

**City of Wilmington, North Carolina
FISCAL YEAR 2020
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 2020.

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 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 Facilities, Parking and Stormwater. Funds for these improvements come from transfers from the City's 80/20 Capital Debt Plan, the Parking Fund, Stormwater 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 strategy.
 - *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.

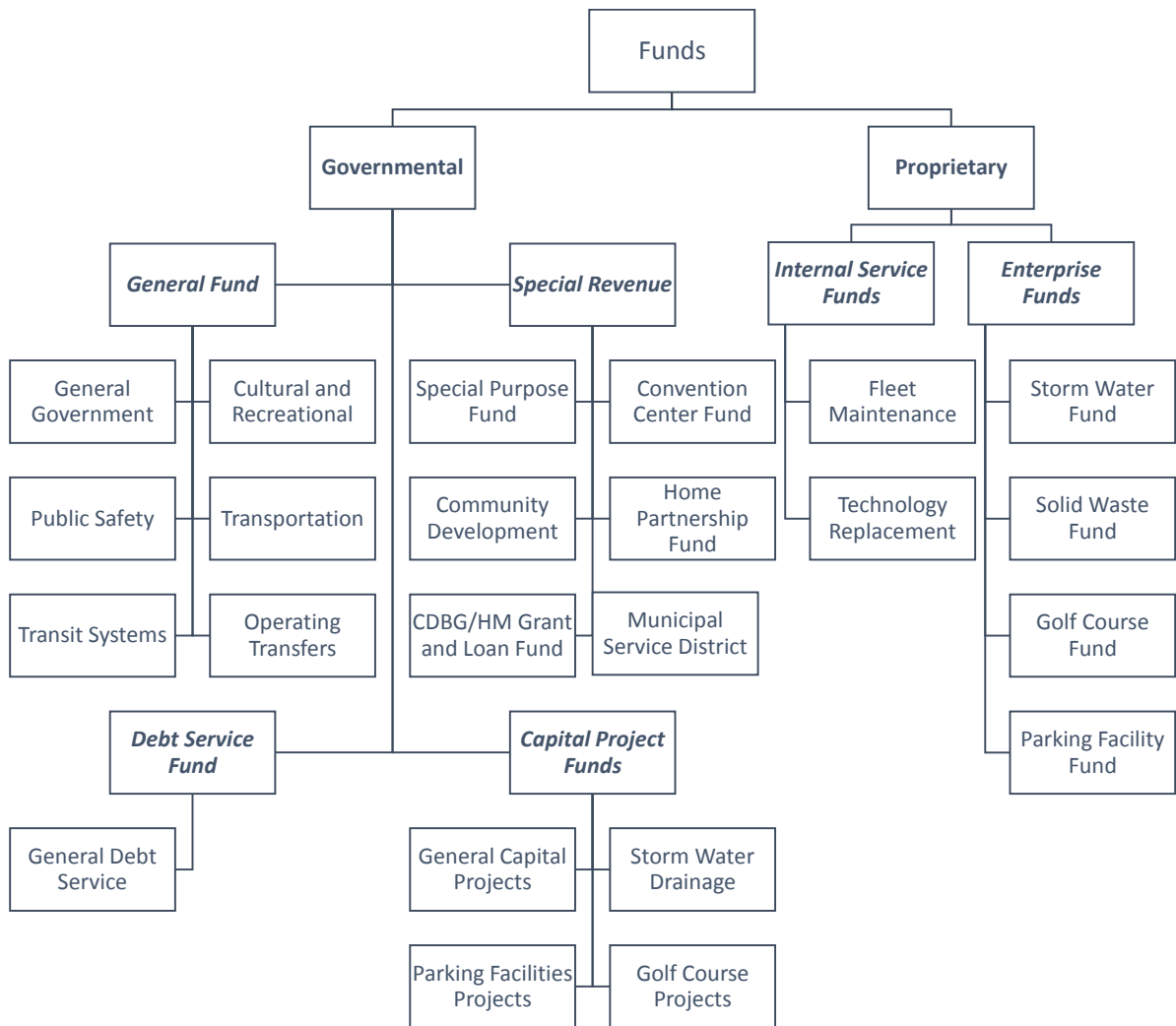


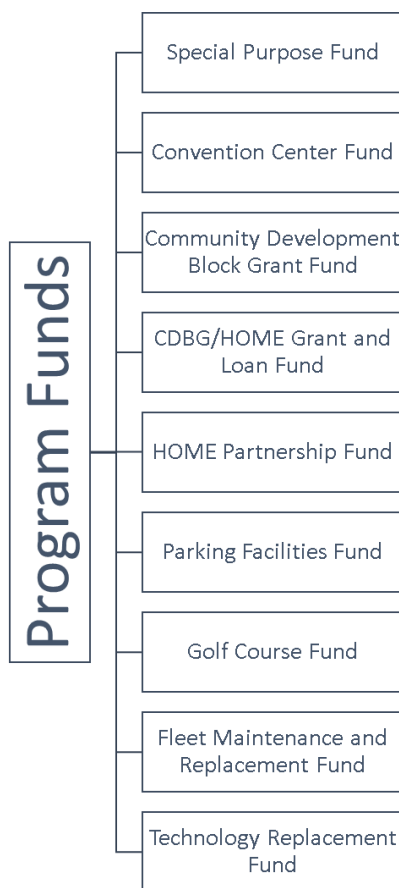
Figure 2: These funds provide for all the basic operations of the City.

FUNDS SUBJECT TO APPROPRIATION BY CATEGORY

The *General Fund (010/100)* 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 (050/500)* 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 (056/560)* 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 (021/210)* is supported primarily by grant funds and donations to the City for special purposes.

The *Convention Center Operating Fund (022/220)*, 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 (023/223)* 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 (024/224)* 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 (025/225)* is supported primarily by federal grant funds allocated to the City for housing-related activities in low and moderate income neighborhoods.

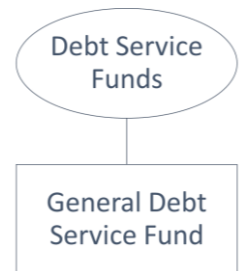
The *Parking Facilities Fund (055/550)* provides for the general operational and maintenance costs for the Second and Market Street parking decks, the Second Street and Hannah Block parking lots, and on-street parking. The fund is supported by parking deck and meter user fees as well as interest earnings.

The *Golf Course Fund (057/570)* 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 (061/610)* 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.

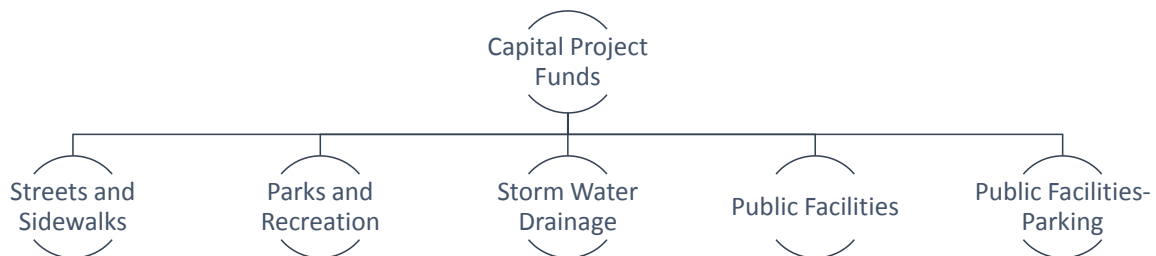
The *Technology Replacement Fund (065/650)* is an internal service fund that provides for the replacement of technology to reduce the technology gap and off-site hosting of certain applications. Revenues for this fund consist of internal charges to City departments according to the type of device and a subsidy from the General Fund.

The *Debt Service Fund (015/150)* 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 *Special Tax District (029/215)* is the municipal service district in the Wilmington's central business district established for services beyond the scope provided already by City services.

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.

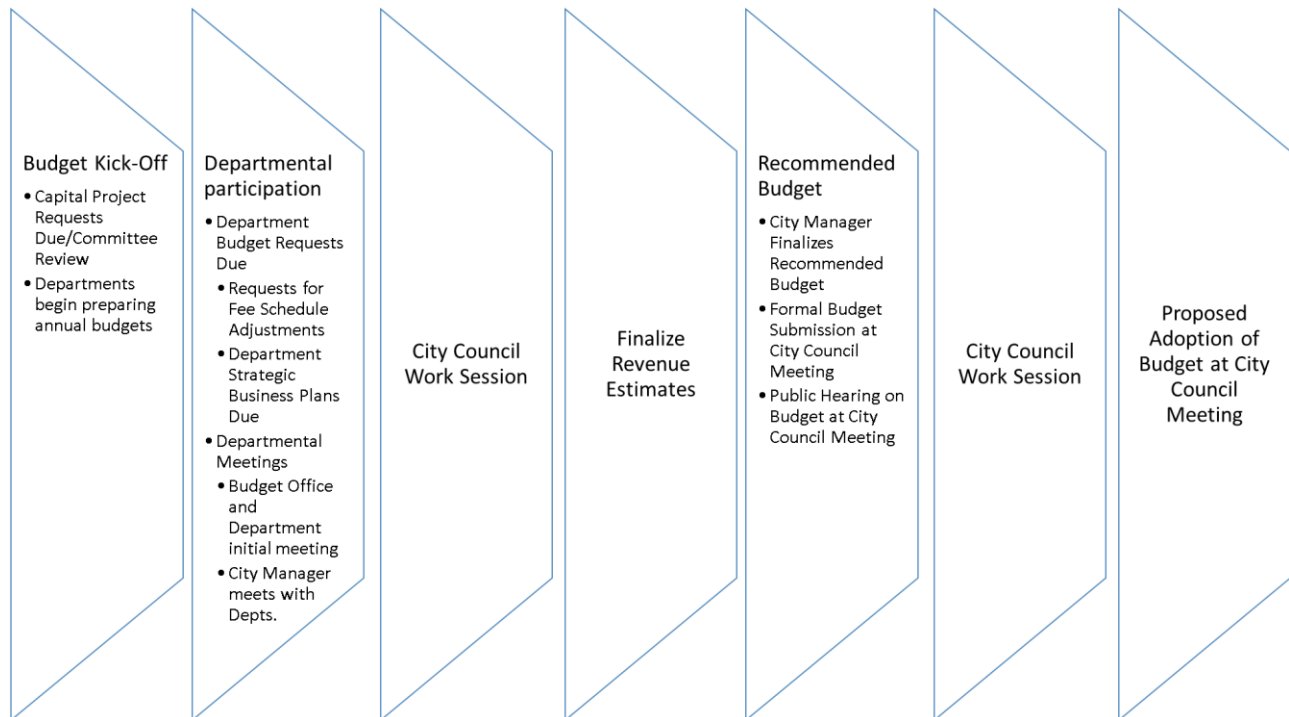
Proposed ordinance amendments are prepared by the administration and include a statement by the Finance Officer as to the availability of funds. A cover letter provides background information and the City Manager’s recommendation on the proposed amendment. Ordinances require two readings for adoption.

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.

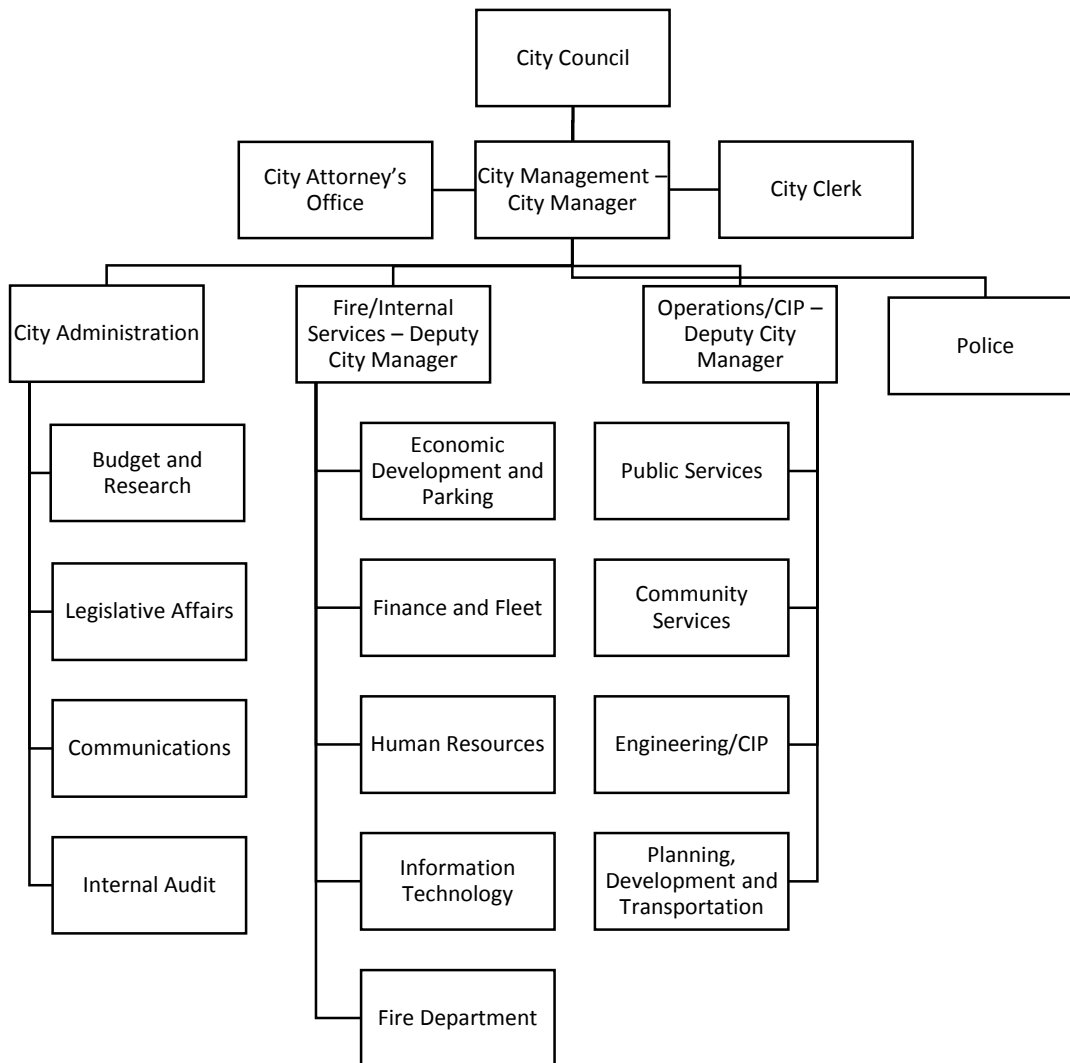
SCHEDULE OF EVENTS FOR THE PREPARATION OF THE FY20 BUDGET

Event	Date
Strategic Council Work Session	Nov 2, 2018
Budget Kick-Off and Instructions	Dec 4, 2018
Department Budget Requests Due	Jan 31, 2019
Requests for Fee Schedule Adjustments Due	Jan 31, 2019
Budget Office/Department Budget Meetings	Feb 11 - 20, 2019
City Manager/Budget Office/Department Budget Meetings	Mar 1 - 8, 2019
City Council Budget Work Session	Mar 29, 2019
Finalize Revenue Estimates	April 10, 2019
City Manager Finalizes Recommended Budget	April 22, 2019
Formal Budget Submission at City Council Meeting	May 7, 2019
Public Hearing on Budget at City Council Meeting	May 21, 2019
City Council Budget Work Session	May 24, 2019
Budget Adoption at City Council Meeting	June 4 & June 18, 2019

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.

TRANSMITTAL



April 25, 2019

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

Transmitted, herewith, I am pleased to present to the Wilmington City Council, the Fiscal Year 2020 Recommended Budget (beginning July 1, 2019 and ending June 30, 2020) as required by the City Charter and in accordance with §159-11 of the North Carolina General Statutes. Accompanying the city's financial plan for city services is a continuation of the third year of the FY18-23 Capital Improvement Program (CIP). The recommended budget meets the statutory and administrative obligations to prepare and present a balanced budget for your consideration.

It is important to note, that our community experienced a significant weather event, Hurricane Florence, in September of 2019 that caused catastrophic damage impacting most of the citizenry. Staff thought it was imperative and consistent with Council feedback to avoid a property tax increase so that the community can continue to recover and rebuild without further burdens. The recommended budget continues with the current ad valorem tax rate of 49.84 cents per \$100 assessed value. Many, but not all, well-meaning services are included in the presented budget.

The total projected budget equals \$200,693,458 with a net budget for FY20 of \$182,233,549 that represents a 7% or \$11,911,840 increase from *FY19 Adopted Budget* of \$170,321,709. This is mainly due to three reasons. First, the *FY20 Recommended Budget* includes the use of General Fund undesignated fund balance for legal obligations totaling \$3,000,000, a 467% increase over FY19's adopted amount. Secondly, the Stormwater Management Fund has budgeted \$1,467,164 more than the prior fiscal year to continue with Hurricane Florence stormwater repairs and the one-time purchase of some equipment in support of its operations. And third, the Solid Waste Management Fund has budgeted \$1,870,615 in one-time funding, paying off the 18 packer trucks purchased in FY11 as well as purchasing 4 replacement packer trucks rotating the failing spares in their fleet.

The General Fund is the largest component of this total budget with net expenditures of \$102,954,041, an increase of 6.9% or \$7 million over the current adopted amount of \$95,944,635. Of the 49.84 cents, 40.37 cents per \$100 assessed valuation is recommended for the continuation of core services in the General Fund and 9.47 cents per \$100 valuation would be earmarked for the 80/20 Capital Debt Plan for continued support of the Transportation Bond projects, Parks Bond projects, River Place project and other Capital Improvement projects, including the 1st and 2nd CIP.

It is recommended for the *FY20 Recommended Budget* that \$3 Million of the "rainy day fund", General Fund undesignated fund balance, be appropriated for an expense related to the 2nd year of a 3-year public safety legal obligation. This amount is \$2,470,960 more than the prior year's undesignated fund balance

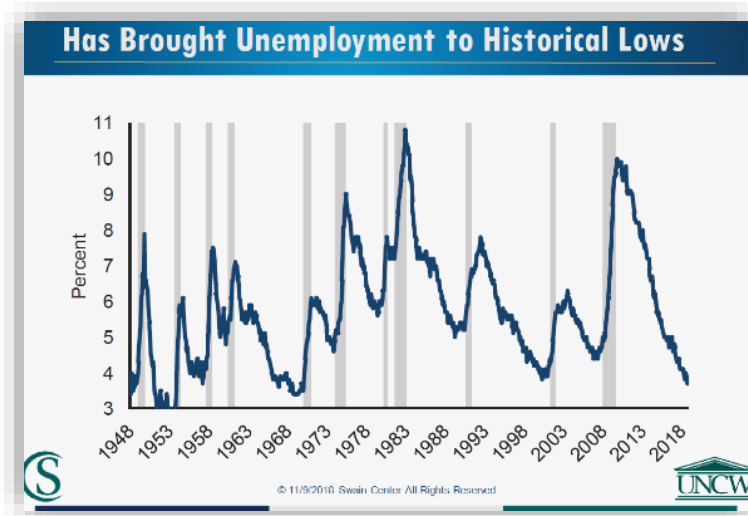
appropriation of \$529,040. In light of the need to use fund balance from the General Fund in FY19 for response and recovery of Hurricane Florence, and the unknown timeframe of eligible FEMA reimbursements, staff requests consideration be given during the new year to other FY20 one-time item requests after FEMA reimbursements are received by the City. Staff will request one-time items once FEMA reimbursements are received and include the following:

Department	Item	Cost
City Manager	• 305 Conference Room Outfitting	\$ 24,500
Community Services	• Installation of Security Cameras at North Waterfront Park	\$ 138,170
	• North Waterfront Park Start-up Equipment Needs	\$ 71,119
Fire	• Vehicle Replacements	\$ 70,000
	• Diagnostic Tools for Fire Fleet	\$ 10,500
	• Ballistic Vests	\$ 12,800
Police	• Refurbish bomb squad robot	\$ 32,545
	• Crash data retrieval device	\$ 20,000
	• Crime Scene Investigations (CSI) Investigation Laser	\$ 25,250
		\$ 404,884

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 stable even after Hurricane Florence’s recovery efforts. The Financial Management Policy’s minimum target of 20-25% is projected to be obtained at year-end FY20 at 20% with this recommended budget. Even though our financial policies require the minimum target of 20-25% for the General Fund, an internal practice aims to operate with the unassigned fund balance of the General Fund at a minimum level closer to 25%. This measure considers the timing of major revenue flows, maintenance of the AAA bond ratings and the ability to respond to any unanticipated emergencies similar to the Hurricane Florence event. Further discussion on the overall financial health of the city can be found in the next section of the transmittal.

Implemented this fiscal year is a developing cost recovery principle related to city fees. Over time, all fees will be reviewed and compared to the true cost of the service. A recommendation will be brought forward for consideration that takes into account a balance between the public benefit and the cost recovery. This year, the Private Development Project Engineering Review and Utility fees, for example, were reviewed using this principle and a recommended change is included in this budget as are recommended adjustments to the Fire fees. A full review of the fee schedule changes can be found in the Revenue and Expenditure Summary section of the recommended book.

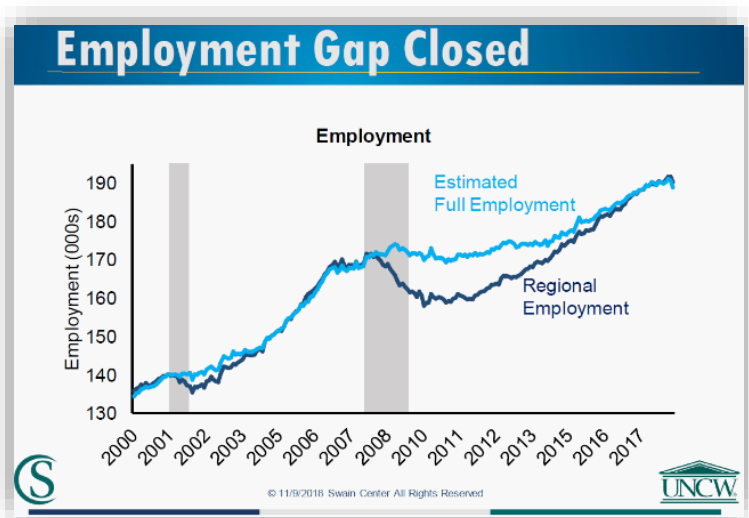
The Economy



The nation has surpassed, by one year, the longest period between recessions (11 years). There are a few economic indicators beginning to emerge¹ but none yet that economists feel indicate a recession is on the immediate horizon. Instead the economy will continue to grow but at a slower pace. Nationally, unemployment rates have dropped to historical lows indicating a strong labor market as seen in the graph to the left presented at the Swain Center Economic Outlook conference in November 2018 by Dr.

Thomas Simpson. One particular indicator that correlates to low unemployment rates, at least historically, is the rising of inflation rates. Kiplinger’s predictions, as of March of 2019, have inflation rates for calendar year 2019 reaching 2.2% which is up from 2018’s 1.9%.

The region has reached what is considered full employment indicating full recovery from the 2008 recession. This can be seen in a graph to the right which was presented at the Swain Center Economic Outlook conference in November 2018 by Dr. Adam Jones. Our local economy continues to grow but at a slower pace than recent years.



The weather, specifically Hurricane Florence that devastated the region in September of 2019, impacted the current FY19 budget and has great potential to impact the FY20 budget due to the continued recovery efforts of the community to rebuild. Hurricane Florence was the wettest tropical cyclone on record for the Carolinas making landfall just south of Wrightsville Beach. At present, the city is still estimating the total financial impact of Hurricane Florence. Current estimates expect the impact to be just under \$32 million with the majority of that cost, \$21.9 million, related to contracted debris removal. A categorized list of the full estimated financial impact is presented below.

¹ March 22, 2019 Reuters reported the spread between yields on three-month Treasury bills and 10-year notes fell below zero for the first time since 2007. An inverted yield curve is widely understood to be a leading indicator of recession. Local economists are trying to determine if this sign is an anomaly or a true indicator.

• Employee Storm Work Bonus Pay	\$654,614
• Contracted Debris Removal	\$21,919,416
• Force Account Debris Removal	\$500,000
• Emergency Protective Measures	\$1,100,000
• Storm drain/Streets & Sidewalks	\$2,932,000
• Greenfield Lake Dam Breach	\$150,000
• Buildings/Equipment	\$4,500,000
• Parks & Recreation	\$127,500
Total Estimated Expenses	\$31,883,530

The City’s financial management practices are very strong with conservative budgetary estimates and prudent financial policies that are well embedded and sustainable. The city continues to maintain strong financial performance as demonstrated by the “Triple A” ratings on its General Obligation Bonds from all three credit rating agencies. Wilmington’s status as the commercial and industrial center for the surrounding five-county area is evident as it continues to see growth. All of these elements helped the city maintain a healthy fund balance over the years and contributes to why it is in good financial standing even after the storm.

With the help of the Debt Service Fund, which advanced \$13 million of needed hurricane clean-up funding to the General Fund, the General Fund unrestricted fund balance covered the majority of the remaining needs². In short, the city’s fund balance policy for the General Fund states that at a minimum it shall have an unassigned fund balance equal to that of 20-25% of the operating budget. The following summary shows the fund balance for the General Fund and how it changed pre- and post-Hurricane Florence.

• FY18 year-end (pre-storm):	\$34,615,228 or 31.01% of \$111,610,168
• FY19 year-end (post-storm):	\$20,454,165 or 14.95% of \$136,861,715
• Projected FY19 year-end:	\$25,354,165 or 18.53% of \$136,861,715
• Estimated FY20 year-end:	\$22,354,165 or 20% of \$113,480,412

To put this into some perspective, there were roughly eleven coastal jurisdictions that required grants or no-interest loans from the State for their recovery efforts. The City of Wilmington, because of the strong financial management practices and healthy fund balance, meant the city prevailed financially from this storm without any outside aid. It is important however that the city work with the State and Federal governments to create better policies and have more resources to strengthen infrastructure before these types of emergencies occur.

At both the State and Federal level, there are uncertainties and opportunities the City should continue to monitor. This year, legislation was introduced again at the State level related to special separation allowance for firefighters and rescue squad workers, currently an unfunded mandate. If passed, the specific legislation as written, would impact the FY25 budget with an estimated cost of \$265K. The annual cost will fluctuate as firefighters enter the retirement system. A change to the local sales tax distribution

² Wherever possible, city departments were asked to utilize their FY19 appropriated budgets prior to requesting use of fund balance.

shifting the distribution 50/50 per capita at the point of sales was also introduced which would have adverse impacts for the city's sales tax collection estimated at a minimum impact of \$1.5 million. The outcomes of these proposals are not yet known.

Other legislation to watch at the State level includes:

- Reenact Film Credit Bill has been filed which proposes reinstatement of the individual and corporate income tax credits for qualifying film production expenses.
- Powell Bill funds have a potential of increasing for the first time in over 10 years. The House budget proposes an increase of \$42,250,000. How this will be distributed is yet to be understood.
- ABC Omnibus Regulatory Reform Bill was filed April 2, 2019 which proposes that ABC stores could open Sunday afternoons and alcohol sales could be allowed at college sporting events, on trains and ferries.
- Craft Beer Distribution and Modernization Act which as proposed could allow breweries to sell up to 50,000 barrels a year to retailers at wholesale prices as long as their total sales volume doesn't exceed 100,000 barrels, previously capped at 25,000.
- Maintenance Assistance Program targeting local public transit systems have been fully reinstated in the proposed House budget with a total of \$32.5M in each fiscal year.
- Opioid Overdose Quick Response Team has \$250K proposed in the House budget.
- Funding for structure hardening for the Wilmington Police Department headquarters is being actively sought at the state level by local staff.

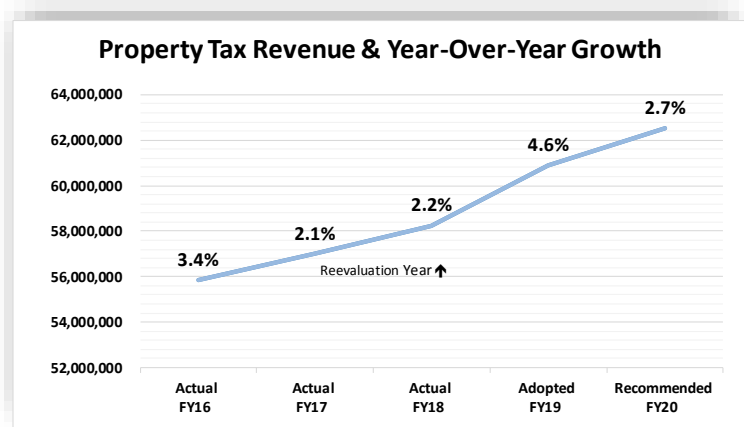
A change that did impact the *FY20 Recommended Budget* was the Local Government Employees' Retirement System's Board of Trustees vote occurring on January 31, 2019 which increased rates of the employer contribution to employee retirement. The increase was significantly higher than the .25% predicted change and instead, the rates increased by 1.2% from 8% to 8.95% for general employees and 8.75% to 9.7% for law enforcement officers. This increase will reoccur annually. The impact to the FY20 budget was \$518K with the majority of that impacting the General Fund (\$446K).

A ruling by the U.S. Supreme Court in *South Dakota v. Wayfair Inc.* which in short now requires companies who sell products via the internet to collect and remit sales tax went into effect in North Carolina in November 2019. A positive but basically unmeasurable impact on sales tax collections. It is unmeasurable because, per North Carolina Department of Revenue staff, those reporting their sales tax do not have to report how the sales tax is collected. It is important to note that as early as 2015 the on-line retail mogul *Amazon* was already remitting North Carolina sales tax along with a few other larger companies.

Revenues

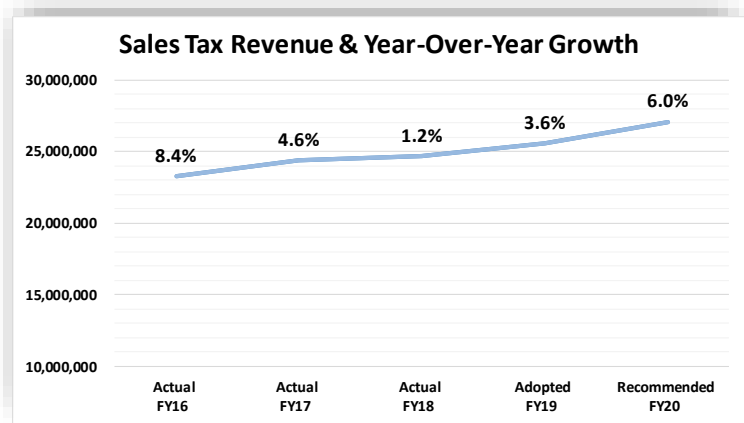
The following will provide an overview of the revenues as they are estimated for the *FY20 Recommended Budget*. The community is still recovering from the impact of Hurricane Florence.

The City of Wilmington’s projected FY20 **property tax growth** over FY19’s adopted budget totals 2.7% 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 FY20³ is estimated at \$15,510,929,782 with the City’s real property totaling \$14,523,929,782 and Motor Vehicle property equaling \$987,000,000. With a \$0.4984 tax rate, one penny equates to a value of \$1,538,021 using a collection rate of 99.1% for property tax and 100% for motor vehicles. The tax base is expected to provide the City \$76,654,989 which is split between two funds. The split is as follows:



- General Fund (\$62,089,926/\$0.4037)
- Debt Service (\$14,565,063/\$0.0947)

This recommended budget continues to account for the improvement of the region’s economic health but also recognizes growth is slowing. Our forecast increases **sales tax collection** by 6% above FY19’s adopted budget and continues to be on par with the revenues recorded to date as well as the county’s ad valorem sales tax distribution method. The distribution shifted in the City’s favor by 1.11% for 10 months out of the FY20’s budget due to the 1.5 cent tax rate change the City Council implemented in FY19.

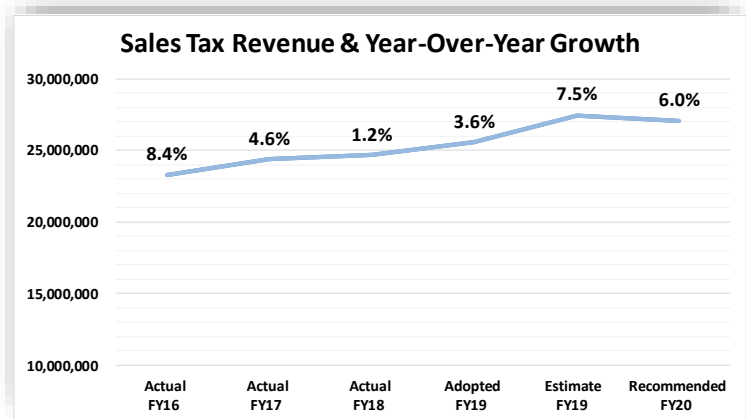


Sales tax is generally the most difficult to forecast due to its dependency on customer confidence and changes in the economy. Our projections fall in line with historical actuals based on what the State projects. The State budgeted 5.3% growth for FY20 and 4.6% growth for FY21. The city’s sales tax collection tends to be 1.5-2% more than the State’s average due city’s location and our tourism industry.

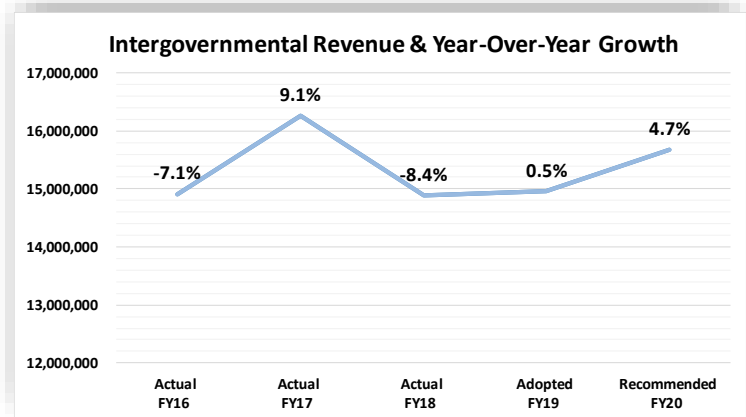
The 6% growth falls short of this philosophy. If the economy continues to grow at the current pace, the City’s FY20 sales tax projection is moderately conservative but reasonable given the economic trends and the uncertainty of the community’s continued recovery from Hurricane Florence.

³ Estimates on tax base were obtained from the March 4, 2019 update from the NHC Tax Administrator. Subsequent updates either did not change significantly or were too late to update for the recommended budget.

FY19 sales tax year-end projection is expected to be 7.5% more than the FY19 adopted budget. Most of the sales tax influx is directly related to the recovery efforts of Hurricane Florence. In the months following the hurricane, sales tax collection rates were more than 20% over the prior year month's collection. The collection rates have since slowed to a normal growth rate, but there are still plenty of places around the community that need construction repairs.



The third largest revenue stream category is Intergovernmental Revenues. After losing \$2.3 million in the FY16 Adopted budget due to the elimination of the local business privilege license fees; the City began to see an increase in the **utility franchise tax** in the FY16 actual which continued into FY17 due to the State expanding the tax base. It should be noted, in the presented graph, the FY17 Actual has \$1.2 million dollars of FEMA reimbursement funding for Hurricane Matthew creating a spike in the trend.



The utility franchise tax collections are currently on the decline when comparing year over year quarterly collection. The NC League of Municipalities and other statewide professionals are linking the decline to consumer behavior, electricity costs and the weather. The State has assured the jurisdictions that there have not been any large electricity refunds. Video programming and telecommunication have been declining over recent years due to more people turning to streaming services over cable and turning to cell phones rather than land lines. For the above reasons, the *FY20 Recommended* budget continues with a flat budget for utility franchise, video programming and telecommunication. The 4.7% increase from the FY19 Adopted Intergovernmental revenues can directly be contributed to the ABC revenues collected and remitted to Wrightsville Beach for an ABC store annexed into the City of Wilmington. Until the store is rebuilt in Wrightsville Beach's jurisdiction, the City will remit the collected revenue back to them. That revenue is budgeted at \$569,693 for FY20. The entire intergovernmental category totals \$15,670,149 as compared to the \$14,960,972 budgeted in FY19.

