

PROPOSED FY 2024-2025 BUDGET

Budget Session 1

Tuesday, April 2, 2024

City Council Work Session- 2pm



The background features a dark blue-grey field with several grey arrows pointing right, some overlapping. On the right side, there is a target graphic with concentric circles in shades of red and grey. The overall design is modern and professional.

WHAT TO EXPECT 2024-2025 BUDGET PROCESS

Budget Schedule

March 1

Department Head Budgets Due to City Manager

March 1-15

City Manager Meetings with Each Department Head to Review Budget

March 15-22

City Manager and Finance Director Meet to Review Budget

→ April 2

City Council Work Session- Budget Session 1

March 26-April 30

City Manager Meetings with City Council Members as Needed

April 30

City Council Work Session- Budget Session 2

City Clerk to make Proposed Budget available for public inspection.

May 13

City Council Regular Session- Budget Presentation and Public Hearing

May 28

City Council Work Session- Budget Session 3 (if needed)

June 11

City Council Regular Meeting- Budget Public Hearing 2 (if needed) and Adoption

Budget Book...What's Included?

BUDGET SESSION 1

Resources

Budgets

- 2019-2020 Budget: Adopted and Year End
- 2020-2021 Budget: Adopted and Year End
- 2021-2022 Budget: Adopted and Year End
- 2022-2023 Budget: Adopted and Year End
- 2023-2024 Budget: Adopted and as of 03-01-2024

