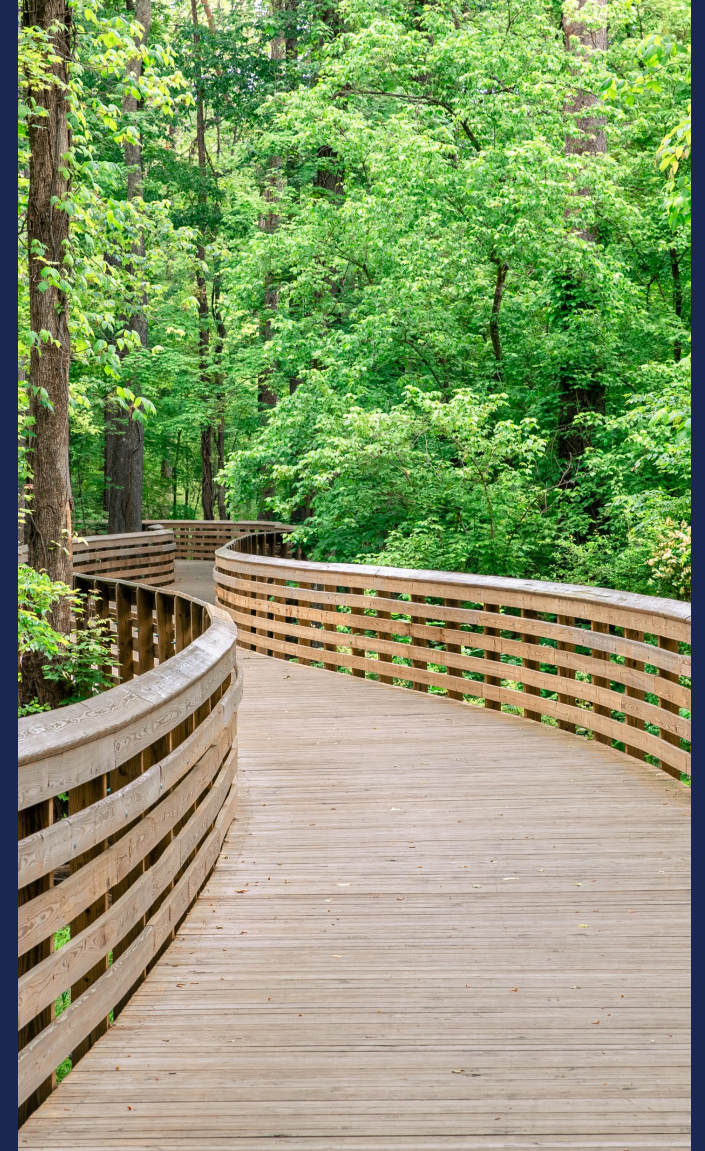




FY 2024-25 PROPOSED BUDGET

STEPHEN M. HAWRYLUK
BUDGET & PERFORMANCE DIRECTOR





BUDGET OVERVIEW

- Total Budget
 - Revenues
 - Expenditures
- General Fund
- Enterprise Funds
- Capital Improvement Program (CIP)
- Next Steps



