



Town of Cornelius
FY 23
(July 1, 2022 – June 30, 2023)

Manager's Recommended Budget

May 2, 2022

CMP Vision Statement

Cornelius is a vibrant and inclusive small community on Lake Norman dedicated to promoting the highest quality of life for all residents.

Organizational Mission:

The Cornelius Way: Consistently striving to reach above and beyond the “high bar”, we will uphold the qualities we see and hope to inspire in our citizens, to serve Cornelius with loyalty, integrity, innovation, resilience, and courage.

Revenues

- Property Tax is the largest component of Town revenue (~\$17.4M; 57% of revenues)
- Sales tax is the 2nd largest revenue component (~\$4.5M; 15% of revenues)
- Cornelius electric utility (Electricities) will implement a system rate increase of 2.0% (not the 4.5% increase projected in FY21). NC Statute will also require a residential 4 cent per month increase to the REPS rider, for renewable energy)

FY23 Budget Deliverables

- Manager's Recommended Budget focuses on and addresses.....
 - Citizen Priorities identified in the citizen budget survey
 - Critical Needs in order to continue to provide quality services to our community
 - Utilizes ARP funds to supplant \$4.8M of public safety salaries in order to free up General Fund funds
 - Time-sensitive projects are being addressed with supplanted funds

Citizen Priorities.....

Citizen Priority #1....

Public Safety

➤ Fire

- Fire Dept. Transition Plan: 6 Full-Time Firefighters (salaries, benefits, OT, operating) - (\$523K)
- Mental Health Program for Full-Time FFs (\$2,628)
- CLFR Market Wages for Part-Time FFs: Drivers, Captains, Deputy Chiefs, Chief – Year 2 of 2 (\$25K)
- CLFR Part-Time Overtime Shifts (\$20K)
- CLFR Residency Incentive for qualifying Part-Time FFs – Year 1 of 2 (\$40K)
- Fire Engine – Replace Engine 5 (\$797K)
- 2nd Set of Turnout Gear – Year 1 of 3 (\$62K)

Citizen Priority #1....

Public Safety

➤ Police

- Market Salary Study Recommendations for Police Officers and Telecommunicators (\$404K)
- Part-Time Pay Increases for Police Officers (\$35,348)
- Mental Health Program Police Officers and Telecommunicators (\$14K)
- Fully-fund Property & Evidence Clerk (\$25K)
- Intermediate Law Enforcement Certificates (\$8,200)
- 911 Center CAD Mapping updates (\$18,600)
- Police Vehicles – rolling stock replacement (\$500K)
- Wideband System for Security Cameras (\$54K Capital, \$10,500 Operating)
- Police Station Roof Recoating (\$135K)

Citizen Priority #2...

Transportation

- Jetton Rd. Ext. – Design - Year 2 of 2 - (\$71K)
- Town Center Crosswalk Safety Improvements (\$95K)
- Currently servicing \$11.1M of Road Bonds
- FY22: Sold ~\$4M of the \$24M 2018 Voter-Approved Road Bonds (Debt Service begins in FY23 = \$311K/year)
- Total existing debted road projects plus future road projects on CIP = **\$45M**

All Roadway Projects

All Roadway Projects



Citizen Priority #3....

Parks and Recreation

- Bailey Rd. Park Field Lighting Replacement – Phase II, (2) soccer/multi-use fields, football field (\$755K)
- Legion Park Ballfield and Stormwater Repair (\$550K)
- Maintenance of Cain Park – operational cost – ½ year (\$26,170)
- Park Maintenance Technician – ½ year (\$23,730)
- Recreation Program Assistant – ½ year (\$27,300)
- Part-Time Pay Increases (\$13,700 net)
- Sponsorship of “Praise In the Park” at Smithville Park (\$4K)
- Emerald Necklace/Jetton Rd. Ext. – Design - Year 2 of 2 - (\$71K)

Citizen Priority #4....

Public Works

- ~4 miles Town Roads Resurfacing (\$900K)
- Water Quality – Stream Restoration Design – Magnolia Estates, Westmoreland, Chartwell area (\$300K)
- Solid Waste Collection and Disposal Cost Increases – CPI, Tipping Fees pass-through, House Count - (\$132K)

Citizen Priority #5....

