

## CAPITAL BUDGETING

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

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

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

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

Capital improvement programming provides a bridge between general long-term and short-term project planning. In this process, the long-term objectives of the City are reviewed and translated into a more specific and well defined, multi-year program of five years. This CIP addresses specific projects and a financing strategy covering the fiscal years of 2010-11 through 2014-15. This specific program provides individual project decisions consistent with City Council goals and objectives and within a framework of identified priorities and funding resources.

## CAPITAL IMPROVEMENT PROGRAM SUMMARY

The Capital Improvement Program spans a five-year period covering fiscal years 2010-11 through 2014-15. Project costs, descriptions, and funding plans are presented in four (4) programmatic categories which include Streets and Sidewalks, Parks and Recreation, Public Buildings and Facilities, and Storm Water.

The **Streets and Sidewalks** program addresses major thoroughfare needs, street maintenance and rehabilitation, sidewalk construction and repair at a projected cost of \$13,696,550. FY 2010-11 adopted funding is programmed for sidewalk and street rehabilitation and repair efforts and multi-use path debt payments to NCDOT.

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 cost of \$1,985,000. FY 2010-11 adopted funding is programmed for a Natatorium proposal included in the 2006 Parks and Green Space bond.

The **Public Facilities** program consists of funding for various public improvements. The five-year projected cost for this program is \$12,981,200. FY 2010-11 adopted funding is programmed to provide for various improvement recommendations provided by the Department of Justice in accordance with the Americans with Disabilities Act (ADA).

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 \$8,638,500 over five years.

**CAPITAL IMPROVEMENT COST SUMMARY BY PROGRAM**  
Fiscal Years 2010-11 Through 2014-15

|  | <b>2010-11</b>          | <b>2011-12</b>          | <b>2012-13</b>          | <b>2013-14</b>           | <b>2014-15</b>          | <b>Total</b>             |
|--|-------------------------|-------------------------|-------------------------|--------------------------|-------------------------|--------------------------|
| <b>Streets &amp; Sidewalks</b>           | 1,078,000               | 2,528,500               | 3,378,300               | 3,389,000                | 3,322,750               | 13,696,550               |
| <b>Parks &amp; Recreation</b>            | 700,000                 | 450,000                 | 200,000                 | 435,000                  | 200,000                 | 1,985,000                |
| <b>Public Buildings &amp; Facilities</b> | 1,507,000               | 4,195,000               | 893,200                 | 4,351,000                | 2,035,000               | 12,981,200               |
| <b>Storm Water</b>                       | <u>-</u>                | <u>863,500</u>          | <u>1,500,000</u>        | <u>3,355,000</u>         | <u>2,920,000</u>        | <u>8,638,500</u>         |
| <b>Total, Cost Summary</b>               | <u><b>3,285,000</b></u> | <u><b>8,037,000</b></u> | <u><b>5,971,500</b></u> | <u><b>11,530,000</b></u> | <u><b>8,477,750</b></u> | <u><b>37,301,250</b></u> |

**CAPITAL IMPROVEMENT REVENUE SUMMARY BY SOURCE**  
Fiscal Years 2010-11 Through 2014-15

|                               | <b>2010-11</b>          | <b>2011-12</b>          | <b>2012-13</b>          | <b>2013-14</b>           | <b>2014-15</b>          | <b>Total</b>             |
|-------------------------------|-------------------------|-------------------------|-------------------------|--------------------------|-------------------------|--------------------------|
| <b>General Fund</b>           | 2,585,000               | 4,573,500               | 4,471,500               | 4,425,000                | 4,557,750               | 20,612,750               |
| <b>Revenue Bonds</b>          | -                       | -                       | -                       | -                        | 1,420,000               | 1,420,000                |
| <b>Storm Water Fund</b>       | -                       | 863,500                 | 1,500,000               | 3,355,000                | 1,500,000               | 7,218,500                |
| <b>Installment Debt</b>       | 700,000                 | 2,600,000               | -                       | 3,750,000                | 1,000,000               | 8,050,000                |
| <b>Total, Revenue Summary</b> | <u><b>3,285,000</b></u> | <u><b>8,037,000</b></u> | <u><b>5,971,500</b></u> | <u><b>11,530,000</b></u> | <u><b>8,477,750</b></u> | <u><b>37,301,250</b></u> |

STREETS AND SIDEWALKS

Project Costs

| Code   | Project Title                                    | Adopted<br>2009-10 |    | Adopted<br>2010-11 |   | Estimated<br>2011-12 |   | Estimated<br>2012-13 |   | Estimated<br>2013-14 |   | Estimated<br>2014-15 |   | Total<br>FY 11 - 15 |
|--------|--|--------------------|----|--------------------|---|----------------------|---|----------------------|---|----------------------|---|----------------------|---|---------------------|
| 4SW100 | Sidewalk Rehab/Repairs                           | 50,000             | a  | 150,000            | a | 150,000              | a | 150,000              | a | 150,000              | a | 150,000              | a | 750,000             |
| 05SR10 | Streets Rehabilitation                           | 650,000            | a  | 750,000            | a | 1,661,000            | a | 1,287,000            | a | 1,250,000            | a | 1,339,650            | a | 6,287,650           |
| 4SW200 | Sidewalk Construction (Pedestrian Improvements)  | 100,000            | a  | -                  |   | 500,000              | a | 500,000              | a | 500,000              | a | 500,000              | a | 2,000,000           |
| 05BR20 | Bridge Repair                                    | 144,000            | a  | -                  |   | 39,500               | a | 123,300              | a | 43,000               | a | 133,100              | a | 338,900             |
| 07ST10 | North 3rd St. Streetscape                        | 1,000,000          | b1 | -                  |   | -                    |   | -                    |   | -                    |   | -                    |   | -                   |
| 2MF160 | Multimodal Transportation Center                 | -                  |    | -                  |   | -                    |   | 600,000              | a | -                    |   | -                    |   | 600,000             |
| TBD    | Kerr Avenue Bicycle Facilities (incl. sidewalks) | -                  |    | -                  |   | -                    |   | 468,000              | a | 672,000              | a | -                    |   | 1,140,000           |
| 4SW400 | Military Cutoff Multi-use Path - Debt to DOT     | 106,000            | a  | 178,000            | a | 178,000              | a | -                    |   | -                    |   | -                    |   | 356,000             |
| 10ST20 | Independence Blvd Screen Wall                    | 210,000            | a  | -                  |   | -                    |   | -                    |   | -                    |   | -                    |   | -                   |
| 08SR10 | Transportation Reserve                           | -                  |    | -                  |   | -                    |   | 250,000              | a | 250,000              | a | -                    |   | 500,000             |
| 08ST10 | Front Street Improvements (Chestnut to Grace)    | -                  |    | -                  |   | -                    |   | -                    |   | 300,000              | a | 600,000              | a | 900,000             |
| 08ST40 | Water & Market St. Streetscaping                 | -                  |    | -                  |   | -                    |   | -                    |   | 224,000              | a | -                    |   | 224,000             |
| TBD    | Cinema Drive                                     | -                  |    | -                  |   | -                    |   | -                    |   | -                    |   | 600,000              | a | 600,000             |
|        | <b>Total Streets and Sidewalks</b>               | <b>2,260,000</b>   |    | <b>1,078,000</b>   |   | <b>2,528,500</b>     |   | <b>3,378,300</b>     |   | <b>3,389,000</b>     |   | <b>3,322,750</b>     |   | <b>13,696,550</b>   |

