



# Budget Work Session

# Fiscal Year 2022-2023

June 6, 2022

5:30 PM

- **Call Meeting to Order**
- **Invocation**
- **Pledge of Allegiance**

- **Agenda Approval**
- **Statement of Disclosure**



# General Fund Presentation

# Proposed Fiscal Year 22-23 Budget

COST CENTER	FISCAL YEAR 2021-2022	FISCAL YEAR 2022-2023
General Fund	\$23,805,848	\$22,868,723
Electric Fund	\$33,656,671	\$32,359,600
Water & Sewer Fund	\$11,848,977	\$10,283,500
Stormwater Fund	\$590,000	\$594,750
Solid Waste Fund	<u>\$1,766,981</u>	<u>\$1,796,000</u>
<b>Total</b>	<b>\$71,667,981</b>	<b>\$67,902,573</b>
<b>LESS INTERFUND PAYMENTS</b>	<b>-\$1,875,000</b>	<b>-\$1,875,000</b>
<b>BUDGET</b>	<b>\$69,792,981</b>	<b>\$66,027,573</b>

# BUDGET HIGHLIGHTS

- Current FY 2021-22

**Tax Rate .74/100 Valuation**

- Fiscal Year 2022-23

**Revenue Neutral Tax Rate .58/100 Valuation**

**Negative Growth Rate**

# BUDGET HIGHLIGHTS

- FY 2021-22 Real Property Values

➤ **\$1,164,659,070**

- FY 2022-23 Real Property Values

➤ **\$1,530,906,537**

1¢ will generate approximately \$153,090

*Percentage Increase 31.44%*

# REVENUE NEUTRAL TAX RATE

Fiscal Year	Assessed Value	Value of Annexations	Adjusted Assessed Value	Annual % Increase
2015-16	\$1,180,547,028		\$1,180,547,028	
2016-17	\$1,227,812,483		\$1,227,812,483	104.00%
2017-18	\$1,242,557,049		\$1,242,557,049	101.20%
2018-19	\$1,245,475,508		\$1,245,475,508	100.23%
2019-20	\$1,269,316,680		\$1,269,316,680	101.91%
2020-21	\$1,280,586,113		\$1,280,586,113	100.89%
Est. Current Year	\$1,164,659,070		\$1,164,659,070	90.95%
<b>Average growth Rate</b>				<b>99.86%</b>



# REVENUE NEUTRAL TAX RATE

EST Tax Levy this year (per TR2)	\$8,532,358
Late Listings & Discovered (per TR2)	\$240,025
TOTAL Estimated Levy	\$8,772,383
Increased by Growth Factor	\$8,760,523

*NEW Revalued tax base projection:* **\$1,507,906,537**

Tax Rate required to produce revenue equal to current FY Estimate:  
EST Levy X Growth Rate / New Revalued Tax base X 100

**REVENUE NEUTRAL  
TAX RATE  
0.58**

# 2022-2023 TAX VALUATION

2022-2023 Real Property Values	\$1,507,906,537
Public Utilities	<u>\$23,000,000</u>
TOTAL	\$1,530,906,537
FY 2021-2022 Tax Revenues =	\$8,772,383
FY 2022-2023 Tax Revenues	
\$1,530,906,537 x \$ .59/100 =	\$9,032,348
\$9,032,348 x <b>97.25% Collection Rate</b> =	\$8,783,958

# 2022-2023 TAX VALUATION

## MUNICIPAL SERVICE DISTRICT

FY 2021-2022 Tax Revenues	\$29,530
FY 2022-2023 Real Property Values	\$48,667,050
$\$48,667,050 \times \$ .063/100$	\$30,660
$\$30,660 \times 97.25\% \text{ Collection Rate} =$	\$29,817

# GENERAL FUND BUDGET

- FY 2021-22 Adopted General Fund Budget  
**\$23,805,848**
- FY 2022-23 Requested General Fund Budget  
**\$26,137,911**
- FY 2022-23 Recommended General Fund Budget  
**\$22,868,723**

# GENERAL FUND EXCLUSIONS

## *Not Included in Budget*

- Salary Increases
  - No Funds to Address Salary Compression
- No Capital Expenditures
- No New Positions
- No New Initiatives
- No Loan Funds for Capital (Local Gov't approval unlikely)
- Providence Road Bridge \$44,882
- Downtown Parking Study \$25,000
- Rivershore Bridge Replacement \$1.971 million
  - No Increase in Utility Transfers
  - No Financial Advisor to Develop Long Range Debt and Financial Plan
  - No Fund Balance is Appropriated
  - Software Update (Compatibility with MCSJ & Tyler Tech. 1 x Fee of \$74,000 - \$106,000 or Annual Fee \$84,000 - \$110,000)
  - Career Develop. & Tuition (\$300,000)
  - Business Incentive Grant \$80,000
  - Middle School Gymnasium Lease (Future) \$70,000/yr for 6-yrs:After 6yrs \$1.5M to purchase

