

Fiscal Year 2020 Budget Presentation and State of the City Address
Wilmington Mayor Michael S. Purzycki
Thursday, March 28, 2019

Madam President, members of Council, elected officials, ladies and gentlemen,

First, I would like to acknowledge my wife, Bette, my Department heads and other elected officials.

This is my third budget address and I am proud to stand before you having served for the past two years as your mayor.

If I could distill this message into a few words it would be this. In spite of the occasional discord occurring within these halls, we all – the administration and Council – have many accomplishments we can be proud of. And, I suggest, much to look forward to.

I can honestly say, while acknowledging that challenges remain, that the state of the city is vastly improved and getting better every day. Today we are a more confident city. We are a more optimistic city. Wilmington is getting its swagger back.

By any measure, we are in a far better place than when many of us took office.

Remember that the DuPont building was vacant – 650,000 square feet of empty office space – adding to the massive vacancies that included a number of the Bank of America buildings. Our crime rate earned unwanted national attention, and 2017, our first year, was the most violent year in our city's history. Morale in our uniformed departments was at an all-time low. Our public buildings were tired – this one included – our parks were in disrepair, the public was baffled that we could not accept a \$20 million offer from Salesianum to improve Baynard Stadium. Our residents and businesses were moving out and visitors were not coming in.

As we took office we were greeted with an eight-and-a-half million dollar hit to our cash balance because of uninsured workers comp claims and the FOP contract settlement from 2016. We projected a fifty-four million dollar, five-year cumulative deficit.

But at that time, as we got to know one another and trust one another, we all worked together with a strong sense of common resolve to move the city forward and solve problems.

Our first job was to get new leadership for our police department. Bob Tracy is the first chief to lead the department from outside the WPD in its proud history. The transformation has been dramatic. 2018 was the least violent year of the past fifteen. The men and women of our police department have done an extraordinary job of reducing shootings, shooting victims and homicides. The department's effort to build relationships with the community has resulted in a homicide clearance rate above the national average, and far above the clearance rate for urban centers.

But crime is not just the responsibility of the WPD. Police are not responsible for substandard housing, broken neighborhoods, struggling schools and inadequate support systems. We are. And in the end it is our responsibility to lead in the effort to restore health to these fragile social ecosystems.

Our firefighters continue to do outstanding work. Overtime, seemingly uncontrollable for years, has performed at or under budget for the first time in memory – in police and fire – thank you chiefs Tracy and Donahue.

Construction projects are now underway in every part of Wilmington – almost 1,000 apartments – including more downtown, two hotels on the riverfront to complement the Westin, new restaurants all over town, a new bridge across the Christina, and a dramatic new development plan for the east bank; construction on the South Wilmington wetlands project is about to begin. Rodney Square is going to have a badly needed facelift, including a new fountain that will animate the square and brighten the city's center making it more inviting to the public. The Village of St. John, thanks to Brother Ronald, is giving North Market Street a beautifully restored and repurposed grand old church in Brandywine Village. The 76ers' elite training facility is already a beacon for our city and a major event space. Our kids can play their big games in this championship athletic environment. Chemours has occupied the DuPont Building in a spectacular space that no one who worked here in the past would ever recognize. The cosmopolitan DE.CO food hall is opening in April – just saw it today – with 100 new employees. On the Seventh Street peninsula the piles are being driven for the Pine Box – a 150,000 square foot sound stage that will add a new dimension to the Wilmington economy and its self-image as performers from around the country come to our city to rehearse and perform.

The West Center City neighborhood stabilization continues – albeit, I confess, at a slower pace than I had hoped. But Hicks is being transformed and the neighborhood is safer. A number of homes are being rehabilitated. Forty homes have received façade improvement grants. The land bank has contracted with a developer for the rehabilitation of five homes on Ninth Street alone.

The Wilmington Housing Authority, under the leadership of director John Hill, has received approval from HUD to improve 42 homes across the city for home ownership. Speaking of WHA, the authority is a full partner in the Purpose Built Community project, a 400-unit complete re-development of Riverside. REACH Riverside has acquired the former Prestige Academy to build the Teen Warehouse, a teen learning and social services center. Together these two ambitious projects have the potential to transform the northeast side of our city. Congratulations Councilmember Oliver

Speaking of progress and safety, commissioner Kelly Williams will announce soon a plan for the installation of LED smart lighting throughout the entire city. The first phase, to be started by

May, will be for 250 lights to be installed in a number of neighborhoods in the city, with the full installation to be completed over the next two years.