Funding Plan

| Code | Funding Source       | Adopted<br>2009-10 |  | Adopted<br>2010-11 |  | Estimated<br>2011-12 |  | Estimated<br>2012-13 |  | Estimated<br>2013-14 |  | Estimated<br>2014-15 |  | Total<br>FY 11 - 15 |
|------|----------------------|--------------------|--|--------------------|--|----------------------|--|----------------------|--|----------------------|--|----------------------|--|---------------------|
| a =  | General Fund         | 1,260,000          |  | 1,078,000          |  | 2,528,500            |  | 3,378,300            |  | 3,389,000            |  | 3,322,750            |  | 13,696,550          |
| b =  | Installment Debt     | -                  |  | -                  |  | -                    |  | -                    |  | -                    |  | -                    |  | -                   |
| b1 = | General Obligation   | 1,000,000          |  | -                  |  | -                    |  | -                    |  | -                    |  | -                    |  | -                   |
|      | <b>Total Funding</b> | <b>2,260,000</b>   |  | <b>1,078,000</b>   |  | <b>2,528,500</b>     |  | <b>3,378,300</b>     |  | <b>3,389,000</b>     |  | <b>3,322,750</b>     |  | <b>13,696,550</b>   |

**FY 2010-11 Adopted Budget  
CAPITAL IMPROVEMENT PROGRAM**

**Project Title:** Sidewalk Rehab/Repairs  
**Project No:** 4SW100  
**Requesting Department:** Public Services  
**Division:** Streets  
**Dept. Priority:** 1



**Project Description:** The sidewalk rehab and repairs projects are focused on repairs and replacement of existing sidewalk sections that are unusable or unsafe. Projects generally are aggregated within six zones or districts determined internally.

**Project Justification:** Rehabilitation of sidewalks improving pedestrian access and safety, also improving access for disabled persons and comply with ADA regulations.

**FY 2009-10 Appropriation:** \$ 50,000  
**Current Project Budget:** \$ 277,181  
**Expenditures to Date:** \$ 942,626

**Project Start Date:** Ongoing  
**Project Completion Date:** Ongoing  
**FY 2010-11 Dept. Request:** \$ 150,000

| Project Appropriation |          |          |          |          |          |         |
|-----------------------|----------|----------|----------|----------|----------|---------|
|                       | FY 10-11 | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | Total   |
| Construction          | 150,000  | 150,000  | 150,000  | 150,000  | 150,000  | 750,000 |

| Funding Source |          |          |          |          |          |         |
|----------------|----------|----------|----------|----------|----------|---------|
|                | FY 10-11 | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | Total   |
| General Fund   | 150,000  | 150,000  | 150,000  | 150,000  | 150,000  | 750,000 |

| Operating Cost Impact |          |          |          |          |          |       |
|-----------------------|----------|----------|----------|----------|----------|-------|
|                       | FY 10-11 | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | Total |
|                       | N/A      | N/A      | N/A      | N/A      | N/A      |       |

\*This is a maintenance project that will have no future operating impacts

- Priority 1 - Imperative, Must Do** (Public health or safety issue; legal mandate/in debt model; service disruption or deficiency; deferred maintenance)
- Priority 2 - Essential, Should Do** (Rehabilitation; economic growth/development; reduce operating/maintenance; leverages state/federal funds)
- Priority 3 - Important, Could Do** (New or expanded service; intergovernmental cooperation; energy reduction; cultural or recreational enhancement)

**Project Title:** Streets Rehabilitation  
**Project No:** 05SR10  
**Requesting Department:** Public Services  
**Division:** Streets  
**Dept. Priority:** 1



**Project Description:** The Street Rehabilitation project is the City's ongoing maintenance/rehabilitation project that provides rehabilitation to existing paved streets by improving sub-bases, overlaying surfaces with new asphalt, and repairing cracked streets with sealants.

**Project Justification:** To improve the safety and longevity of the City's existing paved streets.

**FY 2009-10 Appropriation:** \$ 600,000  
**Current Project Budget:** \$ 2,363,068  
**Expenditures to Date:** \$ 1,659,718

**Project Start Date:** Ongoing  
**Project Completion Date:** Ongoing  
**FY 2010-11 Dept. Request:** \$ 750,000

| Project Appropriation |          |           |           |           |           |           |
|-----------------------|----------|-----------|-----------|-----------|-----------|-----------|
|                       | FY 10-11 | FY 11-12  | FY 12-13  | FY 13-14  | FY 14-15  | Total     |
| Construction          | 750,000  | 1,661,000 | 1,287,000 | 1,250,000 | 1,339,650 | 6,287,650 |

| Funding Source |          |           |           |           |           |           |
|----------------|----------|-----------|-----------|-----------|-----------|-----------|
|                | FY 10-11 | FY 11-12  | FY 12-13  | FY 13-14  | FY 14-15  | Total     |
| General Fund   | 750,000  | 1,661,000 | 1,287,000 | 1,250,000 | 1,339,650 | 6,287,650 |

| Operating Cost Impact |          |          |          |          |          |       |
|-----------------------|----------|----------|----------|----------|----------|-------|
|                       | FY 10-11 | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | Total |
|                       | N/A      | N/A      | N/A      | N/A      | N/A      |       |

\*This is a maintenance project that will have no future operating impacts

**Priority 1 - Imperative, Must Do** (Public health or safety issue; legal mandate/in debt model; service disruption or deficiency; deferred maintenance)

**Priority 2 - Essential, Should Do** (Rehabilitation; economic growth/development; reduce operating/maintenance; leverages state/federal funds)

**Priority 3 - Important, Could Do** (New or expanded service; intergovernmental cooperation; energy reduction; cultural or recreational enhancement)

**Project Title:** Military Cutoff Multi-use Path- Debt to DOT  
**Project No:** 4SW400  
**Requesting Department:** Development Services  
**Division:** Transportation Planning  
**Dept. Priority:** 1



**Project Description:** Funding is included in accordance with an amendment to the agreement with NCDOT for the construction of the multi-use path along Military Cutoff. Scheduled payments are represented for the next two fiscal years toward a three year commitment.

**Project Justification:** In accordance with terms of agreement with NCDOT.

**FY 2009-10 Appropriation:** \$ 106,000  
**Current Project Budget:** \$ 829,951  
**Expenditures to Date:** \$ 354,878

**Project Start Date:** FY 2009  
**Project Completion Date:** FY 2012  
**FY 2010-11 Request:** \$ 178,000

| Project Appropriation |          |          |          |          |          |         |
|-----------------------|----------|----------|----------|----------|----------|---------|
|                       | FY 10-11 | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | Total   |
| Construction          | 178,000  | 178,000  | -        | -        | -        | 356,000 |

| Funding Source |          |          |          |          |          |         |
|----------------|----------|----------|----------|----------|----------|---------|
|                | FY 10-11 | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | Total   |
| General Fund   | 178,000  | 178,000  | -        | -        | -        | 356,000 |

| Operating Cost Impact |          |          |          |          |          |       |
|-----------------------|----------|----------|----------|----------|----------|-------|
|                       | FY 10-11 | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | Total |
|                       | N/A      | N/A      | N/A      | N/A      | N/A      |       |

