



Legislation Text

File #: 20-243, **Version:** 1

TITLE:

Adoption of FY 2020-21 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 2020-21.

DEPARTMENT: Town Manager

CONTACT INFORMATION: David Andrews, 918-7315; 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 January 21, 2020 the Town Council held a public hearing to receive community input prior to beginning the budget process for FY 2020-21. On May 26, 2020 the Town Manager presented to the Town Council a recommended budget for FY 2020-21 totaling \$70.8 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 June 2, 2020, a public hearing was held on the Manager’s recommended budget.

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

General Fund	\$ 25,063,106
Special Revenue Fund	2,832,922
Capital Projects Fund	42,150,375
Total Governmental Funds	\$ 70,046,403
Stormwater Utility Enterprise Fund	\$ 994,475
Parking Enterprise Fund	346,300
Total Enterprise Funds	\$ 1,340,775
Grand Total Budget	\$ 71,387,178

The General Fund is the Town's operating fund. The total budget is basically unchanged from the current year. There are no new position requests and increases in personnel costs are primarily the result of mandatory benefit increases. Other minor adjustments have been made to several other functions based on updated information. The Final General Fund Budget presented for adoption is \$25,063,106 which is \$61,500 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, 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 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.

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 \$25,063,106 by function for operation of the Town beginning July 1, 2020. 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 remains unchanged at 59.94 cents for each \$100 valuation of taxable property with a penny of that amount dedicated for Affordable Housing Fund.

Position Classification and Pay Plan - Attachment B

The Annual Budget for FY 2020-21 includes changes to be incorporated into the Position Classification and Pay Plan. These changes, which will increase the Town's total FTE's from 167.0 to 168.5, are:

- a. Add one full time Stormwater Administrator position, Salary Grade 14
- b. Add one half time GIS Specialist, Salary Grade 13
- c. Reclassify the Stormwater Specialist position from Salary Grade 14 to 15
- d. Rename the Sign & Marking Specialist to Maintenance/Construction Worker III

The pay ranges for all positions established in the Position Classification and Pay Plan will remain unchanged, effective July 1, 2020.

There will be no merit or performance pay provided to Town employees in FY 2020-21.

Minimum Salary and Hourly Rates Adjustment - Attachment C

There will be no across-the-board salary increase effective July 1, 2020 for all current permanent full-time, permanent part-time, appointed employees and elected officials. However, included in this resolution is provision to pay all part-time employees an hourly wage that is equal to the Orange County Living Wage of \$14.90 per hour, effective July 1, 2020.

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, 2019 by the Town's independent auditors, the Town Manager assigned \$2.0 million for transfer to the Capital Projects Fund for future capital needs.

Capital Project Ordinance for FY20-21 Vehicle Purchases - Attachment F

The ordinance authorizes a capital project to be established for the purpose of purchasing the FY20-21 vehicles approved in the adopted budget.

Fee Schedule - Attachment G

The resolution establishes various Miscellaneous Fees and Charges Schedule beginning July 1, 2020. New fees added include: Recreation, Parks, Cultural Resources: Party Trailer Rental \$150.00, MLK Park Large Shelter Rental \$50/hour, Amphitheater Rental \$50/hour.

FISCAL & STAFF IMPACT: The total 2020-21 General Fund Budget presented for adoption is \$25,063,106. The grand total budget including all funds is \$71,387,178.

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

- A. Annual Budget Ordinance for FY 2020-21,
- 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 FY20-21 Vehicle Purchases
- G. Resolution Approving Miscellaneous Fees and Charges Schedule (Attachment G-1).