



FY 2022-23 PROPOSED BUDGET

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BUDGET OVERVIEW



- Budget Context
- Total Budget
 - Revenues
 - Expenditures
- Capital Improvement Plan (CIP)
- Next Steps

BUDGET CONTEXT

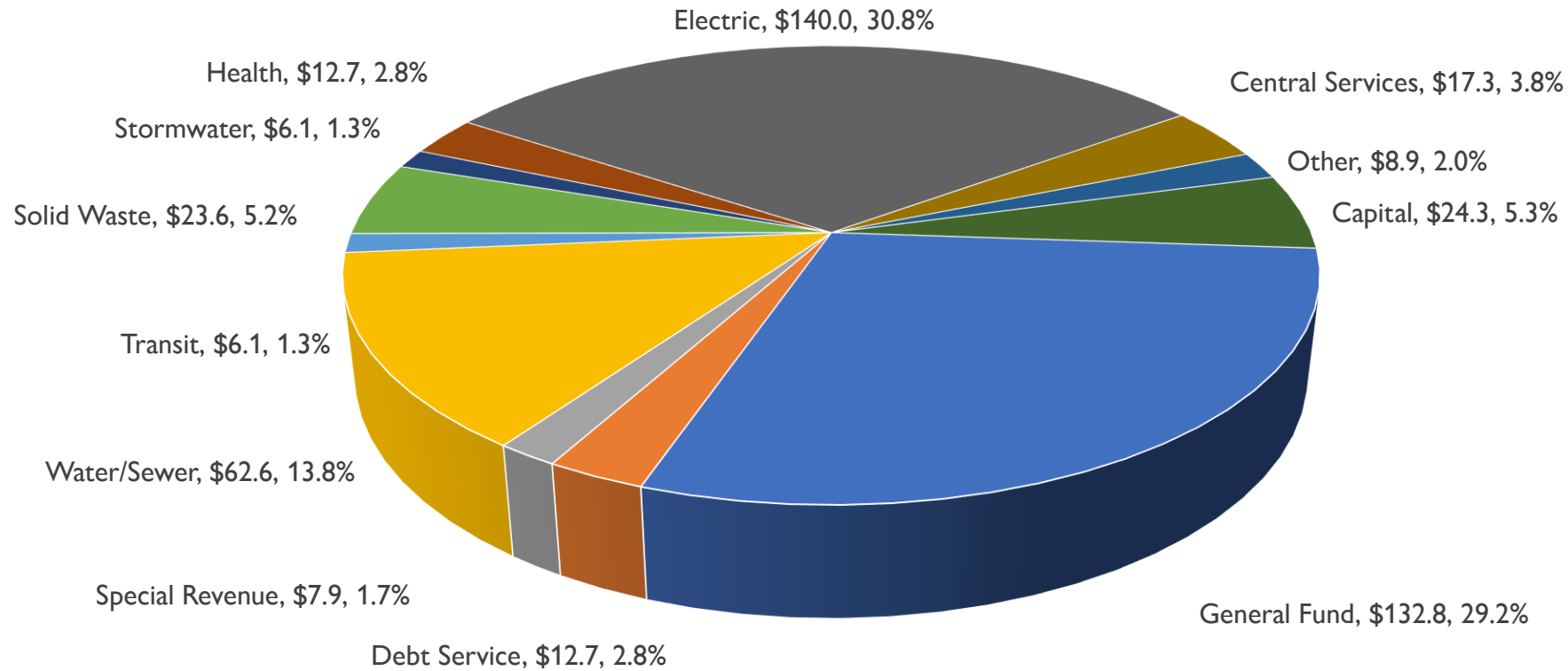


- Budget Challenges
 - COVID-19 variants
 - Supply chain
 - Inflation
 - Fuel prices
 - Retention and recruitment
 - Countywide revaluation
 - Continued restoration of budgets to pre-pandemic levels

