

**GOLDSBORO CITY COUNCIL
SPECIAL MEETING AGENDA
TUESDAY, MAY 28, 2024
5:00 P.M.**

(Please turn off, or silence, all cellphones upon entering the Large Conference Room)

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. ITEM TO BE DISCUSSED**
 - Managers Recommended Fiscal Year 2024-25 Budget
- IV. ADJOURN**

TO: GOLDSBORO CITY COUNCIL
FROM: CHARLES GAYLOR, IV, MAYOR
RE: SPECIAL MEETING CALLED

A Special Meeting is called for the Goldsboro City Council on Tuesday, May 28, 2024 at 5:00 p.m. in the Large Conference Room, City Hall Addition, 200 North Center Street, Goldsboro, North Carolina.

The purpose of the meeting is to discuss the recommended 2024-2025 Fiscal Year Budget.

This is the 24th day of May 2024.


Charles Gaylor, IV
Mayor

SPECIAL MEETING NOTICE


OFFICE OF THE CITY CLERK GOLDSBORO, NORTH CAROLINA

Notice is hereby given that the Goldsboro City Council will hold a Special Meeting on Tuesday, May 28, 2024 at 5:00 p.m. in the Large Conference Room, City Hall Addition, 200 North Center Street, Goldsboro, North Carolina.

The purpose of the meeting is to discuss the recommended 2024-2025 Fiscal Year Budget.

The meeting will be streamed live on the City's Facebook and YouTube pages at <https://www.goldsboronc.gov/mayor-of-goldsboro/city-council-minutes/>.

This is the 24th day of May 2024.



Laura Getz, MMC/NCCMC
City Clerk

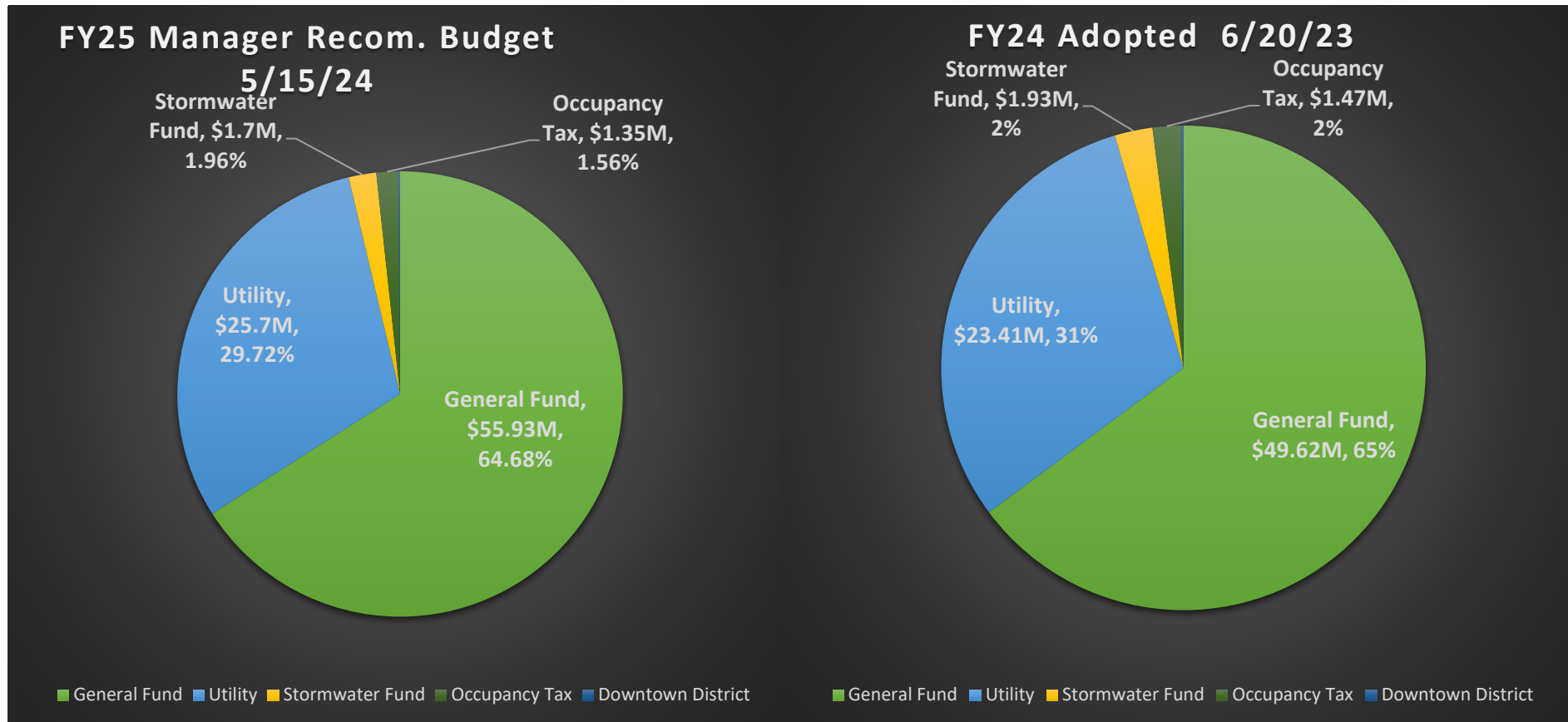
FY2024-25 Budget Work Session
May 28, 2024 5:00 pm



