

Presentation of the FY14-15 Budget

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County Manager



County Manager's Office
New Hanover County

May 19, 2014

Budget Themes

1. Focusing on advancing county's overall strategy
2. Aligning resources to meet strategic priorities
3. Planning for long term county sustainability



Economic Conditions

Economy is showing positive signs of recovery

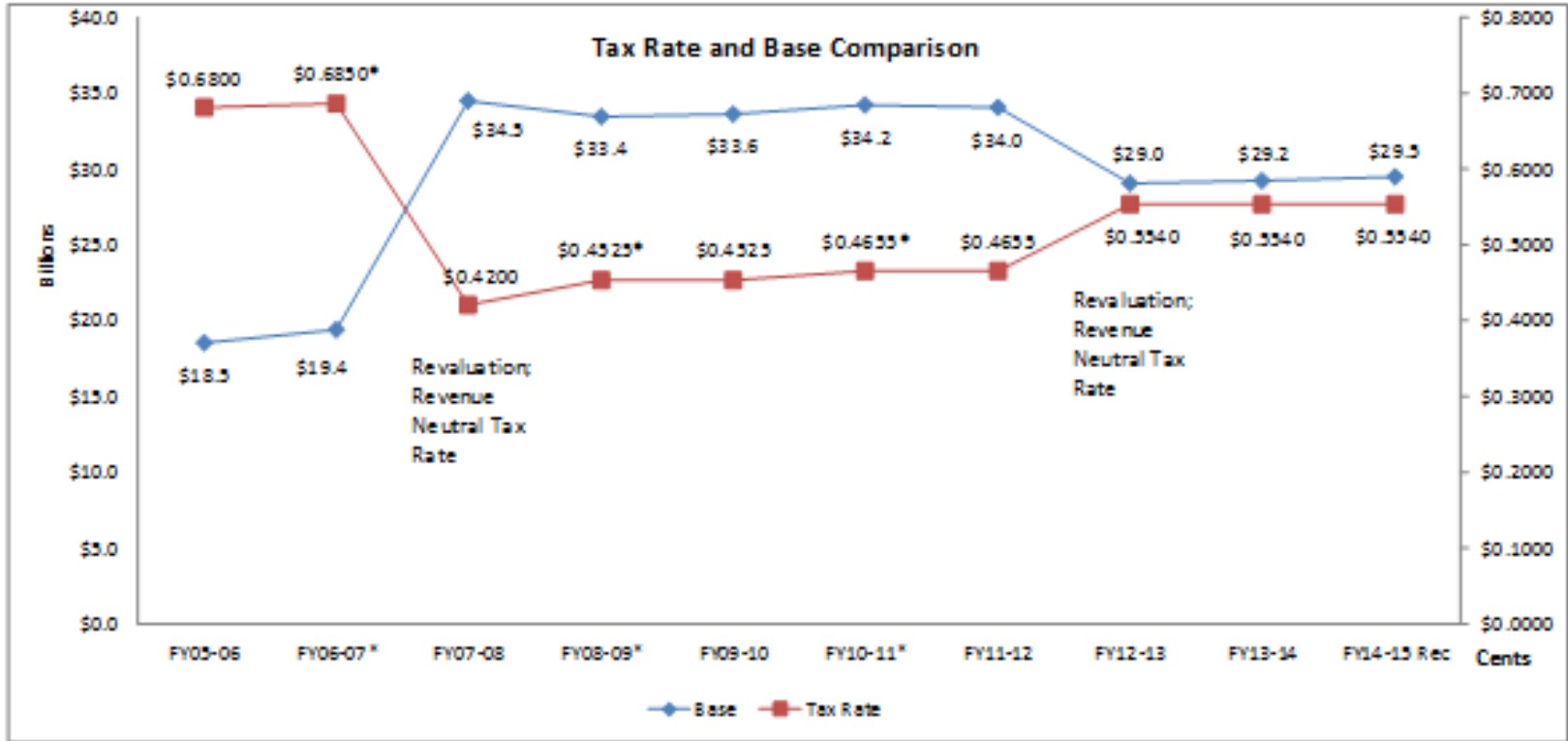
1. Construction is up
2. Tourism is growing
3. Retail sales are improving



