



Budget Work Session  
April 17, 2022  
1:30PM

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1. Call to Order ..... Mayor Ed Hooks
2. Welcome .....City Manager Chris Rollins
3. PowerPoint Presentation.....City Manager Chris Rollins  
Finance Director Daphna Schwartz
4. Adjournment ..... Mayor



# **Budget Work Session**

APRIL 17, 2023



# Economic Factors

- Inflation – 12-month percentage change from February 2022 to February 2023 is 6.4% for the South Atlantic Region.
- Supply chain issues
- Federal funding/small pool of contractors
- Rising cost of borrowing



# General Fund Budget Summary

FY23-24



# Summary of Department Requests

## FY23-24 Department Requests

Department	FY23-24 Requests
Council	\$ 71,870.00
Administration	1,445,195
Finance	784,186
IT	1,688,832
Economic Development	920,214
Police	7,148,304
Fire	6,308,929
Planning	579,036
Inspections	997,544
Engineering	460,000
Public Works	3,770,105
Public Facilities	1,321,819
Sanitation	2,912,463
Recreation	3,811,134
Non-Departmental	2,985,464
<b>Total Requests</b>	<b>\$ 35,205,095</b>

## Previous Adopted Budgets (including Fund Balance Appropriation)

FY23-23 \$28,276,326 (\$2.2M)

FY21-22 \$25,445,340 (\$1.9M)

FY20-21 \$22,015,000 (\$1.8M)

FY19-20 \$21,192,300 (\$1.5M)

FY18-19 \$19,607,000 (\$1.8M)



# CAPITAL IMPROVEMENT REQUESTS

Department	Project	FY23-24
IT	Fiber Installation	\$ 95,702
IT	Redundant Servers	43,500
Police	Vehicles (3 new, 3 replacement)	413,058
Fire	Replace Fire Engine w/Quint	1,400,000
Fire	Fire Prevention Vehicle	50,000
Fire	ATV Rescue Vehicle	30,654
Public Works	CAT 304 Mini Hydraulic Excavator	90,200
Public Works	New Fleet Services office and foyer	145,200
Public Works/Sanitation	Service trucks (5) (replacement)	333,000
Public Works	Plow Package (4)	40,000
Public Works	Sidewalk - Crawford St. from N. First St. to N. 2nd St. construction and engineering inspection	137,000
Public Works	Sidewalk - S. Eighth St. to Fifth St. Park via Arrowhead Villas construction and engineering inspection	55,000
Public Works	Multi-use path - Third Street to Fifth Street Connector	60,500
Public Works	Sidewalk - Third Ext. from Corporate Park Dr. to Augusta Dr. easement maps and purchases	32,500
Public Works	NC 119 Wayfinding entrance signs	100,000
Public Works	New fuel station and pumps	97,000

Department	Project	FY23-24
Public Facilities	John Deere Gator with Spray tank	30,500
Sanitation	Sidearm Garbage Truck	363,000
Sanitation	Knuckle boom Truck	204,000
Sanitation	Dump Truck - 4X2 (single axle) 2 replacements	324,300
Sanitation	Trailer leaf vacuum system	124,200
Parks & Rec	Back Entrance Parking Lot @ Community Park	480,000
Parks & Rec	Lake Michael Connector (along Lebanon)	375,000
Parks & Rec	MACC Roof Restoration	295,000
Parks & Rec	Lake Michael Building Removal of Current Building	50,000
Parks & Rec	Gym Floor @ Old Rec (replacement)	160,000
Parks & Rec	Lake Trails	55,900
	<b>Total General Fund CIP</b>	<b>\$5,585,214</b>



