

FY2022 Recommended Budget

David Cooke – City Manager

August 10, 2021

Agenda

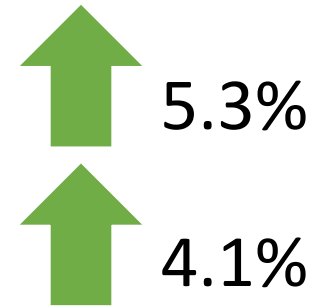
- Introductory Comments
- Assessed Values and Recommended Tax Rate
- Recommended Budget
- What the Budget Accomplishes
- Upcoming Budget Schedule

Introductory Comments




Assessed Values and Recommended Tax Rate

Change in Net Taxable Values

FY2021	\$79,878,186,534
+ Change in taxable value	\$4,210,668,760
+ New construction value	\$3,285,073,653
FY2022	\$87,373,928,947



Value, Rate, & Revenue

Taxable Value	\$87,373,928,947	 9.4%
Tax Rate (Recommended)	\$.7325	 1.5¢
Property Tax Revenue (Estimated)	\$596,042,557	 7.0%

Tax Rate Allocation

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
O&M	68.59	67.59	63.79	62.84	59.65	57.65	56.50	53.00	53.00	52.00
PAYG			3.80	4.75	6.50	6.50	6.50	6.50	6.50	6.50
I&S	16.91	17.91	17.91	17.91	17.35	16.35	15.50	15.25	15.25	14.75
Total	85.50	85.50	85.50	85.50	83.50	80.50	78.50	74.75	74.75	73.25
		\$292 M Bond Program				\$400 M Bond Program				
(PAYG + I&S) as % of Total	20%	21%	25%	27%	29%	28%	28%	29%	29%	29%
PAYG as % of (PAYG + I&S)	0%	0%	18%	21%	27%	28%	30%	30%	30%	31%

O&M = Operating and Maintenance | PAYG = Pay-As-You-Go | I&S = Interest and Sinking (Debt)

Estimated Property Tax Revenues

	FY2021 Budget	FY2022 Estimated	Change
O&M	\$394,786,148	\$421,129,188	\$26,343,040
PAYG	48,417,170	52,891,148	4,473,978
Economic Development	0	2,000,000	2,000,000
I&S (Debt)	113,594,128	120,022,221	6,428,093
Total	\$556,797,446	\$596,042,557	\$39,245,111

