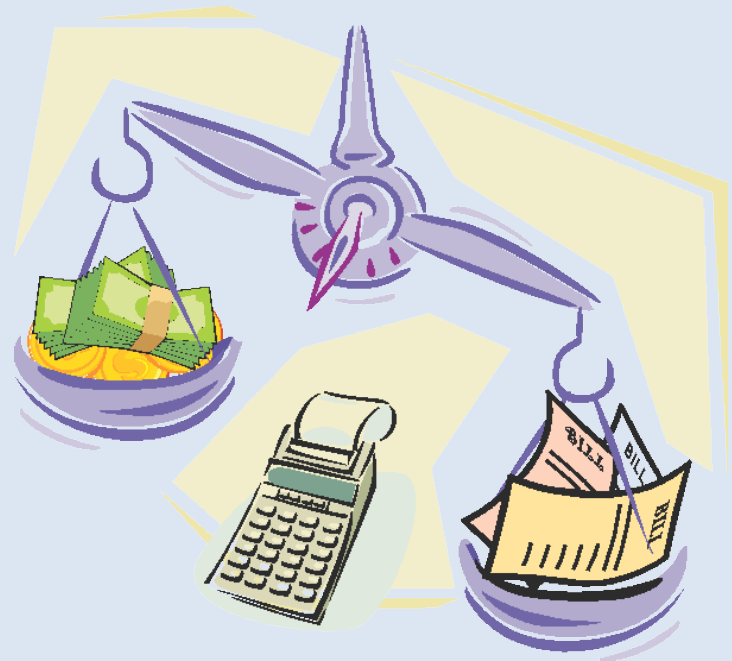


# March 4<sup>th</sup> Budget Work Session

---

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



# Town Mission and Council's Goals

---

**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                  |  |

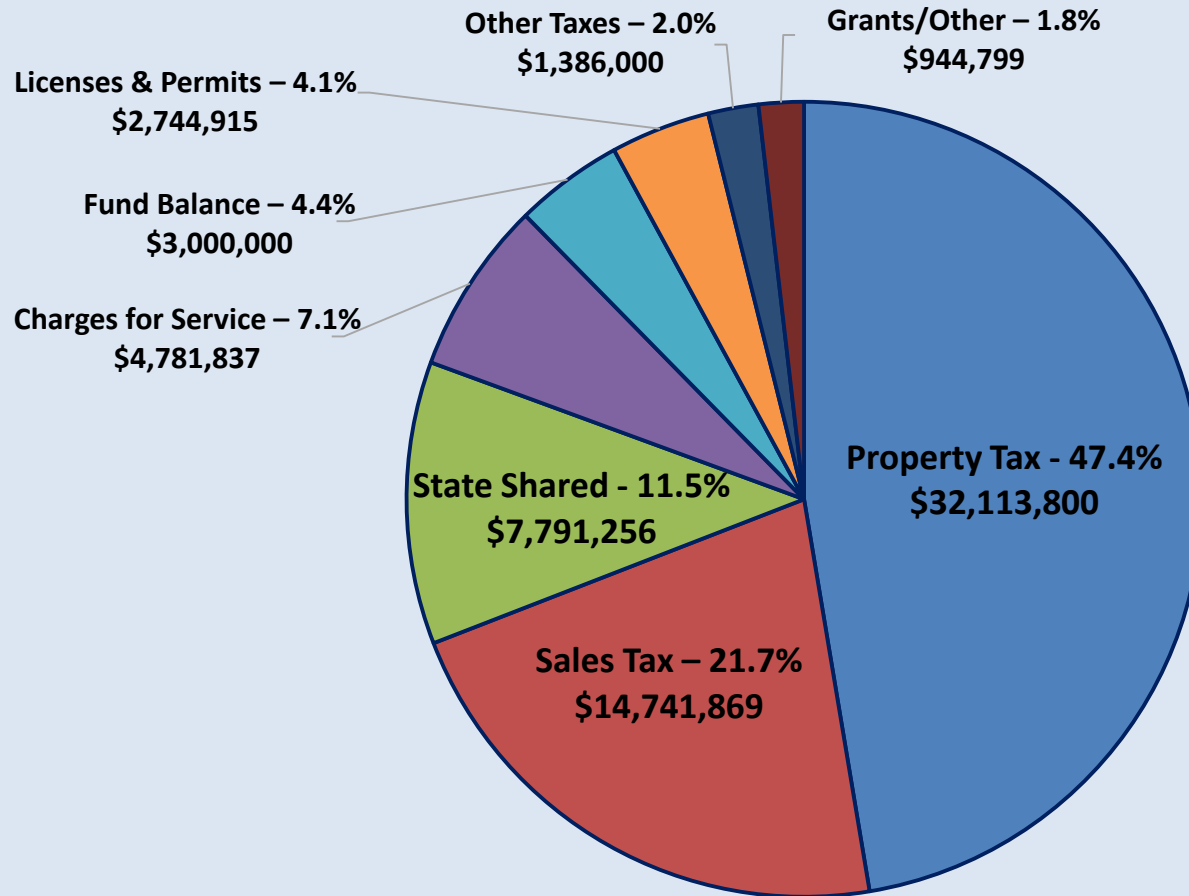
# Budget Foundations

---

## *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



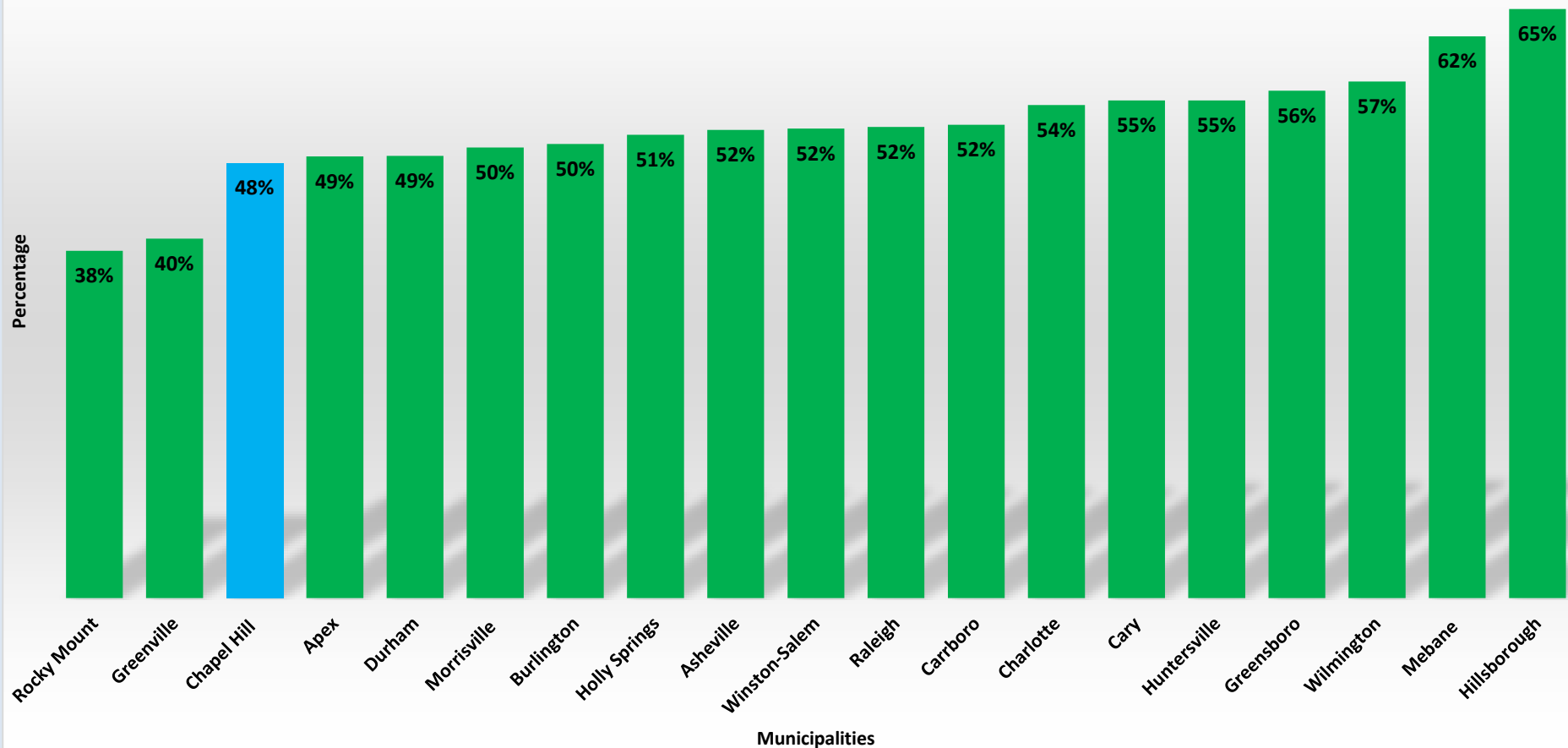
