



KINGS MOUNTAIN

— **NORTH CAROLINA** —

FY 2023 – 2024
Budget Presentation

Budget Objectives-General Fund

- ❖ No significant reductions or changes regarding services the City offers
- ❖ Fair and reasonable fees for acceptable levels of service
- ❖ Not utilizing fund balance to cover significant recurring operational expenditures
- ❖ To reduce the operating transfer from the Electric fund to the General Fund by 10% as required by Board Resolution, and consistent with LGC requirement
- ❖ To more aggressively plan for and address capital needs in a fiscally responsible manner

Budget Objectives - Utility Funds

Goal: To adequately meet our financial needs. Meeting needs entails providing sufficient resources to operate, maintain and reinvest in our systems.

❖ Electric

❖ Water/Wastewater

❖ Stormwater

❖ Natural Gas

Budget Objectives-All funds

- ❖ 2.5% annual wage / across the board (ATB) increase for all employees
- ❖ 2.5% mid year bonus or additional ATB - **Bonus vs ATB, tbd, based upon actual revenues, other economic factors**
- ❖ To avoid Health Insurance premium increases for employees while maintaining multiple plan options

Budget Highlights-General Fund

- ❖ Held total recurring operating costs relatively flat (less than 2% net increase)
- ❖ 5% Salary increase budgeted (ATB vs bonus -2.5% ATB, 2.5% TBD if bonus or additional mid. year ATB)-ALL FUNDS
- ❖ No net positions added to the General Fund (added Engineer, eliminated Communications)
- ❖ Removed/eliminated contingencies-will amend budgets if necessary (stressing greater accuracy and precision in budgeting)

Budget Highlights-General Fund (cont.)

- ❖ Adjusted cost allocations to ensure all enterprise funds are paying their fair share
- ❖ Downtown MSD
 - ❖ MSD Tax +\$75K contractually + \$25K earned - 501 (c)(3) via contract
- ❖ Proposing capital of \$7.1M in the 23-24 budget
 - ❖ Paving and rolling stock (police, fire, streets, solid waste)
 - ❖ Proposed capital is dependent on the resources to repay future debt service

Budget Highlights-Enterprise Funds

Generally, we plan on doing cost of service study updates on all major utilities in the next 6-9 months.

Electric and Natural Gas Funds

- ❖ No proposed rate increases at this time
- ❖ No proposed fund balance appropriation to balance the operating budgets
- ❖ Doubled the capital budgets for equipment and system infrastructure compared with 22-23 amounts

Budget Highlights-Enterprise Funds (Cont.)

Water and Sewer

- ❖ 10% proposed ATB rate increases-less than inflation last 2 years (13.5%), first rate increase since FY16-17
- ❖ Competitive and lower than surrounding communities
- ❖ Will most likely require additional increases after 23-24 cost of service study-*habitually we have not generated enough revenues to adequately maintain and reinvest in the system*

Budget Highlights-Enterprise Funds (Cont.)

Stormwater

- ❖ \$1.50 monthly rate increase to \$4 per month per household
- ❖ No rate change since 2012
- ❖ Must increase revenues to institute a Stormwater program to comply with NC DEQ requirements-currently we are not in compliance with our permit. Recently received N.O.V.
- ❖ Added two positions with additional revenues and added capital budget

General Fund

General Fund Functions

- ❖ Non- Departmental
- ❖ Administration/Finance/Customer Service (Billing)
- ❖ Human Resources
- ❖ Elections
- ❖ Police
- ❖ Fire & EMS
- ❖ Public Works - Admin/Garage/Streets & Grounds/Solid Waste/Cemetery
- ❖ Planning/Development Services
- ❖ Moss Lake
- ❖ Inspections and Codes
- ❖ Lawrence Patrick Senior Center
- ❖ Mauney Memorial Library
- ❖ Information Technology (IT)
- ❖ Marketing, Tourism, Events
- ❖ Parks & Recreation

General Fund Revenue Sources

- ❖ Property taxes
- ❖ Local option sales taxes
- ❖ Fees (Solid Waste, Permits)
- ❖ Franchise/other taxes
- ❖ Debt proceeds for capital
- ❖ Fund balance appropriations if necessary
- ❖ Transfers in



General Fund Overview

	<u>Proposed 23-24</u>	<u>Adopted 22-23</u>	<u>Change</u>
Recurring expenditures	\$ 18,521,120	\$ 18,211,675	\$ 309,445
Non-recurring/non-capital expenditures	300,000	350,000	(50,000) a
Capital outlay	<u>7,077,456</u>	<u>1,545,000</u>	<u>5,532,456</u> b
Total non-recurring expenditures:	<u>7,377,456</u>	<u>1,895,000</u>	<u>5,482,456</u>
Total expenditures after Manager review	<u>\$ 25,898,576</u>	<u>\$ 20,106,675</u>	<u>\$ 5,791,901</u>
Operating Revenues	\$ 18,808,126	\$ 15,944,675	\$ 2,863,451 c
<i>Other Sources:</i>			
Debt proceeds	4,140,450	537,000	3,603,450 d
Fund balance appropriations	-	-	-
Transfers from Electric-operations	1,350,000	1,200,000	150,000 e
Transfers-non-recurring COVID-19 ARPA	-	1,750,000	(1,750,000)
Transfers reserve fund-capital	<u>1,600,000</u>	<u>675,000</u>	<u>925,000</u> f
Total other revenues:	<u>7,090,450</u>	<u>4,162,000</u>	<u>2,928,450</u>
Total revenues	<u>\$ 25,898,576</u>	<u>\$ 20,106,675</u>	<u>\$ 5,791,901</u>

- a** 23-24 amount assumes 2.5% payroll bonus, not a permanent ATB increase
- b** Will be discussed in greater detail- Primarily paving (\$1.6M) and large rolling stock (\$4.14M)
- c** Increased tax rate (.05), expiring incentives, sales tax growth, fee increases for solid waste and permits and fees
- d** 24-25 debt service for debt issued in 23-24 will be roughly \$650,000-assuming a 7 year average term, 5% APR
- e** Max 23-24 per Ordinance is \$1,350,000-must reduce 10% per year minimum going forward-\$1,215,000 for 24-25
- f** Transfer in 23-24 is for additional paving in excess of annual Powell Bill funds available

General Fund Analysis

2022-23 Original Budget ** **\$ 20,106,675**

Changes:

2.5% ATB increase for 23-24 (Standard op. procedure)	\$ 300,000
2.5% Bonus/ possible ATB tbd. mid-year	\$ 300,000
Increase in capital outlay	\$ 5,557,456
Operations (all other than listed above)	<u>\$ (365,555)</u>

2023-24 Proposed Budget **\$ 25,898,576**

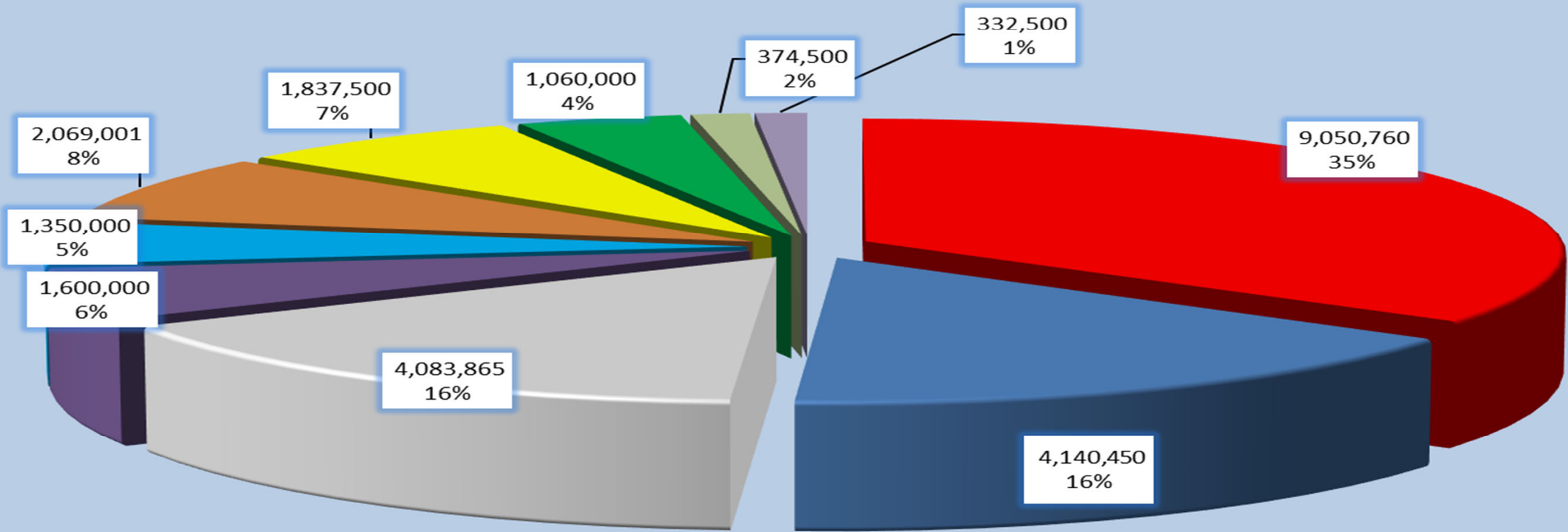
% Change in General Fund Budget-Total **28.8%**

% Change in General Fund Budget-Recurring (operating) **1.7%**

% Change in General Fund Recurring revenues **18.0%**

**** Amended at 3/31/22 was \$20.8M**

General Fund Revenues 2023-24 Proposed Budget Total \$25.899M



- Property Taxes
- Debt proceeds
- Local Option Sales Tax
- Transfers In-Capital
- Transfers In-Electric
- All Other
- Solid waste fees
- Franchise Tax
- Moss Lake Fees
- Building and Zoning Fees

General Fund Revenues

	<u>23-24 Proposed</u>		<u>22-23 Adopted</u>	
Property Taxes	\$ 9,050,760	35%	\$ 7,150,000	36%
Debt proceeds	\$ 4,140,450	16%	\$ 537,000	3%
Local Option Sales Tax	\$ 4,083,865	16%	\$ 3,994,000	20%
Transfers In-Capital	\$ 1,600,000	6%	\$ 675,000	3%
Transfers In-ARPA	\$ -	0%	\$ 1,750,000	9%
Transfers In-Electric	\$ 1,350,000	5%	\$ 1,200,000	6%
All Other	\$ 2,069,001	8%	\$ 1,616,175	8%
Solid waste fees	\$ 1,837,500	7%	\$ 1,500,000	7%
Franchise Tax	\$ 1,060,000	4%	\$ 1,060,000	5%
Moss Lake Fees	\$ 374,500	1%	\$ 374,500	2%
Building and Zoning Fees	\$ 332,500	<u>1%</u>	\$ 250,000	<u>1%</u>
	<u><u>\$ 25,898,576</u></u>	100%	<u><u>\$ 20,106,675</u></u>	100%

General Fund-Revenues

Property Taxes

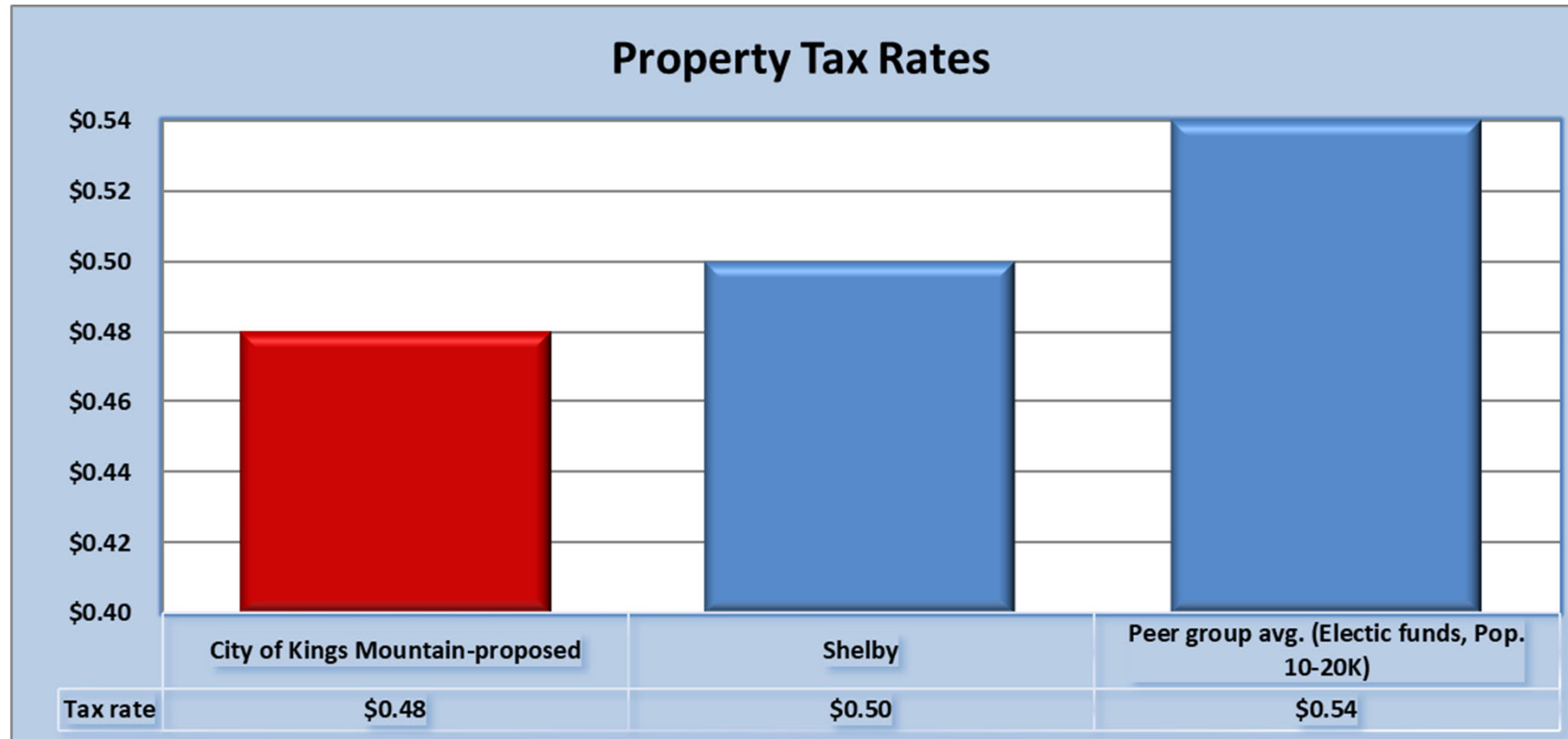
- ❖ For a local government property taxes are considered a general revenue to be used for services that are not paid for by specific user fees-public safety, public works, streets, administration, etc.
- ❖ Transparency-using the “proper” revenue stream
- ❖ Local taxes are deductible for income tax purposes in certain situations
- ❖ Property taxes are less “regressive” than fees

General Fund-Revenues

Tax Rate

- ❖ **The proposed tax rate is necessary to provide resources to address capital needs (debt service)**
- ❖ Property tax rate proposed is .48, an increase of 11.6%
- ❖ Inflation since the last Cleveland County tax revaluation (1/2021) - 13.5%, next revaluation in 1/2025
- ❖ A property tax rate of .48 is roughly 11% below our peer group average of .54
- ❖ 1-cent of property tax (gross) is roughly \$200,000
- ❖ The impact of our proposed tax increase on \$100,000 in valuation is \$4.16 per month

Tax rate: How do we compare?



