

BUDGET HIGHLIGHTS

City of Wilmington

Fiscal Year 2027

The General Fund

- The FY 2027 General Fund operating budget expenditures total **\$212,616,177** – up \$10,828,874 or 5.4% from FY 2026.
- The budget includes approximately \$2.1 million to cover cost-of-living adjustment (COLA) salary increases, along with the corresponding increase in benefits costs. In addition, mandatory anniversary step increases and the associated benefits costs added \$2.0 million to the budget. More than half of the combined increase for COLAs and step increases is attributable to the Police and Fire Departments.
- Staffing increased by a net total of 20.00 full-time equivalents (FTEs). Thirty-six personnel actions occurred across nearly every department, adding over \$2.2 million to the budget. This total includes the net \$428,600 added through the FY 2026 Budget Amendment #2. The most significant staffing change in FY 2027 occurred in the Fire Department, where 12 Firefighter/EMT positions were added at a cost of approximately \$1.2 million. As the City gained experience operating the new EMS service, it became clear that service demand could not be met through existing staffing levels or by relying solely on additional overtime. It should be noted that adding the 12 Firefighter/EMT positions will allow the Fire Department to avoid nearly \$1.1 million in overtime spending.
- Employee healthcare costs (hospitalization) increased by 12.1%, or nearly \$2.2 million, which includes approximately \$560,000 associated with the 20.00 net full-time equivalent (FTE) positions added to the budget. The budget estimate is based on cost projections prepared by USI Insurance Services, the City's healthcare insurance consultant, and reflects recent significant increases in prescription drug costs and stop-loss insurance expenses.
- The State Board of Pension Trustees and Office of Pensions has approved new employer pension contribution rates for FY 2027. The County/Municipal Police/Fire contribution rate for police and fire sworn personnel has increased from 15.20% to 17.26%, an increase in cost to the City of 13.6% or about \$986,000. The County/Municipal General contribution rate for civilian employees has increased from 5.48% to 6.03%, an increase in cost to the City of 10.0% or about \$120,200.
- The Fire Department assumed responsibility for EMS and ambulance transport within the City last July. At the same time, the City entered into a new contract with the firefighters' union that changed the work schedule for firefighter/EMTs from *24 hours on/48 hours off* to *24 hours on/72 hours off*. The combined impact of these changes created staffing shortages that significantly increased overtime spending, which is trending \$1.3 million over budget in FY 2026. Even with the addition of 12 new Firefighter/EMT positions, it was still necessary to increase the Overtime budget by \$568,400, to a new total of \$2.1 million, to meet minimum manning requirements.
- In the Police Department, the cost of the Axon body camera and taser contract rose to \$1.6 million in FY 2027, an increase of nearly \$1.1 million (86.1%) compared to FY 2026. This reflects a \$1.3 million increase in Contracted Maintenance Services, where the combined body camera and taser contract is budgeted in FY 2027, partially offset by a \$220,000 decrease in Uniforms and Related Equipment, where taser costs had been budgeted in the past.

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City of Wilmington

Fiscal Year 2027

The General Fund (continued)