As of March 4, 2019

# General Fund – Revenue Summary

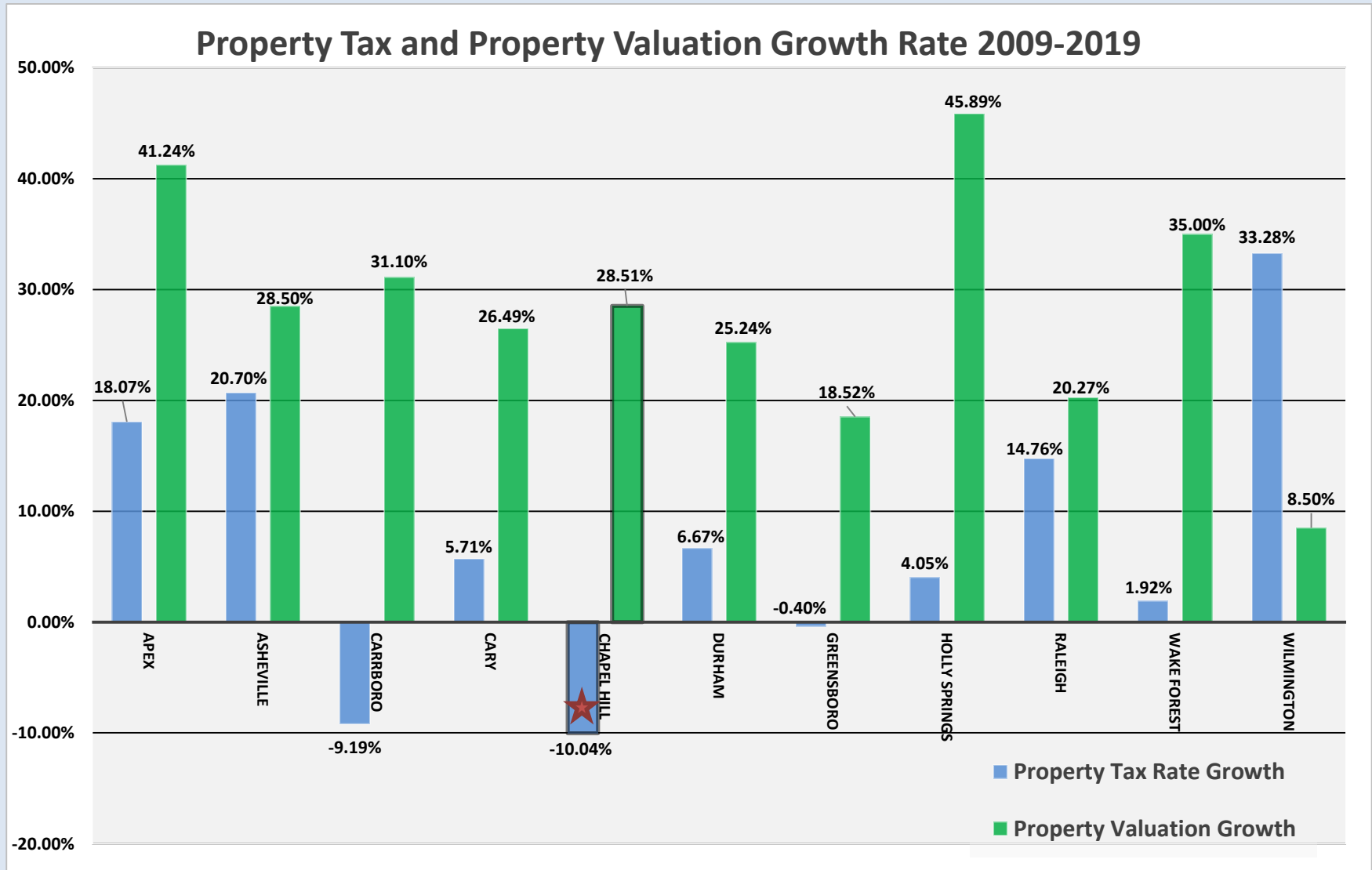
Source	Adopted FY2018-19	Current Est. FY2019-20	Difference
Property Taxes	\$ 31,771,000	\$ 32,113,800	1.1%
Sales Taxes	13,853,827	14,741,869	6.4%
Other Taxes	1,357,500	1,386,000	2.1%
State Shared Revenues	7,820,590	7,791,256	-0.4%
Charges for Service	4,820,808	4,781,837	-0.8%
Licenses & Permits	2,461,890	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

