

INTRODUCTION

The City of Greensboro Budget contains the City Manager's budget message, a description of the budget process, a total budget summary section and fund summary section, a capital improvements and debt service fund section, supplemental information and funding information for the four Result Areas: Community Services, General Government, Infrastructure and Public Safety.

The City of Greensboro Budget is designed to highlight and emphasize result areas and programs, providing descriptions, objectives and summary costs for major activities. The budget is developed in conjunction with the MAP (Management, Accountability, Performance) process, which requires the revision and maintenance of organizational priorities so that they may remain consistent with the challenges this organization will face during the two years immediately following budget adoption.

The City Manager's budget message summarizes the major issues facing the City of Greensboro and the budget impact on the tax rate and existing service levels. (Note: The Manager's Message refers to the budget as originally submitted by the City Manager for City Council's consideration).

The budget summary section contains budget appropriations and revenues in table and graphic form. Significant changes in funding levels and revenue sources, as well as changes in the property tax rate and in full-time positions, are detailed in the summary section. The fund summary section explains various fund categories and lists expenditures for each fund from actual expenditures in FY 2013-2014 through projections for FY 2016-2017.

Each Result Area contains associated organizational units (departments or divisions) and a description of major programs and activities under those units.

Included in this description are a listing of key performance objectives and associated performance measures; a summary of appropriations by the three major expenditure categories (Personnel Costs, Maintenance & Operations and Capital Outlay) and a summary of major revenues from actuals in FY 13-14 to projections for FY 16-17. Also included is a summary of total positions since FY 14-15; and budget highlights, including explanations of increases or decreases in appropriations.

The Capital Improvements/Debt Service section explains the relationship between the annually adopted six-year Capital Improvements Program and the Annual Budget including the impacts of capital projects on the operating budget. This section also contains information on the Debt Service Fund and annual debt service requirements.

The information in the document was prepared by the City of Greensboro Budget and Evaluation Department. For additional information you may contact:

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BUDGET PROCESS

Budget Adoption

The City of Greensboro Budget is adopted by ordinance in accordance with North Carolina General Statutes which require that estimated revenues and appropriated fund balances be equal to appropriations. The budget is developed on a cash basis, including only expenditures and revenues expected to be realized during the fiscal year. The budget is adopted, however, on a modified accrual basis with sufficient appropriations for encumbrances (outstanding purchase orders and contracts as of June 30) carried over into the new year. All operating funds reasonably expected to be received are included in the Budget Ordinance and are expended in accordance with the adopted ordinance. State statute also sets the fiscal year as beginning July 1 and ending June 30. Therefore, City Council must adopt a budget before July 1 of each year.

Developed on a program basis, the budget depicts all services provided by the City and resources allocated for the provision of these services. Organizational strategic priorities are developed by City Council and City staff and are used as major guidelines in the development of funding recommendations. The programs outlined in the budget are implemented by the various departments and offices within the City organization.

Budget Amendments

City Council is permitted by state statute to amend the Budget Ordinance anytime during the fiscal year. These amendments must continue to adhere to the balanced budget statutory requirements and cannot change the property tax levy or in any manner alter a taxpayer's liability.

The City of Greensboro Budget is a program based budget, but is adopted by funds. Ordinances approved by City Council are required to increase or decrease appropriations in any fund. Budget adjustments within the same fund may be approved by the Budget Officer and reported to City Council.

Budget Maintenance

In accordance with the General Statutes of the State of North Carolina, the City prepares and adopts its budget on the modified accrual

accounting basis. The City of Greensboro Budget is developed by accounts which relate to the City's financial accounting system in accordance with generally accepted accounting principles (GAAP). Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Budget expenditures are controlled through the City's accounting system and the purchase order system. Departments have flexibility in divisional expenditures within major categories, such as maintenance and operations expenditures. All encumbrances on the accounting system on June 30 automatically carry over into the next year's budget cycle. During the year, budget adjustments between divisions and account groups are reviewed by the Budget and Evaluation Department and approved adjustments are reported to City Council.

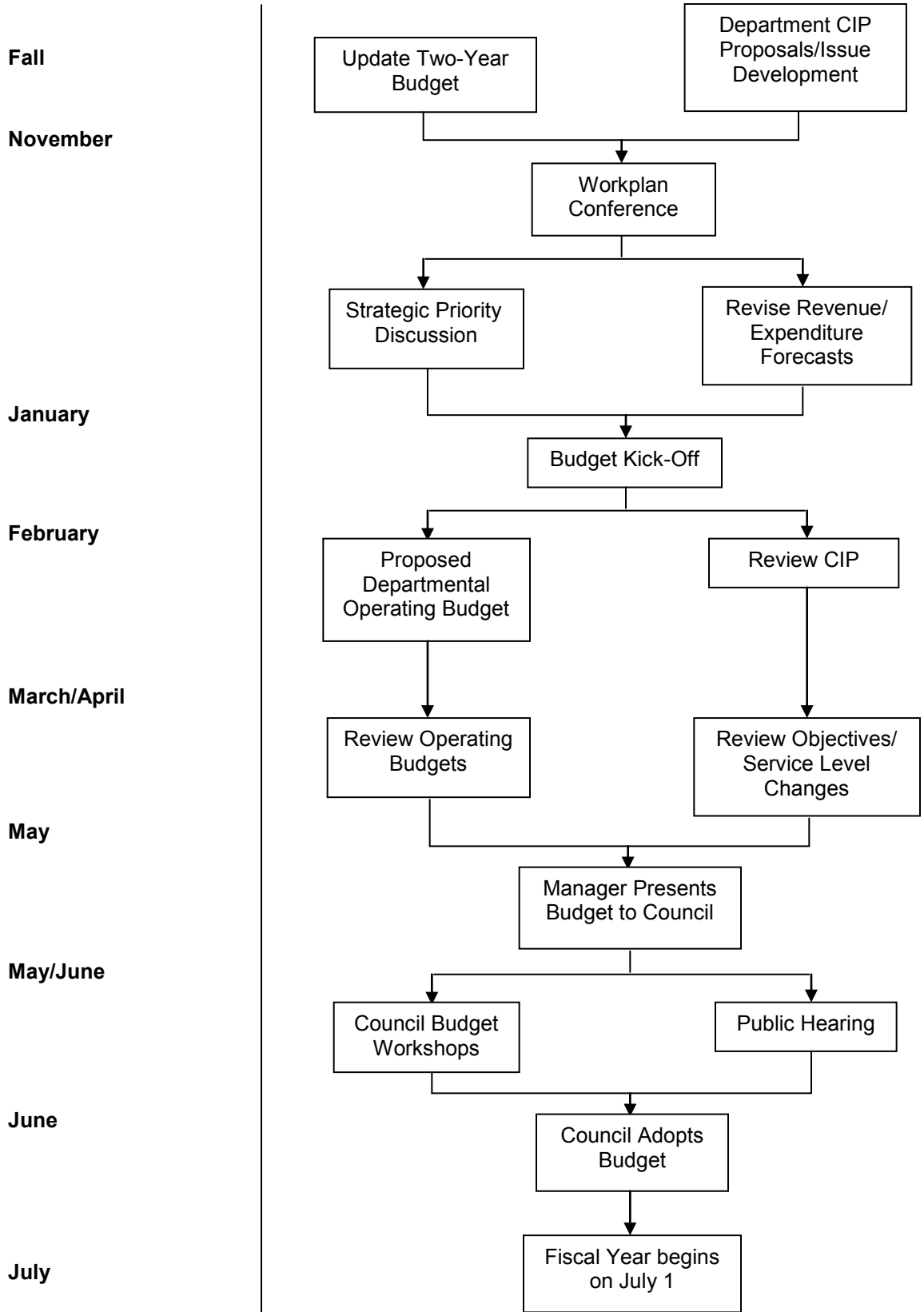
Budget Calendar

The City of Greensboro budget process begins in October with the development of proposed new and revised capital improvements projects and the identification of key departmental issues. Usually in late fall, a City Council/Staff Planning Conference is held to review the financial condition and budget forecasts for the City and to develop budget priorities and management objectives for the upcoming budget process. In May, the Recommended Capital Improvements Program (CIP), a six-year planning document outlining major, non-recurring projects requiring multiple-year financing, and the Recommended Budget are presented to City Council.

Important steps in the development of the two-year budget are given on the following page.



Budget Process



CITY MANAGER'S BUDGET MESSAGE

Mayor and City Council, City of Greensboro

May 5, 2015

Council Members:

As a City government, we are working together to create an environment for economic growth that is built on solid infrastructure, public safety and with a City team that is focused on customer-service. We want to ensure the day-to-day services our residents have come to count on are continuing at the high level that they expect. In addition, we continue to closely watch both our costs of doing business and the quality of the services provided to ensure our residents continue to receive value for their tax dollar, both in absolute terms and when compared to our peer cities.

As a community, Greensboro is reviving its economic vitality and future. Our organization has focused on building a sustainable budget that supports Council's and the community's top service priorities and the results of our efforts are coming into focus. As our community shows signs of economic growth and expansion that will be sustained through the foreseeable future, we once again bring a budget for your consideration with no tax rate increase, designed to support our community's economic revival.

The fiscal year 15-16 budget is built using a development model that I believe works for our organization. City staff and leadership brainstormed ideas and solutions for budget development, looking for efficiencies or reallocations that could be sustained for the long term. Our Result Area teams met to identify specific programs and services that could be reduced while still preserving the basic services required by our residents.

The balanced budget outlined throughout this document includes both sustainable service reductions and targeted service enhancements designed to further align City services with community priorities. While ensuring that we can continue to meet the goals and objectives laid out by City Council, this budget is also reflective of our centralized focus on providing core services and meeting pressing needs of our community, working to maintain the City's AAA bond rating, and valuing and recognizing City employees for their important contributions.

I'm confident that our resources are aligned to reach our core MAP (Management Accountability and Performance) goals while maintaining emphasis on the priorities outlined by City Council. As a City team, we look forward to working together to continue to grow Greensboro as a city where residents and visitors can live, learn, play and do business.

Strategic Goals

"Create an environment that promotes economic development opportunities and job creation."

The City of Greensboro's approach to economic development is strategically focused on advancing these key principles: promoting job creation, facilitating private business and expansion in our city, utilizing bond resources to advance economic development and infrastructure development (including promotion of shovel-ready sites, advancement of downtown projects and investments in East Greensboro and the Airport Area), providing enhanced access to City contracting opportunities through the continued implementation of our enhanced MWBE policy and program and making it easier to do business in and with the City.

City Council established the Economic Development Fund in FY 12-13. The one-half cent property tax set aside generates approximately \$1.3 million per year. These funds are fully allocated for the FY 15-16 year and support a variety of projects. Among the projects is continued work on the Renaissance Plaza Shopping Center, supported by a Council-approved grant for its grocery store co-op. The budget also includes \$150,000 for the third and final loan payment for the International Civil Rights Museum (an additional \$100,000 will be provided from the General Fund). The fund will also provide support for the events such as the 17 Days Arts and Cultural Festival and the National Folk Festival.

The City of Greensboro was awarded a \$1 million grant from the US Department of Commerce and the Economic Development Administration in 2013 to conduct an economic development challenge. The Strong Cities Strong Communities program proposals have been received and a winning proposal will be selected in August 2015.

