

# Greenville City Council Budget Workshop Agenda

Monday, February 22, 2016

6:00 p.m.

City Hall Conference Room 337

200 West Fifth Street

- I. Call Meeting to Order
- II. Roll Call
- III. Approval of Agenda

- Public Comment Period

The Public Comment Period is a period reserved for comments by the public. Items that were or are scheduled to be the subject of public hearings conducted at the same meeting or another meeting during the same week shall not be discussed. A total of 30 minutes is allocated with each individual being allowed no more than 3 minutes. Individuals who registered with the City Clerk to speak will speak in the order registered until the allocated 30 minutes expires. If time remains after all persons who registered have spoken, individuals who did not register will have an opportunity to speak until the allocated 30 minutes expires.

- IV. Budget Overview
- V. Presentations of Departmental Budget Requests
  - Mayor and City Council (10 minutes)
  - City Clerk's Office (10 minutes)
  - City Attorney's Office (10 minutes)
  - Recreation and Parks (1 hour)

**BREAK**


- Financial Services (15 minutes)
  - Information Technology (15 minutes)
  - Community Development (45 minutes)
- VI. March 31, 2016 Budget Workshop
    - Remaining Presentations of Departmental Budget Requests
      - City Manager's Office
      - Fire/Rescue
      - Human Resources
      - Police
      - Public Works

- VII. Discussion of Next Budget Workshop Meeting Date

- VIII. Adjournment

**MEMORANDUM**

**TO:** Barbara Lipscomb, City Manager  
Michael Cowin, Assistant City Manager

**FROM:** Bernita Demery, CPA, MBA, Director of Financial Services 

**DATE:** February 16, 2016

**SUBJECT:** January 2016 General Fund Financial Report

In preparation of the February 22, 2016 City Council Budget Workshop, you will find enclosed year-to-date fiscal year 2016 financial information for the General Fund for seven months ending January 31, 2016. The report does not include information related to the Enterprise Funds. The seven month period represents approximately 58% of fiscal year 2016. The report contains a comparison of the seven month period ending January 31, 2016 to the seven-month period ending January 31, 2015 for revenues, expenses, and transfers. Comparisons between fiscal year 2016 and 2015 are made on a year-to-date and month-to-date basis. Significant variances from the prior period(s) will be noted. Staff has also included a year-end projection discussion.

**Summary**

The following is a summary of the General Fund for January 31, 2016 on both a month-to-date and year-to-date basis:

GENERAL FUND SUMMARY AS OF JANUARY 31, 2016								
	2016	2015	%	2016	2015	%	2016	% REC /
	MTD	MTD	CHG	YTD	YTD	CHG	BUDGET	SPENT
<b>REVENUES</b>	\$ 7,192,101	\$ 7,779,504	-8%	\$ 52,035,370	\$ 50,936,601	2%	\$80,465,993	65%
<b>EXPENSES</b>	\$ 7,242,076	\$ 6,833,975	6%	\$ 37,411,149	\$ 37,548,609	<1%	\$71,166,722	53%
<b>TRANSFERS</b>	160,513	104,065	54%	4,684,888	6,777,931	-31%	9,299,271	50%
<b>NET</b>	\$ (210,488)	\$ 841,465	<(100%)	\$ 9,939,333	\$ 6,610,061	50%	-	

For the one month ending January 31, 2016, expenses and transfers exceeded revenues by approximately \$210,488 while revenues exceeded expenses and transfers by approximately \$841,465 for the one month ending January 31, 2015, which is a difference of approximately \$1,051,953. The difference is the result of decreased sales tax, investments, and rescue service transport revenue.

For the seven-month period ending January 31, 2016, revenues exceeded expenses and transfers by approximately \$9,939,333 while revenues exceeded expenses and transfers by approximately \$6,610,061 for the seven months ending January 31, 2015. A further analysis of revenues and expenses for the seven-month period of fiscal year 2016 as compared to 2015 is provided on the pages that follow.

cc: Department Heads

## Revenues

The following is a summary of the General Fund revenue for January 31, 2016 on both a month-to-date and year-to-date basis:

GENERAL FUND REVENUE BY TYPE SUMMARY AS OF JANUARY 31, 2016								
	2016	2015	\$	2016	2015	\$	2016	% REC/
	MTD	MTD	CHANGE	YTD	YTD	CHANGE	BUDGET	SPENT
PROPERTY	\$ 4,817,668	\$ 4,465,631	\$ 352,036	\$29,128,982	\$ 29,022,013	\$ 106,969	\$32,020,369	91%
SALES	1,111,552	1,411,956	(300,404)	7,142,969	6,740,145	402,824	16,627,515	43%
UTILITIES	-	(332,453)	332,453	3,637,139	2,948,975	688,165	6,052,187	60%
MOTOR VEHICLE	80,049	88,603	(8,555)	591,236	545,557	45,680	1,018,705	58%
INSPECTION	46,417	30,649	15,768	358,582	456,242	(97,660)	865,514	41%
RESCUE	165,080	317,265	(152,185)	1,403,682	1,677,155	(273,473)	3,085,803	45%
RECREATION	180,452	100,573	79,879	924,242	978,224	(53,982)	1,990,809	46%
INVESTMENTS	(137,363)	43,513	(180,876)	(25,196)	386,014	(411,210)	553,761	-5%
GUC TRANS. IN	628,638	540,357	88,281	4,141,786	3,855,319	286,467	6,500,000	64%
POWELL BILL	-	-	-	2,220,065	1,117,871	1,102,194	2,235,741	99%
<b>SUBTOTAL</b>	<b>6,892,493</b>	<b>6,666,095</b>	<b>226,398</b>	<b>49,523,487</b>	<b>47,727,513</b>	<b>1,795,974</b>	<b>70,950,404</b>	<b>70%</b>
ALL OTHER REV.	299,608	1,113,409	(813,801)	2,511,882	3,209,087	(697,205)	5,888,159	43%
APP. FUND BAL.	-	-	-	-	-	-	3,627,429	0%
<b>SUBTOTAL</b>	<b>299,608</b>	<b>1,113,409</b>	<b>(813,801)</b>	<b>2,511,882</b>	<b>3,209,087</b>	<b>(697,205)</b>	<b>9,515,589</b>	<b>26%</b>
<b>TOTAL</b>	<b>\$ 7,192,101</b>	<b>\$ 7,779,504</b>	<b>\$ (587,403)</b>	<b>\$52,035,370</b>	<b>\$ 50,936,601</b>	<b>\$ 1,098,769</b>	<b>\$80,465,993</b>	<b>65%</b>

