2%</u>	

* See page listed for further information and details.

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

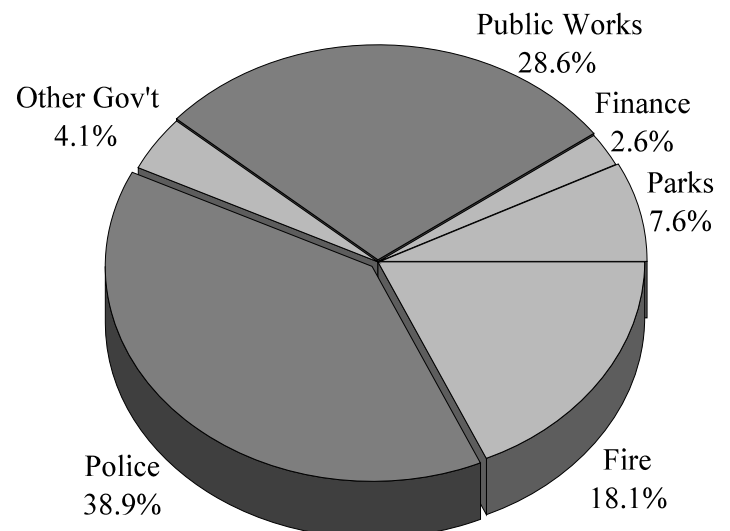
Administrative Services

FY '15 Internal Service Charge Allocations



Self-Insurance Program

FY '15 Internal Service Charge Allocations



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

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

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

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

SUMMARY: TOTAL FUNDS RECOMMENDED BY EXPENDITURE TYPE

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

Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 229-230)

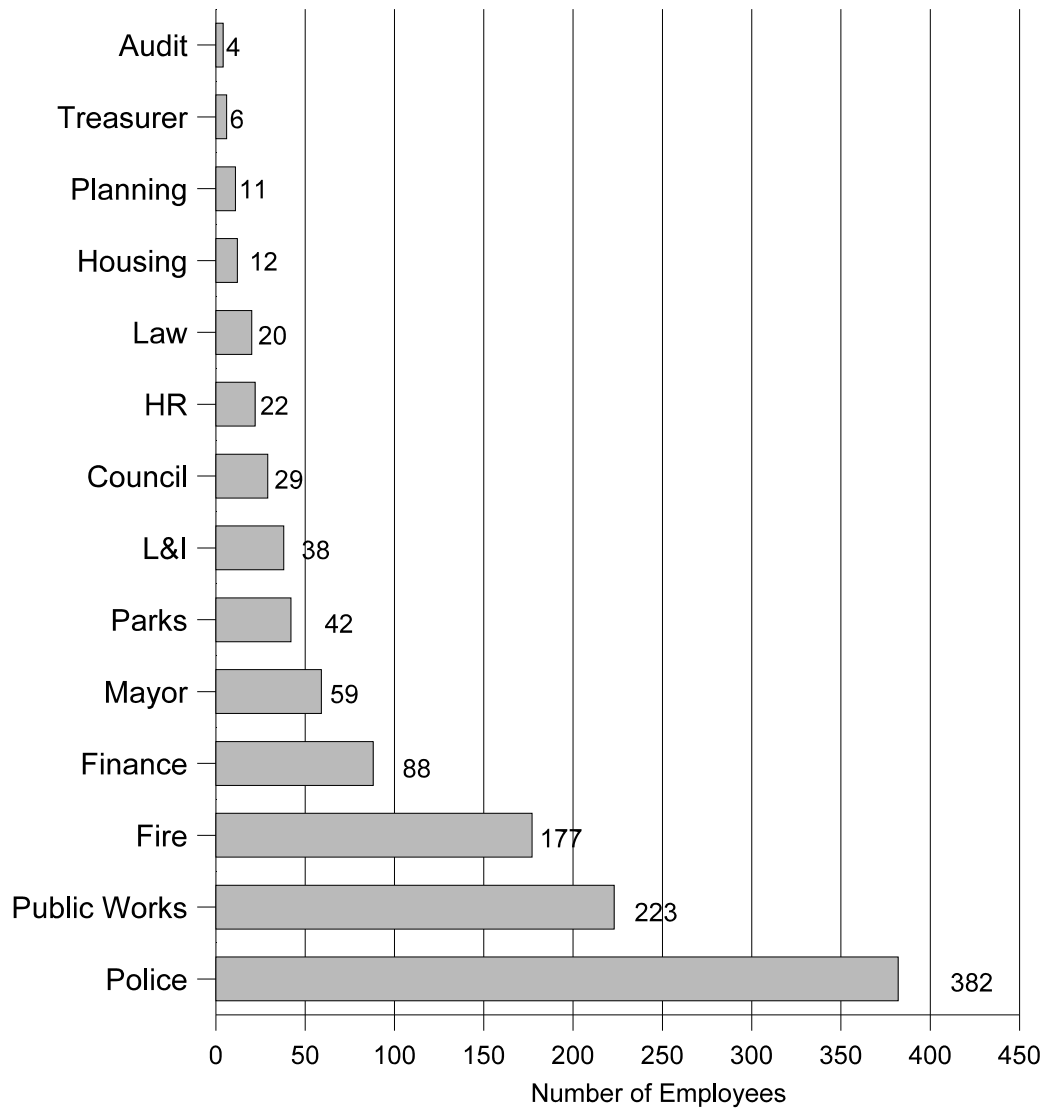
SUMMARY OF STAFFING LEVELS FISCAL YEAR 2015

TOTAL NUMBER OF EMPLOYEES ALL FUNDS

<u>Department</u>	<u>Actual FY2011</u>	<u>Actual FY2012</u>	<u>Budget FY2013</u>	<u>Budget FY2014</u>	<u>Budget FY2015</u>	<u>Net Change FY'15-'14</u>
Mayor's Office	59.00	58.00	57.00	60.00	59.00	(1.00)
Council	29.00	28.00	27.00	29.00	29.00	0.00
Treasurer	7.00	6.00	6.00	6.00	6.00	0.00
Planning	12.00	11.00	11.00	11.00	11.00	0.00
Audit	5.00	4.00	4.00	4.00	4.00	0.00
Law	23.00	21.00	21.00	21.00	20.00	(1.00)
Finance	97.00	93.00	90.00	87.00	88.00	1.00
Human Resources	23.00	22.00	22.00	21.00	22.00	1.00
Licenses & Inspections	42.00	38.00	38.00	38.00	38.00	0.00
Parks & Recreation	50.00	44.00	44.00	44.00	42.00	(2.00)
Fire	172.00	177.00	177.00	177.00	177.00	0.00
Police	402.00	390.00	382.00	382.00	382.00	0.00
Public Works	229.00	226.00	226.00	224.00	223.00	(1.00)
Real Estate & Housing	<u>17.00</u>	<u>16.00</u>	<u>15.00</u>	<u>15.00</u>	<u>12.00</u>	<u>(3.00)</u>
TOTAL	<u>1,167</u>	<u>1,134</u>	<u>1,120</u>	<u>1,119</u>	<u>1,113</u>	<u>(6.00)</u>

Total Employees per every 1,000 Persons in City Population	<u>16.02</u>	<u>15.57</u>	<u>15.81</u>	<u>15.79</u>	<u>15.71</u>
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**TOTAL NUMBER OF CITY EMPLOYEES BY DEPT.
FISCAL YEAR 2015
(ALL FUNDS)**



Almost 74% (or 820) of the City's employees work to provide Public Safety (Police, Fire, L&I) and Public Works services.

SUMMARY OF STAFFING LEVELS FISCAL YEAR 2015

GENERAL FUND NUMBER OF EMPLOYEES

<u>Department</u>	<u>Actual FY2011</u>	<u>Actual FY2012</u>	<u>Budget FY2013</u>	<u>Budget FY2014</u>	<u>Budget FY2015</u>	<u>Net Change FY'15-'14</u>
Mayor's Office	37.50	34.50	33.50	36.50	37.50	1.00
Council	29.00	28.00	27.00	20.05	20.05	0.00
Treasurer	3.42	2.92	2.92	2.92	2.92	0.00
Planning	11.60	10.60	10.63	10.63	10.43	(0.20)
Audit	5.00	4.00	4.00	4.00	4.00	0.00
Law	23.00	21.00	21.00	21.00	20.00	(1.00)
Finance	67.55	65.45	63.65	61.70	60.55	(1.15)
Human Resources	16.00	15.00	15.00	14.00	14.00	0.00
Licenses & Inspections	42.00	38.00	38.00	38.00	38.00	0.00
Parks & Recreation	50.00	44.00	44.00	44.00	42.00	(2.00)
Fire	172.00	164.00	164.00	170.50	177.00	6.50
Police	378.00	365.00	362.65	372.32	373.20	0.88
Public Works	126.25	123.25	122.65	122.40	120.65	(1.75)
Real Estate & Housing	<u>1.83</u>	<u>1.35</u>	<u>1.55</u>	<u>2.48</u>	<u>1.80</u>	<u>(0.68)</u>
TOTAL	<u>963.15</u>	<u>917.07</u>	<u>910.55</u>	<u>920.50</u>	<u>922.10</u>	<u>1.60</u>

SPECIAL FUNDS NUMBER OF EMPLOYEES

<u>Department</u>	<u>Actual FY2011</u>	<u>Actual FY2012</u>	<u>Budget FY2013</u>	<u>Budget FY2014</u>	<u>Budget FY2015</u>	<u>Net Change FY'15-'14</u>
Mayor's Office	0.50	0.50	0.50	0.50	0.50	0.00
Treasurer	3.58	3.08	3.08	3.08	3.08	0.00
Planning	0.40	0.40	0.37	0.37	0.57	0.20
City Council	0.00	0.00	0.00	8.95	8.95	0.00
Real Estate and Housing	15.17	14.65	13.45	12.52	10.20	(2.32)
Fire	0.00	13.00	13.00	6.50	0.00	(6.50)
Police	<u>24.00</u>	<u>25.00</u>	<u>19.35</u>	<u>9.68</u>	<u>8.80</u>	<u>(0.88)</u>
TOTAL	<u>43.65</u>	<u>56.63</u>	<u>49.75</u>	<u>41.60</u>	<u>32.10</u>	<u>(9.50)</u>

SUMMARY OF STAFFING LEVELS FISCAL YEAR 2015

WATER/SEWER FUND NUMBER OF EMPLOYEES

<u>Department</u>	<u>Actual FY2011</u>	<u>Actual FY2012</u>	<u>Budget FY2013</u>	<u>Budget FY2014</u>	<u>Budget FY2015</u>	<u>Net Change FY'15-'14</u>
Finance	29.45	27.55	26.35	25.30	27.45	2.15
Public Works	<u>102.75</u>	<u>102.75</u>	<u>103.35</u>	<u>101.60</u>	<u>102.35</u>	<u>0.75</u>
TOTAL	<u>132.20</u>	<u>130.30</u>	<u>129.70</u>	<u>126.90</u>	<u>129.80</u>	<u>2.90</u>

COMMERCE FUND NUMBER OF EMPLOYEES

<u>Department</u>	<u>Actual FY2011</u>	<u>Actual FY2012</u>	<u>Budget FY2013</u>	<u>Budget FY2014</u>	<u>Budget FY2015</u>	<u>Net Change FY'15-'14</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>Actual FY2011</u>	<u>Actual FY2012</u>	<u>Budget FY2013</u>	<u>Budget FY2014</u>	<u>Budget FY2015</u>	<u>Net Change FY'15-'14</u>
Mayor's Office	21.00	23.00	23.00	23.00	21.00	(2.00)
Human Resources	7.00	7.00	7.00	7.00	8.00	1.00
Finance	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	<u>28.00</u>	<u>30.00</u>	<u>30.00</u>	<u>30.00</u>	<u>29.00</u>	<u>(1.00)</u>
TOTAL ALL FUNDS	<u>1,167</u>	<u>1,134</u>	<u>1,120</u>	<u>1,119</u>	<u>1,113</u>	<u>(6.00)</u>

Actual and Projected Fund Balances and Net Assets

**FUND BALANCE
GENERAL FUND
FISCAL YEAR 2015**

Fund Balance Activity	Actual FY 2013	Estimated FY 2014	Projected FY 2015
Fund Balance as of July 1	\$45,245,468	\$46,572,452	\$45,401,619
Excess of Revenues Over/(Under) Expenditures	1,755,761	(1,445,833)	1,132,347
Other Financing Sources/(Uses):			
Transfer from/(to) Water/Sewer Fund	-	-	-
Transfer from/(to) Wilmington Parking Authority	275,000	275,000	275,000
Transfer from/(to) Special/Other Funds	<u>(703,777)</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources/(Uses)	(428,777)	275,000	275,000
Net Change in Fund Balance	1,326,984	(1,170,833)	1,407,347
Total Fund Balance as of June 30	<u>\$46,572,452</u>	<u>\$45,401,619</u>	<u>\$46,808,966</u>
Summary of Fund Balance			
Non-spendable	\$8,771,914	\$6,021,914	\$3,271,914
Committed (Budget Reserve*)	14,537,615	15,003,965	15,123,967
Unassigned	<u>23,262,923</u>	<u>24,375,741</u>	<u>28,413,085</u>
Total Fund Balance as of June 30	<u>\$46,572,452</u>	<u>\$45,401,619</u>	<u>\$46,808,966</u>

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

FUND BALANCE

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

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

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

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

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

Unassigned – All amounts not included in other spendable classifications.

**FUND NET ASSETS
WATER/SEWER FUND
FISCAL YEAR 2015**

Fund Net Assets Activity	Actual FY 2013	Estimated FY 2014	Projected FY 2015
Net Assets as of July 1	\$102,097,361	\$110,007,755	\$118,333,133
Excess of Revenues Over/(Under) Expenditures	13,245,022	13,247,537	10,395,489
Non-Operating Revenues/(Expenses)			
Interest Expense	(6,088,217)	(6,206,159)	(6,553,161)
Other	<u>753,589</u>	<u>1,284,000</u>	<u>1,228,000</u>
Total Non-Operating Revenues/(Expenses)	(5,334,628)	(4,922,159)	(5,325,161)
Income/(Loss) Before Transfers	7,910,394	8,325,378	5,070,328
Transfer from/(to) General Fund	-	-	-
Change in Net Assets	7,910,394	8,325,378	5,070,328
Total Net Assets as of June 30	<u>\$110,007,755</u>	<u>\$118,333,133</u>	<u>\$123,403,461</u>

Summary of Fund Net Assets

Invested in Capital Assets, Net of Related Debt	\$118,345,142	\$120,345,142	\$122,345,142
Unrestricted	<u>(8,337,387)</u>	<u>(2,012,009)</u>	<u>1,058,319</u>
Total Fund Net Assets as of June 30	<u>\$110,007,755</u>	<u>\$118,333,133</u>	<u>\$123,403,461</u>

NET ASSETS

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

TOTAL FUND BALANCE & NET ASSETS (MEMORANDUM ONLY)
GENERAL & WATER/SEWER FUNDS
FISCAL YEAR 2015

Fund Balance & Net Assets Activity	Actual FY 2013	Estimated FY 2014	Projected FY 2015
Fund Balance & Net Assets as of July 1	\$147,342,829	\$156,580,207	\$163,734,752
Excess of Revenues Over/(Under) Expenditures	15,000,783	11,801,704	11,527,836
Total Other Financing Sources/(Uses)	(428,777)	275,000	275,000
Total Non-Operating Revenues/(Expenses)			
Water Fund	(5,334,628)	(4,922,159)	(5,325,161)
Operating Transfer to Water Fund from General Fund	-	-	-
Change in Fund Balance & Net Assets	9,237,378	7,154,545	6,477,675
Total Fund Balance & Net Assets as of June 30	<u>\$156,580,207</u>	<u>\$163,734,752</u>	<u>\$170,212,427</u>

Summary of Fund Balance & Net Assets

Non-spendable	\$8,771,914	\$6,021,914	\$3,271,914
Budget Reserve	14,537,615	15,003,965	15,123,967
Unassigned	23,262,923	24,375,741	28,413,085
Invested in Capital Assets, Net of Related Debt	118,345,142	120,345,142	122,345,142
Unrestricted	<u>(8,337,387)</u>	<u>(2,012,009)</u>	<u>1,058,319</u>
Total Fund Balance & Net Assets as of June 30	<u>\$156,580,207</u>	<u>\$163,734,752</u>	<u>\$170,212,427</u>



City of Wilmington General Fund

ACTUAL, BUDGETED & PROJECTED REVENUES AND EXPENDITURES

(Preliminary)

Revenue Type	Actual FY 2013	Projected FY 2014	Budget FY 2015	Projected FY 2016	Projected FY 2017	Projected FY 2018	Projected FY 2019
Wage & Net Profits Tax	\$61,997,470	\$62,033,043	\$64,965,600	\$66,505,068	\$68,304,220	\$70,139,097	\$72,010,770
Property Tax	38,181,077	37,924,100	38,949,912	38,949,912	38,949,912	38,998,912	39,047,912
Real Estate Transfer Tax	\$2,999,468	\$2,000,000	\$2,000,000	\$2,070,000	\$2,132,100	\$2,196,063	\$2,261,945
Head Tax	3,538,656	3,567,200	3,621,200	3,675,200	3,729,200	3,792,200	3,855,200
Franchise Fee	1,863,137	744,829	916,631	930,380	944,336	958,501	972,879
Licenses, Permits, Fees & Fines	11,710,872	12,470,360	12,670,360	12,618,369	12,567,578	12,618,017	12,669,717
Interest Income	171,723	207,193	211,759	232,037	374,426	350,348	551,956
Indirect Costs	2,784,659	4,512,640	4,994,467	5,119,329	5,247,312	5,378,495	5,512,957
Other Miscellaneous Revenues	1,962,640	1,728,000	1,728,000	1,728,000	1,728,000	1,728,000	1,728,000
Task Force Revenues	4,314,782	4,294,993	4,452,355	4,592,162	4,719,030	4,849,486	4,983,633
County Seat Relief Package	8,172,793	8,953,041	8,572,228	8,669,386	8,785,633	8,904,205	9,025,149
State Port Debt Reimbursement	900,408	456,166	934,165	936,721	840,060	389,234	396,574
State Pension Contribution	7,155,315	6,984,517	7,155,315	7,155,315	7,155,315	7,155,315	7,155,315
Total Revenues	\$145,753,000	\$145,876,082	\$151,171,992	\$153,181,879	\$155,477,122	\$157,457,873	\$160,172,007

Expenditure Type	Actual FY 2013	Projected FY 2014	Budget FY 2015	Projected FY 2016	Projected FY 2017	Projected FY 2018	Projected FY 2019
Salaries and Wages	\$61,043,841	\$60,245,379	\$59,459,355	\$59,742,465	\$60,025,575	\$60,308,685	\$60,591,795
Health Benefits	14,537,518	14,248,399	13,698,553	14,016,464	14,343,155	14,678,870	15,023,857
Pension and Retirement	15,669,285	15,921,741	16,457,927	17,237,981	18,036,998	18,855,689	19,694,793
Other Employee Benefits	2,547,895	2,432,191	2,499,768	2,512,237	2,515,489	2,509,447	2,494,035
Equipment & Services	15,843,197	17,575,487	19,752,906	20,176,086	20,609,845	21,054,449	21,510,167
General Liability	455,716	1,284,333	1,316,442	1,349,353	1,383,087	1,417,664	1,453,106
Workers' Compensation	2,559,241	2,841,801	2,870,218	2,895,027	2,919,836	2,944,645	2,969,454
Internal Services	11,345,994	12,930,161	12,843,235	13,196,424	13,549,152	13,917,469	14,296,443
Debt Service	12,334,651	11,967,306	13,245,326	14,507,939	14,431,115	14,932,721	14,968,414
Special Purpose	504,589	890,600	740,600	744,115	747,718	801,411	855,196
State Pension Contribution	7,155,315	6,984,517	7,155,315	7,155,315	7,155,315	7,155,315	7,155,315
Total Expenditures	\$143,997,242	\$147,321,915	\$150,039,645	\$153,533,406	\$155,717,285	\$158,576,365	\$161,012,575

Operating Surplus/(Deficit)	\$1,755,758	(\$1,445,833)	\$1,132,347	(\$351,527)	(\$240,163)	(\$1,118,492)	(\$840,568)
Net Adj. & Transfers In/(Out)	(428,774)	275,000	275,000	275,000	275,000	275,000	275,000
Surplus/(Deficit)	\$1,326,984	(\$1,170,833)	\$1,407,347	(\$76,527)	\$34,837	(\$843,492)	(\$565,568)

Total Fund Balance	\$46,572,452	\$45,401,619	\$46,808,966	\$46,732,439	\$46,767,276	\$45,923,784	\$45,358,216
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ASSUMPTIONS USED IN OUTYEAR REVENUE AND EXPENDITURE PROJECTIONS

BASE YEAR

Each year the Office of Management and Budget develops a five-year revenue and expenditure projection which covers the budget year (FY 2015), as well as the next four outyears (Fiscal Years 2016 through 2019). For FY 2015, the Approved Budget is shown, and is the base year upon which the Fiscal Year 2016 through 2019 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 2014 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 16, 2014 release projects headline Consumer Price Index (CPI) growth of 1.90% in calendar year 2014, followed by very little increase in inflation through calendar year 2018. See table below.

Calendar Year	Survey of Professional Forecasters Projected Annual Headline CPI Increase
2014	1.90%
2015	2.10%
2016	2.20%
2017	2.18%
2018	2.18%

Federal Reserve Bank of Philadelphia, Survey of Professional Forecasters, May 16, 2014

While local factors may vary, the regional CPI for the Philadelphia-Wilmington-Atlantic City Consolidated Metropolitan Statistical Area has tended to match or slightly exceed national cost-of-living growth in recent years. Therefore the projections that follow include a default assumption for overall City inflationary pressures of 2.5% per year.

However, it should be noted that this is only the default assumption; most cost categories have a variety of overriding assumptions included.

OUTYEAR PROJECTION ASSUMPTIONS - REVENUES

Wage & Net Profit Taxes (FY 2015 Base Year: \$64,965,600 - 43.0% of total revenues)

The FY 2015 Wage & Net Profits Tax projection totals just under \$65.0 million, a \$2.9 million increase above FY 2014. The FY 2014 Wage Tax revenue has been growing, fueled by an improving local economy. The Wage Tax revenue base is now nearly \$53.7 million and is expected to grow by \$400,000, a by-product of current year Plan for Change audit-generated receipts. Building on that base is an additional \$1.9 million from a projected 3.5% growth in overall employee compensation levels. Finally, the “Plan for Change” audit and collection efforts will add \$3.5 million, a \$500,000 decline from the FY 2014 level, as the pool of non-payers gradually shrinks. The Net Profits portion of this revenue category is projected to climb by \$500,000 to \$5.5 million for FY 2015 based on growth realized in the previous year.

In their June 2014 report, the Delaware Economic and Financial Advisory Council (DEFAC) projected 4.5% growth for FY 2016 in total State Personal Income Tax, a tax roughly equivalent to the City Wage Tax. However, due to the City’s high concentration of certain business sectors, as well as corporate headquarter locations that are associated with relatively volatile executive bonus compensation, volatility of the City’s single largest revenue source remains high. As such, a somewhat more conservative outyear growth factor is necessary. Given the above, coupled with the fact that the City’s recovery from economic downturns has traditionally lagged behind the State, City Wage & Net Profit Tax receipts are projected to grow (exclusive of Plan for Change revenue), by 3.0% in FY 2016. Afterwards, positive growth of 3.0% in Fiscal Years 2017 through 2019 is expected. Plan for Change revenue is forecasted to decrease by \$500,000 to \$3.0 million in FY 2016, and then further decrease annually by \$250,000 through FY 2019.

Property Tax (FY 2015 Base Year: \$38,949,912 - 25.8% of total revenues)

Property Taxes are projected to total \$38,949,912, a net increase of \$525,812. Gross billings continue to decline as owners of some large commercial properties wage successful assessment appeals. Further revenue loss from appeals in FY 2015 is projected to be \$250,000, and is in addition to the approximate \$1.0 million reduction for appeals and other billing adjustments experienced in Fiscal Year 2014. Approximately \$265,000 of revenue resulting from expiring tax incentives and reassessments due to property improvements will help to offset these reductions. The approved budget also includes a 5.0% increase in the Property Tax rate that will generate \$1.8 million. The average homeowner will see an annual increase of \$39.67, or \$3.31 per month in their bill. Lastly, Penalty and Interest will add \$650,000 in revenue for FY 2015, consistent with FY 2014.

No increases to the Property Tax rate have been included for FY 2016 through FY 2019. The annual amount calculated for adjustments for assessment appeals was lowered by \$50,000 in Fiscal Year 2016, and further reduced again by the same amount in FY 2018. The amount expected from expiring incentives and reassessments from improvements was reduced to \$200,000 in all of the outyears.

Real Estate Transfer Tax (FY 2015 Base Year: \$2,000,000 - 1.3% of total revenues)

Real Estate Transfer Tax revenues are slated to remain the same for FY 2015. The average price of residential homes remains below the levels of prior years, but the number of sales is increasing slightly. Medium and large commercial property transfers are occurring, but at a pace that is extremely unpredictable. As a result, FY 2015 revenues are forecasted to stay flat at a total of \$2.0 million.

For Fiscal Year 2016, growth of 3.5% is projected, and then by 3.0% for FY 2016 through FY 2019.

Head Tax (FY 2015 Base Year: \$3,621,200 - 2.4% of total revenues)

Head Tax revenue is projected to increase slightly by \$54,000, to \$3.6 million for FY 2015, reflecting a net increase of 300 new jobs.

Beyond FY 2015, it is expected that increased hiring activities by new businesses locating within the City will be somewhat offset by some smaller reductions at existing businesses. As a result, Head Tax reflects a net of 300 additional jobs in FY 2016 and FY 2017, and a net of 350 new jobs annually in FY 2018 and FY 2019.

Franchise Fees (FY 2015 Base Year: \$916,631 - 0.6% of total revenues)

Franchise Fees revenue previously consisted of 2% of the gross revenues from electricity sales in the City and 5.0% of gross revenues from cable television service sales in the City. In Wilmington, Delmarva Power is the sole distributor of electricity and Comcast is currently the only provider of cable TV service. However, in FY 2014, City Council transferred the Comcast franchise revenue into the special CATV Fund. The annual Delmarva Power payment remains the sole source of revenue in this category, and is expected to be \$916,631, equaling the most recent remittance. This represents an increase of \$171,802 over the FY 2014 budget.

Slight growth in the Delmarva Power remittance is forecasted in FY 2016 and beyond, at a rate of 1.5% annually.

Licenses, Permits, Fees, and Fines (FY 2015 Base Year: \$12,670,360 - 8.4% of total revenues)

Fines will increase by \$200,000 to a total of \$9,150,000. The breakout is as follows:

Criminal/Traffic Fines revenue consists of red-light camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. Revenue is projected to total \$4.95 million in FY 2015, up \$1.0 million from the FY 2014 budget. This increase is solely due to red-light camera fines. A recent change in the review process used to verify accuracy prior to the issuance of red-light camera violations has resulted in significantly fewer violations being dismissed, boosting this revenue source. Accordingly, the projection for red-light fines has been raised by \$1.0 million in FY 2015. There is no change in the \$450,000 projected for miscellaneous Criminal Fines or the \$400,000 for the L&I Instant Ticketing revenues in FY 2015. For FY 2016 and FY 2017, red-light camera fines are expected to decline by \$100,000 each year, then remain at that level in FY 2018 and FY 2019. During this period, Criminal Fines and L&I Instant Ticketing revenue is expected to remain at current levels.

Parking Tickets/Booting Fines are forecast to decrease \$800,000 from \$5.0 million in FY 2014 down to \$4.2 million for FY 2015. Revisions in parking regulations, the pilot program for “smart” meter installation, and an increase in the amount of uncollectibles have all contributed to the decrease. Parking Ticket/Booting Fines revenues are forecasted to remain at FY 2015 levels throughout the projection period.

Licenses, Permits and Fees revenue is projected to remain at just over \$3.5 million in FY 2015. Business Licenses and Permits are expected to hold at \$1.6 million and \$1.4 million respectively, while Fees will remain at \$525,000. The Permits and Fees portion of this revenue source (with a base of \$1.9 million) is projected to grow modestly in outyears, at a rate of 2.5%. Business Licenses are forecasted to remain at the FY 2015 level for FY 2016 through FY 2019.

Interest Income (FY 2015 Base Year: \$211,759 - 0.1% of total revenues)

Although the City's cash balances available for investment have improved somewhat, and will be supplemented by capital bond proceeds in early FY 2015, interest rates are projected to remain stubbornly low. As a result, Interest Earnings are projected to remain nearly flat at \$211,759, or \$4,566 above the FY 2014 level. Going forward, an interest rate of 0.25% in FY 2015 is increased by 25 basis points each year and assumes the following additions to the investment base:

1. A weighted average of \$15.0 million from the FY 2015 capital borrowing will be invested in FY 2016 with a decreasing balance in FY 2017.
2. A weighted average of \$5.0 million from the unspent portion of the FY 2015 capital borrowing, plus \$15.0 million from an assumed FY 2017 capital borrowing will be invested in FY 2017.
3. A weighted average of \$5.0 million from the unspent FY 2017 capital borrowing will be invested in FY 2018.
4. A weighted average of \$15.0 million from an assumed FY 2019 capital borrowing will be invested in FY 2019.

In addition, for FY 2016 through FY 2019, the projected annual increases or decreases in fund balance (surpluses or deficits) are added to or subtracted from the investment base.

Indirect Costs (FY 2015 Base Year: \$4,994,467 - 3.3% of total revenues)

Indirect costs are a charge to the Water/Sewer Fund that offset costs incurred by the General Fund in support of the water, sewer, and stormwater utilities. Prior to FY 2014, the City's indirect cost plan had not been revised since the mid 1990's. Based on several cost components of the FY 2015 General Fund budget, Indirect Costs will rise to \$4,994,467, an increase of \$481,827. For FY 2016 and subsequent years, this category has been increased by 2.5% per year.

Other Miscellaneous Revenues (FY 2015 Base Year: \$1,728,000 - 1.1% of total revenues)

Other Revenues, comprised of Rental Income, General Government Charges and other Miscellaneous Income, is expected to remain unchanged at \$1,728,000 for FY 2015. No outyear growth is forecasted in these revenues.

Task Force Revenues (FY 2015 Base Year: \$4,452,355 - 3.0% of total revenues)

Task Force Revenues are the revenue sources that were created as a result of the 2003 Governor's Task Force, which took effect early in FY 2004. As a result, each county seat (Wilmington is the county seat of New Castle County) in the State receives the revenue derived from a \$20 State filing fee for Corporations and Limited Liability Companies (LLC). The State also passed enabling legislation that allowed the City to create a 2.0% Lodging Tax and a 2.0% Natural Gas Franchise Fee on gross sales of natural gas in the City.

In total, Task Force Revenues are projected to be \$157,362 higher for FY 2015. Two of the four components of the Task Force Revenues will increase from the FY 2014 Budget as a result of State growth estimates: Corporate Filings by \$30,823, and LLC Filings by \$110,750, to new totals of \$1,058,248 and \$2,325,746 respectively. Lodging Tax and Natural Gas Tax are projected to increase modestly by 1.5% above the FY 2014 budgeted levels to \$489,357 and \$579,004, generating increases of \$7,232 and \$8,557.

For the outyears, Corporate Filings and LLC revenues have been increased by 3.5% for FY 2016, based on the DEFAC's growth estimate. For the last three fiscal years of the projection, we kept the annual growth rate at 3.0%. Lodging Tax, along with the Natural Gas Franchise Fee, have been forecasted to increase at 2.0% for Fiscal Years 2016 through 2019.

County Seat Relief Package (FY 2015 Base Year: \$8,572,228 - 5.7% of total revenues)

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

The FY 2015 projections total \$8.6 million. The breakout is as follows: \$2.6 million for a payment in lieu of taxes (PILOT) by the State on what would usually be tax-exempt properties in the City (this is up \$319,245 from the FY 2014 budget); \$4.7 million as part of the State's Uniform Commercial Code (UCC) filing fees (this is up \$105,841 from the FY 2014 budget); \$300,000 in Statutory Trust Filing Fees (no change); and \$1.0 million in New Castle County Corporate Filing Fees (this is up by \$29,346). In total, there is a \$454,432 increase in County Seat Relief Package revenues from the FY 2014 budget.

For Fiscal Years 2016 through 2019, the PILOT revenue and Statutory Trust Filing Fees remain unchanged. New Castle County Corporate Filings and UCC Filing Fee Revenues are projected to grow at 1.7% for FY 2016, per DEFAC estimations. Further growth of 2.0% in UCC Filings and New Castle County Corporate Filings for Fiscal Years 2017 through 2019 has also been incorporated into the projection.

State Port Debt Reimbursement (FY 2015 Base Year: \$934,165 - 0.6% of total revenues)

The State Port Debt Reimbursement is related to the 1996 sale of the Port from the City to the State. The State requested as part of the terms of the sale that the Port debt remain as a liability on the City's books. However, the State did agree to reimburse the City annually for the amount the City was scheduled to pay out to service the Port debt. The amount for FY 2015 will be \$934,165, and represents a nearly \$478,000 increase over FY 2014. The Debt Reimbursement has been adjusted for outyears per the appropriate debt schedule.

State Pension Contribution (FY 2015 Base Year: \$7,155,315 - 4.7% of total revenues)

The State Pension Contribution is a pass-through grant of \$7,155,315 (an increase of \$170,798) in revenue that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments.

State Pension Contributions have been projected to remain level through FY 2019.

Net Adjustments & Transfers (FY 2015 Base Year: \$275,000)

There are no prior year designations in FY 2015. Only the usual transfer from the Wilmington Parking Authority (WPA) in the amount of \$275,000 is budgeted. No change is anticipated for the outyears.

OUTYEAR PROJECTION ASSUMPTIONS - EXPENDITURES

Salaries and Wages (FY 2015 Base Year: \$59,459,355 - 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 2015 budget serves as the base year for estimating future costs. For FY 2015, no allowance was made for Cost of Living Adjustments (COLAs). Anniversary-based salary step increases for all eligible employees will continue during FY 2015, costing approximately \$500,000.

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

Health Benefits, Active Employees (FY 2015 Base Year: \$13,698,553 - 9.1% of total expenditures)

Healthcare cost trend rates show the slowest growth in 14 years of trend forecasts, according to the 2014 Segal Health Plan Cost Trend Survey. The City is experiencing the same moderating trend in cost growth in healthcare. In addition, the base cost of providing healthcare was reduced by almost \$500,000 in FY 2015 because of several contractual changes implemented by the Human Resources Department (HR) that eliminate broker commission payments and reduce medical stop-loss insurance premiums. As a result of the above, HR projects that during the period FY 2016 to FY 2019, prescription and dental costs will each increase by 3.0% per year, medical costs will increase by 2.8% per year, and the Stop Loss premium costs will rise by just 1.0% per year. Taken in total, this equates to a weighted average overall increase in Healthcare costs of 2.77% per year through the projection period.

Pension and Retirement Healthcare (FY 2015 Base Year: \$16,457,927 - 11.0% 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 2015, it is 14.18% for police officers and firefighters, and 6.48% for civilian participants. Because the funding percentages are estimated to increase by only 10 basis points each year, the major cost growth will result from the number of new employees hired each year that fill vacancies left by former employees that were in one of the older City-sponsored pension plans. It is assumed that an average of 33 civilians, 12 police officers and 5 firefighters will be hired and added to the State-sponsored pension plans each year. As a result, the \$3.6 million General Fund total cost of the State-sponsored pension plans in FY 2015 is projected to grow to over \$4.4 million by FY 2019.

In contrast, the cost of the now-closed City-sponsored pension plans are the actuarially determined dollar amounts derived each year by the City's Actuary. This actuarially required contribution for each of the City's closed plans is calculated to cover ongoing costs, plus provide a contribution to eliminate any unfunded liability within the next 15 years. The Pension Coordinator, working with the City's Actuary, projects 4.0% annual growth in the funding targets through FY 2019. The General Fund cost of the City-sponsored pension plans totals just under \$11.0 million for FY 2015. This is projected to grow to \$12.8 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. These revisions to program benefits are prospective, and do not affect employees hired prior to July 1, 2011. Even with these changes, the Treasurer's Office foresees necessary annual increases of about \$210,000 (the General Fund's prorated contribution) for at least the next 10 years. These increases have been incorporated into the outyears of the projection. The General Fund retiree healthcare budget cost for FY 2015 is \$2.10 million, and will grow to \$2.94 million by FY 2019.

Other Employee Benefits (FY 2015 Base Year: \$2,499,768 - 1.7% of total expenditures)

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

Equipment and Services (FY 2015 Base Year: \$19,752,906 - 13.2% of total expenditures)

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

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

By decoupling from the State's utility contract and continuing the green initiatives implemented over the past several years, the City has been able to lock in favorable rates for electricity for the next several years. As a result, the budget for Electricity actually declined by over \$130,000, to a total of \$1.32 million, for FY 2015. In addition, the City receives an annual Municipal Street Aid grant from the State of about \$1.1 million that is used to offset the electricity costs of street lighting that would otherwise be a cost to the General Fund. Given the above, the projection keeps electricity costs level at \$1.32 million throughout the projection period, with the assumption that the Municipal Street Aid grant funding will also remain constant.

The Mayor's Office and City Council each have a budget account group known as Community Activities, which includes the cost for such things as grants to non-profit agencies and a scholarship tuition assistance program. For FY 2015, the total amount budgeted for Community Activities is \$1,078,712 (\$650,712 in the Mayor's Office and \$428,000 in City Council). It is assumed that this funding will remain constant through the projection period.

For this projection, the Contingency Fund and the Snow & Weather Emergencies Fund are included in the Equipment and Services category (although they are budgeted separately in the budget book summaries). The Contingency Fund was budgeted at \$300,000 for FY 2015. It is assumed it will remain at \$300,000 in the outyears of the projection. The Snow and Weather Emergencies Fund was budgeted at \$125,000 in FY 2015, and is projected to remain at that level through the projection period.

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

General Liability (FY 2015 Base Year: \$1,316,442 - 0.9% of total expenditures)

Being self-insured, the City relies heavily on an actuary to annually review claims experience and rate potential liability. Once an accrued liability figure is determined, it is compared to that of the previous fiscal year. Changes in the liability figure on the balance sheet result in changes to the expenses booked under General Liability in the income statement. As a result, this cost category can experience extreme volatility in the short-term. The long-term running average of actual experience was used to derive the FY 2015 budget of \$1.3 million. This figure is projected to increase by 2.5% annually.

Workers' Compensation (FY 2015 Base Year: \$2,870,218 - 1.9% of total expenditures)

Actual Workers' Compensation expenditures, which are actuarially determined, have been fairly stable over the last several years. The FY 2015 budget, which is derived from these expenditures, is used as a base for forecasting purposes. Annual growth is projected to parallel the growth in Salaries and Wages.

Internal Services (FY 2015 Base Year: \$12,843,235 - 8.6% of total expenditures)

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

In FY 2012, the City completed the final stages of its comprehensive information technology upgrade and expansion program that had resulted in double-digit increases to Data Processing costs in prior years. Although to a lesser degree, the Division of Integrated Technology continues to upgrade City software and communications equipment, including projects scheduled throughout the projected period that average roughly \$250,000 annually. Data Processing costs outside of these projects are estimated to increase at rates similar to those of other MS&E categories for each year subsequent to FY 2015.

In recent years, Motor Vehicle costs have shown greater levels of consistency due to limited vehicle purchases and updated depreciation calculations. Fuel cost increases are projected at 4.5% for each year subsequent to FY 2015, though estimates from various private and government sources vary considerably. All other Motor Vehicle costs are expected to grow by 2.5% annually.

For the other services making up the rest of this category, it is assumed that average annual inflationary pressures of 2.5% will apply. This results in a weighted-average growth of approximately 2.75% annually for the Internal Services category as a whole (excluding General Liability and Workers' Compensation) for Fiscal Years 2016 through 2019.

Debt Service (FY 2015 Base Year: \$13,245,326 - 8.8% of total expenditures)

Debt Service is based on the existing debt schedules as provided by the Finance Department, with estimates added for any expected new borrowing or refinancing. To fund the City's biannual capital budgets, it is assumed a \$20 million bond issuance will take place in October of 2014 (FY 2015) and another \$20 million bond issuance will take place in January of 2017 (FY 2017). Although it is also projected that an issuance will take place in January of 2019 (FY 2019), the first semi-annual payment of debt service on that issuance would not be paid until FY 2020, which is outside the projection period.

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 2015 issuance is assumed

to be 3.4%, with an interest rate of 4.0% assumed for the FY 2017 issuance. Because of the timing, the new annual debt service of \$1.39 million for the first new issuance will begin in FY 2016, with the new annual debt service of \$1.46 million for the second new issuance starting in FY 2018.

Special Purpose (FY 2015 Base Year: \$740,600 - 0.5% of total expenditures)

This expenditure category funds the Kent County SPCA (\$600,000), provides an operating subsidy to the Wilmington Institute Free Library (\$60,000), covers special contributions to other non-profits (\$61,600), and includes a total of \$19,000 for some smaller specialty items in City Council. All items, except for the SPCA funding, are projected to grow annually by 2.5% per year starting in FY 2016.

After the Delaware SPCA decided it no longer wanted to be in the animal control business, the City was able to reach an agreement with the Kent County SPCA to provide animal control in Wilmington for an annual fee of \$600,000. Although this is a \$258,000 increase over last year's original budget, it is considerably less on an annualized basis than the punitive rate structure that the Delaware SPCA imposed in its 6-month contract extension with the City for the first half of FY 2014. The annual fee is expected to remain at \$600,000 through FY 2017, and then increase to \$650,000 in FY 2018, and then to \$700,000 in FY 2019.

