



# NEW HANOVER COUNTY



**FY16-17**

Recommended Budget

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## **NEW HANOVER COUNTY RECOMMENDED BUDGET**

**FISCAL YEAR 2016-2017**

### **County Commissioners**

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## **OUR VISION for NEW HANOVER COUNTY**

*A vibrant, prosperous, diverse coastal community  
committed to building a sustainable future for  
generations to come.*

## **MISSION STATEMENT**

*New Hanover County is committed to progressive  
public policy, superior service, courteous contact,  
judicious exercise of authority, and sound fiscal  
management to meet the needs and concerns  
of our citizens today and tomorrow.*

The New Hanover County  
Board of Commissioners

June 2011



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*Numbers in the recommended budget document have been rounded to make the recommended budget document easier to understand and compare with other data. Minor discrepancies in tables between totals and sums of components may occur due to rounding.*





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April 28, 2016

New Hanover County Board of Commissioners:

I am pleased to present the County administration's recommended budget for fiscal year (FY) 2016-2017, which was prepared in accordance with The North Carolina Budget and Fiscal Control Act. In keeping with the County's strategic objectives, the recommended budget:

- Advances superior public education, specifically in the primary and secondary education system;
- Advances superior public safety;
- Meets ongoing, prior obligations; and
- Plans for the long term operating and financial sustainability of New Hanover County.

The proposed spending plan delivers value for taxpayer dollars across the organization and advances the County's strategic direction in two key focus areas. The plan also provides for future financial stability by fully funding voter-approved debt the County will have to repay over the next twenty years, and it does so with competitive taxes and fees as compared to other Counties in the region and our peer Counties across the State. (See exhibit A)

After much deliberation and evaluation of County priorities and fiscal realities, I believe the most prudent path forward to address the Board's priorities, satisfy prior Board obligations, and protect the viability of County programs is to ask the Board to adjust the property tax rate. Specifically, I am recommending the Board raise the property tax by 5.5 cents. If approved, this would establish the following funding rates for New Hanover County:

- County wide tax rate of 62.9 cents per \$100 of assessed value, with 7.5 cents of the rate, to include the 2 cent increase last year, dedicated to pay voter-approved debt, and 55.4 cents of the rate dedicated for all other General Fund activities;
- Fire Service District tax rate maintained at 7 cents per \$100 of assessed valuation;
- Environmental Management Fund tipping fee reduced from \$52 per ton to \$50 per ton.

The FY 2016-2017 recommended budget amounts are as follows:

- the General Fund is proposed at \$317.7 million, which is an increase of 3.0 percent from the FY 2015-2016 revised budget;
- the Fire Service District Fund is proposed at \$13.2 million, which is a decrease of 5.2 percent from the FY 2015-2016 revised budget;
- the Environmental Management Enterprise Fund is proposed at \$15.5 million, which is an increase of 12 percent from the FY 2015-2016 revised budget, while lowering the tip fee to \$50 per ton
- the Debt Service Fund is proposed at \$28.2 million, which will fully fund voter-approved debt payments in FY 2016-2017, and the new, additional revenue will continue to cover the annual payments for the life of the debt
- the spending plan in its entirety, with all funds, represents \$353.6 million in operations, which is an increase of .1 percent from the FY 2015-2016 revised budget.

These recommended levels of spending allow New Hanover County to maintain existing levels of service and move the County forward in two main strategic focus areas: Superior Public Safety and Superior Public Education; and maintain strong financial performance with competitive taxes and fees (see exhibit A) and delivering a sustainable long-term plan for County services.

I do not take the request for a tax increase lightly. I am making this recommendation in response to the fact that all voter-approved debt from 2006, 2008, and 2014 is coming due, and natural growth in the tax base has not and will not be sufficient to fund this recurring debt service without a significant re-setting of County priorities or services. We cannot delay funding this debt any longer; previous delays in addressing the rate are now restraining the organization's flexibility to fund Commissioners' priorities.

If the Board approves the property tax rate increase, each new dollar raised from the additional 5.5 cents will be set-aside in the debt service fund. The revenue generated from this 5.5 cents, combined with the 2 cents approved in FY2015-2016, will cover the debt service for the current year and the on-going life of the existing voter-approved debts. It was not my ask last year, nor my intention this year, for any of the proposed tax increase to go toward funding general operations of the County government — only voter-approved debt.

## **ECONOMIC CONDITIONS**

The local economy is growing:

- The Register of Deeds' monthly collections continue to trend favorably; the current year's collections, as compared to last year at the same time, are up 5.7 percent and are near the FY 2007-2008 levels;
- The Wilmington MSA unemployment rate dropped to 5.2 percent as reported in March 2016 as compared to an unemployment rate of 5.4 percent reported in March 2015;
- The County population increased 1.4% based on NC Office of State Budget and Management over the prior year;
- Wilmington MSA posted .8% growth in jobs according to Wells Fargo Securities Economics Group;

- As of the end of Q3 in 2015, the average weekly wage in New Hanover County grew by \$19.36 or 2.6% year over year;
- Single family housing starts increased 224 units or 23% to 1,197 in 2015 over 2014.

These are small but positive steps forward in measuring the local economy.

## **REVENUES**

As noted, this spending plan is balanced with a proposed 62.9 cent property tax rate. The recommended 5.5 cent property tax increase is narrowly constructed to pay for the ongoing annual debt service for voter-approved debt.

The increase in the tax base for FY 2016-2017 is 1.7 percent, compared to an increase of 2.4 percent realized for FY 2015-2016. The base for the General Fund is estimated at \$30.7 billion. With a 98.6 percent collection rate, the value of a penny is \$3 million. The tax base for FY 2016-2017, however, still lags behind the base in FY 2011-2012 (final fiscal year before the 2012 revaluation) by approximately 11 percent.

The County is currently conducting revaluation, which will be effective January 1, 2017 and will provide the base for the FY 2017-2018 budget; none of those gains can be accounted for in this budget. To date, field work for the revaluation has been completed and values are currently being assigned.

The tax base for the Fire Service District is estimated at \$11.7 billion. With a 98.6 percent collection rate, the value of a penny is \$1.1 million.

For FY 2016-2017, no fund balance is being recommended for appropriation to the General Fund. Current projections of expenditures and revenues indicate the County will end FY 2015-2016, the current year, with a fund balance of approximately 19.6 percent, below the County's 21 percent fund balance policy. The 19.6 percent is an improvement over the fiscal year ending 2015; however, with the fund balance policy expectation to bring the fund balance back to 21 percent, I do not believe it is prudent to appropriate any fund balance in this recommended budget.

Sales tax is projected to increase about 1.7 percent over the FY 2015-2016 budget; or about 4 percent over the estimated year-end actual receipts. The increase is based on prior-year experience, continued local economic recovery, and an expanded sales tax base.

Several County departments are requesting modifications to individual fee structures; the proposed changes are outlined in the fee revisions for FY 2016-2017 document.

## **NEW HANOVER COUNTY STRATEGIC PLAN**

In 2011 the New Hanover County Board of Commissioners adopted a strategic plan to guide decision making and budget allocation. Each of the four budgets, inclusive of this proposed spending plan, that I have recommended to the Board have focused on implementing the County's plan and funding Board-identified priorities.

During the March 23, 2016 budget retreat, the Board reaffirmed its commitment to the overall strategy and identified two areas to focus near term policy:

- Superior Public Safety
- Superior Public Education

The FY 2016-2017 budget recommendation is designed to deliver on those priorities as identified by the Board.

## **EXPENDITURES**

New Hanover County continues to face increased pressure on General Fund expenditures driven by voter approved debt service increases, operating and capital expenditures for public education, and operating growth in public safety. This recommended budget does not address all the focus areas and strategic objectives within the County's plan, but it does invest the limited resources available in the Board's two most identified priorities: Superior Public Safety and Superior Public Education.

### **Superior Public Safety**

In July 2012 the County, as part of its strategic plan, set out to reduce juvenile recidivism by 5 percent by June 2017. To sustain the goal, which the County has already achieved, I am recommending that we continue to fund prevention and intervention programs aimed at-risk youth. Specifically, I am recommending the County:

- maintain expanded prevention programs managed by the County's Division of Youth Empowerment Services (Double the Impact, as approved by the Board in October, 2015);
- recommit to outside agency funding for Communities in Schools, Dreams, Kids Making It, Wilmington's Residential Adolescent Achievement Place (WRAAP), and the One Love Tennis program. (Each of these programs offers direct service to at-risk youth throughout the County.);
- renew funding of \$25,000 for the Blue Ribbon Commission on Youth Violence;

In addition to maintaining previously implemented prevention and intervention programs, this budget recommends additional resources for the Sheriff's Office to increase the number of detectives and intervention specialists with the Gang Task Force and creation of the ELEMENTS – Youth Violence Intervention program; a program working directly with youth, their family, school personnel, law enforcement, and the community to help prevent youth violence.

With the Sheriff's responsibility to maintain and operate the County jail, there is a daily need to ensure the safety and welfare of officers and inmates in the detention facility. Even as the total number of inmates is down, the population and facility continue to present safety challenges. With an increasingly violent inmate population and a direct supervision facility that creates contact and interaction between the officers and inmates, with an inmate to jailer ratio of at least 33 to 1, I am recommending eight additional detention officers to address the safety and security in the detention facility.

As required by General Statute 62A-46(e)(4A-5), Amend/Clarify Back-Up PSAP Requirements, I am recommending the County develop a backup 911 center, which can also double as a backup emergency operations center, and will enable the County to maintain 911 coverage in the event the primary 911 Communications Center is out of service or cannot safely and effectively operate at its primary location. Included in the recommended Capital Improvement Program is \$440,142, funded with General Fund dollars, to establish the backup 911 center in compliance with the General Statutes. To reiterate, this recommendation is to meet a legislative mandate.

Because emergency communication technology continues to evolve, the County's current 911 system is becoming obsolete, which means the current 800 MHz radio software needs to be upgraded to the most recent version. The upgrade ensures the operating system is at correct standards. Included in the Capital Improvement Plan is \$1,727,023 funded with General Fund dollars, as well as, \$454,200 of 911 Surcharge Funds.

### Fire Services District

The Fire Services District is recommended to maintain a 7 cent tax rate per \$100 of valuation. Strategic reductions in capital projects and the difference in the cost of a replacement truck reduced the Fire Services budget by about \$667,000 from FY 2015-2016 revised budget.

The single operating objective of the FY 2016-2017 fire service budget is ensuring an effective and efficient fire service. It is the operational goal to have the right apparatus, with the right resource(s), arrive at every scene as quickly and safely as possible.

I am recommending \$10,000 for continued installation and selected replacement of fire hydrants in the unincorporated County. Hydrants increase the efficiency and effectiveness of fire operations by allowing firefighters to focus on direct fire suppression, as opposed to truck and haul of water. In addition, fire hydrants improve insurance rates for both residential and business owners. Northern New Hanover County is currently rated 4, and southern New Hanover County is rated 4.

As part of the fire service capital replacement plan, a tender truck, one that is capable of transporting water from a water source to a fire scene, is scheduled to be replaced in FY 2016-2017. The cost of maintenance and operation exceeds the value of maintaining the apparatus. As such, the budget recommends loan proceeds to fund \$254,000 for the truck's replacement.

With the purchase of land for the replacement of the Ogden Fire Station completed in FY2015-2016, this budget recommends funding the design and construction of the replacement station at a cost of \$4,640,580, funded through loan proceeds that will be repaid by the Fire District Fund.

### Superior Public Education

Publically supported education is, perhaps, the most critical component of our community's long-term success. As such, the County is committed to ensuring superior public education and educational facilities through funding partnerships with the New Hanover Public Schools system and Cape Fear Community College.

New Hanover County Public Schools

This budget recommends funding for public schools to include current expense and capital in an amount of \$77.0 million. This represents an increase of \$3.3 million, or 4.7 percent for current expense funding, and \$3.0 million for capital. In addition to direct public school system funding, the County also provides \$600,000 of maintenance through the Parks and Gardens Department for landscaping and field repairs and more than \$1.4 million in local funding for School Resource Officers (SROs) to augment the state-funded SROs.

In addition to the current expense and capital funding, the recommended budget includes \$100,000 in funding to establish the fourth high school based health clinic at Hoggard High School. This funding will be provided directly to Wilmington Health Access for Teens, Coastal Horizons which will provide the school based service at Hoggard just as it does at Ashley, Laney, and New Hanover high schools. The \$100,000 is equivalent to an additional \$3.65 per pupil if it was included in average daily membership model funding.

The public school system recommended increases are driven by student enrollment and an administrative plan that funds current expense at a defined, per pupil allocation also known as average daily membership (ADM). ADM-driven funding offers more predictable planning for both the school system and the County.

Specifically, the proposed administrative plan, which we have been working toward since FY 2013-2014, is to fund the school system at \$2,700 ADM by FY 2016-2017, the coming year, and \$3 million in capital. I am recommending ADM funding at \$2,700, an \$80 increase from the FY 2015-2016 allocation and capital at \$3 million. It is important to note the annual capital appropriation is not and does not work any elements of the 2014 school bond. These capital dollars go toward maintenance of existing public school facilities.

Cape Fear Community College

I am recommending a status quo appropriation to Cape Fear Community College in FY 2016-2017. Specifically, that is \$10.4 million for operations and maintenance of college facilities and zero dollars for capital projects. I offer this with complete awareness the college will face 12 months of operating costs for the Wilson Humanities and Fine Arts Center and at least 2 months of operating costs for the Advanced and Emerging Technologies facility on the North Campus; and that college leaders have identified a host of capital improvements above and beyond the 2008 voter-approved bonds.

My rationale – the County General Fund simply cannot afford these costs in the coming year. It is my expectation that college staff will use alternative sources of revenue to address its operating and maintenance costs and capital plans in the coming year. Two sources of revenue available to the college include its institutional funds and bond proceeds from the Connect NC referendum passed by the citizens of North Carolina in March 2016.