Summary FY24-25 Budget

FY24-25 Manager's Rec. \$86.5M

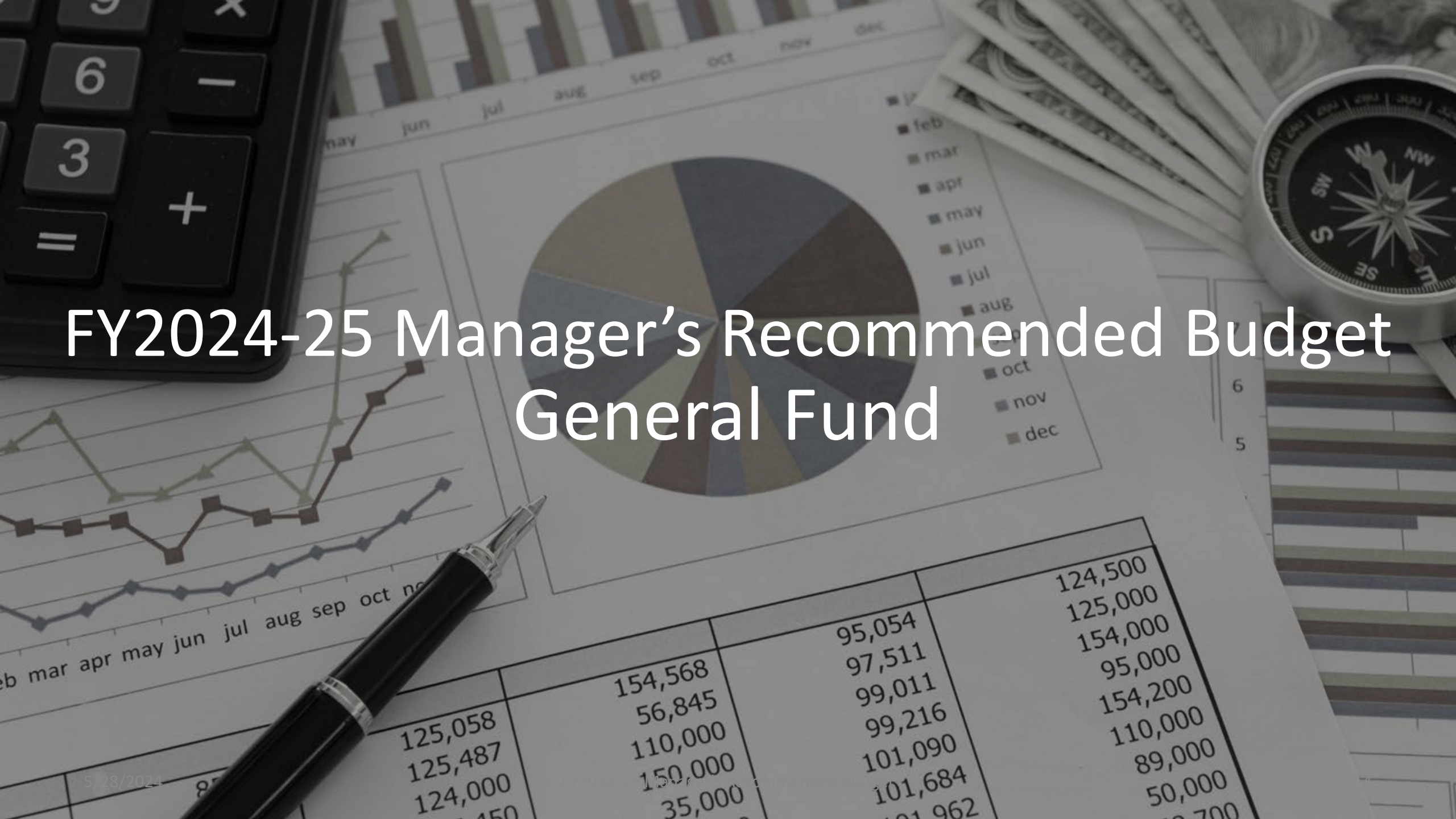
FY23-24 Adopted Budget \$76.6M



FY2024-25 Manager's Recommended Budget All Funds

Fund	FY24 Adopted	FY25 Mgr. Rec.	Incr/(Decr)	% Change
General Fund	\$49,622,612	\$55,931,496	\$6,308,884	13%
Utility Fund	\$23,409,993	\$25,698,254	\$2,288,261	10%
Stormwater Fund	\$1,934,200	\$1,697,831	\$(236,369)	-12%
Occupancy Tax Fund	\$1,465,450	\$1,349,857	\$(115,593)	-8%
Downtown MSD Fund	\$102,683	\$100,225	\$(2,458)	-2%
General Fund Capital Reserve	\$1,000	\$1,000	\$0	0%
Cemetery Perpetual Fund	\$0	\$53,105	\$53,105	
Fuel System Internal Service Fund	\$0	\$1,361,421	\$1,361,421	
Utility Fund Capital Reserve	\$100,000	\$0	\$(100,000)	-100%
System Development Fees Capital Reserve	\$0	\$280,000	\$280,000	
Total All Operating Funds	\$76,635,938	\$86,473,189	\$9,837,251	13%

