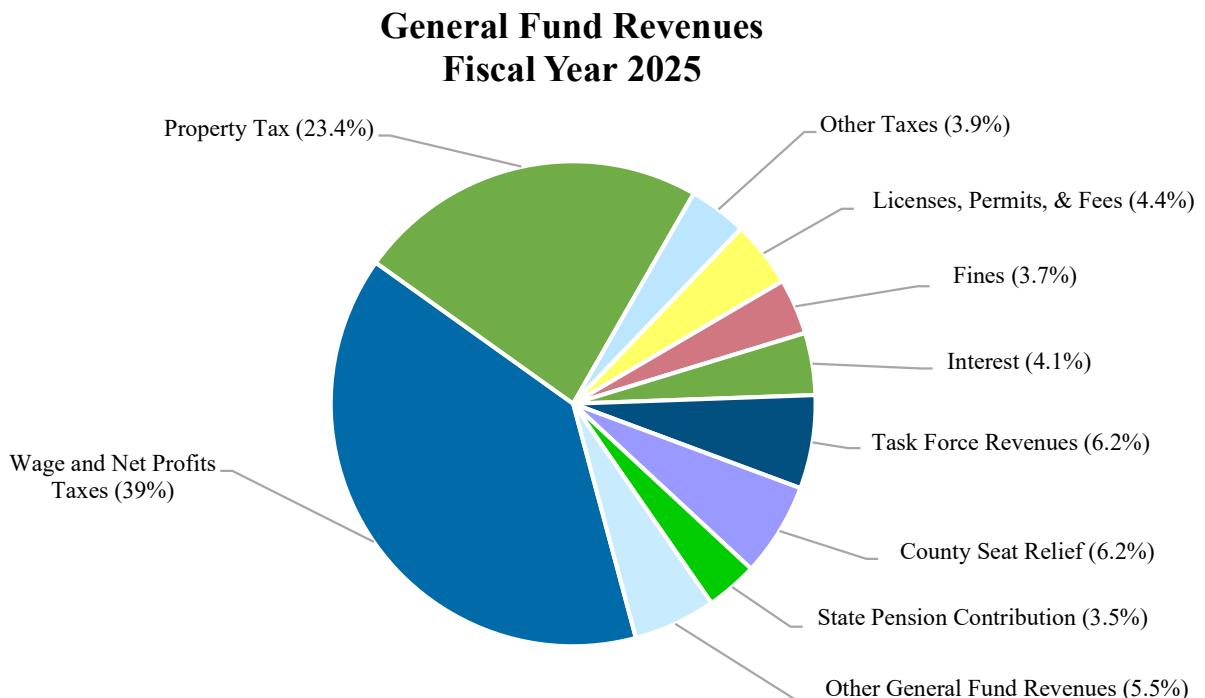


## General Fund Revenues Fiscal Year 2025

General Fund Revenues	Actual FY 2022	Actual FY 2023	Budget FY 2024	Proposed FY 2025	Dollar Change FY'25-'24	Percent Change FY'25-'24
Wage and Net Profits Taxes	\$72,934,609	\$75,681,172	\$74,912,842	\$77,345,569	\$2,432,727	3.2%
Property Tax	43,637,012	44,789,172	46,480,386	46,379,877	(100,509)	-0.2%
Other Taxes	11,997,649	8,927,922	7,024,484	7,666,892	642,408	9.1%
Licenses, Permits, & Fees	6,210,661	5,304,705	5,616,619	8,727,692	3,111,073	55.4%
Fines	8,418,138	7,796,679	5,650,827	7,389,492	1,738,665	30.8%
Interest	136,559	4,662,032	7,170,000	8,179,000	1,009,000	14.1%
Other Revenues	10,029,801	11,038,061	9,777,423	10,568,397	790,974	8.1%
Task Force Revenues	7,539,736	7,249,639	7,425,231	12,368,940	4,943,709	66.6%
County Seat Relief	13,567,280	12,423,803	12,451,316	12,357,549	(93,767)	-0.8%
State Pension Contribution	6,617,935	8,787,399	6,617,935	6,843,847	225,912	3.4%
Port Debt Reimbursement	554,204	553,829	0	0	0	0.0%
CARES / ARPA	0	12,000,000	0	0	0	0.0%
Transfers In/(Out)	275,000	275,000	275,000	275,000	0	0.0%
Use of Fund Balance	0	0	0	0	0	0.0%
<b>Total Revenues</b>	<b>\$181,918,584</b>	<b>\$199,489,413</b>	<b>\$183,402,063</b>	<b>\$198,102,255</b>	<b>\$14,700,192</b>	<b>8.0%</b>

Total General Fund revenue (including transfers) is budgeted at **\$198,102,255**, a net increase of \$14.7 million, or 8.0%, above the FY 2024 budget. No ARPA revenue replacement or use of the Tax Stabilization Reserve is budgeted for FY 2025.

The net change by revenue category is discussed in detail below.



**General Fund Revenues  
Fiscal Year 2025**

**WAGE AND NET PROFITS TAXES**

General Fund Revenues	Actual FY 2022	Actual FY 2023	Budget FY 2024	Proposed FY 2025	Dollar Change*	Percent Change*
Wage and Net Profits Taxes	\$72,934,609	\$75,681,172	\$74,912,842	\$77,345,569	\$2,432,727	3.2%

\* Relative to FY 2024 budget.

**Basis:** Projected growth of local economy / wage inflation / corporate bonus compensation / refund losses  
**Critical Assumptions:** Wage and Net Profits Taxes are expected to increase by \$2.4 million to a new total of \$77.3 million.

Wage Tax makes up nearly \$68.3 million of this total category and is budgeted to grow by almost \$1.6 million (or 2.4%) relative to the FY 2024 budget. This revenue is derived from the 1.25% tax the City applies to the gross earned income of city residents, as well as the gross earned income of non-city residents working within the city limits. The Wage Tax rate is controlled by the Delaware General Assembly, and cannot be adjusted by the City.

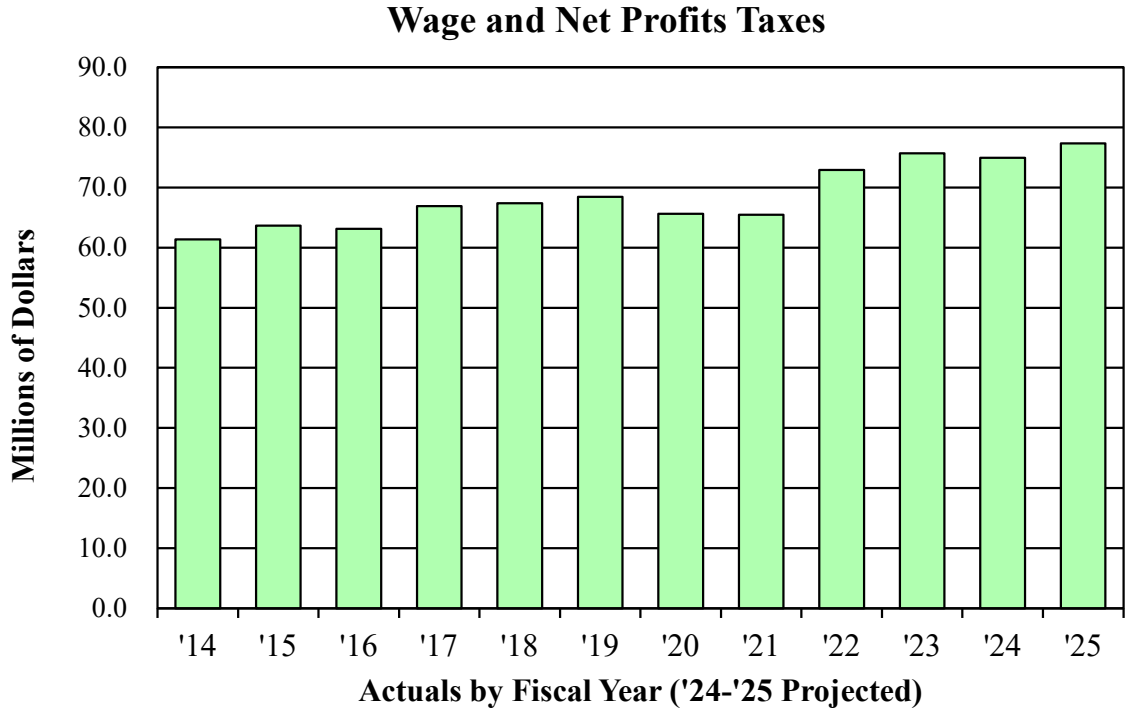
Due to ongoing technical issues with MUNIS, the City’s ERP (Enterprise Resource Planning) system, up-to-date Wage Tax revenue data for FY 2024 is not currently available. However, strong FY 2023 revenues of \$66.6 million suggest that FY 2024 revenues should reach at least the budgeted amount of \$66.7 million. Consequently, we have used the FY 2024 budget as a basis for the FY 2025 budget, which results in an adjusted base of nearly \$65.3 million. This includes losses for Wage Tax refunds of \$3.9 million, identical to the FY 2024 budgeted amount.

Increased employee compensation is expected to result in 2.2% growth in taxable wages, expanding Wage Tax revenues by \$1.4 million. In their December 15, 2023 report, the Delaware Economic and Financial Advisory Council (DEFAC) projects Delaware salaries and wages growth will be 3.2% in FY 2025; however, we have chosen to use a more conservative growth rate, which is consistent with Wilmington historically lagging behind the rest of the state in salary and wage growth. Finally, collection efforts are expected to yield \$1.5 million in audit collections, which is unchanged from FY 2024.

Net Profits revenue is derived from a 1.25% tax on the net profits of business partnerships, professional associations, and limited liability corporations. Similar to the Wage Tax, this rate is set by the Delaware General Assembly and is not controlled by the City. As the majority of Net Profits revenues are not booked until Q3, the FY 2023 audited actuals were used as the basis for the FY 2025 budget of \$9.1 million (which is up \$846,000 from the FY 2024 budget). This is consistent with both the FY 2022 and FY 2023 actuals, which saw Net Profits revenues of over \$9.0 million.