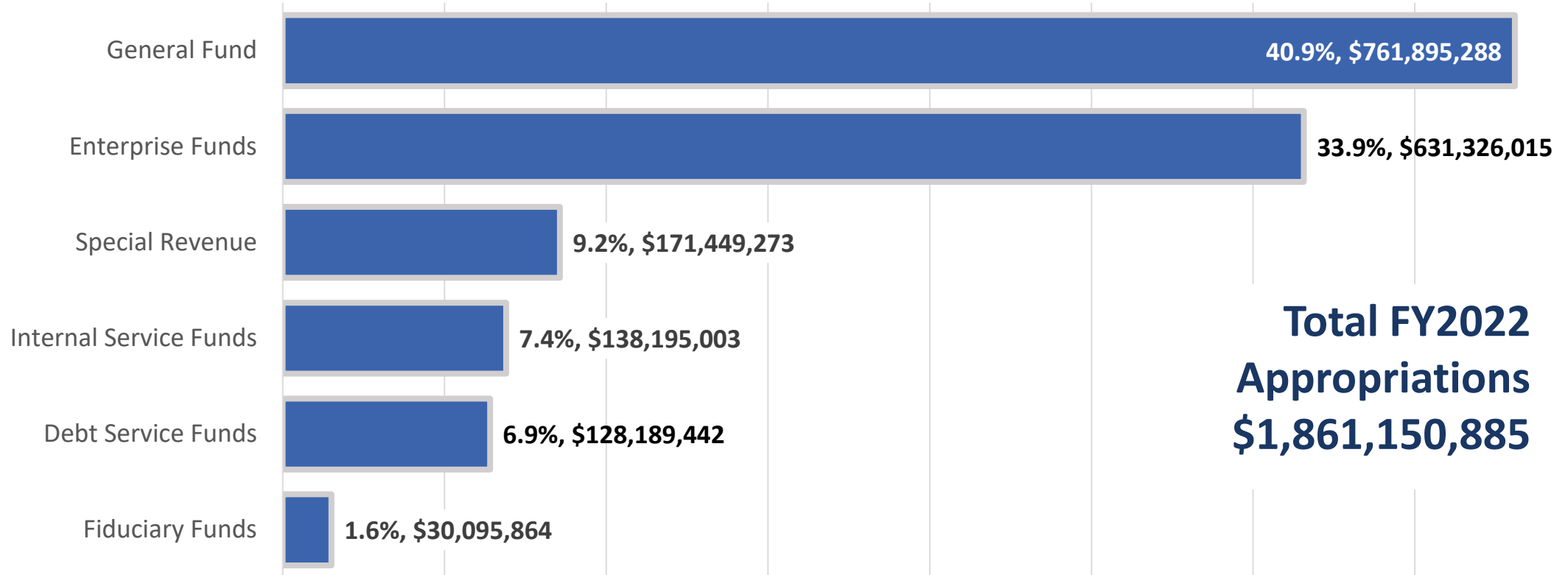
Recommended Budget

Total Operating Budget

Fund	FY2021	FY2022	Change from Adopted	
	Adopted	Recommended	Amount	%
General Fund	718,496,285	761,895,288	43,399,003	6.04%
Enterprise Funds	609,789,250	631,326,015	21,536,765	3.53%
Special Revenue	162,564,034	171,449,273	8,885,239	5.47%
Internal Service Funds	134,635,079	138,195,003	3,559,924	2.64%
Debt Service Funds	121,812,443	128,189,442	6,376,999	5.24%
Fiduciary Funds	29,520,581	30,095,864	575,283	1.95%
Total Operating Funds	\$1,747,297,091	\$1,861,150,885	\$83,757,930	4.79%

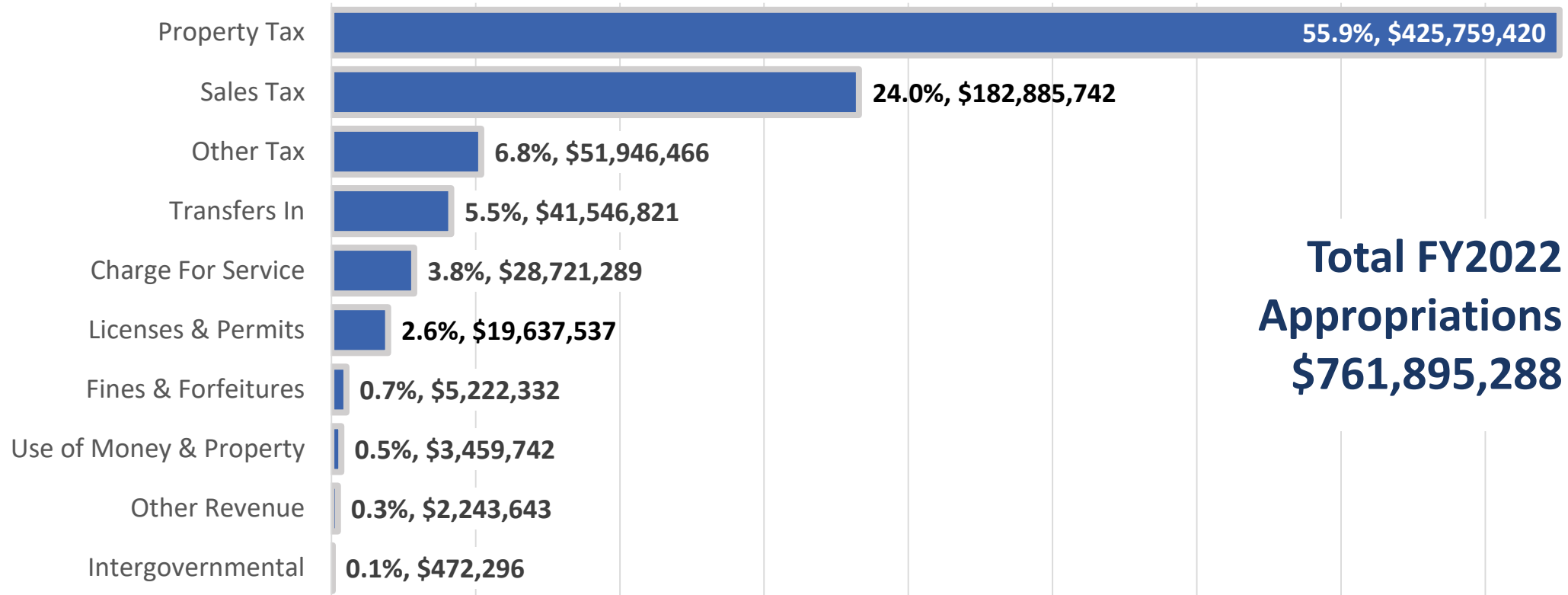
General Fund excludes PAYGO/Capital Transfers & IT Charges to other funds | Debt service excludes debt service accounted as transfers in other funds | Excludes contributions to fund balance/net position (Actual appropriation ordinance will be higher to include this activity)

