



AGENDA
TOWN OF MOREHEAD CITY
TOWN COUNCIL BUDGET WORKSHOP #1
Tuesday, May 9, 2023, at 2:00 p.m.
City Hall, 1100 Bridges Street

1. CALL TO ORDER

The proposed budget can be found on the City's website here
[HTTPS://WWW.MOREHEADCITYNC.ORG/](https://www.moreheadcitync.org/) under News Flash.

2. GENERAL FUND REVIEW (Overview)

Documents:

[MHC COUNCIL BUDGET WORKSHOPS 2023 \(1\).PDF](#)

3. TAX RATE (Overview)

4. WATER & SEWER FUND (Overview)

5. PERSONNEL (Overview)

6. FLEET (Overview)

7. DEPARTMENT BUDGET PRESENTATIONS

8. ADJOURNMENT:



FY23 Budget Workshop #1

City Council
May 9, 2023

AGENDA

BUDGET WORKSHOP #1, Tuesday, May 9th

Call to Order

General Fund Review (overview)

GF Policy \$ vs. %

GF Unassigned Fund Balance

Tax Rate (overview)

Tax Rate Comparison (County & Municipalities)

Value of .1 penny upon our tax rate

Water & Sewer Fund (overview)

Personnel (overview)

Fleet (overview)

Department Budget Presentations (if necessary carry over to Workshop#2)

BUDGET WORKSHOP #2, Tuesday, May 16th

Call to Order

Capital Improvement Plan (by schedule 1-8)

Fee Schedule

BUDGET WORKSHOP #3, Tuesday, May 30th (if necessary)

PUBLIC HEARING BUDGET ORDINANCE ADOPTION, Tuesday, June 13th



CITY COUNCIL | 2023 BUDGET WORKSHOP #1

FY23-24 Budget Highlights

GENERAL FUND EXPENDITURES	\$ 21,851,583
WATER & SEWER FUND	\$ 9,388,124
SANITATION FUND	\$ 1,290,800
CAPITAL PROJECT & RESTRICTED FUND	\$ 1,551,209
TOTAL BUDGET	\$ 32,530,507 (.97% Increase from the current year)
PROPERTY TAX RATE	<p>\$0.38 per \$100 Valuation No Increase for FY23. The property tax rate maintains at current value What is the value of a penny upon the rate? \$0.01 per \$100 = \$240,000</p>
PERSONNEL	<p>3% COLA 0-3% MERIT Adds 4 FTE Positions</p> <ul style="list-style-type: none"> • Purchasing Manager, • City Attorney, • Water & Sewer GIS Tech, • Admin. Assistant Public Works (Reclassification of Part-Time to Full-Time)



CITY COUNCIL | 2023 BUDGET WORKSHOP #1

FY23-24 Requested vs. Manager Recommended

OPERATING BUDGET	Department Requested	Manager Recommended	\$ Difference	
General Fund	\$24,629,069	\$21,851,583	(\$2,777,486)	↓
Water & Sewer Fund	\$ 9,691,035	\$ 9,388,124	(\$302,911)	↓
Solid Waste Fund	\$ 1,215,855	\$ 1,290,800	\$74,945	↑
TOTAL OPERATING BUDGET	\$35,535,959	\$32,530,507	(\$3,005,452)	↓



CITY COUNCIL | 2023 BUDGET WORKSHOP #1

GENERAL FUND MAJOR REVENUE ITEMS (fiscal snapshot 2/2023)

	AD VALOREM TAXES	SALES & UTILITY TAX	UTILITY SALES TAX
Fiscal Year Ending June 30, 2022	\$8,856,909	\$5,480,637	\$1,449,630
Fiscal Year Ending June 30, 2023 PROJECTED	\$9,154,599	\$5,775,685	\$1,739,000
% Increase (Decrease) 2023 Projections	3.36%	5.38%	19.96%
Notes	<i>County 2024 Tax Reappraisal (Effects 6/30/25 Revenue)</i>		



Understanding Fund Balance

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:





CITY COUNCIL | 2023 BUDGET WORKSHOP #1

Town of Morehead City

Resolution 2014-41 Unassigned Fund Balance Policy

NOW, THEREFORE, BE IT RESOLVED, that the Council of the Town of Morehead City recommends a policy that would require a minimum Unassigned Fund Balance in the range of \$2.5 million to \$2.75 million

	PROJECTED FYE JUNE 30, 2023	BUDGET FYE JUNE 30, 2024
Current Unassigned Fund Balance Policy (Upper Limit)	2,750,000	2,750,000
As a % of Total Expenditures	12.87%	12.58%



CITY COUNCIL | 2023 BUDGET WORKSHOP #1

Town of Morehead City

Proposed Unassigned Fund Balance Policy

The Council of the Town of Morehead City recommends a policy that would require a minimum Unassigned Fund Balance at 30% of General Fund Expenditures.

Full policy proposal includes 3 years to build to the lower limit of 30% and additional items (see Proposed Fund Balance Policy).

	PROJECTED FYE JUNE 30, 2023	BUDGET FYE JUNE 30, 2024
Unassigned Fund Balance	6,410,200	6,555,500
As a % of Total Expenditures	30.00%	30.00%
Estimated Unassigned Fund Balance (2023-2024 Budget)	6,629,030	6,665,230
As a % of Total Expenditures	31.02%	30.50%

Please note with the 2023-2024 Manager Recommended Budget the 30% Unassigned Fund Balance as estimated has been reached.



