



TOWN COUNCIL AGENDA

 ORIGINAL

FY15-16 BUDGET WORK SESSION #2

April 21, 2015 at 8:00 a.m.

CALL TO ORDER – Mayor Lambeth

VOTE to excuse Mayor Pro Tem Bloszinsky from the meeting

VOTE to cancel the Budget Work Session scheduled for 8:00 a.m. on April 23, 2015

PRESENTATION from Pleasure Island Sea Turtle Project (Jody Springer)

PRESENTATION OF REVISED DRAFT OF FY15-16 BUDGET (Copenhaver)
Review potential revisions made to the budget during Budget Work Session #1, held on April 9, 2015 (flat, five percent reduction and selected reductions)

FINALIZATION OF PROPOSED BUDGET

Finalization of proposed FY15-16 budget to be presented at May 19, 2015 Council meeting for publication and public hearing

ADJOURNMENT



TOWN OF KURE BEACH NOTICE OF SPECIAL MEETING

Notice is hereby given that Mayor Lambeth has called a special meeting of the Town Council as follows:


DATE & TIME: Tuesday, April 21, 2015 at 8:00 am or soon thereafter

PURPOSE: To review revised drafts of the proposed budget for Fiscal Year 2015-2016. These revisions were requested by Council at the April 9th budget workshop.

LOCATION: Council Room in Town Hall
117 Settlers Lane, Kure Beach

First item on the agenda of this special meeting will be to cancel the budget workshop previously scheduled for Thursday, April 23, 2015.


These meetings are open to the public and all interested persons are encouraged to attend.


Nancy Avery, Town Clerk
Posted 4/14/15

April 14, 2014


I am calling a special meeting for Tuesday, April 21st at 8 am for the purpose of reviewing revised drafts of the proposed budget for FY15-16. Meeting is to be held in the Council Room at Town Hall.

At this meeting, the first order of business on the agenda will be a vote to cancel the budget workshop previously scheduled for Thursday, April 23rd.



Dean Lambeth, Mayor

ATTEST



Nancy Avery, Town Clerk

DH

Nancy Avery

From: Nancy Avery
Sent: Tuesday, April 14, 2015 12:51 PM
To: 'rdcooper01@yahoo.com'; 'd.cooper@tokb.org'; 'sonnybeeker@tokb.org'; 'kurebeachfire@yahoo.com'; John Batson; Arlen Copenhaver
Cc: 'kboceanrescue@yahoo.com'; 'Public Works'; 'tammye@tokb.org'; 'm.bowden@tokb.org'; 'Nancy Hewitt'
Subject: change in meeting date for next budget workshop

Council has changed the date of the next budget workshop to Tuesday, April 21st at 8 am. The meeting will be in the Council Room at Town Hall.

Council will NOT hold a budget workshop on Thursday, April 23 at 8 am as previously set.

Nancy Avery
Town Clerk
910-458-8216 (work)
910-443-0410 (cell)
townclerk@tokb.org

Town of Kure Beach
117 Settlers Lane
Kure Beach, N 28449
www.tokb.org

Nancy Avery

From: Nancy Avery
Sent: Tuesday, April 14, 2015 12:49 PM
To: Dean Lambeth; cabloszinsky@yahoo.com; Emilie Swearingen; 'stevepagley@tokb.org'; 'davidheglar@tokb.org'; Andy Canoutas
Subject: Official notice of special meeting of Town Council to review revised drafts of FY15-16 proposed budget

This is official notice that Mayor Lambeth has called a special meeting of the Town Council on Tuesday, April 21st at 8 am for the purpose of reviewing revised drafts of the proposed budget for FY 15-16.

These revisions were requested by Council at the April 9th budget workshop. The meeting will be in the Council Room at Town Hall.

First item on the agenda of this special meeting will be to cancel the budget work shop previously scheduled for Thursday, April 23, 2015.

Mayor Lambeth and Commissioners Swearingen, Pagley, and Heglar will be in attendance. Mayor Pro Tem Bloszinsky will not be able to attend.

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Town Clerk
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Town of Kure Beach
117 Settlers Lane
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sunshine list

Nancy Avery

From: Nancy Avery
Sent: Tuesday, April 14, 2015 12:49 PM
To: 'Ben Brown'; Ea Ruth; Evan McMillan; 'Joe C'; 'Kate Queram'; 'NHC public affairs'; 'Shane Johnson'; 'Tyler Newman'; 'WECT'; 'Willard Killough'; 'WWAY'
Cc: 'Nancy Hewitt'
Subject: Official notice of special meeting of Kure Beach Town Council

This is official notice that Mayor Lambeth has called a special meeting of the Town Council on Tuesday, April 21st at 8 am for the purpose of reviewing revised drafts of the proposed budget for FY 15-16.

These revisions were requested by Council at the April 9th budget workshop. The meeting will be in the Council Room at Town Hall.

First item on the agenda of this special meeting will be to cancel the budget work shop previously scheduled for Thursday, April 23, 2015.

This meeting is open to the public and all interested persons are encouraged to attend.

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Town of Kure Beach
117 Settlers Lane
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**TOWN OF KURE BEACH
FY 15-16 BUDGET WORK SESSION #2**



APRIL 21, 2015

COUNCIL GOALS FROM 2015 RETREAT FOR FISCAL YEAR 2015/2016

1. Resolution of outstanding issues relating to the Sandman properties
2. Develop a short-term and long-term space plan for Town departments
3. Maintain the current tax rate, if possible
4. Develop a long-term plan for funding beach nourishment, including one new funding stream independent of property taxes
5. Prioritize potential dune infiltration system projects
6. Review, decide and implement the salary study and any potential salary adjustments
7. Monitor potential revenue shortfalls that may occur in future years

FY 2016 BUDGET ASSUMPTIONS

1. No changes in services provided or level of services provided
2. No increase in the tax rate (currently \$0.2615)
3. Increase water and sewer monthly minimum rates by 25%
4. General Fund Contingency
5. Include a transfer from the General Fund to the Beach Protection Fund
6. Employee Compensation
COLA: 1.7% (same as Social Security)
Merit: 3.3%
7. Salary adjustment to bring all salaries to Benchmark