State Pension Contribution (FY 2015 Base Year: \$7,155,315 - 4.8% of total expenditures)

The State Pension Contribution, a grant from the State that is booked as a pass-through in the General Fund to meet the requirements of GASB pronouncement #24, is \$7,155,315 for FY 2015. As such, an equal and offsetting amount is included as General Fund revenue. This expenditure is split between the Police and Fire Departments, with \$4,878,914 budgeted in Fire and \$2,276,401 budgeted in Police. The FY 2015 figure of \$7,155,315, is being projected for FY 2016 through FY 2019.



FISCAL YEAR 2015 REVENUES

Overview

GENERAL FUND

The City continues its recovery from the severe economic downturn and recession that began in 2008. Projected revenues are increasing modestly in FY 2015. However, larger increases in uncontrollable expenditures necessitated a 5.0% increase in the property tax rate in order to balance this year's budget. Total revenue before transfers is projected to increase by a net \$5,631,155 (or 3.7%) above the FY 2014 Budget to a new total of \$151,171,992. The net change from Budget to Budget (FY 2015 vs. FY 2014) can be broken down as follows:

REVENUE	INCREASE/ (DECREASE)	TOTAL
Wage & Net Profits Tax	\$2,932,557	\$64,965,600
Other Governments	648,797	8,089,480
Property Taxes	525,812	38,949,912
Other Revenues	481,827	6,722,467
County Seat Relief Package	454,432	8,572,228
Other Taxes	225,802	6,537,831
Fines	200,000	9,150,000
Task Force Revenues	157,362	4,452,355
Interest Earnings	4,566	211,759
Licenses, Permits & Fees	0	3,520,360
TOTAL	\$5,631,155	\$151,171,992

WATER/SEWER FUND

Total Water/Sewer Fund revenues are projected to decrease by almost \$255,000 from FY 2014, to a new total of \$73.05 million in FY 2015. Water/Sewer revenues are a combination of Water/Sewer User Fees, Stormwater Billings, and New Castle County (NCC) Sewer, along with the smaller revenue categories of Interest, Rentals, and Solar Panel Revenue. While each of these categories were affected by different factors, it was the overall rate structure that had to be addressed to avoid a fiscal crisis. For almost a decade, rates had not been properly aligned to provide adequate cash flow to the Fund's utility operations. As a result, the General Fund had been subsidizing the Water/Sewer Fund's cash shortages. This led to a situation where nearly all the cash reserves in the General Fund had been depleted, with the City on the path to insolvency had nothing been done. To rectify this, a multi-year plan of prudent rate increases was implemented, starting in FY 2010. As a result, the City is well on its way to achieving a self-sufficient Water/Sewer Fund with adequate operating reserves and proper debt coverage ratios by FY 2018.

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2015

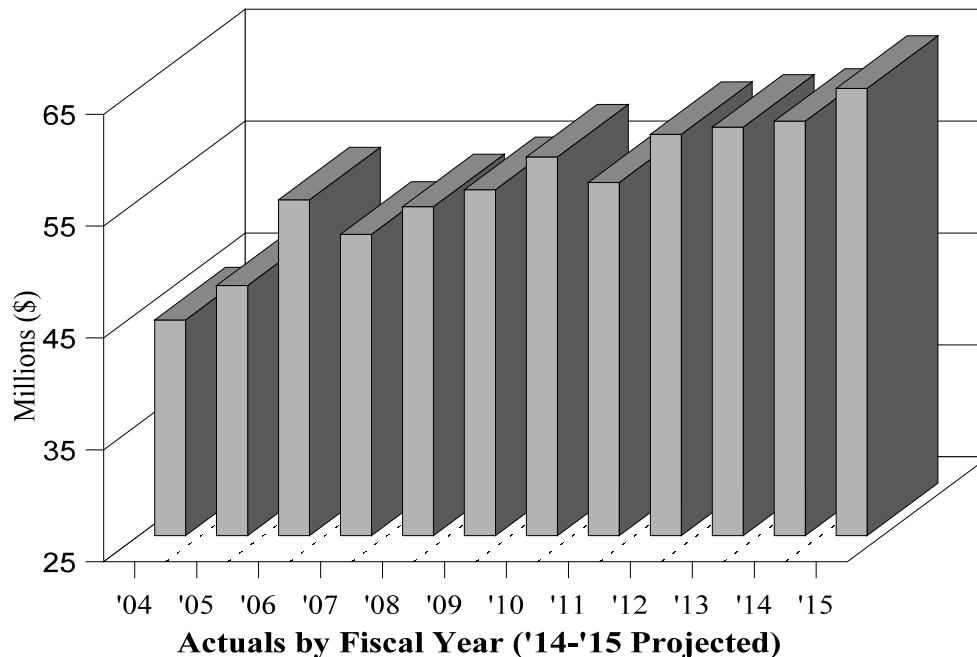
WAGE & NET PROFITS TAX

Basis: Growth of local economy

Critical Assumption: The FY 2015 Wage & Net Profits Tax projection totals just under \$65.0 million, a \$2.9 million increase above FY 2014. The FY 2014 Wage Tax revenue has been growing, fueled by an improving local economy. The Wage Tax revenue base is now nearly \$53.7 million and is expected to grow by \$400,000, a by-product of current year Plan for Change audit-generated receipts. Building on that base is an additional \$1.9 million from a projected 3.5% growth in overall employee compensation levels. Finally, the “Plan for Change” audit and collection efforts will add \$3.5 million, a \$500,000 decline from the FY 2014 level, as the pool of non-payers gradually shrinks. The Net Profits portion of this revenue category is projected to climb by \$500,000 to \$5.5 million for FY 2015 based on growth realized in the previous year.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$60,855,276	\$61,997,470	\$62,033,043	\$62,033,043	\$64,965,600

Wage & Net Profits Tax Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2015

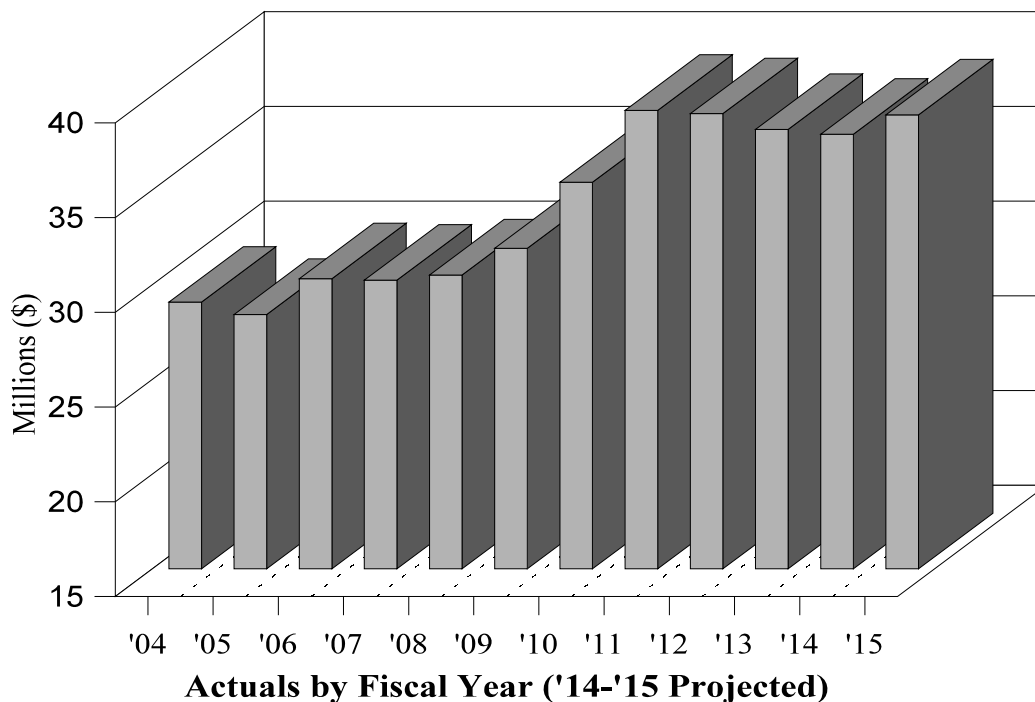
PROPERTY TAX

Basis: Assessment rolls

Critical Assumption: Property Taxes are projected to total \$38,949,912, a net increase of 525,812. Gross billings continue to decline as owners of some large commercial properties wage successful assessment appeals. Further revenue loss from appeals in FY 2015 is projected to be \$250,000, and is in addition to the approximate \$1.0 million reduction for appeals and other billing adjustments projected for the Fiscal Year 2014. Approximately \$265,000 of revenue resulting from expiring tax incentives and reassessments due to property improvements will help to offset these reductions. The approved budget also includes a 5.0% increase in the Property Tax rate that will generate \$1.8 million. The average homeowner will see an annual increase of \$39.67, or \$3.31 per month in their bill. Lastly, Penalty and Interest will add \$650,000 in revenue for FY 2015, consistent with FY 2014.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$39,013,879	\$38,181,077	\$38,424,100	\$37,924,100	\$38,949,912

Property Tax Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2015

OTHER TAXES

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

Critical Assumption: Other Taxes are projected to increase \$225,802 for FY 2015. The breakout is as follows:

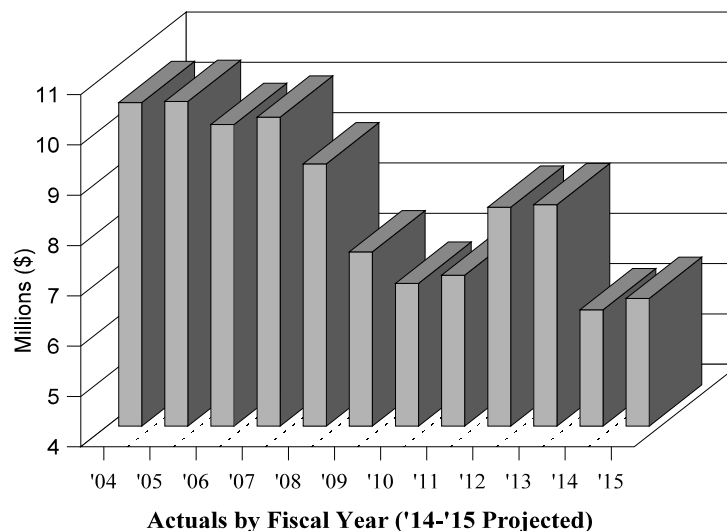
Real Estate Transfer Tax revenues are slated to remain the same for FY 2015. The average price of residential homes remains below the levels of prior years, but the number of sales is increasing slightly. Medium and large commercial property transfers are occurring, but at a pace that is extremely unpredictable. As a result, FY 2015 revenues are forecasted to stay flat at a total of \$2.0 million.

Head Tax revenue is projected to increase slightly by \$54,000, to \$3.6 million for FY 2015, reflecting a net increase of 300 new jobs.

Franchise Fees revenue previously consisted of 2% of the gross revenues from electricity sales in the City and 5.0% of gross revenues from cable television service sales in the City. In Wilmington, Delmarva Power is the sole distributor of electricity and Comcast is currently the only provider of cable TV service. However, in FY 2014, City Council transferred the Comcast franchise revenue into the special CATV Fund. The annual Delmarva Power payment remains the sole source of revenue in this category, and is expected to be \$916,631, equaling the most recent remittance. This represents an increase of \$171,802 over the FY 2014 budget.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$8,350,768	\$8,401,260	\$6,312,029	\$6,312,029	\$6,537,831

Other Taxes



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2015

LICENSES, PERMITS, FEES, AND FINES

Basis: Trend analysis

Critical Assumption: Fines will increase by \$200,000 to a total of \$9,150,000. The breakout is as follows:

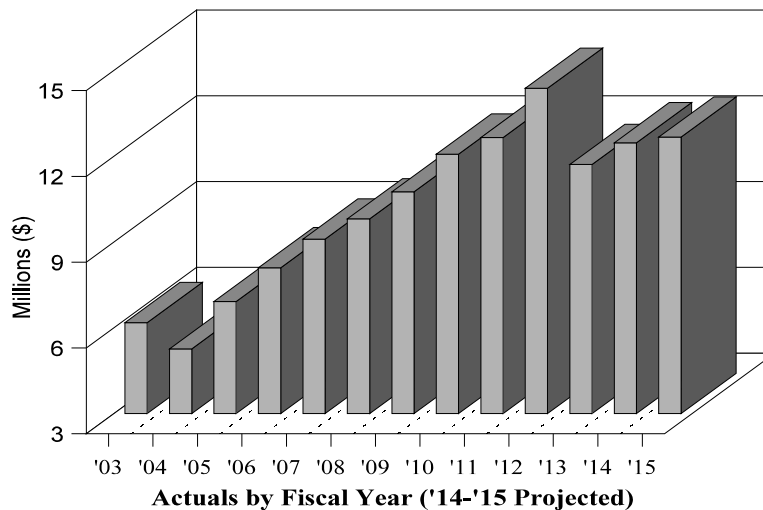
Criminal/Traffic Fines revenue consists of red-light camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. Revenue is projected to total \$4.95 million in FY 2015, up \$1.0 million from the FY 2014 budget. This increase is solely due to red-light camera fines. A recent change in the review process used to verify accuracy prior to the issuance of red-light camera violations has resulted in significantly fewer violations being dismissed, boosting this revenue source. Accordingly, the projection for red-light fines has been raised by \$1.0 million in FY 2015. There is no change in the \$450,000 projected for miscellaneous Criminal Fines or the \$400,000 for the L&I Instant Ticketing revenues in FY 2015.

Parking Tickets/Booting Fines are forecast to decrease \$800,000 from \$5.0 million in FY 2014 down to \$4.2 million for FY 2015. Revisions in parking regulations, the pilot program for “smart” meter installation, and an increase in the amount of uncollectibles have all contributed to the decrease.

Licenses, Permits and Fees revenue is projected to remain at just over \$3.5 million in FY 2015. Business Licenses and Permits are expected to hold at \$1.6 million and \$1.4 million respectively, while Fees will remain at \$525,000.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$14,376,495	\$11,710,873	\$12,470,360	\$12,470,360	\$12,670,360

Licenses, Permits, Fees & Fines



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2015

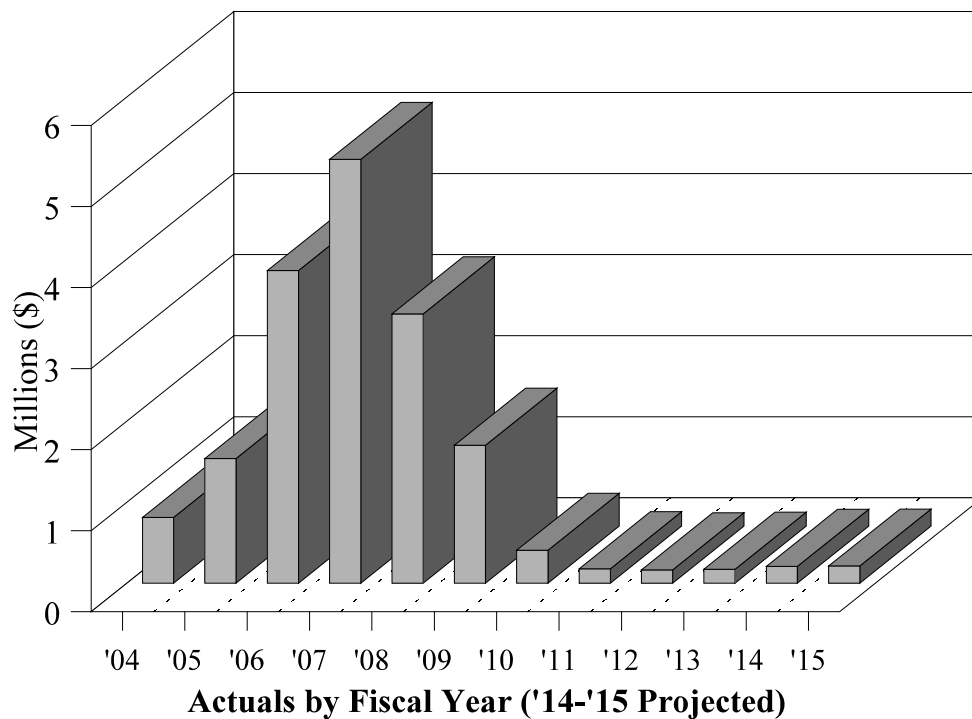
INTEREST

Basis: Trend analysis/Cash flow analysis/Bond issuance

Critical Assumption: Although the City's cash balances available for investment have improved somewhat, and will be supplemented by capital bond proceeds in early FY 2015, interest rates are projected to remain stubbornly low. As a result, Interest Earnings are projected to remain nearly flat at \$211,759, or \$4,566 above the FY 2014 level.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$164,501	\$171,723	\$207,193	\$207,193	\$211,759

Interest Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2015

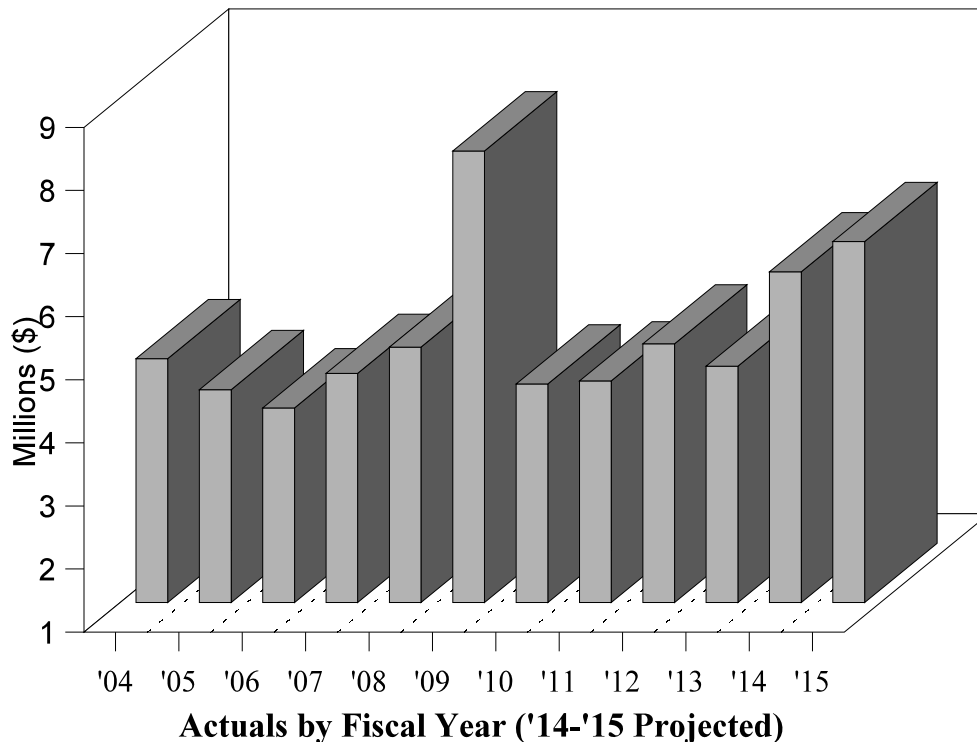
OTHER REVENUES

Basis: Trend analysis/Contractual

Critical Assumption: Other Revenues is comprised of Indirect Costs, General Government Charges and other Miscellaneous Income. General Government Charges and Miscellaneous revenue is expected to remain unchanged. Indirect costs are a charge to the Water/Sewer Fund that offset costs incurred by the General Fund in support of the water, sewer, and stormwater utilities. Prior to FY 2014, the City's indirect cost plan had not been revised since the mid 1990's. Based on several cost components of the FY 2015 General Fund budget, Indirect Costs will rise to \$4,994,467, an increase of \$481,827.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$5,099,398	\$4,747,299	\$6,240,640	\$6,240,640	\$6,722,467

Other Revenues



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2015

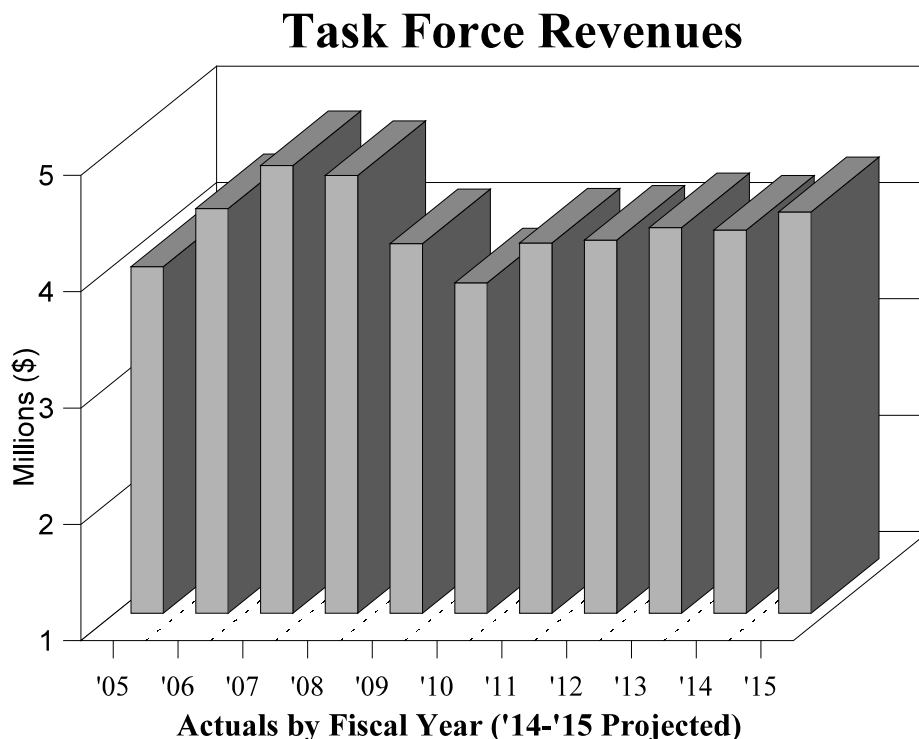
TASK FORCE REVENUES

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

Critical Assumption: Task Force Revenues are the revenue sources that were created as a result of the 2003 Governor's Task Force, which took effect early in FY 2004. As a result, each county seat (Wilmington is the county seat of New Castle County) in the State receives the revenue derived from a \$20 State filing fee for Corporations and Limited Liability Companies (LLC). The State also passed enabling legislation that allowed the City to create a 2.0% Lodging Tax and a 2.0% Natural Gas Franchise Fee on gross sales of natural gas in the City.

In total, Task Force Revenues are projected to be \$157,362 higher for FY 2015. Two of the four components of the Task Force Revenues will increase from the FY 2014 Budget as a result of State growth estimates: Corporate Filings by \$30,823, and LLC Filings by \$110,750, to new totals of \$1,058,248 and \$2,325,746 respectively. Lodging Tax and Natural Gas Tax are projected to increase modestly by 1.5% above the FY 2014 budgeted levels to \$489,357 and \$579,004, generating increases of \$7,232 and \$8,557.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$4,207,837	\$4,314,782	\$4,294,993	\$4,294,993	\$4,452,355



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2015

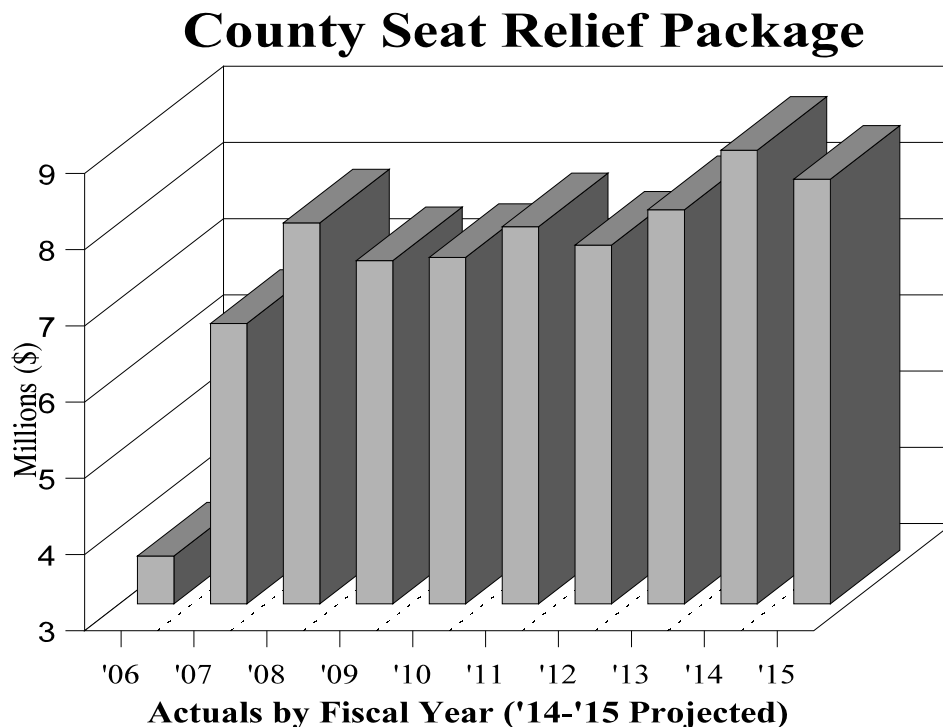
COUNTY SEAT RELIEF PACKAGE

Basis: Estimates from the State Finance Secretary's Office

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

The FY 2015 projections total \$8.6 million. The breakout is as follows: \$2.6 million for a payment in lieu of taxes (PILOT) by the State on what would usually be tax-exempt properties in the City (this is up \$319,245 from the FY 2014 budget); \$4.7 million as part of the State's Uniform Commercial Code (UCC) filing fees (this is up \$105,841 from the FY 2014 budget); \$300,000 in Statutory Trust Filing Fees (no change); and \$1.0 million in New Castle County Corporate Filing Fees (this is up by \$29,346). In total, there is a \$454,432 increase in County Seat Relief Package revenues from the FY 2014 budget.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$7,708,292	\$8,172,793	\$8,117,796	\$8,953,041	\$8,572,228



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2015

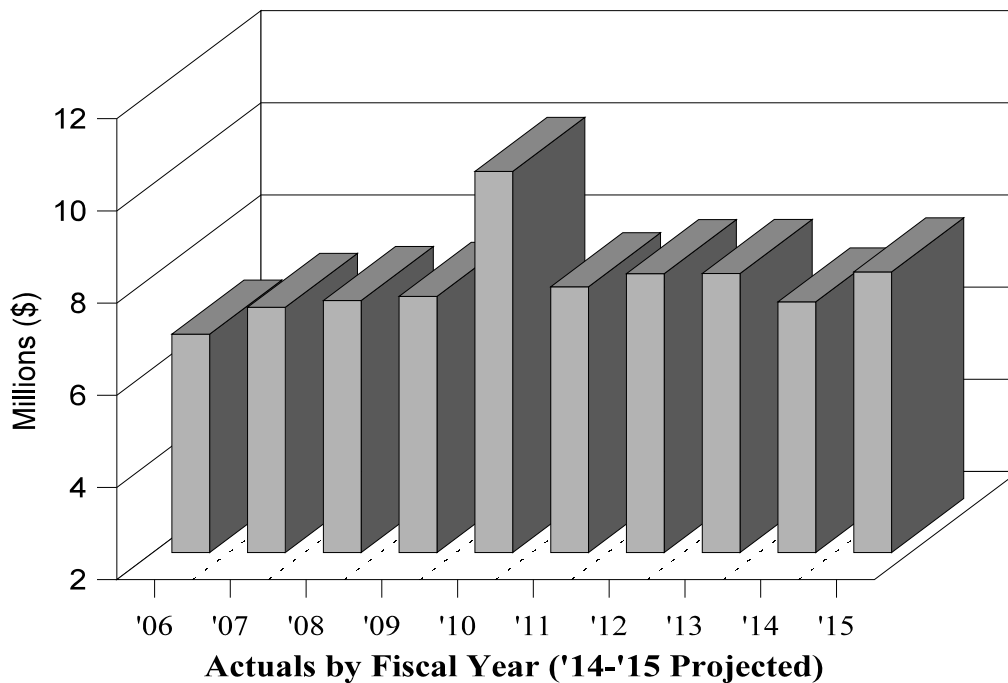
OTHER GOVERNMENTS

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

Critical Assumption: Other Governments consists of the State Pension Contribution and the State Port Debt Reimbursement. The State Pension Contribution is a pass-through grant of \$7,155,315 (an increase of \$170,798) in revenue that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. The State Port Debt Reimbursement is related to the 1996 sale of the Port from the City to the State. The State requested as part of the terms of the sale that the Port debt remain as a liability on the City's books. However, the State did agree to reimburse the City annually for the amount the City was scheduled to pay out to service the Port debt. The amount for FY 2015 will be \$934,165, and represents a nearly \$478,000 increase over FY 2014.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$8,052,318	\$8,055,723	\$7,440,683	\$7,440,683	\$8,089,480

Other Governments



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2015

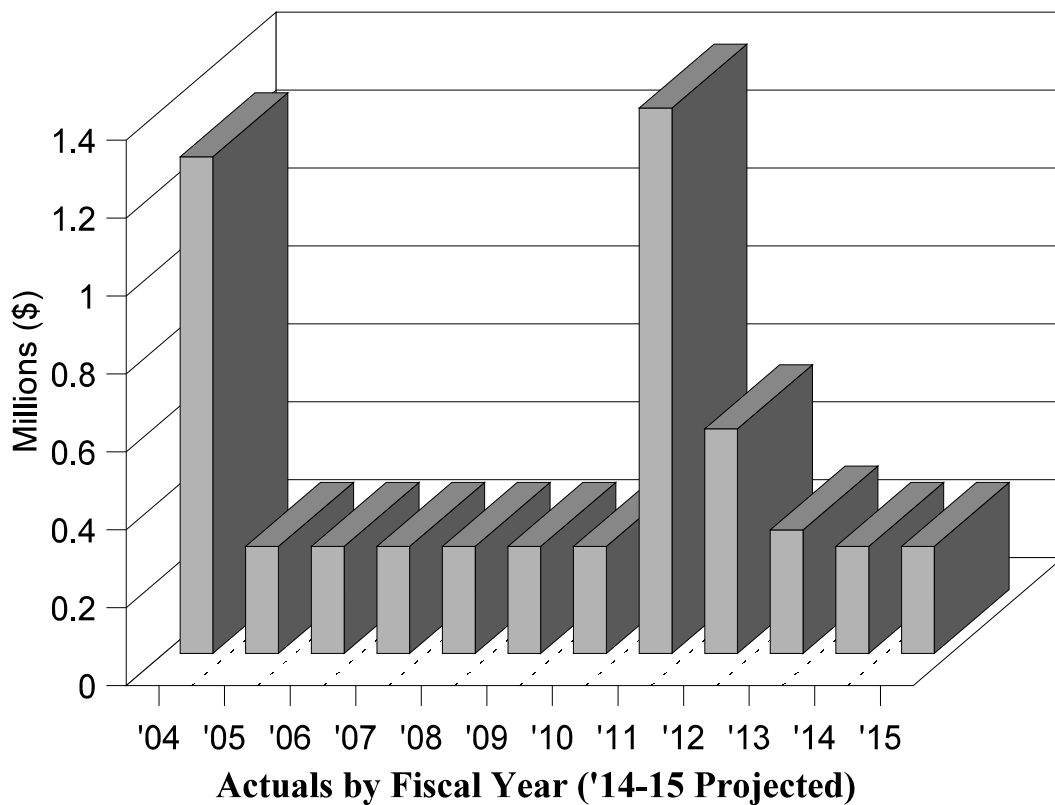
TRANSFERS AND USE OF FUND BALANCE

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

Critical Assumption: There are no prior year designations in FY 2015. There is only the usual transfer from the Wilmington Parking Authority (WPA) in the amount of \$275,000.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$577,160	\$316,616	\$275,000	\$275,000	\$275,000

Transfers & Use of Fund Balance



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2015

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 more than \$204,000 above the FY 2014 level.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$1,095,765	\$983,853	\$874,166	\$874,166	\$1,078,857

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Basis: Estimate from Federal Government (HUD)

Critical Assumption: Funding is expected to increase by almost \$204,000 more than the FY 2014 award.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$2,496,644	\$1,960,779	\$2,114,703	\$2,114,703	\$2,318,614

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. Based on the actual amount received in FY 2013, this revenue source was increased by approximately \$69,000.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$0	\$0	\$1,062,073	\$1,062,073	\$1,131,161

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2015

COMMUNITY ORIENTED POLICING SERVICES (COPS) GRANT

Basis: U.S. Department of Justice Grant

Critical Assumption: The Community Oriented Policing Services Office (COPS) grant is a Federal award to help law enforcement agencies to hire more community policing officers, acquire new technologies and equipment, and promote innovative approaches to solving crime. The FY 2015 amount represents remaining funds for 0.80 Full-time Equivalent (FTE) Patrol Officers, and results from a long-term vacancy within the original three-year term of funding for 16 positions.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$1,303,879	\$750,476	\$125,495	\$125,495	\$51,514

S.A.F.E.R. GRANT

Basis: U.S. Department of Homeland Security Award

Critical Assumption: The Staffing for Adequate Fire & Emergency Response Grant was created to help fire departments increase the number of trained firefighters in communities. Although planned as a two-year award funding salary and benefit costs for 13 firefighters, the grant spanned a partial third year due to an initial delay in implementation. Funds were exhausted in FY 2014, and the City was unable to secure an additional award.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$581,546	\$729,995	\$382,662	\$382,662	\$0

PARKS ASSISTANCE

Basis: Estimate from Federal Government

Critical Assumption: These funds are used for the Summer and Evening Food Programs. Funding is projected to resume in FY 2015, and will exceed the levels of previous years.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$914,398	\$835,044	\$0	\$0	\$984,149

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2015

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 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$80,340	\$83,771	\$121,420	\$121,420	\$122,987

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

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

Critical Assumption: These grants are anticipated to decrease slightly for FY 2015.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$2,047,289	\$1,794,124	\$618,754	\$618,754	\$522,198

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 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$2,714,727	\$2,154,822	\$3,653,775	\$3,653,775	\$4,057,030

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2015

HOME PARTNERSHIP FUND

Basis: Estimate from Federal Government (HUD)

Critical Assumption: The Home Partnership Program is awarded through HUD and is expected to be slightly less in FY 2015.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$752,738	\$175,582	\$416,976	\$416,976	\$410,953

MISCELLANEOUS GRANTS

Basis: Federal/State of Delaware/New Castle County award letters

Critical Assumption: Miscellaneous Grants is a combined total of four Federal grants, three State grants and a Fire Grant from New Castle County. The Federal grants are Housing Opportunities for People With AIDS (\$604,550), the Emergency Shelter Grant (\$155,204), the Neighborhood Stabilization Program (\$72,134), and the De-Lead Delaware Grant (Federal HUD pass-through at \$156,104). The State grants currently funded are the Local Emergency Planning Committee Grant (LEPC at \$64,237), the Workforce Investment Board (WIB at \$277,596) and the State Fire Grant (\$201,369). The New Castle County grant for the Fire Department has been awarded at \$225,000 for FY 2015.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$4,163,377	\$1,324,002	\$955,782	\$955,782	\$1,756,194

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2015

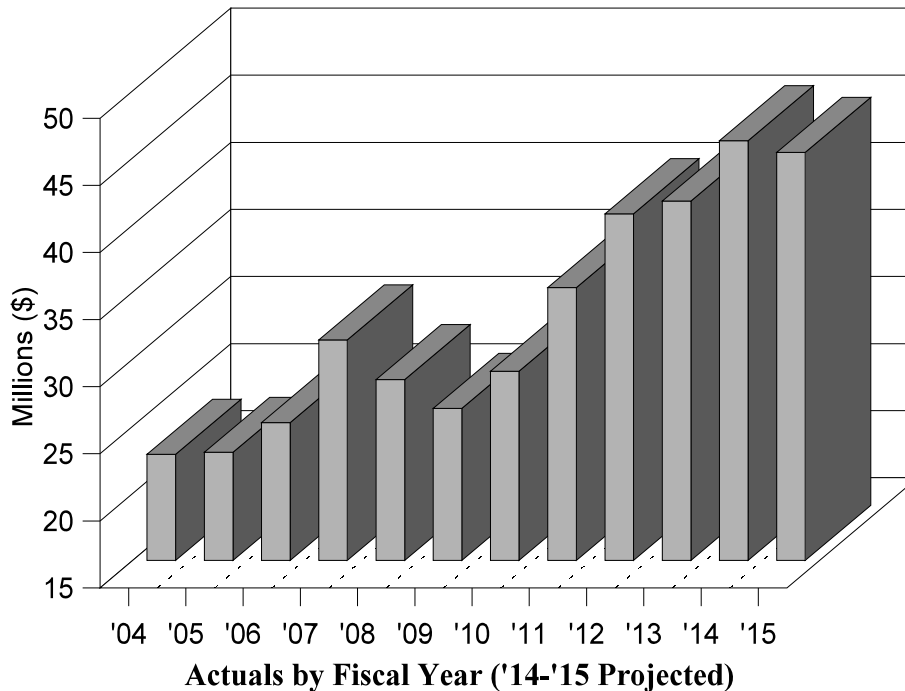
WATER/SEWER USER FEES

Basis: Trend analysis/Management initiatives/Proposed rate increase

Critical Assumption: The base amount of Water/Sewer User Fees had been growing in recent years as a result of the rate increases to stabilize the Fund. However, beginning in FY 2013, consumption, most notably within commercial accounts, began decreasing. For FY 2014, consumption is down about 5.0%, equating to a loss in base revenue of more than \$2.0 million. An 5% increase in Water/Sewer User Fees was approved for FY 2015 that will generate just under \$2.0 million. But, when coupled with the decrease in consumption and other changes in special sewer and other miscellaneous revenue items, total User Fees is projected to be \$45.4 million, a net decrease of \$862,000 from the FY 2014 budget. The typical residential customer will see an increase of \$2.15 per month.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$40,836,954	\$41,773,110	\$46,274,000	\$46,274,000	\$45,412,000

Water/Sewer User Fees



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2015

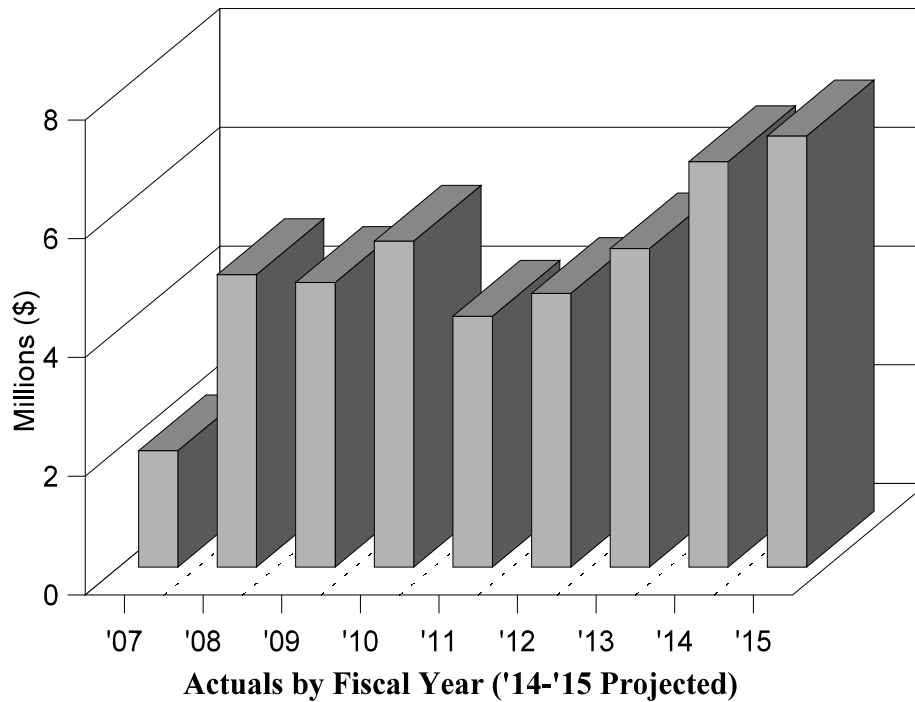
STORMWATER BILLINGS

Basis: Trend analysis/Management initiatives

Critical Assumption: The Stormwater Property Fee is charged to all property owners in the City. The fee is not based on a consumption factor, but rather on the size of a property and the characteristics of that parcel's land and buildings as they relate to the generation of storm runoff. The Stormwater Billings base last year was \$8.0 million. For FY 2015, a 5.0% increase in Stormwater Fees was approved which will generate an additional \$563,000. After allowing for uncollectibles of \$1.2 million (mostly due to disputes concerning a few large federal and state controlled properties), more than \$7.4 million in revenue is projected for FY 2015, a net increase of \$573,000 above the FY 2014 budget. The average residential property owner will pay an additional 24 cents per month.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$4,610,749	\$5,362,328	\$6,829,000	\$6,829,000	\$7,264,000