Total Operating Budget



General Fund excludes PAYGO/Capital Transfers & IT Charges to other funds | Debt Service excludes debt service accounted as transfers in other funds | Excludes contribution to fund balance/net position (Actual appropriation ordinance will be higher to include this activity)

General Fund Revenues



General Fund excludes PAYGO/Capital Transfers & IT Charges to other funds

General Fund Revenues FY2021 to FY2022 Comparison By Source

Source	FY2021 Adopted	FY2022 Recommended	Year to Year Change	
			Amount	%
Property Tax	397,487,505	425,759,420	28,271,915	7.11%
Sales Tax	168,248,455	182,885,742	14,637,287	8.70%
Other Tax	54,279,659	51,946,466	(2,333,193)	-4.30%
Transfers In	40,862,324	41,546,821	684,497	1.68%
Charge for Services	30,927,885	28,721,289	(2,206,596)	-7.13%
Licenses & Permits	17,653,348	19,637,537	1,984,189	11.24%
Fines & Forfeitures	5,420,421	5,222,332	(198,089)	-3.65%
Use of Money & Property	619,937	3,459,742	2,839,805	458.08%
Other Revenue	2,511,365	2,243,643	(267,722)	-10.66%
Intergovernmental	485,386	472,296	(13,090)	-2.70%
Total	\$718,496,285	\$761,895,288	\$43,399,003	6.04%

Excludes PAYGO/Capital and ITS Revenues

General Fund Expenditures FY2021 to FY2022 Comparison By Department

Department	FY2021	FY2022	Year to Year Change	
	Adopted	Recommended	Amount	%
Police Department	272,987,345	282,394,377	9,407,032	3.45%
Fire Department	169,139,998	174,944,776	5,804,778	3.43%
Park and Recreation	50,113,970	51,027,820	913,850	1.82%
Transportation & Public Works	34,160,082	34,791,945	631,863	1.85%
Economic Development	29,276,265	41,451,007	12,174,742	41.59%
Code Compliance	24,041,375	25,691,223	1,649,848	6.86%
Library	22,295,286	22,900,585	605,299	2.71%
Development Services	19,488,637	19,635,405	146,768	0.75%
Property Management	15,074,417	18,557,591	3,483,174	23.11%
Municipal Court	14,417,298	14,846,205	428,907	2.97%
Financial Management Services	12,122,282	12,572,064	449,782	3.71%
Non-Departmental	9,727,986	13,078,302	3,350,316	34.44%
City Manager's Office	9,620,742	9,825,648	204,906	2.13%
City Attorney	7,272,030	7,452,544	180,514	2.48%
Neighborhood Services	6,982,782	7,443,184	460,402	6.59%
Planning & Data Analytics	6,499,711	8,735,579	2,235,868	34.40%
Human Resources	5,479,148	5,754,584	275,436	5.03%
Communications & Public Engagement	4,350,746	4,645,717	294,971	6.78%
City Auditor	2,037,213	2,131,447	94,234	4.63%
Diversity & Inclusion	1,711,903	2,089,083	377,180	22.03%
City Secretary	1,697,045	1,926,202	229,157	13.50%
Total	\$718,496,261	\$761,895,288	\$43,399,027	6.04%