**FY 2015/2016 BUDGET SUMMARY
AS OF APRIL 9, 2015**

<u>FUND</u>	<u>FY 2016 REVENUE BUDGET</u>	<u>FY 2016 EXPENSE BUDGET</u>	<u>OVER/(SHORT)</u>	<u>COMMENTS</u>
General Fund	\$4,021,784	\$4,021,784	\$0	Includes a \$20,500 transfer to the Beach Protection Fund and \$30,000 contingency
Water/Sewer Fund	\$1,892,875	\$1,892,875	\$0	Reflects a 25% increase in water & sewer monthly minimum rates and includes a \$50,000 transfer to the Water Line Replacement Capital Project Fund and \$117,524 for potential improvement projects
Storm Water Fund	\$493,307	\$493,307	\$0	Includes a Fund Balance appropriation of \$238,447 and a \$275,000 transfer to the Storm Water Capital Project Fund
Powell Bill Fund	\$64,030	\$64,030	\$0	
SERF Fund	\$22,635	\$22,635	\$0	
Beach Protection Fund	\$20,500	\$20,500	\$0	Transfer from the General Fund
Asset Forfeiture Fund	\$50,000	\$50,000	\$0	
TOTAL	\$6,565,131	\$6,565,131	\$0	

GENERAL FUND BUDGET BY DEPARTMENT FY 2016 VS. FY 2015

DEPARTMENT	DEPT. NO.	ORIGINAL 2015 BUD.	AMENDED 2015 BUD.	REQUESTED 2016 BUD.	DIFF. 2016 & ORIG. 2015	% CHG.	DIFF. 2016 & AMENDED 2015	% CHG.	SIGNIFICANT CHANGES FY 2016 VS. FY 2015
Police Dept.	510	\$1,133,547	\$1,133,547	\$1,221,900	\$88,353	7.8%	\$88,353	7.8%	Overall 4.1% increase in personnel-related costs. Other changes are the addition of \$5,000 for Fit for Duty programs, \$10,550 (211%) increase in building maintenance, \$2,500 (5.7%) decrease in auto supplies/gas, \$2,000 (16.7%) decrease in uniform costs & a \$20,000 (31.3%) increase in capital outlay - vehicles. Also, a Salary Study adjustment of \$19,278 is included which is 1.6% of the FY 16 Budget.
Fire Dept.	530	\$423,138	\$423,138	\$510,691	\$87,553	20.7%	\$87,553	20.7%	Overall 4.2% increase in full-time personnel-related costs. Other changes include a \$12,480 (200%) increase in part-time pay, \$5,870 (19.7%) increase in Drill Fees, \$2,000 (13%) increase in the Live-in Program & \$10,000 (67%) increase in capital outlay. Also, a Salary Study adjustment of \$43,405 is included which is 8.6% of the FY 16 Budget.
Lifeguards	531	\$186,575	\$190,999	\$192,912	\$6,337	3.4%	\$1,913	1.0%	FY 16 includes a 2% increase in personnel-related costs. Also, a Salary Study adjustment of \$3,249 is included which is 1.7% of the FY 16 Budget.
Bldg. Inspection	540	\$118,135	\$118,135	\$129,857	\$11,722	9.9%	\$11,722	9.9%	Overall 2.6% increase in personnel-related costs. Other changes include a \$1,000 (67%) increase in Travel/Training, \$4,500 for building maintenance & \$1,000 (67%) increase in contracts (lawn maintenance). Also, a Salary Study adjustment of \$3,304 is included which is 2.5% of the FY 2016 Budget.

GENERAL FUND BUDGET BY DEPARTMENT FY 2016 VS. FY 2015

DEPARTMENT	DEPT. NO.	ORIGINAL 2015 BUD.	AMENDED 2015 BUD.	REQUESTED 2016 BUD.	DIFF. 2016 & ORIG. 2015	% CHG.	DIFF. 2016 & AMENDED 2015	% CHG.	SIGNIFICANT CHANGES FY 2016 VS. FY 2015
Streets & Sanitation	550	\$695,206	\$695,206	\$751,001	\$55,795	8.0%	\$55,795	8.0%	Overall 3.7% increase in personnel-related costs. Other changes include a \$2,500 (5.9%) increase in utilities, \$5,000 (50%) increase in truck maintenance, \$1,500 (43%) increase in minor equipment, \$1,500 (150%) increase in computer costs & \$12,000 for capital outlay - equipment. Also, a Salary Study adjustment of \$18,709 is included which is 2.5% of the FY 16 Budget.
Administration	420	\$455,208	\$876,429	\$417,215	(\$37,993)	-8.3%	(\$459,214)	-52.4%	Overall 29.6% decrease in personnel-related costs due to moving the Finance Officer & Finance Specialist to the Fin. Dept Budget. Other changes include moving finance-related expenses (audit fees, unemployment insurance, postage, equipment rental, sales tax, parking lot expense & bank fees) to the Fin. Dept. Budget. Other changes include a \$3,375 (29.6%) increase in retiree medical insurance, \$5,000 (1.25%) increase in telephone costs, \$2,000 (80%) increase in travel/training, \$1,500 (12%) increase in building maintenance, \$8,250 (6.6%) increase in recycle service costs & \$30,000 for Town department space planning/design. Also, a Salary Study adjustment of \$3,556 is included which is 0.9% of the FY 16 Budget.
Parks & Rec.	532	\$132,018	\$132,018	\$154,619	\$22,601	17.1%	\$22,601	17.1%	Overall 29% increase in full-time personnel-related costs and a \$13,650 (82%) decrease in part-time personnel costs. Other changes are the addition of \$4,500 for sponsorship maintenance costs & \$4,200 for the cost of boardwalk fish (previously in Admin.). Other changes include \$2,304 for telephone, \$4,000 (400%) increase in travel/training, \$2,100 (525%) increase in advertising, \$4,300 (16%) decrease in O/PF programs & \$15,000 in capital outlay for a volleyball court at Joe Eakes Park requested by the P&R Advisory Board. Also, a Salary Study adjustment of \$870 is included which is 0.6% of the FY 16 Budget.

**GENERAL FUND BUDGET BY DEPARTMENT
FY 2016 VS. FY 2015**

DEPARTMENT	DEPT. NO.	ORIGINAL 2015 BUD.	AMENDED 2015 BUD.	REQUESTED 2016 BUD.	DIFF. 2016 & ORIG. 2015	% CHG.	DIFF. 2016 & AMENDED 2015	% CHG.	SIGNIFICANT CHANGES FY 2016 VS. FY 2015
Governing Body	410	\$39,167	\$39,167	\$43,167	\$4,000	10.2%	\$4,000	10.2%	FY 16 has an increase of \$1,500 (25%) in Governmental Relations for food costs for beach breakfast & retreat/budget meetings, \$1,000 (40%) increase in travel/training, \$700 (3.6%) increase in Contributions to outside organizations (total of requests received), \$500 (16.7%) increase in dues/subscriptions & a \$300 (25%) increase in telephone costs.
Emergency Mgmt.	446	\$300	\$300	\$100	(\$200)	-66.7%	(\$200)	-66.7%	
Legal	470	\$24,000	\$24,000	\$28,900	\$4,900	20.4%	\$4,900	20.4%	\$4,500 (129%) increase in Professional Legal Service expenses.
Elections	430	\$0	\$0	\$3,100	\$3,100		\$3,100		Estimate for local election received from New Hanover County.
Community Center	421	\$14,650	\$14,650	\$25,250	\$10,600	72.4%	\$10,600	72.4%	FY 16 includes an increase of \$2,750 for wifi/phone & a \$7,500 (100%) increase in maintenance for painting the interior & exterior.
Finance	415	\$0	\$0	\$149,767	\$149,767		\$149,767		Finance included in Administration Budget in FY 15. FY 16 Budget includes Finance-related expenses from the FY 15 Administration Budget. Also, a Salary Study adjustment of \$7,654 is included which is 5.4% of the FY 16 Budget.