Revenues were down approximately \$587,403 (8%) for the month of January coming in at \$7,192,101 for January 2016 as compared to \$7,779,504 for January 2015. For the seven months ending January 31, 2016, revenues stood at approximately \$52,035,370 as compared to \$50,936,601 for the seven months ending January 31, 2015, which is an increase of approximately \$1,098,769 (2%). Overall total revenue is expected to be within budget for this fiscal year. Brief explanations of the variances are provided below:

- **PROPERTY TAX:** Property Tax revenues were up \$352,036 (8%) for the month of January 2016 as compared to January 2015. Year-to-date through seven months, Property Tax revenues are less than one percent greater for fiscal year 2016 as compared to fiscal year 2015. Making up approximately 40% of the yearly budget, Property Tax is currently on pace to be within 3% of budget at the end of this fiscal year.
- **SALES TAX:** Sales Tax revenues were down \$300,404 (21%) for the month of January 2016 as compared to January 2015. The month-to-date decrease is a reflection of increased construction and permits issued during the previous year, which caused an increase in supplies and materials purchased for construction during the same period of time. However, Sales Tax revenues are six percent greater for fiscal year 2016 as compared to fiscal year 2015 through seven months. Sales Tax is projected to exceed the budget amount for fiscal year 2016.
- **UTILITY FRANCHISE TAX:** Utility Franchise Tax revenue for January 2015 was \$(332,453) due to an adjustment to during fiscal year 2015 to properly reallocate money to Video Programming Fees. There were no actual Utility Franchise Tax receipts for the one month ending January 31, 2016. For the seven-month period ending January 31, 2016 as compared to 2015, Utility Franchise Tax revenues are up approximately \$688,165 (23%). The increase is primarily due to the change in the allocation formula. Recent tax reform eliminated the State and Local franchise taxes on electricity and natural gas and applied the combined

general sales tax rate of 7% of sales to both. The City continues to see increased revenues based on the change in distribution.

- **MOTOR VEHICLE:** For January 2016 the Motor Vehicle revenue came in approximately \$8,555 less than that of January 2015. For the seven month period ending January 31, 2016, Motor Vehicle revenues are up approximately \$45,680 as compared to fiscal year 2015. This increase in revenue is primarily the result of the DMV's "tax and tag" collection program implemented in August 2014. Fiscal year 2016 is the first full year for revenue recognition under this new program. The implementation of this new program shows an improvement in the amount and timeliness of receipts from citizens.
- **INSPECTIONS:** Inspections revenues were up approximately \$15,768 for the month of January 2016 as compared to January 2015 which is a reflection of increased permits for January 2016 as compared to that of January 2015. However, year-to-date through seven months, Inspections revenue is down approximately \$97,660 for fiscal year 2016 as compared to fiscal year 2015.
- **RESCUE SERVICE TRANSPORT:** This revenue category is down on both a month-to-date and year-to-date basis. A temporary change in staffing has slowed down the processing of the Rescue Service Transport billings. However, staffing is anticipated to return to its normal level over the next month, at which time the collection levels will increase with the intentions to fully recover by the end of the fiscal year.
- **RECREATION:** Recreation revenue was up approximately \$79,879 for the month of January 2016 as compared to January 2015. The increase was primarily due to a timing difference in the collection of Greenville Aquatics and Fitness Center membership fees collected for the month compared to the previous year.
- **INVESTMENT EARNINGS:** This category stands at a loss on both a month-to-date and year-to-date basis. This is due to the change in timing of the posting of coupon payment receipts and the volatility of investment buy/sell transactions during this year, which have resulted in losses over the past two months. Based on the variance in the market each month, projections are maintained at budget for this fiscal year.
- **GUC TRANSFER IN:** The month-to-date increase of 16% is directly due to an increase in the GUC transfer allocation for the year.
- **OTHER REVENUE:** Other revenues were up approximately \$813,801 for the month of January 2016 as compared to January 2015. The increase is primarily due to the reclassification of Video Programming Fees from the Utilities Franchise Tax line item. In addition, additional billings were collected from the Pitt County Board of Education in January of 2015 related to the School Resource Officers program and a correction of a billing process related to the program.

## Expenses

The following is a summary of the General Fund expenses by type for January 31, 2016 on both a month-to-date and year-to-date basis:

GENERAL FUND EXPENSE BY TYPE SUMMARY AS OF JANUARY 31, 2016								
	2016	2015	\$	2016	2015	\$	2016	% REC/
	MTD	MTD	CHANGE	YTD	YTD	CHANGE	BUDGET	SPENT
PERSONNEL	5,580,616	5,388,308	\$192,308	\$26,728,603	\$27,480,894	\$(752,291)	\$50,255,717	53%
OPERATIONS	1,604,214	1,261,294	342,920	9,610,780	8,468,036	1,142,744	16,642,466	58%
CAPITAL OUTLAY	-	23,089	(23,089)	171,076	138,386	32,690	328,797	52%
CAPITAL IMPROVE	57,246	161,284	(104,038)	900,689	1,461,293	(560,604)	3,939,743	23%
<b>TOTAL</b>	<b>\$7,242,076</b>	<b>\$6,833,975</b>	<b>\$408,101</b>	<b>\$37,411,149</b>	<b>\$37,548,609</b>	<b>\$(137,460)</b>	<b>\$71,166,722</b>	<b>53%</b>

Expenses increased \$408,101 (6%) and decreased \$137,460 (<1%), month-to-date and year-to-date, respectively. Personnel expenses have decreased three percent compared to prior year. This decrease is primarily the result of citywide staff turnover leaving unfilled vacant positions. The other categories (Operations, Capital Outlay, and etc.) fluctuate year to year, due to the timing of payment for various items. A brief explanation is provided below:

- **OPERATIONS:** The Operations increase month-to-date is due to the timing of the OPEB payment for the year while the year-to-date increase is due to the timing of commercial labor charges and various contracted services payments during FY 2016.
- **CAPITAL OUTLAY & IMPROVEMENTS:** The Capital Outlay variances month-to-date and year-to-date are driven by department needs and the timing of purchases. There were a number of police equipment purchases, incurred during January 2015, that did not occur in January 2016. In addition, the Police Department's year-to-date capital outlay spending has outpaced the previous year. The Capital Improvement decreases, month-to-date and year-to-date, are due to the costs associated with the Purchasing Relocation Project that were paid in prior year.

