

5.23.16

# City Council Meeting

# Item 3:

**Presentation of the City's Adjusted  
Proposed Fiscal Year 2016-17  
General Fund Budget and Fiscal Year  
2017-18 Financial Plan**



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**PROPOSED 2016-17 BUDGET &  
2017-18 FINANCIAL PLAN**

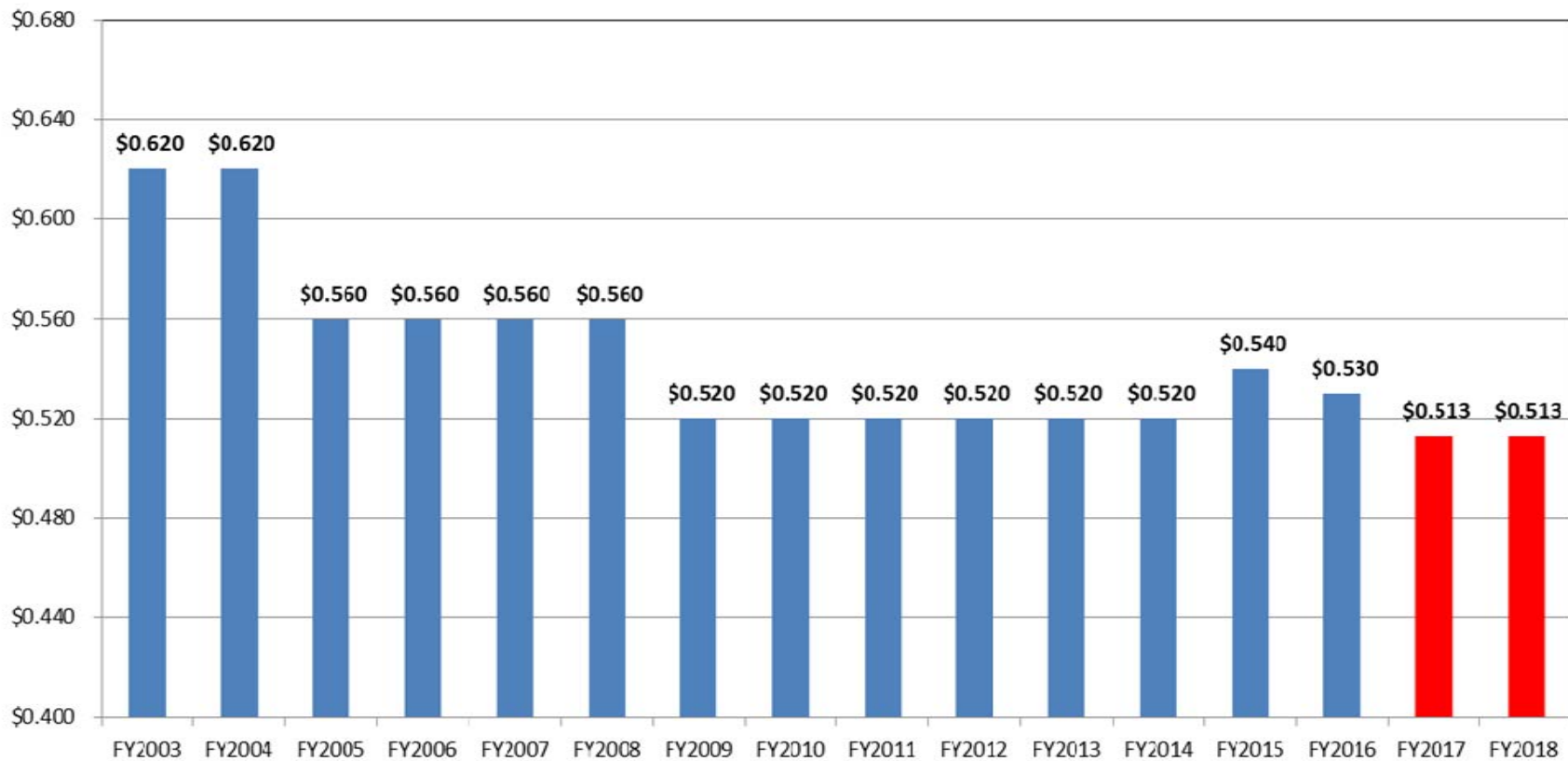
**GENERAL FUND**

**ADJUSTED TO REFLECT CHANGES APPROVED  
AT MAY 9, 2016 CITY COUNCIL MEETING**

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## 1. Property Tax Rate:

