

Attachment I: Town Budget Variance Information

Identified as a Town priority, staff maintains an emphasis on managing Town finances conservatively. This includes a conservative approach to financial planning, which consists of aligning future planning with historical trending; detailed line item review; and inclusion of amounts to accommodate unknown needs and opportunities that may arise. Below, you will see how staff has implemented this approach into the Town's financial plans.

Historical trend review, resulting in 2019 Budget adjustments include:

- Reduction of \$20,000 to match more closely the actual service contract for the DDA mill levy match
- Hardware and software maintenance agreements (General Fund-DoIT) – Resulted in budget reduction of \$186,417
- Municipal Court part-time staffing was reduced by \$23,858
- Facilities operating costs were reduced by \$5,182, including training, travel, and other services
- Historic preservation funding was shifted from the General Fund to the Philip S. Miller Trust Fund
- Public Works divisions within the Transportation Fund adjusted line items to more accurately allocate budgeted amounts, resulting in \$18,084 less in the Admin and Engineering Divisions, and \$28,150 additional expenditures in the Streets Division

Detailed review of line item budgets resulted in:

- Three-year historical review of fuel, water, electric, gas, phone, insurance, and vehicle repair costs is used to project future budget needs, with consideration of new Town facilities and other additions. For example, future planning for the General Fund Parks Division, based on historical trending, includes:
 - Cell phone savings of \$5,000
 - Savings of \$16,000 in electric costs for existing facilities (however, an overall increase is included to reflect the new Central Service Center)
 - \$3,000 natural gas savings (with an offsetting increase for the new Central Service Center)
- Vehicle-by-vehicle review to determine most appropriate timing for vehicle replacement. Replacement of all Town vehicles is fully funded through annual contributions in order to maintain a safe and well-functioning fleet

Planning for the unknown:

- Budgeted expenditures of \$350,000 in the Finance Non-Departmental Division are available to accommodate unforeseen needs such as employee vacation payouts (retirements, etc.) for longstanding employees; and opportunities that may arise, such as the parking study related to Festival Park Commons. In 2017, the Town experienced budget savings in this area
- Several budget areas include accommodations for the possibility of unforeseen impacts such as:
 - Legal prosecution costs, up to \$75,000 are budgeted annually. In 2017, \$24,633 of this amount was expended
 - Water expenditures for Town parks in 2017 were \$726,582, about \$109,000 under budget. Actual expenditures vary based on precipitation and any new irrigable space added each year. The Town budgets to accommodate dry weather conditions and, if funds are not necessary based on actual precipitation, they are not spent
 - Repair and maintenance for Town vehicles, equipment and facilities was budgeted at \$819,109 in 2017, with \$726,362 being needed – a savings of nearly \$93,000

More information related to actual Town financial performance can be found by visiting the Town's transparency portal at CRgov.com/transparency and selecting Financial Information. On this site, you can find annual budgets, annual financial reports, quarterly reports – including the 2017 year-end financial review – monthly check listings and more.