



# CITY OF BELMONT



MANY THREADS, ONE COMMUNITY



## CITY MANAGER'S RECOMMENDED BUDGET FISCAL YEAR 2024-2025

# BELMONT CITY COUNCIL

Richard Turner, Mayor  
Jim Hefferan, Mayor Pro Tem  
Charlie Hill  
Kathryn Lewis  
Jason Rumfelt  
Alex Szucs

## VISION STATEMENT

Belmont will be a vibrant, multi-generational community that incorporates small-town charm and heritage with an entrepreneurial spirit.

## MISSION STATEMENT

City of Belmont provides visionary leadership and high-quality city services to create a community of choice for our residents, visitors, and employees.



MEMORANDUM

**To: The Honorable Mayor Turner and Belmont City Council**

**From: Miles Braswell, City Manager**

**Re: Fiscal Year 2024-2025 Budget Message**

**Date: June 3, 2024**

INTRODUCTION

I am pleased to present the Fiscal Year 2024-2025 Recommended Budget. The budget process began in December 2023 and all departments have worked hard to prepare departmental budgets that provide a high level of service to continue to meet the needs of our growing population. I would like to commend Staff for the time and effort it has taken to prepare and present a budget that continues to provide the level of service that our citizens, business owners, and visitors expect for this great City. The draft budget presented to you accomplishes our goals of investing in our staff, providing a high level of operational service, and investing in the City’s infrastructure.

**Budget Snapshot**

The total recommended budget is \$33,991,083 across all funds which is a 5% increase from the amended prior year’s budget. The budget recommends maintaining the current property tax rate of \$0.455 per \$100 value to support the General Fund. The recommended budget includes a 9.5% increase in water and sewer fees to fund the Water and Sewer Enterprise Fund and associated Capital Improvement Plan (CIP)

Table 1

	FY 23-24 Adopted	FY 23-24 Amended to Date	FY 24-25 Manager Proposed
General Fund	\$20,350,675	\$21,326,037	\$22,832,999
Water Sewer Fund	\$9,293,983	\$9,958,983	\$10,387,884
Stormwater Fund	\$770,200	\$1,058,526	\$770,200
<b>TOTAL</b>	<b>\$30,414,858</b>	<b>\$32,343,546</b>	<b>\$33,991,083</b>

# GENERAL FUND

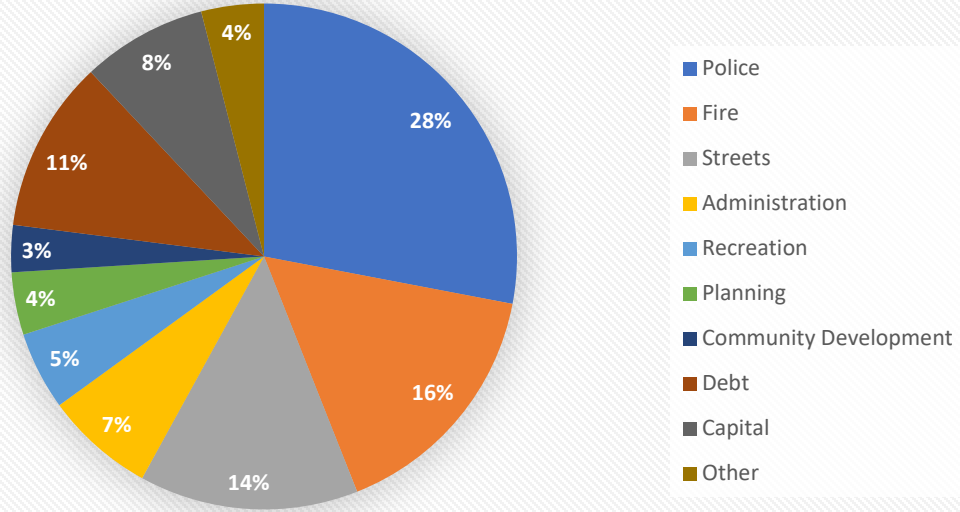
## General Fund highlights:

The General Fund is the portion of the budget that covers many of the city's governmental functions, such as the maintenance of facilities streets and sidewalks, parks, and recreation, planning and community development, public safety, and administration. This fund is largely driven by sales tax and property tax revenue, so the total amount can fluctuate from year to year.

