

CITY OF SALISBURY  
ZOOM BUDGET WORK SESSION  
APRIL 20, 2020

Public Officials Present

Council President John “Jack” R. Heath  
Councilwoman Angela M. Blake  
Councilwoman April Jackson

Council Vice-President Muir Boda  
Councilwoman Michele Gregory  
Mayor Jacob R. Day (joined at 9:05 a.m.)

In Attendance

City Administrator Julia Glanz, Deputy City Administrator Andy Kitzrow (joined at 9:50 a.m.), and Assistant City Clerk Diane Carter

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The City Council convened in Budget Session at 8:30 a.m. via ZOOM Teleconferencing where President Heath announced all five councilmembers and City Administrator Glanz were present and other persons would be intermittently joining the meeting for specific presentations; he reviewed the work session protocol for anticipated breaks and lunch, and thanked PAC14 for recording this session for the public as it would not be airing live.

Personnel committee and department representatives first presented highlights of their respective budget requests and then responded to Council and/or Administration questions and comments at the conclusion of their presentations, prompting additional discussion on specific topics as needed.

The following is a synopsis of topics discussed:

**PART ONE**

**Salisbury Police Department (SPD) Personnel Committee**

PFC Nicholas Amendolagine representing the SPD Personnel Committee joined Council and discussed the following pertaining to the SPD proposed budget:

- Improving the Police Department fleet of vehicles - - the addition of no less than three new vehicles each year would assist the long term goal of expanding the vehicle take home program
- Approving a 4% Cost of Living Adjustment (COLA) for the Police Department to whichever pay scale is presently in the budget (in effect a new pay scale) - - would assist in maintaining the City Police pay scale within 20% of the Maryland State Police pay scale and the City Police remaining competitive with other law enforcement agencies in order to retain personnel – especially important this year with anticipated retirements, and no active recruiting, testing, or Police Academy availability due to COVID-19

President Heath asked what the total dollar amount was for the COLA increase across the entire Police Department; PFC Amendolagine indicated 4% of last year’s total salaries would be a good

estimate. President Heath requested PFC Amendolagine email all Council Members the 4% COLA spreadsheet. *A copy of the spreadsheet is attached as part of the minutes.*

### **Salisbury Fire Department (SFD) Personnel Committee**

Salisbury Career Firefighters Association President DJ Hoster of the SFD Personnel Committee joined Council and discussed the following pertaining to the SFD proposed budget:

- Overtime (receiving time + a half for personnel) - - the Fire Department is the only City department that does not receive time and a half –employees do receive overtime after 212 hours in a 28-day pay period, but most never see it – acknowledged it has maybe occurred once in the last eight years – would help with retention and remaining competitive with other area paid fire departments
- Adding Senior Firefighter position - - this position was included in the Fire Chief’s budget as part of the career development proposed two years ago, but was not funded at that time - adding the position would ensure continued growth and would help with retention and remaining competitive with other area paid fire departments
- Pay/Benefits - -
  - must ensure pay remains competitive in order to attract and retain personnel
  - Cost of Living Adjustment (COLA) - would be appreciated as everyone’s expenses continue to rise - has not been a COLA for at least the last eight years
  - healthcare and other benefits are good
- Staffing - -
  - make sure Safer Grant continues so personnel are not lost, but work toward end goal of making these positions full-time City positions – these positions have helped with Station 2 being open 24hrs and reducing response time
  - applicant pool for testing is down – some not qualified to take the test – must come to Salisbury trained – lose applicants to other organizations like Anne Arundel County and District of Columbia who can hire applicants and provide training

President Heath echoed Vice President Boda’s commitment to make Safer Grant positions permanent City positions, acknowledging that Council had that goal in mind when it previously approved acceptance of the Safer Grant.

### **Department of Infrastructure and Development (DID) Personnel Committee**

Heather Lankford of the DID Personnel Committee joined Council and discussed the following pertaining to the DID proposed budget:

- thank you for keeping City jobs – no furlough days – allowing teleworking
- pay adjustment to match/offset increased health care premiums/deductibles
- vehicle replacement –oil is carried around in some vehicles while in use - some vehicles are 20 years old – some (E1 & E3) are repeatedly breaking down
- HydroCAD Software to assist MS4, Stormwater, and nuisance flooding plan review
- maintenance plan/contract for the plotter - holds department up when inoperable
- better rates for retirees’ health care premiums which are seemingly difficult to afford
- pay raise/grade bumping availability based on new titles/job roles/tasks/reviews

In response to Vice President Boda's question, City Administrator Glanz confirmed that DID Director Pollack did not include any request for vehicles in the FY21 Budget.

In response to Councilwoman Blake's questions about HydroCAD Software, Ms. Lankford shared the following:

- available in 10-node (\$595) and 20-node (\$895) modules
- DID would probably need 20-node for function and it may be required for purchase
- software assists with evaluation of projects and offers programmed calculations when designing stormwater – eliminates hand calculations
- has worked with this system for 13 years

President Heath asked Ms. Lankford to forward Council an estimate of man hours saved if software is purchased.

In response to Councilwoman Jackson's question regarding cost of maintenance contract for the plotter, Ms. Lankford estimated \$3,500.00; Ms. Lankford indicated to President Heath that the plotter is down several times a month.

### **Field Ops/All Departments Personnel Committee**

Pete Torigoe from the Traffic Department in Field Ops joined Council and discussed the following pertaining to the Field Ops/All Departments proposed budget:

- Number one request – higher pay – at the very least a pay study – department heard about market adjustment for Grade 5 and below – it would make a big difference

### **Traffic Department**

- additional 2 to 3 electricians
  - enough to create their own crew – at least one would need 3-5 years of experience
  - create 2 crews - one to focus on streetlight and traffic signal inspection/installation/repair - one to focus on other projects including adding outlets/lights/heaters and of festival/event setup – would remove/reduce need for outside contractors for other City Departments' projects
- compensation for On-Call status – a stipend for just being available on-call since it requires employees to be available and to limit other activities while waiting to be called-this has been requested in years past
- Conflict Monitor Testing equipment or program
  - Conflict monitors are essential components of traffic light control systems that prevent malfunctioning signals from causing accidents
  - 30 Traffic signals in City - each conflict monitor is required to be tested every two years - currently no testing system in place due to insufficient equipment and manpower
  - Presently costs \$275 + shipping to send monitor to a qualified inspector and a back-up monitor would need to be installed – it costs approximately \$6,000 for in-house testing equipment – remove monitor, test, reinstall if OK – potentially same day

- Street striping machine - currently almost no time available from MD State Highway to paint - only able to paint 1 time in past 10 months – City falling behind – researching other vendors
- new Trencher - Trencher (ditch witch) is approximately 16 years old - losing power and reliability – will need replacing soon
- Mini-Excavator - would need to be capable of installing light pole bases – could share with Utilities Department
- Arrow Board - is 13 years old - new/safer/brighter models are available

#### Street Department

- 1-Ton Dump Truck – smaller truck useful for many tasks and projects where larger trucks are more cumbersome – including storm drain clearing/brush removal/bulk pickup

#### Utilities

- Mini Excavator - easier to transport/less disruptive to traffic/less “collateral damage” to surrounding of excavated area

#### Sanitation

- pickup truck with covered bed being retire with no replacement scheduled – it is useful for picking up recycling/cardboard/late or missed cans/smaller jobs including emptying cans in parks or plazas
- small rear loading garbage truck - perfect for cardboard pickup/backup for existing rear-loading trucks when unavailable
- RC-3 (Recycling Truck) - 15-20 years old/used several times a week/not reliable
- replacement for wood chipper towed behind dump truck – current one is 25 years old/ replacement parts difficult to find/no back-up available in case of emergency - it makes removing downed trees/limbs faster, easier, and safer especially in bad weather

*A copy of his presentation is attached as part of the minutes.*

Mayor Day directed Finance Director Keith Cordrey be contacted to provide Council the Capital Improvement Plan (CIP) line-by-line when Vice President Boda asked whether any of the requested items was in the CIP.

Mr. Torigoe clarified for Councilwoman Jackson that a minimum of two electricians would be needed to establish another crew.

Councilwoman Blake asked about comparing the dollar amount spent on outside contractors versus what the dollar amount required to hire two electricians; City Administrator Glanz said she would pursue that information for Council for cost comparison.

Mr. Torigoe clarified for Councilwoman Gregory that the most pressing needs for equipment were the wood chipper, pick-up truck, and recycling truck for Sanitation Department, and the Dump Truck for Street Department.

Mr. Torigoe clarified for President Heath how often Utilities Department would use mini excavator (once a week to 2-3 times a month) and how it could be shared with Traffic Department (which would not use it very often) as long as it could accommodate the attachment for installing a light pole base; Mr. Torigoe further clarified for President Heath that a replacement for the retired Dodge Pick-Up and a small rear loader represented a request for two different vehicles — the rear loader could only replace some pick-up functions, not all.

### **Volunteer Firefighters Personnel Committee**

Deputy Chief of Volunteer Services Lee Smith joined Council and discussed the following pertaining to the Fire Department proposed budget:

#### *Funding for Volunteers is crucial*

- Facing a \$60,000 shortfall for lease payment at Station 16 unless substantial donation is received or may have to use money from savings - Volunteers committed to lease payment when still receiving County funding – after initial payment- County pulled the funding due to fire service agreement–did not fund volunteers at City stations volunteers still receive \$50,000 from City toward \$110,000 lease payment
- Volunteers try to support SFD projects/needs-recently bought compressor, face pieces and other items for Self-Contained Breathing Apparatus (SCBA)
- Station 2 still receiving its \$50,000 – used primarily to purchase equipment and fund administration/operation positions - past year purchases included staff vehicle for Deputy Chief Scott and Utility Vehicle for the entire department – with lighting spent approximately \$130,000 with some additional money coming from 508-Money
- Updating the Hurst equipment is presently deferred due to lack of funding

## **PART TWO**

### **Salisbury Fire Department (SFD) - Budget Review**

Salisbury Fire Chief John Tull joined Council and discussed the following pertaining to the Fire Department Proposed Budget:

#### *Essential items not funded in FY21 Budget*

- Issues with two concrete repairs – going to try to find funds in current budget
  - Station 1 – sidewalk and asphalt
  - Station 16 – sink hole – back patio off from the kitchen – requested \$6,000 - Will White working on bid – company to lift concrete with expanding foam –
- Vehicle Maintenance Account – significant deficit in account due to large volume of repairs – historically projected annual cost of \$175,000 – requested \$75,000 and received \$40,000 in FY21 Budget
- Overtime Account – historically use full budget annually (transferring funds from other accounts as needed) – account has averaged \$112,000 over the last five years – requested \$30,000 and received \$15,000 in FY21 Budget

- Creation of two positions-
  - SWIFT Position – grant funded – program and employee David Phippin so successful funding was requested in FY21 Budget to ensure program continued in the event grant funding was discontinued
  - Deputy Fire Marshall – would alleviate work overload on current two employees and provide succession plan should current Fire Marshall vacate the position for any reason
- Continuation of Career Ladder – establishing a Senior Firefighter position would increase the space between Sergeant and Firefighter positions in perpetuity going forward

Chief Tull clarified for Councilwoman Blake and President Heath respectively, the overall cost for the Senior Firefighter Position - \$276,000, and then the delta between the regular and senior firefighter positions as follows: Probationary Firefighter - \$37,500 / Senior Firefighter - \$45,056 / Senior Firefighter Paramedic - \$46,396.

Chief Tull further expounded on the importance of funding the SWIFT position and acknowledged the stellar job performances of both David Phippin and Andrew Stanley in the program while still facing daily, the uncertainty of continued grant funding to pay their salaries.

President Heath asked Finance Director Cordrey about the increase across the board in all departments for LEOPS -\$62,523 which Mr. Heath attributed to the City catching up retirement, and for Workers Compensation expenses which he thought were based on a frequency modification factor; Director Cordrey indicated Workers Compensation costs are based on rates for specific categories and a mod factor – the mod factor increased significantly from 1.00 to 1.4 due to an increase in injuries – he mod factor is applied across all departments no matter which department(s) sustained the injuries.

Chief Tull clarified for President Heath:

- the new Testing Account was created to streamline tracking of testing costs of all equipment – money that historically has been used from other accounts to pay this expense was officially transferred/reallocated from those accounts to establish the Testing Account
- the same premise was used to streamline tracking of maintenance contract costs by establishing the new Maintenance Contracts Account
- Gasoline Account cost increase due to volume of calls and increased price of fuel

### **Housing and Community Development Department (HCDD) Personnel Committee**

Neighborhood Relations Manager Kevin Lindsay introduced Code Enforcement Officers Chanita Lewis-Watson and Cory Stout and then all joined Council and discussed the following pertaining to the HCDD Budget:

- increasing personal days
- extra funds for training/maintaining certifications
- increasing the City's 457 match
- increasing annual time or longevity bonus at 25 and 30 years of service
- enacting Employee of the Month with monetary bonus or time off

- birthdays off with pay
- free cleanings at the dentist like “no charge” well visits
- earning a recognition day with excused sick leave
- having option to earn overtime pay or comp time for attending after hour events
- earning merit and longevity increases
- internal childcare programs

Council further discussed:

- internal childcare program – another department has brought up same item – perhaps get together and come up with options/cost analysis
- earning recognition day with excused sick leave – perhaps an option to allow for advance requests for time off for preplanned doctors’ appointments
- funding for training/certifications – asked about detail on frequency and costs/how training funds are allocated in department

Council requested follow-up information be sent on the following:

- breakdown of exam costs for recertification
- prioritized list for all trainings/certifications
- more information about childcare options
- top three priorities for department from overall list

General discussion with Deputy Director Andy Kitzrow regarding childcare program including the following:

- his background with childcare programs and COMAR regulations because of his previous work experience with Wicomico County
- City looking into a self-sustaining “own staff” program with the goal of a sliding payment scale for employees
- create a breakeven budget using current infrastructure in place
- biggest considerations include a location to house the program, staff, program for ages infant through five
- largest expenses anticipated are facility and staff overhead, liability insurance, sliding scale component affordable for employees in need of this program

Councilwoman Gregory offered the following insights based on her previous experience working in and then operating her own daycare facility:

- employee stipend or in-house facility an absolute must – local availability is limited – especially infant to two years old due to staffing requirements
- stipend offers employee flexibility in choosing a facility
- especially likes in-house facility – potential to be open extra hours

City Administrator Glanz acknowledged the following:

- Administration is looking at the Personnel Manual -which is where items like personal days would be addressed and anticipates Council should be hearing more about this in the near future

- anything related to Health Care is costly, but Administration can still request HR Director to look into various items requested
- City has been doing a good job educating employees about various levels of care and when appropriate to use those levels in order to help control/reduce health care costs (i.e. when to go to the Emergency Room)

### **PART THREE**

#### **Salisbury Police Department (SPD) – Budget Review**

Police Chief Barbara Duncan and Colonel Dave Meienschein joined Council and discussed the following pertaining to the Police Department Proposed Budget:

- Level funding from last year – requesting \$12,989,000 – gave examples of several accounts with level funding from the previous year
- Slight increase noted in Health Insurance Cost
- Slight decrease noted in Vehicle Maintenance Account
- Requesting five vehicles under lease-purchase program – three unmarked and two marked – helps push forward take home vehicle program

Col. Meienschein will research Vice President Boda's question about the reduction in two accounts – Equipment-577030 and Computer Hardware-577035.

Chief Duncan provided an overview to Councilwoman Blake of the take home vehicle program which had been in effect since Mayor Day's Administration, noting that it was usually older vehicles that were allocated by request and seniority.

In response to President Heath's question about accreditation, Chief Duncan provided an overview of the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA®) that the Police Department has voluntarily participated in since the 1980's. The federal accreditation program provides best practices and 450 standards for the department to meet.

Chief Duncan clarified for President Heath that the increase in the ammunition account was due to the price of ammunition.

Chief Duncan asked for questions about the Communication or Animal Control portions of the Police Department Budget that were level funded from last year as was the Police Services portion of the departmental budget.

- Communication-  
Significant increase in Equipment – 545302 - \$58,637 – Col. Meienschein explained with input from Finance Director Cordrey that it was the first full year of the annual cost of the Maintenance Contract with Motorola and the new County-wide radio system - included a subscriber fee per radio, software upgrades, and voice recorder for all communications in and out
- Animal Control-  
Health Insurance Cost decrease – Chief Duncan explained that the department had



recently filled vacant positions and costs should return to normal

Chief Duncan acknowledged uniform changes are appreciated by staff and all K-9's are protected.

