

FIRST QUARTER UPDATE FY 2024-25

FINANCE COMMITTEE

BUDGET AND PERFORMANCE MANAGEMENT DEPARTMENT
NOVEMBER 2023



MAIN TAKEAWAYS FROM FIRST QUARTER UPDATE

FY 2022-23 Estimated Year-End*

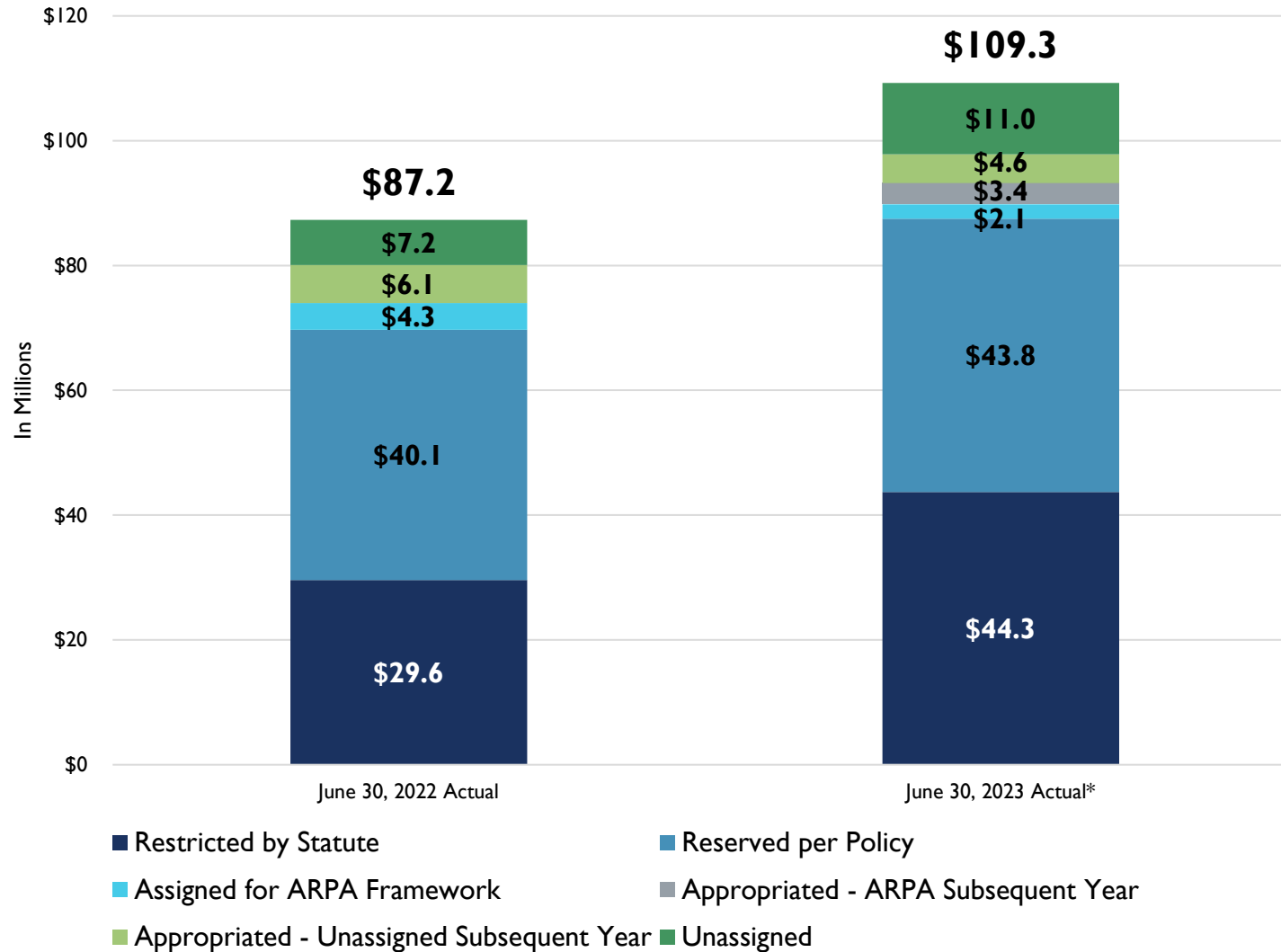
- Total revenues 1.8% above budget*
- Total expenses 11.9% below budget*
 - 7.5% when accounting for ARPA-related programs
- Addition to unassigned general fund balance:
 - \$3.8 million

