

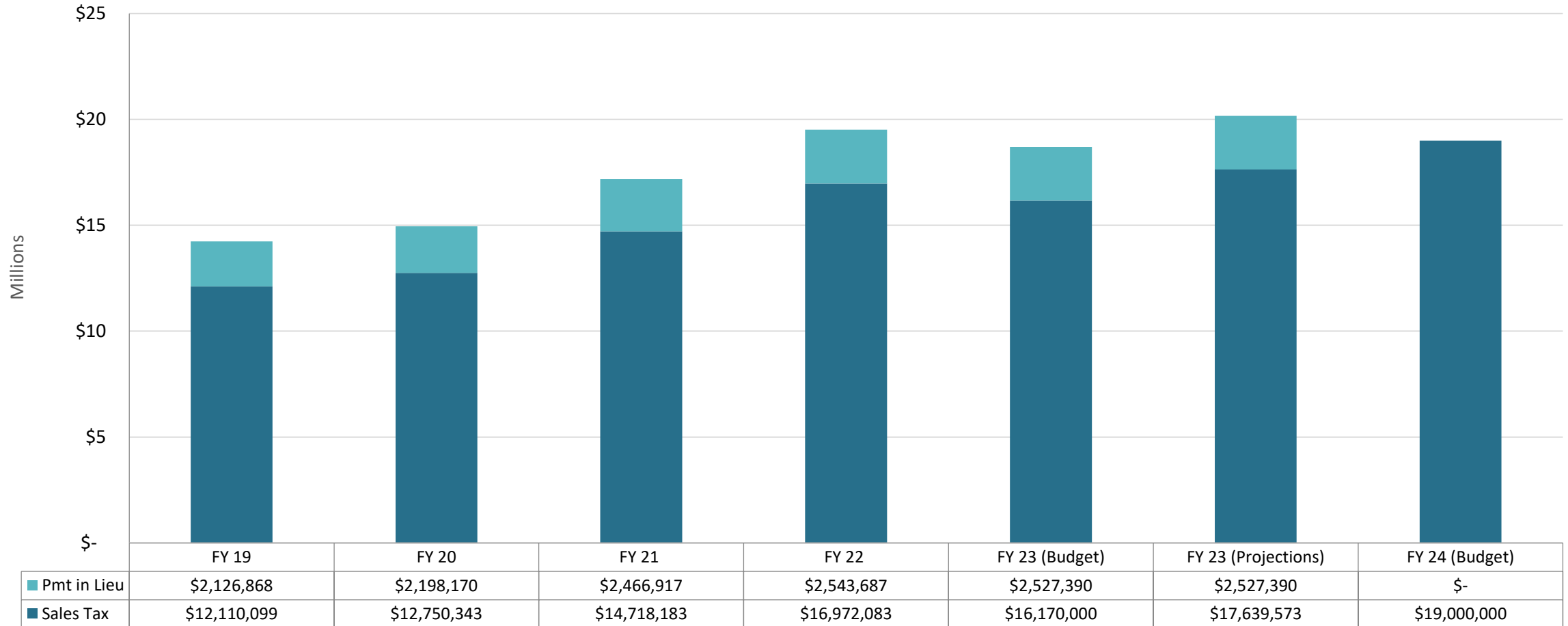
CITY OF GASTONIA

# FY 2023 Special Council Budget Meeting

Thursday, April 6, 2023



# Sales Tax



# Revaluation Net Effect on Homeowner (City Only)

	Values	Tax Rate	Levy
Current	\$5,519,435,969	.52	\$28,701,067.04
New	\$8,655,465,539	.47	<u>\$40,680,688.03</u>
		Increase	<u>\$11,979,620.99</u>
		% increase in tax	41.74%

# Revaluation Net Effect on Homeowner (City and County)

	Values	Tax Rate	Levy
Current	\$100,000	1.33	\$1,330.00
New	\$156,900	1.08*	<u>\$1,694.52</u>
		Increase	<u>\$364.52</u>
% increase in value	56.9%	% increase in tax	27.3%