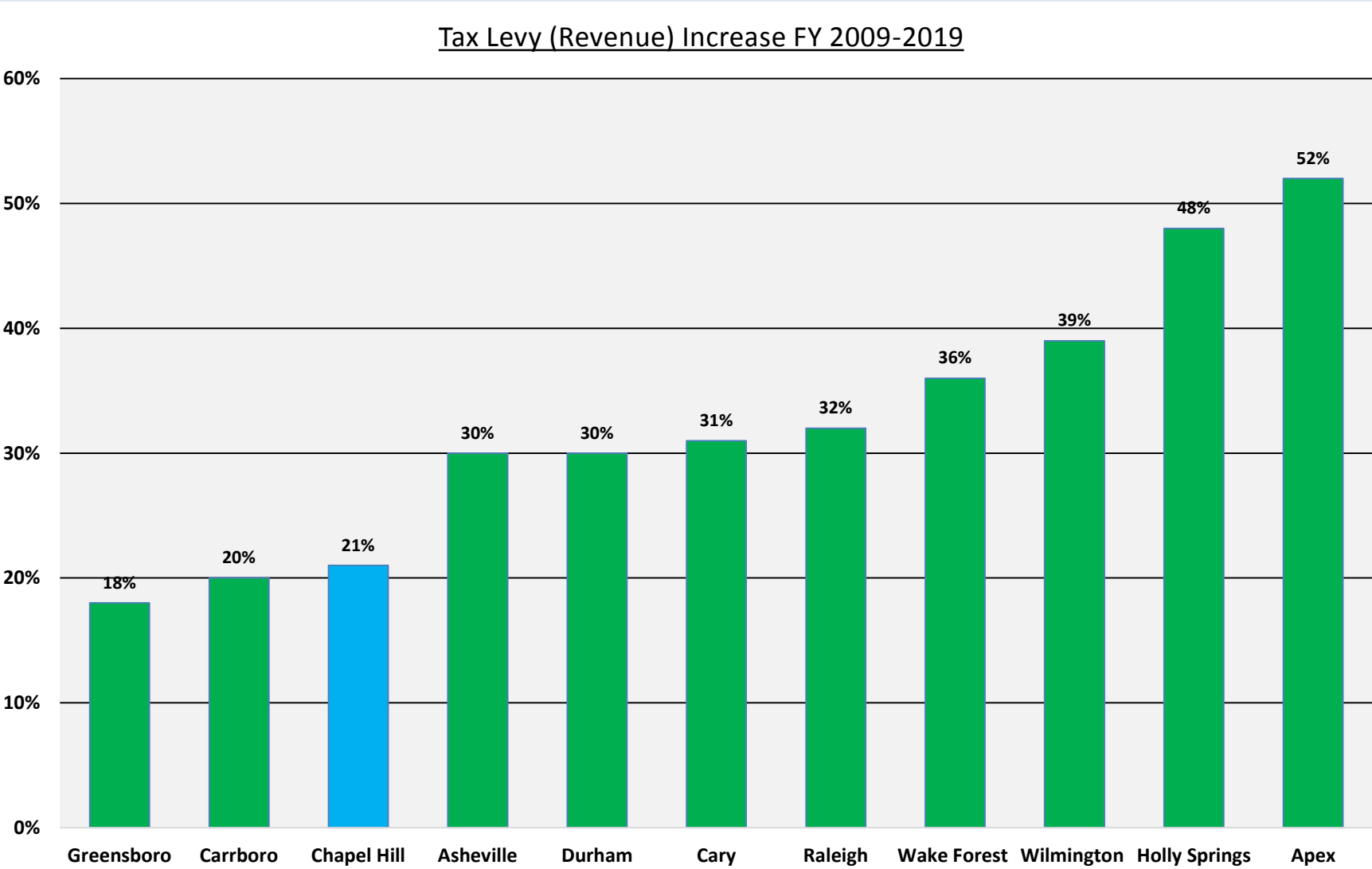
FY19 Property Tax Percent of General Fund Revenue