This recommendation should not be read as a lack of support for Cape Fear Community College, a lack of support of its mission, or a lack of support for its facilities and capital plans. However, it is appropriate, in my view, for the college to use known revenues it holds, use new money

made available through the Connect NC bond, and to offer the County General Fund some relief after significant County-funded college expansions over the last 4 years.

### Early Childhood Preparedness

A key metric established for superior public education is the County goal of ensuring that at least 80 percent of our children entering the public, private, or home-school kindergarten setting by 2017 are ready to be there – they are ready to be there academically, socially, and emotionally. It is the County administration’s determination the County government has a direct and relevant role in delivering on the goal. As such, I am recommending education initiatives that extend beyond funding to the New Hanover County Public School system.

Specifically, I am recommending continued support and expansion of the County’s primary early literacy program: Every Child Ready to Read, a national model developed by the National Library Association intended to ensure pre-school aged children are ready for kindergarten. Through the New Hanover County Library, we will expand our program to serve every NC Pre-K class in New Hanover County during FY 2016-2017. Additionally, Prescription for Reading, a partnership with local Doctors Offices and a partnership with the Women, Infant, and Children (WIC) program, in the Health department, will be expanded to get more books to more children.

In early 2015 the Board committed to a capital plan for replacement of the current Myrtle Grove Library, which is undersized for its patron use and limits the capacity for the Library staff to offer dedicated early childhood reading initiatives. The replacement branch planned for the intersection of 17<sup>th</sup> Street Extension and South College Road addresses the deficiencies. This budget recommends adoption of a capital ordinance approving funding for the \$4.4 million construction of this library facility. This project will be funded utilizing \$1.2 million from the sale of the existing library site; \$3.0 million of loan proceeds, and an additional \$150,000 of fund raising done by the library.

This budget does recommend the continued funding for childcare subsidy at \$448,000 to help provide families and children access to childcare that will enable parents to increase their work hours, pursue training for employment, or take a higher paying job. After the program’s launch in March 2016, eleven children were enrolled by the end of that month.

### **Other Board Priorities**

#### Economic Development and Intelligent Growth

Economic development remains a strategic priority; however, the recommended budget primarily supports and maintains what the board has initiated over the past 36 months.

In 2012 the County established three strategic measures of success to track from the period beginning July 2012 and ending June 2017. These metrics indicate:

- \$966 million in new private investment;
- 9,980 new jobs, a 10.3% increase; and
- average weekly wages increased \$42.36 or 5.8%

To assist with sustaining an environment that encourages private investment and job creation, I am recommending that New Hanover County:

- fund \$100,000 for opportunistic economic development investments;
- continue funding \$50,000 above the contracted amount for Wilmington Business Development to advance recommendations from the Garner Economics report – Pathways to Prosperity;
- fund \$20,000 for the third of a three -year commitment to the Southeastern Partnership for the three County micromarketing alliances;
- fund incentives in FY 2016-2017 for PPD- \$300,000, General Electric- \$175,000, Castle Branch- \$50,000, Fortron- \$100,000, AAI Pharma- \$55,000 and Live Oak- \$65,000

In April 2016 the Board approved a \$2.1 million design project for water and sewer along US 421 consistent with the preliminary engineering report presented to the County in March 2016. As part of the FY 2016-2017 budget, I am recommending the County establish a capital ordinance for a \$14.6 million investment that extends a 16-inch water line and 8-inch sewer force main from the Isabel Holmes Bridge to the Pender County line. I recommend this project be approved for funding via limited obligation bonds (LOBs); however, additional funding sources are being pursued and specifically, County staff is working with the Cape Fear Public Utility Authority to secure funding from the ConnectNC bonds to fund all or most of the project. If the Board approves the capital ordinance, water and sewer will be available along US 421 by July 1, 2019.

Water and Sewer costs along US 421 are embedded in the proposed 5-year capital improvement plan. The associated debt service payments on the limited obligation bonds, should they be needed, are estimated at \$1,131,896 annually for the life of the debt and will be paid for using general fund revenue as well as revenues from the fire service district. The debt plan for US 421 water and sewer keeps the County within its debt management policy.

Public transportation is becoming a feature to encourage business development, and as such, in 2014 the Board directed a two-year increase in funding for the Cape Fear Public Transportation Authority/WAVE. FY 2015-2016, the current fiscal year, completes the two years of increased funding to help ensure WAVE's financial and operational viability. The recommended budget includes funds only to support route 207 serving the Cape Fear Community College North campus.

In addition to the direct County contribution of \$256,873, the FY 2016-2017 budget includes over \$700,000 in payments to WAVE to support medical and independent life transport for County residents.

I am recommending the County appropriate \$100,000 from the Room Occupancy Tax (RoT) Fund to pursue a permit that would allow for New Hanover County to manage dredged material in a nearby, existing location for the purpose of reuse within Carolina Beach's coastal storm damage reduction projects. This permit would allow for more efficient dredging operations in the inlets, as well as provide near shore material for storm damage reduction projects.

Annual maintenance of Carolina Beach Inlet is recommended in the amount of \$250,000. Pursuant to an inter-local agreement reached with the Town of Carolina Beach and the Town of Kure Beach, each will contribute to the County \$10,988 and \$2,747, respectively. The remaining portion will consist of \$195,059 from RoT funds and \$41,206 from the General Fund. This on-going

maintenance, performed quarterly, preserves the navigability of the Carolina Beach Inlet. The current fiscal year contribution was made solely by the County General Fund.

### Environmental Management

The Environmental Management Fund is balanced with a 3.8 percent reduction in the tip fee lowering it to \$50 per ton. If approved, this will be the third consecutive year the County lowered the tip fee. Prior to FY 2014-2015 the tip fee was \$59 per ton. I am able to recommend a reduced fee without compromising on policies previously initiated. Tip fees of \$13.1 million are based on collection of approximately 260,000 tons in FY 2016-2017 – the operating budget for the year is \$15.5 million.

FY 2015-2016 expenses increased about \$2.67 million, or 20.8 percent compared to FY 2015-2016 revised budget, due to an increase in capital outlay for a composting pilot program, replacement of heavy equipment and setting aside reserves for future capital projects. I am confident that the tip fee can remain at \$50 per ton through FY 2018-2019.

The reduction of the tip fee to \$50 is based on the following assumptions:

- estimated 3 percent increase in tons received at the landfill in future years and that this amount remains consistent;
- unrestricted fund balance will be 8 percent of fund expenses;
- fund balance above 8 percent will be reserved to supplement the Transfer to the Post Closure Fund to off-set that long-term liability.

A \$50 tip fee allows the County to continue to do the following:

- fund its operating obligations for landfill management, recycling functions, household hazardous waste and administration;
- fund closure and post closure responsibilities by \$1.16 million annually;
- fund the capital reserve by \$250,000 annually;
- fund capital project expenses of approximately \$3.5 million in FY 2016-2017 as well as anticipated capital project costs through FY 2018-2019.

### **Effective County Management: The Model of Good Governance**

Since assuming the role of County Manager in July 2012, I have articulated an administrative goal of ensuring that New Hanover County establishes itself as *The Model of Good Governance*. What is good governance? First, I ask every person that works for New Hanover County to embrace our organizational values of professionalism, integrity, innovation, stewardship and accountability. Second, I ask every employee to manage themselves by three basic business principles:

- ensure New Hanover County government is effective in meeting the outcomes expected by the Board of Commissioners and our citizens, and efficient in how we manage business and deliver results;
- ensure New Hanover County government is easy to do business with and consistent in how we do business;

- ensure New Hanover County government is responsive to its end users, that is understand and act on their needs, and professional in all that we do as an organization.

Most important to delivering on *The Model of Good Governance* is investing in our County team. It is not lost on me the success of this organization is directly attributed to the passion, talent, and commitment to public service our staff demonstrates day in and day out. As such, I am recommending the following:

- a \$600 flat market adjustment for each full time employee, to compensate for the daily increased costs of living – equivalent to 1.2% of the payroll;
- a merit pool for distribution with the first pay period in the second quarter of the fiscal year;
- continued emphasis on County staff wellness through health incentives, education, and fitness.

Identifying the right-sized staffing model is also critical to our success as we work to be *The Model of Good Governance*. I am recommending new positions to achieve right-sized operations based on existing case load levels and revenue support from partner agencies.

The following is a summary of requested and recommended positions:

Fund	Requested	Recommended	Recommended Positions
<b>General Fund</b>	50	37	21 Sheriff's Office; 12 Social Services; 2 Health; 1 Human Resources; 1 Parks & Gardens
<b>Fire Service District</b>	1	1	Community Risk Reduction Coordinator
<b>Environmental Management</b>	1	1	Program Assistant

The positions and rationale are as follows:

- 8 Detention Officers to help ensure safety and security within the County jail
- 2 Detectives for the Vice division to help investigate and gather intelligence as part of the anti-opioid initiative
- 2 Detectives for general investigations
- 2 Detectives for the Gang Task Force/ELEMENTS program initiative
- 2 Intervention Specialists for the Gang Task Force/ELEMENTS program initiative
- 4 Administrative Technicians to replace 15 casual part-time administrative support staff
- 1 Data Specialist to manage data from video, e.g. body cameras
- 5 Universal Caseworkers for food stamp and Medicaid caseloads\*
- 1 Social Worker for the Family Support Program\*
- 1 Social Worker for Adult Services\*
- 3 Social Workers for Child Protective Services\*
- 2 Social Workers for Child Welfare Services\*

\*In late 2015 the federal government communicated to the State of North Carolina a timeliness standard of at least 95 percent for all food stamp applications and re-certifications. In response the

County initiated a set of operational standards that include “over the shoulder support” for staff, dedicated new-hire trainers to ensure all new employees assigned a case load are developed to handle cases, and reassignment of existing personnel to a “change unit,” which is charged with addressing all daily inquiries about data for existing beneficiaries.

Medicaid benefits have changed during the current fiscal year too. If a benefitted person or family is to retain their Medicaid service into the month after the authorization period ends, all re-certifications of those clients must be done before the new period begins. The state will no longer continue service for beneficiaries that have an expired certification.

Food stamp and Medicaid caseloads in New Hanover County as of April 1 were 43,908. As a result of the policy changes and the existing case size, I am convinced the only option left to meet our timeliness and re-certification standards for both food stamps and Medicaid is to authorize 5 new economic services caseworker positions.

I am also recommending 7 new social work positions to optimize caseloads in Adult Protective Services, Child Protective Services, and Child Welfare. The complexity and importance of these social work functions can only be addressed effectively and efficiently with additional staff support.

[When reviewing the Department of Social Services budget, you will find a reduction of \$1.9 million. This reduction is not a reduction in services. This change in budget is a re-calibration of budgeting the actual expected activity that will occur within the fiscal year and not budgeting for the maximum draw down of State and Federal service dollars.]

A Human Resources Specialist is recommended for Human Resources to address capacity needs, and will be funded by the New Hanover County ABC Board as the County supports its human resources functions.

A Public Health Nurse position is recommended for the Health Department for the Pregnancy Care Management Program. When the program began four years ago, the demand for the program was under-estimated and caseloads have continued to grow. Medicaid funding will be provided to help alleviate the extensive caseload currently faced, and will allow increased service to an increased number of high-risk pregnant women in the community. This position is fully funded through Medicaid revenues with no County funds required.

An Environmental Health Specialist position is also recommended for the Health Department to meet the increased demand for inspections of food establishments and food trucks. With 114 new establishments under plan review, all which will require inspections, additional staff is needed in order to maintain a standard of 100 percent inspection coverage.

A Program Assistant at Airlie is recommended for Parks and Gardens to meet the needs of program participants in the Environmental Education Program. This position will replace a current part-time position and the Airlie Foundation will contribute revenue to offset all of the additional cost and all future costs of the position.

A Program Assistant position is recommended for the Mobile Household Hazardous Waste program. The program assistant will assist with operating various collection sites throughout the

County to aid citizens in disposing of their household hazardous waste and to also help reduce the amount of non-hauler, citizen traffic through the drop-off facility.

A salary lag of \$2.5 million is budgeted in the General Fund to account for the reality that not all positions are filled for the entire fiscal year. This management strategy will require careful monitoring and control of positions by the Executive Leadership Team; however, the County meets its salary lag projections year-over-year.

## **CAPITAL PLANNING**

### **Capital Improvement Plan**

The recommended 5-year capital improvement plan (CIP) is a continuation of the plan presented in FY 2015-2016. Adoption of the plan communicates and acknowledges the high-priority capital needs the County faces; it defines the timeline for addressing those needs; it identifies the expected revenue sources to implement the plan. The County will reexamine its CIP annually, and only the projects shown in FY 2016-2017 are being authorized when the plan is adopted.

For FY 2016-2017, I am recommending a \$3.3 million commitment of General Fund revenue as part of a total capital project appropriation of \$31,366,752. General Fund revenue in the amount of \$3.3 million is included to fund capital projects as follows:

- Replacement of County elevators at a cost of \$230,000;
- Replacement of HVAC units at the Main Library at a cost of \$500,000;
- Countywide drainage projects at a cost of \$140,000;
- Backup 911 Center at a cost of \$440,142;
- 320 Chestnut St – 5<sup>th</sup> floor build out for Community Justice Services – \$94,290;
- 800 MHz radio system infrastructure update - \$1,727,023;
- Crime Scene Investigation Building expansion phase - \$283,717;
- Detention center fencing project - \$536,000;

Projects recommended for funding that do not anticipate revenue from the General Fund include:

- Hwy 421 Water and Sewer Expansion - \$14,600,000;
- Myrtle Grove Library design and build - \$4,400,000;
- Ogden Fire Station 16 replacement – \$4,640,580;
- Murrayville Station HVAC replacement - \$275,000;
- Biological Treatment System Replacement - \$500,000;
- Landfill Gas to Energy Project Phase I - \$500,000;
- Partial Landfill closure project - \$600,000;
- Leachate Treatment Systems upgrade - \$700,000;
- Southern Property Cell Construction - \$1,000,000;
- Northern Property Closure Stormwater mitigation - \$200,000.

