GENERAL FUND

Expenditures by Service Area

The chart below shows a service area comparison of General Fund expenditures for FY 04-05 Actual Expenditures, the FY 05-06 Amended Budget, the FY 06-07 Adopted Budget and the FY 07-08 Projected Budget. The FY 06-07 Adopted Budget is $9.7 million, or 4.5%, higher than the Amended FY 05-06 Budget.

The Fire Department Budget includes about $800,000 for the opening of the Willow Road Fire Station during FY 06-07. The budget also includes pay supplements for educational incentives and specialized hazard duty pay.

Thirty two Police Patrol positions are added in the FY 06-07 budget, along with a variety of salary enhancements to recognize achievement. The Police Officer Career Advancement Program, initiated during FY 04-05, is fully funded going into FY 06-07. Also included are market adjustments for emergency communications positions, Police Forensics positions and Police Supervisory levels.

The Transportation Service Area is increasing by $916,000, or 5.4%, as compared to the current year. The budget includes the addition of three full time positions for a new Traffic Signal System Construction and Maintenance Crew.

The Economic and Community Development Service Area, is increasing from about $600,000 in FY 06-07. $780,000 is included for economic incentive efforts, an increase of $360,000 over the current year. The General Fund Budget will contribute approximately $1.68 million to the Housing Partnership Fund, including funds to support historic preservation activities. The budget continues contributions to the Greensboro Economic Development Partnership, Downtown Greensboro, Inc. and the East Market Street Development Corporation.

The Culture and Recreation Service Area is increasing by $927,000, or 2.8%. Funds are included to provide operations support for Center City Park.

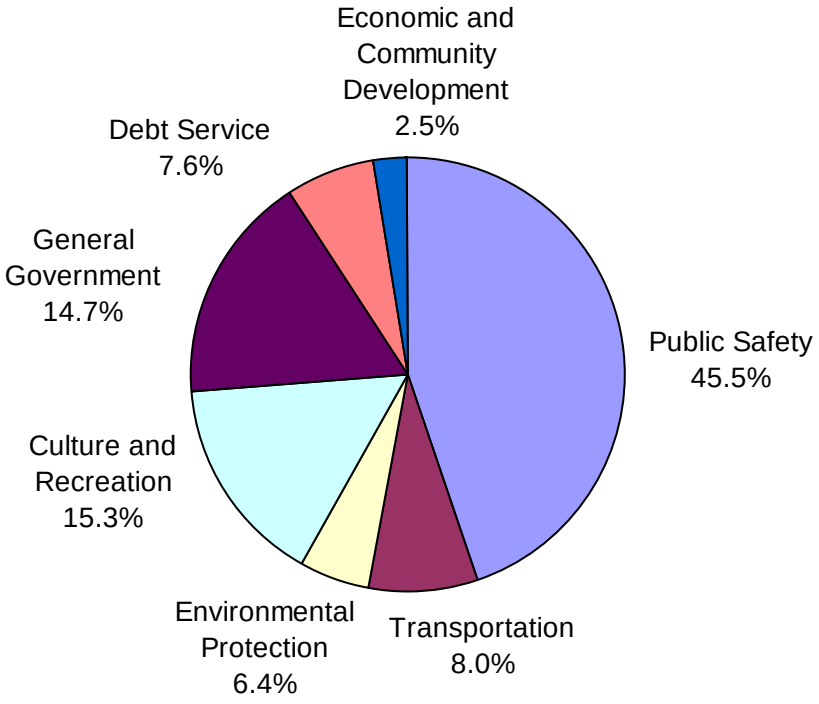
Contributions to the Debt Service Fund will increase from $14.5 million to $16.9 million to support debt service payments associated with general obligation bonds approved in 2000.

The FY 07-08 Projected Budget is $10.9 million, or 4.9%, greater than the Adopted FY 06-07 Budget. An additional $1.6 million in General Fund support for the Solid Waste Fund is projected, along with a $1.8 million increase in debt service support.

