

City of Wilmington Delaware



Annual Budget FY 2013

James M. Baker
Mayor

Prepared by the
Office of Management and Budget

Fiscal Year 2013 • Approved by City Council • May 17, 2012

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, 2011.

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

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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For the Fiscal Year Beginning

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City of Wilmington
James M. Baker, Mayor

Louis L. Redding City/County Building
800 N. French Street
Wilmington, Delaware 19801-3537

www.WilmingtonDE.gov

FISCAL YEAR 2013 BUDGET MESSAGE

THE STATE OF THE CITY

The Fiscal Year (FY) 2013 budget is the final one of my Administration, as this is the end of my third and last term as Mayor of the City of Wilmington. There may be those that want to concentrate on legacy, but this is not the time to look back; this is the time to look forward. While the tremendous efforts we have made to grow our neighborhoods, the downtown district, and the riverfront over the nearly 12 years of this Administration have been largely successful, these efforts need be continued into the future so that we can bring the City and its citizens to even higher levels of greatness and prosperity.

Wilmington is in better financial shape than many other cities and towns around America. That is because government employees and citizens alike have sacrificed in many ways to help us reduce government costs to try to keep up with sharply declining revenues, as best we could, in the face of the worst economic crisis experienced by the Country since the Great Depression. That shared sacrifice has yielded \$10 million in expenditure reductions over the last three fiscal years.

Unfortunately, these substantial reductions in spending are being negated by unavoidable multi-million dollar annual increases in employee pension and healthcare costs, and new debt service to fund critical infrastructure needs. And while we have seen revenue projections improve slightly this year, we are still on a roller coaster when it comes to local companies adding and subtracting jobs. For now, the City is holding its own, but until the national economy stabilizes and begins to show true broad-based growth, the City's overall fiscal stability will remain tenuous.

GUIDING PRINCIPLES IN BUILDING THE FY 2013 BUDGET

Before presenting the spending details, it is important to outline the principles that guided the crafting of the FY 2013 budget.

- ◆ First, everyone had to have a role in balancing the budget, including every City employee and administrator, every community group or individual receiving some type of government funding, and every citizen. This had to be a shared burden.

- ◆ We wanted to avoid laying off more City employees to balance the budget. When layoffs are proposed, they inevitably lead to calls for across-the-board cuts that unnecessarily disrupt the levels of service provided to citizens.
- ◆ Finally, it was necessary that we strive to preserve the great progress and prosperity experienced by the City prior to the economic downturn. As best it could, the FY 2013 Budget was to continue to promote business and residential growth because these actions help sustain government services and strengthen the City's financial base. We did not want to abandon the people and programs that helped create and retain thousands of new jobs and new homeownership opportunities over the last 12 years.

BUDGET DISCUSSION

THE GENERAL FUND

The FY 2013 budget does not add any City employees to the unemployment rolls. I have never been a fan of layoffs, and I have tried to avoid them when I could throughout my tenure as Mayor. I did not want to add workers to the unemployment lines and contribute further to the drain on the local and national economy. And while I regret that I was not able to offer employees a general pay raise for the fourth consecutive fiscal year, I have done everything possible to make sure that they have a job, and that we can keep critical City services and programs in force.

I am also pleased that the FY 2013 General Fund budget plan will not further burden citizens with increases in property taxes or fees. Due to the diligent work of our City fiscal officers, a projected \$5.2 million budget deficit at the beginning of the budget process was brought down to \$2.1 million. However, we quickly reached the point where we could not cut the deficit any further without affecting critical services and laying off City employees. With the option of a tax increase off the table, we made the decision to use a small portion of the City's "Unassigned Fund Balance" or surplus from prior fiscal years to cover the remaining gap between expenditures and revenues.

Below are the spending highlights of the General Fund for FY 2013.

General Fund Expenditures

- The Fiscal Year 2013 operating budget expenditures total **\$142,928,023** – up \$3,590,937, or 2.6% from FY 2012. This increase is almost entirely the result of three largely uncontrollable factors. Actuarially required pension contributions rose sharply by \$2.3 million, or over 19%. Debt Service increased \$1.18 million, reflecting a full year of principal and interest payments on the City's November 2011 capital bond issuance. Lastly, the General Fund will have to absorb the \$329,000 cost of 15 police officers during the last 4 months of FY 2013, as the federal COPS grant now covering the costs of these officers ends on March 1, 2013.
- Staffing decreased by a net total of 6.5 Full-Time Equivalent (FTE) positions. Absorbing the COPS grant patrol officers resulted in 4.7 FTEs transferred in. Also transferred in was 0.2 FTE resulting from a decline in federal housing grant funds available to the Real Estate

& Housing Department. More than offsetting these FTE transfers into the General Fund were the elimination of seven vacant Patrol Officer positions in the Police Department, the vacant Assistant Communications Director position in the Mayor's Office, a vacant Producer/Director position in City Council, and two vacant positions in the Finance Department: a Scofflaw Enforcer (1.0 FTE) and an Account Entry Supervisor (0.8 FTE). Lastly, there was the transfer out to the Water/Sewer Fund of a net 0.6 FTE resulting from the reallocation of Public Works personnel duties and costs.

- As part of the actions necessary to avoid a larger budget deficit, there is no allowance for a general Cost of Living Adjustment (COLA) for employees. A 2.5% COLA would cost about \$1.75 million. This will be the fourth year in a row that the harsh economic conditions have dictated that there be no provision for employee COLAs. However, anniversary-based salary step increases for all eligible employees will continue.
- The City continues to consolidate and streamline the management and costs of technology, especially in the area of Public Safety. A total of \$277,000 in mobile airtime costs from Police, Fire, and Emergency Management was transferred to the Division of Integrated Technology to support T1 lines, Homeland Security cameras, mobile data terminals, mobile command satellite access, and EV-DO technology in firefighting apparatus.
- All Police and Fire handheld radios will be replaced in FY 2013 with the latest Motorola technology. The present radio equipment is over seven years old, and is no longer supported by the manufacturer. This makes repairs expensive and difficult, if not impossible. The \$913,000 cost of the new radios will be spread out over seven years by financing the purchase through a capital lease. This will result in an affordable annual cost of less than \$150,000, charged back through the Police and Fire internal service radio accounts.
- Green initiatives have reduced electricity costs by over 16%, or almost \$294,000, largely offsetting contractual increases in landfill fees (up \$186,000) and maintenance costs for buildings, property, and equipment (up \$168,000).
- City Council increased the funding of the Summer Youth Employment program in the Parks & Recreation Department by \$100,000. This is in addition to a \$100,000 set-aside for youth initiatives budgeted in the Mayor's Office Contingency Fund.
- Due to the fiscal crisis, the City's 4th of July festival was eliminated last year. Public demand for the return of the festival has been so great that the City has restored \$45,000 of the \$90,000 in funding eliminated from last year's budget. The Cultural Affairs Office will continue with its expanded efforts to obtain the remaining \$45,000 needed to fund the festival from corporate and private donations.
- The Finance Department's Plan for Change revenue collection initiatives continue to evolve and mature. For FY 2013, the Department has been able to reduce its total net commission-related expenses by almost \$126,000.
- The FY 2013 Budget does not include any tax or fee increases. As a result, in addition to a \$100,000 transfer from the Economic Strategic Fund, nearly \$2 million in Unassigned Fund Balance (prior years' surplus) was used to bridge the remaining budget deficit.

General Fund Revenues

The effects of the severe economic downturn experienced for several years are beginning to subside. Projected base revenues are increasing modestly in FY 2013. Collection efforts continue to be the focus of maintaining, or where possible, increasing the City's revenues. These are detailed in the discussion below. Total revenue before transfers is projected to increase by a net \$1,826,324 (or 1.3%) above the FY 2012 Budget to a new total of \$140,590,559. The net change from Budget to Budget (FY 2013 vs. FY 2012) can be broken down as follows:

REVENUE	INCREASE/ (DECREASE)	TOTAL
Wage & Net Profits	\$2,719,000	\$58,192,500
County Seat Relief Package	304,750	7,688,521
Task Force Revenue	152,772	4,037,572
Other Taxes	113,063	7,274,102
Interest	44,693	207,193
Licenses, Permits & Fees	36,996	3,486,773
Other Revenues	0	4,512,533
Property Taxes	(84,317)	38,456,440
Fines	(372,514)	8,850,000
Other Governments	(1,088,119)	7,884,925
TOTAL	\$1,826,324	\$140,590,559

Wage and Net Profits Tax

The FY 2013 Wage & Net Profits Tax projection is \$58.2 million, a \$2.7 million increase above FY 2012. The FY 2012 Wage Tax revenue has been stronger than anticipated, fueled by an improving economy and higher than projected "Plan for Change" audit-generated receipts. As a result, the Wage Tax revenue base is now nearly \$47 million. Building on that base is an additional \$1.4 million from a projected 3% growth in overall employee compensation levels. Further, another \$812,500 in revenue is expected from the 500 new jobs that will result from the purchase of ING by Capital One. Finally, the "Plan for Change" audit and collection efforts should yield \$4 million. The Net Profits portion of this revenue category is slated to remain at \$5 million for FY 2013.

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 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 2013 projections total \$7.7 million. The breakout is as follows: \$2.1 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 down \$350,255 from the FY 2012 budget); \$4.47 million as part of the State's Uniform Commercial Code (UCC) filing fees (this is up \$630,255 from the FY 2012 budget); \$300,000 in Statutory Trust Filing Fees (no change); and \$849,750 in New Castle County Corporate Filing Fees (this is up by \$24,750). In total, there is a \$304,750 increase in County Seat Relief Package revenues from the FY 2012 budget.

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 allowing the City to create a 2% Lodging Tax and a 2% Natural Gas Franchise Fee on gross sales of natural gas in the City. In total, Task Force Revenues are projected to be \$152,772 higher for FY 2013. All of the components of the Task Force Revenues will increase from the FY 2012 Budget: Corporate Filings by \$47,500, LLC Filings by \$87,500, Lodging Tax by \$7,125, and Natural Gas Tax by \$10,647 above the FY 2012 budgeted levels.

Other Taxes

Real Estate Transfer Tax revenues, after several years of decline, are expected to rebound, albeit modestly, for FY 2013. Although the average price of residential home sales remains below the levels of prior years, the number of sales is increasing slightly. Commercial property transfers are beginning to reappear, but remain meager. As a result, FY 2013 revenues are forecasted to grow a modest \$48,000 to a FY 2013 total of \$1.9 million.

Head Tax revenue is projected to increase by \$7,200, to a new total of \$3.57 million for FY 2013. This represents a net gain of 40 jobs. Although hundreds more in new jobs are forecasted to come online, they will be exempt from Head Taxes because of economic incentives.

Franchise Fees revenue consists of 2% of the gross revenues from electricity sales in the City and 5% of gross revenues from cable television service sales in the City. In Wilmington, Delmarva Power is the sole distributor of electricity and Comcast is currently the only provider of cable TV service. For FY 2013, the budgeted amounts are \$1,062,073 (Comcast) and \$744,829 (Delmarva) for a total of \$1,806,902, a slight increase above the FY 2012 budget.

In total, Other Taxes are projected to increase \$113,063 for FY 2013.

Interest Earnings

Although interest rates remain at historical lows, the City's cash balance has increased because of the November 2011 capital bond issuance. The higher cash balance and an estimated rise of 25 basis points in interest rates should increase Interest Earnings by about \$45,000, to a total of \$207,193.

Licenses, Permits and Fees revenue is projected to be just under \$3.5 million in FY 2013, or \$37,000 above the FY 2012 budget. Business Licenses will remain stable at \$1.6 million, but Permits and Fees are slated to rise by \$27,000 and \$10,000 respectively.

Other Revenues, comprised of Indirect Costs, General Government Charges and other Miscellaneous Income, is expected to remain unchanged at \$4,512,533 for FY 2013.

Property Taxes are projected to decrease by a net \$84,317, to a total of \$38,456,440. Some large commercial properties have continued to wage successful assessment appeals. The projected revenue loss of \$250,000 in FY 2013 is in addition to the nearly \$240,000 loss due to appeals and other adjustments in FY 2012. Approximately \$273,000 of revenue resulting from expiring tax incentives and reassessments due to property improvements will help to offset these reductions. Penalty and Interest, along with collections from prior years will add \$650,000 in revenue for FY 2013, an increase of \$30,000.

Fines will fall by \$372,514 to a total of \$8,850,000.

Criminal/Traffic Fines revenue is projected to total \$3.85 million in FY 2013, up \$784,363 from the FY 2012 budget. This revenue account consists of red-light camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. Red-light camera fines have exceeded the FY 2012 budgeted amount due to significantly higher than expected right-turn-on-red violations captured on video. For FY 2013, Red-light camera fines are projected to decline somewhat, as violations decrease at older sites, but are still forecasted to be above the original FY 2012 budget. There is no change in miscellaneous traffic and criminal fines, nor in the L&I Instant Ticketing revenues. The aggregate of these is \$750,000.

Parking Tickets/Booting Fines are forecast to decrease by \$407,000 below the FY 2012 projected level, and a full \$1.16 million below the FY 2012 budgeted level. Revenues are being adversely affected by changes in parking regulations and a reduction in parking citation revenues collected through the DMV program.

Other Governments consists of the State Pension Contribution and the State Port Debt Reimbursement. The State Pension Contribution is a pass-through grant of \$6,984,517 in revenue that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. For FY 2013, the projected grant has been reduced by \$484,555, to an amount approximately equal to the FY 2011 level. 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. The State, however, agreed to reimburse the City annually for the amount the City was scheduled to pay out to service the Port debt. The amount for FY 2013 will be \$900,408, and represents a more than \$602,000 decrease from FY 2012.

THE WATER/SEWER FUND

The FY 2013 budget continues to follow the plan decided upon a few years ago to bring fiscal stability to this very important fund. The Water and Sewer Fund supports the City's current and future money-saving environmental efforts as well as the vast infrastructure that produces our quality drinking water and our wastewater treatment plant. We agreed to end the practice of using cash flow from the General Fund to support Water/Sewer Fund needs, and instead, focus our attention on making this fund self-sufficient. I am pleased to report that we are just a few years away from seeing this fund become self-sufficient and being able to support new infrastructure needs for the future.

Last year we had projected that we would need about an 11% increase in water/sewer rates in FY 2013. However, better than expected results from our energy cost savings measures have enabled us to reduce that rate increase to 9% across-the-board for water, sewer and stormwater. The overall cost increase to the average residential customer (using 4,000 gallons per month) will be about \$4.19 per month.

On another note, I am happy to report that Wilmington's new independent Water and Sewer Citizens Advisory Group has begun to meet. This Board was established to de-politicize the rate-setting process and help create a viable, sustaining water utility system.

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

Water/Sewer Fund Expenditures

- The FY 2013 operating budget expenditures total **\$64,335,863** – up \$1,782,291, or 2.8% from FY 2012. The FY 2013 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.
- There is a \$527,000 increase in the contract for Veolia to operate and maintain the City's sewage treatment plant and to provide certain capital improvements. This 3% increase results in part from using mutually agreed upon cost indices that have risen over the past year. As per the agreement, the City is reimbursed for about 87% of the Veolia contract cost by New Castle County.
- Engineering costs increased \$512,500 to support sewer maintenance assessments, stormwater GIS mapping and tracking, stormwater inlet inspections, and capital program management and planning.
- Consultant expenses grew \$300,000 for water system leak detection services; utility billing transition support; the development of a wet-weather management plan; and to assist in the transition to a de-politicized citizens advisory board form of governance for the water, sewer, and stormwater utilities.
- Data Processing internal service costs in the Public Works Department increased by almost \$384,000. This increase supports the continued implementation of the *City Works* project that will provide (among other enhancements) GIS integrated infrastructure management, project status and task tracking, and custom-tailored constituent and customer services.

- Overall debt service interest costs were reduced by \$192,400, reflecting the greater use of low-interest State Revolving Fund loans in place of general obligation bonds, along with a lower interest rate than what had been projected for the November 2011 capital bond issuance.
- Staffing decreased by a net 0.6 FTE. The elimination of a vacant Meter Reader Supervisor position (1.0 FTE) and a vacant Account Entry Supervisor position (0.2 FTE) in the Finance Department was offset by the transfer in of a net 0.6 FTE that resulted from the reallocation of Public Works personnel duties and costs.
- As part of a planned series of rate adjustments needed to properly fund the City's utilities, there is a 9% increase in water, sewer, and stormwater rates.

Water/Sewer Fund Revenues

Total Water/Sewer Fund revenues are projected to increase more than \$4.5 million above FY 2012, to a new total of \$68.3 million in FY 2013. 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, starting in FY 2010, a multi-year plan of prudent rate increases was implemented. As a result, the City is well on its way to achieving a self-sufficient Water/Sewer Fund.

Water/Sewer User Fees

The base amount of Water/Sewer User Fees has grown in recent years as a result of the rate increases to stabilize the fund. Additionally, the City has seen the base increase beyond projections beginning with the FY 2011 final revenues. For FY 2012, that base is expected to grow to \$39.0 million, or more than \$1.3 million above the budgeted amount. A 9% increase in Water/Sewer User Fees is proposed for FY 2013 that will generate an additional \$3.1 million. When coupled with special sewer and other miscellaneous revenue items, total User Fees is projected to be \$42.2 million, an increase of \$4.46 million above the FY 2012 budget. The average residential homeowner's total bill (including water/sewer and stormwater) will go up \$4.19 per month. Even with the increase, the City's rates will still be among the lowest in the region.

Stormwater Billings

The stormwater property fee is charged to all property owners in the City. The fee is not based on a consumption factor, but rather on the size of a property and the characteristics of that parcel's land and buildings as they relate to the generation of storm runoff. The Stormwater Billings base last year was \$6.6 million. For FY 2013, a 9% increase in stormwater fees is proposed, which will generate an additional \$596,000. After allowing for uncollectibles of \$1.1 million, and further amounts for new appeals, nearly \$5.5 million in revenue is projected for FY 2013, a net decline of \$547,000 below the FY 2012 budget.

New Castle County Sewer

Through arbitration, the City and New Castle County have developed a contractually agreed upon fee structure for treating the County's sewage. For FY 2013, the net base fee of \$19.3 million represents the

County's share of costs for operating the City's sewage treatment plant and sewage sludge disposal, adjusted downward by \$682,000 to take into account the annual reconciliation process and at-risk amounts for treatment plant water/sewer charges. An additional \$698,000 will be billed as a one-time reimbursement for extensive repairs to concrete at the sewage treatment facility. The total revenue for FY 2013 is \$19,364,771.

Interest and Rentals

Previously, all interest earned on City cash balances, regardless of 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 2013, interest is projected to further decrease by \$23,000 to \$15,000. Rental income, which is derived by charging fees to telecommunications companies that rent space on the City's water tanks for antennae and transmitters, is projected to decrease by \$53,000 to \$1,056,000. The combined total revenue projected in FY 2013 for this category is \$1,071,000.

Solar Panel Revenue

This is a new revenue source beginning in FY 2012 and results from the recent installation of solar panels at various city sites, most notably the Porter Filter Plant. Due to the special nature of the revenue, it will be accounted for in a separate revenue category. Based on analysis by the Public Works Department, at least \$200,000 is expected to be received in FY 2013.

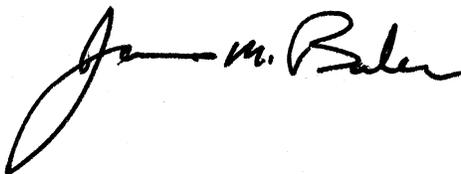
CONCLUSION

I am hopeful that we will continue to see improvement in the overall economic picture locally and nationally in the next year or two, but until we do, we must stay the course that we have followed over the past few years. This course has helped to preserve jobs, programs and City services, while making dramatic cuts wherever possible in expenditures. The FY 2013 budget continues to meet those prerequisites.

The next few years will be critical to the City's future progress and development as we eventually emerge from this economic recession. When we do emerge from it, I want us to look back and know that the sacrifices we made, though painful, were the reason we were able to still achieve most of our goals, dreams and visions.

Wilmington deserves a maximum effort on everyone's part to continue making our City a great place to live, work, and enjoy life. With our energy and creativity to guide us, the future can be bright. We must continue to focus everything we have as a people on the opportunities, the potential, the possibilities, and the hope that will bring a new and better tomorrow for Wilmington.

Respectfully,

A handwritten signature in black ink, appearing to read "James M. Baker". The signature is fluid and cursive, with a large initial "J" and "B".

James M. Baker
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.

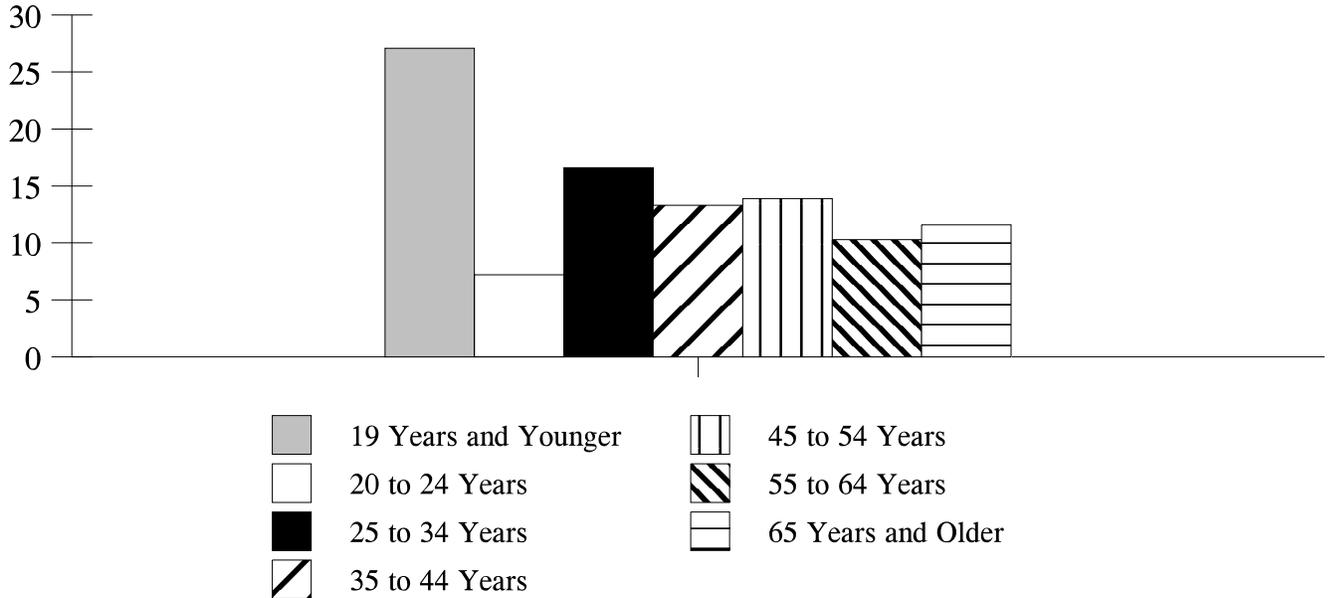
POPULATION TRENDS

	<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 2010 inflation adjusted dollars)	
\$0 to \$24,999	34.9%
\$25,000 to \$34,999	12.0%
\$35,000 to \$49,999	14.1%
\$50,000 to \$74,999	15.2%
\$75,000 to \$99,999	8.8%
\$100,000 and OVER	15.1%
MEDIAN HOUSEHOLD INCOME	\$38,386

Source: U.S. Census Bureau, 2010 American Community Survey.

WILMINGTON EMPLOYMENT TRENDS

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

City of Wilmington's Unemployment % Rate



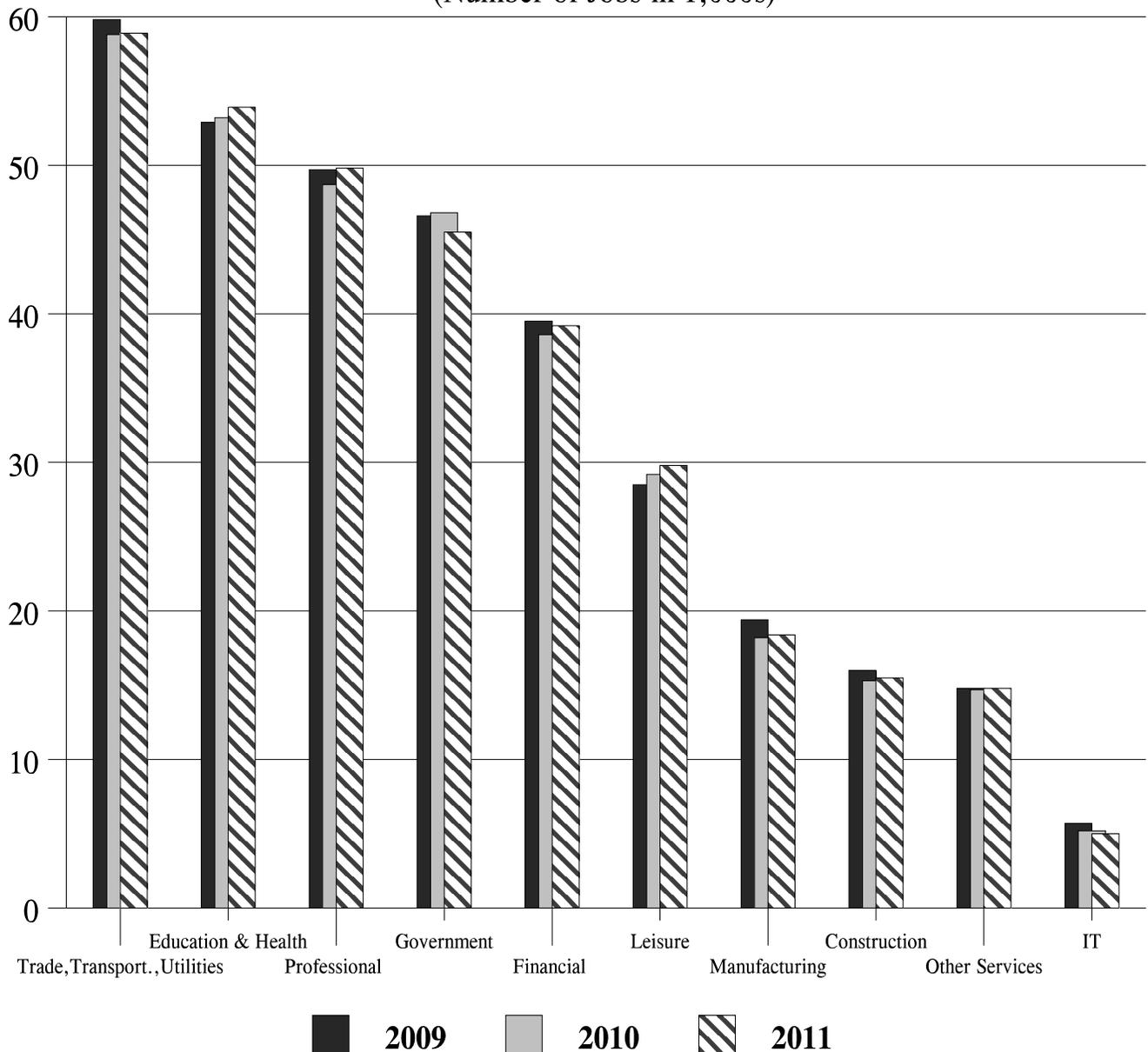
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics & Annual Average Unemployment Rate, 2011.

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.

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
Walgreen's	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
ING Direct**	Financial Services	1,122

Source: Delaware Business Ledger (DBL), Book of Lists, 2012.

* The 2012 edition of DBL's 2012 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 2011, 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 2011

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

Calendar Year 2010

Name	Withholdings	% of Total Withholdings
JP Morgan Chase	\$4,784,797	9.8%
State of Delaware	\$3,174,944	6.5%
Dupont	\$2,126,311	4.4%
Barclays	\$1,725,173	3.5%
Wilmington Trust	\$1,593,953	3.3%

Calendar Year 2009

Name	Withholdings	% of Total Withholdings
JP Morgan Chase	\$4,233,749	8.9%
State of Delaware	\$3,322,363	7.0%
Dupont	\$1,642,107	3.5%
Barclays	\$1,601,820	3.4%
Wilmington Trust	\$1,507,328	3.2%

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 ten largest real estate taxpayers in the City.

Name	Property	Taxable Assessment	% of Total Assessment
Buccini/Pollin Group	Office & Luxury Residential	\$100,000,000	4.50%
Delmarva Power	Electric & Gas Utility	\$80,824,200	3.64%
Bank of America	Corporate Headquarters	78,107,700	3.51%
MacQuarie BDN Christina III	Office Building	63,704,500	2.87%
DCL Leasing Partners	Corporate Headquarters	58,084,300	2.61%
Dupont	Corporate Headquarters	52,839,800	2.38%
1201 Market Street LLC	Office Building	35,000,000	1.58%
HUB Properties Trust	Office Building	31,119,900	1.40%
222 Delaware Partners, LP	Office Building	27,608,600	1.24%
Rodney Square Investors	Office Building	27,054,360	1.22%
Total		\$554,343,360	24.95%

Source: City of Wilmington Revenue Division.

New Construction Permits Issued

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Single-Family	68	61	67	49	31
Multi-Family	0	3	2	3	2
Non-Residential	10	22	8	8	7
TOTAL	78	86	77	60	40

Total Value of New Construction Activity

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Residential	\$ 9,550,632	\$ 10,206,865	\$ 9,990,200	\$ 29,846,027	\$ 4,650,925
Non-Residential	\$ 12,133,900	\$ 35,543,146	\$ 11,125,024	\$ 8,543,544	\$ 49,391,949
TOTAL	\$ 21,684,532	\$ 45,750,011	\$ 21,115,224	\$ 38,389,571	\$ 54,042,874

Renovation Construction Permits Issued

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Residential	2,157	2,935	2,646	3,000	1,919
Non-Residential	419	732	571	326	247
TOTAL	2,576	3,667	3,217	3,326	2,166

Total Value of Renovation Construction Activity

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Residential	\$ 23,940,194	\$ 21,132,548	\$ 18,224,978	\$ 46,087,753	\$ 64,514,060
Non-Residential	\$ 134,242,886	\$ 84,352,813	\$ 73,261,487	\$ 35,798,778	\$ 94,577,430
TOTAL	\$ 158,183,080	\$ 105,485,361	\$ 91,486,465	\$ 81,886,531	\$ 159,091,490

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

ECONOMIC DEVELOPMENT ACTIVITY

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

Business Incentive Program

The Office of Economic Development (OED) manages the City's Economic Development Strategic Fund, which is used to make job creation and retention incentives to private businesses. The Fund's expenditures are recouped by the City's General Fund in two to three years by the wage taxes generated from the new or retained jobs. Each incentive is contractually-based with performance requirements and claw-backs. Since the enabling legislation and initial appropriation in 2002, the City has executed over twenty-five contracts involving incentives of \$11 million, resulting in \$34 million of wage taxes. In fiscal year 2012, the jobs attributed to the Strategic Fund Incentive Program accounted for \$5 million of the City's wage tax base. The Strategic Fund has proven to be an effective business development tool for the OED.

Recent Strategic Fund highlights include the opening of Citibank's Wilmington office in early 2012. Citibank consolidated its suburban Delaware offices, relocating and increasing its workforce in Wilmington, bringing 255 new jobs to the downtown area. Capital One Bank, following its recent merger with Wilmington-based ING Direct, agreed to establish its presence in Wilmington's central business district and has leased space to accommodate 500 new employees beginning late 2012. The Office of Economic Development also utilized job creation incentives to attract the administrative offices of a Mid Coast bank, a new regional community bank involving 25 new jobs. Also in 2012, Wilmington welcomed two technology firms, Welldoc.com and Diamond Technologies, both establishing offices and new jobs within the City. These achievements represent the continued success of the Business Incentive Program and Wilmington's ability to remain competitive and attractive to private sector investors, even in challenging times.

Downtown Development

The 2008 establishment of the Upstairs Fund was a targeted effort by the City to improve the under-utilized building infrastructure along Market Street, the historical center of retail and commerce in Wilmington. After previous investments to upgrade utilities and convert the pedestrian mall back to vehicular traffic, this gap-financing program was the next step in a long-term plan to revive retail activity and residential living on Market Street. Utilizing the Upstairs Fund to encourage the development of market-rate rental units above renovated first floor retail spaces, the City sought to reduce ubiquitous second and third-story vacancies, while attracting the retail, food & beverage, and entertainment industries. An initial investment of \$15.5 million of General Obligation Bond proceeds leveraged over \$60 million in private sector investment. Between 2009 and 2011, the Upstairs Fund produced 35 new residential units, eight new retail stores, and seven new office spaces within six renovated buildings. In 2012, another 13 buildings containing 17 residential units and nine retail/office units were completed and are available for leasing. Several new restaurants now occupy the once vacant storefronts and retail spaces, with about a half-dozen new establishments opening in the past year alone. New retail stores have also opened, and have expanded shopping opportunities, contributing to the revival of downtown Wilmington.

Undoubtedly, the largest success of the Upstairs Fund is the \$25 million renovation of the 45,000 square-foot Queen Theatre on the corner of 5th and Market Streets. Vacant for over 50 years, the Queen is now home

to World Café Live at the Queen and WXPB, a live music venue and radio station that opened April 1, 2011. The City's \$3 million investment in the project and the venue's anticipated role as a catalyst for future economic development was covered by the New York Times. In its first year, the World Café Live at the Queen hosted 700 performances in its two performance spaces, sold over 50,000 tickets, booked 170 special events, and welcomed 120,000 guests. The World Café Live at the Queen is a major success in the revitalization effort to make downtown Wilmington a cultural, dining, and entertainment destination.

Another downtown landmark, the former Daniel L. Hermann Courthouse, underwent a \$35 million renovation that converted the historic building into Class A office space, utilizing \$28 million in federal stimulus bonds. Situated prominently on Rodney Square, the 210,000 square foot building was built in 1916, and the renovation preserves its historic architecture. Owned by the Pettinaro Co., the building is the new home of Wilmington law firm Young Conaway Stargatt & Taylor, LLP.

In its third year of construction, the expansion of the 10-acre Wilmington Campus of the Christiana Care Health System is on schedule to be completed in 2014. First announced in 2009, the \$205 million project received an additional \$5 million contribution from the Dupont Company, bringing the total project cost to \$210 million. This major expansion doubles the size of the emergency room, creates 30 new single-occupancy patient rooms, and provides the capacity for another 90 beds. In addition, 51,000 square feet of professional office space for private medical practices will be provided. This project continues to generate a significant number of construction jobs and will result in 594 additional new permanent jobs.

Downtown Living

As arts and culture play a major role in the revitalization of downtown Wilmington, the Shipley Lofts, an artist live/work community is emerging as a cultural hub for the Wilmington arts community. A \$6.5 million mixed-income residential development project that converted a vacant 5-story furniture factory into 23 units of affordable housing/studio space and a gallery space for local artists, Shipley Lofts provides programming and events that draw regional crowds to downtown Wilmington.

The Delaware College of Art and Design (DCAD), located on Market Street, was founded in 1997 as a collaborative effort between two of the United States's most distinguished art schools: Pratt Institute and the Corcoran College of Art and Design. Delaware's first and only professional art and design school, DCAD has grown from fifty students in its first year to 245 full-time students. Many of these students live in DCAD-provided student housing, creating the largest residential student population the City of Wilmington and DCAD have seen to date.

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

The Riverfront

New retail establishments have almost completely occupied the 150,000 square feet of available retail space at the Christina Crossing Shopping Center. This was made possible, in part, by the City's \$2.5 million relocation and installation of new storm water management facilities. Providing capacity for over 100 acres of land on the south and eastern sides of the Christina River, these improvements supported the redevelopment of the 10 acres of brownfields between South Market and South Walnut Streets that was to become the

Christina Crossing Shopping Center. The anchor tenant, a new 80,000 square foot Shop Rite supermarket, has proven to be a great asset to the Wilmington community, providing the first newly constructed supermarket in over 20 years, and creating over 50 full-time and 100 part-time jobs.

Immediately adjacent to the City's investments at Christina Crossing, the Delaware Department of Transportation has completed a \$9 million federal stimulus project to elevate South Market Street out of the 10-year flood plain. This project will not only rectify persistent flooding, but will also accommodate the redevelopment of over 50 acres of riverfront property to the east of the Christina River.

Currently home to the headquarters for AAA Mid-Atlantic, Barclaycard, and ING Direct, the west side of the Christina River continues to be an attractive destination for the business community. Completed in 2010, the newest addition to Wilmington's stock of Class A office space is the 149,000-square-foot Star Building, located in the heart of the Wilmington Riverfront. Built as an entirely speculative private sector project, the Star Building secured its first principal tenant, Grant & Eisenhofer P.A., a national litigation firm with offices in Wilmington, Washington, D.C., and New York, this year.

Not just a place for corporate headquarters, the Riverfront has become one of the City's most popular residential neighborhoods. Having the benefits of an urban grid, but with a less dense suburban feel, the Riverfront has become a viable community with more than 750 living units and 27,000 square feet of neighborhood retail space.

The Christiana Landing project was the first major residential development on the Riverfront. It is a \$180 million development consisting of 63 townhouses, a 26-story, 183-unit condominium tower, and a 22-story 173-unit apartment tower. On the western shore of the Christina River is the Justison Landing Project, a \$500 million development on eleven acres of land. The first phase of Justison Landing includes 335 living units that are now 75% occupied, and 13,000 square feet of retail space that is now 70% leased. Justison Landing Phase II, announced in early 2012, is a new five-story, 116 unit, residential building slated for completion in 2013. It will feature one- and two-bedroom apartments with balconies, river views and an outdoor pool and terrace.

To complement the new housing and offices, a number of successful restaurants have made Wilmington's Riverfront a dining and attractions hub. These include: Joe's Crab Shack, the national theme restaurant; Iron Hill Brewery, a regional micro-brewery; Harry's Seafood Grille, an elegant seafood restaurant owned and operated by a locally and nationally recognized restaurateur; Firestone, which features expansive outdoor seating on a scenic bend in the river; Big Fish Grill, which has brought the Rehoboth Beach seafood dining experience to Wilmington; and KOOMA, an Asian fusion restaurant and sushi bar where nightlife and fine dining are combined.

The Wilmington Riverfront is also becoming a destination for cultural amenities and tourism. In the fall of 2012, the City will be celebrating the three-year anniversary of two educational and family-oriented amenities opening in Wilmington: The Russell W. Peterson Urban Wildlife Refuge & Dupont Environmental Education Center and the Delaware Children's Museum. Opened in the fall of 2009, the Wildlife Refuge & Environmental Education Center is a \$16.5 million, 212 acre wildlife refuge and educational center on the banks of the Christina River. The Center provides educational programming facilitated by the Delaware Nature Society for children and adults, as well as community and school groups throughout the year. The Delaware Children's Museum is a 37,000 square foot interactive learning facility, also on the Christina River. Attracting approximately 135,000 visitors annually, the Delaware Children's Museum has an estimated indirect economic impact of \$5.6 million in annual business activity.

Adding to the entertainment and cultural offerings at the Wilmington Riverfront, Penn Cinema has begun construction of a \$25 million, 14-screen movie theater complex, featuring a four-story IMAX theater. Scheduled to open in November of 2012, the theater will have 3-D digital screens and high-definition feeds for live broadcasts of events, such as professional sports, plays, and concerts. The theater is expected to create five full-time and 145 part-time jobs, and is estimated to draw 700,000 people a year.

Adjacent to the Riverfront, the Wilmington Train Station underwent a \$37.7 million renovation that was completed in 2011. The station was built in 1907, and was designed by renowned American architect, Frank Furness. Recently rededicated as the Joseph R. Biden Jr. Railroad Station, the station renovation was funded in part by the federal stimulus package. With an annual rider-ship of almost 700,000, the station is one of the busiest in Amtrak's national system.

Further east from the Riverfront, the Christina River empties into the Delaware River at the Port of Wilmington. Using federal Recovery Zone Facility Bonds, the Port of Wilmington concluded a \$15.5 million facility improvement that enabled a world-leading company to greatly expand its distribution of fresh fruit juice. The project included construction of three 1.5 million-gallon aseptic containers that allow storage on-site of fruit juice products trucked from Florida or shipped directly to the Port from Brazil. The company is now be able to provide fresh, pasteurized fruit juices that will be sold under several prominent brand names.

Neighborhood Improvements

Beyond the downtown and Riverfront areas, infrastructure investments in the City's neighborhoods are improving the quality of life for residents, as well as supporting business growth. The City of Wilmington, in partnership with the Delaware Department of Transportation (DelDOT) and various neighborhood civic associations, is actively engaged in over a dozen Transportation Enhancement (TE) projects that are in various stages of completion.

These projects improve the livability of neighborhoods through infrastructure upgrades that increase safety, mobility, and accessibility, while accommodating multiple modes of transportation. By facilitating the flow of pedestrian, transit, and vehicular traffic within and between communities, TE projects have made neighborhood commercial corridors more viable for existing and future business, as well as promoted circulation throughout the City. Recent and ongoing projects include enhancements in the Midtown Brandywine, Delaware Ave/Trolley Square, and Triangle neighborhoods, as well as along Baynard Blvd and 9th Street. TE projects also serve as an opportunity for beautification and streetscape enhancements, making the City's neighborhoods even more attractive places to live and work.

Once vacant lots in the Delaware Ave area, and separately, the Harlan Park community, are now occupied by newly constructed retail and pharmacy establishments. Along the Northeast Blvd, an area of targeted development within the City, retail, restaurant, and service-based businesses are returning to this once bustling commercial corridor. In the past year, the Northeast Blvd and the adjacent Riverside community have welcomed a new restaurant, convenience store, and automotive supply store to compliment and support the recent residential developments of Speakman Place and the Villages of Eastlake. Both Speakman Place and the Villages of Eastlake are mixed-income residential developments that have positively transformed the area.

In the Delaware Ave neighborhood is a \$30.6 million project to replace the 120-unit Lincoln Towers residential high-rise building. The City made a \$20 million issuance of conduit revenue bonds for the project, which is targeted for completion in the fall of 2012. The new building will feature underground parking, and the ground floor will be the new home for Fire Station No. 5, replacing the 118-year-old station that is presently on Gilpin Avenue.

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. In fact, Wilmington was recognized by Foreign Direct Investment Magazine as a "North American Micro City of the Future" for 2011-2012. The City was ranked 1st in the "Infrastructure" category, 3rd in the "Business-Friendliness" category, and 6th in the "Economic Potential" category. 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 extending 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 twelve members appointed by the Mayor. Its membership consists of business and financial leaders from banks and other businesses in the Wilmington area. 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 214.**

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 2011 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 five major funds: The General, Special, Water/Sewer, Commerce 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.

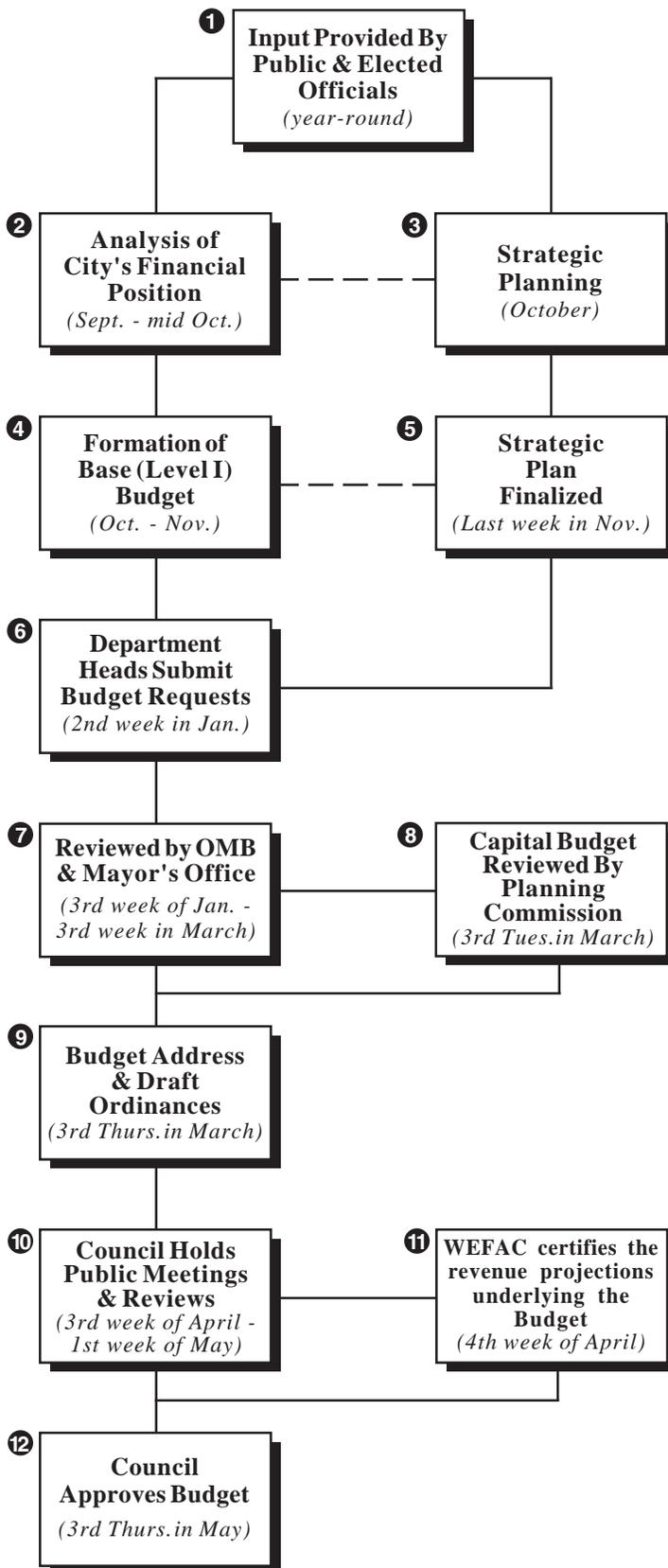
The basis of budgeting for each City fund matches the basis of accounting (the underlying fiscal principles used in the development of the financial statements and for recording financial activity) for that fund. The General, Commerce and Special funds are budgeted and operate under a **modified accrual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

BUDGET PROCESS CALENDAR



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

CITY-WIDE STRATEGIC PLAN

LONG-TERM POLICY GOALS AND OBJECTIVES

1. MANAGE CITY GOVERNMENT EFFECTIVELY

- A. Maintain fiscal prudence and responsibility.
- B. Increase responsiveness to citizens.
- C. Increase level of customer service satisfaction.
- D. Enforce and reward accountability through all levels of operations.
- E. Increase City employee morale and productivity.

2. FOSTER BUSINESS AND ECONOMIC DEVELOPMENT

- A. Expand the City's employment base.
- B. Increase manufacturing and reuse of brownfields.
- C. Increase entrepreneurship opportunities.
- D. Enhance retail services on downtown Market Street.
- E. Improve traffic patterns and transportation links to neighborhoods.
- F. Support development activities along the City's waterfront.

3. IMPROVE THE QUALITY OF LIFE AT THE NEIGHBORHOOD LEVEL

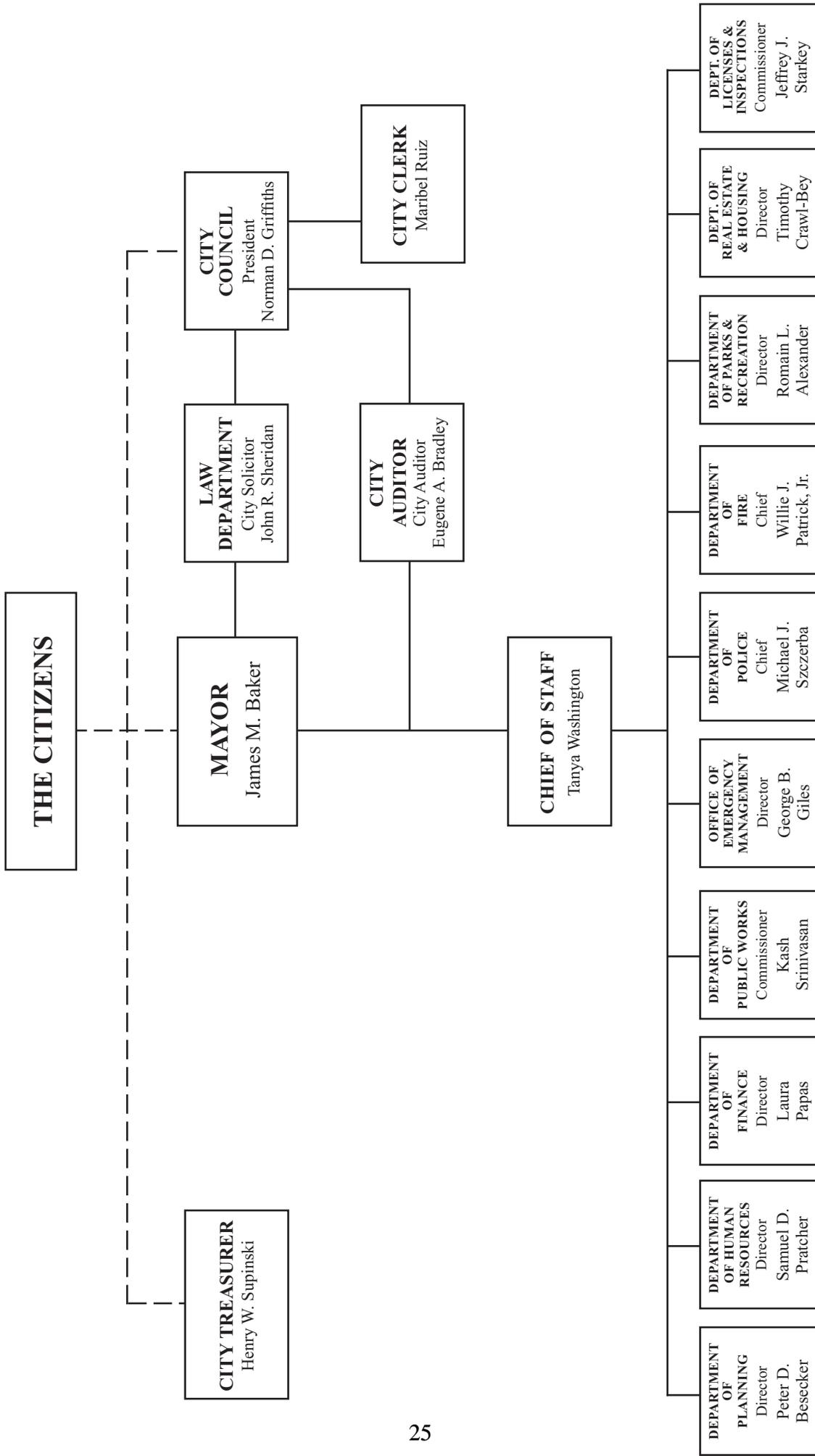
- A. Increase quality and affordability of housing for low-moderate income families.
- B. Increase home ownership.
- C. Increase and/or improve traditional City services (i.e. trash pickup, street repairs, etc.)
- D. Increase services and recreation opportunities for youth and families.
- E. Reduce crime and increase citizens' sense of safety and security.

STATEMENT OF FINANCIAL POLICIES

1. The City Code requires the operating budget to be "balanced" or operating expenditures must be equal to revenues plus prior years' accumulated surplus. Our financial policy extends the code to include the following:
 - Prior years' accumulated surpluses can be included in projected revenues with the exception of those funds designated for debt service, encumbrances or the Budget Reserve Account (see Policy #2). This policy limits tax increases because prior years' surplus are used prior to revenue enhancements.
 - Enterprise Funds shall be self-sufficient and budgeted with a surplus or break-even operations. Water and Sewer user fees shall be adjusted to provide adequate cash flow to sustain water and sewer operations and the necessary infrastructure.
 - Internal Service Funds shall be budgeted at break-even with internal charges equal to expenditures. The Risk Management Fund shall be an exception in that this fund should, if possible, produce a positive fund balance. The building of a positive fund balance is important in risk management because a catastrophic fund balance reserve must be established. When the catastrophic reserve is established at an actuarially determined level, a balanced budget should be maintained.
2. Wilmington's financial position shall be managed conservatively. The following strategies shall be deployed:
 - The City shall maintain a Budget Reserve Account or "Rainy Day Account" equal to 10% of the General Fund Operating Budget. The Budget Reserve is to be used only in emergencies as declared by the Mayor and approved by a two-thirds majority vote of City Council.
 - Operating contingencies shall be budgeted annually for general miscellaneous contingencies, snow removal and contingencies due to new or increased business activity.
 - Appropriations for pensions and retiree healthcare costs shall include amounts for current expenses, along with amounts amortizing prior unfunded liabilities, as actuarially determined and approved by the City Treasurer and the independent Board of Pension and Retirement.
 - The Risk Management Fund or Self-Insurance Fund shall maintain a fund balance reserve for catastrophic losses, in addition to the actuarially-calculated liability.
3. A target of 80% or more of the General Fund or operating budget should represent direct essential services to the citizens such as Police, Fire, Public Works, Parks & Recreation and L & I.
4. Cost containment shall be achieved by limiting growth of controllable expenses to no more than the increase in related cost indices such the Consumer Price Index (CPI) or Producer Price Index (PPI). Cost containment should be achieved without elimination of services or programs. New programs should be implemented only through cost savings from existing programs. Innovation and new technology must be utilized to achieve the most cost effective service delivery.

5. Revenue generation will be derived from various sources with the primary focus on economic development activities. The broadening of the tax base rather than increases to tax rates is the objective; however, real estate tax rates and various user charges should be periodically adjusted to account for inflation. Collection and enforcement are vital components to our revenue generation program. All taxes, fees, and user charges shall have a collection rate of 95% or greater.
6. All components of Wilmington's infrastructure, including roads, water/wastewater transmission lines, water and sewer treatment plants, traffic signals, parks, public property, bridges, street lighting, reservoirs and other capital assets shall be reviewed quarterly and planned maintenance or replacement shall be approved by the Planning Commission and included in the City's Capital Budget and Program. Unexpended funds from previous Capital Budgets shall be reviewed quarterly to determine whether a former project has been temporarily delayed, altered or is no longer feasible. Based on this analysis, funds might then be transferred to current fiscal year projects in order to reduce the amount of new borrowing.
7. Debt shall never be incurred to finance operating activities, except in the special case, as approved by City Council, where the issuance of tax anticipation notes are to be used to bridge timing gaps in cash flow from tax revenue sources. Capital borrowing shall be structured to create level debt service over the life of the bonds and be opportunistic in regard to market conditions and special issues. The City will take an aggressive position regarding special issues in order to generate interest savings, fee income, or economic development incentives. Total annual General Fund debt service cost as a percentage of the annual operating budget shall not exceed 17.5%, as mandated by Delaware State law.
8. The City shall make maximum use of private resources. This includes the leveraging of non-public resources through public/private partnerships, as well as the privatization of services when those services can be provided more effectively, and at a reduced cost through the private sector.