Capital projects not fully funded with General Fund revenue will be funded with a combination of loan proceeds, 911 surcharge funds, Federal forfeited property funds, or other fund revenues.

Capital Outlay

A total of \$2.0 million of capital outlay is recommended in the General Fund for FY 2016-2017.

Noted below are capital outlay items recommended for funding in the General Fund budget:

- \$350,000 for an electronic health records system;
- \$458,000 to support the County's information technology needs;
- \$872,762 for replacement of 32 vehicles and the purchase of 4 new vehicles. 30 of the replacement vehicles and 3 of the new vehicles are for the Sheriff's Office - \$225,000 in vehicle escrow funds and ABC funds will be used to partially fund this cost;
- \$164,900 for equipment in the Sheriff's Office - \$82,575 in animal services escrow revenue will be used to partially fund this cost;
- \$113,200 for replacement lighting and equipment in Parks and Gardens.

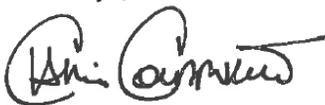
In Closing

This recommended budget appropriates limited resources to the Commissioners' top identified priorities of Superior Public Safety and Superior Public Education. The recommended 5.5 cent tax increase for voter-approved debt is the only viable and sustainable approach that makes this possible and provides stability and predictability for future County budgets.

While the responsibility falls upon me as County Manager to recommend a balanced budget, as a governing Board you would not be in position to consider a strategic and balanced budget for FY 2016-2017 without tireless work from the Budget office, the County's Executive Leadership Team, our department directors, and the entire County team.

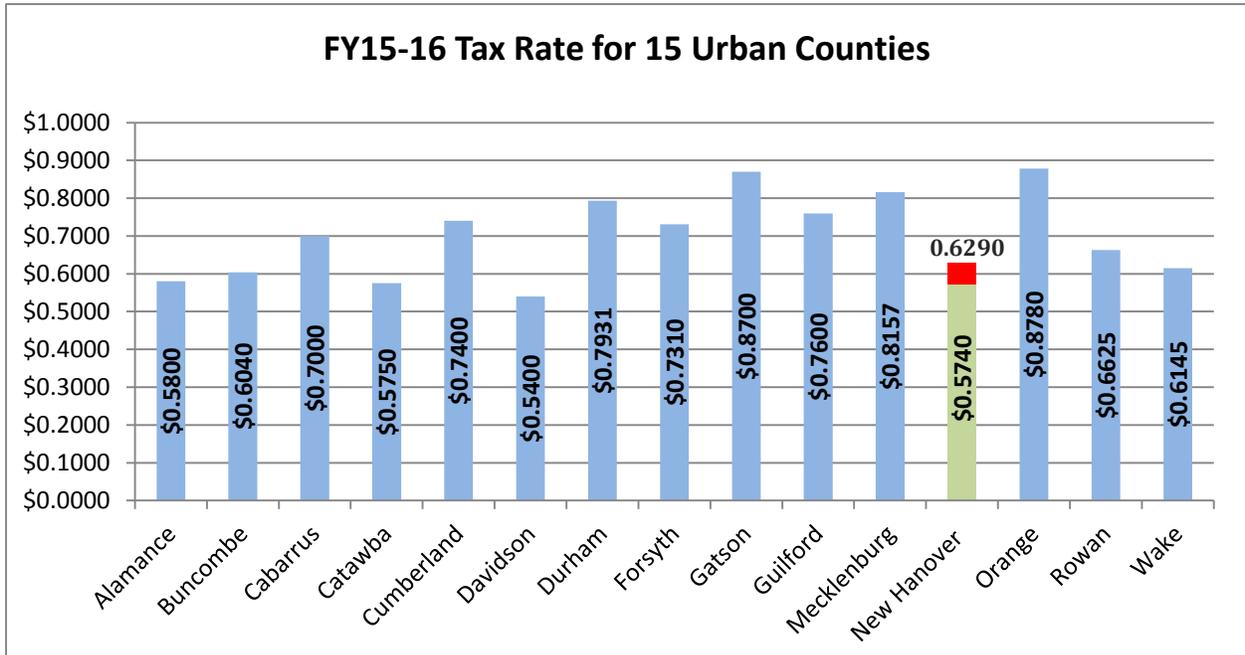
I look forward to working with you toward the adoption of the FY 2016-2017 Budget for New Hanover County.

Sincerely,



Chris Coudriet  
County Manager

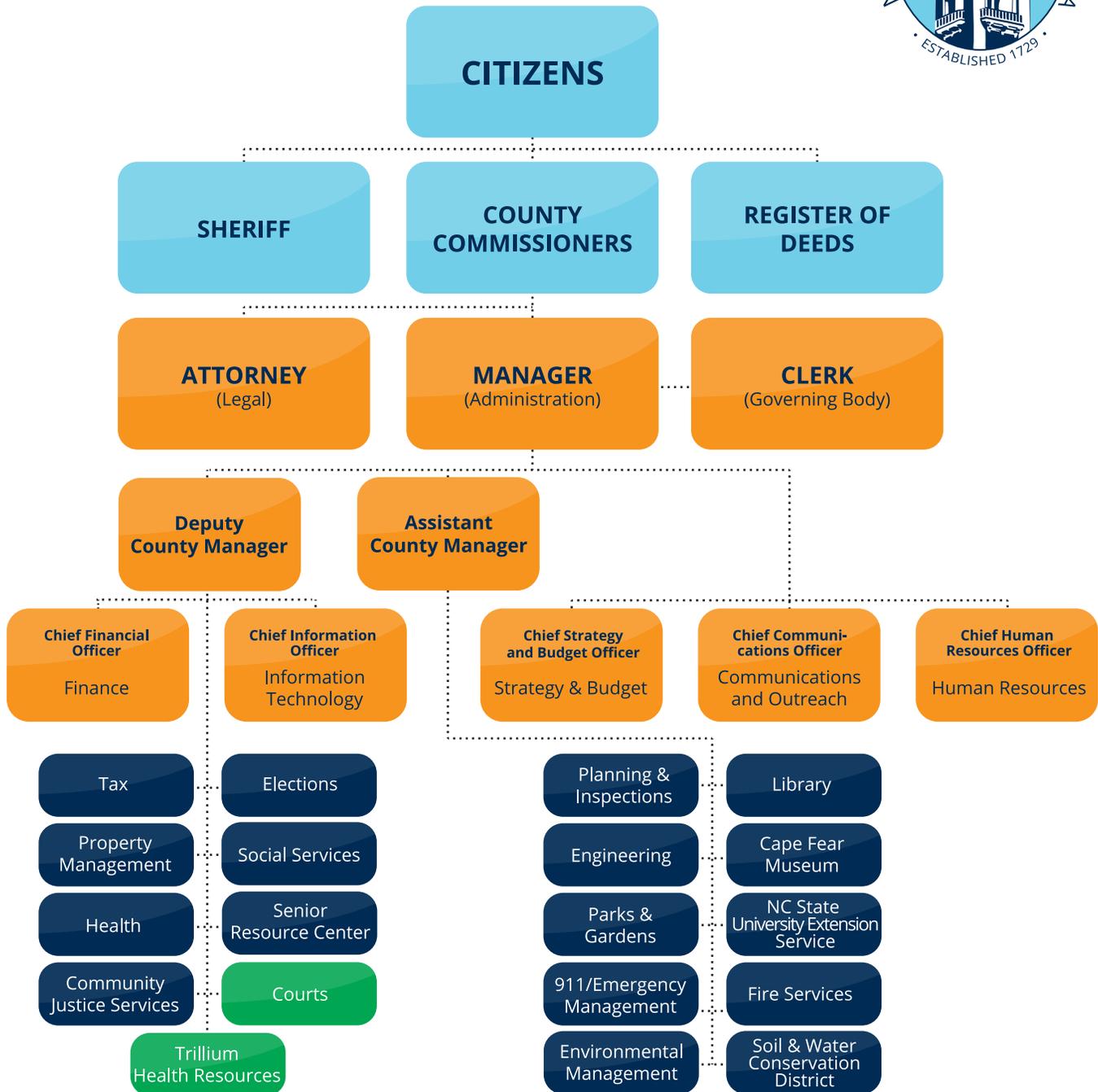
Exhibit A



## **MAJOR INITIATIVES FY 2016-2017**

1. Reduce juvenile recidivism by at least five percent
  - Maintain funding for Youth Empowerment Services, which provides case management, and prevention and intervention programs targeted at preventing and reducing crime for the at-risk youth and public housing communities in high-victim areas
  - Recommit to outside agency funding for Communities in Schools, DREAMS, Kids Making It, Wilmington's Residential Adolescent Achievement Place (WRAAP), and the One Love Tennis program. (Each of these programs offers direct service to at-risk youth throughout the County).
  - Renew funding to \$25,000 for the Blue Ribbon Commission on Youth Violence
  - Increase the number of detectives and intervention specialists at the Sheriff's Office with the existing Gang Task Force and creation of the ELEMENTS - Youth Violence Intervention Program to work directly with youth, their families, school personnel, law enforcement and the community to help prevent youth violence
2. Ensure at least 80 percent of young ones entering kindergarten (public, private, or home-school systems) are ready to learn
  - Continued support and expansion of New Hanover County Public Library's Every Child Ready to Read early literacy program to serve every NC Pre-K class in New Hanover County
  - Recommends adoption of a capital project ordinance approving \$4.4 million of funding to replace and expand the existing undersized Myrtle Grove Library
  - Continue \$448,000 in funding for childcare subsidy to help provide families and children access to high-quality childcare that will enable parents to increase their work hours, pursue training for employment, or take a higher paying job
3. Stimulate, through business-friendly County policies and processes, at least \$1 billion of private investment to grow the County's tax base
  - Continue funding \$50,000 above the contracted amount for Wilmington Business Development to advance recommendations from the Garner Economics report – Pathways to Prosperity
  - Recommends adoption of a capital project ordinance of \$14,600,00 to fund the construction of a water line and sewer force extension along US 421 corridor from just north of the Isabel Holmes Bridge to the Pender County border
  - Fund \$100,000 to pursue a permit to allow New Hanover County to manage dredged material in an existing, nearby location for reuse within Carolina Beach's coastal storm damage reduction projects
  - Annual maintenance of Carolina Beach Inlet, \$250,000 funded mostly with RoT dollars
4. Create an environment that encourages the private sector to create at least 6,000 new, better jobs in targeted industry clusters
  - Fund \$100,000 for opportunistic economic development investments
  - Fund \$20,000 for the third of a three year commitment to the Southeastern Partnership for the three County micromarketing alliances
  - Fund incentive payments in FY17 for PPD (\$300,000), General Electric (\$175,000), Fortron (\$100,000), Live Oak Bank (\$65,000), AAI Pharma (\$55,000), and Castle Branch (\$50,000)
  - Increase funding for Schools Current Operations \$3.3 million, raising the per pupil contribution from \$2,620 to \$2,700 and funding \$3 million in capital outlay
5. Reduce obesity by an average of 6.5 percent
  - Continue to expand walking trails to improve the health of the community, by providing safe and accessible areas for active living. Specifically, complete construction of the Ogden Park walking trail, which will provide active recreation and physical fitness opportunities for local residents
  - Health Department continues to offer many programs to address obesity and uses resources to support community obesity reduction efforts in the County in partnerships with various community groups
  - Promote a wellness culture and environment with opportunities to engage in healthy behaviors at work, making healthier choices the norm
  - Gold level recipient of the American Heart Association's Fit-Friendly Worksites recognition program
  - Implement at least nine criteria in the areas of physical activity, nutrition and culture, as outlined by the American Heart Association

# NEW HANOVER COUNTY ORGANIZATIONAL CHART



- LIGHT BLUE - Citizens and Elected Officials
- ORANGE - Manager and Direct Reports
- NAVY BLUE - Departments reporting to Assistant or Deputy County Manager
- GREEN - County provides funding with a consulting role
- Education - Not included above - County provides funding with no consulting role

As of August 4, 2015

**NEW HANOVER COUNTY  
POSITION SUMMARY BY FUNCTION**

	ADOPTED FY12-13	ADOPTED FY13-14	ADOPTED FY14-15	ADOPTED FY15-16	RECOMMENDED FY16-17
General Fund:					
Cultural & Recreational	127	136	136	136	128
General Government	265	263	255	271	282
Human Services	471	497	506	493	505
Public Safety	582	609	635	638	669
<b>Total General Fund</b>	<b>1445</b>	<b>1505</b>	<b>1532</b>	<b>1538</b>	<b>1584</b>
Other Funds:					
Environmental Mgmt	31	31	31	32	33
Fire Service	98	118	127	127	128
<b>Total Other Funds</b>	<b>129</b>	<b>149</b>	<b>158</b>	<b>159</b>	<b>161</b>
<b>TOTALS</b>	<b>1574</b>	<b>1654</b>	<b>1690</b>	<b>1697</b>	<b>1745</b>

**GENERAL FUND:** Number of positions increased by 46 (9 positions added during FY15-16 and 37 new positions recommended).

