



FY 23-24 Recommended Budget

Advancing the
Board of Commissioners'
priorities through strategic
investments and fiscal
discipline





Recommended Budget Framework

- 1. Priorities set by the Board through its adopted strategic plan and board actions**
 - Superior Education & Workforce
 - Intelligent Growth & Economic Development
 - Superior Public Health & Safety
 - Community and Social Equity
 - Good Governance

- 2. Revenue parameters set by the Board through plan and policy**
 - Minimize impact on taxes and fees
 - Maintain fund balance position within policy goal of 18-21%
 - Ensure good stewardship of Revenue Stabilization fund



Spending Recommendations for Major Funds

Fund	Recommended
All Funds	\$ 590.8M
General Fund	\$ 444M
Fire Rescue	\$ 36.2M
Stormwater Services	\$ 4.9M
Recycling & Solid Waste	\$ 25.5M



Tax Rates - No Change

- General Fund Tax Rate 43.1 cents dedicated to the General Fund
 - 2.4 cents dedicated to the Debt Service Fund

Proposed FY24 Rate: 45.5 cents

- Fire Services
 - No change from FY 22-23 adopted rate

Proposed FY24 Rate: 7.25 cents



Fees - No Change

- Stormwater Services
 - 4th year of service in unincorporated county
 - 2nd year full fee charged to residents

Proposed FY24 Fee: \$5.65/ERU/month

- Recycling & Solid Waste
 - \$2 surcharge for State of NC
 - \$2 surcharge for interfund loan payback

Proposed FY24 Fee: \$52/ton



General Fund Revenues

- **Ad valorem: \$229.2 million**
 - Tax base: \$50.6 billion (3.55% increase)
 - Ad valorem rate of 45.5 cents (\$0.431 General Fund, \$0.024 Debt Service Fund)
 - Value of penny: \$5,036,969
- **Sales taxes: \$116.2 million**
 - Assumes no growth over FY23 year-end estimates, compares to 6.5% growth over FY22 year-end projection for FY23 adoption
 - Currently collected 8.2% over FY23 budget estimates
- **Fund Balance: \$5.8 million**
 - Uses a portion reserved for future capital project and capital outlay, above the 21% policy limit
 - All uses are one time money for one-time or time limited expenses