**General Fund Revenues  
Fiscal Year 2025**

**WAGE AND NET PROFITS TAXES (Continued)**



## General Fund Revenues Fiscal Year 2025

### PROPERTY TAX

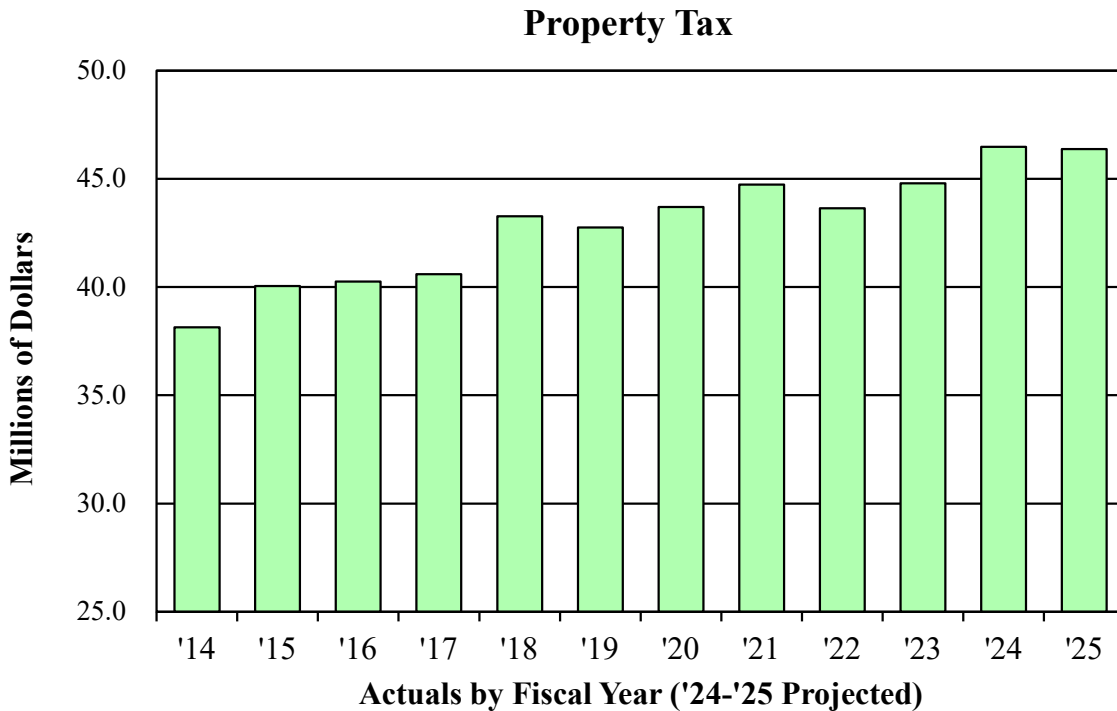
General Fund Revenues	Actual FY 2022	Actual FY 2023	Budget FY 2024	Proposed FY 2025	Dollar Change*	Percent Change*
Property Tax	\$43,637,012	\$44,789,172	\$46,480,386	\$46,379,877	(\$100,509)	-0.2%

\* Relative to FY 2024 budget.

**Basis:** Assessment rolls

**Critical Assumptions:** The Property Tax is the City of Wilmington’s second-largest revenue source, and the single largest revenue source with a tax rate directly controlled by the Mayor and City Council. The total assessed value of all property in the City is \$3.54 billion, with a taxable assessed value of \$2.16 billion after exempt properties are excluded. All assessments are adjusted to, and reported in, 1983 dollar values. For FY 2025, the tax rate is \$2.115 per one-hundred dollars of assessed value, unchanged from FY 2024.

FY 2025 Property Tax revenues are projected to total nearly \$45.8 million, a decrease of \$98,000, or 0.2%, relative to the FY 2024 budget. Per New Castle County assessments, projected base billings for FY 2025 are \$45.7 million; this is down almost \$100,000 relative to FY 2024, driven by an increase in tax-exempt properties. Beyond this, the budget assumes a reduction of \$250,000 in projected reassessment appeals. However, this is offset by a combined \$319,000 in additional revenue due to expiring tax incentives and projected property improvements. The usual 2.0% allowance for bad debt further reduces revenue by \$916,000. Lastly, one-time revenue from Penalty and Interest is expected to be \$1.5 million, which is consistent with historical trends.



**General Fund Revenues  
Fiscal Year 2025**

**OTHER TAXES**

General Fund Revenues	Actual FY 2022	Actual FY 2023	Budget FY 2024	Proposed FY 2025	Dollar Change*	Percent Change*
Other Taxes	\$11,997,649	\$8,927,922	\$7,024,484	\$7,666,892	\$642,408	9.1%

\* Relative to FY 2024 budget.

**Basis:** Trend analysis / growth of local economy

**Critical Assumptions:** Other Taxes are projected to increase by \$642,000 in FY 2025 relative to the prior-year budget. This includes the following:

**Franchise Fees** consists of 2% of the gross revenues from Delmarva Power electricity sales in the City (as Delmarva is the sole electricity distributor). This is projected to be nearly \$901,000 in FY 2025 (down \$5,000 from FY 2024 budget), which is consistent with FY 2024 projected revenues.

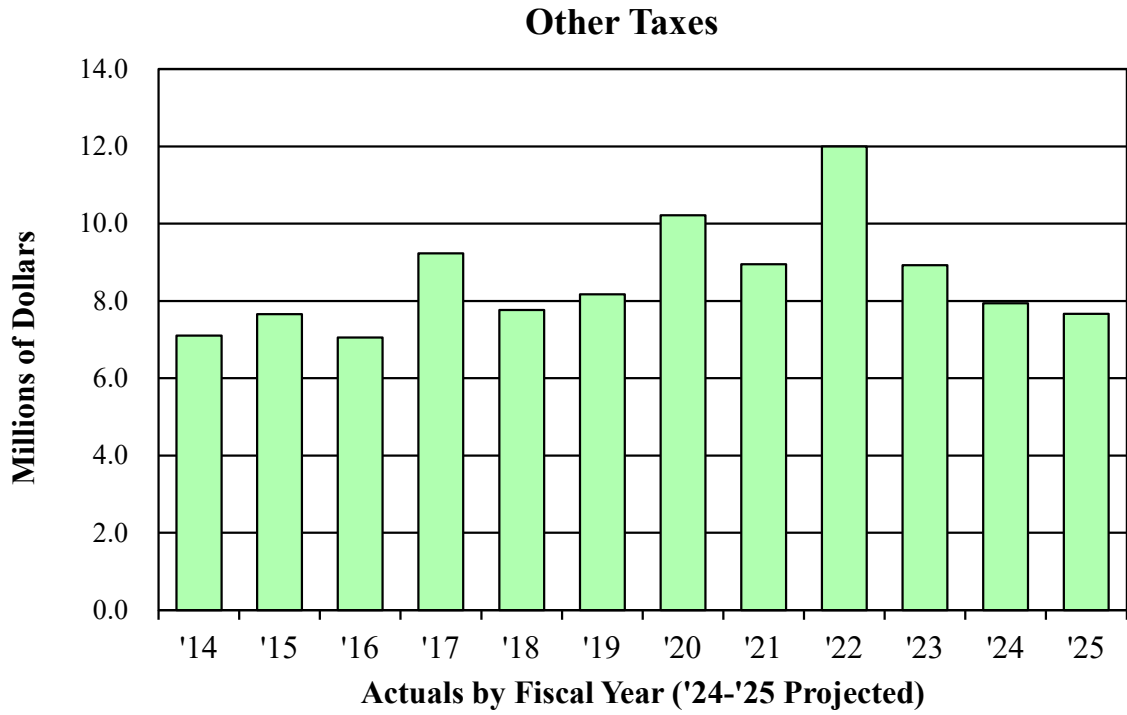
**Head Tax** revenues are derived from a tax paid by businesses based on the number of individuals they employ, with businesses paying \$15.00 per month for each employee above an exempted base of five. For FY 2025, revenues are projected to decrease by nearly \$246,000, to a new total of \$2.6 million. This is based on the Q2 FY 2024 WEFAC year-end projection, which assumes continued work-from-home losses and greater unemployment than pre-COVID levels. In addition, based on long-term trends, we assume Head Tax will continue to decline by 5.6% annually.

**Real Estate Transfer (Residential)** revenues are derived from a 1.5% tax on the selling price of residential real estate sales in the city. Even as residential transfer revenue has declined from its peak in FY 2021 and FY 2022, it has remained larger than pre-COVID levels, with FY 2023 audited actuals of \$3.4 million, and FY 2024 trending to \$3.3 million or more. For FY 2025, revenues are projected to be nearly \$3.1 million, an increase of nearly \$861,000 relative to the FY 2024 budget; however, relative to the FY 2023 actuals, this is down by \$355,000. This projection is based on a residential real estate transfer regression model, which includes modest housing price growth and declines in mortgage rates, net of one standard deviation reduction.

**Real Estate Transfer (Commercial)** revenues are derived from a 1.5% tax on the selling price of non-residential real estate sales in the city. For FY 2025, revenues are projected to increase by \$32,000 relative to the FY 2024 budget; relative to the Q2 FY 2024 WEFAC year-end projection, this is down nearly \$542,000. Commercial transfers have shown unexpected strength during FY 2024 and are expected to be 50% larger than the FY 2024 budget. However, commercial transfer activity tends to be unpredictable even in normal economic environments, and is not expected to continue at this level into subsequent years. For FY 2025, we have assumed a return to historically average commercial transfer revenue plus 3% growth (matching historical trends).

**General Fund Revenues  
Fiscal Year 2025**

**OTHER TAXES (Continued)**



**General Fund Revenues  
Fiscal Year 2025**

**LICENSES, PERMITS, AND FEES**

<b>General Fund Revenues</b>	<b>Actual FY 2022</b>	<b>Actual FY 2023</b>	<b>Budget FY 2024</b>	<b>Proposed FY 2025</b>	<b>Dollar Change*</b>	<b>Percent Change*</b>
Licenses, Permits, & Fees	\$6,210,661	\$5,304,705	\$5,616,619	\$8,727,692	\$3,111,073	55.4%

\* Relative to FY 2024 budget.

