

TO: Honorable Mayor Jack Blalock and City Council Members  
 FROM: John P. Bohenko, City Manager  
 DATE: June 6, 2017  
 Re: Adopted Annual Budget for Fiscal Year 2018  
 CC: All Department Heads and Reference Books

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The City Council adopted resolution #14-2017, General Fund Expenditures in the amount of \$109,448,605 on June 5, 2017 as shown below.

**CITY COUNCIL'S ADOPTED  
 APPROPRIATIONS JUNE 5, 2017**

<b>MUNICIPAL</b>	<b>\$18,808,621</b>
<b>POLICE</b>	<b>\$10,925,161</b>
<b>FIRE</b>	<b>\$8,684,534</b>
<b>SCHOOL</b>	<b>\$46,471,405</b>
<b>COLLECTIVE BARGAINING</b>	<b>\$100,000</b>
<b>TRANSFER TO INDOOR POOL</b>	<b>\$150,000</b>
<b>TRANSFER TO PRESCOTT PARK</b>	<b>\$30,479</b>
<b>NON-OPERATING</b>	<b>\$24,278,405</b>
<b>TOTAL</b>	<b>\$109,448,605</b>

The FY 2018 Proposed Budget was submitted to the City Council on April 28, 2017. As a result of budget worksessions held, the City Council's adopted budget includes several amendments from the proposed FY18 General Fund budget.

**OPERATING BUDGET ---Increase of \$137,000**

- 1) Increase City Manager's recommended Police Department budget by \$127,000.
- 2) Increase City Manager's recommended Fire Department budget by \$10,000 and fund \$50,000 from the Parking & Transportation Special Revenue Fund.

**NON-OPERATING BUDGET---Decrease of (\$443,600)**

- 3) Reduce Overlay by \$50,000.
- 4) Reduce Contingency by \$50,000.
- 5) Reduce Rolling Stock by \$124,100
  - a. \$39,100 Police Escape
  - b. \$45,000 Fire SUV
  - c. \$40,000 DPW ½ Ton Pick-up and a Plow
- 6) Reduce IT Replacement by \$64,500
  - a. \$25,000 Police: Department discretion
  - b. \$19,500 Fire: Fund incident Reporting Data System over 2 years
  - c. \$20,000 School: Department discretion
- 7) \$155,000 Capital Outlay
  - a. \$25,000 Land Acquisition
  - b. \$30,000 US Route 1 New Side path Construction
  - c. \$50,000 Longmeadow Road Extension
  - d. \$50,000 Capital Contingency

## City Council FY18 Adopted Budget

	FY17 Budget	FY18 City Manager's Proposed Budget	FY18 City Council Adopted Budget	\$Change From FY18 Proposed Budget	\$Change From FY17 Budget	% Change From FY16 Budget
<b>OPERATING BUDGET:</b>						
General Government	18,210,245	18,808,621	18,808,621	-	598,376	3.29%
Police	10,382,847	10,798,161	10,925,161	127,000.00	542,314	5.22%
Fire	8,340,898	8,674,534	8,684,534	10,000.00	343,636	4.12%
School	44,684,084	46,471,405	46,471,405	-	1,787,321	4.00%
Collective Bargaining	0	100,000	100,000	-	100,000	
Transfer to Indoor Pool	150,000	150,000	150,000	-	0	0.00%
Transfer to Indoor Pool	0	30,479	30,479	-	30,479	
<b>Total Operating Budget</b>	<b>81,768,074</b>	<b>85,033,200</b>	<b>85,170,200</b>	<b>137,000.00</b>	<b>3,402,126</b>	<b>4.16%</b>
<b>NON-OPERATING EXPENDITURE:</b>						
Debt Related Costs/TANS	275,000	275,000	275,000	-	0	0.00%
Debt Service Payments	12,595,810	13,085,154	13,085,154	-	489,344	3.88%
Overlay	950,000	1,000,000	950,000	(50,000.00)	0	0.00%
Property & Liability Ins	341,000	363,376	363,376	-	22,376	6.56%
County	5,277,514	5,466,000	5,466,000	-	188,486	3.57%
Contingency	250,000	300,000	250,000	(50,000.00)	0	0.00%
Rolling Stock	956,165	886,000	761,900	(124,100.00)	(194,265)	-20.32%
IT Equipment Replacement	406,000	715,158	650,658	(64,500.00)	244,658	60.26%
Capital Outlay	2,000,000	2,140,000	1,985,000	(155,000.00)	(15,000)	-0.75%
Use of Fund Balance	400,000	0	0	-	(400,000)	-100.00%
Use of Bond Premium	1,850,000	0	0	-	(1,850,000)	-100.00%
Other General Non-Operating	393,280	491,317	491,317	-	98,037	24.93%
<b>Total Non-Operating Budget</b>	<b>25,694,769</b>	<b>24,722,005</b>	<b>24,278,405</b>	<b>(443,600)</b>	<b>(1,416,364)</b>	<b>-5.51%</b>
<b>Total Gross Budget</b>	<b>107,462,843</b>	<b>109,755,205</b>	<b>109,448,605</b>	<b>(306,600)</b>	<b>1,985,762</b>	<b>1.85%</b>