Economic Development

- Town Center property - Environmental due diligence (\$20K)
- Sponsorship of “Tawba Walk” (\$8K)
- Cain Center
 - Sold \$4M of Redevelopment Bonds in FY22
 - Debt Service = \$402K/yr.
 - Annual Operating Budget Support Grant (\$411K)

Critical Needs.....

Community Development

- Smithville Revitalization Plan/Infrastructure (\$3M)
- Housing Committee Recommendations
 - Employee Residency Incentive – Year 1 of 2 (\$89K)
 - CDC (Community Development Corporation) – Start-up operational costs (\$70K)
- Comprehensive Redevelopment Plan for Affordable/Workforce Housing – Year 2 of 2 (\$45K)
- Annual Support Grants
 - Ada Jenkins (\$25K)
 - Senior Community Connections (\$7,600)
 - ASC (\$4K)

Communications & IT/Cyber Security

➤ Communications

- Overhaul website (\$10K)

➤ IT/Cyber Security

- Multi-factor Authentication (\$18,500)

- Replace unsupported wireless system at all Town buildings (\$40K)

- Network intrusion monitoring and detection software support (\$5K)

Retention and Recruitment

- Labor market is extraordinarily competitive, especially in law enforcement
- Difficult to fill/retain ALL positions, full & part-time, in ALL departments
- In 2021, CPD lost 11 Police Officers with a combined 85 years of experience. Over 3 years, 195 years of experience left CPD.
- Cornelius investment in staff is necessary to remain competitive, maintain quality service, and to avoid cost of lost productivity/hiring/training (6-12 months of salary)
- Recommended budget addresses Public Safety plus all other personnel
 - Over half of Town staff are Police Officers and Firefighters
 - 75% of Personnel budget increases are for Public Safety
- Residency Incentive for employees – Housing Committee Recommendation - Year 1 of 2 (\$89K)
- 3.5% Average Merit (\$283,920)
 - Market's range is 2% - 7%; Market's average is 3.65%
- 2.5% COLA (\$202,800)
 - CPI at 8.1% as of March 31st
 - Market's range is 1% - 7%; Market's average is 3.23%

ARP Funds

- Utilizes ARP funds to supplant \$4.8M of public safety salaries in order to free up General Fund funds
- Time-sensitive projects are being addressed with supplanted funds
- Smithville Revitalization Plan/Infrastructure (\$3M)
- Legion Park Ballfield and stormwater repairs (\$550K)
- Jetton Rd. Ext. Design (\$71K)
- Stream Restoration Design – Magnolia Estates, Westmoreland, Chartwell Commercial (\$300K)
- Town will have the opportunity to add projects even after budget is adopted

Property Tax Rate Increase

- Recommended Budget includes a 1.0 cent property tax rate increase
- ~\$8M of Bonds sold in January FY22 (\$4M Transportation, \$4M Redevelopment)
- Annual debt service payment = \$713K
- 1.0 cent increase = \$750K in revenue
- Additional 1.0 cent will support the debt service payment

- A home assessed at \$450,000, will pay an additional \$45/year in Cornelius property taxes

EXPLANATION OF USES OF FUND BALANCE

Fire Engine (carry forward from FY 22)	720,000
Legion Park Ball Field (carry forward FY 22)	175,000
Wideband Camera (CBRS)-Asset Forfeiture Funds	54,000
Street Resurfacing (Powell Bill Funds)	348,000
Police Roof (Building Maint. Reserve Fund)	135,000
Crosswalk Improvements (MI-Connection Settlement Funds)	95,000
CDC (MI-Connection Settlement Funds)	70,000
Stream Restoration Design-Magnolia Estates, Westmoreland, and Chartwell Commercial Properties (ARP)	300,000
Smithville/Infrastructure (Transfer to Capital Project Fund)	3,000,000
Legion Park Ball Field Stormwater repair (ARP)	550,000
Jetton Extension DESIGN (ARP)	71,000
Health Insurance Reserve	175,000
	5,693,000

EXPLANATION OF USES OF FUND BALANCE

Carry Forward Capital from FY 22	895,000
Restricted and Designated (Powell Bill/Asset Forfeiture/Building Maintenance Funds)	537,000
MI Connection Settlement Funds	165,000
Funds supplanted with ARP Funds	3,921,000
Health Insurance Reserve Fund	175,000

EXPLANATION OF USES OF FUND BALANCE

• Contribution to/(Use of) Fund Balance with ARP Funds	(800,356)
• Back out ARP Funds	<u>(4,821,414)</u>
• Real use of Fund Balance	(5,621,770)
• Use of Fund Balance per categories	<u>5,693,000</u>
• Net Contribution to Fund Balance	71,230

FY 22 Budget - Summary

- Recommended Property Tax Rate: 23.20 cents
- Total General Fund Budget Expenditures = \$28,358,654*
- Total General Fund Budget Revenues = \$27,558,298**

*Accounts for \$4,821,414 supplanted Public Safety salaries; thus, real expenditures of \$33,180,068

**\$27,558,298 operating revenue + \$5,621,770 use of Fund Balance = \$33,180,068

Future Considerations.....