CITY OF WILMINGTON ORGANIZATION CHART



DESCRIPTION OF APPROPRIATED FUNDS

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

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

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

DESCRIPTION OF APPROPRIATED FUNDS

(continued)

Special Funds (continued)

- **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.
- **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.

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, along with sewage treatment and disposal activities. Expenditures regarding these activities are funded by water and sewer service charges.

The Commerce Fund 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 (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. While most of the City's Special Funds are also appropriated through the budget process, 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 are controlled by legally independent boards and trusts, and are not appropriated through the budget process. Only those Funds (or portions of Funds) in which the City Council can appropriate expenditures are included in the budget document.

BUDGET

SUMMARY

BUDGET HIGHLIGHTS

CITY OF WILMINGTON

FISCAL YEAR 2013

The General Fund

- The Fiscal Year (FY) 2013 operating budget expenditures total **\$142,928,023** – up \$3,590,937, or 2.6% from FY 2012. This increase is almost entirely the result of three largely uncontrollable factors. Actuarially required pension contributions rose sharply by \$2.3 million, or over 19%. Debt Service increased \$1.18 million, reflecting a full year of principal and interest payments on the City’s November 2011 capital bond issuance. Lastly, the General Fund will have to absorb the \$329,000 cost of 15 police officers during the last 4 months of FY 2013, as the federal COPS grant now covering the costs of these officers ends on March 1, 2013.
- Staffing decreased by a net total of 6.5 Full-Time Equivalent (FTE) positions. Absorbing the COPS grant patrol officers resulted in 4.7 FTEs transferred in. Also transferred in was 0.2 FTE resulting from a decline in federal housing grant funds available to the Real Estate & Housing Department. More than offsetting these FTE transfers into the General Fund were the elimination of seven vacant Patrol Officer positions in the Police Department, the vacant Assistant Communications Director position in the Mayor’s Office, a vacant Producer/Director position in City Council, and two vacant positions in the Finance Department: a Scofflaw Enforcer (1.0 FTE) and an Account Entry Supervisor (0.8 FTE). Lastly, there was the transfer out to the Water/Sewer Fund of a net 0.6 FTE resulting from the reallocation of Public Works personnel duties and costs.
- As part of the actions necessary to avoid a larger budget deficit, there is no allowance for a general Cost of Living Adjustment (COLA) for employees. A 2.5% COLA would cost about \$1.75 million. This will be the fourth year in a row that the harsh economic conditions have dictated that there be no provision for employee COLAs. However, anniversary-based salary step increases for all eligible employees will continue.
- The City continues to consolidate and streamline the management and costs of technology, especially in the area of Public Safety. A total of \$277,000 in mobile airtime costs from Police, Fire, and Emergency Management was transferred to the Division of Integrated Technology to support T1 lines, Homeland Security cameras, mobile data terminals, mobile command satellite access, and EV-DO technology in firefighting apparatus.
- All Police and Fire handheld radios will be replaced in FY 2013 with the latest Motorola technology. The present radio equipment is over seven years old, and is no longer supported by the manufacturer. This makes repairs expensive and difficult, if not impossible. The \$913,000 cost of the new radios will be spread out over seven years by financing the purchase through a capital lease. This will result in an affordable annual cost of less than \$150,000, charged back through the Police and Fire internal service radio accounts.

BUDGET HIGHLIGHTS

CITY OF WILMINGTON

FISCAL YEAR 2013

The General Fund (continued)

- Green initiatives have reduced electricity costs by over 16%, or almost \$294,000, largely offsetting contractual increases in landfill fees (up \$186,000) and maintenance costs for buildings, property, and equipment (up \$168,000).
- City Council increased the funding of the Summer Youth Employment program in the Parks & Recreation Department by \$100,000. This is in addition to a \$100,000 set-aside for youth initiatives budgeted in the Mayor's Office Contingency Fund.
- Due to the fiscal crisis, the City's 4th of July festival was eliminated last year. Public demand for the return of the festival had been so great that the City restored \$45,000 of the \$90,000 in funding eliminated from last year's budget. The Cultural Affairs Office has successfully obtained the remaining \$45,000 needed to fund the festival from corporate and private donations.
- The Finance Department's Plan for Change revenue collection initiatives continue to evolve and mature. For FY 2013, the Department has been able to reduce its total net commission-related expenses by almost \$126,000.
- The FY 2013 Budget does not include any tax or fee increases. As a result, in addition to a \$100,000 transfer from the Economic Strategic Fund, nearly \$2 million in Unassigned Fund Balance (prior years' surplus) was needed to bridge the remaining budget deficit.

BUDGET HIGHLIGHTS

CITY OF WILMINGTON

FISCAL YEAR 2013

The Water/Sewer Fund

- The FY 2013 operating budget expenditures total **\$64,335,863** – up \$1,782,291, or 2.8% from FY 2012. The FY 2013 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.
- There is a \$527,000 increase in the contract for Veolia to operate and maintain the City’s sewage treatment plant and to provide certain capital improvements. This 3% increase results in part from using mutually agreed upon cost indices that have risen over the past year. As per the agreement, the City is reimbursed for about 87% of the Veolia contract cost by New Castle County.
- Engineering costs increased \$512,500 to support sewer maintenance assessments, stormwater GIS mapping and tracking, stormwater inlet inspections, and capital program management and planning.
- Consultant expenses grew \$300,000 for water system leak detection services; utility billing transition support; the development of a wet-weather management plan; and to assist in the transition to a de-politicized citizens advisory board form of governance for the water, sewer, and stormwater utilities.
- Data Processing internal service costs in the Public Works Department increased by almost \$384,000. This increase supports the continued implementation of the *City Works* project that will provide (among other enhancements) GIS integrated infrastructure management, project status and task tracking, and custom-tailored constituent and customer services.
- Overall debt service interest costs were reduced by \$192,400, reflecting the greater use of low-interest State Revolving Fund loans in place of general obligation bonds, along with a lower interest rate than what had been projected for the November 2011 capital bond issuance.
- Staffing decreased by a net 0.6 FTE. The elimination of a vacant Meter Reader Supervisor position (1.0 FTE) and a vacant Account Entry Supervisor position (0.2 FTE) in the Finance Department was offset by the transfer in of a net 0.6 FTE that resulted from the reallocation of Public Works personnel duties and costs.
- As part of a planned series of rate adjustments needed to properly fund the City’s utilities, there is a 9% increase in water, sewer, and stormwater rates.



**SUMMARY OF COMBINED STATEMENT OF REVENUES
FY 2009 - FY 2013**

REVENUES	ACTUAL FY2009	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
General Fund					
Taxes	\$95,279,953	\$101,075,449	\$102,735,970	\$101,175,296	\$103,923,042
Permits, Fees & Fines	10,757,273	12,072,268	12,652,152	12,672,291	12,336,773
Other	9,860,582	7,705,367	6,085,892	6,178,005	5,620,134
Task Force Revenues	4,102,645	3,840,957	4,183,747	3,884,800	4,037,572
County Seat Relief	7,505,338	7,546,150	7,949,369	7,383,771	7,688,521
State Pension Contributions	7,554,785	7,434,474	6,981,542	7,470,072	6,984,517
Transfers In	275,000	275,000	1,400,422	577,160	375,000
Prior Year Surplus	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,962,464</u>
Subtotal	135,335,576	139,949,665	141,989,094	139,341,395	142,928,023
Water/Sewer Fund					
Direct User Charges	31,125,312	34,585,206	39,559,528	43,734,000	47,647,790
New Castle County Charges	17,610,381	16,717,945	17,646,669	18,847,123	19,364,771
Other	<u>1,099,178</u>	<u>1,045,994</u>	<u>1,437,456</u>	<u>1,147,000</u>	<u>1,271,000</u>
Subtotal	49,834,871	52,349,145	58,643,653	63,728,123	68,283,561
Commerce Fund					
Port Debt Reimbursement	2,579,431	0	0	0	0
Miscellaneous	<u>500,113</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	3,079,544	0	0	0	0
Special Funds					
Fed./State/County Grants	9,807,230	9,062,038	10,223,426	10,373,150	8,476,083
Other	<u>2,216,268</u>	<u>1,874,756</u>	<u>2,385,417</u>	<u>3,238,363</u>	<u>3,605,733</u>
Subtotal	12,023,498	10,936,794	12,608,843	13,611,513	12,081,816
Total Revenues	<u>\$200,273,489</u>	<u>\$203,235,604</u>	<u>\$213,241,590</u>	<u>\$216,681,031</u>	<u>\$223,293,400</u>

**SUMMARY OF COMBINED STATEMENT OF EXPENDITURES
FY 2009 - FY 2013**

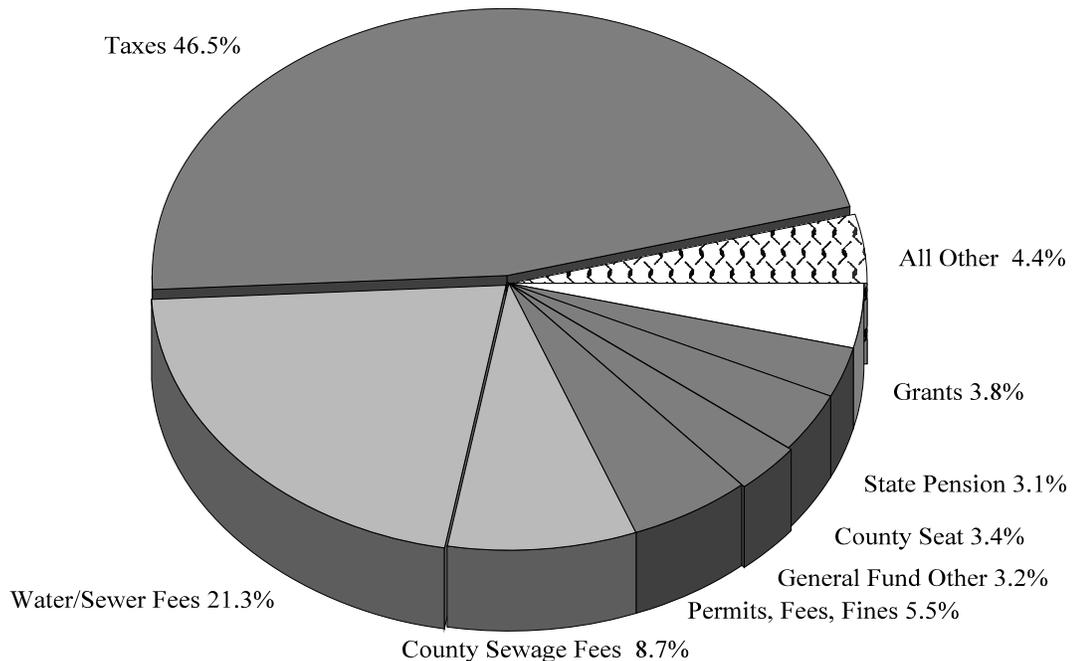
EXPENDITURES	ACTUAL FY2009	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
General Fund					
Personal Services	\$97,060,229	\$93,489,795	\$94,381,824	\$93,079,367	\$95,276,696
M. S. & E.	31,368,994	35,048,618	31,584,870	33,743,502	33,873,607
Debt Service	11,777,029	11,549,349	8,257,993	11,553,187	12,737,650
Other	639,371	656,461	575,464	961,030	1,040,070
Subtotal	140,845,623	140,744,223	134,800,151	139,337,086	142,928,023
Water/Sewer Fund					
Personal Services	9,796,464	9,430,688	10,085,484	10,293,235	10,356,968
M. S. & E.	31,452,686	33,621,126	33,317,874	39,134,772	41,045,747
Debt Service	5,635,798	5,506,711	4,423,310	6,496,989	6,304,572
Other	6,225,668	6,419,913	6,896,951	6,628,576	6,628,576
Subtotal	53,110,616	54,978,438	54,723,619	62,553,572	64,335,863
Commerce Fund					
Personal Services	758,945	0	0	0	0
M. S. & E.	2,307,105	0	0	0	0
Debt Service	3,741,116	0	0	0	0
Subtotal	6,807,166	0	0	0	0
Special Funds					
Personal Services	2,617,588	3,307,562	3,856,725	5,043,803	4,328,097
M. S. & E.	4,858,626	4,033,812	5,213,524	5,301,411	2,951,709
Other	4,547,284	3,595,420	3,538,594	3,266,299	4,802,010
Subtotal	12,023,498	10,936,794	12,608,843	13,611,513	12,081,816
Total Expenditures	\$212,786,903	\$206,659,455	\$202,132,613	\$215,502,171	\$219,345,702
INCOME (LOSS)					
General Fund	(5,510,047)	(794,558)	7,188,943	4,309	0
Water/Sewer Fund	(3,275,745)	(2,629,293)	3,920,034	1,174,551	3,947,698
Commerce Fund	(3,727,622)	0	0	0	0
Special Funds	0	0	0	0	0
Total Income (Loss)	(\$12,513,414)	(\$3,423,851)	\$11,108,977	\$1,178,860	\$3,947,698

SUMMARY ALL FUNDS COMBINED FISCAL YEAR 2013

<u>Revenues</u>	<u>Actual FY 2010</u>	<u>Actual FY 2011</u>	<u>Budget FY 2012</u>	<u>Budget FY 2013</u>	<u>Percent Change FY'13-'12</u>	<u>Page Reference*</u>
Taxes	\$101,075,449	\$102,735,970	\$101,175,296	\$103,923,042	2.7%	38
Permits, Fees, Fines	12,072,268	12,652,152	12,672,291	12,336,773	-2.6%	38
Task Force Revenues	3,840,957	4,183,747	3,884,800	4,037,572	3.9%	38
County Seat Relief	7,546,150	7,949,369	7,383,771	7,688,521	4.1%	38
State Pension Contr.	7,434,474	6,981,542	7,470,072	6,984,517	-6.5%	38
General Fund Other	5,144,809	6,700,487	5,252,193	7,057,190	34.4%	38
Water/Sewer Fees	34,585,206	39,559,528	43,734,000	47,647,790	8.9%	42
County Sewage Fees	16,717,945	17,646,669	18,847,123	19,364,771	2.7%	42
Water/Sewer Other	1,045,994	1,437,456	1,147,000	1,271,000	10.8%	42
Port Debt Reimburse.	2,835,558	785,827	1,502,972	900,408	-40.1%	38
Special Funds Grants	9,062,038	10,223,426	10,373,150	8,476,083	-18.3%	40
Special Funds Other	<u>1,874,756</u>	<u>2,385,417</u>	<u>3,238,363</u>	<u>3,605,733</u>	<u>11.3%</u>	40
Total Revenues	<u>\$203,235,604</u>	<u>\$213,241,590</u>	<u>\$216,681,031</u>	<u>\$223,293,400</u>	<u>3.1%</u>	

* See page listed for further information and details.

Revenues All Funds Fiscal Year 2013

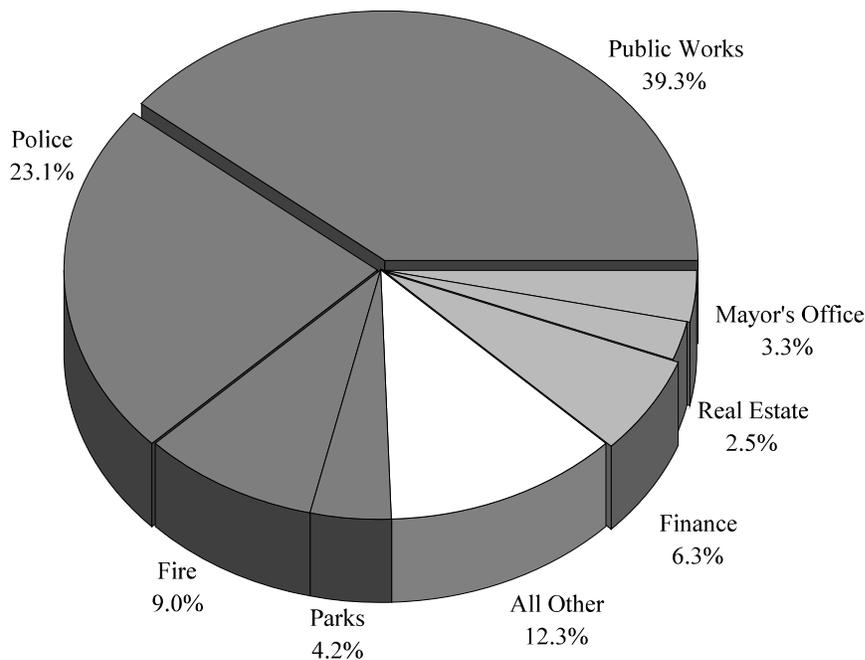


SUMMARY OF ALL FUNDS COMBINED FISCAL YEAR 2013

<u>Expenditures</u>	<u>Actual FY 2010</u>	<u>Actual FY 2011</u>	<u>Budget FY 2012</u>	<u>Budget FY 2013</u>	<u>Percent Change FY'13-'12</u>	<u>Page Reference*</u>
Mayor's Office	\$7,840,386	\$7,482,571	\$7,623,063	\$7,081,856	-7.1%	89
Council	2,607,420	2,402,626	2,414,576	2,481,241	2.8%	99
Treasurer	2,205,791	2,715,067	3,496,876	3,862,894	10.5%	103
Planning	1,530,339	1,529,761	1,622,996	1,611,465	-0.7%	110
Audit	743,137	766,260	720,861	773,549	7.3%	118
Law	2,850,396	2,890,737	2,990,727	2,893,004	-3.3%	123
Finance	11,395,337	13,234,323	13,920,180	13,846,562	-0.5%	129
Human Resources	1,767,195	1,767,377	1,888,186	2,037,916	7.9%	139
Licenses & Inspections	4,274,848	4,255,229	4,359,326	4,528,006	3.9%	150
Parks & Recreation	11,197,268	9,771,848	10,449,033	9,437,900	-9.7%	155
Fire	19,174,353	19,633,389	19,389,576	19,840,344	2.3%	165
Police	52,560,255	50,261,709	49,026,354	50,285,328	2.6%	173
Public Works	72,337,033	72,242,309	81,665,146	86,399,040	5.8%	184
Real Estate & Housing	5,100,432	5,019,034	5,822,254	5,393,490	-7.4%	198
Commerce (Port Debt)	3,640,792	1,178,833	2,096,986	1,263,590	-39.7%	211
State Pension Contr.	7,434,473	6,981,540	7,470,071	6,984,517	-6.5%	166 & 174
Contingent Reserves	<u>0</u>	<u>0</u>	<u>545,960</u>	<u>625,000</u>	<u>14.5%</u>	89
Total Expenditures	<u>\$206,659,455</u>	<u>\$202,132,613</u>	<u>\$215,502,171</u>	<u>\$219,345,702</u>	<u>1.8%</u>	

* See page listed for further information and details.

Expenditures All Funds Fiscal Year 2013



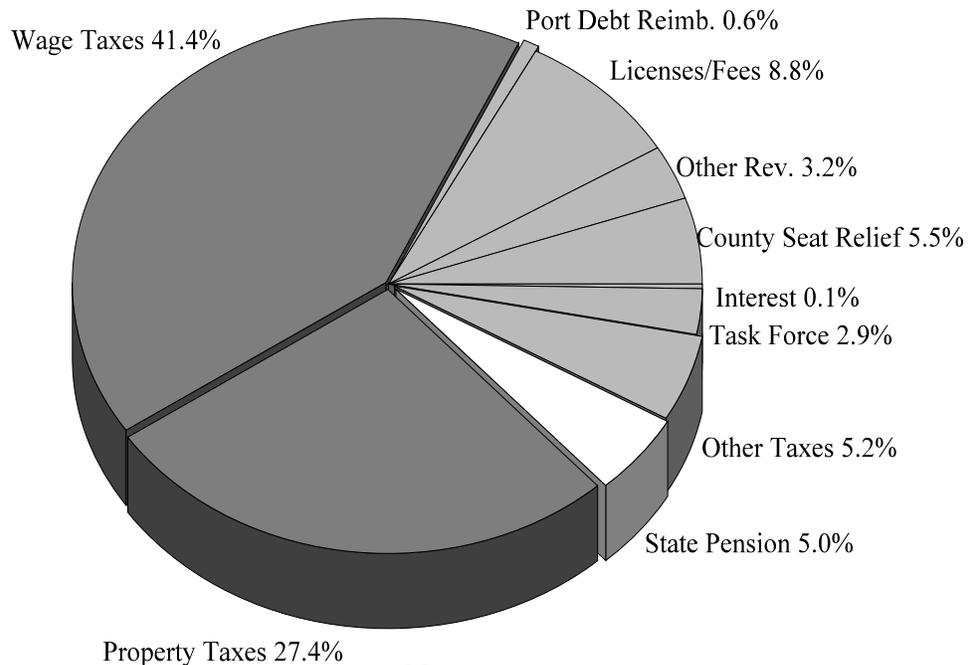
SUMMARY OF GENERAL FUND FISCAL YEAR 2013

<u>Revenues</u>	<u>Actual FY 2010</u>	<u>Actual FY 2011</u>	<u>Budget FY 2012</u>	<u>Budget FY 2013</u>	<u>Percent Change FY'13-'12</u>	<u>Page Reference*</u>
Wage Tax	\$58,839,798	\$56,550,527	\$55,473,500	\$58,192,500	4.9%	68
Property Tax	35,398,064	39,187,019	38,540,757	38,456,440	-0.2%	69
Other Taxes	6,837,587	6,998,424	7,161,039	7,274,102	1.6%	70
Licenses, Permits, Fees & Fines	12,072,268	12,652,152	12,672,291	12,336,773	-2.6%	71
Interest	405,970	177,544	162,500	207,193	27.5%	72
Other Revenues	4,463,839	5,122,521	4,512,533	4,512,533	0.0%	73
Task Force Revenues	3,840,957	4,183,747	3,884,800	4,037,572	3.9%	74
County Seat Relief	7,546,150	7,949,369	7,383,771	7,688,521	4.1%	75
State Pension Contr.	7,434,474	6,981,542	7,470,072	6,984,517	-6.5%	76
Port Debt Reimburse.	2,835,558	785,827	1,502,972	900,408	-40.1%	76
Transfers In/(Out)	275,000	1,400,422	577,160	375,000	-35.0%	77
Use of Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,962,464</u>	<u>N/A</u>	<u>77</u>
Total Revenues	<u>\$139,949,665</u>	<u>\$141,989,094</u>	<u>\$139,341,395</u>	<u>\$142,928,023</u>	<u>2.6%</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 2013



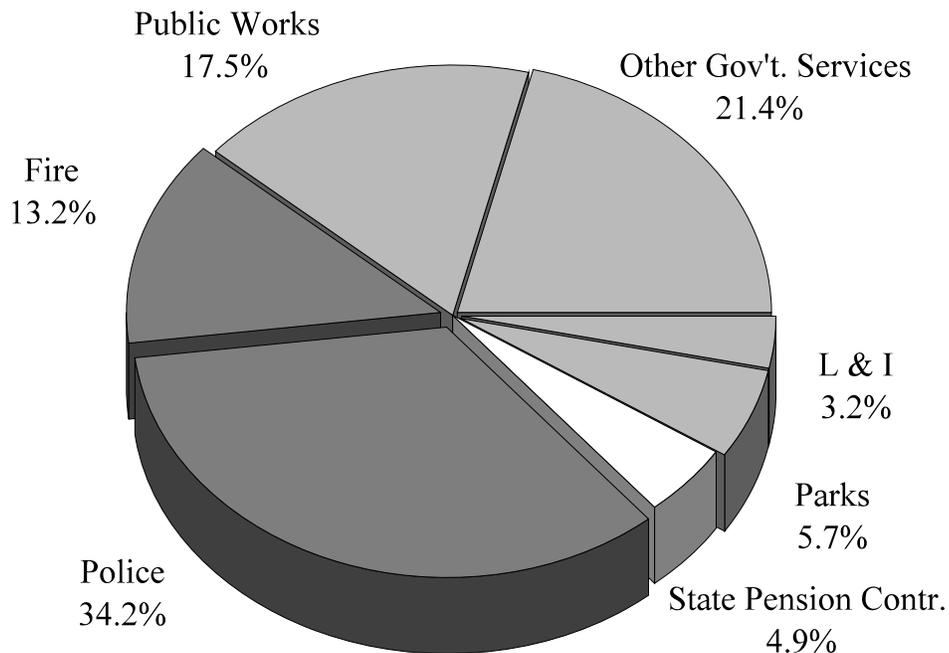
SUMMARY OF GENERAL FUND FISCAL YEAR 2013

<u>Expenditures</u>	<u>Actual FY 2010</u>	<u>Actual FY 2011</u>	<u>Budget FY 2012</u>	<u>Budget FY 2013</u>	<u>Percent Change FY'13-'12</u>	<u>Page Reference*</u>
Mayor's Office	\$7,739,524	\$7,241,634	\$7,562,959	\$7,020,620	-7.2%	89
Council	2,607,420	2,402,626	2,414,576	2,481,241	2.8%	99
Treasurer	443,059	407,194	414,705	413,353	-0.3%	103
Planning	1,480,363	1,470,955	1,561,942	1,575,412	0.9%	110
Audit	686,137	708,260	660,861	713,549	8.0%	118
Law	2,850,396	2,890,737	2,990,727	2,893,004	-3.3%	124
Finance	8,191,122	9,917,370	10,308,083	10,122,497	-1.8%	130
Human Resources	1,767,195	1,767,377	1,888,186	2,037,916	7.9%	140
Licenses & Inspections	4,274,848	4,255,229	4,359,326	4,528,006	3.9%	150
Parks & Recreation	8,948,371	7,702,528	8,350,592	8,201,708	-1.8%	156
Fire	19,081,892	18,817,517	18,365,773	18,807,402	2.4%	165
Police	50,068,722	47,842,208	47,148,616	48,918,146	3.8%	174
Public Works	20,530,319	20,003,409	21,893,437	24,957,008	14.0%	184
Real Estate & Housing	999,590	1,212,734	1,304,286	1,385,054	6.2%	198
Commerce (Port Debt)	3,640,792	1,178,833	2,096,986	1,263,590	-39.7%	211
State Pension Contr.	7,434,473	6,981,540	7,470,071	6,984,517	-6.5%	166 & 174
Contingent Reserves**	0	0	545,960	625,000	14.5%	89
Total Expenditures	<u>\$140,744,223</u>	<u>\$134,800,151</u>	<u>\$139,337,086</u>	<u>\$142,928,023</u>	<u>2.6%</u>	

* See page listed for further information and details.

** FY 2013 includes \$300,000 for operating contingencies, \$125,000 for snow and weather emergencies, \$100,000 for the FED UP program, and \$100,000 for Council requested youth initiatives.

General Fund Expenditures Fiscal Year 2013



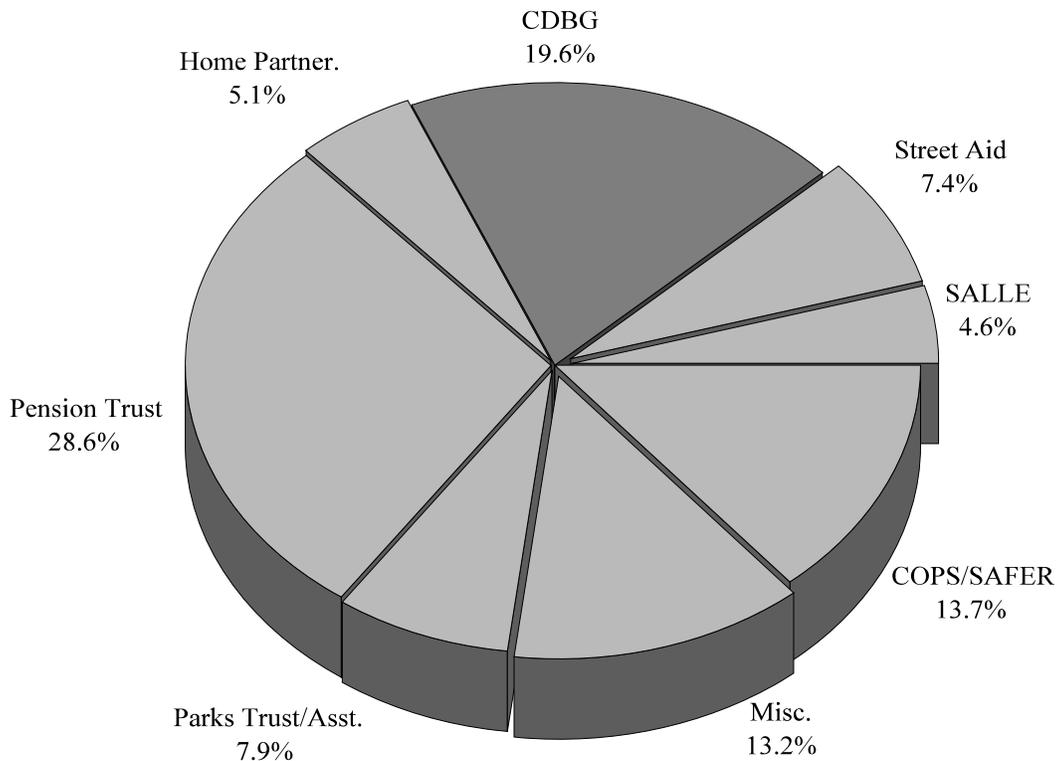
SUMMARY OF SPECIAL FUNDS FISCAL YEAR 2013

<u>Revenues</u>	<u>Actual FY 2010</u>	<u>Actual FY 2011</u>	<u>Budget FY 2012</u>	<u>Budget FY 2013</u>	<u>Percent Change FY'13-'12</u>	<u>Page Reference*</u>
Municipal Street Aid	\$89,491	\$890,234	\$890,234	\$890,234	0.0%	78
CDBG	2,785,370	2,953,370	3,125,250	2,368,343	-24.2%	78
COPS Grant	272,371	993,248	1,058,446	808,407	-23.6%	78
SAFER	0	0	823,615	841,158	2.1%	79
Parks Assistance	2,136,873	1,497,245	1,627,249	800,000	-50.8%	79
Parks Trust Fund	112,024	77,544	156,192	156,192	0.0%	79
SALLE/LLEBG	609,277	1,248,816	776,030	558,775	-28.0%	80
Pension Admin.	1,762,732	2,307,873	3,082,171	3,449,541	11.9%	80
Home Partnership	611,682	102,916	657,050	620,147	-5.6%	80
Byrne Grant	1,609,885	177,437	43,262	0	-100.0%	81
Miscellaneous Grants	<u>947,089</u>	<u>2,360,160</u>	<u>1,372,014</u>	<u>1,589,019</u>	<u>15.8%</u>	81
Total Revenues	<u>\$10,936,794</u>	<u>\$12,608,843</u>	<u>\$13,611,513</u>	<u>\$12,081,816</u>	<u>-11.2%</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.

Special Funds Revenues Fiscal Year 2013



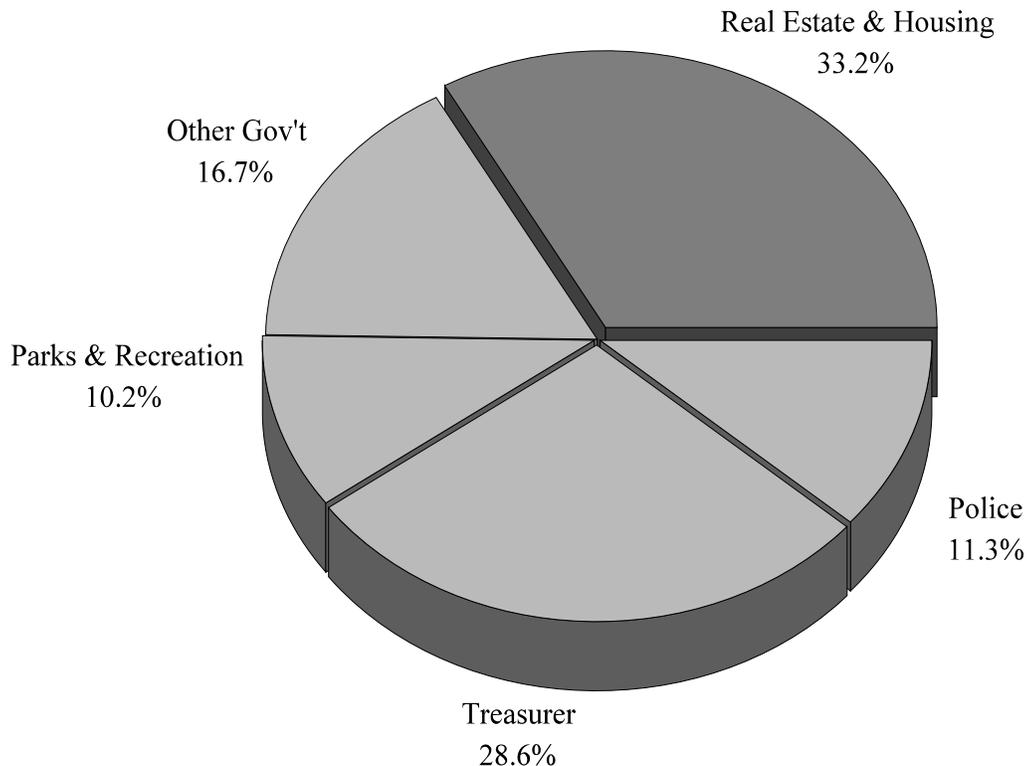
SUMMARY OF SPECIAL FUNDS FISCAL YEAR 2013

<u>Expenditures</u>	<u>Actual FY 2010</u>	<u>Actual FY 2011</u>	<u>Budget FY 2012</u>	<u>Budget FY 2013</u>	<u>Percent Change FY'13-'12</u>	<u>Page Reference*</u>
Mayor's Office	\$100,862	\$240,937	\$60,104	\$61,236	1.9%	90
Treasurer	1,762,732	2,307,873	3,082,171	3,449,541	11.9%	104
Planning	49,976	58,806	61,054	36,053	-40.9%	110
Law	0	0	0	0	0.0%	N/A
Licenses & Inspections	0	0	0	0	0.0%	N/A
Parks & Recreation	2,248,897	2,069,320	2,098,441	1,236,192	-41.1%	156
Fire	92,461	815,872	1,023,803	1,032,942	0.9%	166
Police	2,491,533	2,419,501	1,877,738	1,367,182	-27.2%	174
Public Works	89,491	890,234	890,234	890,234	0.0%	185
Real Estate & Housing	<u>4,100,842</u>	<u>3,806,300</u>	<u>4,517,968</u>	<u>4,008,436</u>	<u>-11.3%</u>	198
Total Expenditures	<u>\$10,936,794</u>	<u>\$12,608,843</u>	<u>\$13,611,513</u>	<u>\$12,081,816</u>	<u>-11.2%</u>	

* See page listed for further information and details.

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 2013



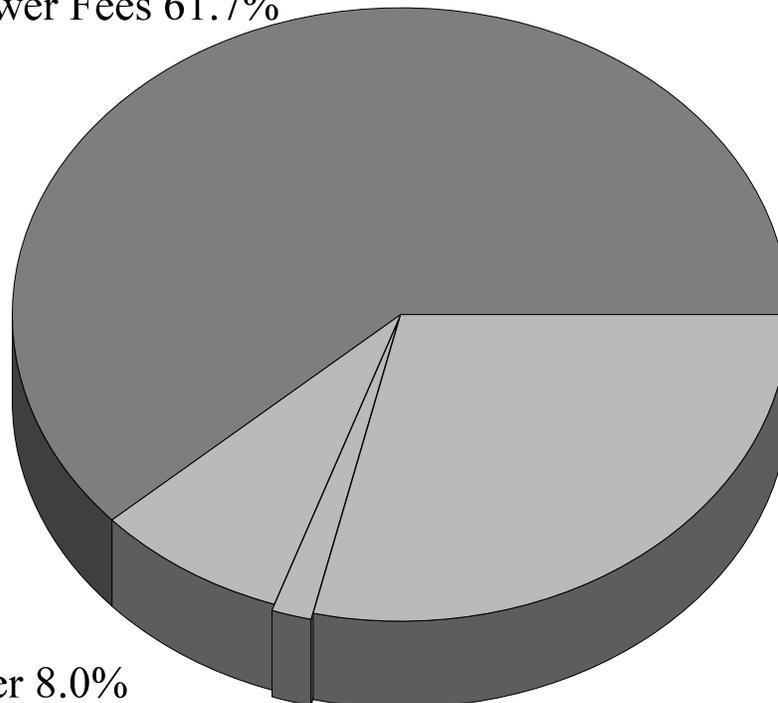
**SUMMARY OF WATER/SEWER FUND
FISCAL YEAR 2013**

Revenues	Actual FY 2010	Actual FY 2011	Budget FY 2012	Budget FY 2013	Percent Change FY'13-'12	Page Reference*
Water/Sewer						
User Fees	\$29,093,942	\$35,332,168	\$37,703,000	\$42,164,000	11.8%	82
Stormwater Billings	5,491,264	4,227,360	6,031,000	5,483,790	-9.1%	83
New Castle County						
Sewer Services	16,717,945	17,646,669	18,847,123	19,364,771	2.7%	84
Interest	131,228	15,000	38,000	15,000	-60.5%	85
Rentals/Misc.	914,766	1,422,456	1,109,000	1,056,000	-4.8%	86
Solar Panels	0	0	0	200,000	N/A	86
Total Revenues	<u>\$52,349,145</u>	<u>\$58,643,653</u>	<u>\$63,728,123</u>	<u>\$68,283,561</u>	<u>7.1%</u>	

* See page listed for further information and details.

Water/Sewer Fund Revenues Fiscal Year 2013

Water/Sewer Fees 61.7%



Stormwater 8.0%

Interest/Rentals/Misc./Solar 1.9%

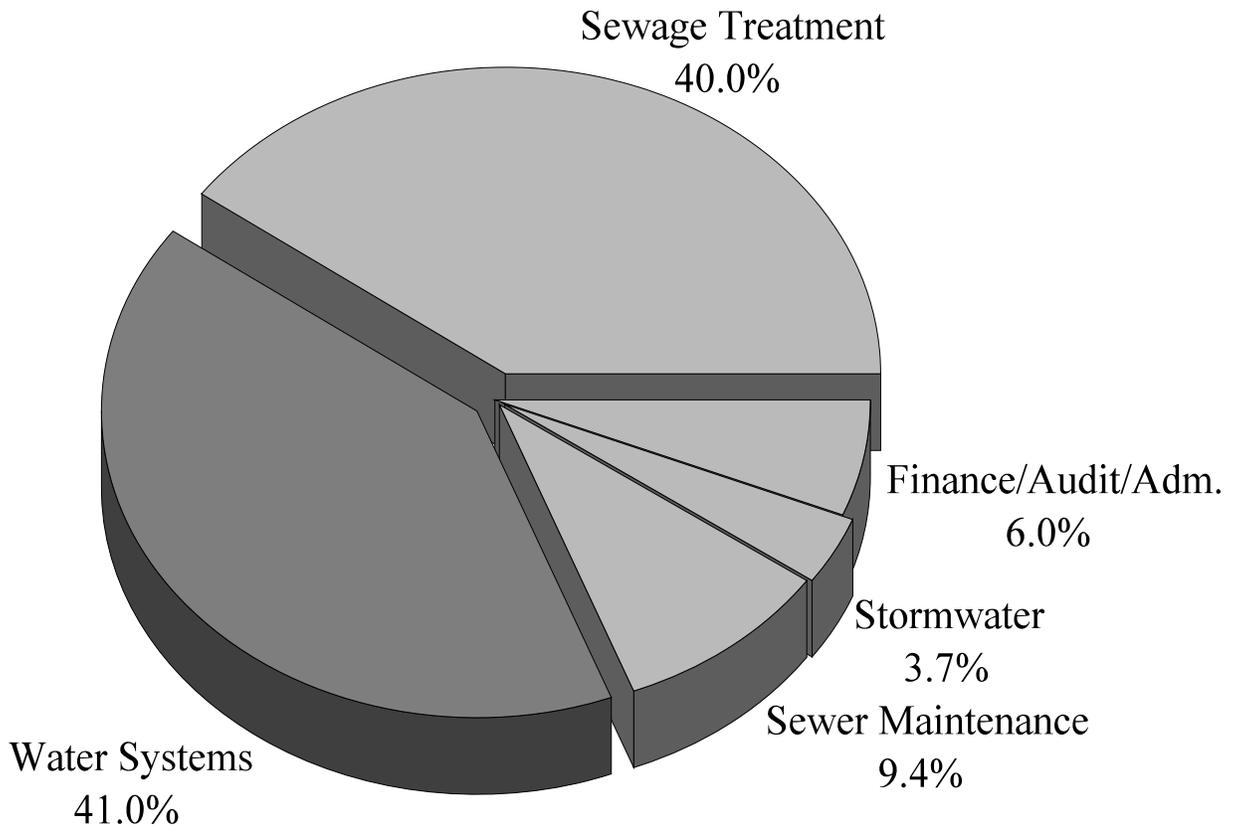
NCC Sewer 28.4%

**SUMMARY OF WATER/SEWER FUND
FISCAL YEAR 2013**

<u>Expenditures</u>	<u>Actual FY 2010</u>	<u>Actual FY 2011</u>	<u>Budget FY 2012</u>	<u>Budget FY 2013</u>	<u>Percent Change FY'13-'12</u>	<u>Page Reference*</u>
Audit	\$57,000	\$58,000	\$60,000	\$60,000	0.0%	118
Finance	3,204,215	3,316,953	3,612,097	3,724,065	3.1%	130
Public Works	51,717,223	51,348,666	58,881,475	60,551,798	2.8%	184
Total Expenditures	<u>\$54,978,438</u>	<u>\$54,723,619</u>	<u>\$62,553,572</u>	<u>\$64,335,863</u>	<u>2.8%</u>	

* See page listed for further information and details.

Water/Sewer Fund Expenditures Fiscal Year 2013



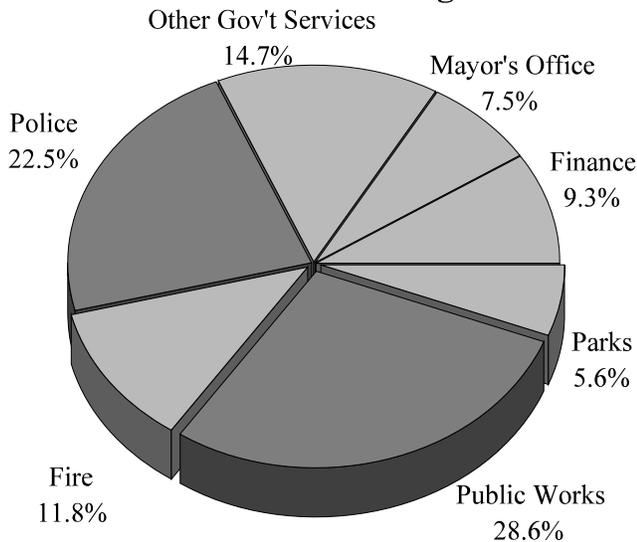
SUMMARY OF INTERNAL SERVICE FUNDS FISCAL YEAR 2013

<u>Expenditures**</u>	<u>Actual FY 2010</u>	<u>Actual FY 2011</u>	<u>Budget FY 2012</u>	<u>Budget FY 2013</u>	<u>Percent Change FY'13-'12</u>	<u>Page Reference*</u>
Mayor's Office	\$6,071,686	\$6,461,275	\$7,698,674	\$8,168,356	6.1%	90
Human Resources	21,777,410	21,079,454	22,517,262	22,250,895	-1.2%	140
Public Works	<u>6,379,598</u>	<u>7,222,559</u>	<u>6,770,084</u>	<u>7,191,773</u>	<u>6.2%</u>	185
Total Expenditures	<u>\$34,228,694</u>	<u>\$34,763,288</u>	<u>\$36,986,020</u>	<u>\$37,611,024</u>	<u>1.7%</u>	

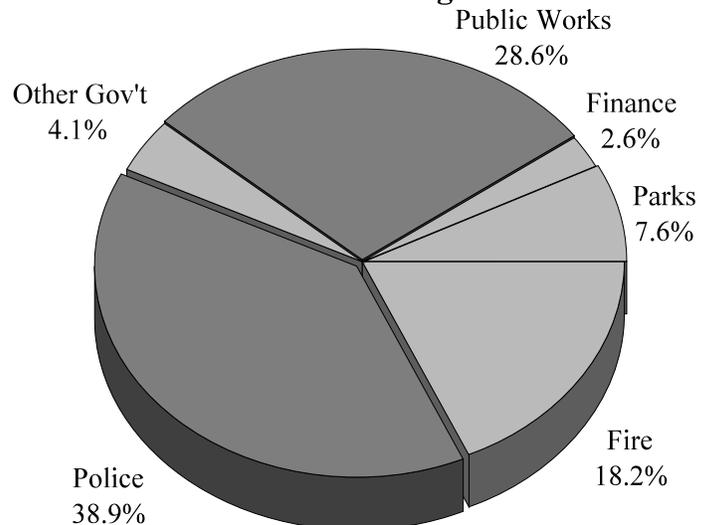
* See page listed for further information and details.

** 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 '13 Internal Service Charge Allocations



Self-Insurance Program FY '13 Internal Service Charge Allocations



CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(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
		2012	2013	2014	2015	2016	2017		
FINANCE	G	1,036	0	760	0	723	0	2,519	2,519
	W	1,662	0	1,607	0	1,119	0	4,388	4,388
	I	21	0	0	0	0	0	21	21
FIRE	G	4,650	0	3,750	0	4,035	0	12,435	12,435
OFFICE OF THE MAYOR	G	17,958	0	1,500	0	1,250	0	20,708	20,708
	I	700	0	0	0	0	0	700	700
	O	1,530	0	0	0	0	0	0	1,530
PARKS AND RECREATION	G	3,080	0	3,880	0	2,630	0	9,590	9,590
	O	1,300	0	300	0	300	0	0	1,900
POLICE	G	650	0	250	0	250	0	1,150	1,150
PUBLIC WORKS	G	5,100	0	12,000	0	12,000	0	29,100	29,100
	W	55,400	0	53,550	0	37,300	0	146,250	146,250
	O	2,000	0	0	0	0	0	0	2,000
REAL ESTATE & HOUSING	G	150	0	1,500	0	1,500	0	3,150	3,150
TRANSPORTATION	G	3,300	0	2,450	0	2,450	0	8,200	8,200
	O	10,000	0	0	0	0	0	0	10,000
TOTAL BY FUND	G	35,924	0	26,090	0	24,838	0	86,852	86,852
	O	14,830	0	300	0	300	0	0	15,430
	W	57,062	0	55,157	0	38,419	0	150,638	150,638
	I	721	0	0	0	0	0	721	721
GRAND TOTAL		108,537	0	81,547	0	63,557	0	238,211	253,641

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

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(000 omitted)

SUMMARY: TOTAL FUNDS RECOMMENDED BY EXPENDITURE TYPE

NAME OF DEPARTMENT	Exp. Cat.	FISCAL YEARS						TOTAL LOCAL FUNDS 6 YEAR PERIOD
		2012	2013	2014	2015	2016	2017	
FINANCE	NS	136	0	189	0	74	0	399
	NR	162	0	119	0	129	0	410
	UE	2,000	0	1,041	0	774	0	3,815
	RE	421	0	1,018	0	865	0	2,304
FIRE	NR	3,650	0	2,000	0	2,285	0	7,935
	RE	1,000	0	1,750	0	1,750	0	4,500
OFFICE OF THE MAYOR	NS	2,488	0	1,000	0	1,000	0	4,488
	UE	15,800	0	500	0	250	0	16,550
	NR	1,900	0	0	0	0	0	370
PARKS AND RECREATION	NS	500	0	1,100	0	100	0	1,700
	UE	1,580	0	1,730	0	1,480	0	4,340
	RE	2,300	0	1,350	0	1,350	0	3,550
POLICE	UE	650	0	250	0	250	0	1,150
PUBLIC WORKS	NS	1,800	0	2,750	0	500	0	5,050
	NR	2,700	0	0	0	0	0	2,700
	UE	47,900	0	31,800	0	22,800	0	102,500
	RE	10,100	0	31,000	0	26,000	0	67,100
REAL ESTATE & HOUSING	NS	0	0	1,000	0	1,000	0	2,000
	UE	150	0	500	0	500	0	1,150
TRANSPORTATION	NR	12,750	0	2,000	0	2,000	0	6,750
	UE	550	0	450	0	450	0	1,450
TOTAL BY EXPENDITURE CATEGORY								
NS		4,924	0	6,039	0	2,674	0	13,637
NR		21,162	0	4,119	0	4,414	0	18,165
UE		68,630	0	36,271	0	26,504	0	128,955
RE		13,821	0	35,118	0	29,965	0	77,454
GRAND TOTAL		108,537	0	81,547	0	63,557	0	238,211

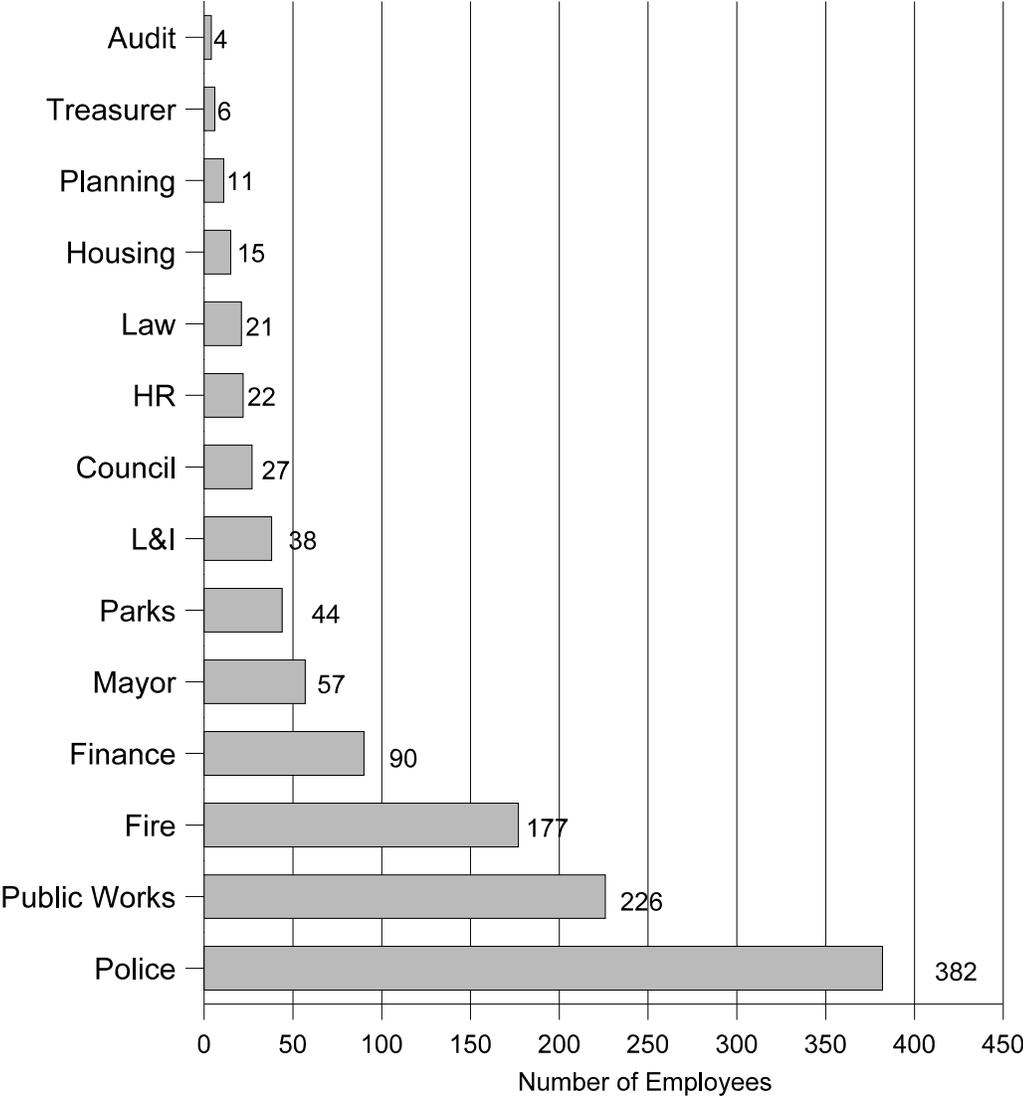
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 216-217)

SUMMARY OF STAFFING LEVELS FISCAL YEAR 2013

TOTAL NUMBER OF EMPLOYEES ALL FUNDS

<u>Department</u>	<u>Actual FY2009</u>	<u>Actual FY2010</u>	<u>Actual FY2011</u>	<u>Budget FY2012</u>	<u>Budget FY2013</u>	<u>Net Change FY'13-'12</u>
Mayor's Office	60.00	60.00	59.00	58.00	57.00	(1.00)
Council	29.00	29.00	29.00	28.00	27.00	(1.00)
Treasurer	7.00	7.00	7.00	6.00	6.00	0.00
Planning	12.00	12.00	12.00	11.00	11.00	0.00
Audit	5.00	5.00	5.00	4.00	4.00	0.00
Law	23.00	23.00	23.00	21.00	21.00	0.00
Finance	70.00	75.00	97.00	93.00	90.00	(3.00)
Human Resources	23.00	23.00	23.00	22.00	22.00	0.00
Licenses & Inspections	46.00	44.00	42.00	38.00	38.00	0.00
Parks & Recreation	58.00	53.00	50.00	44.00	44.00	0.00
Fire	180.00	172.00	172.00	177.00	177.00	0.00
Police	431.00	416.00	402.00	390.00	382.00	(8.00)
Public Works	235.00	229.00	229.00	226.00	226.00	0.00
Real Estate & Housing	<u>17.00</u>	<u>17.00</u>	<u>17.00</u>	<u>16.00</u>	<u>15.00</u>	<u>(1.00)</u>
TOTAL	<u>1,196</u>	<u>1,165</u>	<u>1,167</u>	<u>1,134</u>	<u>1,120</u>	<u>(14.00)</u>
Total Employees per every 1,000 Persons	<u>16.42</u>	<u>16.00</u>	<u>16.47</u>	<u>16.01</u>	<u>15.81</u>	

**TOTAL NUMBER OF CITY EMPLOYEES BY DEPT.
FISCAL YEAR 2013
(ALL FUNDS)**



Over 73% (or 823) of the City's employees work to provide Public Safety (Police, Fire, L&I) and Public Works services.