Note: Cities of 10-20K with an electric fund

Few if any of our peer group pays almost 100% of the cost of Library and Senior Services

“In comparison, KM offers much more”

Tax rate: How do we compare?
Statewide Peer Group

<u>Unit</u>	<u>Population</u>	<u>FB%</u>	<u>Tax Rate</u>
Waynesville	10,144	67.6	0.50
Winterville	10,450	131.0	0.48
Pineville	10,628	116.5	0.33
Tarboro	10,685	38.1	0.41
Lincolnton	11,134	33.9	0.56
Kings Mountain	11,172	58.8	0.43
Smithfield	11,378	94.0	0.57
Newton	13,173	76.1	0.54
Laurinburg	14,916	37.9	0.40
Albemarle	16,437	47.3	0.64
Morganton	17,431	120.4	0.57
Elizabeth City	18,651	NR	0.66
Lumberton	18,922	8.6	0.65
Lexington	19,660	43.0	0.65
Kinston	19,873	26.7	0.73
Average	14,310	64.3	0.54

Tax rate: How do we compare?
Peer Group-Units within 100 miles

<u>Unit</u>	<u>Population</u>	<u>FB%</u>	<u>Tax Rate</u>
Lincolnton	11,134	33.9	0.56
Newton	13,173	76.1	0.54
Morganton	17,431	120.4	0.57
Albemarle	16,437	47.3	0.64
Lexington	19,660	43.0	0.65
Average	15,567	64.1	0.59

General Fund-Revenues Building Permits

- ❖ Various changes to get us closer to industry standards
- ❖ Competitive with surrounding units
- ❖ Not adding additional “new” fees, simply adjusting current calculations

Building Permits – New Rate Structure

- Permit fee schedule has not been revised in 7 years. (2016)
- The national average per sq. ft. for construction is evaluated and reported biannually by the International Code Council (ICC). As the national average increases, the permit fee will adjust to stay comparable with the current market without having to adjust the fee multiplier.
- Recommend adopting the construction cost data, as published by ICC, into the fee schedule so that the fee automatically readjusts. The ICC data is published in February and August of each year; however, we would recommend just updating once a year in accordance with February's published data.
- Using the Building Valuation Data will make a fair playing field for all contractors in cases where a “low ball” construction cost is given on the permit application. In cases where the permit applicant lists a construction cost greater than the BVD, the higher cost will be used in calculating the fee.

Building Permits – New Rate Structure

CURRENT PERMIT FEE

$$\text{Permit Fee: } \$400,000 \times .002 = \$800$$

↙ construction cost given by permit applicant
↖ current multiplier

PROPOSED PERMIT FEE

$$\text{Permit Fee: } 2,000 \text{ sq. ft.} \times \$249.54 = \$499,080 \times .0033 = \$1,647$$

↙ construction cost per sq. ft. (Building Valuation Data national average 2023)
↖ construction cost per Building Valuation Data
↗ proposed multiplier

$$\text{PERMIT FEE MULTIPLIER} = \frac{\text{Department's Budget x (\%)}}{\text{Total Annual Construction Value}}$$

Building Permits – Comparative Data

Example:

- Sq. ft. 2,000
- A-2 (Restaurant) IIB (Construction type)
- Project cost listed on permit application: \$400,000
- Project cost per ICC Building Valuation Date: 2,000 sq. ft. x \$249.54 = \$499,080

KINGS MOUNTAIN **\$ 800 current fee**

\$1,647 proposed fee

CLEVELAND COUNTY **\$1,234**

CABARRUS COUNTY (includes: Concord and Kannapolis) **\$1,544**

SHELBY **\$1,645**

GASTON COUNTY (includes: Gastonia, Cramerton, Mount Holly, Belmont, Bessemer City, Cherryville, Delview, Dallas, High Shoals, Lowell, McAdenville, Ranlo, Stanley and Spencer Mountain) **\$2,000**

MECKLENBURG COUNTY (includes: Charlotte, Huntersville, Matthews, Pineville, Mint Hill, Cornelius) **\$2,480**

Budget Highlights-General Fund-Revenues

Solid Waste Fees

- ❖ Solid waste rate change proposed for both residential (see below) and commercial (25% ATB)
- ❖ Residential bill would go from \$12.51 to \$15.00-necessary to provide existing level of services and better cover cost of services provided
- ❖ Proposed rate is extremely competitive vs private sector and public sector for those units not heavily supplementing cost with other revenue streams
- ❖ We are reinvesting in capital for the solid waste/leaf program

Solid Waste Fees – Comparative Data

Residential Rate (fixed monthly)

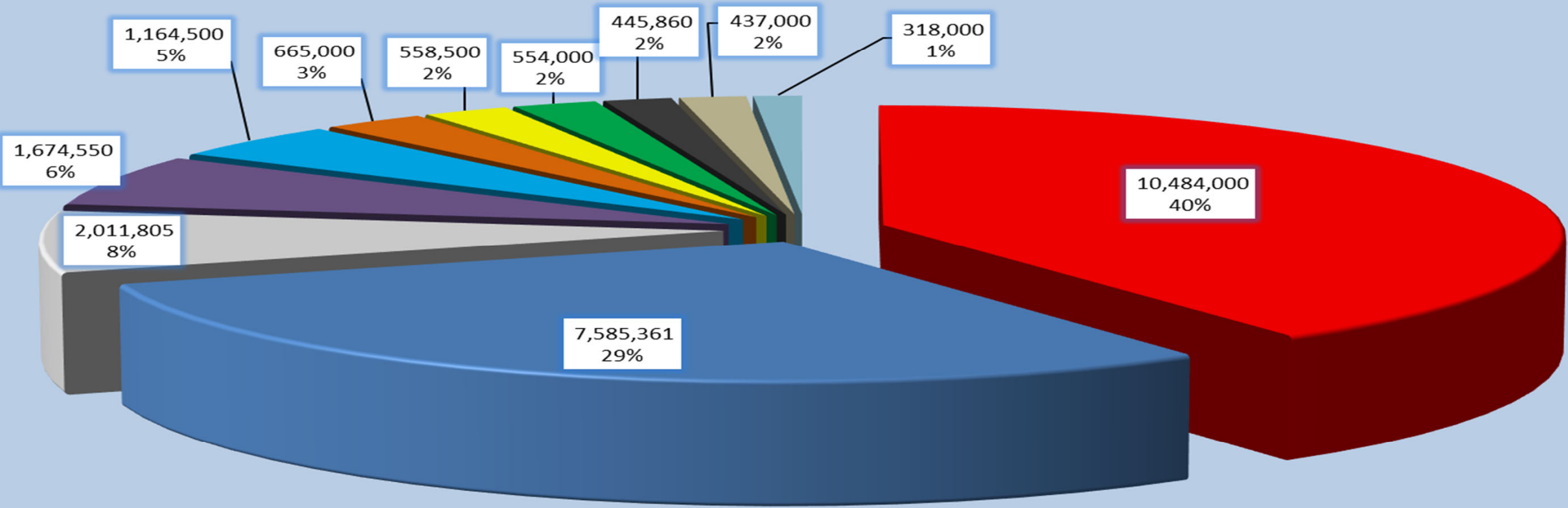
COKM Old	\$ 12.51
COKM New Proposed	\$ 15.00
Shelby	\$ 13.23
Gastonia (includes leaf collect.)	\$ 13.08
Dallas	\$ 14.00
Cherryville	\$ 15.00
Republic - Cleve. County 6/22	\$ 25.00
Average of comparables	\$ 16.06

Budget Highlights-General Fund-Revenues

Transfers from the Electric Fund

- ❖ Agreed via Resolution (Sept 2022) to reduce transfers from the Electric Fund to become more consistent with LGC recommended best practice
- ❖ Total transfers cannot exceed \$1,350,000 this year per our resolution
- ❖ This is roughly \$900,000 less than what we had transferred for operations and capital in past years
- ❖ Will reduce transfers 10% per year going forward until we are in compliance with best practice

General Fund Total Expenditures 2023-24 Proposed Budget Total \$25.899M



- Police/Fire
- Public Works (Streets/Solid Waste/Garage)
- Non-Departmental/Admin/HR/Elections
- Library/Senior Center
- Planning & Development Services
- Parks and Recreation
- Marketing, Tourism, Events
- Inspections & Codes
- IT
- Moss Lake
- Cemetary/Perpetual care

General Fund Expenditures

	<u>23-24 Proposed</u>		<u>22-23 Adopted</u>	
Police/Fire	\$ 10,484,000	40%	\$ 7,650,050	38%
Public Works (Streets/Solid Waste/ Garage)	\$ 7,585,361	29%	\$ 4,721,300	23%
Non-Departmental/Admin/HR/Elections	\$ 2,011,805	8%	\$ 2,508,560	12%
Library/Senior Center	\$ 1,674,550	6%	\$ 1,620,625	8%
Planning & Development Services	\$ 1,164,500	4%	\$ 884,500	4%
Parks and Recreation	\$ 665,000	3%	\$ 604,000	3%
Marketing, Tourism, Events	\$ 558,500	2%	\$ 612,900	3%
Inspections & Codes	\$ 554,000	2%	\$ 503,200	3%
IT	\$ 445,860	2%	\$ 396,540	2%
Moss Lake	\$ 437,000	2%	\$ 414,400	2%
Cemetary/Perpetual care	\$ 318,000	<u>1%</u>	\$ 190,600	<u>1%</u>
	<u>\$ 25,898,576</u>	100%	<u>\$ 20,106,675</u>	100%
Total capital included above	<u><u>\$ 7,077,456</u></u>	27%	<u><u>1,545,000</u></u>	8%

2023-24 Capital Outlay-General Fund

General Fund

City Hall Renovations-Misc.	\$	150,000
Covered Payment Kiosk-Billing	\$	100,000
Agenda Management Software	\$	15,000
Applicant Tracking Software-HR	\$	10,000
Police-Software Upgrades	\$	117,000
Police-Vehicles	\$	207,000
Replace 1997 Fire Engine	\$	750,000
Replace 2000 Aerial Ladder	\$	1,500,000
Fire-Building Exhaust System/Venting	\$	100,000
Public Works Building Renovations-misc.	\$	150,000
Public Works-KM Historical Museum (Roof)	\$	60,000
Street Paving	\$	1,600,000
Streets-Leaf Machines (2)	\$	416,456
Streets-Backhoe	\$	150,000
Streets-Dump Truck	\$	150,000

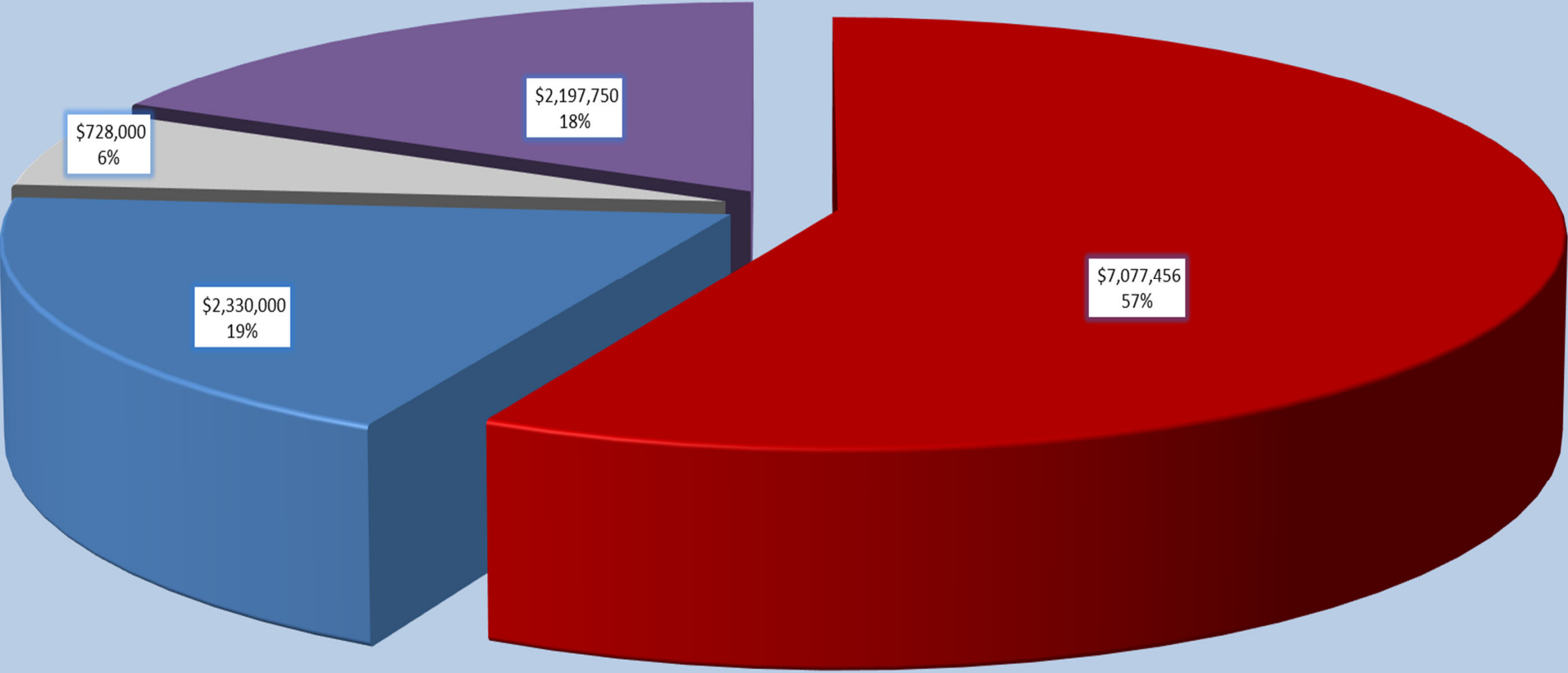
2023-24 Capital Outlay-General Fund (cont.)

Streets-Tri Axle Dump Truck	\$	150,000
Streets-400T Roller	\$	60,000
Streets-Vehicle Shed/Pad Extension	\$	80,000
Streets-Pickup	\$	35,000
Solid Waste-Heil Front Loader Truck	\$	427,000
Solid Waste-Rear Loader Truck Ces	\$	230,000
Cemetery-Small Dump Truck	\$	100,000
GIS Mapping/Workorder Project	\$	250,000
Planning-Small Truck	\$	30,000
Inspections and Codes-Small Truck	\$	32,000
Senior Ctr-Small SUV	\$	33,000
Senior Ctr-HVAC	\$	10,000
Moss Lake-Patrol Boat	\$	45,000
Park Enhancements (playground equip., outdoor court)	\$	100,000
IT-Server Hardware	\$	20,000
	\$	<u>7,077,456</u>

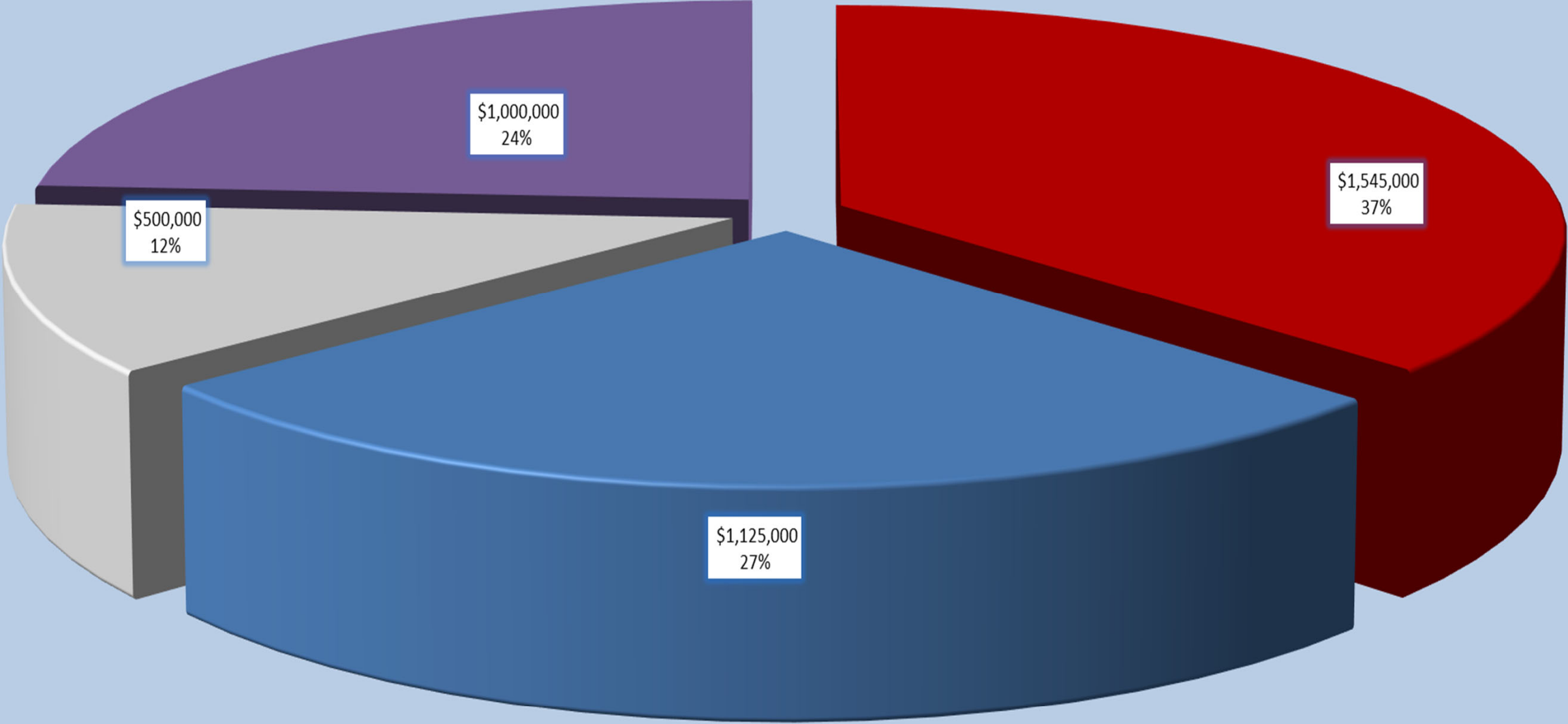
2023-24 Capital Outlay-General Fund

Total financed	\$	4,140,450
Cash from capital reserve (additional paving)	\$	1,600,000
Total paid in cash from operations	\$	<u>1,337,006</u>
Total capital budget	\$	<u>7,077,456</u>

Capital Outlay 2023-24 Proposed Budget



Capital Outlay 2022-23 Proposed Budget



Notes Applicable to All General Fund Departments:

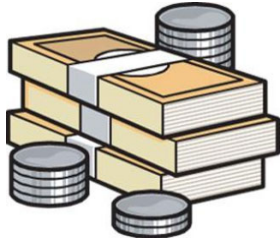
- * Salaries - 5% across the board (ATB) increase budgeted (2.5% ATB adjustment, 2.5% bonus/potential mid-year additional ATB, tbd.)
- * LGERS expense increased slightly
- * Medical per employee was increased 5% given claims projection for next year.
- * No “new” net positions were budgeted in the General Fund, though some shifting of positions occurred and will be noted as we discuss budget for the various individual departments.

