

# CITY OF HIGH POINT

## AGENDA ITEM



|   |                                   |
|---|-----------------------------------|
| <b>TITLE:</b> FY 2024-25 Proposed Budget – City of High Point   |                                   |
| <b>FROM:</b> Stephen Hawryluk, Budget, and Performance Director | <b>MEETING DATE:</b> May 15, 2024 |
| <b>PUBLIC HEARING:</b> N/A                                      | <b>ADVERTISED DATE/BY:</b> N/A    |
| <b>ATTACHMENTS:</b> None  |                                   |

**PURPOSE:** To continue discussion on the City of High Point proposed FY 2024-25 budget.

**BACKGROUND:** Staff will provide information on the City of High Point proposed FY 2024-25 budget.

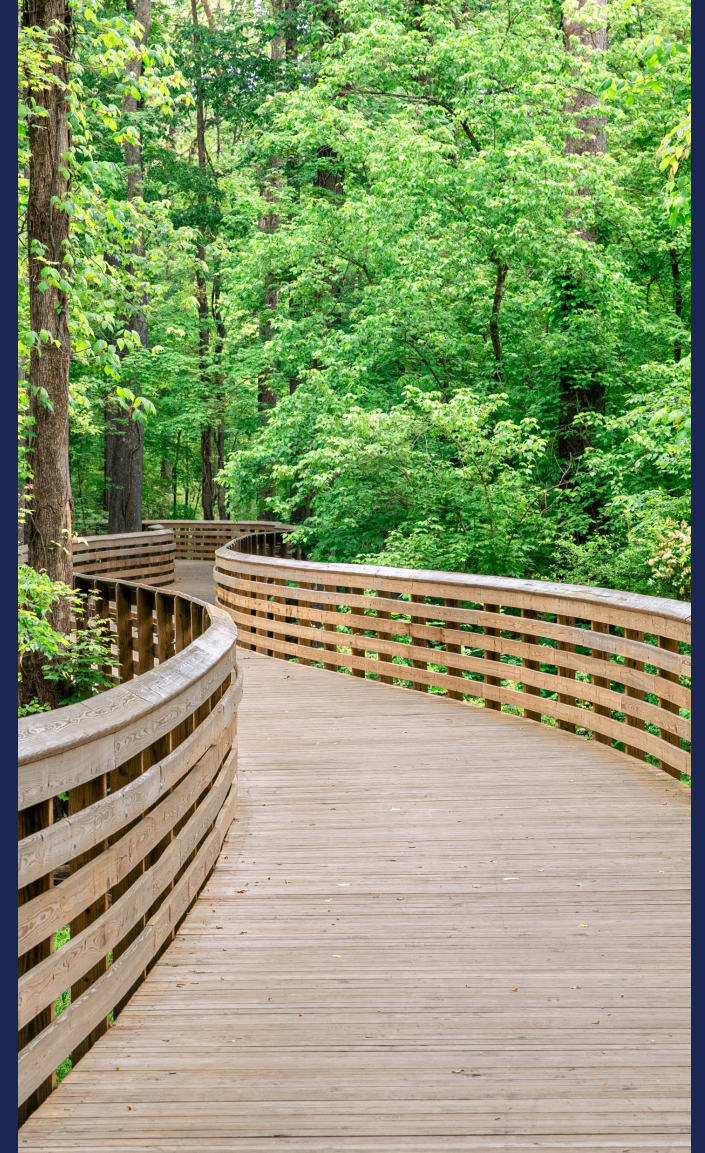
**BUDGET IMPACT:** N/A

**RECOMMENDATION/ACTION REQUESTED:** None





# FY 2024-25 BUDGET WORK SESSION May 15, 2024





# WORK SESSION TOPICS

- Public Safety Pay Adjustments
- Mayor and City Council Expense Allowance
- Fee Schedule
- Capital Improvement Program (CIP)
- Tax Rate Reduction Scenarios
- Next Steps



