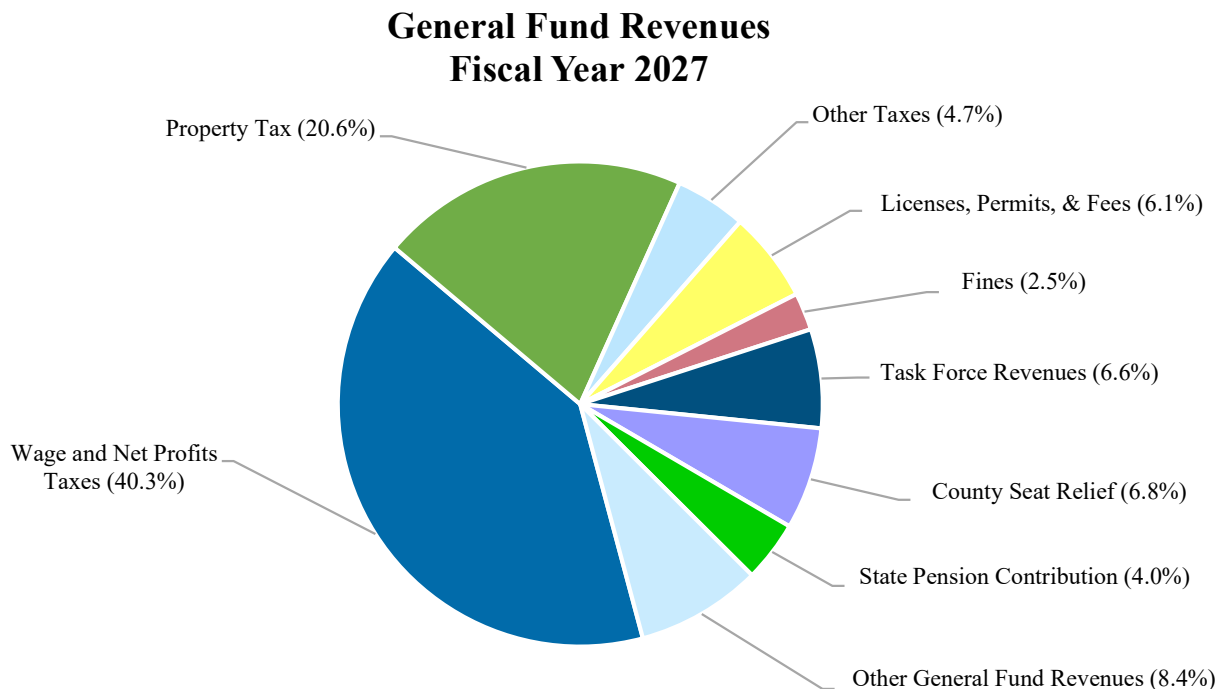


General Fund Revenues Fiscal Year 2027

General Fund Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change FY'27-'26	Percent Change FY'27-'26
Wage and Net Profits Taxes	\$81,030,509	\$77,568,519	\$84,000,012	\$85,700,278	\$1,700,266	2.0%
Property Tax	45,653,504	45,521,404	45,373,913	43,788,030	(1,585,883)	-3.5%
Other Taxes	9,229,970	10,920,948	9,442,550	10,052,115	609,565	6.5%
Licenses, Permits, & Fees	7,692,115	9,514,627	9,891,119	12,875,635	2,984,516	30.2%
Fines	7,939,595	4,587,134	7,346,322	5,320,635	(2,025,687)	-27.6%
Interest	9,918,184	7,801,443	5,206,000	4,976,736	(229,264)	-4.4%
Other Revenues	10,054,096	11,705,021	10,380,146	10,874,657	494,511	4.8%
Task Force Revenues	11,929,072	13,368,838	12,408,649	14,012,079	1,603,430	12.9%
County Seat Relief	12,662,664	13,558,855	12,943,173	14,483,583	1,540,410	11.9%
State Pension Contribution	7,609,202	8,605,223	7,220,492	8,605,223	1,384,731	19.2%
Transfers In/(Out)	275,000	275,000	275,000	275,000	0	0.0%
Use of Fund Balance	0	0	0	1,652,206	1,652,206	N/A
Total Revenues	\$203,993,911	\$203,427,012	\$204,487,376	\$212,616,177	\$8,128,801	4.0%

Total General Fund revenue (including transfers) is budgeted at **\$212,616,177**, a net increase of \$8.1 million, or 4.0%, above the FY 2026 budget. As the operating budget must be balanced per the City charter, FY 2027 includes a one-time use of nearly \$1.7 million from the General Fund's Tax Stabilization Reserve. This is sufficient to cover the projected revenue shortfall, based on projected revenues net of the proposed General Fund expenditures of \$212.6 million. Exclusive of this use of the Tax Stabilization Reserve, total General Fund revenues would be **\$210,963,971**, a net increase of \$6.5 million, or 3.2%, above the FY 2026 budget.

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



General Fund Revenues Fiscal Year 2027

WAGE AND NET PROFITS TAXES

General Fund Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
Wage and Net Profits Taxes	\$81,030,509	\$77,568,519	\$84,000,012	\$85,700,278	\$1,700,266	2.0%

* Relative to FY 2026 budget.

Basis: Projected growth of local economy / wage inflation / corporate bonus compensation / refund losses
Critical Assumptions: Relative to the FY 2026 budget, Wage and Net Profits Taxes are expected to increase by \$1.7 million to a new total of \$85.7 million.

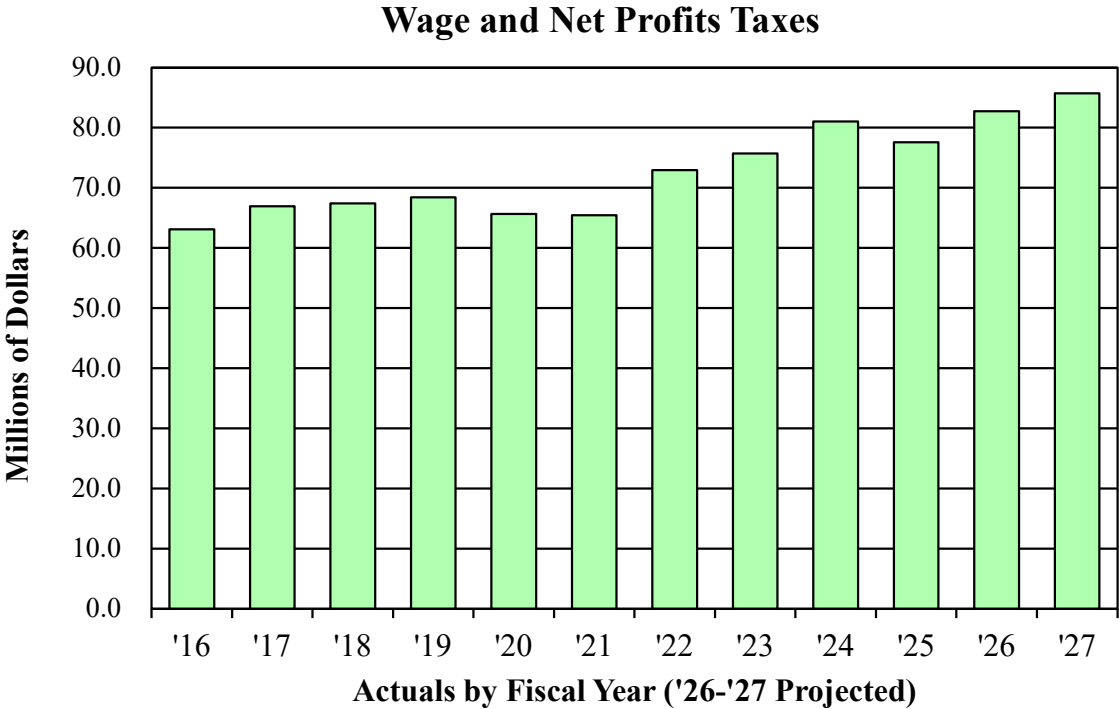
Wage Tax makes up \$76.8 million of this category and is projected to grow by almost \$1.6 million (or 2.1%) compared to the FY 2026 budget, and by nearly \$2.8 million (or 3.8%) relative to the FY 2026 Q2 WEFAC projection. This revenue is derived from a 1.25% tax on the gross earned income of city residents, as well as the gross earned income of non-residents working within city limits. The Wage Tax rate is controlled by the Delaware General Assembly, and cannot be adjusted by the City.

Increased employee compensation is projected to result in 4.0% growth in taxable wages, expanding Wage Tax revenues by \$2.9 million. This is built on a FY 2026 base of just under \$74.0 million (per the FY 2026 Q2 projected revenues), which is \$1.4 million down from the FY 2026 budget. For comparison, the December 14, 2025, Delaware Economic and Financial Advisory Council (DEFAC) projection for FY 2027 Delaware salaries and wages growth is 5.0%; we have reduced this to reflect the lower growth rates historically experienced by the City. Adding to this, known employment growth in the City is expected to result in approximately \$438,000 in Wage Tax revenue. Partially offsetting these increases is a \$173,000 reduction in collections, better reflecting actual collection efforts.

Net Profits revenue is derived from a 1.25% tax on the net profits of business partnerships, professional associations, and limited liability corporations. Like 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 2025 unaudited actuals (excluding a one-time \$508,000 accounting adjustment) were used as the basis for the FY 2027 budget of \$8.9 million.

**General Fund Revenues
Fiscal Year 2027**

WAGE AND NET PROFITS TAXES (Continued)



General Fund Revenues Fiscal Year 2027

PROPERTY TAX

General Fund Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
Property Tax	\$45,653,504	\$45,521,404	\$45,373,913	\$43,788,030	(\$1,585,883)	-3.5%

* Relative to FY 2026 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. FY 2027 Property Tax revenues are projected to total \$43.8 million, a decrease of nearly \$1.6 million (or 3.5%) from the FY 2026 budget. There is no proposed change to either the residential rate of 3.7413 mills (\$3.7413 per \$1,000 of assessed value) or the non-residential rate of 5.8276 mills (\$5.8276 per \$1,000 of assessed value).

