



May 11, 2018 (revised June 11)

Honorable Mayor Stevens and Board of Commissioners:

I am pleased to submit Hillsborough's FY19 Annual Budget Workbook and FY19-21 Financial Plan. The budget is prepared in accordance with the North Carolina Local Government and Budget Fiscal Control Act. As this proposed document is transmitted from the town manager to the Board of Commissioners, it now becomes the governing body's budget to review, debate, adapt and ultimately adopt. It is expected that changes will be made to the proposed budget as new information becomes available and alternatives are considered. Town staff is ready to provide whatever information the board deems necessary to help it make well-informed decisions on the budget and financial plan.

It is important to note that this first draft is not the final word on Hillsborough's budget and financial plan. Rather, it's intended to serve as a "starting point" in the process. Therefore, the mayor, Board of Commissioners, Water & Sewer Advisory Committee, other advisory boards and community are strongly encouraged to share their views regarding what should be funded, eliminated, reduced, added, or altered because this is ultimately **your** budget!

#### **The Budget as a Decision-Making Tool**

This is the 21<sup>st</sup> year a multi-year financial planning format has been used in reviewing the town's budget and operations. It is the 12<sup>th</sup> year the balanced scorecard has been used to implement and communicate the board's mission, vision, strategic priorities and core values. The scorecards are a response to the town board's strategy map through initiatives, performance measures and targets pursued by departments in their daily operations. This system was designed to help the organization become more analytical, adaptive and responsive to the lessons it learns while trying to achieve its goals. Strategies are tested through trial and error via the performance measures in the scorecards.

These businesslike techniques (used by more than half of the Fortune 1,000 companies) determine how to prioritize needs and allocate town resources. While the scorecard is a typical tool in the business world, Hillsborough is one of only about a

few local governments in North Carolina using this system that links goals, actions, measures, and targets.

This is also the third year "top priority" maps have been included to identify departmental priorities and the steps needed to achieve those goals. In addition, seeing the priorities makes it easier to ensure the budget provides departments the resources necessary to be successful.

The multi-year forecasting component of this document encourages the town to look forward to identify, address, and mitigate potential problems while they are still manageable. The plan allows readers to better see how today's decisions affect the town's financial condition in the future. The financial plan functions as a "fiscal radar," giving Hillsborough more time to proactively plan responses to problems and needs. This is crucial in avoiding unwanted surprises!

Using only an annual budget process, as most local governments do, to manage financial and departmental operations provides little advanced warning of problems looming on the horizon. If the town board, staff, and community is aware of a potential problem in advance, it has greater flexibility and time to develop reasonable solutions. Hillsborough is one of the only local governments in North Carolina that uses a multi-year budget format. While only the first year of the budget is legally binding, Years 2 and 3 of the financial plan provide critical information that provide a more accurate picture of the fiscal and operational challenges facing the town.

#### **FY19-21 Budget & Financial Plan Strategy**

The pressure of new development bringing more residents, businesses, and visitors to Hillsborough tests the strategy of assembling a budget that meets current and future demands. In recent years, a simple approach has been used to categorize and help balance the various wants and needs facing our town. In addition to the Town Strategy Map, the following three principles are used as a guide in developing this budget and financial plan:

1. Take care of what we already have
2. Invest in Hillsborough's future
3. Minimize rate impacts on the community

**1. Take care of what we already have** (infrastructure, equipment, employees, and organizational structure)! The town's mission, vision, strategic priorities and objectives can't be implemented if these basic tools of service implementation are not in working order. The longer a municipality waits to address, repair or replace these assets (tangible and intangible), the more expensive it becomes in the long term. Federal, state and local governments are notorious for building capital assets and not adequately maintaining them. For example, ensuring the organizational structure and resources are in place to maintain parks is equally as important as

building the parks themselves. Hence, construction of new assets must be balanced with the personnel, equipment, and organization to operate and maintain them, which is critical in avoiding the overextension of resources.

**2. Invest in Hillsborough’s future!** Identify specific projects, programs, services and/or infrastructure improvements likely to make Hillsborough a better place to live, work, visit and start a new business. Sound growth is necessary to support the improvements and services desired by the citizenry, and to make Hillsborough an affordable place to live.

**3. Minimize rate impacts on the community!** If rate increases are deemed necessary, work to keep those costs on tax and rate payers as low as can reasonably be managed. A few efforts that demonstrate these principles are highlighted below.