\*This is a maintenance project that will have no future operating impacts

- Priority 1 - Imperative, Must Do** (Public health or safety issue; legal mandate/in debt model; service disruption or deficiency; deferred maintenance)
- Priority 2 - Essential, Should Do** (Rehabilitation; economic growth/development; reduce operating/maintenance; leverages state/federal funds)
- Priority 3 - Important, Could Do** (New or expanded service; intergovernmental cooperation; energy reduction; cultural or recreational enhancement)

PARKS AND RECREATION

Project Costs

| Code   | Project Title                     | Adopted<br>2009-10 |   | Adopted<br>2010-11 |   | Estimated<br>2011-12 |   | Estimated<br>2012-13 |   | Estimated<br>2013-14 |   | Estimated<br>2014-15 |   | Total            |
|--------|-----------------------------------|--------------------|---|--------------------|---|----------------------|---|----------------------|---|----------------------|---|----------------------|---|------------------|
| 05PK10 | Park Facilities Improvements      | 25,000             | a | -                  |   | 200,000              | a | 200,000              | a | 200,000              | a | 200,000              | a | 800,000          |
| 3PK150 | Riverfront Park Rehabilitation    | -                  |   | -                  |   | 250,000              | a | -                    |   | -                    |   | -                    |   | 250,000          |
| 09PK10 | Dram Tree Boat Ramp               | 400,000            | a | -                  |   | -                    |   | -                    |   | -                    |   | -                    |   | -                |
| TBD    | Coastline Docks                   | -                  |   | -                  |   | -                    |   | -                    |   | 55,000               | a | -                    |   | 55,000           |
| 11PK10 | Natatorium                        | -                  |   | 700,000            | b | -                    |   | -                    |   | -                    |   | -                    |   | 700,000          |
| TBD    | Olsen Park Phase II               | -                  |   | -                  |   | -                    |   | -                    |   | 180,000              | a | -                    |   | 180,000          |
|        | <b>Total Parks and Recreation</b> | <b>425,000</b>     |   | <b>700,000</b>     |   | <b>450,000</b>       |   | <b>200,000</b>       |   | <b>435,000</b>       |   | <b>200,000</b>       |   | <b>1,985,000</b> |

Funding Plan

| Code | Funding Source       | Adopted<br>2009-10 |  | Adopted<br>2010-11 |  | Estimated<br>2011-12 |  | Estimated<br>2012-13 |  | Estimated<br>2013-14 |  | Estimated<br>2014-15 |  | Total            |
|------|----------------------|--------------------|--|--------------------|--|----------------------|--|----------------------|--|----------------------|--|----------------------|--|------------------|
| a =  | General Fund         | 425,000            |  | -                  |  | 450,000              |  | 200,000              |  | 435,000              |  | 200,000              |  | 1,285,000        |
| b =  | Installment Debt     | -                  |  | 700,000            |  | -                    |  | -                    |  | -                    |  | -                    |  | 700,000          |
|      | <b>Total Funding</b> | <b>425,000</b>     |  | <b>700,000</b>     |  | <b>450,000</b>       |  | <b>200,000</b>       |  | <b>435,000</b>       |  | <b>200,000</b>       |  | <b>1,985,000</b> |



FY 2010-11 Adopted Budget  
**CAPITAL IMPROVEMENT PROGRAM**

**Project Title:** Natatorium  
**Project No:** 11PK10  
**Requesting Department:** Community Services  
**Division:** Parks & Recreation  
**Dept. Priority:** 1



**Project Description:** The natatorium is planned to house a competition-sized pool and provide the City and community groups a location to conduct year-round aquatic activities. This project is a collaborative effort between the City, UNCW and various private organizations. \$700,000 was included in the 2006 Parks and Greenspace Bond as seed money for private organizations to mobilize and begin the planning process.

**Project Justification:** This project was identified in the 2006 Parks and Greenspace Bond.

**FY 2009-10 Appropriation:** \$ -  
**Current Project Budget:** \$ -  
**Expenditures to Date:** \$ -

**Project Start Date:** TBD  
**Project Completion Date:** TBD  
**FY 2010-11 Request:** \$ 700,000

| Project Appropriation |          |          |          |          |          |         |
|-----------------------|----------|----------|----------|----------|----------|---------|
|                       | FY 10-11 | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | Total   |
| Planning/Other        | 700,000  | -        | -        | -        | -        | 700,000 |

| Funding Source   |          |          |          |          |          |         |
|------------------|----------|----------|----------|----------|----------|---------|
|                  | FY 10-11 | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | Total   |
| Installment Debt | 700,000  | -        | -        | -        | -        | 700,000 |

| Operating Cost Impact |          |          |          |          |          |       |
|-----------------------|----------|----------|----------|----------|----------|-------|
|                       | FY 10-11 | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | Total |
|                       | N/A      | N/A      | N/A      | N/A      | N/A      |       |

- Priority 1 - Imperative, Must Do** (Public health or safety issue; legal mandate/in debt model; service disruption or deficiency; deferred maintenance)
- Priority 2 - Essential, Should Do** (Rehabilitation; economic growth/development; reduce operating/maintenance; leverages state/federal funds)
- Priority 3 - Important, Could Do** (New or expanded service; intergovernmental cooperation; energy reduction; cultural or recreational enhancement)

**PUBLIC FACILITIES**

**Project Costs**

|        |                                    | Adopted          |   | Adopted          |   | Estimated        |   | Estimated      |   | Estimated        |   | Estimated        |   | Total             |
|--------|------------------------------------|------------------|---|------------------|---|------------------|---|----------------|---|------------------|---|------------------|---|-------------------|
| Code   | Project Title                      | 2009-10          |   | 2010-11          |   | 2011-12          |   | 2012-13        |   | 2013-14          |   | 2014-15          |   |                   |
| 05MF10 | Building Improvements              | -                |   | -                |   | 255,000          | a | 268,000        | a | 281,000          | a | 295,000          | a | <b>1,099,000</b>  |
| TBD    | Future Administrative Facilities   | -                |   | -                |   | -                |   | -              |   | -                |   | 1,000,000        | b | <b>1,000,000</b>  |
| 10MF10 | WPD Firing Range/Training Facility | 800,000          | b | -                |   | 1,200,000        | b | -              |   | -                |   | -                |   | <b>1,200,000</b>  |
| 5MF113 | ADA Improvements                   | -                |   | 1,507,000        | a | 1,025,000        | a | -              |   | -                |   | -                |   | <b>2,532,000</b>  |
| TBD    | Fire Station Improvements          | 1,000,000        | b | -                |   | -                |   | -              |   | 3,750,000        | b | -                |   | <b>3,750,000</b>  |
| 06MF20 | IT Infrastructure Maint/Improv     | -                |   | -                |   | 65,000           | a | 70,000         | a | 70,000           | a | 70,000           | a | <b>275,000</b>    |
| 08RF30 | Riverwalk/Bulkhead Reserve         | -                |   | -                |   | 250,000          | a | 250,000        | a | 250,000          | a | 250,000          | a | <b>1,000,000</b>  |
| TBD    | Greenfield Boardwalk/Piers         | -                |   | -                |   | -                |   | -              |   | -                |   | 420,000          | a | <b>420,000</b>    |
| TBD    | Riverwalk: Coastline Inn & CFCC    | -                |   | -                |   | -                |   | 305,200        | a | -                |   | -                |   | <b>305,200</b>    |
| TBD    | Skyway Bridge Property Acquisition | -                |   | -                |   | 1,400,000        | b | -              |   | -                |   | -                |   | <b>1,400,000</b>  |
|        | <b>Total Public Facilities</b>     | <b>1,800,000</b> |   | <b>1,507,000</b> |   | <b>4,195,000</b> |   | <b>893,200</b> |   | <b>4,351,000</b> |   | <b>2,035,000</b> |   | <b>12,981,200</b> |