Other notable changes in revenues include the following:

- Convention Center Fund is healthy enough to begin to pay back \$2.1 million to the general fund for a loan to purchase Convention Center land. The plan is to pay back in increments of \$250,000

with FY28 paying the final balance. FY20 represents the first installment of the payback with a budget of \$250,000. The stability of the fund is in large part due to the increased interest in the City of Wilmington as a destination for conferences and events. The number of convention/trade shows increased from 8 in FY17 to 13 in FY18. The same can be seen for the Public Shows which increased from 15 in FY17 to 19 in FY18. The project has been a huge success.

- Interest Earnings are seeing a \$250K increase over previous years with FY20 budgeting at \$826,540 as compared to FY19's budget of \$577,666.

And lastly, the City's general obligation bond rating continue to the highest possible ratings:

- Aaa issued by Moody's
- AAA issued by both Fitch and Standard & Poor's

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. Better bond ratings result in lower interest costs on long-term debt.

The economy, even though strong, will not stay on a positive trajectory continuously. The economic cycle is typically 10 years and we are surpassing that timeframe. Signs of a changing economy are there, and growth is slowing. We continue to be moderately conservative in our projections due to this uncertainty. The total General Fund revenues equal \$113,480,412 which is 7% higher than FY19's Adopted budget. If the budgets were compared without the use of unassigned fund balance, the FY20 budget would be \$4.4 million or 4.2% higher than the FY19 Adopted budget.

Budget Preparation

In developing the *FY20 Recommended Budget*, the strategies used to balance the budget included:

- No property tax increase
- Moderately conservative sales tax revenue estimates
- Strategic use of fund balance for a one-time expenditure
- No mandated service reductions
- Continue core services with limited additions
- Prioritize any requested enhancements based on the city's key strategic priorities
- Use of anticipated salary savings from vacancies during the year

In starting the FY20 budget process, City priorities were identified and the budget was framed using those priorities. Those included the following:

- Develop and fund strategic plan initiatives with an emphasis on the following:
 - Competitive compensation #1 priority
 - Continue core services

- Core infrastructure upgrades & maintenance⁴
- Community engagement and policing with an emphasis on youth violence prevention and reduction initiatives
- Workforce development, specifically jobs and affordable housing
- Collaborative partnerships
- Maintain current services at existing levels⁵
- Continue to fund 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 quality services that meet 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 with priority given to those initiatives that had a collaborative effort between two or more departments
 - Core services maintenance
 - Core infrastructure maintenance
 - City resiliency capacity

Budget Highlights

The following section presents highlights included in the recommended budget.

Strategic Plan

Staff is dedicated to delivering high-quality services to the citizens of Wilmington. FY19 represented the third full year implementation of the City's 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.

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 FY19 such as contract increases, material increases and the like.

- **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 following represent impacts staff have already made in the first quarter of the current fiscal year towards the success of the City's priorities. Highlighted below are the priorities that were added using the increase in property taxes in FY19 (1.5 cent). The information represents activity since July 1, 2018.

Create a Safe Place

- Northwest Patrol Officers (\$124,230)
 - Two officers are currently hired and in field training.

Foster a Prosperous, Thriving Economy

- Downtown Alley Clean-up (\$100,000)
 - Phase 1 of Bettencourt Alley improvements coordinated with developer is complete.
 - Attorney's office completed title work on Quince, Henderson and Wilkinson alleys.
 - Phase 2 Bettencourt Alley Improvements design is complete and staff is currently working with CFPUA to establish a bidding schedule while awaiting their permit for water main replacement.
- Plan Review Engineer (\$108,430)
 - Plan Review Engineer hired in September 2018.
 - The new employee has completed on-boarding and has begun independently reviewing private development plans and issuing variances.
 - The percentage of plans reviewed within 20 days has increased from 29% in the 1st Quarter to 48% in the 3rd Quarter.

Promote Culture, Arts and Public Spaces

- Mowing High Visibility Areas (\$216,257)
 - The new crew for high visibility maintenance has been hired and equipment ordered but not received causing the need for crews to share equipment.
 - The locations the crews are being deployed to include MLK Parkway, Independence Blvd., Eastwood Road, 3rd St./Wooster St./Dawson St. intersection, Wallace Park, planting beds at

- Independence Blvd. and Wrightsville Avenue and planting beds at College Road and MLK Parkway.
 - The contract for high visibility maintenance was awarded in March with specific the following locations identified: 1898 Memorial Park, Dram Tree Park and Thomas and Willie E. Jervay Freedom Walk Park.
 - There was a small balance remaining that allows enhanced maintenance to also be performed at Bicentennial Park, the DREAMS mural wall and Nunalee Park. These parks were selected because of their size and proximity to the locations of the other work being performed.
 - The work that is being completed includes mowing on a 14-day rotation, trimming, raking, bagging and hauling debris and litter removal.
- Riverwalk Maintenance (\$250,000)
 - Railing Post Repair & Caps
 - Details and cost estimates for post repairs and caps have been completed (100% Complete).
 - Riverwalk Standards Catalog
 - Specifications and standard details have been compiled with staff review in progress (90% Complete).
 - Evaluation of Alternative Materials for Decking Replacement
 - Pricing has been received for alternate decking materials (100% Complete).
 - A life cycle cost analysis of the alternate decking materials has been completed and staff review is in progress (90% Complete).
 - Decking, Post, Rail, and Amenities Replacement
 - A Riverfront Assessment to provide a more detailed list of Riverwalk items requiring replacement has been completed and staff review is in progress (90% Complete).
- Tree & Sidewalk Study (\$90,000)
 - The contract with Stewart Engineering, Landscape Architecture Division is in the process of being executed.
 - Notice to Proceed will be issued upon contract execution.
- Tree Trimmers (\$100,332)
 - New tree trimmers hired and began work on September 17. The City now has three 3-person crews in place.
 - Crews resumed normal duties after Hurricane Florence clean-up in February where 349 trees were trimmed and 219 complete tree or stumps were removed between February and March.

Support Efficient Transportation Systems

- Electronic and Instrumentation Technician (\$62,916)
 - Position was filled 11/26/18.

- Position has enabled ITS Section to recover from Florence impacts, however, due to that workload, Preventative Maintenance work is slightly behind the desired schedule but expects to complete all work by May of 2019.
- Rail Realignment Director (\$130,000)
 - Position has been filled and employee will start in July of 2019.

Provide Sustainability and Adaptability

- Financial Enterprise Operating Fees (\$316,900)
 - The Financial module has gone live and the Human Capital module is currently in progress.
 - The Land Management system will begin implementation at the end of May 2019.
- Brick Streets (\$100,000)
 - Initial project to remove asphalt utility cuts on S 4th St, Queen St and S 7th St is complete with exception of a section of Queen St that has asphalt. Staff is currently setting up a vendor to procure replacement bricks for this area.
 - Current project along N 4th St is utilizing City staff to strip asphalt and contracted service to replace historic brick. Three blocks between Red Cross St and Chestnut St are targeted for completion by end of May.
 - Red Cross St project between 3rd and 6th streets is delayed due to Hurricane Florence and sheer volume of procurement needs.
- Video Production Technician (\$29,838)
 - Video technician was hired and started full-time Aug. 20, 2018.
 - More time allowed provide video capacity supporting City programs as well as assistance to boards/commissions such as SRB, Planning Commission, etc.

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 \$4,272,594 in new funding initiatives that directly tie to the strategic plan.

City of Wilmington's Workforce

Our workforce is the backbone to the continuation of high-quality services to our community. Our strategic plan emphasizes investment in the development of the City's human capital by developing internal service staffing plans that meet the need of our growing community (**Provide Sustainability and Adaptability 1.1**). 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. The success of our compensation program hinges on our ability to appropriately compete with external labor markets, to recognize and reward exceptional performance and to maintain a shared sense of internal equity and fairness. The *FY20 Recommended Budget* proposes a compensation plan to recognize employees for their performance through a merit program totaling \$1,987,867 in salary and benefits, a 3% increase to the overall salary and benefit budget. This allows the city to continue investing in strong workers and recognizing their value to the city. We are appreciative of Council's support and commitment to our market employee compensation philosophy.

The *FY20 Recommended Budget* represents the 2nd year with United Healthcare (UMR). The city is self-insured which makes it essential to budget appropriately. This year, UMR provided decreased rates in April of 2019. The employer cost of the plan saw a 5% budgeted decrease for a savings of \$346,164. It should be noted that individual employee cost will see various decreases depending upon which plan they select.

Additionally, continuing to work on ensuring our staff are able to respond to the community needs properly, the *FY20 Recommended Budget* fund five additional compensation elements:

- Add pay (**Create a Safe Place 3.1**): The funding of \$49,200 allows PD to offer additional monthly pay to those select officers forming the Crisis Negotiation Team (CNT), bomb unit and SWAT, as well as officers fluent in Spanish. These officers are often called back to work after hours and voluntarily respond. Members of these units often get specialized training.
- Standby Time Program (**Create a Safe Place 3.1**): Certain violent crimes, such as serious assaults, rapes, robberies, and homicides, must be investigated by highly trained detectives who possess the necessary skills and resources to conduct a thorough investigation. Ensuring that these detectives are available to respond when needed, is critical, especially when the first hours following a serious crime will usually determine whether the crime will be solved. Funding in the amount of \$14,158 is recommended to ensure at least one skilled detective is on standby at all times to respond to any critical or major cases.
- Standby Program (**Sustainability 1.1**): Funding in the amount of \$11,959 has been budgeted in Public Service's Buildings division to allow for more than one facilities staff member to have responsibilities for the Police Department's Facilities and will also allow for general rotation of duties among three (3) Facilities staff members to respond to city-wide building emergencies.
- Extension of Vehicle Replacements (**Provide Sustainability & Adaptability 1.1**): A total of \$159,430 was included in the budget to allow for a three-year extension on replacement of

sixteen (16) vehicles. As planned, in FY20, sixteen vehicles will be replaced. Instead of removing the vehicles set to be replaced, PD will keep them for officer use, and continue to pay an enhanced fleet replacement fee for three years. This serves as a retention tool ensuring the take-home car policy can be available to all qualifying officers.

- Training and development (**Provide Sustainability & Adaptability 1.2**): The *FY20 Recommended Budget* continues the same level of funding dedicated to staff development as well as increases the budget in key areas. A few of the highlights follow.
 - The budget continues development of staff through UNCW, CFCC and School of Government partnerships with trainings (\$71,800) related to technical supervisory, leadership and Lean Six Sigma training.
 - Continued funding the special governance travel pool (\$20,000) for unplanned beneficial travel for Council, Attorney and Manager remains.
 - The budget adds new funding for Council's travel allotments (\$400 each) to ensure each member is able to attend beneficial planned conferences that enhance the city's knowledge base.
 - An additional \$4,000 is recommended in order to allow two attorneys to attend the International Municipal Lawyers Association Conference on an annual basis. Membership in these organizations provide staff access to and the ability to gather input from other municipal attorneys who may already have been exposed to issues emerging in the city such as opioid, water quality and gang related topics.

Youth Violence Prevention & Community Policing

The recommended budget continues to fund efforts to aid in the reduction and prevention of youth violence in progressive and innovative ways as identified in both the **Create a Safe Place 1.1 and Engage in Civic Partnership 1.1** focus areas. Our outside agency competitive human services process, which converted to a two-year contract cycle in FY17, enables community partners to request funding to support community-based programming. Generally, these organizations are well established in the community, having provided quality programming for many years.

The *FY20 Recommended Budget* continues the funding commitment to the competitive human services agencies totaling \$606,150. This is the second year of a two-year commitment. The current financial management policy states that competitive agency funding should not exceed ½% of the General Fund total appropriation. The funding in the recommended budget reflects 0.53% of the General Fund's total budget. It should be noted there is an additional \$150,000 through the federal Community Development Block Grant funding dedicated to other community agencies. Just a few of those General Fund supported agencies include:

- Blue Ribbon Commission (\$64,785) which supports two programs related to job skills training and youth violence prevention through education, safety and health and wellness programs
- Phoenix Hometown Hires now called Step Up Wilmington (\$16,196) 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 (\$53,227) address youth intervention with afterschool and summer education, tutoring and recreational programming

- Dreams (\$22,302) delivers programming focusing on multi-disciplinary arts classes, serving elementary, middle, high school aged youth
- Kids Making It (\$33,943) offers skill building programming through woodworking, vocational and skilled trades training, entrepreneurship and income-earning opportunities, and paid apprenticeships
- Wilmington Residential Adolescent Achievement Place (\$25,310) delivers free after-school services and community outreach programs that reduces the number of unsupervised youths
- Cape Fear Communities in Schools (\$22,589) works collaboratively with the New Hanover County School system through after-school and summer programs for at-risk youth

The recommended budget also continues on-going funding in the amount of \$15,000 in support of the Port City Super Girls program which empowers girls throughout our community. It includes a week-long academy for 60 girls. The curriculum, along with extra-curricular activities such as sports, health and fitness will be offered at the academy. The program is aimed at youth ages 12-18 who live in and around inner-city communities.

The budget continues our youth athletic and engagement programming. The *FY20 Recommended Budget* continues to outsource the pool operations to the YMCA which increased pool hours and number of days the pools are open. First Tee, a program that influences the lives of young people by providing not only skills in the golf arena but also offers educational programming that builds leadership, character and promotes healthy choices, continues to run the small course adjacent to the Municipal Golf course. Revenue is received from the First Tee to maintain the course which also has a practice area.

In response to the public's desire for neighborhood sweeps and community policing (***Create a Safe Place 2.2 and 2.3***), several initiatives continue. The *FY20 Recommended Budget* continues with the Wilmington Police Department Rover Bulky program that collaborates with Solid Waste to clean up city rights of way and illegal dumpsites, aiding in the 'Broken Window Theory', potentially reducing conditions that encourage crime. The General Fund transfer totaling \$29,866 to Solid Waste Management has been successful since its inception in July of 2016. Since its beginning of the program over 394.5 tons have been collected. Most recent years saw an increase in tons being picked up with FY18 collecting 124 ton and year to date FY19 collecting 190.42 tons.

To help keep our communities safe and proactively respond to any code violations in our community (***Create a Safe Place 5.4***), a new compliance officer (\$64,968) has been included in the budget. This position, housed in Public Services, will streamline the program allowing for increased response to both recycling and trash and stormwater illicit discharge violations. With this compliance officer, the program in Public Services will now have two officers allowing for proactive measures to be taken to prevent future code violations through education, involvement in neighborhood sweeps and assistance with the regular service calls.

The *FY20 Recommended Budget* provides funds to equip police officers with functional and reliable body-worn and in-car cameras which affords officers the ability to collect video evidence to assist in criminal investigations and prosecutions. This in turn allows the City the ability to review an officer's interactions with members of the community to help ensure the highest standards of excellence are met. Included in

the *FY20 Recommended Budget* is \$393,938 in funding to purchase the camera and cloud-base data systems. Notable is the City is turning to a one vendor system, Axon, allowing for efficiencies as it eliminates the need for staff to consolidate incident footage from multiple systems thus reducing errors and saving staff time.

FY20 will see the completion and opening of a significant capital improvement project (\$12.5M), the Haynes and Lacewell Training Facility (**Create a Safe Place 6.2**). Not only will this facility serve as a training center for our Police and Fire employees, but it will be open to the adjacent neighborhoods to use the conference rooms. For example, there is already a neighboring Boy Scout troop interested in having meetings at the facility in the evenings, city staff will be conducting Citizen Academy classes in the building and full K9 demonstrations will be available in the outdoor K9 training area. *FY20 Recommended Budget* funds the Haynes and Lacewell Training Facility operational needs for two-thirds of the year in the amount of \$315,587. The building is estimated to open in October of 2019. Included in this funding is a Part-time (FTE: 0.48) Housekeeper, utility costs; and other outfitting needs such as alarms, filters, surveillance, supplies for the range.

Workforce Affordable Housing

This budget supports the strategic plan initiative found in **Provide Sustainability and Adaptability 6.1 and 6.3** where the focus is on workforce and affordable housing. The budget increases funding by \$123,000 for workforce and affordable housing, budgeting \$773,697 FY20 as compared to the \$650,697 in FY19.

The City of Wilmington/New Hanover County Ad hoc Committee on Improving Workforce/Affordable Housing has been formally established as an ongoing committee. In partnership with New Hanover County's new Housing Specialist, the city will cost-share a housing study and a public awareness campaign regarding the values underpinning workforce housing. The *FY20 Recommended Budget* continues to budget \$60,000 for this joint effort.

Additionally, the budget allows for \$573,000, an increase of \$123,000, to continue to fund those programs aiding low income owner-occupied housing and rehabilitation programs. Those programs include:

- *Homeownership Opportunity Program* offers working families an opportunity to own a house without becoming cost burdened by lowering the mortgage payments through down payment assistance and 0% interest rates (\$470,000)
- *Rehabilitation Program* serves low income homeowners by aiding them in home repair costs (\$103,000)
 - Minor Repairs up to \$10,000
 - Owner-occupied housing rehabilitation programs up to \$75,000
- *Forgivable loan legal fees* which was given an influx of funding totaling \$100,000 in FY17 and another \$50,000 in FY19 has \$140,697 for FY20⁶

⁶ Forgivable Loan legal fees funding fluctuates with use and interest earnings.

Expanding Infrastructure Maintenance

There are some instances where the City has acquired assets but not properly funded the maintenance of them. Our expanding infrastructure does include physical structures and also human capital. The recommended budget provides the following initiatives related to this priority.

The city continues to expand its software infrastructure. This year included in the budget is \$349,885 in funding for a normal 3-5% increase of existing software but also an additional amount of funding for the new Financial Enterprise Operating SaaS (Software as a Service) Fees. Included in this number is the SaaS fees for the Tyler implementation system that includes a full year of the Finance and Energov modules and a portion of the year for HR/Payroll and ExecuTime modules. It is anticipated that in FY21, the legacy applications will begin to shut down and savings will be seen. At this time of transition, legacy applications are being slowly phased out and new applications are being phased in, resulting in an increase.

Because of the increasing use of technology for city operations and cost for its use, it is important the city have a comprehensive technology-enabled business management plan to guide current and future operations responsibly. Included in the recommended budget is \$50,000 to update the 2014 Information Technology Strategic Plan (***Provide Sustainability and Adaptability 5.2***) that has come to fruition.

Due to the city accepting new developments and responsible for standard street lighting, the Traffic division requests an additional \$25,000 to ensure commitments are met.

The parking deck portion of the River Place development, that is publicly owned, is expected to commence operations in early 2020. Based on this assumption, a total of \$381,214 has been added from the Parking Fund based on 6 months of parking operations starting in January of 2020.

Alternative Modes of Transportation

Continuing our partnerships with local agencies, and reflected in the *FY20 Recommended Budget*, is WAVE Transit's operating subsidy totaling \$1,446,280, a three percent increase over FY19's adopted amount. This fiscal year, WAVE representatives did not request any capital funding from the city.

The City is the lead agency for a rail realignment project. The purpose of the project is to benefit southeastern North Carolina by realigning the existing heavy rail corridor that currently runs through the City of Wilmington to a safer, more direct access to the port of Wilmington, which would then allow a repurpose of the right-of-way for public use. The project can enhance capacity for the port of Wilmington and businesses using the river and rail and improve statewide logistics. The recommended budget continues its funding for the Rail Realignment Director with an added \$13,250 (***Support Efficient Transportation Systems 4.1***) in funding supporting operating needs for that position.

City Resiliency

As mentioned above, Hurricane Florence devastated the community in September of 2019. Since that time, gaps in resources have been identified. For example, during the storm, the county emergency

operations center lost power. Both New Hanover County and the City are discussing how to fortify a location to ensure the same situation does not reoccur. The *FY20 Recommended Budget* begins to fund resource gaps to help city operations be more resilient during and after such an event. Funding includes:

- A total of \$97,731 for an Emergency Management and Planning Coordinator in the Fire Department (**new: Provide Sustainability and Adaptability 8.2**). This position will develop, implement, and maintain disaster planning and preparedness for the City of Wilmington to provide for the safety and well-being of the organization and its citizens. This includes comprehensive planning and training programs designed to enhance the City's ability to manage large-scale and/or multi-agency incidents or events.
- A total of \$98,798 in the Public Services Buildings Division budget for a Project Coordinator (**new: Provide Sustainability and Adaptability 8.1**). The city's building infrastructure was significantly damaged during Hurricane Florence. Having a dedicated team member that would handle the field management of capital projects and work assigned to outside contractors will improve project results, improve City resiliency, and create potential cost savings by avoiding change orders required by untimely identification of issues.
- Funding in the amount of \$10,000 supports the New Hanover County Long Term Recovery Group (NHCR3) linked to **Foster a Prosperous, Thriving Economy 1.1**. The funding is dedicated for a portion of the director's salary. The organization is supported also by the United Way, a strong partner in supporting the community when a disaster occurs and is the only FEMA recognized long term recovery organization in New Hanover County. The organization seeks to organize gov't, faith based and nonprofit organizations for on-going recovery needs and future planning and preparedness for future events.

Other Strategic Plan Initiatives

Linked to the strategic plan's focus area **Foster a Prosperous, Thriving Economy 2.1**, the *FY20 Recommended Budget* represents a renewal of a three-year commitment to the city's funding for partners in the economic development and cultural arts sphere. Funding for these agencies increased from FY19's allocation of \$446,890 to FY20's recommended funding of \$492,010, an increase of 10% or \$38,815. The top leading job creators (Wilmington Business Development, Wilmington Downtown, Inc. and UNCW Entrepreneur Center), received a one-time 2% Southern CIP increase while the other long-standing agencies received the same appropriation as prior years. Important to note is the addition of support of one new agency funded in the *FY20 Recommended Budget*, the YWCA Coastal Women's Ventures Program. Although not new to city financial support, the YWCA pursued funds through the Economic Development competitive process for the first time this fiscal year, as opposed to the competitive human service agencies two-year process where they were funded \$6,305 in the FY19 Adopted budget. The current year process awarded them \$40,000 in funding (a net of +\$33,695) per fiscal year, for three years, to expand the Coastal Women's Ventures program, which is aimed at increasing the capacity of women and minorities in establishing small businesses. It does not fully fund the request but also challenges the agency to further expand financial support partnerships for a high potential program.

The YWCA Coastal Women's Ventures program works with groups involved in education and workforce development on entrepreneurship as a fundamental economic development principle, as well as teaching individuals and companies what it takes to bring ideas to market. Entrepreneurs are offered opportunities

to connect with each other as well as larger companies, helping them grow and thrive. The Coastal Women’s Ventures program hosts networking events to connect the local business community to key economic development stakeholders and City leadership. Funding sources for the Coastal Women’s Ventures program include the Carolina Small Business Development Fund, Bank of the Ozarks and the YWCA. The city’s funding helps the YWCA leverage additional funds from existing partners and new funds from other local foundations, government entities, and corporate funders.

The full funding scheme for the *FY20 Recommended Budget* is as follows:

Economic Development Partners	FY19		FY20
	Adopted	Change	Recommended
Wilmington Business Development	\$ 100,000	\$ 2,000	\$ 102,000
Wilmington Regional Film Commission	\$ 121,890		\$ 121,890
Entrepreneur Center	\$ 70,000	\$ 1,400	\$ 71,400
Wilmington Downtown, Inc.	\$ 86,000	\$ 1,720	\$ 87,720
*YWCA Lower Cape Fear	\$ 6,305	\$ 33,695	\$ 40,000
Arts Council	\$ 25,000		\$ 25,000
Cuclorus Film Foundation	\$ 22,000		\$ 22,000
Children's Museum of Wilmington	\$ 10,000		\$ 10,000
Cameron Art Museum	\$ 10,000		\$ 10,000
Wilmington Jewish Film Festival	\$ 2,000		\$ 2,000
Total Budget to Budget Comparison:	\$ 453,195	\$ 38,815	\$ 492,010
Total Economic Development Process:	\$ 446,890	\$ 38,815	\$ 492,010

**Note the \$6305 was funded through the FY19 competitive agency process not economic partners.*

The recommended budget includes funding in the amount of \$110,319 for the Fire Department to hire an additional Master Firefighter to serve as Fire Inspector and includes a vehicle **(Create a Safe Place 3.1)**. The Life and Safety division manages required occupancy inspections, in accordance to the NC Fire Prevention Code (NC GS 106A-424). In addition to these inspections, staff are also required to complete fire investigations, plan reviews, and final inspections for new construction. Over the past few years, work duties have increased enough to justify a new inspector position to ensure the inspection schedule is adhered to per statute.

The recommended budget supports the YMCA’s request for funding to construct a Natatorium **(Engage in Civic Partnerships 1.4)**. Funding represents a proposed commitment of \$120,000 per year for 10 years. YMCA’s proposed facility will benefit the community in many ways, including providing a venue for water aerobics, water safety programs, and competitive swim program meets. In addition, the proposed regional aquatic facility will serve area residents as well as fill a void in region’s amateur sports tourism portfolio. Specific program services to be made available to Wilmingtonians are under development and will be provided to City Council along with the agreement for consideration, should the funding request be approved.

To ensure the Comprehensive Plan and Land Development Code are rolled out with the new changes to the citizenry, a total of \$106,300 of one-time funding was added to the budget to allow for the implementation of a Comprehensive Plan and Land Development Code engagement strategy **(Foster a**

Prosperous Thriving Economy 3.3) to include funding for a question and answers phone bank, contracted marketing, funding for code changes and funding for publication materials are included in that total.

The maintenance and preservation of the city's urban canopy received \$45,000 in the recommended budget for contracted tree pruning (**Provide Sustainability and Adaptability 5.2**). Currently the tree division responds reactively, this program will allow proactive activities such as instituting a pilot young tree pruning program. The funding will prune an estimated 500 trees annually of various sizes to improve the branch structure, health and longevity of the tree.

Funding in the amount of \$16,630 was authorized for fire turnout gear (**Create a Safe Place 6.2**). The Fire Department strives to provide fire personnel with two sets of turnout gear in order to ensure a backup set is available. Each set of turnout gear is made for the individual firefighter making it difficult to share sets between personal.

Authorized mid-year FY19, full year funding (\$147,027) for the short-term lodging program (**Provide Sustainability and Adaptability 1.1**) has been continued in the recommended budget. This funding includes the salaries of one Zoning Officer and one Permit Technician plus operational needs to support the short-term lodging regulation implementation. The corresponding revenue has also been budgeted.

A Parks and Recreations Superintendent (**Provide Sustainability and Adaptability 1.1**) totaling \$113,254 has been authorized in the *FY20 Recommended Budget*. This position will be responsible for managing multiple capital projects as well as supervisory over other divisions within Community Services.

Continuing Core Services

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:

- PowerDMS Hosted Software has been expanded by 769 licenses at a cost of \$10,000. At a minimum, the software is utilized to track training, conduct surveys and track notification and policy acknowledgments.
- Starting in FY16, an interlocal agreement with New Hanover County Fire Rescue was authorized allowing the city to provide fleet maintenance services for two fire stations on a trial basis. Since that time, the services are now provided to all of the New Hanover County fire stations. New Hanover county pays for the expenses through a billable process. Funding in the amount of \$50,000 in revenue and expenditures have been budgeted to ensure the estimated billable expenses are budgeted in the Fire Department's budget.
- Sundry's municipal elections funding is not budgeted every year, only those years where city residents vote. FY20 is an election year and requires \$111,798 of new funding. This is an increase from previous years that typically saw a budget of \$50K. The increase is mainly due to the voter fraud issues seen nationally and in the State of North Carolina. Various measures were mandated that included more staffing and less electronic polling stations thus more materials.

- Funding in the amount of \$9,500 was included in the budget to allow PD to replace a retiring K-9 dog. The K-9 dogs are trained in detecting narcotics and in the tracking and apprehension of wanted violent offenders.
- A total of \$37,076 in funding allows for the purchase of one bomb suit to replace an existing expired suit. This is one of two suits PD provides to bomb technicians to protect the technician while performing tasks downrange, as well as maintain the FBI accredited squad standards.
- The Engineering Department will have a shortfall between operating costs and revenues due to the reduction of eligible allocated charges. This reduction of revenues increases the General Fund support by \$26,139.
- Every other year, the city conducts a citizen survey to gain an understanding of citizen's satisfaction. The survey is underway in winter/spring of calendar year 2019.
- There were adjustments made to various internal services charges related to technology management fees, insurance liabilities, workers compensation claims, fuel and central fleet as a cost of doing business that increased the budget by a net of \$25,772.

Other Funding

The North Carolina League of Municipalities (NCLM) will hold its annual conference in the City of Wilmington in May of 2020. This conference draws thousands of attendees to include statewide mayors, legislative representatives and staff. Funding in the amount of \$100,000 has been budgeted to help the city support events and activities, organize bus service and transportation for attendees, and coordinate city ambassadors.

The recommended budget continues to fund the Miscellaneous Incentive funding (\$125,000) that allows Council to respond to potential business incentives that may arise throughout the year. Council Contingency (\$115,000), funds used at Council's discretion, and Council's Contingency for Economic Development (\$150,000), used for economic development opportunities that may arise throughout the year are also funded at the same level as the *FY19 Adopted Budget*.

A new Full Cost Allocation Plan was completed by an outside consultant. This allocation plan had not been fully revised since 2005 when the original plan was completed. The plan accounts for all services provided by general fund departments to the enterprise funds. Each of the major enterprise funds saw an update. Stormwater increased by \$209,772. Recycling and Trash Services increased by \$66,570 and the Golf Fund increased by \$41,993.

The *FY20 Recommended Budget* continues, for a second year, to capture anticipated salary saving to offset expenditures. The budget has a negative \$350,000 in Sundry, \$50,000 more than FY19's budget.

Service Reduction

The recommended budget includes a new partnership between the Wilmington Police Department and the New Hanover County Sheriff regarding the operations of the city run Alcohol and Drug testing Laboratory. The *FY20 Recommended Budget* represents a reduction in the Police Department's budget totaling \$357,292. The funding reduction represents the transfer of the Regional Lab to New Hanover County Sheriff's Department. The crime lab was substantially funded eleven years ago and housed in the Wilmington Police Department since that time. It provides quick turn-around times for blood and alcohol testing for regional partners. This fast turnaround time helps to alleviate over-crowding in the county's jail and also helps manage the court dockets. Over the years, it has been difficult to obtain the proper funding levels.

A decision was made following critical personnel issues to review the lab operations, protocols and procedures. From this review, it was decided to maintain efficiencies and to stabilize funding, the crime lab would move under the authority of New Hanover County. The proposal is the County and the City will split the cost 60%/40% respectively with the city's share totaling 194,978 for a net savings of \$162,314. All associated revenue has also been reduced from the recommended budget. For the city, the reduction includes a reduction in force of five positions totaling 4.4 FTEs:

- Forensic Lab Manager
- Part-time Forensic Chemist
- Forensic Chemist (2)
- Forensic Technician

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

Debt Service

FY20 continues the third year of the 2nd 80/20 Debt Service CIP. It also continues the voter approved Parks Bond projects, the Water Street Collaboration, now referred to as River Place, the 80/20 Debt Service for the 1st CIP and the voter approved Transportation Bond projects. Streets and sidewalk, public 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 \$14,184,887 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 committed capital projects.

80/20 Capital Improvement Plan

The *FY20 Recommended Budget* appropriates \$10,165,117 in projects related to Streets and Sidewalks, Parks and Recreation, Public Facilities, Public Facilities-Parking and Stormwater. These appropriations continue the 3rd year of the 2nd 80/20 Capital Improvement Plan, FY18-FY23.

Enterprise Funds

The **Solid Waste** recommended budget includes the use of \$1,870,615 in unassigned fund balance to allow for the purchase of four replacement packer trucks and a knuckleboom truck totaling \$896,500. In addition to the new purchases, the use of fund balance is also paying in to the fleet replacement fund for the first full year costs of the new equipment replacement schedule and is also paying out the remaining annual fleet costs associated with the 18 packer trucks that were purchased in FY11.

The budget continues to \$20,000 in funding to support a contracted alley maintenance program piloted in FY18 that results in the trimming of debris in alleyways Solid Waste vehicles frequent. 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.

The Solid Waste fund is balanced for FY20 at \$11,471,804 of which \$1,870,615 of unassigned fund balance is included. The expected unassigned fund balance as of June 30, 2020 is projected to be \$3,814,809 or 33.25% of FY20 projected expenditures.

The **Stormwater Management** rate model requires a 1% rate increase to fund expenditures, which includes a transfer to the Capital Improvement Plan in FY20 of \$2,137,497 for annual storm drain rehabilitation. A total of \$500,000 of that transfer is to fund the Pirates Cove drainage improvement project.

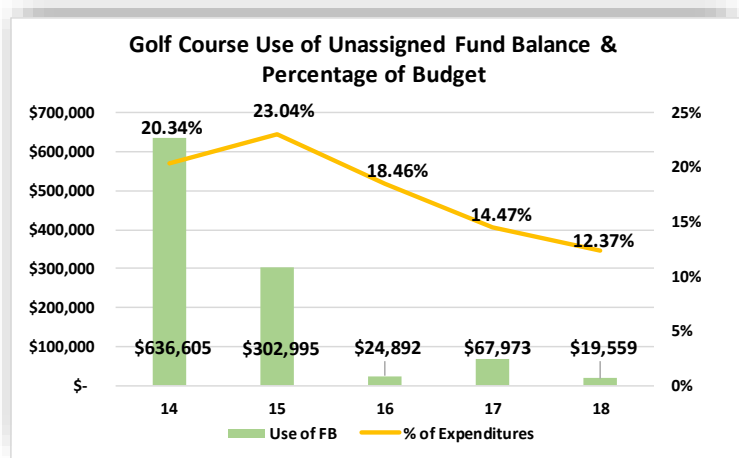
The Stormwater Management fund is balanced at \$12,081,600. The unassigned fund balance in the Stormwater Fund as of June 30, 2020 is expected to be \$8,925,281 or 73.87% of FY20 projected expenditures. Due to the capital-intensive nature of the Stormwater Management Program, a higher balance than normal policy requires of 15-20% is a good financial indicator. A large amount of capital purchases are scheduled to be made in FY20 to include a backhoe, excavators, flatbeds, vacuum trucks and dump trucks. *FY20 Recommended Budget* provides \$798,227 to allow for these purchases to take place.

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 Parking Facilities Fund is balanced at \$4,177,462. The fund's unassigned fund balance as of June 30, 2020 is projected to be approximately \$4,157,329 or 99.52% of FY20 budgeted expenditures.

The most noteworthy change proposed for the FY20 Parking budget includes the addition of the River Place Public Parking deck to be located at the River Place development in downtown Wilmington, expected to commence operations in early 2020. An operational budget has been established for a 6-month period and includes an estimated \$256,214 in operational costs and a revenue estimate of \$131,833. In addition to the operating budget, \$175,000 is being budgeted to install security cameras at the deck as well. This funding is recorded as a transfer to the Parking CIP fund.

The **Municipal Golf Course** (Muni) proposed budget, totaling \$1,489,019, is \$35,875 greater than FY19 adopted. The increase in revenue is due to multiple fee schedule changes that equate to an average overall increase of 18%. The main reason for the need to increase fees is attributable to the fund spending more than it collects in revenue each year. When this happens, fund balance must be used. The FY20 estimated unassigned fund balance is approximately 8.29%, which is below the city’s recommendation of 15-20%. Muni must work on rebuilding the unassigned fund balance and increasing fees will assist in that process. Since the unassigned fund balance is projected to be below the City’s financial policy an another review of the fee structure should occur for FY21



FY15 was the last time the fees were increased by an overall 35%. The plan at that time was to also increase fees by 10% in FY16. The FY16 fee increase was not adopted. Since that time, an infusion of fund balance has been required every year. Consideration must be given to another multi-year fee increase. The expenditures for course maintenance items, General Fund services such as posting of positions, legal services, payroll, purchasing and the like as well as employees’ salary and benefits will continue to increase. Without an infusion of another revenue source or continued fee increases, the Municipal Golf Course fund will not be able to maintain the same level of service in the future.