# PUBLIC SAFETY PAY ADJUSTMENTS

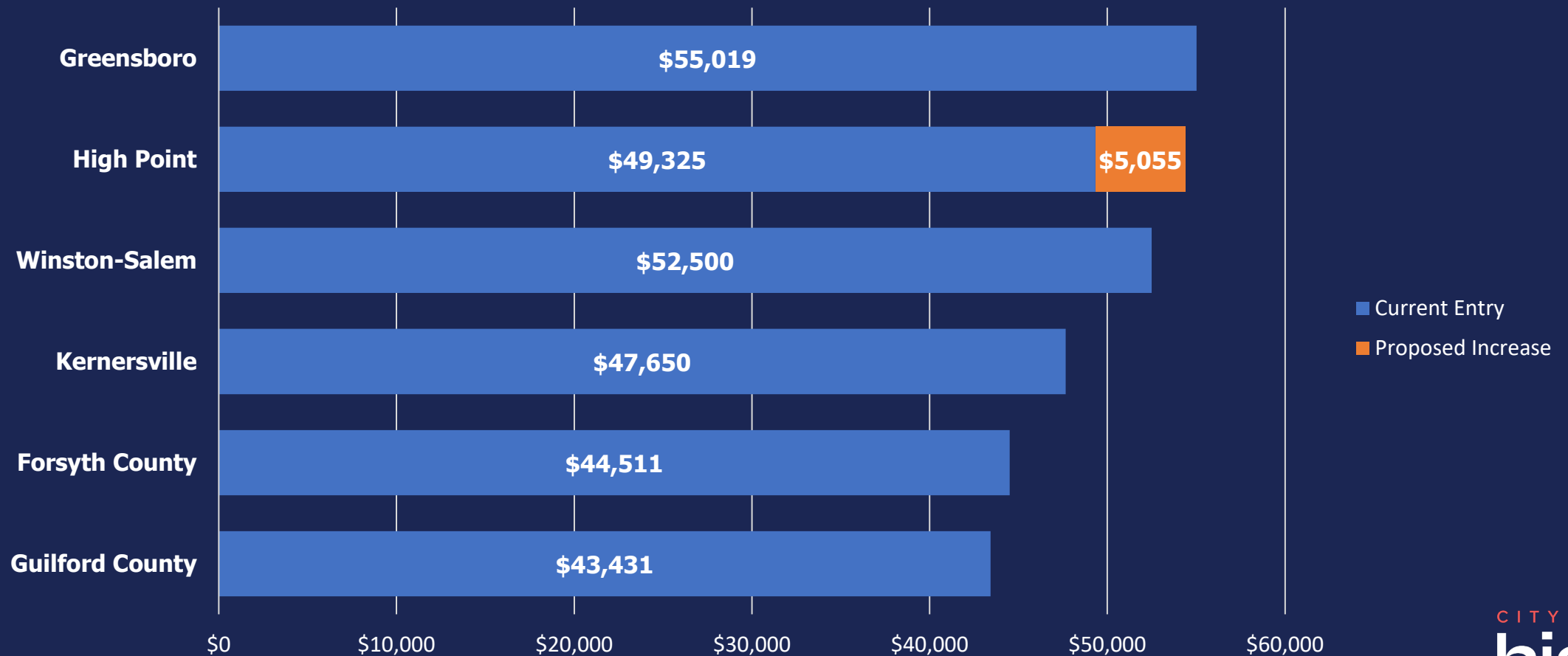




# PUBLIC SAFETY PAY ADJUSTMENTS

- Positions studied
  - Certified firefighters
  - Sworn law enforcement officers
  - Telecommunicators
- Market measured by entry point
- High Point behind key competitors
- Proposed increases
- Changes made to ensure equity between ranks

Police Officer current grade 29, minimum \$49,325 to proposed grade 31, minimum \$54,380



Firefighter current grade 27, minimum \$44,737 to proposed grade 28, minimum \$46,975





# MAYOR AND CITY COUNCIL EXPENSE ALLOWANCE





# MAYOR AND CITY COUNCIL EXPENSE ALLOWANCE

- September 2008 Council Action
  - Increase expense allowance by Consumer Price Index (CPI)
  - Southeast region CPI (annual), 2023 vs 2022 = 4.5%

| Elected Official | Current Expense Allowance | Proposed Expense Allowance |
|------------------|---------------------------|----------------------------|
| Mayor            | \$4,200                   | \$4,389                    |
| City Council     | \$3,600                   | \$3,762                    |

# MAYOR AND CITY COUNCIL EXPENSE ALLOWANCE

| Jurisdiction    | Mayor Expense Allowance | City Council Expense Allowance |
|-----------------|-------------------------|--------------------------------|
| High Point      | \$4,389 (proposed)      | \$3,762 (proposed)             |
| Guilford County | None                    | None                           |
| Greensboro      | \$10,712                | \$3,100                        |
| Winston-Salem   | \$8,400                 | \$5,100                        |
| Forsyth County  | None                    | None                           |
| Durham          | \$20,000                | \$9,000                        |
| Cary            | None                    | None                           |
| Wilmington      | \$4,900                 | \$4,150                        |
| Concord         | None                    | None                           |
| Asheville       | \$6,195                 | \$4,475                        |
| Fayetteville    | \$1,290                 | \$1,290                        |
| Greenville      | None                    | None                           |