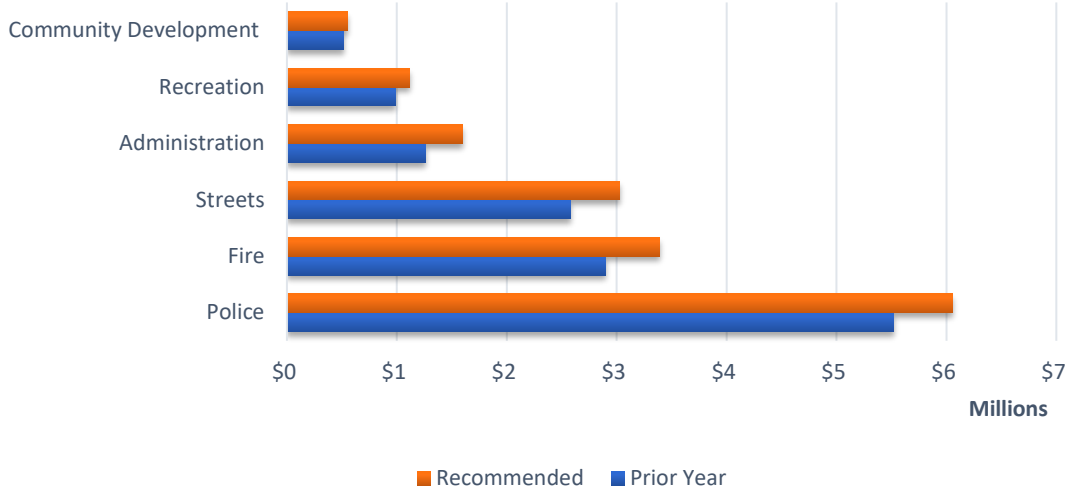
- The budget proposes no property tax increase.
- Ad Valorem revenues are estimated to increase 12% from the previous year. The increase is partly due to conservative budgeting during last fiscal year's revaluation in which we accounted for a 10% appeal rate, plus a number of new homes being constructed.
- There were 17 new position requests from the departments and 7 have been recommended. The positions that are recommended are as follows:
  - Four (4) Police Officers
  - Two (2) Firefighters
  - One (1) Planning Technician
- There is a 2% cost of living adjustment as well as an up to 3% merit. The recommended amounts are based on the following statistics:
  - US Bureau of Labor Statistics, Consumer Price Index Summary, unadjusted for 12 months ending March 2024, all items experienced a 3.5% increase.
  - US Bureau of Labor Statistics, Employment Cost Index compensation costs for state and local government workers increased 4.6% for the 12-month period ending December 2023 (most recent report listed).
- Funding is included to implement the recommendations from the salary study conducted in 2024 which will adjust 65 employee's salaries to the minimum of the new proposed salary schedule and includes a 2% per year of service with the city to reduce compression that may be associated with employees in the same position.
- Health insurance experiencing a 2% increase.
- Property & liability insurance premium increase of approximately 17.5%. This includes coverage for buildings/property, automobile, workers compensation and cyber.

- Mandatory retirement contribution to the North Carolina retirement system (ORBIT) has increased to 13.60% (12.85% in FY 23-24) for regular employees and an increase to 15.04% (14.10% in FY 23-24) for Law Enforcement Officers.
- Funding for items discussed at the Council Retreat such as: lobbyist, election board cost for bond, architect services for City Hall, public communication tools, and infrastructure life cycle model.
- This budget includes \$1.6 million dedicated to funding the Capital Improvement Plan. See Attachment 4 for detailed project list.
- The budget percentage breakdown by Department is (See Figure 1 and Figure 2):
  - 28% Police
  - 16% Fire
  - 14% Streets
  - 7% Administration
  - 5% Recreation
  - 4% Planning
  - 3% Community Development
  - 11% Debt
  - 8% Capital
  - 4% Other

**Figure 1**  
**GF Percent of Budget by Department**



**Figure 2**  
**GF Change by Department Over Prior Year**



# WATER AND SEWER FUND

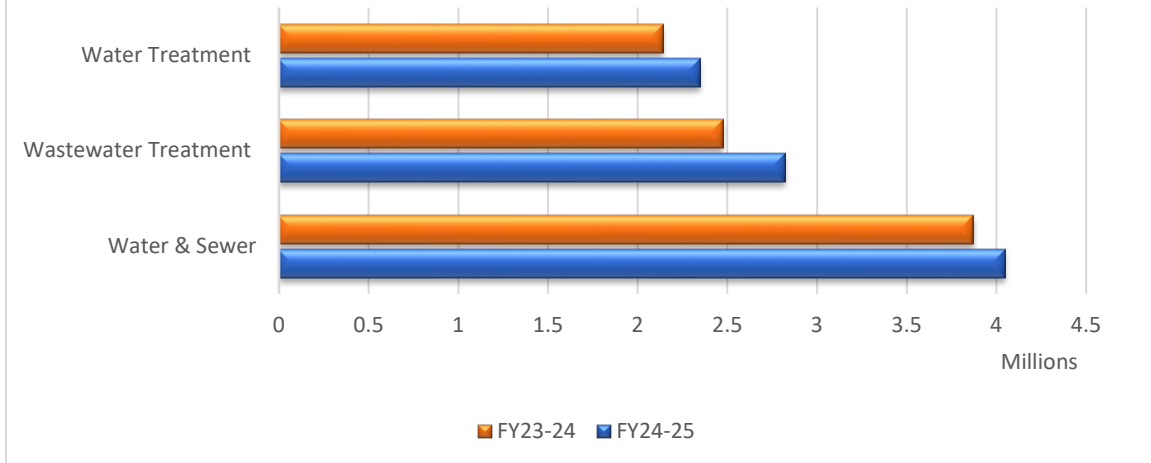
## Water and Sewer Enterprise Fund highlights:

