

BUDGET MESSAGE

Attached is the 2018 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 2018 fiscal year, beginning January 1, 2018.

The total budget for 2018 is as follows:

General Fund	\$	1,015,402.00
Utility Fund	\$	1,855,835.00
Cemetery Fund	\$	105,158.00
Parks Fund	\$	48,515.00
Lighting Fund	\$	26,012.00
Shared Sales Tax Fund	\$	305,150.00
Public Works Fund	\$	295,000.00
Sewer Project Fund	\$	1,500,000.00
	\$	5,151,072.00

The Budget is divided into the above funds. Based on the information that we have received, our anticipated revenue increase from 2017 to 2018 is \$1,801,483.00 which is projected at 53.78%. In our analysis of the Budget for 2018, we consider the actual revenue increase to be small. It should be noted that 29.12% of the 2018 Budget is due to one line item, listed as Sewer Project Fund. The revenues that reflect an actual increase are due to Utility Sales, New Construction and Cemetery Plot Sales. The actual projection of revenue without the Sewer Project Fund is calculated at 8.26%. The breakdown of the budget includes revenues and expenditures that are estimated for the 2018 calendar year 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.

2018 REVENUE

Approximately 36.03% of the Town's Revenue is derived from the Utility Fund. Another 19.71% comes from revenues received in the General Fund. The Public Works Fund contributes 5.73%, 3.49% is derived from the Cemetery, Parks and Lighting Funds and 5.92% is contributed from Shared Sales Tax. As noted before, the Sewer Project Fund contributes 29.12%.

2017 CAPITAL IMPROVEMENTS

UTILITY / SEWER PROJECT

Revenues from Connection Fees, Infrastructure Fees and Utility Service show an increase in income due to growth. We will receive a net income of \$336,000.00, to be used for the DEQ Loan which is for the Sewer Project. These monies will be transferred to the Sewer Project account. The work projected will include: TV Inspection of the main lines (\$50,000.00), Professional Services (\$30,000.00), Contract Costs and Sleeving Service Lines (\$1,420,000.00). The Budget for beginning this work for 2018 is \$1,500,000.00. The anticipated completion date is the end of 2020. This project is to correct the Inflow and Infiltration problem with our sewer systems.

CEMETERY

A previous balance of \$80,000.00 will be transferred to the 2018 Budget which will allow for continued improvements. Work for the Columbariums will begin. Each one will consist of 96 openings. The anticipated revenue will be \$600.00 per opening. The Town and the VFW will complete a structure. There will be a foundation for a total of 4 Columbarium Structures, which will leave 2 for future construction.

Capital Improvements: Columbarium Prep and Foundation \$49,000.00, New Cemetery Coping \$10,000.00 and continued Repair, Maintenance and Landscaping \$28,000.00.

PARK

Maintenance work will continue as normal. We will finish paying off the Certificate of Indebtedness that was for the Playground in March of 2019.

STREET LIGHTING

The total expense for Street Lights is \$32,424.18. The Budget has projected a revenue of \$25,012.00 from Special Revenue. The difference will be adjusted to have income appropriate to expenses. Street Lights that burn out might not be turned back on. The Abita Recreation District is paying \$1,000.00 per year for the lights in the ballfield across from Town Hall. They are now covering the lights in the parking lot at the ballfield.

SHARED SALES TAX

We have budgeted to lease to own two pieces of equipment: Vacuum Truck and Dump Truck (\$34,850.00). This equipment will enable our Maintenance Department to accomplish more work that will not have to be contracted out. The result will be a savings. The budget also includes: Repair & Overlay of roads and ditching (\$50,000.00).

PUBLIC WORKS

The budget includes \$1,000.00 a month for the leasing of Solar Panels for Town Hall and the Annex Building. This cost will be offset by our savings in electric bills.

GENERAL FUND

We will be installing a new and more efficient Video Security System at the Trailhead and Park. The system will have additional cameras and video capabilities. It will focus on several areas: Museum, Pavilion and the Park. The approximate cost is \$28,000.00.

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 continues to have no overtime expenses. Public Works limits their overtime to emergencies as much as possible. All over-time must be approved by a supervisor. Street Lighting and Park Maintenance are still underfunded, which will result in necessary reductions.

Hospitalization, Dental, Vision and mandated employer contributions for 2018 had an increase of 9.6% from 2017. This small increase will be absorbed in the General Fund. We have aligned ourselves with the Wellness of Louisiana Initiative with LDH, to encourage overall general wellness for our employees. As we progress in levels with this program we should begin to qualify for better pricing on Health Insurance. The 2018 plan will continue to offer the Dental and Vision Coverages to be paid for by the Town for Employees Only.

OVERALL COMMENTS

Personnel salaries continue to be adjusted within the Operating Budget to accurately portray departmental staffing. Our overall staffing is still down by 2 full time employees (1 Administration, 1 Maintenance). The 2018 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 the success of the maintenance of our community. The opportunity to grow our community will result in additional Ad Valorem and Sales Tax. Our focus is to expand our ideas and plan for our future. We will continue to move forward and welcome all positive business development ideas. Building growth is essential in building our community.

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 on other commercial business opportunities. We would like to explore ways to expand our Economic Development Incentives. We will also continue to look at other ways to increase revenue. Our priority will remain to continue our commitment of focusing on the drainage, infrastructure and our quality of life. We have taken a very in depth look at every aspect of the Budget. We feel that we are on target for another successful year.

MAYOR GREG LEMONS

12/7/17 GL/ka