CIP NCDOT Road Projects

Town of Cornelius
 2023-2032 Capital Improvement Plan Summary
 March 23, 2022

DESCRIPTION	Funds Source	2024	2025	2028	Future	Total
Torrence Chapel Rd. West Cat. Ave. Intersection Impv	Bonds	6,608,722	-	-	-	6,608,722
115/Potts/Davidson Street Roundabout	Bonds	4,960,750	-	-	-	4,960,750
Hwy 115- Hickory St. Intersection Improvements	Bonds	1,474,961	-	-	-	1,474,961
West Catawba Phase II- STI- Local Funding Contribution	Bonds	1,200,000	-	-	-	1,200,000
21/Catawba Roundabouts	Bonds	1,000,000	-	-	-	1,000,000
Northcross Dr. Extension	Bonds	-	5,261,991	-	-	5,261,991
West Catawba Phase II- Bike-Ped Accommodations, Mast Arms	Bonds	-	-	1,500,000	-	1,500,000
Westmoreland Interchange	Bonds	-	-	-	2,000,000	2,000,000
		15,244,433	5,261,991	1,500,000	2,000,000	24,006,424

Remaining CIP

DESCRIPTION	Funds Source	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Future	Total
		Street Resurfacing (Powell Bill Funds)	FB Powell	900,000	-	800,000	-	800,000	-	800,000	-	800,000	-
Replace Engine 4 and 5	Debt	830,000	-	-	-	-	-	-	-	-	-	-	830,000
Bailey Road Park Athletic Facility Lighting Replacement	Debt	755,000	-	-	-	-	-	-	132,000	-	-	-	887,000
Legion Park Major Renovations	Fund Bal	550,000	-	-	263,000	-	-	-	-	263,000	-	-	1,076,000
Police Vehicles	Fund Bal	500,000	500,000	510,000	510,000	520,000	520,000	530,000	530,000	540,000	540,000	-	5,200,000
Stream Restoration-Magnolia Estates, Westmoreland, and Chartwell Commercial Properties	Fund Bal	300,000	200,000	3,000,000	-	-	-	-	-	-	-	-	3,500,000
Police Roof*	Fund Bal*	135,000	-	-	-	-	-	-	-	-	-	-	135,000
Crosswalk Improvements	Fund Bal	95,000	150,000	65,000	65,000	65,000	-	-	-	-	-	-	440,000
Jetton Extension DESIGN	Fund Bal	71,000	-	-	-	-	-	-	-	-	-	-	71,000
2nd Set of Personal Protective Equipment (turn out gear)	Fund Bal	62,000	62,000	62,000	-	-	-	-	-	-	-	-	186,000
Wideband Camera Surveillance Project	Fund Bal	54,000	-	-	-	-	-	-	-	-	-	-	54,000
Jetton Extension CONSTRUCTION	Debt	-	2,500,000	-	-	-	-	-	-	-	-	-	2,500,000
Self-Contained Breathing Apparatus (SCBA) Replacement	Fund Bal	-	510,000	-	-	-	-	-	-	-	-	-	510,000
Fire Staion #2 Roof*	Fund Bal*	-	250,000	-	-	-	-	-	-	-	-	-	250,000
Sidewalk (Powell Bill Funds)	FB Powell	-	200,000	-	200,000	-	200,000	-	200,000	-	200,000	-	1,000,000
Staff Vehicles	Debt	-	160,000	80,000	-	-	-	-	-	-	-	-	240,000
Marine Quick Response Vessel	Fund Bal	-	160,000	-	-	-	-	-	-	-	-	-	160,000
Badge & Door Security System Replacement	Fund Bal	-	90,000	-	-	-	-	-	-	-	-	-	90,000
Public Works Equipment	Fund Bal	-	75,000	-	100,000	-	-	-	-	-	-	-	175,000
Equipment and Vehicles	Fund Bal	-	61,000	111,000	55,000	55,000	55,000	48,000	69,000	63,000	60,000	-	577,000
Phones & Phone System Replacement	Fund Bal	-	38,000	60,000	-	-	-	-	-	-	-	-	98,000
Festival Street- Catawba Avenue	Debt	-	-	3,000,000	-	-	-	-	-	-	-	-	3,000,000
Torrence Chapel Park Major Renovations	Fund Bal	-	-	315,000	-	-	-	-	-	-	-	1,260,000	1,575,000
Fire Station Upgrades- Kitchen Station 1	Fund Bal*	-	-	25,000	-	-	-	-	-	-	-	-	25,000
Smithville Park to JV Washam ES Greenway & MUP CONSTRUCTION	Debt	-	-	-	3,413,000	3,413,000	-	-	-	-	-	-	6,826,000
Replace Truck 4 (Ladder Truck)	Debt	-	-	-	500,000	-	-	-	-	-	-	-	500,000
Training Center Land	Fund Bal	-	-	-	500,000	-	-	-	-	-	-	-	500,000
Portable Radio Replacement	Fund Bal	-	-	-	-	360,000	-	-	-	-	-	-	360,000
VX-Rail Server Replacement	Fund Bal	-	-	-	-	275,000	-	-	-	-	-	-	275,000
Training Center	Debt	-	-	-	-	250,000	-	-	-	-	-	-	250,000
Marine Vessel Refurbishment	Fund Bal	-	-	-	-	72,000	-	-	72,000	-	-	-	144,000
Bailey Road Park Major Renovations	Fund Bal	-	-	-	-	-	250,000	1,103,000	-	-	557,000	1,880,000	3,790,000
Smithville to JV Washam Linear Park	Debt	-	-	-	-	-	-	-	1,381,000	1,381,000	-	3,528,000	6,290,000
Smithville Park Major Renovations	Fund Bal	-	-	-	-	-	-	-	210,000	-	-	-	210,000
Bailey Road Park Tennis & Pickleball Complex	Debt	-	-	-	-	-	-	-	-	-	2,835,000	-	2,835,000
Bailey Road Flyover	Future Bonds	-	-	-	-	-	-	-	-	-	1,000,000	-	1,000,000
		4,252,000	4,956,000	8,028,000	5,606,000	5,810,000	1,025,000	2,481,000	2,594,000	3,047,000	5,192,000	6,668,000	49,659,000

