

**ZEBULON
BOARD OF COMMISSIONERS
SPECIAL CALLED MEETING
AGENDA
June 20, 2023
5:00 PM**

1. Fiscal Year 2024 Budget (Ordinance 2023-48)

At their Work Session on June 15, 2023, the Board of Commissioners introduced several changes to the Recommended FY 2024 Budget presented by the Town Manager on May 9, 2023. These changes were not noted in the Public Hearing held on June 8, 2023, and the Board tabled the discussion of the following notable changes until a Special Called Meeting on June 20, 2023:

- Increase Board compensation.
- Increase Board travel and training expense account.
- Increase Board uniforms and clothing account.
- Defund currently occupied HR Technician/Deputy Clerk position.
- Defund IT Specialist position (currently provided through contract)
- Pursue Town designation as Bee City USA.
- Join the Town as member of National League of Cities organization.
- Sponsor Zebulon Chamber of Commerce.
- Reduce Board Retreats.
- Budget a Drug Investigator position.
- Budget an additional Equipment Operator position.
- Reduce work cell-phone reimbursement to employees

The Board may discuss other items related to the FY 2024 Budget at this meeting. The Board must adopt the FY 2024 Budget Ordinance before the end of the current fiscal year on June 30, 2023.

2. Adjourn

STAFF REPORT
ORDINANCE 2023-48
FISCAL YEAR 2024 BUDGET ORDINANCE
JUNE 20, 2023

Topic: Fiscal Year 2024 Town of Zebulon Budget Ordinance

Speaker: Joseph M. Moore, II, PE – Town Manager

Approved by: Joseph M. Moore, II, PE – Town Manager

Executive Summary:

The Board will consider the Town of Zebulon Fiscal Year 2024 Budget Ordinance.

Background:

In accordance with the Local Government Budget and Fiscal Control Act (NC General Statute 159), the Town Manager submitted the FY '24 Budget Message to the Board of Commissioners on May 9, 2023.

The Board subsequently convened Budget Work-Sessions on May 17 and May 25 to discuss the FY '24 Budget.

The Board scheduled a Budget Public Hearing on June 5, 2023. No comments were submitted by the public, and no questions made by the Commissioners. Upon closing the Public Hearing, the Board satisfied all statutory requirements and could adopt the FY 2024 Budget Ordinance.

At their Regular Meeting on June 5, 2023, the Board tabled the decision on the FY 2024 Budget Ordinance until June 15, 2023.

At their Work Session on June 15, 2023, the Board introduced several modifications to the FY 2024 Budget Ordinance as noted:

- Increase Board compensation.
- Increase Board travel and training expense account.
- Increase Board uniforms and clothing account.
- Defund currently occupied HR Technician/Deputy Clerk position.
- Defund IT Specialist position (currently provided through contract)
- Pursue Town designation as Bee City USA.
- Join the Town as member of National League of Cities organization.
- Sponsor Zebulon Chamber of Commerce.
- Reduce Board Retreats.
- Budget a Drug Investigator position.
- Budget an additional Equipment Operator position.
- Reduce work cell-phone reimbursement to employees.

Commissioner Loucks offered to summarize these modifications, and the Board tabled a decision on the FY 2024 Budget Ordinance until a later date. The Board scheduled a Special Called Meeting on June 20, 2023, for the purpose of discussing the FY 2024 Budget.

In the interim, Commissioner Loucks created a budget for these modifications and noted additional items to discuss under the “notes” section (see Attached).

Discussion:

The Board may:

1. Adopt the Budget Ordinance as submitted.
2. Modify the Budget Ordinance.
3. Table the discussion until a meeting on, or before, June 30.

Policy Analysis

The Budget Ordinance funds the programs and projects consistent with Zebulon’s Strategic Plan.

Fiscal Analysis

The Budget Ordinance establishes the expected revenues and expenditures for the coming fiscal year.