Budget Ordinances

- 2019-2020
- 2020-2021
- 2021-2022
- 2022-2023
- 2023-2024

BUDGET SESSION 2 & 3

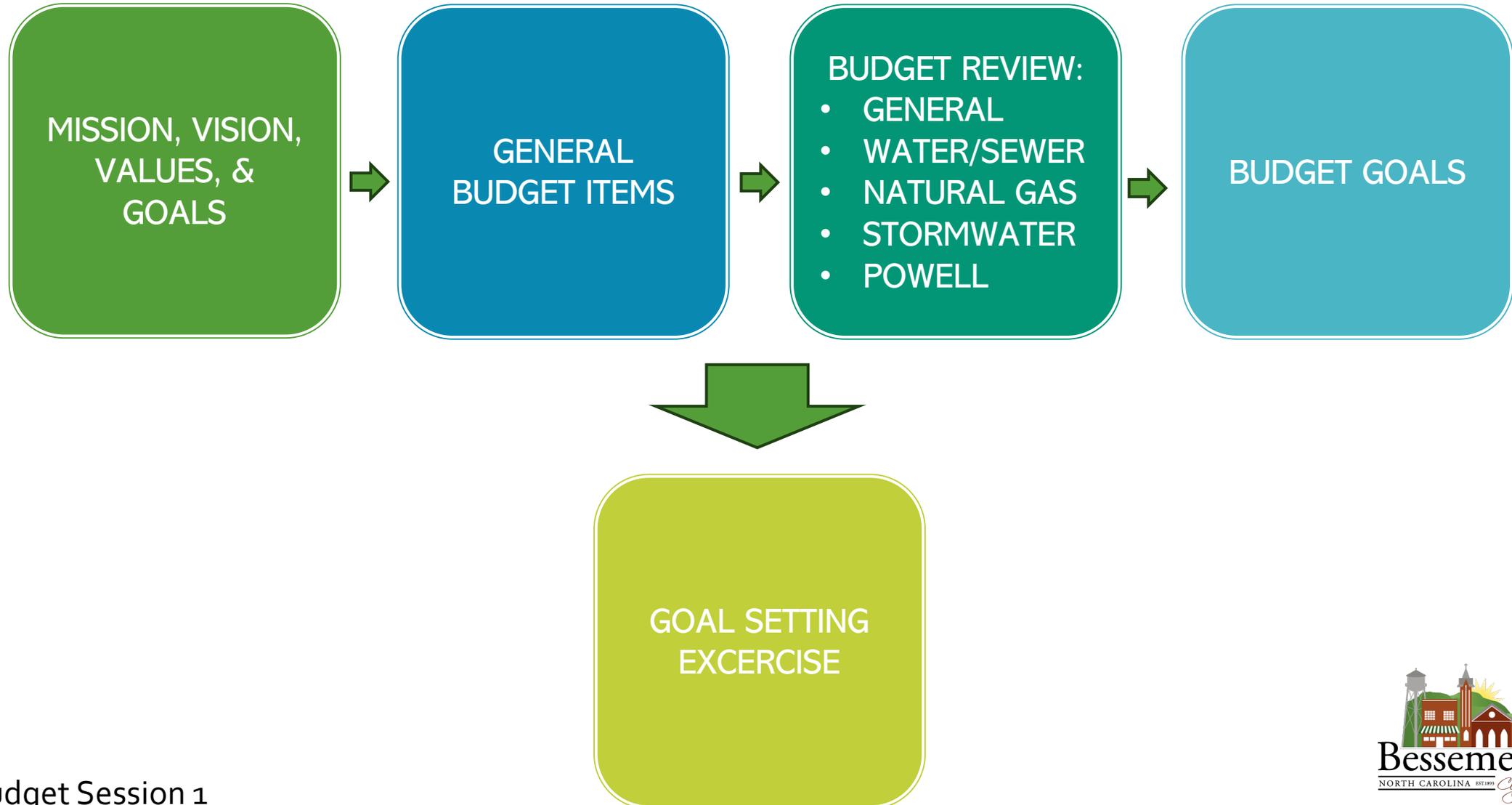
Working Draft

2024-2025 Budget

- General Fund
- Water Fund
- Natural Gas Fund
- Storm Water Fund
- Powell Bill Fund
- Budget Ordinance
- Fee Schedule
- Budget Message
- Budget Report (infographic)
- Additional Reports as needed



Budget Session 1: Agenda



The background features a dark teal color with several light teal arrows pointing to the right. On the right side, there is a target graphic with concentric circles. The main title is centered in white, bold, sans-serif font.

MISSION, VISION, VALUES, & GOALS

Vision & Mission

Vision... Our Future

Bessemer City strives to be a unique and welcoming community that connects people to economic opportunities and a higher quality of life.

Mission... Our Purpose

Bessemer City provides high quality public services in a responsible manner that creates success.



Values & Goals

Values

- *Accountability
- *Ethics
- *Respect
- *Commitment/Dependability
- *Open-Mindedness
- *Honesty



Goals

- #1 Promote a desirable place to live and work that provides a healthy quality of life.
- #2 Ensure a safe and secure community for residents and visitors.
- #3 Invest in high quality infrastructure to support a thriving and diverse economy.
- #4 Provide opportunities for citizen engagement and promote volunteerism.
- #5 Foster organizational sustainability that embraces innovation and creativity.

A pen is positioned diagonally on the left side of the slide, pointing towards the bottom right. The background is a dark teal color with a faint, light-colored grid pattern. The text 'GENERAL BUDGET ITEMS' is centered in a large, bold, white font. A thin white horizontal line is located below the text.

GENERAL BUDGET ITEMS

Budget Tool Highlights

- 1. Tax Rate Comparison
- 2. Enterprise Fund Administrative Charges
- 3. Property Value by Type
- 4. Budget Considerations



Tax Rate Comparison

Tax Rates	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Belmont	0.475	0.475	0.475	0.475	0.475	0.515	0.515	0.515	0.515	0.495	0.455
Bessemer City	0.43	0.43	0.43	0.45	0.45	0.47	0.45	0.45	0.45	0.45	0.45
Cherryville	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.52	0.52	0.52	0.48
Cramerton	0.475	0.475	0.475	0.475	0.475	0.475	0.475	0.475	0.475	0.475	0.445
Dallas	0.38	0.38	0.38	0.4	0.4	0.4	0.4	0.4	0.42	0.42	0.42
Gaston County	0.87	0.87	0.87	0.87	0.87	0.87	0.84	0.83	0.83	0.81	0.61
Gastonia	0.53	0.53	0.53	0.53	0.53	0.53	0.52	0.52	0.52	0.52	0.47
High Shoals	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.38	0.38	0.38	0.32
Kings Mountain	0.4	0.4	0.4	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.48
Lowell	0.4	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.49	0.49	0.49
McAdenville	0.3	0.3	0.3	0.3	0.33	0.33	0.33	0.33	0.33	0.39	0.39
Mount Holly	0.53	0.53	0.53	0.53	0.53	0.53	0.485	0.485	0.485	0.485	0.405
Ranlo	0.37	0.37	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.45
Stanley	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.49

