

Town of Abita Springs, La.

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BUDGET MESSAGE

Attached is the proposed 2017 Operating Budget for the Town of Abita Springs. It is a balanced budget. The proposed budget reflects the anticipated revenues and expenditures of Town Government for the 2017 fiscal year, beginning January 1, 2017.

The total budget for 2017 is as follows:

General Fund	\$ 1,007,515.00
Utility Fund	\$ 1,612,470.00
Cemetery Fund	\$ 68,340.00
Parks Fund	\$ 48,027.00
Lighting Fund	\$ 23,812.00
Shared Sales Tax Fund	\$ 300,150.00
Sales Tax/Public Works Fund	\$ <u>289,275.00</u>
Total	\$ 3,349,589.00

The Budget is divided into the above funds. Based on the information that we have received, our anticipated revenue increases have been projected to be flat. In our analysis of the Budget for 2017, we considered the revenue increases to be small if any. The Budget is divided into the above funds. It should be noted that 3.22% of the 2017 Budget is due to one line item, listed as Grants. This revenue is included in the Utility Fund. The actual projection of revenue without Grants was calculated at 2.29%. The overall decrease in revenue is 7.26% due to a decrease in gas sales. The breakdown of the budget includes revenues and expenditures that are estimated for the calendar year 2017 for each fund, as well as a further explanation of projections and use.

Attached is an additional statement restating figures in an alternate format as required by Act 966 by the 2010 Louisiana Legislative Regular Session effective January 1, 2011. Said Act specifically states in Section (2)(a) that such statement shall "include a clearly presented side-by-side detailed comparison of such information for the current year, including the fund balances at the beginning of the year, year-to-date actual receipts and revenue received, and estimates of all receipts and revenues to be received for the remainder of the year; estimated and actual revenues itemized by source: year to date actual expenditures and estimates of all expenditures' to be made for the remainder of the year itemized by sources. All of the above-referenced requirements are met by the attachment.

2017 REVENUE

Approximately 48.14% of the Town's Revenue is derived from Utility Fund. Another 30.08% comes from revenues received in the General Fund. The Public Works Fund contributes 8.64%. 4.18% is derived from the Cemetery, Parks and Lighting Funds. 8.96% is contributed from Shared Sales Tax. As noted before, Grants contributes 3.22%, which is included in the Utility Fund.

2017 SPECIAL REVENUES

The Sales Tax Revenue for 2017 has been projected as flat, with very little or no increase. The Sales Tax Revenue is divided by 30% General Fund, 30% Public Works and 40% Shared Sales Tax. The Ad Valorem Tax for 2017 has also been projected to be flat for 2017. It is the hope that we will see additional revenues 2017 for homes that were built in 2016.

2017 CAPITAL IMPROVEMENTS

UTILITY – SEWER

Revenues have been allocated for Base Line Water Testing. Any Funds remaining from 2016 will be used in 2017 for the Sewer Project. The work projected will include: service line repairs, sub-line repairs and videoing of sleeving of the main lines. The Budget for continuing this work is \$120,000.00. As well as, we are in a discovery phase researching for additional funding for the Sewer Project.

CEMETERY

A fund balance of \$213,502.99 will be transferred to the 2017 Budget which will allow for continued improvements. Beginning in 2017, a savings account will be established from plot sales and the previous fund balance for long term maintenance of the cemetery. Capital Improvements: Columbarium Engineering Outline Design \$40,000.00. Repair / Maintenance \$28,000.00. We will contribute the fund balance of \$60,000 to a LAMP account. The long term goal is to accumulate enough funds for continued maintenance. The intent is to continue this every year.

PARK

In 2017 we have budgeted \$30,391.94 for continued emergency maintenance of the Park. This figure is down from anticipated spending in 2016.

STREET LIGHTING

The total expense for Street Lights is \$23,812.00 The Budget receives \$23,812.00 from Special Revenue. The difference will be adjusted to have income appropriate to expenses.

SHARED SALES TAX

As already stated, it has been projected that these funds are flat from 2016 to 2017. Our Debt Services are covering the leasing of two pieces of equipment: Dump Truck and Street Roller. Both of these will enable our Maintenance Department to accomplish more work that will not have to be contracted out. The end result will be a savings. Funds will also be applied to normal drainage and ongoing street work.

PUBLIC WORKS

The Street Overlay Project is completed. The Budget of \$25,000.00 will be for the ongoing maintenance of streets. The Department will continue working on Sewer and Infrastructure Projects.

2017 COST REDUCTIONS

This Administration will continue to look for reductions in expenses across the board. Expenses continue to be reduced in: all General Insurance, cell phones, phone/fax service, office/cleaning supplies, cleaning services, mailing costs and Website Service. Over-time has continued to decrease. The Administrative Department has reduced their over-time to nothing. Public Works makes strong efforts to avoid overtime unless it is an emergency. All over-time must be approved by a supervisor. Street Lighting and Park Maintenance are underfunded, resulting in necessary reductions.

Hospitalization, Dental and Vision for 2017 had an increase of 9% from 2016. This small increase will be absorbed in the General Fund. Consideration is being given to align with Wellness Program to encourage overall general wellness for our employees. Adopting a program should offer better pricing on Health Insurance and benefit our employees. The 2017 plan will continue to offer the Dental and Vision Coverages to be paid for by the Town for Employees Only.

OVERALL COMMENTS

Personnel salaries have been shifted within the Operating Budget in an effort to accurately portray departmental staffing. Our overall staffing is still down by 2 full time employees (1 Administration, 1 Maintenance). The 2017 Salary Budget includes a **3% Pool** for a Pay for Performance Program which will be available to all Departments for any **earned** salary increases. This Program has proven to be successful in motivating our employees to strive to be the best they can be. Their efforts are reflected in the great service to the town. Our staff has developed a core of knowledge and abilities to become a very strong team working together. We continue our cross-training policy of employees.

Economic Development is an important factor in success of the maintenance of our community. Finding ways to bring growth to our community is important. Our focus is to expand our ideas and plan for the future. We will continue to move forward and review all positive business development ideas. Building growth is essential in building our Sales Tax Revenues.

We are not projecting any increase in revenue due to the information we have received and analyzed. Our Income is higher than 2015 but lower than 2016.

This Administration's determination is to continue to be very cost conscious with our spending, which is vital to the success of the growth and development our community. In an attempt to gain more income we will continue to promote our Commercial Garbage business and build our Sewer Customer base. We will also continue to look other way to increase revenue. Our priority will remain to continue our commitment of focusing on the drainage and infrastructure. We have taken a very in depth look at every aspect of the Budget. It is felt that we are on target for another successful year.

MAYOR GREG LEMONS

09/20/16
GL/ka