

## TOWN OF CARY

### CHANGES TO FISCAL YEAR 2006 PROPOSED OPERATING AND CAPITAL BUDGETS

The FY 2006 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 23, 2005.

1. Reduction of \$1,445,885 in General Fund revenues related to the lowering of the solid waste and recycling fee from the proposed level of \$15.50 per month to \$11.75.
2. Reduction of \$250,160 in General Fund salaries and benefits expenses within the Facilities Management Division related to the removal of funding for five currently vacant positions in Facilities Management Division. There were three Facility Maintenance Worker II positions and one Facilities Work Expeditor approved during the FY 2005 budget that were designated to be hired for the USA Baseball facility which can now be delayed since the facility will likely not need this staff support until after FY 2006. In addition, the funding for one Facilities Attendant and one Recycling Coordinator have been removed from the proposed budget and the related positions have been removed from the staffing document since the duties of these positions are now being handled by contract and other existing staff members respectively.
3. Reduction of \$241,169 in General Fund expenses in the Police Department's overtime budget (includes overtime pay and associated benefits).
4. Reduction of \$115,935 in General Fund expenses in the Facilities Management Division due to the delayed hiring of personnel and purchase of new equipment necessary to provide services at Middle Creek Park Phases I and II. Delays in these expenses are the direct result of postponing additional capital related improvements at Middle Creek Park.
5. Increase of \$2,400 in General Fund expenses in the Purchasing Division for anticipated increases in the Town's contract for copier service that is paid centrally from the Purchasing Division.
6. Reduction of \$280,737 in General Fund expenses in the Facilities Management Division related to a series of special projects that had been included in two different locations within the budget.
7. Reduction of \$319,093 in General Fund and \$39,438 in Utility Fund expenses per Town Council's direction to reduce the proposed average merit award for Town employees from 4.88% to 4.00% during FY 2006.
8. Reduction of \$25,100 in General Fund revenue related to income anticipated from the newly constructed Dog Park. Revised anticipated revenue for FY 2006 is \$16,200.
9. Increase of \$260,000 in General Fund revenue associated with traffic signal maintenance to be paid to the Town of Cary by the North Carolina Department of Transportation. This is a new revenue source generated through an agreement associated with the Town of Cary gradually taking over maintenance of traffic signals in Cary with the integration of the Town's new Fiber Optic Traffic Signal System project.
10. Increase of \$87,736 in General Fund revenues related to various increases in fee levels in recreation programs, athletics, arts and crafts, and recreational facility rentals. The fee increases were detailed through an extensive cost study and comparative analysis performed by Parks, Recreation and Cultural Resources staff members. Specific fee increases will be reflected throughout the year as the respective program brochures are published while other fee changes and cost recovery thresholds are reflected in Attachment A of the budget ordinance.
11. Increase in General Fund salary and benefit expenses for appointed positions of 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 \$13,800.
12. Reduction of \$11,000 in General Fund expenses within the Facilities Management Division for the replacement of failing HVAC cooling units at Thomas Brooks Park. These units failed beyond repair earlier than anticipated and were replaced during FY 2005 using reallocated FY 2005 funding.

13. Reduction of \$13,000 in General Fund expenses within the Facilities Management Division for the replacement of the entry gate at the Operations Center which was planned for replacement in FY 2006 but ceased to operate before the end of FY 2005. The gate was replaced during FY 2005 using reallocated FY 2005 funding.
14. Increase of \$140 in General Fund expenses within the Technology Services Department for Lotus Notes software for the IMPACT team police officers to facilitate email communication both within the Town and with public contacts.
15. Increase of \$10,000 in General Fund expenses within the Purchasing Division to cover additional microfilming requirements expected in FY 2006 associated with heightened levels of building and permit activity.
16. Increase of \$92,278 in General Fund expenses and \$234,821 in Utility Fund expenses within various departments to cover potential Progress Energy rate increases that, if approved by the North Carolina Utilities Commission, will be effective October 1, 2005. The possibility of these rate increases was first communicated to the Town of Cary on June 3, 2005.
17. Reduction of \$4,402 in General Fund expenses within the Legal Department salaries and benefits accounts associated with position turnover during FY 2005 that reduced previous expense projections for FY 2006.
18. Reduction of \$2,700 in General Fund expenses within the Fire Department for the purchase of a replacement MSA Passport/Orion Air Monitor. This item was purchased in FY 2005 with reallocated funding.
19. Increase of \$4,154 in Utility Fund vehicle expense accounts due to projected full year impacts of higher gasoline costs. Similar increases had already been included in the General Fund's departmental accounts.
20. Increase of \$17,454 in General Fund expenses within the Public Works and Utilities Administration Division associated with increasing the hours of a 30 hour per week position to a 40 hour per week position to help cover duties associated with another currently vacant and unbudgeted position focused on recycling. The other duties of the recycling position are currently being spread among existing personnel.
21. Reduction of \$9,959 in General Fund expenses and \$712 in Utility Fund expenses due to a state retirement system update received since the proposed budget was prepared that lowered the North Carolina retirement funding factor from 4.89% to 4.87%.
22. Increase of \$18,000 in General Fund expenses within the Accounting Division's contracted services account due to the upward trend of costs associated with increased credit card usage by the Town's customers to pay for Town services.
23. Increase of \$611,291 in General Fund revenues due to structural changes to the Town of Cary's Business License Fee for those businesses falling under the requirements of Tax Schedule A. These budgeted revenue increases are a result of increasing the maximum amount from \$450 to \$5,000, and increasing the tax rate per \$1,000 for the amount over \$100,000 of gross receipts from fifty cents to sixty cents. The other structure change involves Cary businesses that don't generate any gross receipts in Cary such as customer service or research facilities that currently pay the minimum \$25 tax under the gross receipts tax schedule. These types of businesses will be charged according to the number of employees they have according to the following schedule: 1-5 employees: \$100; 6-15 employees: \$500; 16-25 employees: \$1,000; 26 or more employees: \$2,000. These fee increases will be in effect for 2007 business licenses that cover the time period from July 1, 2006 through June 30, 2007 and will be billed late in FY 2006. Renewals remaining for the 2006 business license period for the time period from July 1, 2005 through June 30, 2006 will be charged at the former rates identified in the FY 2005 budget ordinance Attachment A.
24. Increase of \$19,900 in General Fund expenses to restore general non-profit organization funding to the previous year's level, with the exception of Culturitas Unidas, which is no longer in existence. The new total of general non-profit funding in the FY 2006 adopted budget is \$69,700.

