



Legislation Details (With Text)

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| Title: | Adoption of FY 2021-22 Annual Budget PURPOSE: The purpose of this agenda item is for the Town Council to complete budget discussions and adopt the annual budget for fiscal year 2021-22. | | | | |

Indexes:

Code sections:

Attachments: 1. ATTACHMENT A - Budget Ordinance 2021-22, 2. ATTACHMENT B - Changes to Position and Pay Plan FY 2021-22, 3. ATTACHMENT C - Wage Adjustment Resolution 2021-22, 4. ATTACHMENT D - Contract for Town Attorney Resolution 2021-22, 5. ATTACHMENT E - Capital Projects Ordinance 2021-22, 6. ATTACHMENT F - Vehicles Capital Projects Ordinance 2021-22, 7. ATTACHMENT F-1 - Reimbursement Resolution for Equip and Vehicles 2021-22, 8. ATTACHMENT G -Miscellaneous Fees and Charges Resolution 7-1-2021, 9. ATTACHMENT H - NonStop Wellness Third Party Admin for MERP

| Date | Ver. | Action By | Action | Result |
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TITLE:

Adoption of FY 2021-22 Annual Budget

PURPOSE: The purpose of this agenda item is for the Town Council to complete budget discussions and adopt the annual budget for fiscal year 2021-22.

DEPARTMENT: Town Manager

CONTACT INFORMATION: David Andrews, 918-7315; Arche McAdoo, 918-7439; Cary McNallan, 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 Councilmembers no later than June 1st; that the Town Council hold a public hearing on the budget; and that the Town Council adopt an annual budget ordinance each year by July 1st. 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 February 2, 2021 the Town Council held a public hearing to receive community input prior to beginning the budget process for FY 2021-22. On May 25, 2021 the Town Manager presented to the Town Council a recommended budget for FY 2021-22 totaling \$71.8 million, and the budget document was filed with the Town Clerk. It 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 the local media. On June 8, 2021, a public hearing was held on the Manager's recommended budget.

Based on Town Council discussions and changes noted at the June 8, 2021 public hearing on the FY22 budget, the final budget presented for adoption is as follows:

| | |
|------------------------------------|-----------------------------|
| General Fund | \$ 25,247,801 |
| Special Revenue Fund | 9,567,341 |
| Capital Projects Fund | <u>41,985,403</u> |
| Total Governmental Funds | <u>\$ 76,800,545</u> |
| Stormwater Utility Enterprise Fund | \$ 971,254 |
| Parking Enterprise Fund | <u>290,500</u> |
| Total Enterprise Funds | <u>\$ 1,261,754</u> |
| Grand Total Budget | <u>\$ 78,062,299</u> |

The General Fund is the Town's operating fund. The total budget increased slightly from the current year. As noted in Attachment B, there are a number of personnel changes, however, the net increase in authorized positions is only one. Personnel costs include decreases due to the change in the Town's health insurance plan, and increases due to salary adjustments and mandatory benefit changes. Other minor adjustments have been made in operating expenses to several other functions based on updated information. The Final General Fund Budget presented for adoption is \$25,247,801 which is \$70,642 more than the Recommended Budget.

The Capital Projects Fund includes construction, renovation or other improvements to the Town's capital assets. Major projects include park parking lot paving, vehicle and equipment purchases, street resurfacing, greenways and multi-paths, and the 203 S. Greensboro Street facility to house the Town administrative offices and Orange County Southern Branch Library.

The Affordable Housing Fund in the Special Revenue Fund is a major goal of the Town Council. In order to provide a steady and reliable revenue source for affordable housing activities, a property tax increase of ½ cents was implemented in each of FY 2018-19 and FY 2019-20. In FY 2021-22, the tax rate will be increased an additional ½ cents, for a total of 1.5 cents, which will be dedicated to affordable housing. This meets the funding goal set by Town Council for affordable housing activities equal to 1.5 cents of the total property tax rate.

Along with the Budget Ordinance, the Town Council needs to adopt a number of other resolutions. These include: Position Classification and Pay Plan, across-the-board salary adjustment, resolution for Town Attorney contract, Miscellaneous Fees and Charges Schedule,

and use of unassigned fund balance appropriation for capital projects.

