

# March 4<sup>th</sup> Budget Work Session

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- **FY 2019-20 Budget Development**
- **Framework for Future Budgets**
- **Draft Financial Policies**



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# Town Mission and Council's Goals

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**Our Mission.** *Learning, serving, and working together to build a community where people thrive.*

## Council's Strategic Goals

- |   |  |
|---|--|
| I. Connected Community                  | V. Vibrant & Inclusive Community             |
| II. Economic & Financial Sustainability | VI. Environmental Stewardship                |
| III. Safe Community                     | VII. Collaborative & Innovative Organization |
| IV. Affordable Housing                  |  |

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# Budget Foundations

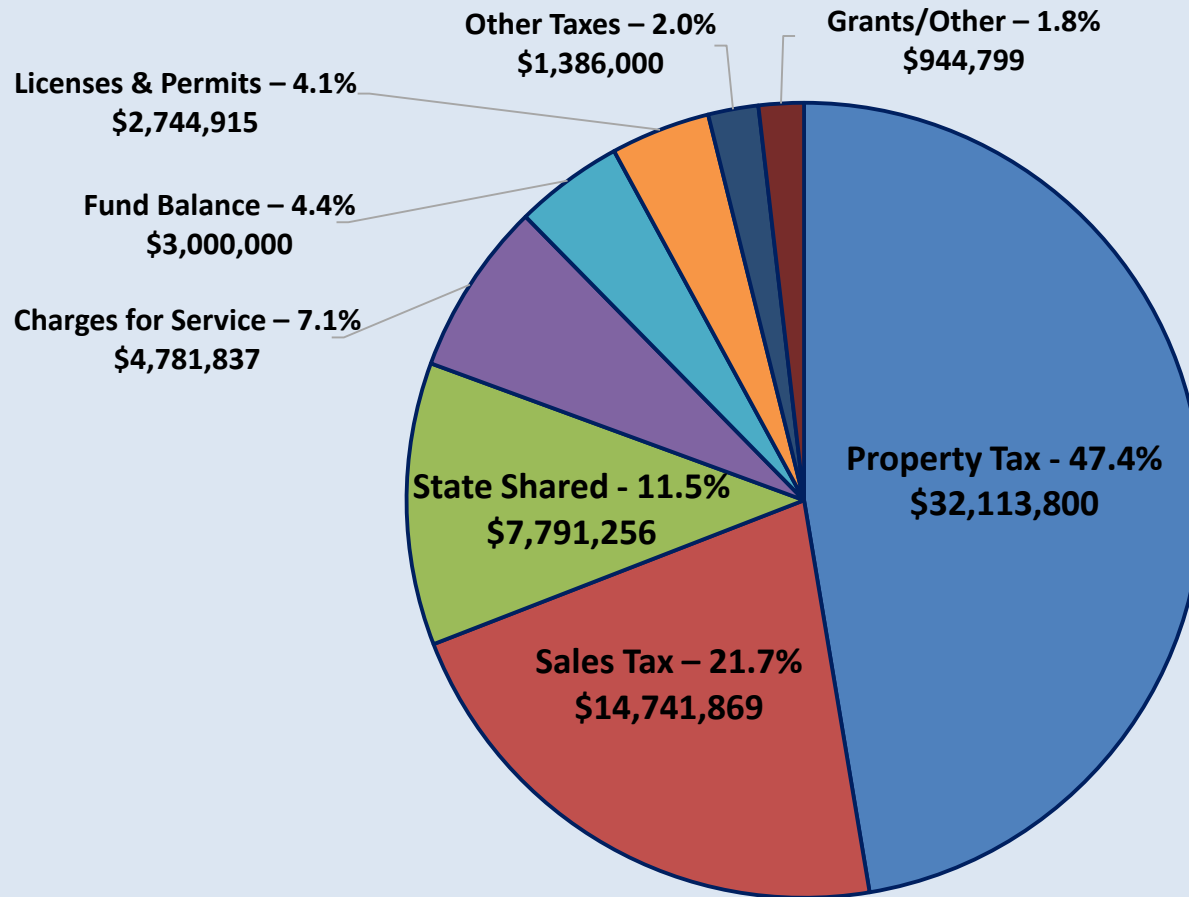
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## *Responsible, Resilient, Smart and Strategic*

- Supporting Council's strategic priorities
- Supporting our most valuable resources
- Protecting fund balance to promote resiliency
- Smart investments in maintenance

# General Fund Revenues FY2019-20

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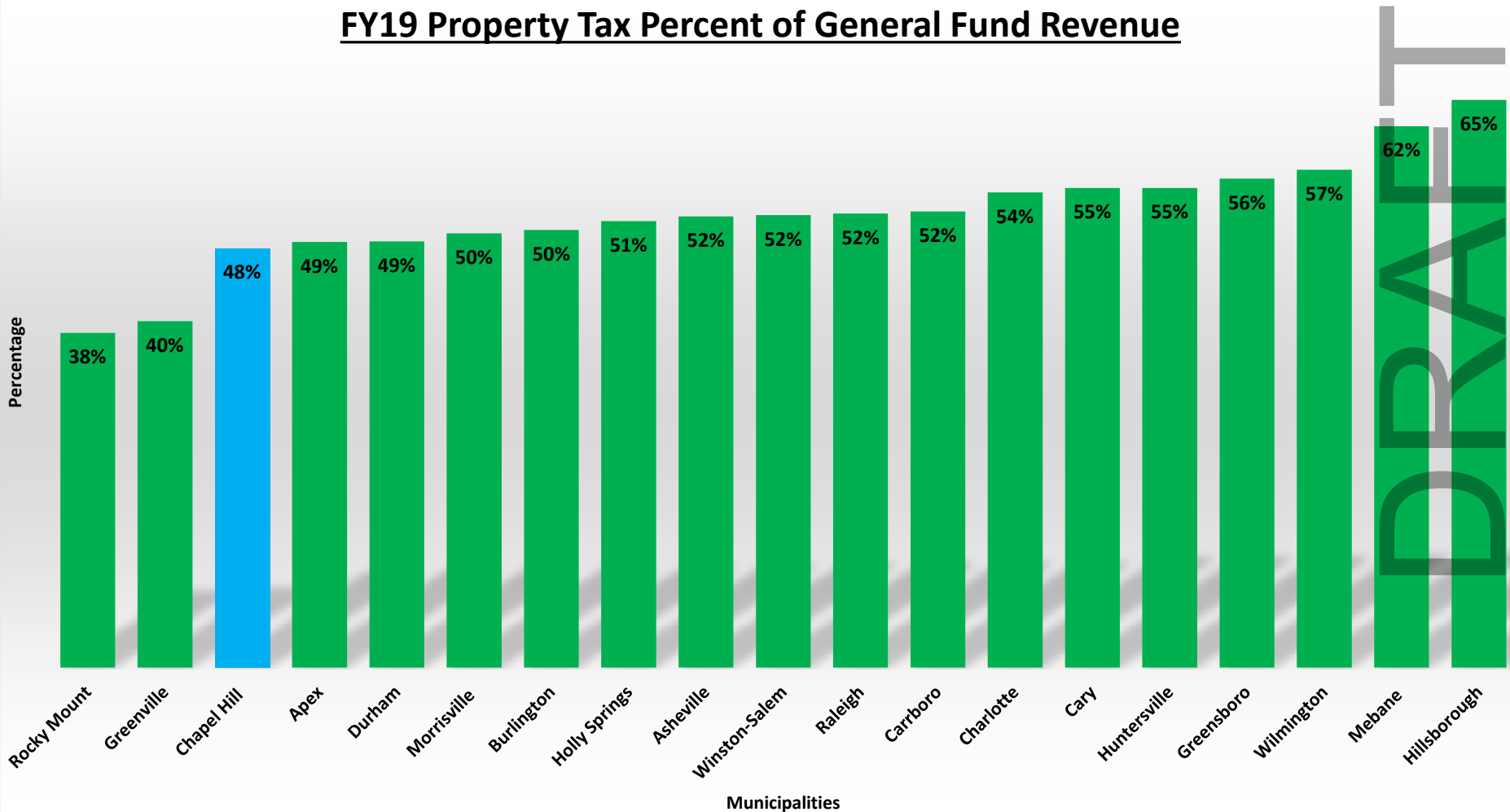
As of March 4, 2019

