REVENUE REVIEW (GENERAL FUND)

REVENUE	FY23/24 ORIGINAL BUDGET	PCT of FY23/24 TOTAL REVENUE	TREND	NOTES	OUTLOOK
Ad Valorem Tax	$6,303,900	55.8%	UP	Millage rate $.48/100 of valuation.	Brevard's tax base continues to grow slowly but steadily with new development.
Sales Tax	$2,423,000	21.4%	LEVELLING	6.75% in Transylvania County. Collected by state and redistributed back to municipalities. In Brevard's case, using the ad valorem formula.	As projected, sales tax growth leveling off but remaining (slightly) up year-over-year.
Utilities Franchise Tax	$565,000	4.9%	STABLE		Dependent on uncontrollable variables like weather. A very cold period this winter portends well for natural gas collections, but electricity use patterns still in flux after pandemic make revenue in that sector hard to predict. We can perhaps expect a small upward trend.
Investment Earnings	$470,000	4.2%	UP	Approximately $12M invested with the North Carolina Capital Management Trust (NCCMT). Operating amounts in more liquid accounts with United Community Bank.	Collections were near zero during pandemic, but began to recover in FY22/23 as interest rates rose. Feds have indicated that interest rates will stay at this level for the foreseeable future, meaning our investments will continue to produce earnings. As in FY23/24 this can once again be considered a notable source of revenue.
Payment from Utility Fund	$450,000	3.9%	???	Intended to cover administration and other support expenses provided by GF departments to water/sewer utility.	Staff will bring an estimate of the costs of GF services (admin., HR, etc.) utilized by W/S
ABC Revenues	$270,000	2.4%	UP	$30,000 restricted for police use	
Powell Bill	$238,000	2.1%	UP		NCGA added funding to Powell Bill in current year budget, therefore FY24 collections will be higher than budgeted by about $18k.
County Vehicle Maintenance agreement	$215,000	1.9%	STABLE	The county pays us a rate contractually set at $6,387/mo. as an overhead charge, and then they reimburse us the expenses we pay on their cars, for a total of about $215,000/yr. in revenue	
Other taxes/fees	$87,000	<1%	UP	Cable TV franchise tax, wine/beer tax, and parking violations	Increases to parking violation penalty intended only to pay for enforcement equipment, not intended to be a significant source of revenue.
Payment from Sanitation Fund	$75,000	<1%		Intended to cover administration and other support expenses provided by GF departments to Sanitation enterprise fund	
Other Misc. Revenue	$70,100	<1%		Cell tower lease rev., Depot lease rev., donations, etc.	
Transfer from Fire Fund	$0	0.0%		Intended to cover administration and other support expenses provided by GF departments to Fire Fund	Vetoed by County for FY23/24
Transfer from Parking Lot Fund	$0	0.0%	STABLE	Revenue from two parking kiosks downtown and settlement from sale of City Camper property. Yearly revenue typically accrues into the project fund that's used as needed for parking-related projects. $150k used for downtown streetscape.	FY24 collections figures skewed by changes in parking habits induced by downtown construction. Additional revenue that may have occurred because of fewer on-street spaces mitigated by temporary donation of spaces to Times Arcade Alley residents during that project.
Transfer from ARPA	$0	0.0%	DOWN		ARPA terminology will linger, as some of Brevard's capital projects have ARPA dollars, and state programs are still using them. But ARPA as a source of supplementary revenue is over.
GF Fund Balance appropriation	$0	0.0%		$300,644 appropriated in FY21/22. $240,000 appropriated mid-year in FY22/23. $70,000 appropriated mid-year in FY23/24 for Bracken contribution	Approximately $1.4M available for use to balance the budget or pay for one time expenses. City Manager strongly discourages these funds be used to pay for recurring costs.
TOTAL	$11,300,507				

REVENUE REVIEW (SANITATION FUND)

REVENUE	FY23/24 ORIGINAL BUDGET	PCT of FY23/24 SUBTOTAL REVENUE	TREND	NOTES	OUTLOOK
County disposal fees -refuse	$440,000	34.9%	STABLE	$10.25/mo. fee charged for County landfill fees	
Refuse collection fees	$420,000	35.2%	STABLE	$9.75/mo. fee charged for collection services	
Recycling revenue	$301,500	22.6%	DOWN	Revenue made up of two sources. Residential and commercial monthly recycling fee, and proceeds from the sale of cardboard.	The economics of the recycling industry are changing. This revenue will go down slightly as the market has been flooded with recyclables thus reducing their value as a commodity. The willingness of overseas markets to accept recyclable also affects their value. In FY22/23 we crossed the line from being paid for our recyclables, to having to pay to dispose them.
Transfer from General Fund	$156,600	11.7%	UP	Council elected to transfer from the general fund rather than raise recycling rates in FY23/24.	City Manager planning to recommend moving Sanitation back into the GF so that it can benefit from all revenue sources. However, if it remains an enterprise fund it will likely need another bailout from GF.
Other misc. revenue	$11,500	<1%			
SUBTOTAL	$1,331,600				
Debt proceeds	$0		DOWN		No debt proceeds in FY23/24 revenue
TOTAL	$1,331,600				

