

Presentation of the

FY 2019

Strategic Operating Plan

May 8, 2018

What we will cover:

1. Council's strategic direction
2. Key components of the Strategic Operating Plan (SOP)
3. FY 2019 Budget
4. FY 2019-2023 Financial Forecast for
5. Next steps



Council's Strategic Direction

Council's Strategic Direction

- Discussed in *Strategic Priorities* Section (pgs. 36-62)
- Indicates:
 - Strategic planning process
 - FY 2019 Balanced Scorecard (BSC), with Areas of Focus (AOF)
 - Initiative Action Plans (IAPs) to address strategic goals & objectives
 - Key process evaluations planned
 - Historical and projected performance, given resources allocated in the SOP



FY 2019 Strategic Operating Plan addresses the strategic opportunities and challenges indicated by the Village Council in January 2018.

Strategic Opportunities (In Order of Priority)

1. Plan for the long term future of the Village
2. Create a vibrant retail center in the Village
3. Expand cultural & recreational programs and activities
4. Partner and collaborate with others on regional issues
5. Utilize technology to improve services
6. Create a pedestrian friendly community
7. Develop future leaders

Strategic Challenges

1. Responding to increased demand for services and changing needs due to growth
2. Managing the impact of growth on the character of the Village
3. Financial pressures for library support and potential school relocation
4. Changes in the housing market
5. Attracting and retaining workforce members
6. Create a walkable community

The Village Council identified four (4) Areas of Focus (AOF) in January 2018 that are addressed in the FY19 Strategic Operating Plan.

Areas of Focus

1. Ensure quality residential development
2. Ensure quality business development
3. Maintain high quality streets
4. Provide recreation programs and events for all ages

Key Components of the Strategic Operating Plan

Key Components of the Strategic Operating Plan

- Budget in Brief
- Budget Message
- Strategic Operating Plan Guide
- Strategic Priorities
- General Fund
- Capital Project Fund (Community Center Project)
- Five-Year Financial Forecast
- Capital Improvement Plan

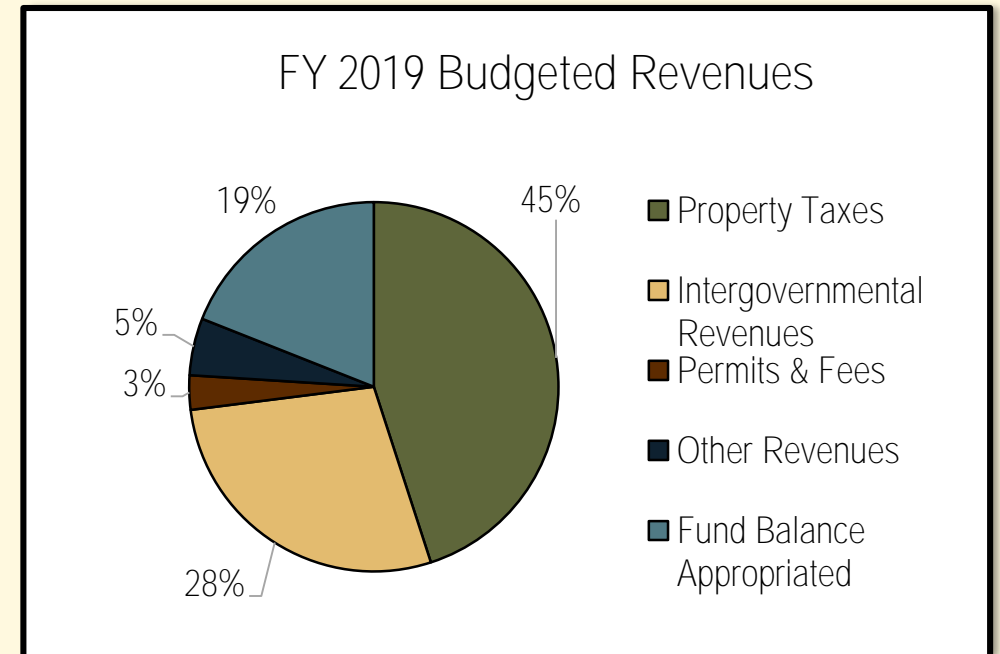
FY 2019 Budget

FY 2019 General Fund Budget Overview:

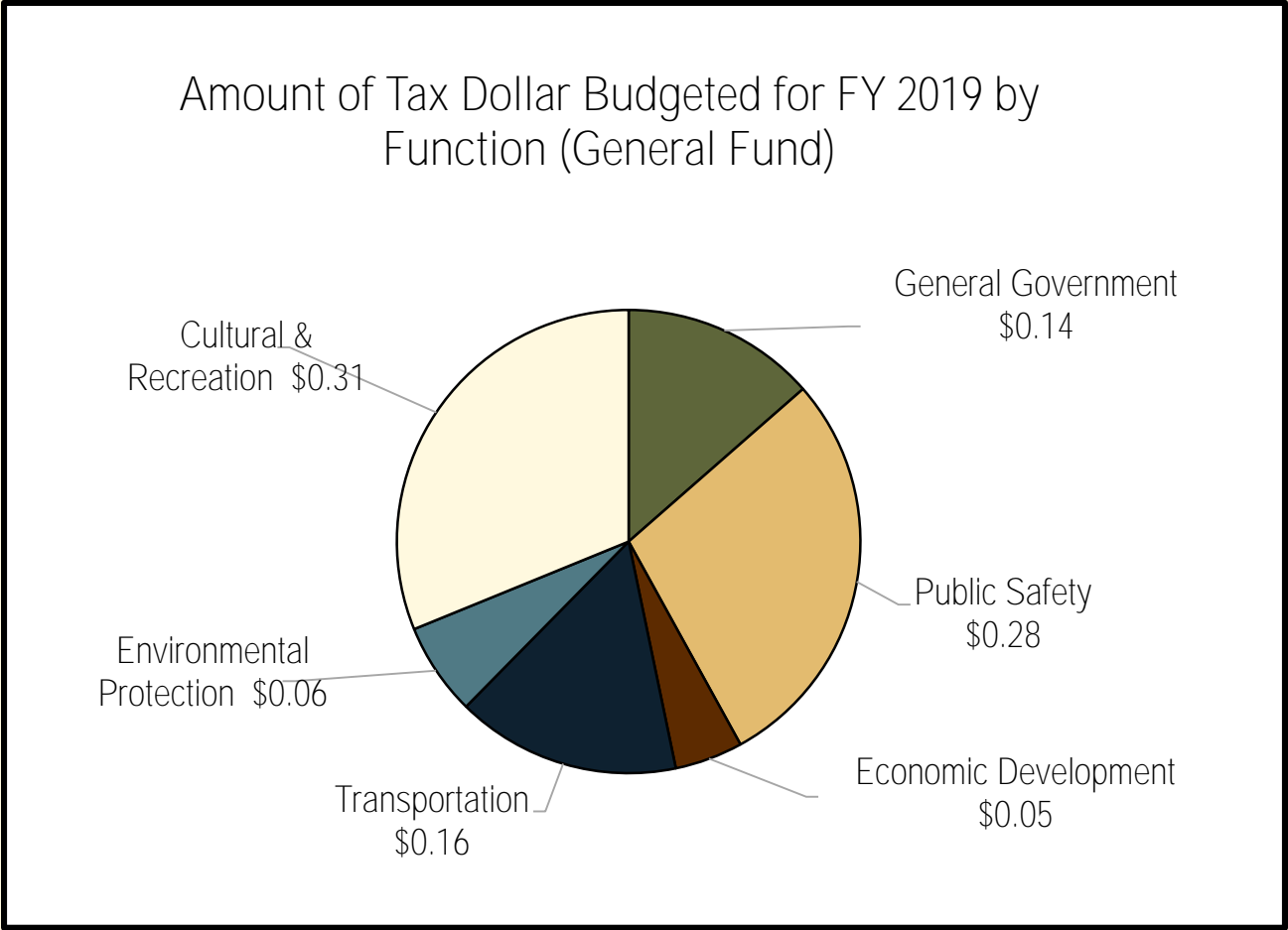
- \$22.5 million budget, 12% higher than the amended FY 2018 Budget
- Consistent property tax rate of \$0.295
- Includes \$4.2 million of appropriated fund balance (savings) - \$4 million is to fund construction of the Community Center so no financing is needed
- Expect ending fund balance of 32.3% of expenditures
- Eight (8) Initiative Action Plans (IAPs) at a cost of \$4.6 million

FY 2019 General Fund Revenues:

- Assumes 120 new homes and a 1.55% growth in the real property tax base
- Assumes 4.3% growth in sales tax receipts over FY18 budget