# General Fund – Revenue Summary

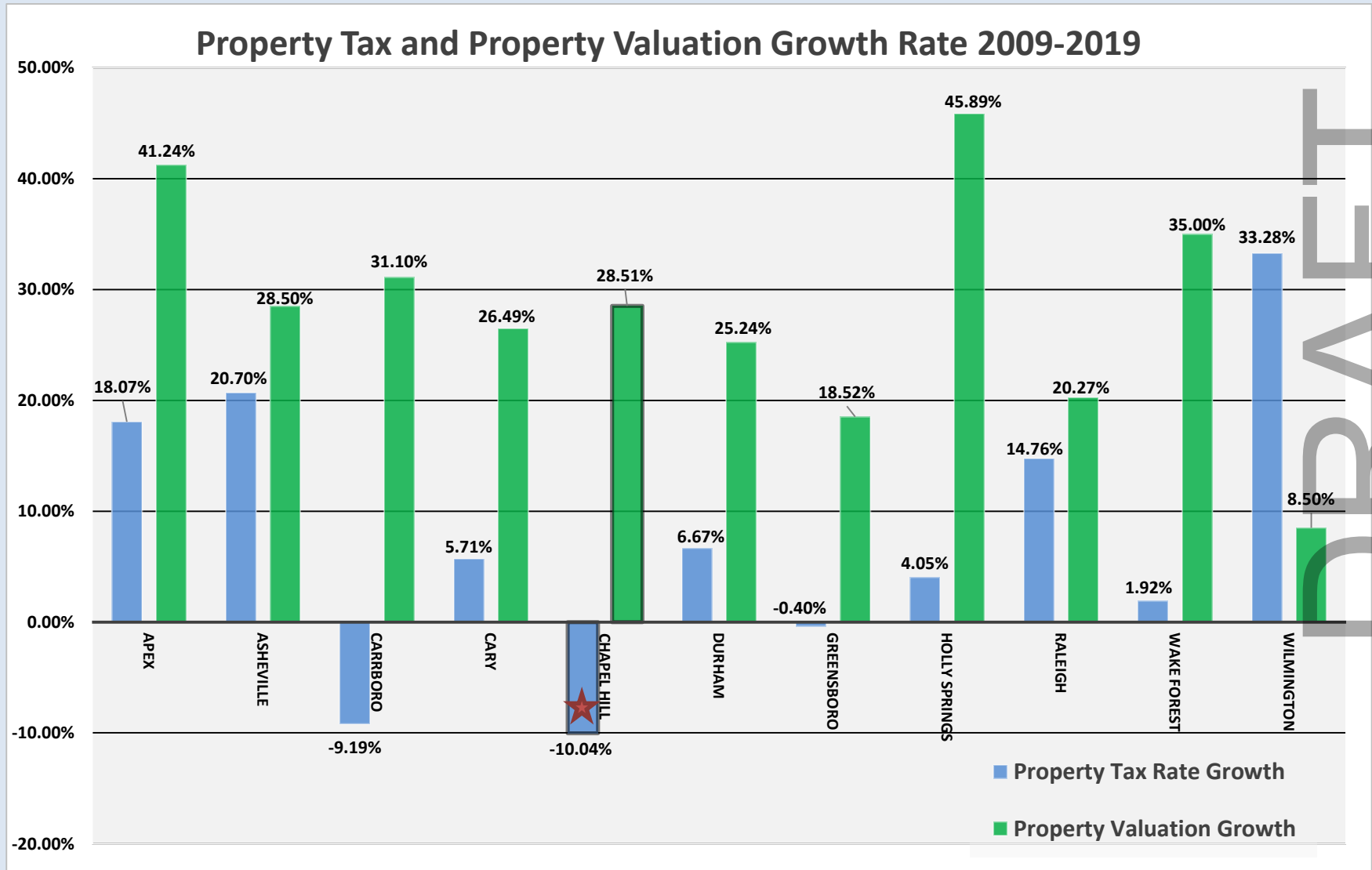
| Source                | Adopted<br>FY2018-19 | Current Est.<br>FY2019-20 | Difference |
|-----------------------|----------------------|---------------------------|------------|
| Property Taxes        | \$ 31,771,000        | \$ 32,113,800             | 1.1%       |
| Sales Taxes           | 13,853,827           | 14,741,869                | 6.4%       |
| Other Taxes           | 1,357,500            | 1,386,000                 | 2.1%       |
| State Shared Revenues | 7,820,590            | 7,791,256                 | -0.4%      |
| Charges for Service   | 4,820,808            | 4,781,837                 | -0.8%      |
| Licenses & Permits    | 2,461,890            | 2,744,915                 | 11.5%      |
| Grants                | 680,899              | 679,399                   | -0.2%      |
| Other Revenues        | 493,600              | 565,400                   | 14.5%      |
| Approp. Fund Balance  | 3,096,886            | 3,000,000                 | -3.1%      |
| Total                 | \$ 66,357,000        | \$ 67,804,476             | 2.2%       |

# % of Revenue - Property Taxes

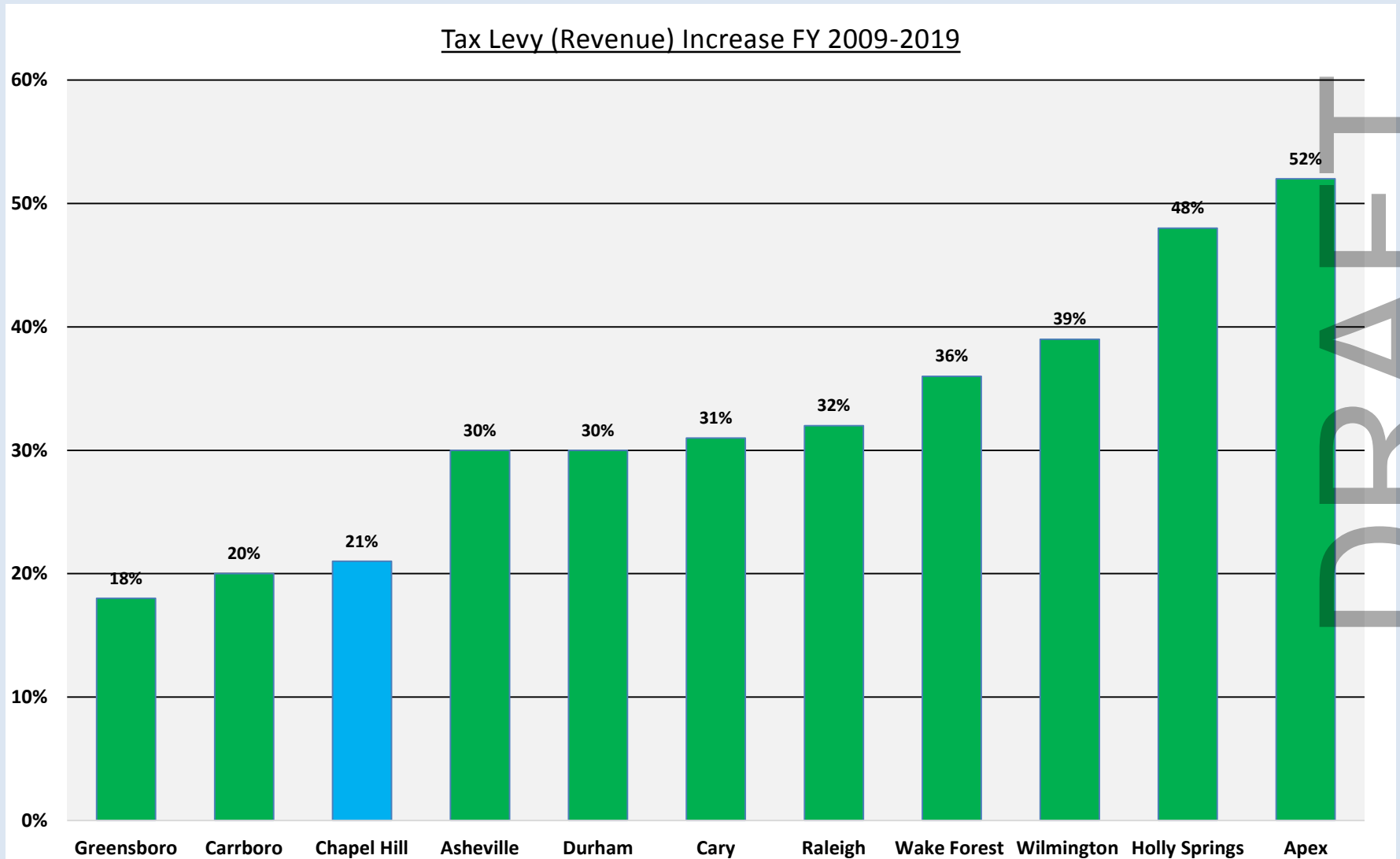
FY19 Property Tax Percent of General Fund Revenue