In addition to the adjustments of expenditures, the City Council authorized the following:

- The use of Debt Service Reserves (Use of Committed Fund Balance) by \$700,000 for a total of \$2,400,000.
- Utilize \$231,000 from Unassigned fund balance to offset two capital outlay projects
  - a. LED Streetlight Conversion \$181,000
  - b. Chestnut Street Pedestrian Connector \$50,000

As a result of the amendments, the adopted FY18 budget will result in an estimated tax rate of \$17.47 per \$1,000 of valuation. This rate is an increase of 43¢ or 2.5% over FY17.

Attached is a revised General Fund Budget Summary for FY18 – Tax Calculation Sheet

# GENERAL FUND BUDGET SUMMARY-FY 2018

## TAX CALCULATION

	FY17 BUDGET	FY18 City Manager Recommended	% CHANGE FROM FY17	\$\$ CHANGE FROM FY17	FY18 City Council 6-Jun-17	FY18 % Change	FY18 \$\$ Change
<b>OPERATING BUDGET</b>							
General Government	18,210,245	18,808,621	3.29%	598,376	18,808,621	3.29%	598,376
Police	10,382,847	10,798,161	4.00%	415,314	10,925,161	5.22%	542,314
Fire	8,340,898	8,674,534	4.00%	333,636	8,684,534	4.12%	343,636
School	44,684,084	46,471,405	4.00%	1,787,321	46,471,405	4.00%	1,787,321
Collective Bargaining	0	100,000		100,000	100,000		100,000
Transfer to Indoor Pool	150,000	150,000	0.00%	0	150,000	0.00%	0
Transfer to Prescott Park	0	30,479		30,479	30,479		30,479
<b>Total Operating Budget</b>	<b>81,768,074</b>	<b>85,033,200</b>	<b>3.99%</b>	<b>3,265,126</b>	<b>85,170,200</b>	<b>4.16%</b>	<b>3,402,126</b>
<b>NON-OPERATING EXPENSE</b>							
Debt Related Costs/TANS	275,000	275,000	0.00%	0	275,000	0.00%	0
Debt Service Payments	12,595,810	13,085,154	3.88%	489,344	13,085,154	3.88%	489,344
Overlay	950,000	1,000,000	5.26%	50,000	950,000	0.00%	0
Property & Liability Ins	341,000	363,376	6.56%	22,376	363,376	6.56%	22,376
County	5,277,514	5,466,000	3.57%	188,486	5,466,000	3.57%	188,486
Contingency	250,000	300,000	20.00%	50,000	250,000	0.00%	0
Rolling Stock	956,165	886,000	-7.34%	(70,165)	761,900	-20.32%	(194,265)
IT Equipment Replacement	406,000	715,158	76.15%	309,158	650,658	60.26%	244,658
Capital Outlay	2,000,000	2,140,000	7.00%	140,000	1,985,000	-0.75%	(15,000)
Middle School/Banfield Road Purchase	400,000	0	-100.00%	(400,000)	0	-100.00%	(400,000)
Foundation Seacoast Health Land	1,850,000	0		(1,850,000)	0		(1,850,000)
Other General Non-Operating	393,280	491,317	24.93%	98,037	491,317	24.93%	98,037