The following is a summary of the General Fund expenses by department for January 31, 2016 on both a month-to-date and year-to-date basis:

GENERAL FUND EXPENSE BY DEPARTMENT SUMMARY AS OF JANUARY 31, 2016								
	2016	2015	\$	2016	2015	\$	2016	% REC/
	MTD	MTD	CHANGE	YTD	YTD	CHANGE	BUDGET	SPENT
MAYOR & COUNCIL	\$ 100,625	\$ 14,619	\$ 86,006	\$ 328,707	\$ 160,352	\$ 168,355	\$ 515,411	64%
CITY MANAGER	118,929	118,698	230	603,321	618,251	(14,930)	1,631,172	37%
CITY CLERK	25,151	24,908	243	139,767	136,997	2,770	259,366	54%
CITY ATTORNEY	52,072	56,372	(4,300)	259,882	265,212	(5,330)	468,242	56%
HUMAN RESOURCES	359,053	222,855	136,199	2,119,889	1,390,653	729,236	2,620,942	81%
INFORMATION TECH.	267,347	304,738	(37,391)	1,751,652	1,784,968	(33,316)	3,451,845	51%
FIRE/RESCUE	1,508,882	1,400,597	108,285	7,422,154	7,306,752	115,402	13,961,743	53%
FINANCIAL SVCS.	205,702	221,173	(15,471)	1,552,917	1,469,537	83,380	2,487,182	62%
CONTINGENCY	-	-	-	-	-	-	-	0%
OPEB CONTRIBUTION	450,000	-	450,000	450,000	400,000	50,000	450,000	100%
POLICE	2,443,095	2,591,861	(148,767)	12,850,588	13,279,468	(428,880)	24,013,576	54%
RECREATION & PARKS	704,758	727,111	(22,353)	4,249,397	4,367,628	(118,231)	8,549,468	50%
PUBLIC WORKS	741,442	930,530	(189,088)	4,861,922	5,611,529	(749,607)	10,756,940	45%
COMM. DEVELOPMENT	265,020	237,067	27,953	1,462,238	1,407,924	54,314	3,269,049	45%
INDIRECT COST	-	(16,555)	16,555	(641,285)	(650,662)	9,378	(1,268,214)	51%
<b>TOTAL</b>	<b>\$ 7,242,076</b>	<b>\$ 6,833,975</b>	<b>\$ 408,101</b>	<b>\$ 37,411,149</b>	<b>\$ 37,548,609</b>	<b>\$ (137,460)</b>	<b>\$71,166,722</b>	<b>53%</b>

Overall, departmental spending fell within the expected limit as a percentage of budget. In addition, departments are projected to end the year within their respective budgets. Compared to the prior year, total departmental expenses for the month of January increased \$408,101 (6%), while year-to-date expenses decreased \$137,460 (<1%). There are three departments (Mayor and City Council, Human Resources, and Financial Services) that are at risk of overspending and will be monitored month-to-month. Significant departmental variances are noted below:

- **MAYOR AND CITY COUNCIL:** The month-to-date increase of more than 100% is due to the timing of election costs and elected officials fees. The year-to-date increase is due to the timing of various dues and subscriptions for the NC League of Municipalities and UNC School of Government in addition to the election costs for the year.
- **HUMAN RESOURCES:** The month-to-date increase of \$136,199 (61%) is due to timing differences in the payments of the hospitalization retiree premiums, while the year to date increase of \$729,236 (52%) is due to the timing of retiree health insurance premiums as well as worker's compensation payments.
- **OPEB:** The month-to-date increase is due to the timing of the OPEB payment for the year, while the year-to-date increase is in line with the original approved budget per direction of the City Council. This expense will increase \$50,000 annually until the annual contribution reaches \$500,000 in fiscal year 2017.
- **INFORMATION TECHNOLOGY:** The month-to-date decrease of \$37,391 (12%) is due to capital projects for video surveillance and capital outlay that occurred in January 2015.
- **PUBLIC WORKS:** The 20% month-to-date decrease and the 13% year-to-date decrease are due to decreased capital activity in fiscal year 2016, specifically activity for the Purchasing Relocation Project, which occurred in January 2015.
- **COMMUNITY DEVELOPMENT:** The month-to-date increase of 12% is due to the activity for the Greenville Comprehensive Plan project occurring during January 2016.

## Transfers

The following is a summary of the General Fund transfers for January 31, 2016 on both a month-to-date and year-to-date basis:

GENERAL FUND TRANSFERS AS OF JANUARY 31, 2016								
	2016	2015	\$	2016	2015	\$	2016	% REC/
	MTD	MTD	CHANGE	YTD	YTD	CHANGE	BUDGET	SPENT
To Facilities Imp Fund	-	-	-	1,579,180	1,545,434	33,746	1,579,180	100%
To Capital Reserve	-	-	-	-	25,000	(25,000)	-	0%
To Transit Fund	-	-	-	683,784	-	683,784	683,784	100%
To Intermodal Trans	-	-	-	-	178,000	(178,000)	109,136	0%
To Debt Service	63,664	-	63,664	1,743,979	1,651,046	92,934	4,197,502	42%
To Sheppard Library	96,849	104,065	(7,215)	677,945	728,452	(50,506)	1,162,192	58%
To Home Division	-	-	-	-	-	-	313,835	0%
To Spec Rev Grant	-	-	-	-	-	-	57,500	0%
To R&P Capital Projects	-	-	-	-	-	-	10,000	0%
To F/R Capital Projects	-	-	-	-	-	-	48,142	0%
To Street Imp	-	-	-	-	2,650,000	(2,650,000)	1,138,000	0%
<b>TOTAL</b>	<b>\$ 160,513</b>	<b>\$ 104,065</b>	<b>\$ 56,449</b>	<b>\$4,684,888</b>	<b>6,777,931</b>	<b>\$(2,093,043)</b>	<b>\$9,299,271</b>	<b>50%</b>

Transfers through the first seven months of fiscal year 2016 have decreased 31%. The large transfer of \$2.65 million in FY2015 was a one-time transfer intended to establish the Street Improvement fund, while the smaller transfers to

the Capital Reserve Fund and the Intermodal Transportation Fund were due to timing. The 100% increase, month-to-date, for the transfer to the Debt Service Fund is due to the timing of the debt payments.