Revenue Picture

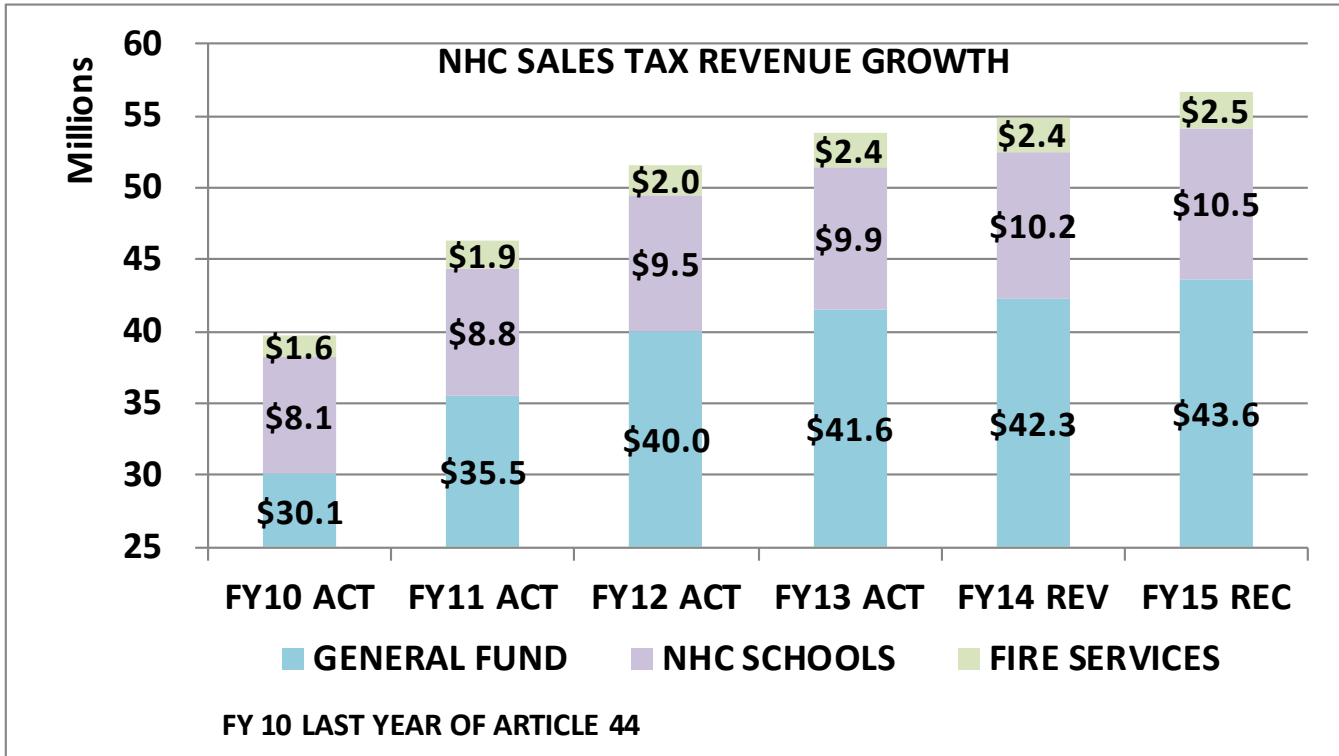
1. Increase in tax base is less than 1%; budget balanced with a 55.4 cent tax rate
2. Sales tax is estimated to increase 3.2% over FY13-14
3. Increase in charges for services is estimated to increase 11.3 percent