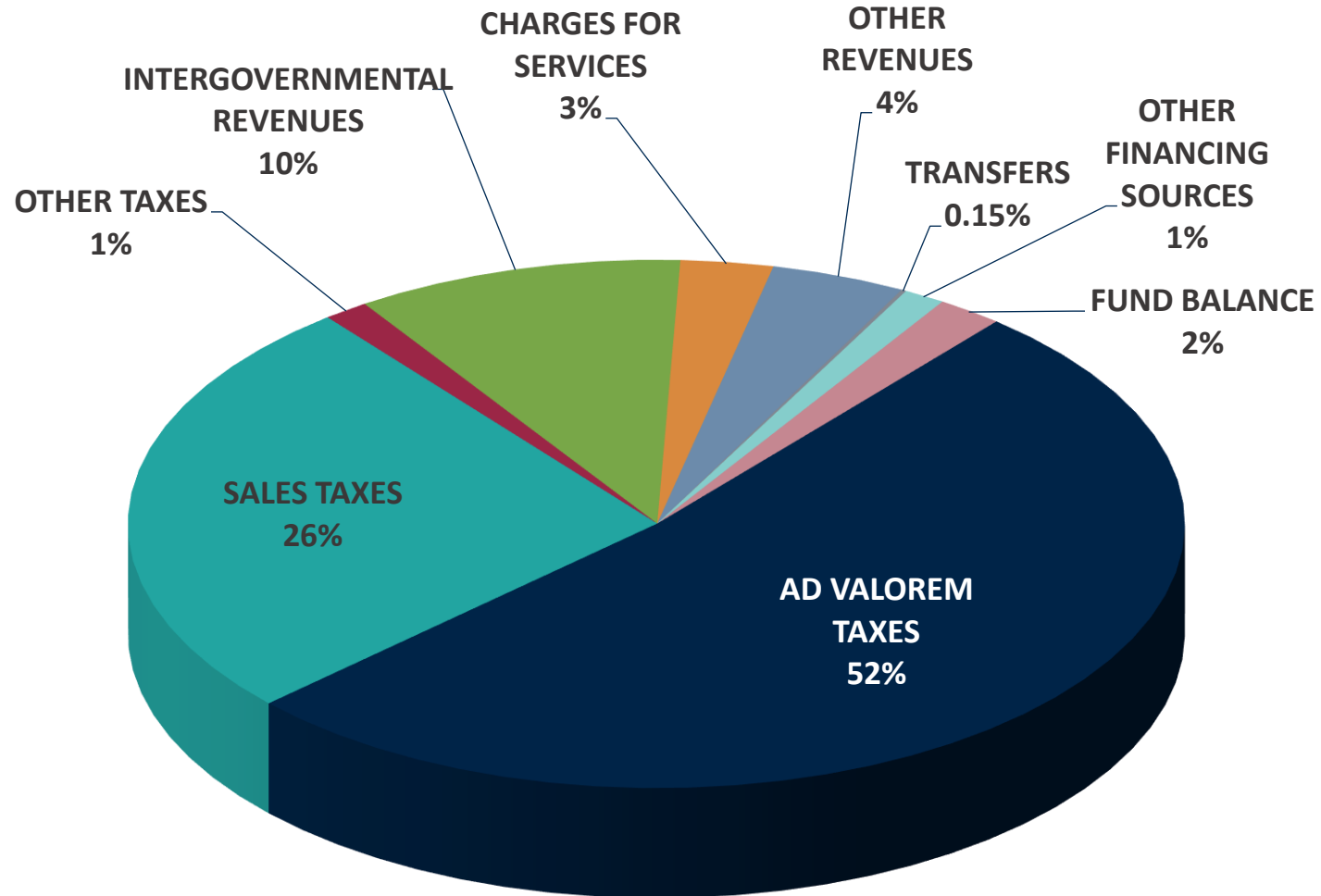


General Fund Revenues

- **Mental Health and Substance Use Fund: \$5.3 million (Initial Spend - Consistent with Board-Approved Strategy)**
 - Interest: \$2.1 million
 - Principal: \$3.2 million
- **Revenue Stabilization Fund: \$9.9 million (all interest)**
 - \$6.5 million (community building)
 - \$3.4 million (replace portion of lost revenue from FY23 tax cut)