SUMMARY OF STAFFING LEVELS FISCAL YEAR 2013

GENERAL FUND NUMBER OF EMPLOYEES

<u>Department</u>	<u>Actual FY2009</u>	<u>Actual FY2010</u>	<u>Actual FY2011</u>	<u>Budget FY2012</u>	<u>Budget FY2013</u>	<u>Net Change FY'13-'12</u>
Mayor's Office	29.50	38.50	37.50	34.50	33.50	(1.00)
Council	29.00	29.00	29.00	28.00	27.00	(1.00)
Treasurer	3.42	3.42	3.42	2.92	2.92	0.00
Planning	11.60	11.60	11.60	10.60	10.63	0.03
Audit	5.00	5.00	5.00	4.00	4.00	0.00
Law	23.00	23.00	23.00	21.00	21.00	0.00
Finance	39.75	44.25	67.55	65.45	63.65	(1.80)
Human Resources	16.00	16.00	16.00	15.00	15.00	0.00
Licenses & Inspections	46.00	44.00	42.00	38.00	38.00	0.00
Parks & Recreation	58.00	53.00	50.00	44.00	44.00	0.00
Fire	180.00	172.00	172.00	164.00	164.00	0.00
Police	424.00	408.00	378.00	365.00	362.65	(2.35)
Public Works	129.25	126.25	126.25	123.25	122.65	(0.60)
Real Estate & Housing	<u>2.41</u>	<u>2.43</u>	<u>1.83</u>	<u>1.35</u>	<u>1.55</u>	<u>0.20</u>
TOTAL	<u>996.93</u>	<u>976.45</u>	<u>963.15</u>	<u>917.07</u>	<u>910.55</u>	<u>(6.52)</u>

SPECIAL FUNDS NUMBER OF EMPLOYEES

<u>Department</u>	<u>Actual FY2009</u>	<u>Actual FY2010</u>	<u>Actual FY2011</u>	<u>Budget FY2012</u>	<u>Budget FY2013</u>	<u>Net Change FY'13-'12</u>
Mayor's Office	0.50	0.50	0.50	0.50	0.50	0.00
Treasurer	3.58	3.58	3.58	3.08	3.08	0.00
Planning	0.40	0.40	0.40	0.40	0.37	(0.03)
Licenses and Inspections	0.00	0.00	0.00	0.00	0.00	0.00
Real Estate and Housing	14.59	14.57	15.17	14.65	13.45	(1.20)
Fire	0.00	0.00	0.00	13.00	13.00	0.00
Police	<u>7.00</u>	<u>8.00</u>	<u>24.00</u>	<u>25.00</u>	<u>19.35</u>	<u>(5.65)</u>
TOTAL	<u>26.07</u>	<u>27.05</u>	<u>43.65</u>	<u>56.63</u>	<u>49.75</u>	<u>(6.88)</u>

**SUMMARY OF STAFFING LEVELS
FISCAL YEAR 2013**

**WATER/SEWER FUND
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Actual FY2009</u>	<u>Actual FY2010</u>	<u>Actual FY2011</u>	<u>Budget FY2012</u>	<u>Budget FY2013</u>	<u>Net Change FY'13-'12</u>
Finance	30.25	30.75	29.45	27.55	26.35	(1.20)
Public Works	<u>105.75</u>	<u>102.75</u>	<u>102.75</u>	<u>102.75</u>	<u>103.35</u>	<u>0.60</u>
TOTAL	<u>136.00</u>	<u>133.50</u>	<u>132.20</u>	<u>130.30</u>	<u>129.70</u>	<u>(0.60)</u>

**COMMERCE FUND
NUMBER OF EMPLOYEES**

<u>Department</u>	<u>Actual FY2009</u>	<u>Actual FY2010</u>	<u>Actual FY2011</u>	<u>Budget FY2012</u>	<u>Budget FY2013</u>	<u>Net Change FY'13-'12</u>
Mayor's Office	<u>9.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	<u>9.00</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 FY2009</u>	<u>Actual FY2010</u>	<u>Actual FY2011</u>	<u>Budget FY2012</u>	<u>Budget FY2013</u>	<u>Net Change FY'13-'12</u>
Mayor's Office	21.00	21.00	21.00	23.00	23.00	0.00
Human Resources	7.00	7.00	7.00	7.00	7.00	0.00
Finance	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	<u>28.00</u>	<u>28.00</u>	<u>28.00</u>	<u>30.00</u>	<u>30.00</u>	<u>0.00</u>
TOTAL ALL FUNDS	<u>1,196</u>	<u>1,165</u>	<u>1,167</u>	<u>1,134</u>	<u>1,120</u>	<u>(14.00)</u>

Actual and Projected Fund Balances and Net Assets

**FUND BALANCE
GENERAL FUND
FISCAL YEAR 2013**

Fund Balance Activity	Actual FY 2011	Estimated FY 2012	Projected FY 2013
Fund Balance as of July 1	\$31,044,506	\$37,801,380	\$40,872,338
Excess of Revenues Over/(Under) Expenditures	5,788,521	2,493,798	(2,337,464)
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>693,353</u>	<u>302,160</u>	<u>100,000</u>
Total Other Financing Sources/(Uses)	968,353	577,160	375,000
Net Change in Fund Balance	6,756,874	3,070,958	(1,962,464)
Total Fund Balance as of June 30	<u>\$37,801,380</u>	<u>\$40,872,338</u>	<u>\$38,909,874</u>
Summary of Fund Balance			
Non-spendable	\$6,930,000	\$6,430,000	\$5,930,000
Budget Reserve *	13,933,709	14,292,802	14,802,409
Undesignated Reserve	<u>16,937,671</u>	<u>20,149,536</u>	<u>18,177,465</u>
Total Fund Balance as of June 30	<u>\$37,801,380</u>	<u>\$40,872,338</u>	<u>\$38,909,874</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 NET ASSETS
WATER/SEWER FUND
FISCAL YEAR 2013**

Fund Net Assets Activity	Actual FY 2011	Estimated FY 2012	Projected FY 2013
Net Assets as of July 1	\$93,987,263	\$97,624,885	\$101,580,200
Excess of Revenues Over/(Under) Expenditures	8,045,932	8,318,240	8,981,270
Non-Operating Revenues/(Expenses)			
Interest Expense	(4,268,101)	(6,009,925)	(6,304,572)
Other	<u>(140,209)</u>	<u>1,647,000</u>	<u>1,271,000</u>
Total Non-Operating Revenues/(Expenses)	(4,408,310)	(4,362,925)	(5,033,572)
Income/(Loss) Before Transfers	3,637,622	3,955,315	3,947,698
Transfer from/(to) General Fund	-	-	-
Change in Net Assets	3,637,622	3,955,315	3,947,698
Total Net Assets as of June 30	<u>\$97,624,885</u>	<u>\$101,580,200</u>	<u>\$105,527,898</u>

Summary of Fund Net Assets

Invested in Capital Assets, Net of Related Debt	\$112,071,075	\$114,071,075	\$116,071,075
Unrestricted	<u>(14,446,190)</u>	<u>(12,490,875)</u>	<u>(10,543,177)</u>
Total Fund Net Assets as of June 30	<u>\$97,624,885</u>	<u>\$101,580,200</u>	<u>\$105,527,898</u>

**CONSOLIDATED FUND BALANCE & NET ASSETS
GENERAL & WATER/SEWER FUNDS
FISCAL YEAR 2013**

Fund Balance & Net Assets Activity	Actual FY 2011	Estimated FY 2012	Projected FY 2013
Fund Balance & Net Assets as of July 1	\$125,031,769	\$135,426,265	\$142,452,538
Excess of Revenues Over/(Under) Expenditures	13,834,453	10,812,038	6,643,806
Total Other Financing Sources/(Uses)	968,353	577,160	375,000
Total Non-Operating Revenues/(Expenses)			
Water Fund	(4,408,310)	(4,362,925)	(5,033,572)
Operating Transfer to Water Fund from General Fund	-	-	-
Change in Fund Balance & Net Assets	10,394,496	7,026,273	1,985,234
Total Fund Balance & Net Assets as of June 30	<u>\$135,426,265</u>	<u>\$142,452,538</u>	<u>\$144,437,772</u>

Summary of Fund Balance & Net Assets

Non-spendable	\$6,930,000	\$6,430,000	\$5,930,000
Budget Reserve	13,933,709	14,292,802	14,802,409
Undesignated Reserve	16,937,671	20,149,536	18,177,465
Invested in Capital Assets, Net of Related Debt	112,071,075	114,071,075	116,071,075
Unrestricted	<u>(14,446,190)</u>	<u>(12,490,875)</u>	<u>(10,543,177)</u>
Total Fund Balance & Net Assets as of June 30	<u>\$135,426,265</u>	<u>\$142,452,538</u>	<u>\$144,437,772</u>



City of Wilmington General Fund

ACTUAL, BUDGETED & PROJECTED REVENUES AND EXPENDITURES

Revenue Type	Actual FY 2011	Projected FY 2012	Budget FY 2013	Projected FY 2014	Projected FY 2015	Projected FY 2016	Projected FY 2017
Wage & Net Profits Tax	\$56,550,527	\$56,473,500	\$58,192,500	\$59,872,313	\$60,848,482	\$62,733,936	\$64,675,954
Property Tax	39,187,019	38,540,757	38,456,440	41,053,891	43,025,085	42,976,085	42,927,085
Real Estate Transfer Tax	1,561,632	\$1,852,313	\$1,900,000	\$1,947,500	\$2,005,925	\$2,066,103	\$2,128,086
Head Tax	3,665,319	3,560,000	3,567,200	3,603,200	3,639,200	3,693,200	3,747,200
Franchise Fee	1,771,472	1,748,726	1,806,902	1,833,454	1,860,670	1,888,566	1,917,159
Licenses, Permits, Fees & Fines	12,652,152	13,172,291	12,336,773	12,383,942	12,441,961	12,501,719	12,563,271
Interest Income	177,544	162,500	207,193	227,438	283,851	446,366	433,982
Indirect Costs	2,784,648	2,784,533	2,784,533	2,784,533	2,784,533	2,784,533	2,784,533
Other Miscellaneous Revenues	2,337,874	1,728,000	1,728,000	1,728,000	1,728,000	1,728,000	1,728,000
Task Force Revenues	4,183,747	3,884,800	4,037,572	4,126,487	4,223,546	4,322,910	4,424,634
County Seat Relief Package	7,949,369	7,533,516	7,688,521	8,176,164	8,313,068	8,453,395	8,597,230
State Port Debt Reimbursement	785,827	1,502,972	900,408	925,304	934,165	936,721	840,060
State Pension Contribution	6,981,542	7,470,072	6,984,517	6,221,879	6,221,879	6,221,879	6,221,879
Total Revenues	\$140,588,672	\$140,413,980	\$140,590,559	\$144,884,105	\$148,310,365	\$150,753,413	\$152,989,073

Expenditure Type	Actual FY 2011	Projected FY 2012	Budget FY 2013	Projected FY 2014	Projected FY 2015	Projected FY 2016	Projected FY 2017
Salaries and Wages	\$61,049,459	\$59,798,389	\$57,743,334	\$59,527,874	\$59,364,489	\$59,779,147	\$60,193,886
Health Benefits	13,037,484	12,770,312	13,356,650	14,857,285	16,104,546	17,690,748	19,440,477
Pension and Retirement	10,730,874	10,513,969	14,739,616	16,907,174	17,860,135	18,965,453	20,146,311
Other Employee Benefits	2,582,465	2,526,543	2,452,579	2,409,517	2,356,151	2,327,358	2,298,014
Equipment & Services	17,163,539	17,196,316	17,805,777	18,225,570	18,650,586	19,086,077	19,532,303
General Liability	522,851	1,284,384	1,284,335	1,316,443	1,349,354	1,383,088	1,417,665
Workers' Compensation	3,014,161	2,842,982	2,842,982	2,833,618	2,863,482	2,893,347	2,923,211
Internal Services	10,884,319	12,053,293	12,565,513	12,897,683	13,239,249	13,590,497	13,951,719
Debt Service	8,257,993	10,871,593	12,737,650	13,424,551	14,111,783	15,033,475	15,721,554
Special Purpose	575,464	592,329	415,070	515,678	527,069	538,746	541,522
State Pension Contribution	6,981,542	7,470,072	6,984,517	6,221,879	6,221,879	6,221,879	6,221,879
Total Expenditures	\$134,800,151	\$137,920,182	\$142,928,023	\$149,137,272	\$152,648,723	\$157,509,815	\$162,388,541

Operating Surplus/(Deficit)	\$5,788,521	\$2,493,798	(\$2,337,464)	(\$4,253,167)	(\$4,338,358)	(\$6,756,402)	(\$9,399,468)
Net Adj. & Transfers In/(Out)	968,353	577,160	375,000	275,000	275,000	275,000	275,000
Surplus/(Deficit)	\$6,756,874	\$3,070,958	(\$1,962,464)	(\$3,978,167)	(\$4,063,358)	(\$6,481,402)	(\$9,124,468)

Total Fund Balance	\$37,801,380	\$40,872,338	\$38,909,874	\$34,931,707	\$30,868,348	\$24,386,947	\$15,262,479
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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 2013), as well as the next four outyears (Fiscal Years 2014 through 2017). For FY 2013, the Approved Budget is shown, and is the base year upon which the Fiscal Year 2014 through 2017 projections are built. In general, we have sought to use prudent, conservative assumptions when developing these projections. Of course, with every budget line item, some risks are present. In areas of particular known risk, we have sought to identify these concerns in the detail below. FY 2012 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 11, 2012 release projects headline Consumer Price Index (CPI) growth of 2.30% in calendar year 2012, followed by a decrease in inflation in 2013. Median long-range expectations for CPI growth are 2.35% per year.

Calendar Year	Survey of Professional Forecasters Projected Annual Headline CPI Increase
2012	2.30%
2013	2.10%
2014	2.50%
2015	2.35%
2016	2.35%

Federal Reserve Bank of Philadelphia, Survey of Professional Forecasters, May 11, 2012

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 2013 Base Year: \$58,192,500 - 41.4% of total revenues)

The FY 2013 Wage & Net Profits Tax projection is \$58.2 million, a \$2.7 million increase above FY 2012. The FY 2012 Wage Tax revenue has been stronger than anticipated, fueled by an improving economy and higher than projected “Plan for Change” audit-generated receipts. As a result, the Wage Tax revenue base is now nearly \$47 million. Building on that base is an additional \$1.4 million from a projected 3.0% growth in overall employee compensation levels. Further, another \$812,500 in revenue is expected from the 500 new jobs that will result from the purchase of ING by Capital One. Finally, the “Plan for Change” audit and collection efforts should yield \$4 million. The Net Profits portion of this revenue category is slated to remain at \$5 million for FY 2013.

In their June 2012 report, the Delaware Economic and Financial Advisory Council (DEFAC) projected 3.0% growth for FY 2014 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 2.5% in FY 2014, along with positive growth of 3.0% in Fiscal Years 2015 through 2017. Plan for Change revenue is forecasted to remain at \$4.0 million in FY 2014, and then decrease to \$3.0 million in Fiscal Years 2015 through 2017.

Property Tax (FY 2013 Base Year: \$38,456,440 - 27.4% of total revenues)

Property Taxes are projected to decrease by a net \$84,317, to a total of \$38,456,440. Some large commercial properties have continued to wage successful assessment appeals. The projected revenue loss of \$250,000 in FY 2013 is in addition to the nearly \$240,000 loss due to appeals and other adjustments in FY 2012. Approximately \$273,000 of revenue resulting from expiring tax incentives and reassessments due to property improvements will help to offset these reductions. Penalty and Interest, along with collections from prior years will add \$650,000 in revenue for FY 2013, an increase of \$30,000.

In order to offset the sizeable increases in projected expenses, a 7.0% Property Tax rate increase has been included for FY 2014, and a further 5.0% increase in FY 2015. And, beginning in FY 2014, a net decrease of \$50,000 has been factored into the base each year resulting from the effects of property improvement reassessments, expiring tax incentives, and successful assessment appeals of commercial properties.

Real Estate Transfer Tax (FY 2013 Base Year: \$1,900,000 - 1.3% of total revenues)

Real Estate Transfer Tax revenues, after several years of decline, are expected to rebound, albeit modestly, for FY 2013. Although the average sale price of residential homes remains below the levels of prior years, the number of sales is increasing slightly. Commercial property transfers are beginning to reappear, but remain meager. As a result, FY 2013 revenues are forecasted to grow a modest \$48,000 to a FY 2013 total of \$1.9 million.

For Fiscal Years 2014, a growth rate of 2.5% is projected, along with a increase rate of 3.0% for years 2015 through 2017.

Head Tax (FY 2013 Base Year: \$3,567,200 - 2.5% of total revenues)

Head Tax revenue for FY 2013 is projected to increase by \$7,200, to a new total of \$3.57 million, and represents a net gain of 40 jobs. Although many more new jobs are forecasted to come online, they will be exempt from Head Taxes because of economic incentives.

Beyond FY 2013, 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 200 additional jobs in FY 2014 and 2015, and a net of 400 jobs annually in FY 2016 and 2017.

Franchise Fees (FY 2013 Base Year: \$1,806,902 - 1.3% of total revenues)

Franchise Fees revenue consists of 2% of the gross revenues from electricity sales in the City and 5% of gross revenues from cable television service sales in the City. In Wilmington, Delmarva Power is the sole distributor of electricity and Comcast is currently the only provider of cable TV service. For FY 2013, the budgeted amounts are \$744,829 (Delmarva) and \$1,062,073 (Comcast) for a total of \$1,806,902, a slight increase above the FY 2012 budget. Moderate growth of the Comcast cable portion is forecasted in FY 2014 and beyond, at a rate of 2.5% annually.

Licenses, Permits, Fees, and Fines (FY 2013 Base Year: \$12,336,773 - 8.8% of total revenues)

Fines will fall by \$372,514 to a total of \$8,850,000. Criminal/Traffic Fines revenue is projected to total \$3.85 million in FY 2013, up \$784,363 from the FY 2012 budget. This revenue account consists of red-light camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. Red-light camera fines have exceeded the FY 2012 budgeted amount due to significantly higher than expected right-turn-on-red violations captured on video. For FY 2013, Red-light camera fines are projected to decline somewhat, as violations decrease at older sites, but are still forecasted to be above the original FY 2012 budget. There is no change in miscellaneous traffic and criminal fines, nor in the L&I Instant Ticketing revenues. The aggregate of these is \$750,000.

Parking Tickets/Booting Fines are forecast to decrease by \$407,000 below the FY 2012 projected level, and a full \$1.16 million below the FY 2012 budgeted level. Revenues are being adversely affected by changes in parking regulations and a reduction in parking citation revenues collected through the Delaware Motor Vehicle Division's registration hold program. Parking Ticket/Booting Fines revenues are forecasted to remain at FY 2013 levels throughout the projection period.

Licenses, Permits and Fees revenue is projected to be just under \$3.5 million in FY 2013, or \$37,000 above the FY 2012 budget. Business Licenses will remain stable at \$1.6 million, but Permits and Fees are slated to rise by \$27,000 and \$10,000 respectively. 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 2013 level for Fiscal Years 2014 through 2017.

Interest Income (FY 2013 Base Year: \$207,193 - 0.1% of total revenues)

Although interest rates remain woefully low, the City's cash balances have increased due to the proceeds of the November 2011 capital bond issuance. Interest Earnings are forecasted to increase by nearly \$45,000, to \$207,193 due to better cash balances. Going forward, an interest rate of 0.5% in FY 2014 is increased by 25 basis points each year and assumes the following additions to the investment base:

1. A weighted average of \$1.25 million from the unspent portion of the FY 2012 capital borrowing, plus \$10 million from an assumed FY 2014 capital borrowing will be invested in FY 2014 with decreasing balances in Fiscal Years 2015 through 2017.
2. A weighted average of \$10 million from an assumed FY 2016 capital borrowing will be invested in FY 2016 and 2017.

In addition, for FY 2014 through FY 2017, the projected annual increases or decreases in fund balance (surpluses or deficits) are added to or subtracted from the investment base.

Indirect Costs (FY 2013 Base Year: \$2,784,533 - 2.0% of total revenues)

This line item primarily consists of overhead allocations to the Water/Sewer Fund for services provided by the General Fund. This line item has been locked in place, until a new comprehensive indirect cost plan is developed.

Other Miscellaneous Revenues (FY 2013 Base Year: \$1,728,000 - 1.2% of total revenues)

Other Revenues, comprised of Rental Income, General Government Charges and other Miscellaneous Income, is expected to remain unchanged at \$4,512,533 for FY 2013. No outyear growth is forecasted in these revenues.

Task Force Revenues (FY 2013 Base Year: \$4,037,572 - 2.9% 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 allowing the City to create a 2% Lodging Tax and a 2% Natural Gas Franchise Fee on gross sales of natural gas in the City. In total, Task Force Revenues are projected to be \$152,772 higher for FY 2013. All of the components of the Task Force Revenues will increase from the FY 2012 Budget: Corporate Filings by \$47,500, LLC Filings by \$87,500, Lodging Tax by \$7,125, and Natural Gas Tax by \$10,647 above the FY 2012 budgeted levels. For the outyears, Corporate Filings and LLC revenue has been increased by 2.5% for FY 2014, in tandem with the State's estimation of growth, and kept at 2.5% annual growth for the last three years of the projection. Lodging Tax, along with the Natural Gas Franchise Fee have been forecasted to increase at 1.5% for FY 2014, and 2.0% for Fiscal Years 2015 through 2017.

County Seat Relief Package (FY 2013 Base Year: \$7,688,521 - 5.5% 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 2013 projections total \$7.7 million. The breakout is as follows: \$2.1 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 down \$350,255 from the FY 2012 budget); \$4.47 million as part of the State's Uniform Commercial Code (UCC) filing fees (this is up \$630,255 from the FY 2012 budget); \$300,000 in Statutory Trust Filing Fees (no change); and

\$849,750 in New Castle County Corporate Filing Fees (this is up by \$24,750). In total, there is a \$304,750 increase in County Seat Relief Package revenues from the FY 2012 budget.

For Fiscal Years 2014 through 2017, the PILOT revenue is projected to climb back to the FY 2011 level of \$2.4 million, while Statutory Trust Filing Fees remain unchanged. New Castle County Corporate Filings and UCC Filing Fee Revenues are projected to grow at 2.9% for FY 2014, per DEFAC estimations. Further growth of 2.5% in UCC Filings and New Castle County Corporate Filings for Fiscal Years 2015 through 2017 has also been incorporated into the projection.

State Port Debt Reimbursement (FY 2013 Base Year: \$900,408 - 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. As part of the terms of the sale, the State requested that the Port debt remain as a liability on the City's books. The State, however, agreed to reimburse the City annually for the amount the City was scheduled to pay to service the Port debt. The amount for FY 2013 is \$900,408, and represents a more than \$602,000 decrease from FY 2012. The Debt Reimbursement has been adjusted for outyears per the appropriate debt schedule.

State Pension Contribution (FY 2013 Base Year: \$6,984,517 - 5.0% of total revenues)

The State Pension Contribution is a pass-through grant in revenue that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. FY 2013, the projected grant has been reduced by \$484,555, to just under \$7.0 million, an amount approximately equal to the FY 2011 level. Because of declines in the State Pension Contributions in Fiscal Years 2011 and 2012, a 5.0% reduction below the actual amount received in FY 2012 is projected in FY 2014, but with no further declines for FY 2015 through FY 2017.

Net Adjustments & Transfers (FY 2013 Base Year: \$2,337,464)

Due to the projected deficit, \$1,962,464 of Unassigned Fund Balance is slated to be used in FY 2013. There is the usual transfer from the Wilmington Parking Authority (WPA) in the amount of \$275,000, along with a \$100,000 transfer from the Economic Strategic Fund. Beginning in FY 2014, only the WPA transfer is projected.

OUTYEAR PROJECTION ASSUMPTIONS - EXPENDITURES

Salaries and Wages (FY 2013 Base Year: \$57,743,334 - 40.4% 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 2013 budget serves as the base year for estimating future costs. In FY 2013, no allowance was again given for Cost of Living Adjustments (COLAs). In addition, 6.5 FTE vacant positions were deleted, resulting in over \$312,000 in savings. Anniversary-based salary step increases for all eligible employees continue during FY 2013, costing approximately \$600,000.

Due to the ongoing economic recession, no allowance for COLAs is being assumed for the entire projection period. Anniversary salary step increases are assumed to continue. In addition, to further reduce expenses, it is assumed that each year, five vacant positions will be eliminated through attrition.

Also included in the projection are the estimated salary costs associated with police officers hired in FY 2011 under the federally funded COPS grant, as well as firefighters moved from the General Fund into the federally funded SAFER grant in FY 2012. This projection assumes that the City will not retain the officers hired under the COPS grant after March 2014 nor any of the firefighters paid for by the SAFER grant after FY 2013. More than \$800,000 in additional overtime costs are added, starting in FY 2014, to cover firefighter staff reductions.

Health Benefits, Active Employees (FY 2013 Base Year: \$13,356,650 - 9.3% of total expenditures)

The 2012 Segal Health Plan Cost Trend Survey indicates that health plans similar to those offered by the City will experience cost increases of between 8% to 10% for calendar year 2012. In an effort to continue to control inflationary healthcare costs, the Department of Human Resources has contracted with a new provider, MEDCO, to service the City's prescription drug program. The new contract will result in an annual savings of \$500,000 per year starting in FY 2013. In addition, per the Department of Human Resources, \$150,000 in anticipated savings from the migration of the remaining City union employees into new healthcare plans was integrated into the outyears of the Health Benefits category. These cost saving factors are direct dollar reductions made to the Healthcare cost base. The Department of Human Resources estimates outyear growth to the adjusted base to follow normal healthcare industry inflationary trends of roughly 10.0% annually.

Pension and Retirement Healthcare (FY 2013 Base Year: \$14,739,616 -10.3% of total expenditures)

The economic downturn and subsequent sluggish recovery following the substantial scale of portfolio losses over the past decade has warranted ever increasing contribution levels. The City Treasurer, working closely with the City's Actuary, developed a plan that allowed the City to amortize an 18% increase to the pension funding targets caused by the sharp investment declines in pension portfolios. By doing so, the City avoided an additional increase of over \$1 million to FY 2010 pension costs. However, this smoothing results in increased pension contributions for Fiscal Years 2013 through 2017, as the amortized increase is paid down.

Adjustments to the City's actuarial assumptions of pension fund investment returns will cause a significant increase in the City's projected Annual Required Contribution (ARC). The modification will reduce expected rates of return by 50 basis points, from 8.0% down to 7.5%. This results in an increase to the City's ARC of about \$1.1 million, which is added to each year of the projection period, beginning in FY 2014. In addition, per the Treasurer's Office, the ARC (exclusive of the \$1.1 million mentioned above) is increased 8.0% annually through the projection period in order to reduce the City's unfunded pension liability.

In FY 2000, the City developed, and opened to all employees, a retiree healthcare program. Since then, the unfunded liability for the program has grown dramatically, forcing ever increasing annual contributions in attempt to meet the actuarially required funding targets. In FY 2012, the Treasurer's Office implemented expansive revisions to the program to rein in the costs. These revisions to program benefits are prospective, and do not affect employees hired prior to July 1, 2011. Even with these changes, the Treasurer's Office foresees necessary annual increases of about \$203,000 (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 2013 is just over \$1.6 million.

Other Employee Benefits (FY 2013 Base Year: \$2,452,579 - 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 2013 Base Year: \$17,805,777 - 12.5% 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. MS&E costs were reduced in FY 2013 by \$380,000. Some of the factors that contributed to this reduction include the decline in Electricity and Plan for Change Legal Commission expenses, as well as savings related to the new maintenance agreement for the City's main facility. Also, a factor was the transfer of mobile air time expenses for Public Safety personnel, moved into the Division of Integrated Technology. All of these cost reductions are incorporated into the FY 2014 projection and beyond.

For this projection, the Contingent Reserve and the Snow and Weather Emergencies Reserve are included in the Equipment and Services category (although they are budgeted separately in the Budget Book summaries). For the second consecutive year, an additional \$100,000 was budgeted for youth programs in the Contingency Fund, and is now assumed added to the contingent reserves base, increasing reserves to \$625,000 in each of the years subsequent to FY 2013.

To more accurately estimate future costs, electricity is analyzed separately, resulting in a FY 2013 General Fund electricity base cost of \$1.47 million, which excludes \$890,234 in State appropriated Municipal Street Aid funding. For the purposes of this projection, it is assumed the City will continue to receive Municipal Street Aid grant funding during FY 2014 through FY 2017. The FY 2013 electricity cost base incorporates electricity cost savings due to the guaranteed energy performance contract with Honeywell, which carry forward into the out-years. Overall, electricity rates during the outyears are projected to increase at 2.0% per year, according to the Energy Information Administration's growth projections.

Excluding reserves and electricity, the remaining base of this expenditure grouping is expected to respond to overall inflationary pressures of 2.5% per year.

General Liability (FY 2013 Base Year: \$1,284,335 - 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 has experienced extreme volatility in recent years. For example, in FY 2006 General Liability booked to the General Fund dropped \$981,000 from the prior year, then increased by \$3.5 million in FY 2007, only to decline by a combined \$3.1 million in FY 2008 and FY 2009. It has been determined that incomplete data given to the actuary was largely to blame for these significant swings. Consequently, an internal audit and various management changes have been implemented in an attempt to achieve greater accuracy and stability in this area. As a result of these tighter controls, this expense is projected to increase by 2.5% annually.

Workers' Compensation (FY 2013 Base Year: \$2,842,982 - 2.0% of total expenditures)

Actual Workers' Compensation expenditures, which are actuarially determined, have been highly volatile from year to year. The FY 2013 budget, which is derived from these expenditures, is used as a base for forecasting purposes. Annual growth is projected to parallel growth in Salaries and Wages.

Internal Services (FY 2013 Base Year: \$12,565,513 - 8.8% of total expenditures)

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

In FY 2012, the City completed the final stages of its comprehensive information technology upgrade and expansion program that had resulted in double-digit increases to Data Processing costs in prior years. However, the Division of Integrated Technology continues to upgrade City infrastructure and software, though to a lesser degree, including large-scale improvement 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 2013.

In addition, Motor Vehicle costs, which had increased significantly in recent years, have begun to show greater levels of consistency due to limited vehicle purchases and updated depreciation calculations. Fuel cost increases are projected to continue at 4.5% for each year subsequent to FY 2013, per Energy Information Administration growth estimates. All other Motor Vehicle costs are expected to grow by 2.5% annually.

For the other services making up the rest of the category, it is assumed that average annual inflationary pressures of 2.5% will apply. This results in a weighted-average growth of approximately 2.7% annually for the Internal Services category as a whole (excluding General Liability and Workers' Compensation) for Fiscal Years 2014 through 2017.

Debt Service (FY 2013 Base Year: \$12,737,650 - 8.9% of total expenditures)

Debt Service is based on the existing debt schedules as provided by the Finance Department, with the addition of any expected new borrowing or refinancing. Although no new capital borrowing will take place in FY 2013, debt service payments include a full year of principal and interest payments from the November 2011 bond issuance, which increased debt service by over \$1.1 million in the base year.

In addition, a new borrowing of \$20 million is assumed to take place midway through FY 2014, with an additional \$20 million borrowed midway through FY 2016. New debt service is assumed to have a bond interest rate of 4.25% in FY 2014 and 4.5% in FY 2016 and be level over 20 years, with semi-annual payments and no capitalization of interest.

Special Purpose (FY 2013 Base Year: \$415,070 - 0.3% of total expenditures)

This relatively small expenditure category funds services provided by the Delaware SPCA, the Wilmington Institute Free Library, and a portion of operational expenses for the City owned Rock Manor golf course. All Special Purpose costs, except the SPCA, are assumed to grow at an annual rate of 2.5% throughout the projection period. Negotiations are ongoing with the Delaware SPCA to continue providing services within the City, but preliminarily, the cost of the SPCA contract is expected to increase by \$100,000 for FY 2014, and then grow by 2.5% thereafter.

State Pension Contribution (FY 2013 Base Year: \$6,984,517 - 4.9% of total expenditures)

The State Pension Contribution, a grant from the State that is booked as a pass-through in the General Fund to meet the requirements of GASB pronouncement #24, is \$6,984,517 for FY 2013. As such, an equal and offsetting amount is included as General Fund revenue. This expenditure is split between the Police and Fire Departments, with \$4,338,286 budgeted in Fire and \$2,646,231 budgeted in Police. Because of a declining trend in the State Pension Contributions seen in Fiscal Years 2011 through 2013, a 5.0% reduction below the actual amount received in FY 2012 is projected in FY 2014, but with no further declines for FY 2015 through FY 2017.

A Special Note Concerning the FY 2011 Net Adjustments & Transfers In/(Out)

Fiscal Year 2011 includes a net adjustment/transfer in of \$968,353. Among the items comprising this amount are the following: the customary \$275,000 transfer in from the Wilmington Parking Authority to the City; a net transfer out of \$59,512 to the Cable TV Fund; the transfer out of \$97,135 to a public safety program in a Special Revenue Fund from the Mayor's Contingency Funds; a transfer in of \$425,000 from the Economic Strategic Fund, and a transfer in of \$425,000 from the Housing Strategic Fund.



FISCAL YEAR 2013 REVENUES

Overview

GENERAL FUND

The effects of the severe economic downturn experienced for several years are beginning to subside. Projected base revenues are increasing modestly in FY 2013. Collection efforts continue to be the focus of maintaining, or where possible, increasing the City's revenues. These are detailed in the discussion below. Total revenue before transfers is projected to increase by a net \$1,826,324 (or 1.3%) above the FY 2012 Budget to a new total of \$140,590,559. The net change from Budget to Budget (FY 2013 vs. FY 2012) can be broken down as follows:

REVENUE	INCREASE/ (DECREASE)	TOTAL
Wage & Net Profits	\$2,719,000	\$58,192,500
County Seat Relief Package	304,750	7,688,521
Task Force Revenue	152,772	4,037,572
Other Taxes	113,063	7,274,102
Interest	44,693	207,193
Licenses, Permits & Fees	36,996	3,486,773
Other Revenues	0	4,512,533
Property Taxes	(84,317)	38,456,440
Fines	(372,514)	8,850,000
Other Governments	(1,088,119)	7,884,925
TOTAL	\$1,826,324	\$140,590,559

WATER/SEWER FUND

Total Water/Sewer Fund revenues are projected to increase more than \$4.5 million above FY 2012, to a new total of \$68.3 million in FY 2013. 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, starting in FY 2010, a multi-year plan of prudent rate increases was implemented. As a result, the City is well on its way to achieving a self-sufficient Water/Sewer Fund.

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2013

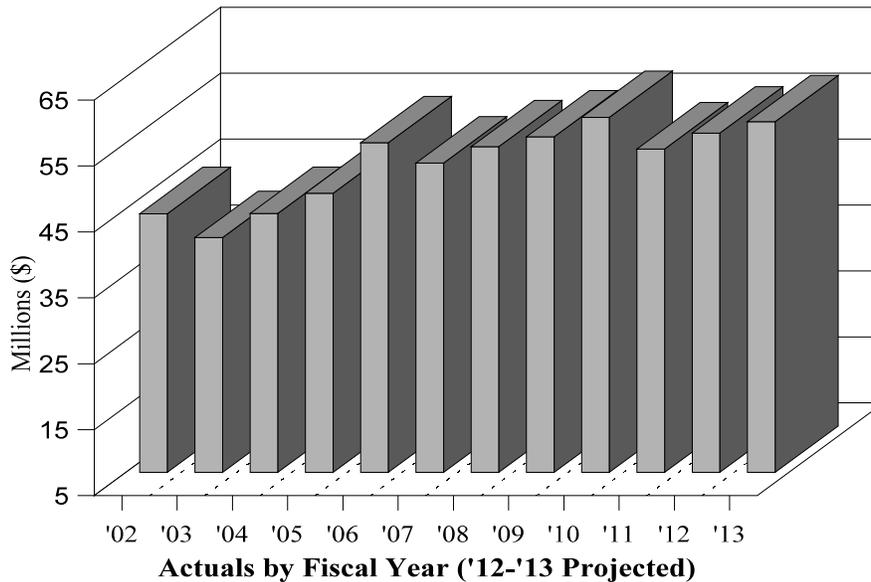
WAGE & NET PROFITS TAX

Basis: Growth of local economy

Critical Assumption: The FY 2013 Wage & Net Profits Tax projection is \$58.2 million, a \$2.7 million increase above FY 2012. The FY 2012 Wage Tax revenue has been stronger than anticipated, fueled by an improving economy and higher than projected “Plan for Change” audit-generated receipts. As a result, the Wage Tax revenue base is now nearly \$47 million. Building on that base is an additional \$1.4 million from a projected 3% growth in overall employee compensation levels. Further, another \$812,500 in revenue is expected from the 500 new jobs that will result from the purchase of ING by Capital One. Finally, the “Plan for Change” audit and collection efforts should yield \$4 million. The Net Profits portion of this revenue category is slated to remain at \$5 million for FY 2013.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$58,839,798	\$56,550,527	\$55,473,500	\$56,473,500	\$58,192,500

Wage & Net Profits Tax Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2013

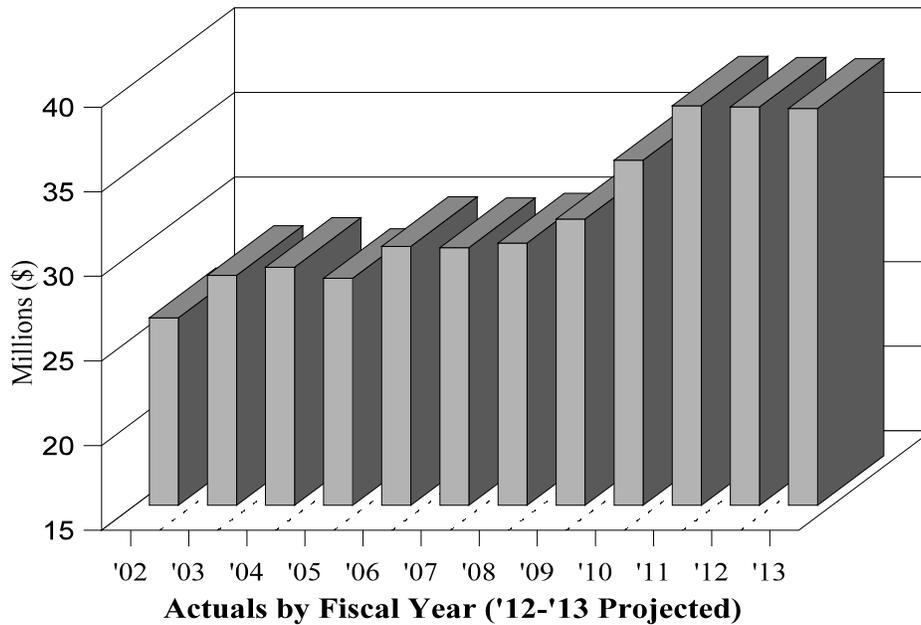
PROPERTY TAX

Basis: Assessment rolls

Critical Assumption: Property Taxes are projected to decrease by a net \$84,317, to a total of \$38,456,440. Some large commercial properties have continued to wage successful assessment appeals. The projected revenue loss of \$250,000 in FY 2013 is in addition to the nearly \$240,000 loss due to appeals and other adjustments in FY 2012. Approximately \$273,000 of revenue resulting from expiring tax incentives and reassessments due to property improvements will help to offset these reductions. Penalty and Interest, along with collections from prior years will add \$650,000 in revenue for FY 2013, an increase of \$30,000.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$35,398,064	\$39,187,019	\$38,540,757	\$38,540,757	\$38,456,440

Property Tax Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2013

OTHER TAXES

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

Critical Assumption: Real Estate Transfer Tax revenues, after several years of decline, are expected to rebound, albeit modestly, for FY 2013. Although the average sale price of residential homes remains below the levels of prior years, the number of sales is increasing slightly. Commercial property transfers are beginning to reappear, but remain meager. As a result, FY 2013 revenues are forecasted to grow a modest \$48,000 to a FY 2013 total of \$1.9 million.

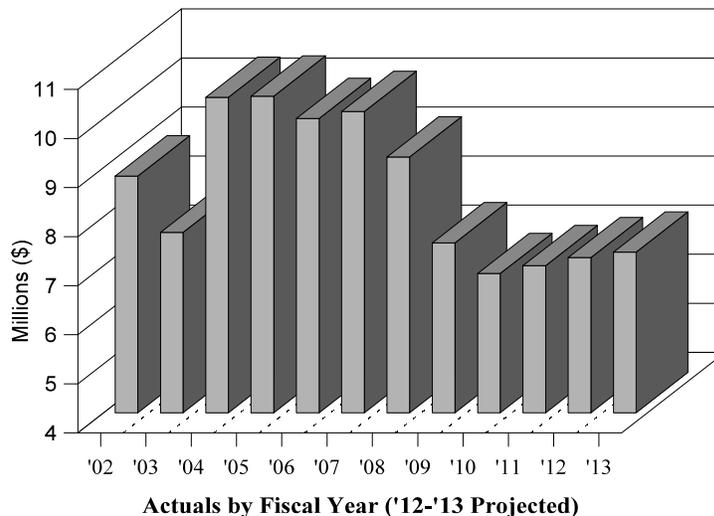
Head Tax revenue is projected to increase by \$7,200, to a new total of \$3.57 million for FY 2013. This represents a net gain of 40 jobs. Although hundreds more in new jobs are forecasted to come online, they will be exempt from Head Taxes because of economic incentives.

Franchise Fees revenue consists of 2% of the gross revenues from electricity sales in the City and 5% of gross revenues from cable television service sales in the City. In Wilmington, Delmarva Power is the sole distributor of electricity and Comcast is currently the only provider of cable TV service. For FY 2013, the budgeted amounts are \$744,829 (Delmarva) and \$1,062,073 (Comcast) for a total of \$1,806,902, a slight increase above the FY 2012 budget.

In total, Other Taxes are projected to increase \$113,063 for FY 2013.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$6,837,587	\$6,998,424	\$7,161,039	\$7,161,039	\$7,274,102

Other Taxes



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2013

LICENSES, PERMITS, FEES, AND FINES

Basis: Trend analysis

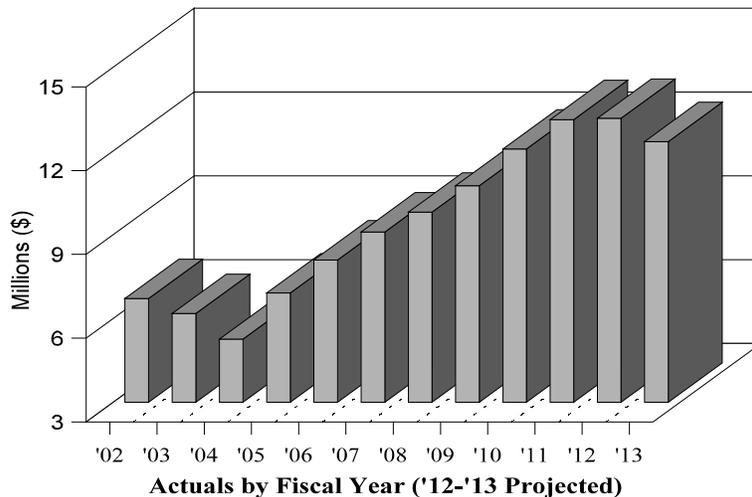
Critical Assumption: Fines will fall by \$372,514 to a total of \$8,850,000. Criminal/Traffic Fines revenue is projected to total \$3.85 million in FY 2013, up \$784,363 from the FY 2012 budget. This revenue account consists of red-light camera fines, other miscellaneous traffic and criminal fines, and the L&I Instant Ticketing Program. Red-light camera fines have exceeded the FY 2012 budgeted amount due to significantly higher than expected right-turn-on-red violations captured on video. For FY 2013, Red-light camera fines are projected to decline somewhat, as violations decrease at older sites, but are still forecasted to be above the original FY 2012 budget. There is no change in miscellaneous traffic and criminal fines, nor in the L&I Instant Ticketing revenues. The aggregate of these is \$750,000.

Parking Tickets/Booting Fines are forecast to decrease by \$407,000 below the FY 2012 projected level, and a full \$1.16 million below the FY 2012 budgeted level. Revenues are being adversely affected by changes in parking regulations and a reduction in parking citation revenues collected through the DMV program.

Licenses, Permits and Fees revenue is projected to be just under \$3.5 million in FY 2013, or \$37,000 above the FY 2012 budget. Business Licenses will remain stable at \$1.6 million, but Permits and Fees are slated to rise by \$27,000 and \$10,000 respectively.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$12,072,268	\$12,652,152	\$12,672,291	\$13,172,291	\$12,336,773

Licenses, Permits, Fees & Fines



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2013

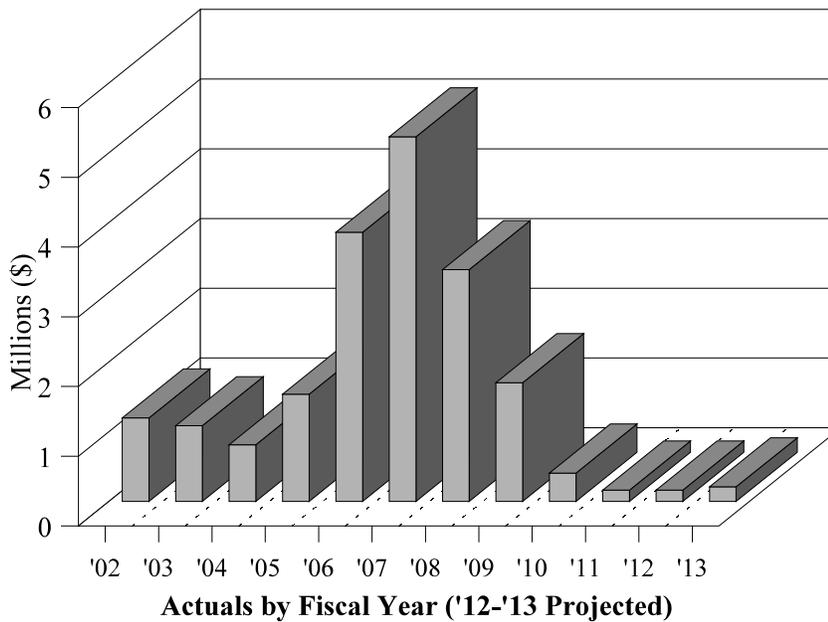
INTEREST

Basis: Trend analysis/Cash flow analysis/Bond issuance

Critical Assumption: Although interest rates remain woefully low, the City’s cash balances have increased due to the proceeds of the November 2011 capital bond issuance. Interest Earnings are forecasted to increase by nearly \$45,000, to \$207,193 due to better cash balances and a projected modest rise of 25 basis points in interest rates.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$405,970	\$177,544	\$162,500	\$162,500	\$207,193

Interest Revenue



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

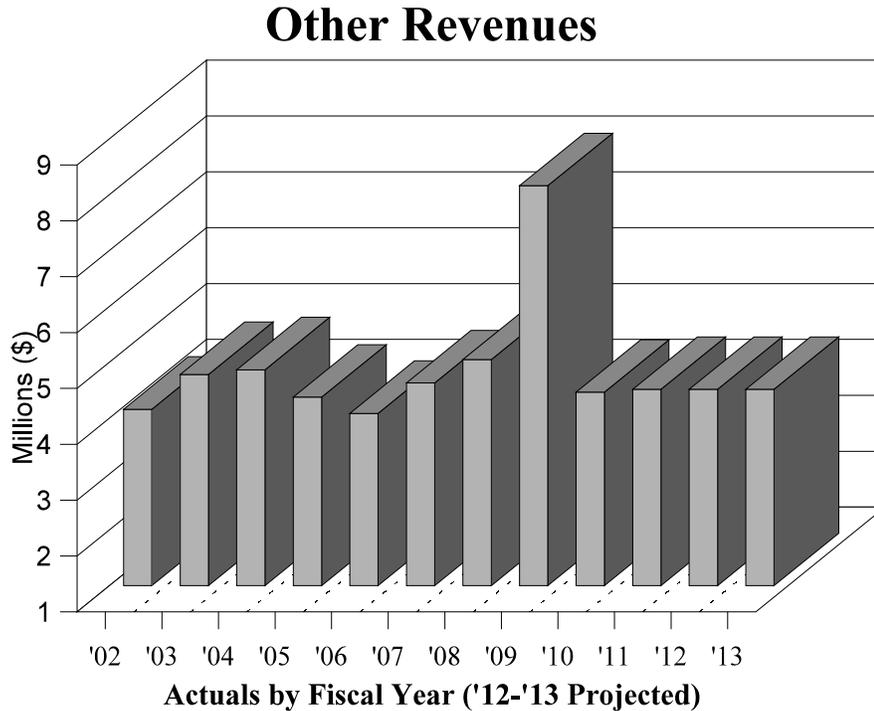
General Fund Revenues Fiscal Year 2013

OTHER REVENUES

Basis: Trend analysis/Contractual

Critical Assumption: Other Revenues, comprised of Rental Income, General Government Charges and other Miscellaneous Income, is expected to remain unchanged at \$4,512,533 for FY 2013.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$4,463,839	\$5,122,521	\$4,512,533	\$4,512,533	\$4,512,533



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2013

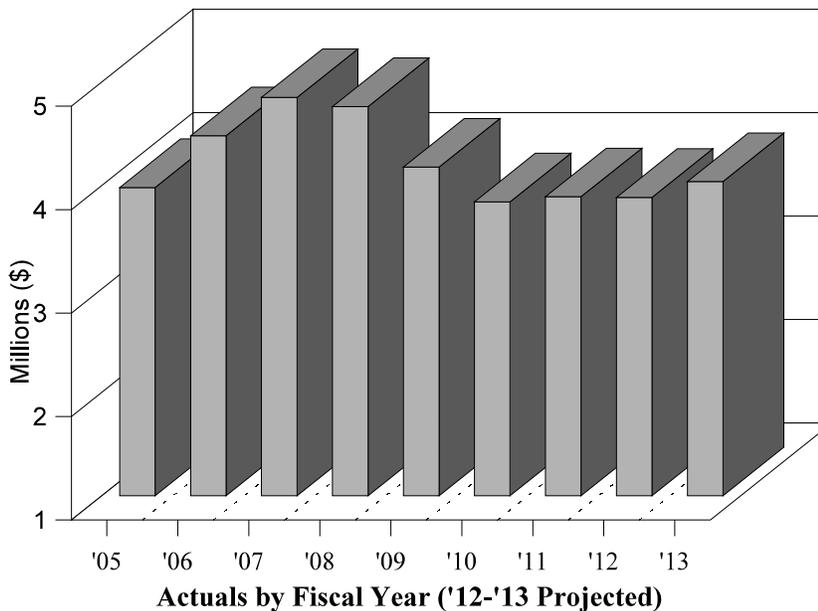
TASK FORCE REVENUES

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 allowing the City to create a 2% Lodging Tax and a 2% Natural Gas Franchise Fee on gross sales of natural gas in the City. In total, Task Force Revenues are projected to be \$152,772 higher for FY 2013. All of the components of the Task Force Revenues will increase from the FY 2012 Budget: Corporate Filings by \$47,500, LLC Filings by \$87,500, Lodging Tax by \$7,125, and Natural Gas Tax by \$10,647 above the FY 2012 budgeted levels.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$3,840,957	\$4,183,747	\$3,884,800	\$3,884,800	\$4,037,572

Task Force Revenues



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2013

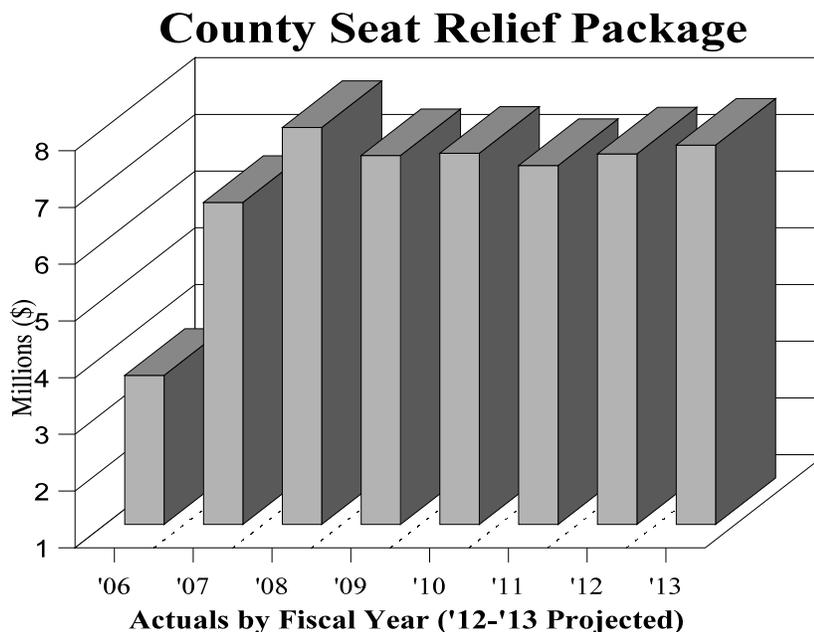
COUNTY SEAT RELIEF PACKAGE

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 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 2013 projections total \$7.7 million. The breakout is as follows: \$2.1 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 down \$350,255 from the FY 2012 budget); \$4.47 million as part of the State’s Uniform Commercial Code (UCC) filing fees (this is up \$630,255 from the FY 2012 budget); \$300,000 in Statutory Trust Filing Fees (no change); and \$849,750 in New Castle County Corporate Filing Fees (this is up by \$24,750). In total, there is a \$304,750 increase in County Seat Relief Package revenues from the FY 2012 budget.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$7,546,150	\$7,949,369	\$7,383,771	\$7,533,516	\$7,688,521