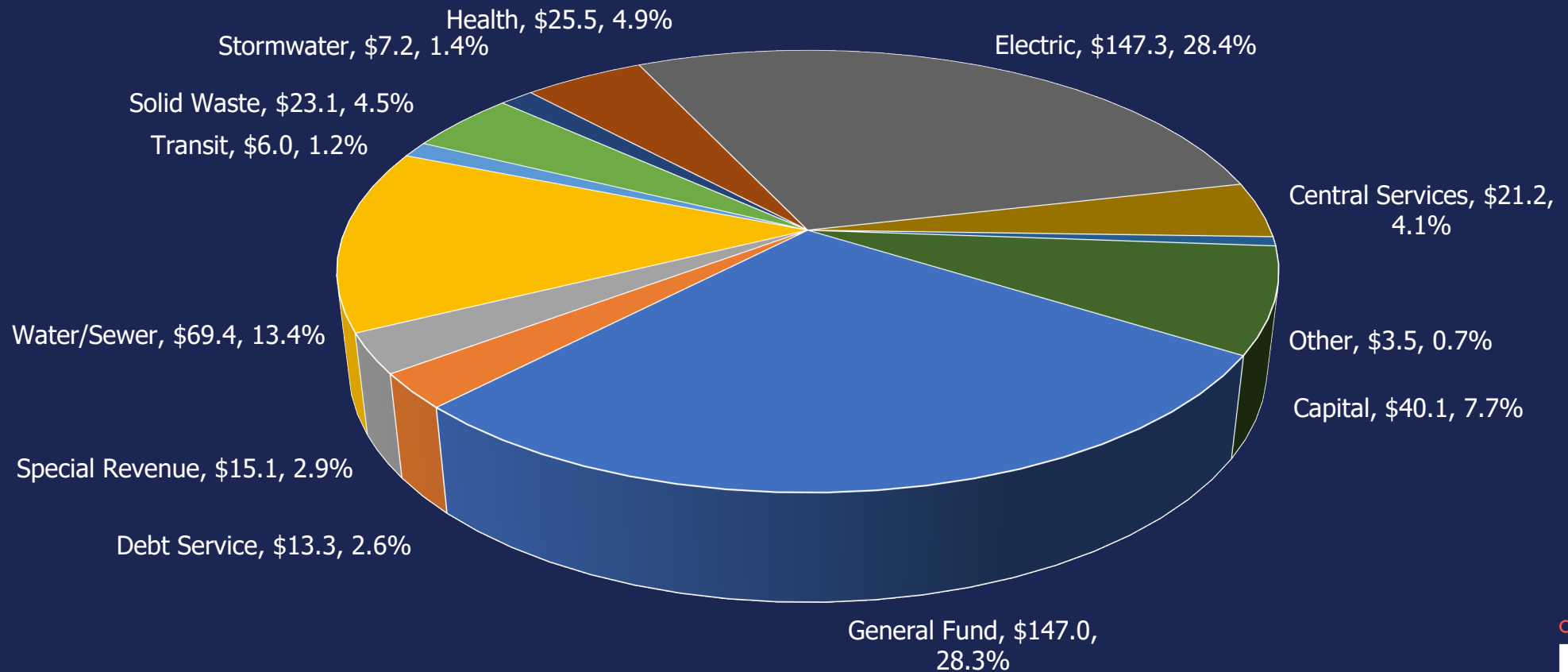
TOTAL BUDGET

FY 2024-25 PROPOSED BUDGET



TOTAL BUDGET: \$518.7 M

FY 2024-25 Proposed Budget – All Funds



REVENUES

Revenues	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	Amount Change	Percent Change
Fund Balance	\$14,125,091	\$28,374,377	\$14,249,286	100.9%
Property Taxes	83,146,149	88,668,807	5,522,658	6.6%
Sales & Use Taxes	41,479,080	40,942,178	(536,902)	-1.3%
Intergovernmental Revenues	28,138,684	23,678,950	(4,459,734)	-15.8%
Licenses & Permits	6,657,675	6,871,475	213,800	3.2%
Charges for Services	257,188,657	264,024,484	6,835,827	2.7%
Miscellaneous Revenues	11,747,747	17,051,644	5,303,897	45.1%
Reimbursements/Transfers	36,054,504	49,114,388	13,059,884	36.2%
Total Revenues	\$478,537,587	\$518,726,303	\$40,188,716	8.4%



REVENUES

- Raises the property tax rate 3¢ to 64.75¢ per \$100 of valuation
- No increase to the following:
 - Solid Waste fees
 - Stormwater fees
- Proposed 5% increase in water/sewer rates



REVENUES

- Electric rates – no increase
 - Base facilities charge (revenue neutral)
 - Consolidation of Time of Use, Coincident Peak, Commercial Non-Demand (revenue neutral) fee schedules
 - Renewable Energy Portfolio Standard (REPS) charge
 - Electric Vehicle (EV) Charging – new
- Other fee schedule changes:
 - Parks & Recreation fees
 - Theatre auditorium rates
 - Other – hydrant meter deposits, non-leased parking spaces (decks), reduction of minimum deposit on transit user cards