General Fund Expenditures by Service Area

Service Area	2004-05 Actual	2005-06 Budget	**2006-07 Adopted**	2007-08 Projected
Public Safety	*92,593,355*	*96,980,034*	***101,652,331***	*106,738,142*
Transportation	*16,776,317*	*16,986,249*	***17,902,879***	*18,344,978*
Economic and Community Development	*4,705,276*	*5,067,850*	***5,673,999***	*5,787,970*
Environmental Protection	*11,155,883*	*11,557,883*	***14,225,283***	*15,845,568*
Culture and Recreation	*31,875,629*	*33,247,708*	***34,174,759***	*35,053,670*
General Government	*32,339,239*	*36,605,694*	***32,859,836***	*33,812,356*
Debt Service	*14,425,000*	*14,554,085*	***16,887,360***	*18,710,650*
Total	*203,870,699*	*214,999,503*	***223,376,447***	*234,293,334*

General Fund Expenditures by Service Area
Adopted FY 06-07 Budget)



FY 06-07

Highlights

Expenditures By Category:

The chart below shows a comparison of General Fund expenditures by expenditure category for FY 04-05 Actual Expenditures, the FY 05-06 Amended Budget, the FY 06-07 and FY 07-08 Adopted and Projected Budgets.

General Fund Expenditures by Expenditure Category

	2004-05 Actual	2005-06 Budget	2006-07 Adopted	2007-08 Projected
Personnel Costs	116,065,233	123,096,306	**127,526,465**	133,383,833
Maintenance & Operations	72,962,834	77,081,058	**78,762,622**	81,757,571
Debt Service	14,425,000	14,554,085	**16,887,360**	18,710,650
Capital Outlay	417,632	268,054	**200,000**	441,280
Total	203,870,699	214,999,503	**223,376,447**	234,293,334

The General Fund Budget contains a 3.6% increase in budgeted personnel costs. The fund shows a net increase of 29 FTE positions. Fifteen new positions are added in the Fire Department for the Willow Road Fire Station. Thirty two positions are being added in the Police Department for increased patrol and call answering capability. To offset some of these additional costs, nine General Fund positions were deleted and another eight will have their costs assumed by bonds and other funding sources.

The budget also includes full funding of the Police Officer Career Advancement Program and market adjustments for emergency communications positions, Police Forensics positions and Police Supervisory levels.

Budgeted maintenance and operations (m/o) expenditures are $1.7 million, or 2.2%, above the budgeted level for FY 05-06.

General Fund support provided to other fund activities, known as transfers to other funds, is categorized as a maintenance and operation expense. In total, these various contributions are increasing from $21.1 to $23.1 million, or 9.8%. The General Fund contribution to the Solid Waste Management Fund is increasing from $10.5 million to $13 million to help underwrite the Refuse Transfer Station. The contribution to the Housing Partnership Fund is the equivalent of 0.74 cents of property tax value, plus support for historic preservation. General Fund support for the Coliseum Fund is budgeted at $2 million.

Approximately $530,000 in additional maintenance/operations funding is included to fund budget enhancements, including the opening of the Willow Road Fire Station and the City's contribution to help underwrite maintenance of Center City Park. Throughout the General Fund, various departments are budgeting considerably more for fuel in FY 06-07. Overall, the budgeted increase in the General Fund is about $600,000, or 58%.

The overall increase in maintenance and operations expenditures is lowered by the reorganization of Desktop Services (computer services and maintenance). This function has been removed from the General Fund and placed within the Telecommunications Fund. Absent this reorganization, m/o expenditures in the General Fund would be increasing about 6%.

General Fund contributions to the Debt Service Fund will increase from $14.5 million to $16.9 million in FY 06-07. This increase will support increasing principal and interest costs resulting from bonds approved in 2000.

The projected FY 07-08 budget is $10.9 million, or 4.9%, higher than the adopted FY 06-07 budget. The budget includes additional increases in General Fund support for Solid Waste to underwrite the Refuse Transfer Station and an approximate $1.8 million increase in the contribution to the Debt Service Fund.

Highlights

Revenues:

Listed below is a summary chart of the major General Fund revenue estimates.