### **Financial Position of the City**

Finance Director Keith Cordrey updated Council on the City's Financial Position by highlighting specific items in both the FY19 Financial Overview and the FY19 Financial Health Presentations, *both included as part of the minutes.*

Mr. Cordrey addressed Council questions throughout as he highlighted and noted the most significant items in the FY19 Financial Overview on the following pages:

- Financial Overview Agenda
- Balance Sheet-Governmental Funds
- Statement of Revenues, Expenditures and Changes
- Revenues
- Expenditures
- Analysis of FY19 Variances
- Cumulative Change in Fund Balance over 6yrs – FY14-FY19
- Water & Sewer Fund Statement of Net Position (Assets and Liabilities)
- Water & Sewer Fund Statement of Revenues, Expenses and Changes in Net Position
- Water & Sewer Fund Statement of Cash Flows
- Water & Sewer Fund Cash Analysis
- Statement of Net Position – Governmental (Assets and Liabilities)
- Statement of Net Position – Total (Assets and Liabilities)

Mr. Cordrey addressed Council questions throughout as he highlighted and noted benchmarks in the FY19 Financial Health Presentation on the following pages:

- General Fund – Total Fund Balance – Ratio of Total Fund Balance/Budgeted Expenditures for 6/30/19 is **considered strong at 31.7%**
- General Fund – Unassigned Fund Balance – Analysis of Unassigned Fund Balance is **considered adequate falling between 2 and 3 months**
- Debt to Market Value - Ratio of General Obligation Debt/Market Value of Property for 6/30/19 is **considered adequate at 4.26**
- Debt Per Capita - Citywide General Obligation Debt/Population is \$2,878 and **needs improvement as it has the last four years**
- Annual Debt Service-General Fund – Ratio of Budget Debt Service/General Fund + Capital Project Budget is **considered adequate at 7.93% and within the City's Financial Policy to avoid debt service that would exceed 10% of expenditures**
- Water and Sewer Unrestricted Balance – Ratio of Unrestricted Fund Balance/Water Sewer Operating Revenue for 6/30/19 **needs improvement at 5.5%**
- Parking Authority Unrestricted Net Position - Unrestricted Net Position is in a deficit for 6/30/19 therefore Ratio of Unrestricted Net Position/Revenue **needs improvement at negative 14%**

## **FY21 Budget Highlights**

- Revenue
  - General Fund - Rates and Fees
    - Trash Service – increased from \$56.00 to \$59.00 per quarter
      - \* Noted during discussion – Trash Service and Landlord Licensing Fees still do not cover the respective costs for service – *City committed 5-6 years ago to bring the fees inline to pay for the costs of service*
    - Landlord Licenses/Registration – increased from \$60 to \$75
    - Licenses and Permits – increased approximately 6%
    - Others – see Fee Schedule in Fee Ordinance
  - Tax Rates - No change
  - Water Sewer Rates – No Change
  - Reviewed History of Tax Assessments/Tax Rates/Tax Levy
  - Reviewed FY21 General Fund Revenues – Top Increases/Top Decreases by Category
- Personnel
  - A step increase included for all personnel
  - Employees at ≤ Grade Five – received market adjustment providing approximately 6% additional increase to begin addressing new minimum wage laws
  - Administrative staff pay grades – updated to standardize levels citywide
  - A Zoo Veterinarian position was added
  - A 9.5% Healthcare increase was assessed by CareFirst
- Transfers
  - Special Revenue Fund – National Folk Festival
  - Grant Match
    - Fire
    - Police Grants
    - Community Development
    - Homeless Program
- Grant Match – reviewed Schedule C in Budget Ordinance - Grant Match Details by Grant
- FY21 General Fund Outlay and General Capital Projects
  - Noted: able to fund \$1.3 million of projects from reallocation of prior year bond proceeds / assume new Field Ops facility will be built over time, so can pay for it out of pocket and it is scheduled to be funded by FY22 Bond Issue – *saves money because there will be NO FY21 BOND ISSUE*
- FY21 Water Sewer Capital Projects
  - Noted: projects adjusted out and funded through FY20, or funded by reallocation of impact fees and lawsuit proceeds – *NO FY21 BOND ISSUE*
- FY21 General Fund Debt Service (including available debt service compared to targeted debt service maximum of 10%)
- Increase FY21 versus FY12 by Function
  - Noted: increase in tax revenue did not fully fund increase in costs
- FY21 Water Sewer Rates
  - Noted: difference between study recommended increase over 3yr period FY19-21 versus actual increases by City during same 3yr period
  - Noted: City rates compared to other municipal rates

Mr. Cordrey summarized the strengths and weaknesses of the City's Financial Position as follows:

- Strengths
  - **Strong Financial Position** based on financial data as of FY19 Audit
  - **Adequate Unassigned Fund Balance** given the potential influences of COVID-19
  - Many Water and Sewer Projects recently completed or funded - **fewer deferred projects means lesser infrastructure liabilities**
- Weakness
  - General Fund CIP – **inability to fund many FY21 CIP Projects could create CIP pile up which is the equivalent of unfunded liabilities**
  - General Fund Revenues – **finding revenues to match rising costs for medical and predictable pay plan expected to become increasingly difficult**
  - Fire Services – **County's contributions for fire services not representative of its fair share; a new framework to recover true cost of fire services is essential**
  - Tax Differential – **Citizens deserve tax differential as recommended by past studies**
  - Parking Fund – **Unrestricted Net Position is a deficit – needs to be addressed**

Council discussion included:

- FY21 planning of road maps for Fire Service Agreement, Tax Differential, Landlord Licensing and Registration Fees to cover the actual processing costs for the services, addressing the Parking Fund deficit
- Status of cleaning up Open Bond Issues – no bond issue in FY19 and FY21
- Status of Country during the coming year
- Population of Salisbury then and now – in conjunction with *Increase FY21 versus FY12 by Function* previously discussed

## **PART FOUR**

### **City Council – Budget Review**

President Heath summarized that all accounts remained the same with the exception of the Council Salaries Account which increased - new Council Salaries become effective in FY21.

### **City Clerk - Budget Review**

Assistant City Clerk Diane Carter joined Council and discussed the following pertaining to the City Clerk Proposed Budget:

- All accounts are basically level funded with the exception of the Salaries Account which reflects the step increase included for all personnel built into the budget
- Printing Costs may fluctuate from year-to-year due to Municode codification costs for printed copies and/or search engine functions for the Salisbury Municipal Charter and Code updates

President Heath noted that the most significant increase was \$894 in the Retirement Account for *retirement catch up* as previously discussed with Mr. Cordrey.

### **Mayor's Office – Budget Review**

Deputy City Administrator Andy Kitzrow summarized that there was no new funding in the Mayor's Cost Center-12000, but noted that some funds had been reallocated/transferred between accounts like computer to computer software.

A question arose regarding the amount in the Dues Account – 12000-56700:

- Mr. Kitzrow believed the amount should be \$34,400 – could be calculation error
- City Administrator Julia Glanz confirmed that the City does not have membership with National League of Cities at this time – paying non-member prices to attend the annual conference more cost effective than annual City membership dues are on the budget
- Council further discussed merits of membership in National League of Cities which costs approximately \$8,000/year

Mr. Cordrey will research the correct amount in the Dues Account and follow-up with Council.

### **City Attorney – Budget Review**

City Attorney Mark Tilghman estimated the fees for FY20 to be approximately \$34,000 more than budgeted due to ongoing litigation with the Fire Company Case tempered with less spending because of the current Coronavirus pandemic. He continued that total costs over the numerous years of the Fire Company litigation have reached approximately \$126,000 and then updated Council on the following relative to the litigation:

- Fire Company's attorney would not agree to mediation unless the City dropped the suits against the individuals who wrongly spent the money (Mr. Tilghman noted this was the City's only leverage)
- The Court supported City's recent motion to compel Fire Company to produce records and also awarded City \$2,000 for having to file the motion
- It is believed funds from County money to the Fire Company for equipment and capital projects have been used toward Fire Company Attorney's Fees

Mr. Tilghman indicated the Fire Company litigation was the only carryover into the new budget year, with most other costs remaining level and representing business as usual.

### **Human Resources Department (HR) – Department Review**

Human Resources (HR) Director Jeanne Loyd joined Council and discussed the following pertaining to the HR Budget:

- Salaries changed due to a career ladder promotion for Courtney Brown who had met all the criteria for the promotion
- Money put in the Budget for consulting fees for Other Pension Employee Benefits – a (OPEB) – actuaries will be determining what City owes future retirees to be shown on City Financial Statements
- a slight increase in Tuition was noted – a new employee had been added for \$11,000 and was working in Information Technology functioning as the Artificial Intelligence Scientist

### **Government Office Building (GOB)**

Procurement Director Jennifer Miller provided an overview of how the City and County share GOB expenses generally 50-50 which includes establishing priority shared projects like upgrades to Council Chambers, the elevator cab, hallway lighting and flooring as well as City only expenses like wireless panic buttons in designated offices, and cleaning of City Offices. Expenses fluctuate from year to year depending on the bigger ticket items planned for in any particular year. In FY21 it is expected that utility costs for basic services will increase, and a larger planned project includes new curtains for Council Chambers. The City will also now share expenses with the County for all Security Services related-expenses previously paid solely by the County; these will be considered operating expenses. The City is also planning in FY21 as it did in FY20 for the \$17,000 ESG payment to the County.

Director Miller clarified for President Heath that overall expenses decreased by \$86,000 from FY20 to FY21 for the various expenses which fluctuate due to FY19 items that were not able to be funded in FY19 rolling over into FY20.

### **Procurement-Department Review**

Mrs. Miller said that although Procurement remains a 4-person department which is sufficient to provide the current consistent level of service, there is a slight increase in the salary budget due to the Senior Buyer Employee qualifying for a career ladder increase once all requirements are met. Other operating expenses include costs for test prep and exams for the senior buyer position.

Mrs. Miller continued that according to Information Services' schedule for computer replacement the Procurement Department was scheduled for 3 new computers in FY21 that has been reduced to just one new computer at a total cost of \$1,560 with \$380 going toward the Microsoft Licensing fee and the remaining \$1,180 going for the computer equipment. Account 577036 is budgeted \$380 for the licensing fee, but Account 577035 reflects only \$600 budgeted for the actual \$1,180 computer expense; Mrs. Miller requested an additional \$580 be added to Account 577035 in order to purchase the computer.

### **Finance-Department Review**

Finance Director Keith Cordrey discussed the following items pertinent to the Finance Department Budget:

General Fund:

- Salaries increased due to planned step increases for all employees
- Bank Fees increased to allow sufficient budget to cover the fees-but doesn't expect to spend all the funds
- Postage went up due to City processing/mailing all Real Property Tax Bills and Printing was over-budgeted last year for the same reason
- Assistant Finance Director Butar requested \$2,500 increase in Collection Budget in order to maintain the appropriate level of Collection Activity
- Small increases to Computer Hardware and Software Accounts due to recommended upgrades by Information Services

Account 81570

- No changes except a Career Ladder promotion for a longtime Cashier to a Cashier III

Account 85070

- No changes except a decrease of \$3,500 – computer in last year’s budget – none in this year’s budget

Final discussion included trends and metrics for delinquent accounts especially in light of the current pandemic and how the metrics are tracked/reported.

### **Information Services (IS)-Department Review**

Director Bill Garrett discussed the following items pertinent to the Proposed IS Budget:

- Critical Item – Standard Merit increase for IS Assistant Director John O’Brien
- CIP- \$55,000 request for 2<sup>nd</sup> Stage of High Availability Virtual Array
- GIS Consulting – Other Departments – 18000-513390-budgeted lump sum of \$12,000 as best estimate based on previous years’ needs/not knowing this year’s needs
- Highlights
  - Computer Software
    - 18000-534502 – budget for majority of Citywide Licenses
    - 84080-534502 & 81080-534502 – Water & Sewer – 90% of budget in both accounts are for Infrastructure and Development Department

Mr. Garrett clarified for Vice President Boda how the High Availability Virtual Array was represented in the CIP this year and last year, as well as which departments were/are slated for which fiscal years.

### **Closing Comments**

President Heath thanked all Council and Staff for being prepared with their questions and presentations respectively, and reported the next session would be held Wednesday, April 22, 2020 at 8:30 a.m.

President Heath reminded all to use the same ZOOM Meeting Link for today’s regularly scheduled Council Work Session at 4:30 p.m.

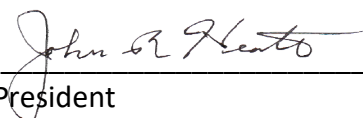
With nothing further to discuss, the Budget Work Session adjourned at 1:59 p.m.



Assistant City Clerk



City Clerk



Council President

Bracketing for January 2020	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9
Cadet/Blue Shirt	40,587	x	x	x	x	x	x	x	x
Police Officer	45,959.68	48,051.12	49,132.72	50,237.20	51,367.28	52,524.16	53,705.60	54,914.08	56,146.60
Police Officer 1st Class	51,399.92	52,562.48	53,794.00	55,032.64	56,268.16	57,533.84	58,828.64	60,152.56	61,505.60
Senior Police Officer	52,886.08	54,102.88	55,348.80	56,621.76	57,919.68	59,259.20	60,592.48	61,955.92	63,349.52
Master Police Officer	54,326.96	55,670.16	56,951.44	58,261.84	59,603.44	60,975.20	62,378.16	63,814.40	65,249.60
Corporal	61,195.68	62,604.88	64,045.28	65,520	67,028	68,536	70,078.32	71,654.96	73,266.96
Senior Corporal	63,031.28	64,482.08	65,966.16	67,485.60	69,039.36	70,592.08	72,180.16	73,804.64	75,464.48
Sergeant	64,922.00	66,416.48	67,945.28	69,510.48	71,111.04	73,845.20	75,507.02	77,205.44	78,942.24
Lieutenant	70,896.80	72,527.52	74,197.76	75,905.44	77,652.64	79,440.40	81,227.12	83,097.04	84,966.96
Captain	78,736.32	80,548.00	82,402.32	84,255.60	86,239.92	88,224.24	90,255.36	92,333.28	94,411.20
Major	85,863.44	87,839.44	89,861.20	91,882.96	94,046.16	96,210.40	98,425.60	100,639.76	102,904.88
Colonel	93,264.08	95,410.64	97,607.12	99,802.56	103,151.92	104,503.36	106,908.88	109,313.56	111,772.96
Chief of Police	98,927.92	101,205.52	103,535.12	105,917.76	108,300.40	110,850.48	113,402.64	115,953.76	118,563.12

Bracketing for January 2020	Step 10	Step 11	Step 12	Step 13	Step 14	Step 15	Step 16	Step 17	Step 18
Cadet/Blue Shirt	x	x	x	x	x	x	x	x	x
Police Officer	57,413.20	58,704.88	60,025.68	61,375.60	62,756.72	64,169.04	65,612.56	67,089.36	68,598.40
Police Officer 1st Class	62,471.84	64,304.24	65,751.92	67,230.80	68,744.00	70,290.48	71,872.32	73,489.52	75,142.08
Senior Police Officer	64,284.36	66,232.40	67,722.72	69,246.32	70,804.24	72,397.52	74,027.20	75,692.24	77,395.76
Master Police Officer	66,718.08	68,218.80	69,753.84	71,203.20	72,927.92	74,569.04	76,246.56	77,962.56	79,716
Corporal	74,915.36	76,601.20	76,324.48	80,087.28	81,889.60	83,731.44	85,615.92	87,542	89,511.72
Senior Corporal	77,162.80	78,899.60	80,673.84	82,489.68	84,346.08	86,243.04	88,184.72	90,168.00	92,197.04
Sergeant	80,718.56	82,535.44	84,391.84	86,290.88	88,232.56	90,217.92	92,248.00	94,322.80	96,445.44
Lieutenant	86,878.48	88,833.68	90,831.52	92,876.16	94,965.52	97,101.68	99,286.72	101,520.64	103,805.52
Captain	96,534.88	98,707.44	100,927.84	103,199.20	105,520.48	107,894.80	110,322.16	112,804.64	115,342.28
Major	105,219.92	107,586.96	110,008.08	112,483.28	115,014.64	117,602.16	120,247.92	122,954.00	125,720.40
Colonel	114,288.72	116,859.60	119,488.72	122,177.12	124,926.88	127,736.96	130,611.52	133,550.56	136,555.12
Chief of Police	121,230.72	123,958.64	126,747.92	129,599.60	132,515.76	135,497.44	138,545.68	141,662.56	144,850.16



Bracketing for January 2020	Step 19	Step 20	Step 21	Step 22	Step 23	Step 24	Step 25
Cadet/Blue Shirt	x	x	x	x	x	x	x
Police Officer	70,142.80	71,720.48	73,334.56	74,984.00	76,670.88	78,396.24	80,160.08
Police Officer 1st Class	76,833.12	78,561.60	80,329.60	82,137.12	83,985.20	85,874.88	87,807.20
Senior Police Officer	79,136.72	80,917.20	82,738.24	84,599.84	86,503.04	88,449.92	90,439.44
Master Police Officer	81,510	83,343.52	85,219.68	87,136.40	89,096.80	91,101.92	93,151.76
Corporal	91,525.20	93,585.44	95,690.40	97,843.20	100,044.88	102,296.48	104,598
Senior Corporal	94,271.84	96,392.40	98,561.84	100,779.12	103,046.32	105,365.52	107,735.68
Sergeant	98,615.92	100,834.24	103,103.52	105,422.72	107,794.96	110,220.24	112,700.64
Lieutenant	106,140.32	108,529.20	110,971.12	113,467.12	116,020.32	118,630.72	121,300.40
Captain	117,938.08	120,592.16	123,305.52	126,079.20	128,916.32	131,816.88	134,782.96
Major	128,549.20	131,441.44	134,398.16	137,422.48	140,514.40	143,676.00	146,908.32
Colonel	139,627.28	142,769.12	145,981.68	149,266.00	152,624.16	156,058.24	159,570.32
Chief of Police	148,109.52	151,441.68	154,849.76	158,333.76	161,895.76	165,538.88	169,263.12

## Field Ops Personnel Committee Budget Requests 1/24/20

### All Departments

#### Parks

#1 Response-pay raises/pay equity study-updated for 6% market adjustment for grade 5 and below

#### Traffic Dept.

Additional Personnel-2-3 electricians, qualifications CDL class B, basic electrical knowledge, 3 years professional experience preferred

Create 2 crews, one to focus on streetlight & traffic signal inspection, installation, and repair, one to focus on other projects, e.g. adding outlets, lights, heaters, festivals & events, etc.

