

FY16-17 Budget Work Session

Priority Setting

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Agenda

1. Outstanding Debt & Debt Capacity
2. Revenue Discussion
3. Fund Balance
4. Looking Ahead
5. Discussion of Board Priorities
6. Timing & Next Steps

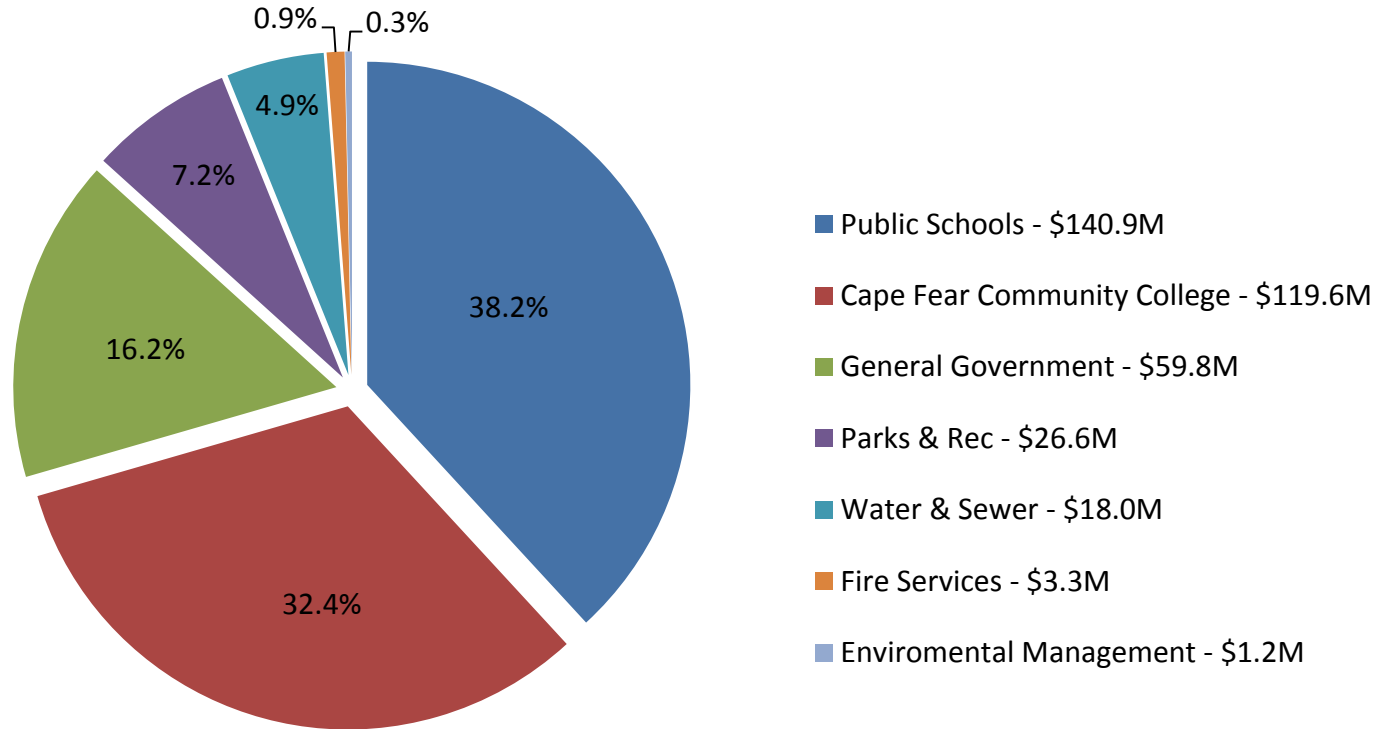


Outstanding Debt – June 30, 2015

	Outstanding Principal
General Fund	\$ 92,761,454
Debt Service Fund	131,170,000
Public Schools Fund	140,931,197
Fire Service Fund	<u>3,281,779</u>
Total Governmental Activities	368,144,430
Total Business-Type Activities	<u>1,235,410</u>
Total Outstanding	\$ 369,379,840



Purpose of Outstanding Debt



Five Year Debt Issuance Pending

- New Hanover County Schools:
 - \$37 million in fiscal year 2018
 - Remaining \$71 million issued through fiscal year 2020
- 421 Water/Sewer:
 - \$12.6 million general fund and \$4.1 million fire services fund
 - Planned issuance fiscal year 2018
- Other planned debt:
 - Ogden Fire Station rebuild and fire service equipment
 - Myrtle Grove Library replacement
- Other possible debt:
 - General obligation bond authorization ask in 2020
 - Various needs for capital asset and projects