\*Assuming Tax Rates of .61 County and .47 City

# Homeowner Impact-Scenario A - \$100,000

County Rate 61¢ + City 47¢ = \$1.08		
	Home Value	Property Tax Due
2022	\$100,000	\$1,330.00
2023	\$156,900	\$1,694.52
Difference		\$364.52
Monthly Impact		\$30.38

# Homeowner Impact-Scenario B - \$200,000

County Rate 61¢ + City 47¢ = \$1.08		
	Home Value	Property Tax Due
2022	\$200,000	\$2,660.00
2023	\$307,800	\$3,324.24
Difference		\$664.24
Monthly Impact		\$55.35

# Homeowner Impact-Scenario C - \$300,000

County Rate 61¢ + City 47¢ = \$1.08		
	Home Value	Property Tax Due
2022	\$300,000	\$3,990.00
2023	\$470,700	\$5,083.56
Difference		\$1,093.56
Monthly Impact		\$91.13

# Historical Tax Rates-City

Year	Rate	Change
2000	.4700	
2001	.4925	2.25¢
2002	.4925	0.00¢
2003	<b>.5425</b>	<b>5.00¢</b>
2004	.5300	(1.25¢)
2005	.5400	1.00¢
2006	.5400	0.00¢
2007	<b>.5400</b>	<b>0.00¢</b>
2008	.5300	(1.00¢)
2009	.5300	0.00¢
2010	.5300	0.00¢
2011	.5300	0.00¢

Year	Rate	Change
2012	.5200	(1.00¢)
2013	.5300	1.00¢
2014	.5300	0.00¢
2015	<b>.5300</b>	<b>0.00¢</b>
2016	.5300	0.00¢
2017	.5300	0.00¢
2018	.5300	0.00¢
2019	.5300	0.00¢
2020	<b>.5200</b>	(1.00¢)
2021	.5200	0.00¢
2022	.5200	0.00¢
2023	.5200	0.00¢



# Municipal Survey

Rank	Municipality	Population	Real Property Tax Base	Tax Rate	1¢ on Tax Rate Generates
1	Charlotte	874,579	\$142,308,384,016	.3481	\$14,230,838.40
2	Raleigh	467,665	\$73,305,028,525	.393	\$7,330,50.85
3	Greensboro	299,035	\$26,943,680,331	.6625	\$2,694,368.03
4	Durham	301,719	\$36,394,919,924	.5517	\$3,639,491.99
5	Winston-Salem	249,545	\$24,105,590,672	.6124	\$2,410,559.07
6	Fayetteville	208,501	\$12,796,206,407	.4995	\$1,279,620.64
7	Cary	174,721	\$31,935,242,838	.345	\$3,193,524.28
8	Wilmington	115,451	\$20,184,416,065	.3808	\$2,018,441.61
9	High Point	114,059	\$9,390,996,705	.6175	\$939,009.67
10	Concord	105,240	\$13,522,212,054	.480	\$1,352,221.21
11	Asheville	94,589	\$18,774,314,606	.403	\$1,877,431.46
12	Greenville	87,521	\$6,896,651,937	.4895	\$689,665.19
13	Gastonia	80,411	\$6,415,382,290	.520	\$641,538.23
*	Gastonia	80,411	\$9,565,458,452		\$956,545.85
14	Jacksonville	72,723	\$3,382,913,320	.642	\$338,291.33
15	Chapel Hill	61,960	\$9,041,050,766	.514	\$904,105.08
16	Huntersville	61,840	\$9,554,981,025	.240	\$955,498.10
17	Rocky Mount	54,341	\$3,698,243,661	.685	\$369,824.37
18	Burlington	57,303	\$4,839,762,699	.5973	\$483,976.27
19	Apex	58,780	\$10,338,964,705	.390	\$1,033,896.47
20	Wilson	47,851	\$4,088,097,423	.575	\$408,809.74
	Hickory	43,532	\$4,866,488,715	.6275	\$486,648.87

# Fund Balance – General Fund

Available fund balance is defined by the Local Government Commission (LGC) is calculated as follows:

Total Fund Balance
Less: Non spendable (not in cash form, not available)
Less: Stabilization by State Statute 159-8 (by state law, not available, such as accounts receivable & inter-fund receivables)
Available Fund Balance

This is the calculation utilized as the basis for comparing you to other units and calculating your fund balance percentages.