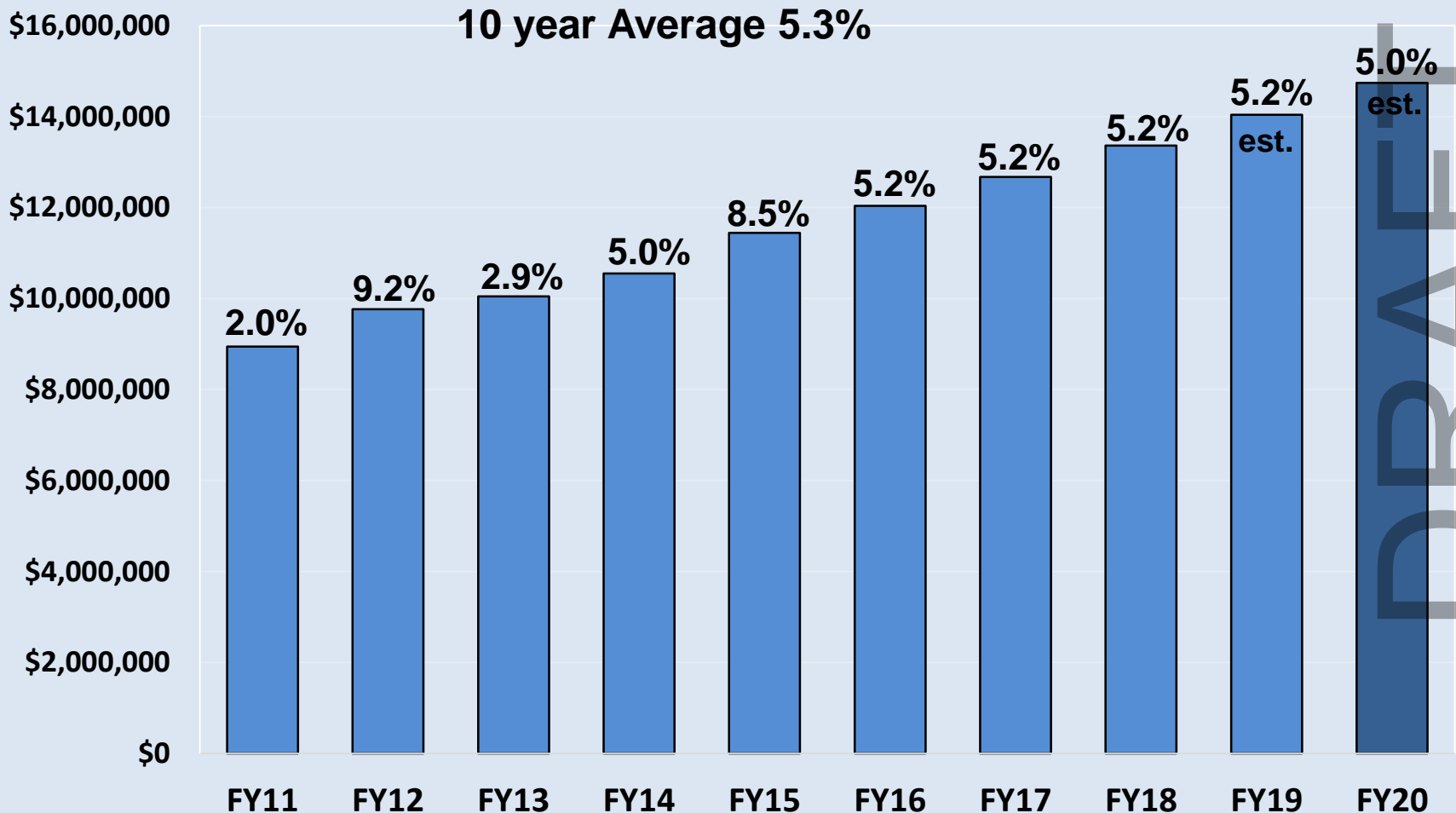
# Property Tax Rate & Valuation Growth



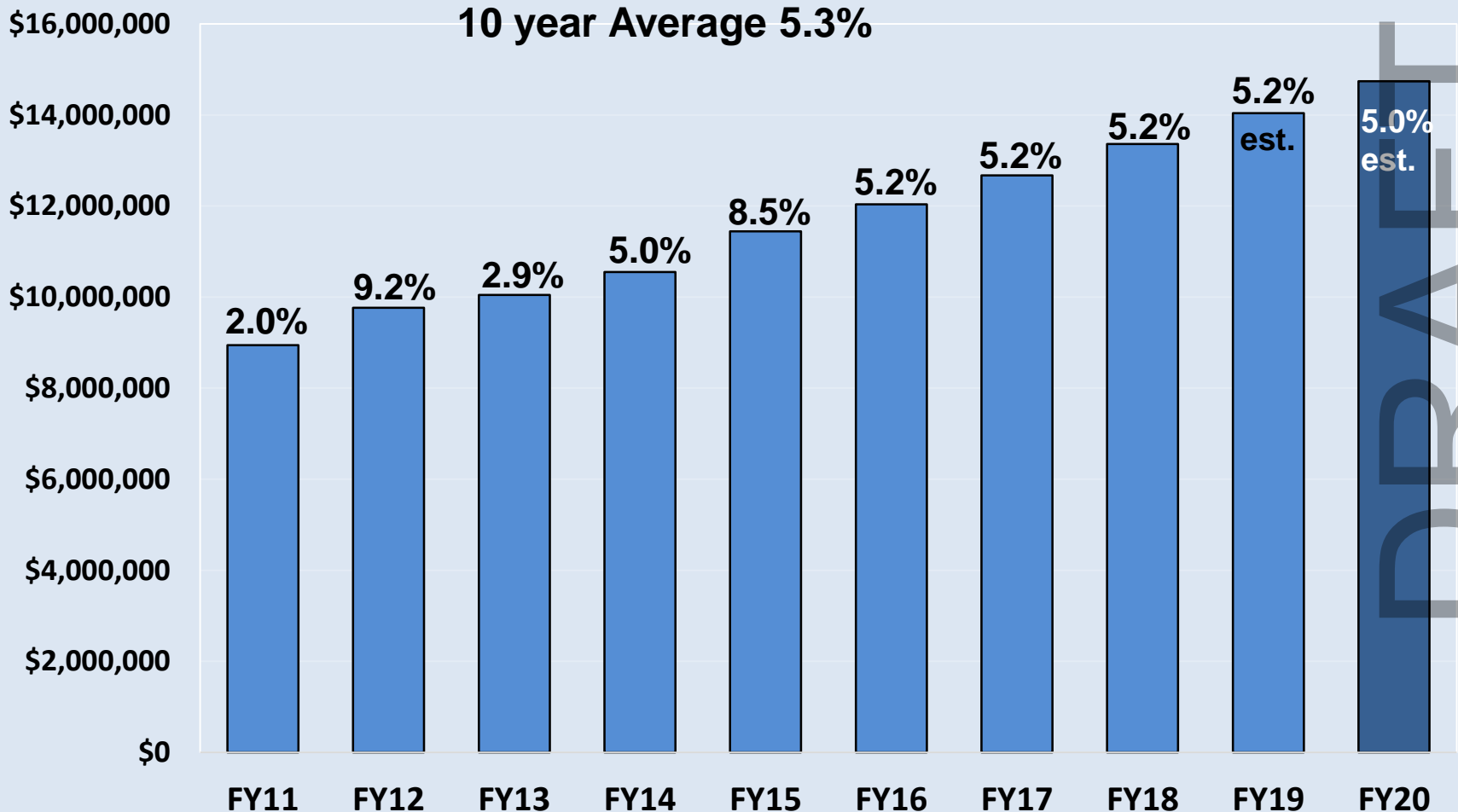
# Property Tax Levy (Revenue) Increase