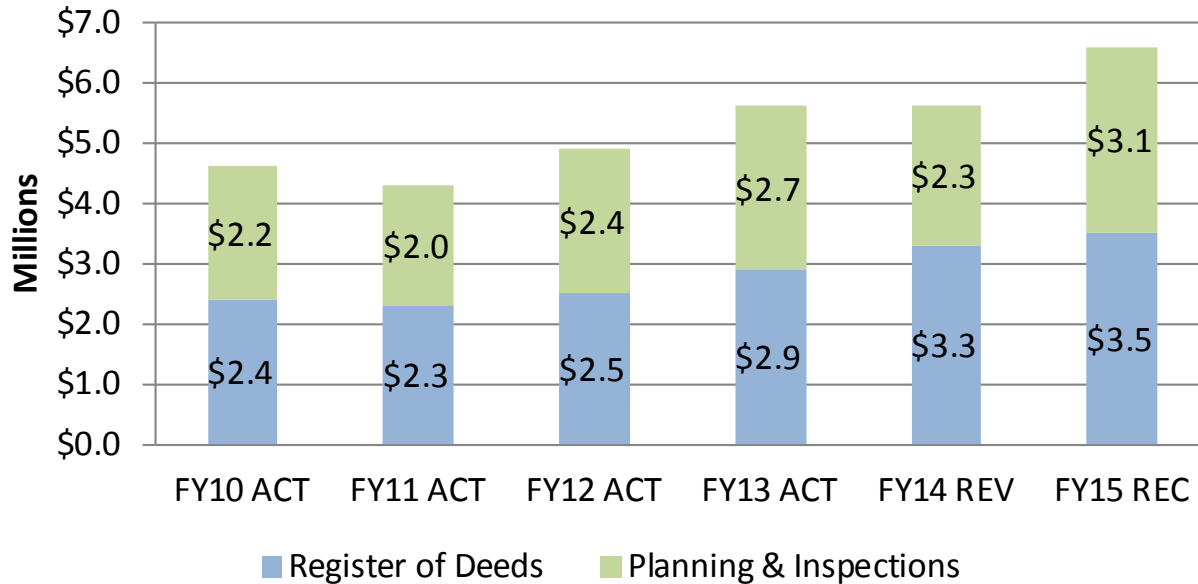


*Fiscal years which had a tax increase.





GROWTH OF REVENUE FOR REGISTER OF DEEDS AND PLANNING AND INSPECTIONS



Fund Balance

1. Fund balance is recommended for appropriation at \$9 million
2. Same amount recommended in FY13-14



Expenditures/Challenges

1. How to best allocate limited dollars
2. Strategically-driven requests exceed available resources
3. Debt services is far exceeding growth in tax base



Expenditures

1. Economic Development & Intelligent Growth
2. Superior Public Education
3. Superior Public Health and Safety
4. Effective County Management
 - Capital
 - The Model of Good Governance



Economic Development

1. Incentives for PPD, GE, Castle Branch, Fortron, and Live Oak
2. Funding to advance the Garner Economics report-Pathways to Prosperity
3. Wilmington Business Development and North Carolina Southeast Regional Economic Development Partnership
4. WAVE



Superior Public Education

1. Cape Fear Community College

- Operating - \$11 million: \$2.3 million increase
- Debt - \$15.3 million: \$3.8 million increase

2. NHC Schools

- Current expense - \$67.9 million: \$3.2 million increase
- Capital - \$2.8 million: \$600,000 increase
- Debt - \$19.9 million: \$900,000 decrease





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Slide 13



Superior Public Health and Safety

1. Continued funding of effort to focus on crime in public housing communities and gang related violence
2. Programs to reduce juvenile recidivism



Superior Public Health and Safety

3. NC FAST
4. Action Plan for health and human services collaboration
5. Reduce the rate of adult and juvenile obesity



Fire Service District (Public Safety)

1. The addition of the nine positions:
 - Completes a baseline level of staffing
 - Maintains effective workforce
 - Aims to reduce overtime in FSD
2. Capital – Quint apparatus
3. Consolidation study implementation



Environmental Management (Public Health)

1. Tipping Fee decreased to \$55/ton a 6.8% decrease from \$59/ton
2. Increase diversion of municipal solid waste by 30%
3. Expand the life of the landfill to 73 years



Environmental Management (Public Health)

4. \$800,000 toward fund balance annually
5. \$1.15 million toward closure/post closure reserve annually
6. \$250,000 toward capital reserve annually
7. \$2 million in FY 15-16 through FY 18-19 for future cell construction on the southern property



Effective County Management: Capital

1. Expansion of the law enforcement evidence room – \$400,000
2. Widening of the Hugh MacRae trails – \$200,000
3. Construction of Ogden Skate Park – \$300,000
4. Matching grants for the Middle Sound Loop and south Smith Creek trails as noted above – \$120,000



Financing of Capital

Financing capital at this level is a departure from what we have done in the past, but is a reasonable business strategy. It is necessary to:

- Maintain current tax rate
- Meet needs of new facilities
- Deal with deferred and postponed capital and maintenance needs



Effective County Management: The Model of Good Governance

1. 2% market adjustment for the salary schedule starting after the first quarter
2. Strategic implementation of the Pay and Classification Plan effective July 1
3. 17 positions:
 - General Fund – 8 DSS NC FAST related
 - Fire Service District - 9



Strategic Priorities Accomplished

1. Moving the community forward
2. Every board priority funded
3. Covering all mandated obligations
4. Limiting overall rate of growth: 2.1%

