

## **GENERAL FUND BUDGET HIGHLIGHTS**

- The FY 2014-15 adopted budget includes general fund expenditures that are 3.8% more than the FY 2013-14 adopted budget.
- Public Safety is the largest general fund service area, accounting for 46% of all general fund expenditures. Public Safety expenditures show a \$2.9 million increase in FY 2014-15. A portion of this increase is due to the 3% COLA included in the budget. In addition, the Police Department operating budget reflects a \$325,000 increase in the City's share of the County's Criminal Justice Information System (CJIS) program costs. This increase is primarily due to debt service on a \$3 million new public safety system. The Police Department proposed operating budget also includes \$187,000 in funding to provide all officers with smart phones and \$85,000 to continue purchasing in-car and body cameras.
- Environment & Transportation is the second largest service area in the general fund, representing 15% of the FY 2014-15 general fund budget. This service area shows a decrease of approximately \$600,000, which is primarily the result of a technical change in which the City's annual resurfacing contract is removed from the Public Works Department's annual operating budget and moved to the City's General Capital Projects Fund. Highlights to note in this service area include: 1) a \$543,000 increase in the General Fund support for Transit Services to cover operating cost increases and the introduction of limited Sunday bus service beginning in January 1, 2015; 2) the inclusion of \$300,000 in contracted services funding in the Public Works Department for a full year of sidewalk cleaning in the central business district; and 3) the addition of \$100,000 in funding in the Public Works Department for median maintenance.
- The decrease in General Government reflects the removal of the every-other-year election costs as well as the accounting change in which unemployment costs and the City's annual contribution to the North Carolina State Treasurer's OPEB Fund are moved to the nondepartmental budget to individual departmental budgets.
- The Culture and Recreation service area shows a 5.0% increase. A portion of this increase (approximately \$234,000) is due to the accounting change in which the US Cellular Center is now being charged the full cost of indirect services provided by the general fund. This accounting change is reflected as an increase in the general fund transfer to the US Cellular Center Fund. Other factors impacting the Culture and Recreation service area include: 1) a \$250,000 increase in pay-as-you-go capital funding for parks facility maintenance; 2) a \$100,000 inflationary increase in the City's mowing contract; and 3) the inclusion of 50,000 for the installation of additional security cameras at parks facilities.
- The increase in the Community Development service area is primarily the result of mid-year FY 2013-14 staffing additions in the Development Services Department to meet the higher workload. In addition, the Planning Department budget includes \$100,000 to fund the River District form based code project.

## **WATER RESOURCES FUND BUDGET HIGHLIGHTS**

- In April, City Council approved minor rate adjustments for the 2014-15 fiscal year based on the Raftelis financial model. These rate adjustments are expected to generate approximately \$460,000 in additional revenue.

- The FY 2014-15 adopted Water Resources budget includes funding to add one GIS Technician position.
- The FY 2013-14 budget included an \$8.3 million appropriation from fund balance for capital improvements. The FY 2014-15 adopted budget includes a smaller (\$175,907) appropriation from fund balance; as a result, the overall Water Resources Fund budget shows an 18% year-over-year decrease. Even with this decrease, the FY 2014-15 budget still includes \$10.1 million in pay-as-you-go funding for water capital improvement projects.
- The internal Non-Revenue Water (NRW) Team will continue its efforts to establish operational practices for managing and controlling water loss due to leakage, water theft, and metering inaccuracies.