**ENVIRONMENTAL MANAGEMENT FUND:** Increased by one due to the recommendation of a Program Assistant.

**FIRE SERVICES FUND:** Increased by one due to the recommendation of a Community Risk Reduction Coordinator.

**BUDGET FUNCTIONS**

The County's General Fund budget is comprised of nine functions, which are named in the table below. All General Fund expenditures are classified into one of these nine functions. This is the budgetary level of expenditure control as adopted in the budget ordinance. Following is an outline of the Budget Functions for FY16-17:

General Government	Human Services	Public Safety
Administration – County Manager Board of Elections Budget Engineering Finance Governing Body - Commissioners Human Resources Information Technology Legal – County Attorney Communications & Outreach Property Management Register of Deeds Soil and Water Tax	Trillium Health Resources Health Non-County Agencies Senior Resource Center Social Services	Community Justice Services Courts Emergency Management & 911 Communications Juvenile Services Non-County Agencies Planning & Inspections Sheriff's Office
Education	Cultural and Recreational	Economic and Physical Development
Cape Fear Community College New Hanover County Schools	NCSU Extension Service Library Museum Non-County Agencies Parks and Gardens	Economic Development Non-County Agencies
Transfers	Other	Debt Service
Transfers Between Funds		Principal, Interest & Fees on Debt Installment Lease Payments

**NEW HANOVER COUNTY**  
**SUMMARY OF EXPENDITURES AND REVENUES - ALL FUNDS <sup>1</sup>**

EXPENDITURE SUMMARY	FY14-15 ACTUAL	FY15-16 REVISED (4/26/16)	FY16-17 RECOMMENDED	\$ Change	% Change
GENERAL & NEW HANOVER COUNTY SCHOOLS	\$ 290,514,767	\$ 308,413,437	\$ 317,733,357	\$ 9,319,920	3.0%
EMERGENCY TELEPHONE SYSTEM - ARTICLE 3 <sup>2</sup>	581,874	3,452,285	1,617,052	(1,835,233)	-53.2%
ROOM OCCUPANCY TAX <sup>3</sup>	3,978,862	13,477,696	5,516,608	(7,961,088)	-59.1%
REVOLVING LOAN PROGRAM	13,999	63,763	24,000	(39,763)	-62.4%
ENVIRONMENTAL MANAGEMENT <sup>4</sup>	16,155,795	13,884,467	15,536,848	1,652,381	11.9%
SPECIAL FIRE SERVICE DISTRICT <sup>5</sup>	12,815,694	13,921,222	13,190,725	(730,497)	-5.2%
<b>TOTAL EXPENDITURE ALL FUNDS</b>	<b>\$ 324,060,991</b>	<b>\$ 353,212,870</b>	<b>\$ 353,618,590</b>	<b>\$ 405,720</b>	<b>0.1%</b>

REVENUE SUMMARY	FY14-15 ACTUAL	FY15-16 REVISED (4/26/16)	FY16-17 RECOMMENDED	\$ Change	% Change
GENERAL & NEW HANOVER COUNTY SCHOOLS	\$ (282,582,225)	\$ (308,413,437)	\$ (317,733,357)	\$ (9,319,920)	3.0%
EMERGENCY TELEPHONE SYSTEM - ARTICLE 3 <sup>2</sup>	(560,901)	(3,452,285)	(1,617,052)	1,835,233	-53.2%
ROOM OCCUPANCY TAX <sup>3</sup>	(5,721,983)	(13,477,696)	(5,516,608)	7,961,088	-59.1%
REVOLVING LOAN PROGRAM	(15,265)	(63,763)	(24,000)	39,763	-62.4%
ENVIRONMENTAL MANAGEMENT <sup>4</sup>	(13,924,306)	(13,884,467)	(15,536,848)	(1,652,381)	11.9%
SPECIAL FIRE SERVICE DISTRICT <sup>5</sup>	(11,877,567)	(13,921,222)	(13,190,725)	730,497	-5.2%
<b>TOTAL REVENUE ALL FUNDS</b>	<b>\$ (314,682,247)</b>	<b>\$ (353,212,870)</b>	<b>\$ (353,618,590)</b>	<b>\$ (405,720)</b>	<b>0.1%</b>

<sup>1</sup>This presentation shows the total budgets of the various funds. The General Fund and NHC Schools Funds have been combined. For the purpose of this presentation, the General Fund includes the Automation Enhancement and Preservation, Reappraisal Reserve, and Debt Service Funds. Transfers between the General Fund and other funds have been removed.

- The Automation Enhancement and Preservation Fund is a sub-fund of the General Fund which uses fees set aside by State mandate for computer and imaging technology improvements for the Register of Deeds.
- The Reappraisal Reserve Fund is a sub-fund of the General Fund which sets aside funds annually for the tax property reappraisal to be completed in FY16-17.
- The Debt Service Fund is a stand alone fund. It is included in the General Fund here for ease of presentation.

<sup>2</sup>Emergency Telephone System Fund decrease is due to the 911 Back-up Center costing less than anticipated and less funding being used for the Replacement Radio System.

<sup>3</sup>Room Occupancy Tax Fund completed three projects in FY15-16, Carolina Beach nourishment, Kure Beach nourishment and Mason Inlet dredging.

**NEW HANOVER COUNTY  
GENERAL FUND EXPENDITURE COMPARISON**

DEPARTMENTS:	FY14-15	FY15-16	FY15-16	FY16-17	Difference Between	
	ACTUAL EXPENSES	ADOPTED BUDGET	REVISED (as of 4/26/16)	RECOMMENDED BUDGET	FY15-16 Revised and FY16-17 Recommended \$ Change	% Change
ADMINISTRATION - COUNTY MANAGER	\$900,586	\$874,304	\$954,214	\$797,047	\$ (157,167)	-16.5%
BOARD OF ELECTIONS	651,123	1,205,837	1,205,022	926,072	(278,950)	-23.1%
COMMUNICATIONS AND OUTREACH	651,382	482,766	560,152	574,895	14,743	2.6%
COMMUNITY JUSTICE SERVICES	1,609,652	1,728,804	1,960,353	2,138,828	178,475	9.1%
COURTS	397,159	465,750	365,750	282,806	(82,944)	-22.7%
EDUCATION:						
Cape Fear Community College <sup>1</sup>	10,625,605	11,530,784	11,530,784	10,376,430	(1,154,354)	-10.0%
Cape Fear Community College Debt	14,569,815	14,948,496	14,948,496	17,611,491	2,662,995	17.8%
New Hanover County Schools Operating <sup>2</sup>	67,879,109	70,610,100	70,610,100	73,950,564	3,340,464	4.7%
New Hanover County Schools Capital	2,750,000	3,000,000	3,000,000	3,000,000	-	0.0%
New Hanover County Schools Transfer to Capital Projects	1,000,000	-	-	-	-	0.0%
New Hanover County Schools Debt	19,319,150	20,063,992	20,063,992	22,824,222	2,760,230	13.8%
EMERGENCY MGMT & 911 COMMUNICATIONS	5,065,809	5,505,111	5,546,796	5,755,162	208,366	3.8%
ENGINEERING	562,596	605,759	680,471	723,063	42,592	6.3%
FINANCE	321,441	1,185,356	1,216,979	1,367,252	150,273	12.3%
Nondepartmental	6,155,249	4,327,834	4,327,903	4,358,820	30,917	0.7%
Economic Development <sup>3</sup>	406,845	911,326	1,521,326	538,826	(982,500)	-64.6%
Transfers <sup>4</sup>	3,330,858	2,685,385	2,271,685	4,612,356	2,340,671	103.0%
Admin. Reserve-Debt Service	-	-	-	3,557,961	3,557,961	NA
Bonded Debt (Principal, Interest)	2,763,761	2,708,678	2,708,678	2,598,816	(109,862)	-4.1%
Fees Paid on Debt	10,060	13,560	13,560	13,060	(500)	-3.7%
Installment Debt	11,078,080	11,151,269	11,151,269	10,617,192	(534,077)	-4.8%
NHC-CFPUA Debt	2,580,880	2,521,974	2,521,974	2,471,489	(50,485)	-2.0%
GOVERNING BODY - COMMISSIONERS	499,045	484,075	483,018	487,181	4,163	0.9%
HEALTH DEPARTMENT	12,604,079	12,682,833	13,351,721	13,453,962	102,241	0.8%
HUMAN RESOURCES	737,851	809,440	808,247	902,538	94,291	11.7%
INFORMATION TECHNOLOGY	6,813,037	7,230,919	7,311,154	7,338,658	27,504	0.4%
JUVENILE SERVICES	145,360	199,325	133,405	217,212	83,807	62.8%
LEGAL - COUNTY ATTORNEY	1,011,449	1,019,588	1,018,399	1,038,634	20,235	2.0%
LIBRARY	4,479,860	4,141,413	4,347,377	4,343,540	(3,837)	-0.1%
MUSEUM	1,000,273	1,095,184	1,219,735	1,094,493	(125,242)	-10.3%
NCSU EXTENSION SERVICE	418,355	537,778	482,179	428,542	(53,637)	-11.1%
NON-COUNTY AGENCIES	1,450,033	1,643,478	1,973,443	1,825,677	(147,766)	-7.5%
PARKS AND GARDENS <sup>5</sup>	5,733,064	5,578,194	6,705,863	5,823,063	(882,800)	-13.2%
PLANNING AND INSPECTIONS	3,927,657	4,689,308	4,727,188	4,351,666	(375,522)	-7.9%
PROPERTY MANAGEMENT	10,436,568	10,978,554	11,245,325	11,210,062	(35,263)	-0.3%
REGISTER OF DEEDS	1,209,496	1,471,999	1,729,126	1,271,140	(457,986)	-26.5%
SENIOR RESOURCE CENTER	2,156,587	2,360,177	2,446,637	2,401,985	(44,652)	-1.8%
SHERIFF <sup>6</sup>	41,357,676	42,653,892	43,137,806	45,503,337	2,365,531	5.5%
SOCIAL SERVICES <sup>7</sup>	38,056,997	41,181,275	42,137,888	39,884,803	(2,253,085)	-5.3%
SOIL AND WATER CONSERVATION	40,694	155,646	195,381	177,238	(18,143)	-9.3%
STRATEGY AND BUDGET	495,227	510,671	510,009	700,446	190,437	37.3%
TAX <sup>8</sup>	3,153,400	3,914,282	5,028,915	3,919,511	(1,109,404)	-22.1%
TRILLIUM HEALTH RESOURCES	2,158,899	2,261,117	2,261,117	2,263,317	2,200	0.1%
<b>TOTAL</b>	<b>\$ 290,514,767</b>	<b>\$302,126,233</b>	<b>\$308,413,437</b>	<b>\$317,733,357</b>	<b>\$9,319,920</b>	<b>3.0%</b>

<sup>1</sup>CFCC: Current Operating contribution remains at the the same amount as FY15-16. No funding is recommended in FY16-17 for capital outlay.

<sup>2</sup>NHCS: FY16-17 increases per pupil amount to \$2,700.

<sup>3</sup>Economic development: FY15-16 included a \$600,000 contribution to CFPUA to assist in drilling underneath the Cape Fear River for sewer expansion across the river.

<sup>4</sup>Transfer: Increase in FY16-17 is due to increase of transfer to capital projects.

<sup>5</sup>Parks and Gardens: Revised FY15-16 budget contains a grant in the amount of \$750,000 from Trillium Health Resources.

<sup>6</sup>Sheriff: Increase due to addition of 21 employees, and increases in inmate meal and medical contracts.

<sup>7</sup>DSS: Decrease due to change in approach to budgeting.

<sup>8</sup>Tax: Decrease due to less funds being spent on revaluation as compared to last year.

**NEW HANOVER COUNTY**  
**PERCENTAGE CHANGE OF BUDGETED EXPENDITURES BY FUNCTION**  
**GENERAL FUND**

	FY15-16 ADOPTED	FY15-16 <sup>1</sup> REVISED	FY16-17 RECOMMENDED	Difference Between FY15-16 Revised and FY16-17 Recommended	
				\$ Change	% Change
<b>BUDGETED EXPENDITURES:</b>					
GENERAL GOVERNMENT	\$ 35,257,030	\$ 37,274,316	\$ 35,792,557	\$ (1,481,759)	-4.0%
HUMAN SERVICES <sup>2</sup>	58,785,052	60,626,372	58,389,621	(2,236,751)	-3.7%
PUBLIC SAFETY	12,708,298	12,939,098	12,932,424	(6,674)	-0.1%
Sheriff's Office <sup>3</sup>	42,653,892	43,137,806	45,503,337	2,365,531	5.5%
ECONOMIC & PHYSICAL DEVELOPMENT <sup>4</sup>	1,943,354	2,668,354	1,572,974	(1,095,380)	-41.1%
CULTURAL & RECREATIONAL	11,544,369	12,946,953	11,908,863	(1,038,090)	-8.0%
EDUCATION	85,140,884	85,140,884	87,326,994	2,186,110	2.6%
EDUCATION DEBT	34,935,431	34,935,431	40,377,621	5,442,190	15.6%
DEBT SERVICE	16,472,538	16,472,538	19,316,610	2,844,072	17.3%
TRANSFERS <sup>5</sup>	2,685,385	2,271,685	4,612,356	2,340,671	103.0%
<b>TOTAL BUDGETED EXPENDITURES</b>	<b>\$ 302,126,233</b>	<b>\$ 308,413,437</b>	<b>\$ 317,733,357</b>	<b>\$ 9,319,920</b>	<b>3.0%</b>

<sup>1</sup> Revised budget as of 4/26/2016.

