

City Manager's FY20 Recommended Budget

Wilmington City Council
May 7, 2019

Objectives

- Present FY20 Recommend Budget
 - Revenues and Expenditures
- Provide Budget Highlights
 - City of Wilmington's Workforce
 - Youth Violence Prevention & Community Policing
 - Workforce Affordable Housing
 - Expanding Infrastructure Maintenance
- Transportation
- Resiliency/Sustainability

FY20 Budget Timeline



Balanced Budget

- Defined Strategies

- No property tax rate increase
- Continued use of anticipated salary savings resulting from vacancies
- Moderately conservative sales tax revenue estimates
- Use of fund balance for 2nd year of a 3-year public safety legal obligation
- No mandated service reductions
- Continue core services with limited additions
- Prioritize enhancements based on key strategic priorities

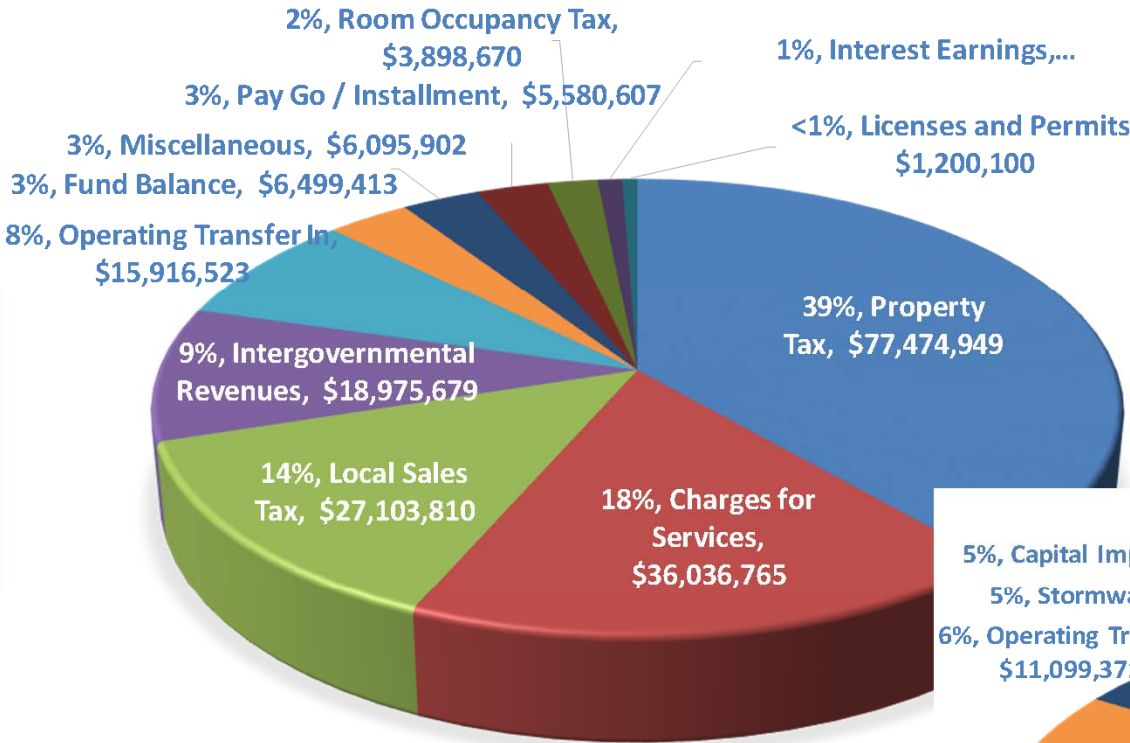
Balanced Budget

- Used Priorities
 - Develop and fund strategic plan initiatives such as:
 - Competitive compensation plan
 - Youth violence prevention & Community policing
 - Workforce affordable housing
 - Collaborative partnerships
 - Maintain current services at existing levels
 - Continue to fund infrastructure maintenance related to projects in the:
 - 80/20 Capital plan
 - Transportation Bond
 - Parks Bond
 - 4% fallback reductions

