



FY 22-23 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**

- 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

- All funds: \$507 million
- General Fund: \$420.5 million
- Environmental Management Fund: \$23 million
- Fire Services District Fund: \$21.4 million
- Stormwater Services Fund: \$4.2 million
- Other funds represent balance of the total \$507 million



Tax Rates

- General Fund Tax Rate Cut - 2 cents
 - 42.29 cents dedicated to the General Fund
 - 3.21 cents dedicated to the Debt Service Fund

Proposed FY23 Rate: 45.5 cents

- Fire Services
 - No change from FY 21-22 adopted rate

Proposed FY23 Rate: 7.25 cents



Fees

- Environmental Management
 - \$2 surcharge for interfund loan payback

Proposed FY23 Fee: \$52/ton

- Stormwater Services
 - 3rd year of service in unincorporated county
 - \$12 annual fee imposed FY22 (ARPA subsidized balance)

Proposed FY23 Fee: \$5.65/ERU/month



General Fund Revenues

- **Ad valorem: \$222.3 million**
 - Tax base: \$48.8 billion (1.92% increase)
 - Ad valorem rate of 45.5 cents (\$0.4229 General Fund, \$0.0321 Debt Service Fund)
- **Sales taxes: \$104 million**
 - Assumes 6.5% growth over FY22 year-end estimates, compared to 6% growth over FY21 budget for current year projections
 - Currently collected 14% over FY22 budget estimates
- **Fund Balance: \$15 million**
 - Uses a portion reserved for future capital project and capital outlay, above the 21% policy limit + unassigned fund balance
 - All uses are one time money for one-time expenses

