

# EXECUTIVE SUMMARY

## BUDGET OVERVIEW

The economic outlook for North Carolina is generally positive for the year ahead. Economic indicators show that the job losses during the recession and the long-term unemployment rates have begun to reverse themselves. In March 2014 the state’s unemployment rate was 6.3% compared to the national rate of 6.7%. North Carolina is reported to be one of only three states whose unemployment rate dropped by at least two percentage points in 2013. Simultaneously there has been discussion about how much the drop in unemployment rate has been influenced by individuals leaving the work force, as well as the reforms to the state’s unemployment system enacted last year by the North Carolina General Assembly.

In terms of job growth, North Carolina experienced growth with the addition of 64,500 jobs in 2013. Bureau of Labor Statistics data indicates that total nonfarm employment was 1.7% higher in January 2014 than it was in January of last year with ten of eleven employment sectors experiencing employment growth. Only the government sector showed a decline between January 2013 and January 2014. The strongest job growth is from North Carolina’s rapidly growing professional and business services sector, a collection of generally high-paying industries that reflects the growth in the state’s high-tech sector.

Personal income growth slowed nationally in 2013, yet it remained positive overall. North Carolina’s 2.4% personal income growth in 2013 placed it in the middle at 25<sup>th</sup> nationally. Consumer confidence has increased since last year at this time. Sales in all areas except construction have already exceeded pre-recession levels and continue to trend upward. Construction-related sales are still approximately \$4 billion below the fiscal year prior to the recession, but they are beginning to show signs of rebounding after months of essentially flat sales.

Locally, signs of an economic recovery include the low unemployment rate, taxable sales, and increased value of residential building permits. Orange County’s unemployment rate is 4.4% as of March 2014. This is related to the close proximity to the University of North Carolina and Research Triangle Park. As the table below shows, the number of residential building permits declined from 2012 to 2013; however, the value of the residential construction increased. At the same time, commercial building permits continued it’s every other year cycle trend of increase and decrease; yet the value of commercial construction is higher than in 2011.

| <b>Fiscal Year<br/>Ended June</b> | <b><u>COMMERCIAL</u></b> |                     | <b><u>RESIDENTIAL</u></b> |                     |
|-----------------------------------|--------------------------|---------------------|---------------------------|---------------------|
|                                   | <b><u>Number</u></b>     | <b><u>Value</u></b> | <b><u>Number</u></b>      | <b><u>Value</u></b> |
| 2008                              | 298                      | \$4,469,526         | 468                       | \$22,796,800        |
| 2009                              | 320                      | 1,581,608           | 425                       | 19,858,118          |
| 2010                              | 228                      | 14,177,902          | 547                       | 23,614,500          |
| 2011                              | 123                      | 2,794,123           | 556                       | 16,089,505          |
| 2012                              | 531                      | 18,534,892          | 594                       | 20,328,808          |
| 2013                              | 395                      | 6,926,461           | 539                       | 21,670,200          |

Town of Carrboro

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Adopted Annual Budget  
Fiscal Year 2015

Through the third quarter of FY 2013-14, general fund revenue collections total \$16.4 million or 79% of the adopted budget. Property tax revenue collections are \$11.6 million or 97% of budget. Sales tax revenues through January total \$1.6 million. Intergovernmental revenues are 66% of budget. Overall, total revenue collections for FY 2013-14 are expected to exceed the adopted budget.

Although the economy is improving overall, the Town has chosen a conservative projection approach in estimating revenues due to the potential adverse impact of the tax reform legislation enacted or pending by the General Assembly. For example, the method of distribution for electricity and piped natural gas has been changed with FY 2014-15 serving as the baseline for future distributions by the state. Previously sales tax did not apply to these utility sales and revenues were distributed based on service delivery within municipal boundaries. With the tax reform legislation, 44% and 20% of sales tax collected on electricity and piped natural gas, respectively, will be returned to cities and towns. General Assembly Study Commissions are also reviewing Powell Bill allocation formulas and Privilege License fees that could affect the intergovernmental revenues available to local municipalities.

In developing the FY 2014-15 budget, the Town continued its conservative fiscal approach used over the past several years. Operating expenses were identified for reduction, capital item requests were re-prioritized and some vehicle/equipment purchases deferred to future years. These efforts were undertaken as part of an overall strategy to:

- Implement the Board of Alderman's strategic priorities,
- Manage costs while improving services to the citizens,
- Avoid increasing the tax burden for Town residents, and
- Provide cost-of-living and merit pay salary adjustments for Town employees.

The total recommended general fund operating budget for FY 2014-15 is \$21,313,803, an increase of \$578,147 or 2.8% over the adopted budget for 2013-14. By state law, municipalities are required to have a balanced budget where revenues must equal budgeted expenditures.

## **BUDGET PROCESS**

The budget process is similar to past years, requiring departments to justify their operating budget for the continuation of services as well as any proposed new or expanded services. The continuation budget includes adjustments for price increases in the cost of goods and services; and may include projects and infrastructure expenditures reflected in the annual Capital Improvement Program (CIP) which includes street resurfacing costs, vehicles, equipment, and debt service payments for capital commitments. All other requests are defined as "proposed changes" and are budgeted in a separate column.

## **REVENUES**

Carrboro's revenue stream has two broad types of revenues: recurring revenues and other financing sources which represent certain one-time inflows of revenue. Recurring revenues consist of property taxes, sales taxes, other taxes/licenses, and intergovernmental revenues. Together these revenues comprise approximately 91% of general fund revenues.