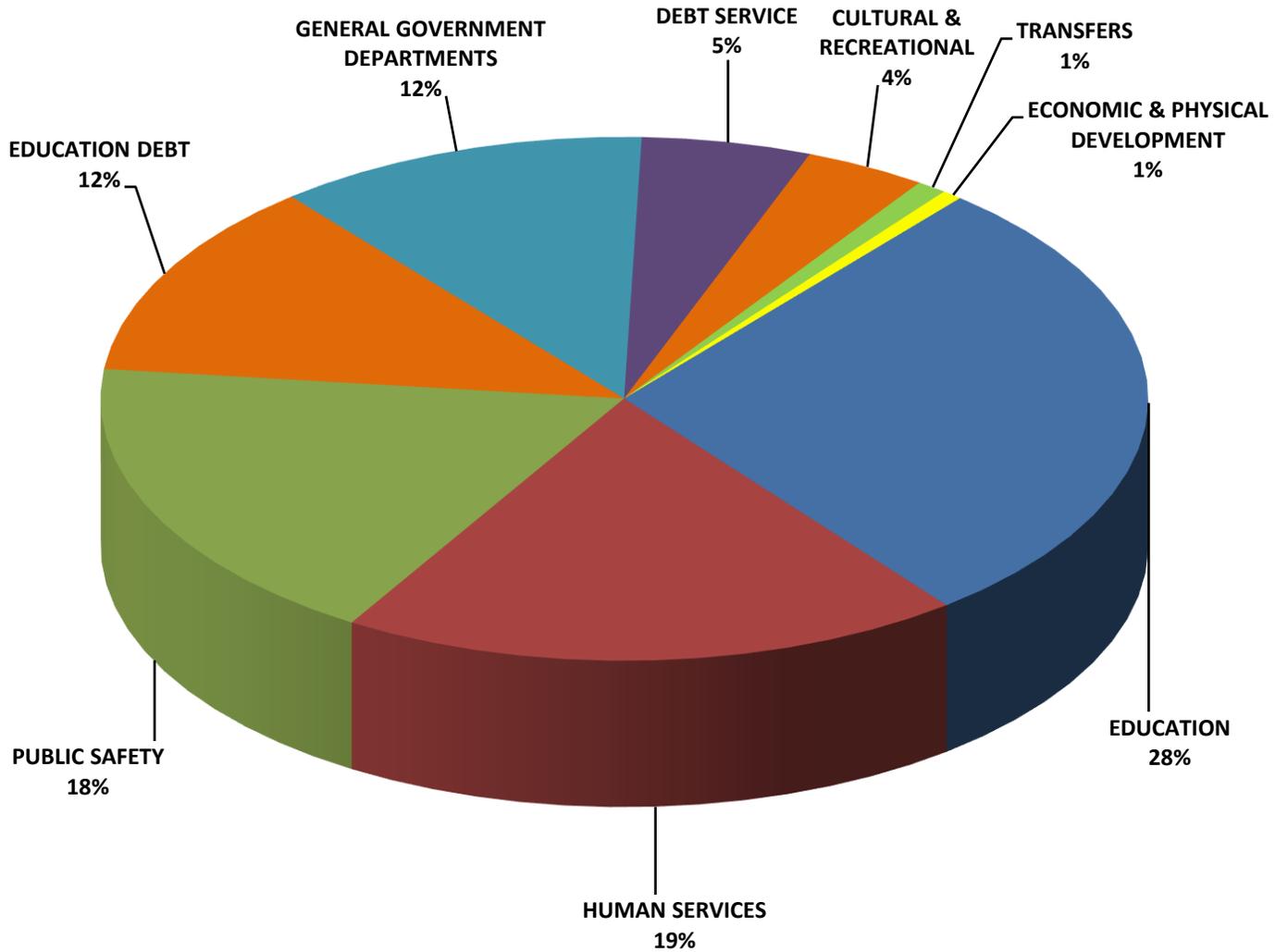
<sup>2</sup> Human Services decrease is primarily due to change in budget approach for Department of Social Services.

<sup>3</sup> Sheriff's Office increase due to addition of 21 employees, and increases in inmate meal and medical contracts.

<sup>4</sup> Economic and Physical Development was higher in FY15-16 due to a \$600,000 contribution to CFPUA to assist in drilling underneath the Cape Fear River for sewer expansion across the river.

<sup>5</sup> Transfers increase due to scope of capital projects planned for FY16-17 compared to those in FY15-16.

# 2016-2017 RECOMMENDED BUDGET EXPENDITURES



Expenditures for Education (including Ed. Debt) (40%) and Human Services (19%) continue to dominate the General Fund. For greater detail, please see facing page.

**NEW HANOVER COUNTY**  
**PERCENTAGE CHANGE OF BUDGETED REVENUES BY CLASS**  
**GENERAL FUND**

				Difference Between FY15-16 Revised and FY16-17	
	FY15-16 ADOPTED	FY15-16 <sup>1</sup> REVISED	FY16-17 RECOMMENDED	\$ Change	% Change
<b>BUDGETED REVENUES:</b>					
AD VALOREM TAXES <sup>2</sup>	\$ 172,375,642	\$ 172,375,642	\$ 191,912,877	19,537,235	11.3%
SALES TAXES <sup>3</sup>	62,267,210	62,267,210	63,323,482	1,056,272	1.7%
OTHER TAXES <sup>4</sup>	3,352,479	3,352,479	4,005,000	652,521	19.5%
INTERGOVERNMENTAL REVENUES <sup>5</sup>	42,651,803	45,129,797	43,620,963	(1,508,834)	-3.3%
CHARGES FOR SERVICES <sup>6</sup>	10,620,822	10,620,822	9,764,512	(856,310)	-8.1%
OTHER REVENUES	1,265,056	1,540,704	1,481,524	(59,180)	-3.8%
TRANSFERS	-	15,000	-	(15,000)	0.0%
OTHER FINANCING SOURCES	1,154,354	1,154,354	3,624,999	2,470,645	NA
APPROPRIATED FUND BALANCE <sup>7</sup>	8,438,867	11,957,430	-	(11,957,430)	NA
<b>TOTAL BUDGETED REVENUES</b>	<b>\$ 302,126,233</b>	<b>\$ 308,413,437</b>	<b>\$ 317,733,357</b>	<b>9,319,920</b>	<b>3.0%</b>

<sup>1</sup> Revised budget as of 4/26/2016.

<sup>2</sup> Based on a tax rate of 62.9 cents, an estimated base of \$30.7 billion with an estimated 98.6% collection rate.

<sup>3</sup> Projected to increase 4% over the FY15-16 projected actual estimate.

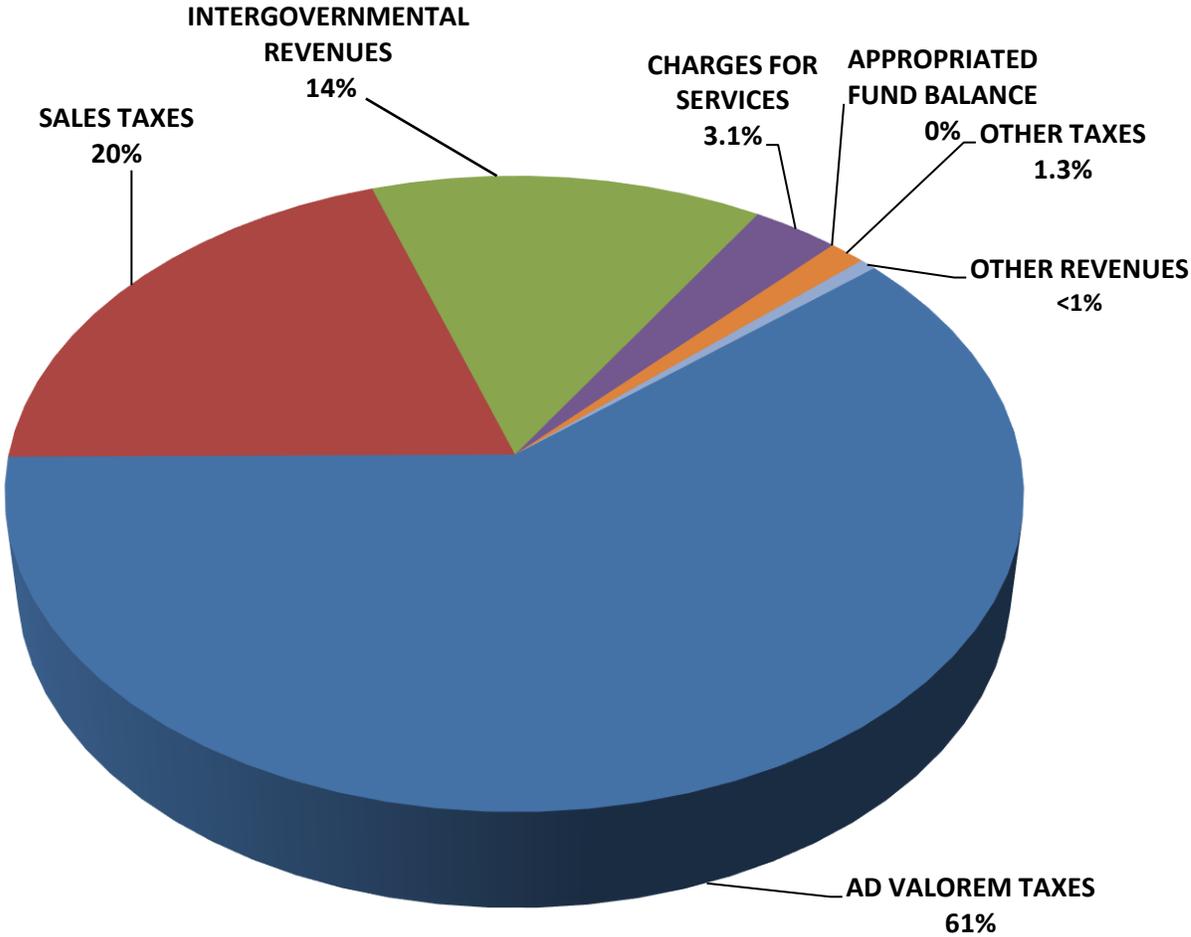
<sup>4</sup> Slight increase in cable and heavy equipment tax.

<sup>5</sup> Decreased slightly primarily due to adjustment in grants and a change in approach to budgeting for Department of Social Services.

<sup>6</sup> Projected to decrease by 8% due to overall decreases in quantity of collections. Service fees with significant decreases include erosion control permits, civil papers and health insurance fees.

<sup>7</sup> Not budgeted in FY16-17 in order to restore fund balance to the County goal of 21%.

# FY16-17 RECOMMENDED BUDGET REVENUES



Ad Valorem Taxes (61%) together with the Sales Taxes (20%) comprise 81% of total County revenues. For greater detail, please see facing page.

**NEW HANOVER COUNTY  
NET COUNTY COST HUMAN SERVICES DEPARTMENTS**

DEPARTMENT	FY15-16 REVISED (4/26/16)	FY16-17 RECOMMENDED	DOLLAR CHANGE	PERCENT CHANGE
<b>HEALTH</b>				
EXPENDITURES	\$ 13,351,721	\$ 13,453,962	\$ 102,241	0.8%
REVENUES	<u>8,172,371</u>	<u>8,147,321</u>	<u>(25,050)</u>	<u>-0.3%</u>
COUNTY \$ REQUIRED	\$ 5,179,350	\$ 5,306,641	\$ 127,291	2.5%
<b>SOCIAL SERVICES</b>				
EXPENDITURES	\$ 42,137,888	\$ 39,884,803	\$ (2,253,085)	-5.3%
REVENUES	<u>25,202,919</u>	<u>23,929,274</u>	<u>(1,273,645)</u>	<u>-5.1%</u>
COUNTY \$ REQUIRED	\$ 16,934,969	\$ 15,955,529	\$ (979,440)	-5.8%
<b>TRILLIUM HEALTH RESOURCES</b>				
EXPENDITURES	\$ 2,261,117	\$ 2,263,317	\$ 2,200	0.1%
REVENUES	<u>110,000</u>	<u>112,200</u>	<u>2,200</u>	<u>2.0%</u>
COUNTY \$ REQUIRED	\$ 2,151,117	\$ 2,151,117	\$ 0	0.0%
<b>SENIOR RESOURCE CENTER</b>				
EXPENDITURES	\$ 2,446,637	\$ 2,401,985	\$ (44,652)	-1.8%
REVENUES	<u>1,734,112</u>	<u>1,607,436</u>	<u>(126,676)</u>	<u>-7.3%</u>
COUNTY \$ REQUIRED	\$ 712,525	\$ 794,549	\$ 82,024	11.5%
<b>TOTAL COUNTY COST</b>	<b>\$ 24,977,961</b>	<b>\$ 24,207,836</b>	<b>\$ (770,125)</b>	<b>-3.1%</b>

