

BUDGET HIGHLIGHTS

City of Wilmington Fiscal Year 2026

The General Fund

- The FY 2026 General Fund operating budget expenditures total **\$201,609,615** – up \$7,690,886 or 4.0% from FY 2025.
- Overall, there was no increase in property taxes. The property tax rate was changed from 21.1500 mills to 4.5577 mills, meaning \$4.5577 in property tax for every \$1,000 in assessed property value. This new rate was calculated to be revenue-neutral, meaning it generates the same total billed property tax revenue for FY 2026 as FY 2025. The adjustment reflects the recently completed general property value reassessment by New Castle County.
- For decades, ambulance transport had been provided in Wilmington by third-party entities at no cost to the City. Starting in January 2024, the current provider, St. Francis Hospital, required that the City pay an annual fee of \$3.8 million for it to continue its ambulance services, which the City agreed to. Now, just over a year later, St. Francis Hospital has informed the City that due to staffing shortages, it will no longer provide ambulance services after June 28, 2025. Attempts by the City to obtain the service from other providers have not been successful. As a result, for FY 2026, an Emergency Medical Services (EMS) function was created in the Fire Department to provide basic life support ambulance service and transport. This necessitated increasing the Department's authorized strength from 156 to 186 firefighters, upgrading a Lieutenant position to a Battalion Chief, and creating a new civilian EMS Manager position. The new EMS function (including IT costs budgeted in the Information Technologies Department) added almost \$4.0 million to the budget. That cost will be offset by the elimination of the fee paid to St. Francis Hospital and the projected collection by the City of \$2.5 million in new EMS medical insurance fee revenue.
- The budget includes almost \$2.1 million to cover cost-of-living adjustments (COLA) salary increases for eligible employees. In addition, mandatory anniversary salary step increases for employees added \$764,000 to the budget.
- Staffing increased by a net total of 36.90 full-time equivalents (FTE). Over 100 personnel actions took place, affecting every department, and adding over \$3.7 million to the budget. It started with the mid-year FY 2025 Transition Budget Amendment, followed by the implementation of the results of Human Resources' realignment process (done in part in lieu of the biennial appeals process), the increase in personnel for EMS, and culminated with the approval of several departmental personnel budget requests.
- Excluding the EMS function, employee healthcare costs (Hospitalization) jumped by 9.4% or almost \$1.5 million. The budget was based on the cost projections done by USI, the City's healthcare insurance consultant, and breaks the recent trend of annual cost percentage increases for healthcare that had been well below regional and national averages.

BUDGET HIGHLIGHTS

City of Wilmington Fiscal Year 2026

The General Fund (continued)

- Consultants rose a net \$754,000, with most of the increase attributable to the departments of Information Technologies, Police, and Fire. Information Technologies saw a net increase of \$167,000 that was largely attributable to an increase for additional network support services from Diamond Technologies and new funding for the outsourcing of the City's website management. Police and Fire added a combined \$440,000 to cover the fees of specialized consultants required to administer their respective biennial officer promotional processes. Lastly, \$150,000 was added in Police to acquire and implement the Telestaff scheduling software.
- The Motor Vehicle Costs account rose by almost \$644,000, driven by large price hikes in the cost of new cars, especially police vehicles. Also, fleet maintenance costs are up as the cost of parts and labor has risen dramatically over the last three years.
- Funding increases in Parks & Recreation account for more than half of the \$576,400 rise in Temporary Salaries. Due to a change in provider and higher meal costs, Parks & Recreation will now cover part of the costs of the Child and Adult Care Food Program (CACFP) and Summer Food Service Program (SFSP). Specifically, the \$179,000 cost of the 12 temp employees administering the CACFP and the SFSP (previously funded by the grant) will now be paid through the General Fund. This change ensures the grant continues to support the same service level without reducing the number of meals provided. Additionally, Parks & Recreation increased funding by \$158,000 to expand the number of summer youth workers, raise their pay rates, and extend the employment period for the two Youth Career Development Program Supervisors from 10 weeks to 10 months.
- The Miscellaneous Projects accounts in the Office of Cultural Affairs and the Department of Real Estate & Housing increased by a combined \$325,000. The Office of Cultural Affairs, which manages major city events like the nationally renowned, free-of-charge Clifford Brown Jazz Festival, received a \$225,000 increase. Rising costs for live musical performances and a sharp decline in post-COVID corporate sponsorships have made this funding necessary. The increase provides a true-cost funding level, eliminating the need for repeated year-end contingency fund requests. In Real Estate & Housing an additional \$100,000 (to a new total of \$900,000) was allocated to support the Clean Team initiative. This highly successful and popular program hires local residents to clean streets and neighborhoods, giving them an opportunity to earn money while providing an important benefit for the entire City.
- Contracted Maintenance Services increased just under \$244,000. Of note is the increase in the Police Department of almost \$115,000 to pay the cost of license plate recognition software. Previously, this expense had been covered by ARPA funding.
- Excluding the cost for outfitting the new 30 firefighters added because of EMS, Wearing Apparel and Safety Supplies costs are up a net \$218,000 in the Fire Department. This includes an additional \$365,000 to replace turnout gear, net of reductions in spending on vests and helmets, which were purchased in FY 2025.