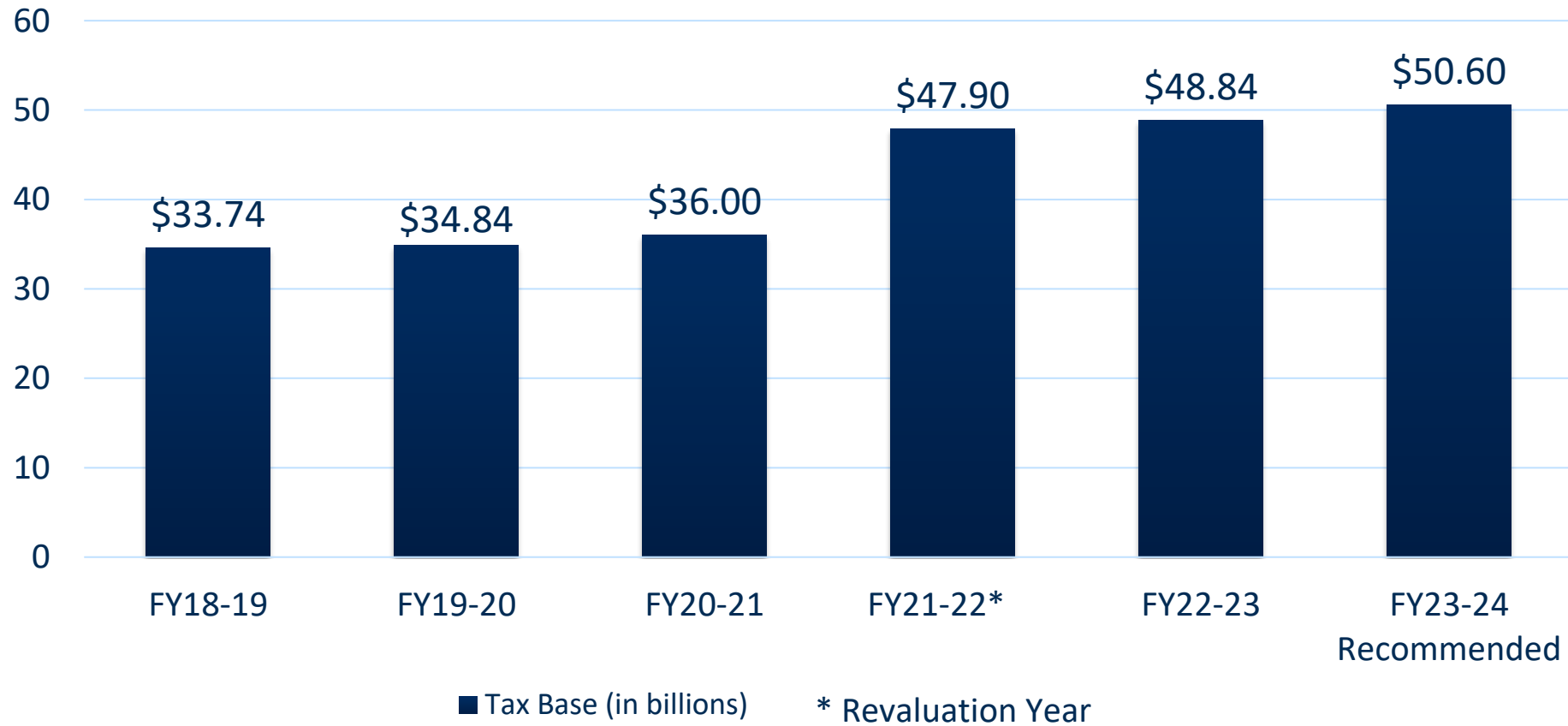
General Fund Revenues





General Fund Revenues

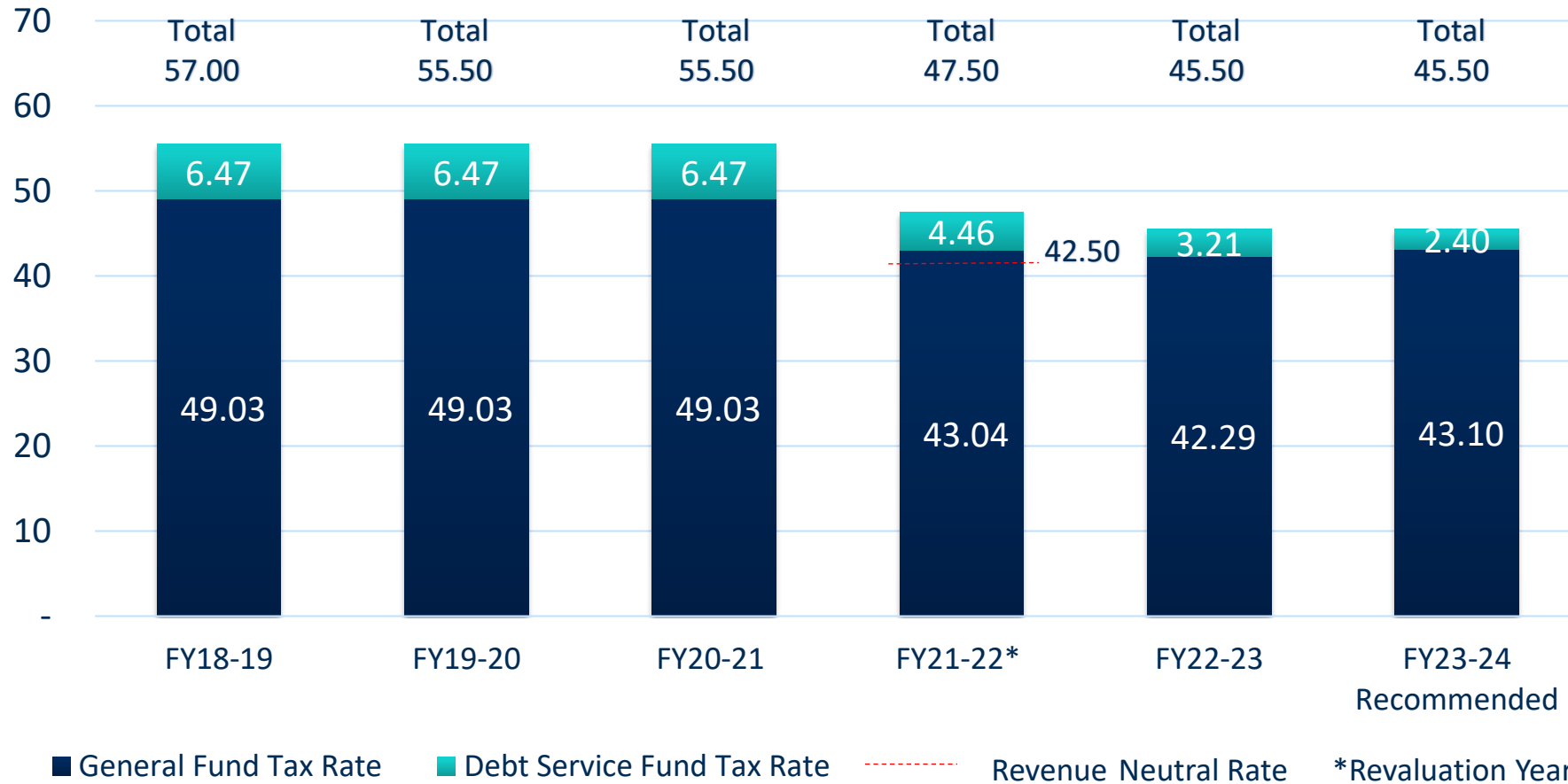
Historical Tax Base





General Fund Revenues

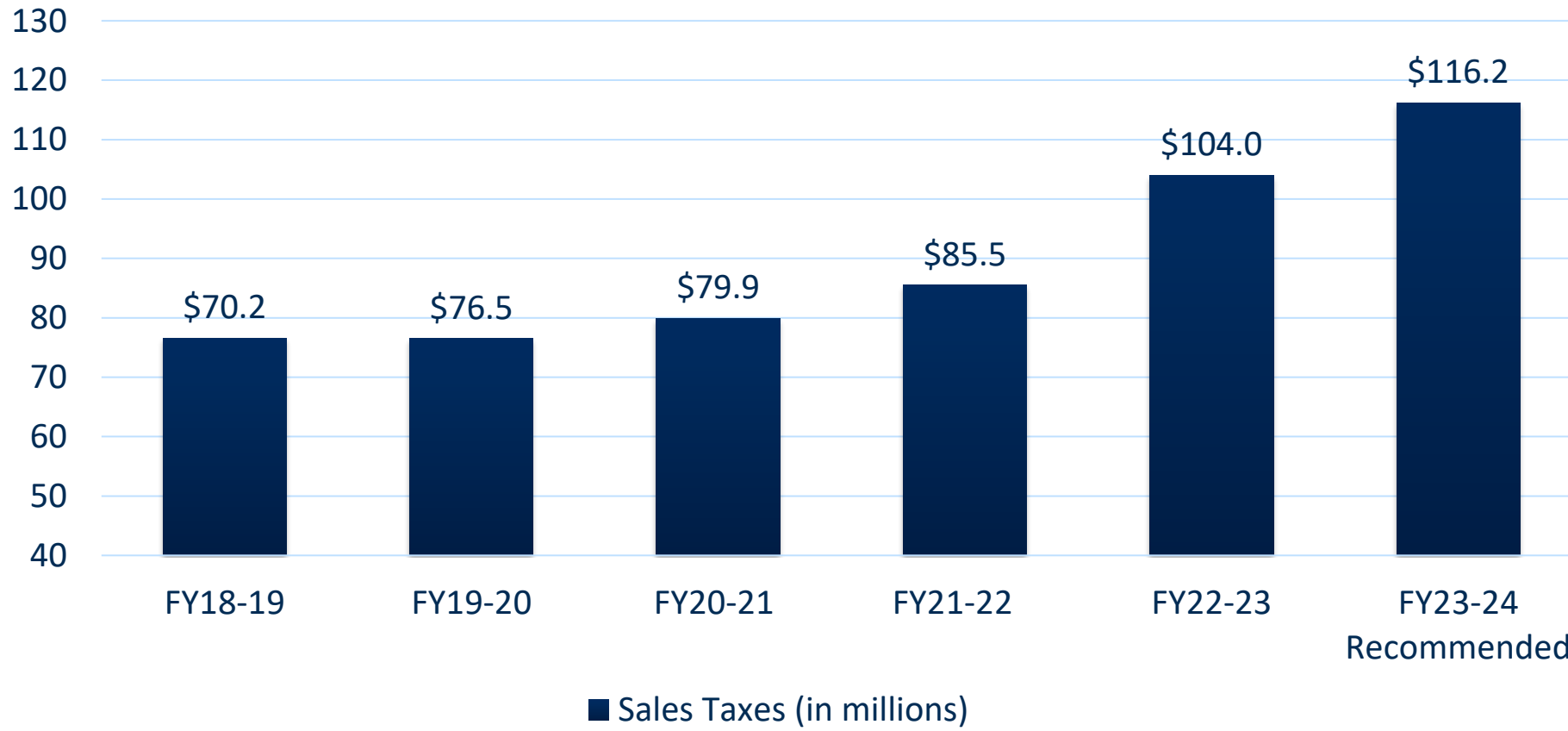
