

Town of Milton

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September 10, 2015

To: Mayor and Council
From: Kristy Rogers, Town Clerk
Re: Fiscal Year 2016 Budget revisions

The following is a summary of revisions made to the fiscal year 2016 budget, as discussed by Town Council August 25, and September 1, 2015:

Revenues -

- o Transfer tax revenue – increased from \$200,000 to \$225,000
- o Building permit revenue – changes were made to the 2016 Fee Schedule, resulting in a increase of projected permit revenue from \$155,000 to \$158,675

Total net increase \$28,675

Expenditures -

➤ Administrative Department:

- o Town Manager Salary, and corresponding payroll taxes, pension, and benefits – decreased based on a Town Manager being employed 10 months of the fiscal year and reallocating the split of salary and related expenses from 80% General Fund /20% Utility Fund to 75G/25U
- o Reduction of an Accounting Clerk to 6 months (including payroll taxes, pension, and benefits; 50/50 General and Utility Fund split) and then include temporary labor for 4 months, still 50/50 split
- o Legal Fees – decreased from \$60,000 to \$50,000
- o Supplies – decreased from \$4,500 to \$4,275
- o Advertising – increased from \$1,000 to \$1,500
- o Training and Seminars – decreased from \$2,000 to \$1,900
- o Meetings – decreased from \$1,200 to \$1,140
- o Election Expense – increased from \$2,500 to \$2,600
- o Mileage Expense – decreased from \$500 to \$475
- o Town Manager Expense – decreased from \$500 to \$475
- o Scanning, Printing, and Postage – increased from \$5,000 to \$5,700
- o Telephone – increased from \$4,500 to \$4,800

First draft expenditure total was \$525,800.66; Revised total \$487,928.01

Total net decrease \$37,872.65

➤ Street Department:

- o Engineering Fees – decreased from \$1,000 to \$950
- o Legal Fees – decreased from \$1,000 to \$950
- o Supplies – decreased from \$4,000 to \$3,800

- Yard Waste Disposal – decreased from \$600 to \$570
- Gasoline – decreased from \$2,100 to \$1,995
- Equipment Rental – decreased from \$1,000 to \$950
- Repairs & Maint – Equip – decreased from \$1,000 to \$950
- Cap Exp – Street Sweeper – removed
- Cap Exp – Wood Chipper – removed
- Salaries and related expenses – reallocated between Streets, Parks, and Water – net decrease of \$7,190

First draft expenditure total was \$223,185; Revised \$178,375
 Total net decrease \$44,810

➤ General Department:

- Council approved donation – decreased from \$7,500 to \$6,500

First draft expenditure total was \$42,200; Revised \$41,200
 Total net decrease \$1,000

➤ Parks Department:

- Gasoline – decreased from \$2,800 to \$2,660
- Repairs & Maint – Equip – decreased from \$1,000 to \$950
- Utilities – decreased from \$2,000 to \$1,900
- Cap Exp – Park Benches – removed
- Cap Exp – Street Sweeper – removed
- Salaries and related expenses – reallocated between Streets, Parks, and Water – net decrease of \$9,450

First draft expenditure total was \$90,850; Revised \$72,010
 Total net decrease \$18,840

➤ Police Department:

- Police Chief Salary and corresponding payroll taxes, pension, and benefits – decreased based on a Police Chief being employed 11 months of the fiscal year
- Overtime – Regular – decreased from \$42,000 to \$29,000 (Town Clerk error)

First draft expenditure total was \$978,666; Revised \$955,100
 Total net decrease \$23,566

➤ Code Department:

- Training and Seminars – decreased from \$3,000 to \$2,850
- Code Violation Expenses – decreased from \$2,000 to \$1,900
- Engineering Fees – decreased from \$21,000 to \$19,950
- Dues and Subscriptions – decreased from \$200 to \$190.00
- Repairs & Maint – Auto – decreased from \$1,750 to \$1,662.50

First draft expenditure total was \$178,942; Revised \$177,544.50
 Total net decrease \$1,397.50

➤ Water Department:

- Town Manager Salary (same adjustments as noted in Administrative Department line item), Salaries reallocated between Streets, Parks, and Water and corresponding payroll taxes, pension, and benefits – net increase of \$18,322.94
- Reduction of an Accounting Clerk to 6 months (including payroll taxes, pension, and benefits; 50/50 General and Utility Fund split) and then include temporary labor for 4 months, still 50/50 split
- Drinking Water Planning Grant and corresponding Mapping expenditure were removed as these are allocated to the fiscal year 2015 budget – net difference is \$0
- Engineering – decreased from \$20,000 to \$19,000
- Supplies – decreased from \$16,000 to \$15,200
- Supplies – Pits/Meters/Lid – increased from \$25,000 to \$32,000
- Advertisement Expense – increased from \$1,400 to \$1,500
- Gas & Oil – decreased from \$9,100 to 8,645
- Repairs & Maint – Water Tower – increased from \$32,600 to \$113,600
- Repairs & Maint – Hydrants – decreased from \$4,000 to \$3,800
- Cap Exp – Street Sweeper - removed

Amended first draft expenditure total was \$847,025.66; Revised total \$891,228.60
Total net increase of expenditures \$44,202.94; net decrease of revenue due to fiscal year 2015 grant is \$48,500

Together the revenue and expenditure revisions have changed the utility fund surplus of \$80,974.34 to a deficit of \$11,728.60

The net general fund decreases have reduced the potential property tax increase from 26% to 10%. Property tax revenue has been revised to reflect the decreased percentage. However, the shift of expenditures from the general fund to the utility fund has changed from a surplus to deficit. Utility fund revenues will need to increase to offset the deficit, leading to a water rate increase.