Tax Rate Comparison



= \$77,531.91*,**

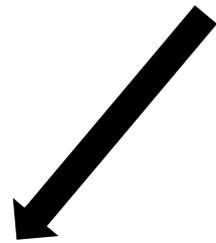
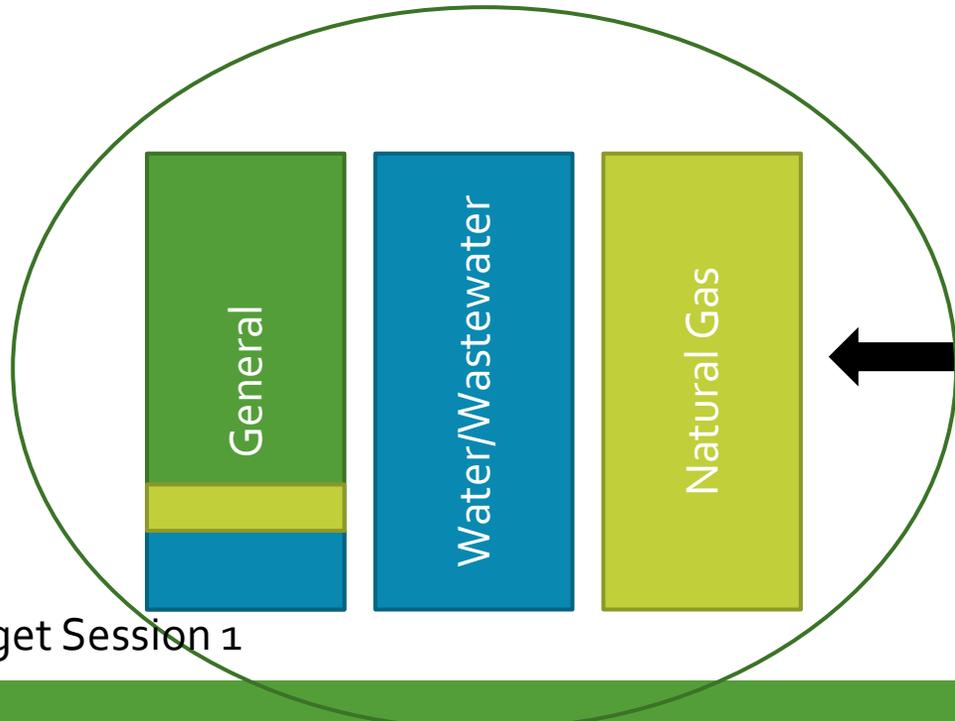
**based on 2023 TR-2 Report from Gaston County Tax Office*