Budget and Financial Plan Based on Revenue Neutral Rate of 51.3¢



## 2. Merit Pay:

The Budget and Financial Plan Include a 2.0% Merit Pay Increase

## 3. Additional Public Safety Funding:

The Budget and Financial Plan Include Funding of Approximately \$319,000 for FY2017 and \$329,000 for FY2018 to Fund Public Safety Positions as Follows:

Police Grant Pool	2.0 - 4.0
Fire / Rescue	3.0

## 4. Imperial Site:

The Budget Does Not Include Any Funding for the Purchase of the Imperial Site

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**5. Capital Improvement Budget:**

- \$158,958 in Fund Balance is Being Used to Fund the Town Common Project in FY2017-18
- This Amount of Fund Balance was Needed in Order to Balance the Financial Plan
- In Other Words, \$158,958 Has Been Cut From the Recurring General Fund Budget and Fund Balance is Being Used to Fund This Amount of the Project for FY2017-18.

**6. Funding of Town Common Project:**

The Following is a Summary of the Town Common Project Appropriation for the Next Two Fiscal Years as Included in the Revenue Neutral Budget (with Adjustments as Directed by Council):

	Budget 2016-17	Plan 2017-18	Total
General Fund- Recurring Funds	159,183	302,075	461,258
General Fund- One Time Funds	692,480	-	692,480
General Fund- Fund Balance	-	158,958	158,958
<b>Total</b>	<b>851,663</b>	<b>461,033</b>	<b>1,312,696</b>
Proposed Budget Funding	1,466,374		
Revenue Neutral Budget Funding	1,312,696		
Difference	(153,678)		

## Adjusted FY2016-17 Proposed Budget

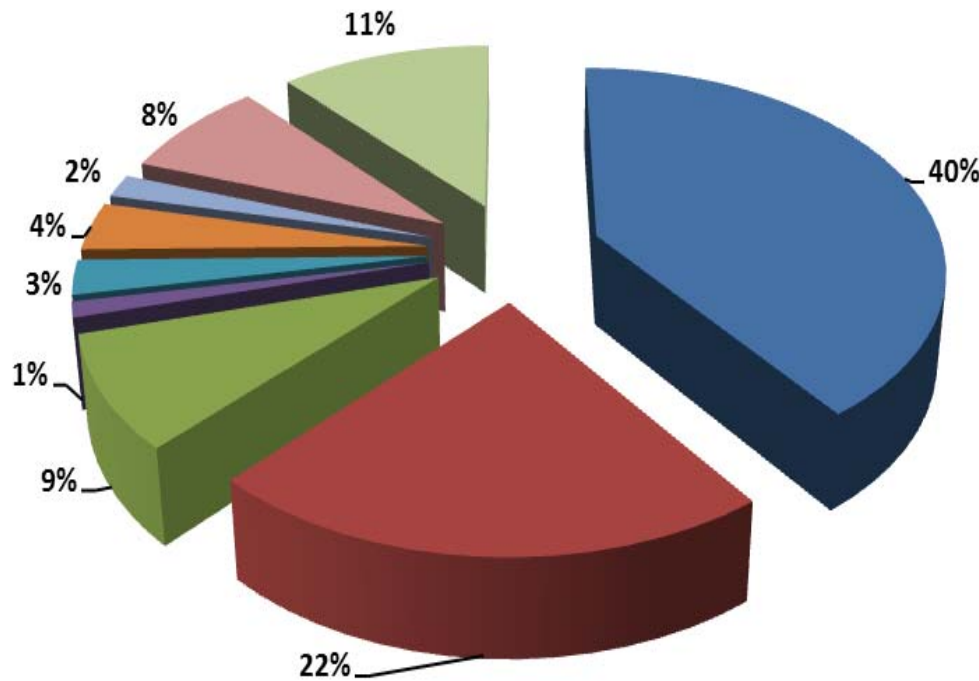
	Revenue	Expense	Balance
<b>2016-17 Proposed Budget</b>	<b>\$ 81,840,606</b>	<b>\$ 81,840,606</b>	<b>\$ -</b>
Adjust to Revenue Neutral as Directed by Council			
Less Revenue From Revaluation	(1,059,721)	-	(1,059,721)
Less Public Safety Positions Funded by Revaluation	-	(319,324)	319,324
Less Town Common Increase Funded by Revaluation	-	(324,201)	324,201
	(1,059,721)	(643,525)	(416,196)
<b>2016-17 Revenue Neutral Budget (Before Adjustments)</b>	<b>80,780,885</b>	<b>81,197,081</b>	<b>(416,196)</b>
Additional Adjustments as Directed by Council			
Remove Purchase of Imperial	-	(1,040,000)	1,040,000
Reduce Merit Increase From 3% to 2%	-	(388,000)	388,000
	-	(1,428,000)	1,428,000
Other Adjustments to Balance Budget			
Add Back Public Safety Positions (Recurring)	-	319,324	(319,324)
Add Town Common Project Allocation (One Time)	-	692,480	(692,480)
	-	1,011,804	(1,011,804)
<b>2016-17 Revenue Neutral Budget (After Adjustments)</b>	<b>\$ 80,780,885</b>	<b>\$ 80,780,885</b>	<b>\$ -</b>