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2013

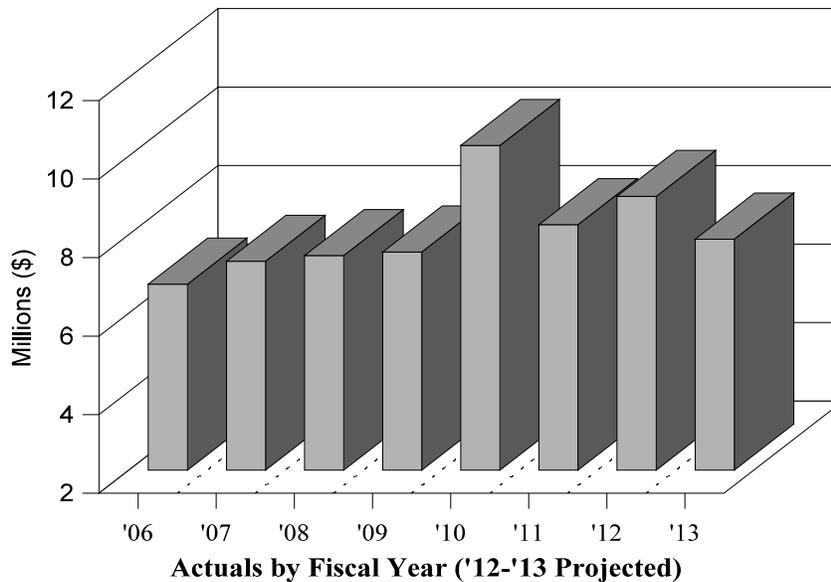
OTHER GOVERNMENTS

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

Critical Assumption: Other Governments consists of the State Pension Contribution and the State Port Debt Reimbursement. The State Pension Contribution is a pass-through grant of \$6,984,517 in revenue that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. For FY 2013, the projected grant has been reduced by \$484,555, to an amount approximately equal to the FY 2011 level. 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. The State, however, agreed to reimburse the City annually for the amount the City was scheduled to pay out to service the Port debt. The amount for FY 2013 will be \$900,408, and represents a more than \$602,000 decrease from FY 2012.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$10,270,032	\$7,767,369	\$8,973,044	\$8,973,044	\$7,884,925

Other Governments



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

General Fund Revenues Fiscal Year 2013

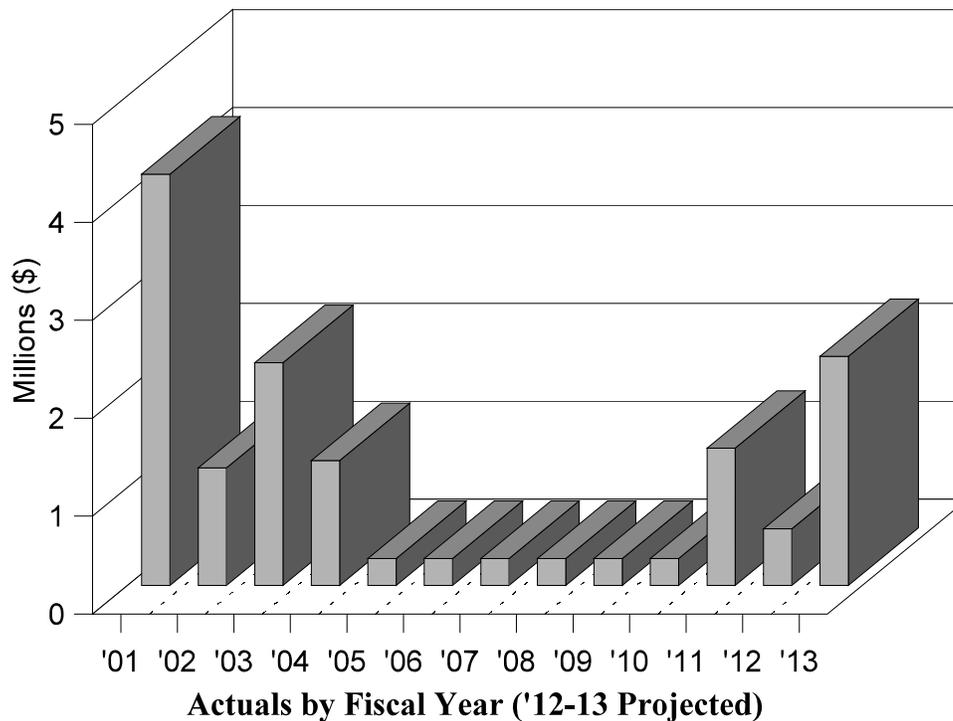
TRANSFERS AND USE OF FUND BALANCE

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

Critical Assumption: Due to the projected deficit, \$1,962,464 of Unassigned Fund Balance is slated to be used in FY 2013. There is the usual transfer from the Wilmington Parking Authority (WPA) in the amount of \$275,000, along with a \$100,000 transfer from the Economic Strategic Fund.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$275,000	\$1,400,422	\$577,160	\$577,160	\$2,337,464

Transfers & Use of Fund Balance



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2013

MUNICIPAL STREET AID

Basis: State of Delaware grant award letter

Critical Assumption: This grant is used to offset street lighting electricity costs and is anticipated to remain at the FY 2012 level.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$89,491	\$890,234	\$890,234	\$890,234	\$890,234

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Basis: Estimate from Federal Government (HUD)

Critical Assumption: Due to a significant reduction of the program on the Federal level, the City's grant for FY 2013 will decrease by approximately \$757,000 or 24.2%.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$2,785,370	\$2,953,570	\$3,125,250	\$3,125,250	\$2,368,343

COMMUNITY ORIENTED POLICING SERVICES (COPS) GRANT

Basis: U.S. Department of Justice Grant

Critical Assumption: The Community Oriented Policing Services Office (COPS) grant is a Federal award to help law enforcement agencies to hire more community policing officers, to acquire new technologies and equipment, and to promote innovative approaches to solving crime. The FY 2013 award is the last year of a three-year period of funding for 16 additional Patrol Officers.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$272,371	\$993,248	\$1,058,446	\$1,058,446	\$808,407

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2013

S.A.F.E.R. GRANT

Basis: U.S. Department of Homeland Security Award

Critical Assumption: The Staffing for Adequate Fire & Emergency Response Grant was created to provide funding to fire departments to help increase the number of trained firefighters in communities. This is the second of a two-year award funding salary and benefit costs for 13 firefighters.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$0	\$0	\$823,615	\$823,615	\$841,158

PARKS ASSISTANCE

Basis: Estimate from Federal Government

Critical Assumption: These funds are used for the Summer and Evening Food Programs and, at this time, are expected to fall by more than 50% in FY 2013.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$2,136,873	\$1,497,245	\$1,627,249	\$1,627,249	\$800,000

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 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$112,024	\$77,437	\$156,192	\$156,192	\$156,192

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2013

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 by more than \$217,000 for FY 2013.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$609,277	\$1,248,816	\$776,030	\$776,030	\$558,775

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 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$1,762,732	\$2,307,873	\$3,082,171	\$3,082,171	\$3,449,541

HOME PARTNERSHIP FUND

Basis: Estimate from Federal Government (HUD)

Critical Assumption: The Home Partnership Program is awarded through HUD and is expected to be funded at approximately \$37,000 less than FY 2012.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$611,682	\$102,916	\$657,050	\$657,050	\$620,147

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Special Funds Revenues Fiscal Year 2013

BYRNE GRANT

Basis: Federal grant award letters

Critical Assumption: The Edward Byrne Memorial Justice Assistance Grant is a federal award to support activities to prevent and control crime. No funding is anticipated through this grant for FY 2013.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$1,609,885	\$177,437	\$43,262	\$43,262	\$0

MISCELLANEOUS GRANTS

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

Critical Assumption: Miscellaneous Grants, in past years, was a combined total of two Federal grants and three State grants. The Federal grants, Housing Opportunities for People With AIDS (HOPWA) and Emergency Shelter, along with the Local Emergency Planning Committee (LEPC), the Workforce Investment Board (WIB) and State Fire Grants, made up this grouping. All of these grants have been funded at approximately the same level as FY 2012 with the exception of the Emergency Shelter Grant which will increase by \$160,000. New for FY 2013 are the Neighborhood Stabilization Grant (Federal through HUD) and the De-Lead Delaware Grant (Federal HUD pass-through). The amounts of these grants are \$91,192 and \$11,590 respectively.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$947,089	\$2,360,160	\$1,372,014	\$1,372,014	\$1,589,019

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2013

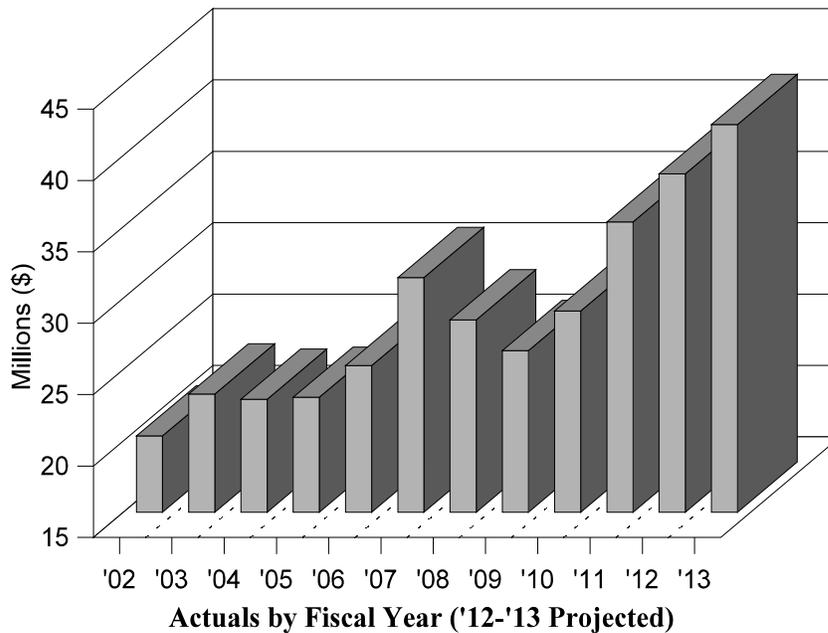
WATER/SEWER USER FEES

Basis: Trend analysis/Management initiatives/Proposed rate increase

Critical Assumption: The base amount of Water/Sewer User Fees has grown in recent years as a result of the rate increases to stabilize the fund. Additionally, the City has seen the base increase beyond projections beginning with the FY 2011 final revenues. For FY 2012, that base is expected to grow to \$39.0 million, or more than \$1.3 million above the budgeted amount. A 9% increase in Water/Sewer User Fees is proposed for FY 2013 that will generate an additional \$3.1 million. When coupled with special sewer and other miscellaneous revenue items, total User Fees is projected to be \$42.2 million, an increase of \$4.46 million above the FY 2012 budget. The average residential homeowner's total bill (including water/sewer and stormwater) will go up \$4.19 per month. Even with the increase, the City's rates will still be among the lowest in the region.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$29,093,942	\$35,332,168	\$37,703,000	\$38,703,000	\$42,164,000

Water/Sewer User Fees



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

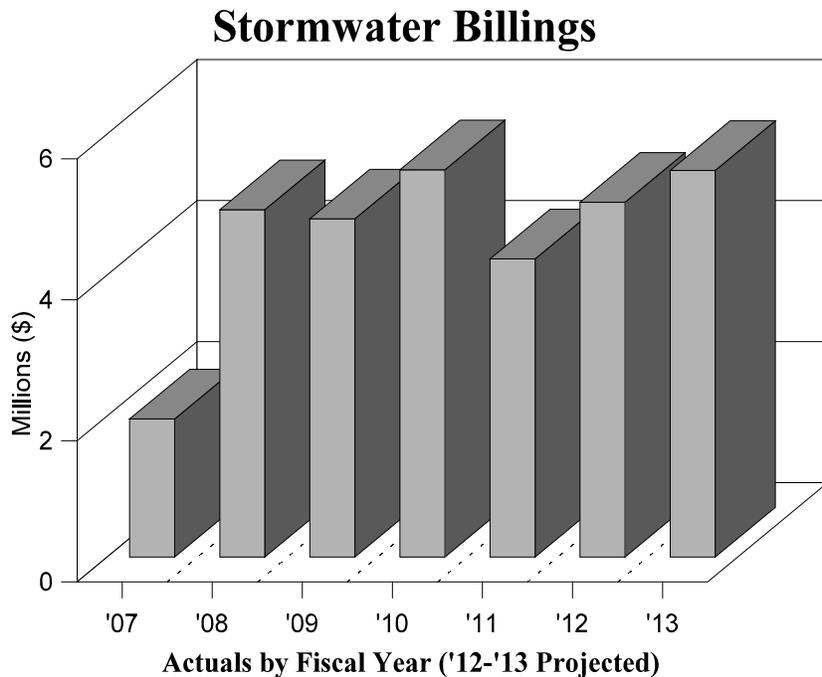
Water/Sewer Fund Revenues Fiscal Year 2013

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 \$6.6 million. For FY 2013, a 9% increase in stormwater fees is proposed, which will generate an additional \$596,000. After allowing for uncollectibles of \$1.1 million, and further amounts for new appeals, nearly \$5.5 million in revenue is projected for FY 2013, a net decline of \$547,000 below the FY 2012 budget.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$5,491,264	\$4,227,360	\$6,031,000	\$5,031,000	\$5,483,790



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

REVENUE BUDGET AND CRITICAL ASSUMPTIONS

Water/Sewer Fund Revenues Fiscal Year 2013

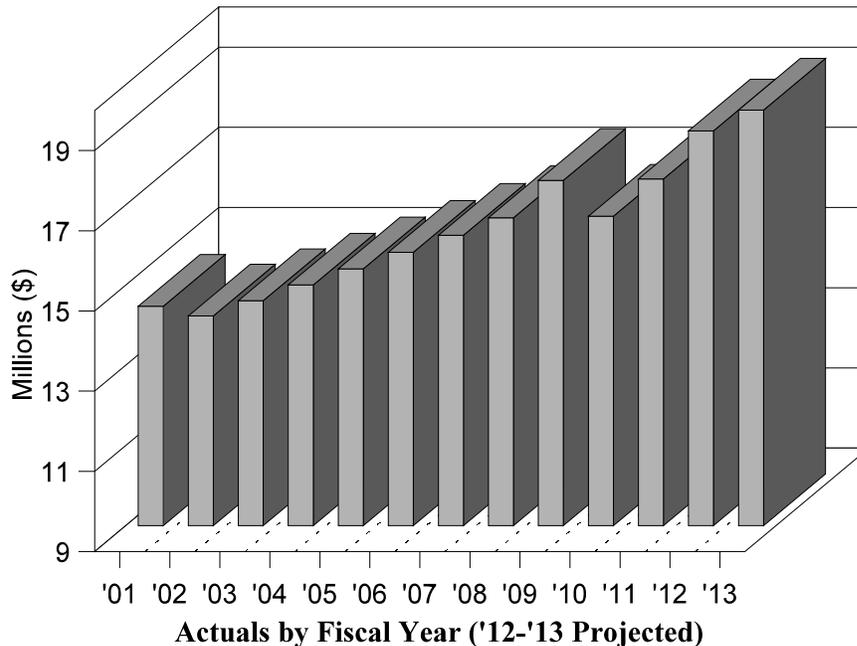
NEW CASTLE COUNTY SEWER SERVICES

Basis: Contract with New Castle County

Critical Assumption: Through arbitration, the City and New Castle County have developed a contractually agreed upon fee structure for treating the County’s sewage. For FY 2013, the net base fee of \$19.3 million represents the County’s share of costs for operating the City’s sewage treatment plant and sewage sludge disposal, adjusted downward by \$682,000 to take into account the annual reconciliation process and at-risk amounts for treatment plant water/sewer charges. An additional \$698,000 will be billed as a one-time reimbursement for extensive repairs to concrete at the sewage treatment facility. The total revenue for FY 2013 is \$19,364,771.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$16,717,945	\$17,646,669	\$18,847,123	\$18,847,123	\$19,364,771

NCC Sewer Services



REVENUE BUDGET AND CRITICAL ASSUMPTIONS

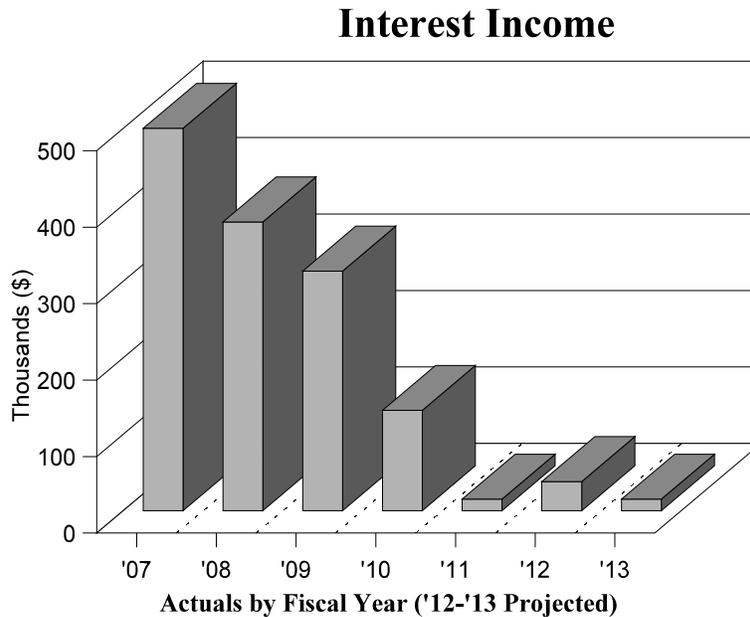
Water/Sewer Fund Revenues Fiscal Year 2013

INTEREST

Basis: Trend analysis/Cash flow analysis

Critical Assumption: Previously, all interest earned on City cash balances, regardless of 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 2013, interest is projected to further decrease by \$23,000 to \$15,000.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$131,228	\$15,000	\$38,000	\$38,000	\$15,000



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 2013

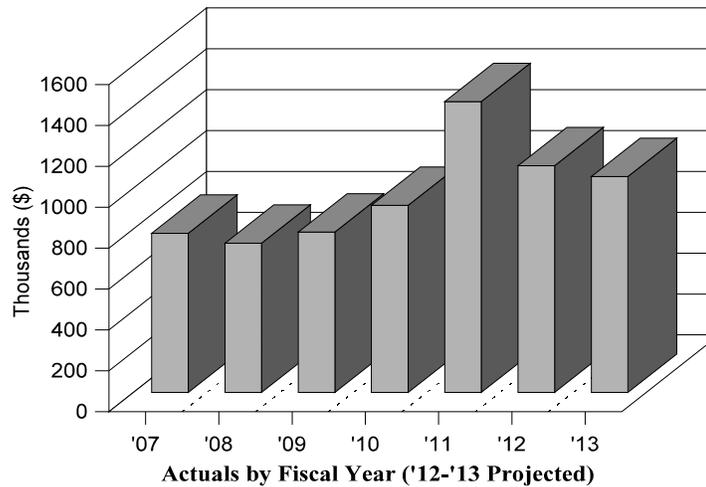
RENTALS/MISCELLANEOUS

Basis: Lease/Contracts

Critical Assumption: Rental income, which is derived by charging fees to telecommunications companies that rent space on the City's water tanks for antennae and transmitters, is projected to decrease by \$53,000 to \$1,056,000.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$914,766	\$1,422,456	\$1,109,000	\$1,109,000	\$1,056,000

Rentals/Miscellaneous



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

SOLAR PANEL REVENUE

Basis: Lease/Contracts.

Critical Assumption: This is a new revenue source beginning in FY 2012 and results from the recent installation of solar panels at various city sites, most notably the Porter Filter Plant. Due to the special nature of the revenue, it will be accounted for in a separate revenue category.

FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Projected	FY 2013 Budget
\$0	\$0	\$0	\$500,000	\$200,000

**CITY OF WILMINGTON
TAX RATES FOR FISCAL YEAR 2013**

WAGE TAX

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

Rate: 1.25%

NET PROFIT TAX

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

Rate: 1.25%

PROPERTY TAX

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

Rate: \$1.7670 per one-hundred dollars of assessed value.

HEAD TAX

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

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

REAL ESTATE TRANSFER TAX

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

Rate: 1.50%

CITY OF WILMINGTON
TAX RATES FOR FISCAL YEAR 2013
(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 FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	5,053,854	5,098,760	5,246,618	5,319,447
Materials, Supplies & Equipment	5,228,233	5,004,922	5,909,146	6,253,811
Internal Services	1,159,421	1,293,285	1,303,181	1,206,832
Debt Service	1,512,004	1,571,374	2,158,650	1,635,503
Special Purpose	293,386	255,824	91,600	91,600
Contingent Reserves	0	0	545,960	625,000
Depreciation	665,174	719,681	612,542	743,019
Capitalization	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>13,912,072</u>	<u>13,943,846</u>	<u>15,867,697</u>	<u>15,875,212</u>
STAFFING LEVELS	60.00	59.00	58.00	57.00

GENERAL FUND MAYOR'S OFFICE	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	3,456,912	3,367,370	3,251,169	3,276,488
Materials, Supplies & Equipment	1,765,426	1,249,465	1,226,926	1,247,813
Internal Services	833,701	920,240	970,969	918,577
Debt Service	1,390,099	1,448,735	2,022,295	1,486,142
Special Purpose	<u>293,386</u>	<u>255,824</u>	<u>91,600</u>	<u>91,600</u>
TOTAL	<u>7,739,524</u>	<u>7,241,634</u>	<u>7,562,959</u>	<u>7,020,620</u>
STAFFING LEVELS	38.50	37.50	34.50	33.50

CONTINGENT RESERVES MAYOR'S OFFICE	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Contingency	0	0	420,960	500,000
Snow & Weather Emergencies	<u>0</u>	<u>0</u>	<u>125,000</u>	<u>125,000</u>
TOTAL	<u>0</u>	<u>0</u>	<u>545,960</u>	<u>625,000</u>
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 FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	82,112	105,256	60,104	61,236
Materials, Supplies & Equipment	<u>18,750</u>	<u>135,681</u>	<u>0</u>	<u>0</u>
TOTAL	<u>100,862</u>	<u>240,937</u>	<u>60,104</u>	<u>61,236</u>
STAFFING LEVELS	0.50	0.50	0.50	0.50

INTERNAL SERVICES FUNDS MAYOR'S OFFICE	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	1,514,830	1,626,134	1,935,345	1,981,723
Materials, Supplies & Equipment	3,444,057	3,619,776	4,682,220	5,005,998
Internal Services	325,720	373,045	332,212	288,255
Debt Service	121,905	122,639	136,355	149,361
Depreciation	665,174	719,681	612,542	743,019
Capitalization	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>6,071,686</u>	<u>6,461,275</u>	<u>7,698,674</u>	<u>8,168,356</u>
STAFFING LEVELS	21.00	21.00	23.00	23.00

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

- Total Personal Services increased \$25,319 due in large part to employee benefit and annual salary step increases. Pension, Pension Healthcare, and Hospitalization costs combined to increase total Personal Services by \$71,970. Offsetting these increases was the deletion of the Assistant Communications Director position in the Mayor's Administrative Division. The deletion resulted in an annual savings of \$86,606.
- Total Materials, Supplies & Equipment (MS&E) rose \$20,887. Miscellaneous Project expenses increased \$45,000 for the revived Independence Day festival, the largest single contributor to the increase in MS&E. Offsets include reductions to Advertising of \$17,400, Contracted Maintenance of \$9,000, and Food of \$6,976.
- Debt Service Principal and Interest decreased, in total, by \$536,154. This decrease reflects the new debt service repayment schedule following the City's November 2011 Capital Bond Issuance. New debt service includes the permanent funding of the Upstairs Fund project, previously funded through Bond Anticipation Notes (BANs). Repayment of the Upstairs Fund project's taxable bonds does not include principal payments until FY 2014, creating a savings in FY 2013. Interest payments for the Upstairs Fund are also reduced as longer term bond rates are lower than prior year BAN interest rate payments.
- Other/Special Purpose increased \$79,040 to a new total of \$716,600. \$100,000 in funding for the City's FED-UP program, which supports the annual salary of a federal attorney to prosecute eligible gun crimes in the City remains. \$100,000 in Council requested "youth programs" was also again appropriated in FY 2013. Absent are projected savings from union employees' migration to new City health plans, previously budgeted in the Contingency Fund as an offset to expenses. These savings are factored into the total cost for healthcare in FY 2013.

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

- Total Personal Services increased \$46,378, reflecting employee benefit and annual salary step increases. Pension, Pension Healthcare, and Hospitalization costs combined to increase total Personal Services \$43,600. Step increases grew Regular Salary expenses \$2,194.
- Total Materials, Supplies & Equipment (MS&E) rose \$323,778 due to a number of factors. Machinery and Equipment costs rose \$913,340 in the Communications Division to support the upgrade of handheld radios for the City's Public Safety Departments. These radios will be purchased through a capital lease, thereby allowing an equal offsetting amount in the Division's Capitalized Expenses - Operating account. Slightly offsetting this increase are savings in the Data Processing division of \$26,000.
- Mobile Airtime, costs related to public safety personnel's mobile technology usage, increased \$277,000, also in the Communications Division. These expenses were budgeted within the Police and Fire Departments in prior fiscal years, but are now appropriated to the Communications Division as part of the City's continued consolidation of technology related expenses into the Division of Integrated Technology.
- Telephone Direct charges increased \$103,786 as the Communication Division continues to improve City broadband internet and voice service technology.
- Computer Software Non-Capitalized increased \$79,000 in the Data Processing Division for time management software in the Police and Real Estate and Housing Departments.
- Consultant expenses grew \$42,614 to assist with the implementation and support of transitioning Public Safety employees to the City's timekeeping software, KRONOS.
- Repairs to Communications grew \$35,062 for needed maintenance of the City's Supervisory Control and Data Acquisition (SCADA) microwave network.
- Offsetting MS&E increases include reductions in Postage (\$44,000), Printing (\$23,000), Stationary and Supplies (\$21,379), and Computer Software - Licenses (\$32,253).

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: OFFICE OF THE MAYOR

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Regular Salaries	2,545,359	2,415,236	2,269,985	2,221,734
Temporary Salaries	10,483	1,321	0	5,000
Acting Out of Class	0	2,345	0	0
Sick Leave Bonus	2,500	1,000	0	0
Overtime/Special Events	421	200	0	0
Meal Allowance	0	0	0	0
Internet Reimbursement	1,683	0	0	0
Pension Contribution	292,092	299,466	371,009	399,348
Social Security	154,918	146,549	138,127	135,216
Medicare Tax	36,933	34,602	32,454	31,769
Hospitalization	355,913	412,165	415,267	452,911
Life Insurance	6,089	8,816	7,445	7,641
Pension Healthcare	50,521	45,670	53,475	59,462
Deferred Comp Contribution	0	0	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(36,593)</u>	<u>(36,593)</u>
TOTAL PERSONAL SERVICES	3,456,912	3,367,370	3,251,169	3,276,488
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	120,494	89,707	95,630	77,830
Communications & Utilities	29,147	28,880	35,735	33,360
Transportation	25,860	17,428	17,900	17,650
Rentals	75,502	33,550	32,274	35,124
Contracted Maintenance Repairs	3,279	2,409	2,793	2,716
Professional Fees	344,852	175,452	197,475	193,755
Other Fees	103,853	9,480	0	0
Memberships & Registrations	44,938	39,183	47,874	47,960
Miscellaneous Services	45,483	130,416	196,350	195,280
Office & General Supplies	10,650	8,872	11,515	12,734
Wearing Apparel and Safety	0	971	0	0
Miscellaneous Parts	91,750	52,676	71,880	64,904
Construction and Repairs	1,086	0	1,000	1,000
Equipment	5,124	1,386	5,000	5,500
Fixed Assets	0	0	0	0
Miscellaneous Projects	665,170	531,425	419,500	464,500
Community Activities	<u>198,238</u>	<u>127,630</u>	<u>92,000</u>	<u>95,500</u>
TOTAL M., S. & E.	1,765,426	1,249,465	1,226,926	1,247,813
 <u>INTERNAL SERVICES</u>				
Administrative Services	767,633	886,049	908,483	856,091
Self-Insurance	<u>66,068</u>	<u>34,191</u>	<u>62,486</u>	<u>62,486</u>
TOTAL INTERNAL SERVICES	833,701	920,240	970,969	918,577

DEPARTMENT: OFFICE OF THE MAYOR**FUND: GENERAL**

DEBT SERVICE	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Principal Payments	318,496	208,961	888,612	413,622
Interest Payments	<u>1,071,603</u>	<u>1,239,774</u>	<u>1,133,683</u>	<u>1,072,520</u>
TOTAL DEBT SERVICE	1,390,099	1,448,735	2,022,295	1,486,142

SPECIAL PURPOSE

Wilmington Arts Commission	72,026	375	0	0
Rock Manor Golf Course	<u>221,360</u>	<u>255,449</u>	<u>91,600</u>	<u>91,600</u>
TOTAL SPECIAL PURPOSE	293,386	255,824	91,600	91,600

DEPARTMENT: OFFICE OF THE MAYOR**FUND: CONTINGENT RESERVES**

CONTINGENT RESERVES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Contingency	0	0	420,960	500,000
Snow & Weather Emergencies	<u>0</u>	<u>0</u>	<u>125,000</u>	<u>125,000</u>
CONTINGENT RESERVES TOTAL	0	0	545,960	625,000

GENERAL FUND TOTAL	<u>7,739,524</u>	<u>7,241,634</u>	<u>8,108,919</u>	<u>7,645,620</u>
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PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Regular Salaries	65,131	83,105	42,169	42,169
Temporary Salaries	0	0	0	0
Pension Contribution	2,615	3,951	6,789	7,801
Social Security	4,019	5,086	2,598	2,550
Medicare Tax	940	1,190	608	596
Hospitalization	9,025	11,196	7,057	7,117
Life Insurance	78	345	108	115
Pension Healthcare	304	383	775	888
TOTAL PERSONAL SERVICES	82,112	105,256	60,104	61,236
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	0	0	0	0
Communications & Utilities	1,126	17,101	0	0
Transportation	3,326	282	0	0
Rentals	0	0	0	0
Professional Fees	3,226	0	0	0
Memberships & Registrations	0	0	0	0
Miscellaneous Services	0	0	0	0
Office & General Supplies	2,027	0	0	0
Wearing Apparel and Safety	(509)	0	0	0
Miscellaneous Materials	499	2,808	0	0
Equipment	974	57,416	0	0
Site Preparation	0	(23,342)	0	0
Fixed Assets	8,081	81,416	0	0
TOTAL M., S. & E.	18,750	135,681	0	0
LEPC FUND TOTAL	<u>100,862</u>	<u>240,937</u>	<u>60,104</u>	<u>61,236</u>

DEPARTMENT: OFFICE OF THE MAYOR

FUND: INTERNAL SERVICES

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Regular Salaries	1,084,921	1,137,388	1,282,018	1,284,212
Temporary Salaries	0	131	0	0
Acting Out of Class	0	338	0	0
Sick Leave Bonus	13,541	1,300	0	0
Overtime	577	218	0	0
Meal Allowance	105	0	0	0
Internet Reimbursements	1,454	(165)	0	0
Pension Contribution	133,382	160,044	234,073	264,775
Social Security	66,802	69,600	78,277	78,525
Medicare Tax	15,621	16,283	18,307	18,367
Hospitalization	177,614	211,349	282,052	289,775
Life Insurance	3,193	5,249	4,968	5,244
Pension Healthcare	17,620	21,177	35,650	40,825
Deferred Comp Contribution	0	0	0	0
Accrued Sick/Vacation	0	3,222	0	0
TOTAL PERSONAL SERVICES	1,514,830	1,626,134	1,935,345	1,981,723
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	107,088	91,473	143,000	120,000
Communications & Utilities	972,452	847,858	955,512	1,292,274
Transportation	13,987	7,459	6,600	6,500
Rentals of Office Equipment	106,725	99,106	122,560	102,621
Contracted Maintenance Repairs	129,187	204,521	389,593	399,068
Professional Fees	803,151	843,831	1,562,466	1,601,580
Other Fees	1,900	0	0	0
Memberships & Registrations	10,355	7,660	25,636	15,046
Miscellaneous Services	397,543	277,158	118,284	99,262
Office & General Supplies	129,365	131,926	193,608	164,320
Uniforms & Related Equipment	1,054	0	340	272
Miscellaneous Parts	80,108	74,660	64,853	52,061
Equipment	360,193	511,700	776,768	855,994
Fixed Assets	681,652	524,724	323,000	1,210,340
Capitalized Exps -Op.	(350,703)	(2,300)	0	(913,340)
TOTAL M., S. & E.	3,444,057	3,619,776	4,682,220	5,005,998
<u>INTERNAL SERVICES</u>				
Administrative Services	312,326	359,413	318,566	274,609
Self-Insurance	13,394	13,632	13,646	13,646
TOTAL INTERNAL SERVICES	325,720	373,045	332,212	288,255

DEPARTMENT: OFFICE OF THE MAYOR**FUND: INTERNAL SERVICE**

	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
DEBT SERVICE				
Amortization	6,553	6,296	6,512	6,512
Interest Payments	<u>115,352</u>	<u>116,343</u>	<u>129,843</u>	<u>142,849</u>
TOTAL DEBT SERVICE	121,905	122,639	136,355	149,361
OTHER				
Capitalized Expenditures	0	0	0	0
Depreciation	<u>665,174</u>	<u>719,681</u>	<u>612,542</u>	<u>743,019</u>
TOTAL OTHER	665,174	719,681	612,542	743,019
INTERNAL SERVICES FUND				
TOTAL	<u>6,071,686</u>	<u>6,461,275</u>	<u>7,698,674</u>	<u>8,168,356</u>



CITY COUNCIL

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

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

PRIORITIES FOR FISCAL YEAR 2013
<ul style="list-style-type: none"> • 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

GENERAL FUND CITY COUNCIL	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	1,754,157	1,772,076	1,760,794	1,885,027
Materials, Supplies & Equipment	500,265	339,608	314,083	288,099
Internal Services	218,884	203,466	241,943	218,043
Debt Service	23,008	19,806	26,256	18,572
Special Purpose	<u>111,106</u>	<u>67,670</u>	<u>71,500</u>	<u>71,500</u>
TOTAL	<u>2,607,420</u>	<u>2,402,626</u>	<u>2,414,576</u>	<u>2,481,241</u>
STAFFING LEVELS	29.00	29.00	28.00	27.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services increased \$124,233 (7.1%) largely due to the city-wide reallocation of attrition, which eliminated \$147,341 of previously budgeted savings from City Council's budget. While having the overall effect of increasing the City Council's budget, the new handling of attrition more closely reflects actual patterns of attrition savings in the department and do not constitute an increase in overall spending.
- A reorganization of the Cable & Communications Division eliminated one vacant position, but with no budgetary impact as the full expense for the position had been offset by Attrition. Other changes include title changes for four positions (with no budgetary impact) and one upgrade that changed the Production Assistant to a Producer/Director, with an increase of \$5,028 in salary and benefits.
- Temporary Salaries increased \$8,055 (57.6%) and Pension Contributions increased \$18,441 (11.3%) and Pension Healthcare increased \$4,525 (10.4%).
- Materials, Supplies and Equipment were reduced \$25,984 (8.3%), led by a \$10,000 cut in Consultants in the City Clerk division (most of which was transferred to Temporary Salaries) and a \$26,000 (33.3%) reduction in funds for the scholarship program in the Legislative and Special Purpose Divisions. An additional \$6,500 (16.7%) was added to Community Services to provide an additional \$500 of discretionary funds for each council member.
- In the Cable and Communications Division, there was a 92.1% reduction in Bond Principal Payments (\$6,835) in accordance with the City's debt service schedule provided by the Finance Department.
- Council funding to the Wilmington Institute Free Library remains at \$60,000.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: CITY COUNCIL

FUND: GENERAL

	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY 2012	APPROVED FY2013
<u>PERSONAL SERVICES</u>				
Regular Salaries	1,250,734	1,230,683	1,289,475	1,238,358
Temporary Salaries	27,919	16,344	13,995	22,050
Acting Out of Class	4,901	4,901	0	0
Sick Leave Bonus	400	600	400	600
Overtime	167	231	0	0
Internet Reimbursements	1,290	0	0	0
Pension Contribution	107,251	111,924	163,179	181,620
Social Security	79,194	76,712	79,745	77,007
Medicare Tax	17,690	17,941	18,648	18,009
Hospitalization	223,164	271,772	293,504	294,099
Life Insurance	3,806	5,687	5,789	5,359
Pension Healthcare	37,641	35,281	43,400	47,925
Deferred Comp Contribution	0	0	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(147,341)</u>	<u>0</u>
TOTAL PERSONAL SERVICES	1,754,157	1,772,076	1,760,794	1,885,027
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	11,630	16,347	17,250	17,700
Transportation	11,572	10,902	2,000	2,000
Rentals	600	800	1,400	1,000
Contracted Maintenance Repairs	15,771	16,292	22,000	22,000
Professional Fees	0	5,325	10,000	0
Memberships & Registrations	10,250	13,052	21,100	21,800
Miscellaneous Services	12,051	8,200	9,340	9,340
Office & General Supplies	5,958	2,334	6,725	7,225
Wearing Apparel & Safety	2,066	981	2,250	2,250
Miscellaneous Parts	20,076	20,325	31,018	31,784
Equipment	25,408	8,690	6,500	6,500
Fixed Assets	0	0	0	0
Community Activities	<u>384,883</u>	<u>236,363</u>	<u>184,500</u>	<u>166,500</u>
TOTAL M., S. & E.	500,265	339,608	314,083	288,099
<u>INTERNAL SERVICES</u>				
Administrative Services	200,351	192,187	224,977	201,078
Self-Insurance	<u>18,533</u>	<u>11,277</u>	<u>16,966</u>	<u>16,966</u>
TOTAL INTERNAL SERVICES	218,884	203,466	241,943	218,043

DEPARTMENT: CITY COUNCIL

FUND: GENERAL

DEBT SERVICE	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Principal Payments	7,071	1,310	8,996	964
Interest Payments	<u>15,937</u>	<u>18,496</u>	<u>17,260</u>	<u>17,608</u>
TOTAL DEBT SERVICE	23,008	19,806	26,256	18,572
<u>SPECIAL PURPOSE</u>				
Wilmington Institute Free Library	100,000	60,000	60,000	60,000
Other	<u>11,106</u>	<u>7,670</u>	<u>11,500</u>	<u>11,500</u>
TOTAL SPECIAL PURPOSE	111,106	67,670	71,500	71,500
GENERAL FUND TOTAL	<u>2,607,420</u>	<u>2,402,626</u>	<u>2,414,576</u>	<u>2,481,241</u>

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 2013
<ul style="list-style-type: none"> • Ensure a seamless transition of the City's actuarial services from Mercer to Cheiron. • Facilitate the implementation of a new Bank Depository Agreement. • Continue documenting procedures for various departmental processes and functions and cross-train employees.

SUMMARY OF FUNDING FOR CITY TREASURER

TOTAL ALL FUNDS CITY TREASURER	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	653,826	569,702	588,125	609,023
Materials, Supplies & Equipment	795,833	1,095,231	1,016,134	1,127,228
Internal Services	123,330	134,380	142,617	126,643
Other	<u>632,802</u>	<u>915,754</u>	<u>1,750,000</u>	<u>2,000,000</u>
TOTAL	<u>2,205,791</u>	<u>2,715,067</u>	<u>3,496,876</u>	<u>3,862,894</u>
STAFFING LEVELS	7.00	7.00	6.00	6.00

GENERAL FUND CITY TREASURER	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	322,805	271,882	275,585	283,424
Materials, Supplies & Equipment	21,125	37,407	27,595	30,670
Internal Services	<u>99,129</u>	<u>97,905</u>	<u>111,525</u>	<u>99,259</u>
TOTAL	<u>443,059</u>	<u>407,194</u>	<u>414,705</u>	<u>413,353</u>
STAFFING LEVELS	3.42	3.42	2.92	2.92

PENSION ADMIN. FUNDS CITY TREASURER	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	331,021	297,820	312,540	325,599
Materials, Supplies & Equipment	774,708	1,057,824	988,539	1,096,558
Internal Services	24,201	36,475	31,092	27,384
Other	<u>632,802</u>	<u>915,754</u>	<u>1,750,000</u>	<u>2,000,000</u>
TOTAL	<u>1,762,732</u>	<u>2,307,873</u>	<u>3,082,171</u>	<u>3,449,541</u>
STAFFING LEVELS	3.58	3.58	3.08	3.08

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Total Personal Services grew by \$20,898 or 3.6% across all funds, due to increased employee benefits costs. The largest benefit cost increases were for Pension Contributions, Hospitalization, and Pension Healthcare, which grew \$13,070, \$6,384, and \$1,350 respectively.
- In the General Fund, total Materials, Supplies, and Equipment costs increased by \$3,075 or 11.1%. The majority of this increase is related to the addition of Travel for continuing education of \$1,500 and an increase to Trustee Fees for administrative costs related to the November 2012 Bond Issuance of \$1,375.
- Total Professional Fees in the Pension Funds increased by \$105,485. Consultant costs for the biannual pension and pension healthcare valuations grew \$89,000. Trustee Fees, based on the value of all pension funds managed, are slated to rise by \$16,485.
- The Internal Services account group decreased by a net \$15,975 across all funds, mainly due to shrinking costs in Data Processing, which is down \$16,315. Telephone costs increased slightly by a net \$341.
- The annual self-insurance funding target for retiree medical costs was increased by \$250,000, bringing the total funding for the program to \$2 million for FY 2013.

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-A and 1-D on page 22.

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Number of Fund Managers Interviewed	4	4	4	5	4

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-A, 1-C, 1-D and 1-E on page 22.

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Percentage of Funds Invested	95%	95%	95%	95%	96%

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

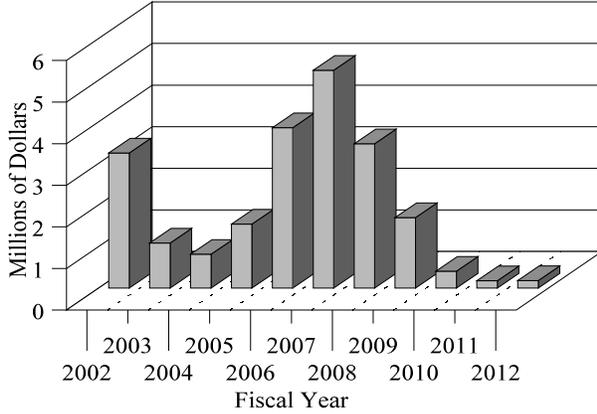
Objective: Fund the actuarially determined Annual Required Contribution at 100% each year.

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Annual Required Contribution (in \$ millions)	\$8.5	\$8.5	\$9.8	\$9.8	\$11.9

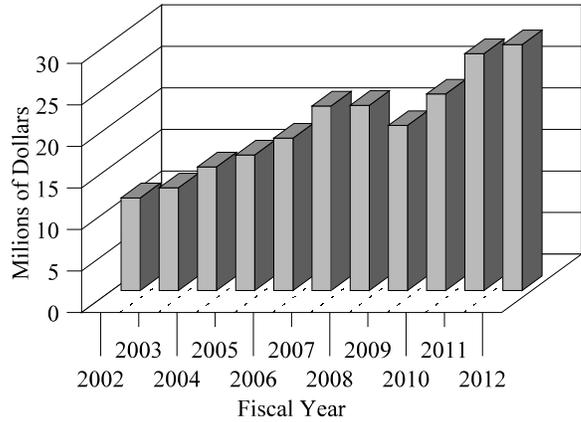
City Treasurer Performance Trends

General Fund Investment Income



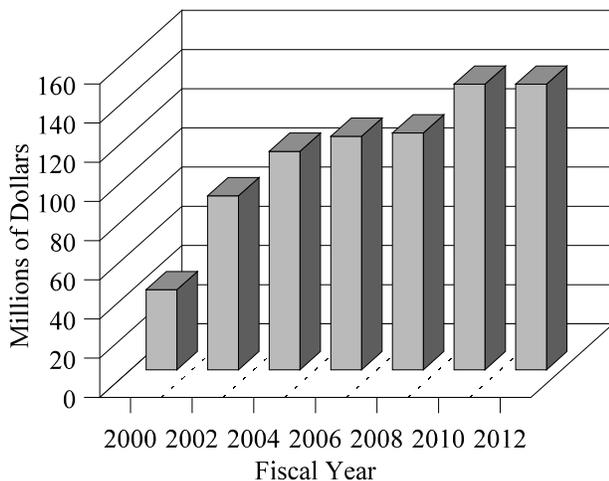
Prudent cash management and investment policies have enabled the City Treasurer to earn an average of over \$2.5 million per year since FY 2002. Much lower interest rates and delayed capital borrowing were responsible for the declines in FY 2009 through FY 2012.

Deferred Compensation Fund



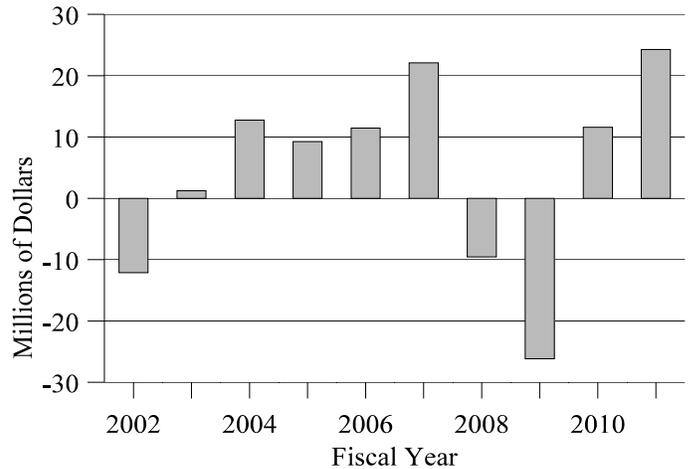
The City's Deferred Compensation plan is available on a voluntary basis to employees who wish to supplement their retirement income by investing a portion of their current earnings on a tax deferred basis.

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 and 2011.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: CITY TREASURER

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Regular Salaries	228,992	190,845	190,501	190,501
Sick Leave Bonus	600	300	0	0
Internet Reimbursement	519	0	0	0
Pension Contribution	38,822	25,142	36,673	43,407
Social Security	13,691	11,260	11,481	11,541
Medicare Tax	3,285	2,692	2,703	2,719
Hospitalization	32,016	37,218	37,248	37,597
Life Insurance	474	711	632	653
Pension Healthcare	4,406	3,714	4,521	5,180
Deferred Compensation Contribution	0	0	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(8,174)</u>	<u>(8,174)</u>
TOTAL PERSONAL SERVICES	<u>322,805</u>	<u>271,882</u>	<u>275,585</u>	<u>283,424</u>
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	285	160	320	320
Transportation	0	0	0	1,500
Professional Fees	14,700	32,760	20,125	21,500
Memberships & Registrations	522	100	1,100	1,100
Miscellaneous Services	4,557	3,265	4,600	5,000
Office & General Supplies	811	1,122	1,200	1,000
Equipment	<u>250</u>	<u>0</u>	<u>250</u>	<u>250</u>
TOTAL M., S. & E.	<u>21,125</u>	<u>37,407</u>	<u>27,595</u>	<u>30,670</u>
 <u>INTERNAL SERVICES</u>				
Administrative Services	92,500	92,775	106,063	93,797
Self-Insurance	<u>6,628</u>	<u>5,130</u>	<u>5,462</u>	<u>5,462</u>
TOTAL INTERNAL SERVICES	<u>99,129</u>	<u>97,905</u>	<u>111,525</u>	<u>99,259</u>
 <u>GENERAL FUND TOTAL</u>	 <u><u>443,059</u></u>	 <u><u>407,194</u></u>	 <u><u>414,705</u></u>	 <u><u>413,353</u></u>

DEPARTMENT: CITY TREASURER

FUND: PENSION ADMIN.

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Regular Salaries	243,210	227,224	223,711	223,711
Internet Reimbursement	207	0	0	0
Accrued Vacation Pay	14,998	(4,648)	0	0
Pension Contribution	28,292	28,541	38,683	45,019
Social Security	14,541	13,592	13,520	13,487
Medicare Tax	3,483	3,238	3,188	3,179
Hospitalization	22,223	25,468	30,164	36,199
Life Insurance	549	774	664	703
Pension Healthcare	3,518	3,631	4,779	5,470
Deferred Compensation Contribution	0	0	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(2,169)</u>	<u>(2,169)</u>
TOTAL PERSONAL SERVICES	331,021	297,820	312,540	325,599
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	125	250	400	320
Transportation	0	0	1,000	2,000
Rentals	0	0	75	60
Contracted Maintenance	0	0	160	128
Professional Fees	769,009	1,052,965	982,690	1,088,175
Other Fees	2,764	450	500	900
Memberships & Registrations	1,020	1,637	1,920	3,015
Office & General Supplies	479	676	963	770
Miscellaneous Parts	717	590	581	700
Equipment	<u>594</u>	<u>1,256</u>	<u>250</u>	<u>490</u>
TOTAL M.S. & E.	774,708	1,057,824	988,539	1,096,558
<u>INTERNAL SERVICES</u>				
Administrative Services	23,103	35,359	29,977	26,270
Self-Insurance	<u>1,098</u>	<u>1,116</u>	<u>1,115</u>	<u>1,114</u>
TOTAL INTERNAL SERVICES	24,201	36,475	31,092	27,384
<u>OTHER</u>				
Self Insurance Costs	<u>632,802</u>	<u>915,754</u>	<u>1,750,000</u>	<u>2,000,000</u>
TOTAL OTHER	632,802	915,754	1,750,000	2,000,000
PENSION ADMIN. FUNDS TOTAL	<u>1,762,732</u>	<u>2,307,873</u>	<u>3,082,171</u>	<u>3,449,541</u>

DEPARTMENT OF PLANNING AND DEVELOPMENT

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

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

PRIORITIES FOR FISCAL YEAR 2013

- Continue to provide high quality routine planning services, such as subdivision reviews, environmental/historical preservation reviews, curb cut reviews, waterfront reviews, parking lot landscaping reviews, demolition reviews, and staff support to various planning related boards and commissions.
- Complete a neighborhood comprehensive plan for the Baynard Boulevard Analysis Area.
- Begin the neighborhood comprehensive plan for Midtown Brandywine.
- Assist the Access Wilmington Committee in planning and carrying out the annual Access Awards Reception.
- Initiate rezoning for the Baynard Boulevard Analysis Area.
- Process, in a timely fashion, approximately 350 environmental and historic reviews as required by HUD.
- Complete the Master Plan for the City's park system.
- Update the City's Programmatic Agreement with the State Historic Preservation Office.
- Begin update to Citywide Comprehensive Plan.
- Complete at least five research projects addressing 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.

PRIORITIES FOR FISCAL YEAR 2013 (continued)

- Address zoning issues through amendments to the zoning code and/or maps, before land use conflicts arise.
- Work with Wilmington Renaissance Corporation, Downtown Visions, and Real Estate and Housing in developing an artist housing program.
- Work with WILMAPCO, the State, and the Wilmington Bike Committee in developing priority bike projects, including the Cross-Town Connector and the River to River Route.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF PLANNING

TOTAL ALL FUNDS DEPARTMENT OF PLANNING	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	1,038,646	1,062,796	1,050,405	1,067,681
Materials, Supplies & Equipment	62,644	18,954	23,906	27,656
Internal Services	334,757	311,618	398,172	353,932
Debt Service	<u>94,292</u>	<u>136,394</u>	<u>150,512</u>	<u>162,196</u>
TOTAL	<u>1,530,339</u>	<u>1,529,761</u>	<u>1,622,996</u>	<u>1,611,465</u>
STAFFING LEVELS	12.00	12.00	11.00	11.00

GENERAL FUND DEPARTMENT OF PLANNING	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	988,670	1,003,990	989,351	1,031,628
Materials, Supplies & Equipment	62,644	18,954	23,906	27,656
Internal Services	334,757	311,618	398,172	353,932
Debt Service	<u>94,292</u>	<u>136,394</u>	<u>150,512</u>	<u>162,196</u>
TOTAL	<u>1,480,363</u>	<u>1,470,955</u>	<u>1,561,942</u>	<u>1,575,412</u>
STAFFING LEVELS	11.60	11.60	10.60	10.63

COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG) DEPARTMENT OF PLANNING	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	<u>49,976</u>	<u>58,806</u>	<u>61,054</u>	<u>36,053</u>
TOTAL	<u>49,976</u>	<u>58,806</u>	<u>61,054</u>	<u>36,053</u>
STAFFING LEVELS	0.40	0.40	0.40	0.37

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- The Personal Services account group increased a net \$17,276 across all funds.
- A reduction in Federal Funds resulted in the reallocation between funds for two positions: the Preservation Planner and the Planner II. The Preservation Planner position's cost was reallocated from 16% General Fund, 44% State Preservation Grant, and 40% CDBG Funds in FY 2012 to 69% General Fund, 31% State Preservation Grant, and 0% CDBG Funds in FY 2013. The Planner II position's cost was reallocated from 60% General Fund and 40% CDBG Funds in FY 2012 to 63% General Fund and 37% CDBG Funds in FY 2013. These changes add an additional cost to the General Fund of \$21,104 in Temporary Salaries and \$1,791 in Regular Salaries respectively.
- Also in Personal Services is growth in employee benefit costs, such as Pensions (up \$16,319), and Pension-Healthcare (up \$2,438). These costs are partially offset by a decrease in Hospitalization of \$3,779.
- Materials, Supplies, and Equipment General Fund expenditures will increase by a total of \$3,750 or 15.7%. Travel costs for regional conferences and training have increased \$1,800. In addition, Photo & Repro Supplies increased \$1,950 to fund one-half of the total cost of new aerial photography of the City. The other half of the cost of the aerial photography will be paid by the Office of Economic Development.
- The Internal Services account group decreased by a net \$44,240, mainly due to shrinking costs in Data Processing, which is down \$44,522.