# FEE SCHEDULE





# FEE SCHEDULE

## Water/Sewer

- Proposed 5% increase
- Drivers
  - Higher operating costs
    - Personnel
    - Chemicals, supplies, maintenance/repairs
  - Support Water/Sewer Capital Improvement Program (CIP)
    - Pay-Go
    - Revenue Bonds
- Hydrant meter deposit



# FEE SCHEDULE

## Electric

- Base facilities charge (revenue neutral)
- Consolidation of Time of Use, Coincident Peak, Commercial Non-Demand (revenue neutral)
- Renewable Energy Portfolio Standard (REPS) charge
- Electric Vehicle (EV) Charging – new
  - Equivalent of \$1.38/gallon of gas
  - \$8 to fully charge



# FEE SCHEDULE

## Parks and Recreation

- Golf course fees
- Recreation center rental
- Johnson Street Disc Golf Course – private usage
- Staff usage

## Parking

- Parking decks – non-reserved spaces, \$20/day, during semi-annual Furniture Market



# FEE SCHEDULE

## Theatre

- Auditorium rates
  - Daily corporate, daily non-profit, preferred clients
- Rehearsals, two performances
- Conference/Gallery Room rentals
- Mendenhall Terminal

## Transit

- Transit user card minimum deposit



# CAPITAL IMPROVEMENT PROGRAM (CIP)

FY 2024-25 PROPOSED BUDGET





# CAPITAL IMPROVEMENT PROGRAM (CIP)

- Proposed FY 2024-25 Capital Projects

| Area            | Amount              |
|-----------------|---------------------|
| General Capital | \$3,682,000         |
| Water/Sewer     | 11,154,983          |
| Electric        | 25,810,000          |
| Transit         | 3,702,050           |
| Parking         | 75,000              |
| Solid Waste     | 1,626,000           |
| Stormwater      | 934,883             |
| <b>Total</b>    | <b>\$46,984,916</b> |



# GENERAL CAPITAL PROJECTS

| Project  | Department             | Amount      |
|--|------------------------|-------------|
| ERP Upgrade  | Information Technology | \$1,125,000 |
| Commercial Shared-Use Kitchen                        | Facilities Projects    | 350,000     |
| Firing Range Improvements                            | Police                 | 100,000     |
| Station Upgrades/Renovations                         | Fire                   | 350,000     |
| Restroom Renovations – Oak Hollow Campground         | Parks & Recreation     | 85,000      |
| Playground & Equipment                               | Parks & Recreation     | 75,000      |
| Park Improvements – Outdoor Courts                   | Parks & Recreation     | 170,000     |
| Parks & Recreation Deferred Maintenance Program      | Parks & Recreation     | 225,000     |
| Museum Parking Lot Improvements                      | Library                | 70,000      |
| Library Sound Absorbing Ceiling Tiles                | Library                | 77,000      |
| GIS Orthoimagery Program                             | Planning               | 45,000      |
| Traffic Services Parking & Equipment Lot Resurfacing | Transportation         | 300,000     |
| Northwest High Point Connector Road Study            | Transportation         | 175,000     |
| Neighborhood Traffic Enhancements                    | Transportation         | 50,000      |



# GENERAL CAPITAL PROJECTS

| Project                                   | Department      | Amount             |
|---|-----------------|--------------------|
| North Main Street Pedestrian Improvements | Transportation  | \$75,000           |
| Local Match for NCDOT Bridge Projects     | Public Services | 45,000             |
| Local Bridge Maintenance/Repair           | Public Services | 365,000            |
| <b>Total – General Capital</b>            |                 | <b>\$3,682,000</b> |



# WATER/SEWER PROJECTS

| Project   | Amount    |
|---|-----------|
| Generators – Automation & Replacement                   | \$250,000 |
| Obsolete Water Lines                                    | 1,000,000 |
| Obsolete Sewer Lines                                    | 1,000,000 |
| SCADA System Upgrade                                    | 2,000,000 |
| Alum Sludge Removal                                     | 375,000   |
| Westside – Final Clarifier #3 Coating Repairs           | 120,000   |
| Water Storage Tank Maintenance                          | 200,000   |
| Wastewater Plants & Lift Stations Equipment Replacement | 151,000   |
| Water Distribution Master Plan CIP Recommendations      | 300,000   |
| NCDOT – Highway 70 & 29 at South Main Improvements      | 2,798,983 |
| Ward Water Treatment Plant Capital Projects             | 150,000   |
| Eastside – Rebuild of Final Clarifier #4                | 339,000   |
| Ward Water Plant Filters – 1-4 Rebuild                  | 1,721,000 |
| Compliance with Lead & Copper Rule Revisions            | 750,000   |