The High Point Road/West Lee Street Gateway Corridor remains an area of key emphasis within the City's overall economic development strategic goals. Phase One of the Streetscape Improvement Project extends from Pinecroft Road to Coliseum Boulevard and will be under construction during FY 15-16.

Union Square is a partnership among Greensboro's colleges and universities to create a state-of-the-art facility to address the continuing education needs of the medical community and to develop a new high tech medical simulation lab. Groundbreaking took place on April 7 2015 at the corner of Lee and Arlington Streets in downtown Greensboro.



The FY 15-16 Recommended Budget includes continued support for various economic development and cultural partners such as the East Market Street Development Corporation, the Piedmont Triad Film Commission, the Children's Museum and the Wyndham Championship. Also included is continued funding for the maintenance of the Downtown Greenway and funding for the Greensboro Science Center, both of which are continuing to provide resources that add positive contributions to the quality of life for Greensboro's residents and visitors.

An important element of the City's economic development efforts center on its minority and women's business enterprise (MWBE) program. In FY 14-15, the City revised the program with a new coordinator and staff. In FY 15-16, the program will advance the City's goals of promoting an inclusive bidding process by using its economic power of purchasing to extend contract opportunities to all interested companies.

"Promote public safety and reduce crime."

Closely aligned with our economic development strategic goal is the organization's desire to promote public safety. A safe community is a critical component of an economically vibrant community.

During the FY 14-15 year, City Council authorized six additional fire fighter positions. The recommended FY 15-16 budget adds six more positions, with a final six additional positions projected for the FY 16-17 budget. These 18 total new positions will increase the manpower availability on all Fire Department ladder companies to the recommended four positions per shift.

Also during the FY 14-15 year, the City named a new police chief. Wayne Scott is a 24-year veteran of the Greensboro Police Department and is working to implement several new initiatives in FY 15-16 designed to make the department a national model for exceptional policing. Among his initiatives are the implementation of Neighborhood Oriented Policing, advanced recruiting efforts to build more diversity on the police force, expanded community outreach, and a greater emphasis on emerging best practices of policing.

Police, Libraries and Parks and Recreation continue their collaboration to provide programming options in an effort to positively impact the juvenile crime rate. For the third year in-a-row, the departments are combining to host the Summer Night Lights (SNL) program. The series of free teen events will be held during the summer at times that are traditionally high risk for juvenile crime. These departments, along with City Council and community partners, are further collaborating to

start the summer with a Teen Summit to inform youth of the variety of activities available through the summer season.

"Maintain infrastructure and provide sustainable growth opportunities."

Bond referenda passed by the residents of Greensboro in 2006, 2008 and 2009 authorized borrowing of over \$228 million for streets, fire stations, parks and other improvements. The City continues its strategy of managing the borrowing for these needed capital improvements with minimal tax rate adjustments for debt service.

Significant projects either underway or soon to be underway include improvements to Fleming Road at Isaacson Road, improvements to Horsepen Creek Road (widening from New Garden Road to Battleground Avenue), High Point Road Streetscape, improvements to Cone Boulevard/Nealtown Road and extension of the Downtown Greenway. In addition, sidewalk improvement projects are underway throughout the City, including improvements along sections of Florida Street, Randleman Road, Vandalia Road, McConnell Road and several other street locations.

During FY 14-15, the Greensboro Department of Transportation implemented a parking services and evaluation study. The study recommended changes to the City's parking fee structure to allow for future improvements and additions to parking structures within downtown limits. In FY 15-16, the revised fee structure will be implemented and structural improvements will be made to the parking decks and their elevators.

The Public Safety and Community Services results area have funded projects that will proceed in future years. The Fire Department will build the McConnell Road Fire Station (to replace the existing fire station on Franklin Boulevard) and a new Burlington Road Fire Station. Parks and Recreation projects will include improvements to Barber Park, Keeley Park, the construction of a new Skate Park and development of several new neighborhood parks.

Subsequent sale of remaining bond proceeds from the successful referenda are almost exclusively for street improvements and will support projects such as Alamance Church Road improvements, North Church Street improvements, Mackay Road improvements, Summit Avenue Streetscape, the downtown greenway and various sidewalk and greenway improvements.

The City seeks alternative funding sources to leverage local dollars wherever possible. Funding commitments backed by municipal agreements with NCDOT are currently in place for approximately

\$23.9 million to support City sidewalk and roadway projects.

The proposed FY 2016-2025 Capital Improvements Plan (CIP) totals \$1.48 billion of identified projects and outlines a future financing plan to maintain our current infrastructure and develop new facilities as needed. The CIP Team is continuing to evaluate all unfunded programs through the developed criteria that scores projects based on City Goals, influence on other City plans, critical need, community support and funding and operation impact.

Additional capital needs in FY 15-16 include continued renovation of Greensboro Police headquarters, street resurfacing and bridge repair and maintenance, and repair and maintenance to City-owned buildings.

One-third of the entire proposed Capital Improvements Plan is devoted to our water and sewer infrastructure. The City continues to plan and implement a variety of water system improvements and maintenance efforts using both debt financing and pay as you go (cash) capital financing. The proposed CIP includes \$550 million in planned water and sewer utility improvements, including such major projects as Osborne Wastewater Treatment Plant capacity upgrade and system wide Sanitary Sewer and Water Line Rehabilitation.

The recommended budget includes a proposed water user rate increase of 5.5% for customers within the City of Greensboro and 8% for customers outside the city limits. This rate increase will ensure the continued financial security of this vital utility resource while keeping our customer rates very competitive when compared to peer cities throughout the state.

“Achieve exceptional customer service, a diverse workforce and ensure fiscal stewardship, transparency and accountability.”

Departments have made every effort to identify efficiencies and better ways to do business and deliver service whenever possible. For example, previous and ongoing organization efforts such as energy efficiency improvements throughout City facilities continue to pay dividends in energy cost savings. Field Operations continues to evaluate and determine the most cost effective way to provide a variety of services to the community. During FY 15-16, additional moving services will be added to the City's contracted moving efforts where appropriate, allowing for a reduction of about 6 FTEs in Field Operations.

The City continues its efforts to systemically review major departments and services to ensure efficiency in service delivery. The City is currently reviewing it's Equipment Services (garage)

operations, including the evaluation of scheduling, employee training and deployment and the appropriate level of rolling stock throughout the organization. We will conduct a review of selected General Fund user fees to ensure that our fees are appropriate in the market, recouping a reasonable revenue that helps relieve pressure on the city tax rate.

Human Resources will implement a comprehensive customer service initiative this year. As part of responding to Council's identified priorities, staff will develop a program that creates performance standards, identifies measurement and evaluation tools, and provides ongoing training opportunities for employees related to customer service.

The budget also includes funding as part of the City's efforts to recognize and promote hard-working employees through its Employee Engagement Committee. In addition, measures to continue to promote a safe and healthy workforce will be implemented through initiatives like an expanded “Minute Clinic” style program that encourages and allows employees to use Medical Services for common treatments and vaccinations.

The recommended budget includes an average 2.5% merit increase for all employees, based on performance evaluation. The recommended budget also funds the Public Safety Step Program. These recommendations are included within the total compensation budget developed for the FY 15-16 budget.

Property Tax Rate

The FY 15-16 Recommended Budget is balanced with a proposed tax rate of 63.25 cents per \$100 property valuation, the same as the current tax rate.

I very much appreciate the continued dedication our employees show to the cause of public service. We are prepared to assist City Council in the adoption of this service plan for our city.

Respectfully submitted,



Jim Westmoreland, City Manager



BUDGET FINANCIAL POLICIES

The City of Greensboro's financial policies serve as the basis for the overall fiscal management of the City's resources. These policies guide City Council and Administration in making sound financial decisions and in maintaining Greensboro's fiscal stability.

Many of the policies outlined here are derivatives of the Local Government Budget and Fiscal Control Act. Other policies were developed by the City to address specific financial issues in Greensboro. These policies are reviewed annually and are updated as needed.

Listed below are financial policies which are specifically related to the adoption and execution of the annual operating budget:

Operating Budget

1. The City of Greensboro will prepare a two-year planning budget, with the first year submitted to City Council for legal adoption and the second year submitted as a planning document to assist with long-range financial planning efforts.
2. In accordance with the Local Government Budget and Fiscal Control Act, the City shall operate under an annual balanced budget ordinance in which the sum of net revenues and appropriated fund balances is equal to appropriations.
3. All grants received by the City from Federal or State Government Agencies for operating or capital purposes shall be adopted with a separate Grant Project Ordinance, with revenues estimated to be available from the grant including any local match equal to appropriations for the grant project.
4. The City's annual budget shall be adopted by July 1 and shall cover a fiscal year period beginning July 1 and ending June 30.
5. The City shall have its accounts independently audited at the close of each fiscal year by a certified public accountant.
6. The City's two-year budget shall be presented in a program budget format with program summaries, performance objectives and performance measures provided for each major program or service.

Reserves

1. The City shall maintain an undesignated fund balance equal to 9% of the following fiscal year's General Fund adopted budget, with any amount in excess of 9% being credited to a capital reserve account until a minimum of \$10 million is accumulated. Once the minimum goal is reached additional funds can be used for "pay-as-you-go" capital expenditures.
2. Before any appropriations can be made from Undesignated Fund Balance of the General Fund, seven "yes" votes from the nine member Council shall be required.
3. Appropriations to contingency account in any of the City's operating funds shall be limited to less than 5% of that fund.
4. For all other operating funds, the City shall seek to maintain a minimum fund balance of 8% of working capital.

Revenue Policy

1. Revenue estimates shall be set at realistic and attainable levels and shall be updated and revised as needed.
2. The City will conduct an annual review of specific programs and services which have been identified as potential candidates for user fees. Where appropriate, user fees will be set at a level sufficient to recover the full costs of the program or service.
3. The City's Enterprise operations shall set their enterprise fees at a level sufficient to recover the full costs of enterprise operations.
4. The City shall maintain an investment portfolio in which 100% of all idle funds are invested daily.

Capital Improvements Projects

1. The City shall annually develop a six-year Capital Improvements Program (CIP) to be adopted in conjunction with the Annual Operating Budget.

2. The City shall appropriate all funds for Capital Projects with a Capital Projects ordinance in accordance with state statutes.

3. Operating expenses for all capital projects will be estimated and accounted for in the Capital Improvements Program.

4. Capital expenditures included in the CIP as a project will cost at least \$100,000 and have a useful life of at least 10 years. Equipment purchases are considered operating expenses and will not be included in the CIP.

5. City Council will annually set level-of-service standards for the quantity and quality of capital facilities and criteria for the evaluation of capital project requests.

6. The CIP will contain an inventory of existing capital facilities and document any maintenance or replacement plans for these facilities.

Capital facilities to be financed with bonded indebtedness must adhere to the debt policies of the City including maintenance of adopted debt ratios and coordination with the overlapping capital needs of Guilford County.

Debt Management

1. Completion of capital projects funded with bond proceeds shall not exceed the life of the bonds issued to fund that project.