## Adjusted FY2017-18 Financial Plan

	Revenue	Expense	Balance
<b>2017-18 Proposed Financial Plan</b>	<b>\$ 81,835,091</b>	<b>\$ 81,835,091</b>	<b>\$ -</b>
Adjust to Revenue Neutral as Directed by Council			
Less Revenue From Revaluation	(1,080,915)	-	(1,080,915)
Less Public Safety Positions Funded by Revaluation	-	(328,904)	328,904
Less Town Common Increase Funded by Revaluation	-	(521,957)	521,957
	(1,080,915)	(850,861)	(230,054)
<b>2017-18 Revenue Neutral Plan</b>	<b>80,754,176</b>	<b>80,984,230</b>	<b>(230,054)</b>
Additional Adjustments as Directed by Council			
Reduce Merit Increase From 3% to 2%	-	(400,000)	400,000
	-	(400,000)	400,000
Other Adjustments to Balance Budget			
Add Back Public Safety Positions (Recurring)	-	328,904	(328,904)
CIP Project Funded From Fund Balance	158,958	-	158,958
	158,958	328,904	(169,946)
<b>2017-18 Plan Including Council Directed Adjustments</b>	<b>\$ 80,913,134</b>	<b>\$ 80,913,134</b>	<b>\$ -</b>