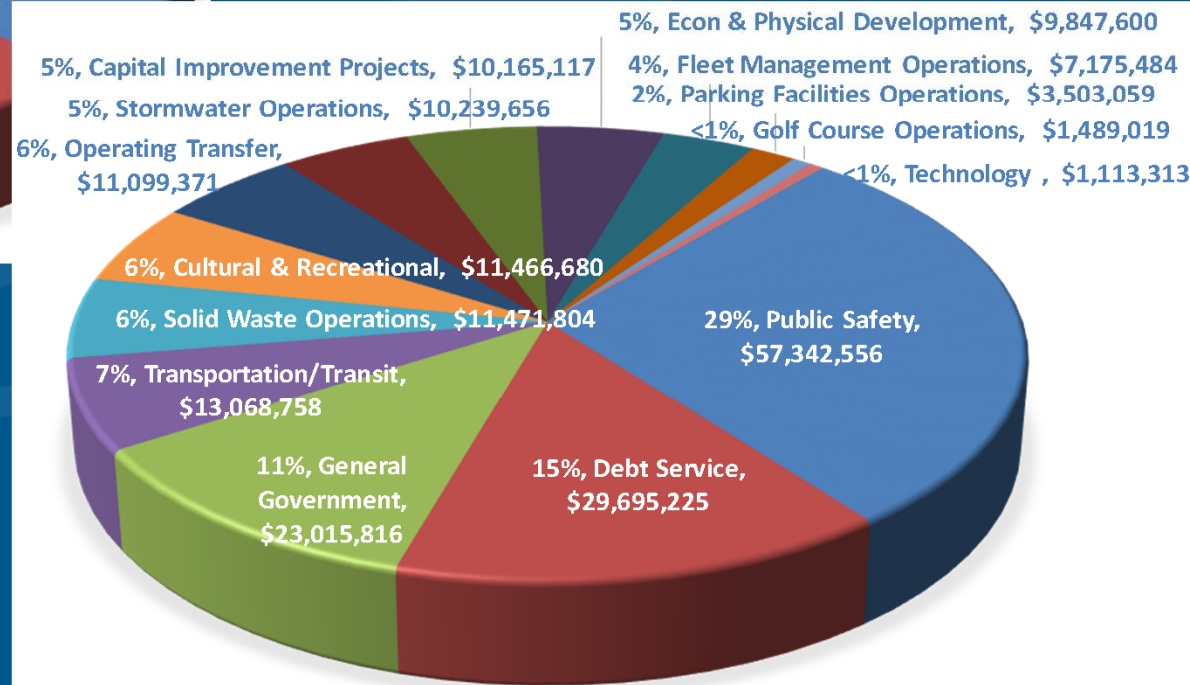
Overall Revenues and Expenditures

Total Budget: \$200.6M

← Revenue



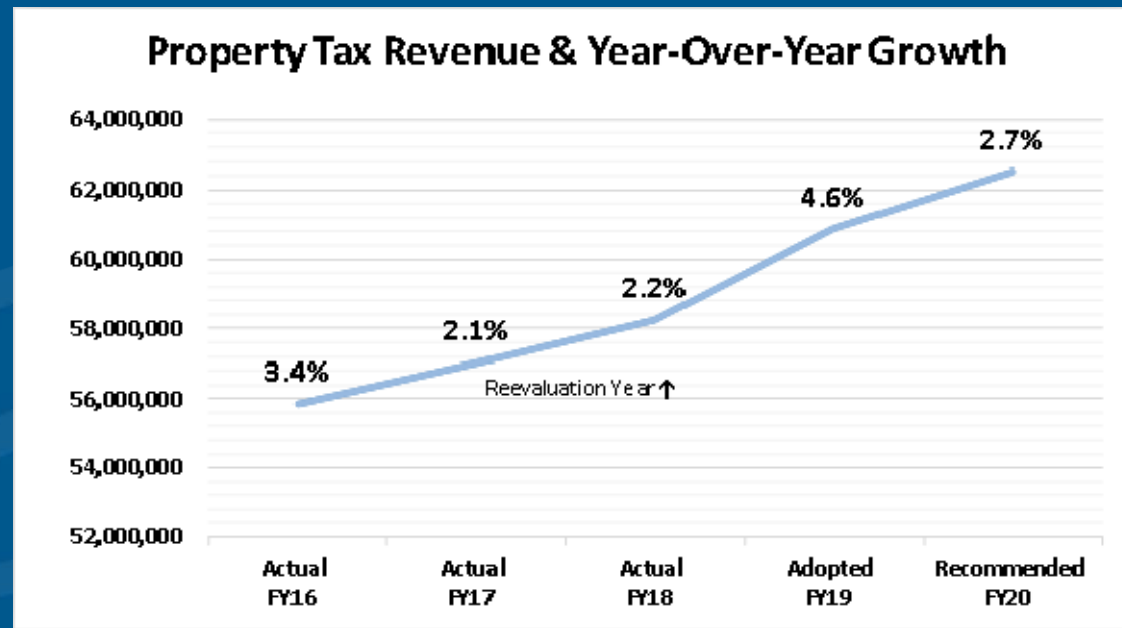
Expenditure →



General Fund Revenues and Expenditures

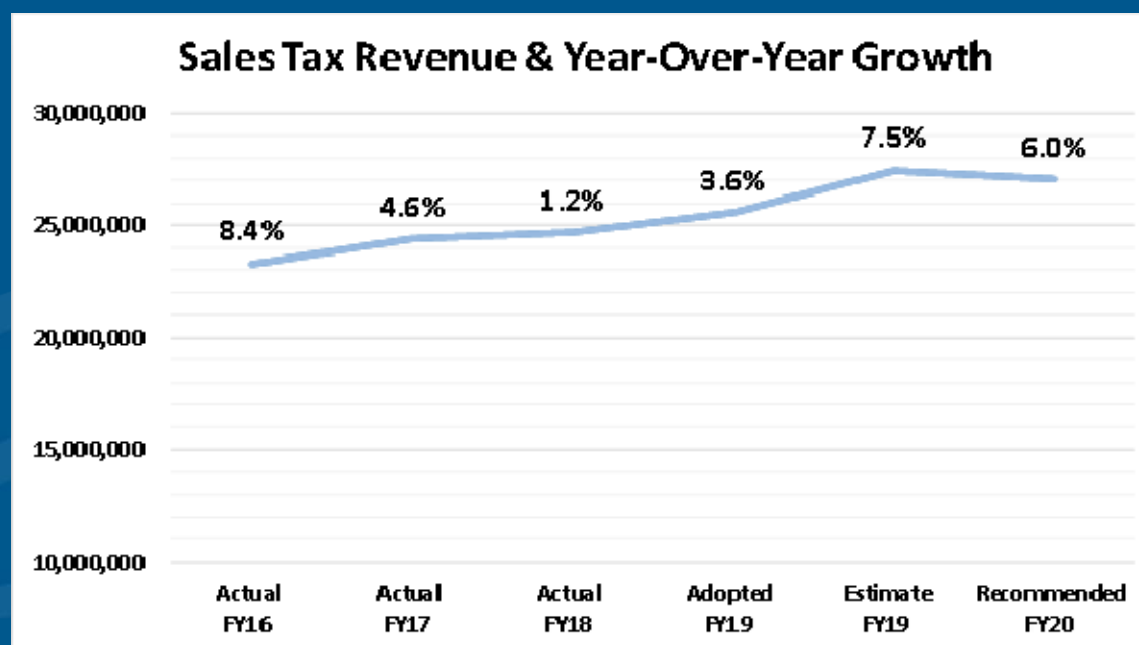
FY20 Revenue Forecast Assumptions