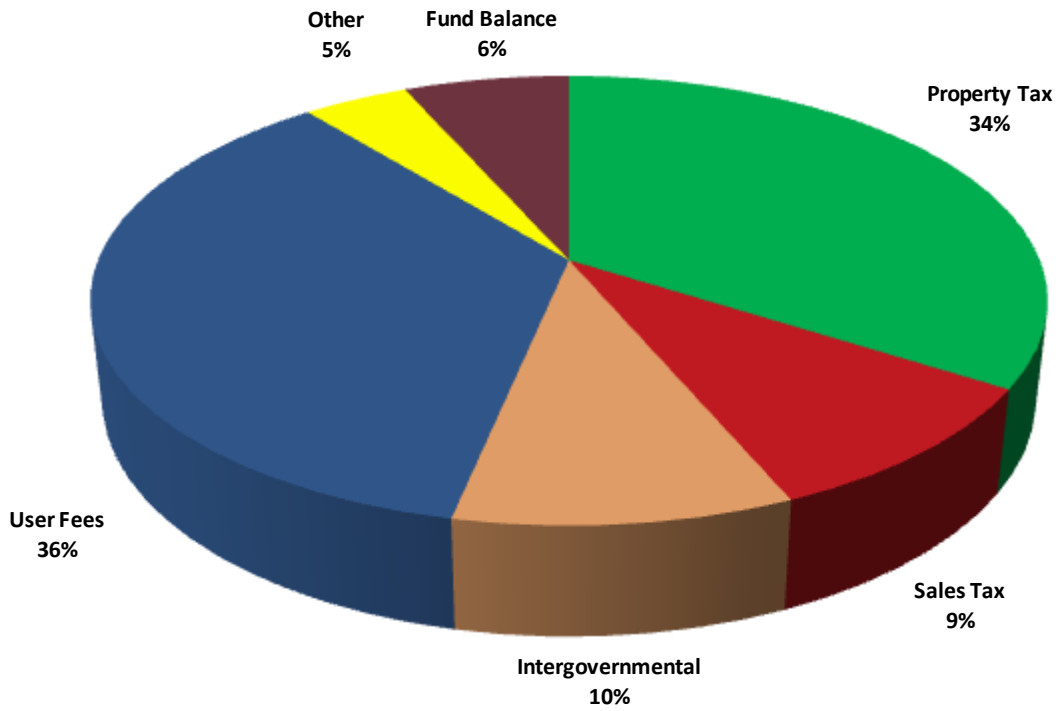
2. Bonds shall only be issued for capital improvement projects having a cost of at least \$100,000 and having a useful life of at least 10 years.

3. Interest income will be credited to the Debt Service Fund. This will allow interest income to offset debt service costs which also tend to vary depending on when bonds are issued and the variable interest rates that are in effect when the bonds are issued.

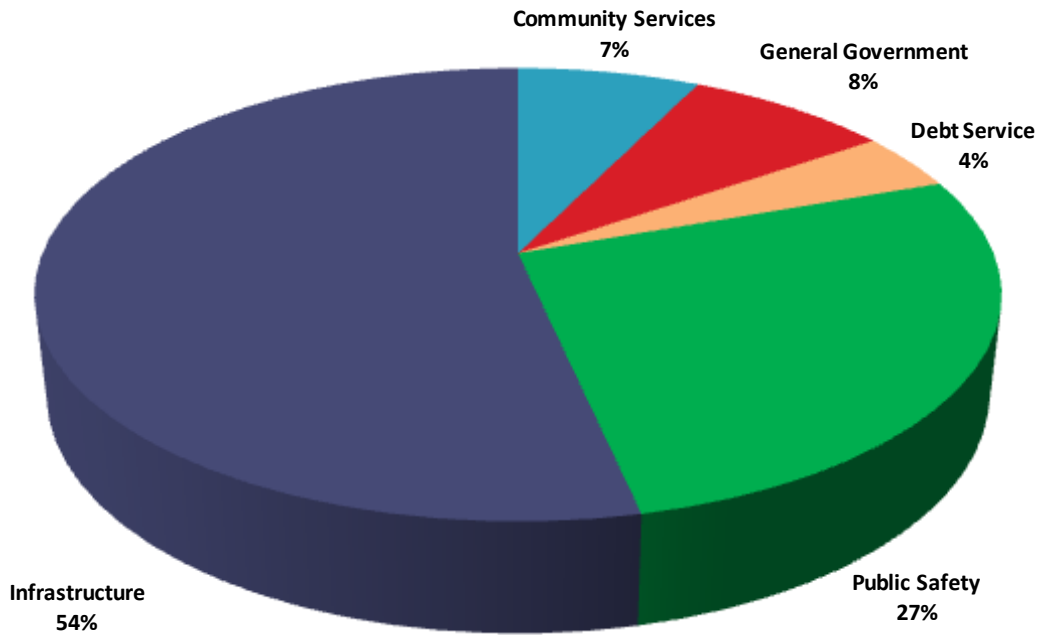


BUDGET SUMMARY

WHERE THE MONEY COMES FROM



WHERE THE MONEY GOES



FY 15-16

TOTAL BUDGET— EXPENDITURES

The FY 15-16 Net Recommended Budget (all funds) is about \$13.0 million, or 2.7% higher than the revised FY 14-15 budget. Budget changes in various funds and departments, particularly the service reductions and FTE deletions recommended to balance the budget, are described in greater detail throughout this document.

The Infrastructure Result Area, the largest service area at \$260.1 million, shows an increase of \$15.8 million over the current year. The Water Resources Fund budget increases from \$107.1 million to \$121.0 million, about \$13.9 million or 13.0%. Most of this increase is driven by capital infrastructure costs. Water Resources will increase the contribution to its capital reserve fund for future capital projects from \$22.3 million to \$26.6 million. Water Resources debt service expenses will also increase from \$21.8 million to \$27.6 million.

The Solid Waste Management Operating Fund increases from \$15.1 million to \$16.1 million to account for a \$1.1 million transfer from the Solid

Waste Operating Fund to the Solid Waste Capital Projects Fund. This will be the first in a series of approximately \$1 million annual transfers providing accumulated funds for significant landfill closure activities to resume in FY 17-18.

The Public Safety Result Area increases from \$129.7 million to \$131.7 million. Six (6) additional firefighter positions are added along with six (6) positions that were authorized by City Council during FY 14-15. These positions, coupled with six (6) more positions projected for FY 16-17, will outfit all ladder company shifts with four (4) positions.

The Community Services Result Area decreases from \$36.6 million to \$35.4 million. The Hotel Motel Occupancy Fund was amended during the FY 14-15 year, adding \$1.1 million to allow for prepayment on outstanding Coliseum debt. The FY 15-16 budget returns to a typical level and is the primary reason for the decrease from FY 14-15 to FY 15-16.

The Projected FY 16-17 Budget is 1.4% higher than the FY 15-16 Recommended Budget.

Total Net Expenditures by Expenditure Category

| Category | 2013-14 Actual | 2014-15 Budget | 2015-16 Recommended | 2016-17 Projected |
|--------------------------|-------------------|-------------------|------------------------|----------------------|
| Personnel Costs | 200,758,072 | 209,529,914 | 215,796,699 | 222,340,185 |
| Maintenance & Operations | 167,292,154 | 196,120,698 | 201,790,309 | 197,149,416 |
| Debt Service | 50,224,332 | 49,498,462 | 54,286,373 | 56,956,247 |
| Capital Outlay | 9,971,586 | 18,781,432 | 15,079,772 | 17,480,700 |
| Total Expenditures | 428,246,144 | 473,930,506 | 486,953,153 | 493,926,548 |

Budgeted personnel costs are 3.0% higher than the current year budget, including a net increase of about seven (7) full-time equivalent (FTE) positions within the total operating budget. Twelve (12) positions are added to the Fire Department budget, six (6) added during the FY 14-15 budget year and six (6) more recommended for FY 15-16.

As part of the organization's overall budget balancing strategy, about fourteen (14) FTE positions have been eliminated. These position reductions are discussed in detail in the appropriate departmental budget pages throughout the document.

Maintenance and Operations (M/O) costs, which include transfers from operating funds to capital projects or capital reserve funds, show about a \$5.7 million or 2.9%, increase compared to the FY 14-15 Budget. The single largest increase in a particular fund occurs in Water Resources. The fund's M/O budget is increasing from \$63.9 million to \$70.9 million, including an increase in the transfer to the Capital Improvements and Reserves Fund from \$22.3 million to \$26.6 million. These contributions

fund a variety of water system infrastructure maintenance and repair and help contain the overall amount of debt financing necessary for the system. The Solid Waste Management Fund M/O Budget increases from \$12.0 million to \$13.0 million with a \$1.1 million transfer to the Solid Waste Capital Reserve Fund. This is the first of three annual contributions to be made to accumulate funding needed for landfill closure activities planned for FY 17-18.

Overall budgeted debt service expenses are increasing from \$49.5 million to \$54.3 million. Payments from the Debt Service Fund to retire general obligation debt decrease hold steady during FY 15-16 at \$19.2 million. Debt service expenses increase significantly, however, in the Water Resources Fund, from \$21.8 million to \$27.6 million.

Capital outlay expenditures are budgeted at \$15.1 million, about \$3.7 million below current year. The Equipment Services Fund is projecting rolling stock replacement needs of \$10.7 million in FY 15-16 as compared to \$14.0 million in the current year.



Total Budget-Expenditures

Result Areas

| | 2013-14 Actual | 2014-15 Budget | 2015-16 Recommended | 2016-17 Projected |
|---|-------------------|-------------------|------------------------|----------------------|
| Community Services | | | | |
| Cemeteries Fund | 794,376 | 800,335 | 838,936 | 861,587 |
| Hotel/Motel Occupancy Tax Fund | 3,178,867 | 5,117,643 | 3,856,024 | 3,975,564 |
| Human Relations | 779,257 | 744,297 | 775,075 | 798,859 |
| Library System | 7,548,536 | 8,623,323 | 8,682,720 | 8,907,233 |
| Neighborhood Development | 0 | 1,507,085 | 1,590,411 | 1,631,403 |
| Non-Departmental Community Services | 1,931,099 | 1,942,066 | 1,892,410 | 1,915,047 |
| Nussbaum Housing Partnership | 1,394,670 | 2,148,403 | 1,903,399 | 1,941,193 |
| Parks and Recreation | 17,116,619 | 16,166,887 | 16,272,287 | 16,659,374 |
| Subtotal | 32,743,424 | 37,050,039 | 35,811,262 | 36,690,260 |
| Less Transfers and Internal Charges | 423,091 | 451,316 | 415,160 | 437,797 |
| Total Culture and Recreation | 32,320,333 | 36,598,723 | 35,396,102 | 36,252,463 |
| General Government | | | | |
| Budget and Evaluation | 609,640 | 650,419 | 761,637 | 783,584 |
| Communications and Marketing Department | | | 1,066,185 | 1,089,986 |
| Executive | 3,311,480 | 3,762,109 | 2,853,262 | 3,009,260 |
| Economic Development and Business Support | 1,081,158 | 1,129,121 | 1,119,500 | 1,072,289 |
| Economic Development Fund | 1,275,651 | 1,721,851 | 1,402,655 | 1,367,000 |
| Equipment Services Fund | 15,870,097 | 21,621,363 | 18,331,214 | 21,182,215 |
| Financial and Administrative Services | 3,584,279 | 3,846,542 | 3,858,983 | 3,963,743 |
| Graphic Services Fund | 981,602 | 1,060,814 | 987,139 | 1,004,469 |
| Human Resources | 2,722,264 | 2,936,383 | 2,733,111 | 2,803,466 |
| Information Technology | 6,176,395 | 6,255,659 | 6,410,619 | 6,555,925 |
| Legal | 980,610 | 1,003,346 | 1,076,679 | 1,098,382 |
| Legislative | 1,047,282 | 680,511 | 1,052,588 | 711,794 |
| Network Services/Telecommunications Fund | 10,074,815 | 12,774,357 | 12,780,605 | 12,834,109 |
| Non-Departmental General Government | 4,527,124 | 3,801,108 | 3,279,238 | 3,511,088 |
| Risk Retention Funds | 45,941,305 | 49,262,794 | 50,289,178 | 52,165,882 |
| Subtotal | 98,183,702 | 110,506,377 | 108,002,593 | 113,153,192 |
| Less Transfers and Internal Charges | 65,649,035 | 67,276,029 | 68,321,311 | 70,216,218 |
| Total General Government | 32,534,667 | 43,230,348 | 39,681,282 | 42,936,974 |

