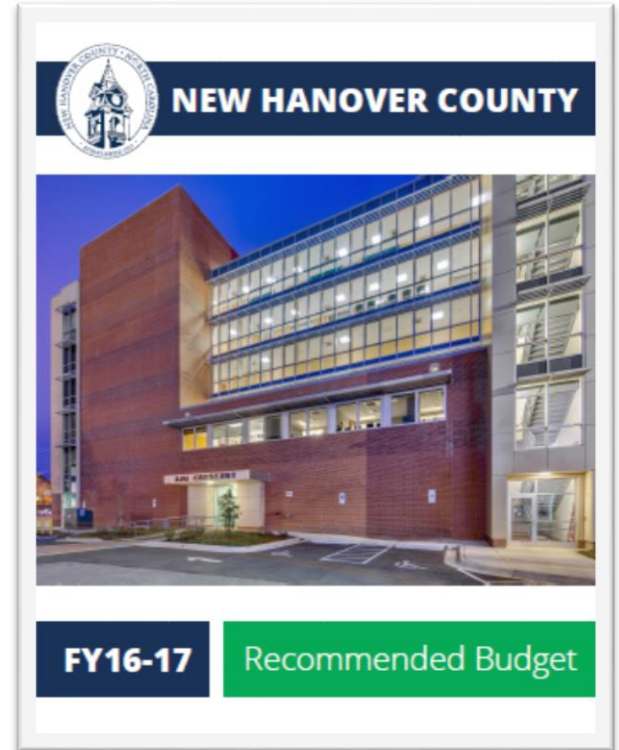


# Presentation of the FY16-17 Recommended Budget

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County Manager



County Manager's Office  
New Hanover County

May 2, 2016

Slide 1



# Budget Themes

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



# Recommended Budget

## General Fund

- \$317.7 million
- 3.0% increase from FY15-16 revised budget

## Fire Services

- \$13.2 million
- 5.2% decrease from the FY15-16 revised budget

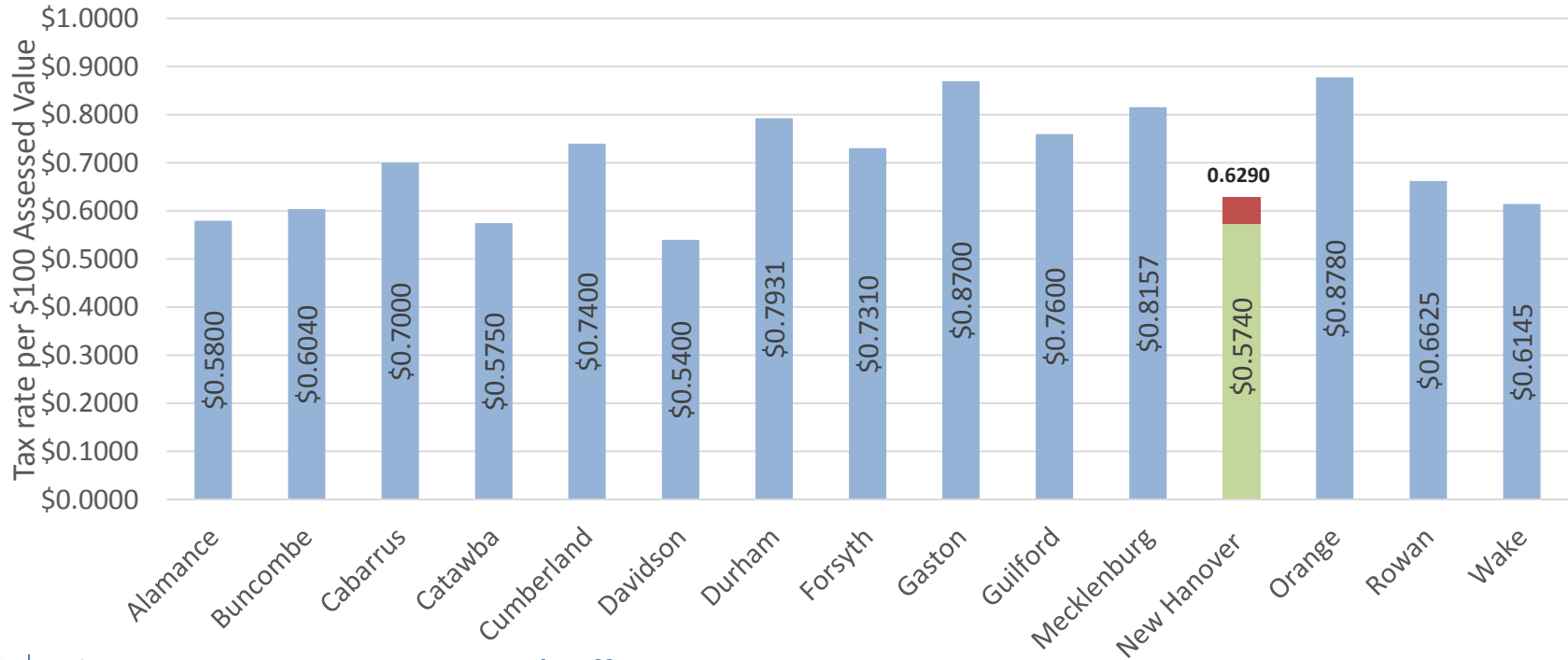
## Environmental Management

- \$15.5 million
- 11.9% increase from the FY15-16 revised budget





# FY15-16 Tax Rate – Urban Counties



# Economic Conditions

Local economy continues to show signs of recovery:

- Register of Deeds' collections are up 5.7%
- Unemployment rate dropped to 5.2% as reported in March 2016
- Single family housing starts increased 224 units or 23% to 1,197 in 2015 vs. 2014



# Economic Conditions (continued)

- Population growth is at a slower rate than prior to the recession but growing 1.4%
- Wilmington MSA posted 0.8% growth in jobs
- As of Q3 2015, the average weekly wage in NHC grew by \$19.36 or 2.6% year-over-year