# Property Tax Rate & Valuation Growth

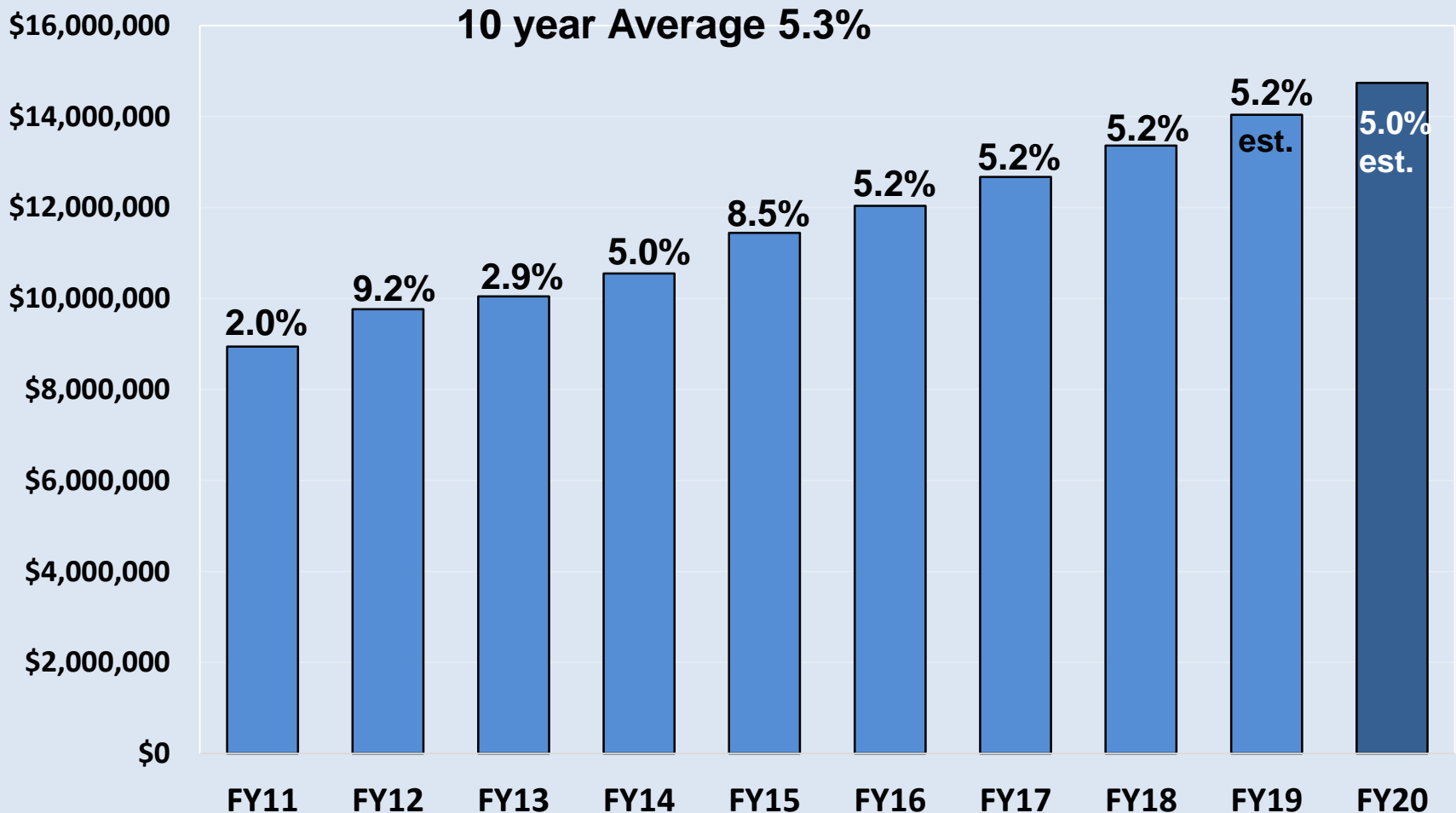


# Property Tax Levy (Revenue) Increase

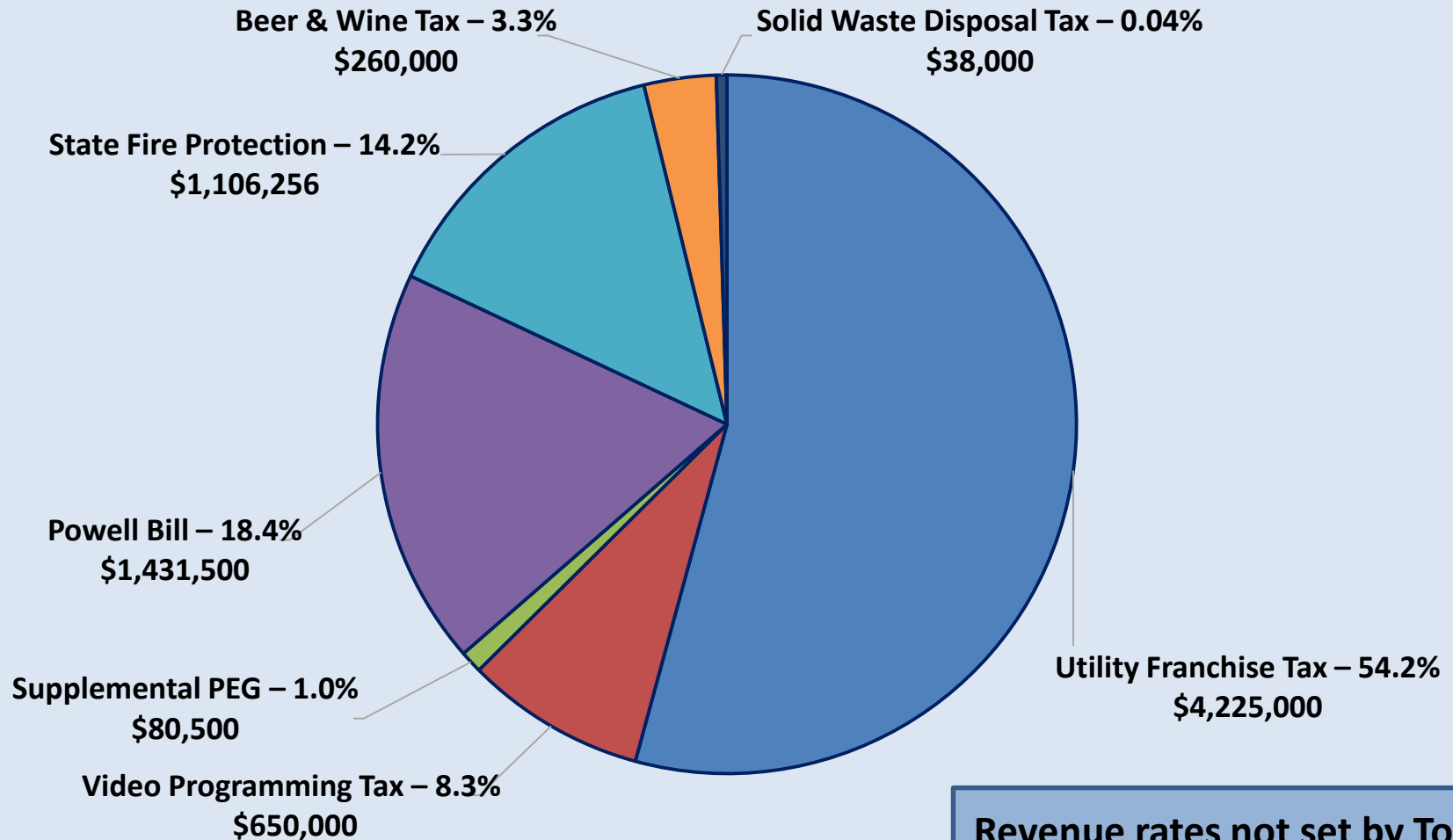




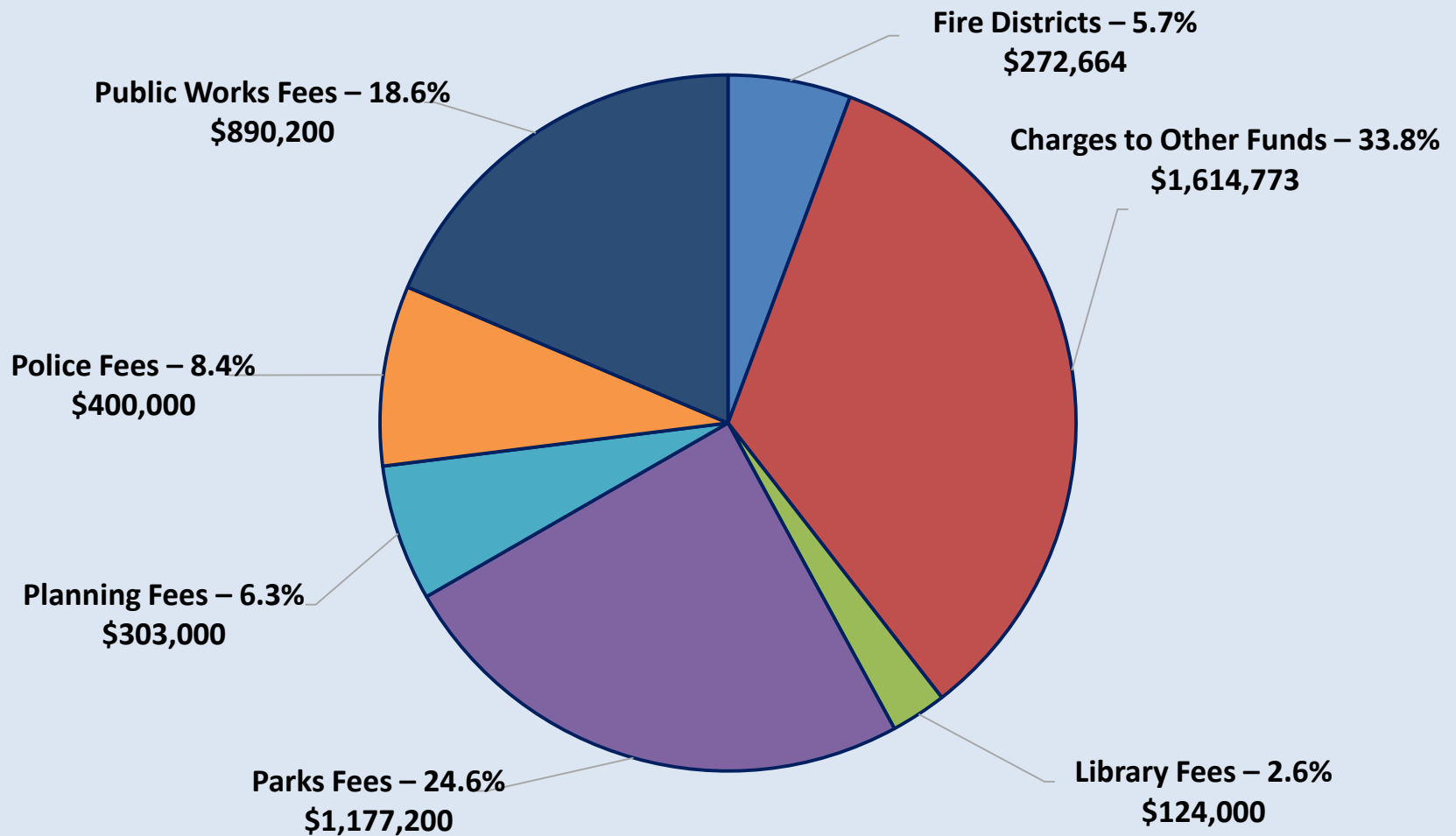
# Sales Tax History



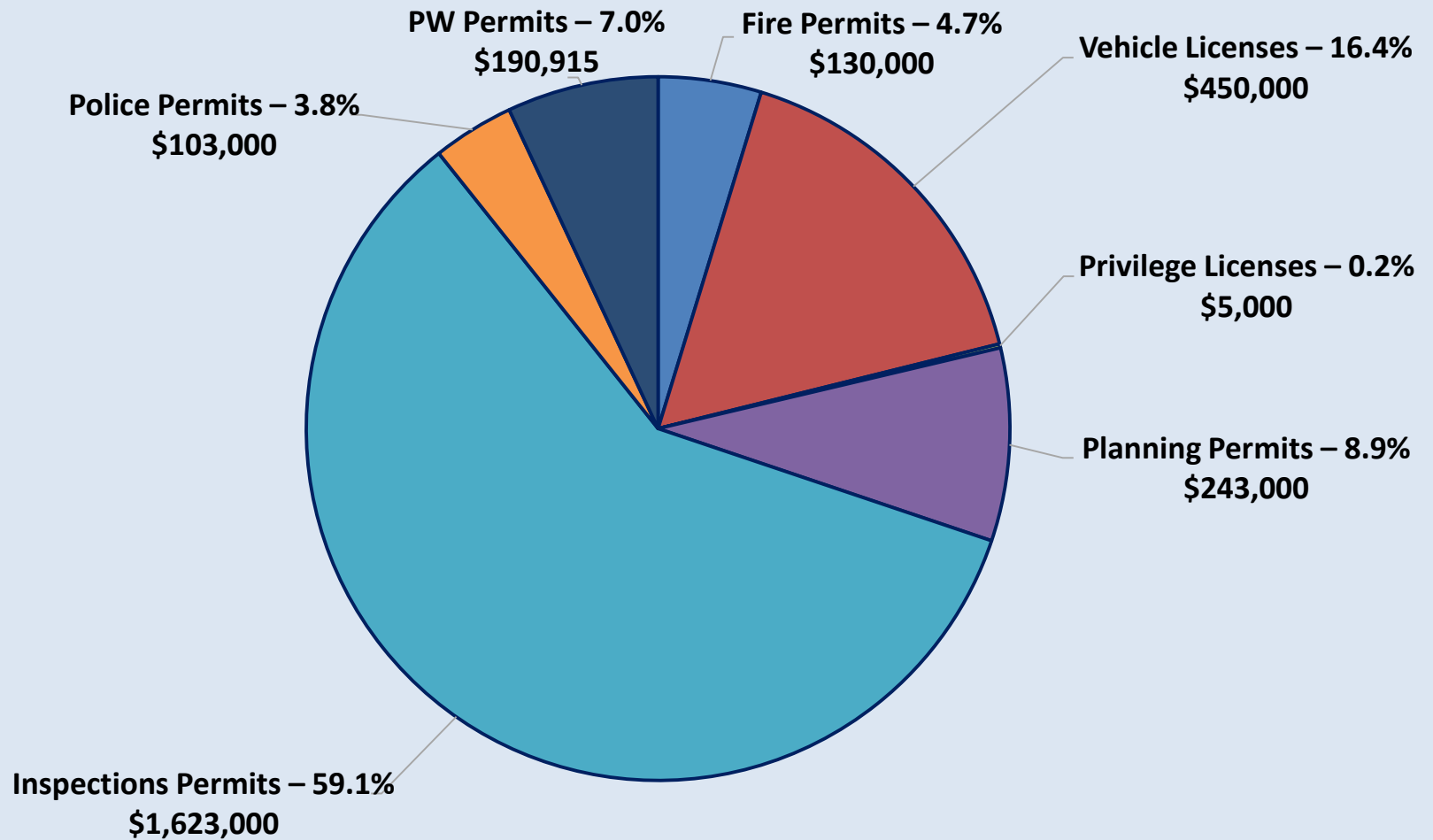
# State Shared Revenues



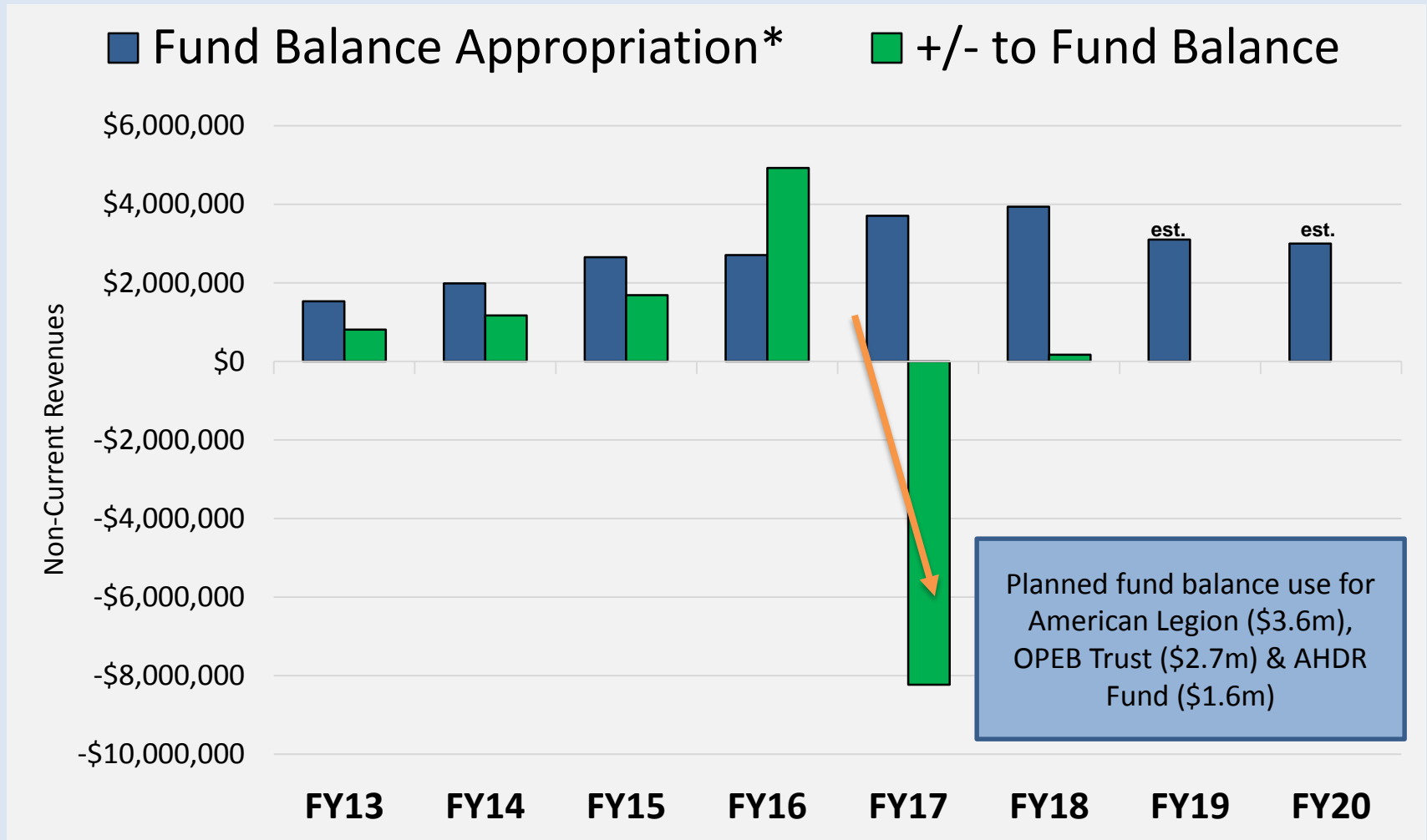