**Funding Plan**

|      |                      | Adopted          |  | Adopted          |  | Estimated        |  | Estimated      |  | Estimated        |  | Estimated        |  | Total             |
|------|----------------------|------------------|--|------------------|--|------------------|--|----------------|--|------------------|--|------------------|--|-------------------|
| Code | Funding Source       | 2009-10          |  | 2010-11          |  | 2011-12          |  | 2012-13        |  | 2013-14          |  | 2014-15          |  |                   |
| a =  | General Fund         | -                |  | 1,507,000        |  | 1,595,000        |  | 893,200        |  | 601,000          |  | 1,035,000        |  | <b>5,631,200</b>  |
| b =  | Installment Debt     | 1,800,000        |  | -                |  | 2,600,000        |  | -              |  | 3,750,000        |  | 1,000,000        |  | <b>7,350,000</b>  |
|      | <b>Total Funding</b> | <b>1,800,000</b> |  | <b>1,507,000</b> |  | <b>4,195,000</b> |  | <b>893,200</b> |  | <b>4,351,000</b> |  | <b>2,035,000</b> |  | <b>12,981,200</b> |

FY 2010-11 Adopted Budget  
CAPITAL IMPROVEMENT PROGRAM

**Project Title:** ADA Improvements  
**Project No:** 5MF113  
**Requesting Department:** Public Services  
**Division:** Administration  
**Dept. Priority:** 1



**Project Description:** ADA Improvements are required by Federal law. ADA improvements will be required as a result of a recent courtesy visit by the Department of Justice. The Department of Public Services has a complete list of federally mandated improvements on which the City is required to act on in a timely manner and is available upon request.

**Project Justification:** It is imperative that the City ensure compliance of facilities to allow for accessibility to all employees and citizens.

**FY 2009-10 Appropriation:** \$ 613,483  
**Current Project Budget:** \$ 1,851,906  
**Expenditures to Date:** \$ 725,922

**Project Start Date:** Ongoing  
**Project Completion Date:** TBD  
**FY 2010-11 Request:** \$ 1,507,000

| Project Appropriation |           |           |          |          |          |           |
|-----------------------|-----------|-----------|----------|----------|----------|-----------|
|                       | FY 10-11  | FY 11-12  | FY 12-13 | FY 13-14 | FY 14-15 | Total     |
| Planning/Other        | 1,507,000 | 1,025,000 | -        | -        | -        | 2,532,000 |

| Funding Source |           |           |          |          |          |           |
|----------------|-----------|-----------|----------|----------|----------|-----------|
|                | FY 10-11  | FY 11-12  | FY 12-13 | FY 13-14 | FY 14-15 | Total     |
| General Fund   | 1,507,000 | 1,025,000 | -        | -        | -        | 2,532,000 |

| Operating Cost Impact |          |          |          |          |          |       |
|-----------------------|----------|----------|----------|----------|----------|-------|
|                       | FY 10-11 | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 | Total |
|                       | N/A      | N/A      | N/A      | N/A      | N/A      |       |

- Priority 1 - Imperative, Must Do** (Public health or safety issue; legal mandate/in debt model; service disruption or deficiency; deferred maintenance)
- Priority 2 - Essential, Should Do** (Rehabilitation; economic growth/development; reduce operating/maintenance; leverages state/federal funds)
- Priority 3 - Important, Could Do** (New or expanded service; intergovernmental cooperation; energy reduction; cultural or recreational enhancement)

STORM WATER

Project Costs

| Code   | Project Title                       | Adopted<br>2009-10 |    | Adopted<br>2010-11 |  | Estimated<br>2011-12 |   | Estimated<br>2012-13 |   | Estimated<br>2013-14 |   | Estimated<br>2014-15 |    | Total            |
|--------|-------------------------------------|--------------------|----|--------------------|--|----------------------|---|----------------------|---|----------------------|---|----------------------|----|------------------|
| 07DC20 | Annual Storm Drain Rehabilitation   | 200,000            | f  | -                  |  | -                    |   | 500,000              | f | 500,000              | f | 500,000              | f  | 1,500,000        |
| TBD    | Brookshire/Beasley Drainage Project | -                  |    | -                  |  | -                    |   | 1,000,000            | f | 2,855,000            | f |                      |    | 3,855,000        |
| 10DC10 | Cardinal/George Trask               | 585,000            | b2 |                    |  | -                    |   | -                    |   | -                    |   | -                    |    | -                |
| 10DC20 | Hunters Trail Culvert Replacement   | 315,000            | b2 |                    |  | -                    |   | -                    |   | -                    |   | -                    |    | -                |
| 10DC30 | Greenville Avenue/White Avenue      | -                  |    | -                  |  | 863,500              | f | -                    |   | -                    |   | -                    |    | 863,500          |
| TBD    | Clear Run Branch                    | -                  |    | -                  |  | -                    |   | -                    |   | -                    |   | 1,420,000            | b3 | 1,420,000        |
| TBD    | New Macumbers Outfall               | -                  |    | -                  |  | -                    |   | -                    |   | -                    |   | 1,000,000            | f  |                  |
|        | <b>Total Storm Water Projects</b>   | <b>1,100,000</b>   |    | <b>-</b>           |  | <b>863,500</b>       |   | <b>1,500,000</b>     |   | <b>3,355,000</b>     |   | <b>2,920,000</b>     |    | <b>8,638,500</b> |

Funding Plan

| Code | Funding Source       | Adopted<br>2009-10 |  | Adopted<br>2010-11 |  | Estimated<br>2011-12 |  | Estimated<br>2012-13 |  | Estimated<br>2013-14 |  | Estimated<br>2014-15 |  | Total            |
|------|----------------------|--------------------|--|--------------------|--|----------------------|--|----------------------|--|----------------------|--|----------------------|--|------------------|
| f =  | Stormwater PAYGO     | 200,000            |  | -                  |  | 863,500              |  | 1,500,000            |  | 3,355,000            |  | 1,500,000            |  | 7,218,500        |
| b2 = | Revenue Bonds        | 900,000            |  | -                  |  | -                    |  | -                    |  | -                    |  | -                    |  | -                |
| b3 = | Revenue Bonds 2011   | -                  |  | -                  |  | -                    |  | -                    |  | -                    |  | 1,420,000            |  |                  |
|      | <b>Total Funding</b> | <b>1,100,000</b>   |  | <b>-</b>           |  | <b>863,500</b>       |  | <b>1,500,000</b>     |  | <b>3,355,000</b>     |  | <b>2,920,000</b>     |  | <b>8,638,500</b> |

## Debt Management

The City of Wilmington periodically issues long term debt to finance capital improvements and major equipment purchases. Examples of projects and major equipment financed by long term debt instruments include the construction of a new police station, the purchase of a new fire truck, the construction of a new roadway, etc. The City issues debt to finance these items to 1) spread out the costs of these items and preserve adequate cash flow to meet operating expenses, and 2) to equitably distribute the costs of these items among the current and future citizens of the City. Long term debt instruments utilized by the City of Wilmington include general obligation bonds, certificates of participation, installment sales contracts, lease-purchase agreements, state loans, and interlocal agreements.