Excludes PAYGO/Capital Transfers & IT Expenses allocated to departments

General Fund Expenditure Increases

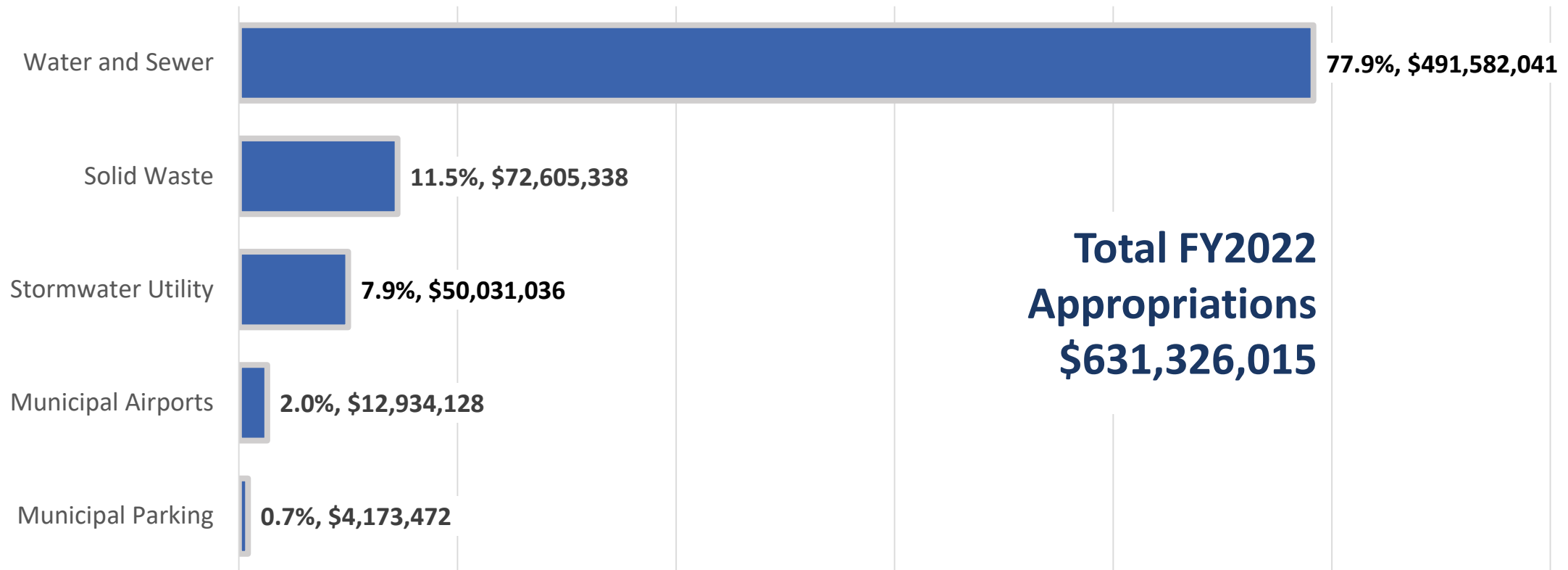
Expense	FY2022 Recommended
Pension Contribution	3,641,900
Fire Wage/Benefits – Collective Bargaining	4,983,900
Open New Facilities	5,100,000
Police Wage/ Benefits – Meet & Confer	7,228,904
Pay for Performance	7,472,310
Economic Development Incentives	11,665,000
Total	\$40,092,014

Enterprise Funds Operating Budget

Fund	FY2021	FY2022	Year to Year Change	
	Adopted	Recommended	Amount	%
Water and Sewer	479,482,832	491,582,041	12,099,209	2.52%
Solid Waste	68,932,863	72,605,338	3,672,475	5.33%
Stormwater Utility	44,883,092	50,031,036	5,147,944	11.47%
Municipal Airports	8,953,893	12,934,128	3,980,235	44.45%
Municipal Parking	7,536,570	4,173,472	(3,363,098)	-44.62%
Total	\$609,789,250	\$631,326,015	\$21,536,765	3.53%