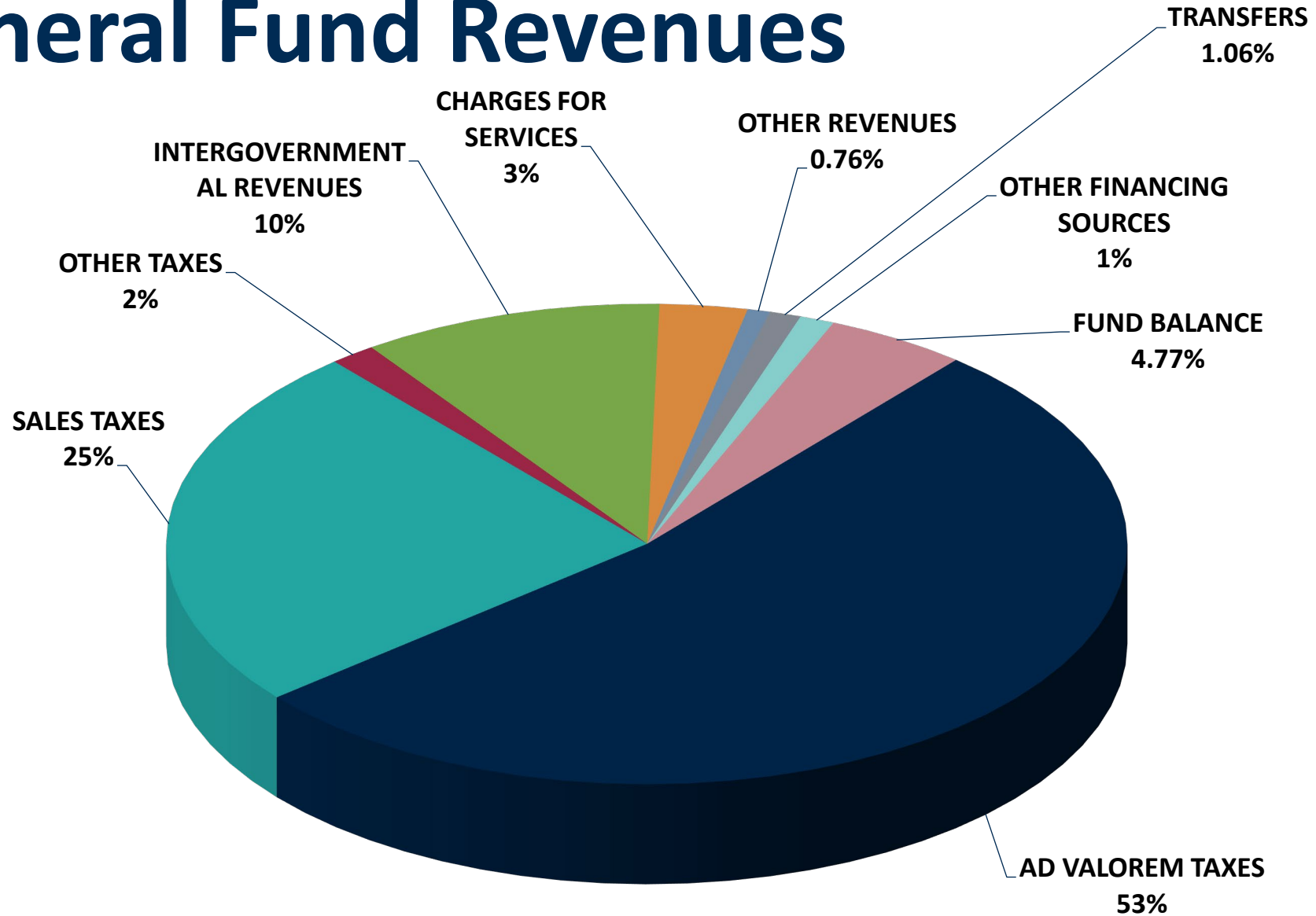


General Fund Revenues

- **American Rescue Plan Act (ARPA): \$3.8 million**
 - Uses a portion of the lost revenue replacement as an allowable expense/use of funds
- **Revenue Stabilization Fund: \$7.3 million**
 - Interest: \$2.4 million (replace cut revenue)
 - Principal: \$4.9 million (Community Building)