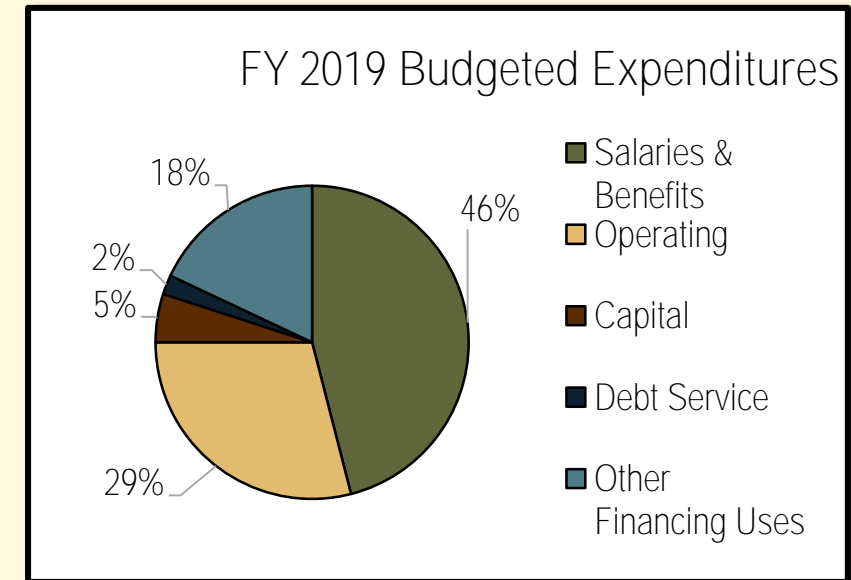


FY 2019 Strategic Operating Plan



FY 2019 General Fund Expenditures:

- Merit pay raises at 3% average
- 2 new full-time equivalents (FTEs): Maintenance Technician (1.0) and Performance Management Director (1.0)
- VOP pays 100% of employee health/dental insurance
- Continue 5-year phase out of dependent care health insurance subsidy; Estimated 10% increase in premiums
- Increased street maintenance funding by 26%, or \$270,000
- \$100,000 contingency for potential increase in Library support
- \$4,068,000 transfer to Community Center Capital Project Fund



Significant FY 2019 Capital (\$1.1 million)

- \$160,000 – Storm drainage projects
- \$121,000 – Sewer jet and vacuum trailer
- \$105,000 – 3 Police vehicles
- \$100,000 – Paving of Cannon Park parking lot
- \$95,000 – Wicker Park playground equipment
- \$72,900 – Skid-steer loader and mower



Capital Project Fund

- \$4,068,000 transfer for Community Center construction

FY 2019–2023
Five-Year Financial
Forecast

Five Year Financial Forecast (pgs. 136-142)

Includes:

- Staffing forecast
- Inflationary increases in operating costs
- Capital improvement plan
- Projected impact of significant capital expenditures on future operating costs

Key Highlights of FY 2019-2023 Financial Plan:

1. Tax rate of \$0.295 in FY 2019; Revenue neutral rate of \$0.28 in FY 2020-2023
2. No financing needed for \$4.1 million Community Center construction
3. Increased annual street maintenance funding by 26%, or \$270,000
4. 4.0 new FTEs in the five-year period
5. \$1.2 million included in FY 2020-2023 for pedestrian facilities

FY 2019 Strategic Operating Plan



Five Year Financial Forecast					
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Tax Rate per \$100 valuation	\$0.295	\$0.28	\$0.28	\$0.28	\$0.28
General Fund Operating Revenues	\$18,302,680	\$19,627,000	\$18,928,000	\$19,151,000	\$19,449,000
General Fund Operating Expenditures	17,364,660	17,695,596	18,110,191	18,467,168	18,961,272
Operating Income(Loss)	\$ 938,020	\$1,931,404	\$ 817,809	\$ 683,832	\$ 487,728
Transfer to Community Center Capital Fund	4,068,900	-	-	-	-
Capital Expenditures	1,118,500	1,632,000	2,346,500	1,344,500	1,290,500
Total Expenditures	\$22,552,060	\$19,327,596	\$20,456,691	\$19,881,668	\$20,251,772
Budget to Actual Variance *	1,035,252	1,065,450	1,089,990	1,112,268	1,142,554
Projected Actual Gain/(Loss)	\$(3,214,128)	\$1,364,854	\$(438,701)	\$451,601	\$339,781
Projected GF Balance as a % of Total Exp.	32.3%	44.8%	40.1%	43.7%	44.5%