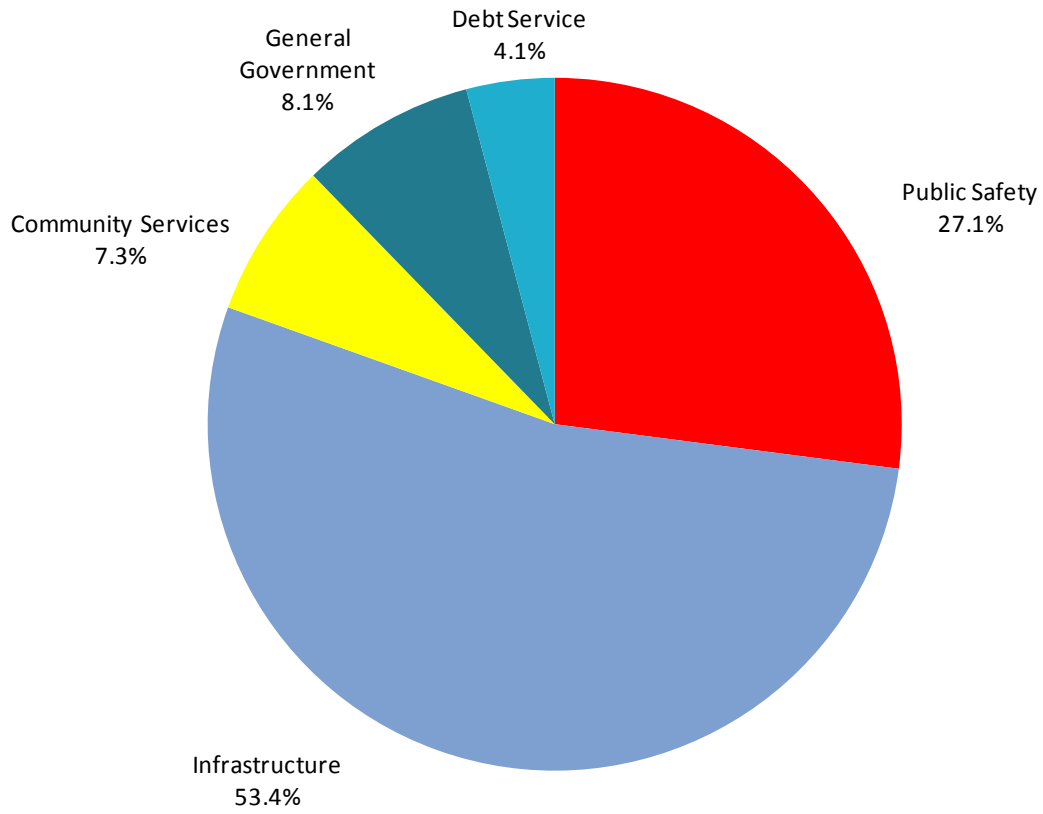
Total Budget-Expenditures

Result Areas

| | 2013-14 Actual | 2014-15 Budget | 2015-16 Recommended | 2016-17 Projected |
|---------------------------------------|-------------------|-------------------|------------------------|----------------------|
| Infrastructure | | | | |
| Engineering & Inspections | 15,154,301 | 19,059,515 | 19,356,938 | 19,688,250 |
| Field Operations | 33,163,214 | 35,343,524 | 35,012,302 | 35,705,490 |
| Greensboro Transit Authority | 23,511,295 | 22,728,043 | 22,527,047 | 23,012,062 |
| Non-Departmental Infrastructure | 5,436,989 | 4,208,293 | 4,311,277 | 4,477,893 |
| Municipal Service District Fund | 917,495 | 918,000 | 1,034,000 | 1,034,000 |
| Parking Fund | 1,666,688 | 2,540,024 | 2,908,381 | 2,684,625 |
| Planning | 3,008,857 | 1,757,403 | 1,769,171 | 1,819,568 |
| Solid Waste Management System Fund | 14,315,718 | 15,070,280 | 16,061,476 | 16,174,426 |
| State Highway Gas Tax Allocation Fund | 7,510,000 | 7,760,000 | 7,835,000 | 7,835,000 |
| Street and Sidewalk Fund | 174,245 | 0 | 0 | 0 |
| Stormwater Management Fund | 9,286,250 | 10,725,506 | 11,128,474 | 11,332,751 |
| Transportation | 9,403,156 | 9,441,311 | 9,485,953 | 9,620,740 |
| War Memorial Coliseum Complex Fund | 20,422,602 | 25,060,050 | 25,085,867 | 25,576,015 |
| Water Resources Fund | 87,332,299 | 107,131,960 | 121,013,975 | 115,350,098 |
| Subtotal | 231,303,109 | 261,743,909 | 277,529,861 | 274,310,918 |
| Less Transfers and Internal Charges | 18,805,184 | 17,339,326 | 17,387,419 | 17,554,035 |
| Total Infrastructure | 212,497,925 | 244,404,583 | 260,142,442 | 256,756,883 |
| Public Safety | | | | |
| Fire | 43,748,803 | 45,827,592 | 47,339,002 | 48,538,937 |
| Police | 67,038,058 | 68,651,027 | 70,069,661 | 71,488,269 |
| Emergency Telephone System Fund | 2,355,010 | 3,314,045 | 2,914,722 | 2,915,007 |
| Metro Communications | 6,912,179 | 7,352,414 | 7,521,030 | 7,740,419 |
| Technical Services Fund | 2,821,854 | 3,958,693 | 3,339,582 | 3,573,273 |
| Non-Departmental Public Safety | 4,874,771 | 5,035,224 | 5,336,044 | 5,514,816 |
| Subtotal | 127,750,675 | 134,138,995 | 136,520,041 | 139,770,721 |
| Less Transfers and Internal Charges | 4,346,643 | 4,474,697 | 4,775,517 | 4,954,289 |
| Total Public Safety | 123,404,032 | 129,664,298 | 131,744,524 | 134,816,432 |
| Debt Service | | | | |
| Capital Equipment Leases | 4,646,393 | 2,755,434 | 2,726,361 | 2,229,493 |
| Debt Service Fund | 26,170,468 | 19,532,224 | 19,402,803 | 23,006,796 |
| Debt Service Transfer | 17,515,250 | 18,043,080 | 18,272,570 | 21,145,616 |
| Subtotal | 48,332,111 | 40,330,738 | 40,401,734 | 46,381,905 |
| Less Transfers and Internal Charges | 20,842,925 | 20,298,184 | 20,412,931 | 23,218,109 |
| Total Debt Service | 27,489,186 | 20,032,554 | 19,988,803 | 23,163,796 |
| Budget Subtotal | 538,313,022 | 583,770,058 | 598,265,491 | 610,306,996 |
| Less Transfers and Charges | 110,066,878 | 109,839,552 | 111,312,338 | 116,380,448 |
| TOTAL NET BUDGET | 428,246,144 | 473,930,506 | 486,953,153 | 493,926,548 |



***Expenditures By Result Area
(Recommended FY 15-16 Budget)***



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

| | 2013-14 Actual | 2014-15 Budget | 2015-16 Recommended | 2016-17 Projected |
|--|-------------------|-------------------|------------------------|----------------------|
| <i>Property Tax</i> | 162,487,649 | 161,666,000 | 164,654,600 | 169,773,600 |
| <i>Sales Tax</i> | 40,775,431 | 42,649,430 | 46,202,934 | 48,498,380 |
| <i>Intergovernmental Revenue</i> | 45,975,028 | 44,148,272 | 47,076,315 | 47,638,717 |
| <i>User Fees/Charges/Licenses</i> | 159,935,689 | 165,740,633 | 173,292,319 | 181,679,231 |
| <i>All Other</i> | 107,391,608 | 99,989,725 | 100,981,114 | 103,328,651 |
| <i>Interfund Transfers</i> | 34,252,971 | 34,952,139 | 34,708,666 | 37,949,737 |
| <i>Appropriated Fund Balance</i> | 53,346,700 | 34,623,859 | 31,349,543 | 21,438,680 |
| <i>Total</i> | 604,165,076 | 583,770,058 | 598,265,491 | 610,306,996 |
| <i>Less Transfers & Internal Charges</i> | 110,066,878 | 109,839,552 | 111,312,338 | 116,380,448 |
| <i>Net Revenues</i> | 494,098,198 | 473,930,506 | 486,953,153 | 493,926,548 |

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 15-16 Recommended Budget is balanced with a property tax rate of 63.25 cents, the same rate as FY 14-15. The tax rate is allocated 58.72 cents to the General Fund, 3.34 cents to the Transit Fund, 0.69 cents to the Housing Partnership Fund and 0.50 cents to the Economic Development Fund, which was created in FY 12-13.

Tax base growth is projected at approximately 1.58% for FY 15-16, based on projections provided by the Guilford County Tax Department. For the 16-17 planning year, similar valuation growth is projected.

The second-year budget is balanced with a 64.25 cent tax rate, a one cent increase over the recommended rate for FY 15-16. This one cent increase would apply to the General Fund portion of

the overall tax rate and support increased debt service expenses associated with continued authorized borrowing from successful bond referenda in 2006, 2008 and 2009.

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 during FY 14-15 has continued the encouraging signs of growth seen in the previous year. Based on receipts for the first half of the year, current year sales tax revenues are projected at \$44.2 million, about \$1.6 million above the budgeted figure of \$42.6 million. For FY 15-16, sales tax revenue is projected at about 4.5% above revised estimates for the current year. This projection is in line with The North Carolina League of Municipalities estimate of statewide sales tax growth of 4% for FY 15-16. 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 \$47.1 million, about \$3 million higher than the FY 14-15 budgeted figure of \$44.1 million.

Beginning in FY 14-15, the utility franchise tax previously assessed for the sale of electricity and piped natural gas was replaced with a general sales tax. The volatility often associated with sales tax revenue is evident in the new format. The electric sales tax is projected at \$12.4 million for FY 14-15, which is about 25% higher than revenue received in FY 13-14. Piped Natural Gas sales tax is projected at \$1.4 million for the current year, about 27% below last year.

The North Carolina League of Municipalities has recommended conservative projections for these revenues while it is determined if the initial indications of revenue change hold true over time. Electric Sales Tax is projected at 3.5% growth over current year revised estimates, while no growth is projected for Piped Natural Gas Sales Tax compared to current year.