At present, the Golf Course is currently receiving \$1 million dollars from the FY18 Park Bond funding for the complete renovation of the clubhouse and the construction of a new cart barn. A purist would offer that as a true enterprise fund, the Golf Course should be spending its own funding for these projects.

Municipal Service District

The Wilmington City Council established a Municipal Services District (MSD) for the Central Business District in December of 2016 to provide professional services above and beyond what is already provided by the City. This recommended budget continues the tax rate of \$0.07 per \$100 assessed value, for both real and personal property, based on the total district’s property values totaling \$565 million. The assessed values have increased by \$8.2 million over FY19. Total expected revenues of \$425,960 have been budgeted for FY20.

The FY20 Municipal Services District will continue to provide safety, cleaning, physical appearance and marketing services to our core downtown district beyond the scope of our City services. Wilmington Downtown, Inc., will continue to serve as the city’s service provider. On April 18, the MSD Advisory Committee endorsed the *FY20 Recommended Budget*, continuing a focus on improving the Ambassador program. The FY20 contract budget of \$410,960 is 13% higher than the FY19 Adopted Budget due to

growth in property taxes and budgeting sales tax. The fund continues to have a reserve for unforeseen needs and includes fees to New Hanover County for revenue collections.

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:

CODE ENFORCEMENT	\$	1,536,965
FIRE DEPARTMENT	\$	19,236,084
POLICE DEPARTMENT	\$	36,576,985
TRANSPORTATION	\$	17,599,552
<i>WAVE Transit Contribution</i>	<i>\$</i>	<i>1,446,280</i>
<i>City Streets Division</i>	<i>\$</i>	<i>2,522,559</i>
<i>City Stormwater Streets & Drainage</i>	<i>\$</i>	<i>5,453,596</i>
<i>Traffic Engineering</i>	<i>\$</i>	<i>3,706,494</i>
<i>MPO Contribution</i>	<i>\$</i>	<i>257,815</i>
<i>CIP Streets</i>	<i>\$</i>	<i>2,256,969</i>
<i>CIP Stormwater</i>	<i>\$</i>	<i>1,637,497</i>
<i>Other Misc.</i>	<i>\$</i>	<i>318,342</i>
RECYCLING & TRASH SERVICES	\$	11,471,804
INSPECTIONS, PERMITTING & CITATIONS	\$	586,554
	\$	87,007,944

Not Included

Although the *FY20 Recommended Budget* included a number of items related to the city's expanding infrastructure, there are items that were not funded. Those items the budget did not address include the following:

- Police officer coverage for northern part of downtown was decided to be delayed until the opening of the Northern Waterfront Park
- Neighborhood traffic calming improvements
- Funding for Portia Hines community park upgrades and Thalian Hall maintenance and repairs, projects reviewed by the Council's CIP ad hoc committee, were not funded; a decision was made to wait until the city received Hurricane Florence FEMA reimbursements to further discuss those projects' funding strategies and weigh them with the city other priorities at that time
- No new office space funding was added to the budget; however, this resource gap will need to be addressed in the coming months as more office space is a growing necessity
- No major service reductions were authorized in this fiscal plan other than the transfer of the crime lab

Commitment

The City is committed to creating financial resiliency in preparation for the challenges that we will face in the years to come. We must 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 streams for local governments, we will move forward conservatively to remain flexible and proactive in our efforts to maintain quality services. We will continue to engage all employees in our efforts to make sure we provide quality and efficient services to citizens and that we represent the core values established by the City in the conduct of business.

Additionally, there are several large projects that will impact not only the tax base but the need for services on the horizon. Riverlights, a development which sits on 1,400-acres on the Cape Fear River and includes 5 miles of walking trails, restaurants and other retail stores and residential homes, already has Solid Waste Services and a planned fire station budgeted for \$3,371,750 in the CIP starting in FY20. Riverlights has approximately 280 homes occupied with an estimated 100 more each year. The infill development downtown will also require more services and the need for well documented land development code to guide growth for the city's future. And lastly, the US Census Bureau is to count the nation's population. Council and staff will have to be ready and prepared to respond to these forthcoming needs.

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 *FY20 Recommended Budget* is now respectfully submitted to Council for consideration. We stand ready to support you as you make these decisions.

Respectfully submitted,



Sterling B. Cheatham
City Manager

BUDGET SUMMARY

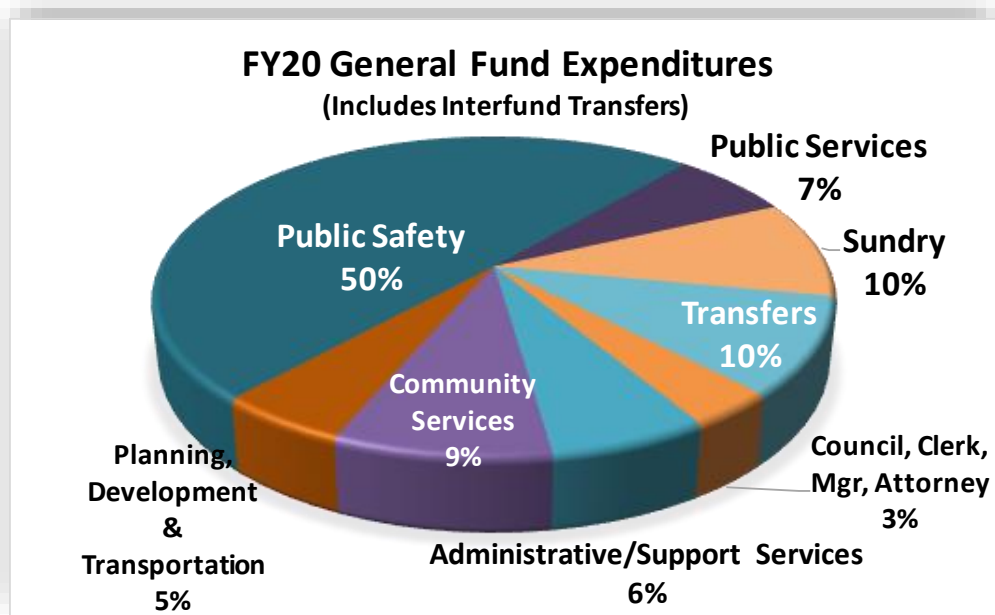
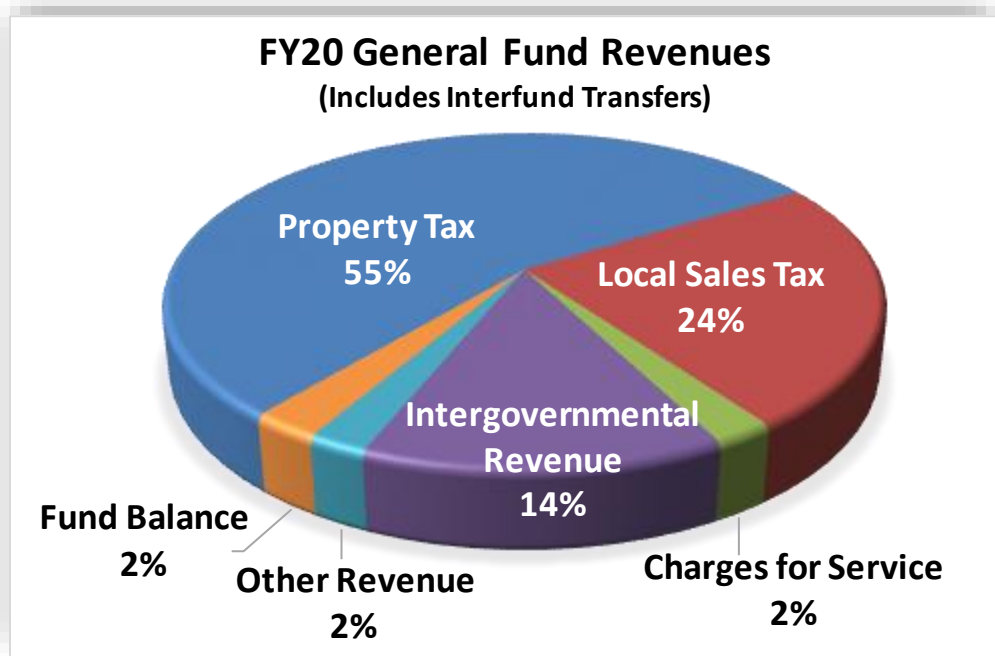
Revenue and Expenditure Transfer Schedule

	Total Revenues	Less Approp Fm Other Funds	Net Revenue	Total Expenditures	Less Approp To Other Funds	Net Expenditure
Operating Funds						
General Fund	\$ 113,480,412	\$ -	\$ 113,480,412	\$ 113,480,412	\$ 10,526,371	\$ 102,954,041
Stormwater Management Fund	\$ 12,081,600	\$ -	\$ 12,081,600	\$ 12,081,600	\$ 2,137,497	\$ 9,944,103
Solid Waste Management Fund	\$ 11,471,804	\$ 29,866	\$ 11,441,938	\$ 11,471,804		\$ 11,471,804
Subtotal	\$ 137,033,816	\$ 29,866	\$ 137,003,950	\$ 137,033,816	\$ 12,663,868	\$ 124,369,948
Program Funds						
Special Purpose Fund	\$ 2,951,919	\$ 610,177	\$ 2,341,742	\$ 2,951,919	\$ -	\$ 2,951,919
Convention Center Operating Fund	\$ 8,765,309	\$ 250,000	\$ 8,515,309	\$ 8,765,309	\$ 250,000	\$ 8,515,309
CDBG Fund	\$ 963,254	\$ -	\$ 963,254	\$ 963,254	\$ -	\$ 963,254
CDBG/HOME Grant and Loan Fund	\$ 692,356	\$ 143,086	\$ 549,270	\$ 692,356	\$ -	\$ 692,356
HOME Partnership Fund	\$ 979,346	\$ -	\$ 979,346	\$ 979,346	\$ -	\$ 979,346
Parking Facilities Fund	\$ 4,177,462	\$ 102,233	\$ 4,075,229	\$ 4,177,462	\$ 701,000	\$ 3,476,462
Golf Course Fund	\$ 1,489,019	\$ -	\$ 1,489,019	\$ 1,489,019	\$ -	\$ 1,489,019
Fleet Maintenance & Replacement Fu	\$ 7,603,073	\$ -	\$ 7,603,073	\$ 7,603,073	\$ -	\$ 7,603,073
Technology Replacement Fund	\$ 1,113,313	\$ 408,410	\$ 704,903	\$ 1,113,313	\$ -	\$ 1,113,313
Subtotal	\$ 28,735,051	\$ 1,513,906	\$ 27,221,145	\$ 28,735,051	\$ 951,000	\$ 27,784,051
Debt Service Fund						
Debt Service Fund	\$ 24,333,514	\$ 9,334,832	\$ 14,998,682	\$ 24,333,514	\$ 4,845,041	\$ 19,488,473
Subtotal	\$ 24,333,514	\$ 9,334,832	\$ 14,998,682	\$ 24,333,514	\$ 4,845,041	\$ 19,488,473
Special District						
MSD	\$ 425,960	\$ -	\$ 425,960	\$ 425,960	\$ -	\$ 425,960
Subtotal	\$ 425,960	\$ -	\$ 425,960	\$ 425,960	\$ -	\$ 425,960
Capital Project Fund (Not of Debt)						
CP - Streets and Sidewalks	\$ 2,256,969	\$ 2,021,052	\$ 235,917	\$ 2,256,969	\$ -	\$ 2,256,969
CP- Stormwater/Drainage	\$ 2,186,085	\$ 2,137,497	\$ 48,588	\$ 2,186,085	\$ -	\$ 2,186,085
CP- Parks and Recreation	\$ 1,052,228	\$ 1,671,139	\$ (618,911)	\$ 1,052,228	\$ -	\$ 1,052,228
CP- Public Facilities	\$ 3,968,835	\$ 850,617	\$ 3,118,218	\$ 3,968,835	\$ -	\$ 3,968,835
CP- Parking Facilities	\$ 701,000	\$ 701,000	\$ -	\$ 701,000	\$ -	\$ 701,000
CP- Golf Course Fund	\$ -	\$ 200,000	\$ (200,000)	\$ -	\$ -	\$ -
Subtotal	\$ 10,165,117	\$ 7,581,305	\$ 2,583,812	\$ 10,165,117	\$ -	\$ 10,165,117
Total All Funds	\$ 200,693,458	\$ 18,459,909	\$ 182,233,549	\$ 200,693,458	\$ 18,459,909	\$ 182,233,549

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)

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
Revenues					
Property Tax	\$ 57,522,173	\$ 60,893,260	\$ 60,893,260	\$ 62,518,926	2.7%
Local Sales Tax	\$ 25,980,637	\$ 25,548,953	\$ 25,548,953	\$ 27,069,810	6.0%
Licenses, Fees & Permits	\$ 915,000	\$ 940,000	\$ 1,006,412	\$ 1,100,000	17.0%
Intergovernmental Revenues	\$ 15,121,951	\$ 14,960,972	\$ 15,580,665	\$ 15,670,149	4.7%
Charges for Current Services	\$ 2,450,368	\$ 2,557,944	\$ 2,560,494	\$ 2,610,514	2.1%
Fines & Forfeitures	\$ 165,000	\$ 175,000	\$ 175,000	\$ 145,000	-17.1%
Interest Earnings	\$ 252,620	\$ 577,666	\$ 577,666	\$ 826,540	43.1%
Other Revenue	\$ 444,889	\$ 344,073	\$ 13,483,235	\$ 519,473	51.0%
Appropriated Fund Balance	\$ 11,360,432	\$ 529,040	\$ 17,116,839	\$ 3,020,000	470.8%
Revenue Total	\$ 114,213,070	\$ 106,526,908	\$ 136,942,524	\$ 113,480,412	6.5%
Expenditures					
City Council	\$ 186,776	\$ 226,269	\$ 241,769	\$ 241,590	6.8%
City Clerk	\$ 238,450	\$ 258,877	\$ 258,877	\$ 288,107	11.3%
City Manager	\$ 2,148,075	\$ 2,222,935	\$ 2,230,510	\$ 2,447,562	10.1%
City Attorney	\$ 1,018,962	\$ 1,046,668	\$ 1,096,047	\$ 1,057,770	1.1%
Human Resources	\$ 988,725	\$ 1,037,468	\$ 1,038,385	\$ 1,102,991	6.3%
Finance	\$ 2,225,981	\$ 2,319,474	\$ 2,334,452	\$ 2,341,407	0.9%
Information Technology	\$ 2,538,656	\$ 3,333,113	\$ 3,443,806	\$ 3,782,496	13.5%
Community Services	\$ 7,768,581	\$ 9,163,881	\$ 9,263,822	\$ 9,929,877	8.4%
Planning, Devel & Trans	\$ 5,233,312	\$ 5,813,920	\$ 6,112,782	\$ 6,007,126	3.3%
Police	\$ 30,521,516	\$ 32,302,549	\$ 35,097,295	\$ 36,546,488	13.1%
Fire	\$ 17,704,046	\$ 18,915,674	\$ 19,238,451	\$ 19,725,282	4.3%
Public Services	\$ 5,319,709	\$ 5,770,396	\$ 7,229,326	\$ 4,873,762	-15.5%
Engineering	\$ 2,518,865	\$ 2,748,837	\$ 2,753,598	\$ 2,858,536	4.0%
Non-Departmental	\$ 8,454,925	\$ 10,069,574	\$ 33,548,358	\$ 10,913,047	8.4%
Contingency	\$ -	\$ 265,000	\$ 265,000	\$ 265,000	0.0%
Transfer to Other Funds	\$ 18,823,402	\$ 11,032,273	\$ 12,790,046	\$ 11,099,371	0.6%
Appropriations Total	\$ 105,689,979	\$ 106,526,908	\$ 136,942,524	\$ 113,480,412	6.5%

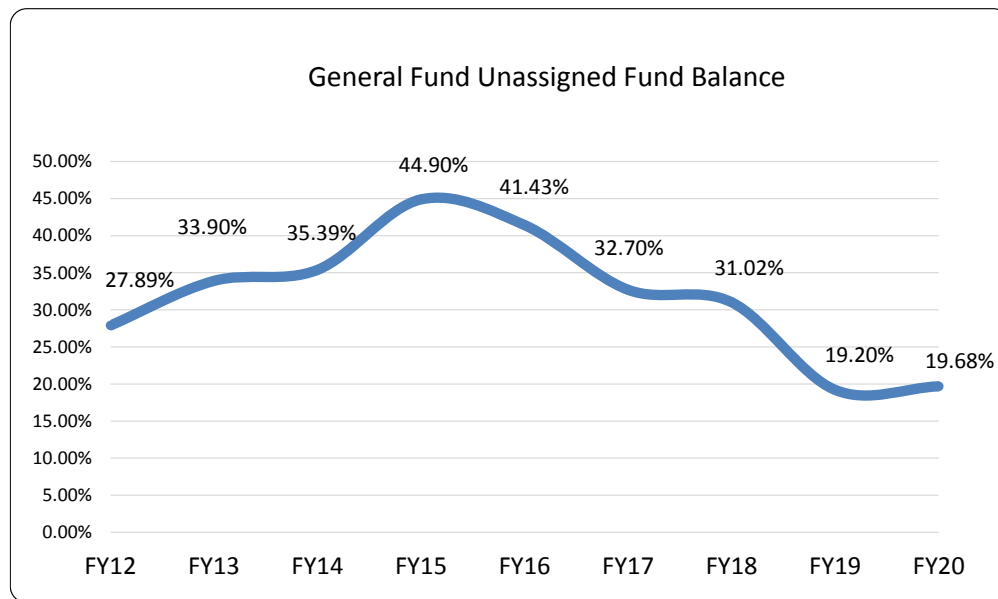


Consolidated Unassigned Fund Balance Summary

Fund	Unassigned Fund Balance As of June 30, 2018	Anticipated Unassigned Fund Balance June 30, 2019	Recommended FY 19-20 Budgeted Expenditures	% of FY 19-20 Budgeted Expenditures	Anticipated Unassigned Fund Balance June 30, 2020	% of FY 19-20 Budgeted Expenditures
General Fund	34,615,228	20,454,165	113,480,412	18.02%	22,354,165	19.70%
Solid Waste Management Fund	5,498,510	5,685,424	11,471,804	49.56%	3,814,809	33.25%
Storm Water Management Fund	8,350,436	8,925,281	12,081,600	73.87%	8,925,281	73.87%
Golf Course Fund	179,081	123,513	1,489,019	8.29%	123,513	8.29%
Parking Facilities Fund	3,698,585	4,455,397	4,177,462	106.65%	4,157,329	99.52%

The anticipated unassigned fund balance for June 30, 2019 includes any FY19 mid-year appropriations. The unassigned fund balance for year-end FY20 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 2017-18 through the recommended FY20 budget.

	FY18 Actuals	FY19 Adopted	FY19 Adjusted	FY20 Recommended
General Fund Full Time				
City Clerk	3	3	3	3
City Manager	18	19	20	20
City Attorney	10	10	10	10
Human Resources	10	10	10	11
Finance	27	27	27	27
Information Technology Services	21	21	21	21
Community Services	85	89	89	91
Planning, Development and Transportation	45	48	49	49
Police Department	341	344	344	342
Fire Department	222	219	219	221
Public Services Department	40	40	40	42
Engineering	30	31	31	31
General Fund Full Time Total	852	861	863	868
Other Funds Full Time				
CD/HM Grant and Loan Fund	8	8	8	8
Fleet	13	13	13	13
Golf Course Fund	10	10	10	10
Metropolitan Planning Special Purpose Fun	11	11	11	11
Parking Fund	2	2	2	2
Solid Waste Management Fund	75	75	75	75
Stormwater Management Fund	60	60	60	60
SABLE Special Purpose Fund	2	2	2	2
Other Funds Full Time Total	181	181	181	181
Part Time				
City Manager	0	0	0	0
Community Services	16.26	16.66	16.66	16.53
Fire Department	1.45	1.45	1.45	1.45
Human Resources	0.48	0.48	0.48	0
Police Department	12.79	12.79	12.79	8.2
CD/HM Grant and Loan Fund	0.96	0.96	0.96	0.96
Golf Course Fund	2.92	2.92	2.92	2.92
Part Time Total	34.86	35.26	35.26	30.06
All Funds Full Time Total	1033	1042	1044	1049
All Funds Part Time Total	34.86	35.26	35.26	30.06
Grand Total All Funds	1067.86	1077.26	1079.26	1079.06

Position Overview

During the course of FY19, through Council approval, authorized strength increased by two (2) positions in February 2019 with the addition of a Permit Technician and a Zoning Officer. These positions were approved to assist the Planning division with the adoption of the new Short Term Lodging regulations. Full-time authorization increased from 1042 to 1044 during the course of the fiscal year.

The *FY20 Recommended Budget* reflects a net decrease to authorized strength by 0.20 across the city. This decrease consists of the addition of five full-time and one Part-time (5.48) positions to include a Parks and Recreation Superintendent in the Community Services Department, a Fire Inspector and an Emergency Management Coordinator both located in the Fire Department, a Compliance Officer in Public Services Admin and a Project Coordinator in Public Services Buildings and a .48 FTE Housekeeper located in the Police Department.

In addition to the new positions, the Human Resources Department has an increase of 0.52 in authorized strength with the reclassification of an existing 0.48 Part-time position. The 0.48 FTE HR Data Integrity Specialist position has been reclassified to a full-time Administrative Support Technician.

The Community Services Department is also increasing their Part-time staffing by 0.39 by changing an existing Recreation Specialist position from a 0.25 FTE to a 0.48, increasing the hours of a Recreation Coordinator from a 0.88 FTE to full-time and increasing the hours of a 0.96 Grounds Technician by 0.04 to establish a full-time position.

The Police Department is recognizing a decrease in both full and Part-time positions by 7.07. Four full-time and one 0.40 Part-time position have been removed from authorized strength with the transfer of the Forensic Lab to New Hanover County. In addition to the Lab transfer, multiple long-time vacant positions were closed to include three Pilots (two at 0.25 each and one at 0.48), two Code Enforcement Officers (at 0.48 each), an Administrative Support position (0.25), and a Gang Prevention Specialist (0.48).

There is one administrative correction being made to account for a 0.48 Recreation Assistant position in the Community Services Department that was not included in error in the FY19 reconciliation.

FEE SCHEDULE CHANGES

Below is a summary of recommended changes to the fee schedule showing current policy vs the recommended change.

General Fund

Community Services

Fee	Current	Change
Team Fees	Summer and Fall Softbal: Self-Administered Divisions: \$30.00/Game Basketball: Adults: \$530.00 per Team of 15 Players	Adult Leagues administered by the City: Fees up to \$530.00 per team of 15 players
Youth Athletics	n/a	Head Coaches receive one free registration, refundable after season if no ejections are given during the season.
Youth Athletics Fees	\$1 of youth athletics fees will be committed for maintenance, operations and facility improvements to City athletic facilities.	\$6 of youth athletics fees will be committed for maintenance, operations and facility improvements to City athletic facilities.
Annual Performer Permit	Annual Performer Permit (Riverfront): \$50.00 Skate Park: \$300 per day/event (Commercial Lease) Annual Sales Permit (Riverfront) \$55.00 *Not Applicable to Halyburton or the Amphitheater	Remove from Schedule *Not Applicable to Halyburton or the Amphitheater
Legion Sports Complex Exempted Businesses	The following are exempt from posted fees: oAmerican Legion Post 10 oNew Hanover County Schools oCoastal Pop Warner Football Games	The following are exempt from posted fees: oAmerican Legion Post 10 (exempt from all fees) oNew Hanover County Schools (exempt from ticket surcharge and rental fees, facility attendant fees apply) oCoastal Pop Warner Football Games (exempt from ticket surcharge, rental and facility attendant fees apply)
Athletic Fields: Empie Park, Robert Strange Park & Maides Park	Empie Park, Robert Strange Park & Maides Park Recreational Youth Teams: No fee Nonprofit/community benefit/civic clubs 501(c)3: \$100.00/all day/(4 + hours) includes basic maintenance service (fields dragged and marked prior to first game) Commercial/Other: \$150.00/all day/(4 + hours) includes basic maintenance service (fields dragged and marked prior to first game)	Empie Park Removed from Athletic Fields Section Recreational Youth Teams and Coastal Pop Warner football practices: No Fee All Day Rental (four hours plus): Per Field – Includes dragging and lining prior to the first game Non-profit 501(c)3 – (proof of non-profit status required) First Day: \$100.00 Second Day: \$75.00 Commercial/Other Organizations First Day: \$150.00 Second Day: \$75.00

Fee	Current	Change
Athletic Fields Godwin Stadium	n/a	All Day Rental (four hours plus): Per Field – Includes dragging and lining prior to the first game Non-profit 501(c)3 – (proof of non-profit status required) First Day: \$100.00 Second Day: \$75.00 ii. Commercial/Other Organizations First Day: \$150.00 Second Day: \$75.00
Olsen Park Field Rental	Per Field: Includes dragging and lining field one time oWithout Lights: \$25.00 per game oWith Lights: \$50.00 per game	All Day Rental (four hours plus): Per Field – Includes dragging and lining prior to the first game oNon-profit 501(c)3 (proof of non-profit status required) oFirst Day: \$100.00 oSecond Day: \$75.00 Commercial/Other Organizations oFirst Day: \$150.00 oSecond Day: \$75.00 Softball Self-administered Divisions: \$30.00/game
		Cross Country Meets: i. Non-profit: o\$10/team**Excludes meets held by New Hanover County schools.** o\$75/ten teams o\$300 max Commercial/other: o\$15/team o\$100/10 teams o\$400 max oLights: \$20/field oUser fee: \$.50/youth participant
Olsen Park Field Rental: Deposit	The deposit shall be 50% of the rental fee and is due no later than 30 days prior to the current event date. The balance of the fee is due before the event begins.	The deposit for rental shall be \$150 or the total amount if less than \$150, due with application. The remaining balance is due within five days following the event.
Skate Park Fees	Annual Membership (includes unlimited skating): New Hanover County Residents: \$50.00 per year Non-New Hanover County Residents: \$75.00 per year Non-Member Daily Fee \$3.00 per person/per day for City Residents \$4.00 per person per day for non-City Residents	\$300 per day/event (Commercial Lease)

Fee	Current	Change						
Sunday Scene/Public Market	<p>All vendors using space in the South Second Street Parking Lot, aka Ligon Flynn Lot, as participants in the City's Sunday Scene/Public Market program shall be charged the following fees (per parking space):</p> <p>\$10.00 per space for vendors holding a current Riverfront Park vendor permit; and \$22.00 per space for all other vendors</p>	Removed from Schedule						
Road Race/Organized Group Walk Permit	<p>Non refundable application: Non Profit Events \$50 Private/For Profit Events \$75* *If traffic control plan is required \$100 Per participant fee of \$1**</p> <p>**Per participant fee will be committed for improvements and maintenance of greenways, streets and sidewalks.</p>	Removed from Schedule						
Special Event Fees and Application Deadlines	n/a	Event Type	Application Deadline	Application Fee Non-profit	Application Fee For Profit	Permit Fee	Participant Fee	Late Application Fee
		Parade	90 days	\$150.00	\$500.00	\$50.00	\$0	\$300.00
		Race/Walk 5K or less	90 days	\$75.00	\$250.00	\$50.00	\$1.00 per participant	\$150.00
		Race/Walk longer than 5K	90 days	\$150.00	\$500.00	\$50.00	\$1.00 per participant	\$300.00
		General Event with 1000 people or less	60 days	\$75.00	\$250.00	\$50.00	\$0	\$150.00
		General Event with more than 1000 people	90 days	\$150.00	\$500.00	\$50.00	\$0	\$300.00
		Neighborhood Event	30 days	\$25.00	N/A	\$50.00	\$0	\$50.00

Fire

Fee	Current	Change
Fire Protection Permits: Group A:	Small Assembly - Group A: o Capacity 50-99 \$65.00 Large Assembly - Group A o Capacity 100-200 \$100.00 o Capacity 201-300 \$150.00 o Capacity 301-400 \$200.00 o Capacity 401-500 \$250.00 o Capacity 501-600 \$275.00 o Capacity 601-plus \$300.00	Small Assembly - Group A: o Capacity 50-99 \$75.00 Large Assembly - Group A o Capacity 100-200 \$120.00 o Capacity 201-300 \$165.00 o Capacity 301-400 \$200.00 o Capacity 401-500 \$250.00 o Capacity 501-600 \$275.00 o Capacity 601-plus \$325.00
Fire Protection Permits: Business – Group B, Mercantile – Group M, Storage – Group S, Utility – Group U-Ordinary	o Less than 501 sq. ft. \$45.00 o 501 to 2,500 sq. ft. \$55.00 o 2,501 to 10,000 sq. ft. \$85.00 o 10,001 to 20,000 sq. ft. \$115.00 o 20,001 to 40,000 sq. ft. \$145.00 o 40,001 to 80,000 sq. ft. \$185.00 o 80,001 to 120,000 sq. ft. \$225.00 o 120,001 to 150,000 sq. ft. \$250.00 o 150,001 to 200,000 sq. ft. \$300.00 o 200,001 to 300,000 sq. ft. \$350.00 o 300,001 sq. ft. plus \$400.00	o Less than 501 sq. ft. \$45.00 o 501 to 2,500 sq. ft. \$75.00 o 2,501 to 10,000 sq. ft. \$100.00 o 10,001 to 20,000 sq. ft. \$150.00 o 20,001 to 40,000 sq. ft. \$165.00 o 40,001 to 80,000 sq. ft. \$185.00 o 80,001 to 120,000 sq. ft. \$225.00 o 120,001 to 150,000 sq. ft. \$250.00 o 150,001 to 200,000 sq. ft. \$300.00 o 200,001 to 300,000 sq. ft. \$350.00 o 300,001 sq. ft. plus \$400.00
Fire Protection Permits: Educational Group E - Day Care, Institutional Group I (24 hour Care)	o Licensed for 0 – 25 \$75.00 o Licensed for 26 - 50 \$90.00 o Licensed for 51 - 100 \$115.00 o Licensed for 101 - 150 \$135.00 o Licensed for 151 - 175 \$155.00 o Licensed 176 plus \$175.00	o Licensed for 0 – 25 \$75.00 o Licensed for 26 - 50 \$100.00 o Licensed for 51 - 100 \$125.00 o Licensed for 101 - 150 \$150.00 o Licensed for 151 - 175 \$175.00 o Licensed 176 plus \$250.00
Fire Protection Permits: Factory – Industrial – Group F	o Less than 501 sq. ft. \$45.00 o 501 to 2,500 sq. ft. \$65.00 o 2,501 to 10,000 sq. ft. \$105.00 o 10,001 to 20,000 sq. ft. \$145.00 o 20,001 to 40,000 sq. ft. \$185.00 o 40,001 to 80,000 sq. ft. \$225.00 o 80,001 to 120,000 sq. ft. \$275.00 o 120,001 to 150,000 sq. ft. \$300.00 o 150,001 to 200,000 sq. ft. \$325.00 o 200,001 sq. ft. plus \$400.00	o Less than 501 sq. ft. \$45.00 o 501 to 2,500 sq. ft. \$75.00 o 2,501 to 10,000 sq. ft. \$105.00 o 10,001 to 20,000 sq. ft. \$145.00 o 20,001 to 40,000 sq. ft. \$185.00 o 40,001 to 80,000 sq. ft. \$225.00 o 80,001 to 120,000 sq. ft. \$275.00 o 120,001 to 150,000 sq. ft. \$300.00 o 150,001 to 200,000 sq. ft. \$325.00 o 200,001 sq. ft. plus \$400.00
Fire Protection Permits: Hazardous - Group H	o Less than 501 sq. ft. \$35.00 o 501 to 2,500 sq. ft. \$75.00 o 2,501 to 10,000 sq. ft. \$125.00 o 10,001 to 20,000 sq. ft. \$175.00 o 20,001 to 40,000 sq. ft. \$225.00 o 40,001 to 80,000 sq. ft. \$275.00 o 80,001 to 120,000 sq. ft. \$325.00 o 120,001 to 150,000 sq. ft. \$375.00 o 150,001 to 200,000 sq. ft. \$425.00 o 200,001 sq. ft. plus \$500.00	o Less than 501 sq. ft. \$45.00 o 501 to 2,500 sq. ft. \$75.00 o 2,501 to 10,000 sq. ft. \$125.00 o 10,001 to 20,000 sq. ft. \$175.00 o 20,001 to 40,000 sq. ft. \$225.00 o 40,001 to 80,000 sq. ft. \$275.00 o 80,001 to 120,000 sq. ft. \$325.00 o 120,001 to 150,000 sq. ft. \$375.00 o 150,001 to 200,000 sq. ft. \$425.00 o 200,001 sq. ft. plus \$500.00

Fire

Fee	Current	Change
Fire Protection Permits: Utility – Group U – Flammable/Combustible/Hazardous Liquids	Utility – Group U – Flammable/Combustible/Hazardous Liquids o Less than 2500 sq. ft. \$65.00 o 2,501 to 10,000 sq. ft. \$125.00 o 10,001 to 20,000 sq. ft. \$175.00 o 20,001 to 40,000 sq. ft. \$250.00 o 40,001 to 80,000 sq. ft. \$350.00 o 80,001 to 120,000 sq. ft. \$450.00 o 120,001 to 150,000 sq. ft. \$550.00 o 150,001 to 200,000 sq. ft. \$650.00 o 200,001 to 300,000 sq. ft. \$750.00 o 300,001 sq. ft. plus \$800.00	Utility – Group U – Flammable/Combustible/Hazardous Liquids o Less than 2500 sq. ft. \$75.00 o 2,501 to 10,000 sq. ft. \$125.00 o 10,001 to 20,000 sq. ft. \$175.00 o 20,001 to 40,000 sq. ft. \$250.00 o 40,001 to 80,000 sq. ft. \$350.00 o 80,001 to 120,000 sq. ft. \$450.00 o 120,001 to 150,000 sq. ft. \$550.00 o 150,001 to 200,000 sq. ft. \$650.00 o 200,001 to 300,000 sq. ft. \$750.00 o 300,001 sq. ft. plus \$800.00
Fire Protection Permits: Residential - Group R1	Residential - Group R1 Number of Sleeping Rooms o 1-10 \$45.00 o 11-30 \$65.00 o 31-50 \$85.00 o 51-75 \$105.00 o 76-99 \$125.00 o 100-125 \$145.00 o 126-175 \$185.00 o 176-199 \$225.00 o 200-250 \$265.00 o 251 plus \$300.00	Residential - Group R1 Number of Sleeping Rooms o 1-10 \$45.00 o 11-30 \$75.00 o 31-50 \$100.00 o 51-75 \$125.00 o 76-99 \$150.00 o 100-125 \$175.00 o 126-175 \$200.00 o 176-199 \$225.00 o 200-250 \$265.00 o 251 plus \$300.00
Fire Protection Permits: Residential - Group R2	Residential - Group R2 - Apartment Buildings (Beyond one and two family dwellings and inspection of common use areas only. Fee based on the number of buildings in the complex.) o 1 to 2 \$45.00 o 3 to 10 \$75.00 o 10 to 15 \$125.00 o 16 to 20 \$175.00 o 21 to 25 \$225.00 o 26 or more \$275.00	Residential - Group R2 - Apartment Buildings (Beyond one and two family dwellings and inspection of common use areas only. Fee based on the number of buildings in the complex.) o 1 to 2 \$45.00 o 3 to 10 \$100.00 o 10 to 15 \$125.00 o 16 to 20 \$175.00 o 21 to 25 \$225.00 o 26 or more \$275.00
Fire Protection Permits: Residential - High-Rise/Assisted Living/Enclosed Apartment building	Residential - High-Rise/Assisted Living/Enclosed Apartment building o Less than 501 sq. ft. \$45.00 o 501 to 2,500 sq. ft. \$55.00 o 2,501 to 10,000 sq. ft. \$75.00 o 10,001 to 20,000 sq. ft. \$100.00 o 20,001 to 40,000 sq. ft. \$135.00 o 40,001 to 80,000 sq. ft. \$175.00 o 80,001 to 120,000 sq. ft. \$205.00 o 120,001 to 160,000 sq. ft. \$235.00 o 160,001 to 200,000 sq. ft. \$275.00 o 200,001 to 300,000 sq. ft. \$325.00 o 300,001 sq. ft. plus \$400.00	Residential - High-Rise/Assisted Living/Enclosed Apartment building o Less than 501 sq. ft. \$45.00 o 501 to 2,500 sq. ft. \$75.00 o 2,501 to 10,000 sq. ft. \$100.00 o 10,001 to 20,000 sq. ft. \$125.00 o 20,001 to 40,000 sq. ft. \$150.00 o 40,001 to 80,000 sq. ft. \$175.00 o 80,001 to 120,000 sq. ft. \$205.00 o 120,001 to 160,000 sq. ft. \$235.00 o 160,001 to 200,000 sq. ft. \$275.00 o 200,001 to 300,000 sq. ft. \$325.00 o 300,001 sq. ft. plus \$400.00

PDT

Fee	Current	Change
Certificates of Appropriateness	Certificates of Appropriateness (based on estimated cost of project/improvements, etc.) o \$17,999 or less \$0.00 o \$18,000 - \$24,999 \$20.00 o \$25,000 - \$49,999 \$25.00 o \$50,000 - \$99,999 \$35.00 o \$100,000 - \$499,999 \$50.00 o \$500,000 and more \$100.00	Certificates of Appropriateness (based on estimated cost of project/improvements, etc.) o \$17,999 or less \$0.00 o \$18,000 - \$24,999 \$20.00 o \$25,000 - \$49,999 \$25.00 o \$50,000 - \$99,999 \$35.00 o \$100,000 - \$499,999 \$50.00 o \$500,000 and more \$100.00 o After the Fact \$100, plus base fee above

Housing Loan Programs

Fee	Current	Change
HOP	Homeownership Opportunities Program (HOP)	Remained: Housing Loan Programs
HOP Broker Program	Certified HOP Broker Program	renamed: Certified Home Ownership Opportunities Program (HOP) Broker Program
HOP Loan Application Fee	HOP Loan Application Fee \$50.00	HOP Loan Application Fee \$50.00 Rental rehabilitation incentive loan program Application Fee non-refundable: \$250 per unit. Fee may be waived for applications for Permanent Supportive Housing projects.