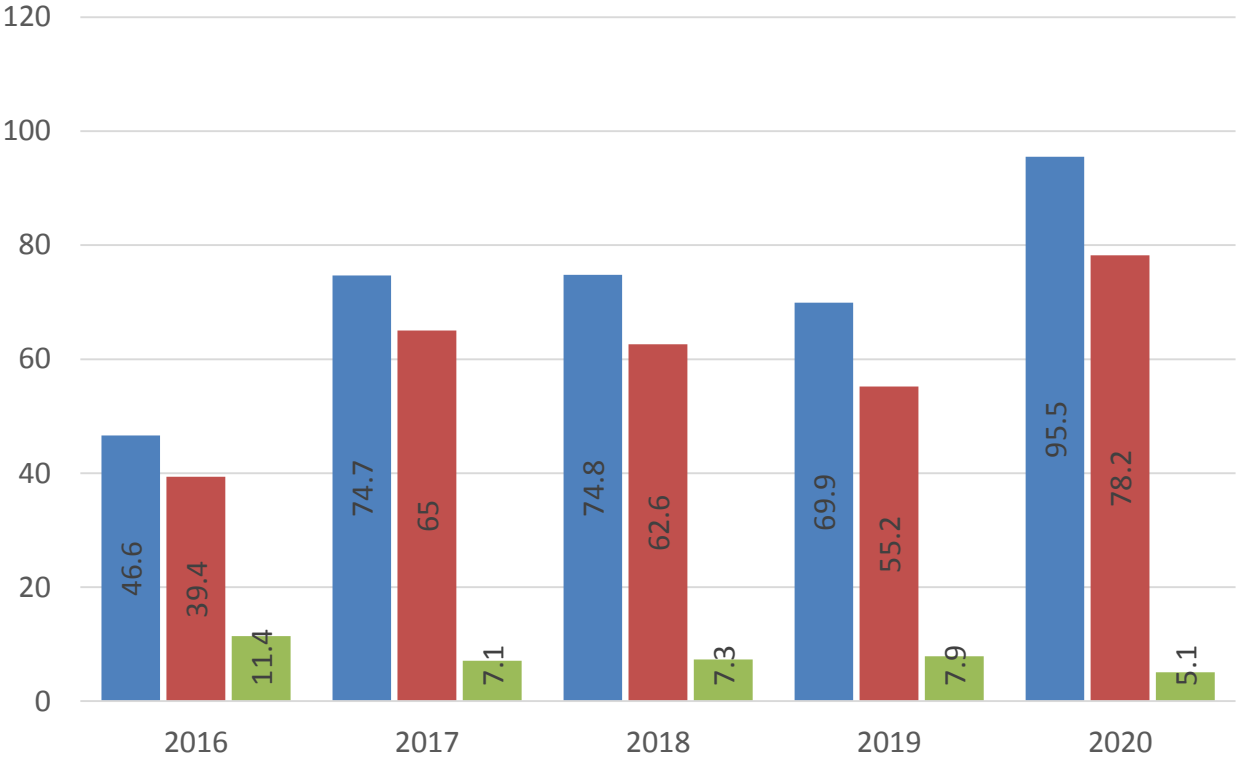


Debt Policy Limits

		Projected				
	NHC Goal	2016	2017	2018	2019	2020
Governmental Debt		438,957,946	415,658,436	420,471,613	430,304,750	409,719,186
Governmental Debt per Capita (\$)	2,200	1,989	1,865	1,868	1,892	1,784
Governmental Debt/Assessed Value (%)	1.60%	1.47%	1.38%	1.39%	1.42%	1.34%
General Fund Debt Service/Operational Expense (%)	20.00%	16.10%	17.60%	17.50%	17.30%	18.30%



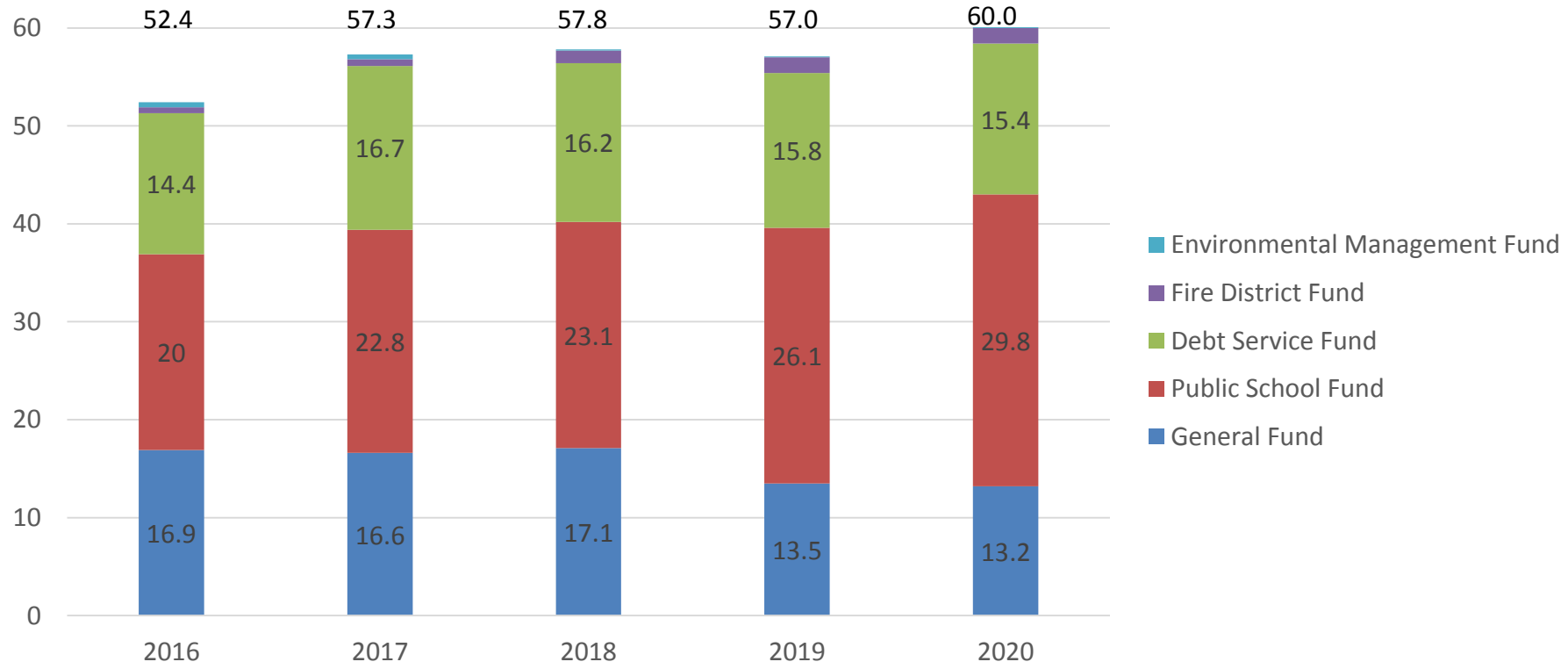
Projected Available Capacity Per Debt Policy (shown in millions)