00-Non-Departmental

Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ 203,368	\$ 189,800	\$ 199,720
OPERATING	\$ 544,250	\$ 602,500	\$ 726,200
CAPITAL	\$ -	\$ -	\$ -
CHGS TO OTHER FUNDS	\$ (135,000)	\$ (135,000)	\$ (300,000)
TOTAL	\$ 612,618	\$ 657,300	\$ 625,920

Budget Highlights:

- Personnel-Medical charges (current employees) were up slightly for this budget year based upon the 23-24 claims projection prepared by our third party consultant.
- Change in operations is due primarily to increased retiree medical costs (\$70k) as we simply have more retirees receiving the benefit in 23-24, and increased payments to the TDA for occupancy tax collected (\$50k)-this is simply a pass through-we were ultra conservative in 22-23 projecting TDA revenues and the corresponding passthrough expenditure.
- Charges to other funds were recomputed and the Enterprise Funds are receiving a larger share of allocable cost-this is evaluated and readjusted annually.



02-Administration/Finance/Customer Service (Billing)

Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ 1,206,388	\$ 1,264,200	\$ 1,261,000
OPERATING	\$ 775,600	\$ 791,000	\$ 878,393
CAPITAL	\$ 200,000	\$ 200,000	\$ 265,000
CHGS TO OTHER FUNDS	\$(1,337,225)	\$(1,230,465)	\$(1,459,758)
TOTAL	\$ 844,763	\$ 1,024,735	\$ 944,635

Budget Highlights:

- Total personnel expenditures decreased slightly. There were rate increases from the prior year salary study. These were offset by the elimination of the Communications position which was vacant. There is one less position budgeted in this department for fye 23-24.
- Operations are up across the board given inflationary factors. Note also, all General Fund legal is now budgeted in this department and will be allocated to the other funds as applicable.
- Capital is set aside for agenda management software (\$10,000), City Hall renovations (\$150,000) and a covered payment Kiosk (\$100,000).
- Charges to other funds were recomputed based upon current budget-this is evaluated and readjusted annually.



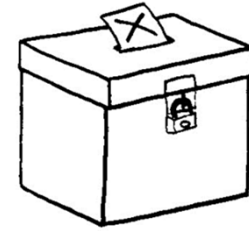
03-Human Resources

Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ 330,600	\$ 358,200	\$ 384,000
OPERATING	\$ 100,500	\$ 582,500	\$ 133,000
CAPITAL	\$ -	\$ -	\$ 10,000
CHGS TO OTHER FUNDS	\$ (107,775)	\$ (120,175)	\$ (131,750)
TOTAL	\$ 323,325	\$ 820,525	\$ 395,250

Budget Highlights:

- Personnel change due to wage study impact and ATB increase discussed previously.
- Operations-the 22-23 budget for implementing the third party salary/market study (\$460k) was budgeted in a single line item in this department and later allocated to the various GF departments once the plan was officially adopted/finalized, thus the huge change. Once this skew is removed, the operating budget increased minimally.
- Capital is for applicant tracking software.
- Charges to other funds were recomputed based upon current year's budget.

04 – Elections Board



Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ -	\$ -	\$ -
OPERATING	\$ 5,000	\$ 6,000	\$ 7,000
CAPITAL	\$ -	\$ -	\$ -
CHGS TO OTHER FUNDS	\$ -	\$ -	\$ -
TOTAL	\$ 5,000	\$ 6,000	\$ 7,000

Budget Highlights:

- No significant items of note.



05 - Garage

Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ 332,500	\$ 337,500	\$ 378,000
OPERATING	\$ 86,408	\$ 101,000	\$ 110,400
CAPITAL	\$ -	\$ -	\$ -
CHGS TO OTHER DEPTS.	\$ (35,875)	\$ (38,000)	\$ (140,600)
TOTAL	\$ 383,033	\$ 400,500	\$ 347,800

Budget Highlights:

- Personnel change due to wage study impact and ATB increase discussed on previous slides. No change in positions from the prior year.
- Slight operating increases across the board for inflation.
- Charges increased for increased personnel costs and charge for fleet management allocated to the Enterprise funds.



06-Police

Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 22-23
PERSONNEL	\$ 4,150,000	\$ 4,264,500	\$ 4,597,500
OPERATING	\$ 736,945	\$ 810,250	\$ 873,950
CAPITAL	\$ 80,000	\$ 275,000	\$ 324,000
CHGS TO OTHER DEPTS	\$ -	\$ -	\$ -
TOTAL	\$ 4,966,945	\$ 5,349,750	\$ 5,795,450

Budget Highlights:

- Personnel change due to wage study impact and ATB increases discussed previously. No change in number of positions from the prior year.
- Increase in operations represents inflationary increases.
- Capital budgeted for vehicles \$207k (4 replacements) and computer software upgrades (\$117k).

07-Fire



Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ 1,696,044	\$ 1,829,300	\$ 1,914,000
OPERATING	\$ 447,782	\$ 471,000	\$ 418,550
CAPITAL	\$ 50,000	\$ -	\$ 2,350,000
CHGS TO OTHER DEPTS	\$ -	\$ -	\$ -
TOTAL	\$ 2,193,826	\$ 2,300,300	\$ 4,682,550

Budget Highlights:

- Personnel change due to wage study impact and ATB increases discussed on previous slides. No change in number of positions from the prior year.
- Operating budget decreased primarily for non capital supplies/equipment, debt payment dropping off.
- Capital-\$2.25M is for an Engine and Ladder Unit, \$100k misc./station improvements.

08-Public Works Administration

Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ 242,300	\$ 260,600	\$ 455,000
OPERATING	\$ 93,094	\$ 109,000	\$ 109,000
CAPITAL	\$ 25,000	\$ 200,000	\$ 210,000
CHGS TO OTHER FUNDS	\$ (19,000)	\$ (19,000)	\$ (158,895)
TOTAL	\$ 341,394	\$ 550,600	\$ 615,105

Budget Highlights:

- Personnel change due to wage study impact and ATB increases discussed on previous slides. Also, a City Engineer position was added to this department (nets out Communications position eliminated in City Admin. department.)
- Operations are flat.
- Capital (\$150k) is for PW/Energy Services building renovations/various projects, \$60K building repairs/roof KM Historical Museum.
- Charges to other funds is to allocate a portion of the engineering salary and benefits as well as janitorial services to the Enterprise funds.



09-Streets/Grounds/Building Maint.

Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ 1,208,125	\$ 1,234,000	\$ 1,361,500
OPERATING	\$ 350,449	\$ 367,000	\$ 399,500
CAPITAL	\$ -	\$ 86,000	\$ 2,641,456
CHGS TO OTHER FUNDS	\$ -	\$ -	\$ -
TOTAL	\$ 1,558,574	\$ 1,687,000	\$ 4,402,456

Budget Highlights:

- Personnel change due to wage study impact and ATB increases discussed on previous slide. No change in number of positions from the prior year.
- Operations up roughly 5% for inflation.
- Capital is for: paving (\$1.6M, 7.8miles), Leaf machines/vacs (2) \$414k, dump trucks (2) \$300K, backhoe \$150k, roller \$60k.

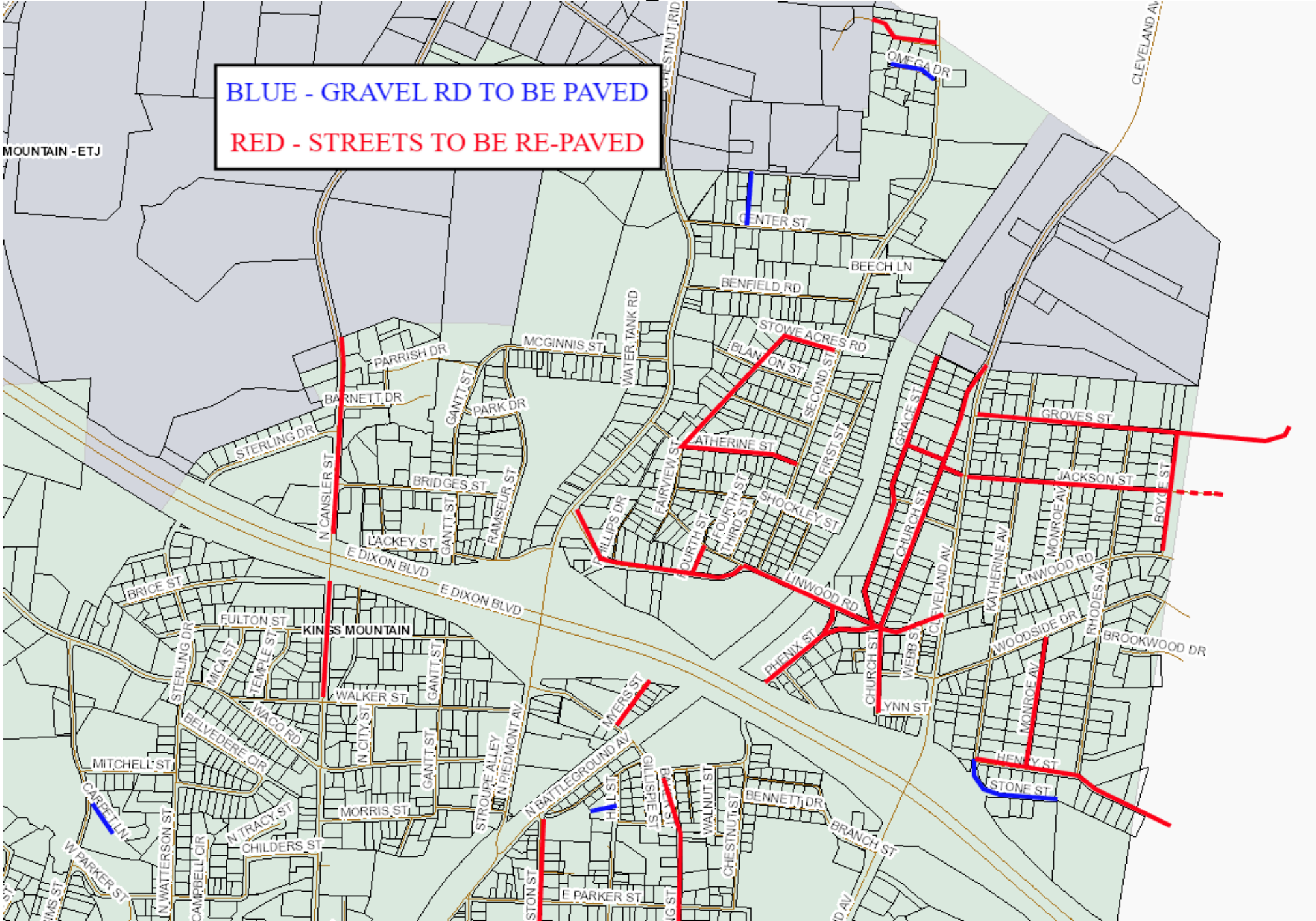
General Fund Paving-Additional Details

STREETS TO BE REPAVED				
Street Name	From	To	Feet	Cost
Kiser Street	E Gold St	Cline Street	995	\$36,969.78
Carolina State Lane	Spruce Street	Gold Street	281	\$5,573.17
Catherine Street	Stowe Acres	Second Street	963	\$25,840.50
May Street	Grace Street	Church Street	325	\$7,583.33
Stowe Acres	Fairview Street	Second Street	1741	\$46,716.83
Phenix Street	Linwood Road	Mill Street	1353	\$34,095.60
Linwood Road	Second Street	Cleveland Ave.	1700	\$66,300.00
Henry Street	Katherine Ave.	Dead End	2062	\$62,547.33
N. Cansler Street	Walker Street	City Limits	3062	\$183,720.00
Jackson Street	Church Street	Boyce Street	1905	\$44,450.00
Northwoods Drive	Groves Street	Alpine Drive	3319	\$144,376.50
Joanne Court	Manor Drive	Cul-De-Sac	259	\$9,790.20
Moble Home Drive	Pennington Place	City Limits	190	\$4,211.67
Groves Street	Alpine	Dead End	170	\$5,950.00
Linwood Road	NC 216	Second Street	1584	\$90,288.00
Slater Street	York Road	Oriental Ave.	789	\$19,883.80
Church Street	Cleveland Ave.	Lynn Street	3138	\$167,360.00
Myers Street	Baker Street	Dead End	450	\$12,075.00
Dilling Street	Kings Street	Phenix Street	2283	\$62,592.25
Alpine Drive	Northwoods Drive	Northwoods Drive	1571	\$68,338.50
Grace Street	Linwood Road	Dead End	2586	\$65,167.20
Fourth Street	Linwood Road	Dead End	497	\$8,117.67
Boyce Ave.	Linwood Road	Groves Street	1048	\$28,121.33
Monroe Ave.	Woodside Ave	Henry Street	1143	\$30,670.50
Gaston Street	N.Battleground Ave.	Dead End	3671	\$166,418.67
Groves Street	Cleveland Ave.	Dead End	3075	\$131,200.00
Peaceful Valley	Second Street	City Limits	528	\$12,566.40
Plaza Drive	Garrison Street	Parking Area	266	\$7,137.58
		total		\$1,548,061.81