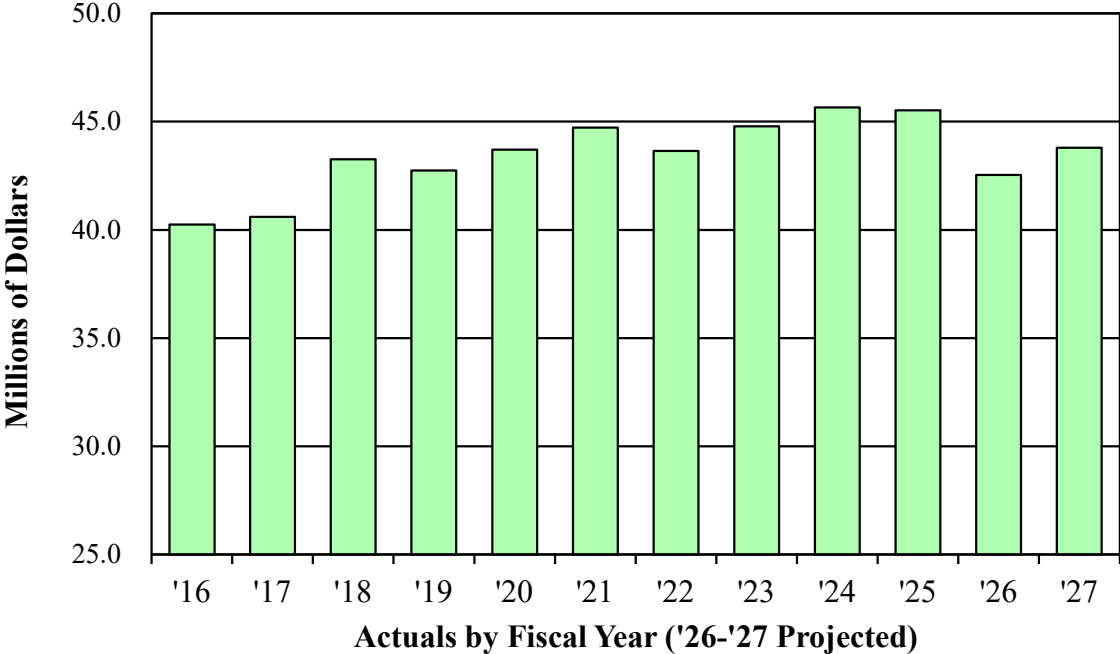
In FY 2025, New Castle County undertook a countywide property reassessment, the first total reassessment since 1983. (Previously, assessments on properties, including new properties, had been adjusted to, and reported in, 1983 dollars.) At the time of the approval of the FY 2026 budget, New Castle County provided assessed values of \$13.3 billion, or \$9.9 billion after exempt properties were excluded. Subsequent to this, property owners were given several months to appeal their assessments to New Castle County. As of February 2026, these appeals have reduced the total assessed value to \$12.9 billion, or \$9.6 billion after exempt properties are excluded; at the current property tax rates this is equivalent to a revenue loss of approximately \$770,000 relative to the FY 2026 budget.

Beyond this, more than 900 additional properties currently have outstanding appeals filed with New Castle County. As the County has yet to stipulate revised assessments for nearly 80% of these properties, the exact revenue impact is unknown. However, given that the County has rejected very few appeal requests, we expect that most of these outstanding appeals will be approved. Assuming the outstanding properties receive percentage reductions similar to those properties that have been approved, we expect additional revenue losses of approximately \$957,000. Combined with the known appeals described above, this results in net appeals losses of over \$1.7 million; this is equivalent to a nearly 4.0% increase in both the residential and non-residential property tax rates.

The budget also includes a reduction of \$257,000 for projected additional exemptions, partially offset by an additional \$53,000 due to the expiration of existing tax incentives. The usual 2.0% allowance for bad debt further reduces revenue by \$865,000. Lastly, one-time revenue from Penalty and Interest (which was waived in FY 2026) is expected to be \$1.4 million, which is up \$80,000 from the FY 2026 budget, and consistent with historical trends.

**General Fund Revenues
Fiscal Year 2027**

Property Tax



General Fund Revenues Fiscal Year 2027

OTHER TAXES

General Fund Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
Other Taxes	\$9,229,970	\$10,920,948	\$9,442,550	\$10,052,115	\$609,565	6.5%

* Relative to FY 2026 budget.

Basis: Trend analysis / growth of local economy

Critical Assumptions: Other Taxes are projected to increase by nearly \$610,000 in FY 2027 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 \$905,000 in FY 2027, up slightly from FY 2026 and consistent with the FY 2025 actual.

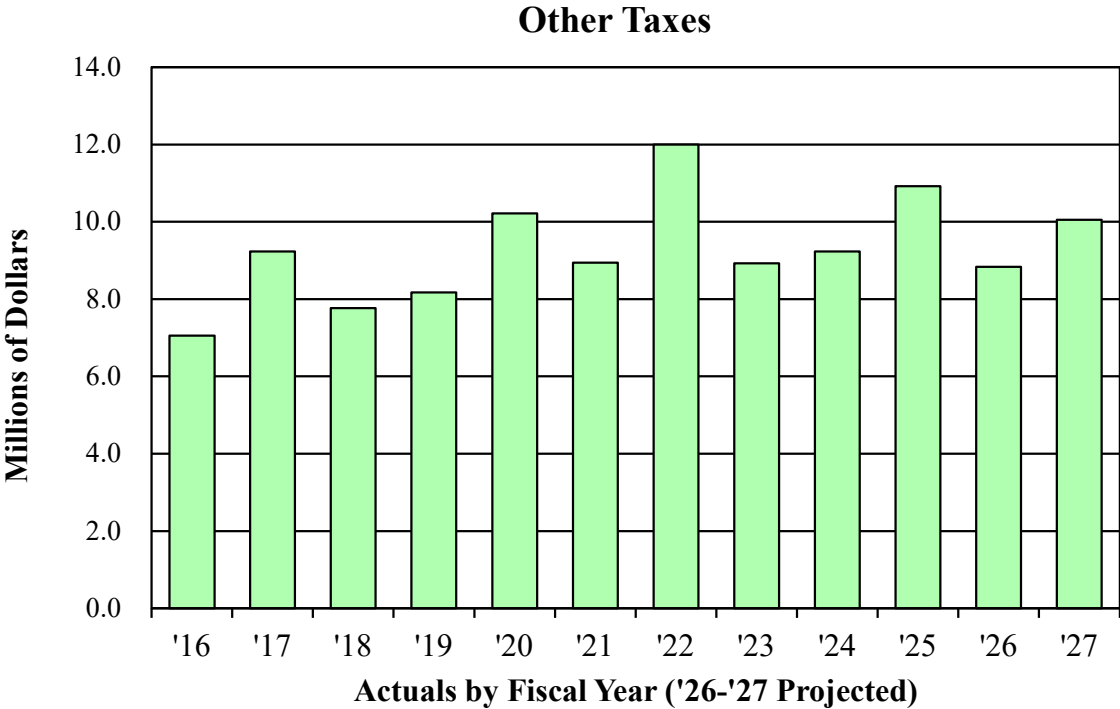
Head Tax revenues are derived from a tax paid by businesses based on the number of individuals they employ, with businesses paying \$15.00 per month for each employee above an exempted base of five. For FY 2027, revenues are projected to increase by nearly \$192,000, to a new total of \$3.2 million. This is equal to the FY 2026 Q2 WEFAC projection, reflecting the resumption of payments by a major employer after several years of nonpayment.

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 2022, it has remained larger than pre-COVID levels, with FY 2025 actuals of nearly \$4.0 million, and FY 2026 trending to greater than \$4.2 million. For FY 2027, revenues are projected to be \$4.2 million, an increase of nearly \$405,000 relative to the FY 2026 budget (and flat relative to the Q2 WEFAC projection). This is based on a residential real estate transfer regression model, which includes modest housing price growth and declines in mortgage rates, net of a 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. Commercial transfers remained strong from FY 2023 through FY 2025, averaging over \$1.7 million a year. Revenues have slowed significantly during the first half of FY 2026, though commercial transfers tend to be inconsistent throughout the year (and lower-than-average revenues in an individual quarter are not unexpected). Consequently, the FY 2027 budget of \$1.7 million reflects a return to historically normal revenues.

