



FY 2025 Proposed Budget

May 14, 2024

Foster Hughes
City Manager

Budget Process Timeline

- Governing Board Budget Survey – November 2023
- Budget Work Session – December 12, 2023
- Department Budgets Due - February 2024
- Budget Review – March - April 2024
- City Manager's Budget Presentation – May 14, 2024

Budget Development



- Governing Board Feedback
- Department Recommendations
- Strategic Planning Process
 - 5 Main Goals
 - Excellence in Government
 - Safe & Welcoming Community
 - Planning & Infrastructure for Balanced Growth
 - Economic Development
 - Community Engagement

*Department Budget requests were tied to these goals.

Budget Impacts

- Expenses

- Department Requests = \$7 Million over expected revenues

- Revenues

- Assessed property values increased by \$200 Million to \$4.9 Billion = \$830,000 additional revenues
- Sales Tax estimated at 3% increase = \$342,000

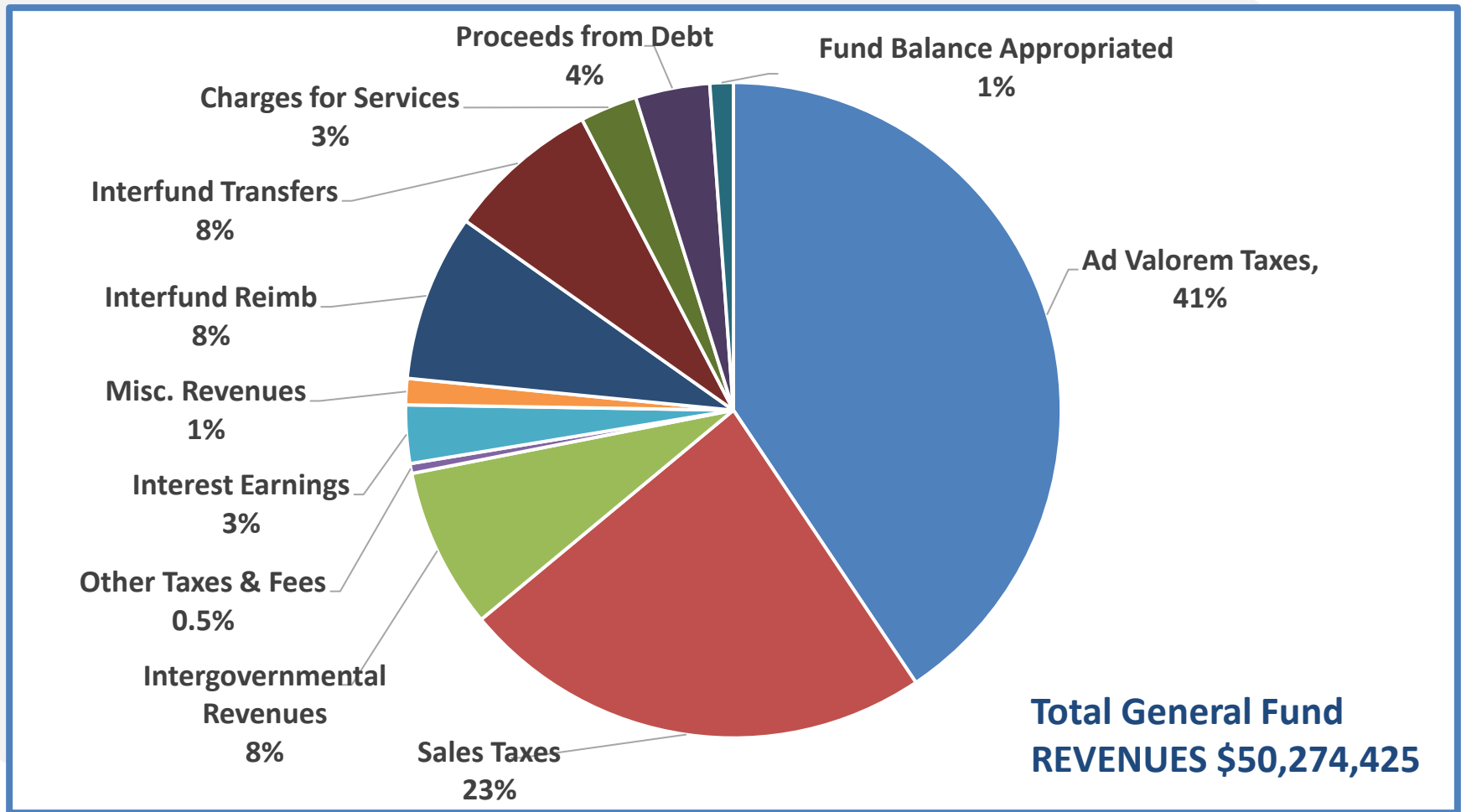
Budget Impacts

- Increased cost of materials and supplies
- Mandatory Increase in NC Retirement rate
- Increase in Insurance premiums
 - SWRC
- Salary and Benefits
 - General Fund: 64% of budget Salary
 - Implementation from FY24 carries forward \$2.4 Million annually

