

COUNCIL MINUTES
SPECIAL WORKSHOP MEETING

January 24, 2017

A special workshop meeting of the City Council of the City of Jacksonville was held Tuesday, January 24, 2017 beginning at 4:30 PM in Meeting Rooms A and B of Jacksonville City Hall. Present were: Mayor Sammy Phillips, presiding; Mayor Pro-Tem Michael Lazzara and Council Members: Jerry Bittner, Randy Thomas, Bob Warden, and Angelia Washington. Councilman Jerome Willingham was absent. Also present were: Richard Woodruff, City Manager; Ronald Massey, Deputy City Manager; Gayle Maides, Finance Director; Glenn Hargett, Assistant Manager for Communications and Community Affairs; Anthony Prinz, Transportation Services Administrator; Kimberly Williams, Human Resources Director; Wally Hansen, Public Services Director; Carmen Miracle, City Clerk; and John Carter, City Attorney. *A video recording of the Council Meeting is presently available for review on the City's website.

CALL TO ORDER

Mayor Phillips called the meeting to order at 4:33 PM.

ADOPTION OF AGENDA

A motion was made by Councilman Bittner, seconded by Councilman Thomas, and unanimously approved to adopt the agenda as presented.

WORKSHOP TOPIC

AUDITOR'S REPORT ON THE CITY'S COMPREHENSIVE ANNUAL FINANCIAL
REPORT FOR FY 2016

Referring to the PowerPoint presentation herein attached as Exhibit A, Mr. Andrew Brothers, Certified Public Accountant, RSM, Inc. provided a brief overview of the Auditor's Report for the City's Comprehensive Annual Financial Report (CAFR) for fiscal year 2016. An unmodified or clean opinion was rendered which was the highest opinion possible.

Mr. Brothers pointed out within the opinion there was an emphasis related to a new Governmental Accounting Standards Board (GASB) pronouncement that was issued during the year. To comply the City had to reclassify assets, formerly reported as the Law Enforcement Special Separation Allowance Trust Fund. These assets were re-classified into the General Fund. As a result, the General Fund increased by \$305,000. Ms. Gayle Maides, Finance Director said

they had been showing the money as a trust fund, which was how most local governments in NC handled it. However, since they had not adopted a trust ordinance that protected those specific assets from creditors, the funds had been moved back to the General Fund.

Councilman Warden asked if there was a need to create a trust ordinance. Ms. Maides said they could, but the funds were handled as restricted and committed within the General Fund.

Mr. Brothers provided a breakdown of General Fund revenues, revenues by source, property taxes collected, expenditures, expenditure growth by segment, General Fund Balance retained earnings, balance presentation, and balance unassigned as a percentage of General Fund expenditures as of the year ended June 30, 2016.

Discussion was held on property tax collections as well as the success of personal property taxes being collected on automobiles upon renewal of license plates.

Mr. Brothers moved on to discuss the compliance section of the audit report. He said the first opinion included the financial statement audit as well as the opinion on the internal controls of financial reporting and compliance. There were no instances of material weaknesses found; however, there was a significant deficiency in internal control over financial reporting and a significant deficiency in internal control over major federal programs with a related compliance finding. There was a deficiency in an overstatement of debt in which the City recorded debt prior to receiving the funds. This was similar to a sale on a receivable but the loan was placed on the books as debt and should not have been until the funds were received. An auto adjustment was proposed and a procedure was put in place to reconcile the debt with third party source documents going forward. The City agreed with this and implemented the new procedure to avoid this situation in future. Secondly, the Community Development Block Grant was required to monitor sub-recipients. The sub-recipient had entered into a contract and it was unclear as to whether the bid process had been followed correctly and that the contract had been awarded in a fair and open competition basis.

In response to a request for more details from Mayor Pro-Tem Lazzara, Mr. Woodruff said he did not have the details of the two items but he would get the information for the Council.

Mr. Brothers continued that RSM recommended the City strengthen its controls around sub-recipients to ensure recipients were performing the bid process appropriately per the sub-recipient agreement. In addition, they recommended the City clarify within its sub-recipient

agreements what constituted fair and open competition. He said Management had agreed with this corrective action plan and would implement this process at the end of February 2017.

Councilman Bittner asked how the City would clarify that the bid process was a fair and open competition. Mr. Woodruff said the City would write it in to the contract so the sub-recipients would understand exactly what the term meant. Ms. Lillie Gray, Community Development Administrator provided further information. She explained that Community Development was working with sub-recipients to help them understand the bid process and how to utilize it effectively.

Mr. Brothers reviewed the comparable tax rates which indicated that Jacksonville's tax rate was slightly higher than similar size municipalities.

Councilman Thomas asked for the list of cities that had been used for the comparable tax rates. Mr. Brothers did not have the list with him but said he would provide it. Mr. Woodruff asked to also have a socioeconomic profile for the seven cities listed in order to gain a proper perspective of the figures. Councilman Warden said it would be interesting to know average home prices for those areas as well as the figures for residential and commercial tax values. Mr. Woodruff said they would get that information as well.

Mr. Woodruff said the auditors were hired by the Council and reported to them. He asked them if anyone within City Management or the Finance department or any staff had attempted to have them modify their findings in any way. Mr. Brothers responded no. Mr. Woodruff asked if the audit team had received full cooperation from City staff. Mr. Brothers said yes. Mr. Woodruff asked if there were any recommendations to make on how the City handled the auditing process other than what had been explained previously. Mr. Brothers said he could not think of anything that should be changed.