The Water and Sewer Fund is an enterprise fund meaning that is self-supported by fees. The revenue requirement for the water and sewer fund consists of the costs required to assure the adequacy and continuity of safe and reliable services and includes costs associated with operations, maintenance, financing of capital improvements, and replacement of facilities. The determination of the fund's revenue requirements were made in a manner consistent with standard accounting and American Water Works Association (AWWA) utility rate-making principles. The revenue requirement for the system consists of the following cost components.

- **Operating Expenses:** The operation costs, equipment, utilities, water treatment costs, sewer treatment costs, purchased services, and other expenses necessary to operate the system and maintain the facilities. Also included are the costs incurred from staffing the system. These costs consist of items such as salaries, retirement programs, insurance plans, and other benefits for the employees.
- **Capital Outlay:** One-time expenses paid with available funds to purchase items such as equipment, facility improvements, and additions.
- **Debt Service:** The annual payments of principal and interest to pay back funds used to finance capital projects in the past.

For FY2024-2025 the total recommended budget is \$10,387,884 which is an 11% increase from the prior year (See Figure 3).

**Figure 3  
Water and Sewer Change By Department Over  
Prior Year**



The city updated and re-prioritized its Capital Improvements Plan (CIP) from 2022 and reviewed the costs and timing in which projects should be completed. The Capital Improvements Plan includes 18 water and 15 sewer improvement projects proposed for the fund through FY 2034. This leads to the financing of \$20.9 million of projects in the proposed Capital Improvements Plan after the State appropriation.

The current rates charged by the water and sewer fund are not adequate for funding future increases in operating costs and capital needs. To analyze the present water and sewer rates and the impact of any changes, a financial model was created to show the impact of various rate modifications. In proposing changes to rates, the objectives are to maintain positive revenue generation for the fund, while promoting user equity and best practices. To achieve this the following changes are recommended to the fee structure along with a 9.5% rate increase: 1) Vary water fixed charges by meter size, 2) Increase the price difference between volumetric rate tiers, 3) Eliminate the 2000-gallon fixed charge usage allocation for nonresidential customers. The changes to the fee and rate structure are estimated to increase the annual revenue by \$1,060,000 which will help strengthen the unrestricted net position, fund large capital needs, and cover operating costs.

**Capital Improvement Plans (CIP) highlights:**

- The 5-year total for the General Fund CIP is \$23,880,500. For FY24-25, \$1,621,577 is budgeted.
- The total for the Water and Sewer Enterprise fund is \$159,461,646. For FY24-25, \$10,335,000 is budgeted, with \$10M being from State grant funds.



# STORMWATER FUND

## Stormwater Fund highlights:

- Mostly flat budget from the prior year.
- \$319,283 to fund capital projects that include Woodrow Avenue culvert replacement at Westwood Drive and Linstowe Drive drainage improvements.

# SUMMARY OF FY2024-2025 RECOMMENDED BUDGET

The budget presented to you accomplishes our goals of investing in our staff, providing a high level of operational service, and investing in the City's infrastructure. The budget provides for seven (7) additional staff members to respond to the growing needs of our city, it funds needed vehicles and equipment, and funds important capital projects.

The recommended budget will be formally presented at a required public hearing to be held at the regular meeting of June 3, 2024, after which it can be considered for adoption. After adoption the city budget becomes effective on July 1, 2024.

A copy of this proposed budget is available at [www.cityofbelmont.org](http://www.cityofbelmont.org).

Mayor and Council, thank you for your leadership and guidance throughout this process. I look forward to another successful year and serving the City of Belmont!

Sincerely,

A handwritten signature in black ink, appearing to read 'Miles Braswell', written in a cursive style.

Miles Braswell, City Manager

Attachment 1: Budget Ordinance

Attachment 2: Approved Staffing

Attachment 3: Budget Line Items

Attachment 4: CIP (General Fund and Water and Sewer Fund)

Attachment 5: Fee Schedule

# ATTACHMENT 1

