

BOARD OF ALDERMEN

ITEM NO. D(2)

AGENDA ITEM ABSTRACT

MEETING DATE: June 19, 2007

TITLE: Adoption of the FY2007-08 Budget

DEPARTMENT: Town Manager	PUBLIC HEARING: YES _ NO _x_
ATTACHMENTS: A. Budget Ordinance B. Resolution Adopting Pay Plan C. Ordinance Amending Chapter 4 of Town Code D. Miscellaneous Fees and Charges Schedule E. Reimbursement Resolution for FY2007-08 Capital Purchases F. Resolution Approving Compensation for Elected Officials G. Resolution Approving Memorandum of Understanding for Legal Services	FOR INFORMATION CONTACT: Steve Stewart, Town Manager, 918-7315 L. Bingham Roenigk, 918-7439 Desiree White, 918-7321

PURPOSE

By state law, the Board must approve a balanced budget for the Carrboro community by July 1st of every year. The purpose of this agenda item is to complete budget discussions and to consider adoption of the budget ordinance.

INFORMATION

The Board of Aldermen has held several meetings throughout the budget process including two public hearings. At the regular board meeting of June 5th, the Town Manager was given specific direction to prepare a draft FY07-08 budget ordinance for approval by the Board tonight.

Budget Ordinance

The attached budget ordinance adjusts the Manager's recommended budget to reflect the adjustment made by the Board of Aldermen to increase the budget by \$10,500 to fund a stipend to be used toward health insurance costs for the Town's part-time permanent positions and the related tax rate to 65.37 cents. In addition, other changes have been made to the recommended budget as part of year-end financial housekeeping to reflect: a) an increase of \$400,000 in the budget for sewer outfall construction in the northern transition area budget that is budgeted in the current year but will not be performed until FY07-08; b) an increase of \$46,000 in the budget for the Fire Escape at Town Hall; and c) the recent award of a grant from the North Carolina Department of Transportation to develop a bicycle plan for the Town (\$65,000). The local match of \$19,500 was set aside in FY05-06 in fund balance and is re-appropriated using fund balance in the FY07-08 budget ordinance.

The sewer outfall project and budget has been moved to FY07-08 and is higher than originally anticipated. Due to funds set aside in the previous year for unexpended debt service costs, this budgetary change does not affect the recommended tax rate. The fire escape construction budget remains the same; the FY07-08 budget had anticipated debt service for this project.

The ordinance also provides for 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 elected officials, and the Miscellaneous Fees and Charges Schedule for FY07-08. 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.

In addition, the budget ordinance adds language to allow architectural, engineering, and surveying services with fees less than thirty thousand dollars (\$30,000) to be exempt from the RFQ process. This is an attempt to streamline the work performed by Public Works in obtaining expertise regarding projects that require engineering or survey work to supplement special retrofitting, construction, or other types of capital infrastructure projects (Section g).

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 at or 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%

Pay plan information is described in more detail in Attachment B. It should be noted that the pay plan and the personnel ordinance are revised to provide for employees transferring from one position to another position within the organization to serve a new probationary period. This action merely formalizes current performance review expectations. The documents also reflect the addition of the position Assistant to the Mayor/Deputy Town Clerk and Town Clerk to Article I, Section 4-6. Town Clerk was previously omitted in error.

Compensation for elected officials is outlined in the resolution in Attachment F. The Town Attorney's legal fees are outlined in the resolution and memorandum of understanding in Attachment G.

Fee Schedule

The proposed fee schedule, submitted with the recommended budget on May 1, adds fire permitting fees, updates some privilege license fees to reflect state statutes, and modifies fee language for clarity.

STAFF RECOMMENDATION

The Board is requested to approve the following:

1. Adopt the attached FY2007-08 Budget Ordinance,
2. Adopt the FY2007-08 Pay Plan Resolution,
3. Ordinance Amending Chapter 4 of Town Code
4. Adopt the FY2007-08 Miscellaneous Fees and Charges Schedule,
5. Adopt the FY2007-08 Reimbursement Resolution
6. Adopt the FY2007-08 Resolution for Compensation for Elected Officials
7. Adopt the Resolution for Legal Services