

TOTAL BUDGET - EXPENDITURES

The FY 23-24 net budget (for all funds) of \$751,341,324 is \$62,410,773 million, or 9.1%, higher than the revised FY 22-23 budget.

The Infrastructure service area is the largest portion of the total budget, at \$390.2 million, or 52%, of the total budget. The service area budget is \$34.0 million, or 9.5%, greater than the revised current year budget. The Water Resources Fund increases from \$148.6 million to \$166.2 million, a difference of \$17.6 million. Balancing current financing, or “pay-as-you-go” capital project financing with debt financing, Water Resources will transfer \$32.7 million to various capital reserve and capital improvement funds for significant system maintenance projects.

The Field Operations Department budget includes funding necessary to meet increased costs associated with the City's solid waste collections program. Net costs for these programs increase by \$2 million in FY 23-24 due to projected inflationary and tonnage increases. Growing disposal costs will be partially offset by proposed tipping fee increases.

The Parking Fund includes operations and debt service costs associated with the new Eugene Street and February One Street parking decks. The Eugene Street deck was completed in FY 22-23, and the February One Street parking deck is under construction and expected to be completed in FY 23-24. The General Fund began providing debt service support for the decks in FY 22-23. The General Fund will transfer approximately \$3.6 million to the Parking Operations Fund to support debt service in FY 23-24.

The Public Safety service area increases from \$175.4 million to \$190.3 million, or \$15.0 million. This is the second largest service area, accounting for 25% of the total budget. The service area includes the addition of 9 fire positions for inspections and permits. The continuation of the police vehicle take home program is included with 20 additional vehicles being added to the fleet for a total cost of approximately \$1.7 million. Since implementation in FY 20-21, over 40 patrol vehicles have been added, with a total of more than 100 patrol vehicles projected to be added for the program over the next several years. The budget also includes continued funding for community outreach efforts to decrease violent crime through neighborhood engagement.

The General Government service area increases from \$67.7 to \$72.6, or \$4.9 million dollars. This service area accounts for 10% of the total budget. A reorganization of several departments and divisions in the General Government service area is included to establish the Office of Sustainability and the Office of Community Safety.

The Community Services service area increases from \$47.5 million to \$51.2 million, or \$3.7 million, approximately 7% of the total budget. Neighborhood Development adds a Neighborhood Impact Manager and Code Compliance Field Supervisor as part of a reorganization to enhance community housing and code enforcement services. The Parks and Recreation budget includes approximately \$580,000 for costs related to contracted services including mowing and security, Gillespie Golf Course maintenance, and additional support for LeBauer Park.

The Debt Service service area increases from \$42.2 million to \$46.9 million, or 6% of total budget expenses. The Debt Service Fund expenditures include principal and interest payments for all outstanding general obligation bonds, including \$126 million in bonds approved by voters in 2016 and \$135 million in bonds approved by voters in 2022. The 2022 Bonds include funding for Parks & Recreation, Housing, Police, Fire, and Transportation projects. Critical information technology improvements for software, systems, and security is supported through a transfer of \$1.5 million to the Capital Leasing Fund.

The FY 24-25 projected budget is \$21.2 million, or 2.8%, higher than the FY 23-24 recommended budget.

Budgeted personnel costs are 10.6% higher than the FY22-23 revised budget, including an increase of 44.5 full-time equivalent (FTE) positions within the total operating budget. New positions for enhanced Development Services include 15 FTEs in Planning, Engineering & Inspections, Transportation, Fire, and Water Resources to support increased demand. The Fire department adds 5 FTEs for additional compliance inspectors to address needed support for increased regular fire inspections throughout the community. Water Resources also includes the addition of 4 FTEs for a sewer maintenance crew and a 1 FTE for a laboratory coordinator to support increased compensation for the Police Department, 30 FTEs are reduced from unfilled patrol positions. The net impact for the overall budget is an increase of 14.5 FTEs compared to the adopted FY 22-23 budget. The remaining positions result from enhancements for the other service areas. Other position additions and changes are detailed in the appropriate service area sections of the document.