**Basis:** Trend analysis / growth of local economy

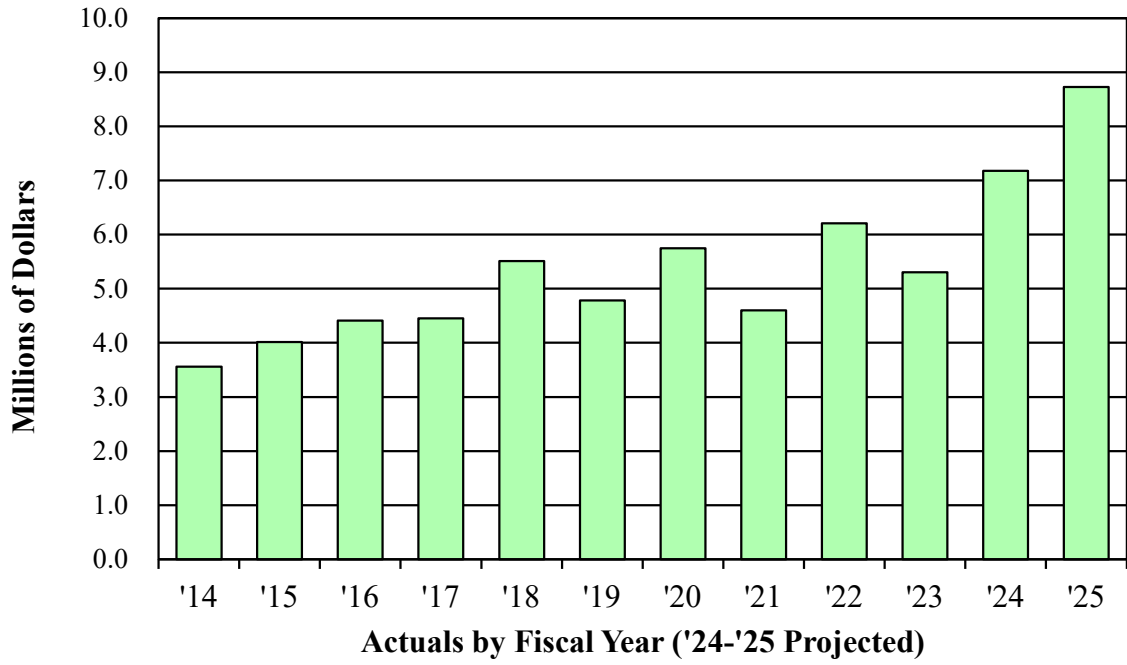
**Critical Assumptions:** In total, Licenses, Permits, & Fees revenues are up \$3.1 million compared to the FY 2024 budget. Business License revenues (derived from licenses obtained by businesses wishing to operate in the city) are projected to be up \$1.5 million relative to the FY 2024 budget, which is inclusive of the revisions to business license fees which became effective on January 1, 2024. Similarly, Permits revenues are up nearly \$45,000 relative to last year’s budget, which includes permit rate increases approved by Council; this is \$645,000 down from the Q2 FY 2024 WEFAC year-end projection, reflecting a return to historically average levels.

Fees revenues (sourced from a variety of charges, including parking meter fees and utility street cut fees) are budgeted to be down \$359,000 from the FY 2024 budget, though up slightly from the Q2 FY 2024 WEFAC year-end projection. This reduction is driven mainly by utility street cut fees, which were budgeted at \$320,000 in FY 2024 but are now projected to be only \$48,000. Street cut fees had been trending to nearly \$300,000 during FY 2023, which served as the basis for the FY 2024 budget; however, during the FY 2023 close, and after the fiscal year ended, Finance determined that these revenues had been misbooked and did not belong in the General Fund. This resulted in significantly lower FY 2023 actuals, and subsequently lower FY 2024 and FY 2025 revenue projections. In addition, FY 2024 write-offs of Property Maintenance revenues further reduced the FY 2025 projection.

Finally, with the creation of a new Emergency Medical Services (EMS) Division in the Fire Department, the City will begin billing for ambulance transport services. Speclin, a third-party EMS billing services provider, estimates that at industry standard reimbursement rates for Medicare, Medicaid, and private insurers, the City could receive annualized EMS Fees revenue of up to \$5.0 million. However, as the City will not begin providing EMS transport until January 1, 2025, only six months of revenue will be received in FY 2025. In addition, given the limited availability of Wilmington-specific data on fees, expected reimbursement percentages, and utilization, we have conservatively reduced this estimate by 25%, to a projected total of \$1.9 million.

**General Fund Revenues  
Fiscal Year 2025**

**Licenses, Permits, & Fees**





**General Fund Revenues  
Fiscal Year 2025**

**FINES**

General Fund Revenues	Actual FY 2022	Actual FY 2023	Budget FY 2024	Proposed FY 2025	Dollar Change*	Percent Change*
Fines	\$8,418,138	\$7,796,679	\$5,650,827	\$7,389,492	\$1,738,665	30.8%

\* Relative to FY 2024 budget.

**Basis:** Trend analysis

**Critical Assumptions:** Fines are projected to total nearly \$7.4 million, which is \$1.7 million up from the FY 2024 budget, and \$59,000 down from the Q2 FY 2024 WEFAC year-end projection. This consists of the following:

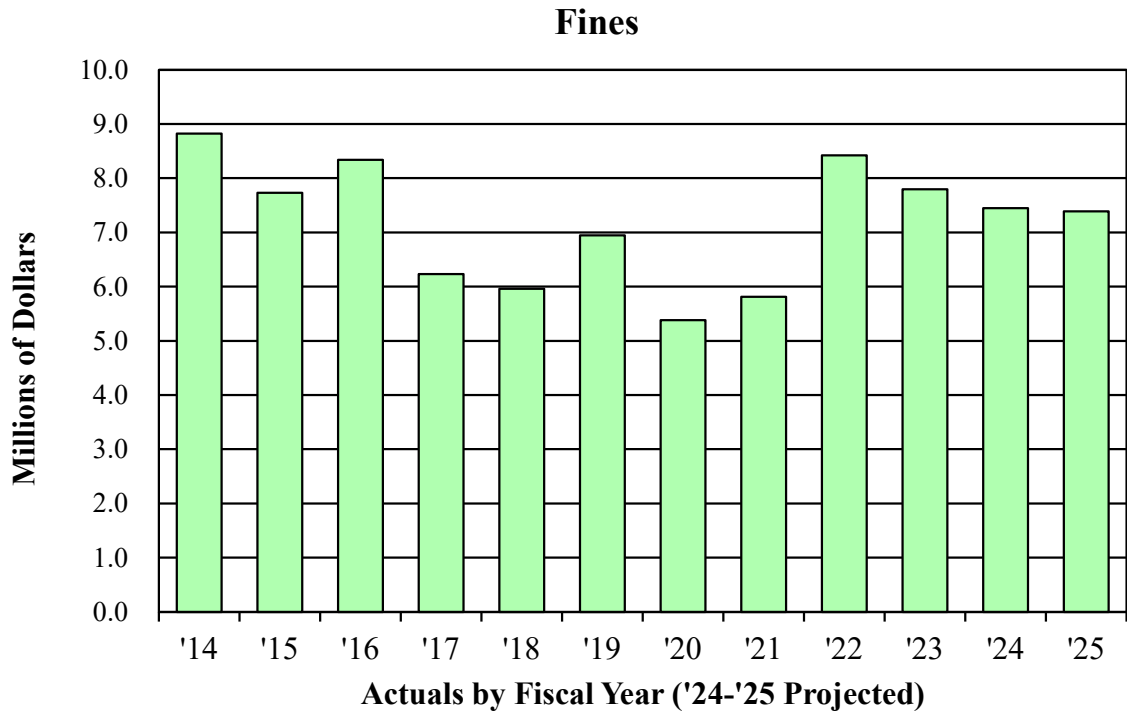
**Criminal / Instant Ticket** revenues are composed of State Criminal Fines remittances and the L&I Instant Ticketing Program (which involves L&I inspectors issuing tickets for violating the City’s sanitation codes). Criminal Fines are budgeted to decline by \$20,000, based on Q2 FY 2024 WEFAC projections. Conversely, Instant Ticket revenues are projected to increase by \$38,000, also consistent with WEFAC projections.

**Red Light** revenues are derived from the City’s Red Light Camera Safety Program, which issues citations to drivers who fail to stop at red lights in the city. In total, revenues are projected to be nearly \$4.6 million, which is up \$719,000 from the FY 2024 budget. This is unchanged from the Q2 FY 2024 WEFAC projection, which is trending better than the FY 2023 total of \$4.3 million.

**Parking** revenues are derived from fines from parking violations and booting fees, and are projected to be \$2.4 million, up \$1.0 million from the FY 2024 budget, and down \$56,000 from Q2 FY 2023 WEFAC year-end projection. This budget-to-budget variance is mainly due to a proposed parking fine reduction from \$40 to \$25 having been included in the FY 2024 budget, which was expected to result in a loss of approximately \$535,000; however, the legislation associated with this change was ultimately not approved by Council, and was instead replaced with alternative legislation reducing tickets to \$25 if paid within fourteen days (for an expected annualized loss of \$185,000). The remainder of the budget increase is the result of stronger-than-expected parking revenues seen in FY 2024, which are expected to continue in FY 2025.

**General Fund Revenues  
Fiscal Year 2025**

**FINES (Continued)**



## General Fund Revenues Fiscal Year 2025

### INTEREST

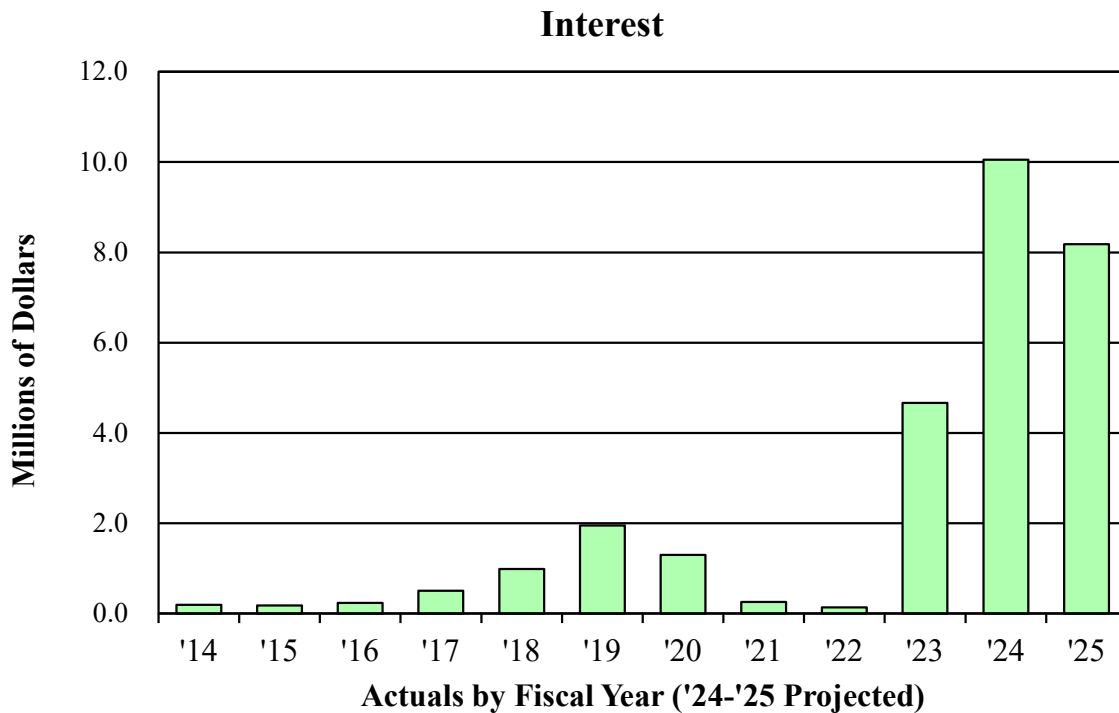
General Fund Revenues	Actual FY 2022	Actual FY 2023	Budget FY 2024	Proposed FY 2025	Dollar Change*	Percent Change*
Interest	\$136,559	\$4,662,032	\$7,170,000	\$8,179,000	\$1,009,000	14.1%

\* Relative to FY 2024 budget.