■ Per Capita Capacity ■ Assessed Value Capacity ■ Debt Service Capacity

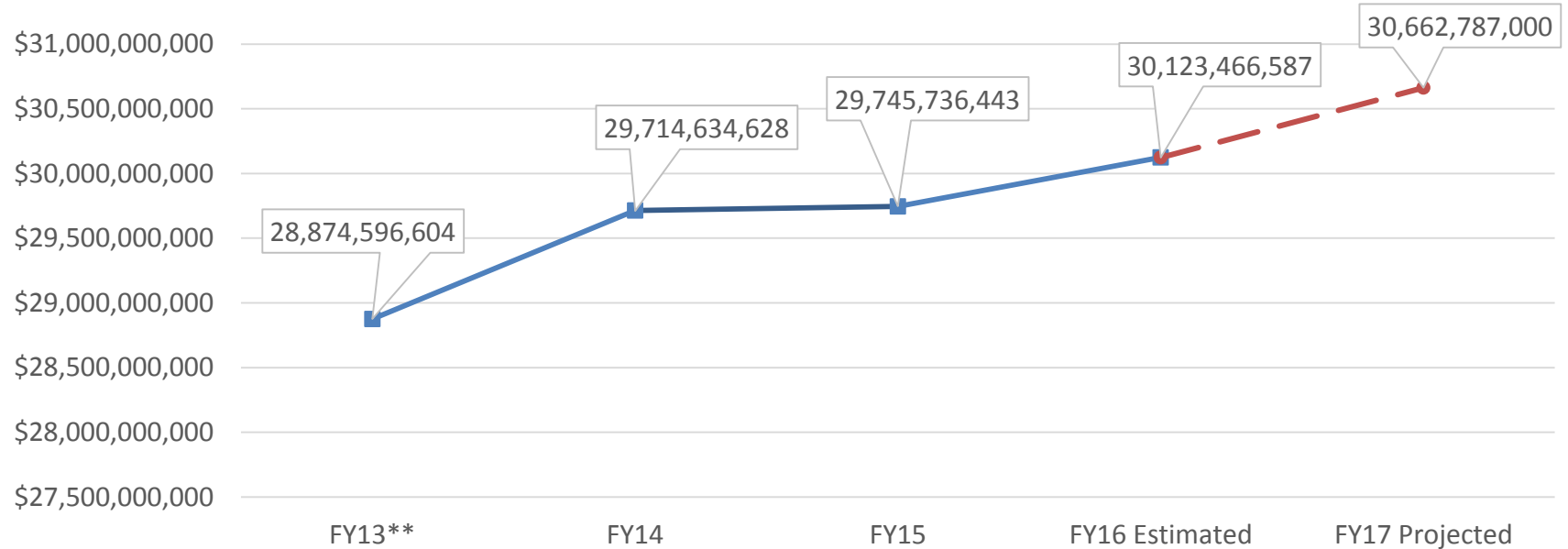


Projected Debt Service (shown in millions)