Annual Budget Ordinance - Attachment A

The attached Annual Budget Ordinance includes General Fund appropriation of \$25,247,801 by function for operation of the Town beginning July 1, 2021. The Annual Budget Ordinance also includes the estimated revenues from major sources that are expected to be available during the fiscal year.

The property tax rate shall increase from 59.94 cents, to 60.44 cents, for each \$100 valuation of taxable property with 1.50 cents of that amount dedicated for Affordable Housing Fund.

Position Classification and Pay Plan - Attachment B

The Annual Budget for FY 2021-22 includes changes to be incorporated into the Position Classification and Pay Plan. These changes, which will increase the Town's total authorized FTE's from 168.5 to 169.5, are listed in the resolution titled Attachment B.

The pay ranges for all positions established in the Position Classification and Pay Plan will increase 1.5%, effective July 1, 2021.

There will be no merit or performance pay provided to Town employees in FY 2021-22.

Minimum Salary and Hourly Rates Adjustment - Attachment C

A 3.3% across-the-board salary increase effective July 1, 2021 is included for all current permanent full-time, permanent part-time, appointed employees, and elected officials. Also included in this resolution is a provision to pay all part-time employees an hourly wage that is equal to the Orange County Living Wage of \$15.40 per hour, effective July 1, 2021.

Town Attorney - Attachment D

This resolution is to contract for legal services.

Use of Fund Balance for Capital Projects - Attachment E

If the Town's annual audit at June 30, 2021 confirms that the unassigned fund balance exceeds 35%, the amount above 35% may be assigned by the Town Manager for future capital needs.

Capital Project Ordinance for FY21-22 Vehicle Purchases - Attachment F

The ordinance authorizes a capital project to be established for the purpose of purchasing the FY21-22 vehicles approved in the adopted budget.

Fee Schedule - Attachment G

The resolution establishes various Miscellaneous Fees and Charges Schedule beginning July 1, 2021. New fees added include: Recreation, Parks, Cultural Resources: Concessionaire Vendor Fees of \$150 per year for use of Town Commons. Fees eliminated include: Public Works:

Fees for bulk items for disposal collection. Other rate changes are noted below:

Changes in Town's Misc Fees and Charges Schedule

| <u>Facility/Program</u> | <u>Description</u> | <u>FY21 Rate</u> | <u>FY22 Rate</u> |
|--------------------------------|---|-------------------------|-------------------------|
| Town Commons | Police Officer fee for events | \$ 30.00 | \$ 35.00 |
| Rec and Park | Out-of-County Fee - Per Activity | 26.00 | 27.00 |
| Rec and Park | Out-of-County Fee - Annual maximum | 77.00 | 81.00 |
| General Programs | Program Souvenirs price range minimum | 3.00 | 0.25 |
| Admission Fees | Drop In Program participation fee minimum | 3.00 | - |
| Admission Fees | Performance/Concert Tickets maximum | 50.00 | 100.00 |
| Public Works | Roll Out Containers | 48.25 | 50.00 |
| Public Works | Yard Waste Containers | 48.25 | 50.00 |
| Public Works | Driveway Permit Fee | 110.00 | 120.00 |

Medical Insurance Plan - Attachment H

The resolution authorizes the Town Manager to enter into a contract with the Town's medical insurance providers.

FISCAL & STAFF IMPACT: The total 2021-22 General Fund Budget presented for adoption is \$25,247,801. The grand total budget including all funds is \$78,062,299.

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

- A. Annual Budget Ordinance for FY 2021-22;
- B. Resolution Adopting Changes to Position Classification and Pay Plan;
- C. Resolution Approving minimum salary and hourly rates for employees;
- D. Resolution for Town Attorney Contract;
- E. Resolution to authorize use of unassigned fund balance for capital projects;
- F. Capital Project Ordinance for FY21-22 Vehicle Purchases; and Attachment F-1 - Reimbursement Resolution Equip & Vehicles;
- G. Resolution Approving Miscellaneous Fees and Charges Schedule (Attachment G-1);
- H. Resolution to authorize contracts for the Town's Medical Insurance Plan.