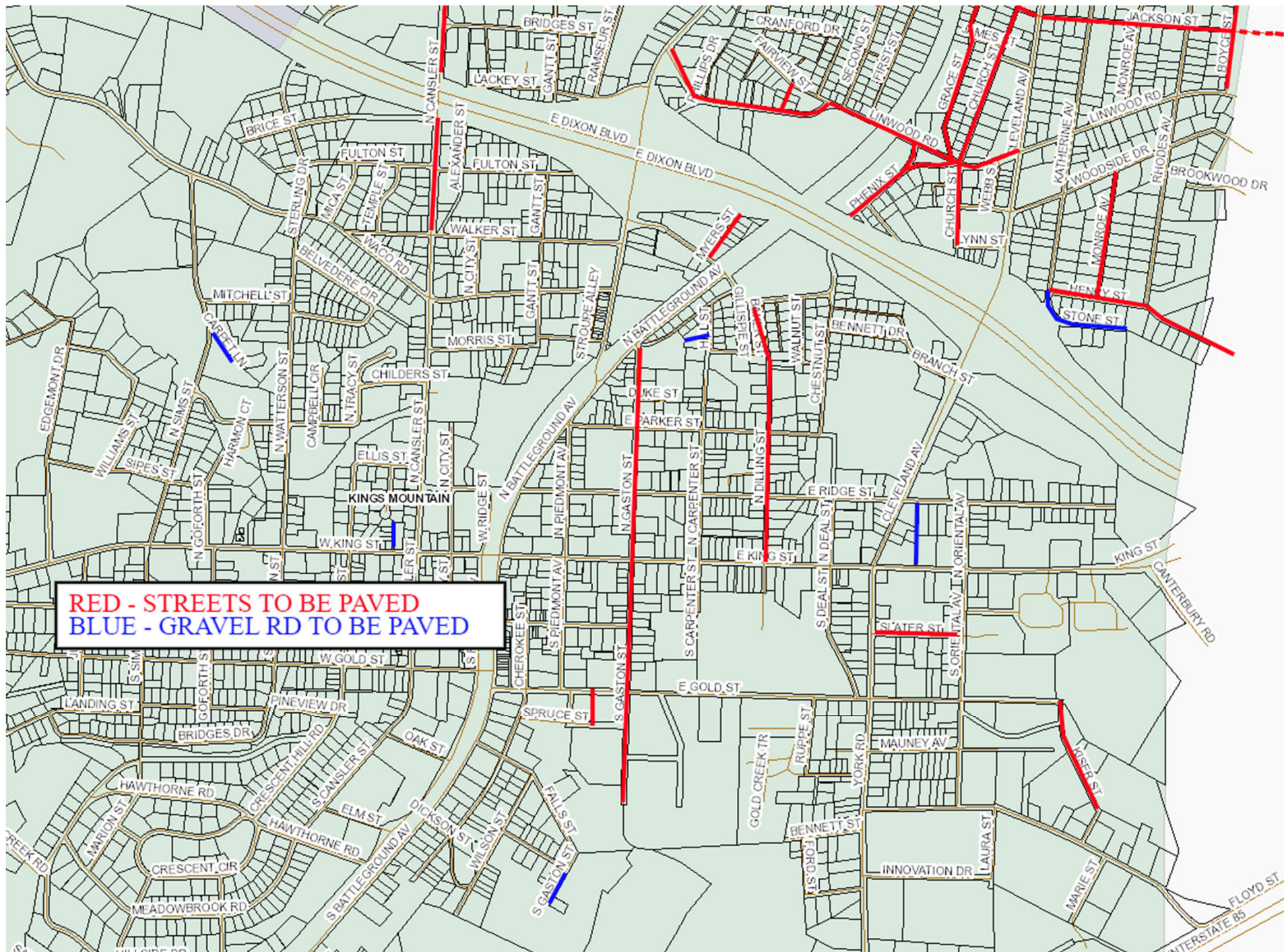
General Fund Paving-Additional Details

UNPAVED STREETS TO BE PAVED				
Street Name	From	To	Feet	Cost
Carpet Lane	N Sims St	Dead end	330	\$ 7,524.00
Cyclone Lane	Center St	City Limits	264	\$ 6,019.20
Hendricks Street	King Street	Ridge Street	580	\$ 13,224.00
Omega Drive	Second Street	Dead end	426	\$ 9,712.80
Stone Street	Katherine Ave	Dead end	933	\$ 21,272.40
Virginia Ave	Hill St	Dead end	128	\$ 2,918.40
Davidson Street	King Street	Dead end	167	\$ 3,807.60
			total unpaved	\$64,478.40

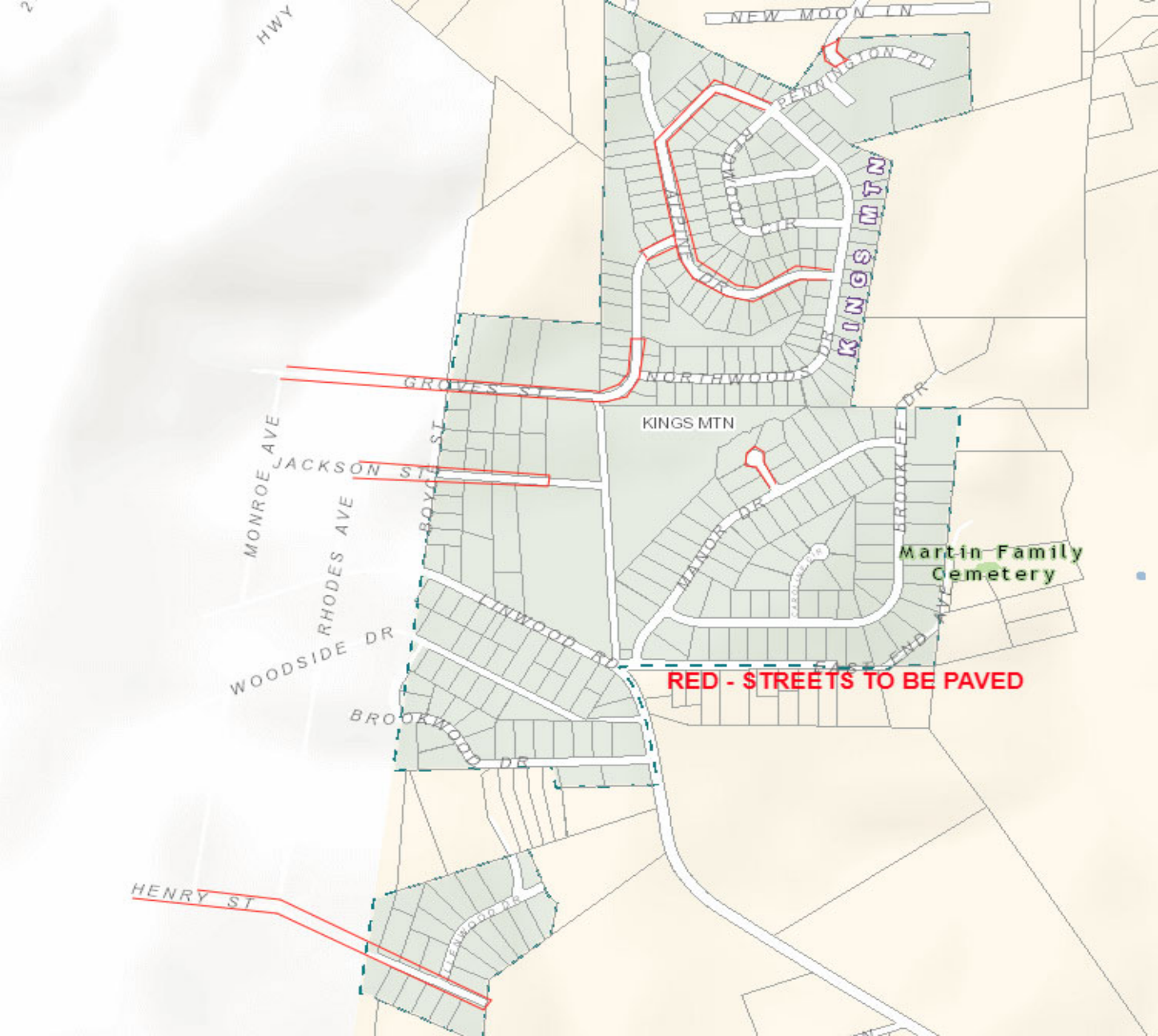
Paving-North



Paving-South



Paving-Gaston County



10-Solid Waste



Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ 631,150	\$ 656,300	\$ 683,000
OPERATING	\$ 850,508	\$ 889,900	\$ 880,000
CAPITAL	\$ -	\$ 537,000	\$ 657,000
CHGS TO OTHER FUNDS	\$ -	\$ -	\$ -
TOTAL	\$ 1,481,658	\$ 2,083,200	\$ 2,220,000

Budget Highlights:

- Personnel change due to wage study impact and ATB increases discussed previously. No change in number of positions from the prior year.
- Operations are basically flat.
- Capital is for one automated garbage truck (\$427k) and one rear load garbage truck (\$230k).



11-Cemetery

Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ 137,900	\$ 146,600	\$ 174,500
OPERATING	\$ 28,290	\$ 39,000	\$ 38,500
CAPITAL	\$ -	\$ -	\$ 100,000
CHGS TO OTHER FUNDS	\$ -	\$ -	\$ -
TOTAL	\$ 166,190	\$ 185,600	\$ 313,000

Budget Highlights:

- Personnel change due to wage study impact and ATB increases discussed on previous slides. No change in number of positions from the prior year.
- Operations are flat.
- Capital is for a small dump truck (\$100k).



12-Planning/Development Services

Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 22-23
PERSONNEL	\$ 372,288	\$ 502,500	\$ 575,000
OPERATING	\$ 305,627	\$ 357,000	\$ 412,500
CAPITAL	\$ -	\$ 25,000	\$ 280,000
CHGS TO OTHER FUNDS	\$ -	\$ -	\$ (109,000)
TOTAL	\$ 677,915	\$ 884,500	\$ 1,158,500

Budget Highlights:

- Personnel change due to wage study impact and ATB increases discussed previously. No change in number of positions from the prior year.
- Operating costs-Note cost for MSD is included here (Occupancy tax plus \$100k grant/match).
- Capital is for a software project (mapping/work orders) \$250K, and a vehicle \$30k.
- Cost redistribution (charges to other funds) are for a portion of the Development Services Director's salary and benefits, as well as an allocation for the software project.



13-Inspections and Codes

Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ 325,381	\$ 336,200	\$ 362,000
OPERATING	\$ 148,362	\$ 167,000	\$ 160,000
CAPITAL	\$ -	\$ -	\$ 32,000
CHGS TO OTHER FUNDS	\$ -	\$ -	\$ -
TOTAL	\$ 473,743	\$ 503,200	\$ 554,000

Budget Highlights:

- Personnel change due to wage study impact and ATB increases discussed on previous slides. No change in number of positions from the prior year.
- Operating request is up due to general inflationary increases.
- Capital request is for a replacement vehicle.

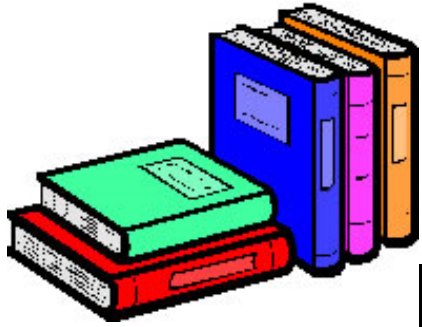
14-Senior Center

Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ 435,640	\$ 456,800	\$ 479,500
OPERATING	\$ 424,739	\$ 288,025	\$ 315,000
CAPITAL	\$ -	\$ 85,000	\$ 43,000
CHGS TO OTHER FUNDS	\$ -	\$ -	\$ -
TOTAL	\$ 860,379	\$ 829,825	\$ 837,500

Budget Highlights:

- Personnel change due to wage study impact and ATB increases discussed on previous slides. No change in number of positions from the prior year.
- Operations are relatively flat.
- Capital is for HVAC repairs (\$10k) and a replacement vehicle (\$33k, small SUV).





15-Library

Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ 511,050	\$ 461,800	\$ 507,000
OPERATING	\$ 302,399	\$ 329,000	\$ 330,050
CAPITAL	\$ 130,000	\$ -	\$ -
CHGS TO OTHER FUNDS	\$ -	\$ -	\$ -
TOTAL	\$ 943,449	\$ 790,800	\$ 837,050

Budget Highlights:

- Personnel change due to wage study impact and ATB increases discussed previously. No change in number of positions from the prior year.
- Operating expenditures are relatively flat.

What do these items have in common?

- ❖ **Human Resources**
- ❖ **Finance Department**
- ❖ **Customer Service Department-Salaries/Benefits**
- ❖ **City Manager's Office**
- ❖ **City Garage**
- ❖ **Public Works Administration-Salaries/Benefits/Operating**
- ❖ **Cemetery**
- ❖ **Development Services-Salaries/Benefits, net**
- ❖ **Codes and Inspections**
- ❖ **Library-Salaries/Benefits**
- ❖ **Senior Center-Salaries/Benefits**
- ❖ **Moss Lake**
- ❖ **Recreation-YMCA contract**
- ❖ **Information Technologies (IT)**

Answer.....

Their 2023-24 proposed budgets are **less than the 2023-24 proposed budget for Marketing, Tourism, and Events**



16-Marketing, Tourism, Events



Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ 160,800	\$ 241,400	\$ 274,500
OPERATING	\$ 293,753	\$ 337,000	\$ 284,000
CAPITAL	\$ -	\$ 34,500	\$ -
CHGS TO OTHER FUNDS	\$ -	\$ -	\$ -
TOTAL	\$ 454,553	\$ 612,900	\$ 558,500

Budget Highlights:

- Personnel change due to wage study impact and ATB increases discussed on previous slides. No change in number of positions from the prior year.
- “Event specific” line item budget adjusted back to 21-22 levels-focus on “quality over quantity”.
- Expand focus from events to include marketing and tourism promotion.



17-Moss Lake

Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ 231,950	\$ 227,900	\$ 260,000
OPERATING	\$ 132,543	\$ 159,000	\$ 132,000
CAPITAL	\$ 57,500	\$ 27,500	\$ 45,000
CHGS TO OTHER FUNDS	\$ -	\$ -	\$ -
TOTAL	\$ 421,993	\$ 414,400	\$ 437,000

Budget Highlights:

- Personnel change due to wage study impact and ATB increases discussed on previous slides. No change in number of positions from the prior year.
- Operating contingency removed from the budget-will amend budget if needs arise.
- Capital is for a boat (Police Boat-Sea Arc 2072).

18-Transfer to Perpetual Care

Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ -	\$ -	\$ -
OPERATING	\$ 5,000	\$ 5,000	\$ 5,000
CAPITAL	\$ -	\$ -	\$ -
CHGS TO OTHER FUNDS	\$ -	\$ -	\$ -
TOTAL	\$ 5,000	\$ 5,000	\$ 5,000

Budget Highlights:

- A portion of Cemetery Plot Sales are transferred to the Perpetual Care Fund annually for cemetery upkeep.



19 – Parks and Recreation



Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ -	\$ -	\$ -
OPERATING	\$ 538,138	\$ 554,000	\$ 565,000
CAPITAL	\$ -	\$ 50,000	\$ 100,000
CHGS TO OTHER FUNDS	\$ -	\$ -	\$ -
TOTAL	\$ 538,138	\$ 604,000	\$ 665,000

Budget Highlights:

- YMCA contact (\$469k) and maintenance is budgeted here as well as a park maintenance line item (\$98K-previously in PW's).
- Any future park improvements, expansions, or other capital will budgeted here.
- Capital is for Park expansions/improvements-playground structures, outdoor court



20-Information Technology (IT)

Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ 253,450	\$ 280,900	\$ 310,000
OPERATING	\$ 374,140	\$ 380,000	\$ 413,100
CAPITAL	\$ -	\$ -	\$ 20,000
CHGS TO OTHER FUNDS	\$ (250,000)	\$ (264,360)	\$ (297,240)
TOTAL	\$ 377,590	\$ 396,540	\$ 445,860

Budget Highlights:

- Personnel change due to wage study impact and ATB increases discussed on previous slides. No change in number of positions from the prior year.
- Operations is up for inflationary increases, increased user licenses.
- Capital is for server hardware.
- Admin. allocation percentage change based upon incidents and increased operating costs, thus the increase in charges to the other funds.

Additional items of note....

- ❖ Our Electric System is in need of capacity expansion so its capital needs over the next ten years will be significantly more than they were the past ten years.
- ❖ This means any additional **operating needs of the General Fund should be financed with General Fund revenues, not additional transfers from the Electric Fund.**
- ❖ We agreed to reduce transfers from the Electric Fund in order to obtain debt financing-Our Resolution stated we will reduce the transfer 10% a year until we are in compliance with best practice.

*Best Practice -5% of gross annual revenues of the electric system or 3% of gross capital assets, whichever is greater

General Government Future Needs

“50,000 foot view”

- ❖ Public Works/City Hall/HR building renovations/expansions
- ❖ Potential garage expansion/replacement
- ❖ Future satellite Police/Fire locations due to annexation
- ❖ Additional staffing needs due to growth/annexation-numerous departments
- ❖ Street infrastructure/paving
- ❖ Solid waste-capital required for service provision/expansion

Powell Bill Fund

Powell Bill Fund



Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ -	\$ -	\$ -
OPERATING	\$ 310,000	\$ 418,000	\$ 350,000
CAPITAL	\$ -	\$ -	\$ -
TOTAL	\$ 310,000	\$ 418,000	\$ 350,000

Budget Highlights:

- Overall, total budget was up in 22-23 due to acceleration of paving. We budgeted \$100k more due to availability of Powell Bill restricted fund balance.
- The current budget returns to the concept of a balanced budget based upon annual Powell Bill revenues (no appropriation of Fund Balance.) **The Powell Bill Paving/resurfacing budget is \$200k.**
- **Note the additional \$1.6M paving budgeted in the General Fund** (financed by capital reserve funds).