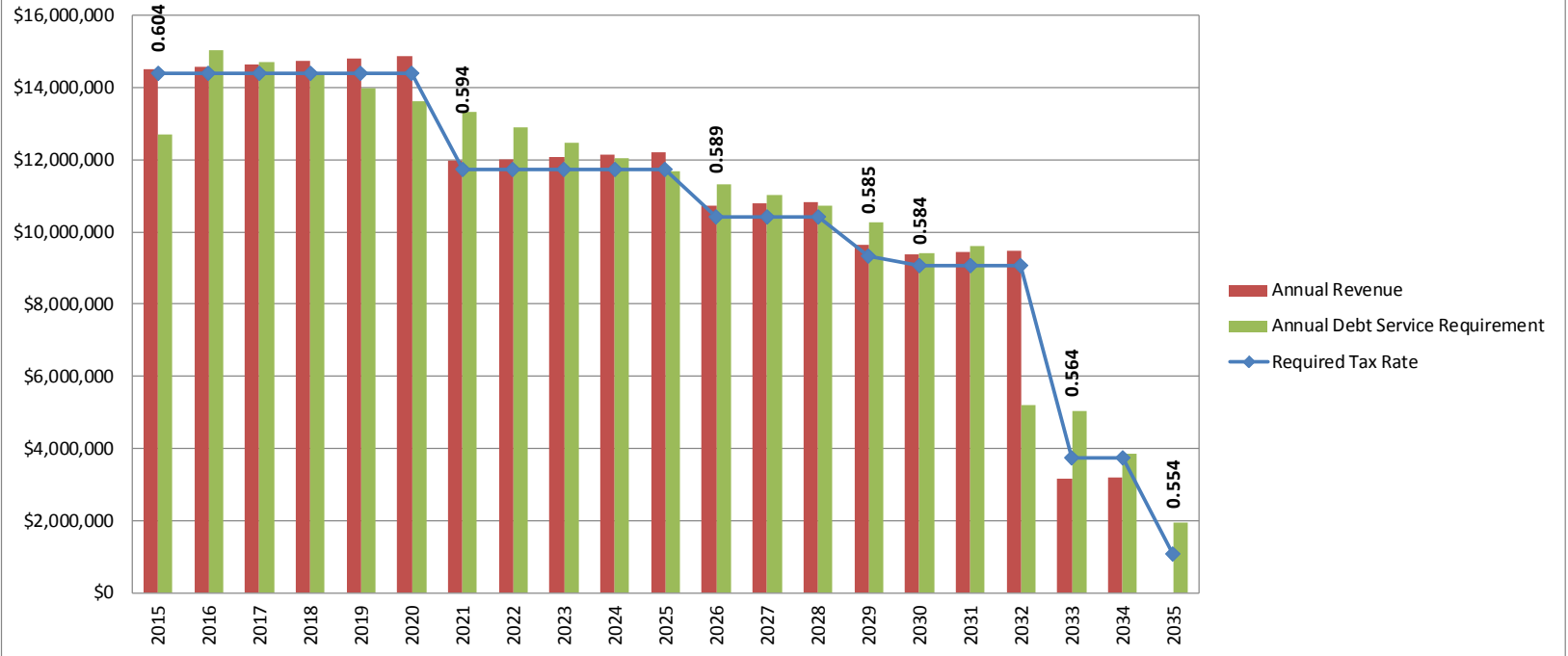


Tax Rate Position

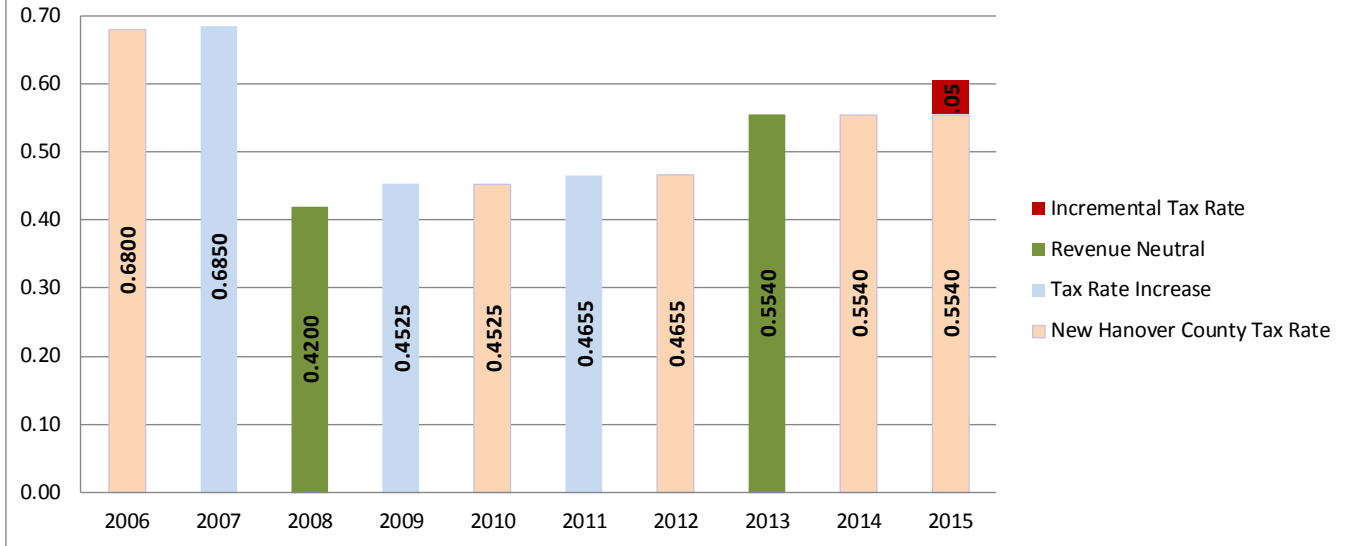
1. Current and balanced at 55.4 cents
2. Most effective rate to cover debt obligations - 60.4 cents
 - Pays for debt approved by voters since 2006 (Parks and CFCC) and Board issued
 - Covers the life of these debt issues through 2035