- ✓ No property tax or stormwater rate increases are proposed for FY19!
- ✓ Decreasing water costs for low-volume users was accomplished in 2016 via the four-year plan, which started in 2013 to lower the minimum charge from 3,000 to 2,500 gallons per month. This was done without raising rates on customers using above the minimum. Please see the chart below for the cost savings impacts experienced by lower volume users during this period.

**Cost Reduction Benefits**

Change From 3,000 to 2,500 GPM Minimum Charge  
(Savings for Customers Using 2,500 Gallons/Month or Less)

In-Town	Month	Year
Water	\$ 4.04	\$ 48.42
Sewer	\$ 6.07	\$ 72.78
<b>Combined</b>	<b>\$ 10.10</b>	<b>\$121.20</b>
<b>Out-of-Town</b>		
Water	\$ 7.87	\$ 94.44
Sewer	\$ 11.83	\$141.90
<b>Combined</b>	<b>\$ 19.70</b>	<b>\$236.34</b>

<b>FY19 BUDGET EXPENDITURES</b>	
General Fund	\$ 10,803,480
Stormwater Fund	\$ 647,000
Water/Sewer Fund	\$ 11,186,257
<b>Total</b>	<b>\$ 22,636,737</b>

**TAX & RATE HIGHLIGHTS**

**Property Tax Rate: *No change***, tax rate remains at 62 cents for FY19. This will be the sixth consecutive year without a property tax rate increase. In FY18, the property tax rate was slightly reduced, even below the “revenue neutral” rate as part of the countywide revaluation process.

**Stormwater Fee: *No change***.

**Water Rates: *9.25% increase***. Water rates were last raised six years ago, in July 2012. The in-town rate increases from \$8.07 to \$8.82 per 1,000 gallons. For the average residential customer using 3,864 gallons per month this equates to a \$2.90 increase per month. Out-of-town rates increase from \$15.74 to \$17.20 per 1,000 gallons, or \$5.64 per month for the average customer.

**Sewer Rates: *7.5% increase***. Sewer rates were last raised two years ago, in July 2016. The in-town rate increases from \$12.13 to \$13.04 per 1,000 gallons. For the average residence, this equates to a \$3.52 increase per month. Out-of-town rates increase from \$23.65 to \$25.42 per 1,000 gallons, or \$6.84 per month for the average customer.

**Water & Sewer System Development Fees Update** (capital facility fees). These are one-time charges assessed to new water and/or wastewater customers, developers, or builders to recover a proportional share of capital costs incurred to provide service availability and capacity for new customers. **These fees are not charged to current customers with existing services – this is for new development.** Fees for water are increasing, primarily due to the reservoir expansion. Fees for sewer are decreasing. The table below shows a cost comparison for a new residential customer.

	<b>Current</b>	<b>New</b>	<b>% Change</b>
<b>Water</b>	\$2,993	\$3,864	29.1%
<b>Sewer</b>	\$3,488	\$3,243	-7.0%

For detailed explanations on how these fees are proposed to change depending on meter size, please see the report from Raftelis Financial Consulting on page 265. The North Carolina General Assembly passed legislation in 2017 requiring that all water and sewer systems update their system development fee charges through an engineering or similar analysis to ensure fees are being fairly assessed. The report and proposed fee increases are posted on the town’s website and comments are being accepted for 45 days through June 4. The town board will conduct a public hearing on June 11 at 7 p.m. at the Town Barn to consider additional comments before adoption.

## **SNAPSHOT: GENERAL & STORMWATER FUNDS**

The mayor and town board directed the town manager at the April 7 budgetary planning retreat to take all reasonable steps to avoid raising property taxes and stormwater fees in FY19. That directive has been fulfilled. While three overdue positions are added in this year's budget, FY19 is more of a continuation that focuses on core operational needs. With that said, several key needs and opportunities are not funded. Those are discussed later in this message.

## **SNAPSHOT: WATER & SEWER FUND**

### **Why are Rates Increasing?**

The FY19 budget and three-year financial forecast project raising water rates by 9.25% and sewer rates by 7.5% over each of the next three years. Hillsborough already has high water and sewer rates, so why are they increasing? Below are several key reasons:

- ✓ Reservoir expansion. The approximate \$16 million expansion project will ramp up to about \$1 million dollars of annual debt payments over the next three years. Completing the expansion now, under the original Army Corps of Engineers permit issued 20 years ago, which will soon expire, will save the town millions of dollars. If the town were to have to secure a new permit, the cost of complying with today's standards would drive the cost much higher. More than doubling the current capacity of the reservoir provides protection against future droughts, which is important during a time of unpredictable weather fluctuations. Most communities are located close to an affordable water supply (e.g., lake, river, or wells that yield plenty of water). The Eno River yields a relatively small amount of water for a community of Hillsborough's size. Or, as happens for many small towns, their water and sewer systems are absorbed by a larger or big city system. Hillsborough does not appear to have those options available, hence this long-term investment to secure a stable water supply is essential.
- ✓ Wastewater Treatment Plant debt. While not new, the 2014 upgrade to the plant was done to comply with some of the strictest nitrogen discharge limits in the country, if not the strictest. These were imposed on Hillsborough per the Falls Lake Rules. This project alone more than doubled the annual expenses for the plant. Over \$1.2 million dollars in annual debt is a big burden to pay for a small-town wastewater plant.
- ✓ Loss of Efland-Cheeks Sewer Customers in October will cost the fund \$372,000 annually, or the equivalent of 8.5% of sewer revenues. The Efland-Cheeks customers are connecting to the City of Mebane's system. Over the long-run, the loss of these customers will be beneficial as this area of the system appears to be a large source of costly "inflow & infiltration" into the wastewater collection

system and wastewater plant. In the short term, the loss of this revenue source alone necessitates a rate increase to replace those funds.

- ✓ Water and sewer system repairs and upgrades. In addition to what was already on the capital improvement program (CIP) radar, additional system needs were recently identified as being a high priority over the next three years. Some of these projects include:
  - Sewer line replacements (\$1.1 million projected) for South Churton Street, Orange Grove Road, and Exchange Club Park Lane.
  - Wastewater collection system model (\$100,000). This is the first step in attempting to find ways to eliminate, defer or reduce the cost of a \$5 million replacement of the River Pump Station over the next few years.
  - I-40 water main relocation (\$500,000) to place an underground casing to prevent interstate collapse in the event of a line break.
  - Water main replacement downtown (\$230,000)
- ✓ Six years without a water rate increase, in combination with decreasing the monthly minimum charge from 3,000 to 2,500 gallons. Customers using 2,500 or less per month experienced a 20% decrease in their water bills since 2013. This dramatically slowed revenue growth generated from water and sewer sales during this period. Many low volume customers benefited from this change. Six years is a long time for a utility system or a business to go without raising prices.
- ✓ Minimize use of non-recurring revenues to balance the budget. During the recent building boom, Hillsborough has been fortunate to generate substantial capital facility fee revenues. These revenues also stop or slow when the economy loses steam. Hence, while things are good, the system needs to wean itself off these revenues, as well as the use of savings (i.e., fund balance or retained earnings) to balance the budget. If we do not do this now, while the economy is good, it will be even harder to do in the future. In addition, some economists contend we are overdue for a recession. The water and sewer fund is in good financial shape, as evidenced by the strong AA bond rating issued by Standard & Poor's in April. To keep that strong financial position, the use of non-recurring revenues should ideally be limited to paying cash for capital projects to limit future debt and balancing a conservative budget (i.e., appropriate retrained earnings at the beginning of the year, even though it may not be used and thus returned to savings). This means raising operating revenues to match the cost of operating expenses.

In summary, any small-town utility system would consider themselves highly unlucky to either 1) pay the significant cost of building/expanding a reservoir to ensure adequate future water supply, or 2) have the cost of treating their wastewater to meet some of the strictest discharge limits in the United States. Hillsborough doesn't just have one of those challenges - we have both! Those costs, coupled with a desire to take care of our water and sewer infrastructure, to provide clean and safe drinking water to the community, then safely discharge it back into the Eno River is an expensive endeavor that clearly puts a financial strain on its customer base.

The town's sale of revenue bonds on May 9 for the reservoir means the town's finances will be reviewed annually by both bond rating agencies and the bond trustees. This "higher bar" or standard is set to ensure the financial health of the water and sewer fund, guarantee that key debt coverage ratios and other key fiscal metrics are being met, and protect against short-sighted decisions that could jeopardize the fund's ability to make annual debt payments to the bond buyers.

The recommended 9.25% increase to water rates and 7.5% increase to sewer rates in FY19, FY20 and FY21 are designed to meet the standards discussed above. The utility consultant from Willdan Financial Services who conducted the required five-year financial analysis for the revenue bond sale, arrived at a similar recommendation regarding the rate increases needed over the next three years to meet the key financial standards in which the AA bond rating was based, as well as the indentures in the Master Trust Agreement in which the Town of Hillsborough must abide by.