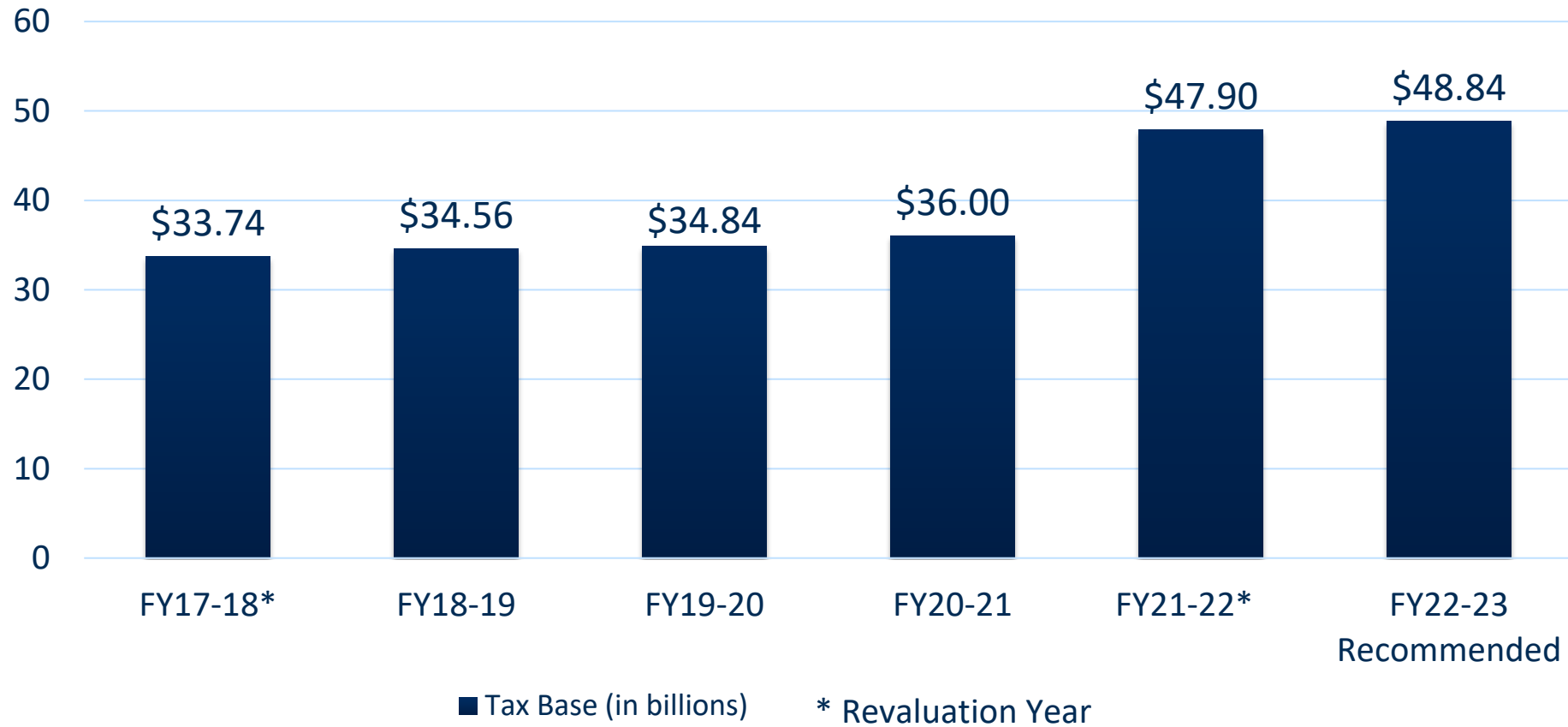
General Fund Revenues





General Fund Revenues

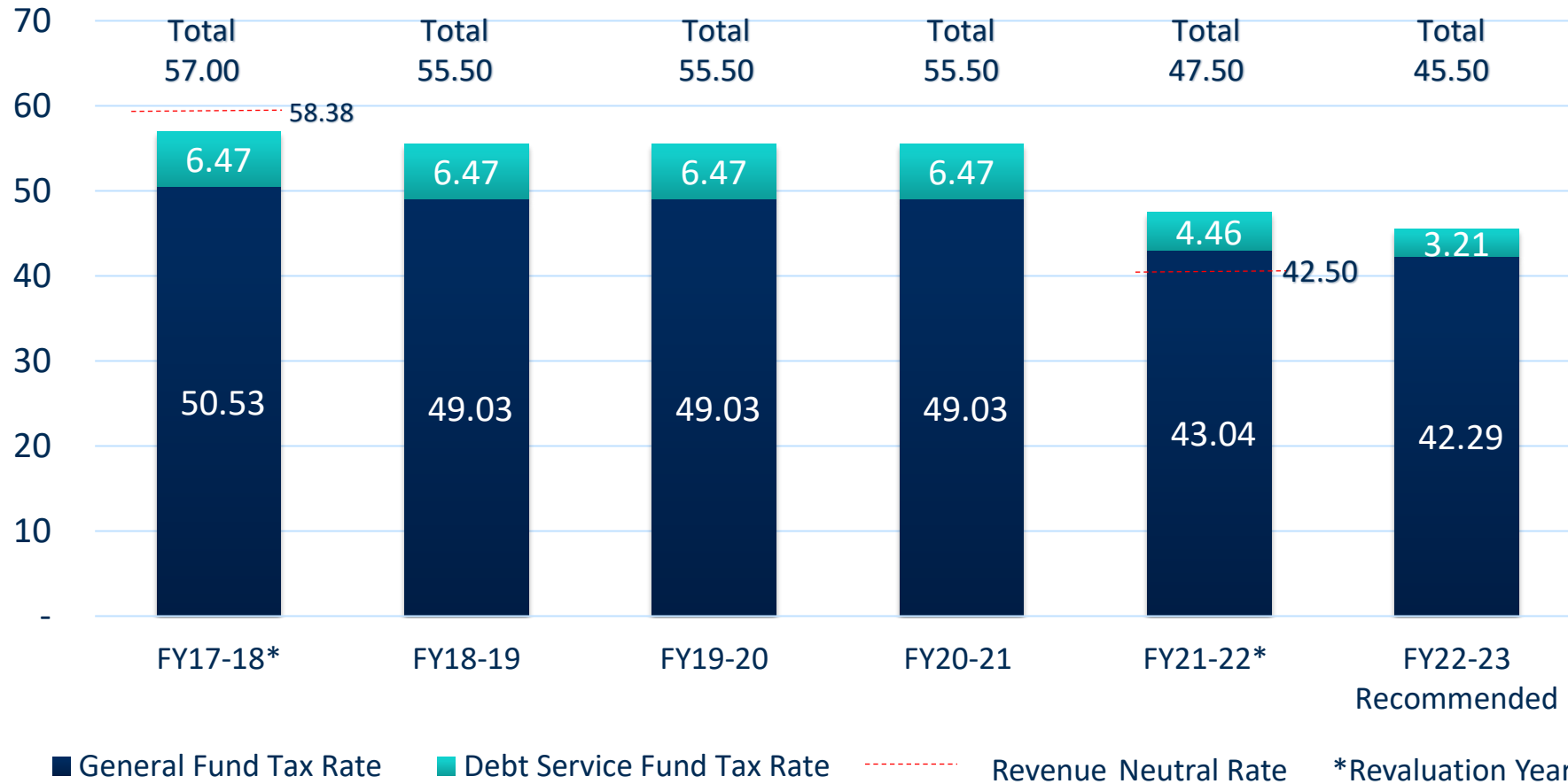
Historical Tax Base





General Fund Revenues

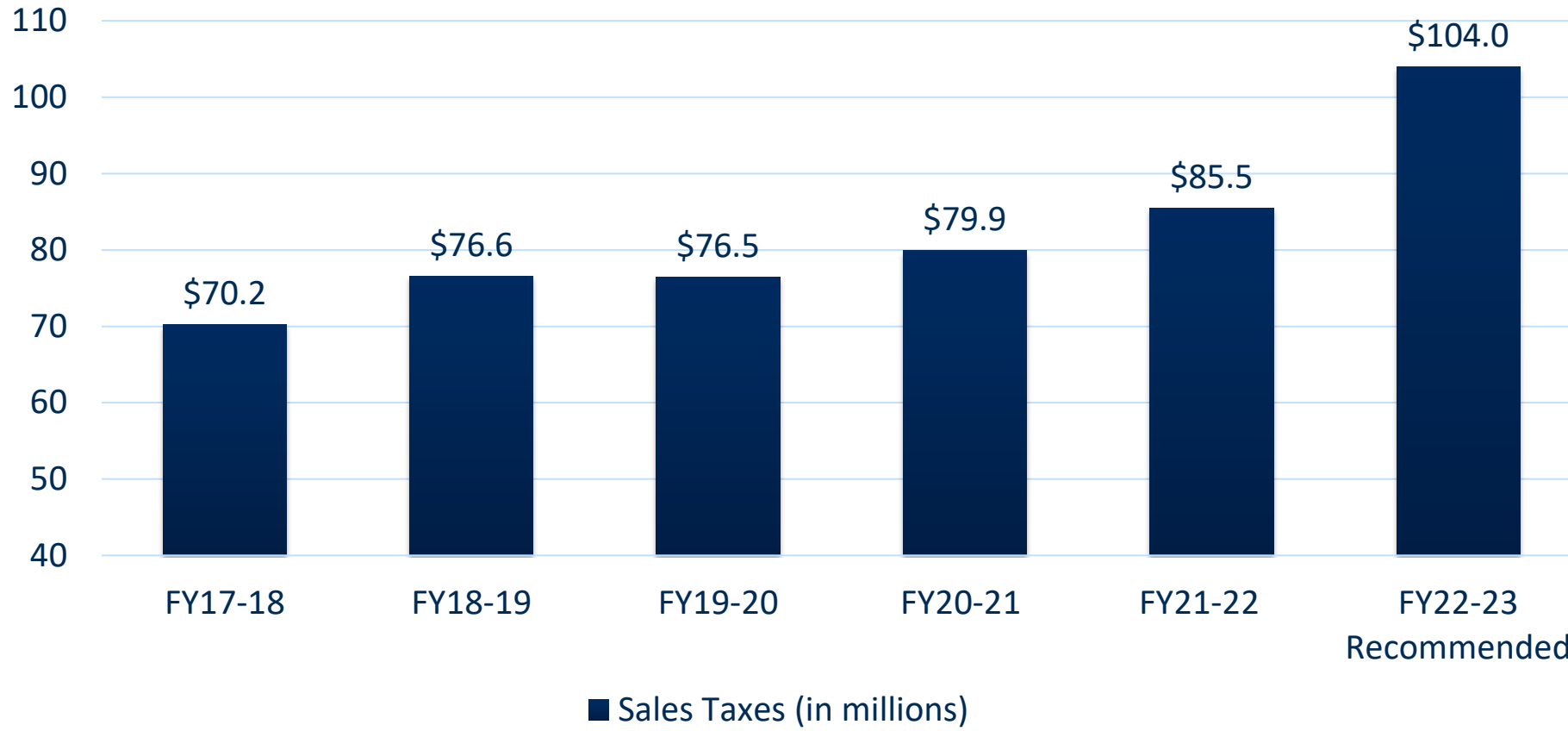
Historical Tax Rates