<b>Total Non-Operating Budget</b>	<b>25,694,769</b>	<b>24,722,005</b>	<b>-3.79%</b>	<b>(972,764)</b>	<b>24,278,405</b>	<b>-5.51%</b>	<b>(1,416,364)</b>
<b>Total Gross Budget</b>	<b>107,462,843</b>	<b>109,755,205</b>	<b>2.13%</b>	<b>2,292,362</b>	<b>109,448,605</b>	<b>1.85%</b>	<b>1,985,762</b>
<b>REVENUES</b>							
Municipal	13,125,575	13,879,982	5.75%	754,407	13,879,982	5.75%	754,407
School	5,986,250	6,369,332	6.40%	383,082	6,369,332	6.40%	383,082
State Revenues	1,489,418	1,576,077	5.82%	86,659	1,576,077	5.82%	86,659
State Revenues-School Building Aid	1,836,305	1,836,305	0.00%	0	1,836,305	0.00%	0
<i>Use of Fund Balance: Unassigned</i>							
Supplemental Appropriation	665,800	0		(665,800)	0	-100.00%	(665,800)
Budget Process	250,000			(250,000)	231,000		(19,000)
<i>Use of Fund Balance: Committed</i>							
Property Appraisal	73,500	150,000	104.08%	76,500	150,000	104.08%	76,500
Debt Service Reserve	1,700,000	1,700,000	0.00%	0	2,400,000	41.18%	700,000
Supplemental Appropriation	1,850,000	0		(1,850,000)	0		(1,850,000)
<b>Total</b>	<b>26,976,848</b>	<b>25,511,696</b>	<b>-5.43%</b>	<b>(1,465,152)</b>	<b>26,442,696</b>	<b>-1.98%</b>	<b>(534,152)</b>
<b>BUDGETED PROPERTY TAX LEVY</b>	<b>80,485,995</b>	<b>84,243,509</b>	<b>4.67%</b>	<b>3,757,514</b>	<b>83,005,909</b>	<b>3.13%</b>	<b>2,519,914</b>
War Service Credits	480,500	500,000	4.06%	19,500	500,000	4.06%	19,500
Adequate Education Formula	(11,070,907)	(11,178,117)	0.97%	(107,210)	(11,178,117)	0.97%	(107,210)
State Education Tax	11,070,907	11,178,117	0.97%	107,210	11,178,117	0.97%	107,210
<b>ASSESSED VALUATION WITH UTILITIES</b>	<b>4,771,704,551</b>	<b>4,806,704,551</b>	<b>0.73%</b>	<b>35,000,000</b>	<b>4,806,704,551</b>	<b>0.73%</b>	<b>35,000,000</b>
<b>ASSESSED VALUATION NO UTILITIES</b>	<b>4,586,279,780</b>	<b>4,621,279,780</b>	<b>0.76%</b>	<b>35,000,000</b>	<b>4,621,279,780</b>	<b>0.76%</b>	<b>35,000,000</b>
<b>MUNICIPAL &amp; SCHOOL TAX RATE</b>	<b>13.54</b>	<b>14.16</b>	<b>4.61%</b>	<b>0.62</b>	<b>13.91</b>	<b>2.73%</b>	<b>0.37</b>
<b>COUNTY TAX RATE</b>	<b>1.09</b>	<b>1.14</b>	<b>4.59%</b>	<b>0.05</b>	<b>1.14</b>	<b>4.33%</b>	<b>0.05</b>
<b>STATE EDUCATION TAX RATE</b>	<b>2.41</b>	<b>2.42</b>	<b>0.24%</b>	<b>0.01</b>	<b>2.42</b>	<b>0.37%</b>	<b>0.01</b>
<b>COMBINED TAX RATE</b>	<b>17.04</b>	<b>17.72</b>	<b>3.99%</b>	<b>0.68</b>	<b>17.47</b>	<b>2.50%</b>	<b>0.43</b>