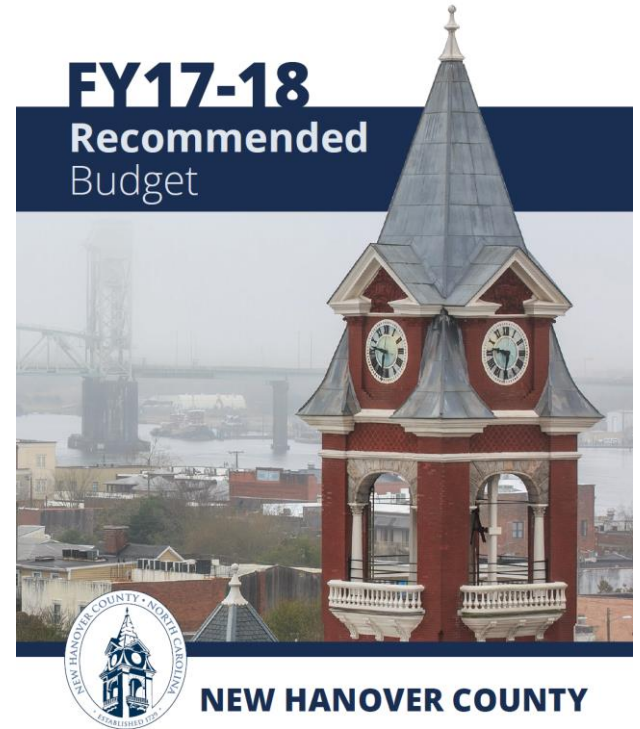


Presentation of the FY17-18 Recommended Budget

Chris Coudriet
County Manager



County Manager's Office
New Hanover County

May 1, 2017

Slide 1

Budget Themes

- Advances superior public education
- Advances superior public safety
- Meets ongoing, prior obligations and policy commitments
- Plans for the long term operating and financial sustainability of New Hanover County



Recommended Budget

General Fund

- \$327.1 million
- 1.6% increase from FY16-17 revised budget

Fire Services

- \$15.2 million
- 12.8% increase from the FY16-17 revised budget

Environmental Management

- \$16.8 million
- 4.5% decrease from the FY16-17 revised budget

All funds: \$367.2 million; 1.7% increase from FY16-17 revised budget



Revenue Neutral Tax Rate

	Current Rate	Revenue Neutral Rate	Recommended Rate
Debt Service Fund	6.90 cents	6.47 cents	6.47 cents
General Fund	<u>55.40 cents</u>	<u>51.91 cents</u>	<u>50.53 cents</u>
Total	62.30 cents	58.38 cents	57.00 cents
Fire Service District Fund	7.00 cents	6.48 cents	8.50 cents

- Environmental Management tip fee reduced from \$50 to \$48 per ton



Fund Balance Policy

Current Policy

- Goal of 21% General Fund unassigned fund balance
- Replenish within 2 fiscal years, if below goal

Recommended Policy

- 18%-21% General Fund unassigned fund balance corridor
- Replenish within 2 fiscal years, if below 18%
- >21% to go to future capital needs

