

FY 2024-25 EARLY BUDGET FORECAST

COMMITTEE OF THE WHOLE

BUDGET AND PERFORMANCE MANAGEMENT DEPARTMENT
MARCH 2024



ORDER OF AGENDA

01

CITY
MANAGER
OVERVIEW

02

RESIDENT
SURVEY
DATA

03

BUDGET
FORECAST

04

CAPITAL
PROJECTS
UPDATE

05

DEBT
METRICS
UPDATE

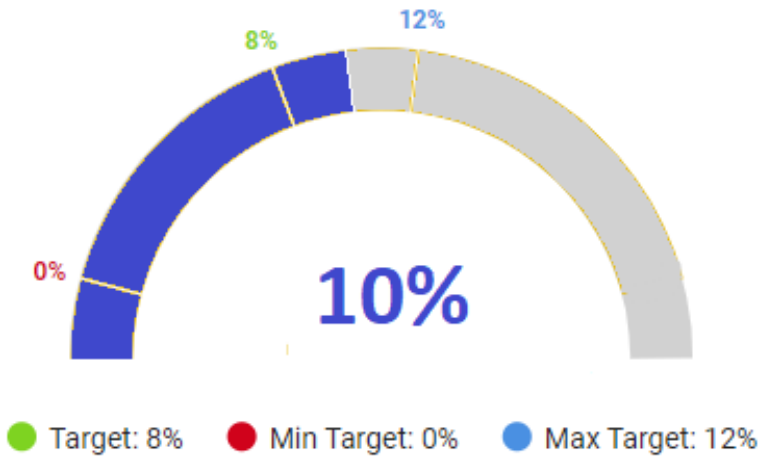


EARLY OPERATING BUDGET FORECAST

REVENUE ASSUMPTIONS AND PROJECTED MAJOR COST DRIVERS

A NOTE ON FULL-TIME VACANCY

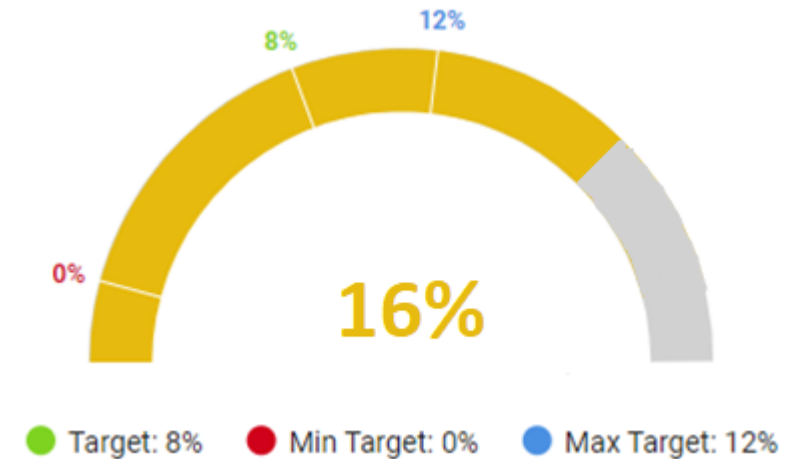
December 2019 Total Vacancy Rate



January 2023 Total Vacancy Rate



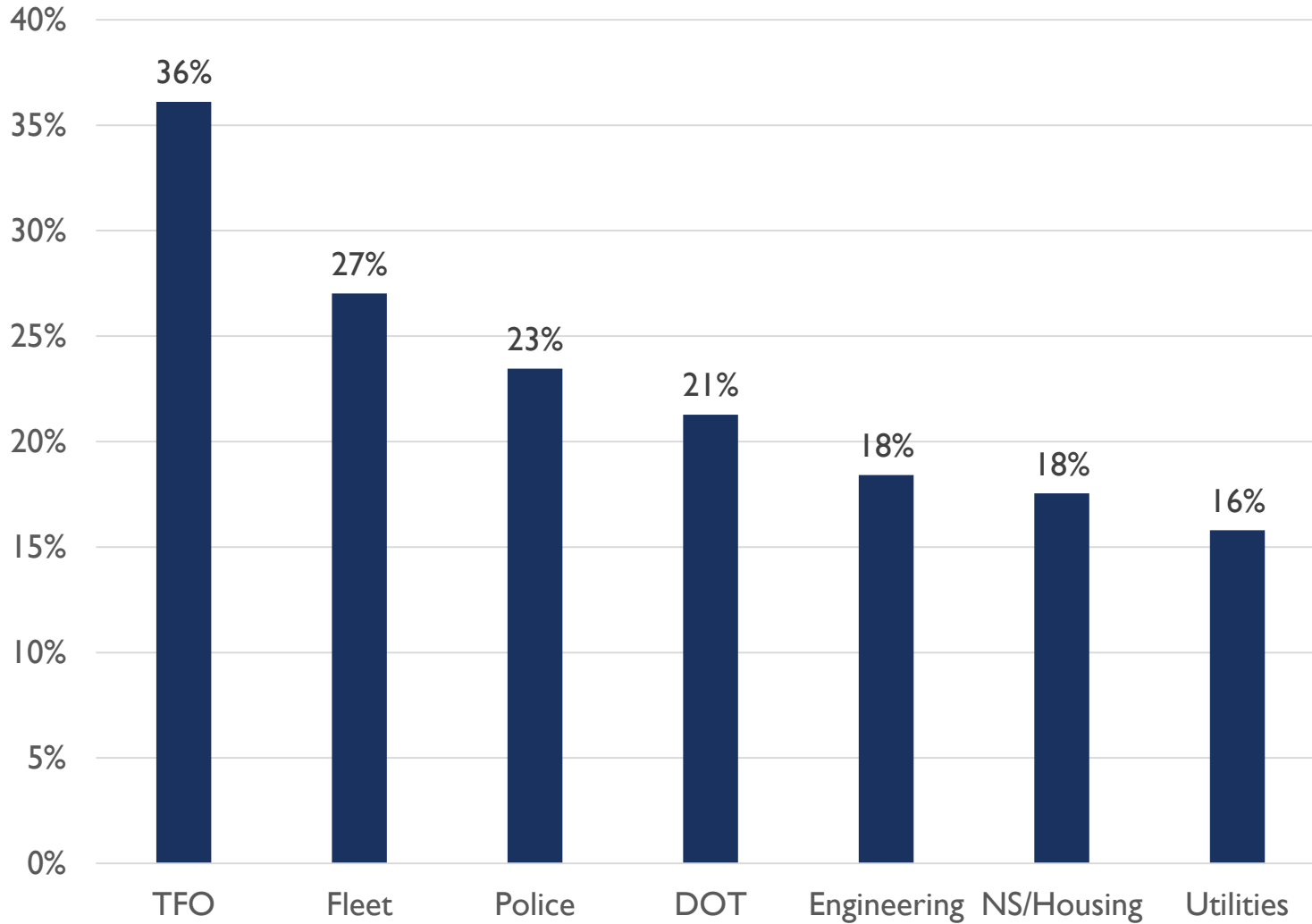
March 2024 Total Vacancy Rate



➤ March 2024 full-time vacancy rate of 15.6% does not include police and fire recruits.

