



Legislation Text

File #: 16-204, **Version:** 1

TITLE:

Adoption of FY 2016-17 Annual Budget

PURPOSE: The purpose of this agenda item is for the Board of Aldermen to complete budget discussions and adopt the annual budget for fiscal year 2016-17.

DEPARTMENT: Town Manager

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

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 Board of Aldermen no later than June 1st; that the Board hold a public hearing on the budget; and that the Board 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 January 26, 2016 the Board of Aldermen held a public hearing to receive community input prior to development of the budget for FY 2016-17. On May 3, 2016 the Town Manager presented to the Board a recommended budget for FY 2016-17 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 the local media.

On May 17, 2016 the Board held a public hearing on the Town Manager’s recommended budget: General Fund Budget \$22,032,357; Capital Fund Budget \$8,194,024; and Special Revenue Fund Budget \$1,439,365. The General Fund Budget, which is the Town’s operating fund, is 2.1% more than the FY 2015-16 adopted budget of \$21,572,647.

Along with the Budget Ordinance, the Board needs to adopt a number of other resolutions. These include: Position Classification and Pay Plan, across-the-board salary adjustment and housing wage salary adjustment, reimbursement resolution for capital equipment and vehicle financing, resolution for Town Attorney contract, Miscellaneous Fees and Charges Schedule, affordable housing special revenue fund, use of assigned fund balance for designated capital projects, and resolution for debt financing of new buses with the Town of Chapel Hill and The University of North Carolina at Chapel Hill (Chapel Hill Transit Partners).

Annual Budget Ordinance - Attachment A

The attached Annual Budget Ordinance totals \$22,032,357 and appropriates general funds for the operation of the Town by function for the fiscal year beginning July 1, 2016. The Annual Budget 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.

Position Classification and Pay Plan - Attachment B

The Annual Budget for FY 2016-17 includes changes that need to be incorporated into the Position Classification and Pay Plan. These changes are:

- a. Change Deputy Fire Chief, Salary Grade 18, to Deputy Fire Chief/Fire Marshall, Salary Grade 17;
- b. Eliminate Fire Marshall/Safety Officer, Salary Grade 16;
- c. Create new position of Fire Captain/Training Officer, Salary Grade 15;
- d. Change Streets Superintendent, Salary Grade 15, to Streets Supervisor, Salary Grade 14;
- e. Transfer Program Support Assistant II, Salary Grade 4, from the Finance Department to Human Resources Department;
- f. Change Accounting Payroll Specialist, Salary Grade 8, to Payroll and Benefits Specialist, Salary Grade 10; and,
- g. Create new position, Capital Projects Manager, Salary Grade 16.

There will be no merit or performance pay provided to Town employees in FY 2016-17.

Across-the-Board and Housing Wage Salary Adjustment - Attachment C

A 1.5% across-the-board salary increase effective July 1, 2016 is included for all current permanent full-time, permanent part-time, appointed employees and elected officials. Also included in this resolution is the adjustment for three positions to bring their salary equal to the minimum housing wage of \$31,158.

Reimbursement Resolution - Attachment D

This resolution enables the Town to get reimbursed from financing proceeds for any general funds that may be expended for vehicle and equipment purchases before the financing is in place.

Town Attorney - Attachment E

This is to contract for legal services.

Fee Schedule - Attachment F

The resolution establishes various Miscellaneous Fees and Charges Schedule beginning July 1, 2016. There are no major changes in this schedule.

Affordable Housing Special Revenue Fund - Attachment G

This resolution authorizes the transfer of certain programs from the General Fund and appropriates \$500,000 of fund balance for affordable housing.

Use of Fund Balance for Designated Capital Projects - Attachment H

This is a capital project ordinance to appropriate the use of fund balance in the amount of \$368,000 for two projects - second of three assignments to replace public safety revenues in FY 2017-18, and fence and bleachers at Anderson Park. After confirmation of the fund balance at June 30, 2015 by the Town's independent auditors, the Town Manager assigned \$2.0 million for transfer to the Capital Projects Fund for future capital needs.

New Buses for Public Transportation Services - Attachment I

Chapel Hill Transit needs to acquire 10-15 new buses using debt financing and the Transit Partners (Carrboro, Chapel Hill and The University of North Carolina at Chapel Hill) have achieved consensus on a risk-sharing agreement for the debt service.

FISCAL & STAFF IMPACT: The total 2015-16 General Fund Budget presented for adoption is \$22,032,357.

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

1. Adopt Annual Budget Ordinance for FY 2016-17,
2. Adopt Resolution Adopting Changes to Position Classification and Pay Plan,
3. Adopt Resolution Approving 1.5% across the board salary increase and housing wage salary adjustments
4. Adopt Reimbursement Resolution for capital equipment purchases,
5. Adopt Resolution for Town Attorney Contract, and.
6. Adopt Resolution Approving Miscellaneous Fees and Charges Schedule.
7. Adopt Resolution Authorizing Transfer from General Fund Budget and use of Fund Balance for Affordable Housing Special Revenue Fund
8. Adopt Capital Project Ordinance for Use of Fund Balance for Designated Capital Projects
9. Adopt Resolution Authorizing Town Manager to Enter into agreement for financing new buses with Town of Chapel Hill and The University of North Carolina at Chapel Hill

