# FY 14 BUDGET HEARING

10 June 2013

# FY 14 Budget Process

- December 2012 – May 2013
  - Recommended Budget Developed at Staff Level
- 20 May 2013
  - Recommended Budget Presented to City Council
- Four Budget Work Sessions Held by Mayor & Council
  - Review the Recommended Budget
  - Adjust Budget as Deemed Appropriate
  - Consensus Budget Developed
- Budget Hearing
- Budget Adoption Required by Law NLT 30 June

# Key Elements of the FY14 Consensus Budget

- **Regional Water Fund**
  - 99% of All Revenue is Derived from the Sale of Water to Henderson, Oxford and Warren County
  - Recommended Budget
    - 5% Rate Increase
  - Consensus Budget
    - Clearwell Capital Improvement Project Eliminated
    - 5% Rate Increase Reduced to 0%

# Key Elements of the FY14 Consensus Budget

- Water Fund
  - 91% of all Revenue is Derived from Sale of Water to Henderson Water Customers, Franklin County, Kittrell and Vance County Water Systems
  - Recommended Budget
    - 8% Rate Increase
  - Consensus Budget
    - 0% Regional Water Rate = 5% of the increase
    - Elimination of Vacant Public Utilities Director Position *(Fund's Share of Costs)*
    - Reduction in Contingency
    - 8% Rate Increase Reduced to 0%

# Key Elements of the FY14 Consensus Budget

- Sewer Fund
  - 87% of All Revenues are Derived From the Sewer Use Charge to Henderson utility customers

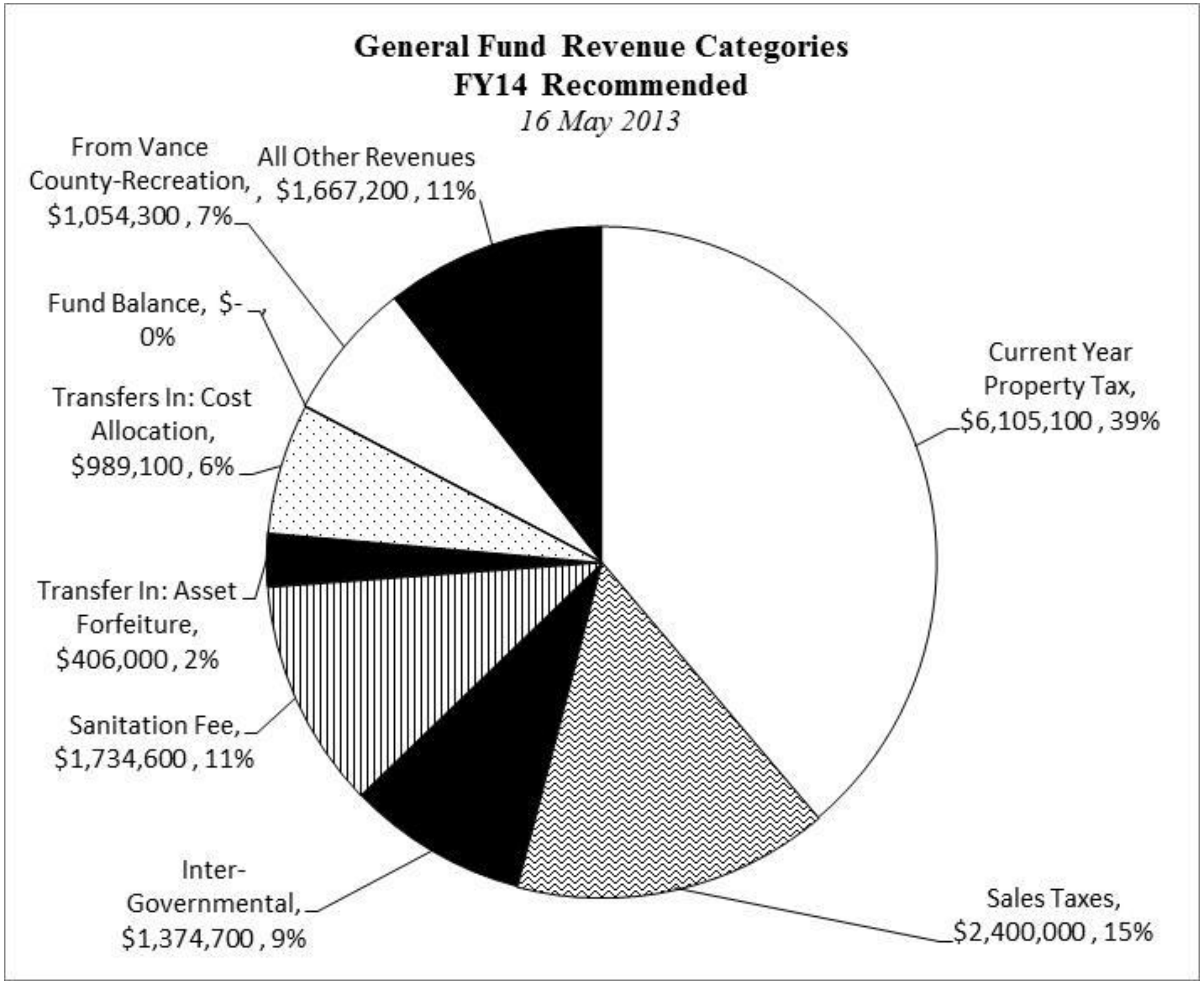
  - Recommended Budget
    - 2.5% Rate Increase

  - Consensus Budget
    - Elimination of Vacant Public Utilities Director Position *(Fund's Share of Costs)*
    - 2.5% Rate Increase Reduced to 1.0%
    - Estimated Impact on Residential Customer Using 5,000g per Month
      - Inside City: $0.41
      - Outside City:  $1.03

