

ORD 25-057

AN ORDINANCE CONSTITUTING AMENDMENT NO. 1 TO THE FISCAL YEAR 2026 ANNUAL OPERATING BUDGET (BEING AN ORDINANCE TO AMEND SUBSTITUTE NO. 1 TO ORDINANCE NO. 25-009)

#0117

Sponsor:

**Council
Member
Harlee**

Co-Sponsor:

**Council
Member
Willauer**

WHEREAS, on March 20, 2025, the Mayor submitted his message to City Council for the fiscal year beginning on July 1, 2025 and ending on June 30, 2026 (“Fiscal Year 2026”) and his proposed budget for Fiscal Year 2026, as prescribed in Wilmington City Charter Section 4-101; and

WHEREAS, pursuant to City Charter Section 2-300, on May 22, 2025, City Council adopted the annual operating budget for Fiscal Year 2026 in Substitute No. 1 to Ordinance No. 25-009 (the “Fiscal Year 2026 Annual Operating Budget”); and

WHEREAS, in accordance with Delaware General Assembly House Bill No. 62, New Castle County recently conducted a real property reassessment with the assistance of Tyler Technologies (“Tyler”); and

WHEREAS, there is widespread concern that Tyler’s mass appraisal reassessment model as it relates to the City of Wilmington did not meet generally accepted standards for reassessments for (i) the coefficient of dispersion that measures the uniformity of property assessments by dividing the average absolute deviation of the appraisals from the median sales price by the median sales price itself and (ii) price-related bias that assesses the fairness of assessments across properties of different values by determining whether high-value properties are appraised at a different percentage of market value than low-value properties; and

WHEREAS, the City believes that the reassessment model’s deviations from generally accepted standards with respect to the City (i) overassessed lower-value properties, indicating a systematic regressivity, and (ii) made the assessments inconsistent, including a high variability from market value; and

WHEREAS, the City has attempted to address the reassessment's anomalies for Fiscal Year 2026 through the passage of Substitute No. 1 to Ordinance No. 25-006 establishing a bifurcated property tax rate solely for Fiscal Year 2026 that contains a lower property tax rate for the residential property class and a higher property tax rate for the non-residential property classes; and

WHEREAS, the City remains concerned about the reassessment's anomalies and the potential long-term consequences thereof; and

WHEREAS, the City believes these anomalies can be mitigated through interior assessments and the New Castle County Board of Assessment Review's appeals process; and

WHEREAS, the City would like to engage certain third-party consultants to assist the City in conducting interior assessments and validating the assessment methodologies used by Tyler; and

WHEREAS, the City would also like to establish a grant program to provide financial assistance to low-income homeowners for filing appeals with the New Castle County Board of Assessment Review related to the real property reassessment; and

WHEREAS, upon the recommendation of the Mayor, the City would like to amend the Fiscal Year 2026 Annual Operating Budget to increase the Mayor's General Fund Materials, Supplies, and Equipment appropriation by \$425,000 to hire such consultants and transfer \$75,000 from the Tax Stabilization Reserve portion of the General Fund Balance to the Neighborhood Stabilization Fund to establish such a grant program; and

WHEREAS, City Council deems it necessary and appropriate to amend the Fiscal Year 2026 Annual Operating Budget contained in Substitute No. 1 to Ordinance No. 25-009 as set forth below.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON
HEREBY ORDAINS:**

SECTION 1. The first sentence of Section 2 of the Fiscal Year 2026 Annual Operating Budget contained in Substitute No. 1 to Ordinance No. 25-009 is deleted and replaced with the following:

Appropriations in the sum of \$218,432,917 are hereby made from a general fund, as follows:

SECTION 2. The General Fund appropriations for the Mayor's Office set forth in Section 2 of the Fiscal Year 2026 Annual Operating Budget contained in Substitute No. 1 to Ordinance No. 25-009 are deleted and replaced with the following:

TO THE MAYOR:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Personal Services	\$4,253,463	\$149,299	\$4,402,762
Materials, Supplies, and Equipment	2,735,662	0	2,735,662
Debt Service	1,168,350	0	1,168,350
Total	\$8,157,475	\$149,299	\$8,306,774

SECTION 3. Section 13 of the Fiscal Year 2026 Annual Operating Budget contained in Substitute No. 1 to Ordinance No. 25-009 is deleted in its entirety and replaced with the following:

SECTION 13. Transfer to Neighborhood Stabilization Fund. A fund balance transfer of \$2.575 million from the Tax Stabilization Reserve portion of General Fund Balance to the Neighborhood Stabilization Fund is hereby authorized for Fiscal Year 2026, of which \$500,000 will be allocated for the Wilmington Neighborhood Conservancy Land Bank and \$75,000 will be allocated to establish a grant program to provide financial assistance to low-income homeowners for filing appeals with the New Castle County Board of Assessment Review related to the recent real property reassessment conducted by New Castle County.

SECTION 4. Except as otherwise expressly modified in this Ordinance, all other provisions of the Fiscal Year 2026 Annual Operating Budget contained in Substitute No. 1 to Ordinance No. 25-009 shall remain in full force and effect.

SECTION 5. This Ordinance shall be deemed effective as of its date of passage by City Council and approval by the Mayor.

First Reading.....October 2, 2025
Second Reading.....October 2, 2025
Third Reading.....

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved this ____ day of _____, 2025.

Mayor

SYNOPSIS AND FISCAL IMPACT: This Ordinance is the first amendment to the Fiscal Year 2026 Annual Operating Budget, which was originally enacted in Substitute No. 1 to Ordinance No. 25-009. This Ordinance authorizes an increase in the Mayor's Materials, Supplies, and Equipment General Fund appropriation of \$425,000 to enable the City to hire consultants to assist the City in conducting interior assessments and validating Tyler Technologies' mass appraisal reassessment model utilized for the recent real property reassessment conducted by New Castle County. It also authorizes a fund balance transfer of \$75,000 from the Tax Stabilization Reserve to the Neighborhood Stabilization Fund to establish a grant program to provide financial assistance to low-income homeowners for filing appeals with the New Castle County Board of Assessment Review related to the real property reassessment. The fiscal impact of this Ordinance is a reduction of the Fiscal Year 2026 budgeted operating surplus from \$2.7 million to \$2.275 million, and a \$75,000 reduction to the Tax Stabilization Reserve.

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