

EXECUTIVE SUMMARY

BUDGET OVERVIEW

The economic outlook for North Carolina continues to be generally positive. The unemployment rate has continued its steady decrease. The state's unemployment rate in February 2015 was 5.3% compared to the national rate of 5.5%. This is 1.2% lower than the 6.5% unemployment rate in February 2014.

In terms of job growth, the Bureau of Labor Statics reported that as of February 2015 North Carolina's total nonfarm employment increased 3.3% above the February 2014 level. In March 2015 total nonfarm jobs increased by 113,700 with total private sectors jobs growing by 117,300 and government decreasing by 3,600. The strongest job growth continues to be from North Carolina's rapidly growing professional and business services sector with 32,300 new jobs. The professional and business services sector is a collection of generally high-paying industries that reflects the growth in the state's high-tech sector.

Outside of the construction industry, state taxable sales have risen above pre-recession levels and continue to rise. Total employment in the construction industry is up by 8.8 percent over the same time period last year with multiple forecasts expecting single-family home construction and general construction expected to increase in the months ahead.

Local signs of economic strength include the low unemployment rate, increased taxable sales, and increased value of commercial building permits. Orange County's unemployment rate in February 2014 was 4.2%, the lowest in the state. 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 commercial building permits decreased in 2014 from the prior year; however, value of these permits increased from \$6.9 million to \$8.4 million. At the same time, residential building permits increased; however the value of residential permits decreased from \$21.6 million to \$16.3 million.

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>COMMERCIAL PERMITS</u>		<u>RESIDENTIAL PERMITS</u>	
	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>
2008	298	\$ 4,469,526	468	\$ 2,796,800
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
2014	319	8,424,490	564	16,305,265

Through March general fund revenue collections for FY 2014-15 total \$16.7 million or 79% of the adopted budget. Property tax revenue collections are \$11.7 million or 57% of budget. Local

sales tax revenues through January total \$1.8 million. Unrestricted intergovernmental revenues are 70% of budget. Overall, total revenue collections for FY 2014-15 are expected to exceed the adopted budget.

While most economic indicators for the state remain strong with positive projections for the future, the Town continues its conservative approach in estimating revenues. There are a number of bills under consideration in the North Carolina General Assembly that if enacted has the potential to significantly affect local government revenues in the future. Of particular concern for local governments is a proposed redistribution of local sales tax based on per capita rather than sales point of origin. For the FY 2015-16 budget the Town assumes that the General Assembly will make no changes in 2015 that would negatively impact its existing revenues.

In developing the FY 2015-16 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. The major goals in development of the 2015-16 budget were to:

- implement the Board’s strategic priorities,
- manage costs while improving services to the citizens,
- develop a balanced budget with no property tax rate increase, and,
- provide salary adjustments for Town employees.

The total recommended general fund operating budget for FY 2015-16 is \$21,572,647, an increase of \$258,844 or 1.2% over the adopted budget for 2014-15. 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 and equipment, and debt service payments for capital commitments. All other requests defined as “new program or service initiative” are evaluated and, if approved, added to the continuation budget.

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, local sales taxes, other taxes/licenses, and intergovernmental revenues. Together these revenues comprise approximately 93% of general fund revenues.

For FY 2015-16 total recurring revenues are projected to increase by 4% over FY 2014-15. This increase stems from increased property tax revenue increase of 1.2% due to increased valuations, expected sales tax growth, and increase in sales and services. The projected 69% increase in other taxes and licenses is due to the new Tax & Tag System implemented by the North Carolina Department of Motor Vehicles. The tax on a motor vehicle is collected by NC DMV at the time

of registration. Previously motor vehicles could be registered and then taxes billed and collected by the County Tax Administrator in which the vehicle was registered.

Recurring Revenues

	FY 2014-15 Adopted Budget	FY 2015-16 Adopted Budget	\$ CHANGE	% CHANGE
Property Taxes	\$ 12,166,764	\$ 12,315,470	\$ 148,706	1.2%
Local Sales Taxes	3,371,537	3,825,686	454,149	13.5%
Other Taxes & Licenses	519,728	879,378	359,650	69.2%
Intergovernmental	1,497,513	1,487,344	(10,169)	-0.7%
Fees & Permits	1,336,731	1,233,402	(103,329)	-7.7%
Sales & Services	233,145	263,790	30,645	13.1%
Other Miscellaneous	182,189	144,536	(37,653)	-20.7%
Total Recurring Revenues	\$ 19,307,607	\$ 20,149,606	\$ 841,999	4.4%

Of the total general fund revenues, property and sales tax revenues make up 75% of total revenues and are projected to increase 1.6% and 13%, respectively, in FY 2015-16. The property tax valuation at June 30, 2014 was \$2,088,514,087. For FY 2015-16 total tax valuations are expected to grow by 1% or \$20,885,141 to \$2,109,399,228. Each penny on the tax rate is projected to generate approximately \$208,620. In addition, property tax relief is available for the elderly, permanently-disabled persons, and veterans who meet income and other specific exemption requirements.