**General Fund Revenues
Fiscal Year 2027**

OTHER TAXES (Continued)



General Fund Revenues Fiscal Year 2027

LICENSES, PERMITS, AND FEES

General Fund Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
Licenses, Permits, & Fees	\$7,692,115	\$9,514,627	\$9,891,119	\$12,875,635	\$2,984,516	30.2%

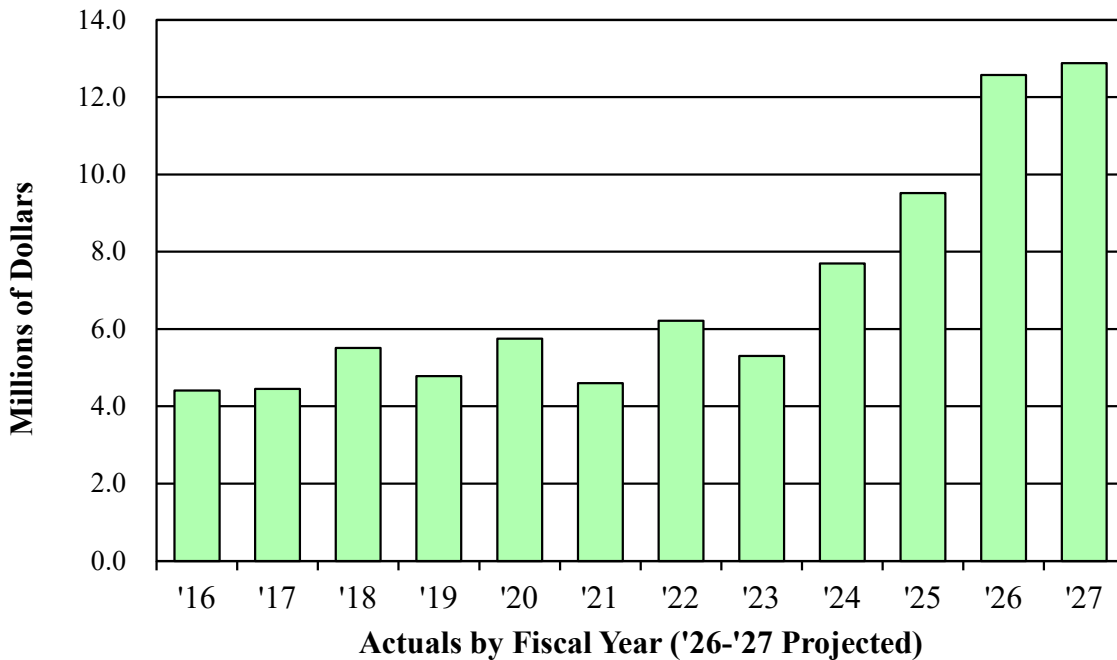
* Relative to FY 2026 budget.

Basis: Trend analysis / growth of local economy

Critical Assumptions: In total, Licenses, Permits, & Fees revenues are up nearly \$3.0 million compared to the FY 2026 budget. Business License revenues (derived from licenses obtained by businesses wishing to operate in the city) are projected to increase by \$278,000, to a new total of nearly \$3.5 million, driven in large part by improved Licenses and Inspections enforcement efforts. Conversely, Permit revenues are projected to be down \$136,000 relative to last year’s budget, 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 projected to rise \$82,000 relative to the FY 2026 budget, and \$18,000 from the Q2 FY 2025 WEFAC year-end projection. This increase is mainly due to Parking Meter fees and Property Maintenance fees, which are trending slightly higher than budget.

Finally, with the Wilmington Fire Department taking EMS operations (previously provided by Trinity Health) in-house, the City has begun billing for EMS services. Based on data provided by Speclin, the City’s EMS billing contractor, FY 2026 revenues are expected to reach nearly \$4.8 million (or \$2.3 million higher than the FY 2026 budget, which was conservatively based on revenue data from Trinity Health). Given that the City now has additional experience with EMS operations and billing, and is fully certified to bill Medicare, Medicaid, and commercial insurers, Speclin projects that EMS revenues will grow to nearly \$5.3 million in FY 2027, a \$2.8 million increase from the FY 2026 budget, and a \$437,000 increase from the Q2 FY 2026 WEFAC projection.

Licenses, Permits, & Fees



General Fund Revenues Fiscal Year 2027

FINES

General Fund Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
Fines	\$7,939,595	\$4,587,134	\$7,346,322	\$5,320,635	(\$2,025,687)	-27.6%

* Relative to FY 2026 budget.

Basis: Trend analysis

Critical Assumptions: Fines are projected to total \$5.3 million, which is \$2.0 million down from the FY 2026 budget, and \$174,000 down from the Q2 FY 2026 WEFAC projection. This consists of the following:

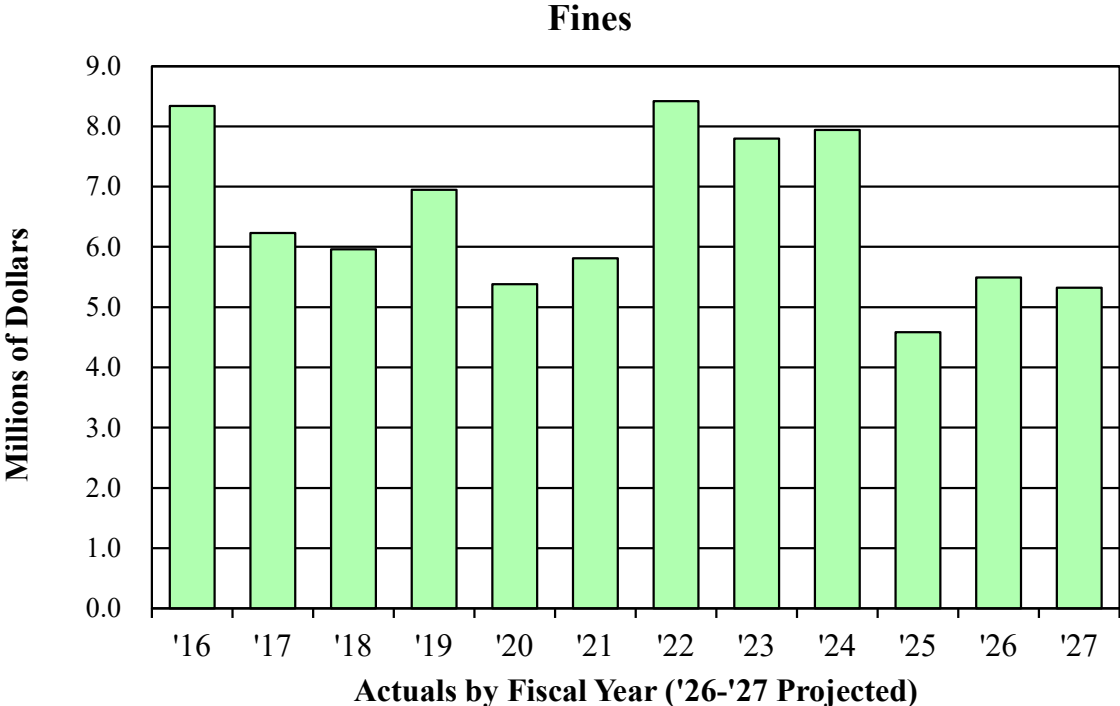
Criminal / Instant Ticket revenues are composed of State Criminal Fines remittances and the L&I Instant Ticketing Program (which involves L&I inspectors issuing tickets for violations of the City’s sanitation codes). Criminal Fines are budgeted to decrease by \$18,000, based on Q2 FY 2026 WEFAC projections. Conversely, Instant Ticket revenues are projected to increase by nearly \$213,000. This is based on historically average instant ticket revenues plus approximately \$180,000 in L&I civil penalties revenues (which were previously included in the category of “Miscellaneous Revenues” and were unbudgeted in FY 2026).

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 \$2.0 million, which is down \$2.2 million from the FY 2025 budget and \$313,000 from the Q2 FY 2026 WEFAC projection. This is 54% down from the pre- FY 2025 average of \$4.4 million, and continues the lower-than-expected revenues seen in both FY 2025 and FY 2026. Finance believes these reduced revenues are the result of a larger-than-normal number of cameras being offline, and does not expect to see this issue resolved in FY 2027. Revenue losses from tickets not being issued in FY 2025 and FY 2026 will continue into the next several years, as roughly half of tickets are paid a year or more after being issued. For FY 2027, this is projected to result in an additional collections loss of \$313,000 relative to FY 2026.

Parking revenues are derived from fines from parking violations and booting fees, and are projected to be nearly \$2.7 million, down just slightly from the FY 2026 budget. This is equal to the Q2 FY 2026 WEFAC year-end projection, and roughly consistent with the FY 2025 actual (which would have been approximately \$2.8 million exclusive of one-time adjustments to accounts receivable).

**General Fund Revenues
Fiscal Year 2027**

FINES (Continued)



General Fund Revenues Fiscal Year 2027

INTEREST

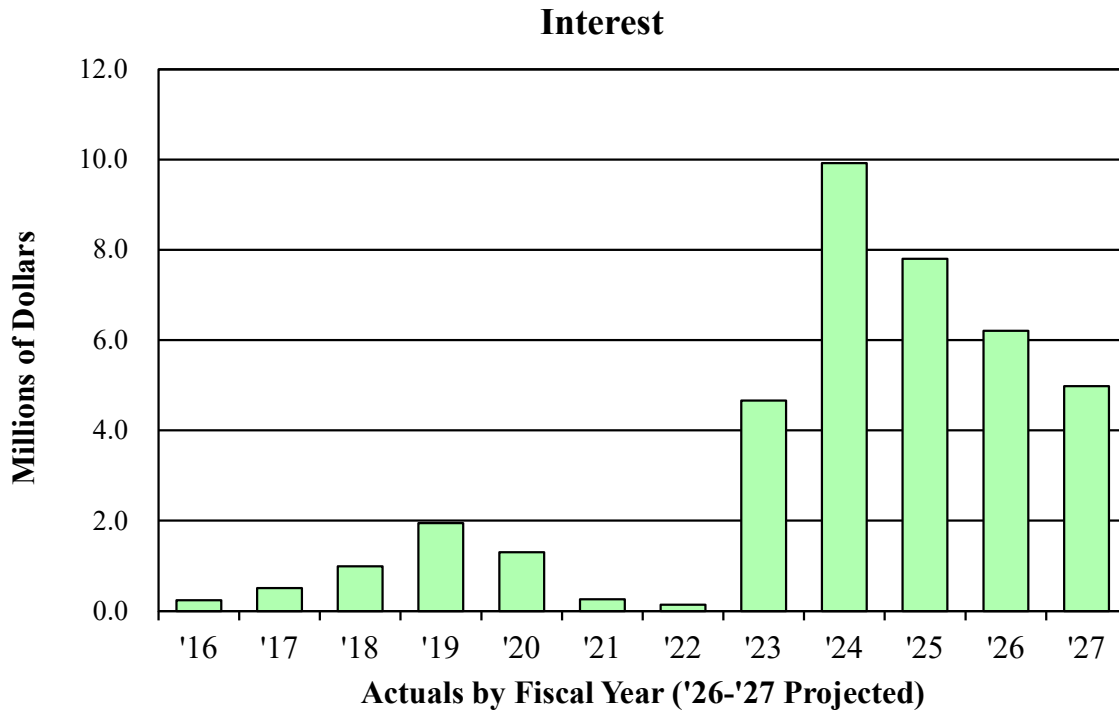
General Fund Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
Interest	\$9,918,184	\$7,801,443	\$5,206,000	\$4,976,736	(\$229,264)	-4.4%

* Relative to FY 2026 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 2026 budget of \$5.2 million was based on an annualized earnings rate of approximately 3.3%, which assumed that the Federal Reserve would undertake several rate reductions during the course of the year. As of the end of Q2 FY 2026, the annualized average rate on investments is better than budgeted, at 3.8%, for a projected FY 2026 year end actual of \$6.2 million.