**GENERAL FUND BUDGET BY DEPARTMENT
FY 2016 VS. FY 2015**

DEPARTMENT	DEPT. NO.	ORIGINAL 2015 BUD.	AMENDED 2015 BUD.	REQUESTED 2016 BUD.	DIFF. 2016 &		%		SIGNIFICANT CHANGES FY 2016 VS. FY 2015
					ORIG. 2015	AMENDED 2015	CHG.	CHG.	
Committees	412	\$7,500	\$7,500	\$23,600	\$16,100	\$16,100	214.7%	214.7%	Request from the Shoreline Access, Beach Protection & Parking Committee includes \$20,000 for Ave. H beach access, \$1,650 for sea oats, \$1,250 for brochures, \$500 for parking blocks & \$200 for Beach Sweep supplies.
Debt Service	560	\$255,372	\$255,372	\$294,205	\$38,833	\$38,833	15.2%	15.2%	Two new loans added in FY 2015 (vacant lots \$409,471 & Police Vehicles \$48,359)
Tax Collection	460	\$25,000	\$25,000	\$25,000	\$0	\$0	0.0%	0.0%	
Contingency	490	\$180,600	\$168,850	\$30,000	(\$150,600)	(\$138,850)	-83.4%	-82.2%	5% of appropriations (\$198,500) is the maximum allowable amount.
Transfers	580	\$103,000	\$103,000	\$20,500	(\$82,500)	(\$82,500)	-80.1%	-80.1%	Transfer to Beach Protection Fund.
TOTAL GENERAL FUND		\$3,793,416	\$4,207,311	\$4,021,784	\$228,368	(\$185,527)	6.0%	-4.4%	

**WATER/SEWER FUND BUDGET BY DEPARTMENT
FY 2016 VS. FY 2015**

DEPARTMENT	DEPT. NO.	ORIGINAL 2015 BUD.	AMENDED 2015 BUD.	REQUESTED 2016 BUD.	DIFF. 2016 & ORIG. 2015	% CHG.	DIFF. 2016 & AMENDED 2015	% CHG.	SIGNIFICANT CHANGES FY 2016 VS. FY 2015
W/S Operations	810	\$1,203,439	\$1,235,655	\$1,367,894	\$164,455	13.7%	\$132,239	10.7%	Overall 4.5% increase in personnel-related costs. Other changes include a \$750 (300%) increase in postage, \$3,000 (25%) increase in water testing, \$1,500 (27%) increase in permit fees, \$9,770 (54%) increase in debt service & \$35,000 (13%) increase in Carolina Beach treatment facility charges. Decreases include \$4,500 (27%) in equipment/building maintenance, \$7,000 (49%) in minor equipment & \$4,500 (37.5%) in computer costs. Capital outlay for improvements is up by \$25,318 (27%) & capital outlay for equipment/vehicles is up \$22,784 (34%). Also, a Salary Study adjustment of \$12,427 is included which is 0.9% of the FY 16 Budget.
Administration	720	\$357,750	\$369,500	\$253,686	(\$104,064)	-29.1%	(\$115,814)	-31.3%	Overall 49% decrease in personnel-related costs due to moving the Finance Officer, Finance Specialist & Utilities Manager to the Fin. Dept Budget. Other changes include moving finance-related expenses (audit fees, unemployment insurance, postage, equipment rental & bank fees) to the Fin. Dept. Budget. Other changes include a \$5,000 (125%) increase in telephone costs, \$2,000 (80%) increase in travel/training, \$1,500 (12%) increase in building maintenance, \$1,000 (33%) increase in minor equipment & a \$3,000 (20%) decrease in computer-related costs. Also, a Salary Study adjustment of \$3,556 is included which is 1.4% of the FY 16 Budget.
Governing Body	410	\$14,967	\$14,967	\$16,767	\$1,800	12.0%	\$1,800	12.0%	FY 16 has an increase of \$1,000 (40%) in travel/training, \$500 (16.7%) increase in dues/subscriptions & a \$300 (25%) increase in telephone costs.

**WATER/SEWER FUND BUDGET BY DEPARTMENT
FY 2016 VS. FY 2015**

DEPARTMENT	DEPT. NO.	ORIGINAL 2015 BUD.	AMENDED 2015 BUD.	REQUESTED 2016 BUD.	DIFF. 2016 & ORIG. 2015	% CHG.	DIFF. 2016 & AMENDED 2015	% CHG.	SIGNIFICANT CHANGES FY 2016 VS. FY 2015
Legal	470	\$24,000	\$24,000	\$28,900	\$4,900	20.4%	\$4,900	20.4%	\$4,500 (129%) increase in Professional Legal Service expenses.
Finance	715	\$0	\$0	\$175,628	\$175,628		\$175,628		Finance included in Administration Budget in FY 15. FY 16 Budget includes Finance-related expenses from the FY 15 Administration Budget. Also, a Salary Study adjustment of \$7,654 is included which is 4.4% of the FY 16 Budget.
Transfers	999	\$0	\$0	\$50,000	\$50,000		\$50,000		Transfer to the Water Line Replacement Capital Project Fund.
TOTAL WATER/SEWER FUND		\$1,600,156	\$1,644,122	\$1,892,875	\$292,719	18.3%	\$248,753	15.1%	

**STORM WATER FUND BUDGET BY DEPARTMENT
FY 2016 VS. FY 2015**

DEPARTMENT	DEPT. NO.	2015 BUDGET	REQUESTED 2016 BUDGET	DIFF. 2016 & 2015	% CHANGE	SIGNIFICANT CHANGES FY 2016 VS. FY 2015
SW Operations	610	\$287,370	\$493,307	\$205,937	71.7%	Overall 2.6% increase in personnel-related costs. Other changes include a \$1,500 increase for minor equipment & \$8,834 (11%) increase in debt service. Capital outlay - equipment is down by \$35,000 (100%) and capital outlay - improvements is down by \$50,827 (100%). A transfer of \$275,000 to the Storm Water Capital Project Fund is included. Also, a Salary Study adjustment of \$4,141 is included which is 0.8% of the FY 16 Budget.