Excludes contribution to net position

Enterprise Funds



Excludes contribution to fund balance

Water and Sewer

- No retail rate increases
- Completion of remote read meter installations - MyH2O
- Planned completion of new Biosolids facility
- Increased funding for the replacement of cast iron pipe
- Begin SCADA replacement

Stormwater Utility

- No user fee increases
- Prioritize life-safety capital needs
- Accelerate capital improvements
 - Hazardous Road Overtopping
 - Pipe rehabilitation
 - Channel rehabilitation

Solid Waste

- Last year's revenue enhancements not sufficient to make fund sustainable
 - New landfill surcharge expected to generate \$1,500,000
 - New grant of privilege fee expected to generate \$3,000,000
- Additional strategies to be recommended to City Council this fall

Municipal Parking

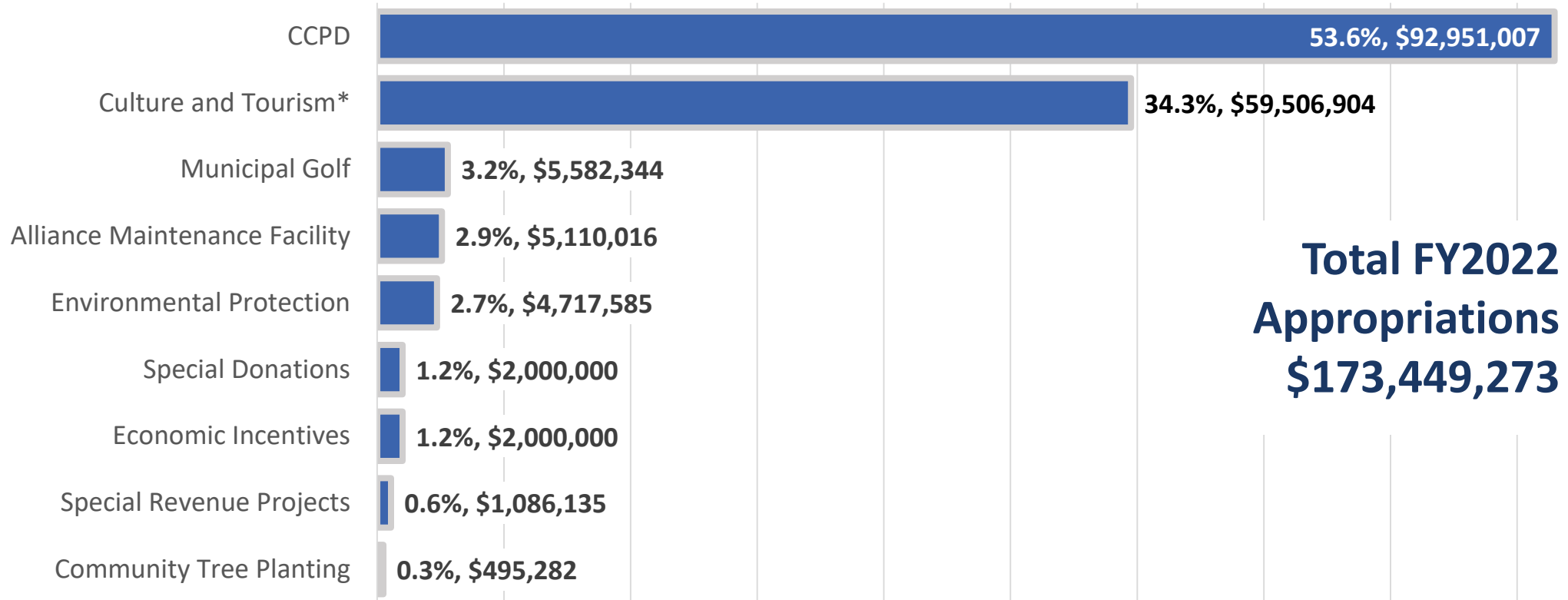
- Fund not sustainable
- Citation revenue from General Fund to cover enforcement costs up to \$600K
- General debt fund to contribute \$2,975,650 to parking fund debt service in FY2022

