

Fiscal Year 2021-2022 Manager's Recommended Budget



FY 2021-22 Proposed Budget
May 11, 2021

Agenda

- Budget Development Strategy
- Strategic Plan
- General Fund Budget
 - Revenue Projections
 - Operating Budget
 - Needs List
- Capital Improvement Plan
- Solid Waste/Storm Water/Affordable Housing Budget
- Next Steps



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Budget Development Strategy

The priorities identified with this new budget are to:

- Reinstating effects of COVID-19 on FY2021 budget
- Accomplishing the Board's Strategic Goals
- Retention and development of a talented workforce
- No increase to the tax rate while accommodating debt service on GO bond debt
- Continue strategic infrastructure investments



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Strategic Plan Alignment

- **A Well-Planned and Livable Community**
 - Downtown small area plan
 - Parks capital improvement projects including Nature Preserve kayak launch, wayfinding system for the greenways and parks, and funds for pedestrian access to Bradford Park
- **Historic Preservation**
 - Funds for landmark surveys, primarily for properties in the town's historic African-American community
 - Mainstreet Grants
- **Connecting People and Places**
 - Capital investments including pedestrian safety, North Main-Beaty intersection improvements, a side path for the Potts-Sloan-Beaty connector, street resurfacing funds and funds for public works to make sidewalk repairs and small connections



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Strategic Plan Alignment

- **Operational Excellence**

- Funds for enhanced cyber security, a shift differential for police officers, initial funding for the addition of a full-time fire captain position, and funding for fire data management and incident reporting software

- **Equity and Inclusion**

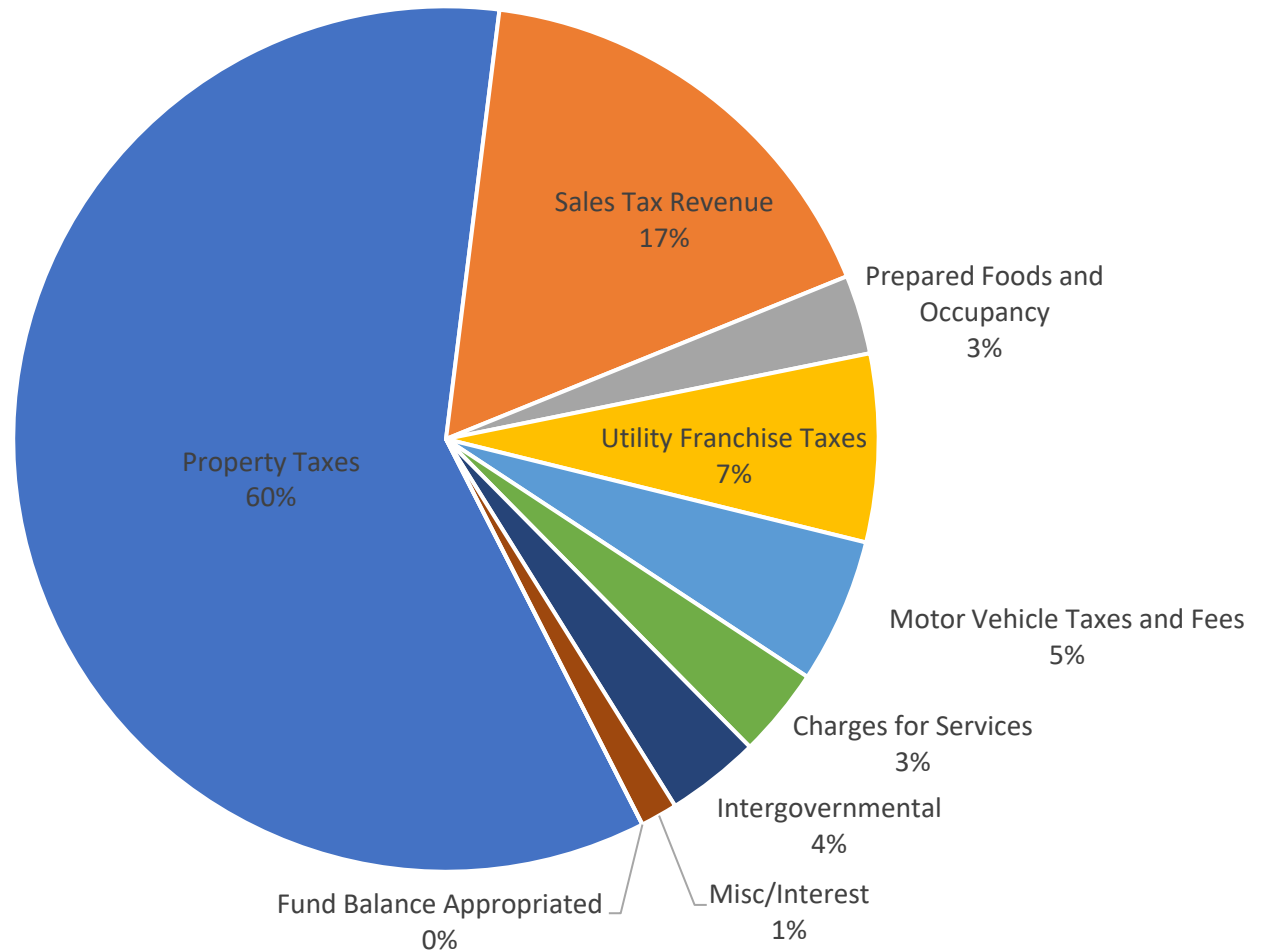
- Funding for critical home repairs, down payment assistance, community equity training, and gender neutralization of the town's code of ordinances

