



MEMORANDUM

TO: Richard McNabb, Mayor
City Council Members

FROM: Stevie Cox, City Manager

CC: Crystal Postell, Finance Director
Robert Wilhoit, City Attorney

VIA: Staff

DATE: May 6, 2024

REF: City Manager's Budget Statement for the Proposed Fiscal Year 2024 – 2025 Budget

Summary:

This is the City Manager's Budget Statement for the Proposed Fiscal Year 2024 – 2025 Annual Budget.

Budget Statement:

The City of Trinity's Charter stipulates that the Chief Administrative Officer develop a description of the significant changes and highlights of the budget and program priorities and submit them to City Council with the proposed Fiscal Year Budget. I am pleased to present the proposed budget for the fiscal year beginning July 1, 2024 running through June 30, 2025. The City's budget, a carefully constructed plan for the operation of the City, was developed over the past six months by the City's Management Team and City Council. It is a balanced and workable outline for the expenditure of funds to continue the services that provide for the public safety, welfare, and quality of life of all the citizens of Trinity.

The budget reflects City Council's and Management's continued commitment to long-range strategic planning and City Staff's teamwork and collaboration in providing high-value services to Trinity's citizens and customers. This budget letter provides a high-level summary of some major components of the budget and the

prior year's accomplishments. The other sections of the budget document outline the budget in much more detail, both in departmental summary and by specific fund. The manager's proposed budget reflects a fiscally responsible approach to meet current demands while maintaining the City's strong financial position. Furthermore, it provides a look at future budgetary demands.

By way of brief highlights, you will note an effort to focus on recovery and reinvestment. To that end, this budget emphasizes the following strategic goals:

- ❖ Preserving and enhancing general and enterprise funds reserves.
- ❖ Investing in human resources to ensure organizational capacity and stability.
- ❖ Advancing capital projects that are impactful.
- ❖ Planning for future growth and development.

In Fiscal Year 2023 – 2024 Budget, the City Council adopted a goal-oriented budget that focused on connecting projects to each budgetary expenditure. By doing so, there were specific goals set for the City Council and Staff to achieve. City Staff has made considerable progress to complete most of those goals and some will have to be completed in the Fiscal Year 2024 – 2025. I would like to highlight a few of those accomplishments.

Progress on the Interlocal Sewer Connection with the City of High Point. The City has completed the acquisition of all the easements for this project in February 2024. WithersRavenel has completed the project's design. All documents have been submitted to the North Carolina Department of Environmental Quality for review and approval in February 2024. The project bid packet should be released, and contract award should take place during the fourth quarter of Fiscal Year 2023 – 2024. Construction should commence during the first quarter of Fiscal Year 2024 – 2025.

Renovation of the Old City Hall. The Old City Hall Renovation was completed in October 2023. City Staff and the Sheriff Department are working on completing some punch list items. The installation of the new digital sign was installed April 2024. The Sheriff Department should be in full possession of the structure by the beginning of Fiscal Year 2024 – 2025.

Vision Trinity Comprehensive Land Use Plan. The Vision Trinity Comprehensive Land Use Plan was completed and adopted in the first quarter of Fiscal Year 2023 – 2024.

Distinguished Budget Presentation Award. In September 2023, the City was presented with the Distinguished Budget Presentation Award for the second year in a row by the Government Finance Officers Association for Fiscal Year 2023 – 2024.

This is a direct reflection of the efforts of City Staff and moving forward the City Council's budgetary mission for the Fiscal Year.

Family Park and Recreation. In November 2023, the City was awarded a Strategic Planning Grant from the Randolph County Commissioners. This grant shall cover some if not all the cost of completing a systemwide Parks and Recreation Master Plan. The Master Plan is a necessary component to apply for the Parks and Recreation Trust Grant or other funding. This grant award was \$80,000. The Parks and Recreation Master Plan will be completed in the third quarter of Fiscal Year 2024 – 2025.

Business Recruitment: The City Staff have been actively working on recruiting a grocery store and supporting retail around the anchor store. The City Staff will continue their efforts in the coming Fiscal Year. Ongoing.

New Website and Agenda Management System: In August 2023, the city was able to launch our new website and the agenda management software system from Civic Plus.