Departmental Vacancy Percentages

Departments with More Than 25 Positions and Above Average Vacancy

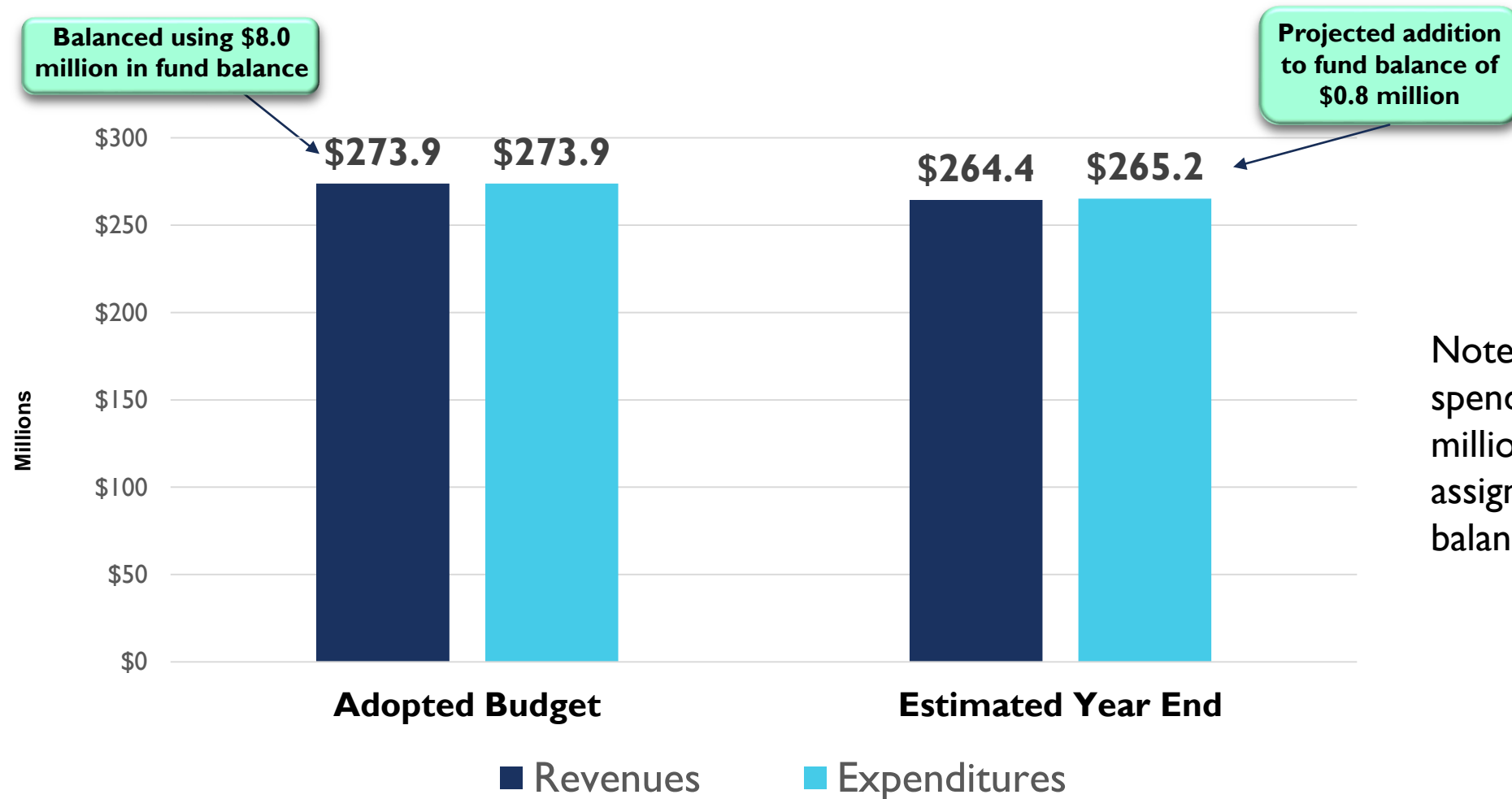


**BUDGET AND
MANAGEMENT