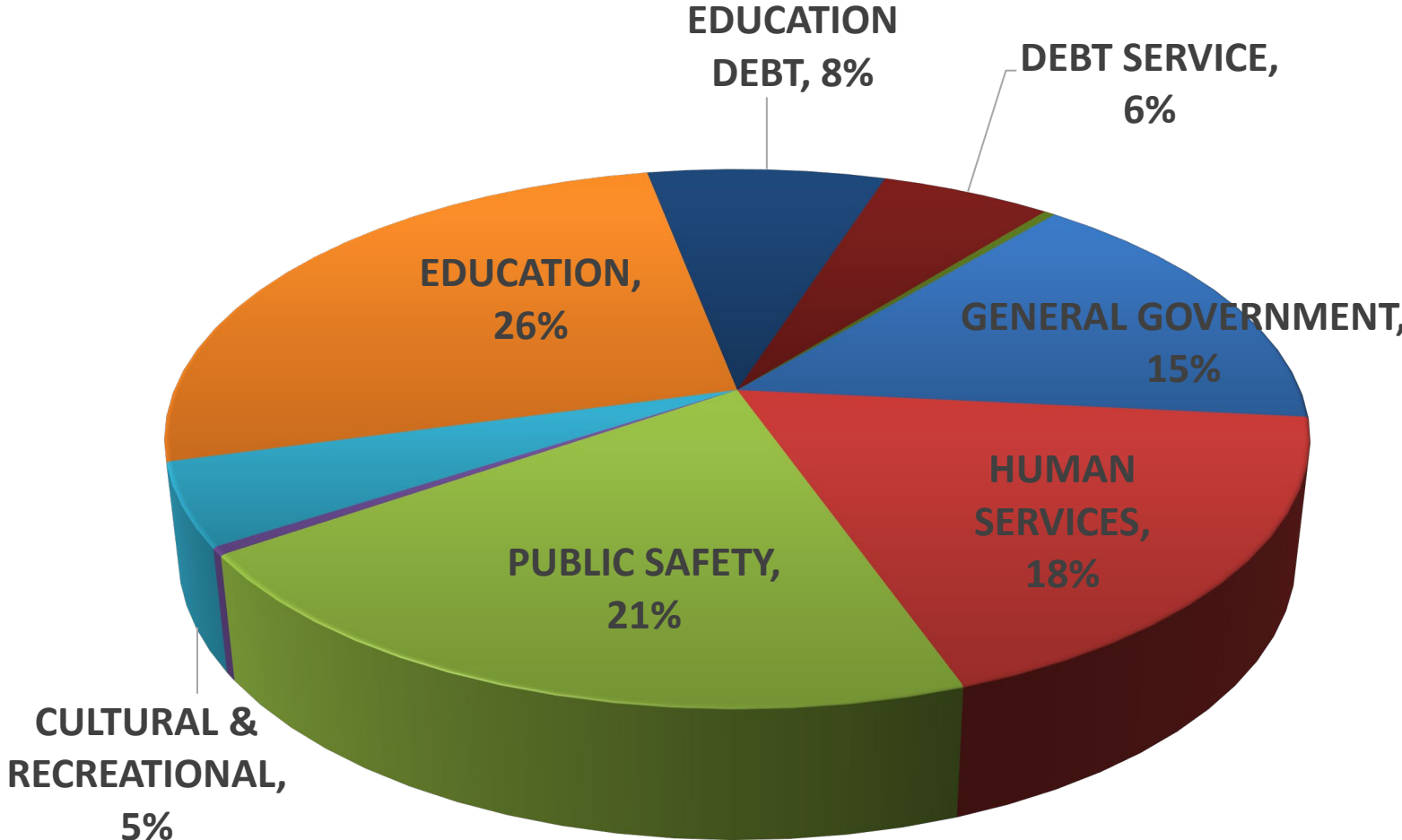
General Fund Revenues

General Fund Sales Taxes





General Fund Expenditures





New Hanover County Schools

- Current expense: **\$3,434 ADM**
 - Funding maintains #1 position in teacher salary supplements: \$9,000 average
 - ADM equal to FY 22 intended appropriation
 - \$91 million total (1% decrease from FY22)
- Pre-K: \$974,844 for 6 Pre-K classes (same as prior year)
- Capital: \$4.7 million (27% increase)
- Debt: \$23,280,484 (6.7% decrease)