BUDGET HIGHLIGHTS

City of Wilmington Fiscal Year 2026

The General Fund (continued)

- Total Debt Service increased a net \$216,000. While bond principal and interest payments increased a total of \$470,000, there was an offsetting savings of \$254,000 in total capital lease debt service payments as the last of the financed items on the now-closed capital leasing program mature and fall off the schedule. Finally, although there is a new bond issuance planned for FY 2026, it will be structured so that the first debt service payment would not occur until FY 2027.
- Public Works has requested \$575,000 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. This is an increase of \$150,000 or 35.3% from the previous contract.
- In total, the Collection Expense accounts for Legal-Sheriff Sales & Other, Redlight Commissions, and Wage & Head Tax Audit grew by almost \$359,000. However, the Finance Department recently switched to a new vendor for the administration, billing, and revenue collection of the parking citations program, which resulted in a \$587,000 reduction in the Collection Expense – Parking Citations Commissions budget for FY 2026.
- Net of the new EMS function, the total contribution cost for the State Pension Plans rose over \$441,000 (or 6.0%). However, this was much more than offset by a \$1.5 million decrease in the total actuarially required contribution cost for the City's old pension plans. While the State grapples with a large unfunded liability in its pension plans, the City has experienced a dramatic drop in the unfunded liability of its pension plans, with two of five plans now fully funded.
- A total transfer of \$2.5 million from the Tax Stabilization Reserve was made to the Neighborhood Stabilization Fund (NSF), of which \$500,000 will be allocated for the Wilmington Neighborhood Conservancy Land Bank.

BUDGET HIGHLIGHTS

City of Wilmington Fiscal Year 2026

The Water/Sewer Fund

- The FY 2026 Water/Sewer Fund operating budget expenditures total **\$95,465,449** – up \$5,280,793 or 5.9% from FY 2025. The FY 2026 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 includes a total of \$286,000 to cover cost-of-living salary adjustments and mandatory anniversary salary step increases for eligible employees.
- Staffing increased by a net total of 0.65 FTE, adding \$79,000. Of larger impact was Human Resources’ realignment process (mostly affecting positions in Public Works) that added almost \$180,000.
- Over \$1.8 million was added to the Contracted Maintenance group of accounts. This includes an additional \$818,000 in Repairs to Equipment, an increase of \$787,000 in Repairs to Sewer and Water Lines, and \$150,000 more for Condition Assessment. Of note is the 45.5% contract price increase (from \$550,000 to \$800,000) for Allied Control Systems for maintenance of the Supervisory Control and Data Acquisition (SCADA) system.
- The Contracted Maintenance Services account increased by almost \$1.4 million. Most of the increase is in the contract fee to Jacobs (up \$1.1 million) to operate and maintain the City’s sewage treatment plant and help manage the City’s renewable energy bio-solids facility.
- Engineering in the Water System Division increased \$420,000 to support GIS inventory management for lead mitigation and to administer the identification and marking out of underground utilities per the Delmarva 811 program.
- Employee healthcare costs (Hospitalization) jumped by 13.9% or almost \$294,000. The budget was based on the cost projections done by USI, the City’s healthcare insurance consultant, and breaks the recent trend of annual cost percentage increases for healthcare that had been well below regional and national averages.
- Depreciation increased by \$288,000, 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.
- In the Stormwater Division, funding for the street tree emergency and hazard mitigation program increased \$175,000 due to additional tree and landscape plantings on Washington, West, Market, and Shipley Streets.

BUDGET HIGHLIGHTS

City of Wilmington Fiscal Year 2026

The Water/Sewer Fund (continued)

- Total Debt Service decreased \$153,760 based on the existing debt service schedule. Although there is a new bond issuance planned for FY 2026, it will be structured so that the first debt service payment would not occur until FY 2027.
- The Indirect Cost charge reflects the cost of the essential supporting services provided to the Water/Sewer Fund utilities by the General Fund, such as Accounting, Payroll, and IT. A new indirect cost model developed by Black & Veatch was recently implemented, resulting in a \$600,000 decrease (from \$9.1 million to \$8.5 million) in Indirect Cost for FY 2026.
- There is a 6.5% increase to water and sewer rates and a 6.0% increase to stormwater rates. The projected fiscal impact of the rate changes is a net increase of \$4.3 million in revenue to the Water/Sewer Fund in FY 2026. The typical residential customer in the city using 4,000 gallons of water per month will see an increase of \$4.66 to their monthly bill.