

Town of Gibsonville



Recommended FY 2016-2017 Budget

Revised

June 6, 2016

Purpose

- Review Budget Recommendations
- Remaining Budget Process
- Address Questions and Issues

Total Recommended Budget

- General Fund, Water & Sewer Fund, and Perpetual Care Trust Fund
- Recommended total municipal budget is \$8,310,818
- Balanced budget
- 31.9% decrease from FY 15-16 amended budget
- FY 15-16 amended budget included two capital project funds (Community Center Capital Project Fund: \$1,951,000 and Sewer Capital Project Fund: \$409,500)
- 7.3% increase from FY 15-16 amended operating budget (removes capital outlay, debt service, contingency and transfers)

Recommended General Fund Budget

- Recommended General Fund budget is \$5,294,118
- Balanced budget
- 21.1% decrease from FY 15-16 amended budget
- FY 15-16 amended budget: General Fund fund balance was allocated and transferred to the Community Center Project Fund (\$738,000), the Sewer Capital Project Fund (\$409,500), Powell Bill fund balance (\$259,600) was appropriated for street improvements project
- 6.7% increase from FY 15-16 amended operating budget (removes capital outlay, debt service, contingency and transfers)
- No tax increase – maintain current tax rate at \$0.51 per \$100 of valuation

General Fund Revenues

- Projected Property tax revenue: \$2,415,000
- Projected Sales Tax revenue: \$1,153,578
- Projected Utility Franchise Taxes: \$422,000
- Projected Motor Vehicle Taxes: \$325,000
- Projected Sanitation Fees: \$223,000
- Projected Powell Bill Allocation: \$187,000
- General Fund fund balance appropriation of \$277,000 to purchase capital items, complete capital projects, and participate in Link Transit
- \$55,500 from Guilford County for the Gibsonville Public Library
- One penny on the tax rate generates approximately \$53,725

General Fund Fee Increase/New Fees

- Library Fees Changes
- Lost or unreturned book or movie: replacement cost of item
- Color Prints: \$0.30 per page
- Fax (send or receive): \$0.25 per page

Recommended Water & Sewer Fund

- Recommended Water & Sewer Fund budget is \$3,014,000
- Balanced budget
- 3.8% decrease from FY 15-16 amended budget
- 8.6% increase from FY 15-16 amended operating budget (removes capital outlay, debt service, contingency and transfers)

Water and Sewer Fund Revenue

- Sewer Service Fees: \$2,001,745
- Water Service Fees: \$800,255
- Water and Sewer Development Fees: \$80,000
- Reconnection Fees: \$80,000

Water & Sewer Fund Rate and Fee Increases/New Fees

- Water & Sewer Fund USDA Loan Requirements: budget water revenues and expenditures separately from sewer revenues and expenditures (revenues and expenditures must be balanced for budget)
- Water Rates needed to comply with USDA Loan requirements: 20% decrease in water rates
- Sewer Rates needed to comply with USDA Loan requirements: 21.7% increase in sewer rates needed to build up low reserves resulting from paying for excessive inflow & infiltration (I&I) (water entering the Town's sewer system), fund several capital projects and cover increased sewer expenses including the addition of one public works technician position
- 6.1% increase in water bills (same impact as 3% increase in water rates and 8% increase in sewer rates discussed on May 16, 2016)
- City of Burlington: 3% increase in water and sewer rates

Water & Sewer Fund Rate and Fee Increases/New Fees

- I&I creates wastewater (sewer) collection problems and increased operational costs (approximately \$150,000 to \$300,000 annually)
- I&I activities: investigating and inspecting sewer lines and meters, identifying top priorities problems, and making repairs and rehabilitating lines
- Sewer Rehabilitation Project will begin in FY 16-17

