

#0144 **WHEREAS**, the City of Wilmington provides water and sewer services to residents both within and outside City limits. The Water & Sewer Fund is intended to be a self-sustaining enterprise fund, funded primarily through user fees and service charges; and

Sponsor:

Council Member Spadola **WHEREAS**, the revenues received from consumers of water and sewer services have, at times, been insufficient to fully cover the costs of operating and maintaining the water system and to fund needed capital improvements; and

Co-Sponsor:

Council Member Darby **WHEREAS**, the City’s General Fund has, in previous years, provided substantial financial assistance to the Water and Sewer Fund, including interfund loans and subsidies to ensure continuity of service and capital investment. Ordinance 10-040, adopted in 2010, authorized the repayment of an interfund loan from the Water and Sewer Fund to the General Fund, acknowledging the longstanding financial interdependence between these funds; and

WHEREAS, in light of the recent property reassessment process and widespread concerns about significantly higher property tax burdens on Wilmington residents, it is particularly important to avoid further financial strain through additional rate increases for essential services such as water and sewer. Residents and small businesses within the City already face significant financial burdens due to inflation, housing costs, and other municipal fees. Any additional increase in water rates would disproportionately impact low- and moderate-income residents, as well as seniors on fixed incomes; and

WHEREAS, a meaningful portion of Wilmington’s water and sewer customers reside outside of City limits and are therefore not subject to the City’s property taxes, creating an inequity when City residents bear the full weight of infrastructure investments; and

WHEREAS, the City has in recent years seen growth in General Fund revenues through strong local economic performance, allowing for responsible consideration of allocating a modest portion of such revenues toward critical infrastructure stabilization. It is in the public interest for the Administration to explore all available fiscal measures before proposing any increase to water or sewer rates, including the temporary or partial use of General Fund resources to stabilize rates and avoid placing additional costs on Wilmington residents.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF WILMINGTON that this Council strongly encourages the Administration to refrain from raising water or sewer rates in the upcoming fiscal year and to seek alternatives that protect Wilmington residents from additional financial hardship.

BE IT FURTHER RESOLVED that this Council urges the Administration to consider utilizing General Fund reserves, surpluses, or other available revenue sources to offset water system operational or capital costs, consistent with the City's fiduciary and bond rating responsibilities.

BE IT FURTHER RESOLVED that this Council also requests that the Administration provide a written report to the Finance Committee detailing:

- The projected financial status of the Water & Sewer Fund,
- Any planned rate adjustments, and
- The feasibility of offsetting costs with General Fund contributions.

Passed by City Council,

ATTEST: _____
City Clerk

SYNOPSIS: This Resolution urges the Administration to explore all available fiscal measures before proposing any increase to water or sewer rates, including the temporary or partial use of General Fund resources to stabilize rates and avoid placing additional costs on Wilmington residents.