Overall local sales tax receipts (\$1.8 million), reflecting six months of collections for the year, are 56% of the FY 2014-15 adopted budget (\$3.3 million) with total collections for the year anticipated to be \$3.7 million. According to the N. C. League of Municipalities report, sales tax distributions to local governments by the state during the first six months of FY 2014-15 were up 12.4% over the same period in FY 2013-14. The League of Municipalities anticipates that sales tax revenues for the current fiscal year will be 7.5% above the FY 2013-14. Retail sales in North Carolina are trending upward and consumer confidence is high. Because of this, the statewide local sales taxes in FY 2015-16 are expected to grow by 4.0% above the FY 2014-15 level. Locally, in the FY 2014-15 budget a decrease in sales tax revenues had been anticipated due to mixed economic signals. However, actual receipts for FY 2014-15 are expected to exceed those of FY 2013-14 and reflect the statewide trends noted by the N. C. League of Municipalities.

Intergovernmental revenues will continue to comprise 7% of general fund revenues, but are expected to decline overall slightly by 1%. Unrestricted intergovernmental revenues overall are expected to decline by 3.0% in FY 2015-16.

In FY 2014-15 the state changed the method of distribution to localities for electricity and piped natural gas sales. This change required general sales tax collected by the state to be allocated to municipalities based on 44% and 20% for electricity and natural gas, respectively. In the past these revenues have been distributed based on the services within municipal boundaries. Electricity distributions to municipalities for the first two quarters of FY 2014-15 were up on an

average of 37% from the prior year. Assuming this trend continues electricity franchise revenues may increase by 30% over FY 2013-14. Based on this short trend and lack of data under the new method of distribution, it is difficult to make projections for the coming year. Nevertheless, the N. C. League of Municipalities is projecting a statewide growth of 2% for electricity sales tax.

Piped natural gas, as with electricity sales, is being distributed to municipalities under a new formula. For the first two quarters of FY 2014-15 total distributions statewide were up roughly 8.6%. Given the sensitivity of natural gas taxes to temperatures, along with the number of amended returns filed with the state during the first two quarter of FY 2014-15, it is difficult at projected distributions for the remainder of the year. The N. C. League of Municipalities has projected that statewide distributions to municipalities for FY 2014-15 will be 35% lower than FY 2013-14. For FY 2015-16 the projection is a decrease of 2% in natural gas tax revenues from the current fiscal year.

Telecommunications Sales Tax revenues for the first half of FY 201-15 are down a little over 1% from FY 2013-14. These revenues are being affected by cable and satellite competition with internet based programs. For FY 2014-15 revenues statewide are expected to be 1% below the prior year. For FY 2015-16 these revenues are expected to decrease by 3%.

Local Video Programming revenue distributions statewide have been 4% above FY 2013-14 at this time last year. According to the N. C. League of Municipalities, if this trend holds it will be the first increase in these revenues since FY 2011-12. This trend seems to run counter to the many trends in the cable and satellite television industry. For 2014-15 statewide video programming revenues are projected to be 1.5% above the FY 2013-14 level. However, they are expected to decrease by 2.0% statewide in FY 2015-16 according to the N. C. League of Municipalities. Unfortunately, in Carrboro the video programming revenue trend does not seem to be comparable with the statewide one. Revenues for the first half of the current fiscal year are 17% of the \$173,136 adopted budget. Based on this, the Town's population mix, and past trends, we expect video programming revenues to continue to decline.

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 significantly. We have made adjustments in the FY 2015-16 budget to bring these revenues in line with past actual revenues.

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 2015-16 total \$1,423,041. This is a decrease of \$583,155 or 29% reduction over the adopted FY 2014-15 budget.

