

Organizational Financial Status Review



Thursday, January 31, 2019

City Staff

Financial Status

Assessed Valuation Growth

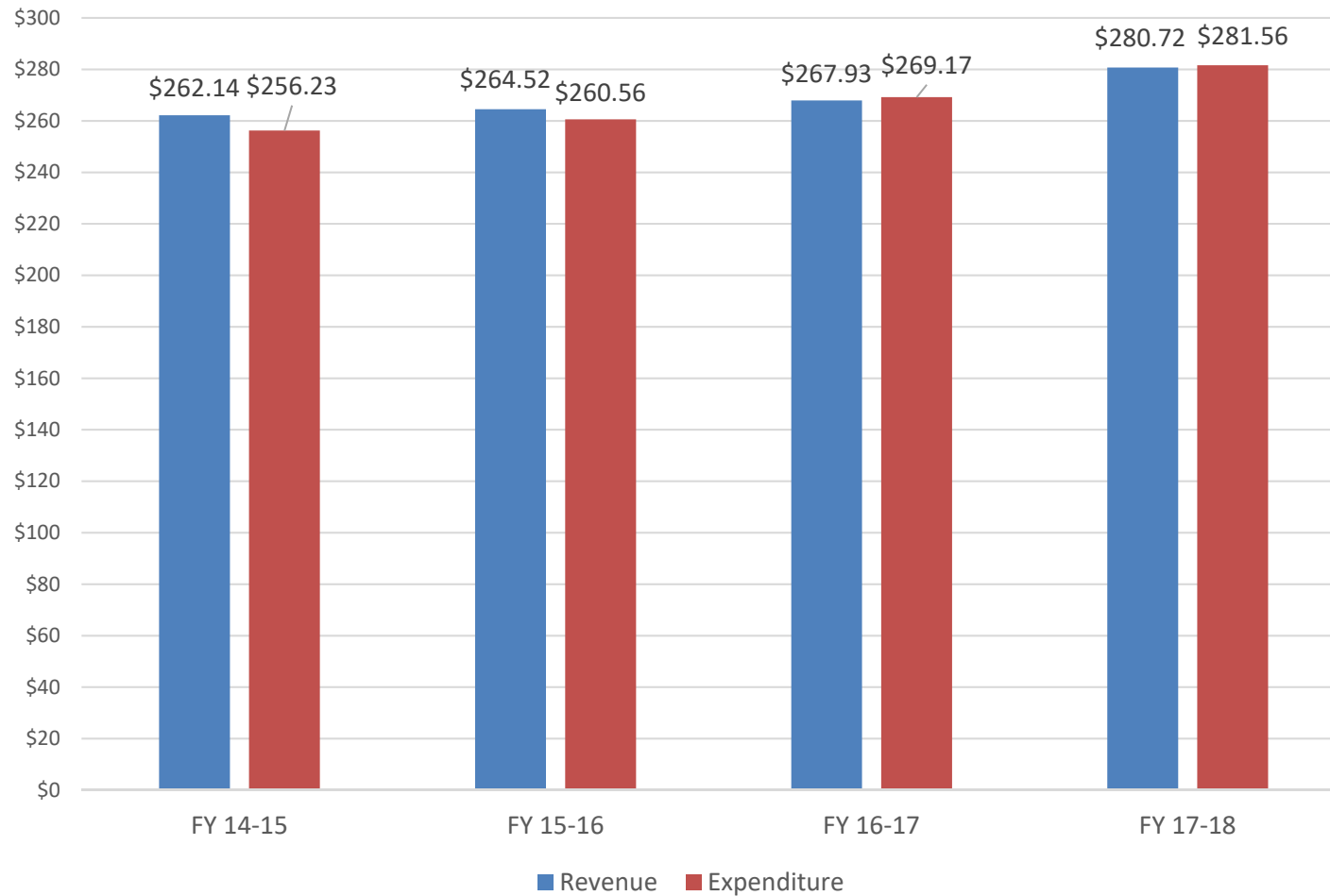
Fiscal Year	Assessed Valuation	Percentage Increase over Previous Year	Population
FY 13-14	\$25,423,086,180	3.09%	279,639
FY 14-15	\$25,272,730,744	-0.59%	282,558
FY 15-16	\$25,670,533,471	1.57%	285,344
FY 16-17	\$26,075,817,552	1.58%	287,019
FY 17-18	\$27,506,258,623	5.49%	290,201

- AV growth has averaged 2.23% annual growth over the past four years, including revaluation during FY 17-18.
 - FY 13-14 included 14 months of Registered Motor Vehicle values due to billing overlap from implementation of Tag & Tax Program
- Greensboro's population has increased 3.8% over this period (annual average less than 1%)
- Consumer Price Index (excluding food and energy) has increased 2.0% annually on average since 2015.