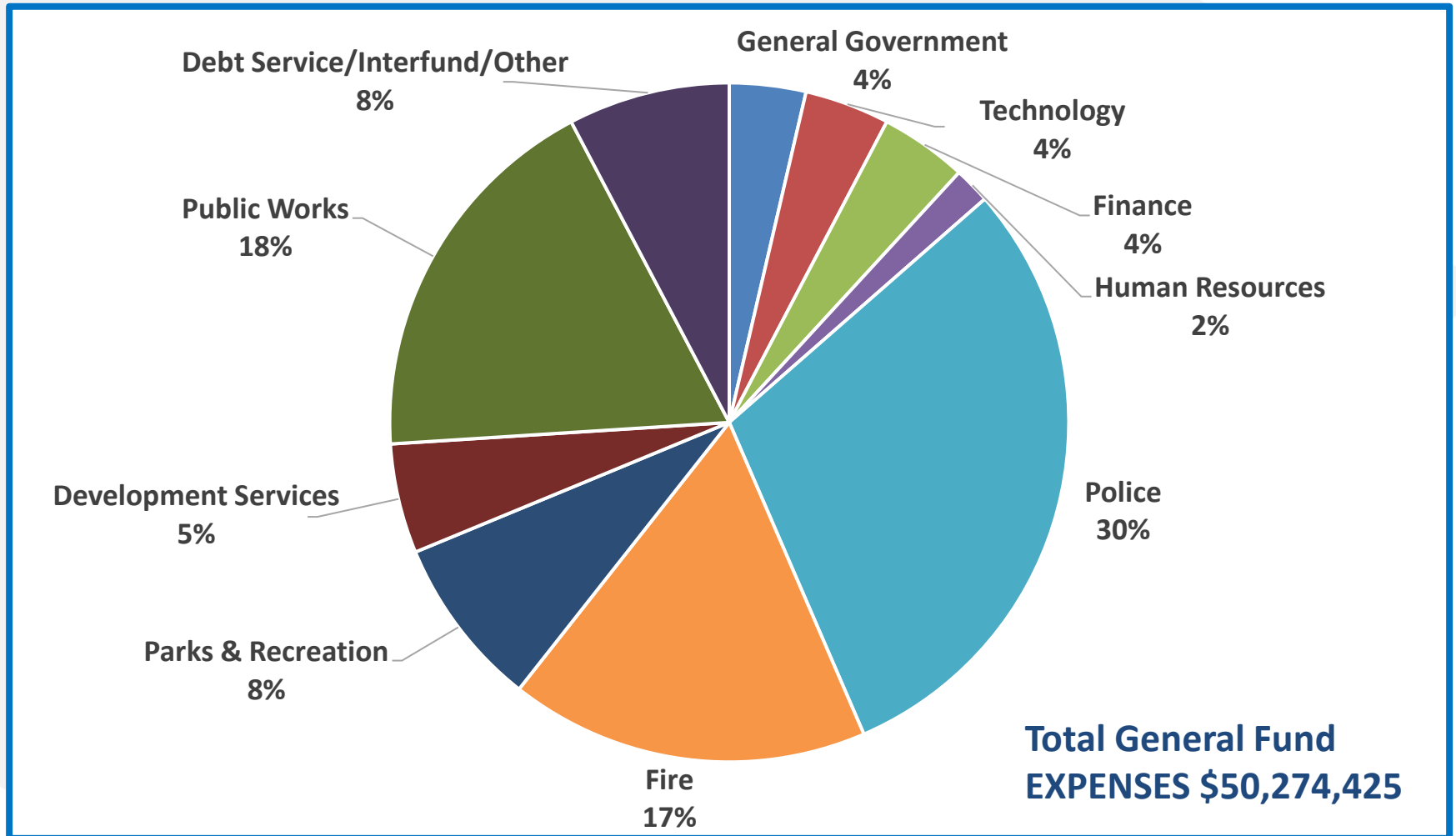
Budget Impacts

- Debt Service
 - General Fund = Additional \$1.8 Million from prior year
 - SWRC
 - Capital Financing

Where General Fund Revenues Come From FY25 Proposed Budget



Where General Fund Dollars Go FY25 Proposed Budget



This Budget includes