# Fund Balance Position – General Fund

Total Fund Balance	\$48,893,850
Less: Required Reservations	<u>(\$12,410,001)</u>
Available Fund Balance (48.25%)	\$36,483,849
Minimum Available Fund Balance Required by State (25%)	\$18,905,507
Available Fund Balance 2021 (44.59%)	<u>\$31,253,603</u>
Increase in Available Fund Balance	\$5,230,246

The average Available Fund Balance for comparable Cities was 46% for the year ended June 30, 2022.

# Fund Balance Position – General Fund

Increase in Available Fund Balance	\$5,230,246
<b>Reconciliation of current year increase</b>	
Current year revenues over expenditures	\$6,424,687
Net transfers from (to) other funds	(\$864,566)
Increase in other miscellaneous items	\$552,508
Changes in non-spendable and stabilization by State Statute fund balances	<u>(\$882,383)</u>
Increase in Available Fund Balance	\$5,230,246

# General Fund Available Fund Balance Information

	Gastonia	Percentage
General Fund Available Fund Balance (AFB) 6/30/2021	\$31,253,603	44.59%
Increase in AFB for FY ended 6/30/2022	<u>\$5,230,246</u>	
Available Fund Balance as of 6/30/2022	\$36,483,849	47.96%
Fund balance appropriated with FY 2023 budget	(\$1,986,850)	
Restricted for Powell Bill, bond proceeds, grant funds, building services and other restricted or assigned by management fund balance	<u>(\$6,940,378)</u>	
Net fund balance	\$27,556,621	36.60%
Council Policy/LGC minimum AFB as of 6/30/2022	(\$18,819,076)	25.00%
Additional fund balance appropriated year to date thru October 2022	<u>(\$3,028,891)</u>	
<b>Estimated fund balance available for additional appropriation</b>	<b>\$5,708,654</b>	

# General Fund Appropriation of Fund Balance

(Reported on Audit presentation December 2022)

Date	Description	Amount
	Adopted with FY 2023 budget	\$1,986,850
	Carryover POs	\$740,477
9/6/2022	FY 2022 unspent Arts Initiative funding	\$98,034
9/6/2022	Transfer to Transit for City's match (20%) for sidewalk projects	\$192,380
9/6/2022	Purchase Marietta Street Park	\$550,000
9/20/2022	Transfer to Street Capital Projects for City's match (20%) for NCDOT funded sidewalk projects	<u>\$1,448,000</u>
		<u>\$3,028,891</u>
<b>Total appropriation as of October 31, 2022</b>		<b>\$5,015,741</b>

# General Fund Appropriation of Fund Balance

(Additional appropriations since Audit presentation)

Date	Description	Amount
	Carryover UDO funding	\$52
1/3/2023	Transfer to Transit for City match (100%) for SMAP funding	\$191,889
2/7/2023	Additional Code Enforcement contract services	\$25,000
2/7/2023	Linwood Springs staff (one crew chief and two landscape technicians)	\$65,900
2/21/2023	Purchase of two pumper fire trucks	\$1,750,000
3/7/2023	Transfer to Tech Services for the purchase of five vehicles	\$275,000
4/4/2023	Transfer to Tech Services for the purchase of Public Safety mobile data terminals	\$512,000
<b>Total additional appropriations</b>		<b>\$2,819,841</b>