FY2024-25 Manager's Recommended Budget General Fund

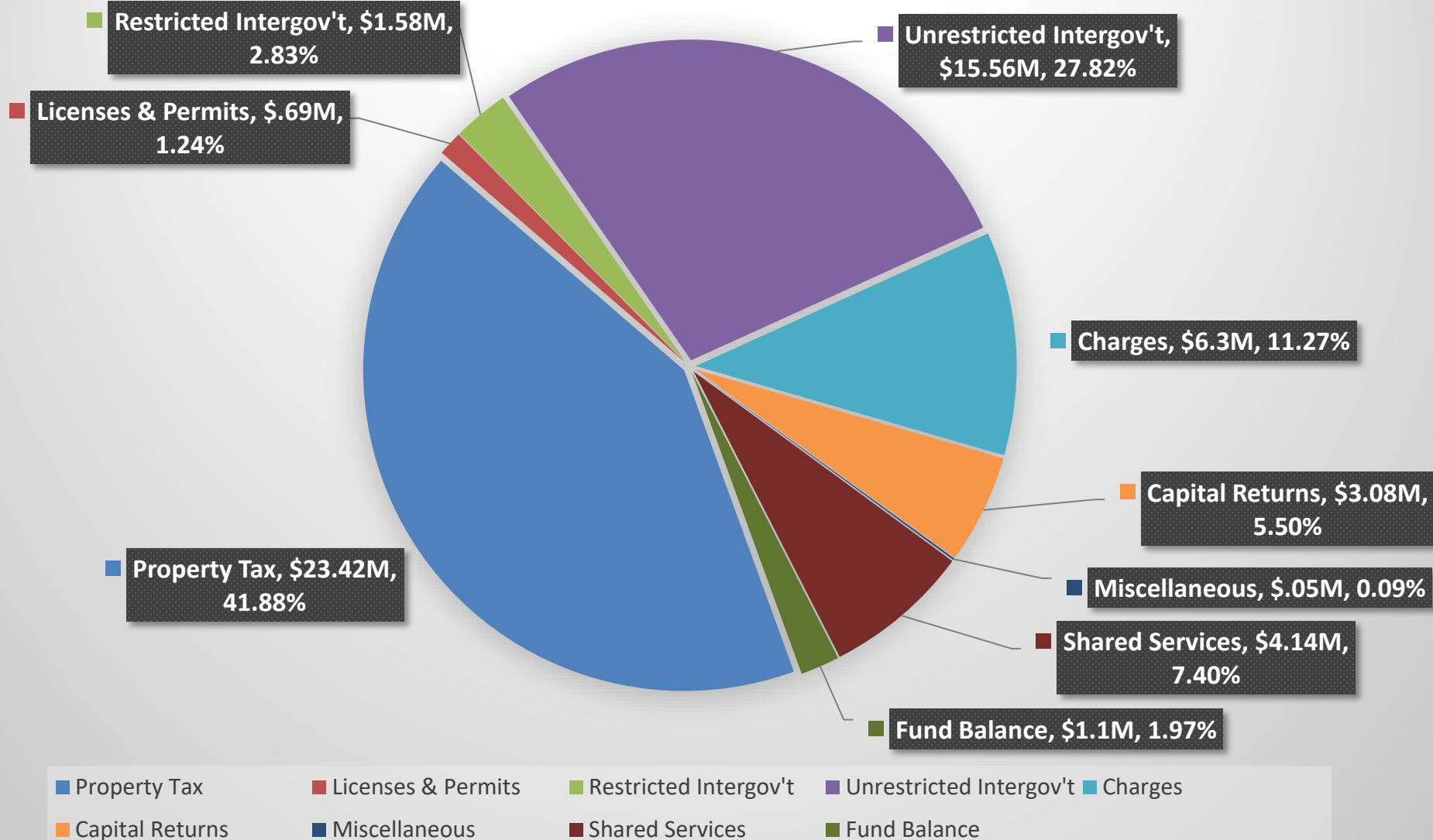


125,058	154,568	95,054	124,500
125,487	56,845	97,511	125,000
124,000	110,000	99,011	154,000
1450	150,000	99,216	95,000
	35,000	101,090	154,200
		101,684	110,000
		101,962	89,000
			50,000
			700

General Fund Revenue Comparison

Revenue Type	FY24 Adopted	FY24 % of Total	FY25 Mgr. Rec.	FY25 % of Total
Property Tax	\$19,335,688	38.97%	\$23,423,582	41.88%
Licenses & Permits	\$422,350	0.85%	\$690,775	1.24%
Restricted Intergov't	\$1,523,334	3.07%	\$1,581,752	2.83%
Unrestricted Intergov't	\$14,871,983	29.97%	\$15,560,652	27.82%
Charges for Services	\$6,110,922	12.31%	\$6,306,700	11.28%
Capital Returns	\$2,118,221	4.27%	\$3,075,469	5.50%
Miscellaneous	\$49,700	0.10%	\$49,700	0.09%
Shared Services	\$3,690,414	7.44%	\$4,139,125	7.40%
Fund Balance	\$1,500,000	3.02%	\$1,103,741	1.97%
Revenue Total	\$49,622,612	100%	\$55,931,496	100%