**Basis:** Trend analysis / interest rate projections / bond issuance

**Critical Assumptions:** By investing in CDs and interest-bearing checking accounts, the City earns interest on its cash balances. The FY 2024 budget of \$7.2 million was based on a projected interest rate of 4.3%, which assumed rate reductions in FY 2024. However, the Federal Reserve has subsequently maintained higher rates longer than originally expected, with the City now projecting to earn an average of more than 5% on its investments in FY 2024. Based on interest estimates from the Federal Reserve, rates are expected to decline through the remainder of FY 2024 and into FY 2025, resulting in an FY 2025 projected average rate of approximately 4.3%.

Combined with increases to the City’s fund balance (due to projected FY 2024 surpluses) net of a reduction in unspent capital funds as projects are completed, this rate results in an FY 2025 budget of nearly \$8.2 million. This is up \$1.0 million from the FY 2024 budget, and down \$1.9 million from the Q2 FY 2024 WEFAC year-end projection.



## General Fund Revenues Fiscal Year 2025

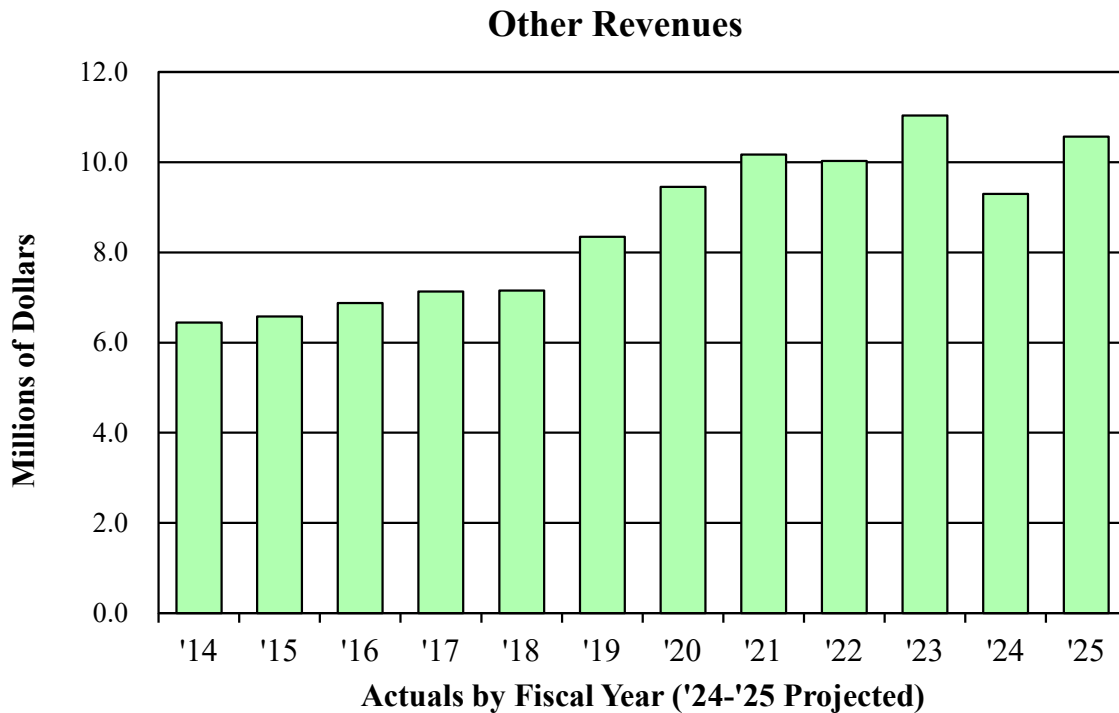
### OTHER REVENUES

General Fund Revenues	Actual FY 2022	Actual FY 2023	Budget FY 2024	Proposed FY 2025	Dollar Change*	Percent Change*
Other Revenues	\$10,029,801	\$11,038,061	\$9,777,423	\$10,568,397	\$790,974	8.1%

\* Relative to FY 2024 budget.

**Basis:** Trend analysis / contracts

**Critical Assumptions:** Other Revenues is comprised of Indirect Costs, General Government Charges, Rentals, and other miscellaneous revenues. In total, this category is projected to be up a net \$791,000 from the FY 2024 budget. Rentals and Concessions are projected to remain flat, while, General Government Charges (which includes a variety of fees and charges, such as vacant property registrations) are projected to decline by \$458,000 relative to the FY 2024 budget, driven mainly by slowing vacant property registration revenues and related write-offs. Finally, Indirect Costs, which are charges to the Water/Sewer Fund reimbursing costs incurred by the General Fund in support of the water, sewer, and stormwater utilities, are budgeted to increase by \$1.2 million from the FY 2024 budget, based on the Black & Veatch indirect costs model. This represents a 3.2% annual increase in Indirect Costs over the last five years, lower than consumer price index inflation increases during the same period.



## General Fund Revenues Fiscal Year 2025

### TASK FORCE REVENUES

General Fund Revenues	Actual FY 2022	Actual FY 2023	Budget FY 2024	Proposed FY 2025	Dollar Change*	Percent Change*
Task Force Revenues	\$7,539,736	\$7,249,639	\$7,425,231	\$12,368,940	\$4,943,709	66.6%

\* Relative to FY 2024 budget.

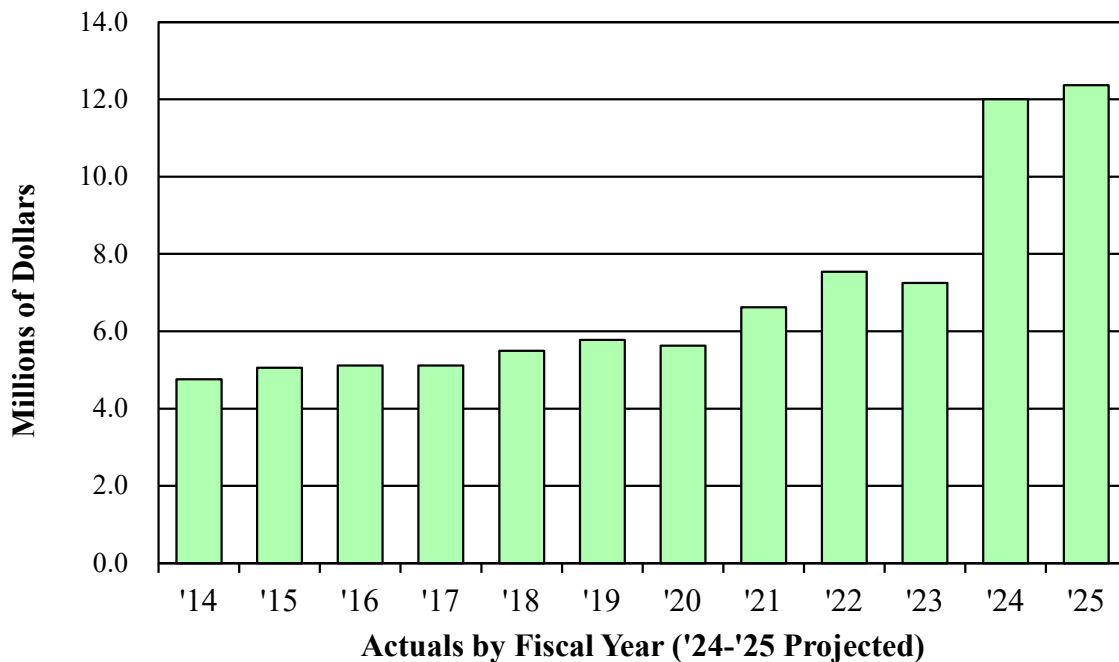
**Basis:** Estimates from State of Delaware / trend analysis / State agreements

**Critical Assumptions:** Task Force Revenues are the revenue sources that were created as a result of the Governor’s Task Force, which took effect in FY 2004. As a result, each county seat in the state (which includes Wilmington, as the county seat of New Castle County) receives the revenue derived from the State filing fee for corporations and limited liability companies (LLC). The State also passed enabling legislation that allowed the City to create a 2% Lodging Tax and a 2% Natural Gas Franchise Fee on gross sales of natural gas in the City.

In total, Task Force Revenues are projected to be \$12.4 million, which is up \$4.9 million from the FY 2024 budget, and \$370,000 up relative to the Q2 FY 2024 WEFAC projection. The largest Task Force revenues, Corporate Filing Tax and the LLC Filing Tax, are projected to increase by \$1.5 million and \$3.4 million respectively, as the State recently amended the courthouse municipality fees associated with these taxes, increasing them from \$20 to \$40 effective August 1, 2023.

Conversely, Lodging Tax is projected to decline by \$57,000, reflecting slowing revenues seen in FY 2024. This reduction is more than offset by the projected \$113,000 increase in Natural Gas Tax, which is consistent with Q2 FY 2024 WEFAC projected revenues.

### Task Force Revenues



**General Fund Revenues  
Fiscal Year 2025**

**COUNTY SEAT RELIEF PACKAGE**

<b>General Fund Revenues</b>	<b>Actual FY 2022</b>	<b>Actual FY 2023</b>	<b>Budget FY 2024</b>	<b>Proposed FY 2025</b>	<b>Dollar Change*</b>	<b>Percent Change*</b>
County Seat Relief	\$13,567,280	\$12,423,803	\$12,451,316	\$12,357,549	(\$93,767)	-0.8%

\* Relative to FY 2024 budget.