Assessed Tax Base

NHC Assessed Base



** Revaluation year



Sales Tax – A Quick Refresher

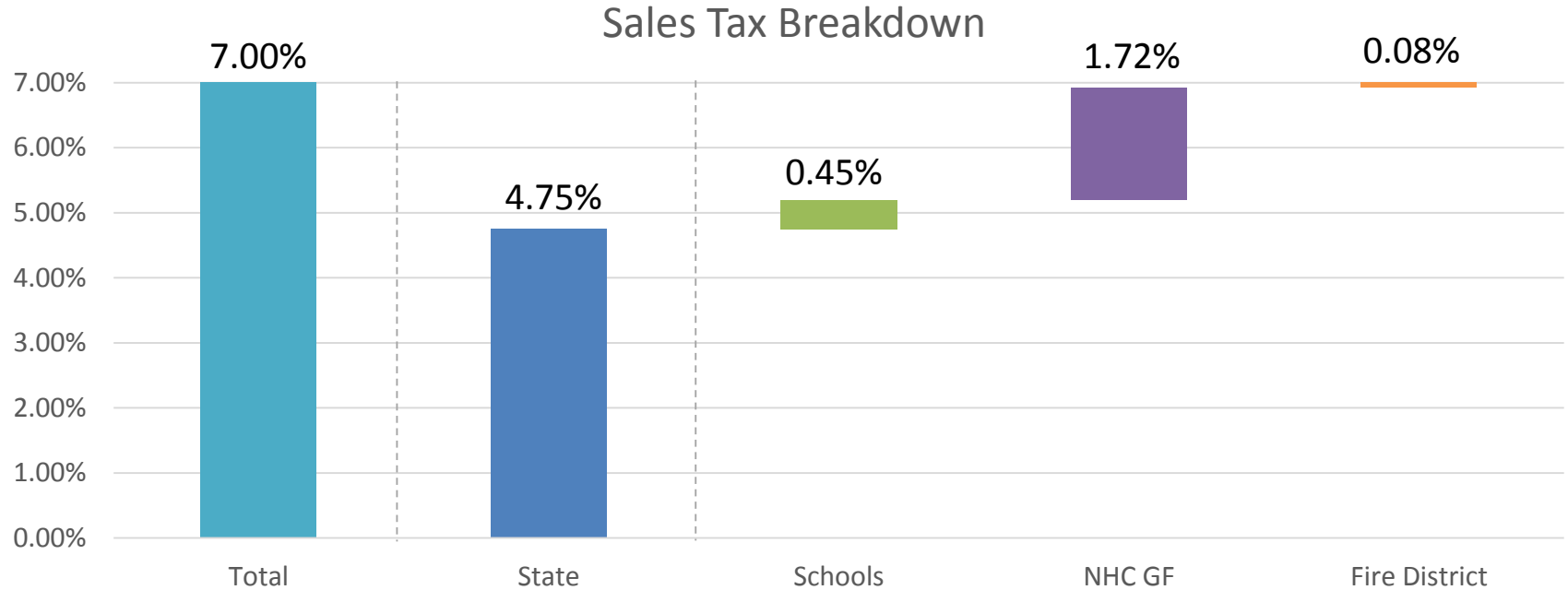
- Sales Tax Distribution Lag

Purchase Made In	Collected by State	Distributed to NHC
December	January	March

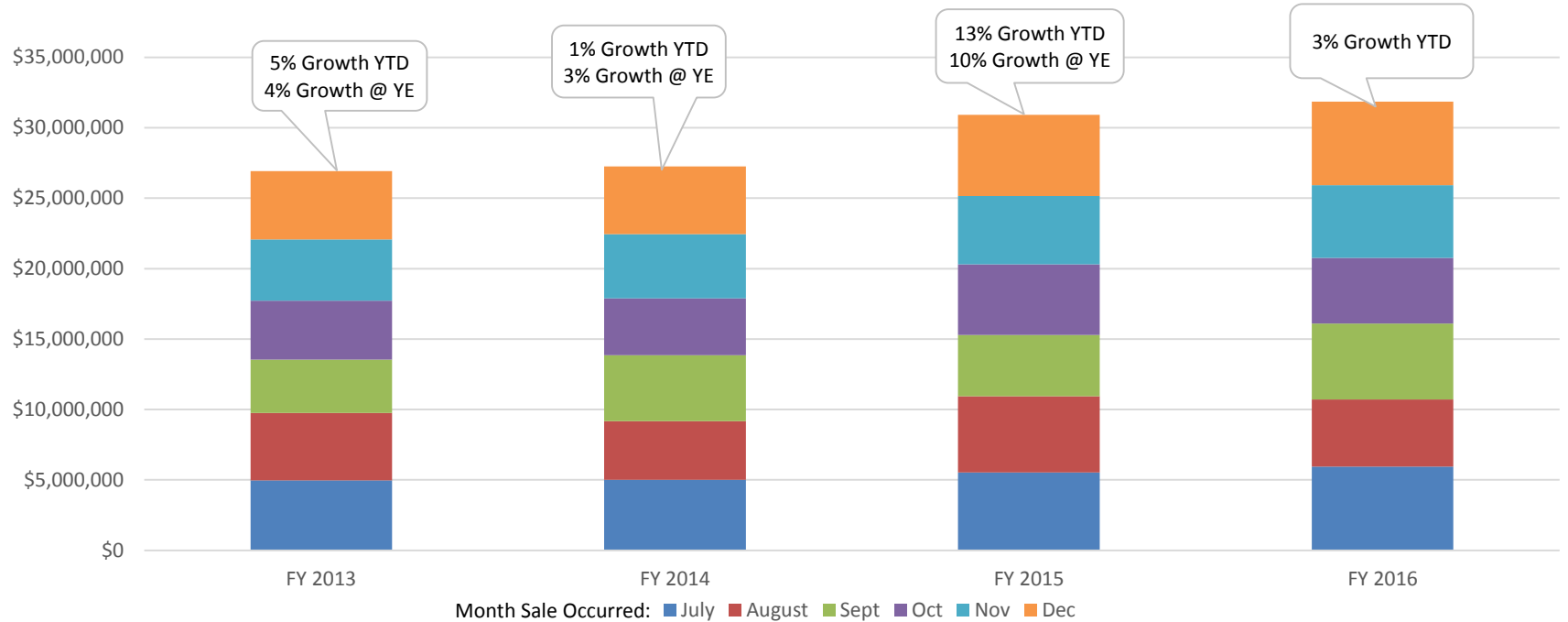
- Modified Sales Tax (Effective 3/1/16)
 - Expanded base to include some services
 - NHC benefit only accrues for Art. 46 (1/4 cent)
- Not all tax collected is returned to NHC