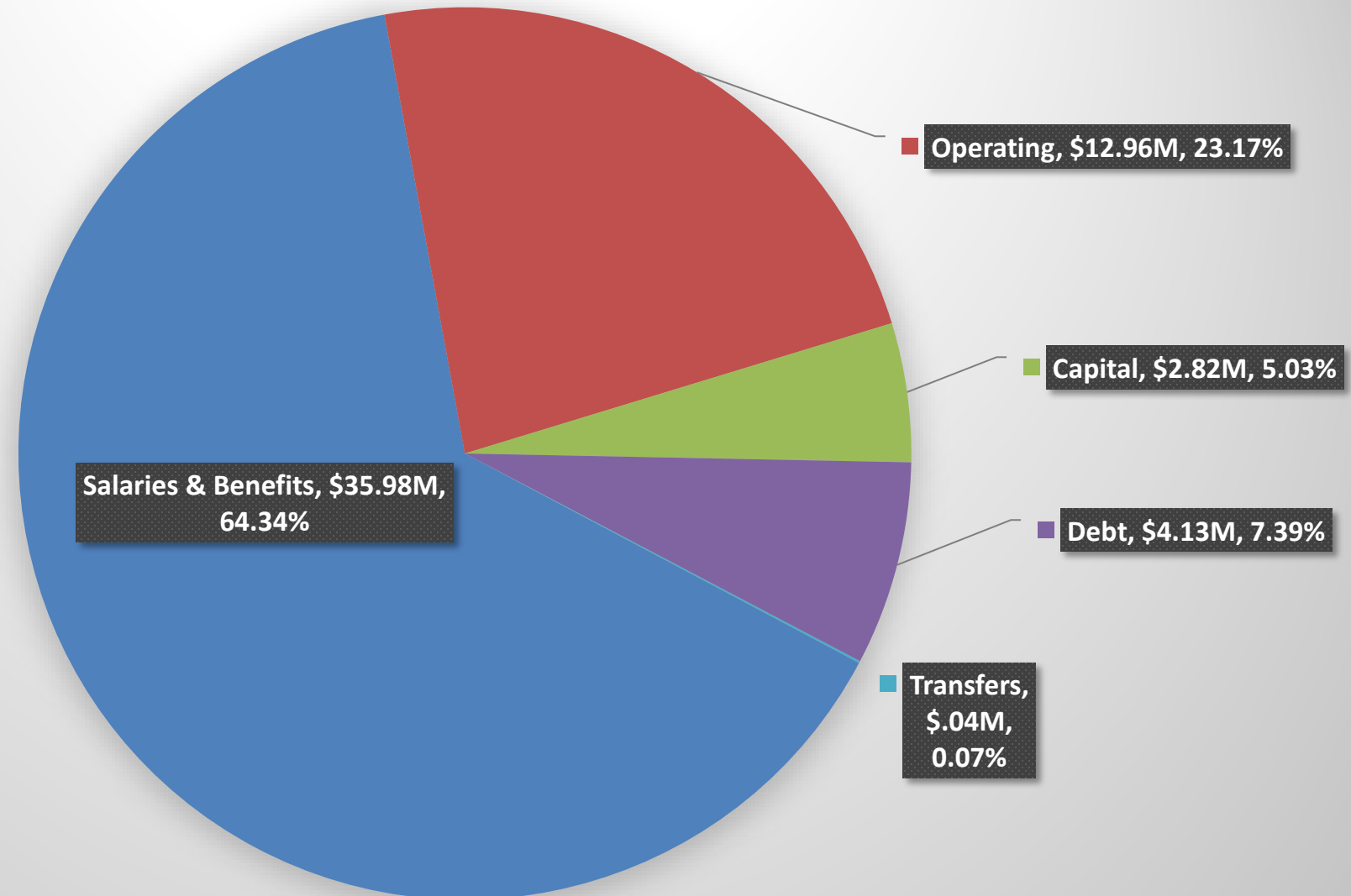
General Fund Revenues FY25 \$55.9M



General Fund Expenditure Comparison

Expenditure Type	FY24 Adopted	FY24 % of Total	FY25 Mgr. Rec.	FY25 % of Total
Salaries & Benefits	\$30,961,014	62.39%	\$35,983,811	64.34%
Operating	\$11,785,547	23.75%	\$12,958,959	23.17%
Capital	\$2,213,551	4.46%	\$2,815,194	5.03%
Debt	\$4,265,500	8.60%	\$4,133,532	7.39%
Transfers (Projects)	\$397,000	0.80%	\$40,000	0.07%
Expenditure Total	\$49,622,612	100%	\$55,931,496	100%