OTHER FINANCING FY 2015-16

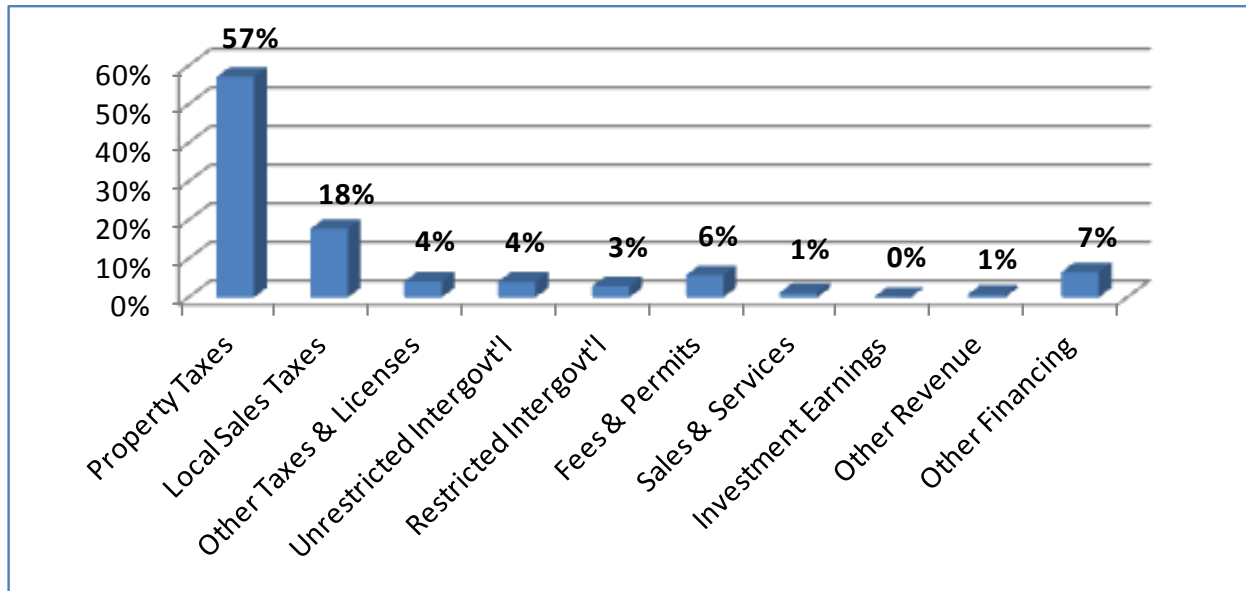
	FY 2014-15 Adopted Budget	FY 2015-16 Adopted Budget	\$ CHANGE	% CHANGE
Inter-fund Transfers	\$ 176,945	\$ 176,945	\$ -	0.0%
Installment Financing	\$ 745,176	\$ 621,180	\$ (123,996)	-16.6%
Fund Balance	\$ 1,084,075	\$ 624,916	\$ (459,159)	-42.4%
Total Other Financing	\$ 2,006,196	\$ 1,423,041	\$ (583,155)	-29.1%

The transfer from the Capital Reserve Fund of \$176,945 is to partially offset the debt service for the construction of fire station #2 and acquisition of a fire truck.

Installment financing that is used to acquire vehicles and equipment will be \$123,996 less than that in FY 2014-15. In FY 2015-16 this financing will be used to purchase of five police patrol vehicles, one tractor boom movers, one sweeper truck and a tractor edger mower. 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 \$32,481 for 5 years (assumes a 2.5% annual interest rate).

Fund balance use is reduced significantly from FY 2014-15 and represents 2.8% of total revenues. The Town’s policy is to limit fund balance use to more than 10%.

**FY 2015-16 GENERAL FUND - ALL REVENUES (Percent of Total)
\$21,572,647**



EXPENDITURES

For FY 2015-16 total operating expenses increase by 1.2% to a total of \$21,572,647. Personnel costs account for 55% of the total budget with operations and capital outlays comprising 41% and 3%, respectively. Personnel costs are basically flat due to not funding vacant positions. Operations cost increase 6.7%. Capital outlays decrease 30% due to the deferral of some major equipment purchases.

