



City of **GREENSBORO** *North Carolina*

City Council Work Session

April 16, 2015

FY15-16 Preliminary Budget Update



FY 15-16 Budget Process

- Today:
 - Preliminary Budget Update
 - Water/Sewer Fund and Rates Update
- April 28th Work Session:
 - ED Fund Update
 - Outside Agencies Requests
 - Capital Program Requests
- May 5th Council Meeting:
 - City Manager Recommended Budget



FY 15-16 Budget Process

- FY 15/16 Budget Development Context:
 - Recent History/Efforts
 - Limited Local Revenue Growth
 - Need for improved service levels in high priority areas
 - Required several years of significant program reductions and alternative revenue enhancements
 - Tax rate has remained constant
 - State revenue changes
 - Council spending reduction direction



FY 15-16 Budget Process

- FY 15/16 Budget Development Goals
 - Maintain current property tax rate (63.25 cents)
 - Continued focus on budget and expense management
 - Ability to grow Capital reserves
 - Ability to handle one time spikes in commodity costs or unforeseen events
 - Continued focus on Council and community priorities
 - Continued focus on providing Core city services and meeting pressing needs (streets and building)
 - Continued focus on maintaining City's AAA bond rating
 - Continued focus to value and recognize City employee contributions



Property Tax Allocation

	FY 14-15 Adopted Budget
General Fund	(58.72 cents)
Housing	(0.69 cents)
Transit	(3.34 cents)
Economic Development Fund	(0.50 cents)
Total Tax Calculation	(63.25 cents)

- The current rate of 63.25 cents was established in FY 10-11 reduced from 63.50 cents (FY 07-08)
- During this time, through reallocation of the tax rate the following funds were established:
 - Housing- FY 11-12
 - Economic Development Fund-FY 12-13



Property Tax Changes From FY 2011-2015

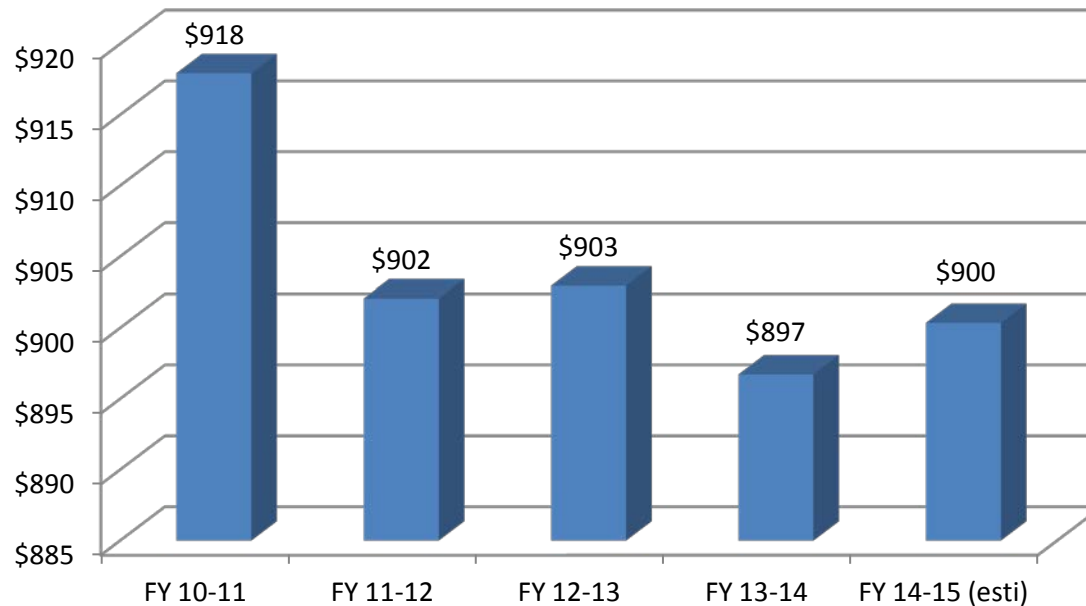
Fiscal Year	Assessed Valuation	Percentage Increase over Previous Year	Population
FY 11-12	\$24,456,470,950	0.98%	272,190
FY 12-13	\$24,660,976,137	0.84%	277,080
FY 13-14	\$25,423,086,180	3.09%	279,639
FY 14-15 (estimate)	\$25,280,000,000	-0.56%	283,275 (est)