***based on \$0.45 tax rate*

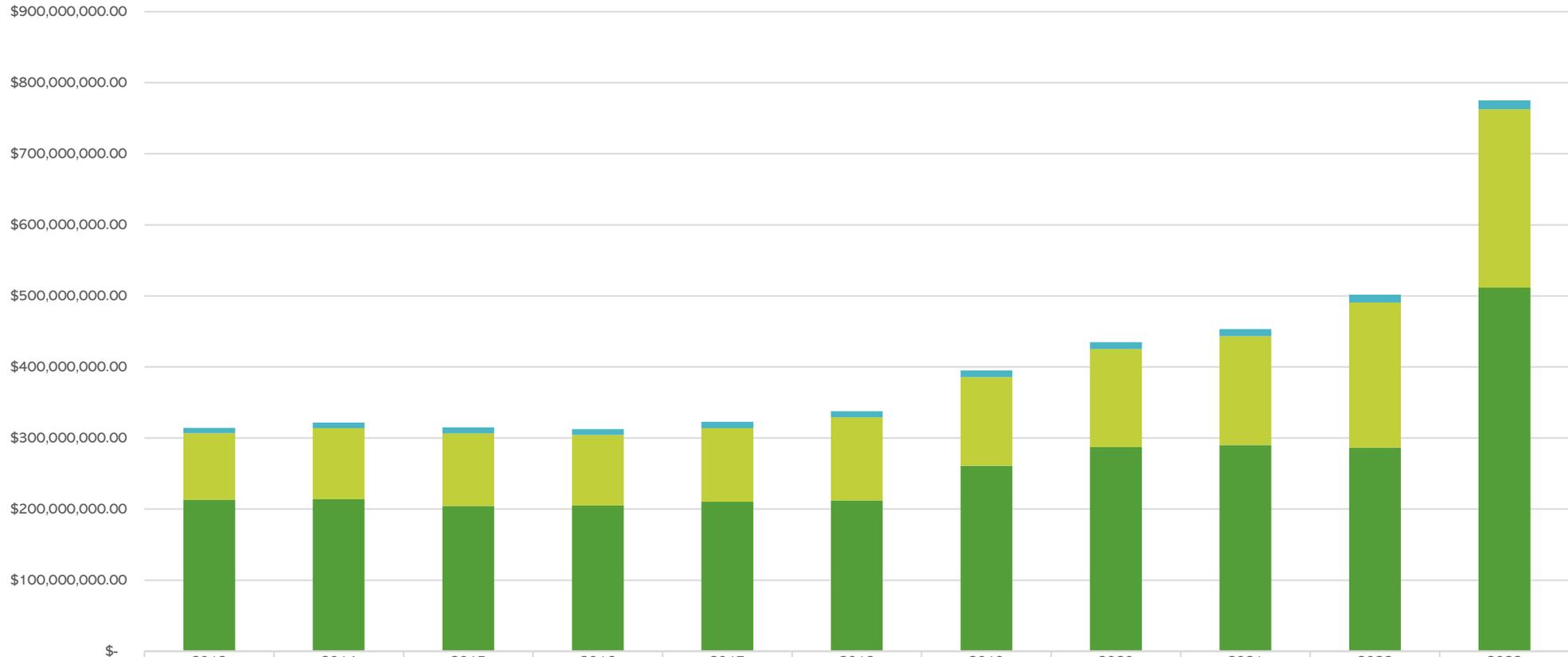
Enterprise Fund Admin. Charges

Enterprise Fund Administrative Charges to General Fund





Property Values by Type



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
■ Bessemer City Values- TR-2 Public Service Co.	\$7,580,436.00	\$7,689,627.00	\$8,397,265.00	\$8,438,075.00	\$8,756,113.00	\$8,716,219.00	\$9,288,724.00	\$9,491,386.00	\$10,068,735.00	\$10,883,167.00	\$12,394,900.00
■ Bessemer City Values- TR-2 Personal	\$93,335,703.00	\$99,922,901.00	\$102,051,604.00	\$99,028,752.00	\$103,587,279.00	\$116,909,962.00	\$124,788,940.00	\$138,160,499.00	\$153,114,691.00	\$204,283,037.00	\$251,160,060.00
■ Bessemer City Values- TR-2 Real	\$213,420,589.00	\$214,107,169.00	\$204,424,850.00	\$205,157,893.00	\$210,349,318.00	\$212,179,850.00	\$261,105,060.00	\$287,191,415.00	\$290,145,835.00	\$286,451,747.00	\$511,764,184.00

■ Bessemer City Values- TR-2 Real
 ■ Bessemer City Values- TR-2 Personal
 ■ Bessemer City Values- TR-2 Public Service Co.



