

2016 poses the continued challenge of trying to do more with less. The City of Milton, like many other cities, continues to place an emphasis on maintaining service levels for our citizens. The ability to do this while revenue growth is less than the increase in costs can be challenging at best. Our approach is to prioritize the needs of the City, allowing us to provide services of the highest level and in the most efficient manner possible with the resources available.

The preliminary budget is based on an assumption that the City will adopt the 1% increase in property taxes, as allowed by law. These figures will be finalized as actual valuation and other data become available later in the year.

The General and Street Funds combine for a total expenditure budget of approximately \$7.28M. The anticipated combined revenues for these two funds total \$7.26M.

The Enterprise Funds are comprised of three city-owned utilities, all of which continue to maintain adequate fund balances. The approximate proposed budgets of these funds for 2016 are as follows:

Electric Utility Fund	\$ 5,294,630
Water Utility Fund	\$ 2,184,552
Stormwater Utility Fund	\$ 1,505,118

The preliminary budget is based on a number of key changes and adjustments:

1. In general, the 2016 General Fund operating budget reflects “status quo” activity levels.
2. The staffing levels and organizational chart for 2016 has changed as we have made adjustments to better meet the needs of the City and regulatory requirements.
3. The 2016 Budget reflects the continuation of projects that have been in the wings for a long time. City staff is completing projects. This does result in the expenditure of accumulated funds to accomplish the needed improvements and projects.
4. The 2016 Budget reflects the creation of separate funds for asset replacement and capital projects for each major fund. This change is the result of many conversations regarding the need to set aside funding for upgrades to fleet assets, as well as facilities and infrastructure.

Between now and the adoption of the final budget, we have scheduled public hearings and time for Council discussion. The 2016 budget again reflects my number one priority – Public Safety. Within every other department, priorities have also been set. I am proud of the work that has been done and am confident that we will again adopt a budget that will allow us to sustain a viable financial future.