Stormwater Billings



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

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2015

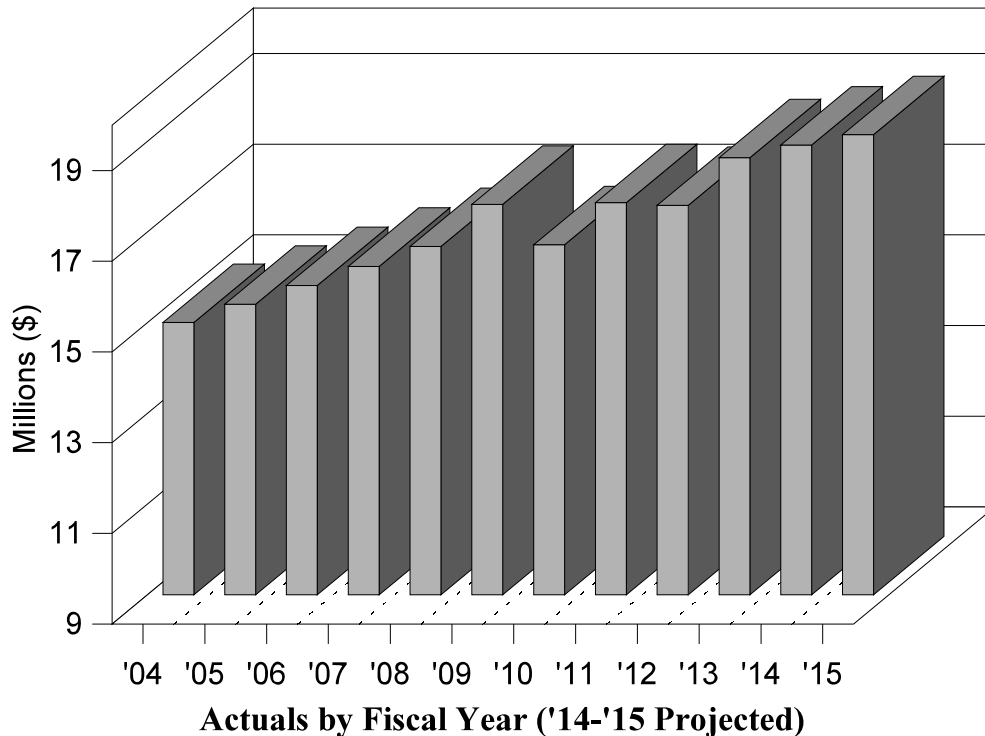
NEW CASTLE COUNTY SEWER SERVICES

Basis: Contract with New Castle County

Critical Assumption: The City and New Castle County are currently in the midst of negotiating a new contract defining the fee structure for treating the County's sewage. Until a new contract is agreed upon, the terms of the expired contract, settled through arbitration, will continue. For FY 2015, the net base fee of \$19.0 million represents the County's share of costs for operating the City's sewage treatment plant and sewage sludge disposal, adjusted downward by \$609,000 to take into account the annual reconciliation process and at-risk amounts for treatment plant water/sewer charges. An additional \$768,000 will be billed as a one-time reimbursement to the City for extensive repairs to concrete at the sewage treatment facility. The total revenue for FY 2015 is \$19,143,468.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$17,583,585	\$18,638,495	\$18,915,070	\$18,915,070	\$19,143,468

NCC Sewer Services



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2015

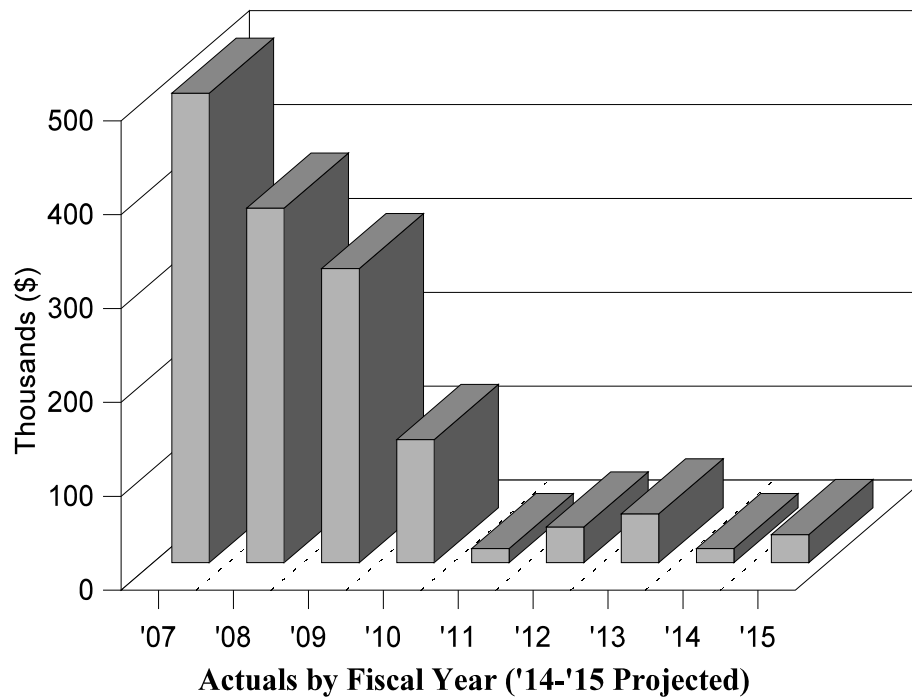
INTEREST

Basis: Trend analysis/Cash flow analysis

Critical Assumption: Previously, all interest earned on City cash balances, regardless of the source, was booked as revenue to the General Fund. Starting in FY 2007, to help bolster the Water/Sewer Fund, interest earned on unspent Water/Sewer capital cash balances was booked as revenue to the Water/Sewer Fund. In FY 2015, interest is projected to increase to \$30,000.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$37,969	\$52,142	\$15,000	\$15,000	\$30,000

Interest Income



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

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

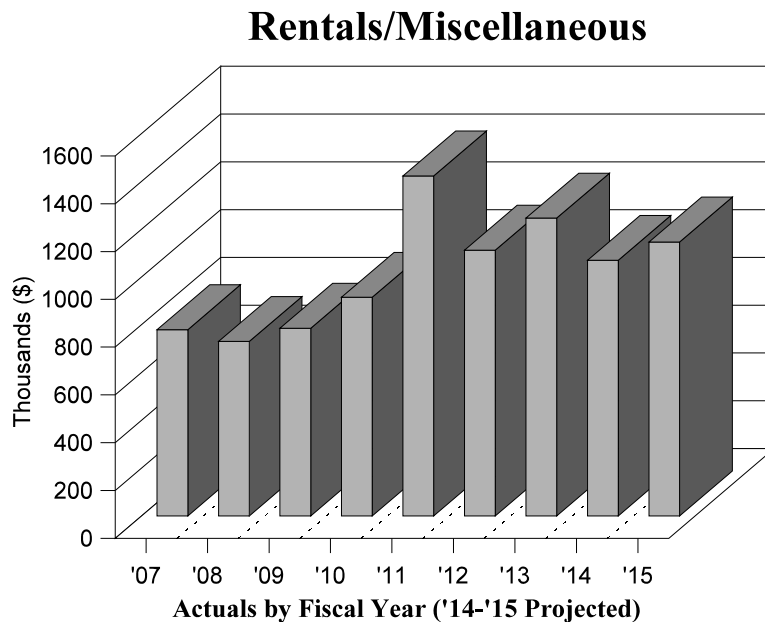
Water/Sewer Fund Revenues Fiscal Year 2015

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 \$77,000 to \$1,146,000.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$1,112,153	\$1,246,062	\$1,069,000	\$1,069,000	\$1,146,000



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

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2015

SOLAR PANEL REVENUE

Basis: Lease/Contracts.

Critical Assumption: This was a new revenue source that began in FY 2011. Although small in value, because of the special nature of this revenue, it is accounted for in its own separate category. As a result of the installation of solar panel arrays at various municipal sites (most notably the Porter Filter Plant), the City earns Solar Renewable Energy Credits (SRECs). Revenue is obtained from the sale of these credits by the City. Because of the sharp decline in the regional selling price of SRECs, only \$52,000 in revenue is expected to be received in FY 2015, a decrease of \$148,000 from last fiscal year.

FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Projected	FY 2015 Budget
\$600,834	\$277,760	\$200,000	\$200,000	\$52,000

**CITY OF WILMINGTON
TAX RATES FOR FISCAL YEAR 2015**

WAGE TAX

Base: Individual gross earned income of City residents.
Individual gross earned income of non-City residents working within the City limits.

Rate: 1.25%

NET PROFIT TAX

Base: Net profit of sole proprietors and partnerships within the City limits.

Rate: 1.25%

PROPERTY TAX

Base: 100% of the assessed value of land and buildings within City limits. Because the last systematic County-wide reassessment was done based on 1983 market value dollars, all present-day assessments are calculated and reported using 1983 dollar values.

Rate: \$1.855 per one-hundred dollars of assessed value.

HEAD TAX

Base: Number of employees per month for businesses with 6 or more employees.

Rate: \$15.00 per employee per month on the total number of employees minus 5 (e.g., business with 20 employees is assessed on 15 employees).

REAL ESTATE TRANSFER TAX

Base: Selling price of Real Estate assessed at time of settlement.

Rate: 1.50%

CITY OF WILMINGTON
TAX RATES FOR FISCAL YEAR 2015
(Continued)

FRANCHISE TAX

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

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

LODGING TAX

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

Rate: 2.0% of rent.



MAYOR'S OFFICE

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

SUMMARY OF FUNDING FOR THE MAYOR'S OFFICE

TOTAL ALL FUNDS* MAYOR'S OFFICE	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	5,386,339	5,837,454	5,625,553	5,645,633
Materials, Supplies & Equipment	5,681,015	6,624,473	6,973,344	7,013,653
Internal Services	1,356,657	1,108,613	1,257,702	1,211,906
Debt Service	1,825,223	1,572,463	3,575,579	3,959,044
Special Purpose	91,600	91,600	121,600	121,600
Contingent Reserves	0	0	125,000	425,000
Depreciation	682,834	753,802	889,977	960,945
TOTAL	15,023,668	15,988,405	18,568,755	19,337,781
STAFFING LEVELS	58.00	57.00	60.00	59.00

GENERAL FUND MAYOR'S OFFICE	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	3,352,289	3,698,524	3,520,426	3,718,171
Materials, Supplies & Equipment	1,248,724	1,416,037	1,406,601	1,605,206
Internal Services	985,974	745,681	954,004	905,329
Debt Service	1,702,781	1,438,710	3,418,170	3,813,403
Special Purpose	91,600	91,600	121,600	121,600
TOTAL	7,381,368	7,390,552	9,420,801	10,163,709
STAFFING LEVELS	34.50	33.50	36.50	37.50

CONTINGENT RESERVES MAYOR'S OFFICE	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Contingency	0	0	0	300,000
Snow & Weather Emergencies	0	0	125,000	125,000
TOTAL	0	0	125,000	425,000
STAFFING LEVELS	0.00	0.00	0.00	0.00

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

LOCAL EMERGENCY PLANNING COMMITTEE (LEPC) FUND MAYOR'S OFFICE	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	60,684	61,741	62,748	64,237
Materials, Supplies & Equipment	110,262	150,545	0	0
TOTAL	170,946	212,286	62,748	64,237
STAFFING LEVELS	0.50	0.50	0.50	0.50

INTERNAL SERVICES FUND MAYOR'S OFFICE	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	1,973,366	2,077,189	2,042,379	1,863,225
Materials, Supplies & Equipment	4,322,029	5,057,891	5,566,743	5,408,447
Internal Services	370,683	362,932	303,698	306,577
Debt Service	122,442	133,753	157,409	145,641
Depreciation	682,834	753,802	889,977	960,945
TOTAL	7,471,354	8,385,567	8,960,206	8,684,835
STAFFING LEVELS	23.00	23.00	23.00	21.00

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

- Total Personal Services increased \$197,745, due to a number of personnel changes made both mid-FY 2014 and during the FY 2015 budget process, along with the elimination of the PS-Budget Control Account.
- Pension and Pension Healthcare costs increased \$28,626 and \$17,884 respectively. However, Hospitalization costs decreased \$24,947 primarily due to new hires selecting a lower than previously budgeted medical plan.
- Materials, Supplies & Equipment (MS&E) rose by a total of \$198,605. The details follow below.
- Printing and Advertising costs were increased by nearly \$25,000, to accommodate advertising needs for the Communications and Cultural Affairs Divisions.
- Rentals needed to support expanded programming within the Cultural Affairs Division caused an increase of just over \$18,000.
- Professional Fees are slated to increase by almost \$40,000. Nearly all of the additional \$15,600 for Consultants will be used to support City events through the Division of Cultural Affairs. The Temporary Agencies increase of \$24,000 will provide additional support for Civil Appeal revenue collections.
- Miscellaneous Services rose \$25,940, mainly due to a new management agreement for the Emergency Operations Center and an expansion of the City-wide graffiti removal program.
- The Community Activities account group increased by just over \$95,000. Miscellaneous Projects rose \$72,712 for the Sister cities program and for interns to support neighborhood development. Other increases occurred in the Mayor's Scholarship program and to the Grants To Agencies account.
- Debt Service costs will increase by \$395,234, per repayment schedules provided by the Finance Department.
- Total Internal Service allocations will decrease by \$48,676, due to significant savings in Mapping and Graphics, Telephone and Word Processing.

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

- Total Personal Services decreased by a net \$179,154, mainly due to the elimination of two positions, the Manager of Integrated Technology and Document Management Supervisor.
- Total MS&E was reduced \$158,296 largely due to purchases of Equipment and Fixed Assets being scaled down across all internal service areas.
- Contracted Maintenance grew by \$129,200 in the Data Processing Division, slightly offset by savings of \$9,400 in the Communications Division. This increase is due to several items, including server virtualization (consolidation), data storage costs, and added security for network and mobile devices.
- Communications and Utilities rose \$57,664 in Mail Service and Communications. Due to a price increase by the U.S. Postal Service in January 2014, Postage Direct charge costs were increased nearly \$16,000 for FY 2015. New digital recording cameras and an upgraded mobile Computer Aided Dispatch system also increased Telephone Direct charges and Mobile Airtime by just over \$41,000 in the Communications Division.
- Professional Fees and Registration Fees together increased by over \$93,000 as a result of necessary KRONOS training and upgrades, and Help Desk support.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: MAYOR'S OFFICE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Regular Salaries	2,255,694	2,495,903	2,526,651	2,597,714
Temporary Salaries	20,205	7,013	0	0
Acting Out of Class	1,920	6,409	0	0
Sick Leave Bonus	1,100	1,100	0	0
Overtime/Special Events	1,778	5,124	0	0
Meal Allowance	0	17	0	0
Pension Contribution	429,698	401,449	280,999	301,833
Social Security	138,661	153,798	154,191	158,700
Medicare Tax	32,573	36,006	36,152	37,110
Hospitalization	409,658	476,606	496,315	471,368
Life Insurance	7,683	8,071	8,923	9,161
Pension Healthcare	51,401	59,705	69,703	87,587
State Pension Plan - Civilian	1,918	47,323	83,499	91,291
Personal Services Adjustment	0	0	(36,593)	(36,593)
PS-Budget Control Account	0	0	(99,414)	0
TOTAL PERSONAL SERVICES	3,352,289	3,698,524	3,520,426	3,718,171

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	82,633	68,811	71,624	97,292
Communications & Utilities	26,780	39,195	33,360	50,378
Transportation	28,152	15,301	35,000	39,700
Rentals	34,362	26,713	43,445	56,384
Contracted Maintenance Repairs	1,382	2,441	3,500	3,500
Professional Fees	209,639	366,441	276,000	315,600
Other Fees	120,734	2,356	0	0
Memberships & Registrations	35,106	36,136	63,090	67,770
Miscellaneous Services	47,361	178,253	210,750	236,690
Office & General Supplies	9,198	13,678	14,332	19,480
Miscellaneous Parts	53,820	59,827	65,500	55,200
Constuction and Repairs	0	318	1,000	1,000
Equipment	6,620	16,934	13,500	11,500
Fixed Assets	9,352	0	0	0
Miscellaneous Projects	439,989	459,863	461,000	533,712
Community Activities	143,596	129,770	94,500	117,000
MSE-Budget Control Account	0	0	20,000	0
TOTAL M., S. & E.	1,248,724	1,416,037	1,406,601	1,605,206

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

INTERNAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Administrative Services	929,825	713,674	891,518	841,482
Self-Insurance	56,149	32,007	62,486	63,847
TOTAL INTERNAL SERVICES	985,974	745,681	954,004	905,329

DEBT SERVICE

Principal Payments	615,074	413,622	2,373,426	2,821,511
Interest Payments	1,087,707	1,025,088	1,044,744	991,892
TOTAL DEBT SERVICE	1,702,781	1,438,710	3,418,170	3,813,403

SPECIAL PURPOSE

Rock Manor Golf Course	91,600	91,600	121,600	121,600
TOTAL SPECIAL PURPOSE	91,600	91,600	121,600	121,600

DEPARTMENT: MAYOR'S OFFICE**FUND: CONTINGENT RESERVES**

CONTINGENT RESERVES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Contingency	0	0	0	300,000
Snow & Weather Emergencies	0	0	125,000	125,000
TOTAL CONTINGENT RESERVES	0	0	125,000	425,000

GENERAL FUND TOTAL	7,381,368	7,390,552	9,545,801	10,588,709
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DEPARTMENT: MAYOR'S OFFICE**FUND: LEPC**

PERSONAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Regular Salaries	42,332	42,494	42,169	42,169
Pension Contribution	7,051	7,861	9,066	10,627
Social Security	2,561	2,573	2,553	2,553
Medicare Tax	599	602	597	597
Hospitalization	7,259	7,233	7,243	7,033
Life Insurance	108	108	120	120
Pension Healthcare	774	870	1,000	1,138
TOTAL PERSONAL SERVICES	60,684	61,741	62,748	64,237
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	1,374	1,467	0	0
Transportation	778	0	0	0
Professional Fees	0	1,243	0	0
Office & General Supplies	1,893	539	0	0
Equipment	0	28,986	0	0
Fixed Assets	106,217	118,310	0	0
TOTAL M., S. & E.	110,262	150,545	0	0
 LEPC FUND TOTAL	 170,946	 212,286	 62,748	 64,237

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

PERSONAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Regular Salaries	1,257,548	1,333,707	1,296,155	1,177,585
Acting Out of Class	1,169	1,611	0	0
Sick Leave Bonus	1,500	1,600	0	0
Overtime	2,775	7,590	0	0
Meal Allowance	10	0	0	0
Pension Contribution	271,807	316,525	269,866	273,751
Social Security	77,185	82,114	79,136	71,838
Medicare Tax	18,051	19,204	18,507	16,801
Hospitalization	278,813	280,260	312,813	255,916
Life Insurance	5,408	5,114	5,434	4,954
Pension Healthcare	31,597	35,100	46,000	47,775
State Pension Plan - Civilian	1,417	4,592	14,468	14,605
Accrued Sick/Vacation	26,086	(10,228)	0	0
TOTAL PERSONAL SERVICES	1,973,366	2,077,189	2,042,379	1,863,225

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	103,220	102,972	120,000	112,000
Communications & Utilities	824,138	1,069,377	1,340,366	1,398,030
Transportation	9,508	3,164	9,000	9,000
Rentals of Office Equipment	94,622	98,487	102,421	111,421
Contracted Maintenance Repairs	349,092	272,255	534,726	654,924
Professional Fees	1,524,214	1,335,131	1,578,000	1,633,890
Memberships & Registrations	11,484	9,215	16,045	53,245
Miscellaneous Services	136,783	85,695	104,600	120,800
Office & General Supplies	138,664	130,114	166,576	172,486
Uniforms & Related Equipment	0	0	220	0
Miscellaneous Parts	109,856	50,250	77,600	89,408
Equipment	563,329	742,974	949,689	736,243
Fixed Assets	457,119	1,158,257	1,717,500	317,000
Capitalized Exps - Op.	0	0	(1,150,000)	0
TOTAL M., S. & E.	4,322,029	5,057,891	5,566,743	5,408,447

INTERNAL SERVICES

Administrative Services	357,149	349,714	290,052	292,668
Self-Insurance	13,534	13,218	13,646	13,909
TOTAL INTERNAL SERVICES	370,683	362,932	303,698	306,577

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

	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
<u>DEBT SERVICE</u>				
Amortization	5,953	5,562	6,512	6,512
Interest Payment	116,489	128,191	150,897	139,129
TOTAL DEBT SERVICE	122,442	133,753	157,409	145,641
<u>DEPRECIATION</u>				
Depreciation	682,834	753,802	889,977	960,945
TOTAL DEPRECIATION	682,834	753,802	889,977	960,945
INTERNAL SERVICES FUND TOTAL	7,471,354	8,385,567	8,960,206	8,684,835



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 2015

- As an elective legislature for a home rule city, Wilmington City Council's priorities continually reflect, through its regulatory and budgetary enactments, the aspirations of the Citizens of Wilmington. These priorities are implicit in the programs adopted and set in the annual operating and capital budgets for the City of Wilmington.

SUMMARY OF FUNDING FOR CITY COUNCIL

TOTAL ALL FUNDS CITY COUNCIL	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	1,858,016	1,907,815	2,176,228	2,223,312
Materials, Supplies & Equipment	369,234	438,217	594,940	602,176
Internal Services	238,819	214,342	223,798	225,473
Debt Service	26,988	18,513	28,370	28,528
Special Purpose	67,644	67,989	19,000	19,000
TOTAL	2,560,701	2,646,876	3,042,336	3,098,489
STAFFING LEVELS	28.00	27.00	29.00	29.00

GENERAL FUND CITY COUNCIL	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	1,858,016	1,907,815	1,404,760	1,425,882
Materials, Supplies & Equipment	369,234	438,217	507,100	507,100
Internal Services	238,819	214,342	211,369	208,067
Debt Service	26,988	18,513	639	652
Special Purpose	67,644	67,989	19,000	19,000
TOTAL	2,560,701	2,646,876	2,142,868	2,160,701
STAFFING LEVELS	28.00	27.00	20.05	20.05

CATV FUND CITY COUNCIL	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	0	0	771,468	797,430
Materials, Supplies & Equipment	0	0	87,840	95,076
Internal Services	0	0	12,429	17,406
Debt Service	0	0	27,731	27,876
TOTAL	0	0	899,468	937,788
STAFFING LEVELS	0.00	0.00	8.95	8.95

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services increased a total of \$47,084. The largest portion of the increase was in the CATV Fund (up \$25,962), with the remaining balance occurring in the General Fund (up \$21,122). The majority of the increase is due to rising Pension costs and a mid-year adjustment for the City Clerk.
- In the CATV Fund, Materials, Supplies & Equipment went up \$7,236, all of which is attributed to increases in Memberships and Registrations (up \$6,736) and Miscellaneous Parts (up \$500).
- Internal Services increased a total of \$1,675. Savings in the General Fund (down \$3,302) were offset by increases in the CATV Fund (up \$4,977).

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: CITY COUNCIL

FUND: GENERAL

	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
PERSONAL SERVICES				
Regular Salaries	1,235,856	1,226,222	907,510	912,998
Temporary Salaries	14,625	20,430	24,222	24,222
Sick Leave Bonus	0	400	400	400
Overtime	568	0	0	0
Pension Contribution	189,475	195,816	136,409	136,702
Social Security	76,391	76,255	55,712	57,125
Medicare Tax	17,866	17,834	13,028	13,359
Hospitalization	276,018	313,251	223,513	216,926
Life Insurance	5,366	5,155	3,866	3,866
Pension Healthcare	41,851	44,745	40,100	45,613
State Pension Plan - Civilian	0	7,707	0	14,671
TOTAL PERSONAL SERVICES	1,858,016	1,907,815	1,404,760	1,425,882
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	15,557	19,586	18,000	18,000
Transportation	7,312	6,837	3,000	3,000
Rentals	0	0	1,000	1,000
Contracted Maintenance Repairs	15,855	20,947	2,000	2,000
Professional Fees	9,747	53,359	5,000	5,000
Memberships & Registrations	15,270	16,227	21,000	21,000
Miscellaneous Services	6,275	6,584	4,000	4,000
Office & General Supplies	3,706	4,948	6,600	6,600
Miscellaneous Parts	14,288	23,495	17,500	17,500
Equipment	12,171	11,614	1,000	1,000
Community Activities	269,053	274,620	428,000	428,000
TOTAL M., S. & E.	369,234	438,217	507,100	507,100
 <u>INTERNAL SERVICES</u>				
Administrative Services	222,872	203,674	195,586	191,972
Self-Insurance	15,947	10,668	15,783	16,095
TOTAL INTERNAL SERVICES	238,819	214,342	211,369	208,067

DEPARTMENT: CITY COUNCIL**FUND: GENERAL**

	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
DEBT SERVICE				
Principal Payments	8,995	964	321	346
Interest Payments	17,993	17,549	318	306
TOTAL DEBT SERVICE	26,988	18,513	639	652
 SPECIAL PURPOSE				
Wilmington Institute Free Library	60,000	60,000	0	0
Other	7,644	7,989	19,000	19,000
TOTAL SPECIAL PURPOSE	67,644	67,989	19,000	19,000
 GENERAL FUND TOTAL	2,560,701	2,646,876	2,142,868	2,160,701

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: CITY COUNCIL

FUND: CATV

	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
PERSONAL SERVICES				
Regular Salaries	0	0	477,433	491,648
Temporary Salaries	0	0	15,000	15,000
Sick Leave Bonus	0	0	200	200
Pension Contribution	0	0	91,407	102,221
Social Security	0	0	29,123	30,963
Medicare Tax	0	0	6,811	7,241
Hospitalization	0	0	131,470	122,090
Life Insurance	0	0	2,124	2,132
Pension Healthcare	0	0	17,900	20,362
State Pension Plan - Civilian	0	0	0	5,573
TOTAL PERSONAL SERVICES	0	0	771,468	797,430
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Transportation	0	0	5,000	5,000
Contracted Maintenance Repairs	0	0	20,000	20,000
Memberships & Registrations	0	0	10,500	17,236
Miscellaneous Services	0	0	23,340	23,340
Office & General Supplies	0	0	1,500	1,500
Wearing Apparel & Safety	0	0	3,000	3,000
Miscellaneous Parts	0	0	19,000	19,500
Equipment	0	0	5,500	5,500
TOTAL M., S. & E.	0	0	87,840	95,076
 <u>INTERNAL SERVICES</u>				
Administrative Services	0	0	2,635	15,723
Self-Insurance	0	0	9,794	1,683
TOTAL INTERNAL SERVICES	0	0	12,429	17,406

DEPARTMENT: CITY COUNCIL**FUND: CATV**

	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
DEBT SERVICE				
Principal Payments	0	0	10,501	11,135
Interest Payments	0	0	17,230	16,741
TOTAL DEBT SERVICE	0	0	27,731	27,876
CATV FUND TOTAL	0	0	899,468	937,788



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 2015

- Enhance website to facilitate retirement planning for employees.
- Sponsor a series of retirement planning seminars for City employees.
- Continue to review the City's Pension Portfolio and its Investment Managers for opportunities to improve performance.
- Review and document Departmental processes and functions and cross-train employees.

SUMMARY OF FUNDING FOR CITY TREASURER

TOTAL ALL FUNDS CITY TREASURER	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	626,779	655,407	637,692	651,774
Materials, Supplies & Equipment	923,735	957,153	1,068,567	1,215,055
Internal Services	136,406	110,692	130,023	127,084
Other	1,456,482	894,006	2,250,000	2,500,000
TOTAL	3,143,402	2,617,258	4,086,282	4,493,913
STAFFING LEVELS	6.00	6.00	6.00	6.00

GENERAL FUND CITY TREASURER	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	300,564	334,620	300,920	309,585
Materials, Supplies & Equipment	19,553	36,726	30,070	28,070
Internal Services	108,558	91,090	101,517	99,228
TOTAL	428,675	462,436	432,507	436,883
STAFFING LEVELS	2.92	2.92	2.92	2.92

PENSION ADMIN. FUNDS CITY TREASURER	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	326,215	320,787	336,772	342,189
Materials, Supplies & Equipment	904,182	920,427	1,038,497	1,186,985
Internal Services	27,848	19,602	28,506	27,856
Other	1,456,482	894,006	2,250,000	2,500,000
TOTAL	2,714,727	2,154,822	3,653,775	4,057,030
STAFFING LEVELS	3.08	3.08	3.08	3.08

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Total Personal Services grew by \$14,082 or 2.2% across all funds due to increases in Pension Contributions and Pension Healthcare by \$17,874, and \$1,427 respectively.
- In the Pension Funds, total Materials, Supplies & Equipment costs increased by \$148,488 or 14.3%. Trustee Fees, which are tied to the performance of the stock market, increased a net \$153,860.
- Consultant costs were reduced by \$5,000 because the scheduled actuarial experience study was deferred to FY 2016.
- The Internal Services account group decreased by a net of \$2,939 across all funds, mainly due to a decrease in Postage, which is down a net \$4,762. Data Processing costs increased slightly by a net \$2,542.
- The annual self-insurance funding target for retiree medical costs was increased by \$250,000, bringing the total funding for the program to \$2.5 million for FY 2015.

CITY TREASURER

PERFORMANCE INDICATORS

Goal #1: Enhanced overall pension administration.

Objective: Perform due diligence by monitoring fund managers in order to identify performance issues.

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

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Number of Fund Managers Interviewed	4	7	5	5	5

Goal #2: Efficient cash management of all the City's funds.

Objective: Keep 100% of available funds invested.

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

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Percentage of Funds Invested	96%	96%	96%	96%	96%

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

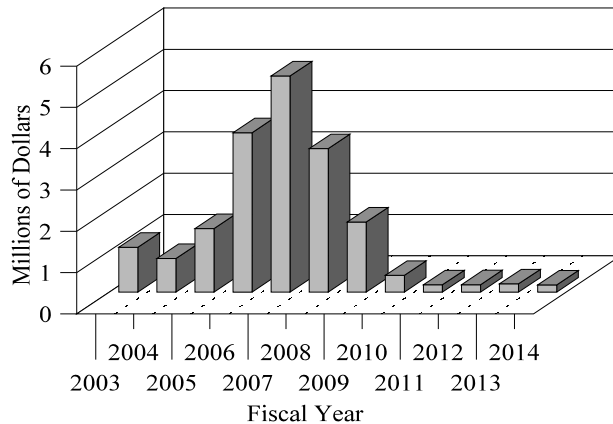
Objective: Fund the actuarially determined Annual Required Contribution at 100% each year.

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

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Annual Required Contribution (in \$ millions)	\$11.9	\$11.9	\$12.2	12.2	12.7

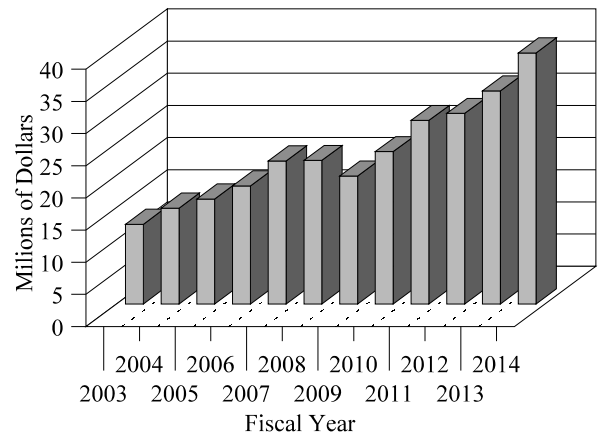
City Treasurer Performance Trends

General Fund Investment Income



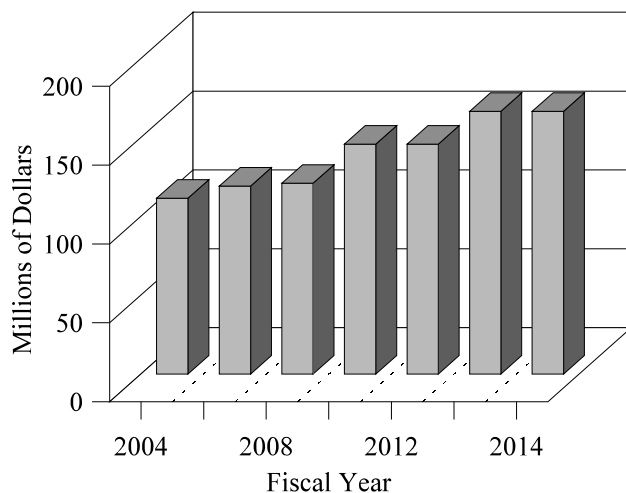
Prudent cash management and investment policies have enabled the City Treasurer to earn an average of over \$2.5 million per year since FY 2002. Much lower interest rates and delayed capital borrowing were responsible for the declines in FY 2009 through FY 2014.

Deferred Compensation Fund



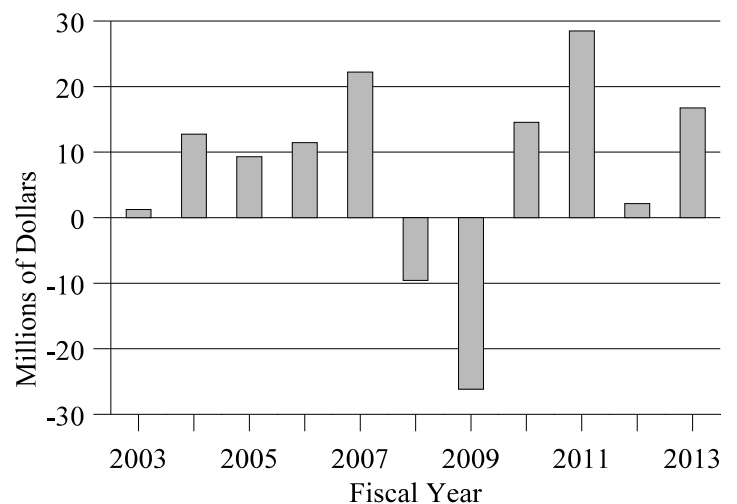
The City's Deferred Compensation plan is available on a voluntary basis to employees who wish to supplement their retirement income by investing a portion of their current earnings on a tax deferred basis.

Unfunded Pension Liability



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

Net Pension Fund Income/Loss



Strict adherence to prudent investment guidelines enable the City's pension fund to earn high income levels when the stock market is performing well, and minimize losses when the market is performing poorly. This principle is highlighted during the period 2008-2010. The City maintained a cap on losses during the unprecedented poor market performance in 2008 and 2009, and recovered well as market conditions improved in 2010, 2011, 2012, and 2013.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: CITY TREASURER

FUND: GENERAL

	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
PERSONAL SERVICES				
Regular Salaries	191,563	205,804	194,838	195,926
Sick Leave Bonus	200	200	0	0
Pension Contribution	52,573	65,539	54,454	62,672
Social Security	11,498	12,428	11,796	11,861
Medicare Tax	2,711	2,919	2,757	2,774
Hospitalization	36,834	42,016	38,498	37,200
Life Insurance	652	631	688	686
Pension Healthcare	4,533	5,083	6,063	6,640
Personal Services Adjustment	0	0	(8,174)	(8,174)
TOTAL PERSONAL SERVICES	300,564	334,620	300,920	309,585
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	250	177	320	320
Transportation	0	1,652	1,500	1,500
Professional Fees	15,579	30,394	21,500	19,500
Memberships & Registrations	922	947	1,100	1,100
Miscellaneous Services	1,639	1,617	4,400	4,400
Office & General Supplies	1,004	975	1,000	1,000
Equipment	159	964	250	250
TOTAL M. S. & E.	19,553	36,726	30,070	28,070
 <u>INTERNAL SERVICES</u>				
Administrative Services	102,909	86,526	96,055	93,697
Self-Insurance	5,649	4,564	5,462	5,531
TOTAL INTERNAL SERVICES	108,558	91,090	101,517	99,228
 GENERAL FUND TOTAL	428,675	462,436	432,507	436,883

DEPARTMENT: CITY TREASURER**FUND: PENSION ADMIN.**

PERSONAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Regular Salaries	224,325	227,980	225,036	226,375
Accrued Vacation Pay	3,523	(11,388)	0	0
Pension Contribution	40,109	45,876	53,260	62,916
Social Security	13,534	13,800	13,661	13,789
Medicare Tax	3,187	3,240	3,196	3,226
Hospitalization	36,093	35,254	36,900	30,308
Life Insurance	677	669	728	734
Pension Healthcare	4,767	5,356	6,160	7,010
Personal Services Adjustment	0	0	(2,169)	(2,169)
TOTAL PERSONAL SERVICES	326,215	320,787	336,772	342,189

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	125	35	300	300
Transportation	2,278	3,396	3,014	3,000
Rentals	0	0	60	48
Contracted Maintenance	0	0	102	82
Professional Fees	896,842	912,427	1,026,730	1,177,590
Other Fees	976	0	900	202
Memberships & Registrations	1,480	2,310	3,625	3,710
Office & General Supplies	1,002	733	816	853
Miscellaneous Parts	788	529	700	700
Equipment	691	997	2,250	500
TOTAL M. S. & E.	904,182	920,427	1,038,497	1,186,985

INTERNAL SERVICES

Administrative Services	26,775	18,660	27,392	26,726
Self-Insurance	1,073	942	1,114	1,130
TOTAL INTERNAL SERVICES	27,848	19,602	28,506	27,856

OTHER

Self Insurance Costs	1,456,482	894,006	2,250,000	2,500,000
TOTAL OTHER	1,456,482	894,006	2,250,000	2,500,000

PENSION FUND TOTAL	2,714,727	2,154,822	3,653,775	4,057,030
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DEPARTMENT OF PLANNING AND URBAN DESIGN

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

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

PRIORITIES FOR FISCAL YEAR 2015

- The Planning Department will serve as a lead agent for the City's Vacant Housing Team. The role of the Team is to develop and implement blight remediation strategies. In addition, using a wide range of tools, the Team will conduct analyses and make recommendations to the City's Administration to identify sections of the city that should be target areas for concentrated redevelopment.
- Provide high quality planning services, such as subdivision reviews, environmental/historical preservation reviews, curb cut reviews, waterfront reviews, parking lot landscaping reviews, demolition reviews and staff support to various planning related boards and commissions.
- Provide staff support to the Mayor's Access Wilmington Committee - The Mayor's Committee for People with Disabilities. Organize an Access Neighborhood Parks Tour for the Committee. Additionally, organize the 2014 Access Wilmington Award Reception and City/County Building Lobby Art Exhibit for disability Awareness Month (October 2014).
- Conduct ongoing outreach to the Neighborhood Planning Councils. Complete two newsletters and other neighborhood development outreach material. Coordinate the NPC Capital Grant application process and oversee the Capital Project implementation.
- Complete rezoning for the Baynard Boulevard/Concord Avenue analysis area. Additionally, complete the Neighborhood Comprehensive Plan for the analysis area.
- Initiate the Neighborhood Notebook for Midtown Browntown/Hedgeville.
- Process approximately 250 HUD Part 58 Environmental Reviews and 106 Historic Reviews.
- Update the City's Five-Year Environmental Review Record with HUD and the Programmatic Agreement with the State Historic Preservation Office.

PRIORITIES FOR FISCAL YEAR 2015 (continued)

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

SUMMARY OF FUNDING FOR THE DEPARTMENT OF PLANNING AND URBAN DESIGN

TOTAL ALL FUNDS PLANNING DEPARTMENT	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	1,048,690	1,140,802	1,080,871	1,114,121
Materials, Supplies & Equipment	19,726	25,207	33,859	69,739
Internal Services	363,009	297,333	362,010	359,173
Debt Service	150,328	145,544	200,683	221,106
TOTAL	1,581,753	1,608,886	1,677,423	1,764,139
STAFFING LEVELS	11.00	11.00	11.00	11.00

GENERAL FUND PLANNING DEPARTMENT	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	989,539	1,121,017	1,038,810	1,073,889
Materials, Supplies & Equipment	19,726	25,207	33,859	69,739
Internal Services	363,009	297,333	362,010	359,173
Debt Service	150,328	145,544	200,683	221,106
TOTAL	1,522,602	1,589,101	1,635,362	1,723,907
STAFFING LEVELS	10.60	10.63	10.63	10.43

COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG) PLANNING DEPARTMENT	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	59,151	19,785	32,426	40,232
TOTAL	59,151	19,785	32,426	40,232
STAFFING LEVELS	0.40	0.37	0.37	0.57

DE-LEAD PLANNING DEPARTMENT	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	0	0	9,635	0
TOTAL	0	0	9,635	0
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- The Personal Services account group increased a net \$33,250 across all funds from FY 2014. Details follow below.
- Due to projected reductions of De-Lead grant funding, the cost of the Preservation Planner position was reallocated from 61% General Fund, 22% State Preservation Grant and 17% De-Lead Funds to 70% General Fund and 30% State Preservation Grant for FY 2015. The net result is an increase of \$7,237 in General fund Temporary Salaries.
- A Planner II position's costs were reallocated from 63% General fund and 37% CDBG Funds, to 43% General Fund and 57% CDBG Funds for FY 2015, creating a savings of \$13,334 in the General Fund Regular Salaries.
- Regular Salaries in the General Fund increased a net of \$6,338. Although additional federal grant funding allowed for a potential savings, it was more than offset by the costs of a salary adjustment for the Director, a position upgrade, and a step increase, all totaling \$17,740.
- Employee benefit costs, particularly Pensions and Pension Healthcare, grew \$26,616 and \$2,468 respectively. These increases are partially offset by a decrease in Hospitalization of \$7,231.
- General Fund Materials, Supplies, and Equipment expenditures grew by a total of \$35,880 (106%), with the most significant increase being a \$17,000 increase in Consultants to fund the Reinvesting Fund Market Value Analysis Study, and for the consultant that works with the Access Wilmington Committee (previously budgeted in the Mayor's office).
- The Internal Services account group decreased by \$2,837. Savings, comprised mostly of decreases in Mapping and Graphics (\$7,322), Postage (\$1,578), and Word Processing (\$1,004), were offset slightly with an increase of \$7,108 in Data Processing.

DEPARTMENT OF PLANNING AND URBAN DESIGN

PERFORMANCE INDICATORS

Goal #1: The development, implementation and maintenance of land use and planning policies which address the social, cultural and economic needs of City residents.

Objective: To strengthen planning programs through the development of strategic planning activities and other initiatives. To develop strategies which address historic preservation, waterfront areas, the central business district, neighborhoods, and economic development sectors. To facilitate interdepartmental coordination and cooperation toward this end.

Goal #1 corresponds to the City's Strategic Plan, Policy Statements 2-B, 3-D, and 4-C on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Special Projects	17	17	17	12	20
Neighborhood Notebooks	2	2	2	1	0
Comprehensive Plans	2	2	2	1	1*

*City-wide Plan

DEPARTMENT OF PLANNING AND URBAN DESIGN

PERFORMANCE INDICATORS

Goal #2: To provide high quality routine planning services to further the development, implementation and maintenance of land use and planning policies which address the social, cultural and economic needs of City residents.