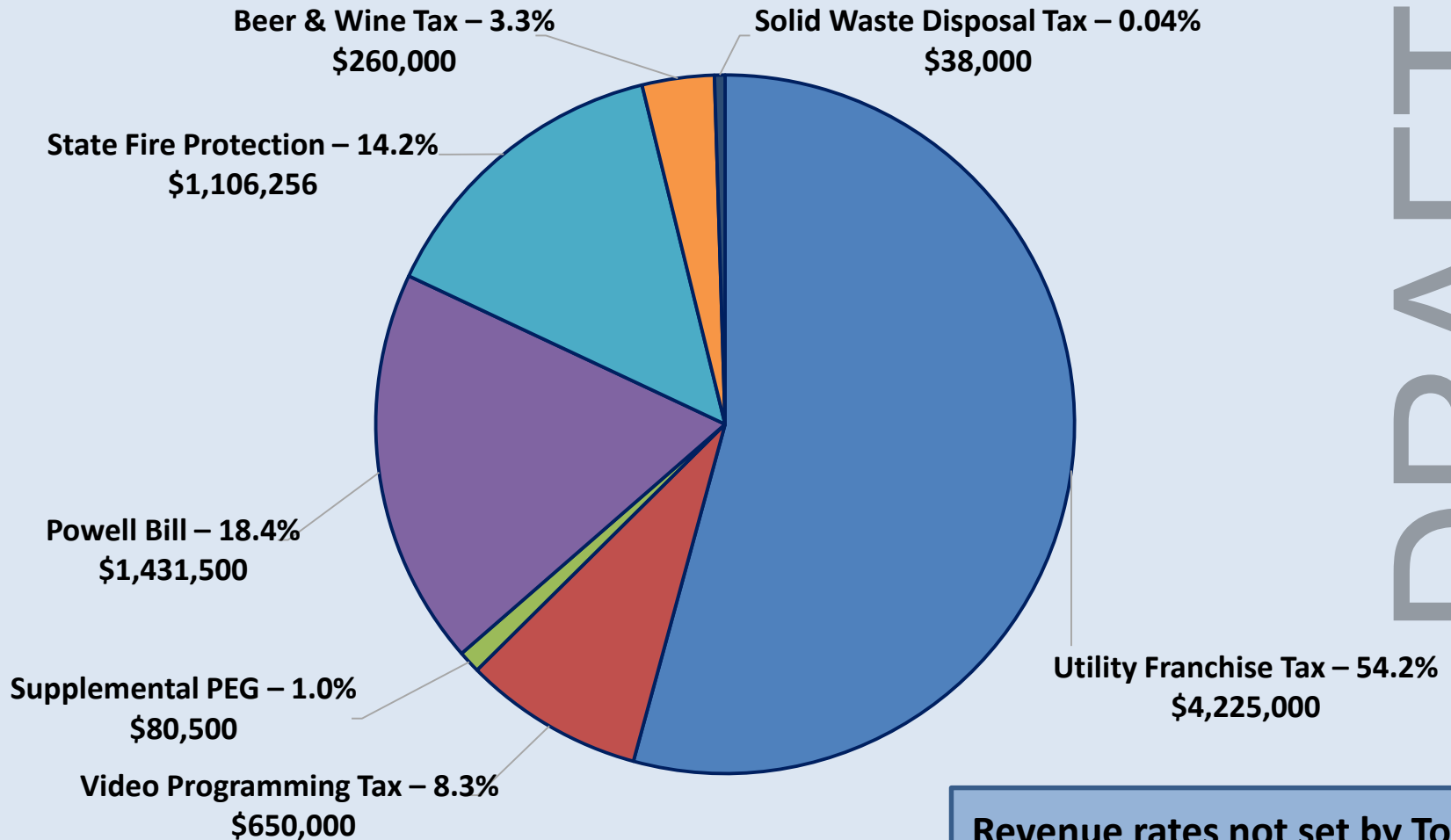
# Sales Tax History



# Sales Tax History

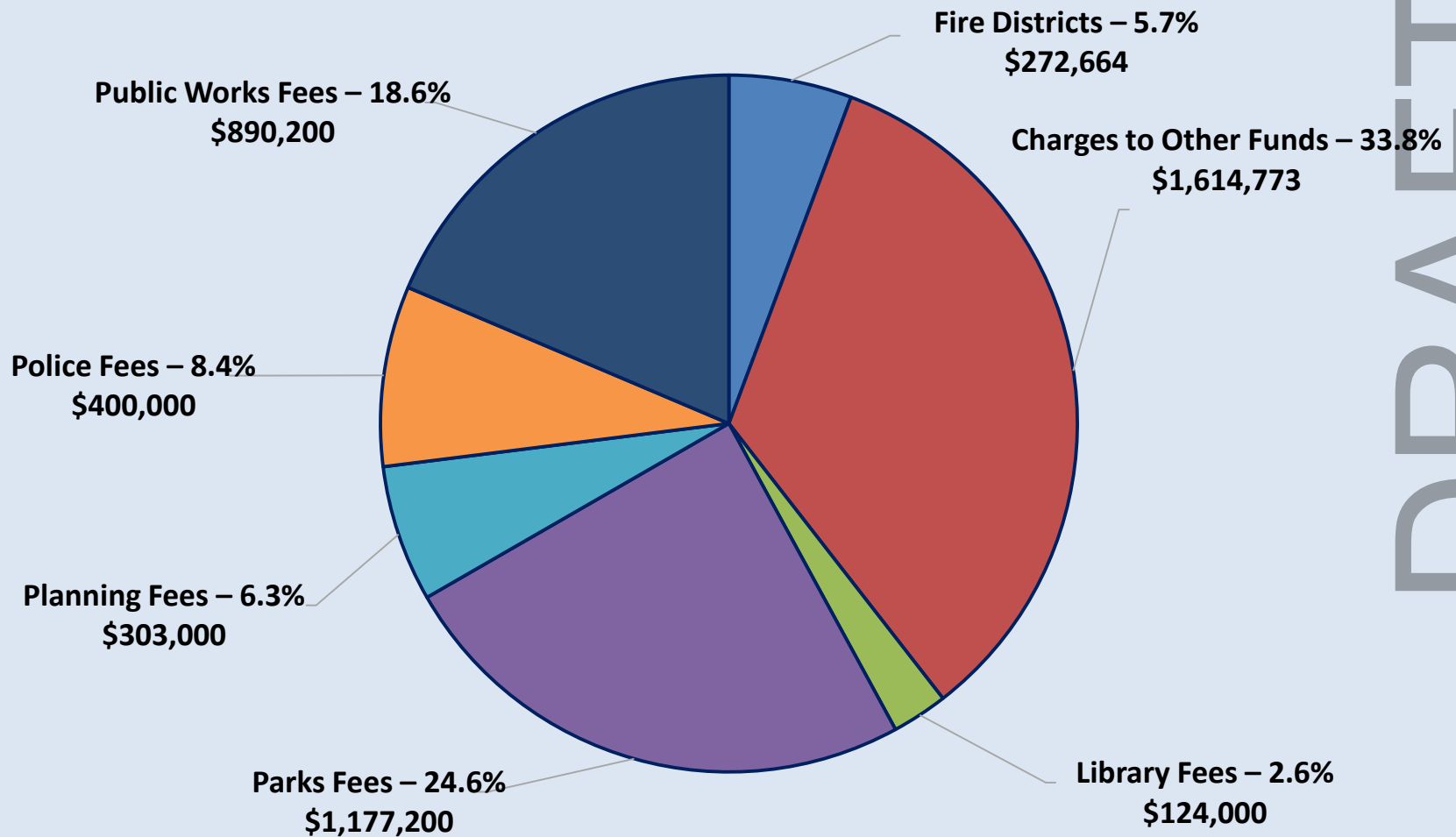


# State Shared Revenues