For FY 2014-15 total recurring revenues are projected to increase by 2% over FY 2013-14. This increase stems from increased property tax revenue increase of 1.6% due to increased valuations; expected sales tax growth of 1.4%; and increase in permits and fees as a result of private developments beginning or nearing construction.

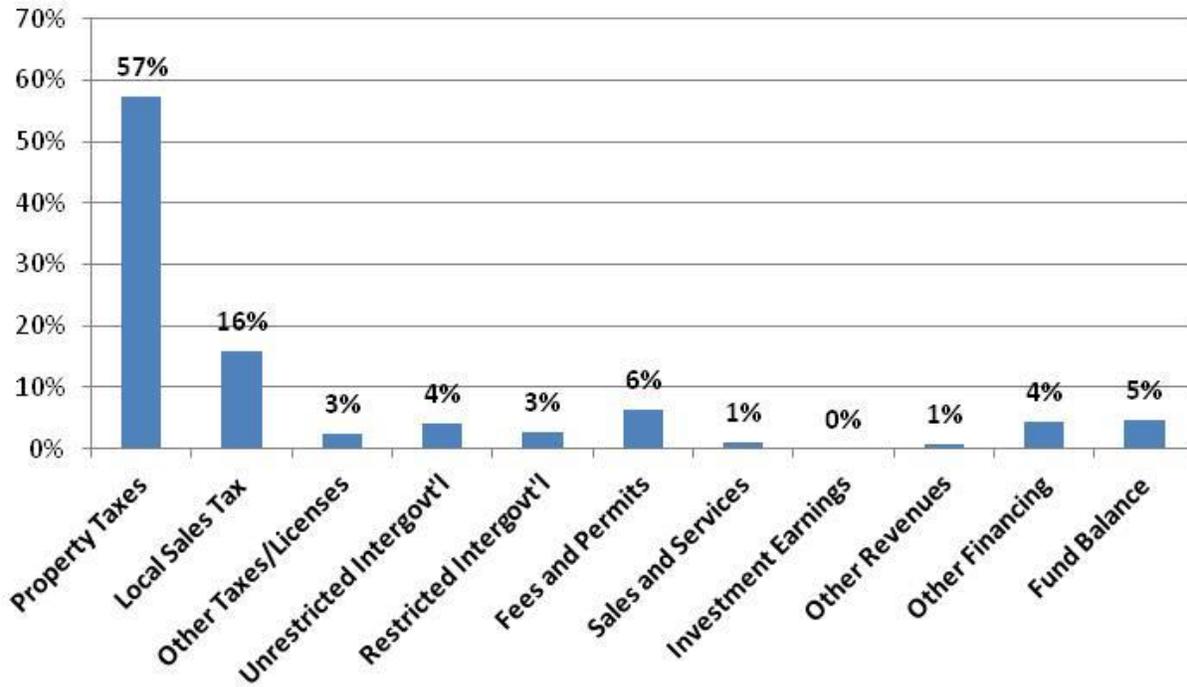
### Recurring Revenues

|                                 | FY 2013-14<br>Adopted<br>Budget | FY 2014-15<br>Recommended<br>Budget | \$ Change         | % Change    |
|---------------------------------|---------------------------------|-------------------------------------|-------------------|-------------|
| Property Taxes                  | \$ 11,979,989                   | \$ 12,166,764                       | \$ 186,775        | 1.6%        |
| Local Sales Taxes               | \$ 3,325,816                    | \$ 3,371,537                        | \$ 45,721         | 1.4%        |
| Other Taxes & Licenses          | \$ 536,046                      | \$ 519,728                          | \$ (16,318)       | -3.0%       |
| Intergovernmental               | \$ 1,492,054                    | \$ 1,497,513                        | \$ 5,459          | 0.4%        |
| Fees & Permits                  | \$ 1,226,295                    | \$ 1,336,731                        | \$ 110,436        | 9.0%        |
| Sales & Services                | \$ 233,145                      | \$ 233,145                          | \$ -              | 0.0%        |
| Other Misc.                     | \$ 154,142                      | \$ 182,189                          | \$ 28,047         | 18.2%       |
| <b>Total Recurring Revenues</b> | <b>\$ 18,947,487</b>            | <b>\$ 19,307,607</b>                | <b>\$ 360,120</b> | <b>1.9%</b> |

Of the total general fund revenues, property and sales tax revenues make up 73% of total revenues and are projected to increase 1.6% and 1.4%, respectively, in FY 2014-15. The property tax valuation at June 30, 2013 was \$2,003,169,788. For FY 2014-15 total tax valuations are expected to grow by 1.5-2% to \$2,033,220,055. Each penny on the tax rate is projected to generate approximately \$201,243. In addition, property tax relief is available for the elderly, permanently-disabled persons, and veterans who meet income and other specific exemption requirements.

Overall sales tax receipts (\$1.6 million), reflecting seven months of collections for the year, are 51% of the FY 2013-14 adopted budget (\$3.2 million) with total collections for the year anticipated to be \$3.2 million. According to the N. C. League of Municipalities report, sales tax distributions to local governments during the first six months of FY 2013-14 were up 5.2% over the same period in FY 2012-13. The League of Municipalities anticipates that sales tax revenues for the current fiscal year will be 4.5% higher than FY 2012-13. Retail sales in North Carolina are trending upward and consumer confidence is high. Because of this, the statewide local sales taxes in FY 2014-15 are expected to grow by 3.75% from the FY 2013-14 level.