General Fund Expenditures FY25 \$55.9M

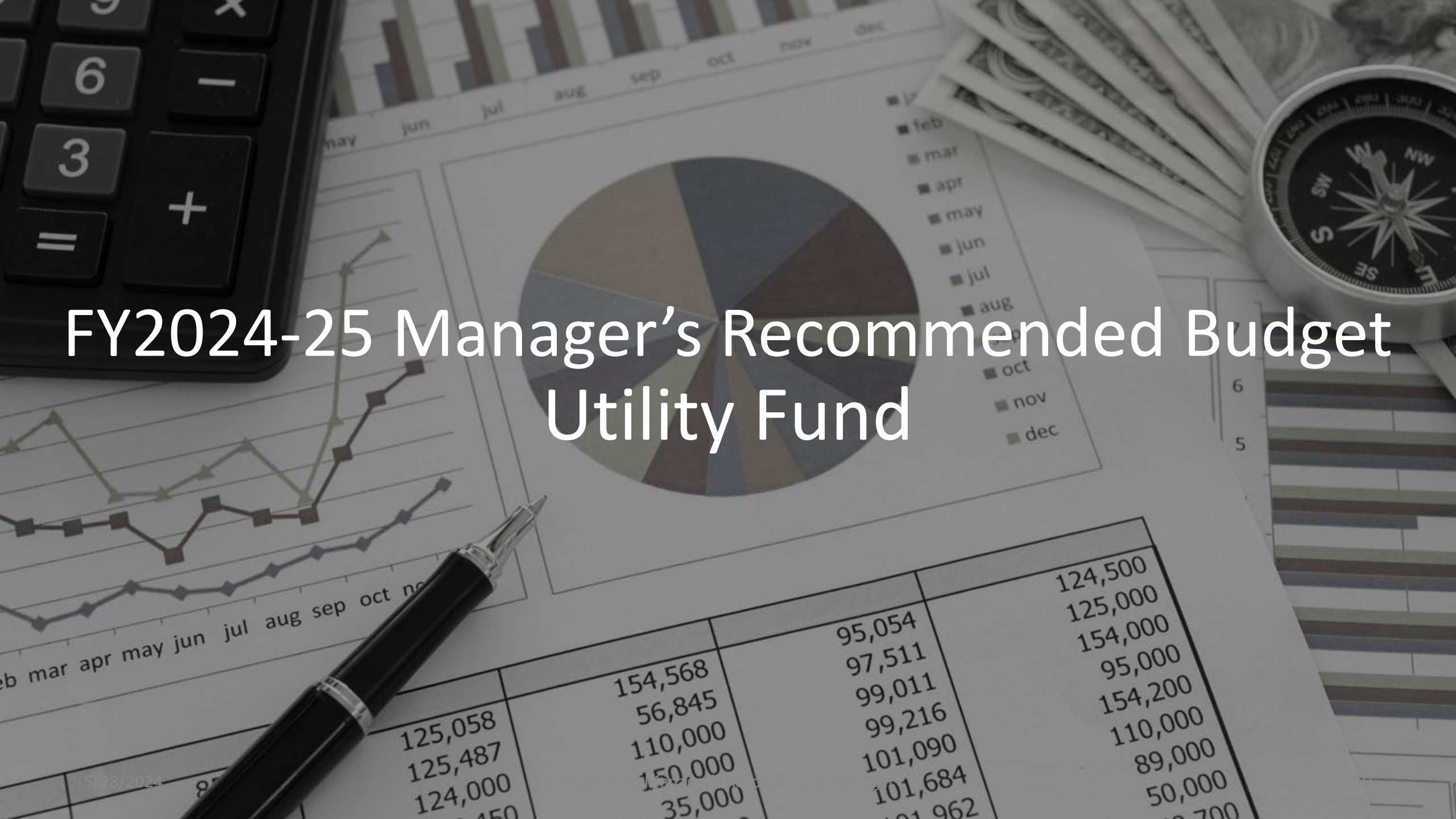


Change in Police & Fire FTE Salary & Benefits

FY24 Adopted versus FY25 Mgr. Rec.

Public Safety Department	FY24 Adopted	FY25 Mgr. Rec.	Incr/(Decr)	Avg % Incr/(Decr)
Police	\$5,449,926	\$6,896,242	\$1,446,317	25.89%
Fire	\$7,452,164	\$9,433,106	\$1,980,942	26.51%
Total Salary & Benefits for FTE	\$12,902,090	\$16,329,348	\$3,427,258	26.23%