DEPARTMENT OF PLANNING PERFORMANCE INDICATORS

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

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

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Special Projects	16	16	16	18	17
Neighborhood Notebooks	2	2	2	1	2
Comprehensive Plans	2	1	2	2	2

DEPARTMENT OF PLANNING PERFORMANCE INDICATORS

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

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

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Environmental and 106 Reviews	300	454	370	449	396
Planning Commission and Design Review Cases (includes internal reviews)	330	285	300	319	310
Other Site Plan Reviews (Curb Cuts, Waterfront, Subdivisions, Demolitions and Parking Lots)	85	73	80	54	72

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

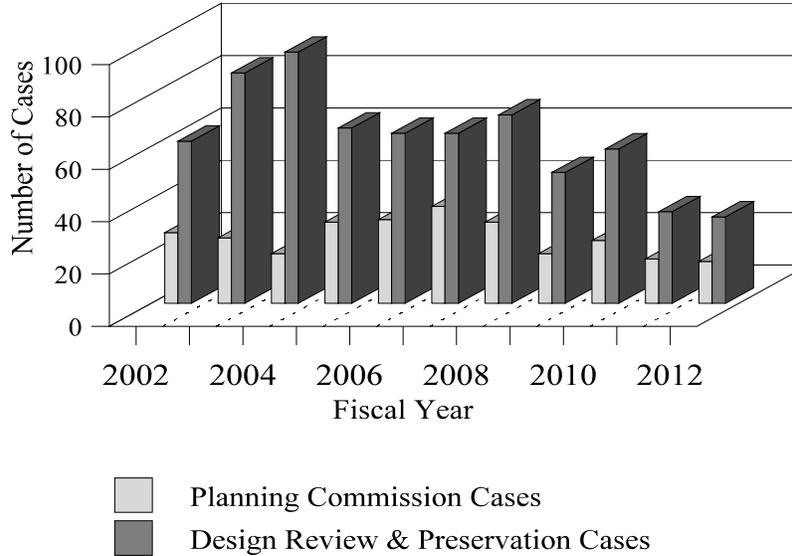
Objective: Complete 7 historic preservation and 12 special planning projects that will promote development in the City.

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Historic Preservation Projects	n/a	n/a	6	9	7
Special Planning Projects	12	12	12	15	12

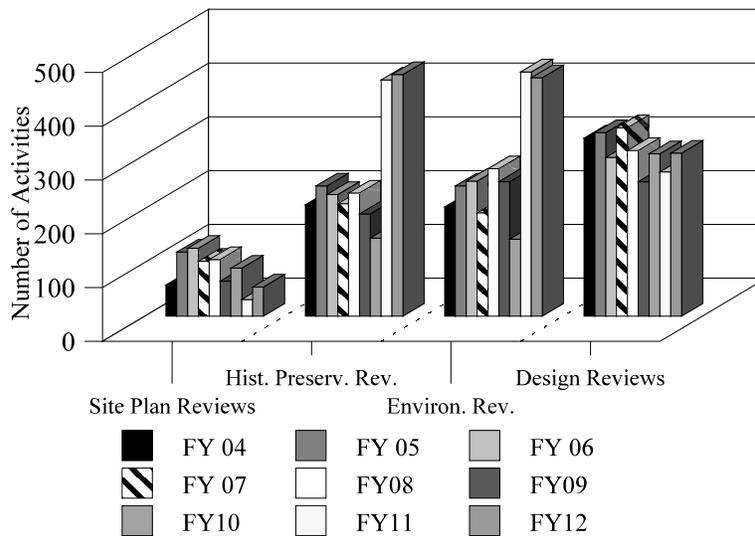
Department of Planning Performance Trends

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

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Regular Salaries	706,338	693,532	660,940	665,008
Temporary Salaries	14,974	12,792	15,225	36,329
Acting Out of Class	799	455	455	455
Sick Leave Bonus	600	600	0	0
Internet Reimbursements	599	0	0	0
Pension Contribution	87,318	89,612	116,893	133,212
Social Security	44,637	43,393	41,460	43,080
Medicare Tax	10,440	10,149	9,696	10,075
Hospitalization	105,881	136,048	136,271	132,492
Life Insurance	1,812	2,843	2,290	2,418
Pension Healthcare	15,274	14,566	16,430	18,868
Deferred Comp Contribution	0	0	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(10,309)</u>	<u>(10,309)</u>
TOTAL PERSONAL SERVICES	988,670	1,003,990	989,351	1,031,628
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	1,433	492	2,500	2,500
Communications & Utilities	168	0	150	150
Transportation	492	152	1,000	2,800
Rentals	46	18	0	0
Contracted Maintenance Repairs	0	0	860	860
Professional Fees	42,198	922	1,500	1,500
Memberships & Registrations	7,502	5,194	6,000	6,000
Miscellaneous Services	0	0	0	0
Office & General Supplies	2,366	3,567	4,600	6,550
Miscellaneous Parts	864	401	500	500
Equipment	779	1,412	0	0
Community Activities	<u>6,796</u>	<u>6,796</u>	<u>6,796</u>	<u>6,796</u>
TOTAL M., S. & E.	62,644	18,954	23,906	27,656
<u>INTERNAL SERVICES</u>				
Administrative Services	288,376	290,371	351,948	307,708
Self-Insurance	<u>46,381</u>	<u>21,247</u>	<u>46,224</u>	<u>46,224</u>
TOTAL INTERNAL SERVICES	334,757	311,618	398,172	353,932
<u>DEBT SERVICE</u>				
Principal Payments	20,261	54,963	73,088	88,641
Interest Payments	<u>74,031</u>	<u>81,430</u>	<u>77,424</u>	<u>73,555</u>
TOTAL DEBT SERVICE	94,292	136,394	150,512	162,196
GENERAL FUND TOTAL	<u>1,480,363</u>	<u>1,470,955</u>	<u>1,561,942</u>	<u>1,575,412</u>

DEPARTMENT: PLANNING**FUND: CDBG**

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Regular Salaries	17,971	24,291	23,886	22,095
Temporary Salaries	21,276	20,777	21,141	0
Pension Contribution	1,811	2,956	3,846	4,088
Social Security	2,420	2,765	2,792	1,342
Medicare Tax	566	646	653	314
Hospitalization	5,491	6,772	8,030	7,472
Pension Healthcare	394	475	620	657
Life Insurance	<u>47</u>	<u>124</u>	<u>86</u>	<u>85</u>
TOTAL PERSONAL SERVICES	49,976	58,806	61,054	36,053
CDBG FUND TOTAL	<u>49,976</u>	<u>58,806</u>	<u>61,054</u>	<u>36,053</u>

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 2013

- Conduct scheduled audits to evaluate controls, note commendable practices and recommend workable improvements; assist the external auditors with the annual audits of the CAFR and Federal Funds.
- Continue to develop an awareness among City employees that the maintenance of good internal controls is the responsibility of all employees.
- Follow up on prior audits to assure complete, monitored, and effective implementation of agreed-upon recommendations.
- Advise and consult with City management regarding improvements in operating efficiencies, effectiveness and results.
- Continue the development of the knowledge, skills and job satisfaction of departmental staff and ensure that the Department continues to set an example for all City Departments through its professional work ethic, integrity, objectivity, and confidentiality.

SUMMARY OF FUNDING FOR THE AUDIT DEPARTMENT

TOTAL ALL FUNDS AUDIT DEPARTMENT	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	452,339	448,320	383,048	428,677
Materials, Supplies & Equipment	218,212	234,656	246,800	246,800
Internal Services	<u>72,586</u>	<u>83,283</u>	<u>91,013</u>	<u>98,072</u>
TOTAL	<u>743,137</u>	<u>766,260</u>	<u>720,861</u>	<u>773,549</u>
STAFFING LEVELS	5.00	5.00	4.00	4.00

GENERAL FUND AUDIT DEPARTMENT	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	452,339	448,320	383,048	428,677
Materials, Supplies & Equipment	161,212	176,656	186,800	186,800
Internal Services	<u>72,586</u>	<u>83,283</u>	<u>91,013</u>	<u>98,072</u>
TOTAL	<u>686,137</u>	<u>708,260</u>	<u>660,861</u>	<u>713,549</u>
STAFFING LEVELS	5.00	5.00	4.00	4.00

WATER/SEWER FUND AUDIT DEPARTMENT	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Materials, Supplies & Equipment	<u>57,000</u>	<u>58,000</u>	<u>60,000</u>	<u>60,000</u>
TOTAL	<u>57,000</u>	<u>58,000</u>	<u>60,000</u>	<u>60,000</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services increased \$45,629 (11.9%), primarily due to the elimination of Attrition (\$36,345) based on prior year vacancy trends. The remainder of this increase can be seen in Employee Benefits. Pension Contributions, Hospitalization, and Pension-Healthcare grew \$7,776 (15.8%), \$479 (1.0%) and \$900 (14.5%) respectively; and for the first time, \$500 was budgeted for Sick Leave Bonus.
- Internal Services increased \$7,058 in the General Fund primarily due to the rise in Data Processing costs (\$6,905) related to the maintenance and license cost for Audit Data Analytics software.

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Percentage of Professional Auditing Standards Met with Full Compliance	100%	95%	100%	95%	100%

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

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

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Number of Audit Reports Issued	10	14	12	15	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 Statements 1-C and 1-E on page 22.

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Technical Training Hours	30	30	20	27	25

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: AUDIT DEPARTMENT

FUND: GENERAL

	ACTUAL	ACTUAL	BUDGET	APPROVED
PERSONAL SERVICES	FY2010	FY2011	FY2012	FY 2013
Regular Salaries	333,250	321,517	291,874	291,605
Sick Leave Bonus	600	500	0	500
Internet Reimbursements	1,098	0	0	0
Pension Contribution	39,817	40,475	49,092	56,868
Social Security	20,473	19,423	17,764	17,636
Medicare Tax	4,788	4,542	4,154	4,124
Hospitalization	44,895	54,776	49,445	49,924
Life Insurance	815	1,164	864	920
Pension Healthcare	6,603	5,922	6,200	7,100
Deferred Comp Contribution	0	0	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(36,345)</u>	<u>0</u>
TOTAL PERSONAL SERVICES	452,339	448,320	383,048	428,677
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing and Advertising	971	0	0	0
Transportation	4,569	1,854	2,500	2,500
Professional Fees	142,683	166,813	175,000	175,000
Memberships & Registrations	12,521	7,717	8,500	8,500
Office & General Supplies	468	272	800	800
Misc. Mat. Supp. & Parts	0	0	0	0
Equipment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	161,212	176,656	186,800	186,800
<u>INTERNAL SERVICES</u>				
Administrative Services	68,989	80,745	87,916	94,974
Self-Insurance	<u>3,597</u>	<u>2,538</u>	<u>3,097</u>	<u>3,097</u>
TOTAL INTERNAL SERVICES	72,586	83,283	91,013	98,072
GENERAL FUND TOTAL	<u>686,137</u>	<u>708,260</u>	<u>660,861</u>	<u>713,549</u>

DEPARTMENT: AUDIT DEPARTMENT

FUND: WATER/SEWER

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2010	ACTUAL FY 2011	BUDGET FY2012	APPROVED FY2013
Professional Fees	<u>57,000</u>	<u>58,000</u>	<u>60,000</u>	<u>60,000</u>
TOTAL M., S. & E.	57,000	58,000	60,000	60,000
WATER/SEWER FUND TOTAL	<u>57,000</u>	<u>58,000</u>	<u>60,000</u>	<u>60,000</u>



LAW DEPARTMENT

The Law Department provides advice, opinions and representation to the Mayor, City Council and City departments, boards, and commissions. Its 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 2013
<ul style="list-style-type: none"> • Provide quality legal counsel to City departments, boards, and commissions and to City Council, ensuring all aspects of City Government are providing services to the public as mandated by the 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 advice and representation regarding the City's business and economic development, neighborhood planning initiatives, and issues involving environmental impacts. • Draft Ordinances revising the City Code to improve the operational efficiency of the City.

SUMMARY OF FUNDING FOR THE LAW DEPARTMENT

TOTAL ALL FUNDS LAW DEPARTMENT	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	2,235,886	2,250,594	2,215,131	2,268,913
Materials, Supplies & Equipment	412,027	444,418	554,822	436,373
Internal Services	<u>202,483</u>	<u>195,724</u>	<u>220,774</u>	<u>187,718</u>
TOTAL	<u>2,850,396</u>	<u>2,890,737</u>	<u>2,990,727</u>	<u>2,893,004</u>
STAFFING LEVELS	23.00	23.00	21.00	21.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
LAW DEPARTMENT	FY2010	FY2011	FY2012	FY2013
Personal Services	2,235,886	2,250,594	2,215,131	2,268,913
Materials, Supplies & Equipment	412,027	444,418	554,822	436,373
Internal Services	<u>202,483</u>	<u>195,724</u>	<u>220,774</u>	<u>187,718</u>
TOTAL	<u>2,850,396</u>	<u>2,890,737</u>	<u>2,990,727</u>	<u>2,893,004</u>
STAFFING LEVELS	23.00	23.00	21.00	21.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Personal Services increased \$53,782, largely due to the increases in Pension (\$46,968), and Pension Healthcare (\$4,725) costs. A reduction to Hospitalization (\$3,251) contributed to a small offsetting savings.
- MS&E costs decreased \$118,450 (21.3%), which includes a \$110,000 reduction (38.6%) in Legal Fees and a \$15,000 reduction (8.6%) in Court Costs and Notary Fees. Legal Fees were decreased in areas pertaining to Telecommunications (\$50,000), Contract Negotiations (\$30,000), and Contract Litigation (\$40,000), while funds for general legal advice grew by \$10,000.
- Internal Service expenses decreased \$33,055 (15.0%) due to decreases of \$33,384 in Data Processing, and a small increase of \$329 in Telephone costs.

LAW DEPARTMENT PERFORMANCE INDICATORS

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

Objective: Recover 25% of annual appropriation for court cost.

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Percentage of Court Cost recovered	25%	77%	60%	72%	60%

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

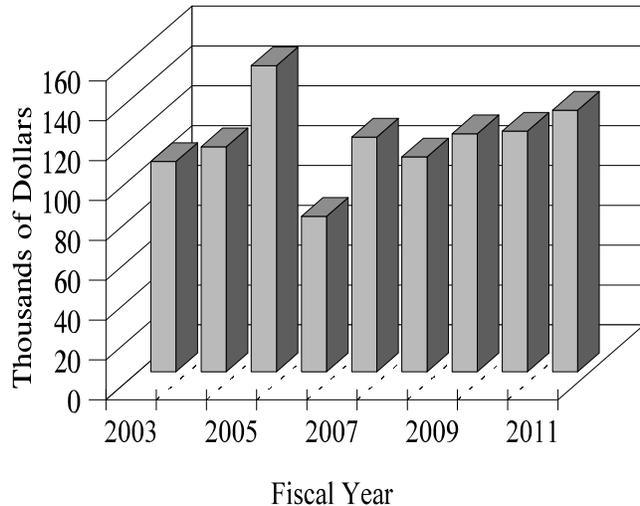
Objective: File no less than 100 writs of monition/vend ex monitions against tax-delinquent property owners.

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Number of filings	100	927	600	694	500

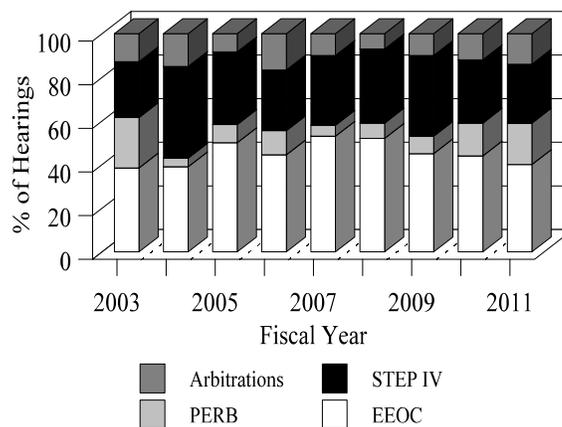
Law Department Performance Trends

Fines Imposed for Housing Code Prosecutions



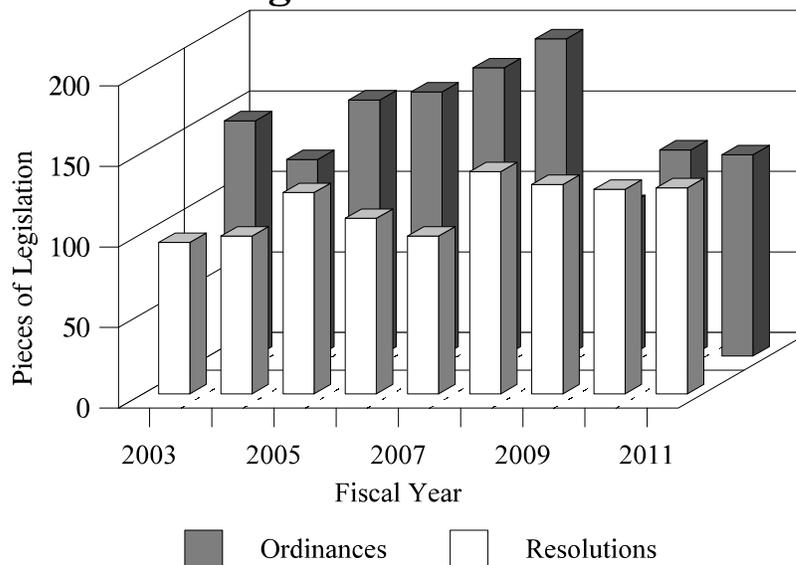
Emphasis continues to be placed on housing code enforcement and prosecution to maintain quality of existing housing stock and to improve the living conditions of City residents.

Administrative Hearings Employment & Labor



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

Legislation Drafted



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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: LAW

FUND: GENERAL

	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY 2013
<u>PERSONAL SERVICES</u>				
Regular Salaries	1,652,907	1,594,758	1,532,317	1,536,500
Temporary Salaries	5,131	6,875	8,840	8,840
Sick Leave Bonus	300	300	0	0
Internet Reimbursement	2,607	0	0	0
Overtime	0	0	0	0
Pension Contribution	204,136	209,639	268,251	315,219
Social Security	99,518	96,057	93,446	94,145
Medicare Tax	23,742	22,709	21,880	22,044
Hospitalization	212,728	285,252	273,072	269,821
Life Insurance	3,743	5,868	4,536	4,830
Pension Healthcare	31,074	29,137	32,550	37,275
Personal Services Adjustment	0	0	(19,761)	(19,761)
Deferred Compensation Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	<u>2,235,886</u>	<u>2,250,594</u>	<u>2,215,131</u>	<u>2,268,913</u>
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	496	35	512	1,212
Communications & Utilities	136	51	256	256
Transportation	1,761	2,298	3,650	3,650
Rentals	0	0	0	0
Contracted Maintenance Repair	482	483	800	800
Professional Fees	221,472	218,117	287,500	177,500
Other Fees	108,305	141,611	175,000	160,000
Memberships & Registrations	31,357	32,913	30,500	35,500
Miscellaneous Services	40,810	42,711	50,604	50,605
Office & General Supplies	6,218	6,198	6,000	6,000
Equipment	<u>990</u>	<u>0</u>	<u>0</u>	<u>850</u>
TOTAL M., S. & E.	<u>412,027</u>	<u>444,418</u>	<u>554,822</u>	<u>436,373</u>
<u>INTERNAL SERVICES</u>				
Administrative Services	177,223	177,663	199,122	166,067
Self-Insurance	<u>25,260</u>	<u>18,060</u>	<u>21,652</u>	<u>21,652</u>
TOTAL INTERNAL SERVICES	<u>202,483</u>	<u>195,724</u>	<u>220,774</u>	<u>187,718</u>
GENERAL FUND TOTAL	<u><u>2,850,396</u></u>	<u><u>2,890,737</u></u>	<u><u>2,990,727</u></u>	<u><u>2,893,004</u></u>



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 2013
<ul style="list-style-type: none"> • Continue to grow the City's revenue base through audits and collections. • Continue to reassert and reinvent the role of the Purchasing Division by leveraging technology and bid/contract management. • Collaborate with other City Departments, agencies, and external organizations to create and improve working relationships/partnerships; improve timely and accurate financial data/reporting. • Attain the GFOA's Certificate of Achievement for Excellence in Financial Reporting and similar awards to advance the City's financial reputation locally and nationally. • Increase Citywide revenue collections and opportunities by creating and implementing new strategies, tactics and legislation. • Advance the use of technology to provide additional and broader service levels to our residents and businesses. • Develop policies and organizational management strategies to improve communications with our stakeholders, rate payers and constituents.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF FINANCE

TOTAL ALL FUNDS DEPARTMENT OF FINANCE	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY 2013
Personal Services	5,615,973	7,085,847	7,491,426	7,413,555
Materials, Supplies & Equipment	4,482,878	4,768,730	4,714,436	4,874,308
Internal Services	1,291,723	1,373,946	1,707,864	1,551,902
Debt Service	4,763	5,800	5,304	5,647
Depreciation/Amortization	0	0	1,150	1,150
TOTAL	<u>11,395,337</u>	<u>13,234,323</u>	<u>13,920,180</u>	<u>13,846,562</u>
STAFFING LEVELS	75.00	97.00	93.00	90.00

GENERAL FUND DEPARTMENT OF FINANCE	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY 2013
Personal Services	3,506,479	4,886,854	5,167,787	5,157,072
Materials, Supplies & Equipment	4,019,759	4,323,318	4,200,406	4,084,613
Internal Services	660,121	701,398	934,586	875,165
Debt Service	<u>4,763</u>	<u>5,800</u>	<u>5,304</u>	<u>5,647</u>
TOTAL	<u>8,191,122</u>	<u>9,917,370</u>	<u>10,308,083</u>	<u>10,122,497</u>
STAFFING LEVELS	44.25	67.55	65.45	63.65

WATER/SEWER FUND DEPARTMENT OF FINANCE	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY 2013
Personal Services	2,109,494	2,198,993	2,323,639	2,256,483
Materials, Supplies & Equipment	463,119	445,412	514,030	789,695
Internal Services	631,602	672,548	773,278	676,737
Other	<u>0</u>	<u>0</u>	<u>1,150</u>	<u>1,150</u>
TOTAL	<u>3,204,215</u>	<u>3,316,953</u>	<u>3,612,097</u>	<u>3,724,065</u>
STAFFING LEVELS	30.75	29.45	27.55	26.35

GENERAL FUND MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Total Personal Services declined \$10,715, largely due to two vacant position eliminations. The deletion of the vacant Account Clerk Supervisor and a Scofflaw Enforcer reduced the work force by 1.8 full-time equivalent positions, creating a total savings of \$117,869. Offsetting position savings is an increase in employee benefit costs, such as Pension Contributions, Hospitalization, and Pension Healthcare, which grew \$77,326, \$12,945, and \$4,471 respectively.
- Overtime was reduced \$27,250, as the Department's overtime staffing needs decreased during the Wage Tax filing season.
- Material, Supplies and Equipment decreased by a total of \$115,793, nearly all of which reflects the continued evolution of the Department's Plan for Change initiative. Now going into its seventh year, the Plan for Change has identified and pursued many of the City's delinquent wage tax payers. As such, the Department now relies more heavily on its internal resources to pursue future Plan for Change activities, thereby decreasing Wage & Head Commission and Legal Commission expenses related to the Plan for Change by \$100,000 and \$210,840 respectively.
- The anticipated reductions to parking ticket and booting expenses due to the decrease in metered parking areas and student parking exemptions in prior fiscal years have not been realized. The lack of this decrease has caused Parking Commissions to increase \$187,500, returning expenses to prior year levels.
- Red Light Commissions increased \$37,503 to capture costs associated with new right-turn-on-red violations.
- Temporary Agency expenses increased \$55,000. \$90,000 in added costs for temporary assistance in the Parking Enforcement division was added to cover vacancies, which were partially offset by a decrease of \$35,000 in the Delinquent Accounts division.
- Internal Services declined \$59,422, largely due to a City-wide decrease in Data Processing expenses.

WATER/SEWER FUND MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Total Personal Services costs were reduced by \$67,156. Similar to the General fund, position eliminations created savings to offset benefit increases. The deletion of the vacant Account Clerk Supervisor and Meter Reader Supervisor reduced the work force by 1.2 full-time equivalent positions, creating a total savings of \$113,456. Pension Contributions, Hospitalization, and Pension Healthcare grew at a combined total of \$47,023.
- Overtime decreased \$47,750. The largest reductions include \$22,000 in costs for water meter mis-read assistance in the Meter Reader Division and \$16,000 for utility billing and storm water readings in the Delinquent Accounts Division. Both decreases are in response to a reallocation of staff assignments and responsibilities.
- In MS&E, a true-up of services rendered by the Water/Sewer Fund versus costs allocated to the General Fund in prior years is responsible for large swings in expenses. Legal Collection and Court Costs increased by \$145,840 and \$40,000 respectively, reflecting the transfer of these costs from the General Fund. Lock Box charges also saw a reallocation of expenses that resulted in a decline of \$45,000.
- Credit Card Fee expenses grew \$120,000, partly due to the reallocation and transfer from the General Fund, but included an overall increase reflecting the anticipated increase in payments by credit cards.
- Accounting fees increased \$10,000 for a bi-annual inventory of City assets.
- Internal Services declined 96,541, largely due to a City-wide decrease in Data Processing expenses.

DEPARTMENT OF FINANCE

PERFORMANCE INDICATORS

Goal #1: To maximize revenues.

Objective: Collect \$10,000,000 in delinquent earned income taxes.

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Dollars Collected	\$10,000,000	\$5,000,000	\$10,000,000	\$5,000,000	\$4,000,000

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

Objective: 42% of payments processed automatically by lockbox.

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Numbers of Payments Processed	150,000	105,664	164,000	141,600	167,345
Percentage of Payments Processed	42%	29%	44%	33%	39%

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.

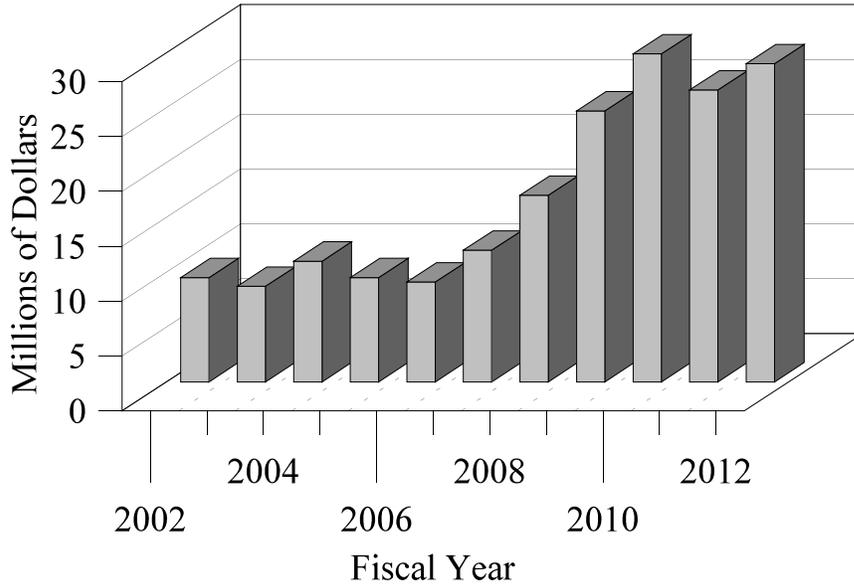
Goal #3 corresponds to the City's Strategic Plan, Policy Statements 1-A, 1-D and 1-E on page 22.

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
GFOA Certificate of Excellence in Financial Reporting Recipient	Yes	Yes	Yes	Pending	Yes

Department of Finance

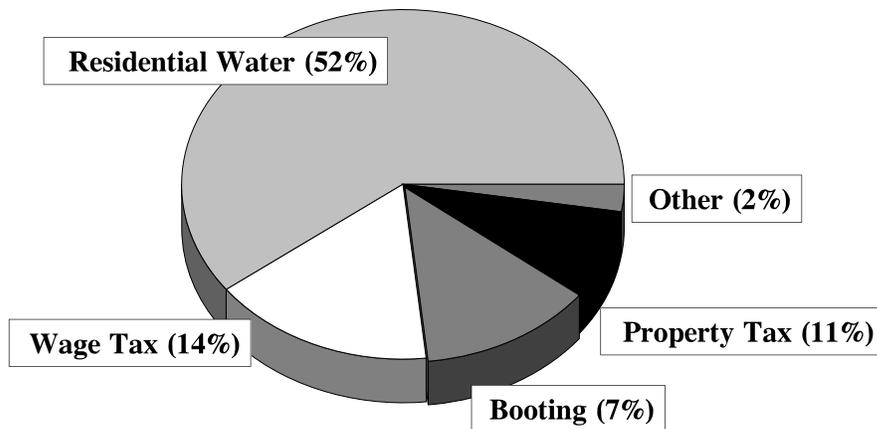
Performance Trends

Delinquent Enforcement Annual Collections



The Finance Department is responsible for collecting delinquent net profit, property and wage taxes, business licenses, fees, and water bills. \$29 million in delinquent accounts were collected in FY 2012.

Delinquent Collections by Revenue Type FY 2012



DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: FINANCE

FUND: GENERAL

	ACTUAL	ACTUAL	BUDGET	APPROVED
<u>PERSONAL SERVICES</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Regular Salaries	2,312,234	3,128,962	3,238,182	3,193,503
Temporary Salaries	32,056	1,114	0	0
Acting Out of Class	559	10,270	0	0
Sick Leave Bonus	3,381	4,900	1,110	1,170
Overtime	128,200	133,987	134,450	107,200
Meal Allowance	8,572	11,739	13,445	10,220
Internet Reimbursement	3,340	5,126	5,750	5,750
Clothing Allowance	0	165	0	0
Pension Contribution	297,980	415,233	573,512	637,076
Social Security	151,471	201,072	207,744	200,956
Medicare Tax	35,623	47,062	48,594	47,006
Hospitalization	481,236	853,714	922,292	920,002
Life Insurance	6,671	14,706	14,107	14,063
Pension Healthcare	45,156	58,804	101,444	112,969
Personal Services Adjustment	0	0	(92,843)	(92,843)
Deferred Compensation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	3,506,479	4,886,854	5,167,787	5,157,072
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	62,959	115,481	94,780	70,980
Communications & Utilities	14,265	13,384	17,064	16,460
Transportation	17,521	11,611	10,150	11,750
Rentals	47,508	58,999	63,436	40,000
Contracted Maintenance Repairs	0	0	2,525	2,040
Professional Fees	247,291	347,411	55,000	110,000
Memberships & Registrations	45,099	14,798	26,600	27,140
Miscellaneous Services	3,472,968	3,709,694	3,891,000	3,769,263
Office & General Supplies	16,838	13,542	18,420	18,200
Wearing Apparel and Safety	0	1,948	18,300	13,300
Miscellaneous Parts	1,028	0	631	800
Equipment	20,922	25,250	2,500	4,680
Fixed Assets	72,540	8,890	0	0
Moving/Relocation	<u>820</u>	<u>2,310</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	4,019,759	4,323,318	4,200,406	4,084,613
<u>INTERNAL SERVICES</u>				
Administrative Services	574,191	646,387	844,777	785,356
Self-Insurance	<u>85,930</u>	<u>55,011</u>	<u>89,809</u>	<u>89,809</u>
TOTAL INTERNAL SERVICES	660,121	701,398	934,586	875,165

DEBT SERVICE	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY 2012	APPROVED FY 2013
Principal Payments	20	1	0	20
Interest Payments	<u>4,743</u>	<u>5,799</u>	<u>5,304</u>	<u>5,627</u>
TOTAL DEBT SERVICE	4,763	5,800	5,304	5,647
GENERAL FUND TOTAL	<u>8,191,122</u>	<u>9,917,370</u>	<u>10,308,083</u>	<u>10,122,497</u>

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

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY 2012	APPROVED FY 2013
Regular Salaries	1,388,299	1,429,094	1,464,127	1,414,202
Temporary Salaries	5,447	0	0	0
Acting Out of Class	601	1,732	0	0
Shift Differential	0	0	0	0
Sick Leave Bonus	661	200	690	1,230
Overtime	47,254	10,990	68,550	20,800
Meal Allowance	1,549	371	6,855	2,080
Clothing Allowance	900	975	750	750
Internet Reimbursements	709	0	0	0
Accrued Sick/Vacation	(7,885)	14,153	0	0
Pension Contribution	177,931	197,536	264,885	291,098
Social Security	88,342	88,286	93,028	87,502
Medicare Tax	20,677	20,684	21,751	20,464
Hospitalization	282,468	329,343	354,348	365,597
Life Insurance	4,140	6,590	5,949	5,979
Pension Healthcare	98,401	99,039	42,706	46,781
Deferred Compensation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	2,109,494	2,198,993	2,323,639	2,256,483

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY 2012	APPROVED FY 2013
Printing & Advertising	15,816	10,301	26,790	22,600
Communications & Utilities	34	27	900	880
Transportation	1,527	3,406	8,100	11,200
Contracted Maintenance Repairs	0	892	3,717	3,332
Professional Fees	72,457	27,792	20,000	34,000
Memberships & Registrations	23,955	8,782	19,060	18,060
Miscellaneous Services	46,909	88,123	117,000	379,940
Office & General Supplies	9,636	9,661	15,070	14,650
Wearing Apparel & Safety Supplies	1,739	2,338	4,810	4,900
Miscellaneous Parts	1,036	1,614	6,900	6,080
Supporting Services	276,684	276,672	276,683	276,683
Utility Billing Refunds	0	0	0	0
Equipment	13,326	15,804	15,000	17,370
Fixed Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	463,119	445,412	514,030	789,695
<u>INTERNAL SERVICES</u>				
Administrative Services	580,981	640,859	727,462	630,921
Self-Insurance	<u>50,621</u>	<u>31,689</u>	<u>45,816</u>	<u>45,816</u>
TOTAL INTERNAL SERVICE	631,602	672,548	773,278	676,737
<u>OTHER</u>				
Depreciation	<u>0</u>	<u>0</u>	<u>1,150</u>	<u>1,150</u>
TOTAL OTHER	0	0	1,150	1,150
WATER/SEWER FUND TOTAL	<u>3,204,215</u>	<u>3,316,953</u>	<u>3,612,097</u>	<u>3,724,065</u>

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 2013	
•	Enhance the delivery of human resources services to City departments through the implementation of revised legislation, policies and procedures, and management information systems.
•	Promote harmonious and effective working relationships with all collective bargaining units affiliated with the City of Wilmington.
•	Manage the City's risk exposure by implementing more effective personnel, health and safety, and claims management practices and programs.
•	Provide management and employee training to continue to develop the City's work force and enhance productivity.
•	Effectively monitor productive and non-productive time through use of ongoing audits of the electronic timekeeping system.
•	Recognize and reward employees for exemplary contributions to the City of Wilmington.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF HUMAN RESOURCES

TOTAL ALL FUNDS*				
DEPARTMENT OF HUMAN RESOURCES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	1,932,861	2,003,495	2,001,990	2,048,470
Materials, Supplies & Equipment	3,231,861	3,184,368	2,581,225	2,325,406
Internal Services	336,312	325,443	466,162	570,742
Debt Service	16,568	20,175	18,517	19,640
Depreciation	12,617	12,554	12,554	12,554
Special Purpose	<u>18,014,388</u>	<u>17,300,798</u>	<u>19,325,000</u>	<u>19,312,000</u>
TOTAL	<u>23,544,607</u>	<u>22,846,833</u>	<u>24,405,448</u>	<u>24,288,812</u>
STAFFING LEVELS	23.00	23.00	22.00	22.00

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

GENERAL FUND				
DEPARTMENT OF HUMAN RESOURCES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	1,346,675	1,397,082	1,362,499	1,391,429
Materials, Supplies & Equipment	101,450	61,321	77,978	91,638
Internal Services	302,502	288,799	429,192	535,209
Debt Service	16,568	20,175	18,517	19,640
TOTAL	<u>1,767,195</u>	<u>1,767,377</u>	<u>1,888,186</u>	<u>2,037,916</u>
STAFFING LEVELS	16.00	16.00	15.00	15.00

RISK MANAGEMENT FUND				
DEPARTMENT OF HUMAN RESOURCES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	121,520	128,769	125,676	128,901
Materials, Supplies & Equipment	2,351,870	2,286,141	1,658,803	1,242,024
Internal Services	25,419	26,542	28,892	25,146
Depreciation	12,617	12,554	12,554	12,554
Special Purpose	1,720,424	(1,268,136)	0	0
TOTAL	<u>4,231,849</u>	<u>1,185,870</u>	<u>1,825,925</u>	<u>1,408,625</u>
STAFFING LEVELS	1.30	1.30	1.30	1.30

WORKERS' COMP. FUND				
DEPARTMENT OF HUMAN RESOURCES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	377,583	386,827	411,487	421,612
Materials, Supplies & Equipment	686,253	743,781	747,244	890,194
Internal Services	7,065	8,783	6,752	7,591
Special Purpose	3,086,673	2,422,529	2,260,000	2,115,000
TOTAL	<u>4,157,573</u>	<u>3,561,919</u>	<u>3,425,483</u>	<u>3,434,397</u>
STAFFING LEVELS	4.50	4.50	4.50	4.50

HEALTH & WELFARE FUND				
DEPARTMENT OF HUMAN RESOURCES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	87,083	90,817	102,328	106,528
Materials, Supplies & Equipment	92,288	93,125	97,200	101,550
Internal Services	1,326	1,319	1,326	2,795
Special Purpose	13,207,291	16,146,405	17,065,000	17,197,000
TOTAL	<u>13,387,988</u>	<u>16,331,666</u>	<u>17,265,854</u>	<u>17,407,873</u>
STAFFING LEVELS	1.20	1.20	1.20	1.20

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

- Personal Services increased a net \$28,930 (2.1%) in the General Fund for FY 2013. Salary and Wages increased \$2,923 (0.3%), as a \$3,423 increase in Regular Salaries due to employee step increases was offset by a \$1,500 (33.3%) reduction in Overtime.
- Employee Benefits increased \$26,007 (5.8%) due to a \$25,818 (16.5%) increase in Pension Contributions, a \$3,375 (14.5%) increase in Pension Healthcare, and a number of other relatively small increases in other account lines. These cost escalations were offset slightly by a modest \$4,206 (2.1%) reduction in Hospitalization.
- Material, Supplies and Equipment expenses grew by \$13,660 (17.5%) with the most significant being a \$3,100 (34.8%) increase in Legal Fees due to arbitration payments and a \$9,116 (303.9%) increase in Workshop/Seminars-Training for several court-mandated trainings.
- Internal Services increased \$106,017 (24.7%), largely due to a consulting contract associated with Kronos timekeeping and management software.

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

- Total Personal Services across all Human Resources Internal Services Funds increased by \$17,551 (2.7%), largely due to a \$12,522 (17.2%) increase in Pension Contributions.
- The Risk Management Fund decreased \$417,300 (22.9%) with a mix of modest increases and more substantial decreases across several accounts. Fire increased \$23,645 (19.7%) for various property insurance policies. Insurance Claims decreased \$100,000 (11.1%), Legal Defense Claims was reduced \$25,000 (76.9%), and Motor Vehicle Fund Insurance Claims declined \$83,250 (41.6%).
- The Workers' Compensation Fund grew slightly by \$8,914 (0.3%), as the mix of increases and decreases across several accounts nearly completely offset each other. Unemployment Insurance increased \$150,000 (75.0%), reflecting both an increase in current claims and potentially higher claims when a new Administration takes office in the middle of the fiscal year. Medical decreased \$13,000 and the State Self-Insurer's Tax, which is based on the city payroll, decreased \$50,000 (33.3%). Both decreases reflect the reduced City workforce. Workers' Compensation Permanent Disability, as well as Other Costs, decreased \$70,000 (12.3%) and \$25,000 (20.8%), respectively.
- The Health and Welfare Fund grew \$142,019 (.8%), almost exclusively due to cost escalations in Dental Costs.

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 16 by administering collective bargaining agreements in a fair and consistent manner.

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL*	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Number of Grievances	16	26	20	21	20

* The increase in grievances is partially due to the FY'11 mid-year reduction in workforce, as well as increased terminations for cause.

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

Objective: Conduct 50 training workshops and train 500 employees.

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Number of Training Workshops	50	72	70	56	50
Number of Employees Trained	500	1,348	700	521	500

DEPARTMENT OF HUMAN RESOURCES

PERFORMANCE INDICATORS

Goal #3: Decrease claims frequencies.

Objective: Establish and promote safety and loss prevention programs to reduce motor vehicle claims and work related injuries to no more than 320.

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Auto, Property, Police and Other	75	225	175	185	170
Workers Compensation	245	173	165	168	160
Total Claims Frequency	320	398	340	353	330

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

Objective: Reward 200 employees nominated by their peers and reward length of service with the City.

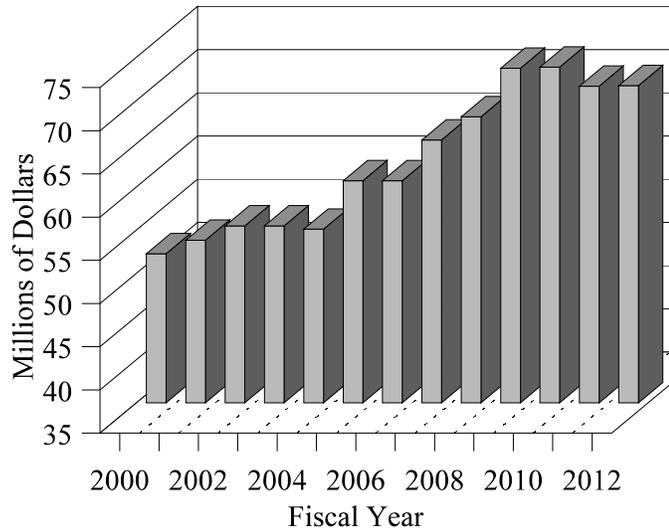
Goal #4 corresponds to the City's Strategic Plan, Policy Statements 1-D, and 1-E on page 22.

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Number of Employees Awarded	200	243	200	302	220

Department of Human Resources

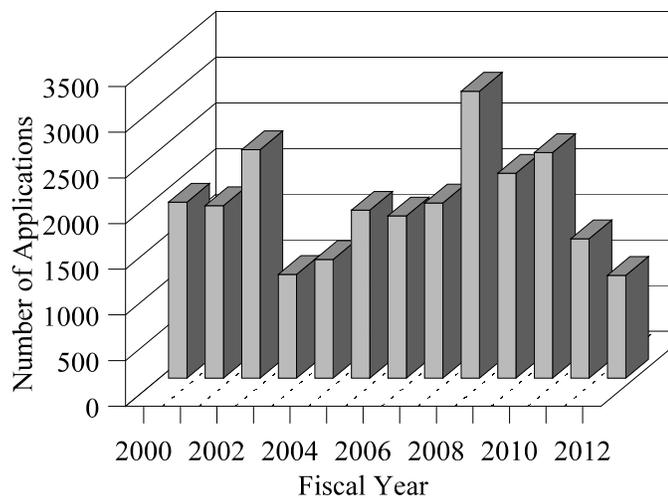
Performance Trends

Payroll - All Employees



Payroll for FY 2012 reflects the lower City workforce due to the mid-year staff reduction of FY 2011 and the Police rank & file salary increases that were retroactively applied starting January, 2001. The slight increase for FY 2012 reflects a full year of those salary increases as well as anniversary-based step increases.

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

	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
<u>PERSONAL SERVICES</u>				
Regular Salaries	981,788	961,176	913,071	916,494
Temporary Salaries	0	0	0	0
Acting Out of Classification	0	6,176	0	0
Sick Leave Bonus	400	400	0	1,000
Overtime	2,479	841	4,500	3,000
Meal Allowance	97	0	300	300
Internet Reimbursements	2,672	0	0	0
Pension Contribution	116,265	122,724	156,054	181,872
Social Security	60,450	58,395	55,287	55,951
Medicare Tax	14,220	13,717	12,929	13,086
Hospitalization	144,732	208,993	200,407	196,201
Life Insurance	2,571	4,080	3,240	3,438
Pension Healthcare	21,001	20,580	23,250	26,625
Deferred Comp Contribution	0	0	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(6,539)</u>	<u>(6,539)</u>
TOTAL PERSONAL SERVICES	1,346,675	1,397,082	1,362,499	1,391,429
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	909	105	6,475	6,775
Communications and Utilities	82	26	200	200
Transportation	3,661	4,190	4,500	5,500
Contracted Maintenance	0	1,075	1,500	395
Professional Fees	51,895	9,519	19,449	21,600
Other Fees	0	0	0	0
Memberships & Registrations	17,151	12,072	13,225	22,868
Miscellaneous Services	3,221	2,923	3,989	3,989
Office & General Supplies	5,478	12,433	5,640	5,511
Miscellaneous Parts	18,873	17,883	22,200	24,000
Fixed Assets	0	0	0	0
Equipment	<u>180</u>	<u>1,095</u>	<u>800</u>	<u>800</u>
TOTAL M., S. & E.	101,450	61,321	77,978	91,638
<u>INTERNAL SERVICES</u>				
Administrative Services	295,200	283,582	422,941	528,958
Self-Insurance	<u>7,302</u>	<u>5,217</u>	<u>6,251</u>	<u>6,251</u>
TOTAL INTERNAL SERVICES	302,502	288,799	429,192	535,209
<u>DEBT SERVICE</u>				
Principal Payments	69	2	69	69
Interest Payments	<u>16,499</u>	<u>20,173</u>	<u>18,448</u>	<u>19,571</u>
TOTAL DEBT SERVICE	16,568	20,175	18,517	19,640
GENERAL FUND TOTAL	<u>1,767,195</u>	<u>1,767,377</u>	<u>1,888,186</u>	<u>2,037,916</u>

DEPARTMENT: HUMAN RESOURCES

FUND: RISK MANAGEMENT

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Regular Salaries	84,563	84,536	84,212	84,212
Overtime	0	0	0	0
Meal Allowance	0	0	0	0
Internet Reimbursement	75	0	0	0
Compensated Absences	4,707	4,703	0	0
Pension Contribution	9,770	13,250	15,708	18,505
Social Security	6,892	6,805	5,070	5,040
Medicare Tax	1,612	1,759	1,186	1,179
Hospitalization	12,384	15,596	18,271	18,427
Life Insurance	212	345	281	299
Pension Healthcare	1,306	1,776	2,015	2,307
Deferred Comp Contribution	0	0	0	0
Personal Services Adjustment	0	0	(1,068)	(1,068)
TOTAL PERSONAL SERVICES	121,520	128,769	125,676	128,901
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Transportation	2,546	1,518	250	2,250
Insurance	2,296,425	2,248,576	1,622,142	1,201,867
Contracted Maintenance Repairs	0	0	200	0
Professional Fees	49,909	31,496	33,636	34,651
Memberships & Registrations	1,069	1,290	1,075	1,755
Miscellaneous Services	0	0	0	0
Office & General Supplies	1,202	1,458	1,500	1,500
Equipment	719	1,803	0	0
Computer Software-Capital	0	0	0	0
TOTAL M., S. & E.	2,351,870	2,286,141	1,658,803	1,242,024
<u>INTERNAL SERVICES</u>				
Administrative Services	24,410	25,510	27,863	24,116
Self-Insurance	1,009	1,032	1,029	1,029
TOTAL INTERNAL SERVICES	25,419	26,542	28,892	25,146
<u>OTHER</u>				
Depreciation	12,617	12,554	12,554	12,554
TOTAL OTHER	12,617	12,554	12,554	12,554
<u>SPECIAL PURPOSE</u>				
Claims Expense	1,720,424	(1,268,136)	0	0
TOTAL SPECIAL PURPOSE	1,720,424	(1,268,136)	0	0
RISK MANAGEMENT FUND				
TOTAL	<u>4,231,849</u>	<u>1,185,870</u>	<u>1,825,925</u>	<u>1,408,625</u>

DEPARTMENT: HUMAN RESOURCES

FUND: WORKERS' COMPENSATION

	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
PERSONAL SERVICES				
Regular Salaries	261,012	262,875	263,801	264,562
Temporary Salaries	8,383	0	0	0
Sick Leave Bonus	0	200	0	0
Overtime	(192)	(200)	0	0
Internet Reimbursements	180	0	0	0
Compensated Absences	5,902	303	0	0
Pension Contribution	25,795	33,210	44,504	51,754
Social Security	16,610	16,049	16,085	16,133
Medicare Tax	3,885	3,797	3,762	3,774
Hospitalization	50,552	63,816	75,604	76,147
Life Insurance	947	1,428	756	1,254
Pension Healthcare	<u>4,510</u>	<u>5,348</u>	<u>6,975</u>	<u>7,988</u>
TOTAL PERSONAL SERVICES	377,583	386,827	411,487	421,612
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	90	(83)	1,500	500
Transportation	0	0	0	0
Insurance	337,086	403,842	370,000	520,000
Rentals	4	17	25	25
Contracted Maintenance	620	470	1,000	1,000
Professional Fees	325,713	329,013	355,369	350,969
Memberships & Registrations	3,301	1,541	2,500	2,500
Office & General Supplies	893	1,471	1,250	1,100
Wearing Apparel and Safety	0	60	100	100
Miscellaneous Parts	4,048	6,542	15,000	14,000
Equipment	<u>14,497</u>	<u>908</u>	<u>500</u>	<u>0</u>
TOTAL M., S. & E.	686,253	743,781	747,244	890,194
<u>INTERNAL SERVICES</u>				
Administrative Services	4,996	6,743	4,722	5,561
Self-Insurance	<u>2,069</u>	<u>2,040</u>	<u>2,030</u>	<u>2,030</u>
TOTAL INTERNAL SERVICES	7,065	8,783	6,752	7,591
<u>SPECIAL PURPOSE</u>				
Workers' Compensation	<u>3,086,673</u>	<u>2,422,529</u>	<u>2,260,000</u>	<u>2,115,000</u>
TOTAL SPECIAL PURPOSE	3,086,673	2,422,529	2,260,000	2,115,000
WORKERS' COMPENSATION				
FUND TOTAL	<u>3,784,500</u>	<u>3,561,919</u>	<u>3,020,971</u>	<u>3,434,397</u>

DEPARTMENT: HUMAN RESOURCES

FUND: HEALTH AND WELFARE

	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
PERSONAL SERVICES				
Regular Salaries	63,589	65,305	66,286	67,287
Overtime	(79)	0	5,200	5,200
Internet Reimbursement	270	136	0	0
Compensated Absences	2,164	1,115	0	0
Pension Contribution	7,383	8,458	12,470	14,945
Social Security	3,674	3,782	4,122	4,357
Medicare Tax	859	829	964	1,018
Hospitalization	7,815	9,459	11,167	11,314
Life Insurance	203	307	259	276
Pension Healthcare	1,204	1,426	1,860	2,130
Deferred Comp Contribution	0	0	0	0
TOTAL PERSONAL SERVICES	87,083	90,817	102,328	106,527
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing	0	70	2,000	2,000
Communications and Utilities	1,012	1,768	1,550	1,550
Transportation	0	0	0	0
Professional Fees	89,179	89,608	91,000	96,000
Memberships and Registration	0	0	250	0
Office and General Supplies	2,097	1,679	2,400	2,000
Equipment	0	0	0	0
TOTAL M., S. & E.	92,288	93,125	97,200	101,550
<u>INTERNAL SERVICES</u>				
Administrative Services	634	635	641	2,110
Self-Insurance	692	684	685	685
TOTAL INTERNAL SERVICES	1,326	1,319	1,326	2,795
<u>SPECIAL PURPOSE</u>				
Self-Insurance Costs	13,207,291	16,146,404	17,065,000	17,197,000
TOTAL SPECIAL PURPOSE	13,207,291	16,146,404	17,065,000	17,197,000
HEALTH AND WELFARE				
FUND TOTAL	<u>13,387,988</u>	<u>16,331,666</u>	<u>17,265,854</u>	<u>17,407,873</u>

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 2013

- Implement new mobile devices for instant ticketing.
- Monitor and update newly installed MUNIS permit software with citizen access.
- Aggressively demolish properties that are a blight to the community.
- Continue to reduce the number of vacant properties through our new program that publicly advertises the property's status and the owner's contact information both on the City's website and on the property.
- Implement new inspection status for boarded vacant properties.
- Continue enhancement of enforcement teams.
- Continue to provide online access to departmental forms and processes through the City's website.
- Implement the 2012 I.C.C. (International Code Council) Building Code.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF LICENSES & INSPECTIONS

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF LICENSES & INSPECTIONS	FY2010	FY2011	FY2012	FY2013
Personal Services	3,108,722	3,138,709	3,136,849	3,228,675
Materials, Supplies & Equipment	441,916	398,037	404,716	479,643
Internal Services	444,068	460,342	554,905	565,469
Debt Service	28,172	6,171	10,886	2,249
Special Purpose	<u>251,970</u>	<u>251,970</u>	<u>251,970</u>	<u>251,970</u>
TOTAL	<u>4,274,848</u>	<u>4,255,229</u>	<u>4,359,326</u>	<u>4,528,006</u>
STAFFING LEVELS	44.00	42.00	38.00	38.00

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

- Personal Services increased \$91,826 (2.9%) for FY 2013. There were nearly \$13,000 in reductions in Salaries and Wages on account of a \$5,000 (14.3%) decrease in Overtime, a \$6,989 decrease (0.3%) in Regular Salaries, and a \$1,000 (33.3%) decrease in Acting Out of Classification. However, Temporary Salaries increased \$15,000 to provide staffing support to update, reorganize, and overcome a backlog of records in the plans filing room, producing a net increase of \$2,311 (0.1%).
- Employee Benefits produced most of the Personal Services increases with an additional \$88,715 (8.2%) in the FY 2013 budget. Pension Contributions increased \$52,956 (15.1%) and Pension Healthcare increased \$8,550 (14.5%). Hospitalization increased \$27,943 (5.5%), mostly due to a handful of employees opting for more expensive healthcare plans.
- MS&E costs increased \$74,927 (18.5%) with \$25,000 coming from a 25% increase to Property Maintenance to support maintenance services on neglected private properties.
- \$16,250 was added in Consultants (a 48.1% increase), largely to provide enhanced mechanical inspections for the Christiana Care Wilmington Hospital expansion project, and for structural engineering services associated with emergency demolitions.
- \$8,000 is in Hazardous Cleanup, a 66.7% increase over the FY 2012 budget, to reflect the conditions inspectors encounter in the field.
- Wearing Apparel & Safety Supplies increased \$4,843 (161.4%) for lead paint badges as the Department takes on lead paint inspections, and an additional \$4,000 (133.3%) comes from the adoption of the 2012 ICC building code and the associated purchase of code books and training materials for its implementation.