**FY 2014-15 GENERAL FUND - ALL REVENUES (Percent of Total)**  
**\$21,313,803**



Intergovernmental revenues are not expected to experience any significant growth and will continue to comprise 7% general fund revenues. Restricted intergovernmental revenues are expected to decrease by 1.3% due to the conclusion of one-time operating grants (e.g., fire fighter’s grant). At the same time, Powell Bill and planning work grant revenues will slightly increase.

Unrestricted intergovernmental revenues overall are expected to grow by 1.5% in FY 2014-15, although not all sectors will experience growth. While the N. C. League of Municipalities is projecting a statewide growth of 3% for electricity sales tax and no increase for piped natural gas in FY 2014-15, historical trends indicate a 1.5% increase locally. Both of these taxes are highly sensitive to annual weather conditions. In FY 2014-15 the state will change the method of distribution to localities for these two taxes. In the past these revenues have been distributed based on the services within municipal boundaries. However, with the tax reforms enacted by the North Carolina General Assembly, North Carolina general sales tax is now applied to these sales and proceeds will be allocated to municipalities based on 44% and 20% for electricity and natural gas, respectively.

Telecommunications Sales Tax revenues are expected to decrease by 6.5% statewide in FY 2013-14 according to the N. C. League of Municipalities. This decrease reflects the national decline in the number of landlines. This trend is expected to continue into FY 2014-15 with a projected 4% decrease in telecommunications revenues statewide. Locally, we anticipate a 1% reduction based on historical trends.

Local Video Programming Revenues are being affected by cable and satellite competition with internet based programs. For FY 2013-14, revenues statewide are expected to be 1% below the prior year. For FY 2014-15 these revenues are expected to decrease by 1%. In the past unrestricted intergovernmental revenues from the beer and wine tax distributions have been under budgeted. Based on historical trends and the opening of new outlets, these revenues are expected to increase by 33%.

**OTHER FINANCING**

Other financing sources in the General Fund include inter-fund transfers, installment financing and fund balance appropriation. Revenues from other financing sources in FY 2014-15 total \$2,006,196. This is an increase of \$218,027 or 12% over the adopted FY 2013-14 budget.

|  | <b>FY13-14<br/>ADOPTED<br/>BUDGET</b> | <b>FY1 2014-15<br/>ADOPTED<br/>BUDGET</b> | <b>\$<br/>CHANGE</b> | <b>%<br/>CHANGE</b> |
|--|---------------------------------------|---|----------------------|---------------------|
| <b>INTERFUND TRANSFERS</b>               | <b>\$176,945</b>                      | <b>\$176,945</b>                          | <b>\$0</b>           | <b>0%</b>           |
| <b>INSTALLMENT FINANCING</b>             | <b>\$745,176</b>                      | <b>\$745,176</b>                          | <b>\$0</b>           | <b>0%</b>           |
| <b>FUND BALANCE</b>                      | <b>\$866,048</b>                      | <b>\$1,084,075</b>                        | <b>\$218,027</b>     | <b>25%</b>          |
| <b>TOTAL OTHER FINANCING<br/>SOURCES</b> | <b>\$1,788,169</b>                    | <b>\$2,006,196</b>                        | <b>\$218,027</b>     | <b>12%</b>          |

The transfer from the Capital Reserve Fund of \$176,945 will be continued to partially offset the debt service for the construction of fire station #2.

Installment financing will remain level at \$745,176. This financing will be used for the purchase of five police patrol vehicles, one solid waste automated leaf loader, one side loader solid waste truck, and one V-box salt spreader. The Town’s general goal is to maintain installment financing at the same level from year to year in order to control financing costs. The estimated debt service cost for borrowing these funds is \$44,691 for 5 years (assumes a 3% annual interest rate).

Fund balance use is increased by 25% from \$866,048 to \$1,084,075; however as a percent of total revenues it is less than 10%.

**EXPENDITURES**

For FY 2014-15 total operating expenses increase by 2.4% to a total of \$21,313,803. Personnel costs account for 56% of the total budget with operations and capital outlays comprising 39% and 5%, respectively. On a percentage basis, capital outlays increase by 8.5%. On a dollar basis, the largest increase is personnel expenditures by \$290,438 or a 2.5% increase.

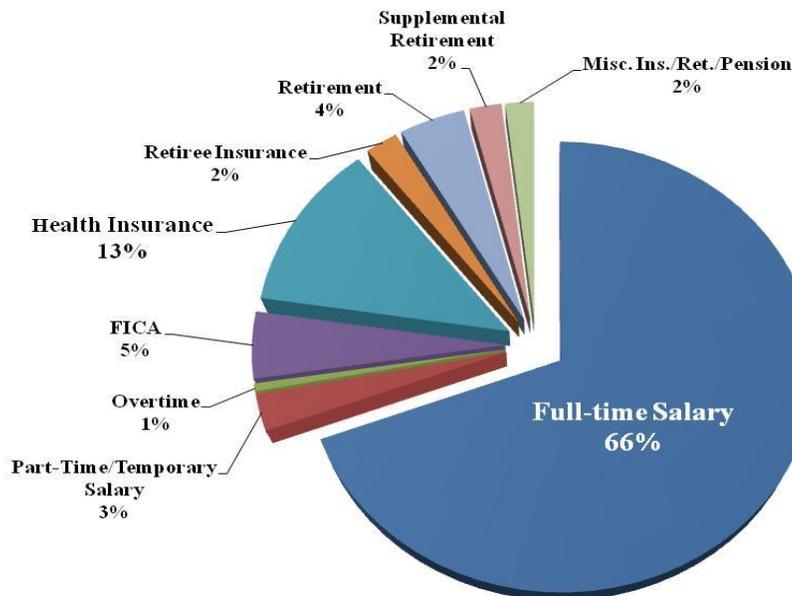
| EXPENDITURE    | 2013-14<br>ADOPTED<br>BUDGET | 2014-15<br>ADOPTED<br>BUDGET | \$ CHANGE         | % CHANGE    |
|----------------|------------------------------|------------------------------|-------------------|-------------|
| PERSONNEL      | \$ 11,622,862                | \$ 11,913,300                | \$ 290,438        | 2.5%        |
| OPERATIONS     | \$ 8,175,299                 | \$ 8,383,607                 | \$ 208,308        | 2.5%        |
| CAPITAL OUTLAY | \$ 937,495                   | \$ 1,016,896                 | \$ 79,401         | 8.5%        |
| <b>TOTAL</b>   | <b>\$ 20,735,656</b>         | <b>\$ 21,313,803</b>         | <b>\$ 578,147</b> | <b>2.8%</b> |