- **Sustainability and Natural Assets**

- Funding for the recommendations made by the sustainability subcommittee including monies for benchmarking and energy audits, EV infrastructure, water quality improvements at Roosevelt Wilson Park and tree canopy funding within the public works operating budget



General Fund Projected Revenues - \$13,513,782



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Revenue Projection Assumptions

- Overall Increase of 5.6%
- No Change to Ad Valorem Tax Rate (\$.29 per \$100 of valuation)
- Ad Valorem revenue increase of 7.2% over FY2021
 - Growth rate based on FY2021 mid-year adjustment
 - Projected collection rate to 99.66% Real Property and 99.8% Motor Vehicles
- Sales and Use Tax Increase of 6.9% over FY2021 budget and 3% over projected actual FY2021 distribution

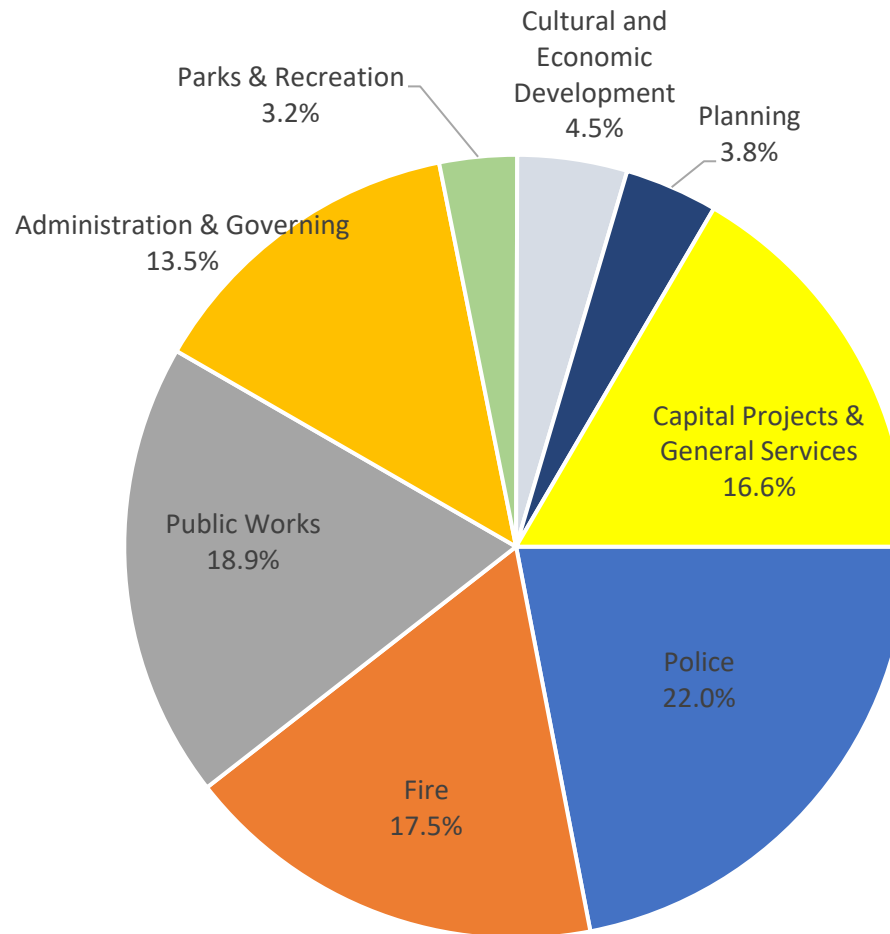


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Revenue Projection Assumptions (cont.)