Remaining CIP

DESCRIPTION	Funds Source	Future	Total
Robbins Park	Debt	8,503,000	8,503,000
Southeast Cornelius Neighborhood Park	Debt	5,628,000	5,628,000
Westmoreland McDowell Creek Neighborhood Park	Debt	5,292,000	5,292,000
Northeast Cornelius Neighborhood Park	Debt	5,040,000	5,040,000
Fire Station #3	Debt	4,000,000	4,000,000
Waterfront Park	Debt	3,508,000	3,508,000
North Bailey Road Greenway	Debt	3,014,000	3,014,000
Hwy 115- North Corridor (Washam Potts to Potts St) Bike-Ped Accommodations, Aesthetics	Future Bonds	3,000,000	3,000,000
Plum Creek- South Bailey Rady Greenway Construction Phase III	Debt	2,972,000	2,972,000
Victoria Bay Greenway	Debt	2,783,000	2,783,000
Village Center Neighborhood Park	Debt	2,700,000	2,700,000
Downtown Cornelius to Statesville Road Greenway	Debt	2,499,000	2,499,000
Caldwell Station Creek South Greenway Phase II	Debt	2,215,000	2,215,000
Hwy 21 Widening (A)	Future Bonds	1,870,000	1,870,000
Mini Park Land Acquisition and Development	Debt	1,786,000	1,786,000
Washam Neighborhood Park	Debt	1,649,000	1,649,000
McDowell Creek Greenway Phase III	Fund Bal	1,575,000	1,575,000
Westmoreland Park Greenway	Debt	1,418,000	1,418,000
North Bailey Road to Bailey Road Greenway	Debt	1,208,000	1,208,000
I-77 Service Road to Westmoreland	Debt	1,088,062	1,088,062
Caldwell Station Connection to Bailey Extension	Debt	1,000,000	1,000,000
Smithville Park Multi-Purpose Synthetic Turf Field	Debt	998,000	998,000
Stratford Forest Greenway	Fund Bal	840,000	840,000
Jetton Neighborhood Park Major Renovations	Fund Bal	714,000	714,000
Glen Oak Green Park Greenway	Fund Bal	662,000	662,000
Nantz Rd Connector Greenway	Fund Bal	634,000	634,000
Westmoreland Road Widening	Fund Bal	525,000	525,000
Police Substation	Fund Bal	330,000	330,000
Stream Restoration- Upper McDowell Creek	Fund Bal	300,000	300,000
Robbins Park Playground Renovations	Fund Bal	263,000	263,000
		68,014,062	68,014,062