Municipal Golf Course

Fee	Current	Change
Daily Greens Fees Local residents (New Hanover, Brunswick and Pender Counties)	18 Holes walking: Weekdays \$23 Weekends/Holidays: \$27 Junior Golfers (under 17): \$14 City Employee Weekdays: \$11.50 City Employee Weekends: \$13.50 9 Holes walking: Weekdays: \$16 Weekends/Holidays: \$17 Junior Golfers (under 17): \$8 City Employee Weekdays: \$8 City Employee Weekends: \$8.50	18 Holes walking: Weekdays \$27 Weekends/Holidays: \$31 Junior Golfers (under 17): \$14 City Employee Weekdays: \$13.50 City Employee Weekends: \$15.50 9 Holes walking: Weekdays: \$18 Weekends/Holidays: \$19 Junior Golfers (under 17): \$8 City Employee Weekdays: \$9 City Employee Weekends: \$9.50
Daily Greens Fees Non-Residents	18 Holes walking: Weekdays \$28 Weekends/Holidays: \$30 Junior Golfers (under 17): \$14 City Employee Weekdays: \$14 City Employee Weekends: \$15 9 Holes walking: Weekdays: \$18 Weekends/Holidays: \$20 Junior Golfers (under 17): \$8 City Employee Weekdays: \$9.50 City Employee Weekends: \$10	18 Holes walking: Weekdays \$37 Weekends/Holidays: \$40 Junior Golfers (under 17): \$14 City Employee Weekdays: \$18.50 City Employee Weekends: \$20 9 Holes walking: Weekdays: \$23 Weekends/Holidays: \$24 Junior Golfers (under 17): \$8 City Employee Weekdays: \$11.50 City Employee Weekends: \$12
Golf Cart Rentals	18 holes per person per cart \$12 9 holes per person per cart \$7 Pull cart rental \$2	18 holes per person per cart \$12 9 holes per person per cart \$8 Pull cart rental \$3

Municipal Golf Course		
Fee	Current	Change
Winter Rates	December, January February: 18 holes with cart for local residents on weekday: \$32 18 holes with cart for local residents on weekend: \$36 *same price for resident and non-resident	December, January February: 18 holes with cart for local residents on weekday: \$37 18 holes with cart for local residents on weekend: \$42 *same price for resident and non-resident
Punch Cards	15 Rounds City resident: \$240 City Employee Non-City resident: \$120 Non-City resident: \$300 City Employee Non-City resident \$150 Weekday only: 15-round punch card: cart pass in conjunction with a greens fee pass for \$375 (\$25 per round) City of Wilmington residents may purchase punch cards at \$240/15 rounds. All residents outside of the City limits in New Hanover, all Pender residents and all Brunswick residents can purchase punch cards at \$300/15 rounds. Punch cards expire within 6 months of date of purchase.	15 Rounds City resident: \$330 City Employee Non-City resident: \$165 Non-City resident: \$390 City Employee Non-City resident \$195 Weekday only: 15-round punch card: cart pass in conjunction with a greens fee pass for \$450 (\$30 per round) City of Wilmington residents may purchase punch cards at \$300/15 rounds. All residents outside of the City limits in New Hanover, all Pender residents and all Brunswick residents can purchase punch cards at \$330/15 rounds. Punch cards expire within 6 months of date of purchase.
Stormwater Fund		
Fee	Current	Change
Standard Rate	\$8.19 per ERU	\$8.27 per ERU (1% increase)
Storm Water Discharge Permit Application Fees	Minor Development Review (including Major Modification) (Non-residential development of 10,000 square feet or more of impervious area): \$1,000 Major or Multi-Unit Development Review (including Major Modification): \$1,000 New Major Subdivision Review (including Major Modification): \$1,000 Re-submittal Fee (after 2nd submittal): \$500 Drainage Plan Review: \$200 Redevelopment Exclusion: \$150	Remove from Schedule
Solid Waste Fund		
Fee	Current	Change
Activation Fee	An activation fee of \$25.00 will apply to new service accounts.	New account activation fee = \$25 Account holder transfer (no cart change) = no fee Account holder transfer (with cart addition or change) = \$25 Redeliver cart (following account shutoff by CFPUA for non-payment) = \$55

Parking Fund

Fee	Current	Change
River Place Parking Deck:	n/a	Monthly Unreserved Single: \$120/month
Monthly Unreserved Single Space		Monthly Reserved Single: \$150/month
		Hourly Single Space:
		o \$2 up to 1 hour
		o \$4 up to 2 hours
		o \$6 up to 3 hours
		o \$8 3 – 12 hours
		o \$13 12 – 24 hours
		o \$13 daily max / lost ticket fee
		Nightly Single Space (Thursday – Saturday 9 p.m. -
		2 a.m. upon entry): \$10 Flat Rate
		Daily Single Space Rate for Special Events Use (7am
		to 7am): \$10 Flat Rate
		Parking Validation: \$0.85 for each hour or portion
		thereof
		Card Replacement Fee: \$10
		Reactivation Fee due to returned checks or non-
		payment: \$5
		City Sponsored Events: City sponsored events may
		require parking fee adjustments depending on the
		anticipated length of the event. Event fee rate will
		be at the discretion of the City Manager for \$2.00,
		\$3.00 or \$10.00 and may be charged upon
		entrance at the parking deck.

REVENUE ESTIMATES

REVENUE SUMMARY ALL FUNDS

	FY18 Actual	FY19 Adopted	FY20 Recommend	Change FY19 to FY20
Revenue				
Operating Funds				
100 General Fund	\$ 114,213,070	\$ 106,526,908	\$ 113,480,412	6.5%
500 Stormwater Management Fund	\$ 19,092,331	\$ 11,776,939	\$ 12,081,600	2.6%
560 Solid Waste Management Fund	\$ 9,295,059	\$ 9,408,066	\$ 11,471,804	21.9%
Operating Funds Total	\$ 142,600,460	\$ 127,711,913	\$ 137,033,816	7.3%
Program Funds				
210 Special Purpose Fund	\$ 8,601,834	\$ 3,065,978	\$ 2,951,919	-3.7%
220 Convention Center Operating Fund	\$ 8,725,187	\$ 7,101,838	\$ 8,765,309	23.4%
223 CDBG Fund	\$ 887,269	\$ 1,006,805	\$ 963,254	-4.3%
224 CDBG/HOME Grant and Loan Fund	\$ 804,103	\$ 765,558	\$ 692,356	-9.6%
225 HOME Partnership Fund	\$ 852,884	\$ 885,902	\$ 979,346	10.5%
550 Parking Facilities Fund	\$ 3,883,179	\$ 3,951,931	\$ 4,177,462	5.7%
570 Golf Course Fund	\$ 1,516,910	\$ 1,453,144	\$ 1,489,019	2.5%
610 Fleet M&R Fund	\$ 8,774,191	\$ 7,872,281	\$ 7,603,073	-3.4%
650 Technology Replacement Fund	\$ 1,977,822	\$ 1,437,474	\$ 1,113,313	-22.6%
Program Funds Total	\$ 36,023,379	\$ 27,540,911	\$ 28,735,051	4.3%
150 Debt Service Funds				
Debt Service Fund	\$ 23,670,275	\$ 24,028,396	\$ 24,333,514	1.3%
Debt Service Funds Total	\$ 23,670,275	\$ 24,028,396	\$ 24,333,514	1.3%
215 Special District				
Special Tax District	\$ 377,000	\$ 384,341	\$ 425,960	10.8%
Special District Total	\$ 377,000	\$ 384,341	\$ 425,960	10.8%
Capital Project Funds (Not of Debt)				
331 CP - Streets and Sidewalks	\$ 4,068,782	\$ 4,164,095	\$ 2,256,969	-45.8%
502 CP- Stormwater/Drainage	\$ 3,719,500	\$ 3,327,513	\$ 2,186,085	-34.3%
333 CP- Parks and Recreation	\$ 37,680,077	\$ 726,968	\$ 1,052,228	44.7%
339 CP- Public Facilities	\$ 19,162,568	\$ 1,977,544	\$ 3,968,835	100.7%
552 CP- Parking Facilities	\$ 6,168,334	\$ 739,050	\$ 701,000	-5.1%
572 CP - Golf Course	\$ 1,000,000	\$ -	\$ -	-%
Capital Project Funds (Not of Debt) Total	\$ 71,799,261	\$ 10,935,170	\$ 10,165,117	-7.0%
Total All Fund	\$ 274,470,375	\$ 190,600,731	\$ 200,693,458	5.3%
Less Interfund Transfers	\$ (31,316,347)	\$ (20,279,022)	\$ (18,459,909)	-9.0%
Net Operating & Capital	\$ 243,154,028	\$ 170,321,709	\$ 182,233,549	7.0%

GENERAL FUND REVENUE ESTIMATES

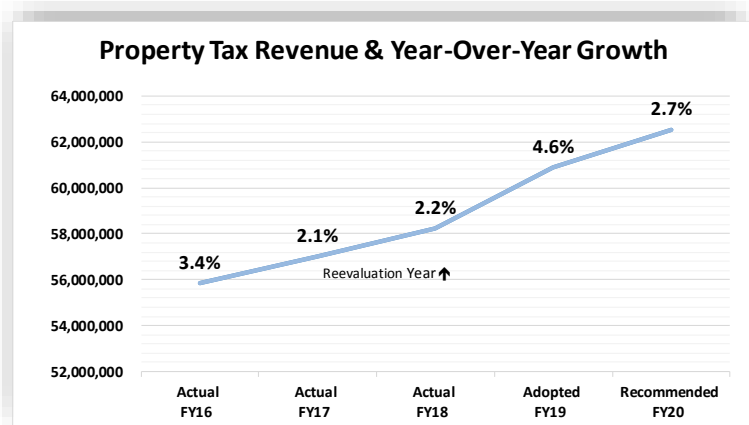
The revenue estimates for the FY20 budget have been made in accordance with the City’s Financial Management Policies. These estimates include only those reasonably expected to be realized during the fiscal year to meet all operating, debt and capital needs in line with the “no deficiency” budget requirements imposed by State Statute. Only significant revenue sources for all funds are listed as follows:

GENERAL FUND

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
Revenues					
Property Tax	\$ 57,522,173	\$ 60,893,260	\$ 60,893,260	\$ 62,518,926	2.7%
Local Sales Tax	\$ 25,980,637	\$ 25,548,953	\$ 25,548,953	\$ 27,069,810	6.0%
Licenses, Fees & Permits	\$ 915,000	\$ 940,000	\$ 1,006,412	\$ 1,100,000	17.0%
Intergovernmental Revenues	\$ 15,121,951	\$ 14,960,972	\$ 15,580,665	\$ 15,670,149	4.7%
Charges for Current Services	\$ 2,450,368	\$ 2,557,944	\$ 2,560,494	\$ 2,610,514	2.1%
Fines & Forfeitures	\$ 165,000	\$ 175,000	\$ 175,000	\$ 145,000	-17.1%
Interest Earnings	\$ 252,620	\$ 577,666	\$ 577,666	\$ 826,540	43.1%
Other Revenue	\$ 444,889	\$ 344,073	\$ 13,483,235	\$ 519,473	51.0%
Appropriated Fund Balance	\$ 11,360,432	\$ 529,040	\$ 17,116,839	\$ 3,020,000	470.8%
Revenue Total	\$ 114,213,070	\$ 106,526,908	\$ 136,942,524	\$ 113,480,412	6.5%

Property Taxes

The City of Wilmington’s projected FY20 property tax growth over FY19’s adopted budget totals 2.7% 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 FY20⁷ is estimated at \$15,510,929,782 with the City’s real property totaling \$14,523,929,782 and Motor Vehicle property equaling \$987,000,000. With a \$0.4984 tax rate, one penny equates to a value of \$1,538,021 using a collection rate of 99.1% for property tax and 100% for motor vehicles. The tax base is expected to provide the City \$76,654,989 which is split between two funds. The split is as follows:



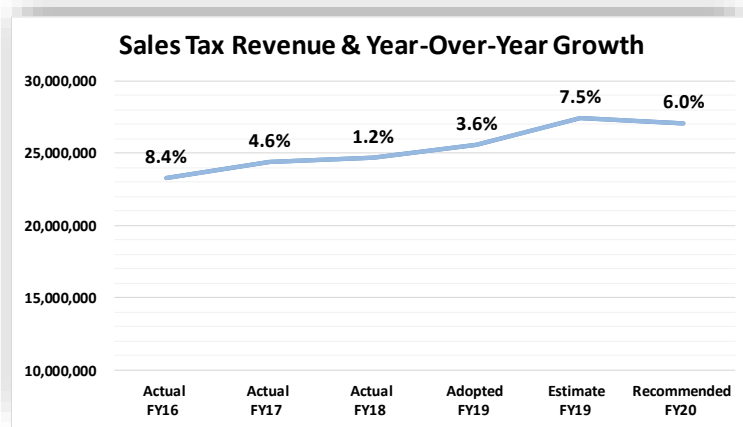
- General Fund (\$62,089,926/\$0.4037)
- Debt Service (\$14,565,063/\$0.0947)

⁷ Estimates on tax base were obtained from the March 4, 2019 update from the NHC Tax Administrator. Subsequent updates either did not change significantly or were too late to update for the recommended budget.

Local Sales Tax

Local sales tax revenues for FY20 are estimated at \$27,069,810 reflecting a 6% increase over FY19 adopted levels and a 10% increase over the FY7 actuals. Sales Tax represents 23.8% of the total General

Fund revenues. Of the total amount, \$12.7 million comes from the locally collected and distributed one-cent levy. The balance of the revenue, approximately \$14.3 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.

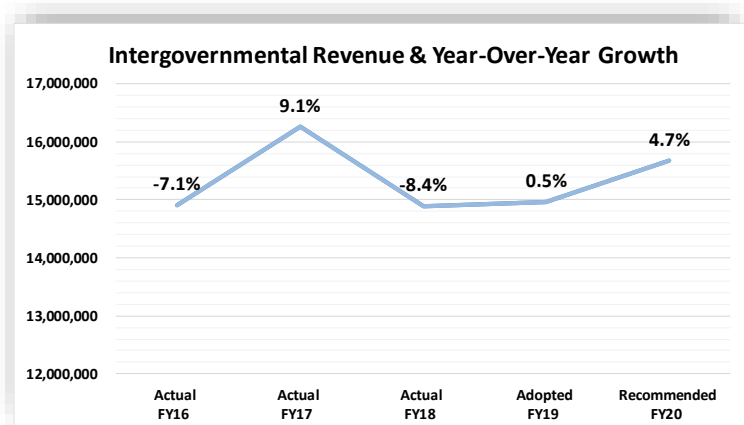


Licenses, Fees, and Permits

This revenue category includes the anticipated revenues for such items as motor vehicle licenses and annual fire permit fees, and reflects a 17.0% increase from FY19 adopted levels which is mainly due to short-term lodging registration revenue which expects to bring in \$157,325. This category of revenue makes up less than 1% of the General Fund revenues totaling \$1,100,000.

Intergovernmental Revenues

The third largest revenue stream is Intergovernmental Revenues. After losing \$2.3 million in the FY16 Adopted budget due to the elimination of the local business privilege license fees; the City began to see an increase in the *utility franchise tax* in the FY16 actual which continued into FY17 due to the State expanding the tax base. It should be noted, in the presented graph, the FY17 Actual has \$1.2 million dollars of FEMA reimbursement funding for Hurricane Matthew creating a spike in the trend.



The utility franchise tax collections are currently on the decline when comparing year over year quarterly collection. The NC League of Municipalities and other statewide professionals are linking the decline to consumer behavior, electricity costs and the weather. The State has assured the jurisdictions that there have not be any large electricity refunds. Video programming and telecommunication have been declining over recent years due to more

people turning to streaming services over cable and to cell phones rather than land lines. For the above reasons, the *FY20 Recommended* budget continues with a flat budget for utility franchise, video programming and telecommunication. The 4.7% increase from the FY19 Adopted Intergovernmental revenues can directly be contributed to the ABC revenues collected and remitted to Wrightsville Beach for an ABC store annexed into the City of Wilmington. Until the store is rebuilt in Wrightsville Beach's jurisdiction, the City will remit the collected revenue back to them. That revenue is budgeted at \$569,693 for FY20. The entire intergovernmental category totals \$15,670,149 as compared to the \$14,960,972 budgeted in FY19.

Charges for Current Services

Charges for current services represent approximately 2.3% of total anticipated General Fund revenues for FY20. 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 FY20 budget, these revenues total \$2,610,514 which represents almost a 2.1% increase over FY19's adopted budget and slightly more than a 11% increase over FY18's actuals.

Other Revenue, Interest and Fines and Forfeitures

Other Revenue includes miscellaneous revenue sources in the amount of \$1,096,013, of which \$826,540 is interest earnings. For FY20, interest earnings are expected to produce 43% more than FY19 adopted budget. 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 \$3,020,000 is included in the budget for the following reason:

- Unassigned Fund Balance in the amount of 3,000,000 for a public safety legal obligation
- Restricted Fund Balance in the amount of \$20,000 for governance special travel

General Fund Unassigned fund balance as of June 30, 2020 is anticipated to be approximately 20% of FY20 budgeted expenditures or \$22,354,165 million.

CITY OF WILMINGTON STRATEGIC PLAN (2017-2020)

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:** a broad statement toward which the organization's efforts are directed; identifies the 'what' the organization desires things to be
- **Community Outcomes:** specific and measurable milestones the community/organization sets that identifies success toward achieving 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

The FY20 represents the last fiscal year of the city's strategic plan. Staff are currently working through a process to define, measure and analyze the plan's outcomes with the intent to gather Council feedback to continuously improve the plan. The only recommendation in this current plan is in **Provide Sustainability and Adaptability** where staff capture a resiliency strategy and its associated actions steps. The recommendation includes the following:

8. Bring resiliency to the forefront when planning for city growth, building city facilities, and cultivating the city's human resources (Outcome link : 1, 4, 5, 7, 9)

Action Steps

- 8.1. City to develop an understanding of the challenges it faces, review its ability to address those challenges and unite people, projects, and priorities, to act on resilience challenges
- 8.2. City to hire an Emergency Management Coordinator to begin ingraining resiliency into projects, processes and training
- 8.3. Seek funding support from Federal and state governments to build and retrofit our infrastructure

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 on a year over year basis
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” 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 four and a half (4.5) minutes 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:

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

2. 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:

- 2.1. Real time CTR implementation
- 2.2. Initiate neighborhood sweeps
- 2.3. Pilot community policing approaches and roll out successful practices to more of the community

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

Action steps:

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

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

Action steps:

- 4.1. Maximize active walls in pedestrian oriented areas and promote the development of more pedestrian oriented areas
- 4.2. Incorporate crime prevention through environmental design (CPTED) techniques in parks, public spaces, parking decks, and new developments to maximize community safety
- 4.3. Allow “drivability” centered mixed use development
- 4.4. Enhance bike and pedestrian infrastructure that increases bicycle and pedestrian safety and supports public health goals
- 4.5. Coordinate street designs with placemaking and pedestrian priorities to improve traffic flow and enhance bike and pedestrian safety
- 4.6. 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
- 4.7. Plan for police and fire services in coordination with development and growth projections to allow for the efficient provision of public safety services

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

Action steps:

- 5.1. Creative messaging of media statements
- 5.2. Police will partner with key groups to convey common regional communications
- 5.3. Proactively target and implement additional neighborhood watch programs
- 5.4. Proactively identify City code violations and alert the property owner

6. 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.” (Outcome link: 6)

Action steps:

- 6.1. Provide innovative fire suppression operations in order to protect life, property and the environment
- 6.2. Provide specialized operational capabilities and strategies 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. A complete transportation system includes motor vehicles, mass transit, pedestrian, bicycle and other transportation modes operating in a unified and complementary manner that increases mobility and regional connectivity.

Community Outcomes

1. Improve citizen's important-satisfaction rating for '**overall maintenance of city streets and sidewalks**' from .2596
2. Improve Citizen's important-satisfaction rating for '**maintenance of neighborhood streets**' from .1277
3. Improve Citizen's important-satisfaction rating for '**overall management of traffic flow on city streets**' from .2549
4. Increase Bike/Pedestrian paths by at least ½ miles per year
5. Maintain and/or increase State/Federal funding levels in support of transportation improvements
6. Convert WAVE from a 'dependency rider' model to a 'choice rider' model
7. Increase WAVE ridership year over year

Strategies

1. Create and follow a strategic transportation financial plan to include multiple partners (Outcome link: 1, 2, 3, 4, 5, 7)

Action steps:

- 1.1. Create the 2045 Metropolitan Transportation Plan

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

Action steps:

- 2.1. Work with New Hanover County towards a common understanding of effective mixed use development and implement through respective code changes
- 2.2. Work through CFPUA and New Hanover County to encourage smart growth
- 2.3. 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:

- 3.1. Employ commercials, billboards and print ads promoting safe bike, walk drive rules
- 3.2. Employ GTV8, the web and social media to convey safe driver behaviors

4. Enable and promote alternative modes of transportation (i.e. WAVE, carpooling, mass transit, bike sharing) (Outcome link: 3, 4, 6, 7)

Action steps:

- 4.1. Continue pursuit of rail realignment and trolley service through further studies, public awareness and development of regional partnerships
- 4.2. 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
- 4.3. Assess recommendations from FY18 joint City/County WAVE Study implementing practical and appropriate recommendations to streamline transportation in the region

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

Action Steps:

- 5.1. Increase attention to state and federal legislative action regarding transportation funding (e.g. Powell Bill Appropriations)
- 5.2. 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 with 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 to support a diverse economy (i.e. Innovate NC, Garner Report, etc.) (Outcome Link: 2, 3, 4, 8)

Action steps:

- 1.1. Pursue partnering projects in the tri-county
- 1.2. Revise and adopt new business incentive policy
- 1.3. 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:

- 2.1. Leverage non-profits such as WBD, WDI, Film, UNCW and TDA
- 2.2. Advocate with TDA for tourism strategies that extend beyond summer and attract more tourists
- 2.3. Continuing supporting 'Choose Cape Fear' marketing campaign to foster regional economic development and communicate the opportunities available in Southeastern North Carolina

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

Action steps:

- 3.1. Develop codes that promote accessory housing
- 3.2. Market to citizens and developers benefits of placemaking; facilitate development projects that embody placemaking elements
- 3.3. Consult with the development community and citizens during the drafting of the new land development code to provide clarity, gather stakeholder input and promote more timely issuance of the permitting process
- 3.4. As development returns to a normal or an above normal volume of projects, provide adequate staffing to maintain an expedited pace of development review
- 3.5. 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:

- 4.1. Evaluate regional process as reported annually by the Wilmington Chamber of Commerce – Regional Economic Scorecard, WBD, TDA, WBI
- 4.2. Properly manage growth and development using comprehensive planning principles and policies seeking opportunities to coordinate with other local governments in the region

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 Suggestion: The North Waterfront Park will have no less than 30 major public events per year 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 programs⁸)

Strategies

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

Action steps:

- 1.1. Employ stream corridors and buffer areas for recreation and non-vehicular mobility
- 1.2. Investigate opportunities to allow for the use old railway beds for public spaces
- 1.3. 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:

- 2.1. Adopt a master plan for the northern end of downtown as part of the Greater Downtown Plan
- 2.2. Design the park to accommodate a diversity of events year round
- 2.3. Develop a promotional outreach plan that seeks to provide dynamic and diverse programming at the park
- 2.4. Maintain design schedule to keep on pace to be in a position to advertise for construction summer of 2018
- 2.5. Develop funding scheme for improvements including private contributions

⁸ Twelve programs referenced includes collaborative programs. City runs 7 programs and 6 more collaboratively with city partners.

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

Action steps:

- 3.1. Develop a Sister City strategic plan
- 3.2. Participate and develop a Strategic Plan for the Arts Council and related groups
- 3.3. Promote the viability of the Arts Council by working in tandem with the Council to develop funding marketing, educational and cultural opportunities

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

Action steps:

- 4.1. Continue support for the film industry on the City's legislative agenda and through key stakeholders and partners

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

Action steps:

- 5.1. Continue support and growth of athletic events that positively impact the community
- 5.2. Market city programs to youth
- 5.3. Use social media as a method to promote activities available in the city's public spaces
- 5.4. 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:

- 6.1. Create, protect and enhance assets of area to attract creative talents
- 6.2. 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. Increase 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:

- 1.1. Increase resources going to organizations that address youth violence reduction programs
- 1.2. Encourage civic partners to collaborate on affordable housing/workforce housing and other city priorities
- 1.3. Target partnerships with citizens and/or citizen groups who feel less safe in their communities in order to work with them to create a safe place
- 1.4. Market and support active lifestyle programs
- 1.5. Market and support athletic and recreation programs

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

Action steps:

- 2.1. Leverage existing tools and resources that will enable the public to contribute opinions and ideas more readily
- 2.2. 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
10. Ratio of internal staff accepting promotions as compared to external candidates

Strategies

1. Invest in the development of human capital to meet organizational goals (Outcome link: 3, 10)

Action steps:

- 1.1. Develop internal service staffing plan to respond to the increased capital and resource growth and demand for service
- 1.2. Promote a culture of life-long learning through avenues such as career development, succession planning or the city's performance process

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

Action steps:

- 2.1. Develop policy on new construction following the draft environmental performance standards
- 2.2. Require capital projects to include total cost of ownership projections
- 2.3. Develop policy on personal appliances in city owned buildings/offices
- 2.4. Assess new and existing buildings for potential energy innovations
- 2.5. 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:

- 3.1. Pursue legislative strategies to charge new fees thus augmenting fees in lieu of taxes
- 3.2. Maximize dollars by leveraging grant opportunities
- 3.3. 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:

- 4.1. Develop local and regional partnerships, as well as private sector participation, to aid in the rail initiative
- 4.2. Develop new LDC employing form-based development principles where appropriate
- 4.3. Prepare and employ alternative transportation map for in land use decisions
- 4.4. Continue to link higher density development with higher density facilities, such as mixed use centers and transit truck lines
- 4.5. 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:

- 5.1. Develop life cycle costing policies and steps for users to take
- 5.2. Deliver value for money through innovation and continuous improvement of processes

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

Action steps:

- 6.1. Facilitate a work program that evaluates the capabilities of the Mayor's Taskforce on affordable housing's recommendations
- 6.2. Seek incentives and greater flexibility in the Land Development Code to promote affordable housing
- 6.3. Consider providing infrastructure improvements as the city's contribution to creating affordable housing

7. Foster a culture of transparent government (Outcome link: 3)

Action steps:

- 7.1. Adopt policies, practices and procedures that allow citizens to have access to understandable, accurate data and information about the city's operations and decision making
- 7.2. Review current methods or establish new methods to enable citizens to find information, complete transactions and provide input via the city's web-site

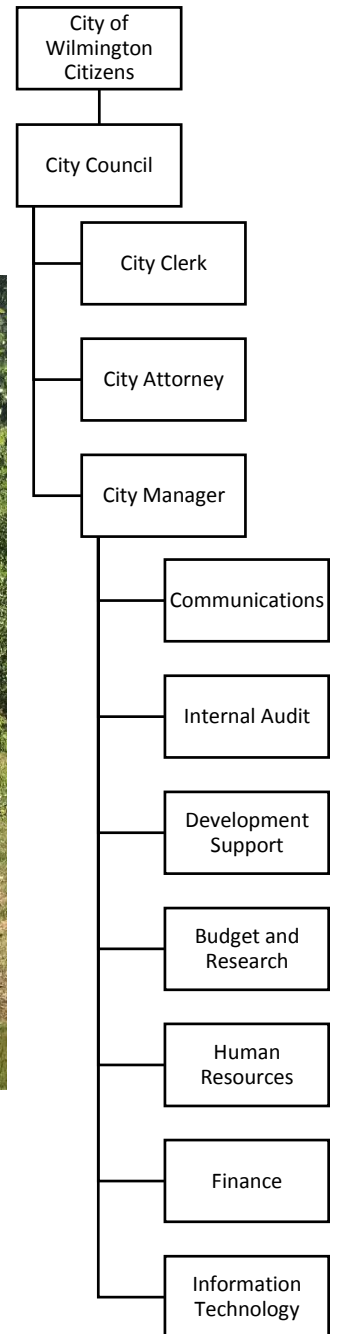
8. Bring resiliency to the forefront when planning for city growth, building city facilities, and cultivating the city's human resources (Outcome link : 1, 4, 5, 7, 9)

Action Steps

- 8.1. City to develop an understanding of the challenges it faces, review its ability to address those challenges and unite people, projects, and priorities, to act on resilience challenges
- 8.2. City to hire an Emergency Management Coordinator to begin ingraining resiliency into projects, processes and training
- 8.3. Seek funding support from Federal and state governments to build and retrofit our infrastructure

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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. The City Council also conducts special meetings, work sessions on the City budget, and other issues of special interest. All City Council meetings are broadcast live on cable channel 8, the City’s Government Information Channel. Taped meetings are also re-broadcast several times between City Council meetings.

BUDGET SUMMARY

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
City Council					
Personnel	\$ 118,552	\$ 129,780	\$ 129,780	\$ 129,780	0.0%
Benefits	\$ 47,108	\$ 50,494	\$ 62,494	\$ 63,401	25.6%
Operating	\$ 21,116	\$ 45,995	\$ 49,495	\$ 48,409	5.2%
City Council Total	\$ 186,776	\$ 226,269	\$ 241,769	\$ 241,590	6.8%

Budget 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. Increase Travel Allowance

- Division:** Council
- Total Cost:** \$2,800
- Priority:** Strategic Plan: Provide Sustainability and Adaptability 2.2
- Position(s):** Full-time Equivalent: 0; Part-time: 0.00
- Description:** An increase in funding totaling \$400 each for the Mayor and all Councilmembers was authorized. Travel funding allows members to beneficial conferences on behalf of the city.

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

	FY18	FY19	FY19	FY20	Change
	Actual	Adopted	Adjusted	Recommend	FY19 to FY20
City Clerk					
Personnel	\$ 160,723	\$ 171,682	\$ 164,282	\$ 192,910	12.4%
Benefits	\$ 53,596	\$ 57,262	\$ 57,262	\$ 65,190	13.8%
Operating	\$ 24,131	\$ 29,933	\$ 37,333	\$ 30,007	0.2%
City Clerk Total	\$ 238,450	\$ 258,877	\$ 258,877	\$ 288,107	11.3%
Authorized Positions	3	3	3	3	

Budget Overview

The City continues to invest in the workforce by adding to both the compensation study funding impacts as well as a merit plan. This budget increases the associated salary and corresponding benefits related to those initiatives. 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

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
Administration					
Personnel	\$ 809,129	\$ 775,328	\$ 775,328	\$ 921,966	18.9%
Benefits	\$ 199,549	\$ 213,086	\$ 212,976	\$ 255,872	20.1%
Operating	\$ 42,439	\$ 54,093	\$ 53,937	\$ 61,757	14.2%
Administration Total	\$ 1,051,117	\$ 1,042,507	\$ 1,042,241	\$ 1,239,595	18.9%
Budget and Research					
Personnel	\$ 302,849	\$ 314,756	\$ 314,816	\$ 325,270	3.3%
Benefits	\$ 79,936	\$ 86,027	\$ 86,027	\$ 90,652	5.4%
Operating	\$ 21,356	\$ 28,073	\$ 28,013	\$ 28,112	0.1%
Outlay	\$ -	\$ -	\$ 6,000	\$ -	-%
Budget and Research Total	\$ 404,140	\$ 428,856	\$ 434,856	\$ 444,034	3.5%
Communications					
Personnel	\$ 313,378	\$ 359,775	\$ 361,900	\$ 369,823	2.8%
Benefits	\$ 89,655	\$ 105,547	\$ 105,657	\$ 111,826	5.9%
Operating	\$ 96,275	\$ 92,209	\$ 91,815	\$ 93,389	1.3%
Outlay	\$ 1,316	\$ -	\$ -	\$ -	-%
Communications Total	\$ 500,624	\$ 557,531	\$ 559,372	\$ 575,038	3.1%
Economic Development					
Personnel	\$ 85,150	\$ 86,579	\$ 86,579	\$ 88,732	2.5%
Benefits	\$ 22,471	\$ 23,147	\$ 23,147	\$ 24,169	4.4%
Operating	\$ 4,808	\$ 5,568	\$ 5,568	\$ 5,553	-0.3%
Economic Development Total	\$ 112,429	\$ 115,294	\$ 115,294	\$ 118,454	2.7%
Internal Audit					
Personnel	\$ 73,985	\$ 75,396	\$ 75,946	\$ 77,887	3.3%
Benefits	\$ 20,995	\$ 22,099	\$ 22,099	\$ 22,589	2.2%
Operating	\$ 1,568	\$ 7,818	\$ 7,268	\$ 7,803	-0.2%
Internal Audit Total	\$ 96,548	\$ 105,313	\$ 105,313	\$ 108,279	2.8%
Allocated Cost					
Allocated Cost	\$ (16,783)	\$ (26,566)	\$ (26,566)	\$ (37,838)	42.4%
Allocated Cost Total	\$ (16,783)	\$ (26,566)	\$ (26,566)	\$ (37,838)	42.4%
City Manager Total	\$ 2,148,075	\$ 2,222,935	\$ 2,230,510	\$ 2,447,562	10.1%

Authorized Positions

City Manager Administration	7	7	7	8
Budget and Research	4	4	4	4
Communications	5	6	6	6
Development Support	1	1	1	1
Internal Audit	1	1	1	1
City Manager Total	18	19	19	20

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 **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 **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 **Internal Audit** division conducts financial and compliance audits throughout the organization to identify and mitigate risks, to ensure compliance with applicable policies and procedures, to ensure that resources are utilized efficiently and effectively, and that 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 to both the compensation study funding impacts as well as a merit plan. This budget increases the associated salary and corresponding benefits related to those initiatives. 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.