DEPARTMENT OF LICENSES AND INSPECTIONS

PERFORMANCE INDICATORS

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

Objective: Perform 100 lead-based paint residential inspections and testings.

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Number of Lead-based Paint Inspections	100	45	100	30	75

Goal #2: Improve housing stock of the City.

Objective: Perform at least 57,000 housing inspections.

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Number of Housing Inspections	50,000	49,843	50,000	55,091	52,000

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

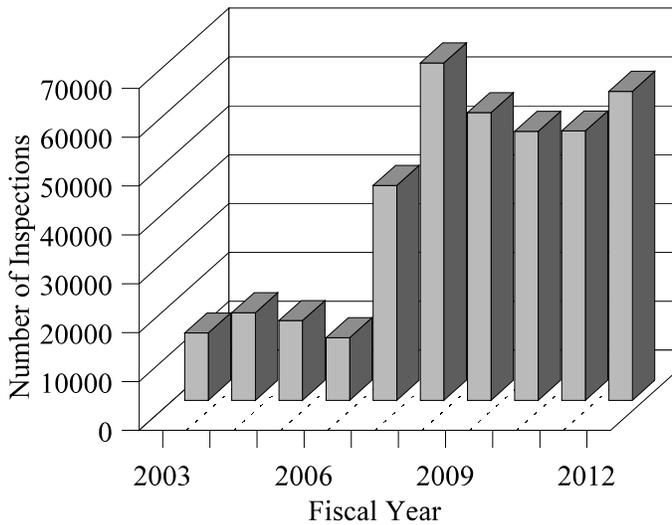
Objective: Complete at least 6,000 vacant structure inspections.

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Vacant Property Inspections	6,000	3,768	5,000	6,992	6,300

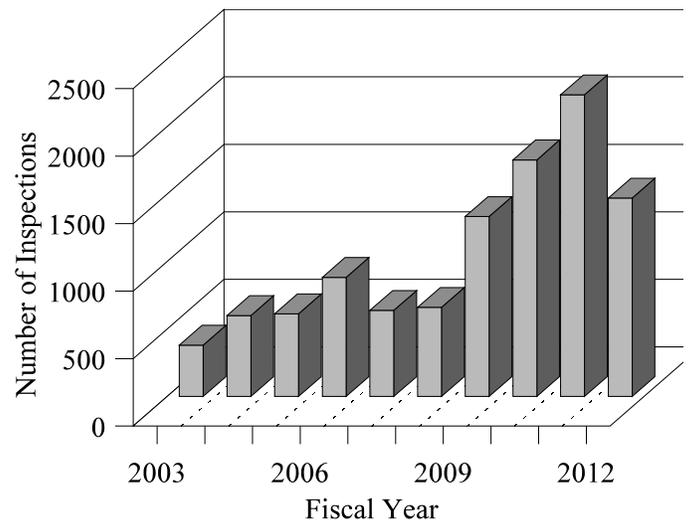
Department of Licenses and Inspections Performance Trends

Housing Inspections



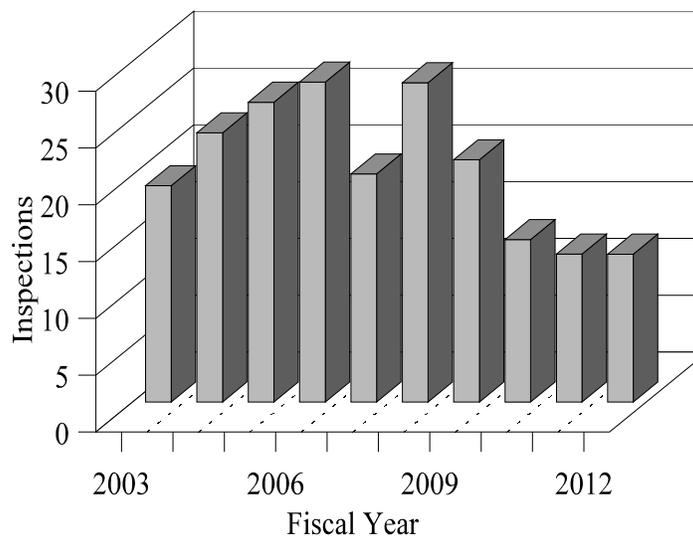
Housing inspections performed include: pre-rentals, lead paint, tenant complaints, sanitation, graffiti, and abandoned vehicles on private property. The inspections spiked in 2007 due to enforcement of the instant ticketing program.

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. The decrease in FY 2012 reflects the loss of a Business Compliance Officer.

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 FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Regular Salaries	2,144,372	2,098,628	2,040,144	2,033,155
Temporary Salaries	8,280	0	0	15,000
Acting Out of Classification	2,247	937	3,000	2,000
Sick Leave Bonus	2,100	2,200	1,800	2,100
Overtime	26,937	19,705	35,000	30,000
Meal Allowance	1,438	136	500	500
Clothing Allowance	7,930	7,625	7,500	7,500
Internet Reimbursements	2,228	0	0	0
Pension Contribution	262,132	268,501	350,843	403,799
Social Security	134,506	131,532	128,386	127,471
Medicare Tax	32,334	30,762	30,028	29,813
Hospitalization	429,978	522,395	509,869	537,813
Life Insurance	6,497	9,811	8,208	8,603
Pension Healthcare	37,728	36,677	58,900	67,450
Deferred Comp Contribution	0	0	0	0
Personal Services Adjustment	<u>10,015</u>	<u>9,800</u>	<u>(37,329)</u>	<u>(36,529)</u>
TOTAL PERSONAL SERVICES	3,108,722	3,138,709	3,136,849	3,228,675
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	7,071	8,250	5,376	7,000
Communications & Utilities	0	0	614	500
Transportation	122	0	500	3,000
Rentals	200	200	227	160
Contracted Maintenance	111,815	111,577	100,000	125,000
Professional Fees	21,863	29,073	33,750	50,000
Other Fees	4,856	5,909	3,500	7,900
Memberships & Registration	11,359	7,065	15,250	19,500
Miscellaneous Services	133	0	0	0
Office & General Supplies	7,464	5,187	7,108	10,000
Wearing Apparel & Safety Supplies	21,948	22,115	21,640	27,883
Miscellaneous Parts	1,536	900	2,750	3,500
Construction & Repairs	219,080	201,894	212,000	220,000
Equipment	34,469	5,867	0	3,200
Fixed Assets	<u>0</u>	<u>0</u>	<u>2,000</u>	<u>2,000</u>
TOTAL M., S. & E.	441,916	398,037	404,716	479,643

DEPARTMENT: LICENSES AND INSPECTIONS

FUND: GENERAL

<u>INTERNAL SERVICES</u>	<u>ACTUAL FY2010</u>	<u>ACTUAL FY2011</u>	<u>BUDGET FY2012</u>	<u>APPROVED FY2013</u>
Administrative Services	406,494	430,438	524,344	534,908
Self-Insurance	<u>37,574</u>	<u>29,904</u>	<u>30,561</u>	<u>30,561</u>
TOTAL INTERNAL SERVICES	444,068	460,342	554,905	565,469
 <u>DEBT SERVICE</u>				
Principal Payments	25,231	3,380	8,509	0
Interest Payments	<u>2,941</u>	<u>2,791</u>	<u>2,377</u>	<u>2,249</u>
TOTAL DEBT SERVICE	28,172	6,171	10,886	2,249
 <u>SPECIAL PURPOSE</u>				
Delaware SPCA	<u>251,970</u>	<u>251,970</u>	<u>251,970</u>	<u>251,970</u>
TOTAL SPECIAL PURPOSE	251,970	251,970	251,970	251,970
 GENERAL FUND TOTAL	 <u>4,274,848</u>	 <u>4,255,229</u>	 <u>4,359,326</u>	 <u>4,528,005</u>

DEPARTMENT OF PARKS & RECREATION

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

PRIORITIES FOR FISCAL YEAR 2013
<ul style="list-style-type: none"> • Implement a Citywide Youth Sport Standard, to be used by all youth sports agencies and organizations. • Continue to implement beautification plans for all City Parks and Plazas. • Provide assistance to the Urban Forester regarding Street Trees. • Develop a long-term plan regarding park trees. • Maintain the number of traditional and non-traditional programs and activities being offered by the Department. • Continue to address the issue of youth obesity by promoting and implementing the “No Child Left Inside Program”. • Expand collaborative programs and activities with outside agencies and organizations. • Seek grant opportunities to continue program initiatives with the assistance of revenue sources outside the General Fund.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF PARKS AND RECREATION

TOTAL ALL FUNDS DEPT OF PARKS & RECREATION	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	5,339,116	4,875,750	4,799,161	4,779,070
Materials, Supplies & Equipment	2,674,667	2,272,506	2,475,539	1,761,499
Internal Services	1,284,499	1,066,432	1,274,813	1,241,047
Debt Service	<u>1,898,986</u>	<u>1,557,160</u>	<u>1,899,520</u>	<u>1,656,284</u>
TOTAL	<u>11,197,268</u>	<u>9,771,848</u>	<u>10,449,033</u>	<u>9,437,900</u>
STAFFING LEVELS	53.00	50.00	44.00	44.00

GENERAL FUND DEPT OF PARKS & RECREATION	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	4,333,442	4,024,497	4,077,556	4,237,376
Materials, Supplies & Equipment	1,431,840	1,057,871	1,102,136	1,070,434
Internal Services	1,284,103	1,063,000	1,271,380	1,237,614
Debt Service	<u>1,898,986</u>	<u>1,557,160</u>	<u>1,899,520</u>	<u>1,656,284</u>
TOTAL	<u>8,948,371</u>	<u>7,702,528</u>	<u>8,350,592</u>	<u>8,201,708</u>
STAFFING LEVELS	53.00	50.00	44.00	44.00

PARKS ASSISTANCE FUND DEPT OF PARKS & RECREATION	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	896,430	285,137	284,911	140,000
Materials, Supplies & Equipment	<u>1,240,443</u>	<u>1,212,108</u>	<u>1,342,338</u>	<u>660,000</u>
TOTAL	<u>2,136,873</u>	<u>1,497,245</u>	<u>1,627,249</u>	<u>800,000</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

PARKS TRUST FUND DEPT OF PARKS & RECREATION	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	109,244	71,585	121,694	121,694
Materials, Supplies & Equipment	2,384	2,527	31,065	31,065
Internal Services	<u>396</u>	<u>3,432</u>	<u>3,433</u>	<u>3,433</u>
TOTAL	<u>112,024</u>	<u>77,544</u>	<u>156,192</u>	<u>156,192</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

WORKFORCE INVESTMENT BOARD (WIB) DEPT OF PARKS & RECREATION	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	<u>0</u>	<u>494,531</u>	<u>315,000</u>	<u>280,000</u>
TOTAL	<u>0</u>	<u>494,531</u>	<u>315,000</u>	<u>280,000</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Overtime appropriations have been reduced by \$13,000 in the Maintenance Division in an effort to restrict discretionary expenses.
- Higher Pension Contributions and Pension Healthcare costs fueled an overall increase of \$60,000 in total Personal Services.
- Based on recent annual expenditures, Communications & Utilities (Electricity) has been decreased by \$40,000.
- Repairs to Roads and Appurtenances appropriations, budgeted in the Contracted Maintenance account grouping, will increase by \$7,500 to correct a runoff issue at Canby Park.
- Consultant costs will rise by \$5,000 to cover the costs associated with Arbor Day activities of the Delaware Center for Horticulture.
- Other Fees have increased by \$4,000 to offset disposal costs from leaf collection in parks.
- Equipment and Fixed Assets will increase by \$6,300 and \$5,000 respectively to fund the replacement of machinery utilized to maintain City parks.
- Total Internal Service charges have fallen by \$33,766 due to substantially lower Data Processing allocations.
- Debt Service expenditures will decrease by more than \$243,000. New payments resulting from the November 2011 capital bond issuance were more than offset by the retirement of older bond issues.

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 3-D on page 22.

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Senior Programs Implemented	20	19	20	20	20

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 3-D and 3-E on page 22.

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Park Sites Operated	26	15	20	20	20

Goal #3: Increase female participation in recreation programs.

Objective: Implement programs targeted for female participants.

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
# of Female Targeted Programs Implemented	32	32	35	33	35

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 1-B and 3-D on page 22.

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Number of Youth-led Projects	10	10	12	10	12

Goal #5: To increase diversity in program participation.

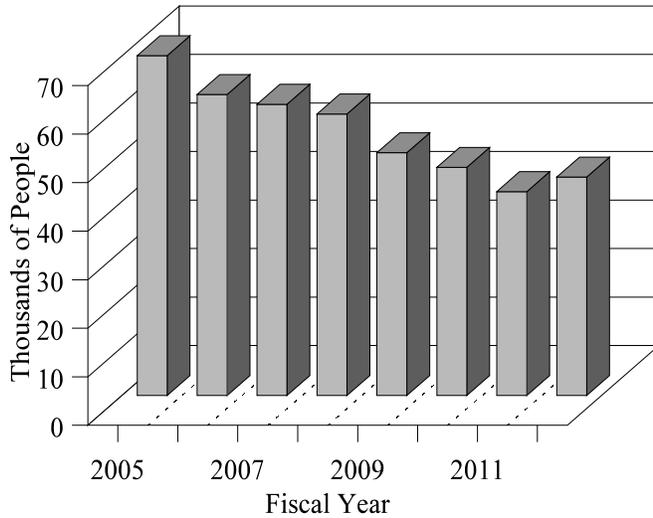
Objective: Provide family-oriented information fairs throughout the City.

Goal #5 corresponds to the City's Strategic Plan, Policy Statement 3-D on page 22.

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Number of Family Inclusive Information Fairs Held	14	14	16	14	16

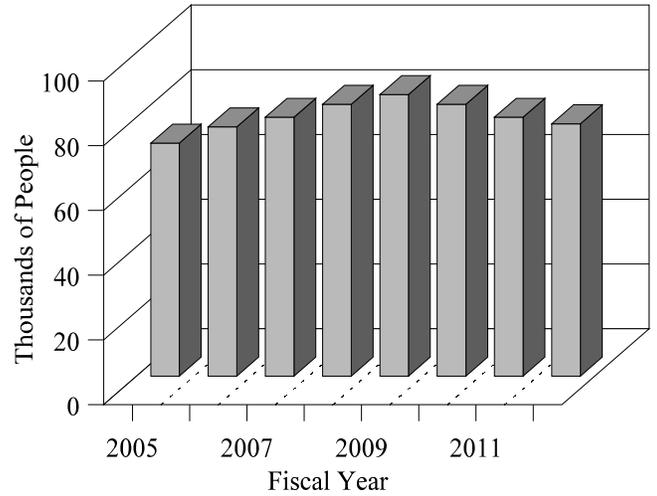
Department of Parks and Recreation Performance Trends

Pool Attendance



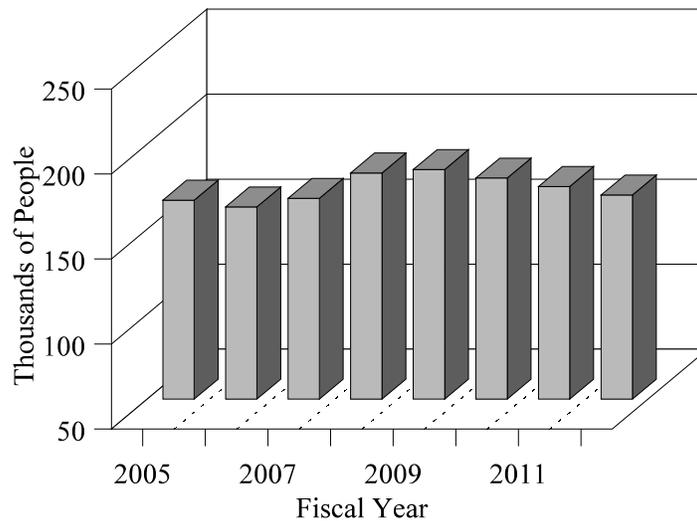
Pool attendance has generally declined due to both a shortening of the season to trim costs, and a lengthening of the school year.

Playground Attendance



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

Recreation Attendance



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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: PARKS & RECREATION

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Regular Salaries	2,100,690	2,026,357	2,004,169	2,009,788
Temporary Salaries	969,745	757,693	779,781	868,263
Acting Out of Class	334	16	2,000	1,000
Sick Leave Bonus	2,800	2,300	600	1,500
Overtime	151,048	84,446	118,697	105,697
Meal Allowance	3,587	1,272	3,020	2,000
Internet Reimbursements	690	0	0	0
Pension Contribution	268,476	267,398	356,905	413,023
Social Security	198,839	176,480	178,159	183,364
Medicare Tax	46,515	41,276	41,665	42,884
Hospitalization	532,840	605,216	606,333	611,872
Life Insurance	6,366	9,230	9,475	9,304
Pension Healthcare	51,512	52,813	68,200	78,100
State Pension Plan General	0	0	0	2,029
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(91,448)</u>	<u>(91,448)</u>
TOTAL PERSONAL SERVICES	4,333,442	4,024,497	4,077,556	4,237,376

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	3,587	904	14,400	9,400
Communications & Utilities	254,910	237,111	280,100	240,100
Transportation	11,220	5,637	5,500	5,500
Rentals	78,027	46,990	71,230	65,956
Contracted Maintenance	90,888	74,646	65,633	72,257
Professional Fees	319,753	226,883	207,975	212,975
Other Fees	47,293	47,381	50,000	54,000
Memberships & Registrations	9,190	7,018	8,750	8,150
Miscellaneous Services	195,889	103,928	137,151	134,151
Office & General Supplies	23,180	14,087	20,205	17,746
Wearing Apparel & Safety Supplies	43,120	36,288	42,008	36,000
Miscellaneous Parts	138,693	154,462	162,791	159,774
Petroleum & Chemicals	10,981	16,197	11,000	18,500
Construction & Repairs	17,829	14,680	19,593	18,825
Equipment	27,033	6,114	5,800	12,100
Fixed Assets	0	0	0	5,000
Community Activities	<u>160,247</u>	<u>65,545</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	1,431,840	1,057,871	1,102,136	1,070,434

DEPARTMENT: PARKS & RECREATION

FUND: GENERAL

<u>INTERNAL SERVICES</u>	<u>ACTUAL FY2010</u>	<u>ACTUAL FY2011</u>	<u>BUDGET FY2012</u>	<u>APPROVED FY2013</u>
Administrative Services	832,527	745,694	881,233	847,467
Self-Insurance	<u>451,576</u>	<u>317,306</u>	<u>390,147</u>	<u>390,147</u>
TOTAL INTERNAL SERVICES	1,284,103	1,063,000	1,271,380	1,237,614
<u>DEBT SERVICE</u>				
Principal Payments	1,116,906	734,944	1,080,069	797,864
Interest Payments	<u>782,080</u>	<u>822,216</u>	<u>819,451</u>	<u>858,420</u>
TOTAL DEBT SERVICE	1,898,986	1,557,160	1,899,520	1,656,284
GENERAL FUND TOTAL	<u>8,948,371</u>	<u>7,702,528</u>	<u>8,350,592</u>	<u>8,201,708</u>

DEPARTMENT: PARKS & RECREATION

FUND: PARKS ASSISTANCE

<u>PERSONAL SERVICES</u>	<u>ACTUAL FY2010</u>	<u>ACTUAL FY2011</u>	<u>BUDGET FY2012</u>	<u>APPROVED FY2013</u>
Temporary Salaries	832,801	264,692	264,664	130,051
Social Security	51,574	16,568	16,409	8,063
Medicare Tax	<u>12,055</u>	<u>3,877</u>	<u>3,838</u>	<u>1,886</u>
TOTAL PERSONAL SERVICES	896,430	285,137	284,911	140,000
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Transportation	18,004	17,100	14,000	9,000
Rentals	14,469	19,654	18,500	12,000
Professional Fees	24,886	12,095	20,000	11,000
Other Fees	2,623	24	5,000	3,500
Memberships & Registrations	0	291	4,500	0
Miscellaneous Services	13,884	48,895	30,000	15,000
Office & General Supplies	4,146	4,867	1,500	2,000
Miscellaneous Parts	1,125,796	1,167,599	1,218,838	605,500
Fixed Assets	5,777	763	30,000	2,000
Miscellaneous Projects	<u>30,858</u>	<u>(59,180)</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	1,240,443	1,212,108	1,342,338	660,000
PARKS ASSISTANCE FUND TOTAL	<u>2,136,873</u>	<u>1,497,245</u>	<u>1,627,249</u>	<u>800,000</u>

DEPARTMENT: PARKS & RECREATION

FUND: PARKS TRUST

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Regular Salaries	75,567	47,693	74,787	74,787
Temporary Salaries	0	0	2,500	2,500
Overtime	0	0	4,000	4,000
Pension Contributions	7,629	5,616	9,124	9,124
Social Security	4,685	2,952	5,039	5,039
Medicare Tax	1,096	689	1,179	1,179
Life Insurance	173	255	378	378
Hospitalization	18,086	13,222	24,687	24,687
Pension Healthcare	<u>2,008</u>	<u>1,158</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	109,244	71,585	121,694	121,694
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	2,384	2,527	1,750	1,750
Transportation	0	0	700	700
Rentals	0	0	3,800	3,800
Contracted Maintenance Repairs	0	0	3,500	3,500
Memberships & Registrations	0	0	3,150	3,150
Miscellaneous Services	0	0	13,250	13,250
Office & General Supplies	0	0	50	50
Wearing Apparel & Safety Supplies	0	0	150	150
Miscellaneous Parts	0	0	4,315	4,315
Construction & Repairs	0	0	200	200
Equipment	<u>0</u>	<u>0</u>	<u>200</u>	<u>200</u>
TOTAL M., S. & E.	2,384	2,527	31,065	31,065
 <u>INTERNAL SERVICES</u>				
Self-Insurance	<u>396</u>	<u>3,432</u>	<u>3,433</u>	<u>3,433</u>
TOTAL INTERNAL SERVICES	396	3,432	3,433	3,433
 PARKS TRUST FUND TOTAL	 <u>112,024</u>	 <u>77,544</u>	 <u>156,192</u>	 <u>156,192</u>

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

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Temporary Salaries	0	459,388	292,615	260,102
Social Security	0	28,482	18,142	16,126
Medicare Tax	<u>0</u>	<u>6,661</u>	<u>4,243</u>	<u>3,772</u>
TOTAL PERSONAL SERVICES	0	494,531	315,000	280,000
WIB FUND TOTAL	<u>0</u>	<u>494,531</u>	<u>315,000</u>	<u>280,000</u>

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 2013
<ul style="list-style-type: none"> • Secure funding for the renovation of remaining stations. • Replace fire apparatus according to recommended replacement cycle. • Continue the free smoke and carbon monoxide alarm programs for seniors and needy citizens. • Increase public education programs, targeting senior citizens and children. • Secure funding to maintain staffing.

SUMMARY OF FUNDING FOR THE FIRE DEPARTMENT

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
FIRE DEPARTMENT	FY2010	FY2011	FY2012	FY2013
Personal Services	20,481,954	20,204,527	19,904,857	20,096,814
Materials, Supplies & Equipment	798,660	1,469,750	936,255	897,962
Internal Services	2,147,603	2,215,066	2,660,345	2,729,038
Debt Service	473,480	325,107	527,997	454,816
TOTAL	<u>23,901,697</u>	<u>24,214,450</u>	<u>24,029,454</u>	<u>24,178,630</u>
STAFFING LEVELS	172.00	172.00	177.00	177.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
FIRE DEPARTMENT	FY2010	FY2011	FY2012	FY2013
Personal Services	15,754,265	15,623,466	14,441,364	14,917,370
Materials, Supplies & Equipment	706,544	653,878	736,067	706,178
Internal Services	2,147,603	2,215,066	2,660,345	2,729,038
Debt Service	473,480	325,107	527,997	454,816
TOTAL	<u>19,081,892</u>	<u>18,817,517</u>	<u>18,365,773</u>	<u>18,807,402</u>
STAFFING LEVELS	172.00	172.00	164.00	164.00

*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 FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	<u>4,727,344</u>	<u>4,581,061</u>	<u>4,639,878</u>	<u>4,338,286</u>
TOTAL	<u>4,727,344</u>	<u>4,581,061</u>	<u>4,639,878</u>	<u>4,338,286</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

STATE FIRE GRANT FUND FIRE DEPARTMENT	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Materials, Supplies & Equipment	<u>35,258</u>	<u>140,457</u>	<u>200,188</u>	<u>191,784</u>
TOTAL	<u>35,258</u>	<u>140,457</u>	<u>200,188</u>	<u>191,784</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

FEDERAL EMERGENCY MANAGEMENT & OTHER MISCELLANEOUS GRANTS FIRE DEPARTMENT	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	345	0	0	0
Materials, Supplies & Equipment	<u>56,858</u>	<u>675,415</u>	<u>0</u>	<u>0</u>
TOTAL	<u>57,203</u>	<u>675,415</u>	<u>0</u>	<u>0</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

SAFER GRANT FUND FIRE DEPARTMENT	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	<u>0</u>	<u>0</u>	<u>823,615</u>	<u>841,158</u>
TOTAL	<u>0</u>	<u>0</u>	<u>823,615</u>	<u>841,158</u>
STAFFING LEVELS	0.00	0.00	13.00	13.00

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- Fiscal Year 2013 is the second of the two-year **SAFER** (Staffing for Adequate Fire & Emergency Response) Grant. A total of \$841,158 in salaries and benefits for 13 Firefighter positions is budgeted. In addition, Overtime expenditure savings of approximately \$200,000 will continue to be realized through the additional five firefighter positions above the pre-grant uniformed authorized strength level.
- The recent labor contract with the Firefighters Local 1590 includes an increase in Shift Differential pay. As such, a \$50,000 increase is budgeted in this category for FY 2013.
- Overtime appropriations are slated to rise by \$49,026 to a total of \$260,000, but are still significantly below levels of recent years.
- A decrease of \$301,592 in the expected State Pension Contribution expense nearly offsets increases in Pension Healthcare, Hospitalization and Pension Contributions. In total, Employee Benefit costs are \$1,249 higher for FY 2013.
- Due to minimum manning requirements that dictate overtime utilization when vacancies occur, Attrition has been omitted for FY 2013. This has the effect of increasing total Personal Service costs by \$160,139.
- Memberships and Registration costs will rise by \$25,138 to fund training of firefighters for Emergency Medical Technician re-certification.
- Communications and Utilities costs have been decreased by \$36,266. Electricity appropriations were reduced by \$20,000 based on recent actual usage, and Mobile Airtime costs of \$16,224 were transferred to the Communications Division of the Mayor's Office. These airtime costs will be charged back to the Department in their Telephone internal service cost allocation.
- All mobile radios in the Department will be replaced in FY 2013 at a total cost of more than \$383,000. However, the expense will be spread over seven years by financing through a capital lease, and charged back in the Radio Usage line of Internal Services.
- Total Internal Service allocations will rise by almost \$69,000. The aforementioned increases in Telephone and Radio Usage were partially offset by a nearly \$33,000 decrease in Data Processing.
- Debt Service expenditures will decrease by more than \$73,000. New payments due to the November 2011 capital bond issuance were more than offset by the retirement of older bond issues.

FIRE DEPARTMENT PERFORMANCE INDICATORS

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

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

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
% of Fires Contained to Room of Origin	95%	94%	95%	93%	95%

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

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

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Number of Building Inspections	1,600	1,589	1,700	1,754	2,000
Citizens Educated	50,000	25,829	50,000	19,893	35,000

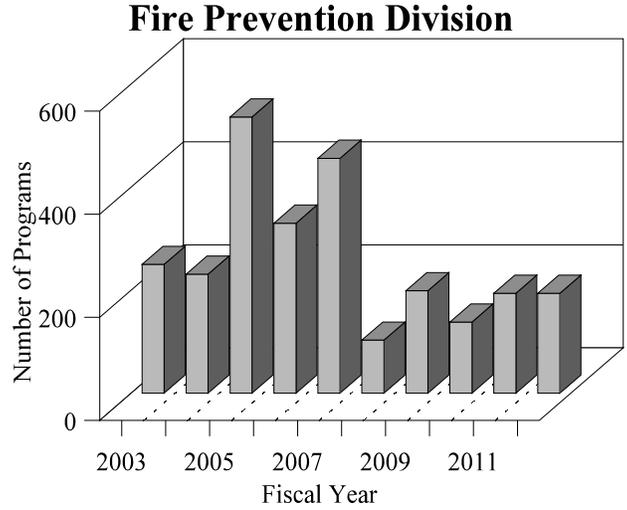
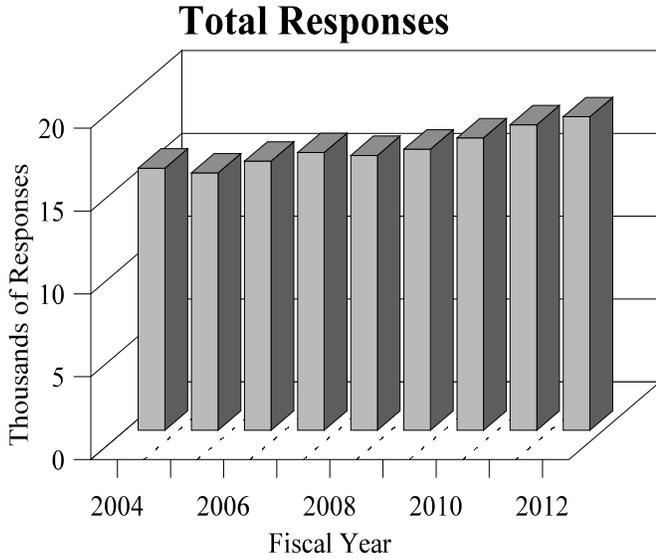
Goal #3: Rapid suppression of fires to minimize associated danger and structural damage.

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

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Average Fire Response Time	2 minutes & 40 seconds	2 minutes & 25 seconds	2 minutes & 30 seconds	2 minutes & 31 seconds	2 minutes & 30 seconds

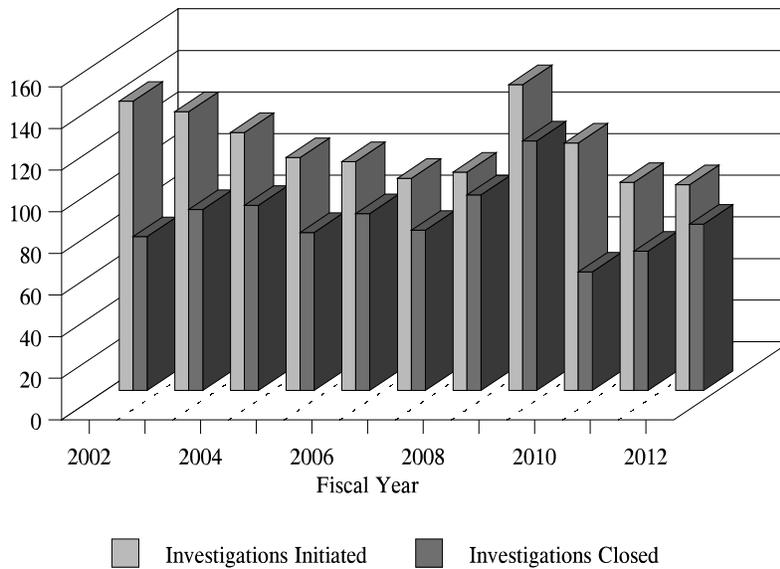
Fire Department Performance Trends



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

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

Fire Prevention Division



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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: FIRE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Regular Salaries	10,645,658	10,485,796	10,236,102	10,143,223
Temporary Salaries	6,760	10,267	0	0
Acting Out of Class	7,439	9,239	10,821	17,400
Shift Differential	76,324	73,994	75,562	125,862
Sick Leave Bonus	400	0	0	0
Overtime	1,264,258	990,669	210,974	260,000
Holiday Pay	90,882	49,479	0	0
Internet Reimbursements	8,947	0	0	0
Pension Contribution	346,939	246,745	231,672	396,221
Social Security	21,070	20,124	15,330	15,224
Medicare Tax	131,147	125,205	119,525	122,208
Hospitalization	2,146,417	2,595,816	2,616,998	2,654,127
Life Insurance	30,087	44,387	35,208	37,720
County/Municipal Pension Contribution	743,312	754,044	795,111	854,285
Pension Healthcare	234,625	217,701	254,200	291,100
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(160,139)</u>	<u>0</u>
TOTAL PERSONAL SERVICES	15,754,265	15,623,466	14,441,364	14,917,370

MATERIALS, SUPPLIES & EQUIPMENT

Printing & Advertising	2,877	1,155	2,000	1,660
Communications & Utilities	133,880	122,556	156,434	120,168
Transportation	3,239	1,352	3,200	3,200
Contracted Maintenance Repairs	87,536	96,538	103,000	96,000
Professional Fees	69,367	63,931	89,451	124,359
Memberships & Registrations	43,438	48,388	44,600	69,738
Miscellaneous Services	68,894	62,599	108,222	97,857
Office & General Supplies	24,956	22,775	27,968	28,678
Wearing Apparel & Safety Supplies	178,931	148,607	140,160	110,060
Miscellaneous Parts	36,871	33,171	40,960	35,000
Construction & Repairs	3,698	2,631	3,072	2,458
Equipment	38,688	15,457	17,000	17,000
Fixed Assets	<u>14,169</u>	<u>34,718</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	706,544	653,878	736,067	706,178

DEPARTMENT: FIRE

FUND: GENERAL

<u>INTERNAL SERVICES</u>	<u>ACTUAL FY2010</u>	<u>ACTUAL FY2011</u>	<u>BUDGET FY2012</u>	<u>APPROVED FY2013</u>
Administrative Services	1,006,093	1,322,261	1,723,346	1,792,039
Self-Insurance	<u>1,141,510</u>	<u>892,805</u>	<u>936,999</u>	<u>936,999</u>
TOTAL INTERNAL SERVICES	2,147,603	2,215,066	2,660,345	2,729,038
 <u>DEBT SERVICE</u>				
Principal Payments	278,202	97,888	216,170	72,715
Interest Payments	<u>195,278</u>	<u>227,219</u>	<u>311,827</u>	<u>382,101</u>
TOTAL DEBT SERVICE	473,480	325,107	527,997	454,816

DEPARTMENT: FIRE

FUND: STATE PENSION CONTRIBUTIONS

<u>PERSONAL SERVICES</u>	<u>ACTUAL FY2010</u>	<u>ACTUAL FY2011</u>	<u>BUDGET FY2012</u>	<u>APPROVED FY2013</u>
State Pension Contributions	<u>4,727,344</u>	<u>4,581,061</u>	<u>4,639,878</u>	<u>4,338,286</u>
TOTAL PERSONAL SERVICES	4,727,344	4,581,061	4,639,878	4,338,286
 GENERAL FUND TOTAL	 <u>23,809,236</u>	 <u>23,398,578</u>	 <u>23,005,651</u>	 <u>23,145,688</u>

DEPARTMENT: FIRE

FUND: STATE FIRE GRANT

<u>MATERIALS, SUPPLIES & EQUIPMENT</u>	<u>ACTUAL FY2010</u>	<u>ACTUAL FY2011</u>	<u>BUDGET FY2012</u>	<u>APPROVED FY2013</u>
Contracted Maintenance	0	0	0	8,160
Professional Fees	0	1,294	0	5,040
Wearing Apparel & Safety Supplies	0	587	0	178,584
Miscellaneous Parts	35,258	0	0	0
Fixed Assets	<u>0</u>	<u>138,576</u>	<u>200,188</u>	<u>0</u>
TOTAL M., S. & E.	35,258	140,457	200,188	191,784
 STATE FIRE GRANT TOTAL	 <u>35,258</u>	 <u>140,457</u>	 <u>200,188</u>	 <u>191,784</u>

DEPARTMENT: FIRE

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

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Overtime	<u>345</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	345	0	0	0
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Professional Fees	1,482	0	0	0
Miscellaneous Services	21,776	0	0	0
Fixed Assets	<u>33,600</u>	<u>675,415</u>	<u>0</u>	<u>0</u>
TOTAL M. S. & E.	56,858	675,415	0	0
FEDERAL EMERG. MGT. & OTHER MISC. GRANTS TOTAL	<u>57,203</u>	<u>675,415</u>	<u>0</u>	<u>0</u>

DEPARTMENT: FIRE

FUND: SAFER GRANT

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Regular Salaries	0	0	466,187	486,550
Medicare Tax	0	0	6,686	6,985
Hospitalization	0	0	260,047	249,968
Life Insurance	0	0	2,808	2,814
County/Municipal Pension Contribution	0	0	67,737	71,766
Pension Healthcare	<u>0</u>	<u>0</u>	<u>20,150</u>	<u>23,075</u>
TOTAL PERSONAL SERVICES	0	0	823,615	841,158
SAFER GRANT TOTAL	<u>0</u>	<u>0</u>	<u>823,615</u>	<u>841,158</u>

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 2013
<ul style="list-style-type: none"> • Reduce crime. • 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	FY2010	FY2011	FY2012	FY2013
Personal Services	44,170,765	44,792,663	44,657,161	45,607,287
Materials, Supplies & Equipment	3,029,342	2,513,338	1,903,185	1,615,110
Internal Services	7,512,000	5,069,507	4,864,410	5,416,386
Debt Service	<u>555,277</u>	<u>286,681</u>	<u>431,792</u>	<u>292,776</u>
TOTAL	<u>55,267,384</u>	<u>52,662,189</u>	<u>51,856,548</u>	<u>52,931,559</u>
STAFFING LEVELS	416.00	402.00	390.00	382.00

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

GENERAL FUND DEPARTMENT OF POLICE	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	40,718,158	40,938,081	39,949,229	41,593,874
Materials, Supplies & Equipment	1,283,287	1,547,939	1,903,185	1,615,110
Internal Services	7,512,000	5,069,507	4,864,410	5,416,386
Debt Service	<u>555,277</u>	<u>286,681</u>	<u>431,792</u>	<u>292,776</u>
TOTAL	<u>50,068,722</u>	<u>47,842,208</u>	<u>47,148,616</u>	<u>48,918,146</u>
STAFFING LEVELS	408.00	378.00	365.00	362.65

STATE PENSION CONTRIBUTIONS DEPARTMENT OF POLICE	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	<u>2,707,129</u>	<u>2,400,480</u>	<u>2,830,194</u>	<u>2,646,231</u>
TOTAL	<u>2,707,129</u>	<u>2,400,480</u>	<u>2,830,194</u>	<u>2,646,231</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

SALLE & OTHER SPECIAL GRANT FUNDS DEPARTMENT OF POLICE	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	364,983	460,854	776,030	558,775
Materials, Supplies & Equipment	<u>244,294</u>	<u>787,962</u>	<u>0</u>	<u>0</u>
TOTAL	<u>609,277</u>	<u>1,248,816</u>	<u>776,030</u>	<u>558,775</u>
STAFFING LEVELS	7.00	8.00	9.00	8.00

BYRNE GRANT FUND DEPARTMENT OF POLICE	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	108,124	0	43,262	0
Materials, Supplies & Equipment	<u>1,501,761</u>	<u>177,437</u>	<u>0</u>	<u>0</u>
TOTAL	<u>1,609,885</u>	<u>177,437</u>	<u>43,262</u>	<u>0</u>
STAFFING LEVELS	1.00	0.00	0.00	0.00

COPS GRANT DEPARTMENT OF POLICE	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	<u>272,371</u>	<u>993,248</u>	<u>1,058,446</u>	<u>808,407</u>
TOTAL	<u>272,371</u>	<u>993,248</u>	<u>1,058,446</u>	<u>808,407</u>
STAFFING LEVELS	0.00	16.00	16.00	11.35

MAJOR FUNDING CHANGES FROM PRIOR YEAR

- The total uniformed authorized strength has decreased to 320 officers. One special-funded School Resource Officer position, along with 7 General Fund Patrol Officers, which were all vacant, have been deleted for FY 2013. And, although not affecting the total authorized strength, 4.65 Full-Time Equivalents (FTE's) have been transferred from the COPS Grant into the General Fund at a cost of \$329,000. Funding for 15 of the 16 COPS Grant positions will expire on March 1, 2013.
- Higher Pension Contributions, Hospitalization, and Pension Healthcare contributed to an overall increase of \$1.5 million in Employee Benefits.
- Communications and Utilities have decreased by \$219,000. Mobile Airtime costs related to Downtown Vision's cameras and mobile data terminals in patrol cars have been transferred to the Communications Division of the Mayor's Office. These airtime costs will be charged back to the Department in their Telephone internal service cost allocations.
- All mobile radios in the Department will be replaced in FY 2013 at a total cost of nearly \$530,000. The expense will be spread over seven years by financing through a capital lease, and charged back in the Radio Usage line of Internal Services.
- The Department will continue to support the Camera Watch program. For FY 2013, \$407,830 is allocated to pay for two camera watch operators (through Downtown Visions), the costs of electricity, mobile airtime, standard maintenance, and replacement (when needed) of cameras.
- The FY 2013 budget also reflects the continuation of \$83,000 in funding for the Child Development Community Policing (CDCP) program.
- Overall Consultant costs have decreased by \$67,500 as the biennial promotional process will not occur in FY 2013.
- A total of \$42,000 has been added in the Equipment accounts to purchase replacement chairs in both the House Sergeant's office and in the radio room. Both of these areas are used 24 hours a day.

DEPARTMENT OF POLICE PERFORMANCE INDICATORS

Goal #1: Reduce Crime.

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

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Percentage Change in the Number of Part I Crimes Against Persons	-5%	24%	-5%	-6%	-5%
Number of Part I Crimes	1,906	2,487	2,363	2,350	2,233

Goal #2: Improve the Quality of Life in Wilmington.

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

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Percentage Change in Number of Drug Arrests	+5%	+12.4%	+5%	+15%	+5%
Number of Drug Arrests	1,317	1,410	1,480	1,617	1,698

Goal #3: Improve Traffic Safety.

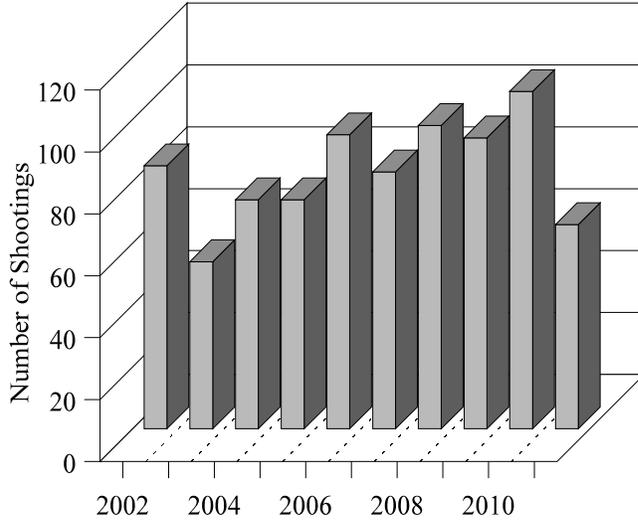
Objective: Reduce Traffic Accidents.

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Percentage Change in the Number of Traffic Accidents	-5%	+0.7%	-5%	-3%	+2%
Number of Traffic Accidents	2,946	3,123	2,967	3,031	3,092

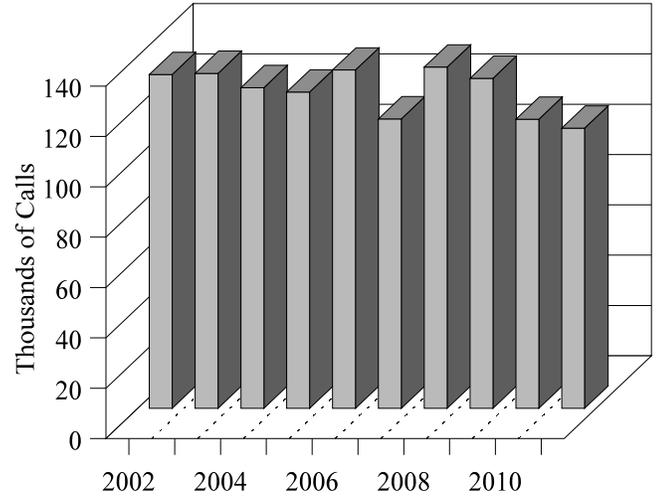
Department of Police Performance Trends

Shootings in Wilmington



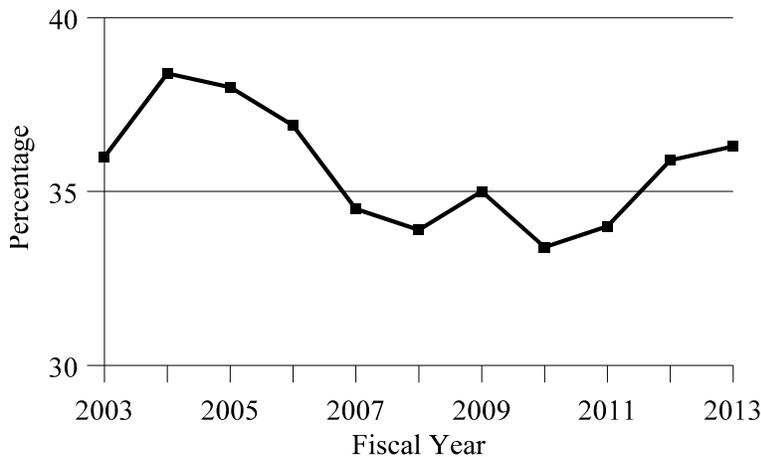
The Department continues to focus significant resources toward this area which has resulted in non-dispatched arrests and proactive policing by officers.

911 Calls Resulting in Dispatch



The total number of calls for police services has remained very high. However, with a change in policies, along with better screening techniques, the Department is striving to reduce 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 2013, and remains the highest among all City departments.

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: POLICE

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Regular Salaries	23,117,801	23,141,577	23,366,036	23,336,336
Temporary Salaries	416,387	422,760	450,000	450,000
Acting Out of Class	16,723	9,729	5,000	5,000
Shift Differential	765,080	903,446	671,096	667,640
Shooting Days	2,243	3,580	0	0
Sick Leave Bonus	4,700	1,800	3,500	3,000
Overtime	2,029,255	1,723,074	1,649,050	1,639,800
Holiday Pay	852,159	932,716	0	0
Comp Time Payouts	458,088	453,921	469,541	454,250
Civilian Holiday-Overtime	141,087	133,881	112,500	112,500
Court Overtime	60,349	47,239	57,259	56,759
Special Events Overtime	795,251	450,726	446,368	446,368
Meal Allowance	19,400	11,752	14,700	13,000
Clothing Allowance	69,321	84,012	75,000	85,650
Internet Reimbursements	15,255	0	0	0
Pension Contribution	4,291,271	4,306,579	4,732,575	6,099,711
Social Security	274,713	211,406	207,270	210,219
Medicare Tax	371,748	354,384	349,985	348,959
Hospitalization	4,781,619	5,413,098	5,386,454	5,508,932
Life Insurance	64,439	99,627	78,840	82,619
County/Municipal Pension Contribution	1,614,809	1,720,683	1,917,575	2,026,436
Pension Healthcare	554,710	512,091	565,750	643,700
State Pension Plan General	0	0	0	12,265
Personal Services Adjustment	<u>1,750</u>	<u>0</u>	<u>(609,270)</u>	<u>(609,270)</u>
TOTAL PERSONAL SERVICES	40,718,158	40,938,081	39,949,229	41,593,874

DEPARTMENT: POLICE

FUND: GENERAL

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Printing & Advertising	24,752	9,181	8,000	18,000
Communications & Utilities	235,909	363,263	459,800	240,780
Transportation	4,683	1,021	5,750	7,000
Rentals	60,120	50,020	52,155	52,124
Contracted Maintenance Repairs	39,809	54,761	116,725	105,980
Professional Fees	143,641	194,459	282,000	214,500
Other Fees	301,991	297,334	324,320	324,256
Memberships & Registrations	29,983	21,692	24,000	10,000
Miscellaneous Services	97,237	148,987	199,215	216,470
Office & General Supplies	80,311	72,170	82,800	85,000
Wearing Apparel & Safety Supplies	149,395	132,474	226,220	164,370
Miscellaneous Parts	25,081	101,933	122,200	129,630
Equipment	70,575	100,644	0	42,000
Fixed Assets	<u>19,800</u>	<u>0</u>	<u>0</u>	<u>5,000</u>
TOTAL M., S. & E.	1,283,287	1,547,939	1,903,185	1,615,110

INTERNAL SERVICES

Administrative Services	3,095,074	3,283,457	2,859,211	3,411,187
Self-Insurance	<u>4,416,926</u>	<u>1,786,050</u>	<u>2,005,199</u>	<u>2,005,199</u>
TOTAL INTERNAL SERVICES	7,512,000	5,069,507	4,864,410	5,416,386

DEBT SERVICE

Principal Payments	428,781	152,878	296,532	153,961
Interest Payments	<u>126,496</u>	<u>133,803</u>	<u>135,260</u>	<u>138,815</u>
TOTAL DEBT SERVICE	555,277	286,681	431,792	292,776

FUND: STATE PENSION CONTRIBUTIONS

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
State Pension Contributions	<u>2,707,129</u>	<u>2,400,480</u>	<u>2,830,194</u>	<u>2,646,231</u>
TOTAL PERSONAL SERVICES	2,707,129	2,400,480	2,830,194	2,646,231
GENERAL FUND TOTAL	<u>52,775,851</u>	<u>50,242,688</u>	<u>49,978,810</u>	<u>51,564,377</u>

DEPARTMENT: POLICE

FUND: SALLE

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Regular Salaries	259,993	201,349	548,180	390,092
Shift Differential	12,461	6,984	0	0
Overtime	1,298	168,980	0	0
Holiday Pay	10,970	11,111	0	0
Court Overtime	1,063	118	0	0
Meal Allowance	0	550	0	0
Social Security	0	71	0	0
Medicare Tax	4,120	3,024	7,910	5,578
Hospitalization	41,759	37,646	120,864	89,526
Life Insurance	761	898	2,376	1,840
County/Municipal Pension Contribution	35,584	26,050	79,650	57,539
Pension Healthcare	<u>(3,026)</u>	<u>4,073</u>	<u>17,050</u>	<u>14,200</u>
TOTAL PERSONAL SERVICES	364,983	460,854	776,030	558,775
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	89,558	38,187	0	0
Transportation	0	69,707	0	0
Rentals	23,607	11,237	0	0
Professional Fees	0	20,153	0	0
Memberships & Registrations	0	42,902	0	0
Miscellaneous Services	101,047	33,425	0	0
Office & General Supplies	0	121	0	0
Wearing Apparel & Safety Supplies	0	72,376	0	0
Miscellaneous Parts	0	4,375	0	0
Equipment	19,924	122,413	0	0
Fixed Assets	10,158	320,210	0	0
Community Activities	<u>0</u>	<u>52,856</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	244,294	787,962	0	0
 SALLE FUND TOTAL	 <u>609,277</u>	 <u>1,248,816</u>	 <u>776,030</u>	 <u>558,775</u>

DEPARTMENT: POLICE

FUND: BYRNE GRANT

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Regular Salaries	65,932	0	40,187	0
Overtime	19,697	0	0	0
Pension Contributions	6,689	0	0	0
Social Security	4,075	0	2,492	0
Medicare Tax	1,064	0	583	0
Hospitalization	8,889	0	0	0
Life Insurance	242	0	0	0
Pension Healthcare	<u>1,536</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PERSONAL SERVICES	108,124	0	43,262	0
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	299,841	0	0	0
Contracted Maintenance	1,653	0	0	0
Professional Fees	617,020	0	0	0
Miscellaneous Services	83,886	0	0	0
Wearing Apparel & Safety Supplies	120,089	0	0	0
Equipment	<u>379,272</u>	<u>177,437</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	1,501,761	177,437	0	0
BYRNE GRANT FUND TOTAL	<u>1,609,885</u>	<u>177,437</u>	<u>43,262</u>	<u>0</u>

DEPARTMENT: POLICE

FUND: COPS GRANT

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Regular Salaries	211,274	686,746	706,859	549,256
Shift Differential	286	23,870	36,401	0
Overtime	0	24,043	0	0
Medicare Tax	3,064	10,508	10,202	7,876
Hospitalization	23,049	134,980	174,021	147,503
Life Insurance	763	3,713	3,456	2,611
County/Municipal Pension Contribution	29,289	91,478	102,707	81,015
Pension Healthcare	<u>4,646</u>	<u>17,910</u>	<u>24,800</u>	<u>20,146</u>
TOTAL PERSONAL SERVICES	272,371	993,248	1,058,446	808,407
COPS GRANT TOTAL	<u>272,371</u>	<u>993,248</u>	<u>1,058,446</u>	<u>808,407</u>



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

PRIORITIES FOR FISCAL YEAR 2013

- Finalize GEPC for Wilmington Co-Generation and Sludge Processing Facilities
- Begin construction phase of upgrade of the Brandywine Filter Plant to membrane filtration technology and initiate construction
- Begin startup of Real Time Control System to mitigate CSO's
- Update CSO Long Term Control Plan
- Continue 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 SRF funded Cleaning and Lining projects throughout the water district
- Downtown Transit Center Program Development
- Update traffic signals at the remaining 50 intersections & use downtown circulation study to optimize timing of lights
- Use street-light GIS data to promote optimum/cost-effective street lighting
- Work with DelDOT to construct South Market Street ARRA project
- Coordinate signal tie-ins with ACS, to install up to ten (10) new Red Light Cameras
- Update traffic signals with Light Emitting Diodes (LEDs) and count-down pedestrian signals
- Begin construction of WWTP Fine Screen Buildings Concrete Improvements
- Begin construction of Sewer Separation Project in the vicinity of Kentmere and Union Street

SUMMARY OF FUNDING FOR THE DEPARTMENT OF PUBLIC WORKS

TOTAL ALL FUNDS*	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY2010	FY2011	FY2012	FY2013
Personal Services	15,225,986	16,018,819	16,453,545	16,552,438
Materials, Supplies & Equipment	46,296,397	44,458,674	50,251,247	52,115,918
Internal Services	4,897,891	4,591,144	5,445,132	5,812,738
Debt Service	8,677,654	7,085,879	10,292,093	13,116,506
Capitalization	(5,284,898)	(2,579,228)	(3,200,000)	(3,200,000)
Depreciation	<u>8,903,601</u>	<u>9,889,580</u>	<u>9,193,213</u>	<u>9,193,213</u>
TOTAL	<u>78,716,632</u>	<u>79,464,868</u>	<u>88,435,230</u>	<u>93,590,813</u>
STAFFING LEVELS	229.00	229.00	226.00	226.00

GENERAL FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY2010	FY2011	FY2012	FY2013
Personal Services	7,904,793	8,132,328	8,483,949	8,451,953
Materials, Supplies & Equipment	6,625,595	6,709,908	6,633,622	6,755,150
Internal Services	3,046,682	2,661,426	3,236,765	3,218,768
Debt Service	<u>2,953,249</u>	<u>2,499,747</u>	<u>3,539,101</u>	<u>6,531,137</u>
TOTAL	<u>20,530,319</u>	<u>20,003,409</u>	<u>21,893,437</u>	<u>24,957,008</u>
STAFFING LEVELS	126.25	126.25	123.25	122.65

WATER/SEWER FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY2010	FY2011	FY2012	FY2013
Personal Services	7,321,193	7,886,491	7,969,596	8,100,485
Materials, Supplies & Equipment	30,928,462	30,660,243	35,804,291	37,148,284
Internal Services	1,540,944	1,481,670	1,983,173	2,371,032
Debt Service	5,496,437	4,283,208	6,496,989	6,304,571
Depreciation	<u>6,430,187</u>	<u>7,037,054</u>	<u>6,627,426</u>	<u>6,627,426</u>
TOTAL	<u>51,717,223</u>	<u>51,348,666</u>	<u>58,881,475</u>	<u>60,551,798</u>
STAFFING LEVELS	102.75	102.75	102.75	103.35

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

MOTOR VEHICLE FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY2010	FY2011	FY2012	FY2013
Materials, Supplies & Equipment	8,652,849	6,198,289	6,923,100	7,322,250
Internal Services	310,265	448,048	225,194	222,938
Debt Service	227,968	302,924	256,003	280,798
Capitalization	(5,284,898)	(2,579,228)	(3,200,000)	(3,200,000)
Depreciation	<u>2,473,414</u>	<u>2,852,526</u>	<u>2,565,787</u>	<u>2,565,787</u>
TOTAL	<u>6,379,598</u>	<u>7,222,559</u>	<u>6,770,084</u>	<u>7,191,773</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

MUNICIPAL STREET AID FUND	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPARTMENT OF PUBLIC WORKS	FY2010	FY2011	FY2012	FY2013
Materials, Supplies & Equipment	<u>89,491</u>	<u>890,234</u>	<u>890,234</u>	<u>890,234</u>
TOTAL	<u>89,491</u>	<u>890,234</u>	<u>890,234</u>	<u>890,234</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

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

- Personal Services declined in total by \$31,996, to a new total of \$8,451,953. The Department has reallocated a number of its employee costs to better align work performed with their respective cost centers. A total of 46 position allocation changes were made, causing a transfer of a net 0.6 FTE positions to the Water/Sewer Fund. This transfer created a savings of approximately \$47,027. Offsetting this decline were increases for Pensions, Hospitalization, and Pension Healthcare, which, combined, grew Personal Services \$98,632.
- Department-wide Attrition was adjusted to better reflect the pattern of vacancies in recent years. This adjustment decreased total Personal Services expenses by \$68,000.
- Total Material, Supplies, and Equipment (MS&E) increased \$121,528. Landfill Fees increased \$182,000 reflecting the per ton disposal rate increase from \$74 to \$76.
- Building Maintenance costs increased \$152,500 as the City enters into a new maintenance contract for its main facility, the Louis Redding Building. This new agreement now includes the cost of Security Guard and Janitorial Services, which subsequently declined \$95,000 and \$92,000 respectively.
- Electricity costs decreased by \$229,766 to a new total of \$840,000, signaling increased savings from the City's conversion to LED street lighting and solar panel installations at some of its municipal buildings. The City also anticipates \$890,234 in State Municipal Street Aide grant support for street lighting.
- Engineering expenses increased \$100,000 and Roadway Markings by \$44,000 in the Street Maintenance Division as the Department resumes its previously suspended road condition assessment and GIS updates of City streets, as well as road line repainting.
- Parking Fees is a newly budgeted expense for FY 2013. In prior years, these expenses were netted against parking revenue received by the City. Beginning in FY 2012, both Parking revenue and expenses are being accounted for separately. This newly budgeted expense totals \$50,000 for FY 2013.
- Debt Service increased \$2,992,037 as prior year savings from the FY 2010 debt service refinancing end and older Principal and Interest payments resume. These costs also include new Debt Service from the November 2011 capital bond issuance.