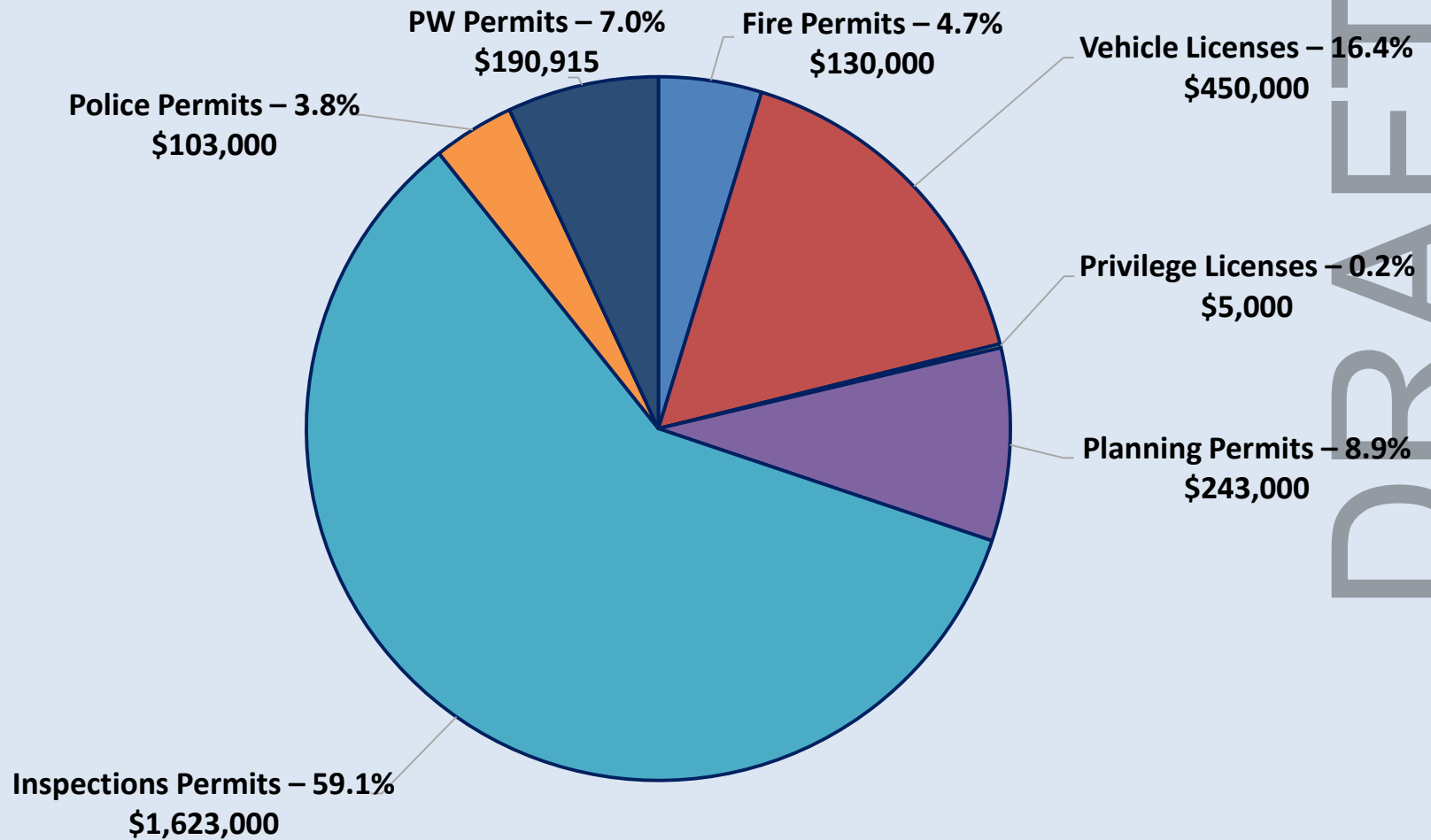


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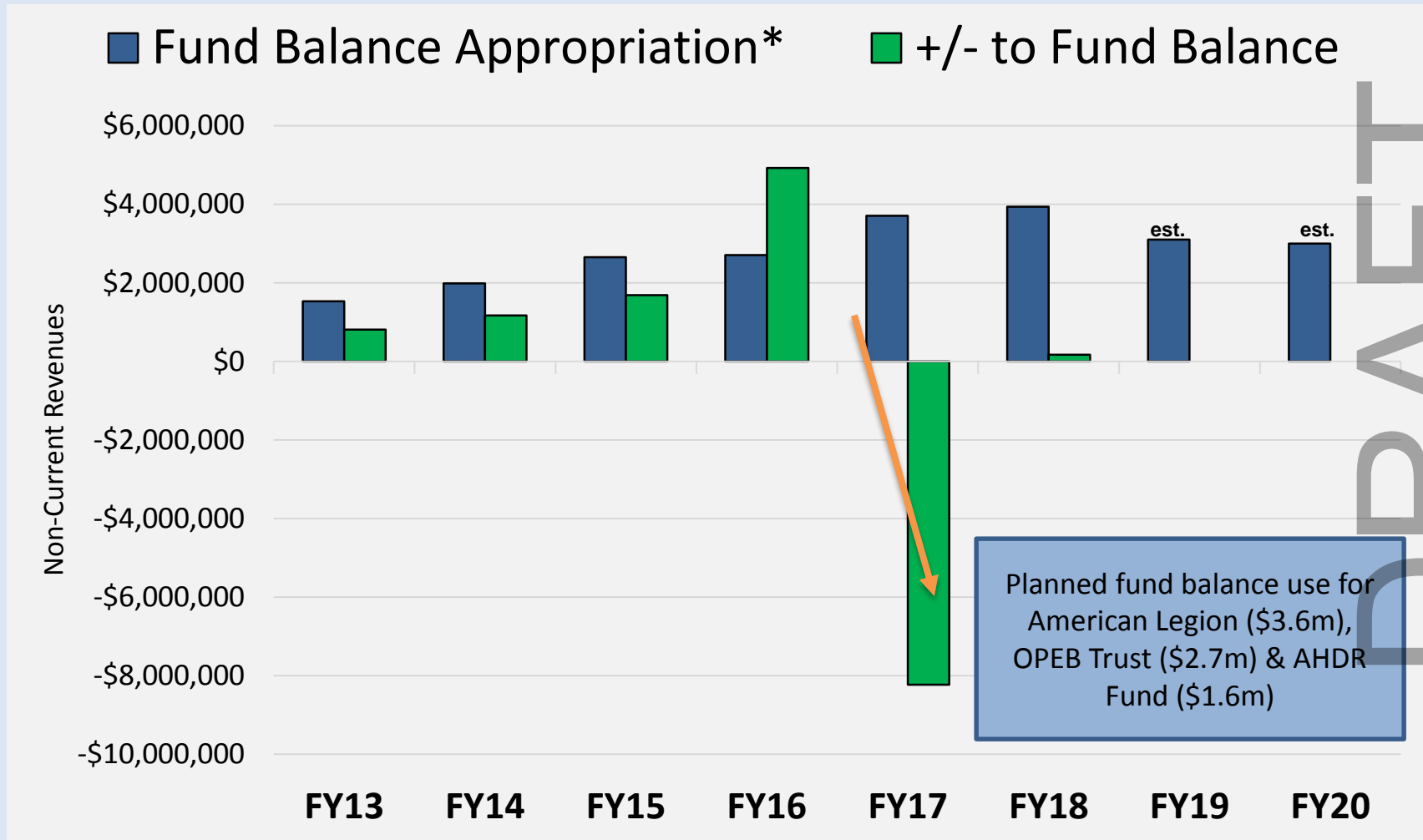
# Charges for Services



