

*Wilmington, Delaware
Louis L. Redding
City/County Building
March 26, 2020*

City Council met in “**virtual**” regular session on the above date at 6:00 p.m., President Hanifa Shabazz presiding.

The opening prayer was done by Andrea Queen, Deputy Clerk.

The Pledge of Allegiance was recited by City Council.

ROLL CALL

The following members responded to the Call of the Roll: Council Members Gray, Congo, Harlee, Turner, McCoy, Johnson, Freel, Adams*, Dixon and Walsh, and Council President Shabazz. Total, eleven. Absent, Council Members Oliver and Guy. Total, two.

Due to the coronavirus pandemic, President Shabazz stated that in lieu of the Mayor being escorted into the Chambers, he would be conducting his Budget Address virtually.

SUSPENSION OF RULES

Upon a motion of Council Member Freel and duly seconded, Council suspended the rules for Mayor Michael S. Purzycki to present his “virtual” Budget Address. Motion prevailed.

MAYOR’S STATE OF THE CITY ADDRESS – FISCAL YEAR 2021

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 almost 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 the Louis Redding Building. Our agreement with Salesianum is resulting in a \$24 million rebuilding of the old Baynard Stadium, allowing more public access to that stadium to our kids 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 with completion scheduled for this summer.

The private sector made enormous investments in the city in recent years – literally hundreds of millions of dollars invested in the City. 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 reimagined Green Room, Torbert Social, Makers Alley, Crow Bar, and Stitch House to name a few 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 7th 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 by teens for teens built to nurture our young people, has been opened. The Flats continues its ambitious and transformative residential construction project on the City's westside.

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 and 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 of each and every department.

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, which 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 in late May. 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 the 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 living 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 complicated to digest at one time. Fair enough. In response we will break up the ordinance into three separate ordinances and hopefully council can schedule hearings soon and get 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 of the world, 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 to one another, not isolation. One where funding for schools is adequate to teach children who come to school each day carrying every imaginable burden. One where our poorest neighborhoods are as well maintained as our best neighborhoods, and where that 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 HBCUs, being granted admissions and scholarships that very day, placing our City in the vanguard of cities which support our young leaders of tomorrow. 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 all 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 exemplary 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.

REGULAR ORDER OF BUSINESS

Upon a motion of Council Member Freel, seconded by Council Member Dixon, Council returned to regular order of business. Motion prevailed.

President Shabazz stated that the minutes of the previous meeting will be accepted at the April 2 Council meeting.

*Note: During this time, it was duly noted to recognize Council Member Adams in attendance and reflected in the minutes herein (Roll Call).

TREASURER'S REPORT

The following Treasurer's Report as of March 26, 2020, was read into the record by City Clerk and upon a motion of Council Member Congo, seconded by Council Members Freel and Dixon, the Report was received, recorded and filed. Motion prevailed.

Note: The Treasurer's Report is included herein as an insert from Page 6 to Page 8.

City of Wilmington
Delaware

Velda Jones-Potter
City Treasurer

Louis L. Redding City/County Building
800 French Street
Wilmington, Delaware 19801-3537
(302) 576-2480
treasurer@wilmingtonde.gov



City of Wilmington Treasurer's Report
as of March 26, 2020

Cash on Hand:

General Account	M & T Bank	\$8,130,789.27
Central Deposit	M & T Bank	\$142,343.85
Payroll	M & T Bank	\$3,983,912.37
Total Petty Cash Accounts	M & T Bank	\$10,815.48
Grant-In-Aid	M & T Bank	\$152,196.30
Evidence/Found Currency Account	M & T Bank	\$1,089,795.32
Rent Withholding Escrow	M & T Bank	\$4,137.97
Capital Projects Account	M & T Bank	\$1.00
Cement Workers Escrow	WSFS Bank	\$33,659.33
Police Department Discretionary	M & T Bank	\$24,843.89
Pension Payroll Account	M & T Bank	\$138,194.76
Old Non-Uniform Pension Account -Plan 1	M & T Bank	\$1,592.81
Non-Uniform Pension-Plan 2	M & T Bank	\$1,500.00
Non-Uniform Pension Act of 1990-Plan 3	M & T Bank	\$387,044.76
Police Pension Account	M & T Bank	\$365,993.07
Fire Pension Account	M & T Bank	\$22,866.83
Worker's Comp 3rd Party Account	M & T Bank	\$25,000.00
Retiree Healthcare Account	M & T Bank	\$255,580.86
SubTotal		\$14,770,267.87
Total Cash on Hand		\$14,770,267.87

INVESTMENTS March 26, 2020:

Fund	Institution	Invest. Type	Maturity Date	Interest Rate	Interest Receivable	Investment Amount
GENERAL FUND:						
General	TD	CD	3/26/2020	1.70%	\$12,726.39	\$3,500,000.00
General	TD	CD	4/2/2020	1.34%	\$4,582.36	\$3,517,376.00
General	TD	CD	4/2/2020	1.44%	\$5,760.00	\$3,000,000.00
General	TD	CD	4/28/2020	1.50%	\$15,833.33	\$4,000,000.00
General	TD	CD	5/28/2020	1.50%	\$31,250.00	\$6,000,000.00
General ¹	WSFS	CD	6/18/2020	1.62%	\$95,625.00	\$17,000,000.00
SUB-TOTAL:						\$37,017,376.00
CAPITAL FUND:						
Capital ≤ 2015	TD	CD	5/21/2020	1.65%	\$47,356.82	\$10,651,955.58
Capital ≥ 2018	TD	CD	5/20/2020	0.68%	\$20,205.27	\$15,281,294.70
SUB-TOTAL:						\$25,933,250.28
RISK MGMT:						
Risk Management	TD	CD	6/30/2020	1.63%	\$64,915.02	\$8,287,317.11
Worker's Comp	TD	CD	6/30/2020	1.63%	\$64,915.02	\$8,287,317.11
Retiree Medical Escrow	Vanguard-OPEB					\$25,348,434.00
SUB-TOTAL:						\$41,923,068.22
PENSION FUND:						
Non-Uniform 1990	WSFS	CD	3/27/2020	1.45%	\$4,760.76	\$4,280,000.00
Escrow Pension	Edgar Lomax					\$21,981,235.00
Escrow Pension	Vanguard Fixed					\$41,394,208.00
Escrow Pension	Earnest Partners					\$24,205,636.00
Escrow Pension	Wilmington Trust					\$40,551,131.00
Escrow Pension	Vanguard Stock Index					\$36,261,600.00
Escrow Pension	Artisan Global					\$8,068,123.00
Escrow Pension	Dodge & Cox					\$10,746,388.00
Escrow Pension	Fidelity					\$10,024,283.00
Escrow Pension	Harding Loevner					\$8,846,437.00
Escrow Pension	MFS Management					\$23,441,611.00
Escrow Pension	Clarion Lyon					\$9,806,396.00
Escrow Pension	Money Market					\$316,049.00
Escrow Pension	Morgan Stanley					\$6,157,618.00
SUB-TOTAL:						\$246,080,715.00

OTHER:						
Deferred Comp.	MassMutual					\$44,154,846.52
Contractual Requirements	WSFS	CD	7/1/2020	1.45%	\$20,638.07	\$3,049,961.78
Port Debt	WSFS	CD	7/15/2020	1.40%	\$11,537.20	\$1,978,890.00
Total Investments						\$397,088,146.02
Total Cash on Hand						\$14,770,267.87
Grand Total						\$411,858,413.89

¹ Budget Reserve



Velda Jones-Potter, City Treasurer

LEGISLATIVE BUSINESS

President Shabazz stated that she will dispense from calling on each Councilmember as Council Member Freel is the only one with legislation for this evening.