The City continues to maintain a strong financial position, due in part to its effective management of long term debt. The City strives to maintain a balance between debt financing and the "pay-as-you-go" approach. City staff continually work to secure the most favorable interest rates for the City's debt issues. The North Carolina Local Government Commission reviews all bonded debt issues and other debt issues of at least five years' maturity to determine the City's ability to repay the debt and maintain a solid financial position. Furthermore, for all bonded debt and some other debt instruments, the City receives a credit rating from Standard & Poor's Ratings Group, Moody's Investor's Service and Fitch IBCA Inc. The City's current ratings of AA+, Aa1, and AA+ respectively, are an indicator of the City's financial stability. The City's credit ratings were upgraded by Standard and Poor's Ratings Group from AA to AA+ in April 2008, and as a result of rating calibrations in May 2010 the following ratings were raised by Moody's Investor's Service from Aa2 to Aa1 and Fitch IBCA Inc. from AA to AA+ in May 2010.

## Debt Management

### OUTSTANDING BONDED DEBT

The City of Wilmington's outstanding bonded debt is comprised of debt incurred from the issuance of general obligation bonds. General obligation bonds require voter approval because they pledge the taxing power of the City.

As of June 30, 2010, the total outstanding bonded debt for the City will be \$33.9 million.

Total bonded debt at June 30, 2010, for the General Fund is approximately \$19.7 million or 58% of the City's total outstanding bonded debt. Outstanding general bonded debt is retired with general tax revenues (property tax, sales tax, etc.) collected annually.

Total bonded debt at June 30, 2010, for water and sewer projects is approximately \$14.2 million or 42% of the City's total outstanding bonded debt. The Cape Fear Public Utility Authority (CFPUA) did not defease the general obligation debt, however, CFPUA is responsible for making payments to the City for water and sewer general obligation debt through an interlocal agreement.

Due to the CFPUA not defeasing the debt above, bond rating agencies will continue to use this debt in calculating the City's total debt per capita.



FY 2010-11 Adopted Budget  
CAPITAL IMPROVEMENT PROGRAM

**Outstanding Bonded Debt**

| ISSUE DATE                        | MATURITY DATE | SERIES                                    | OUTSTANDING PRINCIPAL JUNE 30, 2010 | PRINCIPAL TO BE RETIRED FY 2010-11 | OUTSTANDING PRINCIPAL JUNE 30, 2011 |
|-----------------------------------|---------------|---|-------------------------------------|------------------------------------|-------------------------------------|
| <b>General Debt</b>               |               |   |                                     |                                    |                                     |
| 1-Oct-97                          | 1-Apr-10      | General Refunding - Series 1997B          | -                                   | -                                  | -                                   |
| 1-Oct-97                          | 1-Apr-14      | Street / Park Improvements - Series 1997A | 1,470,000                           | 460,000                            | 1,010,000                           |
| 1-Aug-00                          | 1-Feb-18      | Public Improvements - Series 2000         | 2,275,000                           | 125,000                            | 2,150,000                           |
| 1-Aug-03                          | 1-Mar-18      | General Two-Thirds' - Series 2003A        | 2,040,000                           | 255,000                            | 1,785,000                           |
| 9-Sep-08                          | 1-Sep-28      | Streets/Highway 2/3rds - Series 2008A     | 5,320,000                           | 280,000                            | 5,040,000                           |
| 10-Sep-08                         | 1-Sep-28      | Public Improvements - Series 2008B        | 8,550,000                           | 450,000                            | 8,100,000                           |
| <b>TOTAL GENERAL DEBT</b>         |               |   | <b>19,655,000</b>                   | <b>1,570,000</b>                   | <b>18,085,000</b>                   |
| <b>Water and Sewer Debt</b>       |               |   |                                     |                                    |                                     |
| 6-Feb-02                          | 1-Jun-15      | Water Synthetic Refunding - Series 2002   | 14,210,000                          | 3,025,000                          | 11,185,000                          |
| 1-Oct-97                          | 1-Apr-10      | Water Refunding - Series 1997B            | -                                   | -                                  | -                                   |
| 1-Oct-97                          | 1-Apr-10      | Sewer Refunding - Series 1997B            | -                                   | -                                  | -                                   |
| <b>TOTAL WATER AND SEWER DEBT</b> |               |   | <b>14,210,000</b>                   | <b>3,025,000</b>                   | <b>11,185,000</b>                   |
| <b>TOTAL BONDED DEBT</b>          |               |   | <b>33,865,000</b>                   | <b>4,595,000</b>                   | <b>29,270,000</b>                   |

Note: The Water and Sewer General Obligation Debt is being paid by the Cape Fear Public Utility Authority (CFPUA) through Interlocal Agreement.  
This debt was not defeased by the CFPUA and will remain the City's debt.

## Debt Management

### OTHER OUTSTANDING DEBT

The City also relies on other debt instruments to finance capital improvements and major equipment purchases. These other debt instruments do not pledge the taxing power of the City. In most cases, the physical asset being purchased or constructed is pledged as collateral in the event that the City defaults on its obligation. Other debt instruments utilized by the City include revenue bonds, certificates of participation, installment sales contracts, lease-purchase agreements, state loans, and interlocal agreements.

As of June 30, 2010, the total other outstanding debt for the City will be \$199.5 million.

Total other outstanding debt at June 30, 2010, for the General Fund is approximately \$97.6 million. In April 2010, 4.6 million of Limited Obligation Bonds were issued for various projects (Thalian Hall Improvements, Market Street Bulkhead, Governor's Landing, and N. Downtown Improvements). Also in April 2010, 19.3 million of Taxable Limited Obligation Bonds-Build America Bonds were issued for various projects (Governor's Landing, N. Downtown Improvements, N. Riverwalk Improvements - Convention Center, N. Riverwalk Improvements - Marina, 800 MHZ Radios, Empie Fire Station Improvements, Front Street Improvements, Multi-Modal and Convention Center Operations). Other outstanding general debt is retired with general tax revenues (property tax, sales tax, etc.) collected annually.

Total other outstanding debt at June 30, 2010, for the Special Revenue Fund is approximately \$62.7 million and represents issuance for the construction of the Convention Center and Parking Deck. This debt is retired with proceeds from the room occupancy tax. In April 2010, \$8.9 million of Taxable Limited Obligation Bonds - Build America Bonds were issued to refund \$8.7 million of outstanding COPs 2008C.

Total other outstanding debt at June 30, 2010, for Storm Water Management is approximately \$14.2 million. Outstanding debt for storm water projects is retired with revenues earned from the storm water enterprise.



## Debt Management

### OTHER OUTSTANDING DEBT, cont'd

Total other outstanding debt at June 30, 2010, for the Equipment, Maintenance and Replacement Fund is approximately \$1.6 million. Outstanding debt for equipment, maintenance and replacement is retired with revenues earned from leasing the financed equipment to the user departments.

Total other outstanding debt at June 30, 2010, for the Parking Facilities Fund is approximately \$7.3 million. Revenue from the parking decks and the on-street parking program pay for this installment debt.

Total other outstanding debt at June 30, 2010, for water projects is approximately \$16.3 million and represents COPs issued to purchase a 12,000-customer private water system (Dobo System). The CFPUA did not defease the COPs, however, the CFPUA is responsible for making payments to the City for water COPs debt through an interlocal agreement.

Due to the CFPUA not defeasing the debt above, bond rating agencies will continue to use this debt in calculating the City's total debt per capita.