Objective: Process 375 Environmental Reviews, 300 Planning Commission and Design Review Cases, and 75 Other Site Plan Reviews.

Goal #2 corresponds to the City's Strategic Plan, Policy Statements 2-B, 3-D, and 4-C on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Environmental and 106 Reviews	396	472	425	347	375
Planning Commission and Design Review Cases (includes internal reviews)	310	316	300	275	300
Other Site Plan Reviews (Curb Cuts, Waterfront, Subdivisions, Demolitions and Parking Lots)	80	73	72	71	75

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

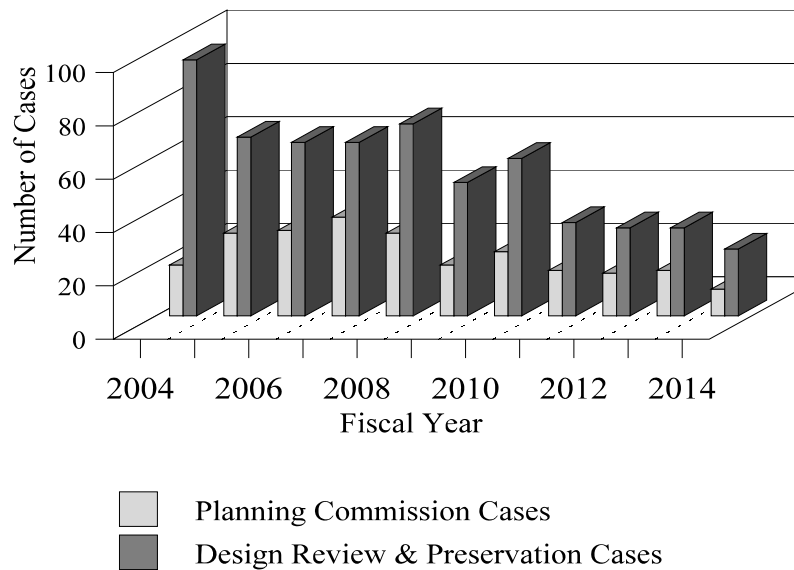
Objective: Complete 9 historic preservation and 10 special planning projects that will promote development in the City.

Goal #3 corresponds to the City's Strategic Plan, Policy Statements 2-B, 3-D, and 4-C on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Historic Preservation Projects	7	9	8	9	9
Special Planning Projects	12	14	13	2	10

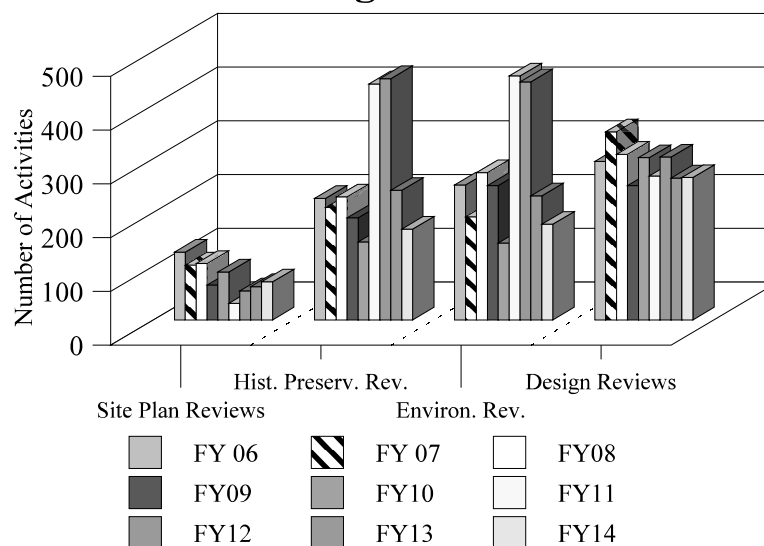
Department of Planning and Urban Design Performance Trends

Commission Activities



The Planning Department provides staff support, analyses, and project monitoring for the City Planning Commission and the Design Review Commission.

Planning Activities



The Planning Department ensures that land-use and planning policies address the social, cultural, and economic needs of City residents.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: PLANNING AND URBAN DESIGN

FUND: GENERAL

	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
PERSONAL SERVICES				
Regular Salaries	653,208	705,274	660,778	667,116
Temporary Salaries	7,880	32,157	32,438	39,675
Acting Out of Class	455	501	500	0
Sick Leave Bonus	300	300	0	0
Overtime	0	0	1,000	0
Pension Contribution	139,119	163,020	139,138	166,140
Social Security	40,586	45,038	42,169	42,836
Medicare Tax	9,492	10,533	9,516	10,019
Hospitalization	120,159	141,254	135,019	127,788
Life Insurance	2,330	2,309	2,522	2,503
Pension Healthcare	16,010	18,163	21,260	23,728
State Pension Plan - Civilian	0	2,468	4,779	4,393
Personal Services Adjustment	0	0	(10,309)	(10,309)
TOTAL PERSONAL SERVICES	989,539	1,121,017	1,038,810	1,073,889
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	1,042	1,024	1,750	1,750
Communications & Utilities	0	29	120	0
Transportation	446	2,793	3,300	4,400
Rentals	9	34	500	750
Contracted Maintenance Repairs	0	0	860	860
Professional Fees	722	520	19,500	35,000
Memberships & Registrations	5,898	4,358	5,863	5,863
Office & General Supplies	4,231	5,438	4,500	4,500
Miscellaneous Parts	471	1,095	1,170	3,320
Equipment	112	3,120	5,000	3,500
Community Activities	6,795	6,796	9,296	9,796
MSE-Budget Control Account	0	0	(18,000)	0
TOTAL M., S. & E.	19,726	25,207	33,859	69,739
<u>INTERNAL SERVICES</u>				
Administrative Services	322,874	276,958	315,786	311,849
Self-Insurance	40,135	20,375	46,224	47,324
TOTAL INTERNAL SERVICES	363,009	297,333	362,010	359,173
<u>DEBT SERVICE</u>				
Principal Payments	73,088	88,641	133,866	149,275
Interest Payments	77,240	56,903	66,817	71,831
TOTAL DEBT SERVICE	150,328	145,544	200,683	221,106
GENERAL FUND TOTAL	1,522,602	1,589,101	1,635,362	1,723,907

DEPARTMENT: PLANNING AND URBAN DESIGN**FUND: CDBG**

PERSONAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Regular Salaries	22,976	11,897	21,036	29,804
Temporary Salaries	20,291	405	0	0
Pension Contribution	3,860	2,201	1,393	0
Social Security	2,652	748	1,276	1,833
Medicare Tax	620	175	299	429
Hospitalization	8,058	4,010	7,593	4,801
Life Insurance	89	21	89	137
Pension Healthcare	605	328	740	1,297
State Pension Plan - Civilian	0	0	0	1,931
TOTAL PERSONAL SERVICES	59,151	19,785	32,426	40,232
CDBG FUND TOTAL	59,151	19,785	32,426	40,232

DEPARTMENT: PLANNING AND URBAN DESIGN**FUND: DE-LEAD**

PERSONAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Temporary Salaries	0	0	8,950	0
Social Security	0	0	555	0
Medicare Tax	0	0	130	0
TOTAL PERSONAL SERVICES	0	0	9,635	0
DE-LEAD FUND TOTAL	0	0	9,635	0



AUDIT DEPARTMENT

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

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

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

PRIORITIES FOR FISCAL YEAR 2015
<ul style="list-style-type: none">• Conduct scheduled audits to evaluate controls, note commendable practices and recommend workable improvements• Assist the external auditors with the annual audits of the CAFR and Federal Funds.• Continue to develop and awareness among City employees that the maintenance of good internal controls is the responsibility of all employees.• Monitor prior audits to assure complete and effective implementation of agreed-upon recommendations.• Advise and consult with City management regarding improvements in operating efficiencies, effectiveness and results.• Continue to development the knowledge, skills and effectiveness of departmental staff and ensure that the Department continues to set an example for all City Departments through its professional work ethic, integrity, objectivity, and confidentiality.

SUMMARY OF FUNDING FOR THE AUDIT DEPARTMENT

TOTAL ALL FUNDS AUDIT DEPARTMENT	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	430,224	467,585	401,118	387,053
Materials, Supplies & Equipment	243,131	235,249	263,592	263,457
Internal Services	88,063	86,547	101,830	104,800
TOTAL	761,418	789,381	766,540	755,310
STAFFING LEVELS	4.00	4.00	4.00	4.00

GENERAL FUND AUDIT DEPARTMENT	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	430,224	467,585	401,118	387,053
Materials, Supplies & Equipment	183,131	175,249	192,700	192,100
Internal Services	88,063	86,547	101,830	104,800
TOTAL	701,418	729,381	695,648	683,953
STAFFING LEVELS	4.00	4.00	4.00	4.00

WATER/SEWER FUND AUDIT DEPARTMENT	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Materials, Supplies & Equipment	60,000	60,000	70,892	71,357
TOTAL	60,000	60,000	70,892	71,357
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services decreased by \$14,065. The decrease is mostly attributed to savings from the new Senior Auditor being hired at a lower step, and utilizing a lower cost medical plan than what was budgeted last fiscal year.
- Professional Fees decreased by \$2,500, due to savings in the cost of external audits.
- Memberships and Registrations increased by \$1,500, due to rising costs for organization memberships and annual fees for software providers.
- Internal Services increased \$2,970 in the General fund, primarily due to the rise in Data Processing costs (up \$3,263) related to the maintenance and licensing for Audit Data Analytics Software.
- In the Water/Sewer Fund, Materials, Supplies & Equipment increased \$465 because of higher Indirect Cost charges.

AUDIT DEPARTMENT

PERFORMANCE INDICATORS

Goal #1: To continue the development of an internal audit function that is in compliance with the Institute of Internal Auditors' (IIA) Standards for the Professional Practices of Internal Auditing and Generally Accepted Government Auditing Standards (GAGAS).

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

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

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Percentage of Professional Auditing Standards Met with Full Compliance	100 %	95 %	100 %	83 %	100 %

Goal #2: Provide an ongoing comprehensive review of the City's fiscal and operational management controls.

Objective: Issue comprehensive audit reports covering major City functions/transaction cycles including Capital Projects and Information Technology.

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

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Number of Audit Reports Issued	15	11	24	20	15

Goal #3: To continue the development of a Department of highly trained, competent, and professional staff who set an example for all other City Departments to follow.

Objective: Provide each staff member with at least 20 hours of continuing professional education, as minimally required by Government Accounting Standards, and ensure that the training includes A 133 requirements.

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

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Technical Training Hours	25	25	25	40	25

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: AUDIT DEPARTMENT

FUND: GENERAL

	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
PERSONAL SERVICES				
Regular Salaries	292,557	314,202	272,713	269,280
Temporary Salaries	0	745	0	0
Sick Leave Bonus	500	0	0	0
Overtime	0	350	0	0
Pension Contribution	60,423	53,719	16,125	18,900
Social Security	17,520	18,949	16,418	16,053
Medicare Tax	4,097	4,432	3,839	3,755
Hospitalization	48,031	62,138	69,987	56,428
Life Insurance	896	926	948	948
Pension Healthcare	6,200	7,096	8,000	9,100
State Pension Plan - Civilian	0	5,028	13,088	12,589
TOTAL PERSONAL SERVICES	430,224	467,585	401,118	387,053
 MATERIALS, SUPPLIES & EQUIPMENT				
Printing and Advertising	0	0	900	1,000
Transportation	487	2,239	4,500	4,500
Professional Fees	172,780	164,136	175,000	172,500
Memberships & Registrations	8,689	6,370	11,500	13,000
Office & General Supplies	172	2,093	800	600
Misc. Mat. Supp. & Parts	537	411	0	500
Equipment	466	0	0	0
TOTAL M., S. & E.	183,131	175,249	192,700	192,100
 INTERNAL SERVICES				
Administrative Services	84,989	84,265	98,733	101,654
Self-Insurance	3,074	2,282	3,097	3,146
TOTAL INTERNAL SERVICES	88,063	86,547	101,830	104,800
 GENERAL FUND TOTAL	701,418	729,381	695,648	683,953

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

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Professional Fees	60,000	60,000	60,000	60,000
Supporting Services	0	0	10,892	11,357
TOTAL M., S. & E.	60,000	60,000	70,892	71,357
 WATER SWER FUND TOTAL	 60,000	 60,000	 70,892	 71,357



LAW DEPARTMENT

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

PRIORITIES FOR FISCAL YEAR 2015

- Provide legal counsel to City departments, boards and commissions and to City Council, and ensure all aspects of City Government are serving the public as mandated by City Code.
- Eliminate or minimize potential litigation against the City by providing legal advice on an ongoing basis.
- Ensure the enforcement of Ordinances and other City laws within the City's jurisdiction, including the Housing, Building and Sanitation Codes and nuisance laws, and ensure collection of all debts, taxes and accounts due the City.
- Encourage City departments to seek the advice and counsel of the Law Department on a regular basis to minimize the costs associated with litigation claims against the City.
- Assist all departments in carrying out State and Federal law applicable to the City.
- Provide legal counsel and representation regarding the City's business and economic development, neighborhood planning initiatives, and issues involving environmental impacts.
- Draft legislation to revise the City code to improve the operational efficiency of the City.

SUMMARY OF FUNDING FOR THE LAW DEPARTMENT

TOTAL ALL FUNDS LAW DEPARTMENT	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	2,284,667	2,376,888	2,290,359	2,195,117
Materials, Supplies & Equipment	598,372	485,166	525,338	496,185
Internal Services	221,836	184,770	193,881	204,596
TOTAL	3,104,875	3,046,824	3,009,578	2,895,898
STAFFING LEVELS	21.00	21.00	21.00	20.00

GENERAL FUND LAW DEPARTMENT	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	2,284,667	2,376,888	2,290,359	2,195,117
Materials, Supplies & Equipment	598,372	485,166	525,338	496,185
Internal Services	221,836	184,770	193,881	204,596
TOTAL	3,104,875	3,046,824	3,009,578	2,895,898
STAFFING LEVELS	21.00	21.00	21.00	20.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services decreased \$95,242 due to the elimination of one Legal Administrator position, reductions in Hospitalization, Pension Contributions and Regular Salaries by replacing retired employees that had been budgeted at higher costs.
- A Personal Service Adjustment of \$27,000 reflects the Law Department's desire to allow compensation adjustments for established personnel that are not up to date with current market salary rates. The adjustment is balanced against an expected savings due to attrition of \$19,761, for a total Personal Service Adjustment of \$7,238.
- Total Materials, Supplies & Equipment decreased \$29,153. The majority of the decrease is due to expected savings in Court Costs and Notary Fees (down \$20,000), and a reduction in the number of Subscriptions/Books (down \$5,500).
- Internal Service expenses increased \$10,715, due primarily to the rise in Data Processing costs (up \$5,201), and properly budgeting Word Processing costs (up \$7,108).

LAW DEPARTMENT PERFORMANCE INDICATORS

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

Objective: Recover 60% of annual appropriation for court cost.

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

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Percentage of Court Cost recovered	60%	75%	60%	65%	60%

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

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

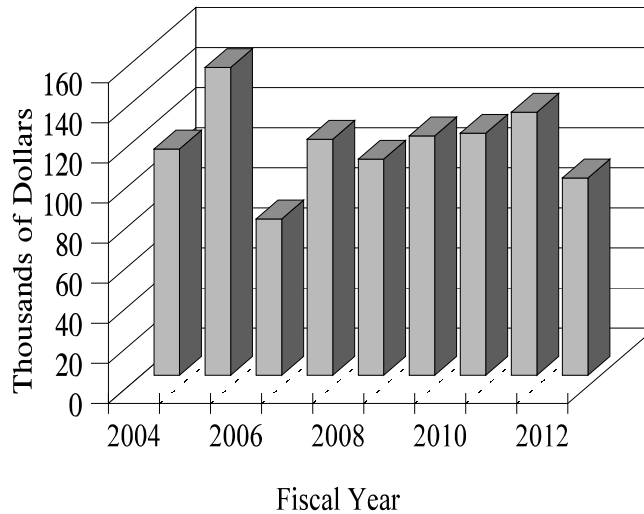
Goal #2 corresponds to the City's Strategic Plan, Policy Statement 1-C on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Number of filings	500	884	500	603*	500

*Preliminary numbers.

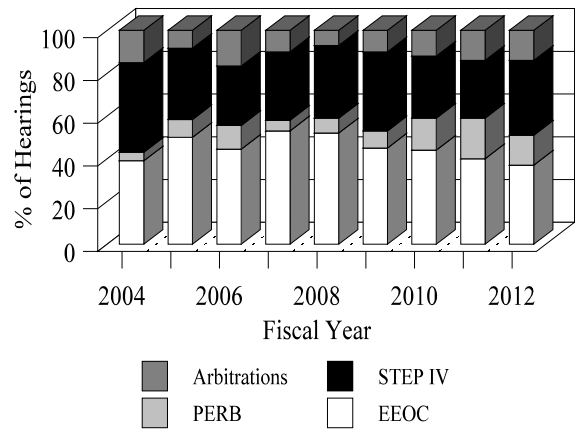
Law Department Performance Trends

Fines Imposed for Housing Code Prosecutions



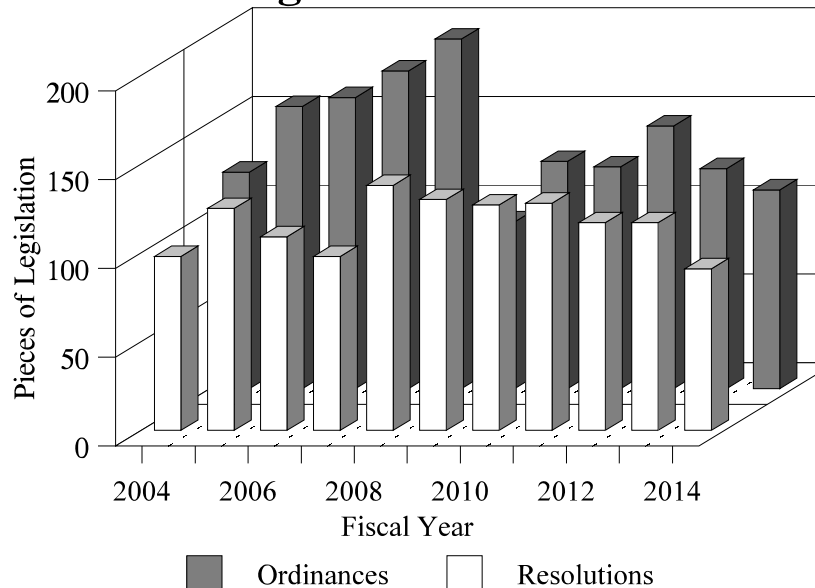
Emphasis continues to be placed on housing code enforcement and prosecution to maintain quality of existing housing stock and to improve the living conditions of City residents.

Administrative Hearings Employment & Labor



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

Legislation Drafted



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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: LAW

FUND: GENERAL

	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
PERSONAL SERVICES				
Regular Salaries	1,539,179	1,575,244	1,530,745	1,459,852
Temporary Salaries	4,940	3,026	8,840	13,840
Acting Out Of Classification	0	36	0	0
Sick Leave Bonus	300	300	300	300
Pension Contribution	328,743	348,454	318,993	266,176
Social Security	93,753	96,171	92,772	91,722
Medicare Tax	21,951	22,498	21,698	21,453
Hospitalization	258,543	279,507	274,832	249,216
Life Insurance	4,708	4,746	5,040	4,800
Pension Healthcare	32,550	35,856	42,000	45,500
State Pension Plan - Civilian	0	11,050	11,900	35,020
Personal Services Adjustment	0	0	(16,761)	7,238
TOTAL PERSONAL SERVICES	2,284,667	2,376,888	2,290,359	2,195,117
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	0	772	512	410
Communications & Utilities	137	0	256	205
Transportation	2,731	489	3,650	3,650
Contracted Maintenance Repairs	199	774	800	800
Professional Fees	413,323	280,337	277,500	275,000
Other Fees	101,167	118,459	150,000	130,000
Memberships & Registrations	32,104	33,023	36,515	31,015
Miscellaneous Services	42,090	44,617	49,605	49,105
Office & General Supplies	6,621	6,031	6,000	6,000
Equipment	0	664	0	0
Projects	0	0	500	0
TOTAL M., S. & E.	598,372	485,166	525,338	496,185
 <u>INTERNAL SERVICES</u>				
Administrative Services	200,229	168,552	172,230	182,616
Self-Insurance	21,607	16,218	21,651	21,980
TOTAL INTERNAL SERVICES	221,836	184,770	193,881	204,596
 GENERAL FUND TOTAL	3,104,875	3,046,824	3,009,578	2,895,898



DEPARTMENT OF FINANCE

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

PRIORITIES FOR FISCAL YEAR 2015

- Increase the level of customer satisfaction and responsiveness to citizens and vendors.
- Maintain the highest level of fiscal prudence and responsibility.
- Hold departments more accountable for addressing audit issues.
- Ensure timeliness and accuracy of periodic financial reports.
- Provide training and supportive resources to staff and City-wide Departments.
- Increase the ease of doing business with the City of Wilmington through electronic media.
- Evolution to a "Lean Culture" shift starting in the Finance Department.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF FINANCE

TOTAL ALL FUNDS FINANCE DEPARTMENT	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	7,321,523	7,356,361	7,416,749	7,499,229
Materials, Supplies & Equipment	4,882,624	3,992,528	5,468,986	5,809,793
Internal Services	1,725,453	1,273,869	1,595,605	1,578,213
Debt Service	5,661	5,618	6,457	48,553
TOTAL	13,935,261	12,628,376	14,487,797	14,935,788
STAFFING LEVELS	93.00	90.00	87.00	88.00

GENERAL FUND FINANCE DEPARTMENT	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	5,001,302	5,053,172	5,166,205	5,064,199
Materials, Supplies & Equipment	4,450,694	3,479,780	3,972,851	4,169,723
Internal Services	1,067,293	727,343	900,482	862,249
Debt Service	5,661	5,618	6,457	27,347
TOTAL	10,524,950	9,265,913	10,045,995	10,123,518
STAFFING LEVELS	65.45	63.65	61.70	60.55

WATER/SEWER FUND FINANCE DEPARTMENT	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	2,320,221	2,303,189	2,250,544	2,435,030
Materials, Supplies & Equipment	431,930	512,748	1,496,135	1,640,070
Internal Services	658,160	546,526	695,123	715,964
Debt Service	0	0	0	21,206
TOTAL	3,410,311	3,362,463	4,441,802	4,812,270
STAFFING LEVELS	27.55	26.35	25.30	27.45

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

- Total Personal Services decreased by \$102,006, largely due to three vacant position eliminations. The deletion of a split-funded Revenue Division Manager and two Parking Regulations Enforcement Officers reduced the workforce by two and a half full-time equivalent positions, creating a total savings of \$162,398. The savings were offset by an increase of \$129,844 for the new Grant Accountant and the reinstatement of the split-funded Accounting Manager position. All together, the changes listed above resulted in a net savings of \$32,554. Pension Contributions and Hospitalization also decreased a combined total of \$78,244. Additionally, the Department reallocated funding between the General Fund and the Water/Sewer Fund for a number of positions to better align with the work being performed.
- Overtime decreased by \$7,200 mostly due to a lesser need during the Wage Tax filing season.
- Consultant costs decreased \$25,000 as the Department now relies on its internal resources for the development of revenue initiatives and operational analysis.
- Temporary Agencies expenses increased by \$150,300 to support the transition to use more in-house support in place of consultants in the Earned Income Tax Division; provide staffing for the offsite cashier station at the State DMV for the scofflaw registration-hold program; and improve the efficiency of the Parking Enforcement Division's vehicle booting process.
- Parking Citation Commissions decreased by \$275,000 to match the decline in revenue from parking citations. Additionally revisions in parking regulations, the pilot program for "smart" meter installation, and an increase in the amount of uncollectibles have all contributed to the decrease.
- Red Light Commissions increased \$250,000 to capture costs associated with the red light ticket and video enforcement program. A recent change in the review process used to verify accuracy prior to the issuance of red light camera violations has resulted in significantly fewer violations being dismissed.
- Because Sheriff Sale activity is trending downward, the associated Collection Expense-Legal Fees decreased by \$34,500.
- Because the Department will rely more heavily on its internal resources to pursue future Plan for Change audit and collection activities, Collection Expense-Wage & Head Audit was able to be decreased by \$65,000.
- The Internal Services account group decreased by a net \$38,233, mainly due to decreases in Postage and Word Processing in the amount of \$12,071 and \$37,805 respectively. Data Processing costs increased to \$17,067.

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

- Regular Salaries rose by \$106,669, resulting from the following: the addition of two positions (a Billing Analyst and Staff Accountant), reinstatement of a split-funded Accounting Manager and annual employee salary step increases. Pension Contributions, Hospitalization, and Pension Healthcare grew at a combined total of \$77,538.
- Accounting costs decreased \$10,000 due to the Department's increased reliance on its internal resources for the development of revenue initiatives and operational analyses.
- Temporary Agencies increased by \$35,500 to support the review, updating and tracking of accounts for collection and other associated filing and clerical duties.
- Because Sheriff Sale activity is trending downward, the associated Collection Expense-Legal Fees decreased by \$48,500.
- Indirect Costs went up by \$164,382, per the new indirect cost plan.
- Internal Services increased by \$20,841 because of increases in Data Processing and Motor Vehicle costs of \$15,261 and \$31,186 respectively. Postage decreased by \$24,903.

DEPARTMENT OF FINANCE

PERFORMANCE INDICATORS

Goal #1: To maximize revenues.

Objective: Collect \$3,500,000 in delinquent earned income taxes.

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

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Dollars Collected	\$4,000,000	\$5,500,000	\$4,000,000	\$3,447,000	\$3,500,000

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

Objective: 30% of payments processed automatically by lockbox.

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

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Numbers of Payments Processed	167,345	106,580	162,602	106,531	114,521
Percentage of Payments Processed	39%	28%	48%	28%	31%

Goal #3: To provide the public with information about the financial condition of the City in a manner that reflects the highest standards of financial reporting.

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

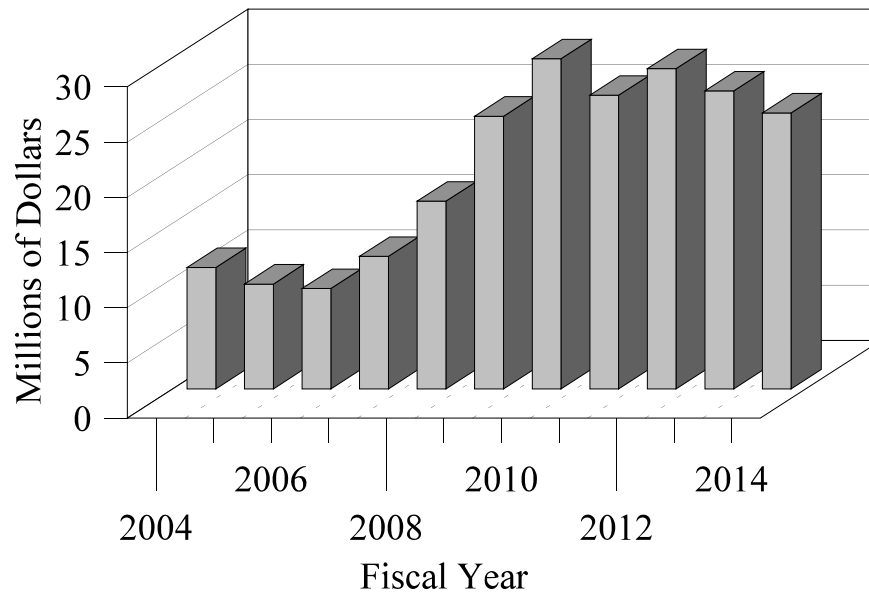
Goal #3 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C and 1-D on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
GFOA Certificate of Excellence in Financial Reporting Recipient	Yes	Yes	Yes	Pending	Yes

Department of Finance

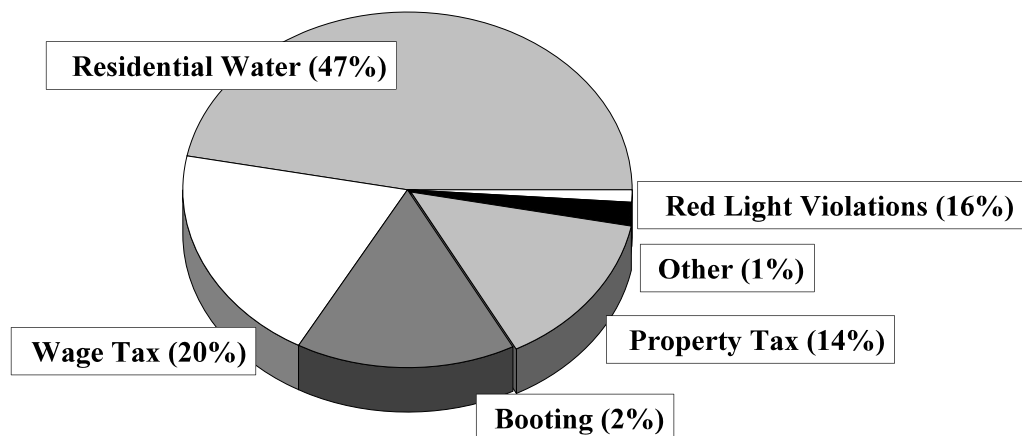
Performance Trends

Delinquent Enforcement Annual Collections



The Finance Department is responsible for collecting delinquent net profit, property and wage taxes, business licenses, fees, and water bills. \$25 million in delinquent accounts were collected in FY 2014.

Delinquent Collections by Revenue Type FY 2014



DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: FINANCE

FUND: GENERAL

	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
PERSONAL SERVICES				
Regular Salaries	3,072,692	3,052,724	3,142,644	3,034,548
Temporary Salaries	0	1,179	5,000	3,000
Acting Out of Class	2,084	1,308	0	0
Sick Leave Bonus	3,700	3,600	1,770	4,500
Overtime	108,863	56,648	112,200	105,000
Meal Allowance	10,444	5,347	10,720	10,500
Clothing Allowance	4,761	3,750	6,875	4,750
Pension Contribution	647,604	691,792	697,490	689,021
Social Security	194,702	189,596	197,999	191,838
Medicare Tax	45,559	44,351	46,309	44,868
Hospitalization	820,989	903,668	963,622	878,084
Life Insurance	13,690	12,257	14,142	13,720
Pension healthcare	73,386	75,258	125,337	137,739
State Pension Plan - Civilian	2,828	11,694	23,706	39,474
Personal Services Adjustment	0	0	(92,843)	(92,843)
PS-Budget Control Account	0	0	(88,766)	0
TOTAL PERSONAL SERVICES	5,001,302	5,053,172	5,166,205	5,064,199
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	49,414	53,333	75,520	70,360
Communications & Utilities	11,964	11,990	16,428	16,500
Transportation	13,632	13,729	14,050	21,550
Rentals	62,594	0	0	0
Contracted Maintenance Repairs	236	0	2,120	500
Professional Fees	103,272	140,634	215,000	340,300
Memberships & Registrations	9,520	13,881	29,190	42,440
Miscellaneous Services	4,178,368	3,217,391	3,785,263	3,635,763
Office & General supplies	9,771	12,264	17,400	17,040
Wearing Apparel and Safety	5,258	11,019	18,300	16,900
Miscellaneous Parts	0	33	800	1,320
Equipment	6,665	5,266	10,780	7,050
MSE-Budget Control Account	0	240	(212,000)	0
TOTAL M. S. & E.	4,450,694	3,479,780	3,972,851	4,169,723

DEPARTMENT: FINANCE**FUND: GENERAL**

INTERNAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Administrative Services	764,213	676,719	810,673	770,619
Self-Insurance	303,080	50,624	89,809	91,630
TOTAL INTERNAL SERVICES	1,067,293	727,343	900,482	862,249
<u>DEBT SERVICE</u>				
Principal Payments	20	20	822	11,846
Interest Payments	5,641	5,598	5,635	15,501
TOTAL DEBT SERVICE	5,661	5,618	6,457	27,347
GENERAL FUND TOTAL	10,524,950	9,265,913	10,045,995	10,123,518

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: FINANCE

FUND: WATER/SEWER

PERSONAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Regular Salaries	1,394,994	1,378,905	1,390,783	1,475,761
Temporary Salaries	8,940	3,120	5,000	3,000
Acting Out of Class	277	0	0	0
Sick Leave Bonus	600	800	1,230	2,000
Overtime	35,739	18,140	28,800	24,300
Meal Allowance	1,066	877	2,880	2,430
Clothing Allowance	940	875	1,875	500
Accrued Sick/Vacation	(8,861)	(12,782)	0	0
Pension Contribution	308,223	319,390	316,025	328,243
Social Security	87,876	85,546	87,091	91,405
Medicare Tax	20,552	20,006	20,362	21,377
Hospitalization	352,889	367,300	352,456	396,378
Life Insurance	5,855	5,522	5,986	6,491
Pension healthcare	111,131	109,767	51,112	62,461
State Pension Plan - Civilian		5,723	10,635	20,684
PS-Budget Control Account	0	0	(23,691)	0
TOTAL PERSONAL SERVICES	2,320,221	2,303,189	2,250,544	2,435,030
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	8,189	6,373	22,600	23,700
Communications & Utilities	0	428	864	851
Transportation	5,954	5,623	11,200	12,200
Contracted Maintenance Repairs	0	0	3,316	4,923
Professional Fees	(9,875)	8,397	34,000	59,500
Memberships & Registrations	11,506	2,485	18,060	18,500
Miscellaneous Services	117,486	195,123	437,440	389,190
Office & General supplies	10,256	5,970	14,650	15,370
Wearing Apparel and Safety	1,723	681	4,900	4,900
Miscellaneous Parts	1,902	779	5,728	5,446
Supporting Services	276,557	276,682	918,707	1,083,090
Equipment	8,232	10,207	24,670	22,400
TOTAL M. S. & E.	431,930	512,748	1,496,135	1,640,070

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

INTERNAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Administrative Services	470,686	517,580	649,307	669,302
Self-Insurance	187,474	28,946	45,816	46,662
TOTAL INTERNAL SERVICES	658,160	546,526	695,123	715,964
<u>DEBT SERVICE</u>				
Interest Payments	0	0	0	21,206
TOTAL OTHER	0	0	0	21,206
WATER/SEWER FUND TOTAL	3,410,311	3,362,463	4,441,802	4,812,270

DEPARTMENT OF HUMAN RESOURCES

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

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

PRIORITIES FOR FISCAL YEAR 2015

- Enhance the delivery of human resources services to City Departments through the implementation of revised legislation, policies and procedures, and management information systems.
- Promote harmonious and effective working relationships with all collective bargaining units affiliated with the City of Wilmington.
- Manage the City's risk exposure by implementing more effective personnel, health and safety, insurance, and claims management practices and programs.
- Provide management and employee training to continue to develop the city's work force and enhance productivity.
- Effectively monitor productive and non-productive time through use of ongoing audits of the electronic timekeeping system.
- Recognize and reward employees for exemplary contributions to the City of Wilmington.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF HUMAN RESOURCES

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
HUMAN RESOURCES	FY2012	FY2013	FY2014	FY2015
Personal Services	2,063,026	2,068,711	1,983,785	2,109,990
Materials, Supplies & Equipment	2,750,991	2,083,542	2,579,039	2,936,358
Internal Services	385,022	305,569	587,219	591,650
Debt Service	19,690	19,544	22,459	22,567
Depreciation	12,554	12,554	25,108	12,554
Special Purpose	18,539,516	19,286,935	19,891,800	19,285,300
TOTAL	23,770,799	23,776,855	25,089,410	24,958,419
STAFFING LEVELS	22.00	22.00	21.00	22.00

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

GENERAL FUND HUMAN RESOURCES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	1,391,456	1,370,357	1,311,996	1,350,412
Materials, Supplies & Equipment	66,214	58,375	116,612	188,091
Internal Services	342,312	281,441	550,734	555,100
Debt Service	19,690	19,544	22,459	22,567
TOTAL	1,819,672	1,729,717	2,001,801	2,116,170
STAFFING LEVELS	15.00	15.00	14.00	14.00

RISK MANAGEMENT FUND HUMAN RESOURCES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	141,853	146,321	139,183	183,723
Materials, Supplies & Equipment	1,925,598	1,348,483	1,648,272	1,911,114
Internal Services	31,884	30,097	25,726	26,203
Depreciation	12,554	12,554	25,108	12,554
Special Purpose	9,638	(772,225)	0	0
TOTAL	2,121,527	765,230	1,838,289	2,133,594
STAFFING LEVELS	1.30	1.30	1.30	1.80

WORKERS' COMPENSATION FUND HUMAN RESOURCES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	423,838	433,507	426,994	431,043
Materials, Supplies & Equipment	663,282	580,630	781,165	726,353
Internal Services	9,256	(8,414)	7,815	7,408
Special Purpose	2,518,571	2,053,319	2,100,500	2,100,500
TOTAL	3,614,947	3,059,042	3,316,474	3,265,304
STAFFING LEVELS	4.50	4.50	4.50	4.50

HEALTH AND WELFARE FUND HUMAN RESOURCES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	105,879	118,526	105,612	144,812
Materials, Supplies & Equipment	95,897	96,054	32,990	110,800
Internal Services	1,570	2,445	2,944	2,939
Special Purpose	16,011,307	18,005,841	17,791,300	17,184,800
TOTAL	16,214,653	18,222,866	17,932,846	17,443,351
STAFFING LEVELS	1.20	1.20	1.20	1.70

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

- The Department has deleted one Human Resources Administrator position, and reinstated the Human Resources Information Systems Analyst for a net zero effect. There was also a salary adjustment for an Administrative Assistant II for a total salary and benefit increase of \$2,663.
- Personal Services costs increased \$38,416. The increase is due to rising Pension costs (up \$29,935), Overtime needed for Kronos training (up \$6,227), and an increase in Temporary Salaries (up \$9,280). Savings in Hospitalization offset some of the increases.
- Materials, Supplies & Equipment increased \$71,479. The majority of which are increases to Workshop/Seminar Training (up \$53,362) to offer MS Office and other training to employees, and Food (up \$13,050). The increase in Food is due to the City Holiday Party being consolidated and moved under the Human Resources Department with equal offsets in other Departments.
- Tuition Reimbursement decreased by \$10,000. A modification to the reimbursement policy did not generate greater employee participation as expected.
- Internal Services increased \$4,366, fueled almost entirely by higher Data Processing costs.

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

- The Department has added one Human Resources Office Assistant to be evenly funded between the Risk Management and Health and Welfare Funds. The net effect is a salary and benefit increase of \$59,713.
- The remaining increase to Personal Services is largely attributed to a \$24,700 increase in Temporary Salaries spread across all three Funds. The increase will allow for more workers to assist with benefit processing, analysis, data management, filing and other various tasks.
- In the Risk Management Fund, total Insurance costs increased \$183,087. A major Liability increase of \$425,000 for general liability excess coverage and umbrella policy was moderately offset by anticipated lower Insurance Claims and Insurance Claims–Legal Defense costs.
- Professional Fees increased \$79,400 in the Risk Management Fund. Of the increase, \$26,250 is for a third party administrator of insurance claims, and \$60,000 is for an insurance broker.
- In the Workers’ Compensation Fund, total Insurance costs decreased \$70,000 due to expected savings in both Unemployment Insurance and Insurance Claims–Legal Defense.
- Equipment and Fixed Assets increased a total of \$9,500 in the Workers’ Compensation Fund. The increases are for needed fireproof cabinets and a new spirometer.
- In the Health and Welfare Fund, Professional fees increased by \$76,000. The cost of an employee benefits consultant has been broken out of the larger healthcare administration contract for cost efficiency purposes.
- Self-Insurance Costs decreased by \$606,500 in the Health and Welfare Fund. This account group encompasses the cost centers for employee Hospitalization, Dental coverage and Life Insurance. Medical Costs are set at \$500,000 below FY 2014, with an additional \$4 million being broken out in a separate account to better track Prescription costs. Dental Costs decreased \$70,000. Finally, Long Term Disability decreased \$36,500.
- Medical Costs decreased due to several contractual changes being implemented that will eliminate broker commission payments and reduce medical stop-loss insurance premiums.

DEPARTMENT OF HUMAN RESOURCES

PERFORMANCE INDICATORS

Goal #1: Continue to promote a harmonious working relationship with all the bargaining units affiliated with the City of Wilmington.

Objective: Limit the number of labor grievances to 25 by administering collective bargaining agreements in a fair and consistent manner and with a more proactive role in the disciplinary process.

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

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL*	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Number of Grievances	20	33	27	20	25

* The increase in grievances is partially due to a more stringent application of work rules, regulations and policies in administering discipline and/or termination for just cause.

Goal #2: Increase employee skill levels necessary to perform essential class functions.

Objective: Conduct 60 training workshops and train 850 employees.

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

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Number of Training Workshops	50	63	90	104	60
Number of Employees Trained	500	712	1,000	1,132	850

DEPARTMENT OF HUMAN RESOURCES

PERFORMANCE INDICATORS

Goal #3: Decrease claims frequencies.

Objective: Establish and promote safety and loss prevention programs to reduce motor vehicle claims and work related injuries to no more than 285.

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

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Auto, Property, Police and Other	170	146	155	118	120
Workers Compensation	160	73	73	163	165
Total Claims Frequency	330	219	228	281	285

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

Objective: Reward 240 employees nominated by their peers and reward length of service with the City.

