



**Mayor Michael S. Purzycki**  
**Fiscal Year 2025 State of the City and Budget Address**  
**Thursday, March 21, 2024**

Mr. President, Members of City Council, Ladies and Gentlemen,

**The State of the City Has Never Been Better**

If I were running for re-election, that is exactly the kind of campaign video I would have run on. When I was a candidate, I would always challenge an audience to ask my opponents, “when they tell you what they are going to do, first ask them what they have done.” Well, together we have done a lot. To frame my comments properly tonight, let me say emphatically that the state of the City has never been better. To say that Wilmington has simply changed during the time that this Administration has been in office would be a gross understatement.

If we have had a philosophy of governance, it is this: **First**, be aspirational. Don’t fall prey to a cramped imagination. Don’t play defense. Keep building Wilmington as a vibrant, prosperous, and just city where all of its residents are participants and not just spectators. **Second**, invest, invest and invest to make Wilmington a better City! Our Administration has paved more than forty miles of roads and sidewalks, made twenty-five million dollars in parks improvements—including Rodney Square and a new park underway at the site of the Rodney Reservoir—and has spent almost \$30 million to build the wetlands park that protects the community of Southbridge. Governor Carney has invested in our schools and our children’s education. The Governor championed the transformation of Bancroft Middle School into the new \$100 million Maurice Pritchett Academy. Without investments like these, cities crumble and inexorably decay. **Third**, always put your best foot forward. Clean the streets, remove graffiti, fill potholes, and welcome those who want to invest in Wilmington. **And last**, commit to making tough financial decisions—not just decisions that appeal to the crowds. We will discuss one such tough decision tonight.

## **Neighborhood and Economic Development**

A sure sign of a healthy city is its economic development. Wilmington has issued almost \$2 billion in building permits since 2017—in our neighborhoods, the downtown, and the riverfront. And lest anyone forget, this economic activity is the lifeblood of a city, because it pays the bills.

There have been thousands of market rate apartments built throughout the City, including The Press, The Cooper, Rivers Edge, Crosby Hill, The Falls, 2000 Pennsylvania Avenue and Luxor to name just some built in the last few years. At a time when working from home threatens our largest revenue source, the wage tax, new apartments have played a critically important role in mitigating these losses. And at the same time, we are building new or have rehabbed in excess of 1,500 affordable housing units during our term in office. It is important to note that minority contractors are getting most of the redevelopment work.

## **City's Fiscal Management**

Speaking of paying the bills, let me say a word about our fiscal management. The City's unassigned fund balance today is \$95 million, which is \$61 million more than it was in 2017. We have \$70 million of it in cash. We are in great shape financially thanks to a great job by the Budget Office Robs—Greco and Winkeler—and Finance Director Brett Taylor.

## **WPD and Improved Public Safety**

The Wilmington Police Department is among the best anywhere in the country. Our homicide rate has dropped dramatically—not just from 2021 during the height of the pandemic, but from 28 murders in 2016 to 14 in 2023—a decrease of 50%. In the current CompStat report, this year's homicide rate is down another 25%. We are aware of a national pattern of reduced violent crime, but Wilmington's performance far outpaces the national average of 13%.

To enhance public safety and encourage the community's involvement in reducing crime, Chief Campos and his police leadership team have created a Community Engagement Unit that is being welcomed warmly to neighborhood meetings and gatherings large and small. This unit provides timely information to residents and tackles community issues before they become larger. These trained officers have fully embraced their roles and are in a better position now to anticipate crime-related problems before they occur.

The Chief and his team also know that policing is much more than making an arrest. Sometimes, residents exhibit mental health related problems that cause them to act out. Congratulations to the Police Department for starting the Partners in Care Program—a partnership with ChristianaCare that provides an alternative for our police officers so they can respond more effectively with trained mental health professionals when City residents need assistance.

