

## **BUDGET HIGHLIGHTS**

### **City of Wilmington**

### **Fiscal Year 2025**

#### **The General Fund**

- The FY 2025 General Fund operating budget expenditures total **\$192,314,864** – up \$9,691,164 or 5.3% from FY 2024. There is no proposed increase to the Property Tax rate.
- For decades, ambulance transport had been provided in Wilmington by third-party entities at no cost to the City. The latest provider, Trinity Health (associated with St. Francis Hospital), will no longer provide that service after 12/31/2024. Repeated attempts to obtain the service from other providers have not been successful. As a result, for FY 2025, a new Emergency Medical Services (EMS) Division was created in the Fire Department to provide basic life support ambulance service and transport. It will be staffed by 41 newly created positions (40 Emergency Medical Technicians and an EMS Manager). The total cost of the new EMS Division added almost \$4.6 million to the budget.
- The budget increased by \$2.0 million as a result of the mid-FY 2024 implementation of the City’s compensation and classification study recommendations. The implementation increased salaries and the number of anniversary steps for all bargaining units except the Police and Fire unions.
- Because of the compensation and classification study implementation, just the Police and Fire unions will receive Cost of Living Adjustments (COLAs) in FY 2025. Those COLAs are in addition to the usual anniversary step increases. Altogether, the budget increase for police and fire sworn personnel is just under \$2.4 million.
- Staffing increased by a net total of 28.25 full-time equivalents (FTE). Although there was a deletion of 12.75 FTE, the new EMS personnel added 41 FTE. There were 71 personnel actions affecting nine departments that resulted in a total net increase of \$2.2 million. While there was a net personnel cost reduction totaling over \$1.1 million from position deletions city-wide, it was more than offset by the \$3.3 million cost of the new EMS staffing.
- Overtime and Special Events Overtime in the Police and Fire departments increased by a net combined total of \$805,200. Overtime in Fire was increased by \$341,000 to better reflect prior year actual spending and to ensure minimum company staffing requirements will be met based on projected attrition trends. In Police, Overtime and Special Events Overtime combined rose by \$464,200. Major factors contributing to the combined increase include historically high levels of attrition coupled with the inability to attract enough qualified recruits for the Police Academy; contractual increases in compensation; and additional overtime incurred to provide security for the presidential re-election campaign headquarters located in downtown Wilmington.
- Excluding the new EMS Division, the Motor Vehicle Costs account jumped by almost \$714,000, driven by large price hikes in the cost of new cars, especially police vehicles. In addition, fleet maintenance costs are up as the cost of parts and labor has risen dramatically over the last two years.

## **BUDGET HIGHLIGHTS**

### **City of Wilmington**

### **Fiscal Year 2025**

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

- In the Department of Information Technologies, the cost of computer software and software licenses rose a total of almost \$557,000 to support a number of IT initiatives and improvements that are both City-wide and for specific departmental projects. Some of the larger-cost items include an increase in the annual fee for the Tyler MUNIS system and API toolkit, the reimplementation of the UKG city-wide employee timekeeping system, bolstering of cyber security, the purchase of supplier diversity compliance software for Economic Development, an increase in the ThirdLine Auditing software contract, and the replacement of the Worldox document management system used by the Law Department.
- Public Works has requested \$425,000 to contract with Asset Management Alliance to provide property management and repair services, recommend needed capital improvements, and conduct preventative maintenance for the Turner complex of buildings and facilities.
- The Professional Fees account group, which includes the Consultants, Engineering, and Transition Costs accounts, increased by just over a net \$295,000. Public Works added \$120,000 to Consultants to perform operational desk audits, review and rewrite the Department's job descriptions, assist in staff development, and provide grant writing support. Also in Public Works, the Engineering account was increased \$40,000 to support an upgrade to an integrated camera and networks security system at the municipal complex. Finally of note, because FY 2025 is a mayoral election year, \$75,000 in Transition Costs was put into the Mayor's Office budget.
- While the contribution cost for the State Pension Plan for Police and Fire sworn personnel rose by almost \$1.2 million (or 23%), this was more than offset by a reduction of almost \$1.3 million (or 16%) in the total actuarially required contribution cost for the City's old pension plans. While the State grapples with a large unfunded liability in the Police and Fire pension plan, the City has experienced a dramatic drop in the unfunded liability of its pension plans, with two of five plans now fully funded.
- The cost of employee healthcare is projected to decrease by almost \$255,000 or 1.5%. To stabilize healthcare costs and mitigate future risk, the City will no longer provide healthcare coverage to employees' spouses who are eligible for subsidized medical coverage through their employers.
- Landfill fees decreased by \$122,000. Although the per ton fee charged by the Delaware Solid Waste Authority increased to \$75 (from \$74 in FY 2024), the overall number of tons of trash being sent to the landfill has continued to decrease as fewer people are working from home fulltime and the City has been able to divert almost 90% of yard waste to Holland Mulch, Inc. for composting at no charge.
- Total Debt Service decreased a net \$556,325 based on the existing debt service schedules. Although there is a new bond issuance planned for FY 2025, it will be structured so that the first debt service payment would not occur until FY 2026.