**Basis:** Estimates from State of Delaware / trend analysis

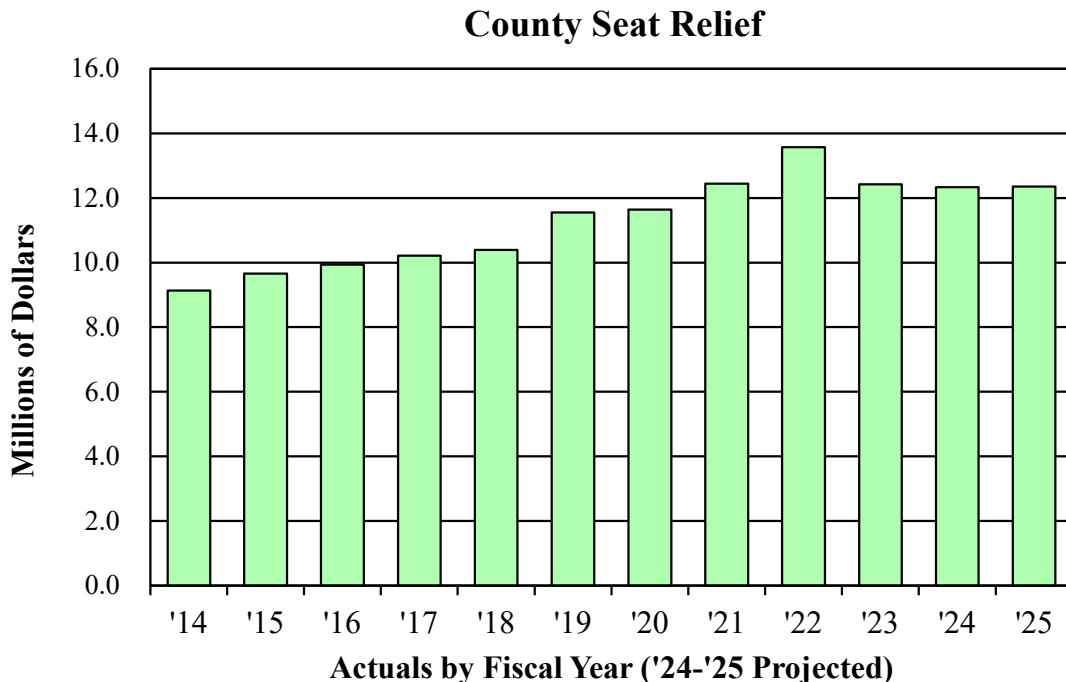
**Critical Assumptions:** The County Seat Relief Package is a bundle of escalating revenue enhancements, first received by the City in FY 2007. These revenues built upon the Governor’s Task Force and were intended to provide further diversification to support the three county seats in the State of Delaware. The FY 2025 projection totals a combined \$12.4 million, down nearly \$94,000 from FY 2023. Three of the component revenues are passthroughs of State and County corporate filing fees:

**Statutory Trust Filing Fees,** which are capped at \$1.0 million, are unchanged from prior years.

**New Castle County Corporate Filing Fees** are projected to be down \$208,000 relative to the FY 2024 budget but flat relative to Q2 FY 2024 WEFAC, which is consistent with DEFAC projections.

**Uniform Commercial Code (UCC) Filing Fees** are projected to increase by \$114,000 relative to the FY 2024 budget and grow slightly relative to Q2 FY 2024 WEFAC, also consistent with DEFAC projections.

The final component is a **Payment in Lieu of Taxes (PILOT)** on what would usually be tax-exempt, State-owned properties in the City; for FY 2025 it is budgeted to remain flat at \$3.3 million. This is equal to the PILOT payment the City received in FY 2024.



**General Fund Revenues  
Fiscal Year 2025**

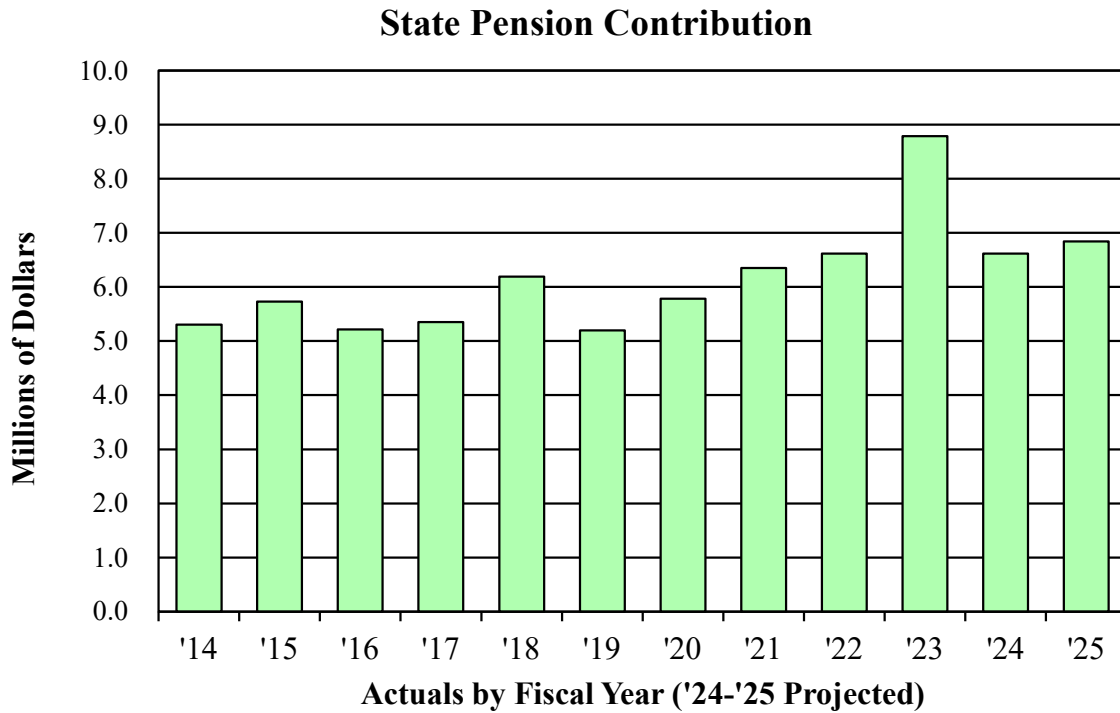
**STATE PENSION CONTRIBUTION**

<b>General Fund Revenues</b>	<b>Actual FY 2022</b>	<b>Actual FY 2023</b>	<b>Budget FY 2024</b>	<b>Proposed FY 2025</b>	<b>Dollar Change*</b>	<b>Percent Change*</b>
State Pension Contribution	\$6,617,935	\$8,787,399	\$6,617,935	\$6,843,847	\$225,912	3.4%

\* Relative to FY 2024 budget.

**Basis:** Estimates from State of Delaware

**Critical Assumptions:** The State Pension Contribution is a pass-through grant from the State of Delaware that is offset against an equal amount appropriated for pension contribution expenses in the Fire and Police Departments. This is projected to increase by almost \$226,000 in FY 2025 based on a combination of the FY 2023 Police pension passthrough actual and the FY 2022 Fire pension passthrough actual (as the larger-than-budgeted FY 2023 Fire passthrough revenues are not expected to recur).



## General Fund Revenues Fiscal Year 2025

### STATE PORT DEBT REIMBURSEMENT

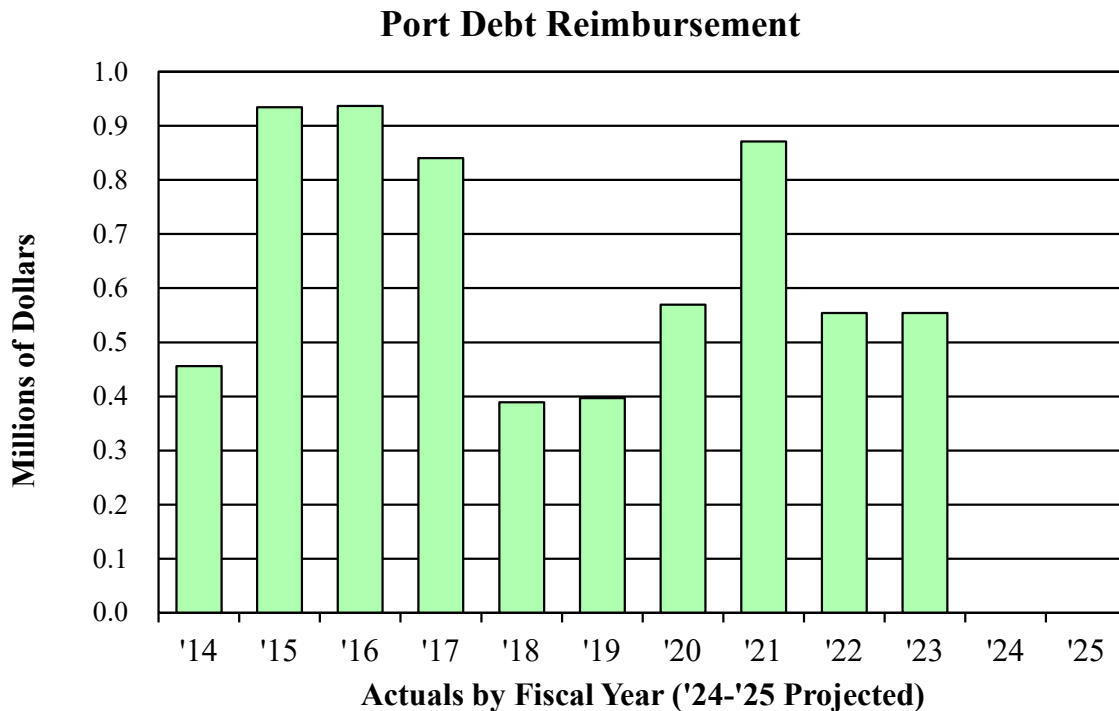
General Fund Revenues	Actual FY 2022	Actual FY 2023	Budget FY 2024	Proposed FY 2025	Dollar Change*	Percent Change*
Port Debt Reimbursement	\$554,204	\$553,829	\$0	\$0	\$0	0.0%

\* Relative to FY 2024 budget.

**Basis:** Debt schedules

**Critical Assumptions:** The State Port Debt Reimbursement is related to the 1996 sale of the Port from the City to the State. Per the sale agreement, the outstanding Port debt remained as a liability on the City's books. In 2018, the State entered into a long-term Port lease agreement with Gulftainer, and subsequently provided the City with full payment for the outstanding debt. The City amortized these funds, and continued to book offsetting Port Debt Reimbursement revenue.