## General Fund Year-End Projection

Below is a summary of revenue and expenditure projections for the General Fund based on results through January 31, 2016.

GENERAL FUND REVENUE BY TYPE SUMMARY AS OF JANUARY 31, 2016				
REVENUES	2016 BUDGET	2016 YTD	2016 Projection	Variance Budget vs. Proj.
PROPERTY	\$32,020,369	\$29,128,982	\$32,020,369	\$ -
SALES	16,627,515	7,142,969	16,939,793	312,278
UTILITIES	6,052,187	3,637,139	7,274,279	1,222,092
MOTOR VEHICLE	1,018,705	591,236	1,022,375	3,670
INSPECTION	865,514	358,582	867,179	1,665
RESCUE	3,085,803	1,403,682	3,200,000	114,197
RECREATION	1,990,809	924,242	1,875,265	(115,544)
INVESTMENTS	553,761	(25,196)	526,616	(27,145)
GUC TRANS. IN	6,500,000	4,141,786	7,345,277	845,277
POWELL BILL	2,235,741	2,220,065	2,220,065	(15,676)
APPROPRIATED FUND BALANCE	3,627,429	-	-	(3,627,429)
ALL OTHER REV.	5,888,159	2,511,882	4,968,698	(919,461)
<b>TOTAL</b>	<b>80,465,993</b>	<b>52,035,370</b>	<b>78,259,916</b>	<b>(2,206,077)</b>
<b>EXPENSES</b>				
PERSONNEL	\$50,255,717	\$ 26,728,603	\$48,063,792	\$ (2,191,925)
OPERATING	17,789,476	9,973,141	18,084,070	294,594
CAPITAL IMPROVEMENT	3,939,743	900,690	2,363,846	(1,575,897)
REIMBURSEMENT INDIRECT COST	(1,268,214)	(641,285)	(1,268,214)	-
TRANSFERS OUT	9,299,271	4,684,888	9,241,129	(58,142)
OTHER EXPENSES	450,000	450,000	450,000	-
<b>TOTAL</b>	<b>80,465,993</b>	<b>42,096,037</b>	<b>76,934,622</b>	<b>(3,531,370)</b>
<b>NET</b>	<b>-</b>	<b>9,939,332</b>	<b>1,325,294</b>	<b>1,325,294</b>

Based on year-to-date revenues and expenses through seven months ending January 31, 2016, revenues are projected to exceed expenses by approximately \$1,325,294 for the fiscal year. It must be noted that the difference of revenue over expenses projected for the fiscal year is being driven primarily by one-time revenue projected to be received from Greenville Utilities Commission (GUC). The GUC Transfer In is projected to be approximately \$7,345,277 which is approximately \$845,277 greater than budget. This difference is a one-time increase that is due to GUC's decision to delay the issuance of debt and to pay cash for the new OPTICS computer system. The following is summary of fiscal year 2016 projected revenues and expenses both with and without the one-time increase from GUC:

	<b>2016 Projection Including GUC</b>	<b>One-Time GUC Increase</b>	<b>2016 Projection Excluding GUC</b>
<b>Revenues</b>	<b>\$ 78,259,916</b>	<b>\$ (845,277)</b>	<b>77,414,639</b>
<b>Expenses</b>	<b>76,934,622</b>		<b>76,934,622</b>
<b>Net</b>	<b>\$ 1,325,294</b>	<b>\$ (845,277)</b>	<b>\$ 480,017</b>

Based on information provided by GUC, it is projected that the GUC Transfer In will reduce back to the current budget level of \$6,500,000 for fiscal year 2017 and increase up to \$6,700,000 for fiscal year 2018. It is the intention to use the one-time funding to:

- Fund one-time capital improvement projects to be determined by Council at a later date and/or
- Level future revenues should there be a decline

Excluding the one-time increase in the GUC Transfer In, revenues for fiscal year 2016 are projected to exceed expenses by approximately \$480,017. This difference is in part being driven by a true-up in projected personnel expenses for fiscal year 2016. Personnel expense was budgeted to be approximately \$50,255,717 which included a 3.0% allowance for vacancies. However, the vacancy rate for the City of Greenville has run at approximately 7.0% for fiscal year 2016. This difference is creating significantly less projected personnel expense as compared to that of budget. The following is a summary of the calculation of projected personnel expense for fiscal year 2016:

Year to Date Actual Personnel Expense	\$ 26,730,885.21
Year to Date Pay Periods Completed	14.80
Average Personnel Expense per Pay Period	\$ 1,806,140.89
Pay Periods Remaining in Fiscal Year	11.40
Projected Remaining Based on Pay Periods	20,590,006.18
Adjustments for Seasonal Expense	742,900.70
<b>Total Projected Remaining Personnel Exp</b>	<b>\$ 21,332,906.87</b>
Year to Date Actual Personnel Expense	\$ 26,730,885.21
Total Projected Remaining Personnel Exp	21,332,906.87
<b>FY2016 Annualized Personnel Expense</b>	<b>\$ 48,063,792.08</b>

The actual amount of remaining personnel expense will have a significant impact on the actual balance of revenues versus expenditures for fiscal year 2016. For this reason, personnel expenses will be closely monitored and re-evaluated each month over the remainder of the fiscal. In addition, actual revenues will also be closely monitored over the remaining five months and new projections will be formulated. For this reason, the projected revenues less expenses for fiscal year 2016 are volatile and subject to change.