## PERSONNEL

Factors driving the personnel cost increase include: a) 1.9% across the board pay adjustment provided to employees in FY 2013-14; b) proposed 2% across the board pay adjustment for employees in FY 2014-15 plus a fixed dollar amount of merit pay awards; and c) projected 9.7% increase in health insurance premiums.

Unlike the past two fiscal years, the Town does not anticipate a large number of retirements resulting in no increase for retiree health insurance or Law Enforcement Officers Early Separation Allowance. Thus, these costs remain unchanged from 2013-14. Contribution rates for the Local Government Employees' Retirement System (LGERS) are expected to remain at their current rates (i.e., 7.07% for general employees and 7.55% for law enforcement officers). Depending upon future portfolio performance, the LGERS rates may increase in future years.

### FY 2014-15 Pay and Benefits



In addition to an across the board salary adjustment, the Town will provide merit pay for employees and implement a housing wage strategy. Merit pay will be provided to employees in the form of a fixed dollar amount based on the employee’s Annual Performance Review rating and whether the employee is earning below or above the Minimum Housing Wage annual salary. Below is the fixed dollar amount to be awarded by performance rating.

| <b>Minimum Housing Wage</b>           | <b>Outstanding Performance Rating</b> | <b>Proficient Performance Rating</b> |
|---------------------------------------|---------------------------------------|--------------------------------------|
| Below Annual Salary of \$31,158       | \$ 1,500                              | \$ 1,000                             |
| At or Above Annual Salary of \$31,158 | \$ 1,000                              | \$ 500                               |

The proposed merit pay plan for FY 2014-15 will make merit pay available to all employees and at the same time allow employees earning below the minimum housing wage to move closer to the housing wage. Recognizing that to raise all employees above the minimum housing wage at one time is financially not feasible, plus the salary compression issues that would result, a phased approach over time has been determined to be the best approach. The goal is to have all employees earning more than the minimum housing wage within the next five years.

It has been five years since the Town funded has provided employees with merit or Pay-for-Performance because of budgetary constraints. When the Board of Aldermen approved the pay-for-performance plan, it was understood that performance pay amounts may vary from year to year depending on budget availability and labor market conditions.

For FY 2014-15 total full-time equivalent positions increase from 156 to 158.0. Two part-time administrative positions (one in police department; and one in fire department) will be converted to full-time. A new full-time Assistant to the Manager will be created to handle a number of special projects, including affordable housing as well as neighborhood and constituent services.

**OPERATIONS EXPENSES**

Operating expenses in the General Fund is \$124,111 or 1.5% more than last year. In addition to maintaining the existing services, funds are budgeted for new activities, including: matching funds for a parking study (\$30,000); Town Hall renovation study (\$60,000), traffic calming (\$53,000); relocation of mulch file to comply with DENR requirements (\$73,000) and, flood control engineering (\$20,000).

**CAPITAL OUTLAY**

Capital outlays will increase by 8.5% from \$937,495 to \$1,016,896 in FY 2014-15. In addition to vehicles and equipment purchases, capital outlays include: Resurfacing of tennis court and basketball court at Anderson Park (\$21,222); Baldwin Court Basketball renovation (\$50,039); Digital Divide Capital Infrastructure (\$30,753); In-Car video cameras for 8 patrol vehicles; and, replacement of the large format scanner for GIS in the planning department (\$17,000).

Based on the CIP, a total of \$1.7 million for vehicles and equipment was requested by departments for FY 2014-15. After re-prioritizing, these requests were reduced to a total of \$745,176 for the following departments.

| <b>Department</b> | <b>Vehicle</b>                                  | <b>Cost</b>       |
|-------------------|---|-------------------|
| Police            | Patrol - 5 Replacement Vehicles @ \$45,635 each | \$ 228,176        |
| Public Works      | Solid Waste - Automated Leaf Loader             | \$ 215,000        |
| Public Works      | Side Loader Solid Waste Truck                   | \$ 269,000        |
| Public Works      | V-Box Salt Spreader                             | \$ 33,000         |
|                   | <b>TOTAL</b>                                    | <b>\$ 745,176</b> |