E911 Special Revenue Fund

29-Emergency 911 Fund



Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ -	\$ -	\$ -
OPERATING	\$ 148,000	\$ 80,000	\$ 90,000
CAPITAL	\$ -	\$ 25,000	\$ 25,000
CHGS TO OTHER FUNDS	\$ -	\$ -	\$ -
TOTAL	\$ 148,000	\$ 105,000	\$ 115,000

Budget Highlights:

- Current E911 allocation for the City is \$91,500.
- These funds are accounted for in a separate fund. The fund is self-sufficient and dollars can only be used for certain approved operating and capital needs related to the 911 system. Funds cannot be used to pay personnel.

Economic Incentives Special Revenue Fund

Economic Incentives SRF



Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ -	\$ -	\$ -
OPERATING	\$ 1,200,000	\$ 1,050,000	\$ 455,000
CAPITAL	\$ -	\$ -	\$ -
CHGS TO OTHER FUNDS	\$ -	\$ -	\$ -
TOTAL	\$ 1,200,000	\$ 1,050,000	\$ 455,000

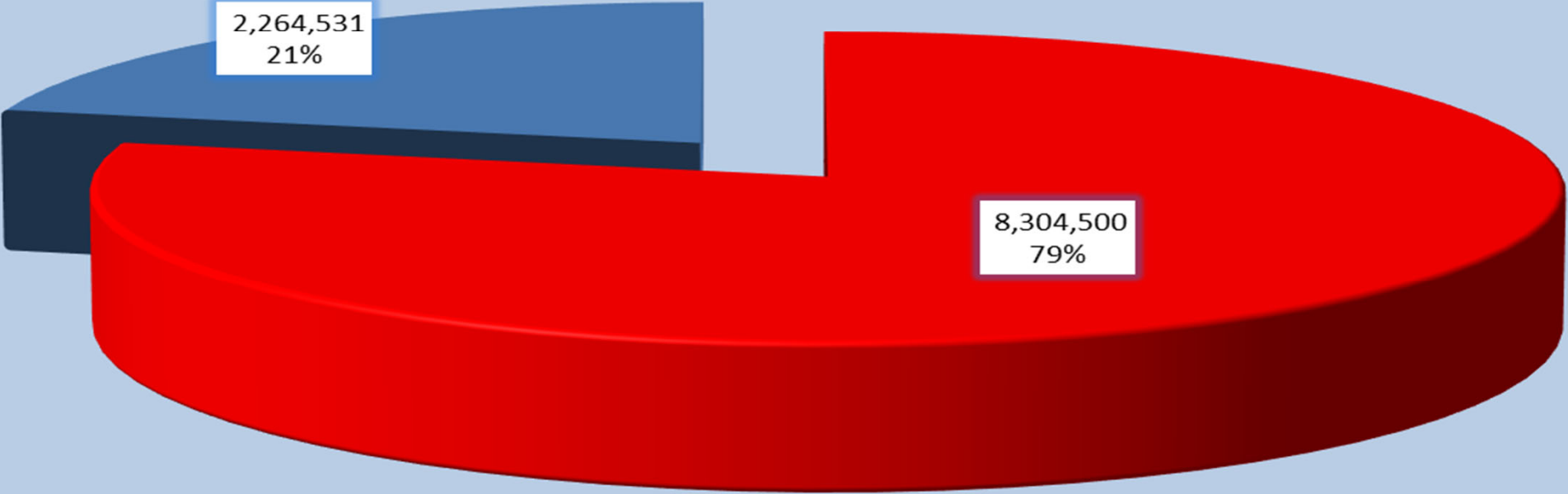
Budget Highlights:

- This fund was created mid-year 19-20 to account for economic/industrial incentive agreements.
- These agreements were previously accounted for in the General Fund.
- Primary revenue is the portion of property taxes subject to “incentive” refunds/ payments.
- The fund is self-balancing, i.e. property tax revenues budgeted equal incentive payments due **assuming payments are earned**.

Water Sewer Fund

Water Fund Revenues 2023-24 Proposed Budget

■ Revenue-Fees/Operations ■ FB



Water/Sewer Revenues

Revenue Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
WATER SALES	\$ 4,130,000	\$ 4,450,000	\$ 4,895,000
SEWER SALES	\$ 2,600,000	\$ 2,300,000	\$ 2,530,000
SYSTEM DEVELOPMENT FEES	\$ -	\$ -	\$ 500,000
ALL OTHER OPERATING	\$ 332,000	\$ 372,000	\$ 379,500
PROCEEDS FROM DEBT	\$ 480,000	\$ -	\$ -
APPROPRIATED FUND BALANCE	\$ 676,436	\$ 1,642,100	\$ 2,264,531
TOTAL	\$ 8,218,436	\$ 8,764,100	\$10,569,031

- ❖ 10% proposed ATB rate increase for Water and Sewer sales-less than inflation last 2 years (13.5%).
- ❖ First rate increase since FY16-17, which was required by the LGC for debt approval.
- ❖ After the increase the City is competitive, and in many cases lower than surrounding communities
- ❖ Will most likely require additional increases after 23-24 cost of service study-*habitually we have not generated enough revenues to adequately maintain and re-invest in the system*
- ❖ \$30 residential bill impacted \$3 per month

Water/Sewer – Comparative Data

RESIDENTIAL WATER BILL ASSUMING 5,000 GALLONS MTHLY

KM OLD RATE	KM NEW RATE	SHELBY	TWO RIVERS	CHERRYVILLE	STATE MEDIAN
\$26.63	\$29.29	\$27.60	\$26.80	\$43.00	\$39.10

RESIDENTIAL SEWER BILL ASSUMING 5,000 GALLONS MTHLY

KM OLD RATE	KM NEW RATE	SHELBY	TWO RIVERS	CHERRYVILLE	STATE MEDIAN
\$30.79	\$33.87	\$44.30	\$38.60	\$43.00	\$48.00

TOTAL WATER/SEWER BILL ASSUMING 5,000 GALLONS MTHLY

KM OLD RATE	KM NEW RATE	SHELBY	TWO RIVERS	CHERRYVILLE	STATE MEDIAN
\$57.42	\$63.16	\$71.90	\$65.40	\$86.00	\$87.10

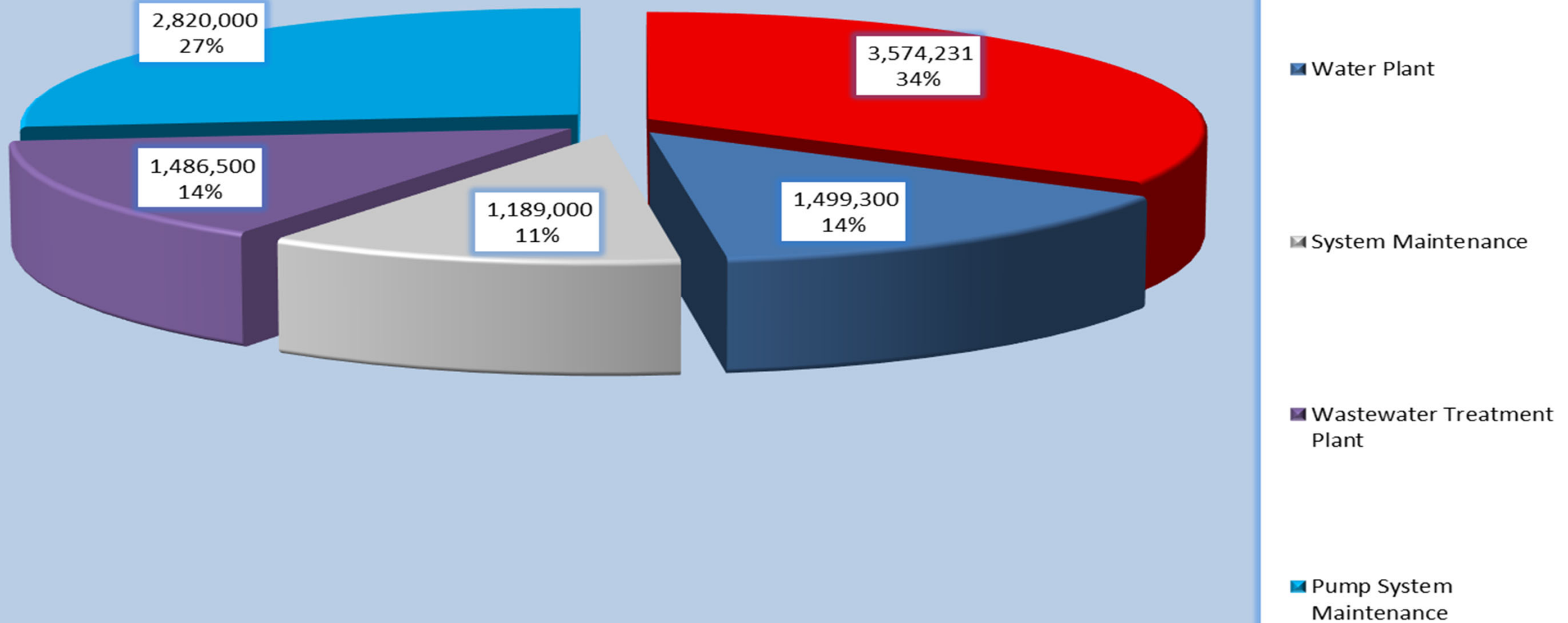


Water/Sewer Department

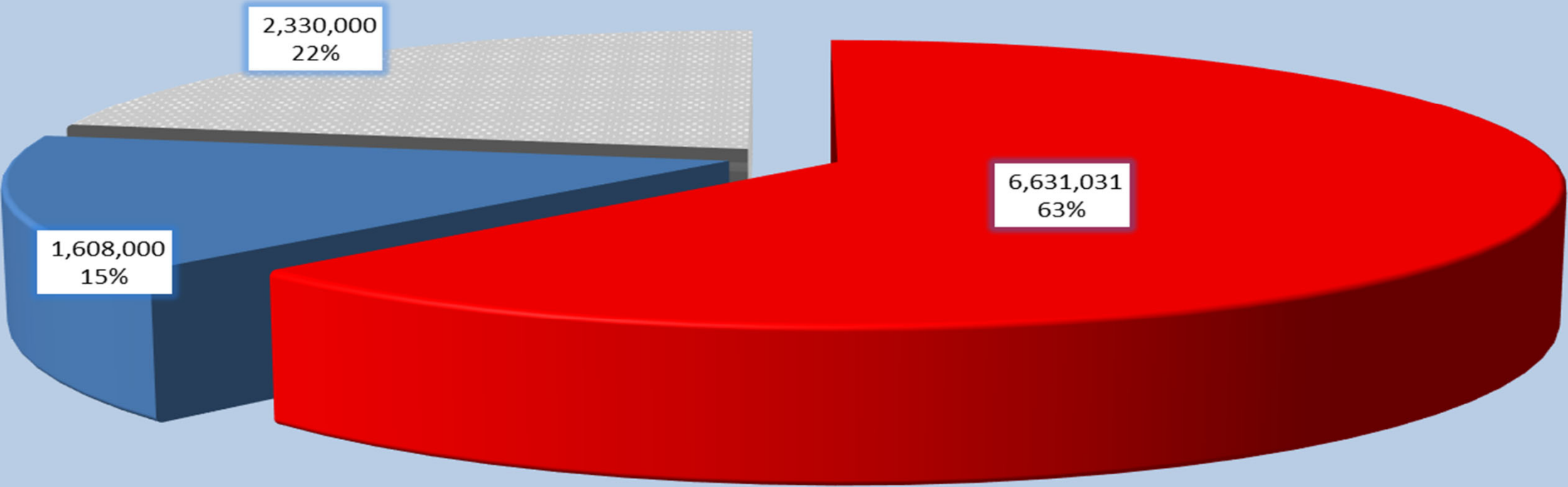
The divisions listed below are associated with the Water/Sewer Fund. These divisions are funded entirely by Water/Sewer sales and other related revenues.

- ❖ **Water Resources**
- ❖ **Water Plant**
- ❖ **System Maintenance**
- ❖ **Wastewater Treatment Plant**
- ❖ **Pump Maintenance**

Water Fund Expenditures by Department 2023-24 Proposed Budget



Water Fund Expenditures 2023-24 Proposed Budget



2023-24 Capital Outlay-Water/Sewer

Moss Lake Spillway Repairs	\$	100,000	
Spillway Joint Replacement	\$	50,000	
Backhoe	\$	85,000	
Slip-line Sewer Rehab.	\$	50,000	
Camera Trailer	\$	20,000	
Replace Membranes On Diffusers	\$	60,000	
Generator Relocation	\$	45,000	
Beason Creek-Rehab. and Expansion EDA Grant Project- additional City contribution	\$	1,500,000	**
Beason Creek-Rehab. and Expansion EDA Grant Project- required current City Match	\$	330,000	
Williams Road Sewer Relocation	\$	90,000	
	\$	2,330,000	

**Working to acquire additional grant funding in lieu of utilizing City funds



31-Water Resources

Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ 280,825	\$ 288,900	\$ 329,000
OPERATING	\$ 2,826,340	\$ 2,980,000	\$ 3,095,231
CAPITAL	\$ 275,000	\$ 375,000	\$ 150,000
CHGS TO OTHER FUNDS	\$ -	\$ -	\$ -
TOTAL	\$ 3,382,165	\$ 3,643,900	\$ 3,574,231

Budget Highlights:

- Personnel change due to wage study impact and ATB increases discussed previously.
- Operating-Debt payments related to all the DEQ loans are budgeted in this department (total approximately \$1,530,000 annually). Note charges for administrative services increased significantly based upon updated study/General Fund budget.
- Capital- \$150k-Moss Lake Spillway repairs and joint grout replacement.

32-Water Plant



Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ 313,600	\$ 321,200	\$ 448,500
OPERATING	\$ 805,870	\$ 876,000	\$ 1,050,800
CAPITAL	\$ 295,000	\$ 270,000	\$ -
CHGS TO OTHER FUNDS	\$ -	\$ -	\$ -
TOTAL	\$ 1,414,470	\$ 1,467,200	\$ 1,499,300

Budget Highlights:

- Personnel change due to wage study impact and ATB increases discussed on previous slides. Transferred a position from another water/sewer department, so there is one additional position in this department in 23-24 versus 22-23. Note Water/Sewer Fund in total has the same number of budgeted positions in 23-24 as they had in 22-23.
- Change in operations is due to an increase in non-capital repairs and chemicals for water treatment.



33-System Maintenance

Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ 440,125	\$ 447,100	\$ 529,500
OPERATING	\$ 395,050	\$ 516,000	\$ 524,500
CAPITAL	\$ 130,000	\$ 100,000	\$ 135,000
CHGS TO OTHER FUNDS	\$ -	\$ -	\$ -
TOTAL	\$ 965,175	\$ 1,063,100	\$ 1,189,000

Budget Highlights:

- Personnel change due to wage study impact and ATB increases discussed on previous slides. Transferred a position from another water/sewer department, so there is one additional position in this department in 23-24 versus 22-23. Note Water/Sewer in total has the same number of budgeted positions in 23-24 as they had in 22-23.
- Operations are flat.
- Capital outlay is for sewer slip lining (\$50k) and a backhoe (\$85k).

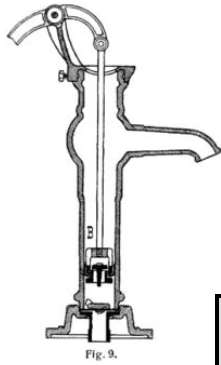
34-Wastewater Treatment Plant



Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ 419,900	\$ 433,800	\$ 477,000
OPERATING	\$ 711,658	\$ 817,000	\$ 884,500
CAPITAL	\$ 70,000	\$ 50,000	\$ 125,000
CHGS TO OTHER FUNDS	\$ -	\$ -	\$ -
TOTAL	\$ 1,201,558	\$ 1,300,800	\$ 1,486,500

Budget Highlights:

- Personnel change due to wage study impact and ATB increases discussed on previous slides. No change in number of positions from the prior year.
- Operations increased due to significant price increases for chemicals and overall inflationary increases in other line items.
- Capital is for a camera trailer (\$20k), diffuser membrane replacement (\$60K) and relocation of a generator (\$45k).