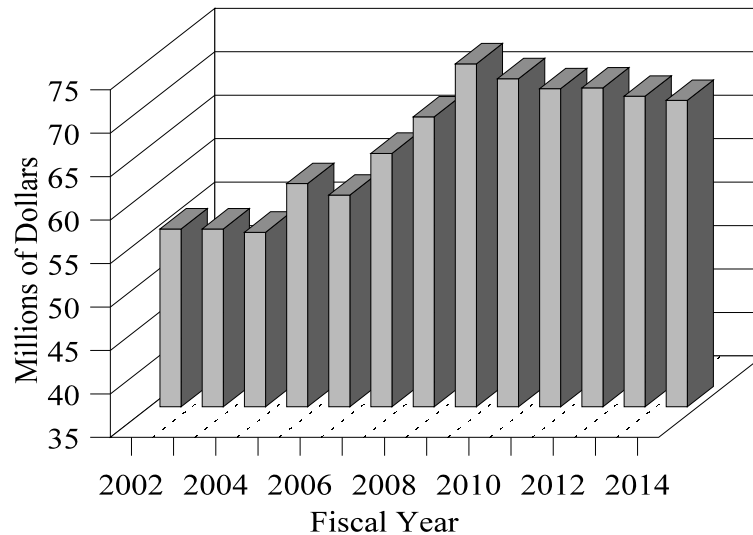
Goal #4 corresponds to the City's Strategic Plan, Policy Statements 1-A, and 3-B on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Number of Employees Awarded	220	240	220	250	240

Department of Human Resources

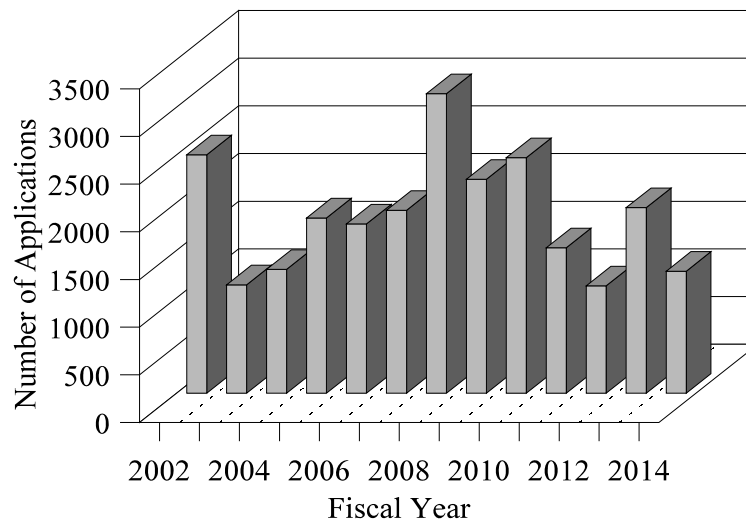
Performance Trends

Payroll - All Employees



The total City workforce declined again in FY 2014 from 1,120 to 1,119 positions. That, coupled with the fact that vacant positions are being held open for longer time periods, contributed to an overall reduction in total Payroll for FY 2014.

Employment Applications



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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: HUMAN RESOURCES

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Regular Salaries	913,939	877,517	921,727	866,707
Temporary Salaries	0	15,831	0	9,280
Acting Out of Classification	165	418	0	0
Sick Leave Bonus	700	600	1,000	1,000
Overtime	354	2,016	1,500	7,727
Meal Allowance	0	60	150	300
Pension Contribution	191,714	199,823	166,424	196,359
Social Security	55,293	54,264	55,700	53,931
Medicare Tax	12,997	12,753	13,028	12,613
Hospitalization	189,692	177,579	199,864	163,075
Life Insurance	3,351	3,089	3,579	3,339
Pension Healthcare	23,251	23,429	30,000	31,850
State Pension Plan - Civilian	0	2,978	14,859	10,770
Personal Services Adjustment	0	0	(6,539)	(6,539)
PS-Budget Control Account	0	0	(89,296)	0
TOTAL PERSONAL SERVICES	1,391,456	1,370,357	1,311,996	1,350,412

MATERIALS, SUPPLIES & EQUIPMENT

Printing and Advertising	0	579	11,800	10,600
Communications & Utilities	132	87	200	200
Transportation	3,079	4,228	8,439	11,205
Contracted Maintenance	0	395	711	816
Professional Fees	24,496	5,131	25,355	27,059
Memberships & Registrations	10,906	16,829	40,757	87,999
Miscellaneous Services	4,003	3,798	3,989	3,989
Office & General Supplies	5,031	5,127	5,511	9,073
Miscellaneous Parts	18,567	21,252	23,850	37,150
Equipment	0	949	1,000	0
MSE-Budget Control Account	0	0	(5,000)	0
TOTAL M., S. & E.	66,214	58,375	116,612	188,091

DEPARTMENT: HUMAN RESOURCES**FUND: GENERAL**

INTERNAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Administrative Services	336,071	276,755	544,483	548,754
Self-Insurance	6,241	4,686	6,251	6,346
TOTAL INTERNAL SERVICES	342,312	281,441	550,734	555,100
<u>DEBT SERVICE</u>				
Principal Payments	69	69	2,858	3,132
Interest Payments	19,621	19,475	19,601	19,435
TOTAL DEBT SERVICE	19,690	19,544	22,459	22,567
GENERAL FUND TOTAL	1,819,672	1,729,717	2,001,801	2,116,170

DEPARTMENT: HUMAN RESOURCES**FUND: RISK MANAGEMENT**

	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
PERSONAL SERVICES				
Regular Salaries	84,756	88,202	84,212	100,619
Temporary Salaries	0	0	0	13,000
Compensated Absences	3,626	(2,571)	0	0
Pension Contribution	21,128	23,650	21,987	19,706
Social Security	6,793	7,139	5,077	6,890
Medicare Tax	1,626	1,669	1,188	1,611
Hospitalization	21,554	25,613	24,875	35,813
Life Insurance	297	289	312	407
Pension Healthcare	2,073	2,330	2,600	4,095
State Pension Plan - Civilian	0	0	0	2,650
Personal Services Adjustment	0	0	(1,068)	(1,068)
TOTAL PERSONAL SERVICES	141,853	146,321	139,183	183,723
MATERIALS, SUPPLIES & EQUIPMENT				
Transportation	35	1,370	2,250	2,250
Insurance	1,892,566	1,309,703	1,580,147	1,763,234
Professional Fees	30,636	34,128	35,850	115,250
Memberships & Registrations	805	1,789	2,875	3,230
Office & General Supplies	1,556	1,493	1,750	1,750
Equipment	0	0	25,400	25,400
TOTAL M., S. & E.	1,925,598	1,348,483	1,648,272	1,911,114
INTERNAL SERVICES				
Administrative Services	30,852	29,065	24,697	25,155
Self-Insurance	1,032	1,032	1,029	1,048
TOTAL INTERNAL SERVICES	31,884	30,097	25,726	26,203
OTHER				
Depreciation	12,554	12,554	25,108	12,554
TOTAL DEBT SERVICE	12,554	12,554	25,108	12,554
SPECIAL PURPOSE				
Claims Expense	9,638	(772,225)	0	0
TOTAL SPECIAL PURPOSE	9,638	(772,225)	0	0
RISK MANAGEMENT FUND TOTAL	2,121,527	765,230	1,838,289	2,133,594

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

	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
PERSONAL SERVICES				
Regular Salaries	262,553	278,442	264,979	261,431
Temporary Salaries	0	0	0	6,500
Sick Leave Bonus	300	0	0	0
Overtime	319	338	0	0
Compensated Absences	1,537	(11,728)	0	0
Pension Contribution	54,332	65,190	60,726	41,930
Social Security	16,041	16,961	16,108	16,276
Medicare Tax	3,752	3,967	3,768	3,806
Hospitalization	76,803	71,293	71,354	83,644
Life Insurance	1,229	1,214	1,059	1,059
Pension Healthcare	6,972	7,830	9,000	10,238
State Pension Plan - Civilian	0	0	0	6,159
TOTAL PERSONAL SERVICES	423,838	433,507	426,994	431,043
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	0	433	1,000	900
Transportation	0	281	1,000	2,100
Insurance	327,621	239,723	365,000	295,000
Rentals	22	0	50	40
Contracted Maintenance	230	245	1,500	1,300
Professional Fees	320,558	327,266	382,375	385,508
Memberships & Registrations	2,586	2,638	5,240	6,525
Office & General Supplies	997	1,178	2,600	2,080
Wearing Apparel & Safety	100	100	100	100
Miscellaneous Parts	8,598	8,766	18,300	19,300
Equipment	2,570	0	4,000	13,500
TOTAL M., S. & E.	663,282	580,630	781,165	726,353
<u>INTERNAL SERVICES</u>				
Administrative Services	7,272	(10,230)	5,785	5,352
Self-Insurance	1,984	1,816	2,030	2,056
TOTAL INTERNAL SERVICES	9,256	(8,414)	7,815	7,408
<u>SPECIAL PURPOSE</u>				
Workers' Compensation	2,518,571	2,053,319	2,100,500	2,100,500
TOTAL SPECIAL PURPOSE	2,518,571	2,053,319	2,100,500	2,100,500
WORKERS' COMPENSATION FUND TOTAL	3,614,947	3,059,042	3,316,474	3,265,304

DEPARTMENT: HUMAN RESOURCES**FUND: HEALTH AND WELFARE**

	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
PERSONAL SERVICES				
Regular Salaries	64,848	75,727	68,307	86,286
Temporary Salaries	7,671	4,548	0	5,200
Compensated Absences	(286)	104	0	0
Pension Contribution	15,285	18,825	18,066	17,671
Social Security	4,055	4,434	4,046	5,630
Medicare Tax	1,003	1,037	946	1,317
Hospitalization	11,162	11,487	11,559	22,336
Life Insurance	282	276	288	383
Pension Healthcare	1,859	2,088	2,400	3,868
State Pension Plan - Civilian	0	0	0	2,121
TOTAL PERSONAL SERVICES	105,879	118,526	105,612	144,812
 MATERIALS, SUPPLIES & EQUIPMENT				
Printing & Advertising	0	0	1,500	500
Communications & Utilities	1,796	1,249	1,790	1,550
Transportation	0	0	0	2,250
Professional Fees	92,426	92,633	26,500	102,500
Memberships & Registrations	0	0	0	2,000
Office & General Supplies	1,675	1,639	2,000	2,000
Equipment	0	533	1,200	0
TOTAL M., S. & E.	95,897	96,054	32,990	110,800
 INTERNAL SERVICES				
Administrative Services	913	1,869	2,259	2,249
Self-Insurance	657	576	685	690
TOTAL INTERNAL SERVICES	1,570	2,445	2,944	2,939
 SPECIAL PURPOSE				
Self-Insurance Costs	16,011,307	18,005,841	17,791,300	17,184,800
TOTAL SPECIAL PURPOSE	16,011,307	18,005,841	17,791,300	17,184,800
 HEALTH & WELFARE FUND TOTAL	16,214,653	18,222,866	17,932,846	17,443,351

DEPARTMENT OF LICENSES & INSPECTIONS

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

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

PRIORITIES FOR FISCAL YEAR 2015

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

SUMMARY OF FUNDING FOR THE DEPARTMENT OF LICENSES & INSPECTIONS

TOTAL ALL FUNDS LICENSES & INSPECTIONS	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	3,152,561	3,464,255	3,304,840	3,406,959
Materials, Supplies & Equipment	235,411	381,049	540,593	607,663
Internal Services	470,496	476,627	576,396	582,241
Debt Service	10,886	2,249	4,482	4,576
Special Purpose	251,970	345,000	341,970	600,000
TOTAL	4,121,324	4,669,180	4,768,281	5,201,439
STAFFING LEVELS	38.00	38.00	38.00	38.00

GENERAL FUND LICENSES & INSPECTIONS	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	3,152,561	3,464,255	3,304,840	3,406,959
Materials, Supplies & Equipment	235,411	381,049	540,593	607,663
Internal Services	470,496	476,627	576,396	582,241
Debt Service	10,886	2,249	4,482	4,576
Special Purpose	251,970	345,000	341,970	600,000
TOTAL	4,121,324	4,669,180	4,768,281	5,201,439
STAFFING LEVELS	38.00	38.00	38.00	38.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR GENERAL FUND

- Personal Services increased \$102,119. A portion of the increase is attributed to previously unbudgeted Stand by Pay of \$25,000 that will be recognized under Overtime. The remaining increase is almost entirely attributable to actuarially required increases in Pension and Pension Healthcare costs.
- Materials, Supplies & Equipment increases a total of \$67,070. As part of the City's overall strategy for neighborhood redevelopment and viability, funding for the demolition of dangerous and abandoned eyesore properties was increased \$100,000. The increase was partly offset by the removal of \$25,000 in one-time use funds for the Alleyway Cleanup project.
- Internal Services increased a total of \$5,845, which was driven in large part by increases in Data Processing and Motor Vehicle costs.
- The City attempted to negotiate an extension for animal control services through the end of FY 2014 with Delaware S.P.C.A. However, they no longer wanted to provide those services. The City entered into a new contract with Kent County S.P.C.A. midway through FY 2014, and renewed their services for FY 2015. The cost for FY 2015 is \$600,000.

DEPARTMENT OF LICENSES AND INSPECTIONS

PERFORMANCE INDICATORS

Goal #1: Reduce lead-based paint hazards in dwelling units.

Objective: Perform 30 lead-based paint residential inspections and testings.

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

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Number of Lead-based Paint Inspections	75	13*	50	22	30

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

Goal #2: Improve housing stock of the City.

Objective: Perform at least 50,000 housing inspections.

Goal #2 corresponds to the City's Strategic Plan, Policy Statements 4-C and 4-E on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Number of Housing Inspections	52,000	44,227	50,000	46,502	53,000

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

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

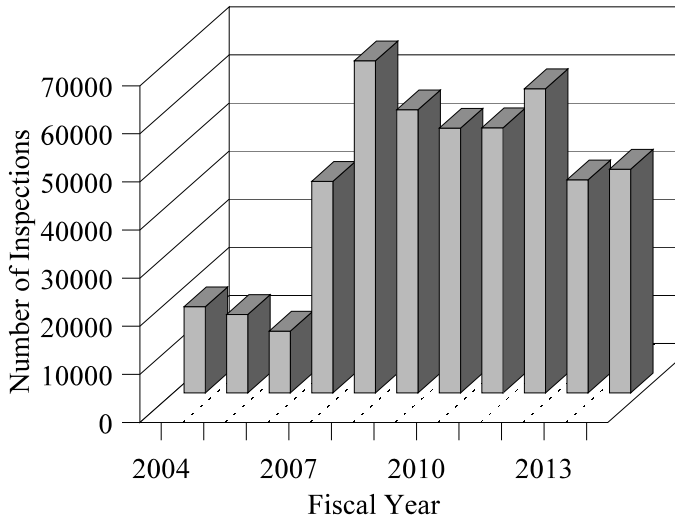
Goal #3 corresponds to the City's Strategic Plan, Policy Statements 2-B and 4-E on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Vacant Property Inspections	6,300	4,779	5,500	4,823	6,000

Department of Licenses and Inspections

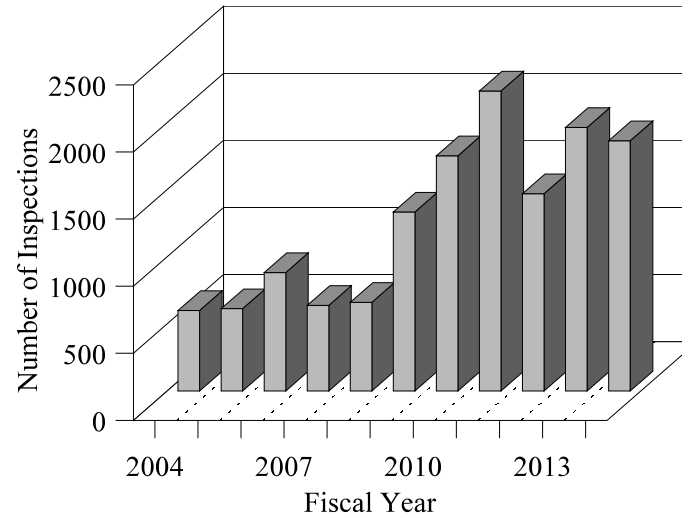
Performance Trends

Housing Inspections



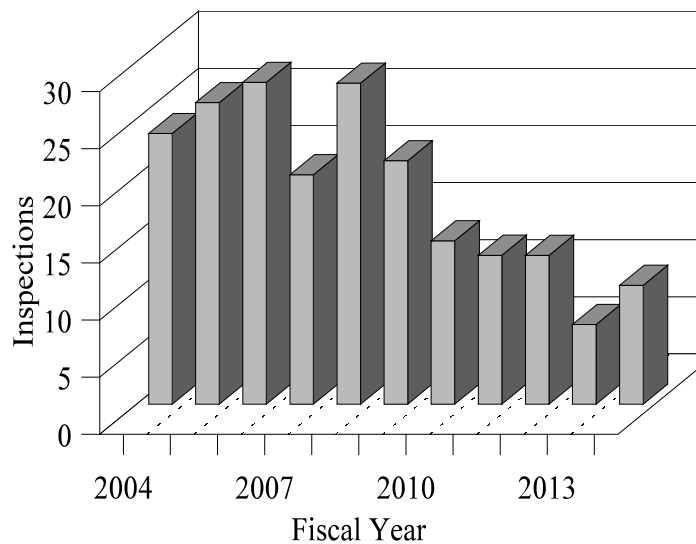
Housing inspections performed include: pre-rentals, lead paint, tenant complaints, sanitation, graffiti, and abandoned vehicles on private property. The inspections spiked in 2007 due to enforcement of the instant ticketing program.

Zoning Inspections



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

Building Inspections (In thousands)



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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: LICENSES AND INSPECTIONS

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Regular Salaries	1,990,994	2,126,189	2,051,859	2,054,261
Temporary Salaries	0	5,676	0	0
Acting Out of Classification	1,342	1,501	1,500	1,500
Sick Leave Bonus	2,100	2,300	1,800	2,100
Overtime	22,821	37,525	30,000	55,000
Meal Allowance	309	220	500	500
Clothing Allowance	7,125	7,500	7,500	7,500
Pension Contribution	410,392	482,596	471,435	525,618
Social Security	124,129	133,826	125,315	129,654
Medicare Tax	29,030	31,298	29,311	30,325
Hospitalization	506,697	571,100	537,974	533,943
Life Insurance	8,218	8,080	8,975	8,967
Pension Healthcare	40,904	45,191	76,000	86,450
State Pension Plan - Civilian	0	2,953	0	9,570
Personal Services Adjustment	8,500	8,300	(37,329)	(38,429)
TOTAL PERSONAL SERVICES	3,152,561	3,464,255	3,304,840	3,406,959

MATERIALS, SUPPLIES & EQUIPMENT

Printing and Advertising	6,563	8,490	8,000	10,821
Communication & Utilities	0	0	400	0
Transportation	11	0	3,500	3,500
Rentals	200	200	878	102
Contracted Maintenance	124,081	108,647	125,000	125,000
Professional Fees	21,994	21,711	39,000	38,000
Other Fees	6,494	5,741	8,000	8,000
Memberships & Registrations	11,948	14,301	18,300	18,900
Office & General Supplies	4,830	7,772	9,400	5,600
Wearing Apparel & Safety Supplies	20,736	26,659	26,315	23,600
Miscellaneous Parts	524	1,201	3,800	2,780
Construction & Repairs	38,030	180,946	270,000	366,000
Equipment	0	5,381	2,000	5,360
Fixed Assets	0	0	1,000	0
MSE Budget Control Account	0	0	25,000	0
TOTAL M., S. & E.	235,411	381,049	540,593	607,663

DEPARTMENT: LICENSES AND INSPECTIONS**FUND: GENERAL**

INTERNAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Administrative Services	438,463	450,104	545,835	551,316
Self-Insurance	32,033	26,523	30,561	30,925
TOTAL INTERNAL SERVICES	470,496	476,627	576,396	582,241
<u>DEBT SERVICE</u>				
Principal Payments	8,509	0	2,252	2,426
Interest Payments	2,377	2,249	2,230	2,150
TOTAL DEBT SERVICE	10,886	2,249	4,482	4,576
<u>SPECIAL PURPOSE</u>				
Animal Control	251,970	345,000	341,970	600,000
TOTAL SPECIAL PURPOSE	251,970	345,000	341,970	600,000
GENERAL FUND TOTAL	4,121,324	4,669,180	4,768,281	5,201,439

DEPARTMENT OF PARKS & RECREATION

The Department of Parks and Recreation is responsible for the coordination, planning and operation of a comprehensive recreation/leisure program in the City of Wilmington. It provides a variety of safe and enjoyable recreational areas and programs designed to afford cultural, social, educational and athletic opportunities. The Department also maintains the lands and facilities under its jurisdiction to ensure that continuation of attractive park areas through effective management.

PRIORITIES FOR FISCAL YEAR 2015	
<ul style="list-style-type: none"> • Implement a tracking system to accurately collect participation data. • Create standards of care for the Park Maintenance Division. • Increase and improve collaborative partnerships with parents, government agencies, and community groups. • Seek grant opportunities to conduct program initiatives not supported by the General Fund. • Promote healthy lifestyles by continuing to offer recreation programs, information sessions, evening feeding, and summer food programs. • Expand tutoring programs to assist students in achieving academic success. 	

SUMMARY OF FUNDING FOR THE DEPARTMENT OF PARKS & RECREATION

TOTAL ALL FUNDS	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT. OF PARKS & RECREATION	FY2012	FY2013	FY2014	FY2015
Personal Services	4,588,176	4,746,024	4,351,004	4,978,104
Materials, Supplies & Equipment	1,745,171	1,582,296	1,186,089	2,407,700
Internal Services	1,160,250	1,034,822	1,259,600	1,272,661
Debt Services	1,868,582	1,552,860	1,874,317	1,957,367
TOTAL	9,362,179	8,916,002	8,671,010	10,615,832
STAFFING LEVELS	44.00	44.00	44.00	42.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT. OF PARKS & RECREATION	FY2012	FY2013	FY2014	FY2015
Personal Services	4,077,827	4,292,960	4,264,082	4,410,125
Materials, Supplies & Equipment	955,047	910,112	1,155,024	1,594,380
Internal Services	1,157,214	1,034,822	1,256,167	1,269,228
Debt Services	1,868,582	1,552,860	1,874,317	1,957,367
TOTAL	8,058,670	7,790,754	8,549,590	9,231,100
STAFFING LEVELS	44.00	44.00	44.00	42.00

PARKS ASSISTANCE FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT. OF PARKS & RECREATION	FY2012	FY2013	FY2014	FY2015
Personal Services	126,164	164,597	0	201,894
Materials, Supplies & Equipment	788,234	670,447	0	782,255
TOTAL	914,398	835,044	0	984,149
STAFFING LEVELS	0.00	0.00	0.00	0.00

PARKS TRUST FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT. OF PARKS & RECREATION	FY2012	FY2013	FY2014	FY2015
Personal Services	75,414	82,034	86,922	88,489
Materials, Supplies & Equipment	1,890	1,737	31,065	31,065
Internal Services	3,036	0	3,433	3,433
TOTAL	80,340	83,771	121,420	122,987
STAFFING LEVELS	0.00	0.00	0.00	0.00

WORKFORCE INVESTMENT BOARD (WIB)	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT. OF PARKS & RECREATION	FY2012	FY2013	FY2014	FY2015
Personal Services	308,771	206,433	0	277,596
TOTAL	308,771	206,433	0	277,596
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Total personnel in the Department has been reduced to 42 positions. Two vacant positions, a Parks Maintenance Supervisor and a Nursery Technician, have been deleted with appropriate savings of \$96,608 and \$58,047 respectively.
- Temporary Salaries have increased by more than \$131,000. Nearly all of the increase will be used to expand the Summer Youth employment program from 70 to 250 participants.
- Overtime appropriations have increased by a total of \$60,480 due to greater needs for weekend park cleanups, fall leaf removal, special events, and snow clearing.
- Communications & Utilities (Electricity) costs have been reallocated within the Department. Based on recent expenditures, Electricity in the Maintenance Division (park and ball field lighting) was cut by \$10,000 while \$20,000 has been added at the William “Hicks” Anderson community Center (WHACC) Division to support longer operating hours and pool operation costs.
- Rentals will rise by \$9,560 to cover higher facility costs at athletic events and recreational programs.
- Professional Fees are slated to increase by almost \$20,000. The Consultant cost increase of \$6,970 will be used to create greater awareness of the Department’s programs, while additional funding in the Temporary Agencies appropriation will allow the use of outside manpower to supplement resources in the Maintenance Division during the summer months.
- The cost of security guard services at the WHACC, previously included in the Property Maintenance Division in Public Works, has been added to the Parks Department. The FY 2015 cost is \$64,000, and will allow additional hours of coverage.
- Bulk Chemicals used to treat pools will increase by \$7,700, reflecting the longer season implemented during FY 2014.
- Equipment costs will rise by \$8,915, allowing for the purchase of needed furniture in reception areas and upgrading some outdoor equipment used in the Maintenance Division. The appropriation also includes \$9,600 for the second phase of a three-year program to replace aging fitness equipment at the WHACC.
- Community Activities will rise by \$302,626. The increase will fund the “Arts in the Parks” Program at \$100,000, and the Cure Violence project at \$200,000.
- Debt Service expenditures will rise by \$83,050 to fund the first payment related to the anticipated FY 2015 Capital Borrowing in early FY 2015.

DEPARTMENT OF PARKS AND RECREATION

PERFORMANCE INDICATORS

Goal #1: Improve the quality of life for seniors through recreational and health programs.

Objective: Expand and increase senior programs.

Goal #1 corresponds to the City's Strategic Plan, Policy Statement 4-A and 4-B on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Senior Programs Implemented	20	3	2	5	8

Goal #2: Decrease youth violence/crime rate through alternative activities.

Objective: Provide sufficient recreational and athletic programs to divert youth behavior.

Goal #2 corresponds to the City's Strategic Plan, Policy Statements 2-A, 4-A and 4-D on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Park Sites Operated	20	20	20	17	19

Goal #3: Increase female participation in recreation programs.

Objective: Implement programs targeted for female participants.

Goal #3 corresponds to the City's Strategic Plan, Policy Statement 4-A and 4-B on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
# of Female Targeted Programs Implemented	35	10	2	9	15

DEPARTMENT OF PARKS AND RECREATION

PERFORMANCE INDICATORS

Goal #4: To provide programming that prepares and empowers City youths for better citizenship.

Objective: Creation of youth-led projects.

Goal #4 corresponds to the City's Strategic Plan, Policy Statements 2-A, 4-A and 4-D on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Number of Youth-led Projects	12	1	1	2	3

Goal #5: To increase diversity in program participation.

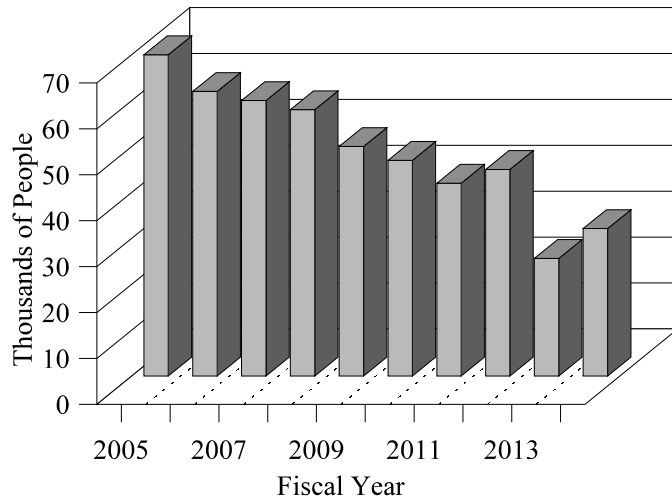
Objective: Provide family-oriented information fairs throughout the City.

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

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Number of Family Inclusive Information Fairs Held	16	5	5	5	7

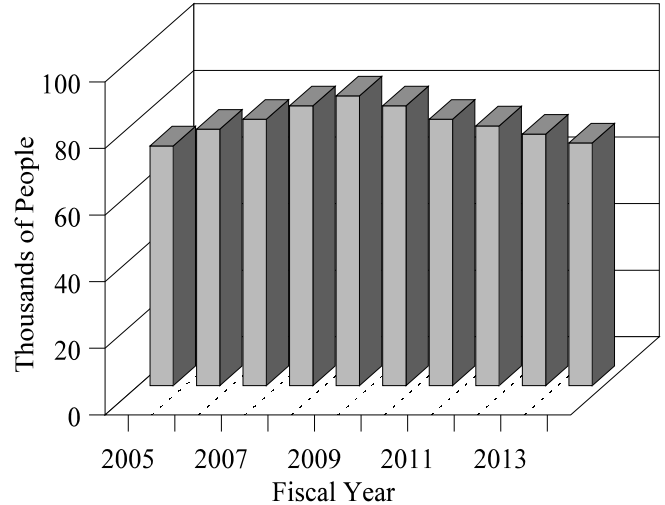
Department of Parks and Recreation Performance Trends

Pool Attendance



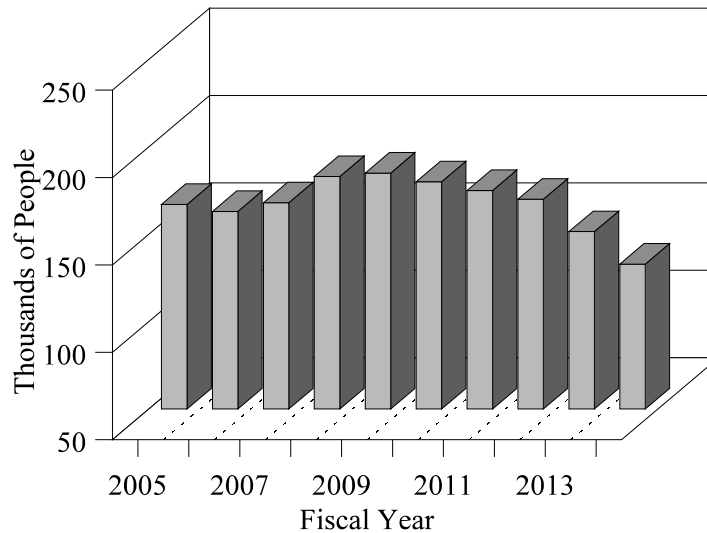
Pool attendance had generally declined due to a shortening of the season to trim costs. A longer season implemented in FY 2014 reversed that trend.

Playground Attendance



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

Recreation Attendance



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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: PARKS & RECREATION

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Regular Salaries	1,922,405	1,963,906	2,008,576	1,898,339
Temporary Salaries	807,031	812,291	914,348	1,045,443
Acting Out of Class	13	3,772	1,000	1,000
Sick Leave Bonus	3,500	2,400	1,500	2,100
Overtime	85,026	121,967	86,231	146,711
Meal Allowance	1,206	1,703	800	2,000
Pension Contribution	418,349	463,785	413,602	393,889
Social Security	173,087	178,321	183,132	192,248
Medicare Tax	40,456	41,710	42,828	44,949
Hospitalization	558,686	629,591	665,961	636,019
Life Insurance	8,317	7,570	9,585	9,173
Pension Healthcare	59,677	62,933	88,000	95,550
State Pension Plan (Civilian)	74	3,011	19,967	34,152
Personal Services Adjustment	0	0	(91,448)	(91,448)
PS-Budget Control Account	0	0	(80,000)	0
TOTAL PERSONAL SERVICES	4,077,827	4,292,960	4,264,082	4,410,125

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	8,860	3,069	9,900	10,000
Communications & Utilities	246,261	265,007	260,080	270,064
Transportation	4,272	876	9,248	12,333
Rentals	70,732	64,743	53,800	63,360
Contracted Maintenance	42,101	27,798	63,350	63,431
Professional Fees	191,487	194,709	245,344	265,318
Other Fees	48,209	41,786	58,244	52,411
Memberships & Registrations	7,523	3,157	7,940	14,545
Miscellaneous Services	118,736	123,667	175,208	243,538
Office & General supplies	18,364	13,390	17,353	17,646
Wearing Apparel & Safety Supplies	37,659	25,977	35,613	36,132
Miscellaneous Parts	128,839	111,542	150,155	150,756
Petroleum & Chemicals	13,797	19,360	19,000	26,731
Construction & Repairs	11,466	6,772	29,414	20,200
Equipment	5,478	5,859	23,375	32,290
Community Activities	1,263	2,400	13,000	315,625
MSE-Budget Control Account	0	0	(16,000)	0
TOTAL M., S. & E.	955,047	910,112	1,155,024	1,594,380

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

	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
INTERNAL SERVICES				
Administrative Services	770,630	749,288	866,020	872,967
Self-Insurance	386,584	285,534	390,147	396,261
TOTAL INTERNAL SERVICES	1,157,214	1,034,822	1,256,167	1,269,228
DEBT SERVICE				
Principal Payments	1,039,623	797,863	1,066,129	1,130,805
Interest Payments	828,959	754,997	808,188	826,562
TOTAL DEBT SERVICE	1,868,582	1,552,860	1,874,317	1,957,367
GENERAL FUND TOTAL	8,058,670	7,790,754	8,549,590	9,231,100

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

	ACTUALS FY2012	ACTUALS FY2013	BUDGET FY2014	APPROVED FY2015
PERSONAL SERVICES				
Temporary Salaries	117,228	152,900	0	187,547
Social Security	7,242	9,480	0	11,627
Medicare Tax	1,694	2,217	0	2,720
TOTAL PERSONAL SERVICES	126,164	164,597	0	201,894
MATERIALS, SUPPLIES & EQUIPMENT				
Miscellaneous Parts	787,223	670,447	0	782,255
Miscellaneous Projects	1,011	0	0	0
TOTAL M., S. & E.	788,234	670,447	0	782,255
PARKS ASSISTANCE FUND TOTAL	914,398	835,044	0	984,149

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

	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
PERSONAL SERVICES				
Regular Salaries	48,059	50,795	47,875	47,875
Temporary Salaries	0	0	2,500	2,500
Pension Contributions	8,004	11,156	10,293	12,065
Social Security	2,975	3,144	2,968	2,968
Medicare Tax	696	735	694	694
Life Insurance	229	221	240	240
Hospitalization	13,901	14,243	20,352	19,872
Pension Healthcare	1,550	1,740	2,000	2,275
TOTAL PERSONAL SERVICES	75,414	82,034	86,922	88,489

MATERIALS, SUPPLIES & EQUIPMENT

Communications & Utilities	1,890	1,737	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.	1,890	1,737	31,065	31,065

INTERNAL SERVICES

Self-Insurance	3,036	0	3,433	3,433
TOTAL INTERNAL SERVICES	3,036	0	3,433	3,433

PARKS TRUST FUND TOTAL	80,340	83,771	121,420	122,987
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DEPARTMENT: PARKS & RECREATION**FUND: WORKFORCE INVESTMENT BOARD (WIB)**

	ACTUAL	ACTUAL	BUDGET	APPROVED
PERSONAL SERVICES	FY2012	FY2013	FY2014	FY2015
Temporary Salaries	286,825	191,761	0	257,890
Social Security	17,786	11,891	0	15,971
Medicare Tax	4,160	2,781	0	3,735
TOTAL PERSONAL SERVICES	308,771	206,433	0	277,596
 WIB FUND TOTAL	 308,771	 206,433	 0	 277,596

DEPARTMENT OF FIRE

The mission of the Fire department is to protect the lives and property of the citizens of Wilmington through fire suppression, emergency medical services, rescue operations, fire prevention activities and education, enforcement of fire codes, safety inspections and arson investigations.

PRIORITIES FOR FISCAL YEAR 2015

- Secure funding for the renovation of remaining stations.
- Replace fire apparatus according to recommended replacement cycle.
- Continue the free smoke and carbon monoxide alarm programs for seniors and needy citizens.
- Increase public education programs, targeting senior citizens and children.

SUMMARY OF FUNDING FOR THE FIRE DEPARTMENT

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
FIRE DEPARTMENT	FY2012	FY2013	FY2014	FY2015
Personal Services	19,938,508	21,481,962	20,152,050	21,012,403
Materials, Supplies & Equipment	3,507,538	766,188	720,121	814,902
Internal Services	2,270,308	2,165,077	2,784,959	2,803,043
Debt Service	434,901	475,697	560,058	550,953
TOTAL	26,151,255	24,888,924	24,217,188	25,181,301
STAFFING LEVELS	177.00	177.00	177.00	177.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
FIRE DEPARTMENT	FY2012	FY2013	FY2014	FY2015
Personal Services	15,077,655	15,873,053	15,431,102	15,955,989
Materials, Supplies & Equipment	602,629	645,041	720,121	566,033
Internal Services	2,270,308	2,165,077	2,784,959	2,803,043
Debt Service	434,901	475,697	560,058	550,953
TOTAL	18,385,493	19,158,868	19,496,240	19,876,018
STAFFING LEVELS	164.00	164.00	170.50	177.00

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

STATE PENSION CONTRIBUTIONS FIRE DEPARTMENT	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	4,279,307	4,878,914	4,338,286	4,878,914
TOTAL	4,279,307	4,878,914	4,338,286	4,878,914
STAFFING LEVELS	0.00	0.00	0.00	0.00

STATE FIRE GRANT FIRE DEPARTMENT	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Materials, Supplies & Equipment	191,784	16,001	0	201,369
TOTAL	191,784	16,001	0	201,369
STAFFING LEVELS	0.00	0.00	0.00	0.00

FEDERAL EMERGENCY MANAGEMENT & OTHER MISCELLANEOUS GRANTS FIRE DEPARTMENT	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	0	0	0	177,500
Materials, Supplies & Equipment	2,713,125	105,146	0	47,500
TOTAL	2,713,125	105,146	0	225,000
STAFFING LEVELS	0.00	0.00	0.00	0.00

SAFER GRANT FIRE DEPARTMENT	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	581,546	729,995	382,662	0
TOTAL	581,546	729,995	382,662	0
STAFFING LEVELS	13.00	13.00	6.50	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- During Fiscal Year 2014, the remaining funds of the **SAFER** (Staffing for Adequate Fire & Emergency Response) Grant were exhausted. **SAFER** had provided 50% of the total cost of 13 Firefighters in FY 2014. A total of \$382,662 in salaries and benefits for 13 Firefighters, or 6.5 FTE's, has been absorbed into the General fund for FY 2015. Uniformed staffing remains at 172 positions.
- Total Overtime appropriations have been reduced by \$112,500. Grant funding is expected to make up any shortfall in this area.
- Increases in Pension Contributions and Pension Healthcare contributed to an overall \$861,000 hike in Employee Benefit costs.
- The City has locked in favorable electricity rates for the next three years. Accordingly, Electricity costs in the Department have been reduced by \$25,000 in FY 2015.
- Professional Fees have decreased by \$72,000, as FY 2015 will not feature the biennial promotional process.
- Contracted Maintenance Services, included within Miscellaneous Services, have been reduced by more than \$20,000. The recent opening of the new Station 5, along with other planned station renovations funded through the FY 2015 Capital Borrowing has lowered the expected maintenance needs.
- A revision in the Department's uniform replacement policy, which requires the return of used gear, has allowed for a decrease of almost \$12,000 in Wearing apparel & Safety Supplies.
- Miscellaneous Projects will be reduced from \$5,000 to \$1,500. Some of the costs to run the Explorer program have been transferred to other accounts.
- Total Internal Service allocations will increase by \$18,085. Lower Telephone and Radio costs were not enough to offset a \$39,000 increase in Motor Vehicle and Self-insurance costs.
- Debt Service costs will decrease by \$9,105, per payment schedules provided by the Finance Department.

FIRE DEPARTMENT PERFORMANCE INDICATORS

Goal #1: Limit the extent of damage and injury caused by fire.

Objective: Try to keep all fires contained to room of origin.

Goal #1 corresponds to the City's Strategic Plan, Policy Statement 4-C on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
% of Fires Contained to Room of Origin	95%	94%	95%	94%	96%

Goal #2: Increase public safety and heighten public awareness.

Objective: Conduct building inspections and instruct citizens through prevention education programs.

Goal #2 corresponds to the City's Strategic Plan, Policy Statements 2-B and 4-E on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Number of Building Inspections	2,000	1,846	2,000	2,069	2,250
Citizens Educated	35,000	22,704	35,000	28,930	30,000

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

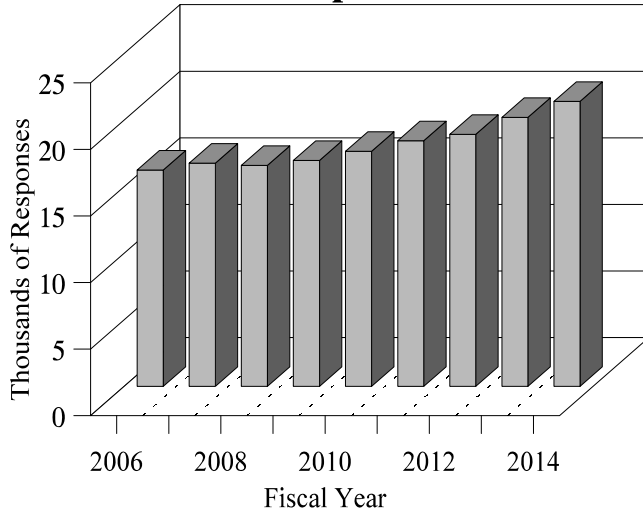
Objective: Maintain the average response time for fires to two minutes or less.