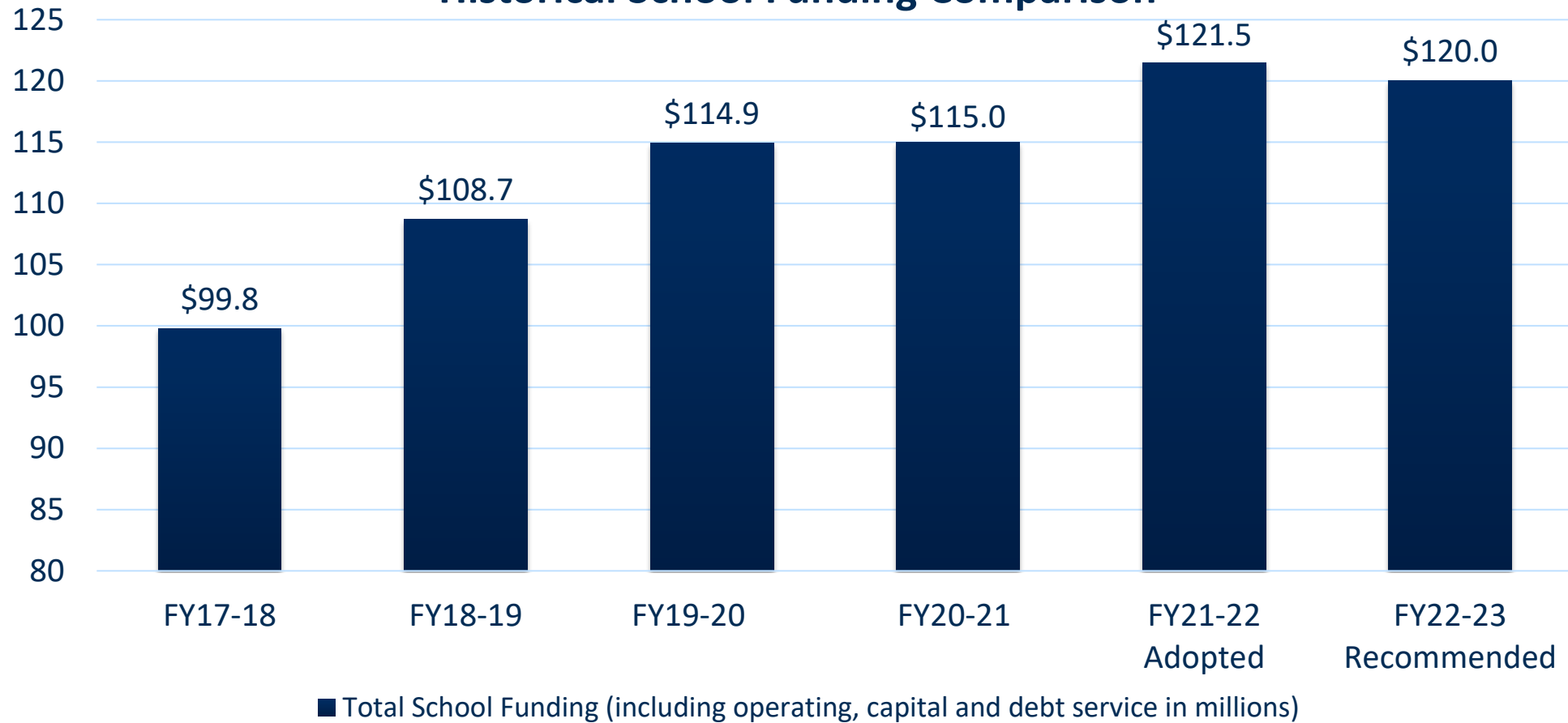
New Hanover County Schools

- Assumes 26,555 students across the traditional k-12 system and charter schools
- **Total Appropriation: \$120 million**
- 29% of General Fund budget
- Transfers between Purpose/Function of 10% or greater will require Board approval
- *ARPA - \$975,000 for additional Pre-K classrooms*