*Audit not yet completed

FY 2024-25 Budget Drivers

- Employee compensation
 - Merit and step plans
 - Benefits costs
 - Pay study results?
- Inflation
 - General supplies/contracts
 - Vehicle acquisition (and lease payments)
- Other operating increases

General Fund Balance at June 30, 2022 Compared to June 30, 2023



CHANGE IN GENERAL FUND BALANCE

AS OF JUNE 30, 2023

**\$3.8 MILLION INCREASE
IN UNASSIGNED FUND**

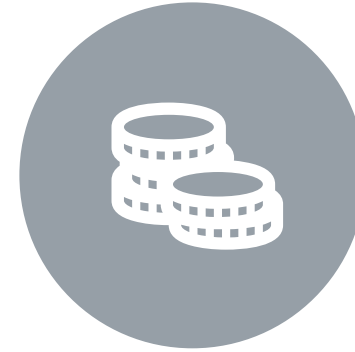
FY 2023-24 APPROPRIATED GENERAL FUND BALANCE



CAPITAL PROJECTS:
\$3.5 MILLION



SUPPLEMENTAL PAY:
\$2.2 MILLION



OTHER ONE-TIME COSTS:
\$700,000

*Does not include appropriated ARPA-Enabled general fund balance; includes planned appropriations.

Total Expenditures Under Budget

Estimated FY 22-23

\$33.3 Million

ARPA-Enabled Community Agencies

11.6 Million

Non-ARPA Related Spending Underage

\$21.7 Million

Other Selected Categories

Amount Under Amended Budget

Salary Savings

\$5.9 Million

Equipment Lease Payments

3.5 Million

Transportation Service Area Supplies & Contracts

3.4 Million

Other Contractual Services

2.9 Million

Communications and Information

1.6 Million

Fuel (Unleaded and Diesel)

0.9 Million

Selected Categories Subtotal

\$18.2 Million

**FY 2022-23 EXPENDITURES
BUDGET-TO-ACTUALS:
GENERAL FUND**

BUDGET DRIVERS/NOTES

SIGNIFICANT SALARY SAVINGS

INABILITY TO PURCHASE EQUIPMENT

OPERATING SAVINGS RELATED TO
VACANCY

VOLATILE FUELS MARKETS

*Based on unfinalized, year-end financial data

FY 2024-25

POTENTIAL BUDGET DRIVERS

Employee Compensation

- 2% - 4% Average Merit and Public Safety Step Plans - \$3.0 to \$5.9 million
- Increased benefits costs for retirement – a 1% increase equals approximately \$1.2 million
- Compensation and classification study results – potentially significant impact

Operating Increases

- General and market specific inflation
- Public safety equipment and services
- Grant-funded positions and equipment

Revenues

- Slower growth in sales tax distributions
- Slower property tax growth rate than peers

ENTERPRISE FUNDS

Public Assembly Facilities Fund

- Operating losses at Bowman Gray Stadium and Winston-Salem Fairgrounds being reviewed
- Estimated \$1.0 million annual subsidy

Stormwater Fund

- Planned capital projects exceed total cash available

Transit Fund

- RFP for new transit provided
- Current pro forma shows multi-million dollar annual gap

FY 2024-25 BUDGET DRIVERS RECAP



Potentially significant personnel funding decisions



Increasing operating supplies and services costs



Moderated revenue growth in major revenues source(s)



Increasing subsidies for enterprise funds



Use of unassigned fund balance for multiple purposes