

## TOWN OF CARY

### CHANGES TO FISCAL YEAR 2007 PROPOSED OPERATING AND CAPITAL BUDGETS

The FY 2007 proposed operating and capital budgets, as modified by the changes identified below, are hereby submitted for final Cary Town Council adoption at its regularly scheduled meeting on June 22, 2006. Changes are related to the general fund unless otherwise noted.

1. The proposed budget identified \$1.1 million for design of the Cary Elementary Community Arts Center project in FY 2008, \$5 million in FY 2009, and \$5 million in FY 2010. The transfer to PRCR projects from the general fund has been increased by \$1.1 million in FY 2007 to support the advancement of this project by one year to begin the design effort in FY 2007. Likewise, the two years of \$5 million funding previously identified in the capital improvements plan have been advanced by one year to FY 2008 and FY 2009.
2. An appropriation from general fund fund balance of \$750,000 will be made into a separate fund entitled "Economic Development Strategic Fund". No more than \$300,000 may be spent in any one year in accordance with decisions made by Town Council in its economic development worksession held on June 6, 2006.
3. Funding of \$5,000 has been added to the general non-profit category to support the Cary Crimestoppers organization. This change increased general non-profit funding from \$69,700 to \$74,700.
4. General non-profit funding has been increased to a total of \$114,000 to begin a new funding approach of \$1 per capita for general non-profit funding. As mentioned in the previous item, this will include \$5,000 for Cary Crimestoppers and all other general non-profits originally proposed for funding will be increased according to their proposed share of total funding so that Cary Crimestoppers will receive \$5,000 and the total general non-profit funding in the FY 2007 budget will be \$114,000. A review of the mission driven criteria used for this year will be presented to Council prior to next year's process so that any organization requesting funding will understand the criteria upon which they will be evaluated. The adjusted amounts by general non-profit organization are included below for reference:

\$6,681	Big Brothers Big Sisters of the Triangle, Inc.
\$10,018	Cary Area EMS
\$14,342	Carying Place, The
\$30,596	Center for Volunteer Caregiving, The
\$5,000	Crime Stoppers of Cary, Inc.
\$2,582	Hopeline
\$15,298	Interact
\$4,007	Kid's Voting
\$9,561	Triangle Family Services
\$3,499	Triangle Radio Reading Service, Inc.
\$6,679	White Oak Foundation
\$5,737	Women's Center of Wake County, Inc.
<u>\$114,000</u>	<u>Total</u>

5. The Fees and Charges schedule section of the operating budget ordinance detailed as Attachment A has been adjusted to reflect an increase in the Grading Permit Fee from \$165 to \$500 per denuded acre. In addition, the Grading Permit fee revenue has been increased by \$174,037 to include the expected additional revenue.