- Property Tax:
 - 2.7% growth over FY19 Adopted
 - 7.4% over FY18 Actuals
 - 2% growth out-years



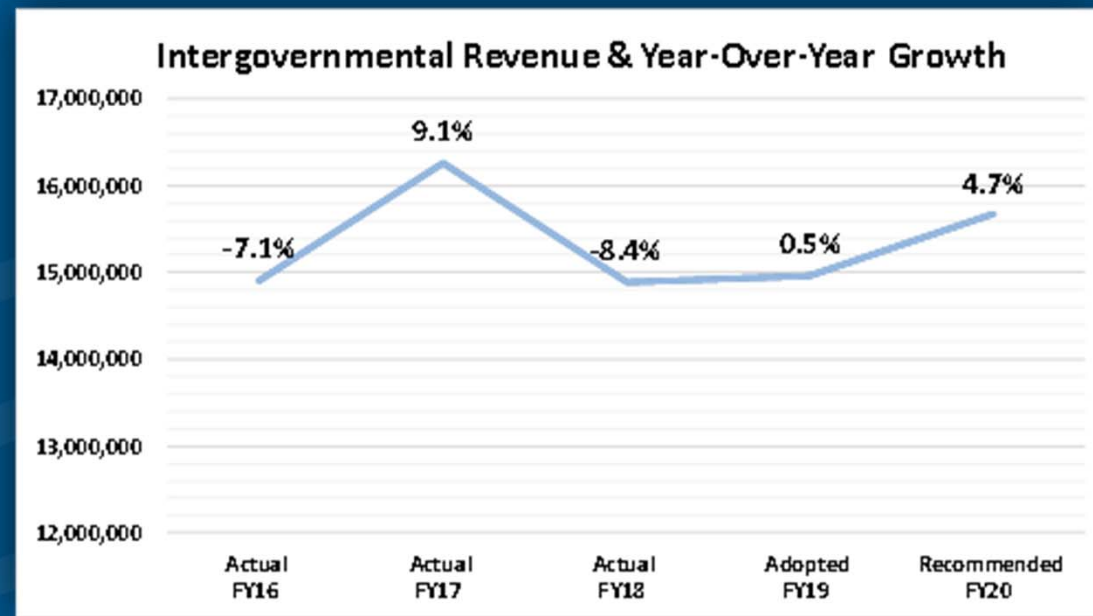
FY20 Revenue Forecast Assumptions

- Sales Tax:
 - 6% increase over FY19 Adopted
 - 9.7% over FY18 Actuals
 - 0.5% decrease in outyear each year



