



# FY 2018-19 BUDGET PREVIEW

## Finance Committee

BUDGET & EVALUATION OFFICE

APRIL 9, 2018

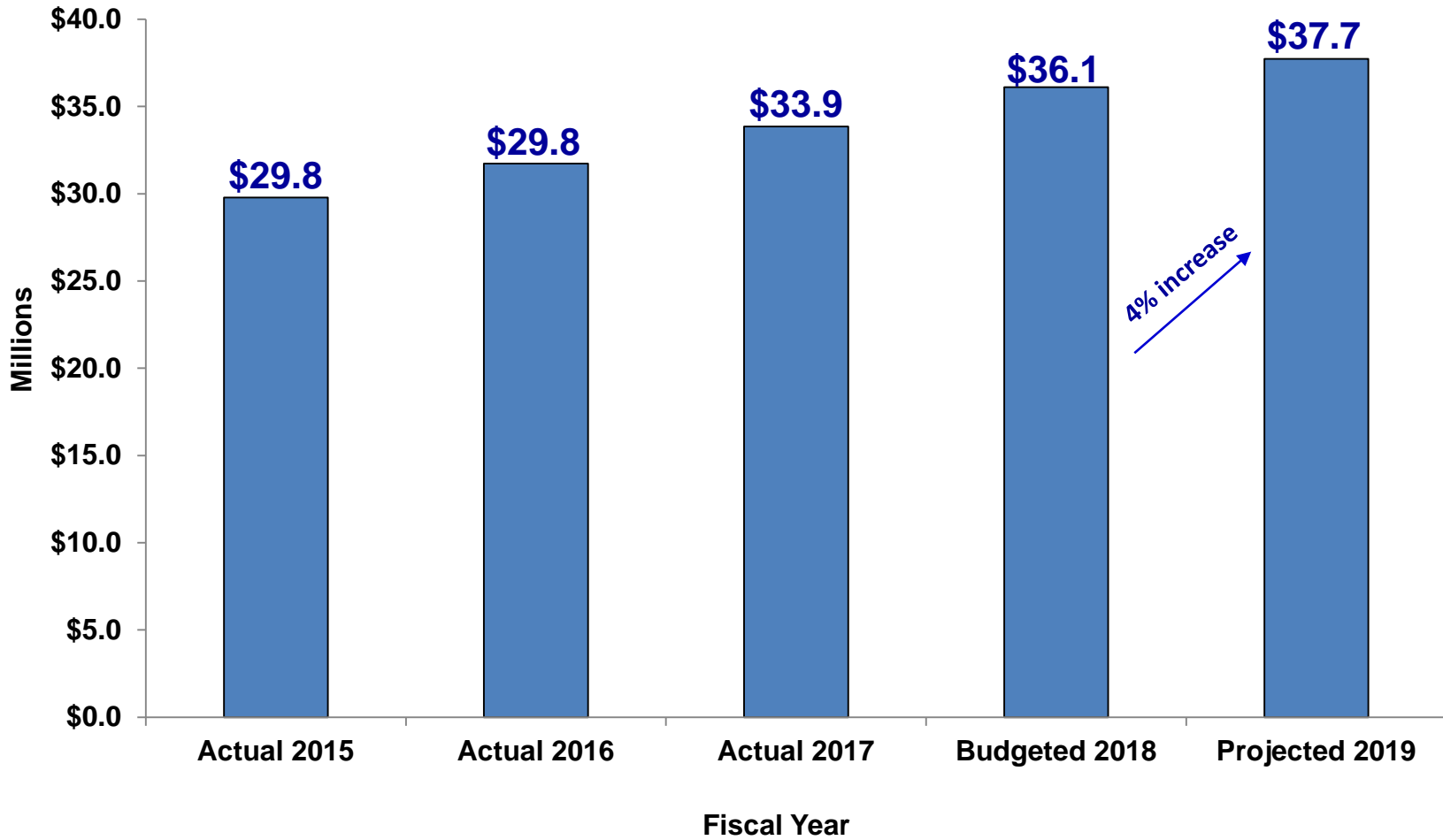
# FY 2018-19 Major Revenue Drivers

## Highlights of Budget-to-Budget Changes



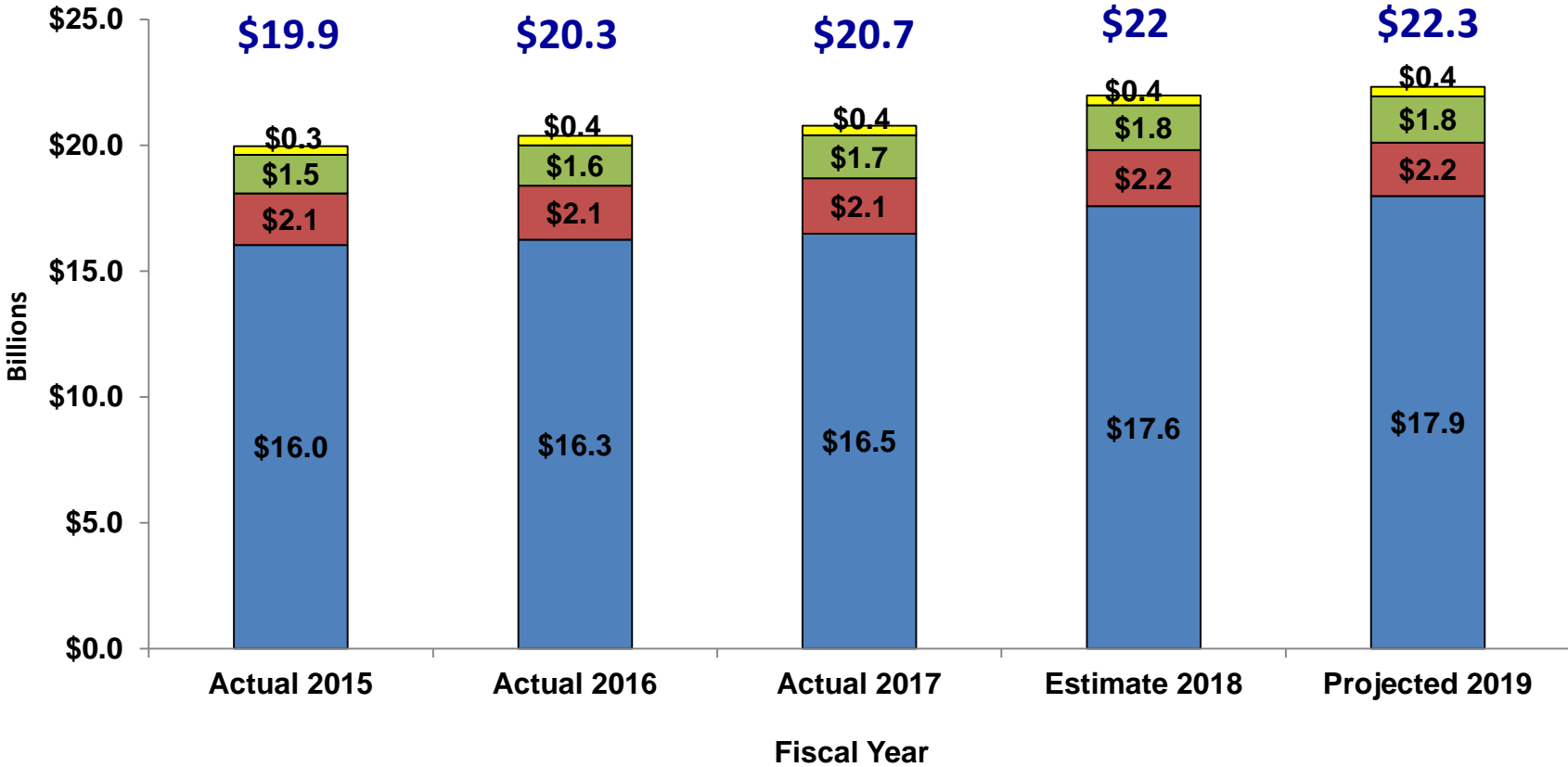
REVENUES	+/-
<b>Property Taxes</b> (FY19 assumes a 1.3% growth above projected current year)	\$1.4 million
<b>Sales Taxes</b> (FY19 assumes 4% growth above estimated year-end FY18)	\$1.6 million
<b>License &amp; Permits</b> (Building inspections, one-time Duke Energy panel replacement)	\$772,000
<b>Utility Sales Tax</b> (Electricity, Gasoline, Beer & Wine)	-\$543,420
<b>Charges for Service</b> (No new fees and no increases in existing fees)	- \$398,000

# Local Option Sales Tax General Fund



# Property Tax Base

(General Fund, Debt Service, and Transit Funds)



■ Real Property   
 ■ Personal Property   
 ■ Registered Motor Vehicles   
 ■ Public Service Companies

Note: Projected 2019 is based on staff estimates.