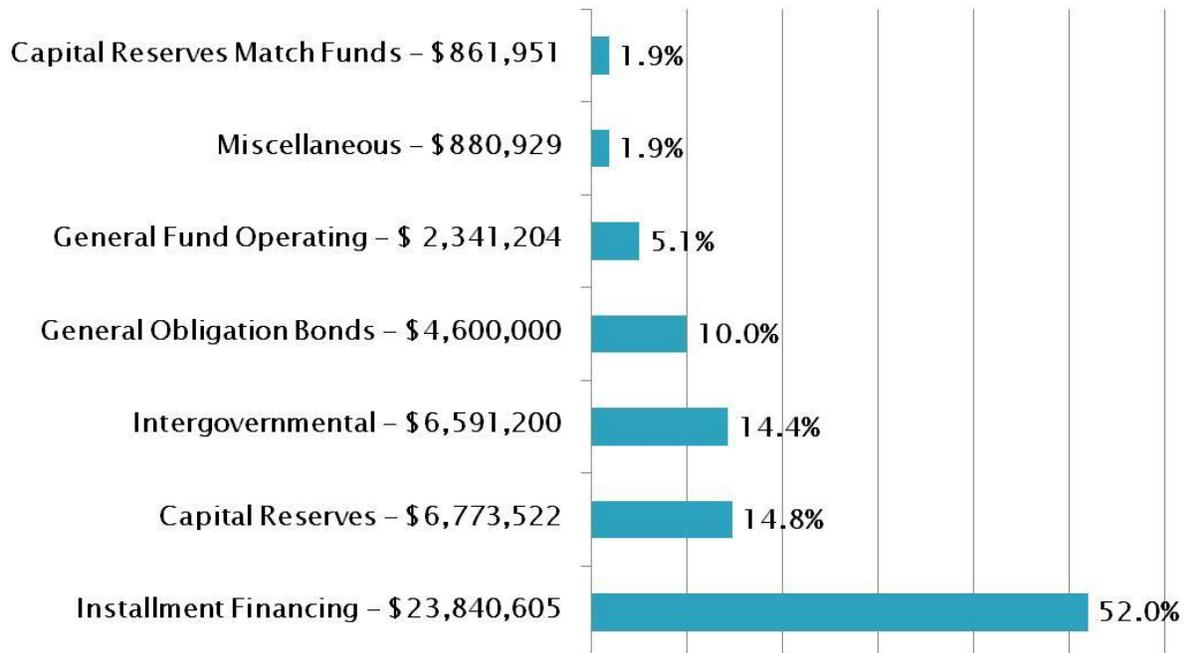
As part of the Town’s strategic energy and climate protection plan, police patrol vehicles will be equipped with a Havis Idle Manager. This will allow officers to operate mission critical electrical loads such as lights, radio, lap top and in-car video system without the engine running. This idle manager will also reduce unnecessary engine idling, save fuel, reduce wear and tear on engine, and reduce green house gas emissions.

Capital projects can affect all categories of spending in the operating budget, including personnel and operating costs in addition to capital outlay costs. Projects that are currently underway and to be completed within 1-2 years will generally not have an immediate impact on the operating budget due to their newness.

As the Town implements its Strategic Energy and Climate Protection Plan, capital projects are to be evaluated for energy savings which will reduce operating costs. The Town Manager develops and maintains a six-year capital improvement program (CIP) plan that includes long-term maintenance, infrastructure needs and technology needed for the community. For FY 2014-15 through FY 2019-20 this plan totals \$45.8 million:

| <b>Type of Project</b>          | <b>Amount</b>       | <b>% of Total</b> |
|---------------------------------|---------------------|-------------------|
| Current Projects                | \$16,231,034        | 35.4%             |
| Mandated Storm Water Management | 2,013,086           | 4.4%              |
| Vehicles & Equipment            | 6,275,374           | 13.7%             |
| Technology                      | 90,000              | 0.2%              |
| New Projects                    | 21,279,917          | 46.4%             |
| <b>Total</b>                    | <b>\$45,889,411</b> | <b>100.0%</b>     |

Funding to undertake all projects in the CIP over the next six years would be needed from the following sources:



Details of the CIP can be reviewed on the Town’s web site at:  
<http://www.townofcarrboro.org/MS/CIP/2011/TableofContents.htm>.

**SPECIAL REVENUE FUND**

While the general fund is the major operating budget for the Town, the annual budget includes the Special Revenue Fund and Capital Projects Fund. The Special Revenue Fund accounts for revenues and expenditures legally restricted or designated by the Board for specific program activities or services. Included in the Special Revenue Fund are: revolving loans for economic development or energy efficiency, business loan program, affordable housing, and grants administration. The Special Revenue Fund total budget for FY 2014-15 is \$860,412.

**CAPITAL PROJECTS FUND**

The Capital Projects Fund accounts for capital projects that are financed by the general obligation bonds, notes, other debt instruments and pay-go for the construction or acquisition of a capital asset. Included in the Capital Projects Fund are: capital projects, capital reserve, GO bonds for sidewalks and greenways, and payment in lieu.

Capital projects (i.e., those costing more than \$100,000 or take more than one year to complete) are generally established in the CIP and funds may be appropriate in the annual general fund operating budget based on affordability. Contingent upon fund balance ratios in the Town’s general fund remaining within the stated fiscal policy goal of 22.5% to 35%, funds may be assigned or committed for funding through fund balance appropriation. At June 30, 2013, unassigned fund balance in the general fund exceeded 35% and the Town Manager, in accordance with Town policy, assigned \$2.0 million for future capital projects. For FY 2014-15 the total Capital Project Fund budget is \$7.3 million. The following new projects identified for funding by appropriation of assigned fund balance are: LED Street Lights Replacement (\$96,250); Wilson Park Tennis Court Replacement (\$168,087); and, Jones Creek Greenway (\$337,957)

A transfer from the Capital Reserve Fund of \$176,945 is budgeted to offset debt service costs for the construction of fire station #2. This transfer is recognized as revenue to the general fund under Other Financing Sources with a corresponding expense budget in the debt service budget.