Goal #3 corresponds to the City's Strategic Plan, Policy Statement 4-C on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Average Fire Response Time	2 minutes & 30 seconds	2 minutes & 29 seconds	2 minutes & 30 seconds	2 minutes & 24 seconds	2 minutes & 28 seconds

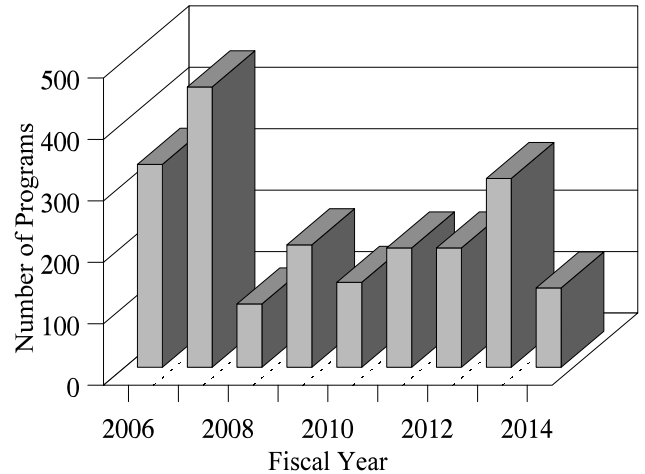
Fire Department Performance Trends

Total Responses



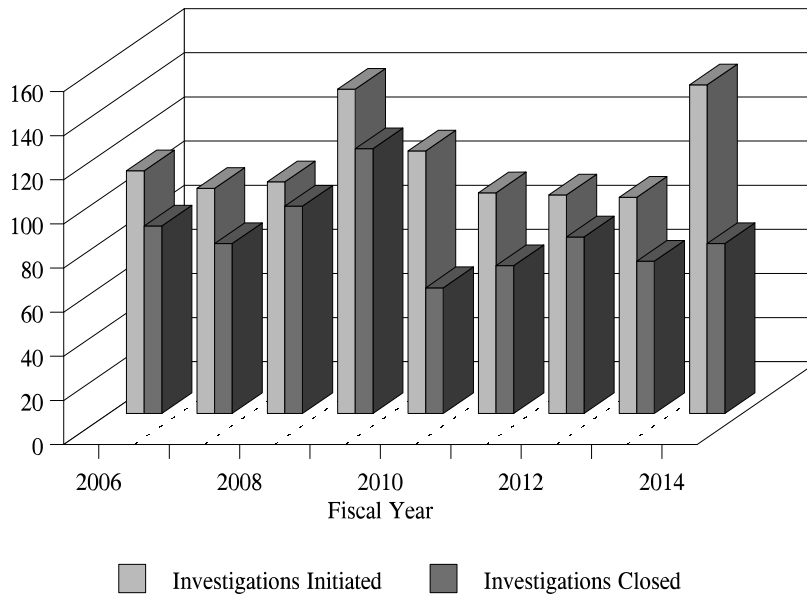
Total responses include those for the engine and ladder companies, rescue and ambulance units, as well as the fireboat.

Public Education Programs



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

Fire Investigations



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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: FIRE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Regular Salaries	10,445,349	10,740,259	10,379,642	10,678,562
Acting Out of Class	20,391	16,995	18,400	15,820
Shift Differential	98,013	123,877	127,216	123,016
Sick Leave Bonus	200	0	0	0
Overtime	351,262	377,605	410,000	297,500
Holiday Pay	25,033	85,729	0	25,000
Pension Contribution	351,771	249,298	174,165	492,850
Social Security	15,048	15,976	15,024	15,076
Medicare Tax	128,829	132,941	134,702	135,637
Hospitalization	2,496,407	2,902,352	2,790,500	2,746,308
Life Insurance	37,475	37,167	40,744	42,288
County/Municipal Pension Contribution	855,218	903,302	996,031	977,572
Pension Healthcare	252,659	286,190	341,000	402,675
State Pension Plan - Civilian	0	1,362	3,678	3,685
TOTAL PERSONAL SERVICES	15,077,655	15,873,053	15,431,102	15,955,989

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	724	698	1,660	1,337
Communications & Utilities	99,021	93,971	125,168	100,134
Transportation	3,994	5,296	3,900	4,200
Contracted Maintenance Repairs	78,137	92,401	96,000	86,000
Professional Fees	83,175	85,661	113,005	41,000
Memberships & Registrations	45,823	68,023	67,738	63,450
Miscellaneous services	72,772	94,979	115,766	95,446
Office & General Supplies	22,095	23,612	27,678	25,968
Wearing Apparel & Safety Supplies	138,678	125,948	106,748	94,798
Miscellaneous Parts	37,004	31,108	37,000	33,600
Construction & Repairs	2,409	610	2,458	2,000
Equipment	12,166	18,734	18,000	16,600
Fixed Assets	6,631	4,000	0	0
Community Activities	0	0	5,000	1,500
TOTAL M., S. & E.	602,629	645,041	720,121	566,033

DEPARTMENT: FIRE**FUND: GENERAL**

	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
INTERNAL SERVICES				
Administrative Services	1,296,571	1,371,679	1,847,960	1,854,363
Self-Insurance	973,737	793,398	936,999	948,680
TOTAL INTERNAL SERVICES	2,270,308	2,165,077	2,784,959	2,803,043

DEBT SERVICE

Principal Payments	141,932	75,618	123,907	78,963
Interest Payments	292,969	400,079	436,151	471,990
TOTAL DEBT SERVICE	434,901	475,697	560,058	550,953

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

	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
PERSONAL SERVICES				
State Pension Contributions	4,279,307	4,878,914	4,338,286	4,878,914
TOTAL PERSONAL SERVICES	4,279,307	4,878,914	4,338,286	4,878,914

GENERAL FUND TOTAL	22,664,800	24,037,782	23,834,526	24,754,932
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DEPARTMENT: FIRE**FUND: STATE FIRE GRANT**

	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
MATERIALS, SUPPLIES & EQUIPMENT				
Contracted Maintenance	0	0	0	8,568
Professional Fees	0	0	0	5,292
Wearing Apparel & Safety Supplies	0	0	0	87,509
Fixed Assets	191,784	16,001	0	100,000
TOTAL M., S. & E.	191,784	16,001	0	201,369

STATE FIRE GRANT TOTAL	191,784	16,001	0	201,369
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DEPARTMENT: FIRE**FUND: FEDERAL EMERGENCY MANAGEMENT
& OTHER MISCELLANEOUS GRANTS**

PERSONAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Overtime	0	0	0	177,500
TOTAL PERSONAL SERVICES	0	0	0	177,500
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Memberships & Registrations	16,885	0	0	0
Miscellaneous Services	251,975	0	0	5,000
Wearing Apparel & Safety Supplies	0	0	0	17,500
Miscellaneous Parts	0	0	0	5,000
Fixed Assets	2,444,265	105,146	0	20,000
TOTAL M., S. & E.	2,713,125	105,146	0	47,500
FEDERAL EMERG. MGT. & OTHER MISC. GRANT TOTAL	2,713,125	105,146	0	225,000

DEPARTMENT: FIRE**FUND: SAFER GRANT**

PERSONAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Regular Salaries	412,989	478,672	241,672	0
Shift Differential	4,439	6,872	0	0
Holiday Pay	1,517	4,693	0	0
Medicare Tax	5,545	7,062	3,456	0
Hospitalization	76,366	138,175	85,640	0
Life Insurance	2,399	2,749	1,384	0
County/Municipal Pension Contribution	60,524	70,364	37,510	0
Pension Healthcare	17,767	21,408	13,000	0
TOTAL PERSONAL SERVICES	581,546	729,995	382,662	0
SAFER GRANT TOTAL	581,546	729,995	382,662	0

DEPARTMENT OF POLICE

The vision of the department of Police is to make Wilmington communities safe and secure through a partnership of the people and those responsible for their public safety. To achieve this vision, the Department will promote trust between the people and those responsible for their public safety, recognizing and communicating that it is everybody's responsibility to protect and respect all individuals.

PRIORITIES FOR FISCAL YEAR 2015

- Reduce crime, and shooting incidents.
- Reduce street-level drug activity.
- Increase public safety by reducing traffic accidents.
- Establish a partnership with the community.
- Improve professional standards within the Department.
- Improve performance through personnel training and development.
- Maintain a heightened state of awareness and preparedness.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF POLICE

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2012	FY2013	FY2014	FY2015
Personal Services	46,104,605	48,960,460	46,749,547	46,783,416
Materials, Supplies & Equipment	2,219,842	2,233,527	1,783,261	2,055,766
Internal Services	5,523,637	5,092,876	5,587,385	5,562,126
Debt Service	419,328	292,751	375,359	393,357
TOTAL	54,267,412	56,579,614	54,495,552	54,794,665
STAFFING LEVELS	390.00	382.00	382.00	382.00

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

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2012	FY2013	FY2014	FY2015
Personal Services	41,154,327	45,132,853	43,359,067	43,933,303
Materials, Supplies & Equipment	1,547,750	1,345,279	1,783,261	2,055,766
Internal Services	5,523,637	5,092,876	5,587,385	5,562,126
Debt Service	419,328	292,751	375,359	393,357
TOTAL	48,645,042	51,863,759	51,105,072	51,944,552
STAFFING LEVELS	365.00	362.65	372.32	373.20

STATE PENSION CONTRIBUTION	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2012	FY2013	FY2014	FY2015
Personal Services	2,271,202	2,276,401	2,646,231	2,276,401
TOTAL	2,271,202	2,276,401	2,646,231	2,276,401
STAFFING LEVELS	0.00	0.00	0.00	0.00

SALLE & OTHER SPECIAL GRANTS	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2012	FY2013	FY2014	FY2015
Personal Services	1,375,197	800,730	618,754	522,198
Materials, Supplies & Equipment	672,092	888,248	0	0
TOTAL	2,047,289	1,688,978	618,754	522,198
STAFFING LEVELS	9.00	8.00	8.00	8.00

COPS GRANT	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF POLICE	FY2012	FY2013	FY2014	FY2015
Personal Services	1,303,879	750,476	125,495	51,514
TOTAL	1,303,879	750,476	125,495	51,514
STAFFING LEVELS	16.00	11.35	1.68	0.80

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- The total uniformed authorized strength remains at 320 officers. However, funding for one of the remaining two COPS Grant officers expired during FY 2014. The General fund will absorb 0.88 FTE at a cost of \$65,736 in salary and benefits. Funding continues for one officer through April 2015 that will save the General fund approximately \$51,000.
- Higher Pension and Pension Healthcare costs offset a \$194,000 decrease in Hospitalization (employee medical costs). Overall, Employee Benefit costs remained nearly level, exclusive of State Pension Contributions.
- Regular Overtime has been increased by almost \$220,000 to meet the demands in patrol deployment and investigative activities, along with costs associated with the academy class.
- The FY 2015 budget continues to provide funding for the Child Development Community Policing (CDCP) Program in the amount of \$83,391.
- Temporary Salaries have been increased by \$20,000 in anticipation of needed Crossing Guards for a new charter school at a former Bank of America site.
- The City has locked in favorable electricity rates for the next three years. Accordingly, Electricity costs in the Department have been reduced by almost \$72,000 for FY 2015.
- Professional Fees have increased by \$46,418, and lies mostly in the Consultants account. Although FY 2015 will not feature the biennial promotional process, \$90,000 was added for costs related to the academy class.
- An increase of \$10,000 in Laboratory Fees, and a decrease of \$36,000 in Facilities Management Fees to oversee the Public Safety Building have combined to lower total Other Fees by \$26,000.
- Wearing Apparel will rise by a total of \$247,000: \$56,000 will fund a matching portion for a grant to purchase bullet-proof vests for officers, while \$191,000 is allocated for uniforms and equipment for 30 new recruits.
- The Miscellaneous Parts appropriation will increase by almost \$50,000. Ammunition costs continue to escalate due to an increase in the cost of raw materials used in the manufacturing process, along with substantially higher demand.
- Equipment costs will fall by \$21,770 to zero. Much-needed office desks and chairs utilized 24 hours per day were replaced during the two past fiscal years.
- Total Internal Service allocations will decrease by \$25,259. Lower Telephone and Radio costs more than offset a \$52,000 increase in Motor Vehicle costs.
- Debt Service cost will rise by \$17,998 to fund the first payment related to the anticipated FY 2015 Capital Borrowing in early FY 2015.

DEPARTMENT OF POLICE

PERFORMANCE INDICATORS

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

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

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

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Percentage Change in the Number of Part I Crimes Against Persons	-5%	+5%	-5%	-5%	-5%
Number of Part I Crimes	2,233	2,468	2,344	2,354	2,236

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

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

Goal #2 corresponds to the City's Strategic Plan, Policy Statement 2-A, 2-B and 4-C on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Percentage Change in Number of Drug Arrests	+5%	-10%	+5%	+9%	+5%
Number of Drug Arrests	1,698	1,455	1,528	1,585	1,664

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

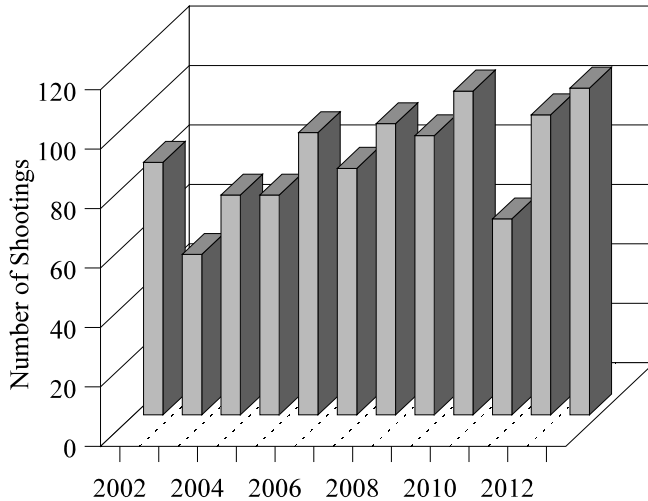
Objective: Reduce traffic accidents by 5%.

Goal #3 corresponds to the City's Strategic Plan, Policy Statement 2-B and 4-C on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Percentage Change in the Number of Traffic Accidents	+2%	+1%	-5%	+3%	-5%
Number of Traffic Accidents	3,092	3,057	2,094	3,163	3,005

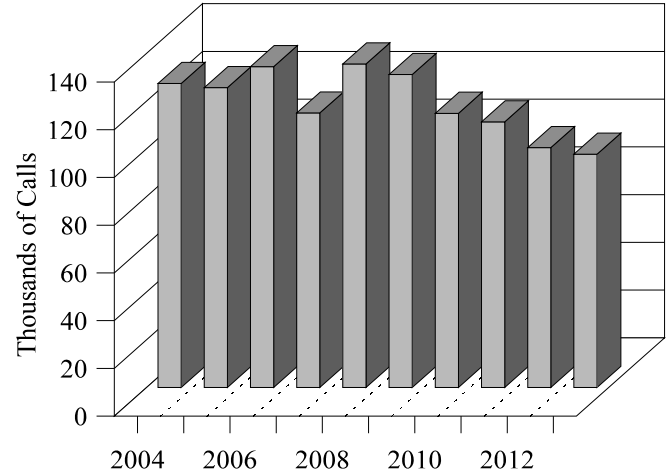
Department of Police Performance Trends

Shootings in Wilmington



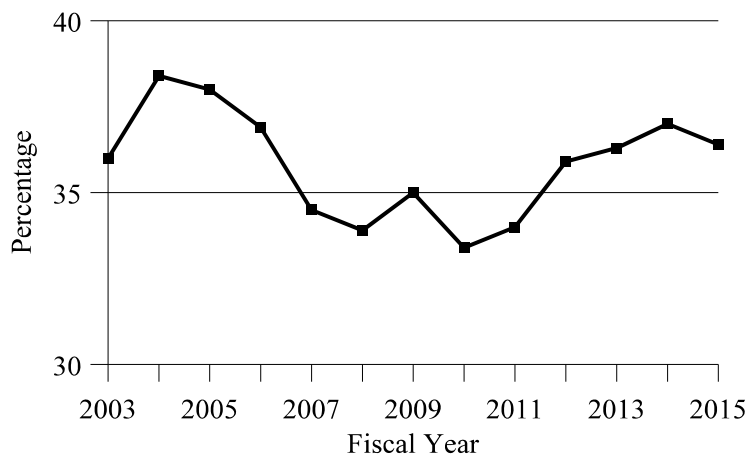
The Department continues to focus significant resources toward this area which has resulted in non-dispatched arrests and proactive policing by officers.

911 Calls Resulting in Dispatch



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

Police Budget as a % of Total General Fund Operating Budget



The Department's General Fund budget has increased for FY 2015, and remains the highest among all City departments.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: POLICE

FUND: GENERAL

	ACTUAL	ACTUAL	BUDGET	APPROVED
PERSONAL SERVICES	FY2012	FY2013	FY2014	FY2015
Regular Salaries	22,821,835	24,265,466	23,705,605	23,979,412
Temporary Salaries	444,677	432,279	450,000	470,000
Acting Out of Class	3,454	5,082	2,500	2,500
Shift Differential	762,833	734,675	724,500	731,500
Shooting Days	26,688	20,703	0	30,000
Sick Leave Bonus	2,000	3,000	3,000	3,000
Overtime	1,579,069	2,079,902	1,657,200	1,876,813
Holiday Pay	142,356	(327)	0	0
Comp Time Payouts	408,520	543,554	430,000	450,000
Civilian Holiday-Overtime	101,091	144,790	112,500	112,500
Court overtime	55,490	50,400	55,759	55,509
Special Events Overtime	396,382	409,342	446,368	446,368
Meal Allowance	14,207	14,516	13,300	12,800
Clothing Allowance	116,799	83,249	85,750	85,250
Pension Contribution	5,987,556	6,625,611	6,481,408	6,635,394
Social Security	215,632	222,532	210,031	208,405
Medicare Tax	361,563	403,616	369,080	385,254
Hospitalization	5,075,104	6,225,771	6,018,013	5,824,422
Life Insurance	82,793	80,912	88,595	88,652
County/Municipal Pension Contribution	1,974,369	2,118,185	2,354,468	2,276,887
Pension Healthcare	578,268	651,630	744,647	849,030
State Pension Plan-Civilian	3,641	17,965	15,613	18,877
Personal Services Adjustment	0	0	(609,270)	(609,270)
TOTAL PERSONAL SERVICES	41,154,327	45,132,853	43,359,067	43,933,303

DEPARTMENT: POLICE**FUND: GENERAL**

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Printing & Advertising	0	4,920	10,400	33,120
Communications & Utilities	343,028	154,221	237,864	166,200
Transportation	4,499	4,346	7,000	5,000
Rentals	50,590	48,879	52,099	69,679
Contracted Maintenance Repairs	42,637	54,124	99,684	79,719
Professional Fees	287,542	204,184	371,889	418,307
Other Fees	281,020	282,524	324,405	297,814
Memberships & Registrations	16,449	5,843	10,000	10,000
Miscellaneous Services	149,692	142,406	239,656	283,415
Office & General Supplies	80,243	90,365	104,000	96,000
Wearing Apparel & Safety Supplies	184,399	166,244	158,160	405,500
Miscellaneous Parts	107,651	118,361	141,334	191,012
Equipment	0	63,888	21,770	0
Fixed Assets	0	4,974	0	0
MSE-Budget Control Account	0	0	5,000	0
TOTAL M., S. & E.	1,547,750	1,345,279	1,783,261	2,055,766

INTERNAL SERVICES

Administrative Services	3,482,969	3,648,146	3,582,186	3,529,069
Self-Insurance	2,040,668	1,444,730	2,005,199	2,033,057
TOTAL INTERNAL SERVICES	5,523,637	5,092,876	5,587,385	5,562,126

DEBT SERVICE

Principal Payments	286,341	153,961	243,681	260,810
Interest Payments	132,987	138,790	131,678	132,547
TOTAL DEBT SERVICE	419,328	292,751	375,359	393,357

FUND: STATE PENSION CONTRIBUTIONS

PERSONAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
State Pension Contributions	2,271,202	2,276,401	2,646,231	2,276,401
TOTAL PERSONAL SERVICES	2,271,202	2,276,401	2,646,231	2,276,401

TOTAL GENERAL FUND	50,916,244	54,140,160	53,751,303	54,220,953
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DEPARTMENT: POLICE**FUND: SALLE**

	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
PERSONAL SERVICES				
Regular Salaries	568,559	51,732	429,304	371,288
Shift Differential	21,823	4,374	0	0
Overtime	524,868	739,850	0	0
Holiday Pay	6,361	0	0	0
Court Overtime	2,873	0	0	0
Meal Allowance	2,123	0	0	0
Social Security	1,906	3,584	0	0
Medicare Tax	8,875	1,190	6,142	5,335
Hopitalization	140,564	0	98,764	72,804
Life Insurance	2,683	0	1,920	1,920
County/Municipal Pension Contribution	77,358	0	66,624	52,651
Pension Healthcare	17,204	0	16,000	18,200
TOTAL PERSONAL SERVICES	1,375,197	800,730	618,754	522,198
 MATERIALS, SUPPLIES & EQUIPMENT				
Communications & Utilities	49,391	18,673	0	0
Tranpsortation	81,349	90,643	0	0
Rentals	20,918	24,387	0	0
Professional Fees	51,531	49,835	0	0
Memberships & Registrations	49,845	51,056	0	0
Miscellaneous Services	37,393	25,828	0	0
Office & General Supplies	57	0	0	0
Wearing Apparel & Safety Supplies	11,978	196,103	0	0
Miscellaneous Parts	3,514	5,852	0	0
Equipment	161,807	58,624	0	0
Fixed Assets	55,362	367,247	0	0
Community Activities	148,947	0	0	0
TOTAL M., S. & E.	672,092	888,248	0	0
 SALLE FUND TOTAL	2,047,289	1,688,978	618,754	522,198

DEPARTMENT: POLICE**FUND: COPS GRANT**

	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
PERSONAL SERVICES				
Regular Salaries	884,035	485,470	74,737	36,997
Shift Differential	34,590	24,898	0	0
Overtime	(651)	(286)	0	0
Medicare Tax	13,770	7,353	1,056	533
Hospitalization	210,826	142,165	34,348	6,726
Life Insurance	4,065	2,076	402	192
County/Municipal Pension	130,420	71,847	11,599	5,246
Pension Healthcare	26,824	16,953	3,353	1,820
TOTAL PERSONAL SERVICES	1,303,879	750,476	125,495	51,514
 COPS GRANT TOTAL	 1,303,879	 750,476	 125,495	 51,514



DEPARTMENT OF PUBLIC WORKS

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

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

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

PRIORITIES FOR FISCAL YEAR 2015

- Start up of Wilmington Co-Generation and Sludge Processing Facilities and begin operations.
- Assess impact of Real time Control System to mitigate CSO's.
- Update CSO Long Term Control Plan.
- Continued implementation of GIS and Cityworks programs with focus on CMMS.
- Increase contractor compliance with the Roadway Cut Management legislation.
- Implementation of Cityworks permitting package with integration of L&I, FMO and Planning Departments.
- Continue hydrant testing and rehabilitation program.
- Continue SRF funded small main replacement projects throughout the water district.
- Wilmington Transit Moving Forward (WTMF) Program Development.
- Further optimize signal-timing using counts from downtown circulation study.
- Provide ongoing coordination for our photo-enforcement programs.
- Update traffic signals with Light Emitting Diodes (LED's) and count-down pedestrian signals.
- Use GIS data for cost-effective LED signal retrofits and DPL street light conversions.
- Coordinate signal tie-ins with ACS, to install up to ten (10) new Red Light Cameras.
- Begin construction of WWTP Fine Screen Buildings Concrete Improvements.
- Complete construction of Sewer Separation Project in the vicinity of Kentmere and Union Street.
- Continue program of repairing and painting elevated water storage tanks.
- Complete engineering work on the design of separate flow meters on the three force mains entering the wastewater treatment plant.
- Continue program of testing and replacing large water meters.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF PUBLIC WORKS

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY 2012	FY 2013	FY 2014	FY 2015
Personal Services	15,581,056	16,169,065	16,646,946	16,667,501
Materials, Supplies & Equipment	45,343,616	49,787,055	53,414,258	53,926,037
Internal Services	5,364,813	5,305,400	5,884,444	6,196,720
Debt Service	9,913,043	12,486,597	10,122,565	10,493,567
Capitalization	(721,672)	(5,648,741)	(3,200,000)	(3,200,000)
Depreciation	10,255,552	10,730,928	10,255,552	10,730,930
TOTAL	85,736,408	88,830,304	93,123,765	94,814,755
STAFFING LEVELS	226.00	226.00	224.00	223.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY 2012	FY 2013	FY 2014	FY 2015
Personal Services	7,979,283	8,514,550	8,713,629	8,714,735
Materials, Supplies & Equipment	5,888,275	6,303,857	6,718,050	7,112,150
Internal Services	2,951,417	2,765,241	3,238,206	3,265,356
Debt Service	3,435,711	6,297,594	3,640,884	3,686,090
TOTAL	20,254,686	23,881,242	22,310,769	22,778,331
STAFFING LEVELS	123.25	122.65	122.40	120.65

WATER/SEWER FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY 2012	FY 2013	FY 2014	FY 2015
Personal Services	7,601,773	7,654,515	7,933,317	7,952,766
Materials, Supplies & Equipment	33,881,560	32,886,532	38,175,072	38,220,830
Internal Services	2,123,834	2,291,796	2,422,841	2,702,183
Debt Service	6,193,410	5,965,399	6,206,159	6,531,955
Depreciation	7,361,724	7,685,779	7,361,724	7,685,779
TOTAL	57,162,301	56,484,021	62,099,113	63,093,513
STAFFING LEVELS	102.75	103.35	101.60	102.35

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

MOTOR VEHICLE FUND DEPARTMENT OF PUBLIC WORKS	ACTUAL FY 2012	ACTUAL FY 2013	BUDGET FY 2014	APPROVED FY 2015
Materials, Supplies & Equipment	4,478,016	9,612,813	7,646,970	7,514,200
Internal Services	289,562	248,363	223,397	229,181
Debt Service	283,922	223,604	275,522	275,522
Capitalization	(721,672)	(5,648,741)	(3,200,000)	(3,200,000)
Depreciation	2,893,828	3,045,149	2,893,828	3,045,151
TOTAL	7,223,656	7,481,188	7,839,717	7,864,054
STAFFING LEVELS	0.00	0.00	0.00	0.00

MUNICIPAL STREET AID FUND DEPARTMENT OF PUBLIC WORKS	ACTUAL FY 2012	ACTUAL FY 2013	BUDGET FY 2014	APPROVED FY 2015
Materials, Supplies & Equipment	1,095,765	983,853	874,166	1,078,857
TOTAL	1,095,765	983,853	874,166	1,078,857
STAFFING LEVELS	0.00	0.00	0.00	0.00

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

- Regular Salaries decreased by \$117,431, due to the deletion of a General Laborer I and a Fleet Manager position. Even though salaries decreased, total Personal Services increased by \$1,106, as a result of annual employee step increases and position upgrades for two Construction Inspectors, a Construction Supervisor/RCMS Manager and a Chief Construction Inspector. Pensions (up \$64,456), Hospitalization (up \$23,477), and Pension Healthcare (up \$29,667) also attributed to the Personal Services increase.
- Electricity costs decreased by \$60,000, signaling savings from the green initiatives implemented over the past several years, such as the conversion to LED traffic lights. Also, by decoupling from the State's utility contract, the Department has been able to lock in favorable rates for electricity for the next three years.
- Equipment Rental costs increased by \$45,000 to expand cleanup capabilities after winter weather events.
- Building Maintenance costs for the City/County building increased by \$156,000 based on a needs assessment by building management. The city shares the building maintenance cost with New Castle County. The cost split is 70% City and 30% County.
- Consultant expenses increased by \$45,000 related to the maintenance of the Major Gateway Plantings; implementation support for commercial recycling and municipal solid waste; and strategic planning for various Department initiatives.
- Temporary Agencies increased by \$19,000 to hire additional laborers to support street maintenance, pothole repairs, and sidewalk installation.
- Landfill Fees decreased \$10,600. Due to recycling and the diverting of yard waste to be composted, the Department decreased the projected tonnage of trash to be dumped into the Cherry Island Landfill from 31,000 tons in this fiscal year to 30,000 tons in FY 2015. But greater cost savings were offset by per ton fee increases by both the Landfill and the composting company, Peninsula Compost.
- Security Guard Service costs decreased by \$30,000 because the cost for security coverage at the Williams Hicks Anderson Community Center was shifted to the Department of Parks & Recreation.
- Mezzanine Subsidy expenses decreased by \$45,000 to zero, as it was moved under the Building Maintenance account.
- Material and Supplies-Roads costs increased by \$50,000 to cover additional salt, sand and brine needed for winter weather related events.
- Debt Service increased a net \$45,207. While existing payments decreased \$295,030, projected new debt service from funding the FY 2014 Capital Budget added \$340,237.

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

- A new GIS Technician position was added at a cost of \$70,361. This position will work with the Construction Inspector in the field to verify locations of pipes using a GPS navigation system. The addition of the GIS Technician will reduce reliance on consultants.
- Four Construction inspectors and one Purchasing Coordinator II were upgraded at a cost of \$5,496.
- Although Hospitalization and Pension Healthcare increased a combined \$103,866, this was partially offset by a decrease in Overtime of \$64,500.
- Repairs to Building and Structures expenses increased by \$25,000, due to higher costs of maintaining structures, parking lots, sidewalks, and driveways.
- Based on last year's actual expenditures for Sewer-Emergency Repairs, and the current year's actual to date, Repairs to Sewer Lines was reduced \$200,000.
- Repairs to Water Lines increased by \$250,000 to fund a comprehensive valve replacement and repair program.
- Building Maintenance costs for the City/County building increased by \$50,500 based on a needs assessment by the building management. The City shares the building maintenance cost with New Castle County. The cost split is 70% City and 30% county.
- Based on last year's actual expenditures for Sewer Interceptor Cleaning, and current year's actual to date, Condition Assessment was decreased by \$400,000.
- Consultants decreased by \$163,000. A one-time cost of \$100,000 in last fiscal year's budget related to New Castle County negotiations was eliminated, along with reductions to other existing consultant contracts, as the Department continues to rely more heavily on its own internal resources.
- Engineering costs decreased by \$87,500 because the number of storm inlet inspections is projected to decrease from 4,000 in FY 2014 to 1,000 in FY 2015.
- Temporary Agencies increased by \$50,000 to support the meter shop and the hiring of laborers, equipment operators, analysts, field engineers, and a Cityworks coordinator.
- 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 \$534,556.
- Misc. Supplies or Parts increased by \$27,300 to cover the cost of the annual contract for the replacement of fire hydrants, valve boxes, valve box covers, curb-stops, bushings, copper tubing and pipes.

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

- Indirect Costs increased by \$316,981, per the new indirect cost plan.
- Internal Services grew by a total of \$279,343, primarily related to Motor Vehicle and Data Processing cost increases.
- Debt Service increased a net \$325,769. While existing payments decreased \$381,106, projected new debt service from funding the FY 2014 Capital Budget added \$706,875.
- Recently completed capital projects of extraordinary scope and price, such as the Cool Spring Reservoir project, raising the level of Hoopes Dam, and the Real Time Control system have greatly increased the fixed asset value of the Water/Sewer Fund, resulting in a \$324,055 increase in depreciation expense.

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

- Motor Fuels and Lubricants decreased by \$21,000, reflecting a price decrease for diesel fuel from \$3.85 to \$3.50 per gallon.
- Fast Fleet Share was replaced with KeyTrak Fleet Share. As a result, the Care Share Program account decreased by \$23,000.
- Based on motor vehicle fleet maintenance and use of internal resources, Contracted Maintenance Services went down by \$89,620.
- Depreciation, based on the recently revised and more accurate asset inventory list being utilized by the Accounting Division, increased \$151,323.

DEPARTMENT OF PUBLIC WORKS

PERFORMANCE INDICATORS

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

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

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

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Special Pick-Ups	13,500	12,429	12,500	12,867	12,500

Goal #2: Provide leaf collection as required.

Objective: Collect at least 1,000 tons of leaves from streets, sidewalks and alleys.

Goal #2 corresponds to the City's Strategic Plan, Policy Statements 4-C on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Tons of Leaves	350	960	2,850	1,572	2,000

Goal #3: Assure that City roadways are safe and passable.

Objective: Construct, repair and maintain City streets and alleyways.

Goal #3 corresponds to the City's Strategic Plan, Policy Statements 3-D and 4-C on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Street Repairs (tons of "hot mix")	305	335	350	425	450

DEPARTMENT OF PUBLIC WORKS

PERFORMANCE INDICATORS

Goal #4: Minimize flooding problems and sewer backups.

Objective: Inspect and maintain approximately 150 miles of sewers and sewer inlets, thus limiting flooding problems.

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

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Flood Problems	0	18	20	27	20

Goal #5: Generate treated wastewater that is protective of water quality needs in the Delaware River.

Objective: Zero tolerance for violating discharge limits.

Goal #5 corresponds to the City's Strategic Plan, Policy Statements 4-C on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Violations of Discharge Limits	0	0	0	0	0

Goal #6: Produce and deliver potable water meeting quality standards protective of human health, and meeting pressure and aesthetic standards engendering a high degree of customer satisfaction.

Objective: No violations of primary drinking water standards anywhere in the system.

Goal #6 corresponds to the City's Strategic Plan, Policy Statements 4-C on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Violations of EPA's Safe Drinking Water Act	0	0	0	1*	0

* Reflects a single sample in July 2013 that tested above the limit for coliform.

DEPARTMENT OF PUBLIC WORKS

PERFORMANCE INDICATORS

Goal #7: Provide an operable fleet of City-owned vehicles and equipment through an outstanding preventative maintenance program.

Objective: Reduce the number of major and time-consuming breakdowns of equipment and vehicles through at least 2,500 inspections.

Goal #7 corresponds to the City's Strategic Plan, Policy Statements 4-C on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Preventative Maintenance Inspections	2,500	2,591	2,500	2,597	2,500

Goal #8: Minimize waste disposal costs.

Objective: Reduce landfill tipping fees through recycling.

Goal #8 corresponds to the City's Strategic Plan, Policy Statement 1-C and 4-C on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Percent Tipping Fee Savings, Net of Recycling Costs	10.0%	26.0%	12.0%	26.3%	14.0%
Tipping Fees Savings, Net of Recycling Costs	\$167,977	\$453,377	\$211,973	\$527,939	\$281,032

DEPARTMENT OF PUBLIC WORKS

PERFORMANCE INDICATORS

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

Objective: Provide periodic mechanical and manual sweeping of City streets and special pickups, collecting at least 5,500 tons of debris.

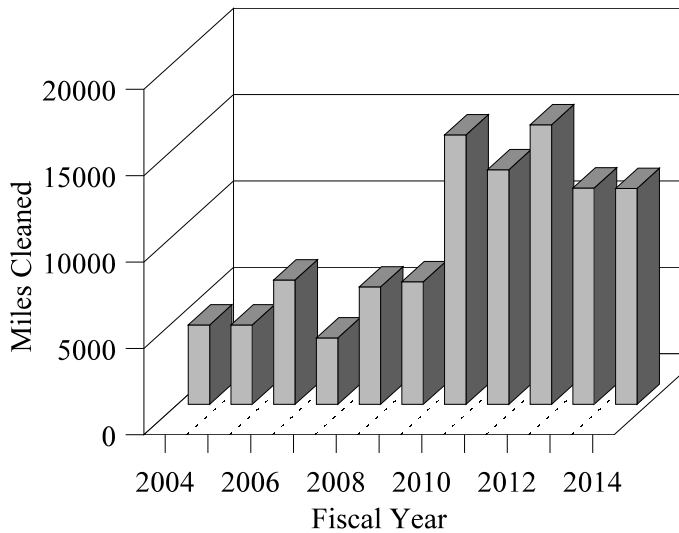
Goal #9 corresponds to the City's Strategic Plan, Policy Statements 3-D and 4-C on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Street Cleaning (tons of debris, trash, etc.)	5,900	5,500	5,900	4,647	5,500

Department of Public Works

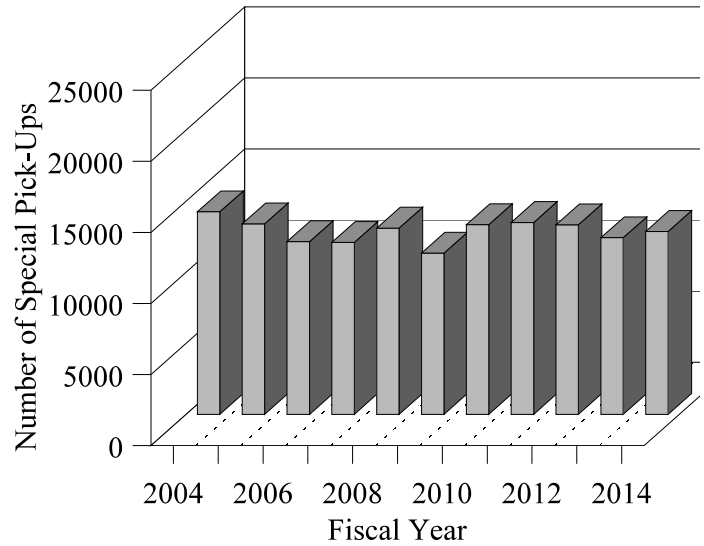
Performance Trends

Miles of Streets Cleaned



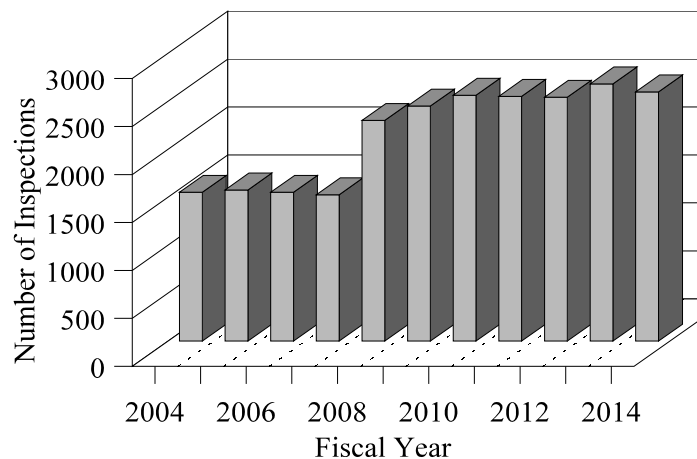
Aggressive management is required to maintain City streets in a litter free condition. FY 2014 dropped off somewhat due to retirements of Equipment Operators and these positions were vacant for some time.

