

BOARD OF ALDERMEN

ITEM NO. E(4)

AGENDA ITEM ABSTRACT

MEETING DATE: December 3, 2002

TITLE: Use of Additional Revenue Estimated for Current Budget Year

| | |
|--|--|
| DEPARTMENT: Town Manager | PUBLIC HEARING: YES ____ NO <u> x </u> |
| ATTACHMENTS: Attachment A - Resolution Attachment B – Unanticipated Revenue – FY02-03 Projections, List of Needs at the Time the Budget was Adopted & Revised List of Recommended Uses Attachment C – Salary & Benefits Comparisons Attachment D – Revised Memo – Street Resurfacing Attachment E – Ad Valorem Revenue Trends Attachment F - Sales Tax Trends by Quarter | FOR INFORMATION CONTACT: Robert W. Morgan, 918-7315 Bing Roenigk, 918-7300 |

PURPOSE

At the time the budget was adopted, there was uncertainty around receiving state-collected local revenues. Instead of budgeting these revenues, a list of needs was prepared for consideration should the Town receive any of these revenues. Based on the final state FY02-03 budget and other legislation recently adopted by the N.C. General Assembly, the Town estimates that additional revenues will be received in the current year. The purpose of this agenda item is to discuss recommended uses of the additional revenue for needs identified by the Town staff.

INFORMATION

At the time the Town's FY02-03 budget was adopted in July, the Board made the unprecedented move of forecasting the town budget without use of the state-collected local revenues and reimbursements with the idea that the Board may consider additional budget priorities as the revenues are received.

Based on staff's estimates of additional revenues for the current year, the Board may want to consider allocating funds for needs identified but not yet funded. At the Board's Planning Retreat on Sunday, November 17, staff presented an estimate of additional revenues, ranging from \$417,000 to \$665,000, to be received by the Town (see attachment A).

Attachment A also provides two lists of needs enumerating what could be considered for funding by the Board. The first list, titled "*List of Needs Identified at Time of Adopted FY02-03 Budget*," was presented to the Board during budget work sessions in June. At the Board's Planning Retreat on Sunday, November 17, the Town Manager identified other possible uses of the additional revenues, also part of Attachment A (list titled, "*Revised List – Recommended Uses of Additional Revenue in Current Year*").

Additional attachments (C, D, & E) are items discussed or requested by the Board of Aldermen at the Planning Retreat on November 17. In addition, the Board was requested to consider the idea of two additional Christmas holidays for town employees. In this fiscal year, Christmas falls in the middle of the week, with employees on holiday leave Tuesday, December 24 through Thursday, December 26. The two additional holidays requested are for Monday, December 23rd and Friday, December 27th, allowing employees an entire week for the holidays.

ADMINISTRATION'S RECOMMENDATION:

The Board is requested to consider the list of needs and to consider amending the FY02-03 budget to appropriate funds for items identified. The Board is also asked to consider granting the additional two days as vacation leave for employees.