36-Pump System Maintenance

Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ 408,938	\$ 432,100	\$ 374,500
OPERATING	\$ 366,130	\$ 527,000	\$ 525,500
CAPITAL	\$ 520,000	\$ 330,000	\$ 1,920,000
CHGS TO OTHER FUNDS	\$ -	\$ -	\$ -
TOTAL	\$ 1,295,068	\$ 1,289,100	\$ 2,820,000

Budget Highlights:

- Personnel change due to wage study impact and ATB increases discussed on previous slides. Note transferred two positions to other departments in the 23-24 budget.
- Operating budget is flat.
- Capital is for Beason Creek Grant match/project completion (\$1.830M) and Williams Road Sewer Relocation (\$90k).

Stormwater Fund

62-Stormwater Fund



Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ 303,500	\$ 353,000	\$ 473,785
OPERATING	\$ 134,840	\$ 87,000	\$ 136,000
CAPITAL	\$ 21,660	\$ 20,000	\$ 126,215
CHGS TO OTHER FUNDS	\$ -	\$ -	\$ -
TOTAL	\$ 460,000	\$ 460,000	\$ 736,000

Budget Highlights:

- This fund is self-balancing.
- No fund balance appropriated to balance the budget.
- Proposing a rate increase of \$1.50 to our rate structure (Residential goes from \$2.50 to \$4.00 monthly, commercial \$2.50 to \$4.00 X square footage, monthly). There have been no fee adjustments since 2012.
- Added two additional positions.
- **All increased operating and capital costs are necessary to bring our system into compliance with our DEQ permit. N.O.V.**

Stormwater– Comparative Data

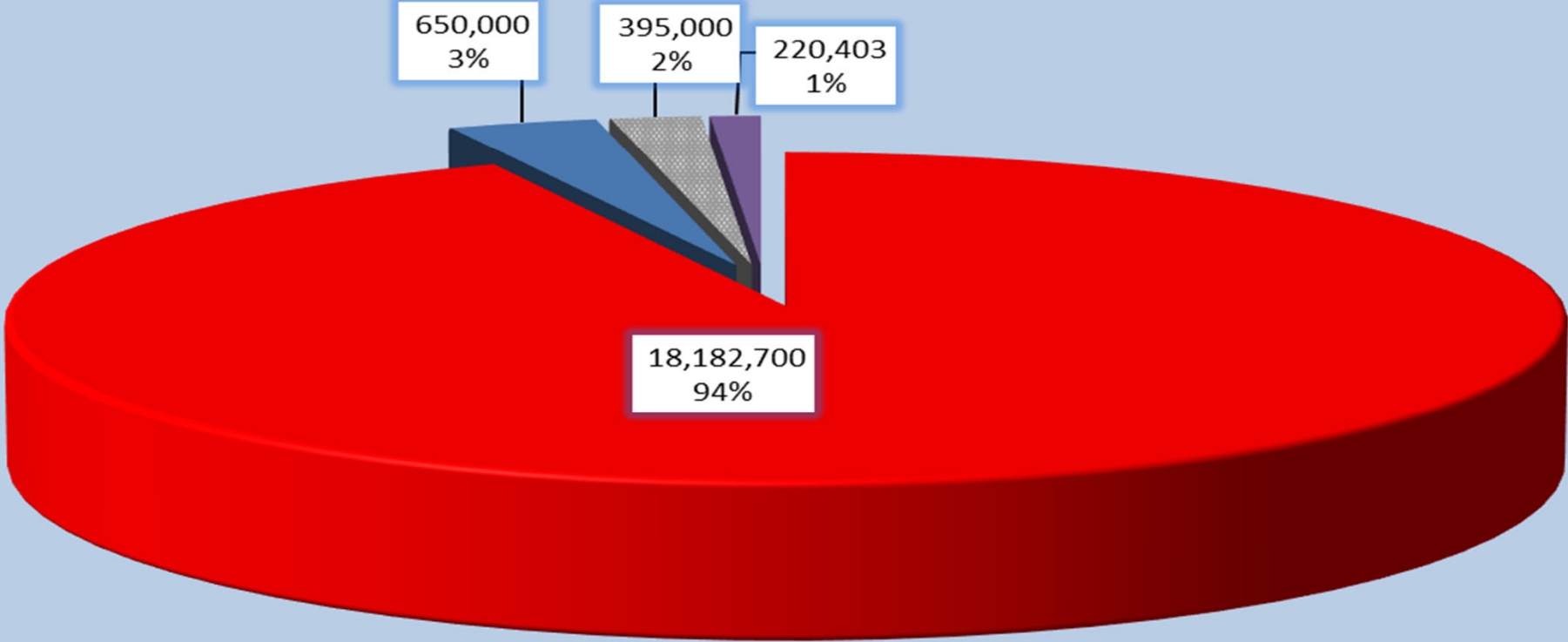
Residential Rate (fixed monthly)

COKM Old	\$	2.50
COKM New Proposed	\$	4.00
Shelby	\$	2.50
Gastonia	\$	5.00
Dallas	\$	4.52
Cherryville		NA
Belmont	\$	<u>5.00</u>
Average of comparables	\$	4.26

Energy Services- Electric Fund

Electric Fund Revenues 2023-24 Proposed Budget

■ Sales of Electricity ■ Proceeds from Financing ■ Fund Balance Appropriation ■ All Other Revenues



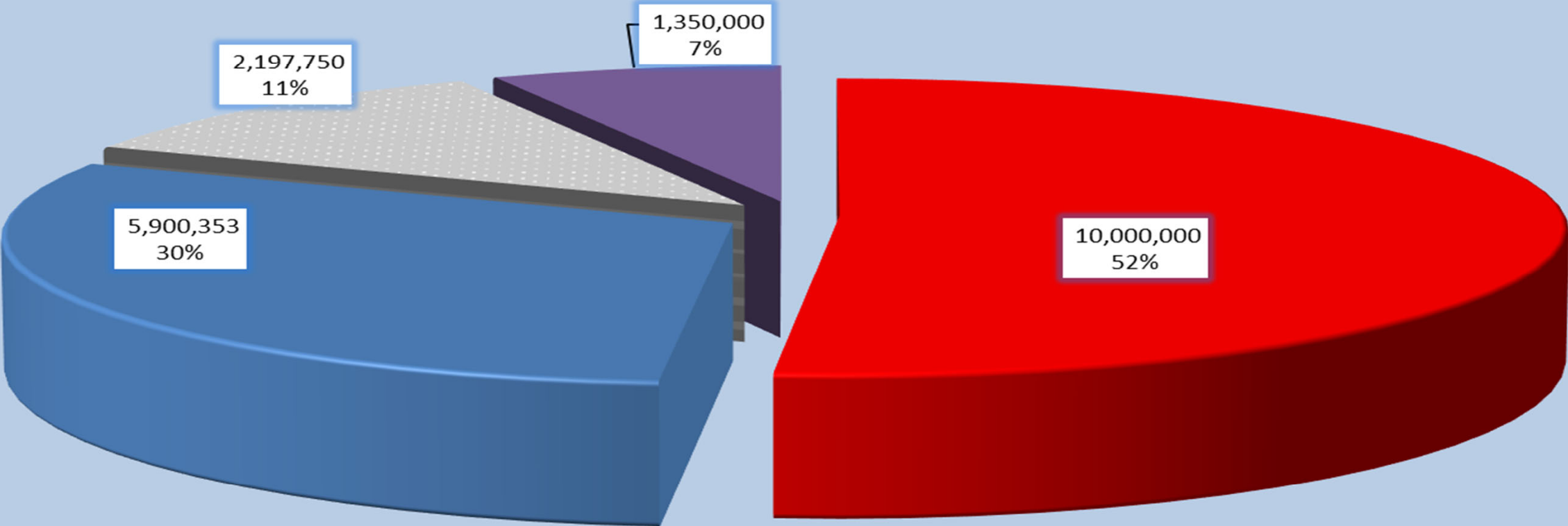
Electric Revenues

Revenue Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
ELECTRIC SALES	\$ 12,526,000	\$14,626,000	\$18,182,700
ALL OTHER OPERATING	\$ 477,438	\$ 228,397	\$ 220,403
PROCEEDS FROM DEBT	\$ 312,000	\$ 395,000	\$ 650,000
TRANSFERS FROM OTHER FUNDS	\$ 115,000	\$ -	\$ -
APPROPRIATED FUND BALANCE	\$ 3,415,800	\$ 1,088,641	\$ 395,000
TOTAL	\$ 16,846,238	\$16,338,038	\$19,448,103

- ❖ No rate increases proposed.
- ❖ Budget prepared assuming rates in effect at 3-31-23.
- ❖ A cost of service study is underway and will be presented once completed and will require Council adoption.

Electric Division Expenditures 2023-24 Proposed Budget

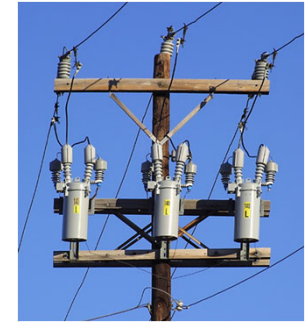
- Purchased Power
- Other Operating
- Capital
- Transfers



Electric Division-Capital Outlay

Line Truck 614	\$	395,000	Financed in 22-23
Bucket Truck 615	\$	375,000	Financed
Line Expansion	\$	335,000	
Service Bucket Tk 619	\$	275,000	Financed
Exit 5 Commercial Developments	\$	200,000	
Scada Upgrade	\$	150,000	
Subdivision Expansions	\$	125,750	
Chesterfield Upgrade Project	\$	100,000	
I-85/Canterbury Loop	\$	66,000	
Ami Disconnect Meter Purchases	\$	60,000	
Led Lighting Upgrades	\$	40,000	
4 X 4 Pickup Replacement (603)	\$	31,000	
Carolina Garden Apartments Upgrade Project	\$	15,000	
Service Saver	\$	10,000	
Outage Map Integration	\$	10,000	
Led Lighting Of I-85 Area	\$	10,000	
	\$	2,197,750	

Electric Division



Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ 1,375,369	\$ 1,434,605	\$ 1,879,500
OPERATING	\$ 9,144,002	\$12,129,520	\$ 13,962,742
CAPITAL	\$ 1,096,500	\$ 1,015,500	\$ 2,197,750
TRANSFERS OUT	\$ 5,150,000	\$ 1,700,000	\$ 1,350,000
METER SERVICES	\$ 80,367	\$ 58,413	\$ 58,111
TOTAL	\$ 16,846,238	\$16,338,038	\$ 19,448,103

-Personnel change is due to wage study impact and ATB increases. Electric is up net ½ position as we are no longer charging “partial” positions to the Electric/Gas funds. Note the impact to the Electric Fund due to market adjustments was significant in comparison to other City departments.

-Operating budget increased due to \$1.1M increase in purchased power cost, significant increase in admin costs, \$300k, and a \$500k net increase in debt service, primarily for new debt service for the Delivery 5 project based upon borrowings in 2022.

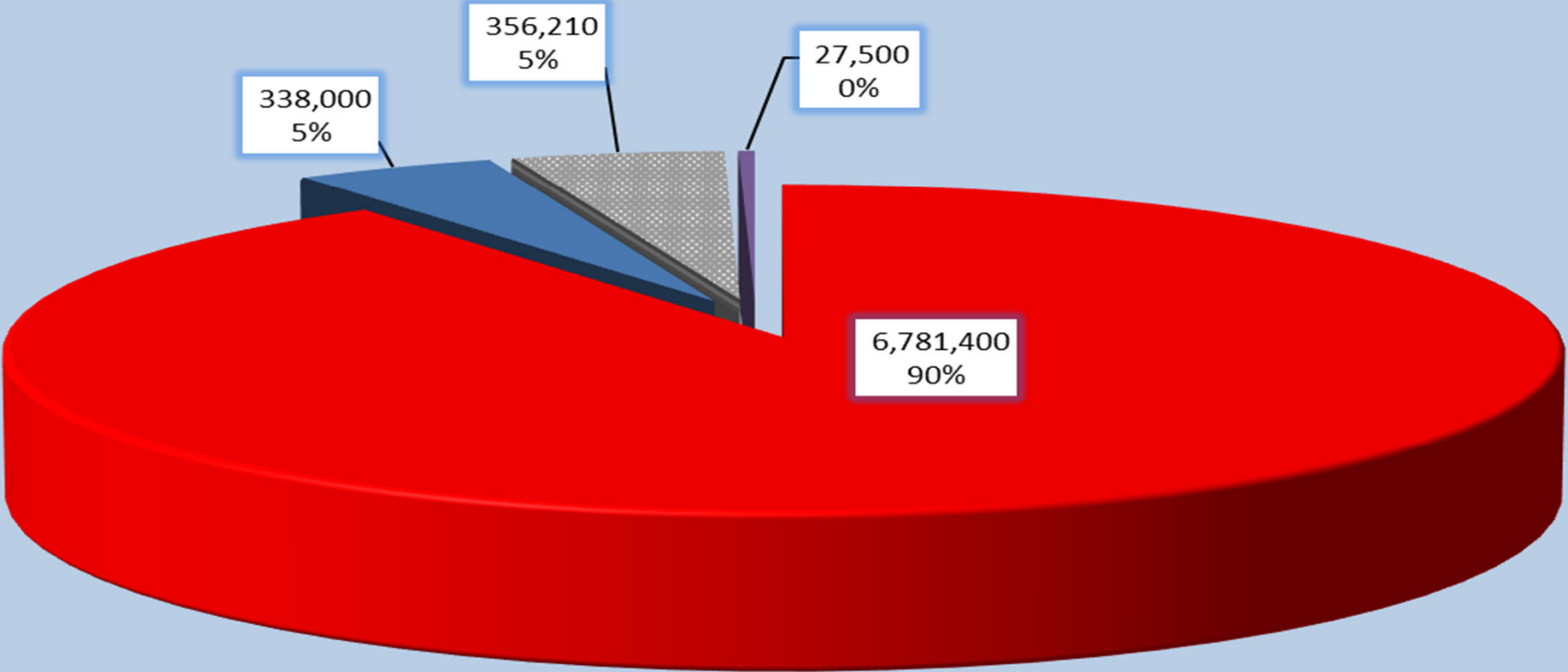
-Capital was increased significantly-see breakout on prior slide.

-Transfers were adjusted to the 23-24 level agreed to by the City. Moving forward, we must reduce them by 10% a year until we are in compliance with best practice, as previously discussed.