To further give our officers tools to solve crime, we have installed the first of 48 license plate readers throughout the City, and we will continue building our security camera system in City neighborhoods.

### **Making Things Better**

We have instituted OpenGov, Tolemi and the 311 Customer Service Center to promote efficiency, transparency, and accountability in government. We have reduced the cost of parking fees. Thank you, Council Member Cabrera, for working with us on this initiative.

Imani Village was recently a recipient of a \$50 million federal grant that will expand this model community and transform the former Riverside neighborhood into a Wilmington neighborhood of tomorrow. I am proud to have traveled to Atlanta in 2014, before I became Mayor, to witness how a purpose-built community could change our City. Keeping pace with what has become the REACH Riverside standard of excellence, nearby East Side Charter has a new \$20 million STEM wing under construction.

To help existing homeowners, up to 170 of our neighbors are receiving as much as \$10,000 each to provide new roofs, windows, doors, and heating and air conditioning. On Tuesday, we selected the latest 88 applicants to receive a grant to repair their homes.

This Administration dedicated \$20 million to rehabilitation and new home construction on the East Side and West Side of the City. The construction work is being done almost exclusively by minority contractors.

Our Downtown has changed dramatically with new hotels, restaurants, and many new places to socialize. Just think for a moment—DE.CO, the Chancery, the Quoin Hotel, Le Cav, Oath 84, Bardea and Bardea Steak, Milk

and Honey, Stitch House, Farmer & the Cow, Wilma's, and Maker's Alley—none of these were here seven years ago.

### **Helping Growth Take Root**

Now I don't think it is fair that City government should be taking credit for everything that has transpired over the past seven years. In addition to private sector investors and developers, our City has many partners who have helped us be successful. Thank you, Members of the Delaware General Assembly, DeIDOT, and DNREC. Thanks also to the many law enforcement agencies that partner regularly with our police department. You deserve credit for what's happening in Wilmington and our thanks.

But it is undeniable that this government created the pro-development environment where growth could take root, and where developers and investors could have confidence in stable and responsible governance. We built the foundation and strategically created financial incentives for developers, including minority business owners, so they could prosper and grow.

In response to an impending budgetary crunch, the administration successfully lobbied the State for an increase in Limited Partnership Filing Fee revenues of \$5.8 million annually. But in no time at all we were confronted with unexpected financial headwinds.

### **The EMS Problem and Other Fiscal Challenges**

A word about those headwinds. After decades of having EMS service supplied without cost to the City by St. Francis, our good friends at Trinity Health advised us that they could no longer afford to provide this free service. And so, we have had to absorb a \$4.5 million unanticipated cost to this year's budget. And looking down the road, we can anticipate labor costs rising at a much higher than normal rate. We find ourselves losing employees to other municipalities who are facing the same challenges as we are and are willing to pay more for experienced workers. Given these increased labor costs looming in the future, we have chosen to offset anticipated cost increases by reducing 13 currently vacant positions now, rather than leaving this unpleasant business to my successor.

Among our greatest challenges continues to be our ability to recruit hard-to-fill positions. For example, we still have no urban forest administrator—though there is no shortage of complaints about dead and overgrown

trees. Our police recruiting class looks to be as small as last year's and likely will not offset our projected retirements and resignations. By the way, it is my pleasure to announce that the FOP rank and file yesterday ratified a new two-year labor agreement.

### **Residency**

Which brings me to a sore subject. I know people felt strongly about residency. We did as well. But the proof of the pudding is in the eating. Today we have as many vacancies in key positions as ever before. Yes, I understand that this is a national problem. But please someone then explain to me why adding an additional barrier to hiring such as residency makes any sense whatsoever in this current environment.

This hiring issue is not theoretical. We have a real-world problem. This year we may be forced to hire 41 EMTs to join our City workforce. If we can find them, do you really believe in this job market that you can get many of these people to pick up and move to the City? And if we make exceptions for EMTs, what do we say to other unions? This is a problem that the Council needs to help solve.