EXPENDITURE	FY 2014-15 ADOPTED BUDGET	FY 2015-16 ADOPTED BUDGET	\$ CHANGE	% CHANGE
PERSONNEL	\$11,913,300	\$11,918,907	\$5,607	0.0%
OPERATIONS	8,383,607	8,942,810	559,203	6.7%
CAPITAL OUTLAY	1,016,896	710,930	(305,966)	-30.1%
TOTAL	\$21,313,803	\$21,572,647	\$258,844	1.2%

PERSONNEL

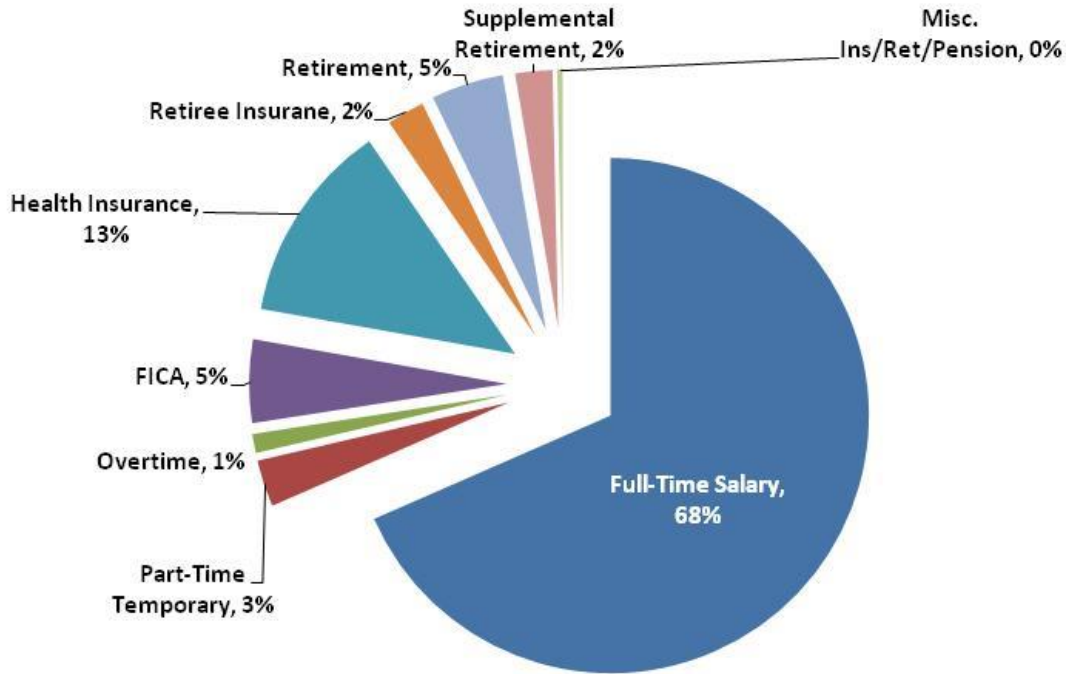
Factors that affect personnel cost include: a) 2% across the board pay adjustment provided to permanent employees and fixed dollar amount for merit pay in FY 2014-15; b) proposed 2% across the board pay adjustment for employees in FY 2015-16; and c) projected 20% increase in health insurance premiums. Funds to cover the proposed across the board pay adjustments and health insurance premium increases have been budgeted in Non-Departmental.

Contribution rates for the Local Government Employees' Retirement System (LGERS) are expected to be 6.67% for general employees and 7.15% for law enforcement officers in FY 2015-16. These rates are reduced from the FY 2014-15 rates. Should the North Carolina General Assembly decided to provide a COLA increase to retirees, these rates may go up.

The Town will not provide merit pay for employees in FY 2015-16. 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. The Town will, however, continue its implementation of the minimum housing wage strategy to provide employees a salary equal to or greater than the Minimum Housing Wage of \$31,158. In FY2014-15 the Town had fifteen positions earning less than the housing wage. Through a combination of COLA and Merit pay seven of these positions have a salary greater than the minimum housing wage. In FY 2015-16 the Town proposes to bring four more position to or above the minimum housing wage through a combination of COLA and Housing Wage Adjustment.

For FY 2015-16 total full-time equivalent positions increase from 158 to 158.5. Two part-time administrative positions (one in finance; and one in recreation and parks) will be converted to full-time. A full-time position in planning has been converted to a part-time GIS position.

FY 2015-16 Pay and Benefits



OPERATIONS EXPENSES

Operating expenses in the General Fund is \$559,203 or 6.7% more than last year. In addition to maintaining the existing services, funds are budgeted for new activities, including: acquisition of development services permitting software; providing additional funds for a parking study (\$45,000); comprehensive solid waste study (\$50,000), and evaluating options for storm water management and flooding mitigation.