# GENERAL FUND - SALARIES

Total General Fund Salaries	\$9,959,564
Cost for 1% Salary Increase	\$99,595
Cost for 3% COLA Adjustment	\$298,787
CPI for Last 12 months	8.5%

# BUDGET SYNOPSIS

## Negative Factors Affecting the FY 22-23 Budget

- *Inflation / Cost of Materials / Delivery Delays*
- *Local Gov't Retirement Increases*
  - *Local General Employees 11.41% to 12.15%*
  - *Law Enforcement 12.04% to 13.04%*
  - *Firefighters 11.41% to 12.15%*

# BUDGET SYNOPSIS

## Negative Factors Affecting the FY 22-23 Budget continued

- *Supplemental Retirement for Firefighters due to several retirements*
- *Increase in Health Insurance Costs*
  - *\$627 to \$687 per month*
  - *8.5% Renewal Increase July 1st*
  - *Project Annual Cost Increase \$211,069*



# BUDGET SYNOPSIS

## Negative Factors Affecting the FY 22-23 Budget continued

- *Reduction in State Revenues*
- *Piped Natural Gas*
- *Telecommunication Tax*
- *Video Programming*

# General Fund Capital Items

DEPARTMENT	ITEMS	IMPROVEMENT / EQUIPMENT	COST	BUDGET IMPACT
Administration-Public Buildings	Chillers – Public Safety Building/ Insulating Pipes at Midgett	IMPROVEMENTS	\$46,500	\$46,500
<b>TOTAL</b>				<b>\$46,500</b>

# General Fund Capital Items

DEPARTMENT	ITEMS	IMPROVEMENT / EQUIPMENT	COST	BUDGET IMPACT
Community Develop.	Update Land Use Plan	LAND USE	\$130,000	\$130,000
Comm. Dev. – Code Enforcement	New vehicle	EQUIPMENT	\$24,110	\$24,110
<b>TOTAL</b>				<b>\$154,110</b>

# General Fund Capital Items

DEPARTMENT	ITEMS	IMPROVEMENT / EQUIPMENT	COST	BUDGET IMPACT
Information Technology	Pump Station Automation Controls	IMPROVEMENTS	\$48,072	\$48,072
Information Technology	Inventory Control Software	IMPROVEMENTS	\$17,500	\$17,500
Information Technology	Itron Mobile Meter Radio	IMPROVEMENTS	\$14,658	\$14,658
Information Technology	Network Storage	EQUIPMENT	\$15,700	\$15,700
<b>TOTAL</b>				<b>\$95,930</b>

# General Fund Capital Items

DEPARTMENT	ITEMS	IMPROVEMENT / EQUIPMENT	COST	BUDGET IMPACT
Parks & Recreation	Gym Floor Replacement	IMPROVEMENTS	\$250,000	\$250,000
Parks & Recreation	Knobbs Creek Playground Rebuild	IMPROVEMENTS	\$100,000	\$100,000
Parks & Recreation	2 Toro Z Mowers	EQUIPMENT	\$90,000	\$90,000
Parks & Recreation	2 Chevy Silverado	EQUIPMENT	\$78,844	\$78,844
<b>TOTAL</b>				<b>\$518,844</b>

# General Fund Capital Items

DEPARTMENT	ITEMS	IMPROVEMENT / EQUIPMENT	COST	BUDGET IMPACT
Police	Cameras (In Car)	EQUIPMENT	\$80,000	\$80,000
Police	3 Marked Police Vehicles	EQUIPMENT	\$205,000	\$205,000
Police	2 Unmarked Vehicles	EQUIPMENT	\$123,000	\$123,000
Police	Surveillance Cameras	EQUIPMENT	\$7,586	\$7,586
<b>Total</b>				<b>\$415,586</b>

# General Fund Capital Items

DEPARTMENT	ITEMS	IMPROVEMENT / EQUIPMENT	COST	BUDGET IMPACT
Fire	Property for Station 2	IMPROVEMENTS	\$500,000	\$500,000
Fire	New Ramp at Station 1	IMPROVEMENTS	\$50,000	\$50,000
Fire	Roof Replacement Station 1	IMPROVEMENTS	\$80,000	\$80,000
Fire	Vehicle Repeater and 14 Radios	EQUIPMENT	\$113,000	\$113,000
Fire	Eight SCBA's	EQUIPMENT	\$58,000	\$58,000
Fire	Station 1 Lawnmower	EQUIPMENT	\$7,000	\$7,000