# Licenses & Permits

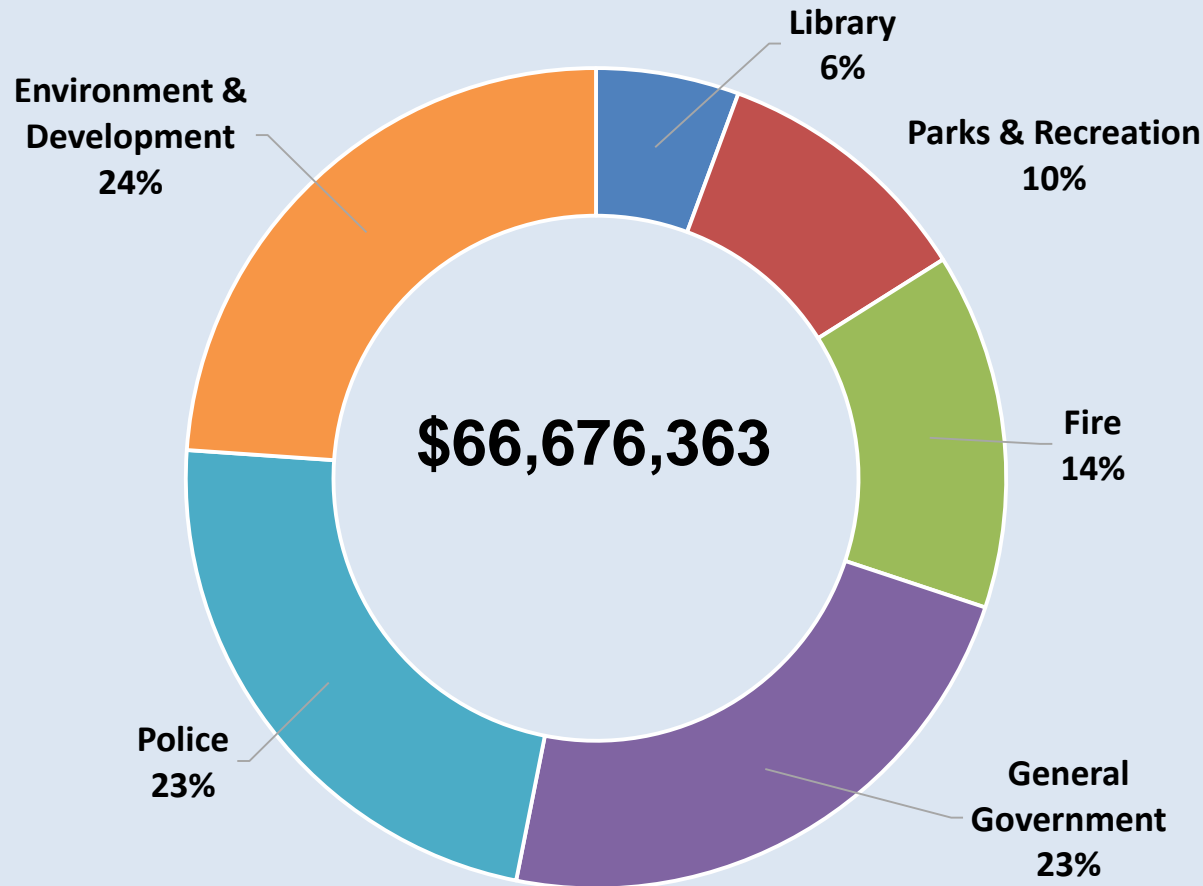


# General Fund – Fund Balance +/-



\* Includes fund balance appropriation and budgeted lapsed salaries

# General Fund Expenditures FY2019-20



As of March 4, 2019

# Baseline Budget

## Items for Discussion:

|                              |                      |
|------------------------------|----------------------|
| Pay raise                    | each 1% = \$ 335,135 |
| Health insurance             | each 1% = \$ 50,000  |
| OPEB pre-funding             | \$ 630,000           |
| Building maintenance         | \$ 472,214           |
| Pay-go capital               | \$ 237,500           |
| Vehicle replacement          | \$ 380,592           |
| Non-profit capital campaigns | \$ 125,000           |
| Urban Design                 | \$ 100,000           |

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# Framework for the FY2020 Budget

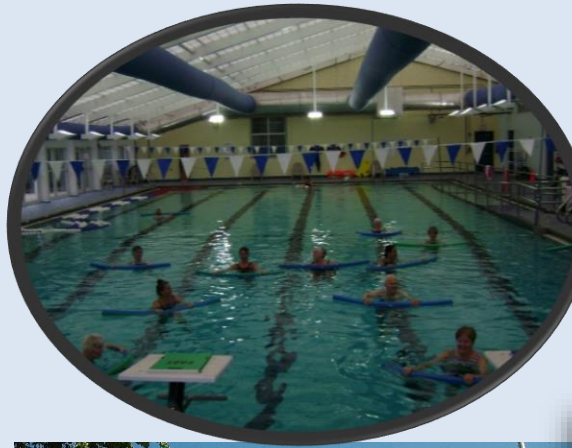
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- Maintaining Core Services
- Employee Compensation
- Building Maintenance
- Pay Go Capital
- Vehicle Replacement
- Streets Paving

