

BOARD OF ALDERMEN

ITEM NO. C(2)

AGENDA ITEM ABSTRACT

MEETING DATE: March 7, 2006

TITLE: A Request to Approve a Budget Amendment

DEPARTMENT: Management Services	PUBLIC HEARING: YES ____ NO <u>x</u>
ATTACHMENTS: A. Budget Amendment	FOR INFORMATION CONTACT: L. Bingham Roenigk, Assistant Town Manager, 918-7315

PURPOSE:

The Board is requested to approve a budget amendment that provides sufficient funds for the Town to process refunds for the prorated portion of the county fire district taxes for the period February 2006 through June 2006 previously paid by residents in the areas of town recently annexed in January.

INFORMATION:

The Board, on August 16, 2005, reviewed and approved a first responder agreement between the Town of Carrboro and the New Hope Fire District for the provision of fire protection services within the annexation areas north of town.

The Board was also apprised that a separate, but related item was that the Town must reimburse taxpayers of the annexation area for the five months of taxes that they paid for New Hope, but no longer owe because of annexation. It was stated also that the Town would need to do a budget amendment for Board approval after the Town received confirmation of the total and individual tax reimbursement amounts from the Orange County Tax Office. Individual checks were mailed out the week of February 27th and the total amount reimbursed was \$23,374.

To offset this cost, the Town has the option to bill the New Hope Fire District for five months or 5/12ths of the first responder contract amount, or \$11,596. Cliff Carroll, the President of the Board of Directors for New Hope Fire Department, initiated a request to have the Town delay its billing to the Fire District and instead reduce the amount owed to New Hope Fire District in FY06-07 (estimated total good faith contract cost is \$27,829; FY06-07 payment would be reduced by \$11,596 to \$16,233). The Town Manager recommends pursuing this option.

FISCAL IMPACT:

The Town has \$10,400 currently budgeted in the Fire Department for the good faith contract which shall be used toward reimbursing taxpayers. The remainder shall come from fund balance. This reimbursement is a one-time payment.

STAFF RECOMMENDATION:

Approve the budget amendment.