**Total – Water/Sewer**

**\$11,154,983**



# ELECTRIC PROJECTS

| Project  | Amount              |
|--|---------------------|
| Area Outdoor Lighting                          | \$110,000           |
| Street Lighting                                | 200,000             |
| Downtown Underground                           | 200,000             |
| Overhead to Underground Conversion             | 100,000             |
| Eastchester Transformer 2 Replacement          | 600,000             |
| NCDOT Eastchester Widening                     | 2,500,000           |
| New Municipal Operations Center – Construction | 7,000,000           |
| Downtown Underground – Showroom District       | 3,100,000           |
| Phillips Substation Expansion                  | 1,000,000           |
| Washington Street Project                      | 4,000,000           |
| Automated Meter Reading Initiative             | 7,000,000           |
| <b>Total – Electric</b>                        | <b>\$25,810,000</b> |



# OTHER CAPITAL PROJECTS

| Project   | Amount             |
|---|--------------------|
| <u>Transit</u>  |                    |
| Five Points Transfer Hub Acquisition/Construction     | \$1,275,000        |
| Operators' Training Property Acquisition/Construction | 1,541,250          |
| Broad Avenue Terminal                                 | 125,000            |
| Paratransit Vehicle Replacement                       | 760,800            |
| <b>Total – Transit</b>                                | <b>\$3,702,050</b> |
| <u>Parking</u>  |                    |
| Parking Deck Improvements                             | \$75,000           |
| <b>Total – Parking</b>                                | <b>\$75,000</b>    |



# OTHER CAPITAL PROJECTS

| Project  | Amount             |
|--|--------------------|
| <u>Solid Waste</u>                             |                    |
| Future Solid Waste Equipment Replacement       | \$260,000          |
| MRF Ongoing Maintenance                        | 50,000             |
| Land Development – Land Purchase               | 50,000             |
| Kersey Valley Phase I-IV Post Closure Reserve  | 171,000            |
| Kersey Valley Landfill Transfer Station        | 200,000            |
| Asphalt & Underlayment – Ingleside & MRF       | 895,000            |
| <b>Total – Solid Waste</b>                     | <b>\$1,626,000</b> |
| <u>Stormwater</u>                              |                    |
| Mill Avenue Stormwater Drainage System Repairs | \$307,205          |
| CCTV Trailer with Equipment Replacement        | 227,858            |
| Rockford/Rotary/Farris                         | 400,000            |
| <b>Total – Stormwater</b>                      | <b>\$934,883</b>   |



# TAX RATE REDUCTION SCENARIOS



# TAX RATE REDUCTION SCENARIOS

- 2-cent tax rate reduction (from proposed)

| Item                                   | Amount      | Tax Rate Equivalent |
|--|-------------|---------------------|
| Eliminate Fire market adjustment       | \$325,000   | 0.24                |
| Eliminate Police market adjustment     | \$908,000   | 0.67                |
| Eliminate Parking Fund subsidy         | \$165,000   | 0.12                |
| Reduce average merit increase to 2.5%  | \$244,000   | 0.18                |
| Reduce general capital allocation*     | \$500,000   | 0.37                |
| Eliminate Library social work contract | \$137,000   | 0.10                |
| Forgive internal loan for stadium      | \$444,000   | 0.32                |
| Total                                  | \$2,723,000 | 2.00                |

\*Reducing capital affects the ability to fund new capital projects in future years

# TAX RATE REDUCTION SCENARIOS

- 1-cent tax rate reduction (from proposed)

| Item                                       | Amount      | Tax Rate Equivalent |
|--|-------------|---------------------|
| Defer Fire market adjustment to January*   | \$162,500   | 0.12                |
| Defer Police market adjustment to January* | \$454,000   | 0.33                |
| Eliminate Parking Fund subsidy             | \$165,000   | 0.12                |
| Reduce general capital allocation          | \$445,000   | 0.33                |
| Eliminate Library social work contract     | \$137,000   | 0.10                |
| Total                                      | \$1,363,500 | 1.00                |

\*Full year's cost of the public safety pay adjustments will have an impact on the FY 2025-26 budget



# NEXT STEPS

- Monday, May 20, 2024 at 5:30 pm
  - Public Hearing at City Council meeting
- Wednesday, May 22, 2024 at 4 pm
  - Budget Work Session (Responses to Questions, Presentations from Market Authority, Visit High Point, Downtown High Point)
- Wednesday, May 29, 2024 at 4 pm *(if needed)*
  - Budget Work Session
- Monday, June 3, 2024 at 5:30 pm
  - Budget Adoption



QUESTIONS?