Councilman Thomas asked why the auditing process had taken longer this year. Mr. Brothers said there was more of an issue this year with the debt refunding that had occurred which made the audit take longer on both ends.

Councilman Bittner asked if there was any one department that had been singled out for a more intensive study. Mr. Brothers said RSM had to test CDBG as they had a significant increase in spending; each year they also had to test the Powell Bill due to thresholds; and for the last several years they had to test Federal Transit.

Councilman Bittner asked if the drug fund was included as part of the audit. Mr. Brothers said yes. However, his partner, Ms. Murphy, stated that the threshold had increased to \$750,000 for a single audit and the drug fund did not come close to that figure. Mr. Woodruff asked if more information on the drug fund was needed. Councilman Bittner said no, he did not think it was necessary at this time. Mr. Woodruff said as they proceeded into the budget, the drug fund would be included showing the historic balance. Councilman Bittner asked if the internal procedures for handling and dispersing the drug fund were still intact. Ms. Maides said there had been some changes as it was no longer held in a separate bank account. Mayor Phillips asked if there was an internal audit of the account and Ms. Maides said no. The Mayor asked when that stopped. Ms. Maides said that formerly the department had a check book and brought it to the Finance Director who had to sign the check. That did not happen any longer and they no longer had a separate account. Mayor Phillips asked how they made their transactions. Ms. Maides said they went through the same process as before, they just had petty cash on hand which was replenished as needed or they used the requisition process.

Mr. Brothers referred to the SAS 114 letter which had been provided to Council in advance. The SAS 114 letter was basically the audit report card and summarized the matters which were presented at the end of the audit.

Following a brief discussion, a motion was made by Councilman Bittner, seconded by Councilman Warden and unanimously approved to accept the FY15-16 audit as presented.

RECESS

Mayor Phillips recessed the meeting at 5:15 PM for a short break. Mayor Phillips reconvened the meeting at 5:29 PM.

PRELIMINARY FY2017/18 BUDGET DISCUSSIONS

FINANCIAL UPDATES

As shown in Exhibit A, Ms. Gayle Maides, Finance Director, provided detailed financial updates for the current fiscal year. She reviewed the unassigned General Fund balance revenues and expenditures; General Fund audited for FY16; General Fund unaudited for six months ended 12-31-2015 and 2016; and projects outstanding General Fund debt payments as of 6-30-2016.

Councilman Thomas noted that the utilities franchise tax was almost \$1 million more than the amount budgeted. Ms. Maides said the tax had become a sales tax versus a franchise tax

approximately two years ago. The money went to the State for redistribution and the City had received more than in previous years.

Ms. Maides reviewed the FY16 Capital Reserve. Mr. Woodruff said if any of the listed building projects moved forward, the uncommitted balance of about \$1.2 million was available if needed. Regarding the Jacksonville Marina project, he said that approximately \$440,000 in funding was provided from the PARTF Grant funds. However, the goal was to not touch any of the uncommitted balance due to the significant need at Northeast Creek.

Mr. Woodruff pointed out that the Council Initiatives fund was an important planning fund for the Council that they used to build community assets. Projects would be paid for in two years that freed up approximately \$250,000. Three years away would free up almost \$450,000. He said he would like to stay away from debt as much as possible and pay cash in the year the money was available, which was a policy issue for review by Council.

Ms. Maides reviewed the fund balance for the Water and Sewer Fund, noting that the City paid cash for a lot of the maintenance projects. This would need to continue as they would be using a major portion of their borrowing capacity to finance the Western Boulevard-Parkwood Trunk Sewer. She said she did not know if the City would have much borrowing capacity until approximately 2023 when the Land Application and Water Plant were paid.

Councilman Warden asked about the recent legal issues related to impact fees for utilities. Mr. Ron Massey, Deputy City Manager, said the most recent discussions on impact fees were related to a lawsuit and a Court ruling. He was hopeful however that the Legislature would clarify the issue for municipalities moving forward. Mr. Woodruff reported that the City had completed an analysis and found that they were in compliance with the law and thus the facility fees collected were legal. Mr. John Carter, City Attorney said there was a paragraph in the CAFR that addressed the issue.

Councilman Bittner asked for more details on how the City was in compliance. Mr. Wally Hansen, Public Works Administrator, said the analysis of the facility charges showed they did not have projects in their CIP that they were not funding, past or present. Discussion ensued as to what defined future projects. Councilman Thomas asked if Mr. Woodruff could obtain a copy of ONWASA's history of facility charges for review.

Ms. Maides said the user fees were right where they should be at the end of December. Facility fees were slightly low and other revenue was at 77% due to installment purchases. She

said we might end the year not spending the fund balance. Water and Sewer projects did not show the debt service declining. However, over the last two years, the debt service declined approximately \$2.2 million, which was set aside for the new Parkwood project so rates might not have to be increased.

Regarding the Fund Balance for the Stormwater Fund, there were two projects coming up, Center Street and Brynn Marr. Revenues and expenditures came in good with savings being made. For FY 16 and 17 revenues were on target. The General Fund was owed three more years of payments, approximately \$225,000 to pay back the original "startup" money for the Stormwater Fund.

Ms. Maides said the Solid Waste Fund had a positive unrestricted Fund Balance. They ended the year with revenues over budget with expenditures under budget and a fuel savings of over \$164,000. This was more than half of their fuel budget. Ms. Maides said the Solid Waste Fund charges were exactly where expected.