In FY 2020, the City refinanced the outstanding bonds, which are scheduled to be paid down in FY 2032. However, the reimbursement continued as originally scheduled, with the final payment booked in FY 2023 (when the associated debt was originally expected to be fully repaid). As these payments are now complete, there is no budgeted revenue for FY 2024 or beyond.





**General Fund Revenues  
Fiscal Year 2025**

**TRANSFERS AND USE OF FUND BALANCE**

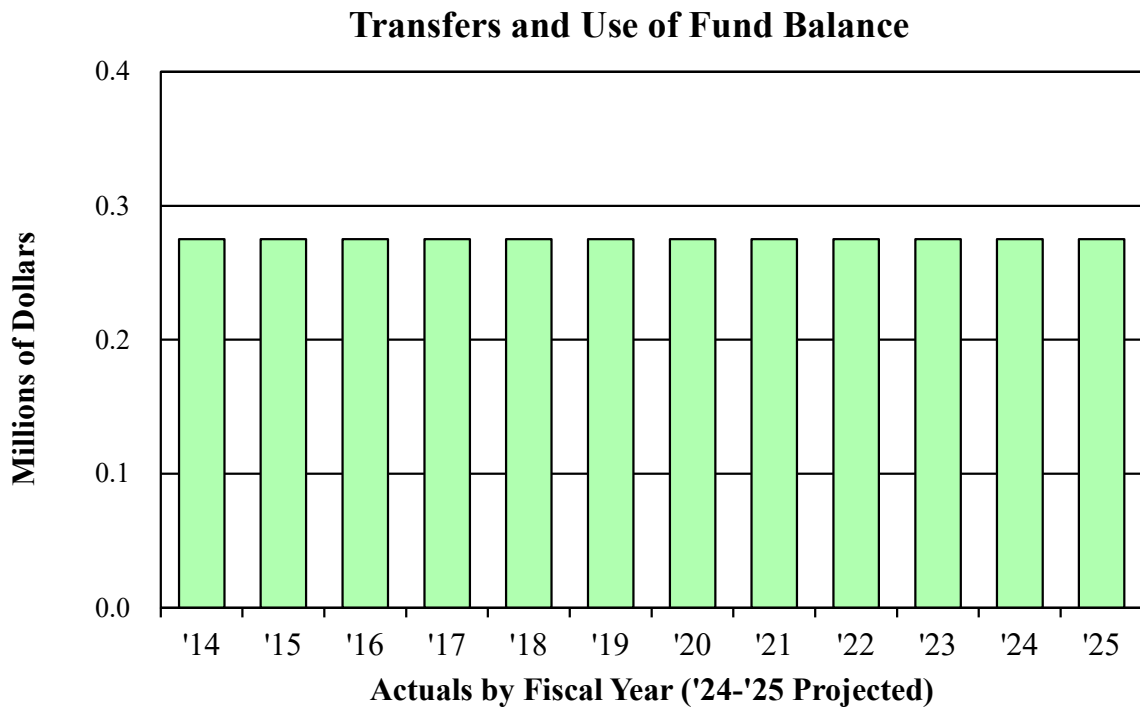
<b>General Fund Revenues</b>	<b>Actual FY 2022</b>	<b>Actual FY 2023</b>	<b>Budget FY 2024</b>	<b>Proposed FY 2025</b>	<b>Dollar Change*</b>	<b>Percent Change*</b>
Transfers and Use of Fund Balance	\$275,000	\$275,000	\$275,000	\$275,000	\$0	0.0%

\* Relative to FY 2024 budget.

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

**Critical Assumptions:** As other revenues are sufficient to cover General Fund expenditures of \$192.3 million, no Tax Stabilization Reserve funds are necessary to balance the budget.

The projection also includes the usual \$275,000 transfer from the Wilmington Parking Authority (WPA).



**Special Fund Revenues  
Fiscal Year 2025**

<b>Special Funds Revenues</b>	<b>Actual FY 2022</b>	<b>Actual FY 2023</b>	<b>Budget FY 2024</b>	<b>Proposed FY 2025</b>	<b>Dollar Change FY'25-'24</b>	<b>Percent Change FY'25-'24</b>
Municipal Street Aid	\$1,069,959	\$1,213,597	\$1,200,693	\$1,197,977	(\$2,716)	-0.2%
CDBG	2,283,784	916,674	2,199,153	2,199,153	0	0.0%
Comcast Franchise	993,886	948,127	1,000,000	901,850	(98,150)	-9.8%
Emergency Shelter	177,664	62,616	197,226	197,226	0	0.0%
Workforce Investment	170,310	110,248	274,494	279,984	5,490	2.0%
Parks Assistance	1,637,389	1,182,044	1,162,961	1,255,129	92,168	7.9%
Parks Trust Fund	110,259	115,139	115,009	116,636	1,627	1.4%
SALLE / LLEBG	2,792,318	2,438,996	786,984	806,099	19,115	2.4%
Pension Administration	5,673,752	5,623,526	6,280,467	6,529,999	249,532	4.0%
Home Partnership	644,809	649,401	718,522	570,232	(148,290)	-20.6%
HOPWA	805,204	710,055	951,239	951,239	0	0.0%
Miscellaneous Grants	384,744	453,719	280,718	283,810	3,092	1.1%
<b>Total Revenues</b>	<b>\$16,744,078</b>	<b>\$14,424,142</b>	<b>\$15,167,466</b>	<b>\$15,289,333</b>	<b>\$121,868</b>	<b>0.8%</b>

Special Funds Revenues consist of supplemental revenues derived from non-taxation sources such as Federal and State grants and endowments, as well as the City’s Comcast franchise fee. For FY 2025, total Special Funds revenue is budgeted to be **\$15,289,333**, a net increase of \$121,868, or 0.8%, above the FY 2024 budget.

**MUNICIPAL STREET AID**

<b>Special Funds Revenues</b>	<b>Actual FY 2022</b>	<b>Actual FY 2023</b>	<b>Budget FY 2024</b>	<b>Proposed FY 2025</b>	<b>Dollar Change*</b>	<b>Percent Change*</b>
Municipal Street Aid	\$1,069,959	\$1,213,597	\$1,200,693	\$1,197,977	(\$2,716)	-0.2%

**Basis:** State of Delaware grant award letter

**Critical Assumption:** This grant is used to offset electricity costs for street lighting and is anticipated to decrease slightly compared to the FY 2024 level.

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

<b>Special Funds Revenues</b>	<b>Actual FY 2022</b>	<b>Actual FY 2023</b>	<b>Budget FY 2024</b>	<b>Proposed FY 2025</b>	<b>Dollar Change*</b>	<b>Percent Change*</b>
CDBG	\$2,283,784	\$916,674	\$2,199,153	\$2,199,153	\$0	0.0%

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

**Critical Assumption:** The Federal Community Development Block Grant (CDBG) Program supports community development activities to build stronger and more resilient communities. Funding is expected to remain unchanged compared to the FY 2024 award.

\* Relative to FY 2024 budget.

**Special Fund Revenues  
Fiscal Year 2025**

**COMCAST FRANCHISE FEES**

Special Funds Revenues	Actual FY 2022	Actual FY 2023	Budget FY 2024	Proposed FY 2025	Dollar Change*	Percent Change*
Comcast Franchise	\$993,886	\$948,127	\$1,000,000	\$901,850	(\$98,150)	-9.8%

**Basis:** Trend analysis and growth of local economy

**Critical Assumption:** Comcast Franchise Fees revenue consists of 5.0% of gross revenues from cable television service sales in the City. In Wilmington, Comcast is currently the only provider of cable TV service. Beginning in FY 2014, Franchise Fees were budgeted as a special revenue fund, the result of City Council transferring the Comcast franchise revenue into the CATV Fund. For FY 2024, revenues are expected to decrease by \$98,000, reflecting the ongoing decline in cable subscribers.

**EMERGENCY SHELTER GRANTS (ESG)**

Special Funds Revenues	Actual FY 2022	Actual FY 2023	Budget FY 2024	Proposed FY 2025	Dollar Change*	Percent Change*
Emergency Shelter	\$177,664	\$62,616	\$197,226	\$197,226	\$0	0.0%

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

**Critical Assumption:** This ESG program is intended to assist in the operation and rehabilitation of emergency and transitional shelters. It is expected to remain flat in FY 2025.

**WORKFORCE INVESTMENT BOARD GRANT**

Special Funds Revenues	Actual FY 2022	Actual FY 2023	Budget FY 2024	Proposed FY 2025	Dollar Change*	Percent Change*
Workforce Investment	\$170,310	\$110,248	\$274,494	\$279,984	\$5,490	2.0%

**Basis:** Estimate from State of Delaware

**Critical Assumption:** The Workforce Investment Board Grant provides funding for the City’s Youth Career Development Program. Revenues are expected to increase slightly in FY 2025.

**PARKS ASSISTANCE**

Special Funds Revenues	Actual FY 2022	Actual FY 2023	Budget FY 2024	Proposed FY 2025	Dollar Change*	Percent Change*
Parks Assistance	\$1,637,389	\$1,182,044	\$1,162,961	\$1,255,129	\$92,168	7.9%

**Basis:** Estimate from Federal Government

**Critical Assumption:** These funds are used for the Summer and Evening Food Programs. Funding is currently projected to increase by \$92,000 compared to the FY 2024 budget.

\* Relative to FY 2024 budget.

**Special Fund Revenues  
Fiscal Year 2025**

**PARKS TRUST FUND**

Special Funds Revenues	Actual FY 2022	Actual FY 2023	Budget FY 2024	Proposed FY 2025	Dollar Change*	Percent Change*
Parks Trust Fund	\$110,259	\$115,139	\$115,009	\$116,636	\$1,627	1.4%

**Basis:** Trust Administrator / trust guidelines

**Critical Assumption:** Revenues are derived from a private trust and are based on qualified parks expenditures.

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

Special Funds Revenues	Actual FY 2022	Actual FY 2023	Budget FY 2024	Proposed FY 2025	Dollar Change*	Percent Change*
SALLE / LLEBG	\$2,792,318	\$2,438,996	\$786,984	\$806,099	\$19,115	2.4%

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

**Critical Assumption:** These grants are expected to increase by \$19,000 relative to the FY 2024 budget.

**PENSION ADMINISTRATION**

Special Funds Revenues	Actual FY 2022	Actual FY 2023	Budget FY 2024	Proposed FY 2025	Dollar Change*	Percent Change*
Pension Administration	\$5,673,752	\$5,623,526	\$6,280,467	\$6,529,999	\$249,532	4.0%

**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.

**HOME PARTNERSHIP FUND**

Special Funds Revenues	Actual FY 2022	Actual FY 2023	Budget FY 2024	Proposed FY 2025	Dollar Change*	Percent Change*
Home Partnership	\$644,809	\$649,401	\$718,522	\$570,232	(\$148,290)	-20.6%

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

**Critical Assumption:** The Home Partnership Program is awarded through HUD and is expected to decrease by \$148,000 in FY 2025.

