



# *The* Town *of* Davidson

---

College Town. Lake Town. *Your Town.*

# Staffing and Market Study Implementation

## FY 2015-16 and FY 2016-17



College Town. Lake Town. *Your Town.*

Staffing and Market Study Implementation  
Pieter Swart, Finance Director  
December 2, 2015

# FY 15-16 Staffing/Market Study Enhancements

- Adds 3 full time positions:
  - Police Officer
  - Human Resources Professional
  - Administrative Assistant
- Adjusts salary range and median for 11 position designations.
- Increases salaries which are below median for 7 employees.



# Cost and Available Funds for FY 15-16 Staffing/Market Study Enhancements

|   |   |                  |                  |
|---|---|------------------|------------------|
| Required Funds  |   |                  |                  |
|   | New Staff Positions (Starting March 1, 2016)          | \$ 57,221        |                  |
|   | Implement Pay Study Recommendations (January 1, 2016) | <u>\$ 13,550</u> |                  |
|   |   |                  |                  |
|   | Total   |                  | \$ 70,771        |
|   |   |                  |                  |
| Available Budget:   |   |                  |                  |
|   | Pay/Staffing Study Cost Savings                       | \$6,000          |                  |
|   | Cyclical Position Staffing Budget Variance            | \$62,847         |                  |
|   | From Approved Merit Increases                         | <u>\$1,924</u>   |                  |
|   |   |                  |                  |
| Total Available To Implement Staffing Study Recommendations |   |                  | <u>\$ 70,771</u> |
|   |   |                  |                  |
|   | Surplus (Deficit)                                     |                  | \$ (0.00)        |



# FY 16-17 Staffing/Market Study Enhancements Plus Additional Needs and Considerations

- Continuation of all FY 15-16 Staffing and Market Study Enhancements
- Adds 2 positions
  - Sixth part-time firefighter to fully staff second station
  - Public Works Employee
- Adds Additional Police Officer at 1/1/2017
- Additional Cost of 4% Merit Salary Increases in FY2016
- NO Allowance for FY2017 Merit Salary Increases is included in these projections



# Cost of FY 16-17 Staffing/Market Study Enhancements Plus Additional Needs and Considerations

|   |                     |                   |
|---|---------------------|-------------------|
| FY2016-17 Cost of Relevant Employees            | \$ 2,648,189        |                   |
|   |                     |                   |
| Minus: Current Cost of Relevant Employees       | <u>\$ 2,520,277</u> |                   |
|   |                     |                   |
| Current Employee Expenditure Increase FY2016-17 |                     | \$ 127,911        |
|   |                     |                   |
| Plus: FY 2016-17 Cost of New Employees          |                     | <u>\$ 360,938</u> |
|   |                     |                   |
| Total Cost FY 2016-17                           |                     | <u>\$ 488,849</u> |



# How Do We Pay For Enhancements?

## Possible Sources:

- Revenue Growth
- Reductions in Debt Service
- One-time Expenses from FY 2015-16 Budget
- Fund General Fund Expenditures with Unassigned Fund Balance



# Revenue Growth

## Revenue Growth:

- Uncertainty regarding Ad Valorem and Sales Tax Growth until March, 2016
- SL362 will not be complete until December, 2015 (Earliest)
- The Town has consistently shown overall revenue growth, but reliable projections on all revenue sources will not be available until later in the annual budget process.





# Reduction in Debt Service

|                                    |                         |
|------------------------------------|-------------------------|
| • Current FY 2015-16 Debt Service  | \$478,191               |
| • Current FY 2016-17 Debt Service  | \$445,460               |
| • Plus: Projected New Debt Service | <u>\$ 28,000</u>        |
|                                    | <u><u>\$473,460</u></u> |



# One Time Expenses (FY2016)

|                               |                             |
|-------------------------------|-----------------------------|
| • Roosevelt Wilson Park       | \$210,000                   |
| • MI Connection Project Fund  | \$100,000                   |
| • Small Area/Rural Planning   | \$ 50,000                   |
| • Beaver Dam Roof Replacement | \$ 36,700                   |
| • Fire Department Vehicle     | \$ 45,000                   |
| • Budgeted Merit Increases    | <u>\$ 57,267</u>            |
| <br>TOTAL                     | <br><u><u>\$498,967</u></u> |



# Fund General Fund Capital Expenses From Unassigned Fund Balance

- June 30, 2015 Unassigned Fund Balance(UFB): \$5,819,821
- UFB Percentage of FY2016 Budget at June 30, 2015: 57.2%
- Finance Policy Stabilization Threshold (35%): \$3,560,089

Use of Unassigned Fund Balance would still allow for Capital Improvements in FY 2017 Budget.



# Conclusion

Based on the available reductions in FY 2015-16 One Time Expenses which are in excess of budgetary funding needs of the Staffing and Market Studies, and other staffing enhancements; Staff concludes that sufficient budget, in FY 2017, will be available if the Board approves the Staffing and Market Study recommendations.

If necessary, the use of Unassigned Fund Balance to fund Capital Expenditure could be considered during the budgeting process.



# Recommendation

- Make changes in current position ranges, mid-point and increases
- Hire Police Officer
- Delay hiring of Administrative Assistant and HR professional to allow vetting of positions during budgeting process