Budget Considerations



- **Allocated funding to build back fund balance (cash flow and audit)**
- Additional Debt Service in General Fund and Water/Wastewater Fund with no planned revenue source
- Additional operational expenses
- Inflation and cost of providing services
- Decreased usage in water/sewer

GENERAL FUND



GF

General Fund Highlights- Revenue



Proposed 2024-2025 Budget

Revenue

- Proposal to increase property tax rate
- Administrative transfers from the Water/Wastewater Fund and Natural Gas Fund will more accurately reflect actual costs
- Use \$0 in fund balance to balance budget

General Fund Highlights- Expenditures



Proposed 2024-2025 Budget

Expenditures

- Payroll
- General Operations
- Debt Service
- 24/7 Fire Department staffing
- **Allocated funding to build back fund balance (cash flow and audit)**

WATER/SEWER FUND



Water/Sewer Fund Highlights- Revenues



Proposed 2024-2025 Budget

Revenues

- Rate increase for water and sewer to account for:
 - Increase operations costs
 - Increase debt service in Water/Sewer Fund
 - Increase sewer processing costs
- Use \$0 in fund balance to balance budget

Water/Sewer Fund Highlights- Expenditures



Proposed 2024-2025 Budget

Expenditures

- Funding for additional operational expenses
- Invest in capital projects
- Administrative transfers from the Water/Wastewater Fund more accurately reflect actual costs
- **Allocated funding to build back fund balance (cash flow and audit)**

NATURAL GAS FUND



Natural Gas Fund Highlights- Revenues



Proposed 2024-2025 Budget

Revenues

- Projected to increase marginally with new natural gas customers coming online. Natural gas revenues are heavily reliant on weather.
- Staff is currently reviewing the availability fee structure.

Natural Gas Fund Highlights- Expenditures



Proposed 2024-2025 Budget

Expenditures

- Minimal debt service continues to the Natural Gas Fund. This may change as capital investments are made as we grow the system and connect to new projects.
- New line to Trinity Capital site from Southridge Parkway
- Administrative transfers from the Natural Gas Fund will more accurately reflect actual costs
- **Allocated funding to build back fund balance (cash flow and audit)**

STORMWATER FUND



Stormwater Fund Highlights- Revenues



Proposed 2024-2025 Budget

Revenues

- In 2021, City Council voted to implement new stormwater fees based off the City's Stormwater Fee Study. The plan included new stormwater fees, based off impervious surfaces, to go into effect January 1, 2024.
- I recommended with the adoption of the 2023-2024 Budget, to postpone this implementation of new fees until July 1, 2024 (2024-2025 budget)

Stormwater Fund Highlights- Expenditures



Proposed 2024-2025 Budget

Expenditures

- Stormwater Master Plan (grant funded)
- New Position: Stormwater Manager
- New revenues will cover costs of stormwater position

POWELL BILL FUND



Powell Bill Fund Highlights- Expenditures

PBF

Proposed 2024-2025 Budget

Revenues

- Projected to marginally increase from years prior. State Street Aid (or Powell Bill) funds comes from state gasoline taxes.

Powell Bill Fund Highlights- Revenues

PBF

Proposed 2024-2025 Budget

Expenditures

- The Proposed 2024-2025 Budget does not include new street paving. Expenditures primarily include general resurfacing, patching and debt service.
- Future paving needs should be considered as debt service rolls off to address needed street repairs.

BUDGET GOALS

CHECK LIST:

Budget Goals- General Fund



- Additional finance position (all benefits included)- \$70,000*
- Personnel Policy Review- \$5,000
- Pay/Classification Study- **TBD**
- Land Development Code (LDC) Review- \$8,000
- Hotel/Corridor Study- \$15,000
- Code of Ordinances Review- \$15,000
- Resurface 100 block of S. 12th Street: **TBD**

**portion of staff funding would come from enterprise funds*

Budget Goals- General Fund



- Restroom Trailer- \$85,000
- Rec Desk Software- \$6,000/annual
- Pool Improvements- \$25,000
- Pave Trail at Stinger Park- \$125,000
- Large Capacity Ice Machine- \$10,000
- PD Recruiting Video and Promotions- \$3,000

