



# FY 2024 Operating and Capital Budget Development

*City Council Work Session  
May 1, 2023*



# Agenda for Discussion

- Review of the Parking Lot
- General Fund Balance Review
- ARPA Funding Review
- Parks and Recreation Bond Financial Plan
- 2022 General Obligation Bond Funding Plan
- Revisions and Additions to the Parking Lot
- Recommended Calendar Revisions



- ✓ ARPA Funding/Impact on CIP
  - **Review of Revenue/Expenditure Options**
  - Departmental Requests for Funding and Enhancements
  - History of Solid Waste Fee Increases
  - Licenses Plate Fee Options
  - Estimated Impact of Revaluation
  - “Contingency Plans” for Sales Tax
  - History of Tax Rates and Fees
  - Vacancy Rate History
  - Appropriated Capital Project Status
- ✓ General Obligation Bond Financial Plan Options
  - Surplus Assets and Properties
  - **Additional Ad Valorem Rate Analysis**
  - **Compensation Options**
  - Revision of Stormwater Rate Structure



# General Fund Balance Review

	FYE June 30, 2019	FYE June 30, 2020	FYE June 30, 2021	Unaudited FYE June 30, 2022
<b>Nonspendable</b>				
For Inventories	\$ 71,632	64,338	87,105	105,670
For Prepaids	202,337	21,452	1,960,985	2,291,866
<b>Restricted</b>				
Stabilization by State Statute	19,162,377	21,550,479	25,411,219	30,956,548
For Downtown	128,191	132,332	113,843	130,198
For County Recreation	3,694,273	3,045,504	2,936,978	213,394
For Donations	22,493	13,254	15,319	25,355
For Lake Valley Drive MSD	292	935	913	-
Economic and Physical Development	-	56,622	9,572	-
<b>Committed</b>				
Law Enforcement Officer's Special Separation Allowance	6,164,494	6,789,253	7,250,083	8,530,243
<b>Assigned</b>				
For Subsequent Year's Expenditures	4,242,452	9,153,519	12,687,857	3,969,112
For Special Purposes	4,840,895	5,251,113	8,898,451	6,857,690
For Capital Projects	12,304,037	11,301,421	10,142,762	7,935,797
<b>Unassigned</b>	25,103,217	25,196,717	23,573,783	33,739,275
<b>Total Funding Balances</b>	<b>\$ 75,936,690</b>	<b>82,576,939</b>	<b>93,088,870</b>	<b>94,755,148</b>
<b>Change in Fund Balance</b>	<b>\$ 6,768,212</b>	<b>6,640,249</b>	<b>10,511,931</b>	<b>1,666,278</b>

FY 2022 Assigned Fund Balance Break Down	
<b>Subsequent Year's Expenditures</b>	
Regular Capital Funding Plan	\$ 1,916,007
P&R Bond Funding Plan	1,063,105
At-Risk Youth Programs	200,000
Neighborhood Beautification program	35,000
Community Beautification program	30,000
Increase Seasonal Temp pay to \$15/hr	484,000
Temporary Services	6,650
Next-Generation Initiative	100,000
Council pay increase	9,350
Mirror Lake Dam Project	125,000
<b>Total Subsequent Years Expenditures</b>	<b>\$ 3,969,112</b>
<b>City Council Adopted Designations</b>	<b>\$ 6,857,690</b>
<b>For Capital Projects</b>	
Regular Capital Funding Plan	\$ 1,483,673
P&R Bond Funding Plan	6,440,610
Stadium Funding Plan	11,514
<b>Total For Capital Projects</b>	<b>\$ 7,935,797</b>
<b>Unassigned Fund Balance</b>	<b>\$ 33,739,275</b>
Less: 12% Policy Goal	(22,702,066)
Less: Reconstruction Museum 2nd Tranche	(3,300,000)
Less: MLK Park Commitment	(2,000,000)
Less: Black Voices Commitment	(450,000)
<b>Total Available Unassigned Fund Balance</b>	<b>\$ 5,287,209</b>