CAPITAL OUTLAY

Capital outlays will decrease by 30% from \$1,016,896 to \$710,930 in FY 2015-16. In addition to vehicles and equipment purchases, capital outlays include: resurfacing of public works’ yard; acquisition of equipment for snow/ice removal on sidewalks; installation of air conditioner in server room at Century Center; and acquisition of body worn cameras for police officers.

Based on the CIP, a total of \$1.1 million for vehicles and equipment was requested by departments for FY 2015-16. After re-prioritizing, these requests were reduced to a total of \$621,180 for the following departments.

Department	Vehicle	Cost
Police	Patrol Vehicle Replacements - 5 @ \$46,842	\$ 234,210
Public Works	Streets-New Holland Tractor Boom Mower	\$ 109,200
Public Works	Streets-Sweeper Truck	\$ 240,000
Public Works	Ventrac Tractor Edger/72" Mower	\$ 37,770
	TOTAL	\$ 621,180

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.

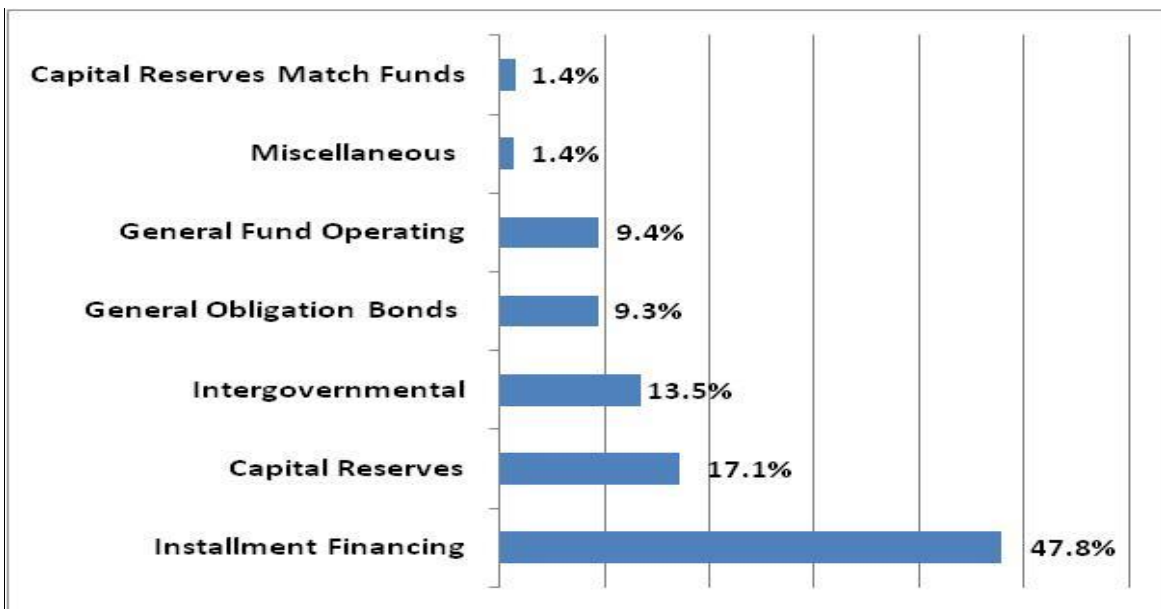
Capital projects can affect all categories of spending in the operating budget, including personnel and operating costs in addition to capital outlay costs. Projects that are currently underway and to be completed within 1-2 years will generally not have an immediate impact on the operating budget due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

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 2015-16 through FY 2020-21 this plan totals \$49.3 million:

Type of Project	Amount	% of Total
Current Projects	\$ 15,421,738	31.2%
Mandated Stormwater Management	\$ 3,881,198	7.9%
Vehicles/Equipment	\$ 6,492,393	13.2%
Technology	\$ 625,198	1.3%
New Projects	\$ 22,936,009	46.5%
TOTAL	\$ 49,356,536	100.0%

As part of the Town’s Strategic Energy and Climate Protection Plan, capital projects are to be evaluated for energy savings which will reduce operating costs.

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/250/Financial-Documents>.

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. A major priority for the Special Revenue Fund is to fund the Affordable Housing Fund at a level equal to a penny of the Town’s property tax rate in FY 2015-16. The total budget for the Special Revenue Fund in FY 2015-16 is \$775,506.