**City of Greenville**  
**General Fund Revenue**  
**Projected FY2017 & FY2018**

(Based on FY2016 Seven Months Ending January 31, 2016)

	Projection Including One Time GUC	One-Time GUC Increase	Projection Excluding One Time GUC
Fiscal Year 2010 Actual	\$ 71,252,328	\$ -	\$ 71,252,328
Fiscal Year 2011 Actual	71,546,079	-	71,546,079
Fiscal Year 2012 Actual	74,729,491	-	74,729,491
Fiscal Year 2013 Actual	70,315,112	-	70,315,112
Fiscal Year 2014 Actual	74,311,462	-	74,311,462
Fiscal Year 2015 Actual	77,407,670	-	77,407,670
<b>Fiscal Year 2016 Annualized</b>	78,259,916	(845,277)	77,414,639
<b>Fiscal Year 2017 Projected</b>	78,646,225	-	78,646,225
<b>Fiscal Year 2018 Projected</b>	80,370,425	-	80,370,425

Note: Fiscal Year 2016 Annualized and FY2017 & FY2018 Projected are based primarily on year-to-date FY2016 revenues through January 31, 2016. In addition, the County of Pitt is currently in the process of property revaluation for which the impact is not reflected in the annualized / projected revenues. For this reason, the above projections are subject to change based on:

1. Actual revenues for the remainder of fiscal year 2016
2. Impact of property revaluation

City of Greenville, NC

Financial Services Department

General Fund Revenue and Other Financing Sources

General Fund Revenues and Other Financing Sources	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Original Budget 2016	Projected 2016	Projected 2017	Projected 2018
<b>Revenue by Line Item</b>										
Ad Valorem Taxes	\$ 29,709,032	\$ 29,920,117	\$ 30,624,236	\$ 29,342,419	\$ 30,898,891	\$ 31,860,175	\$ 32,020,369	\$ 32,020,369	\$ 32,472,934	\$ 33,122,393
Sales Tax	13,286,857	13,393,038	14,694,475	14,672,441	14,804,914	16,588,706	16,627,515	16,939,793	17,447,987	17,971,426
Utility Franchise Tax	5,449,402	5,575,851	5,488,817	5,449,384	5,413,757	6,282,750	6,052,187	7,274,279	7,419,765	7,568,160
Motor Vehicle Tax	871,804	828,526	943,082	933,412	1,315,164	1,096,015	1,018,705	1,022,375	1,042,823	1,063,679
Business License	564,347	615,943	551,249	601,388	488,325	724,810	-	-	-	-
Video Programming / PEG	936,148	912,877	953,187	919,187	903,072	908,091	904,000	904,000	926,253	935,516
Other Governmental Revenue	4,016,373	5,082,148	5,139,118	4,387,422	4,022,864	3,960,579	4,187,741	3,687,170	3,666,301	3,673,135
Functional Revenues	7,712,575	7,862,514	8,181,012	7,710,717	7,980,530	9,059,773	8,587,119	8,540,037	8,463,476	8,576,646
Investment Earnings	1,429,141	897,136	951,911	62,362	455,380	363,857	553,765	526,616	556,687	559,470
GUC Transfer In	5,224,846	5,481,707	5,763,630	5,761,460	6,107,729	6,505,044	6,500,000	7,345,277	6,500,000	6,700,000
All Other Financing Sources	2,051,803	976,222	1,438,774	474,920	1,920,834	57,871	1,654,279	-	150,000	200,000
<b>Total</b>	<b>\$ 71,252,328</b>	<b>\$ 71,546,079</b>	<b>\$ 74,729,491</b>	<b>\$ 70,315,112</b>	<b>\$ 74,311,462</b>	<b>\$ 77,407,670</b>	<b>\$ 78,105,680</b>	<b>\$ 78,259,916</b>	<b>\$ 78,646,225</b>	<b>\$ 80,370,425</b>

**Percentage of Revenue**

Ad Valorem Taxes	41.7%	41.8%	41.0%	41.7%	41.6%	41.2%	41.0%	40.9%	41.3%	<b>41.2%</b>
Sales Tax	18.6%	18.7%	19.7%	20.9%	19.9%	21.4%	21.3%	21.6%	22.2%	<b>22.4%</b>
Utility Franchise Tax	7.6%	7.8%	7.3%	7.7%	7.3%	8.1%	7.7%	9.3%	9.4%	9.4%
Motor Vehicle Tax	1.2%	1.2%	1.3%	1.3%	1.8%	1.4%	1.3%	1.3%	1.3%	1.3%
Business License	0.8%	0.9%	0.7%	0.9%	0.7%	0.9%	0.0%	0.0%	0.0%	0.0%
Video Programming / PEG	1.3%	1.3%	1.3%	1.3%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Other Governmental Revenue	5.6%	7.1%	6.9%	6.2%	5.4%	5.1%	5.4%	4.7%	4.7%	4.6%
Functional Revenues	10.8%	11.0%	10.9%	11.0%	10.7%	11.7%	11.0%	10.9%	10.8%	10.7%
Investment Earnings	2.0%	1.3%	1.3%	0.1%	0.6%	0.5%	0.7%	0.7%	0.7%	0.7%
GUC Transfer In	7.3%	7.7%	7.7%	8.2%	8.2%	8.4%	8.3%	9.4%	8.3%	8.3%
All Other Financing Sources	2.9%	1.4%	1.9%	0.7%	2.6%	0.1%	2.1%	0.0%	0.2%	0.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**Ad Valorem & Sales Tax:**

