

BOARD OF ALDERMEN

ITEM NO. D(2)

AGENDA ITEM ABSTRACT

MEETING DATE: June 15, 2004

TITLE: Adoption of FY 2004-05 Budget

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| DEPARTMENT: Management Services | PUBLIC HEARING: NO |
| ATTACHMENTS: <ul style="list-style-type: none">A. Budget OrdinanceB. Resolution Adopting Pay PlanC. Miscellaneous Fees & Charges ScheduleD. Reimbursement Resolution for FY-2004-05 Capital PurchasesE. Resolution Approving Compensation for Appointed and Elected Officials | FOR INFORMATION CONTACT: Steven E. Stewart, 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 FY2004-05 budget ordinance that incorporates the changes directed by the Board of Aldermen on June 1st and sets the budget for the upcoming fiscal year. The budget ordinance 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 Pay Plan, a resolution approving compensation for appointed and elected officials, and the Miscellaneous Fees and Charges Schedule for FY04-05. 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.

INFORMATION

Budget Ordinance

The attached budget ordinance reflects the Board's direction to the Town Manager on June 1, accepting the Manager's recommended budget and staff's recommended revisions to the budget ordinance. The budget ordinance incorporates a tax rate of 71.48 cents or an increase of 2.96 cents.

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. These items include:

Bulletproof Vest Grant Program (BVP) Award: \$14,350: The Bureau of Justice recently awarded the Police Department with a grant to purchase bulletproof vests.

Board Room Cablecast Equipment: \$44,362 (full cost). The Board, on June 1, authorized town staff to purchase cable equipment for the Board room via initiating a PEG cable fee to be collected by Time Warner. The Town shall borrow \$44,362 to purchase the equipment. The lease cost for purchasing the equipment over approximately five years shall be offset by the PEG fees collected annually.

Roberson Bike Path (\$155,400): On November 18, 2003, The Board approved a budget amendment to construct the Roberson Place bike path. Currently, town staff is close to final negotiations on temporary

construction easements. The construction portion of this project, estimated at \$155,400 is re-budgeted for the upcoming year and is funded through NCDOT, MPO, and a small local match from the capital reserve fund (as previously budgeted).

Governance Support (\$47) – This budget was increased slightly to cover the total NCLM dues. Fund balance was adjusted in the same amount.

In addition, a switch in the vehicle replacement schedule has been made. As you may be aware, one of the Town's inspections vehicles was stolen this past year. The truck was recovered but is considered totaled by our insurance carrier. In fact, the estimated costs to repair the vehicle are significantly higher than the salvage value. Rather than make significant repairs to this ten-year old vehicle - which is due for replacement in 2005 - the Town Manager recommends declaring this vehicle a total loss, returning the vehicle to the insurance company, and replacing this vehicle in the upcoming year. The insurance settlement monies would be used toward the purchase of this new vehicle. Also, as a consequence, the replacement of the vehicle needed for the Zoning division will be delayed until next year.

Pay Plan

The resolution approving adjustments to the Town's pay plan includes a pay increase of 2% for all existing town staff effective on the first full pay period beginning July 1st (payday of July 16th). An incentive pay, ranging from 0-2% shall be effective on eligible employees' anniversary dates based on specific performance criteria. The pay plan also provides for increased health insurance support. Pay plan information is described in more detail in the Town's Pay Plan booklet included in the agenda packages. Compensation for elected and appointed officials is outlined in the resolution in Attachment E.

Fee Schedule

Adjustments to the fee schedule incorporate several new fees and changes to revenue descriptions for the purposes of clarity. These adjustments do not represent material changes to the revenue stream.

1. Management Services, Privilege Licenses: The adjustments to the fee schedule for privilege licenses acknowledges specific fees on Schedule B – Schedule of License Taxes (fees established by state statute) that were already in place but were accidentally omitted from the fee schedule (Alcohol/Beer & Wine Sales, outdoor advertising, and radio repair sales). In addition, clarifying language was added to distinguish when gross receipts are to be paid (in-town businesses only).
2. Recreation Department:
 - a. As done annually, the out-of –county fee is adjusted to reflect the adopted budget.
 - b. Adjustments to fees in the Century Center facilitate invoicing in the new recreation software and packaged fees for marketing purpose and to increase patron use of the Century Center (see page 5 of fee schedule: Activity Room Conference Package; Century Hall Conference Package; and Basic Birthday Party Package).
3. Planning Department:
 - a. The payment-in-lieu fee is adjusted annually (per Town's Land Use Ordinance) to reflect the change in the CPI reported for the month of January each year.

ADMINISTRATION'S RECOMMENDATION

The Board is requested to adopt the following:

1. FY2004-05 Budget Ordinance;
2. Resolution adopting the Classification and Pay Plan for FY2004-05;
3. FY2004-05 Miscellaneous Fees and Charges Schedule,
4. FY2004-05 Reimbursement Resolution; and
5. Resolution approving compensation for appointed and elected officials.