# ARPA Funding Review

ARPA Revenue Replacement Programs and Projects	Approved Budget	Unspent
ADA Compliance	\$ 375,000	374,353
Playground Repairs/Refurbishing	778,497	355,593
Picnic Shelter Replacements	250,000	250,000
Building Maintenance - HVAC/Boiler Replacement	558,000	426,029
Building Maintenance - Other Projects	415,000	330,752
Building Maintenance - Roof Replacement	940,000	604,828
Bridge Preservation Program	320,000	320,000
Parking Lot Resurfacing	385,800	378,971
Downtown Streetscape	435,000	256,251
City Website Update/Redesign	150,080	150,080
City Domain Migration	355,000	292,486
Citbot Technology	47,000	47,000
Computer Replacement Program	1,906,728	1,324,287
PD Public Safety Initiatives - Axon Contract	3,117,261	2,286,533
Drone	138,044	61,053
Public Safety Camera Replacement	332,193	332,193
Gunshot Detection Technology - ShotSpotter	197,500	197,500
City-Wide Security Access Control System	796,693	796,693
Blanton Road Extension	500,000	500,000
Intersection Improvements	850,000	850,000
Multi Use Lanes	375,000	375,000
Ramsey Street Pump Station Replacement	500,000	500,000
<b>Total ARPA Revenue Replacement</b>	<b>\$ 13,722,796</b>	<b>11,009,601</b>

ARPA Eligible Use Programs/Projects	Approved Budget	Unspent
Covid Small Business Grant Program	\$ 2,000,000	-
Commercial Corridor Improvement Grant Program	1,000,000	-
Childcare Employee Retention Grant Program	1,000,000	-
Day Resource Center	1,000,000	47,802
Workforce Development Program	1,000,000	1,000,000
Housing Trust Fund	4,000,000	4,000,000
Community Development Center	1,000,000	1,000,000
Equity Venture Capital Grant Fund Program	2,500,000	2,500,000
Employee Premium Pay	3,658,205	0
Impact Reduction Program	215,000	100,000
Project Administrative	2,648,900	2,648,900
Violence Interrupter Program	375,400	-
Iparametrics Consultant	674,960	-
Tennis Center	5,500,000	5,500,000
<b>Total ARPA Eligible Use Programs/Projects</b>	<b>\$ 26,572,465</b>	<b>16,796,702</b>

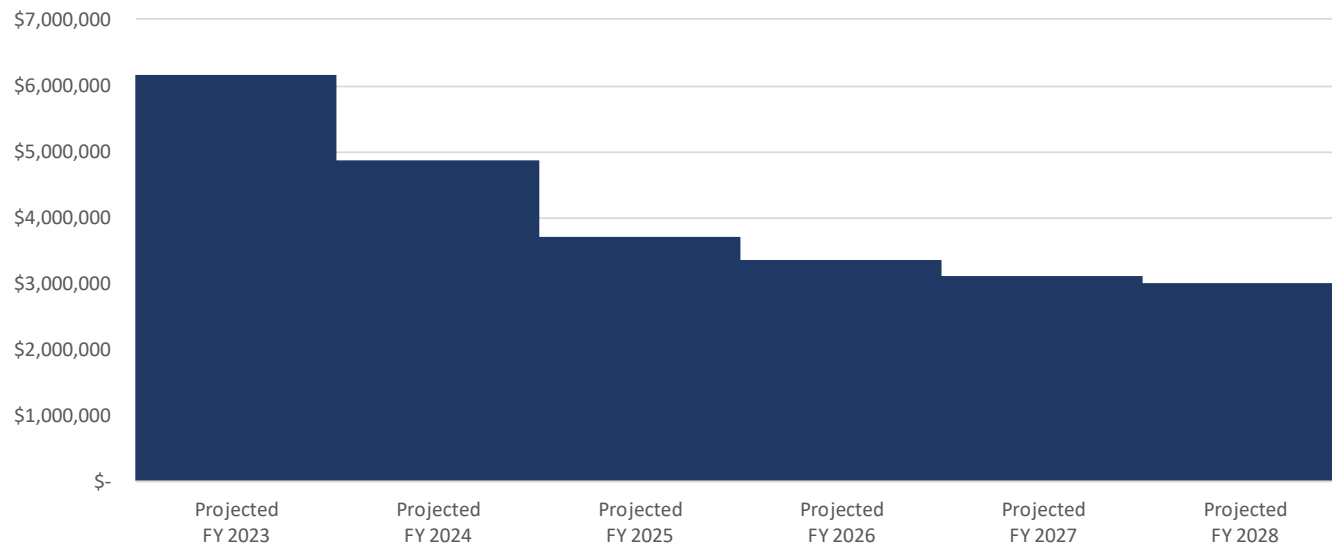
Summary	Approved Budget	Unspent
ARPA Revenue Replacement Programs and Projects	\$ 13,722,796	11,009,601
ARPA Eligible Use Programs/Projects	26,572,465	16,796,702
<b>Total ARPA Funding</b>	<b>\$ 40,295,261</b>	<b>27,806,304</b>