- No use of Fund Balance.
- Interest Earnings decreased to \$10,000
- Other Revenues

Operating Budget - \$13,513,782



Operating Budget

- Over \$1 million to offset future debt service on voter approved debt
- Restore prior year budget adjustments for COVID-19
 - Town Events
 - Christmas In Davidson
 - Concerts on the Green/Circles/Square
 - Art on the Green
 - Taste of Davidson
 - Town Day
 - Travel
 - Arts & Science Council Contribution Restored
 - Public Art Commission (Partial phase in)
 - Board Strategic Planning Retreat



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Operating Budget

- Employee related expenditures:
 - Benefit Changes:
 - Health Insurance 0% increase
 - Pension plan 1.2% contribution increase on total payroll for eligible employees
 - Addition of paid parental leave for all employees
 - Police Department Shift Differential
 - 3% Merit Pool (September Allocation)
 - Salary Study Implementation (\$115,000)

Needs List Recommended Items

- Each department submits new items for the upcoming budget year
- Management team assesses needs and recommends priorities guided by Strategic Plan
- Highlights of Funded items:
 - Police shift differential
 - Fire full time captain position potential grant match
 - Sustainability recommendations
 - Staffing needs for 251 South Street
- See agenda attachment for complete list

Capital Improvement Plan

- Five-year CIP is \$24.7 million and funds key investments in parks, greenways, streets and public facilities
- Investments in Sustainability
 - EV Charging Stations
 - Stormwater Master Plan
 - Water Quality Improvements at Roosevelt Wilson Park design
 - Potential acceleration of LED streetlights
- Mobility Improvements
 - North-Main Beaty design
 - Potts-Sloan-Beaty sidepath design

Capital Improvement Plan

- Greenway Investments
 - Design and right-of-way acquisition for Fisher Farm to Narrow Passage
 - Conceptual design monies for River Run to Summer's Walk
- Public Facilities
 - Funding for design for a new public works facility
 - Notes need for future fire station 1 land acquisition

Capital Improvement Plan

- Community Investment Fund remains a strategic funding source with 50 percent of unassigned fund balance as of March 31 appropriated each year to provide project funding
- Recommended budget includes an allocation of \$667,000 to the Community Investment Fund, total CIF funds will be \$1.3 million
- Fund design and construction for CIP projects from the CIF

Solid Waste Budget

- No change to fees
 - \$201 single family homes/\$60 multi-family homes
- \$150,000 transfer from the General Fund

Storm Water Budget

- No change to stormwater fee rate
- \$260,000 Budget covers:
 - Street Sweeper Debt Service
 - LUESA Contract with Mecklenburg County
 - Storm Water Projects
- Developing 5-year Storm Water Plan for Board consideration

Affordable Housing Fund

- \$140,000 down payment assistance
- \$70,000 for critical home repairs
- \$40,000 for enhanced program monitoring
- \$25,000 for program administration

Fee Schedule Changes

Recreation

The water craft storage fee has been increased by \$50, to \$150 for residents, and \$200 for non-residents, as recommended by the Livability Board. The increase will fund maintenance, repair and equipment replacement.

Planning

A “Certificate of Appropriateness – Sign Fee” has been added to conform with the “Sign Permit Fee” of \$65. This will apply to sign requests in the historic district.

Fire Department

Apparatus use fees have been updated to conform with Federal Emergency Management Agency (FEMA) reimbursement rates.



Budget Process Next Steps

- Review all funds, CIP, fee schedule
- Budget and Economic Development expenditures virtual public hearing at May 25, 2021 board meeting
- Review budget at May 25, 2021 board meeting
- Consider approval of Budget Ordinance at June 8, 2021 board meeting
- Resident feedback opportunities:
 - Virtual Public hearing May 25th
 - email: budget@townofdavidson.org



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Discussion

Questions?

Any items for staff to research for the next budget discussion?

Board discussion