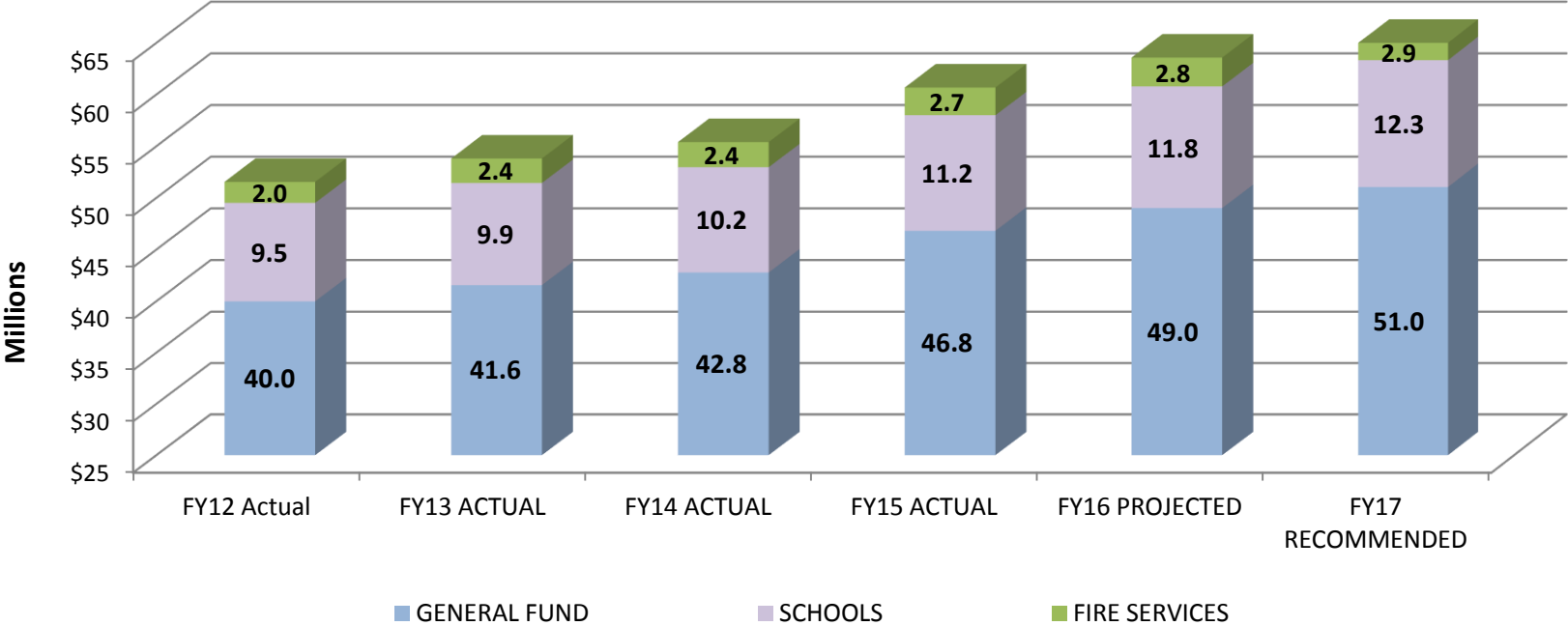
# General Fund Revenue Picture

- Increase in tax base of 1.7%
  - Estimated at \$30.7 billion
- Assumes 98.6% collection rate
- Sales tax is estimated to increase 1.7% over FY15-16 budget; 4% over expected collections
- No use of Appropriated Fund Balance





# NHC Sales Tax Revenue Growth



# Budget Growth & Drivers

Overall, the General Fund increases 3% vs. current year revised budget; but total NHC budget (all funds) is flat.

Key drivers of budget growth to the General Fund include:

- Voter approved debt service increases
- Operating and capital expenditures for public education
- Operating growth in public safety



# 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*)
- \$89,000 for direct services programs to at-risk youth (Communities in Schools , Dreams, Kids Making It, WRAAP, and One Love Tennis)
- \$25,000 for the Blue Ribbon Commission on Youth Violence



# Superior Public Safety

Recommends new additional resources at the Sheriff's Office:

- Detectives and intervention specialists with the Gang Task Force and creation of ELEMENTS - Youth Violence Intervention Program
- Additional detectives to staff Opioid Task Force
- 8 detention officers to address the safety and security in the detention center facility



# Superior Public Safety

## Capital Improvement Projects (CIP):

- \$440,142 in General Fund dollars to develop a back-up 911 center (statutory mandate)
- \$1.3 million in General Fund and \$454,200 of 911 Surcharge funds to upgrade the 800 MHz radio software