Rates are expected to decline in FY 2027, resulting in an FY 2027 projected average rate of approximately 3.16%, based on interest estimates from the Federal Reserve. When combined with additional reductions to the City's fund balances as the City spends down the proceeds of the FY 2026 Q2 capital borrowing, FY 2027 interest earnings are projected to be slightly below \$5.0 million. This is \$229,000 down from the FY 2026 budget, and \$1.2 million down from the Q2 FY 2026 WEFAC year-end projection.



General Fund Revenues Fiscal Year 2027

OTHER REVENUES

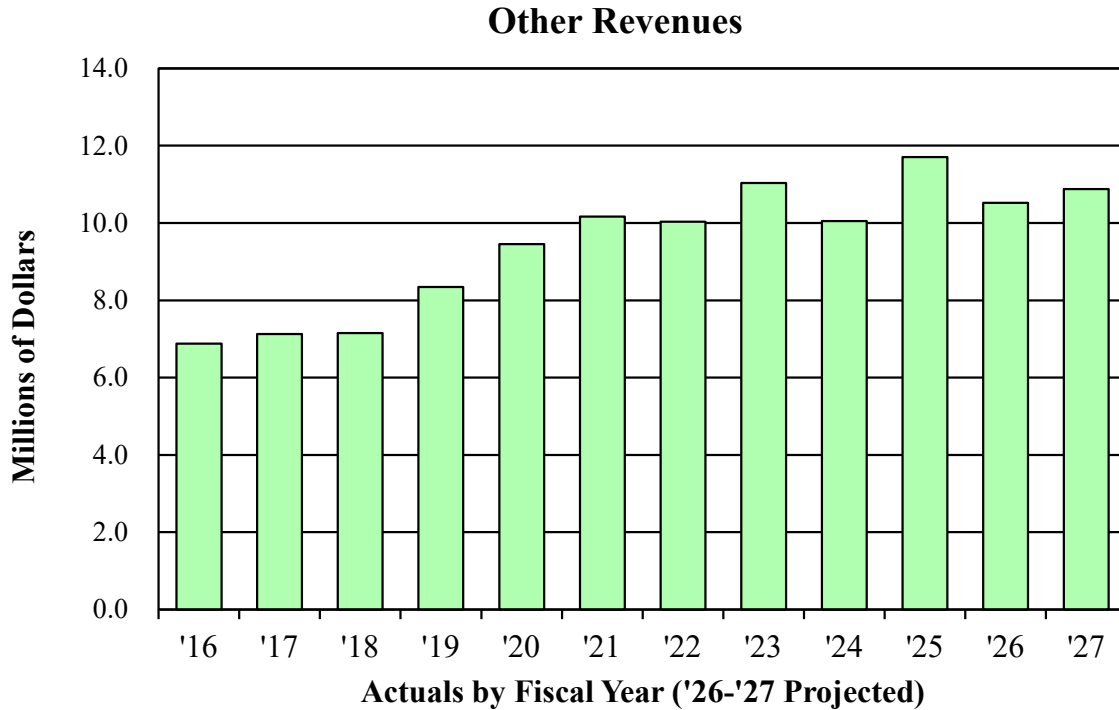
General Fund Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
Other Revenues	\$10,054,096	\$11,705,021	\$10,380,146	\$10,874,657	\$494,511	4.8%

* Relative to FY 2026 budget.

Basis: Trend analysis / contracts

Critical Assumptions: Other Revenues is comprised of Rentals, General Government Charges, Indirect Costs, and other miscellaneous revenues. In total, this category is projected to be up a net \$495,000 from the FY 2026 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 decrease by \$54,000 relative to the FY 2026 budget, with this decrease spread across a number of smaller revenue lines, including false alarm reduction fees, sales of accident forms, and court costs.

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 \$549,000 relative to FY 2026, based on the Black & Veatch indirect costs model.



General Fund Revenues Fiscal Year 2027

TASK FORCE REVENUES

General Fund Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
Task Force Revenues	\$11,929,072	\$13,368,838	\$12,408,649	\$14,012,079	\$1,603,430	12.9%

* Relative to FY 2026 budget.

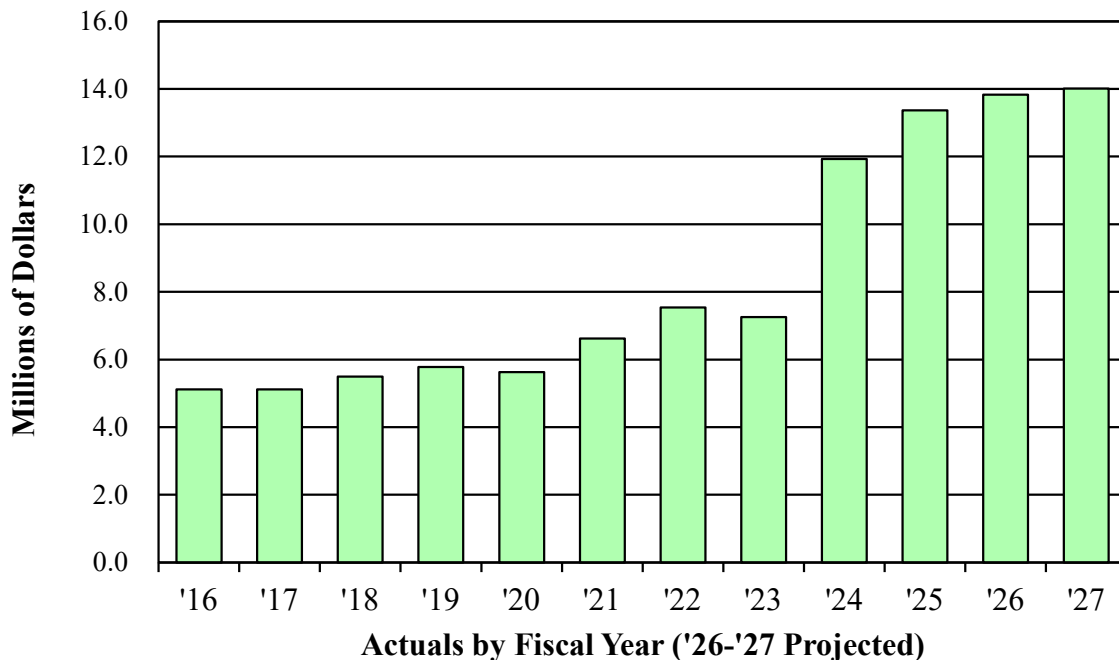
Basis: Estimates from State of Delaware / trend analysis / State agreements

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 \$14.0 million, which is up \$1.6 million from the FY 2026 budget, and nearly \$183,000 up from the Q2 FY 2026 WEFAC projection.

The largest Task Force revenues, Corporate Filing Tax and the LLC Filing Tax, are projected to see budget-to-budget increases of \$516,000 and \$804,000 respectively; this is up \$89,000 and \$136,000 from the Q2 FY 2025 WEFAC projection, reflecting the stronger-than-expected revenues seen both before, and after, the Q2 WEFAC meeting. This level of revenue is budgeted to continue into FY 2027, though no additional growth is expected, as DEFAC projects these revenues to be flat (or nearly flat) in FY 2027.

In addition, Lodging Tax is projected to increase by \$207,000 relative to budget, based on historical trends; this is consistent with the FY 2024 and FY 2025 actuals, along with the Q2 FY 2026 WEFAC projection, all of which were greater than \$1.0 million. Finally, Natural Gas Tax is projected to increase by \$76,000 relative to the FY 2026 budget, based on historical averages.

Task Force Revenues



General Fund Revenues Fiscal Year 2027

COUNTY SEAT RELIEF PACKAGE

General Fund Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
County Seat Relief	\$12,662,664	\$13,558,855	\$12,943,173	\$14,483,583	\$1,540,410	11.9%

* Relative to FY 2026 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 2027 projection totals a combined \$14.5 million, up \$1.5 million from the FY 2026 budget, and \$278,000 from the Q2 FY 2026 WEFAC projection. 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, and unchanged from prior years.

