



Legislation Details (With Text)

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Title: Adoption of FY 2014-15 Budget

PURPOSE: By state law, the Board must approve a balanced budget for the Town by July 1st of every year. The purpose of this agenda item is to complete budget discussions and adopt the budget ordinance for fiscal year 2014-15.

Indexes:

Code sections:

Attachments: 1. ATTACHMENT A - Budget Ordinance 2014-15, 2. ATTACHMENT B - Resolution Approving Changes to Position and Pay Plan FY 2014-15, 3. ATTACHMENT C - COLA Pay Resolution FY 2014-15, 4. ATTACHMENT D - Reimbursement Resolution Capital Purchases 2014-15, 5. ATTACHMENT E - Contract for Town Attorney Resolution 2014-15, 6. ATTACHMENT F -Miscellaneous Fees and Charges Resolution 7-01-2014, 7. ATTACHMENT G: Miscellaneous Fee Schedule

Date	Ver.	Action By	Action	Result
6/17/2014	1	Board of Aldermen	approved	Pass

TITLE:

Adoption of FY 2014-15 Budget

PURPOSE: By state law, the Board must approve a balanced budget for the Town by July 1st of every year. The purpose of this agenda item is to complete budget discussions and adopt the budget ordinance for fiscal year 2014-15.

DEPARTMENT: Town Manager

CONTACT INFORMATION: David Andrews, 918-7315; Arche McAdoo, 918-7439

INFORMATION: The Board of Aldermen held a public hearing on February 11, 2014 to receive community input prior to development of the FY 2014-15 budget. On May 13, 2014 the Town Manager presented to the Board a recommended budget for FY 2014-15 and filed it with the Town Clerk. The recommended budget has remained available on the Town's website, and in the Town Clerk's Office for public inspection; notice of its availability was published in local media.

On May 20, 2014 the Board held a public hearing on the Town Manager's recommended budget. The Town Manager was directed to proceed with preparation of a final budget for adoption and to include funding in the General Fund for the unexpected increased transportation costs. Thus, transportation expenditures have been increased by \$76,097 from

\$1,396,423 to \$1,472,520. On the revenue side, a corresponding increase in fund balance appropriation has been made.

With the recent enactment of the state law governing privilege licenses issued by North Carolina municipalities, the Town will no longer be able to charge a fee to businesses that are not physically located in the Town, and cannot charge a fee at a rate higher than that for fiscal 2013-14. The impact of these changes will result in an estimated loss of \$22,708 in privilege license revenue for fiscal year 2014-15. Accordingly, the revenue for privileges in the final budget has been reduced from \$80,141 to \$57,433. Fund balance appropriation has been increased by \$22,708 to offset this revenue loss. For the increased transportation costs and privilege license projected revenue short fall, fund balance appropriation has been increased by \$98,805 from \$985,270 to \$1,084,075 which represents 5% of the total general fund budget. The Town policy is to keep use of fund balance appropriation below 10%.

The total 2014-15 General Fund budget presented for adoption is \$21,313,803 or \$76,097 more than the recommended budget of \$21,237,706.

Budget Ordinance

The attached Budget Ordinance (Attachment A) totals \$21,313,803 and appropriates general funds for the operation of the Town and its activities for the fiscal year beginning July 1, 2014. The Ordinance also includes the estimated revenues from major sources that are expected to be available during the fiscal year and establishes the property tax rate at the current rate of 58.94 cents on each \$100 valuation of taxable property.

Along with the Budget Ordinance, the Board needs to formally adopt a number of other resolutions, including adoption of the Town's Position Classification and Pay Plan, resolution establishing pay increase for employees, resolution addressing compensation for appointed and elected officials, reimbursement resolution related to financing capital equipment and vehicles, resolution for Town Attorney contract, and the Miscellaneous Fees and Charges Schedule.

Position Classification and Pay Plan

The Manager's recommended budget for FY 2014-15 includes changes that need to be incorporated into the adopted Position Classification and Pay Plan. These changes are:

- a. Program Support Assistant II in the Fire and Rescue Department, Salary Grade 4, is increased from .5 to 1.0 FTE;
- b. Program Support Assistant II in the Police Department, Salary Grade 4, is increased from .5 to 1.0 FTE and re-classified to a Program Support Assistant II position;
- c. Assistant to the Town Manager, Salary Grade 14, is increased from 1 to 2 FTEs;

Merit Pay has been structured in a manner to move all employees over the next five years to a salary that is above the Minimum Housing Wage. For FY 2014-15 merit pay will be provided

to full-time employees in the form of a fixed dollar amount based on the employee's Annual Performance Review rating and whether the employee is earning below or above the Minimum Housing Wage annual salary of \$31,158. This fixed dollar amount will be added to the employee base salary and awarded to employees using the following performance rating criteria:

	Outstanding	Proficient
Employee with Annual Salary Below \$31,158	\$1,500	\$1,000
Employee with Annual Salary at or Above \$31,158	\$1,000	\$ 500

New employees hired on or after July 1, 2014 shall be hired at an annual salary that is not less than the lowest paid person in the same position at the time of hiring. Permanent part-time employees will be awarded merit pay on a pro rata basis using the criteria as noted above.

Across the Board Pay Increase

A 2.0% cost-of-living salary increase effective July 1, 2014 is included for all current permanent full-time, part-time, and temporary employees. This salary adjustment is also recommended for elected and appointed officials (Attachment C).

Reimbursement Resolution

A reimbursement resolution approving a list of equipment and vehicles to be financed with installment proceeds is provided in Attachment D. This resolution is required to enable the Town to restore general funds that may be used before the financing is in place.

Town Attorney

Attachment E is a resolution to contract for the Town Attorney.

Fee Schedule

The proposed fee schedule in Attachment F includes minor changes.

FISCAL & STAFF IMPACT: The total 2014-15 General Fund budget presented for adoption is \$21,313,806.

RECOMMENDATION: The Board is requested to take the following actions:

1. Adopt Annual Budget Ordinance for FY 2014-15,
2. Adopt Resolution Adopting Changes to Position Classification and Pay Plan,
3. Adopt Resolution Approving 2.0% across the board salary increase
4. Adopt Reimbursement Resolution for capital purchases,
5. Adopt Resolution for Town Attorney Contract, and.
6. Adopt Resolution Approving Miscellaneous Fees and Charges Schedule.

