

2017-18

Recommended Budget



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INTRODUCTION

Welcome to the City of Wilmington’s Annual Budget. Through this document we, as proud citizens and employees, wish to convey what City government is doing to maintain the quality of life in Wilmington and the improvements we are making to preserve and enhance Wilmington’s safe, clean, and prosperous environment.

This budget serves four basic functions for City Council, staff, the citizens of Wilmington, and others. First, it is a policy document that articulates the City Council’s priorities and issues for the upcoming year. Secondly, it serves as an operations guide for staff in developing goals and objectives for the fiscal year and in monitoring and evaluating progress toward those goals. Thirdly, the budget is a financial device for the projection of revenues and expenditures; it authorizes expenditures and the means for financing them; and, is a control mechanism for spending limits. Finally, it is a way to communicate to citizens how public money is being spent and what is being accomplished with those expenditures. We hope all readers of this document come away with a better understanding of City services in general and specifically what will be done in Wilmington during the fiscal year 2018.

City staff embraces five Core Values as a guideline for personal conduct when fulfilling the City mission “to provide quality services which enhance the safety, livability, and prosperity of our community.” Those Core Values are Respect, Professionalism, Service, Integrity, and Safety.

The Strategic Plan focus areas of Create a Safe Place, Support Efficient Transportation Systems, Foster a Prosperous, Thriving Economy, Promote Culture, Arts and Public Spaces, Engage in Civic Partnership and Provide Sustainability and Adaptability were designed by City Council and staff to fulfill that same City mission. It is the hope of City staff that, by using this guide and working with City residents, City government can better meet the needs of every citizen.



Figure 1: The relationship between the City's core values, mission and strategic plan.

READER'S GUIDE

The budget begins with the City Manager's budget message that contains key features of the budget as recommended by the City Manager. Highlights of the proposed work plan and information about the financial condition of the City are also included.

The first section in the document, the Budget Summary, summarizes the total City budgeted revenues and expenditures as well as the total General Fund budget. The Budget Summary section also includes a listing of appropriations by funds, an accounting term which simply means a balanced set of revenues and expenses. The City of Wilmington has established separate funds for the purpose of reporting and accounting for all financial transactions. Each fund represents a separate financial and accounting entity established for the purpose of carrying out a specific set of activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations that pertain to the operations or resources of the fund.

Each fund is categorized by **operating**, **program**, **debt service**, and **capital project** and reflects a gross amount as well as the net budget which is less appropriations to other funds and debt funding. A separate summary shows the capital debt service projects.

A summary of total revenues for all funds is reflected in the next section and shows the prior year adopted budget levels as compared to current budget. Details follow this summary and again, each fund is identified within the categories of operating, program, debt service, and capital projects.

The General Government section provides expenditure summaries for the General Fund governance and administrative and support services departments. Each department is shown separately and includes an authorized position total. This section also shows the General Fund Sundry appropriations, and all nonprofit agency appropriations.

The next section summarizes the budgets of the City's Community Development departments, which include Community Services, Planning, Development and Transportation, Public Services, the Community Development Block Grant Fund (CDBG), CDBG/HOME Grant and Loan Administration Fund, and HOME Investment Partnership Fund. The CDBG and HOME grant funds include the City's annual entitlement from the federal Department of Housing and Urban Development (HUD) for activities designed to improve low and moderate income neighborhoods. Expenditures include housing loan programs, capital improvements, and contributions to public service agencies. The CDBG/HOME Grant and Loan Fund was established to account for the community development and accounting activities associated with the federal entitlement for the Community Development Block Grant and HOME Investment Partnership funds.

The Public Safety section follows and includes the General Fund expenditure budgets for Police and Fire. These are also shown with authorized positions and expenditure summaries for departments.

The next section summarizes the budgets of the City’s Enterprise Funds. An enterprise fund is a fund established to account for operations that are financed and operated in a manner similar to private business enterprises. Expenditures in these funds are financed primarily through user fees.

The Other Funds section of the budget contains smaller funds and includes two internal service funds that centralize the expenditures and replacement of vehicles and technology.

The Capital Improvement Program section contains the City’s plan for major capital projects to be funded over the next six years (FY18-23). These are new construction and/or renovation projects which improve the City’s infrastructure. The projects are grouped according to general type: Streets and Sidewalks, Parks and Recreation, Public Buildings and Facilities, and Storm Water. Funds for these improvements come from transfers from the City’s 80/20 Capital Debt Plan, the Parking Fund, Storm Water Management Fund, as well as from bonds and other sources.

In reading any of the budget items under each department, the following data in the example below is available:

A. Mobile Device Management Implementation (MDM)

Division: IT Services
Total Cost: \$68,000
Priority: Strategic Plan: Provide Sustainability and Adaptability 7.2
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the IT Department to procure and implement a mobile device management solution, supporting, tracking and managing mobile devices.

- **Division:** Indicates which division in the department the funding was allocated unless it was allocated to multiple division then the word ‘multiple’ would be shown.
- **Total Cost:** Indicates change to the department’s budget (+/-) with the specific package identified.
- **Priority:** Various options are available.
 - *Strategic plan:* funding related to the strategic plan; the focus area is named and the strategy number and action step follow
 - In the example above it indicates Provide Sustainability and Adaptability 7.2
The number indicate Strategy 7, Action Step 2 of that focus area.
 - *Continuation of Services:* funding for the continuation of current service levels
 - *Budget adjustment:* funding shifted in the base budget, supporting a high priority item for the department
 - *Reduction:* funding reduced from the department’s budget through savings, process changes or required reductions
 - *Outside directive:* funding authorized for items outside the original budget instructions but found to have merit
 - *One-time non-recurring expenditure reduction:* funding removed for one-time items authorized the previous year

BUDGETARY FUND STRUCTURE

The City of Wilmington budget consists of two overarching fund types, governmental and proprietary funds.

Governmental Funds are used to account for those functions reported as governmental activities. Most of the City’s basic services are accounted for in governmental funds.

The City of Wilmington has two types of **Proprietary Funds**. *Enterprise Funds* are used to report the same functions presented as business-type activities and *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the functions of the City of Wilmington. The City uses Internal Service Funds to account for two activities – fleet operations and technology replacement.

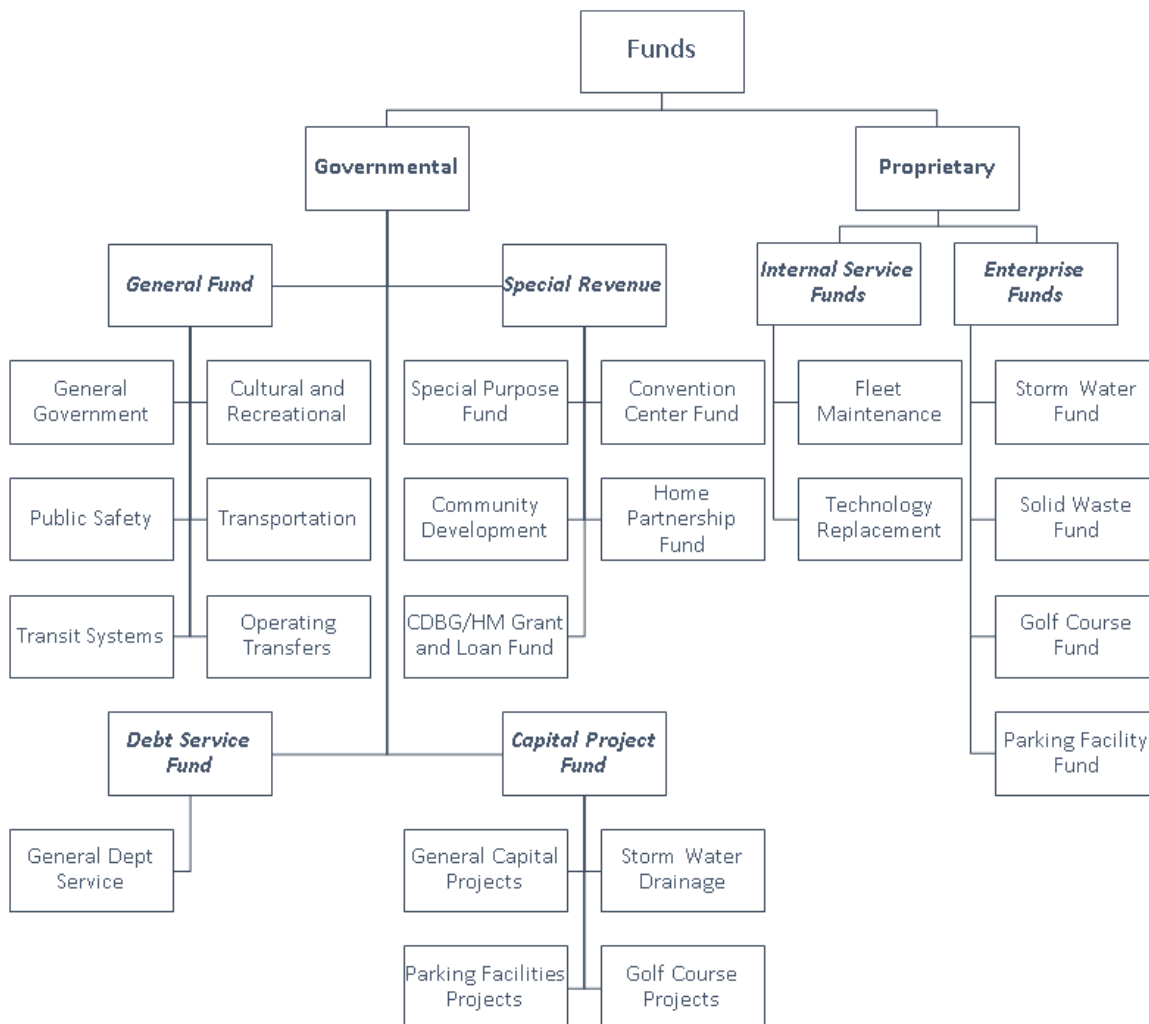


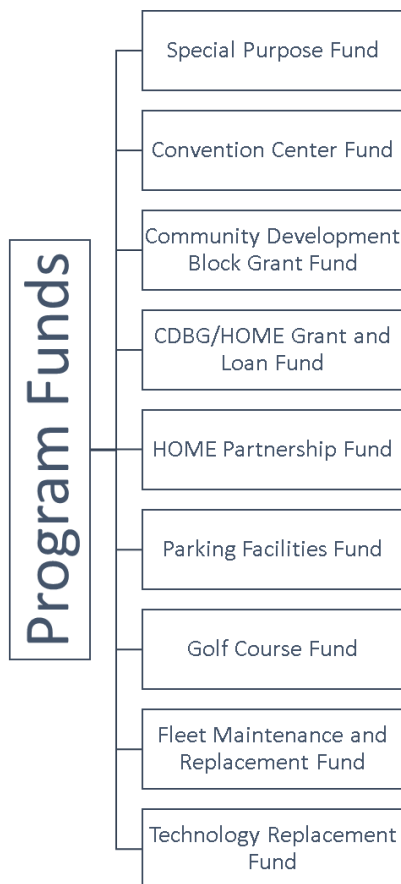
Figure 2: These funds provide for all the basic operations of the City.

FUNDS SUBJECT TO APPROPRIATION BY CATEGORY

The *General Fund (010)* is the general purpose fund of the City of Wilmington. It was established to account for all financial resources, except those required by State law, local ordinance, and generally accepted accounting principles, to be accounted for in another fund. General Fund revenues primarily include property taxes, sales taxes, and revenues from state and federal governments, licenses, fees, and permits. The major operating activities include general government, public safety, community development, transportation, and other governmental service functions.



The *Stormwater Management Fund (050)* includes revenues and expenditures associated with the City's stormwater planning, maintenance, public information efforts, and the City's drainage capital improvements. The stormwater utility fee, which is based on the amount of impervious surface present on each parcel of property, is the primary revenue source for these expenditures.



The *Solid Waste Management Fund (056)* includes revenues and expenditures for the collection and disposal of garbage, yard waste, recyclable materials, and other refuse. Solid waste customer fees are the primary revenue source for this fund.

The *Special Purpose Fund (021)* is supported primarily by grant funds and donations to the City for special purposes.

The *Convention Center Operating Fund (022)*, established by City Council in April 2008, captures the costs of managing the project, as well as marketing and pre-opening expenditures. It is supported primarily by Room Occupancy Tax funds allocated to the City for the development of the Convention Center.

The *Community Development Block Grant Fund (023)* is supported primarily by federal grant funds allocated to the City for community development programs designed to improve low and moderate income neighborhoods.

The *CDBG/HOME Grant and Loan Fund (024)* is supported by CDBG and HOME Partnership administrative funds allocated under the entitlement to the City as well as General Fund revenues to support low and moderate income housing and community development activities.

The *HOME Partnership Fund (025)* is supported primarily by federal grant funds allocated to the City for housing-related activities in low and moderate income neighborhoods.

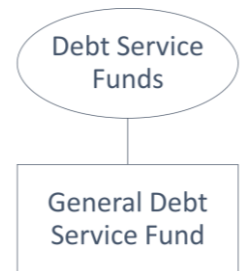
The *Parking Facilities Fund (055)* provides for the general operational and maintenance costs for the Second and Market Street parking decks, the Second Street and Hannah Block parking lots, and on-street parking. The fund is supported by parking deck and meter user fees as well as interest earnings.

The *Golf Course Fund (057)* is supported by the income received at the City's municipal golf course and the associated costs with running that operation.

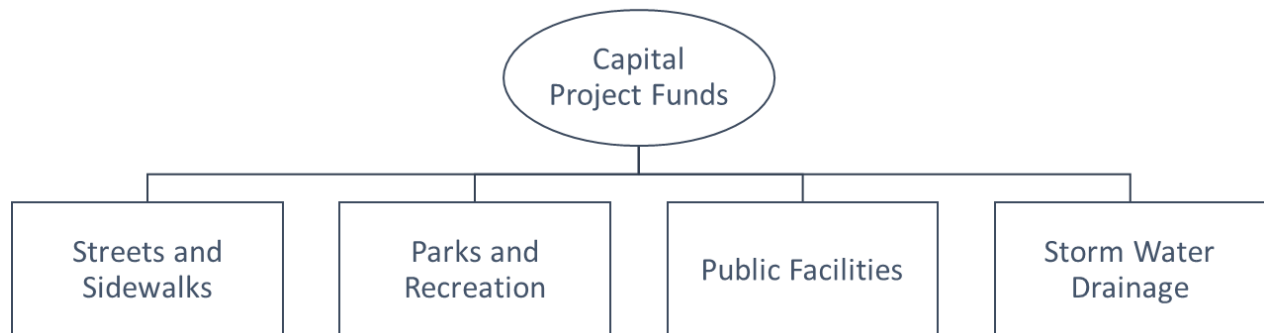
The *Fleet Maintenance and Replacement Fund (061)* is an internal service fund that centralizes the expenditures for the maintenance and replacement of vehicles for all participating departments. Each City department makes annual payments according to the types of vehicles leased.

The *Technology Replacement Fund (065)* is an internal service fund that provides for the replacement of technology to reduce the technology gap and off-site hosting of certain applications. Revenues for this fund consist of internal charges to City departments according to the type of device and a subsidy from the General Fund.

The *Debt Service Fund (015)* was established to set aside resources to meet current and future debt service requirements on general long-term debt. The fund receives a dedicated \$0.0947 of property tax which funds the City's maintenance and new infrastructure capital needs. Eighty percent (80%) of the rate pays for debt and 20% pays for pay-as-you-go projects – 80/20 Capital Debt Plan. The Debt Service Fund is currently supporting the completion of projects related to the 1st 80/20 CIP and the voter approved Transportation Bond. It will begin to support projects related to the voter approved Parks Bond, the Water Street Deck Collaboration and the 2nd 80/20 CIP plan.



The purpose of the Capital Project Funds is to account for the financial resources segregated for the acquisition or construction of major capital facilities. The budgets within these funds are adopted for the life of the project, with revenues and expenditures accumulating until the year in which the project is completed.



The Capital Project Funds provide for street and sidewalk improvement projects, park improvement projects, and various other physical improvement projects which typically cost over \$50,000, have a useful life greater than five years, and are approved by the City Council.

Funding for capital projects comes from several sources, including property and sales tax collections as well as fees.

BUDGET PREPARATION AND ADOPTION

The City of Wilmington begins the budget process in September with the preparation for proposed new and revised capital improvements projects. The official budget kick-off is done in December with a transmittal to all staff involved in the budget process that includes budget instructions and key issues and changes. In January and/or February, work sessions are held with the City Council to review the City's financial condition and the forecasts for the future. This is also an opportunity for the Council to develop goals and objectives for the upcoming year.

In accordance with State Statutes, departments must submit a budget request to the Budget Officer before April 30 of each fiscal year. For the City of Wilmington, typically, that deadline for Departmental submissions is the end of January. After all departmental budgets are submitted, the Budget Office reviews the requests and meets with each department individually to review the needs and priorities in detail. The Budget Office and the departments then meet with the City Manager to discuss programmatic issues and the objectives to be accomplished in the new budget year. Revisions are made as necessary in the operating budgets, the capital budgets, and the revenue estimates, until a final recommended budget document is produced in April.

A budget message and a balanced budget must be submitted to the Council no later than June 1, according to State Statutes. In the City of Wilmington, these are typically submitted to City Council in May. After a formal budget submission to Council, work sessions are conducted with the Council, and a public hearing is held to provide an opportunity for all citizens to have input in the budget. In accordance with State Statutes, final adoption of the budget takes place before July 1 of each year.

In accordance with the North Carolina General Statutes, the City prepares and adopts the budget on the modified accrual basis of accounting, in which revenues are recorded when the amount becomes measurable and available, and expenditures are recorded when the liability is actually incurred. Only revenues and expenditures anticipated during the fiscal year are included in the budget. Unexpended operating budget funds revert to fund balance at the close of the fiscal year. Unexpended capital project reserve funds are carried forward life-to-date until the project is officially closed.

Throughout the fiscal year the City's financial accounting system maintains a modified accrual method as the adopted budget. At year-end, the City's Comprehensive Annual Financial Report (CAFR) is prepared on a basis consistent with "generally accepted accounting principles" or GAAP. This basis of accounting conforms to the way the City prepares its budget with some exceptions. The most notable exception is that the City's Enterprise funds are converted from the modified accrual basis of accounting to the full

accrual basis for financial statement presentation purposes. In the accrual basis, revenues are recognized when they are earned and expenses are recognized when they are incurred. This change between the budget and the financial report for the Enterprise funds provides for some significant differences. One is that depreciation is recorded as an expense in the CAFR and is not recognized at all in the budget. Another is that capital outlay and principal debt service payments are identified as expenditures in the budget but reported as adjustments to the balance sheet in the CAFR.

The following chart summarizes when accrual and modified accrual are used for the basis of reporting and the basis of budgeting:

Fund	Basis of Budgeting	Basis of Reporting
General	Modified Accrual	Modified Accrual
Special Revenue	Modified Accrual	Modified Accrual
Enterprise	Modified Accrual	Accrual

BUDGET AMENDMENT PROCESS

Proposed amendments to the budget may be submitted at any time by a member of the City Council or the City Manager. The City Manager is authorized to transfer budget amounts within adopted functional categories, however, changes between categories or that change total expenditures in any fund must be approved by City Council.

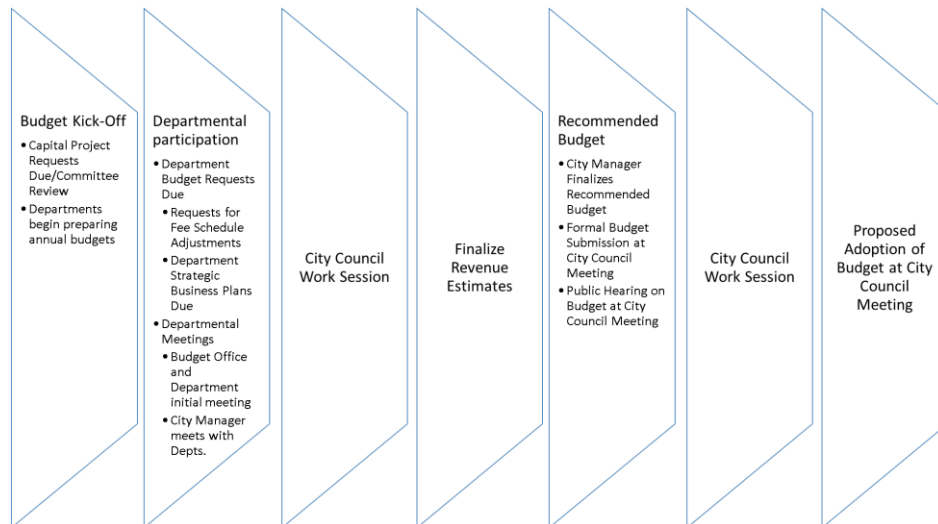
Proposed ordinance amendments are prepared by the administration and include a statement by the Finance Officer as to the availability of funds. A cover letter provides background information and the City Manager’s recommendation on the proposed amendment. Ordinances require two readings for adoption.

Minor budget changes that do not affect the ordinances are submitted to the Budget Office at any time with an explanation of and justification for the change. All changes must be approved by the Budget Office. Changes in salaries or benefits are not permitted, except in rare instances, with prior approval by the Budget Office and by the City Manager.

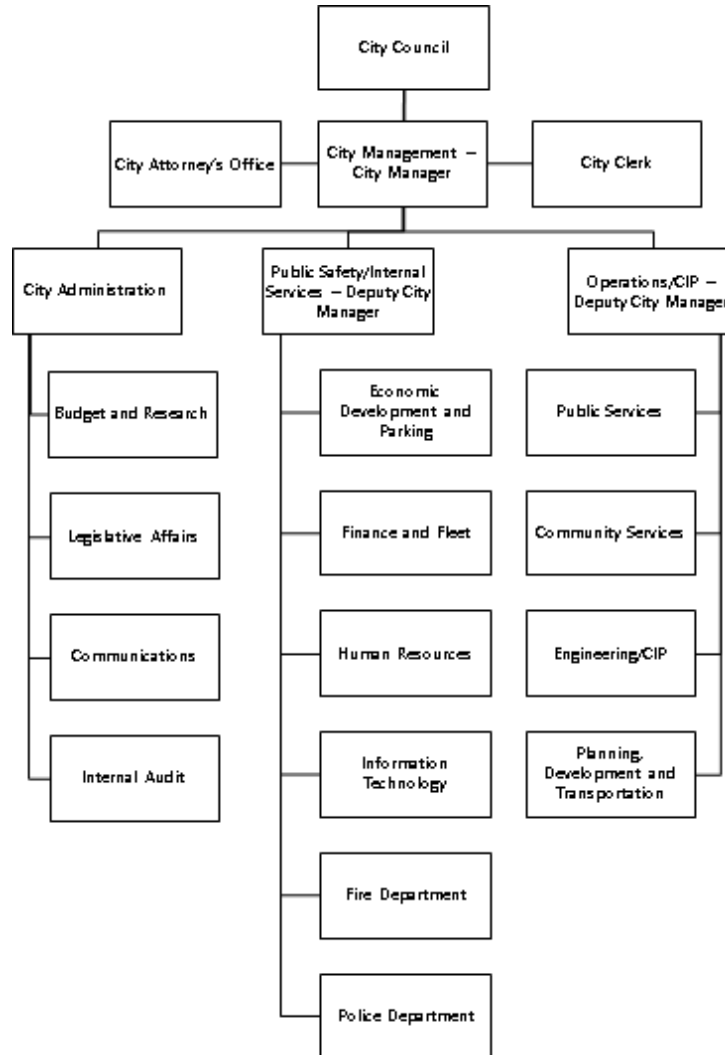
SCHEDULE OF EVENTS FOR THE PREPARATION OF THE FY 2017-18 BUDGET

Event	Date
Strategic Council Work Session	November 18, 2016
Budget Kick-Off and Instructions	Dec. 6, 2016
Capital Projects Sub-Committee Meeting	Dec. 9, 2016
Department Budget Requests Due	Jan. 31, 2017
Requests for Fee Schedule Adjustments Due	Jan. 31, 2017
Budget Office/Department Budget Meetings	Feb. 13-24, 2017
City Manager/Budget Office/Department Budget Meetings	Mar. 1-10, 2017
City Council Budget Work Sessions	Jan. 20, Mar. 31, 2017
Finalize Revenue Estimates	April 12, 2017
City Manager Finalizes Recommended Budget	April 21, 2017
Formal Budget Submission at City Council Meeting	May 2, 2017
Public Hearing on Budget at City Council Meeting	May 16, 2017
City Council Budget Work Session	May 26, 2017
Budget Adoption at City Council Meeting	June 6, June 20, 2017

BUDGET PREPARATION PROCESS



ORGANIZATIONAL STRUCTURE



FINANCIAL MANAGEMENT POLICIES

These Financial Management Policies serve as guidelines for the preparation and operation of the annual budget. They are designed to complement the North Carolina Local Government Budget and Fiscal Control Act, recommendations of the Local Government Commission (LGC), the Government Finance Officers Association and the National Advisory Council on State and Local Budgeting. These policies were developed by Budget staff and were formally adopted by the City Council effective July 1, 2002 and amended effective June 4, 2013. These policies are used to frame major policy initiatives and are reviewed during each budget process to ensure continued relevance and to identify any gaps that should be addressed with new policies. These policies assist in maintaining the City’s stable financial position and ensures that Council’s intentions are implemented and followed.

REVENUE POLICIES

Revenue Diversity

The City shall continue to provide adequate funds for stable operation of desired service levels through diversification of revenue sources to avoid over-reliance on any one revenue source and to maintain stable rates and fees.

Fees and Charges

The City shall maximize user fees where possible in order to distribute the costs of municipal services to those who use the services; include users who may have tax exempt property; to avoid subsidizing where the service is not used by the general public, except where appropriate; and maintain charges that are equitable and efficient by capturing the costs to provide the service.

All revenue sources will be reviewed on an annual basis, the levels of cost recovery will be reviewed, and the reasons for the subsidy will be reviewed.

Use of One-time revenues

Use of one-time revenues is limited to covering expenditures that temporarily exceed revenues, early debt retirement, or capital purchases that do not significantly increase ongoing operating expenses.

Property Tax Estimates

The percentage collection of property taxes relative to the tax rate estimated in the budget must not be greater than the percentage of the levy realized in cash as of June 30 of the preceding fiscal year, in accordance with State law. This ensures a conservative estimate of property tax revenues.

A dedication of \$0.0500 of the property tax rate will be restricted in the Debt Service Fund by Ordinance and evaluated in every revaluation year. This revenue is committed to pay for 80% debt and 20% pay-as-you-go funding for capital maintenance and new infrastructure needs.

Unpredictable Revenue

Estimated revenues shall include only those reasonably expected to be realized during the fiscal year.

Grant funding will be pursued and used for a variety of purposes. Application to apply will be reviewed and evaluated in advance for consistency with Council goals and compatibility with City programs and objectives. All new grants must be presented to Council for consideration before application is made. Any awarded funds will be accepted only after Council review and approval. Any changes in the original intended use of grant funds must be approved by the granting agency and City Council.

EXPENDITURE POLICIES

Balanced Budget

The City shall prepare an annual balanced budget in accordance with the Local Government Budget and Fiscal Control Act, Generally Accepted Accounting Principles, and shall maintain excellence in finance and budgeting by meeting the standards necessary to achieve the Government Finance Officers Association's Distinguished Budget Award.

Actual funds expended and received against budget will be reported to the City Manager and department directors on a monthly basis and City Council on a quarterly basis.

Evaluation and Prioritization

Expenditures shall be reviewed by staff, the City Manager, and City Council prior to adoption, and continually monitored throughout the budget year. Priority will be given to expenditures consistent with the City's Strategic Plan, and those necessary to carry out the mandated and core services of the City.

Nonprofit Agencies – Competitive Process

Funding for nonprofit agencies shall be considered on a competitive basis consistent with Council's priorities or with a departmental or City-wide mission, and with the City's Consolidated Plan. Any agency receiving over \$5,000 in any one fiscal year is required to complete a financial review. Any agency receiving over \$10,000 in any one fiscal year is required to complete a financial single-audit. Community Development Block Grant Funds will be allocated to public service agencies at the maximum percentage allowable by HUD regulations. General Funds will be allocated to public service agencies that complete the competitive process a total amount not to exceed ½ percent of the General Fund operating budget. No agencies will be considered for funding without an operational budget.

Nonprofit Agency – Non-Competitive Process

Funding considerations for any nonprofit agency not considered through the competitive process in the recommended budget will require a formal budget request made to the City of Wilmington via the City Manager on or before March 31 annually.

RESERVES

Debt Service Fund

The City shall maintain a Debt Service Fund and all accumulated revenues will be used towards debt service, debt administration and debt issuance.

The City Council has adopted a levy of \$0.0500 cents of the General Fund property tax rate to be restricted in the Debt Service Fund for an 80% debt and 20% pay-as-you-go funding mechanism that will cover all projects within the five year Capital Improvement Plan. This rate will be adjusted as needed in future revaluation years.

Fund Balance

The City shall maintain a minimum unassigned fund balance equal to 15-20% of the operating budget for each of the City's funds. Any portion of the unassigned fund balance in excess of 20% of budgeted expenditures may be appropriated for one-time "pay-as-you-go" expenditures. (Examples are, but not limited to: incentive agreements, capital improvements, computer systems and software). Unassigned fund balance is not a recurring revenue source of funds and should only be appropriated for non-recurring expenditures

Contingency

Reserves may be appropriated in operating budgets to a contingency account in an amount not to exceed 5% of the fund in order to meet unexpected increases in service delivery costs.

DEBT MANAGEMENT

Debt Model

Debt Service models will be maintained for all debt and will identify the impact of future debt and the adequacy of designated resources.

Debt Service

The total annual debt service paid on tax-supported debt shall not exceed 15% of the operating expenditures in the General Fund including inter-fund transfers.

Direct Net Debt

The outstanding direct net debt will not exceed the NC statutory limit of 8% of the appraised property subject to taxation with an optimal level of less than 4%. Net General Fund debt per capita shall not exceed \$1,000.

Bonded Debt

Capital projects financed through the issuance of bonds will be financed for a period not to exceed the expected useful life of the project.

Bond Rating

The City will maintain its financial condition so as to maintain a minimum AA bond ratings

CAPITAL INVESTMENT POLICIES

The City shall annually update and adopt a 5-year Capital Improvements Program (CIP) in conjunction with the Annual Operating Budget.

A dedicated \$0.0500 of the property tax rate will be restricted to the Debt Service Fund for an 80% debt and 20% pay-as-you-go funding mechanism that will cover all projects within the five year plan. This rate will be adjusted as needed in future revaluation years

The City shall appropriate all funds for capital projects with an Ordinance in accordance with State statutes.

Capital expenditures included in the CIP as a project will generally cost at least \$50,000 and have a useful life of at least 5 years.

Capital projects financed through the issuance of bonds will be financed for a period not to exceed the expected useful life of the project.

The capitalization threshold minimum for fixed assets is set at \$5,000. The threshold will be applied to individual fixed assets and will only be capitalized if they have a useful life of at least two years from the date of acquisition.

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES

The accounting systems for the City will be compliant with the North Carolina Local Government Budget and Fiscal Control act and will be maintained to enable the preparation of financial statements that conform to generally accepted accounting principles (GAAP).

Reasonable access to the financial system will be made available to department directors and other staff for the continuous monitoring of revenues and expenditures. Emphasis will be placed on internal budgetary and financial controls with regard to the financial system for the purposes of maintaining proper checks and balances.

The City will have an annual independent audit performed by a certified accounting firm that will issue an opinion of the annual financial statements that are required by the Local Government Budget and Fiscal Control Act.

The City will prepare a Comprehensive Annual Financial Report (CAFR) that will be provided to City Council and is in compliance with established criteria to obtain the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting and will be submitted to that award program each year.

Full disclosure will be provided in all regulatory reports, financial statements and debt offering statement.



April 28, 2017

The Honorable City Council
And the Citizens of the City of Wilmington:

As required by the City Charter and on behalf of the City's management team, I am pleased to present you and the residents of the City of Wilmington the *Recommended Budget* for the fiscal year beginning July 1, 2017 and ending June 30, 2018 and the accompanying FY18-23 Capital Improvement Program. This budget is in accordance with §159-11 of the North Carolina General Statutes and meets the statutory and administrative obligations to prepare and present a balanced budget for your consideration.

The total projected net budget for FY18 is \$217,484,481 and represents a 29% increase from the current adopted budget of \$168,782,246, partly due to modifications of operational costs and increased capital appropriations but more specifically due to the voter approved Parks Bond projects. The current FY18 appropriations for capital projects represents the first year of the second 80/20 6 Year Capital Debt Plan. The recommended funding to capital projects is \$65,854,606.

The General Fund is the largest component of this total with expenditures totaling \$110,704,372, an increase of 6.4% or \$6.6 million over the current adopted amount of \$104,046,182.

The *FY18 Recommended Budget* reflects a real property revaluation year. The last New Hanover County revaluation was effective January 1, 2012 for FY13. North Carolina law requires each county to reappraise real property¹ at least every eight (8) years. The revaluation's purpose is to fairly reflect the value of all property and to help ensure property owners pay equitable taxes based on the value of their property. The County reassessed all properties this past year in the City of Wilmington and provided a valuation of \$14,836,952,148. This valuation represents an 8.64% increase in assessed values from FY17. The revenue neutral tax rate for the City of Wilmington for FY18 to include a 1.74% growth adjustment totals 45.42 cents per \$100 assessed value. The value of one cent equates to \$1,467,002 after being adjusted for the collection rate of roughly 99%.

The approval of this budget will require an additional tax rate adjustment of 2.92 cents over the calculated revenue neutral rate (45.42 cent) for a new ad valorem tax rate of 48.34 cents per \$100 assessed valuation. For comparison purposes, the current FY17 tax rate is 48.50 cents. Although individual taxpayers will see varying net changes dependent upon the assessed value of their property, for example

¹ Real property includes land, homes, building, permanent fixtures as well as rights and privileges pertaining to land, such as mineral or forestry rights as well as personal property, both tangible and intangible, which is not permanently affixed to land.

purposes, the impact to a taxpayer with an average home value in Wilmington of \$220,000 will pay an additional \$88.40 tax levy per year.

The 48.34 cents will be used for the following purposes:

- 38.86 cents for General Fund operations
- 9.47 cents for Debt Service Fund

The Debt Service Fund is currently supporting the completion of projects related to the 1st 80/20 CIP and the voter approved Transportation Bond. In FY18, it will now begin to support projects related to the voter approved Parks Bond (adjusted tax rate = \$0.0180), the Water Street Deck Collaboration (adjusted tax rate = \$0.0094) and the 2nd 80/20 CIP plan (adjusted tax rate = \$0.0018).

It is recommended that the “rainy day fund”, General Fund undesignated fund balance, be appropriated for certain one-time expenses that total \$7,960,200 to balance this budget. This amount is approximately \$2,215,857 more than the \$5,744,343 appropriated in the FY17 Adopted Budget. The fund balance will be used for the following three (3) Capital Improvement Plan projects.

- Replacement of 800 MHz Radios totals \$2,710,200 for emergency communication
- Replacement of Core Financial System totals \$4,500,000, a system 20+ years old
- Full funding, including a contingency for Police and Fire Training Facility totaling \$750,000

The General Fund unassigned fund balance at June 30, 2018 is expected to be \$27,092,053 or 24.62% of the FY18 projected expenditures. This projection assumes that the full FY17’s adopted appropriated fund balance is expended by June 30, 2017 and nothing else is required in FY18. Our Financial Management Policies state that unassigned fund balance should only be appropriated for non-recurring expenditures. The City’s General Fund unassigned fund balance remains healthy and above the Financial Management Policy’s minimum target of 15-20 percent with this recommended budget. Of special note, even though our financial policies require the minimum target of 15-20 percent, an internal practice aims to operate with the unassigned fund balance of the General Fund at a minimum level closer to 25% as a measure that takes into account the timing of major revenue sources, maintenance of the AAA bond ratings and any unanticipated emergencies.

The Economy

Our local economy continues to improve modestly with persistent increases in job gains, economic activity as well as a resurgence in local tourism. The Cameron School of Business’ *Economic Barometer* published April of 2017, states the region should expect a positive outlook that is driven by three items: employment growth, strength in the residential real estate sector and positive productivity growth. Senior regional economist, Richard Kaglic, with The Federal Reserve Bank speaking at *Wilmington’s 25th Annual Economic Forecast* stated that Wilmington continues to recover faster than some of the smaller metropolitan areas of the State and is expected to do better than the State and the U.S. average throughout 2017. He also expects job growth across the board especially in professional business services but encourages the region to keep an eye on the manufacturing sector given the output is growing even though the jobs are not. The housing market for the Wilmington region continues to be strong in terms of homes sold and median

price. Dr. Adam Jones of the University of North Carolina stated at the same Annual Economic Forecast meeting that there is an optimistic outlook for continued improvement in incomes, capacity for growth as well as a strong dollar².

At both the State and Federal level, there are some uncertainties the City should continue to monitor. Legislation at the State level has already been introduced related to special additional retirement benefit for firefighters, an unfunded mandate, and a latest iteration in the sales tax redistribution (LOST adjustment factor) that is applied to the half-cent sales tax imposed under Article 40. At the time of this publication, the legislature is still in session with no clear indication on any of the outcomes.

