

BOARD OF ALDERMEN

ITEM NO. D(2)

AGENDA ITEM ABSTRACT

MEETING DATE: June 7, 2005

TITLE: Final Budget Instructions to Town Manager for FY2005-06 Budget

DEPARTMENT: Town Manager	PUBLIC HEARING: YES ___ NO <u>x</u>
ATTACHMENTS: <ul style="list-style-type: none">A. ResolutionB. Budget OrdinanceC. Resolution Adopting Pay PlanD. Miscellaneous Fees and Charges ScheduleE. Reimbursement Resolution for FY2005-06 Capital PurchasesF. Resolution Approving Compensation for Appointed and Elected Officials	FOR INFORMATION CONTACT: Steve Stewart, Town Manager, 918-7315

PURPOSE

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 complete budget discussions and to approve a resolution instructing the Town Manager to develop a final draft of the budget for adoption by the Board. The Board may consider the budget ready for adoption and has the option of adopting the budget tonight versus waiting until June 21.

INFORMATION

The Board of Aldermen held a budget work session at which the Manager and departmental staff responded to questions from the Board on the recommended budget. In addition, a public hearing was held on the Manager's recommended budget on Tuesday May 24. Following questions and input received to date, the Town has prepared a draft budget ordinance.

Budget Ordinance

The attached budget ordinance adjusts the Manager's recommended budget as part of year-end financial housekeeping to reflect grant funding in the General Fund that will pay for the Roberson Place bike path project that will not be underway until next year and for an anticipated state trail grant to purchase bike racks, signs and other needed items for the Adams Tract via the efforts of the Friends of Bolin Creek. The budget change does not affect the recommended tax rate. The ordinance approves the revenue-neutral tax rate of 62.44 cents, reflecting a budget that does not require a tax increase. Town staff is close to preparing bid documents on the Roberson Place bike path. 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). The grant for the Adams Tract totaling \$1,750 will be matched with a donation of \$200 from the Friends of Bolin Creek, for total spending of \$1,950.

One item to note about the budget ordinance is that a transfer of \$9,027 will be made from the Adams Tract project within the Capital Projects Fund to offset the first debt payment for the Adams Tract. This does not require any legal budget action as the Manager has authority to move up to

\$10,000 between line items within a given fiscal year without board action. A budget transfer will be made to enable this transaction.

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 addressing compensation for appointed and elected officials, and the Miscellaneous Fees and Charges Schedule for FY05-06. 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.

Pay Plan

The resolution approving adjustments to the Town's pay plan recommends that employees rated as outstanding or proficient receive incentive pay raises ranging from 1/2% to 3.0% based on specified levels of performance in addition to a base 2.5% increase for cost-of-living. The chart below shows the compensation to be awarded for employees above midpoint of their salaries and those below midpoint.

EMPLOYEE IS:	% INCREASE IN PAY	
	OUTSTANDING	PROFICIENT
ABOVE MIDPOINT	5.0%	3.0%
BELOW MIDPOINT	5.5%	3.5%

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. Highlights of some of the changes are identified below:

Planning Department:

1. 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.
2. The Board established new conditional use districts last year. They involve both a rezoning action and issuance of a conditional use permit. The changes within the fee schedule will clarify the fee requirements.

Recreation Department:

1. As done annually, the out-of-county fee is adjusted to reflect the adopted budget.
2. Adjustments to various programming fees have been adjusted upward slightly to recover costs for renting school facilities used to conduct recreation programs, primarily athletics programs.

Public Works Department:

1. Increased two fees for inflation (2%). Amounts last adjusted in 1998 for Full or Partial Street Improvement Inspections and for Utility Service Improvement Inspections.

Management Services:

1. Clarify late penalty fee charges

STAFF RECOMMENDATION

Complete budget discussions and approve a resolution (Attachment A) instructing the Town Manager to develop a final draft of the budget for adoption by the Board on June 21 and provide direction to staff on requested changes to the FY05-06 budget ordinance, or the Board may choose to adopt the FY2005-06 budget tonight and take the following action:

1. Adopt the attached FY2005-06 Budget Ordinance,
2. Adopt the FY2005-06 Pay Plan Resolution,
3. Adopt the FY2005-06 Miscellaneous Fees and Charges Schedule,
4. Adopt the FY2005-06 Reimbursement Resolution
5. Adopt the FY2005-06 Resolution Approving Compensation for Appointed and Elected Officials.