



Budget Workshop #1 Preview

**BUDGET, GOVERNANCE AND INTERGOVERNMENTAL RELATIONS
COMMITTEE**

FEBRUARY 6, 2023

Revised Workshop Plan for B.G.I.R Consideration




Budget Workshop Draft Topics		
Workshop 1: February 9	Workshop 2: March 9	Workshop 3: April 6
Capital Affordability	Key Revenue Update and Economic Forecast	FY 2024 Revaluation Process and Neighborhood Revaluation Impacts
Existing Bond Project Updates	Operational Staffing, Compensation, and Healthcare	Staying in Place Strategies
2024-2028 Bond Outlook	Financial Partners & MSDs	Aviation Budget Outlook
City Facility Program	Water and Stormwater Budget Outlook	CATS Budget Outlook
Corridors of Opportunity		

Presentation 1: Capital Affordability

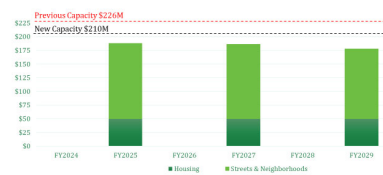
Key Themes:

- The city dedicates a proportion of property tax and sales tax to its Capital Investment Plan (CIP)
- The cost of borrowing and updated spend rates have reduced available unprogrammed capacity
- The city maintains a AAA bond rating due to strong management and financial practices

Debt Model Key Drivers

Driver	Revenue	Spend Rate	Cost of Funds
Model Input	Conservative, but reasonable, assumptions for future growth	Realistic expectations for timing and cost of project construction	Financing rates as determined by market conditions
Impact	 FY2022 Actuals in line with Budget	 Future spend rate increased due to inflation	 Interest rate assumptions increased significantly

Updated Steady State Affordability Bonds

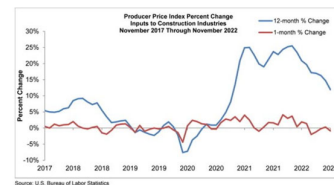


Presentation 2: Existing Bond Project Updates

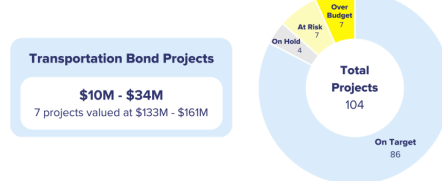
Key Themes:

- The construction process takes 3+ years after funding to finalize design, real estate, utilities, and the bid process
- National construction inflation has impacted the cost of several projects
- The city can utilize unprogrammed capacity to ensure project delivery, but bond programs will not grow from planned levels

Inputs to Construction: Raw Materials



Transportation Bond Project Budget Status Update and FY2024 Funding Needs

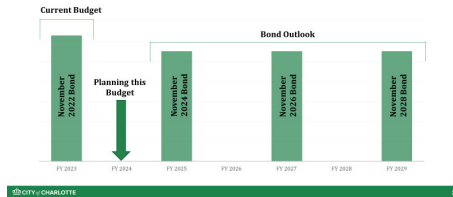


Presentation 3: 2024-2028 Bond Program Outlook

Key Themes:

- The next budget year (FY 2024) is NOT a year with a bond referendum
- As named road and intersection projects receive bond funding, key programs return to lower, pre-2022 funding levels
- Capacity does not exist for additional large road or intersection projects through the 2028 bond.

Bond Schedule



Bond Outlook

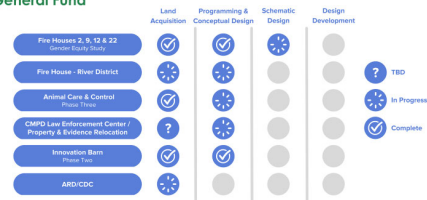
Project/Program	2024 Bond (millions)	2026 Bond (millions)	2028 Bond (millions)
Projects and Programs with Limited Flexibility	\$33.7	\$15.0	\$15.0
Create and Preserve Affordable Housing	\$50.0	\$50.0	\$50.0
Improve Sidewalks	\$20.0	\$17.0	\$20.0
Promote Public/Private Partnerships	\$16.0	\$13.0	\$20.0
Improve Eastway Drive/Shamrock Drive Intersection	\$10.5	-	-
Invest in Corridors of Opportunity	\$10.0	-	-
Mitigate Congestion	\$10.0	\$5.0	\$5.0
Construct Bryant Farms Road Extension	\$10.0	\$43.0	-
Connect Bicycle Facilities	\$8.0	\$8.0	\$8.0
Resurface Streets	\$8.0	\$8.0	\$8.0
Improve Robinson Church Road	\$7.0	\$18.5	\$32.5
Enhance Transportation Safety (Vision Zero)	\$4.0	\$4.0	\$4.0
Improve Ashley/Luckassee/Freedom Intersection	-	\$52.0	\$14.0
TOTAL	\$188.0	\$186.7	\$179.5
Remaining Capacity for Inflationary Increases on Existing Projects	\$22.0	\$23.3	\$31.7

Presentation 4: City Facility Program

Key Themes:

- The city uses data-based evaluation systems to plan facility spending
- Existing capacity is available to handle inflationary needs on existing public safety facility construction
- Limited capacity for new projects means prioritization recommended for existing facility maintenance, and projects that impact operations and operational equity

Advanced Planning Projects General Fund



Advanced Planning Projects Firehouse 2, 9, 12 & 22 - Gender Equity

Conceptual Design Level Estimate

\$2.2 M - \$3.5 M each

Scope generally includes:

- Providing sufficient locker rooms and shower facilities for female staff
- Exercise facilities
- Various ADA improvements

Note: FH #9 estimate is only \$100K - \$300K since we had reduced the scope so much



Firehouse #2 Proposed versus Existing

Presentation 5: Corridors of Opportunity

Key Themes:

- The Corridors Framework focuses on creating safe, prosperous communities and building legacies for future generations in six key corridors
- Partnerships and community engagement are vital to achieving the Corridors goals
- The Corridors Core Team is advancing projects in all six Corridors

