

Finance and Administration Committee Report

Chair: Mayor Pro Tem Steve Baker, CPA

October 17, 2017



There has been a lot of activity in the Village finance and administration this year. After many hours, spreadsheets, and public meetings, council finally completed the budgeting process last month. Thanks so much to committee members Mark Scott and David Gordon for all their help.

We all worked to keep the tax rate low and council passed a property tax rate for 2018 that is 12% lower than our average tax rate since the Village was incorporated 13 years ago. However, the 2018 tax rate will be a 1.9% increase over 2017, which is a \$4/year increase for a \$200,000 property. The Village is planning several activities which required an increase in the cost of outside consultants. These projects include a rewrite of our comprehensive plan, oversight of the BCRUA project that is running a pipeline through Volente, and architectural services for design and evaluation of alternatives for new city offices since we are losing our lease on the existing space. We were able to keep the tax rate low in spite of these additional costs with some net reductions in operating and maintenance costs and pulling some funds from budgeted items not fully spent in previous years.

Other major things we have worked on and accomplished include:

1. Recaptured at least \$70,000/yr in new sales tax revenue that allows our property taxes to be ~25% less than if the tax was retained by Capital Metro.
2. Reduced long-term road maintenance costs by selecting a Village road engineering firm and preparing a 24-year schedule of planned work and costs.
3. Eliminated the yearly swings in property taxes and insured that taxes raised for roads are used for roads by creating Special Revenue and Committed Funds with an annual reserve. The 2018 taxes are based on a \$49,000 long term average cost rather than the \$143,000 planned actual costs.
4. Implemented a budgeting and accounting process that allows reduction of current year taxes for amounts that were budgeted but significantly underspent in previous years (When Kit was Chair).
5. Reduced road costs by securing a grant from Capital Metro for \$60,000 in road maintenance money for 2017 without any effect on withdrawal costs from Cap Metro.
6. Decreased mowing costs from \$18,000 to \$3000, and tree trimming costs from \$45,000 to \$5000 compared to previous year by evaluating and selecting new vendors.
7. Completed a new Zoning ordinance and map which reduced restrictions and decreased the number of variance requests this year by >90% which reduced our revenue from variances (When Kit was Chair).
8. Went a little over budget on project to codify ordinances, but resulted in improving cross referencing, conflicts, and readability and published searchable ordinances on our website.

9. Implemented new email, file storage, backup, accounting and reporting systems to increase the efficiency of administration and to resolve some problems and risks.
10. Updated and proposed a new administration ordinance to reflect current processes, add ethics standards, and add a complaint driven process for handling code violations driven by discussions and education.
11. Achieved FireWise certification which potentially reduces home insurance rates and improves our fire safety with prevention, home inspections and education by providing documentation of these activities and costs to NFPA.
12. Working with Volente Peak owners on extending the PDD agreement and pursuing collection of a \$200,000 fee and land dedication to the Village.

We are continuing to work on getting costs down and improving our efficiency including collecting grant funds, negotiating with Cap Metro on the timing and amounts of the recaptured taxes, making sure we are getting sales taxes from all the area businesses which offsets the property taxes we need to raise, finalizing the FEMA approval of the Hazard Mitigation Plan to qualify us for FEMA funding, and completing the implementation of some financial management improvements.