**GENERAL FUND FY 2016 BUDGET
OPERATING EXPENSES "FLAT" WITH FY 2015**

DEPARTMENT	DEPT. NO.	FY 2015 APPROVED OPERATING BUDGET	FY 2016 REQUESTED CAPITAL OUTLAY	FY 2016 INCREASES	"FLAT" FY 2016 BUDGET	FY 2016 DEPT. REQUESTED BUDGET	INC. / (DEC.) IN FY 2016 REQUESTED BUDGET TO MATCH "FLAT"	% CHANGE
Governing Body	410	\$39,167			\$39,167	\$43,167	(\$4,000)	-9.27%
Committees	412	\$7,500			\$7,500	\$23,600	(\$16,100)	-68.22%
Finance (1)	415	\$126,927			\$126,927	\$149,767	(\$22,840)	-15.25%
Administration (1)	420	\$328,281		\$25,000	\$353,281	\$417,215	(\$63,934)	-15.37%
Community Center	421	\$14,650			\$14,650	\$25,250	(\$10,600)	-41.98%
Elections	430	\$0		\$3,100	\$3,100	\$3,100	\$0	0.00%
Emergency Mgmt.	446	\$300			\$300	\$100	\$200	200.00%
Tax Collection	460	\$25,000			\$25,000	\$25,000	\$0	0.00%
Legal	470	\$24,000			\$24,000	\$28,900	(\$4,900)	-16.96%
Police Dept.	510	\$1,069,547	\$84,000		\$1,153,547	\$1,221,900	(\$68,353)	-5.99%
Fire Dept.	530	\$408,138	\$25,000		\$433,138	\$510,691	(\$77,553)	-15.19%
Lifeguards	531	\$186,575			\$186,575	\$192,912	(\$6,337)	-3.28%
Parks & Rec.	532	\$132,018	\$15,000		\$147,018	\$154,619	(\$7,601)	-4.92%
Bldg. Inspection	540	\$118,135			\$118,135	\$129,857	(\$11,722)	-9.03%
Streets & Sanitation	550	\$695,206	\$12,000		\$707,206	\$751,001	(\$43,795)	-5.83%
Debt Service	560	\$255,372		\$38,833	\$294,205	\$294,205	\$0	0.00%
Contingency	490	\$180,600		\$1,085	\$181,685	\$30,000	\$151,685	505.62%
Transfers	580	\$103,000		\$103,350	\$206,350	\$20,500	\$185,850	906.59%
TOTAL GENERAL FUND		\$3,714,416	\$136,000	\$171,368	\$4,021,784	\$4,021,784	\$0	0.00%

NOTES:

(1) - FY 2015 budget was for a combined Administration & Finance Dept. The amounts presented for FY 2015 are an allocation to the separate departments.

(2) - FY 2016 increases:

Administration - 1/2 of the personnel-related costs for new employee approved by Council in FY 2015 (\$25,000).

Elections - Required expenses for local election in FY 2016 (\$3,100).

Debt Service - Loan payments for new financing during FY 2015 (\$38,833).

Contingency - Amount to bring Contingency to the 5% maximum (\$1,085).

Transfers - Additional amount to transfer to Beach Protection to balance the budget based on current revenue estimates (\$103,350).

GENERAL FUND FY 2016 BUDGET 5% REDUCTION IN OPERATING EXPENSES

DEPARTMENT	DEPT. NO.	FY 2016 DEPT. REQUESTED BUDGET (EXCLUDING CAPITAL)	5% REDUCTION	FY 2016 REDUCED OPERATING BUDGET	FY 2016 PROPOSED CAPITAL OUTLAY	INCREASES TO FY 2016 REQUESTED BUDGET	FY 2016 REVISED BUDGET (5% REDUCTION IN OPERATING EXP.)
Governing Body	410	\$43,167	(\$2,158)	\$41,009			\$41,009
Committees	412	\$23,600	(\$1,180)	\$22,420			\$22,420
Finance	415	\$149,767	(\$7,488)	\$142,279			\$142,279
Administration	420	\$417,215	(\$20,861)	\$396,354			\$396,354
Community Center	421	\$25,250	(\$1,263)	\$23,988			\$23,988
Elections	430	\$3,100	\$0	\$3,100			\$3,100
Emergency Mgmt.	446	\$100	\$0	\$100			\$100
Tax Collection	460	\$25,000	\$0	\$25,000			\$25,000
Legal	470	\$28,900	(\$1,445)	\$27,455			\$27,455
Police Dept.	510	\$1,137,900	(\$56,895)	\$1,081,005	\$84,000		\$1,165,005
Fire Dept.	530	\$485,691	(\$24,285)	\$461,406	\$25,000		\$486,406
Lifeguards	531	\$192,912	(\$9,646)	\$183,266			\$183,266
Parks & Rec.	532	\$139,619	(\$6,981)	\$132,638	\$15,000		\$147,638
Bldg. Inspection	540	\$129,857	(\$6,493)	\$123,364			\$123,364
Streets & Sanitation	550	\$739,001	(\$36,950)	\$702,051	\$12,000		\$714,051
Debt Service	560	\$294,205	\$0	\$294,205			\$294,205
Contingency	490	\$30,000		\$30,000		\$146,144	\$176,144
Transfers	580	\$20,500		\$20,500		\$29,500	\$50,000
TOTAL GENERAL FUND		\$3,885,784	(\$175,644)	\$3,710,140	\$136,000	\$175,644	\$4,021,784

**GENERAL FUND FY 2016 BUDGET
SELECTED REDUCTIONS FROM 4/9/15 WORKSHOP**

DEPARTMENT	DEPT. NO.	FY 2016 DEPT. REQUESTED BUDGET	REDUCTIONS		NOTES	INCREASES TO FY 2016 REQUESTED BUDGET	FY 2016 REVISED BUDGET	% CHANGE
			1/2 OF SALARY ADJUSTMENT	OTHER				
Governing Body	410	\$43,167		\$2,700	(a)		\$40,467	-6.25%
Committees	412	\$23,600		\$16,100	(b)		\$7,500	-68.22%
Finance	415	\$149,767	\$3,827				\$145,940	-2.56%
Administration	420	\$417,215	\$1,778	\$31,500	(c)		\$383,937	-7.98%
Community Center	421	\$25,250		\$7,500	(d)		\$17,750	-29.70%
Elections	430	\$3,100					\$3,100	0.00%
Emergency Mgmt.	446	\$100					\$100	0.00%
Tax Collection	460	\$25,000					\$25,000	0.00%
Legal	470	\$28,900					\$28,900	0.00%
Police Dept.	510	\$1,221,900	\$9,639				\$1,212,261	-0.79%
Fire Dept.	530	\$510,691	\$21,702				\$488,989	-4.25%
Lifeguards	531	\$192,912	\$1,624				\$191,288	-0.84%
Parks & Rec.	532	\$154,619	\$435				\$154,184	-0.28%
Bldg. Inspection	540	\$129,857	\$1,652				\$128,205	-1.27%
Streets & Sanitation	550	\$751,001	\$9,354				\$741,647	-1.25%
Debt Service	560	\$294,205					\$294,205	0.00%
Contingency	490	\$30,000				\$78,311	\$108,311	261.04%
Transfers	580	\$20,500				\$29,500	\$50,000	143.90%
TOTAL GENERAL FUND		\$4,021,784	\$50,011	\$57,800		\$107,811	\$4,021,784	