Town staff is eager to continue working with the mayor, town board, Water & Sewer Advisory Committee, and others to explore fiscally responsible ways to reduce projected rate increases in the future.

### **GENERAL FUND – PROJECTS & INITIATIVES**

#### **Expenses increase by 6.7% in FY19**

- ✓ Street Repaving – \$350,000 keeps the town on pace to repave about 5% of streets or on a 20-year cycle. (\$185,000 is funded from the Streets Division and \$165,000 from Powell Bill revenues).
- ✓ Police Radio Replacements – \$70,000 in FY19 replaces about half of the 10-year old radios in the department and includes some additional units for back up and reserve officers. The current models are discontinued, starting to experience failures, and requiring repair on a regular basis. The handheld radios are one of the officers' most critical pieces of equipment and are an important aspect of the job and officer safety.

- ✓ Police Additional Overtime – \$12,000 provides resources to form problem-solving teams amongst police staff to address specific community concerns and problems as they arise during the year.
- ✓ Stamped Crosswalks at Downtown Intersections – \$95,000. The Churton Street Access Plan included a recommendation for stamped crosswalks at Tryon, King, Margaret, and Nash & Kollock Streets for increased visibility, traffic calming, and safety. This will be done after NCDOT repaves Churton Street in FY19 and completes the multi-year project.
- ✓ Public Space Enhancements – \$36,000 funds the following projects: expand parking and improve visibility at King's Highway Park, add newspaper containment area on West King Street, make improvements at Murry Street and Turnip Patch Parks, fund public art, and add interpretive signs at the Old Town Cemetery and the Gold Park Pollinator Garden/Bee Hotel.
- ✓ Sidewalks & Riverwalk Connections - Constructs the final portions of Riverwalk in the town's jurisdictions and makes related sidewalk and safety connections to the surrounding neighborhoods. The project includes the greenway portion from Gold Park to Allison Street, a sidewalk along Allison Street to connect to the Occoneechee State Natural area trails, intersection improvements at Eno and Nash Street, removal of on-street parking and sidewalk widening on South Nash Street, and the extension of a sidewalk along Calvin Street. The town's \$221,062 match leverages an additional \$362,200 in Congestion Air Mitigation Quality program funding through NCDOT to complete this project.
- ✓ Sustainability Efforts – \$10,000 continues planning efforts to achieve the town's goal of going carbon-free by 2050.

#### **Personnel – New Positions, Merit, Pay Plan, Etc.**

- ✓ Administrative Support Specialist – assistance to human resources, town clerk and safety and risk management operations. The human resources team is particularly stretched to provide support and training to employees. The position would also greet the public once the human resources/town clerk offices move to the Town Barn.
- ✓ IT Manager – The budget director has taken on many functions related to IT over the past several years (e.g., liaison with IT contractor, point of contact for employees when many issues arise, phone system upgrades, fiber project, representative on TJCOG IT group, etc.). This has become exceptionally time consuming and the responsibilities keep growing, thus taking time away from

budget. Adding a position that would supplement the IT contractor, providing on-site support to town departments, providing a higher level of in-house expertise and sharing the workload with the budget director are all critical needs as IT has a direct impact on the productivity of all town operations.

- ✓ Planning Technician – The Planning Department currently has more work than they can complete and there are tasks that are not receiving the attention needed. This position will initially focus on general permitting and initial public contact and will evolve with time.
- ✓ Merit System – 3.25% average raise, which appears to be in-line with surrounding local governments at this point. General Fund: \$109,000. Water/Sewer Fund estimate: \$35,000.
- ✓ Market Rate Salary Adjustments – During the past fiscal year, human resources completed a market update for all town positions to ensure the town’s classification and pay plan remains competitive with area employers. Salary grade adjustments to position classifications as well as salary increases for some employees will be implemented in FY19 based on the results of the study. Projected costs for the adjustments are \$38,500 and \$12,300.

**Unfunded Requests – General Fund**

While current service levels along with some new items are funded for FY19, there are still requests and needs that are not included in the proposed budget and three-year financial plan. The list below includes some items the town board may want to discuss and re-evaluate. Additional information on these and other unfunded items are listed at the end of most departmental budget sections.

- Public Works Facility and Fleet Maintenance Expansion – \$2.88 million with \$217,256 annual debt payments.
- Fiber Connection Project – \$2.05 million with annual debt payments of \$253,363.
- Public Safety Station – approximately \$7 million to relocate the downtown fire and police stations to their future homes at the North Campus property on North Churton Street.
- Parks & Facilities Repair Coordinator – \$70,529 total cost, plus vehicle in first year of hire.
- Exchange Club Park acquisition and improvements – (\$380,000).