As shown in Exhibit A, Ms. Maides gave a detailed report of the Budget Assumptions, Health Care Outlook, Future Issues and Opportunities, and FY16 Revenue Forecast. She stated there might be a slight increase in the Sales Tax for the year based upon a conversation she had with the Onslow County Tax Office. Powell Bill and Franchise Tax funding remained stable and no increase in stormwater or solid waste fees were anticipated. Passports were doing well and were currently at approximately \$117,000 in revenue. Fuel budgeting for FY 18 would continue as in the past; however, it would be adjusted due to having new larger tanks at Fleet Garage. She spoke about the Unknowns, which included Health Insurance, General Fund Nonprofit Contributions, Water and Sewer Rates, and the appropriation of the General Fund Balance.

Mr. Woodruff said in the coming budget, staff was assuming they would keep the same figure (\$50,000) in the budget for the nonprofit contribution fund.

Councilman Bittner asked how the opportunity to apply for funding was publicized. Ms. Lillie Gray, Community Development Administrator, responded that flyers and emails were sent to all nonprofits announcing the opportunity. She added that there was an application process and certain criteria had to be met along with the applications being scored.

Ms. Maides reviewed the Health Insurance Fund. Discussion was held on several changes made last year in hopes of increasing the Fund. Ms. Kimberly Williams, Chief Human Resources

Officer, explained the new “Healthiest You” program, which provided employees with access to doctors via telephone, which they hoped would aid in reducing costs.

Councilman Bittner asked who was carrying our catastrophic insurance. Mr. Woodruff said Blue Cross was our carrier but the catastrophic coverage was through an administrator. He said they would get the details of the carrier.

Mr. Woodruff provided a history of compensation increases FY 2011 – FY 2017 as well as the corresponding CIP. He then presented employee compensation options as outlined in Exhibit A for Council to consider in moving forward with the budget preparation process. He then reviewed the Budget Schedule including budget workshops April –June with the Public Hearing planned for May 16, 2017 and budget adoption anticipated May – June 2017.

CAPITAL IMPROVEMENT PLAN-UPDATE

As shown in Exhibit A, Ms. Deanna Trebil, Capital Projects Administrator provided an update of the FY 17 CIP projects. She reviewed the current status of the Sturgeon City Education Building, Public Services Projects, Street Rehabilitation - Phases I and II, Recreation and Parks and Transportation projects.

Ms. Trebil also presented concept drawings for a Welcome Center at Jacksonville Landing. There were two concept options presented: one an Open Air Pavilion, which would require no on site staffing, and an Enclosed Building, which would require staffing. Council discussed the placement on site in terms of the visibility from Hwy 17 as well as Old Bridge Street. Mr. Woodruff said more information would be forthcoming on this project. Another concept plan was reviewed for Northeast Creek Park with more details and discussion planned on this project for a future Council Workshop Meeting.

Councilman Warden asked if the City was looking at increasing accessibility to our playgrounds. Ms. Trebil said yes, and as a separate project, Recreation and Parks had applied for a Grant for an All Inclusive Playground. If those funds were received, the inclusive playground would be at Northeast Creek Park.

Ms. Trebil reviewed the Commons Park and Ride project and presented a conceptual site plan. She said they were currently in the environmental assessment phase and were looking forward to beginning the design phase.

Mr. Anthony Prinz addressed the State's new draft of the STIP. The City had several projects that would be affected. The existing Henderson Drive Extension was one of those

projects. Discussion ensued as to how a project was removed from the list once it had been approved. Mr. Prinz explained the difference between projects and the length of time required to complete those projects.

Mr. Woodruff reminded the public of the FEMA Flood Map meetings scheduled for January 25 from 2 pm to 4 pm at the Onslow County Government Complex, from 6pm to 8 pm at the Sneads Ferry Community Center, and on January 26, from 4 pm to 6 pm at City Hall. The presentation at City Hall would be televised on G10 TV.

ADJOURNMENT

A motion was made by Mayor Pro-Tem Lazzara, seconded by Councilman Bittner and unanimously adopted to adjourn the meeting at 6:47 PM.

Adopted by the Jacksonville City Council in regular session this 21st day of February, 2017.

Sammy Phillips, Mayor

ATTEST:

Carmen K. Miracle, City Clerk

Exhibit "A"


Jacksonville City Council




Regular Workshop Meeting
February 7, 2017

Pre Budget Workshop


1. Auditor's Report
2. Financial Updates
3. Review 4¢ Council Initiative Fund
4. Budget Outlook and Challenges
5. FY17 CIP update




Auditor's Report
Andrew Brothers, CPA, Manager




City of Jacksonville
January 24, 2017




Minimum Requirements for the Basic Financial Statements

- Management's Discussion and Analysis
- Government-wide F/S
- Fund F/S
- Notes to the F/S
- Required supplementary information



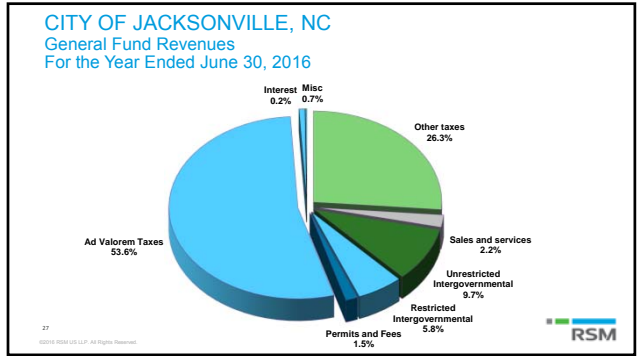
CITY OF JACKSONVILLE, NC
Types of Opinions

