

BOARD OF ALDERMEN

ITEM NO. E(2)

AGENDA ITEM ABSTRACT

MEETING DATE: June 24, 2003

TITLE: Adoption of FY 2003-04 Budget

DEPARTMENT: Management Services	PUBLIC HEARING: NO
ATTACHMENTS: A – Budget Ordinance B – Resolution Adopting Pay Plan C – Miscellaneous Fees and Charges Schedule D – Human Services Budgets E – Reimbursement Resolution for FY2003-04 Capital Purchases F – Final Budget Worksheet G – Bus Route – Additional Services to Chapel Hill High School	FOR INFORMATION CONTACT: Michael B. Brough, Interim Town Manager 918-7315

By state law, the Board must approve a balanced budget for the Carrboro community by July 1 of every year. The purpose of this agenda item is to present the FY2003-04 budget ordinance that incorporates the changes directed by the Board of Aldermen on June 10th and sets the budget for the upcoming fiscal year. The Adopted Budget also incorporates adjustments to the Town's pay plan and various fees within the fee schedule. The Board formally acknowledges these changes by approving a resolution adopting the 2003-04 Pay Plan and adopting the 2003-04 Miscellaneous Fees and Charges Schedule. In addition, the Board is requested to approve a reimbursement resolution that identifies all equipment and vehicles scheduled for lease purchase financing in the upcoming year. The resolution will enable the Management Services to procure these goods in a timely manner and to finance the items with more accurate cost estimates at a later date.

INFORMATION

Budget Ordinance

The attached budget ordinance revises the Manager's budget recommendations for FY2003-04 based on Board direction at the June 10th budget work session and discussions through June 17th. The changes are accommodated without an increase in the tax rate, with the tax rate of 68.52 per \$100 assessed valuation.

In addition, the Assistant Town Manager, as part of year-financial end housekeeping, has made some budget changes within the General Fund that do not affect the tax rate. The changes also include items discussed and supported by the Board since June 10 (all items listed in Attachment F). These items include:

Westbrook Drive Stormwater Repairs (Public Works)– The winning bid, estimated at \$164,000 will be funded from two sources, including fund balance (\$87,960). The remainder shall come from capital reserves (\$76,040) and will be appropriated as part of the FY03-04 adopted budget. Town staff had originally planned to appropriate unanticipated state-shared revenue in FY02-03 and street resurfacing funds in the capital reserve. The FY03-04 budget ordinance honors this intent.

Sidewalk – Cedars at Bolin Forest Pathway (Public Works) – The Board elected to set aside \$17,000 for this sidewalk in the FY03-04 budget at the June 17, 2003 meeting.

Transit Services (Transportation) – Additional Services to Chapel Hill High School. This service will enable high school students, faculty, and adults to participate in school activities that occur before and after regular school hours. A map is provided (Attachment G) that shows the planned route.

Town staff has confirmed that the full cost of this service is \$40,841. The Town of Chapel Hill set aside \$35,000 in its budgeted reserves in the event that Carrboro and the University do not contribute. If the University participates, then the Town's share shall be \$6,319, representing its 15.47% share within the transit contract. If the University does not participate, another option for funding is for Chapel Hill and Carrboro to each contribute their share plus one-half of the University's contribution. Carrboro's total contribution then equals \$13,969.

The Town's share represents an exception to the cost sharing formula. The current MOU identifies exceptions to the population-based local net cost sharing, one of which is applicable to this exception. The 1997 and active MOU states "For any new services or routes requested by a local partner, the total net operating cost of that service will be the responsibility of that partner for the first year that such service operates."

The proposed MOU that is under consideration but already signed by the Town, states "For any new services or routes requested by a Local Partner, the total net operating cost of that service will be the responsibility of that partner for the first year that such service operates *unless all three partners agree that such route(s) are important to the system as a whole and therefore should be added as a shared cost route from inception.*"

Landscape Buffer on Land for Future Public Works Facility (Public Works) – The estimate for landscaping and providing buffers on this land equals \$5,000.

The FY03-04 budget ordinance also includes funds for the Cybrary as decided on June 10. However, these funds are being placed into the Town's contingency reserve to allow for implementation changes that may occur following the budget. Town staff has been advised that the Commissioners have directed the creation of a task force to take a comprehensive look at library services in Carrboro that may involve reconsidering the location and operations of the Cybrary.

The items were added to the FY03-04 budget ordinance without a tax increase and were funded by appropriating an additional \$44,050 in fund balance. Town staff is comfortable that fund balance reserves will exceed the Town's goal of maintaining undesignated fund balance at 22.5%.

Pay Plan

The resolution approving adjustments to the Town's pay plan includes market and reclassification adjustments recommended in the recent market study. In addition, all existing town staff shall receive a \$500 flat increase effective on the first full pay period beginning July 3rd (payday of July 18th). Similar compensation is included in the budget for the Town Attorney, Town Clerk, and Board of Aldermen. Pay plan information is described in more detail in the Town's Pay Plan booklet included in the agenda packages.

Fee Schedule

Adjustments to the fee schedule incorporate several changes:

1. Planning Department:
 - a. Minimum inspection fees for Building, Plumbing, Mechanical, and Electrical permits are uniformly adjusted to \$45 each;
 - b. A new fee of \$100 is created to accommodate each request for Conditional Power under the electrical permit category

- c. A new fee is established for construction activity begun without a permit being issued. This fee is established at twice the original amount of the standard fee.
 - d. A new Engineering Inspection Fee of \$75 is required prior to issuance of a certificate of occupancy. This fee is set based on average cost (over a four-year period) of the total spent for engineering inspection per certificate of occupancy. This is a fee requested by the Board.
2. Recreation Department:
- a. Several recreation program fees were adjusted to reflect market rates and programming needs (Athletics, Ball field rentals and the Century Center)
 - b. Some updated language was added for departmental refunds and Century Center services.
 - c. A new \$5 administrative fee is now assessed to patrons who request refunds that the department does not initiate.
 - d. A new financial assistance program was established for individuals and families that meet the program criteria.
 - e. A new 100th Birthday Party and 50th Wedding Anniversary incentive was established for renting the Century Center.
 - f. A new gift certificate incentive was created for groups renting the Century Center at various time frames.

ADMINISTRATION'S RECOMMENDATION

The Board is requested to do the following:

- 1. Adopt the attached FY2003-04 Budget Ordinance,
- 2. Adopt the FY2003-04 Pay Plan Resolution,
- 3. Adopt the FY2003-04 Miscellaneous Fees and Charges Schedule,
- 4. Adopt the FY2003-04 Human Services Budgets,
- 5. Adopt the FY2003-04 Reimbursement Resolution