# General Fund Capital Items

DEPARTMENT	ITEMS	IMPROVEMENT / EQUIPMENT	COST	BUDGET IMPACT
Fire	Command Center Pullout	EQUIPMENT	\$8,500	\$8,500
Fire	Rescue Jacks	EQUIPMENT	\$13,500	\$13,500
Fire	Front Line Fire Command system	EQUIPMENT	\$6,500	\$6,500
Fire	F250 Pickup to Replace Minivan	EQUIPMENT	\$42,000	\$42,000
<b>TOTAL</b>				<b>\$878,500</b>



# General Fund Capital Items

DEPARTMENT	ITEMS	IMPROVEMENT / EQUIPMENT	COST	BUDGET IMPACT
Fire Inspections	LED Sign for Station 1	EQUIPMENT	\$26,000	\$26,000
Fire Inspections	New Vehicle to replace 2005 Dodge	EQUIPMENT	\$68,000	\$68,000
<b>TOTAL</b>				<b>\$94,000</b>

# General Fund Capital Items

DEPARTMENT	ITEMS	IMPROVEMENT / EQUIPMENT	COST	BUDGET IMPACT
Public Utilities - GIS	2022 Ford Ranger	EQUIPMENT	\$26,901	\$26,901
Public Utilities – GIS	Thermal Camera for Drone	EQUIPMENT	\$6,099	\$6,099
<b>TOTAL</b>				<b>\$33,000</b>

# General Fund Capital Items

DEPARTMENT	ITEMS	IMPROVEMENT / EQUIPMENT	COST	BUDGET IMPACT
Public Utilities – Streets	Purchase 2022 F250 Super Cab 4x4	EQUIPMENT	\$54,000	\$54,000
<b>TOTAL</b>				<b>\$54,000</b>

<b>GRAND TOTAL</b>				<b>\$2,300,470</b>
--------------------	--	--	--	--------------------



**RESPONSES TO**

**BUDGET OVERVIEW**

**QUESTIONS**



# Water and Sewer Presentation

# **WATER & SEWER FUND BUDGET**

- FY 2021-22 Adopted Water & Sewer Fund Budget  
**\$11,862,212**
- FY 2022-23 Requested Water & Sewer Fund Budget  
**\$15,446,098**
- FY 2022-23 Recommended Water & Sewer Fund  
Budget  
**\$10,283,500**

# BUDGET HIGHLIGHTS

- **No Increases in Rates Proposed**
- **No Use of Fund Balance to Balance Budget**
- **No Increases in Budgeted Transfers**
- **No salary Increases**
- **No New Positions**
- **\$1,869,752 in Contingency for Potential Capital**

# WATER & SEWER FUND - SALARIES

Total Water & Sewer Fund Salaries	\$1,686,857
Cost for 1% Salary Increase	\$16,869
Cost for 3% COLA Adjustment	\$50,606
CPI for Last 12 months	8.5%



# W&S Fund Capital Items

DEPARTMENT	ITEMS	IMPROVEMENT / EQUIPMENT	COST	STAFF PRIORITIES
Water Treatment	Well Rehabilitation – 3 Wells	IMPROVEMENTS	\$50,000	\$50,000
	Water Treatment Plant Disinfection Conversion	IMPROVEMENTS	\$2,500,000	
	Finish Water Pump Rehabilitation	IMPROVEMENTS	\$50,000	\$50,000
	Building Improvement	IMPROVEMENTS	\$500,000	
	Anticipated Additional Costs	IMPROVEMENTS		\$50,000
	1 Drinking water Well	EQUIPMENT	\$250,000	
	Generator	EQUIPMENT	\$300,000	
	Finished RAW Water Pumps Soft Start	EQUIPMENT	\$21,000	\$21,000
	Sample Pumps	EQUIPMENT	\$7,000	\$7,000
<b>TOTAL</b>			<b>\$3,678,000</b>	<b>\$178,000</b>