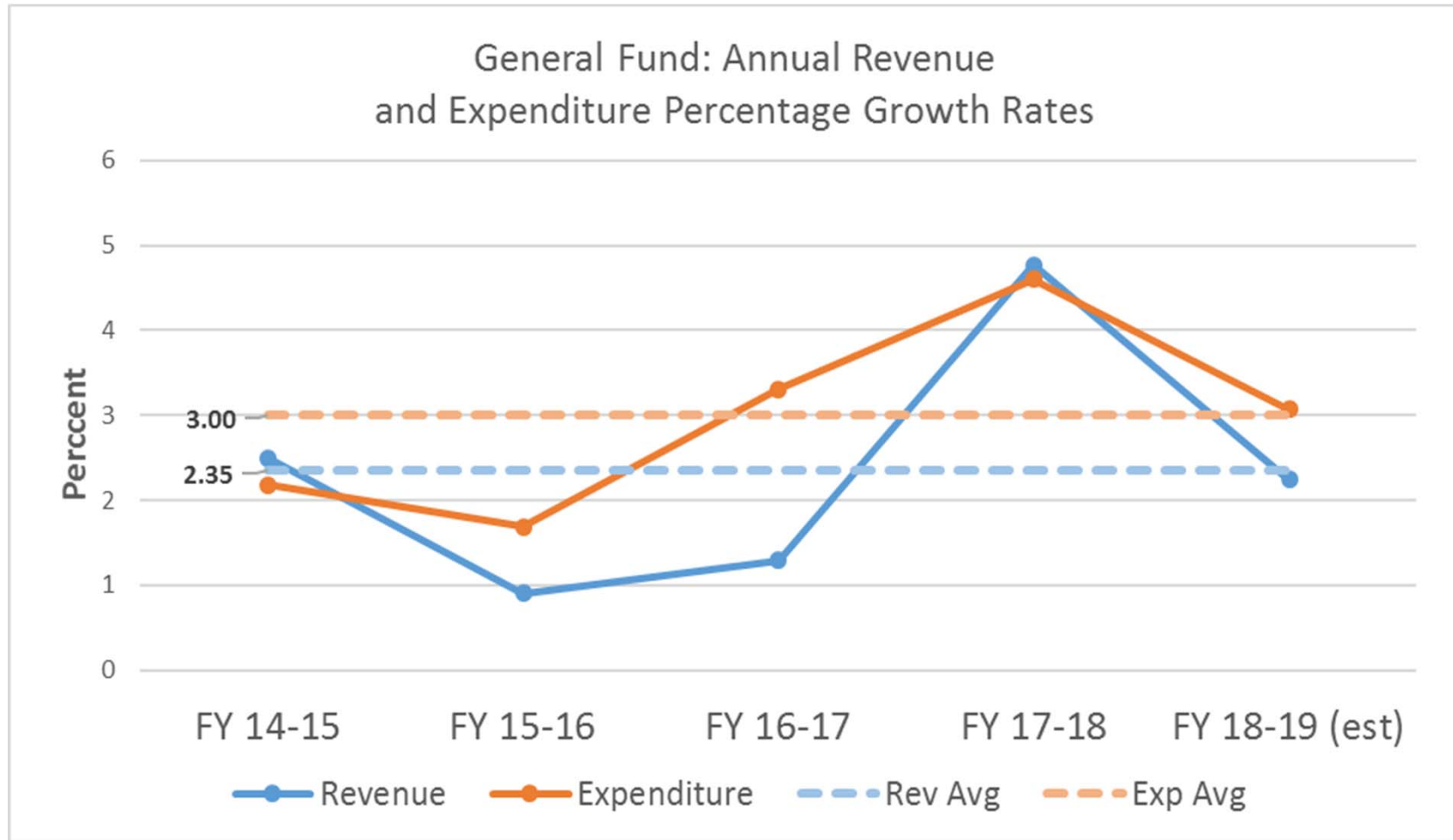


Financial Status

General Fund Revenue and Expenditures (in millions)