Another area to watch is the new federal administration that has verbalized plans to reform the tax system, healthcare industry, international trade regulations, housing and urban development, human services, transportation and more. The uncertainty of these changes should be watched closely for their impacts to local governments. What has occurred and will continue to be monitored are the changes with the federal prime interest rate increases. Because the nation has continued signs of a healthy economy, the Federal Reserve justified rate increases in 2016 and again in March of 2017 with expectations of two more by the end of the calendar year. This could affect the city's future debt costs for capital projects as well as consumer spending. One potential change at the Federal level that could benefit local governments relates to the internet sales taxes (marketplace fairness) which if changes, will serve to benefit our revenues.

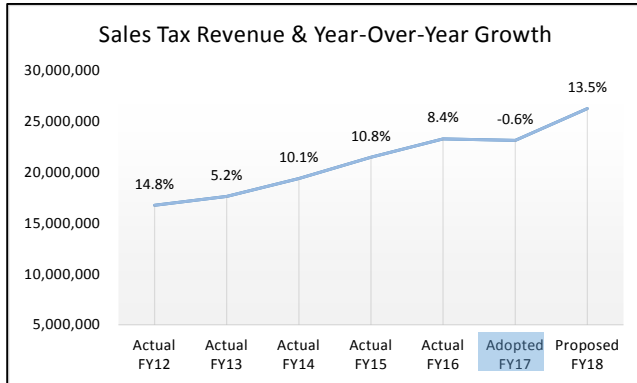
Changes in the Wilmington skyline are ongoing especially in the downtown area where an influx of development and activity is continuing. Hotels are being constructed from the center of downtown north. The Hampton Inn on Grace Street recently opened April of 2017. Adjacent to the Convention Center, the Embassy Suites is under construction with an expected opening date in October. Two other hotels are in the works in the northern downtown area, the Aloft Hotel, with a construction value of \$25 million and the Indigo Hotel with plans of 135 guest rooms along the riverfront near the Convention Center. These hotels will provide over 500 more guest rooms to the downtown area and are just the beginning of the changes.

Growing the residential base in downtown is also important to Wilmington's economic environment. Accompanying the hospitality developments there are 800 new housing units that have either been recently opened, under construction or in design. Pier 33 apartments are proposed near the Port City Marina. City Block apartments added over 100 units with the Rogue Townhomes contributing to the transforming Brooklyn Arts District. On the southern side of downtown, on Castle Street, the Oasis development added over a dozen housing units and the Sawmill apartment development is scheduled for development near the Isabell Homes Bridge.

Two regional chain restaurants, BlackFinn Ameripub and Vida, are coming to the Port City Marina area with expected opening dates in summer of 2017. Farmin' On Front, the first grocery store in the

² Paragraph summarized by material received from the *Wilmington's 25th Economic Forecast* as well as WilmingtonBiz's article dated January 11, 2017 titled *Annual Economic Forecast Unveiled For 2017* authored by Vince Winkel.

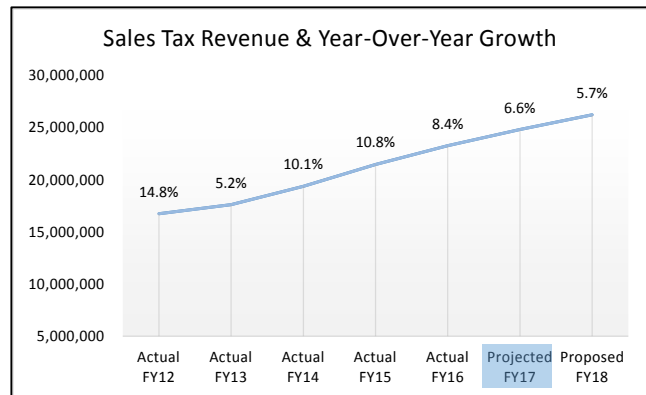
downtown area, opened last fall. Brewing businesses are also making their presence known. Waterline Brewing Company opened on Surry Street in December of 2016. New Anthem has opened its doors on Dock Street and Edward Teach Brewing is planned for the Brooklyn Arts District.



This recommended budget continues to recognize certain signs of improved economic health. Our forecasted increase in **sales tax collection**, totaling 13.5% over the FY17's adopted budget, is now on par with the increases in revenues recorded over the past five years. To understand the increase, it is important to recognize the State expanded the sales tax base³ in March of 2015 with the first impacted distribution in July of 2016. As of December

2016, the State's sales tax collection estimates were 3% higher than forecasted. Wilmington's sales tax forecast for FY17 were also above adopted levels by a projected \$900,000 not including the influx expected for the Wells Fargo Golf Championship tournament. The total revenue for sales tax is \$26.2 million.

The NC League of Municipalities estimates the projected FY17 distributions will be 4.75% over FY16 distributions and that FY18 local sales tax distributions will be 4.25% over FY17's collection. Wilmington tends to be higher than the state average due to the city's location and tourism industry resulting in about 1.5% to 2% over the state projections. The recommended budget for sales tax falls within the recommendations provided by the League when adjusting for percentages above the states average. If the economy continues to grow at the current pace, the City's FY18 sales tax projection is modestly aggressive but reasonable given the trends. It should be noted, the economy even though strong will not stay on a positive trajectory repeatedly. The economic cycle is typically 10 years and we are nearing that timeframe.

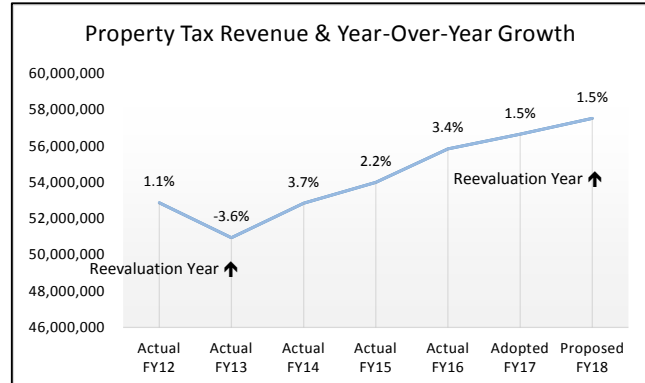


The City of Wilmington projected FY18 **property tax growth** over FY17's adopted budget totals 1.5% and is a continued indication of the positive trend in the real estate market as multi-family, hotel and office construction continue to expand our tax base. The City's tax base for FY18 is estimated at \$14,836,952,148 with the City's real property totaling \$13,910,952,148 and Motor Vehicle property

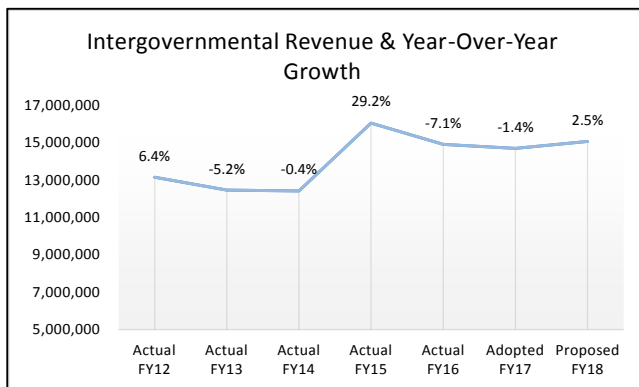
³ Some of the sales tax expansion includes charging sales taxes on previously untaxed services such as repairs to cars, installation of big items or warranties connected to new purchases.

equaling \$926,000,000. With a \$0.4834 tax rate, one penny equates to a value of \$1,467,002 using a collection rate of 99.8% for property tax and 100% for motor vehicles. The tax base is expected to bring the City \$70,914,880 which is split between:

- General Fund (\$57,022,371/\$0.3887)
- Debt Service (\$13,892,510/\$0.0947)



The third largest revenue stream category is Intergovernmental Revenues. The FY16 Adopted budget saw a \$2.3 million reduction in tax revenue due to the elimination of the local business privilege license fees. Signs are slowly indicating that the mid-FY14 intergovernmental revenue tax base expansion may be a



revenue stream aiding the City in that loss. The City saw a \$2.5 million increase specifically in the **utility franchise tax** from the FY15's actuals of \$4.6 million to the FY16's actuals of \$7.1 million in that revenue stream alone. FY18's utility franchise tax budget is projecting a conventional 3% increase over FY16's actuals due to the revenue stream stabilizing after the base expansion. Utility franchise tax is weather dependent, if normal weather patterns persist, this revenue stream is expected to bring in at least \$7.3 million in FY18.

There are a few revenue streams in the Intergovernmental category with special notable circumstances related to customer behavior. The **telecommunications sales tax** distributions are declining due to customers abandoning landline telephone service and going solely to mobile devices. For this reason, the FY18 budget is \$900,000 or 17% less than FY16 actuals and 14% less than the FY17 adopted budget. This similar reduction is also seen in the **video programming tax** where the decline is attributable to customers exchanging cable TV with streaming services. The recommended FY18 revenue is 5% less than adopted FY17. Taking these impacts into consideration as well as the stabilization of the utility franchise tax, the intergovernmental revenues are modest 2.5% above FY17's adopted rate contributing \$15 million to the city's overall budget.

And lastly, the City's general obligation bond rating was upgraded to Aaa by Moody's. This is the highest possible rating and matches the current AAA ratings previously issued by Fitch and Standard & Poor's. The higher bond rating results in lower interest costs on long-term debt. The credit rating agencies base their ratings on a number of factors. Both Fitch and Standard & Poor's cited the city's healthy and diverse economy, very strong financial management, budgetary flexibility provided by ample operating reserves, and manageable long-term obligations. Moody's coupled that with the city's strong financial reserves, conservative policies and practices for their upgrade. Better bond ratings result in lower interest ratings and lower borrowing costs.

We continue to be moderately conservative in our projections. The total General Fund revenues equal \$110,704,372 which is 5.5% higher than FY17's Adopted budget due to both increases in revenue projections as well as a \$2.2 million increase in use of General Fund unassigned fund balance transfer to the Capital Improvement Plan.

Budget Preparation

In developing the FY18 recommended budget, the strategies used to balance the budget included:

- No property tax rate change for basic General Fund operations
- Modestly aggressive revenue estimates in sales tax
- One-time strategic use of fund balance for CIP projects
- Continue core services with limited additions
- Prioritize any requested enhancements based on the city's key strategic priorities

In starting the budget process, City priorities were identified and the budget was framed with those in mind. Those included the following:

- Develop and fund strategic plan initiatives with an emphasis on the following:
 - Community policing related to youth violence prevention
 - Workforce development jobs and affordable housing
 - Core infrastructure upgrades & maintenance⁴
 - Collaborative partnerships
- Maintain current services at current levels⁵
- Increase infrastructure maintenance related to the following areas:
 - 80/20 Capital projects
 - Transportation Bond projects
 - Parks Bond projects

Every department in the City contributed to the overall goal of recommending a budget that incorporates a fiscally responsible plan for the continuation of basic quality services that meets the City's priorities as set forth above. Departments were charged with submitting the following scenarios:

- A flat base budget that realigned with current department priorities to include any resource shifts related to new services deemed a priority
- Enhancements that related to either:
 - Strategic plan initiatives
 - Current service level maintenance
 - Core infrastructure maintenance

⁴ Core infrastructure maintenance focuses on those areas where the City has taken on assets over the years but has not provided the appropriate resources to maintain those assets.

⁵ Maintain current services at current levels focuses on those services that need additional resources to continue the same service going into FY18 such as contract increases, material increases and the like.

Budget Highlights

As we moved through the development of the budget, it was imperative we obtained Council feedback. I want to thank the members of Council for your continued input into the development and shaping of the recommended budget through the budget work-sessions. The following section provides highlights included in the recommended budget.

Strategic Plan

Staff are dedicated to delivering high-quality services to Wilmingtonians. FY17 represents the first full year implementation of the City's newly adopted four year strategic plan. The plan builds upon the community's vision and the city's core values and commitments.

The foundation of the plan are the six focus areas adopted June of 2015 and include:

- **Create a Safe Place:** The City will create a safe, inclusive community with neighborhood/area based public safety and support services.
- **Foster a Prosperous, Thriving Economy:** The City will promote opportunity and prosperity by fostering sustainable, regionally coordinated economic growth and development strategies for creating jobs, building a strong workforce, facilitating commerce and business vitality.
- **Promote Culture, Arts and Public Spaces:** The City will provide unique, creative open space, parks and community facilities integrated with arts and cultural activities for all.
- **Support Efficient Transportation Systems:** The City will advocate for, develop and maintain diverse modes of transportation needed for an inclusive, connected community. Greenways, pedestrian and bicycle amenities and a regionally focused multimodal transportation system will increase mobility and regional connectivity.
- **Engage in Civic Partnerships:** The City will build and improve partnerships, collaborations and relationships with all stakeholders, including our citizens and public and private organizations.
- **Provide Sustainability and Adaptability:** The City will protect and preserve our natural resources with quality design for the built environment.

The impacts staff have already made in the first 10 months are highlighted below:

Create a Safe Place:

- Realigned the Recreation Specialist job duties toward youth engagement
- Expanded summer jobs for youth with the city through Blue Ribbon Commission and the OOPS Foundation
- Police Department partnered with non-profits such as Boys and Girls Club, YMCA for PAL Sports and Grace United Methodist Church providing mentoring and coaching to the community's youth

- Fire Department engaged community based service organizations that align with Fire's mission in an effort to work together

Support Efficient Transportation Systems:

- Streets staff began conducting street condition analysis helping target repair needs
- MPO partnered with My Open Road app challenging the community to use alternative modes of transportation

Promote Culture, Arts and Public Spaces:

- Recommended Parks Bond for citizen consideration that was approved in the November 2016 elections
- Developed detailed conceptual plans for Northern Waterfront Park Development
- Working closely with the Arts Council on regional branding

Foster a Prosperous, Thriving Economy:

- Continued efforts with Innovate NC
- Support the Wells Fargo Championship Golf Tournament
- Creation of multiple Public/Private partnerships to better the city (Water Street, Convention Center Hotel, Northern Riverwalk entertainment/restaurant venues)

Engage in Civic Partnerships:

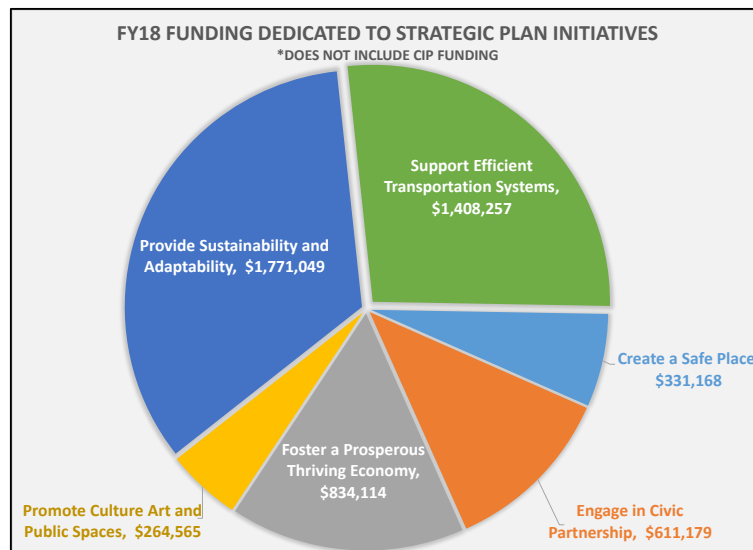
- Creation of the joint New Hanover County/City of Wilmington Ad-hoc Committee to improve Workforce and Affordable Housing
- Chartered a Community Relations advisory committee
- Revamped city-owned property to be leased to Communities in Schools organization who work with at-risk youth

Provide Sustainability and Adaptability:

- Progress in building succession plans
- Reduced staff electricity usage through education
- Encourage environmentally friendly office supply purchases

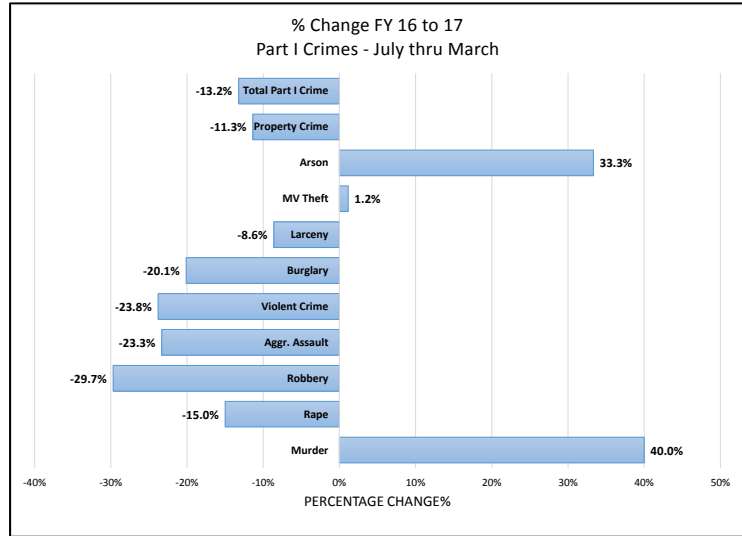
The FY17-20 Strategic Plan sets the tone for the development of the recommended budget. The plan serves as a roadmap guiding the City’s vision for the future through its focus areas, strategies, action steps and outcomes. The plan continues to provide a consistent framework for alignment with the Comprehensive Plan, Council’s policies, budgetary decisions and staff guidance.

This recommended budget continues funding for current services and programs that support the City’s Strategic Plan and specifically those initiatives that will advance the six areas identified as the primary focus areas of Council’s vision for the City. The recommended budget has \$2,017,012 in new funding initiatives that directly tie to the strategic plan and \$3,203,320 that was shifted in department’s base budget to support strategic plan initiatives or was funding that was continued from FY17. Those highlights follow.



Youth Violence Prevention & Community Policing

The City continues to see a reduction in crime over the last few years. Part I Crimes city-wide have dropped 13% from FY16 to FY17 (July – March). The City is continuing to see an increase in youth violence over that same period as it pertains to gang related activities. The City is responding in several ways to help the community in efforts to reduce youth violence.



The recommended budget continues to fund efforts to aid in the reduction and prevention of youth violence in progressive and innovative ways. Our outside agency competitive process, which went to a 2 year contract cycle in FY17, enables community partners to request funding to help support community-based programming. Generally, these organizations are well established in the community, having provided quality programming for many years. This year, the agencies funding continues at the same level authorized last fiscal year. These agencies are presented in the Sundry Non-Departmental section of the Recommended Budget to view them in their entirety. The total General Fund dollars supporting these agencies totals \$600,903, less than a 1% difference under FY17’s contribution. It should be noted there is an additional \$150,000 through the Community Development Block Grant. Just a few of those important organizations include:

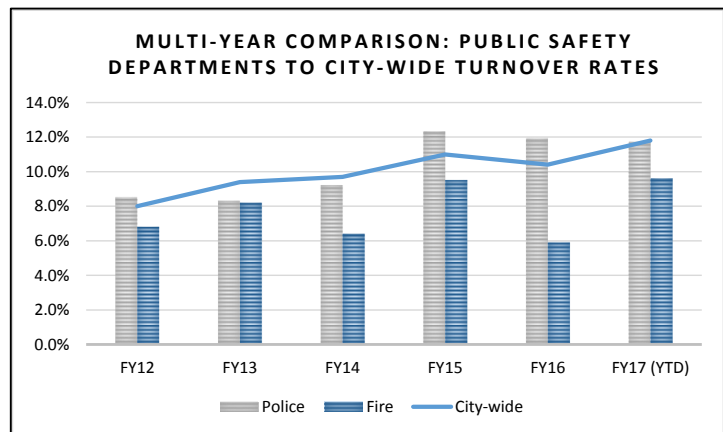
- Blue Ribbon Commission which supports two programs:
 - Voyager program that focuses on job skills training, career exposure, mentoring, vocational apprenticeships and eight (8) weeks employment for youth
 - YEZ program that focuses on youth violence prevention through education, safety, and health & wellness programs
- Phoenix Hometown Hires provides job readiness and job placement services to disadvantaged persons, including young adults and sheltered persons
- Brigade Boys and Girls Club and Community Boys and Girls Club address youth intervention with afterschool and summer education, tutoring and recreational programming
- Dreams provides programming focusing on multi-disciplinary arts classes, serving elementary, middle, high school aged youth

The recommended budget funded one additional request due to its direct link to at-risk youths in our community. Kids Making It has gathered support from around the Wilmington area to renovate their current building on Castle Street. This effort is acquiring funding for a workshop allowing the program to build capacity to serve more kids and allow additional programming not currently available due to lack of building space. Funding in the amount of \$35,000 is in the recommended budget.

The budget continues our youth athletic and engagement programming. The FY18 recommended budget continues to outsource the pool operations to the YMCA. This decision to outsource has been successful in FY17 resulting in increased pool hours and number of days the pools are open. It may be time to consider a long term agreement to continue this service. Community Services, through a base shift, added two part-time recreation staff for the Martin Luther King Center to aid in the recreations program. First Tee, a program that influences the lives of young people by providing not only skills in the golf arena but also educational programs that build leadership, character and promotes healthy choices, has built a small course adjacent to the Municipal Golf course. Revenue is received from the First Tee to maintain the course which has a practice swing area.

In response to the public’s desire for community policing, several initiatives continue. In the winter of 2016, overseen by the Wilmington Police Department, the Office of Strategic Enforcement and Outreach was formed. This function is comprised of liaisons from both local and State legal and law enforcement partners. Key to this budget are the internal partners that include the City Attorney, Community Services Code Enforcement, Public Service’s Solid Waste Management and Buildings divisions, Fire Department’s Fire and Life Safety and the Planning division. Together, these internal organizations have focused on areas around the city that have a propensity to either have an environment that perpetuates crime or the fear of crime. The FY18 Recommended Budget continues with these efforts. The General Fund transfer totaling \$29,866 to Solid Waste Management was successful in FY17 and will continue in FY18’s budget. This funding allows Solid Waste to coordinate with the Wilmington Police Department to clean up city rights of way and illegal dumpsites, aiding in the 'Broken Window Theory', potentially reducing crime in the community. Last year, the funding allowed seven (7) distressed neighborhoods to be cleaned and picked up 80 tons of waste.

For the Public Safety departments, there has been a rise in turnover rates over the last few years. Police have seen the spike above the city’s average year over year for the last three years. Fire is beginning to see similar spikes over their normal average. The recommended budget places an emphasis on retention for both uniform and sworn employees between 1 – 6 years of service that are earning a salary below the city’s mid-point. The Police and Fire Department’s will begin to address this issue using their gross salary allotment to adjust those who are under the city’s mid-point and under six years of service. This year’s initiative will constitute the first year of a multi-year plan in an effort to reduce turnover rates.



Other community policing initiatives include the following.

- The Real Time Crime Center (RTCC) is continuing to improve the way the Police Department responds to and analyzes emergency situations in the community. Funding for the RTCC totaling

\$44,527 to purchase equipment for the center as well as technical training for the center's staff is funded in the budget.

- The city has a back-log of latent prints that have not been compared to the existing state and federal databases. A partnership between the Police Department and the State will allow the city to send latent prints to the State laboratory for processing. The funding (N=\$81,000) will pay for contract services with the State for a dedicated latent print examiner.
- The city's police officers need to respond to situations that may call for advanced tactics and coordination. The budget funds \$11,976 for simmunition equipment. This equipment allows the officers to be trained on de-escalation tactics.
- The North Carolina Governor's Highway Safety Program grant has been funding 100% of a Forensic Chemist position. The next grant application process has decreased funding by 50%. This position is housed in the Police crime lab and supports both the city and our regional partners in Blood Alcohol Analysis. A process is currently underway to gain financial support from the regional partners to fund this position and other aspects of the crime lab by the FY19 budget cycle. Since the grant cycle is from October of each year to the end of September, there is enough funding to support the position through March of 2018. The FY18 budget authorizes \$21,073 to fund the remaining quarter of FY18.
- The property and evidence room is critical to securing evidence and property seized by the Police department. There has not been an increase in staffing since calendar year 2000. In 2000, staff processed 6,852 pieces of evidence as compared to 13,223 in calendar year 2016, a 92% increase. The FY18 recommended budget funds two property and evidence technicians for \$86,473. Two additional staff are recommended in order to process and track personal property in custody for Police.

Core Infrastructure Maintenance

Those areas where the City has acquired assets over the years but has not funded the appropriate amount of resources to maintain them are also a strategic plan initiative. This priority does not only relate to physical structures but also human capital. The recommended budget provides the following initiatives related to this priority.

The budget continues maintenance efforts. The City has 127 alleys totaling 13 miles that are maintained by the right of way crews in the Parks Maintenance division. Each alley is cleared of overgrown trees and shrubs twice a year. In addition, many of these alleys are 10' wide or less. The combination of the small width and the over grown foliage make these alleyways difficult for Solid Waste drivers to maneuver and service customers in these alleys. The recommended budget funds a pilot program totaling \$20,000 in the Solid Waste Management's budget. The funding will pay a contracted private tree company to help maintain the problem alleyways Solid Waste identifies assisting the Parks staff in this consistent need.

As the northern downtown riverfront continues to expand geographically, the need for services also expands. The Downtown Section of Solid Waste continues to provide services to the Central Business District (CBD) to include refuse collection through the blue bag program, ABC glass and cardboard collections for bars and restaurants, pressure washing of sidewalks, public bathroom cleaning, litter pickup, maintaining of trash and recycling receptacles and graffiti removal. In addition to these services, two Solid Waste staff collect trash from brick trash cans in more than 25 park locations from 1 to 3 times

per week. The FY18 budget recommends shifting these two staff to the northern downtown riverfront to provide Solid Waste services and fund \$27,552 for the Parks staff to pick up trash in city parks. The Parks staff currently service many of the parks trash receptacles already or the parks have private dumpster service. The funding authorizes 1 part-time staff and 1 seasonal staff to help with the trash collection. To lower the cost of a needed vehicle, an old stakebed truck already contributing into the fleet replacement fund will be replaced with a F350 truck. This initiative allows the CBD to receive the same level of service they currently receive and provide that level of service to the expanded downtown.

The 1st year of the 2nd 80/20 Capital Improvement Plan continues to support the city's infrastructure maintenance needs. Funding in the amount of \$243,250 is scheduled for park facilities maintenance and \$387,941 for city building maintenance. This budget also continues with the streets and sidewalk upgrades (\$2,418,684) found in the Capital Improvement Plan. This funding will aid in the road construction practices such as full depth reclamation and stabilization, milling, resurfacing, surface treatments and pavement preservation techniques. Other projects include bridge repair, 1st year funding for the brick street rehabilitation, LED upgrades on Market Street, an interchange upgrade at Kerr and MLK, and funding for improvements coordinated with Cape Fear Public Utility Authority (CFPUA).

The Police Headquarters' flooring on the ground level has been damaged in numerous areas by moisture seeping through the ground. Not only is the flooring unsightly but some of the areas are showing signs of mold. The Department has piecemealed the repairs throughout the last few years. The current issue is that the flooring used is no longer available. To maintain high traffic areas and ensure the safety of the employees, funding in the amount of \$40,990 is recommended to replace the current flooring with tile to ensure future damage will not continue.

There has been increases in operational staff over the years but without the addition of any internal service support staff. This year's recommended budget builds upon FY17's initiative of addressing these needs. In the Planning division, a new administrative support technician totaling \$42,731 is recommended with a specific focus of streamlining the preparing and archiving of minutes for multiple meetings including Planning Commission, Subdivision Review Board and the Historic Preservation. In addition, this person will assist with the development review process. A total of \$57,675 is dedicated to support a fiscal support specialist in the Budget and Research Office. This position will aid the office toward managing and expanding the strategic plan process, conducting benchmarking research and streamlining city-wide processes. A compensation analyst is being funded in Human Resources with salary, benefits and operating expense totaling \$97,142. This position will aid the department in the maintenance of job descriptions, performing market analysis and completing market surveys. Funding in the amount of \$70,000 is included professional services to allow the IT department capacity to hire professional staff to help with network design, enterprise Wi-Fi and active directory redesign. The MPO was authorized funding for a GIS analyst totaling \$69,778 with the city share being \$5,879. This position will perform data analysis for the regional partners and allow jurisdictions to better navigate and utilize transportation data sets and analysis techniques.

In this budget the Engineering division is elevated as its own department, reporting to a Deputy City Manager for Operations and CIP. It is presently a division of the Public Services Department but reports directly to a Deputy City Manager. This change will establish a formal structure and elevates an emphasis

on the importance of completing the plethora of capital projects and permitting scheduled. This adjustment requires no increase in staffing. One Deputy City Manager will be designated for public safety and internal services with a second designated to operations/CIP, a more basic structure.

Fire, Police, Traffic and Public Services department's radios are at the end of their life cycle and will no longer be supported by Motorola in 2019. Furthermore, there are some radios that are not working properly. It is critical that the city replaces the radios to ensure the safety of employees and citizens. The 2nd 80/20 Capital Improvement Program has \$2,710,200 funded through a transfer from the General Fund using unassigned fund balance. This funding supports the replacement of 800 MHz radios utilized by the Fire, Police, Traffic and Public Services departments.

Workforce and Affordable Housing

The establishment of a City of Wilmington/New Hanover County Ad hoc Committee on Improving Workforce/Affordable Housing has been developing their recommendations throughout the current fiscal year. The committee provided their recommendations to both the City and the County in April of 2017. The FY18 recommended budget has a \$400,000 placeholder in the budget pending a joint City Council/County Board meeting to determine what recommendations from the Ad hoc Committee should be supported going forward.

It is anticipated that a portion of the \$400,000 will also continue to fund those programs that aid low income owner-occupied housing and rehabilitations programs at a similar level as FY17. Those programs include:

- Homeownership Opportunity Program
- Minor Repairs up to \$10,000
- Owner-occupied housing rehabilitation programs up to \$75,000

Other Strategic Plan Initiatives

Further enhancements related to the strategic plan were funded in the recommended budget. The Fire Department implemented a pilot Aid Car program with resources provided in FY17. An aid car response team, currently running one shift from the Cinema Drive Fire Station, is aimed at reducing the number of responses by frontline apparatus when dispatched to EMS incidents and reduce personnel over time. The program creates a safer community as well as reduces overall maintenance and fuel use of the fire suppression vehicles currently performing this task. In February of 2017, Council approved the Fire Department's request to apply for a grant through the Department of Homeland Security, Emergency Preparedness and Response. The grant request ultimately would aid in funding 14 additional firefighters. If granted, the personnel will be assigned to the Aid Car program allowing the program to expand to multiple shifts and stations around the city. The grant funds only salary and benefits and no operating costs. Additionally the grant will pay up to 75% of the first and second year costs and 25% of the third year cost. Funding in the amount of \$224,011 was placed in the department's budget to be used for both the city's grant match and any required support (i.e. uniforms, gear or vehicles) needed for personnel.

Other strategic plan initiatives related to the Fire Department include \$8,500 in funding to purchase smoke alarms for fire officials to proactively install the alarms in homes around the community to help prevent fire deaths and property loss in the City. This program allows the department to continue to educate the community on the importance of fire safety. The City of Wilmington rests on many bodies of water and the fireboat is imperative in aiding in fighting shoreline and shipboard fires or conducting water rescues. The maintenance of the fire boat can be costly. In the recommended budget \$43,120 is funded to paint the entire boat (\$37,120) and replace the hoses (\$6,000). The hull requires painting annually; however, the portion above the water requires painting every 10 years.

Continuing our partnerships with local agencies, and reflected in the FY18 budget, is WAVE Transit's operating subsidy totaling \$1,363,257, three percent over FY17 adopted amount. Additionally, WAVE's capital request for the maximum 20% match for four buses totals \$372,200 with any additional funding from the State or Federal grant matches decreasing the City's contribution. Staff recommends the use of the Transportation Bond appropriation dedicated to general transportation projects to fund their Capital subsidy request. Additional funding related to WAVE Transit in the amount of \$25,000 is recommended as the City's share to use for a collaborative effort with New Hanover County to fund a long term financial study.

Other partnerships, with economic development and cultural arts partners, include University of North Carolina at Wilmington. A second year of funding in the amount of \$100,000 is authorized to support efforts in redevelopment of the athletic track, subject to the approval of a joint use agreement. This funding represents the second of a three year allocation. Additional funding of \$70,000 is budgeted for the UNCW Entrepreneur Center and remains consistent with previous funding.

In addition to the UNCW Entrepreneur Center, this budget recommends the continued partnerships with our other economic development partners. FY18 represents the 2nd year of a three year funding cycle with our economic civic partners. The funding remains at the same level as last year totaling \$446,890. The following represents what can be found in this proposal.

	FY16 Actual	FY17 Adopted	FY18 Recommend
Economic Civic Partners			
<i>Economic Development</i>			
Wilmington Business Development	\$ 87,551	\$ 100,000	\$ 100,000
Wilmington Downtown, Inc.	\$ 66,325	\$ 86,000	\$ 86,000
Wilmington Regional Film Commission	\$ 119,500	\$ 121,890	\$ 121,890
<i>Cultural and Recreation</i>			
Entrepreneur Center	\$ 70,000	\$ 70,000	\$ 70,000
Cuclorus Film Foundation	\$ 12,000	\$ 22,000	\$ 22,000
Arts Council	\$ 25,000	\$ 25,000	\$ 25,000
Cameron Art Museum	\$ 10,000	\$ 10,000	\$ 10,000
Wilmington Jewish Film Festival	\$ -	\$ 2,000	\$ 2,000
Children's Museum of Wilmington	\$ 10,000	\$ 10,000	\$ 10,000
Total Economic Civic Partner Agencies	\$ 400,376	\$ 446,890	\$ 446,890

The Cape Fear Public Utility Authority is partnering with the United Way and Salvation Army to aid customers at risk of losing their water services with financial support to ensure their services are not shut off. There are over 290 residents who have requested financial assistance with their water and sewer bills. The *CFPUA Assist: Neighbor Helping Neighbors* program will begin to address the needs of these customers. The request was for one-time funding in the amount of \$4,000 to create the strong financial foundation for the program while the program seeks on-going revenue. The FY18 budget provides the requested \$4,000.

The Wells Fargo Golf Tournament brings an unprecedented opportunity to the City of Wilmington in May of 2017. The Wilmington Chamber of Commerce has organized an effort with area economic developers, including the City of Wilmington, to develop a regional economic development marketing initiative tied to the tournament. The City's contribution is \$50,000 of which \$25,000 was already expended in FY17 contributing to the launch of a regional economic campaign. The recommended budget has \$25,000 to continue the marketing campaign.

The FY18 budget shows a continuation of funding for the Inland Greens par 3 golf course but represents the first year of operations of this course. FY17 funded the maintenance aspect of the passive park, this year's funding in the amount of \$259,410 is identified for the recreation programs and specialized equipment for the maintenance of the golf course. As a reminder, Inland Greens is now run by the Community Services department and fully funded by the General Fund. Also found in the Community Services Department is a new tree trimmer to aid in the continued disposal of trees. There was funding in previous budgets allocated for contracted tree service removal totaling over \$100,000. This funding was in FY18 base budget. The department feels that a three-person crew will be more effective in providing the disposal service than using contracted tree services. Shifting of base resources totaling \$47,927 funds a new tree trimmer and provides the department with two three-person crews.

And lastly, the strategic plan focuses on stewardship of tax payer's money. Funding totaling \$67,000 is budgeted to purchase Accounts Payable Forensic software that will aid in identifying duplicate or fraudulent vendor payments, validate vendor records and assist in analyzing files for duplicate and inactive vendors. The funding covers the cost of the software use for a three year period.

Continuing Core Services

Our workforce is the backbone to the continuation of high-quality services to our community. As a priority, this recommended budget reflects the continuation of a multi-year compensation strategy that pays market wages to employees doing similar jobs in the current labor market. Three percent of wages is included in this budget for compensation that includes 2% across the board adjustment and 1% for rewarding employees with significant performance, equity concerns and/or those below the mid-point/market. We are appreciative of Council's support and commitment to market employee compensation.

Even though our employees have done an excellent job of becoming a healthy workplace, the City of Wilmington received a renewal that indicated health rates need to increase. The City is self-insured and there are a number of members on the city's plan that are high risk with high cost claims. It was necessary

to modify our plan design such that co-payments, deductibles and out-of-pocket costs will increase slightly. If an employee is participating in the Health Risk Assessment program where they are provided financial incentives to participate, an employee only plan on the PPO will have a \$16 increase a month for a monthly total cost of \$114. An employee only plan on the HDHCP will see an \$8 increase a month for a monthly total cost of \$76.

Additional funding is needed to continue core services at current levels. Many of these services require enhancements to include replacement of equipment to ensure staff has what is needed to complete their jobs safely and effectively. Some of those initiatives include the following:

- Defibrillators (7) for front line apparatus in the Fire Department at a cost of \$24,430
- In-car video systems (5) in the Police Department totaling \$25,750 which includes installation costs
- Rescue Jacks (4) replacements for the Fire Department at a cost of \$13,000
- Turnout gear for Fire department at a cost of \$7,400
- Vehicle replacement costs for Fire Department for three high mileage vehicles totals \$82,060 which includes funding for fleet replacement
- Fire mechanics garage tool set replacement at a cost of \$21,000
- Body camera data storage for individual units throughout the Police Department at \$12,099
- One traffic motorcycle replacement totaling \$34,747
- Litter Vacuum (pilot program) equipment to aid Parks Maintenance staff in collecting trash in parks and right of ways at a cost of \$16,200
- Quartermaster provisions restocking in the Police Department is funding in the amount of \$58,569

The City administers the Law Enforcement Officer's Separation Allowance (LEO Separation Allowance) which provides retirement benefits to the City's qualified sworn law enforcement officers. The City, like other local governments in the State, has historically reported the Separation Allowance in its financial statements as a pension trust fund. The annual budget impact has been limited to the employer contribution included in the General Fund budget ordinance. The actual benefit payments to retired officers have been recorded in the pension trust fund and therefore have not required a budget ordinance.