- Public Works has requested over \$1.0 million to contract with Asset Management Alliance to provide property management and repair services, recommended capital improvements, and conduct preventative maintenance for the Turner complex of buildings and facilities. This represents an increase of \$452,000 (78.6%) from the previous contract. The expanded contract will address aging infrastructure needs, and adds new provisions for security services and air intake unit repairs.
- The Motor Vehicle Costs account rose by almost \$409,400, 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 four years.
- Workers' Compensation increased \$276,200 or 6.8% and includes the higher liability exposure associated with the 12 new Firefighter/EMT positions.
- Workshops/Seminars–Training nearly doubled, increasing from \$264,400 to \$515,900. The largest increase is \$160,000 in new funding for a Treasurer's Office initiative supporting empowerment and wellness programming, including Treasury Talks and Wealth-Building Bootcamps for City employees, retirees, and residents. Finance added \$56,000 for management training related to the new ERP system, along with staff training such as MUNIS instruction, customer service training, and other professional development. Human Resources (HR) added \$30,000 for state-mandated and leadership training for executive and middle management. It should be noted that HR reduced its Advertising budget by \$33,150 to more than offset the increase for training.
- Total Debt Service increased by a net \$230,640. While bond interest payments increased by \$1,117,800, this was partially offset by \$887,160 in principal payment savings. As part of the December 2025 bond issuance to fund capital projects, the 2015 bond issuance, which carried a higher interest rate, was refinanced. Most of the savings from the restructuring will be realized in FY 2027.
- Information Technologies added \$150,000 to Computer Software Licenses to expand the capabilities of the existing Salesforce software used by L&I (\$50,000) and to provide funding for the Salesforce software development project in Land Use & Planning (\$100,000). The software development project will activate production-ready Salesforce modules for Building Inspectors and Business and Zoning Compliance Officers. It will also establish secure integration with MUNIS for billing, payments, and record synchronization. In addition, the project will add inspection-related functionality, including management of sub-addresses for multi-unit properties, while reducing manual data entry, improving data accuracy and strengthening the interoperability and communication between the Departments of Land Use & Planning and L&I.

BUDGET HIGHLIGHTS

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Fiscal Year 2027

The General Fund (continued)

- Temporary Agencies decreased by a net \$178,500. Because the Finance Department has shifted more collection activities to internal staff, it was able to reduce \$130,000 for outside assistance. As part of its strategic reorganization to improve services, Parks & Recreation increased the number of full-time staff, allowing it to reduce its Temporary Agencies budget by \$68,500. In the Mayor's Office, \$20,500 was added to this account last fiscal year to fund a Spanish-speaking representative in Constituent Services. For FY 2027, the full amount is being transferred to the Temporary Salaries account to allow for the direct hiring of a limited-service employee. Elsewhere, minor adjustments in Human Resources and Licenses & Inspections resulted in an additional \$4,000 reduction in this account. These reductions were partially offset by the addition of \$44,500 in Information Technologies to fund an on-site mapping and graphics professional dedicated to providing expedited service to City Council (\$40,000) and an increase in the contract with Diamond Technologies to provide IT Helpdesk support (\$4,400).
- Consultants decreased by a net of nearly \$1.1 million, with major reductions in Land Use & Planning, Information Technologies, Fire, and Police. In Police and Fire, FY 2027 is an off year for the biennial promotional process, allowing for the removal of \$440,000 in consultant funding used for promotional testing. In Police, the Real-Time Crime Center camera operations will be brought in-house, generating savings of \$412,000. In addition, \$150,000 previously budgeted for Telestaff scheduling software was removed because scheduling functions will be handled through the City's existing UKG system. Information Technologies reduced its Consultants budget by \$142,000 due largely to the elimination of funding for an outside project manager. Finally, there was a net decrease of \$116,500 in Land Use & Planning. While funding was added for the ICC Code Review Update (\$150,000), the Wilmington 2038 Comprehensive Development Plan Update (\$137,500), and other minor miscellaneous items, these increases were more than offset by \$410,000 in savings from the completion of the ADA Self-Assessment and Zoning Code Reform projects.
- Property tax rates will not increase. The \$1.65 million budget deficit will be covered using the Tax Stabilization Reserve.
- A transfer of \$4.0 million was made from the Tax Stabilization Reserve to the Economic Strategic Fund, with \$1.0 million allocated for the Small Business Development Program.
- A transfer of \$20.0 million from the Tax Stabilization Reserve was made to the Neighborhood Stabilization Fund. Of this amount, \$16.8 million will be allocated to incentivize private investment in affordable housing projects across the city (Affordable Housing Fund), \$2.0 million will be allocated to transform vacant lots into accessory dwelling units or other productive uses by providing grants for water and sewer connections (Vacant Lots Program), \$500,000 will be allocated to continue the highly successful Home Repair Lottery, \$500,000 will be allocated for the Wilmington Neighborhood Conservancy Land Bank, and \$200,000 will be allocated for architectural and engineering services for predevelopment work and planning.