Debt Service

- Town has sold all of \$20.4M 2013 Voter-Approved Transportation, Parks, Town Center Redevelopment Bonds
- Town has sold \$4M of \$24M 2018 Voter-Approved Transportation Bonds
- \$29.5M of Road Projects still remain in future years of the CIP
- Other debted capital remains, such as Parks capital, Public Safety vehicles
- FY18 Total Debt Service (Bonds + Installment Financing) = \$2.2M
- FY19 = \$2.4M
- FY20 = \$2.7M
- FY21 = \$3.2M
- FY22 = \$3.5M
- FY23 = \$3.5M
- FY24 = \$4.3M
- FY25 = \$5.3M
- FY26 = \$5.5M
- FY27 = \$5.3M

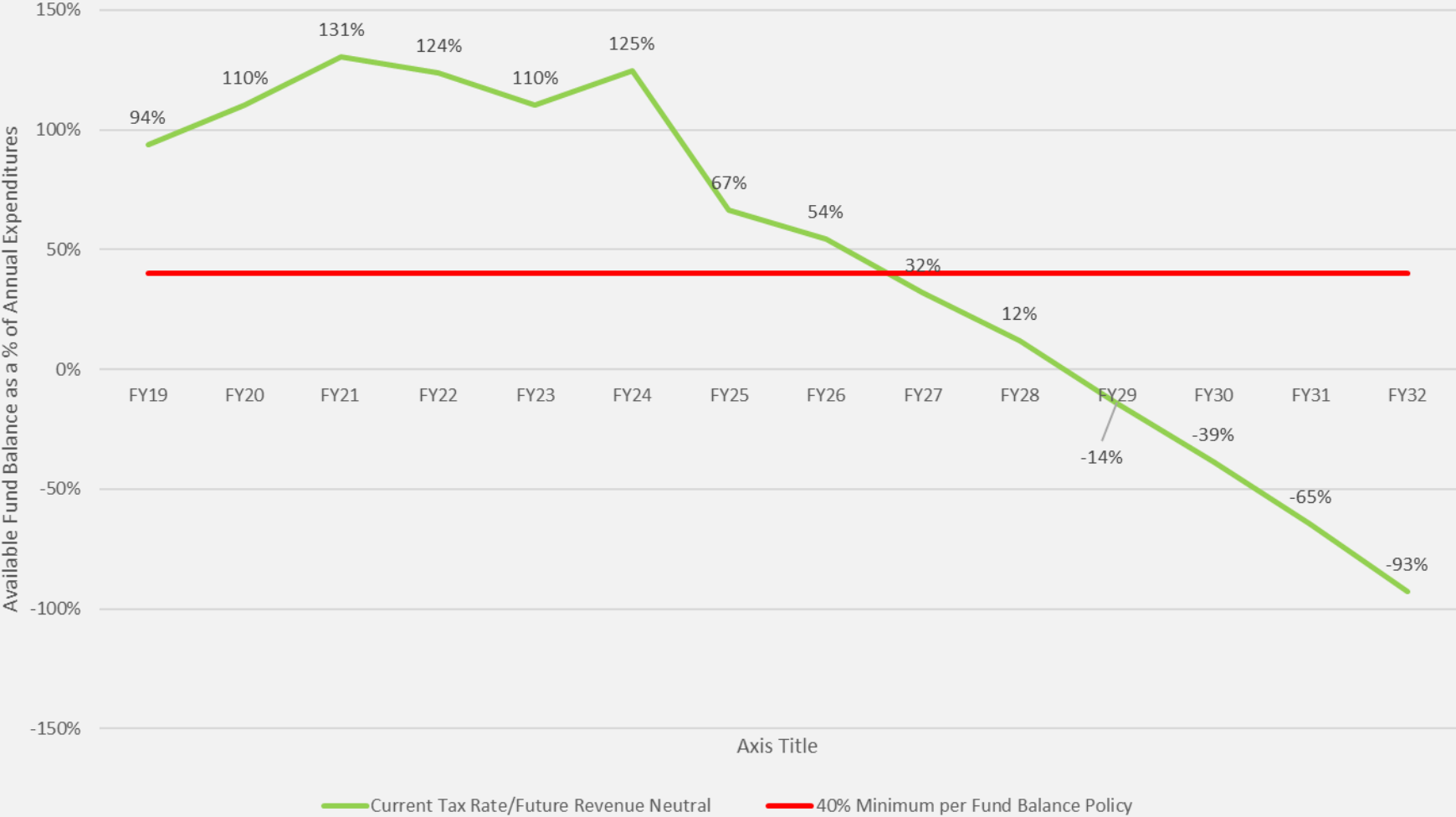
Operations

- Other drivers for cost increases in future years.....
 - Recruitment and Retention of Personnel has been an increasing priority over the past few years. Labor market has made operations more costly.
 - Fire Dept. Transition Plan
 - Slowly adding Full-time Firefighters to create a new department
 - Average \$330K/year additional (personnel & operating) for the next ~14 years
 - Equivalent of 0.45 cents of Property Tax Rate each year

	FY 2018 ACTUAL	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022	FY 2022 EYE	FY 2023	FY 2024
Beginning Fund Balance	17,181,392	19,273,176	21,699,109	26,648,064	29,846,464	32,894,970	34,718,771	33,885,415
Revenues:								
Property tax	13,745,899	14,093,129	16,182,772	16,509,219	16,364,075	16,575,000	17,413,063	17,689,107
Sales tax	3,736,084	3,983,699	4,026,827	4,778,062	3,850,000	5,077,095	4,503,216	4,638,312
Franchise tax	1,840,317	1,887,891	1,824,201	1,787,496	1,694,776	1,782,090	1,782,090	1,831,989
Powell Bill allocation	761,210	771,445	778,253	750,982	685,000	870,761	800,000	800,000
All others (grants, Tourism-related taxes, Parks revenue, etc.)	3,887,689	2,789,454	4,222,285	4,379,514	2,699,530	3,480,067	3,059,929	3,105,828
Total Revenues	23,971,199	23,525,618	27,034,338	28,205,273	25,293,381	27,785,013	27,558,298	28,065,236
Expenditures:								
Personnel (supplanted \$4.8M of Public Safety salaries with ARP funds in FY 23 and \$4.8M in FY 24)	7,710,073	7,753,882	8,436,384	8,798,520	10,357,874	9,980,928	7,356,321	8,161,263
Operating	8,710,804	8,341,575	8,504,513	8,364,268	9,374,336	9,496,715	10,127,990	10,573,110
Supplanting-Funded Exp. not in CIP or Operating/Personnel Forecast								750,000
TH/PS/PW/Bldg Maint. Rsv Fund	-	-	-	10,000	10,000	10,000	10,000	-
Cain Center (operating support)	245,000	365,000	323,000	289,600	351,743	351,743	411,000	411,000
