

Agenda Item No. 18.

To: Mayor and Ross Town Council
From: Gary Broad, Town Manager
Subject: Fiscal Year 2007-2008 Budget
Date: June 13, 2007

Attached please find a copy of the proposed budget for Fiscal Year 2007-2008.

The 2007-08 budget is very similar to the draft the Town Council reviewed at its special budget meeting on May 31, 2007. The budget has been tweaked in the following areas:

- As the Council decided at the May 31st meeting, the legal defense fund will not be funded from the municipal services tax, so the tax has been reduced by \$225 per developed parcel this year.
- Based on an assessment of building permit completion dates, the construction completion penalties revenue estimate was increased from \$30,000 to \$50,000.
- Interest income has been increased in all accounts to reflect a projected return of 5%, rather than 4.5%, based on higher current yields.
- Following a dramatic escalation this past fiscal year in our disability insurance premium, we are working with a new insurance broker and believe we can match our present disability insurance coverage for \$2,800 a year, rather than \$10,000 a year.
- Some estimates for FY06-07 and proposed budget amounts in the general government and public safety operating budgets have been tweaked based on the additional month of financial information in the draft May 2007 financials.
- The capital improvement budget includes purchase of a 4-wheel drive, one-ton, diesel pick-up with 4 wheels in the back. After considerable exploration of the various alternatives, our public works staff believes this vehicle will best serve the varied needs of the department and will be more fuel-efficient and cheaper to operate as a diesel (and could potentially be fueled with grain diesel.) The capital improvement budget also includes safety equipment for both this vehicle and our other public works pickup truck.

The proposed fiscal year 2007-08 budget represents a lot of hard work and thought from Town staff, the Finance Subcommittee and the Council. Absent a crystal ball, I believe it is a very good effort to figure costs, revenue and to plan for capital improvements, infrastructure and to fund programs and activities for the coming year. I would encourage the Council to adopt the Fiscal Year 2007-2008 budget.