## **CONCLUSION**

Economic conditions in North Carolina appear to have settled into a positive growth pattern. Job losses and unemployment rates have improved. There is uncertainty as to the impact of individuals leaving the work force and reforms to the state's unemployment system enacted last year are having on the declining state unemployment rate

Locally, economic improvements are reflected in the low unemployment rate, taxable sales and increased value of residential building permits. Town revenues are projected to meet budget for the year ending June 30, 2014. The overall revenue outlook for FY 2014-15 is expected to be 2.4% above FY 2013-14. Recurring revenues which represent 91% of the total general fund budget are projected to grow by 2%.

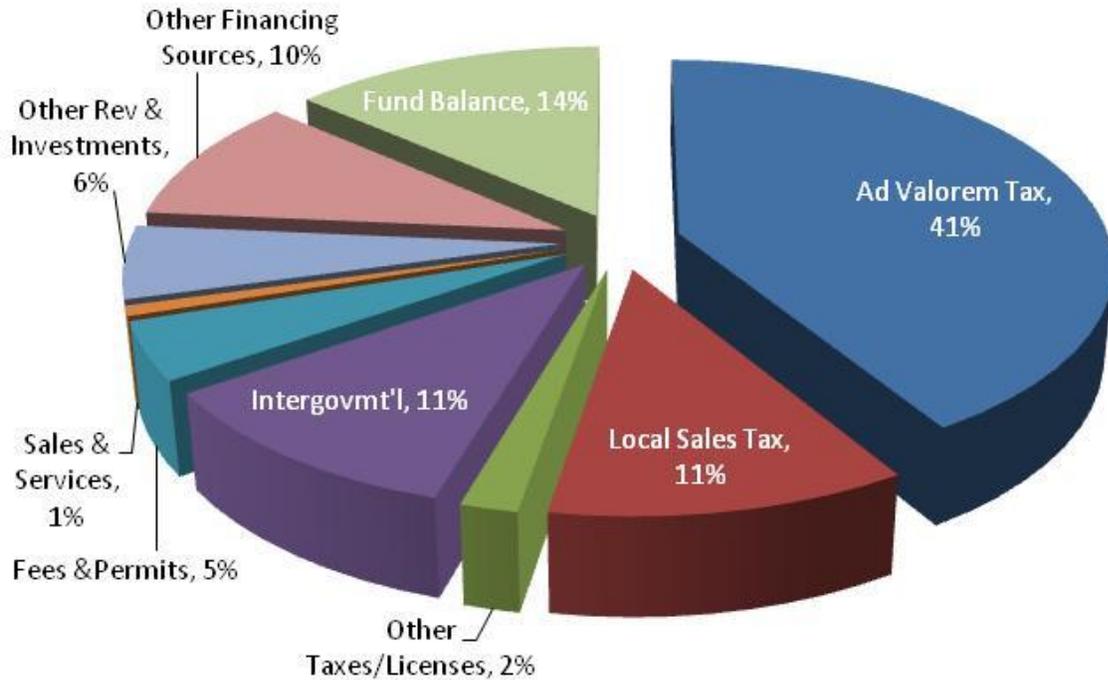
While the economic environment is showing signs of recovery and growth, there is concern about tax reform legislation that may be considered by the North Carolina General Assembly in its upcoming session. The method of distribution of electricity and piped natural gas sales taxes to localities has been changed for FY 2014-15 with no guarantee of hold harmless. Study commissions are reviewing Powell Bill allocation formulas and privilege license fees that could affect intergovernmental revenues available to local municipalities. We must continue to monitor and evaluate the potential impact of any proposed tax reforms that may be enacted by the North Carolina General Assembly.

The Town has begun to implement its strategic energy and climate protection plan with the goal of not only saving energy, but to reduce operating costs as well. All capital projects, including vehicles and equipment, will be considered for energy saving measures that will also lead to reduced operating costs. As in the past, all investments in capital equipment will be scrutinized from a cost-benefit analysis and to gain maximum use of the asset to the fullest extent possible.

Careful and balanced choices are presented in the FY 2014-15 budget that provide for continued quality service delivery, carrying out Board priorities, acquiring needed capital items, and adjusting the compensation for Town's employees.

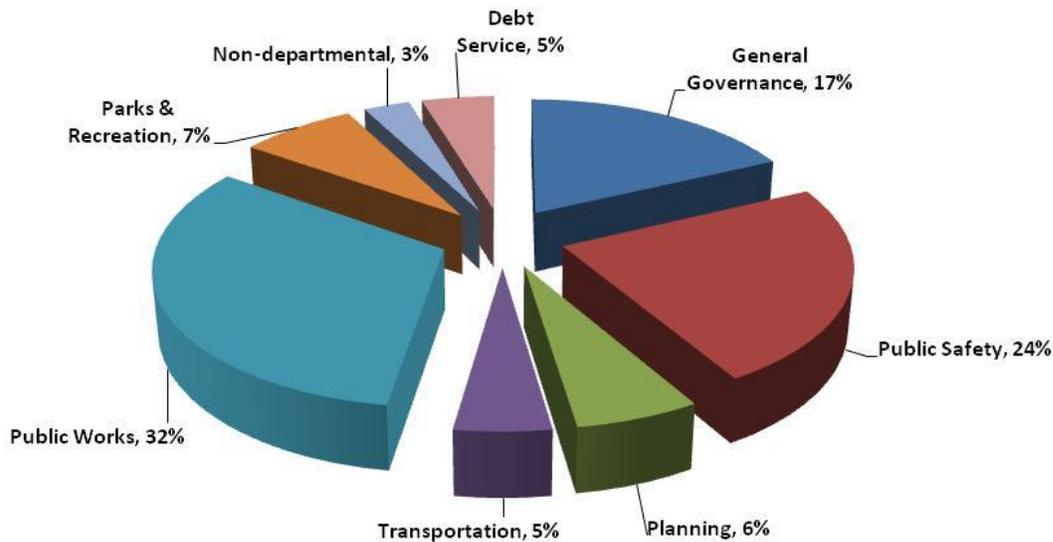
## Revenue Summary - All Funds by Fund Type