# FY 2018-19 Major Expenditure Drivers

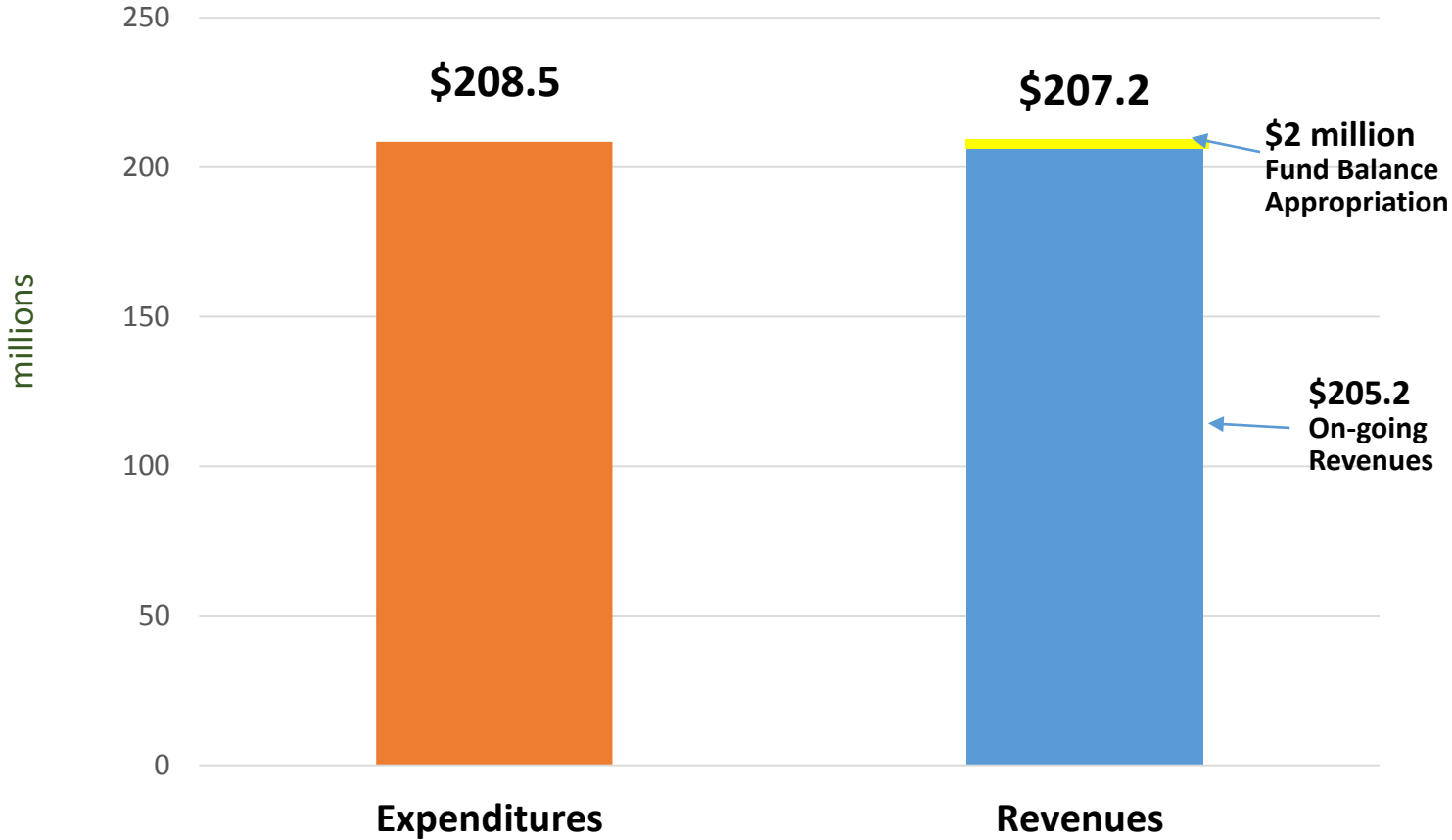


EXPENDITURES	
<b>Public Safety 2% Supplemental Pay Adjustments</b> (Police & Fire, effective January 1, 2018)	+ \$1,380,000
<b>Merit Increase</b> (net cost) (2% average merit including benefits)	+ \$1,300,000
<b>Swimming Pool Services</b> (being brought back in-house) (Does not include Long Creek; total increase with Long Creek = \$372k)	+ \$222,000
<b>Demolitions</b> (Total demolition expenses budgeted for FY 19 is \$562,000)	+ \$362,000
<b>New Facilities:</b> <ul style="list-style-type: none"><li>- Union Station bond project operating costs, (\$158k)</li><li>- Long Creek Pool expenses, including personnel (\$150k)</li></ul>	+ \$308,000

# FY 2018-19 General Fund Projected Budget



**Expenditures over Revenues =  
\$1.3 million Gap**



# Budget Balancing Options



## Public Safety

Freeze COPS grant positions (10) (\$130,000)

## Environmental Health

Eliminate Dumpster Collection (starting Jan 1; Full Year=\$600k) (\$300,000)

Further automation of refuse collections (\$210,000)