Staff Recommendation:

Staff recommend adopting the Recommended FY ’24 Budget Ordinance as submitted.

Attachment(s):

1. Ordinance 2023-48 (FY ’24 Budget)
2. “Draft FY 2024 Budget Revisions” (Commissioner Loucks e-mail of June 16, 2023)
3. “Revised FY 2024 Budget” (spreadsheet attached to referenced e-mail)

ORDINANCE 2023-48

Town of Zebulon Fiscal Year 2023-2024 Budget Ordinance

BE IT ORDAINED, consistent with North Carolina General Statutes, Chapter 159-13, that on June 5, 2023, the Board of Commissioners for the Town of Zebulon approved the operating budget for Fiscal Year 2023-2024. Certain other authorizations and restrictions also are adopted.

Section I. Levy of Taxes.

An Ad Valorem tax rate of \$0.575 per \$100.00 assessed valuation for taxable property listed as of January 1, 2023 is hereby established as the tax rate for the Town of Zebulon for Fiscal Year 2023-2024. Under authority of NC General Statute 20-97, an annual license tax of \$30.00 is levied on each vehicle in the Town of Zebulon.

Section II. General Fund.

A. Anticipated Revenues & Funding Sources

Property Taxes-Current Year	\$ 10,678,500
Property Taxes-Prior Years	28,000
Tax Penalty & Interest	15,000
Rental Vehicle Taxes	16,000
Privilege License Taxes	500
Motor Vehicle Decal Fees	185,000
Wake County Sales Tax -1 Cent (Article 39)	1,110,000
Wake County Sales Tax – ½ Cent (Articles 40 & 42)	1,025,000
Wake County Sales Tax – ½ Cent (Article 44)	380,000
NC Utilities Franchise Taxes	660,000
NC Video Programming Taxes	33,000
NC Beer & Wine Taxes	25,000
PEG Channel Funds	54,000
NC Powell Bill Funds	199,500
GHSP Grant	92,000
FEMA Grant	332,000
Wake County Fire Tax Distribution	1,107,000
Additional Fire Tax Revenue	15,000
Lease Purchase Proceeds	232,000
Solid Waste Disposal Tax Distribution	5,000
Interest Earnings-General Fund	300,000
Officer & Jail Fees	1,250
Zoning Permits & Fees	250,000
Code Enforcement Fees	1,500
Transportation Impact Fees	500,000

Fire Inspection Fees	20,000
Industrial Dr Traffic Control-Nomaco	6,000
Industrial Dr Traffic Control-EW Academy	6,000
Refuse Collection Fees	780,000
Youth Athletic League Fees	45,000
Recreation Program Sponsorships	2,500
Recreation Class Fees	25,000
Park Facility Rental Fees	6,000
Community Center Rental Fees	15,000
Recreation Camp Fees	8,500
Lease Payments-Stadium	5,000
Lease Payments-Cell Towers	85,000
Miscellaneous Revenues	10,000
Wake County ABC Distribution	55,000
Fund Balance Appropriation	4,004,000

Total Revenues & Funding Sources	\$22,318,250
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B. Authorized Expenditures

Governing Body	
Operating	\$ 592,116
Budget & Finance	
Operating	517,155
Administration	
Operating	1,477,525
Planning	
Operating	788,380
Capital	32,450
Public Works - Proj/Prop Mgmt	
Operating	1,095,000
Capital	693,000
Debt Service	271,750
Police	
Operating	3,491,350
Capital	382,500
Public Works -- Operations	
Operating	2,532,650
Capital	4,080,000
Debt Service	130,000

Fire		
Operating		2,689,624
Capital		835,950
Debt Service		170,000
Powell Bill		
Operating		4,500
Capital		195,000
Engineering		
Operating		129,000
Capital		10,000
Parks & Recreation		
Operating		1,438,500
Capital		512,600
Community & Economic Development		
Operating		219,200
Capital		30,000
		<hr/>
		22,318,250

Section III. Fee Schedule

There is hereby established for Fiscal Year 2023-2024 a schedule of various fees, penalties, privilege license taxes, and fines as included as an attachment to this ordinance as an appendix.