FY20 Revenue Forecast Assumptions

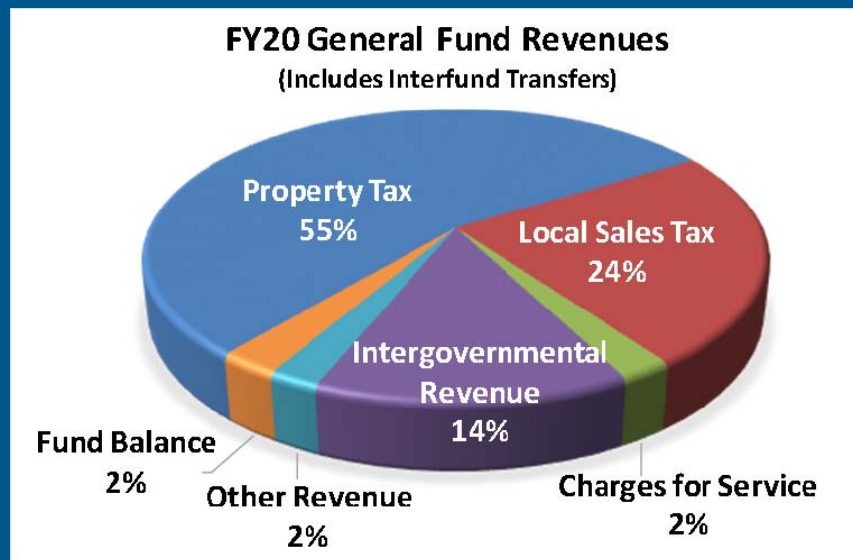
- Intergovernmental:
 - 4.7% over FY19's Adopted
 - 5.2% over FY18's Actuals
 - 1% growth out-years



GENERAL FUND FINANCIAL FORECAST

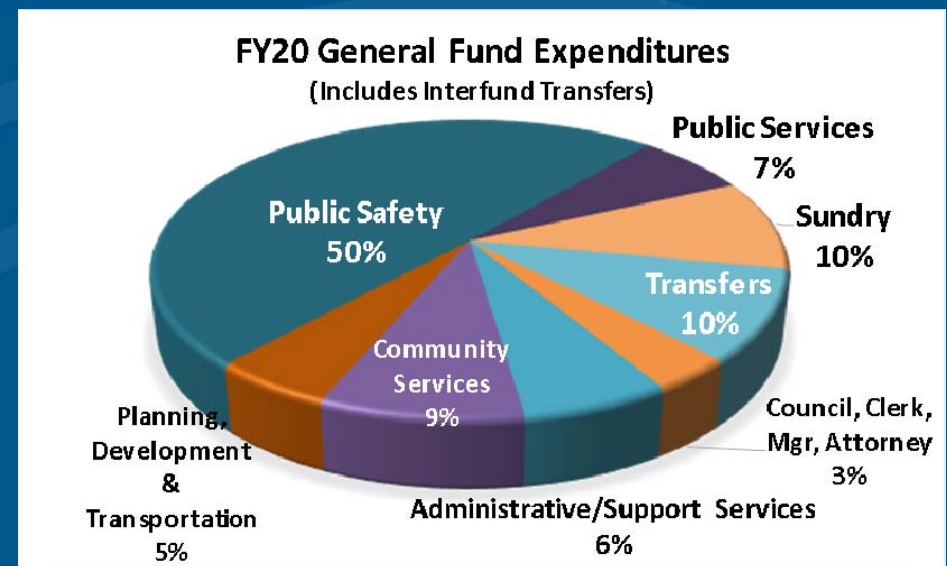
	Actuals FY18	Adopted FY19	Adjusted FY19	YE Estimate FY19	Recommended FY20	Estimated FY21	Estimated FY22	Estimated FY23	Estimated FY24	Estimated FY25
REVENUES										
Property Taxes	58,231,753	60,893,260	60,893,260	61,737,584	62,518,926	63,769,305	65,044,691	66,345,584	67,672,496	69,025,946
Sales Taxes	24,665,500	25,548,953	25,548,953	27,461,343	27,069,810	28,287,951	29,419,469	30,449,150	31,362,625	32,303,504
Licenses, Fees, and Permits	962,302	940,000	1,006,412	1,056,938	1,100,000	1,116,500	1,133,248	1,150,246	1,167,500	1,185,012
Intergovernmental Revenues	14,893,664	14,960,972	15,580,665	15,852,091	15,670,149	15,905,201	16,143,779	16,385,936	16,631,725	16,881,201
Charges for Current Services	2,926,842	2,557,944	2,557,944	2,663,833	2,610,514	2,636,619	2,662,985	2,689,615	2,716,511	2,743,676
Fines and Forfeitures	183,557	175,000	175,000	149,644	145,000	145,000	145,000	145,000	145,000	145,000
Interest Earnings	629,369	577,666	577,666	890,847	826,540	789,346	794,966	798,716	802,579	802,463
Miscellaneous & Financing Pro	480,917	344,073	402,426	421,175	269,473	269,473	269,473	269,473	269,473	269,473
Transfers From Other Funds	-	-	13,000,000	13,000,000	250,000	-	-	-	-	-
Appropriated Fund Balance	2,605,929	529,040	17,116,839	17,116,839	3,020,000	-	-	-	-	-
TOTAL REVENUES	105,579,833	106,526,908	136,859,165	140,350,293	113,480,412	112,919,395	115,613,611	118,233,721	120,767,909	123,356,275
EXPENDITURES										
TOTAL DEPARTMENTS	78,301,507	85,160,061	90,238,261	89,054,888	91,202,994	94,427,865	97,776,663	101,254,385	104,866,232	108,617,625
TOTAL NONDEPARTMENTAL	27,278,326	21,366,847	46,620,904	46,371,710	22,277,418	22,387,480	22,498,092	22,609,258	22,720,979	22,833,259
TOTAL CIP OPERATIONAL	-	-	-	-	-	966,389	1,493,760	901,296	923,232	923,232
TOTAL EXPENDITURES	105,579,833	106,526,908	136,859,165	135,426,598	113,480,412	117,781,734	121,768,516	124,764,939	128,510,443	132,374,117
SURPLUS / (SHORTFALL)	-	-	-	4,923,695	(0)	(4,862,340)	(6,154,905)	(6,531,217)	(7,742,535)	(9,017,841)