## Interdepartmental Services

Fleet utilization study recommendation (\$100,000)

## General

Eliminate non-public safety vacant positions (\$350,000)

Limit equipment replacements to most critical (\$210,000)

**Total: (\$1,300,000)**

## Public Sector Advisors



## Classification and Compensation Study

**Ann Antonsen, Vice President**

April 9, 2018



**Springsted**



# Pay Philosophy

- Provide fair and equitable compensation to employees
- Balance external market and internal equity
- Maintain competitive pay structure with consideration of City's fiscal resources
- Performance based component for individual employee compensation
- Develop an understandable compensation program
- Continue efforts to raise minimum wage

# Compensation and Benefits Survey - Benchmark Communities

- City of Asheville, NC
- City of Burlington, NC
- Town of Cary, NC
- City of Charlotte, NC
- City of Concord, NC
- City of Durham, NC
- Durham County, NC
- City of Fayetteville, NC
- City of Greensboro, NC
- City of Greenville, NC
- City of High Point, NC
- City of Kernersville, NC
- City of Raleigh, NC
- City of Wilmington, NC

# Salary Survey

## General Government Positions

- 122 positions included in survey
- Comparison of starting salaries to market
  - 6.09% below average minimum salaries
- Internal pay relationship inequities exist within the City
- Benefits overall are consistent with the market

## Public Safety Positions

- 18 positions included in survey
  - Minimum salaries are 3.15% below the market
  - Midpoint salaries are 1.12% below market
  - Maximum salaries are 0.23% below market

# Job Evaluation

## Systematic Analysis and Factor Evaluation (SAFE®) System Job Evaluation Factors

Training and Ability	Experience Required
Level of Work	Human Relations Skills
Physical Demands	Working Conditions
Independence of Actions	Impact on End Results
Supervision Exercised	

# Compensation Study Findings

## Number of Staff Impacted

	General *	Police	Fire	Total
Employees Below Min	336	86	144	566
Employees Within Range	360	439	227	1,026
Employees Above Max	7	15	1	23
<b>Total</b>	<b>703</b>	<b>540</b>	<b>372</b>	<b>1,615</b>

\* General Pay Plan – includes all funds

**Total Cost of Implementation – All Funds, Including Benefits**  
**\$5,500,000**

# Classification and Compensation Study

## General Fund only



Study Options	Salary	Benefits	Other Fund Charges	Revenues	Net Total
1 Full study implementation beginning on July 1, 2018 (General, Police, and Fire Plans)	\$3,248,810	\$1,501,090	\$194,150	-\$124,330	<b>\$4,819,820</b>
2 Full implementation beginning on January 1, 2019	\$1,504,210	\$695,310	\$76,300	-\$43,920	<b>\$2,231,900</b>
3 All Fire and Police personnel (only) on July 1, 2018	\$2,189,170	\$862,340	\$0	-\$16,010	<b>\$3,035,500</b>
4 Increase employees to the new minimums on July 1, 2018	\$2,444,650	\$1,109,930	\$107,300	-\$108,500	<b>\$3,553,380</b>
5 Increase minimum hourly from \$11.25 to \$12.50	\$197,330	\$58,890	\$0	-\$740	<b>\$256,480</b>

# FY 2018-19 Preliminary Budget Review Calendar



Date/Location	Event/Topic
<p><b>Thursday, May 24</b></p>	<p><b>Distribution of Budget Proposal to the Mayor and City Council</b></p>
<p><b>Thursday, May 31</b> (4:30 p.m.) Council Committee Room</p>	<p><b>Finance Committee Workshop</b> Budget Overview &amp; Highlights</p>
<p><b>Tuesday, June 5</b> (4:30 p.m.) Council Committee Room</p>	<p><b>Finance Committee Workshop</b> Capital Plan Overview &amp; Community Agencies Highlights</p>
<p><b>Thursday, June 7</b> (7:00 p.m.) City Council Chamber</p>	<p><b>Finance Committee Public Hearing</b></p>
<p><b>Monday, June 11</b> (4:30 p.m.) Council Committee Room</p>	<p><b>Finance Committee Meeting/Workshop</b> Consideration of a recommended budget and property tax rate</p>
<p><b>Monday, June 11</b> (6:00 p.m.) Council Committee Room</p>	<p><b>Public Safety Committee</b> Police, Fire, and Emergency Management Budget Overview</p>
<p><b>Tuesday, June 12</b> (2:00 p.m.) Council Committee Room</p>	<p><b>Finance Committee Workshop</b> Additional meeting (if needed)</p>
<p><b>Monday, June 18</b> (7:00 p.m.) City Council Chamber</p>	<p><b>Regular Council Meeting</b> Public Hearing and Budget Adoption</p>