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# Maintaining Core Services

- No significant changes to department budgets



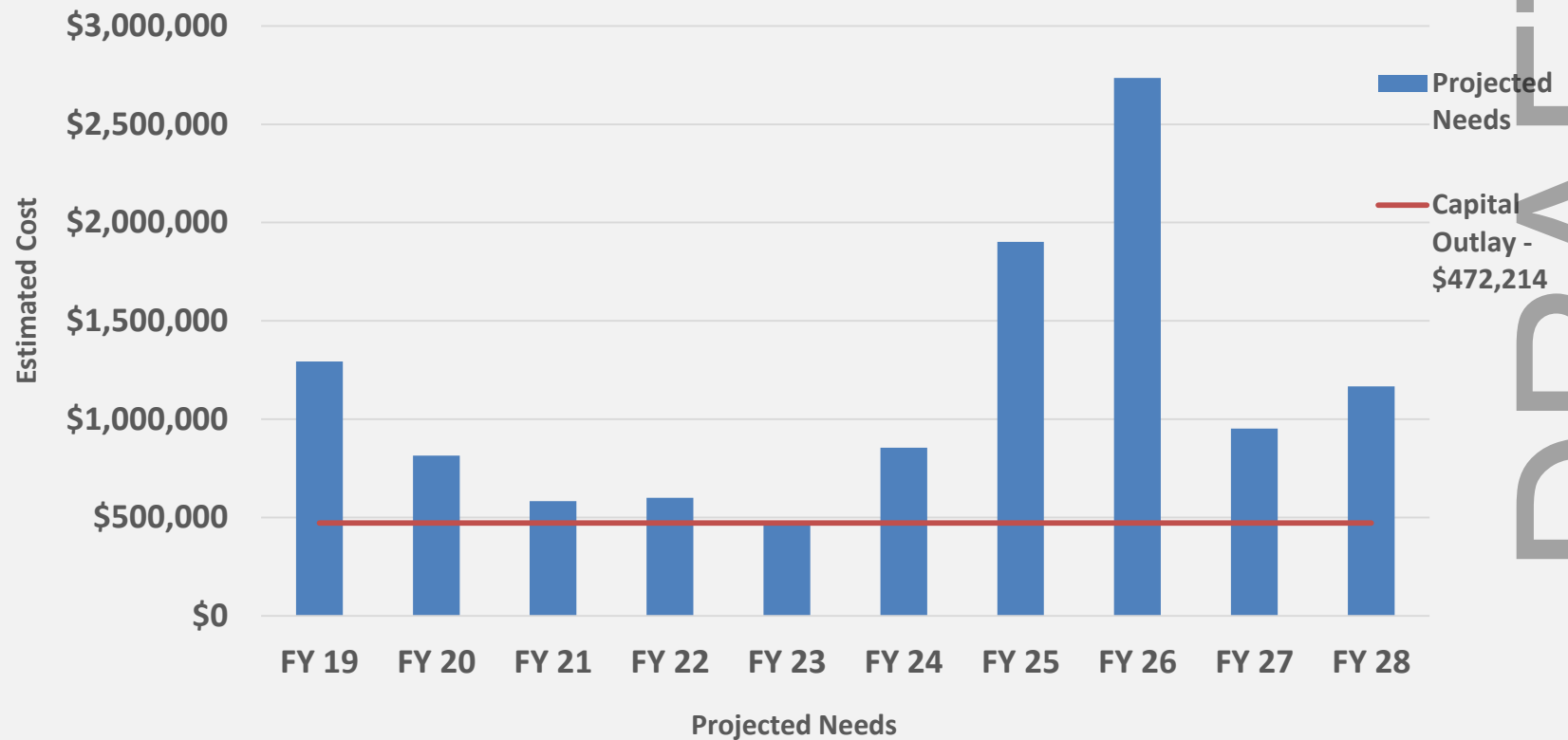
# Employee Compensation

- Market Adjustment
- Living Wage Adjustments
- Medical Insurance Increase
- Retirement System Increase 1.2% (\$371K)