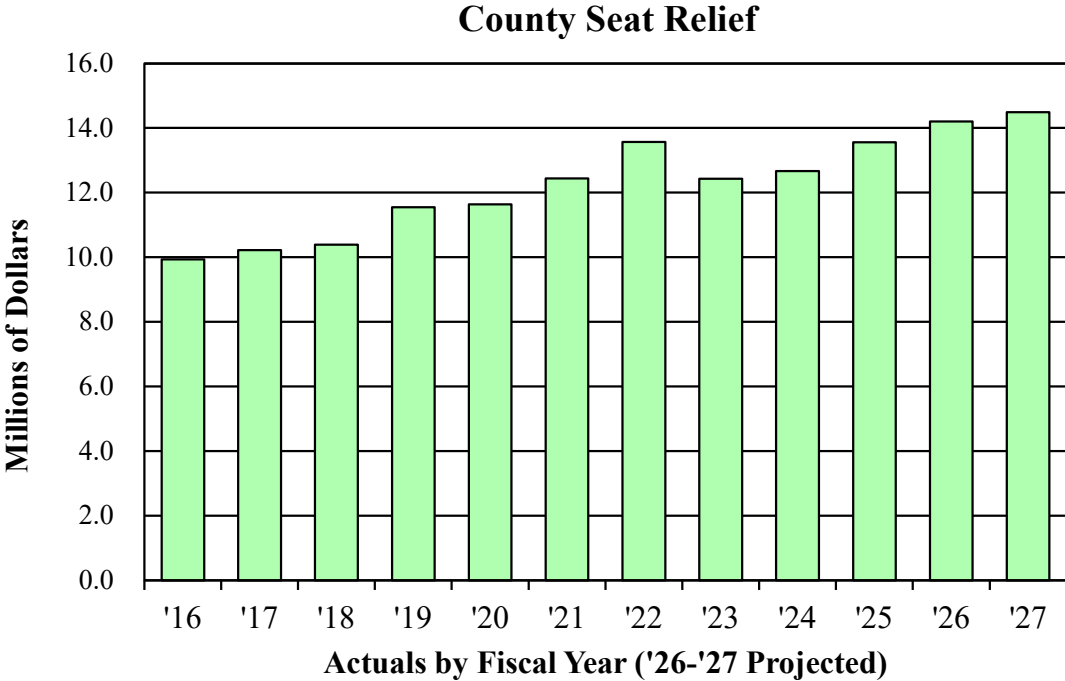
New Castle County Corporate Filing Fees are projected to be up \$310,000 relative to the FY 2026 budget and \$82,000 relative to the Q2 FY 2026 WEFAC projection, reflecting the stronger-than-expected revenues seen during FY 2026. This level of revenue is budgeted to continue into FY 2027, though no additional growth is expected, as DEFAC projects these revenues to be flat in FY 2027.

Uniform Commercial Code (UCC) Filing Fees are projected to be up \$976,000 relative to the FY 2026 budget and \$196,000 relative to the Q2 FY 2026 WEFAC projection, reflecting the stronger-than-expected revenues seen during FY 2026. This level of revenue is budgeted to continue into FY 2027, though no additional growth is expected, as DEFAC projects these revenues to be flat in FY 2027.

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 2027, the PILOT is budgeted to be nearly \$3.6 million, which is equal to the PILOT payment the City received in FY 2026.

**General Fund Revenues
Fiscal Year 2027**

COUNTY SEAT RELIEF PACKAGE (Continued)



General Fund Revenues Fiscal Year 2027

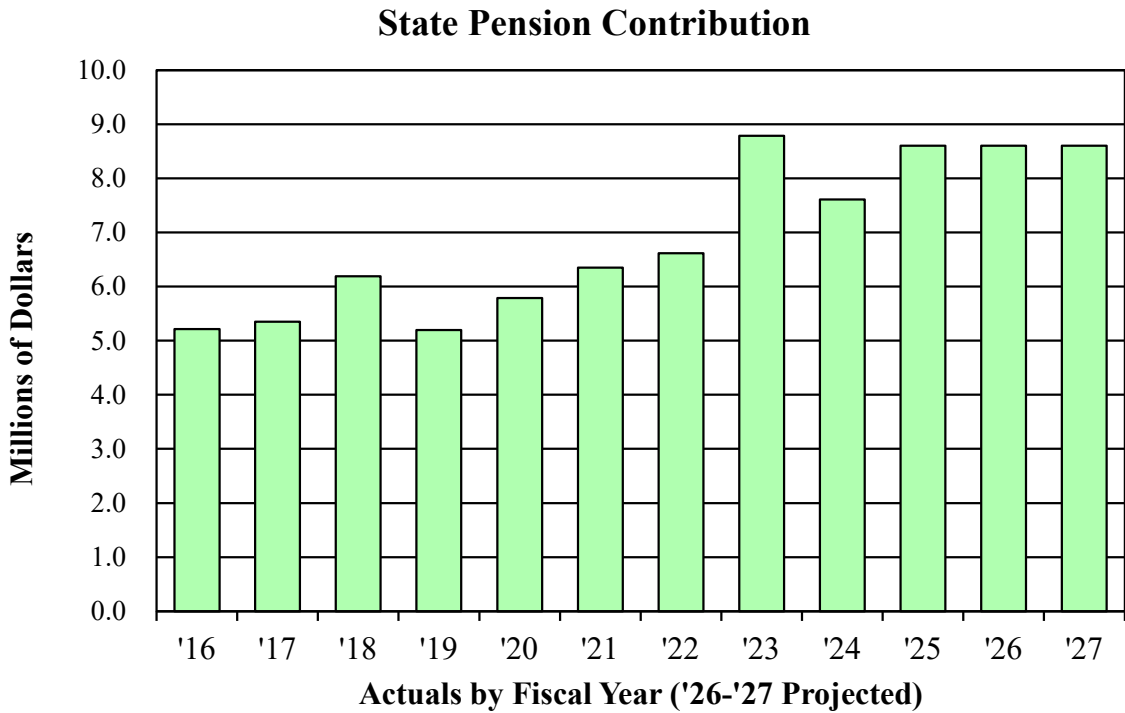
STATE PENSION CONTRIBUTION

General Fund Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
State Pension Contribution	\$7,609,202	\$8,605,223	\$7,220,492	\$8,605,223	\$1,384,731	19.2%

* Relative to FY 2026 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. For FY 2027, this is projected to be \$9.0 million, or \$1.4 million up from the FY 2026 budget, and equal to the FY 2025 actual.



General Fund Revenues Fiscal Year 2027

STATE PORT DEBT REIMBURSEMENT

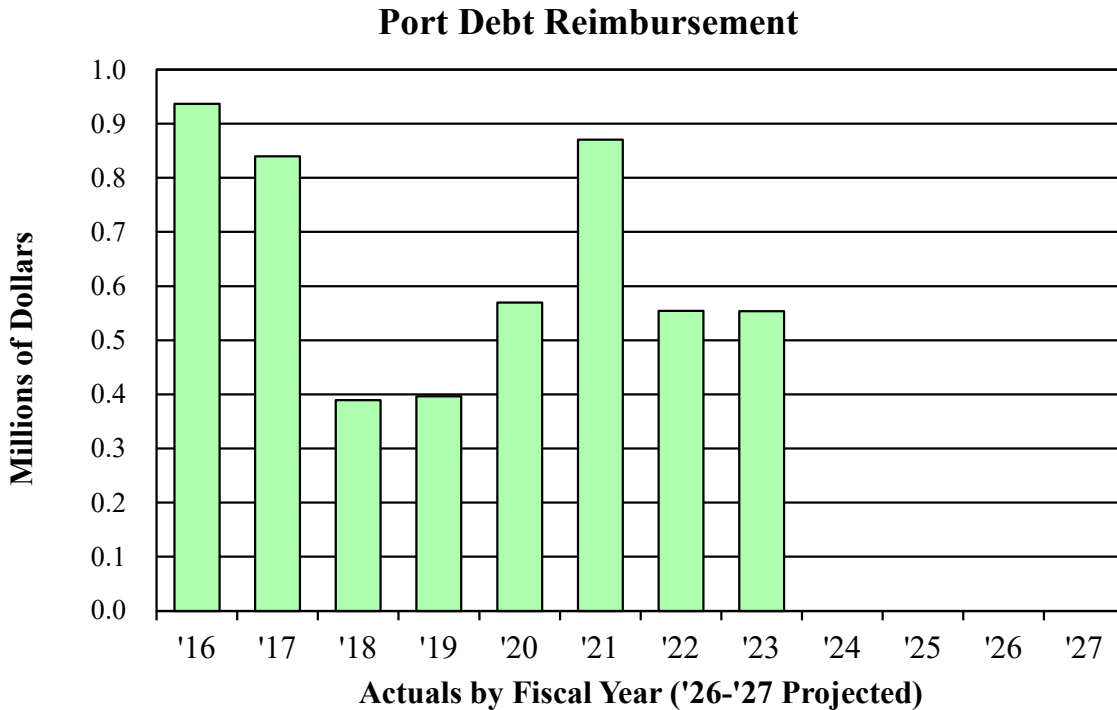
General Fund Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
Port Debt Reimbursement	\$0	\$0	\$0	\$0	\$0	0.0%

* Relative to FY 2026 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 in FY 2027 or beyond.