|                                | General Fund         | Special Revenue Funds | Capital Funds       | Total All Funds      |
|--------------------------------|----------------------|-----------------------|---------------------|----------------------|
| Ad Valorem Tax                 | \$12,166,764         |                       |                     | \$ 12,166,764        |
| Local Sales Tax                | \$3,371,537          |                       |                     | \$ 3,371,537         |
| Other Taxes/Licenses           | \$542,436            |                       |                     | \$ 542,436           |
| Unrestricted Intergovernmental | \$900,554            |                       |                     | \$ 900,554           |
| Restricted Intergovernmental   | \$596,959            | \$ 211,523            | \$ 1,492,892        | \$ 2,301,374         |
| Fees and Permits               | \$1,336,731          |                       |                     | \$ 1,336,731         |
| Sales and Services             | \$233,145            |                       |                     | \$ 233,145           |
| Investment Earnings            | \$7,036              | \$ 88,854             | \$ 39,834           | \$ 135,724           |
| Other Revenues                 | \$175,153            | \$ 380,048            | \$ 999,373          | \$ 1,554,574         |
| Other Financing Sources        | \$922,121            | \$ 179,987            | \$ 1,825,273        | \$ 2,927,381         |
| Fund Balance Appropriated      | \$1,061,367          | \$ -                  | \$ 3,029,480        | \$ 4,090,847         |
| <b>Total Budgeted Revenues</b> | <b>\$ 21,313,803</b> | <b>\$ 860,412</b>     | <b>\$ 7,386,852</b> | <b>\$ 29,561,067</b> |



## Expense Summary - All Funds by Fund Type

|                                    | General Fund         | Special Revenue Funds | Capital Funds       | Total All Funds      |
|------------------------------------|----------------------|-----------------------|---------------------|----------------------|
| Mayor and Board of Aldermen        | \$ 265,062           |                       | \$ 30,099           | \$ 295,161           |
| Advisory Boards                    | \$ 17,200            |                       |                     | \$ 17,200            |
| Governance Support                 | \$ 495,867           |                       |                     | \$ 495,867           |
| Town Manager                       | \$ 340,300           |                       |                     | \$ 340,300           |
| Economic and Community Development | \$ 214,598           | \$ 860,412            | \$ -                | \$ 1,075,010         |
| Town Clerk                         | \$ 126,753           |                       |                     | \$ 126,753           |
| Management Services                | \$ 1,097,460         |                       |                     | \$ 1,097,460         |
| Human Resources                    | \$ 529,755           |                       |                     | \$ 529,755           |
| Information Technology             | \$ 1,301,227         |                       | \$ 30,753           | \$ 1,331,980         |
| Police                             | \$ 3,577,069         |                       |                     | \$ 3,577,069         |
| Fire                               | \$ 2,671,151         | \$ -                  | \$ 683,000          | \$ 3,354,151         |
| Planning                           | \$ 1,327,570         | \$ -                  | \$ 472,755          | \$ 1,800,325         |
| Transportation                     | \$ 1,472,520         |                       |                     | \$ 1,472,520         |
| Public Works                       | \$ 4,281,031         |                       | \$ 5,252,294        | \$ 9,533,325         |
| Parks and Recreation               | \$ 1,669,102         |                       | \$ 568,112          | \$ 2,237,214         |
| Non-departmental                   | \$ 712,247           |                       | \$ 172,894          | \$ 885,141           |
| Debt Service                       | \$ 1,214,891         |                       | \$ 176,945          | \$ 1,391,836         |
| <b>Total Budgeted Expenditures</b> | <b>\$ 21,313,803</b> | <b>\$ 860,412</b>     | <b>\$ 7,386,852</b> | <b>\$ 29,561,067</b> |



**A motion was made by Alderman Seils, seconded by Alderman Chaney, that this ordinance be approved.**

**ANNUAL BUDGET ORDINANCE  
Town of Carrboro, North Carolina  
FY 2014-15  
Ordinance No. 32/2013-14**

WHEREAS, the recommended budget for FY 2014-15 was submitted to the Board of Aldermen on May 13, 2014 by the Town Manager pursuant to G.S. 159-11 and filed with the Town Clerk pursuant to G.S. 159-12;

WHEREAS, on May 20, 2014, the Board of Aldermen held a public hearing on the budget pursuant to G.S. 159-12;

WHEREAS, on June 17, 2014, the Board of Aldermen adopted a budget ordinance making appropriations and levying taxes in such sums as the Board of Aldermen considers sufficient and proper in accordance with G.S. 159-13;

**BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE TOWN OF CARRBORO, NORTH CAROLINA:**

**Section 1.** The following amounts are hereby appropriated for the operation of the Town of Carrboro and its activities for the fiscal year beginning July 1, 2014 and ending June 30, 2015, according to the following schedules.