Effective with the fiscal year ending June 30, 2016, GASB Statement 73 has changed the reporting requirements for the Separation Allowance. Because the assets of the Separation Allowance are not held under a trust agreement, the Standard requires the assets to now be reported in the fund providing the law enforcement function and eliminates the pension trust fund. As a result, the activities of the Separation Allowance will be consolidated with the General Fund and the net assets reported as committed fund balance. For the FY18 budget, the LEO Separation Allowance is budgeted in the Police Department at a level consistent with the projections for the full year benefit payment. Total funding for this initiative is \$700,000 of which \$350,000 was moved from the Sundry account where it previously resided and an additional \$350,000 was authorized through the enhancement process.

The Engineering Department will have a shortfall between operating costs and revenues due to the reduction of allocated force account charges. This reduction of revenues, presented in the budget book

as allocated costs, as charged to the city's Capital Projects increases the General Fund support by \$87,510. With less and less projects allowing charge back, this is the second year where more General Fund support is required in lieu of Capital Projects.

And lastly, there were adjustments made to various internal services charges related to technology management fees, insurance liabilities, fuel and central fleet as a cost of doing business netted city-wide a savings of \$265,413 over FY17 budget.

All the modifications to the budget can be found in the department section of the budget presentation.

Debt Service & 80/20 Capital Improvement Plan (CIP)

Debt Service

FY18 begins the 2nd 80/20 Debt Service CIP and the voter approved Parks Bond projects. It also continues the Water Street Collaboration, the 80/20 Debt Service for the 1st CIP and the voter approved Transportation Bond projects. Streets and sidewalk, facilities, infrastructure maintenance and park improvements projects continue to be funded through the implementation of the Capital Improvement Plan. This budget allocates \$0.0947 of the tax rate or \$13,892,510 that is dedicated to the Debt Service fund.

In order to maintain the current capital infrastructure improvement plan, the General Fund continues with the \$9.3 million transfer to the Debt Service fund in support of the projects. It includes the payment of principal and interest costs for already approved and recommended capital projects.

80/20 Capital Improvement Plan

The FY18 Recommended Budget appropriates \$19,214,406 in projects related to Streets and Sidewalks, Parks and Recreation, Public Buildings and Facilities and Stormwater. The budget is appropriating the full voter approved Parks Bond projects totaling \$38,080,000. It also include a General Fund transfer of \$7,960,200 from its unassigned fund balance to support the replacement of the financial system, 800 MHZ radios and Police and Fire training facility contingency. In the presentation in the Capital Improvement's section of the recommended budget, there is \$600,000 for the Chestnut & Grace Street Improvement was previously appropriated in FY17 but was not in the current financial model at that time. This year corrects that oversight and the project it is now in the financial model; hence represented in the current financial plan.

Enterprise Funds

The ***Solid Waste*** recommended budget funds, as highlighted above in the Core Infrastructure Maintenance section, a pilot program totaling \$20,000 to pay a contracted private tree company to help maintain the problem alleyways. The budget also includes a base shift of \$26,889 for the reclassifying of two downtown solid waste workers to operators as well as associated supplies to serve the growing northern riverfront and its expanding amenities. Lastly, the budget continues the transfer from the

General Fund of \$29,866 to support the partnership with Police and Code Enforcement to clean up illegal dumping sites in targeted neighborhoods.

Solid Waste has requested the elimination of the carrion service related to the fish houses and veterinarian offices. There are 13 billed customers including 5 retail/wholesale seafood business, seven animal hospitals and the UNCW Marine Science Center. Other municipalities contacted do not offer this service and there are viable private sector alternatives for disposal of fish waste and euthanized animals. It should be highlighted that Solid Waste will continue to remove any deceased animals on public and private streets for the common good of all residents of the City with no associated fees.

The unassigned fund balance in the Solid Waste Fund as of June 30, 2017 is expected to be \$2,906,616 or 31% of FY18 projected expenditures.

The **Stormwater Management** rate model requires a final 5.9% rate increase to fund expenditures, which includes a transfer to the Capital Improvement Plan of \$2,000,000 for annual storm drain rehabilitation. This represents the same amount transferred in FY17. The FY18 recommended budget transfers an additional \$3,788,045 from Stormwater Management Fund's unrestricted fund balance. The FY18 Storm Drain Rehabilitation CIP will be using pay-go for the projects instead of revenue bonds. The unassigned fund balance in the Storm Water Fund as of June 30, 2017 is expected to be \$6,042,192 or 39.24% of FY18 projected expenditures. However, due to the capital intensive nature of the Stormwater Management Program, a higher balance than normal is a good financial indicator.

Parking in the City of Wilmington is a high priority for residents, tourists, and businesses especially in the downtown area. Key factors in the success of the parking program are an improving economy, moderate weather and no natural or man-made disasters.

The most noteworthy change proposed for the FY18 Parking budget includes the reduction of \$95,000 of revenue associated with the Water Street Parking Deck. The deck should be demolished by the beginning of the fiscal year to make way for the Water Street Redevelopment Project. There is a transfer of \$438,150 to the Parking Facilities Capital Improvement Fund for two projects. They include an additional \$138,150 to fund both the Market Street Parking Deck and the 2nd Street Deck LED Lighting Project. The project will increase safety, lighting coverage and reduce energy cost at both parking facilities. The second project is to continue to install smart meters on-street (\$300,000) in an effort to standardize parking meters that accept coins, tokens, bank cards and pay-by-phone technologies. This is in response to customer inquiries and will continue to increase the customer base allowing for multiple payment options.

There are two fee schedule changes for the Convention Center parking deck recommended for FY18. Those parking fee realignments include adding a monthly unreserved single space rate of \$100 per month and increasing the monthly reserved single space rate from \$100 to \$130.

The Parking Fund's unassigned fund balance is projected to be approximately \$2,375,916 or 61% of FY18 budgeted expenditures.

The **Municipal Golf Course** proposed budget, totaling \$1,447,351, is less than a 1% increase over FY17's adopted budget. The revenues were revised downward to reflect 47,750 rounds per year instead of 50,000. The other significant change is \$51,396 in revenue which is intended to recoup the costs associated with this new First Tee program maintenance to include a turf grass worker, additional consumables, repairs and maintenance to equipment as well as an increase in annual fuel usage.

The Golf Fund's unassigned fund balance is projected to be approximately \$271,795 or 19% of FY18 budgeted expenditures.

Major Services

A request was made to identify services not only through assigned funds or functions but costs associated with major programmatic services that may cross functional and departmental boundaries. Exact figures are not easily identified through our financial system and assumptions were made with regard to positions' allocated time since many of our staff are responsible for multiple tasks. The following services were captured:

- Transportation (excluding CIP) = \$12,095,992
- Code Enforcement = \$1,198,680
- Inspection, permitting and citations = \$462,971

Not Included

A number of worthwhile service expansions and new modifications were requested and reviewed as part of our efforts to propose a frugal and focused spending plan for next year. We have attempted to balance Council's priorities with available resources, minimizing the impact on our citizens and taxpayers. I hope you will find this proposal, which has been developed with your guidance, achieves that. Many of the unfunded initiatives were either withdrawn by the department after discussion on their needs, funded by current year monies or other resources such as federal forfeiture and the like or were items that did not meet the priorities set forth by the budget directives.

Commitment

The City is committed to creating financial resiliency in preparation for the opportunities that we will face in the years to come. We continue to challenge each other and our systems, policies and methods of operation to ensure our tax payer dollars are used efficiently and responsibly. As the General Assembly convenes and deliberates the future with regard to various revenue stream distributions, we will move forward conservatively to preserve our revenue sources as well as remain flexible and proactive in our efforts to maintain quality services. We will continue to engage all employees in our efforts to make sure the way we provide services to citizens and how we conduct our internal business represents the core values established by the City.

In closing, I would like to commend the efforts of the City Council for their guidance in the preparation of this budget and for their commitment to quality services for our community. I would also like to commend City departments who worked tirelessly and shared in the burden of preparation of this very challenging

budget. I would like to especially thank the Budget staff for their extra effort in putting this recommended budget together.

The FY18 Budget is now respectfully turned over to Council and the community for consideration. We stand ready to support you as you make these decisions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "S. B. Cheatham", with a long horizontal flourish extending to the right.

Sterling B. Cheatham
City Manager

REVENUE AND EXPENDITURE SUMMARY

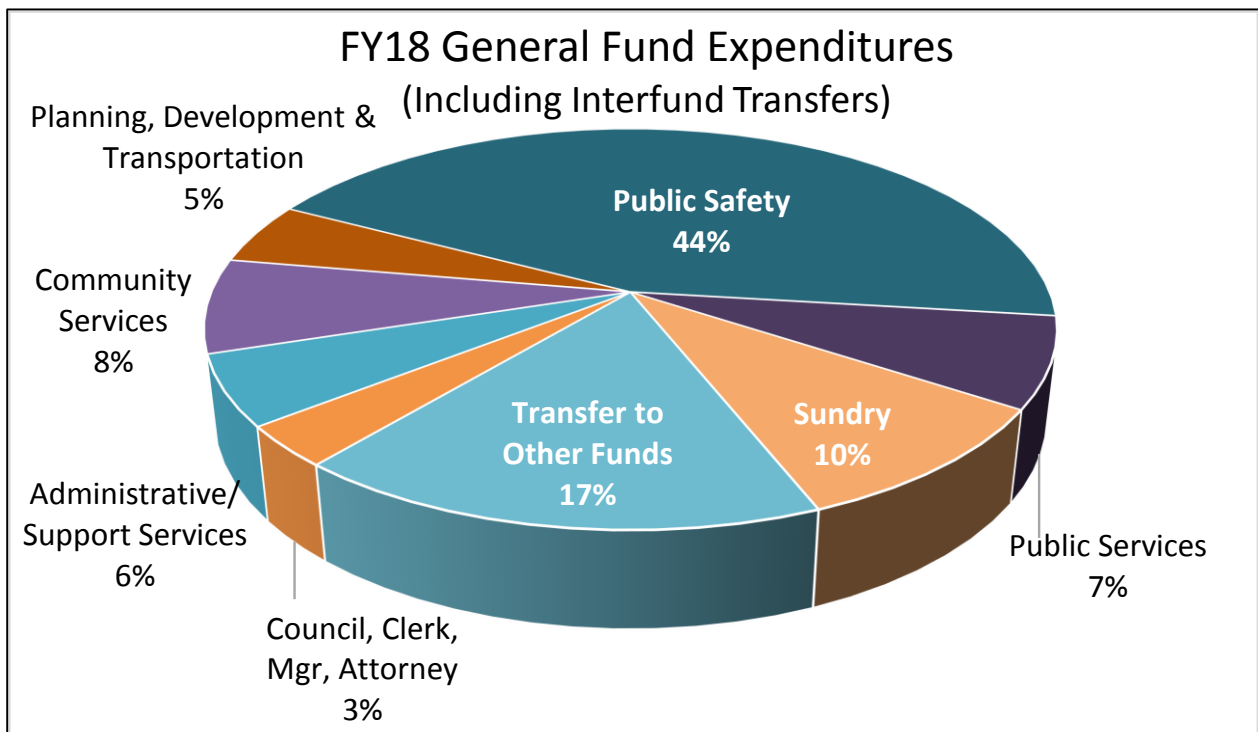
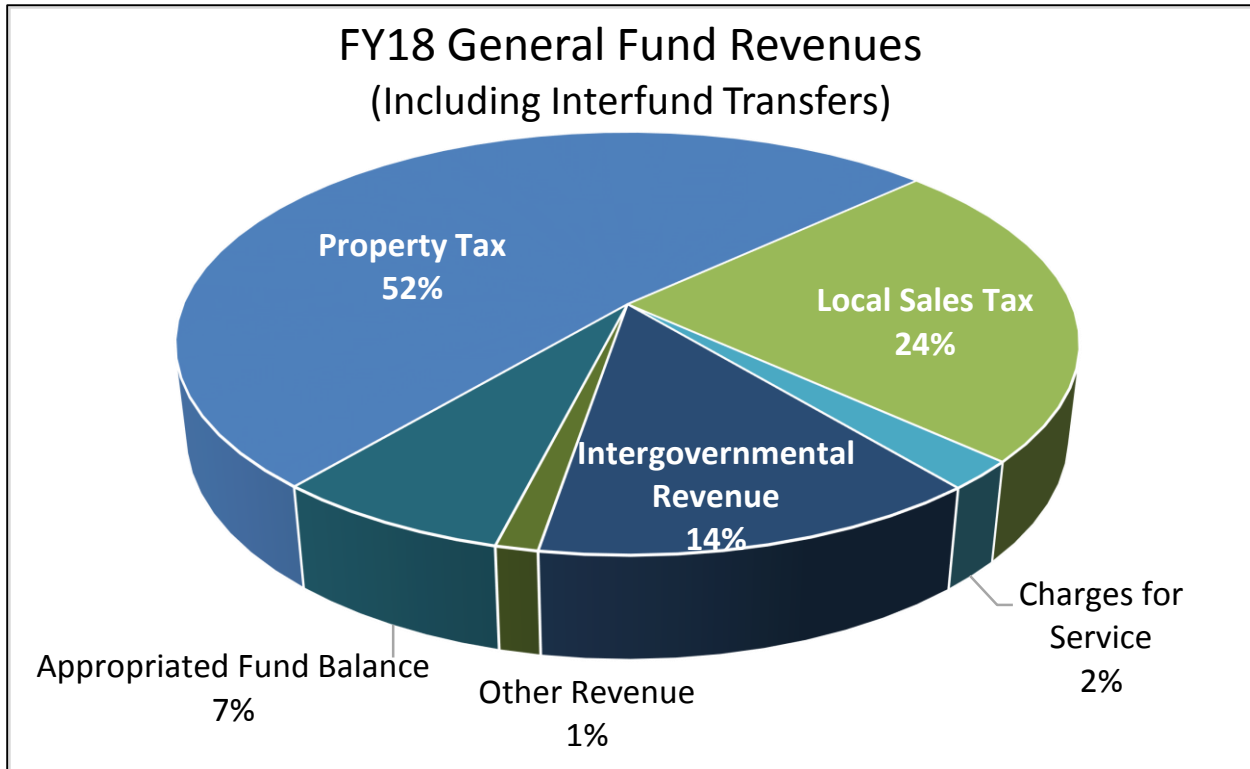
REVENUE AND EXPENDITURE TRANSFER SCHEDULE

	Less Approp Fm			Total	Less Approp To		Net
	Total Revenues	Other Funds	Net Revenue	Expenditures	Other Funds	Expenditure	
Operating Funds							
General Fund	\$ 110,704,372	\$ -	\$ 110,704,372	\$ 110,704,372	\$ 18,600,605	\$ 92,103,767	
Solid Waste Management Fund	\$ 9,274,623	\$ 29,866	\$ 9,244,757	\$ 9,274,623		\$ 9,274,623	
Stormwater Management Fund	\$ 15,396,885	\$ -	\$ 15,396,885	\$ 15,396,885	\$ 7,088,045	\$ 8,308,840	
Subtotal	\$ 135,375,880	\$ 29,866	\$ 135,346,014	\$ 135,375,880	\$ 25,688,650	\$ 109,687,230	
Program Funds							
Fleet Maintenance & Replacement Fund	\$ 7,509,883	\$ -	\$ 7,509,883	\$ 7,509,883	\$ -	\$ 7,509,883	
Golf Course Fund	\$ 1,447,351	\$ -	\$ 1,447,351	\$ 1,447,351	\$ -	\$ 1,447,351	
HOME Partnership Fund	\$ 634,147	\$ -	\$ 634,147	\$ 634,147	\$ -	\$ 634,147	
Parking Facilities Fund	\$ 3,883,179	\$ 543,633	\$ 3,339,546	\$ 3,883,179	\$ 438,150	\$ 3,445,029	
Technology Replacement Fund	\$ 1,385,005	\$ 324,365	\$ 1,060,640	\$ 1,385,005	\$ -	\$ 1,385,005	
Special Purpose Fund	\$ 7,698,933	\$ 646,108	\$ 7,052,825	\$ 7,698,933	\$ 4,559,641	\$ 3,139,292	
Convention Center Operating Fund	\$ 8,105,206	\$ 4,559,641	\$ 3,545,565	\$ 8,105,206	\$ -	\$ 8,105,206	
CDBG Fund	\$ 887,269	\$ -	\$ 887,269	\$ 887,269	\$ -	\$ 887,269	
CDBG/HOME Grant and Loan Fund	\$ 804,103	\$ 305,234	\$ 498,869	\$ 804,103	\$ -	\$ 804,103	
Subtotal	\$ 32,355,076	\$ 6,378,981	\$ 25,976,095	\$ 32,355,076	\$ 4,997,791	\$ 27,357,285	
Debt Service Fund							
Debt Service Fund	\$ 23,670,275	\$ 9,334,832	\$ 14,335,443	\$ 23,670,275	\$ 8,913,937	\$ 14,756,338	
Subtotal	\$ 23,670,275	\$ 9,334,832	\$ 14,335,443	\$ 23,670,275	\$ 8,913,937	\$ 14,756,338	
Capital Project Fund (Not of Debt)							
CP- Streets and Sidewalks	\$ 2,190,251	\$ 2,436,392	\$ (246,141)	\$ 2,190,251	\$ -	\$ 2,190,251	
CP- Parking Facilities	\$ 2,868,334	\$ 840,621	\$ 2,027,713	\$ 2,868,334	\$ -	\$ 2,868,334	
CP- Parks and Recreation	\$ 47,048,402	\$ 4,257,500	\$ 42,790,902	\$ 47,048,402	\$ -	\$ 47,048,402	
CP- Public Facilities	\$ 9,257,141	\$ 9,234,141	\$ 23,000	\$ 9,257,141	\$ -	\$ 9,257,141	
CP- Public Improvement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
CP- Stormwater/Drainage	\$ 3,319,500	\$ 7,088,045	\$ (3,768,545)	\$ 3,319,500	\$ -	\$ 3,319,500	
CP- Golf Course Fund	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000	
Subtotal	\$ 65,683,628	\$ 23,856,699	\$ 41,826,929	\$ 65,683,628	\$ -	\$ 65,683,628	
Total All Funds	\$ 257,084,859	\$ 39,600,378	\$ 217,484,481	\$ 257,084,859	\$ 39,600,378	\$ 217,484,481	

Table represents transfers actually appropriated in other funds. Periodically, transfers are appropriated on one side by not received on the other.

GENERAL FUND BUDGET SUMMARY (Including Interfund Transfers)

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
Revenues					
Property Tax	\$ 55,836,584	\$ 56,649,564	\$ 56,649,564	\$ 57,522,173	1.5%
Local Sales Tax	\$ 23,289,181	\$ 23,142,173	\$ 23,142,173	\$ 26,270,637	13.5%
Licenses, Fees & Permits	\$ 739,925	\$ 650,208	\$ 650,208	\$ 625,000	-3.9%
Charges for Service	\$ 2,588,490	\$ 2,396,604	\$ 2,492,093	\$ 2,448,238	2.2%
Intergovernmental Revenue	\$ 14,912,925	\$ 14,709,679	\$ 14,759,679	\$ 15,071,951	2.5%
Fines & Forfeitures	\$ 208,172	\$ 160,700	\$ 160,700	\$ 165,000	2.7%
Interest Earnings	\$ 192,457	\$ 204,358	\$ 204,358	\$ 252,620	23.6%
Other Revenue	\$ 1,881,124	\$ 1,263,428	\$ 1,304,600	\$ 388,553	-69.2%
Appropriated Fund Balance	\$ -	\$ 5,744,343	\$ 10,404,978	\$ 7,960,200	38.6%
Revenue Total	\$ 99,648,858	\$ 104,921,057	\$ 109,768,353	\$ 110,704,372	5.5%
Expenditures					
City Council	\$ 195,213	\$ 214,787	\$ 217,318	\$ 218,351	1.7%
City Clerk	\$ 203,031	\$ 249,402	\$ 249,321	\$ 258,485	3.6%
City Manager	\$ 1,898,399	\$ 2,027,233	\$ 2,028,056	\$ 2,159,120	6.5%
City Attorney	\$ 853,621	\$ 1,019,149	\$ 1,069,518	\$ 1,034,232	1.5%
Human Resources	\$ 771,339	\$ 835,688	\$ 848,163	\$ 1,067,846	27.8%
Finance	\$ 1,896,585	\$ 2,226,072	\$ 2,268,628	\$ 2,339,918	5.1%
Information Technology	\$ 2,221,141	\$ 2,681,124	\$ 2,714,179	\$ 2,873,974	7.2%
Community Services	\$ 7,233,447	\$ 8,057,084	\$ 8,234,758	\$ 8,431,906	4.7%
Planning, Development & Transp	\$ 4,984,794	\$ 5,423,895	\$ 5,776,369	\$ 5,538,086	2.1%
Police	\$ 29,282,558	\$ 29,057,902	\$ 29,136,110	\$ 30,666,806	5.5%
Fire	\$ 16,498,677	\$ 17,464,008	\$ 17,538,966	\$ 18,257,286	4.5%
Public Services	\$ 5,054,736	\$ 5,582,707	\$ 5,578,735	\$ 5,525,488	-1.0%
PS-Engineering	\$ 2,079,982	\$ 2,214,904	\$ 2,220,553	\$ 2,559,269	15.5%
Non-Departmental	\$ 9,345,441	\$ 11,552,686	\$ 12,918,322	\$ 10,573,000	-8.5%
Contingency	\$ -	\$ 200,000	\$ 174,360	\$ 200,000	0.0%
Transfer to Other Funds	\$ 12,401,991	\$ 16,114,416	\$ 18,833,012	\$ 19,000,605	17.9%
Appropriations Total	\$ 94,920,955	\$ 104,921,057	\$ 109,806,368	\$ 110,704,372	5.5%

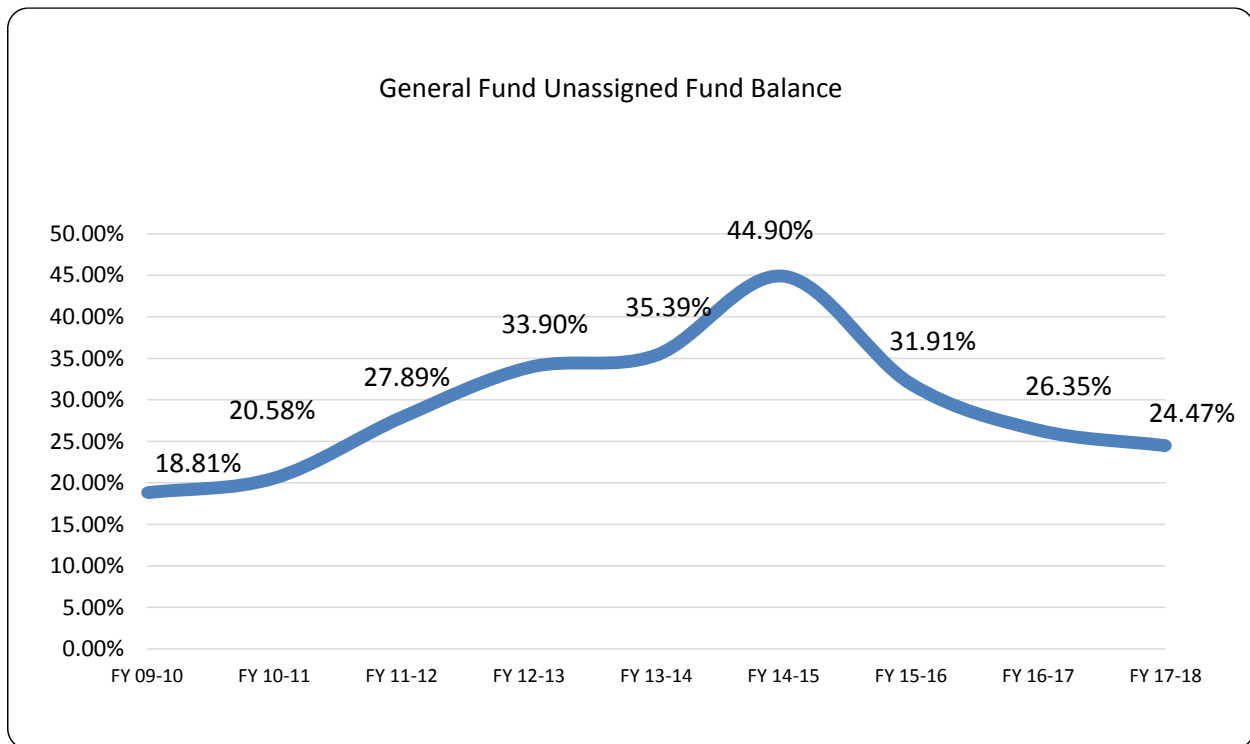


CONSOLIDATED UNASSIGNED FUND BALANCE SUMMARY

Fund	Unassigned Fund Balance As of June 30, 2016	Anticipated Unassigned Fund Balance June 30, 2017	Recommended FY 17-18 Budgeted Expenditures	% of FY 17-18 Budgeted Expenditures	Anticipated Unassigned Fund Balance June 30, 2018	% of FY 17-18 Budgeted Expenditures
General Fund	39,324,894	27,094,245	110,704,372	24.47%	27,094,245	24.47%
Solid Waste Management Fund	3,343,564	2,906,616	9,274,623	31.34%	2,906,616	31.34%
Storm Water Management Fund	9,760,086	6,042,193	15,396,885	39.24%	6,042,193	39.24%
Golf Course Fund	275,927	271,795	1,447,351	18.78%	320,386	22.14%
Parking Facilities Fund	2,752,546	2,375,916	3,883,179	61.18%	2,375,916	61.18%

The anticipated unassigned fund balance as of June 30, 2017 includes budgeted use of fund balance in FY17 as well as anticipated use budgeted for FY18. The unassigned balance for FY18 assumes receipt of budgeted revenues and use of all budgeted expenditures.

General Fund Unassigned Fund Balance



Fund balance is the accumulated excess of revenues and other financing sources over expenditures and other financing uses for governmental functions. **Unassigned** fund balance is the residual classification for the government’s General Fund based on GASB (Governmental Accounting Standards Board) Statement #54 and includes all spendable amounts not contained in other classifications.

AUTHORIZED POSITION LISTING

The authorized position listing summarizes the net changes in positions for the fiscal years 2014-15 through the FY17 budget.

	FY16 Actuals	FY17 Adopted	FY17 Adjusted	FY18 Recommend
General Fund				
City Clerk	3	3	3	3
City Manager	17	17	17	18
City Attorney	9	10	10	10
Human Resources	8	9	9	10
Finance	26	27	27	27
Information Technology Services	17	21	21	21
Community Services	79	85	83	85
Planning, Development and Transportation	43	44	44	45
Police Department	336	341	341	343
Fire Department	220	222	222	222
Public Services Department	39	40	40	40
Engineering	30	30	30	30
General Fund Total	827	849	847	854
Other Funds				
CD/HM Grant and Loan Fund	8	8	8	8
Fleet	13	13	13	13
Golf Course Fund	11	11	10	10
Metropolitan Planning Special Purpose Fun	10	10	10	11
Parking Fund	2	2	2	2
Solid Waste Management Fund	83	75	75	75
Stormwater Management Fund	60	60	60	60
Grand Total	1014	1028	1025	1033

Overview

The Adopted FY17 authorized strength totaled 1028 full time positions, however, this total included a clerical error that has been corrected and is reflected in the FY17 Adjusted number above. Included in the 1028, were two (2) Recreation Coordinators that are each a .88 FTE and are technically classified as part time employees. These positions were removed from the full time group and were simply placed in with the part time positions bringing the adjusted total to 1026. Additionally, the Golf Course recognized the reduction of one (1) position that had been unfunded for several years. This reduction reduced authorized strength from 1026 to 1025 for FY17.

The FY18 recommended budget reflects a total increase of eight (8) new positions across various departments. Each position request directly associates with the strategic plan and overall mission of the core values of the city. In summary, it is recommended to increase the full-time authorized strength by the following positions: Fiscal Support Specialist in the Office of Budget and Research, a Compensation Analyst in Human Resources, a Tree Trimmer and Recreation Coordinator in Community Services, an Administrative Technician with Planning, Development & Transportation, two (2) Property & Evidence Technicians with the Police Department and a GIS Analyst with the Wilmington Metropolitan Planning Organization.

FEE SCHEDULE CHANGES

Below is a summary of recommended changes to the fee schedule with each summary indicating what is represented currently as well as the proposed change.

Convention Center Parking Deck

Fee	Current	Proposed
Monthly Unreserved Single Space	None	\$100/month
Monthly Reserved Single Space	\$100/month	\$130/month
Lost Ticket	\$13.00	\$13.00/day

Parks and Recreation

Pools:

Fee	Current	Proposed
Pools (2 hour block)	\$50 - \$125	Remove from Schedule

Halyburton:

Fee	Current	Proposed
Business Rate	\$225 first two hours \$50 each add'l hours	\$50/hr (two-hour minimum) or daily rate of \$300/eight hours Weekdays from 8 am – 5 pm \$100 clean-up deposit is required
Center Kitchen	\$50 for both Non-profit and Private/for Profit	Remove from Schedule
Attendant fee after normal business hours		
Non-Profit		
Attendant after normal business hours	\$325 first 4 hours \$81.25 each add'l hr \$20/hour attendant fee	\$240 first four hours \$60/hour each add'l hr plus deposits (\$100 refundable clean-up deposit and a \$200 refundable damage deposit) \$20/hour attendant fee
Private/For Profit		
Attendant after normal business hours	\$475 first four hours \$118.75 each add'l hr \$20/hr attendant fee	\$475 first four hours \$100/hour each add'l hr plus deposits (\$100 refundable clean-up deposit and a \$200 refundable damage deposit) \$20/hr attendant fee

Inland Greens:

Fee	Current	Proposed
Cart Fee	N/A	\$2 cart fee (same as Muni)

Loan Programs

Fee	Current	Proposed
City Loan Assumptions & Subordination Request	N/A	<p>\$50</p> <p>Upon death of original borrower an heir may apply to assume loan</p> <p>Borrowers with city 2nd mortgage may request a subordination of their City loan for refinancing purposes</p>
HOP Application Fee	N/A	<p>\$50</p> <p>Application fee for HOP loans</p>

Stormwater Management

Fee	Current	Proposed
Standard Rate	\$7.66 ERUs	\$8.11 ERUs (5.9% increase)

Solid Waste Management

Fee	Current	Proposed
Carrion	<p>The refuse collection fee for one time per week carrion service is Thirty five dollars and nine cents (\$35.09) per month.</p> <p>The refuse collection fee for two times per week carrion service is Seventy dollars and eighteen cents (\$70.18) per month.</p> <p>The refuse collection fee for three times per week carrion service is One hundred five dollars and twenty-seven cents (\$105.27) per month.</p>	Remove from Schedule

REVENUE SUMMARY

	FY16 Actual	FY17 Adopted	FY18 Recommend	Change FY17 to FY18
Revenue				
Operating Funds				
010 General Fund	\$ 99,648,858	\$ 104,921,057	\$ 110,704,372	5.5%
050 Stormwater Management Fund	\$ 10,045,864	\$ 10,300,221	\$ 15,396,885	49.5%
056 Solid Waste Management Fund	\$ 9,175,777	\$ 9,354,080	\$ 9,274,623	-0.8%
Operating Funds Total	\$ 118,870,498	\$ 124,575,358	\$ 135,375,880	8.6%
Program Funds				
021 Special Purpose Fund	\$ 7,108,675	\$ 8,073,640	\$ 7,698,933	-4.6%
022 Convention Center Operating Fund	\$ 60,258,735	\$ 8,959,761	\$ 8,105,206	-9.5%
023 CDBG Fund	\$ 1,027,137	\$ 891,498	\$ 887,269	-0.5%
024 CDBG/HOME Grant and Loan Fund	\$ 639,815	\$ 752,892	\$ 804,103	6.8%
025 HOME Partnership Fund	\$ 251,062	\$ 587,147	\$ 634,147	8.0%
055 Parking Facilities Fund	\$ 3,971,857	\$ 4,267,290	\$ 3,883,179	-9.0%
057 Golf Course Fund	\$ 1,275,163	\$ 1,426,435	\$ 1,447,351	1.5%
061 Fleet Maintenance & Replacement Fund	\$ 5,988,508	\$ 7,054,715	\$ 7,509,883	6.5%
065 Technology Replacement Fund	\$ 973,585	\$ 1,236,040	\$ 1,385,005	12.1%
Program Funds Total	\$ 81,494,537	\$ 33,249,418	\$ 32,355,076	-2.7%
Debt Service Funds				
015 Debt Service Fund	\$ 29,264,788	\$ 20,784,520	\$ 23,670,275	13.9%
Debt Service Funds Total	\$ 29,264,788	\$ 20,784,520	\$ 23,670,275	13.9%
Capital Project Funds (Not of Debt)				
031 CP - Streets and Sidewalks	\$ 9,398,100	\$ 7,046,453	\$ 2,190,251	-70.0%
032 CP- Stormwater/Drainage	\$ 1,503,599	\$ 3,311,879	\$ 3,319,500	0.2%
033 CP- Parks and Recreation	\$ 709,493	\$ 2,956,800	\$ 37,407,524	1491.2%
034 CP- Public Facilities	\$ 641,646	\$ 704,552	\$ 18,898,019	1213.9%
035 CP- Parking Facilities	\$ -	\$ 840,000	\$ 2,868,334	241.5%
036 CP- Golf Course Fund	\$ -	\$ -	\$ 1,000,000	100.0%
039 CP- Public Improvement	\$ 179,062	\$ 1,755,104		-100.0%
Capital Project Funds (Not of Debt) Total	\$ 12,431,900	\$ 16,614,788	\$ 65,683,628	294.9%
Total All Fund	\$ 242,061,723	\$ 195,224,084	\$ 257,084,859	31.7%
Less Interfund Transfers	\$ (20,769,018)	\$ (26,441,838)	\$ (39,600,378)	49.8%
Net Operating & Capital	\$ 221,292,705	\$ 168,782,246	\$ 217,484,481	31.6%

REVENUE ESTIMATES

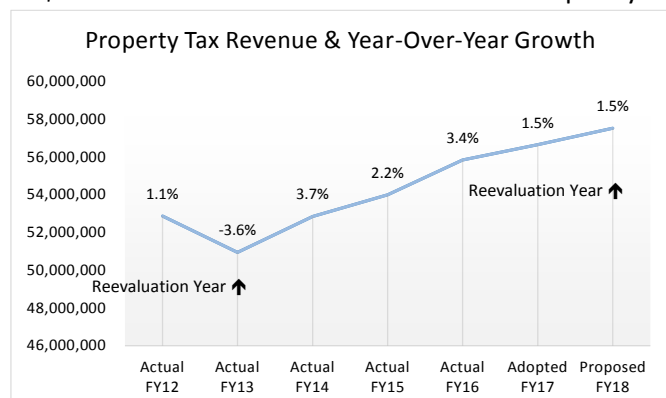
The revenue estimates for the FY18 budget have been made in accordance with the City’s Financial Management Policies. These estimates include only those reasonably expected to be realized during the fiscal year to meet all operating, debt and capital needs in line with the “no deficiency” budget requirements imposed by State Statute. Only significant revenue sources for all funds are listed as follows:

GENERAL FUND

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
Revenues					
Property Tax	\$ 55,836,584	\$ 56,649,564	\$ 56,649,564	\$ 57,522,173	1.5%
Local Sales Tax	\$ 23,289,181	\$ 23,142,173	\$ 23,142,173	\$ 26,270,637	13.5%
Licenses, Fees & Permits	\$ 739,925	\$ 650,208	\$ 650,208	\$ 625,000	-3.9%
Charges for Service	\$ 2,588,490	\$ 2,396,604	\$ 2,492,093	\$ 2,448,238	2.2%
Intergovernmental Revenue	\$ 14,912,925	\$ 14,709,679	\$ 14,759,679	\$ 15,071,951	2.5%
Fines & Forfeitures	\$ 208,172	\$ 160,700	\$ 160,700	\$ 165,000	2.7%
Interest Earnings	\$ 192,457	\$ 204,358	\$ 204,358	\$ 252,620	23.6%
Other Revenue	\$ 1,881,124	\$ 1,263,428	\$ 1,304,600	\$ 388,553	-69.2%
Appropriated Fund Balance	\$ -	\$ 5,744,343	\$ 10,404,978	\$ 7,960,200	38.6%
Revenue Total	\$ 99,648,858	\$ 104,921,057	\$ 109,768,353	\$ 110,704,372	5.5%

Property Taxes

Property Taxes are the largest revenue source for the General Fund at approximately 51% representing \$57.5 million. The amount represented here includes current and prior year tax as well as penalties and interest. The property tax rate will be \$0.4834 per \$100 assessed valuation. The value of one penny of the tax rate is equivalent to approximately \$1,467,002 based on a 98.8% collection rate for Property and a 100% collection rate for Motor Vehicles. Of the \$0.4834, \$0.0947 is dedicated to the Debt Service Fund to support capital projects related to the 1st 80/20 Debt Service CIP, the voter approved transportation bond, the voter approved Parks Bond, the Water Street Deck Collaboration and the 1st year of the 2nd 80/20 Debt Service CIP.



The City’s tax base for FY18 is estimated at \$14,836,952,148. The City’s real property is expected to total approximately \$12,983,452,148. Motor Vehicle property is projected to be approximately \$926,000,000. Overall values increased about \$1.18 billion from the FY17 assessed of \$13,656,573,000 or 8.64%.