- 2% COLA for all employees. Southern CPI (*Consumer Price Index*) as of March, 2024 is 3.8%
- No new full-time employees
- Four part-time employees for SWRC
- Maintains current level of service to our citizens.

Proposed Capital

– General Fund \$2,644,837

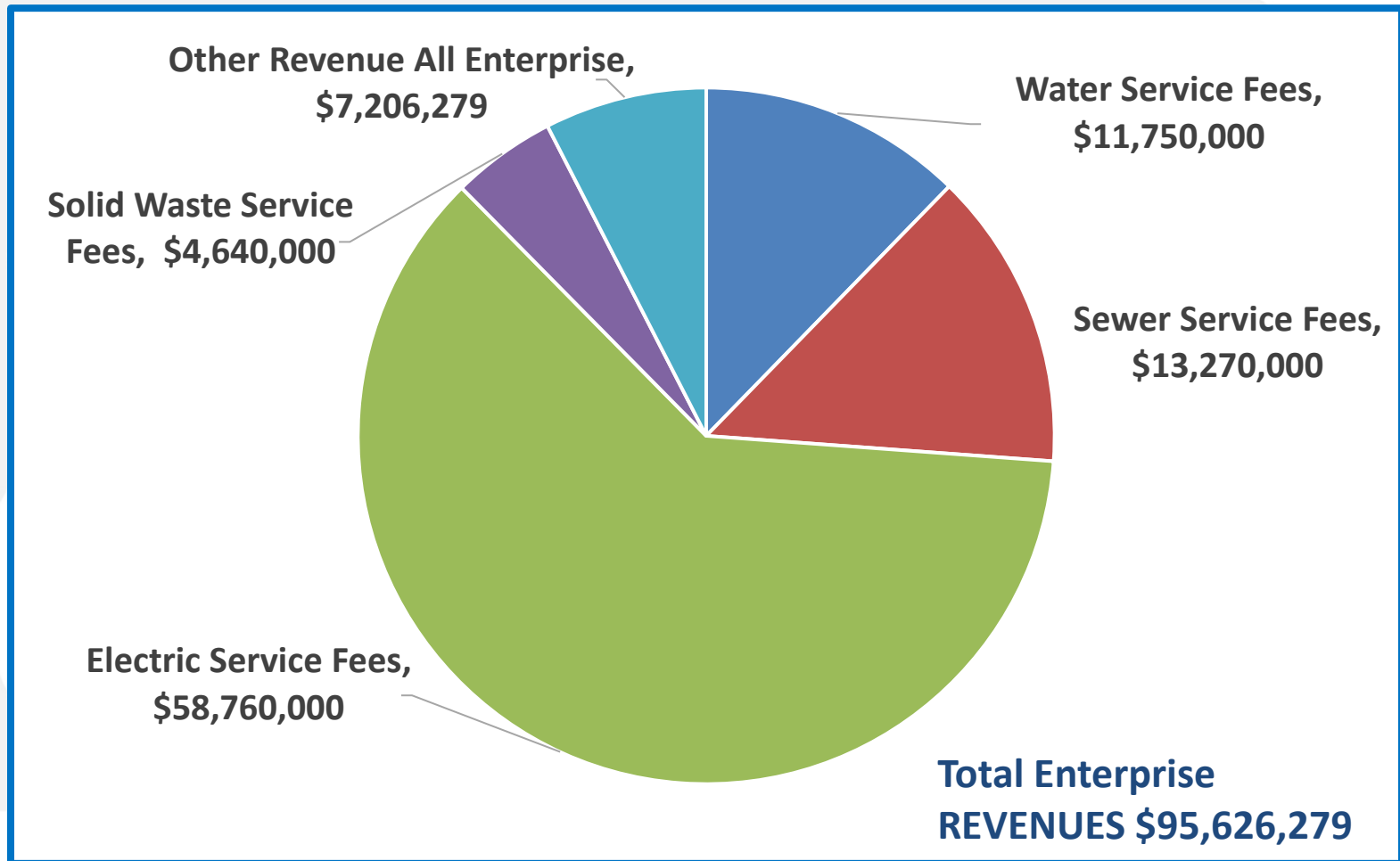
\$1.8M in General Fund Capital qualifies for financing