**NEW HANOVER COUNTY  
NON-COUNTY AGENCY CONTRIBUTIONS**

	<b>FY15-16 ADOPTED</b>	<b>FY16-17 REQUESTED</b>	<b>FY16-17 RECOMMENDED</b>
<b><u>HUMAN SERVICES</u></b>			
ADR Center, Inc. (Teen Court)	\$ 12,150	\$ 13,054	\$ 13,054
Blue Ribbon Commission on the Prevention of Youth Violence	25,000	25,000	25,000
Brigade Boys & Girls Club	-	18,915	-
Cape Fear Clinic, Inc.	-	25,000	-
Cape Fear Habitat for Humanity	-	36,000	-
Cape Fear HealthNet, Inc.	-	10,000	-
Cape Fear Literacy Council	9,500	14,230	-
Cape Fear Regional Community Development Corporation (CDC)	-	25,000	-
Coastal Horizons Center - Open House Youth Shelter	30,000	40,000	40,000
Coastal Horizons Center - School - Based Health Clinics	-	100,000	100,000
Communities In Schools of Cape Fear	25,000	35,000	25,000
Community Boys & Girls Club	-	35,000	-
Continuum of Care for Homelessness-CFCOG	25,000	25,000	12,500
Countywide CDC	-	2,500	-
Domestic Violence Shelter & Services, Inc.	15,000	25,000	15,000
DREAMS of Wilmington	10,000	11,200	10,000
Elderhaus, Inc.	49,000	40,000	20,000
First Fruit Ministries	-	50,944	-
Food Bank of Central & Eastern NC	5,000	7,500	5,000
Good Shepherd Center	14,000	50,000	14,000
Kids Making It	25,000	35,000	25,000
Leading Into New Communities, Inc. (LINC, Inc.)	10,000	75,000	10,000
Lenny Simpson Tennis & Education Fund/One Love Tennis	25,000	45,000	19,000
Martin Luther King Jr Celebration	-	10,000	10,000
Mother Hubbard's Cupboard	-	12,000	-
NourishNC, Inc.	-	2,000	2,000
Recovery Resource Center, Inc.	-	10,000	-
The Carousel Center, Inc.	20,000	50,000	20,000
The Centre of Redemption DBA A Safe Place	-	15,000	-
The Rape Crisis Center of Coastal Horizons Center, Inc.	10,000	12,000	10,000
UNCW Research Foundation	-	70,000	-
Warrior Family Ministries, Inc.	-	50,000	-
Wilmington Area Rebuilding Ministry, Inc. (WARM, Inc.)	5,000	25,000	-
Wilmington's Residential Adolescent Achievement Place, Inc. (WRAAP)	10,000	20,000	10,000
<b>TOTAL HUMAN SERVICES</b>	<b>\$ 324,650</b>	<b>\$ 1,020,343</b>	<b>\$ 385,554</b>
<b><u>CULTURAL AND RECREATIONAL</u></b>			
Accessible Coastal Carolina Events Sports & Services, Inc. (ACCESS of Wilm)	\$ -	\$ 10,000	\$ 10,000
Cameron Art Museum	-	10,000	-
Cuclorus Film Foundation	-	10,000	-
Friends of Fort Fisher, Inc.	5,000	5,000	-
Historic Wilmington Foundation, Inc.	-	21,410	-
The Arts Council of Wilmington & New Hanover County	10,000	30,000	10,000
The Children's Museum of Wilmington	10,000	10,000	10,000
<b>TOTAL CULTURAL AND RECREATIONAL</b>	<b>\$ 25,000</b>	<b>\$ 96,410</b>	<b>\$ 30,000</b>
<b><u>ECONOMIC AND PHYSICAL DEVELOPMENT</u></b>			
Cape Fear Resource Conservation & Development, Inc.	\$ 9,000	\$ 9,000	\$ -
Foreign Trade Promotion Council	-	2,500	2,500
Highway 17 Association	-	10,000	-
Phoenix Hometown Hires	-	25,000	-
The Southeastern Partnership, Inc.	20,000	20,000	20,000
Wilmington Business Development	191,396	141,396	191,396
Wilmington Downtown Inc.	37,500	65,000	65,000
Wilmington Film Commission	144,190	144,190	144,190
<b>TOTAL ECONOMIC AND PHYSICAL DEVELOPMENT</b>	<b>\$ 402,086</b>	<b>\$ 417,086</b>	<b>\$ 423,086</b>
<b><u>MEMBERSHIPS</u></b>			
Cape Fear Council of Governments (CFCOG)	\$ 33,028	\$ 36,648	\$ 36,648
Southeastern Economic Development Commission	18,240	18,240	18,240
<b>TOTAL MEMBERSHIPS</b>	<b>\$ 51,268</b>	<b>\$ 54,888</b>	<b>\$ 54,888</b>
<b>TOTAL</b>	<b>\$ 803,004</b>	<b>\$ 1,588,727</b>	<b>\$ 893,528</b>

**NON-DEPARTMENTAL**

A detailed explanation of the items funded in Non-Departmental is provided below. A table summarizing totals per account follows the detailed explanation.

**Expenditures:**

**Salary Adjustment:** A negative Salary Lag adjustment is budgeted in Non-Departmental to account for the fact that not every authorized position will be filled every day of the fiscal year. The negative \$1,400,000 is composed of the following:

\$1,100,000	Merit/Market Adjustment
(2,500,000)	Salary Lag
<b>(\$1,400,000)</b>	<b>TOTAL</b>

**Medical Insurance Expense:** \$3,027,696. Funds are included for the County's portion of retirees' medical and dental expenses. Any consultant fees incurred related to these benefits are included in contracted services.

**Contracted Services:**

\$17,000	Employment Background Checks
20,000	Pre-employment and Random Drug Screening for Employees
5,000	Employee Assistance Program (work related)
17,500	Special Insurance
805	American Society of Composers, Authors and Publishers
55,000	Benefits Contract
60,000	Laymon Group
10,000	COBRA administration
<b>\$185,305</b>	<b>TOTAL</b>

**Contracted Services – WAY Clinic:** Funds are included for operation of an on-site clinic to address minor health issues and preventive wellness program for County employees. The operation of the program is expected to reduce the cost of medical claims in FY16-17.

\$166,009	Practitioner
46,708	Medical Office Assistant
108,000	Program Administrative Fee
14,400	Reference Labs
86,625	Health Risk Assessments
6,000	Prostate-Specific Antigen
6,875	Flu Shots
3,300	Supplies
<b>\$437,917</b>	<b>TOTAL</b>

**Service/Retirement Awards:** In FY15-16 the revised budget was \$14,130. The FY16-17 recommended amount is \$14,044.

**Employee Appreciation:** In FY15-16 the revised budget was \$10,000. The FY16-17 recommended amount is \$8,000.

**Reach for the Stars:** This employee recognition program was implemented in FY14-15 by Human Resources. The recommended amount for FY16-17 is \$8,448.

**Wellness and You Program:** The Wellness and You (WAY) program was created in 2008 to encourage and motivate employees to make better lifestyle choices as it relates to physical activity, healthy diet, tobacco cessation, and preventive care. The WAY program has three main components: Health Risk Assessment, Physical Activity and Wellness Education. For FY16-17, \$17,220 is recommended.

**NON-DEPARTMENTAL CONTINUED**

**Miscellaneous:** Funds used to purchase small items that are needed during the fiscal year, such as meeting supplies and other items, which do not pertain to one department or function. An amount of \$197,857 is included in the recommended budget.

**Countywide Training:** Funds in the amount of \$104,833 are approved for in-house mandatory web-based training, optional core courses and supervisory training. Also includes Table Talk, miscellaneous meetings, team meetings and retreats.

\$32,113	Skillsoft/PCU
2,500	Specialized Training Sessions
7,000	Mandatory Countywide Customer Service Training
4,868	Training and Meeting Supplies
14,000	SERVE/UNCW Partnership
3,000	Executive Leadership Team Professional Development
51,600	Project Management Academy through UNCW
<u>\$115,081</u>	<u>TOTAL</u>

**Insurance and Bonds:** Estimate of funds that will be required for insurance and bonds for County programs and operations.

\$288	Automobile
43,763	Law & Public Officials
151,869	Excess Workers Compensation
<u>\$195,920</u>	<u>TOTAL</u>

**Insurance Deductible:** \$175,000. Estimate of funds that will be required for deductibles not covered by insurance.

**Unemployment – Employment Security Commission:** An annual estimate for FY16-17 is \$200,000.

**Workers Compensation:** \$650,000. Estimate of funds that will be required for Workers Compensation based on historic claims and claims generated FY15-16 year-to-date.

**City of Wilmington:** \$269,549 as follows:

\$186,000	Red Light Program
83,459	Position for Crime Lab
<u>\$269,459</u>	<u>TOTAL</u>

**Contribution to WAVE:** Wave Transit was established by merging the Wilmington Transit Authority and New Hanover Transportation Services on July 1, 2004. The system provides transportation services to residents of the County, meeting the special needs of the elderly, disabled, Work First and Medicaid participants, working poor, clients of human service agencies, and the general public. The recommended annual funding is \$256,873. In addition to this direct funding contribution to WAVE, an additional \$700,000 has been budgeted within the various departmental budgets to purchase services from WAVE in FY16-17.

**Economic Development:**

Total funds for FY16-17 for economic development in the recommended budget are \$538,826.

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**NON-DEPARTMENTAL CONTINUED**

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**Transfers to Other Funds:**

Funds are transferred from the General Fund to other funds or capital projects.

**FY14-15 Actual**

- Transfers Total \$3,330,858. Transfers to Trust and Agency Funds total \$1,115,663. The transfer of \$615,663 represents the County's cost of a special retirement fund required by the state for the Sheriff's Office. An amount of \$500,000 is budgeted as a transfer for Other Post-Employment Benefits (OPEB). Transfers to Capital projects are \$2,215,195.

**FY15-16 Revised Budget**

- Transfers Total \$2,271,685. Transfers to Trust and Agency Funds total \$1,225,685. The transfer of \$725,685 represents the County's cost of a special retirement fund required by the state for the Sheriff's Office. An amount of \$500,000 is budgeted as a transfer for Other Post-Employment Benefits (OPEB). Transfers to Capital projects are \$1,046,000.

**FY16-17 Recommended Budget**

- Transfers Total \$4,612,356. Transfers to Trust and Agency Funds total \$1,315,384. The transfer of \$815,384 represents the County cost of a special retirement fund required by the state for the Sheriff's Office. An amount of \$500,000 is budgeted as a transfer for Other Post-Employment Benefits (OPEB). Transfers to Capital projects are \$3,296,972.

**Debt Service (General Fund):**

**Principal on Bonded Debt and Interest on Bonded Debt:** Debt service consists of the principal and interest on bonded debt. The County may select what revenues are used to meet debt service obligations, but it must appropriate the whole amount estimated. General Fund payments of \$42,477,040 are budgeted.

**Installment Debt:** General Fund payment of \$13,588,078 are budgeted.

**Bond Service Charges:** Estimated costs related to issuance of bonds are \$71,152.

**Administrative Reserve:** Debt service funds in the amount of \$3,557,961 are budgeted.

**NON-DEPARTMENTAL CONTINUED**

**SUMMARY OF EXPENDITURES**

	<b>FY14-15 ACTUAL</b>	<b>FY15-16 REVISED</b>	<b>FY16-17 RECOMM.</b>	<b>Change FY15-16 Rev. to FY16-17 Recomm.</b>	
SALARY ADJUSTMENT	\$ -	\$ -860,800	\$ -1,400,000	\$ -539,200	62.6%
SOCIAL SECURITY TAXES	2,172	-	-	-	-
MEDICAL INSURANCE EXPENSE	3,300,564	2,322,080	3,027,696	705,616	30.4%
CONTR SERVS	59,390	181,584	185,305	3,721	2.0%
CONTR SERVS-WAY CLINIC	385,528	417,867	437,917	20,050	4.8%
CONTR SERVS-PROFESSIONAL	18,805	-	-	-	-
SERVICE/RETIREMENT AWARDS	17,936	14,130	14,044	-86	-0.6%
EMPLOYEE APPRECIATION	6,409	10,000	8,000	-2,000	-20.0%
REACH FOR THE STARS	-	13,500	8,448	-5,052	-37.4%
WELLNESS PROGRAM	15,061	16,250	17,220	970	6.0%
MISCELLANEOUS-OTHER	33,283	277,412	197,857	-79,555	-28.7%
UNCOLLECTIBLE DEBT - WRITE OFF	1,011	-	-	-	-
TRAINING & TRAVEL	86,603	116,288	115,081	-1,207	-1.0%
INSURANCE & BONDS	169,374	192,791	195,920	3,129	1.6%
INSURANCE DEDUCTIBLE REIMB	156,625	175,000	175,000	-	0.0%
UNEMPLOYMENT - EMPLY SEC COM	178,208	124,988	200,000	75,012	60.0%
WORKERS COMPENSATION	477,681	550,000	650,000	100,000	18.2%
CITY OF WILMINGTON	500,275	322,303	269,459	-52,844	-16.4%
CONTRIBUTION-WAVE TRANSIT	432,822	438,195	256,873	-181,322	-41.4%
CAPITAL OUTLAY-LAND	313,502	-	-	-	-
ADMINISTRATIVE RESERVE	-	16,315	-	-16,315	-100.0%
<b>TOTAL NON-DEPARTMENT EXPENSES:</b>	<b>\$ 6,155,249</b>	<b>\$ 4,327,903</b>	<b>\$ 4,358,820</b>	<b>\$ 30,917</b>	<b>0.7%</b>
ECONOMIC DEVELOPMENT	\$ 24,875	\$ 500,000	\$ 100,000	\$ -400,000	-80.0%
WILMINGTON BUSINESS DEVELOPMENT	189,032	191,396	191,396	-	-
DOWNTOWN WILMINGTON INC.	37,500	37,500	65,000	27,500	73.3%
CONTRIBUTION-CFPUA	-	600,000	-	-600,000	-100.0%
INNOVATE NC	-	10,000	-	-10,000	-100.0%
NC SE REG ECON DEVEL PARTNERSHIP	20,000	20,000	20,000	-	-
SE ECONOMIC DEVELOPMENT	18,240	18,240	18,240	-	-
WILM. REGIONAL FILM COMMISSION	117,198	144,190	144,190	-	-
<b>TOTAL ECONOMIC DEVELOPMENT:</b>	<b>\$ 406,845</b>	<b>\$ 1,521,326</b>	<b>\$ 538,826</b>	<b>\$ -982,500</b>	<b>-64.6%</b>
<b>TRANSFERS TO OTHER FUNDS:</b>					
TRANSF TO CAPITAL PROJECT FUNDS	2,215,195	1,046,000	3,296,972	2,250,972	215.2%
TRANSF TO TRUST & AGENCY FUNDS	1,115,663	1,225,685	1,315,384	89,699	7.3%
<b>TOTAL TRANSFERS TO OTHER FUNDS:</b>	<b>\$ 3,330,858</b>	<b>\$ 2,271,685</b>	<b>\$ 4,612,356</b>	<b>\$ 2,340,671</b>	<b>103.0%</b>
<b>DEBT SERVICE:</b>					
PRINCIPAL & INTEREST BONDED DEBT	\$ 36,048,097	\$ 37,126,224	\$ 42,477,040	\$ 5,350,816	14.4%
BOND SERVICE CHARGES	78,317	90,617	71,152	-19,465	-21.5%
INSTALLMENT LEASE PAYMENTS	14,195,333	14,191,128	13,588,078	-603,050	-4.2%
ADMINISTRATIVE RESERVE	-	-	3,557,961	3,557,961	-
<b>TOTAL DEBT SERVICE:</b>	<b>\$ 50,321,747</b>	<b>\$ 51,407,969</b>	<b>\$ 59,694,231</b>	<b>\$ 8,286,262</b>	<b>16.1%</b>
<b>TOTAL:</b>	<b>\$ 60,214,699</b>	<b>\$ 59,528,883</b>	<b>\$ 69,204,233</b>	<b>\$ 9,675,350</b>	<b>16.3%</b>

