

## CHANGES TO THE FY 2015 RECOMMENDED BUDGET

### Operating Budget

#### General Fund

1. Adjustments to Revenue Estimates - Estimates were prepared in March and reflected the information available at that time. Based on additional information, three additional months of collections, and legislative action, several adjustments to the estimates are needed.
  - a. Decrease FY 15 property tax revenues by \$128,840 to reflect the final assessed value projections provided to the Town by the Wake County Tax Assessor. The Assessor revised his estimate of growth in real property value from construction and his estimate of growth in the number of motor vehicles.
  - b. Decrease FY 15 privilege tax revenues by \$153,000 to reflect legislation curtailing the ability of municipalities to tax businesses not physically located within their corporate limits.
  - c. Increase interest earnings in the amount of \$95,723 to reflect current rates of return.
  - d. Adjust other FY 15 revenues to reflect updated FY 2014 collections.
    - i. Telecommunications Tax -\$17,447
    - ii. Beer and Wine Tax + \$37,788
    - iii. ABC System +\$23,283
    - iv. Landfill Excise Tax +\$23,286
    - v. Utility Franchise Tax +\$42,578
2. Reduce departments' North Carolina Retirement Contribution by \$47,632. During the development of the FY 15 recommended budget the Board of the Local Governmental Employees Retirement System had recommended an increase in the employer contribution rate from 7.07% to 7.17%. After the Recommended Budget was submitted, the Board lowered the rate back down to 7.07%.
3. Reduce the Police Department's vehicle budget by \$25,937 because one of the replacement vehicles budgeted for replacement in FY 15 was totaled in an accident and replaced during FY 14.
4. Reduce the Cary Arts Center advertising budget by \$25,000 because advertising funds for The Cary Theatre were inadvertently included in both the Arts Center and Theater budgets.
5. Reduce the Skate Park budget by \$5,992 to fully account for cost reduction achieved by eliminating the vacant permanent full-time Skate Park Instructor position during FY 14. The salary and benefits costs of the position were eliminated as a part of the FY 15 Recommended Budget, but certain other compensations costs were not. The position was eliminated in FY 14 because the use of part-time, temporary instructors proved to be more cost effective than a permanent position.
6. Move the budget for five positions from the Fire Department to the Inspections and Permits Department. This change will reduce the Fire Department budget by \$562,524 and increase the Inspections and Permits budget by the same amount. The \$562,524 is for salary and benefits for these five positions.
7. Move the budget for two positions from the Technology Services Department to the Public Information Office. The movement of these positions was part of the FY 14 reorganization, but the budget had not been moved at the time the FY 15 Recommended Budget was prepared. This change will reduce the Technology Services Department budget by \$229,426 and increase the Public Information Office budget by the same amount. The \$229,426 is for salary and benefits for these two positions.

8. Increase the Downtown Special Events supplies budget by \$1,200 to include funding for the Disc Golf event. This funding was included in the FY 14 budget, but inadvertently left out of the FY 15 recommended budget.
9. Reduce the contracted services budget authority by \$55,417 in Facilities Management for janitorial and lawn service at the C/A WTP, SCWRF, and WWRF. The recommended budget was based on a change in the frequency of service to these facilities, but a final contract price was not available at the time of submission. The reduction will be offset by a reduction in the Utility Fund Transfer. The change has no net effect on the general fund, but will result in utility fund savings of \$55,417.
10. Increase the Police Department's personnel services accounts by \$5,744 as a result of upgrading a Lieutenant position to a Captain, as presented to Council on the June 26, 2014 agenda.
11. Add \$8,988 to the Facilities Management budget to replace blinds at recreation centers. This amount was inadvertently left out of the FY 15 recommended budget.
12. Increase the Town contribution to employee life insurance premiums by \$12,000, from \$76,000 to \$88,000, to correct for the use of an outdated rate.
13. Reduce the proposed increase in the commercial and residential building demolition fees so that the fees are \$132, rather than \$198, to better reflect the staff time associated with demolitions.
14. Change the new Skate Park Session Fee to be \$5 for all park users, regardless of residence, and move the effective date of the fee up from September 1, 2014 to July 1, 2014.

### **Utility Fund**

1. Increase interest earnings projected for the Utility Fund by \$102,721 to reflect current rates or return.
2. Reduce the Utility Fund Transfer to the General Fund by \$55,417 to reflect the savings achieved in Facilities Management by reducing the frequency of janitorial and lawn service at the C/A WTP, SCWRF, and WWRF.
3. Reduce the retirement system contribution by \$8,700 to reflect the lower rate.

### **Other Funds**

1. Recognize and appropriate an additional \$409,355 to the 911 Fund. At its April 25, 2014 meeting, the NC 911 Board approved the Town of Cary's funding reconsideration of \$866,920.59 (annual) for FY2015 PSAP distributions. Previously the total funding awarded for FY 15 was \$457,566. The increase will cover the increased expenditures associated with increasing the number of consoles in the 911 center and other PSAP costs that previously were not being reimbursed.
2. Change the distribution of the workers' compensation administration fees and claims expenses. The administration fee was originally budgeted at \$250,000 and needs to be changed to \$275,000 and the claims budget was originally \$1,250,000 and needs to be changed to \$1,225,000. This is due to the higher than anticipated workers' compensation reinsurance renewal premium.

3. In the Transit Fund, reduce vehicle license fee revenue by \$118,021 and increase Federal Transit Grants and C-Tran Tickets by \$91,021 and \$27,000, respectively, to reflect updated revenue estimates.

## **Capital Budget**

### **General**

1. Appropriate an additional \$200,000 to the Town Website Overhaul Project. The FY 2015 Recommended Budget included \$305,000 for the Town Website Overhaul project. If approved, the additional funds would be used to help fully integrate into the overhaul a new GIS mapping product being acquired by Technology Services, a project element that was not included in the original website funding request as staff were still discovering the robust capabilities of the product during budget development. A portion of the additional funding may also be helpful in attempting to reduce the current project timeline of 24 months by allowing more outside contractors to work concurrently. This increase would bring total FY 2015 project appropriations to \$505,000.

### **Utility**

1. Appropriate an additional \$125,000 to the SW1240 Walnut Creek Pump Station Check Valve Replacement and Wet Well Piping Repairs project. In FY 2013, \$140,000 was appropriated to this project for the purchase and installation of three replacement check valves on the Walnut Creek pump station. As the project progressed, staff determined that additional repairs totaling \$125,000 are needed on the pump station. The \$125,000 will be an appropriation from utility capital reserve unrestricted fund balance.