REVENUES

- Property Taxes: +\$5.52 million
 - 1¢ = \$1,362,466
 - Valuation: \$13,739,614,484
- Sales & Use Taxes: -\$536,902
 - Retail sales: -\$996,902
 - Current year-end: 1.3% above FY 2022-23 (+\$382K)
 - FY 2024-25 sales tax 2.75% growth above projected year-end
 - Ad valorem distribution change
 - Utility sales tax (electric and natural gas): +\$375,000

Fund	Current Rate	Proposed Rate
General Fund	58.35¢	61.35¢
Debt Service	3.40¢	3.40¢
Total	61.75¢	64.75¢



REVENUES

- Sales Tax Distribution
 - Per Capita – percentage of population
 - Davidson, Randolph
 - Ad Valorem – percentage of property tax revenues
 - Forsyth, Guilford
- Guilford Ad Valorem Percentage for High Point
 - FY 2023-24: 9.04415%
 - Projected FY 2024-25: 8.72860%
- Impact to High Point
 - \$815,000 in sales tax revenue distributed to other Guilford jurisdictions



REVENUES

- Intergovernmental: -\$4.46 million
 - Capital grants: -\$7.0 million
 - 300 Oak federal grant: +\$3.0 million
- Charges for Service: +\$6.84 million
 - Water/Sewer: +\$3.29 million
 - Health Insurance Fund: +\$1.28 million
- Fund Balance: +\$14.25 million
 - Electric: +\$11.5 million (capital)

EXPENDITURES

Expenditures	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	Amount Change	Percent Change
Personnel Services	\$159,941,825	\$172,084,624	\$12,142,799	7.6%
Operating	183,009,869	185,636,933	2,627,064	1.4%
Capital Outlay	47,137,654	57,312,171	10,174,517	21.6%
Debt Service	32,707,813	33,275,305	567,492	1.7%
Reimbursements	17,119,465	19,136,425	2,016,960	11.8%
Contingency	1,150,000	750,000	(400,000)	-34.8%
Subtotal Expenditures	\$441,066,626	\$468,195,458	\$27,128,832	6.2%
Interfund Transfers	\$37,470,961	\$50,530,845	\$13,059,884	34.9%
Total Revenues	\$478,537,587	\$518,726,303	\$40,188,716	8.4%



EXPENDITURES

- Personnel Services: +\$12.14 million
 - Salary changes from previous years: +\$1.49 million
 - Classification/compensation study for 1/3 of city positions (including Fire)
- FY 2024-25 proposed salary changes:
 - Average 3% mid-year merit pay adjustment: \$2.09 million
 - Additional market increases for certified fire and sworn police: \$1.23 million
 - Increased employer contribution to the Local Government Employees' Retirement System (LGERS): \$1.69 million
 - Increased employer costs to City health plan: \$2.29 million
 - Increase to Mayor and City Council expense allowance

EXPENDITURES

- New positions – 5 full-time and 6 part-time

Department	Position	FY 2024-25 Cost
FULL-TIME		
Communications & Public Engagement	Communications Specialist	\$98,932
Finance	Buyer	66,629
Information Technology	GIS Manager	130,991
Water/Sewer	Public Services IT Coordinator	123,175
Water/Sewer	Assistant Superintendent	94,820
Subtotal – Full-Time		\$515,547
PART-TIME		
Parks & Recreation	Lifeguards (3)	\$19,725
Parks & Recreation	Park Attendants (3)	17,465
Subtotal – Part-Time		\$37,190



EXPENDITURES

- Operating: +\$2.63 M
 - Wholesale power costs: -\$7.0 million
 - State/federal grants: +\$2.45 million
 - Vehicle maintenance/repairs and Fleet charges for vehicle and rolling stock replacement: +\$1.58 million
 - Cost of doing business increases (supplies, chemicals, professional services, service contracts): +\$1.89 million
 - Examples
 - Information Technology investments: +\$1.02 million



