



Legislation Details (With Text)

File #:	19-166	Version:	1	Name:	
Type:	Agendas	Status:		Agenda Ready	
File created:	5/1/2019	In control:		Board of Aldermen	
On agenda:	5/7/2019	Final action:			
Title:	Presentation of Town Manager's Recommended Budget for Fiscal Year 2019-2020 PURPOSE: The purpose of this agenda item is to receive the Town Manager's Recommended Budget for FY 2019-20 and set the time for a public hearing and budget work sessions.				
Indexes:					
Code sections:					
Attachments:	1. Attachment A - FY 2019-20 Budget Memorandum, 2. Attachment B - Notice of Budget Public Hearing				

Date	Ver.	Action By	Action	Result
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TITLE:

Presentation of Town Manager's Recommended Budget for Fiscal Year 2019-2020

PURPOSE: The purpose of this agenda item is to receive the Town Manager's Recommended Budget for FY 2019-20 and set the time for a public hearing and budget work sessions.

DEPARTMENT: Town Manager, Finance

CONTACT INFORMATION: David L. Andrews, 918-7315 and Arche L. McAdoo, 918-7439

INFORMATION: By state law, the Town Manager is required to submit a recommended budget for FY 2019-20 and budget message to the Mayor and Board of Aldermen by June 1st. This recommended budget is to be made available for public inspection and the Board is required to hold a public hearing on it prior to adoption.

Major goals for the FY 2019-20 budget were to: 1) implement the Board's strategic priorities, 2) control costs while improving services, 3) develop a balanced budget, and 4) begin development of a long term financial sustainability plan.

With increasing costs for health insurance, retirement system contributions, transit operations, and other items combined with slow revenue growth, difficult decisions had to be made. As priorities were evaluated, careful and balanced choices are presented in the FY 2019-20 recommended budget.

The total budget recommended by the Town Manager is \$58.5 million comprised of General Fund at \$24.2 million, Special Revenue Fund at \$2.1 million, Capital Fund at \$31.3 million, and Storm Water Utility Enterprise Fund at \$787,000. The Storm Water Utility Enterprise Fund was established July 1, 2017 for the purpose of comprehensively addressing the storm water management needs of the Town.

Special Revenue Funds change from year to year depending upon revenues from grants and loan funds. The Affordable Housing Fund is included in this fund and increasing affordable housing is a major goal of the

Board of Aldermen. To provide a steady and reliable revenue stream for affordable housing, the FY 2018-19 adopted budget included a ½ cent property tax increase to be dedicated exclusively for affordable housing activities. In the Recommended FY 2019-20 we have proposed another ½ cent property tax increase for the Affordable Housing Fund. This will provide a total of 1 cent property tax increase exclusively for affordable housing activities. Based on the current budget for FY 2018-19 a penny on the tax rate yields \$227,000 in revenue. It is anticipated that another ½ cent increase in the property tax rate will be considered in the FY 2020-21 budget.

The recommended budget document is provided to the Board on the night of the presentation. Following the Town Manager's budget presentation, the date and time to hold a public hearing needs to be set. Attached is a resolution to set a public hearing for the budget on May 28, 2019 and a notice of public hearing to be published by the Town Clerk.

If the Board desires to hold one or more work sessions on the Town Manager's recommended budget, the following dates have been reserved: May 14 and May 28, 2019. Budget work sessions allow for an opportunity to develop a more thorough understanding of the budget recommendation. Department heads will be available at work sessions to answer questions.

FISCAL & STAFF IMPACT: N/A

RECOMMENDATION: That the Board accept the Town Manager's Recommended Budget for FY 2019-20 and adopt a resolution setting a public hearing on it for May 28, 2019 at 7:00 PM