Remove/reduce need for outside contractors for Zoo, FD, SPD, LED streetlight upgrades, etc.,

#### Compensation for On-Call status

Especially with full month scheduling, affects employee availability for second jobs, volunteer firefighting, etc.

#### Conflict Monitor Testing equipment or program

Conflict monitors are essential components of traffic light control systems, prevent malfunctioning signals from causing accidents

30 Traffic signals in city, each conflict monitor is required to be tested every two years, currently no testing system in place due to insufficient equipment and manpower

\$275 + shipping to send to qualified inspector, approximately \$6,000 for testing equipment

#### Street striping machine

Almost no time available with state highway, other contractors unreliable & much more expensive, only able to paint 1 time in past 10 months

#### New Trencher

Trencher is at least 16 years old, losing power & reliability

#### Mini-Excavator

Would need to be capable of installing light pole bases

#### Arrow Board

At least 13 years old, new safer, brighter models available

#### Street Dept.

1 ton Dump truck-useful for many tasks and projects where larger trucks are more cumbersome, e.g. storm drain clearing, brush removal, even bulk pickup

#### Utilities

Mini excavator-Easier to transport, less disruptive to traffic, less "collateral damage" to excavated area

#### Sanitation

Dodge Pickup truck retired, no replacement scheduled-Useful for picking up recycling, cardboard, late/missed cans, smaller jobs like emptying cans in parks or plazas

Small rearloader-Perfect for cardboard pickup, backup for existing rear-loading trucks when unavailable

RC-3 –Recycling truck is 15-20 years old, used every week, not reliable

Replacement for wood chipper-25 years old, replacement parts almost impossible to find, no back-up available in case of emergency, makes removing downed trees and limbs faster, easier, and safer, especially in bad weather



City of  
Salisbury

# Financial Overview

Presented April 2020





# Financial Overview - Agenda

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## ❑ Fund Level General Fund Financials (FY19)

- Balance Sheet
- Unassigned Fund Balance
- Statement of Revenues, Expenditures, and Changes
- Analysis of FY18 Budget vs. Actual for Revenues and Expenditures
- FY 20 Budget

## ❑ Water Sewer Fund (FY19)

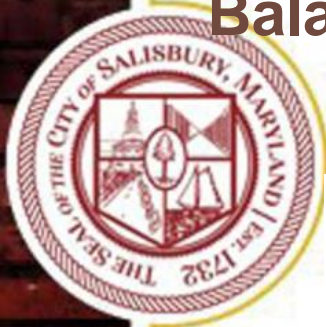
- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows
- Cash Status

## ❑ Entity Wide Level (FY 19)

- Statement of Net Position
- OPEB Liability GASB 42
- Pension Liability GASB 68

## ❑ Debt Capacity

- Capital Improvement Plan effect on Debt Capacity



# Balance Sheet – Governmental Funds

## FY19

	General Fund
<b>ASSETS</b>	
Cash	\$ 3,689,328
Investment pool	7,227,413
Taxes receivable	2,275,066
Less allowance for uncollectibles	(990,482)
Due from other governmental units	416,500
Due from other funds	355,115
Sundry accounts receivable	4,320,776
Less allowance for uncollectibles	(2,735,983)
Inventory	794,462
Other assets	5,233
Restricted cash	203,808
Restricted investment pool	940,137
<b>TOTAL ASSETS</b>	<b>\$ 16,501,373</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	
Liabilities:	
Accounts payable and accrued expenses	\$ 1,115,619
Due to other funds	
Unearned revenue	
Deposits and advance payment of taxes	737,801
Compensated absences	182,314
Total liabilities	2,035,734
Deferred inflows of resources:	
Unavailable revenue	1,535,485
Total deferred inflows of resources	1,535,485
Fund Balances:	
Nonspendable	794,462
Restricted	
Committed	1,795,554
Assigned	537,230
Unassigned	9,802,908
Total fund balances	12,930,154
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 16,501,373</b>

## FY18

	General Fund
<b>ASSETS</b>	
Cash	\$ 2,198,550
Investment pool	8,183,830
Taxes receivable	2,256,386
Less allowance for uncollectibles	(892,418)
Due from other governmental units	270,020
Due from other funds	390,116
Sundry accounts receivable	4,551,096
Less allowance for uncollectibles	(2,991,752)
Inventory	776,249
Prepaid expenditures	2,258
Restricted cash	212,260
Restricted investment pool	-
<b>TOTAL ASSETS</b>	<b>\$ 14,958,595</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	
Liabilities:	
Accounts payable and accrued expenses	\$ 2,126,844
Due to other funds	-
Unearned revenue	-
Deposits and advance payment of taxes	109,132
Compensated absences	174,807
Total Liabilities	2,410,783
Deferred Inflows of Resources	
Unavailable revenue	1,808,879
Total Deferred Inflows of Resources	1,808,879
Fund Balances:	
Nonspendable	778,507
Restricted	-
Committed	1,693,351
Assigned	868,485
Unassigned	7,398,590
Total Fund Balances	10,738,933
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 14,958,595</b>



# Statement of Revenues, Expenditures and Changes

## FY 19

## FY18

□ FY19 Revenues exceeded Expenditures by \$1.45M.

	General Fund
<b>REVENUES</b>	
Taxes	\$ 28,160,477
Other revenue	4,456,462
Intergovernmental revenues	3,203,934
Charges for services	4,604,140
<b>TOTAL REVENUES</b>	<b>40,425,013</b>
<b>EXPENDITURES</b>	
Current	
General government	3,744,655
Public safety	22,593,472
Public works	4,817,399
Recreation and culture	1,876,312
Nondepartmental	1,055,539
Capital outlay	674,292
Debt service:	
Principal	2,973,887
Interest	798,416
<b>TOTAL EXPENDITURES</b>	<b>38,533,972</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,891,041</b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Operating transfers in (out)	(509,270)
Proceeds from issuance of debt	38,178
Proceeds from sale of capital assets	30,905
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(440,187)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,450,854</b>
<b>FUND BALANCES, BEGINNING OF YEAR, RESTATED</b>	<b>11,479,300</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 12,930,154</b>

	General Fund
<b>REVENUES</b>	
Taxes	\$26,799,572
Other revenue	4,212,634
Intergovernmental revenues	2,925,831
Charges for services	3,791,599
<b>TOTAL REVENUES</b>	<b>37,729,636</b>
<b>EXPENDITURES</b>	
Current:	
General government	3,649,691
Public safety	22,180,055
Public works	4,545,338
Recreation and culture	2,028,685
Nondepartmental	1,195,661
Capital outlays	1,888,470
Debt service:	
Principal	2,785,353
Interest	868,627
<b>TOTAL EXPENDITURES</b>	<b>39,141,880</b>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<b>(1,412,244)</b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Operating transfers in (out)	(498,509)
Proceeds from bond issuance	24,900
Proceeds from sale of capital assets	178,213
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(295,396)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,707,640)</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>12,446,573</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$10,738,933</b>





# Revenues

- ❑ Actual Revenues were \$40.4M.
- ❑ Final Budget of \$38.8M
- ❑ Revenues budgeted, exclusive of Other Financing Sources, were exceeded by \$1.6M.

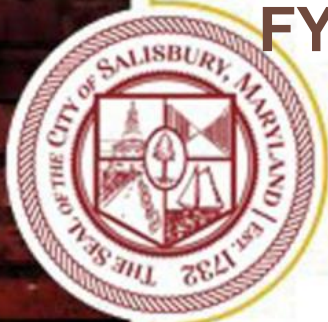
	Final Budget (Unaudited)	Actual	Variance Positive (Negative)
<b>Charges for Services</b>			
Administrative fees	536,948	537,183	235
Ambulance call fees	1,875,000	2,088,739	213,739
Advertising	100	143	43
Filing fees	100	100	
Garbage disposal fees	1,485,643	1,551,122	65,479
Inspection fees	26,300	24,707	(1,593)
Plan review fees	23,000	32,293	9,293
Police alarm systems	30,000	23,659	(6,341)
Weed removal	99,000	66,837	(32,163)
Zoning appeal and housing board appeal fees	600	446	(154)
Fire permits and plan review	149,500	278,911	129,411
Total charges for services	4,226,191	4,604,140	377,949
<b>Intergovernmental</b>			
State of Maryland			
Police protection	586,509	556,474	(30,035)
Enterprise zone	84,000	76,834	(7,166)
Highway user	1,070,682	1,079,116	8,434
MDOT Reimbursement	214,572	391,231	176,659
Wicomico County			
Financial corporations	18,300	18,302	2
Fire department	820,668	820,668	
Room tax	245,000	261,309	16,309
Total intergovernmental	3,039,731	3,203,934	164,203
Total revenues	38,827,914	40,425,013	1,597,099
<b>OTHER FINANCING SOURCES</b>			
Proceeds from issuance of debt	719,000	38,178	(680,822)
Proceeds from sale of capital assets	21,747	30,905	9,158
Total other financing sources	740,747	69,083	(671,664)
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>\$ 39,568,661</b>	<b>\$ 40,494,096</b>	<b>\$ 925,435</b>



# FY19 Revenues

	Final Budget (Unaudited)	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
<b>Taxes</b>			
Real property	\$ 17,991,135	\$ 18,463,626	\$ 472,491
Personal property	72,000	61,377	(10,623)
Ordinary business corporations and utilities	6,822,000	6,534,820	(287,180)
Payments in lieu of tax	436,462	444,038	7,576
Admissions and amusement	350,000	339,418	(10,582)
State shared income tax	1,750,000	2,148,438	398,438
Total taxes	27,421,597	27,991,717	570,120
Interest and penalties on delinquent taxes	135,000	168,760	33,760
Total taxes, interest, and penalties	27,556,597	28,160,477	603,880
<b>Other revenue</b>			
Amusement licenses	3,500	4,345	845
Billboard licenses	21,000	19,050	(1,950)
Building and inspection licenses	290,000	575,519	285,519
Business licenses	154,300	161,237	6,937
Franchise fees	430,000	425,537	(4,463)
Landlord licenses	644,000	683,559	39,559
Parking fines and meter collections (adjustment)		(13,540)	(13,540)
Plumbing licenses and permits	42,000	96,365	54,365
Street-breaking permits	1,750	700	(1,050)
Towing companies	4,000	4,125	125
Other miscellaneous permits	26,100	35,714	9,614
Municipal infraction violations	150,000	58,820	(91,180)
Interest on investment of idle funds	12,500	274,626	262,126
Insurance proceeds	53,205	64,385	11,180
Donations	50,000	103,757	53,757
Zoo reimbursements	253,748	223,496	(30,252)
Zoo commission	280,734	448,337	167,603
Sale of maps, codes, and documents	1,100	130	(970)
Bad debt collections	2,000	1,789	(211)
School zone camera fines	1,350,000	1,033,659	(316,341)
Other miscellaneous receipts	235,458	254,852	19,394
Total other revenue	4,005,395	4,456,462	451,067





# FY19 Revenues

**Total Revenues  
budget  
by \$ 1.6M**

	Final Budget (Unaudited)	Actual	Variance Positive (Negative)
<b>Charges for Services</b>			
Administrative fees	536,948	537,183	235
Ambulance call fees	1,875,000	2,088,739	213,739
Advertising	100	143	43
Filing fees	100	100	
Garbage disposal fees	1,485,643	1,551,122	65,479
Inspection fees	26,300	24,707	(1,593)
Plan review fees	23,000	32,293	9,293
Police alarm systems	30,000	23,659	(6,341)
Weed removal	99,000	66,837	(32,163)
Zoning appeal and housing board appeal fees	600	446	(154)
Fire permits and plan review	149,500	278,911	129,411
Total charges for services	4,226,191	4,604,140	377,949
<b>Intergovernmental</b>			
State of Maryland			
Police protection	586,509	556,474	(30,035)
Enterprise zone	84,000	76,834	(7,166)
Highway user	1,070,682	1,079,116	8,434
MDOT Reimbursement	214,572	391,231	176,659
Wicomico County			
Financial corporations	18,300	18,302	2
Fire department	820,668	820,668	
Room tax	245,000	261,309	16,309
Total intergovernmental	3,039,731	3,203,934	164,203
Total revenues	38,827,914	40,425,013	1,597,099
<b>OTHER FINANCING SOURCES</b>			
Proceeds from issuance of debt	719,000	38,178	(680,822)
Proceeds from sale of capital assets	21,747	30,905	9,158
Total other financing sources	740,747	69,083	(671,664)
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>\$ 39,568,661</b>	<b>\$ 40,494,096</b>	<b>\$ 925,435</b>



# FY19 Expenditures

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
<b>GENERAL GOVERNMENT</b>				
City council				
Salaries	\$ 52,000	\$ 52,000	\$ 51,702	\$ 298
Personnel benefits	8,944	8,944	8,232	712
Other operating expenses	16,509	16,509	6,592	9,917
Community promotion	750	750	103	647
	<u>78,203</u>	<u>78,203</u>	<u>66,629</u>	<u>11,574</u>
City clerk				
Salaries	108,123	108,123	108,083	40
Personnel benefits	37,329	37,329	36,377	952
Other operating expenses	16,437	16,437	8,474	7,963
	<u>161,889</u>	<u>161,889</u>	<u>152,934</u>	<u>8,955</u>
Mayor's office				
Salaries	404,247	383,051	348,690	34,361
Personnel benefits	119,059	119,059	101,023	18,036
Professional services	960	2,428	2,239	189
Other operating expenses	71,485	86,687	80,604	6,083
Capital outlay	2,679	7,205	6,620	585
	<u>598,430</u>	<u>598,430</u>	<u>539,176</u>	<u>59,254</u>
Developmental services				
Salaries	126,208	130,244	130,028	216
Personnel benefits	36,284	36,324	36,209	115
Professional services	102,000	92,000	77,273	14,727
Other operating expenses	198,832	208,970	199,726	9,244
Community promotion	311,114	309,990	295,894	14,096
Capital outlay	3,413	2,861	1,812	1,049
	<u>777,851</u>	<u>780,389</u>	<u>740,942</u>	<u>39,447</u>
City attorney				
Professional services	284,800	374,315	364,677	9,638
	<u>284,800</u>	<u>374,315</u>	<u>364,677</u>	<u>9,638</u>
Internal services - finance				
Salaries	375,353	383,218	382,917	301
Personnel benefits	146,719	154,454	143,967	10,487
Professional services	40,650	29,400	28,825	575
Other operating expenses	58,728	78,021	42,970	35,051
Capital outlay		61,357	12,538	48,819
	<u>621,450</u>	<u>706,450</u>	<u>611,217</u>	<u>95,233</u>
Internal services - purchasing				
Salaries	175,714	175,714	165,851	9,863
Personnel benefits	46,651	46,651	42,620	4,031
Professional services	11,596	11,596	10,750	846
Other operating expenses	27,416	27,416	24,250	3,166
	<u>261,377</u>	<u>261,377</u>	<u>243,471</u>	<u>17,906</u>



# FY19 Expenditures

## GENERAL GOVERNMENT (Continued)

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
Information technology				
Salaries	262,484	263,921	263,204	717
Personnel benefits	90,942	93,623	93,529	94
Professional services		120	120	
Other operating expenses	104,740	104,695	102,460	2,235
Capital outlay	2,756	442	442	
	460,922	462,801	459,755	3,046
Internal services - human resources				
Salaries	140,784	140,784	138,264	2,520
Personnel benefits	129,694	116,507	116,188	319
Professional services	11,400	24,981	21,898	3,083
Other operating expenses	23,716	24,012	21,286	2,726
Capital outlay	2,650	1,960	1,660	300
	308,244	308,244	299,296	8,948
Planning and zoning				
Salaries	71,010	71,010	70,983	27
Personnel benefits	21,123	21,123	21,060	63
Professional services	9,147	7,147		7,147
Other operating expenses	1,000	3,000	2,964	36
	102,280	102,280	95,007	7,273
Municipal buildings				
Professional services		9,064		9,064
Other operating expenses	197,600	235,903	140,604	95,299
Capital outlay		269,526	252,475	17,051
	197,600	514,493	393,079	121,414
Poplar Hill Mansion				
Salaries	25,000	25,000	25,000	
Personnel benefits	2,848	2,848	2,784	64
Other operating expenses	30,175	30,175	26,235	3,940
	58,023	58,023	54,019	4,004
Total general government	3,911,069	4,406,894	4,020,202	386,692

## PUBLIC SAFETY

Police services				
Salaries	7,032,507	6,815,316	6,676,665	138,651
Personnel benefits	3,824,879	3,870,081	3,446,500	423,581
Professional services	40,660	119,690	115,654	4,036
Other operating expenses	1,048,793	1,244,616	1,050,920	193,696
Community promotions	1,000	1,000	1,000	
Capital outlay	234,000	528,962	271,674	257,288
	12,181,839	12,579,665	11,562,413	1,017,252
Police communications				
Salaries	543,874	472,974	388,399	84,575
Personnel benefits	226,422	226,422	135,831	90,591
Professional services	8,000	8,000	2,302	5,698
Other operating expenses	74,917	76,367	30,984	45,383
	853,213	783,763	557,516	226,247