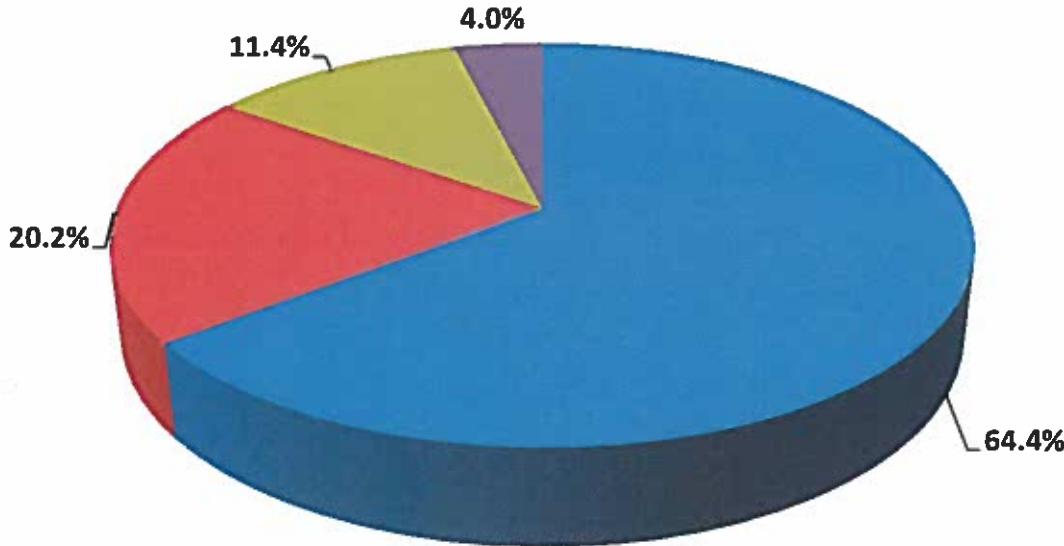
**63.6%**

General Fund Revenues and Other Financing Sources	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	5 Yr Avg Growth	Original Budget 2016	Projected 2016	% Change	Projected 2017	% Change	Projected 2018	% Change
<b>Current Year Taxes</b>	\$ 29,652,573	\$ 29,868,760	\$ 30,425,540	\$ 29,258,868	\$ 28,761,247	\$ 28,938,765	-0.5%	\$ 29,342,969	\$ 29,342,969	1.4%	\$ 29,929,828	2.0%	\$ 30,528,425	2.0%
DMV Tax Collections	-	-	-	-	1,951,684	2,884,760	0.0%	2,701,045	2,701,045	-6.4%	2,755,066	2.0%	2,810,167	2.0%
Prior Years Taxes	411,431	382,138	519,143	444,458	431,154	281,964	-7.3%	280,515	280,515	-0.5%	98,283	-65.0%	100,249	2.0%
Penalties and Interest	175,360	183,813	185,311	184,568	229,021	220,768	4.7%	180,180	180,180	-18.4%	183,784	2.0%	187,459	2.0%
Discounts and Refunds	(530,332)	(514,594)	(505,758)	(545,475)	(474,214)	(466,083)	-2.5%	(484,340)	(484,340)	3.9%	(494,027)	2.0%	(503,907)	2.0%
<b>Ad Valorem Taxes</b>	<b>\$ 29,709,032</b>	<b>\$ 29,920,117</b>	<b>\$ 30,624,236</b>	<b>\$ 29,342,419</b>	<b>\$ 30,898,891</b>	<b>\$ 31,860,175</b>	<b>1.4%</b>	<b>\$ 32,020,369</b>	<b>\$ 32,020,369</b>	<b>0.5%</b>	<b>\$ 32,472,934</b>	<b>1.4%</b>	<b>\$ 33,122,393</b>	<b>2.0%</b>
<b>Sales Tax</b>	<b>\$ 13,286,857</b>	<b>\$ 13,393,038</b>	<b>\$ 14,694,475</b>	<b>\$ 14,672,441</b>	<b>\$ 14,804,914</b>	<b>\$ 16,588,706</b>	<b>4.5%</b>	<b>\$ 16,627,515</b>	<b>\$ 16,939,793</b>	<b>2.1%</b>	<b>\$ 17,447,987</b>	<b>3.0%</b>	<b>\$ 17,971,426</b>	<b>3.0%</b>
Utility Franchise Tax	5,449,402	5,575,851	5,488,817	5,449,384	5,413,757	6,282,750	2.9%	6,052,187	7,274,279	15.8%	7,419,765	2.0%	7,568,160	2.0%
Motor Vehicle Taxes	871,804	828,526	943,082	933,412	1,315,164	1,096,015	4.7%	1,018,705	1,022,375	-6.7%	1,042,823	2.0%	1,063,679	2.0%
Business License	564,347	615,943	551,249	601,388	488,325	724,810	5.1%	-	-	-100.0%	-	0.0%	-	0.0%
Video Programming	897,801	877,594	887,032	855,515	839,504	849,639	-1.1%	852,000	852,000	0.3%	866,632	1.7%	875,298	1.0%
Supplemental Peg	38,347	35,283	66,155	63,672	63,568	58,452	8.8%	52,000	52,000	-11.0%	59,621	14.7%	60,217	1.0%
Payment In Lieu of Taxes	8,284	24,666	-	91,335	56,620	51,075	43.9%	51,075	51,075	0.0%	51,075	0.0%	51,075	0.0%
Vehicle Gross Receipts	95,161	108,065	121,759	118,679	119,582	127,304	6.0%	126,929	126,929	-0.3%	129,468	2.0%	132,057	2.0%
Wine and Beer	115,658	363,923	368,940	343,423	376,811	416,085	29.2%	370,917	370,917	-10.9%	424,448	14.4%	428,692	1.0%
State Fire Protection	356,706	356,706	395,352	396,706	393,938	380,431	1.3%	384,235	384,235	1.0%	385,000	0.2%	385,000	0.0%
Restricted Intergovernmental Governmental Revenues	3,440,564	4,228,788	4,253,067	3,437,279	3,075,914	2,985,684	-2.8%	3,254,585	2,754,014	-7.8%	2,676,310	-2.8%	2,676,310	1.0%
<b>Other Functional Revenues</b>	<b>\$ 7,712,575</b>	<b>\$ 7,862,514</b>	<b>\$ 8,181,012</b>	<b>\$ 7,710,717</b>	<b>\$ 7,980,530</b>	<b>\$ 9,059,773</b>	<b>3.3%</b>	<b>\$ 8,587,119</b>	<b>\$ 8,540,037</b>	<b>-5.7%</b>	<b>\$ 8,463,476</b>	<b>-0.9%</b>	<b>\$ 8,576,646</b>	<b>1.3%</b>
<b>Investment Earnings</b>	<b>\$ 1,429,141</b>	<b>\$ 897,136</b>	<b>\$ 951,911</b>	<b>\$ 62,362</b>	<b>\$ 455,380</b>	<b>\$ 363,857</b>	<b>-23.9%</b>	<b>\$ 553,765</b>	<b>\$ 526,616</b>	<b>44.7%</b>	<b>\$ 556,687</b>	<b>5.7%</b>	<b>\$ 559,470</b>	<b>0.5%</b>
<b>GUC Transfers In</b>	<b>\$ 5,224,846</b>	<b>\$ 5,481,707</b>	<b>\$ 5,763,630</b>	<b>\$ 5,761,460</b>	<b>\$ 6,107,729</b>	<b>\$ 6,505,044</b>	<b>4.5%</b>	<b>\$ 6,500,000</b>	<b>\$ 7,345,277</b>	<b>12.9%</b>	<b>\$ 6,500,000</b>	<b>-11.5%</b>	<b>\$ 6,700,000</b>	<b>4.0%</b>
<b>All Other Financing Sources</b>	<b>\$ 2,051,803</b>	<b>\$ 976,222</b>	<b>\$ 1,438,774</b>	<b>\$ 474,920</b>	<b>\$ 1,920,834</b>	<b>\$ 57,871</b>	<b>-51.0%</b>	<b>\$ 1,654,279</b>	<b>\$ -</b>	<b>-100.0%</b>	<b>\$ 150,000</b>	<b>0.0%</b>	<b>\$ 200,000</b>	<b>33.3%</b>
<b>Total Budget / Actual / Projected</b>	<b>\$ 71,252,328</b>	<b>\$ 71,546,079</b>	<b>\$ 74,729,491</b>	<b>\$ 70,315,112</b>	<b>\$ 74,311,462</b>	<b>\$ 77,407,670</b>	<b>1.7%</b>	<b>\$ 78,105,680</b>	<b>\$ 78,259,916</b>	<b>1.1%</b>	<b>\$ 78,646,225</b>	<b>0.5%</b>	<b>\$ 80,370,425</b>	<b>2.2%</b>