NOTES (Other Reductions):

- (a) - Outside agency contributions reduced to FY 2015 levels.
- (b) - Committee request reduced to FY 2015 level.
- (c) - Maintenance reduced by \$1,500 to FY 2015 level & \$30,000 for space planning eliminated.
- (d) - Community Center maintenance reduced to FY 2015 level.

GENERAL FUND REVISED FY 2016 BUDGET

DEPARTMENT	DEPT. NO.	FY 2016 DEPT. REQUESTED BUDGET	REDUCTIONS			NOTES	INCREASES TO FY 2016 REQUESTED BUDGET	FY 2016 REVISED BUDGET	% CHANGE
			SALARY ADJUSTMENT (f)	OTHER					
Governing Body	410	\$43,167		\$2,700	(a)		\$40,467	-6.25%	
Committees	412	\$23,600		\$16,100	(b)		\$7,500	-68.22%	
Finance	415	\$149,767	\$7,654				\$142,113	-5.11%	
Administration	420	\$417,215	\$3,556	\$31,500	(c)		\$382,159	-8.40%	
Community Center	421	\$25,250		\$7,500	(d)		\$17,750	-29.70%	
Elections	430	\$3,100					\$3,100	0.00%	
Emergency Mgmt.	446	\$100					\$100	0.00%	
Tax Collection	460	\$25,000					\$25,000	0.00%	
Legal	470	\$28,900					\$28,900	0.00%	
Police Dept.	510	\$1,221,900	\$15,963				\$1,205,937	-1.31%	
Fire Dept.	530	\$510,691	\$32,717				\$477,974	-6.41%	
Lifeguards	531	\$192,912	\$1,954				\$190,958	-1.01%	
Parks & Rec.	532	\$154,619	\$870	\$15,000	(e)		\$138,749	-10.26%	
Bldg. Inspection	540	\$129,857	\$3,304				\$126,553	-2.54%	
Streets & Sanitation	550	\$751,001	\$0				\$751,001	0.00%	
Debt Service	560	\$294,205					\$294,205	0.00%	
Contingency	490	\$30,000				\$109,318	\$139,318	364.39%	
Transfers	580	\$20,500				\$29,500	\$50,000	143.90%	
TOTAL GENERAL FUND		\$4,021,784	\$66,018	\$72,800		\$138,818	\$4,021,784		

NOTES:

- (a) - Outside agency contributions reduced to FY 2015 levels.
- (b) - Committee request reduced to FY 2015 level.
- (c) - Maintenance reduced by \$1,500 to FY 2015 level & \$30,000 for space planning eliminated.
- (d) - Community Center maintenance reduced to FY 2015 level.
- (e) - Eliminate proposal from P&R Advisory Board for \$15,000 for a volleyball court at J.E. Park.
- (f) - Reductions to salary adjustment amounts based on input from Dept. Heads. Does not include any amounts for Dept. Heads that are currently below benchmark.

**WATER/SEWER FUND FY 2016 BUDGET
OPERATING EXPENSES "FLAT" WITH FY 2015**

DEPARTMENT	DEPT. NO.	FY 2015 APPROVED OPERATING BUDGET	FY 2016 REQUESTED CAPITAL OUTLAY	FY 2016 INCREASES	"FLAT" FY 2016 BUDGET	FY 2016 DEPT. REQUESTED BUDGET	INC. / (DEC.) IN FY 2016 REQUESTED BUDGET TO MATCH "FLAT"	% CHANGE
Governing Body	410	\$14,967			\$14,967	\$16,767	(\$1,800)	-10.74%
Legal	470	\$24,000			\$24,000	\$28,900	(\$4,900)	-16.96%
Finance (1)	715	\$155,040			\$155,040	\$175,628	(\$20,588)	-11.72%
Administration (1)	720	\$202,710		\$25,000	\$227,710	\$253,686	(\$25,976)	-10.24%
Operations	810	\$1,076,233	\$227,524	\$117,401	\$1,421,158	\$1,367,894	\$53,264	3.89%
Transfers	999	\$0		\$50,000	\$50,000	\$50,000	\$0	0.00%
TOTAL WATER/SEWER FUND		\$1,472,950	\$227,524	\$192,401	\$1,892,875	\$1,892,875	\$0	0.00%

NOTES:

(1) - FY 2015 budget was for a combined Administration & Finance Dept. The amounts presented for FY 2015 are an allocation to the separate departments.

(2) - FY 2016 increases:

Administration - 1/2 of the personnel-related costs for new employee approved by Council in FY 2015 (\$25,000).

Operations - Loan payments for new financing during FY 2015 (\$9,770), increase in rates for Sewer Authority (\$35,000) & additional amount for potential capital projects to balance the budget based on current revenue estimates (\$72,631).

Transfers - Amount to transfer to Water Line Replacement Capital Project Fund (\$50,000).

**WATER/SEWER FUND FY 2016 BUDGET
5% REDUCTION IN OPERATING EXPENSES**

DEPARTMENT	DEPT. NO.	FY 2016 DEPT. REQUESTED BUDGET (EXCLUDING CAPITAL)	5% REDUCTION	FY 2016 REDUCED OPERATING BUDGET	FY 2016 PROPOSED CAPITAL OUTLAY	INCREASES TO FY 2016 REQUESTED BUDGET	FY 2016 REVISED BUDGET (5% REDUCTION IN OPERATING EXP.)
Governing Body	410	\$16,767	(\$838)	\$15,929			\$15,929
Legal	470	\$28,900	(\$1,445)	\$27,455			\$27,455
Finance	715	\$175,628	(\$8,781)	\$166,847			\$166,847
Administration	720	\$253,686	(\$12,684)	\$241,002			\$241,002
Operations	810	\$1,140,370	(\$57,019)	\$1,083,352	\$227,524	\$80,768	\$1,310,876
Transfers	999	\$50,000	\$0	\$50,000			\$50,000
TOTAL WATER/SEWER FUND		\$1,665,351	(\$80,768)	\$1,584,583	\$227,524	\$80,768	\$1,892,875

NOTES:

(a) - Increase to FY 2016 Requested Budget of \$80,768 is for additional capital projects that could be performed and is used to balance the budget based on current revenue estimates.