# FY19 Expenditures

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
<b>PUBLIC SAFETY (Continued)</b>				
Animal control				
Salaries	77,523	77,523	16,034	61,489
Personnel benefits	30,364	30,364	8,344	22,020
Other operating expenses	5,100	5,100	4,768	332
Professional services	101,952	104,952	102,708	2,244
	214,939	217,939	131,854	86,085
Total police department	13,249,991	13,581,367	12,251,783	1,329,584
Traffic control				
Salaries	274,667	276,567	270,214	6,353
Personnel benefits	131,135	129,980	119,886	10,094
Professional services	550	550	550	
Other operating expenses	975,409	1,105,511	1,100,165	5,346
Total traffic control	1,381,761	1,512,608	1,490,815	21,793
Fire department				
Firefighting				
Salaries	4,056,129	4,065,691	4,063,821	1,870
Personnel benefits	2,500,294	2,528,950	2,399,456	129,494
Professional services	147,940	147,031	140,379	6,652
Other operating expenses	898,701	925,112	853,577	71,535
Capital outlay	137,425	139,925	63,101	76,824
	7,740,489	7,806,709	7,520,334	286,375
Volunteer firemen				
Salaries	27,000			
Personnel benefits	257,185	245,984	245,214	770
Professional services	37,600	25,770	25,695	75
Other operating expenses	8,272	8,272	8,272	
Community promotions	80,000	80,000	80,000	
	410,057	360,026	359,181	845
Total fire department	8,150,546	8,166,735	7,879,515	287,220
Buildings, permits, and inspections				
Salaries	224,340	224,350	224,266	84
Personnel benefits	69,215	69,415	68,363	1,052
Professional services	9,350	9,350	3,711	5,639
Other operating expenses	21,622	21,412	10,295	11,117
Total buildings, permits, and inspections	324,527	324,527	306,635	17,892
Housing and community development				
Salaries	604,635	551,546	534,600	16,946
Personnel benefits	213,791	221,867	218,561	3,306
Professional services	516	396	310	86
Other operating expenses	188,590	184,291	169,468	14,823
Community promotions	78,400	78,400	76,560	1,840
Capital outlay	1,700	54,500	23,416	31,084
Total housing & community development	1,087,632	1,091,000	1,022,915	68,085
Total public safety	24,194,457	24,676,237	22,951,663	1,724,574



# FY19 Expenditures

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
<b>PUBLIC WORKS</b>				
Supervision				
Salaries	\$ 333,875	\$ 333,825	\$ 293,993	\$ 39,832
Personnel benefits	135,595	135,273	106,996	28,277
Professional services	500	500	500	
Other operating expenses	51,405	51,777	49,870	1,907
	521,375	521,375	451,359	70,016
Engineering				
Salaries	447,017	446,500	429,291	17,209
Personnel benefits	159,245	159,975	152,611	7,364
Professional services	21,138	207,845	7,551	200,294
Other operating expenses	750,959	1,210,190	1,124,600	85,590
Capital outlay		18,944	23,509	(4,565)
	1,378,359	2,043,454	1,737,562	305,892
Total supervision and engineering	1,899,734	2,564,829	2,188,921	375,908
Roadways				
Salaries	355,033	358,033	346,559	11,474
Personnel benefits	155,688	156,963	145,899	11,064
Professional services	1,000	1,000	1,000	
Other operating expenses	206,486	203,087	196,167	6,920
Capital outlay	165,000	165,000		165,000
	883,207	884,083	689,625	194,458
Sanitation				
Waste collection and disposal				
Salaries	381,180	348,790	348,790	
Personnel benefits	186,271	183,316	178,942	4,374
Professional services	1,000	1,000	1,000	
Other operating expenses	711,657	745,101	741,797	3,304
Capital outlay	275,000	280,000		280,000
	1,555,108	1,558,207	1,270,529	287,678
Recycling				
Salaries	68,802	68,802	67,035	1,767
Personnel benefits	35,561	35,561	33,406	2,155
Professional services	250	250	250	
Other operating expenses	26,263	26,263	24,582	1,681
	130,876	130,876	125,273	5,603
Total sanitation	1,685,984	1,689,083	1,395,802	293,281
Fleet maintenance				
Salaries	200,326	173,977	169,251	4,726
Personnel benefits	92,269	90,718	77,609	13,109
Professional services	600	600	600	
Other operating expenses	155,254	200,577	183,443	17,134
	448,449	465,872	430,903	34,969
Carpenter shop				
Salaries	76,857	77,017	76,522	495
Personnel benefits	36,485	36,325	35,451	874
Professional services	200	200	200	
Other operating expenses	25,024	25,024	23,484	1,540
	138,566	138,566	135,657	2,909
Total public works	5,055,940	5,742,433	4,840,908	901,525



# FY19 Expenditures

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
<b>RECREATION AND CULTURE</b>				
Municipal zoo				
Salaries	\$ 785,692	\$ 765,492	\$ 732,726	\$ 32,766
Personnel benefits	240,431	243,181	197,092	46,089
Professional services	18,700	23,400	22,471	929
Other operating expenses	387,715	401,289	379,929	21,360
	<u>1,432,538</u>	<u>1,433,362</u>	<u>1,332,218</u>	<u>101,144</u>
Park maintenance				
Salaries	321,619	296,519	252,623	43,896
Personnel benefits	135,674	138,874	109,184	29,690
Professional services	600	600	600	
Other operating expenses	178,676	188,350	181,687	6,663
Capital outlay		37,100	17,045	20,055
	<u>636,569</u>	<u>661,443</u>	<u>561,139</u>	<u>100,304</u>
Total recreation and culture	<u>2,069,107</u>	<u>2,094,805</u>	<u>1,893,357</u>	<u>201,448</u>
<b>NONDEPARTMENTAL</b>				
Insurance				
Health care claims			128,153	(128,153)
Insurance	717,000	717,000	651,147	65,853
	<u>717,000</u>	<u>717,000</u>	<u>779,300</u>	<u>(62,300)</u>
Miscellaneous				
Personnel benefits	292,800	292,800	276,239	16,561
Other operating expenses	3,952	3,952		3,952
	<u>296,752</u>	<u>296,752</u>	<u>276,239</u>	<u>20,513</u>
Total nondepartmental	<u>1,013,752</u>	<u>1,013,752</u>	<u>1,055,539</u>	<u>(41,787)</u>
<b>DEBT PAYMENTS</b>				
Principal redemption	2,973,887	2,973,887	2,973,887	
Interest	1,537,015	1,546,076	798,416	747,660
Total debt payments	<u>4,510,902</u>	<u>4,519,963</u>	<u>3,772,303</u>	<u>747,660</u>
Total expenditures	<u>40,755,227</u>	<u>42,454,084</u>	<u>38,533,972</u>	<u>3,920,112</u>
<b>OTHER FINANCING SOURCES</b>				
Transfer to other funds	304,626	511,077	509,270	1,807
Total other financing uses	<u>304,626</u>	<u>511,077</u>	<u>509,270</u>	<u>1,807</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 41,059,853</u>	<u>\$ 42,965,161</u>	<u>\$ 39,043,242</u>	<u>\$ 3,921,919</u>





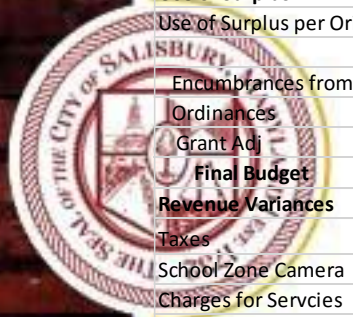
# Analysis of FY19 Variances

<b>Use of Surplus</b>	
Use of Surplus per Original Budget	(1,783)
Encumbrances from Prev Year	(848)
Ordinances	(766)
Grant Adj	
<b>Final Budget</b>	<b>(3,397)</b>
<b>Revenue Variances</b>	
Taxes	604
School Zone Camera	-316
Charges for Services	163
EMS	214
Building Permits	285
Police Protection	-30
Zoo	167
MDOT Reimbursements	177
Interest	262
Other	80
Debt Proceeds	-681
Sale of Fixed Assets	9
<b>Total Revenue Variances</b>	<b>925</b>

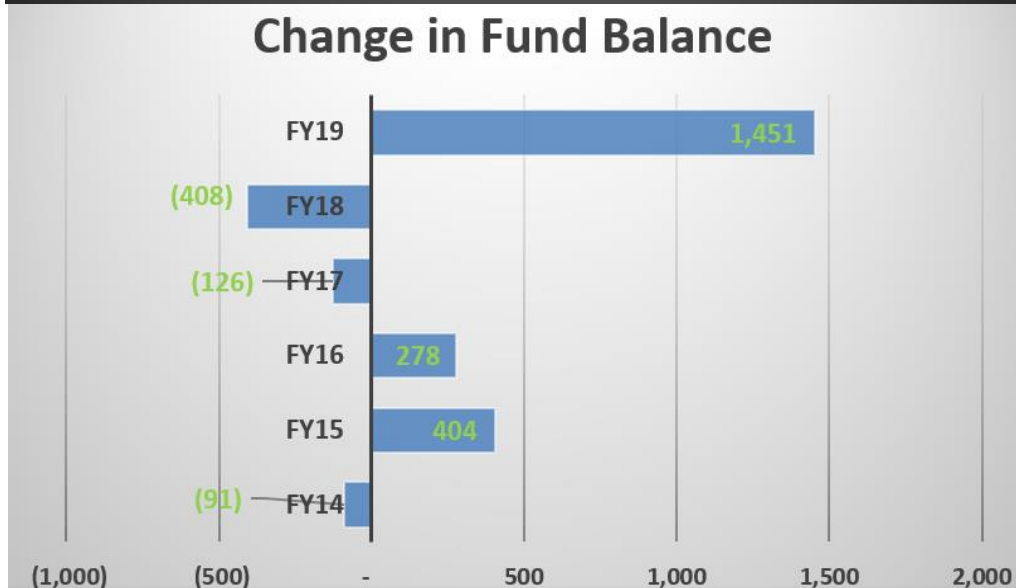
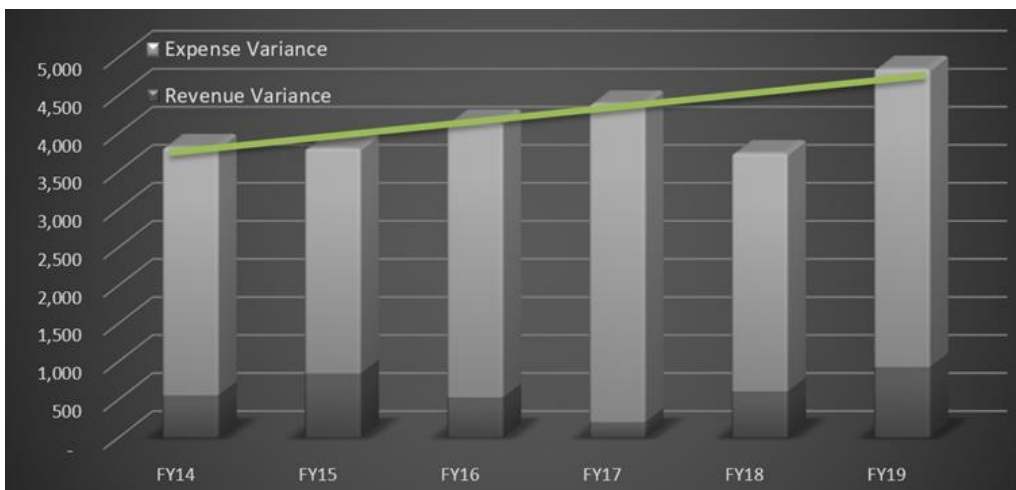
<b>Expenditure Variances</b>	
Mayors Office	59
Municipal Buildings	121
General Government Other	206
Police	1329
Traffic	22
Fire	287
PW Engineering	376
PW Roads	195
PW Sanitation	288
Recreation	201
Insurance	-62
Transfer	2
Debt Service	748
Other	151
<b>Total Expenditure Variances</b>	<b>3,923</b>
<b>Other Finance Source Uses Variance</b>	
<b>Total Variances</b>	<b>4,848</b>
<b>Change in Fund Balance</b>	<b>1,451</b>
1.3M Fire Trucks in FY17	
<b>Change in Fund Bal per Statement</b>	<b>1,451</b>

How did we budget for a use of \$1.7M of surplus, but wind up with an a use of surplus of \$1.45?

- Note the encumbrance carry forwards from FY18 increased the budgeted use of surplus by \$848k and that ordinances passed during FY19 increased the budget use another \$766k; resulting in a final budgeted use of surplus of \$3.4M.
- The variances (Revenue \$925k and Expenditure \$3.9M) result in the actual increase of fund balance in the amount of \$1.45M.

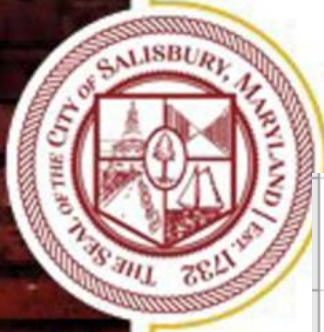


	FY14	FY15	FY16	FY17	FY18	FY19
<b>Use of Surplus</b>						
Use of Surplus per Original Budget	(2,084)	(1,635)	(2,592)	(2,564)	(2,192)	(1,783)
Encumbrances from Prev Year	(1,570)	(1,481)	(946)	(2,156)	(3,011)	(848)
Ordinances		(351)	(325)	(1,097)	(243)	(766)
Grant Adj	(255)					
<b>Final Budget</b>	<b>(3,909)</b>	<b>(3,467)</b>	<b>(3,863)</b>	<b>(5,817)</b>	<b>(5,446)</b>	<b>(3,397)</b>
<b>Revenue Variances</b>						
Taxes	777	(142)	90	230	192	604
School Zone Camera		106	65	(173)	226	-316
Charges for Services	3			(292)	-142	163
EMS		117	(68)			214
Building Permits		(135)				285
Health Care Rebate		481	574			
Police Protection	(22)		(105)			-30
Donations		188				
Zoo		180				167
Rental Fees		40				
MDOT Reimbursements						177
Interest						262
Other	124	5	(30)	(67)	154	80
Debt Proceeds	(187)			504	175	-681
Transfers In	(270)					
Sale of Fixed Assets	127					9
<b>Total Revenue Variances</b>	<b>552</b>	<b>840</b>	<b>526</b>	<b>202</b>	<b>605</b>	<b>925</b>
<b>Expenditure Variances</b>						
Mayors Office				124	38	59
Municipal Buildings				150	105	121
General Government Other	202			212	221	206
Police	844	1,158	811	369	1244	1329
Traffic	134		200	103	22	22
Fire	391		140	255	353	287
PW Engineering	1,074	652	811	899	480	376
PW Roads	261	134	213	63	26	195
PW Sanitation			327	83	298	288
Recreation			146	149	186	201
Insurance			132	75	-180	-62
Transfer	85			817	-3	2
Debt Service		343	304	431	280	748
Other	275	677	531	459	63	151
<b>Total Expenditure Variances</b>	<b>3,266</b>	<b>2,964</b>	<b>3,615</b>	<b>4,189</b>	<b>3,133</b>	<b>3,923</b>
<b>Other Finance Source Uses Variance</b>		<b>67</b>	<b>-</b>			
<b>Total Variances</b>	<b>3,818</b>	<b>3,871</b>	<b>4,141</b>	<b>4,391</b>	<b>3,738</b>	<b>4,848</b>
<b>Change in Fund Balance</b>	<b>(91)</b>	<b>404</b>	<b>278</b>	<b>(1,426)</b>	<b>(1,708)</b>	<b>1,451</b>
1.3M Fire Trucks in FY17				1,300	(1,300)	
<b>Change in Fund Bal per Statement</b>	<b>(91)</b>	<b>404</b>	<b>278</b>	<b>(126)</b>	<b>(408)</b>	<b>1,451</b>



**Cumulative Change over 6 years  
FY14 – FY19    \$ 1,508**





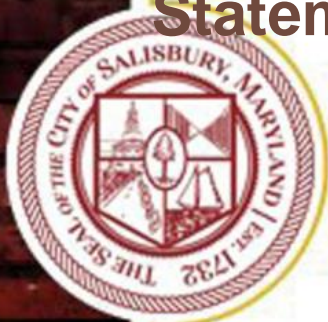
# Water Sewer Fund Statement of Net Position

	FY18	FY19	Increase (Decrease)
<b>ASSETS</b>			
Current assets:			
Cash	\$ 3,864,986	\$ 3,288,184	\$ (576,802)
Investment pool	3,083,019	3,868,294	785,275
Accounts Receivable	2,564,884	2,555,583	(9,301)
Less allowance for uncollectible	-	-	-
Due from other governmental units	3,948,610	2,971,480	(977,130)
Inventory	384,096	368,173	(15,923)
Total current assets	13,845,595	13,051,714	(793,881)
Noncurrent assets:			-
Restricted cash	3,419,825	3,489,914	70,089
Restricted investment pool	15,725,746	14,436,449	(1,289,297)
Construction-in-progress	30,946,950	4,441,932	(26,505,018)
Land	301,703	301,703	-
Buildings, equipment, and improvements	132,038,576	163,992,557	31,953,981
Less accumulated depreciation	(33,930,814)	(38,518,030)	(4,587,216)
Total noncurrent assets	148,501,986	148,144,525	(357,461)
Total assets	162,347,581	161,196,239	(1,151,342)