# Charges for Services



# Licenses & Permits

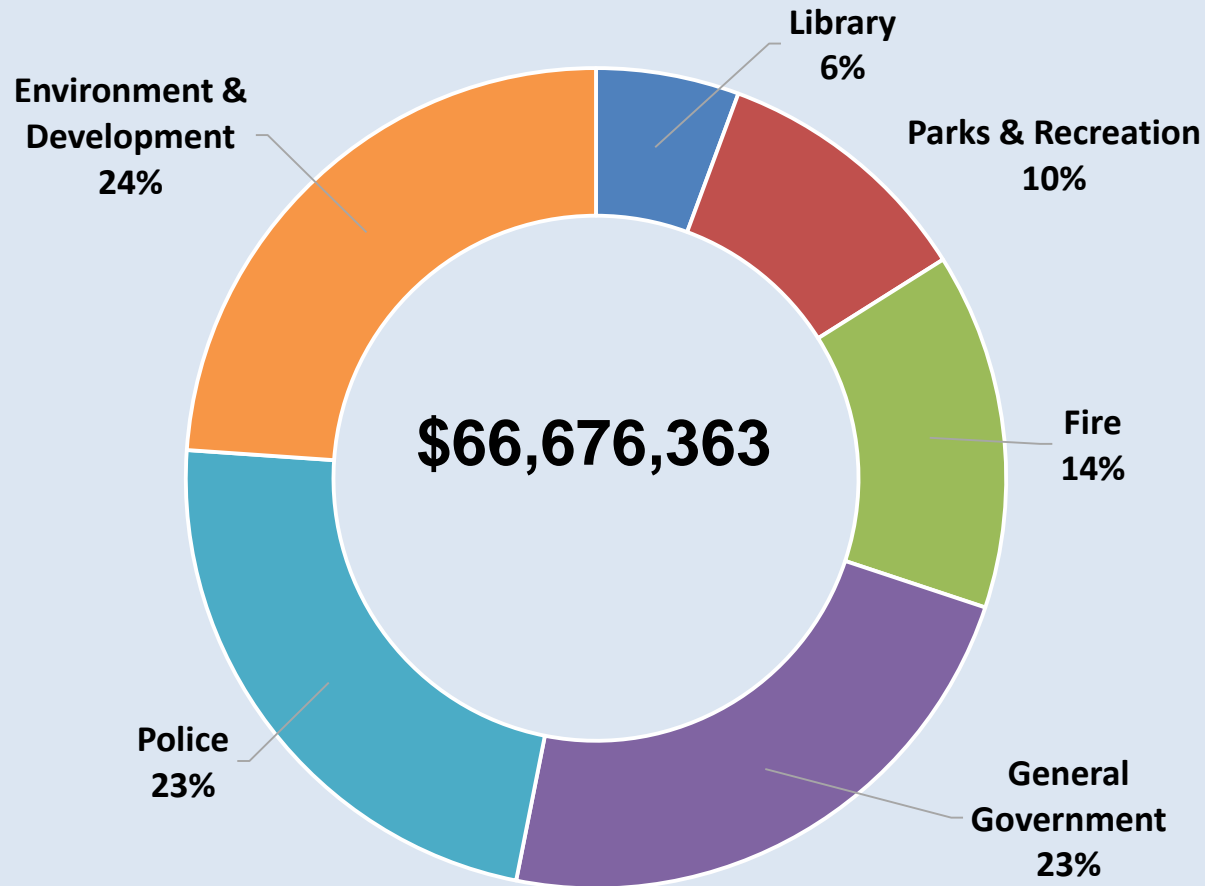


# General Fund – Fund Balance +/-



\* Includes fund balance appropriation and budgeted lapsed salaries

# General Fund Expenditures FY2019-20



As of March 4, 2019

# Baseline Budget

## Items for Discussion:

<b>Pay raise</b>	<b>each 1% = \$ 335,135</b>
<b>Health insurance</b>	<b>each 1% = \$ 50,000</b>
<b>OPEB pre-funding</b>	<b>\$ 630,000</b>
<b>Building maintenance</b>	<b>\$ 472,214</b>
<b>Pay-go capital</b>	<b>\$ 237,500</b>
<b>Vehicle replacement</b>	<b>\$ 380,592</b>
<b>Class &amp; Compensation study</b>	<b>\$ 100,000</b>
<b>Non-profit capital campaigns</b>	<b>\$ 125,000</b>
<b>Urban Design</b>	<b>\$ 100,000</b>