Water and Sewer Fund Rate and Fee Increases/New Fees

- Third Party Meter Test Charge: \$50.00

General Fund Expenditures

- \$102,000 to purchase one replacement Ford Police Interceptor Utility SUV and one additional Ford Police Interceptor Utility SUV for the police department
- \$50,000 General Fund contingency allocation
- \$45,000 for sidewalk improvements (Powell Bill Funds)
- \$43,000 to purchase one compact tractor for the street department
- \$40,000 for street patching and sealing (Powell Bill Funds)
- \$35,000 to participate in Link Transit
- \$25,000 to construct a salt storage shelter for the public works department
- \$23,000 to purchase a two-way radio communications system for the public works department
- \$20,000 to replace floor tiles in the day room, radio room, kitchen, and training room at the fire station
- \$13,000 to replace the roof and carpet at the Gibsonville Public Library
- \$11,000 to purchase a replacement John Deere 1200A Field Groomer for the parks and recreation department
- \$5,400 to lease one vehicle for an investigator (replaces existing vehicle)

Water and Sewer Fund Expenditures

- \$105,000 in contingency to build up unrestricted cash (reserves)
- As of June 30, 2015, Town had \$258,729 of unrestricted cash or 9.91% of operating expenditures
- Town's Fund Balance Policy: Unrestricted cash "target" in Water & Sewer Fund is 25% of operating expenditures by June 30, 2018
- \$63,000 to fund several capital projects (\$40,000 to renovate Scott Drive lift station, \$20,000 to replace two 10" check valves at the Travis Creek pump station, and \$3,000 to replace the alarm system at Sullivan Court lift station)

Personnel Expenditures (General Fund & Water & Sewer Fund)

- \$161,000 for three additional positions to include one police officer position (\$59,000/salary and benefits) and one firefighter position (\$55,000/salary and benefits) in the General Fund and one public works technician position (\$47,000/salary and benefits) in the Water & Sewer Fund
- \$126,000 for a 4% across-the-board salary adjustment; no across-the-board was included in FY 15-16
- \$18,000 for a 5% increase in health insurance
- \$8,300 increase in contributions to the Local Government Employee Retirement System (LGERS); approved by LGERS Board
- No performance pay

General Fund

Departmental Requests Reductions

- \$338,936 removed from departmental requests (would have resulted in \$0.059 tax increase)
- \$280,000 in salaries and benefits for five new positions (\$110,000 for two firefighter positions, \$59,000 for one police officer position, \$64,000 for one police investigator position, and \$47,000 for one public works technician position)
- \$51,000 to purchase one additional Ford Police Interceptor Utility SUV for the police department

Water & Sewer Fund Request Reductions

- \$21,000 to replace control system and level controls for Broad Street lift station

Debt Service

- Debt Service (Annual Payments)
- Debt Service Schedule Spreadsheet
- Fire Truck: \$74,913
- Public Works Building: \$28,549 (50% Public Works Administration/50% Water & Sewer)
- Water Connection: \$3,065
- Garbage Truck: \$59,006
- Community Center: \$59,996 (payment begins FY 18-19)
- Sewer Rehabilitation Project: \$96,232 (payment begins FY 18-19)

Fund Balance Policy

- Sets target guidelines
- General Fund – maintain unassigned fund balance level at 34% of expenditures
- June 30, 2015 audited level was \$2,937,150 or 65.46% of expenditures
- Water & Sewer Fund – unrestricted cash at 25% of annual expenditures by June 30, 2018
- June 30, 2015 audited level was \$258,729 or 9.91% of expenditures

Capital Improvement Plan (CIP)

- Tool to forecast major capital needs over a five-year period
- Acquisition of fixed asset with useful life of greater than one year
- Acquisition, renovation, and/or construction of a single fixed asset equal to or greater than \$10,000
- Land purchases equal to or greater than \$10,000 not associated with another CIP project
- CIP Summary included with budget

Remaining Budget Process

- Public hearing conducted on Monday, June 6, 2016 (budget may be adopted by the board of aldermen the same day)
- Budget adopted Monday, June 20, 2016 (if not approved on June 6, 2016)
- Friday, July 1, 2016: Fiscal Year 2016-2017 begins

Questions