General Fund Revenues Fiscal Year 2027

TRANSFERS AND USE OF FUND BALANCE

General Fund Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
Transfers and Use of Fund Balance	\$275,000	\$275,000	\$275,000	\$1,927,206	\$1,652,206	600.8%

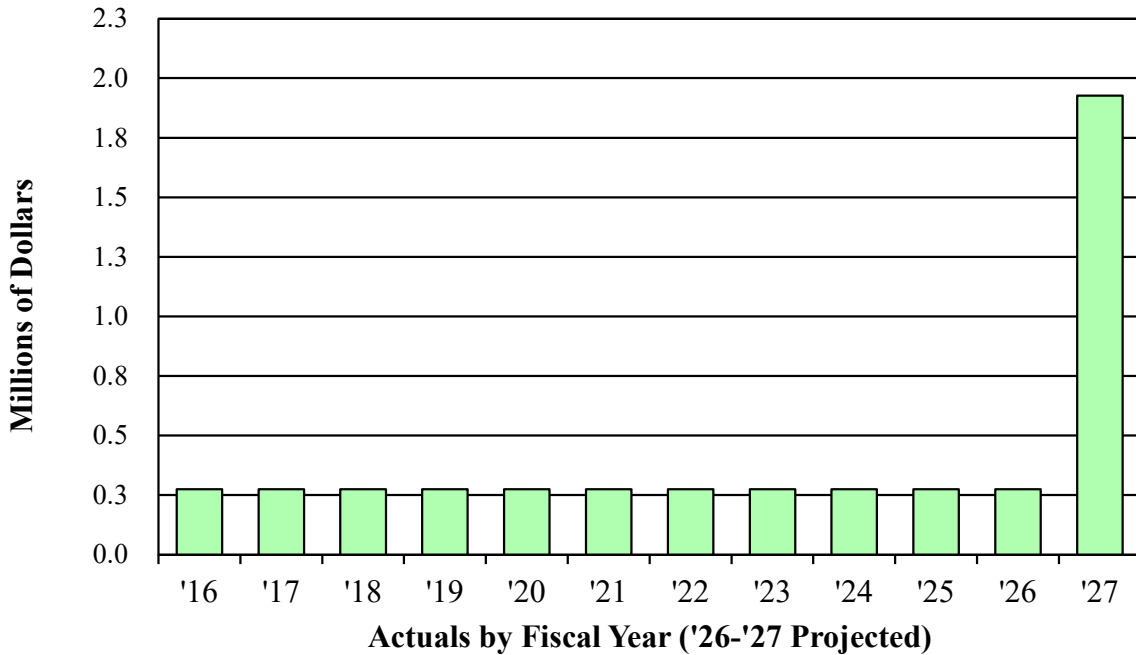
* Relative to FY 2026 budget.

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

Critical Assumptions: As the operating budget must be balanced per the City charter, FY 2027 includes a one-time use of nearly \$1.7 million from the General Fund’s Tax Stabilization Reserve. This is sufficient to cover the projected revenue shortfall based on projected revenues net of the proposed General Fund expenditures of \$212.6 million.

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

Transfers and Use of Fund Balance



Actuals in FY 2016 to FY 2026 include only the annual \$275,000 transfer from the Wilmington Parking Authority. FY 2027 includes a one-time use of nearly \$1.7 million from the General Fund’s Tax Stabilization Reserve.

Special Funds Revenues Fiscal Year 2027

Special Funds Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change FY'27-'26	Percent Change FY'27-'26
Municipal Street Aid	\$1,740,684	\$1,152,077	\$1,170,154	\$1,157,802	(\$12,352)	-1.1%
CDBG	1,888,414	1,827,766	2,200,282	2,211,927	11,645	0.5%
Comcast Franchise	827,386	885,795	779,513	820,980	41,467	5.3%
Emergency Shelter	63,286	60,733	197,226	198,976	1,750	0.9%
Workforce Investment	570,702	570,702	874,583	874,583	0	0.0%
Parks Assistance	1,331,094	1,331,094	1,283,478	1,283,478	0	0.0%
Parks Trust Fund	116,476	116,476	118,292	118,292	0	0.0%
SALLE / Other Grants	2,477,281	2,924,110	651,906	1,561,747	909,841	139.6%
Pension Administration	5,863,453	6,284,717	6,816,576	7,185,567	368,991	5.4%
Home Partnership	587,402	607,821	572,519	573,029	510	0.1%
HOPWA	743,122	724,158	951,239	952,084	845	0.1%
Miscellaneous Grants	676,350	256,791	347,299	286,325	(60,974)	-17.6%
Total Revenues	\$16,885,650	\$16,742,240	\$15,963,067	\$17,224,790	\$1,261,723	7.9%

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 2027, total Special Funds revenue is budgeted to be **\$17,224,790**, a net increase of nearly \$1.3 million, or 7.9%, above the FY 2026 budget.

MUNICIPAL STREET AID

Special Funds Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
Municipal Street Aid	\$1,740,684	\$1,152,077	\$1,170,154	\$1,157,802	(\$12,352)	-1.1%

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 by \$12,000 compared to the FY 2026 level.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Special Funds Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
CDBG	\$1,888,414	\$1,827,766	\$2,200,282	\$2,211,927	\$11,645	0.5%

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 budgeted to increase slightly compared to the FY 2026 award.

* Relative to FY 2026 budget.

Special Funds Revenues Fiscal Year 2027

COMCAST FRANCHISE FEES

Special Funds Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
Comcast Franchise	\$827,386	\$885,795	\$779,513	\$820,980	\$41,467	5.3%

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 2027, revenues are expected to be \$41,000 larger than the FY 2026 budget, though down approximately \$8,000 from the projected FY 2026 actual of \$829,000. This reflects a slowing of the ongoing decline in cable subscribers, with annual declines of 1.0% expected going forward.

EMERGENCY SHELTER GRANTS (ESG)

Special Funds Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
Emergency Shelter	\$63,286	\$60,733	\$197,226	\$198,976	\$1,750	0.9%

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 increase slightly in FY 2027.

WORKFORCE INVESTMENT BOARD GRANT

Special Funds Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
Workforce Investment	\$570,702	\$570,702	\$874,583	\$874,583	\$0	0.0%

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 remain flat in FY 2027.

* Relative to FY 2026 budget.

Special Funds Revenues Fiscal Year 2027

PARKS ASSISTANCE

Special Funds Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
Parks Assistance	\$1,331,094	\$1,331,094	\$1,283,478	\$1,283,478	\$0	0.0%

Basis: Estimate from Federal Government

Critical Assumption: These funds are used for the Summer and Evening Food Programs. Funding is currently projected to remain flat in the FY 2027 budget.

PARKS TRUST FUND

Special Funds Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
Parks Trust Fund	\$116,476	\$116,476	\$118,292	\$118,292	\$0	0.0%

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) / OTHER LAW ENFORCEMENT GRANTS

Special Funds Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
SALLE / Other Grants	\$2,477,281	\$2,924,110	\$651,906	\$1,561,747	\$909,841	139.6%

Basis: State of Delaware and U.S. Department of Justice awards based on committee recommendations / contractual payments for School Resource Officers (SROs)

Critical Assumption: These grants are expected to increase by \$910,000 relative to the FY 2026 budget due to salary and benefit cost increases.

PENSION ADMINISTRATION

Special Funds Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
Pension Administration	\$5,863,453	\$6,284,717	\$6,816,576	\$7,185,567	\$368,991	5.4%

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.

* Relative to FY 2026 budget.

Special Funds Revenues Fiscal Year 2027

HOME PARTNERSHIP FUND

Special Funds Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
Home Partnership	\$587,402	\$607,821	\$572,519	\$573,029	\$510	0.1%

Basis: Estimate from Federal Government (HUD)

Critical Assumption: The Home Partnership Program is awarded through HUD and is expected to increase slightly in FY 2027.

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS GRANT (HOPWA)

Special Funds Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
HOPWA	\$743,122	\$724,158	\$951,239	\$952,084	\$845	0.1%

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 increase slightly FY 2027.

MISCELLANEOUS GRANTS

Special Funds Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
Miscellaneous Grants	\$676,350	\$256,791	\$347,299	\$286,325	(\$60,974)	-17.6%

Basis: State of Delaware award letters

Critical Assumption: Miscellaneous Grants consists of the combined total of two grants: the Emergency Management Performance Grant (\$88,325 in FY 2027, down \$60,974 from FY 2026) and the State Fire Grant (\$198,000 in FY 2027, unchanged). For FY 2024, this also included \$43,305 in ARPA funding; however, no ARPA revenues are included in FY 2025 or beyond.

* Relative to FY 2026 budget.

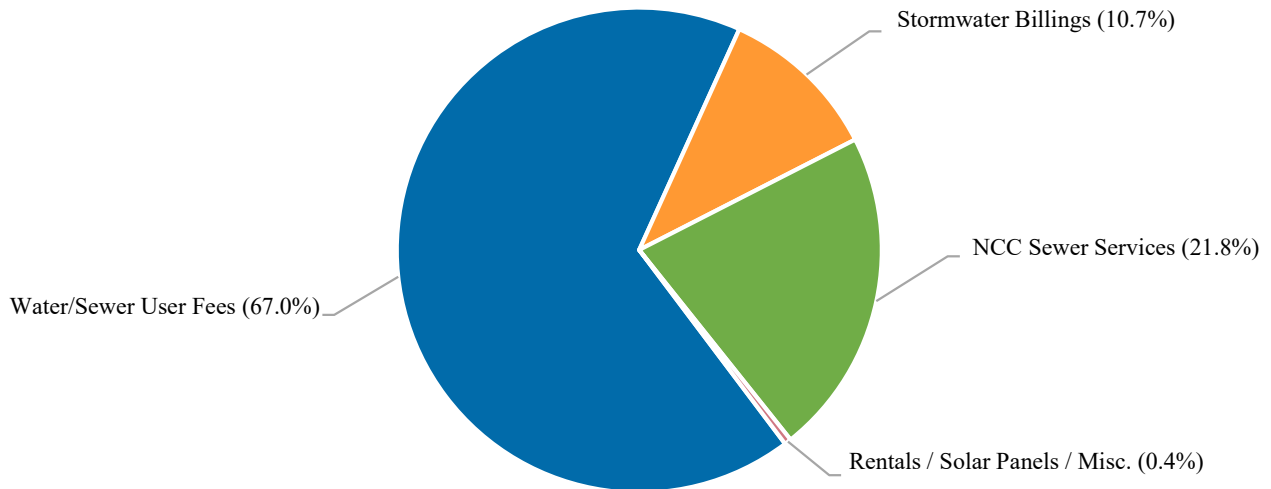
Water / Sewer Fund Revenues Fiscal Year 2027

Water / Sewer Fund Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change FY'27-'26	Percent Change FY'27-'26
Water/Sewer User Fees	\$66,935,408	\$69,839,004	\$65,898,968	\$70,888,479	\$4,989,511	7.6%
Stormwater Billings	3,035,387	9,553,996	10,763,185	11,310,751	547,566	5.1%
NCC Sewer Services	18,841,058	23,645,843	22,911,000	23,063,000	152,000	0.7%
Rentals/Miscellaneous	464,635	469,852	453,000	467,000	14,000	3.1%
Solar Panel Revenues	0	0	0	0	0	0.0%
Total Revenues	\$89,276,488	\$103,508,695	\$100,026,153	\$105,729,230	\$5,703,077	5.7%

Total Water / Sewer Fund revenue is budgeted to be **\$105,729,230**, an increase of \$5.7 million, or 5.7%, above the FY 2026 budget.