# REVENUE NEUTRAL CALCULATION

	Estimates 2022-2023*	Growth	Reval Estimates FY23-24	Estimate with Appeals	Tax Revenue (Real)	Tax Revenue RMV
Real Property	2,087,988,181	7.5%	2,244,580,761	\$ 3,433,582,498	\$ 13,683,510	\$ 746,395.76
Non-RMV Personal Property	546,738,550	4.7%	572,666,209	\$ 572,666,209	99.6%	99.6%
Utility	29,404,917	-3.6%	28,348,569	\$ 28,348,569	\$ 13,628,776	\$ 743,410.17
RMV Property	200,838,130	8.6%	218,202,651	218,202,651		
<b>Total</b>	<b>2,864,969,778</b>		<b>3,063,798,191</b>	<b>\$ 4,252,799,928</b>	<b>4,218,464,103</b>	
Tax Rate	<b>0.4700</b>			<b>0.3192</b>		
Revenue	\$ 13,465,358			\$ 13,465,358		
* Based on current year estimates				Average Growth Rate	<b>7.16%</b>	
2021-2022 (OC revaluation 1/1/2021)	2,654,716,052			Revenue Neutral Tax Rate	<b>0.3421</b>	
2022-2023	2,864,969,778					
minus annexations				Projected Revenue	\$ 14,429,906	<b>\$ 14,372,186</b>
Parcel 9834445110 6086 West Ten Rd.				Additional Dollars from 2022-2023	\$ 964,548	
Buckhorn Industrial Park	(1,089,900)					
Parcel 160091 UPS	(472,230)					
Parcel 163553 PIN 9814132469 Bhavans Group LLC	(647,634)					
Parcel 172976 Venn Hillsborough LLC	(470,600)					
Parcel 9825498941 Lebanon Road 3 LLC	(858,005)					
Parcel 9824434841 GG Havenstone Limited Partnership	(189,327)					
Parcel 172714 Chick-Fil-A Supply LLC	(9,901,217)					
Parcel 166704 Land Management 1st Inc	(17,425)					
Parcels Various Buckhorn Industrial II LLC	(4,812,900)					
Parcel 160321 Duke University Health System (tax exemp	(71,250)					
Parcel 168933 (Alamance) 9825381359 (OC)						
9825286476 (OC) 168937 Alamance BC Stagecoach LLC	(377,920.00)					
Parcel 167482 Summit Church	(764,814.00)					
Parcel 9844452283 Sandra Clark	(18,653.00)					
Parcel 9825410961 Espitia Properties	(92,000.00)					
Parcel 160376 160314 and Crow Holdings	(307,756.00)					
<b>Total Annexations</b>	<b>(20,091,631)</b>					
2022-2023 (minus annexations)	2,844,878,147	7.16%				



# TAX IMPACT

## Revenue Neutral Impact

- 2022
  - Median home value = \$202,900
  - \$0.47/\$100 tax rate
  - Taxes = \$953.63
- 2023
  - Median home value = \$365,220
  - \$0.3421/\$100 tax rate
  - Taxes = \$1,249.42
- Increase of \$295.79

## Impact of a one cent increase

Cent Increases		Tax Impact
\$	0.01	\$ 421,613
	0.02	841,772
	0.03	1,261,931





# REVENUES

## REVENUE NEUTRAL ESTIMATES

Property Taxes	\$ 13,629,117
Sales Tax	6,290,000
Utility Franchise Tax	1,124,100
Other Property Tax	777,429
Fire District Tax	550,801
Powell Bill Allocation	503,000
Sanitation User Fees	575,508
Permits and Fees	1,919,910
All Other Revenues	1,345,230
<b>Total Revenues</b>	<b>\$ 26,715,095</b>

## POSITIONS ADDED WITHOUT A TAX INCREASE

FY22-23: 8 full-time positions and 3 reclassified positions

FY21-22: 10 full-time positions and 3 reclassifications

FY20-21 -No positions were added due to COVID.



# BRIDGING THE GAP

- The budget does not include any funding for Fire Station #4, the Holt Street Greenway, or the Transload Facility.
- Debt payments for the Lake Michael Spillway are not included because payments will likely not begin until FY24-25.
- The deficit with no tax increase, fund balance appropriation or debt proceeds is (\$8,490,000) with capital requests over \$24,999 totaling \$5,585,214.



