

# FY2013-2014 Recommended Annual Budget



City of  
*Fayetteville*  
North Carolina





# Outline



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# Budget Summary



|                               |                      |
|-------------------------------|----------------------|
| <b>Total Budget All Funds</b> | <b>\$202,835,314</b> |
| General Fund                  | \$152,575,075        |
| Risk Management               | \$17,720,582         |
| Storm Water Fund              | \$7,175,704          |
| Environmental Services Fund   | \$10,561,338         |
| Transit Fund                  | \$6,917,128          |
| Airport Fund                  | \$4,782,509          |
| Finance Corporation           | \$806,750            |
| Emergency Telephone           | \$871,694            |
| LEOSSA Fund                   | \$780,633            |
| Parking Fund                  | \$430,605            |
| Central Business District     | \$133,529            |
| Lake Valley MSD               | \$79,767             |



# General Fund Revenues



| Revenues            | FY2013<br>Original<br>Budget* | FY2013<br>Projected* | FY2014<br>Recomm.<br>Budget* | % Budget<br>Change |
|---------------------|-------------------------------|----------------------|------------------------------|--------------------|
| Property Taxes      | \$ 61.3                       | \$ 61.4              | \$ 63.6                      | 3.9                |
| Other Taxes         | 2.4                           | 3.8                  | 2.4                          | 2.7                |
| Intergovernmental   | 56.8                          | 57.4                 | 57.1                         | 0.4                |
| Fees                | 7.1                           | 7.3                  | 7.0                          | (2.0)              |
| Miscellaneous       | 2.1                           | 2.1                  | 2.5                          | 17.1               |
| Transfers/Financing | 11.4                          | 11.4                 | 14.5                         | 27.1               |
| Fund Balance Use    | 3.9                           | 6.4                  | 5.5                          | 41.7               |
| Total               | \$ 145.0                      | \$ 149.8             | \$ 152.6                     | 5.2                |

\*In Millions



# GF Revenue Highlights



- General tax rate remains 45.6 cents per \$100 value
- Property Tax Revenue Projections
  - Real and personal property values to increase 1.7% over FY2013 projection
  - Motor vehicle property values to increase 3.0% over FY2013 projection
  - Comparisons above primarily exclude the FY2014 overlap in motor vehicle taxes due to implementation of the Tax and Tag Together program
  - 4.1% overall revenue growth for current year ad valorem taxes over FY2013 original budget



# GF Revenue Highlights



- **Sales Taxes**

- FY2013 revenues expected to be 0.2% below budget
- Project 3.25% economic growth for FY2014
- FY2014 revenues expected to exceed FY2013 original budget by 3.0%

- **Utility Tax Distributions**

- Project FY2013 revenues to be 1.8% below FY2013 original budget primarily due to mild winter weather and declining telecommunication and video programming revenues due to technology shifts by consumers
- Project FY2014 revenues to increase 1.3% from FY2013 estimates based upon NCLM guidance





# GF Revenue Highlights



- **Interfund Transfers**

- Interfund transfer from the Electric Fund is projected to increase by 12.2% over FY2013

- \$12.3 million in FY2014 compared to \$11.0 million in FY2013
- Most growth committed to funding utility extensions in the annexed areas

- **Capital Lease Proceeds**

- FY2014 proposed budget includes \$2.15 million in loan proceeds to purchase of vehicles



# GF Revenue Highlights



- **Fund Balance Appropriation**

- Fund balance appropriation for FY2014 of \$5.5 million is 41.7 % greater than FY2013 appropriation of \$3.9 million
- FY2014 appropriation of \$5.5 million for one-time uses including:
  - \$1 million for community investment project
  - \$1 million for additional street resurfacing
  - \$3.3 million for other CIP/ITP projects





