



July 1, 2011

To: Mayor and Board of Aldermen

It is with pleasure that I submit to you the adopted budget for fiscal year 2011-12. As with past years, the adopted budget has required difficult choices as the national and local economies continue to recover. For local governments in North Carolina the economic challenges are compounded as the State seeks to address its budget deficit. Any actions by the state that adversely affect anticipated revenues or service delivery for municipalities could change the recommended budget significantly.

The major objectives of the recommended budget are to:

- Avoid a property tax rate increase,
- Maintain current service delivery levels,
- Maintain current active employees' jobs and benefits,
 - Set aside the pay-for-performance plan for third year in a row,
 - Provide for a lump sum payment for employee job performance (prorated for part-time permanent employees) with the amount based on whether employee is below or above the Housing Minimum Wage level,
 - Continue current health insurance plan,
 - Continue with freeze on specific vacant positions, and.
- Continue with planned long-term capital initiatives.

A combination of strategies is included in the adopted budget to achieve the above objectives. I am particularly pleased to have a budget that contains no property tax rate increase for the third consecutive fiscal year. In addition to continuing to tighten the operating expenditures, certain major equipment purchases have been postponed, and other financing sources have been increased. The Town can continue the capital initiatives underway, including the Weaver Street reconstruction project, sidewalk and greenways bond initiatives, and street repaving. The Town will also be able to fund light vehicle replacements that are considered critical to providing day-to-day services. The accompanying Executive Summary further outlines the overall budget priorities and strategies for fiscal year 2011-12.

Sincerely,

Steven E. Stewart
Town Manager

301 WEST MAIN STREET, CARRBORO, NC 27510 * (919) 942-8541 * FAX (919) 918-4465* VOICE/TTY/TDD/ASCII: 711

AN EQUAL OPPORTUNITY PROVIDER