BUDGET HIGHLIGHTS

City of Wilmington

Fiscal Year 2027

The Water/Sewer Fund

- The FY 2027 Water/Sewer Fund operating budget expenditures total **\$100,294,669** – up \$5,104,220 or 5.4% from FY 2026. The FY 2027 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, finished water filtration and supply improvements that exceed EPA standards, enhanced lead service line identification and removal, strengthened cross-connection and backflow prevention protections, and continued investment in drinking water and wastewater treatment infrastructure. Together, these initiatives support regulatory compliance, protect public health, and contribute to the long-term stability of northern Delaware’s water supply, especially during periods of drought.
- The budget includes approximately \$245,100 to cover cost-of-living adjustment (COLA) salary increases, along with the corresponding increase in benefits costs. In addition, mandatory anniversary step increases and the associated benefits costs added \$266,300 to the budget.
- Staffing decreased by a net total of 0.50 FTE, saving \$39,000. The \$104,300 in net savings from the Finance Department staffing reorganization (down 1.00 FTE) was offset by the \$65,300 increase in the Public Works Department (up 0.50 FTE) resulting from its reorganization.
- Employee healthcare costs (Hospitalization) increased by 7.4% or almost \$177,500. The budget estimate is based on cost projections prepared by USI Insurance Services, the City’s healthcare insurance consultant, and reflects recent significant increases in prescription drug costs and stop-loss insurance expenses.
- The Contracted Maintenance Services account rose by almost \$1.1 million. Most of the increase is in the contract fee to Jacobs (up \$862,400) to operate and maintain the City's sewage treatment plant and help manage the renewable energy bio-solids facility. A significant portion of the remaining increase reflects an additional \$149,200 added by the Finance Department for the Utility Billing Customer Information System and related software annual maintenance costs.
- Total Debt Service increased \$970,500, of which \$ 647,561 is attributable to the new bond issuance that occurred in December 2025.
- Depreciation increased by \$908,200, 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.
- Indirect Costs increased by nearly \$549,000 to just over \$9.0 million in FY 2027. The Indirect Costs charge reflects the cost of essential support services provided to the Water/Sewer Fund utilities by the General Fund, including Accounting, Payroll, and IT. This increase reflects the implementation of the new indirect cost allocation model developed by Black & Veatch last fiscal year.

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City of Wilmington

Fiscal Year 2027

The Water/Sewer Fund (continued)

- Miscellaneous Charges-N.O.C. increased by \$351,500. In Finance, \$290,000 was added to support the design and development of a data warehouse that will store, manage, and analyze large volumes of historical water utility and customer data from multiple sources. In Public Works there was a net increase of \$61,500 primarily due to a rise in the HydroCorp Backflow Solutions maintenance agreement to support expanded backflow prevention services. Smaller increases in Miss Utility fees and DNREC boiler inspection costs were partially offset by lower water lead filter costs.
- Bulk Chemicals increased by \$180,000 to address drinking water taste and odor concerns. The increase will support additional activated carbon usage and other treatment chemicals at the Porter and Brandywine Filter Plants, including specialty chemicals required for membrane cleaning at the Brandywine Plant.
- In Public Works, Consultants increased by a combined \$102,600 across the Department's four Water/Sewer Fund divisions. The increase primarily reflects contractual rate adjustments under existing professional services agreements, expanded regulatory and financial compliance support, and new studies related to water, sewer, and stormwater rate structures and fees.
- The Other Fees account group rose by a total of \$107,000 in Public Works due to the elimination of State funding from DNREC for stream gauge monitoring and higher contract costs for meter reading and billing, as well as quality assurance, quality control, and management oversight services.
- There is an across the board 9.95% increase to water, sewer, and stormwater rates. In addition, there will be a 1.16% increase in the sewer factor for Inside City customers, which determines the calculation of sewer charges as a ratio of water charges. The projected fiscal impact of the rate changes is an increase (net of bad debt) of approximately \$7.0 million in revenue to the Water/Sewer Fund in FY 2027. The typical residential customer in the city using 4,000 gallons of water per month will see an increase of \$7.95 to their monthly bill.