### **STORMWATER FUND BUDGET HIGHLIGHTS**

- The existing rate for single family properties was \$2.34 per month. The adopted rate structure moves to a tiered system - Properties from 225–2000 square feet will pay \$2.50 per month; properties from 2001-4000 square feet will pay \$4 per month and properties greater than 4001 square feet will pay \$5.50 per month. For non-single family properties, the current rate of \$2.34/ERU (Equivalent Residential Unit) per month will be increased to \$4/ERU per month. It is anticipated that the new single family rates will go into effect ninety days after the start of the new fiscal year.
- Staff will utilize the additional funds from the rate change to perform more watershed assessments, install more drainage structures through contracts with construction companies, and perform additional maintenance services. These enhancements will include re-engineering a construction crew to become a preventative maintenance crew, which will include adding a FTE position to this crew. A Project Manager position will also be added to the budget to assist with the construction activities and professional service work that will be taking place.
- As discussed elsewhere in the Budget Document, all FY 2014-15 enterprise fund budgets now include the full cost of indirect services provided by the General Fund. For the Stormwater Fund, the cost of these services totals \$599,778. This accounting change is reflected on the expense side of the budget as an increase in operating costs.

### **STREET CUT UTILITY FUND BUDGET HIGHLIGHTS**

- As noted elsewhere, enterprise fund budgets for FY 2014-15 now include the full cost of indirect services provided by the General Fund. For the Street Cut Fund, the cost of these services totals \$235,843. This accounting change is reflected on the expense side of the budget as an increase in operating costs.
- The FY 2014-15 adopted budget includes \$100,000 for equipment/vehicle replacement. Debt proceeds will fund these purchases.

- In order to more effectively meet customer service expectations in the street cut program, two additional FTE positions are added for FY 2014-15. The budget impact of these two additional positions is \$66,986.

#### **TRANSIT SERVICES FUND BUDGET HIGHLIGHTS**

- The adopted budget includes funding to implement limited Sunday service and make changes to route C to address inefficiencies with that route. Both of these changes will be implemented on January 1, 2015. The FY 2014-15 cost of these two service changes is \$220,000. The City has applied for additional grant funding that may partially fund this cost increase
- In addition to the changes noted above, overall operating costs for the transit system are up about \$300,000 in FY 2014-15. In addition, there is a slight decrease in State funding for transit operations.
- With the reduction in grant funding, increases in operating costs, and the other service changes, the FY 2014-15 budget includes a \$543,000 increase in the General Fund support for Transit Services.
- As discussed elsewhere in the Budget Document, enterprise fund budgets now include the full cost of indirect services provided by the General Fund. For the Transit Services Fund, the cost of these services totals \$69,461. This accounting change is reflected on the revenue side of the budget as an increase in the General Fund transfer, and on the expense side as an increase in operating costs.

#### **PARKING SERVICES FUND BUDGET HIGHLIGHTS**

- As discussed elsewhere in the Budget Document, enterprise fund budgets now include the full cost of indirect services provided by the General Fund. For the Parking Services Fund, the cost of these services totals \$348,756.
- Revenues in the current fiscal year are performing better than budget, and this trend is expected to continue next fiscal year. There are no rate changes included in the FY 2014-15 adopted budget.
- Overall, the adopted budget reflects a continuation of existing programs and services.

#### **GOLF FUND BUDGET HIGHLIGHTS**

- The City contracted out operation of the Municipal Golf Course during FY 2012-13. A lease payment from the contractor of \$75,000 is included as a revenue in the adopted FY 2014-15 General Fund Parks & Recreation Department budget.

#### **US CELLULAR CENTER FUND BUDGET HIGHLIGHTS**

- As discussed elsewhere in the Budget Document, all enterprise fund budgets for FY 2014-15 include the full cost of indirect services provided by the General Fund. In FY 2013-14, the first year of this accounting change, enterprise funds were charged 50% the total cost. For the US Cellular

Center Fund, the total cost of these services is \$439,032. This accounting change is reflected on the revenue side of the budget as an increase in the General Fund transfer, and on the expense side as an increase in operating costs.

- Event bookings and operating revenue have been higher than originally anticipated in the adopted FY 2013-14 budget, and this trend is expected to continue in FY 2014-15.
- The adopted budget includes a \$60,000 appropriation from fund balance for small equipment purchases.

<b>HOUSING TRUST FUND BUDGET HIGHLIGHTS</b>
---

- The FY 2014-15 adopted budget continues the \$500,000 General Fund operating budget contribution to the Housing Trust Fund.