Budget Goals- Water/Sewer Fund



- **Million Gallon Tank Maintenance- Water Purchase Expense \$100,000**
- **Dredging Long Creek and WTP- \$40,000**
- **Hydraulic Chainsaw- \$7,000**

Budget Goals- Natural Gas Fund



- **Natural Gas Technician/Backhoe Operator: \$35,000 (1/2-year funding)**

Budget Goals- Stormwater Fund



- **Stormwater Manager (all benefits included)- \$80,000**

GOAL SETTING EXERCISE

Goal Setting Exercise

- Select 10 items among all funds.
- Prioritize your selection, i.e. 1 being highest priority; 10 being the lowest priority.
- Staff will generate a report that collectively shows Council's selection.

Bessemer City
2024-2025 Proposed Budget
Council Goals

Please select ten (10) items among all funds below. Please prioritize your selection.
 i.e. 1 being the highest priority, 10 being the lowest priority.

General Fund

Item	Amount	Department
Additional Finance Position*	\$70,000 (including benefits)	Admin/Finance*
Personnel Policy Review	\$5,000	Admin/Finance*
Pay/ Classification Study	\$TBD	Admin/Finance*
Land Development Code Review (LDC)	\$8,000	Community Development
Hotel/Corridor Study	\$15,000	Community Development
Code of Ordinance Review	\$15,000	Planning/Zoning/*
Resurfacing 100 Block of S. 12 th Street	\$TBD	Public Works**
Restroom Trailer	\$85,000	Parks and Recreation
Rec Desk Software	\$6,000/annually	Parks and Recreation
Pool Improvements	\$25,000	Parks and Recreation
Pave Trail at Stinger Park	\$125,000	Parks and Recreation
Large Capacity Ice Machine	\$10,000	Parks and Recreation
PD Recruiting Video and Promotions	\$3,000	Police

Water/Sewer Fund

Item	Amount	Department
Million Gallon Tank Maintenance	\$100,000 (water)	Water/Sewer
Dredging Long Creek and WTP Pond	\$40,000	Water/Sewer
Hydraulic Chainsaw	\$7,000	Water/Sewer

Natural Gas Fund

Item	Amount	Department
Gas Technician/Backhoe Operator	\$35,000 (1/2-year funding)	Natural Gas

Stormwater Fund

Item	Amount	Department
Stormwater Administrator	\$80,000 (including benefits)	Stormwater

*Administrative Charges will help cover shared cost for this item.

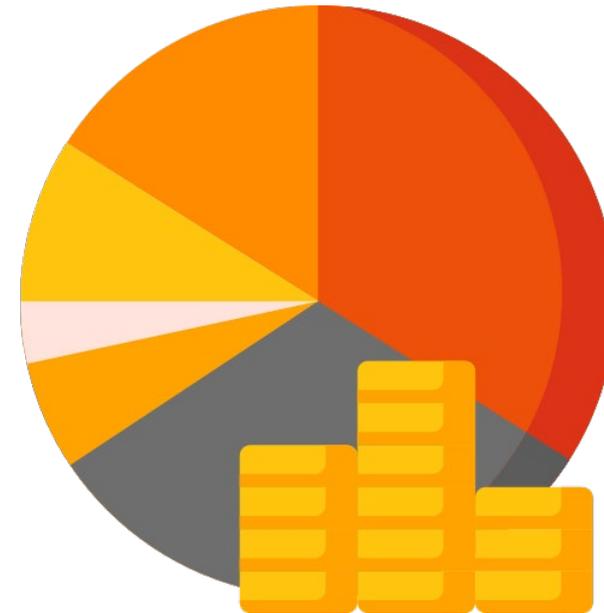
**This would be a debt service in general fund; not the entire project cost would come out of one budget year.



SUMMARY

Summary

- Additional Debt Service in General Fund and Water/Wastewater Fund
- Additional Operational Expenses
- **Building Back Fund Balance**
- Inflation
- Preparation and Investment for Growth
- Decreased Revenue in Water/Sewer



GENERAL DISCUSSION