The Telecommunications Sales Tax revenue continues to decline as more consumers choose to eliminate their landline phone and solely use

wireless. The FY 15-16 budget projection of \$3.66 million is about 2.5% below revised current year estimates of \$3.75 million.

Powell Bill funds, the City's portion of the state gasoline tax, are budgeted at \$7.45 million for FY 15-16, slightly above the \$7.40 million budgeted for current year.

The contribution from Guilford County for support of the City's Library System is budgeted at \$1,356,847, the same amount received from Guilford County during the current year.

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 deck and on-street parking fees, Transit farebox and monthly ridership pass fees, Coliseum parking and concessions 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 15-16 are \$173.3 million, about \$7.5 million, or 4.6% greater than budgeted revenues for FY 14-15.

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 \$105.4 million. The final budget includes a water rate increase of 5.5% for customers inside the city limits and 8% for customers outside the city limits to be effective July 1, 2015.

User fee revenues earned by the Parking Fund will increase from \$2.2 million to \$2.6 million as the budget recommends increases for both on-street hourly parking and monthly parking deck space rental. Solid Waste Management tipping fee is budgeted at \$4.8 million, the same as FY 14-15.

The elimination of the privilege license fee is also included in this revenue category. This fee elimination results in an approximate \$3 million revenue loss.

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.

Revenues for this category are budgeted for FY 15-16 at \$101.0 million, \$1.0 million more than the current year.

Employer paid premiums into the Risk Retention (Health Insurance) Fund on behalf of employees for health insurance are budgeted to increase from \$26.0 million to \$26.7 million.

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 for FY 15-16 are \$34.7 million, about \$243,000 lower than the revised FY 14-15 budget.

The General Fund contribution to the Solid Waste Management Fund is increased slightly from the FY 14-15 amount of \$1.78 million to \$1.81 million. The General Fund transfer to the War Memorial Coliseum Fund will increase from \$2.34 million to \$2.50 million. Also the General Fund contribution to

the Guilford Metro Communications Fund will increase from \$4.42 million to \$4.72 million. The General Fund contribution for the Cemeteries Fund decreases from \$451,300 to \$415,100.

The transfer from the Powell Bill Fund to the General Fund is budgeted at \$5.85 million, the same as current year. The transfer helps to balance the General Fund budget as Powell Bill eligible expenditures in the General Fund are paid for with Powell Bill proceeds.

Fund Balance

The City of Greensboro fund balance policy states that “each year the estimated savings realized from unexpended 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.”

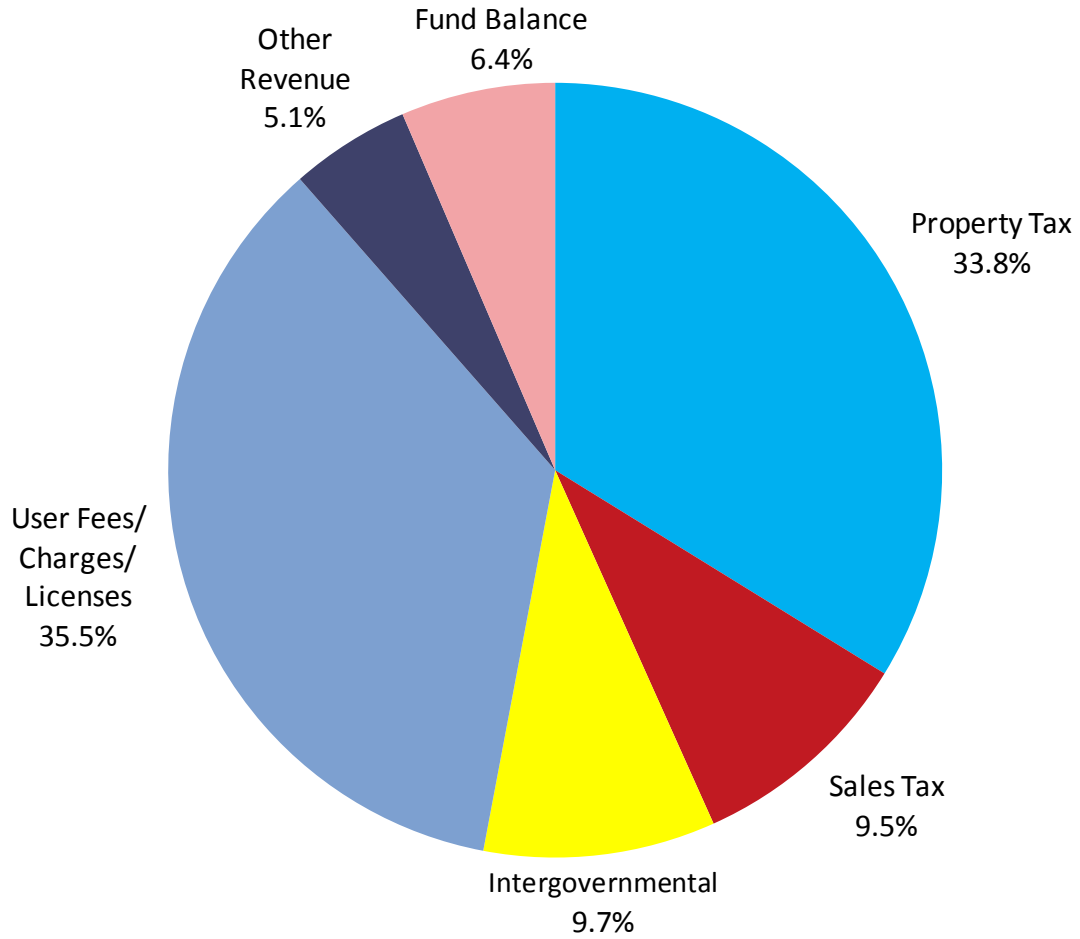
Appropriated fund balance amounts across all funds decrease from \$34.6 million in FY 14-15 to \$31.3 million for FY 15-16.

Appropriated fund balance for the General Fund is \$4.33 million, or 1.6%, of the total recommended fund budget. This appropriation level is comparable to the original budgeted figure of \$4.23 million for FY 14-15 (the FY 14-15 budget was subsequently amended during the year and additional fund balance was appropriated).

The Equipment Services Fund drew upon fund balance reserves in FY 14-15 to fund rolling stock replacement. Less fund balance is needed for FY 15-16, dropping the appropriated fund balance figure from \$6.2 million to \$2.6 million.



Total Net Revenues by Major Type
(Recommended FY 15-16 Budget)



PROPERTY TAX RATE

The recommended property tax rate for FY 15-16 is 63.25 cents per \$100, the same as the adopted FY 14-15 rate. The tax rate is allocated 58.72 cents to the General Fund, 3.34 cents to the Transit Fund,

0.69 cents to the Housing Partnership Fund and 0.50 cents to the Economic Development Fund. The following chart shows the City of Greensboro tax rates since FY 1991-92.

Tax Rates and Valuations

| Year | Tax Rate | General Fund | Economic Development | Housing Partnership | Transit Fund | Assessed Valuation |
|-----------------|--------------|--------------|----------------------|---------------------|--------------|-----------------------|
| FY 91-92 | .6100 | .6025 | | | .0075 | 9,853,358,069 |
| FY 92-93 | .6600 | .6525 | | | .0075 | 10,000,985,495 |
| FY 93-94 | .6700 | .6550 | | | .0150 | 10,349,487,033 |
| FY 94-95 | .6700 | .6550 | | | .0150 | 10,710,087,216 |
| FY 95-96 | .6700 | .6550 | | | .0150 | 10,883,043,787 |
| FY 96-97* | .5975 | .5845 | | | .0130 | 13,500,898,700 |
| FY 97-98 | .6075 | .5925 | | | .0150 | 14,174,257,394 |
| FY 98-99 | .5825 | .5675 | | | .0150 | 14,842,657,004 |
| FY 99-00 | .5825 | .5675 | | | .0150 | 15,618,162,283 |
| FY 00-01 | .5825 | .5625 | | | .0200 | 16,152,476,091 |
| FY 01-02 | .5825 | .5625 | | | .0200 | 16,658,812,399 |
| FY 02-03 | .6175 | .5975 | | | .0200 | 16,735,458,323 |
| FY 03-04 | .6175 | .5975 | | | .0200 | 16,864,364,817 |
| FY 04-05* | .5675 | .5500 | | | .0175 | 20,958,789,781 |
| FY 05-06 | .5675 | .5475 | | | .0200 | 21,259,854,794 |
| FY 06-07 | .6150 | .5800 | | | .0350 | 22,054,637,868 |
| FY 07-08 | .6350 | .6000 | | | .0350 | 22,594,699,541 |
| FY 08-09 | .6350 | .6000 | | | .0350 | 24,184,833,849 |
| FY 09-10 | .6350 | .6000 | | | .0350 | 24,348,151,212 |
| FY 10-11 | .6325 | .5975 | | | .0350 | 24,219,785,239 |
| FY 11-12 | .6325 | .5918 | | .0070 | .0337 | 24,456,470,950 |
| FY 12-13* | .6325 | .5897 | .0025 | .0069 | .0334 | 24,660,976,137 |
| FY 13-14 | .6325 | .5872 | .0050 | .0069 | .0334 | 25,423,086,180 |
| FY 14-15 | .6325 | .5872 | .0050 | .0069 | .0334 | 25,280,000,000 |
| FY 15-16 | .6325 | .5872 | .0050 | .0069 | .0334 | 25,679,000,000 |

* Property Revaluation

The FY 15-16 Recommended Budget contains a property tax rate of 58.72 cents for the General Fund, the same as the adopted FY 14-15 Budget.

The budget also includes property tax rate allocations of 3.34 cents for the Transit Fund, 0.69 cents for the Housing Partnership Fund and 0.5 cents (one-half cent) for the Economic Development Fund.

The preliminary FY 16-17 budget is balanced with a 1.0 cent tax rate increase as compared to the recommended rate for FY 15-16. This projected increase is necessary to support increased debt service costs associated with continued authorized

borrowing from successful bond referenda in 2006, 2008 and 2009.

The Greensboro Area Transit Authority Fund tax rate was established in FY 90-91 to begin City participation in an improved transit system. The tax was authorized on November 8, 1988, by referendum, in an amount not to exceed 3.5 cents.

In FY 90-91, a .05 tax levy was requested and assessed on property in College Hill and Aycock Neighborhoods for special historical development in these specific neighborhoods. In FY 11-12, the College Hill Special Tax Levy was reduced from five cents to one cent.



TOTAL BUDGET – POSITION CHANGES

The following charts show the net changes in full-time equivalent positions by Result Area and by Fund Type for FY 14-15 through the Projected FY 16-17 Budget.

The FY 15-16 Recommended Budget includes a total net decrease of about seven (7) full-time equivalent (FTE) positions. This includes a reduction of approximately fourteen (14) positions from the federally funded Workforce Development program.

Overall, the General Fund shows a net increase of about four (4) FTE positions. Twelve (12) positions are added to the Fire Department, six (6) added during the FY 14-15 year and six (6) more

recommended for FY 15-16. In addition to the Fire Department positions previously referenced, 5.5 FTEs were added subsequent to the adoption of the FY 14-15 budget to create a new downtown maintenance crew that is funded with Business Improvement District (“BID”) funds. These additional positions are partially offset by 14.3 FTE reductions in the fund. These reductions are discussed in further detail in the document, but include reductions in the Executive, Communications, Field Operations, Transportation, Parks and Recreation and Libraries Departments.