**WATER/SEWER FUND FY 2016 BUDGET
SELECTED REDUCTIONS FROM 4/9/15 WORKSHOP**

DEPARTMENT	DEPT. NO.	FY 2016 DEPT. REQUESTED BUDGET	REDUCTIONS			INCREASES TO FY 2016 REQUESTED BUDGET	FY 2016 REVISED BUDGET	% CHANGE
			1/2 OF SALARY ADJUSTMENT	OTHER	NOTES			
Governing Body	410	\$16,767				\$16,767	0.00%	
Legal	470	\$28,900				\$28,900	0.00%	
Finance	715	\$175,628	\$3,827			\$171,801	-2.18%	
Administration	720	\$253,686	\$1,778	\$1,500	(a)	\$250,408	-1.29%	
Operations	810	\$1,367,894	\$6,213		(b)	\$1,374,999	0.52%	
Transfers	999	\$50,000				\$50,000	0.00%	
TOTAL WATER/ SEWER FUND		\$1,892,875	\$11,818	\$1,500		\$1,892,875	0.00%	

NOTES:

(a) - Maintenance reduced by \$1,500 to FY 2015 level.

(b) - FY 2016 increase of \$13,318 is for potential capital projects and is used to balance the budget based on current revenue estimates.

**WATER/SEWER FUND
REVISED FY 2016 BUDGET**

DEPARTMENT	DEPT. NO.	FY 2016 DEPT. REQUESTED BUDGET	REDUCTIONS			INCREASES TO FY 2016 REQUESTED BUDGET	FY 2016 REVISED BUDGET	% CHANGE
			SALARY ADJUSTMENT (c)	OTHER	NOTES			
Governing Body	410	\$16,767				\$16,767	0.00%	
Legal	470	\$28,900				\$28,900	0.00%	
Finance	715	\$175,628	\$7,654			\$167,974	-4.36%	
Administration	720	\$253,686	\$3,556	\$1,500	(a)	\$248,630	-1.99%	
Operations	810	\$1,367,894	\$0		(b)	\$1,380,604	0.93%	
Transfers	999	\$50,000				\$50,000	0.00%	
TOTAL WATER/SEWER FUND		\$1,892,875	\$11,210	\$1,500		\$1,892,875	0.00%	

NOTES:

(a) - Maintenance reduced by \$1,500 to FY 2015 level.

(b) - FY 2016 increase of \$12,710 is for potential capital projects and is used to balance the budget based on current revenue estimates.

(c) - Reductions to salary adjustment amounts based on input from Dept. Heads. Does not include any amounts for Dept. Heads that are currently below benchmark.

**STORM WATER FUND FY 2016 BUDGET
OPERATING EXPENSES "FLAT" WITH FY 2015**

DEPARTMENT	DEPT. NO.	FY 2015 APPROVED	FY 2016 REQUESTED	FY 2016	"FLAT"	FY 2016 DEPT.	INC. / (DEC.) IN FY 2016	% CHANGE
		OPERATING BUDGET	CAPITAL OUTLAY	INCREASES	FY 2016 BUDGET	REQUESTED BUDGET	REQUESTED BUDGET TO MATCH "FLAT"	
SW Operations	610	\$201,543	\$275,000	\$8,834	\$485,377	\$493,307	(\$7,930)	-1.61%

NOTES:

(1) - FY 2016 increase of \$8,834 relates to additional debt service for capital outlay financed during FY 2015.

**STORM WATER FUND FY 2016 BUDGET
5% REDUCTION IN OPERATING EXPENSES**

DEPARTMENT	DEPT. NO.	FY 2016 DEPT. REQUESTED BUDGET (EXCLUDING CAPITAL)	5% REDUCTION	FY 2016 REDUCED OPERATING BUDGET	FY 2016 PROPOSED CAPITAL OUTLAY	FY 2016 REVISED BUDGET (5% REDUCTION IN OPERATING EXP.)
SW Operations	610	\$218,307	(\$10,915)	\$207,392	\$275,000	\$482,392

**STORM WATER FUND FY 2016 BUDGET
SELECTED REDUCTIONS FROM 4/9/15 WORKSHOP**

DEPARTMENT	DEPT. NO.	FY 2016 DEPT. REQUESTED BUDGET	REDUCTIONS			NOTES	INCREASES TO		FY 2016 REVISED BUDGET	%
			1/2 OF SALARY ADJUSTMENT	OTHER	ADJUSTMENT		FY 2016 REQUESTED BUDGET	REVIS		
SW Operations	610	\$493,307	\$2,070					\$491,237	-0.42%	

GENERAL FUND REVENUE BUDGET FY 2016 VS. FY 2015

REVENUE TYPE	ORIGINAL 2015 BUD.	AMENDED 2015 BUD.	2016 BUDGET	DIFF. 2016 & ORIG. 2015	% CHG.	DIFF. 2016 & AMENDED 2015	% CHG.	SIGNIFICANT CHANGES FY 2016 VS. FY 2015
Property Taxes	\$2,100,250	\$2,100,250	\$2,121,250	\$21,000	1.0%	\$21,000	1.0%	Increase in property valuation.
Sales Tax	\$713,000	\$713,000	\$785,200	\$72,200	10.1%	\$72,200	10.1%	Actual growth in FY 2015 greater than budgeted. FY 2016 estimated to be 4% greater than FY 2015 forecast.
Franchise & Utility Taxes	\$142,250	\$142,250	\$201,500	\$59,250	41.7%	\$59,250	41.7%	Negative trends for telecommunications & video programming taxes. Electric franchise fee eliminated in FY 2015 and replaced with an electric sales tax.
TDA	\$198,651	\$198,651	\$205,012	\$6,361	3.2%	\$6,361	3.2%	FY 2016 budget is for lifeguards, Pleasure Island Chamber of Commerce concerts & Kure Beach Christmas show.
Garbage & Recycle Fees	\$338,700	\$338,700	\$341,400	\$2,700	0.8%	\$2,700	0.8%	
ABC Revenue	\$10,175	\$10,175	\$10,725	\$550	5.4%	\$550	5.4%	
Building Permits, CAMA, Impact Fees, Fire Inspections	\$44,700	\$44,700	\$57,200	\$12,500	28.0%	\$12,500	28.0%	Upward trend in building related fees.
Communication Tower Rent	\$84,769	\$84,769	\$86,702	\$1,933	2.3%	\$1,933	2.3%	Annual increase in rent for most cell providers as per contract.

