



# FISCAL YEAR 2015/16

Town Council Budget Workshop

March 24, 2015

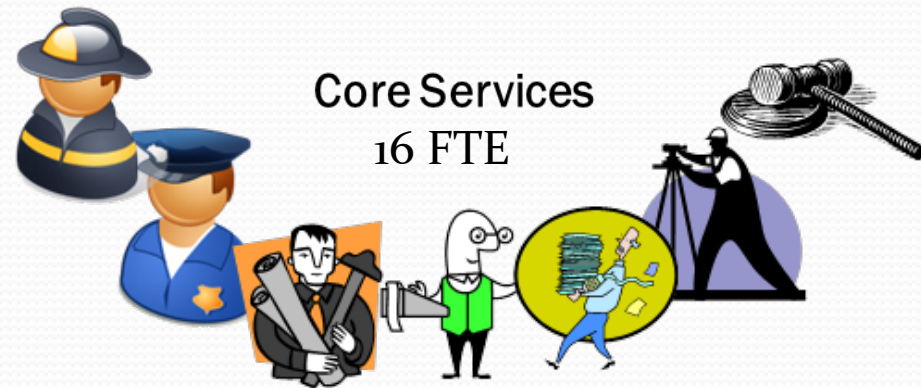
# Budget FY 2015/16 (July 1 – June 30)

- Purpose of first workshop:
  - High level discussions, more detailed budget information as process evolves
    1. What services does the Town provide?
    2. How are these services supported?
    3. What are some potential cost increases?
    4. What are some items for future consideration?
- Format:
  - Business meeting – conversation with Council - review/comment
  - Public comment welcomed at end of workshop



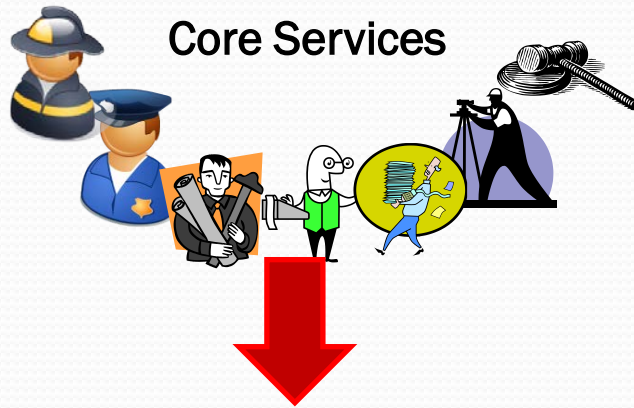
# Town Services – What we do:

- **Community Development (4 FTE):**
  - **Building Department** – 1,800 inspections; 210 permits; over 200 plan reviews; average 11 calls per day
  - **P & Z** – over 700 inspections; over 200 plan review & permits; over 500 meetings; avg. 5 calls per day
  - **Engineering** - drainage review; public works projects
  - **Code Enforcement** – over 200 incidents investigated
- **Public Works (4 FTE):**
  - **Streets** - storm clean-up; street ROW maintenance
  - **Public Facilities Management** – painting & repairs
  - **Events set-up/clean-up** – x-mas festival
- **Municipal Court (3 FTE):**
- **Administrative/Resource Management (5 FTE):**
  - **Financial Management** – treasury, audits, budget , accounts payable
  - **Risk Management** – legal, insurance claims
  - **Organizational Management** – HR, work load balance; strategic initiatives
  - **Public Records** – minutes, documentation, PIR's
  - **Intergovernmental** – elections, contracts, grants
  - **Marketing/Event Management** – public relations, event coordination
- **Public Safety (contracts):**
  - **Police**
  - **Fire**



The most effective, responsible and responsive government is the government closest to the people.