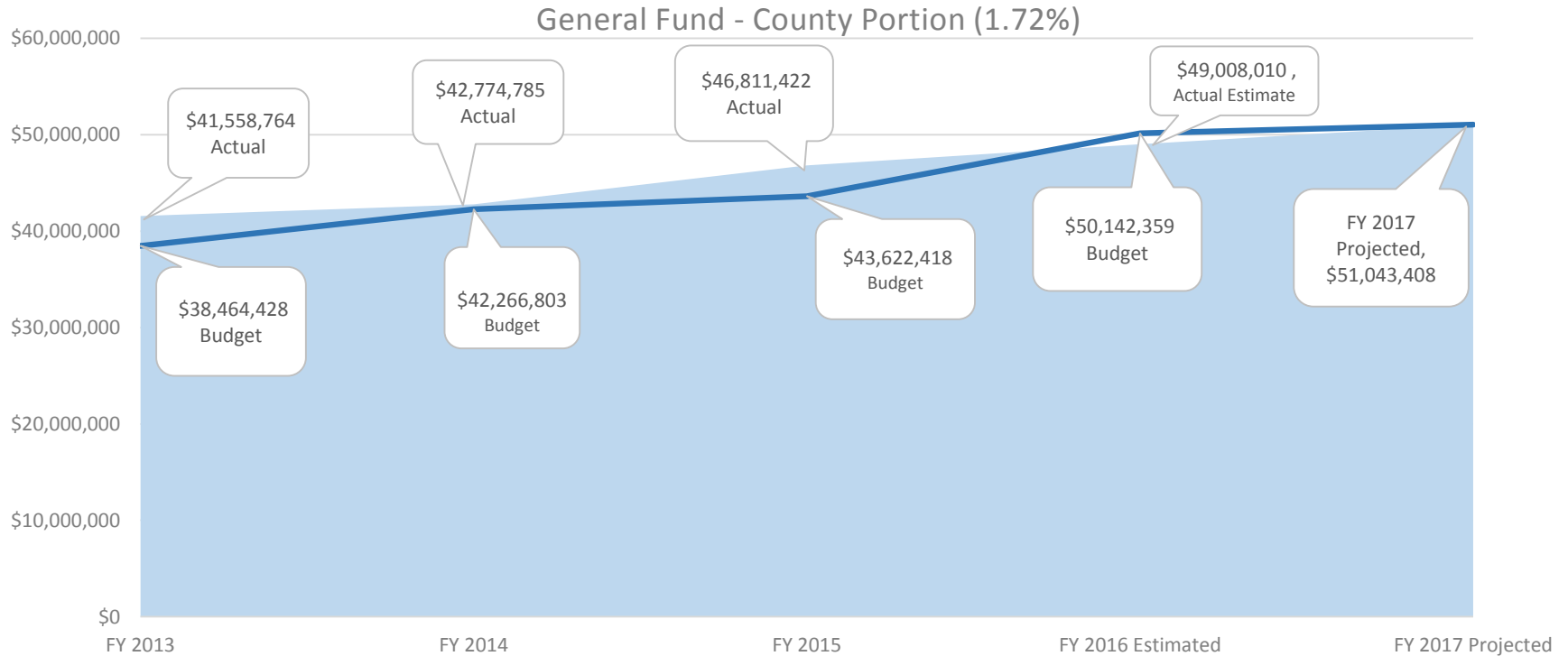
Sales Tax – A Quick Refresher



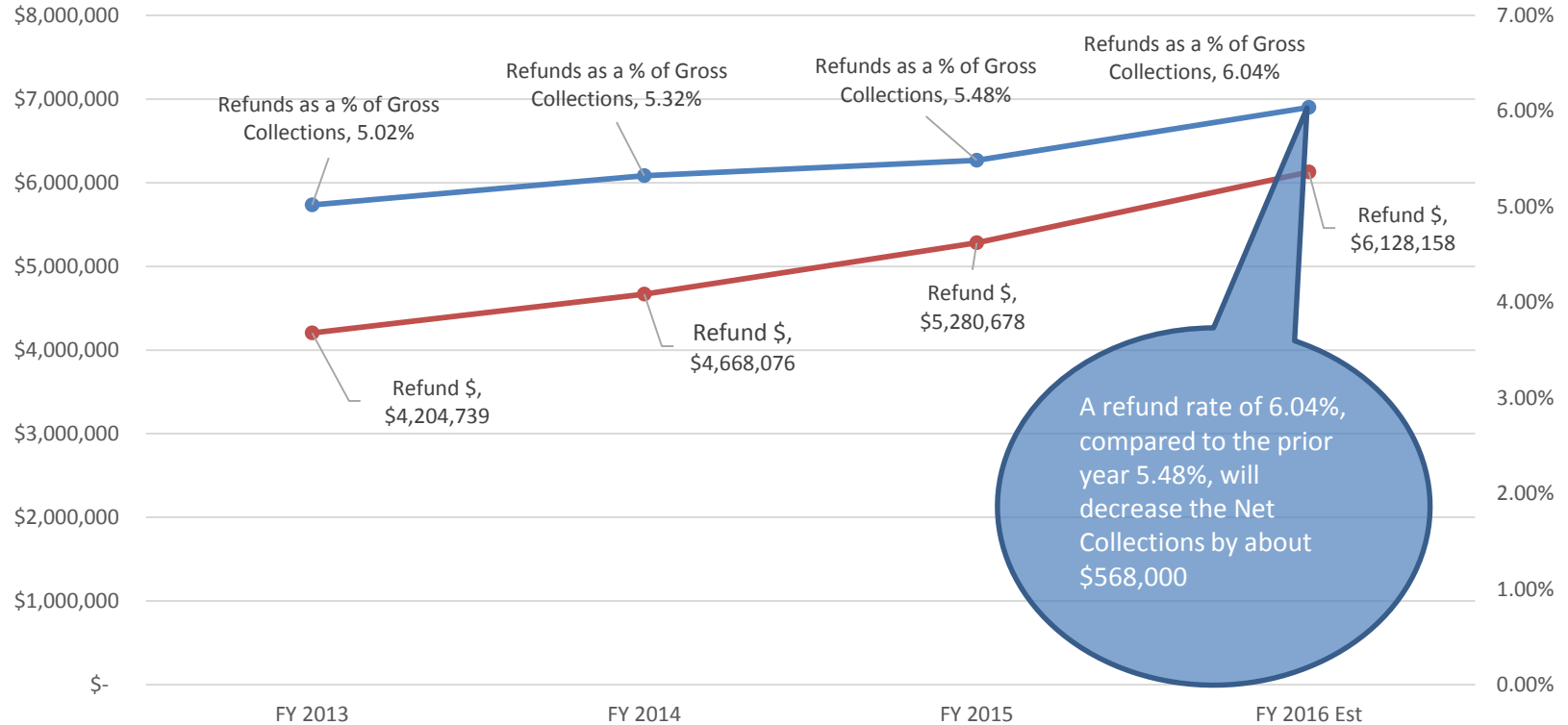
Sales Tax – Year to Date Comparison



Sales Tax – 5 Year Budget to Actual



Sales Tax - Refunds



General Fund Balance – June 30, 2015

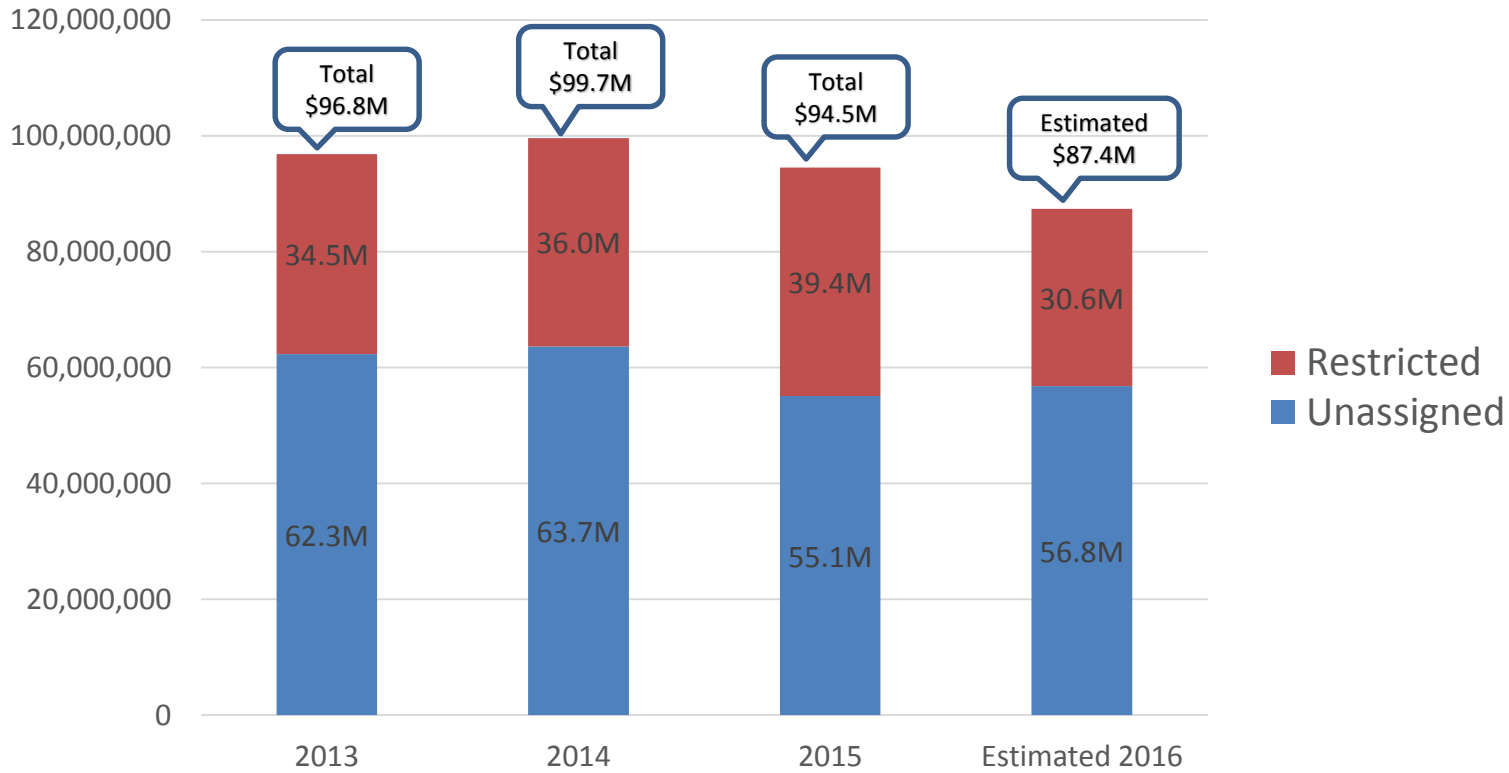