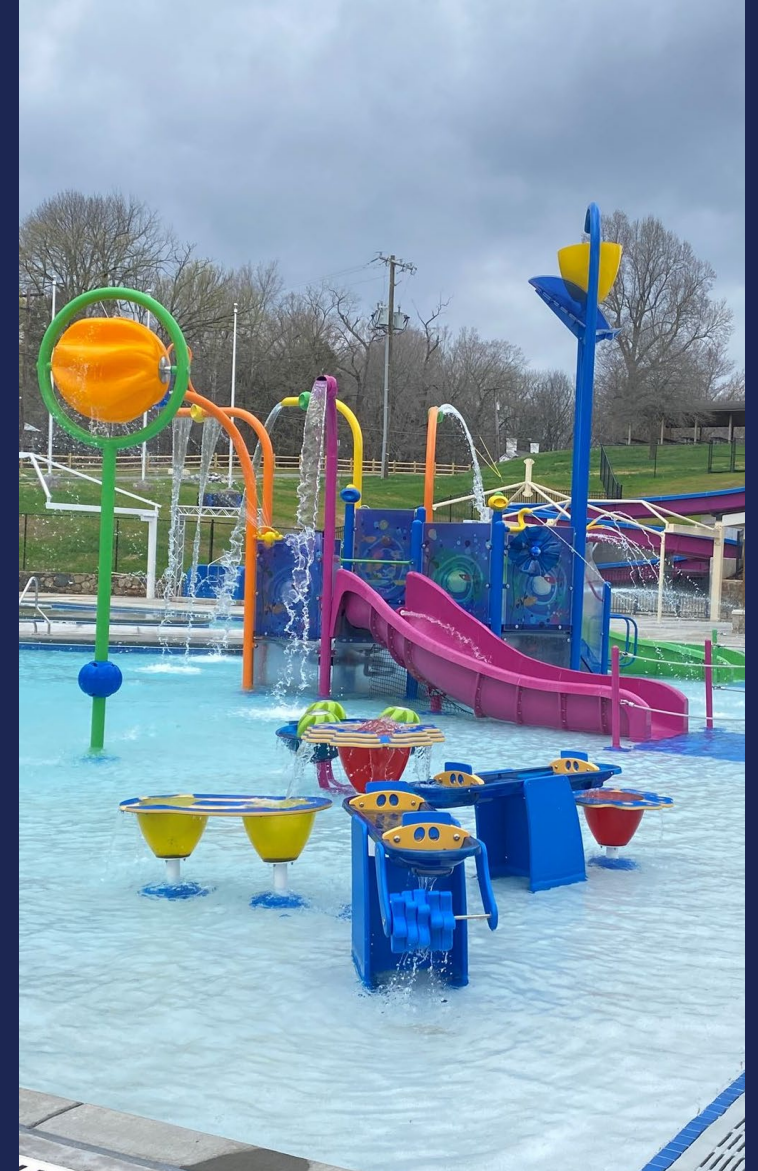
EXPENDITURES

- Capital & Capital Outlay: +\$10.17 million
 - Capital Outlay
 - Increased fire apparatus replacement cost: +\$180,000
 - Cost of an engine truck 40% higher than 2 years ago
 - Additional fleet vehicle/rolling stock replacement: +1.78 million
 - Capital Projects
 - General capital: -\$1.8 million
 - Electric: +\$15.7 million
 - Stormwater: -\$6.2 million



GENERAL FUND

FY 2024-25 PROPOSED BUDGET





GENERAL FUND - REVENUES

- Proposed increase in property tax rate by 3¢
- Sales & Use Taxes: -\$3.07 million
 - Occupancy tax revenues are no longer in the General Fund
 - Retail sales tax reduction in ad valorem distribution percentage
- Licenses & Permits: +\$213K
- Charges for Service: +\$640K
 - Parks & Recreation – pool admissions; merchandise sales
- Miscellaneous Revenue: +\$1.38 million
 - Investment income/higher interest rates

GENERAL FUND - EXPENDITURES

- Personnel Services: \$103,700,648 (+\$6.7 million)
 - Increases effective during FY 2023-24: +\$952,000
 - Addition of 3 full-time & 6 part-time positions