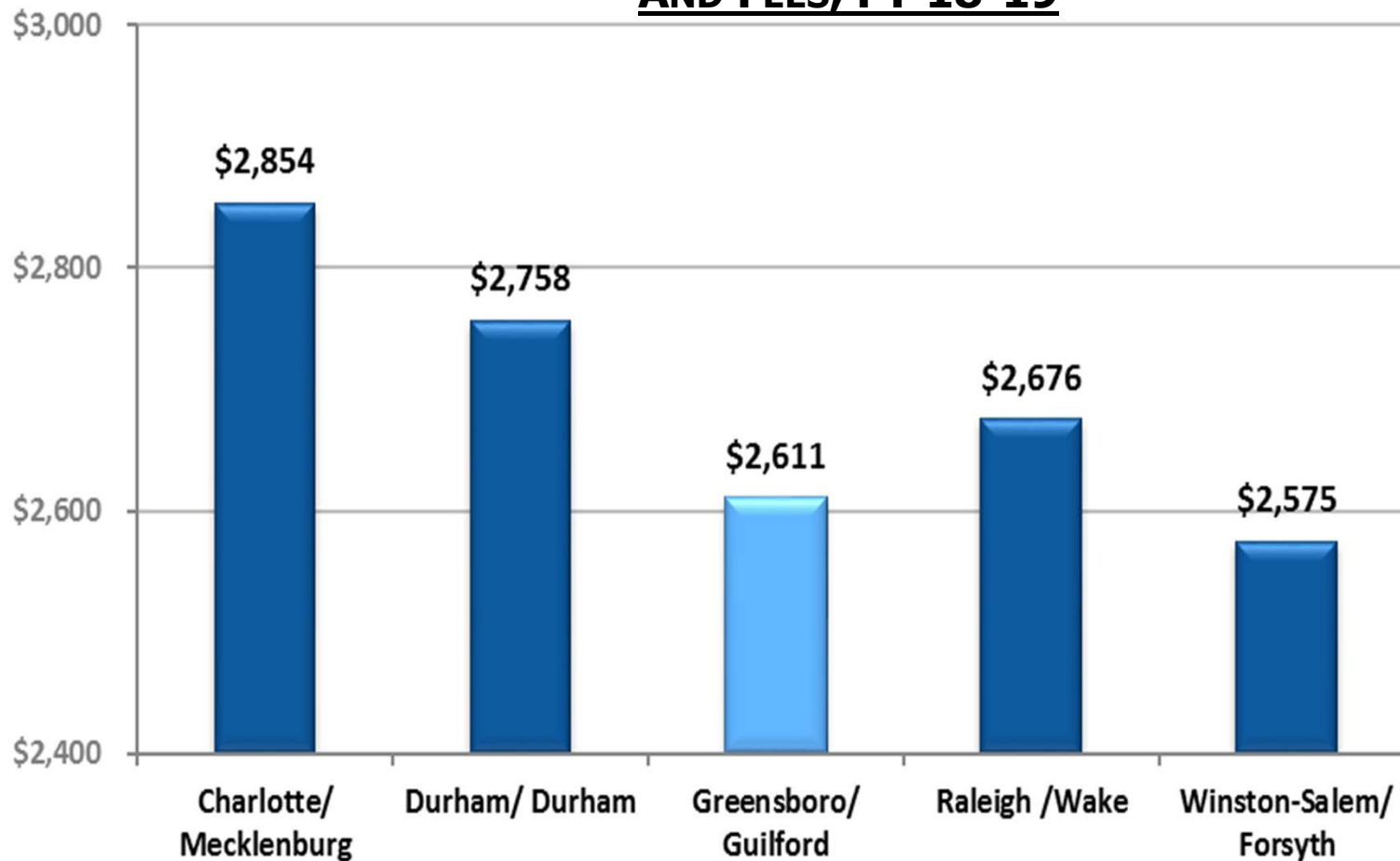


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CITY/COUNTY COMBINED ANNUAL TAXES AND FEES, FY 18-19



Financial Status

General Fund Expenditure Highlights:

- Total FY 17-18: \$281.56 million
 - 4.60% increase over FY 16-17
 - Average annual increase of 3.20% since FY 14-15
 - Service Expansion included:
 - Fire Station #59 (Reedy Fork) – opened September 2014
 - Skate Parks - Glenwood opened January 2017; Latham opened May 2017
 - 3rd and 5th floor renovations – Police Headquarters Building – August 2017
 - 18 Additional Fire ladder company personnel
 - Downtown Greenway Fisher Avenue and Bragg Street sections opened spring 2018