# Statutory Municipal Revenue Streams



## State Shared Revenues:

1. State Income Tax
2. State Sales Tax
3. Highway User Revenues
4. Vehicle License Tax

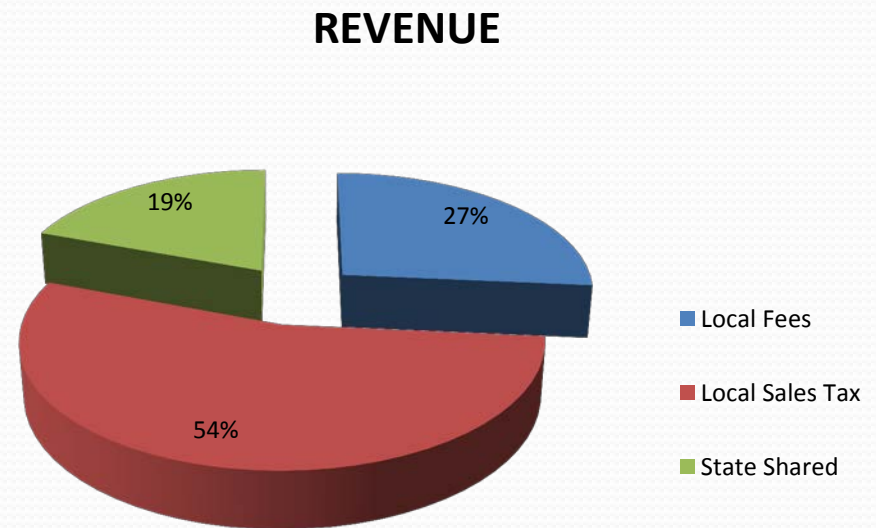
## Local Revenue Sources:

1. Sales Tax
2. Local Fees
  - Business/Vendor
  - Utility Franchise
  - Court Services
  - Building Permits
  - Development Fees

## Municipal Property Tax

# Overall where does the Town's money come from?

- Approximately, \$5.2 million in projected revenue for FY15/16.
  - \$2.8 million - Local Sales Tax
  - \$1.0 million - State Shared
  - \$1.4 million – Local Fees
    - Permits
    - Business/Vender Fees
    - Signage Fees
    - Special Event Fees
    - Court Service Fees
    - Utility Franchise Fees
    - Water Co. Reimbursement
- NO municipal property tax & NO development fees.
- Next series of slides will outline revenue trends.



# What are the trends in local sales tax?

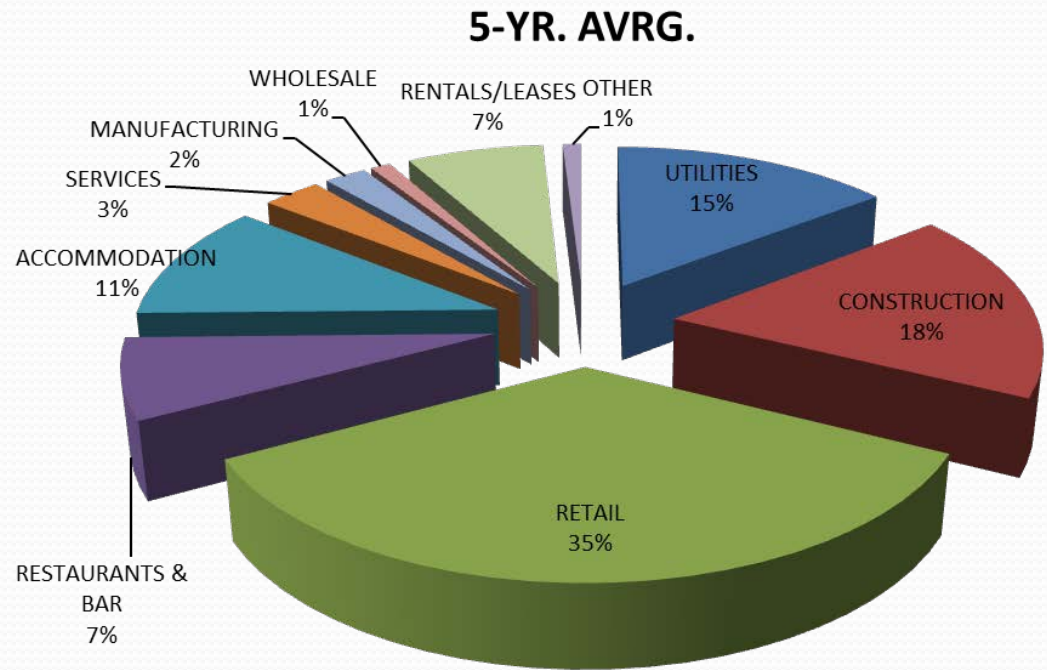
- North American Industry Classification System (NAICS) – helps to catalogue businesses per tax grouping