# Water Sewer Fund Statement of Net Position

	FY18	FY19	Increase (Decrease)
			-
<b>LIABILITIES</b>			-
Current liabilities:			-
Accounts payable and accrued expenses	3,657,140	3,886,098	228,958
Accrued payroll	87,447	90,625	3,178
Accrued interest payable	170,065	153,433	(16,632)
Unavailable revenue	768,900	301,555	(467,345)
Bonds, notes and capital leases payable	4,262,867	4,310,639	47,772
Compensated absences	21,126	23,495	2,369
Total current liabilities	8,967,545	8,765,845	(201,700)
Noncurrent liabilities:			-
Bonds, notes and capital leases payable	72,044,289	69,645,290	(2,398,999)
Post-employment benefits	3,852,040	4,436,909	584,869
Net Pension Liability	3,518,805	3,702,309	183,504
Compensated absences	190,133	211,453	21,320
Total noncurrent liabilities	79,605,267	77,995,961	(1,609,306)
Total liabilities	88,572,812	86,761,806	(1,811,006)
			-
<b>DEFERRED INFLOWS OF RESOURCES</b>			-
Deferred inflows pension	526,674	484,729	(41,945)
Deferred inflows - OPEB	33,268	46,183	12,915
Total deferred inflows of resources	559,942	530,912	(29,030)
Total liabilities and deferred inflows of resources	89,132,754	87,292,718	(1,840,036)
			-
<b>NET POSITION</b>			-
Net investment in capital assets	53,049,259	56,262,233	3,212,974
Restricted for:	19,145,571	17,926,363	(1,219,208)
Unrestricted	1,989,300	893,767	(1,095,533)
Total net position	\$ 74,184,130	\$ 75,082,363	\$ 898,233



# Statement of Revenues Expenses and Changes in Net Position

## Water Sewer Fund

	<b>FY 17</b>	<b>Change</b>	<b>FY 18</b>	<b>Change</b>	<b>FY 19</b>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 14,215,790	\$ 694,712	\$ 14,910,502	\$ 1,081,141	\$ 15,991,643
Penalties	72,474	9,925	82,399	(6,825)	75,774
Tapping charges and connection fees	151,147	107,371	258,518	(244,998)	13,520
Sundry income	176,974	121,861	298,835	(86,820)	212,015
Pretreatment monitoring fee	180,925	47,169	228,094	(47,799)	180,295
Impact Fees	106,991	85,818	192,809	547,598	740,407
<b>TOTAL OPERATING REVENUES</b>	<b>14,904,301</b>	<b>1,066,856</b>	<b>15,971,157</b>	<b>1,242,497</b>	<b>17,213,654</b>
<b>OPERATING EXPENSES</b>					
Salaries	3,750,259	30,045	3,780,304	341,192	4,121,496
Personnel benefits	1,932,213	(162,053)	1,770,160	(38,476)	1,731,684
Professional and skilled services	1,104,927	15,109	1,120,036	(47,699)	1,072,337
Other operating expenses	4,149,484	22,140	4,171,624	666,041	4,837,665
Equipment	73,245	(66,113)	7,132	23,558	30,690
<b>TOTAL OPERATING EXPENSES</b>	<b>11,010,127</b>	<b>(160,871)</b>	<b>10,849,256</b>	<b>944,616</b>	<b>11,793,872</b>
Operating income (loss) before depreciation	3,894,174	1,227,727	5,121,901	297,881	5,419,782
Depreciation	2,246,750	194,810	2,441,560	2,145,656	4,587,216
<b>NET OPERATING INCOME (LOSS)</b>	<b>1,647,424</b>	<b>1,032,917</b>	<b>2,680,341</b>	<b>(1,847,775)</b>	<b>832,566</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Grants	8,958,139	(2,471,136)	6,487,003	(6,227,771)	259,232
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	-	-	-
Interest income	122,334	145,034	267,368	188,830	456,198
Interest expense	(860,894)	146,591	(714,303)	64,540	(649,763)
<b>TOTAL NONOPERATING REVENUES</b>	<b>8,219,579</b>	<b>(2,179,511)</b>	<b>6,040,068</b>	<b>(5,974,401)</b>	<b>65,667</b>
<b>CHANGE IN NET ASSETS</b>	<b>9,867,003</b>	<b>(1,146,594)</b>	<b>8,720,409</b>	<b>(7,822,176)</b>	<b>898,233</b>
<b>NET ASSETS (DEFICIT), BEGINNING OF YEAR</b>	<b>54,866,563</b>	<b>10,597,158</b>	<b>65,463,721</b>	<b>8,720,409</b>	<b>74,184,130</b>
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	<b>\$ 64,733,566</b>	<b>9,450,564</b>	<b>\$ 74,184,130</b>	<b>898,233</b>	<b>\$ 75,082,363</b>





# Water & Sewer Fund

## Statement of Cash Flows

The Water Sewer Fund generated \$ 6.2M from operating activities.

Net change in Cash was a use of \$1M due to uses by capital and related activities.

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers  
Payments to suppliers  
Payments to employees

Water and Sewer Fund	
\$	17,222,955
	(5,695,811)
	(5,296,509)

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES 6,230,635

### CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Borrowings between funds  
Transfers between funds

NET CASH USED BY OPERATING ACTIVITIES

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments for acquisition of capital assets  
Proceeds from capital grants  
Principal paid on long-term debt  
Issuance of long-term debt  
Interest paid on long-term debt

(5,448,963)
769,017
(4,272,171)
1,920,944
(666,395)

NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES

(7,697,568)

### CASH FLOWS FROM INVESTING ACTIVITIES

Interest income

456,198

NET CHANGE IN CASH AND CASH EQUIVALENTS  
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

(1,010,735)

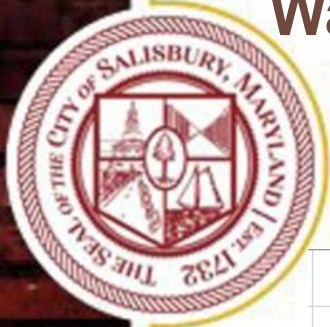
26,093,576

CASH AND CASH EQUIVALENTS, END OF YEAR

\$ 25,082,841

Cash  
Investment pool  
Restricted cash  
Restricted investment pool

\$	3,288,184
	3,868,294
	3,489,914
	14,436,449
\$	25,082,841



# Water and Sewer Fund – Cash Analysis

	Water Sewer Impact and Revolving Funds			
	<i>Capacity</i>	<i>Capacity</i>	<i>Maintenance</i>	
Description	Water Impact	Sewer Impact	W S Revolving	Total
	10800	10900	60200	
Checking	1,454,600	1,382,040	377,415	3,214,055
PNC Investment	311,668	273,293	848,594	1,433,555
<b>Total as of 2 25 2020</b>	<b>1,766,268</b>	<b>1,655,333</b>	<b>1,226,009</b>	<b>4,647,610</b>
<i>Assigned to Paleo 3</i>	<i>(1,231,000)</i>	-		<i>(1,231,000)</i>
<b>Min</b>	<b>(500,000)</b>	<b>(500,000)</b>	<b>(1,500,000)</b>	<b>(2,500,000)</b>
<b>Actual Over (Under) Min</b>	<b>35,268</b>	<b>1,155,333</b>	<b>(273,991)</b>	<b>916,610</b>

Min Water Sewer Funds for Capital Project related to Capacity and Maintenance above are \$2.5M. Actual balances as of 2/25/2020 was 4.6M. The FY21 Mayor's Proposed Budget includes 1,231,000 to fund Paleo 3 Project.



# Statement of Net Position Governmental

	<u>FY17</u>	<u>Change</u>	<u>FY18</u>	<u>Change</u>	<u>FY19</u>
<b>ASSETS</b>					
Current assets:					
Cash and Investment Pool	\$ 10,351,668	296,798	\$ 10,648,466	932,991	11,581,457
Taxes receivable net	1,310,004	55,964	1,365,968	(81,284)	1,284,584
Accounts receivable, net	1,836,763	(19,634)	1,817,129	(4,044)	1,813,085
Due from other governmental units	1,130,222	(155,087)	975,135	311,837	1,286,972
Due from other funds	200,906	113,248	314,154	(85,000)	229,154
Inventories	805,802	(29,553)	776,249	18,213	794,462
Other assets	2,226	32	2,258	2,975	5,233
Total current assets	15,637,591	261,768	15,899,359	1,095,588	16,994,947
		-			
Noncurrent assets:		-			
Restricted cash	7,744,530	981,588	8,726,118	(3,106,920)	5,619,198
Construction -in-progress	10,674,772	(2,982,933)	7,691,839	1,790,240	9,482,079
Land and art	8,434,522	7,160	8,441,682	153,053	8,594,735
Capital assets at cost	60,148,426	7,547,369	67,695,795	2,793,018	70,488,813
Less accumulated depreciation	(27,154,286)	(2,055,036)	(29,209,322)	(2,891,469)	(32,100,791)
Total noncurrent assets	59,847,964	3,498,148	63,346,112	(1,262,078)	62,084,034
		-			
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		-			
Deferred pension contributions	2,925,486	4,991,860	7,917,346	(1,488,867)	6,428,479
Deferred outflow - pensions	6,172,906	(6,039,151)	133,755	1,426,414	1,560,169
Total deferred outflows of resources	9,098,392	(1,047,291)	8,051,101	(62,453)	7,988,648
		-			
Total assets and deferred outflows	84,583,947	2,712,625	87,296,572	(228,943)	87,067,629





# Statement of Net Position Governmental

<b>LIABILITIES</b>		-			
Current liabilities:		-			
Accounts payable and accrued expenses	3,035,118	65,771	3,100,889	(1,500,163)	1,600,726
Unearned revenue	192,896	170,931	363,827	25,973	389,800
Due to other governmental units		-		-	
Deposits and advance payments of taxes	433,576	(324,444)	109,132	(37,153)	71,979
Compensated absences	154,239	20,568	174,807	7,507	182,314
Accrued interest payable	132,336	(155)	132,181	(12,748)	119,433
Bonds, notes & cap leases (short term)	2,661,388	301,303	2,962,691	231,755	3,194,446
Total current liabilities	6,609,553	233,974	6,843,527	(1,284,829)	5,558,698
Noncurrent liabilities:		-			
Compensated absences	1,388,152	185,115	1,573,267	67,557	1,640,824
Post-employment health benefits	17,765,091	(2,356,931)	15,408,160	2,339,478	17,747,638
Net Pension Liability	32,995,195	(4,287,887)	28,707,308	940,698	29,648,006
Bonds, notes, and capital leases payable	22,157,386	2,239,854	24,397,240	(2,458,624)	21,938,616
Total noncurrent liabilities	74,305,824	(4,219,849)	70,085,975	889,109	70,975,084
Total liabilities	80,915,377	(3,985,875)	76,929,502	(395,720)	76,533,782
		-			
<b>DEFERRED INFLOWS OF RESOURCES</b>		-			
Deferred inflows - pensions	2,208,740	1,732,730	3,941,470	(348,401)	3,593,069
Deferred inflows - OPEB		133,072	133,072	51,662	184,734
Total deferred inflows of resources	2,208,740	1,865,802	4,074,542	(296,739)	3,777,803
Total liabilities and deferred inflows	83,124,117	(2,120,073)	81,004,044	(692,459)	80,311,585
		-			
<b>NET POSITION</b>		-			
Net investment in capital assets	32,187,702	(4,927,639)	27,260,063	4,071,712	31,331,775
Restricted for:	7,744,530	981,588	8,726,118	(3,106,919)	5,619,199
Unrestricted	(38,472,402)	8,778,749	(29,693,653)	(501,277)	(30,194,930)
Total net position	\$ 1,459,830	4,832,698	\$ 6,292,528	463,516	\$ 6,756,044



# Statement of Net Position Total

	<u>FY17</u>	<u>Change</u>	<u>FY18</u>	<u>Change</u>	<u>FY19</u>
<b>ASSETS</b>					
Current assets:					
Cash and Investment Pool	\$ 16,164,224	2,130,420	\$ 18,294,644	812,401	\$ 19,107,045
Taxes receivable net	1,310,004	55,964	1,365,968	(81,384)	1,284,584
Accounts receivable, net	4,685,327	(160,557)	4,524,770	(24,715)	4,500,055
Due from other governmental units	6,159,946	(1,235,032)	4,924,914	(666,462)	4,258,452
Inventories	440,919	709,568	1,150,487	12,148	1,162,635
Other assets	825,518	(813,402)	12,116	(6,883)	5,233
Total current assets	29,585,938	686,961	30,272,899	45,105	30,318,004
		-			
Noncurrent assets:		-			
Restricted cash	29,113,247	(631,628)	28,481,619	(4,318,365)	24,163,254
Construction -in-progress	64,545,096	(25,881,158)	38,663,938	(24,470,103)	14,193,835
Land and art	10,598,025	50,022	10,648,047	145,191	10,793,238
Capital assets at cost	163,278,086	44,921,347	208,199,433	35,024,532	243,223,965
Less accumulated depreciation	(64,112,743)	(4,714,464)	(68,827,207)	(7,702,065)	(76,529,272)
Total noncurrent assets	203,421,711	13,744,119	217,165,830	(1,320,810)	215,845,020
		-			
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		-			
Deferred pension contributions	3,247,807	5,653,994	8,901,801	(1,642,795)	7,259,006
Deferred outflow - pensions	7,035,543	(6,868,349)	167,194	1,783,018	1,950,212
Total deferred outflows of resources	10,283,350	(1,214,355)	9,068,995	140,223	9,209,218
		-			
Total assets and deferred outflows	243,290,999	13,216,725	256,507,724	(1,135,482)	255,372,242





# Statement of Net Position Total

## ☐ OPEB Liability

- FY16 \$ 21.3M
- FY17 \$ 22.2M
- FY18 \$ 19.2M
- FY19 \$ 22.2M

## ☐ Pension Liability

- GASB 68 requires the City to record it's share of the States Unfunded Pension Liability
- FY16 \$ 29M
- FY17 \$ 37M
- FY18 \$ 32M
- FY19 \$ 33.5M

	<u>FY17</u>	<u>Change</u>	<u>FY18</u>	<u>Change</u>	<u>FY19</u>
<b>LIABILITIES</b>		-			
Current liabilities:		-			
Accounts payable and accrued expenses	7,400,185	(500,547)	6,899,638	(1,171,496)	5,728,142
Unearned revenue	1,142,076	(9,349)	1,132,727	(441,372)	691,355
Due to other governmental units		-	-	-	
Deposits and advance payments of taxes	444,555	(321,512)	123,043	(39,185)	83,858
Compensated absences	176,521	19,412	195,933	9,876	205,809
Accrued interest payable	318,034	(14,469)	303,565	(29,556)	274,009
Bonds, notes & cap leases (short term)	6,771,217	591,920	7,363,137	321,891	7,685,028
Total current liabilities	16,252,588	(234,545)	16,018,043	(1,349,842)	14,668,201
Noncurrent liabilities:		-			
Compensated absences	1,588,691	174,709	1,763,400	88,877	1,852,277
Post-employment health benefits	22,206,364	(2,946,164)	19,260,200	2,924,347	22,184,547
Net Pension Liability	37,373,012	(4,964,203)	32,408,809	1,137,359	33,546,168
Bonds, notes, and capital leases payable	93,800,777	4,839,064	98,639,841	(4,825,226)	93,814,615
Total noncurrent liabilities	154,968,844	(2,896,594)	152,072,250	(674,643)	151,397,607
Total liabilities	171,221,432	(3,131,139)	168,090,293	(2,024,485)	166,065,808
		-			
<b>DEFERRED INFLOWS OF RESOURCES</b>		-			
Deferred inflows - pensions	2,534,948	1,960,540	4,495,488	(392,048)	4,103,440
Deferred inflows - OPEB	-	166,340	166,340	64,577	230,917
Total deferred inflows of resources	2,534,948	2,126,880	4,661,828	(327,471)	4,334,357
Total liabilities and deferred inflows	173,756,380	(1,004,259)	172,752,121	(2,351,956)	170,400,165
		-			
<b>NET POSITION</b>		-			
Net investment in capital assets	88,205,097	(5,523,864)	82,681,233	7,500,891	90,182,124
Restricted for:	19,547,662	8,933,957	28,481,619	(4,318,364)	24,163,255
Unrestricted	(38,218,140)	10,810,891	(27,407,249)	(1,966,053)	(29,373,302)
Total net position	\$ 69,534,619	14,220,984	\$ 83,755,603	1,216,474	\$ 84,972,077



# Questions







City of  
Salisbury

# Financial Health

Presented April 2020



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## ❑ **Benchmark Ratios**

Key financial ratios are compared to GFOA standards

- Total Fund Balance
- Unassigned Fund Balance
- Debt to Market Value
- Debt per Capita
- Annual Debt Service
- Water and Sewer Unrestricted Fund Balance
- Parking Authority
- Summary

## ❑ **FY 21 Budget**

- Highlights
- Revenues
- General Fund Expenditures by Category
- General Fund Expenditures by Department
- Capital Projects





# Benchmarks



## General Fund - Total Fund Balance

	FY 2018	FY 2019	FY 2020	FY 2021
<b>Total Fund Balance</b>	\$12,572,234 as of June 30, 2016	\$12,446,573 as of June 30, 2017	\$10,738,933 as of June 30, 2018	\$12,775,227 as of June 30, 2019
<b>Budgeted Expenditures</b>	34,900,072 2016	36,296,282 2017	38,992,253 2018	40,775,227 2019
<b>Ratio</b>	33.7% (Strong)	32.4% (Strong)	31.9% (Strong)	31.7% (Strong)