# General Fund Appropriation of Fund Balance

## (Future appropriations)

Date	Description	Amount
4/18/2023	Transfer to Tech Services to purchase UPSs and data center storage refresh (GF portion only; total is \$1.45M)	\$870,000
TBD	Garland Center roof	\$340,000
<b>Total future appropriations</b>		<b>\$1,210,000</b>

Remaining available fund balance	
Available fund balance as of October 31, 2022	\$5,708,654
Less: Additional appropriations year-to-date	(\$2,819,841)
Less: Future appropriations	(\$1,210,000)
<b>Remaining fund balance available for appropriations</b>	<b>\$1,678,813</b>



# General Fund Minimum Fund Balance

(As required by Local Government Commission (LGC) and Council adopted policy)

	FY 2023	FY 2024	Difference
Budgeted expenditures	\$75,622,028	\$86,908,673	\$11,286,645
25% minimum fund balance required per LGC and Council adopted policy	\$18,905,507	\$21,727,168	\$2,821,661

# General Fund Cuts to Balance

Description	Amount
Future debt service on GO bond second issuance	\$3,375,000
Garland Center roof <sup>a</sup>	\$340,000
Five-year building maintenance assessment*	\$312,182
Comprehensive plan update	\$150,000
Erwin Center gym floor <sup>b</sup>	\$130,000
Accounting remodel	\$75,000
Museum roof – Gallery I & II <sup>c</sup>	\$72,000
Farmer’s Market parking lot improvements	\$70,000
Erwin Center baseball field fencing <sup>b</sup>	\$60,000
Museum roof – NC Hall <sup>c</sup>	\$55,430
Museum roof – Henry Hall <sup>c</sup>	\$15,730
Museum roof – Auditorium/Stowe Gallery <sup>c</sup>	\$6,010
<b>Total</b>	<b>\$4,661,352</b>

a – Fund balance to be appropriated in FY 2023

b – to be funded from ARPA

c – to be funded from SCIF

\*Included in the Council approved 2023-2025 goals and objectives

# General Fund Personnel Cuts to Balance

Description	Amount
Decreased across the board salary increase from 6% to 5% and career development increase from 1.5% to 1.0%	\$619,479
Decreased across the board salary increase from 5% to 4% (career development remained at 1%)	\$486,245
Decreased HSA from \$1,000 per employee back to current \$750 per employee	\$161,904
<b>Total compensation decrease</b>	<b>\$1,267,628</b>

New positions have been eliminated:

- Customer Care Center Representatives have been decreased from six to four
- Financial Services Customer Service Representative
- Parks & Recreation Attendant for Marietta Street Park

Majority of remaining new positions are being budgeted at only 50% of the year to cut costs.

GO Bond funded new positions have also been eliminated:

- Construction Project Coordinator
- Construction Inspector

# Total General Fund Cuts to Balance

Description	Amount
Future debt service on GO bond second issuance	\$3,375,000
Capital improvements	\$1,286,352
Personnel costs	\$1,267,628
<b>Total General Fund cuts</b>	<b>\$5,928,980</b>