- According to the 5-year average:

1. Retail
  2. Construction
  3. Utilities
  4. Accommodations
  5. Restaurants & Bar, Commercial leases
- } 2/3rds

- Focus on diversification:

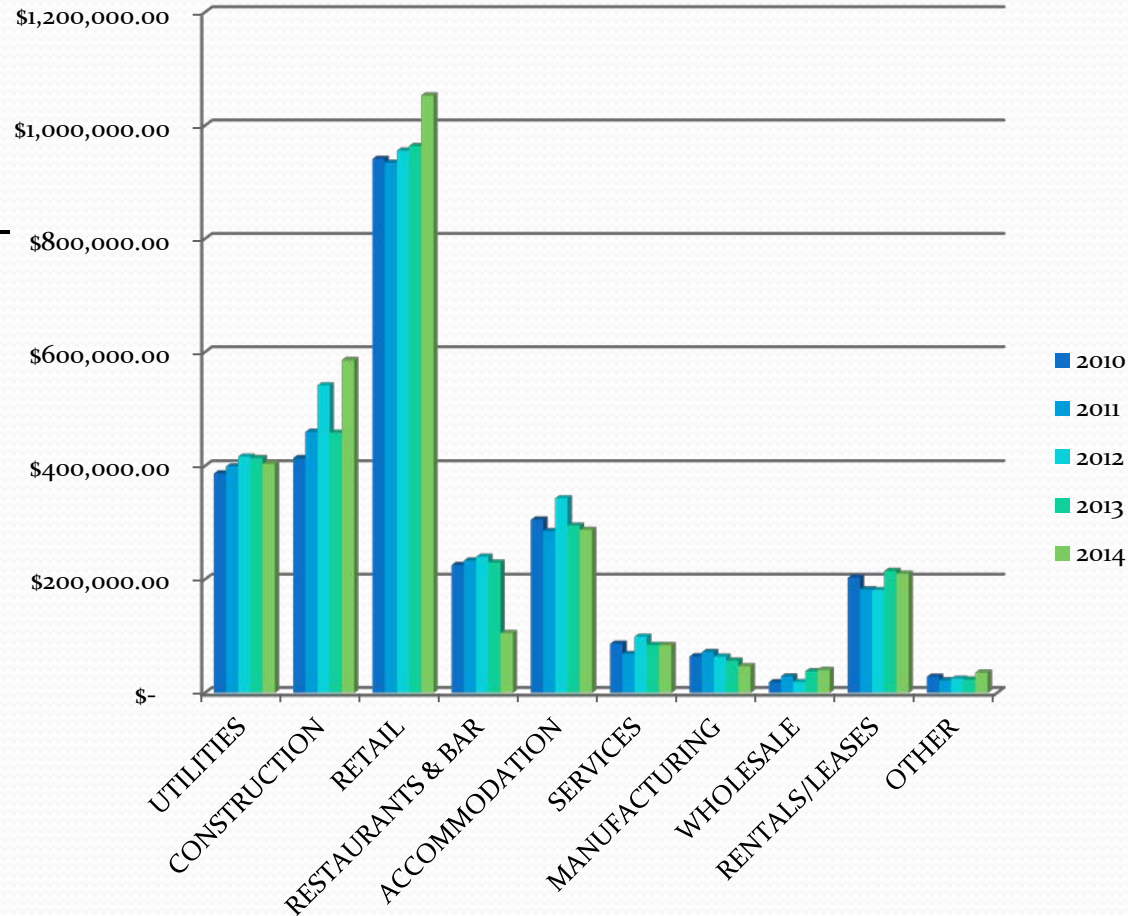
- Reduce reliance on construction sales tax through possible enhancement/improvement in accommodations and restaurants.
- Consider opportunities to further strengthen retail base.
- Further develop/mature the comprehensive Town marketing program.