# Key Elements of the FY14 Consensus Budget

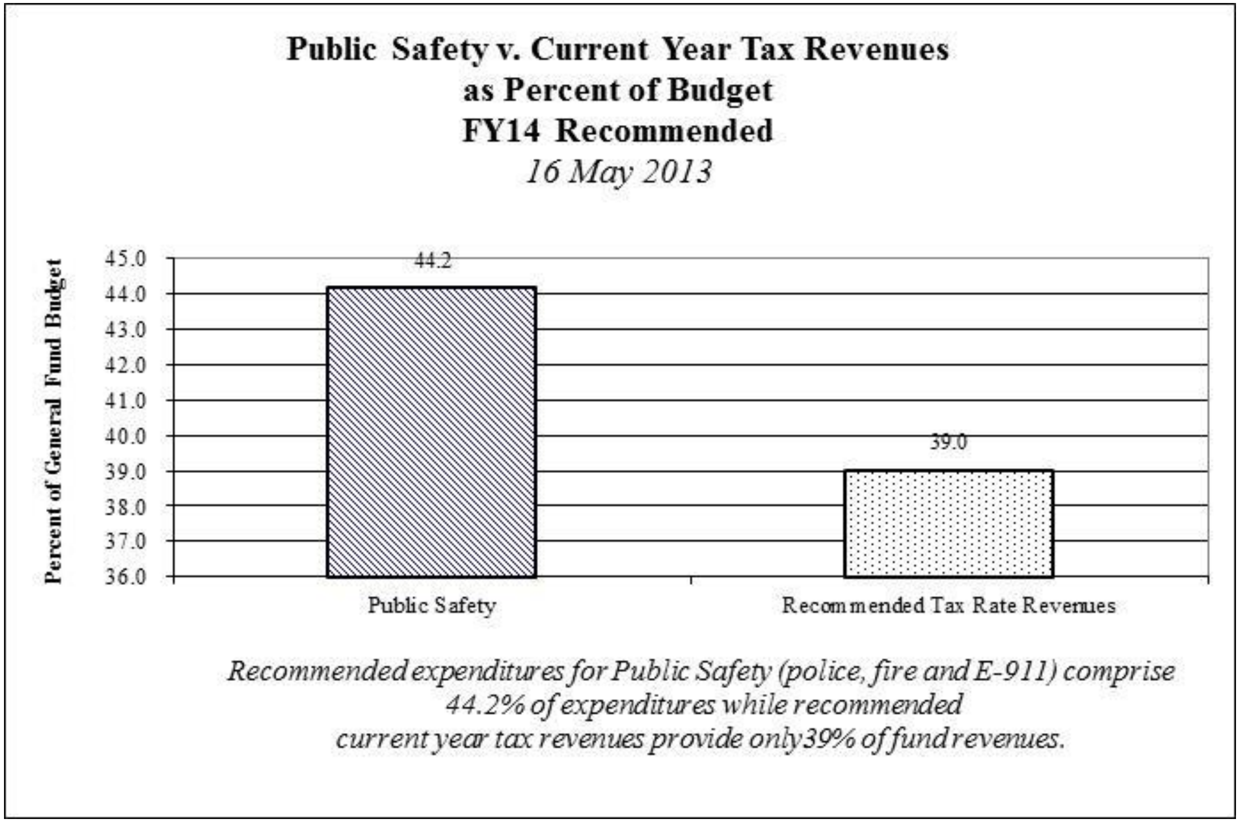
- General Fund
  - Most Difficult to Fund and Balance
    - Provides Most Basic Services
    - Has Least Revenue Flexibility
    - 65% of all Revenues are Derived from Just Three Sources Yielding $10.2M out of a $15.7M Recommended Budget
      - 39%: Current Year Property Tax
      - 15%: Local Option Sales Taxes on Goods Purchases
      - 11%: Monthly Sanitation Fee
  - Only Draft Consensus Achieved for Purpose of Presenting General Fund Budget to Public Hearing Tonight

# Key Elements
# of the FY14 Consensus Budget



# Key Elements of the FY14 Consensus Budget

- The Single Largest Expenditure Center in General Fund is Public Safety at $6.8M
  - Police, Fire & Emergency E-911 *(shared program with Vance County; 50-50)*



# Key Elements of the FY14 Consensus Budget

- Recommended Budget
  - 8.3 Cents Property Tax Increase
  - 50 Cents Monthly Sanitation Fee Increase
  - No Use of Fund Balance

- Draft Consensus Budget
  - $503,300 in Various Reductions in Many Departmental Budgets
  - 8.3 Cents Property Tax Increase Reduced to 3 Cents
  - 50 Cents Sanitation Fee Increase Further Increased to $1.50
  - New Fire Inspection Fee, Estimated Costs Ranging From $55 to $120
  - $164,300 Appropriated from Fund Balance

# Key Elements
# of the FY14 Consensus Budget

| FY14 Residential Estimated Impacts | Current | Recommended | Draft Consensus | Increase Over Current |
|---|---|---|---|---|
| | 1-Jul-12 | 20 May 2013 | 10 June 2013 | |
| *Tax Rate* | 0.585 | 0.668 | 0.615 | 0.03 |
| Property Tax on $200,000 Home | $ 1,170.00 | $ 1,336.00 | $ 1,226.00 | $ 56.00 |
| *Fee Per Month* | $ 27.00 | $ 27.50 | $ 28.50 | $ 1.50 |
| Sanitation Fee, Residential User (Annual) | $ 324.00 | $ 330.00 | $ 342.00 | $ 18.00 |

# Key Elements of the FY14 Consensus Budget

- Comments From Citizens via Public Hearing