




Town of Elon

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May 30, 2018

TO: Mayor and Board of Aldermen
FROM: Richard J. White III, Town Manager 
SUBJECT: FY 19 Manager's Recommended Budget Message

I am pleased to present for your consideration the FY19 Manager's Recommended Budget which totals \$11,715,800. This budget was developed with the vision, mission, and goals contained within the Town of Elon Strategic Plan in mind. The Vision and Mission statements follow:

VISION:

The Town of Elon builds upon its strong foundation by continuing to ensure a vibrant and progressive community for all residents.

MISSION:

Support a vibrant and connected community life by investing in and enabling a remarkable quality of life for all residents.

General Fund

The proposed General Fund budget totals \$7,386,450. The majority of the revenues which support the General Fund are from property tax (\$2,425,000) and sales tax (\$2,650,000). With minimal growth in revenues, the FY19 Budget maintains existing services while recommending no change to the current tax rate of \$.45 on each \$100 valuation of taxable property.

Staff

Funding is included to provide a one and one-half percent market adjustment and up to three percent merit for the Performance Pay Program to ensure that the Town continues to pay competitive salaries to recruit, retain, and reward employees. The total cost of these items is \$78,000.

The proposed budget includes one additional employee in Public Works as recommended in the *2017 Staffing Study*. Funding is also included to create a Crew Leader and Public Works Assistant classification within the department. With the implementation of a branding campaign and the relaunch of the town's website, funds are also included to increase the level of public information provided by the Town.

Health Insurance

Health insurance premiums are anticipated to increase approximately 10% (\$38,000) at the December 2018 renewal.

Initiatives

Several initiatives that were started in FY18 including the Recreation and Parks Master Plan and the Code of Ordinances Codification will be completed in the upcoming year. The Land Development Ordinance update will begin during FY19. The proposed FY19 Budget also funds a Pay and Compensation Study; increasing the level of code compliance in support of the updated *Code of Ordinances*; developing a financial plan to support the implementation of the Strategic Plan; and installing an electronic agenda and meeting minute preparation system.

Animal Services

The town's share of operating costs for Animal Shelter services is \$75,000.

Transportation

The proposed budget includes \$3,648 to support the Alamance County Transportation Authority (ACTA). Funding of \$10,000 for the Burlington Greenway Connection is included. This project which is identified in the town's *Bicycle, Pedestrian, and Lighting Plan* will link the Town to the Burlington Greenway along Front Street.

Capital Expenses

The proposed FY19 Budget contains funding to replace a Public Works truck and mower; purchase one police replacement vehicle and seven radios; and replace five radios and a rescue pumper for the Fire Department.

Downtown Elon

The Town continues to make investments in the downtown by adding an additional 29 spaces on West Lebanon Avenue in FY19 to increase the supply of public parking as recommended in the *Comprehensive Parking Study*. Funding is also included for the Musical Chairs/Alive After Five concert series. It is anticipated that the Town will achieve the North Carolina Main Street designation during the FY19 fiscal year.

Water and Sewer Fund

The proposed Water and Sewer Fund budget totals \$3,484,750 and includes an increase of three percent which is one percent above the City of Burlington's two percent increase. This increase will help fund the continued water meter replacement program and respond to House Bill 436. In accordance with House Bill 436, North Carolina municipalities' water and sewer system development fees must be calculated based on a written analysis. The legislation also requires that system development fee revenues must be accounted for by means of a capital reserve fund established pursuant to Part 2 of Article 3 of Chapter 159 of the General Statutes and limited as to expenditure of funds in accordance with this section. Funding is included for a replacement truck in the Water and Sewer Fund.

Storm Water Fund

The recommended Storm Water budget is \$176,000. It includes funds to address storm water issues on Forestview Drive.

Powell Bill Fund

The Town receives Powell Bill contributions from the State on an annual basis for street maintenance and resurfacing. The total proposed Powell Bill budget is \$543,600 and includes funds to resurface Forestview Drive, Orange Drive, Winwood Drive, and Windsor Way.

Federal Asset Forfeiture Fund

The Police Department plans to use \$125,000 of federal asset forfeiture funds to purchase a new parking enforcement vehicle, a four-wheel drive truck, and build a storage building at the public works site.

Summary

Over the last several years, Board and town staff have worked toward retooling the organization and preparing the foundation to guide the community for at least the next twenty years in a deliberate manner. This budget begins the process of aligning town resources with the Strategic Plan. Having positive fund balances in the General Fund and the Water and Sewer Fund and very low debt levels, places the Town in a strong position to begin considering larger infrastructure investments to accomplish the vision and goals of the Strategic Plan.

