



# FY 2023-2024 Budget

May 15, 2023

*Statesville will be a vibrant regional center that provides a higher quality of life for ALL.*

## Accomplishments in FY 2023

- Received ISO 1 Rating for the Fire Department.
- Working with Davenport Public Finance to create the Capital Improvement Plan.
- Working with Centralina Regional Council to create the Strategic Plan.
- Beginning construction of Fire Station 1 and the Municipal Operations Center (Warehouse).



# Winter Planning Retreat - Guidance



EXPECTED  
REAPPRAISAL REVENUE



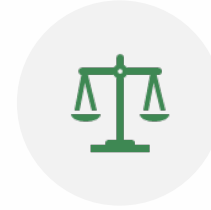
EMPLOYEE SALARIES  
AND BENEFITS



EXPECTED NEW  
POSITIONS



PRIORITIZATION OF  
CAPITAL PROJECTS



FUND BALANCE POLICY



SOLID WASTE FEE



AFFORDABLE HOUSING



# General Fund

## Significant Revenue Changes

- Reappraisal - Ad Valorem Property Tax increased by \$6,000,000 = 30% increase
- Local Sales Tax increased by 8%.
- Investment earnings
- Residential Solid Waste Fee eliminated
- Powell Bill Funding
- Direct Appropriation to General Fund from the Electric Fund - \$1 million

## Major Expenditures

- Capital Improvement Plan (over \$8 million)
  - Fire Truck
  - Police Vehicles (9)
  - Police expansion plans
  - Garbage trucks (3)
  - Park improvements
- Salary increases (\$ 4 million)
  - Public Safety increases (legacy and new)
  - Cost of Living adjustment at 8%
  - 401k Match increase
  - Pay study implementation



# Enterprise Funds

## Revenue

- Electric Sales: (4.7%)
- Water sales: (12%)
- Sewer fees: (9%)
- Stormwater Fee Collection: (4%)
- Hanger Lease: (36%)
- Fuel: (30%)
- Civic Center Fees: (35%)