Amounts above do not include cuts from eliminating positions

# General Fund

	FY 2022 Actuals	FY 2023 Budget	FY 2023 YTD 2/28/2023	FY 2024 Proposed
Ad Valorem Taxes	\$39,801,234	\$39,584,256	\$37,677,244	\$51,214,121
Fees	\$4,603,539	\$4,620,175	\$3,020,003	\$5,094,030
Investment Earnings	\$73,243	\$611,000	\$855,752	\$902,000
Non-recurring Grants	\$42,124	\$78,475	\$36,405	\$94,528
Operating Grants	\$370,613	\$509,658	\$193,232	\$558,901
Other Revenues	\$3,657,273	\$1,777,088	\$1,404,401	\$1,783,856
Sales Tax	\$19,515,770	\$18,697,390	\$9,199,509	\$19,000,000
State Transfers	\$5,548,276	\$5,554,000	\$1,473,108	\$5,905,000
Appropriated Fund Balance	\$0	\$7,323,582	\$0	\$0
Transfers In	\$2,884,612	\$2,500,000	\$1,666,672	\$2,052,494
<b>Total Revenues</b>	<b>\$76,496,685</b>	<b>\$81,255,624</b>	<b>\$55,526,325</b>	<b>\$86,604,930</b>
Personnel Costs	\$54,472,877	\$59,772,822	\$35,551,304	\$62,639,250
Contracted Services	\$2,241,853	\$2,676,038	\$1,219,382	\$2,811,571
Debt Service	\$3,087,039	\$2,490,539	\$1,620,359	\$5,681,063
Equipment Lease & Utilities	\$2,796,105	\$3,138,775	\$2,044,249	\$2,677,729
Equipment/Capital Outlay	\$519,654	\$2,082,734	\$82,166	\$101,324
Maintenance	\$2,193,879	\$1,907,518	\$1,102,637	\$1,976,707
Operational Support	\$7,947,267	\$8,292,703	\$6,063,866	\$11,954,173
Purchases for Resale	\$73,374	\$115,100	\$61,341	\$139,750
Travel/Training	\$241,957	\$395,616	\$184,361	\$499,766
Reimbursement of Services	-\$9,970,446	(\$8,773,238)	(\$5,376,705)	(\$9,804,627)
Transfers Out	\$10,007,142	\$9,157,017	\$6,715,437	\$8,231,967
<b>Total Expenditures</b>	<b>\$73,610,702</b>	<b>\$81,255,624</b>	<b>\$49,268,397</b>	<b>\$86,908,673</b>
<b>Net</b>	<b>\$2,885,983</b>	<b>\$0</b>	<b>\$6,257,928</b>	<b>(\$303,743)</b>

# Future Needs (Estimated costs)

Description	One-time Cost	Annual Cost
Southeast Recreation Center*	\$15,000,000	\$500,000
Parking deck construction in FUSE district*	\$15,000,000	
Southeast Fire Station*	\$10,000,000	\$1,200,000
Linwood Springs Phase 2 & 3 (unfunded portion)*	\$9,564,276	
Public Works Campus improvements (unfunded portion)*	\$8,564,966	
Downtown Fire Station*	\$5,000,000	\$1,200,000
Sims Park renovations*	\$3,000,000	
Martha Rivers playground equipment	\$1,500,000	
Conference Center improvements	\$500,000	
Comprehensive Plan	\$180,000	
GO bond debt service		\$3,375,000
Career development program		\$535,000
General Fund transfer to Powell Bill (currently subsidized by ARPA)		\$500,000
Solid Waste landfill fee increases (\$30,000 total, but split 50/50)		\$15,000
<b>Total</b>	<b>\$68,309,242</b>	<b>\$7,325,000</b>

\*Included in the Council approved 2023-2025 goals and objectives

Annual costs subject to increase due to compounding, along with compensation and benefit increases

# Future Needs (Costs unknown)

Compensation and benefit increases*	Increased health care costs
Additional staff and increased employee engagement*	Technology and cybersecurity needs*
Technology Services building up-fit	Second half clinic building up-fit
Micro-transit implementation or new buses	Fire breathing apparatus
City-wide card reader security access	Additional camera systems
Adult Recreation Center	Memorial Hall improvements
All-inclusive Park*	Inventory control bar-coding system for warehoused supplies*
Accounting remodel	Council Chamber improvements
Increased administrative costs for Community Development program	Additional Arts Initiatives/Master Arts Plan*
Future participation in Public Private Partnerships (PPP)	Equipment loan debt service
Satellite higher education facilities*	Greenway connectivity/bicycle pedestrian projects*
Work with Gaston County to implement the Gaston Vision Plan*	Parks & Recreation Master Plan*
Commitment to ending homelessness/safe and affordable housing*	

\*Included in the Council approved 2023-2025 goals and objectives

**QUESTIONS  
AND  
DISCUSSION**