



Finance & Economic Development Committee Budget Hearing
Finance Department
April 7, 2025

1. Understanding the City has the responsibility to ensure that Indirect Cost adequately reflect the best usage for services that are aligned with the Water Sewer Fund, please justify the **~\$8.5M (WSF)** budgeted citywide for Indirect Cost, down **~\$600K** from the previous year's budget, yet while realizing the FY26 proposed Water and Sewer Rate Increase of 6.5% and Stormwater for 6%. Please explain, considering that Indirect Cost for the Finance Department has increased **~\$827K (WSF)**.
 - a. Specify the frequency for how often the indirect cost study is done.
 - b. Specify the direct correlation to the impact of Water, Sewer, and Stormwater Rates, considering a rate increase has been done each year for the last 5 years.
 - c. Specify if the indirect cost allocation is a standard governmental best practice for cities of a similar size as Wilmington with a water utility.
2. While understanding one of Council's FY2026 Budget Priorities is Financial Sustainability, which is the reason Council codified Ord# 23-019, (*"Funding for the water utility assistance program shall derive each fiscal year from an appropriation contained in that fiscal year's annual operating budget ordinance. The amount of funding for each fiscal year's water utility assistance program shall be an amount that is no less than one percent of such fiscal year's water/sewer fund operation and maintenance reserve."*), please discuss the **\$250K (WSF)** budgeted for the Utility Assistance Program, considering **\$350K** was budgeted in FY2025.
 - a. Specify the number of households that has used this program since inception, per fiscal year.
 - b. Specify the amount of funds expended for the Utility Assistance Program since inception, per fiscal year.
 - c. Justify if \$250K is adequate.
 - d. Specify amount of funds in the water/sewer fund operation and maintenance reserve.
 - e. Specify how the program is advertised.
3. Realizing the challenges the City has endured with the MUNIS financial system over the years, discuss the **\$200K** in the proposed budget for a new ERP System regarding a study in the Misc. Services account line (**WSF**), considering a similar amount for **\$200K** was budgeted in the previous year.
 - a. Discuss the **\$2,970,000** in the FY26 Capital Budget for updating the ERP Financial Systems.
 - b. Specify the approximate timeframe schedule for implementation, considering the city is typically delayed when going to the bond market.
4. Discuss current vacant positions.
 - a. Specify duration of the vacancy.
 - b. Specify timeframe for filling position.
 - c. Specify if position generates revenue, and if so, estimated amount.

- d. Specify any impact to Overtime, Temp Agency, and or Consultants.
 - e. Justify the need for the position.
5. Discuss any proposed changes to positions (new position, deleted position, upgrade, realignment, transition, downgrade, title change, salary changes, etc.).
 - a. Specify if the new Database Manager position has any correlating impact with revenue generating, and if so, please share.
 - b. Considering the FY26 proposed 6.5% water rate, and 6% stormwater increase, justify the necessity for the new Database Manager position particularly since the cost for this new position is split funded **65%** Water Sewer Fund and **35%** General Fund, in other words heavily funded by the Water Sewer Fund.
6. Discuss the planned use for ~**\$1.370M** in Professional Services (Temp Agencies and Consultants), up ~**\$85K** over the prior year's budget (**\$745K** General Fund, **\$625K** Water Sewer Fund), in conjunction with a proposed budget for **84 FTE's**.

DIVISION:	Temp Agency	Consultants
Admin Div		\$120,000 (GF)
Admin Div		\$75,000 (WSF)
Earned Income Tax Div	\$100,000 (GF)	\$50,000 (WSF)
Accounting Div	\$155,000 (GF)	\$45,000 (GF)
Accounting Div	\$120,000 (WSF)	\$45,000 (WSF)
Procurement	\$10,000 (GF)	\$20,000 (GF)
Meter Readers Div	\$15,000 (WSF)	
Account Services	\$25,000 (GF)	
Account Services	\$30,000 (WSF)	\$80,000 (WSF)
Central Cashier	\$20,000 (GF)	
Central Cashier	\$20,000 (WSF)	
Utility Billing	\$10,000 (GF)	\$40,000 (GF)
Utility Billing	\$40,000 (WSF)	\$200,000 WSF)
Parking Enforcement	\$150,000 (GF)	
TOTAL	\$695,000	\$675,000