New Hanover County Schools

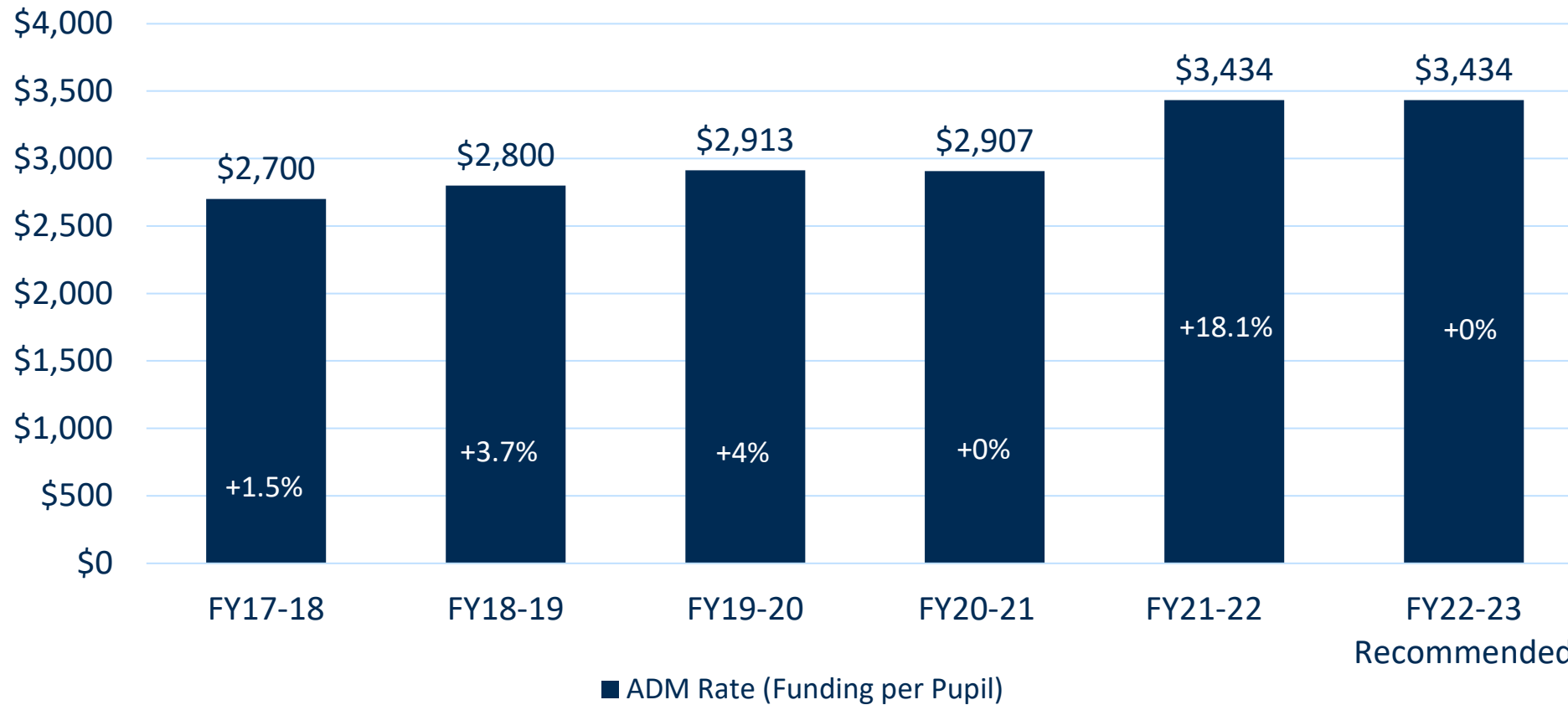
Historical School Funding Comparison





New Hanover County Schools

Historical Funding per Pupil (ADM Rate)





Cape Fear Community College

- **Operating:** \$11.4 million (4.2% increase)
- **Capital:** \$2 million (no request/recommendation FY22)
- **Debt Service:** \$10.4 million (10.2% decrease)
- **Total:** \$23.9 million (6.1% increase)



General Fund Strategic Enhancements

Intelligent Growth and Economic Development

- Flood Risk Study - \$275,000
- Various Park Improvements - \$1,050,000
 - Arrowhead Park Pickleball Courts
 - Eaton Field 2 Drainage
 - Northern Regional Park Field Lighting
 - Ogden Tennis Court Lighting
 - River Road Park Improvements
 - Veterans Park Little League Infields



General Fund Strategic Enhancements

Intelligent Growth and Economic Development

Board of Elections: Offices, Polling, Warehouse Renovations/Construction	\$5,594,882
Library: North Chase Branch Design	\$1,034,040
Parks: Northern Regional Park Phase 2 Construction	\$2,650,000
Parks: Olsen Park Phase 2 Construction Cost Share - City of Wilmington	\$624,380
Sheriff: Facility Replacement for Sheriff's Detectives/VICE Construction, Furniture, Fixtures and Equipment	\$6,576,500
CFPUA: Last Frontier Water/Sewer	\$3,000,000



General Fund Strategic Enhancements

Superior Public Health and Safety

- Parks Network Connectivity - \$66,426
- Five (5) Environmental Health Specialists - \$420,250
- Relocation to New 911 Center - \$1.2M
- Salvation Army Build Hope Campus Pass-through - \$1,000,000
- Wellpath Mental Health Staffing Adjustments - \$170,291
- Vice and Narcotics Detective - \$129,282
- Captain Floater Program - \$251,655



General Fund Strategic Enhancements

Superior Education and Workforce

- North Chase Library Design - \$1,034,040
- Additional Pre-K Classrooms - \$975,000 (ARPA)
- Cape Fear Community College Capital - \$2,087,000

Good Governance

- Capital Repair Plan - \$850,000
- Sr. Project Coordinator - \$71,613
- Board of Elections Building Renovations & Construction - \$5,594,882
- Government Center Technologies - \$2,191,000



General Fund Strategic Enhancements

Good Governance

- Five-year Capital Improvement Plan for General Fund
 - \$20.7 million for FY22-23
- Capital Outlay for General Fund
 - \$6.3 million
 - Additional capital contribution to public schools - \$4.7 million
 - Additional capital contribution to community college - \$2 million
- Leverages good interest rates and AAA bond ratings



Economic Development Agencies

- \$197,652 for year two of a three-year plan to the Chamber of Commerce for business retention, expansion and recruitment
- \$282,391 for Wilmington Business Development
- \$98,280 for Wilmington Downtown Inc.
- \$145,992 for the Wilmington Regional Film Commission
- \$45,000 for the Arts Council of Wilmington and New Hanover County