**NEW HANOVER COUNTY  
EDUCATION<sup>1</sup>  
SUMMARY OF REVENUES & EXPENDITURES**

	FY15-16 Revised (4/26/16)	FY16-17 Requested	FY16-17 Recommended	DOLLAR INCREASE	PERCENT INCREASE
<b>New Hanover County Schools Fund</b>					
<b>EXPENDITURES:</b>					
Current Operating	\$ 70,610,100	\$ 75,319,264	\$ 73,950,564	\$ 3,340,464	4.7%
Capital Outlay	3,000,000	3,000,000	3,000,000	-	0.0%
<b>Total Current Expenditures</b>	<b>\$ 73,610,100</b>	<b>\$ 78,319,264</b>	<b>\$ 76,950,564</b>	<b>\$ 3,340,464</b>	<b>4.5%</b>
Principal on School Bonds	\$ 14,010,297	\$ 16,248,444	\$ 16,248,444	\$ 2,238,147	16.0%
Interest on School Bonds	5,458,753	6,018,289	6,018,289	559,536	10.3%
Bond Fees	77,057	58,092	58,092	(18,965)	-24.6%
Installment Debt	517,885	499,397	499,397	(18,488)	-3.6%
<b>NHC Schools Debt Service</b>	<b>\$ 20,063,992</b>	<b>\$ 22,824,222</b>	<b>\$ 22,824,222</b>	<b>\$ 2,760,230</b>	<b>13.8%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 93,674,092</b>	<b>\$ 101,143,486</b>	<b>\$ 99,774,786</b>	<b>\$ 6,100,694</b>	<b>6.5%</b>
<b>REVENUES:</b>					
Transfer from General Fund	\$ 81,373,573	\$ 88,704,026	\$ 79,326,877	\$ (2,046,696)	-2.5%
Transfer 1/2 Sales Tax	12,124,851	12,280,075	12,280,075	155,224	1.3%
Other	175,668	159,385	159,385	(16,283)	-9.3%
Transfer from Debt Fund	-	-	8,008,449	8,008,449	NA
<b>TOTAL REVENUES</b>	<b>\$ 93,674,092</b>	<b>\$ 101,143,486</b>	<b>\$ 99,774,786</b>	<b>\$ 6,100,694</b>	<b>6.5%</b>
<b>Cape Fear Community College Expenditures</b>					
CFCC Current Operating	\$ 10,376,430	\$ 10,923,835	\$ 10,376,430	\$ -	0.0%
CFCC Capital Outlay	1,154,354	2,166,872	-	(1,154,354)	NA
<b>Total Current Expenditures</b>	<b>\$ 11,530,784</b>	<b>\$ 13,090,707</b>	<b>\$ 10,376,430</b>	<b>\$ (1,154,354)</b>	<b>-10.0%</b>
Principal on CFCC Bonds	\$ 8,839,703	\$ 11,041,557	\$ 11,041,557	\$ 2,201,854	24.9%
Interest on CFCC Bonds	6,108,793	6,569,934	6,569,934	461,141	7.5%
<b>CFCC Debt Service<sup>2</sup></b>	<b>\$ 14,948,496</b>	<b>\$ 17,611,491</b>	<b>\$ 17,611,491</b>	<b>\$ 2,662,995</b>	<b>17.8%</b>
<b>TOTAL EXPENDITURES FOR CFCC</b>	<b>\$ 26,479,280</b>	<b>\$ 30,702,198</b>	<b>\$ 27,987,921</b>	<b>\$ 1,508,641</b>	<b>5.7%</b>

<sup>1</sup> For accounting purposes the County uses a separate fund to account for K-12 public school funding. The School Fund is combined with General Fund in summaries.

<sup>2</sup> CFCC debt is located in both the Debt Fund and the General Fund, and is combined with the General Fund in all summaries. Any differences between this chart and the debt schedule are due to rounding.

**NEW HANOVER COUNTY CAPITAL OUTLAY REQUESTS FY16-17**

<b>DEPARTMENT</b>	<b>TYPE</b>	<b>DESCRIPTION</b>	<b>RECOMMENDED</b>
Information Technology	Equipment	APC Refresh - Power Backups	\$ 22,000
	Equipment	Replace CISCO EOL Phones - NWN	50,000
	Equipment	Replace CISCO Equipment - NWN	250,000
	Equipment	Replace 6 EOL Dell Servers	25,000
	Equipment	ACS to Physical Server - NWN	18,000
	Equipment	ISA Proxy Server - Iron Networks	20,000
	Equipment	VMWare Upgrade - NWN	13,000
	Computer & Other	Permitium Software	35,000
	Computer & Other	Web EOC Development Server	25,000
			<b>\$ 458,000</b>
Property Management	Vehicles	1 County Replacement Vehicle	\$45,844
	Vehicles	1 County Vehicle	24,801
	Vehicles	33 Sheriff's Office Vehicles	755,111
			<b>\$ 825,756</b>
Sheriff's Office	Vehicle	1 Vehicle (Funded through ABC funds)	\$25,000
	Equipment	1 Fingerprinting Machine	21,000
	Equipment	1 Fingerprinting Machine	21,000
	Equipment	1 Metal Detector	6,992
	Equipment	1 Mail Processing System	12,333
	Equipment	1 Fingerprinting Machine	21,000
	Equipment	1 Video Surveillance System	47,575
	Other Improvements	Front Entrance / Countertop Renovation	35,000
			<b>\$ 189,900</b>
Health	Computer & Other	Health Electronic Records System	<b>\$ 350,000</b>
			<b>\$ 350,000</b>
DSS	Vehicle	1 Replacement Van	\$22,006
			<b>\$ 22,006</b>
Parks & Gardens	Equipment	6 Mower Replacements	\$54,000
	Equipment	XUV (Big Gator)	9,200
	Equipment	MUSCO light replacement	50,000
			<b>\$113,200</b>
<b>Total General Fund</b>			<b>\$ 1,958,862</b>
911 Surcharge	Equipment	911 console furniture	\$282,010
911 Surcharge	Computer & Other	Emergency Police Dispatch	\$293,715
911 Surcharge	Computer & Other	800 Mhz Radio Infrastructure	\$454,200
			<b>\$1,029,925</b>
Fire Services	Computer & Other	Routers & Hardware for Apparatus	36,400
	Computer & Other	Verizon Wireless GPS Boosters for Stations	12,000
	Equipment	Thermal Imaging Camera Replacement	9,610
	Equipment	Intake Valve Replacement	10,000
	Equipment	E-draulic Rescue Tools	27,000
	Equipment	Nozzle Standardization Year 2 of 2	20,000
	Equipment	Positive Pressure Fans	10,000
	Vehicle	Tender	254,000
	Vehicle	Command Vehicle	37,305
	Other Improvements	Fire Hydrant Program	10,000
			<b>\$426,315</b>
Environmental Management	Equipment	1 Replacement Bulldozer - Rebuilt	\$635,000
	Equipment	Bulldozer 5-Year Total Maint. & Repair Warranty	341,250
	Equipment	1 Replacement Loader	187,200
	Equipment	4 Replacement Roll-Off Containers	28,000
	Vehicle	1 4wd Pickup Truck	30,000
	Equipment	1 Sweeper Broom	12,500
	Equipment	6 Replacement Roll-Off Containers	45,000
	Vehicle	1 Replacement Roll-Off Truck	150,000
	Equipment	1 Can Crusher	23,000
	Vehicle	1 Cargo Van - Mobile HHW	44,000
	Equipment	1 Trailer & Graphics - Mobile HHW	6,856
	Equipment	Recycling Carts - Multifamily Recycling	35,722
	Equipment	Composting Pilot Program	340,000
			<b>\$1,878,528</b>
<b>Total Other Funds</b>			<b>\$ 3,334,768</b>
<b>Total All Funds</b>			<b>\$ 5,293,630</b>

**CAPITAL IMPROVEMENT PLAN FY17-21**

		FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	Total
Elections	Voting Equipment Replacement		972,850				972,850
Engineering	Drainage Improvements	140,000	140,000	140,000	140,000	140,000	700,000
Prop Mgt	Elevator Replacements	230,000	240,000				470,000
Prop Mgt	HVAC Replacements: Main and NE Library	500,000					500,000
Prop Mgt	Roof Replacements; Gov Ctr/Main and NE Libraries				200,000		200,000
Prop Mgt	Government Center Physical Plant				2,000,000		2,000,000
Health	Health Building Renovation - Phase II			3,902,000			3,902,000
Health	Health Building Renovation - Phase III			135,000			135,000
SRC	SRC Renovation		520,000				520,000
Econ Dev	Hwy 421 Water & Sewer Expansion	14,600,000					14,600,000
CJS	Community Justice Svcs. 320 Chestnut 5th Fl. Build Out	94,290					94,290
Emerg Mgt	800 MHz Radio System Infrastructure Update	1,727,023					1,727,023
Emerg Mgt	Back-Up 911 Center	440,142					440,142
Sheriff	Crime Scene Investigation Bldg. Exp. Phase 1 & 2	283,717	524,475				808,192
Sheriff	Detention Fencing Project	536,000					536,000
Sheriff	Detention Expansion - Design					3,612,787	3,612,787
Library	Myrtle Grove Branch Library	4,400,000					4,400,000
Pks & Gdn	Northern Regional Park Phase 2 Expansion		3,450,000				3,450,000
Pks & Gdn	Kings Grant Improvements		275,000				275,000
Pks & Gdn	Olsen Park Phase 2		1,034,050				1,034,050
Pks & Gdn	Smith Creek Park Phase 2A			1,080,000			1,080,000
Pks & Gdn	Synthetic Turf Field					900,000	900,000
Plan & Insp	Bike/Ped Laney High School Greenway				2,713,496		2,713,496
Plan & Insp	Bike/Ped Market Street Multi-Use				1,075,000		1,075,000
Plan & Insp	Bike/Ped South Smith Creek Trail				600,000		600,000
Plan & Insp	Bike/Ped Middle Sound Loop Road Widening Project				300,000		300,000
<b>TOTAL EXPENDITURE</b>		<b>22,951,172</b>	<b>7,156,375</b>	<b>5,257,000</b>	<b>7,028,496</b>	<b>4,652,787</b>	<b>47,045,830</b>

**SOURCES OF REVENUE**

	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	Total
911 Surcharge- 800 MHz Public Radio System Infrastructure	454,200					454,200
Federally Forfeited Property Revenue	200,000					200,000
Loan Proceeds-Detention Expansion					3,612,787	3,612,787
Escrow - Medicaid Maximization Funds - Health Renov			382,124			382,124
Fund raising - Myrtle Grove Library	150,000					150,000
Sale of existing Myrtle Grove Library Property	1,200,000					1,200,000
Loan Proceeds - Myrtle Grove Library	3,050,000					3,050,000
Loan proceeds - Hwy 421 Water & Sewer	14,600,000					14,600,000
County Credit - Olsen Park Phase 2		409,670				409,670
Possible Grants for Bike & Pedestrian Projects				3,750,797		3,750,797
Possible Grant - PARTF Smith Creek Phase 2A			500,000			500,000
Fund raising - Smith Creek Phase 2A			250,000			250,000
General government revenues	3,296,972	6,746,705	4,124,876	3,277,699	1,040,000	18,486,252
<b>TOTAL REVENUE</b>	<b>22,951,172</b>	<b>7,156,375</b>	<b>5,257,000</b>	<b>7,028,496</b>	<b>4,652,787</b>	<b>47,045,830</b>

**CAPITAL IMPROVEMENT PLAN FY17-21**

**Current Capital Improvement Projects - Fire Services**

	<b>FY16-17</b>	<b>FY17-18</b>	<b>FY18-19</b>	<b>FY19-20</b>	<b>FY20-21</b>	<b>Total</b>
Ogden Fire Station 16 Replacement	4,640,580	-	-	-	-	4,640,580
Murrayville Station HVAC Replacement	275,000	-	-	-	-	275,000
<b>TOTAL EXPENDITURE</b>	<b>4,915,580</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,915,580</b>

**SOURCE OF REVENUE**

	<b>FY16-17</b>	<b>FY17-18</b>	<b>FY18-19</b>	<b>FY19-20</b>	<b>FY20-21</b>	<b>Total</b>
Loan Proceeds	4,640,580	-	-	-	-	4,640,580
Fire District Revenue	275,000	-	-	-	-	275,000
<b>TOTAL REVENUE</b>	<b>4,915,580</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,915,580</b>

**Current Capital Improvement Projects - Environmental Management**

	<b>FY16-17</b>	<b>FY17-18</b>	<b>FY18-19</b>	<b>FY19-20</b>	<b>FY20-21</b>	<b>Total</b>
Leachate Treatment Systems Upgrade	700,000	-	-	-	-	700,000
Biological Treatment System Replacement	500,000	-	2,500,000	-	-	3,000,000
Landfill Gas to Energy Program-Phase I,II, & III	500,000	500,000	2,000,000	-	-	3,000,000
Landfill West Side Partial Closure Cells 6D & 6E	600,000	1,493,000	-	-	-	2,093,000
Northern Property Partial Closure	200,000	-	-	-	-	200,000
Southern Property Construction Cells 7 & 8	1,000,000	-	4,192,000	-	-	5,192,000
Landfill North & East Side Partial Closure Cells 6E & 2	-	540,700	2,000,000	-	-	2,540,700
Landfill Final Closure over Vertical Cells 4,5,6 Partial	-	-	-	4,180,190	-	4,180,190
<b>TOTAL EXPENDITURE</b>	<b>3,500,000</b>	<b>2,533,700</b>	<b>10,692,000</b>	<b>4,180,190</b>	<b>0</b>	<b>20,905,890</b>