Special Pick-Ups



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

Preventative Maintenance Inspections



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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: PUBLIC WORKS

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY 2012	ACTUAL FY 2013	BUDGET FY 2014	APPROVED FY 2015
Regular Salaries	4,524,801	4,683,772	4,811,646	4,694,215
Temporary Salaries	7,164	9,660	8,000	8,000
Acting Out of Class	2,872	5,395	4,650	3,950
Sick Leave Bonus	8,700	9,800	8,900	10,500
Overtime	252,738	245,801	345,500	321,800
Holiday Pay	91,048	127,657	92,000	125,000
Meal Allowance	5,387	4,140	10,600	7,600
Pension Contribution	941,480	1,019,377	1,015,671	1,057,226
Social Security	300,152	312,615	323,666	318,963
Medicare Tax	70,198	73,114	75,689	74,551
Hospitalization	1,582,755	1,796,667	1,890,796	1,914,273
Life Insurance	22,984	22,143	25,898	25,476
Pension Healthcare	165,119	178,863	244,800	274,467
State Pension Plan - Civilian	3,885	25,546	42,869	65,770
Personal Services Adjustment	0	0	(187,056)	(187,056)
TOTAL PERSONAL SERVICES	7,979,283	8,514,550	8,713,629	8,714,735

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	5,207	8,989	14,300	13,950
Communications & Utilities	421,320	866,773	800,300	740,300
Transportation	762	1,946	1,000	1,000
Rentals	111,667	112,966	178,000	223,000
Contracted Maintenance Repairs	1,076,718	1,160,896	1,179,900	1,337,900
Professional Fees	600,623	677,869	744,800	817,300
Other Fees	2,770,421	2,834,468	3,047,200	3,036,600
Memberships & Registrations	12,966	12,470	29,150	29,150
Miscellaneous Services	508,234	296,174	414,800	324,800
Office & General Supplies	11,674	8,302	14,650	14,100
Wearing Apparel & Safety Supplies	38,576	23,328	35,600	33,600
Miscellaneous Parts	134,295	137,795	145,400	143,400
Construction & Repairs	144,562	147,025	289,000	339,000
Equipment	17,347	13,906	22,000	25,000
Fixed Assets	33,903	950	31,950	33,050
MSE - Budget Control Account	0	0	(230,000)	0
TOTAL M., S. & E.	5,888,275	6,303,857	6,718,050	7,112,150

DEPARTMENT: PUBLIC WORKS**FUND: GENERAL**

INTERNAL SERVICES	ACTUAL FY 2012	ACTUAL FY 2013	BUDGET FY 2014	APPROVED FY 2015
Administrative Services	2,459,456	2,443,137	2,727,679	2,745,489
Self-Insurance	491,961	322,104	510,527	519,867
TOTAL INTERNAL SERVICES	2,951,417	2,765,241	3,238,206	3,265,356
<u>DEBT SERVICE</u>				
Principal Payments	1,505,185	4,469,020	1,696,262	1,668,961
Interest Payments	1,930,526	1,828,574	1,944,622	2,017,129
TOTAL DEBT SERVICE	3,435,711	6,297,594	3,640,884	3,686,090
GENERAL FUND TOTAL	20,254,686	23,881,242	22,310,769	22,778,331

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

PERSONAL SERVICES	ACTUAL FY 2012	ACTUAL FY 2013	BUDGET FY 2014	APPROVED FY 2015
Regular Salaries	4,251,660	4,272,455	4,442,326	4,430,203
Temporary Salaries	0	0	10,000	0
Acting Out of Class	6,796	4,551	5,500	5,500
Shift Differential	5,013	4,096	5,000	5,000
Sick Leave Bonus	9,100	8,400	9,500	9,200
Overtime	454,298	374,080	512,500	448,000
Holiday Pay	5,603	5,266	6,000	6,000
Meal Allowance	10,872	11,632	16,100	12,900
Accrued Vacation Pay	(29,665)	(45,319)	0	0
Pension Contribution	827,497	846,637	882,884	872,475
Social Security	291,336	287,315	306,414	301,563
Medicare Tax	68,136	67,191	71,659	70,525
Hospitalization	1,208,204	1,290,349	1,380,695	1,454,903
Life Insurance	19,865	18,337	22,284	22,400
Pension Healthcare	127,060	134,821	203,200	232,858
State Pension Plan - Civilian	5,844	32,923	61,231	83,215
Deferred Comp Contribution	340,154	341,781	0	0
Personal Services Adjustment	0	0	(1,976)	(1,976)
TOTAL PERSONAL SERVICES	7,601,773	7,654,515	7,933,317	7,952,766

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	57,034	65,529	72,200	71,700
Communications & Utilities	1,153,436	1,029,586	1,240,800	1,207,400
Transportation	7,704	9,208	19,200	19,200
Rentals	9,842	10,016	18,260	3,260
Contracted Maintenance Repairs	6,459,906	5,731,184	7,530,800	7,221,800
Professional Fees	3,537,112	2,632,194	3,870,500	3,670,000
Other Fees	322,598	342,140	472,000	438,100
Memberships & Registrations	45,015	46,121	60,570	58,570
Miscellaneous Services	18,074,117	18,328,849	18,584,742	19,084,298
Office & General Supplies	12,020	9,878	15,200	13,700
Wearing Apparel & Safety Supplies	29,461	31,930	41,200	37,200
Miscellaneous Parts	307,179	472,201	512,560	543,060
Petroleum & Chemicals	587,212	667,783	1,062,000	877,321
Construction & Repairs	313,404	425,773	428,500	428,500
Supporting Services	2,507,976	2,507,976	3,583,040	3,900,021
Equipment	336,370	432,561	478,500	466,700
Testing and Inspection	4,285	9,114	25,000	15,000
Community Activities	116,889	134,489	160,000	165,000
TOTAL M., S. & E.	33,881,560	32,886,532	38,175,072	38,220,830

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

INTERNAL SERVICES	ACTUAL FY 2012	ACTUAL FY 2013	BUDGET FY 2014	APPROVED FY 2015
Administrative Services	1,335,479	1,741,985	1,607,141	1,872,383
Self-Insurance	788,355	549,811	815,700	829,800
TOTAL INTERNAL SERVICES	2,123,834	2,291,796	2,422,841	2,702,183
<u>DEBT SERVICE</u>				
Amortized Bond Issuance Costs	123,394	136,204	132,024	132,024
Interest Payments	6,070,016	5,829,195	6,074,135	6,399,931
TOTAL DEBT SERVICE	6,193,410	5,965,399	6,206,159	6,531,955
<u>OTHER</u>				
Depreciation	7,361,724	7,685,779	7,361,724	7,685,779
TOTAL OTHER	7,361,724	7,685,779	7,361,724	7,685,779
WATER/SEWER FUND TOTAL	57,162,301	56,484,021	62,099,113	63,093,513

DEPARTMENT: PUBLIC WORKS**FUND: MOTOR VEHICLE**

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY 2012	ACTUAL FY 2013	BUDGET FY 2014	APPROVED FY 2015
Communications & Utilities	42,467	42,854	60,000	60,000
Transportation	35,082	35,529	37,100	14,100
Rentals	15,942	54,643	55,750	55,600
Contracted Maintenance Repairs	509,460	486,360	546,000	546,000
Professional Fees	115,438	99,925	60,000	60,000
Memberships & Registrations	475	1,214	2,500	2,500
Miscellaneous Services	1,766,914	1,811,159	1,966,620	1,878,000
Miscellaneous Parts	92	1,121	6,000	6,000
Petroleum & Chemicals	1,270,474	1,385,975	1,713,000	1,692,000
Fixed Assets	721,672	5,694,033	3,200,000	3,200,000
TOTAL M., S. & E.	4,478,016	9,612,813	7,646,970	7,514,200
 <u>INTERNAL SERVICES</u>				
Administrative Services	133,893	170,589	78,222	80,377
Self-Insurance	155,669	77,774	145,175	148,804
TOTAL INTERNAL SERVICES	289,562	248,363	223,397	229,181
 <u>DEBT SERVICE</u>				
Amortized Bond Issuance Costs	8,960	5,434	1,220	1,220
Interest Payments	274,962	218,170	274,302	274,302
TOTAL DEBT SERVICE	283,922	223,604	275,522	275,522
 <u>OTHER</u>				
Capitalized Expenditures	(721,672)	(5,648,741)	(3,200,000)	(3,200,000)
Depreciation	2,893,828	3,045,149	2,893,828	3,045,151
TOTAL OTHER	2,172,156	(2,603,592)	(306,172)	(154,849)
 MOTOR VEHICLE FUND TOTAL	 7,223,656	 7,481,188	 7,839,717	 7,864,054

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

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY 2012	ACTUAL FY 2013	BUDGET FY 2014	APPROVED FY 2015
Communications & Utilities	1,095,765	874,371	874,166	1,078,857
Contracted Maintenance	0	109,482	0	0
TOTAL M., S. & E.	1,095,765	983,853	874,166	1,078,857
 MUNICIPAL STREET AID TOTAL	 1,095,765	 983,853	 874,166	 1,078,857



DEPARTMENT OF REAL ESTATE & HOUSING

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

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

PRIORITIES FOR FISCAL YEAR 2015

- Fulfill obligatory allocation, expenditure, monitoring and reporting requirements for all Federal funding received
- To increase citizen's participation in the development of the FY2016-FY2021 Consolidated Plan and FY2016 Annual Action Plan.
- Eliminate all A-133 Audit findings
- Aggressively seek additional funding sources and collaborative partnerships to leverage diminishing Federal and local dollars.
- Eliminate impediments to Fair Housing Choice in the City of Wilmington.
- Increase the supply of affordable housing that is decent, safe and sanitary.
- Increase participation in the De-Lead Program for families with children 6 and under.
- Improve advertising and outreach efforts for increased homeowner repair program participation.
- Engage in activities geared toward stabilization and revitalization of neighborhoods.
- Support projects that reduce density in areas of high minority concentration.
- Increase homeownership opportunities through City-sponsored initiatives and collaborative efforts with the WHP, WHA and other non-profit and for-profit developers.
- Address neglected and vacant properties through acquisition, disposition, demolition and rehabilitation.
- To fund programs and projects that provide needed public services to low and moderate income families and neighborhoods such as neighborhood tree planting, senior housing repair, housing counseling, homelessness prevention, youth programs and programs that assist persons living with HIV/AIDS.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF REAL ESTATE & HOUSING

TOTAL ALL FUNDS DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	1,119,697	1,238,236	1,335,617	1,249,418
Materials, Supplies & Equipment	213,178	188,723	162,606	264,436
Internal Services	182,905	197,762	246,354	249,361
Debt Service	828,903	809,380	1,189,142	1,224,341
Special Purpose	2,931,013	1,929,035	2,220,647	2,469,356
TOTAL	5,275,696	4,363,135	5,154,366	5,456,912
STAFFING LEVELS	16.00	15.00	15.00	12.00

GENERAL FUND DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	128,119	190,888	226,338	170,183
Materials, Supplies & Equipment	166,787	159,247	109,880	135,700
Internal Services	182,905	197,762	246,354	249,361
Debt Service	828,903	809,380	1,189,142	1,224,341
TOTAL	1,306,714	1,357,277	1,771,714	1,779,585
STAFFING LEVELS	1.35	1.55	2.48	1.80

COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG) DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	902,635	888,977	987,939	783,157
Materials, Supplies & Equipment	46,391	29,476	52,726	128,736
Special Purpose	1,488,467	1,022,541	1,041,612	1,366,489
TOTAL	2,437,493	1,940,994	2,082,277	2,278,382
STAFFING LEVELS	13.59	11.48	11.25	8.78

HOME PARTNERSHIP FUND DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	65,238	42,862	33,382	40,995
Special Purpose	687,500	132,720	383,594	369,958
TOTAL	752,738	175,582	416,976	410,953
STAFFING LEVELS	0.80	0.49	0.38	0.46

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	20,966	19,466	17,018	16,519
Special Purpose	657,809	609,660	569,515	588,031
TOTAL	678,775	629,126	586,533	604,550
STAFFING LEVELS	0.23	0.20	0.17	0.16

EMERGENCY SHELTER GRANT (ESG) DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	2,739	22,358	14,014	10,326
Special Purpose	97,237	164,114	225,926	144,878
TOTAL	99,976	186,472	239,940	155,204
STAFFING LEVELS	0.03	0.26	0.14	0.10

NEIGHBORHOOD STABILIZATION PROGRAM GRANT (NSP) DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	0	1,070	46,202	72,134
TOTAL	0	1,070	46,202	72,134
STAFFING LEVELS	0.00	0.94	0.50	0.70

DE-LEAD GRANT DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Personal Services	0	72,615	10,724	156,104
TOTAL	0	72,615	10,724	156,104
STAFFING LEVELS	0.00	0.08	0.08	0.00

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

- Personal Services for the Real Estate & Housing Department decreased \$56,155 (24.8%) in the General Fund. Three positions that were split-funded between the General Fund and Special Funds were deleted and four other positions were reallocated between funds, producing a net decrease of .68 FTE.
- MS&E increased \$25,820 (23.5%), mainly due to the \$25,000 increase in Disposition Costs, which was previously reduced by \$50,000 in FY 2014. The Department continues to explore opportunities to lower maintenance and repair expenses for properties not supported by federal grant funding. However, properties that have been acquired by the City have seen an increase in costs to stabilize and comply with life safety codes and directives. Further, multiple and lengthy severe weather conditions throughout FY 2014 also contributed to the rising costs.
- Internal Services grew by \$3,007 primarily related to Data Processing cost increases.
- Debt Service increased \$35,199 as Bond Principal Payments increased \$50,095, but were slightly offset by a \$14,896 reduction in Interest Payments.

CDBG MAJOR FUNDING CHANGES FROM PRIOR YEAR

- The total CDBG budget increased \$196,105, or 9.4% above last year's allocation, supported mainly by a projected increase in program income. Changes to the Personal Service allocations resulted in a decrease of \$204,782. However, MS&E and Special Purpose increased by \$76,010 and \$324,877 respectively.

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

- Collectively, the HOME, HOPWA, and ESG grant funds decreased \$72,742 to a new total of \$1,170,707. Decreases in ESG (\$84,736) and HOME (\$6,023), offset an increase in HOPWA (\$18,017) from FY 2014 to FY 2015.

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

- Changes to NSP Personal Service allocations resulted in a 56% increase of \$25,932 for FY 2015. This is due to the anticipated increase of NSP projects as the grant nears its end.
- De-Lead Personal Service costs increased by \$145,380, as three non-allocated grant employees were brought internally to realign the program to reach the targeted benchmarks. Presently RE&H is on target to accomplish goals mandated by HUD.

DEPARTMENT OF REAL ESTATE AND HOUSING

PERFORMANCE INDICATORS

Goal #1: Administer or fund housing programs to preserve existing occupied housing (including neighboring commercial facades); increase availability of affordable homeownership units through acquisition, rehab and support maintenance and development affordable rental housing.

Objective: Preserve, rehabilitate or construct 237 housing units throughout the City.

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

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Home Repair Loan Program (CDBG/CDBG-R)	62	44	48	34	45
Housing Rehabilitation (State HRLP)	5	0	3	1	0
Acquisition and Rehabilitation for Homeownership	50	27	5	28	12
New Construction Home Ownership	18	11	10	9	59
Rental Housing (CDBG)	0	24	9	11	18
Tax Credit Projects (HOME/CDBG Rental)	35	0	114	0	25
Facade-Residential	65	5	30	1	20
Facade-Commercial	5	0	0	0	0
De-Lead Wilmington Unit Completions	99	0	144	52	58
NSP Housing Assistance Grants	0	0	0	0	0
Total Occupied Rehabs	339	111	363	136	237

*Note: Numbers are based on completed projects with Certificates of Occupancy. Other projects, under development, are not reflected here.

DEPARTMENT OF REAL ESTATE AND HOUSING

PERFORMANCE INDICATORS

Goal #2: Acquire and dispose of vacant properties.

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

Goal #2 corresponds to the City's Strategic Plan, Policy Statement 2-B, 4-C and 4-E on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Vacant Properties Acquired	12	4	6	5	8
Vacant Properties Disposed	10	12	13	21	8
Structures and Lots in the Property Inventory	170	160	153	143	151
Units Demolished	5	2	4	0	4

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

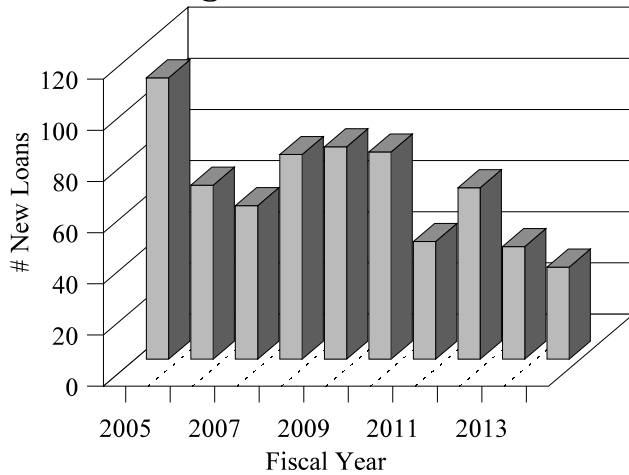
Objective: Administer funding for 32 Homeless and Transitional Housing, Fair Housing and related public service projects.

Goal #3 corresponds to the City's Strategic Plan, Policy Statement 1A, 2B, 4-C and 4-E on page 22.

CRITICAL INDICATOR	FY 2013 PROJECTED	FY 2013 ACTUAL	FY 2014 PROJECTED	FY 2014 ACTUAL	FY 2015 PROJECTED
Homeless/Transitional Housing Grant (CDBG, ESG & HOPWA)	21	21	29	29	28
Fair Housing Grants (CDBG)	2	1	1	3	2
Miscellaneous Public Service and Admin. Projects	2	2	2	2	2
Miscellaneous Public Facilities Projects	2	0	1	1	0
HPRP and TANF Grants	0	0	0	0	0
Total Number of Contracts	27	24	33	35	32

Department of Real Estate and Housing Performance Trends

Housing Rehabilitation Loans



Does not include new construction, homeownership or rental housing loans and grants to developers.

Public Service/Public Facility Grants

(In thousands of dollars)

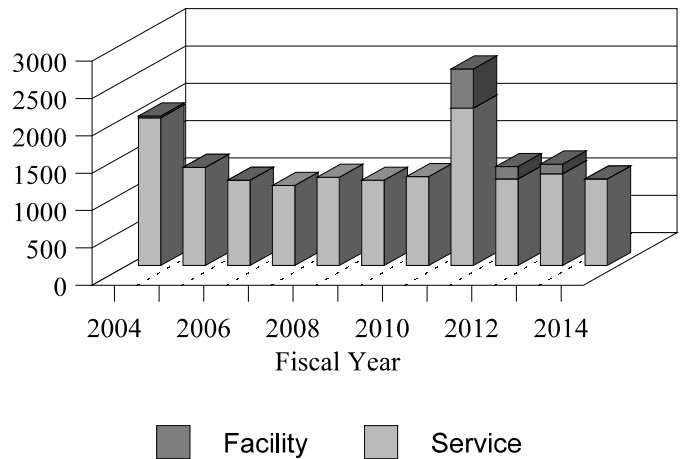
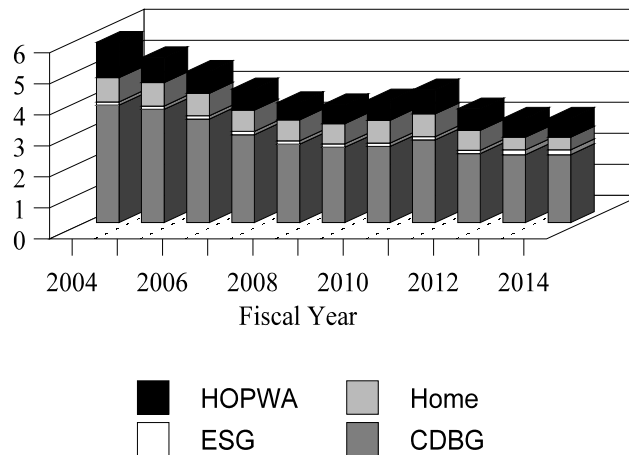


Chart represents federally-funded public services and administration grants.

Federal Funding Levels

(In millions of dollars)



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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: REAL ESTATE & HOUSING

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Regular Salaries	96,906	107,587	156,087	118,169
Sick Leave Bonus	300	0	0	0
Overtime	326	1,319	0	0
Acting Out of Classification	3,277	608	0	0
Pension Contribution	43,971	50,673	17,736	29,293
Social Security	6,151	8,273	9,560	7,239
Medicare Tax	1,439	2,059	2,240	1,691
Hospitalization	(28,039)	16,016	38,806	17,662
Life Insurance	340	734	596	432
Pension Healthcare	2,339	3,210	4,960	4,093
State Pension Plan - Civilian	1,109	409	4,960	211
Personal Services Adjustment	0	0	(8,607)	(8,607)
TOTAL PERSONAL SERVICES	128,119	190,888	226,338	170,183
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	1,148	1,910	1,000	2,000
Printing & Advertising	2,045	2,694	2,880	2,700
Miscellaneous Services	4,596	4,555	6,000	6,000
Equipment	449	380	0	0
Community Activities	158,549	149,708	100,000	125,000
TOTAL M., S. & E	166,787	159,247	109,880	135,700
 <u>INTERNAL SERVICES</u>				
Administrative Services	181,040	196,484	244,417	247,390
Self-Insurance	1,865	1,278	1,937	1,971
TOTAL INTERNAL SERVICES	182,905	197,762	246,354	249,361
 <u>DEBT SERVICE</u>				
Principal Payments	346,434	375,787	745,442	795,537
Interest Payments	482,469	433,593	443,700	428,804
TOTAL DEBT SERVICE	828,903	809,380	1,189,142	1,224,341
 GENERAL FUND TOTAL				
	1,306,714	1,357,277	1,771,714	1,779,585

DEPARTMENT: REAL ESTATE & HOUSING**FUND: CDBG**

	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
PERSONAL SERVICES				
Regular Salaries	602,437	600,282	639,655	498,799
Temporary Salaries	7,384	(248)	10,000	0
Pension Contribution	101,765	99,551	119,065	115,770
Social Security	37,263	37,225	39,064	30,431
Medicare Tax	8,714	8,695	9,135	7,119
Hospitalization	126,072	122,327	137,397	104,954
Life Insurance	2,579	3,463	2,681	2,108
Pension Healthcare	16,421	17,682	22,500	19,975
State Pension Plan - Civilian	0	0	8,442	4,001
TOTAL PERSONAL SERVICES	902,635	888,977	987,939	783,157
 MATERIALS, SUPPLIES & EQUIPMENT				
Printing & Advertising	2,616	1,563	4,450	3,950
Communications & Utilities	0	62	226	500
Transportation	5,765	568	7,900	8,000
Rentals	72	0	0	0
Professional Fees	15,164	9,459	20,000	62,500
Other Fees	766	0	1,000	750
Memberships & Registrations	4,327	2,865	3,200	9,500
Miscellaneous Services	9,229	0	7,200	31,786
Office & General Supplies	1,503	2,431	2,550	2,750
Wearing Apparel & Safety	6,796	5,117	5,000	5,000
Equipment	153	7,411	1,200	4,000
TOTAL M., S. & E.	46,391	29,476	52,726	128,736
 SPECIAL PURPOSE				
Grants & Fixed Charges	1,488,467	1,022,541	1,041,612	1,366,489
TOTAL SPECIAL PURPOSE	1,488,467	1,022,541	1,041,612	1,366,489
 CDBG FUND TOTAL	2,437,493	1,940,994	2,082,277	2,278,382

DEPARTMENT: REAL ESTATE & HOUSING

FUND: CDBG

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Property Repair Program			417,552	250,000
Disposition & Property Management			139,372	59,802
Residential Facade Program			146,986	125,000
Lead Hazard Reduction Program			0	250,000
Ingleside Housing Project			0	50,000
Delaware Center for Horticulture Street Trees			0	70,000
Miscellaneous Housing Projects			53,602	223,187
YWCA Delaware			57,500	45,200
DE Community Reinvestment Action Council			7,705	10,000
Neighborhood House, Inc			15,000	11,000
West End Neighborhood House			22,500	43,000
Challenge Program			35,000	35,000
Salvation Army			5,000	5,000
Catholic Charities-Bayard House			15,000	11,000
Lutheran Community Services			32,500	26,000
Catholic Charities			0	16,696
Fair Housing			5,000	10,000
CHILD, Inc.			20,000	15,000
Interfaith Comm Housing-Freedom Arts Project			7,500	0
Interfaith - Homeownership Center			0	9,000
Interfaith Comm Housing-Youth Ambassador			5,000	0
Ministry of Caring/Hope House I			0	11,000
WEDCO Loan Collections			6,000	5,500
YMCA			22,500	27,000
Delaware Center for Justice			0	14,000
Christiana Cultural Arts Center Inc.			30,000	15,000
Duffy's Hope, Inc.			7,500	0
STEHM, Inc.			4,500	4,500
Tech Impact - IT Works Technology			0	17,000
Latin American Community Center			0	6,930
Budget Control Reduction			(14,105)	674
FY2012 Expenditures	1,488,467		0	0
FY2013 Expenditures		1,022,541	0	0
TOTAL GRANTS & FIXED CHARGES	1,488,467	1,022,541	1,041,612	1,366,489

DEPARTMENT: REAL ESTATE & HOUSING

FUND: HOME PARTNERSHIP

PERSONAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Regular Salaries	45,789	30,110	22,699	27,118
Pension Contribution	7,680	5,151	4,880	6,834
Social Security	2,790	1,866	1,338	1,622
Medicare Tax	652	436	313	379
Hospitalization	6,896	4,240	3,301	3,885
Life Insurance	1,245	884	760	1,047
Pension Healthcare	186	175	91	110
TOTAL PERSONAL SERVICES	65,238	42,862	33,382	40,995
 <u>SPECIAL PURPOSE</u>				
Grants & Fixed Charges	687,500	132,720	383,594	369,958
TOTAL SPECIAL PURPOSE	687,500	132,720	383,594	369,958
 HOME PARTNERSHIP FUND TOTAL				
	752,738	175,582	416,976	410,953

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
CHDO Set-aside			56,846	65,462
HOME Proposed Housing Projects			322,173	327,308
Budget Control Set-Aside			4,575	(22,812)
FY2012 Expenditures	687,500		0	0
FY2013 Expenditures		132,720	0	0
TOTAL GRANTS & FIXED CHARGES	687,500	132,720	383,594	369,958

DEPARTMENT: REAL ESTATE & HOUSING

FUND: HOPWA

PERSONAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Regular Salaries	13,172	12,023	10,191	9,745
Pension Contribution	2,215	2,099	2,191	2,456
Social Security	801	745	619	592
Medicare Tax	187	174	145	139
Hospitalization	4,183	4,003	3,491	3,185
Life Insurance	54	70	41	38
Pension Healthcare	354	352	340	364
TOTAL PERSONAL SERVICES	20,966	19,466	17,018	16,519
 <u>SPECIAL PURPOSE</u>				
Grants & Fixed Charges	657,809	609,660	569,515	588,031
TOTAL SPECIAL PURPOSE	657,809	609,660	569,515	588,031
 HOPWA FUND TOTAL				
	678,775	629,126	586,533	604,550

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Delaware HIV Services, Inc.			487,048	490,706
Ministry of Caring-House of Joseph II			32,000	39,000
Catholic Charities			0	19,000
Connections Community Support Program			25,000	29,000
Cecil County Emergency Housing			25,000	33,743
Budget Control Set-Aside			467	(23,418)
FY2012 Expenditures	657,809		0	0
FY2013 Expenditures		609,660	0	0
TOTAL GRANTS & FIXED CHARGES	657,809	609,660	569,515	588,031

DEPARTMENT: REAL ESTATE & HOUSING**FUND: EMERGENCY SHELTER GRANT**

PERSONAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Regular Salaries	1,719	13,786	8,392	6,091
Pension Contribution	291	2,448	1,804	1,535
Social Security	105	855	510	370
Medicare Tax	24	200	119	87
Hospitalization	547	4,586	2,875	1,991
Life Insurance	7	80	0	24
Pension Healthcare	46	403	34	228
Deferred Comp Contribution	0	0	280	0
TOTAL PERSONAL SERVICES	2,739	22,358	14,014	10,326
 SPECIAL PURPOSE				
Grants & Fixed Charges	97,237	164,114	225,926	144,878
TOTAL SPECIAL PURPOSE	97,237	164,114	225,926	144,878
 EMERGENCY SHELTER GRANT				
FUND TOTAL	99,976	186,472	239,940	155,204

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Connections Comm Support Program			60,021	25,405
Family Promise			0	25,000
Homeless Planning Council of DE, Inc.			30,000	15,000
Ministry of Caring/Hope I, II and III			30,000	40,000
The Salvation Army			41,564	33,707
YWCA Delaware-Rapid Re-Housing			55,000	25,400
Budget Control Set-Aside			9,341	(19,634)
FY2012 Expenditures	97,237		0	0
FY2013 Expenditures		164,114	0	0
TOTAL GRANTS & FIXED CHARGES	97,237	164,114	225,926	144,878

DEPARTMENT: REAL ESTATE & HOUSING FUND: NEIGHBORHOOD STABILIZATION PROGRAM

PERSONAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Regular Salaries	0	12,589	29,672	41,203
Temporary Salaries	0	(18,367)	0	0
Pension Contribution	0	5,134	7,098	12,143
Social Security	0	(67)	1,826	2,506
Medicare Tax	0	(16)	426	587
Hospitalization	0	819	6,060	13,934
Life Insurance	0	(30)	120	168
Pension Healthcare	0	1,008	1,000	1,593
TOTAL PERSONAL SERVICES	0	1,070	46,202	72,134
 NEIGHBORHOOD STABILIZATION PROGRAM FUND TOTAL	 0	 1,070	 46,202	 72,134

DEPARTMENT: REAL ESTATE & HOUSING

FUND: DE-LEAD

PERSONAL SERVICES	ACTUAL FY2012	ACTUAL FY2013	BUDGET FY2014	APPROVED FY2015
Regular Salaries	0	6,187	7,786	0
Temporary Salaries	0	55,421	0	132,080
Pension Contribution	0	182	0	0
Social Security	0	3,752	481	8,278
Medicare Tax	0	877	112	1,706
Hospitalization	0	6,136	1,651	14,040
Life Insurance	0	28	19	0
State Pension Plan - Civilian	0	0	515	0
Pension Healthcare	0	32	160	0
TOTAL PERSONAL SERVICES	0	72,615	10,724	156,104
 DE-LEAD GRANT FUND TOTAL	 0	 72,615	 10,724	 156,104

DEPARTMENT OF COMMERCE

Prior to its restructuring in 1995, the Department of Commerce promoted and developed commerce and industry within the City of Wilmington along with managing and marketing the Port of Wilmington as a self-sufficient business entity. Although the Port was profitable, the City could no longer afford the infrastructure improvements necessary to maintain its competitiveness and profitability. Consequently, the City successfully negotiated a sale of the Port which placed it under the auspices of the State of Delaware, effective September 1, 1995. By agreement, the City retained the debt of the previous existing Commerce Fund, but it was reimbursed for both principle and interest by the State along with a “mortgage” payment based on a 30-year amortization of the sale price.

Then, in February of 2002, the Port and City entered into another agreement, whereby a lump sum payment of \$8 million was given to the City by the state Transportation fund as final consideration and in lieu of all future outstanding payments due to the City as a result of the Fiscal Year 1996 sale. As a result, all future annual mortgage payments by the Port were wiped out and all future annual amortized gain figures were recalculated and then re-amortized from Fiscal Year 2002 to Fiscal Year 2005. However, the reimbursement of debt was not affected by this new agreement.

In FY 2009 the remaining balance of the commerce fund was depleted. As a result, beginning in FY 2010 all Port debt service and reimbursement revenue from the State were budgeted into the General Fund.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF COMMERCE

TOTAL ALL FUNDS	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF COMMERCE	FY2012	FY2013	FY2014	FY2015
Debt Service	2,096,986	1,260,047	880,402	1,343,566
TOTAL	2,096,986	1,260,047	880,402	1,343,566
STAFFING LEVELS	0.00	0.00	0.00	0.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF COMMERCE	FY2012	FY2013	FY2014	FY2015
Debt Service	2,096,986	1,260,047	880,402	1,343,566
TOTAL	2,096,986	1,260,047	880,402	1,343,566
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	FY2012	FY2013	FY2014	FY2015
Principal Payments	1,653,963	868,066	587,592	1,013,134
Interest Payments	443,023	391,981	292,810	330,432
TOTAL DEBT SERVICE	2,096,986	1,260,047	880,402	1,343,566
 GENERAL FUND TOTAL	 2,096,986	 1,260,047	 880,402	 1,343,566

THE FY 2014 - FY 2019 CAPITAL IMPROVEMENTS PROGRAM

I. Introduction

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

The Capital Improvements Program and Budget provide a schedule of expenditures to develop and improve the public facilities necessary to serve those who live and work in Wilmington. The projects reflect the physical development policies of the City, such as Comprehensive Development Plans, Urban Renewal Plans, etc. This document describes the development of a Capital Program; the statutory basis for the preparation of the Capital Program; and an explanation of the capital projects proposed for the FY 2014 - FY 2019 period.

II. A Guide to the Capital Improvements Program

A. Development of a Capital Program

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

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

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

B. Nature of a Capital Project

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

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

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

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

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

1. Fiscal Borrowing Limit

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

2. Self-Sustaining Projects

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

3. Bond Life

The City generally limits its borrowing term to 20 years for all tax supported and revenue obligations. However, under special circumstances, 5-year and 10-year borrowing terms can, and have been used.

D. Expenditure Analysis

Capital spending projects generally are within the following four categories:

1. New Service

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

2. New Replacing Existing

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

3. Upgrading Existing

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

4. Restoring Existing

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

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

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

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

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

E. Method of Funding

1. City Obligations

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

2. Federal and State Funds

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

3. Unused Capital Funds

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

F. Capital Funding Proposed for FY 2014 - FY 2019

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

G. Impact of Capital Spending on the Operating Budget

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

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

Estimated Annual Impact of Capital Spending on the Operating Budget

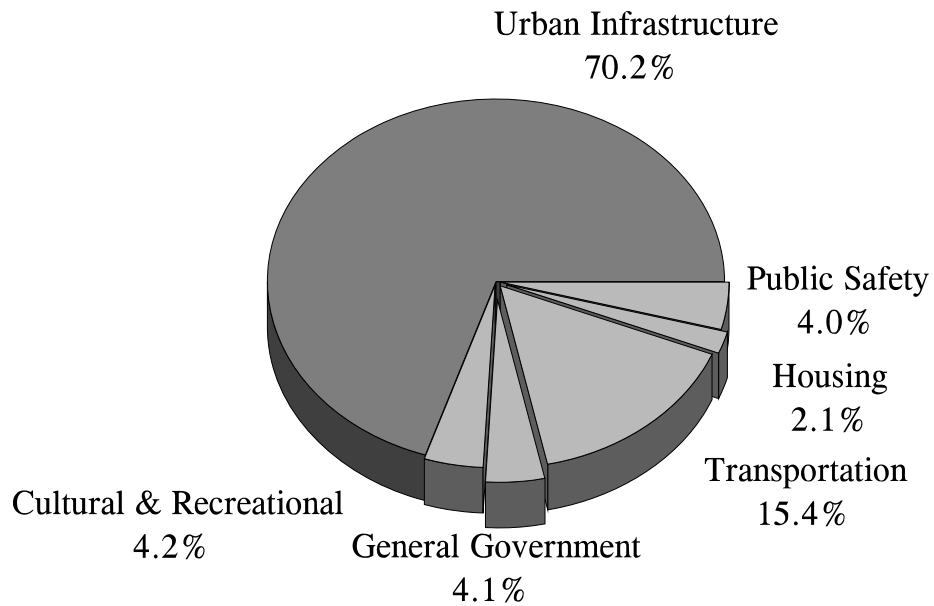
Department	Fund	Debt Service*	Personal Services	M. S. & E.	Total
Finance	General	\$37,415	\$0	\$0	\$37,415
	Water/Sewer	42,413	0	0	42,413
Fire	General	143,640	0	(5,000)	138,640
Mayor's Office	General	18,742	0	0	18,742
Parks & Recreation	General	194,598	0	0	194,598
Planning	General	54,720	0	0	54,720
Police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

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

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

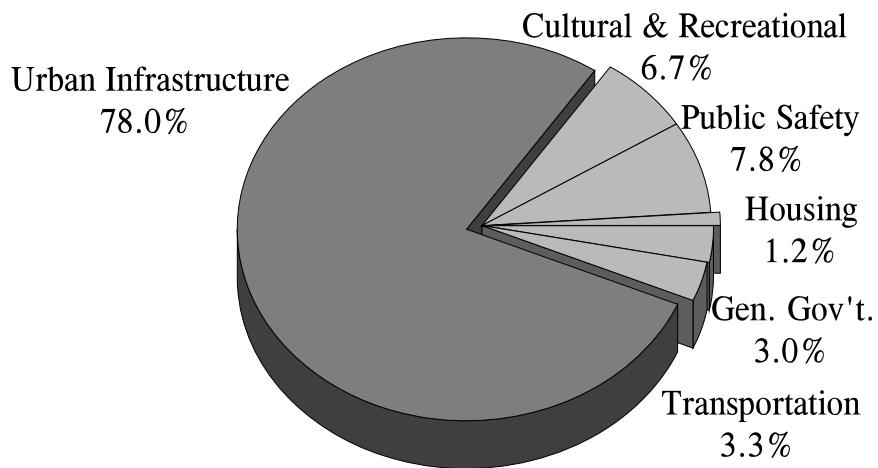
Capital Budget Allocations

Fiscal Years 2014-2015



Capital Program Allocations

Fiscal Years 2016-2018



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

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

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

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

SUMMARY: TOTAL FUNDS RECOMMENDED BY EXPENDITURE TYPE

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

Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 229-230)

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

FINANCE DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR									
TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD	
	2014	2015	2016	2017	2018	2019			
Cost of Bond Issue (General Fund)	G	547	0	1,080	0	663	0	2,290	2,290
Cost of Bond Issue (Water/Sewer Fund)	W	1,305	0	1,464	0	1,074	0	3,843	3,843
TOTAL BY FUND									
	G	547	0	1,080	0	663	0	2,290	2,290
	W	1,305	0	1,464	0	1,074	0	3,843	3,843
TOTAL FINANCE FUNDS		1,852	0	2,544	0	1,737	0	6,133	6,133

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

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

FIRE DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2014	2015	2016	2017	2018	2019		
Apparatus Replacement	NR	G	1,100	0	6,575	0	600	0	8,275
Fire Station Renovations	RE	G	1,000	0	4,250	0	0	0	5,250
TOTAL BY FUND		G	2,100	0	10,825	0	600	0	13,525
TOTAL FIRE FUNDS			2,100	0	10,825	0	600	0	13,525

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 229-230)

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

OFFICE OF THE MAYOR: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	Type of Funding	FISCAL YEARS					TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2014	2015	2016	2017	2018		
Five Percent For Art	NS G	274	0	0	0	0	274	274
TOTAL BY FUND	G	274	0	0	0	0	274	274
TOTAL MAYOR'S OFFICE FUNDS		274	0	0	0	0	274	274

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 229-230)

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

PARKS & RECREATION DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

	Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
			2014	2015	2016	2017	2018	2019		
Playground Improvements	UE	G	755	0	885	0	1,050	0	2,690	2,690
	UE	O	150	0	150	0	175	0	0	475
Athletic Court Renovations	RE	G	300	0	510	0	540	0	1,350	1,350
Monument Site Restorations	UE	G	165	0	220	0	275	0	660	660
Canby Pool Renovations	RE	G	0	0	2,000	0	0	0	2,000	2,000
Anderson Community Center Improvements	UE	G	330	0	385	0	440	0	1,155	1,155
Park Fencing Improvements	UE	G	330	0	385	0	440	0	1,155	1,155
County Park Improvements	RE	G	330	0	385	0	440	0	1,155	1,155
Park Signage	UE	G	30	0	30	0	30	0	90	90
Plazas & Triangles Renovations	RE	G	275	0	330	0	385	0	990	990
Decorative Fountain Restoration	NS	G	330	0	385	0	440	0	1,155	1,155
TOTAL BY FUND		G	2,845	0	5,515	0	4,040	0	12,400	12,400
		O	150	0	150	0	175	0	0	475
TOTAL PARKS AND RECREATION FUNDS			2,995	0	5,665	0	4,215	0	12,400	12,875

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 229-230)

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

PLANNING DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR										
Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	2019	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2014	2015	2016	2017	2018	2019			
NPC Infrastructure Support	UE G	800	0	0	0	0	0	800	0	800
TOTAL BY FUND	G	800	0	0	0	0	0	800	0	800
TOTAL POLICE FUNDS		800	0	0	0	0	0	800	0	800

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 229-230)

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

POLICE DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR										
Exp. Cat.	Type of Funding	<u>FISCAL YEARS</u>					<u>TOTAL CITY FUNDS 6 YEAR PERIOD</u>		<u>TOTAL LOCAL AND MATCHING 6 YEAR PERIOD</u>	
		2014	2015	2016	2017	2018	2019	2019	2019	2019
Public Safety Bldg. Improvements	UE G	750	0	0	0	0	0	0	750	750
TOTAL BY FUND	G	750	0	0	0	0	0	0	750	750
TOTAL POLICE FUNDS		750	0	0	0	0	0	0	750	750

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 229-230)

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

PUBLIC WORKS DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR											
Exp. Cat.	Type of Funding	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD		TOTAL LOCAL AND MATCHING 6 YEAR PERIOD	
		2014	2015	2016	2017	2018	2019				
Street Paving & Reconstruction	RE G	4,000	0	13,000	0	13,000	0	30,000		30,000	
Emergency Sidewalk Renovations	RE G	400	0	200	0	200	0	800		800	
Curb Ramp & Crosswalk Reconstruction	UE G	500	0	500	0	500	0	1,500		1,500	
Building Improvements	RE G	2,000	0	2,000	0	1,000	0	5,000		5,000	
Major Sewer Improvements	RE W	4,000	0	4,000	0	4,000	0	12,000		12,000	
Annual Minor Sewer Improvements	UE W	1,500	0	1,500	0	1,500	0	4,500		4,500	
Stormwater Drainage Projects	UE W	1,800	0	1,800	0	1,800	0	5,400		5,400	
Sewer Separation Projects/Flow Monitoring	NS W	3,500	0	2,000	0	2,000	0	7,500		7,500	
South Wilmington Wetlands Park	UE W	4,500	0	2,000	0	2,000	0	8,500		8,500	
Interceptor BA Reconstruction/Upgrade	RE W	0	0	5,000	0	0	0	5,000		5,000	
Urban Forest Management Program	NS W	500	0	500	0	500	0	1,500		1,500	
Storm Water Mitigation	UE W	1,000	0	2,000	0	2,000	0	5,000		5,000	
Porter Filter Plant Improvements	RE W	2,000	0	2,000	0	2,000	0	6,000		6,000	
Pumping Station Improvements	UE W	2,000	0	2,000	0	2,000	0	6,000		6,000	
Raw Water Distribution Improvements	RE W	3,000	0	3,000	0	3,000	0	9,000		9,000	
Pressure Zone Reliability Improvements	UE W	2,000	0	0	0	0	0	2,000		2,000	
Annual Water Improvements	RE W	5,000	0	5,000	0	5,000	0	15,000		15,000	

continued

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

PUBLIC WORKS DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	Type of Funding	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2014	2015	2016	2017	2018	2019		
Architectural Improvements	UE W	1,000	0	1,000	0	1,000	0	3,000	3,000
Transmission Main Improvements	UE W	4,000	0	4,000	0	4,000	0	12,000	12,000
Hoopes Dam	UE W	2,500	0	2,500	0	2,500	0	7,500	7,500
Brandywine Filter Plant Improvements	UE W	2,500	0	2,500	0	2,500	0	7,500	7,500
Rodney Reservoir	RE W	1,000	0	0	0	0	0	1,000	1,000
WWTP Electric & Gas Feed Upgrades	UE W	1,700	0	0	0	0	0	1,700	1,700
11th St. Pumping Station Upgrade	UE W	0	0	8,000	0	0	0	8,000	8,000
TOTAL BY FUND									
	G	6,900	0	15,700	0	14,700	0	37,300	37,300
	W	43,500	0	48,800	0	35,800	0	128,100	128,100
TOTAL PUBLIC WORKS FUNDS		50,400	0	64,500	0	50,500	0	165,400	165,400

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 229-230)

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

REAL ESTATE & HOUSING DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	Type of Funding	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2014	2015	2016	2017	2018	2019		
Acquisition & Demolition	NS G	1,000	0	1,000	0	300	0	2,300	2,300
Infrastructure Improvements	UE G	500	0	500	0	0	0	1,000	1,000
TOTAL BY FUND	G	1,500	0	1,500	0	300	0	3,300	3,300
TOTAL REAL ESTATE & HOUSING FUNDS		1,500	0	1,500	0	300	0	3,300	3,300

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 229-230)

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

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

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 229-230)

III. CAPITAL PROJECT DESCRIPTIONS - FISCAL YEARS 2014 - 2019

A. DEPARTMENT OF FINANCE

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

B. FIRE DEPARTMENT

1. Apparatus Replacement

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

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

Program: Ongoing.