- a. Specify vendor name, length of contract, amount, and purpose for all Consultants.
 - b. Specify if any vendors are DBE's.
 - c. Specify any reoccurring one-year agreements.
 - d. Specify number of Temps per Division.
 - e. Please explain funding allocated for the Water Billing Technology implementation, as well as the CIS System Support for GO-Live.
7. While realizing the significance of the amount of funds that are overdue to the City of Wilmington from outstanding collections, which is partially accounted in the Revenue Projections, discuss the budgetary resources allocated for collection efforts across both General and Water Sewer Funds for ~**\$1.5M**, and specify the return on investment for both internal and external costs, considering cost has increased ~**\$315K**:

	<u>FY26 Proposed Budget</u>	<u>FY25 Proposed</u>	<u>Change</u>
Collection Expense Legal Sheriff Sale	\$705,000	\$445,000	\$260,000
Collection Expense Wage & Head Audit	\$452,000	\$397,000	\$55,000
Collection Expense Credit Card Fees	\$305,000	\$305,000	
Collection Expense Court Costs	\$35,000	\$35,000	
TOTAL	\$1,497,000	\$1,182,000	\$315,000

- a. Specify vendor name, length of contract, amount, and purpose.
 - b. Specify if any DBE's.
 - c. Specify any reoccurring one-year agreements.
 - d. Specify ROI for FY23, FY24 and year to date.
 - e. Specify the uncollectable amount for collections.
8. Discuss the planned use for **\$525K (WSF)** in the Central Cashier Division regarding the Citywide 311 Initiative, up **\$25K** over the prior year's budget.
- a. Share rationale for why this cost is funded 100% WSF.

9. For the UBCIS cost budgeted within the Contracted Maintenance and Computer & Software Licenses account line in the WSF for **\$295,616**, please discuss this **new additional** cost:

	FY26 PROPOSED BUDGET
Contracted Maintenance Service	\$147,808
Software Licensing Fees	\$147,808
TOTAL:	\$295,616

- a. Specify if this item is a potential capital project.
10. Discuss the planned use of **~\$2.94M** budgeted in Commissions account lines:

ACCOUNT LINE	FY26 Proposed BUDGET	FY25 PROPOSED	Change
False Alarms Commissions	\$70,000	\$70,000	\$0
Parking Citations Commissions	\$990,000	\$1,577,345	-\$587,345
Red Light Commissions	\$1,853,702	\$1,749,953	\$103,749
Total	\$2,913,702	\$3,397,298	-\$483,596

- a. Specify vendor name, length of contract, amount, scope and purpose.
 - b. Specify if any vendors are DBE's.
 - c. Specify any reoccurring one-year agreements.
 - d. Specify revenues collected for FY2023 to year to date and projected for FY26 per each commission category and amount outstanding.
 - e. Specify statistics for FY2023 to year to date for number of parking citations issued/paid/outstanding as a result of the Auto Vu Mobile License Plate Technology (OVN notices), and the number of vehicles booted and towed.
 - f. Specify statistics for FY2023 to year to date on number of red-light tickets (video enforcement) issued/paid/outstanding per year and the number of vehicles booted and towed.
 - g. Specify number of parking citations issued per year by PREO's for FY23, FY24, and year to date (list amount paid/outstanding per year).
 - h. Specify the number of participants per year for the digital parking permit program for the last 2 years.
 - i. Specify the number of DMV red-light registrations HOLDS done per year for the last 2 years, and amount collected/outstanding as result of DMV holds per year for the last 2 years.
 - j. Specify the ROI for the commissions categories.
 - k. Specify projected impact to this budget if any for the new one-year towing contracts.
 - l. Specify the number of redlight cameras down during CY2024, and year to date CY2025, and specify any impact to revenue.
11. Discuss the **\$525K** budgeted for Lockbox Charges (**\$200K GF, \$325K WSF**).

- a. Justify the rationale for higher cost allocation to the water sewer fund for this charge.
12. Discuss the overall growth to the Finance Department's budget from FY22 to FY26, as to the percentage of growth immensely to the Water Sewer Fund, compared with less growth to the General Fund. Please explain.
13. Share the methodology that is used to determine how 84 full time positions in the Finance Department could be split funded, 55.15 FTE'S in the General Fund, and 28.85 in the Water Sewer Fund. Please explain.

All Departments

14. Provide FY2026 proposed organizational chart with the total number of employees (i.e. permanent, temporary, contract, vacancies).
 - a. If there are multiple divisions, please ensure there are sub-org charts that enumerate all the above.

Capital Budget Request

15. Discuss the \$300K requested for renovations to the first and sixth floors for the Finance Department.