# What are the trends in sales tax?

## Town Sales Taxes:

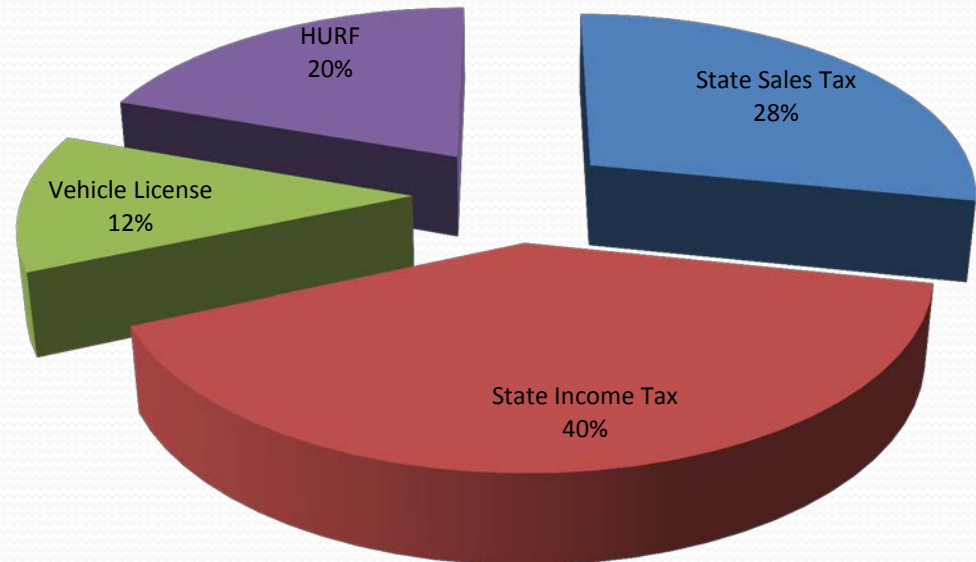
- Based upon past 5 years of collections:
  - Retail nearly double of next highest categories - utilities and construction
  - Historically, revenues from utilities & leases have been fairly consistent
  - Largest opportunity for growth is restaurant & bar
  - Will be receiving additional funds from new home construction



# State shared revenues:

- Approximately 20% of the Town's revenue is from State shared revenue.
  - State income tax typically makes up majority of shared revenue.
    - There is a 2-year lag from when funds are collected to when funds are pay out.
    - Pursuant to state shared revenue agreement, 15% income tax is allocated to municipalities.
  - State Sales Tax, HURF & VLT revenue are focused upon population based formulas.