- Police Replacement vehicles
- Fire-Rescue SCBA's
- Department vehicles and equipment replacement
- Camera system in parks
- Fishing pier refurbishments
- Park restroom upgrades
- Sidewalk and street improvements

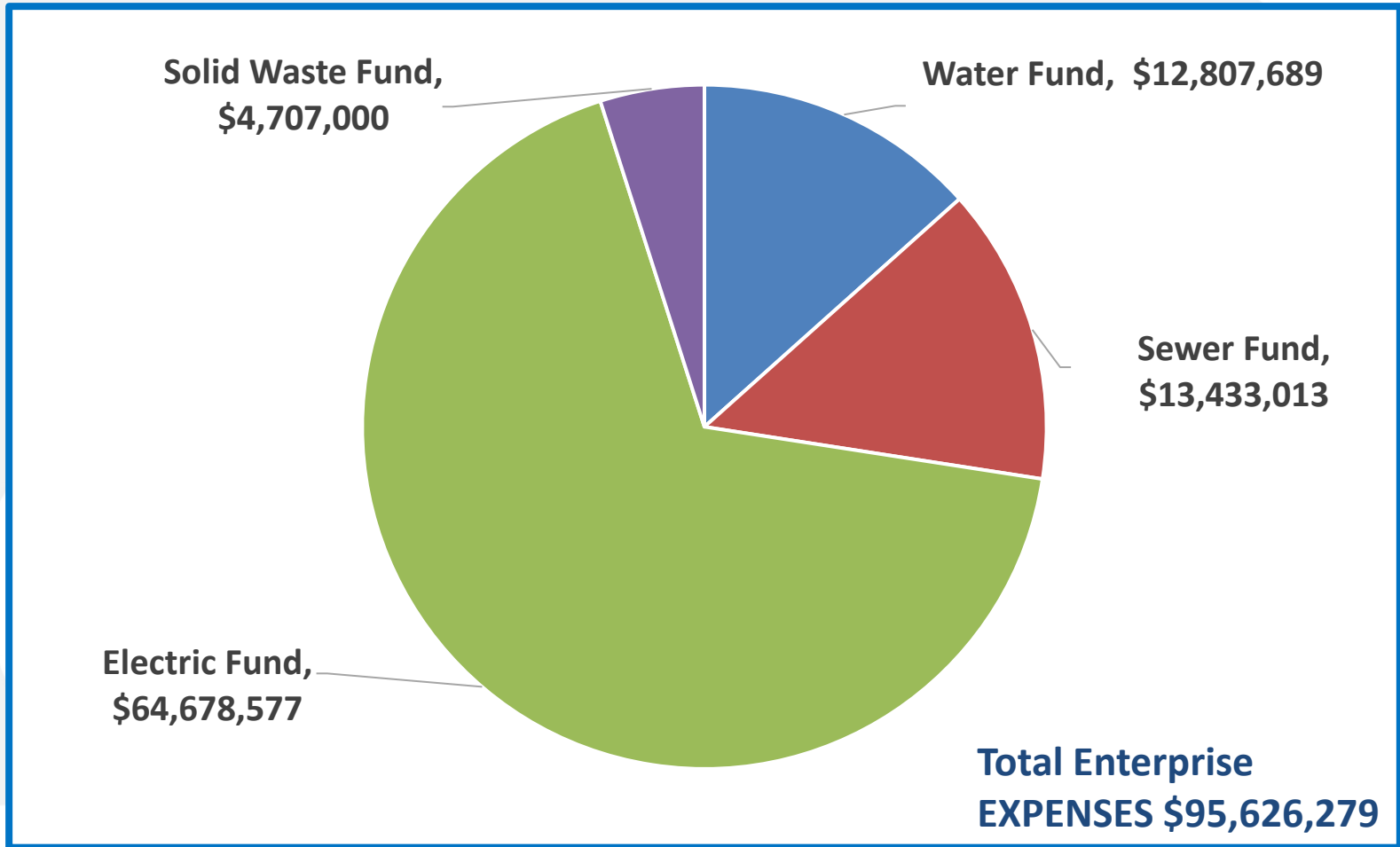
To Balance this budget

- **To maintain our current level of service to our citizens:**
 - Fund Balance Allocation = \$580,000
 - Tax rate increase of .03 cents
 - Current Ad valorem rate of .38 would increase to .41 cents per \$100
 - A .03 cent increase would generate an additional \$1,483,500 in revenues.
 - Note: *.01 cent = \$494,500 in revenue*
 - No change to the MSD tax rate of .1122 cents
 - **Proposed General Fund Budget \$50,274,425**
(2.7% increase over FY24)

Where Enterprise Funds Come From FY25 Proposed Revenue by Fund



Where Enterprise Fund Dollars Go FY25 Proposed Expenses by Fund



Budget Impacts

- Salary and Benefits
 - Enterprise Funds: 18% of budget Salary
 - Implementation from FY24 carries forward \$1.2 Million annually
- Debt Service
 - Enterprise Funds = Additional \$772,500 from prior year
 - Electric - Property purchase
 - Sewer - Capital project financing

Budget Impacts

- Increased cost of goods and services
- Electric Utility
 - Electricities True-up (cost passed on to customer)
 - Rate Study (*presentation at budget work session*)
- Solid Waste rate increase