As the table below highlights, the Communications Department has been created through an internal reorganization.

Full Time Equivalent Position Changes by Department

| RESULT AREAS | 2014-15 | New Issues | Mid-Year Changes | 2015-16 | 2016-17 |
|---|---------|------------|------------------|----------------|---------|
| Community Services | | | | | |
| Cemeteries Fund | 11.442 | | | 11.442 | 11.442 |
| Community Development Fund | 9.375 | | 2.500 | 11.875 | 11.875 |
| Hotel / Motel Occupancy Tax Fund | 0.030 | | | 0.030 | 0.030 |
| Human Relations | 7.900 | | | 7.900 | 7.900 |
| Human Relations Grant | 0.600 | | | 0.600 | 0.600 |
| Libraries | 106.500 | -1.000 | | 105.500 | 105.500 |
| Neighborhood Development | 16.500 | | | 16.500 | 16.500 |
| Nussbaum Housing Partnership Fund | 12.045 | | | 12.045 | 12.045 |
| Nussbaum Housing Partnership - Grant | 4.000 | | -2.000 | 2.000 | 2.000 |
| Parks & Recreation | 175.531 | -2.500 | | 173.031 | 173.031 |
| Subtotal | 343.923 | -3.500 | 0.500 | 340.923 | 340.923 |
| General Government | | | | | |
| Budget and Evaluation | 7.000 | | 1.000 | 8.000 | 8.000 |
| Communications and Marketing Department | 0.000 | 10.000 | | 10.000 | 10.000 |
| Debt Service Fund | 1.580 | | | 1.580 | 1.580 |
| Economic Development and Business Support | 5.000 | | -2.000 | 3.000 | 3.000 |
| Equipment Services | 49.250 | 0.250 | | 49.500 | 49.500 |
| Executive | 35.481 | -12.000 | 3.500 | 26.981 | 26.981 |
| Financial and Administrative Services | 43.440 | 1.000 | -0.800 | 43.640 | 43.640 |
| Graphic Services | 9.250 | -0.250 | -1.000 | 8.000 | 8.000 |
| Human Resources | 29.000 | -1.000 | | 28.000 | 28.000 |
| Information Technology | 28.750 | -1.000 | | 27.750 | 27.750 |
| Legal | 7.500 | | | 7.500 | 7.500 |
| Legislative | 4.000 | | | 4.000 | 4.000 |
| Network Services/Telecommunications | 19.750 | 1.000 | | 20.750 | 20.750 |
| Risk Retention Funds | 7.200 | | -0.200 | 7.000 | 7.000 |
| Workforce Development Fund | 32.816 | -14.000 | | 18.816 | 18.816 |
| Subtotal | 280.017 | -16.000 | 0.500 | 264.517 | 264.517 |

Total Budget-Position Changes

| RESULT AREAS | 2014-15 | New Issues | Mid-Year Changes | 2015-16 | 2016-17 |
|------------------------------------|-----------------|-------------------|-------------------------|------------------|------------------|
| Infrastructure | | | | | |
| Engineering & Inspections | 163.500 | -1.000 | | 162.500 | 162.500 |
| Engineering & Inspections Bond | 1.000 | | | 1.000 | 1.000 |
| Field Operations | 255.991 | -6.321 | 5.481 | 255.151 | 255.151 |
| Greensboro Transit Authority | 11.750 | 0.750 | 1.000 | 13.500 | 13.500 |
| Greensboro Transit Authority Grant | 1.000 | | -1.000 | 0.000 | 0.000 |
| Parking Facilities Fund | 13.000 | 0.750 | | 13.750 | 13.750 |
| Planning | 16.000 | | | 16.000 | 16.000 |
| Planning - Grant | 1.000 | | | 1.000 | 1.000 |
| Solid Waste Management | 35.580 | | | 35.580 | 35.580 |
| Stormwater Management | 80.250 | | | 80.250 | 80.250 |
| Transportation | 59.956 | -1.500 | | 58.456 | 58.456 |
| Transportation - Grant | 2.000 | | | 2.000 | 2.000 |
| War Memorial Coliseum Complex | 74.250 | | 1.000 | 75.250 | 75.250 |
| Water Resources Enterprise | 331.625 | | | 331.625 | 331.625 |
| Subtotal | 1046.902 | -7.321 | 6.481 | 1,046.062 | 1,046.062 |
| Public Safety | | | | | |
| Fire | 566.000 | 6.000 | 6.000 | 578.000 | 584.000 |
| Police | 800.893 | | | 800.893 | 800.893 |
| Emergency Telephone System Fund | 2.200 | | | 2.200 | 2.200 |
| Guilford Metro Communications | 101.800 | | | 101.800 | 101.800 |
| Technical Services | 9.000 | | | 9.000 | 9.000 |
| Subtotal | 1479.893 | 6.000 | 6.000 | 1,491.893 | 1,497.893 |
| TOTAL | 3150.735 | -20.821 | 13.481 | 3,143.395 | 3,149.395 |

Full Time Equivalent Position Changes by Fund

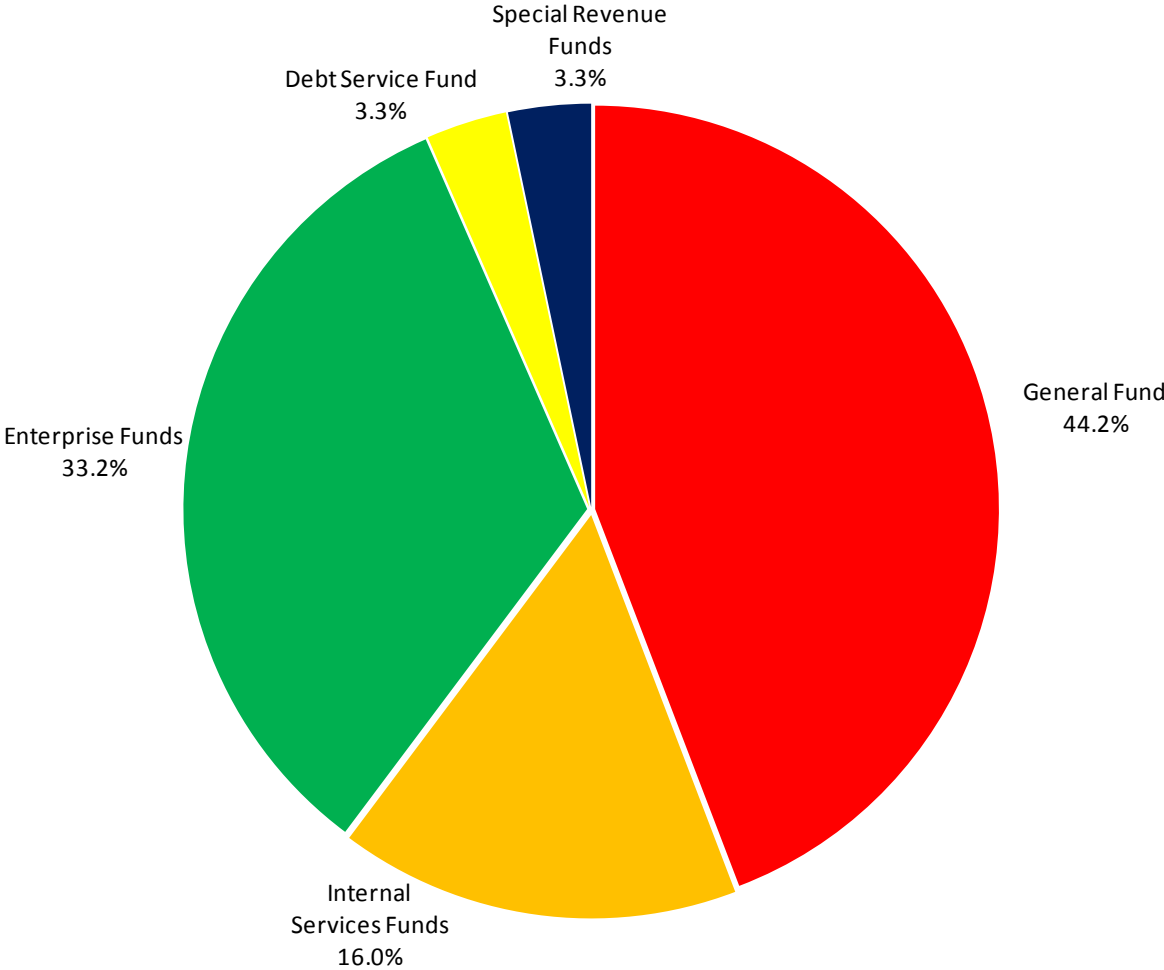
| Fund | 2014-15 | New Issues | Mid-Year Changes | 2015-16 | 2016-17 |
|------------------------|------------------|-------------------|-------------------------|------------------|------------------|
| General Fund | 2,328.942 | -9.321 | 13.181 | 2,332.802 | 2,338.802 |
| Special Revenue Funds | 77.508 | -14.000 | -0.500 | 63.008 | 63.008 |
| Debt Service Fund | 1.580 | 0.000 | 0.000 | 1.580 | 1.580 |
| Enterprise Funds | 546.455 | 1.500 | 2.000 | 549.955 | 549.955 |
| Internal Service Funds | 196.250 | 1.000 | -1.200 | 196.050 | 196.050 |
| TOTAL | 3,150.735 | -20.821 | 13.481 | 3,143.395 | 3,149.395 |

Positions funded with grant or bond funds are included for informational purposes and are grouped under the Special Revenue Funds even though they are not included in the Annual Budget Ordinance or in the total expenditure columns contained in this budget.



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FUND SUMMARY



FY 15-16

TOTAL BUDGET – FUND SUMMARY

The accounting policies of the City of Greensboro conform to generally accepted accounting principles applicable to governmental units. The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Governmental resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The various operating funds are grouped into five major fund categories defined as follows:

General Fund

The General Fund is used to provide for basic City services and day-to-day operations. The major operating activities include police, fire, transportation, parks and recreation, and field operations. It accounts for all resources that are not required by State law or local ordinance to be accounted for in a separate fund. General Fund revenues primarily consist of property taxes, the local option sales tax, intergovernmental revenue, licenses, permits and fees.

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources. These funds are established to meet a specific purpose, but the services they provide are not mandated by law.

These funds are:

Municipal Service Districts Fund
Cemeteries Fund
State Highway Allocation Fund
Nussbaum Housing Partnership Revolving Fund
Hotel/Motel Occupancy Tax Fund
Emergency Telephone System Fund
Economic Development Fund

Debt Service Fund

A Debt Service Fund is used to account for resources dedicated to the payment of principal and interest on general long-term debt. While current revenues provide funding for some capital projects, most are funded through the issuance of General Obligation Bonds. The bonds must be paid for annually in principal and interest payments.

Enterprise Funds

Enterprise Funds are used to account for activities that are financed and operated in a manner similar to private business enterprises, where the expenses of providing the service are financed primarily through user fees.

These funds are:

Water Resources Fund
Stormwater Management Fund
War Memorial Coliseum Complex Fund
Parking Facilities Fund
Solid Waste Management Fund
Greensboro Area Transit Authority Fund

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency of a government to others within the government on a cost-reimbursement basis. These services include data processing, printing, insurance, and vehicle maintenance.