Designation	2015 Balance
Unspendable	130,094
Restricted	27,556,288
Assigned	11,738,867
Unassigned*	<u>55,123,865</u>
Total	94,549,114

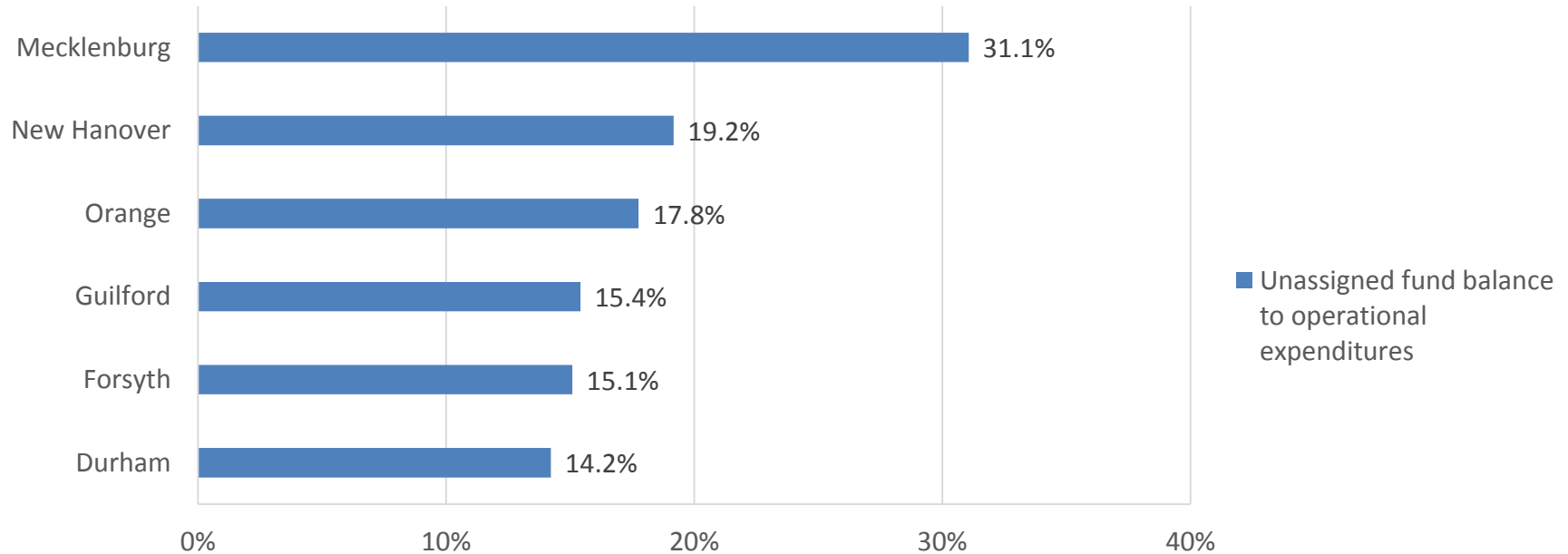
* 2015 unassigned fund balance represented approximately 19.2% of general fund expenditures and transfers to other funds.