\* Relative to FY 2024 budget.

**Special Fund Revenues  
Fiscal Year 2025**

**HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS GRANT (HOPWA)**

<b>Special Funds Revenues</b>	<b>Actual FY 2022</b>	<b>Actual FY 2023</b>	<b>Budget FY 2024</b>	<b>Proposed FY 2025</b>	<b>Dollar Change*</b>	<b>Percent Change*</b>
HOPWA	\$805,204	\$710,055	\$951,239	\$951,239	\$0	0.0%

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

**Critical Assumption:** The Housing Opportunities for Persons With AIDS is a Federal program dedicated to the housing needs of people living with HIV/AIDS and their families. The budget is expected to remain level in FY 2025.

**MISCELLANEOUS GRANTS**

<b>Special Funds Revenues</b>	<b>Actual FY 2022</b>	<b>Actual FY 2023</b>	<b>Budget FY 2024</b>	<b>Proposed FY 2025</b>	<b>Dollar Change*</b>	<b>Percent Change*</b>
Miscellaneous Grants	\$384,744	\$453,719	\$280,718	\$283,810	\$3,092	1.1%

**Basis:** State of Delaware award letters

**Critical Assumption:** Miscellaneous Grants consists of the combined total of two grants: the Emergency Management Performance Grant (\$85,810 in FY 2025) and the State Fire Grant (\$198,000 in FY 2025). For FY 2023, this also included \$44,039 in ARPA funding; however, no ARPA revenues are budgeted in FY 2024 or beyond.

\* Relative to FY 2024 budget.

**Water / Sewer Fund Revenues  
Fiscal Year 2025**

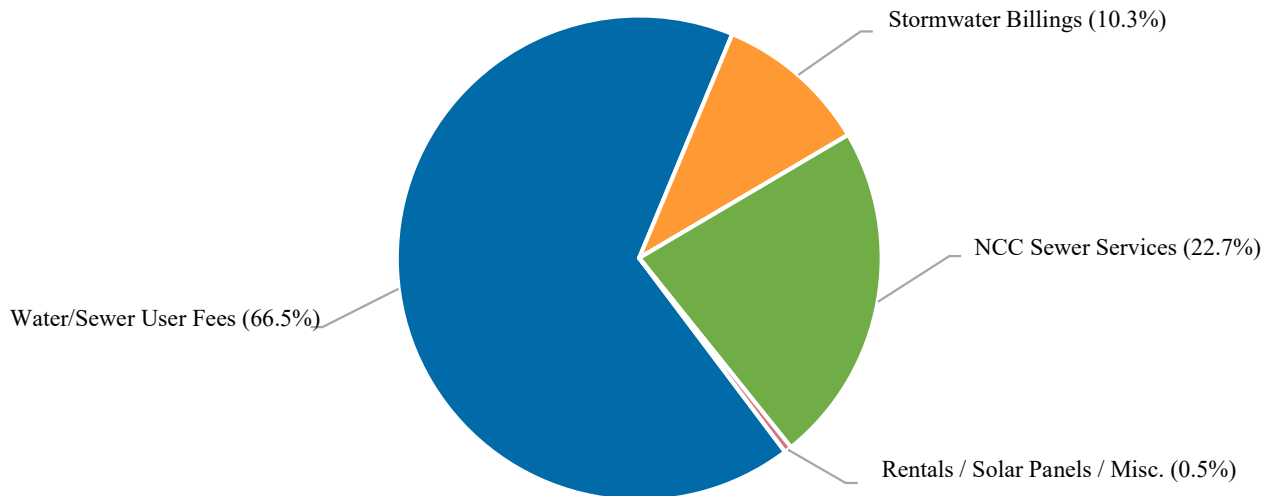
**WATER / SEWER FUND**

<b>Water / Sewer Fund Revenues</b>	<b>Actual FY 2022</b>	<b>Actual FY 2023</b>	<b>Budget FY 2024</b>	<b>Proposed FY 2025</b>	<b>Dollar Change FY'25-'24</b>	<b>Percent Change FY'25-'24</b>
Water/Sewer User Fees	\$56,525,888	\$58,225,815	\$62,007,000	\$66,603,000	\$4,596,000	7.4%
Stormwater Billings	9,645,160	9,647,533	8,720,000	10,264,000	1,544,000	17.7%
NCC Sewer Services	20,748,646	22,616,476	20,949,000	22,749,000	1,800,000	8.6%
Rentals/Miscellaneous	561,991	529,654	426,000	439,000	13,000	3.1%
Solar Panel Revenues	29,665	9,246	37,000	37,000	0	0.0%
CARES / ARPA	0	0	0	0	0	0.0%
<b>Total Revenues</b>	<b>\$87,511,350</b>	<b>\$91,028,724</b>	<b>\$92,139,000</b>	<b>\$100,092,000</b>	<b>\$7,953,000</b>	<b>8.6%</b>

Total Water / Sewer Fund revenue is budgeted to be **\$100,092,000**, an increase of nearly \$8.0 million, or 8.6%, above the FY 2024 budget. No CARES / ARPA revenue is budgeted for FY 2025.

The net change by revenue category is discussed in detail below.

**Water/Sewer Fund Revenues  
Fiscal Year 2025**



## Water / Sewer Fund Revenues Fiscal Year 2025

### WATER/SEWER USER FEES

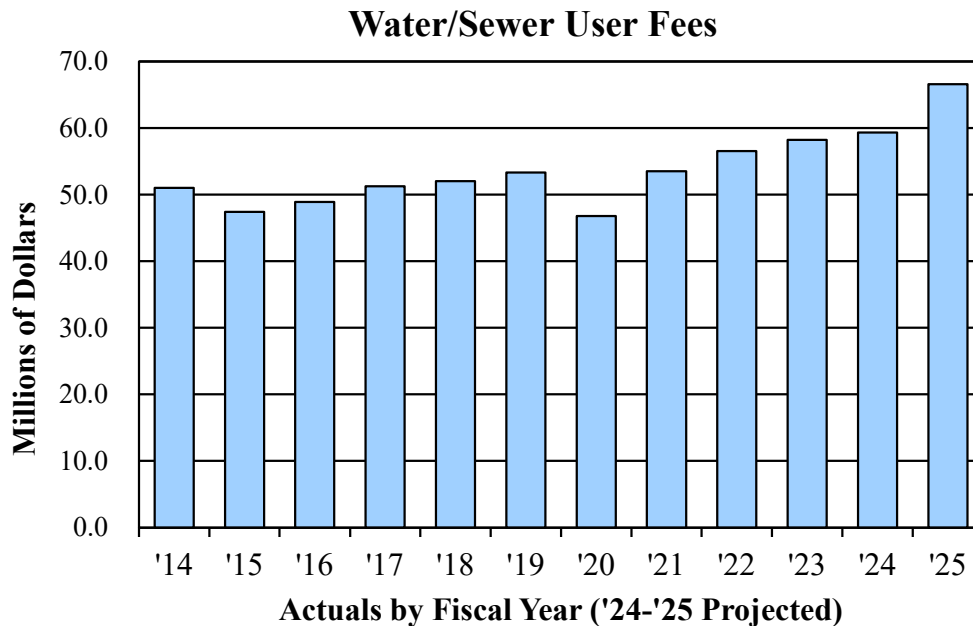
Water / Sewer Fund Revenues	Actual FY 2022	Actual FY 2023	Budget FY 2024	Proposed FY 2025	Dollar Change*	Percent Change*
Water/Sewer User Fees	\$56,525,888	\$58,225,815	\$62,007,000	\$66,603,000	\$4,596,000	7.4%

\* Relative to FY 2024 budget.

**Basis:** Trend analysis / management initiatives

**Critical Assumptions:** Water/Sewer User Fees are the direct charges to customers for Inside-City water and sewer services, as well as Outside-City water services. For FY 2025, Water/Sewer Fees are projected to total \$66.6 million, an increase of \$4.6 million from the FY 2024 budget. Per Black & Veatch estimates, FY 2025 base revenues will be \$58.9 million, down \$669,000 from the FY 2024 budgeted base, which is inclusive of the effects of a 5.7% rate increase included in FY 2024, net of overall consumption decreases. Added to this base is the projected impact of a 9.0% FY 2025 rate increase on Inside City water, Inside City sewer, and Outside City Water charges. Combined, these rate increases yield \$5.1 million in additional revenue, net of bad debt. For the typical Inside City residential customer using 4,000 gallons per month, this is an increase of \$5.66 per month.

In addition, special sewer fees are projected to provide nearly \$1.9 million (up \$100,000 from FY 2024), and penalty and interest will provide nearly \$1.9 million (unchanged from FY 2024). Finally, the projection includes a \$1.9 million offset for bad debt, up \$139,000 from the FY 2024 budget. There is no change in the bad debt rate of 3.0%, which is consistent with historical actuals.