Council Member Freel: Yes, Madam President, I have five (5) Ordinances to present for first and second reading.

Council Member Freel presented and called for the first and second reading Ordinance No. 20-012 (Agenda #4787) entitled:

AN ORDINANCE ESTABLISHING A RATE OF TAXATION
ON REAL PROPERTY AND THE TAXABLE PROPERTY OF
PUBLIC UTILITIES FOR THE FISCAL YEAR JULY 1, 2020
THROUGH JUNE 30, 2021

The above-referenced Ordinance was given two separate readings by title only and upon a motion of Council Member Freel, seconded by Council Member Dixon, the Ordinance was received, recorded and referred to the Finance & Economic Development Committee meeting. Motion prevailed.

Council Member Freel presented and called for the first and second reading Ordinance No. 20-013 (Agenda #4788) entitled:

AN ORDINANCE TO ADOPT A CAPITAL PROGRAM
FOR THE SIX FICAL YEARS 2021 – 2026 INCLUSIVE

IMPACT STATEMENT: The six-year Capital Program for Fiscal Years 2021-2026 is \$274,356,865. This is an estimate of funds necessary to meet the future capital needs of the City. The breakdown is as follows: \$98,405,615, General Fund; \$149,951,250, Water/Sewer Fund; and \$26,000,000, Other Funds.

The above-referenced Ordinance was given two separate readings by title only and upon a motion of Council Member Freel, seconded by Council Member Walsh, the Ordinance was received, recorded and referred to the Finance & Economic Development Committee meeting. Motion prevailed.

Council Member Freel presented and called for the first and second reading Ordinance No. 20-014 (Agenda #4789) entitled:

AN ORDINANCE TO ADOPT A CAPITAL BUDGET FOR
FISCAL YEAR 2021

The above-referenced Ordinance was given two separate readings by title only and upon a motion of Council Member Freel, seconded by Council Members Dixon and Walsh, the Ordinance was received, recorded and referred to the Finance & Economic Development Committee meeting. Motion prevailed.

Council Member Freel presented and called for the first and second reading Ordinance No. 20-015 (Agenda #4791) entitled:

AN ORDINANCE TO AMEND CHAPTERS 4, 5 AND 12
OF THE WILMINGTON CITY CODE TO INCREASE
CERTAIN FEES

FISCAL IMPACT STATEMENT: The fiscal impact of the City increasing the fees provided for in this Ordinance is estimated to be a gain of \$1.6 million.

The above-referenced Ordinance was given two separate readings by title only and upon a motion of Council Member Freel, seconded by Council Member Walsh, the Ordinance was received, recorded and referred to the Finance & Economic Development Committee meeting. Motion prevailed.

Mrs. Seijo (City Clerk): That's it, Madam President.

Council Member Freel: Don't we have one more? Do we have one more?

President Shabazz: Agenda #4790, I didn't think I read that.

Council Member Freel: I didn't hear that one either.

Ms. Marchelle Basnight: Yes, the operating budget.

President Shabazz: 4790. Agenda #4790.

Mrs. Seijo (City Clerk): I apologize. 4790, one second.

Council Member Freel presented and called for the first and second reading Ordinance No. 20-016 (Agenda #4790) entitled:

AN ORDINANCE ADOPTING THE ANNUAL OPERATING
BUDGET FOR THE FISCAL YEAR BEGINNING ON
JULY 1, 2020 AND ENDING ON JUNE 30, 2021

The above-referenced Ordinance was given two separate readings by title only and upon a motion of Council Member Freel, seconded by Council Members Walsh and Turner, the Ordinance was received, recorded and referred to the Finance & Economic Development Committee meeting. Motion prevailed.

ADJOURNMENT

Upon a motion of Council Member Freel, seconded by Council Member Walsh, Council adjourned at 6:17 p.m. Motion prevailed.

Attest: Maribel Seijo
Maribel Seijo, City Clerk