

Organizational Financial Status Review



Tuesday, February 14, 2017

City Staff

Financial Status

Assessed Valuation Growth

Fiscal Year	Assessed Valuation	Percentage Increase over Previous Year	Population
FY 11-12	\$24,456,470,950	0.98%	272,190
FY 12-13	\$24,660,976,137	0.84%	277,080
FY 13-14	\$25,423,086,180	3.09%	279,639
FY 14-15	\$25,272,730,744	-0.59%	282,558
FY 15-16	\$25,670,533,471	1.57%	285,344

- AV growth has improved over the past three years, averaging 1.36% annually
 - FY 13-14 included 14 months of Registered Motor Vehicle values due to billing overlap from implementation of Tag & Tax Together Program
- Greensboro's population has increased 4.8% over this period
- Consumer Price Index (excluding food and energy) has increased 1.9% annually on average since 2012.



Financial Status

Major General Fund Revenues (in millions)

	FY 12-13	FY 13-14	FY 14-15	FY 15-16	Average Annual % Increase
Total Revenues	\$248.18	\$255.75	\$262.14	\$264.52	2.15%
Property Tax	\$144.82	\$150.33	\$149.02	\$151.22	1.47%
General Sales Tax	\$38.82	\$40.95	\$44.84	\$47.60	7.05%
Utility Sales Tax	\$18.78	\$18.84	\$24.12	\$24.07	9.38%
ABC Revenue	\$4.35	\$4.28	\$4.74	\$4.87	3.95%
Building Permit Fees	\$2.20	\$2.27	\$2.71	\$3.14	12.89%



Financial Status

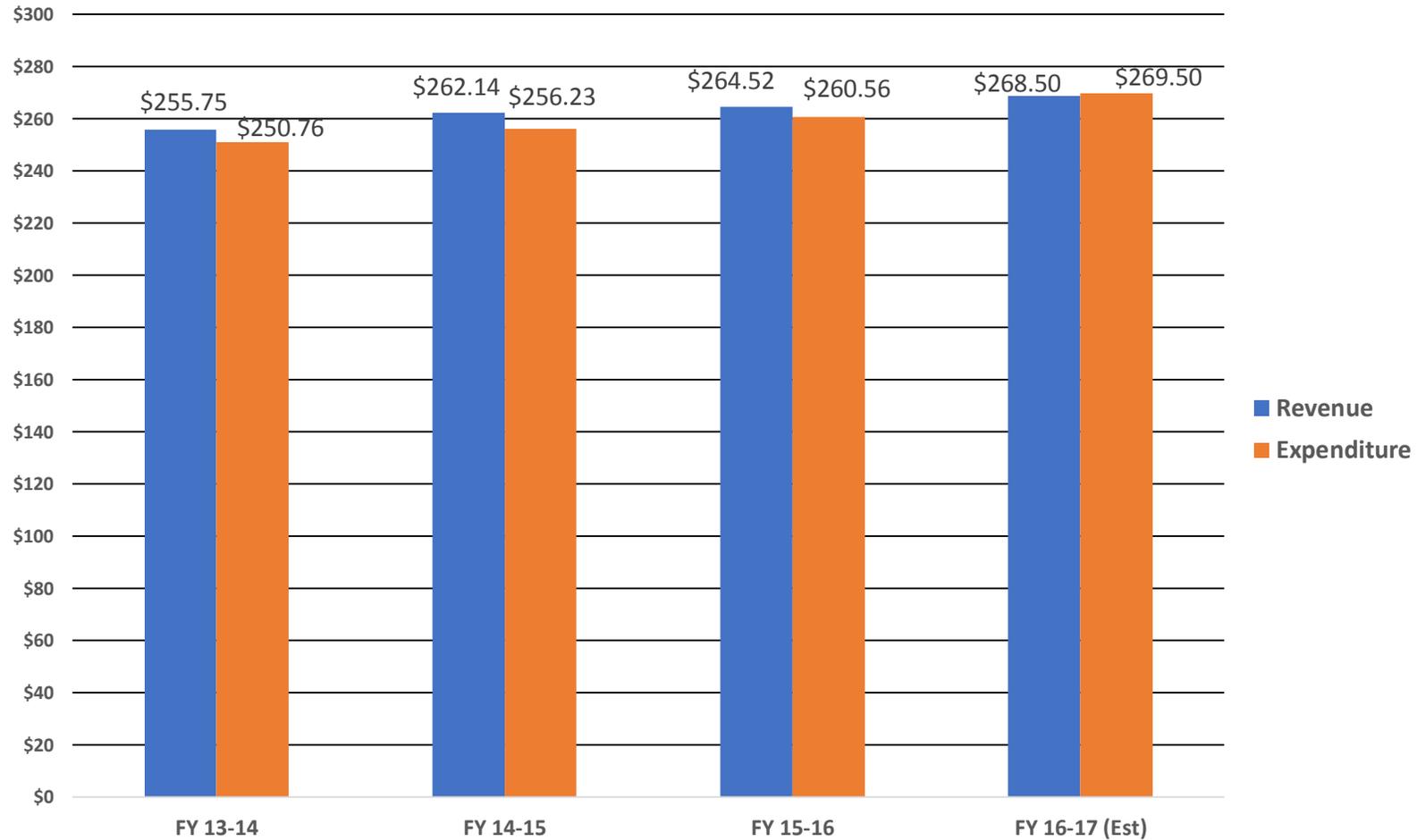
General Fund Revenue Highlights:

