FY 19-20 Recommended Budget

Advancing the Board of Commissioners’ priorities through fiscal responsibility
Recommended Budget Framework

1. Priorities set by the Board
   - Intelligent Growth & Economic Development
   - Superior Education & Workforce
   - Superior Public Health & Safety

2. Revenue parameters set by the Board
   - Minimize taxes and fees
   - Restore fund balance to policy goal of 18-21%
Spending Recommendations for Major Funds

- All funds: $398.5 million
- General Fund: $349.9 million
- Environmental Management Fund: $23.1 million
- Fire Services: $16.1 million
General Fund Revenues

• Ad valorem: $192 million
  • Tax base: $34.84 billion
  • Ad valorem rate of $0.555 ($0.4903 General Fund, $0.0647 Debt Service Fund)

• Sales taxes: $76.5 million
  • Assumes 5.6% growth over current year projected actual collections
## General Fund Revenues

### Historical Tax Base

<table>
<thead>
<tr>
<th>Year</th>
<th>Tax Base (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14-15</td>
<td>29.75</td>
</tr>
<tr>
<td>FY15-16</td>
<td>30.20</td>
</tr>
<tr>
<td>FY16-17</td>
<td>30.82</td>
</tr>
<tr>
<td>17-18*</td>
<td>33.74</td>
</tr>
<tr>
<td>Budgeted FY18-19</td>
<td>34.22</td>
</tr>
<tr>
<td>Recommended FY19-20</td>
<td>34.84</td>
</tr>
</tbody>
</table>

* Revaluation Year
General Fund Revenues

Historical Tax Rates

- FY14-15
- FY15-16
- FY16-17
- FY17-18 Reval Year
- FY18-19
- Recommended FY19-20

- General Fund Tax Rate
- Debt Service Fund Tax Rate
- Revenue Neutral Rate (58.38)

- FY14-15: Total 55.40
- FY15-16: Total 57.40
- FY16-17: Total 62.30
- FY17-18: Total 57.00
- FY18-19: Total 55.50
- Recommended FY19-20: Total 55.50

May 20, 2019
General Fund Revenues

**General Fund Sales Tax**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>General Fund Sales Tax (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14-15</td>
<td>58.0</td>
</tr>
<tr>
<td>FY15-16</td>
<td>61.5</td>
</tr>
<tr>
<td>FY16-17</td>
<td>65.1</td>
</tr>
<tr>
<td>FY17-18</td>
<td>70.2</td>
</tr>
<tr>
<td>Budgeted FY18-19</td>
<td>76.5</td>
</tr>
<tr>
<td>Recommended FY19-20</td>
<td>76.5</td>
</tr>
</tbody>
</table>
General Fund Revenues

- $7.2 million in federal and state government reimbursements from Hurricane Florence
  - For capital outlay and other one-time expenditures
- Appropriated fund balance: $1.9 million
  - Full amount pre-funded via capital reserve
  - Anticipated unassigned fund balance of 13.6% at June 30, 2019
New Hanover County Schools

• Current expense: $2,900 per pupil
  • $100 increase
  • $81 million total (3.4% increase)
    • Increase equates to 40% of county’s revenue growth

• Capital: $3.7 million

• Pre-k expansion: $487,000 (3rd Year)

• Debt service: $31 million

• Total: $116.2 million
**New Hanover County Schools**

**Historical School Funding Comparison**

- **Total School Funding** (including operating, capital, pre-k and debt service in millions):
  - FY14-15: 91.5
  - FY15-16: 93.1
  - FY16-17: 96.8
  - FY17-18: 100.3
  - Budgeted FY18-19: 108.7
  - Recommended FY19-20: 116.2
New Hanover County Schools

Historical Funding per Pupil (ADM Rate)

- FY14-15: $2,575
- FY15-16: $2,600 (+1.0%)
- FY16-17: $2,660 (+2.3%)
- FY17-18: $2,700 (+1.5%)
- FY18-19: $2,800 (+3.7%)
- Recommended FY19-20: $2,900 (+3.6%)

ADM Rate (Funding per Pupil)
Cape Fear Community College

- Operating: $11 million
- Capital: $0 requested/recommended
- Debt service: $15.2 million
- Total: $26.2 million
Public Health and Safety