Energy Services- Natural Gas Fund

Natural Gas Revenues 2023-24 Proposed Budget

■ Sales of Natural Gas ■ NTE Meter Variance ■ Fund Balance Appropriation ■ All Other Revenues

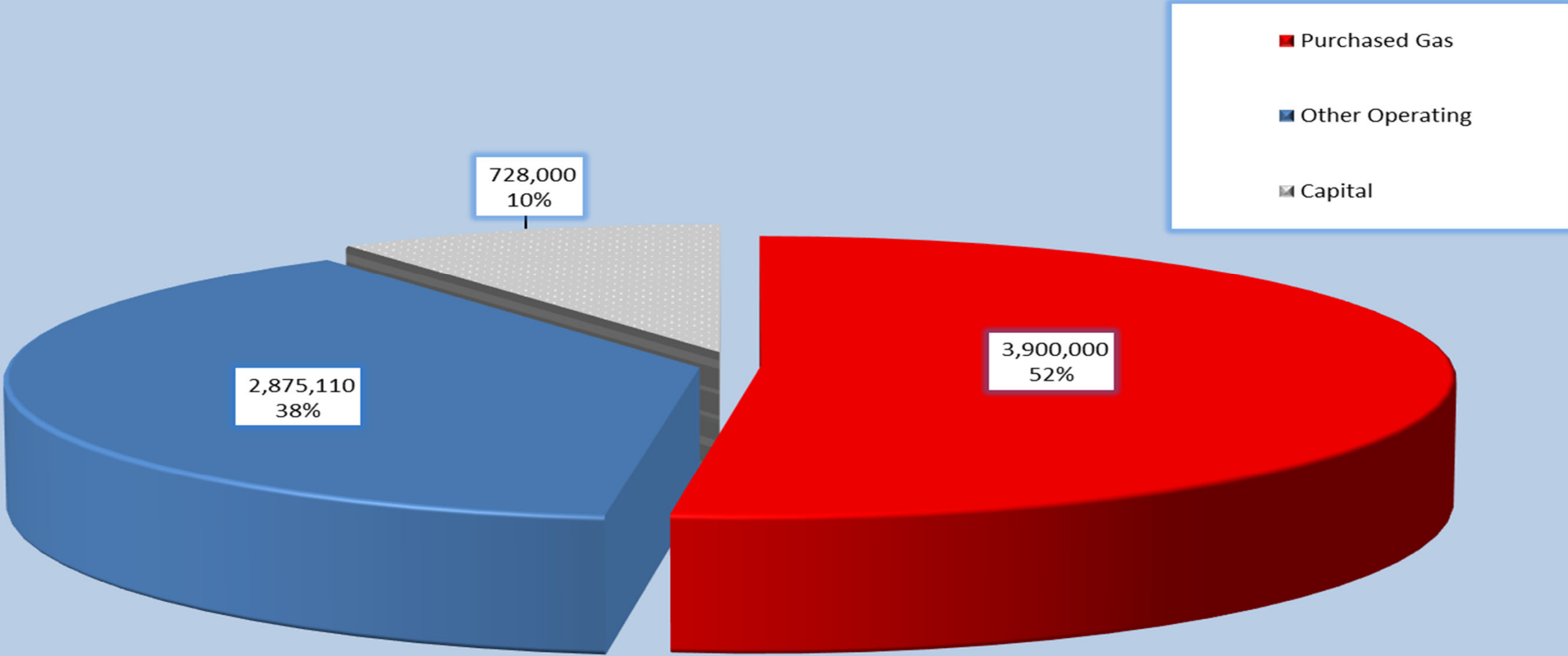


Natural Gas Revenues

Revenue Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
NATURAL GAS SALES	\$ 3,923,100	\$ 5,623,100	\$ 6,781,400
METERING CHARGE -CPP	\$ 284,196	\$ 300,000	\$ 338,000
ALL OTHER OPERATING	\$ 139,500	\$ 18,500	\$ 27,500
PROCEEDS FROM DEBT	\$ -	\$ -	\$ -
TRANSFERS FROM OTHER FUNDS	\$ 575,000	\$ -	\$ -
APPROPRIATED FUND BALANCE	\$ 629,216	\$ 716,420	\$ 356,210
TOTAL	\$ 5,551,012	\$ 6,658,020	\$ 7,503,110

- ❖ No rate increases proposed.
- ❖ Budget prepared assuming variable rates in effect at 3-31-23.
- ❖ A cost of service study most likely will be completed in 23-24 and will require Council adoption.

Natural Gas Expenditures 2023-24 Proposed Budget



Natural Gas Division-Capital Outlay

Deal St. Reg Station Replacement	\$	120,000
Steel Main Improvement	\$	100,000
Remove E. Gold Reg Station	\$	100,000
Capital Projects Expansion	\$	60,000
Pickup Replacement	\$	50,000
Meter Change Out Program	\$	50,000
Scada Installation	\$	45,000
Pickup-Replacement	\$	40,000
Regulator Station Improvement	\$	40,000
Forklift Purchase	\$	40,000
Replacement Of Pipe Trailers	\$	30,000
Gis Mapping	\$	25,000
Ami Module 10Yr Plus Replacements	\$	20,000
Hydraulic Valve Grease Guns	\$	8,000
	\$	728,000



Natural Gas Division

Expense Category	Orig. Bud 21-22	Orig. Bud 22-23	Requested 23-24
PERSONNEL	\$ 1,240,848	\$ 1,213,545	\$ 1,277,300
OPERATING	\$ 3,917,164	\$ 5,065,475	\$ 5,497,810
CAPITAL	\$ 278,000	\$ 379,000	\$ 728,000
TRANSFERS OUT	\$ 115,000	\$ -	\$ -
TOTAL	\$ 5,551,012	\$ 6,658,020	\$ 7,503,110

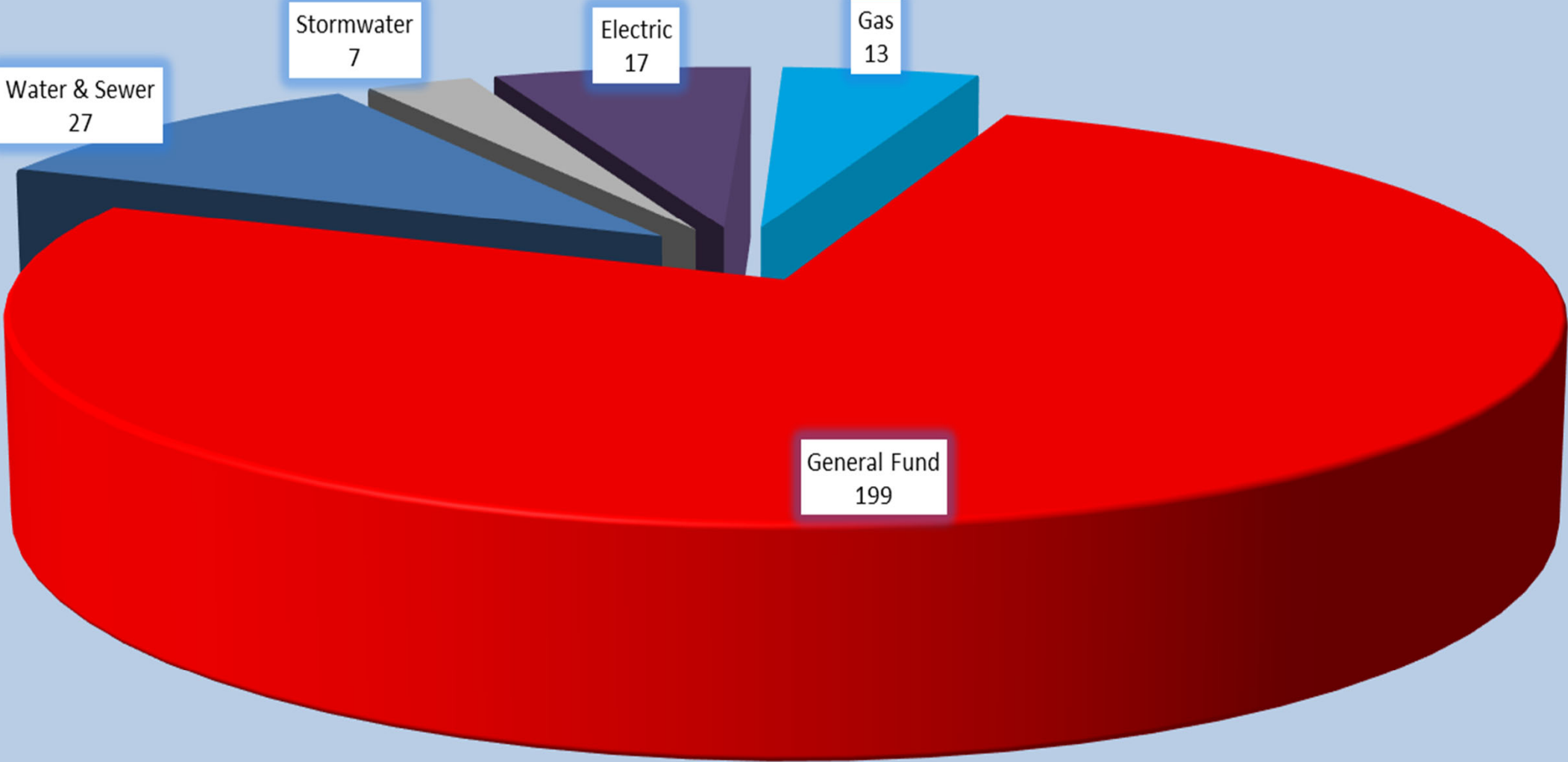
-Personnel change due to wage study impact and ATB increases. Gas lost ½ position as we are no longer charging “partial” positions to the Electric/Gas funds. We added (2) utility locators in 23-24. Total 23-24 positions are 13, total 22-23 positions were 11.5.

-Operating changed due primarily to increases in administrative costs (\$200k) and increased debt costs related to borrowings for the I85 loop project (\$150K). The remainder of the change was increases overall in operating supplies and materials for system repairs and maintenance.

-Capital-see breakout on previous slide

Personnel – City Wide

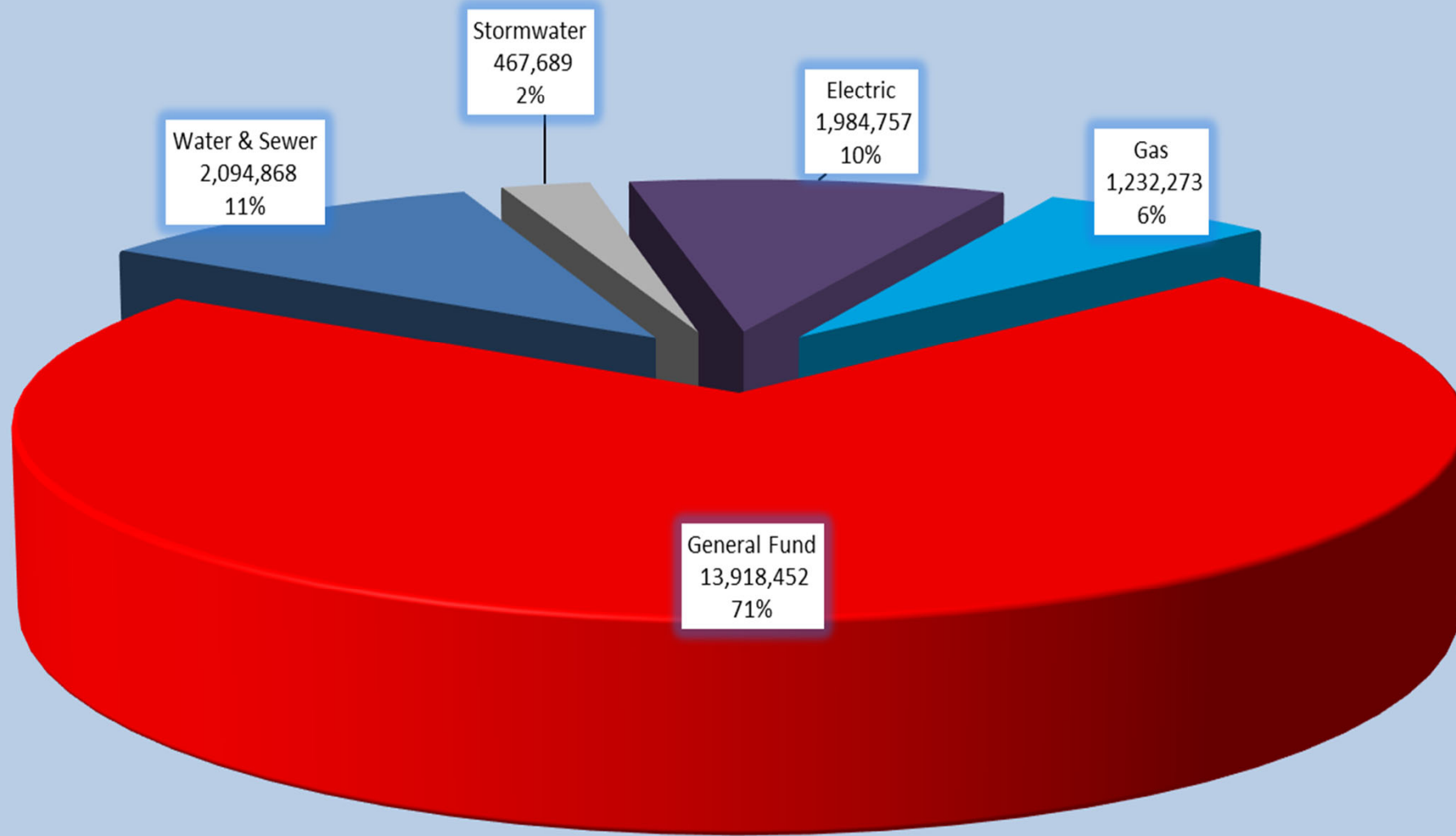
23-24 FT/PT Positions



Personnel-Full and PT

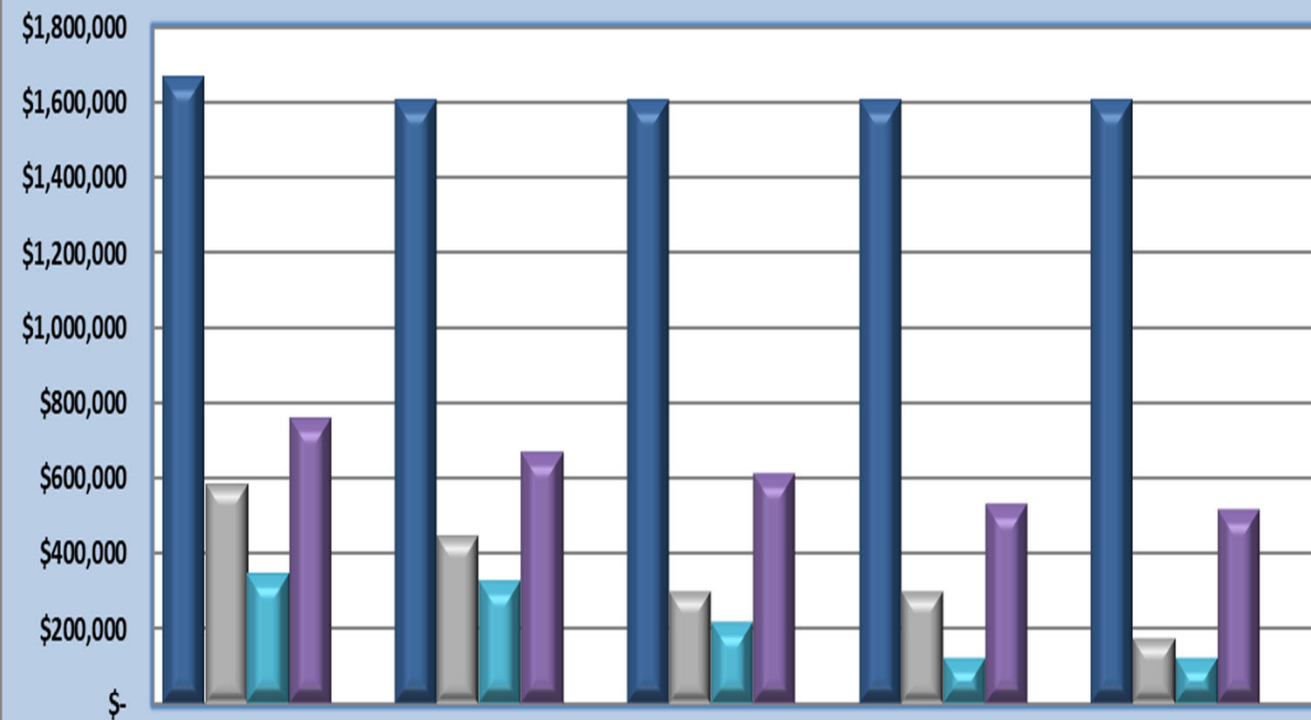
	<u>Total 23-24</u>	<u>Total 22-23</u>	<u>23-24 Changes</u>
General Fund			
00 Non-Departmental	8	8	
02 Administration, Finance and Cust. Svc (Billing)	13	14	Removed Communications
03 Human Resources	4	4	
05 Garage	5	5	
06 Police Department	61	61	
07 Fire Department	29	29	
08 Public Works Administration	5	4	Added City Engineer
09 Streets and Grounds	23	23	
10 Solid Waste	11	11	
11 Cemetery	2	2	
12 Planning/Development Services	6	6	
13 Inspections and Codes	4	4	
14 Senior Center	10	10	
15 Library	8	8	
16 Marketing, Tourism, Events	3	3	
17 Moss Lake	4	4	
20 Information Technology	3	3	
Total General Fund	199	199	
Water/Sewer	27.0	27.0	
Stormwater	7.0	5.0	Added 2 Laborers
Energy Services:			
Electric	17.0	16.5	Meter readers charged here
Gas	13.0	11.5	Added 2 new techs-locators
Total Energy Services	30	28	
Grand Total	263	259	

Personnel Costs (Salary/taxes/retirement/medical)



