

TOWN OF CARY

CHANGES TO FISCAL YEAR 2005 PROPOSED OPERATING BUDGET

The FY 2005 Proposed Operating Budget, as modified by the changes that have been identified below, is hereby presented for the Cary Town Council to consider for adoption at its regularly scheduled meeting on June 24, 2004.

1. Increase in General Fund salaries and benefits for the Town Clerk, Town Attorney, and Town Manager per the Town Council's direction. The combined total, which includes the full annual cost of each change, is \$27,813.
2. Reduction in General Fund salaries and benefits in the Engineering Department as a result of the reorganization that was presented to and approved by Council via Staff Report EN04-93 at its regularly scheduled meeting on June 10, 2004. The combined total, which includes the full annual savings of the reorganization and the elimination of one position, is \$63,784. The staffing document represented in the ordinance as Attachment B has been modified to reflect the detailed changes as a result of the reorganization.
3. Reduction in General Fund salaries and benefits in the Buildings and Grounds Division within the Public Works and Utilities Department as a result of the reorganization that was not finalized prior to presentation of the Proposed Budget. Council approved the restructuring via Staff Report PWUT04-12 at its regularly scheduled meeting on January 8, 2004. The combined total, which includes the full annual savings of the reorganization and the elimination of two positions, is \$105,759. The staffing document represented in the ordinance as Attachment B has been modified to reflect the detailed changes as a result of the reorganization.
4. Increase in General Fund dues and memberships within the Town Council Department by \$22,704 to begin sharing the cost of the local funding portion of the Capital Area Metropolitan Planning Organization (CAMPO). It was agreed by the members of CAMPO at a meeting on March 17, 2004, that each member organization would begin sharing this cost based on a pro rata share utilizing the North Carolina Office of State Planning certified municipal and county population estimates. These costs will be phased in with 50% of the full amount to be paid in FY 2005, and 100% of the full amount beginning in FY 2006.
5. Reduction in General Fund debt service expenses by \$42,828. This update is a result of debt being issued in FY 2004 at a lower amount and a slightly lower interest rate than had been projected for the Fire Department's third aerial ladder unit. These factors served to reduce the related debt service that will be necessary in FY 2005.
6. Increase in the General Fund Buildings and Grounds Division contracted services budget by \$26,212 to allow for increased mowing needs anticipated in FY 2005 as a result of recent property acquisitions and status changes that have occurred since the Proposed Budget was prepared. Property acquisitions include several properties related to the downtown park, as well as the Plumtree and Carpenter water tanks which have been completed and the sites are now ready for mowing.
7. Reduction in the revenue budget for Morrisville 911 service by \$210,000 (ten months worth of revenue). It is currently anticipated that Morrisville will join the Wake County Emergency Communications system beginning September 2004. Since the early 1990's, calls for Morrisville's 911 services have been routed through the Town of Cary's Communications Center. Under the current arrangement, which is expected to terminate in August 2004, Morrisville pays for a pro-rata share of the Communications Center related costs based on call volume.
8. Increased Utility Fund fees and related revenue projections based on Town Council direction in a worksession on June 21, 2004 to reduce the increase of a 7,000 gallon per month residential customer from 18.8% to 17.8%. The specific line items affected include an updated projection of connection fee revenues of \$14,000, new account service charge revenues of \$76,000 based on increasing the fee from \$4 to \$15, and late payment penalties of \$85,000 based on adding a \$5 minimum to the current 1% late fee. These changes reduced the proposed water and sewer base rate by 17 cents from \$2.79 to \$2.62 per month. The Town Council approved a new fee in its regular Council meeting held June 10, 2004, related to Fats, Oils, and Greases (FOG), that also served to increase revenue projections for Fiscal Year 2005. With the additional \$56,400 in projected annual revenue, the proposed sewer rate decreased by 2 cents from \$3.75 to \$3.73 per one thousand gallons.

TOWN OF CARY

CHANGES TO FISCAL YEAR 2005 PROPOSED CAPITAL BUDGET AND TEN YEAR PLAN

The FY 2005 Proposed Capital Budget and Ten Year Plan, as modified by the changes that have been identified below, was adopted by the Cary Town Council at its regularly scheduled meeting on June 24, 2004.

1. Removed the North Cary Community Center – Phase I project from the FY 2005 Parks, Recreation, and Cultural Resources Capital Improvements Budget. The Town of Cary Town Council decided during the May 12, 2004, Capital Improvements Budget Worksession that they were not prepared to dedicate funding to this project at this time. The \$435,000 requested in FY 2005 was to be directed toward design work associated with the new center. Given the budget constraints surrounding FY 2005, Council opted to push this funding request back one fiscal year to FY 2006.
2. Removed funding for the Bartley Community Park - Phase I project from the FY 2005 Parks, Recreation, and Cultural Resources Capital Improvements Budget. This funding request of \$3,255,700 now appears in FY 2006 of the Town's Capital Improvements Plan. As in the case of the North Cary Community Center – Phase I project, budget constraints surrounding FY 2005 prompted Council to delay this project by one fiscal year to eliminate the need to issue \$3,255,700 in General Obligation debt in FY 2005. The \$3,255,700 now included in FY 2006 is for construction costs related to the development of the park.
3. Added a \$1,500,000 appropriation to the Sewer Capital Improvements Budget to fund capital related work that may be performed at the North Cary Water Reclamation Facility (NCWRF) resulting from the Odor Control Study being conducted for this site. The Town of Cary initiated the Odor Control Study for this facility in late spring 2004. Specific recommendations from the study on how to best mitigate odor issues at the facility are expected to be brought before Council in the summer of 2004.
4. Removed the Operations Center Parking Deck project from the FY 2005 General Government Capital Improvements Budget and Plan. The \$360,000 requested in FY 2005 was to be directed toward the design of a parking deck at the Town's Operations Center, while the \$2,784,000 requested in FY 2006 was for construction. The Town is proceeding with an alternate plan to decentralize the Building and Grounds division by establishing two district locations to house staff and equipment. The district approach is expected to yield service-related efficiency and effectiveness benefits to the Buildings and Grounds division and reduce parking space shortages currently experienced at the Town's Operations Center.
5. Adjusted the sources of funding for the White Oak Creek Greenway – Phases III & IV project. The Recommended FY 2005 Capital Improvements Budget proposed that the \$1,000,000 request for this project be funded with General Obligation Bond debt. During the capital budget worksession on May 12, 2004, Council directed that a funding source other than debt be used for this project. The Adopted FY 2005 Capital Improvements Budget funds this project in the following manner: \$640,000 Unrestricted General Capital Reserve Fund Balance and \$360,000 General Fund Transfer. In order to accommodate these changes, the funding sources for two other projects were modified as well: 1.) The Recommended FY 2005 Capital Improvements Budget proposed that the \$138,000 appropriation for the Bond Park Water Line be fully funded from the Unrestricted General Capital Reserve Fund Balance. The FY 2005 Adopted Capital Improvements Budget appropriates the \$138,000 requested for this project from Parks Recreation-in-Lieu fund balance; 2.) The Recommended FY 2005 Capital Improvements Budget proposed that the \$195,460 appropriation for the Bond Park Renovations – Phase I project be fully funded from the Unrestricted General Capital Reserve Fund Balance. The FY 2005 Adopted Capital Improvements Budget appropriates the \$195,460 requested for this project from Parks Recreation-in-Lieu fund balance.