Environmental Management Fund

REVENUES

- **\$52 per ton tipping fee** (includes \$2 state surcharge) - \$4 increase
 - \$48 per ton from FY17-18 to FY21-22
 - \$2 to repay General Fund loan + \$2 for existing and new programs

EXPENSES

- **Total Budget: \$23 million**
 - Capital projects: \$6 million
 - Capital outlay: \$1.3 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:** \$21.4 million
- Capital Projects: \$1.4 million
 - Castle Hayne + Gordon Road Fire Station
- Capital Outlay: \$1.8 million (improvements, vehicle replacements and equipment)



Stormwater Services

REVENUES

- **Annual \$67.80 Stormwater Fee** - (\$5.65 / equivalent residential unit / month)
 - \$12 in FY22 to cover debt and repayment to the General Fund
 - ARPA eligible expenses included cost to maintain and treat stormwater
 - Deferred bulk of residential fee to FY22-23

EXPENSES

- **Total Budget:** \$4.2 million
 - Capital Outlay: \$1 million (equipment and other improvements)

3rd year of stormwater program in unincorporated county



Personnel Recommendations

- **General Fund:** 25 new full-time + 1 new part-time (benefitted) positions
- **Fire Services District:** 4 new full-time positions
- **Stormwater Services:** 1 new full-time position
- **Environmental Management:** 4 new full-time positions
- \$2 million salary lag



Community Building Funding Plan

Wrap-around Services	Recommended	Funding
Elements	\$696,014	ARPA
Too Good For Violence	\$252,484	ARPA
Port City United	\$1,332,657	ARPA
Impact Zone SROs ¹	\$315,318	Escrow
Community Resource Coordinators	\$1,178,388	ARPA

Community Communication	Recommended	Funding
PCU-Connect	\$1,030,727	Escrow
Northside Food Co-op	\$2,150,000	Fund Balance

Wrap-around Services/ Relationship Building/Elimination of Education Barriers	Recommended	Funding
Pre-K Expansion	\$975,000	ARPA
Non-profit Capacity Building	\$1,226,902	Escrow
Elementary SROs ¹	\$1,678,836	Escrow
School Transportation Presence	\$593,647	Escrow

¹Threat assessment training has been moved from Community Communication and incorporated in the Impact Zone SROs and Elementary SROs programs

Funding plan adopted January 2022

Escrow Funds - \$5 million

Fund Balance - \$2.15 million



Non-County Agencies

- **Social Impact Funding**
 - \$281,939 for year 3 of 3 of the Social Impact Fund pilot program
- **Vendor Status**
 - Four (4) programs transitioned to vendor status in FY22, \$129,380
- **Non-County Agencies – Human Services**

FY23	Amount
Funding Limit	\$950,000
Requests from Agencies	\$1,555,534
Committee Recommendation	\$937,207
38 agencies applied for funding across 42 programs	



FY 22-23 Recommended Budget in Summary

- **General and Debt Service Funds**
 - **2 cents Property Tax Rate Cut** - FY23 recommended at 45.5 cents
 - 42.29 cents for the General Fund
 - 3.21 cents for the Debt Fund
- **Fire Services**
 - **No change** - FY23 recommended at 7.25 cents
- **Environmental Management**
 - **Tip Fee - \$4 increase** - FY23 recommended at \$52/ton
- **Stormwater Services**
 - **Full fee imposed** - \$5.65 per equivalent residential unit (ERU)/month



FY 22-23 Recommended Budget in Summary

- **Addresses internal capacity**
 - Preference given to enhancements with a focus on maintaining quality service levels
- **Invests in greatest asset, our people**
 - Proposes market increase consistent with historical practice, considers regional CPI index
- **Increases equity efforts**
 - \$15.7 million attributed to enhancements with equity component (55% of new funding)
- **Incorporates multiple funding sources to reduce taxes**
 - ARPA, Revenue Stabilization, Special Purpose, Appropriated Fund Balance
- **Partners with community agencies**
 - Community Building Plan, Non-county Agency Funding, Economic Development Partnerships, Social Impact Funding, Public Education



FY 22-23 Recommended Budget in Summary - \$507M Total Spending

Fund	Recommended
Modified General Fund	\$ 420.5 million
Debt Service	\$ 57.8 million
Fire Services <small>(includes capital)</small>	\$ 21.4 million
Stormwater Services	\$ 4.2 million
Environmental Management <small>(includes capital)</small>	\$ 23 million
Community Building	\$ 11.5 million
Complete Capital Improvement Plan	\$ 28.1 million



Next Steps

- Public hearing scheduled for Monday, June 6
- Board debate and direction to staff
- Budget adoption between Monday, June 6 and Monday, June 20



Discussion - Questions?