General Fund Funding Distributions (\$113.4M)



← Where does the \$ come from?

What the \$ pays for? →



No Property Tax Increase

FY20 Recommended Rate = \$0.4984

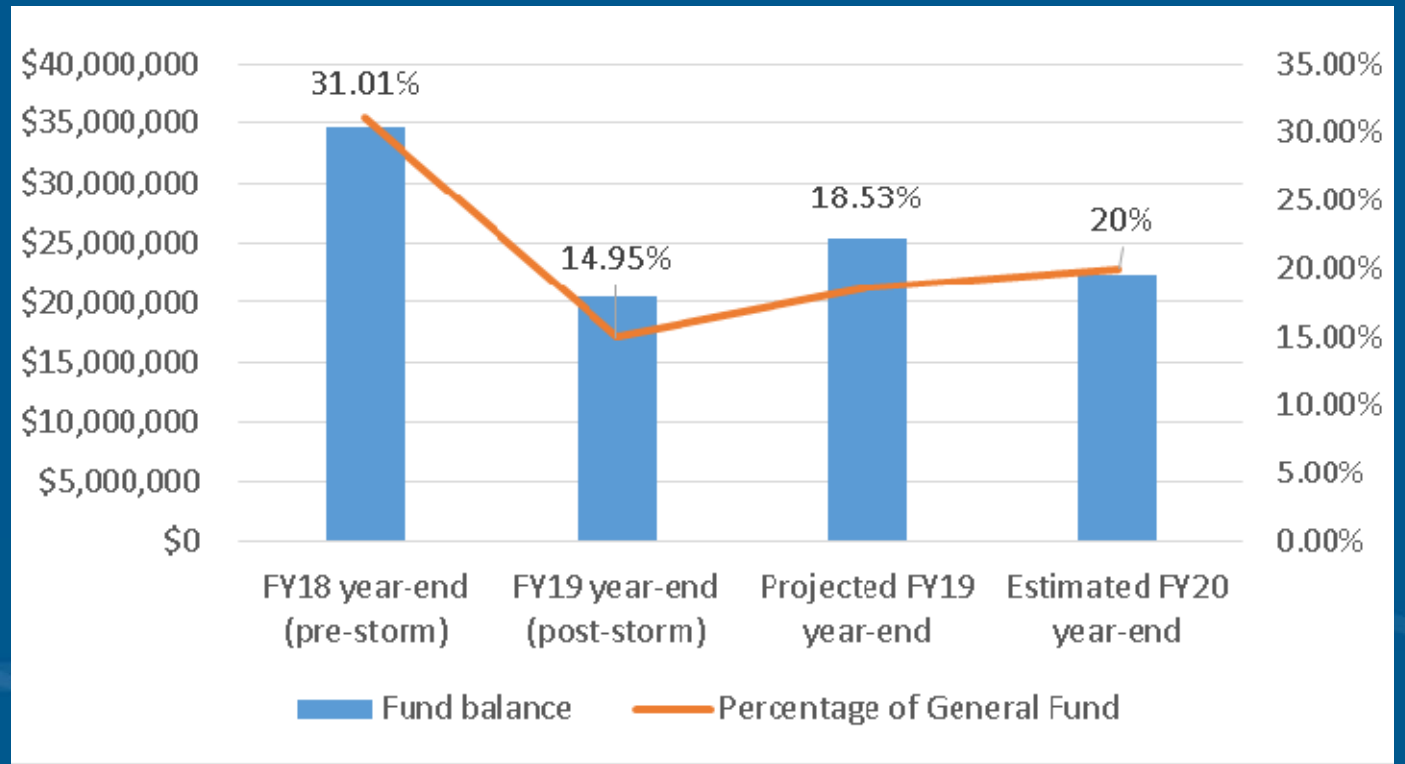
- **General Fund: = \$0.4037**
- **Debt Service: = \$0.0947**

