

CITY COUNCIL 2017-18 PROPOSED BUDGET

May 1, 2017

POLICY GOALS

- Maintain current service levels
- Continue to address Council Strategic Plan initiatives
 - Increase the population of active, engaged, and entrepreneurial and working millennials by 25%
 - 100% proactive enforcement of codes
 - Create a downtown catalyst project that produces:
 - 500 private sector jobs
 - 15-20 new restaurants and shops
 - 250 additional housing units
 - A centralized gathering place

PROPOSED 2018 BUDGET

- Staffing
 - Continues Police Officer staffing plan by adding an additional 8 Police Officer positions
 - Adds 1 Crime Analyst position for enhanced crime data analysis
 - Upgrade Police Officer position to Police Supervisor, to focus on public information and lead the Community Outreach unit
 - Reduce deferred maintenance of city assets by addition two Facility Maintenance Technician and upgrading two existing positions

PROPOSED 2018 BUDGET

- Staffing
 - Adds an Accountant position to address critical fiscal issues
 - Adds five apprentice positions and 7 seasonal positions in Public Services
 - Staffing realignments in Parks and Recreation and Library which will change the personnel complement but are revenue neutral

PROPOSED 2018 BUDGET

- 2018 Employee Pay for Performance program. A budgeted increase of 3% allows the continuation of a 0% to 4% increase based on merit

• General Fund	\$840,000
• Water/Sewer	\$95,000
• Electric Fund	\$125,000
• Other Funds	<u>\$133,000</u>
• Total -	\$1,193,000

PROPOSED 2018 BUDGET

- Continued investment of \$500,000 funding for Core City Redevelopment Programs
- Continued support of Forward High Point - \$250,000
- Increases annual Street Resurfacing funding from \$2.315 million to \$2.45 million
- Continued support of Guilford County Economic Development Alliance - \$100,000

PROPOSED 2018 BUDGET

- Continues funding of \$100,000 for Neighborhood Traffic Calming Devices
- Continuation of Fire Department apparatus replacement program – lease purchase for \$1.9 million to replace 3 units
- Upgrade of the Fire Department Station Alerting System for \$1 million, which will be funded through lease-purchase financing
- Replaces \$4.15 million in vehicles and large equipment in Fleet Services utilizing pay-as-you-go funding

GENERAL FUND PAY AS YOU GO

• Expanded Street Resurfacing	\$2,450,000
• Deferred Maintenance Fire Station Renovations	\$500,000
• GIS Base Mapping - Annual	\$30,000
• P&R parking lot improvements – 2 nd year	\$490,000
• New Dog Park	\$125,000
• Playground Equipment - Annual	\$50,000
• Tennis Center Improvements	\$100,000

GENERAL FUND PAY AS YOU GO

• Deferred Maintenance Athletic Complex Track Resurfacing	\$100,000
• Library Plaza alternate improvements	\$200,000
• Mendenhall Terminal Improvements	\$150,000
• I-74 Signing – 2 nd year funding	\$35,000
• Traffic Storage Building – 2 nd year funding	\$100,000
• City Hall electric system upgrade	<u>\$100,000</u>
• General Fund Total	\$4,430,000

OTHER PAY AS YOU GO

• Water & Sewer Total	\$5,639,550
• Electric Capital Total	\$9,206,300
• Landfill Capital Total	\$1,171,000
• Fleet Replacement Program	\$4,150,000
• Computer System Replacements	\$300,000
• Stormwater projects	\$75,000
•	
• Radio System Equipment	\$55,000

TAX RATE

- The Proposed Budget was prepared using the current years approved tax rate of 64.75 cents
- As required by law, the revenue neutral tax rate has been calculated
 - The reappraisal of the Guilford County portion of the tax rate is \$9.1 billion (94.4% of total tax base)
 - Using the formula mandated by state law, the revenue neutral tax rate is 62.21 cents (-2.48 cents)
 - A penny on the tax rate generates approximately \$947,000 in revenue
 - Assessed value is an estimate and is subject to change