Historical Tax Rates





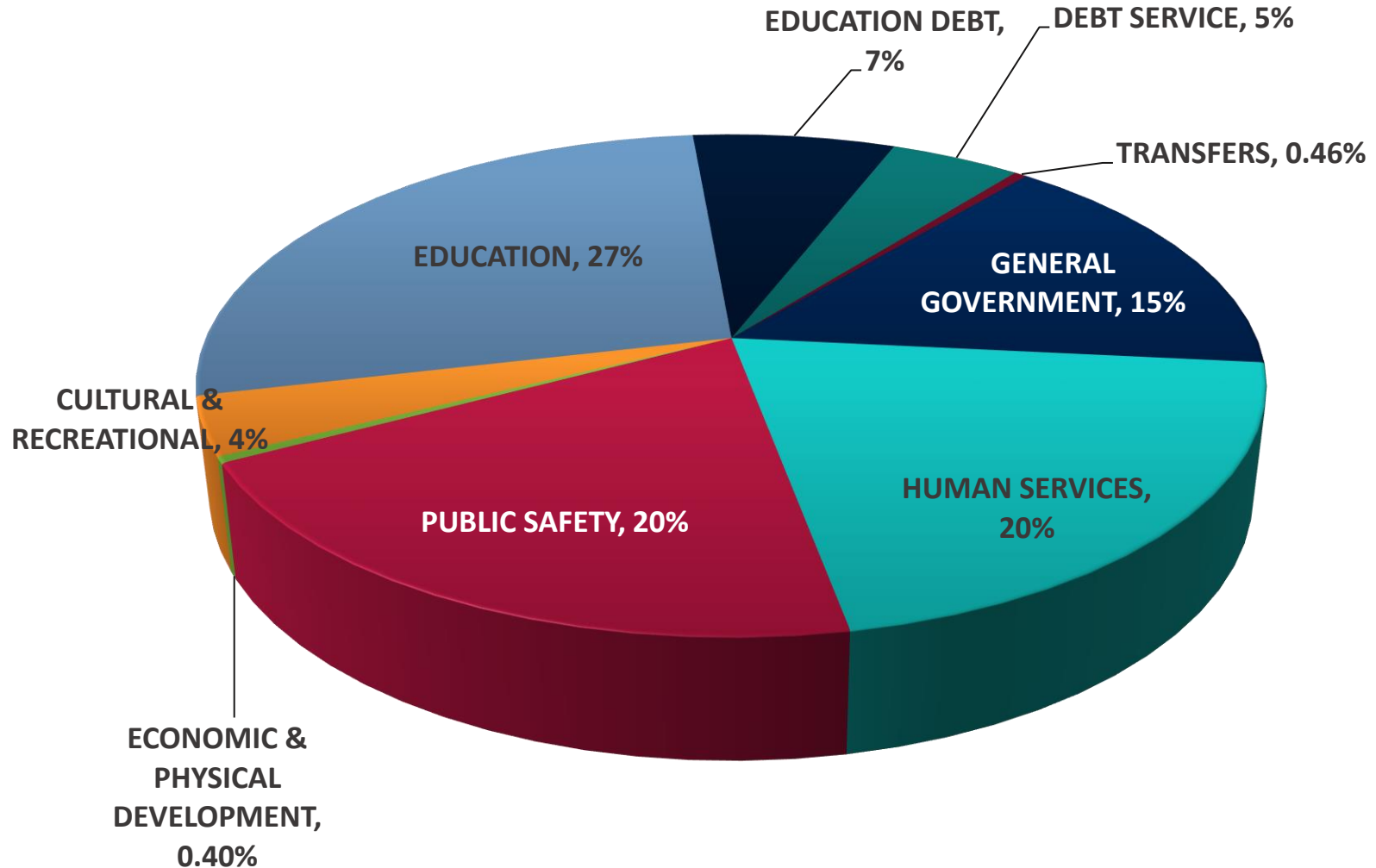
General Fund Revenues

General Fund Sales Taxes





General Fund Expenditures





New Hanover County Schools

	Manager's Recommendation	% Change from FY23
ADM	27,432	3.3%
ADM Rate	\$3,434	---
Operating	\$ 94 million	3.3%
Capital	\$ 10.7 million	128%
Debt	\$ 22.5 million	-3.3%
Pre-K	\$1.9 million	-23%*
Teaching Fellowships	\$ 56,000	---
TOTAL	\$ 129,115,746	6.3%