Value of 1 cent

- **1 cent gross = \$1,551,093**
- **1 cent less collections = \$1,538,021**

**Tax Rate
Summary**

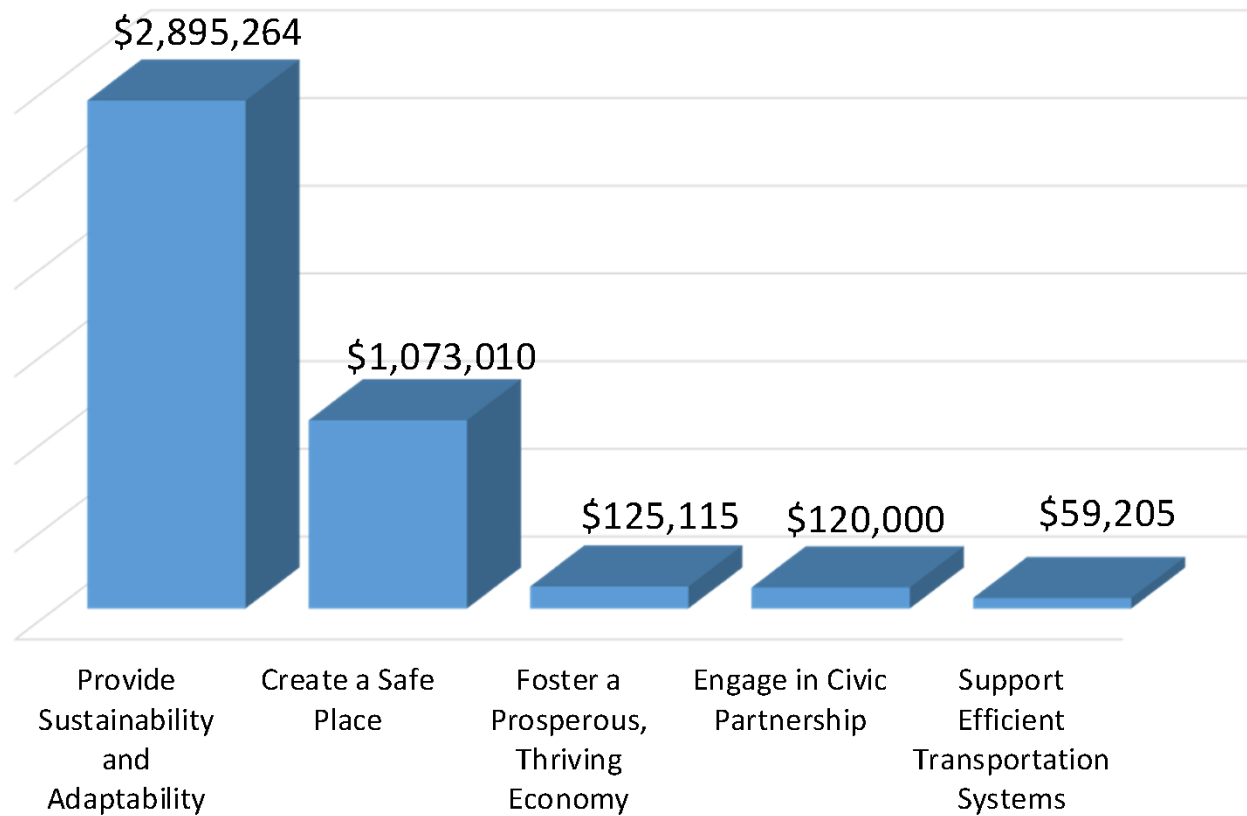
General Fund Unassigned Fund Balance



- FY18 year-end (pre-storm): \$34.6K or 31.0% of \$111.6K
- FY19 year-end (post-storm): \$20.4K or 14.9% of \$136.8K
- Projected FY19 year-end: \$25.3K or 18.5% of \$136.8K
- Estimated FY20 year-end: \$22.3K or 20.0% of \$113.4K

Budget Highlights

FY20 Additional Strategic Plan Initiatives (\$4,272,594)



Strategic
Plan
Initiatives

Compensation

- Compensation merit package (\$1,987,867)
- Built-in Salary Credit estimating vacancies (-\$350,000)
- Standby time (\$26,117)
 - Program for highly trained detective investigate violent crimes
 - Program for facilities management to respond to infrastructure needs
- Training and Development
 - Continue training partnerships with UNCW, CFCC, School of Government (\$71,800)