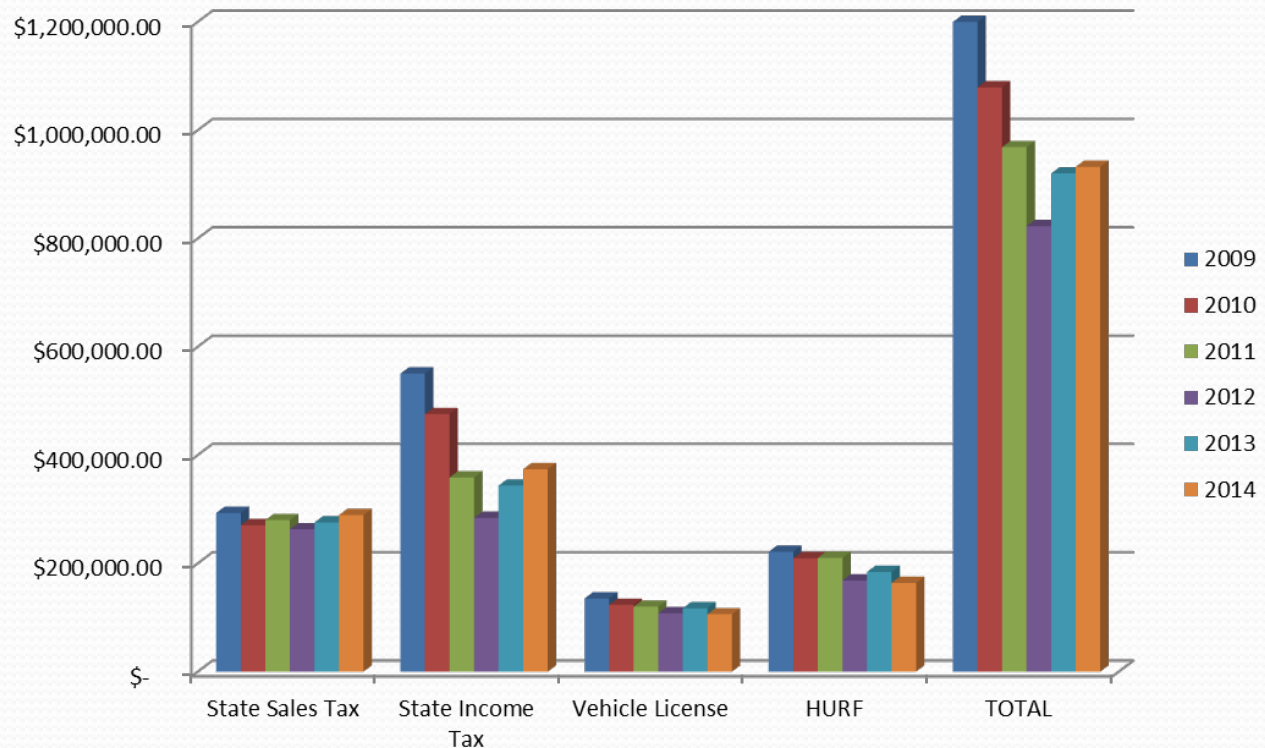
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# State shared revenues:

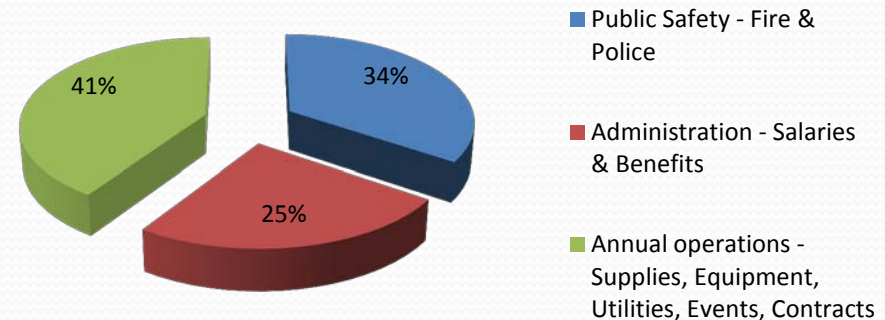
- State Shared revenue:
  - HURF to increase this year.
  - Other State revenues anticipated to remain consistent even in light of balancing of state budget due to increases state tax revenues.