Budget Modifications

A. Indirect Cost Application

Division: Economic Development

Total Cost: (\$4,700)

Priority: Reduction

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

Description: A reduction of \$4,700 was removed from the departmental budget in the Economic Development division. The reduction is an indirect cost allocation, indicating an increase in the Economic Development positions' time to the Parking fund.

B. Rail Realignment Coordinator Operating Expenses

Division: City Manager Administration

Total Cost: \$13,250

Priority: Strategic Plan: Support Efficient Transportation Systems 4.1

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

Description: Funding in the amount of \$13,250 allows for the City to establish an operating budget for the Rail Realignment Coordinator authorized in FY19 that includes travel, cell phone allowance, and PC replacement.

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

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
City Attorney					
Personnel	\$ 722,758	\$ 744,132	\$ 743,357	\$ 755,559	1.5%
Benefits	\$ 213,570	\$ 225,395	\$ 225,395	\$ 220,976	-2.0%
Operating	\$ 79,721	\$ 77,141	\$ 127,295	\$ 81,235	5.3%
Outlay	\$ 2,913	\$ -	\$ -	\$ -	-%
City Attorney Total	\$ 1,018,962	\$ 1,046,668	\$ 1,096,047	\$ 1,057,770	1.1%
Authorized Positions	10	10	10	10	

Budget Overview

The City continues to invest in the workforce by adding to both the compensation study funding impacts as well as a merit plan. This budget increases the associated salary and corresponding benefits related to those initiatives. 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. There are no other modifications to the budget than those mentioned already.

Budget Modifications

A. International Municipal Lawyers Association Conference

Division: Attorney

Total Cost: \$4,000

Priority: Strategic Plan: Provide Sustainability and Adaptability 1.2

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

Description: A request for on-going funding in the amount of \$4,000 has been approved in order to allow two attorneys to attend the International Municipal Lawyers Association Conference on an annual basis. Membership in these organizations provide staff access to and the ability to gather input from other municipal attorneys who may already have been exposed to issues emerging in the city such as opioid, water quality and gang related topics.

HUMAN RESOURCES

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

BUDGET SUMMARY

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
Human Resources					
Personnel	\$ 722,577	\$ 749,427	\$ 750,344	\$ 775,608	3.5%
Benefits	\$ 184,833	\$ 194,996	\$ 194,996	\$ 231,010	18.5%
Operating	\$ 79,015	\$ 93,045	\$ 92,761	\$ 96,373	3.6%
Outlay	\$ 2,300	\$ -	\$ 284	\$ -	-%
Human Resources Total	\$ 988,725	\$ 1,037,468	\$ 1,038,385	\$ 1,102,991	6.3%
Authorized Positions	10.48	10.48	10.48	11	

Budget Overview

The City continues to invest in the workforce by adding to both the compensation study funding impacts as well as a merit plan. This budget increases the associated salary and corresponding benefits related to those initiatives. 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.

Base Budget Adjustments

A. Utility Shift

Division: Human Resources
Total Cost: \$1,850
Priority: Budget Adjustment
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: FY20 represents a change in how city departments manage utilities. City departments managing staff in stand-alone buildings will begin to manage their utility (electricity, water, sewer) invoices. The purpose of this move is to have those closer to the usage begin to monitor consumption to further reduce usage. The Human Resources department manages the city's health clinic building with a cost of \$1,850. Funding was shifted from Public Services Building's utilities funding.

Budget Modifications

A. Full-time Administrative Support Technician

Division: Human Resources

Total Cost: \$30,488

Priority: Strategic Plan: Provide Sustainability and Adaptability 1.1

Position(s): Full-time Equivalent: 0.52; Part-time: 0.00

Description: To ensure the Human Resource office's front desk has coverage, the department has used a Part-time data integrity process specialist who covered the mornings as well as partnered with the Senior Community Service Employment Program to supply a person who covers the afternoon. The latter was at no cost to the city.

It has been realized that a full-time position would provide efficiencies in customer service as well as assisting with work tasks department-wide. Changing the front desk to a full-time staff provides another employee who has knowledge of all human resource subjects, provides continued coverage five days a week from 8-5 and alleviates existing staff of basic administrative functions to allow them to focus on their subject matter more closely.

FINANCE

The Finance Department is responsible for all financial transactions to include accounts payable and receivable, management of fixed assets, payroll, cash receipts, internal mail delivery throughout the city, procurement, grant reporting, preparation of the City's Comprehensive Annual Financial Report, filing of statutory reports, and the management of the City's cash and investment portfolio and debt issuance. Also, under the umbrella of Finance, though presented separately, is the Community Development/Housing Division who 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 Fleet Division of Finance provides a safe and efficient management of city-owned passenger motor vehicles and equipment through the management of a full service maintenance facility. The Fleet division budget is shown in the Other Funds section under Fleet Fund.

BUDGET SUMMARY

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
Finance					
Personnel	\$ 1,647,639	\$ 1,680,995	\$ 1,682,464	\$ 1,718,157	2.2%
Benefits	\$ 504,708	\$ 538,217	\$ 538,217	\$ 527,067	-2.1%
Operating	\$ 220,027	\$ 251,977	\$ 265,486	\$ 256,758	1.9%
Outlay	\$ 3,810	\$ -	\$ -	\$ -	-%
Allocated Cost	\$ (150,203)	\$ (151,715)	\$ (151,715)	\$ (160,575)	5.8%
Finance Total	\$ 2,225,981	\$ 2,319,474	\$ 2,334,452	\$ 2,341,407	0.9%
Authorized Positions	27	27	27	27	

Budget Overview

The City continues to invest in the workforce by adding to both the compensation study funding impacts as well as a merit plan. This budget increases the associated salary and corresponding benefits related to those initiatives. 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.

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

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
Information Technology					
Personnel	\$ 1,267,047	\$ 1,455,862	\$ 1,460,269	\$ 1,481,638	1.8%
Benefits	\$ 377,955	\$ 448,691	\$ 448,691	\$ 470,574	4.9%
Operating	\$ 881,773	\$ 1,426,160	\$ 1,522,399	\$ 1,830,284	28.3%
Outlay	\$ 11,881	\$ 2,400	\$ 12,447	\$ -	-%
Information Technology Total	\$ 2,538,656	\$ 3,333,113	\$ 3,443,806	\$ 3,782,496	13.5%
Authorized Positions	21	21	21	21	

Budget Overview

The City continues to invest in the workforce by adding to both the compensation study funding impacts as well as a merit plan. This budget increases the associated salary and corresponding benefits related to those initiatives. 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.

Base Budget Adjustments

A. Reduction to Text Messaging Archive

Division: IT Services
Total Cost: (\$23,553)
Priority: Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total of \$23,553 was removed from the budget to reflect a reduction in the text messaging archive user capabilities.

With the reduction, one-hundred and ten (110) senior level staff and City Council members text messages and voice mail will be able to be archived. With this reduction, all cell phone users will not be included in archiving.

B. Utility Shift

Division: IT Services
Total Cost: \$15,382
Priority: Budget Adjustment
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: FY20 represents a change in how city departments manage utilities. City departments managing staff in stand-alone buildings will begin to manage their utility (electricity, water, sewer) invoices. The purpose of this move is to have those closer to the usage begin to monitor consumption to further reduce usage. Funding in the amount of \$15,382 has been shifted from the Public Services Building’s Division.

Budget Modifications

A. PowerDMS Hosted Software

Division: IT Services
Total Cost: \$10,000
Priority: Continuation of Services
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: The existing PowerDMS software allows 400 licenses in the Police Department. The software is utilized to track training, conduct surveys and track notification and policy acknowledgments. The funding of \$10,000 allows for increased users at \$13 per license, approximately 769 additional users throughout the city.

B. Information Technology Strategic Plan Update

Division: IT Services
Total Cost: \$50,000
Priority: Strategic Plan: Provide Sustainability and Adaptability 5.2
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: The 2014 UNC School of Government Information Technology Strategic Plan has guided priorities and initiatives throughout the city for five years. An updated plan, funded with \$50,000, will allow for direction regarding systems, staffing and expenditures, as well as provide benchmark information for the City Information Technology Department.

C. Application Licensing**Division:** IT Services**Total Cost:** \$349,885**Priority:** Continuation of Services**Position(s):** Full-time Equivalent: 0; Part-time: 0.00**Description:** Funding in the amount of \$349,885 was included in the budget to allow for the expected 3-5% increase in application licenses and maintenance of the City's software and maintenance contracts managed by Information Technology. Included in this number is the SaaS fees for the Tyler implementation system that includes a full year of the Finance and Energov modules and a portion of the year for HR/Payroll and ExecuTime modules.

It is anticipated that in FY21, the legacy applications will begin to shut down and further savings will be seen. At this point, many of those applications need to run concurrently with the Tyler system to ensure accuracy of data and timing of the new modular roll-outs.

SUNDRY APPROPRIATIONS

NONDEPARTMENTAL

Non-Departmental	FY18	FY19	FY19	FY20
	Actual	Adopted	Adjusted	Recommend
Salary Savings Credit	\$ -	\$ (300,000)	\$ (300,000)	\$ (350,000)
Employee Recognition	\$ 15,908	\$ 16,000	\$ 16,000	\$ 20,000
City Facilities Stormwater	\$ 127,838	\$ 110,000	\$ 111,490	\$ 130,000
City Code Amendments	\$ -	\$ -	\$ -	\$ 20,000
City Newsletter	\$ 78,399	\$ 85,000	\$ 85,000	\$ 85,000
Facilities Insurance	\$ 507,062	\$ 575,274	\$ 573,274	\$ 571,500
Unemployment Compensation	\$ 10,786	\$ 40,000	\$ 40,000	\$ 35,000
Worker's Compensation Claims	\$ 39,046	\$ 142,500	\$ 47,500	\$ 142,500
Dues - Associations	\$ 112,644	\$ 118,858	\$ 118,858	\$ 120,772
Claims Against the City	\$ 108,733	\$ 125,000	\$ 125,000	\$ 125,000
City Advertising	\$ 250	\$ 10,000	\$ 5,000	\$ 10,000
Medical Insurance - Regular	\$ 16,737	\$ 580,000	\$ 556,000	\$ 530,000
Medical Insurance - Retiree	\$ 1,565,424	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000
New Hanover County Tax Collection	\$ 458,218	\$ 452,944	\$ 452,944	\$ 464,843
Independent Audit	\$ 71,725	\$ 85,000	\$ 158,725	\$ 85,000
Employee Parking	\$ 79,365	\$ 87,000	\$ 87,000	\$ 87,000
Municipal Elections	\$ 92,777	\$ -	\$ -	\$ 111,798
Actuarial Studies	\$ 9,376	\$ 10,000	\$ 20,400	\$ 10,000
United Way Fund Raising Campaign	\$ 643	\$ 1,000	\$ 1,000	\$ 3,000
Wellness Program	\$ 24,707	\$ 22,500	\$ 22,500	\$ 20,000
City-wide Training	\$ 19,073	\$ 30,000	\$ 30,000	\$ 38,650
City-wide Tuition Reimbursement	\$ 26,502	\$ 40,000	\$ 40,000	\$ 40,000
Retirement Payout Estimate	\$ -	\$ 235,000	\$ 235,000	\$ 255,000
Records Retention	\$ 6,594	\$ 30,000	\$ 30,000	\$ 20,000
City Streets Stormwater	\$ 2,649,015	\$ 2,742,393	\$ 2,742,393	\$ 2,839,062
Strategic Planning	\$ -	\$ 32,852	\$ 32,852	\$ 12,852
Indirect Cost Study	\$ -	\$ -	\$ 9,000	\$ -
Technology Projects	\$ -	\$ 60,000	\$ 55,000	\$ 40,000
Rent - Coast Guard Spaces	\$ 16,500	\$ 18,000	\$ 18,000	\$ 18,000
Bank Service Fees	\$ 44,046	\$ 43,161	\$ 44,408	\$ 52,770
Governance Travel Pool	\$ -	\$ 20,000	\$ 16,500	\$ 20,000
City-wide Intern Pool	\$ 12,138	\$ 21,530	\$ 21,530	\$ 27,129
Economic Development Initiatives	\$ 38,098	\$ 50,000	\$ 50,000	\$ 50,000
City Marketing	\$ 750	\$ 20,000	\$ 10,000	\$ 20,000
Affordable Housing Committee	\$ 30	\$ -	\$ -	\$ -
Legislative Affairs	\$ 10,000	\$ 20,000	\$ 38,015	\$ 26,250
Arts Council Strategic Plan	\$ 719	\$ -	\$ -	\$ -
Miscellaneous	\$ 21,021	\$ 110,224	\$ 581,272	\$ 215,209

	FY18	FY19	FY19	FY20
Non-Departmental	Actual	Adopted	Adjusted	Recommend
Accounting Move/Rent	\$ 224,649	\$ 266,388	\$ 281,013	\$ 266,388
Leadership Development	\$ 37,654	\$ 30,000	\$ 30,000	\$ 33,150
Office Space Assessment	\$ 54,258	\$ -	\$ 8,768	\$ -
DMV Tax Collection Fees	\$ 85,654	\$ 115,539	\$ 115,539	\$ 119,536
Dental Self Insurance	\$ (50,110)	\$ -	\$ -	\$ -
Disease Management	\$ 351,602	\$ 360,000	\$ 356,630	\$ 389,000
HRA Retiree and Administrative Fees	\$ -	\$ 10,000	\$ 10,000	\$ 56,176
FSA Administrative Fees	\$ 10,800	\$ 16,755	\$ 16,755	\$ 36,958
Employment Medical	\$ 112,650	\$ 90,000	\$ 105,000	\$ 105,000
Employee Assistance Program	\$ 10,701	\$ 11,230	\$ 14,730	\$ 10,629
Retiree Health Claims Audit	\$ 800	\$ 800	\$ 800	\$ 1,000
Health Claims Audit	\$ 800	\$ 800	\$ 800	\$ 1,000
Special Purpose Grant Match	\$ -	\$ 216,055	\$ 150,340	\$ 220,000
Hurricane Debris Removal/Disposal	\$ -	\$ -	\$ 22,495,455	\$ -
Wave Transit Subsidy	\$ 1,363,257	\$ 1,404,155	\$ 1,404,155	\$ 1,446,280
Allocated Costs	\$ (1,644,492)	\$ (1,648,257)	\$ (1,648,257)	\$ (1,967,588)
Total	\$ 6,722,344	\$ 8,307,701	\$ 31,216,389	\$ 8,413,864

The FY20 General Fund Nondepartmental budget includes funding for general City expenditures not attributable to a specific City department. Some highlights for the allotments are as follows:

- A salary savings credit of \$350,000 is budgeted, a \$50,000 credit increase from FY19, that was based on projected vacancy rates throughout the functions in the General Fund.
- A \$4,000 increase in funding to support employee recognition efforts has been added to the budget for a total of \$20,000 for FY20.
- Funding for WAVE Transit has a 3% increase from FY19 totaling \$1,446,280 for operating costs with no additional capital assistance request.
- A total of \$20,000 has been added for code amendments related to the updating of the Land Development Code expected to be completed in FY20.
- A total of \$111,798 has been added to support calendar year 2019's election process.
- A total of \$100,000 was added to the Miscellaneous funds in support of the city hosting the League of Municipalities Annual Conference in May of 2020.
- A total of \$4,000 of on-going support has been added for NHC Social Services program Neighbors Helping Neighbors Program that aids at-risk citizens from getting their water/sewer turned off.
- An additional \$319,331 in allocated costs is included in the budget updating the prior indirect cost study of 2005 results in a credit of \$1,967,588.

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.

Public Service Agencies - General Fund

The agencies listed here received funding through the City's application process and are funded from the General Fund. FY20 represents the second year of a two year contract and represents a flat amount.

	FY18	FY19	FY19	FY20
General Fund Competitive Agencies	Actual	Adopted	Adjusted	Recommend
Coastal Horizons	\$ 71,474	\$ 72,779	\$ 72,779	\$ 72,779
Domestic Violence Shelter & Services, Inc.	\$ 25,073	\$ 3,545	\$ 3,545	\$ 3,545
Elderhaus	\$ 20,385	\$ 21,393	\$ 21,393	\$ 21,393
YWCA Lower Cape Fear	\$ 5,174	\$ 6,305	\$ 6,305	\$ -
Phoenix Employment Ministries	\$ 15,000	\$ 16,196	\$ 16,196	\$ 16,196
Kids Making It	\$ 32,711	\$ 33,943	\$ 33,943	\$ 33,943
Brigade Boys and Girls Club	\$ 52,045	\$ 53,227	\$ 53,227	\$ 53,227
American Red Cross	\$ 10,800	\$ 11,938	\$ 11,938	\$ 11,938
Food Bank of North Carolina	\$ 15,744	\$ 16,810	\$ 16,810	\$ 16,810
Communities in Schools in Cape Fear	\$ 21,393	\$ 22,589	\$ 22,589	\$ 22,589
Ability Garden	\$ 7,020	\$ 8,013	\$ 8,013	\$ 8,013
Wilmington Area Rebuilding Ministry	\$ 40,000	\$ 41,109	\$ 41,109	\$ 41,109
Historic Wilmington Foundation	\$ 12,426	\$ 13,231	\$ 13,231	\$ 13,231
Aging in Place Downtown	\$ 9,268	\$ 8,830	\$ 8,830	\$ 8,830
Cape Fear Literacy Council	\$ 14,667	\$ 15,820	\$ 15,820	\$ 15,820
LINC - Leading Into New Communities	\$ 72,975	\$ 79,157	\$ 79,157	\$ 79,157
Cape Fear Housing Land Trust	\$ 22,420	\$ 23,500	\$ 23,500	\$ 23,500
Blue Ribbon Commission	\$ 62,400	\$ 64,785	\$ 64,785	\$ 64,785
Dreams	\$ 21,200	\$ 22,302	\$ 22,302	\$ 22,302
Wilmington Residential Adolescent Achievement	\$ 24,215	\$ 25,310	\$ 25,310	\$ 25,310
Community Boys and Girls Club	\$ 44,513	\$ 46,673	\$ 46,673	\$ 46,673
Wilm Housing Finance & Development	\$ -	\$ 5,000	\$ 5,000	\$ 5,000
Total General Fund Competitive Agencies	\$ 600,903	\$ 612,455	\$ 612,455	\$ 606,150

Notable is that the YWCA Lower Cape Fear requested movement into the civic development partners process for FY20. The \$6,305 is now represented in the portion of the funding they are recommended to receive under the economic section below. All other agencies received the same amount as in FY19's Adopted budget.

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.

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend
CDBG Competitive Agencies				
Public Service Agencies				
Domestic Violence Shelter & Services, Inc.	\$ 9,650	\$ 32,360	\$ 32,360	\$ 32,360
Good Shepherd Ministries/Wilmington Interfaith	\$ 117,523	\$ 118,740	\$ 118,740	\$ 118,740
First Fruit Ministries	\$ 22,827	\$ 23,900	\$ 23,900	\$ 23,900
Public Facilities (Capital Projects)				
Child Development Center	\$ 33,000	\$ -	\$ 60,000	\$ -
Cape Fear Literacy Center			\$ 24,000	
Domestic Violence Shelter & Services, Inc.	\$ 5,114	\$ -	\$ -	\$ -
Undesignated	\$ -	\$ 84,000	\$ -	\$ -
Total CDBG Competitive Agencies	\$ 188,114	\$ 259,000	\$ 259,000	\$ 175,000
Grand Total Competitive Agencies	\$ 789,017	\$ 871,455	\$ 871,455	\$ 781,150

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. In FY20, represents a renewed 3 year commitment for these agencies.

Civic Development Partner Agencies

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend
Economic Civic Partners				
Economic Development				
Wilmington Business Development	\$ 100,000	\$ 100,000	\$ 100,000	\$ 102,000
Wilmington Downtown, Inc.	\$ 86,000	\$ 86,000	\$ 86,000	\$ 87,720
Wilmington Regional Film Commission	\$ 121,890	\$ 121,890	\$ 121,890	\$ 121,890
Entrepreneur Center	\$ 70,000	\$ 70,000	\$ 70,000	\$ 71,400
Cultural and Recreation				
YWCA Lower Cape Fear	\$ -	\$ -	\$ -	\$ 40,000
Children's Museum of Wilmington	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Arts Council	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Cameron Art Museum	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Cucalorus Film Foundation	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000
Wilmington Jewish Film Festival	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Total Economic Civic Partner Agencies	\$ 446,890	\$ 446,890	\$ 446,890	\$ 492,010

Funding for this category increased by \$45,120 from FY19 with \$6,305 shifting from elsewhere in the budget. One new agency, YWCA has been included with a recommended funding level of \$40,000.

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.

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend
Other General Fund Agencies				
<i>Agencies</i>				
Battleship Fireworks	\$ 39,175	\$ 40,000	\$ 40,000	\$ 40,000
Thalian Hall Center for the Performing Arts	\$ 133,991	\$ 136,537	\$ 136,537	\$ 138,585
Community Arts Center	\$ 53,700	\$ 55,267	\$ 55,267	\$ 55,267
YMCA Natatorium	\$ -	\$ -	\$ -	\$ 120,000
Wrightsville Beach ABC Store	\$ -	\$ -	\$ 569,693	\$ 569,693
New Hanover County Crime Lab	\$ -	\$ -	\$ -	\$ 194,978
New Hanover Long Term Recovery Group	\$ -	\$ -	\$ -	\$ 10,000
Cape Fear Public Utility Authority	\$ 4,000	\$ -	\$ -	\$ 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
Martin Luther King Day Celebration	\$ 5,000	\$ -	\$ -	\$ -
Cape Fear Futures	\$ -	\$ 25,000	\$ 25,000	\$ -

Three new initiatives are included in the above agencies. YMCA is recommended to receive \$120,000 per year for 10 years to construction a regional Natatorium. New Hanover Long Term Recovery Group is recommended to receive \$10,000 in support of their emergency preparedness recovery program. And Wrightsville Beach is receiving remitted revenue collected by Wilmington for an ABC store previously in their jurisdiction. This is a net neutral expenditure and will continue until a new store is constructed.

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend
<i>Boards and Commissions</i>				
City Boards	\$ 13,366	\$ 6,500	\$ 6,903	\$ 6,500
Civil Service Appeals	\$ 5,731	\$ 8,500	\$ 8,500	\$ 8,500
Sister City	\$ 2,463	\$ 2,500	\$ 2,500	\$ 2,500
Total Other Agencies	\$ 442,426	\$ 424,304	\$ 994,400	\$ 1,200,023
Grand Total General Fund Agencies	\$ 1,490,219	\$ 1,483,649	\$ 2,053,745	\$ 2,298,183

CONTINGENCY

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend
Contingency				
Council Contingency	\$ -	\$ 115,000	\$ 115,000	\$ 115,000
Contingency for Economic Development	\$ -	\$ 150,000	\$ 150,000	\$ 150,000
Total	\$ -	\$ 265,000	\$ 265,000	\$ 265,000

Funding budgeted for use by City Council at their discretion is budget at a flat rate in FY20.

ECONOMIC INCENTIVES

	FY18	FY19	FY19	FY20
	Actual	Adopted	Adjusted	Recommend
Economic Incentives				
Wrightsville Beach Galleria	\$ 7,224	\$ 7,224	\$ 7,224	\$ 30,000
Pharmaceutical Product Development	\$ 121,125	\$ -	\$ -	\$ -
Castle Branch	\$ 14,013	\$ 50,000	\$ 50,000	\$ -
Live Oak Bank	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Miscellaneous Incentives	\$ 50,000	\$ 125,000	\$ 125,000	\$ 125,000
National Gypsism	\$ -	\$ 46,000	\$ 46,000	\$ 46,000
Total	\$ 242,362	\$ 278,224	\$ 278,224	\$ 201,000

Incentive payment agreements with Castle Branch and Live Oak Bank were removed for FY20 leaving for the continuation of an agreement with National Gypsism that was introduced in FY19. The budget also includes a contractual payment to Wrightsville Beach for the annexation of the Galleria property. The \$30,000 payment to the town of Wrightsville Beach is scheduled to continue through July 2043. The miscellaneous incentive funding increased by \$25,000 in FY19 and has continued through FY20.

TRANSFERS

	FY18	FY19	FY19	FY20
	Actual	Adopted	Adjusted	Recommend
Transfers				
Debt Service	\$ 9,334,832	\$ 9,334,832	\$ 9,334,832	\$ 9,334,832
Special Purpose	\$ 671,386	\$ 655,292	\$ 687,566	\$ 610,177
CDBG/HOME Grant & Loan Administration	\$ 151,639	\$ 253,598	\$ 253,598	\$ 143,086
Capital Projects Parks and Recreation	\$ 1,553	\$ -	\$ 1,686,800	\$ -
Capital Projects Public Facilities	\$ 7,960,200	\$ -	\$ -	\$ -
Solid Waste Management Fund	\$ 29,866	\$ 29,866	\$ 47,433	\$ 29,866
Technology Replacement Fund	\$ 333,926	\$ 308,685	\$ 308,685	\$ 408,410
Loan Fund: HOP Revolving	\$ 250,000	\$ 60,000	\$ 60,000	\$ 470,000
Loan Fund: Legal and Forgivable Loans	\$ 90,000	\$ 390,000	\$ 390,000	\$ 103,000
Total Transfers	\$ 18,823,402	\$ 11,032,273	\$ 12,768,914	\$ 11,099,371

The FY20 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 is on-going.

Transfers to the Special Purpose Fund moves funding into projects for various programs. The budget for FY20 includes:

- Metropolitan Planning Administration (WMPO): \$231,780
- Transportation Demand Management (TDM): \$26,035
- SABLE: \$152,362
- 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 FY20 is \$143,086.

The \$408,410 to the Technology Replacement Fund provides for the costs associated with the City's transition to a hosted environment also known as cloud computing.

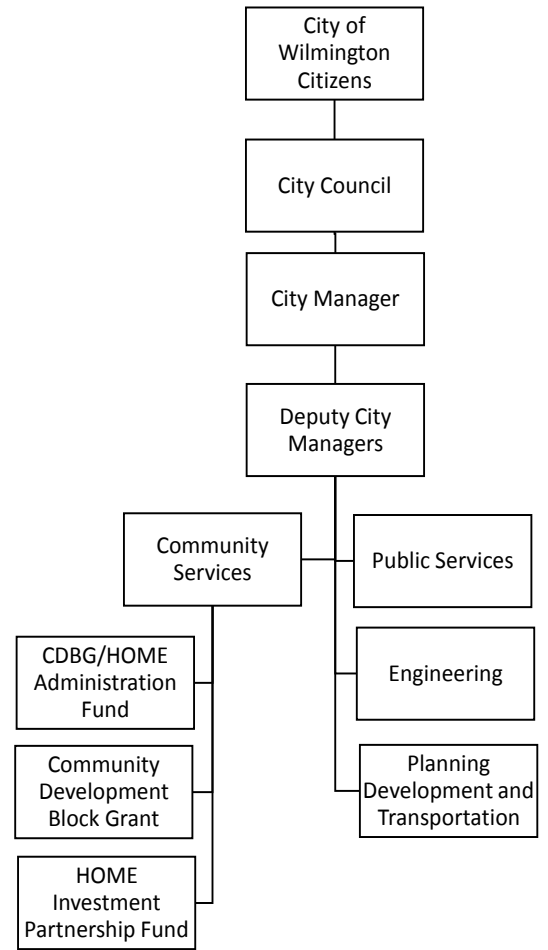
The City of Wilmington/New Hanover County Ad hoc Committee on Improving Workforce/Affordable Housing has been formally established as an ongoing committee. In partnership with New Hanover County's new Housing Specialist, the city will cost-share a housing study and a public awareness campaign regarding the values underpinning workforce housing. The *FY20 Recommended Budget* continues to budget \$60,000 for this joint effort.

Additionally, the budget allows for \$573,000, an increase of \$123,000, to continue to fund those programs aiding low income owner-occupied housing and rehabilitation programs. Those programs include:

- *Homeownership Opportunity Program* offers working families an opportunity to own a house without becoming cost burdened by lowering the mortgage payments through down payment assistance and 0% interest rates (\$470,000)
- *Rehabilitation Program* serves low income homeowners by aiding them in home repair costs (\$103,000)
 - Minor Repairs up to \$10,000
 - Owner-occupied housing rehabilitation programs up to \$75,000
- *Forgivable loan legal fees* which was given an influx of funding totaling \$100,000 in FY17 and another \$50,000 in FY19 has \$140,697 for FY20⁹

⁹ Forgivable Loan legal fees funding fluctuates with use and interest earnings.

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

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
Administration					
Personnel	\$ 161,317	\$ 165,840	\$ 166,444	\$ 170,195	2.6%
Benefits	\$ 44,312	\$ 46,480	\$ 46,480	\$ 48,245	3.8%
Operating	\$ 4,328	\$ 5,368	\$ 5,368	\$ 565,966	10443.3%
Administration Total	\$ 209,956	\$ 217,688	\$ 218,292	\$ 784,406	260.3%
Code Enforcement					
Personnel	\$ 239,038	\$ 280,904	\$ 281,387	\$ 287,043	2.2%
Benefits	\$ 78,968	\$ 99,509	\$ 99,509	\$ 100,593	1.1%
Operating	\$ 249,471	\$ 335,534	\$ 393,500	\$ 306,244	-8.7%
Outlay	\$ 3,727	\$ -	\$ -	\$ -	-%
Code Enforcement Total	\$ 571,204	\$ 715,947	\$ 774,396	\$ 693,880	-3.1%
Parks and Recreation					
Personnel	\$ 3,598,113	\$ 4,072,853	\$ 4,094,492	\$ 4,257,925	4.5%
Benefits	\$ 1,190,866	\$ 1,355,093	\$ 1,355,093	\$ 1,409,099	4.0%
Operating	\$ 1,930,942	\$ 2,415,007	\$ 2,433,395	\$ 2,436,262	0.9%
Outlay	\$ 53,445	\$ 124,201	\$ 124,201	\$ 34,688	-72.1%
Miscellaneous	\$ 2	\$ -	\$ -	\$ -	-%
Parks and Recreation Total	\$ 6,773,368	\$ 7,967,154	\$ 8,007,181	\$ 8,137,974	2.1%
Inland Greens Park					
Personnel	\$ 93,193	\$ 165,122	\$ 165,983	\$ 163,214	-1.2%
Benefits	\$ 26,202	\$ 44,709	\$ 44,709	\$ 45,048	0.8%
Operating	\$ 65,700	\$ 102,960	\$ 102,960	\$ 105,355	2.3%
Outlay	\$ 78,656	\$ -	\$ -	\$ -	-%
Allocated Cost					
Allocated Cost	\$ (49,699)	\$ (49,699)	\$ (49,699)	\$ -	-%
Allocated Cost Total	\$ (49,699)	\$ (49,699)	\$ (49,699)	\$ -	-%
Community Services Total	\$ 7,768,581	\$ 9,163,881	\$ 9,263,822	\$ 9,929,877	8.4%
Authorized Positions					
Community Services Administration	2	2	2	3	
Code Enforcement	6	6	6	6	
Parks and Recreation	90.82	95.22	95.22	96.09	
Inland Greens Course/Park	2.44	2.44	2.44	2.44	
Community Services Total	101.26	105.66	105.66	107.53	

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 Division operates first-class sports and entertainment facilities hosting tournaments, concerts and other special events designed to attract citizens and visitors, imparting a positive economic impact to the city. 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 to both the compensation study funding impacts as well as a merit plan. This budget increases the associated salary and corresponding benefits related to those initiatives. 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.

Base Budget Adjustments

A. One-time Funding Removal: Tree Study

Division: Tree Management
Total Cost: (\$45,000)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: FY19's budget authorized the hiring of a consultant to conduct review City standards related to planting of trees, tree protection, soil selection and root barrier methods. Total one-time study was \$90,000 of which \$45,000 was in Community Services budget. This one-time funding was removed from the budget.

B. One-time Funding Removal: Equipment

Division: Parks and Landscape
Total Cost: (\$43,800)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: FY19's budget enhanced the city's mowing program providing resources to mow high visibility areas around the city on a 14-day rotation rather and the previous 21-day standard. Funding included one-time funding for crew cab truck, trailer, mower and hand tools totaling \$43,800. Left in the budget is a total of \$1,200 to replace small tool needs for the crew on an on-going basis.

C. One-time Funding Removal: Utility Tractor

Division: Parks and Landscape
Total Cost: (\$40,923)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: Authorized in the FY19 budget was one-time funding for the purchase of a new utility tractor. The new tractor replaced a 20-year-old piece of equipment. A total of \$40,923 was removed from the budget.

D. One-time Funding Removal: Polycarbonate Board

Division: Code Enforcement
Total Cost: (\$28,000)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: FY19 budget authorized \$28,000 to purchase polycarbonate material to help secure properties from squatting and vandalism. Funding in the amount of \$28,000 was removed to allow time to test the program and gauge how frequently the pieces will need replacement.

E. Shift Landscaping Services for Fire Headquarters

Division: Parks and Landscape
Total Cost: (\$6,740)
Priority: Budget Adjustment
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A reduction in the amount of \$6,740 was made to the Parks and Landscape Maintenance Contracts account for landscaping services at Fire Headquarters. This funding is now shifted to the Department's enhancement request for landscaping services.

F. Utility Shift

Division: Multiple
Total Cost: \$562,904
Priority: Budget Adjustment
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: FY20 represents a change in how city departments manage utilities. City departments managing staff in stand-alone buildings will begin to manage their utility (electricity, water, sewer) invoices. The purpose of this move is to have those closer to the usage begin to monitor consumption to further reduce usage. Funding in the amount of \$562,904 has been shifted from the Public Services Facilities Division. This caused the operation category to increase significantly within the Budget Summary in the Administration division.

Budget Modifications

A. Recreation FTEs Increase in Hours

Division: Community Services
Total Cost: \$0
Priority: Strategic Plan: Provide Sustainability and Adaptability 1.1
Position(s): Full-time Equivalent: 0; Part-time: 0.35
Description: This increase includes changing an existing Recreation Specialist position from a .25 FTE to a .48 which is an increase of 468 hours annually at a cost of \$6,883 and increasing the hours of a Recreation Coordinator from a .88 FTE to a full-time position 1.00 FTE at a cost of \$5,888.

The increase in hours allows the department to provide better efficiencies across the divisions and is being funded by downgrading a vacant supervisory position.

B. Contracted Tree Pruning Program

Division: Tree Management

Total Cost: \$45,000

Priority: Strategic Plan: Provide Sustainability and Adaptability 5.2

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

Description: A request for \$45,000 was authorized to increase the maintenance and preservation of the city's urban canopy. Currently the tree division responds reactively, this program will allow proactive activities such as instituting a young tree pruning program through contractual services at a cost of \$45,000. This will allow the contractor to prune an estimated 500 trees annually of various sizes to improve the branch structure, health and longevity of the tree.