Safe Place Youth Violence Prevention

- Prevention Efforts

- Expanded support to agencies who provide job skills and youth programming (GF \$606,150; CDBG \$150,000)
 - Blue Ribbon Commission (\$64,785)
 - Dreams (\$22,302)
 - Kids Making It (\$33,943)
 - Brigade Boys and Girls Club and Community Boys and Girls Club (\$53,227)
 - Wilmington Residential Adolescents Achievement Place (\$25,310)

Safe Place and Youth Violence Reduction

- Recreation Programming
 - Continuing youth programming
 - City operates/collaborates youth athletic programs (21)
 - Serves over 1,350 youth participants
 - Continuing to maintain and operate recreation facilities
 - 3rd year partnership with First Tee
 - 3rd year outsourcing city's pool management to YMCA



Safe Place and Youth Violence Reduction

- Youth Programming
 - Port City Super Girls (\$15,000) serving 60 at-risk youths annually
- Opioid Safety
 - Continues funding Narcan/Naloxone (\$14,000) to save lives
- Haynes and Lacewell Training facility (\$315,000)
- Compliance Officer (\$65,000)
 - Proactive measures to prevent future trash & stormwater code violations through education and involvement in neighborhood sweeps

Workforce Affordable Housing

- FY20 recommends \$773,697 an increase of \$123,000
 - \$60,000 continues to be funded to respond to the specific recommendations from the City of Wilmington/New Hanover County Ad hoc Committee
 - Homeownership Opportunity Program (\$470,000)
 - Rehabilitation Programs (\$103,000)
 - Minor Repairs up to \$10,000
 - Owner-occupied housing rehabilitation programs up to \$75,000
 - Forgivable Loan Legal Fees (\$140,697)

Infrastructure Maintenance

- Financial Enterprise Operating Fees (\$350,000)
- Information Technology Strategic Plan (\$50,000)
- Additional Street lighting (\$25,000)

Transportation

- WAVE Transit Annual Subsidy (\$1,446,280; 3%↑)
 - No capital request FY20
- Rail Realignment Director Operating (\$13,000)

Resiliency/Sustainability Efforts

- Emergency Management & Planning Coordinator (\$98,000)
- Buildings Project Coordinator (\$99,000)
- New Hanover County Long Term Recovery Group (\$10,000)
- New Strategic Plan strategy and action steps recommended
 - Bring resiliency to the forefront when planning for city growth, building city facilities, and cultivating the city's human resources

Other Strategic Plan Initiatives

- Fire Inspector (\$110,000)
- Comprehensive Plan & Land Development Code Community Engagement Plan (\$106,000)
- Urban Canopy Tree Pruning Program (\$45,000)
- Short-term Lodging Program (\$147,000)
- Recreation Superintendent (\$113,000)

**Civic
Development
Partners
(3-year
Commitment)**

Economic Development Partners	FY19	Change	FY20
	Adopted		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
Cucalorus 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*

Economic Development Opportunities

- National Gypsum (\$46,000)
- Miscellaneous Incentives (\$125,000)
- Council's Economic Development Contingency (\$115,000)

Other Agencies

- YMCA Natatorium (\$120,000)
- NHC Neighbors Helping Neighbors (\$4,000)

**Other
Agencies and
Economic
Development
Opportunities**

Recommended Partnership with New Hanover County

- Transfer of regional Alcohol and Drug Testing Laboratory
 - Transfer operations to NHC Sheriff's Office
 - City share equates to 40% roughly \$194,000
 - Reduction in Police of \$357,000 in expenditures and associated revenue
 - Reduction in force 4.4 FTEs
 - Interlocal agreement being drawn up

**FY20
Unrestricted
Fund
Balance Use**

- Appropriated General Fund Fund Balance Needs
 - \$3M for a public safety legal obligation
- Requesting consideration of the following one-time items, pending FEMA reimbursement :

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

Not Included

- Expanded Infrastructure Needs
 - Police officer coverage for northern part of downtown
 - Neighborhood traffic calming funding
 - Portia Hines Park and Thalian Hall upgrades
 - No new office space funding
 - No required major service reductions