We are positioning ourselves, Madam President, as a smart city because we want the latest in technology and data to help city government to be more efficient. The budget includes funds to administer a small cell installation program that will complete 4g technology and eventually bring 5g higher speed technology to Wilmington.

Our parks and recreational facilities will again be a source of pride for this city after years of very little investment. Under the guidance of Director Kelley, Hicks Anderson Community Center is being completely refurbished. It will be a welcoming, bright, beautifully designed building with a sparkling new gym, computer room, lockers, activity and study areas, but featuring one conspicuous change – the imposing security gate at the entrance is gone. It sent the wrong message to our kids. If we treat them with trust and respect, they will learn to return that respect.

And it was at Hicks earlier this year that, in cooperation with corporate partner Simon Eye, we provided 300 of our citizens with new pairs of eyeglasses free of charge – things that too many of us take for granted, but for which our affected citizens were so very appreciative. We are scheduling a return visit for this spring.

The former Baynard Stadium is receiving a twenty million dollar makeover by Salesianum and will be available to city children to a greater extent than ever before, thanks to this council and the administration officials at Sallies who worked hard to reach a fair agreement. At the same time, Eden Park is getting a complete overhaul including new pools, a new artificial turf field and adjacent practice field, all ready for this spring. We have also made long overdue investments in neighborhood parks like Father Tucker, Connell Street, Speakman, Brown-Burton Winchester and Kosciuszko. Council can take a well-deserved bow.

Our own City/County office building is drab and tired, though better than it was a year ago. Its condition is a reflection of how we see ourselves. I stated a year ago that things are going to change. The modest improvements to our lobby already have made a noticeable change in the appearance of the building and much more is still to come. These improvements are not just cosmetic any more than good grooming is cosmetic. It sets the tone for our work force. It sends a message to employees and visitors that in this building there are expectations, that we perform with pride in what we do each day. And this is why we are renovating each and every one of our firehouses for the first time in decades. Our first-class fire fighters deserve a first-class working environment.

Perhaps our greatest source of accomplishment this year has been with our HBCU week activities, which involved almost 10,000 attendees at a host of different events. This includes the 1,700 students who attended our college fair, the 7,000 citizens who attended the battle of the bands, and the 300 who attended our recent celebratory banquet. The efforts of Ashley

Christopher and Earl Cooper have resulted in over 1,000 admissions and one million dollars in scholarships, including \$400,000 in tech and science scholarships from our friends at Chemours.

Within the walls of this building we are so much more efficient than we were in the past. For example, as a result of our new call center, which handles only utility billing at this time, our pick up time for calls has improved from a previous average of six minutes to a current 11 seconds. Average wait time for customers has dropped from nine minutes in our other city call centers to 32 seconds. Abandoned calls dropped from 25 percent to two percent. Seventy percent of all complaints to this center are resolved in the first call. This will be the standard for city customer service in this government across the board.

Our 311 system for all city inquiries will be up and running before we pass our budget. OpenGov, a government transparency platform, will be up soon, revealing every aspect and statistical fact of our city to the public. On Base, which will digitize our permitting process, is currently being beta tested.

We are employing City Stat, a performance measurement system put into practice by former Baltimore mayor Martin O'Malley, who visited with us several months ago. The system helps to assess department efficiency and to keep our departments goal-oriented and accountable for achieving these goals.

We will announce soon the reintroduction of our Beautiful City initiative. We have allocated over \$500,000 in this budget to, in part, engage neighborhood organizations to keep our city clean. At the same time, DeIDOT and Public Works have been coordinating similar programs to ensure that both major roadways and neighborhood streets are kept cleaner than ever before.

While I am pleased with much of what we have accomplished, I remain disappointed that we have not done more.

I am disappointed that after five years we have not been able to reach an accord with our friends in New Castle County on a sewer agreement. Consequently, we have referred the matter to arbitration. While we are confident of our position, we will live with the consequences of the arbitrator rather than wasting time trying in vain to negotiate further.