TAX RATE

- The revenue neutral tax rate for residential properties is 63.21 cents (1.54 cents lower)
- The revenue neutral tax rate for commercial/industrial properties is 59.48 (5.27 cents lower)
- Commercial values due to new construction/additions was \$299.0 million in 2016
- Residential values due to new construction/additions was \$40.7 million in 2016

OTHER REVENUES CHANGES

- Proposed 3% Water / Sewer rate increase effective October 1, 2017
- Continues long range financial strategy developed by staff and Davenport and Company to fund necessary investment in the water and sewer system
- Proposed rate increases keep our costs close to the median of 330 utility systems statewide
- No other major revenue changes are proposed



NC Water and Wastewater Rates Dashboard

Rates as of January 1, 2017

Last updated: April 25, 2017

High Point

Rates Comparison

Financial Benchmarks

Characteristics

Links

Edit Data or Add Utility

Select residential bill and monthly consumption amount

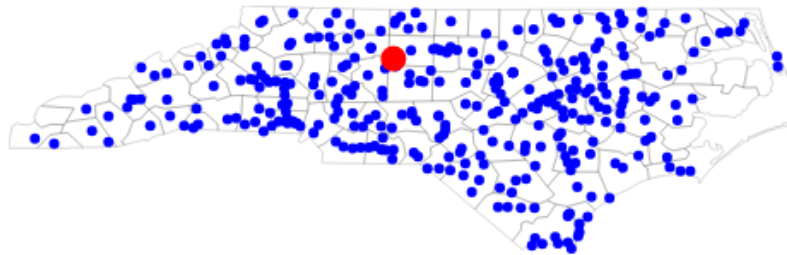
☐ Water Bill ☐ Sewer Bill ☒ Water + Sewer Bill



Monthly Water & Sewer Bill: \$68.05

Select comparison group: All Utilities

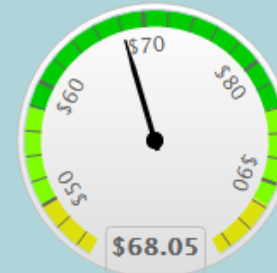
Comparing to all utilities in survey



Effects of raising rates by: 0%

Bill Comparison

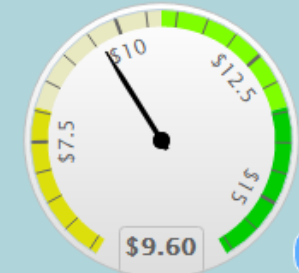
Water & Sewer Bill at
5,000 gallons
Median: \$65.83



Min \$23.17 Max \$182.00

Conservation Signal

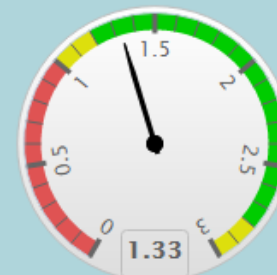
Water & Sewer Price/1,000
gallons, after 10,000 gallons
Median: \$9.83



Min \$1.00 Max \$41.25

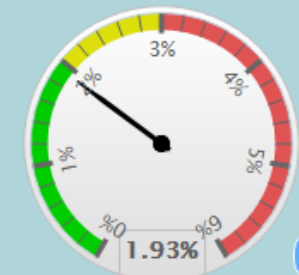
Cost Recovery

Operating
Ratio Incl. Deprec. 2014



Affordability

Water & Sewer Bills as % MHI



NEXT STEPS

- Thursday, May 4 – Budget worksession, 3pm – 5pm
- Monday, May 15 – Budget Public Hearing at regularly scheduled Council Meeting, 5:30 pm
- Wednesday, May 17 – Budget worksession, 3pm-5pm
- Thursday, May 18 – Budget worksession, 3pm-5pm (if needed)
- Monday, June 5 – Council Consideration / Adoption of the FY 2018 Budget at regularly scheduled City Council Meeting