Special Revenue Funds Operating Budget

Fund	FY2021	FY2022	Year to Year Change	
	Adopted	Recommended	Amount	%
CCPD*	84,416,769	92,951,007	8,534,238	10.11%
Culture and Tourism*	60,505,463	59,506,904	(998,559)	-1.65%
Municipal Golf	5,032,048	5,582,344	550,296	10.94%
Alliance Maintenance Facility	5,452,022	5,110,016	(342,006)	-6.27%
Environmental Protection	4,167,674	4,717,585	549,911	13.19%
Special Donations	2,000,000	2,000,000	-	0.00%
Economic Incentives		2,000,000	2,000,000	-
Special Revenue Projects	500,000	1,086,135	586,135	117.23%
Community Tree Planting	490,058	495,282	5,224	1.07%
Total	\$162,564,034	\$173,449,273	\$10,885,239	6.70%

Excludes contribution to fund balance

Special Revenue Funds



Excludes contribution to fund balance

CCPD

- Strong sales tax growth
- Neighborhood Crime Prevention
 - 13 added positions
- Enhanced Enforcement
 - 8 added positions
- Partners with a Shared Mission
 - 33% increase in funding for Community Based Programs
- 2 planned recruiting classes

Culture & Tourism

- Fund not performing at pre-pandemic level
- Use ARPA funding to kick start Convention Center expansion
- Anticipate return of events in FY2022
- Focus on sales and marketing partnerships
- Resume capital program

Environmental Protection

- No user fee increase
 - Exploring criteria for future increase to help sustain fund
- Establish partnership with Park & Rec on Eastside Landfill
- Dedicate funds toward Lakeland properties demolition
- Establish partnership with City Marshals to enhance illegal dumping enforcement

Municipal Golf

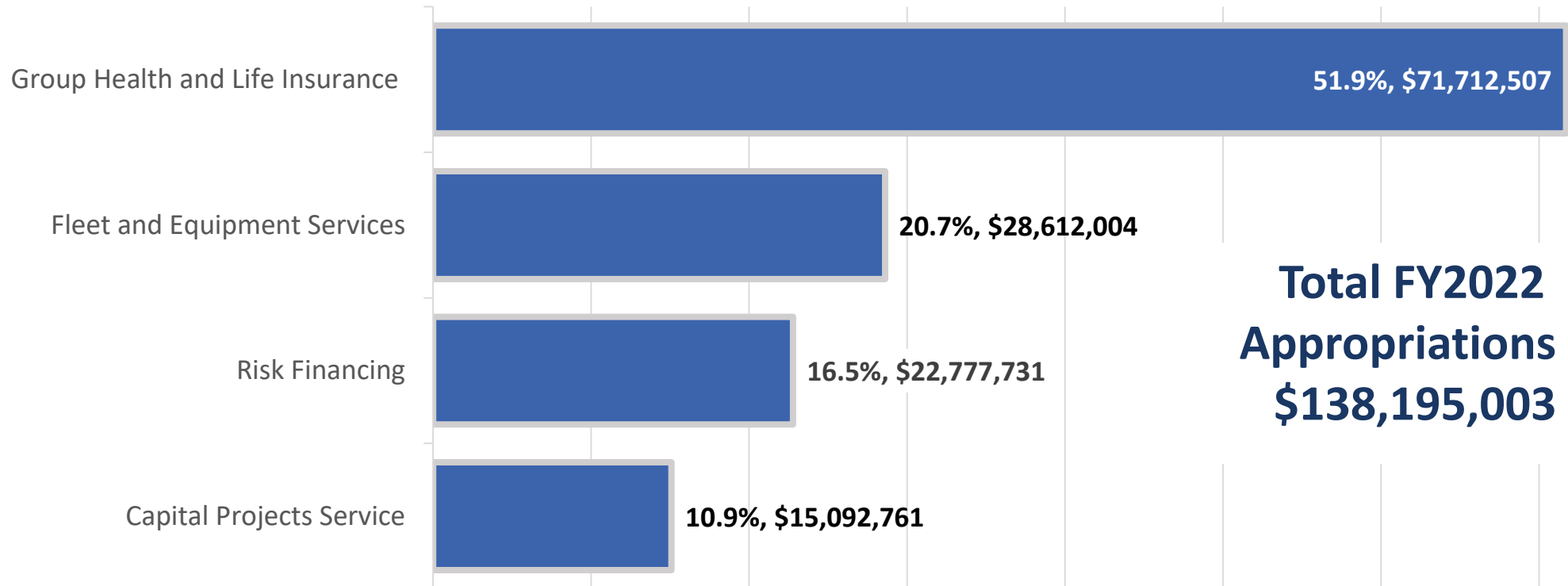
- Market based fee range adjustments
- Increasing number of rounds played
- Focus on building sustainable capital funding plan
- Operates with a \$395K subsidy from General Fund