# Utility Fund Budget Summary

FY23-24



# Summary of Department Requests

## FY23-24 Department Requests

Department	FY23-24 Requests
Administration & Metering	\$ 1,613,720
Utilities	6,426,058
Engineering	285,000
Water Resource Recovery Facility	3,351,742
Non-Departmental	1,503,768
<b>Total Requests</b>	<b>\$ 13,180,288</b>

## Previous Adopted Budgets (including Fund Balance Appropriation)

FY22-23 \$10,054,333 (\$1.2 M)

FY21-22 \$10,378,152 (\$1.6M)

FY20-21 \$8,546,000 (\$1.9M)

FY19-20 \$8,006,250 (\$1.5M)

FY18-19 \$8,173,390 (\$1.8M)



# CAPITAL IMPROVEMENT REQUESTS

Department	Project	FY23-24
Administration & Metering	Meters	\$ 180,000
Utilities	Trucks 2 replacements	112,000.00
Utilities	Sewer Jetter	136,818.00
Utilities	Air Compressor	25,000.00
Utilities	Rock Quarry Rd. Loop	959,375.00
Utilities	2" Galvanized Water Line Replacement Engineering (Phase I)	50,000.00
Utilities	GE Pump Station Re-build (Phase I)	50,000.00
Utilities	Third Street Outfall	50,000.00
Utilities	Water Rehab	38,000.00
Utilities	Utility Oversizing	150,000.00
Utilities	City of Graham Water Plant Capital	200,000.00
Water Resource Recovery Facility	Roof Repair Thickener Building	40,000.00
Water Resource Recovery Facility	City of Graham Treatment Plant Capital	669,081.00
	<b>Total Utility Fund CIP</b>	<b>\$ 2,660,274</b>



# REQUESTED POSITIONS

Department	Requested Position	Salary & Benefits	Non-salary costs FY23-24	Non-salary costs future years	Total Cost FY23-24
Utilities	Maintenance Technician	\$ 66,952	\$ 2,764	\$ 1,632	\$ 69,716
Utilities	Meter & Sampling Supervisor	108,408	2,764	1,632	111,172
WRRF	Laboratory Technician	77,290	800	500	78,090
WRRF	Wastewater Treatment Plant Operator	84,090	1,760	1,460	85,850
	<b>Total Cost FY23-24</b>				<b>\$ 344,828</b>



# REVENUE ESTIMATES

<b>Water Utility Fees*</b>	<b>\$ 4,433,731</b>
Sewer Utility Fees*	4,327,398
<b>All Other Revenues</b>	<b>811,520</b>
<b>Total Revenues</b>	<b>\$ 9,572,649</b>
* Fees include a 6% increase.	
The gap between requested expenditures and estimated revenues is (\$3,607,639).	

## Rate Increases

FY22-23: 6% for water & sewer

FY21-22: 10% for water & sewer

FY20-21: No increase due to  
COVID



# Capital Reserve Fund

FY23-24





# CAPITAL RESERVE FUND SUMMARY

## Estimated Revenues

• System Development Fees – Water	\$500,000
• System Development Fees - Sewer	\$1,170,000
• Interest Earnings	<u>\$3,000</u>
Total	\$1,673,000

## Additional Information

- There are no planned transfers at this time.
- The current fund balance is \$3,702,258.
- The current year's revenue is \$1,475,671.



# Capital Project Ordinances



# GENERAL FUND CAPITAL PROJECT ORDINANCES

## CATES FARM PARK

Current Budget	\$1,377,809
Expenditures	<u>\$253,690</u>
Remaining Budget	\$1,124,119

## LAKE MICHAEL DAM SPILLWAY

Current Budget	\$908,240
Expenditures	<u>\$271,673</u>
Remaining Budget	\$636,567

Estimated total project cost is  
\$4,402,835 as of April 7, 2023.



# UTILITY FUND CAPITAL PROJECT ORDINANCES

## WATER RESOURCE RECOVERY FACILITY(WRRF) RENOVATION

Current Budget	\$8,951,942
Expenditures	<u>\$5,711,390</u>
Remaining Budget	\$3,240,552

## WRRF EXPANSION

Current Budget	\$15,725,000
Expenditures	<u>\$2,421,061</u>
Remaining Budget	\$13,303,939

Estimate total project cost is \$63,000,000 per an estimate provided last month.



# UTILITY FUND CAPITAL PROJECT ORDINANCES

## ELEVATED STORAGE TANK

Current Budget	\$7,081,200
Expenditures	<u>\$67,621</u>
Remaining Budget	\$7,013,579

## GKN PUMP STATION RE-ROUTE

Current Budget	\$1,853,159
Expenditures	<u>\$35,874</u>
Remaining Budget	\$1,817,285

Estimated total project cost is \$7,025,000 as of April 11, 2023.



Questions?