Local Sales Tax

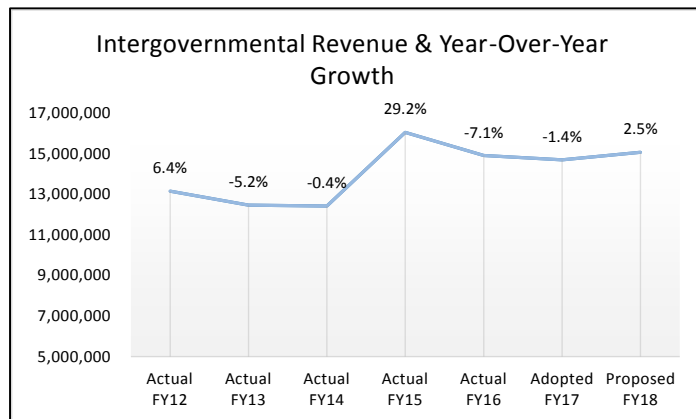
Local sales tax revenues for FY18 are estimated at \$26,270,637 reflecting a 13.5% increase over FY17 adopted levels and a 12.8% increase over the FY16 actuals. Sales Tax represents 23.7% of the total General Fund revenues. Of the total amount, \$12.4 million comes from the locally collected and distributed one-cent levy. The balance of the revenue, approximately \$13.5 million, comes from the statewide collected 1.5 cent levy. Both levies are distributed among New Hanover County’s local governments based on the property tax levy.

Licenses, Fees, and Permits

This revenue category includes the anticipated revenues for such items as motor vehicle licenses and annual fire permit fees, and reflects an decrease of 3.9% from FY17 adopted levels which is due to adjusting the revenue for motor vehicle licenses from \$25,000 to \$0. The past two years the revenue has only realized a maximum of \$3,000. The change is to reflect this trend. This category of revenue makes up less than 1% of the General Fund revenues totaling \$625,000.

Intergovernmental Revenues

The third largest revenue stream category is Intergovernmental Revenues. The FY16 Adopted Budget saw a \$2.3 million reduction in tax revenue by the NC General Assembly related to businesses through the elimination of the local business privilege license fees. Signs are slowly indicating that the mid-FY14 intergovernmental revenue tax base expansion may be a revenue stream aiding the City in that loss. The City saw a \$2.5 million increase specifically in the utility franchise tax from the FY15’s actuals of \$4.6 million to the FY16’s actuals of \$7.1 million in that revenue stream alone. FY18’s Utility Franchise tax budget is projecting a conventional 3% increase over FY16’s actuals due to the revenue stream stabilizing after the base expansion. Utility Franchise Tax is weather dependent, if normal weather patterns persist, this revenue stream is expected to bring in at least \$7.3 million in FY18.



There are a few revenue streams in the Intergovernmental category with special notable circumstances related to customer behavior. The telecommunications sales tax distributions are declining due to customers abandoning landline telephone service and going solely to mobile devices. For this reason, the FY18 budget is \$900,000 or 17% less than FY16 actuals and 14% less than the FY17 adopted budget. This similar reduction is also seen in the video programming tax where the decline is attributable to customers exchanging cable TV with steaming services instead. The recommended FY18 revenue is 5% less than the adopted FY17. With these changes netted with the increase and stabilization of the utility

franchise tax, the intergovernmental revenues are modest 2.5% above FY17's adopted rate contributing \$15 million to the city's overall budget.

Charges for Current Services

Charges for current services represent approximately 2.2% of total anticipated General Fund revenues for FY18. Charges for current services are classified in five sub-categories: general government services, public safety services, public services, recreation programs, and miscellaneous charges. For the FY18 budget, these revenues total \$2,448,238 which represents almost a 2.2% increase over FY17's adopted budget and a slightly more than a 5.4% reduction from the FY16's actuals.

Other Revenue, Interest and Fines and Forfeitures

Other revenue includes miscellaneous revenue sources in the amount of \$806,173. The FY18 budget represents a 50% decrease from the FY17's adopted budget and a decrease of 65% from the FY16's actuals. This is due payment from Debt Service fund totaling \$874,875 for Other Post-Employment Benefits (OPEB) in FY17 which was the last required payment.

Fines and Forfeitures include civil citations and fire code violations. The budget reflects the City's historical experience in collection of civil citations.

Appropriated Fund Balance

Use of appropriated fund balance in the amount of \$7,960,200 is included in the budget for three projects in the Capital Improvement Plan (CIP). Those projects include:

- Replacement of 800 MHz Radios totals \$2,710,200
- Replacement of Core Financial System totals \$4,500,000
- Contingency for Police and Fire Training Facility totals \$750,000

General Fund Unassigned fund balance as of June 30, 2018 is anticipated to be approximately 24.47% of FY18 budgeted expenditures or \$27,094,245 million.

CITY OF WILMINGTON STRATEGIC PLAN (2017 to 2020)

The Strategic Plan (Plan) set forth, like the City itself, is not a static object; rather it is intended to provide a framework for positive change in the city. It sets the stage for the City's priority initiatives as voiced by City Council, citizens, vetted by staff. The plan is expected to evolve to ensure the city is moving towards the desired vision.

The strategic plan's philosophy ensures maintenance of the City's core and essential services while at the same time enhancing identified strategic initiatives. This ensures the services succeeding today are not the community's strategic initiatives tomorrow. It also ensures the Plan set forth is focused on a small number of community priorities to make certain that over the next four years the strategies identified will have successes.

The Plan's intent is threefold:

- To provide a strategic focus for the community and city staff,
- To provide stability and opportunities for those who already live, work and build their businesses here, and;
- To provide a common goal for all

Basic Strategic Planning Elements and Definitions:

- **Focus Areas:** Broad statement toward which the organizations efforts are directed; identifies the 'what' not the 'how'
- **Community Outcomes:** specific and measurable milestone the community/organization sets that identifies success of the Focus Area
- **Strategies:** the approach or plan of action the organization wants to take to achieve the community outcomes; the 'how' the organization is going to get there, the 'direction' of the plan
- **Action Steps:** the actual work task or specific tactic identified to deliver on the strategy; the 'what you do', which will remain flexible allowing staff to respond to community needs

Focus Area: Create a Safe Place

The City will create a safe, inclusive community with neighborhood/area based public safety and support services.

Community Outcomes

1. Reduce city crime rate year over year
2. Truancy rates decline year over year
3. Participation increases in after school program
4. School drop-out rates decrease 5% annually
5. Increase newly developed “complete streets” (pedestrian and vehicular friendly/safe) in the City by no less than 1,000 linear feet annually
6. The total response time for all calls for emergency service, the Fire Departments first due unit will be within seven minutes and thirty seconds for 90% of all calls for emergency service
7. Reduce the # of enforced (under order) minimum housing code and nuisance violations

Strategies

1. Partner with community and non-profit agencies to enhance youth engagement (Outcome Link: 1, 2, 3, 4)

Action steps:

- Proactively recruit additional resources or groups that will promote and enhance youth engagement
- Partner with non-profits that will enable affordable home ownership opportunities to eligible citizens

2. Establish a model citizen code to establish acceptable social norms (Outcome Link: 1, 3, 7)

Action steps:

- Proactively target and implement additional neighborhood watch programs
- Encourage city staff to act as ambassadors and promote social norms by picking up trash as they are walking around the city and calling in areas that need clean up

3. Review and implement city-wide sharing of resources across departments to aid in known public safety service gaps allowing more targeted community policing (Outcome Link: 1, 2, 3, 4, 7)

Action steps:

- Identify departments with staffing who have ‘down-time’ to aid in areas where service gaps exist
- Real time CTR implementation
- Initiate neighborhood sweeps

4. Implement a public safety staffing plan directed at a safer community (Outcome Link: 1, 2, 3, 4, 6, 7)

Action steps:

- Ensure current staffing levels are resourced in key areas of the city

5. Employ comprehensive plan policies and land development codes to create both defensible spaces and safe streets (Outcome Link: 1, 5, 7)

Action steps:

- Encourage mixed-use developments that create active ground-floor uses, which help put “eyes on the street.”
- Incorporate crime prevention through environmental design (CPTED) techniques in parks, public spaces, parking decks, and new developments to maximize community safety
- Create development patterns that reduce reliance on uses divided into “pods”
- Enhance bike and pedestrian infrastructure that increases bicycle and pedestrian safety and supports public health goals.
- Coordinate street designs with placemaking and pedestrian priorities to improve traffic flow and enhance bike and pedestrian safety.
- Relocate freight trains to a more direct route into the port of Wilmington to dramatically reduce the number of at-grade freight train crossings, improve traffic flow and enhance vehicular, bicycle, and pedestrian safety.
- Plan for police and fire services in coordination with development and growth projections to allow for the efficient provision of public safety services.

6. Engage in public outreach to change citizen perception (Outcome Link: 1, 2, 3, 4, 7)

Action steps:

- Continue to use social media to enhance public outreach
- Creative messaging of media statements
- Police will partner with key groups to convey common regional communications

7. Provide state of the art equipment and personnel capabilities in order to best provide for the fire, EMS, and disaster emergency response needs of our citizens, businesses, and visitors.

Action steps:

- Provide innovative fire suppression operations in order to protect life, property and the environment.
- Maintain external partnerships in order to enhance operational effectiveness.
- Provide emergency medical first response capabilities at the basic life support level in order to treat life-threatening medical emergencies.
- Provide specialized operational capabilities in order to safely mitigate low frequency high risk emergency incidents.

Focus Area: Support Efficient Transportation Systems

The City will advocate for, develop and maintain diverse modes of transportation needed for an inclusive, connected community. Greenways, pedestrian and bicycle amenities and a regionally focused multimodal transportation system will increase mobility and regional connectivity.

Community Outcomes

1. Citizen's survey important-satisfaction rating for '**overall maintenance of city streets and sidewalks**' will maintain or increase its FY15 base rating of .2596
2. Citizen's survey important-satisfaction rating for '**maintenance of neighborhood streets**' will maintain or increase its FY15 base rating of .1277
3. Citizen's survey important-satisfaction rating for '**overall management of traffic flow on city streets**' will maintain or increase its FY15 base rating of .2549
4. Increase Bike/Pedestrian paths by no less than 2,640 feet (1/2 mile) per year
5. Maintain and/or increase State/Federal funding levels in support of transportation improvements

Strategies

1. Create and follow a strategic transportation financial plan to include multiple partners (Outcome link: 1, 2, 3, 4, 5)

Action steps:

- Begin process to identify partnerships to formulate innovative transportation methods
- Develop a local and regional task force to aid in the development of a transportation plan
- Review and use adopted plans in developing a financial plan (ex. *Greenway Plan, MPO*)
- Acquaint federal and state legislators of our needs by meeting one on one with them and / or their staff monthly during the legislative sessions
- Actively participate in regional MPO
- Routinely evaluate routinely overall street condition using the street conditioning analysis

2. Proactively seek local and regional partners for smart development initiatives (Outcome link: 2, 3, 4)

Action steps:

- Work with NHCO towards common understanding of effective mixed use development and implement through respective code changes
- Work through CFPUA to encourage smart growth
- Implement limited street cut programs with partners
- Seek partners to aid in the rail realignment project

3. Develop and market public educational materials to improve traffic perceptions and ultimately behavior while driving around the city (Outcome link: 3)

Action steps:

- Use active enforcement of crosswalks w/temporary crossing guards
- Employ commercials, billboards and print ads promoting safe bike, walk drive rules
- Employ GTV8, the web and social media to convey safe driver behaviors
- Provide funding to support transportation demand management strategies

4. Enable and promote alternative modes of transportation (i.e. WAVE, carpooling, mass transit, bike sharing) (Outcome link: 3, 4)

Action steps:

- Complete a feasibility study for rail realignment and trolley service development during FY17
- Improve the efficiencies of the transit system by continuing to fund WAVE transit and encouraging other local jurisdictions to participate in building capacity and service area
- Fund City share of transportation demand manager
- Create special incentives to employees for participation in ride sharing strategies
- Participate in operations review of the WAVE Transit

4. Increase attention to intergovernmental affairs to include relations, advocacy and education (Outcome Link: 5)

Action Steps:

- Increase attention to state and federal legislative action regarding transportation funding (e.g. Powell Bill Appropriations)
- Seek additional state and federal transportation funding

Focus Area: Foster a Prosperous, Thriving Economy

The City will promote opportunity and prosperity by fostering sustainable, regionally coordinated economic growth and development strategies for creating jobs, building a strong workforce, facilitating commerce and business vitality.

Community Outcomes

1. Decrease Vacancy Rates (VE)
2. Economic development partners will maintain required benchmarks
3. 2% increase in higher paying job wages in targeted industries (Garner Report/Chambers Scorecard)
4. Strategic increases in the city's tax base
5. Increase in redevelopment as measured in redevelopment projects—target no less than 3 projects per year
6. Reduce single occupancy driven miles to work measured in TDM initiatives—no less than 2 initiatives per year
7. Complete the new Land Development Code—75% complete by the end of 2017-18. 100% by 2018-19.
8. Citizen survey results related to economic development will be the same or better than the prior year's results

Strategies

1. Leverage existing assets (i.e. Innovate NC, Garner Report, etc.) (Outcome Link: 2, 3, 4, 8)

Action steps:

- Pursue partnering projects in tri-county
- Leverage transportation bond for economic development
- Revise and adopt new business incentive policy
- Find ways to work with federal dollars to increase % used

2. Pursue partnerships for Economic Development (Outcome link: 1, 2, 3, 4, 8)

Action steps:

- Leverage non-profits such as WBD, WDI, Film UNCW
- Keep Federal and State officials advised of development opportunities

3. Encourage smart economic development (Outcome link: 3, 4, 5, 6, 7)

Action steps:

- Develop codes that promote accessory housing
- Market to citizens and developers benefits of placemaking; facilitate development projects that embody placemaking elements.

- Consult with the development community during the drafting of the new land development code.
 - As development returns to a normal or an above normal volume of projects, provide adequate staffing to maintain an expedited pace of development review
 - Facilitate adaptive reuse and redevelopment projects to put underperforming properties back on the market and added to the tax base of the City and NHC
4. Work with regional partners to create a regional advisory board to enhance economic development (Outcome link: 1, 2, 3, 4, 8)

Action steps:

- Agendas and discussion should include smart development in all counties
- Evaluate regional process as reported annually by the Wilmington Chamber of Commerce – Regional Economic Scorecard
- Participate in regional discussion around “smart” development

Focus Area: Promote Culture, Arts and Public Spaces

The City will provide unique, creative open space, parks and community facilities integrated with arts and cultural activities for all.

Community Outcomes

1. All new developments in the city limits will have average open space of no less than 10% of total project acreage.
2. The Northern Waterfront Park will have no less than 1 major public event per month over the course of any given year
3. Designs for the Northern Waterfront Park will be 100% complete by FY17-18
4. The design of the Northern Waterfront Park will allow for multiple events going on at one time.
5. The Northern Waterfront area of downtown will average no less than 5 acres of enhanced development completed annually over the next 3 years.
6. The City's brownfields program shall facilitate no less than one development project annually.
7. Increase citizen's awareness of role and effectiveness of the Arts Council
8. Increased \$ value of economic impact of film industry
9. Increased youth participation in city sponsored outreach programs (FY16 = 508)
10. Increased athletic events run by the city (FY16 = 12 programs⁶)

Strategies

1. Transform environmental constraints into amenities (Outcome link: 1, 6)

Action steps:

- Employ replacement of Land Development Code as opportunity to capitalize on wetlands and low lying areas as passive, natural open space amenities.
- Employ stream corridors and buffer areas for recreation and non-vehicular mobility
- Investigate opportunities to allow for the use old railway beds for public spaces
- Promote the reuse of Brownfield properties through proactive initiatives.

2. Promote Northern Waterfront Park to be a large public gathering place with activities for all (Outcome link: 2, 3, 4, 5)

Action steps:

- Adopt a master plan for the northern end of downtown as part of the Heart of Wilmington Plan
- Design the park to accommodate a diversity of events year round.

⁶ Twelve programs referenced includes collaborative programs. City runs 7 programs and 6 more collaboratively with city partners.

- Partner with UNCW with regard to the increased # of international students and plan events accordingly
- Adopt a master plan specifically for the Northern Waterfront Park by the end of FY 16-17.
- Develop funding scheme for improvements including private contributions

3. Engage in civic partnerships to bring arts and cultural events to public spaces (Outcome link: 7)

Action steps:

- Develop a Sister City strategic plan
- Participate and develop a Strategic Plan for the Arts Council and related groups
- Provide 3 years of support to the Arts Council efforts to conduct an Economic Impact study
- Promote the viability of the Arts Council by working in tandem with the Council to develop funding marketing and educational opportunities

4. Promote film industry by continuing to value the necessity of incentives and capitalization (Outcome link: 8)

Action steps:

- Continue support for the film industry on the City's legislative agenda
- Communicate the positive economic impact of the film industry to the public

5. Continue to promote the use of the city's public spaces (Outcome link: 1, 2, 4, 8, 9, 10)

Action steps:

- Continue support and growth of athletic events that positively impact the community
- Market city programs to youth
- Use social media as a method to promote activities available in the City's public spaces
- Communicate the positive impact of the quality of life that diverse public spaces generate

6. Increase the creative class base in Wilmington (outcome link: 2, 7)

Action steps:

- Support Science Technology Engineering and Math (STEM) education curriculums in schools
- Promote assets of area to attract creative talents
- Support the generation of entrepreneurial ideas thru public/private partnerships

Focus Area: Engage in Civic Partnership

The City will build and improve partnerships, collaborations and relationships with all stakeholders, including our citizens and public and private organizations.

Community Outcomes

1. Increase citizen satisfaction rating with the level of public involvement in decision-making (FY15 = 29%)
2. X% increase in citizen's satisfaction with the quality of City recreation programs/classes (FY15 = 45%)
3. Increase # of civic presentations about the city's priorities
4. Increase # of social organizations that support and help solve the city's social challenges
5. Reduce city crime rate year over year
6. Increase in Community Youth intervention and prevention activities
7. Reduce the number of citizen's who feel less safe in their residential community

Strategies

1. Leverage the existing process of civic partnerships to maximize the utilization of existing public sector resources (Outcome link: 2, 3, 4, 5, 6, 7)

Action steps:

- Increase resources going to organizations that address youth violence reduction programs
- Encourage civic partners to collaborate on affordable housing/workforce housing and other City priorities
- Review the city's civic partnership's annual performance requirements to ensure relevancy towards city priorities
- Target partnership with citizens and/or citizen groups who feel less safe in their communities in order to work with them to create a safe place
- Market and support active lifestyle programs
- Market and support athletic and recreation programs

2. Promote both City and citizen engagement in the community (Outcome link: 1, 3)

Action steps:

- Leverage existing tools and resources that will enable the public to contribute opinions and ideas more readily
- Create opportunities to work jointly with individuals, non-profits, academic and other groups to address the needs of the community
- Use social media to engage citizens' feedback on priority issues
- Encourage employees to volunteer with non-profits to address the needs of the community

Focus Area: Provide Sustainability and Adaptability

The City will protect and preserve our natural resources with quality design for the built environment. The City will make strategic decisions focused on the long-term financial, physical and social health of the entire City to enhance our ability to respond to changing economic and demographic conditions. Our actions will be based on a shared commitment to inclusiveness, equity and continuous improvement.

Community Outcomes

1. City's utility consumption will reduce by 2% annually (per heated sq foot of city-owned buildings)
2. Maintain current bond rating annually
3. Maintain or increase citizen satisfaction ratings for City taxes and fees (FY15 = 32%); quality of services provided by the City (FY15 = 64%) and availability of affordable housing (FY15 = 31%)
4. Maintain an undesignated fund balance of each year at targeted levels
5. 90% of CIPs will follow draft environmental performance standards including the potential to integrate renewable energy
6. Revenues at least equal to budgets
7. Increase # of new revenue sources made available
8. The Comprehensive Plan will be used in 100% of all land use decisions brought before the Planning Commission and City Council
9. Upon adoption of the new land development code, sustainable, form based development shall represent no less than 1/4 of all development projects in the 1945 corporate limits annually

Strategies

1. Invest in the development of human capital to meet organizational goals (Outcome link: 3)

Action steps:

- Develop operational staffing plans to reflect services and infrastructure growth
- Develop internal service staffing plan to respond to the increased capital and resource growth and demand for service
- Promote a culture of life-long learning through avenues such as career development, succession planning or the City's performance process
- Develop leaders who promote a culture of camaraderie
- Promote employee and community engagement in improving our service delivery

2. Promote uses of alternative energy and reduction in resource consumption (Outcome link: 1, 2, 5)

Action steps:

- Develop policy on new construction following the draft environmental performance standards
- Require capital projects to include total cost of ownership projections
- Develop policy on personal appliances in city owned buildings/offices
- Assess new and existing buildings for potential energy innovations
- Evaluate electric and natural gas for the City's fleet

3. Diversify the city's sources of funding (Outcome link: 2, 3, 6, 7)

Action steps:

- Pursue legislative strategies to charge new fees thus augmenting fees in lieu of taxes
- Maximize dollars by leveraging grant opportunities
- Align revenue with the cost of doing business for certain services

4. Implement the Comprehensive Plan and create a new development code (Outcome link: 8, 9)

Action steps:

- Conduct the rail feasibility study with a focus on the benefits of a rail realignment and potential trolley system
- Develop local and regional partnerships, as well as private sector participation, to aid in the rail initiative
- Develop new LDC employing form-based development principles where appropriate
- Prepare and employ alternative transportation map for in land use decisions
- Continue to link higher density development with higher density facilities
- Promote walkability to public facilities (especially parks and schools)

5. Cultivate stewardship of the taxpayer's money at all levels (Outcome link: 2, 3, 4, 6, 7)

Action steps:

- Develop life cycle costing policies and steps for users to take
- Continue to secure low interest bonds
- Deliver value for money through innovation and continuous improvement of processes
- Review both service standards and levels to ensure they are meeting citizen expectations

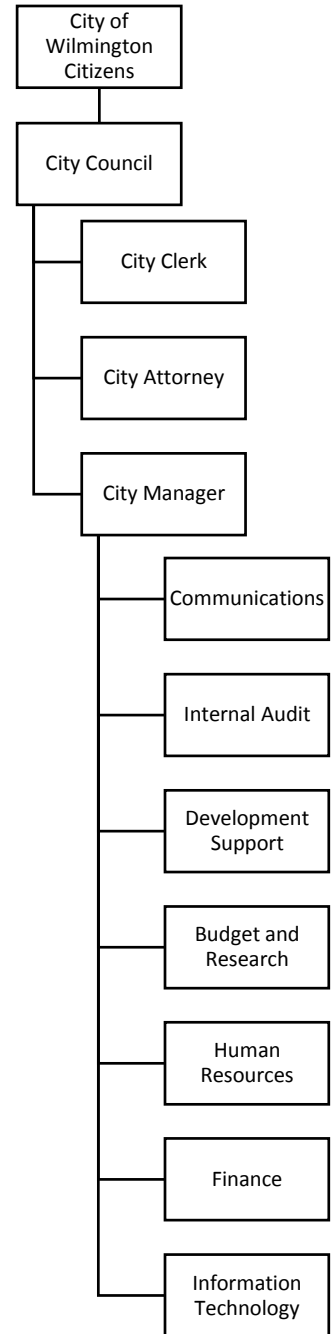
6. Partner with developers and non-profits on ways to tackle the challenges to create more affordable housing (Outcome Link: 3)

Action steps:

- Facilitate the effective policy and recommendation setting capacity of the Mayor's Taskforce on affordable housing

- Seek incentives and greater flexibility in the Land Development Code to promote affordable housing
- Consider providing infrastructure improvements as the city's contribution to creating affordable housing

GOVERNANCE OFFICES



CITY COUNCIL

The seven-member **City Council** is the official legislative and policy-making body of the City of Wilmington. The Mayor, the presiding officer of the City Council, serves as the official and ceremonial head of the City and is a voting member of the City Council.

The Mayor serves a two-year term, while the other six members of the City Council serve four-year terms. The six members of City Council serve staggered terms, with three members elected in each odd-numbered year. All members are elected at-large on a non-partisan basis. All official actions of the City Council are taken at public meetings. City Council holds regular public meetings on the first and third Tuesday of each month.

BUDGET SUMMARY

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
City Council					
Personnel	\$ 124,366	\$ 127,276	\$ 127,276	\$ 128,946	1.3%
Benefits	\$ 43,068	\$ 43,234	\$ 43,415	\$ 43,530	0.7%
Operating	\$ 27,779	\$ 46,821	\$ 46,627	\$ 45,875	-2.0%
City Council Total	\$ 195,213	\$ 217,526	\$ 217,318	\$ 218,351	0.4%

Overview

The City Council budget reflects a continuation of current services. Additionally, adjustments were made to various internal services charges related to technology management fees and insurance liabilities as a cost of doing business. This budget continues core services.

Budget Modifications

A. Council's Cost of Living Increase

Division:	Council
Total Cost:	\$1,798
Priority:	Continuance of Service
Position(s):	Full Time Equivalent: 0; Part-Time: 0.00
Description:	Cost of living increases is generally provided to the governing Council. In FY18, a 2% salary (\$1,670) and benefit increase were included in the budget.

CITY CLERK

Appointed by the City Council to a two-year term, the **City Clerk** acts as the official record keeper for the City of Wilmington. The City Clerk attends and records minutes of all Council meetings, certifies ordinances and resolutions adopted by City Council, maintains files of deed and contractual transactions, provides for the official notification of special meetings and public hearings, maintains the membership record of all City boards and commissions, manages the codification of ordinances, and provides information from these reports to the Council, public, and staff.

BUDGET SUMMARY

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
City Clerk					
Personnel	\$ 137,789	\$ 160,364	\$ 160,364	\$ 169,603	5.8%
Benefits	\$ 45,437	\$ 57,438	\$ 57,438	\$ 56,170	-2.2%
Operating	\$ 19,805	\$ 31,600	\$ 31,519	\$ 32,712	3.5%
City Clerk Total	\$ 203,031	\$ 249,402	\$ 249,321	\$ 258,485	3.6%
Authorized Positions	3	3	3	3	

Budget Overview

The City continues to invest in the workforce by adding a 3% compensation increase for salary and corresponding benefits. Additionally, adjustments were made to various internal services charges related to technology management fees, insurance liabilities, fuel and central fleet as a cost of doing business. This budget continues core services.

CITY MANAGER

The City Manager is appointed by the City Council and serves as Chief Executive Officer of the City of Wilmington. The City Manager provides leadership and management of City operations and works through a management team composed of two Deputy City Managers, department directors, and other key staff to identify needs, establish priorities, administer programs, policies and operations, and build organizational capacity. The City Manager also assists City Council in its policy making role by providing recommendations and background materials on programs, trends, and issues of concern to the City Council and the Administration.

BUDGET SUMMARY

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
Administration					
Personnel	\$ 720,578	\$ 739,394	\$ 739,394	\$ 759,682	2.7%
Benefits	\$ 171,991	\$ 189,688	\$ 189,991	\$ 208,515	9.9%
Operating	\$ 39,036	\$ 53,543	\$ 53,779	\$ 53,828	0.5%
Outlay	\$ 7,278	\$ -	\$ -	\$ -	0.0%
Administration Total	\$ 938,883	\$ 982,625	\$ 983,164	\$ 1,022,025	4.0%
Budget and Research					
Personnel	\$ 246,323	\$ 269,145	\$ 265,125	\$ 300,963	11.8%
Benefits	\$ 55,657	\$ 61,406	\$ 61,406	\$ 78,794	28.3%
Operating	\$ 13,463	\$ 16,075	\$ 18,814	\$ 29,257	82.0%
Outlay	\$ -	\$ -	\$ 1,200	\$ 2,400	100.0%
Budget and Research Total	\$ 315,442	\$ 346,626	\$ 346,545	\$ 411,414	18.7%
Communications					
Personnel	\$ 299,511	\$ 330,096	\$ 311,411	\$ 316,477	-4.1%
Benefits	\$ 81,608	\$ 88,252	\$ 88,252	\$ 91,469	3.6%
Operating	\$ 84,273	\$ 86,811	\$ 105,361	\$ 117,216	35.0%
Outlay	\$ 27,979	\$ -	\$ -	\$ -	0.0%
Communications Total	\$ 493,371	\$ 505,159	\$ 505,024	\$ 525,162	4.0%
Economic Development					
Personnel	\$ 59,307	\$ 82,840	\$ 82,840	\$ 85,304	3.0%
Benefits	\$ 13,898	\$ 23,265	\$ 23,265	\$ 22,911	-1.5%
Operating	\$ 1,990	\$ 2,964	\$ 3,464	\$ 5,494	85.4%
Economic Development Total	\$ 75,195	\$ 109,069	\$ 109,569	\$ 113,709	4.3%
Internal Audit					
Personnel	\$ 70,167	\$ 72,092	\$ 72,092	\$ 74,288	3.0%
Benefits	\$ 18,834	\$ 20,386	\$ 20,386	\$ 21,201	4.0%
Operating	\$ 2,716	\$ 8,059	\$ 8,059	\$ 8,104	0.6%
Internal Audit Total	\$ 91,717	\$ 100,537	\$ 100,537	\$ 103,593	3.0%
Allocated Cost					
Allocated Cost	\$ (16,210)	\$ (16,783)	\$ (16,783)	\$ (16,783)	0.0%
Allocated Cost Total	\$ (16,210)	\$ (16,783)	\$ (16,783)	\$ (16,783)	0.0%
City Manager Total	\$ 1,898,399	\$ 2,027,233	\$ 2,028,056	\$ 2,159,120	6.5%

	FY16 Actuals	FY17 Adopted	FY17 Adjusted	FY18 Recommend
Authorized Positions				
City Manager Administration	7	7	7	7
Budget and Research	3	3	3	4
Communications	5	5	5	5
Development Support	1	1	1	1
Internal Audit	1	1	1	1
Total Positions	17	17	17	18

Division Descriptions

The **Administrative** arm of the City Manager’s department includes the City Manager, two Deputy City Managers, Legislative Affairs staff and support staff. Together they provide professional, effective leadership and management of all City operations. In addition, they assist City Council in their policy making role by providing information to ensure that Council makes informed decisions.

The **Communications** division of the City Manager’s office ensures that the public at- large is provided with current and relevant information provided through the City’s website, print media, press releases, and the citizen information line. The Government Television section reflects the costs associated with operating the City’s cable channel 8 (GTV).

The **Budget and Research** Office coordinates the preparation of the annual operating and capital budget including financial forecasting. It ensures fiscal control over City expenditures, conducts program evaluations and analysis, and coordinates the development and progress of the City's Strategic Plan.

The **Internal Audit** division conducts financial and performance audits within the organization to identify and reduce risks, and ensures acceptable policies and procedures are followed, established standards are met, resources are used efficiently and effectively, and the organization’s objectives are achieved.

The **Economic Development** division provides resources for economic development guidance and management. The division is responsible for convention center support and associated hotel and adjacent area project coordination, development agreement and opportunities oversight, and downtown parking management oversight.

Budget Overview

The City continues to invest in the workforce by adding a 3% compensation increase for salary and corresponding benefits. Additionally, adjustments were made to various internal services charges related to technology management fees, insurance liabilities, fuel and central fleet as a cost of doing business. The sections below represents further initiatives made to the budget specific to the department.

Base Budget Adjustments

A. Reduction in Temporary Funding

Division: Managers
Total Cost: (\$2,820)
Priority: Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The Budget and Research Office shifted funding from the temporary line in base to multiple lines including training and travel, dues and subscriptions and office supplies resulting in a \$2,820 reduction in base.

B. Reduction of Part-time Bond Communicator Position

Division: Managers
Total Cost: \$0
Priority: Budget Adjustment
Position(s): Full Time Equivalent: 0; Part-Time: -0.50
Description: The Bond Communicator position was authorized with the 2014 Transportation Bond with \$22,900 in funding. In FY18, the position was eliminated but the funding was shifted to GTV contracted services (\$7,900) and to Public Information contracted services (\$15,000) allowing for flexibility in hiring in the Public Information division.

Budget Modifications

A. Annual Technology Fund Service Charge

Division: Multiple
Total Cost: \$800
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the Budget and Research Office and Communications to fund the required technology equipment for the conference rooms in the Harrelson Building.

B. Economic Development

Division: Managers

Total Cost: \$2,485

Priority: Strategic Plan: Provide Sustainability and Adaptability 1.3

Position(s): Full Time Equivalent: 0; Part-Time: 0.00

Description: The funding allows the Economic Development Assistant to the City Manager to attend the UNC School of Government trainings and conferences, join multiple professional organizations through dues and for travel to accommodate training and conferences.

C. Contracted Temporary Services

Division: Managers

Total Cost: \$4,600

Priority: Continuance of Service

Position(s): Full Time Equivalent: 0; Part-Time: 0.00

Description: The funding allows GTV to maintain existing level of contracted services to perform GTV Master Control. The work is mainly located in the GTV control room, located above Council Chambers. In addition to the \$7,900 base shift for contract services, \$4,600 is also recommended to be included.

D. Fiscal Support Specialist

Division: Managers

Total Cost: \$57,675

Priority: Strategic Plan: Provide Sustainability and Adaptability 1.2

Position(s): Full Time Equivalent: 1; Part-Time: 0.00

Description: The funding allows the Budget and Research Office to hire a full-time Fiscal Support Specialist (N5) at a salary of \$36,899. The funding includes salary, overtime, benefits, a computer, pc replacement participation, technology equipment (headset) and appropriate software licenses. This position will aid the office toward managing and expanding the strategic plan process, conducting benchmarking research and streamlining city-wide processes.

CITY ATTORNEY

The City Attorney's Office provides legal services to the Mayor, Members of City Council, the City Manager, the City Clerk, and to each of the City's departments, boards, and commissions.

BUDGET SUMMARY

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
City Attorney					
Personnel	\$ 636,070	\$ 731,589	\$ 731,589	\$ 742,946	1.6%
Benefits	\$ 169,753	\$ 211,851	\$ 212,110	\$ 214,791	1.4%
Operating	\$ 46,558	\$ 73,699	\$ 123,809	\$ 76,495	3.8%
Outlay	\$ 1,240	\$ 2,010	\$ 2,010	\$ -	-100.0%
City Attorney Total	\$ 853,621	\$ 1,019,149	\$ 1,069,518	\$ 1,034,232	1.5%
Authorized Positions	9	10	10	10	

Budget Overview

The City continues to invest in the workforce by adding a 3% compensation increase for salary and corresponding benefits. Additionally, adjustments were made to various internal services charges related to technology management fees, insurance liabilities, fuel and central fleet as a cost of doing business. The sections below represents further initiatives made to the budget specific to the department.

Base Budget Adjustments

A. Supporting Equipment for New Position

Division: Attorney
Total Cost: (\$2,010)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: One-time operating funding supporting a new position (i.e. furniture, computer) that totaling \$2,010 was removed from the budget.

Budget Modifications

A. Dues & Subscriptions

Division: Attorney

Total Cost: \$1,025

Priority: Strategic Plan: Provide Sustainability and Adaptability 1.3

Position(s): Full Time Equivalent: 0; Part-Time: 0.00

Description: A total of \$1,025 has been added to the budget to support the Attorney's staff resuming International Municipal Lawyers Association (ILMA) membership.

B. Reclassify Administrative Support Technician to an Administrative Support Specialist

Division: Attorney

Total Cost: \$1,723

Priority: Continuance of Service

Position(s): Full Time Equivalent: 0; Part-Time: 0.00

Description: A total of \$1,723 has been added to the budget to reclassify an Administrative Support Technician to an Administrative Support Specialist. Total increase in salary and benefits total \$1,723 of which \$1,435 is salary.

HUMAN RESOURCES

The Human Resources department provides comprehensive services which support effective management of the workforce to all City departments. Functional areas include recruitment, classification, compensation and benefits administration, personnel records management, training, health and wellness, safety and risk management, and employee relations.

BUDGET SUMMARY

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
Human Resources					
Personnel	\$ 553,367	\$ 601,726	\$ 601,726	\$ 749,293	24.5%
Benefits	\$ 132,388	\$ 154,443	\$ 154,705	\$ 202,505	31.1%
Operating	\$ 84,446	\$ 79,519	\$ 90,532	\$ 113,648	42.9%
Outlay	\$ 1,138	\$ -	\$ 1,200	\$ 2,400	100.0%
Human Resources Total	\$ 771,339	\$ 835,688	\$ 848,163	\$ 1,067,846	27.8%
Authorized Positions	8	9	9	10	

Budget Overview

The City continues to invest in the workforce by adding a 3% compensation increase for salary and corresponding benefits. Additionally, adjustments were made to various internal services charges related to technology management fees, insurance liabilities, fuel and central fleet as a cost of doing business. The sections below represents further initiatives made to the budget specific to the department.

Base Budget Adjustments

A. Off-cycle Business Decision: Fill Unfunded Position & Reduce One Temporary Position

Division: Human Resources

Total Cost: (\$42,116)

Priority: Budget Adjustment

Position(s): Full Time Equivalent: 0; Part-Time: -0.48

Description: A total of \$42,116 was removed from the temporary employee salary line to support the filling of the unfunded position authorized in FY17 to respond to a FY16 consultant's human resource assessment report. In response, the department moved a part-time process and data integrity technician (0.48) to the full time unfunded position in mid-year FY17. The total funding needed for this move in FY18 is \$50,750 in salary (\$35,672) and benefits (\$15,078). To aid in the

position's funding, the department reduced the associated part-time employee position (FTE = 0.48) totaling \$17,116 in salary. The temporary employee salary was further reduced by the one-time funding authorized in FY17 to specifically respond to the consultant's report totaling \$25,000.