TOTAL BUDGET: \$464.3 M



FY 22-23 PROPOSED BUDGET – ALL FUNDS



REVENUES



Revenues	FY 2021-22 Adopted Budget	FY 2022-23 Proposed Budget	Amount Change	Percent Change
Fund Balance	\$17,449,698	\$21,926,081	\$4,476,382	25.7%
Property Taxes	67,090,592	79,426,917	12,336,325	18.4%
Sales & Use Taxes	33,646,413	36,826,652	3,180,239	9.5%
Intergovernmental Revenues	18,494,377	20,093,449	1,599,072	8.6%
Licenses & Permits	6,056,850	6,328,675	271,825	4.5%
Charges for Service	240,153,925	252,349,693	12,195,768	5.1%
Miscellaneous	8,469,322	10,466,013	1,996,691	23.6%
Reimbursements/Transfers	24,976,912	26,895,846	11,918,934	47.7%
Total - Revenues	\$416,338,089	\$464,313,326	\$47,975,237	11.5%

REVENUES



- Reduces the tax rate by 3 cents to 61.75 cents per \$100 of valuation
- Proposed 4% increase in water/sewer rates
- Fee schedule changes
 - Parks and Recreation user fees
 - Fire inspection, permit, and violations
 - Other (City Clerk, Library, Public Services)
- No increases to the following:
 - Electric rates
 - Stormwater fees
 - Garbage collection fees

REVENUES



- Property Tax Rate
- 1 cent = \$1,275,482

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

- Revenue Neutral Tax Rate

Current Tax Base	\$10,331,481,566
Current Levy	\$66,896,343
Proposed Tax Base	\$12,864,013,741
Average growth	1.87%
Revenue neutral tax rate	52.97 cents

REVENUES



- Property Tax Impact

Current Value	Property Tax - Current	New Value (25% growth)	Property Tax - Proposed	Annual Change	Monthly Change
\$150,000	\$971.25	\$187,500	\$1,157.81	+\$186.56	+\$15.55
\$200,000	\$1,295.00	\$250,000	\$1,543.75	+\$248.75	+\$20.73
\$250,000	\$1,618.75	\$312,500	\$1,929.69	+\$310.94	+\$25.91

REVENUES



- Sales and Use Taxes: +\$3.18 M
 - Sales tax year-end projections 11.1% above FY 2020-21 (+\$2.65 M)
 - FY 2022-23 sales tax +4% above projected year-end
- Intergovernmental: +\$1.60 M
 - Transit operating and capital reimbursements: +\$732K
 - Powell Bill: +\$365K
 - Special Revenue Funds (grants): +\$257K
- Charges for Service: +\$12.2M
 - Water/Sewer: +\$5.6 M
 - Electric: +\$3.2 M
 - Other (Central Services, Health, Solid Waste, etc.): +\$3.4 M

EXPENDITURES



Expenditures	FY 2021-22 Adopted Budget	FY 2022-23 Proposed Budget	Amount Change	Percent Change
Personnel Services	\$141,434,811	\$154,333,690	\$12,898,879	9.1%
Operating	172,194,726	181,485,396	9,290,670	5.4%
Capital Outlay	30,091,244	41,821,215	11,729,971	39.0%
Debt Service	31,043,041	32,144,679	1,101,638	3.5%
Reimbursements	13,706,688	15,066,043	1,359,355	9.9%
Contingency	1,150,000	1,150,000	0	0.0%
Subtotal – Expenditures	\$389,620,510	\$426,001,023	\$36,380,513	9.3%
Interfund Transfers	\$26,717,579	\$38,312,303	\$11,594,724	43.4%
Total - Expenditures	\$416,338,089	\$464,313,326	\$47,975,237	11.5%

EXPENDITURES



- Personnel Services: +\$12.9 M
 - FY 2021-22 salary changes: \$3.2 M
 - 2.5% Cost of Living Adjustment (COLA)
 - Increase to minimum \$15/hour rate of pay
 - FY 2022-23 proposed salary changes
 - Average 3% mid-year merit pay adjustment (\$1.86 M)
 - Increased city match for 401K/457 contributions from 1% to 3% (effective January 1, 2023) (\$786K)
 - Increased employer contribution to the Local Government Employees' Retirement System (LGERS) (\$2.03 M)
 - Increased employer costs to city health plan (no increase to employee contribution) (\$1.64 M)