Personnel Drivers	Increase
1/3 compensation/classification study	\$472,000
Market salary increases certified fire personnel	325,000
Market salary increases sworn police personnel	908,000
Average 3% mid-year merit adjustment	1,460,000
Health care costs (City)	851,000
New full-time positions (3)	296,000
Total	\$4,312,000



GENERAL FUND - EXPENDITURES

Police and Fire market adjustments

- Salaries listed are minimum starting salary
- FY 2022-23 adjustments
 - Police: Fall 2022
 - Fire: Spring 2023

Position	July 1, 2022	FY 2022-23 Adjustments	Proposed FY 2024-25 Budget
Police Officer	\$42,606.72	\$49,325.12	\$54,379.52
Firefighter	\$38,646.40	\$44,736.64	\$46,974.72



GENERAL FUND - EXPENDITURES

- Operating & Capital Outlay: \$27,856,466 (-\$1.06 million)

Operating and Capital Outlay Drivers	Increase
Visit High Point contribution (moved to new fund)	-\$2,221,000
Property Tax administration fees	170,000
Computer/software licenses	902,000
Vehicle replacement charges	209,000
Parks and Recreation inventory purchases	203,000
Fire apparatus replacement	180,000
Total	-\$557,000



GENERAL FUND - EXPENDITURES

- Debt Service: \$2,311,601 (-\$13K)
 - Information Technology – equipment
 - Police - body worn cameras
 - Fire – apparatus replacement
- Interfund Transfers Out: \$13,170,074 (-\$325K)
 - Transfer to Debt Service Fund: \$6,533,563
 - Transfer to General Capital Projects Fund: \$3,000,323
 - Transfer to General Bond Projects Fund: \$600,000
 - Transfer to Transit Fund: \$1,815,955



ENTERPRISE FUNDS

FY 2024-25 PROPOSED BUDGET





WATER/SEWER FUND

- Proposed water/sewer rate increase of 5%
 - Rate increase helps fund personnel costs, operating costs (supplies, chemicals), and immediate infrastructure needs for the aging system
- No water/sewer reserve appropriation
- Addition of 2 full-time positions
 - Public Services IT Coordinator
 - Assistant Superintendent
- Pay-go capital projects totaling \$11.15 million



ELECTRIC FUND

- No proposed increases to electric rates
- Changes/new rates
 - Base facilities charge – revenue neutral
 - Consolidation of schedules for Time of Use, Consolidated Peak, Commercial Non-Demand – revenue neutral
 - Renewable Energy Portfolio Standard (REPS) charge
 - Electric Vehicle (EV) charging - new
- Wholesale power costs of \$83.0 million
- Pay-go capital projects totaling \$25.81 million



OTHER ENTERPRISE FUNDS

- Solid Waste Fund
 - No proposed changes to landfill or garbage collection fees
 - Operating increases driven by vehicle replacement costs, vehicle repairs, PFAS sampling regulations
 - Pay-go capital projects totaling \$1.63 million
- Stormwater Fund
 - No proposed changes to stormwater fees
 - \$450,000 contract for routine stormwater maintenance
 - Pay-go capital projects totaling \$934K



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
Total	\$46,984,916

- Full list of proposed projects in appendix



NEXT STEPS

- Wednesday, May 15, 2024 at 4 pm
 - Budget Work Session (CIP, Fee Schedule, Police/Fire Pay, Responses to Questions)
- 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, Forward 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?

FY 2024-25 PROPOSED BUDGET





APPENDIX – 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



APPENDIX – 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
Total – General Capital		\$3,682,000



APPENDIX – 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



APPENDIX – 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
Total – Electric	\$25,810,000



APPENDIX – 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
Total – Transit	\$3,702,050
<u>Parking</u>	
Parking Deck Improvements	\$75,000
Total – Parking	\$75,000



APPENDIX – 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
Total – Solid Waste	\$1,626,000
<u>Stormwater</u>	
Mill Avenue Stormwater Drainage System Repairs	\$307,205
CCTV Trailer with Equipment Replacement	227,858
Rockford/Rotary/Farris	400,000
Total – Stormwater	\$934,883