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

Water/Sewer Fund Revenues Fiscal Year 2027



Water / Sewer Fund Revenues Fiscal Year 2027

WATER/SEWER USER FEES

Water / Sewer Fund Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
Water/Sewer User Fees	\$66,935,408	\$69,839,004	\$65,898,968	\$70,888,479	\$4,989,511	7.6%

* Relative to FY 2026 budget.

Basis: Trend analysis / management initiatives

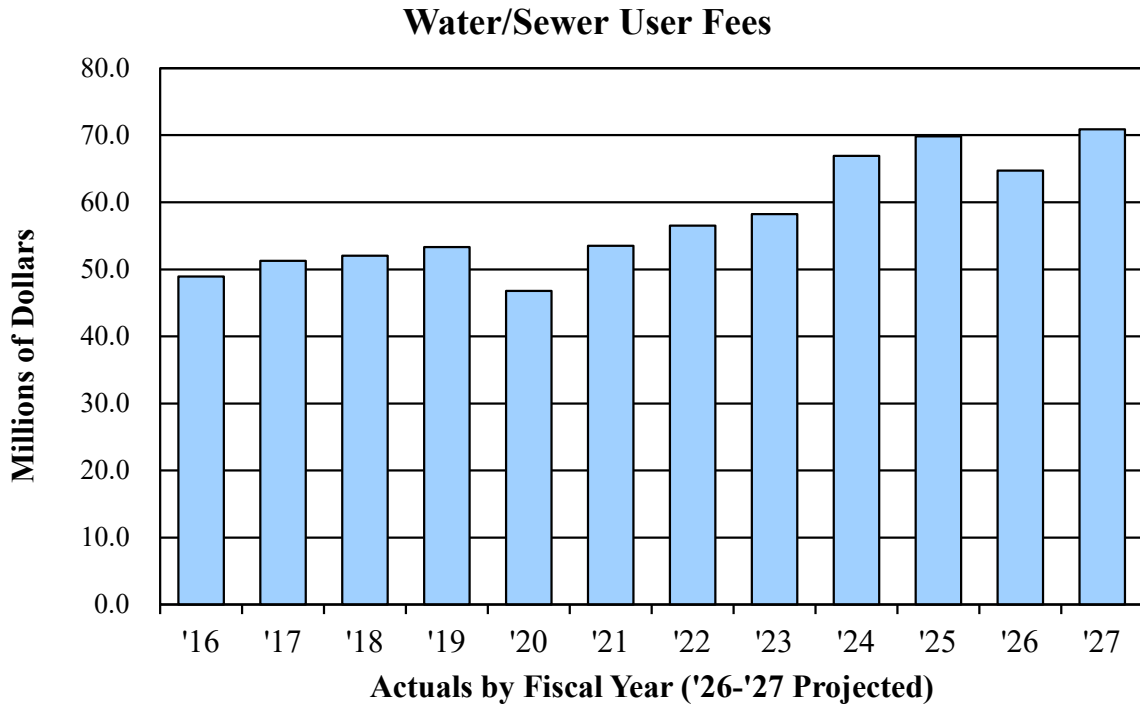
Critical Assumptions: Water/Sewer User Fees are the direct charges to customers for Inside-City water and sewer services, as well as Outside-City water services. For FY 2027, Water/Sewer Fees are projected to total nearly \$70.9 million, an increase of nearly \$5.0 million from the FY 2026 budget. Per Black & Veatch estimates, FY 2027 base revenues will be \$63.3 million, up \$270,000 from the FY 2026 budgeted base, which is inclusive of the effects of a 5.5% rate increase included in FY 2026 and various accrual adjustments. Added to this base is a change to the sewer factor, which determines the ratio of sewer charges relative to water charges for Inside City customers. For FY 2027, this factor is being changed from 73.15% to 74.0%; net of bad debt, this is projected to increase revenue by \$160,184. For the typical Inside City residential customer using 4,000 gallons per month, this sewer factor adjustment is equivalent to an increase of \$0.35 per month.

The budget also includes the impact of a 9.95% FY 2027 rate increase on Inside City water, Inside City sewer, and Outside City Water charges. Combined, these rate increases yield \$6.0 million in additional revenue, net of bad debt. For the typical Inside City residential customer, this is an increase of \$7.36 per month, inclusive of the increase for the sewer factor adjustment.

In addition, special sewer fees are projected to provide \$2.2 million (down \$59,000 from FY 2026), and penalty and interest will provide nearly \$1.9 million (unchanged from the FY 2026 budget, but up \$491,000 relative to the Q2 FY 2026 WEFAC projection, as penalty and interest was waived for part of FY 2026). Finally, the projection includes a \$3.5 million offset for bad debt, up \$1.6 million from the FY 2026 budget, which is largely the result of increasing the bad debt rate from 3.0% to 5.0%, consistent with historical actuals.

**Water / Sewer Fund Revenues
Fiscal Year 2027**

WATER/SEWER USER FEES (Continued)



Actuals in FY 2024 reflect a one-time accounting adjustment for uncollectable Army Corps of Engineers stormwater billings; this nets against reductions in the Stormwater Billings group. Actuals in FY 2025 include a one-time \$5.3 million PFAS settlement with 3M.

Water / Sewer Fund Revenues Fiscal Year 2027

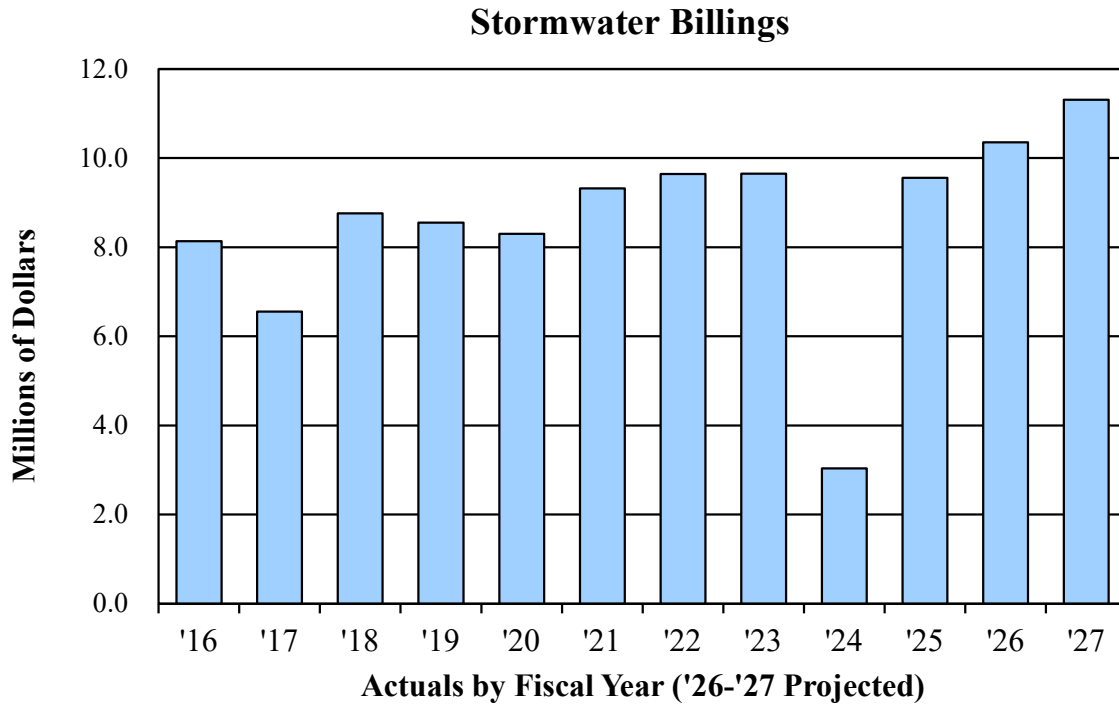
STORMWATER BILLINGS

Water / Sewer Fund Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
Stormwater Billings	\$3,035,387	\$9,553,996	\$10,763,185	\$11,310,751	\$547,566	5.1%

* Relative to FY 2026 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 2027 are nearly \$10.9 million and are \$142,000 up from the FY 2026 budget base revenues. Added to this base revenue is the impact of a 9.95% rate increase, which is projected to yield nearly \$956,000 in additional revenue, net of bad debt. For the typical City residential customer this is an increase of \$0.59 per month. Finally, the base reduction for bad debt is expected to increase by \$28,000, to a new total of \$595,000, based on a bad debt rate 5% (which is unchanged from FY 2026).



Actuals in FY 2024 reflect a one-time accounting adjustment for uncollectable Army Corps of Engineers billings; this nets against increases in the Direct User Fees group.