## Parks and Recreation General Obligation Bonds

## Financial Plan

	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028
<i>Sources of Funds</i>						
Ad Valorem Tax Revenues	\$ 2,236,207	2,241,526	2,247,806	2,585,366	2,710,125	2,650,750
Interest Earnings	150,074	123,453	97,301	74,415	67,170	62,299
<b>Total Sources</b>	<b>\$ 2,386,281</b>	<b>2,364,979</b>	<b>2,345,107</b>	<b>2,659,781</b>	<b>2,777,295</b>	<b>2,713,049</b>
<i>Uses of Funds</i>						
Debt Service	\$ 3,567,268	3,399,125	3,242,125	2,797,625	2,710,125	2,622,625
Operating Support	-	150,000	150,000	150,000	150,000	150,000
<b>Total Uses</b>	<b>\$ 3,567,268</b>	<b>3,549,125</b>	<b>3,392,125</b>	<b>2,947,625</b>	<b>2,860,125</b>	<b>2,772,625</b>
Annual Sources Over/(Under)	\$ (1,180,987)	(1,184,146)	(1,047,018)	(287,844)	(82,830)	(59,576)
<b>Assigned Fund Balance</b>	<b>\$ 6,172,655</b>	<b>4,865,056</b>	<b>3,720,737</b>	<b>3,358,478</b>	<b>3,114,928</b>	<b>2,993,053</b>

Assigned Fund Balance



## Assumptions and Parameters:

- Debt Service based on Amortization
- Investment Assumption 2.0%
- Estimated Ad Valorem Growth ~1.5%
  - 1.42 Cents Committed
- Assumes 15.0% Reval in FY 2026
- Assumes Operating Support for New Facilities
- Assumes a Balance Floor of \$1 million