- $203,000 for the Sheriff’s Office to assume responsibility of Forensic Lab from City of Wilmington, with the City funding 40% of the annual cost
- $46,000 for digital forensic equipment for the Sheriff’s Office
- Detective for Crimes Against Children Unit in the Sheriff’s Office
- Crime analyst for Intelligence and Analysis Unit in the Sheriff’s Office
- Administrative support technician for the Community One program in the Sheriff’s Office
Public Health and Safety

- $1 million for new dispatch consoles and radio equipment for 911 Communications
- $100,000 for a federal prosecutor in the District Attorney’s Office (2nd of 2 years)
- 2 school-based health nurse positions
- 5 social worker positions to meet caseload demand and manage supervisors’ span of control
Economic Development

• $320,000: WBD, WDI, SEDC, Arts Council, Southeastern Partnership, Highway 17/64 Association
• $148,000: Cucalorous Film Foundation, Wilmington Regional Film Commission
• $60,000 for Blue Clay Road project
• $100,000 for Preliminary Engineering Review for the Sidbury Road water line
• $525,000 for CFPUA for fire flow along US 421 (3rd of 3 years)
• $250,000 for continued partnership with Wrightsville Beach on improvements near Johnnie Mercer’s Pier (2nd of 2 years)
Other

• Emergency Preparedness
  • Redesign of WebEOC software: $30,000
  • Consolidated EOC/logistics facility – space study and design: ($150,000)

• Stormwater Management
  • Drainage projects (CIP): $140,000
  • Stormwater utility study – Phase 2: $10,000
  • Best Management Practices (BMPs) for water quality: $10,000
Other

• Non-County Agencies – Human Services
  • $953,000 for 28 agencies and 34 programs
  • Additional $235,000 for 7 programs transitioning to vendor status

• Workforce Housing
  • 50/50 cost-share with City of Wilmington for Workforce Housing study and survey ($45,000)
Capital Planning

• Five-year Capital Improvement Plan for General Fund
  • $2.3 million for FY19-20
  • $1.9 million funded from capital reserve/$244,000 grant funding/$89,000 General Fund revenues

• Capital outlay for General Fund
  • $9.5 million for FY19-20
  • $7.1 million financed via loan proceeds/$2.4 million General Fund revenues
Environmental Management

- $48 per ton tip fee (no change)
- Capital projects: $8 million
- Capital outlay: $2.9 million
- 3 new positions
  - 2 equipment operators
  - 1 fiscal support technician
Environmental Management Tipping Fee

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Tip Fee Per Ton</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14-15</td>
<td>$55</td>
</tr>
<tr>
<td>FY15-16</td>
<td>$52</td>
</tr>
<tr>
<td>FY16-17</td>
<td>$50</td>
</tr>
<tr>
<td>FY17-18</td>
<td>$48</td>
</tr>
<tr>
<td>FY18-19</td>
<td>$48</td>
</tr>
<tr>
<td>Recommended</td>
<td>$48</td>
</tr>
</tbody>
</table>

Tip Fee Per Ton
Fire Services

• Revenues
  • 7.75 cents per $100 of value (unchanged)

• Capital outlay: $1.2 million (equipment, vehicles)

• $151,000 to improve fire flow capacity for the Northern Water Main
Personnel

- 20 new positions recommended for the General Fund
  - 8 for Sheriff’s Office (5 for Forensic Lab, 1 detective, 1 crime analyst, 1 administrative support technician)
  - 5 for Social Services (2 social workers, 2 social worker supervisors, 1 senior social worker trainer)
  - 4 for Building Safety (2 code compliance officials, 2 development services specialists)
  - 2 for Health (public health school nurses)
  - 1 for Parks (program coordinator)
- 3 new positions recommended for Environmental Management
  - 2 equipment operators, 1 fiscal support technician
Personnel

- Market: Greater of 2% or $1,040
- 1.5% merit pool (same as two previous fiscal years)
- $3 million salary lag
Non-County Agency Funding Recommendations
FY 2019-2020 Recommended Budget in Summary

• Advances the board’s stated strategic priorities of Superior Education & Workforce, Superior Public Health & Safety and Intelligent Growth and Economic Development

• Fully funds prior obligations and policy commitments

• Enhances and expands services while maintaining ad valorem tax rates and tipping fees

• Demonstrates fiscal responsibility and sets the county on a path to rebuild our fund balance position to the stated policy range of 18-21%
Next Steps

• Public hearing scheduled for Monday, June 3
• Budget workshop – recommended for Thursday, May 30
• Budget adoption – recommended for Monday, June 17
Questions?