FY2024-25 Manager's Recommended Budget Utility Fund

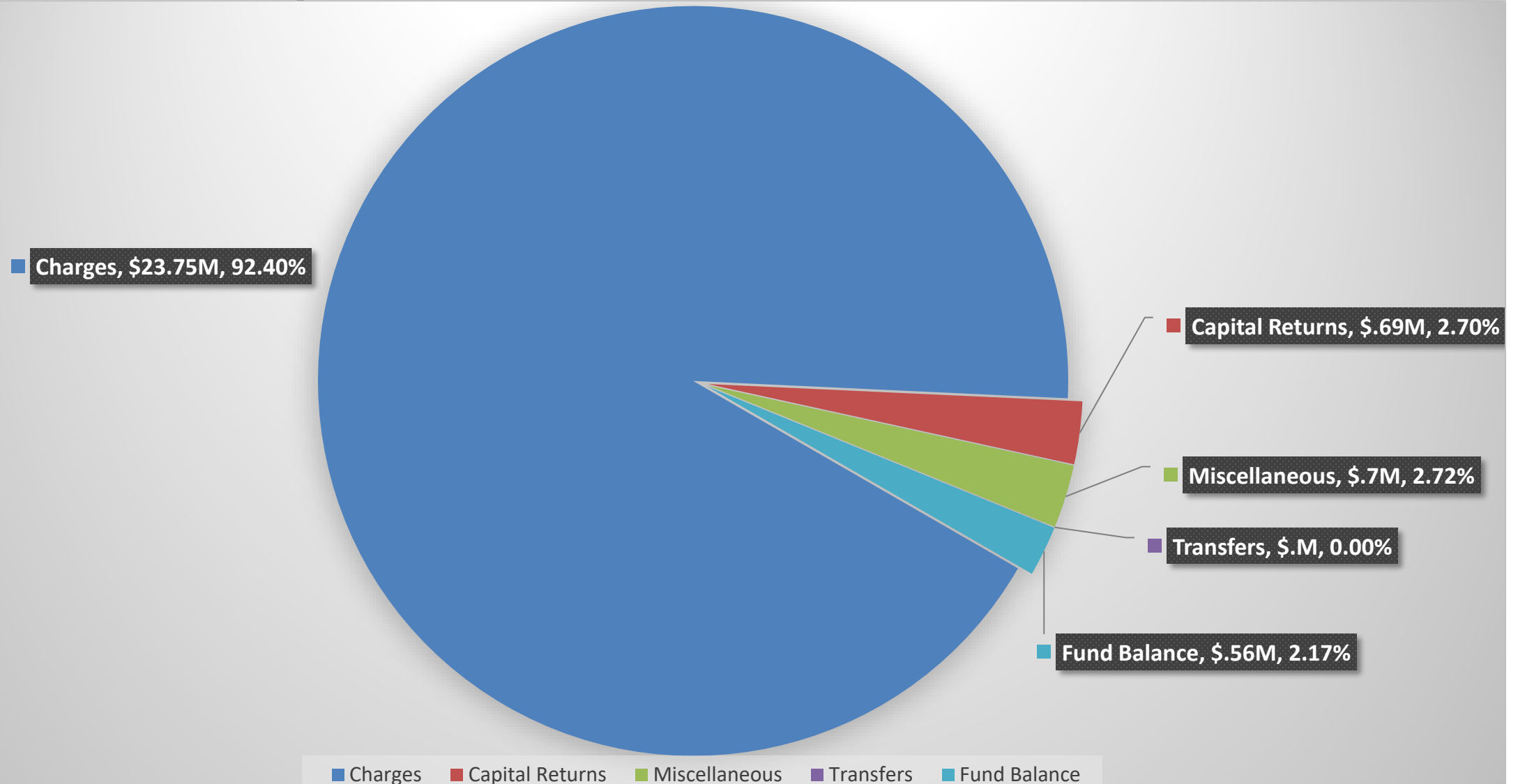


125,058	154,568	95,054	124,500
125,487	56,845	97,511	125,000
124,000	110,000	99,011	154,000
1450	150,000	99,216	95,000
	35,000	101,090	154,200
		101,684	110,000
		101,962	89,000
			50,000
			700

Utility Fund Revenue Comparison

Revenue Type	FY24 Adopted	FY24 % of Total	FY25 Mgr. Rec.	FY25 % of Total
Charges for Services	\$22,591,000	96.5%	\$23,745,833	92.4%
Capital Returns	\$201,921	.86%	\$693,956	2.7%
Miscellaneous	\$517,072	2.21%	\$700,000	2.72%
Transfers	\$100,000	.43%	\$0	0%
Fund Balance	\$0	0%	\$558,465	2.17%
Revenue Total	\$23,409,993	100%	\$25,698,254	100%

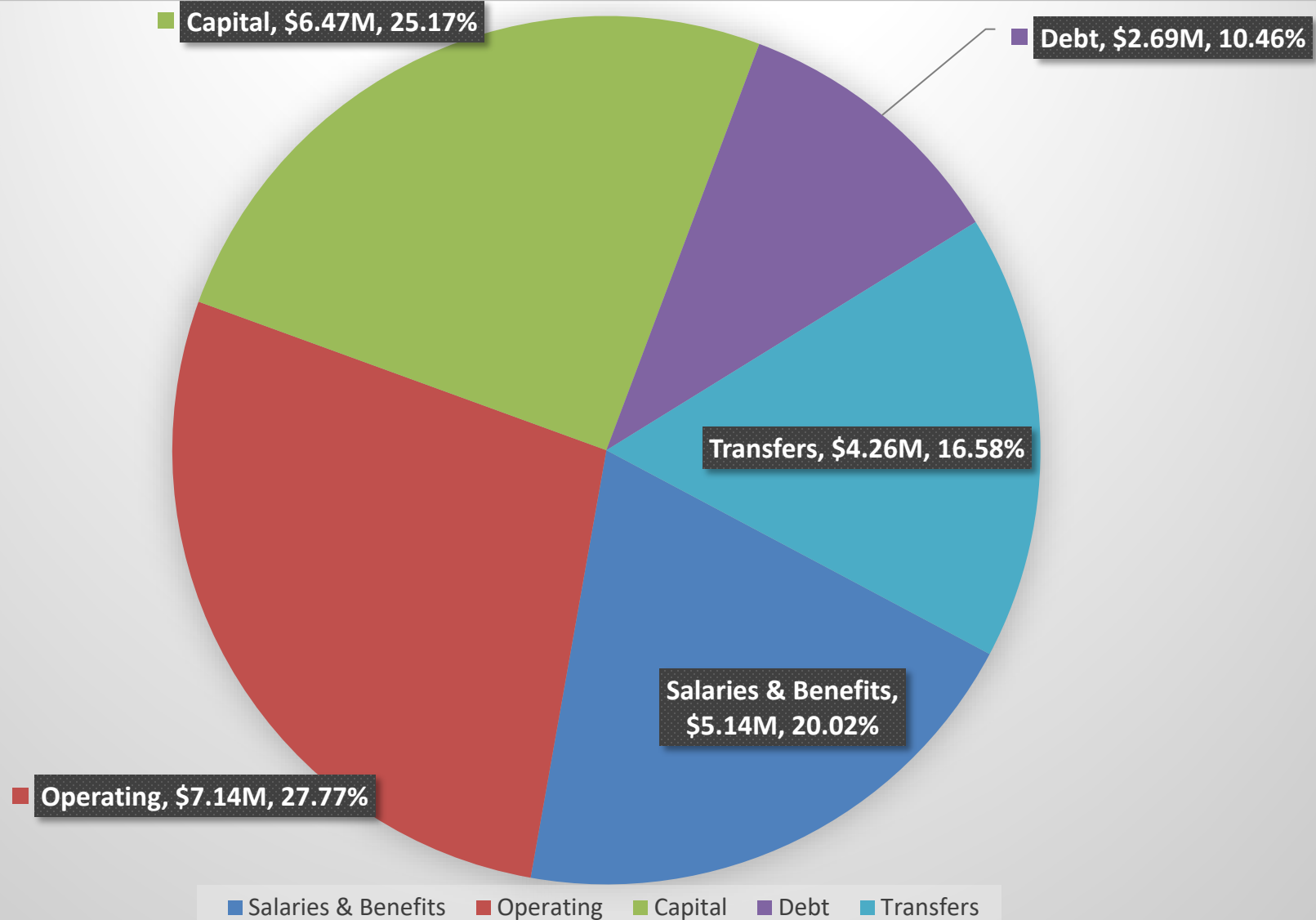
UtilityFund Revenues FY25 \$25.7M



Utility Fund Expenditure Comparison

Expenditure Type	FY24 Adopted	FY24 % of Total	FY25 Mgr. Rec.	FY25 % of Total
Salaries & Benefits	\$4,852,649	20.73%	\$5,143,712	20.02%
Operating	\$7,945,496	33.94%	\$7,135,291	27.77%
Capital	\$1,557,302	6.65%	\$6,468,441	25.17%
Debt	\$3,119,000	13.32%	\$2,688,944	10.46%
Shared Services & Transfers	\$5,935,545	25.35%	\$4,261,865	16.58%
Expenditure Total	\$23,409,993	100%	\$25,698,254	100%