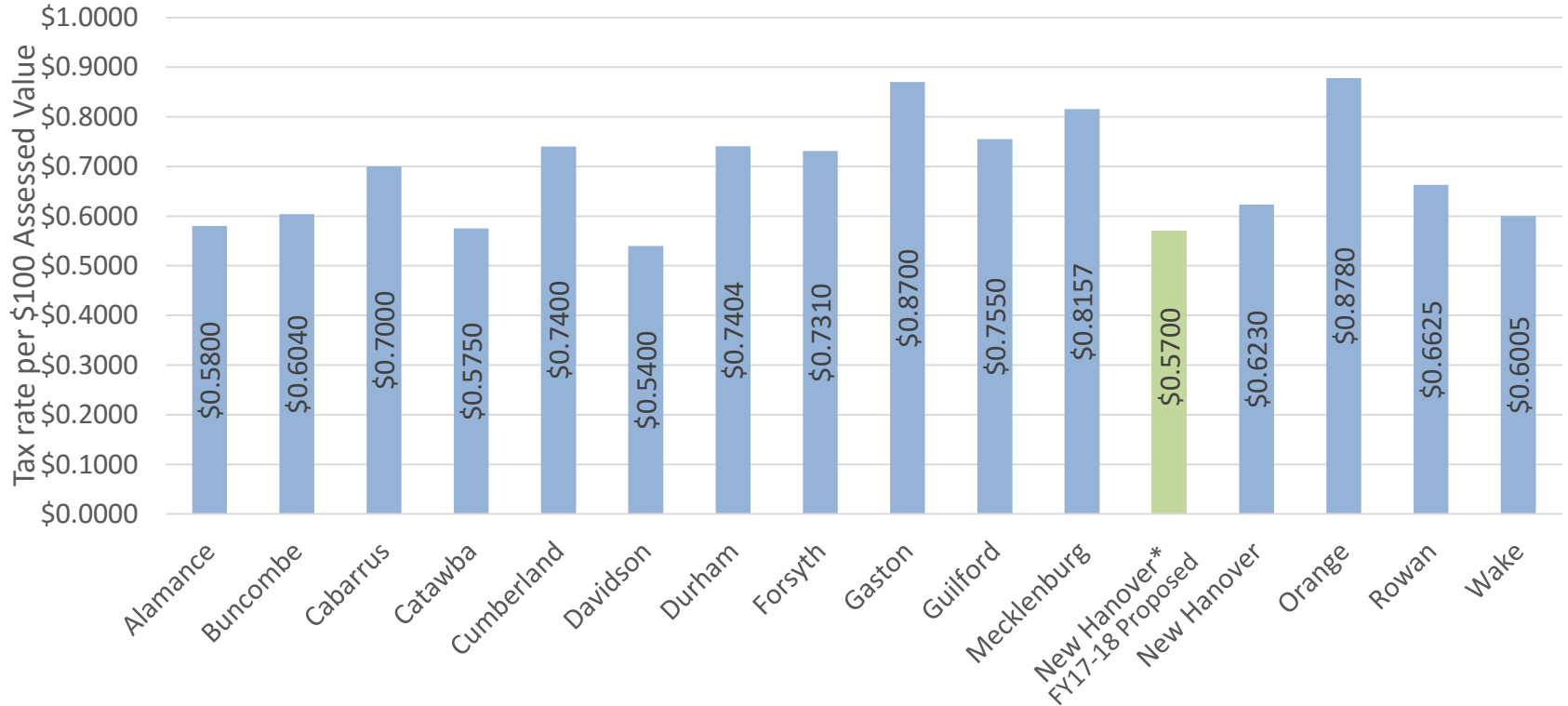


Fund Balance Policy

- Amount Recommended for FY17-18: \$5.2MM
- Estimated unassigned Fund Balance, assuming that level of appropriation, is projected to be slightly above 21%
- Based on Recommended Budget and proposed policy changes, staff projects funds will be available for capital needs in FY19