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, general obligation 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 appropriated in the annual general fund operating budget based on affordability. Contingent upon fund balance ratios in the Town’s general fund being within the stated policy goal of 22.5% to 35%, funds may be assigned or committed for funding through fund balance appropriation. At June 30, 2014, 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 2015-16 the total Capital Project Fund budget is \$7.0 million. New projects identified for funding by appropriation of assigned fund balance are:

<u>Project</u>	<u>Amount</u>
Anderson Park Fencing & Pavilion Replacement	156,880
Century Center HVAC	180,000
MLK Park Design	150,000
Police Body Worn Cameras	91,000
Development Services Permitting Software	230,000
Rogers Road Conduit	155,000
Town Commons Design	107,300
Total	\$ 1,070,180

In three years fire and police will need to replace all Motorola radios (136) at an estimated cost of \$819,000. To minimize the financial impact on the Town, the plan is to set aside \$273,000 of assigned fund balance in the Capital Reserve Fund over the next three years specifically to replace these radios.

Funds leftover from completed bond fund sidewalk projects are proposed for several projects to leverage state/federal funding. These projects are:

<u>Project</u>	<u>Amount</u>
Jones Creek Design	46,000
Morgan Creek Phases 1 and 2	182,500
S. Greensboro Sidewalk Phase I Design	21,130
Total	<u>\$ 249,630</u>

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 continue to be positive with low unemployment rate, increased taxable sales and increased employment in the construction industry. Total nonfarm employment has increased above last year's level. The professional and business services sector continues its rapid growth.

Locally, economic improvements are reflected in the low unemployment rate, taxable sales and increased value of commercial building permits. Town revenues are projected to meet budget for the year ending June 30, 2015. The overall revenue outlook for FY 2015-16 is expected to be 1.2% above FY 2013-14. Recurring revenues which represent 93% of the total general fund budget are projected to grow by 4.4% in FY 2015-16.

Despite these positive economic signs and trends, there is concern about pending legislation in the North Carolina General Assembly that could affect the future revenue of municipalities. Of particular concern for local governments is the proposed redistribution of local sales tax based on per capita basis rather than sales point of origin.

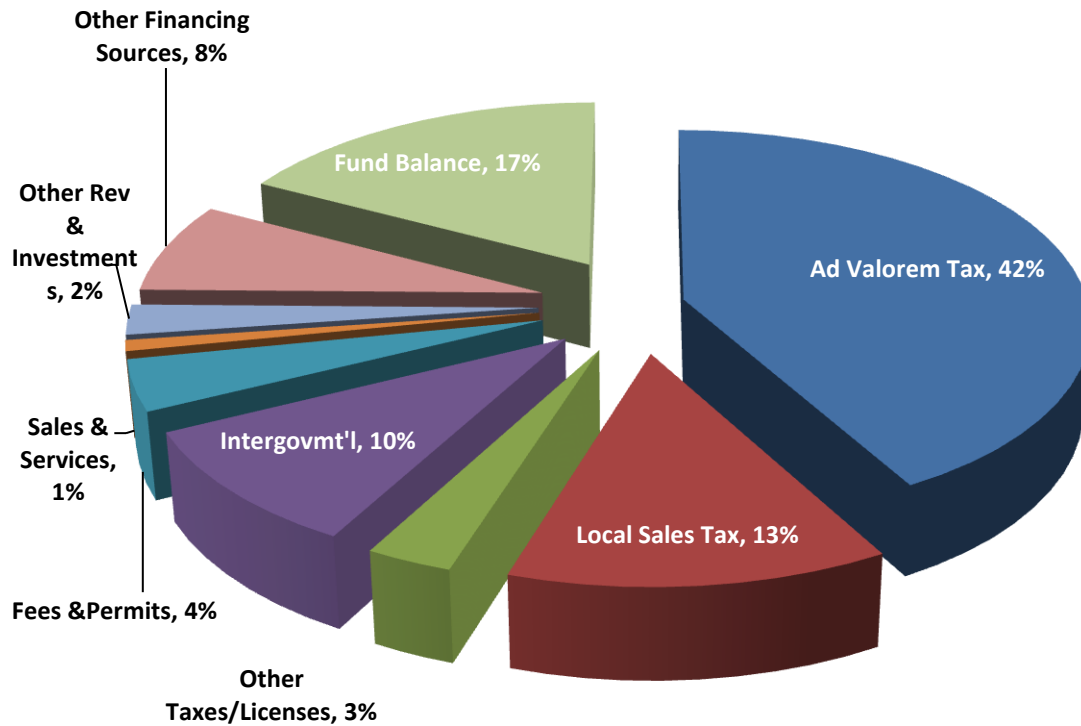
The method of distribution of electricity and piped natural gas sales taxes to localities changed in FY 2015-16 with no guarantee of a hold harmless. It will be several years before revenue streams become clear under this new distribution method which may present changes to projecting annual revenues. 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 2015-16 budget that provide for continued delivery of quality services, carrying out Board priorities, acquiring needed capital items, and adjusting the compensation for Town's employees.