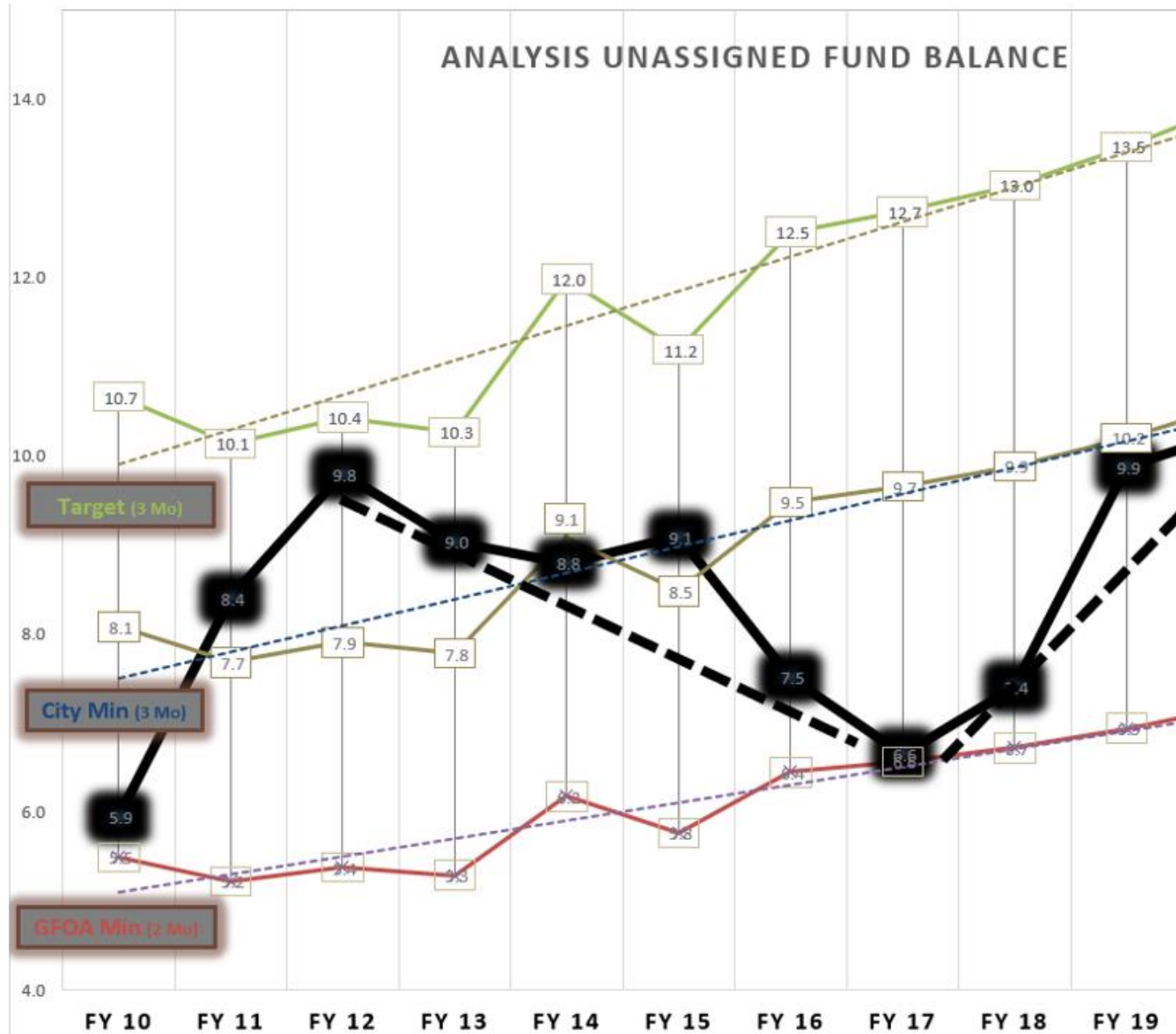
**Strong** > 25 %

**Adequate** 10-25 %

**Weak** < 10 %



# General Fund - Unassigned Fund Balance





# Debt to Market Value

	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
General Obligation Debt	\$ 82,634,302	\$ 93,046,516	\$ 99,578,997	\$ 94,970,713
Market Value of Property	\$ 2,069,149,309	\$ 2,079,435,806	\$ 2,151,596,042	\$ 2,228,360,951
Ratio	3.99% (Adequate)	4.47% (Adequate)	4.63% (Adequate)	4.26% (Adequate)

Strong

Adequate

Weak

< 3 %

3 – 6 %

> 6 %





## Debt Per Capita

	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
<b>Citywide General Obligation Debt</b>	\$ 82,634,302	\$ 93,046,516	\$ 99,578,997	\$ 94,970,713
<b>Population</b>	32,900	32,900	33,000	33,000
<b>Debt Per Capita</b>	\$ 2,511 (Needs Improvement)	\$ 2,828 (Needs Improvement)	\$ 3,017 (Needs Improvement)	\$ 2,878 (Needs Improvement)

<b>Strong</b>	<b>&lt; \$1,000</b>
<b>Adequate</b>	<b>\$ 1,000 - \$2,500</b>
<b>Weak</b>	<b>&gt; \$2,500</b>



## Annual Debt Service - General Fund

	FY 2018	FY 2019	FY 2020	FY 2021
<b>Budget Debt Service</b>	\$ 2,958,103	\$ 3,782,322	\$ 4,008,907	\$ 3,867,449
<b>General Fund + Capital Project Budget</b>	\$ 46,594,061	\$ 50,663,663	\$ 44,221,824	\$ 48,773,991
<b>Ratio</b>	6.35% (Adequate)	7.47% (Adequate)	9.07% (Adequate)	7.93% (Adequate)

**Adequate <= 10%**



# Water and Sewer Unrestricted Balance

	FY 17	FY 18	FY 19	FY 20	FY 21
<b>Unrestricted Fund Balance</b>	\$ 5,656,092 as of June 30, 2015	\$ (250,011) as of June 30, 2016	\$ (125,369) as of June 30, 2017	\$ 1,989,300 as of June 30, 2018	\$ 893,767 as of June 30, 2019
<b>Water Sewer Operating Revenue</b>	\$ 14,364,879	\$ 16,200,463 (FY18 Budget)	\$ 16,616,820 (FY19 Budget)	\$ 16,547,775 (FY20 Budget)	\$ 16,140,750 (FY21 Budget)
<b>Ratio</b>	38 % (Strong)	- 1.5 % (Needs Improvement)	- .75 % (Needs Improvement)	12% (Needs Improvement)	5.5% (Needs Improvement)

<b>Strong</b>	<b>&gt; 25%</b>
<b>Adequate</b>	<b>17 – 25%</b>
<b>Weak</b>	<b>&lt; 17%</b>



## Parking Authority Unrestricted Net Position

	FY 2018	FY 2019	FY 2020	FY 2021
<b>Unrestricted Net Position</b>	\$80,447 as of June 30, 2016	\$317,390 as of June 30, 2017	\$181,501 as of June 30, 2018	\$ (98,781) as of June 30, 2019
<b>Revenue</b>	\$756,000	\$725,000	\$678,200	\$675,000
<b>Ratio</b>	10.6% Needs Improvement	43.8% Strong	26.8% Strong	-14% Needs Improvement

<b>Strong</b>	<b>&gt; 25%</b>
<b>Adequate</b>	<b>17 – 25%</b>
<b>Weak</b>	<b>&lt; 17%</b>



## Benchmark Summary

	FY 2018	FY 2019	FY 2020	FY 2021
<b>General Fund Balance</b>	Strong	Strong	Strong	Strong
<b>Unassigned Fund Balance</b>	Adequate	Adequate	Adequate	Adequate
<b>Debt to Market Value</b>	Adequate	Adequate	Adequate	Adequate
<b>Annual Debt Service</b>	Adequate	Adequate	Adequate	Adequate
<b>Overall Debt per Capita</b>	Needs Improvement	Needs Improvement	Needs Improvement	Needs Improvement
<b>Unrestricted Net Position Water/Sewer</b>	Needs Improvement	Needs Improvement	Needs Improvement	Needs Improvement
<b>Unrestricted Net Position Parking Fund</b>	Needs Improvement	Strong	Strong	Needs Improvement





# FY21 Budget Highlights





## FY 21 Budget Highlights - Revenue

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### ☐ General Fund - Rates and Fees

- Trash Service – increased from \$56.00 to \$59.00 per Qtr.
- Landlord Licenses/Registration – increased from \$60 to \$75
- Licenses and Permits – increased approximately 6%
- Others – see Fee Schedule in Fee Ordinance

### ☐ Tax Rates

- No change

### ☐ Water Sewer Rates

- No change



# FY 21 Tax Assessments

Fiscal Year	Assessments				Tax Rate		Tax Levy
	Real	Personal	Corporations	Total	Personal Property	Real Property	
2007	1,558,315,846	3,719,000	270,458,220	1,832,493,066	1.82	0.729	15,275,387
2008	1,782,450,011	3,215,350	294,114,320	2,079,779,681	2.04	0.819	18,724,251
2009	2,015,985,078	2,966,990	281,162,310	2,300,114,378	2.04	0.819	19,880,167
2010	2,219,277,746	2,697,220	279,352,590	2,501,327,556	2.04	0.819	21,148,255
2011	2,050,805,168	2,058,140	277,866,040	2,330,729,348	2.04	0.819	21,004,804
2012	1,988,451,318	2,513,100	263,974,200	2,254,938,618	2.04	0.819	20,417,152
2013	1,963,683,547	2,029,930	262,591,170	2,228,304,647	2.04	0.819	19,659,327
2014	1,775,307,203	2,397,520	268,737,410	2,046,442,133	2.21	0.884	22,274,445
2015	1,748,436,713	2,467,580	265,493,170	2,016,397,463	2.21	0.937	21,289,136
2016	1,787,044,569	3,017,040	279,087,700	2,069,149,309	2.21	0.937	21,838,233
2017	1,793,459,946	2,866,060	283,109,800	2,079,435,806	2.21	0.9432	22,017,568
2018	1,852,099,222	3,105,050	296,391,770	2,151,596,042	2.40 PP 2.81 RR	0.9832	24,127,199
2019	1,930,891,071	3,058,170	294,411,710	2,200,091,386	2.40 PP 2.81 RR	0.9832	25,059,823
2020 (EST)	1,938,872,013	3,000,000	258,219,373	2,200,091,386	2.40 PP 3.51 RR	0.9832	25,802,712
2021 (EST)	2,065,525,292	3,250,000	243,034,188	2,311,809,480	2.40 PP 3.51 RR	0.9832	26,632,423



## FY 21 General Fund Revenues

	2020 Original	2021 Proposed	Increase (decrease)
<b><u>Top Increases</u></b>			
Real Property	18,794,712	19,966,423	1,171,711
Capital Lease Proceeds	560,323	1,442,900	882,577
Transfers from Health Care	-	280,000	280,000
Multi-Family Dwelling Fee	560,000	733,000	173,000
Trash Fees	1,780,000	1,938,000	158,000
Local Income Taxes	1,900,000	2,050,000	150,000
Administrative Fees	562,156	642,145	79,989
Railroad/Utilities	2,336,000	2,388,000	52,000
Multifamily Landlord License	90,000	117,000	27,000
Highway User	1,358,201	1,384,293	26,092
Donations-Other	-	24,667	24,667

<b><u>Top Decreases</u></b>			
OBC Pers Property Taxes	4,600,000	4,200,000	(400,000)
School Zone Camera	1,200,000	1,000,000	(200,000)
Transfer from Anex Reinvest	135,000	-	(135,000)
Lifequest Revenue	1,920,000	1,820,837	(99,163)
Transfers from Forfeited Polic	71,109	-	(71,109)
Admission & Amusement Taxes	350,000	300,000	(50,000)
MDOT Reimbursements	90,407	41,570	(48,837)
Building Permits	400,000	371,000	(29,000)
Fire Prevention - Plan Review	150,000	125,000	(25,000)
Plumbing Permits	70,000	50,000	(20,000)
EMS from County	752,814	734,524	(18,290)



## FY 21 Budget Highlights – Personnel

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- A step increase is included for all personnel
- Employees at grade 5 and below received a market adjustment providing approximately an additional 6% increase to begin addressing new min wage laws
- Administrative staff pay grades were updated to standardize levels citywide
- A Zoo Veterinarian position was added
- A 9.5% Health Care increase was assessed by CareFirst





## FY 21 Budget Highlights -Transfers

Special Revenue Fund - NFF	\$ 570,000
Grant Match:	
Fire	573,072
Police Grants	62,350
Community Development	26,000
Total Grant Match	\$ 661,422
Homeless Program	\$ 97,300
<b>TOTAL &gt;&gt;</b>	<b>1,328,722</b>





# FY 21 Budget Highlights – Grant Match

Schedule C: City Fiscal Year 2021 Appropriations for Grant-Funded Expenditures

Grant Name	Appropriation				
	Funding by Grant			Funding by Grant Match	
	Total	Prior Yrs	FY 2021	Amount	Account
<b>Comcast - Public, Educational &amp; Governmental (PEG) Fees</b>					
FY21 - PEG Fees from Comcast	80,000		80,000	N/A	N/A
<b>Housing &amp; Community Development Department</b>					
FY21 - Homeless Solutions Program - Federal Funds (ESG)	25,000		25,000	N/A	N/A
FY21 - Homeless Solutions Program - State Funds	30,000		30,000	N/A	N/A
FY21 - Projects for Assistance Transition-Homelessness (PATH)	35,000		35,000	N/A	N/A
FY21 - Community Legacy	200,000		200,000	N/A	N/A
PY20 - Community Development Block Grant (CDBG)	387,418		387,418	N/A	N/A
FY21 - Maryland Heritage Area Authority (MHAA)	50,000		50,000	15,000	91001-599120
FY19 - POS - Zoo Special Events Pavilion, Phase 1 (DNR - Wic. Co.)	100,000		100,000	11,000	91001-599120
<b>Infrastructure &amp; Development Department</b>					
FY21 - MD - Governor's Capital Projects Grant (DGS) (Salisbury)	1,000,000		1,000,000	N/A	N/A
FY21 - ENR O&M Grant - MDE Bay Restoration Fund (BRF)	255,000		255,000	N/A	N/A
<b>Salisbury Fire Department</b>					
FY17 - Staffing - Adequate Fire & Emergency Response (SAFER)	1,527,738	1,527,738		536,772	91001-599124
FY21 - Salisbury Wicomico Firstcare Team (SWIFT)	150,000		150,000	N/A	N/A
FY19 - Assistance to Firefighters Grant (AFG)	113,000		113,000	11,300	91001-599124
FY20 - Port Security Grant (PSG - 3 projects)	100,000		100,000	25,000	91001-599124
<b>Salisbury Police Department</b>					
FY17, 18 & 19 - COPS Grant	250,000	250,000		N/A	N/A
FY21 - Bulletproof Vest Partnership	25,000		25,000	N/A	N/A
FY21 - MD Criminal Intelligence Network (MCIN)	369,924		369,924	30,000	91001-599121
FFY20 - Edward Byrne Memorial JAG	26,000		26,000	N/A	N/A
FY21 - Gun Violence Reduction Initiative	30,000		30,000	3,500	91001-599121
FFY21 - MD Highway Safety Office - Impaired Driver (DUI)	6,000		6,000	5,084	91001-599121
FFY21 - MD Highway Safety Office - Aggressive Driver	4,000		4,000	3,398	91001-599121
FFY21 - MD Highway Safety Office - Distracted Driver	3,000		3,000	2,555	91001-599121
FY21 - Wicomico County Circuit Court - Drug Court	12,000		12,000	5,800	91001-599121
FY18 - Wicomico County Adult Drug Treatment Court	443,469	443,469		N/A	N/A
FFY21 - U.S. Marshals Program	20,000		20,000	12,013	91001-599121
<b>Total</b>	<b>\$ 5,242,549</b>	<b>\$ 2,221,207</b>	<b>\$ 3,021,342</b>	<b>\$ 661,422</b>	



# FY21 General Fund Outlay / Gen Capital Projects

					Schedule B: General Capital Projects						General Fund - Capital Outlay				
					Funding Source						Account			Funding Source	
Dept	Project	CIP Amount	Adj	Approved Amount	PayGO Gen Fund	PayGO Storm Water	Grant	Contrib.	Prior Yr Bond	FY22 Bond	Org	Obj	Description	General Revenues	Lease Proceeds
<b>Public Safety</b>															
Police	Shooting Range (SPD)	50,000	(50,000)	-											
Police	Patrol Vehicle	460,000	(345,000)	115,000							21021	577025	Vehicles		115,000
Police	CID Vehicles	63,000	(21,000)	42,000							21021	577025	Vehicles		42,000
Fire	Knox E-Lock System	-	37,000	37,000							24035	577035	Equipment	37,000	
Fire	Apparatus Replacement - EMS Units	1,230,000		1,230,000							24035	577025	Vehicles		1,230,000
<b>General Government</b>															
GOB	GOB Roof and Air Handler Replacement	175,000	-	175,000					175,000						
IT	EnerGov Software & Implementation	60,000	(60,000)	-											
IT	SPD Vehicle Cradlepoint Refit	100,000	(100,000)	-											
IT	High Availability Virtual Environment	55,900		55,900							18000	577035	Computer		55,900
IT	Computer Aided Dispatch (CAD) Replacement	50,000		50,000					50,000						
<b>Field Operations</b>															
Field Op	Modular - Admin Office Space	45,000	(45,000)	-											
Field Op	Church St Storm Water Pipe Rehabilitation Lining	130,550		130,550		130,550									
Field Op	Special Events Pavilions	100,000	(10,000)	90,000			90,000								
Field Op	ADA: Ramp and Bathroom Conversion	40,000		40,000						40,000					
Field Op	Field Operations Facility Plan - Phase 2	2,000,000		2,000,000						2,000,000					
Field Op	Multipurpose Mower with attachments	61,000	(61,000)	-											-
Field Op	Rear Load Trash Truck	220,000	(220,000)	-					-	-					