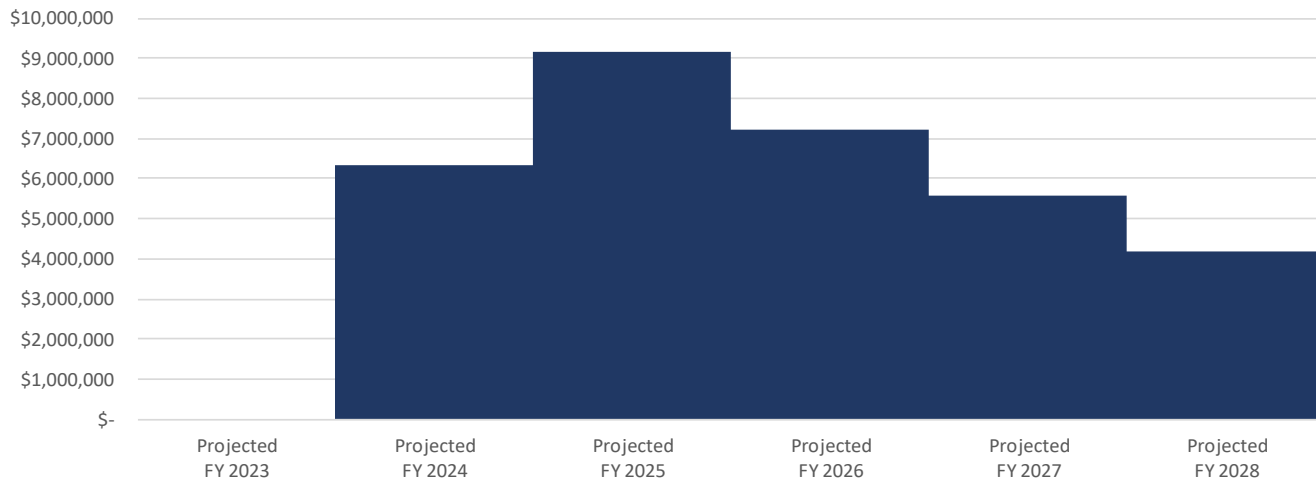


## 2022 General Obligation Bonds

## Financial Plan

	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028
<b>Estimated Tax Rate in Pennies</b>	-	<b>4.25</b>	<b>4.25</b>	<b>4.25</b>	<b>4.25</b>	<b>4.25</b>
<i>Sources of Funds</i>						
Ad Valorem Tax Revenues	\$ -	6,339,303	6,563,156	7,696,057	7,768,695	7,849,578
Interest Earnings	-	-	126,786	180,885	138,432	102,451
<b>Total Sources</b>	<b>\$ -</b>	<b>6,339,303</b>	<b>6,689,942</b>	<b>7,876,942</b>	<b>7,907,127</b>	<b>7,952,029</b>
<i>Uses of Funds</i>						
Public Safety Debt Service	\$ -	-	-	6,060,000	5,908,500	5,757,000
Public Infrastructure Debt Service	-	-	2,525,000	2,461,875	2,398,750	2,335,625
Housing Bond Debt Service	-	-	1,333,200	1,296,840	1,260,480	1,224,120
Operating Support	-	-	-	-	-	-
<b>Total Uses</b>	<b>\$ -</b>	<b>-</b>	<b>3,858,200</b>	<b>9,818,715</b>	<b>9,567,730</b>	<b>9,316,745</b>
<b>Annual Sources Over/(Under)</b>	<b>\$ -</b>	<b>6,339,303</b>	<b>2,831,742</b>	<b>(1,941,773)</b>	<b>(1,660,603)</b>	<b>(1,364,716)</b>
<b>Assigned Fund Balance</b>	<b>\$ -</b>	<b>6,339,303</b>	<b>9,171,045</b>	<b>7,229,272</b>	<b>5,568,669</b>	<b>4,203,953</b>

Assigned Fund Balance



## Assumptions and Parameters:

- Debt Service based on Estimated Issues
  - Interest Rate at 5%, Full \$97 million
- Investment Assumption 2.0%
- Estimated Ad Valorem Growth ~1.5%
- **Assumes 15.0% Reval in FY 2026**
- Assumes Operating Support for New Facilities
- Assumes a Balance Floor of \$1 million

## Alternatives:

- Push Pieces of Bond Funding Further Out
- Most Flexible Piece is Housing Program
- Trim the Program to Reduce Annual Debt Service

# Parking Lot

- ✓ ARPA Funding/Impact on CIP
  - Review of Revenue/Expenditure Options
  - Departmental Requests for Funding and Enhancements
  - History of Solid Waste Fee Increases
  - Licenses Plate Fee Options
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## *Goals and Principles of the Process*

- Transparency
- Dialogue
- Engagement

## *Developmental Strategies*

- Council Group Discussion
- Budget Work Sessions
- Agendized Discussions, Public Hearings, and Voting

## *Considerations*

- System Challenges
- Staffing Departures and Illnesses

May	1 – Budget Work Session
	8 – City Council Meeting & Budget Work Session
	11 – Budget Work Session
	17 – Council Agenda Review
	22 – Recommended Budget
June	25 – Budget Work Session
	5 – City Council Work Session
	12 – Public Hearing
	19 – Special Meeting – Adoption
	21 – Council Agenda Review
	26 – City Council Meeting
	30 – Fiscal Year End



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