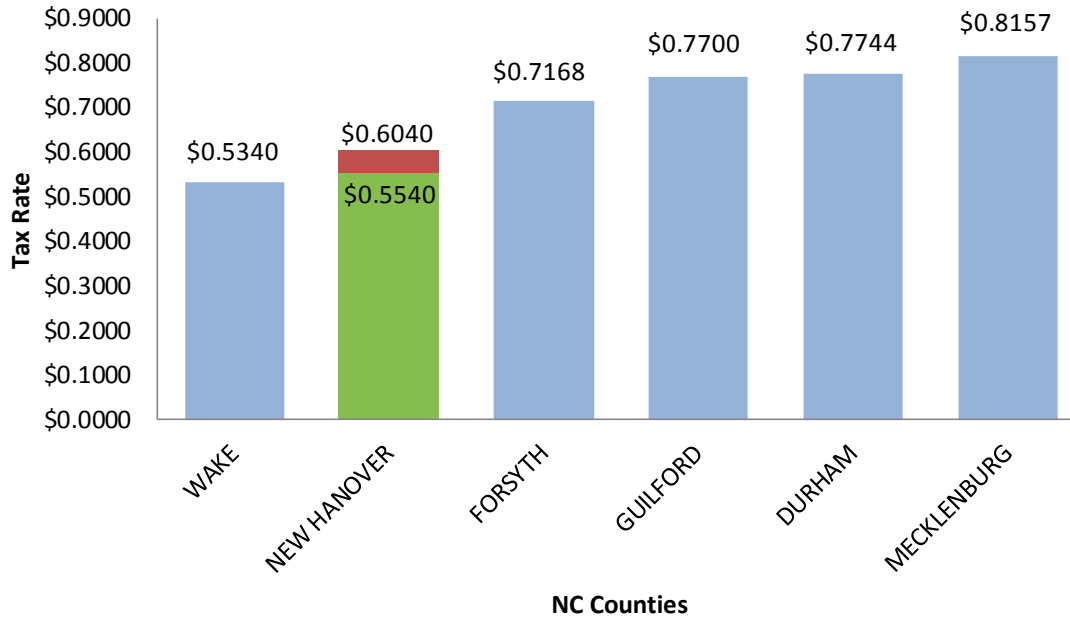
Proposed Revenue & Debt Service Park & Rec and \$164M CFCC General Obligation Bonds



Historical Tax Rate Comparison



FY13-14 Tax Rate Comparison for Counties with Aaa/AAA Bond Rating



Next Steps

1. Identify possible work sessions
2. Public hearing June 2
3. Adoption scheduled for June 16