# FY21 General Fund Outlay / Gen Capital Projects

					Schedule B: General Capital Projects						General Fund - Capital Outlay				
					Funding Source						Account			Funding Source	
Dept	Project	CIP Amount	Adj	Approved Amount	PayGO Gen Fund	PayGO Storm Water	Grant	Contrib.	Prior Yr Bond	FY22 Bond	Org	Obj	Description	General Revenues	Lease Proceeds
<b>Infrastructure &amp; Development</b>															
I & D	Zoning Code Revisions	125,000	(82,000)	43,000							19000	513400	Consulting	43,000	
I & D	Wayfinding and Signage	25,000	(25,000)	-										-	
I & D	Street Light Addition & Replacement	50,000	(50,000)	-											
I & D	Citywide Street Reconstruction	625,000	(250,000)	375,000					-	-	31000	534318	Street Repairs	375,000	
I & D	Citywide Concrete Program	75,000	(50,000)	25,000							31000	534307	Curbs	25,000	
I & D	Bridge Maintenance South Division Street Bridge	85,000	(85,000)	-											-
I & D	Citywide Street Reconstruction	45,000	(45,000)	-											
I & D	City Park Master Plan Improvements	380,000	(380,000)	-											
I & D	Bicycle Master Plan Improvements	125,000	(125,000)	-											
I & D	Port Exchange Riverwalk Replacement	114,000	-	114,000					-	114,000					
I & D	Street Scaping (Town Square)	750,000		750,000					750,000						
I & D	Rail Trail Master Plan Implementation	300,000	(50,000)	250,000					250,000						
I & D	Urban Greenway Improvements	450,000	(450,000)												
I & D-SW	Impervious Surface Reduction	200,000	(200,000)	-											
I & D-SW	Waste Shark	25,000	-	25,000		25,000									
I & D-SW	Johnson Pond Dam Improvements	320,000	(320,000)	-					-	-					
<b>Total</b>		8,699,450	(2,473,000)	5,687,450	-	155,550	90,000	-	1,365,000	2,154,000				480,000	1,442,900





# FY21 Water Sewer Capital Projects

			Funding Source			
Project	CIP Amount	Adj	Transfer PayGO	Impact Funds	Lawsuit Proceeds	Reallocate Prior Year Bonds
Water Sewer Capital Project Fund						
EnerGov Software & Implementation	20,000	-20,000				
Fiber Backbone Expansion	190,000	-190,000				
Park Plant Sewer Installation	50,000	-50,000				
Structural Study	75,000					75,000
Main Building HVAC	40,000	-40,000				
WWTP Water Meter Installations	60,000	-60,000				
Sewer Infiltration and Inflow Remediation	550,000	-550,000				
Dump Truck	207,000	-207,000				
Restore Park Well Field	175,000				175,000	
Filter Replacement Project	306,000				306,000	
Replace Distribution Piping & Valves	100,000				100,000	
Park Plant Flow Meter Replacement	250,000				250,000	
Sewer Trunk Line Rehabilitation Lining	150,000				150,000	
Pump Stations Improvements	2,601,000	-2,351,000			250,000	
Paleo Well 3	0			1,231,000	(1,231,000)	
Park Water Treatment Plant Interior Improvements	100,000					100,000
Water Sewer Fund Total	4,874,000	-3,468,000	0	0	1,231,000	175,000





## FY21 General Fund Debt Service

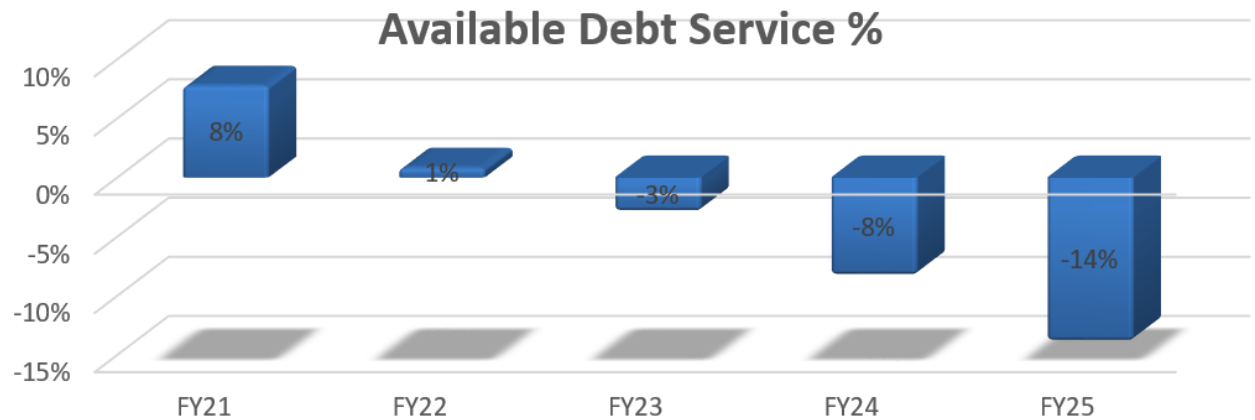
Org	Account	Bond Issue	19 Actual	20 Approved	21 Mayor	Increase (Decrease)
<b><u>Principal</u></b>						
70101	588111	FY 2011GOB	335,664	345,945	327,822	
70101	588114	FY 2011B GOB	246,859	251,978	257,666	
70101	588117	FY 2013 GOB	192,000	198,000	204,000	
70101	588122	FY 2016 GOB	352,380	360,068	367,917	
70101	588123	FY 2017 GOB	815,868	865,365	900,734	
70101	588124	FY 2018 GOB	315,295	323,218	331,330	
70101	588131	Waverly Water C	4,575	4,621	4,667	
70101	588140	FY 2019 GOB	-	-	487,600	
		<b>Total Principal</b>	<b>2,262,641</b>	<b>2,349,195</b>	<b>2,881,736</b>	<b>532,541</b>
<b><u>Interest</u></b>						
70101	588211	FY 2011GOB	100,813	90,359	79,555	
70101	588214	FY 2011B GOB	32,723	26,367	18,700	
70101	588217	FY 2013 GOB	70,115	64,326	58,376	
70101	588222	FY 2016 GOB	62,513	54,749	46,814	
70101	588223	FY 2017 GOB	359,103	317,527	275,033	
70101	588224	FY 2018 GOB	130,818	122,907	114,794	
70101	588231	Waverly Water C	612	567	521	
70101	588239	FY 2019 GOB	-	905,247	-	
70101	588240	FY 2020 GOB	-	77,663	391,920	
		<b>Total Interest</b>	<b>756,697</b>	<b>1,659,712</b>	<b>985,713</b>	<b>(673,999)</b>
		<b>Total Debt Service</b>	<b>3,019,338</b>	<b>4,008,907</b>	<b>3,867,449</b>	<b>(141,458)</b>



# FY21 General Fund Debt Service

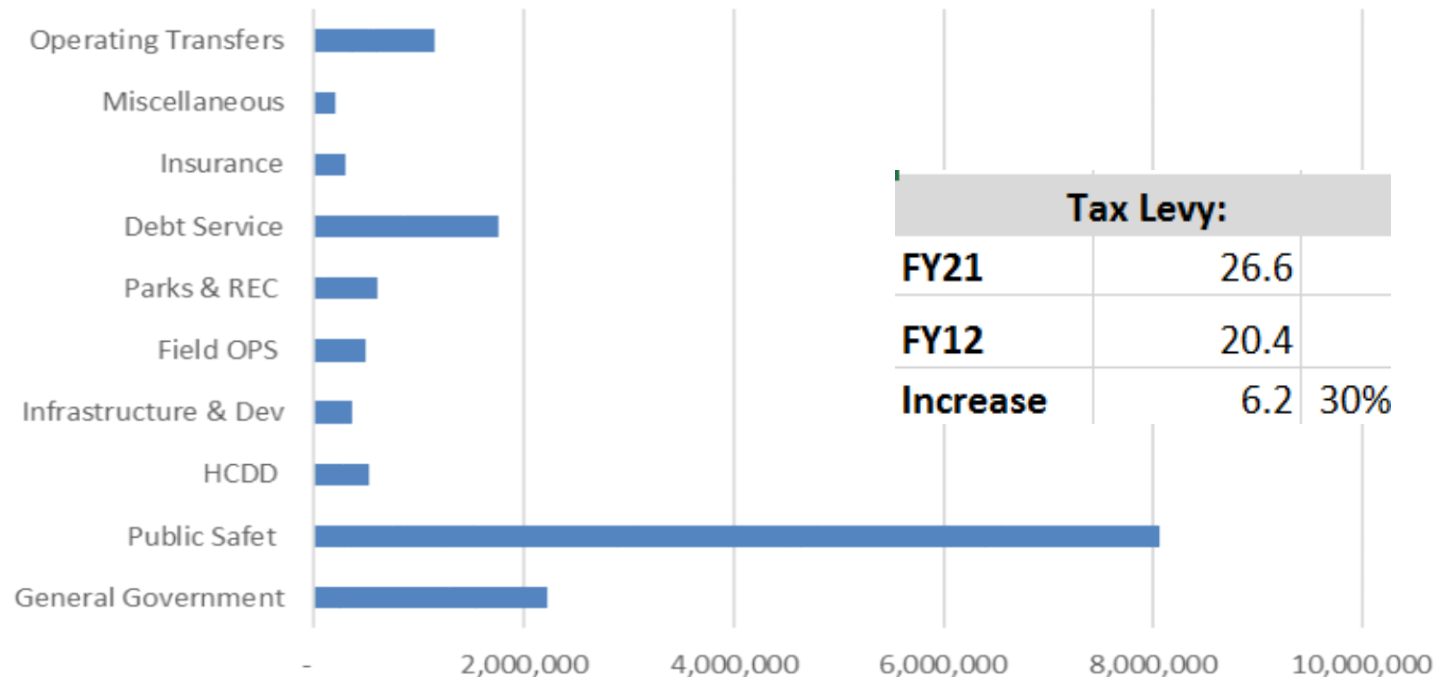
Project Description	FY21	FY22	FY23	FY24	FY25	Total
Additional Debt Service - General Fund	375,685	388,600	238,261	167,590	153,052	1,323,189
Additional Debt Service - Prior year in this CIP		375,685	764,285	1,002,546	1,170,136	
<i>Scheduled Debt Service - as of</i>	3,866,674	3,817,589	3,726,865	3,415,868	3,257,806	
<i>Debt Service GOB Scheduled FY 20 (not included in Schedule)</i>	0	0	0	0	0	
<i>Ending Debt Service</i>	<b>4,242,359</b>	<b>4,957,559</b>	<b>5,493,696</b>	<b>5,588,550</b>	<b>5,751,131</b>	
Max Debt Service per Financial Policy 10% (see below)	4,600,000	4,999,556	5,338,358	5,159,952	5,050,614	
<b>Available Debt Service Amount</b>	<b>357,641</b>	<b>41,997</b>	<b>-155,338</b>	<b>-428,598</b>	<b>-700,517</b>	

**Available Debt Service Percentage**





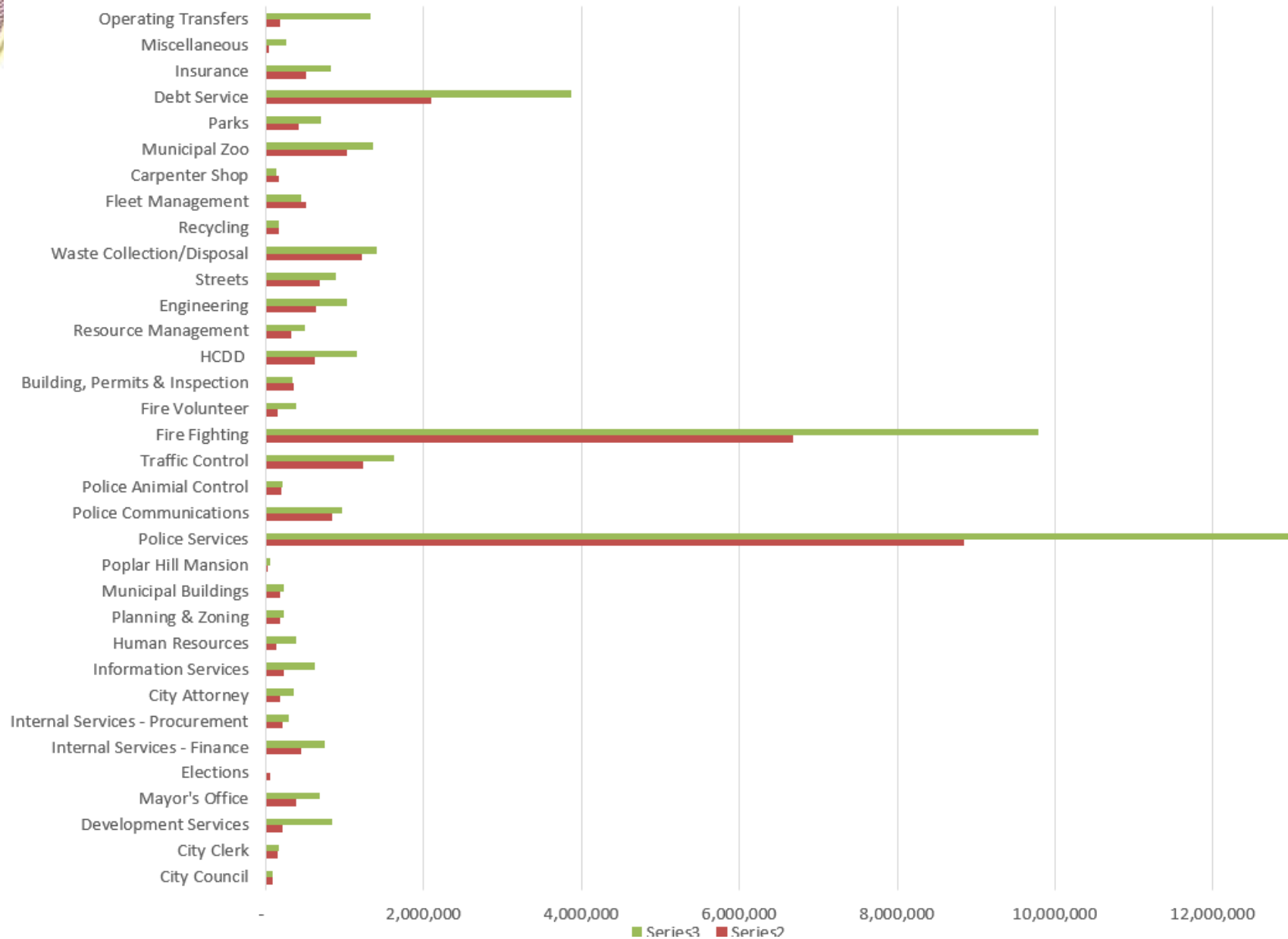
## Increase FY21 vs FY12 by Function



Tax Levy:		
FY21	26.6	
FY12	20.4	
Increase	6.2	30%

	Increase	FY 12	FY 21
General Government	2,228,380	2,437,121	4,665,501
Public Safety	8,056,309	17,914,856	25,971,165
HCDD	525,960	622,568	1,148,528
Infrastructure & Dev	373,376	989,237	1,362,613
Field OPS	494,917	3,047,975	3,542,892
Parks & REC	617,726	1,436,425	2,054,151
Debt Service	1,768,833	2,098,616	3,867,449
Insurance	307,420	510,000	817,420
Miscellaneous	215,400	35,600	251,000
Operating Transfers	1,152,499	176,223	1,328,722
	<b>15,740,820</b>		

The Tax Levy in FY12 was \$ 20.4M vs. \$ 26.6M in FY21 or an increase of **\$ 6.2M**. This tax revenue increase pales in comparison to the **\$ 15.7** increase in costs during that period. Public Safety alone has increase by **\$ 8M** and that does not include approx. \$ .6M in safer grant match.