# How are the Town Funds used?

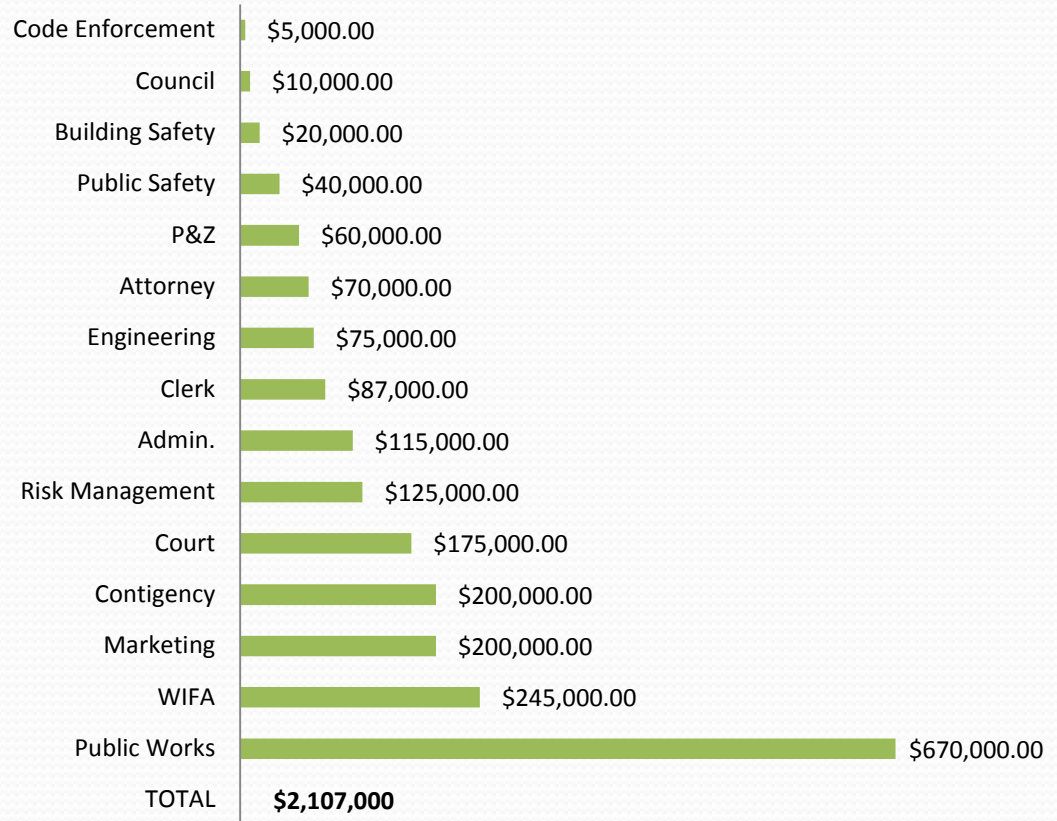
- Approximately, \$1.8 million (34%) in Public Safety – police and fire.
  - 13% increase in MCSO – Cost of Living Adjustment (COLA), merit increases & benefits
  - 2.5% increase in fire contract
- Approximately, \$1.3 million (25%) in 16 FTE Salaries & Benefits.
  - 15% to 20% increase in Healthcare
  - 2% COLA (23K)
- Approximately, \$2.1 million (41%) invested in town assets & operations.

## GENERAL EXPENSES



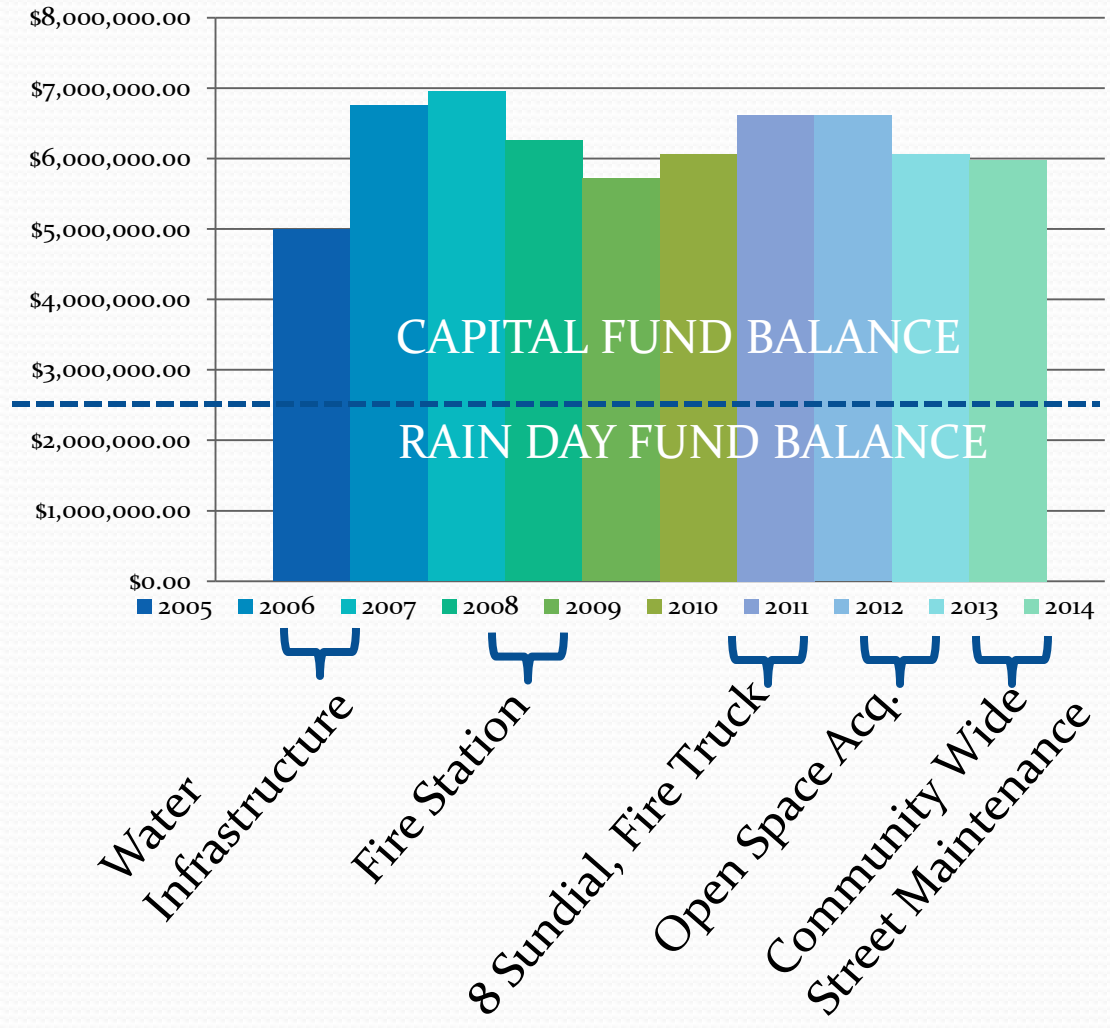
# Annual Operations (41%)