Existing Debt service (includes debt issued in FY 23)	2,233,243	2,402,706	2,736,874	3,216,860	2,890,102	2,628,360	3,453,758	3,285,284
Powell Bill/Stormwater Capital	197,450	766,235	734,472	1,100,000	750,000	650,000	1,200,000	400,000
Other Capital (fund balance cash)	1,757,329	312,178	788,072	193,815	2,448,466	2,373,466	2,843,821	1,896,000
New debt svc	-	-	-	-	-	-	-	955,636
Transfers	1,060,000	1,229,722	627,077	-	-	500,000	-	-
Smithville/Infrastructure (Transfer to Capital Project Fund)							3,000,000	
Use of Cap Reserve	(34,484)	(71,613)	(65,009)	(14,696)	(30,000)	(30,000)	(11,236)	-
Total Expenditures	21,879,415	21,099,685	22,085,383	21,958,367	26,152,521	25,961,212	28,391,654	26,432,293
Net	2,091,784	2,425,933	4,948,955	6,246,906	(859,140)	1,823,801	(833,356)	1,632,943
Ending Fund Bal	19,273,176	21,699,109	26,648,064	32,894,970	28,987,324	34,718,771	33,885,415	35,518,358
Capital Reserve	-	-	-	-	-	-	-	-
Total Fund Balance	19,273,176	21,699,109	26,648,064	32,894,970	28,987,324	34,718,771	33,885,415	35,518,358
Available Fund Balance	17,481,748	19,808,064	24,357,161	28,675,506	26,387,324	32,118,771	31,285,415	32,918,358
End Bal as % of Exps Total	88%	103%	121%	150%	111%	134%	119%	134%
End Bal as % of Exps Available	80%	94%	110%	131%	101%	124%	110%	125%
Tax Assumptions:								
Value	5,431,908,611	5,499,814,530	5,552,131,900	7,353,051,835	7,464,168,311	7,464,168,311	7,610,372,920	7,658,806,855
% increase growth	1.250%	0.951%	2.74%	1.51%	1.03%	1.96%	0.64%	0.0%
% Change reval	0%	0%	28.9%	0%	0%	0%	0%	12%
New Value	5,499,814,530	5,552,131,900	7,353,051,835	7,464,168,311	7,540,874,579	7,610,372,920	7,658,806,855	8,577,863,678
Collection rate	99.0%	99.0%	99.0%	99.17%	97.75%	99.15%	98.00%	98.75%
Rate	0.255	0.255	0.2220	0.2220	0.2220	0.2200	0.2320	0.2056
Tax produced	13,884,282	14,016,357	16,164,000	16,432,919	16,364,075	16,600,506	17,413,063	17,415,637
Revenue assumptions:								
Sales tax								3.0%
Franchise tax								2.8%
Powell Bill								0.0%
Other								1.5%
Expense assumptions:								
Personnel								7.00%
Operating								4.00%
Debt issuance variable:								
Beginning Debt Outstanding	12,436,983	11,439,504	11,302,036	9,162,920	7,289,672	7,826,402	15,078,879	14,452,765
Principal retired	(1,908,658)	(1,944,800)	(2,139,116)	(2,674,518)	(2,312,505)	(2,190,523)	(2,711,114)	(2,674,763)
Principal issued	911,179	1,807,332	-	1,338,000	10,143,000	9,443,000	2,085,000	17,984,433
Ending Debt Outstanding	11,439,504	11,302,036	9,162,920	7,826,402	15,120,167	15,078,879	14,452,765	29,762,435