FY 2010-11 Adopted Budget  
CAPITAL IMPROVEMENT PROGRAM

**Other Outstanding Debt**

| ISSUE DATE   | MATURITY DATE | INSTRUMENT                                 | PURPOSE                               | OUTSTANDING PRINCIPAL JUNE 30, 2010 | PRINCIPAL TO BE RETIRED FY 2010-11 | OUTSTANDING PRINCIPAL JUNE 30, 2011 |
|--|---------------|--|---------------------------------------|-------------------------------------|------------------------------------|-------------------------------------|
| <b>General Debt</b>  |               |  |                                       |                                     |                                    |                                     |
| 1-Jun-07   | 1-Jun-12      | Installment Purchase 2007                  | Suntrust - Various Equipment          | 448,877                             | 231,046                            | 217,831                             |
| 18-Dec-01  | 18-Dec-21     | Installment Purchase                       | Legion Stadium Renovations            | 3,162,500                           | 275,000                            | 2,887,500                           |
| 15-Jan-03  | 1-Jun-28      | COPS - 2003                                | Operations Center/Riverwalk Extension | 2,741,397                           | 213,569                            | 2,527,828                           |
| 29-Jul-04  | 1-Sep-29      | COPS - 2004A                               | Operations Center/Fire Station        | 10,360,000                          | 350,000                            | 10,010,000                          |
| 9-Jun-05   | 1-Jun-32      | COPS - 2005                                | Police Headquarters/Operations Center | 32,635,000                          | 1,295,000                          | 31,340,000                          |
| 1-May-08   | 1-Jun-28      | Installment Purchase 2008D                 | RBC Various Projects                  | 12,840,000                          | 715,000                            | 12,125,000                          |
| 1-Jun-08   | 1-Jun-29      | Installment Debt                           | NHC Parks and Recreation Bonds        | 11,500,000                          | 500,000                            | 11,000,000                          |
| 8-Apr-10   | 1-Jun-16      | LOB 2010A                                  | Various Projects                      | 4,600,000                           | -                                  | 4,600,000                           |
| 8-Apr-10   | 1-Jun-30      | LOB 2010B - BABs                           | Various Projects                      | 19,270,000                          | -                                  | 19,270,000                          |
| <b>TOTAL GENERAL DEBT</b>                                  |               |  |                                       | <b>97,557,774</b>                   | <b>3,579,615</b>                   | <b>93,978,159</b>                   |
| <b>Special Revenue Fund Debt</b>                           |               |  |                                       |                                     |                                    |                                     |
| 1-May-08   | 1-Jun-38      | 2008A COPS - Convention Center             |                                       | 46,560,000                          | -                                  | 46,560,000                          |
| 1-May-08   | 1-Jun-28      | 2008B RBC - Parking Deck Non-Taxable       |                                       | 7,190,000                           | -                                  | 7,190,000                           |
| 8-Apr-10   | 1-Jun-30      | LOB 2010B - BABs                           | Refunding of 2008C COPS               | 8,910,000                           | 1,410,000                          | 7,500,000                           |
| <b>TOTAL SPECIAL REVENUE FUND DEBT</b>                     |               |  |                                       | <b>62,660,000</b>                   | <b>1,410,000</b>                   | <b>61,250,000</b>                   |
| <b>Storm Water Management Debt</b>                         |               |  |                                       |                                     |                                    |                                     |
| 9-Jun-05   | 1-Jun-32      | COPS - 2005                                | Drainage Improvements                 | 1,100,000                           | 75,000                             | 1,025,000                           |
| 30-Oct-07  | 1-Jun-33      | Storm Water Revenue Bonds - Series 2007    |                                       | 10,385,000                          | 264,000                            | 10,121,000                          |
| 30-Oct-07  | 1-Jun-33      | Storm Water Revenue Bonds Refunded 97 GO's |                                       | 2,680,000                           | 176,000                            | 2,504,000                           |
| <b>TOTAL STORM WATER MANAGEMENT DEBT</b>                   |               |  |                                       | <b>14,165,000</b>                   | <b>515,000</b>                     | <b>13,650,000</b>                   |
| <b>Equipment, Maintenance &amp; Replacement Debt</b>       |               |  |                                       |                                     |                                    |                                     |
| 1-Jun-07   | 1-Jun-12      | Installment Purchase 2007                  | Suntrust - Various Equipment          | 1,607,639                           | 823,960                            | 783,679                             |
| 1-May-06   | 1-May-10      | Installment Purchase 2006                  | Suntrust - Various Equipment          | -                                   | -                                  | -                                   |
| <b>TOTAL EQUIPMENT, MAINTENANCE &amp; REPLACEMENT DEBT</b> |               |  |                                       | <b>1,607,639</b>                    | <b>823,960</b>                     | <b>783,679</b>                      |
| <b>Parking Facilities Debt</b>                             |               |  |                                       |                                     |                                    |                                     |
| 15-Jan-03  | 1-Jun-28      | COPS 2003                                  | Parking Facilities                    | 7,273,603                           | 406,431                            | 6,867,172                           |
| <b>TOTAL PARKING FACILITIES DEBT</b>                       |               |  |                                       | <b>7,273,603</b>                    | <b>406,431</b>                     | <b>6,867,172</b>                    |
| <b>Water Certificates of Participation (COPS)</b>          |               |  |                                       |                                     |                                    |                                     |
| 12-Apr-06  | 1-Jun-24      | COPS 2006A                                 | Refunding Water System                | 16,265,000                          | 850,000                            | 15,415,000                          |
| <b>TOTAL WATER CERTIFICATES OF PARTICIPATION (COPS)</b>    |               |  |                                       | <b>16,265,000</b>                   | <b>850,000</b>                     | <b>15,415,000</b>                   |
| <b>TOTAL OTHER DEBT</b>                                    |               |  |                                       | <b>199,529,016</b>                  | <b>7,585,006</b>                   | <b>191,944,010</b>                  |

The Water Certificates of Participation (COPS) is being paid by the Cape Fear Public Utility Authority (CFPUA) through Interlocal Agreement. This debt was not defeased by the CFPUA and will remain the City's debt.

## Debt Management

### OUTSTANDING BONDED DEBT AND OTHER DEBT SCHEDULES

This schedule outlines the annual payment of principal and interest on all of the City's outstanding bonded and other debt for the life of the debt instruments. Debt service for general bonded and general other debt is budgeted in the Debt Reserve Fund.

Debt service for water and sewer projects is budgeted in the Debt Reserve Fund. The outstanding revenue bonds of \$67.2 million were defeased in August 2008 (FY 2009) by the CFPUA. However, the approximately \$30.5 million in water and sewer GO bonds and COPS were not defeased and will remain the City's debt. CFPUA will make annual payments to the City for this outstanding debt per the interlocal agreement. The outstanding debt not being defeased by the CFPUA will continue to be used in calculating the City's total debt per capita by the Bond Rating Agencies. The FY 2010-11 debt service payments for water and sewer projects not being defeased are approximately \$5.2 million.

The annual debt service payment in the Parking Facilities Fund is approximately \$.7 million in FY 2010-11. Revenues from the parking facilities and the on-street parking program are used to pay the debt service in the Parking Facilities Fund.

The annual debt service payment in the Storm Water Management Fund is approximately \$1.2 million in FY 2010-11. Revenues from the storm water utility fee will be used for these debt service payments.