**CITY OF GREENVILLE  
2015-16 GENERAL FUND BUDGET EXPENSE**

**Percentage of Expense:**

<b>Personnel Expense</b>	<b>64.4%</b>
<b>Operating Expense</b>	<b>20.2%</b>
<b>Transfers</b>	<b>11.4%</b>
<b>Capital</b>	<b>4.0%</b>
<b>Total</b>	<b><u>100.0%</u></b>



**■ Personnel Expense   ■ Operating Expense   ■ Transfers   ■ Capital**

**City of Greenville  
Personnel Expense  
Projected FY2016**

	Personnel Expense			Annual Market Adj %	NC CAI Rate
	Amount	Change	% Change		
Fiscal Year 2010 Actual	\$ 44,231,757			0.00%	1.59%
Fiscal Year 2011 Actual	45,712,974	\$ 1,481,217	3.35%	0.00%	1.81%
Fiscal Year 2012 Actual	46,435,037	722,063	1.58%	1.50%	2.30%
Fiscal Year 2013 Actual	47,133,491	698,454	1.50%	2.50%	2.49%
Fiscal Year 2014 Actual	47,148,170	14,679	0.03%	1.50%	2.47%
Fiscal Year 2015 Actual	47,518,703	370,533	0.79%	1.50%	2.40%
<b>Fiscal Year 2016 Annualized</b>	48,063,792	545,089	1.15%	2.00%	2.70%

Budget Compared to Actual

Fiscal Year 2016 Budget	\$ 50,255,717
Fiscal Year 2016 Annualized	48,063,792
<b>Projected Budget Balance</b>	<b>2,191,925</b>

City of Greenville  
Projected Personnel Expense  
**Budget Parameters**  
Fiscal Years 2017 & 2018

**Overall Salary and Benefit Projections**

- Salary and Employer Paid Benefits are Budgeted for All Full-Time and Designated Part-Time Positions (with the exception of the 10 Refuse collector positions that are currently unfilled)
  
- The Salary Budget Includes
  - Annual Salary
  - Longevity for Eligible Employees
  - Salaries for Vacant Positions Set at 5% Above Minimum Salary for Pay Grade
  -
  
- Employer Paid Benefit Costs Include
  - FICA
  - Dental and Health Insurance
  - Pension
  - Group Term Life
  - Greenville Aquatics and Fitness Center Membership
  - 401(k) Contribution
  
- Salaries and Benefits are Projected for FY2017 and FY2018 With a 4% Vacancy Rate (96% Employment)

City of Greenville  
Projected Personnel Expense  
**Budget Parameters**  
Fiscal Years 2017 & 2018

**FY2016-17 Salary and Benefit Projections**

- All Full-Time and Designated Part-Time Employees Receive a 3.0% Increase (Market and Merit Combined)
- Salary Increase Goes Into Effect 7/1/16
- A Corresponding Increase in Employer-Paid Benefits Is Included for the 3.0% Increase
- Employees Eligible for Probationary Increase (Promotions,Reclassification,New Hires) Receive a 5.0% Increase Effective 7/1/16
- Pay Grades Were Increased 2.0%
- Health Insurance Employer Paid Premiums Increased 7.0%
- Dental Insurance Employer Paid Premiums Increased 4.0%

**FY2017-18 Salary and Benefit Projections**

- All Full-Time and Designated Part-Time Employees Receive a 3.0% Increase (Market and Merit Combined)
- Salary Increase Goes Into Effect 7/1/17
- A Corresponding Increase in Employer-Paid Benefits Is Included for the 3.0% Increase
- Employees Eligible for Probationary Increase (Promotions,Reclassification,New Hires) Receive a 5.0% Increase Effective 7/1/17
- Pay Grades Were Increased 2.0%
- Health Insurance Employer Paid Premiums Increased 7.0%
- Dental Insurance Employer Paid Premiums Increased 4.0%