New Generator for City Hall: In Fiscal Year 2022 – 2023, the City of Trinity received a local funding allocation from the North Carolina General Assembly. The City Council allocated a portion of these funds for the purchase of a new generator for the City Hall. In April 2024, the generator was delivered. It is expected that the generator will be fully operational by June 2024.

Fiscal Year 2023 – 2024 State Funding Allocation: In April 2023, the City submitted a local funding request letter to Representative Brian Biggs for over \$10.5 million worth of projects. In November 2023, the City was awarded \$4.5 million for infrastructure projects. In January 2024, the City Council approved allocating these funds as gap funding for the Interlocal Sewer Connection Project with High Point.

Fiscal Year 2023 – 2024 State Funding Allocation: In April 2023, the City submitted a local funding request letter to Representative Brian Biggs for over \$11 million worth of projects. In November 2023, the City was awarded \$4.5 million for infrastructure projects. In January 2024, the City Council approved allocating these funds as gapped funding for the Interlocal Sewer Connection Project with High Point.

During the March 2024 Council Retreat, the City Council established a list of goals for the upcoming budget year. The following is a brief overview of those goals.

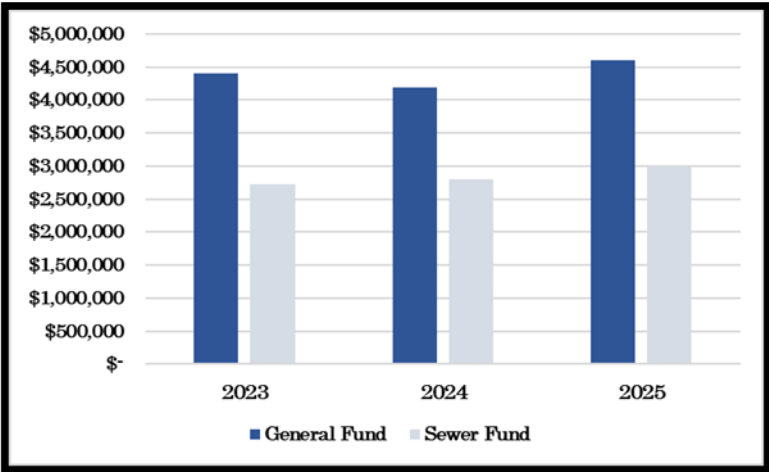
1. **Park, Trails and Greenways:** In Fiscal Year 2023 – 2024, the City was awarded an \$80,000 Strategic Planning Grant from the Randolph County

Commissioners that will be used to complete a Parks and Recreation Master Plan. The Master Plan will be awarded to a consulting firm at the June 2024 City Council Meeting and work to commence in July 2024. The Master Plan will assist the City in applying for grant funding and planning the phase development of the park.

2. **Sewer Expansion Study:** City Staff has been instructed to move forward with completing a sewer expansion study. The study will identify areas within the City where sewer service might be extended.
3. **Interlocal Sewer Connection with the City of High Point Summarization:** The City is moving forward with this project. All easements for this project were secured in the third quarter of Fiscal Year 2023 – 2024. The bid packet for this project is expected to be approved in April 2024. The bid packet will be released in May/June 2024. The project should be awarded in the first quarter of Fiscal Year 2024 – 2025. The projected completion date is December 2026.
4. **Digitizing Public Records:** The City Staff has been instructed to move forward with securing bids to digitize City files and records. This is being requested to improve retention and being able to search files from prior years. City Staff will prepare a request for proposals that will be presented to City Council in the first quarter of Fiscal Year 2024 – 2025. This project should be awarded during the fourth quarter of Fiscal Year 2024 – 2025.
5. **Two Additional Deputies:** The City Council stated that they would like the City of Trinity to have 24 hours per day law enforcement coverage. Therefore, the new budget will include the addition of two additional officers. This would include all costs associated with this.
6. **Council Chamber Improvements:** City Staff will move forward with making some minor needed improvements to the City Council Chambers. These improvements shall include: painting the Council Chambers, cleaning the carpets, fixing the microphones, and monitors for the City Council.