- Qualified
- Adverse
- Disclaimer
- **Unmodified – "Clean" (Highest Level of Assurance)**

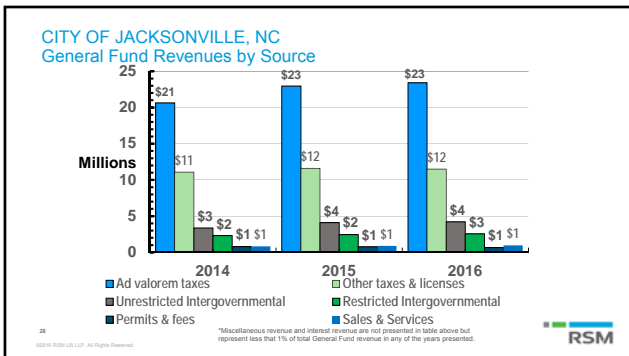


Financial Results for the Year Ended June 30, 2016

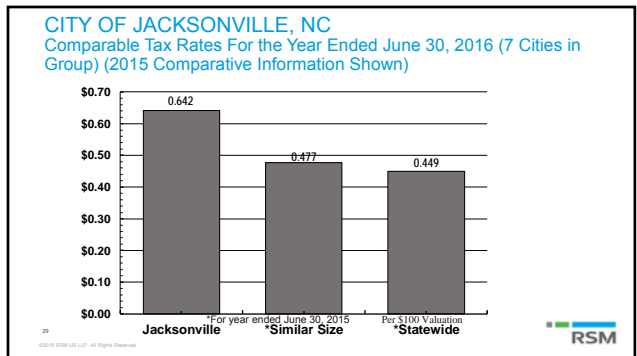
26 ©2016 RSM US LLP. All Rights Reserved.



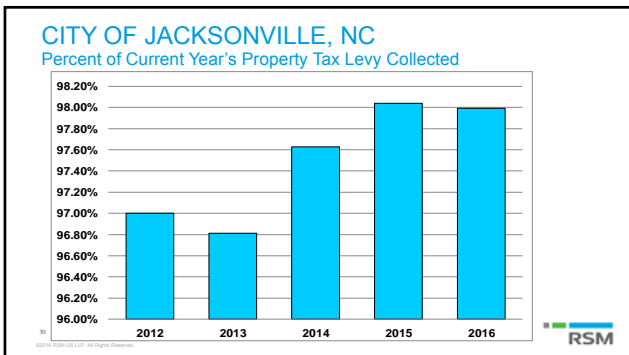
27 ©2016 RSM US LLP. All Rights Reserved.



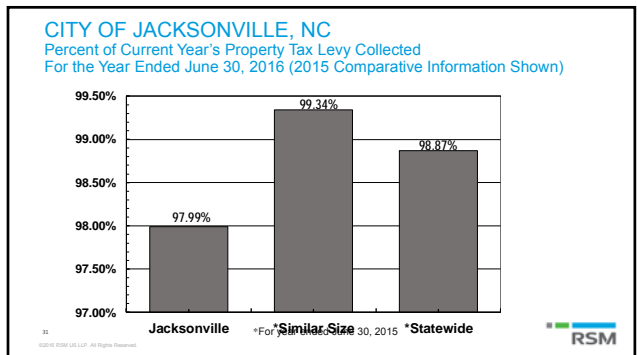
28 ©2016 RSM US LLP. All Rights Reserved.



29 ©2016 RSM US LLP. All Rights Reserved.

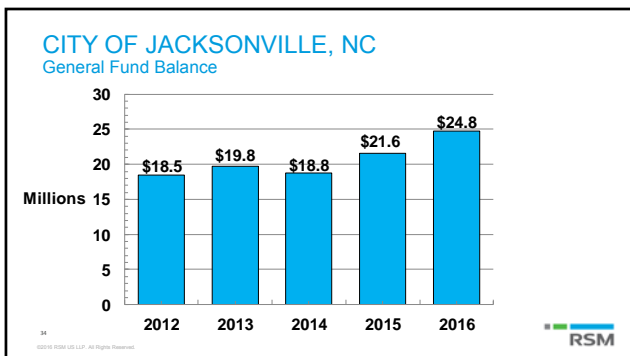
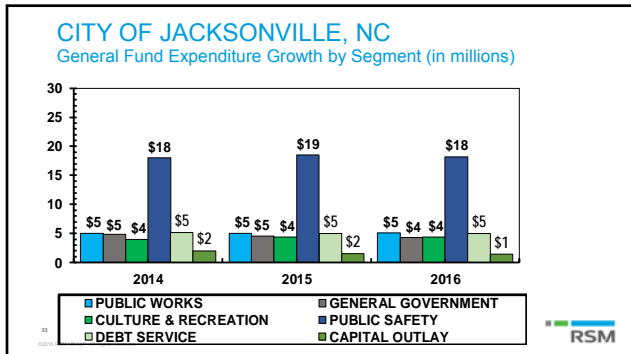
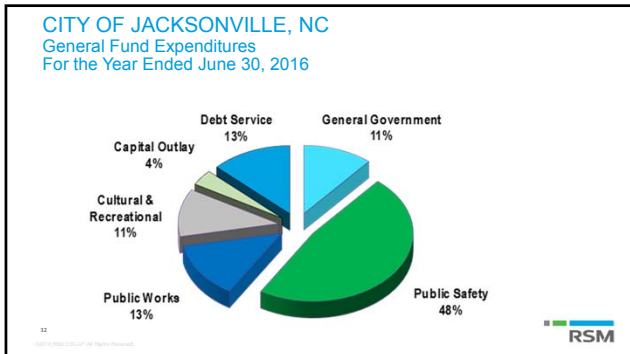


30 ©2016 RSM US LLP. All Rights Reserved.