GENERAL FUND REVENUE BUDGET FY 2016 VS. FY 2015

REVENUE TYPE	ORIGINAL 2015 BUD.	AMENDED 2015 BUD.	2016 BUDGET	DIFF. 2016 & ORIG. 2015	% CHG.	DIFF. 2016 & AMENDED 2015	% CHG.	SIGNIFICANT CHANGES FY 2016 VS. FY 2015
Motor Vehicle Decals	\$7,500	\$7,500	\$7,000	(\$500)	-6.7%	(\$500)	-6.7%	Downward trend in motor vehicle decal sales. Storms/hurricanes would cause an upward spike in decal sales.
Beer & Wine Tax	\$8,500	\$8,500	\$9,500	\$1,000	11.8%	\$1,000	11.8%	Forecasted state-wide increases for FY 15 & 16.
Community Center/ Parks & Rec/ Street Festival	\$27,450	\$27,450	\$28,150	\$700	2.6%	\$700	2.6%	
Town Facility Rentals	\$10,000	\$10,000	\$10,500	\$500	5.0%	\$500	5.0%	
All Other Revenue	\$39,346	\$43,770	\$46,645	\$7,299	18.6%	\$2,875	6.6%	FY 16 includes estimated parking lot donations from businesses of \$5,500.
Other Financing Sources	\$64,000	\$473,471	\$111,000	\$47,000	73.4%	(\$362,471)	-76.6%	Loans for vehicles & equipment.
Appropriate Fund Balance	\$4,125	\$4,125	\$0	(\$4,125)	-100.0%	(\$4,125)	-100.0%	
TOTAL GENERAL FUND	\$3,793,416	\$4,207,311	\$4,021,784	\$228,368	6.0%	(\$185,527)	-4.4%	

WATER/SEWER FUND REVENUE BUDGET FY 2016 VS. FY 2015

REVENUE TYPE	ORIGINAL 2015 BUD.	AMENDED 2015 BUD.	2016 BUDGET	DIFF. 2016 & ORIG. 2015	% CHG.	DIFF. 2016 & AMENDED 2015	% CHG.	SIGNIFICANT CHANGES FY 2016 VS. FY 2015
Water Charges	\$625,000	\$625,000	\$714,500	\$89,500	14.3%	\$89,500	14.3%	Includes a 25% increase in monthly minimum rate.
Sewer Charges	\$905,000	\$905,000	\$1,054,500	\$149,500	16.5%	\$149,500	16.5%	Includes a 25% increase in monthly minimum rate.
Water & Sewer Tap Fees	\$27,000	\$27,000	\$27,000	\$0	0.0%	\$0	0.0%	
Cutoff & Reconnection Fees	\$1,500	\$1,500	\$840	(\$660)	-44.0%	(\$660)	-44.0%	
Other Revenue/ Fees	\$5,750	\$5,750	\$5,150	(\$600)	-10.4%	(\$600)	-10.4%	
Interest Income	\$906	\$906	\$885	(\$21)	-2.3%	(\$21)	-2.3%	
Other Financing Sources	\$35,000	\$67,216	\$90,000	\$55,000	157.1%	\$22,784	33.9%	Loans for equipment and a truck.
Appropriate Fund Balance	\$0	\$11,750	\$0	\$0		(\$11,750)	-100.0%	
TOTAL WATER/ SEWER FUND	\$1,600,156	\$1,644,122	\$1,892,875	\$292,719	18.3%	\$248,753	15.1%	

WATER/SEWER FUND PROPOSED INCREASE IN MONTHLY MINIMUM RATES

	Current	25% Increase	Proposed	Avg. No.	Est. Increase
<u>WATER</u>	<u>Rate</u>	<u>Increase</u>	<u>Rate</u>	<u>of Accts.</u>	<u>In Revenue</u>
Residential	\$13.50	\$3.38	\$16.88	2,143	\$86,792
Commercial	\$18.50	\$4.63	\$23.13	39	\$2,165
Out of Town	\$23.00	\$5.75	\$28.75	7	\$483
					<u>\$89,439</u>
<u>SEWER</u>					
Residential	\$23.50	\$5.88	\$29.38	2,076	\$146,358
Commercial	\$25.50	\$6.38	\$31.88	36	\$2,754
Out of Town	\$40.50	\$10.13	\$50.63	4	\$486
					<u>\$149,598</u>
<u>TOTAL MONTHLY INCREASE</u>					
Residential	\$9.26				
Commercial	\$11.01				
Out of Town	\$15.88				
<u>TOTAL ANNUAL INCREASE IN REVENUE</u>			\$239,037		

WATER & SEWER MONTHLY MINIMUMS INCREASE SCENARIOS

	Current Rate	10% Increase	Rate After 10% Inc.	20% Increase	Rate After 20% Inc.	25% Increase	Rate After 25% Inc.
<u>WATER</u>							
Residential	\$13.50	\$1.35	\$14.85	\$2.70	\$16.20	\$3.38	\$16.88
Commercial	\$18.50	\$1.85	\$20.35	\$3.70	\$22.20	\$4.63	\$23.13
Out of Town	\$23.00	\$2.30	\$25.30	\$4.60	\$27.60	\$5.75	\$28.75
<u>SEWER</u>							
Residential	\$23.50	\$2.35	\$25.85	\$4.70	\$28.20	\$5.88	\$29.38
Commercial	\$25.50	\$2.55	\$28.05	\$5.10	\$30.60	\$6.38	\$31.88
Out of Town	\$40.50	\$4.05	\$44.55	\$8.10	\$48.60	\$10.13	\$50.63

TOTAL IMPACT ON MONTHLY BILL:

Residential	10% Inc.	\$3.70	20% Inc.	\$7.40	25% Inc.	\$9.26
Commercial	\$4.40	\$8.80	\$11.01			
Out of Town	\$6.35	\$12.70	\$15.88			

ESTIMATED TOTAL ANNUAL INCREASE IN REVENUE:

10% Inc.	\$95,615
20% Inc.	\$191,225
25% Inc.	\$239,037

AVERAGE NUMBER OF ACCOUNTS:

Residential	Water	2,143	Sewer	2,076
Commercial	39	36		
Out of Town	7	4		

**STORM WATER FUND REVENUE BUDGET
FY 2016 VS. FY 2015**

REVENUE TYPE	2015 BUDGET	2016 BUDGET	DIFF. 2016 & 2015	% CHANGE	SIGNIFICANT CHANGES FY 2016 VS. FY 2015
Storm Water Charges	\$216,000	\$218,500	\$2,500	1.2%	
Storm Water Building Fees	\$36,000	\$36,000	\$0	0.0%	
Interest Income	\$370	\$360	(\$10)	-2.7%	
Other Financing	\$35,000	\$0	(\$35,000)	-100.0%	
Appropriate Fund Balance	\$0	\$238,447	\$238,447		The appropriation is to allow for a transfer of \$275,000 to the Storm Water Capital Projects Fund.
TOTAL STORM WATER FUND	\$287,370	\$493,307	\$205,937	71.7%	