REVENUE REVIEW (FIRE DEPT. FUND)

REVENUE	FY23/24 ORIGINAL BUDGET	PCT of FY23/24 SUBTOTAL REVENUE	TREND	NOTES	OUTLOOK
General Fund contribution	$726,715	50.4%	???	Contract with county requires we pay approx. 55% of Fire Dept costs	Increased service demands may require that the GF contribution increase.
Proceeds from County fire district tax (Sylvan)	$594,585	41.2%	STABLE	Contractually established contribution of 45% of revenue.	Any request for additional funding from the County must be approved by County Commissioners
Fund balance appropriated	$120,000	8.3%	DOWN	Typically this wouldn't be appropriated, but County's contribution to cost of new truck was transmitted early.	Approximately $100k available for use to balance the budget or pay for once time expenses. City Manager strongly discourages these funds be used to pay for recurring costs.
SUBTOTAL	$1,441,300				
Debt proceeds	$1,475,000			For new fire truck still not in service as of January 2024	
TOTAL	$2,916,300				

REVENUE REVIEW (WATER/SEWER FUND)

REVENUE	FY23/24 ORIGINAL BUDGET	PCT of FY23/24 TOTAL REVENUE	TREND	NOTES	OUTLOOK
Water charges	$3,280,000	47.2%	UP	Consumption rates 4% higher than previous year. No change to monthly fixed rate.	Consumption growth is essentially flat (.84%) over the last five years. Revenue growth attributed merely to higher rates.
Sewer charges	$3,060,000	44.0%	UP	Consumption rates 4% higher than previous year. No changed to monthly fixed rate.	Consumption growth is essentially flat over the last five years. Revenue growth attributed merely to higher rates.
Meter charges	$186,000	2.8%			
Fund balance appropriated	$28,500	<1%		Approximately $850k available for use to balance the budget or pay for one-time expenses.	
Septage Pretreatment Fee	$175,000	2.5%	UNK	Septage service now charged per gallon rather than flat fee per truckload.	Trend unknow. New fee model not in place long enough to collect accurate data
Water Tap & Connect Fee	$85,000	1.2%	STABLE		
Sewer Tap & Connect Fee	$65,000	<1%			
Late Reconnect Fee	$65,000	<1%	STABLE		
Misc. feels	$1,000	<1%	STABLE		
TOTAL	$6,945,500				

VARIOUS RESERVE FUNDS*

RESERVE FUND	TOTAL BALANCE	AVAILABLE BALANCE	NOTES	OUTLOOK
Capital Reserve Fund	$492,000	See note	Entire balance raised via system development fees and therefore reserved for water/sewer projects. No General Fund capital projects budgeted in this fund.	
Housing Trust Fund	$565,000	$315,000*	*$50,000 designated for Phase II design services on Brevard Davidson River Church project	Fund endowed with $264,000 additional dollars in FY23/24 budget, paid for with $.02 increase in millage rate. In other words, this is baked into the revenue stream and annual endowments can be made as long as Council sees fit.
Multi-use Path Project Fund	$1,244,000	$315,920	Approx. $928,080 encumbered for roundabout landscaping, Davidson River ped bridge, and high school trail section.	
Downtown Master Plan Fund	$250,000	$50,000	Most of fund used to construct Times Arcade Alley project in FY23/24	FY23/24 budget contributed $.01 of GF rev. (approx. $132k) to this fund.
Rosenwald Revitalization Fund	$190,000	$0	The remainder of this account was committed to Norton Creek Streambank restoration.	Prior to FY22-23, $.02 of GF revenue was appropriated to this fund. No appropriation in FY22-23, only debt payment (approx. $175k). Some available funds may be needed for streambank restoration.
Parking Lot Fund	$256,000	$56,000*	$200k reserved by hotel agreement for parking related purposes	

*As of 12/31/23

POTENTIAL AREAS FOR NEW/ENHANCED REVENUE

POSSIBILITY	AMOUNT	NOTES
GENERAL FUND		
Let 2% “early property tax payment” discount lapse	Approx. $80k	Needs more analysis. Early payments generate interest sitting in city’s bank account
Higher solid waste fees	On normal rates, $1/month increase equates to $40,000 in additional annual revenue	Council did not increase normal fees last year for fear that they would impact lower-income rate payers more. The rates for special collections do not cover the cost of the service.
Higher transfer from W/S Fund	Whatever’s justifiable.	The reimb was $600,000 in FY22/23, $450,000 in FY23/24. The amount is intended to cover general government services (like Admin., HR, etc) used by the W/S fund.
WATER/SEWER FUND		
High Strength Waste Surcharge	$60k-$190K	To be legal, this rate can only be used to cover the additional cost that high strength waste imposes on our budget.
Regular 4% rate increase	See note	Note that since this increase is typically only applied to the consumption (i.e. variable) rate, in only yields about 2.5% more in revenue.
MUNICIPAL SERVICE DISTRICT		
Increase in MSD tax	1 penny on the MSD tax equates to about $8,000	MSD properties pay $.213 more in property tax than other properties.