FY16-17 Tax Rate – Urban Counties

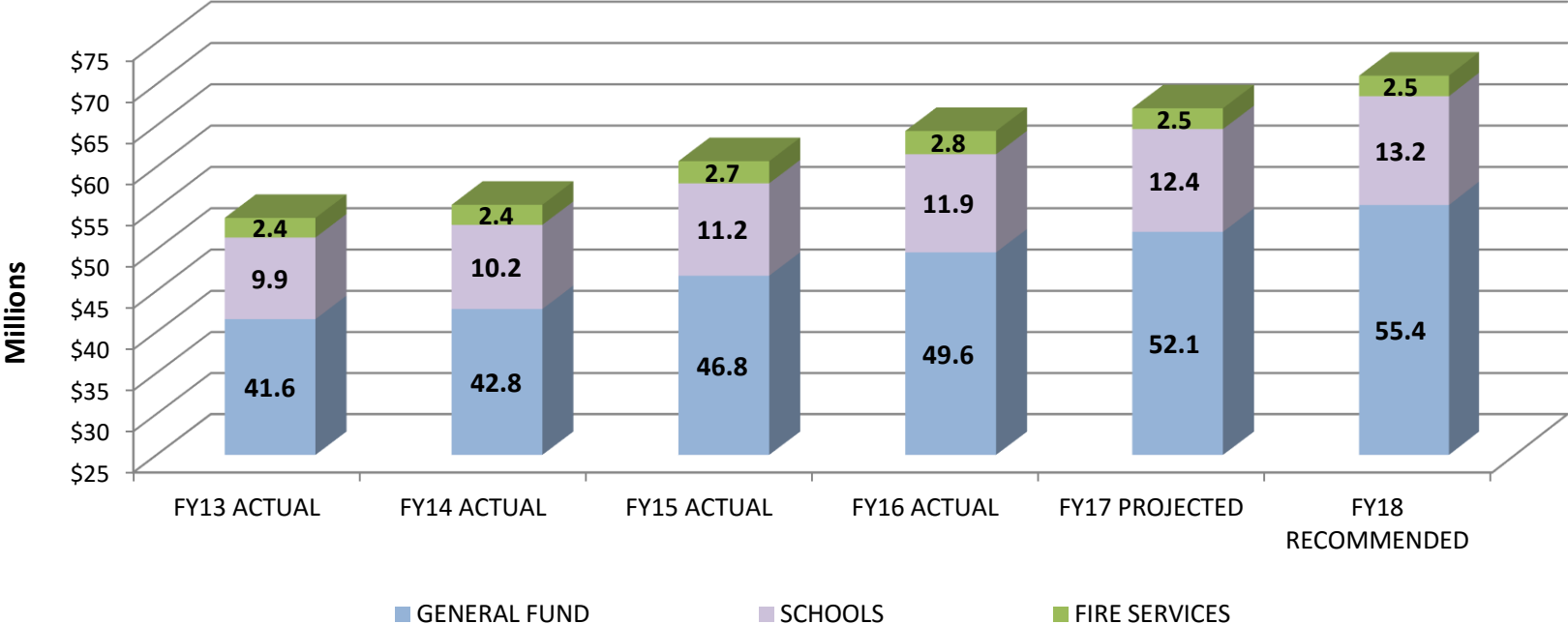


General Fund Revenue Picture

- Assessed Tax Base of \$33.369 billion
- Assumes 99% collection rate
- Sales tax is estimated to increase 8.2% over FY16-17 budget; 5% over expected collections
- Budgets \$5.2 million in Appropriated Fund Balance



NHC Sales Tax Revenue Growth



Budget Growth & Drivers

Key drivers of budget growth to the General Fund include:

- Investments in public safety
- Investments in public education
- Investments in economic development
- Addressing deferred capital replacement



Superior Public Safety

Continues to fund prevention and intervention programs for at-risk youth:

- Maintain expanded prevention programs at Youth Empowerment Services (*Double the Impact*)
- \$128K for direct services programs to at-risk youth (Teen Court, Communities in Schools, Dreams, First Tee, Kids Making It, WRAAP, and One Love Tennis)
- \$25,000 for the Blue Ribbon Commission on Youth Violence



Superior Public Safety

Recommends \$265K to LINC, Inc. to expand the jail diversion program

Recommends new personnel in the Sheriff's Office:

- 1 ELEMENTS -Youth Violence Intervention Specialist
- 1 Crime Specialist
- 4 School Resource Officers



Superior Public Education

1. New Hanover County Schools

- Current expense - \$74.6 million: \$1.7 million increase
 - \$2,670 per pupil plus Pre-K expansion
- Capital - \$2.0 million
- Debt - \$23.1 million

2. Cape Fear Community College

- Operating – \$10.8 million (same as FY17 allocation)
- Debt - \$17.1 million
- Capital - \$0



Economic Development

- \$160K economic development investments (includes capacity for \$60K Castle Hayne PER)
- \$406K (WBD, WDI, SEDC, FTPC, Film Commission)
- \$75K to continue Choose Cape Fear marketing and recruitment efforts through June 30th



Economic Development

- \$745K Economic Incentive Payments for PPD, GE, Castle Branch, Fortron, Live Oak, & Alcami
- \$525K for first of three payments to pay for 421 water & sewer
- \$50K for Phase 2 Project Grace and environmental study
- \$40K for Blue Clay Road Market Study / Analysis



Fire Service District

- Revenues
 - Ad valorem tax rate of 8.5 cents
 - As taxing district, expected to maintain 8% unrestricted fund balance
- Capital
 - \$659K Engine replacement and \$943K SCBA replacements funded by loan proceeds
 - \$21K continued fire hydrant installation
 - \$199K radio replacements



Environmental Management

- Tip Fee
 - Reduced to \$48 / ton from \$50 / ton (4th consecutive year tip fee reduced)
- \$48 tip fee allows the county to:
 - Fund operating obligations and reserves
 - Maintain unrestricted fund balance of at least 8%



Environmental Management

- Fund \$1.8 million for capital outlay for purchase of a wood grinder, recurring capital expenditures, and replacement of heavy equipment
- \$1.16 million toward closure/post closure reserve annually
- \$250,000 toward capital reserve annually
- Fund projected capital projects through FY19-20
 - \$5.0 million in FY17-18



Effective County Management: The Model of Good Governance

1. 4 percent market / merit pool
 - Greater of \$1,200 or 2.5% increase to FT eligible employees for market
 - 1.5% merit pool with a range of potential merit awards
2. 10 new positions:
 - General Fund – 8
 - Environmental Management – 2



Capital Planning

1. Five year Capital Improvement Plan

- FY17-18 \$29.1 million for CIP; \$4.0 million funded by General Fund revenues

2. Capital Outlay

- FY17-18 \$8.0 million for capital outlay
- \$4.5 million funded via fund General Fund revenues



Next Steps

1. Identify possible work session(s)
 - Recommend Thursday, May 11
 - Consider other sessions linked to agenda review
2. Public hearings June 5
 - Budget
 - Economic Development
3. Adoption June 19



Questions . . .