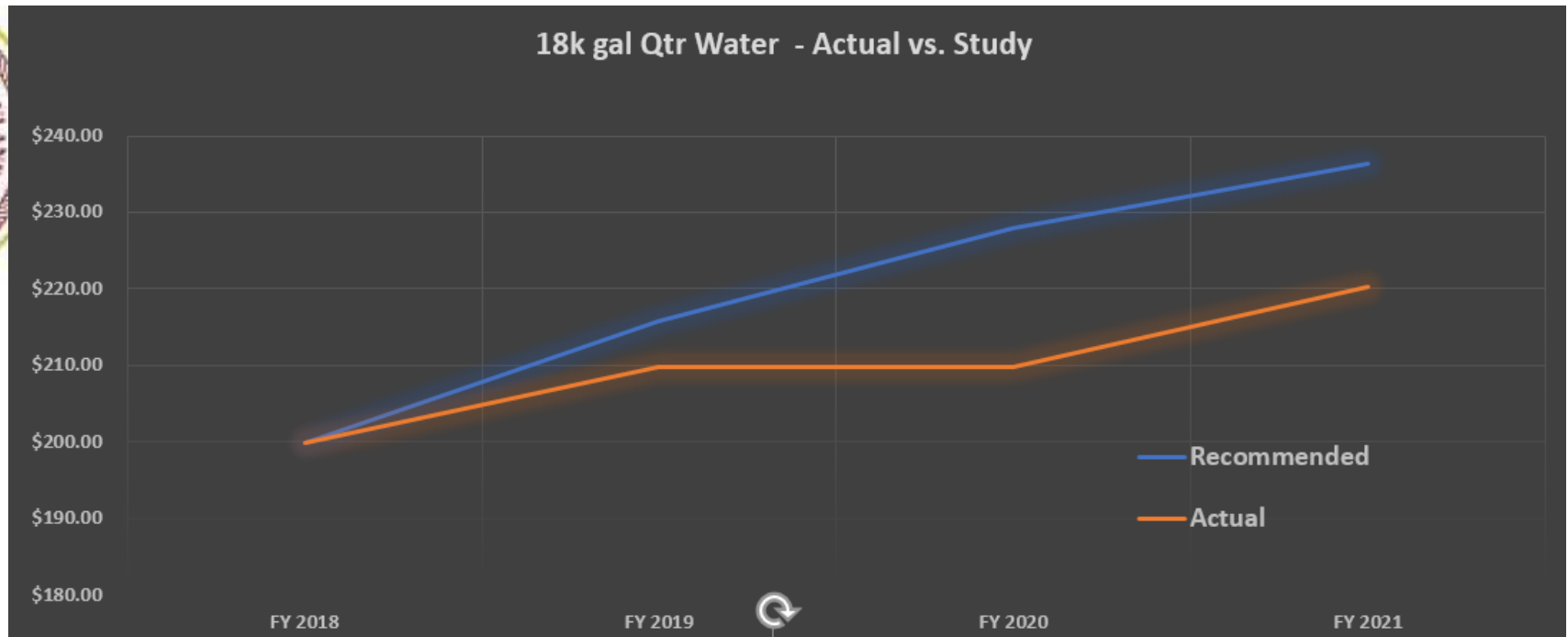
	FY12	FY21	+ -	
Police Services	8,838,580	12,989,970	4,151,390	47%
Fire Fighting	6,674,133	9,790,491	3,116,358	47%
Debt Service	2,098,616	3,867,449	1,768,833	84%
Operating Transfers	176,223	1,328,722	1,152,499	654%
Development Services	216,500	845,373	628,873	290%
HCDD	622,568	1,148,528	525,960	84%
Traffic Control	1,229,190	1,622,479	393,289	32%
Engineering	632,533	1,024,638	392,105	62%
Information Services	221,356	611,061	389,705	176%
Municipal Zoo	1,020,964	1,363,682	342,718	34%
Insurance	510,000	817,420	307,420	60%
Internal Services - Finance	438,796	745,209	306,413	70%
Mayor's Office	377,757	680,752	302,995	80%
Parks	415,461	690,469	275,008	66%
Human Resources	131,249	381,353	250,104	191%
Fire Volunteer	140,125	389,571	249,446	178%
Miscellaneous	35,600	251,000	215,400	605%
Streets	684,299	889,550	205,251	30%
Waste Collection/Disposal	1,211,705	1,408,055	196,350	16%
Resource Management	323,794	498,192	174,398	54%
City Attorney	185,000	355,000	170,000	92%
Police Communications	845,665	963,654	117,989	14%
Internal Services - Procurement	205,541	284,062	78,521	38%
Municipal Buildings	177,500	226,524	49,024	28%
Planning & Zoning	177,493	225,226	47,733	27%
Poplar Hill Mansion	17,345	53,137	35,792	206%
Police Animal Control	187,163	215,000	27,837	15%



## FY21 Water Sewer, Parking, Marina, Storm Water Capital Projects & Outlay

	Water Sewer Impact and Revolving Funds			
	Capacity	Capacity	Maintenance	
Description	Water Impact	Sewer Impact	W S Revolving	Total
	10800	10900	60200	
Checking	1,454,600	1,382,040	377,415	3,214,055
PNC Investment	311,668	273,293	848,594	1,433,555
<b>Total as of 2 25 2020</b>	<b>1,766,268</b>	<b>1,655,333</b>	<b>1,226,009</b>	<b>4,647,610</b>
<i>Assigned to Paleo 3</i>	<i>(1,231,000)</i>	-		<i>(1,231,000)</i>
<b>Min</b>	<b>(500,000)</b>	<b>(500,000)</b>	<b>(1,500,000)</b>	<b>(2,500,000)</b>
<b>Actual Over (Under) Min</b>	<b>35,268</b>	<b>1,155,333</b>	<b>(273,991)</b>	<b>916,610</b>

# FY21 Water Sewer Rates



	FY18	FY19	FY20	FY21
Recommended by Study:				
Water	57	62	66	70
Sewer	142	154	161	166
<b>Total Bill</b>	<b>200</b>	<b>216</b>	<b>228</b>	<b>236</b>
<b>Change</b>		<b>16</b>	<b>12</b>	<b>8</b>
		8.0%	5.6%	3.7%
Actual Rates				
Water	57	60	60	63
Sewer	142	149	149	157
<b>Total Bill</b>	<b>200</b>	<b>210</b>	<b>210</b>	<b>220</b>
<b>Change</b>		<b>10</b>	<b>-</b>	<b>10</b>
		5.0%	0.0%	5.0%
<b>Actual vs. Study</b>		<b>\$ (6.03)</b>	<b>\$ (18.09)</b>	<b>\$ (16.06)</b>

The study purchased by the City recommended a 17.3% increase over the 3 year period FY19-21.

The City thus far has actually increase rates by 5% only in FY19. This is a difference of 12.3%. The comparison shown assumes a 5% increase in FY21.

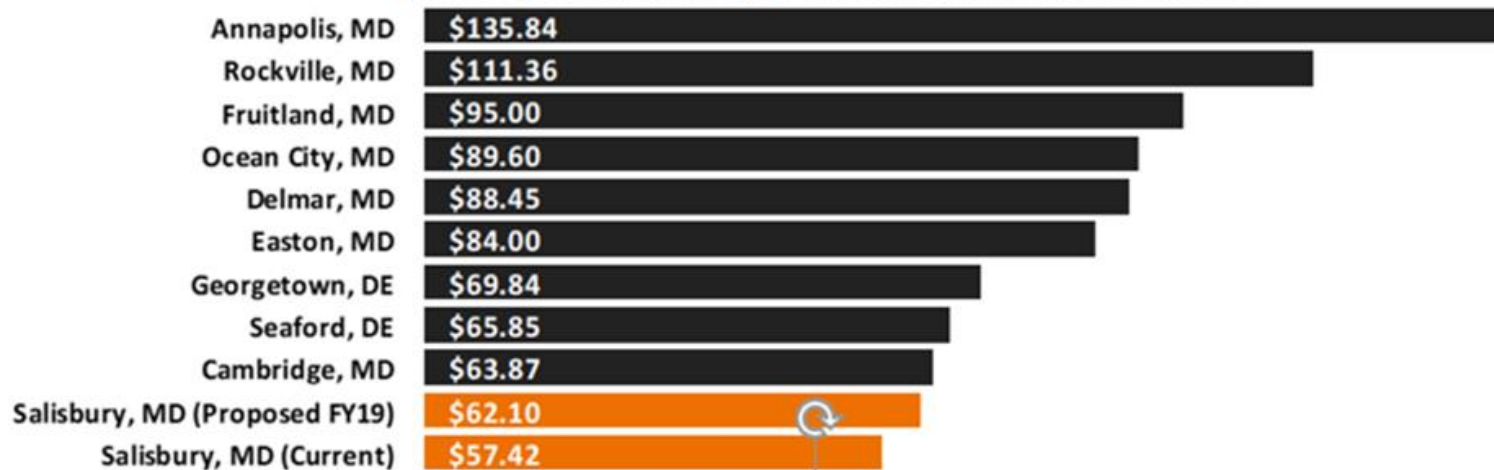
The Mayor's Proposed Budge assumes no increase for FY21.



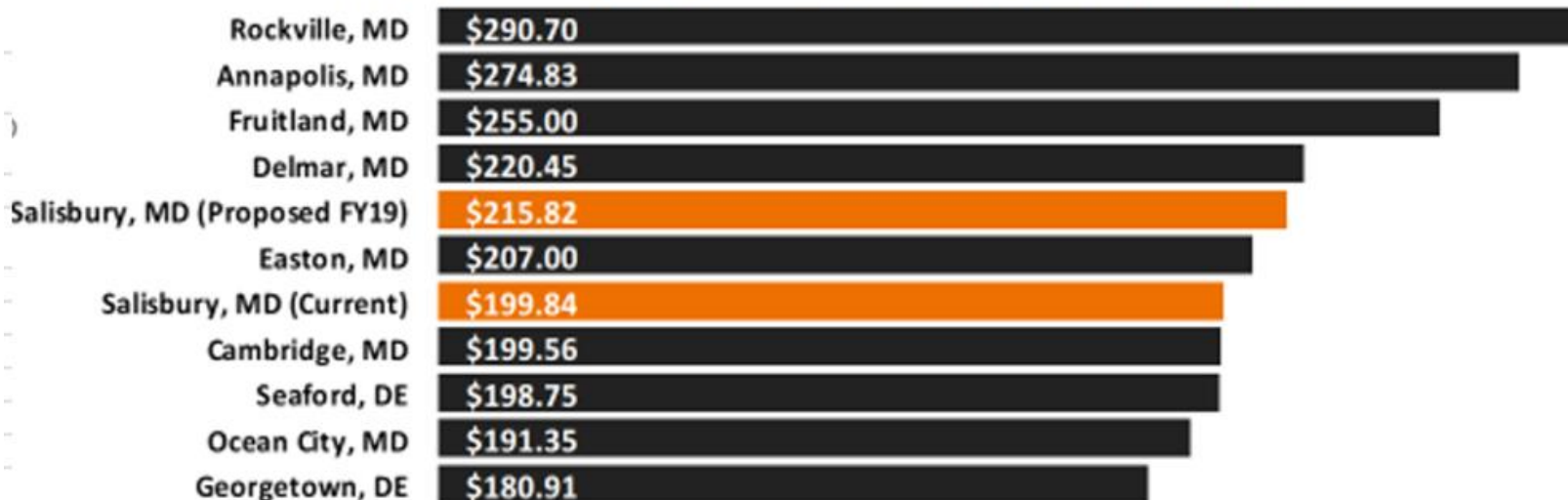
# FY21 Water Sewer Rates



## Quarterly Residential 5/8" Water Bill at 18,000 Gallons



## Combined Quarterly Residential Water & Sewer Bill at 18,000 Gallons

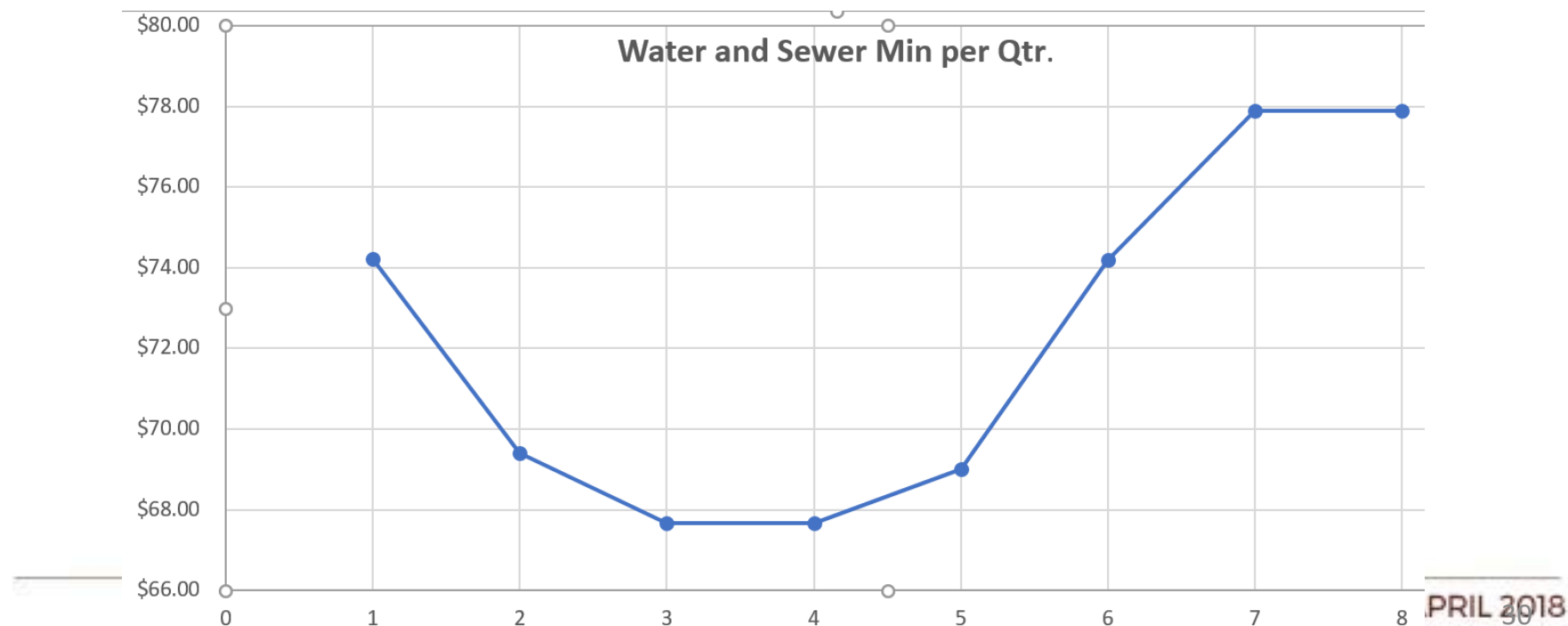




# FY21 Water Sewer Rates



FY	Rate Action	Rate Increase (decrease)			W Residential InCity		S Residential InCity		W S	
		Actual	Study	Diff.	Min	+ (-)	Actual	+ (-)	Min	+ (-)
2013	NO CHANGES	0.0%			\$ 21.39	\$ -	\$ 52.83	\$ -	\$ 74.22	\$ -
2014	DECREASE FOR SEWER ONLY	-6.5%			\$ 20.00	\$ (1.39)	\$ 49.40	\$ (3.43)	\$ 69.40	\$ (4.82)
2015	DECREASE FOR SEWER ONLY	-2.5%			\$ 19.50	\$ (0.50)	\$ 48.16	\$ (1.24)	\$ 67.66	\$ (1.74)
2016	NO CHANGES	0.0%			\$ 19.50	\$ -	\$ 48.16	\$ -	\$ 67.66	\$ -
2017	INCREASE WATER AND SEWER	2.0%			\$ 19.89	\$ 0.39	\$ 49.12	\$ 0.96	\$ 69.01	\$ 1.35
2018	INCREASE WATER AND SEWER	7.5%			\$ 21.38	\$ 1.49	\$ 52.81	\$ 3.69	\$ 74.19	\$ 5.18
2019	INCREASE WATER AND SEWER	5.0%	8.0%	-3.0%	\$ 22.45	\$ 1.07	\$ 55.45	\$ 2.64	\$ 77.90	\$ 3.71
2020	NO CHANGES	0.0%	7.0%	-7.0%	\$ 22.45	\$ -	\$ 55.45	\$ -	\$ 77.90	\$ -
8 Year Cumulative Qtr >>						\$ 1.06		\$ 2.62		\$ 3.68
%						5.0%		5.0%		5.0%
2021		5.0%	5.5%	-0.5%					Av % Yr	0.62%
2022			3.0%						Av \$ Yr	\$ 0.46





# Takeaways...Strengths

- Financial Position

Presently the City enjoys a strong Financial Position. This status is based on the financial data as of the FY19 Audit.

- Unassigned Fund Balance

The General Fund's Unassigned Fund Balance is adequate which is important considering the many possible influences of COVID-19.

- Water / Sewer Project Status

Many Water and Sewer Projects have either been recently completed or funded. Few have been deferred which if so would have resulted in infrastructure liabilities.



# Takeaways... Weaknesses

- **General Fund CIP**

The inability to fund many of the improvements mapped for FY21 in our recent Capital Improvement plan could be seen as small crack in our financial framework. It has been getting harder to fit CIP into the General Fund budgets. Should CIP pile up they are the equivalent of unfunded liabilities.

- **General Fund Revenues**

We can count on rising expenses. Medical costs are expected by many to rise 6-8% per year. The predictable pay plan alone represents a \$500k increase per year in the General Fund. Finding revenues to match these rising costs is expected to become increasingly difficult.

- **Fire Services**

The county's contributions for fire services do not represent their true share. A new framework, to recover the true cost of fire services, is essential.

- **Tax Differential**

The citizens of Salisbury deserve Tax Differential as recommended by past studies.

- **Parking Fund**

The Parking Fund Unrestricted Net Position is a deficit. This requires a new path to be mapped.



# Questions