Utility Fund Expenditures FY25 \$25.7M





Potential Utility Rate Changes FY25

Sewer

- Sewer Capitalized (Regular)
 - ✓ 20% Increase
- Sewer Capitalized Industrial Bulk
 - ✓ 10% Increase
- All Other Rates & Classes
 - ✓ 5% increase in lieu of 7% increase

Water

- All Rates & Classes
 - ✓ 5% increase in lieu of 7% increase

Water and Sewer Rates FY25 – Proposed Adopted Changes

	<u>CURRENT</u>	<u>PROPOSED</u>
WATER RATES (5% Increase)		
(Per 1000 Gallons) (Residential / Commercial) - Inside/Outside	\$4.21/\$8.44	\$4.42/\$8.86
(Per 1000 Gallons) (Industrial) - Inside/Outside	\$3.43/\$6.23	\$3.60/\$6.54
(Per 1000 Gallons) (Wholesale)	\$3.43	\$3.60
Base Fee Increase (5% Increase) ¾” (most common)	\$17.80/\$24.61	\$18.69/\$25.84
SEWER RATES (5% Increase)		
(Per 1000 Gallons) (Residential / Commercial) - Inside/Outside	\$9.12/\$18.23	\$9.58/\$19.14
(Per 1000 Gallons) (Industrial) - Inside/Outside	\$8.16/\$16.35	\$8.57/\$17.17
SEWER RATES Capitalized (20% Increase)		
(Per 1000 Gallons) (Capitalized Sewer General Service) - Inside/Outside	\$4.03/\$8.07	\$4.84/\$9.67
SEWER RATES Sewer Capitalized (10% Increase)		
(Per 1000 Gallons) (Capitalized Sewer Industrial Bulk) - Inside/Outside	\$3.67/\$7.34	\$4.04/\$8.07

Utility Cost of Service

City of Goldsboro - FY25 Water and Sewer Cost of Service

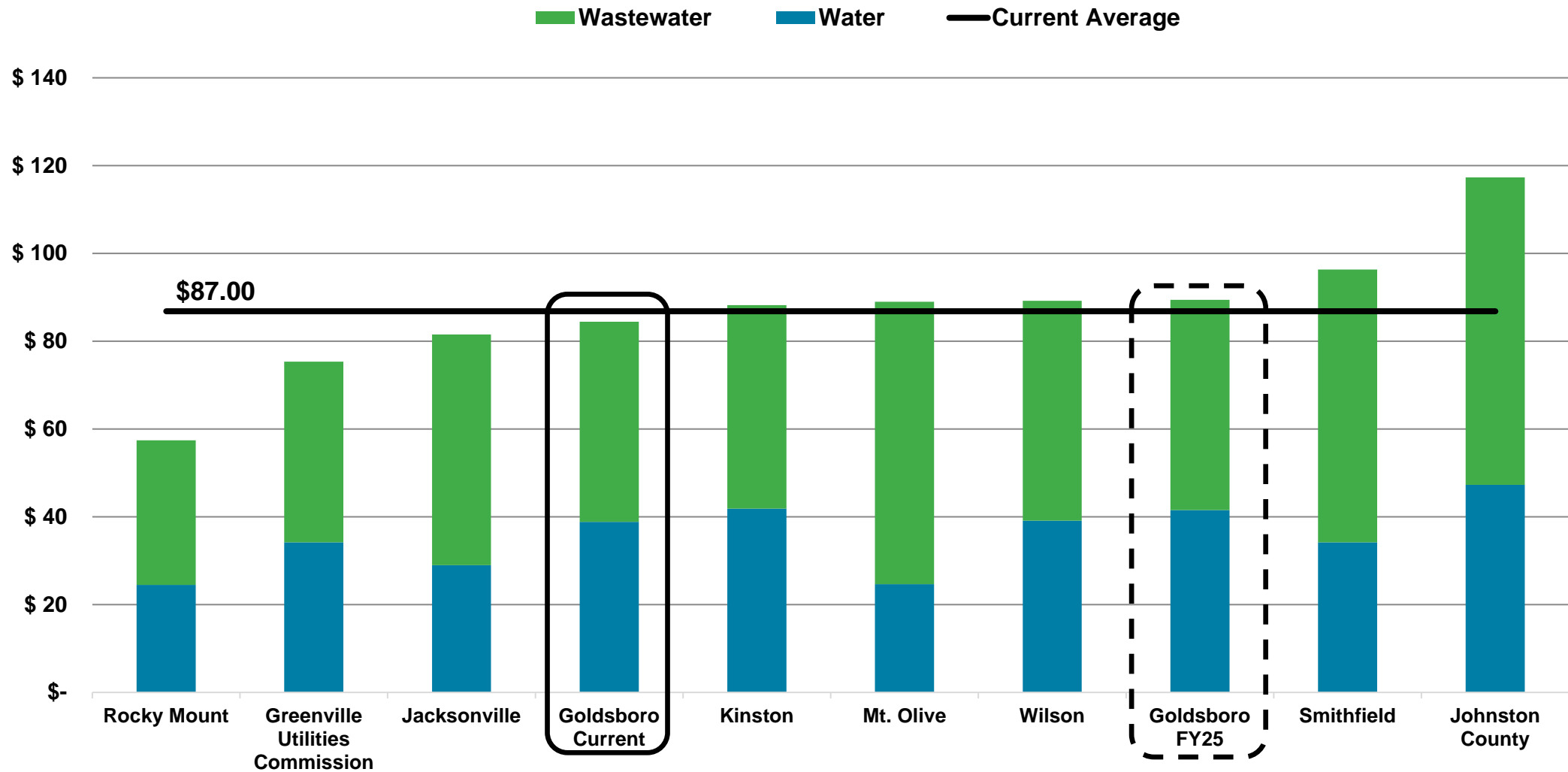
Water	Treatment	Transmission	Distribution	Customer Related	Total
Cost of Service Allocations	65%	10%	17%	8%	
	\$5,155,150	\$793,100	\$1,348,270	\$634,480	\$7,930,000
Usage	1,664,488	1,664,488	1,664,488	1,664,488	1,664,488
Unit Cost	\$3.10	\$0.48	\$0.81	\$0.38	\$4.76