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

- A new Stormwater Division was created to better capture the specific costs associated with storm water service delivery.
- Personal Services increased \$130,899 to \$8,100,485. The Department has reallocated a number of its employee costs from the General Fund to better align work performed with its cost centers. A total of 46 position allocation changes were made, transferring a net 0.6 FTE positions to the Water/Sewer Fund, increasing Personal Services costs by approximately \$47,027. In addition, employee benefit increases for Pension costs of \$101,914, Hospitalization increases of \$12,723 and Pension Healthcare growth of \$24,582 added to total Personal Services.
- Total Material, Supplies, and Equipment (MS&E) increased \$1,343,993 to a new total of \$37,148,284. Sewer Maintenance Division costs budgeted in Repairs to Sewer Lines in FY 2012 for inspection of major sewer lines were moved to the Condition Assessment account. As such, Repairs to Sewer lines saw a decrease of \$1,040,000 while Condition Assessment experienced an increase of \$1,050,000.
- Engineering increased \$512,500 to support sewer maintenance assessments, stormwater GIS mapping and tracking, stormwater inlet inspections, and Capital Program management and assistance.
- Contracted Maintenance Services, which includes the contract with Viola to operate and maintain the City's wastewater treatment plant, increased \$688,125.
- Consultant expenses grew \$300,000 related to the following: assistance in the transition of water and sewer services to an independent utility, water system leak detection services, utility billing transition support, and the development of a wet weather management plan.
- Legal fees decreased \$300,000 from prior year estimates for legal support related to the renegotiation of the contract for treatment of wastewater from New Castle County.
- Repairs to Equipment rose \$102,500 in the Water Systems Division for SCADA maintenance and fire alarm and sprinkler repair.
- Internal Services grew by a total of \$387,859, primarily related to Data Processing cost increases.
- Bond Interest Payments decreased \$192,417, as older bond issuances reach the end of their terms.

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

- The Motor Vehicle Fund increased by \$421,689 to \$7,191,773. Motor Fuels and Lubricants rose \$302,000 as did Contracted Maintenance Services, which increased \$54,000.

DEPARTMENT OF PUBLIC WORKS

PERFORMANCE INDICATORS

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

Objective: Schedule and coordinate approximately 13,500 requests for special pick-ups.

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Special Pick-Ups	13,500	13,516	13,500	13,033	13,500

Goal #2: Provide leaf collection as required.

Objective: Collect at least 350 tons of leaves from streets, sidewalks and alleys.

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Tons of Leaves	350	900	350	1,200	350

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

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

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Street Repairs (tons of "hot mix")	305	301	305	204	305

DEPARTMENT OF PUBLIC WORKS

PERFORMANCE INDICATORS

Goal #4: Minimize flooding problems and sewer backups.

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

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL*	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Flood Problems	0	101	0	17	0

*The FY 2011 Actual reflects the first-time use of the data tracking system, Cityworks, which more accurately accounts for calls related to flooding problems.

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

Objective: Zero tolerance for violating discharge limits.

Goal #5 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C and 3-C on page 22.

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Violations of Discharge Limits	0	0	0	0	0

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

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

Goal #6 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C and 3-C on page 22.

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Violations of EPA's Safe Drinking Water Act	0	0	0	0	0

DEPARTMENT OF PUBLIC WORKS

PERFORMANCE INDICATORS

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

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

Goal #7 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C and 1-E on page 22.

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Preventative Maintenance Inspections	2,500	2,620	2,500	2681	2500

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-A on page 22.

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Percent Tipping Fee Savings, Net of Recycling Costs	4.9%	23%	8.0%	23%	10%
Tipping Fees Savings, Net of Recycling Costs	\$144,000	\$382,314	\$208,000	\$386,325	\$167,977

DEPARTMENT OF PUBLIC WORKS

PERFORMANCE INDICATORS

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

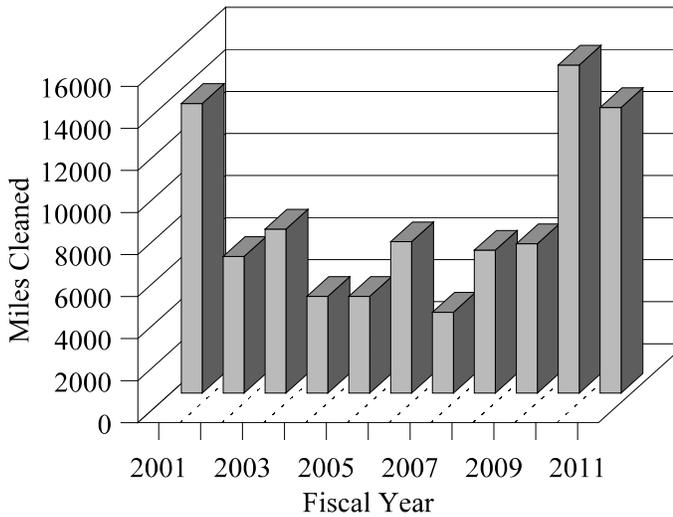
Objective: Provide periodic mechanical and manual sweeping of City streets and special pickups, collecting at least 5,700 tons of debris.

Goal #9 corresponds to the City's Strategic Plan, Policy Statements 1-B, 1-C and 3-C on page 22.

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Street Cleaning (tons of debris, trash, etc.)	5,700	5,110	5,700	1200	5,900

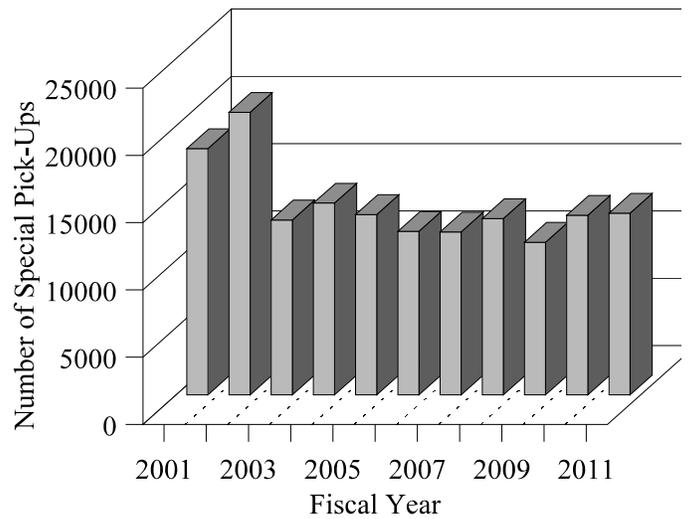
Department of Public Works Performance Trends

Miles of Streets Cleaned



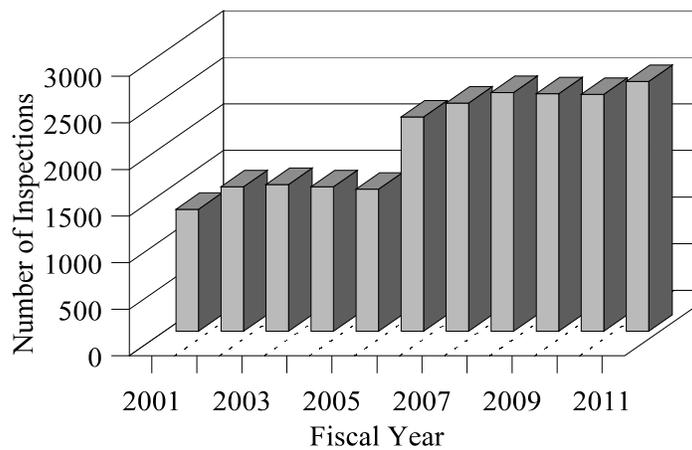
Aggressive management is required to maintain City streets in a litter free condition. FY 2010 reflects an the addition of updated equipment and full crew staffing.

Special Pick-Ups



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

Preventative Maintenance Inspections



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

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: PUBLIC WORKS

FUND: GENERAL

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Regular Salaries	4,655,442	4,787,783	4,839,680	4,777,751
Temporary Salaries	8,784	6,920	8,000	8,000
Acting Out of Class	19,826	3,692	7,387	8,850
Shift Differential	6	0	0	0
Sick Leave Bonus	7,700	8,000	7,500	8,100
Overtime	497,158	318,584	350,000	345,000
Holiday Pay	91,158	113,590	71,250	71,250
Meal Allowance	8,624	6,856	12,500	12,000
Internet Reimbursements	1,083	0	0	0
Pension Contribution	606,262	650,185	868,693	948,344
Social Security	325,114	320,734	333,403	314,399
Medicare Tax	76,080	75,450	77,969	73,541
Hospitalization	1,465,037	1,661,288	1,809,205	1,828,424
Life Insurance	15,467	24,596	26,380	25,657
Deferred Comp Contribution	0	0	0	0
Pension Healthcare	127,054	154,649	191,037	217,692
Personal Services Adjustment	0	0	(119,055)	(187,055)
TOTAL PERSONAL SERVICES	7,904,793	8,132,328	8,483,949	8,451,953
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	2,682	5,840	13,800	14,300
Communications & Utilities	1,737,834	1,060,031	1,070,066	840,300
Transportation	20	0	0	0
Rentals	261,997	200,921	108,000	158,000
Contracted Maintenance Repairs	871,992	935,449	954,400	1,110,400
Professional Fees	916,570	697,285	626,000	737,800
Other Fees	2,480,069	2,768,858	2,785,000	2,967,000
Memberships & Registrations	12,189	8,730	28,650	29,150
Miscellaneous Services	382,935	428,167	564,400	369,800
Office & General Supplies	2,536	10,842	16,890	14,650
Wearing Apparel & Safety Supplies	25,928	22,174	40,600	35,600
Miscellaneous Parts	115,177	84,741	130,866	137,200
Construction & Repairs	207,168	434,371	240,000	289,000
Equipment	10,775	46,829	23,000	20,000
Fixed Assets	0	5,670	31,950	31,950
Landfill Fees Rebate	(402,277)	0	0	0
TOTAL M., S. & E.	6,625,595	6,709,908	6,633,622	6,755,150

DEPARTMENT: PUBLIC WORKS**FUND: GENERAL**

	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
INTERNAL SERVICES				
Administrative Services	2,481,201	2,304,553	2,726,238	2,708,242
Self-Insurance	<u>565,481</u>	<u>356,872</u>	<u>510,527</u>	<u>510,527</u>
TOTAL INTERNAL SERVICES	3,046,682	2,661,426	3,236,765	3,218,768
DEBT SERVICE				
Amortized Bond Issuance Costs	0	0	0	0
Principal Payments	1,166,420	651,771	1,614,420	4,491,476
Interest Payments	<u>1,786,829</u>	<u>1,847,976</u>	<u>1,924,681</u>	<u>2,039,661</u>
TOTAL DEBT SERVICE	2,953,249	2,499,747	3,539,101	6,531,137
GENERAL FUND TOTAL	<u>20,530,319</u>	<u>20,003,409</u>	<u>21,893,437</u>	<u>24,957,008</u>

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

	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
PERSONAL SERVICES				
Regular Salaries	4,399,404	4,515,749	4,488,813	4,487,430
Temporary Salaries	0	0	0	0
Acting Out of Class	1,892	1,895	1,700	2,800
Shift Differential	5,440	5,946	7,000	6,000
Sick Leave Bonus	9,800	9,000	10,000	10,000
Overtime	550,515	584,136	652,500	652,500
Holiday Pay	6,584	8,095	6,500	7,000
Meal Allowance	12,790	17,982	24,600	21,100
Internet Reimbursements	2,285	0	0	0
Accrued Vacation Pay	(24,969)	60,338	0	0
Pension Contribution	502,689	576,807	789,042	890,956
Social Security	305,836	316,217	319,229	315,500
Medicare Tax	71,677	73,981	74,566	73,790
Hospitalization	1,080,568	1,228,514	1,416,711	1,429,434
Life Insurance	13,830	22,130	22,035	22,493
Pension Healthcare	101,917	119,346	158,876	183,458
Deferred Comp Contribution	280,936	346,356	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(1,979)</u>	<u>(1,976)</u>
TOTAL PERSONAL SERVICES	7,321,193	7,886,491	7,969,596	8,100,485

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

MATERIALS SUPPLIES & EQUIPMENT	ACTUAL FY 2010	ACTUAL FY 2011	BUDGET FY 2012	APPROVED FY 2013
Printing & Advertising	52,852	59,987	71,600	72,200
Communications & Utilities	1,510,048	1,145,861	1,436,074	1,536,800
Transportation	12,419	9,469	14,000	18,200
Rentals	13,133	9,267	21,112	13,260
Contracted Maintenance Repairs	4,386,426	4,547,553	7,311,800	7,313,300
Professional Fees	3,848,124	3,185,275	3,235,000	3,767,500
Other Fees	452,502	366,439	416,500	498,040
Memberships & Registrations	45,674	47,883	52,322	57,320
Miscellaneous Services	16,137,707	16,994,846	18,172,703	18,756,328
Office & General Supplies	10,700	10,942	15,044	15,200
Wearing Apparel & Safety Supplies	30,760	20,524	39,200	41,200
Miscellaneous Parts	224,352	282,424	405,360	413,360
Petroleum & Chemicals	709,083	566,892	1,056,500	1,063,500
Construction & Repairs	432,966	395,459	383,500	393,500
Supporting Services	2,507,976	2,507,976	2,507,976	2,507,976
Equipment	330,010	327,176	480,600	495,600
Fixed Assets	0	40,705	0	0
Testing and Inspection	0	0	25,000	25,000
Community Activities	223,729	182,270	160,000	160,000
Projects	0	(40,705)	0	0
TOTAL M., S. & E.	30,928,462	30,660,243	35,804,291	37,148,284
<u>INTERNAL SERVICES</u>				
Administrative Services	621,817	875,604	1,167,473	1,555,331
Self-Insurance	919,127	606,065	815,700	815,700
TOTAL INTERNAL SERVICES	1,540,944	1,481,670	1,983,173	2,371,032
<u>DEBT SERVICE</u>				
Amortized Bond Issuance Costs	89,064	155,209	132,024	132,023
Interest Payments	5,407,372	4,127,998	6,364,965	6,172,548
TOTAL DEBT SERVICE	5,496,437	4,283,208	6,496,989	6,304,571
<u>OTHER</u>				
Depreciation	6,430,187	7,037,054	6,627,426	6,627,426
TOTAL OTHER	6,430,187	7,037,054	6,627,426	6,627,426
WATER/SEWER FUND TOTAL	<u>51,717,223</u>	<u>51,348,666</u>	<u>58,881,475</u>	<u>60,551,798</u>

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

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Communications & Utilities	58,605	42,467	60,000	60,000
Transportation	24,804	24,089	31,500	35,000
Rentals	24,729	42,975	55,100	55,750
Contracted Maintenance Repairs	434,816	449,097	541,000	546,000
Professional Fees	89,265	89,501	100,000	120,000
Memberships & Registrations	886	614	2,500	2,500
Miscellaneous Services	1,749,641	1,719,093	1,838,000	1,911,000
Office & General Supplies	0	0	0	0
Miscellaneous Parts	5,476	8,630	11,000	6,000
Petroleum & Chemicals	979,729	1,242,595	1,084,000	1,386,000
Equipment	0	0	0	0
Fixed Assets	<u>5,284,898</u>	<u>2,579,228</u>	<u>3,200,000</u>	<u>3,200,000</u>
TOTAL M., S. & E.	8,652,849	6,198,289	6,923,100	7,322,250
<u>INTERNAL SERVICES</u>				
Administrative Service	58,540	124,041	80,019	77,763
Self-Insurance	<u>251,725</u>	<u>324,007</u>	<u>145,175</u>	<u>145,175</u>
TOTAL INTERNAL SERVICES	310,265	448,048	225,194	222,938
<u>DEBT SERVICE</u>				
Amortized Bond Issuance Cost	1,367	2,698	1,220	1,220
Interest Payments	<u>226,601</u>	<u>300,226</u>	<u>254,783</u>	<u>279,578</u>
TOTAL DEBT SERVICE	227,968	302,924	256,003	280,798
<u>OTHER</u>				
Capitalized Expenditures	(5,284,898)	(2,579,228)	(3,200,000)	(3,200,000)
Depreciation	<u>2,473,414</u>	<u>2,852,526</u>	<u>2,565,787</u>	<u>2,565,787</u>
TOTAL OTHER	(2,811,484)	273,298	(634,213)	(634,213)
MOTOR VEHICLE FUND TOTAL	<u>6,379,598</u>	<u>7,222,559</u>	<u>6,770,084</u>	<u>7,191,773</u>

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

MATERIALS, SUPPLIES & EQUIPMENT	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Communications & Utilities	89,491	890,234	890,234	890,234
Contracted Maintenance	0	0	0	0
Construction and Repairs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	89,491	890,234	890,234	890,234
MUNICIPAL STREET AID TOTAL	<u>89,491</u>	<u>890,234</u>	<u>890,234</u>	<u>890,234</u>

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 2013

- Increase public awareness of the Home Repair Loan Program to prevent major deterioration in existing properties.
- Increase homeownership opportunities in the City.
- Continue to support the redevelopment and upgrade of affordable rental housing in the City.
- Address neglected and vacant properties through acquisition, disposition, demolition and rehabilitation.
- Continue working with the Wilmington Housing Partnership (WHP) on housing projects in targeted neighborhood revitalization areas.
- Strengthen monitoring procedures to assure program compliance and meet all federal expenditure requirements.
- Enter program data into the One Roof Database system on a timely basis and increase utilization of the system as a management tool.
- Fulfill obligatory allocation, expenditure and reporting requirements for Neighborhood Stabilization (NSP), DeLead Wilmington, Homelessness Prevention and Rapid Re-Housing Program (HPRP), and Community Development Block Grant-Recovery (CDBG-R) Stimulus grants.
- Complete closeouts of the CDBG-R and HPRP programs.
- Continue to implement projects and activities that affirmatively further Fair Housing Choice, based on the current Statewide Fair Housing Analysis of Impediments (AI) Action Plan.
- Implement and market the components and details of the Multi-Family Housing Conversion Program.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF REAL ESTATE & HOUSING

TOTAL ALL FUNDS DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	1,229,717	1,234,522	1,302,131	1,295,449
Materials, Supplies & Equipment	297,371	249,732	235,122	211,850
Internal Services	140,063	149,556	194,679	239,579
Debt Service	470,663	762,384	824,023	844,602
Special Purpose	<u>2,962,618</u>	<u>2,622,840</u>	<u>3,266,299</u>	<u>2,802,010</u>
TOTAL	<u>5,100,432</u>	<u>5,019,034</u>	<u>5,822,254</u>	<u>5,393,490</u>
STAFFING LEVELS	17.00	17.00	16.00	15.00

GENERAL FUND DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	172,019	145,034	114,984	140,273
Materials, Supplies & Equipment	216,845	155,760	170,600	160,600
Internal Services	140,063	149,556	194,679	239,579
Debt Service	<u>470,663</u>	<u>762,384</u>	<u>824,023</u>	<u>844,602</u>
TOTAL	<u>999,590</u>	<u>1,212,734</u>	<u>1,304,286</u>	<u>1,385,054</u>
STAFFING LEVELS	2.43	1.83	1.35	1.55

COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG) DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	956,145	992,417	1,099,318	966,654
Materials, Supplies & Equipment	80,526	93,972	64,522	51,250
Special Purpose	<u>1,698,723</u>	<u>1,808,175</u>	<u>1,900,356</u>	<u>1,314,386</u>
TOTAL	<u>2,735,394</u>	<u>2,894,564</u>	<u>3,064,196</u>	<u>2,332,290</u>
STAFFING LEVELS	13.05	13.75	13.59	11.48

HOME PARTNERSHIP FUND DEPT OF REAL ESTATE & HOUSING	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Personal Services	78,653	72,554	64,948	41,171
Materials, Supplies & Equipment	0	0	0	0
Special Purpose	<u>533,029</u>	<u>30,362</u>	<u>592,102</u>	<u>578,976</u>
TOTAL	<u>611,682</u>	<u>102,916</u>	<u>657,050</u>	<u>620,147</u>
STAFFING LEVELS	1.21	1.11	0.8	0.49

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY2010	FY2011	FY2012	FY2013
Personal Services	19,972	21,452	20,241	19,378
Materials, Supplies & Equipment	0	0	0	0
Special Purpose	<u>625,656</u>	<u>679,616</u>	<u>674,081</u>	<u>672,148</u>
TOTAL	<u>645,628</u>	<u>701,068</u>	<u>694,322</u>	<u>691,526</u>
STAFFING LEVELS	0.27	0.27	0.23	0.20

EMERGENCY SHELTER GRANT (ESG)	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY2010	FY2011	FY2012	FY2013
Personal Services	2,928	3,065	2,640	25,191
Special Purpose	<u>105,210</u>	<u>104,687</u>	<u>99,760</u>	<u>236,500</u>
TOTAL	<u>108,138</u>	<u>107,752</u>	<u>102,400</u>	<u>261,691</u>
STAFFING LEVELS	0.04	0.04	0.03	0.26

NEIGHBORHOOD STABILIZATION PROGRAM GRANT (NSP)	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY2010	FY2011	FY2012	FY2013
Personal Services	0	0	0	91,192
Special Purpose	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>91,192</u>
STAFFING LEVELS	0.00	0.00	0.0	0.94

DE-LEAD GRANT	ACTUAL	ACTUAL	BUDGET	APPROVED
DEPT OF REAL ESTATE & HOUSING	FY2010	FY2011	FY2012	FY2013
Personal Services	0	0	0	11,590
Special Purpose	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,590</u>
STAFFING LEVELS	0.00	0.00	0.00	0.08

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

- Personal Services for the Real Estate & Housing Department increased \$25,289 (22.0%) in the General Fund for FY 2013. Due to federal budget cuts that reduced available HUD grant funding and caps on the percentage of grant funds that can be used on administrative costs (including salaries), three positions that were split-funded between the General Fund and Special Funds had to be reallocated, producing a net increase of 0.2 FTE and \$25,332 in the General Fund.
- MS&E decreased \$10,000 (5.9%) as the Department found opportunities to reduce expenses associated with property maintenance and repairs for properties not funded by federal grants, reducing Disposition Costs from \$160,000 to \$150,000, a 6.3% reduction.
- Data Processing increased \$44,500 (39.7%), as the Department expands its utilization of the Kronos timekeeping and management software to document staff hours worked on a by-project basis to comply with federal grant guidelines.
- Debt Service increased \$20,579 (2.5%) as Bond Principal Payments increased \$27,001 (7.7%), but were slightly off-set by a \$6,422 reduction in Interest Payments (1.4%).

CDBG MAJOR FUNDING CHANGES FROM PRIOR YEAR

- CDBG grant funding decreased \$96,899, or 4.36% below last year's allocation.

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

- For FY 2013, there were decreases in both HOME and HOPWA funding, with a \$47,795 (6.96%) reduction in HOPWA funding and a more substantial \$224,255 (34.75%) reduction in HOME Partnership funds.
- ESG funding, in contrast, increased \$84,578 (78.28%) due to a federal focus on homelessness prevention and rapid rehousing.

DEPARTMENT OF REAL ESTATE AND HOUSING

PERFORMANCE INDICATORS

Goal #1: Administer or fund housing programs to preserve existing occupied housing (including neighboring commercial facades); increase availability of affordable homeownership units through acquisition, rehab and support maintenance and development affordable rental housing.

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

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL*	FY 2013 PROJECTED
Home Repair Loan Program (CDBG/CDBG-R)	83	46	55	67	62
Housing Rehabilitation (State HRLP)	3	1	1	0	5
Acquisition and Rehabilitation for Homeownership	45	25	43	28	50
New Construction Home Ownership	59	14	48	7	18
Rental Housing (CDBG)	101	23	17	25	0
Tax Credit Projects (HOME/CDBG Rental)	55	0	47	12	35
Facade-Residential ¹	41	0	66	0	65
Facade-Commercial	2	5	0	0	5
De-Lead Delaware Unit Completions	35	29	0	0	0
De-Lead Wilmington Unit Completions	0	0	97	0	99
NSP Housing Assistance Grants	0	0	30	39	0
Total Occupied Rehabs	424	143	404	178	339

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

¹Residential Façade Project was delayed, projected to be completed early FY13

DEPARTMENT OF REAL ESTATE AND HOUSING

PERFORMANCE INDICATORS

Goal #2: Acquire and dispose of vacant properties.

Objective: Eliminate slum and blighted properties that contribute to substandard living conditions and to stimulate housing development.

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Vacant Properties Acquired	32	16	20	9	12
Vacant Properties Disposed	20	21	20	3	10
Structures and Lots in the Property Inventory	170	162	162	168	170
Units Demolished*	12	18	17	7	5

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

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

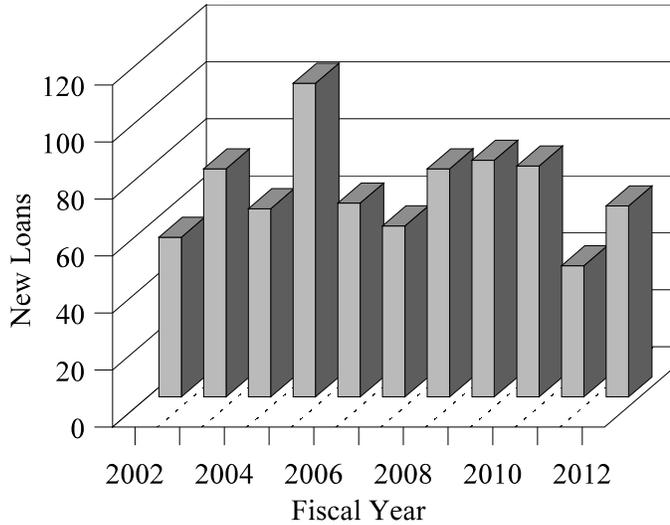
Objective: Administer funding for 27 Homeless and Transitional Housing, Fair Housing and related public service projects.

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

CRITICAL INDICATOR	FY 2011 PROJECTED	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2012 ACTUAL	FY 2013 PROJECTED
Homeless/Transitional Housing Grant (CDBG, ESG & HOPWA)	22	22	19	18	21
Fair Housing Grants (CDBG)	2	2	1	4	2
Miscellaneous Public Service and Admin. Projects	5	5	3	4	2
Miscellaneous Public Facilities Projects	10	3	6	3	2
HPRP and TANF Grants	0	12	2	2	0
Total Number of Contracts	39	44	31	31	27

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. Includes \$70,100 in CDBG-R ARRA funds

Public Service/Public Facility Grants

(In thousands of dollars)

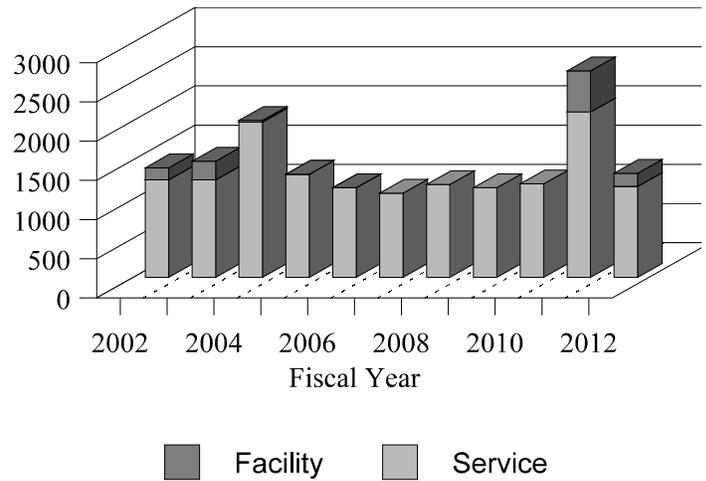
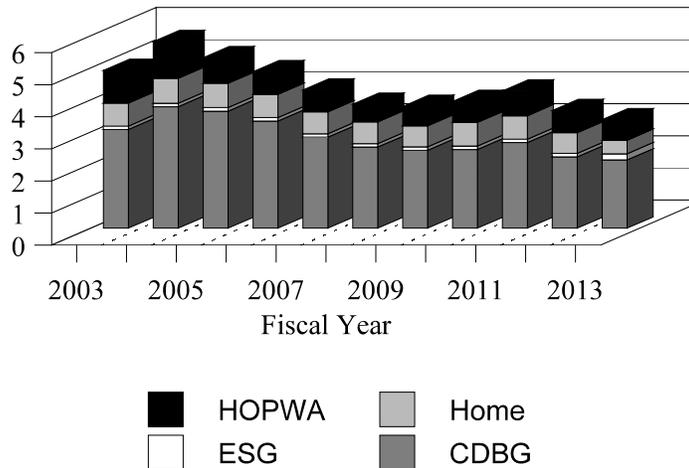


Chart represents federally-funded public services and administration grants.

Federal Funding Levels (In millions of dollars)



While there was a significant increase in ESG funding, overall Federal allocation decreased approximately 10% from FY 2012 levels (CDBG, HOPWA and HOME).

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: REAL ESTATE & HOUSING

FUND: GENERAL

	ACTUAL	ACTUAL	BUDGET	APPROVED
PERSONAL SERVICES	FY2010	FY2011	FY2012	FY2013
Regular Salaries	122,940	102,266	83,621	99,231
Sick Leave Bonus	300	800	0	0
Overtime	(370)	(200)	0	0
Internet Reimbursements	384	0	0	0
Pension Contribution	14,957	12,780	14,119	18,684
Social Security	7,514	6,378	5,181	6,050
Medicare Tax	1,757	1,492	1,212	1,414
Hospitalization	21,204	18,965	17,073	20,396
Life Insurance	349	414	292	354
Pension Healthcare	2,984	2,139	2,093	2,751
Deferred Comp Contribution	0	0	0	0
Personal Services Adjustment	<u>0</u>	<u>0</u>	<u>(8,607)</u>	<u>(8,607)</u>
TOTAL PERSONAL SERVICES	172,019	145,034	114,984	140,273
 <u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Communications & Utilities	4,736	1,709	1,000	1,000
Printing & Advert	0	4,051	3,600	3,600
Miscellaneous Services	4,811	2,657	6,000	6,000
Equipment	0	0	0	0
Community Activities	<u>207,298</u>	<u>147,343</u>	<u>160,000</u>	<u>150,000</u>
TOTAL M., S. & E.	216,845	155,760	170,600	160,600
 <u>INTERNAL SERVICES</u>				
Administrative Services	137,900	148,153	192,742	237,643
Self-Insurance	<u>2,163</u>	<u>1,402</u>	<u>1,937</u>	<u>1,937</u>
TOTAL INTERNAL SERVICES	140,063	149,556	194,679	239,579
 <u>DEBT SERVICE</u>				
Principal Payments	43,697	258,059	348,786	375,787
Interest Payments	<u>426,966</u>	<u>504,325</u>	<u>475,237</u>	<u>468,815</u>
TOTAL DEBT SERVICE	470,663	762,384	824,023	844,602
 GENERAL FUND TOTAL				
	<u>999,590</u>	<u>1,212,734</u>	<u>1,304,286</u>	<u>1,385,054</u>

DEPARTMENT: REAL ESTATE & HOUSING

FUND: CDBG

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Regular Salaries	708,855	701,448	738,070	642,550
Temporary Salaries	3,840	6,465	2,500	2,000
Overtime	0	935	0	0
Internet Reimbursements	105	0	0	0
Pension Contribution	76,578	88,435	127,827	119,730
Social Security	43,615	43,235	45,532	39,316
Medicare Tax	10,200	10,111	10,649	9,197
Hospitalization	98,518	123,973	149,210	130,860
Personal Services Adjustment	0	0	2,500	0
Pension-Healthcare	12,342	14,649	20,213	20,377
Life Insurance	<u>2,092</u>	<u>3,166</u>	<u>2,817</u>	<u>2,624</u>
TOTAL PERSONAL SERVICES	956,145	992,417	1,099,318	966,654
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Printing & Advertising	5,970	2,129	5,000	6,450
Communications and Utilities	0	1,792	0	0
Transportation	2,270	6,346	8,072	7,400
Rentals	0	0	200	0
Professional Fees	45,175	54,442	20,000	20,000
Other Fees	1,541	3,434	4,500	4,000
Memberships & Registrations	6,363	4,090	6,750	3,700
Miscellaneous Services	8,591	15,277	8,000	0
Office & General Supplies	3,007	1,706	3,500	3,050
Wearing Apparel & Safety	4,109	4,219	6,000	5,400
Equipment	3,500	537	2,500	1,250
Community Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	80,526	93,972	64,522	51,250
<u>SPECIAL PURPOSE</u>				
Grants & Fixed Charges	<u>1,698,723</u>	<u>1,808,175</u>	<u>1,900,356</u>	<u>1,314,386</u>
TOTAL SPECIAL PURPOSE	1,698,723	1,808,175	1,900,356	1,314,386
CDBG FUND TOTAL	<u>2,735,394</u>	<u>2,894,564</u>	<u>3,064,196</u>	<u>2,332,290</u>

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Property Repair Program			700,000	700,000
Disposition & Property Management			30,000	0
Residential Facade Program			150,000	0
Rental Conversion Pilot Program			125,000	0
Ingleside Housing Project			0	93,000
Delaware Center for Horticulture Street Trees			90,000	81,000
Miscellaneous Housing Projects			276,870	93,456
YWCA Delaware			79,120	79,120
DE Community Reinvestment Action Council			10,044	15,000
Neighborhood House, Inc			19,504	19,000
Sojourner's Place, Inc			0	20,000
West End Neighborhood House			30,411	25,000
Challenge Program			46,000	40,000
Salvation Army			0	7,500
Catholic Charities			0	16,679
Lutheran Community Services			40,317	35,000
Catholic Charities			27,140	31,778
Fair Housing			10,000	5,000
Homeless Planning Council			15,000	0
Interfaith Community Housing			13,020	0
Ministry of Caring/Hope House I			22,457	0
Ministry of Caring/House of Joseph			12,800	0
WEDCO Loan Collections			10,000	7,000
YMCA			36,800	30,880
Delaware Center for Justice			18,400	0
Budget Control Set-Aside			137,473	14,973
FY2010 Expenditures	1,698,723		0	0
FY2011 Expenditures	<u> </u>	<u>1,808,176</u>	<u>0</u>	<u>0</u>
GRANTS & FIXED CHARGES TOTAL	<u>1,698,723</u>	<u>1,808,176</u>	<u>1,900,356</u>	<u>1,314,386</u>

DEPARTMENT: REAL ESTATE & HOUSING

FUND: HOME PARTNERSHIP

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Regular Salaries	60,629	53,991	45,931	28,586
Pension Contribution	6,177	6,728	7,395	5,288
Social Security	3,635	3,225	2,848	1,745
Medicare Tax	850	754	666	408
Hospitalization	6,052	6,470	6,695	4,161
Pension-Healthcare	1,094	1,134	1,240	113
Life Insurance	<u>216</u>	<u>252</u>	<u>173</u>	<u>870</u>
TOTAL PERSONAL SERVICES	<u>78,653</u>	<u>72,554</u>	<u>64,948</u>	<u>41,171</u>
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Miscellaneous Projects	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL M., S. & E.	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>SPECIAL PURPOSE</u>				
Grants & Fixed Charges	<u>533,029</u>	<u>30,362</u>	<u>592,102</u>	<u>578,976</u>
TOTAL SPECIAL PURPOSE	<u>533,029</u>	<u>30,362</u>	<u>592,102</u>	<u>578,976</u>
HOME PARTNERSHIP FUND TOTAL	<u>611,682</u>	<u>102,916</u>	<u>657,050</u>	<u>620,147</u>

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
CHDO Set-aside			96,801	63,163
HOME Proposed Housing Projects			484,005	515,813
Budget Control Set-Aside			11,296	0
FY2010 Expenditures	533,029		0	0
FY2011 Expenditures	<u> </u>	<u>30,362</u>	<u>0</u>	<u>0</u>
GRANTS & FIXED CHARGES TOTAL	<u>533,029</u>	<u>30,362</u>	<u>592,102</u>	<u>578,976</u>

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Regular Salaries	14,001	14,981	13,419	11,857
Pension Contribution	1,488	1,897	2,160	2,193
Social Security	862	917	832	720
Medicare Tax	202	214	195	168
Hospitalization	3,098	3,036	3,228	4,039
Pension-Healthcare	273	331	357	355
Life Insurance	49	76	50	46
TOTAL PERSONAL SERVICES	19,972	21,452	20,241	19,378
<u>MATERIALS, SUPPLIES & EQUIPMENT</u>				
Professional Fees	0	0	0	0
TOTAL M. S. & E.	0	0	0	0
<u>SPECIAL PURPOSE</u>				
Grants & Fixed Charges	625,656	679,616	674,081	672,148
TOTAL SPECIAL PURPOSE	625,656	679,616	674,081	672,148
HOPWA FUND TOTAL	645,628	701,068	694,322	691,526

GRANTS & FIXED CHARGES DETAIL	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Delaware HIV Services, Inc.			480,243	487,048
Ministry of Caring-House of Joseph II			57,400	57,400
HOPWA			0	0
Catholic Charities			48,500	48,500
Connections Community Support Program			40,200	40,200
Cecil County Emergency Housing			40,000	39,000
Budget Control Set-Aside			7,738	0
FY2010 Expenditures	625,656		0	0
FY2011 Expenditures		679,616	0	0
GRANTS & FIXED CHARGES TOTAL	625,656	679,616	674,081	672,148

DEPARTMENT: REAL ESTATE & HOUSING

FUND: EMERGENCY SHELTER GRANT

PERSONAL SERVICES	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Regular Salaries	2,101	2,173	1,750	15,413
Pension Contribution	234	282	282	2,851
Social Security	129	133	109	936
Medicare Tax	30	31	25	219
Hospitalization	386	387	421	5,250
Pension Healthcare	41	48	47	462
Deferred Comp Contribution	0	0	0	0
Life Insurance	7	11	6	60
TOTAL PERSONAL SERVICES	<u>2,928</u>	<u>3,065</u>	<u>2,640</u>	<u>25,191</u>
<u>SPECIAL PURPOSE</u>				
Miscellaneous Projects	<u>105,210</u>	<u>104,687</u>	<u>99,760</u>	<u>236,500</u>
TOTAL SPECIAL PURPOSE	<u>105,210</u>	<u>104,687</u>	<u>99,760</u>	<u>236,500</u>
EMERGENCY SHELTER GRANT FUND TOTAL	<u>108,138</u>	<u>107,752</u>	<u>102,400</u>	<u>261,691</u>
	ACTUAL	ACTUAL	BUDGET	APPROVED
GRANTS & FIXED CHARGES DETAIL	FY2010	FY2011	FY2012	FY2013
Catholic Charities, Inc.			65,000	236,500
Ministry of Caring/Hope II and III			32,290	
ESG			7,517	
Budget Control Reduction			(5,047)	
FY2010 Expenditures	105,210		0	0
FY2011 Expenditures	<u>0</u>	<u>104,687</u>	<u>0</u>	<u>0</u>
GRANTS & FIXED CHARGES TOTAL	<u>105,210</u>	<u>104,687</u>	<u>99,760</u>	<u>236,500</u>



DEPARTMENT OF COMMERCE

Prior to its restructuring in 1995, the Department of Commerce promoted and developed commerce and industry within the City of Wilmington along with managing and marketing the Port of Wilmington as a self-sufficient business entity. Although the Port was profitable, the City could no longer afford the infrastructure improvements necessary to maintain its competitiveness and profitability. Consequently, the City successfully negotiated a sale of the Port which placed it under the auspices of the State of Delaware, effective September 1, 1995. By agreement, the City retained the debt of the previous existing Commerce Fund, but it was reimbursed for both principal and interest by the State along with a "mortgage" payment based on a 30-year amortization of the sale price.

Then, in February of 2002, the Port and City entered into another agreement, whereby a lump sum payment of \$8 million was given to the City by the State Transportation Fund as final consideration and in lieu of all future outstanding payments due to the City as a result of the Fiscal Year 1996 sale. As a result, all future annual mortgage payments by the Port were wiped out and all future annual amortized gain figures were recalculated and then re-amortized from Fiscal Year 2002 to Fiscal Year 2005. However, the reimbursement of debt was not affected by this new agreement.

In FY 2009 the remaining balance of the Commerce Fund was depleted. As a result, beginning in FY 2010 all Port debt service and reimbursement revenue from the State were budgeted into the General Fund.

SUMMARY OF FUNDING FOR THE DEPARTMENT OF COMMERCE

TOTAL ALL FUNDS DEPARTMENT OF COMMERCE	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Debt Service	<u>3,640,792</u>	<u>1,178,833</u>	<u>2,096,986</u>	<u>1,263,590</u>
TOTAL	<u>3,640,792</u>	<u>1,178,833</u>	<u>2,096,986</u>	<u>1,263,590</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

GENERAL FUND DEPARTMENT OF COMMERCE	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Debt Service	<u>3,640,792</u>	<u>1,178,833</u>	<u>2,096,986</u>	<u>1,263,590</u>
TOTAL	<u>3,640,792</u>	<u>1,178,833</u>	<u>2,096,986</u>	<u>1,263,590</u>
STAFFING LEVELS	0.00	0.00	0.00	0.00

DEPARTMENTAL BUDGET DETAIL BY FUND

DEPARTMENT: COMMERCE

FUND: GENERAL

DEBT SERVICE	ACTUAL FY2010	ACTUAL FY2011	BUDGET FY2012	APPROVED FY2013
Principal Payments	3,131,865	672,968	1,653,963	868,066
Interest Payments	<u>508,927</u>	<u>505,865</u>	<u>443,023</u>	<u>395,524</u>
TOTAL DEBT SERVICE	3,640,792	1,178,833	2,096,986	1,263,590
 GENERAL FUND TOTAL	 <u>3,640,792</u>	 <u>1,178,833</u>	 <u>2,096,986</u>	 <u>1,263,590</u>

CAPITAL IMPROVEMENTS PROGRAM
AND
CAPITAL BUDGET
FOR
FISCAL YEARS 2012 - 2017

THE CAPITAL IMPROVEMENTS PROGRAM

I. Introduction

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

The Capital Improvements Program and Budget provide a schedule of expenditures to develop and improve the public facilities necessary to serve those who live and work in Wilmington. The projects reflect the physical development policies of the City, such as Comprehensive Development Plans, Urban Renewal Plans, etc. This document describes the development of a Capital Program; the statutory basis for the preparation of the Capital Program; and an explanation of the capital projects proposed for the FY 2012 - FY 2017 period.

II. A Guide to the Capital Improvements Program

A. Development of a Capital Program

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

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

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

B. Nature of a Capital Project

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

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

Percent Allocation to Art: Municipal construction contracts let by the city for the construction of or remodeling of public buildings or structures shall include a sum of money amounting to five percent of the estimated construction cost of the building or structure, for ornamentation. Ornamentation includes, but is not limited to, sculpture, monuments, bas relief, mosaics, frescoes, stained glass, murals, fountains or other decoration, both exterior and interior, having a period of usefulness of at least five years. In the event the five percent sum is not used for the incorporation of ornamentation in the construction project, it shall be placed in the art work reserve fund. Eligible construction contracts means a capital project greater than \$25,000 identified in the annual capital budget to construct or remodel any public building or structure including parks, or any portion thereof, within the city limits. This shall not include construction, repair or alteration of city streets or sidewalks.

C. The City's Financial Policy for the Capital Program

The following are the major elements that determine how much money the City can legally borrow and how it will pay for specific projects:

1. Fiscal Borrowing Limit

Legislation enacted by the Delaware General Assembly on July 7, 1971 amended the general obligation bond limit of the City of Wilmington to permit a debt service which does not exceed 17.5 percent of the annual operating budget. Because the bonds issued for the sewage treatment and water facilities are revenue supported, they are not subject to this limitation.

2. Self-Sustaining Projects

A clear distinction is made in the Capital Program between tax-supporting and self-sustaining (revenue) projects. Self-sustaining projects are part of any operation which will generate sufficient revenues to cover its debt service (water and sewer service, for example). Although the debt service on these bonds is paid from the various operating revenues, the bonds are secured by the City's full taxing authority, and thus are actually a special form of general obligation bonds.

3. Bond Life

The City generally limits its borrowing to 20 years for all tax supported and revenue obligations. However, under special circumstances, 5 or 10 year bonds have been, and can be, issued.

D. Expenditure Analysis

Capital spending projects generally are within the following four categories:

1. New Service

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

2. New Replacing Existing

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

3. Upgrading Existing

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

4. **Restoring Existing**

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

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

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

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

The restoration of existing facilities is general 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 2012 - FY 2017

The proposed six year Capital Budget and Capital Improvements Program, as presented in City Planning Commission Resolution 9-12, totals \$253,641,000, with the FY 2012 Capital Budget in the amount of \$108,537,000 and the additional five year program adding \$145,104,000. 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 cost that would result from bonds issued to fund the Capital Budget would be \$5,279,325.

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.