**PROPOSED WATER/SEWER CAPITAL PROJECT FUND
WATER LINE REPLACEMENT**

<u>REVENUE:</u>	
Transfer from Water/Sewer Fund	\$50,000
Installment Financing	<u>\$450,000</u>
Total Revenue	<u>\$500,000</u>
<u>EXPENSES:</u>	
Estimated Project Costs	<u>\$500,000</u>

**PROPOSED STORM WATER CAPITAL PROJECT FUND
KURE BEACH VILLAGE PHASE IIA**

<u>REVENUE:</u>	
Transfer from Storm Water Fund	\$275,000
Installment Financing	<u>\$475,000</u>
Total Revenue	<u>\$750,000</u>
<u>EXPENSES:</u>	
Estimated Project Costs	<u>\$750,000</u>

REQUESTS RECEIVED FROM OUTSIDE ORGANIZATIONS

ORGANIZATION	DATE FY 2016 REQUEST REC'D	REQUEST REC'D FY 2016	REQUEST REC'D FY 2015	ACTUAL FY 2015	ACTUAL FY 2014	ACTUAL FY 2013	ACTUAL FY 2012	ACTUAL FY 2011	ACTUAL FY 2010
Pleasure Island Chamber of Commerce (concert series)	03/10/2015	\$8,800	\$8,800	\$8,800	\$8,000	\$8,000	\$8,000	\$8,000	
Katie B. Hines Senior Center	03/11/2015	\$2,500	\$2,000	\$2,000	\$2,000			\$2,950	
Federal Point Historic Preservation Society	03/11/2015	\$3,000	\$3,000	\$1,000	\$1,000			\$3,000	
Federal Point Help Center (1)	03/10/2015	\$1,200	\$1,000	\$1,000	\$1,000			\$1,250	
Kure Beach Volunteer Fire Dept (Christmas Show)	Not received (3)	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,300	\$3,000
Island of Lights (2)	03/06/2015	\$1,100	\$1,100	\$1,100	\$1,000			\$1,500	
Friends of Fort Fisher, Inc.			\$5,000	\$2,000					
Pleasure Island Sea Turtle Project	04/01/2015	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	
Kure Beach Parks & Rec									\$500
TOTAL		\$25,300	\$29,600	\$24,600	\$21,700	\$16,700	\$16,700	\$25,400	\$5,000

(1) - Federal Point Help Center request for FY 2016 also includes \$2,500 of in-kind.

(2) - Island of Lights request for FY 2016 (and FY 2013, 2014 & 2015) also includes \$900 of in-kind (Total request of \$2,000).

(3) - No request received, however the Town normally contributes \$3,300.

RECOMMENDATION

SALARY STUDY ADJUSTMENTS

SALARY STUDY ANALYSIS

46 % of employees meet or exceed benchmark
 54% of employees below benchmark

Benchmark Market Rate	# pay grades	Pay grades	Departments	# Of Employees % of Staff
Meets or exceeds	5	10, 11, 12, 20, 21	A&F, Fire, Police	18 46 % of staff
1% - 5% below market	2	13,15	Building, Fire, PW	3 7.5 % of staff
6% - 10 % below market	3	8 & 9, 14, 19	A&F, Fire, Police, PW	17 44 % of staff
11% - 15% below market	0			
16% - 20% Below market	1	17	Fire	1 2.5 % of staff

RECOMMENDATION # 1

Include in FY15-16 budget, an adjustment to the 10 employees' salaries in paygrade 9 below benchmark.

JUSTIFICATION

- This paygrade is 6 -10 % below benchmark market rate.
- 11 staff or 25% of employees are in this paygrade. 10 are below benchmark.
- This is the lowest paygrade.
- Impact is to PW for \$28,180. (GF \$15,611; WF \$9,114; SW \$3,455)
- Amount does not include taxes or benefits.
- Note – since paygrade 8 & 9 both have the same job description, they were combined for the purpose of the study into grade 9 and the Pay and Classification Schedule will also adjusted accordingly.

RECOMMENDATION # 2

Include in FY15-16 budget, an adjustment to 3 of the 6 salaries in paygrades 13, 14, and 19.

JUSTIFICATION

- Paygrade 13 is 1-5% below benchmark; 14 & 19 are 6-10% below benchmark.
- These are either supervisory positions or require additional decision making skills.
- 6 positions or 15% of employees are in these paygrades. 4 of the 6 are below benchmark.
- Discussions with DH about time in position, skill level when hired, comparisons with other staff, etc. resulted in adjustments recommended for 3 of the 4 positions below benchmark.
- Impact is to Fire and PW for \$8,255. (GF \$7,000; WF \$1,255)

Note: this is a reduction of \$15,130 from salary study numbers.

RECOMMENDATION # 3

Determine today in closed session whether the 4 DH level positions below benchmark will receive an adjustment in the proposed FY15-16 budget.

JUSTIFICATION

- These positions are in paygrades 15, 17, & 19.
- Paygrade 15 is 1-5% below benchmark; paygrade 17 is 16-20% below; paygrade 19 is 6-10% below.
- Of particular concern is paygrade 17. It is the lowest below benchmark of all paygrades. Paygrades 15 & 19 are the second lowest below benchmark.
- Impact - undetermined

RECOMMENDATION # 4

Include in FY15-16 budget an adjustment for 4 of the 7 salaries in paygrades 10, 11, 12, 20, 21.

JUSTIFICATION

- All of these paygrades meet or exceed benchmark.
- 18 staff or 46% of employees are in these paygrades.
- 7 employees are enough below benchmark to be a concern.
- Discussions with DH about time in position, skill level when hired, comparisons with other staff, etc. resulted in adjustments recommended for 4 of the 7 positions below benchmark.
- Impact is to Police and Fire for \$5,761. (GF only)

Note: this is a reduction of \$15, 917 from salary study numbers.

SUMMARY

\$42,195 is the recommended salary adjustment amount.

- This does not include an increase for the 4 DH level positions below benchmark.
- This does not include adjustments for DH positions below benchmark.
- This amount doesn't include taxes and benefits.
- This approach corrects the inequities that exist in salaries within paygrades.
- To minimize the impact to the FY15-16 budget more, consider making adjustments effective mid-year in January 2016. Reduces impact to \$21,247.50.
- Taking a straight 50% reduction in adjustments only reduces impact to budget but does not correct inequities. This means the salaries below benchmark will continue to remain below benchmark.

\$104,424 to bring all employees to 100% benchmark. \$52,212 is the 50% reduction suggested.