### **Property Tax and Water/Sewer/Stormwater**

The good news is that this year we will not be asking for any increase in the property tax rate. There is an ample surplus. If we manage to spend responsibly, as we have been doing, we ought to leave our successor the ability to balance another budget without a tax increase. In the following year, however, there are significant challenges that will necessitate increasing revenues.

The only place this year where we must raise rates is in our sewer and water fund. Following the advice of the independent Utility Citizen Advisory Board (UCAB), we are recommending raising water rates by 9%, which is of course a significant increase.

Ironically, this comes at a time when the City Council is discussing limiting our Finance Department's ability to enforce collections of outstanding bills through water shutoffs and ultimately taking properties to sheriff's sale to collect outstanding debts. After reviewing the financial projections, it was clear that without this increase, we would not raise enough revenue to even pay debt service this year without accessing our water fund cash reserves.

It is also important to have perspective on these issues. First, water rates for Wilmington water customers are the lowest in the region. Our competitors are all asking the State Public Service Commission (PSC) for double digit increases such as a 24% hike proposed by Artesian and a 19% increase from Veolia. There are demands being made on our City's water utility like reducing PFAs that will require rate increases throughout the industry.

Second, any reduction in our ability to enforce collection will only result in less revenue, thereby threatening the quality of our water. Or most certainly, it will shift costs to other customers. Someone has to pay for the water utility and it's better if everyone pays. I understand the motivation for thinking otherwise, but the City Council should understand the implications of any such action.

Our stormwater rate will rise by 6%. This increase is tied to our collective decision over many years to protect our infrastructure and create green infrastructure projects, such as our award-winning Southbridge Wilmington Wetlands Park. The stormwater fee also helps to keep our three rivers clean and mitigate flooding in critical low-lying areas of our City. We also have to continue focusing on engineering solutions for future storms, which have become larger and more destructive over the last decade.

### **In Closing**

So let me leave you with this message. Our economy is strong and, trust me, there is more to come. Crime is down dramatically. Our finances are excellent. Our infrastructure is vastly improved, although century old structures will always present a challenge. Our public places are more beautiful than ever and the schools where our children learn are improving every day. Wilmington is a city where more and more people are coming to live, work, raise families, or to retire. We have much to be proud of. I honestly don't know how much more we could reasonably have done.

I will be gone after this year. Many of you may still be here. This Administration and this Council have set an enviable standard. It is up to future City officials to continue to build on our success.

I am very proud and honored to have served for nearly seven and a half years with a remarkable group of government administrators. More than that, they are people who care as deeply as I do about our City and its people. I previously mentioned Police Chief Campos, Finance Director Taylor, and Budget Director Greco in

tonight's address. Now, I would ask my department directors to please stand and be recognized. The rest of our senior management team includes Fire Chief John Looney, Solicitor Bob Goff, HR Director Charlotte Barnes, Economic Development Director Sean Park, Parks and Recreation Director Ian Smith, Cultural Affairs Director Tina Betz, Information Technology Director Demond May, Emergency Management Director Willie Patrick, L&I Commissioner Mike Boykin, Public Works Commissioner Kelly Williams, Land Use and Planning Director Jeff Starkey, and Real Estate and Housing Director Bob Weir. Also, many thanks to City Treasurer DaWayne Sims, City Auditor Terence Williams, and Deputy Chiefs of Staff John Rago and Stephenie Mergler.

And now. A special thank you to Tanya Washington, my Chief of Staff. You are our rock and an outstanding public servant who has kept the interests of our City in your heart for over 30 years. We all owe you our gratitude and please know that you have our deepest affection. I could not have done this without you.

As I close tonight, thank you City Council for your consideration of this budget proposal. Look, I know it's not always easy seeing eye to eye on everything, but we've really accomplished some great things together and for that, I thank you.

Good night!