**SOURCE OF REVENUE**

Environmental Management Transfers/Reserve Funds	3,300,000	2,533,700	10,692,000	4,180,190	-	20,705,890
Closure/Post Closure Reserve	200,000	-	-	-	-	200,000
<b>TOTAL REVENUE</b>	<b>3,500,000</b>	<b>2,533,700</b>	<b>10,692,000</b>	<b>4,180,190</b>	<b>-</b>	<b>20,905,890</b>

<b>TOTAL ALL FUNDS</b>	<b>31,366,752</b>	<b>9,690,075</b>	<b>15,949,000</b>	<b>11,208,686</b>	<b>4,652,787</b>	<b>72,867,300</b>
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**NEW HANOVER COUNTY DEBT SERVICE FOR NEXT FIVE YEARS**

<b>GENERAL FUND</b>		<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>	<b>FY 19-20</b>	<b>FY 20-21</b>
<b>BONDED:</b>						
CFCC 2005 General Obligation Bonds (Refunding)		1,530,244	1,460,425	0	0	0
CFCC 2009A General Obligation Bonds (Refunding)		774,901	746,647	717,526	1,301,912	1,420,237
CFCC 2013 General Obligation Bonds (Refunding)		1,254,605	1,232,671	1,483,856	956,745	0
Total Bonded Debt Service - General Fund-CFCC		<u>3,559,749</u>	<u>3,439,743</u>	<u>2,201,382</u>	<u>2,258,657</u>	<u>1,420,237</u>
Principal portion of General Fund Bonded Debt		3,146,558	3,140,883	2,018,863	2,135,252	1,367,393
Interest portion of General Fund Bonded Debt		413,192	298,860	182,519	123,405	52,844
		<u>3,559,750</u>	<u>3,439,743</u>	<u>2,201,382</u>	<u>2,258,657</u>	<u>1,420,237</u>
Total Bonded Debt Service - General Fund		<u>\$3,559,749</u>	<u>\$3,439,743</u>	<u>\$2,201,382</u>	<u>\$2,258,657</u>	<u>\$1,420,237</u>
<b>INSTALLMENT:</b>						
2005A Certificates of Participation - Refunding-Library/Admin Bldg, LE Facility, School/Park Land Purchase		808,264	806,654	0	0	0
2005B Certificates of Participation - Refunding-Airline Gardens, Judicial Building, Wilmington-Hanby Beach 138 North Fourth Street		3,645,625	3,473,625	3,233,875	0	0
		89,700	44,598	0	0	0
2010 Refunding LOBS-2000 COPS-Airline Gardens, Judicial Building, Wilmington-Hanby Beach		1,221,711	1,159,812	1,094,053	1,095,089	1,044,241
2010 Refunding LOBS-2001 COPS-Jail, Parking Deck, Library		626,016	630,912	634,682	3,728,266	3,568,120
2010 Refunding LOBS-Airport Customs Building		235,328	224,874	213,690	215,736	207,489
2010 Refunding LOBS-Public Safety Training Center		141,152	135,395	129,212	130,376	125,628
2010 Refunding LOBS-Jail Expansion Land		397,476	382,982	367,331	370,195	357,380
2010 Refunding LOBS-Government Center		533,658	255,712	0	0	0
2010 Refunding LOBS-800 mhz System		50,194	0	0	0	0
2012 Refunding LOBS-COPS2003-Administration Annex Building		394,250	379,725	358,900	346,700	329,600
2014A LOBS - 320 Chestnut Street Renovation		760,188	746,838	729,038	711,238	693,438
2014A LOBS - Cobb Judicial Annex Repair		316,582	311,032	303,632	296,232	288,832
2014B LOBS - Airport Rental Car Facility		430,124	426,366	420,912	414,086	406,226
Marquis Hills		571,842	647,274	637,893	628,513	619,131
Heritage Park		395,078	389,352	383,626	377,900	372,174
2017 LOBS - 421 Sewer	P	0	1,080,425	1,066,665	1,043,140	1,019,615
2005A Certificates of Participation - Refunding-Sewer Projects <sup>1</sup>		913,689	911,869	0	0	0
2012 Refunding LOBS-COPS2003-Water/Sewer		1,557,800	1,500,775	1,439,350	1,383,450	1,328,150
Total Installment Debt Service - General Fund		<u>\$13,088,676</u>	<u>\$13,508,220</u>	<u>\$11,012,859</u>	<u>\$10,740,921</u>	<u>\$10,360,025</u>
Principal portion of General Fund Installment Debt		10,174,444	10,416,148	8,306,133	8,392,336	8,377,019
Interest portion of General Fund Installment Debt		2,914,233	3,092,073	2,706,726	2,348,585	1,983,006
		<u>\$13,088,676</u>	<u>\$13,508,220</u>	<u>\$11,012,859</u>	<u>\$10,740,921</u>	<u>\$10,360,025</u>
<b>Total Debt Service - General Fund (excludes Public Schools Debt Service)</b>		<u><b>\$16,648,426</b></u>	<u><b>\$16,947,963</b></u>	<u><b>\$13,214,241</b></u>	<u><b>\$12,999,578</b></u>	<u><b>\$11,780,262</b></u>
<b>PUBLIC SCHOOLS FUND</b>						
<b>BONDED:</b>						
2005 General Obligation Bonds (Refunding)		1,127,547	1,076,102	0	0	0
2006 General Obligation Bonds (\$15 million fixed issued)		0	0	0	0	0
2006 General Obligation Bonds (\$15 million variable issued)		1,039,657	1,010,137	980,137	950,418	919,849
2007 General Obligation Bonds (\$50 million fixed issued)		2,925,000	2,825,000	2,700,000	2,600,000	0
2009 General Obligation Bonds (Refunding)		3,585,849	3,455,103	3,320,349	6,024,588	6,572,138
2009 General Obligation Bonds (\$43 million issued)		2,910,000	2,865,000	2,820,000	2,745,000	4,200,000
2013 General Obligation Bonds (Refunding)		1,733,272	1,698,355	1,663,694	1,643,355	5,109,560
2013 General Obligation Bonds (Refunding)		4,561,957	4,624,584	5,976,205	3,862,229	0
2015 General Obligation Bonds (\$52 million issued)		4,383,450	4,265,700	4,147,950	4,030,200	3,912,450
2017 General Obligation Bonds (\$37 million) Issue 2017	P	0	749,200	3,032,100	2,969,500	2,906,900
2018 General Obligation Bonds (\$49 million) Issue 2018	P	0	0	997,425	4,033,250	3,950,050
2019 General Obligation Bonds (\$22 million) Issue 2019	P	0	0	0	456,525	1,848,950
Total Bonded Debt Service - Public Schools Fund		<u>\$22,266,732</u>	<u>\$22,569,180</u>	<u>\$25,637,860</u>	<u>\$29,315,064</u>	<u>\$29,419,896</u>
Principal portion of Public Schools Fund Bonded Debt		16,248,442	16,344,117	18,276,137	21,209,748	21,692,606
Interest portion of Public Schools Fund Bonded Debt		6,018,290	6,225,062	7,361,723	8,105,317	7,727,290
		<u>\$22,266,732</u>	<u>\$22,569,180</u>	<u>\$25,637,860</u>	<u>\$29,315,064</u>	<u>\$29,419,896</u>
<b>INSTALLMENT:</b>						
2010 QSCB's		\$499,397	\$480,909	\$462,421	\$443,933	\$425,445
Total Installment Debt Service - Public Schools Fund		<u>\$499,397</u>	<u>\$480,909</u>	<u>\$462,421</u>	<u>\$443,933</u>	<u>\$425,445</u>
Principal portion of Public Schools Fund Installment Debt		328,383	328,383	328,383	328,383	328,383
Interest portion of Public Schools Fund Installment Debt		171,014	152,526	134,038	115,550	97,062
		<u>\$499,397</u>	<u>\$480,909</u>	<u>\$462,421</u>	<u>\$443,933</u>	<u>\$425,445</u>
<b>Total Debt Service - Public Schools Fund</b>		<u><b>\$22,766,129</b></u>	<u><b>\$23,050,089</b></u>	<u><b>\$26,100,280</b></u>	<u><b>\$29,758,997</b></u>	<u><b>\$29,845,341</b></u>

**NEW HANOVER COUNTY DEBT SERVICE FOR NEXT FIVE YEARS**

<b>DEBT SERVICE FUND</b>		<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>	<b>FY 19-20</b>	<b>FY 20-21</b>
<b>BONDED:</b>						
CFCC 2010 General Obligation Bonds (\$70 million issued)		5,799,022	5,673,776	5,522,619	5,374,488	5,215,788
CFCC 2013A General Obligation Bonds (\$54 million issued)		4,882,500	4,745,000	4,607,500	4,470,000	4,332,500
CFCC General Obligation Bonds (\$40 million issued)		3,370,220	3,279,720	3,189,220	3,098,720	3,008,220
<b>Total Bonded Debt Service - Debt Service Fund-CFCC</b>		<b>14,051,742</b>	<b>13,698,496</b>	<b>13,319,339</b>	<b>12,943,208</b>	<b>12,556,508</b>
Principal portion of Debt Service Fund - CFCC		7,895,000	7,900,000	7,895,000	7,900,000	7,900,001
Interest portion of Debt Service Fund - CFCC		6,156,742	5,798,496	5,424,339	5,043,208	4,656,507
		<b>14,051,742</b>	<b>13,698,496</b>	<b>13,319,339</b>	<b>12,943,208</b>	<b>12,556,508</b>
Parks and Recreation Bonds 2008 (\$18 million issued)		1,211,573	1,184,573	1,155,773	1,126,973	1,433,173
Parks and Recreation Bonds 2010 (\$17.5 million issued)		1,387,241	1,355,437	1,319,744	1,282,350	1,243,625
<b>Total Bonded Debt Service - Debt Service Fund-Parks</b>		<b>2,598,814</b>	<b>2,540,009</b>	<b>2,475,517</b>	<b>2,409,322</b>	<b>2,676,798</b>
Principal portion of Debt Service Fund - Parks		1,535,000	1,535,000	1,535,000	1,535,000	1,870,000
Interest portion of Debt Service Fund - Parks		1,063,814	1,005,010	940,517	874,323	806,798
		<b>2,598,814</b>	<b>2,540,010</b>	<b>2,475,517</b>	<b>2,409,323</b>	<b>2,676,798</b>
<b>Total Bonded Debt Service - Debt Service Fund</b>		<b>16,650,556</b>	<b>16,238,506</b>	<b>15,794,856</b>	<b>15,352,531</b>	<b>15,233,306</b>
Principal portion of Debt Service Fund		9,430,000	9,435,000	9,430,000	9,435,000	9,770,001
Interest portion of Debt Service Fund		7,220,556	6,803,506	6,364,856	5,917,531	5,463,305
		<b>16,650,556</b>	<b>16,238,506</b>	<b>15,794,856</b>	<b>15,352,531</b>	<b>15,233,306</b>
<b>SPECIAL FIRE DISTRICT</b>						
<b>INSTALLMENT:</b>						
2010 Refunding LOBS-Public Safety Training Center		141,152	135,395	129,212	130,376	125,628
2010 Refunding LOBS-Murrayville Fire Station		261,878	252,329	242,017	243,904	235,467
2012 Refunding LOBS-COPS2003		79,925	77,975	70,800	68,400	66,000
Ogden Station - Land		P 138,069	138,069	138,069	138,069	126,563
Capital Equipment - Fire Engine		P 88,543	88,543	88,543	88,543	88,543
Ogden Station - Construction		P 0	200,165	400,330	400,330	400,330
Capital Equipment - Radios		P 0	81,619	163,238	163,238	81,618
2017 LOBS - 421 Sewer		P 0	352,500	348,010	340,335	332,660
<b>Total Debt Service - Special Fire District</b>		<b>\$709,567</b>	<b>\$1,326,594</b>	<b>\$1,580,220</b>	<b>\$1,573,195</b>	<b>\$1,456,809</b>
Principal portion of Special Fire District Installment Debt		565,292	947,640	1,145,459	1,180,055	1,106,644
Interest portion of Special Fire District Installment Debt		144,275	378,954	434,761	393,140	350,165
		<b>\$709,567</b>	<b>\$1,326,594</b>	<b>\$1,580,220</b>	<b>\$1,573,195</b>	<b>\$1,456,809</b>
<b>ENVIRONMENTAL MANAGEMENT</b>						
<b>INSTALLMENT:</b>						
2005A Certificates of Participation - Refunding - Scrapper Pan-Landfill		35,142	35,072	0	0	0
2010 Refunding LOBS-2000 COPS-Baghouses-WASTEC		68,511	65,040	61,352	61,411	58,557
Compactor 826G-Landfill		0	0	0	0	0
Articulated Dump Truck-Landfill		62,119	0	0	0	0
Bulldozer, Loader, and Roll-Off Truck		343,982	0	0	0	0
<b>Total Installment Debt Service - Environmental Management Fund</b>		<b>\$509,754</b>	<b>\$100,112</b>	<b>\$61,352</b>	<b>\$61,411</b>	<b>\$58,557</b>
Principal portion of Environmental Management Installment Debt		491,318	89,271	54,117	57,085	57,141
Interest portion of Environmental Management Installment Debt		18,436	10,841	7,235	4,326	1,417
		<b>\$509,754</b>	<b>\$100,112</b>	<b>\$61,352</b>	<b>\$61,411</b>	<b>\$58,557</b>
<b>Total Debt Service - Environmental Management Fund</b>		<b>\$509,754</b>	<b>\$100,112</b>	<b>\$61,352</b>	<b>\$61,411</b>	<b>\$58,557</b>
<b>Total Debt Service - All Funds</b>		<b>\$57,284,431</b>	<b>\$57,663,263</b>	<b>\$56,750,949</b>	<b>\$59,745,712</b>	<b>\$58,374,275</b>

P = Pending further action

<sup>4</sup> On July 1, 2008, Water and Sewer Debt Service was transferred to General Fund as part of the change to the Cape Fear Public Utility Authority.



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New Hanover County

**FY16-17**