C. New Position: Parks and Recreation Superintendent

Division: Community Services

Total Cost: \$113,254

Priority: Strategic Plan: Provide Sustainability and Adaptability 1.1

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

Description: Increase in the amount of \$113,254 to fund salary and benefits for a new Parks and Recreation Superintendent position. Salary and benefits total \$108,718 with annual operating costs budgeted at \$2,650 and a one-time purchase of a computer in the amount of \$1,886. This position will be responsible for managing multiple capital projects as well as supervisory over other divisions within Community Services.

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

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
Revenue					
Transfer from CDBG	\$ 435,454	\$ 445,745	\$ 546,641	\$ 441,980	-0.8%
Transfer from General Fund	\$ 305,234	\$ 253,598	\$ 253,598	\$ 143,086	-43.6%
Transfer from HOME	\$ 63,415	\$ 66,215	\$ 66,215	\$ 107,290	62.0%
Appropriated Fund Balance	\$ -	\$ -	\$ 6,480	\$ -	-%
Revenue Total	\$ 804,103	\$ 765,558	\$ 872,934	\$ 692,356	-9.6%
Appropriations					
Personnel	\$ 423,468	\$ 505,321	\$ 506,821	\$ 484,465	-4.1%
Benefits	\$ 127,704	\$ 159,846	\$ 160,148	\$ 158,867	-0.6%
Operating	\$ 45,892	\$ 50,692	\$ 55,370	\$ 49,024	-3.3%
Outlay	\$ 3,745	\$ -	\$ -	\$ -	-%
Allocated Cost	\$ 49,699	\$ 49,699	\$ 49,699	\$ -	-100.0%
Transfer To CIP	\$ -	\$ -	\$ 100,896	\$ -	-%
Appropriations Total	\$ 650,508	\$ 765,558	\$ 872,934	\$ 692,356	-9.6%
Authorized Positions	8.96	8.96	8.96	8.96	

Budget Overview

The City continues to invest in the workforce by adding to both the compensation study funding impacts as well as a merit plan. This budget increases the associated salary and corresponding benefits related to those initiatives. 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.

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

	FY19 Adopted	FY20 Recommend
CDBG		
Undesignated	\$ 304,125	\$ 354,644
CDBG Total	\$ 304,125	\$ 354,644
Housing		
Housing Delivery Costs	\$ 205,000	\$ 242,199
Housing Total	\$ 205,000	\$ 242,199
Program Administration and Planning		
CDBG Activities	\$ 238,680	\$ 191,411
Program Administration and Planning Total	\$ 238,680	\$ 191,411
Public Facilities		
Domestic Violence	\$ 32,360	\$ 32,360
First Fruit Ministries	\$ 23,900	\$ 23,900
Good Shepherd	\$ 118,740	\$ 118,740
Public Facilities Total	\$ 175,000	\$ 175,000
Public Services		
Child Development Center	\$ 84,000	\$ -
Public Services Total	\$ 84,000	\$ -
CDBG 23 FUND Total	\$ 1,006,805	\$ 963,254

Budget Overview

In program year 2020, the City anticipates \$957,054 in CDBG entitlement funds and \$614,346 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

	FY19 Adopted	FY20 Recommend
Housing		
CHDO'S	\$ 132,885	\$ 92,152
Undesignated	\$ 686,802	\$ 789,260
Housing Total	\$ 819,687	\$ 881,412
Program Administration and Planning		
HOME Planning and Administration	\$ 66,215	\$ 97,934
Program Administration and Planning Total	\$ 66,215	\$ 97,934
HOME Program Total	\$ 885,902	\$ 979,346

Budget Overview

In program year 2020, the City anticipates \$957,054 in CDBG entitlement funds and \$614,346 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. The department is split amongst the General Government and the Transportation Functions as depicted below.

BUDGET SUMMARY

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
General Government					
Administration					
Personnel	\$ 229,130	\$ 353,491	\$ 313,922	\$ 249,625	-29.4%
Benefits	\$ 64,225	\$ 90,894	\$ 90,894	\$ 73,733	-18.9%
Operating	\$ 13,353	\$ 23,498	\$ 46,355	\$ 23,722	1.0%
Outlay	\$ -	\$ -	\$ -	\$ -	-%
Administration Total	\$ 306,708	\$ 467,883	\$ 451,171	\$ 347,080	-25.8%
Planning					
Personnel	\$ 1,076,196	\$ 1,183,494	\$ 1,218,999	\$ 1,309,741	10.7%
Benefits	\$ 324,615	\$ 364,118	\$ 376,656	\$ 399,355	9.7%
Operating	\$ 187,067	\$ 131,652	\$ 296,219	\$ 244,456	85.7%
Outlay	\$ 13,028	\$ 4,598	\$ 31,781	\$ -	-%
Planning Total	\$ 1,600,906	\$ 1,683,862	\$ 1,923,655	\$ 1,953,552	16.0%
General Government Total	\$ 1,907,614	\$ 2,151,745	\$ 2,374,826	\$ 2,300,632	6.9%
Transportation					
Transportation Traffic					
Personnel	\$ 1,282,220	\$ 1,346,693	\$ 1,357,624	\$ 1,388,362	3.1%
Benefits	\$ 399,527	\$ 434,431	\$ 434,431	\$ 453,836	4.5%
Operating	\$ 1,571,308	\$ 1,877,901	\$ 1,912,086	\$ 1,864,296	-0.7%
Outlay	\$ 72,643	\$ 3,150	\$ 33,815	\$ -	-%
Transportation Traffic Total	\$ 3,325,698	\$ 3,662,175	\$ 3,737,956	\$ 3,706,494	1.2%
Transportation Total	\$ 3,325,698	\$ 3,662,175	\$ 3,737,956	\$ 3,706,494	1.2%
PDT Total	\$ 5,233,312	\$ 5,813,920	\$ 6,112,782	\$ 6,007,126	3.3%
Authorized Positions					
PDT Administration	3	3	3	3	
Planning	4	6	8	7	
Planning	15	15	15	15	
Traffic Engineering	23	24	24	24	
PDT Total	45	48	50	49	

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 is comprised of three sections: Intelligent Transportation System Management, (Traffic Signals, CCTV and City ornamental streetlights) Signs and Pavement markings, Neighborhood Traffic Management, and Street Lighting program management. The Division is also participating in Development Review Services and administers the SafeLight program.

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 to both the compensation study funding impacts as well as a merit plan. This budget increases the associated salary and corresponding benefits related to those initiatives. 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.

Base Budget Adjustments

A. Reduction of Neighborhood Traffic Calming funding in annual operating budget

Division: Traffic Engineering
Total Cost: (\$30,000)
Priority: Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A reduction of \$30,000 has been removed from the budget, eliminating the annual operating funding established in FY18 to complement an existing capital project to pursue neighborhood traffic calming efforts in city neighborhoods.

B. One-time Funding Removal: New Hire Outfitting

Division: Traffic Engineering
Total Cost: (\$6,150)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: FY19 authorized an Electronic and Instrumentation Technician. A total of \$6,150 was removed from the budget related to purchase of new computer and certification training funding.

C. One-time Funding Removal: New Hire Outfitting

Division: Planning, Dev, Transportation
Total Cost: (\$4,598)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: FY19 authorized a Zoning Officer. A total of \$4,598 was removed from the budget related to purchase of new tablet and desktop computer.

Budget Modifications

A. Supplies for the NCAPA Statewide Conference

Division: Planning
Total Cost: \$3,500
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: Three years ago, the city was selected to host the 2019 Annual Conference of the North Carolina Chapter of the American Planning Association. The conference could reach as many as 700 attendees. The four-day event will be held in October of 2019 at the Wilmington Convention Center.

A total of one-time funding in the amount of \$3,500 was included in the budget to allow for the purchase of host supplies, such as shirts, snacks, wayfinding signs and materials for use during the conference.

B. Streetlighting

Division: Traffic Engineering
Total Cost: \$25,000
Priority: Expanding Infrastructure
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total of \$25,000 was included in the budget to allow for the installation of street lights in subdivisions that are expected to be accepted into the city by the end of FY20. This funding is to cover the costs of on-going street lights required by city standards once the street is accepted.

C. Comprehensive Plan and Land Development Code Engagement

Division: Planning
Total Cost: \$86,300
Priority: Strategic Plan: Foster a Prosperous, Thriving Economy 3.3
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total of \$86,300 was added to the budget to allow for the implementation of a Comprehensive Plan and Land Development Code engagement strategy to include temporary phone bank staffing, printed materials, required 1st class mailings, advertisements and a communications consultant, guest speakers, as well as snacks and meals for weekly Planning Commission meetings, City Council meetings and public meetings. In addition to the \$86,300 in the PDT budget, a total of \$20,000 was funded in the Sundry for Municode Services for a total of \$106,300 for this effort.

D. Short-term Lodging Program

Division: Planning
Total Cost: \$147,027
Priority: Strategic Plan: Provide Sustainability and Adaptability 1.1
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: Authorized by ordinance on February 19, 2019 was the creation of a short-term lodging program funded by short-term lodging registration fees.

Full year cost was added to the budget totaling \$147,027. This funding includes the salaries of one Zoning Officer and one Permit Technician at a salary of \$41,642 each plus benefits to support the short-term lodging regulation implementation. The funding also includes cell allowance, safety shoe allowance, pc replacement, fleet replacement, maintenance and insurance on a vehicle purchased in FY19, as well as fuel. Professional services in the amount of \$19,000 is included to continue with software purchased in FY19. The associated revenue has also been budgeted.

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

	FY19	FY20	Change
	Adopted	Recommend	FY19 to FY20
WMPO - Revenue			
General Fund Contribution	\$ 184,702	\$ 182,035	-1.4%
City of Wilmington	\$ 73,632	\$ 75,780	2.9%
New Hanover County	\$ 59,475	\$ 82,241	38.3%
Pender County	\$ 16,568	\$ 22,911	38.3%
Town of Leland	\$ 9,351	\$ 12,929	38.3%
Brunswick County	\$ 6,292	\$ 8,701	38.3%
Town of Carolina Beach	\$ 3,950	\$ 5,463	38.3%
Town of Wrightsville Beach	\$ 1,712	\$ 2,369	38.4%
Town of Kure Beach	\$ 1,398	\$ 1,933	38.3%
Town of Belville	\$ 1,346	\$ 1,862	38.3%
Town of Navassa	\$ 1,049	\$ 1,450	38.2%
UMTA Planning Section 5303	\$ 64,000	\$ 64,000	0.0%
NCDOT Planning	\$ 8,000	\$ 8,000	0.0%
NCDOT Highways	\$ 271,096	\$ 374,958	38.3%
NCDOT STP DA	\$ 396,000	\$ 312,522	-21.1%
NCDOT	\$ -	\$ 61,800	100.0%
WMPO Revenue Total	\$ 1,098,571	\$ 1,218,954	11.0%
WMPO - Appropriations			
Personnel	\$ 663,659	\$ 717,812	8.2%
Benefits	\$ 218,573	\$ 231,951	6.1%
Operating	\$ 216,339	\$ 269,191	24.4%
WMPO Appropriations Total	\$ 1,098,571	\$ 1,218,954	11.0%
Authorized Positions	11	11	

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. A resolution to accept the Transportation Demand Management grant award from NCDOT was approved at the April 2, 2019 City Council meeting. The variance seen in the WMPO budget reflects the appropriation of the TDM funds, seen clearly in the revenue increase. On the expenditure side, the TDM Coordinator funding and operating is included but a FY19 CAI recommendation of \$20,000 has been removed. Overall, the WMPO budget increased by 11.0%.

Budget Modifications

A. New Position: Intern

Division: MPO

Total Cost: \$3,830

Priority: Strategic Plan: Support Efficient Transportation Systems 1.1

Position(s): Full-time Equivalent: 0; Part-time: 0.14

Description: A total of \$3,830 was added to the budget to allow for the hire of one Part-time (300 hours) intern to assist the WMPO in data collection for existing sidewalk, crosswalks and other critical multi-modal transportation facilities throughout the WMPO boundary. The amount budgeted allows for a salary of \$3,000 plus benefits and fuel. Based on the funding structure of the WMPO, the impact to the city is \$322.

B. TDM Coordinator Project

Division: MPO

Total Cost: \$123,600

Priority: Strategic Plan: Provide Sustainability and Adaptability 3.2

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

Description: The TDM Coordinator project, totaled at \$123,600 and typically accepted in the fall via resolution and budget ordinance, has received the grant acceptance letter earlier than expected. The project expenditures and revenues have been loaded into the budget and include the salary of the TDM Coordinator as well as operating funds. The grant match is \$26,035 and is the only identified impact to the general fund.

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). The department is split amongst the General Government and the Transportation Functions as depicted below.

BUDGET SUMMARY

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommen	Change FY19 to
General Government					
Administration					
Personnel	\$ 365,623	\$ 373,140	\$ 373,260	\$ 430,188	15.3%
Benefits	\$ 107,425	\$ 111,910	\$ 111,910	\$ 135,138	20.8%
Operating	\$ 24,171	\$ 38,171	\$ 46,481	\$ 45,443	19.1%
Outlay	\$ -	\$ -	\$ -	\$ 1,886	-%
Administration Total	\$ 497,219	\$ 523,221	\$ 531,651	\$ 612,655	17.1%
Buildings					
Personnel	\$ 444,529	\$ 485,761	\$ 492,243	\$ 557,942	14.9%
Benefits	\$ 138,892	\$ 155,334	\$ 155,334	\$ 175,150	12.8%
Operating	\$ 2,076,358	\$ 2,231,557	\$ 3,573,193	\$ 1,221,070	-45.3%
Outlay	\$ 2,040	\$ -	\$ -	\$ 23,000	-%
Buildings Total	\$ 2,661,819	\$ 2,872,652	\$ 4,220,770	\$ 1,977,162	-31.2%
Allocated Cost					
Allocated Cost	\$ (162,785)	\$ (163,716)	\$ (163,716)	\$ (238,614)	45.7%
Allocated Cost Total	\$ (162,785)	\$ (163,716)	\$ (163,716)	\$ (238,614)	45.7%
General Government Total	\$ 2,996,252	\$ 3,232,157	\$ 4,588,705	\$ 2,351,203	-27.3%
Transportation					
Streets					
Personnel	\$ 1,065,528	\$ 1,197,352	\$ 1,204,734	\$ 1,219,008	1.8%
Benefits	\$ 348,445	\$ 388,253	\$ 388,253	\$ 399,757	3.0%
Operating	\$ 909,484	\$ 952,634	\$ 1,047,634	\$ 903,794	-5.1%
Outlay	\$ -	\$ -	\$ -	\$ -	-%
Streets Total	\$ 2,323,457	\$ 2,538,239	\$ 2,640,621	\$ 2,522,559	-0.6%
Transportation Total	\$ 2,323,457	\$ 2,538,239	\$ 2,640,621	\$ 2,522,559	-0.6%
Public Services Total	\$ 5,319,709	\$ 5,770,396	\$ 7,229,326	\$ 4,873,762	-15.5%
Authorized Positions					
Buildings	10	10	10	11	
PS Administration	5	5	5	6	
Streets	25	25	25	25	
Public Services Total	40	40	40	42	

Division Description

The **Administration** division is responsible for oversight and management of all Public Services division, as well as employee development, strategic planning, 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 **Buildings** division's mission is to maintain quality facilities that ensure a safe environment for citizens and city staff to conduct business. The division maintains the health of City-owned facilities through a combination of preventative, corrective, and emergency maintenance.

Budget Overview

The City continues to invest in the workforce by adding to both the compensation study funding impacts as well as a merit plan. This budget increases the associated salary and corresponding benefits related to those initiatives. 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.

Base Budget Adjustments

A. Utility Shift

Division: Multiple

Total Cost: (\$1,107,866)

Priority: Budget Adjustment

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

Description: FY20 represents a change in how city departments manage utilities. City departments managing staff in stand-alone buildings will begin to manage that building's utility (electricity, water, sewer) invoices. The purpose of this move is to have those closer to the usage begin to monitor consumption to further reduce usage. Funding in the amount of \$1,096,156 has been shifted out of the Public Services Building Division to other general fund departments in the city. Another \$11,710 was removed from the budget; this funding was associated with the utilities in the Stormwater. Stormwater used its own resources to cover the utility cost.

B. One-time Funding Removal: Tree Study

Division: Streets
Total Cost: (\$45,000)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: FY19's budget authorized the hiring of a consultant to conduct review City standards related to planting of trees, tree protection, soil selection and root barrier methods. Total one-time study was \$90,000 of which \$45,000 was in Public Services Streets division's budget. This one-time funding was removed from the budget.

C. One-time Funding Removal: HVAC Certification

Division: Buildings
Total Cost: (\$4,000)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: FY19's budget allowed for two Facility Specialists to attend training related to the new HVAC system technology and Variable Frequency Drives found in the city's newer Fire stations. This one-time funding was removed from the budget.

D. Reclass: Safety and Training Specialist

Division: Multiple
Total Cost: \$0
Priority: Continuation of Services
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A grade reclass was approved for the Safety and Training Specialist moving the position from an E4 to an E5 classification. The costs associated with this grade reclass total \$7,006 and will be funded by charging back the increase to the Stormwater and Recycling and Trash Services divisions.

Budget Modifications

A. New Position: Compliance Officer

Division: Multiple
Total Cost: \$0
Priority: Strategic Plan: Create a Safe Place 3.1
Position(s): Full-time Equivalent: 1; Part-time: 0.00
Description: A total of \$64,968 has been included in the Public Services Admin Division to include salary and benefits totaling \$58,497, fuel, vehicle replacement program, phone, insurances and computer. The full cost of this position will be funded by the Stormwater Management and Recycling and Trash Services divisions.

This position will serve to respond to the increasing demands of the compliance program and will allow for proactive measures to be taken for potential code violations, will be involved in neighborhood sweeps and will assist with the regular demand in service tickets.

B. On Call and Standby Program

Division: Buildings
Total Cost: \$11,959
Priority: Continuation of Services
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: Funding in the amount of \$11,959 has been approved for an enhanced standby program. This funding will provide an on-call resource for 24/7 contact for any building-related emergencies, will allow for more than one staff member with responsibilities for the Wilmington Police Department's facilities, and will allow for general rotation of duties among three (3) staff members. Existing funding exists for three (3) other staff members to maintain the rest of the city's facilities after-hours.

C. Maintenance Contracts and Alarm Panel Upgrades

Division: Buildings
Total Cost: \$13,812
Priority: Continuation of Services
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: Funding in the amount of \$2,200 was included to add monthly fees for new phone lines for alarm panel upgrades to Operations Center necessary to expand the alarm system in all buildings.

New service contracts to cover alarm monitoring fees at the Operations Center total \$2,250, a new alarm monitoring contract at Fire Station #5 is \$1,092 annually and a contract for fountain maintenance at the new River Place development for \$2,000. The fountain maintenance contract is an estimate and is for 6 months based on estimates of when the development and subsequent fountain will be operational.

An annual maintenance contract was approved in the amount of \$6,000 for HVAC maintenance at Fire Station #3.

D. Haynes and Lacewell Training Facility: Maintenance and Contracts

Division: Buildings
Total Cost: \$19,659
Priority: Strategic Plan: Create a Safe Place 6.2
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total of \$19,659 was approved to cover new items necessary for the new Police and Fire Training Facility. In addition to the funding located in the Police Department to support the training center maintenance materials are also needed to be supported by Building Maintenance. Items include tools, maintenance supplies, outside service contracts for non-warranty items, dumpster services, pest control and alarm monitoring services.

E. Haynes and Lacewell Training Facility: Utilities

Division: Buildings
Total Cost: \$64,800
Priority: Strategic Plan: Create a Safe Place 6.2
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total of \$64,800 is included to cover estimated utility expenses for electricity at \$55,800, natural gas at \$1,350, and water and sewer at \$7,650.

F. New Position: Project Coordinator

Division: Buildings
Total Cost: \$98,798
Priority: Strategic Plan: Provide Sustainability and Adaptability 1.1
Position(s): Full-time Equivalent: 1; Part-time: 0.00
Description: A total of \$98,798 has been included in the Public Services Buildings Division budget to allow for the hiring of a Project Coordinator with an annual salary of \$49,000 and benefits totaling \$20,714. Operating supplies include uniforms, small tools and a communications allowance totaling \$1,845. Additionally, \$23,000 has been budgeted for the purchase of a vehicle and also includes annual replacement funding in the amount of \$4,239.

This position will be responsible for the daily management of projects ranging from general maintenance, HVAC, security, roofing and emergency projects. In addition to project management and oversight, this position will be the division safety officer – accountable for training, PPE, inspections city wide to safety items – extinguishers, eye wash stations, etc. – and the staff’s MSDS books.

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

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
Engineering Admin					
Personnel	\$ 1,949,453	\$ 2,063,034	\$ 2,053,421	\$ 2,108,472	2.2%
Benefits	\$ 582,528	\$ 634,584	\$ 634,584	\$ 662,709	4.4%
Operating	\$ 182,760	\$ 199,878	\$ 214,806	\$ 213,295	6.7%
Outlay	\$ 6,975	\$ 29,920	\$ 29,366	\$ 26,500	-11.4%
Allocated Cost	\$ (202,850)	\$ (178,579)	\$ (178,579)	\$ (152,440)	-14.6%
Engineering Admin Total	\$ 2,518,865	\$ 2,748,837	\$ 2,753,598	\$ 2,858,536	4.0%
Authorized Positions	30	31	31	31	

Budget Overview

The City continues to invest in the workforce by adding to both the compensation study funding impacts as well as a merit plan. This budget increases the associated salary and corresponding benefits related to those initiatives. 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.

Base Budget Adjustments

A. One-time Funding Removal: New Hire Outfitting

Division: Engineering
Total Cost: (\$3,420)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: FY19 authorized a Plan Review Project Engineer. A total of \$3,420 was removed from the budget related to the one-time purchase of new computer.

B. One-time Funding Removal: Contract Document Templates

Division: Engineering
Total Cost: (\$1,940)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total \$1,940 was removed from the budget. The funding was authorized in FY19 as a one-time purchase for contract templates to be used city-wide.

Budget Modifications

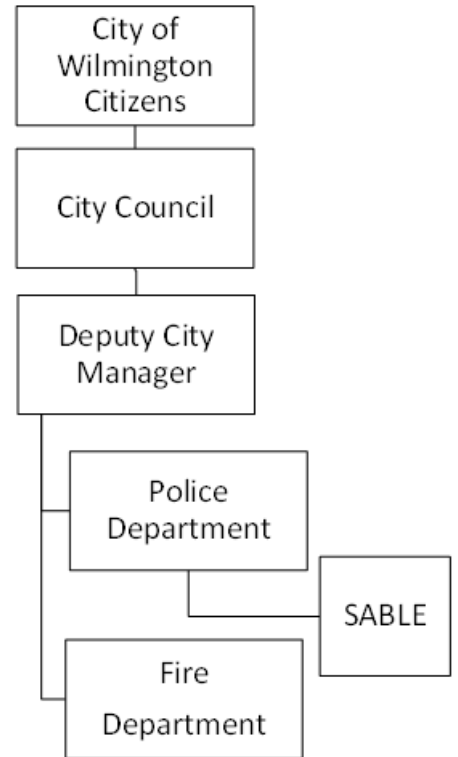
A. Increase Office Supplies

Division: Engineering
Total Cost: \$1,124
Priority: Continuation of Services
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total of \$1,124 was authorized to cover the costs of managing the City-wide CIP process. The process requires office supplies for various CIP staff and council committees. This will allow the Engineering department to purchase the required supplies.

B. Decrease to Engineering Charges to CIP

Division: Engineering
Total Cost: \$26,139
Priority: Continuation of Services
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: Authorized for FY20 is a reduction of the charge back cost associated with in-house engineering services that are charged to capital projects. This results in a total charge back to the CIP of \$178,579 in FY19 to \$152,440 for FY20, a \$26,139 reduction. This is the third year of required reductions of this charge largely in part due to the types of CIP projects authorized which do not include in-house engineering services. This reduction results in an increase to the General Fund of \$26,139.

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

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
Office Of The Chief					
Personnel	\$ 2,532,116	\$ 2,414,104	\$ 2,145,352	\$ 1,346,621	-44.2%
Benefits	\$ 746,008	\$ 733,115	\$ 628,586	\$ 376,162	-48.7%
Operating	\$ 247,060	\$ 323,346	\$ 315,015	\$ 618,525	91.3%
Outlay	\$ 15,118	\$ -	\$ -	\$ -	-%
Office Of The Chief Total	\$ 3,540,302	\$ 3,470,565	\$ 3,088,953	\$ 2,341,308	-32.5%
Administrative Services					
Personnel	\$ 1,856,873	\$ 2,059,089	\$ 2,123,234	\$ 1,503,927	-27.0%
Benefits	\$ 604,348	\$ 722,193	\$ 722,193	\$ 498,518	-31.0%
Operating	\$ 4,181,035	\$ 4,589,889	\$ 4,612,490	\$ 4,777,983	4.1%
Outlay	\$ 83,952	\$ 191,083	\$ 206,246	\$ 510,106	167.0%
Nondepartmental	\$ -	\$ -	\$ 2,300,000	\$ 3,000,000	-%
Administrative Services Total	\$ 6,726,207	\$ 7,562,254	\$ 9,964,163	\$ 10,290,534	36.1%
Criminal Investigations					
Personnel	\$ 2,124,425	\$ 2,042,944	\$ 2,093,681	\$ 2,583,614	26.5%
Benefits	\$ 636,147	\$ 667,823	\$ 667,823	\$ 833,698	24.8%
Operating	\$ 40,449	\$ 112,817	\$ 120,782	\$ 223,033	97.7%
Outlay	\$ 4,927	\$ 105,288	\$ 105,288	\$ -	-%
Criminal Investigations Total	\$ 2,805,949	\$ 2,928,872	\$ 2,987,574	\$ 3,640,345	24.3%
Special Investigations					
Personnel	\$ 1,970,497	\$ 2,018,114	\$ 2,058,589	\$ 1,949,132	-3.4%
Benefits	\$ 629,668	\$ 669,635	\$ 669,635	\$ 659,933	-1.4%
Operating	\$ 169,999	\$ 170,009	\$ 181,924	\$ 160,904	-5.4%
Outlay	\$ 2,995	\$ -	\$ -	\$ -	-%
Special Investigations Total	\$ 2,773,159	\$ 2,857,758	\$ 2,910,148	\$ 2,769,969	-3.1%
Uniformed Patrol					
Allocated Cost	\$ (1,037)	\$ -	\$ -	\$ -	-%
Personnel	\$ 6,302,381	\$ 6,568,818	\$ 6,724,367	\$ 6,774,427	3.1%
Benefits	\$ 1,947,500	\$ 2,126,206	\$ 2,126,206	\$ 2,280,017	7.2%
Operating	\$ 278,210	\$ 494,878	\$ 516,207	\$ 494,675	0.0%
Outlay	\$ 1,400	\$ 51,005	\$ 51,005	\$ -	-%
Uniformed Patrol Total	\$ 8,528,454	\$ 9,240,907	\$ 9,417,785	\$ 9,549,119	3.3%

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
Special Operations					
Personnel	\$ 3,925,008	\$ 4,017,305	\$ 4,106,262	\$ 4,017,959	0.0%
Benefits	\$ 1,185,927	\$ 1,261,712	\$ 1,261,712	\$ 1,260,931	-0.1%
Operating	\$ 320,414	\$ 230,726	\$ 229,526	\$ 243,586	5.6%
Outlay	\$ 16,096	\$ 32,450	\$ 33,950	\$ 58,866	81.4%
Special Operations Total	\$ 5,447,445	\$ 5,542,193	\$ 5,631,450	\$ 5,581,342	0.7%
Planning And Research					
Personnel	\$ -	\$ -	\$ 292,694	\$ 1,205,379	-%
Benefits	\$ -	\$ -	\$ 104,529	\$ 412,003	-%
Operating	\$ -	\$ -	\$ -	\$ 6,489	-%
Planning And Research Total	\$ -	\$ -	\$ 397,222	\$ 1,623,871	-%
Separation Allowance					
Separation Allowance	\$ 700,000	\$ 700,000	\$ 700,000	\$ 750,000	7.1%
Separation Allowance Total	\$ 700,000	\$ 700,000	\$ 700,000	\$ 750,000	7.1%
Police Department Total	\$ 30,521,516	\$ 32,302,549	\$ 35,097,295	\$ 36,546,488	13.1%
Authorized Positions					
Office of the Chief	39	39	39	38	
Administrative Services Bureau	38.93	38.93	38.93	38.2	
Criminal Investigations	47.4	48.4	48.4	46	
Special Investigations	31	31	31	31	
Uniform Patrol	197.46	199.46	199.46	197	
Police Department Total	353.79	356.79	356.79	350.2	

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, and the targeting of criminal activity through crime analysis.

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). CSI, or Crime Scene Investigations, falls under the Criminal Investigations Division. CSI manages collection and analysis of evidence.

The **Uniform Patrol** division is a consists of uniformed officers situated in the northwest and southeast portions 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 **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).

Budget Overview

The City continues to invest in the workforce by adding to both the compensation study funding impacts as well as a merit plan. This budget increases the associated salary and corresponding benefits related to those initiatives. 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.

Base Budget Adjustments

A. One-time Funding Removal: Interview System's Outfitting

Division: Investigation Bureau

Total Cost: (\$55,225)

Priority: One-Time, Non-recurring Expenditure Reduction

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

Description: A total of \$55,225 was removed from the budget related to the newly purchased interview system to include funding for four (4) systems. Remaining in the budget is \$14,775 for on-going annual costs to run the system.

B. One-time Funding Removal: Patrol Vehicles

Division: NW Patrol
Total Cost: (\$51,005)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total of \$51,005 was removed from the budget related to two (2) patrol vehicles and outfitting equipment authorized in the FY19 budget.

C. One-time Funding Removal: Juvenile Investigator Outfitting

Division: Investigation Bureau
Total Cost: (\$37,390)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total of \$37,390 was removed from the budget related to the FY19 authorized Juvenile Investigator's outfitting to include equipment and a vehicle.

D. One-time Funding Removal: Finger Printing Machine

Division: Admin Services
Total Cost: (\$30,000)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total of \$30,000 was removed from the budget related to the one-time funding required purchase an outdated finger printing machine.

E. One-time Funding Removal: Boat Collar

Division: Admin Services
Total Cost: (\$22,225)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total of \$22,225 was removed from the budget related to the one-time funding required to outfit the Police boat with a new collar system.

F. One-time Funding Removal: Lab & CSI Equipment Replacement

Division: Lab & CSI
Total Cost: (\$15,695)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total of \$15,695 was removed from the budget related to the one-time monies for the purchase of a new diluter/dispenser system and a drying cabinet.

G. One-time Funding Removal: K-9 Vests

Division: SE Patrol
Total Cost: (\$13,161)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total of \$13,161 was removed from the budget related to four specialized K-9 vests authorized in the FY19 budget.

H. One-time Funding Removal: Celebrite Software

Division: Special Investigations
Total Cost: (\$8,600)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total of \$8,600 one-time funding was removed from the budget. The funding allowed Celebrite software to be used by the department. A total of \$400 remains in the budget for on-going annual fees.

I. One-time Funding Removal: Remote Firing Device

Division: SE Patrol
Total Cost: (\$6,999)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total of \$6,999 was removed from the budget related to the one-time funding required to purchase a remote firing device.

J. Replacement Plan: Specialized Ballistic Vests and Helmets

Division: Admin Services
Total Cost: (\$3,129)
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: Specialized ballistic vests for specialized teams' personnel and ballistic helmets for all uniformed patrol officers and non-uniform detectives. FY19 funding for specialized ballistic vests in the amount of \$26,679 was reduced to allow for an ongoing replacement of specialized ballistic vests at \$16,800 per year and a ballistic helmet at \$6,750 per year.

K. Part-time Police Pilot Reduction

Division: Southeast Patrol

Total Cost: \$0

Priority: Reduction

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

Description: In an effort to streamline services within the Police Department, an Administrative Program Manager was created to coordinate programs related to property and evidence, records, front desk and fleet management. To create and fund this position mid-year, a vacant administrative position FTE and funding were used to create the manager position as well as a vacant Part-time pilot position's funding. The Part-time pilot position was reduced for the FY20 Budget.

L. Establishment of On-going Purchase Program: Car Radars

Division: SE Patrol

Total Cost: \$0

Priority: Continuation of Services

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

Description: In FY18, the State initiated a change in approved car radars Police departments can utilize making all of the city's radars obsolete. The FY19 budget authorized funding for ten (10) radars. The department requires thirty (30) radars to run efficiently. The continuation of the monies, totaling \$12,290, will allow the department to continue purchasing car radars until capacity is reached.

M. Motorcycle 3 Year Replacement Program: BMW Motorcycles

Division: Multiple

Total Cost: \$0

Priority: Continuation of Services

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

Description: FY20 will represent the last year of a three-year plan to replace three (3) BMW motorcycles. Funding in the amount of \$34,747 remains in the budget to purchase one (1) motorcycle and antennae.

N. Utility Shift

Division: Multiple

Total Cost: \$312,540

Priority: Budget Adjustment

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

Description: FY20 represents a change in how city departments manage utilities. City departments managing staff in stand-alone buildings will begin to manage their utility (electricity, water, sewer) invoices. The purpose of this move is to have those closer to the usage begin to monitor consumption to further reduce usage. Funding in the amount of \$312,540 has been shifted from the Public Services Buildings Division.

Budget Modifications

A. Eliminate Long-time Vacant Positions

Division: Multiple
Total Cost: (\$61,564)
Priority: Reduction
Position(s): Full-time Equivalent: 0; Part-time: -1.69
Description: A total of \$61,564 has been removed from the budget to eliminate multiple long-time vacant Part-time positions to include two Code Enforcement Officers, a Part-time Administrative Support position, and the Gang Prevention Specialist. These positions have been vacant for over a year. The loss of these positions has a minimal impact.

B. FY20 Transfer of the Regional Lab to New Hanover County

Division: Lab & CSI
Total Cost: (\$357,292)
Priority: Reduction
Position(s): Full-time Equivalent: -4.4; Part-time: 0.00
Description: The funding reduction represents the FY20 transfer of the Regional Lab to New Hanover County. The transfer includes the reduction of funding for personnel and operating in the amount of \$357,292 as well as a new contribution, \$194,978, to New Hanover County to support 40% of the Regional Lab going forward. A reduction in workforce of five (5) positions occurs as a part of the transfer. This reduction in workforce includes the Forensic Lab Manager, a Part-time Forensic Chemist, the New Hanover County funded Forensic Chemist, the partially state-funded Forensic Chemist and a fully state funded Forensic Technician.

C. Add pay: Lt. Assistant Division Commander Pay

Division: Uniform Patrol
Total Cost: \$3,778
Priority: Continuation of Services
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total of \$3,778 was included in the budget to ensure funding for two (2) personnel add-pays per fiscal year is available for use.

D. K-9 Replacement

Division: Special Operations
Total Cost: \$9,500
Priority: Continuation of Services
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: Funding in the amount of \$9,500 was included in the budget to allow PD to replace a retiring K-9 dog. The K-9 dog are trained in detecting narcotics and in the tracking and apprehension of wanted violent offenders.

A healthy, well-trained K-9 can detect narcotics in vehicles, buildings, and other structures. In addition, they possess the unique ability to track and apprehend violent criminals who are on the run. Their abilities to detect narcotics and track criminals aid the City in accomplishing the goal of creating a safe place.

E. Industrial-grade Refrigerator for Biological Evidence

Division: Admin Services
Total Cost: \$12,882
Priority: Continuation of Services
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: The funding of \$12,882 allows for the purchase of a third industrial-grade refrigerator for biological evidence collection.

Ensuring that biological evidence is properly stored is not only required by NC General Statute, but it is an essential part of any criminal investigation and successful prosecution. Failure to properly maintain such evidence could result in a case that cannot prove guilt beyond a reasonable doubt.