**SCHEDULE A - GENERAL FUND**

|                                  |              |              |
|----------------------------------|--------------|--------------|
| <b>GENERAL GOVERNMENT</b>        |              | \$ 4,388,222 |
| Mayor & Board of Alderman        | \$ 265,062   |              |
| Advisory Boards                  | \$ 17,200    |              |
| Governance Support               | \$ 495,867   |              |
| Town Manager                     | \$ 340,300   |              |
| Economic & Community Development | \$ 214,598   |              |
| Town Clerk                       | \$ 126,753   |              |
| Management Services              | \$ 1,097,460 |              |
| Human Resources                  | \$ 529,755   |              |
| Information Technology           | \$ 1,301,227 |              |
| <b>PUBLIC SAFETY</b>             |              | \$ 6,248,220 |
| Police                           | \$ 3,577,069 |              |
| Fire                             | \$ 2,671,151 |              |
| <b>PLANNING</b>                  |              | \$ 1,327,570 |
| <b>TRANSPORTATION</b>            |              | \$ 1,472,520 |
| <b>PUBLIC WORKS</b>              |              | \$ 4,281,031 |

|                               |                      |
|-------------------------------|----------------------|
| <b>PARKS &amp; RECREATION</b> | \$ 1,669,102         |
| <b>NONDEPARTMENTAL</b>        | \$ 712,246           |
| <b>DEBT SERVICE</b>           | \$ 1,214,891         |
| <b>TOTAL GENERAL FUND</b>     | <b>\$ 21,313,803</b> |

**SCHEDULE B – CAPITAL RESERVE FUND**

**CAPITAL RESERVE FUND**

|                          |            |
|--------------------------|------------|
| Transfer to General Fund | \$ 176,945 |
|--------------------------|------------|

**Section 2.** It is estimated that revenues from the following major sources will be available during the fiscal year beginning July 1, 2014 and ending June 30, 2015 to meet the foregoing schedules:

**SCHEDULE A - GENERAL FUND**

|                                |                      |
|--------------------------------|----------------------|
| Ad Valorem Tax                 | \$ 12,166,764        |
| Local Sales Tax                | \$ 3,371,537         |
| Other Taxes/Licenses           | \$ 519,728           |
| Unrestricted Intergovernmental | \$ 900,554           |
| Restricted Intergovernmental   | \$ 596,959           |
| Fees and Permits               | \$ 1,336,731         |
| Sales and Services             | \$ 233,145           |
| Investment Earnings            | \$ 7,036             |
| Other Revenues                 | \$ 175,153           |
| Other Financing Sources        | \$ 922,121           |
| Fund Balance Appropriated      | \$ 1,084,075         |
| <b>TOTAL GENERAL FUND</b>      | <b>\$ 21,313,803</b> |

**SCHEDULE B – CAPITAL RESERVE FUND**

|                                 |           |
|---------------------------------|-----------|
| Fund Balance Appropriated ..... | \$176,945 |
|---------------------------------|-----------|

**Section 3.** Pursuant to GS 159-13.2, the Board of Aldermen may authorize and budget for capital projects and multi-year special revenue funds in its annual budget or project ordinance. The project ordinance authorizes all appropriations necessary for the completion of the projects.

**Section 4.** Charges for services and fees by Town Departments are levied in the amounts set forth in the Miscellaneous Fees and Charges Schedule.

**Section 5.** The following authorities shall apply:

- a. The Town Manager can transfer funds between departments and functions within the General Fund for pay plan adjustments, service level benefits, law enforcement separation allowance, unemployment insurance, and retiree, dependent, and permanent part-time health benefits without further action by the Board.
- b. The Town Manager can transfer funds within functions.

- c. When unassigned fund balance exceeds 35% in the General Fund, the Town Manager, in accordance with the Town fiscal policy, may set aside an amount in assigned fund balance for transfer to the capital projects fund for future projects.
- d. All operating funds encumbered or designated within fund balance for project expenditures as confirmed in the annual June 30, 2014 audit shall be re-appropriated to Fiscal Year 2014-15 without further action by the Board.
- e. The Finance Officer may approve intradepartmental transfer requests between appropriation units and between programs (formally called “organizational units”) within the departmental budget.
- f. Transfers between funds and transfers from the non-fuel contingency account may be authorized only by the Board of Aldermen. The Board of Aldermen will appropriate funds from the non-fuel contingency account exclusively for government operations.
- g. The Orange County Tax Collector, is authorized, empowered, and commanded to collect the 2014 taxes set forth in the tax records filed in the office of the Orange County Tax Assessor, and in the tax receipts herewith delivered to the Tax Collector, in the amounts and from the taxpayers likewise set forth. Such taxes are hereby declared to be a first lien upon all real property of the respective taxpayers in the County of Orange. This section of the ordinance shall be a full and sufficient authority to direct, require, and enable the Orange County Tax Collector to levy on and sell any real or personal property of such taxpayers, for and on account thereof, in accordance with law.
- h. Under GS143-64.32, architectural, engineering, and surveying services with fees less than thirty thousand dollars (\$30,000) may be exempt from the RFQ (Request for Qualification) process.

**Section 6.** There is hereby levied the following rates of tax on each one hundred dollars (\$100) valuation of taxable property as listed for taxes as of January 1, 2014 for the purpose of raising the revenue constituting the general property taxes as set forth in the foregoing estimates of revenue and in order to finance the foregoing appropriations.

General Fund .....\$ .5894

**Section 7.** In accordance with G.S. 159-13, a copy of this ordinance shall be filed with the Town Manager, the Finance Officer, and the Town Clerk.

This the 17th day of June, 2014

**The motion carried by the following vote:**

**Aye:** Mayor Lavelle, Alderman Haven-O’Donnell, Alderman Chaney, Alderman Seils, Alderman Gist, Alderman Slade and Alderman Johnson