# Superior Public Education

## 1. New Hanover County Schools

- Current expense - \$74.0 million: \$3.3 million increase
- Capital - \$3.0 million
- Debt - \$22.8 million: \$2.8 million increase
- \$100,000 to Coastal Horizons / Wilmington Health Access for Teens for 4<sup>th</sup> high school-based health clinic (Hoggard)

## 2. Cape Fear Community College

- Operating - \$10.4 million (same as FY16 allocation)
- Debt - \$17.6 million: \$2.7 million increase



# Early Childhood Preparedness

- \$4.4 million in Capital Improvement Plan funded by loan proceeds for replacement of Myrtle Grove Library
- Continue support and expansion of early literacy program to every NC-Pre-K class in NHC: Every Child Ready to Read
- Continue \$448,000 for County childcare subsidy



# Economic Development

- \$100K economic development investments
- \$438K (WBD, WDI, SEDC, SEDP, Film Commission)
  - \$50,000 above contract amount for Wilmington Business Development
- \$20,000 for the third of a three year commitment to the Southeastern Partnership for the three County micromarketing alliances





# Economic Development

- \$745K Economic Incentive Payments for PPD, GE, Castle Branch, Fortron, Live Oak, and AAI Pharma
- Capital Improvement Projects
  - FY17 includes \$14.6 MM for 421 water & sewer construction funded via ConnectNC or loan



# Fire Service District

- Revenues
  - Ad valorem tax rate of \$0.07
- Capital
  - \$254,000 Tender Replacement funded by loan proceeds
  - \$10,000 continued fire hydrant installation
  - \$4.6 million Ogden Fire Station replacement funded through loan proceeds