6. The following adjustments have been made to the Full and Part Time Budgeted Position Authorization schedule detailed in Attachment B of the operating budget ordinance. These changes do not involve additional appropriations.
  - a. The “Crime Analyst I” position in the Police department has been retitled “Crime Analyst II”.
  - b. One of the “Records Technician” positions in the Police department has been retitled “Crime Analyst I”.
  - c. The “Solid Waste Collector I” position was retitled “Crew Leader”.
  - d. One overhire position within the Operations division of Public Works and Utilities was eliminated. The authority for this overhire position is no longer needed as a result of the conversion to automated collection.
  - e. The two Bulk Water Technician positions and their associated funding have been transferred from the Fire department to Public Works Operations division effective July 1, 2006. In addition, funding of \$8,400 has been added for potential temporary salary costs that may be needed throughout the year to address related coordination efforts with the increased level of activity expected.
7. Funding for implementation of the annual classification and pay study has been decreased by \$19,000 to \$31,000 for FY 2007. \$50,000 was included in the proposed budget as an early estimate since results of the study were not yet available. Staff report HR06-09 approved on May 11, 2006 by Council summarized the related information.
8. The Engineering department budget included \$120,218 to fund the potential impacts of the classification and pay study on their department. The impact in FY 2007 of the recently completed classification and pay study for the engineering staff was much less than originally anticipated, so this funding has been removed.
9. The proposed non-exempt pay range difference from the lowest developmental wage to the maximum wage of each grade reflected a range of 45% as reflected in Attachment C of the operating budget ordinance. Since the proposed budget was prepared, surveys of other jurisdictions have revealed that their ranges average around 55% for non-exempt pay grades instead of the Town’s current 45%. In order to remain competitive with other jurisdictions in the non-exempt pay grade arena, the ranges from low to high have been expanded to 55%. There are no associated increases being given to anyone’s salary as a result of this adjustment, so no change or increase in funding is required.
10. A total of \$58,000 has been added to address anticipated water charges for the USA Baseball and SAS Soccer Park special facilities. FY 2007 represents the first year that significant water usage is anticipated at the USA Baseball facility. \$50,000 has been added to USA Baseball’s budget and \$8,000 to the SAS Soccer Park to fund anticipated water charges in FY 2007. The majority of the watering taking place at the SAS Soccer Park is provided by the on-site water collection pond.
11. Allocation adjustments have been made to reflect fringe benefits associated with the services provided by Public Works staff to the Town’s special facilities. Fringe benefits have been itemized as follows: SAS Soccer Park \$68,243; Cary Tennis Park \$36,080 and Skate Park \$2,050. These figures represent cost transfers into special facility sub-funds only, and do not require additional appropriations.
12. A total of \$86,083 has been added in support of the Town’s commitment to providing two Town-wide leaf collections prior to December 24. \$82,665 has been added to the Facilities Management division budget within the Public Works and Utilities department and \$3,418 to the Technology Services budget, for the purchase of one additional leaf collection truck and radio. The Facilities Management funds also include provisions for one additional snow plow attachment to support the Town’s winter weather response efforts.
13. Debt service funding has been increased by \$235,000 to allow for the expected impact of interest rates having risen slightly since the proposed budget was prepared. This increase is needed to help cover the interest payments associated with the June 2006 debt sale of \$47 million for street and park projects. Estimated

investment income has also been increased by \$323,497 to incorporate the anticipated impact of rising interest rates. Investment income has also been adjusted in other funds as follows: utility fund \$370,657, general capital reserve \$798,337, utility capital reserve \$898,130, and fleet fund \$1,426.