These funds are:

Equipment Services Fund
Technical Services Fund
Network Services/Telecommunications Fund
Graphic Services Fund
Risk Retention Funds
Capital Leasing Fund
Guilford Metro Communications Fund

The charts on the following pages show actual operating expenditures for each fund in FY 13-14, the Amended FY 14-15 Budget, the Recommended FY 15-16 Budget and the Projected FY 16-17 Budget.



Fund Summary-Total Budget

Total Expenditures by Fund

| FUND TYPE | 2013-14 Actual | 2014-15 Budget | 2015-16 Recommended | 2016-17 Projected |
|-------------------------------------|-------------------|-------------------|--------------------------------|----------------------|
| GENERAL FUND | 250,759,143 | 260,415,825 | 264,377,623 | 272,511,012 |
| SPECIAL REVENUE FUNDS | | | | |
| Municipal Service Districts Fund | 917,495 | 918,000 | 1,034,000 | 1,034,000 |
| Cemeteries Fund | 794,376 | 800,335 | 838,936 | 861,587 |
| Economic Development Fund | 1,275,651 | 1,721,851 | 1,402,655 | 1,367,000 |
| Street and Sidewalk Revolving | 174,245 | 0 | 0 | 0 |
| State Highway Allocation | 7,510,000 | 7,760,000 | 7,835,000 | 7,835,000 |
| Nussbaum Housing Partnership | 1,394,670 | 2,148,403 | 1,903,399 | 1,941,193 |
| Hotel/Motel Occupancy Tax | 3,178,867 | 5,117,643 | 3,856,024 | 3,975,564 |
| Emergency Telephone System Fund | 2,355,010 | 3,314,045 | 2,914,722 | 2,915,007 |
| Subtotal | 17,600,314 | 21,780,277 | 19,784,736 | 19,929,351 |
| DEBT SERVICE FUND | 26,170,468 | 19,532,224 | 19,402,803 | 23,006,796 |
| ENTERPRISE FUNDS | | | | |
| Water Resources Enterprise | 87,332,299 | 107,131,960 | 121,013,975 | 115,350,098 |
| Stormwater Management | 9,286,250 | 10,725,506 | 11,128,474 | 11,332,751 |
| War Memorial Coliseum | 20,422,602 | 25,060,050 | 25,085,867 | 25,576,015 |
| Parking Facilities Fund | 1,666,688 | 2,540,024 | 2,908,381 | 2,684,625 |
| Solid Waste Management | 14,315,718 | 15,070,280 | 16,061,476 | 16,174,426 |
| Greensboro Area Transit Authority | 23,511,295 | 22,728,043 | 22,527,047 | 23,012,062 |
| Subtotal | 156,534,852 | 183,255,863 | 198,725,220 | 194,129,977 |
| INTERNAL SERVICE FUNDS | | | | |
| Equipment Services | 15,870,097 | 21,621,363 | 18,331,214 | 21,182,215 |
| Guilford Metro Communications | 6,912,179 | 7,352,414 | 7,521,030 | 7,740,419 |
| Technical Services | 2,821,854 | 3,958,693 | 3,339,582 | 3,573,273 |
| Network Svcs/Telecommunications | 10,074,815 | 12,774,357 | 12,780,605 | 12,834,109 |
| Graphic Services | 981,602 | 1,060,814 | 987,139 | 1,004,469 |
| Risk Retention Funds | 45,941,305 | 49,262,794 | 50,289,178 | 52,165,882 |
| Capital Leasing | 4,646,393 | 2,755,434 | 2,726,361 | 2,229,493 |
| Subtotal | 87,248,245 | 98,785,869 | 95,975,109 | 100,729,860 |
| Total Expenditures | 538,313,022 | 583,770,058 | 598,265,491 | 610,306,996 |
| Less Transfers and Internal Charges | 110,066,878 | 109,839,552 | 111,312,338 | 116,380,448 |
| Net Expenditures | 428,246,144 | 473,930,506 | 486,953,153 | 493,926,548 |

Total Expenditures by Result Area

| FUND TYPE | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|-------------------------------------|-------------|-------------|--------------------|-------------|
| Result Area | Actual | Budget | Recommended | Projected |
| GENERAL FUND | | | | |
| Community Services | 27,060,876 | 28,983,658 | 29,212,903 | 29,911,916 |
| General Government | 24,354,867 | 24,065,198 | 24,211,802 | 24,599,517 |
| Infrastructure | 66,166,517 | 69,810,046 | 69,935,641 | 71,311,941 |
| Public Safety | 115,661,632 | 119,513,843 | 122,744,707 | 125,542,022 |
| Debt Service | 17,515,250 | 18,043,080 | 18,272,570 | 21,145,616 |
| Subtotal | 250,759,143 | 260,415,825 | 264,377,623 | 272,511,012 |
| SPECIAL REVENUE FUNDS | | | | |
| Community Services | 5,367,913 | 8,066,381 | 6,598,359 | 6,778,344 |
| General Government | 1,275,651 | 1,721,851 | 1,402,655 | 1,367,000 |
| Infrastructure | 8,601,740 | 8,678,000 | 8,869,000 | 8,869,000 |
| Public Safety | 2,355,010 | 3,314,045 | 2,914,722 | 2,915,007 |
| Subtotal | 17,600,314 | 21,780,277 | 19,784,736 | 19,929,351 |
| DEBT SERVICE FUND | | | | |
| Debt Service | 26,170,468 | 19,532,224 | 19,402,803 | 23,006,796 |
| ENTERPRISE FUNDS | | | | |
| Infrastructure | 156,534,852 | 183,255,863 | 198,725,220 | 194,129,977 |
| Subtotal | 156,534,852 | 183,255,863 | 198,725,220 | 194,129,977 |
| INTERNAL SERVICE FUNDS | | | | |
| General Government | 77,514,212 | 87,474,762 | 85,114,497 | 89,416,168 |
| Public Safety | 9,734,033 | 11,311,107 | 10,860,612 | 11,313,692 |
| Subtotal | 87,248,245 | 98,785,869 | 95,975,109 | 100,729,860 |
| Total Expenditures | 538,313,022 | 583,770,058 | 598,265,491 | 610,306,996 |
| Less Transfers and Internal Charges | 110,066,878 | 109,839,552 | 111,312,338 | 116,380,448 |
| Net Expenditures | 428,246,144 | 473,930,506 | 486,953,153 | 493,926,548 |



GENERAL FUND

Expenditures by Result Area

The chart below shows a Result Area comparison of General Fund expenditures for FY 13-14 Actual Expenditures, the FY 14-15 Amended Budget, the FY 15-16 Recommended Budget and the FY 16-17 Projected Budget. The FY 15-16 Recommended Budget is \$3.96 million, or 1.5%, greater than the Amended FY 14-15 Budget.

Approximately \$760,000 in expenditure savings is achieved through planned service reductions or efficiency improvements, including the elimination of 14.3 full-time equivalent (FTE) positions. These reductions are discussed in greater detail throughout the document. Additionally, reduced fuel prices and projections for moderate price changes during FY 15-16 allow for about \$800,000 in budgeted fuel reductions. These savings are concentrated in the Police and the Field Operations Departments.

The Public Safety Result Area, which includes Police, Fire and the General Fund support for the Metro 911 Fund, shows an increase of about \$3.2 million, or about 2.7%. The Recommended Budget includes six additional firefighter positions to add an additional position to two ladder companies for each response shift. Six positions were added during the FY 14-15 budget year for the same purpose, for a total increase of twelve positions over two years. An additional six firefighter positions are projected to be added in FY 16-17, for a total of eighteen new positions over three years. The General Fund transfer to the Metro 911 Fund will increase from \$4.42 million to \$4.72 million.

The Infrastructure Result Area, which includes Field Operations, Transportation, Engineering and Inspections, Planning, and contributions to Solid

Waste Management and the Coliseum Funds, is increasing only by about \$125,600 or 0.2%. The General Fund transfer to the Solid Waste Management Fund is increasing slightly from \$1.78 million to \$1.81 million. The General Fund transfer to the Coliseum Fund is increasing from \$2.34 million to \$2.50 million for a fiscal year that will not include the ACC Men's Basketball Tournament.

The Community Services Result Area, which includes the Human Relations, Library, Neighborhood Development and Parks and Recreation Departments, increases from \$29.0 million to \$29.2 million. Budget reductions are discussed in greater detail within the Result Area section of the document, but include reductions of 3.5 FTE positions in Parks and Recreation and 1.0 FTE in Libraries.

The General Government Result Area budget increases slightly, from \$24.1 million to \$24.2 million.

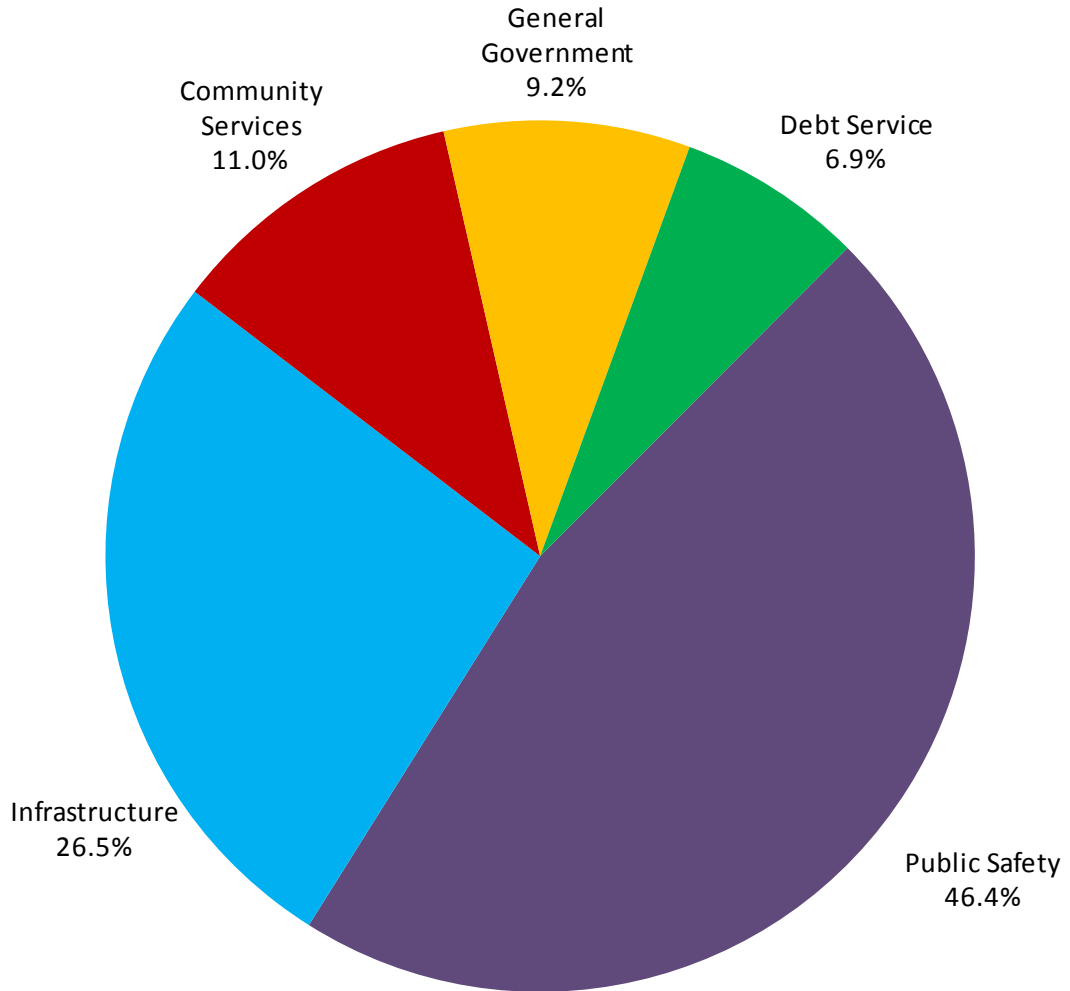
The contribution to the Debt Service Fund will increase from \$18.0 million to \$18.3 million.