Historical Fund Balance



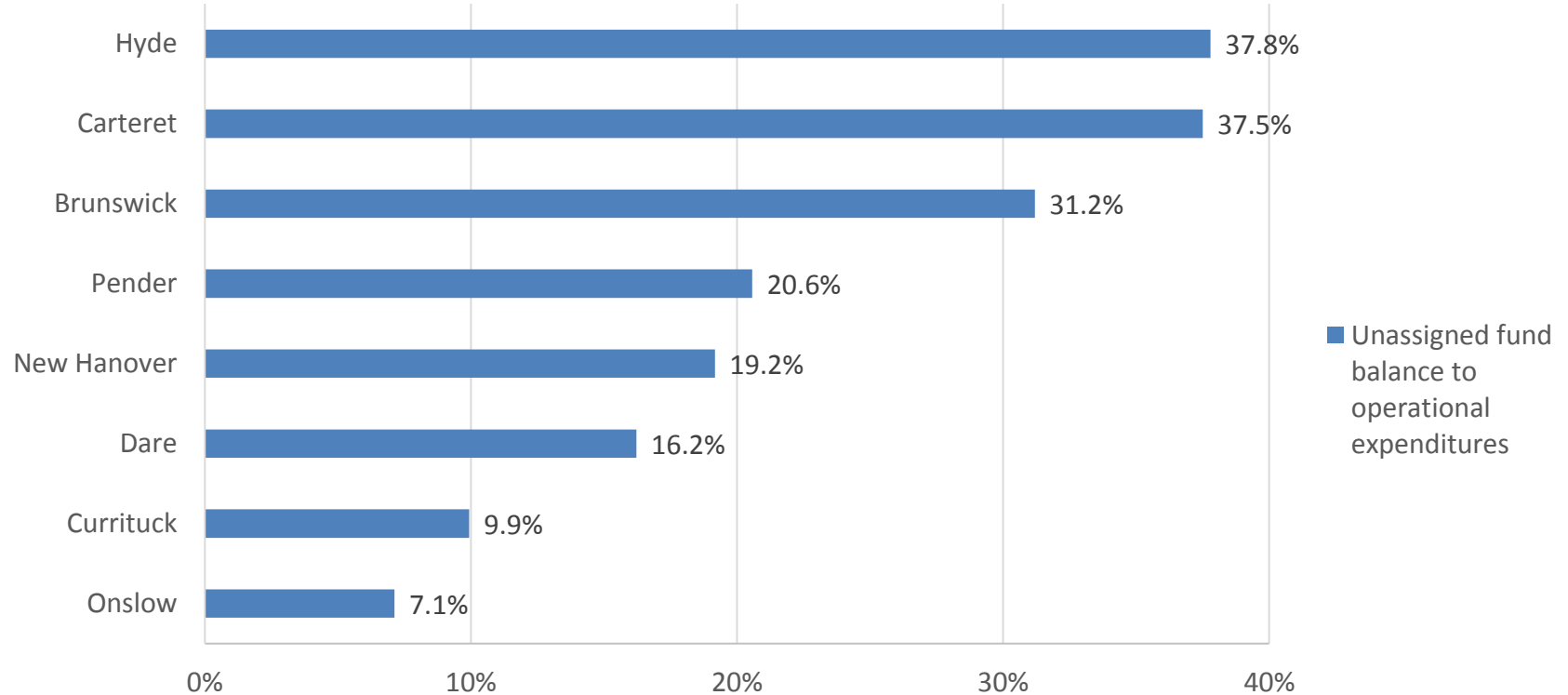
County Comparison: Triple A Rated Counties*