Budget Modifications

A. Annual Technology Fund Service Charge

Division: Human Resources
Total Cost: \$400
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the desktop at the Harrelson Building 5th floor HR conference room to be included in the pc replacement program.

B. New Hire Increased Funding

Division: Human Resources
Total Cost: \$2,180
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows for increased food and provisions, parking vouchers and background history verifications for the new hire process.

C. Temporary Employee Funding

Division: Human Resources
Total Cost: \$4,534
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding of \$4,212 plus benefits allows the HR department to supplement their base temporary funding (\$15,788) to hire a temporary employee at \$20.24 per hour at 988 annual hours.

D. Reclassify Sr. Human Resources Analyst to HR Consultant

Division: Human Resources
Total Cost: \$4,828
Priority: Outside Directive
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the HR department to reclassify one Sr. HR Analyst to HR Consultant. The funding includes the salary increase (\$4,018), plus benefits. (\$4,828).

E. Neogov Onboarding Software

Division: Human Resources
Total Cost: \$5,600
Priority: Outside Directive
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the HR department to purchase Neogov Onboarding software.

F. Contracted Temp Services: Laserfiche Services

Division: Human Resources
Total Cost: \$22,966
Priority: Strategic Plan: Provide Sustainability and Adaptability 7.3
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the HR department to hire a contracted temporary employee at \$2,500 to file backlogged paper and \$20,466 to potentially outsource the Laserfiche project. This process streamlines how the division manages information.

G. Compensation Analyst

Division: Human Resources
Total Cost: \$97,142
Priority: Strategic Plan: Provide Sustainability and Adaptability 1.2
Position(s): Full Time Equivalent: 1; Part-Time: 0.00
Description: The funding allows the HR department to hire a full-time Compensation Analyst. Salary (\$70,000), plus benefits, specialized training, travel, dues and subscriptions, computer and pc replacement are included in the funding allotment. This position will help the department maintain job descriptions, perform market analysis, complete market surveys and validate job offers to ensure consistency with policy and to avoid internal pay discrepancies.

FINANCE

The Finance Department focuses on the City's financial services, including debt service management, cash investments, payroll, payables, billing, collections and purchasing.

BUDGET SUMMARY

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
Accounting/Treasury Svcs					
Personnel	\$ 917,536	\$ 972,216	\$ 974,476	\$ 975,329	0.3%
Benefits	\$ 252,031	\$ 287,846	\$ 288,381	\$ 306,362	6.4%
Operating	\$ 75,913	\$ 121,422	\$ 137,934	\$ 189,701	56.2%
Outlay	\$ -	\$ -	\$ 1,055	\$ 1,000	100.0%
Accounting/Treasury Svcs Total	\$ 1,245,480	\$ 1,381,484	\$ 1,401,846	\$ 1,472,392	6.6%
Billing And Collections					
Personnel	\$ 340,214	\$ 396,557	\$ 400,557	\$ 408,954	3.1%
Benefits	\$ 103,176	\$ 126,812	\$ 126,458	\$ 126,570	-0.2%
Operating	\$ 56,319	\$ 113,480	\$ 110,468	\$ 110,564	-2.6%
Outlay	\$ 2,946	\$ 2,754	\$ 21,819	\$ -	-100.0%
Billing And Collections Total	\$ 502,654	\$ 639,603	\$ 659,302	\$ 646,088	1.0%
Purchasing					
Personnel	\$ 219,855	\$ 263,689	\$ 263,989	\$ 268,011	1.6%
Benefits	\$ 59,229	\$ 76,522	\$ 76,801	\$ 87,235	14.0%
Operating	\$ 8,257	\$ 15,539	\$ 15,289	\$ 16,395	5.5%
Outlay	\$ -	\$ -	\$ 2,166	\$ -	0.0%
Purchasing Total	\$ 287,342	\$ 355,750	\$ 358,245	\$ 371,641	4.5%
Allocated Cost					
Allocated Cost	\$ (138,890)	\$ (150,765)	\$ (150,765)	\$ (150,203)	-0.4%
Allocated Cost Total	\$ (138,890)	\$ (150,765)	\$ (150,765)	\$ (150,203)	-0.4%
Finance Total	\$ 1,896,585	\$ 2,226,072	\$ 2,268,628	\$ 2,339,918	5.1%
Authorized Positions					
Finance Administration and Acco	14	14	14	14	
Billing and Collections	7	8	8	8	
Purchasing	5	5	5	5	
Total Positions	26	27	27	27	

Division Descriptions

The **Purchasing** division provides quality and economical materials and services that are promptly priced and purchased.

The **Revenue** division handles the cash receipts for all accounts receivables to include rehab loans, assessments, and demolition/lot cleaning liens, annual billing and the collection of beer/wine permits as well as miscellaneous invoices for in-person, mail, after-hours depository and draft payments. This division is also responsible for the delivery of mail to all City departments.

The **Accounting and Treasury Services** division is responsible for all financial transactions including accounts payable and receivable, management of fixed assets, preparation of the City's Comprehensive Annual Financial Report, filing of statutory reports, grant reporting, various state and federal tax filings, and the management of the City's cash and investment portfolio and debt issuance. Payroll is also processed in the Accounting and Treasury Services division.

The **Community Development/Housing** Division Loan accounting staff work closely with the Community Development programmatic staff to manage the numerous loan accounts provided through various federal/state/local funding sources designed to benefit low to moderate income citizens. The Community Development budget is shown in the Community Development Section of the budget.

The **Fleet** Division provides a safe and efficient management of city-owned passenger motor vehicles and equipment. This includes; fuel operations, GPS management, full service maintenance facility, purchase and disposal of vehicles and equipment. The Fleet division budget is shown in the Other Funds section under Fleet Fund.

Budget Overview

The City continues to invest in the workforce by adding a 3% compensation increase for salary and corresponding benefits. Additionally, adjustments were made to various internal services charges related to technology management fees, insurance liabilities, fuel and central fleet as a cost of doing business. The sections below represents further initiatives made to the budget specific to the department.

Base Budget Adjustments

A. Temporary Employee Funding

Division: Finance
Total Cost: (\$20,000)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: One-time operating funding in the amount of \$20,000 was removed from the base budget. This funding temporarily supported the continuation of key financial projects by a part-time employee until a permanent Finance Director was hired and trained.

B. Supporting Equipment for New Position

Division: Finance
Total Cost: (\$2,754)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Reduction of \$2,754 in one-time operating funding that supported the new accounting position authorized in FY17. Funding included \$501 for furniture and \$2,253 for laptop and accessories.

Budget Modifications

A. Desktop Scanners

Division: Accounting
Total Cost: \$1,000
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Desktop scanners for payroll staff to improve efficiencies and maintain security of sensitive information when scanning payroll documents into Laserfiche in the amount of \$1,000.

B. Credit Bureau Reporting Software

Division: Collections
Total Cost: \$1,822
Priority: Strategic Plan: Provide Sustainability and Adaptability 5.3
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Credit Bureau reporting software for Community Development delinquent loan account holders in the amount of \$1,822.

C. AP Forensics Software

Division: Accounting

Total Cost: \$67,000

Priority: Strategic Plan: Provide Sustainability and Adaptability 5.3

Position(s): Full Time Equivalent: 0; Part-Time: 0.00

Description: Software purchase to assist in identifying potential duplicate or fraudulent vendor payments, validate vendor records and aid in analyzing files for duplicate and inactive vendors totaling \$67,000. The funding covers the cost for this software for a three year period.

INFORMATION TECHNOLOGY

The Information Technology department provides a wide array of services which support all departments through end-user client support, network infrastructure, software applications, and championing the use of technology to meet the City's strategic goals.

BUDGET SUMMARY

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
Information Technology					
Personnel	\$ 1,144,915	\$ 1,475,214	\$ 1,475,214	\$ 1,443,622	-2.1%
Benefits	\$ 326,887	\$ 373,615	\$ 375,083	\$ 462,309	23.7%
Operating	\$ 733,822	\$ 829,195	\$ 854,573	\$ 965,643	16.5%
Outlay	\$ 15,517	\$ 3,100	\$ 9,309	\$ 2,400	-22.6%
Information Technology Total	\$ 2,221,141	\$ 2,681,124	\$ 2,714,179	\$ 2,873,974	7.2%
Authorized Positions	17	21	21	21	

Budget Overview

The City continues to invest in the workforce by adding a 3% compensation increase for salary and corresponding benefits. Additionally, adjustments were made to various internal services charges related to technology management fees, insurance liabilities, fuel and central fleet as a cost of doing business. The sections below represents further initiatives made to the budget specific to the department.

Base Budget Adjustments

A. Supporting Equipment for New Position

Division: IT Services
Total Cost: (\$3,100)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: One-time operating funding in the amount of \$3,100 was removed from the base budget. This funding supported the purchase of a computer and office furniture for the Network Administrator authorized in the FY17 budget.

B. Increase from Technology Fund Shift

Division: IT Services
Total Cost: \$13,740
Priority: Budget Adjustment
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The IT Department realigned expenditures within the IT operating base budget and the IT technology internal fund to better represent the intent of both funding sources. This resulted in an increase to the IT operating base. Over time, the general fund transfer to the IT Technology fund is expected to decrease.

Budget Modifications

A. Mobile Device Management Implementation (MDM)

Division: IT Services
Total Cost: \$68,000
Priority: Strategic Plan: Provide Sustainability and Adaptability 7.2
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the IT Department to procure and implement a mobile device management solution, supporting, tracking and managing mobile devices.

B. Additional Professional Services

Division: IT Services
Total Cost: \$70,000
Priority: Strategic Plan: Provide Sustainability and Adaptability 1.2
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows additional capacity in professional services for the assistance of network redesign, enterprise Wi-Fi, active directory redesign, and additional internet at PD.

SUNDRY APPROPRIATIONS

NONDEPARTMENTAL

Non-Departmental	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend
Employee Recognition	\$ 4,813	\$ 12,000	\$ 12,000	\$ 16,000
City Facilities Storm Water	\$ 101,956	\$ 110,000	\$ 110,000	\$ 110,000
City Newsletters	\$ 68,128	\$ 85,000	\$ 85,000	\$ 85,000
Facilities Insurance	\$ 584,269	\$ 690,049	\$ 690,049	\$ 608,836
Unemployment Compensation	\$ 28,547	\$ 65,000	\$ 63,700	\$ 40,000
Workers' Compensation Claims	\$ 32,100	\$ 99,500	\$ 95,000	\$ 99,500
Dues - Associations	\$ 86,575	\$ 115,000	\$ 115,000	\$ 118,858
Claims Against the City	\$ 228,928	\$ 90,000	\$ 111,350	\$ 125,000
City Advertising	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000
Medical Insurance - Regular	\$ 3,877	\$ 580,000	\$ 580,000	\$ 580,000
Medical Insurance - Retiree	\$ 1,303,512	\$ 1,450,000	\$ 1,442,000	\$ 1,979,612
New Hanover County Tax Collections	\$ 398,089	\$ 417,573	\$ 417,573	\$ 427,384
Independent Audit	\$ 71,500	\$ 85,000	\$ 152,070	\$ 85,000
Employee Parking	\$ 79,365	\$ 84,525	\$ 84,525	\$ 87,000
Municipal Elections	\$ -	\$ 20,000	\$ 20,000	\$ 94,000
Actuarial Studies	\$ 7,949	\$ 7,900	\$ 16,212	\$ 9,350
United Way Fund Raising Campaign	\$ 417	\$ 1,000	\$ 1,000	\$ 1,000
Wellness Program	\$ 6,082	\$ 25,000	\$ 28,300	\$ 27,500
City-Wide Training	\$ 5,054	\$ 20,000	\$ 20,000	\$ 20,000
City-Wide Tuition Reimbursement	\$ 28,870	\$ 40,000	\$ 40,000	\$ 45,000
Retirement Payout Estimate	\$ -	\$ 150,000	\$ 150,000	\$ 238,000
Records Retention	\$ 5,364	\$ 30,000	\$ 30,000	\$ 30,000
City Streets Storm Water	\$ 2,073,600	\$ 2,441,004	\$ 2,441,004	\$ 2,649,015
Strategic Planning	\$ 21,333	\$ 25,000	\$ 25,000	\$ -
Indirect Cost Study	\$ -	\$ -	\$ -	\$ 20,000
Technology Projects	\$ 1,500	\$ 77,308	\$ 72,308	\$ 40,000
Rent - Coast Guard Spaces	\$ 21,000	\$ 17,625	\$ 17,625	\$ 16,500
Payments to NCDOT	\$ 12,475	\$ -	\$ -	\$ -
Bank Service Fees	\$ 40,389	\$ 42,503	\$ 42,503	\$ 43,066
City-Wide Intern Pool	\$ 5,501	\$ 53,825	\$ 53,825	\$ 37,678
Convention Center Hotel Costs	\$ 98,575	\$ -	\$ 4,795	\$ -
Economic Development Initiatives	\$ -	\$ 70,000	\$ 100,000	\$ 75,000
City Marketing	\$ -	\$ 20,000	\$ 20,000	\$ 20,000
Arts Council Strategic Plan	\$ -	\$ 703	\$ 703	\$ 703
Municipal Service District	\$ 30,000	\$ -	\$ -	\$ -

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend
Non-Departmental Continued				
Legislative Affairs	\$ 40,756	\$ 50,000	\$ 55,000	\$ 38,000
Miscellaneous	\$ 2,617	\$ 116,198	\$ 106,868	\$ 85,000
Leadership Development	\$ 6,656	\$ 20,000	\$ 20,000	\$ 20,000
Office Space Assessment	\$ 21,120	\$ 355,000	\$ 380,110	\$ -
Accounting Move/Rent	\$ -	\$ 546,955	\$ 525,371	\$ 285,000
DMV Tax Collection Fees	\$ 103,898	\$ 111,236	\$ 111,236	\$ 107,981
Vision Self Insurance	\$ (12,019)	\$ -	\$ -	\$ -
Dental Self Insurance	\$ (96,668)	\$ -	\$ -	\$ -
Disease Management	\$ 353,900	\$ 360,000	\$ 328,000	\$ 360,000
HRA Retiree and Administrative Fees	\$ 7,515	\$ 64,944	\$ 64,944	\$ 63,668
FSA Administrative Fees	\$ 14,088	\$ 16,350	\$ 16,350	\$ 17,682
Employment Medical	\$ 105,581	\$ 100,000	\$ 132,000	\$ 100,000
Employee Assistance Program	\$ 10,266	\$ 10,557	\$ 10,557	\$ 10,557
OPEB Contribution Trust	\$ 416,423	\$ 874,875	\$ 874,875	\$ -
Retiree Health Claims Audit	\$ 534	\$ 800	\$ 800	\$ 800
Health Claims Audit	\$ 800	\$ 800	\$ 800	\$ 800
Separation Allowance Police	\$ 250,000	\$ 350,000	\$ 350,000	\$ -
Burn Pit Costs	\$ 6,291	\$ -	\$ -	\$ -
Wave Transit Subsidy	\$ 1,442,822	\$ 1,323,550	\$ 1,323,550	\$ 1,363,257
Voluntary Annexation Costs	\$ (406)	\$ 7,000	\$ 7,000	\$ -
Special Purpose Grant Match	\$ -	\$ 175,278	\$ 145,800	\$ 176,000
Municipal Service District	\$ 30,000	\$ -	\$ -	\$ -
InnovateNC	\$ 15,172	\$ -	\$ -	\$ -
Hurricane Debris Removal/Disposal	\$ -	\$ -	\$ 1,262,436	\$ -
Affordable Housing Committee	\$ -	\$ -	\$ 5,000	\$ -
Legal Fees	\$ -	\$ -	\$ 234	\$ -
Allocated Costs	\$ (1,438,710)	\$ (1,644,492)	\$ (1,644,492)	\$ (1,644,492)
Total	\$ 6,635,403	\$ 9,774,566	\$ 11,127,981	\$ 8,723,255

The FY18 General Fund Nondepartmental budget includes funding for general City expenditures not attributable to a specific City departments. Some highlights for the allotments are as follows:

- An increase in the expense for storm water fees associated with City-owned streets includes a 5.9% increase in the storm water utility rate from \$7.66 to \$8.11.
- A \$5,000 increase to the employee tuition assistance budget bringing the budget to \$45,000.
- Funding for WAVE Transit has a 3% increase from FY17 totaling \$1,363,257 for operating costs
- An increase to the municipal elections from \$24,000 in FY17 to \$94,000 due to increased cost of running elections.
- An increase in the medical retiree to move more toward actuals with FY18 totaling \$1,979,612.
- The second payment to the Chamber's for the Wells Fargo Golf Tournament marketing campaign totaling \$25,000 can be found in Economic Development Incentives.
- An additional \$4,000 was added to the employee recognition program to be used city-wide allowing departments to be more flexible in celebrating staff's successes.
- Funding totaling \$25,000 was added to fund a WAVE long-term financial study in miscellaneous.

SUNDRY’S PUBLIC SERVICE AGENCY APPROPRIATIONS

The City provides funding to public service agencies through the General Fund, Community Development Block Grant, and HOME Investment Partnership funds that provide services consistent with the City Council's strategic focus areas, Department of Housing and Urban Development (HUD) national guidelines, and the priorities of the City's Five-year Consolidated Plan for CDBG/HOME. Applications for these funds are considered through a competitive process for two consecutive years of funding that is appropriated annually by City Council through the budget process. FY18 is the second year of the biennial process.

Public Service Agencies - General Fund

The agencies listed here received funding through the City's application process and are funded from the General Fund.

	FY16	FY17	FY17	FY18
	Actual	Adopted	Adjusted	Recommend
General Fund Competitive Agencies				
Coastal Horizons	\$ 64,524	\$ 71,474	\$ 71,474	\$ 71,474
Domestic Violence Shelter & Services, Inc.	\$ -	\$ 25,073	\$ 25,073	\$ 25,073
Elderhaus	\$ 19,231	\$ 20,385	\$ 20,385	\$ 20,385
YWCA Lower Cape Fear	\$ -	\$ 5,174	\$ 5,174	\$ 5,174
Phoenix Employment Ministries	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Kids Making It Woodworking	\$ 30,288	\$ 32,711	\$ 32,711	\$ 32,711
Brigade Boys and Girls Club	\$ 70,819	\$ 52,045	\$ 52,045	\$ 52,045
American Red Cross	\$ 10,000	\$ 10,800	\$ 10,800	\$ 10,800
Good Shepherd Ministries	\$ 12,487	\$ -	\$ -	\$ -
Southside Community Development	\$ -	\$ 25,000	\$ 25,000	\$ -
Food Bank of North Carolina	\$ 14,853	\$ 15,744	\$ 15,744	\$ 15,744
Cape Fear United Way/Blue Ribbon Commission	\$ 30,000	\$ 32,400	\$ 32,400	\$ 32,400
Cape Fear United Way/BRC Summer Youth Employment	\$ -	\$ 30,000	\$ 30,000	\$ 30,000
Wilmington Coastal Boxing	\$ 6,577	\$ -	\$ -	\$ -
Communities in Schools in Cape Fear	\$ 19,808	\$ 21,393	\$ 21,393	\$ 21,393
Ability Garden	\$ 6,500	\$ 7,020	\$ 7,020	\$ 7,020
Historic Wilmington Foundation	\$ 11,352	\$ 12,426	\$ 12,426	\$ 12,426
Aging in Place Downtown	\$ 8,998	\$ 9,268	\$ 9,268	\$ 9,268
Cape Fear Literacy Council	\$ 13,581	\$ 14,667	\$ 14,667	\$ 14,667
LINC - Leading Into New Communities	\$ 58,321	\$ 72,975	\$ 72,975	\$ 72,975
AME Zion Housing CDC	\$ -	\$ -	\$ -	\$ -
Cape Fear Housing Land Trust	\$ 21,767	\$ 22,420	\$ 22,420	\$ 22,420
Dreams	\$ 20,000	\$ 21,200	\$ 21,200	\$ 21,200
Wilmington Residential Adolescent Achievement	\$ 22,844	\$ 24,215	\$ 24,215	\$ 24,215
Community Boys and Girls Club	\$ 20,000	\$ 44,513	\$ 44,513	\$ 44,513
Wilmington Area Rebuilding Ministry	\$ -	\$ 40,000	\$ 40,000	\$ 40,000
Other Contracts/Grants/Subsidies	\$ -	\$ -	\$ 640	\$ -
Total General Fund Competitive Agencies	\$ 476,950	\$ 625,903	\$ 626,543	\$ 600,903

Public Service Agencies - CDBG

The agencies listed here received funding through the City's application process and are funded from Federal entitlement funds associated with the Community Development Block Grant.

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend
CDBG Competitive Agencies				
<i>Public Service Agencies</i>				
Domestic Violence Shelter & Services, Inc.	\$ 32,151	\$ 9,650	\$ 9,650	\$ 9,650
Good Shepherd Ministries/Wilmington Interfaith	\$ 114,107	\$ 117,523	\$ 117,523	\$ 117,523
LINC - Leading Into New Communities	\$ 10,597	\$ -	\$ -	\$ -
First Fruit Ministries	\$ 21,535	\$ 22,827	\$ 22,827	\$ 22,827
<i>Public Facilities (Capital Projects)</i>				
Community Boys & Girls Club	\$ -	\$ 40,000	\$ 40,000	\$ -
Child Development Center	\$ -	\$ 33,000	\$ 33,000	\$ -
Total CDBG Competitive Agencies	\$ 178,390	\$ 223,000	\$ 223,000	\$ 150,000
Grand Total Competitive Agencies	\$ 655,340	\$ 848,903	\$ 849,543	\$ 750,903

CIVIC DEVELOPMENT PARTNER AGENCY APPROPRIATIONS

The City also provides funding to Civic Development Partner agencies through the General Fund such as those that provide economic and physical development, cultural and recreational programs, or boards and commissions that enhance the area and quality of life for its citizens. Applications through the General Fund for these agencies are also considered through a competitive process. FY17 marked the first year of a three year contract with the agencies below. This budget is the 2nd year of that process.

Civic Development Partner Agencies

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend
Economic Civic Partners				
<i>Economic Development</i>				
Wilmington Business Development	\$ 87,551	\$ 100,000	\$ 100,000	\$ 100,000
Wilmington Downtown, Inc.	\$ 66,325	\$ 86,000	\$ 86,000	\$ 86,000
Wilmington Regional Film Commission	\$ 119,500	\$ 121,890	\$ 121,890	\$ 121,890
<i>Cultural and Recreation</i>				
Entrepreneur Center	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000
Cucalus Film Foundation	\$ 12,000	\$ 22,000	\$ 22,000	\$ 22,000
Arts Council	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Cameron Art Museum	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Wilmington Jewish Film Festival	\$ -	\$ 2,000	\$ 2,000	\$ 2,000
Children's Museum of Wilmington	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Total Economic Civic Partner Agencies	\$ 400,376	\$ 446,890	\$ 446,890	\$ 446,890

OTHER GENERAL FUND AGENCY APPROPRIATIONS

Other General Fund agencies include those that provide quality of life for the citizens of the greater Wilmington region and are considered annually in the budget. These agencies do not go through an application process.

Other General Fund Agencies	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend
Agencies				
Battleship Fireworks	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Thalian Hall Center for the Performing Arts	\$ 131,742	\$ 132,664	\$ 132,664	\$ 133,991
Community Arts Center	\$ 53,700	\$ 53,700	\$ 53,700	\$ 54,237
Cape Fear Public Utility Authority	\$ -	\$ -	\$ -	\$ 4,000
Kids Making it Summer Jobs Renovation	\$ -	\$ -	\$ -	\$ 35,000
UNCW Track	\$ -	\$ 100,000	\$ 100,000	\$ 100,000
CF COG- Continuum of Care (10 Yr Plan)	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000

Of special note related to the above agencies are two new initiatives. Cape Fear Public Utility Authority is receiving \$4,000 to help customers at-risk of losing their water and sewer services. Kids Making It is receiving \$35,000 to help the organization build a workshop allowing them to work with more of the community's youth.

Boards and Commissions

Boards and Commissions	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend
City Boards	\$ 18,231	\$ 6,500	\$ 15,820	\$ 6,500
Sister City Commission	\$ 2,138	\$ 2,500	\$ 2,500	\$ 2,500
Civil Service Appeals	\$ -	\$ -	\$ -	\$ 8,500
Total Other Agencies	\$ 285,811	\$ 375,364	\$ 384,684	\$ 424,728
Grand Total General Fund Agencies	\$ 1,163,137	\$ 1,448,157	\$ 1,458,117	\$ 1,472,521

A new funding source has been added for FY18 to help fund civil service appeals in the amount of \$8,500.

CONTINGENCY

Contingency	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend
Council Contingency	\$ -	\$ 100,000	\$ 99,360	\$ 100,000
Contingency for Economic Development	\$ -	\$ 100,000	\$ 75,000	\$ 100,000
Total	\$ -	\$ 200,000	\$ 174,360	\$ 200,000

Contingency funds are budgeted for unforeseen needs that may arise during the fiscal year. Any use of contingency funds must be approved by City Council.

ECONOMIC INCENTIVES

	FY16	FY17	FY17	FY18
Economic Incentives	Actual	Adopted	Adjusted	Recommend
Pharmaceutical Product Development	\$ 115,125	\$ 125,000	\$ 125,000	\$ 125,000
Castle Branch	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Live Oak Bank	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
AAI Pharma	\$ 142	\$ 45,000	\$ 45,000	\$ 45,000
Wrightsville Beach Galleria	\$ 7,224	\$ 7,224	\$ 7,224	\$ 7,224
Miscellaneous Incentives	\$ -	\$ 50,000	\$ 50,000	\$ 100,000
Total	\$ 222,491	\$ 327,224	\$ 327,224	\$ 377,224

Incentive payment agreements with PPD, Castle Branch, Live Oak Bancshares and AAI Pharma are recommended in FY18. Also included is a contractual payment to Wrightsville Beach for the annexation of the Galleria property as well as a miscellaneous incentive funding.

TRANSFERS

	FY16	FY17	FY17	FY18
Transfers	Actual	Adopted	Adjusted	Recommend
Debt Service	\$ 9,971,933	\$ 9,334,832	\$ 9,334,832	\$ 9,334,832
Special Purpose	\$ 774,503	\$ 650,356	\$ 679,834	\$ 646,108
CDBG/HOME Grant & Loan Administration	\$ 184,096	\$ 207,077	\$ 207,077	\$ 305,234
Capital Projects Streets and Sidewalks	\$ 352,500	\$ 3,352,266	\$ 3,352,266	\$ -
Capital Projects Parks and Recreation	\$ 118,788	\$ -	\$ 16,105	\$ -
Capital Projects Public Facilities	\$ 510,850	\$ 35,000	\$ 2,708,013	\$ 7,960,200
Capital Projects Public Improvement	\$ -	\$ 1,755,104	\$ 1,732,424	\$ -
Solid Waste Management Fund	\$ -	\$ 29,866	\$ 29,866	\$ 29,866
Technology Replacement Fund	\$ 480,000	\$ 349,915	\$ 372,595	\$ 324,365
Loan Fund: Rehabilitation	\$ -	\$ -	\$ -	\$ -
Loan Fund: HOP Revolving	\$ -	\$ 50,000	\$ 50,000	\$ 100,000
Loan Fund: Legal and Forgivable Loans	\$ -	\$ 350,000	\$ 350,000	\$ 300,000
Total Transfers	\$ 12,392,670	\$ 16,114,416	\$ 18,833,012	\$ 19,000,605

The FY18 Sundry Transfers budget provides for approximately \$9.3 million to the Debt Service Fund, which represents existing debt service previously incorporated into the property tax rate. This level of funding will continue until that debt is retired.

Transfers to the Special Purpose Fund moves funding into life-to-date projects for various programs. The budget for FY18 includes:

- Annual Affordable Housing Summit: \$7,000
- Metropolitan Planning Administration (WMPO): \$260,846
- SABLE: \$178,262
- Safelight: \$200,000

The General Fund subsidizes the community development activities in the CD/HM Grant and Loan Administration Fund, which is funded primarily with Community Development Block Grant and HOME funds from the federal government. The General Fund contribution for FY18 is \$305,234.

The \$324,365 to the Technology Replacement Fund provides for the costs associated with the City's transition to a hosted environment also known as cloud computing.

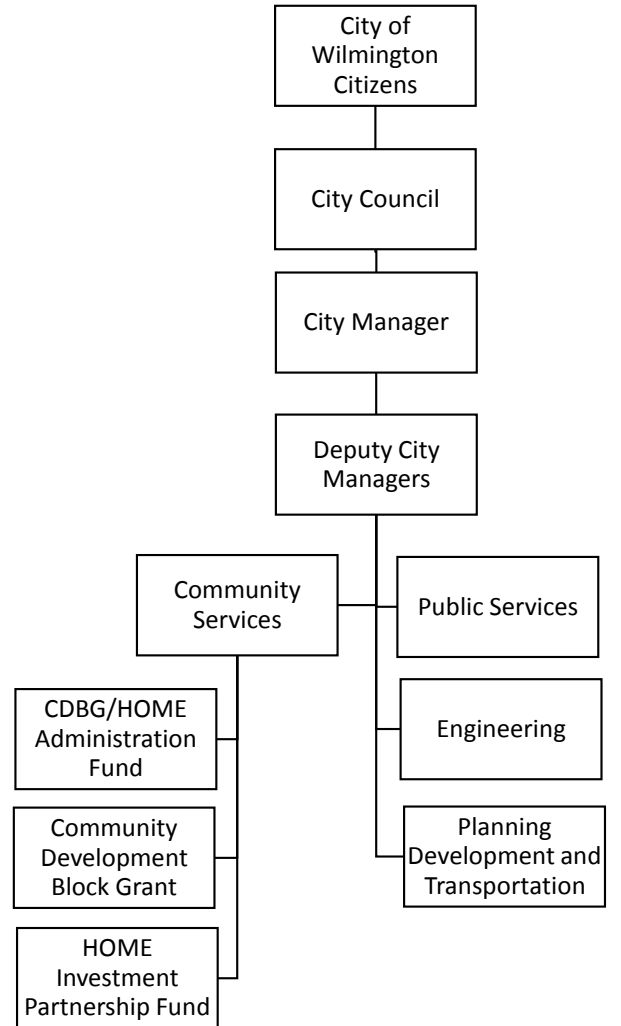
The establishment of a City of Wilmington/New Hanover County Ad hoc Committee on Improving Workforce/Affordable Housing has been developing their recommendation throughout the currently fiscal year. The committee has provided their recommendations to both the City and the County in April of 2017. The FY18 recommended budget has a \$400,000 placeholder in the budget pending a joint City Council/County Board meeting to determine what recommendations from the Ad hoc Committee should be supported going forward.

It is anticipated that a portion of the \$400,000 will also continue to fund those programs that aid low income owner-occupied housing and rehabilitations programs at a similar level as FY17. Those programs include:

- Homeownership Opportunity Program
- Minor Repairs up to \$10,000
- Owner-occupied housing rehabilitation programs up to \$75,000

These funds are located in a transfer account to the HOP revolving Loan (\$100,000) and the Legal and Forgivable Loans (\$300,000).

COMMUNITY DEVELOPMENT



COMMUNITY SERVICES

The Community Services department encompasses programs designed to improve the quality of life for all City residents regardless of age or economic standing.

BUDGET SUMMARY

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
Administration					
Personnel	\$ 169,026	\$ 160,233	\$ 140,233	\$ 161,398	0.7%
Benefits	\$ 43,160	\$ 43,732	\$ 43,732	\$ 44,653	2.1%
Operating	\$ 10,419	\$ 9,256	\$ 9,302	\$ 9,124	-1.4%
Administration Total	\$ 222,605	\$ 213,221	\$ 193,267	\$ 215,175	0.9%
Code Enforcement					
Personnel	\$ 212,861	\$ 272,293	\$ 273,493	\$ 264,669	-2.8%
Benefits	\$ 63,452	\$ 85,630	\$ 85,606	\$ 96,534	12.7%
Operating	\$ 168,440	\$ 287,332	\$ 371,648	\$ 305,706	6.4%
Outlay	\$ 1,588	\$ 24,200	\$ 27,287	\$ -	-100.0%
Code Enforcement Total	\$ 446,341	\$ 669,455	\$ 758,034	\$ 666,909	-0.4%
Parks and Recreation					
Personnel	\$ 3,561,095	\$ 3,891,629	\$ 3,797,295	\$ 3,979,702	2.3%
Benefits	\$ 1,091,530	\$ 1,203,199	\$ 1,202,149	\$ 1,350,623	12.3%
Operating	\$ 1,877,280	\$ 2,039,279	\$ 2,220,425	\$ 2,142,411	5.1%
Outlay	\$ 80,714	\$ 90,000	\$ 113,287	\$ 126,785	40.9%
Miscellaneous	\$ (42)	\$ -	\$ -	\$ -	0.0%
Parks and Recreation Total	\$ 6,610,577	\$ 7,224,107	\$ 7,333,156	\$ 7,599,521	5.2%
Allocated Cost					
Allocated Cost	\$ (46,075)	\$ (49,699)	\$ (49,699)	\$ (49,699)	0.0%
Allocated Cost Total	\$ (46,075)	\$ (49,699)	\$ (49,699)	\$ (49,699)	0.0%
Community Services Total	\$ 7,233,447	\$ 8,057,084	\$ 8,234,758	\$ 8,431,906	4.7%
Authorized Positions					
Community Services Administration	2	2	2	2	
Code Enforcement	5	6	6	6	
Parks and Recreation	72	77	75	77	
Total Positions	79	85	83	85	

Division Description

The **Administration** division's primary responsibility is the oversight, coordination, and management of all departmental activities.

The primary responsibility of the **Code Enforcement** division is to enforce City ordinances and educate citizens on maintaining a healthy and safe environment.

The **Parks and Recreation** division provides an array of services such as individual and team activities to youth and adults for improvement in mental health, health maintenance, and promotion of positive sportsmanship. It also provides outlets for social interaction, physical activity, environmental awareness, and to support community integration through creative programming for the total family and to make a positive impact towards their quality of life. The Parks, Landscape and Tree Maintenance section maintains landscaping and trees in City greenways and supports over 50 public parks and playgrounds throughout the City. Additionally the division provides set-up and support for press conferences and special meetings throughout City departments.

The **Community Development and Housing** division administers federal, state and local funding to benefit low-to-moderate income citizens by supporting the production and rehabilitation of affordable housing, assistance for homebuyers and numerous community-based organizations that serve at-risk youth, elderly, homeless, victims of abuse and neglect, disabled, and other special populations. The Community Development and Housing division works to leverage limited funding by working in collaboration with the non-profit and private sectors to address a variety of issues impacting the quality of life in a community.

Budget Overview

The City continues to invest in the workforce by adding a 3% compensation increase for salary and corresponding benefits. Additionally, adjustments were made to various internal services charges related to technology management fees, insurance liabilities, fuel and central fleet as a cost of doing business. The sections below represents further initiatives made to the budget specific to the department.

Base Budget Adjustments

A. Tree Disposal Services

Division: Trees
Total Cost: (\$133,023)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: A total of \$133,023 of funding was removed from the base budget. This funding was for contracting of tree removal services (year 3 of 3).

B. Supporting Equipment and Vehicle for New Parks Crew

Division: Parks and Landscape
Total Cost: (\$90,000)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: A total of \$90,000 of one-time funding was removed from the base budget. This funding was for a truck, trailer and mower that supported the parks crew authorized in the FY17 budget.

C. Supporting Equipment and Vehicle for New Position

Division: Code Enforcement
Total Cost: (\$24,200)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: A total of \$24,200 was removed from the base budget. This funding supported the purchase of a vehicle (\$22,000) and a computer (\$2,200) for the Code Enforcement Officer authorized in the FY17 budget.

D. Addition of Tree Trimmer

Division: Trees
Total Cost: \$0
Priority: Strategic Plan: Provide Sustainability and Adaptability 1.1
Position(s): Full Time Equivalent: 1; Part-Time: 0.00
Description: Three year funding for the removal of the tree disposal backlog ended in FY17. Department feels replacing contract cost with an actual three person crew is a better service. This initiative added one tree trimmer through a base shift a total of \$47,927.

A. Standby Program Increase

Division: Parks
Total Cost: \$0
Priority: Outside Directive
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: In a base shift, the department dedicated \$3,721 to the shared standby program (Public Services, Stormwater & Parks) to allow for 3 staff members, one from each division to provide the skills and resources available to properly respond to any type of call. The same type of base shift can be found in Stormwater and Parks.

E. Addition of Two (2) Part-time Seasonal Recreation Assistants

Division: Rec Intervention
Total Cost: \$0
Priority: Strategic Plan: Provide Sustainability and Adaptability 1.1
Position(s): Full Time Equivalent: 0; Part-Time: 0.24
Description: Two part-time seasonal Recreation Assistants were added at the Martin Luther King Center. Each position is a .12 FTE at \$11.28/hour. Total impact for both including Social Security and Medicare is \$6,072. This funding was shifted from another purpose to meet this need.

F. Changes to Position Control for Part-time Positions

Division: Multiple
Total Cost: \$0
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: -2.86
Description: Due to the proposed contracted services for the Boxing Center, the Fitness Activity Instructor positions (5) are being closed. Other part time positions have been either closed or modified with a net effect of a (2.86) reduction in position control.