**Water / Sewer Fund Revenues  
Fiscal Year 2025**

**STORMWATER BILLINGS**

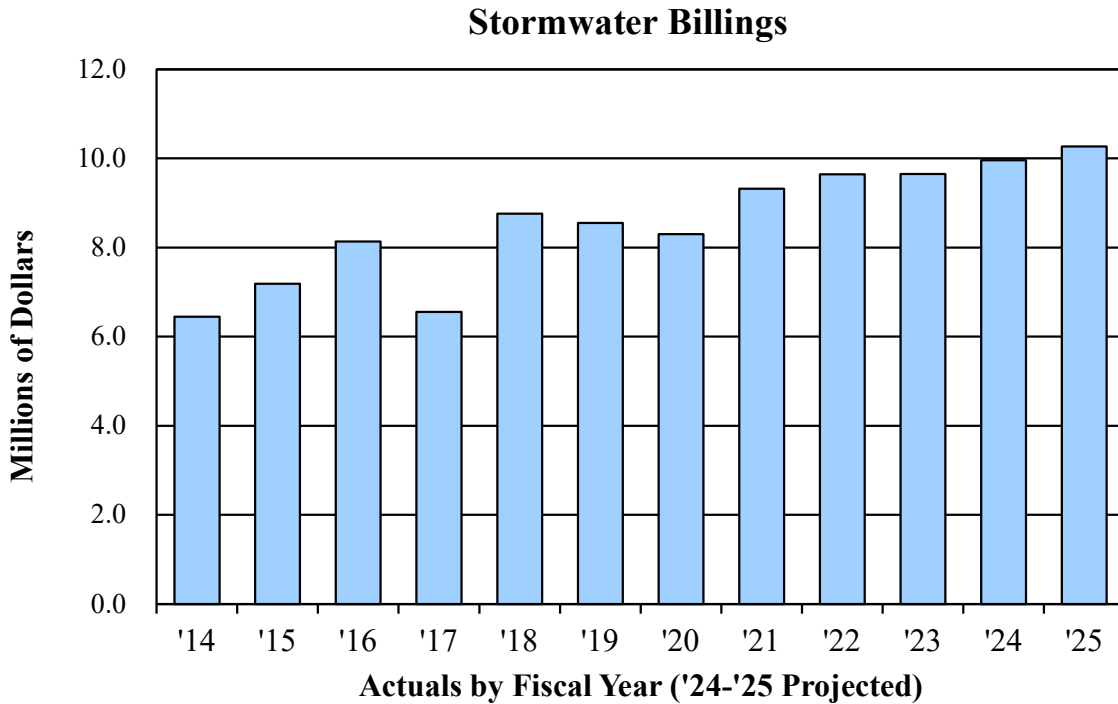
Water / Sewer Fund Revenues	Actual FY 2022	Actual FY 2023	Budget FY 2024	Proposed FY 2025	Dollar Change*	Percent Change*
Stormwater Billings	\$9,645,160	\$9,647,533	\$8,720,000	\$10,264,000	\$1,544,000	17.7%

\* Relative to FY 2024 budget.

**Basis:** Trend analysis / management initiatives

**Critical Assumptions:** Stormwater Billings are the revenues derived from the Stormwater Property Fee, which is charged to all property owners in the City. The fee is not based on a consumption factor, but rather on the size of the property and the characteristics of associated land and buildings as they relate to the generation of stormwater runoff. Base Stormwater Billings for FY 2025 are nearly \$10.0 million and are \$1.3 million up from the FY 2024 budget base revenues. Previously, base revenues were derived from Black & Veatch estimates, which are provided on a cash accounting basis; however, the City’s budget and financial reporting is done on an accrual basis. This inconsistency resulted in underbudgeting of Stormwater revenues. Consequently, for FY 2025 the base revenues are derived from the Q2 FY 2024 WEFAC projection, making them consistent with historical actuals on an accrual basis.

Added to this base revenue is the impact of a 6.0% rate increase, which is projected to yield \$581,000 in additional revenue, net of bad debt. For the typical City residential customer this is an increase of \$0.32 per month. Offsetting this is a \$317,000 reduction for bad debt, based on a 3% bad debt rate (down from 5% in FY 2024, reflecting the write-off of Army Corp of Engineers debts).





**Water / Sewer Fund Revenues  
Fiscal Year 2025**

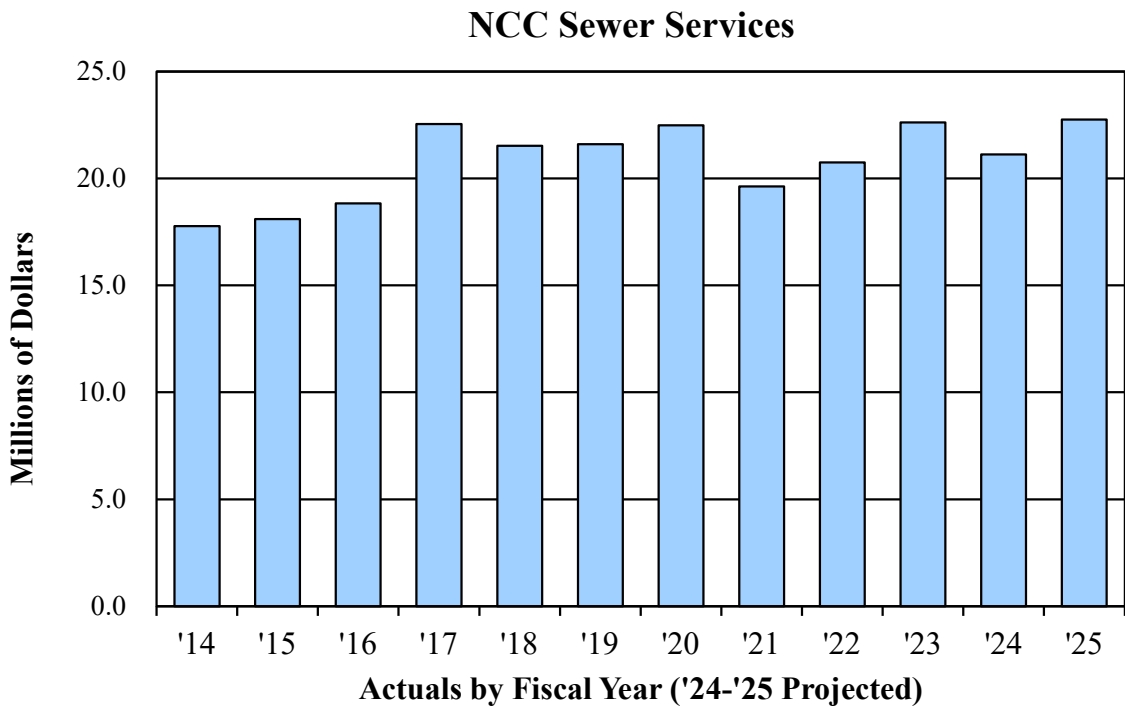
**NEW CASTLE COUNTY SEWER SERVICES**

Water / Sewer Fund Revenues	Actual FY 2022	Actual FY 2023	Budget FY 2024	Proposed FY 2025	Dollar Change*	Percent Change*
NCC Sewer Services	\$20,748,646	\$22,616,476	\$20,949,000	\$22,749,000	\$1,800,000	8.6%

\* Relative to FY 2024 budget.

**Basis:** Contract with New Castle County

**Critical Assumptions:** New Castle County Sewer is the revenue associated with the City’s treatment of sewage from New Castle County. Based on Black & Veatch’s analysis of the contract between the City and County, FY 2025 revenues are expected to be \$22.7 million, up \$1.8 million from the FY 2024 budget.



**Water / Sewer Fund Revenues  
Fiscal Year 2025**

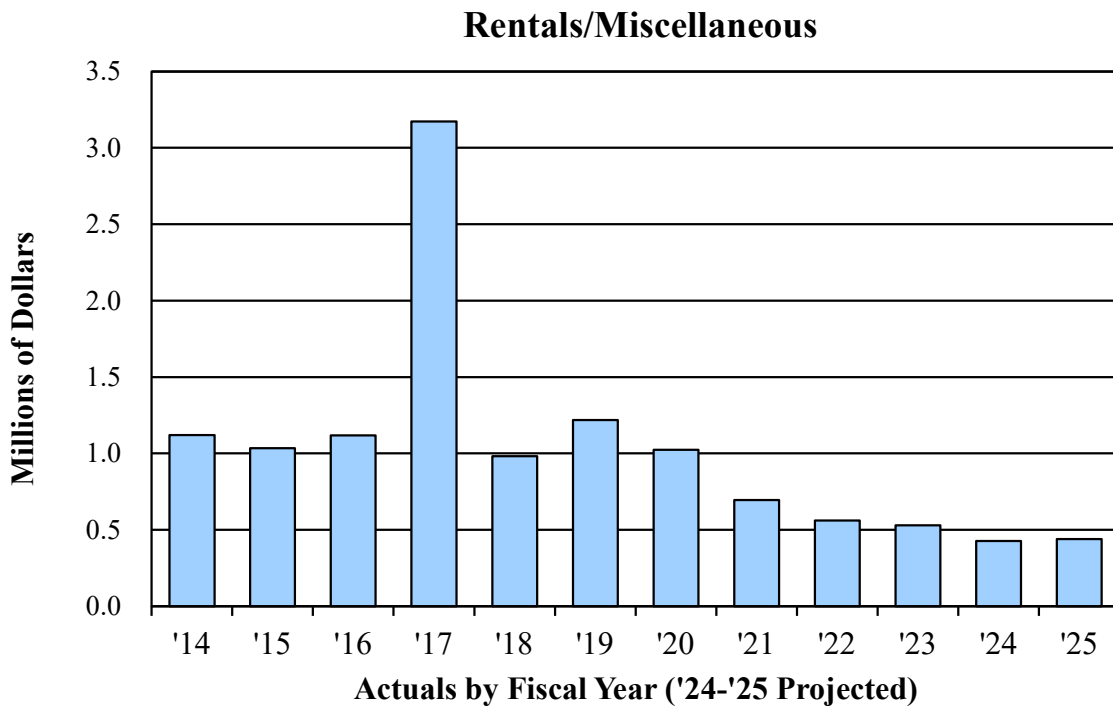
**RENTALS / MISCELLANEOUS**

Water / Sewer Fund Revenues	Actual FY 2022	Actual FY 2023	Budget FY 2024	Proposed FY 2025	Dollar Change*	Percent Change*
Rentals/Miscellaneous	\$561,991	\$529,654	\$426,000	\$439,000	\$13,000	3.1%

\* Relative to FY 2024 budget.

**Basis:** Leases / contracts

**Critical Assumptions:** Rentals / Miscellaneous revenues are the fees charged to telecommunication companies that rent space on the City’s water tanks for antennae and transmitters. FY 2025 is budgeted to be up \$13,000 from the FY 2024 budget.



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

**Water / Sewer Fund Revenues  
Fiscal Year 2025**

**SOLAR PANEL REVENUE**

<b>Water / Sewer Fund Revenues</b>	<b>Actual FY 2022</b>	<b>Actual FY 2023</b>	<b>Budget FY 2024</b>	<b>Proposed FY 2025</b>	<b>Dollar Change*</b>	<b>Percent Change*</b>
Solar Panel Revenues	\$29,665	\$9,246	\$37,000	\$37,000	\$0	0.0%

\* Relative to FY 2024 budget.

**Basis:** Leases / contracts

**Critical Assumptions:** Solar Panel Revenue is derived from the sale of Solar Renewable Energy Credits (SRECs) earned by the solar arrays located at various municipal sites, most notably the Porter Filter Plant. Projected revenues for FY 2025 are unchanged from the prior year's budget.