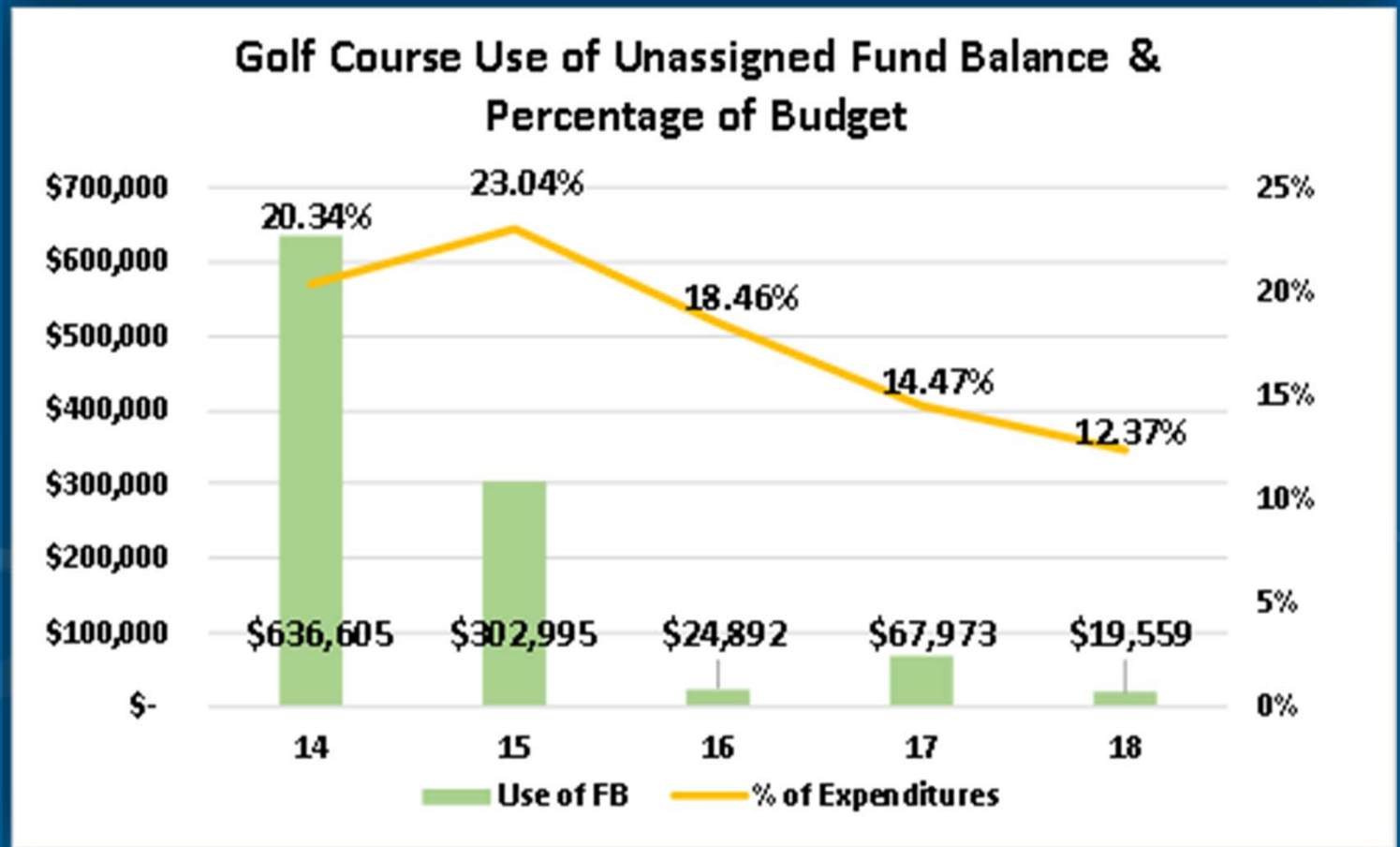
Enterprise and Other Funds

- Stormwater Fund (\$12M):
 - Requested rate increase of 1%
 - Rate of \$8.19 to \$8.27 per ERU
- Solid Waste Fund (\$11.4M):
 - Purchase of four packer trucks and a knuckleboom truck totaling \$896,500
- Parking Fund (\$4.1M):
 - \$701,000 to CIP for 2nd Street Elevator Modernization, Camera Replacements and Market Street Deck major repairs
 - River Place development parking deck operating (\$381,000)

Enterprise and Other Funds

- Municipal Service District (\$425K)
 - Endorsement of budget by MSD Advisory Board in April
- Convention Center (\$8.7M)
 - Beginning to pay back \$2.1 million to General Fund for loan to purchase Convention Center land
 - (\$250K per year)
- Golf (\$1.48M)
 - Overall increase in fees 18%
 - Last fee increase in FY15 by 35%
 - Use of unassigned fund balance every year since FY14 (graph to follow)
 - Suggest consideration be made to multi-year fee increase

Golf Fund Use of Unassigned Fund Balance



Total Budget Summary

- Total budget = \$200.6M
 - General Fund & Enterprise:
 - General Fund = \$113 million
 - Parking = \$4.1 million
 - Solid Waste = \$11.4 million
 - Stormwater = \$12 million
 - Golf Course = \$1.4 million

Budget Document Locations

- Available for viewing at:
 - City of Wilmington’s Web-site
 - City Manager’s Office
 - City Clerk’s Office
 - New Hanover Public Library
 - Highlights on GTV-8

Next Steps

FY20 Budget Timeline

