



State of the City Address  
Fiscal Year 2021 Budget Presentation  
Wilmington Mayor Michael S. Purzycki  
Thursday, March 26, 2020

Good evening.

Two weeks ago, I could never have imagined giving a budget address under the circumstances in which we find ourselves today. I certainly did not expect to be giving it on Zoom. As unpredictable as today was then, the future seems equally unpredictable to us now as we prepare for the government's year ahead.

What is clear is that our world is changing underfoot. The foundation upon which we built our modern society and its economy has been shaken. Every norm has been questioned. We have been reminded of our many vulnerabilities. Our health, the value of our savings, the security of our jobs, and the certainty of our children's education. While many of us have been through difficult times before, this time feels different.

The budget I prepared ten days ago projected a surplus without drawing on our tax stabilization fund. Our five-year projection was sound, with modest tax increases and little borrowing from that fund. But as we look ahead to increasing layoffs in the hospitality sector and other parts of our economy, we must be realistic about our revenues. While FY2020 will likely see a small erosion in revenue, FY 2021 looks far more problematic.

Our current revenue estimates track the state's DEFAC revenue adjustments because our WEFAC does not meet until later in April. But you must know that I believe the state's projections to be optimistic. Lower revenues are more likely. This presents us with a problem proposing a

balanced budget. Our '21 revenue projections are almost unknowable at this point in time. To balance our budget against a worst-case scenario would require deep personnel cuts or significant tax increases, all of which may prove unnecessarily damaging to the city's operations if the economic condition is relatively short lived. My judgment, therefore, is to present a realistic but not pessimistic budget with the expectation that we may use some of our fund balances, or even budget reserves, if revenues disappoint us and if the economic contraction proves to be unrelenting.

In Wilmington, we can be thankful that we have laid a strong foundation over the past three years to help us weather whatever storm comes our way. Our fund balance has increased from \$ 34 million in FY '17 to a projected \$52 million at the end of FY'20, a healthy 30% of our operating budget. We have budget reserves on hand of seventeen million dollars and other unassigned cash of over five million dollars.

Our capital project programming restored Hicks Anderson Community Center, Rodney Square, Eden Park, and many of our neighborhood parks; We funded a complete overhaul of one of our firehouses and, I am proud to point out, we made long overdue lobby improvements to our Louis Redding Building. Our agreement with Salesianum is resulting in a \$24 million rebuilding of the old Baynard Stadium, allowing more public access to the stadium than ever before. Working with DeIDOT, our transportation infrastructure is being improved, and the new Transit Center across from the train station is nearing completion. Finally, the \$20 million Southbridge wetlands park is well under construction.

The private sector made enormous investments in the city in recent years – hundreds of millions of dollars. The downtown is unrecognizable from where it once was. The Riverfront continues to thrive. There are over 1000 apartments completed, planned, or under construction; three new hotels are now open; new restaurants like Bardea and DECO, the reimaged Green Room, Torbert Social, Makers Alley, Crow Bar, and Stitch House opening across the entire city; the seven-mile Markell trail was built from the riverfront to New Castle; a \$50 million bridge and road project built across the Christina will lead directly into the new 76ers Fieldhouse; and

the Pine Box, a 150,000 square foot sound stage is under construction as we speak on the 7<sup>th</sup> street peninsula.

In the northeast, Reach Riverside and the Housing Authority are together moving ahead on 600 residential units in the Riverside Community. The Warehouse, a teen center built to nurture our young people, has been opened. The Flats continues its ambitious and transformative residential construction project on the City's west side.

Crime has been reduced under the leadership of police chief Robert Tracy. Violent crime has continued to fall year over year since 2016. Homicides in 2019 were down 43% from 2017, and still down 19% from 2018. Our police department is functioning at a very high level in every way, including having the highest levels of community engagement and the highest clearance rates in a decade.

To support our police department, we are partnering with the state on Group Violence Intervention to give former offenders unprecedented healthy life choices. We are proud to have former chief Bobby Cummings leading this important effort.

Thanks to our clean teams, typically comprising members of the community served, the streets and our neighborhoods are cleaner than at any time in recent memory. We are hopeful that we can continue to expand this most important service.

We have an agreement with Delmarva Power to install LED smart lighting throughout the entire city over this next year, as was done earlier this year in West Center City. The department of public works will add all city fixtures to this effort, making all of our neighborhoods brighter and safer.

We have improved the inner workings of the city by installing accountability measures in every department through the use of City Stat, a management tool that employs bi-monthly performance assessments.

We performed rental inspections for the first time in a decade – 1700 this year thanks to commissioner Jeff Starkey and our outstanding license and inspection personnel.

We are getting ready to launch a paperless digital permitting system that will make for a far more efficient and user-friendly experience for developers and builders.

Committed to being more customer friendly, the time to pick up our customer service lines has been dramatically reduced from over six minutes to the current 21 seconds.

The City website now employs a public information platform called Open Gov where virtually all city financial and project data is available in real time to all of our citizens. A 311 system is being Beta Tested today and should be ready to launch this spring.

In an effort to build our City's brand in the region, we have worked with our private sector partners to launch a marketing and branding campaign called Its Time. Using a variety of media platforms, we are telling the Wilmington story to the entire region.

So, the news is generally good in City buildings, downtown, the Riverfront, and in our healthy neighborhoods.

But challenges remain. We continue to suffer from too much poverty, blight, and crime in the poorest parts of town. There are too many guns on the streets – and sadly, too many carried by children. Our school system must be challenged to be responsive to our kids and their special needs. Our housing stock must be improved so our children grow up in a healthy environment. Landlords must be held to account for substandard living conditions – and city council must give us the tools to fight the slumlords. Council, you told us that the original ordinance was too much to digest at one time. Fair enough. In response we will break up the ordinance into three separate ordinances. Hopefully council can schedule hearings soon and take action on this legislation so critical to the health of our neighborhoods.

Every successful city has an aspirational self-image. What is ours? If we aspire to a brand, it is no longer to be the chemical, corporate, or credit card capital, but simply to be what Harvard professor Toni Griffin calls a “just” city – one that is prosperous but fair to all of its residents. One where

doors to prosperity are open to all. Where the city is physically designed to create access, not isolation. One where funding for schools is adequate to teach children who come to school carrying every imaginable burden. One where our poorest neighborhoods are as well maintained as our best neighborhoods, and where our parks and facilities are the very best, not only for those with means and money, but for our poorest children. A just city is where our housing stock is maintained and no child grows up living in squalor, where the streets are clean, where the streetlights shine brightly at night, and where there is optimism and hope during the day. This is what a just city looks like to me.

I believe it is why Stephen A. Smith came back to Wilmington this year to broadcast his show, First Take. Because when he last visited as a guest to Wilmington, he saw a city that cares for the kids who have historically been relegated to the margins. Because he saw 3500 of our students at the 76ers fieldhouse applying to HBCU colleges, being granted admissions and scholarships that same day, placing our City in the vanguard of cities which support our young leaders of tomorrow. Because maybe he felt Wilmington was indeed a just city.

We have not done everything right, and we still have a long way to make our government everything it can be, but we have much to be proud of. I want to thank each of you for your service to our community. I want to thank our federal delegation for its support for the City, and lastly, I want to publicly thank our governor John Carney for his extraordinary leadership during this challenging time.

As I said earlier, things are changing at light speed. We have no idea what will have happened to the economy by the time council considers this ordinance. While this document presents a baseline of our priorities, planned expenditures, and projected revenues, it should be our expectation that we work together to meet the challenges ahead remaining as aspirational as we can be while dealing with the economic and social realities as we find them.

Thank you.

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