The FY 16-17 Projected Budget is \$8.1 million, or 3.1%, higher than the Recommended FY 15-16 Budget. The contribution to the Debt Service Fund is projected to increase from \$18.3 million in FY 15-16 to \$21.1 million in FY 16-17 to allow for continued borrowing for capital improvements authorized through approved voter referenda in 2006, 2008 and 2009. Approximately \$100,000,000 of authorized bonds remain to be sold from the previous three successful bond referenda. As currently projected, the General Fund will require additional revenue equivalent to one cent on the tax rate to fund these increased debt service costs in FY 16-17.

General Fund Expenditures by Result Area

| Result Area | 2013-14 Actual | 2014-15 Budget | 2015-16 Recommended | 2016-17 Projected |
|--------------------|--------------------|--------------------|--------------------------------|----------------------|
| Community Services | 27,375,511 | 28,983,658 | 29,212,903 | 29,911,916 |
| General Government | 24,040,232 | 24,065,198 | 24,211,802 | 24,599,517 |
| Infrastructure | 66,166,517 | 69,810,046 | 69,935,641 | 71,311,941 |
| Public Safety | 115,661,632 | 119,513,843 | 122,744,707 | 125,542,022 |
| Debt Service | 17,515,250 | 18,043,080 | 18,272,570 | 21,145,616 |
| Total | 250,759,143 | 260,415,825 | 264,377,623 | 272,511,012 |

**General Fund Expenditures by Result Area
Recommended FY 15-16 Budget**



Highlights

Expenditures By Category:

The chart below shows a comparison of General Fund expenditures by expenditure category for FY 13-14 Actual Expenditures, the FY 14-15 Amended Budget, the FY 15-16 Recommended and FY 16-17 Projected Budgets.

General Fund Expenditures by Expenditure Category

| | 2013-14 Actual | 2014-15 Budget | 2015-16 Recommended | 2016-17 Projected |
|--------------------------|-------------------|-------------------|------------------------|----------------------|
| Personnel Costs | 153,119,413 | 159,485,113 | 163,464,669 | 168,200,415 |
| Maintenance & Operations | 79,963,879 | 82,626,068 | 82,615,184 | 83,139,781 |
| Debt Service | 17,515,250 | 18,043,080 | 18,272,570 | 21,145,616 |
| Capital Outlay | 160,602 | 261,564 | 25,200 | 25,200 |
| Total | 250,759,143 | 260,415,825 | 264,377,623 | 272,511,012 |

The Recommended General Fund Budget projects a \$4.0 million, or 2.5%, increase in budgeted personnel costs. The fund shows a net increase of about four (4) FTE positions, including twelve (12) Fire Department positions, six added after the adoption of the FY 14-15 budget and six more recommended for the FY 15-16 budget. The FY 15-16 Recommended Budget includes the elimination of approximately 14.3 FTE positions associated with a variety of budget reductions. These reductions are detailed on the appropriate departmental budget pages and include reductions in Parks and Recreation, Libraries, Executive, Transportation and Field Operations Departments.

The budget includes funds for a merit pay adjustment that would average 2.5% for employees. The budget also funds the Public Safety step program for Police Department ranks Officer 1 through Sergeant and Fire Department ranks from Firefighter through Fire Captain.

The Recommended Budget includes a 3.3% increase in contributions to the Risk Retention (Health Insurance) Fund (about \$650,000) for employee health insurance and a 5.0% reduction in contributions for Worker's Compensation costs, a savings of about \$131,000.

Maintenance and Operations (M/O) expenditures, including transfers to other funds, are budgeted at \$82.6 million, roughly the same as FY 14-15.

The General Fund is benefitting from lower fuel costs that have occurred during FY 14-15 and are expected to continue to some extent through the next fiscal year. The M/O budget is reduced by about \$800,000 based on lower fuel prices experienced during the current year and projections for only modest increases during FY 15-16. These reductions are helping to offset increases in computer software and software maintenance and capital leases related to various technologies systems (about \$328,000) and for the scheduled municipal election during FY 15-16 (\$352,000).

The General Fund contribution to the Solid Waste Management Fund increases slightly from \$1.78 million to \$1.81 million. The General Fund contribution to the Coliseum Fund will increase from \$2.34 million to \$2.50 million, an increase of about \$159,500. The General Fund contribution to the Guilford Metro Communications Fund will increase from \$4.42 million to \$4.72 million, an increase of about \$300,000.

General Fund contributions to the Debt Service Fund will increase from \$18.0 million in FY 14-15 to \$18.3 million in FY 15-16.

The FY 16-17 Projected Budget is \$8.1 million, or 3.1%, higher than the Recommended FY 15-16 Budget. Contributions for debt service expenses are projected to increase from \$18.3 million in FY 15-16 to \$21.1 million in FY 16-17.

Highlights

Revenues:

Listed below is a summary chart of the major General Fund revenue estimates.

| | Major General Fund Revenues | | | |
|--------------------------------|------------------------------------|-------------------|--------------------------------|----------------------|
| | 2013-14 Actual | 2014-15 Budget | 2015-16 Recommended | 2016-17 Projected |
| Property Tax | 150,325,860 | 149,734,000 | 152,400,000 | 157,337,000 |
| Sales Tax | 40,635,088 | 42,536,430 | 46,073,934 | 48,369,380 |
| State Collected Local Revenues | 20,038,904 | 19,944,058 | 22,332,752 | 22,739,914 |
| ABC Profit Distribution | 3,076,125 | 3,225,500 | 3,423,000 | 3,492,000 |
| Building Permit Revenue | 2,038,011 | 2,372,171 | 2,400,407 | 2,471,264 |
| All Other | 33,332,878 | 30,458,244 | 26,446,958 | 26,431,361 |
| Transfers from Other Funds | 6,786,998 | 6,939,642 | 6,939,642 | 6,939,642 |
| Appropriated Fund Balance | 7,054,241 | 5,205,780 | 4,360,930 | 4,730,451 |
| Total | 263,288,105 | 260,415,825 | 264,377,623 | 272,511,012 |

Property Tax

The Recommended FY 15-16 General Fund Budget is balanced with a 58.72 cent tax rate, the same rate as the adopted FY 14-15 budget.

Tax base growth is projected at 1.58% for FY 15-16, based on projections provided by the Guilford County Tax Department. This projection is in line with revised estimates for current year valuation growth. For the 16-17 planning year, valuation growth is projected at a similar growth rate.

The second year General Fund budget is balanced with a 1.0 cent tax rate increase as compared to the recommended rate for FY 15-16. This projected increase is necessary to allow a \$2.8 million increase in the General Fund contribution to the Debt Service Fund. This transfer increase is required to support increased debt service costs associated with continued borrowing of authorized funds from bond referenda passed in 2006, 2008 and 2009.

Sales Tax

Sales tax revenue during FY 14-15 has continued the encouraging signs of growth seen in the previous year. Based on receipts for the first half of the year, current year sales tax revenues are projected at \$44.1 million, about \$1.6 million above the budgeted figure of \$42.5 million. For FY 15-16, sales tax revenue is projected at about 4.5% above revised estimates for the current year. This projection is in line with The North Carolina League of Municipalities has estimate of statewide sales tax growth of 4% for FY 15-16.

State Collected Local Revenues/Cable Access

State collected local revenues include Utility and Franchise Taxes and Beer and Wine Taxes. These are traditional local government revenues which the State of North Carolina collects for local governments. The FY 15-16 budget figure shows a \$2.39 million increase from the current year budget, or about 12.0%. Beginning in FY 14-15,



the utility franchise tax previously assessed for the sale of electricity and piped natural gas was replaced with a general sales tax. The volatility often associated with sales tax revenue is evident in the new format. The electric sales tax is projected at \$12.4 million for FY 14-15, which is about 25% higher than revenue received in FY 13-14. Piped Natural Gas sales tax is projected at \$1.4 million for the current year, about 27% below last year.

The North Carolina League of Municipalities has recommended conservative projections for these revenues while it is determined if the initial indications of revenue growth hold true over time. Electric Sales Tax is projected at 3.5% growth over current year revised estimates while no growth is projected for Piped Natural Gas Sales Tax compared to current year.

The Telecommunications Sales Tax revenue continues to decline as more consumers choose to eliminate their landline phone and solely use wireless. The FY 15-16 budget projection of \$3.66 million is about 2.5% below revised current year estimates of \$3.75 million.

ABC Profit Distribution

The Greensboro ABC Board distributes its net profits (after deducting amounts required for law enforcement, alcohol education and working capital) as follows: 91.4% is distributed to Greensboro, 2.2% is distributed to Summerfield with the remaining 6.4% distributed among Guilford County and municipalities without ABC outlets. Revenues of \$3.42 million are estimated for FY 15-16, which are about 4.0% higher than the current year estimate.

Building Development Fees

Building development fee revenue is projected at \$2.33 million for the current year, about \$292,000 or 14.3% above FY 13-14. The increase is due to a combination of both increased building activity and an increase in the base building permit fee enacted for FY 14-15.

Building development fee revenue is projected at \$2.40 million for FY 15-16, about 3.0% above the revised current year estimates.

Other Revenues

Other revenues in the General Fund include departmental charges, user fees, fines, licenses and other miscellaneous revenues. These revenues are estimated at \$26.4 million, roughly \$4 million below the current year budget.

The single largest contributor to this category decrease is the elimination of the privilege license fee. This fee elimination results in an approximate \$3 million revenue loss.

Projections for commercial refuse collection fees are being adjusted downward to more accurately reflect actual revenue. This is reducing the budgeted amount for the fee revenue from \$4.81 million to \$4.46 million.

The contribution from Guilford County for library support is budgeted at \$1,356,000, the same amount as received for FY 14-15.

Transfers from Other Funds

The General Fund typically receives transfers from Special Revenue Funds which have been established to account for specific revenue sources received by the City.

The transfer from the State Highway Gasoline Tax Fund (Powell Bill) is budgeted at \$5.85 million to offset a variety of eligible transportation expenses budgeted in the General Fund. The General Fund will also receive a contribution from Transportation Bond Funds in the amount of \$720,000 to offset some of the eligible professional services expenditures absorbed in the General Fund.

A portion (\$320,000) of the Business Improvement District ("BID") funds generated through the downtown BID property tax is transferred back to the General Fund to support a dedicated city staffed downtown maintenance crew.

Fund Balance

The fund balance appropriation for the FY 15-16 Budget is \$4.36 million, or 1.6%, of the total budget. This does not include additional fund balance appropriations that will be necessary to carry forward outstanding purchase orders at the end of FY 14-15.