

TOTAL BUDGET— REVENUES

Revenue estimates are based on actual prior year amounts, current year projections, trend analysis, and general economic forecasts. Each of the major

revenue categories are discussed in further detail below the chart.

Total Revenue by Major Type

| | 2010-11 Actual | 2011-12 Budget | 2012-13 Adopted | 2013-14 Projected |
|--|-------------------|-------------------|------------------------|----------------------|
| <i>Property Tax</i> | 152,872,562 | 153,349,025 | 156,568,660 | 163,690,085 |
| <i>Sales Tax</i> | 36,892,450 | 37,418,480 | 38,865,795 | 39,923,315 |
| <i>Intergovernmental Revenue</i> | 43,972,081 | 43,113,783 | 44,364,069 | 44,927,149 |
| <i>User Fees/Charges/Licenses</i> | 165,382,170 | 170,034,060 | 170,248,671 | 172,953,884 |
| <i>All Other</i> | 109,231,015 | 87,025,805 | 91,465,679 | 96,121,774 |
| <i>Interfund Transfers</i> | 37,071,970 | 35,755,323 | 34,358,758 | 34,122,602 |
| <i>Appropriated Fund Balance</i> | 48,962,260 | 28,212,635 | 24,498,492 | 28,242,524 |
| <i>Total</i> | 594,384,508 | 554,909,111 | 560,370,124 | 579,981,333 |
| <i>Less Transfers & Internal Charges</i> | 110,524,499 | 106,734,122 | 109,149,285 | 109,915,099 |
| <i>Net Revenues</i> | 483,860,009 | 448,174,989 | 451,220,839 | 470,066,234 |

Property Taxes

The City of Greensboro relies on property taxes to raise about one-third of the net revenues needed to support municipal operations in all funds. The FY 12-13 Adopted Budget is balanced with a property tax rate of 63.25 cents, the same rate as FY 11-12. The tax rate is allocated 58.97 cents to the General Fund, 3.34 cents to the Transit Fund, 0.69 cents to the Housing Partnership Fund and 0.25 cents to the newly created Economic Development Fund.

Tax base growth is projected at 1.23% for FY 12-13, based on projections provided by the Guilford County Tax Department. FY 12-13 includes the impacts from the 2012 county revaluation of property. The revaluation takes place every eight years. For the 13-14 planning year, valuation growth is projected at 1.5%.

The second-year budget is balanced with a 65.25 cent tax rate, the equivalent of a two cent rate

increase over the adopted rate for FY 12-13. This projected rate increase is solely allocated to the General Fund and would support expenditure increases such as a full year's operations cost of Reedy Fork Fire Station and Hilltop Road Recreation Center.

Local Option Sales Tax

The State of North Carolina grants local governments the authority to levy a general local sales tax of up to 2.0%. Counties and transportation authorities are also authorized to levy a public transportation sales tax (subject to voter approval) and counties may authorize a restricted county purpose local sales tax of 0.25% (subject to voter approval). The general state sales tax is currently at 4.75%. Guilford County levies a 2.0% general sales tax. Sales tax distribution among jurisdictions within Guilford County is based on total tax levy of all jurisdictions.



Total Budget-Revenues

Sales tax revenue is projected at \$38.9 million for FY 12-13. This is about 3.9% greater than the current year budget of \$37.4 million and just under 2% over current year revised estimates.

Local option sales tax revenues constitute about 8-9% of net revenues.

Intergovernmental Revenue

Intergovernmental revenues include those revenues that are collected by the State of North Carolina and returned to local governments, such as the Beer and Wine Tax, Utility Franchise Taxes, various cable and satellite service sales taxes (now shared with local governments through the Video Services Competition Act) and portions of the state tax on gasoline. This revenue category also includes contributions from Guilford County for support for the City's Library System and federal and state grants that help support the Greensboro Transit Authority.

Intergovernmental revenues are budgeted at \$44.3 million, about 2.8% higher than the current year budget. Electric and natural gas revenues are projected to be below budget in the current year as the mild 2012 winter lowered energy consumption and associated utility revenues. Electric Utility Franchise and Piped Natural Gas Excise Tax payments combined were budgeted at \$11.1 million in FY 11-12 but are projecting to reach only about \$10.6 million. Some rebound growth is expected for FY 12-13, with the combined budget for these two revenues estimated at \$11.0 million.