EXPENDITURES



- Benefits Changes
 - Several benefits changes researched
 - Benefit to employees
 - Fiscal impact
 - Comparison with other municipalities
 - City match to 401K/457 contributions
 - Paid parental leave
 - Employee health clinic

EXPENDITURES



- Municipal Comparisons – Employee Benefits

Municipality	401K/457 Match	Automatic?	Paid Parental Leave	Employee Health Clinic
Charlotte	3.00%	Yes	6 weeks	Yes
Raleigh	3.00%	No	8 weeks	Yes
Greensboro	3.25%	Yes	6 weeks	Yes
Durham	5.00%	Yes	12 weeks	No
Winston-Salem	2.00%	Yes	12 weeks	Yes
Fayetteville	1.00%	No	None	No
Cary	5.00%	Yes	6 weeks	No
Wilmington	4.50%	Yes	6 weeks	Yes
Concord	3.50%	Yes	None	Yes
High Point (proposed)	3.00%	No	None	No

EXPENDITURES



- New positions – 11 full-time and 3 part-time

Department	Position	FY 2022-23 Cost
City Attorney's Office	Assistant City Attorney (2)	\$228,238
City Attorney's Office	Paralegal	60,956
Fire	Battalion Chief (2)	137,158
Electric	Power Line Technician	68,606
Water/Sewer	Water Plant Supervisor	121,792
Solid Waste	Grounds Maintenance Supervisor	86,219
Solid Waste	Groundskeeper (PT) (3)	140,075
Solid Waste	Solid Waste Manager	129,231
Solid Waste	Assistant Superintendent	110,173
Stormwater	Stormwater Superintendent	121,259
	Total Cost – All Funds	\$1,203,707

EXPENDITURES



- Other positions proposal – 9 full-time and 2 part-time titles added within the General Fund
- Vacant positions will be identified and repurposed
- Lessen fiscal impact
- No further add to FTE count

Department	Position
Financial Services	MWBE Coordinator
Engineering Services	Engineering Project Manager
Police	Building Maintenance Technician
Police	Community Outreach Coordinator
Parks and Recreation	Groundskeeper
Parks and Recreation	Park Attendant (2)
Library	Groundskeeper
Library	Librarian
Planning and Development	Senior Planner

EXPENDITURES



- Operating: +\$9.29 M

- Fuel

- Departments: \$1.95 M
 - Fuel for Inventory: \$1.85 M

Month/Year	Cost of Regular Unleaded
Spring 2021	\$1.61/gallon
Fall 2021	\$2.16/gallon
February 2022	\$2.49/gallon
March 2022	\$3.16/gallon

- Fleet charges – additional vehicle and rolling stock replacement: \$1.1 M
 - Utilities (electric, water, phone lines, natural gas, etc.) : \$709K
 - Inflationary increases (supplies, chemicals, etc.): \$833K

EXPENDITURES



- Capital and Capital Outlay: +\$11.7 M
 - Capital Outlay
 - Restores fire apparatus replacement program
 - Dive Truck: \$100,000
 - Engine: \$751,400
 - Additional fleet vehicle/rolling stock replacement: \$1,000,000
 - Capital
 - Restores general capital: +\$2.55
 - \$1,422,000 funded by general fund
 - Electric: +\$2.84
 - Water/Sewer: +1.74 M
 - Other (Transit, Solid Waste, Stormwater): +\$2.33 M

CAPITAL IMPROVEMENT PLAN (CIP)



- Proposed FY 2022-23 Capital Projects

<u>Fund</u>	<u>Amount</u>
General Capital	\$2,547,000
Water/Sewer	10,343,350
Electric	11,340,000
Transit	1,496,875
Solid Waste	5,929,000
<u>Stormwater</u>	<u>1,350,000</u>
Total	\$33,006,225

NEXT STEPS



- Wednesday, May 11, 2022, 3-5 pm – Budget Work Session
- Thursday, May 12, 2022, 3-4 pm – Budget Work Session (if necessary)
- Monday, May 16, 2022, 5:30 pm – Public Hearing at City Council meeting
- Thursday, May 19, 2022, 3-5 pm – Budget Work Session (if necessary)
- Friday, May 23, 2022, 3-5 pm – Budget Work Session (if necessary)

QUESTIONS?