



Legislation Text

File #: 19-210, **Version:** 1

TITLE:

Adoption of FY 2019-20 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 2019-20.

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 22, 2019 the Board of Aldermen held a public hearing to receive community input prior to beginning the budget process for FY 2019-20. On May 7, 2019 the Town Manager presented to the Board a recommended budget for FY 2019-20 totaling \$58.6 million, and this 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 May 28, 2019, a public hearing was held on the Manager’s recommended budget.

Based on Board discussions and other input, the final budget presented for adoption is as follows:

General Fund	\$ 24,577,008
Special Revenue Fund	\$ 2,145,252
Capital Projects Fund	\$ 30,472,938
Total Governmental Funds	\$ 57,195,198

Stormwater Utility Enterprise Fund \$ 798,775

Grand Total Budget	\$ 57,993,973
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The General Fund is the Town's operating fund. The total budget is basically unchanged from the current year. To expedite the completion of certain capital projects, the final budget includes the addition of two new positions - Planner in the Planning Department; and Engineering Technician in Public Works Department. Other minor adjustments have been made to several other functions based on updated information. The Final General Fund Budget presented for adoption is \$24,577,008 which is \$297,475 more than the Recommended Budget

The Capital Projects Fund includes construction, renovation or other improvements to the Town's capital assets. Major projects include construction of Martin Luther King, Jr. Park, 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 Board of Aldermen. In order to provide a steady and reliable revenue source for affordable housing activities, a property tax increase of ½ cents was implemented in FY 2018-19 and another ½ cents will be implemented in FY 2019-20, both of which are dedicated to affordable housing. A penny on the tax rate yields about \$227,000. The goal is to eventually be able to fund affordable housing activities equal to 1.5 cents of the property tax rate. Also, included in the final budget for the Affordable Housing Fund are funds to support the Housing Locator Position.

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 capital projects.

Annual Budget Ordinance - Attachment A

The attached Annual Budget Ordinance includes General Fund appropriation of \$24,577,008 by function for operation of the Town beginning July 1, 2019. 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 59.44 cents to 59.94 cents for each \$100 valuation of taxable property with a penny dedicated for Affordable Housing Fund.

Position Classification and Pay Plan - Attachment B

The Annual Budget for FY 2019-20 includes changes to be incorporated into the Position Classification and Pay Plan. These changes, which will increase the Town's total FTE's from 163.5 to 167.0, are:

- a. Add an additional full time Groundskeeper I position, Salary Grade 2
- b. Add a full time Associate Planner position, Salary Grade 15
- c. Add a full time Engineering Technician, Salary Grade 14
- d. Reclassify part time Program Support Assistant I position in Recreation and Parks to a full time Program Support Assistant II, Salary Grade 4
- e. Reclassify the Payroll & Benefits Specialist to Benefits Coordinator, Salary Grade 12.
- f. Rename Construction Inspector to Engineering Inspector, Salary Grade 12.

The pay ranges for all positions established in the Position Classification and Pay Plan are to be increased by 2.8% effective July 1, 2019.

There will be no merit or performance pay provided to Town employees in FY 2019-20.

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

A 4.0% across-the-board salary increase effective July 1, 2019 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 \$14.25 per hour.

Town Attorney - Attachment D

This is to contract for legal services.

Use of Fund Balance for Capital Projects - Attachment E

After confirmation of the fund balance at June 30, 2018 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,

2019. New fees added include: Compost Bins-Large Size \$45.00 and Compost Buckets \$5.00 by Planning Department; and Block Party Trailer Rental \$200.00 by Recreation and Parks Department.

FISCAL & STAFF IMPACT: The total 2019-20 General Fund Budget presented for adoption is \$24,577,008.

RECOMMENDATION: The Board is requested to adopt the following:

- A. Annual Budget Ordinance for FY 2019-20,
- B. Resolution Adopting Changes to Position Classification and Pay Plan,
- C. Resolution Approving four percent (4.0%) across the board salary increase for all Town permanent full-time, permanent part-time, appointed employees and elected officials.
- D. Resolution for Town Attorney Contract,
- E. Resolution to authorize use of unassigned fund balance for capital projects.
- F. Resolution Approving Miscellaneous Fees and Charges Schedule.