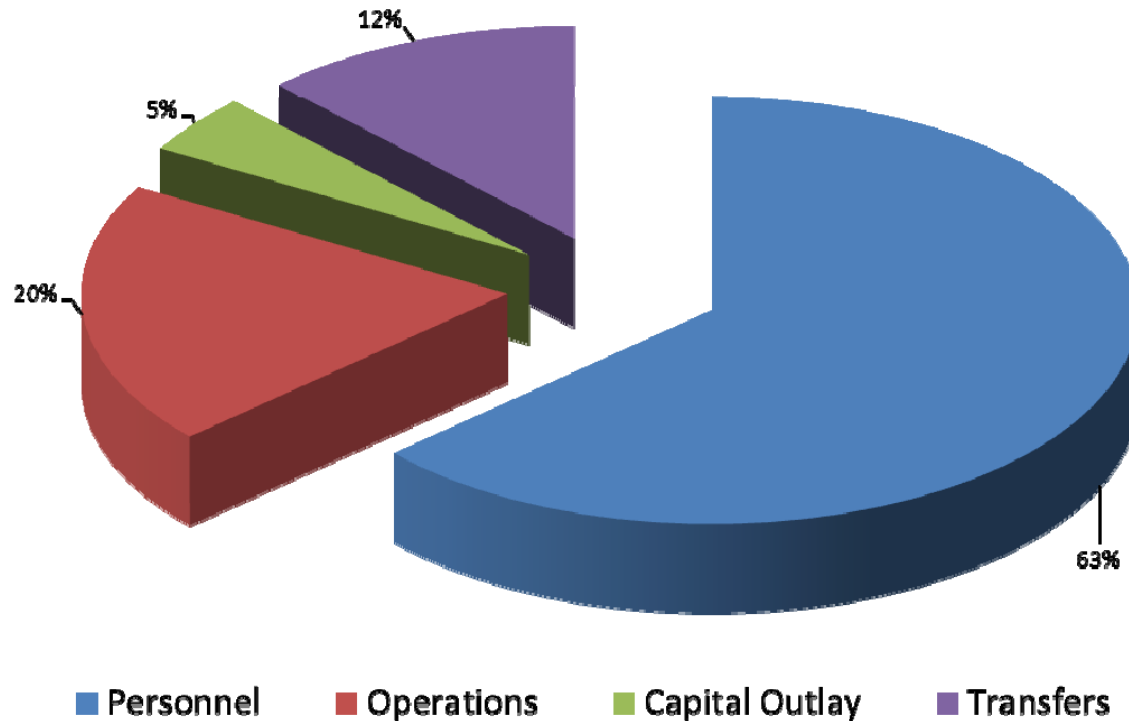
# Adjusted General Fund Revenue



Adjusted FY2016-17 Revenue	
Ad Valorem Taxes	\$32,308,578
Sales Tax	17,681,023
Utilities Franchise Tax	7,158,899
Motor Vehicle Taxes	989,174
Powell Bill	2,220,065
Rescue Service Transports	3,096,519
Sale of Police/Fire Parking Lot	1,500,000
GUC Transfers In	6,498,420
Other Revenues	9,328,207
<b>Total</b>	<b>\$80,780,885</b>

- Ad Valorem Taxes
- Sales Tax
- Utilities Franchise Tax
- Motor Vehicle Taxes
- Powell Bill
- Rescue Service Transports
- Sale of Police/Fire Parking Lot
- GUC Transfers In
- Other Revenues

# Adjusted General Fund Expense



Expense by Department	
Personnel	\$ 51,176,916
Operations	16,138,345
Capital Outlay	3,623,611
Transfers	9,842,013
<b>Total</b>	<b>\$ 80,780,885</b>

## Comparison of Different Property Tax Rates

<b>Tax Rate</b>	<b>Net Property Tax Revenue</b>	<b>Difference From 51.3¢ Tax Rate</b>	<b>Annual Tax on \$150k Value</b>	<b>Difference From 51.3¢ Tax Rate</b>
<b>51.3¢</b>	<b>\$ 32,308,578</b>	<b>-</b>	<b>\$ 769.50</b>	<b>-</b>
<b>52.0¢</b>	<b>32,744,935</b>	<b>\$ 436,357</b>	<b>780.00</b>	<b>\$ 10.50</b>
<b>52.5¢</b>	<b>33,056,616</b>	<b>748,038</b>	<b>787.50</b>	<b>18.00</b>
<b>53.0¢</b>	<b>33,368,299</b>	<b>1,059,721</b>	<b>795.00</b>	<b>25.50</b>



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## **PROPOSED 2016-17 BUDGET & 2017-18 FINANCIAL PLAN**

### **GENERAL FUND**

### **MOTOR VEHICLE TAX**

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- Effective July 1, 2016 Municipalities Can Levy a Vehicle Tax of up to \$30
- The Current Vehicle Tax is \$20 for the City of Greenville
- The Fee Must be Utilized as Follows:
  - \$20 for Public Street Maintenance/Construction
  - \$5 for Public Transportation
  - \$5 for Any Lawful Purpose
- FY2017 Proposed Vehicle Tax Revenue: \$989,000
- Potential Revenue Generated by Additional \$10 Tax: \$494,500
- Possible Increase Would be Required to be Used for Street Maintenance



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## **PROPOSED 2016-17 BUDGET & 2017-18 FINANCIAL PLAN**

### **GENERAL FUND**

### **SALES TAX: SENATE BILL 846**

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- Senate Bill 846 has been Filed in the 2016 Short Session
- Would Impact Local Sales Tax Distributions as Follows:
  - Eliminates County Adjustment Factors for Article 40- ½ Cent Local Sales Tax and Establish Adjustment Factors Based on County's Economic Tier
  - Eliminates a \$17.6 Million State Appropriation to Local Sales Tax Collections That was Part of Last Year's Sales Tax Reallocation Plan
- Could Reduce City of Greenville's Sales Tax Revenues by at Least \$250,000 Over Next Couple of Years
- At This Time the Bill Has Not Been Heard in Any Legislative Committee nor Scheduled for Any Hearings.
- The Bill Would Need to Pass the House and Senate and be Acted Upon by the Governor Before Becoming Law
- NC League of Municipalities Is Looking Closely Into the Bill and Will Let Us Know as Anything Transpires in the Short Session