Major General Fund Revenues

	2004-05 Actual	2005-06 Budget	2006-07 Adopted	2007-08 Projected
Property Tax	114,817,487	115,673,300	**124,823,100**	133,837,700
Sales Tax	35,879,655	37,904,800	**39,107,500**	40,278,200
State Collected Local Revenues	13,355,808	13,616,750	**13,897,000**	14,192,870
Cable TV Access License	2,333,151	2,384,000	**2,340,000**	2,440,000
ABC Profit Distribution	2,468,216	2,595,200	**2,713,100**	2,826,800
Building Permit Revenue	1,982,451	2,057,650	**2,866,000**	2,970,000
All Other	30,062,566	29,018,090	**25,895,917**	26,749,012
Transfers from Other Funds	3,721,499	3,600,000	**4,891,620**	4,491,620
Appropriated Fund Balance	13,060,377	8,149,713	**6,842,210**	6,507,132
Total	217,681,210	214,999,503	**223,376,447**	234,293,334

Property Tax

The FY 06-07 Adopted General Fund Budget is balanced with a 58 cent tax rate, a three and one quarter cent rate increase from the rate adopted in FY 05-06.

Annual tax base growth is projected to be around 2.0% each of the next two years. This growth estimate is based on tax base growth projections received from the Guilford County tax office.

The second year budget is balanced with a 61 cent tax rate, the equivalent of a three cent tax rate increase over the adopted rate for FY 06-07. Revenues generated from this projected rate increase will be necessary to support the operation of the Refuse Transfer Station and to support increased General Fund contributions to the debt service anticipated for FY 07-08. (Note: At this time, the year two budget does not reflect any additional expenditure impact that would occur due to authorized bonds in 2006.)

Sales Tax

Sales tax revenue, including revenue from the rental vehicle gross receipts tax, is budgeted at $39.1 million for FY 06-07, a $1.2 million increase over the current year budget (about $700,000, or a little less than 2%, above revised current year estimates).

State Collected Local Revenues

State collected local revenues include Utility and Franchise Taxes and Beer and Wine Taxes. These are traditional local government revenues which the State of North Carolina collects for local governments. The budget assumes a modest 2.5% increase over the revised current year estimate in Utility Franchise, Natural Gas Excise and Telecommunications Sales Taxes.

Beginning in FY 02-03, the State of North Carolina eliminated the local government reimbursement revenues designed to replace certain portions of local tax bases that had been exempted from the property tax by state statute such as business inventories. This is an ongoing estimated revenue loss of almost $8 million.

Cable TV License Fee

The City levies a franchise tax on the local cable provider for the right to provide a cable communications system within the city limits.

Pursuant to this agreement, a fee of 5% is paid on the gross revenues from all sources derived from the operation of the system.

ABC Profit Distribution

The Greensboro ABC Board distributes its net profits (after deducting amounts required for law enforcement, education and working capital) as follows: 91.75% is distributed to Greensboro with the remaining 8.25% distributed among Guilford County and municipalities without ABC outlets. The budget for next year estimates a 4.5% increase over the current year estimate.

Building Development Fees

Building development fees, such as building permit fees are budgeted to increase by about $800,000 in FY 06-07. Minimum inspection fee charges for building inspection services have been increased as part of the Adopted FY 06-07 budget.

Other Revenues

Other revenues in the General Fund include departmental charges, user fees, fines, licenses, and other miscellaneous revenues. The budgeted drop in these revenues results from the reorganization of the Desktop Services function from the General Fund to the Telecommunications Fund, and the movement of the associated internal charge revenue out of the General Fund.

The budget anticipates an additional $400,000 contribution from Guilford County to help support the cost of library services provided by the City of Greensboro. The total county contribution would rise to $1,722,300.

Transfers from Other Funds

The General Fund typically receives transfers from Special Revenue Funds which have been established to account for specific revenue sources received by the City. The transfer from the State Highway Gasoline Tax Fund (“Powell Bill”) is budgeted at $4.5 million to offset a variety of eligible transportation expenses budgeted in the General Fund.

Fund Balance

The fund balance appropriation for the FY 06-07 Budget is $6.8 million, or 3.1%, of the total budget. This does not include additional fund balance appropriations that will be necessary to carry forward outstanding purchase orders at the end of FY 05-06. This appropriated fund balance level is lower than previous years and reflects less anticipated savings from the current year than will be available for appropriation in FY 06-07.