F. Standby Time: Criminal Investigation Division

Division: Investigation Bureau
Total Cost: \$14,158
Priority: Strategic Plan: Create a Safe Place 3.1
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total of \$14,158 was included in the budget to allow for standby pay in the Criminal Investigation Division (CID) for the purpose of ensuring at least one detective is on standby at all times to respond to any critical or major cases. The funding includes standby pay of \$11,700 plus benefits.

Certain violent crimes, such as serious assaults, rapes, robberies, and homicides, must be investigated by highly trained detectives who possess the necessary skills and resources to conduct a thorough investigation. Ensuring that these detectives are available to respond when needed is critical, especially when the hours following a serious crime will usually determine whether the crime will be solved or not.

G. Establish Specialized Teams Equipment Budget

Division: Special Operations
Total Cost: \$17,893
Priority: Continuation of Services
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: Funding in the amount of \$17,893 was included in the budget to allow for the establishment of an on-going equipment budget to be utilized by specialized teams.

H. Replace Expired Bomb-suit

Division: Special Operations
Total Cost: \$37,076
Priority: Continuation of Services
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total of \$37,076 in funding allows for the purchase of one (1) bomb suit to replace an existing expired suit. This is one of two suits PD provides to Bomb Technicians to protect the technician while performing tasks downrange, as well as maintain the FBI accredited squad standards.

The Wilmington Police Department's Bomb Squad, is one of fifteen (15) FBI approved and accredited Bomb Squads in the State of North Carolina. WPD's Bomb Squad has memoranda of understanding (MOU) with five (5) surrounding counties in Southeastern North Carolina, including New Hanover, Brunswick, Pender, Bladen, and Columbus counties. These MOU's require our Agency's Bomb Squad to respond to these counties at their request for explosive ordinance disposal.

The initial suits were purchased with grant funding in FY10 through a grant from NC Emergency Management and Federal Forfeiture funding.

I. Add pay: SWAT, Crisis Negotiation Team (CNT), Bomb unit and Spanish-speaking Officers

Division: Special Operations
Total Cost: \$49,200
Priority: Strategic Plan: Create a Safe Place 3.1
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: The funding of \$49,200 allows PD to offer additional monthly pay to those officers forming the Crisis Negotiation Team (CNT), bomb unit and SWAT, as well as officers fluent in Spanish.

The Police Department has twenty-six (26) officers that form the Crisis Negotiation Team (CNT), Bomb Unit, and SWAT. Additionally, there are approximately fifteen (15) officers that are fluent in Spanish. These officers are often called back to work after hours and voluntarily respond. Members of these units often get specialized training.

J. Police Separation

Division: Police Separation
Total Cost: \$50,000
Priority: Continuation of Services
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total of \$50,000 has been included in the budget to account for an increase in the estimated pension liability in the Law Enforcement Officers' Separation allowance.

K. Vehicle Replacements for 16 vehicles

Division: Admin Services
Total Cost: \$159,430
Priority: Strategic Plan: Provide Sustainability and Adaptability 1.1
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total of \$159,430 was included in the budget to allow for a three-year extension on replacement of sixteen (16) vehicles. As planned, in FY20, sixteen vehicles will be replaced. Instead of removing the vehicles set to be replaced, PD will keep them for officer use, and continue to pay an enhanced fleet replacement fee for three years. This will build funding in order to purchase sixteen new cars, spread the cost and allow for increased availability of PD vehicles.

The funding allows the department to have police vehicles that are operational and well equipped, not only to uphold a positive image to the community but serve as a recruiting tool. Many surrounding law enforcement agencies offer take-home car programs that often attract potential candidates. The police department must remain competitive with regard to our vehicle program. Currently, new officers are assigned a take-home vehicle at the two-year mark. With the funding, WPD can continue to assign vehicles at the two-year mark.

L. Cameras: In-car

Division: Admin Services
Total Cost: \$164,396
Priority: Strategic Plan: Provide Sustainability and Adaptability 6.2
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: The funding of \$164,396 allows for the PD to contract with Axon for a phased approach with the purchase of 50 in-car cameras with cloud-based storage the first year. The current in-car cameras are outdated and deteriorating. The funding represents the first year of a five-year contract, with year two requiring \$265,000, obtaining an additional 50 cameras, and years three through five requiring \$148,500 annual maintenance.

Similar to body cameras, equipping police employees with functional and reliable in-car cameras affords officers the ability to collect video evidence from a vehicular perspective to assist in criminal investigations and prosecutions, which in turn aids in creating a safe place. In-car cameras also allow the City the ability to review an officer's interactions with members of the community to help ensure that they are meeting the highest standards of excellence expected by the City. Video footage collected on in-car cameras can aid investigators in the Professional Standards Section of the Police Department with citizen complaints, providing an additional level of oversight for personnel.

M. Cameras: Body

Division: Admin Services
Total Cost: \$229,542
Priority: Strategic Plan: Provide Sustainability and Adaptability 6.2
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: The funding of \$229,542 allows for the PD to contract with Axon to purchase 200 body cameras with cloud-based storage. The current body cameras are outdated and deteriorating. The funding represents the first year of a five-year contract, with years two through five requiring \$153,888 annual appropriation.

Equipping police employees with functional and reliable body-worn cameras affords officers the ability to collect video evidence to assist in criminal investigations and prosecutions, which in turn aids in creating a safe place. Body-worn cameras also allow the city the ability to review an officer’s interactions with members of the community to help ensure that they are meeting the highest standards of excellence expected by the city. Video footage collected on body-worn cameras can aid investigators in the Professional Standards Section of the Police Department with citizen complaints, providing an additional level of oversight for personnel.

N. Haynes and Lacewell Training Facility: Operations

Division: Admin Services
Total Cost: \$231,128
Priority: Strategic Plan: Create a Safe Place 6.2
Position(s): Full-time Equivalent: 0.48; Part-time: 0.00
Description: Partial funding in the amount of \$231,128 was included in the budget to account for the operational needs of the Haynes and Lacewell Training Facility, expected to be open fall of 2019. Funding for the utilities and maintenance contracts can be found in the Facilities Maintenance Division totaling \$84,459. The total first year cost for the training facility is expected to be \$315,587.

The \$231,128 allows Police Department to hire one Housekeeper, at N1 min, to be hired in Oct 2019 at a salary of \$12.41/hr. at 998.4 annual hours (.48 FTE). The facility is to be utilized by Police and Fire personnel, as well as outside agencies requiring daily housekeeping. The funding and subsequent Part-time position allows for time to evaluate the need for a full-time position.

Additionally, the funding allows for the operational needs of the Police and Fire departments use of the facility to include medical surveillance, janitorial supplies, range filters, consumable goods, telecommunications and other general building and equipment maintenance needs. The Public Services department is responsible for the utilities and fire suppression system and alarms. This funding is on-going, and the expectation is to request additional funding in FY21 for the items not needed in the first year of operations, such as range cleaning, simulator maintenance, and range equipment repair and maintenance.

O. Claims Against the City

Division: Admin Services
Total Cost: \$3,000,000
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total of \$3,000,000 has been included in the budget to respond to a claim against the city.

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

	FY19	FY20	Change from
	Adopted	Recommend	FY19 to FY20
SABLE Revenues			
General Fund Contribution	\$ 196,958	\$ 152,362	-22.6%
New Hanover County	\$ 30,000	\$ 30,000	0.0%
Town of Leland	\$ 3,675	\$ 3,675	0.0%
Pender County	\$ 6,125	\$ 6,125	0.0%
Federal Forfeiture	\$ 115,744	\$ 115,744	0.0%
TOTAL SABLE Revenues	\$ 352,502	\$ 307,906	-12.7%
SABLE Appropriations			
Personnel	\$ 173,231	\$ 141,086	-18.6%
Benefits	\$ 38,637	\$ 34,553	-10.6%
Operating	\$ 140,634	\$ 132,267	-5.9%
TOTAL SABLE Appropriations	\$ 352,502	\$ 307,906	-12.7%
 Authorized Positions	 2	 2	

Budget Overview

The General Fund is providing a transfer of \$152,688 to the SABLE project in the Special Purpose fund to provide salary and related benefits for two full-time pilots. Two long-term vacant Part-time pilots (0.25 FTE each), funded in SABLE but shown as Authorized positions in the Police Department were closed, as well as a (0.48 FTE) Part-time pilot. SABLE continues with the Budget Reserve. In FY20, the recommended budget reflects a 3% compensation increase with an overall decrease of 12.7%.

Budget Adjustments

A. One-time Removal: Software

Division: SABLE

Total Cost: (\$7,600)

Priority: One-Time, Non-recurring Expenditure Reduction

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

Description: A total of \$7,600 was removed from the FY19 Digital Airware software purchase, originally \$12,600, to allow for an annual licensing fee of \$5,000 per year. This amount covers two (2) aircrafts at \$2,500 each.

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

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
Administration					
Personnel	\$ 261,857	\$ 241,745	\$ 241,745	\$ 315,902	30.7%
Benefits	\$ 64,778	\$ 64,641	\$ 64,641	\$ 80,901	25.2%
Operating	\$ (15,161)	\$ 22,298	\$ 7,298	\$ 209,408	839.1%
Administration Total	\$ 311,475	\$ 328,684	\$ 313,684	\$ 606,211	84.4%
Community Risk Reduction					
Personnel	\$ 56,095	\$ 56,164	\$ 56,929	\$ 59,931	6.7%
Benefits	\$ 19,371	\$ 19,281	\$ 19,281	\$ 20,662	7.2%
Operating	\$ 18,568	\$ 14,798	\$ 14,548	\$ 14,668	-0.9%
Outlay	\$ 11,105	\$ -	\$ -	\$ -	-%
Community Risk Reduction Total	\$ 105,138	\$ 90,243	\$ 90,758	\$ 95,261	5.6%
Fire And Life Safety					
Personnel	\$ 425,043	\$ 439,108	\$ 440,824	\$ 521,129	18.7%
Benefits	\$ 139,914	\$ 144,818	\$ 144,818	\$ 171,931	18.7%
Operating	\$ 8,356	\$ 9,095	\$ 8,845	\$ 8,246	-9.3%
Fire And Life Safety Total	\$ 573,313	\$ 593,021	\$ 594,487	\$ 701,306	18.3%
Fire Fighting					
Personnel	\$ 9,819,018	\$10,668,539	\$10,762,018	\$10,812,116	1.3%
Benefits	\$ 3,188,859	\$ 3,488,901	\$ 3,488,901	\$ 3,556,927	1.9%
Operating	\$ 340,432	\$ 405,877	\$ 440,062	\$ 317,392	-21.8%
Outlay	\$ 38,476	\$ 15,000	\$ 14,709	\$ 15,000	0.0%
Fire Fighting Total	\$13,386,786	\$14,578,317	\$14,705,690	\$14,701,435	0.8%
Fire Fleet Maintenance					
Personnel	\$ 151,580	\$ 153,686	\$ 155,726	\$ 161,686	5.2%
Benefits	\$ 57,165	\$ 57,474	\$ 57,474	\$ 60,475	5.2%
Operating	\$ 267,704	\$ 189,148	\$ 220,183	\$ 188,778	-0.2%
Outlay	\$ 27,748	\$ -	\$ -	\$ -	-%
Miscellaneous	\$ 26,979	\$ -	\$ 46,315	\$ 50,000	0.0%
Fire Fleet Maintenance Total	\$ 531,177	\$ 400,308	\$ 479,698	\$ 460,939	15.1%
Support Services					
Personnel	\$ 342,143	\$ 343,463	\$ 345,965	\$ 436,472	27.1%
Benefits	\$ 102,890	\$ 105,829	\$ 105,829	\$ 137,251	29.7%
Operating	\$ 1,732,891	\$ 1,820,966	\$ 1,838,587	\$ 1,920,045	5.4%
Outlay	\$ 62,088	\$ 91,675	\$ 202,165	\$ 54,002	-41.1%
Support Services Total	\$ 2,240,011	\$ 2,361,933	\$ 2,492,546	\$ 2,547,770	7.9%

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
Training					
Personnel	\$ 347,962	\$ 377,042	\$ 383,662	\$ 405,303	7.5%
Benefits	\$ 105,455	\$ 115,628	\$ 115,628	\$ 136,961	18.4%
Operating	\$ 102,730	\$ 90,498	\$ 82,298	\$ 90,096	-0.4%
Training Total	\$ 556,146	\$ 583,168	\$ 581,588	\$ 632,360	8.4%
Allocated Cost					
Allocated Cost	\$ -	\$ (20,000)	\$ (20,000)	\$ (20,000)	0.0%
Allocated Cost Total	\$ -	\$ (20,000)	\$ (20,000)	\$ (20,000)	0.0%
Fire Department Total	\$17,704,046	\$18,915,674	\$19,238,451	\$19,725,282	4.3%
Authorized Positions					
Fire Administration	3	3	3	4	
Community Risk Reduction	1	1	1	1	
Fire and Life Safety	7.49	7.49	7.49	8.49	
Firefighting	196.96	193.96	193.96	193.96	
Fire Fleet Maintenance	3	3	3	3	
Fire Support Services	5	5	5	5	
Fire Training	7	7	7	7	
Fire Department Total	223.45	220.45	220.45	222.45	

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 **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.

The **Firefighting** division maintains responsibility for two primary functions. The first relates to firefighting units who are responsible for all fireground 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 **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 **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 Training** division oversees expenditures and efforts for training and equipment in fire, water rescue, tactical rescue and hazardous materials. Assistant Chiefs are assigned to each special team to monitor and effectively assess training needs and expenditures.

Budget Overview

The City continues to invest in the workforce by adding to both the compensation study funding impacts as well as a merit plan. This budget increases the associated salary and corresponding benefits related to those initiatives. 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.

Base Budget Adjustments

A. One-time Funding Removal: Vehicles

Division: Support Services
Total Cost: (\$85,300)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total of \$85,300 of one-time funding was removed from the budget. The funding helped replace three (3) aging vehicles.

B. One-time Funding Removal: Accreditation Fee

Division: Support Services
Total Cost: (\$3,715)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total of \$3,715 of one-time funding was removed from the budget. The funding helped the department host a peer assessment re-accreditation team. The process is every 5 years.

C. Utility Shift

Division: Multiple
Total Cost: \$203,480
Priority: Budget Adjustment
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: FY20 represents a change in how city departments manage utilities. City departments managing staff in stand-alone buildings will begin to manage their utility (electricity, water, sewer) invoices. The purpose of this move is to have those closer to the usage begin to monitor consumption to further reduce usage. The utilities amount of \$203,480 seen here covers ten fire stations' electricity, natural gas, water and sewer. Funding was shifted from Public Services Building's utilities monies.

Budget Modifications

A. Replacement & Maintenance Program: Exercise Equipment

Division: Support Services
Total Cost: \$6,000
Priority: Continuation of Services
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: Funding in the amount of \$6,000 provides for the establishment of an exercise equipment and maintenance program. This program is designed to purchase two new pieces of exercise equipment annually and contract for annual maintenance.

The initial equipment was purchased with grant funding in FY13 through the 2012 Assistance to Firefighters Grant from the Federal Emergency Management Agency. Some of the pieces are now nearing their life cycle or needing repairs. Implementation of a replacement program will help keep the equipment up to date.

B. Ladder Testing Equipment

Division: Support Services
Total Cost: \$6,500
Priority: Strategic Plan: Create a Safe Place 6.2
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A total of \$6,500 is included in the budget to allow for the purchase of ladder testing equipment. The National Fire Protection Association's standards require testing of all ground and aerial ladders annually. Normally, the department contracts with outside vendors to complete the work.

With this funding, the Fire Department will no longer solicit an outside vendor to test equipment but will test in-house with Fire personnel. The total cost is \$9,000 but nets \$6,500 due to a shift of \$2,500 for existing ground ladder testing with an outside contractor, that will now be handled in-house with the new equipment.

C. Shift from Community Services: Fire HQ Landscaping funding

Division: Support Services
Total Cost: \$6,740
Priority: Budget Adjustment
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: Previously managed by Community Services, funding in the amount of \$6,740 was shifted into the Fire Department for Fire Headquarters' landscaping needs.

D. Fire Turnout Gear

Division: Support Services
Total Cost: \$16,630
Priority: Strategic Plan: Create a Safe Place 6.2
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: Funding in the amount of \$16,630 was authorized for fire turnout gear. The Fire Department strives to provide fire personnel with two (2) sets of turnout gear in order to ensure a backup set is available. Each set of turnout gear is made for the individual firefighter making it difficult to share sets between personnel. Currently, only eight (8) firefighters have a 2nd set. The on-going funding allocated each year allows for replacement as well as purchasing additional sets. Analysis on existing inventory is being conducted for life cycle costs for future budget discussions.

Until that analysis is complete, this funding allows the Fire Department to increase their annual purchase of turnout gear from 40 sets annually to 45 sets annually, as well as accommodate the annual increase in contract costs.

E. NHC Fire Fleet: Interlocal Agreement

Division: Fleet
Total Cost: \$50,000
Priority: Continuation of Services
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: Starting in FY16, an interlocal agreement with New Hanover County Fire Rescue was authorized allowing the city to provide maintenance services for two fire stations on a trial basis. Since that time, the services are now provided to all of the New Hanover County fire stations. New Hanover county pays for the expenses through a billable process.

Funding in the amount of \$50,000 ensures the estimated billable expenses are budgeted in the Fire Department's budget. This is the third year of a three-year active interlocal agreement for the City Fire Fleet to provide maintenance services for New Hanover County Fire Service District apparatus.

F. New Position: Emergency Management and Planning Coordinator

Division: Support Services
Total Cost: \$97,731
Priority: Strategic Plan: Create a Safe Place 3.1
Position(s): Full-time Equivalent: 1; Part-time: 0.00
Description: Funding in the amount of \$97,731 included in the budget allowing the Fire Department to hire an Emergency Management and Planning Coordinator at a salary of \$70,382 plus benefits, a laptop and inclusion in the pc replacement program.

This position will develop, implement, and maintain disaster planning and preparedness for the City of Wilmington to provide for the safety and well-being of the organization and its citizens. This includes comprehensive planning, training, and exercise programs designed to enhance the City's ability to manage large-scale and/or multi-agency incidents or events. This position will allow the city to continue to be resilient in face of events such as Hurricane Florence.

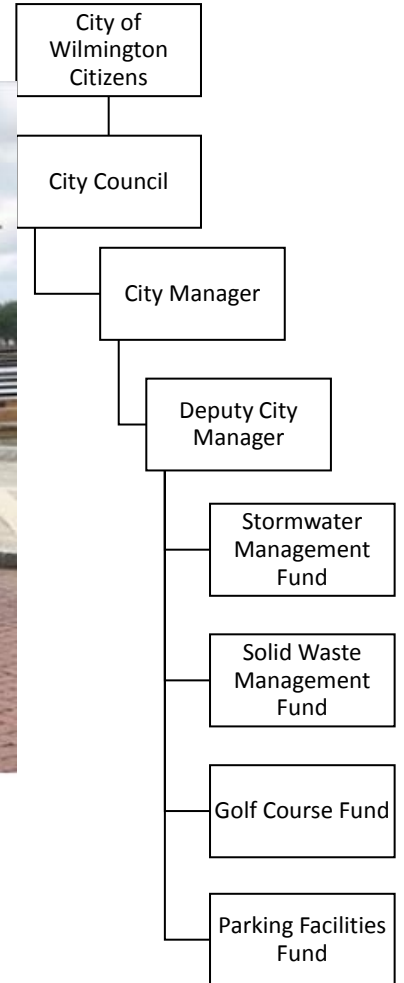
G. New Position: Fire Inspector

Division: Fire and Life Safety
Total Cost: \$110,319
Priority: Strategic Plan: Create a Safe Place 3.1
Position(s): Full-time Equivalent: 1; Part-time: 0.00
Description: Funding in the amount of \$110,319 will allow the Fire Department to hire an additional Master Firefighter to serve as Fire Inspector. The Life and Safety division manages required occupancy inspections, in accordance to the NC Fire Prevention Code (NC GS 106A-424). In addition to these inspections, staff are also required to complete fire investigations, plan reviews, and final inspections for new construction. Over the past few years, work duties have increased enough to justify a new inspector position to ensure the inspection schedule is adhered to per the statute.

The funding supports a salary of \$41,059 and other associated benefits. Funding for outfitting the position's operational needs to include a cell allowance, supplies and uniforms to include two sets of turnout gear, a laptop or tablet plus replacement program costs, a vehicle at a cost of \$30,500 plus fleet replacement costs.

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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

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
Revenue					
Stormwater Utility Fee	\$ 11,136,804	\$ 11,312,604	\$ 11,312,604	\$ 11,779,820	4.1%
Other Revenue and Interest Earnings	\$ 145,758	\$ 251,860	\$ 251,860	\$ 301,780	19.8%
Appropriated Fund Balance	\$ 7,809,769	\$ 212,475	\$ 212,882	\$ -	-%
Transfer from General Fund	\$ -	\$ -	\$ 17,301	\$ -	-%
Revenue Total	\$ 19,092,331	\$ 11,776,939	\$ 11,794,647	\$ 12,081,600	2.6%
Appropriations					
Personnel	\$ 2,254,043	\$ 2,774,072	\$ 2,715,716	\$ 2,797,709	0.9%
Benefits	\$ 741,014	\$ 922,217	\$ 910,548	\$ 970,444	5.2%
Operating	\$ 1,599,239	\$ 1,769,237	\$ 1,861,970	\$ 1,927,548	8.9%
Outlay	\$ 99,704	\$ 18,148	\$ 13,148	\$ 804,593	4333.5%
Nondepartmental	\$ 1,861,909	\$ 1,996,943	\$ 1,996,943	\$ 2,223,637	11.4%
Allocated Cost	\$ 987,425	\$ 996,322	\$ 996,322	\$ 1,220,172	22.5%
Transfer To CIP	\$ 7,488,045	\$ 3,300,000	\$ 3,300,000	\$ 2,137,497	-35.2%
Appropriations Total	\$ 15,031,380	\$ 11,776,939	\$ 11,794,647	\$ 12,081,600	2.6%
Authorized Positions					
Storm Water Maintenance	51	50	50	51	
Storm Water Services	9	10	10	9	
Stormwater Management Total	60	60	60	60	

Division Descriptions

The **Storm Water Maintenance** section is responsible for maintaining and improving 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 core components of the **Storm Water Services** section include: management and planning, capital improvements, regulatory and enforcement activities, outreach and education, and water quality.

Budget Overview

The City continues to invest in the workforce by adding to both the compensation study funding impacts as well as a merit plan. This budget increases the associated salary and corresponding benefits related to those initiatives. 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.

Budget Modifications

A. Increase to Travel

Division: Stormwater
Total Cost: \$800
Priority: Continuation of Services
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: Travel budget was increased to \$800 to cover the needs associated with increase in training requests.

B. New Vehicle: Fleet Charges and Fuel

Division: Stormwater
Total Cost: \$9,416
Priority: Continuation of Services
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A Ford F150 was approved for purchase in FY19 in the amount of \$35,000 for the Small Engine Mechanic. Additional funding in FY20 in the amount of \$9,416 has been authorized and consists of \$3,310 for annual fuel use and \$6,106 for annual replacement to the fleet fund for 8 years.

C. Utility Cost

Division: Multiple
Total Cost: \$11,710
Priority: Budget Adjustment
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: FY20 represents a change in how city departments manage utilities. City departments managing staff in stand-alone buildings will begin to manage their utility (electricity, water, sewer) invoices. The purpose of this move is to have those closer to the usage begin to monitor consumption to further reduce usage. Funding in the amount of \$11,710 was added to the base budget in Stormwater to cover the utility costs previously paid for by the general fund. It should be noted, that no general fund monies were transferred for this effort.

D. Increase to Indirect Cost Charges Related to Positions

Division: Stormwater
Total Cost: \$20,221
Priority: Strategic Plan: Create a Safe Place 3.1
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: Increase to Indirect Allocation charges in the amount of \$16,242 for the new Compliance Officer position located in the Public Services Administration Division. This increase represents 25% of the costs of the new position. Additionally, the account is recognizing an increase in the amount of \$3,979 to account for salary increases that took place in FY19 that have not been yet included in the allocation charges.

E. Increase Workers Comp Claims

Division: Stormwater
Total Cost: \$50,000
Priority: Continuation of Services
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: \$50,000 has been added to the Workers Comp Claims account based on trends. The final budget in this account is \$75,000.

F. Increase to Indirect Cost Charges

Division: Stormwater
Total Cost: \$209,772
Priority: Continuation of Services
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A new Full Cost Allocation Plan was generated by an outside consultant that resulted in an increase to the Stormwater fund in the amount of \$209,772. This allocation plan had not been fully revised since 2005 when the original plan was completed. The plan accounts for all services provided by general fund departments to Stormwater and provides a cost for those services. As a note, the indirect charges have recognized a decrease in the amount of \$6,143 due to less engineering services being provided to the department.

G. Increase to Capital Purchases

Division: Stormwater
Total Cost: \$845,421
Priority: Continuation of Services
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: \$845,421 was added to Capital purchases and to Fleet Replacement costs to replace multiple pieces of equipment such as a backhoe, excavators, flatbeds, vacuum trucks, a pay loader and dump trucks. Capital purchases also had a credit in the amount of \$13,648 for equipment that was budgeted in a prior fiscal year and was removed from the budget for FY20.

The one-time purchase for all equipment is \$798,227, with annual replacement costs of \$166,965, of which only \$47,194 is being introduced in FY20, with the remaining amount of \$119,771 to be included in the FY21 budget for an additional 6-8 years.

SOLID WASTE MANAGEMENT FUND

The City of Wilmington's Recycling and Trash Services, 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

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
Revenue					
Refuse Collection Fees	\$ 8,744,024	\$ 8,910,498	\$ 8,910,498	\$ 9,111,598	2.3%
Other Revenue and Interest Earnings	\$ 264,680	\$ 331,533	\$ 331,533	\$ 381,174	15.0%
Solid Waste Disposal Tax	\$ 70,558	\$ 55,000	\$ 55,000	\$ 78,551	42.8%
Transfer from General Fund	\$ 29,866	\$ 29,866	\$ 47,433	\$ 29,866	0.0%
Appropriated Fund Balance	\$ 185,931	\$ 81,169	\$ 123,633	\$ 1,870,615	2204.6%
Revenue Total	\$ 9,295,059	\$ 9,408,066	\$ 9,468,097	\$ 11,471,804	21.9%
Appropriations					
Personnel	\$ 2,700,012	\$ 3,152,959	\$ 3,094,526	\$ 3,163,261	0.3%
Benefits	\$ 965,139	\$ 1,090,783	\$ 1,090,783	\$ 1,128,120	3.4%
Operating	\$ 3,969,950	\$ 4,354,837	\$ 4,467,301	\$ 5,359,140	23.1%
Outlay	\$ 22,886	\$ -	\$ -	\$ 896,500	-%
Nondepartmental	\$ 250,777	\$ 81,500	\$ 81,500	\$ 81,500	0.0%
Allocated Cost	\$ 727,395	\$ 727,987	\$ 727,987	\$ 843,283	15.8%
Transfer To CIP	\$ 20,670	\$ -	\$ 6,000	\$ -	-%
Appropriations Total	\$ 8,656,829	\$ 9,408,066	\$ 9,468,097	\$ 11,471,804	21.9%
Authorized Positions					
Customer Refuse	29	29	29	29	
Recycling	5	5	5	5	
Downtown Collection	11	11	11	11	
Solid Waste Administration	5	5	5	5	
Yard Waste	18	18	18	18	
Bulky Waste Collection	7	7	7	7	
Solid Waste Management Total	75	75	75	75	

Division Description

The primary responsibility of the **Recycling & Trash Services Administration** section 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 Recycling & Trash Services provides residential trash collection to approximately 31,000 City of Wilmington residents.

The **Recycling** section provides for the bi-weekly curbside collection of recyclable materials from City Recycling & Trash Services customers.

The **Yard Waste** section provides for the weekly curbside collection of vegetative yard waste. Once collected, yard waste is processed for reuse through a commercial facility.

The **Downtown Collection** section provides trash and recycling services for residents and commercial establishments in the Central Business District (CBD). This section also services pedestrian trash receptacles and ashtrays in the CBD. Other activities performed in the CBD include maintaining public restrooms, pressure washing sidewalks, litter collection, and organizing cleanup activities following the City's festivals and events.

The **Bulky** section oversees the City's call-in bulky, white goods, and electronic collection, and carrion service for City streets. The section also partners with the Police Department and Public Services code compliance on the Rover Bulky program.

Budget Overview

The City continues to invest in the workforce by adding to both the compensation study funding impacts as well as a merit plan. This budget increases the associated salary and corresponding benefits related to those initiatives. 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.

Budget Modification

A. Increase to Indirect Cost Charges for the New Compliance Officer

Division: Solid Waste
Total Cost: \$48,726
Priority: Strategic Plan: Create a Safe Place 3.1
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: Increase to Indirect Allocation charges in the amount of \$48,726, at 75% of the full cost for the new Compliance Officer position located in the Public Services Administration Division.

B. Increase to Indirect Cost Charges

Division: Solid Waste
Total Cost: \$66,570
Priority: Continuation of Services
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A new Full Cost Allocation Plan was generated by an outside consultant that resulted in an increase to the Recycling and Trash Services fund in the amount of \$60,618. This allocation plan had not been fully revised since 2005 when the original plan was completed. The plan accounts for all services provided by general fund departments to Recycling and Trash and provides a cost for those services.

In addition to those charges, an increase in the amount of \$5,952 to reflect salary increases for the Compliance Officer, Sustainability Manager and the Safety Officer that were recognized in the current fiscal year, is being added to properly account for up to date salary and benefit packages.

C. Increase to Disposal Costs

Division: Solid Waste
Total Cost: \$253,105
Priority: Continuation of Services
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: An increase of \$253,105 to Landfill Disposal Fees to meet the increasing expense of disposing of the recycling and trash collections. Landfill tipping fees are expected to be set by NHC Board at \$50 per ton from \$48 per ton. Recycling is determined by market value and has fluctuated since March of 2018 anywhere between \$11.45 per ton to \$25.80 per ton and is not consistent from month to month. As a note, prior to March of 2018 recycling cost per ton were consistently \$10.

D. Fleet Vehicle Replacement

Division: Solid Waste

Total Cost: \$1,626,550

Priority: Continuation of Services

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

Description: Funding in the amount of \$1,626,550 has been approved to purchase a knuckle boom truck in the amount of \$179,300 with a total annual replacement cost for 6 years at \$43,584 as well as replacement of four (4) route packer trucks. Each packer truck is \$179,300 with an annual replacement cost of \$49,584 for 6 years.

Also included is \$488,130 as two years of repayment to the Fleet fund for the purchase of the 18 packer trucks in FY15. These accelerated payments total \$244,065 per year and will pay back the Fleet fund in full for these truck purchases.

GOLF COURSE FUND

BUDGET SUMMARY

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
Revenue					
Daily Greens	\$ 962,022	\$ 962,022	\$ 962,022	\$ 1,026,553	6.7%
Cart Rentals	\$ 265,661	\$ 265,661	\$ 265,661	\$ 253,720	-4.5%
Concessions	\$ 165,500	\$ 169,000	\$ 169,000	\$ 149,907	-11.3%
Other Revenue and Interest Earnings	\$ 2,772	\$ 5,065	\$ 5,065	\$ 7,443	46.9%
Miscellaneous	\$ 51,396	\$ 51,396	\$ 51,396	\$ 51,396	0.0%
Appropriated Fund Balance	\$ 69,559	\$ -	\$ 2,088	\$ -	-%
Revenue Total	\$ 1,516,910	\$ 1,453,144	\$ 1,455,232	\$ 1,489,019	2.5%
Appropriations					
Personnel	\$ 474,549	\$ 511,995	\$ 511,995	\$ 534,152	4.3%
Benefits	\$ 150,097	\$ 162,984	\$ 162,984	\$ 173,803	6.6%
Operating	\$ 556,701	\$ 592,378	\$ 594,466	\$ 586,971	-0.9%
Outlay	\$ 3,175	\$ 2,500	\$ 2,500	\$ -	-%
Nondepartmental	\$ 6,690	\$ 55,219	\$ 55,219	\$ 24,032	-56.5%
Allocated Cost	\$ 128,068	\$ 128,068	\$ 128,068	\$ 170,061	32.8%
Appropriations Total	\$ 1,319,281	\$ 1,453,144	\$ 1,455,232	\$ 1,489,019	2.5%
Authorized Positions	12.92	12.92	12.92	12.92	

Budget Overview

The City continues to invest in the workforce by adding to both the compensation study funding impacts as well as a merit plan. This budget increases the associated salary and corresponding benefits related to those initiatives. 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.

Budget Adjustments

A. Reduce: Retiree Medical Insurance

Division: Golf
Total Cost: (\$10,000)
Priority: Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: Reduce Retiree Health Insurance account by \$10,000 based on trends.

B. Reduce: Purchases for Resale

Division: Golf
Total Cost: (\$5,000)
Priority: Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: Reduce Purchases for Resale by \$5,000. This will reduce the account to \$57,000 for FY20 to purchase resale goods in the Pro Shop. The associated revenue was also decreased by 15% to better reflect anticipated sales while the Pro Shop is closed for renovations.

C. One-time Funding Removal: Tree & Plant Replacement

Division: Multiple
Total Cost: (\$2,500)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: FY19's budget authorized the replacement purchases for trees and plants located on the golf course. Funding in the amount of \$2,500 was removed from the budget.

Budget Modifications

A. Increase to Indirect Costs

Division: Golf
Total Cost: \$41,993
Priority: Continuation of Services
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: A new Full Cost Allocation Plan was generated by an outside consultant that resulted in an increase to the Municipal Golf Course Fund in the amount of \$79,366. The recommended increase was reduced by \$37,373 representing the allocation from Community Services Administration division to assist in less of an impact to fee increases. This allocation plan had not been fully revised since 2005 when the original plan was completed. The plan accounts for all services provided by general fund departments to the Golf course and provides a cost for those services. The total increase for FY20 is \$41,993 bringing the total cost to \$170,061. Due to limitations of Golf's resources, the full increase indirect cost increase will be phased in over the next year.

PARKING FUND

BUDGET SUMMARY

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommen	Change FY19 to FY20
Revenue					
Parking Fees	\$ 3,253,694	\$ 3,371,225	\$ 3,371,225	\$ 3,708,372	10.0%
Interest Earnings	\$ 19,264	\$ 46,163	\$ 46,163	\$ 68,789	49.0%
Transfer from Debt Service	\$ 543,633	\$ 534,543	\$ 534,543	\$ 102,233	-80.9%
Appropriated Fund Balance	\$ 66,588	\$ -	\$ 59,096	\$ 298,068	-%
Revenue Total	\$ 3,883,179	\$ 3,951,931	\$ 4,011,027	\$ 4,177,462	5.7%
Appropriations					
Personnel	\$ 110,285	\$ 121,848	\$ 121,848	\$ 125,423	2.9%
Benefits	\$ 35,405	\$ 36,815	\$ 36,815	\$ 38,145	3.6%
Operating	\$ 1,733,554	\$ 2,033,308	\$ 2,068,974	\$ 2,362,477	16.2%
Outlay	\$ -	\$ 75,000	\$ 98,245	\$ 125,000	66.7%
Nondepartmental	\$ 6,544	\$ 316,681	\$ 316,866	\$ 48,444	-84.7%
Miscellaneous	\$ -	\$ 45,000	\$ 45,000	\$ 45,000	0.0%
Allocated Cost	\$ 84,414	\$ 61,788	\$ 61,788	\$ 57,570	-6.8%
Transfer To CIP	\$ 438,150	\$ 139,050	\$ 139,050	\$ 701,000	404.1%
Debt Service	\$ 1,076,727	\$ 1,122,441	\$ 1,122,441	\$ 674,403	-39.9%
Appropriations Total	\$ 3,485,079	\$ 3,951,931	\$ 4,011,027	\$ 4,177,462	5.7%

Authorized Positions	2	2	2	2
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Budget Overview

The City continues to invest in the workforce by adding to both the compensation study funding impacts as well as a merit plan. This budget increases the associated salary and corresponding benefits related to those initiatives. 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.