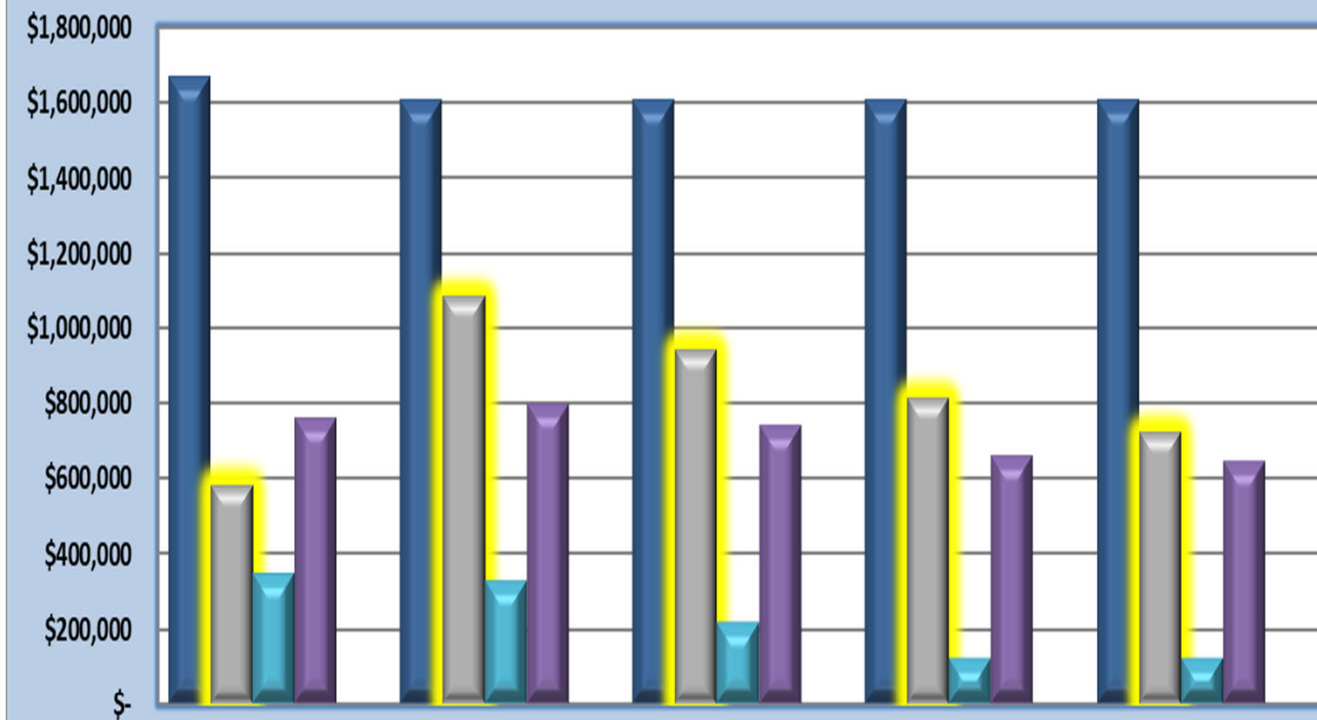
Debt – All Funds

Debt Service by Fund-*BEFORE* 23-24 Debt Issuances



	6/30/2024	6/30/2025	6/30/2026	6/30/2027	6/30/2028
Water	1,665,603	1,604,051	1,604,051	1,604,051	1,604,051
General Fund	581,840	442,556	299,164	299,164	175,111
Gas	345,396	324,334	215,897	123,849	120,988
Electric	756,068	666,277	607,916	527,986	515,792
Stormwater	-	-	-	-	-

Debt Service by Fund-*AFTER* 23-24 Debt Issuances



	6/30/2024	6/30/2025	6/30/2026	6/30/2027	6/30/2028
Water	1,665,603	1,604,051	1,604,051	1,604,051	1,604,051
General Fund	581,840	1,083,174	939,782	815,729	722,466
Gas	345,396	324,334	215,897	123,849	120,988
Electric	756,068	794,339	735,978	656,047	643,855
Stormwater	-	-	-	-	-

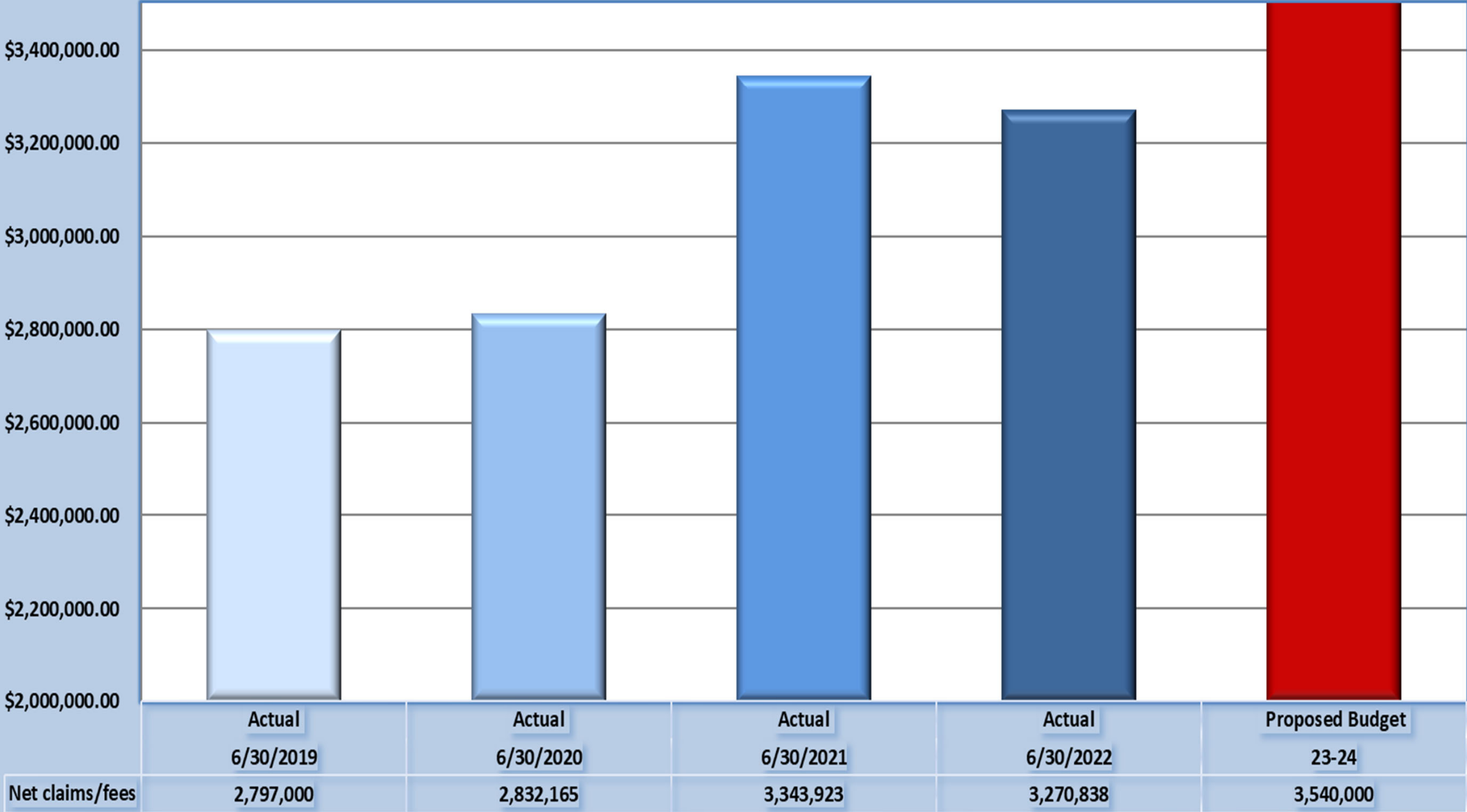
Healthcare Benefits

Healthcare Benefits Summary

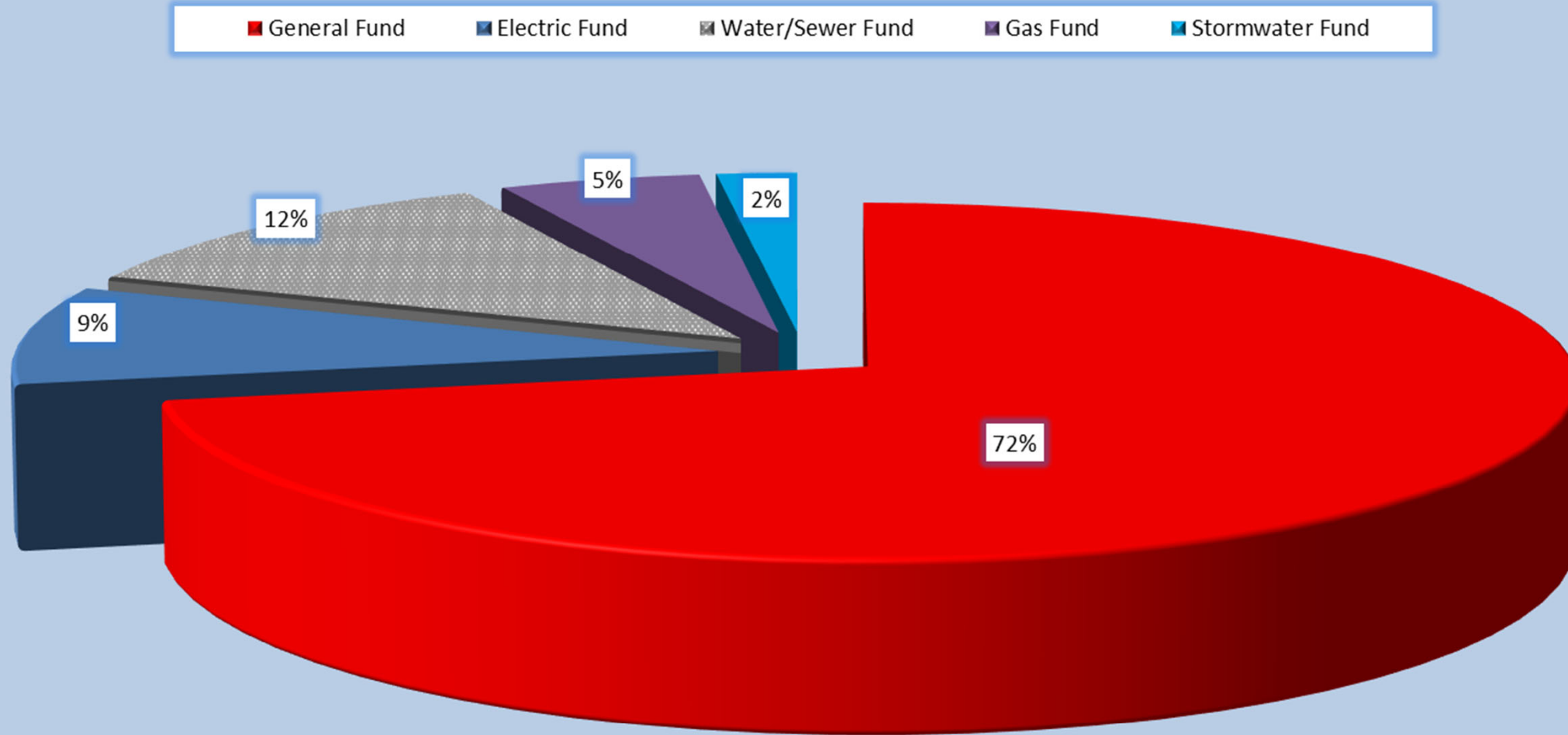
- ❖ **No** proposed medical plan changes (Gold, Silver, Bronze)
- ❖ **No** increase in employee cost for medical
- ❖ Will present additional detailed information at our open enrollment meetings

Medical Insurance Fund

Medical Insurance Fund - Net Expenditures

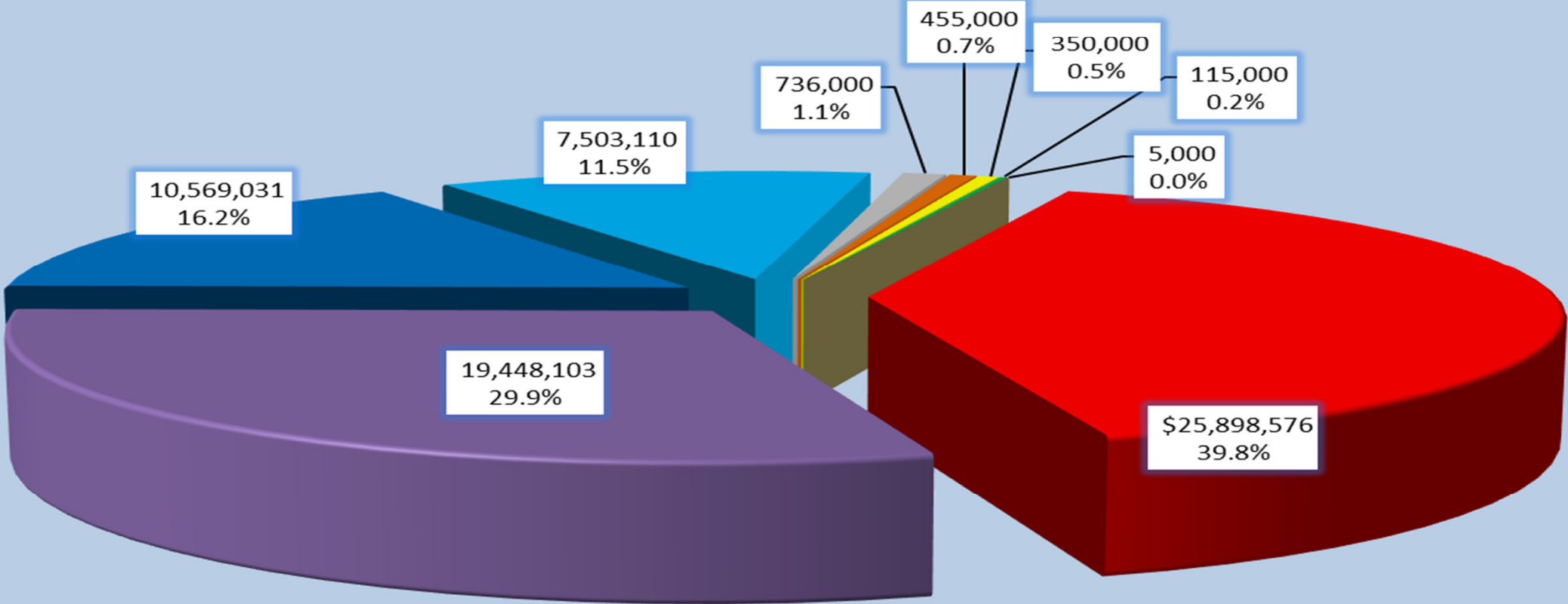


Health Insurance Fund-"Revenues" by Fund 2023-24 Proposed Budget



Summary

2023-24 Totals-Annually Budgeted Funds



- General Fund
- Electric
- Water & Sewer
- Gas
- Stormwater
- Econ. Incentives Fund
- Powell Bill
- E911
- Perpetual Care

Totals- Annually Budgeted Funds

	2023-24 Proposed	2022-23 Adopted	Increase (Decrease)	%	Notes
General Fund	\$ 25,898,576	\$ 20,106,675	\$ 5,791,901	29%	See slides for additional analysis-"Capital driven"
Electric	\$ 19,448,103	\$ 16,338,038	3,110,065	19%	Increased personnel costs given market adjustment, Purchased power cost increase, increased capital
Water & Sewer	\$ 10,569,031	\$ 8,764,100	1,804,931	21%	See slides for additional analysis-"Capital driven"
Gas	\$ 7,503,110	\$ 6,658,020	845,090	13%	See slides for additional analysis-"Capital driven"
Stormwater	\$ 736,000	\$ 460,000	276,000	60%	Rate increase over 2012 used for additional personnel and increased capital
Incentives	\$ 455,000	\$ 1,050,000	(595,000)	-57%	Expiring incentives
Powell Bill	\$ 350,000	\$ 418,000	(68,000)	-16%	No utilization of fund balance in 23-24 -note large paving budgeted in the General Fund- \$1.8M City-wide total for paving
E911	\$ 115,000	\$ 105,000	10,000	10%	Immaterial dollar change
Perpetual Care	\$ 5,000	\$ 5,000	-	0%	Flat
Total	\$ 65,079,820	\$ 53,904,833	\$ 11,174,987	21%	