



OPERATING BUDGET OVERVIEW

March 11, 2019

Budget Committee (BCOM)

- Each department director submits proposed budget to the Finance Director; BCOM reviews and makes suggestions for balanced budget.
- Members for 2019-20 Budget review:
 - Permanent:
 - Mercury Payton, Town Manager
 - Marion Serfass, Director of Finance, Budget Committee Chair
 - Maggie Kain, Director of Human Resources
 - Mike Gallagher, Director of Public Works
 - Rotating:
 - Leslie Herman, Director of Parks and Recreation, year 2 of 2 year term
 - Lynne Coan, Communications and Marketing Manager, year 1 or 2 year term

Budget Process

- Guidelines sent out by Finance Department in October
- Departments forecast current year and budget next year
- Personnel costs input by Finance Department and adjusted based on suggestions from Town Manager, Human Resources Director and BCOM
- Each Department meets with BCOM and then Town Manager to review the budget. BCOM edits and makes suggestions

Budget Adoption Timeline

- End of February Town Manager's Top Ten Budget Priorities shared with Council
- March 1 Proposed Budget and Budget Highlights released to Council and public
- March 16 Saturday Council Budget Work Session #1
- March 18 Council Budget Work Session #2
- April 8 Public hearings on Budget and Water & Sewer rates
- April 22 Council Budget Work Session #3 (if needed)
- April 29 Public hearing on Proposed Tax Rate
- **May 13** ***Adoption of Budget, Tax Rate and Water & Sewer rates***

Town Manager's Top Budget Priorities

- ❑ Real estate tax rate remains at \$0.225 per \$100 of assessed value. 7th year of decrease or no change.
- ❑ 3% compensation increase for eligible employees.
- ❑ Water and Sewer rates raising 10% in total to cover operating costs, maintain positive cash flow and meet industry standards for billing the fixed cost portion of the bill.
- ❑ Parks and Recreation revenue increasing \$280,000 due to strong attendance and programming.
- ❑ Minimal personnel changes: 2 conversions from part-time to full time. One in General Fund, one in Stormwater Fund. Part-time temp auditor in Finance for one year only.
- ❑ Stormwater engineer salary increase plus half FTE in Stormwater fund to handle sustainability coordinator duties.
- ❑ Shift \$200,000 from operating budget to capital budget for asphalt costs.

Town Manager's Top Budget Priorities, con't

- Two vehicles added using unspent capital lease proceeds, water and sewer funds and stormwater funds. They will be added to the VRP for future replacement.
- 3% decrease in health insurance for Anthem, 9% increase for Kaiser health insurance. This was finalized after Proposed Budget was printed, generating an additional \$125,000 in savings.
- \$400,000 available for Unfunded Priorities allocated as follows:

■ Class and compensation study	\$ 45,000
■ Economic Development Manager starting October, 2019	\$108,300
■ Update Zoning Code, final installment	\$125,000
■ EDSF matching funds for market study and economic development plan	\$ 50,000
■ Reduce use of Prior Fund Balance	\$ 50,000
■ Increase Tree Maintenance	<u>\$ 20,000</u>
TOTAL	\$398,300

Conclusion

- In conclusion, we have proposed a balanced budget that meets our strategic goals with room for Council to identify unfunded priorities.
- Come to the Budget work sessions on March 16 at 10:00 am and March 18 at 7:30 pm to learn more.