CITY COUNCIL | 2023 BUDGET WORKSHOP #1

TAX RATE COMPARISON (county & local municipal) *appraisals 2024, 2020, 2015

	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019
CARTERET COUNTY	.33	.33	.33	.31	.31
MOREHEAD CITY	.38	.38	.38	.38	.35
ATLANTIC BEACH	.20	.20	.18	.18	.16
BEAUFORT	.46	.46	.46	.46	.41
CAPE CARTERET	.21	.21	.21	.21	.21
EMERALD ISLE	.16	.15	.15	.15	.15
NEWPORT	.54	.44	.39	.35	.35



CITY COUNCIL | 2023 BUDGET WORKSHOP #1

TAX RATE COMPARISON (county & local municipal) *appraisals 2024, 2020, 2015 (May 2023 Values at Collection Rate of 100% rounded)

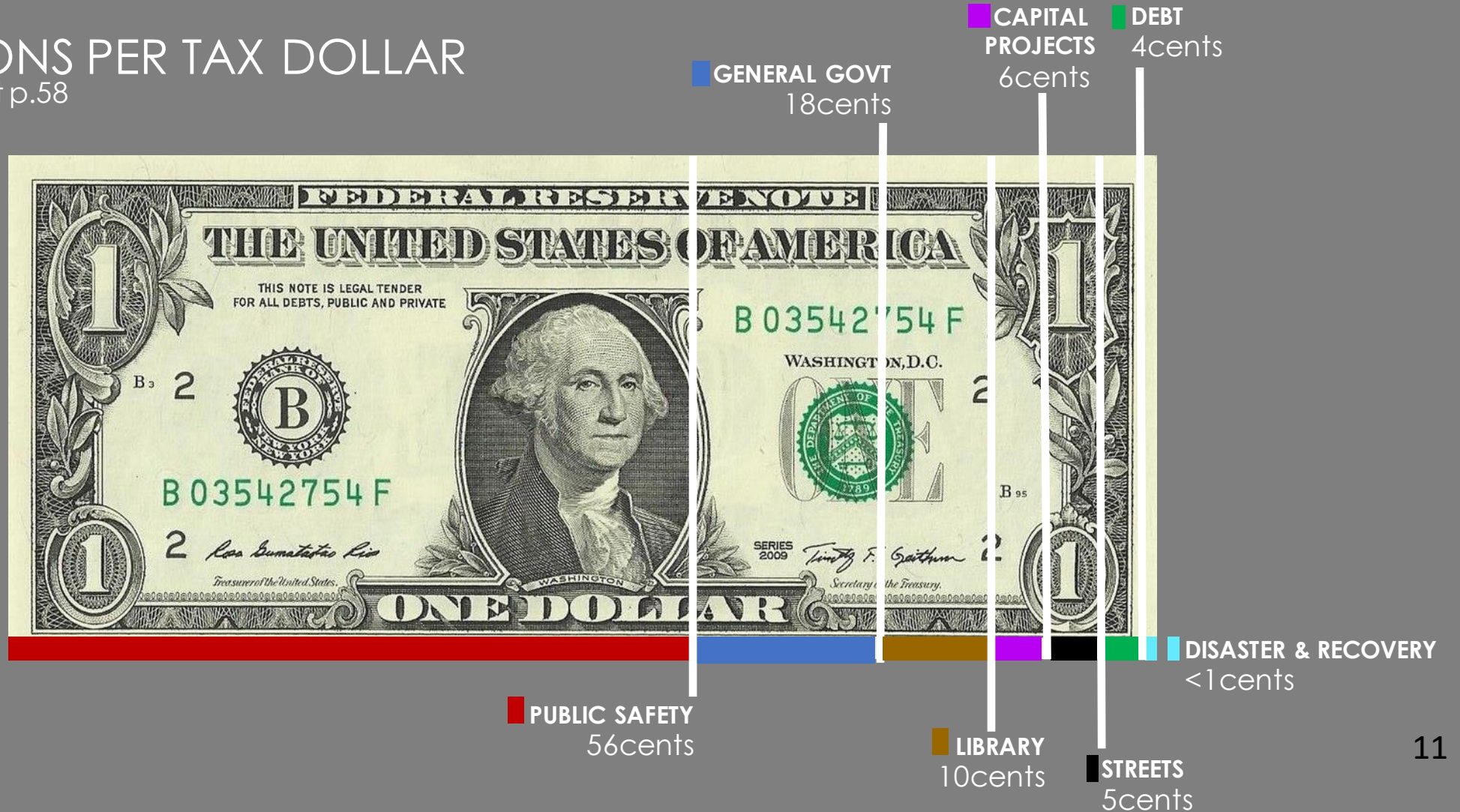
	2022/2023	VALUE OF .1cent
CARTERET COUNTY	.33	\$1,729,000
MOREHEAD CITY	.38	\$ 240,000
ATLANTIC BEACH	.20	\$ 192,000
BEAUFORT	.46	\$ 123,000
CAPE CARTERET	.21	\$ 46,000
EMERALD ISLE	.16	\$ 319,000
NEWPORT	.54	\$ 41,000



CITY COUNCIL | 2023 BUDGET WORKSHOP #1

CITY FUNCTIONS PER TAX DOLLAR

Ref: Proposed Budget p.58





Department Presentations

City Council
May 9, 2023



CITY COUNCIL | 2023 BUDGET WORKSHOP #1



Capital Improvement Plan

City Council
May 16, 2023



Discussion

City Council
May 16, 2023