## **BUDGET HIGHLIGHTS**

**City of Wilmington**

**Fiscal Year 2025**

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

- A transfer of \$1.0 million from the Tax Stabilization Reserve is being made to the Neighborhood Stabilization Fund to provide financial support for the Wilmington Neighborhood Conservancy Land Bank.

## **BUDGET HIGHLIGHTS**

### **City of Wilmington**

### **Fiscal Year 2025**

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

- The FY 2025 Water/Sewer Fund operating budget expenditures total **\$90,084,656** – up \$5,541,422 or 6.6% from FY 2024. The FY 2025 Budget continues to support the high-priority initiatives essential to achieving financially self-sustaining and environmentally-sound water, sewer, and stormwater utilities. These include an accelerated Combined Sewer Overflow (CSO) mitigation effort and finished water filtration and supply improvements that exceed EPA standards. Both contribute to the stability of northern Delaware’s water supply, especially in times of drought.
- The budget increased by almost \$590,000 as a result of the mid-FY 2024 implementation of the City’s compensation and classification study recommendations. The implementation increased salaries and the number of anniversary steps for all bargaining units in the Water/Sewer Fund.
- Staffing increased by a net total of 0.30 FTE. There were five personnel actions which resulted in a total net increase of \$41,649.
- The Contracted Maintenance Services account increased by over \$1.5 million. Almost all the increase is in the contract fee to Jacobs (up \$1.4 million) to operate and maintain the City’s sewage treatment plant and help manage the City’s renewable energy bio-solids facility.
- The Indirect Cost expense to the Water/Sewer Fund rose by \$1.2 million, reflecting the budgeted increases in FY 2025 of the essential supporting services provided to the Water/Sewer Fund’s utility functions by the General Fund.
- In the Water System, Repairs to Equipment saw a dramatic increase of over \$1.0 million. About \$850,000 was added for the replacement of pumps at the Brandywine Pumping Station and to cover increased costs of the systemwide pump and valve maintenance program. In addition, there was a 47% price hike (from \$375,000 to \$550,000) for Allied Control Systems for maintenance of the Supervisory Control and Data Acquisition (SCADA) system.
- Depreciation increased by \$487,123, reflecting the aggressive infrastructure replacement program adopted by the Public Works Department that increased both the number and value of the City’s water, sewer, and stormwater infrastructure fixed assets.
- Additional funding of \$240,000 was added to Consultants to help the City comply with the EPA’s new lead and copper rule revisions and to prepare for the passage of pending EPA regulations regarding the testing, tracking, and removal of PFAS chemicals in the water supply and distribution systems. One particularly notable initiative that will be funded by the requested increase is the creation of an educational website and a public information officer to help citizens and water customers regarding questions about how to properly test for lead in the pipes and plumbing connections of their homes and what to do if it is found.

## **BUDGET HIGHLIGHTS**

**City of Wilmington**

**Fiscal Year 2025**

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

- Engineering in the Water System Division increased \$237,500 for engineering and design services for the small water mains replacement program and for metering improvements.
- There is an almost \$203,000 increase in the Miscellaneous Supplies or Parts account in the Water System Division. This account supports a wide-ranging number of items and programs, the largest being the annual fire hydrant replacement program.
- Legal fees decreased 50% (from \$200,000 to \$100,000) as the legal proceedings against New Castle County (wastewater treatment contract), Honeywell (breach of contract regarding the renewable energy bio-solids facility), and the Army Corps of Engineers (non-payment of storm water bills) have been settled.
- Total Debt Service decreased \$371,584 based on the existing debt service schedule. Although there is a new bond issuance planned for FY 2025, it will be structured so that the first debt service payment would not occur until FY 2026.
- There is a 9.0% increase to water and sewer rates and a 6.0% increase to stormwater rates. The projected fiscal impact of the rate changes is an increase of \$5.7 million in revenue to the Water/Sewer Fund in FY 2025. The typical residential customer in the City using 4,000 gallons of water per month will see an increase of \$5.98 to their monthly bill.