THEMES -
VACANCY**

BPM STAFF

EARLY BUDGET FORECAST

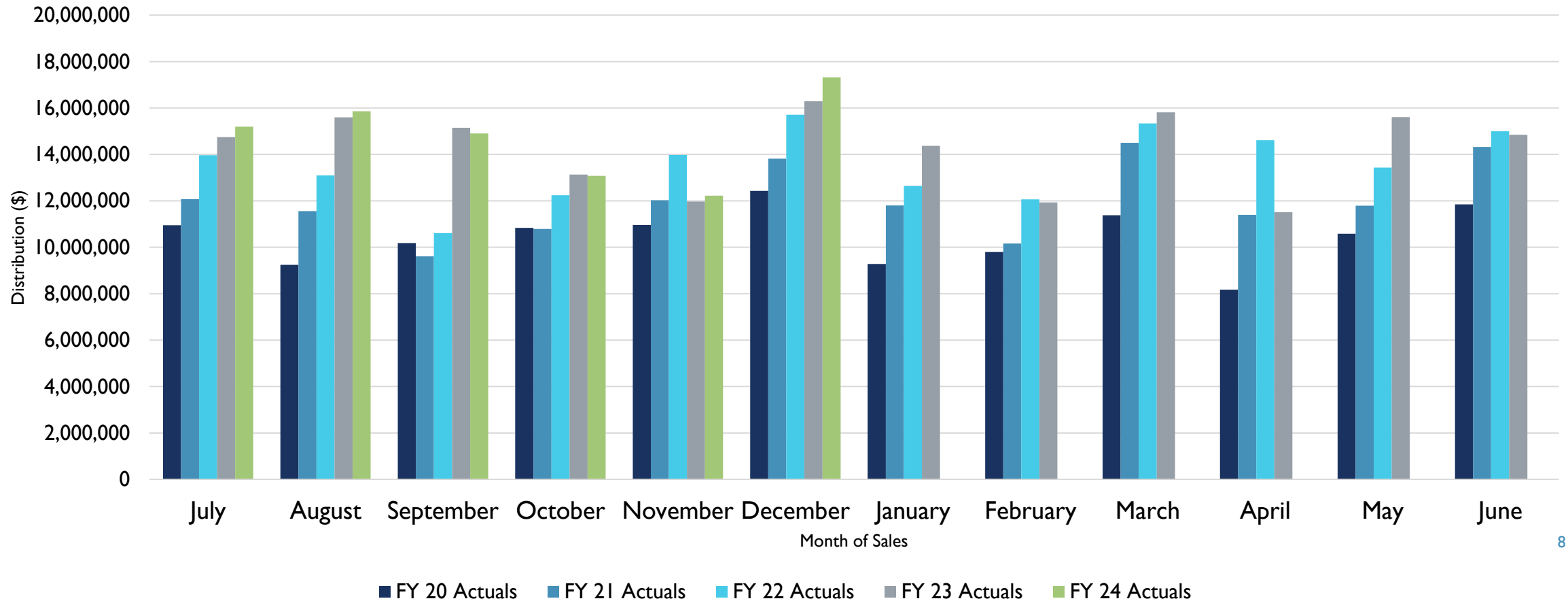
FY 2023-24 YEAR-END ESTIMATED YEAR-END (GENERAL FUND)