The annual debt service payment in the Equipment, Maintenance and Replacement Fund is approximately \$.9 million in FY 2010-11. Revenues earned from leasing the equipment to the user departments will be used for these debt service payments.

The annual debt service payment in the Special Revenue Fund is approximately \$4.2 million in FY 2010-11. The related debt was issued for the construction of the Convention Center and Parking Deck. Revenues from the room occupancy tax will be used for these debt service payments.

## Annual Debt Service Requirements Outstanding Bonded Debt and Other Debt

| FISCAL YEAR   | General Fund       |           |               | Debt was not taken out by CFPUA<br>Pmts will be made to the City by CFPUA<br>W/S GO Bonds and COPS |           |               |
|---------------|--------------------|-----------|---------------|--|-----------|---------------|
|               | PRINCIPAL          | INTEREST  | TOTAL PAYMENT | PRINCIPAL  | INTEREST  | TOTAL PAYMENT |
| 2010-11       | 5,149,615          | 5,288,561 | 10,438,176    | 3,875,000  | 1,300,432 | 5,175,432     |
| 2011-12       | 5,211,400          | 5,093,557 | 10,304,957    | 3,870,000  | 1,151,028 | 5,021,028     |
| 2012-13       | 6,898,569          | 4,888,162 | 11,786,731    | 3,870,000  | 1,001,750 | 4,871,750     |
| 2013-14       | 7,003,569          | 4,623,411 | 11,626,980    | 3,865,000  | 852,398   | 4,717,398     |
| 2014-15       | 6,543,569          | 4,327,105 | 10,870,674    | 3,365,000  | 698,338   | 4,063,338     |
| 2015-16       | 6,558,569          | 4,057,180 | 10,615,749    | 1,055,000  | 557,995   | 1,612,995     |
| 2016-17       | 6,583,569          | 3,777,102 | 10,360,671    | 1,105,000  | 505,245   | 1,610,245     |
| 2017-18       | 6,693,569          | 3,487,036 | 10,180,605    | 1,165,000  | 449,995   | 1,614,995     |
| 2018-19       | 5,703,569          | 3,184,071 | 8,887,640     | 1,220,000  | 391,745   | 1,611,745     |
| 2019-20       | 5,703,569          | 2,924,031 | 8,627,600     | 1,285,000  | 330,745   | 1,615,745     |
| 2020-21       | 5,928,569          | 2,662,210 | 8,590,779     | 1,350,000  | 266,495   | 1,616,495     |
| 2021-22       | 5,791,069          | 2,388,649 | 8,179,718     | 1,415,000  | 198,995   | 1,613,995     |
| 2022-23       | 5,648,569          | 2,119,444 | 7,768,013     | 1,485,000  | 128,245   | 1,613,245     |
| 2023-24       | 5,430,000          | 1,852,828 | 7,282,828     | 1,550,000  | 65,875    | 1,615,875     |
| 2024-25       | 5,430,000          | 1,592,612 | 7,022,612     | -  | -         | -             |
| 2025-26       | 5,435,000          | 1,330,139 | 6,765,139     | -  | -         | -             |
| 2026-27       | 5,435,000          | 1,065,445 | 6,500,445     | -  | -         | -             |
| 2027-28       | 5,435,000          | 797,469   | 6,232,469     | -  | -         | -             |
| 2028-29       | 4,700,000          | 526,973   | 5,226,973     | -  | -         | -             |
| 2029-30       | 3,270,000          | 300,080   | 3,570,080     | -  | -         | -             |
| 2030-31       | 1,330,000          | 131,950   | 1,461,950     | -  | -         | -             |
| 2031-32       | 1,330,000          | 65,975    | 1,395,975     | -  | -         | -             |
| 2032-33       | -                  | -         | -             | -  | -         | -             |
| 2033-34       | -                  | -         | -             | -  | -         | -             |
| <b>Totals</b> | <b>117,212,774</b> |           |               | <b>30,475,000</b>  |           |               |

## Annual Debt Service Requirements Outstanding Bonded Debt and Other Debt

| FISCAL<br>YEAR | Parking Facilities Fund |          |                  | Storm Water Utility Fund |          |                  |
|----------------|-------------------------|----------|------------------|--------------------------|----------|------------------|
|                | PRINCIPAL               | INTEREST | TOTAL<br>PAYMENT | PRINCIPAL                | INTEREST | TOTAL<br>PAYMENT |
| 2010-11        | 406,431                 | 331,285  | 737,716          | 515,000                  | 662,379  | 1,177,379        |
| 2011-12        | 401,431                 | 315,085  | 716,516          | 540,000                  | 641,054  | 1,181,054        |
| 2012-13        | 406,431                 | 299,085  | 705,516          | 555,000                  | 618,441  | 1,173,441        |
| 2013-14        | 406,431                 | 278,835  | 685,266          | 575,000                  | 595,281  | 1,170,281        |
| 2014-15        | 406,431                 | 258,585  | 665,016          | 595,000                  | 570,781  | 1,165,781        |
| 2015-16        | 406,431                 | 241,575  | 648,006          | 620,000                  | 545,231  | 1,165,231        |
| 2016-17        | 406,431                 | 224,363  | 630,794          | 640,000                  | 518,719  | 1,158,719        |
| 2017-18        | 406,431                 | 206,745  | 613,176          | 665,000                  | 490,956  | 1,155,956        |
| 2018-19        | 406,431                 | 188,925  | 595,356          | 695,000                  | 460,656  | 1,155,656        |
| 2019-20        | 406,431                 | 170,700  | 577,131          | 720,000                  | 429,006  | 1,149,006        |
| 2020-21        | 406,431                 | 151,969  | 558,400          | 745,000                  | 396,231  | 1,141,231        |
| 2021-22        | 406,431                 | 133,238  | 539,669          | 775,000                  | 362,356  | 1,137,356        |
| 2022-23        | 401,431                 | 114,000  | 515,431          | 515,000                  | 326,250  | 841,250          |
| 2023-24        | 400,000                 | 95,000   | 495,000          | 535,000                  | 300,500  | 835,500          |
| 2024-25        | 400,000                 | 76,000   | 476,000          | 560,000                  | 273,750  | 833,750          |
| 2025-26        | 400,000                 | 57,000   | 457,000          | 515,000                  | 245,750  | 760,750          |
| 2026-27        | 400,000                 | 38,000   | 438,000          | 540,000                  | 220,000  | 760,000          |
| 2027-28        | 400,000                 | 19,000   | 419,000          | 570,000                  | 193,000  | 763,000          |
| 2028-29        |                         |          |                  | 595,000                  | 164,500  | 759,500          |
| 2029-30        |                         |          |                  | 625,000                  | 134,750  | 759,750          |
| 2030-31        |                         |          |                  | 655,000                  | 103,500  | 758,500          |
| 2031-32        |                         |          |                  | 690,000                  | 70,750   | 760,750          |
| 2032-33        |                         |          |                  | 725,000                  | 36,250   | 761,250          |
|                |                         |          |                  |                          |          | -                |
| <b>Totals</b>  | 7,273,603               |          |                  | 14,165,000               |          |                  |