Budget Adjustments

A. One-time Funding Removal: Occupancy Data Management

Division: Multiple
Total Cost: (\$75,000)
Priority: One-Time, Non-recurring Expenditure Reduction
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: FY19's budget authorized the purchase of a system to help count occupancy rates. One-time funding in the amount of \$75,000 was removed from the budget.

Budget Modifications

A. River Place Development

Division: Parking
Total Cost: \$381,214
Priority: Expanding Infrastructure
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: The parking portion of the River Place development is expected to commence operations in early 2020. Based on this, \$381,214 has been added to the proposed FY20 budget. Of the \$381,214, \$256,214 is for operational purposes and the remaining \$125,000 is available for larger unexpected items that may arise during completion of the development.

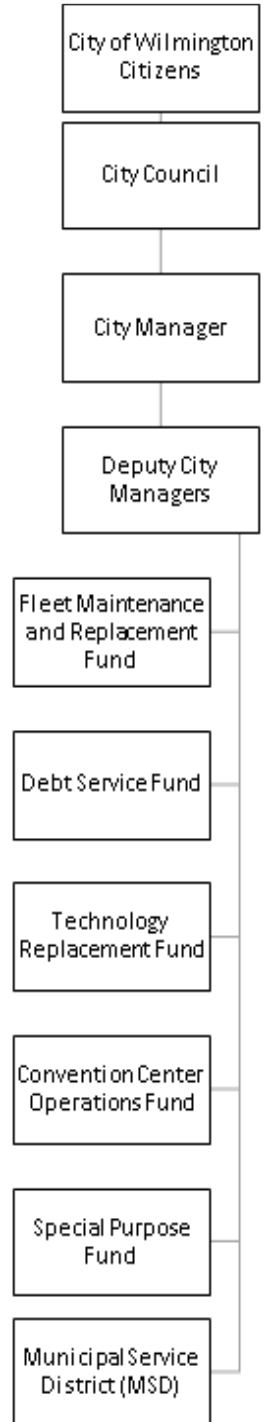
B. Transfer to CIP

Division: Parking
Total Cost: \$701,000
Priority: Continuation of Services
Position(s): Full-time Equivalent: 0; Part-time: 0.00
Description: Transfer funding in the amount of \$701,000 to the Capital Improvement Projects 035 Fund to fund three projects. The first project is the Market St Deck structural repairs with a transfer in the amount of \$320,000. The purpose of this project is to perform needed structural repairs as well as other capital expenses such as elevator repairs and other needs exceeding \$5,000 in nature.

The second project is for the modernization of the 2nd Street Deck elevator with a transfer of \$206,000. The elevator at the 2nd St Parking Deck needs upgrading and repair to provide an improved customer experience for the visitors and parkers at the garage. The interior cabs are outdated and not aesthetically acceptable with outdated wooden paneling, non-LED lighting and ADA compliance concerns. The cab door and frames are rusting. Modernization will provide functionality upgrades to the machine room, operator equipment, controllers and also upgrade all electrical and wiring to current building code.

The third project is for the purchase and installation of security cameras at the new River Place development project estimated to cost \$175,000.

OTHER FUNDS



FLEET MAINTENANCE & REPLACEMENT FUND

BUDGET SUMMARY

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
Revenue					
Lease Charges	\$ 5,669,053	\$ 6,106,828	\$ 6,106,828	\$ 6,119,714	0.2%
Other Revenue and Interest Earnings	\$ 42,209	\$ 93,856	\$ 93,856	\$ 172,629	83.9%
Appropriated Fund Balance	\$ 3,062,929	\$ 1,671,597	\$ 4,500,477	\$ 1,310,730	-21.6%
Transfer from General Fund	\$ -	\$ -	\$ 3,831	\$ -	-%
Revenue Total	\$ 8,774,191	\$ 7,872,281	\$ 10,704,992	\$ 7,603,073	-3.4%
Appropriations					
Personnel	\$ 594,133	\$ 641,216	\$ 640,047	\$ 661,637	3.2%
Benefits	\$ 197,828	\$ 222,567	\$ 222,567	\$ 233,579	4.9%
Operating	\$ 1,199,145	\$ 1,358,500	\$ 1,363,500	\$ 1,435,468	5.7%
Outlay	\$ 1,870,463	\$ 4,708,013	\$ 7,536,893	\$ 4,336,800	-
Nondepartmental	\$ 6,690	\$ 8,000	\$ 8,000	\$ 8,000	0.0%
Miscellaneous	\$ (43,260)	\$ 500,000	\$ 500,000	\$ 500,000	0.0%
Debt Service	\$ 440,381	\$ 433,985	\$ 433,985	\$ 427,589	-1.5%
Appropriations Total	\$ 4,265,380	\$ 7,872,281	\$ 10,704,992	\$ 7,603,073	-3.4%
Authorized Positions	13	13	13	13	

Budget Overview

The City continues to invest in the workforce by adding to both the compensation study funding impacts as well as a merit plan. This budget increases the associated salary and corresponding benefits related to those initiatives. 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.

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

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
Revenue					
Appropriated Fund Balance	\$ -	\$ -	\$ 13,000,000	\$ -	-%
Interest Earnings	\$ 112,756	\$ 197,285	\$ 197,285	\$ 142,955	-27.5%
Intergovernmental Revenue	\$ 330,177	\$ 311,392	\$ 311,392	\$ 290,664	0.0%
Property Tax	\$13,892,510	\$14,184,887	\$14,184,887	\$14,565,063	2.7%
Transfer from General Fund	\$ 9,334,832	\$ 9,334,832	\$ 9,334,832	\$ 9,334,832	0.0%
Revenue Total	\$23,670,275	\$24,028,396	\$37,028,396	\$24,333,514	1.3%
Appropriations					
Transfer to General Fund	\$ -	\$ -	\$ 13,000,000	\$ -	-%
Transfer to Parking Facilities	\$ 543,633	\$ 534,543	\$ 534,543	\$ 102,233	-80.9%
Bond Interest	\$ 760,100	\$ 1,306,531	\$ 1,306,531	\$ 1,187,044	-9.1%
Bond Principal	\$ 2,055,000	\$ 2,920,778	\$ 2,920,778	\$ 2,847,516	-2.5%
Fiscal Agent Fees	\$ 60,677	\$ 70,887	\$ -	\$ 74,958	5.7%
Installment Interest	\$ 4,303,877	\$ 4,031,124	\$ 403,885	\$ 3,780,216	-6.2%
Installment Principal	\$ 6,678,620	\$ 5,677,312	\$ -	\$ 6,067,155	6.9%
Nondepartmental	\$ 98,026	\$ 141,977	\$ 141,977	\$ 144,722	1.9%
Reserve for Future Debt	\$ -	\$ 3,940,793	\$ 3,940,793	\$ 5,225,356	32.6%
Transfer to Capital Projects Streets and Sidewalks	\$ 2,436,392	\$ 2,914,208	\$ 2,914,208	\$ 2,021,052	-30.6%
Transfer to Capital Projects Parks and Recreation	\$ 4,257,500	\$ 1,812,590	\$ 1,812,590	\$ 1,671,139	32.6%
Transfer to Capital Projects Public Facilities	\$ 1,273,941	\$ 418,138	\$ 418,138	\$ 850,617	103.4%
Transfer to Capital Projects Project Parking	\$ 402,471	\$ 107,800	\$ 107,800	\$ -	-%
Transfer To Capital Projects Golf	\$ -	\$ -	\$ -	\$ 200,000	-%
Water & Sewer Installment Principal	\$ -	\$ -	\$ 5,677,312	\$ -	-%
Water & Sewer Installment Interest	\$ -	\$ -	\$ 3,627,239	\$ -	-%
Water & Sewer Fiscal Agent Fees	\$ -	\$ -	\$ 70,887	\$ -	-%
Unallocated Cost	\$ 150,203	\$ 151,715	\$ 151,715	\$ 161,506	6.5%
Appropriations Total	\$23,020,441	\$24,028,396	\$37,028,396	\$24,333,514	1.3%

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 \$24 million to cover current and future debt obligations associated with the Capital Improvement Program.

The expenditures also reflect transfers of 20% of the FY20 project totals resultant from the implementation of the 80/20 capital plan. This plan provides for a dedicated \$0.0468 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 Capital Improvement Program. Effective with the FY18 adopted budget, the City entered into the second multi-year CIP plan utilizing the same dedicated tax rate of \$0.0468 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 \$0.0187 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 \$0.0292 was 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 \$0.0292 tax increase.

As a note, the rates above are reflective of the reevaluation impact from FY18.

TECHNOLOGY REPLACEMENT FUND

This internal service fund provides for the scheduled replacement and support of IT related hardware and enterprise related software in order to fully realize the benefits of improving technology and assures that the organization's workforce has reliable tools available to maximize productivity and efficiency. The fund also provides for cloud computing services and enterprise telephony.

BUDGET SUMMARY

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
Revenue					
Technology Replacement Charge:	\$ 601,364	\$ 669,513	\$ 669,513	\$ 704,903	5.3%
Transfer from General Fund	\$ 333,926	\$ 308,685	\$ 308,685	\$ 408,410	32.3%
Appropriated Fund Balance	\$ 1,042,532	\$ 459,276	\$ 513,694	\$ -	-%
Revenue Total	\$ 1,977,822	\$ 1,437,474	\$ 1,491,892	\$ 1,113,313	-22.6%
Appropriations					
Operating	\$ 689,292	\$ 636,976	\$ 636,976	\$ 705,965	10.8%
Outlay	\$ 741,709	\$ 748,029	\$ 802,447	\$ 354,879	-52.6%
Miscellaneous	\$ -	\$ 52,469	\$ 52,469	\$ 52,469	-%
Appropriations Total	\$ 1,431,000	\$ 1,437,474	\$ 1,491,892	\$ 1,113,313	-22.6%

Budget Overview

The IT Department's Technology Fund's FY20 budget continues to provide for the replacement of scheduled equipment including personal computers, docking stations, and other miscellaneous computer equipment. The IT Department is working to realign the fund to provide replacement for all devices and services related to computer equipment use by the employees of the City of Wilmington. The department proposed in FY18 a three-year plan of \$50 increase per device per year. This is the third year of the three-year plan implementation. In addition to replacing computer equipment, the fee is used to cover network services which include networking equipment and service fees. In FY19, the standard charge was \$600 per computer seat. In FY20, the recommended standard charge is \$650 per computer seat. The goal of this increase is to ensure 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

	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
Revenue					
Room Occupancy Tax	\$ 4,559,641	\$ 2,738,325	\$ 39,600,551	\$ 3,898,670	42.4%
Convention Center Revenue	\$ 3,602,236	\$ 3,644,174	\$ 101,189,919	\$ 4,165,931	14.3%
Convention Center Parking Deck	\$ 563,310	\$ 719,339	\$ 2,639,929	\$ 700,708	-2.6%
Revenue Total	\$ 8,725,187	\$ 7,101,838	\$ 143,430,399	\$ 8,765,309	23.4%
Appropriations					
Operating	\$ 4,834,183	\$ 5,013,333	\$ 36,036,103	\$ 5,964,834	19.0%
Outlay	\$ 62,325	\$ -	\$ 794,405	\$ 60,000	-%
Miscellaneous	\$ -	\$ 98,588	\$ 1,336,580	\$ 2,936	-97.0%
Allocated Cost	\$ 16,783	\$ 49,192	\$ 439,786	\$ 69,764	41.8%
Transfer To CIP	\$ -	\$ -	\$ -	\$ 250,000	-%
Debt Service	\$ 3,496,952	\$ 1,940,725	\$ 104,823,525	\$ 2,417,775	24.6%
Appropriations Total	\$ 8,410,243	\$ 7,101,838	\$ 143,430,399	\$ 8,765,309	23.4%

Budget Overview

The FY20 appropriated budget for the Convention Center Operations Fund reflects an increase of 23.4% over FY19. The FY20 appropriated budget contributes to the Convention Center project, which is cumulative in nature. An increase in budgeted revenue is shown in both the Room Occupancy Tax (ROT) estimates as well as direct revenue associated with convention center bookings, food and beverage sales and overall billable services. Revenue estimates associated with the Parking Deck have decreased approximately 2.6% and is based on trends.

A new Full Cost Allocation Plan was generated by an outside consultant that resulted in indirect charges to be made to the Convention Center in the amount of \$18,232. These charges are in direct relation to professional services performed in both the Finance and Budgeting Departments within the City of Wilmington. In addition to the services performed by Finance and Budget, the Convention Center is also seeing a newly implemented charge of \$27,615 for time and services provided by the Assistant to the City Mgr. for Economic Development. This charge is reflective of 25% of the staff's time that is dedicated to working with the Convention Center. The third indirect charge is for both the Parking Manager and the Parking Administrative Assistant's time that is dedicated to working on behalf of the Convention Center.

The total charge for the parking staff comes to \$23,917 and is reflective of 15% each of the staff time. Total indirect charges for FY20 is \$69,764.

The repairs and maintenance account has seen an increase from \$162,000 in FY19 to \$500,000 in FY20. The increase is due primarily to exterior repairs that are needed and that are scheduled to take place in the upcoming year. Debt Service has increased by \$480,000 in FY20 for the parking deck non-taxable debt refinance that took place in 2016. This increase to the principal payment was originally delayed with the refinancing and will be due each year until the debt is retired at the end of FY28. Also new to FY20, is a transfer to the City of Wilmington General Fund in the amount of \$250,000 that will continue each year until 2027. This is the first year that the Convention Center will begin repayment to the General Fund for the original purchase of the land on which the Convention Center is located.

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

	FY19 Adopted	FY20 Recommend	Change FY19 to FY20
Annual Housing Summit - 14EP10			
Reserve	\$ 1,500	\$ -	-%
Total	\$ 1,500	\$ -	-%
Homeownership Services - 3EP100			
Operating	\$ -	\$ 20,650	-%
Total	\$ -	\$ 20,650	-%
UDAG and Misc Income Project - 5NF051			
Transfer to 023	\$ 3,100	\$ -	-%
Total	\$ 3,100	\$ -	-100.0%
Metropolitan Planning Administration - MP1920 & 20TR10			
Personnel	\$ 663,659	\$ 717,812	8.2%
Benefits	\$ 218,573	\$ 231,951	6.1%
Operating	\$ 216,339	\$ 269,191	24.4%
Total	\$ 1,098,571	\$ 1,218,954	11.0%
Red Light Cameras - Safelight - 08TR10			
Operating	\$ 1,541,305	\$ 1,335,409	-13.4%
Total	\$ 1,541,305	\$ 1,335,409	-13.4%
Regional Haz Mat Reponse Team - RT1819			
Benefits	\$ 5,000	\$ 5,000	0.0%
Operating	\$ 64,000	\$ 64,000	0.0%
Total	\$ 69,000	\$ 69,000	0.0%
SABLE - 06PD50 & 07PD60			
Personnel	\$ 173,231	\$ 141,086	-18.6%
Benefits	\$ 38,637	\$ 34,553	-10.6%
Operating	\$ 140,634	\$ 132,267	-5.9%
Total	\$ 352,502	\$ 307,906	-12.7%
TOTAL SPECIAL PURPOSE	\$ 3,065,978	\$ 2,951,919	-3.7%

Budget Overview

The City of Wilmington, in partnership with local banks, offers the Home Ownership Pool (HOP) program. This program offers a six hour home-buyer education class for low-to moderate income households looking to achieve the benefit of home ownership. This project (3EP100) provides funds to support the homebuyer education classes, including educational materials, outreach efforts, and marketing.

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 FY19 was \$1,541,305 and the recommended for FY20 is \$1,335,409, a variance of -13.4%.

The Fire Department's regional hazmat response program will continue to be captured in a project in the Special Purpose fund. The department receives funding from the NC Department of Public Safety to respond to regional hazmat issues as well as for specialized training opportunities.

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

MUNICIPAL SERVICE DISTRICT

BUDGET SUMMARY

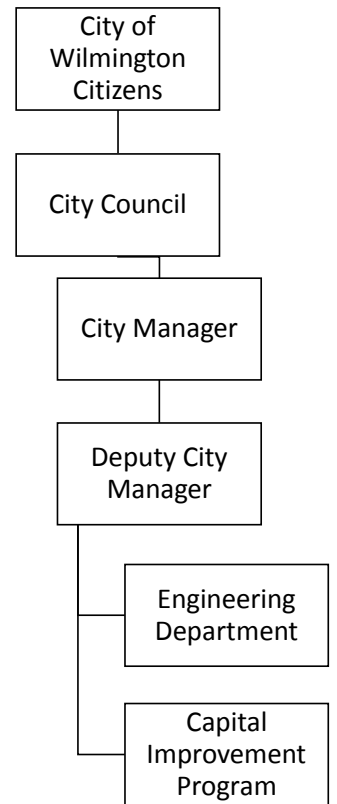
	FY18 Actual	FY19 Adopted	FY19 Adjusted	FY20 Recommend	Change FY19 to FY20
Revenue					
Property Tax	\$ 377,000	\$ 384,341	\$ 384,341	\$ 390,960	2%
Sales Tax	\$ -	\$ -	\$ -	\$ 34,000	-%
Appropriated Fund Balance	\$ -	\$ -	\$ 55,000	\$ -	-%
Revenue Total	\$ 377,000	\$ 384,341	\$ 439,341	\$ 425,960	11%
Appropriations					
Operating	\$ 274,121	\$ 365,281	\$ 420,281	\$ 410,960	13%
Nondepartmental	\$ -	\$ 19,060	\$ 19,060	\$ 15,000	-21%
Appropriations Total	\$ 274,121	\$ 384,341	\$ 439,341	\$ 425,960	11%

Budget Overview

The Wilmington City Council established a Municipal Services District (MSD) for the Central Business District in December of 2016 to provide professional services above and beyond what is already provided by the City. This recommended budget continues the tax rate of \$0.07 per \$100 assessed value, for both real and personal property, based on the total district's property values totaling \$565 million. The assessed values have increased by \$8.2 million over FY19. Total expected revenues of \$425,960 have been budgeted for FY20.

The FY20 Municipal Services District will continue to provide safety, cleaning, physical appearance and marketing services to our core downtown district beyond the scope of our City services. Wilmington Downtown, Inc., will continue to serve as the city's service provider. On April 18, the MSD Advisory Committee endorsed the *FY20 Recommended Budget*, continuing a focus on improving the Ambassador program. The FY20 contract budget of \$410,960 is 13% higher than the FY19 Adopted Budget due to growth in property taxes and budgeting sales tax. The fund continues to have a reserve for unforeseen needs and includes fees to New Hanover County for revenue collections.

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 regard 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 to six 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 which funds eighty percent (80%) of debt service and 20% pay-go funding for maintenance and new infrastructure needs –80/20 Capital Debt Plan. The projects represented in the plan are consistent with City Council goals and objectives and within a framework of identified priorities.

In order to put this plan into place, the Wilmington City Council adopted a tax rate of \$0.0018 cents over revenue neutral in the 2017 revaluation year for the FY18 budget. 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.

2nd CIP: Operating Estimates

Operating estimates are shown for projects appropriated in the 2nd CIP and represent future years FY21 through FY24. The estimates are collected through the CIP oversight committee via multi-departmental coordination. Project Managers are tasked with compiling future impacts of capital projects once built. The estimates are a way for project managers to communicate with city leadership on the operational needs and impacts. Once a project is complete, the operating impacts are either absorbed or requested as an enhancement in departmental operating budgets.

CAPITAL IMPROVEMENT PROGRAM SUMMARY

The Capital Improvement Program is the City's 2nd CIP that began in FY18 and continues through FY23. Project costs, descriptions, and funding plans are presented in five (5) programmatic categories which include Streets and Sidewalks, Parks and Recreation, Public Facilities, Public Facilities-Parking and Storm Water from FY20 to FY23.

The **Streets and Sidewalks** program addresses major thoroughfare needs, street maintenance and rehabilitation, sidewalk construction and repair at a projected cost of \$24,968,855 over the next four years.

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 projected cost of \$2,640,246 over the next four years.

The **Public Facilities** program consists of funding for various public improvements at a projected cost of \$8,589,249 over the next four years.

The **Public Facilities-Parking** program consists of funding for various public improvements in the capital parking fund at a projected cost of \$701,000 over the next four years.

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 \$11,688,085 over the next four years.

Capital Improvement Cost Summary by Program

Fund Total	FY20	FY21	FY22	FY23	Total FY20-FY23
Streets and Sidewalks	\$ 2,256,969	\$ 994,373	\$ 9,581,978	\$ 12,135,535	\$ 24,968,855
Parks and Recreation	\$ 1,052,228	\$ 198,386	\$ 489,632	\$ 900,000	\$ 2,640,246
Public Facilities	\$ 3,968,835	\$ 3,173,000	\$ 705,669	\$ 741,745	\$ 8,589,249
Public Facilities- Parking	\$ 701,000	\$ -	\$ -	\$ -	\$ 701,000
Stormwater	\$ 2,186,085	\$ 2,570,000	\$ 3,317,000	\$ 3,615,000	\$ 11,688,085
Program Total	\$ 10,165,117	\$ 6,935,759	\$ 14,094,279	\$ 17,392,280	\$ 48,587,435

Revenue Type	FY20	FY21	FY22	FY23	Total FY20-FY23
Debt Service Fund - 2nd 80/20	\$ 1,485,152	\$ 985,152	\$ 2,155,456	\$ 2,755,456	\$ 7,381,216
Installment Financing - 2nd 80/20 Plan	\$ 5,380,607	\$ 3,380,607	\$ 8,621,823	\$ 11,021,824	\$ 28,404,861
Interest Earnings	\$ 460,861	\$ -	\$ -	\$ -	\$ 460,861
Parking Fund	\$ 701,000	\$ -	\$ -	\$ -	\$ 701,000
Stormwater Fund	\$ 2,137,497	\$ 2,570,000	\$ 3,317,000	\$ 3,615,000	\$ 11,639,497
Future Pay Go - Parks Bond	\$ (1,457,656)	\$ -	\$ -	\$ -	\$ (1,457,656)
Debt Service Fund/PayGo - Parks Bond	\$ 1,457,656	\$ -	\$ -	\$ -	\$ 1,457,656
Debt Service Fund/PayGo - Transportation Bond	\$ 1,800,000	\$ -	\$ -	\$ -	\$ 1,800,000
Future Pay Go - Transportation Bond	\$ (1,800,000)	\$ -	\$ -	\$ -	\$ (1,800,000)
Revenue Total	\$ 10,165,117	\$ 6,935,759	\$ 14,094,279	\$ 17,392,280	\$ 48,587,435

Streets and Sidewalks

Project Code	Project Name	FY20	FY21	FY22	FY23	Total FY20-FY23
2nd CIP						
06PK50	Downtown Alley Improvements	\$ -	\$ 125,000	\$ 152,000	\$ -	\$ 277,000
13ST10	Coordinated Improvements w/CFPUA	\$ -	\$ -	\$ 1,000,000	\$ 1,500,000	\$ 2,500,000
17BR20	Bridge Repair	\$ 22,781	\$ 419,373	\$ 24,035	\$ 271,357	\$ 737,546
17SR10	Streets Rehabilitation	\$ 1,133,915	\$ -	\$ 4,855,543	\$ 7,260,542	\$ 13,250,000
17SW10	Sidewalk Rehab/Repairs	\$ -	\$ 150,000	\$ 1,000,000	\$ 1,000,000	\$ 2,150,000
17SW20	Pedestrian/Bike Improvements	\$ 200,000	\$ 300,000	\$ 500,000	\$ 200,000	\$ 1,200,000
18SR10	Brick Street Rehabilitation	\$ -	\$ -	\$ 500,000	\$ 1,500,000	\$ 2,000,000
20ST10	Independence Blvd Screen Wall Repair	\$ 488,000	\$ -	\$ -	\$ -	\$ 488,000
TBD	Market Street Access Management Improvements	\$ -	\$ -	\$ 1,550,400	\$ -	\$ 1,550,400
TBD	Riverwalk South Handrails	\$ -	\$ -	\$ -	\$ 403,636	\$ 403,636
Interest Earnings						
08RF10	Riverwalk north - marina	\$ 4,766	\$ -	\$ -	\$ -	\$ 4,766
14SR10	P valley rd/street rehab	\$ 51,570	\$ -	\$ -	\$ -	\$ 51,570
15ST69	Contingency: roadway project	\$ 350,562	\$ -	\$ -	\$ -	\$ 350,562
17SR10	Streets Rehabilitation	\$ 5,375	\$ -	\$ -	\$ -	\$ 5,375
Total Expenditure Streets and Sidewalks		\$ 2,256,969	\$ 994,373	\$ 9,581,978	\$ 12,135,535	\$ 24,968,855
Revenue Type						
Debt Service Fund - 2nd 80/20		\$ 221,052	\$ 157,819	\$ 960,155	\$ 1,113,711	\$ 2,452,737
Installment Financing - 2nd 80/20 Plan		\$ 1,623,644	\$ 836,554	\$ 8,621,823	\$ 11,021,824	\$ 22,103,845
Interest Earnings		\$ 412,273	\$ -	\$ -	\$ -	\$ 412,273
Debt Service Fund/PayGo - Transportation Bond		\$ 1,800,000	\$ -	\$ -	\$ -	\$ 1,800,000
Future Pay Go - Transportation Bond		\$(1,800,000)	\$ -	\$ -	\$ -	\$(1,800,000)
Total Revenue Streets and Sidewalks		\$ 2,256,969	\$ 994,373	\$ 9,581,978	\$ 12,135,535	\$ 24,968,855

Streets and Sidewalks continued

Operating Estimates FY20 through FY23 (2nd CIP)						
Project Code	Project Name	FY20	FY21	FY22	FY23	Total FY20-FY23
06PK50	Downtown Alley Improvements	\$ -	\$ -	\$ -	\$ -	\$ -
13ST10	Coordinated Improvements w/CFPUA	\$ -	\$ -	\$ -	\$ -	\$ -
16ST20	Chestnut & Grace Street Improvements (Water Stre	\$ -	\$ -	\$ -	\$ -	\$ -
17BR20	Bridge Repair	\$ -	\$ -	\$ -	\$ -	\$ -
17SR10	Streets Rehabilitation	\$ -	\$ -	\$ -	\$ -	\$ -
17SW10	Sidewalk Rehab/Repairs	\$ -	\$ -	\$ -	\$ -	\$ -
17SW20	Pedestrian/Bike Improvements	\$ -	\$ -	\$ -	\$ -	\$ -
18SR10	Brick Street Rehabilitation	\$ -	\$ -	\$ -	\$ -	\$ -
18ST10	Market St LED upgrade	\$ -	\$ -	\$ -	\$ -	\$ -
18ST15	Interchange Upgrade (Kerr & MLK)	\$ -	\$ 15,127	\$ 15,430	\$ 15,739	\$ 46,296
18ST20	Riverfront Assessment Update	\$ -	\$ -	\$ -	\$ -	\$ -
19ST10	US 74 (Eastwood Road), SR 1409 (Military Cutoff R	\$ -	\$ 15,127	\$ 15,430	\$ 15,738	\$ 46,295
19ST15	Riverwalk: Red Cross Riverwalk Access (ALOFT Hot	\$ -	\$ -	\$ -	\$ -	\$ -
TBD	Riverwalk South Handrails	\$ -	\$ -	\$ -	\$ -	\$ -
20ST10	Independence Blvd Screen Wall Repair	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Estimates Streets and Sidewalks		\$ -	\$ 30,254	\$ 30,860	\$ 31,477	\$ 92,591

Parks and Recreation

Project Code	Project Name	FY20	FY21	FY22	FY23	Total FY20-FY23
2nd CIP						
06PK30	Parks, Rec and Open Space Master Plan Update	\$ 37,450	\$ -	\$ -	\$ -	\$ 37,450
17PK15	Park Facilities Maintenance	\$ 289,070	\$ 198,386	\$ 489,632	\$ 900,000	\$ 1,877,088
20PK10	Riverfront Park Phase IA	\$ 725,708	\$ -	\$ -	\$ -	\$ 725,708
Total Expenditure Parks and Recreation		\$ 1,052,228	\$ 198,386	\$ 489,632	\$ 900,000	\$ 2,640,246

Revenue Type	FY20	FY21	FY22	FY23	Total FY20-FY23
Debt Service Fund - 2nd 80/20	\$ 413,483	\$ 198,386	\$ 489,632	\$ 900,000	\$ 2,001,501
Installment Financing - 2nd 80/20 Plan	\$ 638,745	\$ -	\$ -	\$ -	\$ 638,745
Future Pay Go - Parks Bond	\$(1,257,656)	\$ -	\$ -	\$ -	\$(1,457,656)
Debt Service Fund/PayGo - Parks Bond	\$ 1,257,656	\$ -	\$ -	\$ -	\$ 1,457,656
Total Revenue Parks and Recreation	\$ 1,052,228	\$ 198,386	\$ 489,632	\$ 900,000	\$ 2,640,246

Operating Estimates FY20 through FY23 (2nd CIP)

Project Code	Project Name	FY20	FY21	FY22	FY23	Total FY20-FY23
06PK30	Parks, Rec and Open Space Master Plan Update	\$ -	\$ -	\$ -	\$ -	\$ -
17PK15	Park Facilities Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -
18PK10	Bijou Park Renovation	\$ -	\$ -	\$ -	\$ -	\$ -
20PK10	Riverfront Park Phase IA	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Estimates Parks and Recreation		\$ -	\$ -	\$ -	\$ -	\$ -

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Revenue Type	FY20	FY21	FY22	FY23	Total FY20-FY23
Future Pay Go - Parks Bond	\$ (200,000)	\$ -	\$ -	\$ -	\$ (200,000)
Debt Service Fund/PayGo - Parks Bond	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000
Total Revenue CP - Golf	\$ -	\$ -	\$ -	\$ -	\$ -

Public Facilities						
Project Code	Project Name	FY20	FY21	FY22	FY23	Total FY20-FY23
2nd CIP						
17MF05	Building Maintenance	\$ 426,085	\$ 149,000	\$ 705,669	\$ 741,745	\$ 2,022,499
17MF10	Parks Maintenance Facility	\$ 3,195,000	\$ -	\$ -	\$ -	\$ 3,195,000
19MF30	RiverLights Fire Station	\$ 347,750	\$ 3,024,000	\$ -	\$ -	\$ 3,371,750
Total Expenditure Public Facilities		\$ 3,968,835	\$ 3,173,000	\$ 705,669	\$ 741,745	\$ 8,589,249
Revenue Type						
Debt Service Fund - 2nd 80/20		\$ 850,617	\$ 628,947	\$ 705,669	\$ 741,745	\$ 2,926,978
Installment Financing - 2nd 80/20 Plan		\$ 3,118,218	\$ 2,544,053	\$ -	\$ -	\$ 5,662,271
Total Revenue Public Facilities		\$ 3,968,835	\$ 3,173,000	\$ 705,669	\$ 741,745	\$ 8,589,249
Operating Estimates FY20 through FY23 (2nd CIP)						
Project Code	Project Name	FY20	FY21	FY22	FY23	Total FY20-FY23
10MF10	Police Training Facility & Substation	\$ -	\$ -	\$ -	\$ -	\$ -
17MF05	Building Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -
17MF10	Parks Maintenance Facility	\$ -	\$ -	\$ 8,000	\$ 8,000	\$ 16,000
18MF10	HVAC Replacement	\$ -	\$ -	\$ -	\$ -	\$ -
18MF20	IT Core system replacement	\$ -	\$ -	\$ -	\$ -	\$ -
19MF30	RiverLights Fire Station	\$ -	\$ 340,440	\$ 880,820	\$ -	\$ 1,221,260
Total Operating Estimates Public Facilities		\$ -	\$ 340,440	\$ 888,820	\$ 8,000	\$ 1,237,260

Public Facilities - Parking						
Project Code	Project Name	FY20	FY21	FY22	FY23	Total FY20-FY23
Parking CIP						
17MF15	Camera Replacement Decks	\$ 175,000	\$ -	\$ -	\$ -	\$ 175,000
20MF10	Market Street Parking Deck Major Repairs	\$ 320,000	\$ -	\$ -	\$ -	\$ 320,000
20MF15	2nd Street Parking Deck Elevator Modernization	\$ 206,000	\$ -	\$ -	\$ -	\$ 206,000
Total Expenditure Public Facilities - Parking		\$ 701,000	\$ -	\$ -	\$ -	\$ 701,000
Revenue Type						
Parking Fund		\$ 701,000	\$ -	\$ -	\$ -	\$ 701,000
Total Revenue Public Facilities - Parking		\$ 701,000	\$ -	\$ -	\$ -	\$ 701,000
Operating Estimates FY20 through FY23 (2nd CIP)						
Project Code	Project Name	FY20	FY21	FY22	FY23	Total FY20-FY23
17MF15	Camera Replacement Decks	\$ -	\$ -	\$ -	\$ -	\$ -
18MF25	IPS Meters	\$ -	\$ 7,800	\$ 10,140	\$ 11,661	\$ 29,601
19MF10	Market Street Access Management Improvements	\$ -	\$ 15,300	\$ 15,606	\$ 15,918	\$ 46,824
3MF200	RiverPlace	\$ -	\$ -	\$ -	\$ -	\$ -
20MF15	2nd Street Parking Deck Elevator Modernization	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Estimates Public Facilities - Parking		\$ -	\$ 23,100	\$ 25,746	\$ 27,579	\$ 76,425

Stormwater						
Project Code	Project Name	FY20	FY21	FY22	FY23	Total FY20-FY23
Stormwater CIP						
17DC20	Annual Storm Drain Rehab	\$ 1,637,497	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 6,137,497
20DC10	Pirates Cove	\$ 500,000	\$ 460,000	\$ -	\$ -	\$ 960,000
TBD	Kelly Road	\$ -	\$ -	\$ 342,000	\$ 900,000	\$ 1,242,000
TBD	Whispering Pines/Masonboro Drainage	\$ -	\$ 610,000	\$ 1,475,000	\$ 1,215,000	\$ 3,300,000
Interest Earnings						
09DC10	Wisteria/clearbrook area	\$ 48,588	\$ -	\$ -	\$ -	\$ 48,588
Total Expenditure Stormwater		\$ 2,186,085	\$ 2,570,000	\$ 3,317,000	\$ 3,615,000	\$ 11,688,085
Revenue Type						
Interest Earnings		\$ 48,588	\$ -	\$ -	\$ -	\$ 48,588
Stormwater Fund		\$ 2,137,497	\$ 2,570,000	\$ 3,317,000	\$ 3,615,000	\$ 11,639,497
Total Revenue Stormwater		\$ 2,186,085	\$ 2,570,000	\$ 3,317,000	\$ 3,615,000	\$ 11,688,085
Operating Estimates FY20 through FY23 (2nd CIP)						
Project Code	Project Name	FY20	FY21	FY22	FY23	Total FY20-FY23
07DC20	Annual Storm Drain Rehab	\$ -	\$ -	\$ -	\$ -	\$ -
14DC10	Clear Run Branch	\$ -	\$ -	\$ 9,000	\$ 9,000	\$ 18,000
TBD	Kelly Road	\$ -	\$ -	\$ -	\$ -	\$ -
TBD	Whispering Pines/Masonboro Drainage	\$ -	\$ -	\$ -	\$ -	\$ -
20DC10	Pirates Cove	\$ -	\$ 2,880	\$ 2,880	\$ 2,880	\$ 8,640
Total Operating Estimates Stormwater		\$ -	\$ 2,880	\$ 11,880	\$ 11,880	\$ 26,640