Note: Assumes spending \$5.9 million in "ARPA" assigned fund balance

SALES TAX REVENUE

Countywide Sales Tax Distributions



FY 2023-24 YEAR-END ESTIMATED YEAR-END (GENERAL FUND)

Revenue Drivers/Assumptions

- Property Tax - \$800k above budget
- Sales Tax Growth – \$2.0 million **below** budget
- Utilities Sales Taxes - \$1.2 million above budget
- Gas Tax - \$700k below budget

Expenditure Drivers/Assumptions

- Personnel - \$8.0 million below budget
- Supplies/Services - \$18 million below budget
 - Large unspent “ARPA” funding carry-over
- Vehicle Acquisition - \$1.8 million below budget



Notes:

- 1) These are early projections. The City added substantially more to general fund balance last year than expected.
- 2) Reduction to assigned fund balance for “ARPA” funded programs.

01

Revenue
Assumptions

02

Several Significant
Potential Budget
Drivers

03

Long-Term Budget
Changes and
Philosophy

SWITCHING GEARS TO FY 2024-25

FY 2024-25

BUDGET-TO-BUDGET CHANGES (GENERAL FUND)



- Sales Tax Growth:
 - 2% to year-end (below budget)
 - 2% in FY 2024-25
- Property Tax Base Growth
 - 2.2% in FY 2024-25

REVENUES	
Property Taxes (w/ no rate change)	\$4,100,000
Utility Sales Taxes	\$1,800,00
Beer/Wine & ABC	\$440,000
Local Option Sales Taxes	\$0
Construction Permits	\$0
TOTAL	\$6.34 million

PROPERTY TAX BASE

(GENERAL FUND, DEBT SERVICE, AND TRANSIT FUNDS)