 - GFL contract, Landfill tipping fee increase

Proposed Capital

- Electric Fund \$1,051,000
 - HVAC replacement at Kale Road
 - Traffic control signs
 - Portable light towers
 - Service vehicle replacement
 - System improvements

Proposed Capital

– Sewer Fund \$1,068,000

- Service vehicle replacements
- Storage facility addition
- Various sewer system improvements
- Lift station rehab

Proposed Capital

- Solid Waste Fund \$105,000
 - Service truck replacement
 - Vehicle refurbishment

Proposed Capital

- Water Fund \$478,000
 - Service vehicle replacements
 - Various water system improvements
 - Upgrades to water supply wells and treatment components

Proposed FY25 Budget

Total City Budget \$155,421,881

4.1% overall increase compared to the FY24 Adopted Budget

- General Fund \$50,274,425
- Enterprise Funds
 - Water Fund \$12,807,689
 - Sewer Fund \$13,433,013
 - Electric Fund \$64,678,577
 - Solid Waste Fund \$ 4,707,000
- Other Funds \$ 9,521,177
(MSD, E-911, RDC, MPO, Employee Insurance and others)

The FY 25 Budget proposal complies with NC General Statutes.

Budget Process Timeline

- Budget Workshop – May 21 & 22, 2024
- Public Hearing – May 28, 2024
- Budget Adoption – June 11, 2024
- The FY25 Budget is available for review:
 - City Clerk's Office
 - New Bern-Craven County Public Library
 - www.NewBernNC.gov