# Framework for the FY2020 Budget

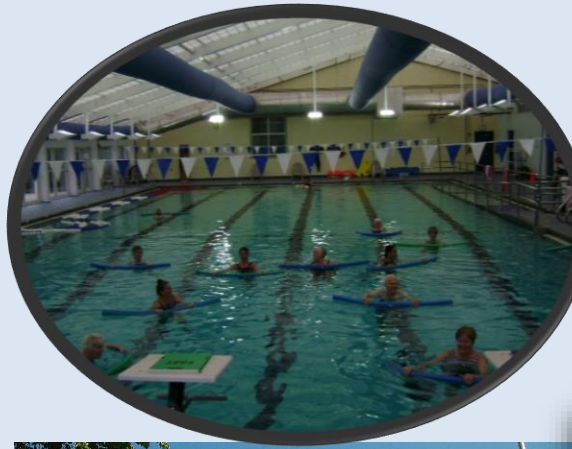
---

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



# Maintaining Core Services

- No significant changes to department budgets



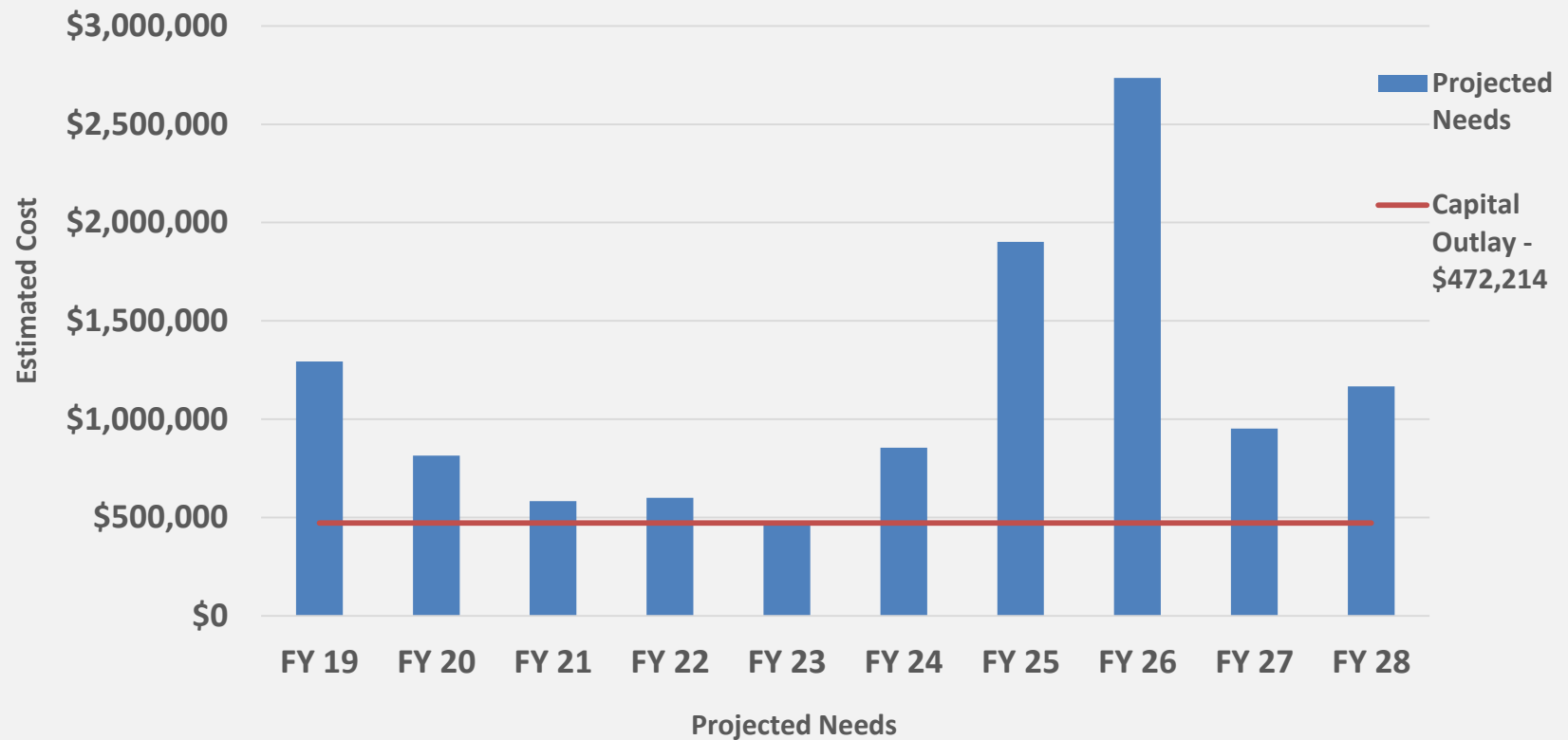
# Employee Compensation

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

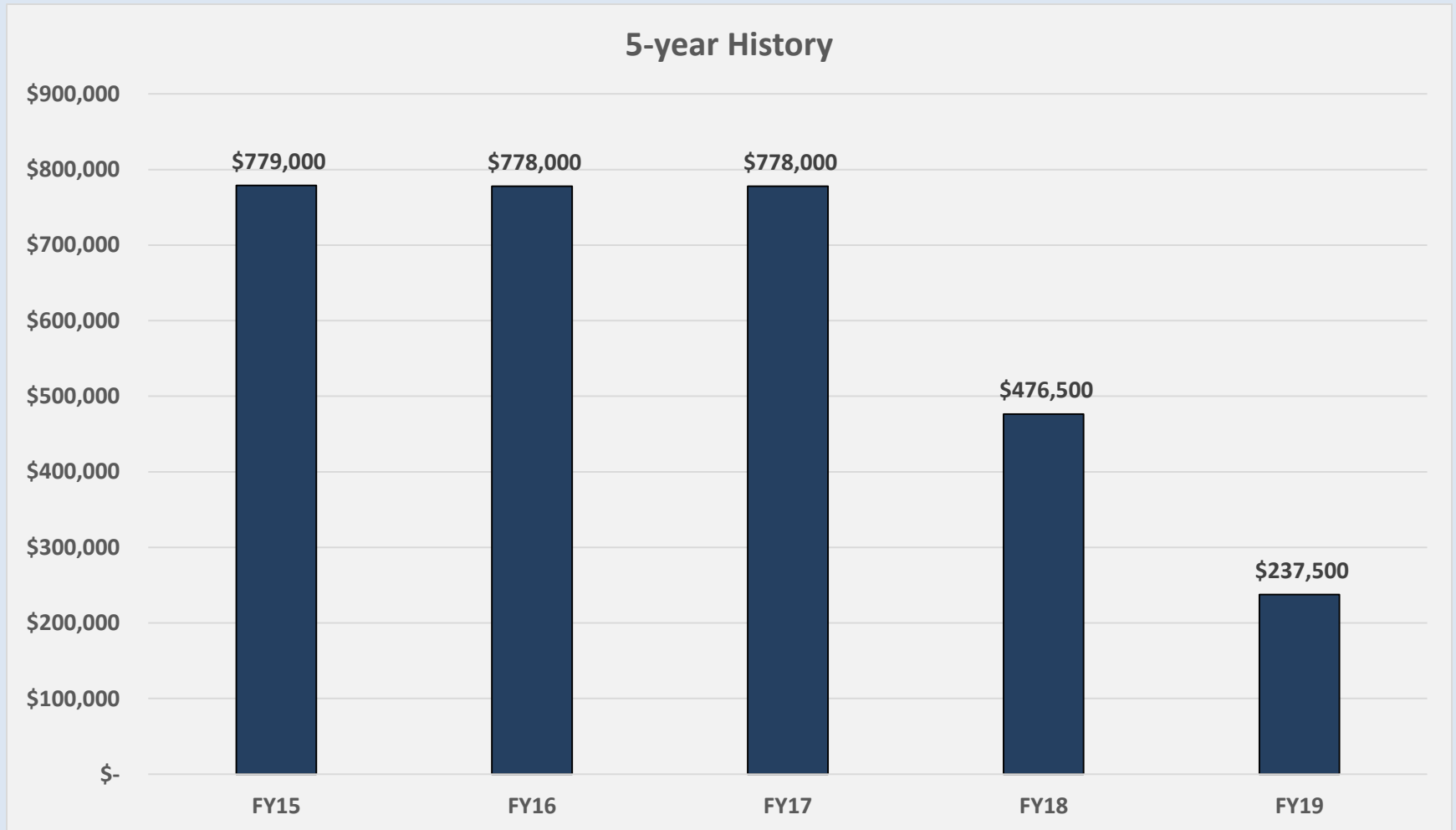


# Building Maintenance

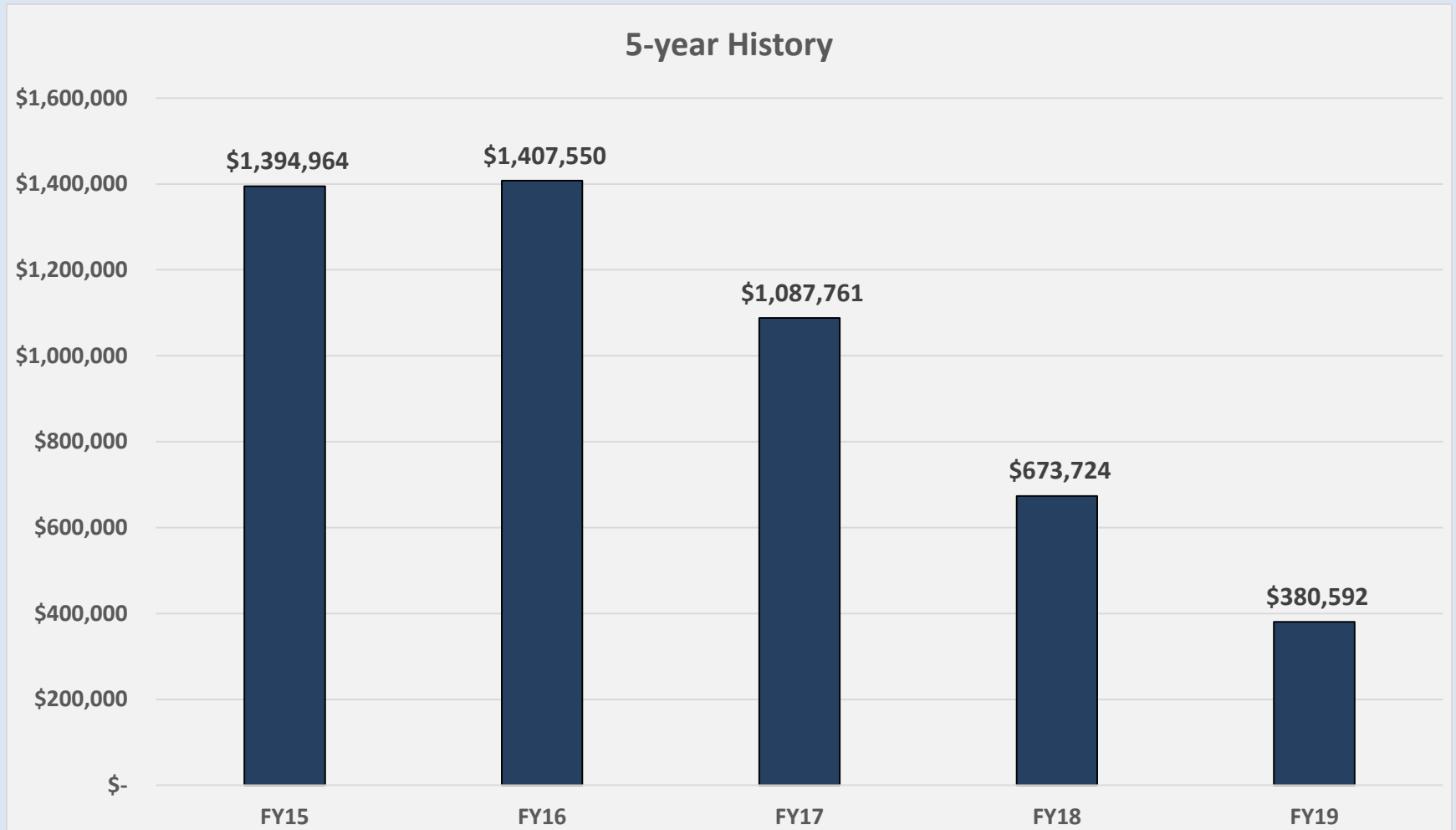
Facilities Condition Assessment Funding Needs



# Pay Go Capital

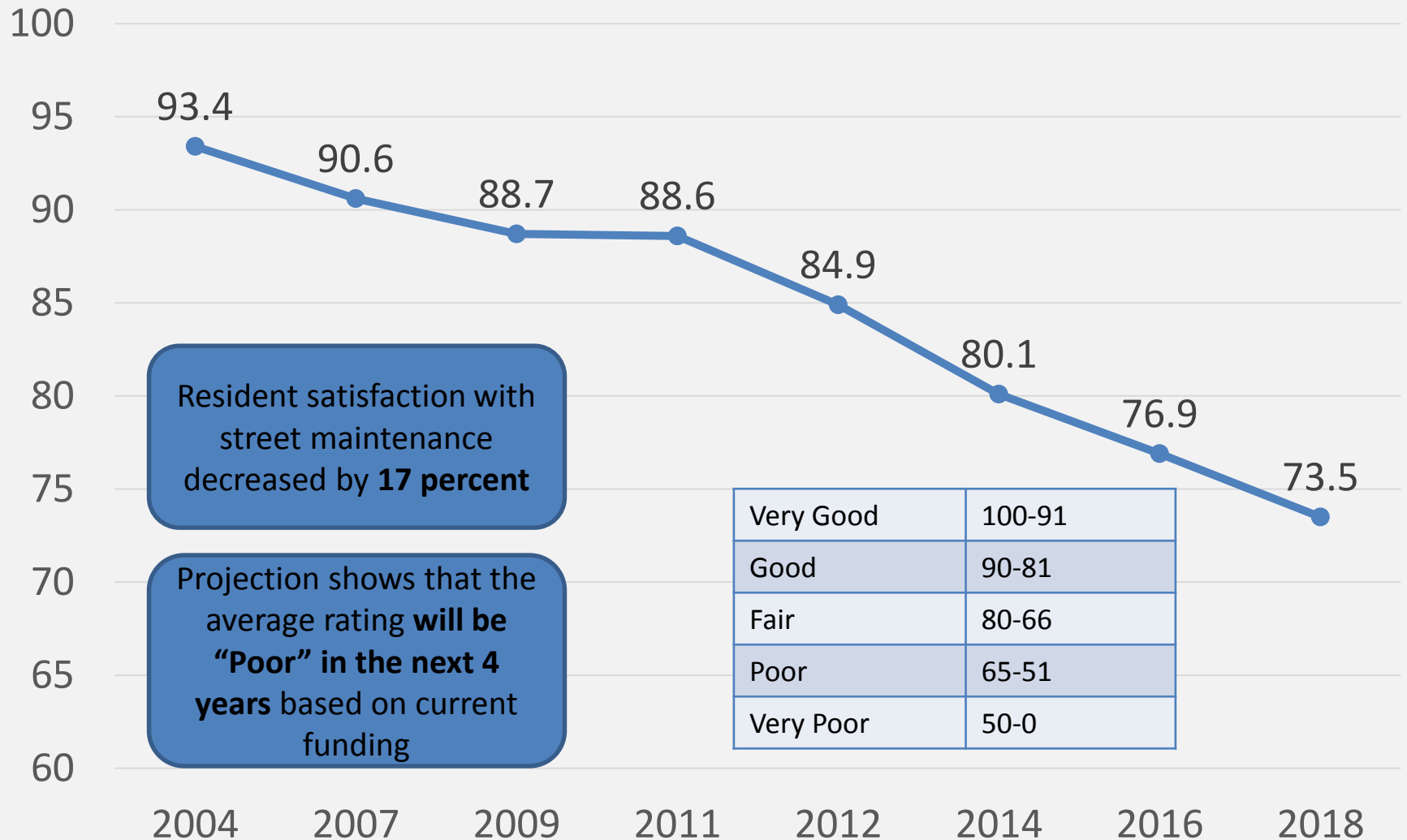


# Vehicle Replacement





# Street Paving



# Debt Fund (Capital Financing)

---

- 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

# 5-Year Plan

---

- 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



# Draft Finance Policies

---

## **Fiscal Policy Guidelines:**

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

# Next Steps

---

- **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

# QUESTIONS?

---

- **Feedback on Debt Fund tax rate options:**
  1. 1 cent affordable housing (AH) / 0.6 cent other in FY20
  2. 0.5 cent AH / 0.95 cent other in FY20 & 0.5 cent AH in FY22
  3. No debt fund tax increase in FY20
- **Does Council have any feedback on the draft policy language presented?**
- **Would Council like any additional information before the Manager's Recommended Budget is presented on May 1<sup>st</sup>?**
- **What topic areas would Council like to hear about for the budget work sessions on May 15<sup>th</sup> & June 5<sup>th</sup>?**