

# CITY COUNCIL 2017-18 PROPOSED BUDGET

May 15, 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

# TOTAL PROPOSED BUDGET

• General Fund	\$111.8 million
• Water/Sewer Fund	\$51.0 million
• Electric Fund	\$132.7 million
• Solid Waste Fund	\$15.7 million
• Stormwater Fund	\$5.2 million
• Other Funds	\$61.1 million
• Total Proposed Budget	\$377.5 million

# PROPOSED 2018 BUDGET

- Staffing
  - Adds 8 Police Officer positions, 1 Crime Analyst and upgrade a Police Officer position to Police Supervisor, to focus on public information and lead the Community Outreach unit
  - Adds two Facility Maintenance Technician and upgrading two existing positions to address deferred maintenance
  - Adds an Accountant position to address critical fiscal issues
  - Adds five apprentice positions in Public Services

# 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

- 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

# ANNUAL PAY AS YOU GO

• General Fund	\$4,430,000
• 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	<u>\$55,000</u>
• Total	\$25,026,850



# 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

# 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

# NEXT STEPS

- Wednesday, May 17 – Budget worksession, 3pm-5pm  
(if needed)
- 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