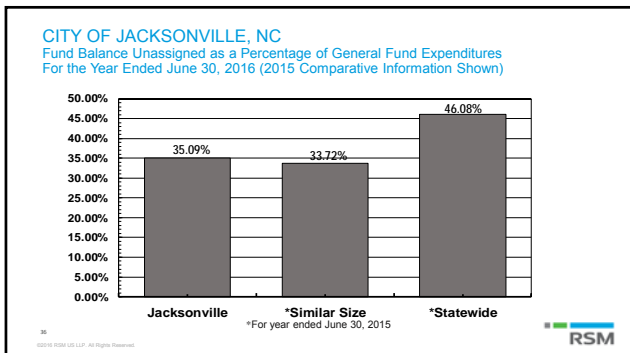
31 ©2016 RSM US LLP. All Rights Reserved.





CITY OF JACKSONVILLE, NC Post – GASB 54 General Fund Balance Presentation

Fund balances:	
Non Spendable	
Inventories	82,183
Compensating balance	2,000,000
Prepaid items	5,670
Restricted	
Stabilization by State Statute	5,288,235
Streets	520,535
Other functions	910,189
Public Safety	75,351
Committed	
LEO Special Separation Allowance	312,733
Assigned	
Subsequent year's expenditures	2,112,849
Unassigned	13,451,074
Total fund balances	24,758,819




RSM US LLP
3521 John Platt Drive
Morehead City, NC 28557
252 726 0551
+1 800 274 3978
www.rsmus.com

This document contains general information, may be based on authorities that are subject to change, and is not a substitute for professional advice or services. This document does not constitute audit, tax, consulting, business, financial, investment, legal or other professional advice, and you should consult a qualified professional advisor before taking any action based on the information herein. RSM US LLP, its affiliates and related entities are not responsible for any loss resulting from or relating to reliance on this document by any person. Internal Revenue Service rules require us to inform you that this communication may be deemed a solicitation to provide tax services. This communication is being sent to individuals who have subscribed to receive it or who we believe would have an interest in the topics discussed.

RSM US LLP is a limited liability partnership and the U.S. member firm of RSM International, a global network of independent audit, tax and consulting firms. The member firms of RSM International collaborate to provide services to global clients, but are separate and distinct legal entities that cannot obligate each other. Each member firm is responsible only for its own acts and omissions, and not those of any other party. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

RSM and the RSM logo are registered trademarks of RSM International Association. The power of being understood® is a registered trademark of RSM US LLP.

© 2016 RSM US LLP. All Rights Reserved.




Financial Updates

Fund Balance – General Fund

	Unassigned	% of Next Year Budget
FY13	\$5.4 M	13.6%
FY14	\$8.2 M	19.4%
FY15	\$10.7 M	26.1%
FY16	\$13.5 M	31.1%
FY17	\$10.9 M*	


*Based on Budget



General Fund

Fiscal year ending June 30, 2016 (audited)
In Millions


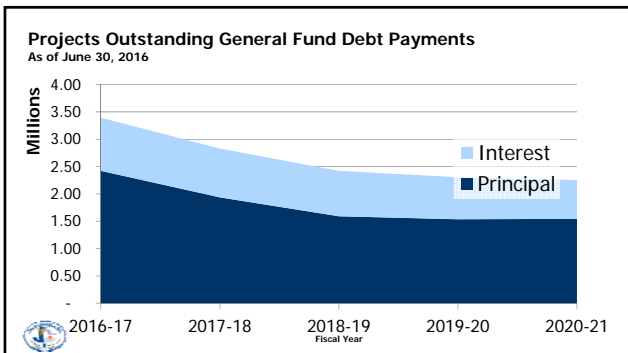
Revenues	FY16 Budget	FY16 Actual	Variance	%
Ad Valorem Taxes	22.4	22.8	.5	102%
Sales Tax	10.5	11.3	.8	104%
Fund Balance Appropriations	3.5			
All Other Revenues	10.9	12.2	1.3	112%
Totals	47.3	46.3	(1.0)	98%
Expenditures	47.3	43.5	(3.8)	92%



General Fund

Six Months ending December 31, 2015 and 2016 (unaudited)
In Millions

Revenues	FY16 YTD	FY17 YTD	Budget Amended FY17	%
Ad Valorem Taxes	17.2	18.5	23.2	80%
Sales Tax	2.8	3.0	10.6	28%
Fund Balance Appropriations			2.6	
All Other Revenues	6.5	6.1	11.8	52%
Totals	26.5	27.6	48.2	57%
Expenditures	25.4	18.9	48.2	39%


FY16 Capital Reserve

Council Initiatives

- 4¢ Established in 1998
- 1¢ = \$ 359K FY18
- 4¢ = \$1,433K FY18

Current Uncommitted Balance about \$1.2 Million

- Northeast Creek Restrooms
- Northeast Creek Boardwalk
- Other Recreation Projects
- Sturgeon City
- Jacksonville Marina