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

2. Station Renovations

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

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

Program: Ongoing.

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

C. OFFICE OF THE MAYOR

1. Five Percent for Art

Budget Request: \$274,000.

Program Request: \$0.

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

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

Annual Debt Service Impact \$18,742

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

D. PARKS AND RECREATION

1. Playground Improvements

Budget Request: \$755,000. (Other Funds: \$150,000)

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

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

Program: Ongoing.

Annual Debt Service Impact \$51,642

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

2. Athletic Court Renovations

Budget Request: \$300,000.

Program Request: \$1,050,000.

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

Program: Ongoing.

Annual Debt Service Impact \$20,520

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

3. Monument Site Restorations

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

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

Program: Ongoing.

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

4. Canby Pool Renovations

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

Budget: None.

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

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

5. Anderson Community Center Improvements

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

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

Program: Ongoing.

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

6. Park Fencing Improvements

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

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

Program: Ongoing.

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

7. County Park Improvements

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

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

Program: Ongoing.

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

8. Park Signage

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

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

Program: Ongoing.

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

9. Plazas & Triangles Renovations

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

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

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$18,810</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

10. Decorative Fountain Restoration

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

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

Program: Ongoing.

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

E. PLANNING DEPARTMENT

1. Neighborhood Planning Council Infrastructure Support

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

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

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$54,720</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

F. POLICE DEPARTMENT

1. Public Safety Building Improvements

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

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

Program: None.

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

G. PUBLIC WORKS DEPARTMENT

General Fund Projects

1. Street Paving and Reconstruction

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

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

Program: Ongoing.

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

2. Emergency Sidewalk Renovations

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

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

Program: Ongoing.

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

3. Curb Ramp & Crosswalk Reconstruction

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

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

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$34,200</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

4. Building Improvements

Budget Request: \$2,000,000.
Program Request: \$3,000,000.

Budget: This program funds renovations and additions to the City/County Building and various other municipal buildings as needed.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$136,800</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

Water/Sewer Fund Projects

1. Major Sewer Improvements

Budget Request: \$4,000,000.

Program Request: \$8,000,000.

Budget: This program funds the reconstruction and stabilization of major brick sewers citywide, including Prices Run, Shipley Run and Rattlesnake Run.

Program: Ongoing.

Annual Debt Service Impact \$130,000

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

2. Annual Minor Sewer Improvements

Budget Request: \$1,500,000.

Program Request: \$3,000,000.

Budget: This program funds the rehabilitation of small diameter sewers and other projects citywide as identified through closed circuit TV inspection and modeling efforts.

Program: Ongoing.

Annual Debt Service Impact \$48,750

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

3. Storm Water Drainage Projects

Budget Request: \$1,800,000.

Program Request: \$3,600,000.

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

Program: Ongoing.

Annual Debt Service Impact \$58,500

Annual Operational Impact Personal Services \$0

Annual Operational Impact M. S. & E. \$0

4. Sewer Separation Projects / Flow Monitoring

Budget Request: \$3,500,000.
Program Request: \$4,000,000.

Budget: This program funds the partial separation of combined sewers at Wilmington Hospital, in Southbridge, and at various locations including Kentmere Parkway/Union Street and 14th/Orange Streets. Funds are also provided for additional ongoing flow monitoring and mitigation efforts, to reduce overflow events.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$113,750</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

5. South Wilmington Wetlands Park

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

Budget: This program funds the creation of a storm water mitigation wetland area in South Wilmington. Storm water management improvements, including flood storage and drainage upgrades, will be addressed through land acquisition, planning, design and initial phase implementation of the wetlands restoration project.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$146,250</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

6. Interceptor BA Reconstruction /Upgrade

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

Budget: None.

Program: This program funds reconstruction and upgrades to the interceptor BA to manage system flows and to mitigate combined sewer overflows (CSOs) in the area of Bancroft Mills to Rattlesnake Run, which has collapsed and is nonfunctional.

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

7. Urban Forest Management Program

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

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

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$16,250</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

8. Storm Water Mitigation

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

Budget: This program funds green infrastructure implementation projects to mitigate CSOs through citywide source control of storm water, and within the CSO 4a drainage area. Matching funds are also provided for storm water mitigation at the Ed Oliver Golf Course.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$32,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

9. Porter Filter Plant Improvements

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

Budget: This program funds the rehabilitation of the 100 year old Porter Reservoir and Clear Well, including replacement of chemical feed systems, upgrades to clarifiers, and other improvements to provide top-quality, safe drinking water.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$65,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

10. Pumping Station Improvements

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

Budget: This program funds upgrades to pumps and electrical components at various pumping stations, including the Wills and Hoopes stations, to maintain water service.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$65,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

11. Raw Water Distribution Improvements

Budget Request: \$3,000,000.
Program Request: \$6,000,000.

Budget: This program funds the rehabilitation of the 100 year old 42" raw water transmission main between the Brandywine Pumping Station and Porter Filter Plant.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$97,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

12. Pressure Zone Reliability Improvements

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

Budget: This program provides funds to establish secondary water feeds to all water service zones to improve the reliability of service through redundant feeds which facilitate water storage and distribution maintenance.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$65,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

13. Annual Water Improvements

Budget Request: \$5,000,000.
Program Request: \$10,000,000.

Budget: This program funds the annual cleaning and lining of water mains, new and replacement mains, service line renewal, the valve/hydrant maintenance program, and the purchase of all appurtenances (hydrants, valves, etc.) necessary to improve water quality, pressure and fire flows, as well as to maintain the distribution system, to improve citywide service.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$162,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

14. Architectural Improvements

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

Budget: This program funds architectural repairs, restoration and stabilization of historic structures at the 100 year old Brandywine Complex, and includes the finished water pump room ceiling, cornice elements at the Head House, and wall restoration in the Boiler Room.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$32,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

15. Transmission Main Improvements

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

Budget: This program funds transmission capacity improvements throughout the water system, including the elimination of the West Street Dam and installation of a new transmission main for redundant water flow into the western half of the City's High Service Zone.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$130,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

16. Hoopes Dam

Budget Request: \$2,500,000.
Program Request: \$5,000,000.

Budget: This program funds improvements to Hoopes Dam, including construction of a functional outlet/drain piping system, improvements to sluice gates and valves, and concrete/mechanical improvements to address the overall safety and function of the Dam.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$81,250</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

17. Brandywine Filter Plant Improvements

Budget Request: \$2,500,000.
Program Request: \$5,000,000.

Budget: This program funds plant upgrades including hydraulic, structural mechanical and aesthetic improvements to the Head Works at the Brandywine Filter Plant.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$81,250</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

18. Rodney Reservoir

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

Budget: This program funds the demolition of Rodney Reservoir, which is non-functional due to significant structural deficiencies, by removing the roof and filling in the reservoir to create a green space.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$32,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

19. WWTP Electric & Gas Feed Upgrades

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

Budget: This program funds necessary upgrades at the Waste Water Treatment Plant at 12th Street and Hay Road to increase the reliability of the electric feeds and to provide a natural gas feed to increase energy efficiency, which will bring the Plant into compliance with DNREC requirements.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$55,250</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>(\$10,000)</i>

20. 11th Street Pumping Station Upgrade

Budget Request: \$0.
Program Request: \$8,000,000.

Budget: None.

Program: This program funds upgrades to the 11th Street Pumping Station to increase capacity and assist with CSO mitigation.

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

H. REAL ESTATE AND HOUSING

1. Acquisition and Demolition

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

Budget: This program funds the purchase of vacant land and/or structures, and related demolition costs, for future development or neighborhood stabilization efforts.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$68,400</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

2. Infrastructure Improvements

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

Budget: This program funds the preliminary design, engineering and construction of infrastructure improvements, and includes infrastructure upgrades for the future redevelopment of the City-owned Diamond Salvage site.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$34,200</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

I. TRANSPORTATION

1. Traffic System Infrastructure

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

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

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$37,620</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

2. Wilmington Transportation Initiatives

Budget Request: \$2,500,000. (Other Funds: \$8,000,000.)
Program Request: \$4,000,000.

Budget: This program provides local matching funds for Wilmapco TIP projects, Transportation Enhancement projects, and legislator-sponsored projects, which in turn leverage federal project funding. The program also funds the implementation of adaptive signal controls and the installation of pedestrian ADA curb ramps.

Program: Ongoing.

<i>Annual Debt Service Impact</i>	<i>\$171,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

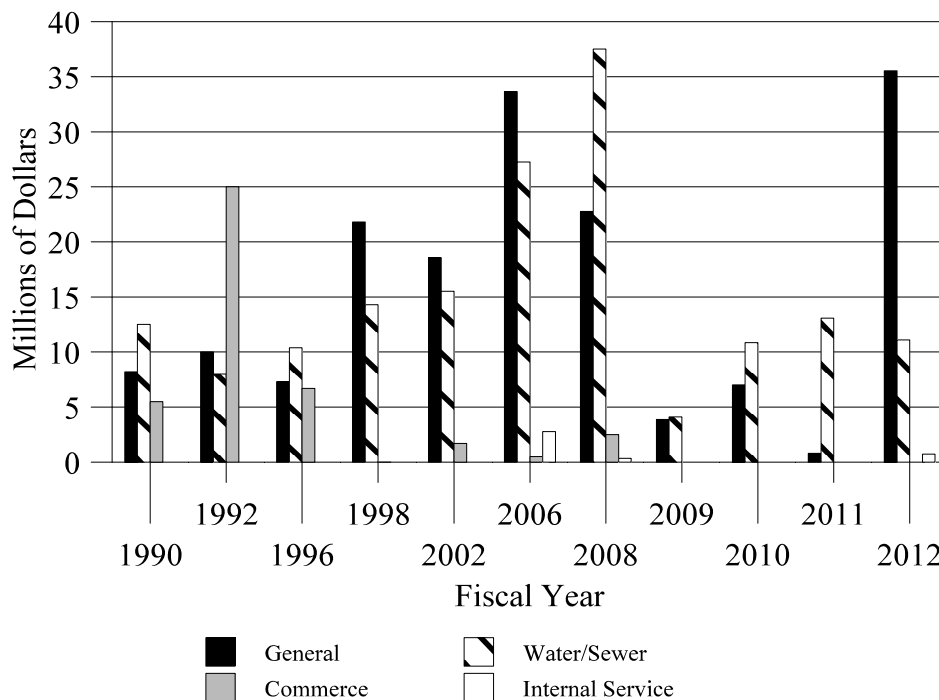
CAPITAL BORROWING AND DEBT MANAGEMENT

Borrowing History

The graph below illustrates the City's actual bond market participation for the fiscal years beginning with 1990 and ending in 2012. Amounts shown were borrowed for capital projects within the stated fund. In fiscal years 1994, 2002, 2005, 2007, 2008, 2010, 2012, and 2013 the City issued bonds to refinance past obligations at lower interest rates. Those refinancings are not included in the graph. (In 2008 and 2010, the City issued bonds for both refunding and new projects; only the new projects portion is show below.) In fiscal years 1991, 1993, 1995, 1997, 1999, 2000, 2001, 2003 and 2004, the City did not have any bond issuances.

The City's aggressive position in maintaining its infrastructure results in debt levels and debt servicing requirements slightly higher than peer groups. Overall debt levels have risen due to the expanded servicing area of the Water/Sewer Fund, numerous capital improvements, and the past operations of the Port of Wilmington. However, debt service levels are well within the legal debt limit of 17.5% of operating costs as mandated by the State of Delaware. (This State limit applies only to General Fund debt, not debt found in the Water/Sewer, Commerce, or Internal Service Funds.) With the Fiscal Year 2014 General Fund Operating Budget totaling \$150,039,645, the budgeted debt service of \$13,245,326 is well below the 17.5% legal debt limit of \$26,256,938.

20-Year Historical General Obligation Borrowing



CAPITAL BORROWING AND DEBT MANAGEMENT (Continued)

Uses of Debt Obligations

The City of Wilmington issues debt in order to fund its biennial Capital Improvements Program. Specific initiatives have contributed to the fluctuations both in the aggregate debt and within specific funds, with recent years' larger increases reflecting the City's expanded efforts. For instance, from Fiscal Year 1990, funding for the Water/Sewer Fund increased as a result of major enhancements to the wastewater treatment facility. In 1998, the General Fund increased due to emphasis on economic and housing development of the downtown business district. In 2002, the rise in both the General and Water/Sewer Funds resulted, in large part, from an accelerated infrastructure maintenance schedule that attempted to reverse previous years of funding neglect for streets, parks, water facilities, water mains and sewer lines. The borrowing during 2006 and 2008 reflected similar goals, with increases in the General and Water/Sewer Funds resulting from a variety of capital improvements, including Christina Landing development; construction of the new Municipal Complex which serves both the Parks and Public Works departments; and ongoing repairs and upgrades to the City's water and sewer infrastructure, facilities, and reservoirs.

Because the City deferred issuing new debt for the majority of its capital improvements program during fiscal years 2009, 2010 and 2011, new borrowing was significantly less than in prior years, but did include a small number of Water/Sewer projects, as well as portion of the Market Street redevelopment project. In FY 2012, an in-depth analysis of the City's most pressing capital needs resulted in a consolidated and more efficiently sized Capital Budget. The bond issuance to fund the FY 2012 Capital Budget took place in November 2012.

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

Debt Management Policies

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

CAPITAL BORROWING AND DEBT MANAGEMENT

(Continued)

The City's debt management is executed by a team of financial specialists that includes the City Treasurer, Budget Director, and Finance Director, along with support from outside financial and legal specialists that form the City's Bond Council.

The bulk of the City's Capital Improvement Program has traditionally been funded through general obligation bonds issued by the City and repaid out of the appropriate departmental operating budgets over a 20 year period, though 5 to 10 year bonds have been issued in special circumstances. Normally, general obligation bonds are issued for fixed asset purchases, infrastructure maintenance, and capital improvement projects. The City also uses short-term obligations (e.g. bond anticipation notes, capital leases, etc.) to bridge the time gap between initiation of a project/purchase and the anticipated bond issuance, when the nature of a purchase precludes the issuance of long-term debt, or when it is fiscally responsible to do so.

Per City Code, long-term debt cannot be issued for operating expenses. With City Council approval, the City may in special cases issue short-term tax anticipation notes in order to bridge timing gaps in cash flow from tax revenue sources.

Prior to the issuance of any short or long-term obligations, the City considers the effect of borrowing on its financial position, its ability to repay, and the legal debt limit imposed by the State of Delaware. As mandated, total General Fund debt service is limited to 17.5% of annual operating costs (equal to \$26,256,938 for FY 2015). 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 2001 through 2010 figures are actual payments. Fiscal Years 2013 and beyond are figures based on the current structure of debt outstanding with no calculation added for assumed new borrowing. The average interest rates on outstanding balances are 4.35% for the General Fund, 4.70% for the Water/Sewer Fund, and 4.44% 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 2006	5,689,234	3,518,079	9,207,313	8.8%
FY 2007	7,078,167	4,511,949	11,590,116	10.7%
FY 2008	7,717,810	4,066,631	11,784,441	9.6%
FY 2009	7,253,515	4,523,514	11,777,029	8.4%
FY 2010	6,537,018	5,012,331	11,549,349	8.2%
FY 2011	2,837,124	5,409,868	8,246,992	5.6%
FY 2012	5,679,233	5,321,512	11,000,745	9.5%
FY 2013	7,243,632	5,074,873	12,318,505	8.9%
FY 2014	6,976,557	5,196,494	12,173,051	8.4%
FY 2015	7,936,747	5,308,579	13,245,326	8.7%
FY 2016	8,353,805	4,767,735	13,121,540	8.6%
FY 2017	8,600,918	4,443,798	13,044,716	8.3%
FY 2018	7,946,981	4,137,111	12,084,092	7.5%
FY 2019	8,361,593	3,758,192	12,119,785	7.4%
FY 2020	8,605,072	3,432,278	12,037,350	7.1%
FY 2021	9,120,462	3,069,791	12,190,253	7.1%
FY 2022	6,639,280	2,722,062	9,361,342	5.3%
FY 2023	6,978,300	2,397,998	9,376,298	5.2%
FY 2024	6,553,153	2,036,113	8,589,266	4.6%
FY 2025	6,882,790	1,710,662	8,593,452	4.5%
FY 2026	7,202,479	1,375,479	8,577,958	4.4%
FY 2027	4,290,000	1,056,995	5,346,995	2.7%
FY 2028	3,645,804	821,999	4,467,803	2.2%
FY 2029	3,025,589	661,766	3,687,355	1.8%
FY 2030	4,315,000	478,638	4,793,638	2.2%
FY 2031	4,490,000	278,000	4,768,000	2.2%
FY 2032	4,705,000	94,100	4,799,100	2.1%
FY 2033	0	0	0	0.0%
TOTAL	\$174,665,263	\$85,186,547	\$259,851,810	

**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 2006	4,441,282	4,765,174	9,206,456	21.1%
FY 2007	5,237,659	3,893,068	9,130,727	19.9%
FY 2008	7,004,085	4,409,703	11,413,788	23.8%
FY 2009	7,572,918	5,635,798	13,208,716	24.9%
FY 2010	5,076,980	5,496,437	10,573,417	19.2%
FY 2011	4,162,803	4,283,208	8,446,011	14.6%
FY 2012	6,522,388	6,193,410	12,715,798	20.8%
FY 2013	7,612,383	5,965,399	13,577,782	21.4%
FY 2014	7,674,780	6,206,159	13,880,939	20.8%
FY 2015	8,799,955	6,553,161	15,353,116	21.4%
FY 2016	9,026,243	5,501,034	14,527,277	20.8%
FY 2017	8,722,743	5,153,320	13,876,063	19.3%
FY 2018	8,618,271	4,838,267	13,456,538	18.3%
FY 2019	8,971,966	4,492,068	13,464,034	17.9%
FY 2020	9,425,669	4,165,343	13,591,012	17.6%
FY 2021	9,541,747	3,824,843	13,366,590	16.9%
FY 2022	10,138,172	3,461,236	13,599,408	16.8%
FY 2023	10,340,245	3,068,250	13,408,495	16.1%
FY 2024	11,017,908	2,610,268	13,628,176	16.0%
FY 2025	11,485,038	2,145,729	13,630,767	15.6%
FY 2026	11,104,450	1,673,901	12,778,351	14.3%
FY 2027	11,390,150	1,239,523	12,629,673	13.8%
FY 2028	7,695,895	890,506	8,586,401	9.1%
FY 2029	5,957,493	614,420	6,571,913	6.8%
FY 2030	4,629,263	407,278	5,036,541	5.1%
FY 2031	5,091,617	224,813	5,316,430	5.2%
FY 2032	2,922,755	58,728	2,981,483	2.9%
FY 2033	137,540	1,508	139,048	0.1%
FY 2034	0	0	0	0.0%
TOTAL	\$210,322,398	\$97,772,552	\$308,094,950	

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

COMMERCE FUND	Principal	Interest	Total Debt Service	% of Total Budget
FY 2006	5,801,389	1,431,361	7,232,750	90.3%
FY 2007	4,571,463	1,210,639	5,782,102	84.1%
FY 2008	4,773,033	991,008	5,764,041	72.3%
FY 2009	2,564,306	689,034	3,253,340	53.3%
FY 2010	0	0	0	0.0%
FY 2011	0	0	0	0.0%
FY 2012	0	0	0	0.0%
FY 2013	0	0	0	0.0%
TOTAL	\$17,710,191	\$4,322,042	\$22,032,233	

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

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

INTERNAL SERVICE FUNDS	Principal	Interest	Total Debt Service	% of Total Budget
FY 2006	817,944	260,881	1,078,825	8.3%
FY 2007	637,480	667,406	1,304,886	15.6%
FY 2008	1,119,359	345,675	1,465,034	14.6%
FY 2009	1,281,228	359,784	1,641,012	12.9%
FY 2010	513,682	349,874	863,556	8.6%
FY 2011	89,492	425,562	515,054	4.3%
FY 2012	495,641	406,364	902,005	2.8%
FY 2013	428,432	357,357	785,789	2.8%
FY 2014	280,927	432,931	713,858	2.6%
FY 2015	455,418	421,163	876,581	3.4%
FY 2016	480,091	109,124	589,215	3.3%
FY 2017	245,215	94,861	340,076	1.9%
FY 2018	237,284	84,803	322,087	1.7%
FY 2019	254,799	73,652	328,451	1.7%
FY 2020	276,157	61,228	337,385	1.7%
FY 2021	491,141	44,222	535,363	2.7%
FY 2022	296,579	30,482	327,061	1.6%
FY 2023	132,140	24,809	156,949	0.7%
FY 2024	0	20,311	20,311	0.1%
FY 2025	0	20,311	20,311	0.1%
FY 2026	0	20,311	20,311	0.1%
FY 2027	0	20,311	20,311	0.1%
FY 2028	283,867	10,156	294,023	1.2%
FY 2029	0	0	0	0.0%
TOTAL	\$8,816,876	\$4,641,578	\$13,458,454	

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

FUNDS COMBINED	Principal	Interest	Total Debt Service	% of Total Budget
FY 2006	16,749,849	9,975,495	26,725,344	15.8%
FY 2007	17,524,769	10,283,062	27,807,831	16.4%
FY 2008	20,614,287	9,813,017	30,427,304	16.0%
FY 2009	18,671,967	11,208,130	29,880,097	14.0%
FY 2010	12,127,680	10,858,641	22,986,321	11.1%
FY 2011	7,089,419	10,118,638	17,208,057	7.9%
FY 2012	12,697,263	11,921,286	26,715,535	11.8%
FY 2013	15,304,001	12,209,199	27,513,200	12.4%
FY 2014	14,932,264	11,835,584	26,767,848	11.7%
FY 2015	17,135,726	11,047,833	28,183,559	12.0%
FY 2016	17,860,140	10,377,892	28,238,032	11.7%
FY 2017	17,568,876	9,691,979	27,260,855	11.1%
FY 2018	16,802,535	9,060,181	25,862,716	10.2%
FY 2019	17,588,358	8,323,913	25,912,271	10.0%
FY 2020	18,306,898	7,658,848	25,965,746	9.8%
FY 2021	19,153,351	6,938,857	26,092,208	9.6%
FY 2022	17,074,032	6,213,780	23,287,812	8.4%
FY 2023	17,450,685	5,491,057	22,941,742	8.0%
FY 2024	17,571,061	4,666,692	22,237,753	7.6%
FY 2025	18,367,828	3,876,702	22,244,530	7.4%
FY 2026	18,306,929	3,069,690	21,376,619	6.9%
FY 2027	15,680,150	2,316,829	17,996,979	5.7%
FY 2028	11,626,566	1,722,661	13,349,227	4.1%
FY 2029	8,983,081	1,276,186	10,259,267	3.1%
FY 2030	8,944,263	885,916	9,830,179	2.9%
FY 2031	9,581,617	502,813	10,084,430	2.9%
FY 2032	7,627,755	152,828	7,780,583	2.2%
FY 2033	137,540	1,508	139,048	0.0%
FY 2034	0	0	0	0.0%
TOTAL	\$411,478,890	\$193,596,203	\$605,075,093	

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

GENERAL FUND

DEPARTMENT	ACTUAL FY 2011	ACTUAL FY 2012	ACTUAL FY 2013	BUDGET FY 2014	BUDGET FY 2015
MAYOR'S OFFICE	\$1,448,735	\$1,702,781	\$1,438,710	\$3,418,170	\$3,813,404
% Departmental Expenses	20.0%	23.1%	19.5%	35.8%	36.0%
CITY COUNCIL	19,806	26,989	18,513	639	652
% Departmental Expenses	0.8%	1.1%	0.7%	0.0%	0.0%
PLANNING	136,394	150,328	145,544	200,683	221,106
% Departmental Expenses	9.3%	9.9%	9.2%	12.3%	12.8%
FINANCE	5,800	5,661	5,619	6,457	27,347
% Departmental Expenses	0.1%	0.1%	0.1%	0.1%	0.3%
HUMAN RESOURCES	20,175	19,690	19,544	22,459	22,567
% Departmental Expenses	1.1%	1.1%	1.1%	1.1%	1.1%
LICENSES & INSPECTIONS	6,171	10,886	2,249	4,482	4,576
% Departmental Expenses	0.1%	0.3%	0.0%	0.1%	0.1%
PARKS & RECREATION	1,557,160	1,868,581	1,552,860	1,874,317	1,957,367
% Departmental Expenses	20.2%	23.2%	19.9%	21.9%	21.2%
FIRE	325,107	434,901	475,697	560,058	550,953
% Departmental Expenses	1.4%	1.9%	2.0%	2.4%	2.2%
POLICE	286,681	419,328	292,751	375,359	393,357
% Departmental Expenses	0.6%	0.8%	0.5%	0.7%	0.7%
PUBLIC WORKS	2,499,747	3,435,711	6,297,594	3,640,883	3,686,090
% Departmental Expenses	12.5%	17.0%	26.4%	16.3%	16.2%
REAL ESTATE & HOUSING	762,385	828,904	809,380	1,189,142	1,224,341
% Departmental Expenses	62.9%	63.4%	59.6%	67.1%	68.8%
COMMERCE DEPARTMENT	1,178,833	2,096,986	1,260,047	880,402	1,343,566
% Departmental Expenses	100.0%	100.0%	100.0%	100.0%	100.0%

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

GENERAL FUND (CONTINUED)

DEPARTMENT	ACTUAL FY 2011	ACTUAL FY 2012	ACTUAL FY 2013	BUDGET FY2014	BUDGET FY2015
TOTAL DEBT SERVICE	\$8,246,993	\$11,000,745	\$12,318,506	\$12,173,051	\$13,245,326
% General Fund	6.1%	8.0%	8.6%	8.4%	8.8%
LEGAL DEBT SERVICE LIMIT (17.5%)	\$23,590,026	\$24,056,145	\$25,199,517	\$25,440,825	\$26,256,938

WATER/SEWER FUND

DEPARTMENT	ACTUAL FY 2011	ACTUAL FY 2012	ACTUAL FY 2013	BUDGET FY 2014	BUDGET FY 2015
PUBLIC WORKS	\$4,283,208	\$6,193,410	\$5,965,399	\$6,206,159	\$6,553,161
% of Department Expenses	8.3%	10.8%	10.4%	10.0%	10.4%
TOTAL DEBT SERVICE	\$4,283,208	\$6,193,410	\$5,965,399	\$6,206,159	\$6,553,161
% of Water/Sewer Fund	7.8%	10.2%	10.0%	9.3%	9.6%

INTERNAL SERVICE (IS) FUNDS

DEPARTMENT	ACTUAL FY 2011	ACTUAL FY 2012	ACTUAL FY 2013	BUDGET FY 2014	BUDGET FY 2015
MAYOR'S OFFICE	\$122,639	\$122,442	\$133,753	\$157,409	\$145,641
% of Department Expenses	2.4%	1.6%	1.6%	1.8%	1.7%
PUBLIC WORKS	302,923	283,922	223,604	275,522	275,522
% of Department Expenses	4.2%	3.9%	3.1%	3.5%	3.5%
TOTAL DEBT SERVICE	\$425,562	\$406,364	\$357,357	\$432,931	\$421,163
% of IS Fund	3.4%	2.8%	2.4%	2.6%	2.5%

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

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

ALL FUNDS

ALL DEPARTMENTS	ACTUAL FY 2011	ACTUAL FY 2012	ACTUAL FY 2013	BUDGET FY 2014	BUDGET FY 2015
TOTAL DEBT SERVICE	\$12,955,762	\$17,600,519	\$18,641,262	\$18,812,141	\$20,219,650
% of All Funds	6.8%	8.9%	9.1%	8.9%	9.3%

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

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
FISCAL YEARS 1995-2014**

Fiscal Year-end	Taxable Assessed Value	Gross Bonded Debt	Gross Debt Payable from Enterprise, Internal Service, and State Funds	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1995	1,977,292,100	184,312,883	122,194,848	62,118,035	3.10%	863
1996	1,968,023,897	193,705,913	130,306,742	63,399,171	3.20%	873
1997	2,177,955,491	187,255,451	129,983,103	57,272,348	2.60%	789
1998	2,085,292,700	182,689,920	126,997,807	55,692,113	2.70%	767
1999	2,102,649,126	212,644,705	134,215,478	78,429,227	3.70%	1,080
2000	2,110,113,191	201,850,206	126,725,369	75,124,837	3.60%	1,034
2001	2,136,221,597	193,200,403	119,525,333	73,675,070	3.40%	1,014
2002	2,115,498,937	210,494,211	129,219,543	81,274,668	3.80%	1,119
2003	2,114,078,568	193,818,399	115,330,004	78,488,395	3.71%	1,068
2004	2,182,337,973	184,549,800	111,306,574	73,243,226	3.36%	1,010
2005	2,134,545,304	178,806,711	105,737,075	73,069,636	3.42%	1,006
2006	2,213,839,948	227,706,776	123,183,846	104,522,930	4.72%	1,439
2007	2,300,886,160	286,659,775	178,667,598	107,992,177	4.69%	1,483
2008	2,183,048,645	266,829,357	166,599,233	100,230,124	4.59%	1,376
2009	2,176,247,400	274,287,535	163,713,284	110,574,250	5.08%	1,463
2010	2,220,181,556	266,933,790	156,146,773	110,787,017	4.99%	1,466
2011	2,239,927,925	252,641,967	151,894,478	100,747,489	4.50%	1,422
2012	2,222,588,846	301,229,983	172,739,520	128,490,463	5.78%	1,814
2013	2,181,176,410	290,699,645	166,125,509	124,574,136	5.71%	1,758
2014	2,144,938,410	275,767,390	158,169,811	117,597,579	5.48%	1,660

TOTAL DEBT BALANCES BY YEAR
FISCAL YEARS 2015-2034

First Day of Fiscal Year	General Fund Debt	Water/Sewer Fund Debt	Internal Service Funds Debt	Total Debt
2015	117,597,579	155,017,121	3,152,690	275,767,390
2016	109,717,226	146,217,166	2,697,273	258,631,665
2017	101,363,420	137,190,923	2,217,181	240,771,524
2018	92,762,502	128,468,180	1,971,967	223,202,649
2019	84,815,521	119,849,909	1,734,683	206,400,113
2020	76,453,929	110,877,943	1,479,884	188,811,756
2021	67,848,857	101,452,274	1,203,727	170,504,858
2022	58,728,394	91,910,526	712,586	151,351,506
2023	52,089,114	81,772,354	416,007	134,277,475
2024	45,110,814	71,432,109	283,867	116,826,790
2025	38,557,661	60,414,201	283,867	99,255,729
2026	31,674,872	48,929,163	283,867	80,887,902
2027	24,472,393	37,824,713	283,867	62,580,973
2028	20,182,393	26,434,563	283,867	46,900,823
2029	16,535,589	18,738,668	0	35,274,257
2030	13,510,000	12,781,175	0	26,291,175
2031	9,195,000	8,151,912	0	17,346,912
2032	4,705,000	3,060,295	0	7,765,295
2033	0	137,540	0	137,540
2034	0	0	0	0



DESCRIPTION OF TERMS USED IN THIS BOOK

Account: A separate financial reporting unit for budgeting, management, or accounting purposes. All budgetary transactions, whether revenue or expenditure, are recorded in accounts.

Account Group: A group of similarly related expenditure accounts such as Personal Services, which includes salaries, overtime, pension, hospitalization.

Accounts Payable: Amounts due to creditors arising out of the purchase of goods or services.

Accounts Receivable: Amounts due from debtors arising out of the extension of open account credit, usually in connection with the sale of goods or services to customers.

Accrual Basis: The basis of accounting under which revenues and expenses are recognized and recorded when they are earned or incurred, rather than when collected or paid.

Accrued Expense: An expense that has been incurred, but has not been paid out.

Accrued Revenue: A revenue that has been earned, but has not been collected.

Administrative Services: The combination of various services internally supplied to all departments and reimbursed on a per-usage basis. These activities include Word Processing, Data Processing, Mapping and Graphics, Mail and Copy Services, Telephone, Radio and the Motor Vehicle Fleet. Administrative Services are part of the Internal Services account group.

Appropriation: An appropriation creates the legal authority to spend or otherwise commit a government's resources. Expenditure authority is created by City Council through the passage of an enacting budget ordinance.

Assessed Valuation: A value that is established for real property for use as a basis for levying property tax. Property values in the City of Wilmington are assessed by the New Castle County Board of Assessment using 1983 market values as the base.

Balanced Budget: For the City budget to be legally balanced, revenues plus an amount of existing prior years' surpluses, if any, must equal operating expenditures plus any existing deficits.

BAN (Bond Anticipation Note): A short-term interest-bearing note issued by a government in anticipation of bonds to be issued at a later date. The note is retired from proceeds of the bond issue to which it is related.

Basis of Accounting: The underlying fiscal principles utilized in the development of the financial statements. The City uses the Accrual Basis and Modified Accrual Basis.

Basis of Budgeting: The underlying fiscal principles utilized in the development of the budget. The City matches its basis of budgeting to its basis of accounting.

Bond: A written promise to pay a specified sum of money, called the face value or principal amount, at specified dates, called the maturity dates, together with periodic interest at a specified rate. The City incurs bonded debt to pay for the costs of capital improvements, such as streets, buildings, and water mains.

DESCRIPTION OF TERMS USED IN THIS BOOK

(continued)

Budget: Plan of financial operation, embodying an estimate of proposed expenditures for a given period and the proposed revenue estimates of financing them. Upon approval by Council, the budget ordinance is the legal basis for expenditures in the budget year.

Budget Ordinance: An ordinance by which the appropriations in the budget are given legal effect. It is the method by which the expenditures side of the budget is enacted into law by City Council.

CAFR: Comprehensive Annual Financial Report, prepared by the Accounting Division to provide the public with detailed information regarding the financial position of the City.

Capital Budget: A one-year appropriation of expenditures from the Capital Program, normally funded from bond proceeds and intragovernmental grants.

Capital Expenditures: Outlays for machinery, equipment, land, buildings, infrastructure and other fixed assets or permanent improvements that have a useful life of at least five years and a cost of at least \$5,000.

Capitalization: In the Water/Sewer and Internal Services Funds fixed asset acquisitions are budgeted; however, in accordance with the Government Accounting Standards Board, these amounts are subsequently reversed through the capitalization account and not included in totals. This is done because the purchase of fixed assets in Enterprise Funds is not considered an expense, but for budget purposes the purchase needs to be specified for City Council and the public.

Capital Program: A six-year plan for the purchase of property, equipment (fixed assets) and public improvements that are of a permanent nature.

Cash Basis: The basis of accounting in which revenues and expenses are recorded when cash is collected or paid out, not when earned or incurred.

CDBG: The City's Community Development Block Grant from the United States Department of Housing and Urban Development (HUD). These monies are specifically designated to revitalize targeted underdeveloped areas of the City, remove artificial barriers and improve slum areas.

City Charter: The document issued by the State of Delaware which defines the City's purpose and privileges, and outlines its principles, functions, and organization.

Contingent Reserves: Funds set aside as a reserve for unplanned operating expenses and snow and weather emergencies.

Debt Limit: A statutory limit on the amount of debt that an issuer may incur or have outstanding.

Debt Service: Principal and interest payments on borrowed funds.

Deficit: This occurs when total expenditures for an entity exceed total revenues.

DESCRIPTION OF TERMS USED IN THIS BOOK

(continued)

DE-LEAD: is a federal grant from the Department of Housing and Urban Development to support lead-based paint hazard control in low-income and moderate-income owner-occupied and rental properties.

Department: A major component of City Government with administrative and managerial responsibility for a function or group of related functions and operations. Examples include the Police Department and the Parks and Recreation Department.

Depreciation: The cost of a fixed asset expensed over its useful life.

Designated Fund Equity: Reserved fund balance representing amounts that are legally identified for a specific purpose, such as to pay debt or encumbrances.

Encumbrance: Any commitment of funds against an appropriation. It may be in the form of a purchase order or a contract. Encumbrance accounting is formally integrated into the accounting system for expenditure control purposes. Until such time as the goods or services are received, the commitment is referred to as an encumbrance. Encumbered balances at year-end, with the authority of the Finance Director, may be re-appropriated into the subsequent year.

Expenditure/Expense: A decrease in net financial resources, such as for the payment of goods received or services rendered.

Financial Statements: The medium used to communicate accounting information about an entity. The basic elements (building blocks) of financial statements are assets, liabilities, equity, revenues, expenses, gains, and losses.

Fiscal: Pertaining to the finances of an entity, such as the City.

Fiscal Year: The twelve month period of time between July 1 and June 30 established as the operating and accounting time frame for City activities.

Fixed Asset: A tangible resource or thing with a relatively long life expectancy, requiring a substantial financial outlay and usually large scale in nature, such as buildings, streets and water pipes.

Forward Supply Contracts: Investment agreements requiring funds be set aside to purchase U.S. Strip Securities for payment of future debt service. These contracts arose from an advanced refinancing of long-term debt.

Fund: An independent accounting unit in which assets, liabilities and equity are segregated for specific purposes in accordance to Governmental Generally Accepted Accounting Principals (GAAP). The City utilizes four major funds: General, Water/Sewer, Special, and Internal Services.

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

DESCRIPTION OF TERMS USED IN THIS BOOK

(continued)

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

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

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

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

Unassigned Fund Balance – All amounts not included in other spendable classifications.

FY: Abbreviation for “Fiscal Year”.

GAAP (Generally Accepted Accounting Principles): Uniform minimum standards and guidelines for financial accounting and reporting. The primary authoritative body on the application of GAAP to state and local governments is the Government Accounting Standards Board (GASB).

GASB (Government Accounting Standards Board): The regulatory body over governmental accounting principles and practices.

General Obligation Bonds: A bond that is secured by the full faith and credit of the City, with debt service from the bond being paid from City tax revenues. Such bonds are issued for the purpose of financing city capital improvement projects over a long period of time, usually 20 years.

Goal: A broad statement of intended accomplishments or a description of a general condition deemed desirable.

GFOA (Government Finance Officers Association): A professional association of state/provincial and local finance officers whose members are dedicated to the sound management of government financial resources and operations.

Grants and Fixed Charges: An activity with a limited time span and purpose, usually financed by Federal or State contributions, and sometimes involving payments to a third party agency.

HOPWA: A grant entitled Housing Opportunities for Persons With AIDS received from the United States Department of Housing and Urban Development to address the housing concerns of this growing segment of the population.

Internal Services: A combination of various services internally supplied to all departments and reimbursed on a per usage basis. These activities include the Administrative Services of Word Processing, Data Processing, Mapping and Graphics, Mail and Copy Services, Telephone, Radio and the Motor Vehicle Fleet, along with the Self-Insurance services of Risk Management and Workers’ Compensation.

DESCRIPTION OF TERMS USED IN THIS BOOK

(continued)

Internal Service Chargebacks: The group of accounts that record the costs that are charged to user departments for goods and services provided by the Internal Services.

Indirect Costs: Reimbursement payments from Enterprise Funds to the General Fund for general administrative services that the General Fund has provided such as accounting, legal advice and payroll.

Infrastructure: Facilities on which the continuance and growth of a community depend, such as streets, water/sewer lines, etc.

Initiative: A new program implemented to achieve a specific goal or objective.

Interest: The expense charged for a loan, usually a percentage of the amount borrowed.

LLEBG: Local Law Enforcement Block Grant awarded by the United States Department of Justice to be used by local Police jurisdictions to enhance crime prevention and deployment.

Long Term Debt: Debt with a maturity of more than one year after the date of issuance.

M., S. & E (Materials, Supplies and Equipment): The account group of expenses for goods and services needed to perform day-to-day operations such as equipment, contracted maintenance, repairs or consulting fees.

Modified Accrual Basis: The basis in accounting in which revenues are recognized and recorded when they become measurable and available as net current assets, and all expenses, except those related to fixed asset acquisition, are recorded when incurred (not when cash is paid out).

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

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

Operating Budget: The current year estimated revenues and expenditures for the day-to-day operations of the City.

Operating Transfer: A legally authorized movement of cash or equity from one fund to another, usually between the Water/Sewer Fund and the General Fund.

Ordinance: A formal legislative enactment by City Council which has the full force and effect of law within the boundaries of the City.

Performance Indicator: Statistical measurements of the relative success toward achieving an objective.

DESCRIPTION OF TERMS USED IN THIS BOOK

(continued)

Personal Services: Includes salaries and all other human resource related allotments, such as overtime, medical insurance, social security, etc.

Principal: The face amount of a note or bond, which the issuer promises to pay.

Projections (Revenues/Expenditures): An estimate of revenues or expenditures based on trend analysis, the study of economic conditions, and patterns of spending and income generation.

Property Tax: A levy based on a set percentage of the assessed value of real estate.

Property Tax Base: The value of all taxable real property in the City, as certified by the New Castle County Board of Assessment. The tax base represents the net value after all abatements and exemptions.

Proprietary Funds: Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. The City has two different types of proprietary funds: the Water/Sewer Fund and the Internal Services Funds.

Revenue: Income received from sources such as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants and interest.

Revenue Bonds: A bond that is repaid and secured by the expected revenues from the project being financed or the entity doing the borrowing, such as a water/sewer system, and not by taxes.

Risk Management/Self Insurance: Cash set aside for the payment of liability claims against the City by a third party or to cover the cost of damage, destruction, injury or death as a result of City operations or natural disasters.

SALLE: State Aid for Local Law Enforcement. These monies are State of Delaware grants used for specific local law-enforcement programs such as training, consulting, counseling, and drug enforcement equipment.

Special Purpose: The same as **Grants and Fixed Charges** except the activity is usually not financed by State or Federal contributions and is requested by the City Administration or City Council.

Surplus: The amount by which total revenues exceed total expenditures.

Undesignated Fund Balance: Fund balance monies not earmarked for a specific purpose.

User Fee: A charge for the provision of a service usually correlated to the level of usage, such as water/sewer fees.