I wish to express my gratitude to the Board of Aldermen, Department Heads, staff, and especially Misty Hagood, Finance Director, for their assistance in preparing this proposed budget.

TOWN OF ELON
FISCAL YEAR 2018-2019 BUDGET ORDINANCE

BE IT ORDAINED by the Board of Aldermen of the Town of Elon, North Carolina:

Section 1: That the following amounts are hereby appropriated for the operations of the Town of Elon and its activities for the fiscal year beginning July 1, 2018 and ending on June 30, 2019:

A. General Fund

Administration	\$ 862,500
Professional Services	284,750
Non-Departmental	119,000
Contingency	27,054
Board of Aldermen	160,100
Downtown	224,650
Police Department	1,883,710
Fire Department	2,359,700
Recreation	317,400
Public Works Department	<u>1,147,586</u>
General Fund Total	\$7,386,450

B. Water and Sewer Fund

Water and Sewer Expenses	\$3,484,750
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C. Storm Water Fund

Storm Water Expenses	\$176,000
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D. Powell Bill Fund

Powell Bill Department	\$543,600
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E. Federal Asset Forfeiture Fund

Federal Asset Forfeiture Expenses	\$125,000
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EXPENSE GRAND TOTAL

\$11,715,800

Section 2: That the following amounts are estimated as revenue that will be available during the fiscal year beginning July 1, 2018 and ending June 30, 2019.

A. General Fund Revenue

Appropriated General Fund Balance	\$ 0
State Shared Revenues	492,000
Vehicle Taxes	243,500
Taxes Current Year	2,425,000
Tax Discounts	(8,000)

Prior Year Taxes	1,500
Tax Penalties and Interest	3,500
Fire District Tax	285,250
Local Option Sales Tax	2,650,000
Fees & Penalties	55,400
Solid Waste Fees	175,000
Other Revenue	870,300
Elon University Contributions	137,000
Twin Lakes Contribution to Fire Department	<u>56,000</u>
General Fund Total	\$7,386,450
B. Water and Sewer Fund	
Appropriated Retained Earnings	\$ 22,880
Other Revenue	46,870
Gibsonville Reimbursement	178,000
Water Charges	1,237,000
Sewer Charges	1,959,000
Fees & Penalties	<u>41,000</u>
Water and Sewer Fund Total	\$3,484,750
C. Storm Water Fund	
Appropriated Fund Balance	\$96,000
Storm Water Fees	<u>80,000</u>
Storm Water Fund Total	\$176,000
D. Powell Bill Fund Revenue	
Powell Bill Allocation	\$250,000
Other Revenue	2,500
Appropriated Fund Balance	<u>291,100</u>
Powell Bill Fund Total	\$543,600
E. Federal Asset Forfeiture Fund	
Appropriated Fund Balance	<u>\$ 125,000</u>
Federal Asset Forfeiture Total	\$ 125,000
REVENUE GRAND TOTAL	\$11,715,800

Section 3. That \$.45 on each \$100 valuation of taxable property, as listed for taxes on January 1, 2018, is hereby levied in the General Fund for the purpose of raising revenue for the current year property tax, and that the estimate of \$2,425,000 General Fund Revenue is based on a 99.62 percent collection rate.

Section 4: The Budget Officer is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. The Budget Officer may transfer amounts between line item expenditures within a department without limitation and without a report being required.
- b. The Budget Officer may transfer amounts up to \$5,000 between departments within the same fund with a report to the Board of Aldermen.
- c. The Budget Officer may not transfer any amounts between funds, except as approved by the Board of Aldermen in the Budget Ordinance as amended.

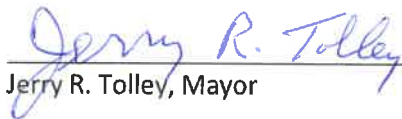
Section 5. The Town of Elon Fee Schedule, herein referenced, for the fiscal year beginning July 1, 2018, and ending June 30, 2019, is hereby adopted for this fiscal year.

Section 6. The accompanying Position and Classification Plan, herein referenced, for the fiscal year beginning July 1, 2018, and ending June 30, 2019, is hereby adopted for this fiscal year and shall be administered in accordance with the Town of Elon Personnel Policy Principles.

Section 7. Operating funds encumbered by the Town as of June 30, 2018, or otherwise designated, are hereby re-appropriated for this fiscal year.

Section 8. Copies of this Budget Ordinance shall be furnished to the Budget Officer and Finance Director to be kept on file by them for their direction in the disbursement of funds.

Adopted this the 12th day of June, 2018.



Jerry R. Tolley, Mayor

ATTEST:



DiAnne C. Enoch, Town Clerk