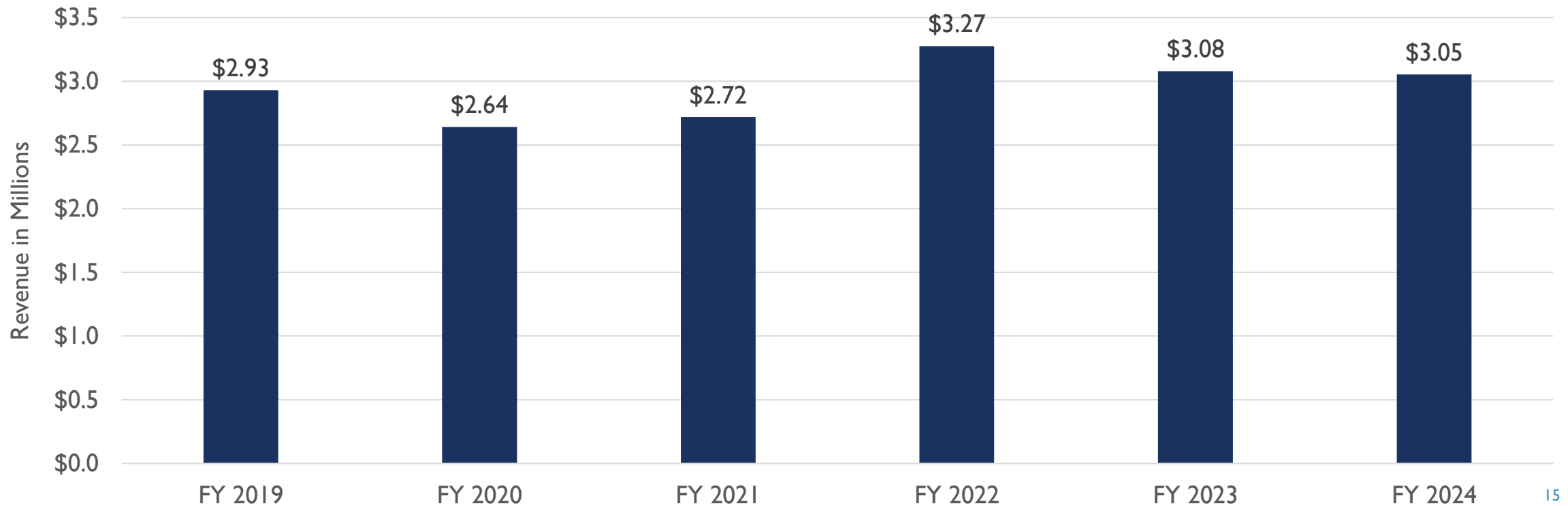


- Tax Base Estimated slightly above budget for Year-end FY 23-24
- Base Growth Rates:
 - FY 20: 2.6%
 - FY 21: 1.4%
 - FY 22: 13.0% (*Reval)
 - FY 23: 2.8%
 - FY 24: 2.4%
 - FY 25: 2.2%
 - **County Tax Est.: 0.8%**



CONSTRUCTION PERMIT REVENUE THROUGH FEBRUARY

General Fund Construction Permit Revenue
July - February (First Eight Fiscal Periods)



FY 2024-25

BUDGET-TO-BUDGET CHANGES (GENERAL FUND)



- Compensation Study:
 - Minimum Adjustments
 - Compression
 - New Police, Fire, Executive, and Unified Plans

PERSONNEL EXPENDITURES

Compensation Study/Pay Plans	??????????????
Retirement/Deferred Comp. Contributions	\$1,700,000
SUBTOTAL	??????????????

- Retirement Increases
 - 0.75% for Non-Police
 - 2.72% for Police

FY 2024-25

GENERAL FUND BUDGET PRESSURES



- Vehicle replacement leasing expenses represent \$8.6 million in additional acquisition
- Certain WSPD contracts related to Real Time Crime Center (previously grant funded)

NON-PERSONNEL EXPENDITURES	BUDGET TO BUDGET CHANGE
WSFD Self-Contained Breathing Apparatus	\$4,100,000
Equipment Replacement (including lease rate increase)	\$2,000,000
Streetlighting Energy Costs	\$1,000,000
Support to Fairgrounds and Bowman Gray Stadium	\$700,000
WSPD Software and Contracts	\$675,000
ADA Evaluation	\$300,000
Landscaping Contracts	\$280,000
SUBTOTAL	\$9,055,000



OTHER BUDGET PRESSURES

- Transit Contract - \$5.0 million +
 - New Transit Provider in FY 2024-25
- Street Resurfacing - \$7.8 million
 - Average 60 miles annually
- Affordable Housing - \$7.25 million
 - 150 units at \$35,000 per unit annually
- Alternative Fuel Vehicles - \$1.0 million
 - Acquisition and infrastructure upgrades annually

OTHER FUNDS – BUDGET CONSIDERATIONS



- Transit Fund (WSTA Operations and Capital)
 - Significant increase for new operations contract
- Stormwater Management
 - Rate increase to maintain appropriate levels of cash for capital, debt, and operations
- Public Assembly Facilities
 - Winston-Salem Fairgrounds and Bowman Gray Stadium operating deficits
- Parking
 - Review of operations and rate modeling (future presentation to Public Work Committee)

Review of pro formas for selected funds during budget presentation

REDUCE RELIANCE ON DEBT FINANCING



Vehicles and Equipment



Maintenance Projects



Smaller Capital Projects

Strategies to fund replacement and maintenance priorities while maintaining debt capacity for large-scale projects.

- Saves taxpayers millions of dollars in unnecessary interest payments.
- Aligns debt issuance with asset depreciation schedule.
- Requires additional up-front cash resources.

FY 2024-25

PRELIMINARY BUDGET REVIEW CALENDAR



Date/Location	Event/Topic
Tuesday, May 28 (4:00 p.m.) City Council Chamber	Presentation of Proposed Budget to the Mayor and City Council Budget Overview, Budget Document
Thursday, May 30 (4:00 p.m.) City Council Chamber	Finance Committee Budget Workshop Capital Budget Overview
Thursday, May 30 (6:00 p.m.) City Council Chamber	Finance Committee Public Hearing
Thursday, June 6 (4:00 p.m.) City Council Chamber	Finance Committee Meeting/Workshop Consideration of a recommended budget and property tax rate
Tuesday, June 11 (4:00 p.m.) City Council Chamber	June Finance Committee Meeting Additional budget deliberations (if needed)
Monday, June 17 (6:00 p.m.) City Council Chamber	FY 2024-25 Budget Adoption 2 nd Public Hearing and Budget Adoption