FY 2019 Strategic Operating Plan



BSC Goal	Initiative Action Plan (IAP) Name	Initiative Action Plan (IAP) Description	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	TOTAL	
Safeguard the Community	Police Department Accreditation	Seek national accreditation for the Police Department by FY 2022	\$18,450	\$3,300	\$3,300	\$3,300	\$7,365	\$35,715	
	EMS Facility Relocation	Partner with Moore Co. to relocate EMS to Rassie Wicker Park		\$380,000	(\$33,000)	(\$33,000)	(\$33,000)	\$281,000	
Ensure and Attractive Residential Community	Long-Range Comprehensive Plan AOF	Prepare the 2035 Long-Range Comprehensive Plan	\$205,000	\$5,000				\$210,000	
Ensure a Thriving Business Community	Streetscape Enhancements AOF	Install streetscape enhancements on McCaskill and Magnolia Roads		\$115,000	\$46,000	\$76,500	\$131,500	\$369,000	
Provide Multimodal Transportation Systems	Pedestrian Connectivity	Construct pedestrian facilities in the Village			\$440,000	\$400,000	\$400,000	\$1,240,000	
	Street Lighting AOF	Increase neighborhood street lighting	\$3,610	\$12,630	\$13,700	\$16,580	\$19,460	\$65,980	
Maintain an Active, Healthy Community	Recreation Facilities AOF	Construct a Community Center, renovate Rassie Wicker Park playground, improve Cannon Park parking, and update P&R masterplans	\$4,355,880	\$103,460	\$167,170	\$111,180	\$115,280	\$4,852,970	
Professionally Manage a High Performing Organization	Permit & Inspection Process Improvements	Acquire new permitting and inspections software and implement other BIRDIE team recommendations	\$36,400	\$37,500	\$38,600	\$39,800	\$41,000	\$193,300	
	National Baldrige Award	Submit an application for the National Baldrige Award in FY 2020	\$5,000	\$16,000	\$35,000			\$56,000	
Attract & Retain an Engaged Workforce	Succession Planning	Implement a formalized Village-wide succession plan						-	
AOF – Addresses Council Areas of Focus			TOTAL NET COST	\$4,624,340	\$672,890	\$710,770	\$614,360	\$681,605	\$7,303,965

FY 2019-2023 Planned Capital Expenditures

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	TOTAL
Capital Projects	\$ 4,068,900	\$ -	\$ -	\$ -	\$ -	\$ 4,068,900
Fleet	380,900	708,000	1,482,000	584,000	593,000	3,747,900
Information Technology	42,000	64,000	92,000	135,000	17,000	350,000
Other Capital Improvements	695,600	860,000	772,500	625,500	680,500	3,634,100
Total Capital Exp. Paid with Cash	\$ 5,187,400	\$ 1,632,000	\$ 2,346,500	\$ 1,344,500	\$ 1,290,500	\$ 11,800,900
Additional Debt Service	-	-	-	-	-	-
Net Annual Operating Impact	16,980	103,460	75,170	79,680	83,780	359,070
General Fund Impact	\$ 5,204,380	\$ 1,735,460	\$ 2,421,670	\$ 1,424,180	\$ 1,374,280	\$ 12,159,970

FY 2019 Strategic Operating Plan



- Based on employee, volunteer, & Council input, identified 104 different **Opportunities for Innovation & Improvement** that are scheduled for FY 2019-2023
- Plan to conduct 15 evaluations in FY 2019-2023 (3 BIRDIEs and 12 ACEs) to ID ways to improve processes and service delivery
- Also in FY19, will implement Permitting & Inspections BIRDIE recommendations and evaluate the PD Staffing BIRDIE results

BIRDIE	
B	<u>Bring</u> the opportunity forward
I	<u>Investigate</u> the opportunity
R	<u>Review</u> potential solutions
D	<u>Determine</u> the solution
I	<u>Implement</u> the solution
E	<u>Evaluate</u> the solution

BIRDIEs	
FY19-20	Fire Department Staffing
FY20	Insourcing Solid Waste
FY21	Document Imaging

ACEs	
FY19-FY20	Maintenance of diesel vehicles
FY20	Police dispatch processes
FY20	Fair Barn part-time staffing
FY20	Solid waste return pickups
FY20	Automated timesheets
FY20	Insourcing road patching
FY20	Agenda software
FY21	Meeting facility rentals
FY21	Purchasing processes
FY22	Mobile technology for Public Services
FY22	Automation of accounts payable
FY22	Performance management system

Next Steps



Next Steps:

KEY Dates	
May 14 th	Budget Work Session at 2:00 pm in Council Conference Room
May 16 th	Budget Work Session at 2:00 pm in Council Conference Room
May 22 nd	Budget Public Hearing
June 12 th	Adopt the Budget

When would Council like to post an Open Village Hall topic on the Strategic Operating Plan?