G. Budget Adjustment: Large Equipment Legion Stadium

Division: Concessions
Total Cost: \$0
Priority: Budget Adjustment
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: A total of \$2,000 of one-time funding was shifted to the Concessions budget correcting an error made in FY17. With this increase, there will be \$10,000 in funding for large equipment needs, such as refrigerators, at Legion Stadium.

Budget Modifications

A. Equipment: Litter Vacuum

Division: Parks and Landscape
Total Cost: \$16,200
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: EV-2 Litter Vacuum Kawasaki purchase for \$16,200 for the ROW Crews. The equipment is needed to begin a pilot program to modify the ways in which the Parks and Landscape division collects litter in parks and right-of-ways.

B. Contracted Temp Services: Laserfiche Services

Division: Code Enforcement
Total Cost: \$20,748
Priority: Strategic Plan: Provide Sustainability and Adaptability 7.3
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Contracting temp services for \$20,748 to scan documents in to Laserfiche in Code Enforcement. This process streamlines how the division manages information.

C. Tree Planting

Division: Trees
Total Cost: \$25,000
Priority: Outside Directive
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Enhancement request of \$25,000 for tree planting ensuring the planting of 75 to 125 trees. The intent of the funding is to re-establish the tree planting program as an on-going budgeted item.

D. Northern Riverfront & Trash Collection at City Parks

Division: Parks and Landscape
Total Cost: \$27,552
Priority: Strategic Plan: Provide Sustainability and Adaptability 1.1
Position(s): Full Time Equivalent: 0; Part-Time: 0.48
Description: Solid Waste's Downtown Services has 2 staff collecting trash in 25 park locations that equates to half of their time collecting Park's trash. The growth in the central downtown business district requires their time to be redirected to downtown activities and no longer picking up trash for the Parks division. In order for Parks to pick-up this increased workload, they require part-time staff and a seasonal contract temp worker totaling \$18,185. The Parks crew will be turning in an old stakebed truck and replacing it with an F350. \$5,420 is needed for the purchase of the truck with an annual increase to replacement costs of \$3,409. Other operating costs total \$538.

E. Inland Greens Phase II**Division:** Rec Facilities**Total Cost:** \$259,410**Priority:** Strategic Plan: Promote Culture Art and Public Spaces 5.1**Position(s):** Full Time Equivalent: 1; Part-Time: 1.44

Description: FY17 funded a small parks crew who's primary job was to maintain Inland Greens as well as right of ways and smaller parks throughout the city. This year, funding covers Phase II that includes running a Par 3 golf course. Staff required for this service totals \$96,213 and includes 1 recreation coordinator and 3 part-time staff at 0.48 FTE's or 19 hours a week. Required equipment includes 2 mowers that will be leased, the purchase of a debris blower, accessories for mower - tooth dethatcher, top dresser, utility vehicle, fertilizer spreader and a greens roller at a cost of \$75,922. Other operating cost such as consumables, 2 temporary staff through outside contract, supplies and materials, motor fuel totals \$86,070. Total package for Inland Greens is \$259,410.

CDBG/HOME GRANT AND LOAN ADMIN FUND

The CDBG/HOME Grant and Loan Fund was established in FY10 to capture the costs associated with the City's community development and housing activities.

BUDGET SUMMARY

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
Revenue					
Transfer from CDBG	\$ 386,775	\$ 487,100	\$ 487,100	\$ 435,454	-10.6%
Transfer from General Fund	\$ 184,096	\$ 207,077	\$ 207,077	\$ 305,234	47.4%
Transfer from HOME	\$ 68,944	\$ 58,715	\$ 58,715	\$ 63,415	8.0%
Revenue Total	\$ 639,815	\$ 752,892	\$ 752,892	\$ 804,103	6.8%
Appropriations					
Personnel	\$ 407,587	\$ 465,204	\$ 465,429	\$ 471,684	1.4%
Benefits	\$ 118,741	\$ 144,598	\$ 144,615	\$ 182,952	26.5%
Operating	\$ 67,412	\$ 93,391	\$ 93,149	\$ 99,768	6.8%
Allocated Cost	\$ 46,075	\$ 49,699	\$ 49,699	\$ 49,699	0.0%
Appropriations Total	\$ 639,815	\$ 752,892	\$ 752,892	\$ 804,103	6.8%
CD/HM Grant and Loan Fund	8	8	8	8	

Budget Overview

The City continues to invest in the workforce by adding a 3% compensation increase for salary and corresponding benefits. Additionally, adjustments were made to various internal services charges related to technology management fees, insurance liabilities, fuel and central fleet as a cost of doing business. The sections below represents further initiatives made to the budget specific to the department.

Budget Modifications

A. Software Rental/Licensing

- Division:** Multiple
- Total Cost:** \$4,800
- Priority:** Strategic Plan: Provide Sustainability and Adaptability 5.3
- Position(s):** Full Time Equivalent: 0; Part-Time: 0.00
- Description:** Software licenses for Project Management Software for 5 staff members at \$80 per month for each totaling \$4,800 annually.

B. Increase Hours of Existing Part-time Fiscal Support Technician

Division: Accounting

Total Cost: \$3,547

Priority: Continuance of Service

Position(s): Full Time Equivalent: 0; Part-Time: 0.00

Description: Increase hours of existing part time Fiscal Support Technician position from 15 to 19 hours per week for a total increase of \$3,547.

COMMUNITY DEVELOPMENT BLOCK GRANT

The Community Development Block Grant (CDBG) Entitlement Program provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons.

BUDGET SUMMARY

	FY17 Adopted	FY18 Recommend
Housing		
Home Ownership Program (HOP)	\$ 227,398	\$ -
Housing Delivery Costs	\$ 205,000	\$ 205,000
Undesignated	\$ -	\$ 301,815
Housing Total	\$ 432,398	\$ 506,815
Program Administration and Planning		
CDBG Activities	\$ 236,100	\$ 230,454
Program Administration and Planning Total	\$ 236,100	\$ 230,454
Public Facilities		
Domestic Violence	\$ 9,650	\$ 9,650
First Fruit Ministries	\$ 22,827	\$ 22,827
Good Shepherd	\$ 117,523	\$ 117,523
Public Facilities Total	\$ 150,000	\$ 150,000
Public Services		
Child Development Center	\$ 33,000	\$ -
Community Boys and Girls	\$ 40,000	\$ -
Public Services Total	\$ 73,000	\$ -
Grand Total	\$ 891,498	\$ 887,269

Budget Overview

In program year 2018, the City anticipates \$871,498 in CDBG entitlement funds and \$484,147 in HOME entitlement funds. One hundred percent of CDBG funds are anticipated to be used for the benefit of low-to-moderate income persons.

The proposed projects and programs for implementation in the coming fiscal year include projects to increase the supply of affordable rental housing; foster homeownership; preserve and rehabilitate existing housing stock; and provide services and support for the homeless, including ex-offenders, victims of domestic violence and at-risk youth. Resources are made available to provide for services to improve neighborhoods and serve citizens, including at-risk youth.

HOME INVESTMENT PARTNERSHIP FUND

The HOME Investment Partnerships Program (HOME) provides formula grants to States and localities that communities use, often in partnership with local nonprofit groups, to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income persons.

BUDGET SUMMARY

	FY17 Adopted	FY18 Recommend
Housing		
CHDO - Cape Fear Regional CDC	\$ 178,649	\$ -
CHDO'S	\$ -	\$ 95,122
Housing Rehabilitation	\$ 277,161	\$ -
Non-CHDO Housing	\$ 72,622	\$ -
Undesignated	\$ -	\$ 475,610
Housing Total	\$ 528,432	\$ 570,732
Program Administration and Planning		
HOME Planning and Administration	\$ 58,715	\$ 63,415
Program Administration and Planning Total	\$ 58,715	\$ 63,415
Grand Total	\$ 587,147	\$ 634,147

Budget Overview

In program year 2018, the City anticipates \$871,498 in CDBG entitlement funds and \$484,147 in HOME entitlement funds. One hundred percent of CDBG funds are anticipated to be used for the benefit of low-to-moderate income persons.

The proposed projects and programs for implementation in the coming fiscal year include projects to increase the supply of affordable rental housing; foster homeownership; and preserve and rehabilitate existing housing stock. Resources are made available to provide neighborhood improvements through the creation of affordable housing to serve low to moderate income citizens.

PLANNING, DEVELOPMENT AND TRANSPORTATION

The Planning, Development and Transportation department is comprised of the Planning and Traffic Engineering divisions. The department provides technical support to ensure growth and redevelopment contribute to the quality of life in the City of Wilmington.

BUDGET SUMMARY

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
Administration					
Personnel	\$ 180,540	\$ 241,340	\$ 241,340	\$ 236,001	-2.2%
Benefits	\$ 43,414	\$ 63,998	\$ 64,313	\$ 64,358	0.6%
Operating	\$ 13,632	\$ 22,745	\$ 23,063	\$ 23,077	1.5%
Outlay	\$ 1,031	\$ -	\$ -	\$ -	0.0%
Administration Total	\$ 238,616	\$ 328,083	\$ 328,716	\$ 323,436	-1.4%
Planning					
Personnel	\$ 1,000,793	\$ 1,074,297	\$ 1,074,297	\$ 1,139,475	6.1%
Benefits	\$ 274,233	\$ 317,691	\$ 317,070	\$ 348,347	9.6%
Operating	\$ 237,088	\$ 124,174	\$ 424,174	\$ 125,929	1.4%
Outlay	\$ 4,944	\$ 2,700	\$ 2,700	\$ 2,236	-17.2%
Planning Total	\$ 1,517,058	\$ 1,518,862	\$ 1,818,241	\$ 1,615,987	6.4%
Transportation Traffic					
Personnel	\$ 1,201,767	\$ 1,237,145	\$ 1,232,738	\$ 1,264,409	2.2%
Benefits	\$ 362,669	\$ 390,229	\$ 390,730	\$ 414,595	6.2%
Operating	\$ 1,663,082	\$ 1,939,576	\$ 1,983,944	\$ 1,919,659	-1.0%
Outlay	\$ 9,624	\$ 10,000	\$ 22,000	\$ -	-100.0%
Transportation Traffic Total	\$ 3,237,142	\$ 3,576,950	\$ 3,629,412	\$ 3,598,663	0.6%
Allocated Cost					
Allocated Cost	\$ (8,021)	\$ -	\$ -	\$ -	0.0%
Allocated Cost Total	\$ (8,021)	\$ -	\$ -	\$ -	0.0%
PDT Total	\$ 4,984,794	\$ 5,423,895	\$ 5,776,369	\$ 5,538,086	2.1%
Authorized Positions					
PDT Administration	3	3	3	3	
Planning	17	18	18	19	
Traffic Engineering	23	23	23	23	
Total Positions	43	44	44	45	

Division Description

The **Administrative** function provides management and leadership to the three Divisions of the Planning, Development and Transportation Department, while also coordinating department activities with the activities of other city departments.

The **Traffic Engineering** division provides the traffic signal system management, roadway signs and pavement markings, management of street lighting, neighborhood traffic management and SafeLight program management services.

The **Planning Division** provides development review, maintenance of development regulations, historic preservation planning, zoning administration and enforcement, floodplain administration, boards and commissions administration, comprehensive planning, urban design and placemaking assistance, neighborhood and special area planning, environmental planning, geospatial planning and analysis, and special projects services.

Budget Overview

The City continues to invest in the workforce by adding a 3% compensation increase for salary and corresponding benefits. Additionally, adjustments were made to various internal services charges related to technology management fees, insurance liabilities, fuel and central fleet as a cost of doing business. The sections below represents further initiatives made to the budget specific to the department.

Base Budget Adjustments

A. Streetlights

Division: Traffic
Total Cost: (\$67,640)
Priority: Held Harmless
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Decrease of \$67,640 in estimated street lighting charges are expected in FY18 due in large part to savings with upgraded LED lights and estimated acceptance of roads.

B. Upgrading Traffic Signals

Division: Traffic
Total Cost: (\$10,000)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: One-time operating funding totaling \$10,000 that supported upgrading two NCDOT signals to Flashing Yellow Arrow design has been removed from the budget.

C. Signals

Division: Traffic
Total Cost: (\$6,000)
Priority: Held Harmless
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Decrease of \$6,000 in estimated signal charges are expected in FY18 due to savings from upgrading LEDs and rate reduction trends.

D. Supporting Equipment for New Position

Division: Planning
Total Cost: (\$2,700)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: One-time operating funding supporting the purchase of a new computer totaling \$2,700 was removed from the budget.

Budget Modifications

A. Reclassify Zoning Administrator Grade

Division: Planning
Total Cost: \$5,928
Priority: Continuance of Service Provide Sustainability and Adaptability 1.2
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the Planning division to reclassify the Zoning Administrator position from E6 to E7 to align the position with the responsibilities and tasks required.

B. Neighborhood Traffic Calming Strategy

Division: Traffic
Total Cost: \$30,000
Priority: Strategic Plan: Support Efficient Transportation Systems 2.3
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Funding in the amount of \$30,000 will be used to pilot traffic calming strategies on high risk roads. This funding complements \$89,000 budgeted in a Neighborhood Traffic project already in existence.

C. Administrative Support Position

Division: Planning

Total Cost: \$42,731

Priority: Strategic Plan: Provide Sustainability and Adaptability 1.2

Position(s): Full Time Equivalent: 1; Part-Time: 0.00

Description: The funding allows the Planning division to hire a full-time Administrative Technician position at the N2 salary grade. Funding includes salary (\$26,250) plus benefits, a computer and participation in the pc replacement program and software. The position will streamline the preparing and archiving of minute meetings for Planning Commission, Subdivision Review Board and the Historic Preservation. In addition this person will assist with the development review process.

PLANNING, DEVELOPMENT AND TRANSPORTATION: WMPO

The City of Wilmington serves as the Lead Planning Agency for the Wilmington Metropolitan Planning Organization (WMPO). As a federally-mandated and federally-funded entity, the Wilmington MPO is tasked with providing a regional and cooperative transportation planning process that serves as the basis for the expenditure of all federal transportation funds in the greater Wilmington area. The WMPO is required to prepare long range transportation plans for the planning area with a minimum of a 20-year horizon. Additionally, the WMPO prepares an annual planning work program and assists with the prioritization of projects for inclusion in the State Transportation Improvement Program (outlines NCDOT’s funding for a 10-year period).

BUDGET SUMMARY

	FY17	FY18	Change
	Adopted	Recommend	FY17 to FY18
WMPO - Revenue			
General Fund Contribution	\$ 222,309	\$ 193,126	-13.1%
City of Wilmington	\$ 51,420	\$ 67,720	31.7%
New Hanover County	\$ 41,533	\$ 54,699	31.7%
Pender County	\$ 11,570	\$ 15,238	31.7%
Town of Leland	\$ 6,530	\$ 8,600	31.7%
Brunswick County	\$ 4,394	\$ 5,787	31.7%
Town of Carolina Beach	\$ 2,759	\$ 3,633	31.7%
Town of Wrightsville Beach	\$ 1,196	\$ 1,575	31.7%
Town of Kure Beach	\$ 976	\$ 1,286	31.8%
Town of Belville	\$ 940	\$ 1,238	31.7%
Town of Navassa	\$ 732	\$ 965	31.8%
UMTA Planning Section 5303	\$ 64,000	\$ 64,000	0.0%
NCDOT Planning	\$ 8,000	\$ 8,000	0.0%
NCDOT Highways	\$ 216,200	\$ 271,096	25.4%
NCDOT STP DA	\$ 240,000	\$ 339,869	41.6%
Transportation Planning	\$ 50,000	\$ -	-100.0%
WMPO Revenue Total	\$ 922,559	\$ 1,036,832	12.4%
WMPO - Appropriations			
Personnel	\$ 563,272	\$ 624,826	10.9%
Benefits	\$ 174,425	\$ 205,777	18.0%
Operating	\$ 184,862	\$ 206,229	11.6%
WMPO Appropriations Total	\$ 922,559	\$ 1,036,832	12.4%

Authorized Positions	10	11
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Budget Overview

The City of Wilmington serves as the Lead Planning Agency for the Wilmington Metropolitan Planning Organization (WMPO). Due to additional funding sources now afforded the Transportation Management Area (TMA) designation bestowed upon the City in FY 2014, and to properly monitor, verify and record expenditures associated with the multiple funding sources as well as account for the multi-member match contributions, the Metropolitan Planning Administration Special Purpose project was established.

The WMPO is housed in the Planning, Development and Transportation Department but the budget resides in the Special Purpose Fund. The WMPO Budget Summary reflects funding for the continuation of regional transportation management. The variance in personnel is related to the addition of one full-time GIS Analyst and a reclassification of the Traffic Counter position. The benefits in the WMPO increased due to the city-wide health insurance increases. Overall, the WMPO budget increased by 12.4%.

Budget Modifications

A. Reclassify Traffic Counter Grade

Division: MPO
Total Cost: \$4,807
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the WMPO to reclassify the Traffic Counter position from an N1 to N3 salary grade at an increase of \$4,000 in salary plus benefits. And, due to the funding structure of the WMPO, the City of Wilmington financial impact for this request is \$406.

B. MPO Special Studies

Division: MPO
Total Cost: \$15,000
Priority: Strategic Plan: Support Efficient Transportation Systems 1.3
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the WMPO to continue with planned regional transportation studies as well as ensure funding is available for the Metropolitan Transportation Plan in FY18. And, due to the funding structure of the WMPO, the City of Wilmington financial impact for this request is \$1,264.

C. GIS Analyst Position**Division:** MPO**Total Cost:** \$69,778**Priority:** Strategic Plan: Provide Sustainability and Adaptability 1.2**Position(s):** Full Time Equivalent: 1; Part-Time: 0.00

Description: The funding allows the WMPO to hire a full time GIS Analyst. Funding includes salary (\$46,540) plus benefits, office supplies, technology equipment, training and business travel, a computer and participation in the pc replacement fund, and office furniture. And, due to the funding structure of the WMPO, the City of Wilmington financial impact for this request is \$5,879. This position will perform data analysis for the MPO partners and allow jurisdictions to better navigate and utilize transportation data sets and analysis techniques.

PUBLIC SERVICES

The Public Services department is responsible for streets, City buildings and facilities, stormwater services (managed through the Storm Water enterprise fund) and solid waste services (managed through the Solid Waste enterprise fund).

BUDGET SUMMARY

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
Administration					
Personnel	\$ 285,062	\$ 343,782	\$ 345,611	\$ 328,706	-4.4%
Benefits	\$ 78,972	\$ 101,462	\$ 102,263	\$ 103,240	1.8%
Operating	\$ 29,988	\$ 42,178	\$ 49,148	\$ 37,081	-12.1%
Outlay	\$ 2,154	\$ -	\$ -	\$ -	0.0%
Administration Total	\$ 396,176	\$ 487,422	\$ 497,022	\$ 469,027	-3.8%
Buildings					
Personnel	\$ 436,784	\$ 481,161	\$ 481,161	\$ 493,532	2.6%
Benefits	\$ 130,170	\$ 155,258	\$ 155,192	\$ 145,429	-6.3%
Operating	\$ 2,186,173	\$ 2,411,237	\$ 2,398,329	\$ 2,329,634	-3.4%
Buildings Total	\$ 2,753,127	\$ 3,047,656	\$ 3,034,682	\$ 2,968,595	-2.6%
Streets					
Personnel	\$ 1,061,890	\$ 1,138,196	\$ 1,138,196	\$ 1,171,676	2.9%
Benefits	\$ 328,520	\$ 365,078	\$ 365,242	\$ 386,385	5.8%
Operating	\$ 672,526	\$ 706,961	\$ 693,949	\$ 692,590	-2.0%
Outlay	\$ 8,157	\$ -	\$ 12,250	\$ -	0.0%
Streets Total	\$ 2,071,093	\$ 2,210,235	\$ 2,209,637	\$ 2,250,651	1.8%
Allocated Cost					
Allocated Cost	\$ (165,660)	\$ (162,606)	\$ (162,606)	\$ (162,785)	0.1%
Allocated Cost Total	\$ (165,660)	\$ (162,606)	\$ (162,606)	\$ (162,785)	0.1%
Public Services Total	\$ 5,054,736	\$ 5,582,707	\$ 5,578,735	\$ 5,525,488	-1.0%
Authorized Positions					
Public Services Administration	5	5	5	5	
Buildings	9	10	10	10	
Streets	25	25	25	25	
Total Positions	39	40	40	40	

Division Description

The **Administration** division is responsible for oversight and management of all Public Services divisions, as well as employee development and overall financial and budget development and management. The division also houses the compliance, sustainability, and safety programs.

The **Streets** Division's mission is to maintain a simple, dependable street and sidewalk system, allowing people in Wilmington to travel safely and efficiently. To fulfill this mission, the division provides a dependable and well-maintained street system and coordinates street and sidewalk rehabilitation projects.

The Public **Buildings** division manages maintenance needs in City-owned buildings and property through a combination of preventative, corrective, and emergency maintenance.

Budget Overview

The City continues to invest in the workforce by adding a 3% compensation increase for salary and corresponding benefits. Additionally, adjustments were made to various internal services charges related to technology management fees, insurance liabilities, fuel and central fleet as a cost of doing business. The sections below represents further initiatives made to the budget specific to the department.

Base Budget Adjustments

B. Utilities-City Facilities

Division: Buildings
Total Cost: (\$61,066)
Priority: Held Harmless
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Utility usage is estimated to have a net effect decrease of \$61,066 across city facilities in part due to the sustainability efforts made to retrofit many of the city's lights with LEDs.

C. Budget Adjustment: Overstatement of Dumpster Cost

Division: Buildings
Total Cost: (\$1,335)
Priority: Budget Adjustment
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Correcting an error in the base budget. FY17 authorized the cost of city office and park dumpsters to moved from Solid Waste's enterprise fund and be charged to the appropriate cost center in the General Fund or Stormwater Fund. This reduction of \$1,335 in budgeted funding was meant to be presented in Stormwater Services.

D. Standby Program Increase

Division: Streets
Total Cost: \$0
Priority: Outside Directive
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: In a base shift, the department dedicated \$3,488 to the shared standby program (Public Services, Stormwater & Parks) to allow for 3 staff members, one from each division to provide the skills and resources available to properly respond to any type of call. The same type of base shift can be found in Stormwater and Parks.

Budget Modifications

A. Contracted Refuse Collection

Division: Buildings
Total Cost: \$4,110
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Additional parks dumpsters for \$2,710 and existing dumpster cost increase of 1.5% for \$1,400.

B. Maintenance Contracts

Division: Buildings
Total Cost: \$6,900
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Janitorial contract for 414 Chestnut St. \$6,900.

ENGINEERING

The Engineering Department provides civil engineering and related services. The Administration Section establishes Technical Standards and Specifications, processes contract payments, and oversees administrative functions. The Plan Review Section regulates private development stormwater permitting, variances, sureties, official acceptance, and encroachments. The Construction Management Section oversees engineering inspections for public and private development projects; performs constructability reviews; and administers the Right-of-Way Permit program. The Capital Projects group is comprised of three sections. The Project Management Section and Design Section implement Capital Improvement Program public infrastructure projects (e.g., bridges, roadway, pedestrian & bicycle, riverfront, facilities, streetscape, and utilities). The Geomatics Section provides professional surveying and mapping services for capital projects, legal, planning, police, and operations staff.

BUDGET SUMMARY

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
Engineering Admin					
Personnel	\$ 1,651,879	\$ 1,908,566	\$ 1,905,016	\$ 1,970,780	3.3%
Benefits	\$ 489,323	\$ 432,448	\$ 433,576	\$ 598,661	38.4%
Operating	\$ 167,005	\$ 186,614	\$ 193,685	\$ 191,202	2.5%
Outlay	\$ 10,981	\$ -	\$ 1,000	\$ 23,840	100.0%
Allocated Cost	\$ (239,207)	\$ (312,724)	\$ (312,724)	\$ (225,214)	-28.0%
Engineering Admin Total	\$ 2,079,982	\$ 2,214,904	\$ 2,220,553	\$ 2,559,269	15.5%
Authorized Positions	30	30	30	30	

Budget Overview

The City continues to invest in the workforce by adding a 3% compensation increase for salary and corresponding benefits. Additionally, adjustments were made to various internal services charges related to technology management fees, insurance liabilities, fuel and central fleet as a cost of doing business. The sections below represents further initiatives made to the budget specific to the department.

As a note, the FICA and Medicare funding for this division was erroneously eliminated in the FY17's budget, the FY18 budget reflects the proper amount. This is the reason for the 38.4% increase seen above.

Base Budget Adjustments

A. Reclassify City Surveyor Grade

Division: Engineering
Total Cost: \$0
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Reclass the City Surveyor position from an E6 to an E7 with no salary adjustments. The City Surveyor position is currently classified based on an outdated set of job requirements.

Budget Modifications

A. Intern for Stormwater Services System Inventory Mapping

Division: Engineering
Total Cost: \$3,015
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Intern for Stormwater Services System Inventory Mapping totaling \$3,014. This intern is needed due to the complicated mapping of the downtown area and is a continuation of services from FY17.

B. Repayment Schedule to Fleet for Prepay of Truck

Division: Engineering
Total Cost: \$3,116
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Repayment schedule of \$3,116 for 8 years for the purchase of vehicle #16102 that was purchased in FY17.

C. Damage Assessment Tablets and MiFi

Division: Engineering
Total Cost: \$9,500
Priority: Strategic Plan: Create a Safe Place 7.2
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: In order to report data to New Hanover County (NHC) Emergency Services, this request allows the Damage Assessment crews access to the system used by NHC. Needed is the purchase of 10 tablets with MiFi for each as well as data connection for existing tablets.

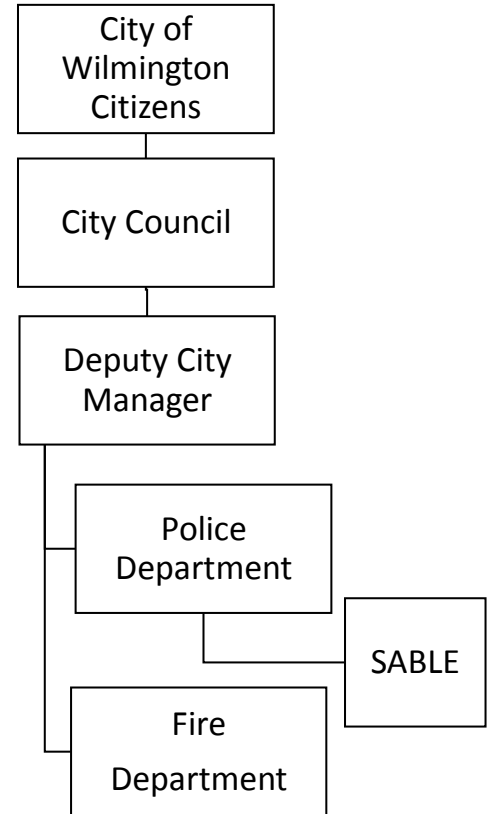
D. Vehicle Purchase

Division: Engineering
Total Cost: \$20,340
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Replacement of Survey Van #1805 at a cost of \$20,340.

E. Decrease to Engineering Charges to CIP

Division: Engineering
Total Cost: \$87,510
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Reduce charge back of engineering services to CIP projects by \$87,510. In FY17 the amount to charge back was \$312,724 and in FY18 it has been reduced to \$225,214. This is an increase to the General Fund of \$87,510.

PUBLIC SAFETY



POLICE DEPARTMENT

The Police department provides a wide array of services aimed at protecting Wilmington residents and visitors through the prevention and reduction of crime, the enforcement of laws, and the promotion of community safety and wellbeing. Led by the Chief of Police, the department promotes Community Policing by targeting illegal drug activities, violent street crimes, and other quality of life problems.

BUDGET SUMMARY

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
Office Of The Chief					
Personnel	\$ 2,135,425	\$ 2,338,243	\$ 2,371,351	\$ 2,943,684	25.9%
Benefits	\$ 529,862	\$ 667,625	\$ 668,648	\$ 945,177	41.6%
Operating	\$ 270,640	\$ 333,776	\$ 372,365	\$ 316,761	-5.1%
Outlay	\$ 5,001	\$ -	\$ 400	\$ 23,262	100.0%
Office Of The Chief Total	\$ 2,940,928	\$ 3,339,644	\$ 3,412,764	\$ 4,228,884	26.6%
Administrative Services					
Personnel	\$ 2,047,861	\$ 1,894,503	\$ 1,894,503	\$ 2,010,945	6.1%
Benefits	\$ 613,318	\$ 666,112	\$ 666,132	\$ 672,908	1.0%
Operating	\$ 4,371,068	\$ 4,316,804	\$ 4,141,197	\$ 4,405,357	2.1%
Outlay	\$ 203,257	\$ 104,370	\$ 114,699	\$ 158,879	52.2%
Administrative Services Total	\$ 7,235,504	\$ 6,981,789	\$ 6,816,531	\$ 7,248,089	3.8%
Criminal Investigations					
Personnel	\$ 2,310,966	\$ 2,538,614	\$ 2,538,614	\$ 2,150,296	-15.3%
Benefits	\$ 645,220	\$ 691,893	\$ 695,656	\$ 711,299	2.8%
Operating	\$ 91,862	\$ 119,742	\$ 110,913	\$ 112,816	-5.8%
Outlay	\$ 115,844	\$ 79,661	\$ 85,168	\$ 3,600	-95.5%
Criminal Investigations Total	\$ 3,163,892	\$ 3,429,910	\$ 3,430,351	\$ 2,978,011	-13.2%
Northwest Patrol					
Personnel	\$ 6,127,521	\$ 6,003,848	\$ 6,032,936	\$ 5,624,693	-6.3%
Benefits	\$ 1,747,346	\$ 1,772,615	\$ 1,770,562	\$ 1,807,792	2.0%
Operating	\$ 579,616	\$ 416,327	\$ 422,182	\$ 431,931	3.7%
Northwest Patrol Total	\$ 8,454,483	\$ 8,192,790	\$ 8,225,680	\$ 7,864,416	-4.0%
Planning And Research					
Personnel	\$ 234,615	\$ -	\$ -	\$ -	0.0%
Benefits	\$ 71,665	\$ -	\$ -	\$ -	0.0%
Operating	\$ 15,645	\$ -	\$ -	\$ -	0.0%
Outlay	\$ 400	\$ -	\$ -	\$ -	0.0%
Planning And Research Total	\$ 322,325	\$ -	\$ -	\$ -	0.0%

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
Special Investigations					
Personnel	\$ 1,316,821	\$ 1,101,846	\$ 1,191,846	\$ 1,866,408	69.4%
Benefits	\$ 352,088	\$ 333,528	\$ 333,528	\$ 629,380	88.7%
Operating	\$ 100,644	\$ 130,700	\$ 137,600	\$ 149,398	14.3%
Outlay	\$ -	\$ 51,000	\$ 6,503	\$ -	-100.0%
Special Investigations Total	\$ 1,769,554	\$ 1,617,074	\$ 1,669,477	\$ 2,645,186	63.6%
Separation Allowance					
Separation Allowance	\$ -	\$ -	\$ -	\$ 700,000	100.0%
Separation Allowance Total	\$ -	\$ -	\$ -	\$ 700,000	100.0%
Police Department Total	\$ 29,282,558	\$ 29,057,902	\$ 29,136,110	\$ 30,666,806	5.5%
Authorized Positions					
Office of the Chief	35	29	49	49	
Administrative Services Bureau	47	32	30	32	
Criminal Investigations	65	39	32	32	
Lab/CSI	0	11	12	12	
Northwest Patrol	114	120	111	111	
Planning and Research	5	0	0	0	
Southeast Patrol	68	83	76	76	
Southeast Patrol Division	0	0	0	0	
Special Investigations	0	25	29	29	
Total Positions	334	339	339	341	

Division Description

The **Office of the Chief** is responsible for the oversight of all law enforcement services within the City of Wilmington to include internal investigations, policy development and review, inspections, and the targeting of criminal activity through crime analysis. This division will also coordinate departmental training. The Planning and Research duties were transferred to the Office of the Chief in FY17. Planning and Research allows for greater oversight and managerial authority of critical components that directly affect the overall operation of the department's divisions. Systematic research, planning and analysis is critical to compliance with national accreditation standards, departmental staffing, benchmarking and charting its overall direction.

The **Criminal Investigations** division (CID) investigates cases for criminal trials, recovers property, participates in a multi-agency fugitive task force, handles youth-related incidents, and oversees crime scene investigation. The unit also consists of drug enforcement teams, commercial robbery, violent crime task force, Alcoholic Beverage Control (ABC) section and the FBI- JTTF (Joint Terrorism Task Force).

The **Northwest Patrol Services** division is situated in the northwest portion of the City and is responsible for high visibility, proactive policing patrols utilizing a strategy that consists of crime prevention, crime detection, and perpetrator apprehension utilizing mobile, and foot and mounted conveyances.

The **Southeast Patrol Services** division is situated in the southeast portion of the City and is responsible for high visibility, proactive policing patrols utilizing a strategy that consists of crime prevention, crime detection, and perpetrator apprehension utilizing mobile and foot conveyances. The Patrol Organized Response Team, previously the Special Operations unit, consists of Traffic, K-9, and oversees the department's Emergency Response Team (ERT), Explosive Ordinance Disposal (EOD), harbor patrol and hostage negotiation units. This division also houses the School Resource Officers and Wilmington Housing Authority Officers.

The **Administrative Services Bureau** division maintains, controls and coordinates department information and functions related to records, property/evidence control and disposal, personnel, budget, grants, logistics and recruitment.

The **Special Investigations Division** (SID) is responsible for investigations involving illegal drugs, prostitution, or any investigation involving prescription drugs or the pharmacies that distribute legal prescription drugs within the City. SID also has members of Federal Task Forces for the U.S. Drug Enforcement Administration (DEA), U.S. Marshal Service, and U.S Alcohol Tobacco Firearms and Explosives (ATF).

The **Forensic Lab** is a regional lab, serving a six county area in Southeastern North Carolina. The lab provides forensics tests for criminal cases aiding the regional analysis needs in an efficient manner. The Lab applies for its own grant funding and yields funds from outside agencies. CSI, or Crime Scene Investigations, falls under the Forensic Lab. The Forensic Lab and CSI manage the collection and analysis of evidence.

Budget Overview

The City continues to invest in the workforce by adding a 3% compensation increase for salary and corresponding benefits. Additionally, adjustments were made to various internal services charges related to technology management fees, insurance liabilities, fuel and central fleet as a cost of doing business. The sections below represents further initiatives made to the budget specific to the department.

Base Budget Adjustments

A. Other Equipment

Division: Multiple
Total Cost: (\$103,980)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Removal of one-time funding totaling \$103,980 for various equipment such as an arrow phone antennae, SWAT specialized equipment, night vision goggles, body cameras, laptop and fingerprinting livescan machine.

B. Vehicles

Division: Investigative Bureau
Total Cost: (\$79,661)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: One-time funding in the amount of \$79,661 was removed from the budget which had supported the purchase of four (4) detective vehicles.

C. Radios

Division: Admin Services Bureau
Total Cost: (\$59,020)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: One-time funding totaling \$59,020 for the purchase of Motorola radios, both portable and mobile, has been removed from the base budget.

D. Standard Issue Equipment

Division: Multiple
Total Cost: (\$21,000)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Removal of one-time funding supporting new personnel totaling \$21,000 has been removed from the budget.

E. On-going Equipment Replacement Programs

Division: Admin Services Bureau
Total Cost: (\$33,531)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The Police Department has safety equipment that needs maintenance and replacement on a regular basis. Put in place in the base budget this fiscal year are two replacement programs for following items: Ballistic vests and tasers. Instead of removing one-time funding from FY18 base budget, all funding related to ballistic vests (\$87,543), tasers (\$22,275) and some of the car video systems (\$2,979) were shifted to create a annual replacement program. The remainder (\$33,351) was removed from the budget as a one-time reduction. The current replacement programs in the FY18 budget include \$41,752 for 68 vests and \$75,735 for 51 tasers. This funding will remain in the budget on an ongoing basis.

F. Promotional Process

Division: Admin Services Bureau
Total Cost: (\$20,000)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The FY17 budget had \$50,000 in funding to conduct two (2) promotional processes. \$20,000 was removed from the budget leaving the remainder to support one (1) promotional process in FY18.

G. Training Room Equipment

Division: Office of the Chief
Total Cost: (\$13,200)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Removal of one-time funding totaling \$13,200 that related to the purchase of 12 training laptops for mobile training opportunities within the department.

H. New Police Officer Retention

Division: Multiple
Total Cost: \$0
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: In an effort to resolve Police Officer retention issues a proposal for a new officer increase of 4% each year until the officer reaches market range, within the first 1-5 years, was brought forward in the FY18 budget development. The impact will be approximately \$50,000 in FY18. To mitigate this impact PD has agreed to use current resources to fund this initiative.

I. Reserve Officer

Division: Office of the Chief and Administrative Services Bureau
Total Cost: \$0
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 2.40
Description: On October 4, 2016 an ordinance was approved starting a Reserve Officer pilot program in the Police Department. The reserve officers are filling in where there is a shortage of staff therefore relieving the need to pull officers in on overtime. This budget authorizes 5 part-time reserve officers at .48 FTE each to continue the program.

Budget Modifications

A. WPD CSI Camera Equipment Replacement

Division: Lab/CSI
Total Cost: \$2,443
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the Crime Scene Investigation unit to purchase one Nikon DSLR cameras, associated flashes, camera cords and lenses.

B. CALEA

Division: Office of the Chief
Total Cost: \$5,500
Priority: Strategic Plan: Provide Sustainability and Adaptability 1.3
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding provides enhanced training funds related to CALEA accreditation, specifically three (3) personnel attend the 2017 CALEA training at \$10,000 each, accepting the re-accreditation award (2) at \$2,500 and CALEA 4yr accreditation process (4 at \$125).