14. The Facilities Maintenance division budget within the Public Works and Utilities department has been increased by \$22,500 for repair and maintenance at the police firing range. These repairs will take care of existing needs and allow for consistent service provision during the year.
15. The proposed budget included \$600,000 in the capital outlay account of the Solid Waste and Recycling division of the Public Works and Utilities department. This funding has been moved to the capital transfer account of the general fund to facilitate appropriation to the newly established capital project entitled "Sanitation and Recycling Truck Replacement" approved by Council via staff report PWUT06-020 in April 2006. Since the entire fleet will need to be replaced in approximately eight years, this amount represents the first of eight annual appropriations to spread out the future replacement costs. This change represents an accounting adjustment only, so no additional funds have been included.
16. The Fire department budget has been increased by \$7,000 to support the Town's agreement with Wake County for hazardous material clean-up. \$60,000 was included in the proposed budget for this agreement, however, the Town has received recent notification from Wake County that the contract cost has increased to \$67,000.
17. The Police department budget has been increased by \$39,927 (\$37,368 in personnel costs plus \$2,559 in operating and maintenance costs) to fund the reorganization that will be effective July 1, 2006. The specific impacts of this pending reorganization were not available when the proposed budget was prepared.
18. The Technology Services department budget has been increased by \$1,800 to address annual computer leases resulting from the Police department reorganization and \$690 for the annual software license fees for the Crime Analyst.
19. The Fees and Charges schedule section of the operating budget ordinance detailed as Attachment A has been modified to include the addition of a 25-visit open gym pass. Each 25-visit open gym pass will cost \$37.50 for Town of Cary residents and \$75.00 for non-residents.
20. The miscellaneous revenue account has been increased by \$1,000 to reflect the anticipated Capital Area Soccer League (CASL) FY 2007 reimbursement for the installation of a water line and water meter at the Preston Soccer Fields. CASL will pay the Town \$1,000 per year for five years. The budget for the Operations division of Public Works and Utilities has been increased by \$5,000 for costs associated with installation of the water line and water meter in FY 2007. The related agreement is summarized in staff report PR06-026 presented to Council in June, 2006.
21. The Recreation division budget within the PRCR department has been reduced by \$23,955. Funds had been included in the proposed budget for the scheduled replacement of vehicle #1529, a dump truck used primarily within Bond Park. However, due to damage sustained in a traffic accident in June 2006, replacement of this vehicle is now being funded via the Town of Cary's small claims fund, so funding from the General Fund can be removed.
22. In the proposed budget a project entitled "Feeder Bus Service" was included in the FYs 2008 – 2017 General Government Capital Improvements Plan. Total funding needed for the planning period for this project was \$6.8 million. This project was tied directly to a Triangle Transit Authority transportation system project which is no longer being pursued. Funding needs were indicated for the FYs 2008 – 2017 period only. The removal of this project from the capital improvements plan does not impact in any way FY 2007 capital improvement budget appropriations because there was no funding included in the FY 2007 budget year.

23. Salary and benefit amounts for the Town Council appointed positions of Town Clerk, Town Attorney, and Town Manager have been included in the budget per the Town Council's direction in addition to an adjustment for Town Council member travel allowances. The combined total, which includes the full annual cost of each change, is \$17,676.

### **Utility Fund**

24. The miscellaneous revenue account in the Utility Fund has been increased by \$16,400 and the "Items for Resale" expenditure account has been increased by \$16,125 to address the purchase and resale of rain barrels at cost plus a minimal administrative recovery charge. The procurement of these barrels for resale were summarized in staff report PWUT06-25 approved by Council in May 2006.

### **Fleet Fund**

25. Fleet Fund revenues have been increased by \$146,188 and expenses by \$140,172 to incorporate the FY 2007 impacts of an agreement with the Town of Morrisville regarding their purchase of gasoline from the Town of Cary. The related interlocal agreement was approved by Council in April 2006 via staff report FN06-007.
26. An expected increase in fuel costs of 20% was included in the proposed departmental budgets, but the offsetting revenue was not shown in the Fleet fund. This adjustment has been made in addition to some other minor adjustments related to outsourcing labor costs and part pricing. These changes combine to increase revenues shown in the fleet fund by \$85,022 (\$73,356 additional fuel surcharge revenue, \$4,808 reduction in labor revenue, and a \$16,474 increase in part surcharge revenue).

### **Transit Fund**

27. An additional C-Tran route along the Maynard Loop was approved by Town Council at its May 11, 2006 meeting as summarized in staff report PL06-040. The new route is expected to begin effective July 1, 2006. The total cost of the additional route is estimated to be \$176,863, and the C-Tran expenditure budget for FY 2007 has been increased by this amount. Accordingly, the C-Tran estimated revenues have been increased as follows: FTA grant revenues \$70,745, NCDOT grant revenues \$25,000, passenger fare revenues \$7,200, and Town subsidy \$73,918.
28. The C-Tran expenditure budget has been increased by \$254,268 and ticket revenues have been increased by \$25,000. C-Tran has experienced higher than anticipated door-to-door service calls in FY 2006. This level of ridership is expected to continue in FY 2007, prompting the increase in anticipated operating expenditures and revenue. The source of funding for the impacts of higher levels of door-to-door ridership will be Transit Fund fund balance.