- Exchange Club – requesting an additional \$1,000, over the \$7,500 already included in the continuation budget, for maintenance at the park.
- Equipment Operator – Streets/Public Works (\$51,539).
- 311 Software System for Public Works & Public Spaces – \$24,000, then \$12,000 recurring expense. Allows staff in vehicles to quickly record service and repairs via GPS, etc.
- Latimer Boardwalk – connects south end of Latimer and Hayes Streets (\$131,900).
- Hillsborough Arts Council – requesting an additional \$4,500 to fund a full-time coordinator position.
- North Campus Right-of-Way/Pedestrian Projects:
  - Crosswalks along North Churton Street at Queen, Union, and Orange Streets (\$205,000).
  - Sidewalk along North Churton Street from Corbin Street to Highway 70 (\$120,000).

**WATER/SEWER FUND – EXPENSE HIGHLIGHTS**

Expenses decrease by 10.9% in FY19.

**Projects/Facilities/Initiatives**

- ✓ Reservoir Phase II (\$16 million) – Construction started in April on the reservoir expansion. The first series of two revenue bonds were sold on May 9 providing over \$11.1 million in funding for the project. The remaining funds will be raised through another revenue bond sale in early 2019 to pay for the remaining two road projects required to finish the project. Debt payments for the project are estimated at \$563,038 for FY19, \$849,550 in FY20 and \$1,011,640 in FY21.
- ✓ Master Plan/Preliminary Design for Old Water Plant: Line Crew & Operations Building (\$40,000) – There is currently one bathroom for 17 personnel, only three offices, limited to no central heat/air in parts of the building, and other current and future space needs. Welding operations are limited due to space and safety regulations. Construction is planned for FY20 at approximately \$600,000. This project cannot move forward until public works is relocated to the NC Highway 86 North location.
- ✓ Sewer Line Repairs (\$60,000) – Continues annual inflow & infiltration (“I&I”) reduction program. Funds for this need increase by \$10,000 annually. Starting in FY20, an additional \$100,000 is provided for contracted I&I repairs.

- ✓ Churton Street Water Main Replacements – \$230,000, in combination with \$200,000 from FY18, to replace old cast iron lines in the downtown area.
- ✓ I-40 Water Main – Place in Casing – (\$100,000 in FY19 for design and \$400,000 in FY20 for construction). Once the 16-inch main acquired from OWASA goes into service south of I-40, it should be relocated to the pre-installed casing to prevent damage to the interstate should a break occur.
- ✓ Sewer Camera Video Inspection System (\$140,000) – Replace nine-year old system that has been experiencing regular break downs and hindering staff efficiency.
- ✓ Wastewater Collection System Modeling/Evaluation & Capacity Study (\$100,000) – The model will identify areas that are currently hydraulically overloaded, predict the impact of additional flows created by development, and plan for future needs. This is also a critical step in minimizing inflow & infiltration into the wastewater plant, as well as identifying options to delay or reduce the estimated \$5 million River Pump Station replacement.
- ✓ Sewer Main Replacement Project (\$440,000) – Installs new main that crosses South Churton at Orange Grove Road. The current line has several problems, such as sagging and reverse grading and it is too small to service this area. The next step will be replacing much of the Exchange Club Park Lane sewer main in FYs20-21 that's expected to cost \$600,000.
- ✓ Rate study (\$30,000) – Evaluate and explore various rate structures that could provide a more equitable way to charge customers for water and sewer.
- ✓ Merchant Processing Fees – Beginning Fall 2018, when utility billing moves back inhouse with implementation of new utility billing software, merchant processing fees will be passed on to customers wishing to pay via credit card. These fees continue to grow each year and are expected to cost the town approximately \$77,000 in FY18. If these fees are not passed on, rates may need to be adjusted to cover this expense. Customers will still have the option to pay via cash, check or bank draft at no charge.

#### **STORMWATER FUND – EXPENSE HIGHLIGHTS**

A separate Stormwater Fund and fee was created in FY17 to fund approximately \$1.1 million in improvements necessary to comply with Stage I of the Falls Lake Rules. These rules are required by the State of North Carolina over the next five to seven years to protect and restore the lake's water quality. The

fund will also pay for in-town stormwater and drainage system maintenance.

Expenses decrease by 6.9% in FY19.