FY16 Council Initiatives Fund

Projects	Committed through	FY18 Amount
Jacksonville Landing	2018	\$101K
City Hall Renovation	2018	\$140K
Public Services & Fleet	2019	\$292K
Rails to Trails	2022	\$ 57K
Sturgeon City CEEC	2027	\$ 77K



Fund Balance – Water & Sewer

	Unrestricted	% of Next Year Budget
FY13	\$33.2 M	122.6%
FY14	\$29.4 M	109.7%
FY15	\$25.8 M	87.8%
FY16	\$27.2 M	96.8%
FY17	*\$22.1 M	

*Based on Budget



Water & Sewer Fund

Fiscal year ending June 30, 2016 (audited)
In Millions

Revenues	FY16 Budget	FY16 Actual	Variance	%
User Fees	20.9	22.4	1.5	107%
Facility Fees	.6	.6	.0	100%
Fund Balance Appropriations	5.0			
All Other Revenues	36.5	36.5		100%
Totals	63.0	59.5	(3.5)	94%
Expenditures	63.0	57.8	(5.2)	92%



Water & Sewer Fund

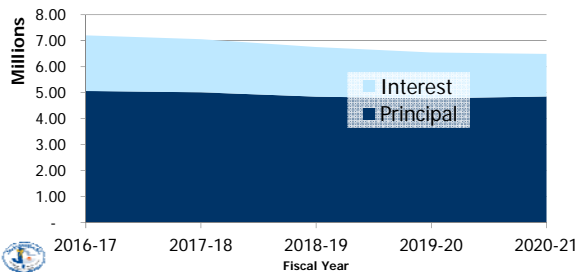
Six Months ending December 31, 2015 and 2016 (unaudited)
In Millions

Revenues	FY16 YTD	FY17 YTD	Budget Amended FY17	%
User Fees	10.4	10.5	20.9	50%
Facility Fees	.4	.2	.6	36%
Fund Balance Appropriations			6.7	
All Other Revenues	2.0	1.2	1.6	77%
Totals	12.8	11.9	29.8	40%
Expenditures	16.9	7.8	29.8	26%



Projects Outstanding Water & Sewer Debt Payment

As of June 30, 2016



Fund Balance – Stormwater

	Unrestricted	% of Next Year Budget
FY13	\$0.9 M	29.3%
FY14	\$1.6 M	56.8%
FY15	\$1.8 M	62.6%
FY16	\$2.3 M	74.9%
FY17	*\$2.3 M	

*Based on Budget



Stormwater Fund

Fiscal year ending June 30, 2016 (audited)
In Millions

Revenues	FY16 Budget	FY16 Actual	Variance	%
Charges for Services	2.9	2.9	0.0	100%
Fund Balance Appropriations	0.05			
All Other Revenues	.1	.2	.1	200%
Totals	3.1	3.1	.0	100%
Expenditures	3.1	2.6	(0.5)	85%



Stormwater Fund

Six Months ending December 31, 2015 and 2016 (unaudited)
In Millions

Revenues	FY16 YTD	FY17 YTD	Budget Amended FY17	%
Charges for Services	1.5	1.5	2.9	51%
Fund Balance Appropriations			.1	
All Other Revenues	.1	.1	.2	50%
Totals	1.6	1.6	3.2	50%
Expenditures	1.5	1.5	3.2	47%



Fund Balance – Solid Waste

	Unrestricted	% of Next Year Budget
FY13	\$(.22)M	(3.76%)
FY14	\$(.04)M	(0.77%)
FY15	\$(.05)M	(0.80%)
FY16	\$ 0.26 M	4.02%
FY17	*\$0.26 M	

*Based on Budget



Solid Waste Fund

Fiscal Year ending June 30, 2016 (audited)
In Millions

Revenues	FY16 Budget	FY16 Actual	Variance	%
Charges for Services	3.5	3.6	0.1	103%
Fund Balance Appropriations				
All Other Revenues	2.9	2.7	(0.2)	94%
Totals	6.4	6.3	(0.2)	98%
Expenditures	6.4	5.7	(.8)	88%



Solid Waste Fund

Six Months ending December 31, 2015 and 2016 (unaudited)
In Millions

Revenues	FY16 YTD	FY17 YTD	Budget Amended FY17	%
Charges for Services	2.3	2.4	4.7	50%
Fund Balance Appropriations			.1	
All Other Revenues	.9	.4	1.9	24%
Totals	3.2	2.8	6.7	42%
Expenditures	3.8	2.8	6.7	41%



FY18 Revenue Forecast & Budget Planning Assumptions



FY18 Budget Assumptions

- No increase in property tax rate
- Sales tax will increase slightly
- Powell Bill funding remains stable
- Franchise Tax is steady
- No increase in Stormwater Fee
- Passports continue at a conservative pace
- No increase in Solid Waste Fees
 - Annual subsidy from General Fund continues



FY18 Budget Assumptions

Fuel Pricing

- Unleaded at \$3.15 per gallon (FY17-\$3.15)
 - 3 year average \$1.684
 - 3 year maximum \$2.83
- Diesel at \$3.45 per gallon (FY17-\$3.45)
 - 3 year average \$1.8555
 - 3 year maximum \$3.0700



FY18 Budget Assumptions

Unknowns:

- ✓ Health Insurance
- ✓ General Fund Nonprofit Contributions: \$50,000
- ✓ Water & Sewer Rates
- ✓ Appropriation of General Fund Balance