Internal Service Funds Operating Budget

Fund	FY2021	FY2022	Year to Year Change	
	Adopted	Recommended	Amount	%
Group Health and Life Insurance	70,981,594	71,712,507	730,913	1.03%
Fleet and Equipment Services	28,234,069	28,612,004	377,935	1.34%
Risk Financing	20,518,076	22,777,731	2,259,655	11.01%
Capital Projects Service	14,901,340	15,092,761	191,421	1.28%
Total	\$134,635,079	\$138,195,003	\$3,559,924	2.64%

Excludes contribution to net position

Internal Service Funds



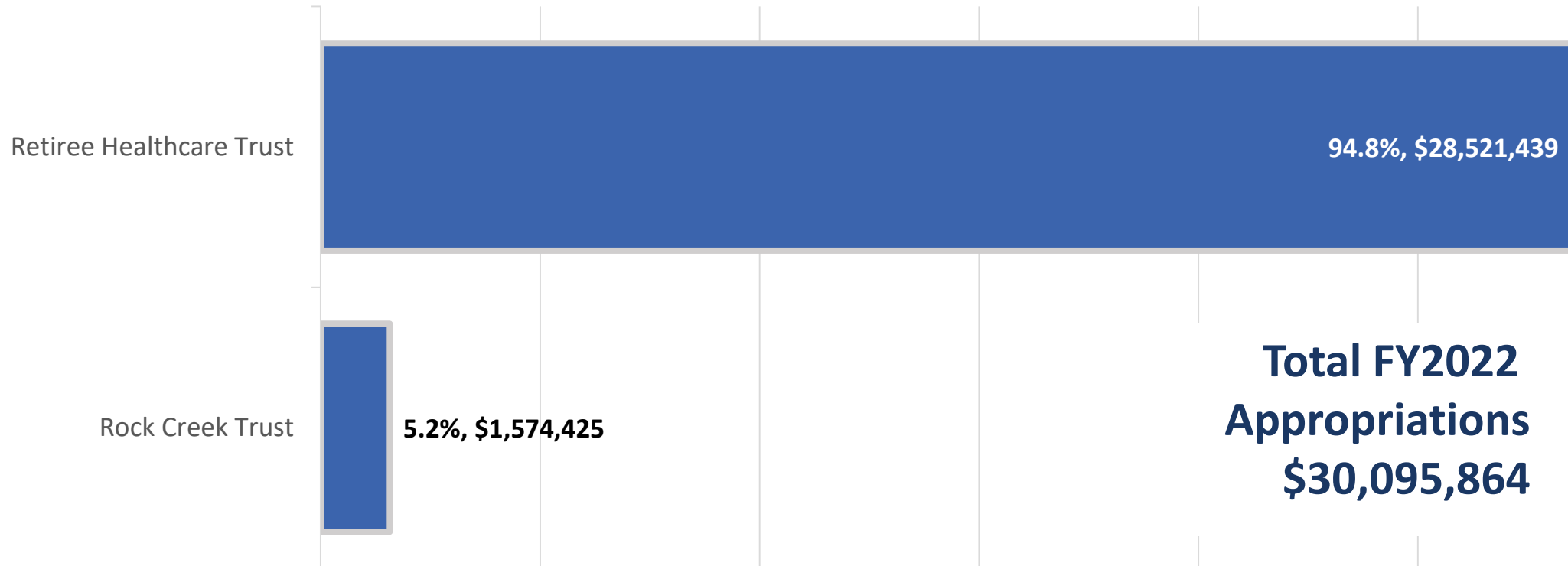
Excludes contribution to fund balance

Fiduciary Funds Operating Budget

Fund	FY2021	FY2022	Year to Year Change	
	Adopted	Recommended	Amount	%
Retiree Healthcare Trust	\$ 29,520,581	\$28,521,439	\$ (999,142)	-3.38%
Rock Creek Trust	-	\$1,574,425	1,574,425	-
Total	\$ 29,520,581	\$ 30,095,864	\$ 575,283	1.95%

Excludes contribution to fund balance

Fiduciary Funds



Excludes contribution to fund balance

What the Budget Accomplishes

1. Meet Obligations
2. Open New Facilities
3. Improve Execution of Capital Plan and Development Services
4. Police Staffing Priorities
5. Economic Development
6. Fix Payroll System
7. Strategies to Make Parking and Public Events Funds Sustainable
8. Competitive Work Force

Meet Obligations

- Pension
- Meet and Confer
- Collective Bargaining

Open New Facilities

- Future City Hall
- Alliance Park
- Diamond Hill Community Center
- Full year of North Animal Shelter
- Full year of Reby Cary Youth Library

Improve Execution of Capital Program and Development Services

- Additional staffing across departments
 - Development Services – 10
 - Property Management – 2
 - Transportation & Public Works – 1
 - Water – 2
 - City Attorney – 4
- Plan 2022 Bond Program

Police Staffing Priorities

- Recruiting classes 152 and 153 (up to 95 recruits)
- Staff Additions
 - 9 Sergeants
 - 4 Criminal Investigations Detectives
 - 10 Civilian Response Specialists
 - 1 Asset Management (centralized inventory)