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Beginning Fund Balance	35,518,358	27,248,222	21,519,688	14,344,135	7,040,194	(3,071,903)	(13,251,807)	(25,598,120)
Revenues:								
Property tax	17,951,443	18,172,418	18,396,155	18,398,976	18,625,544	18,854,945	19,087,214	19,086,660
Sales tax	4,777,462	4,920,786	5,068,409	5,220,462	5,377,075	5,538,388	5,704,539	5,875,675
Franchise tax	1,883,284	1,936,016	1,990,225	2,045,951	2,103,238	2,162,128	2,222,668	2,284,902
Powell Bill allocation	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
All others (grants, Tourism-related taxes, Parks revenue, etc.)	3,152,415	3,199,702	3,247,697	3,296,413	3,345,859	3,396,047	3,446,987	3,498,692
Total Revenues	28,564,605	29,028,922	29,502,486	29,761,801	30,251,716	30,751,508	31,261,408	31,545,931
Expenditures:								
Personnel (supplanted \$4.8M of Public Safety salaries with ARP funds in FY 23 and \$4.8M in FY 24)	14,460,675	15,618,315	16,845,414	18,146,139	19,524,907	20,986,402	22,535,586	24,177,721
Operating	11,036,034	11,517,475	12,018,174	12,538,901	13,080,457	13,643,676	14,229,423	14,838,600
Supplanting-Funded Exp. not in CIP or Operating/Personnel Forecast	750,000							
TH/PS/PW/Bldg Maint. Rsv Fund	-	-	-	-	-	-	-	-
Cain Center (operating support)	411,000	411,000	411,000	390,450	370,928	352,381	334,762	318,024
Existing Debt service (includes debt issued in FY 23)	2,845,488	2,448,935	1,875,364	1,669,439	1,620,234	1,547,694	1,501,819	1,451,963
Powell Bill/Stormwater Capital	3,800,000	200,000	800,000	200,000	800,000	200,000	800,000	200,000
Other Capital (fund balance cash)	1,148,000	1,493,000	1,347,000	825,000	1,681,000	881,000	866,000	1,157,000
New debt svc	2,383,544	3,068,729	3,381,087	3,295,812	3,286,286	3,320,259	3,340,132	3,595,733
Transfers	-	-	-	-	-	-	-	-
Smithville/Infrastructure (Transfer to Capital Project Fund)	-	-	-	-	-	-	-	-
Use of Cap Reserve	-	-	-	-	-	-	-	-
Total Expenditures	36,834,741	34,757,455	36,678,040	37,065,742	40,363,813	40,931,412	43,607,721	45,739,041
Net	(8,270,136)	(5,728,533)	(7,175,554)	(7,303,941)	(10,112,096)	(10,179,904)	(12,346,313)	(14,193,110)
Ending Fund Bal	27,248,222	21,519,688	14,344,135	7,040,194	(3,071,903)	(13,251,807)	(25,598,120)	(39,791,230)
Capital Reserve	-	-	-	-	-	-	-	-
Total Fund Balance	27,248,222	21,519,688	14,344,135	7,040,194	(3,071,903)	(13,251,807)	(25,598,120)	(39,791,230)
Available Fund Balance	24,554,398	18,919,688	11,744,135	4,440,194	(5,671,903)	(15,851,807)	(28,198,120)	(42,391,230)
End Bal as % of Exps Total	74%	62%	39%	19%	-8%	-32%	-59%	-87%
End Bal as % of Exps Available	67%	54%	32%	12%	-14%	-39%	-65%	-93%