* One time start-up costs in prior year



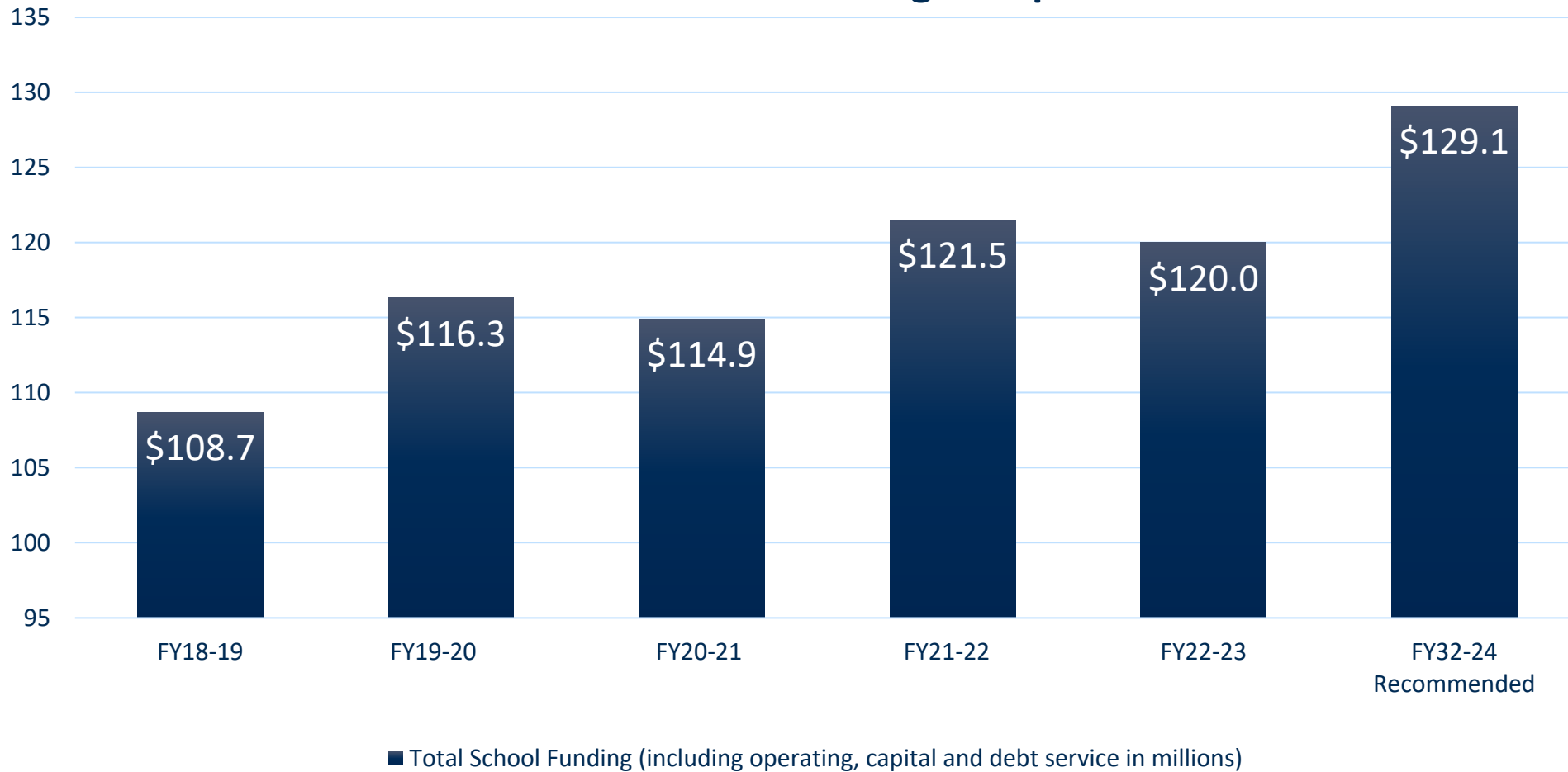
New Hanover County Schools

- Assumes 27,432 students across the traditional k-12 system and charter schools
- **Total Appropriation: \$129.1 million**
- 29.1% of General Fund budget
- Transfers between Purpose/Function of 10% or greater will require Board approval



New Hanover County Schools

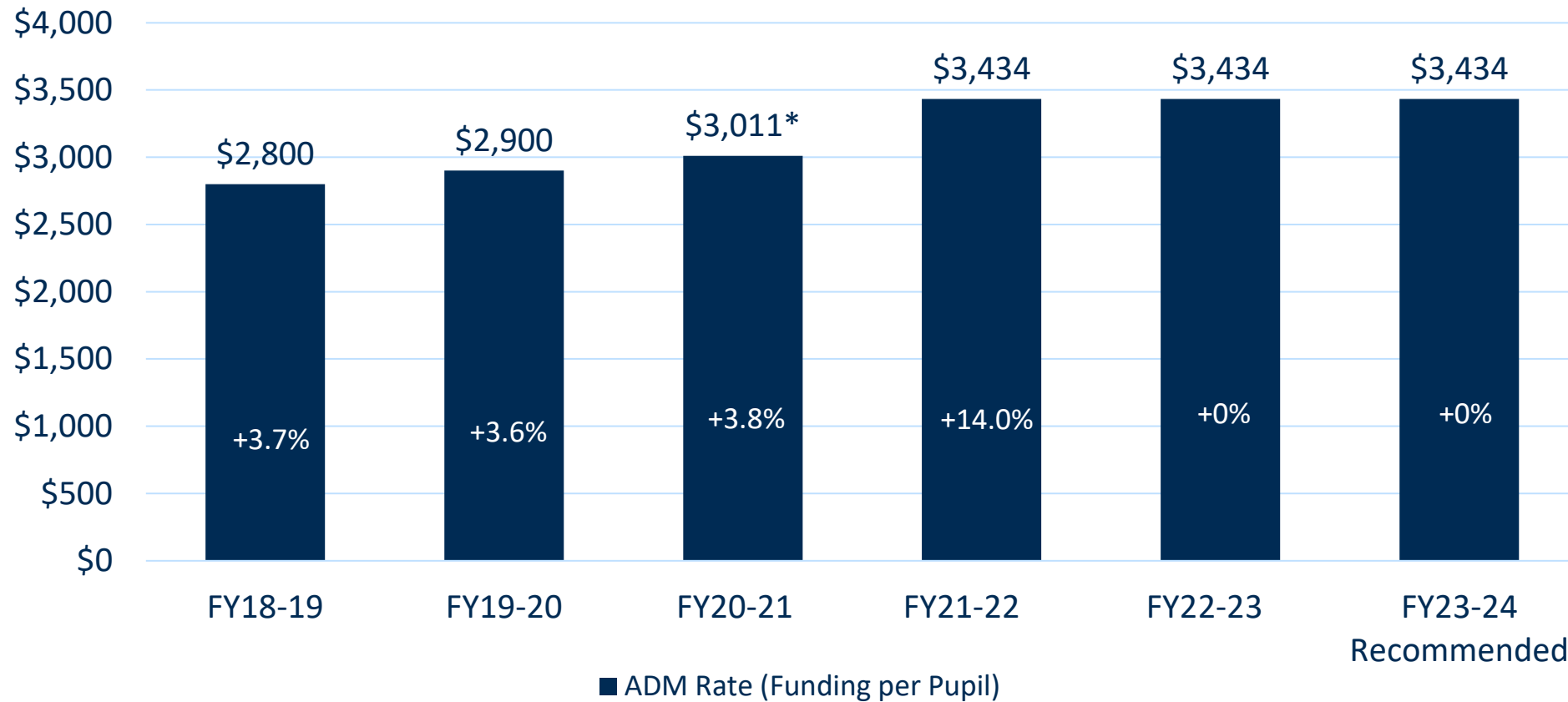
Historical School Funding Comparison





New Hanover County Schools

Historical Funding per Pupil (ADM Rate)



* Includes mid-year bonus



Cape Fear Community College

- **Operating:** \$12.4 million (8.9% increase)
- **Capital:** \$1.9 million (-8.0%)
- **Debt Service:** \$10 million (-3.1%)
- **Total:** \$24.4 million (2.2% increase)



General Fund Strategic Enhancements

Superior Education and Workforce

- Northchase Library Construction - \$8.4 million
- Additional NHCS Capital - \$6 million
- Cape Fear Community College Capital - \$1.9 million + new nursing building purchase & renovations

