



Legislation Text

File #: 16-0175, **Version:** 1

Summary

To: Mayor Gary H. Katica, Commissioners
From: Micah Badana
Date: 7/25/2016

Subject:

Preliminary FY2016-17 Budget

Summary:

At this time, we are at a net positive of \$2,700 for the next budget year. A few revenue and expenditure impacts are;

- Staff received the certified taxable value from the property appraiser
- State revenues estimations have been completed
- The salary adjustment was modified to reflect the average from the current 2015-16 budget. The previous preliminary budget estimated merit increase at 2.7%, staff has decreased this to 2.5%.
- Health Increase will be a 4.1% increase instead of the 10% originally estimated
- The Fire Service Agreement is currently being discussed and the current fee structure has estimated an impact of \$559,000, a \$68,700 increase from prior year.
- Reevaluation of the vehicle lease program

We still have a number of major items that will effect this number, to include:

- General Liability estimates
- Ongoing review of some recreation based revenues
- Discussions about the payback of the General Fund loan being paid back by the Water Fund.
- Three items not included because not enough information was available:
 - A request for a part time to full time upgrade
 - Increase to sports leagues
 - Increase to teen camp.

Previous Commission Action: N/A

Background/Problem Discussion:

Revenues

Staff has received the certified taxable property values and property taxes are estimated to rise 5.79%. This equates to an increase of \$171,000.

Electric Franchise this fiscal year is trending an increase and staff has estimated an additional \$26,900.

Communication Services Tax as estimated by the state, dropped \$13,000 compared to prior year's budget. State revenue sharing is estimated at 4% increase, which is a \$3,950 impact. State Sales Tax revenue

increased by 3% and provides an additional \$7,750.

As part of the roll out of Biltmore site related revenues, Building Permits has increased by \$18,000. This will be higher again next year and then the revenues should begin to shift from permit based to tax based. This helped to offset the transfer from 305 revenue, as we have a plan to reduce that annual transfer to \$0.

Miscellaneous Revenue has fallen off recently, and we have dropped the line item accordingly.

Staff is currently reviewing the administrative fees to make sure the appropriately allocate costs. It is unclear if there will be changes.

The golf course revenues are still shown based on the town owning the course, this could of course change.

Expenditures

Administration - The majority of the increase is related to the transfer of the construction project supervisor from Public Works to Administration. This is \$71,450 of the shown change. The bulk of the remainder (\$6,800) is health cost and merit related.

Building - Increased costs are again related to health cost and merit. The department is estimating \$20,000 less in contracted costs, due mainly to the experience of the last two years which has provided a better understanding of demand.

Support Services - General liability is a large part of the estimated shift. Also, increases to in computer system are related to the required upgrade of our records management system, as well as the new telecom system now that the Public Works building is operational. There was also an error in last year's budget and the expense for one employee's health insurance was not budgeted for. We have corrected that problem, which impacted the budget by about \$8,000. Staff reduced professional services by transitioning the responsibilities to the assistant finance director position.

Police - The major increase in Police relates to the pension plan. The actuarial report calls for an additional \$24,150 to be allocated. Other cost changes mainly surround health and merit increases. Also, the department has requested transitioning the code enforcement officer from a part time to full time position, however administration is still discussing this change.

Public Works - Just as the Administration departments increased by \$71,000, the Public Works Department decreased that same amount. We have added back in to the budget the \$8,000 that we removed last year for medical for one of the employees. It was intended to try and make that position a part time position, but at this time we feel that going back to fulltime is the correct move. The department has reduced the amount of future capital equipment it is budgeting for this year by \$16,650. On the building maintenance side, there is a request for up to \$5,000 for a weekend cleaner for the recreation center. This item is included and still being reviewed.

Parks and Recreation - A large part of the increase in Parks and Recreation personnel costs is related to health and merit increases, as with other departments. Parks and Recreation has asked for increases to the maintenance of grounds and tree trimming accounts, which administration has no issues with. We are still reviewing, but have included the request for an increase in holiday lighting. The department has also increased the amount of future capital equipment to be replaced by \$16,550.

Expenditure Challenges N/A

Financial Implications: N/A

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Recommendation: N/A

Proposed Motion N/A