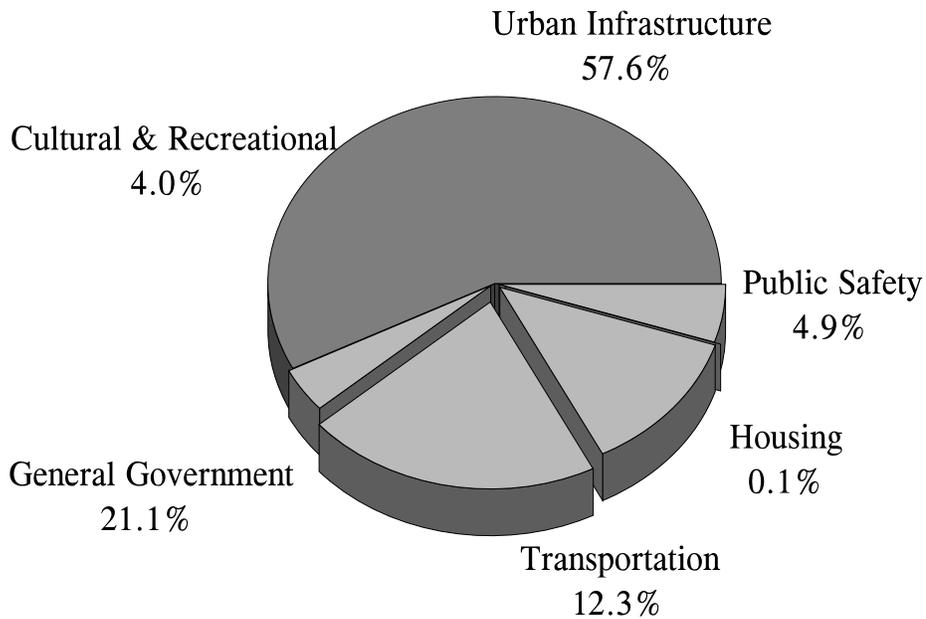
Estimated Annual Impact of Capital Spending on the Operating Budget

Department	Fund	Debt Service	Personal Services	M. S. & E.	Total
Finance	General	\$79,150	\$0	\$0	\$79,150
	Water/Sewer	74,790	0	0	74,790
	Internal Service	945			945
Fire	General	355,260	0	(5,000)	350,260
Mayor's Office	General	1,371,991	0	0	1,371,991
	Internal Service	31,500		0	31,500
Parks & Recreation	General	235,312	0	8,000	243,312
Police	General	49,660	0	4,000	53,660
Public Works	General	389,640	0	(80,000)	309,640
	Water/Sewer	2,427,497	0	(2,349,811)	77,686
Real Estate & Housing	General	11,460	0	0	11,460
Transportation	General	252,120	0	0	252,120
TOTAL		\$5,279,325	\$0	(\$2,422,811)	\$2,856,514

FUND		Debt Service	Personal Services	M. S. & E.	Total
General		\$2,744,593	\$0	(\$73,000)	\$2,671,593
Water/Sewer		2,502,287	0	(2,349,811)	152,476
Internal Service		32,445	0	0	32,445
TOTAL		\$5,279,325	\$0	(\$2,422,811)	\$2,856,514

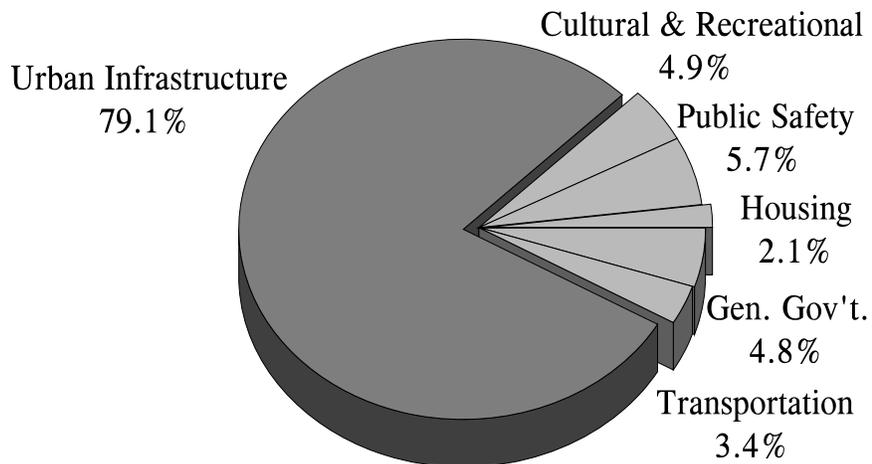
Capital Budget Allocations

Fiscal Years 2012-2013



Capital Program Allocations

Fiscal Years 2014-2017



CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(000 omitted)

SUMMARY: TOTAL FUNDS RECOMMENDED BY FISCAL YEAR AND DEPARTMENT

NAME OF DEPARTMENT	TYPE OF FUNDING	FISCAL YEARS						TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2012	2013	2014	2015	2016	2017	
FINANCE	G	1,036	0	760	0	723	0	2,519
	W	1,662	0	1,607	0	1,119	0	4,388
	I	21	0	0	0	0	0	21
FIRE	G	4,650	0	3,750	0	4,035	0	12,435
OFFICE OF THE MAYOR	G	17,958	0	1,500	0	1,250	0	20,708
	I	700	0	0	0	0	0	700
	O	1,530	0	0	0	0	0	1,530
PARKS AND RECREATION	G	3,080	0	3,880	0	2,630	0	9,590
	O	1,300	0	300	0	300	0	1,900
POLICE	G	650	0	250	0	250	0	1,150
PUBLIC WORKS	G	5,100	0	12,000	0	12,000	0	29,100
	W	55,400	0	53,550	0	37,300	0	146,250
	O	2,000	0	0	0	0	0	2,000
REAL ESTATE & HOUSING	G	150	0	1,500	0	1,500	0	3,150
TRANSPORTATION	G	3,300	0	2,450	0	2,450	0	8,200
	O	10,000	0	0	0	0	0	10,000
TOTAL BY FUND	G	35,924	0	26,090	0	24,838	0	86,852
	O	14,830	0	300	0	300	0	15,430
	W	57,062	0	55,157	0	38,419	0	150,638
	I	721	0	0	0	0	0	721
GRAND TOTAL		108,537	0	81,547	0	63,557	0	238,211

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

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(000 omitted)

SUMMARY: TOTAL FUNDS RECOMMENDED BY EXPENDITURE TYPE

NAME OF DEPARTMENT	Exp. Cat.	FISCAL YEARS						TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2012	2013	2014	2015	2016	2017	
FINANCE	NS	136	0	189	0	74	0	399
	NR	162	0	119	0	129	0	410
	UE	2,000	0	1,041	0	774	0	3,815
	RE	421	0	1,018	0	865	0	2,304
FIRE	NR	3,650	0	2,000	0	2,285	0	7,935
	RE	1,000	0	1,750	0	1,750	0	4,500
OFFICE OF THE MAYOR	NS	2,488	0	1,000	0	1,000	0	4,488
	UE	15,800	0	500	0	250	0	16,550
	NR	1,900	0	0	0	0	0	370
PARKS AND RECREATION	NS	500	0	1,100	0	100	0	1,700
	UE	1,580	0	1,730	0	1,480	0	4,340
	RE	2,300	0	1,350	0	1,350	0	3,550
POLICE	UE	650	0	250	0	250	0	1,150
PUBLIC WORKS	NS	1,800	0	2,750	0	500	0	5,050
	NR	2,700	0	0	0	0	0	2,700
	UE	47,900	0	31,800	0	22,800	0	102,500
	RE	10,100	0	31,000	0	26,000	0	67,100
REAL ESTATE & HOUSING	NS	0	0	1,000	0	1,000	0	2,000
	UE	150	0	500	0	500	0	1,150
TRANSPORTATION	NR	12,750	0	2,000	0	2,000	0	6,750
	UE	550	0	450	0	450	0	1,450
TOTAL BY EXPENDITURE CATEGORY		4,924	0	6,039	0	2,674	0	13,637
NS	NR	21,162	0	4,119	0	4,414	0	18,165
UE	RE	68,630	0	36,271	0	26,504	0	128,955
RE		13,821	0	35,118	0	29,965	0	77,454
GRAND TOTAL		108,537	0	81,547	0	63,557	0	238,211

Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 216-217)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(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	
	2012	2013	2014	2015	2016	2017			
Cost of Bond Issue (General Fund)	G	1,036	0	760	0	723	0	2,519	2,519
Cost of Bond Issue (Water/Sewer Fund)	W	1,662	0	1,607	0	1,119	0	4,388	4,388
Cost of Bond Issue (Internal Service Fund)	I	21	0	0	0	0	0	21	21
TOTAL BY FUND									
	G	1,036	0	760	0	723	0	2,519	2,519
	W	1,662	0	1,607	0	1,119	0	4,388	4,388
	I	21	0	0	0	0	0	21	21
TOTAL FINANCE FUNDS		2,719	0	2,367	0	1,842	0	6,928	6,928

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

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(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
			2012	2013	2014	2015	2016	2017		
Station 5 Replacement	NR	G	2,900	0	0	0	0	0	2,900	2,900
Fire Station Renovations	RE	G	1,000	0	1,750	0	1,750	0	4,500	4,500
Apparatus Replacement	NR	G	750	0	2,000	0	2,000	0	4,750	4,750
Ambulance Replacement	NR	G	0	0	0	0	285	0	285	285
TOTAL BY FUND		G	4,650	0	3,750	0	4,035	0	12,435	12,435
TOTAL FIRE FUNDS			4,650	0	3,750	0	4,035	0	12,435	12,435

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 216-217)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(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
			2012	2013	2014	2015	2016	2017		
Acquisition & Site Improvements	NS	G	0	0	1,000	0	1,000	0	2,000	2,000
Market St. Upstairs Project	UE	G	15,100	0	500	0	250	0	15,850	15,850
Rock Manor Clubhouse	NS	G	2,200	0	0	0	0	0	2,200	2,200
Five Percent For Art	NS	G	288	0	0	0	0	0	288	288
Emergency Operations Command Center	NR	G	370	0	0	0	0	0	370	370
		O	1,530	0	0	0	0	0	0	1,530
Computer System Upgrades	UE	I	700	0	0	0	0	0	700	700
TOTAL BY FUND		G	17,958	0	1,500	0	1,250	0	20,708	20,708
		I	700	0	0	0	0	0	700	700
		O	1,530	0	0	0	0	0	0	1,530
TOTAL MAYOR'S OFFICE FUNDS			20,188	0	1,500	0	1,250	0	21,408	22,938

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 216-217)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(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
			2012	2013	2014	2015	2016	2017		
Playground Improvements	UE	G	300	0	300	0	300	0	900	900
	UE	O	150	0	150	0	150	0	0	450
Athletic Court Renovations	RE	G	300	0	300	0	300	0	900	900
	RE	O	100	0	100	0	100	0	0	300
Spencer Plaza Renovations	UE	G	750	0	750	0	500	0	2,000	2,000
Swimming Pool Improvements	RE	G	400	0	500	0	500	0	1,400	1,400
	RE	O	50	0	50	0	50	0	0	150
East 7th St. Boat Ramp Repair	RE	G	50	0	0	0	0	0	50	50
	RE	O	1,000	0	0	0	0	0	0	1,000
Anderson Community Center Improvements	UE	G	200	0	300	0	300	0	800	800
County Park Recovery	UE	G	150	0	200	0	200	0	550	550
Plaza, Squares and Monument Improvements	RE	G	200	0	200	0	200	0	600	600
Park Signage	UE	G	30	0	30	0	30	0	90	90
Fencing	RE	G	200	0	200	0	200	0	600	600
Southbridge Community Gymnasium	NS	G	250	0	0	0	0	0	250	250
Spray Parks	NS	G	0	0	1,000	0	0	0	1,000	1,000
Wilmington Beautification Commission	NS	G	0	0	100	0	100	0	200	200
Skateboard Park	NS	G	250	0	0	0	0	0	250	250
TOTAL BY FUND		G	3,080	0	3,880	0	2,630	0	9,590	9,590
		O	1,300	0	300	0	300	0	0	1,900
TOTAL PARKS AND RECREATION FUNDS			4,380	0	4,180	0	2,930	0	9,590	11,490

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 216-217)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(000 omitted)

POLICE DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS						TOTAL CITY FUNDS 6 YEAR PERIOD	TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2012	2013	2014	2015	2016	2017		
UE	G	400	0	250	0	250	0	900	900
UE	G	250	0	0	0	0	0	250	250
TOTAL BY FUND		650	0	250	0	250	0	1,150	1,150
TOTAL POLICE FUNDS		650	0	250	0	250	0	1,150	1,150

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 216-217)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(000 omitted)

PUBLIC WORKS DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

	Exp. Cat.	TYPE OF FUNDING	FISCAL YEARS						TOTAL LOCAL AND MATCHING 6 YEAR PERIOD	
			2012	2013	2014	2015	2016	2017		TOTAL CITY FUNDS 6 YEAR PERIOD
Street Paving & Reconstruction	RE	G	4,000	0	10,000	0	10,000	0	24,000	24,000
Brick Crosswalk Reconstruction	RE	G	0	0	500	0	500	0	1,000	1,000
Building Improvements	RE	G	900	0	1,000	0	1,000	0	2,900	2,900
Emergency Sidewalk Renovations	RE	G	200	0	500	0	500	0	1,200	1,200
Major Sewer Improvements	RE	W	1,500	0	4,000	0	4,000	0	9,500	9,500
Annual Minor Sewer Improvements	UE	W	1,500	0	1,500	0	1,500	0	4,500	4,500
Stormwater Drainage Projects	UE	W	1,500	0	1,800	0	1,800	0	5,100	5,100
Storm Water Mitigation	NS	W	0	0	750	0	0	0	750	750
Interceptor BA Reconstruction/Upgrade	RE	W	0	0	5,000	0	0	0	5,000	5,000
Force Main Sampling & Flow Monitoring	NS	W	1,500	0	1,500	0	0	0	3,000	3,000
Kentmere & Union CSO	UE	W	1,200	0	0	0	0	0	1,200	1,200
Urban Forest Management Program	NS	W	300	0	500	0	500	0	1,300	1,300
Sewer Separation Projects & Flow Monitoring	UE	W	0	0	3,500	0	0	0	3,500	3,500
Porter Filter Plant Improvements	RE	W	0	0	2,000	0	2,000	0	4,000	4,000
Pumping Station Improvements	UE	W	2,000	0	4,000	0	2,000	0	8,000	8,000
Raw Water Distribution Improvements	RE	W	0	0	3,000	0	3,000	0	6,000	6,000
Large Meter Replacement	UE	W	0	0	1,000	0	1,000	0	2,000	2,000
Pressure Zone Reliability Improvements	UE	W	0	0	1,000	0	0	0	1,000	1,000

continued

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(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
		2012	2013	2014	2015	2016	2017		
RE	W	3,500	0	5,000	0	5,000	0	13,500	13,500
UE	W	500	0	2,000	0	2,000	0	4,500	4,500
UE	W	0	0	10,000	0	8,000	0	18,000	18,000
UE	O	2,000	0	0	0	0	0	0	2,000
UE	W	500	0	2,500	0	0	0	3,000	3,000
UE	W	2,500	0	2,500	0	0	0	5,000	5,000
UE	W	1,000	0	2,000	0	2,000	0	5,000	5,000
UE	W	0	0	0	0	4,500	0	4,500	4,500
NR	W	2,700	0	0	0	0	0	2,700	2,700
UE	W	35,200	0	0	0	0	0	35,200	35,200
TOTAL BY FUND		G 5,100	0	12,000	0	12,000	0	29,100	29,100
		W 55,400	0	53,550	0	37,300	0	146,250	146,250
		O 2,000	0	0	0	0	0	0	2,000
TOTAL PUBLIC WORKS FUNDS		62,500	0	65,550	0	49,300	0	175,350	177,350

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 216-217)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(000 omitted)

REAL ESTATE & HOUSING DEPARTMENT: PROGRAM RECOMMENDATION BY FISCAL YEAR

Exp. Cat.	Type of Funding	FISCAL YEARS						TOTAL LOCAL FUNDS 6 YEAR AND MATCHING 6 YEAR PERIOD
		2012	2013	2014	2015	2016	2017	
NS	G	0	0	1,000	0	1,000	0	2,000
UE	G	150	0	500	0	500	0	1,150
TOTAL BY FUND	G	150	0	1,500	0	1,500	0	3,150
TOTAL REAL ESTATE & HOUSING FUNDS		150	0	1,500	0	1,500	0	3,150

Type of Funding: G - General; W - Water/Sewer; O - Other Governmental; I - Internal Service
Expenditure Category (Exp. Cat.): NS - New Service; NR - New Replace Existing; UE - Upgrade Existing; RE - Restore Existing (See Pages 216-217)

CAPITAL IMPROVEMENTS PROGRAM
FISCAL YEARS 2012-2017
(000 omitted)

Exp. Cat.	TRANSPORTATION DIVISION: PROGRAM RECOMMENDATION BY FISCAL YEAR	FISCAL YEARS						TOTAL LOCAL AND MATCHING 6 YEAR PERIOD
		2012	2013	2014	2015	2016	2017	
	TYPE OF FUNDING	TOTAL CITY FUNDS 6 YEAR PERIOD						
Traffic System Infrastructure	UE G	550	0	450	0	450	0	1,450
Wilmington Transportation Initiatives	NR G	2,250	0	2,000	0	2,000	0	6,250
	NR O	8,000	0	0	0	0	0	8,000
Bridge Improvements	NR G	500	0	0	0	0	0	500
	O	2,000	0	0	0	0	0	2,000
TOTAL BY FUND		3,300	0	2,450	0	2,450	0	8,200
		10,000	0	0	0	0	0	10,000
TOTAL TRANSPORTATION FUNDS		13,300	0	2,450	0	2,450	0	18,200

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 216-217)

III. CAPITAL PROJECT DESCRIPTIONS - FISCAL YEARS 2012 - 2017

A. DEPARTMENT OF FINANCE

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

B. FIRE DEPARTMENT

1. Station #5 Replacement

Budget Request: \$2,900,000.
Program Request: \$0.

Budget: Provides funding for the completion of a state of the art Fire Station #5, which is being incorporated into the Lincoln Towers Apartments development through a partnership with Wilmington Housing Authority. Costs will include land acquisition; design, engineering and construction; and relocation expenses.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$221,560</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: \$3,500,000.

Budget: Provides funding for planned building renovations to Station #2 (A Street & New Castle Avenue), to include upgrades to the HVAC systems, living areas, apparatus areas, and restrooms.

Program: Ongoing program to upgrade Fire Stations #3, #4, and #6.

<i>Annual Debt Service Impact</i>	<i>\$76,400</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>(\$5,000)</i>

3. Apparatus Replacement

Budget Request: \$750,000.
Program Request: \$4,000,000.

Budget: Provides funds for the replacement of two Engine Pumpers

Program: Ongoing replacement of aging equipment used for fire calls and emergency medical response, as they reach their service expectancy. Equipment includes Tower Ladders, SkyBoom Engine Pumpers, and Engine Pumpers.

<i>Annual Debt Service Impact</i>	\$57,300
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

4. Ambulance Replacement

Budget Request: \$0.
Program Request: \$285,000.

Budget: None.

Program: The purpose of this program is to provide for the replacement of three 2006 Ford X Ambulance E-350 rescue units (Rescue 2, 3 and 6), due to age and continued maintenance requirements.

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

C. OFFICE OF THE MAYOR

1. Acquisition and Site Improvements

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

Budget: None.

Program: The purpose of this program is to leverage private redevelopment opportunities throughout the City, through activities such as land acquisition, construction of new roads and utilities, and site preparation work, including environmental remediation. And also to create a strategic fund for attracting new businesses and retaining existing business that will employ large numbers in targeted sectors.

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

2. Market Street Upstairs Project

Budget Request: \$15,100,000.
Program Request: \$750,000.

Budget: Provides funding to stimulate economic revitalization in the downtown through incentives for comprehensive renovations to existing buildings with vacant or underutilized upper floors along the historic Market Street commercial corridor within the area bounded by M.L. King Boulevard and 10th, King and Shipley Streets. This program is intended to encourage the conversion of vacant upper floors into residential units, with commercial renovations considered where warranted. Additional incentives will be provided for ground floor renovations in support of certain targeted commercial uses.

Program: Ongoing program.

Annual Debt Service Impact \$1,153,640
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

3. Rock Manor Club House

Budget Request: \$2,200,000.
Program Request: \$0.

Budget: Provides funds for the partial demolition and reconstruction of the Rock Manor Club House, located on the City-owned Rock Manor Gold Course in North Wilmington. The renovated facility will include a pro shop, locker rooms, restaurant, meeting rooms and offices.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$168,080</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

4. Five Percent for Art

Budget Request: \$288,000.
Program Request: \$0.

Budget: The Five Percent for Art program receives capital funding for the purpose of providing ornamentation, such as sculpture and artwork, on certain eligible capital projects involving public buildings or structures.

Program: None. This art work reserve is related to budget year funding.

<i>Annual Debt Service Impact</i>	<i>\$22,003</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

5. Computer System Upgrades

Budget Request: \$700,000.
Program Request: \$0.

Budget: Provides funds for the purchase and implementation of various upgrades and conversions to major city computer systems, including utility billing (to address the efficiency, accuracy and timeliness of the billing process and reporting issues) and an L&I online permitting program.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$31,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

6. Emergency Operations Command Center

Budget Request: \$370,000. (Other Funds: \$1,530,000)
Program Request: \$0.

Budget: Matching funds to provide for the planning, engineering, site work, construction and necessary equipment to establish a City emergency operational center.

Program: None.

Annual Debt Service Impact \$28,268
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

D. PARKS AND RECREATION

1. Playground Improvements

Budget Request: \$300,000. (Other Funds: \$150,000)
Program Request: \$600,000. (Other Funds: \$300,000)

Budget: Provides funds for the replacement of older playground equipment in the Parks system, in order to maintain ADA and safety standards.

Program: Ongoing program.

Annual Debt Service Impact \$22,920
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

2. Athletic Court Renovation/Reconstruction

Budget Request: \$300,000. (Other Funds: \$100,000)
Program Request: \$600,000. (Other Funds: \$200,000)

Budget: Provides funds for the renovation of outdoor athletic courts, including damaged basketball and tennis courts, throughout the City for safety and aesthetic reasons.

Program: Ongoing program.

Annual Debt Service Impact \$22,920
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

3. Spencer Plaza Renovations

Budget Request: \$750,000.
Program Request: \$1,250,000.

Budget: Provides funds for the complete renovation of the Spencer Plaza site, including paving, drainage, landscaping and seating, based on a conceptual plan resulting from an engineering study.

Program: Ongoing program.

Annual Debt Service Impact \$57,300
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

4. Swimming Pool Improvements

Budget Request: \$400,000. (Other Funds: \$50,000)
Program Request: \$1,000,000. (Other Funds: \$100,000)

Budget: Provides funds for the modernization of, and various improvements to, City pools and related buildings, to improve citywide recreational opportunities.

Program: Ongoing program.

Annual Debt Service Impact \$30,560
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

5. East 7th Street Boat Ramp Engineering and Repair

Budget Request: \$50,000. (Other Funds: \$1,000,000)
Program Request: \$0.

Budget: Provides funds for the replacement of the damaged concrete boat ramp and security gate at the facility on the East 7th Street Peninsula.

Program: None.

Annual Debt Service Impact \$3,820
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

6. Anderson Community Center Improvements

Budget Request: \$200,000.
Program Request: \$600,000.

Budget: Provides funds for continued improvements and renovation work to building systems for the William Hicks Anderson Community Center, including the HVAC, gymnasium and swimming pool, to meet programming and operational needs.

Program: Ongoing program.

Annual Debt Service Impact \$15,280
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

7. County Parks Recovery

Budget Request: \$150,000.
Program Request: \$400,000.

Budget: Provides funds for upgrades to City parks and ballfields formerly maintained by the County, including the Canby, Alapocas, Sellers and Bringhurst sites. Improvements to parking lots, walkways, trails, utility roads, playgrounds and ball fields will include items such as paving, lighting, benches, fencing, and playground equipment.

Program: Ongoing program.

Annual Debt Service Impact \$11,460
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$3,000

8. Plazas, Squares & Monument Renovations

Budget Request: \$200,000.
Program Request: \$400,000.

Budget: Provides funds for improvements to various city plazas, public squares, and monuments, including site paving, landscaping, and the replacement of malfunctioning decorative fountains.

Program: Ongoing program.

Annual Debt Service Impact \$15,280
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$5,000

9. Park Signs

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

Budget: Provides funds for the standardization of park identification signage throughout the City, through replacement with low maintenance replacement units.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	\$2,292
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

10. Fencing

Budget Request: \$200,000.
Program Request: \$400,000.

Budget: Provides funds for the replacement of aging fences at various park locations.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	\$15,280
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

11. Southbridge Community Gymnasium

Budget Request: \$250,000.
Program Request: \$0.

Budget: Funding for architectural and engineering studies related to the development of a Community Gymnasium by the Ezion Fair Community Development Corporation, to be located at 1400 B Street in the Southbridge Community.

Program: None.

<i>Annual Debt Service Impact</i>	\$19,100
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

12. Spray Parks

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

Budget: None.

Program: The purpose of this program is to convert Eden Pool into a spray shower park.

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

12. Wilmington Beautification Project

Budget Request: \$0.
Program Request: \$200,000.

Budget: None.

Program: The purpose of this program is to plan and install various design and landscape elements within parks and plazas and along medians and in community squares throughout the City, at the recommendation of the City Beautification Commission.

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

13. Skateboard Park

Budget Request: \$250,000
Program Request: \$0.

Budget: For the Design and construction of a skateboard park to be located under Interstate I-95 at Maryland Avenue and Bird Street.

Program: None.

Annual Debt Service Impact \$19,100
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

E. POLICE DEPARTMENT

1. Public Safety Building Improvements

Budget Request: \$400,000.
Program Request: \$500,000.

Budget: Provides funds the replacement of control joints throughout the 20 year old building, the redesign of the rain water conductor system, replacement of 4 main boilers, and the installation of a dry sprinkler system for the generator room. Includes costs for the necessary design and engineering proposal.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	<i>\$30,560</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

2. Weapons Range Improvements

Budget Request: \$250,000.
Program Request: \$0.

Budget: Provides funds for improvements to the Police Weapons Range, including resurfacing, additions to the target range, and construction of a “simmunitions” house for simulated exercises in lethal force confrontation.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$19,100</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$4,000</i>

F. PUBLIC WORKS DEPARTMENT

General Fund Projects

1. Street Paving and Reconstruction

Budget Request: \$4,000,000.
Program Request: \$20,000,000.

Budget: Provides funds for routine street paving, reconstruction and maintenance of deteriorated roadways throughout the City to maintain roadway infrastructure. Includes railroad track removal, minor street extensions, traffic islands, and intersection reconstruction.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	\$305,600
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

2. Brick Crosswalk Reconstruction

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

Budget: None.

Program: The purpose of this program is to reconstruct failing brick crosswalks throughout the City to maintain roadway infrastructure.

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

3. Building Improvements

Budget Request: \$900,000.
Program Request: \$2,000,000.

Budget: Provides funds for ongoing renovations to the City/County Building and various other municipal buildings.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	\$68,760
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

4. Emergency Sidewalk Renovations

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

Budget: Provides funds for repairs to unsafe sidewalks as identified by the Department of Licenses and Inspections.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	<i>\$15,280</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: \$1,500,000.
Program Request: \$8,000,000.

Budget: Provides funds for reconstruction of major brick sewers citywide, including Shipley Run and Rattlesnake Run.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	<i>\$67,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

2. Annual Minor Sewer Improvements

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

Budget: Provides funding for the installation of a protective sewer liner for Rattlesnake Run, and for other inspection and relining projects citywide, including the 84" force main.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	<i>\$67,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

3. Storm Water Drainage Projects

Budget Request: \$1,500,000.
Program Request: \$3,600,000.

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

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	\$67,500
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

4. Storm Water Mitigation

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

Budget: None.

Program: The purpose of this program is to provide matching funds for storm water mitigation at the Ed Oliver Golf Course, which is a priority location upstream of SCO 23, 24 and 25 on the impaired Little Mill Creek.

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

5. Interceptor BA Reconstruction / Upgrade

Budget Request: \$0.
Program Request: \$5,000,000.

Budget: None.

Program: The purpose of this program is to provide for the reconstruction and upgrade of the interceptor BA, in the area of Bancroft Mills and Rattlesnake Run, which is collapsed and nonfunctional.

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

6. Force Main Sampling & Flow Monitoring

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

Budget: Provides for the sampling and flow monitoring activities at three waste water treatment plant force mains to maintain effective operations.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	<i>\$67,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

7. Kentmere & Union CSO

Budget Request: \$1,200,000.
Program Request: \$0.

Budget: Provides funding for the implementation of green solutions for stormwater management and mitigation in sensitive high priority locations, including the Kentmere Parkway and Union Street area.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$54,000</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

8. Urban Forest Management Program

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

Budget: Provides funding for the urban forest management program for plantings, stump removal and stormwater control in order to support green infrastructure.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	<i>\$13,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

9. Sewer Separation Projects & Flow Monitoring

Budget Request: \$0.
Program Request: \$3,500,000.

Budget: None.

Program: The purpose of this program is to partially separate the combined sewer in Southbridge as well as the 14th and Orange Streets area, for additional ongoing flow monitoring and mitigation effort, to reduce overflow events.

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

10. Porter Filter Plant Improvements

Budget Request: \$0.
Program Request: \$4,000,000.

Budget: None.

Program: The purpose of this program is to rehabilitate the 100 year old Porter Clear Well.

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

11. Pumping Station Improvements

Budget Request: \$2,000,000.
Program Request: \$6,000,000.

Budget: Provides funds for the reconstruction of a 1,000 linear feet portion of the 150 year old raceway in order to provide structural and hydraulic improvements.

Program: Ongoing program.

Annual Debt Service Impact \$90,000
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

12. Raw Water Distribution Improvements

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

Budget: None.

Program: The purpose of this program is to rehabilitate the 100 year old 42" raw water transmission main between the Brandywine Pumping Station and Porter Filter Plant.

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

13. Large Meter Replacement

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

Budget: None.

Program: The purpose of this program is to provide for the purchase and installation of modern AMR'ed water meters to ensure accurate readings for utility billing purposes.

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

14. Pressure Zone Reliability Improvements

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

Budget: None.

Program: The purpose of this program is 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.

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

15. Annual Water Improvements

Budget Request: \$3,500,000.
Program Request: \$10,000,000.

Budget: Provides for 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 (i.e., hydrants, valves, etc.) necessary to improve water quality, pressure, fire flows and the overall level of service and to maintain the distribution system.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	<i>\$157,500</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

16. Architectural Improvements

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

Budget: Provides funds for architectural repairs, restoration and stabilization of historical structures in the 100 year old Brandywine Complex, including maintenance of infrastructure.

Program: Ongoing program.

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

17. Transmission Main Improvements

Budget Request: \$0. (Other Funds: \$2,000,000)
Program Request: \$18,000,000.

Budget: None.

Program: The purpose of this program is to provide for transmission capacity improvements through the elimination of the existing West Street Dam and the installation of a new transmission main for redundant water flow into the western half of the High Serve Zone.

<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>

18. Hoopes Dam

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

Budget: Provides funds for improvements to the dam, such as reinforcing dam stability, modifying overflow and spillway, and reconfiguring the outlet works to insure properly functioning operation and safe water storage.

Program: Ongoing program.

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

19. Brandywine Filter Plant Improvements

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

Budget: Provides for plant upgrades which include utilizing ultra-filtration membranes for the treatment process; the installation of pipelines in the underground portion of the Brandywine Raceway; and the overhaul of the head gates.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	\$112,500
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

20. South Wilmington Wetland Park

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

Budget: Provides funds for the creation of a stormwater mitigation wetland area in South Wilmington to address stormwater management issues, to include land acquisition costs, in order to implement recommendations of the South Walnut Street Urban Renewal Plan and the Special Area Management Plan.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	\$45,000
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	\$0

21. 11th Street Pumping Station Upgrade

Budget Request: \$0.
Program Request: \$4,500,000.

Budget: None.

Program: The purpose of this program is to bring the 11th Street Pumping Station into compliance with current codes and standards for reliability, and to assist with CSO mitigation program, which includes the replacement of pumps and controls.

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

22. Guaranteed Energy Savings Contract

Budget Request: \$2,700,000.
Program Request \$0.

Budget: Provides funding for the implementation of the final phase of the guaranteed energy savings contract, through the Clean Renewable Energy Bond (CREB) program. This program will reduce energy consumption and shift to renewable sources, and reduce costs at City facilities; provide a net reduction in General Fund and Water/Sewer annual operating costs; reduce the City's exposure to future energy cost increases; reduce greenhouse gas emissions associated with City operations; and enhance policy goals related to Climate Change and Wilmington's Sustainable Future.

Program: None.

<i>Annual Debt Service Impact</i>	\$121,500
<i>Annual Operational Impact Personal Services</i>	\$0
<i>Annual Operational Impact M. S. & E.</i>	(\$500,000) (\$80,000 General Fund) (\$420,000 Water/Sewer Fund)

23. Renewable Energy Biosolids Facility

Budget Request: \$35,200,000.
Program Request \$0.

Budget: Provides funds for the construction and equipping of a new Renewable Energy Biosolids Facility at the Hay Road Wastewater Treatment Plant as part of a long-term biosolids management solution for the Plant. Substantial savings in electricity and disposal costs will more than offset the increase in debt service.

Program: None.

<i>Annual Debt Service Impact</i>	<i>\$1,518,497</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>(\$1,929,811)</i>

G. REAL ESTATE AND HOUSING

1. Acquisition and Demolition

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

Budget: None.

Program: The purpose of this program is to enable the purchase of vacant land and/or structures, including demolition costs, for future development or neighborhood stabilization efforts.

<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>

2. Infrastructure Improvements

Budget Request: \$150,000.
Program Request: \$1,000,000.

Budget: Provides funding for the preliminary design, engineering and construction of infrastructure improvements, including for the future redevelopment of the City-owned Diamond Salvage site.

Program: Ongoing program.

<i>Annual Debt Service Impact</i>	<i>\$11,460</i>
<i>Annual Operational Impact Personal Services</i>	<i>\$0</i>
<i>Annual Operational Impact M. S. & E.</i>	<i>\$0</i>

H. TRANSPORTATION

1. Traffic System Infrastructure

Budget Request: \$550,000.
Program Request: \$900,000.

Budget: Provides funding for the implementation of the Improved Readability of Street Name Signs program and also for traffic infrastructure improvements including traffic controllers, traffic and pedestrian signals, parking meter kiosks and decorative street lights to maintain the existing traffic control system.

Program: Ongoing program.

Annual Debt Service Impact \$42,020
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

2. Wilmington Transportation Initiatives

Budget Request: \$2,250,000. (Other Funds: \$8,000,000.)
Program Request: \$4,000,000.

Budget: Provides local matching funds for Wilmapco TIP, Transportation Enhancement, and legislator-sponsored projects, as well as citywide lighting improvements and the installation of pedestrian ADA curb ramps. Implementation of “smart” street light technology.

Program: Ongoing program.

Annual Debt Service Impact \$171,900
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

3. Bridge Improvements

Budget Request: \$500,000. (Other Funds: \$2,000,000.)
Program Request: \$0.

Budget: Provides local matching funds for the replacement of Hay Road Bridge, which serves as an emergency evacuation route and local detour routes.

Program: None.

Annual Debt Service Impact \$38,200
Annual Operational Impact Personal Services \$0
Annual Operational Impact M. S. & E. \$0

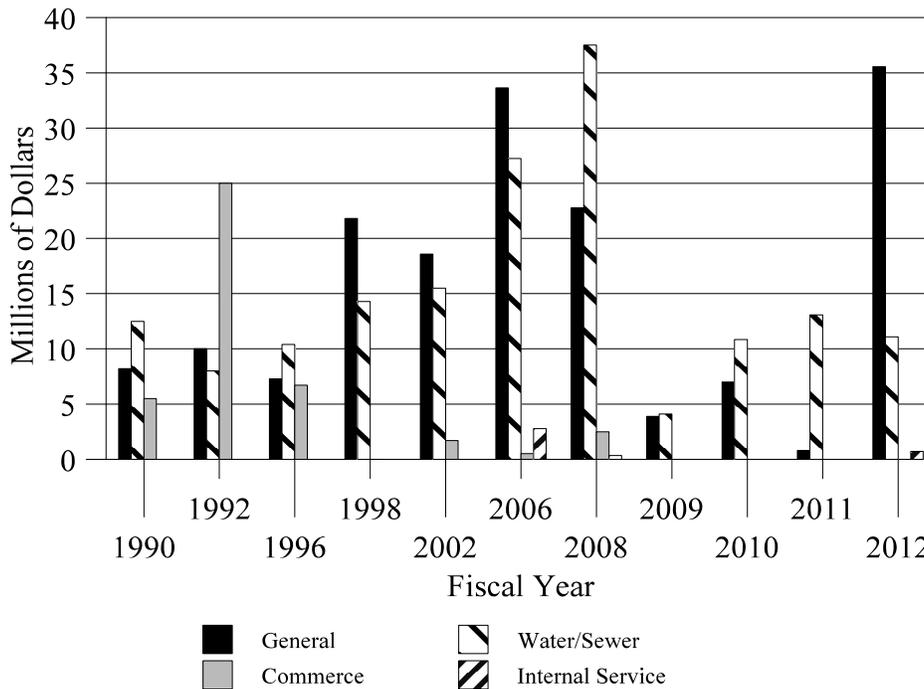
CAPITAL BORROWING AND DEBT MANAGEMENT

Borrowing History

The graph below illustrates the City's actual bond market participation for the fiscal years beginning with 1990 and ending in 2012. Amounts shown were borrowed for capital projects within the stated fund. In fiscal years 1994, 2002, 2005, 2007, 2008, 2010 and 2012 the City issued bonds to refinance past obligations at lower interest rates. These refinancings are not included in the graph. (In 2008 and 2010, the City issued bonds for both refunding and new projects; only the new projects portion is show below.) In fiscal years 1991, 1993, 1995, 1997, 1999, 2000, 2001, 2003 and 2004, the City did not have any bond issuances.

The City's aggressive position in maintaining its infrastructure results in debt levels and debt servicing requirements slightly higher than peer groups. Overall debt levels have risen due to the expanded servicing area of the Water/Sewer Fund, numerous capital improvements, and the past operations of the Port of Wilmington. However, debt service levels are well within the legal debt limit of 17.5% of operating costs as mandated by the State of Delaware. (This State limit applies only to General Fund debt, not debt found in the Water/Sewer, Commerce, or Internal Service Funds.) With the Fiscal Year 2013 General Fund Operating Budget totaling \$142,928,023, the budgeted debt service of \$12,737,650 is well below the 17.5% legal debt limit of \$25,012,404.

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. Because of the timing of the bond issuance (November 2012) to fund the FY 2012 Capital Budget, only a half of a year's worth of debt service payments needed to be budgeted last fiscal year. The FY 2013 budget includes a full year's worth of debt service payments for the November 2012 Capital Borrowing, but does not include any new bond issuances. That is because FY 2013 is considered an off year in the City's bi-annual Capital Budget process.

Before its sale to the State of Delaware, the City recognized the importance of its port facilities (Commerce Fund) to Wilmington's economy, and therefore made concerted efforts to expand and improve these facilities. In 1992, \$18.8 million was borrowed for warehousing improvements in order to maintain the Port's competitiveness. Realizing that the continued maintenance, upgrading and expansion of Port operations were beyond what it could provide, in 1996 the City sold the Port to the State of Delaware. (The debt service for the Port, however, remains on the City's books and is reimbursed by the State.) Additional Commerce Fund borrowing was used to support economic development activity. In 2009, all funds remaining from the sale of the Port were depleted. Consequently, subsequent economic development borrowing, as well as existing Port debt, has been included in the General Fund.

Debt Management Policies

The City takes a conservative approach to debt management. Debt shall never be incurred to finance operating activities, except in the special case, as approved by City Council, where the issuance of tax anticipation notes are to be used to bridge timing gaps in cash flow from tax revenue sources. Capital borrowing shall be structured to create level debt service over the life of the bonds and be opportunistic in regard to market conditions and special issues. The City will take an aggressive position regarding special issues in order to generate interest savings, fee income, or economic development incentives. Total annual General Fund debt service cost as a percentage of the annual operating budget shall not exceed 17.5%, as mandated by Delaware State law.

CAPITAL BORROWING AND DEBT MANAGEMENT

(Continued)

The City's debt management is executed by a team of financial specialists that includes the City Treasurer, Budget Director, and Finance Director, along with support from outside financial and legal specialists that form the City's Bond Council.

The bulk of the City's Capital Improvement Program has traditionally been funded through general obligation bonds issued by the City and repaid out of the appropriate departmental operating budgets over a 20 year period, though 5 to 10 year bonds have been issued in special circumstances. Normally, general obligation bonds are issued for fixed asset purchases, infrastructure maintenance, and capital improvement projects. The City also uses short-term obligations (e.g. bond anticipation notes, capital leases, etc.) to bridge the time gap between initiation of a project/purchase and the anticipated bond issuance, when the nature of a purchase precludes the issuance of long-term debt, or when it is fiscally responsible to do so.

Per City Code, long-term debt cannot be issued for operating expenses. With City Council approval, the City may in special cases issue short-term tax anticipation notes in order to bridge timing gaps in cash flow from tax revenue sources.

Prior to the issuance of any short or long-term obligations, the City considers the effect of borrowing on its financial position, its ability to repay, and the legal debt limit imposed by the State of Delaware. As mandated, total General Fund debt service is limited to 17.5% of annual operating costs (equal to \$25,012,404 for FY 2013). This State limit applies only to General Fund debt, not debt found in the Water/Sewer, Commerce, or Internal Service Funds.

**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 4.26% for the General Fund, 4.73% for the Water/Sewer Fund, and 4.75% 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 2004	4,683,310	3,627,639	8,310,949	9.8%
FY 2005	5,494,642	3,225,673	8,720,315	9.0%
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	6,189,213	5,363,974	11,553,187	8.3%
FY 2013	7,263,186	5,474,468	12,737,650	8.9%
FY 2014	7,346,376	5,259,293	12,605,669	8.6%
FY 2015	7,568,322	4,977,341	12,545,663	8.3%
FY 2016	8,041,752	4,662,057	12,703,809	8.1%
FY 2017	8,295,555	4,332,784	12,628,339	7.9%
FY 2018	7,625,148	4,030,041	11,655,189	7.0%
FY 2019	7,982,741	3,652,250	11,634,991	6.8%
FY 2020	8,188,498	3,319,694	11,508,192	6.5%
FY 2021	8,756,827	2,961,694	11,718,521	6.5%
FY 2022	6,237,495	2,624,362	8,861,856	4.8%
FY 2023	6,548,618	2,318,948	8,867,566	4.6%
FY 2024	6,115,317	1,981,804	8,097,121	4.1%
FY 2025	6,425,331	1,672,396	8,097,727	4.0%
FY 2026	6,682,345	1,353,221	8,035,566	3.8%
FY 2027	5,715,000	1,047,275	6,762,275	3.1%
FY 2028	3,543,621	819,013	4,362,634	2.0%
FY 2029	2,707,582	661,566	3,369,148	1.5%
FY 2030	4,315,000	478,638	4,793,638	2.0%
FY 2031	4,490,000	278,000	4,768,000	2.0%
FY 2032	4,705,000	94,100	4,799,100	1.9%
FY 2033	0	0	0	0.0%
TOTAL	\$196,515,271	\$102,194,168	\$298,709,436	

**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 2004	5,730,750	3,307,582	9,038,332	25.6%
FY 2005	4,498,287	3,064,567	7,562,854	19.5%
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	6,496,989	13,019,377	20.8%
FY 2013	7,612,383	6,304,572	13,916,955	21.4%
FY 2014	8,379,816	5,949,837	14,329,653	21.6%
FY 2015	8,601,907	5,660,789	14,262,696	20.9%
FY 2016	8,781,601	5,348,164	14,129,765	20.1%
FY 2017	8,458,311	5,031,654	13,489,965	18.6%
FY 2018	8,343,859	4,739,610	13,083,469	17.5%
FY 2019	8,710,100	4,395,037	13,105,137	17.1%
FY 2020	9,191,219	4,052,813	13,244,032	16.7%
FY 2021	9,332,297	3,698,647	13,030,944	16.0%
FY 2022	9,953,773	3,326,448	13,280,221	15.8%
FY 2023	10,362,018	2,930,578	13,292,596	15.4%
FY 2024	11,042,537	2,482,625	13,525,162	15.2%
FY 2025	11,509,594	2,034,060	13,543,654	14.8%
FY 2026	11,128,911	1,578,560	12,707,471	13.4%
FY 2027	9,829,440	1,157,245	10,986,685	11.3%
FY 2028	7,735,933	817,132	8,553,065	8.5%
FY 2029	6,044,217	550,306	6,594,523	6.4%
FY 2030	4,731,075	348,148	5,079,223	4.8%
FY 2031	3,428,561	180,247	3,608,808	3.3%
FY 2032	2,673,030	55,479	2,728,509	2.4%
FY 2033	137,540	1,508	139,048	0.1%
FY 2034	0	0	0	0.0%
TOTAL	\$230,504,433	\$112,680,650	\$343,185,083	

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

COMMERCE FUND	Principal	Interest	Total Debt Service	% of Total Budget
FY 2001	3,775,933	2,785,052	6,560,985	178.0%
FY 2002	3,562,574	2,439,593	6,002,167	180.6%
FY 2003	3,805,992	1,932,349	5,738,341	87.3%
FY 2004	3,978,072	1,874,405	5,852,477	87.0%
FY 2005	4,080,206	1,385,539	5,465,745	82.5%
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	\$36,912,968	\$14,738,980	\$51,651,948	

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	392,358	887,999	6.8%
FY 2013	428,432	430,159	858,591	6.1%
FY 2014	623,755	273,556	897,311	6.2%
FY 2015	637,224	247,645	884,869	6.0%
FY 2016	654,018	220,200	874,218	5.7%
FY 2017	427,026	196,350	623,376	4.0%
FY 2018	411,840	177,481	589,321	3.6%
FY 2019	445,393	156,711	602,104	3.6%
FY 2020	458,736	136,582	595,316	3.5%
FY 2021	692,463	110,899	803,362	4.5%
FY 2022	496,455	88,027	584,482	3.2%
FY 2023	341,311	73,061	414,372	2.2%
FY 2024	266,497	55,555	322,052	1.7%
FY 2025	280,105	41,945	322,050	1.6%
FY 2026	294,470	27,627	322,097	1.6%
FY 2027	9,805	10,506	20,311	0.1%
FY 2028	283,867	10,156	294,023	1.3%
FY 2029	0	0	0	0.0%
TOTAL	\$11,706,244	\$5,057,999	\$16,764,222	

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

FUNDS COMBINED	Principal	Interest	Total Debt Service	% of Total Budget
FY 2004	14,392,132	8,809,626	23,201,758	18.3%
FY 2005	14,073,135	7,675,779	21,748,914	15.3%
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	13,207,242	12,253,321	25,460,563	11.8%
FY 2013	15,304,001	12,209,199	27,513,200	12.4%
FY 2014	16,349,947	11,482,687	27,832,633	12.2%
FY 2015	16,807,453	10,885,776	27,693,229	11.8%
FY 2016	17,477,371	10,230,420	27,707,791	11.5%
FY 2017	17,180,892	9,560,788	26,741,680	10.7%
FY 2018	16,380,847	8,947,132	25,327,979	9.9%
FY 2019	17,138,235	8,203,998	25,342,233	9.6%
FY 2020	17,838,454	7,509,090	25,347,543	9.3%
FY 2021	18,781,588	6,771,240	25,552,828	9.1%
FY 2022	16,687,722	6,038,836	22,726,559	7.9%
FY 2023	17,251,947	5,322,587	22,574,533	7.6%
FY 2024	17,424,352	4,519,983	21,944,335	7.2%
FY 2025	18,215,030	3,748,400	21,963,431	7.0%
FY 2026	18,105,726	2,959,408	21,065,134	6.5%
FY 2027	15,554,245	2,215,025	17,769,270	5.7%
FY 2028	11,279,553	1,636,144	12,915,698	4.0%
FY 2029	8,751,798	1,211,872	9,963,671	3.0%
FY 2030	9,046,075	826,786	9,872,861	2.9%
FY 2031	7,918,561	458,246	8,376,807	2.4%
FY 2032	7,378,030	149,579	7,527,609	2.1%
FY 2033	137,540	1,508	139,048	0.0%
FY 2034	0	0	0	0.0%
TOTAL	\$475,355,030	\$234,661,641	\$710,016,671	

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

GENERAL FUND

DEPARTMENT	ACTUAL FY 2009	ACTUAL FY 2010	ACTUAL FY 2011	BUDGET FY 2012	BUDGET FY 2013
MAYOR'S OFFICE	\$1,333,295	\$1,390,099	\$1,448,735	\$2,022,295	\$1,486,141
% Departmental Expenses	18.6%	19.2%	20.0%	24.9%	19.4%
CITY COUNCIL	21,330	23,008	19,806	26,256	18,572
% Departmental Expenses	0.8%	1.0%	0.8%	1.1%	0.7%
PLANNING	343,724	94,292	136,394	150,512	162,196
% Departmental Expenses	19.8%	6.4%	9.3%	9.6%	10.3%
FINANCE	5,169	4,763	5,800	5,304	5,647
% Departmental Expenses	0.1%	0.1%	0.1%	0.1%	0.1%
HUMAN RESOURCES	17,981	16,568	20,175	18,517	19,640
% Departmental Expenses	1.0%	0.9%	1.1%	1.0%	1.0%
LICENSES & INSPECTIONS	28,192	28,172	6,171	10,886	2,249
% Departmental Expenses	0.6%	0.7%	0.1%	0.3%	0.1%
PARKS & RECREATION	2,519,580	1,898,986	1,557,160	1,899,520	1,656,284
% Departmental Expenses	25.1%	24.7%	20.2%	22.7%	20.2%
FIRE	435,269	473,480	325,107	527,997	454,816
% Departmental Expenses	1.7%	2.0%	1.4%	2.3%	2.0%
POLICE	824,613	555,277	286,681	431,790	292,776
% Departmental Expenses	1.6%	1.1%	0.6%	0.9%	0.6%
PUBLIC WORKS	4,212,259	2,953,249	2,499,747	3,539,101	6,531,137
% Departmental Expenses	21.0%	14.8%	12.5%	16.2%	26.2%
REAL ESTATE & HOUSING	2,035,614	470,663	762,385	824,023	844,602
% Departmental Expenses	78.4%	47.1%	62.9%	63.2%	61.0%
COMMERCE DEPARTMENT	0	3,640,792	1,178,833	2,096,986	1,263,590
% Departmental Expenses	0.0%	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 2009	ACTUAL FY 2010	ACTUAL FY 2011	BUDGET FY2012	BUDGET FY2013
TOTAL DEBT SERVICE	\$11,777,029	\$11,549,349	\$8,246,992	\$11,553,187	\$12,737,650
% General Fund	8.4%	8.6%	6.1%	8.3%	8.9%
LEGAL DEBT SERVICE LIMIT (17.5%)	\$24,786,365	\$23,590,026	\$25,832,483	\$24,383,990	\$25,012,404

WATER/SEWER FUND

DEPARTMENT	ACTUAL FY 2009	ACTUAL FY 2010	ACTUAL FY 2011	BUDGET FY 2012	BUDGET FY 2013
PUBLIC WORKS	\$5,635,798	\$5,496,437	\$4,283,208	\$6,496,989	\$6,304,572
% of Department Expenses	11.3%	10.6%	8.3%	11.0%	10.4%
TOTAL DEBT SERVICE	\$5,635,798	\$5,496,437	\$4,283,208	\$6,496,989	\$6,304,572
% of Water/Sewer Fund	10.6%	10.0%	7.8%	10.4%	9.8%

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)**

COMMERCE FUND

DEPARTMENT	ACTUAL FY 2009	ACTUAL FY 2010	ACTUAL FY 2011	BUDGET FY 2012	BUDGET FY 2013
MAYOR'S OFFICE	\$164,275	\$0	\$0	\$0	\$0
% of Department Expenses	5.4%	0.0%	0.0%	0.0%	0.0%
COMMERCE DEPARTMENT	3,089,065	0	0	0	0
% of Department Expenses	100.0%	0.0%	0.0%	0.0%	0.0%
TOTAL DEBT SERVICE	\$3,253,340	\$0	\$0	\$0	\$0
% of Commerce Fund	53.3%	0.0%	0.0%	0.0%	0.0%

INTERNAL SERVICE (IS) FUNDS

DEPARTMENT	ACTUAL FY 2009	ACTUAL FY 2010	ACTUAL FY 2011	BUDGET FY 2012	BUDGET FY 2013
MAYOR'S OFFICE	\$130,457	\$121,906	\$122,639	\$136,355	\$149,361
% of Department Expenses	2.6%	2.4%	2.4%	2.2%	2.2%
PUBLIC WORKS	229,327	227,968	302,923	256,003	280,798
% of Department Expenses	3.8%	3.2%	4.2%	3.8%	3.9%
TOTAL DEBT SERVICE	\$359,784	\$349,874	\$425,562	\$392,358	\$430,159
% of IS Fund	3.3%	3.1%	3.4%	3.0%	3.1%

ALL FUNDS

ALL DEPARTMENTS	ACTUAL FY 2009	ACTUAL FY 2010	ACTUAL FY 2011	BUDGET FY 2012	BUDGET FY 2013
TOTAL DEBT SERVICE	\$21,025,951	\$17,395,660	\$12,955,762	\$18,442,534	\$19,472,381
% of All Funds	10.0%	8.4%	6.4%	8.6%	8.8%

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 1995-2012**

First Day of Fiscal Year	Taxable Assesed Value	Gross Bonded Debt	Gross Debt Payable from Enterprise, Internal Service, and State Funds	Net General Bonded Debt	Ratio of Net Bonded Debt to Assesed 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	2,211,092,250	301,229,983	172,739,520	128,490,463	5.81%	1,814

**TOTAL DEBT BALANCES BY YEAR
FISCAL YEARS 2013-2034**

Fiscal Year	General Fund Debt	Water/Sewer Fund Debt	Commerce Fund Debt	Internal Service Funds Debt	Total Debt
2013	128,490,463	165,988,122	0	6,751,398	301,229,983
2014	121,290,528	158,375,739	0	6,322,966	285,989,233
2015	113,944,152	149,995,923	0	5,699,211	269,639,286
2016	106,375,830	141,394,016	0	5,061,988	252,831,833
2017	98,334,078	132,612,415	0	4,407,969	235,354,462
2018	90,038,524	124,154,104	0	3,980,943	218,173,570
2019	82,413,375	115,810,245	0	3,569,102	201,792,723
2020	74,430,634	107,100,145	0	3,123,709	184,654,488
2021	66,242,136	97,908,926	0	2,664,973	166,816,035
2022	57,485,309	88,576,628	0	1,972,510	148,034,447
2023	51,247,814	78,622,855	0	1,476,056	131,346,725
2024	44,699,196	68,260,837	0	1,134,745	114,094,778
2025	38,583,878	57,218,300	0	868,248	96,670,426
2026	32,158,547	45,708,706	0	588,143	78,455,396
2027	25,476,202	34,579,795	0	293,673	60,349,670
2028	19,761,202	24,750,355	0	283,867	44,795,424
2029	16,217,581	17,014,422	0	0	33,232,004
2030	13,510,000	10,970,206	0	0	24,416,954
2031	9,195,000	6,239,130	0	0	15,370,879
2032	4,705,000	2,810,570	0	0	7,515,569
2033	0	137,539	0	0	137,539
2034	0	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. 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)

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: The difference between assets and liabilities in a governmental fund, such as the General Fund.

FY: Abbreviation for "Fiscal Year".

DESCRIPTION OF TERMS USED IN THIS BOOK

(continued)

GAAP (Generally Accepted Accounting Principles): Uniform minimum standards and guidelines for financial accounting and reporting. The primary authoritative body on the application of GAAP to state and local governments is the Government Accounting Standards Board (GASB).

GASB (Government Accounting Standards Board): The regulatory body over governmental accounting principles and practices.

General Obligation Bonds: A bond that is secured by the full faith and credit of the City, with debt service from the bond being paid from City tax revenues. Such bonds are issued for the purpose of financing city capital improvement projects over a long period of time, usually 20 years.

Goal: A broad statement of intended accomplishments or a description of a general condition deemed desirable.

GFOA (Government Finance Officers Association): A professional association of state/provincial and local finance officers whose members are dedicated to the sound management of government financial resources and operations.

Grants and Fixed Charges: An activity with a limited time span and purpose, usually financed by Federal or State contributions, and sometimes involving payments to a third party agency.

HOPWA: A grant entitled Housing Opportunities for Persons With AIDS received from the United States Department of Housing and Urban Development to address the housing concerns of this growing segment of the population.

Internal Services: A combination of various services internally supplied to all departments and reimbursed on a per usage basis. These activities include the Administrative Services of Word Processing, Data Processing, Mapping and Graphics, Mail and Copy Services, Telephone, Radio and the Motor Vehicle Fleet, along with the Self-Insurance services of Risk Management and Workers' Compensation.

Internal Service Chargebacks: The group of accounts that record the costs that are charged to user departments for goods and services provided by the Internal Services.

Indirect Costs: Reimbursement payments from Enterprise Funds to the General Fund for general administrative services that the General Fund has provided such as accounting, legal advice and payroll.

Infrastructure: Facilities on which the continuance and growth of a community depend, such as streets, water/sewer lines, etc.

Initiative: A new program implemented to achieve a specific goal or objective.

Interest: The expense charged for a loan, usually a percentage of the amount borrowed.

DESCRIPTION OF TERMS USED IN THIS BOOK

(continued)

LLEBG: **L**ocal **L**aw **E**nforcement **B**lock **G**rant 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: The difference between assets and liabilities in proprietary funds, such as the Water/Sewer 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.

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.

DESCRIPTION OF TERMS USED IN THIS BOOK

(continued)

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.