25. Removed \$6,500,000 in debt funding for the Tryon Road Widening – Phase II project from the FY 2006 Transportation Capital Improvements Budget bringing the FY 2006 appropriation for this project to \$2,000,000. During Capital Budget Worksession #1, Council decided to delay the bulk of this project until FY 2007. Staff indicated that a \$2,000,000 FY 2006 appropriation would serve to get the project underway. The \$2,000,000 FY 2006 appropriation is funded via the issuance of General Obligation debt.
26. Removed funding for the Waldo Road Dual Left Turn Lanes project from the FY 2006 Transportation Capital Improvements Budget. This funding request of \$250,000 now appears in FY 2007 of the Town's Capital Improvements Plan. Budget constraints surrounding FY 2006 prompted Council to delay this project by one fiscal year.
27. Removed funding for the TCAP – Downtown Roundabouts (Chatham Street and Academy Street) project from the FY 2006 Transportation Capital Improvements Budget. This funding request of \$350,000 now appears in FY 2007 of the Town's Capital Improvements Plan. Budget constraints surrounding FY 2006 prompted Council to delay this project by one fiscal year.
28. Added a \$480,100 appropriation to the Transportation Capital Improvements Budget to fund the addition of right turn lanes at the intersection of Cary Parkway and High House Road. During Capital Worksession #1, Town Council identified this project as a priority and asked staff to secure funding for this project. The project is funded via \$406,267 in Transportation Development Fees and \$73,833 in Payment-in-Lieu Street funds.
29. Removed \$275,000 for the US 1/64 Pedestrian Crossing project from the FY 2006 Parks, Recreation and Cultural Resources (PRCR) Capital Improvements Budget and Plan. PRCR staff indicated during Capital Worksession #1 that additional funding is no longer required because previously existing funding within the respective project is now expected to be sufficient for project completion.
30. Removed \$1,000,000 in debt funding for the Open Space Acquisition project from the FY 2006 Parks, Recreation and Cultural Resources Capital Improvements Budget bringing the FY 2006 appropriation for this project to \$1,000,000. During Operating Worksession #2, Town Council opted to remain in keeping with recent appropriations and appropriate only a \$1,000,000 Utility Fund Transfer in FY 2006 for the acquisition of open space.
31. Removed \$150,000 in funding for the Batchelor Branch Greenway – Phase II project from the FY 2006 Parks, Recreation and Cultural Resources Capital Improvements Budget bringing the FY 2006 appropriation for this project to \$50,000. During Capital Budget Worksession #1, Council decided to delay the bulk of this project until FY 2007. Staff indicated that a \$50,000 FY 2006 appropriation would serve to get the project underway. The \$50,000 FY 2006 appropriation is funded via Recreation-in-Lieu Greenway funds.
32. Removed \$2,553,400 in General Obligation debt funding for the Bartley Community Park – Phase I project from the FY 2006 Parks, Recreation and Cultural Resources Capital Improvements Budget. During Capital Budget Worksession #1, staff outlined a plan for funding this project need with funds to be re-programmed from PR1025 East Cary Park – Phase I and PR1037 Middle Creek Park. In a later budget worksession held on June 6, 2005, Council decided to not reprogram any funding for the Bartley project and to delay further activity on all three projects during FY 2006 and to revisit the issue as part of the FY 2007 budget process.
33. Removed funding for the Higgins Greenway Renovation project from the FY 2006 Parks, Recreation and Cultural Resources Capital Improvements Budget. This funding request of \$40,000 now appears in FY 2007 of the Town's Capital Improvements Plan. Budget constraints surrounding FY 2006 prompted Council to delay this project by one fiscal year.
34. Removed \$56,550 in funding for the Herb Young Community Center Renovation project from the FY 2006 Parks, Recreation and Cultural Resources Capital Improvements Budget bringing the FY 2006 appropriation for this project to \$28,450. During Capital Budget Worksession #1, Council decided to delay the bulk of this project until FY 2007. Staff indicated that a \$28,450 FY 2006 appropriation would address the most pressing renovation needs at the facility. The \$28,450 FY 2006 appropriation is funded via a General Fund Transfer.