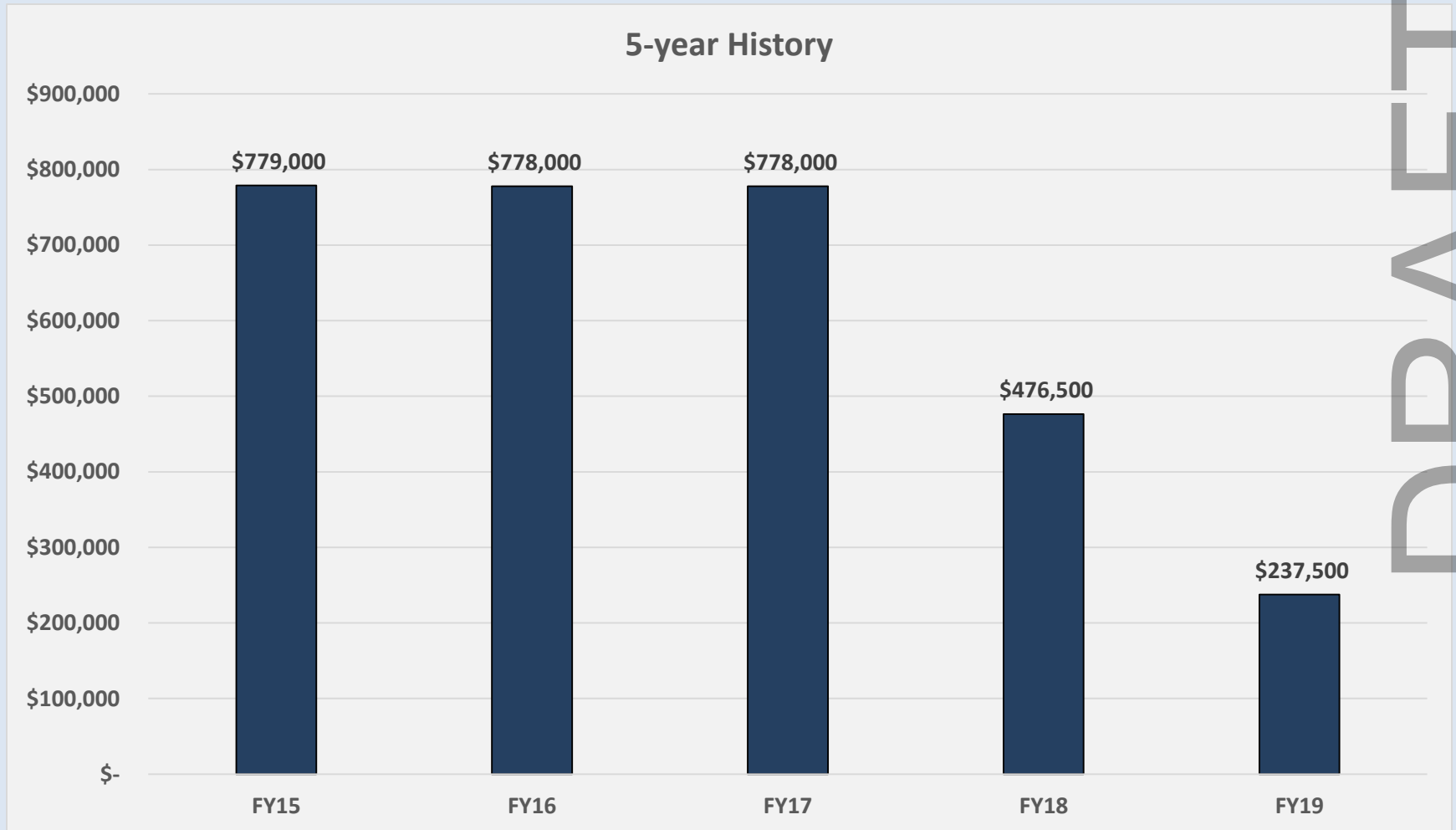
# Building Maintenance

Facilities Condition Assessment Funding Needs

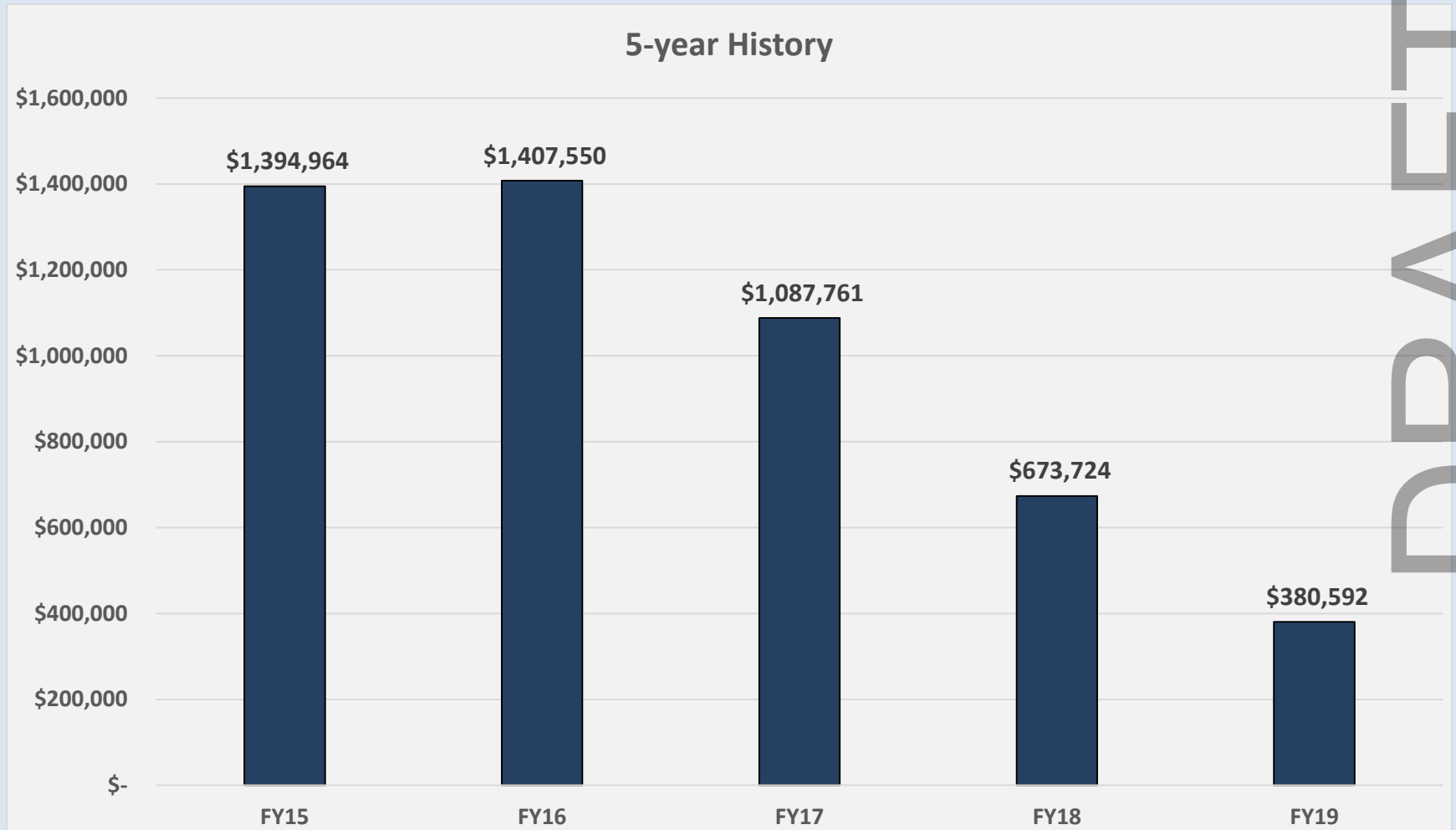


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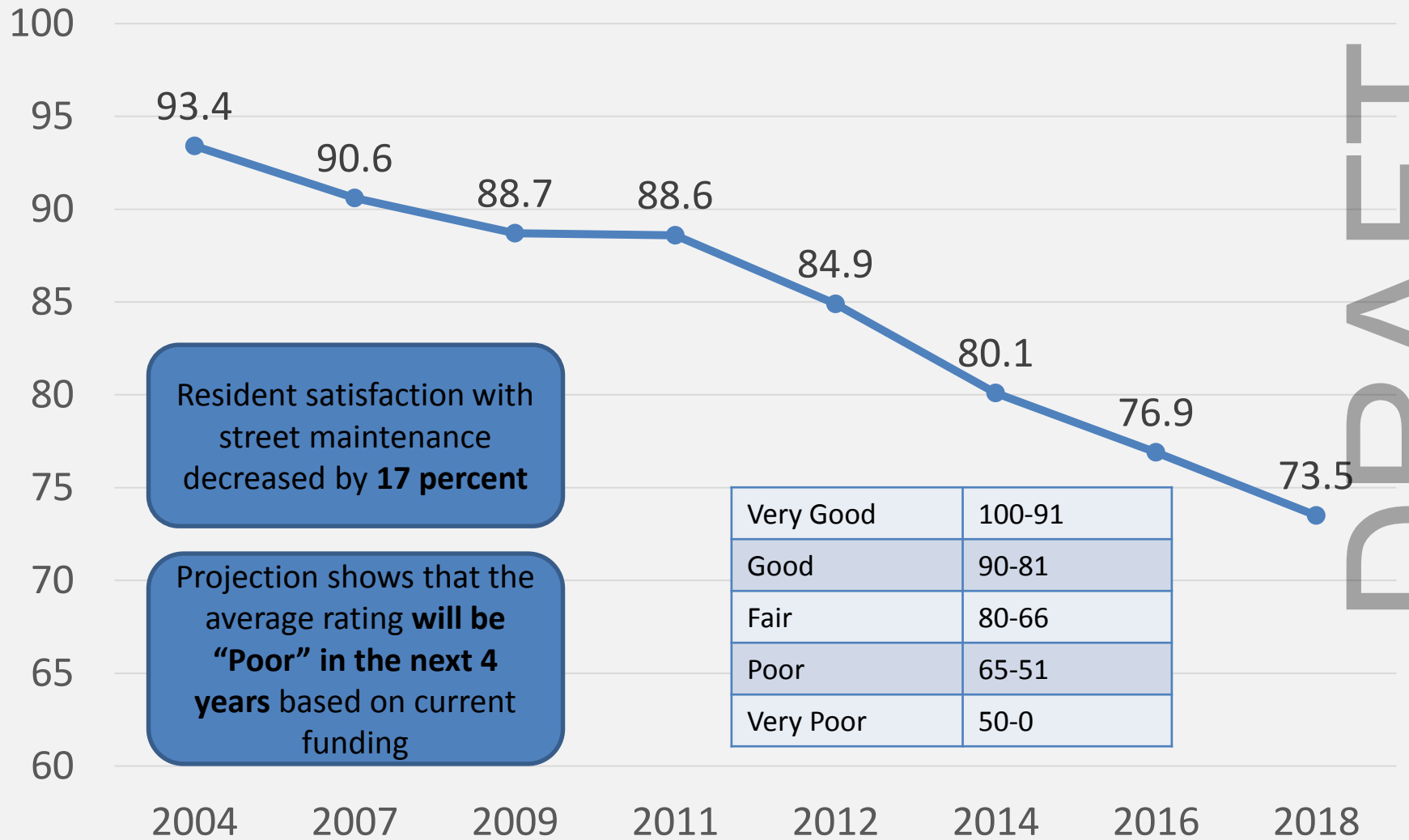
# Pay Go Capital



# Vehicle Replacement



# Street Paving



# Debt Fund (Capital Financing)

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- Additional revenues are needed to fund planned major capital projects including:
  - Municipal Services Center
  - Streets & Sidewalks
  - Wallace Deck
  - Affordable Housing projects
- Consideration of a tax increase of 1.0 cent for affordable housing
- Consideration of a 0.6 cents in FY20 to cover projects for next 5 years

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# 5-Year Plan

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- 5-Year Plan to accomplish:
  - Restoration of pay-go capital and vehicle replacement programs
  - Expansion of building maintenance and street paving programs
  - Connections between strategic work plans to budget program expansions

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# Draft Finance Policies

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## Fiscal Policy Guidelines:

- Debt Policy
- Fund Balance Reserves Policy
- Cash Management and Investment Policy
- OPEB Pre-Funding Policy

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# Next Steps

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- **March 20** – Public Forum
- **May 1** – Manager's Recommended Budget
- **May 8** – Public Hearing
- **May 15** – Budget Work Session
- **June 5** – Budget Work Session
- **June 12** – Proposed Budget Adoption

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