Speaking of New Castle County, the chancery court has allowed us to intervene in a case where the issue of a long-overdue reassessment is being litigated. Too many of our citizens have been overtaxed for years. This applies generally to condominiums, but also to some poorer neighborhoods where homeowners on the East Side, for example, pay a twenty percent average premium over what they should be paying. The county's lack of responsibility for decades has left the city in a vulnerable financial position as reductions in assessments continue to erode revenue.

We have had to deal with the disappointing failure of the Wilmington Housing Partnership. Its primary problem, aside from too many poor management decisions, was over five million dollars of debt that had been borrowed from as far back as 2007, a major portion for which the

city was directly responsible and for which there was never any reasonable prospect for repayment. After resolving most of the creditor claims, we choose to pay off the existing loan of \$3.4 million by restructuring the debt. Our debt position will remain exactly the same as before restructuring. We will not use any current assets or cash to pay down the loan as has been otherwise proposed. To do so will strain our budgets, requiring cutting of services or programs or, of course, raising taxes. We did not create this problem, but like many legacy conditions we confront, it is up to us to solve it.

I must remind Council that among my disappointments is our unfinished business of dealing with the issue of substandard housing. This so-called Blight issue, which is directed at rental housing in particular, has been before council since my predecessor's administration. I believe new legislation will address every reasonable objection. And it will include raising fees to support inspections and enforcement. I implore Council to deal with this matter at once and to treat it as our most pressing issue – the children living in these poorly maintained homes and decaying neighborhoods are depending on us.

Let me take a moment tonight to state clearly the contours of my vision for the city going forward.

My vision for Wilmington is that it becomes known, above all else, as a just city. A just city means that we treat all neighborhoods and members of our community with equal respect. It means, above all, that people with problems believe that someone is listening and that somebody cares. A just city aspires to spread the wealth across race and class. It opens doors to employment and opportunity. A just city insists on clean and adequate housing for all its residents, attractive parks for its children to play in and properly funded schools for our leaders of tomorrow. A just city keeps its streets clean of the trash that conditions children to think that filth is normal.

In a just city our neighborhoods bring us together – they don't separate us. This coming together requires that we pull our neighbors up and not push any out. When people move in, they add to our cultural tapestry and do not displace a living soul.

A just city celebrates the lives of those whose deeds history has too often forgotten – individuals like Tuskegee Airman Fred Johnson, our own hidden figure whose bust sits in Warner School thanks to the efforts of our cultural affairs director, Tina Betz. A just city ensures that its children are properly educated. A just city opens doors to college for those for whom higher education is an unattainable dream. And in a just city our corporate community stands shoulder to shoulder with us, helping us to reach our goals

To achieve this vision, we need a certain economic prosperity and financial stability to allow us to fund the programs necessary to build our city. We cannot separate the developers, the corporate community and the investors from the rest of us. We are in this together. Never forget that cities either grow or they die.

My first budget address included a four-year financial plan. The cornerstone of that plan included a 7.5 percent property tax increase, providing for a planned surplus. This council adopted that budget and later a tax stabilization ordinance that resulted in no tax increase last year. Again, we call for no tax increase in this year's operating budget and project no further tax increase until after FY 2021. And I am pleased to report that at the same time our critically important fund balance has been fully restored to over \$40M, erasing the \$8.5 million deficit we inherited in FY 2017.

In the water sewer budget we remain in the position of shoring up our reserve funds to meet industry standards. We will call for a weighted average 3.8% increase in the water rate. At the same time we will freeze the rate for our county customers owing to a longstanding disparity in charges for service between city and county customers. Like many others, this issue has been ignored for too long. We intend to find the correct balance between city and county rates, and work over time toward achieving that goal.

So, my friends, the future of the city is in our hands. If we draw upon the greatness that lies deep within our city's DNA, we can put Wilmington back on the map again. But if we wallow in the world of petty grievances and fight over political scraps and crumbs, we lose – our citizens lose, the city loses.

I am reminded that Howard grad Fred Johnson never let others place limits on him. He simply lived to his aspirations. He was an African American who flew planes in World War II, a Tuskegee Airman, a star athlete and outstanding academic who returned home to teach in schools where all teachers were white, and where a friend of mine taught by Fred called him the best teacher she had ever had. A Congressional Medal winner, Fred never let himself be limited by a lack of vision, and he would tell us we should not either.

We have come far in two short years. Yet there is so much more to do. Let's commit to continuing the journey – together.

Thank you again, Council members, for this opportunity to present our budget and to be with you tonight.