C. BLET graduate Psychological Exam Services

Division: Office of the Chief
Total Cost: \$5,236
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows PD to continue with state-mandated pre-hire BLET candidate psychological tests at \$435 each. The funding allows for twelve additional pre-hire tests.

D. WPD Crime Lab Analytical Balance/Stabilizing Slab

Division: Lab/CSI
Total Cost: \$6,000
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows PD lab to purchase an analytical balance and stabilizing marble slab to more accurately measure small volume weights for substances such as heroin.

E. Lab Forensic Chemist Training and Supplies

Division: Lab/CSI
Total Cost: \$7,885
Priority: Strategic Plan: Provide Sustainability and Adaptability 1.3
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the Lab/CSI unit to provide training and supplies for the Forensic Chemist per the NHC interlocal agreement. The interlocal agreement is active until the end of FY18.

F. Simmunition Equipment

Division: Office of the Chief and Administrative Services Bureau
Total Cost: \$11,976
Priority: Strategic Plan: Create a Safe Place 7.4
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows PD to provide training equipment when training sworn officers on de-escalation, crisis intervention and less lethal tactics. Equipment and other professional services are needed. Equipment for this purpose includes simmunition kits, helmets, less lethal targets, hearing protection and the like.

G. Body Camera Data Storage (L3)

Division: Admin Services Bureau
Total Cost: \$12,099
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows PD to purchase body camera data storage for individual units.

H. Lab/CSI Training Plan

Division: Lab/CSI
Total Cost: \$12,736
Priority: Strategic Plan: Provide Sustainability and Adaptability 1.3
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows PD to provide training and other professional services to the Lab/CSI unit.

I. LIMS Licensing and Annual Maintenance

Division: Lab/CSI
Total Cost: \$15,000
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the PD Lab/CSI unit to pay for annual maintenance on the Laboratory Information Management System (LIMS), a software program purchased through grant funds. The LIMS software allows the lab to standardize the process of tracking cases and evidence, optimize workflow and provide an electronic mechanism for maintaining the overall Quality Management System under the ISO 17025-International accreditation process.

J. Furniture

Division: Multiple
Total Cost: \$15,750
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Funding in the amount of \$15,750 was authorized to replace aging furniture in the Police Department Headquarters.

K. Forensic Chemist Position Funding (April, May, June)

Division: Lab/CSI
Total Cost: \$21,073
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the PD Lab/CSI unit to continue funding in collaboration with the NC Governor's Highway Safety (GHSP) grant funding, a Forensic Chemist. The funding amount represents a portion of salary (\$14,250) and benefits, ensuring a full year funding for the position.

L. (5) L3 In-car Video Systems

Division: Admin Services Bureau
Total Cost: \$25,750
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows PD to purchase five (5) in-car video systems to replace outdated systems. The funding includes the cost of the system (\$4,950) plus installation (\$200).

M. Traffic Motor Unit- Replace One BMW Motorcycle

Division: Admin Services Bureau
Total Cost: \$34,747
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the Motor unit to purchase one (1) BMW motorcycle to replace aging motorcycle. The Motor unit has four personnel assigned but only one operating motorcycle. The funding will purchase one (1) motorcycles and one (1) antennae and allow the motorcycle to be a part of the vehicle replacement program. Motorcycle are utilized in neighborhood traffic enforcement and heavy traffic maneuvering. The plan is to replace three motorcycles over the next three fiscal years if funding allows.

N. WPD Crime Lab GCMS Equipment Lease

Division: Lab/CSI
Total Cost: \$40,000
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows PD to lease the GCMS equipment which is vital to drug and alcohol testing. The current equipment has reached its life cycle and due to repairs, has been out of usage four (4) months during FY17. The upfront cost is \$142,000 plus a five year maintenance contract of \$20,000 per year totaling \$242,000 over the course of five years. The lease option is \$40,000 per year, which includes maintenance. Over the course of five years, the lease option would total \$200,000, resulting in cost delta of \$42,000.

O. Police Station Floor Replacement

Division: Admin Services Bureau
Total Cost: \$40,990
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: PD is proposing a multi-year replacement of carpet and flooring at Police Headquarters and the Northwest station. The funding of \$40,990 allows PD to remove existing vinyl on the ground floor with tile.

P. Real Time Crime Center Equipment and Training

Division: Office of the Chief
Total Cost: \$44,527
Priority: Strategic Plan: Create a Safe Place 3.2
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows PD to purchase equipment to aid in the Real Time Crime Center including (4) laptops and pc replacement participation for Intelligence officers, high-end surveillance cameras with enhanced auto-focus capabilities totaling \$9,957. The funding also includes \$22,250 in training.

R. Quartermaster Issued Uniforms and Equipment

Division: Admin Services Bureau
Total Cost: \$58,569
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows PD to equip the quartermaster's office with needed supplies and uniforms for newly graduated and existing officers.

S. Professional Services

Division: Lab/CSI
Total Cost: \$81,000
Priority: Strategic Plan: Create a Safe Place 4.1
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The Police Department will contract with the State Forensic Lab for a dedicated latent print position to be housed at the State Forensic Lab.

T. Property and Evidence Technicians (2)

Division: Admin Services Bureau
Total Cost: \$86,473
Priority: Strategic Plan: Create a Safe Place 4.1
Position(s): Full Time Equivalent: 2; Part-Time: 0.00
Description: The funding allows the PD to hire two (2) full-time Property and Evidence technicians at \$29,411 salary each. The funding includes salary and benefits. Over the past fifteen (15) years, no additional personnel have been added to this unit, but workload has increased by 92%. Currently, the unit is processing over 12,000 items annually.

U. Law Enforcement Officer Separation Allowance

Division: Separation Allowance
Total Cost: \$700,000
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Reporting requirements have changed per GASB 45. All Law Enforcement Officer Retirement (LEO) funding must be shown in the Public Safety Function and the total expected city contribution must be appropriated. Estimated FY18 payout for LEO totals \$700,000.

POLICE DEPARTMENT: SABLE

The primary purpose of the Southeastern AirBorne Law Enforcement (SABLE) Air Unit is to support and increase the effectiveness of Officers in the field through aerial observation and communication.

The SABLE program is a regional, multi-agency effort shared between the Wilmington Police Department, Pender County Sheriff Department and New Hanover County Sheriff Department.

BUDGET SUMMARY

	FY17	FY18	Variance
	Adopted	Recommend	
SABLE Revenues			
General Fund Contribution	\$ 161,201	\$ 178,262	10.6%
New Hanover County	\$ 30,000	\$ 30,000	0.0%
Town of Leland	\$ 3,675	\$ 3,675	0.0%
Pender County	\$ 6,500	\$ 6,125	-5.8%
Federal Forfeiture	\$ 115,744	\$ 115,744	0.0%
TOTAL SABLE Revenues	\$ 317,120	\$ 333,806	5.3%
SABLE Appropriations			
Personnel	\$ 154,893	\$ 171,221	10.5%
Benefits	\$ 35,213	\$ 36,105	2.5%
Operating	\$ 127,014	\$ 126,480	-0.4%
TOTAL SABLE Appropriations	\$ 317,120	\$ 333,806	5.3%
	FY17	FY18	
	Adopted	Recommend	
Authorized Positions	2	2	

Budget Overview

The General Fund is providing a transfer of \$178,262 to the SABLE project in the Special Purpose fund to provide salary and related benefits for two full time Pilots as well as two part time pilots, shown as Authorized positions in the Police Department, continue with the Budget Reserve and account for Aircraft Insurance. In FY18, the recommended budget reflects a reclassification of a Command Pilot to a Chief Pilot and the transfer of a Police Corporal to fill the formerly vacant second Command Pilot position. A 3% compensation increase is reflected in this budget.

Budget Modifications

A. Reclassify SABLE Command Pilot to Chief Pilot

Division: SABLE

Total Cost: \$7,860

Priority: Continuance of Service

Position(s): Full Time Equivalent: 0; Part-Time: 0.00

Description: Reclass one of the two Police Command Pilot/Warrant Officer (N7) positions to Chief Pilot (E5) including a salary increase of \$6,575 plus benefits. The incumbent provides direct supervision, coordination and management of the SABLE Aviation Unit.

FIRE DEPARTMENT

The Fire department provides a multitude of services dedicated to the life and property safety of residents and visitors by providing education and protection from fires and other related emergencies.

BUDGET SUMMARY

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
Administration					
Personnel	\$ 191,628	\$ 227,509	\$ 204,309	\$ 329,645	44.9%
Benefits	\$ 50,897	\$ 65,724	\$ 65,385	\$ 94,923	44.4%
Operating	\$ 8,724	\$ 1,824	\$ 43,640	\$ 22,227	1118.6%
Administration Total	\$ 251,248	\$ 295,057	\$ 313,334	\$ 446,795	51.4%
Community Risk Reduction					
Personnel	\$ 103,371	\$ 208,417	\$ 208,417	\$ 120,272	-42.3%
Benefits	\$ 32,076	\$ 67,606	\$ 67,606	\$ 39,174	-42.1%
Operating	\$ 11,852	\$ 11,595	\$ 11,595	\$ 19,653	69.5%
Community Risk Reduction Total	\$ 147,299	\$ 287,618	\$ 287,618	\$ 179,099	-37.7%
Fire And Life Safety					
Personnel	\$ 408,938	\$ 414,922	\$ 414,922	\$ 423,741	2.1%
Benefits	\$ 125,215	\$ 130,457	\$ 130,457	\$ 139,677	7.1%
Operating	\$ 5,984	\$ 17,391	\$ 14,882	\$ 8,975	-48.4%
Fire And Life Safety Total	\$ 540,137	\$ 562,770	\$ 560,261	\$ 572,393	1.7%
Fire Fighting					
Personnel	\$ 9,410,203	\$ 9,823,581	\$ 9,847,965	\$ 9,911,870	0.9%
Benefits	\$ 2,883,440	\$ 3,096,356	\$ 3,096,294	\$ 3,342,352	7.9%
Operating	\$ 324,865	\$ 359,929	\$ 367,121	\$ 363,318	0.9%
Outlay	\$ 26,419	\$ 49,000	\$ 49,060	\$ 37,430	-23.6%
Fire Fighting Total	\$ 12,644,927	\$ 13,328,866	\$ 13,360,440	\$ 13,654,970	2.4%
Fire Fleet Maintenance					
Personnel	\$ -	\$ 136,929	\$ 136,929	\$ 147,401	7.6%
Benefits	\$ -	\$ 49,918	\$ 49,199	\$ 51,682	3.5%
Operating	\$ 2,102	\$ 167,350	\$ 207,382	\$ 219,197	31.0%
Outlay	\$ -	\$ -	\$ -	\$ 21,000	100.0%
Miscellaneous	\$ -	\$ -	\$ 50,000	\$ -	0.0%
Fire Fleet Maintenance Total	\$ 2,102	\$ 354,197	\$ 443,510	\$ 439,280	24.0%
Support Services					
Personnel	\$ 439,232	\$ 330,581	\$ 330,581	\$ 329,087	-0.5%
Benefits	\$ 135,531	\$ 99,550	\$ 100,451	\$ 105,070	5.5%
Operating	\$ 1,667,363	\$ 1,635,485	\$ 1,583,258	\$ 1,958,937	19.8%
Outlay	\$ 132,083	\$ 96,500	\$ 99,041	\$ 72,000	-25.4%
Miscellaneous	\$ 14,777	\$ -	\$ -	\$ -	0.0%
Support Services Total	\$ 2,388,986	\$ 2,162,116	\$ 2,113,331	\$ 2,465,094	14.0%

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
Training					
Personnel	\$ 341,391	\$ 282,104	\$ 282,104	\$ 290,235	2.9%
Benefits	\$ 97,777	\$ 81,359	\$ 81,009	\$ 88,440	8.7%
Operating	\$ 84,808	\$ 109,921	\$ 97,359	\$ 120,980	10.1%
Training Total	\$ 523,977	\$ 473,384	\$ 460,472	\$ 499,655	5.5%
Fire Department Total	\$ 16,498,677	\$ 17,464,008	\$ 17,538,966	\$ 18,257,286	4.5%
Authorized Positions					
Community Risk Reduction	3	3	1	1	
Fire Administration	3	3	3	3	
Fire and Life Safety	7	7	7	7	
Fire Fleet Maintenance	0	3	3	3	
Fire Support Services	8	5	5	5	
Fire Training	6	5	6	6	
Firefighting	193	196	197	197	
Total Positions	220	222	222	222	

Division Descriptions

The **Administrative** division houses the Fire Chief who oversees the Department’s coordination and management of all fire and emergency response activities.

The **Firefighting** division maintains responsibility for two primary functions. The first relates to the firefighting units who are responsible for all ground operations which include confinement, extinguishment, salvage, and overhaul operations to reduce further damage. The second function relates to emergency medical services who are generally first on the scene and provide immediate care for life-threatening injuries, controlling the scene, and preparing for the arrival of advanced life support personnel.

The **Support Services** Division’s primary responsibilities focus on the management of training division, fleet maintenance, Fire and Life Safety and the department’s budget.

The **Fire Fleet Maintenance** section, which is responsible for maintaining the department’s apparatus and vehicles in proper working condition. This includes periodic preventative maintenance to ensure the immediate availability for an emergency response.

The **Fire Training** division oversees expenditures and efforts for training and equipment in fire, water rescue, tactical rescue and hazardous materials. Battalion Chiefs will be assigned to each special team to monitor and effectively assess training needs and expenditures.

The **Fire and Life Safety** Division primarily focuses on fire safety inspections, new and existing commercial construction plan reviews, and fire investigation. The Fire and Life Safety division houses the Community Risk Reduction section, whose primary focus is on public education with special emphasis on community involvement at the individual fire station level to reduce risks in their first-in response area.

Budget Overview

The City continues to invest in the workforce by adding a 3% compensation increase for salary and corresponding benefits. Additionally, adjustments were made to various internal services charges related to technology management fees, insurance liabilities, fuel and central fleet as a cost of doing business. The sections below represents further initiatives made to the budget specific to the department.

Base Budget Adjustments

A. Supporting Equipment and Vehicle for New Positions

Division: Multiple
Total Cost: (\$58,400)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: A total of \$58,400 was removed from the base budget. This funding supported the purchase of a vehicle (\$36,000) and supporting equipment for the newly developed Medic team authorized in FY17.

B. Vehicle Replacements

Division: Fire Support
Total Cost: (\$45,000)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: One-time funding in the amount of \$45,000 was removed from the budget supporting two vehicle replacements.

C. Other Equipment

Division: Firefighting
Total Cost: (\$42,000)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: A total of \$42,000 of one-time funding was removed from the base budget that supported purchases of defibrillators and extrication air bags.

D. Technology Equipment

Division: Multiple
Total Cost: (\$23,870)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: One-time funding in the amount of \$23,870 related to computer software, tablets and laptops has been removed from the budget.

Budget Modifications

A. Tablets Replacement Fund Participation

Division: Multiple
Total Cost: \$1,800
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: In FY17, ten (10) tablets were purchased specifically to assist the Fire Dept. in mobile data collection and analysis. With this funding, the tablets will be added to the pc replacement program.

B. CrewSense Software Licensing Increase

Division: Multiple
Total Cost: \$3,500
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the Fire Dept. to continue use of the CrewSense software with increased functionality. The software allows the Operations division to track staffing and overtime requests through mobile devices.

D. Increase Consumables

Division: Multiple
Total Cost: \$4,000
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the Fire Dept. to continue to supply station supplies. The funding increase is due to inflation.

E. Turnout Gear

Division: Multiple
Total Cost: \$7,400
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: A total of \$7,400 has been added to the budget to support the Fire Department turnout gear cost increase; This funding allows the Fire Dept. to continue purchasing two sets of gear for each firefighter.

F. Increase Tire Allotment

Division: Multiple
Total Cost: \$7,500
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the Fire Dept. to purchase tires where currently showing wear and without tread. Increased pricing is a contributor as well.

G. Replenish Training Funding

Division: Multiple
Total Cost: \$7,701
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: In FY17 mid-year, Fire increased the salary of an EVT via new hire offer. The funding was not available via salaries. Fire chose to move operating funding in Training lines. The funding (\$7,701) replenishes those operating funds.

H. Smoke Alarms

Division: Multiple
Total Cost: \$8,500
Priority: Strategic Plan: Engage in Civic Partnership 1.4
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the Fire Dept. to continue to install smoke alarms in homes throughout the community.

I. Hose Replacement

Division: Multiple
Total Cost: \$10,000
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the Fire Dept. to purchase hose material for existing trucks with aging hoses. The department has been charged with coming up with a replacement plan in order to replace an adequate number of hoses on an annual basis to level out the funding required.

J. HazMat Supplies and Training

Division: Multiple
Total Cost: \$12,000
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the Fire Department to continue to coordinate and provide HazMat response regionally. The funding covers HazMat supplies and specialized training. There is a corresponding increase in expected revenue.

K. Rescue Jacks

Division: Multiple
Total Cost: \$13,000
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the Fire Dept. to purchase a rescue jack kit including four (4) rescue jacks. The current rescue jacks have exceeded their life cycle. The rescue jacks are essential to lifting vehicles involved in a collision and/or during a technical rescue incident.

L. Garage Tools

Division: Multiple
Total Cost: \$21,000
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the Fire Dept. to purchase tools for the Fire Fleet.

M. Defibrillators

Division: Multiple
Total Cost: \$24,430
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: In FY16, the department indicated that all 39 defibrillators will need replacement; however the replacements can occur over several years. In FY16 two (2) defibrillators were replaced and then in FY17 another two (2) were included in the budget. This year, \$24,430 is authorized and allows the Fire Department to purchase seven (7) defibrillators for frontline apparatus.

N. Fireboat Painting and Maintenance

Division: Multiple
Total Cost: \$43,120
Priority: Strategic Plan: Create a Safe Place 7.4
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows the Fire Dept. to paint the red and white top portions of the Fireboat (\$34,120) while conducting an annual inspection, paint the hull (\$3,000) and replace hoses (\$6,000).

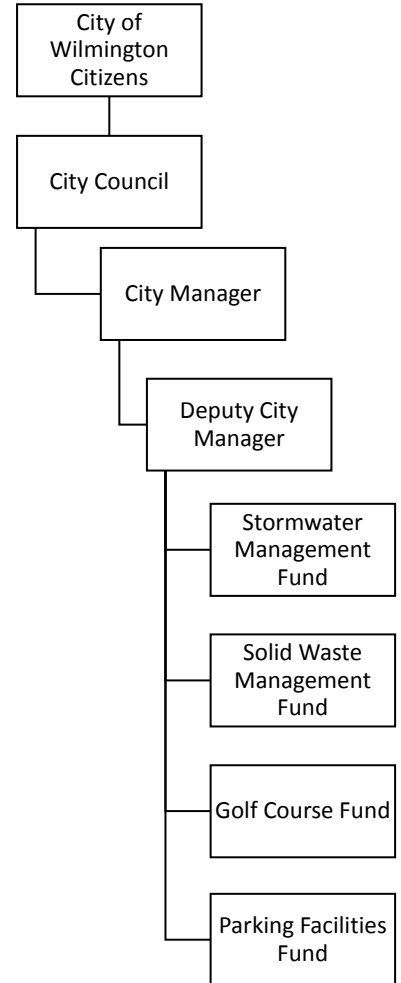
O. Vehicle Replacements

Division: Multiple
Total Cost: \$82,060
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding allows for vehicle replacement of three (3) vehicles with high mileage and/or age to be replaced. The vehicles being replaced are a 2010 Ford F-150 (#10210) at \$25,500 purchase and \$4,263 fleet replacement participation, a 2007 Chevy Impala (#07224) at \$25,500 purchase price and \$3,030 fleet replacement participation and a 2005 Ford Crown Victoria (#05216) at \$21,000 purchase price and \$2,767 fleet replacement participation.

P. Fire Medic Grant Match: Aid Car Program

Division: Multiple
Total Cost: \$224,011
Priority: Strategic Plan: Provide Sustainability and Adaptability 3.2
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: The funding in the amount of \$224,011 allows the Fire Department to budget for a Federal Emergency Management Act (FEMA) Staffing for Adequate Fire & Emergency Response (SAFER) grant match in order to hire additional personnel and purchase equipment. The grant application requested 14 firefighters of which the grant limits its funding to 75% of the first year salary and benefits. This funding allows for the grant match of \$163,027 and any uniforms and gear required to continue the implementation of the Aid Car program.

ENTERPRISE FUNDS



STORMWATER MANAGEMENT FUND

The City of Wilmington's Stormwater Management division funded by the Stormwater Management enterprise fund, maintains and improves the public drainage system for the protection of the community and the environment.

BUDGET SUMMARY

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
Revenue					
Stormwater Utility Fee	\$ 9,928,041	\$ 10,171,990	\$ 10,171,990	\$ 11,136,804	9.5%
Appropriated Fund Balance	\$ -	\$ -	\$ 177,168	\$ 4,114,323	100.0%
Other Revenue and Interest Earnings	\$ 117,573	\$ 128,231	\$ 128,231	\$ 145,758	13.7%
Fines & Forfeitures	\$ 250	\$ -	\$ -	\$ -	0.0%
Revenue Total	\$ 10,045,864	\$ 10,300,221	\$ 10,477,389	\$ 15,396,885	49.5%
Appropriations					
Personnel	\$ 2,188,258	\$ 2,590,235	\$ 2,595,645	\$ 2,606,967	0.6%
Benefits	\$ 684,663	\$ 866,195	\$ 866,754	\$ 925,579	6.9%
Operating	\$ 1,453,055	\$ 1,745,617	\$ 1,793,261	\$ 1,670,522	-4.3%
Outlay	\$ 147,702	\$ -	\$ 29,655	\$ 100,564	100.0%
Nondepartmental	\$ 1,726,977	\$ 2,144,714	\$ 2,144,714	\$ 2,017,783	-5.9%
Allocated Cost	\$ 881,138	\$ 953,460	\$ 953,460	\$ 987,425	3.6%
Transfer To CIP	\$ 1,388,242	\$ 2,000,000	\$ 2,093,900	\$ 7,088,045	254.4%
Appropriations Total	\$ 8,470,034	\$ 10,300,221	\$ 10,477,389	\$ 15,396,885	49.5%
Authorized Positions					
Storm Water Maintenance	51	51	51	51	
Storm Water Services	9	9	9	9	
Total Positions	60	60	60	60	

Division Descriptions

The **Stormwater Maintenance** section is responsible for maintaining the public drainage system. Maintenance activities consist of two core components - open drainage, which includes ditches and ponds, and closed drainage, which is comprised of underground pipes and culverts.

The five core components of **Stormwater Services** include: management and planning, capital improvements, regulatory and enforcement activities, water quality, and operations and maintenance.

Budget Overview

The City continues to invest in the workforce by adding a 3% compensation increase for salary and corresponding benefits. Additionally, adjustments were made to various internal services charges related to technology management fees, insurance liabilities, fuel and central fleet as a cost of doing business. The sections below represents further initiatives made to the budget specific to the department.

Base Budget Adjustments

A. Standby Program Increase

Division: Maintenance
Total Cost: \$0
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: In a base shift, the department dedicated \$2,241 to the shared standby program (Public Services, Stormwater & Parks) to allow for 3 staff members, one from each division to provide the skills and resources available to properly respond to any type of call. The same type of base shift can be found in Stormwater and Parks.

B. Employee Recognition

Division: Maintenance
Total Cost: \$0
Priority: Strategic Plan: Promote Culture Art and Public Spaces 1.5
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: In a base shift, the department dedicated \$510 to an employee recognition program. This funding is to be used in conjunction with the increase in the General Fund Sundry Employee Recognition program and it's guidelines.

Budget Modifications

A. Equipment Rental

Division: Maintenance
Total Cost: (\$5,000)
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Due to the purchase of the mid-size excavator, the need for similar type equipment rentals has been reduced by \$5,000.

B. Vehicle Replacements

Division: Maintenance
Total Cost: \$18,314
Priority: Continuance of Service
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Purchase of an excavator in FY17 in the amount of \$89,879. It will be placed in the Fleet replacement fund at an annual rate of \$18,314 for 8 years beginning in FY18.

C. Transfer to CIP

Division: Stormwater
Total Cost: \$3,788,045
Priority: Outside Directive
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Revenue bonds in two CIP projects (Clear Run Branch & Greenville Ave/White Ave) will not be funded with Revenue bonds as currently budgeted. A transfer from Stormwater Fund Balance to the CIP's are needed totaling \$3,788,045.

SOLID WASTE MANAGEMENT FUND

The City of Wilmington's Solid Waste Management division, funded by the Solid Waste Management fund, oversees the collection and disposal of City solid waste customer refuse. The division also oversees recycling, yard waste and bulky collection.

BUDGET SUMMARY

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
Revenue					
Refuse Collection Fees	\$ 8,744,024	\$ 8,724,954	\$ 8,724,954	\$ 8,744,024	0.2%
Appropriated Fund Balance	\$ -	\$ 299,818	\$ 299,818	\$ 165,495	-44.8%
Other Revenue and Interest Earnings	\$ 357,191	\$ 240,470	\$ 240,470	\$ 264,680	10.1%
Solid Waste Disposal Tax	\$ 73,830	\$ 58,972	\$ 58,972	\$ 70,558	19.6%
Transfer from General Fund	\$ -	\$ 29,866	\$ 29,866	\$ 29,866	0.0%
Intergovernmental Revenue	\$ 732	\$ -	\$ -	\$ -	0.0%
Revenue Total	\$ 9,175,777	\$ 9,354,080	\$ 9,354,080	\$ 9,274,623	-0.8%
Appropriations					
Personnel	\$ 2,654,186	\$ 2,906,712	\$ 2,906,712	\$ 3,044,177	4.7%
Benefits	\$ 883,961	\$ 1,005,269	\$ 1,005,769	\$ 1,064,796	5.9%
Operating	\$ 4,233,547	\$ 4,505,163	\$ 4,408,663	\$ 4,165,431	-7.5%
Outlay	\$ -	\$ -	\$ 90,000	\$ -	0.0%
Nondepartmental	\$ 276,662	\$ 209,256	\$ 209,256	\$ 272,824	30.4%
Allocated Cost	\$ 718,136	\$ 727,680	\$ 727,680	\$ 727,395	0.0%
Transfer To CIP	\$ -	\$ -	\$ 6,000	\$ -	0.0%
Appropriations Total	\$ 8,766,491	\$ 9,354,080	\$ 9,354,080	\$ 9,274,623	-0.8%
Authorized Positions					
Solid Waste Administration	5	5	5	5	
Bulky Waste Collection	7	7	7	7	
Customer Refuse	33	29	29	29	
Downtown Collection	11	11	11	11	
Recycling	5	5	5	5	
Yard Waste	22	18	18	18	
Total Positions	83	75	75	75	

Division Description

The primary responsibility of the ***Solid Waste Administration*** is to provide leadership and direction for all operational sections. Other responsibilities include: telephone customer support, bulky pick up appointments, new customer support, assuring proper billing information is sent to CFPUA and scheduling the cleaning, delivery, pick up, and repair of customer trash carts.

The ***Customer Refuse Collection*** section of Solid Waste Management provides residential trash collection to 30,000 City of Wilmington residents.

The ***Recycling*** section provides for the bi-weekly curbside collection of recyclable materials from City Solid Waste Customers.

The ***Yard Waste*** section provides for the weekly curbside collection of vegetative yard waste. Once collected, all yard waste is contractual processed through a commercial facility and hauled to the New Hanover County Landfill for reuse.

Commercial establishments in the Central Business District (CBD) can elect trash collection ranging from two times a week, to twice a day, seven times per week. The responsibility for this service is housed in the Downtown Collection section. Residents in the CBD have seven day per week collection. This section also includes daily servicing of over 250 brick trash receptacles and 100 ashtrays in the Central Business District and City parks. ***Downtown Services*** also maintain two public restrooms, pressure washes sidewalks and provides litter collection seven days a week, 18 hours per day. Downtown Services organizes all cleanup activities following the City's variety of festivals and events in the CBD.

The Bulky section oversees the City's call-in bulky, white goods, and electronic collection, and carrion service for City streets.

Budget Overview

The City continues to invest in the workforce by adding a 3% compensation increase for salary and corresponding benefits. Additionally, adjustments were made to various internal services charges related to technology management fees, insurance liabilities, fuel and central fleet as a cost of doing business. The sections below represents further initiatives made to the budget specific to the department.

Base Budget Adjustments

A. Reclassify 2 Solid Waste Workers to Operators

Division: Yard Waste

Total Cost: \$0

Priority: Strategic Plan: Provide Sustainability and Adaptability 1.2

Position(s): Full Time Equivalent: 0; Part-Time: 0.00

Description: In a base shift, the department dedicated \$26,889 to reclassify 2 Solid Waste Workers to Operators. This enhancement will allow for additional resources to the expansion of the CBD and reducing the City Parks trash collection from the Solid Waste crew. Funding includes the reclassification funding of \$19,152 and associated operating supplies.

B. Contract Services for Community Services/Trees

Division: Solid Waste

Total Cost: \$0

Priority: Outside Directive

Position(s): Full Time Equivalent: 0; Part-Time: 0.00

Description: Through a base shift, \$20,000 is budgeted for cutting back trees/maintaining alleys. This contract will be solicited by and managed by the CS/Tree Management staff.

C. Employee Recognition

Division: Administration

Total Cost: \$0

Priority: Strategic Plan: Promote Culture Art and Public Spaces 1.5

Position(s): Full Time Equivalent: 0; Part-Time: 0.00

Description: In a base shift, the department dedicated \$645 to an employee recognition program. This funding is to be used in conjunction with the increase in the General Fund Sundry Employee Recognition program and its guidelines.

GOLF COURSE FUND

BUDGET SUMMARY

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
Revenue					
Daily Greens	\$ 830,293	\$ 991,655	\$ 991,655	\$ 962,022	-3.0%
Cart Rentals	\$ 252,270	\$ 269,268	\$ 269,268	\$ 265,661	-1.3%
Concessions	\$ 166,317	\$ 163,228	\$ 163,228	\$ 165,500	1.4%
Contributions	\$ 20,200	\$ -	\$ -	\$ -	0.0%
Other Revenue and Interest Earnings	\$ 6,082	\$ 2,284	\$ 2,284	\$ 2,772	21.4%
Miscellaneous	\$ -	\$ -	\$ 15,000	\$ 51,396	100.0%
Appropriated Fund Balance	\$ -	\$ -	\$ 3,740	\$ -	100.0%
Revenue Total	\$ 1,275,163	\$ 1,426,435	\$ 1,445,175	\$ 1,447,351	1.5%
Appropriations					
Personnel	\$ 507,103	\$ 517,882	\$ 518,362	\$ 485,209	-6.3%
Benefits	\$ 149,289	\$ 164,396	\$ 164,396	\$ 169,578	3.2%
Operating	\$ 508,870	\$ 583,689	\$ 601,949	\$ 592,405	1.5%
Outlay	\$ 12,958	\$ -	\$ -	\$ 2,500	0.0%
Nondepartmental	\$ 7,691	\$ 32,400	\$ 32,400	\$ 69,591	114.8%
Allocated Cost	\$ 114,144	\$ 128,068	\$ 128,068	\$ 128,068	0.0%
Appropriations Total	\$ 1,300,054	\$ 1,426,435	\$ 1,445,175	\$ 1,447,351	1.5%
Authorized Positions	11	11	10	10	

Budget Overview

The City continues to invest in the workforce by adding a 3% compensation increase for salary and corresponding benefits. Additionally, adjustments were made to various internal services charges related to technology management fees, insurance liabilities, fuel and central fleet as a cost of doing business. The sections below represents further initiatives made to the budget specific to the department.

The Golf Course fund budget has recognized an increase of \$51,396 in revenue that is directly related to city staff maintaining the new First Tee facility area. The revenue is intended to recoup the costs associated with this new maintenance to include a turf grass worker, additional consumables, repairs and maintenance to equipment as well as an increase in annual fuel usage.

Base Budget Adjustments

A. Unfunded Position Reduction

Division: Golf

Total Cost: \$0

Priority: Reduction

Position(s): Full Time Equivalent: -1; Part-Time: 0.00

Description: In FY10, due to the recession and need to save resources, a Turf Grass Worker position was unfunded. It was anticipated in future years, the funding would be restored. At this time, this position is going to be filled and an existing Recreation Supervisor position has been unfunded and closed in position control.

Budget Modifications

A. Payroll and Overtime Related Benefits

Division: Golf

Total Cost: \$1,754

Priority: Working Operating

Position(s): Full Time Equivalent: 0; Part-Time: 0.00

Description: In the FY17 budget, benefits associated with temporary staff and overtime were not budgeted accordingly. Cost for this correction is \$1,754.

B. First Tee Consumables, Repairs and Maintenance and Fuel Estimates

Division: Golf

Total Cost: \$13,500

Priority: Strategic Plan: Create a Safe Place 1.1

Position(s): Full Time Equivalent: 0; Part-Time: 0.00

Description: Upkeep of the First Tee practice area in the amount of \$6,000 for consumables, \$5,000 for repairs and maintenance of equipment and an estimated \$2,500 for fuel.

PARKING FUND

BUDGET SUMMARY

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
Revenue					
Parking Fees	\$ 3,402,380	\$ 3,313,990	\$ 3,313,990	\$ 3,253,694	-1.8%
Appropriated Fund Balance	\$ -	\$ 388,337	\$ 438,162	\$ 66,588	-82.9%
Interest Earnings	\$ 10,737	\$ 14,577	\$ 14,577	\$ 19,264	32.2%
Miscellaneous	\$ -	\$ -	\$ 36,000	\$ -	0.0%
Transfer from Debt Service Fund	\$ 558,740	\$ 550,386	\$ 550,386	\$ 543,633	-1.2%
Revenue Total	\$ 3,971,857	\$ 4,267,290	\$ 4,353,115	\$ 3,883,179	-9.0%
Appropriations					
Personnel	\$ 109,929	\$ 131,164	\$ 130,864	\$ 118,746	-9.5%
Benefits	\$ 40,915	\$ 46,961	\$ 46,961	\$ 46,968	0.0%
Operating	\$ 1,800,139	\$ 2,144,303	\$ 2,200,047	\$ 2,024,096	-5.6%
Outlay	\$ 39,997	\$ 60,000	\$ 90,100	\$ 43,000	-28.3%
Nondepartmental	\$ 6,078	\$ 6,078	\$ 6,359	\$ 6,078	0.0%
Miscellaneous	\$ -	\$ 45,000	\$ 45,000	\$ 45,000	0.0%
Allocated Cost	\$ 87,894	\$ 84,414	\$ 84,414	\$ 84,414	0.0%
Transfer To CIP	\$ -	\$ 650,000	\$ 650,000	\$ 438,150	-32.6%
Debt Service	\$ 1,121,688	\$ 1,099,370	\$ 1,100,404	\$ 1,076,727	-2.1%
Appropriations Total	\$ 3,206,639	\$ 4,267,290	\$ 4,354,149	\$ 3,883,179	-9.0%
Authorized Positions	2	2	2	2	

Budget Overview

The City continues to invest in the workforce by adding a 3% compensation increase for salary and corresponding benefits. Additionally, adjustments were made to various internal services charges related to technology management fees, insurance liabilities, fuel and central fleet as a cost of doing business. The sections below represents further initiatives made to the budget specific to the department.

Base Budget Adjustments

A. Renovation Funding

Division: Parking
Total Cost: (\$50,000)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: One time funding in the amount of \$50,000 that supported the renovation of Park Wilmington's Office was removed from the base budget.

B. Maintenance Contracts

Division: Multiple
Total Cost: (\$21,500)
Priority: Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Existing contracts are less than FY17 budget and have been reduced by \$21,500.

C. Equipment Testing

Division: Parking
Total Cost: (\$10,000)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: A total of \$10,000 of one-time funding was removed from the budget. The funding assisted the department in testing new meters.

D. Office Furniture

Division: Parking
Total Cost: (\$100)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: One-time operating funding in the amount of \$100 was removed from the budget that supported the purchase of office furniture.

E. Other Equipment: Digital Pay Stations

Division: Multiple
Total Cost: \$0
Priority: Strategic Plan: Provide Sustainability and Adaptability 5.3
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Replacement of digital pay station for \$11,000 in Hannah Block Lot that is no longer going to be supported after January 2018. Replacement of two digital pay stations for \$22,000 in Second Street Deck that are no longer going to be supported after January 2018. Replacement of electric vehicle charging station in the Market Street deck for \$10,000. The current unit is no longer supported as the company is out of business. The funding for these equipment replacement projects were budgeted through a base shift.

Budget Modifications

A. Transfer within Parking CIP Fund

Division: Multiple
Total Cost: \$136,327
Priority: Strategic Plan: Provide Sustainability and Adaptability 5.4
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: \$136,327 in additional funding is being provided to to support the replacement of the Parking and Revenue Control Systems (PARCS) that will also allow for license plate recognition, bar-code technology and parking pre-payment purchase options. The budget in existing project 13MF30 will be reduced and closed to accommodate this additional funding.