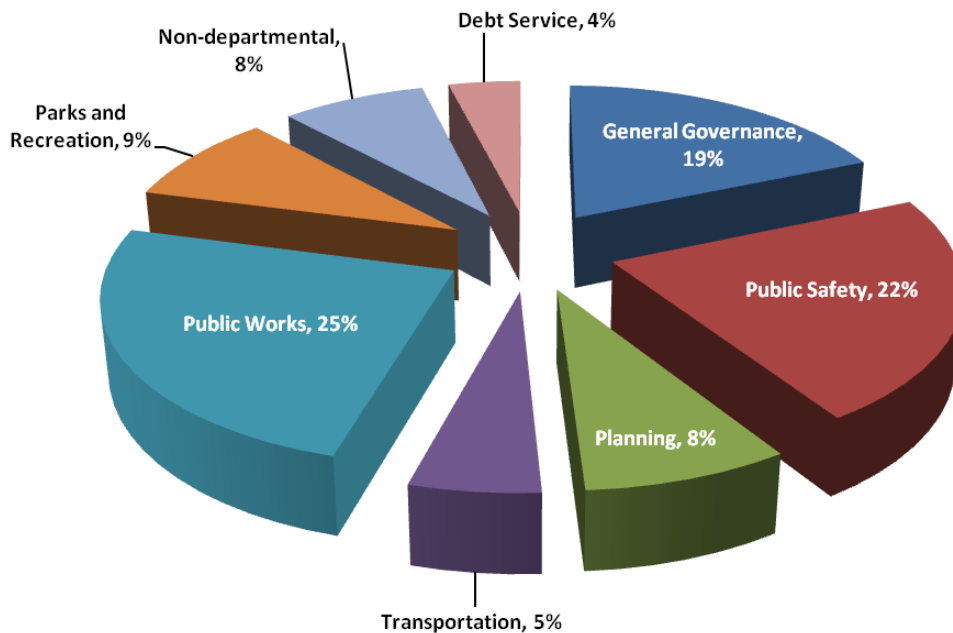
Revenue Summary - All Funds by Fund Type

	General Fund	Special Revenue Funds	Capital Funds	Total All Funds
Ad Valorem Tax	\$12,315,470			\$ 12,315,470
Local Sales Tax	\$3,825,686			\$ 3,825,686
Other Taxes/Licenses	\$879,378			\$ 879,378
Unrestricted Intergovernmental	\$875,593			\$ 875,593
Restricted Intergovernmental	\$611,751	\$ 162,237	\$ 1,231,891	\$ 2,005,879
Fees and Permits	\$1,233,402			\$ 1,233,402
Sales and Services	\$263,790			\$ 263,790
Investment Earnings	\$1,078	\$ 7,009	\$ 9,555	\$ 17,642
Other Revenues	\$143,459	\$ 429,522	\$ 139,373	\$ 712,354
Other Financing Sources	\$798,125	\$ 26,300	\$ 1,391,903	\$ 2,216,328
Fund Balance Appropriated	\$624,916	\$ 150,438	\$ 4,292,660	\$ 5,054,907
Total Budgeted Revenues	\$ 21,572,647	\$ 775,506	\$ 7,065,382	\$ 29,413,535