FY16 Health Care Outlook

Health Insurance Fund history

	Change	Ending
FY12	\$520,944	\$1,411,343
FY13	(\$111,207)	\$1,300,136
FY14	\$205,449	\$1,505,585
FY15	(\$434,288)	\$1,071,297
FY16	(\$762,288)	\$ 309,240

- Projected health care cost increase 8%
- AHCA payment in FY18 \$2,165



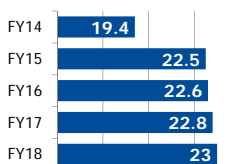
Future Issues & Opportunities

- 800 MHz payment to the county
- Revaluation FY19
- Federal Funding for Infrastructure
- Partnership Opportunities
- Continued Reduction in CDBG Funds

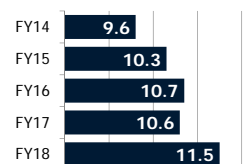


FY16 Revenue Forecast


Property Tax



Sales Tax



In Millions




Compensation Options

Richard Woodruff


History of Increases & CPI

Fiscal Year	COLA	One time	CPI
2017	\$1,000		0.5%
2016	1%		0.6%
2015	2%		1.8%
2014	0%		1.7%
2013	1%	\$200	3.3%
2012	2%	\$200	1.4%
2011	1.5%		2.9%
2011 mid yr	\$1,200		2.9%



Effect of the \$1,000 increase

% Increase	# of employees	% of employees	% Cumulative
4.5% to 5%	3	0.6%	0.6 %
4.0% to 4.5%	28	5.3 %	5.9 %
3.5% to 4%	34	6.4 %	12.3 %
3.0% to 3.5%	88	16.5 %	28.8 %
2.5% to 3%	161	30.3 %	59.1 %
2.0 to 2.5%	116	21.8 %	80.9 %
1.5% to 2%	71	13.3 %	94.2 %
1.0% to 1.5%	21	3.9 %	98.1 %
Less than 1%	10	1.9 %	100.0 %





Compensation Options

Option 1: Address compensation at end of budget consideration.

Option 2: Place ___% in the base budget

Option 3: Place CPI of 2+/-% in base budget

Option 4: Other

Budget Schedule

Schedule

Dec – Feb	Staff Budget Preparation
January 24	Budget Introduction
February/March	CIP Draft
March	Management Finalizes Budget
April – June	Budget Workshops
May 16	Budget Public Hearing
May or June	Adopt FY18 Budget




FY17 CIP Update

- ## FY17 CIP Update
- 24 Projects**
- 1 Community Programs Projects
 - 16 Public Services Projects
 - 5 Recreation and Parks Projects
 - 2 Transportation Projects
- 

Sturgeon City Education Bldg


- October 2016 – Options Reviewed
- November 2016 – Charrette held
- February 2017 – Update on redesign



FY17 CIP Update

Public Services Projects


	Planning	Design	Construction
FY17-18 Inflow & Infiltration			
Automated Step Screens			
Holiday City MHP Sewer			
Henderson Dr Infrastructure			



FY17 CIP Update

Public Services Projects


	Planning	Design	Construction
US17 N-Drummer Kellum W/S Extension			
Marine Blvd Water Line at Chaney Creek			
Parkwood Regional & Western Trunk Sewer			

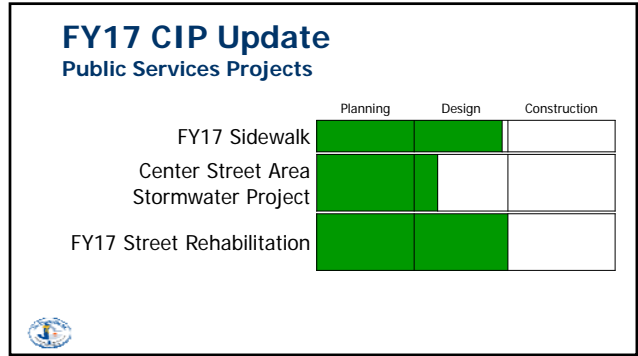
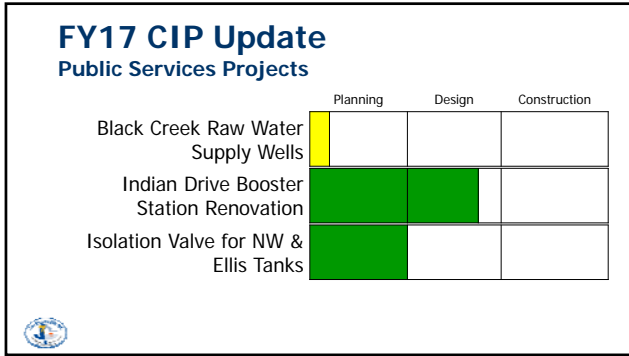