General Fund Expenditures	FY 14-15	FY 17-18	+/- Change
Police/Fire	\$114.28	\$123.19	+7.80%
Debt Service	\$18.04	\$25.92	+43.66%
All Other Gen Fund Departments	\$123.91	\$132.45	+6.90%
Total	\$256.23	\$281.56	+9.89%



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Full-Time Positions (Operating Funds Only)	FY 14-15	FY 17-18	+/- Change
Fire	566	584	+18
Water Resources	330.25	338.80	+8.55
War Memorial Coliseum	66	74	+8
All Other Departments/Funds	2,043.15	2,049.60	+5.45
Total	3,005.40	3,046.40	+41



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➤ Other Fund Highlights:

➤ Coliseum Complex (all facilities)

➤ General Fund transfers

- FY 14-15: \$2.34 million
- FY 15-16: \$2.50 million
- FY 16-17: \$2.70 million
- FY 17-18: \$2.98 million**

➤ Attendance

- 14-15: 1,619,781 15-16: 1,210,562
- 16-17: 1,354,744 17-18: 1,252,887
- FY 18-19 mid-year update
 - USA Gymnastics Nastia Liukin, American Cup and GGI– Feb 26/March 2
 - ACC Swimming & Diving Championships - Feb 19/March 3
 - ACC Women's Basketball Tournament – March 6 - 10
 - NCAA Regional Women's Division I Basketball – March 30/April 1
 - NCAA Division III Swimming Championships – March 20-23

** - Included \$80,000 for Tanger Center



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➤ Other Fund Highlights:

- Coliseum Complex (all facilities: continued)
 - Youth oriented indoor sport events will continue to be a strong event category with 8 weekend events this fiscal year – specifically regional basketball and volleyball tournaments drawing 100-120 teams with 70% of players and attendees from out of town
 - GAC events follow suit with large percentage of attendees from out of town GAC hosted 2 major national swimming championships: USA Sr. Nationals and USA Jr. Nationals in December 2018
 - Future sporting events (2020) include:
 - US Figure Skating National Championships – January 20 – 26, 2020
 - ACC Women's Basketball Tournament - March 4 – 8, 2020
 - ACC Men's Basketball Tournament – March 10 – 14, 2020
 - NCAA Men's Basketball First and Second Round Tournament Sessions - March 19 – 22, 2020
 - Tanger Center to open March 1, 2020



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➤ Other Fund Highlights:

- Hotel/Motel Occupancy Fund (3% City Tax Levy)
 - Room tax revenue increased from \$3.87 million in FY 14-15 to \$4.24 million in FY 17-18, with annual average growth of 3.12%
 - Tax proceeds increased from 4.02% in FY 17-18, from \$4.07 million to \$4.24 million
 - Revenue currently funds debt service on \$55 million bonds
 - \$5.3 million GAC bonds (2010)
 - \$23.2 million arena and other complex improvement bonds (2014)
 - \$26.5 million bonds issued for G-League facilities, GAC fourth pool, SEC seating, roof replacements and other improvements (2018)



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➤ Other Topics (Current and Future)

- Fuel (Gasoline)
 - Despite drop in retail prices late in 2018, retail gasoline prices averaged 13% higher during 2018 as compared to 2017, according to the US Energy Information Administration (USEIA)
 - Total FY 17-18 General Fund fuel costs were \$2.93 million, 15.7% higher than FY 16-17 total of \$2.53 million
- Health Insurance Fund
 - Changes to health insurance program (i.e. deductibles, adjusted copays) effective January 1 2017 designed to mitigate program cost increases
 - Health Insurance Claims Costs increased only 0.7% in FY 17-18 as compared to FY 16-17; followed a 5.9% decrease experienced in FY 16-17
- Compensation Initiatives
 - All permanent positions now include minimum \$15.00 hourly wage.
 - Minimum hourly wage rate for roster positions (excluding Coliseum) will increase from \$12.50 to \$13.50 on September 1 2019; will increase from \$13.50 to \$15.00 on September 1 2020
 - Next annual adjustment will increase total General Fund by \$300,000.