- **Mayor & Council – 10 K**
  - Educational forums
  - Reimbursable
- **Town Clerk – 87 K**
  - Audits
  - Office supplies, postage, upgrade audio visual equipment
  - Continual education
- **Town Administration – 115K**
  - Lease payments, utilities, office maintenance
  - Town dues – MAG, League
  - Continual education
- **Public Works – 670K**
  - Median contract (60K)
  - LED retrofit – Energy savings (20K)
  - Culvert/drainage repairs (150K)
  - Bike lane (140K)
  - Gardens contract
  - Utilities
  - Supplies, equipment
- **Court – 175 K**
  - Office supplies, postage, equipment maintenance
  - Continual education
  - Magistrate services, public defender, interpreter, jail
- **Town Attorney – 70K**
- **Risk Management – 125K**
- **Planning and Zoning – 60 K**
  - Replacement of 1995 Ford Ranger
  - Forms, supplies
  - Continual education
- **Building Safety – 20 K**
- **Code Enforcement – 5 K**
- **Engineering Services – 75 K**
  - Storm water management program – Required Phase II of Storm Water Federal Regulations General Permit (50K)
- **Town Marketing (200K)**
- **Public Safety (40K)**
  - Fire maintenance (30K)
  - Posse (10K)
- **Town Contingency (200K)**
- **WIFA (245K)**



# What is the state of Town reserves?

- As of Feb 1<sup>st</sup>:
  - \$2.5 million - Rainy Day Fund
  - \$3.132 million - Capital Impr. Fund
  - Total \$5.632 million
- Have historically used these funds to strategically invest in community infrastructure:
  - Water
  - Fire Protection
  - Admin. Offices
  - Open Space
  - Street Maintenance



# Continuing the infrastructure investments:

## Discussion Points:

- Economic Development Efforts – Council needs to prioritize what/how these funds will be invested to increase awareness, visibility and foot traffic within the Town Center and further cultivate the Carefree brand.



- Town Council Chambers (lease expires July 2016)
  1. Agree to 5-year extension at 50K + per year
  2. Renegotiate for 1 to 5-year term for space currently needed
  3. Vacate space and temporary hold meetings at other location

# Budget FY 15/16:

- Recalibrate, fine tune numbers (additional workshops in April)
- Line item budget prepared
- Auditor General Forms prepared/advertised
- Adopt Prelim. Budget - May
- Adopt Final Budget - June



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- Questions??