The budget includes a 4% average merit increase for all eligible employees and a 4% step movement for all general employees on the step program. The minimum wage for benefitted employees increases from \$15.91 to \$18.00 per hour. Police sworn personnel will have a market-based increase of 16.2%. Fire and Guilford Metro personnel will receive a 4% market adjustment to salaries. Starting pay will increase to \$47,812 for Fire and \$55,000 for Police. The City is required to increase its contribution to the North Carolina Local Government Retirement System on behalf of its employees, resulting in an approximate \$4.6 million increase in retirement contribution costs for the total budget.



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Maintenance and Operations (M&O) costs, which include transfers from operating funds to capital projects or capital reserve funds, and debt service expenditures, increase from \$371.7 million to \$405.2 million, or 9.0%. The FY 23-24 budget includes several transfers to other funds to support new parking facility debt of \$3 million, \$1.5 million for information technology support and improvement, and support for the Coliseum, Guilford Metro 911, and Cemeteries funds. Contract and supply increases to maintain current service levels for solid waste services, security, fuel price increases and others total almost \$4.5 million.

Capital outlay expenditures are budgeted at \$22.8 million, about \$2.0 million less than the amended FY 22-23 budget. The Equipment Services Fund is projecting rolling stock replacement needs of \$14.8 million in FY 23-24 as compared to \$14.6 million in the current year.

Total Net Expenditures by Expenditure Category

	Actual		Budget		Adopted	Projected
	2021-22		2022-23		2023-24	2024-25
Personnel Costs	\$	263,671,357	\$	292,444,890	\$ 323,473,728	\$ 336,543,344
Maintenance & Operations		313,411,029		371,734,791	405,152,078	415,447,495
Capital Outlay		12,718,236		24,750,870	22,771,021	20,580,000
Total Net Expenditures	\$	589,800,622	\$	688,930,551	\$ 751,341,324	\$ 772,515,336



SERVICE AREA SUMMARY

	Actual	Budget	Adopted	Projected
	2021-22	2022-23	2023-24	2024-25
Community Services				
Cemeteries Operating Fund	995,718	1,014,263	1,090,128	1,112,327
Hotel/Motel Occupancy Tax Fund	4,131,869	5,179,400	6,034,405	6,114,095
Human Rights	590,811	852,206	952,118	974,249
Libraries	9,473,264	10,643,048	11,422,397	11,730,470
Housing and Neighborhood Development	1,829,962	2,381,578	2,447,284	2,410,116
Nussbaum Housing Partnership Revolving Fund	2,175,773	3,814,234	3,852,467	3,910,467
Parks And Recreation	20,885,107	22,044,585	23,898,372	24,367,006
Non-departmental Community Services	1,950,278	2,040,776	2,062,561	2,062,561
Subtotal	42,032,782	47,970,090	51,759,732	52,681,291
Less Transfers and Internal Charges	435,706	479,276	501,061	501,061
Total Community Services	41,597,076	47,490,814	51,258,671	52,180,230
General Government				
Budget & Evaluation	755,465	881,888	981,329	1,016,810
Communications and Marketing Department	2,152,067	2,347,034	2,437,562	2,511,929
Equipment Services Fund	19,099,925	23,320,521	24,440,686	24,644,345
Executive	9,742,675	12,079,181	15,373,851	16,070,088
Financial & Administrative Services	4,286,267	5,060,682	5,608,181	5,755,364
Graphic Services Fund	867,927	948,292	982,689	1,008,398
Information Technology	4,104,198	4,767,757	5,005,434	5,112,765
Legal	1,385,400	1,479,227	1,643,452	1,696,571
Legislative	1,112,591	1,446,645	1,067,757	1,083,536
Network Services Fund	9,098,840	18,980,078	19,699,165	19,790,940
People & Culture	3,486,164	3,850,143	4,224,120	4,261,736
Risk Retention Funds	58,145,319	66,409,852	65,726,320	65,759,176
Non-departmental General Government	6,194,708	6,979,319	8,792,431	10,399,793
Subtotal	120,431,546	148,550,619	155,982,977	159,111,451
Less Transfers and Internal Charges	75,949,192	80,830,695	83,349,117	84,310,036
Total General Government	44,482,354	67,719,924	72,633,860	74,801,415