Tax Assumptions:								
Value	8,577,863,678	8,685,086,974	8,793,650,561	8,903,571,193	9,971,999,736	10,096,649,733	10,222,857,855	10,350,643,578
% increase growth	1.25%	1.25%	1.25%	0.0%	1.25%	1.25%	1.25%	1.25%
% Change reval	0%	0%	0%	12%	0%	0%	0%	12%
New Value	8,685,086,974	8,793,650,561	8,903,571,193	9,971,999,736	10,096,649,733	10,222,857,855	10,350,643,578	11,737,629,817
Collection rate	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%
Rate	0.2056	0.2056	0.2056	0.1836	0.1836	0.1836	0.1836	0.1619
Tax produced	17,677,973	17,898,948	18,122,685	18,125,506	18,352,074	18,581,475	18,813,744	18,813,190
Revenue assumptions:								
Sales tax	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Franchise tax	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
Powell Bill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Expense assumptions:								
Personnel	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Operating	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Debt issuance variable:								
Beginning Debt Outstanding	29,762,435	35,469,371	37,412,111	39,620,270	39,820,270	38,520,270	38,692,270	38,732,270
Principal retired	(2,305,055)	(1,970,260)	(1,454,841)	(1,300,000)	(1,300,000)	(1,275,000)	(1,275,000)	(1,270,000)
Principal issued	8,011,991	3,913,000	3,663,000	1,500,000	-	1,447,000	1,315,000	3,835,000
Ending Debt Outstanding	35,469,371	37,412,111	39,620,270	39,820,270	38,520,270	38,692,270	38,732,270	41,297,270

Available Fund Balance



Long-Term View

- FY23 may be last year for decades that there is a net contribution to Fund Balance (at a 23.2 cent property tax rate) due to cost increases
- As forecasted for the past four years.....
 - Annual operating funds will not keep pace with Bonds, installment financing debt, personnel retention/recruitment, and Fire Dept. Transition Plan
 - A rapid use of Fund Balance will begin in FY24
 - Unsustainable situation at either a 22.2 or 23.2 cent tax rate

Long-Term View

- Violate Fund Balance Policy in FY27 (Less than 40% of Expenditures)
 - FY27 Available fund Balance = \$ 11.8M
 - FY28 Available fund Balance = \$ 4.5M
 - FY29 Available fund Balance = (\$5.6M)
 - FY30 Available fund Balance = (\$15.8M)
- Will need a correction prior to FY27, with either subsequent Property Tax Increase(s) or Major cut to Expenses (i.e., Cut Services or Capital Projects)
- Earlier action will lead to less impactful Property Tax Increase

Next Steps

- Town Board Discussion tonight
- Public Hearing – May 16 (recommend continuing to June 6)
- Adopt Budget – June 6 or June 20

Town Board Discussion