

## BOARD OF ALDERMEN

ITEM NO. C(5)

### AGENDA ITEM ABSTRACT

MEETING DATE: June 3, 2008

**TITLE:** Adoption of the FY2008-09 Budget

<b>DEPARTMENT:</b> Town Manager	<b>PUBLIC HEARING:</b> YES _ NO _x_
<b>ATTACHMENTS:</b> A. Budget Ordinance B. Resolution Adopting Pay Plan C. Miscellaneous Fees and Charges Schedule D. Ordinance Amending Section 6-29 of the Town Code to Increase Motor Vehicle License Fee E. Reimbursement Resolution for FY2008-09 Capital Purchases F. Resolution Approving Changes to Town Fiscal Policy G. Resolution Approving Compensation for Elected Officials and Town Attorney	<b>FOR INFORMATION CONTACT:</b> 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 1<sup>st</sup> of every year. The purpose of this agenda item is 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 May 27th, the Town Manager was given specific direction to prepare a draft FY08-09 budget ordinance for approval by the Board tonight.

#### ***Budget Ordinance***

The attached budget ordinance (Attachment A) adjusts the Manager's recommended budget to reflect the adjustment made by the Board of Aldermen to increase the budget by \$4,000 to fully fund the request made by Orange Community Housing Land Trust, increasing the tax rate slightly to 68.63 cents.

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 reimbursement resolution financing capital equipment and vehicles, a resolution addressing compensation for appointed and elected officials, and the Miscellaneous Fees and Charges Schedule for FY08-09. The budget ordinance has been slightly modified to allow for various departments to be grouped as a single budget "function." This enables the possibility of program and cost sharing if needed without requiring a budget amendment. The ordinance combines a variety of administrative

budgets into a broad function called “General Government” and combines police and fire budgets into a broad function called “Public Safety.” This is consistent with municipal chart of accounts, the Town’s annual audit report, and will allow flexibility in shared efforts amongst departments with a common purpose, particularly in the general government function that includes numerous small budgets.

### ***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 0% to 2.5% based on specified levels of performance in addition to a base 2.0% 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. Pay plan information has been modified to clarify existing practices and is described in more detail in Attachment B.

EMPLOYEE	% INCREASE IN PAY	
	OUTSTANDING	PROFICIENT
ABOVE MIDPOINT	4.0	2.0
BELOW	4.5	2.5

### ***Fee Schedule***

The proposed fee schedule (Attachment C), submitted with the recommended budget on May 13, includes changes in Recreation and Park fees to enable the department to provide for service refunds in the event of disaster or mechanical breakdowns that affect the ability to provide adequate facility service or quality; adds shuttle service capacity and fees, Community Arts Group rates, promotional display ad fees, and program souvenir fees. Fees in Public Works update calculations for roll out and yard waste containers, as well as various street fees. Updated Planning Department fees are also included. Approval of the budget includes a motor vehicle license fee increase from \$20 to \$30. In addition to approving the fee increase, the Board must also approve an ordinance amending Section 6-29 of the Town Code to increase the motor vehicle license fees (Attachment D).

### ***Other Resolutions and Proposed Actions***

A reimbursement resolution approving a list of equipment and vehicles to be financed with installment proceeds is provided in Attachment E and is required to enable the Town to pursue financing.

The Town’s fiscal policy (Attachment F) acknowledges changes to fleet maintenance and fund balance policies. The fleet maintenance policy strives to take advantage of vehicle and equipment technologies and best practices that will enable the Town to hold onto its rolling stock for a longer period of time. Changes in fund balance practices will enable the Town Manager to set aside fund balance in excess of the policy ceiling to be transferred to the Capital Reserve Fund. Transfers from the Capital Reserve Fund are made only with Board approval.

Compensation for elected officials and the Town Attorney is outlined in the resolution in Attachment G.

STAFF RECOMMENDATION

The Board is requested to approve the following:

1. Adopt the attached FY2008-09 Budget Ordinance,
2. Adopt the FY2008-09 Pay Plan Resolution,
3. Ordinance Amending Section 6-29 of the Town Code to Increase Motor Vehicle License Fee,
4. Adopt the FY2008-09 Miscellaneous Fees and Charges Schedule,
5. Adopt the FY2008-09 Reimbursement Resolution,
6. Adopt the Resolution Approving Changes to the Town Fiscal Policy, and
7. Adopt the FY2008-09 Resolution for Compensation for Elected Officials and Town Attorney.