# W&S Fund Capital Items

DEPARTMENT	ITEMS	IMPROVEMENT /EQUIP.	COST	STAFF PRIORITIES
WasteWater Treatment	Gate Valve Replacement	IMPROVEMENTS	\$90,000	
	SCADA Upgrades	IMPROVEMENTS	\$350,000	
	Spectrophmeter	EQUIPMENT	\$11,969	\$11,969
	Influent Flow Meter	EQUIPMENT	\$7,065	\$7,065
	Lime Mixing Tank	EQUIPMENT	\$10,458	\$10,458
	Returned Activated Sludge Pumps	EQUIPMENT	\$16,000	\$16,000
	Main Drain Pump Station Pump	EQUIPMENT	\$20,000	\$20,000
	By-pass Pumps	EQUIPMENT	\$39,244	\$39,244
	Skid Street Loader	EQUIPMENT	\$49,802	\$49,802
	Digester Building Rehab	EQUIPMENT		\$41,752
	Gate Valve Replacement	EQUIPMENT		\$90,000
	Anticipated cost Increases	EQUIPMENT		\$55,462
<b>TOTAL</b>			<b>\$594,538</b>	<b>\$341,752</b>

# W&S Fund Capital Items

DEPARTMENT	ITEMS	IMPROVEMENT /EQUIP.	COST	Staff Priorities
Water & Sewer Maintenance	Failing Infrastructure	SEWER MAIN IMPROVEMENTS	\$500,000	
	Aydlett Circle & Parkview Sewer Replacement	SEWER MAIN IMPROVEMENTS		\$950,000
	Water Main Improvements	WATER MAIN IMPROVEMENTS	\$500,000	
	Hemlock Water Line replacement	WATER MAIN IMPROVEMENTS		\$200,000
	JCB Backhoe	EQUIPMENT	\$120,000	
	Silverado Pickup	EQUIPMENT	\$40,000	
	Dodge Ram 1500 Pickup	EQUIPMENT	\$40,000	
	6" Goodwin by-pass Pump		\$40,000	\$50,000
	4" Goodwin by-pass Pump		\$37,000	
	Ground Penetrating Radar		\$14,000	
	Smart Meter Project (4,000 meters)		\$824,510	
<b>TOTAL</b>			<b>\$2,115,510</b>	<b>\$1,200,000</b>

# W&S Fund Capital Items

DEPARTMENT	ITEMS	COST	Staff Priorities
Other Potential Items	Long Range Financial and Debt Plan		
	Replace Leaking Force Main Check Valve	\$150,000	\$150,000
	Engineering Alternative Analysis for Wastewater		
	Rockwell Controller for 4 Pump Stations	\$48,072	
	Itron Mobile Radio for Walk by Meter reading	\$14,658	
<b>TOTAL</b>			<b>\$150,000</b>

Total	Cost	Staff Priorities
<b>\$6,600,778</b>	<b>\$6,388,048</b>	<b>\$1,869,842</b>

# WATER & SEWER FUND

## SHORT TERM CAPITAL NEEDS

- Replace Aging sewer Lines to Reduce Infiltration  
**\$14,462,000**
- Pump Station Repairs (61 total) (Assessed 17 of the most critical)  
**\$5,253,000**

(WithersRavenel Assessment – February 2022)

- Upgrades to existing Wastewater Plant (Improve ability to meet permit limits)  
**\$5,900,000**

# WATER & SEWER FUND

## LONG TERM CAPITAL NEEDS

- Expand Wastewater Plant from 4.5 MGD to 6.0 MGD

**\$50,820,000**

(Per Timmons Group – February 2022)



**RESPONSES TO**

**BUDGET OVERVIEW**

**QUESTIONS**



# Electric Fund Presentation



# ELECTRIC FUND BUDGET

- FY 2021-22 Adopted Electric Fund Budget  
**\$33,666,588**
- FY 2022-23 Requested Electric Fund Budget  
**\$32,685,993**
- FY 2022-23 Recommended Electric Fund Budget  
**\$32,359,600**

# BUDGET HIGHLIGHTS

- **No Increases in Rates Proposed**
- **No Use of Fund Balance to Balance Budget**
- **No Increases in Budgeted Transfers**
- **No salary Increases**
- **No New Positions**
- **\$395,524 Available for Potential Capital**

# ELECTRIC FUND - SALARIES

Total Electric Fund Salaries	\$1,901,700
Cost for 1% Salary Increase	\$19,017
Cost for 3% COLA Adjustment	\$57,051
CPI for Last 12 months	8.5%

# ELECTRIC FUND

## SHORT TERM CAPITAL NEEDS

- Electric Service to Commercial Development

\$?

- Primary Service to New Hospital - **\$1,700,000**
- Duplicate Service to New Hospital - **\$1,700,000**



**RESPONSES TO**

**BUDGET OVERVIEW**

**QUESTIONS**

**END OF  
PRESENTATION**  
FINAL SLIDE