# Environmental Management

- Tip Fee
  - Reduced to \$50 / ton from \$52 / ton, a 3.8% reduction (3<sup>rd</sup> consecutive year tip fee reduced)
  - Will remain at \$50 per ton through FY18-19
- \$50 tip fee allows the county to:
  - Fund operating obligations
  - Maintain unrestricted fund balance of at least 8%



# Environmental Management

- Fund capital outlay for composting pilot program 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 FY18-19
  - \$3.5 million in FY16-17



# Effective County Management: The Model of Good Governance

1. 2 percent market/merit
  - \$600 increase to FT eligible employees for market
  - merit pool with a range of potential merit awards
2. 39 positions to right-size operations:
  - General Fund – 37
  - Fire Services District -1
  - Environmental Management – 1



# Capital Planning

## 1. Five year Capital Improvement Plan

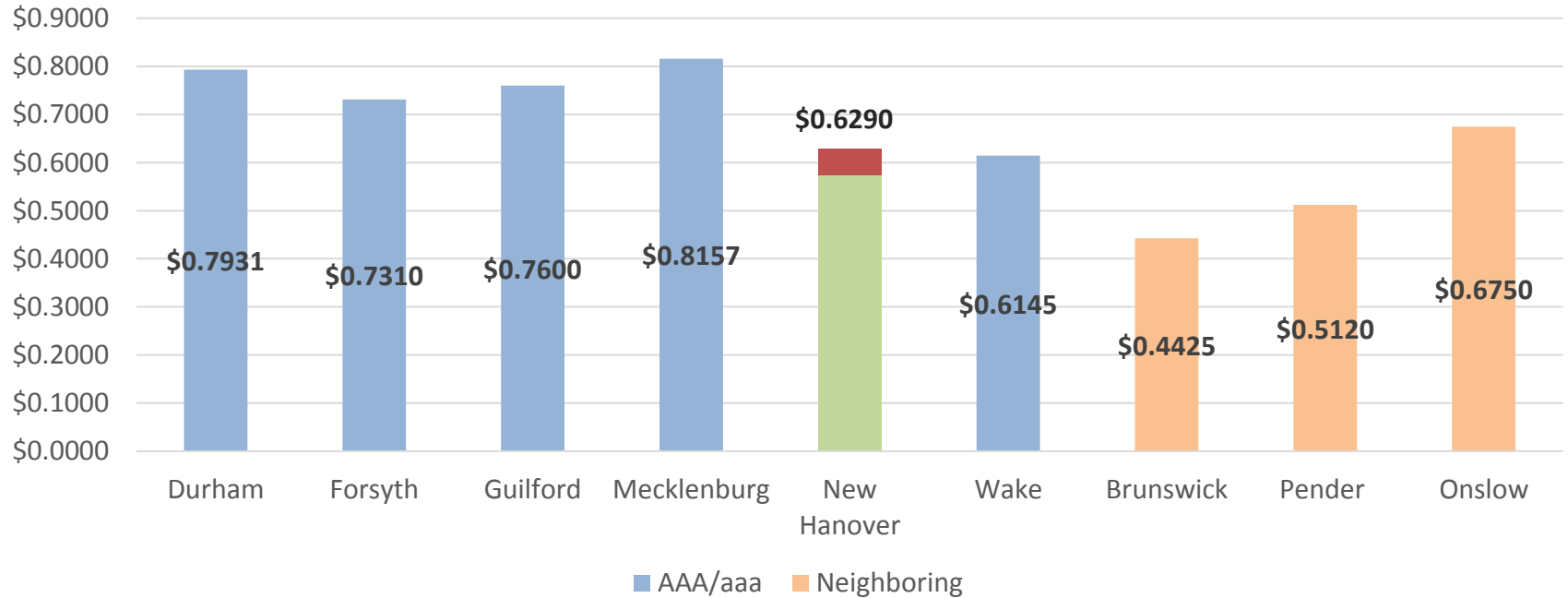
- FY16-17 \$31.4 million for CIP; \$3.3 million funded by General Fund revenues

## 2. Capital Outlay

- FY16-17 \$2.0 million for capital outlay
- Funded via fund General Fund revenues



# FY15-16 Comparative Tax Rates



# Next Steps

1. Identify possible work sessions
2. Public hearings June 6
3. Adoption June 20 or 27





# Questions . . .