Water / Sewer Fund Revenues Fiscal Year 2027

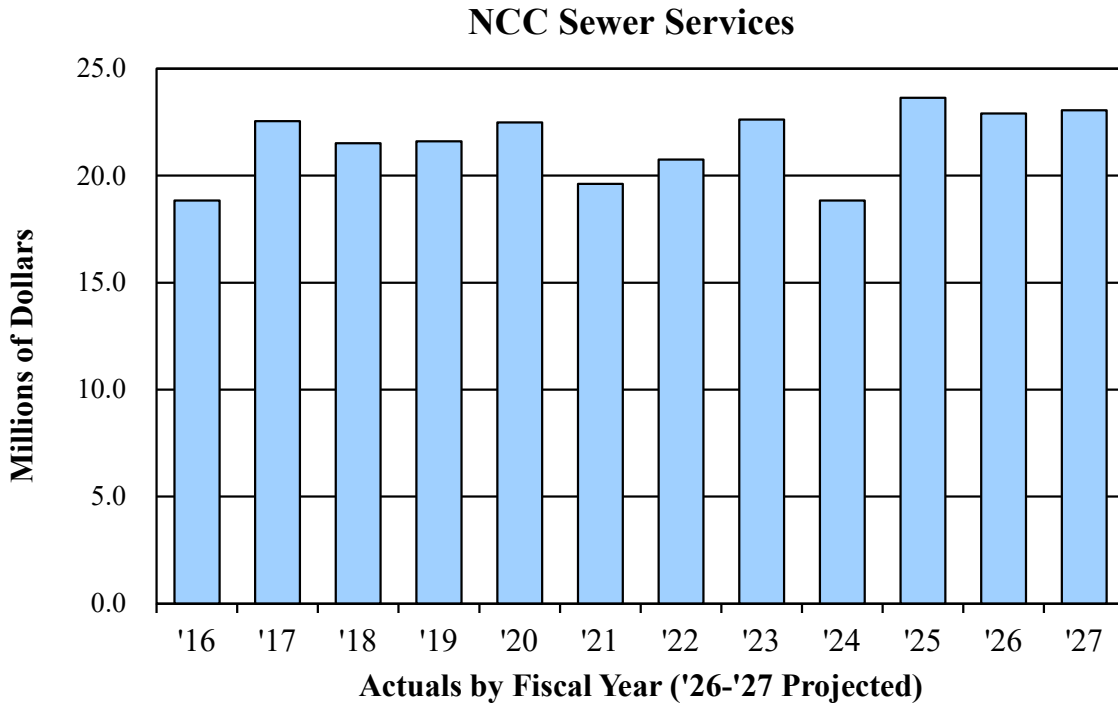
NEW CASTLE COUNTY SEWER SERVICES

Water / Sewer Fund Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
NCC Sewer Services	\$18,841,058	\$23,645,843	\$22,911,000	\$23,063,000	\$152,000	0.7%

* Relative to FY 2026 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 2027 revenues are expected to be \$23.1 million, up \$152,000 from the FY 2026 budget.



Water / Sewer Fund Revenues Fiscal Year 2027

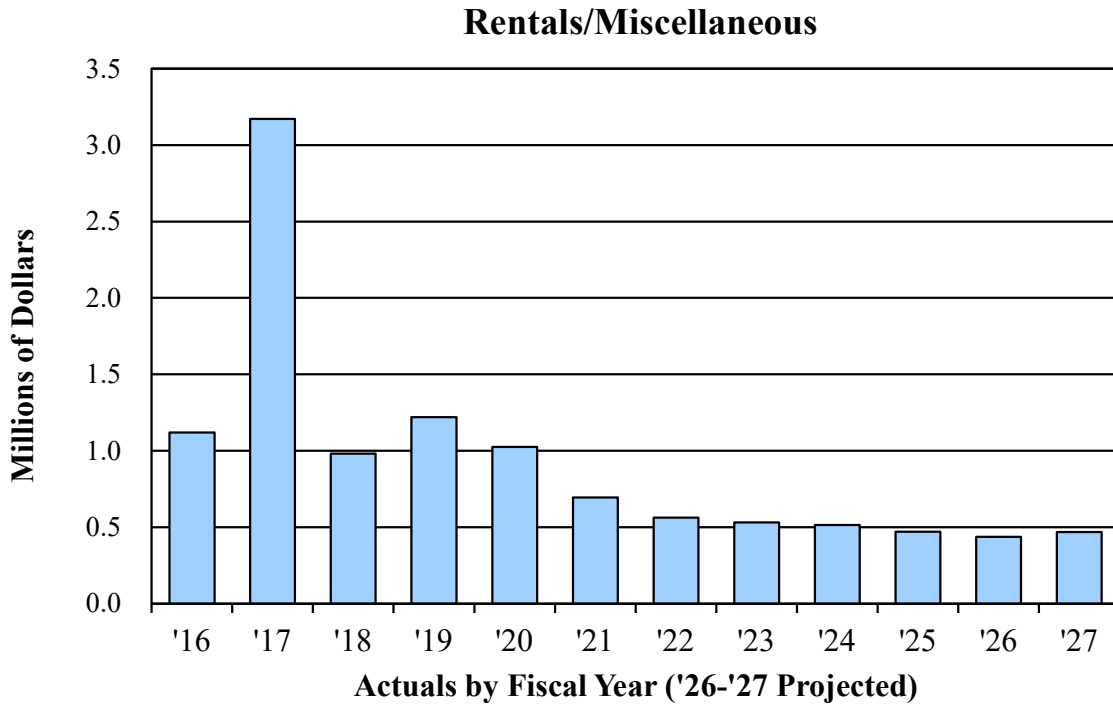
RENTALS / MISCELLANEOUS

Water / Sewer Fund Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
Rentals/Miscellaneous	\$464,635	\$469,852	\$453,000	\$467,000	\$14,000	3.1%

* Relative to FY 2026 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 2027 is budgeted to be up \$14,000 from the FY 2026 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 2027

SOLAR PANEL REVENUE

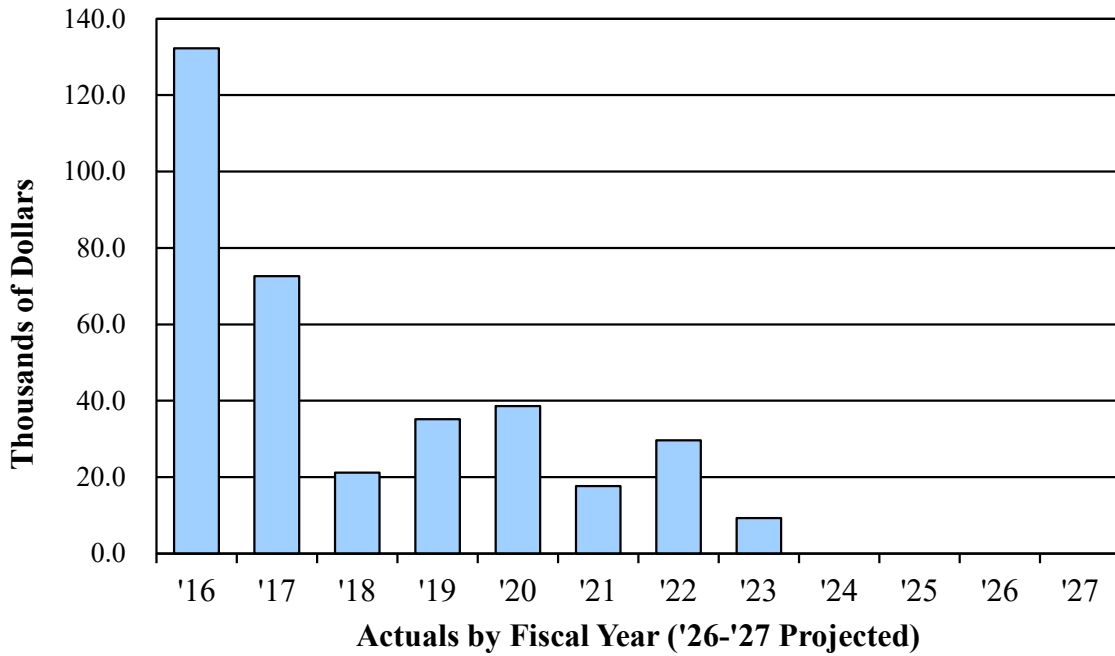
Water / Sewer Fund Revenues	Actual FY 2024	Actual FY 2025	Budget FY 2026	Proposed FY 2027	Dollar Change*	Percent Change*
Solar Panel Revenues	\$0	\$0	\$0	\$0	\$0	0.0%

* Relative to FY 2026 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. Revenues for FY 2027 are projected to be zero, as the City no longer receives income from this source.

Solar Panel Revenues



City of Wilmington Tax Rates Fiscal Year 2027

WAGE TAX

Base: Individual gross earned income of City residents.
Individual gross earned income of non-City residents working within the City limits.

Rate: 1.25% (as set by Delaware General Assembly).

NET PROFIT TAX

Base: Net profit of sole proprietors and partnerships within the City limits.

Rate: 1.25% (as set by Delaware General Assembly).

PROPERTY TAX

Base: 100% of the assessed value of land and buildings within City limits, net of exemptions. Assessed property values are provided by New Castle County. The most recent reassessment was performed in FY 2025 and took effect in FY 2026.

Rate: Residential: 3.7413 mills (\$3.7413 per \$1,000 of assessed value).
Non-residential: 5.8276 mills (\$5.8276 per \$1,000 of assessed value).

HEAD TAX

Base: Number of employees per month for businesses with 6 or more employees.

Rate: \$15.00 per employee per month on the total number of employees minus 5 (e.g., business with 20 employees is assessed on 15 employees).

REAL ESTATE TRANSFER TAX

Base: Selling price of Real Estate assessed at time of settlement.

Rate: 1.50%.

FRANCHISE TAX

Base: Gross receipts from sales of electricity and cable television service within the City.

Rate: 2.0% on electrical service.
5.0% on cable television service.

**City of Wilmington Tax Rates
Fiscal Year 2027**

NATURAL GAS TAX

Base: Gross receipts from sales of natural gas within the City.

Rate: 2.0% on natural gas.

LODGING TAX

Base: Rent collected for any room or rooms in a hotel, motel, or tourist home (as defined by Title 30 of the Delaware Code) that are within the City limits.

Rate: 2.0% of rent.