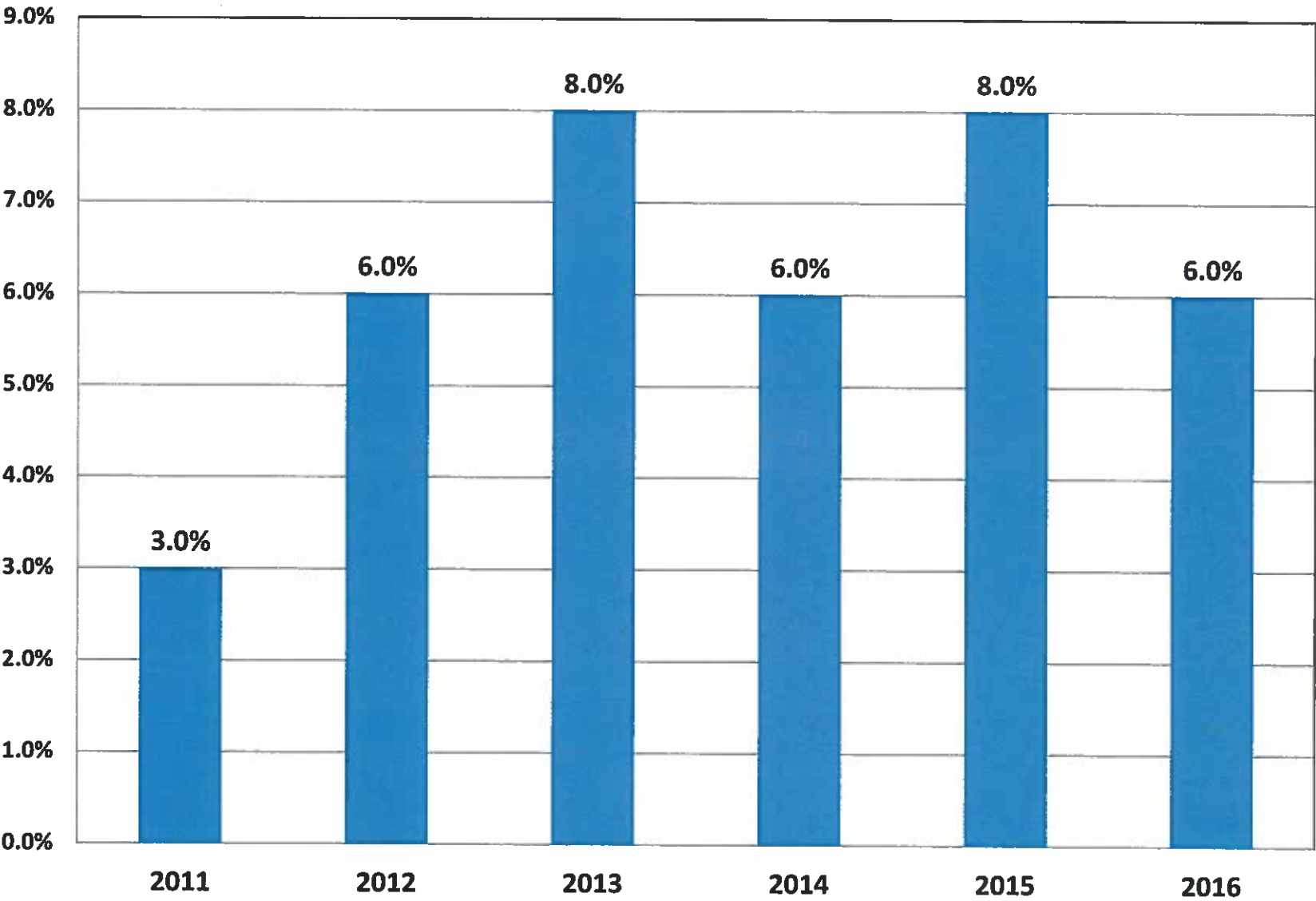
**City of Greenville**  
**Personnel Expense**  
**Projected FY2017 & FY2018**

The following are the Personnel Expense projections for FY2017 and FY2018 based on the Personnel Expense Budget Parameters:

	Budget w/ No Vacancy	Budget w/ 3.0% Vacancy Rate	Difference
Fiscal Year 2017 Projected	\$ 52,368,273	\$ 50,939,808	\$ (1,428,465)
Fiscal Year 2018 Projected	53,963,928	52,479,645	(1,484,283)



# CITY OF GREENVILLE HISTORICAL VACANCY RATE



City of Greenville  
 Personnel Expense  
 Projected FY2017 & FY2018

**BASED ON 3.0% INCREASE IN BASE SALARY**

	Budget w/ 0.0% Vacancy			Budget w/ 3.0% Vacancy		
	Amount	Change	% Change	Amount	Change	% Change
Fiscal Year 2010 Actual	\$ 44,231,757			\$ 44,231,757		
Fiscal Year 2011 Actual	45,712,974	\$ 1,481,217	3.35%	45,712,974	\$ 1,481,217	3.35%
Fiscal Year 2012 Actual	46,435,037	722,063	1.58%	46,435,037	722,063	1.58%
Fiscal Year 2013 Actual	47,133,491	698,454	1.50%	47,133,491	698,454	1.50%
Fiscal Year 2014 Actual	47,148,170	14,679	0.03%	47,148,170	14,679	0.03%
Fiscal Year 2015 Actual	47,518,703	370,533	0.79%	47,518,703	370,533	0.79%
<b>Fiscal Year 2016 Annualized</b>	48,063,792	545,089	1.15%	48,063,792	545,089	1.15%
<b>Fiscal Year 2017 Projected</b>	52,368,273	4,304,481	8.96%	50,939,808	2,876,016	5.98%
<b>Fiscal Year 2018 Projected</b>	53,963,928	1,595,655	3.05%	52,479,645	1,539,837	3.02%

City of Greenville

New Position and Reclassification Requests for FY2016-17 and FY2017-18

Department	Requested by Departments		
	Positions	FY2016-17 Annual Cost	FY2017-18 Annual Cost
<b><u>New Positions</u></b>			
Comm. Development	2.00	110,931	113,388
Financial Services	-	-	-
Fire / Rescue	3.00	186,399	190,690
Information Tech	4.00	331,694	340,385
Police	12.00	497,371	781,673
Public Works	10.00	565,299	582,258
Recreation & Parks	1.00	68,316	69,940
<b>Subtotal</b>	<b>32.00</b>	<b>1,760,010</b>	<b>2,078,334</b>
<b><u>Reclassifications</u></b>			
Comm. Development	4.00	13,125	13,519
Financial Services	4.00	41,201	42,437
Fire / Rescue	-	-	-
Information Tech	-	-	-
Police	-	-	-
Public Works	11.00	69,472	71,555
Recreation & Parks	3.00	52,377	53,948
<b>Subtotal</b>	<b>22.00</b>	<b>176,175</b>	<b>181,459</b>
<b>Total</b>	<b>54.00</b>	<b>1,936,185</b>	<b>2,259,793</b>

City of Greenville

New Position and Reclassification Requests for FY2016-17 and FY2017-18

Notes:

1. The following New Positions Have Been Added During Fiscal Year 2016 Through Council Action:

Additional Police Officer Positions (Grant Funded)	4.0
Child Victim Advocate (Grant Funded)	1.0
Total	<u>5.0</u>

The Above Positions Are Not Included in the Department's New Position and Reclassification Requests. These positions are already included in the City's approved positions.

2. Based on recommendations from the external auditor and discussions had at the audit committee, the duties of Grants Management and Fixed Assets within Financial Services is proposed to be split between two separate positions. Currently there is one approved position responsible for both duties. Financial Services has a vacant .50 Office Assistant position that will be upgraded to a full time position so as to be responsible for Grants Management. This budget request will be brought to Council for approval in March.