Expense Summary - All Funds by Fund Type

	General Fund	Special Revenue Funds	Capital Funds	Total All Funds
Mayor and Board of Aldermen	\$ 282,660		\$ -	\$ 282,660
Advisory Boards	\$ 17,050			\$ 17,050
Governance Support	\$ 554,856			\$ 554,856
Town Manager	\$ 359,005			\$ 359,005
Economic and Community Development	\$ 207,455	\$ 651,909	\$ -	\$ 859,364
Town Clerk	\$ 130,016			\$ 130,016
Management Services	\$ 1,080,497			\$ 1,080,497
Human Resources	\$ 544,594			\$ 544,594
Information Technology	\$ 1,256,729		\$ 403,216	\$ 1,659,945
Police	\$ 3,710,188		\$ 91,000	\$ 3,801,188
Fire	\$ 2,731,875	\$ -	\$ -	\$ 2,731,875
Planning	\$ 1,350,247	\$ -	\$ 1,068,755	\$ 2,419,002
Transportation	\$ 1,540,288		\$ -	\$ 1,540,288
Public Works	\$ 4,172,185	\$ 97,297	\$ 3,011,781	\$ 7,281,263
Parks and Recreation	\$ 1,638,233	\$ 26,300	\$ 982,292	\$ 2,646,825
Non-departmental	\$ 827,009		\$ 1,508,338	\$ 2,335,347
Debt Service	\$ 1,169,760		\$ -	\$ 1,169,760
Total Budgeted Expenditures	\$ 21,572,647	\$ 775,506	\$ 7,065,382	\$ 29,413,535



MOTION WAS MADE BY ALDERMAN CHANEY, SECONDED BY ALDERMAN GIST TO APPROVE THE ORDINANCE BELOW:

ANNUAL BUDGET ORDINANCE
Town of Carrboro, North Carolina
FY 2015-16
Ordinance No. 16/2014-15

WHEREAS, the recommended budget for FY 2015-16 was submitted to the Board of Aldermen on May 5, 2015 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 26, 2015, the Board of Aldermen held a public hearing on the budget pursuant to G.S. 159-12;

WHEREAS, on June 16, 2015, 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, 2015 and ending June 30, 2016, according to the following schedules.

SCHEDULE A - GENERAL FUND

GENERAL GOVERNMENT		\$ 4,432,862
Mayor & Board of Alderman	\$ 282,660	
Advisory Boards	\$ 17,050	
Governance Support	\$ 554,856	
Town Manager	\$ 359,005	
Economic & Community Development	\$ 207,455	
Town Clerk	\$ 130,016	
Finance	\$ 1,080,497	
Human Resources	\$ 544,594	
Information Technology	\$ 1,256,729	
PUBLIC SAFETY		\$ 6,442,063
Police	\$ 3,710,188	
Fire	\$ 2,731,875	
PLANNING		\$ 1,350,247
TRANSPORTATION		\$ 1,540,288
PUBLIC WORKS		\$ 4,172,185

PARKS & RECREATION	\$ 1,638,233
NONDEPARTMENTAL	\$ 827,009
DEBT SERVICE	\$ 1,169,760
TOTAL GENERAL FUND	\$ 21,572,647

SCHEDULE B – CAPITAL RESERVE FUND

Transfer to General Fund	\$ 176,945
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Section 2. It is estimated that revenues from the following major sources will be available during the fiscal year beginning July 1, 2015 and ending June 30, 2016 to meet the foregoing schedules:

SCHEDULE A - GENERAL FUND

Ad Valorem Tax	\$ 12,315,470
Local Sales Taxes	\$ 3,825,686
Other Taxes & Licenses	\$ 879,378
Unrestricted Intergovernmental	\$ 875,593
Restricted Intergovernmental	\$ 611,751
Fees & Permits	\$ 1,233,402
Sales & Services	\$ 263,790
Investment Earnings	\$ 1,078
Other Revenue	\$ 143,459
Other Financing	\$ 1,423,041
TOTAL GENERAL FUND	\$ 21,572,647

SCHEDULE B – CAPITAL RESERVE FUND

Fund Balance Appropriated	\$176,945
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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 adjustments; service level benefits; law enforcement separation allowance; unemployment insurance; retiree, dependent, and permanent part-time health benefits; and, other purposes deemed necessary by the Town

- Manager 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, 2015 audit shall be re-appropriated to Fiscal Year 2015-16 Adopted Budget without further action by the Board.
- e. The Finance Officer may approve intradepartmental transfer requests between appropriation units and between programs or organizational units within the departmental budget.
- f. Transfers between Funds may be authorized only by the Board of Aldermen.
- g. The Orange County Tax Collector, is authorized, empowered, and commanded to collect the 2015 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, 2015 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 16th day of June, 2015.

The motion carried by the following vote:

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

i.