Good Governance

Technology Advancements - \$1.2 million

- Customer and Professional Services
- Cybersecurity and Ransomware Protection



General Fund Strategic Enhancements

Intelligent Growth and Economic Development

- Various Park Improvements - \$8 million
 - N. and S. College Rd. Trails
 - Smith Creek Park
 - Echo Farms Expansion
 - Gordon Rd. Sidewalk/Trail
 - Trails End Pier/Kayak Launch
 - Ogden Park Playground Replacement



General Fund Strategic Enhancements

Superior Public Health and Safety

Health and Human Services - \$1.3 million

- 17 full-time positions
- Medicaid Expansion
- Mental Health and Substance Use Strategy
- Public Health Professional Services

Public Safety - \$2.7 million

- Range Replacement and Equipment Storage
- 911 Ethernet Conversion
- Emergency Services Communications Coordinator
- Public Safety Technology Supervisor and Professional Services



Non-County Agencies

- **Social Impact Funding**
 - Ending FY23
- **Vendor Status**
 - One (1) program transitioned to vendor status in FY23, \$13,500
- **Non-County Agencies – Human Services**

FY24	Amount
Funding Allocation	\$1,500,000
Requests from Agencies	\$2,542,008
Committee Recommendation	\$1,474,442
38 agencies applied for funding across 42 programs	



Economic Development Agencies

- \$197,652 for year three of a three-year plan to the Greater Wilmington Chamber of Commerce for business retention, expansion and recruitment
- \$292,782 for Wilmington Business Development
- \$100,000 for Wilmington Downtown Inc.
- \$154,752 for the Wilmington Regional Film Commission
- \$100,000 for the Arts Council of Wilmington and New Hanover County



Recycling and Solid Waste Fund

REVENUES

- **\$52 per ton tipping fee** (includes \$2 state surcharge) - No increase
 - \$48 per ton from FY17-18 to FY21-22
 - FY23 - \$2 to repay General Fund loan + \$2 new litter program

EXPENSES

- **Total Budget: \$25.5 million**
 - Capital projects: \$8 million
 - Capital outlay: \$2.3 million (vehicle and equipment replacements)



Fire Services District Fund

REVENUES

- Recommended Tax Rate: No change
 - 7.25 cents per \$100 of value

EXPENSES

- **Total Budget:** \$36.2 million
- Capital Projects: \$15.5 million
 - Castle Hayne + Gordon Road Fire Station
- Capital Outlay: \$1.5 million (Engine, vehicle replacements and equipment)



Stormwater Services

REVENUES

- **Annual \$67.80 Stormwater Fee** - (\$5.65 / equivalent residential unit / month)
 - No Change in fee

EXPENSES

- **Total Budget:** \$4.9 million
 - Capital Outlay: \$1.3 million (equipment and other improvements)

4th year of stormwater program in unincorporated county

2nd year of full fee charged to residents



Community Building Initiative

- Funding plan initially adopted January 2022
- FY24 - 2nd full year of operations
- 13 Programs/Initiatives across four priorities
- \$11.8 million spending plan
- Funding Sources
 - ARPA Funds - \$3.9 million
 - Escrow Funds - \$6.5 million (interest only)
 - Fund Balance - \$1.4 million



Community Building Initiative

Wrap-around Services	Recommended	Funding
Elements	\$801,836	ARPA
Too Good For Violence	\$280,103	ARPA
Port City United	\$1,458,684	ARPA
Impact Zone SROs	\$328,450	Escrow
Community Resource Coordinators	\$1,316,842	ARPA

Community Communication	Recommended	Funding
PCU-Connect	\$1,223,401	Escrow
Legal Aid- Second Chance	351,770	Escrow



Community Building Initiative

Wrap-around Services/ Relationship Building/Elimination of Education Barriers	Recommended	Funding
Pre-K Expansion	\$975,000	Escrow
Non-profit Capacity Building	\$1,226,902	Escrow
Elementary SROs	\$1,241,416	Escrow

Elimination of Education Barriers/At-risk Training and Intervention	Recommended	Funding
Career and Technical Certifications	\$1,012,109	Escrow
Assistant District Attorney	\$140,573	Escrow
Boarding School Capital	\$1,400,000	Fund Balance



Mental Health & Substance Use Disorder Strategy

- Strategy adopted September 2022
- FY24 -1st full year of operations
- 10 Programs/Initiatives across three priorities
- \$9.2 million spending plan
- Funding Sources
 - Opioid Settlement Funds - \$1.5 million
 - Escrow Funds - \$5.3 million
 - Donations/Grants - \$2.4 million



Mental Health & Substance Use Disorder Strategy

Education & Outreach	Funding Stream	FY24 Recommended	Recurring/ One-Time
Crisis Intervention Team (CIT) Training	MH & SUD Fund	25,000	Recurring
D.A.R.E.	Opioid Funds	60,000	One-Time
Outreach & Education - substance abuse focus	Opioid Funds	20,000	Recurring
Outreach & Education - mental health focus	MH & SUD Fund	20,000	Recurring
Public Service Announcement / destigmatization of SUD	Opioid Funds	25,000	Recurring
Public Service Announcement / destigmatization of MH	MH & SUD Fund	25,000	Recurring
Total, Education & Outreach Initiatives		\$ 175,000	