# General Fund Expenditures



| Expenditures                   | FY2013<br>Original<br>Budget* | FY2013<br>Projected* | FY2014<br>Recomm.<br>Budget* | % Budget<br>Change |
|--------------------------------|-------------------------------|----------------------|------------------------------|--------------------|
| Personnel                      | \$ 83.1                       | \$ 83.0              | \$83.0                       | (0.1)              |
| Operating                      | 21.3                          | 21.8                 | 18.7                         | (12.4)             |
| Contract Services              | 13.6                          | 14.2                 | 14.3                         | 4.9                |
| Capital Outlay                 | 5.3                           | 6.2                  | 3.1                          | (40.6)             |
| Debt Service                   | 7.6                           | 7.7                  | 7.0                          | (7.1)              |
| Transfers to Utility<br>System | 3.3                           | 3.5                  | 4.7                          | 41.8               |
| Transfers to Other Funds       | 9.7                           | 12.5                 | 21.2                         | 118.5              |
| Other                          | 1.1                           | 0.9                  | 0.6                          | (50.6)             |
| <b>Total</b>                   | <b>\$ 145.0</b>               | <b>\$ 149.8</b>      | <b>\$ 152.6</b>              | <b>5.2</b>         |

\*In Millions



# GF Expenditure Highlights



- All budget categories reflect the transfer of:
  - Environmental services function to the Environmental Services Enterprise Fund
  - Street sweeping function to the Storm Water Enterprise Fund
- FY2014 budget includes:
  - \$2.8M for Phase II implementation of compensation plan adjustments and modest performance increases (GF, Transit and Environmental Services only)
  - 5% vacancy rate savings for all GF departments except Fire/Mayor/Council, plus Environmental Services (\$2.9M)



# GF Expenditure Highlights



- FY2014 capital primarily consists of police and fire vehicles (\$2.6 million)
- FY2014 transfer of \$4.7 million to the utility system is for water and sewer projects and debt service in annexed areas, and the Black and Decker agreement
- FY2014 transfers to other funds include:
  - \$6.6M to Environmental Services Fund
  - \$4.6M for street resurfacing
  - \$3.0M to Transit Funds
  - \$1.9M for information technology projects
  - \$1.4M for other transportation projects
  - \$1.3M for facility renovations
  - \$1.0M for facility repairs



# Other Highlights



- Unassigned Fund Balance for General Fund projected to be \$17.1 million at June 30, 2013
- Highlights for Other Funds
  - Property tax rates to remained unchanged
    - Central Business District - 10 cents
    - Lake Valley Drive MSD - 34.5 cents
  - Proposed storm water fee - \$4 per month (ESU)
    - Annual increase of \$12 to produce an additional \$1.7 million per year
    - Primary purpose of increase is to fund storm drainage system improvements



# Other Highlights



- Proposed solid waste fee - \$48 per year
  - Previously known as recycling fee
  - Annual increase of \$10 to produce an additional \$599K
  - Purpose of increase is to reduce subsidy from General Fund



# Other Highlights



| <b>Utility Fund Transfers <u>and</u> Certain Other Payments<br/>(In Millions)</b> | <b>FY2013<br/>Projection</b> | <b>FY2014<br/>Recomm.<br/>Budget</b> |
|---|------------------------------|--------------------------------------|
| Utility extension in Phase V annexation areas                                     | \$2.53                       | \$3.79                               |
| Fleet maintenance services  | 4.80                         | 5.00                                 |
| Payment on behalf of Fort Bragg for the water service contract                    | 0.95                         | 0.97                                 |
| Electric franchise tax resulting from new power supply contract                   | 0.50                         | 0.50                                 |
| Purchasing services   | 0.29                         | 0.44                                 |
| Black and Decker agreement and prior annexation debt service                      | 0.41                         | 0.41                                 |
| Fiber services (estimated)  | 0.20                         | 0.20                                 |
| <b>Total</b>  | <b>\$9.68</b>                | <b>\$11.31</b>                       |



# Next Steps



- Budget Schedule:
  - Presentation on May 13
    - Formally receive the recommended budget and set public hearing for May 28 at 7pm
  - Budget workshop dates on May 8, 15, 22, 29 and June 3 (if required)
  - Required public hearing for the budget on May 28
  - Budget adoption anticipated on June 10





# Preliminary Agendas



- May 8:
  - Lack of funding for new initiatives
  - Review list of payments to utility funds
  - Funding for community investment project and additional street resurfacing
  - Police reorganization
  - Proposed separate funding package for parks and recreation facilities
- May 15:
  - Storm water fee and drainage projects
  - Solid waste fee



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