Economic Development

- Establish Economic Development incentive fund
- Increase incentives from \$29 million to \$36 million
- Ongoing implementation of the Economic Development Strategic Plan

Strategies to Make Parking and Public Events Funds Sustainable

- Citation revenue from General Fund to cover enforcement costs up to \$600K
- General debt fund to contribute \$2,975,650 to parking fund debt service in FY2022
- Use ARPA funding to kick start Convention Center expansion

Competitive Work Force

- 4% Pay for Performance
- Market based pay range adjustment
- Funding for Juneteenth holiday

Fix Payroll System

- Implement recommendations of Payroll Task Force
- Add staffing in Fire and HR
- Add contract staffing resources in Finance
- Review practices and procedures
- Explore options for system replacement

Upcoming Budget Meetings

Date	Meeting	Time	Location
Aug-Sep	Town Hall Meetings	TBD	TBD
Aug 17	CCPD Public Hearing & Potential Action on CCPD Budget	2 p.m.	City Hall & Online
Aug 19/20	City Council Budget Work Sessions	9 a.m.	City Hall & Online
Aug 24	Approval of CCPD Budget (if necessary)	2 p.m.	City Hall & Online
Aug 24	1 st Public Hearing on Budget	7 p.m.	City Hall & Online
Sep 9/10	City Council Budget Work Sessions	9 a.m.	City Hall & Online
Sep 14	2 nd Public Hearing on Budget + 1 st Public Hearing on Tax Rate	7 p.m.	City Hall & Online
Sep 21	Anticipated Budget Adoption <i>(Operating/Capital/Tax Rate/Ordinances)</i>	7 p.m.	City Hall & Online

Upcoming Town Hall Meetings (Currently Scheduled)

Date	Meeting	Time	Location
Aug 25	District 2 Town Hall	6:00 p.m.	Northwest Library
Aug 28	District 8 Leadership Meeting	10:30 a.m.	Ella Mae Shamblee Branch Library
Sep 2	District 6 Town Hall	6:00 p.m.	Chisholm Trail Community Center
Sep 7	District 9 Town Hall	6:00 p.m.	University Christian Church
Sep 22	District 8 Town Hall	TBD	The Warehouse

FY2022 Recommended Budget

Questions / Comments