\*no fee increases in FY 2024

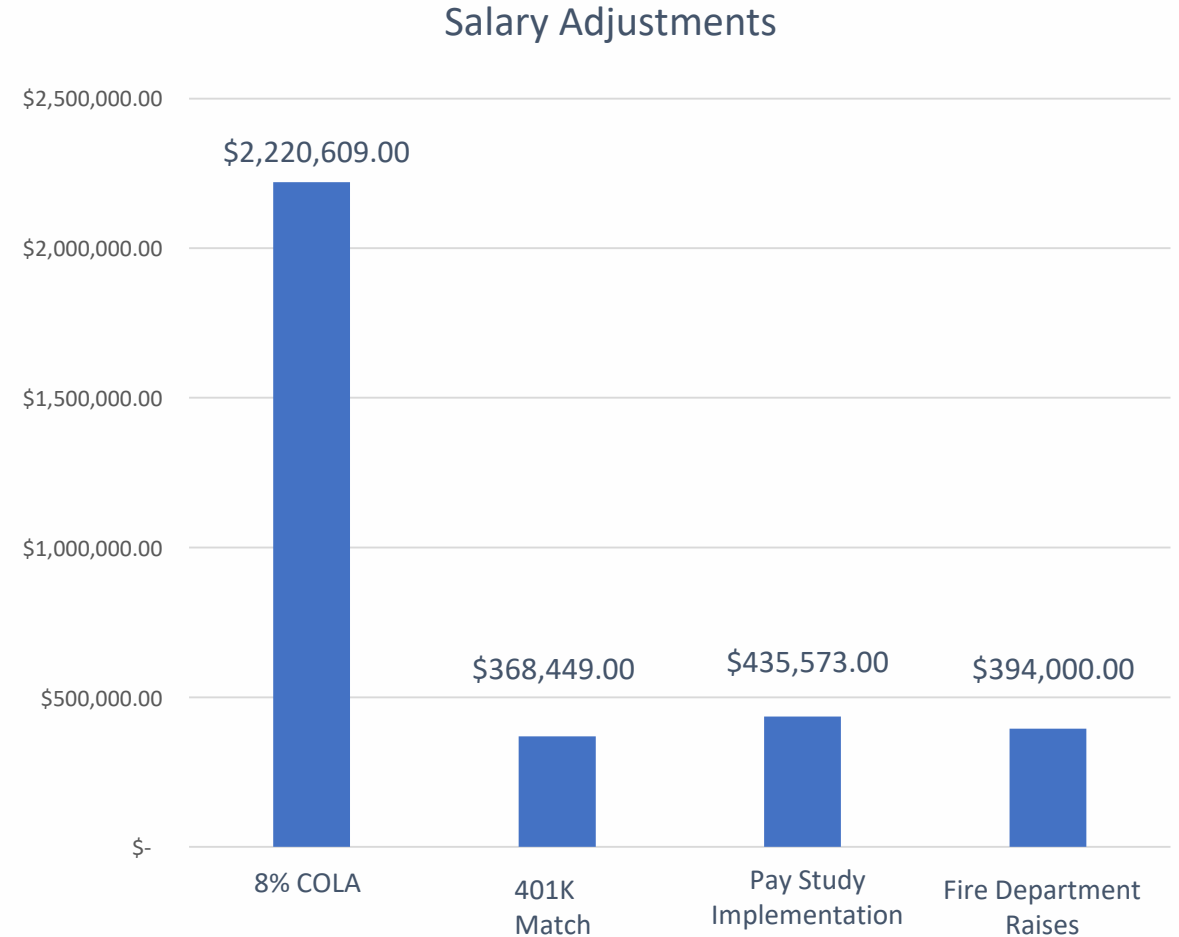
## Expenditures

- Electric Capital: (-72%)
- Wholesale Electric: (-10%)
- Water and Sewer Capital: (628%)
  - \$20,000,000 is from the State for water line replacement
- Stormwater Capital: (24%)
- Salary and Benefits increases



- Challenges
  - Competitive Market Pressure - located in one of the nation's most desirable areas – many peers
  - Inflation/CPI
    - 2020: 1.2%
    - 2021: 4.7%
    - 2022: 8.0%
  - Recruitment and Retention
  
- This budget recommends shoring up both salaries and benefits meet these needs
  - 8% cost of living adjustment
  - Increase 401K match to 5%
  - 3<sup>rd</sup> Year Pay Study Implementation
  - Fire Raises

# Salary Adjustments



# New Positions



MECHANICAL EQUIPMENT  
OPERATIONS (MEO)  
SANITATION



HR TECH



PLANNER 1



2 POLICE INVESTIGATORS



FIRE LIFE SAFETY  
COORDINATOR



MEO  
STREETS



MEO  
SEWER MAINTENANCE



3<sup>RD</sup> CREEK SENIOR  
OPERATOR



4<sup>TH</sup> CREEK OPERATOR  
TRAINEE



## Revenue Neutral

- The reappraisal produced a tax base of \$4,699,700,000 for the City of Statesville. The tax levy for the current fiscal year is \$18,902,679, and the growth rate since the last general reappraisal is 3.1%.
- Using the formula mandated by state law, the revenue-neutral tax rate for Statesville is \$0.4147 cents.
- The proposed tax rate for FY2024 is \$0.5478 cents, as it has been since the last reappraisal in FY2020.





# Budget Summary

Fund	FY 2023	FY 2024 Proposed	Change	% Change
General	\$52,280,740	\$55,513,202	\$3,232,462	6.18%
Electric	\$67,226,735	\$49,371,204	-\$17,855,531	-29.92%
Water and Sewer	\$18,384,300	\$43,143,760	\$24,759,760	134.7%
Civic Center	\$1,089,400	\$1,535,855	\$446,455	41%
Airport	\$2,915,100	\$3,676,948	\$761,848	26.13%
Stormwater	\$2,281,340	\$2,466,052	\$184,712	8.1%
<b>Total</b>	<b>\$144,177,615</b>	<b>\$156,066,171</b>	<b>\$11,529,706</b>	<b>8%</b>

Fund	FY2023	FY2024 Proposed	Change	% Change
Risk Management	\$7,982,000	\$8,121,000	\$139,000	1.74%
E-911	\$8,000	\$8,000	\$0	-
Occupancy Tax	\$1,083,300	\$1,275,510	\$192,210	17.74%
<b>Total</b>	<b>\$9,073,300</b>	<b>\$9,404,510</b>	<b>\$331,210</b>	<b>3.65%</b>

## Recommendations

- Recommended FY2024 Operating and Capital budget: **\$165,470,681.**
- A General Fund balance appropriation of \$2,640,000 has been included for one-time capital expenditures.
- Fund balance is estimated to be just over 65% at the end of FY2023.
- One penny on the tax rate generates \$469,970 in revenue.

