



Legislation Text

File #: 17-596, **Version:** 1

TITLE:

Adoption of FY 2018-19 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 2018-19.

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 18, 2018 the Board of Aldermen held a public hearing to receive community input prior to development of the budget for FY 2018-19. On May 1, 2018 the Town Manager presented to the Board a recommended budget for FY 2018-19 totaling \$49.2 million as follows:

General Fund \$22,862,722;
Capital Projects Fund \$23,403,462;
Special Revenue Fund \$2,097,939; and
Stormwater Utility Enterprise Fund \$900,000.

The General Fund is the Town’s operating fund. The total budget is basically unchanged from the current year.

In the Capital Projects Fund, a major project is development of the Town’s property at 203 S. Greensboro Street. This facility is to house the Town administrative offices, Orange County Southern Branch Library, and the Arts Center. Total estimated cost of the project \$18.0 million: Design Cost \$2.2 million; Building Construction \$9.5 million; and Parking Deck Construction \$6.2 million. Funding for this project will be shared by the three parties based on the

dedicated space for each party plus common area space. Because design is just getting underway, the cost of the project may change.

The Affordable Housing Fund in the Special Revenue Fund is a major goal of the Board of Aldermen. In order to provide a steady and reliable revenue source for affordable housing activities, a property tax increase of ½ cents will be implemented and dedicated to affordable housing. A penny on the tax rate yields about \$225,000. The goal is to eventually be able to fund affordable housing activities equal to 1.5 cents of the property tax rate.

The Manager's recommend budget for FY 2018-19 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 May 22, 2018 the Board held a public hearing on the Town Manager's recommended budget.

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, resolution for Town Attorney contract, Miscellaneous Fees and Charges Schedule, and use of unassigned fund balance appropriation for vehicles and equipment.

Annual Budget Ordinance - Attachment A

The attached Annual Budget Ordinance includes General Fund appropriation of \$22,862,722 by function for operation of the Town beginning July 1, 2018. 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 changes by a half penny from 58.94 cents to 59.44 cents for each \$100 valuation of taxable property with a half penny dedicated for Affordable Housing Fund.

Position Classification and Pay Plan - Attachment B

The Annual Budget for FY 2018-19 includes changes to be incorporated into the Position Classification and Pay Plan. These changes are:

- a. Reclassify one Assistant to the Town Manager position, Salary Grade 14, to Communications Manager, Salary Grade 17
- b. Create new position of Project Manager, Salary Grade 14; and,
- c. Reclassify Accounting Technician, Salary Grade 5 to Finance Administrative Assistant, Salary Grade 8.

There will be no merit or performance pay provided to Town employees in FY 2018-19.

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

A 3.0% across-the-board salary increase effective July 1, 2018 is included for all current permanent full-time, permanent part-time, appointed employees and elected officials. Also included in this resolution is provision to pay all part-time employees an hourly wage that is equal to the Orange County Living Wage, which is currently \$13.70 per hour.

Town Attorney - Attachment D

This is to contract for legal services.

Use of Fund Balance for Acquisition of Vehicles and Equipment - Attachment E

After confirmation of the fund balance at June 30, 2017 by the Town's independent auditors, the Town Manager assigned \$2.0 million for transfer to the Capital Projects Fund for future capital needs.

Fee Schedule - Attachment F

The resolution establishes various Miscellaneous Fees and Charges Schedule beginning July 1, 2018. The only major change in this schedule are the fees charged by Planning.

FISCAL & STAFF IMPACT: The total 2018-19 General Fund Budget presented for adoption is \$22,862,722.

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

- A. Adopt Annual Budget Ordinance for FY 2018-19,
- B. Adopt Resolution Adopting Changes to Position Classification and Pay Plan,
- C. Adopt Resolution Approving 3.0% across the board salary increase for all Town permanent full-time, permanent part-time, appointed employees and elected officials; and pay all part-time employees the Orange County Living Wage, which is currently \$13.70 per hour.
- D. Adopt Resolution for Town Attorney Contract,
- E. Adopt Resolution to authorize use of unassigned fund balance for purchase of vehicles; and equipmen.
- F. Adopt Resolution Approving Miscellaneous Fees and Charges Schedule.