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➤ Other Topics (Current and Future)

➤ Residential Recycling

➤ Current residential recycling program net costs:

- Expenses: \$2,500,000
 - Revenues: \$255,000
 - Net Costs: \$2,245,000
- Program revenues generated by sale of recycled materials (currently receive \$15/ton on average of 17,000 annually recycled tons)
- Changes in recycling commodity pricing will lead to paying for processing of recycled materials rather receiving revenue (i.e. paying \$30/ton to \$90/ton for processing)

➤ **Projected** residential recycling program net costs:

- Expenses: \$3,010,000 – \$4,030,000
- Revenues: \$0
- Net Costs: \$3,010,000 - \$4,030,000



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➤ Other Topics (Current and Future)

➤ Capital Asset Needs

- Typically allocate \$1.0 million annually for General Fund facilities improvements
 - FY 19-20 scheduled projects include Greensboro Science Center (roof - \$440,000) and Public Safety Training Center (roof - \$250,000)
 - Other Identified Needs include:
 - Central Library (roof - \$1.1 million)
 - Greensboro Cultural Center (roof - \$900,000)
 - Police Headquarters (electrical upgrades - \$300,000)

➤ New Facilities

- Barber Park Event Center – Ruth Wicker Tribute to Women (January 25, 2019)
- Fire Station #63 – Burlington Road (February 2019)
- Tanger Center for Performing Arts - Under Construction: Opening date – March 2020)
- Aquatic Center Expansion – Under Construction (early FY 19-20)



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➤ Other Topics (Current and Future)

- Organizational Technology and Infrastructure
 - Development Review Software System – New system being tested; should be active before end of fiscal year
 - Microsoft Office - Moving from licensing to subscription model; next upgrade will necessitate move to subscriptions in 2022
- Fire Inspection Fees
 - Fire Department performs maintenance inspections mandated by state law for commercial buildings
 - No fee is currently charged
 - Several peer cities do charge for this service (including Charlotte, Raleigh, Durham)
 - Fees for service could generate up to \$800,000 annually



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Major General Fund Revenues (in millions)

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	Average Annual % Increase
Total Revenues	\$262.14	\$264.52	\$267.93	\$280.72	2.32%
Property Tax	\$149.02	\$151.22	\$152.70	\$160.69	2.56%
General Sales Tax	\$44.84	\$47.60	\$50.41	\$52.80	5.60%
Utility Sales Tax	\$24.12	\$24.02	\$23.37	\$23.48	-0.89%
ABC Revenue/Beer and Wine	\$4.74	\$4.87	\$5.05	\$5.08	2.35%

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General Fund Revenue Highlights:

- Total FY 17-18 Revenue: \$280.72 million
 - Average annual revenue increase of 2.32% since FY 14-15 is below average annual expenditure increase of 3.20%
- Property Tax
 - General Fund tax rate: 58.56 cents** (reduced from 58.72 in FY 16-17)
 - Ad valorem growth increased by 5.49% in FY 17-18, including 2017 Revaluation
 - Tax base growth is projected to increase between 1.5% and 1.6% in FY 18-19
 - One cent of tax rate = \$2.76 million property tax revenue
- General Sales Tax
 - Revenue increased by 4.73% in FY 17-18
 - FY 18-19 revenue projected to increase between 4.5% and 4.7%
- Utility Sales Tax (replaced franchise tax in FY 14-15)
 - FY 17-18 revenue increased by 0.46%
 - Little to no revenue growth projected in FY 18-19
- ABC Revenue/Beer & Wine Tax
 - FY 17-18 Greensboro ABC Board profit & state Beer & Wine Tax distributions increased by 0.56%

** - Total tax rate: 63.25 cents



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General Fund Expenditures (in millions)

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	Average Annual % Increase
Total Costs	\$256.23	\$260.56	\$269.17	\$281.56	3.20%
Personnel Costs (Salary and Benefits)	\$157.52	\$159.63	\$164.23	\$171.06	2.79%
Full-Time/Roster Salaries	\$109.87	\$110.82	\$111.98	\$116.76	2.06%
Health Insurance	\$18.82	\$19.92	\$21.25	\$23.25	7.31%



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General Fund Expenditures (in millions)

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	Average Annual % Increase
Maintenance/ Operations (M/O)	\$98.62	\$100.44	\$104.81	\$110.22	3.78%
Fuel	\$3.58	\$2.35	\$2.53	\$2.93	-3.70%
Equipment Costs	\$12.78	\$12.73	\$13.21	\$12.96	0.48%
Transfers to Other Funds	\$28.03	\$30.08	\$35.93	\$40.15	12.84%
Transfer to Debt Service Fund	\$18.04	\$18.27	\$21.24	\$25.92	13.18%
M/O controlling for Debt Service	\$98.62	\$100.21	\$101.62	\$102.34	1.24%