- Assessed property values experienced 4.34% growth over the last four years
- AV growth has improved over the past two years, averaging 1.25% annually
 - FY13-14 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% over this period
- The Consumer Price Index has averaged 2.3% over the last four years



FY 15-16 Budget Process

General Fund Expenditures per Capita



During this time period the City had added:

- Fire Station #59 (Reedy Fork)
- Police Headquarters Building
- Gateway Gardens
- Glenn McNairy Branch Library
- Griffin Recreation Center
- Keeley Park
- Transitioned 30 federally funded Police Officer positions to local funding



FY 15-16 Budget Process

- Results and Impact on FY 15-16 Process
 - Net spending growth held in check
 - Local economy improving
 - Property and Sales Tax growth projections improved compared to recent years
 - Multi year benefits from reduction in fuel costs
 - Initial FY 15-16 Budget Deficit:
 - \$3.5 - \$3.6 million
 - Smaller and more manageable than recent years



Preliminary FY 15-16 Budget

Budget Balancing Efforts

- Improved revenue projections since January
 - Property tax assessed valuation growth assumption of 1.58%
 - Sales Tax growth assumption of 4% to 5% over current year
- Organization Wide Changes
 - Workers Comp Changes
 - Lower fuel costs estimates
 - Continued focus on budget and spending management



Preliminary FY 15-16 Budget

Budget Balancing Efforts

- Proposed Program Changes
 - Consultant Services Reductions- HR, IT
 - Ongoing review of vacancy report- aligning needed FTEs with programming
 - Caldcleugh Center service changes- revised schedule for programs and rentals
 - City Arts Music changes- evaluating alternatives to current service delivery
 - Smith High School Pool –phased return of operations to Guilford County Schools- final year of the three year transition
 - Energy Budget Savings
 - Changes to PIRT Program
 - Library Administration restructuring
 - Researching alternatives to provide mowing services; may result in the elimination of ST positions equal to 6+ FTEs
 - Underutilized vehicles



FY 15-16 Enhancements & Budget Drivers

Proposed Year One Enhancements

- Fire - \$ 312,896 (6 FTE)
 - Additional Firefighter position per shift for Stations 10 & 52
- Transportation - \$78,500
 - Increased funding to maintain appropriate pavement marking maintenance cycle (\$30,000) and to support technology costs associated with 2014 traffic signal system upgrade (\$48,500)
- Water Resources - \$70,185
 - Additional Treatment Plant Superintendent position to improve management of Water Reclamation maintenance staffs

Proposed Year Two Enhancements

- Fire - \$ 312,896 (6 FTE)
 - Additional Firefighter position per shift for Stations 14 & 20



Parking Fund

- 2014 Parking Services and Evaluation Study (Kimley-Horn and Associates)
- Study Recommendations Included in the Proposed Budget (\$435,435):
 - Increase on-street and surface lot rates
 - From \$.50 per hour to \$.75 per hour in lower demand areas
 - From \$.50 per hour to \$1 per hour in high demand areas
 - Increase monthly parking fee by \$10 per month
 - Maintain existing parking rate of \$.75 per hour in decks, first hour free
- Upcoming Parking Fund Facility Improvements FY 15-16
 - Structural & Elevator Repairs/ Upgrades- \$700,000
- Future Years' Improvement Needs
 - Structural & Elevator Repairs/ Upgrades- Estimated \$1.4 million
- New Downtown Parking Deck*- \$15-\$20 million

(* Based on current and projected downtown growth and development, it is anticipated that the City will likely need to consider planning and adding to meet current demands.)



War Memorial Coliseum Fund

War Memorial Coliseum

- General Fund Transfer
 - FY 2014-15 Budget- \$2,340,470
 - Projecting \$2.5 to \$2.6 million for FY 15-16
- Programming Changes for FY 15-16
 - Anticipated Drop in Concert Activity (results in a reduction of net projected income of \$200,000)
 - Just less than 1,000 event days are expected for FY 15-16



Outstanding Items

- Other items staff is working on for Recommended Budget
 - April 28th City Council Work Session
 - ED Fund Budget Issues
 - Outside Agency Requests
 - CIP/capital needs
 - Potential Outside Review of Selected General Fund User Fees
 - Reviewed organization wide study
 - Determined a more focused approach would be more effective
 - RFP this summer
 - Fall completion



FY 15-16 Next Steps

- CMO Budget Submittal to Council - May 5th
- District Budget Meetings – May
- Budget Work Sessions- May
- Public Hearing- May 19th
- Budget Adoption- June 2nd