Sewer	Treatment	Conveyance / Transmission	Collection	Customer Related	Total
Cost of Service Allocations	57%	12%	27%	3%	
	\$7,523,986	\$1,592,253	\$3,560,721	\$423,039	\$13,100,000
Usage	1,458,478	1,458,478	1,458,478	1,458,478	1,458,478
Unit Cost	\$5.16	\$1.09	\$2.44	\$0.29	\$8.98

Water/Sewer Rate Comparison

Average Consumption (5,000 gallons)			
Municipality	Water	Sewer	Total
Johnston County	\$47.30	\$70.00	\$117.30
Smithfield	34.20	62.15	96.35
Goldsboro (FY 25)	41.54	47.90	89.44
Wilson	39.14	50.10	89.23
Mt. Olive	24.66	64.34	89.00
Kinston	41.86	46.35	88.21
Goldsboro (Current)	38.85	45.60	84.45
Jacksonville	28.98	52.57	81.54
Greenville Utilities Commission	34.17	41.20	75.37
Rocky Mount	24.51	32.89	57.40
Average Bill (Excl. Goldsboro FY24)	\$34.85	\$51.69	\$86.54

Water/Sewer Rate Comparison



Next Steps in FY2024-25 Budget Process



Public Hearing scheduled for Monday, June 3, 2024 at 7 pm in Council Chambers.



Recommend Adoption of FY24-25 Budget at June 17th meeting.



Questions and Discussion

Potential Cost Cuts to Reduce Proposed Property Tax Increase

<u>General Fund</u>	<u>Potential Cut A</u>	<u>Potential Cut B</u>	<u>Potential Cut C</u>
Employer Health Insurance 10% to 4%	(\$199,675)	(\$199,675)	(\$199,675)
Deferring 2.5% Cola 3 Months		(\$182,501)	
Deferring 2.5% Cola 6 Months			(\$365,002)
Remove New CD Position Sal & Ben	(\$62,030)	(\$62,030)	(\$62,030)
Remove New Minimum Housing Position Sal & Ben	(\$72,770)	(\$72,770)	(\$72,770)
Cut Capital Not Financed	(\$55,000)	(\$55,000)	(\$55,000)
Total Potential Cuts	(\$389,475)	(\$571,976)	(\$754,476)
	167%	245%	323%
Additional Use of Fund Balance	\$ 396,259	\$ 396,259	\$ 396,259
	170%	170%	170%
Value of Penny Tax	\$233,312	\$233,312	\$233,312
Proposed Tax Increase	\$ 0.15	\$ 0.15	\$ 0.15
Reduce for Proposed Cuts	\$ (0.017)	\$ (0.025)	\$ (0.032)
Addtl Use of Fund Balance	\$ (0.017)	\$ (0.017)	\$ (0.017)
Revised Proposed Tax Increase	\$ 0.116	\$ 0.109	\$ 0.101

Note amounts provided are estimates!

Property Tax Scenarios

Annual Dollar Impact of Tax Increase Scenarios

Source	Median Property Value	Property Tax for Each 1 Cent Increase	1 cent increase	10 cent increase	11 cent increase	12 cent increase	13 cent increase	14 cent increase	15 cent increase
County-wide Tax Rate (Cents)			1.00	10.00	11.00	12.00	13.00	14.00	15.00
Impact on Average Taxable Home Value	\$ 88,000	\$ 9	\$ 9	\$ 88	\$ 97	\$ 106	\$ 114	\$ 123	\$ 132
Impact on Median Home Value Sold (Realtor.com®)	\$ 210,000	\$ 21	\$ 21	\$ 210	\$ 231	\$ 252	\$ 273	\$ 294	\$ 315
Impact on Median Home Value Sold (Zillow.com®)	\$ 194,561	\$ 19	\$ 19	\$ 195	\$ 214	\$ 233	\$ 253	\$ 272	\$ 292
Impact on Taxable Home Value \$100K	\$ 100,000	\$ 10	\$ 10	\$ 100	\$ 110	\$ 120	\$ 130	\$ 140	\$ 150

Average Taxable Home Value - Tax increase Annually, Monthly, or Daily

1 cent increase	10 cent increase	11 cent increase	12 cent increase	13 cent increase	14 cent increase	15 cent increase
\$ 9	\$ 88	\$ 97	\$ 106	\$ 114	\$ 123	\$ 132
\$ 0.73	\$ 7.33	\$ 8.07	\$ 8.80	\$ 9.53	\$ 10.27	\$ 11.00
\$ 0.02	\$ 0.24	\$ 0.27	\$ 0.29	\$ 0.31	\$ 0.34	\$ 0.36

Notes