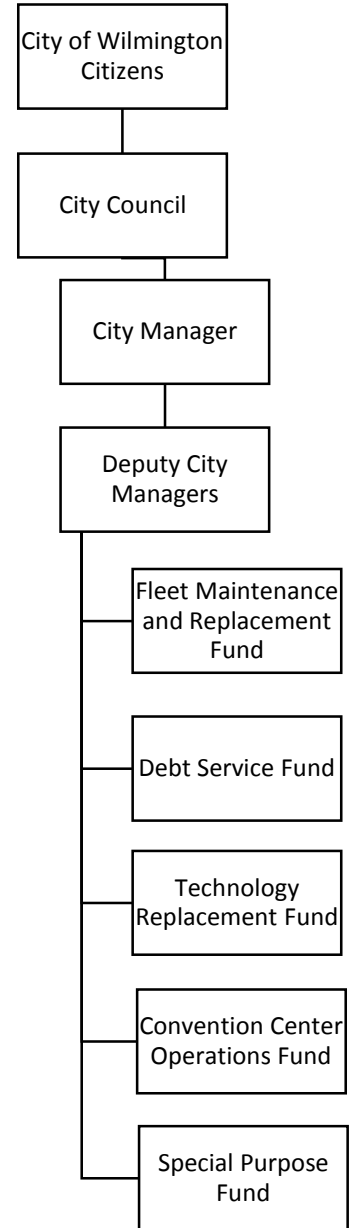
B. Transfer to CIP: Support Lighting Replacement

Division: Multiple
Total Cost: \$138,150
Priority: Strategic Plan: Provide Sustainability and Adaptability 2.4
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Additional funding to existing project 13MF20 for lighting replacement in the Market Street Deck. This additional funding adds the Second Street Deck to the project as well.

C. Transfer to CIP: Smart Meters

Division: Street Parking
Total Cost: \$300,000
Priority: Strategic Plan: Provide Sustainability and Adaptability 5.3
Position(s): Full Time Equivalent: 0; Part-Time: 0.00
Description: Phase II of Smart Meter (IPS) deployment. Further analysis is needed to determine the coverage area.

OTHER FUNDS



FLEET MAINTENANCE & REPLACEMENT FUND

BUDGET SUMMARY

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
Revenue					
Lease Charges	\$ 5,752,116	\$ 5,751,647	\$ 5,751,647	\$ 5,669,053	-1.4%
Other Revenue and Interest Earnings	\$ 236,393	\$ 31,223	\$ 31,223	\$ 42,209	35.2%
Appropriated Fund Balance	\$ -	\$ 1,271,845	\$ 1,710,346	\$ 1,798,621	41.4%
Revenue Total	\$ 5,988,508	\$ 7,054,715	\$ 7,493,216	\$ 7,509,883	6.5%
Appropriations					
Personnel	\$ 588,945	\$ 607,230	\$ 605,230	\$ 621,685	2.4%
Benefits	\$ 179,684	\$ 187,072	\$ 187,750	\$ 211,330	13.0%
Operating	\$ 1,085,102	\$ 1,279,950	\$ 1,326,941	\$ 1,337,710	4.5%
Outlay	\$ 2,881,596	\$ 4,063,686	\$ 4,584,996	\$ 4,398,777	8.2%
Nondepartmental	\$ 7,691	\$ -	\$ -	\$ -	0.0%
Miscellaneous	\$ (175,721)	\$ 470,000	\$ 341,522	\$ 500,000	6.4%
Debt Service	\$ 443,205	\$ 446,777	\$ 446,777	\$ 440,381	-1.4%
Appropriations Total	\$ 5,010,502	\$ 7,054,715	\$ 7,493,216	\$ 7,509,883	6.5%
Authorized Positions	13	13	13	13	

Budget Overview

The City continues to invest in the workforce by adding a 3% compensation increase for salary and corresponding benefits. Additionally, adjustments were made to various internal services charges related to technology management fees, insurance liabilities, fuel and central fleet as a cost of doing business. The sections below represents further initiatives made to the budget specific to the department.

The budget reflects an increase of 6.5% over FY17's Adopted budget primarily due to the increase in scheduled replacement vehicles in the upcoming year. This increase is seen in the appropriated fund balance of \$1,798,621.

DEBT SERVICE FUND

This service/reserve fund was established in FY05 to set aside resources to meet current and future debt service requirements on general long-term debt.

BUDGET SUMMARY

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
Revenue					
Interest Earnings	\$ 35,310	\$ 61,265	\$ 61,265	\$ 112,756	84.0%
Intergovernmental Revenue	\$ 1,962,043	\$ 1,958,738	\$ 1,958,738	\$ 330,177	-83.1%
Other Revenue	\$ 7,936,956	\$ -	\$ -	\$ -	0.0%
Property Tax	\$ 9,358,545	\$ 9,429,685	\$ 9,429,685	\$ 13,892,510	47.3%
Transfer from General Fund	\$ 9,971,933	\$ 9,334,832	\$ 9,334,832	\$ 9,334,832	0.0%
Revenue Total	\$ 29,264,788	\$ 20,784,520	\$ 20,784,520	\$ 23,670,275	13.9%
Appropriations					
Bond Interest	\$ 900,797	\$ 874,136	\$ 874,136	\$ 760,100	-13.0%
Bond Issuance	\$ 127,480	\$ -	\$ 20,000	\$ -	0.0%
Bond Principal	\$ 2,025,000	\$ 2,166,340	\$ 2,166,340	\$ 2,055,000	-5.1%
Fiscal Agent Fees	\$ 53,116	\$ 70,206	\$ 70,206	\$ 81,272	15.8%
Installment Interest	\$ 4,128,640	\$ 4,053,301	\$ 4,053,301	\$ 4,356,699	7.5%
Installment Principal	\$ 4,770,620	\$ 5,085,371	\$ 5,085,371	\$ 6,698,075	31.7%
Outstanding NHC Parks Bonds	\$ 605,613	\$ -	\$ -	\$ -	0.0%
Nondepartmental	\$ 87,483	\$ 85,588	\$ 87,040	\$ 138,863	62.2%
Miscellaneous	\$ 7,831,032	\$ -	\$ -	\$ -	0.0%
Reserve for Future Debt	\$ -	\$ 2,399,489	\$ 1,978,037	\$ 516,126	-78.5%
Transfer to Capital Projects Public Facilities	\$ 62,000	\$ 1,000,628	\$ 1,000,628	\$ 1,273,941	27.3%
Transfer to Capital Projects Streets and Sidewalk	\$ 2,407,598	\$ 650,910	\$ 1,050,910	\$ 2,436,392	274.3%
Transfer to Capital Projects Parks and Recreation	\$ 77,554	\$ 1,020,000	\$ 1,020,000	\$ 4,257,500	317.4%
Transfer to Capital Projects Project Parking	\$ -	\$ 190,000	\$ 190,000	\$ 402,471	111.8%
Transfer to General Fund	\$ 1,278,390	\$ 874,875	\$ 874,875	\$ -	-100.0%
Transfer to Parking Facilities	\$ 558,740	\$ 550,386	\$ 550,386	\$ 543,633	-1.2%
Unallocated Cost	\$ 138,890	\$ 150,765	\$ 150,765	\$ 150,203	-0.4%
Water & Sewer Fiscal Agent Fees	\$ 2,891	\$ 2,280	\$ 2,280	\$ -	-100.0%
Water & Sewer Installment Interest	\$ 557,995	\$ 505,245	\$ 505,245	\$ -	-100.0%
Water & Sewer Installment Principal	\$ 1,055,000	\$ 1,105,000	\$ 1,105,000	\$ -	-100.0%
Appropriations Total	\$ 26,668,840	\$ 20,784,520	\$ 20,784,520	\$ 23,670,275	13.9%

Budget Overview

Along with maintaining the current AAA rating with credit agencies Standard & Poor's and Fitch, Moody's upgraded their rating to Aaa in April 2017. The higher bond rating results in lower interest costs on long-term debt. The credit rating agencies base their ratings on a number of factors. The area's healthy and

diverse economy, very strong financial management, budgetary flexibility provided by ample operating reserves, and manageable long-term obligations are factors used in providing a rating.

The Debt Service Fund will reserve approximately \$23.7 million to cover current and future debt obligations associated with the Capital Improvement Program. FY15 recognized the final GO Bond debt payments from the Authority and that debt was retired in FY16 with associated Other Debt retired in FY17. All debt to the Authority that originated in FY15 is now fully retired.

The expenditures also reflect transfers of 20% of the FY18 project totals resultant from the implementation of the 80/20 capital plan. This plan provides for a dedicated \$0.0500 cents on the City's ad valorem rate to provide for an 80% financed, 20% pay-as-you-go plan for the City's recommended 5-year Capital Improvement Program for FY13 through FY17. Effective in FY18, the City will enter in to the second multi-year CIP plan utilizing the same dedicated tax rate of \$0.0500 cents on the City's ad valorem rate to provide for an 80% financed, 20% pay-as-you-go plan.

Effective July 1, 2015, the Debt Service Fund has a dedicated \$0.0200 cents on the City's tax rate due to an approved \$55M Bond Referendum for streets, sidewalks and other transportation Improvements. This consists of \$44 million of General Obligation Bonds, plus an additional \$11 million of pay-go projects.

In November 2016, City voters approved a \$30.465 million General Obligation Bond Referendum for parks and recreation projects. An increase to the City's property tax rate of \$0.0193 is proposed to be effective with the adoption of the FY18 budget. The bonds represent 80% of a \$38,080,000 addition to the City's capital improvement program, with \$7,615,000 to be funded from pay-as-you-go funding from the same \$0.0193 tax increase.

TECHNOLOGY REPLACEMENT FUND

This internal service fund provides for the scheduled replacement of computers and other technology hardware in order to fully realize the benefits of improving technology and assures that the organization's workforce has the tools available to maximize productivity. The fund also provides for cloud computing services.

BUDGET SUMMARY

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
Revenue					
Technology Replacement Charges	\$ 493,585	\$ 436,125	\$ 436,125	\$ 601,364	37.9%
Appropriated Fund Balance	\$ -	\$ 450,000	\$ 463,339	\$ 459,276	2.1%
Transfer from General Fund	\$ 480,000	\$ 349,915	\$ 372,595	\$ 324,365	-7.3%
Revenue Total	\$ 973,585	\$ 1,236,040	\$ 1,272,059	\$ 1,385,005	12.1%
Appropriations					
Operating	\$ 451,679	\$ 615,240	\$ 651,259	\$ 618,976	0.6%
Outlay	\$ 266,645	\$ 620,800	\$ 620,800	\$ 766,029	23.4%
Appropriations Total	\$ 718,324	\$ 1,236,040	\$ 1,272,059	\$ 1,385,005	12.1%

Budget Overview

The IT Department's Technology Fund's FY18 budget continues to provide for the replacement of scheduled equipment including personal computers, docking stations, and other miscellaneous computer equipment. The IT Department is recommending a realignment of this fund to provide replacement for all devices and services related to computer equipment use by the employees of the City of Wilmington. The department is proposing a three-year plan of \$50 increase per device per year. The initial increase will be used to cover network services which include networking equipment and service fees. In FY17, the standard charge was \$500 per computer seat. In FY18, the recommended standard charge is \$550 per computer seat. The goal of this increase is to make it a sustainable source of funds to keep the City's technology current and reduce the need for extraneous costs to fix out dated technology.

CONVENTION CENTER OPERATIONS FUND

This operating fund was established in FY 2007-08 to set aside resources to meet operating expenditures associated with the construction and operation of the Convention Center.

BUDGET SUMMARY

	FY16 Actual	FY17 Adopted	FY17 Adjusted	FY18 Recommend	Change FY17 to FY18
Revenue					
Room Occupancy Tax	\$ 1,645,399	\$ 5,131,886	\$ 5,131,886	\$ 4,559,641	-11.2%
Convention Center Revenue	\$ 58,304,690	\$ 3,496,582	\$ 3,496,582	\$ 2,982,255	-14.7%
Convention Center Parking Deck Revenue	\$ 308,646	\$ 331,293	\$ 331,293	\$ 563,310	70.0%
Revenue Total	\$ 60,258,735	\$ 8,959,761	\$ 8,959,761	\$ 8,105,206	-9.5%
Appropriations					
Operating	\$ 4,377,405	\$ 4,314,469	\$ 4,225,235	\$ 4,282,768	-0.7%
Outlay	\$ 45,128	\$ 320,000	\$ 355,000	\$ 335,000	4.7%
Miscellaneous	\$ -	\$ 290,015	\$ 344,299	\$ (28,284)	-109.8%
Allocated Cost	\$ 16,210	\$ 16,783	\$ 16,783	\$ 16,783	0.0%
Debt Service	\$ 59,541,246	\$ 4,018,494	\$ 4,018,494	\$ 3,498,939	-12.9%
Appropriations Total	\$ 63,979,989	\$ 8,959,761	\$ 8,959,811	\$ 8,105,206	-9.5%

Budget Overview

The FY18 appropriated budget for the Convention Center Operations Fund reflects a decrease of 9.5% over FY17. The FY18 appropriated budget contributes to the Convention Center project, which is cumulative in nature. Revenues and Expenditure appropriations contribute to this on-going project. An increase in expected revenue is shown in the Convention Center Parking Deck (70%) based on the expected opening of the adjoining hotel in fall of FY18. Debt service is experiencing a decrease due refinancing of the Convention Center installment financing at a lower interest rate. The Miscellaneous appropriation is a - \$28,284 in the Budget Reserve, reducing a multi-year project reserve to expected levels.

The budget also funds personnel expenditures for food and beverage operations, and general administrative costs. Funding for the continued management by SMG, marketing by the Convention and Visitors Bureau (CVB), and the ongoing coordination and management by City staff is also included.

SPECIAL PURPOSE FUND

The Special Purpose Fund is primarily supported by grants, donations to the City, and contributions from the General Fund for special purpose projects. Each project is identified with its own project title and code and is life-to-date.

BUDGET SUMMARY

	FY17 Adopted	FY18 Recommend	Change FY17 to FY18
Affordable Housing Programs - 2EP100			
Operating	\$ -	\$ 1,563	100.0%
Total	\$ -	\$ 1,563	100.0%
Annual Housing Summit - 14EP10			
Reserve	\$ 7,000	\$ 7,000	0.0%
Total	\$ 7,000	\$ 7,000	0.0%
Homeownership Services - 3EP100			
Operating	\$ 25,480	\$ 17,935	-29.6%
Total	\$ 25,480	\$ 17,935	-29.6%
Convention Center - 05ED10			
Debt/Operating	\$ 5,131,886	\$ 4,559,641	-11.2%
Total	\$ 5,131,886	\$ 4,559,641	-11.2%
Metropolitan Planning Administration - MP1718			
Personnel	\$ 563,272	\$ 624,826	10.9%
Benefits	\$ 174,425	\$ 205,777	18.0%
Operating	\$ 184,862	\$ 206,229	11.6%
Total	\$ 922,559	\$ 1,036,832	12.4%
Red Light Cameras - Safelight - 08TR10			
Operating	\$ 1,669,595	\$ 1,742,156	4.3%
Total	\$ 1,669,595	\$ 1,742,156	4.3%
SABLE - 06PD50 and 07PD60			
Personnel	\$ 154,893	\$ 171,221	10.5%
Benefits	\$ 35,213	\$ 36,105	2.5%
Operating	\$ 127,014	\$ 126,480	-0.4%
Total	\$ 317,120	\$ 333,806	5.3%
TOTAL SPECIAL PURPOSE	\$ 8,073,640	\$ 7,698,933	-4.6%

Budget Overview

The City of Wilmington has available program income in the Affordable Housing Programs project. Program income of \$1,563 is available from interest on investments and miscellaneous income. Funds are used in the project to provide grants and supplies for Lead Base Paint Removal. In 2018 the available program income of \$1,563 is recommended to support Lead Base Paint Removal.

The budget for the Affordable Housing Summit is an ongoing project and is funded with a transfer of \$7,000 from the General Fund.

The Homeownership Services project has three revenue sources. The City of Wilmington receives origination fees from participating banks on the bank's portion of the HOME Ownership Program (HOP) loans in accordance with the HOP agreement between the City and the Banks. Income is also received from course registration fees paid by realtors and brokers who become certified in the HOP program and application fees. These funds are used to support the costs associated with providing homebuyer education, workshops, counseling, and outreach to prospective first time homebuyers. In 2018, \$17,935 is recommended to be appropriated to support workshops, training, and outreach to prospective homebuyers.

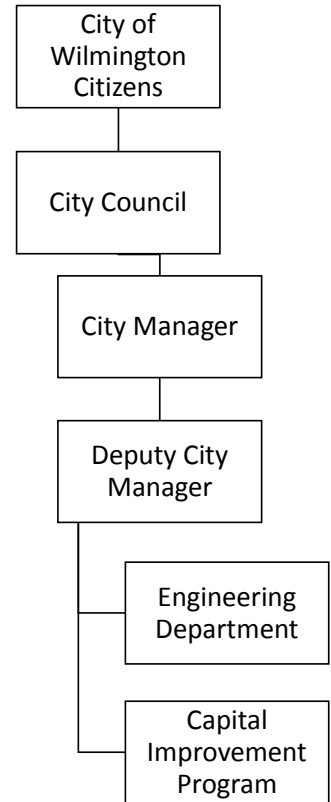
Room Occupancy Tax revenues are recorded in the Special Purpose Fund to support the operating expenditures in the Convention Center operations fund.

The budget for the Metropolitan Planning Administration, or WMPO, is included in the Special Purpose Fund however, is presented under Community Development with the Planning, Development and Transportation Department budget.

The budget for the continued operation of the Safelight program reflects the operating expenditures and the required 90% contribution of the total fines paid to the New Hanover County Board of Education. The budget for FY17 was \$1,669,595 and the recommended FY18 budget is \$1,742,156 a variance of 4.3%.

The budget for SABLE is also included in the Special Purpose Fund however, is presented under Public Safety with the Police Department budget.

CAPITAL IMPROVEMENT FUNDS



CAPITAL BUDGETING

Capital improvement programming is a critical procedure for identifying major facility needs, projecting fiscal resources, establishing priorities, and developing defined project schedules to meet the City of Wilmington capital needs. Capital projects, for the purpose of the Capital Improvement Program (CIP), are generally defined as fixed assets that have a useful life greater than five years and with a cost of \$50,000 or greater. Regular purchases of vehicles and equipment for routine operations and most maintenance and repair costs for City facilities are funded through the annual operating budget.

Once adopted by the City Council, the CIP becomes a policy document regarding the timing, location, character, and funding of future capital projects. It is recognized that the policy represented by the CIP reflects the best judgment of the City Council at the time, and that changing capital priorities, fiscal constraints, and additional needs are likely to become apparent before the program is completed.

The policy established by the CIP provides important guidance for City administration, boards, and commissions appointed by the City Council in regards to municipal governance as it relates to the following matters:

- Preparation of the capital portion of the annual operating budget
- Scheduling and prioritization of project planning and scheduling
- Financial modeling regarding the financing of debt
- Planning efforts of businesses, developers and community organizations

Capital improvement programming provides a bridge between general long-term and short-term project planning. In this process, the long-term objectives of the City are reviewed and translated into a more specific and well defined, multi-year program of five years.

It should be noted, the projects and funding figures shown in this section are included due to their inclusion in the financial funding plan. Where projects have prior appropriation, a note is included.

2nd CIP: 80/20 CAPITAL DEBT PLAN

The FY18-FY23 CIP reflects a financing strategy implemented in FY18 that provides a dedicated \$0.0018 of the property tax rate for maintenance and new infrastructure needs. Eighty percent (80%) of the rate pays for debt and 20% pays for pay-as-you-go projects – 80/20 Capital Debt Plan. The projects represented in the plan are individual projects consistent with City Council goals and objectives and within a framework of identified priorities.

In order to put this plan into place, it is recommended the Wilmington City Council adopt a tax rate of \$0.0018 cents over revenue neutral in the 2017 revaluation year for the FY18 budget. That \$0.0018 cents funds the 2nd CIP plan (with the exception of Enterprise Fund projects such as Storm Water, Parking and a transfer from the General Fund balance in the Public Facilities section). The dedicated rate is restricted in the Debt Service Fund by Ordinance and as changes occur in future revaluation years, the tax rate can be

adjusted as needed. The prioritization of the recommended projects as well as the funding plan will be determined in the years of actual appropriation.

2016 PARKS BOND GENERAL OBLIGATION BONDS

In November 2016, the voters of Wilmington approved by a 64% margin a \$30.465 million General Obligation Bond Referendum for parks and recreation projects. A future increase to the City's property tax rate of \$0.0193 was expected to be implemented in the FY18 Budget to fund the 2016 Parks Bond. Proposed bonds represent 80% of a \$38,080,000 addition to the City's capital improvement program, with \$7,615,000 to be funded from pay-as-you-go funding from the same \$0.0193 tax increase. Adjusted for a net neutral as FY17 was a revaluation year, the dedicated tax rate for the Parks Bond is 1.8 cents in FY18 Recommended Budget. Funding for all approved bond projects has been appropriated and a complete list of can be found on the City's website.

CAPITAL IMPROVEMENT PROGRAM SUMMARY

The Capital Improvement Program spans a six-year period covering FY18 through FY23 for all categories except Storm Water which is a five-year period covering FY18-FY22. Project costs, descriptions, and funding plans are presented in four (4) programmatic categories which include Streets and Sidewalks, Parks and Recreation, Public Buildings and Facilities, and Storm Water.

The **Streets and Sidewalks** program addresses major thoroughfare needs, street maintenance and rehabilitation, sidewalk construction and repair at a six-year projected cost of \$31,898,361.

The **Parks and Recreation** program provides for development of existing parks and funding for the maintenance and repair of various park facilities and structures throughout the City at a six year projected cost of \$40,759,783.

The **Public Facilities** program consists of funding for various public improvements. The six-year projected cost for this program is \$32,401,793.

The **Storm Water** program continues the City's efforts to proactively manage and mitigate the effects of storm water runoff, alleviate flooding, improve and maintain the drainage systems and drainage capacity of watercourses and containment structures City-wide at a projected cost of \$13,987,000 over five years.

The **Golf** program consists of funding for various Golf Course improvements. The six-year projected cost for this program is \$1,000,000.

CAPITAL IMPROVEMENT COST SUMMARY BY PROGRAM
FY18 through FY23

Funds	Total										2018-2023	
	FY18	FY19	FY20	FY21	FY22	FY23	FY18-FY23	FY23	FY22	FY21	FY18-FY23	2nd 80/20 Plan
Streets & Sidewalks*	\$ 2,418,684	\$ 4,923,095	\$ 2,015,781	\$ 994,373	\$ 9,496,435	\$ 12,049,993	\$ 31,898,361	\$ 12,049,993	\$ 9,496,435	\$ 994,373	\$ 31,898,361	\$ 31,898,361
Parks & Recreation	\$ 37,392,569	\$ 726,968	\$ 1,052,228	\$ 198,386	\$ 489,632	\$ 900,000	\$ 40,759,783	\$ 900,000	\$ 489,632	\$ 198,386	\$ 40,759,783	\$ 3,679,783
Public Buildings & Facilities**	\$ 21,743,353	\$ 2,069,191	\$ 3,797,750	\$ 3,173,000	\$ 791,212	\$ 827,287	\$ 32,401,793	\$ 827,287	\$ 791,212	\$ 3,173,000	\$ 32,401,793	\$ 23,530,969
Storm Water	\$ 3,300,000	\$ 3,300,000	\$ 1,500,000	\$ 2,570,000	\$ 3,317,000	\$ -	\$ 13,987,000	\$ -	\$ 3,317,000	\$ 2,570,000	\$ 13,987,000	\$ -
Golf	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -
Total, Cost Summary	\$ 65,854,606	\$ 11,019,254	\$ 8,365,759	\$ 6,935,759	\$ 14,094,279	\$ 13,777,280	\$ 120,046,937	\$ 13,777,280	\$ 14,094,279	\$ 6,935,759	\$ 120,046,937	\$ 59,109,113

*Includes \$600,000 (FY18) and \$1,400,000 (FY19) of prior year appropriation in Streets and Sidewalks

CAPITAL IMPROVEMENT REVENUE SUMMARY BY SOURCE
FY18 through FY23

Financing	Total										2018-2023	
	FY18	FY19	FY20	FY21	FY22	FY23	FY18-FY23	FY23	FY22	FY21	FY18-FY23	2nd 80/20 Plan
Debt Service Fund	\$ 2,350,304	\$ 1,690,304	\$ 1,485,152	\$ 985,152	\$ 2,155,456	\$ 2,755,456	\$ 11,421,824	\$ 2,755,456	\$ 2,155,456	\$ 985,152	\$ 11,421,824	\$ 11,421,824
Installment Financing - 80/20 Plan	\$ 12,653,478	\$ 4,628,950	\$ 5,380,607	\$ 3,380,607	\$ 8,621,823	\$ 11,021,824	\$ 45,687,289	\$ 11,021,824	\$ 8,621,823	\$ 3,380,607	\$ 45,687,289	\$ 45,687,289
Prior year appropriation*	\$ 600,000	\$ 1,400,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000
General Fund	\$ 7,960,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,960,200	\$ -	\$ -	\$ -	\$ 7,960,200	\$ -
Installment Financing**	\$ 472,474	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 472,474	\$ -	\$ -	\$ -	\$ 472,474	\$ -
Parking Fund	\$ 438,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 438,150	\$ -	\$ -	\$ -	\$ 438,150	\$ -
Storm Water Fund	\$ 3,300,000	\$ 3,300,000	\$ 1,500,000	\$ 2,570,000	\$ 3,317,000	\$ -	\$ 13,987,000	\$ -	\$ 3,317,000	\$ 2,570,000	\$ 13,987,000	\$ -
Parks Bond	\$ 38,080,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,080,000	\$ -	\$ -	\$ -	\$ 38,080,000	\$ -
Total, Revenue Summary	\$ 65,854,606	\$ 11,019,254	\$ 8,365,759	\$ 6,935,759	\$ 14,094,279	\$ 13,777,280	\$ 120,046,937	\$ 13,777,280	\$ 14,094,279	\$ 6,935,759	\$ 120,046,937	\$ 59,109,113

*16ST20 was appropriated in FY17; Project originally not in financing model but is included in the 2nd CIP model

**Additional Water Street Deck Expenditures project includes \$472,474 of Installment Financing to adjust the 3MF200 project to authorized financing amount of \$21M

STREETS AND SIDEWALKS

		Second Six Year 80/20 Plan											
		Year 6		Year 7		Year 8		Year 9		Year 10		Year 11	
		Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Total
Code	Project Title	2017-18	2018-19	2019-20	2020-21	2021-2022	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	Total
	RECOMMENDED												
*16ST20	*Chestnut & Grace Street Improvements (Water Street Deck Project)	600,000	1,400,000	-	-	-	-	-	-	-	-	-	2,000,000
17SW10	Sidewalk Rehab/Repairs	250,000	250,000	-	150,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	2,650,000
17BR20	Bridge Repair	21,737	303,323	22,781	419,373	24,035	271,357	271,357	271,357	271,357	271,357	271,357	1,062,606
18SR10	Brick Street Rehabilitation	250,000	250,000	-	-	500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	2,500,000
18ST10	Market St LED upgrade	183,447	-	-	-	-	-	-	-	-	-	-	183,447
18ST20	Riverfront Assessment Update	53,500	-	-	-	-	-	-	-	-	-	-	53,500
18ST15	Interchange Upgrade (Kerr & MLK)	500,000	-	-	-	-	-	-	-	-	-	-	500,000
13ST10	Coordinated Improvements w/CEPLUA	-	1,600,000	1,305,000	-	-	1,000,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	3,000,000
17SR10	Streets Rehabilitation	-	300,000	200,000	300,000	500,000	200,000	500,000	500,000	200,000	200,000	200,000	1,500,000
45W200	Pedestrian/Bike Improvements	-	259,772	-	-	-	-	-	-	-	-	-	259,772
TBD	Riverwalk: Red Cross Riverwalk Access (ALOFT Hotel)	-	560,000	488,000	-	-	-	-	-	-	-	-	560,000
TBD	US 74 (Eastwood Road), SR 1409 (Military Cutoff Road) Interchange Upgrade	-	-	-	-	-	-	-	-	-	-	-	488,000
TBD	Independence Blvd Screen Wall Repair	-	-	-	125,000	152,000	-	-	-	-	-	-	277,000
TBD	Downtown Alley Improvements	-	-	-	-	-	-	-	-	-	-	-	488,000
TBD	Riverwalk South Handrails	-	-	-	-	-	-	-	-	-	-	-	403,636
TBD	Market Street Access Management Improvements	-	-	-	-	-	-	-	-	-	-	-	1,550,400
TBD	Total - Streets and Sidewalks Recommended	2,418,684	4,923,095	2,015,781	994,373	9,496,435	12,049,993	12,049,993	12,049,993	12,049,993	12,049,993	12,049,993	31,898,361

*16ST20 Appropriated in FY17; Project originally not in financing model but is included in the 2nd CIP model

		Second Six Year 80/20 Plan											
		Year 6		Year 7		Year 8		Year 9		Year 10		Year 11	
		Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Total
Code	Project Title	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	Total
	RECOMMENDED												
	Funding Source												
	Debt Service Fund	416,392	834,208	289,856	157,819	874,612	1,028,169	1,028,169	1,028,169	1,028,169	1,028,169	1,028,169	3,601,056
	Installment Financing - 80/20 Plan	1,402,292	2,688,887	1,725,925	836,554	8,621,823	11,021,824	11,021,824	11,021,824	11,021,824	11,021,824	11,021,824	26,297,305
	*Prior year appropriation	600,000	1,400,000	-	-	-	-	-	-	-	-	-	2,000,000
	Total Funding 80/20 Plan	2,418,684	4,923,095	2,015,781	994,373	9,496,435	12,049,993	12,049,993	12,049,993	12,049,993	12,049,993	12,049,993	31,898,361
	Total Funding - Streets and Sidewalks	2,418,684	4,923,095	2,015,781	994,373	9,496,435	12,049,993	12,049,993	12,049,993	12,049,993	12,049,993	12,049,993	31,898,361

LEGEND

Blue Fill = Second Six Year 80/20 model

PARKS AND RECREATION

Parks and Recreation Project Cost													
Second Six Year 80/20 Plan													
	Year 6		Year 7		Year 8		Year 9		Year 10		Year 11		
	Estimated	2017-18	Estimated	2018-19	Estimated	2019-20	Estimated	2020-21	Estimated	2021-22	Estimated	2022-23	Total
RECOMMENDED													
Code	Project Title												
18PK10	Bijou Park Renovation	69,319	483,718	-	-	-	-	-	-	-	-	-	553,037
17PK15	Park Facilities Maintenance	243,250	243,250	289,070	289,070	198,386	198,386	489,632	489,632	900,000	900,000	-	2,363,588
3PK150	Riverfront Park Phase IA	-	-	725,708	725,708	-	-	-	-	-	-	-	725,708
06PK30	Parks, Recreation and Open Space Master Plan Update	-	-	37,450	37,450	-	-	-	-	-	-	-	37,450
	Total - Parks and Recreation Recommended	312,569	726,968	1,052,228	1,052,228	198,386	198,386	489,632	489,632	900,000	900,000	-	3,679,783

Parks and Recreation Funding Plan													
Second Six Year 80/20 Plan													
	Year 6		Year 7		Year 8		Year 9		Year 10		Year 11		Total
	Estimated	2017-18	Estimated	2018-19	Estimated	2019-20	Estimated	2020-21	Estimated	2021-22	Estimated	2022-23	Total
Funding Source													
Debt Service Fund	257,500	330,158	430,872	430,872	198,386	198,386	489,632	489,632	900,000	900,000	-	-	2,606,548
Installment Financing - 80/20 Plan	55,069	396,810	621,356	621,356	-	-	-	-	-	-	-	-	1,073,235
Total Funding 80/20 Plan	312,569	726,968	1,052,228	1,052,228	198,386	198,386	489,632	489,632	900,000	900,000	-	-	3,679,783
Total Funding - Parks and Recreation	312,569	726,968	1,052,228	1,052,228	198,386	198,386	489,632	489,632	900,000	900,000	-	-	3,679,783

LEGEND
Blue fill = Second Six Year 80/20 model

Public Facilities Project Costs												
Second Six Year 80/20 Plan												
Code	Project Title	Year 6		Year 7		Year 8		Year 9		Year 10		Total Year 6 - 11 Total
		Estimated 2017-18	Estimated 2018-19	Estimated 2019-20	Estimated 2020-21	Estimated 2021-22	Estimated 2022-23					
10MF10	Police, Fire and City Training Facility	9,640,878	-	-	-	-	-	-	-	-	-	9,640,878
17MF05	Building Maintenance	387,941	187,941	255,000	149,000	791,212	-	-	-	827,287	-	2,598,381
18MF10	HVAC Replacement	886,000	1,015,000	-	-	-	-	-	-	-	-	1,901,000
3MF200	Chestnut Street Deck Elevated Walkway	1,400,000	600,000	-	-	-	-	-	-	-	-	2,000,000
3MF200	Additional Water Street Deck Expenditures**	1,030,184	-	-	-	-	-	-	-	-	-	1,030,184
17PK15	Parks Maintenance Facility	-	266,250	3,195,000	-	-	-	-	-	-	-	3,461,250
TBD	Riverlights Fire Station	-	-	347,750	3,024,000	-	-	-	-	-	-	3,371,750
18MF20	IT Core System Replacement	4,500,000	-	-	-	-	-	-	-	-	-	4,500,000
10MF10	Police, Fire and City Training Facility Contingency	750,000	-	-	-	-	-	-	-	-	-	750,000
18MF15	800 MHz Radio Replacement	2,710,200	-	-	-	-	-	-	-	-	-	2,710,200
13MF20	Market Street Deck Lighting Replacement	138,150	-	-	-	-	-	-	-	-	-	138,150
18MF25	IPS Meters	300,000	-	-	-	-	-	-	-	-	-	300,000
	Total Funding 80/20 Plan	12,872,529	2,069,191	3,797,750	3,173,000	791,212	-	-	-	827,287	-	23,530,969
	Total - Public Facilities Recommended	21,743,353	2,069,191	3,797,750	3,173,000	791,212	-	-	-	827,287	-	32,401,793
**Additional Water Street Deck Expenditures includes \$472,474 to adjust the 3MF200 project to authorized financing amount of \$21M												

Public Facilities Funding Plan												
Funding Source	Estimated 2017-18	Estimated 2018-19	Estimated 2019-20	Estimated 2020-21	Estimated 2021-22	Estimated 2022-23	Total					
							Estimated 2022-23	Total				
Debt Service Fund	1,676,412	525,938	764,424	628,947	791,212	827,287	-	5,214,220				
Installment Financing - 80/20 Plan	11,196,117	1,543,253	3,033,326	2,544,053	-	-	-	18,316,749				
Installment Financing	472,474	-	-	-	-	-	-	472,474				
General Fund Fund Balance	7,960,200	-	-	-	-	-	-	7,960,200				
Parking Fund	438,150	-	-	-	-	-	-	438,150				
Total Funding 80/20 Plan	12,872,529	2,069,191	3,797,750	3,173,000	791,212	827,287	-	23,530,969				
Total Funding - Public Facilities	21,743,353	2,069,191	3,797,750	3,173,000	791,212	827,287	-	32,401,793				

LEGEND
 Blue fill = Second Six Year 80/20 model
 Orange fill = General Fund Fund Balance
 Pink fill = Installment Financing
 Green fill = Parking Fund

Project Costs

Code	Project Title	RECOMMENDATION					ESTIMATED			TOTAL
		2017-18	2018-19	2019-20	2020-21	2021-22	2018-19	2020-21	2021-22	
14DC10	Clear Run Branch	2,300,000	2,300,000							4,600,000
TBD	Pirates Cove				460,000					460,000
TBD	Whispering Pines/Masonboro Drainage Improvements				610,000			1,475,000		2,085,000
TBD	Kelly Road							342,000		342,000
07DC20	Annual Storm Drain Rehabilitation	1,000,000	1,000,000	1,500,000	1,500,000			1,500,000		6,500,000
	Total - Storm Water Projects	3,300,000	3,300,000	1,500,000	2,570,000	1,500,000	2,570,000	3,317,000		13,987,000

Funding Plan

Funding Source	ESTIMATED					ESTIMATED			TOTAL
	2017-18	2018-19	2019-20	2020-21	2021-22	2017-18	2020-21	2021-22	
f = Stormwater Pay-Go	7,088,045	3,300,000	1,500,000	2,570,000	3,317,000				17,775,045
b2 = Revenue Bonds*	(3,788,045)								(3,788,045)
Total Funding	3,300,000	3,300,000	1,500,000	2,570,000	3,317,000				13,987,000

*Reducing Revenue Bonds and replacing with Pay-go

PARKS BOND PROJECTS

Code	Project Title	2017-18
18PK60	Northern Waterfront Park Site Development	20,000,000
18PK63	Soccer Complex	10,000,000
18PK65	Derick Davis Community Center Expansion	1,580,000
18PK67	Park Security Enhancements	50,000
18PK73	Wade Park Building Improvements	85,000
18PK75	Althea Gibson Tennis Complex Resurfacing	40,000
18PK77	Parking Lot Improvements	30,000
18PK80	Skate Park Office Replacement	65,000
18PK57	Municipal Golf Course Improvements	1,000,000
18PK70	Cross City Trail (Eastwood Parking)	25,000
18PK83	MLK Community Center Expansion & Improvements	1,830,000
18OK85	Greenfield Park Improvements	500,000
18PK87	Olsen Park Bond	2,000,000
18PK90	Bradley Creek Canoe & Kayak Launch (Pecan)	220,000
18PK93	Halyburton Maintenance Building Expansion	305,000
18PK95	Contingency	350,000
Parks Bond Total		38,080,000

Funding Source	
Debt Service Fund	7,615,000
Installment Financing - 80/20 Plan	30,465,000
Total Funding 80/20 Plan	38,080,000