Mental Health & Substance Use Disorder Strategy

Access to Services & Treatment	Funding Stream	FY24 Recommended	Recurring/ One-Time
Clinicians Embedded w/ 911	MH & SUD Fund	533,441	Recurring
Community Outreach Workers (Wilmington Olive Branch - Street Outreach)	MH & SUD Fund	200,000	Recurring
Employee Assistance Program for First Responders	MH & SUD Fund	135,132	Recurring
M-A-T for Detention Center (evidence based)	Opioid Funds	182,000	Recurring
M-A-T for EMS (evidence based)	Opioid Funds	520,000	Recurring
Mental Health Services in Detention Facility (Placeholder for future years)	MH & SUD Fund		Recurring
NHC Naloxone Replacement	Opioid Funds	20,000	Recurring
Robin Hood Road Renovations	MH & SUD Fund	6,100,000	One-Time
WPD Naloxone Replacement	Opioid Funds	14,000	Recurring
Youth Crisis Facility (Placeholder for future years)	MH & SUD Fund		
Total, Access to Services & Treatment		\$ 7,704,573	



Mental Health & Substance Use Disorder Strategy

Sustainable Recovery & Wellbeing	Funding Stream	FY24 Recommended	Recurring/ One-Time
Coastal Horizon Post Overdose Response Team	Opioid Funds	Pending	Recurring
Scholarship opportunities to increase minorities in MH professions	MH & SUD Funds	50,000	Recurring
Employment Related Services for People in Treatment & Recovery	Opioid Funds	40,000	Recurring
Housing Support for People in Mental Health Treatment & Recovery	MH & SUD Funds	250,000	Recurring
Mental Health Outpatient Services for Uninsured	MH & SUD Funds	125,000	Recurring
Opioid Use Disorder Treatment & Meds for Uninsured	Opioid Funds	125,000	Recurring
Psychiatric Fellowship Program (Prescribers w/ priority for minorities)	MH & SUD Funds	210,000	Recurring
Recovery Housing Support for People in Treatment or Recovery / Port Health / Capstone / Stepping Stone	Opioid Funds	250,000	Recurring
Wraparound Support Services for People Transitioning from Opioid Treatment	Opioid Funds	250,000	Recurring
Total, Sustainable Recovery & Wellbeing		\$ 1,300,000	



Personnel Recommendations

- **General Fund:** 25 new full-time positions
 - 5 dedicated to Mental Health and Substance Use Disorder Strategy
- **Stormwater Services:** 1 new full-time position
- **Recycling & Solid Waste:** 3 new full-time positions
- **\$2.5 million salary lag**



FY 23-24 Recommended Budget in Summary

- **General & Debt Service Funds**

- **No change to Property Tax Rate** - FY 24 recommended at assessment rate of 45.5 cents
 - 43.10 cents for the General Fund
 - 2.40 cents for the Debt Fund

- **Fire Rescue**

- **No change** - FY24 recommended at 7.25 cents

- **Recycling & Solid Waste**

- **No change to Tip Fee** - FY24 recommended at \$52/ton

- **Stormwater Services**

- **No change** - \$5.65 per equivalent residential unit (ERU)/month



FY 23-24 Recommended Budget in Summary

- **Doing what we do better**

- Enhancements concentrated on operational performance, personnel enhancements focused on Public Health and Safety

- **Invests in our greatest asset, our people**

- Implementation of third-party pay study recommendations & cost of living adjustment to match CPI

- **Investments for growth**

- Last Frontier infrastructure, North Chase Library, Two Fire Stations

- **Implementation of Mental Health & Substance Use Disorder Strategy**

- The Healing Place, Robin Hood, Multiple Substance Use & Mental Health Programs, Mental Health Clinicians



FY 23-24 Recommended Budget in Summary

- **Continued emphasis on community building**

- \$11.8 million in total - \$1 million for Career & Technical Certification Programs added, \$1.4 million for Boarding School

- **Continued strong support of education**

- NHCS - \$129.1 million (6.3% increase), plus School Resource Officers, School Nurses, Mental Health Therapists and Teacher Incentives
- CFCC - \$24.4 million (2.2% increase), plus \$3.6M in renovations to recent county-purchased building

- **Helping the community/partners**

- Two CFPUA clean water initiatives, Tourism Development Authority, WAVE, Economic Development, Non-County Agency Funding, Capacity Building Grants



FY 23-24 Recommended Budget in Summary - \$590.8M Total Spending

Fund	Recommended
Modified General Fund	\$ 444M
Debt Service	\$ 53.5M
Fire Rescue	\$ 36.2M
Stormwater Services	\$ 4.9M
Recycling & Solid Waste	\$ 25.5M
Community Building	\$ 11.8M
Mental Health and Substance Use Disorders	\$9.2M
Full Capital Improvement Plan	\$ 49.7M



Next Steps

- Public hearing scheduled for Monday, June 5
- Board deliberation and direction to staff
- Budget adoption between Monday, June 5 and Monday, June 19



Discussion - Questions?