City of High Point

Municipal Office Building
211 S. Hamilton Street
High Point, NC 27260

Meeting Agenda

Thursday, May 19, 2022

3:00 PM

City Council Chambers

Special Called Meeting

Jay W. Wagner, Mayor
Monica L. Peters (Ward 3), Mayor Pro Tem
Britt W. Moore (At Large), Tyrone Johnson (At Large), Cyril Jefferson (Ward 1),
Christopher Williams (Ward 2), S. Wesley Hudson (Ward 4), Victor Jones (Ward 5),
and Michael Holmes (Ward 6)

CALL TO ORDER, ROLL CALL

PRESENTATION OF ITEMS

2022-256 **Continued Discussion: Proposed FY 2022-23 Budget**

Staff will be having a continuation of discussion regarding the Proposed FY 2022-23 Budget.

ADJOURNMENT

FY 2022-23
Budget Work Session
May 19, 2022

Stephen M. Hawryluk
Budget & Performance Manager

Budget & Evaluation Division | Financial Services Department

HIGH POINT
NORTH CAROLINA'S INTERNATIONAL CITY

WORK SESSION TOPICS

- Property Tax Relief Programs
- Cost of Additional Tax Decrease
- Potential Reductions for an Additional Tax Decrease
- Major Total Budget Drivers

PROPERTY TAX RELIEF

- Elderly or Disabled Exclusion
  - Excludes first $25,000 or 50% of appraised value
  - Owner must be 65+ years old or permanently disabled
  - Cannot have previous year income exceeding $31,900
- Disabled Veteran Exclusion
  - Excludes first $45,000 of appraised value
  - No age or income limitation

PROPERTY TAX RELIEF

- Circuit Breaker Property Tax Deferment
  - Taxes limited to a percentage of qualifying owner's income
  - Owner must be 65+ years old or permanently disabled
  - Income does not exceed $31,900 = taxes limited to 4% of owner's income
  - Income exceeds $31,900, but less than 150% of income eligibility limit ($47,850) = taxes limited to 5% of owner's income
  - Taxes over the limitation amount are deferred and remain a lien on the property
    - Last three years of deferred taxes (and interest) due after a disqualifying event (death of owner, transfer of property, failure to use property as owner's permanent residence)

ADDITIONAL TAX DECREASE

- Proposed property tax rate: 61.75 cents per $100 of valuation
- 1 cent = $1,275,482 in revenue
- Additional 2 cent decrease
  - 59.75 cent property tax rate
  - $2,550,964 reduction in general fund revenues

ADDITIONAL TAX DECREASE

- Additional 2 cent decrease

	Amount
Assistant City Attorney (2) positions	$228,238
Paralegal position	60,956
Battalion Fire Chief (2) positions	137,158
Reduce outside agency funding to FY 2021-22 level	87,722
General capital projects	1,422,000
Engine Replacement for Fire Department	751,400
	$2,687,474

MAJOR TOTAL BUDGET DRIVERS

	Amount
Personnel	
2.5% COLA (approved in FY 2021-22)	$2,484,000
Increase to $15/hour (approved in FY 2021-22)	722,000
Average 3% mid-year merit pay adjustment	1,860,000
Increased benefits contributions (LGERS retirement, health plan, etc.)	4,456,000
New positions (11 full-time and 3 part-time)	1,203,000
Operating	
Fuel	$3,800,000
Fleet charges for replacement vehicles/rolling stock	1,100,000
Utilities (electric, water/sewer, phone lines, natural gas, etc.)	709,000
Inflationary increases (supplies, chemicals, etc.)	833,000

MAJOR TOTAL BUDGET DRIVERS

	Amount
Capital and Capital Outlay	
Fire Apparatus (dive truck and engine replacement)	$851,000
Additional fleet/rolling stock replacement	1,000,000
Restoration of general capital	2,547,000
Other fund capital (water/sewer, electric, solid waste, etc.)	6,910,000
Other Expenses	
Debt Service	$1,101,000
Reimbursements	1,359,000
Interfund Transfers	11,594,000

NEXT STEPS

- Monday, May 23, 2022, 3-5 pm – Budget Work Session (if necessary)
- Monday, June 6, 2022, 5:30 pm – Budget Adoption at City Council meeting

QUESTIONS?