## Annual Debt Service Requirements Outstanding Bonded Debt and Other Debt

| FISCAL YEAR   | Equipment, Maintenance & Repl |          |               | Special Revenue Fund - Conv Center |           |               |
|---------------|-------------------------------|----------|---------------|------------------------------------|-----------|---------------|
|               | PRINCIPAL                     | INTEREST | TOTAL PAYMENT | PRINCIPAL                          | INTEREST  | TOTAL PAYMENT |
| 2010-11       | 823,960                       | 45,005   | 868,964       | 1,410,000                          | 2,820,698 | 4,230,698     |
| 2011-12       | 783,680                       | 14,371   | 798,050       | 1,425,000                          | 2,799,125 | 4,224,125     |
| 2012-13       |                               |          |               | 1,460,000                          | 2,773,048 | 4,233,048     |
| 2013-14       |                               |          |               | 1,490,000                          | 2,738,154 | 4,228,154     |
| 2014-15       |                               |          |               | 1,535,000                          | 2,691,815 | 4,226,815     |
| 2015-16       |                               |          |               | 2,015,000                          | 2,639,471 | 4,654,471     |
| 2016-17       |                               |          |               | 1,455,000                          | 2,559,092 | 4,014,092     |
| 2017-18       |                               |          |               | 1,515,000                          | 2,499,957 | 4,014,957     |
| 2018-19       |                               |          |               | 1,580,000                          | 2,437,331 | 4,017,331     |
| 2019-20       |                               |          |               | 1,645,000                          | 2,370,923 | 4,015,923     |
| 2020-21       |                               |          |               | 1,715,000                          | 2,299,787 | 4,014,787     |
| 2021-22       |                               |          |               | 1,790,000                          | 2,225,325 | 4,015,325     |
| 2022-23       |                               |          |               | 1,870,000                          | 2,146,355 | 4,016,355     |
| 2023-24       |                               |          |               | 1,955,000                          | 2,062,233 | 4,017,233     |
| 2024-25       |                               |          |               | 2,045,000                          | 1,969,184 | 4,014,184     |
| 2025-26       |                               |          |               | 2,145,000                          | 1,871,832 | 4,016,832     |
| 2026-27       |                               |          |               | 2,245,000                          | 1,769,677 | 4,014,677     |
| 2027-28       |                               |          |               | 2,355,000                          | 1,662,720 | 4,017,720     |
| 2028-29       |                               |          |               | 2,465,000                          | 1,550,500 | 4,015,500     |
| 2029-30       |                               |          |               | 2,590,000                          | 1,427,250 | 4,017,250     |
| 2030-31       |                               |          |               | 2,720,000                          | 1,297,750 | 4,017,750     |
| 2031-32       |                               |          |               | 2,855,000                          | 1,161,750 | 4,016,750     |
| 2032-33       |                               |          |               | 2,995,000                          | 1,019,000 | 4,014,000     |
| 2033-34       |                               |          |               | 3,145,000                          | 869,250   | 4,014,250     |
| 2034-35       |                               |          |               | 3,305,000                          | 712,000   | 4,017,000     |
| 2035-36       |                               |          |               | 3,470,000                          | 546,750   | 4,016,750     |
| 2036-37       |                               |          |               | 3,640,000                          | 373,250   | 4,013,250     |
| 2037-38       |                               |          |               | 3,825,000                          | 191,250   | 4,016,250     |
|               |                               |          |               | -                                  | -         | -             |
| <b>Totals</b> | 1,607,638                     |          |               | 62,660,000                         |           |               |

## Debt Management

### LEGAL DEBT MARGIN

The North Carolina General Statutes set a legal limit on the amount of the debt that can be issued by a unit of local government. NCGS 159-55 sets the legal net debt limit at 8% of the City's assessed valuation. Net debt is total outstanding bonded debt plus other outstanding debt minus debt issued for water enterprise operations. The legal debt margin is the amount of debt that a unit of local government can legally incur at a given point in time.

As of June 30, 2010, the City of Wilmington could legally issue an additional \$924 million of debt. The City's net debt as of June 30, 2010, is estimated at 1.46% of the assessed valuation of the City, well below the 8% legal limit. The City's net debt as of June 30, 2011 is projected at 1.37% of the assessed valuation of the City.

### Legal Debt Margin

|  | <b>AS OF<br/>JUNE 30,2010</b> | <b>AS OF<br/>JUNE 30,2011</b> |
|--|-------------------------------|-------------------------------|
| Estimated Assessed Valuation<br>(As Per FY 20009-10 TR2 and FY 2010-11 Budget) | 14,132,537,493                | 14,399,460,000                |
| Legal Debt Limit<br>(8% of Assessed Valuation)                                 | 1,130,602,999                 | 1,151,956,800                 |
| Amount of Debt Applicable to Legal Debt Limit - NET DEBT                       |                               |                               |
| Total Bonded Debt  | 33,865,000                    | 29,270,000.00                 |
| Total Other Debt (excluding Revenue Bonds)                                     | 186,464,016                   | 179,319,010.00                |
| Total Gross Debt   | 220,329,016                   | 208,589,010.00                |
| Minus Bonded Debt for Water Enterprise Operations                              | 14,210,000                    | 11,185,000                    |
| <b>TOTAL NET DEBT</b>  | <b>206,119,016</b>            | <b>197,404,010</b>            |
| <b>PERCENT OF ASSESSED VALUATION</b>   | <b>1.46%</b>                  | <b>1.37%</b>                  |
| <b>LEGAL DEBT MARGIN</b>   | <b>924,483,983</b>            | <b>954,552,790</b>            |

## Debt Management

### NET DIRECT DEBT PER CAPITA

Net Direct Debt per capita is a measure used to compare the debt burdens of cities and other local governments. Net Direct debt per capita is the total of all long-term obligations less the year-end balance of the debt service fund and less self-supporting debt. As of June 30, 2010, the City of Wilmington's outstanding net debt per capita is estimated at approximately \$1,079. As of June 30, 2011, it is estimated at approximately \$1,036.

### Net Direct Debt Per Capita

|   | <u>AS OF<br/>JUNE 30, 2010</u> | <u>AS OF<br/>JUNE 30, 2011</u> |
|---|--------------------------------|--------------------------------|
| Estimated City Population               | 101,977                        | 103,195                        |
| Total Debt                              | 233,394,016                    | 221,214,010                    |
| Less year-end balance debt service fund | 7,177,177                      | 5,178,119                      |
| Less self-supporting debt               | 116,181,242                    | 109,150,851                    |
| Net Direct Debt                         | 110,035,597                    | 106,885,040                    |
| <b>Net Direct Debt Per Capita</b>       | <b>1,079</b>                   | <b>1,036</b>                   |

### NET DIRECT DEBT AS A PERCENT OF OPERATING

The amount of annual debt service for net debt as a percentage of the annual operating budget is another measure of a city's debt burden. For FY 2010-11, debt service for net debt (debt to be retired with general tax revenues) totals approximately 10.4 million. With a total General Fund operating budget of approximately 84.3 million, this represents 12.34% of the annual operating budget. It is recommended that annual debt service payments not exceed 15% - 20% of annual operating expenses. Most local governments in North Carolina are in the 10% - 15% range. No debt service for water and sewer projects, Stormwater Management Fund, Golf Enterprise Fund, Parking Facilities Fund or Special Revenue Fund (Convention Center) are paid with general tax revenues.

### Debt Service - % of Operating Budget

|              | FY 2010-11<br>OPERATING<br>BUDGET | FY 2010-11<br>TOTAL<br>DEBT SERVICE | FY 2010-11<br>% OF OPERATING<br>BUDGET |
|--------------|-----------------------------------|-------------------------------------|--|
| General Fund | 84,346,388                        | 10,438,176                          | 12.38%                                 |