- Total FY 15-16 Revenue: \$264.52 million
 - Average annual revenue increase of 2.15% since FY 12-13 has exceeded average annual expenditure increase of 1.5%
- Property Tax
 - Ad valorem growth has improved over the past three years, increasing, by 1.57% in FY 15-16
 - Tax base growth projected to increase between 1.75% and 2.0% in FY 2016-17
- General Sales Tax
 - Revenue increased by 6.1% in FY 15-16
 - Revenue growth projected to equal or exceed 4.7% historical average next 2 yrs
- Utility Sales Tax (replaced franchise tax in FY 14-15)
 - FY 15-16 revenue of \$24.1 million is projected to increase by 1.5% annually
- ABC Revenue/Beer & Wine Tax
 - The local ABC Board and state Beer & Wine Tax distributions have increased an average of 4.0% annually since FY 12-13
- Building Permit Fees
 - Fee revenue of \$3.1 million has increased 43% from FY 12-13 to FY 15-16



Financial Status

General Fund Revenue and Expenditure
(in millions)



Financial Status

General Fund Expenditures (in millions)

	FY 12-13	FY 13-14	FY 14-15	FY 15-16	Average Annual % Increase
Total Costs	\$250.19	\$250.76	\$256.23	\$260.56	1.50%
Personnel Costs (Salary and Benefits)	\$149.43	\$153.12	\$157.52	\$159.63	1.93%
Health Insurance	\$15.99	\$18.34	\$18.82	\$19.92	6.03%



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General Fund Expenditures (in millions)

	FY 12-13	FY 13-14	FY 14-15	FY 15-16	Average Annual % Increase
Maintenance/ Operations	\$70.18	\$69.89	\$70.59	\$70.36	0.43%
Fuel	\$4.68	\$4.72	\$3.58	\$2.35	-14.44%
Equipment Costs	\$13.55	\$12.35	\$12.78	\$12.73	0.33%
Transfers to Other Funds	\$30.24	\$27.59	\$28.03	\$30.08	-0.18%
Transfer to Debt Service Fund	\$17.34	\$17.52	\$18.04	\$18.27	1.40%



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General Fund Expenditure Highlights:

- Total FY 15-16 Costs: \$260.56 million
 - 4.14% increase since FY 12-13
 - Average annual increase of 1.50%
 - Service Expansion included:
 - Fire Stations #59 (Reedy Fork Parkway) – Opened September 2014
 - McNairy Branch Library – Opened August 2014
 - Griffin Recreation Center – Opened August 2014
 - Gateway Gardens Welcome Center – Opened spring 2014
 - 18 Additional Fire Ladder Company Personnel

General Fund Expenditures	FY 12-13	FY 15-16	+/- Change
Police/Fire	\$108.00	\$115.73	+7.15%
Debt Service	\$17.34	\$18.27	+5.37%
All Other Gen Fund Departments	\$124.84	\$126.56	+1.37%
Total	\$250.19	\$260.56	+4.14%



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Full-Time Positions	FY 12-13	FY 15-16	+/- Change
Police	760	792	+32
Fire	544	578	+34
Water Resources	318	330	+12
All Other Departments/Funds	1,412	1,354	-58
Total	3,034	3,054	+20



Financial Status

➤ Other Topics (Current and Future)

➤ Fuel

- US Energy Information Administration (USEIA) predicts average gasoline price increases of 5-6% and average diesel fuel price increases of 8% during calendar year 2017
- Total FY 16-17 fuel costs for the General Fund are projected at approximately \$2.50 million, about 6-7% higher than FY 15-16
- Ability to reduce fuel budgets in future budgets has expired

➤ Health Insurance Fund

- Health Insurance Claims Costs increased 7.63% annually on average since FY 12-13
- Increases more dramatic in recent years: 10% in FY 14-15; 15% in FY 15-16
- Changes to health insurance program (i.e. deductibles, adjusted copays) effective January 1 2017 designed to mitigate program cost increases
- Calendar year 2015 expenses included 14 claimants at or above \$125,000 each; calendar year 2016 expenses included 29 such claimants
- City contribution to the Health Insurance Fund on behalf of employees will continue to increase annually



Financial Status

➤ Other Fund Highlights:

➤ Coliseum Complex (all facilities)

➤ General Fund transfers increased (FY 12-13 - \$1.90 M, FY 13-14 - \$2.71 M, FY 14-15 - \$2.34 M, FY 15-16-\$2.50 M)

➤ Attendance increased over the five year period until FY 15-16

➤ 11-12: 1,433,182 12-13: 1,520,831 13-14: 1,453,705

➤ 14-15: 1,619,781 15-16: 1,210,562 16-17 (Est): 1,292,000

➤ FY 15-16: Cancelled events during the last quarter of the year included Bruce Springsteen and Boston concerts; Cirque du Soleil (7 performances)

➤ FY 16-17: Cancelled events included NCAA Men's Basketball Tournament, ACC Women's Basketball Tournament, ACC Swimming Championships (both Men's and Women's)

➤ Hotel/Motel Occupancy Fund (3% City Tax Levy)

➤ Tax proceeds increased from \$3.31 million in FY12-13 to \$3.91 million in FY 15-16

➤ Tax currently funds debt on \$6M GAC (2010) and \$24M arena and other complex improvements (2014) and interest on \$20M bond anticipation note to fund the D-League facilities, roof replacements and GAC improvements.

➤ Economic Development Fund

➤ \$4.7 million invested in economic development projects and agencies from FY 12-13 to FY 15-16



Financial Needs

- **Other Topics (Current and Future)**
 - Capital Asset Needs
 - Roofs
 - 14 roofs past due for replacement - \$3.63 million
 - *Improvement from FY 15-16 (19 roofs)*
 - Replacement roofs being installed at MMOB, Service Center “A” Building
 - FY 17-18 scheduled roof repair includes: Smith-Fairview Recreation Center and three fire stations.
 - New Facilities
 - Barber Park Community Center
 - Fire Station #63 – Burlington Road
 - Tanger Center for Performing Arts (FY 18-19)
 - Organizational Technology and Infrastructure
 - Security System Upgrades
 - Public Safety Training Facility Needs
 - P25 Radio Upgrade
 - Development Review Software System