FY17 CIP Update


Public Services Projects

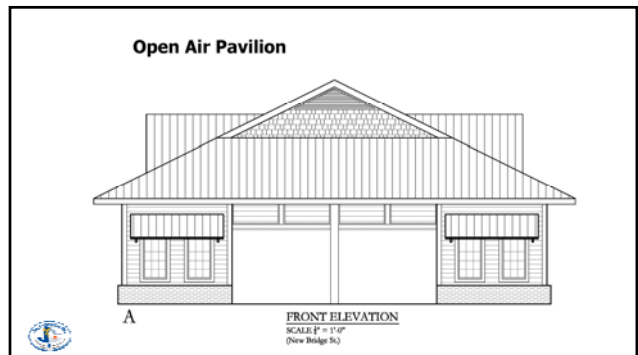
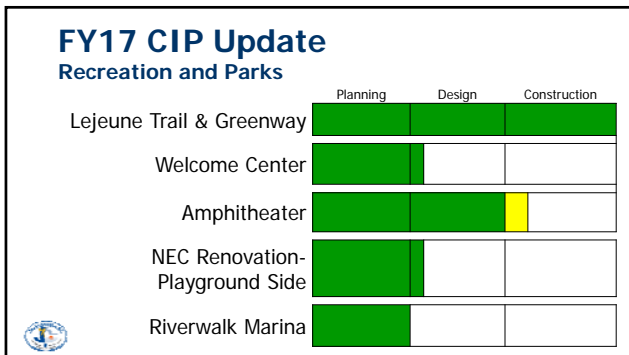
	Planning	Design	Construction
US17 North Water & Sewer Extensions			
MCBCL Emergency Water Interconnection			
SW-Blue Creek School Rd Water Imprv Ph I			

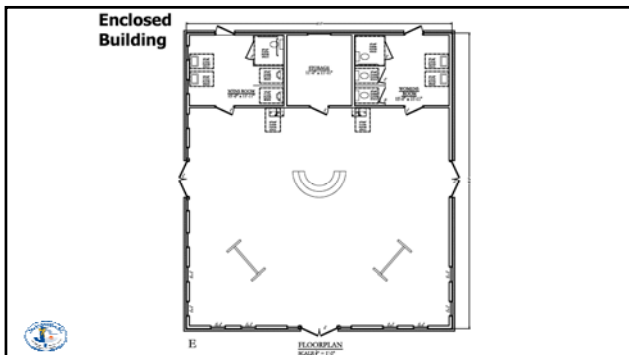
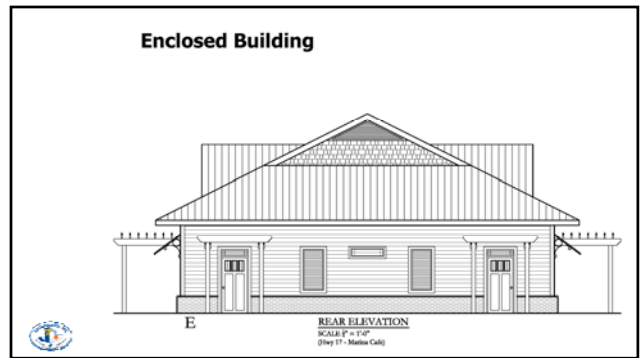
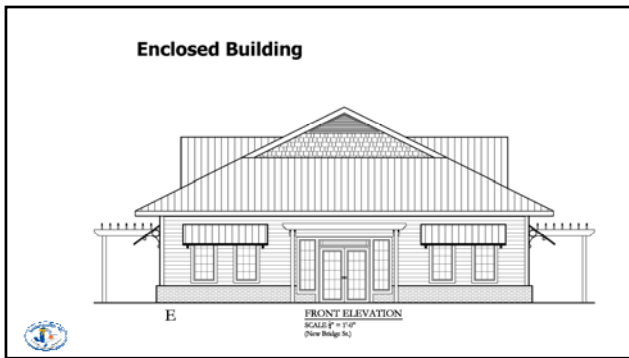
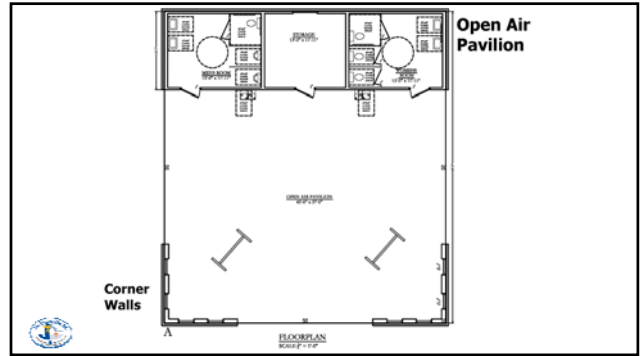
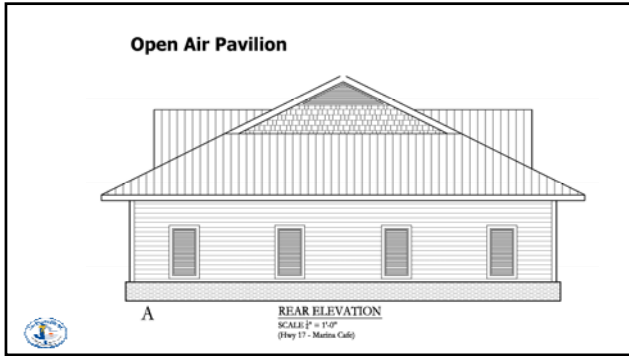




- ### FY17 CIP Update Street Rehabilitation – Phase 1
- Northwoods Drive
 - Mildred Avenue
 - Shoreline Drive
 - Ellis Blvd
 - Enterprise Road
 - Estate Road
- 

- ### FY17 CIP Update Street Rehabilitation – Phase 2
- Brenda Drive
 - Murrill Avenue
 - Onslow Drive
 - Oakwood Avenue
 - Oakwood Court
- 





FY17 CIP Update Transportation

	Planning	Design	Construction
Commons Park & Ride			
Downtown Rails to Trails Greenway Extension			



FY17 CIP Update

24 Projects

- 9 Planning Phase
- 10 Design Phase
- 5 Construction Phase