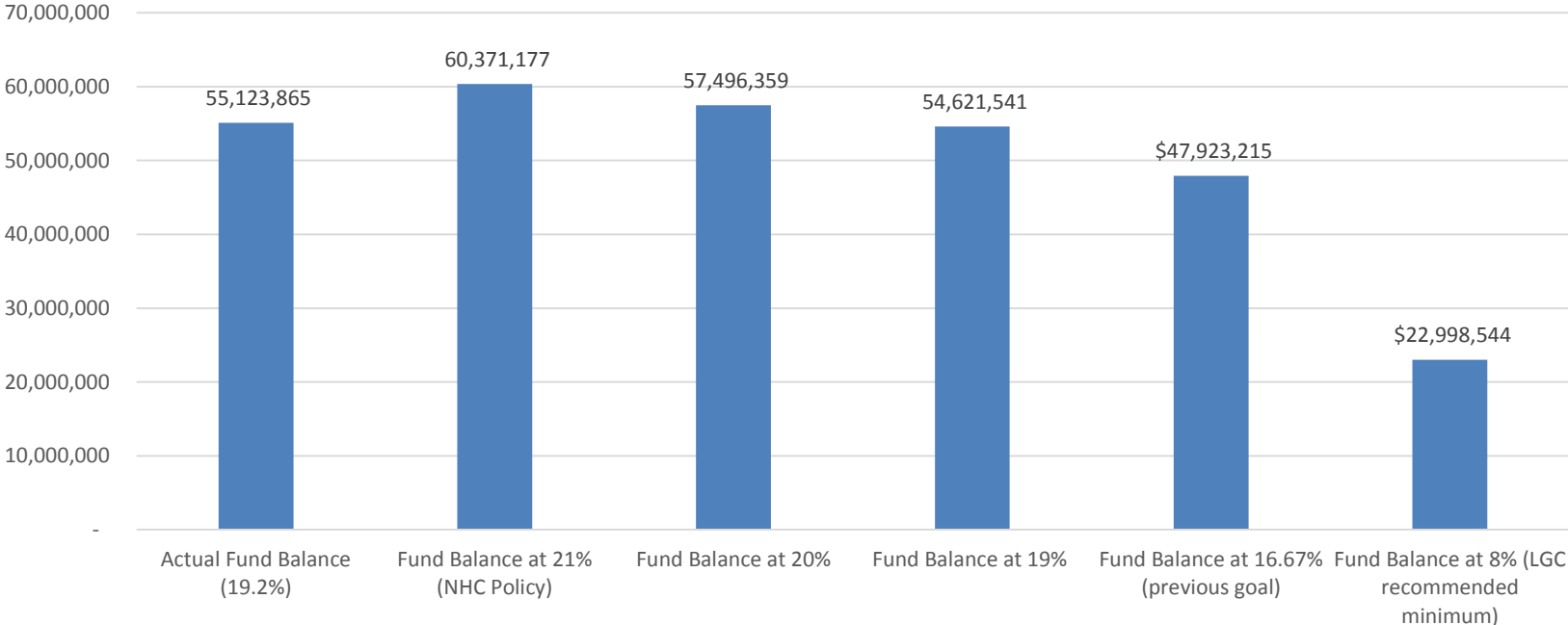
* Wake County maintains a triple A rating from both Moody's and Standard & Poors, but is not included in this comparison. It maintains a reserve for working capital instead of an unassigned fund balance.



County Comparison: Coastal Counties



Fund Balance Levels

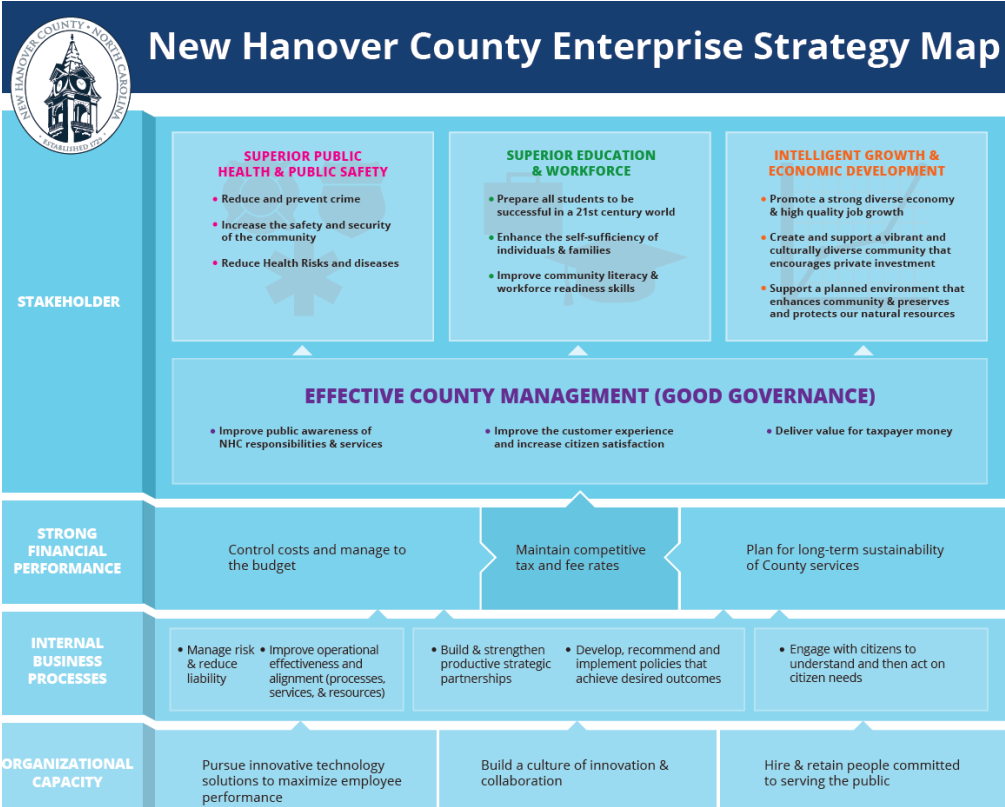


Looking Ahead

Top 5 Revenue Sources	FY15-16 Amended (3/22)	FY16-17 Projected	Difference
Property Tax	\$172,375,642	\$174,730,336	\$ 2,354,694
Sales Tax (incl. schools)	62,267,210	63,323,482	1,056,272
Intergovernmental Revenues	44,605,892	44,623,974	18,082
Appropriated Fund Balance	10,728,223	0	(10,728,223)
Charges for Service	<u>10,524,322</u>	<u>9,573,012</u>	<u>(951,310)</u>
	\$300,501,289	\$292,250,804	(\$ 8,250,485)
<i>Top 5 Sources as % of Budget</i>	97.7%	95.0%	



Discussion of Board Priorities



March 23, 2016

Slide 21



Timing & Next Steps

- April 28th – County Manager informally presents recommended budget
- May 2nd - County Manager formally presents recommended budget
- May 3rd through June 3rd – BOCC Work Sessions
- June 6th – Hold Public Hearings
- June 20th or 27th – Adopt Budget