- ✓ Stormwater infrastructure (\$32,500) – System maintenance, repairs, projects, inspections, cost share projects with property owners, and street sweeping. Prioritize high priority needs and develop plans to address water quality and drainage issues throughout town.
- ✓ Capital Projects (\$64,622) – Falls Lake nutrient reduction as well as reserves for future projects.
- ✓ Valley Forge Stormwater Project (\$120,000) – Replace 3 90" pipes crossing under Valley Forge Road. The pipes have deteriorated due to age, current flow, and damage from debris. Failure to replace the pipes could lead to road failure.

#### **NOTABLE CHANGES FROM WORKBOOK TO ADOPTED BUDGET**

##### **General Fund**

##### *Revenue*

- Current Tax Levy increased by \$15,000 – increase due to updated projections.
- Food & Beverage Tax increased by \$31,000 – decrease due to updated projections.
- Cable Access Fee (PEG) increased by \$27,000 – town is expected to receive fee because the government access channel will be in operation for a portion of the fiscal year.
- Fund Balance Appropriation increased by \$72,000 – increase due to updated expenditure and revenue projections.

##### *Expenditures*

- Departmental Salaries and Benefits due to updated salary projections.
- Governing Body
  - Auditor Fees decreased by \$20,000.
  - Attorney Fees increased by \$10,000.
- Administration
  - Insurance increased by \$18,000 due to updated projections in Workers Compensation and Property and Liability insurance.
- Government Access Channel (PEG)
  - Training, Postage, Data Processing Services, and Miscellaneous increased by almost \$6,000 – increase due to maintaining government access channel for a portion of the fiscal year.
- Accounting
  - Utilities decreased by \$9,000 – decrease due to utilities being moved to Ruffin-Roulhac with new Town Hall Annex.
- Ruffin-Roulhac

- Utilities increased by \$8,000 – increase due to Accounting utilities being moved to Ruffin-Roulhac with new Town Hall Annex.
- Information Services
  - Data Processing Services increased by \$24,000 – increase due to additional funds toward routine maintenance, anti-ransomware agent, dark web monitoring, and moving investigations to Old Annex.
- Fleet Maintenance
  - Cost Allocation updated to reflect update in number of vehicle and major equipment breakdown between funds.
- Economic Development
  - Payments – Tourism Board decreased by \$29,000 – decrease due to updated revenue projections.
- Special Appropriations
  - Community Reinvestment increased by \$2,000 – additional funding was awarded to the Hillsborough Arts Council.
  - Transfer to Capital Project Fund increased by \$3,000 – increase due to revised downtown access improvements projection.

**Water & Sewer Fund**

*Revenue*

- Water Charges increased by \$70,000 – increased rate increase from 7.5% to 9.25%.
- Retained Earnings Appropriation decreased by \$424,000 – reduction due to increased Water Charges revenue and a reduction in expenditures.

*Expenditures*

- Administration of Enterprise
  - Cost Allocations decreased by \$450,000 – reduction due to updated General Fund budget amounts and to correct a typo.
- Billing & Collections
  - C.S./Billing & Collection Service increased by \$88,000 – increase due to delay in implementation of new utility billing software and need to extend Fathom contract for several more months.
- Wastewater Collection
  - Capital – Vehicles reduced by \$7,000 – reduction due to purchase of utility bed for truck #213 in FY18.

**Stormwater Fund**

*Revenue*

- No notable change.

*Expenditures*

- *Not notable change.*

**Closing**

Quality of Life, Superior Services, Community Safety, and Strategic Growth are listed on the Strategy Map as the town board’s Strategic Priorities. The FY19-21 budget and financial plan is full of programs, initiatives, and resources intended to carry out the 19 strategic objectives. These objectives, listed

on the Strategy Map, serve as the foundation of the town’s Balanced Scorecard that drives operational priorities throughout the year.

There is no one right path to achieving goals, especially in dynamic environments. Hence, questions, deliberation, alternate suggestions, and debate on prioritization of the limited resources is an essential part of effective budget and operational planning. In addition to input from the town board and employees, feedback from the advisory boards, citizens, business community, and other key stakeholders is an important part of helping achieve long-term strategic priorities.

Please do not hesitate to contact me, Budget Director Emily Bradford, Assistant to the Town Manager Jen Della Valle or Finance Director Daphna Schwartz if you need additional information. Town staff will make every effort to respond quickly and objectively to help you develop a budget that you feel best addresses the needs of the community!

Sincerely,



Eric J. Peterson  
Town Manager