The overall budget reflects an increase of \$597,076 (8.54 %) for both the General Fund and Sewer Fund when compared to the 2023-2024 Fiscal Year Budget (\$6,993,024) versus 2024-2025 (\$7,590,100). This can be analyzed as follows:

Actual and Proposed Discal Year Budgets



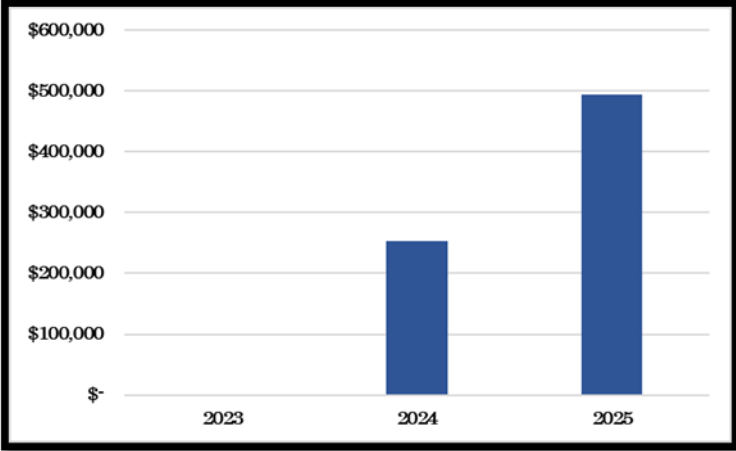
General Fund Summary

In Fiscal Year 2024-2025, the General Fund reflects an increase of \$410,894 (9.81%) compared to Fiscal Year 2023-2024 with no changes to the City current tax rate. This is due to the following:

- Addition of two (2) deputies that will allow for the City to have 24/7 law enforcement coverage.
- Addition of one (1) more grant agency for Marketing
- Updates to Council Chambers

There will be a proposed Fund Balance appropriation of \$124,567 for Fiscal Year 2024-2025 versus an appropriation of \$178,218 from the Fiscal Year 2023-2024.

General Fund Summary

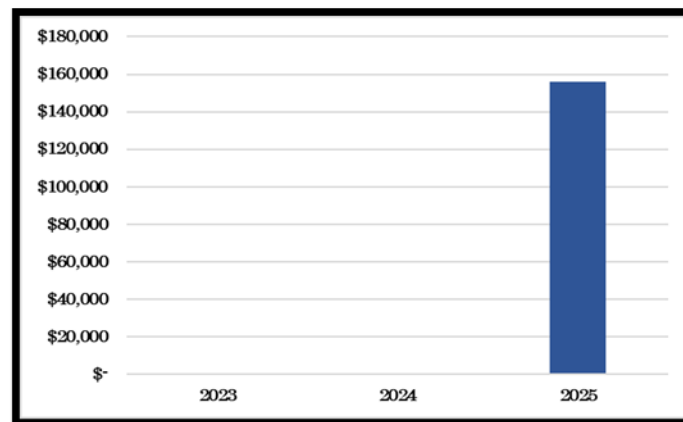


Sewer Fund Summary

The Sewer Fund reflects an increase of \$186,182 (6.67%) when compared to the Fiscal Year 2023-2024 Budget of \$2,806,169 versus the Fiscal Year 2024-2025 Budget of \$2,992,351.

The Sewer Fund increase is due to an increase of 4.5% from the City of Thomasville for our sewer treatment services. There is a Net Position appropriation of \$156,196 for Fiscal Year 2024-2025 versus no appropriation from the prior Fiscal Year 2023-2024.

Net Position Allocation



Summarization

The City Staff has dedicated resources to address each of these priorities. We have included each in the proposed Capital Improvement Plan with estimated budget amounts and the Fiscal Year that the priorities will be addressed. The City Staff will work with our local, state, and federal partners to achieve all these priorities. Furthermore, we will seek grant funding and opportunities to partner with other agencies to achieve those goals.

In conclusion, I would like to thank the City's Management Team for their commitment to addressing the needs of the City Residents. I would especially like to thank Finance Director Crystal Postell and Payroll Administrator Lisa Beam for their work to make sure that the numbers within this proposed budget are balanced. Therefore, it is my pleasure to submit to the City the Proposed Budget for Fiscal Year 2023 – 2024.

Recommendation:

The City Manager requests that the City Council hold a public hearing to receive public comments on the Proposed Fiscal Year 2024 – 2025 Budget. At the conclusion of the Public Hearing, Staff request that the City Council incorporate or recommend any additional changes to the Budget and hold a vote to approve and adopt the budget at the June 2024 Council Meeting.

Attachment:

Proposed Fiscal Year 2024 – 2025 Budget and Budget Ordinance