



Legislation Text

File #: 24-141, **Version:** 1

TITLE:

Adoption of the FY 2024-25 Annual Budget

PURPOSE: The purpose of this agenda item is for the Town Council to adopt the annual budget for fiscal year 2024-25.

DEPARTMENT: Town Manager

CONTACT INFORMATION: Patrice Toney, Town Manager, 919-918-7315; Darrell Keyes, Comptroller/Interim Finance Director, 919-918-7301

INFORMATION: The North Carolina Local Government Budget and Fiscal Control Act (LGBFCA) requires that the Town Manager submit a recommended budget and budget message to the Mayor and Council; that the Town Council hold a public hearing on the recommended budget; and that the Town Council adopt an annual budget ordinance each year by July 1. The budget must be balanced which is defined by LGBFCA as “the sum of estimated net revenues and appropriated fund balance in each fund shall be equal to appropriations in that fund.”

On May 14, 2024, the Town Council held a budget work session where the Town Manager and Finance Director presented and received input on the recommended budget for FY 2024-25. On June 4, 2022, the Finance Director presented to the Town Council a recommended budget for FY 2024-25 totaling \$68.3 million, and the budget book was filed with the Town Clerk. It has remained available on the Town’s website and at Town Hall for public inspection. The notice of its availability was published in the local media. On June 18, 2024, a public hearing will be held on the Manager’s Recommended Budget.

The goals for the FY 2025 budget are to include:

- The Council’s key priorities of affordable housing
- Race and Equity
- Environmental protection
- Integration of Carrboro Connects.

The Town’s annual operating budget represents Carrboro’s mission and commitment to enhancing the quality of life of our residents. This budget reflects our dedication to supporting our valuable employees, investing in critical infrastructure, and meeting the immediate needs of our community. We have produced, as best we can, a balanced budget based on revenue projections that are not overly aggressive, nor unduly regressive.

The total budget for FY 2024-25 is as follows:

General Fund	\$32,685,651
Capital Projects	\$25,551,937
Special Revenue	\$8,209,590
Total Governmental Funds	\$66,447,178
Storm Water Enterprise	\$1,642,008
Parking Enterprise	\$216,000
Total	\$68,305,186

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The General Fund is the Town's operating fund. The FY 2024-25 budgets continues emphasis on race and equity, climate action, affordable housing, downtown beautification, and capital projects.

The Capital Projects Fund includes construction, renovations, or other improvements to the Town's capital assets. Major projects include wayfinding, vehicle purchases, street resurfacing, greenways and multi-paths, and construction of the 203 S. Greensboro Street facility that will be home to the Orange County Southern Branch Library and Town recreation administrative offices. The budget proposes to use assigned fund balance to begin the planning, design and development of renovations for Town Hall.

The Affordable Housing Fund in the Special Revenue Fund provides a steady and reliable revenue source for affordable housing activities. A property tax rate of 1.5 cents will continue to be dedicated to affordable housing in FY 2025.

Along with the Budget Ordinance, the Town Council needs to adopt several other resolutions. These includes the following: position classification and pay plan, across-the-board salary adjustment, designation of fund balance, miscellaneous fees and charges Schedule, and vehicle purchases.

Annual Budget Ordinance - Attachment A

The attached Annual Budget Ordinance includes General Fund appropriation of \$32,685,651 by function for operation of the Town beginning July 1, 2024. The Annual Budget Ordinance also includes the estimated revenues that are expected to be available during the fiscal year.

The property tax rate shall remain the same at 58.94 cents for each \$100 valuation of taxable property with 1.50 cents of that amount dedicated for the Affordable Housing Special Revenue Fund.

Position Classification and Pay Plan - Attachment B

The Annual Budget for FY 2025 includes changes to be incorporated into the Position Classification and Pay Plan. No increase in the total FTEs are requested for 2025. These changes are listed in the resolution titled Attachment B.

There will be no merit or performance pay provided to Town employees in FY 2025.

Salary and Wage Adjustment Resolution - Attachment C

Effective July 13, 2024, a 10% across-the-board salary increase will be added to base salary for all current full-time permanent and appointed employees; all permanent part-time employees shall receive a pro-rated, across-the-board salary increase of 10% based on their position's full-time equivalency effective July 13, 2024; All Town elected officials shall receive an across-the-board salary increase of 10% effective July 13, 2024. The Town will pay all part-time employees an hourly wage that is equal to the *Orange County Living Wage*.

Vehicle Purchases in FY25 - Attachment D

The resolution authorizes the purchase of vehicles in FY 2025. The total amount appropriated for the vehicles shall not exceed \$1,846,000 with the understanding that the Town may seek installment financing for these purchases.

Designated Fund Balance at June 30, 2024 for Carryover - Attachment E

This resolution authorizes the carryover of budget items that have not been spent or obligated in FY 2024-25.

Amendment to Miscellaneous Fees and Charges Schedule - Attachment F

The resolution amends the Miscellaneous Fees and Charges Schedule beginning July 1, 2024.

FISCAL & STAFF IMPACT: The total FY 2024-25 General Fund Budget presented for adoption is **\$32,685,651**. The grand total budget including all funds is **\$68,305,186**.

RECOMMENDATION: The Town Council is requested to adopt the following attachments:

- A. Annual Budget Ordinance for FY 2024-25
- B. Resolution adopting Changes to Position Classification and Pay Plan;
- C. Resolution approving the minimum salary and hourly rates for employees;
- D. FY 2024-25 Vehicle Purchases
- E. Resolution to authorize designation of fund balance on June 30, 2024 for carryover.
- F. Resolution approving amendments to the Miscellaneous Fees and Charges Schedule