Powell Bill funds, the City's portion of the state gasoline tax, were budgeted at \$6.4 million for FY 11-12 but actual receipts were \$7 million. For FY 12-13, the budgeted amount has been increased to just under \$7 million.

The contribution from Guilford County for support of the City's Library System is budgeted at \$1.35 million, based on information available in the county's adopted budget. This amount is about \$90,000 lower than the current year budgeted amount.

User Fees, Charges and Licenses

These revenues represent charges for City services that are provided by departments typically operating

as enterprises in separate funds. Examples include water and sewer charges, transfer station tipping fees, parking fees, and the stormwater management fee. Charges for services provided by General Fund Departments, such as Parks and Recreation and Engineering and Inspections are also included in this category.

Budgeted revenues for FY 12-13 are \$170.2 million, about \$200,000 million more than budgeted revenues for FY 11-12.

User fee revenue generated in the Water Resources Fund is a significant portion of this revenue category. Water Resources user fee revenue is budgeted at \$90.3 million. The adopted budget includes a water rate increase of 3% for customers inside the city limits and 7.5% for customers outside the city limits to be effective July 1, 2012. This rate change should generate user fee revenue 4-5% greater than the current year revised estimates.

After several years of declining revenue, building development fee revenue, such as building permit fees, began showing a turn around in FY 10-11, which has continued into FY 11-12. Permit revenue is estimated at \$1.91 million for the current year, slightly ahead of FY 10-11 actuals of \$1.86 million. Revenues for FY 12-13 are projected at just over \$2 million, or a growth rate of about 6%.

The adopted budget includes the resumption of the monthly household hazardous waste fee, effective January 1 2013. This \$0.40 cents per month fee supports the household hazardous waste collection program, which is available to residents and located on Patterson Avenue.

Other Revenues

Revenues not otherwise defined are included in this category. These include interest income, internal service charges, proceeds of capitalized leases, donations and sale of assets. Internal charges, or charges assessed by one department for services rendered for another, are captured in this category. This includes internal printing charges, garage and fleet maintenance charges and computer service and maintenance charges.

Total Budget-Revenues

Revenues for this category are budgeted for FY 12-13 at \$91.5 million, about \$4.4 million above the current year budget figure of \$87 million.

The budgeted increase is generated mainly by increases in budgeted internal service contribution and employee premiums for health insurance. Employer and employee contributions for health insurance combined are budgeted to increase by nearly \$4 million, or about 15%.

Revenue from Sale of Materials associated with the Materials Recovery Facility (MRF) is budgeted at \$575,000, \$250,000 higher than the current year budget and in line with current activity.

Interfund Transfers

Interfund transfers are contributions made by one fund to support operations in another fund, such as contributions from the General Fund to the Solid Waste Management Fund to support refuse disposal and contributions to the Debt Service Fund to support voter-approved bond project financing.

Budgeted interfund transfers decrease from \$35.7 million in FY 11-12 to \$34.3 million in FY 12-13.

As part of overall efforts to balance the General Fund Budget, the General Fund will receive transfers from the Parking Fund (\$220,998), the Network Services Fund (\$119,280) and the Technical Services Fund (\$162,900). These transfers in total, however, are \$1.5 million less than the various interfund transfers used to balance the current year General Fund budget.

The General Fund contribution to the Coliseum Fund increases from \$1.47 million to \$1.90 million.

Fund Balance

The City of Greensboro fund balance policy states that “each year the estimated savings realized from unexpected appropriations in the General Fund shall be evaluated with respect to appropriation to the following year’s revenue budget as Appropriated Fund Balance to assist in financing that year’s budget.”

Appropriated fund balance amounts across all funds are decreasing from \$28.2 million to \$24.5 million. The current year budget includes a \$5.3 million use of fund balance in the Technical Services Fund for a transfer from the Technical Services Fund to its Capital Reserve Fund. Appropriated fund balance in the Debt Service Fund will decrease from \$7.2 million in the current year to \$2.1 million for FY 12-13, as reduced debt service costs in FY 12-13 require less use of fund balance.

Appropriated fund balance for the General Fund is \$4.67 million, or 1.8%, of the total budget. This appropriation level is about \$2.3 million higher than current year but is necessary to balance the budget without requiring additional revenues or service reductions.



***Total Net Revenues by Major Type
(Adopted FY 12-13 Budget)***