Section IV. Authorized Positions.

There is hereby established for Fiscal Year 2023-2024 a schedule of authorized full-time positions for the Town of Zebulon. Positions established are initially established by the annual budget ordinance. Changes to this schedule may occur during the fiscal year, as authorized by the Town Manager, including but not limited to position changes during the year.

Section V. Salary Schedule.

There is hereby authorized for Fiscal Year 2023-2024 a 3.0% adjustment to the Town's salary schedule. Changes to this schedule may occur during the fiscal year, as authorized by the Town Manager, including but not limited to grade and position changes during the year.

Section VI. Purchase Orders.

All purchase orders will be pre-audited in accordance with the Local Government Budget and Fiscal Control Act and issued on all purchases over \$2,000.00.

Section VII. Budget Officer Authorization.

- A. The Budget Officer or his/her designee shall be authorized to reallocate operational or capital appropriations within a department and between departments within a fund up to \$10,000.00 as deemed necessary. These reallocations shall be reported to the Board at the first regularly scheduled meeting of the month.
- B. Interfund transfers established by this ordinance may be accomplished without additional approval from the Board.
- C. The Budget Officer shall be authorized to hire personnel in positions authorized by the Board and set the compensation in accordance with the Salary Schedule and the Personnel Policy.
- D. The Budget Officer shall be authorized to award merit increases to employees as deemed appropriate after consultation with appropriate personnel, in accordance with the Salary Schedule and the Personnel Policy.

Section VIII. Board Budget Responsibilities.

- A. Reallocations between operational or capital appropriations within a department and between departments in excess of \$10,000.00 shall require Board authorization.
- B. Reallocations between operational appropriations and capital appropriations within and between departments and reallocations between capital appropriations within and between departments shall require Board authorization.
- C. Interfund transfers, except as noted in Section VIII, Item B, shall require Board authorization.
- D. The utilization of any unappropriated fund balance shall require Board authorization.

Section IX. Utilization of Budget Ordinance.

This ordinance shall be the basis of the financial plan for the Town of Zebulon during the Fiscal Year 2023-2024. The Budget Officer shall administer the budget and shall insure the operating officials are provided guidance and sufficient details to implement their appropriate portion of the budget. The Budget & Finance Department shall establish and maintain all records which are in consonance with this ordinance, and the appropriate statutes of the State of North Carolina.

Adopted this 20TH day of June, 2023.

Effective July 1, 2023.

Glenn L. York — Mayor

SEAL

Lisa M. Markland, CMC—Town Clerk

From: Larry Loucks <LLoucks@townofzebulon.org>

Sent: Friday, June 16, 2023 3:25 PM

To: Larry Loucks <LLoucks@townofzebulon.org>

Subject: Draft FY 2024 Budget Revisions

Greetings-

Attached please find an Excel spreadsheet that provides detail by Dept. and Line Item of the Budget Revisions that have been discussed to date.

I have also included some reference notes at the bottom of page 2. The items in Yellow are unknown or contain a \$ estimate.

This sheet should aid in our dicussions at Tuesday's Work Session.

Larry

FY 2024 Budget Revision Detail

DRAFT FROM 6/15/23 WORK SESSION

<u>Dept Budget</u>	<u>Operating Budget Line</u>	<u>FY 2024 Recommended</u>	<u>\$ Change +/-</u>	<u>FY 2024 Revised Budget</u>	<u>Justification</u>
Governing Board -----					
	Salaries (Clerk and Board)	\$ 87,000	\$ 23,000	\$ 110,000	Clerk salary to annual salary of \$67,000, includes Commissioner pay to \$10,000, Mayor to \$15,000
	Group Insurance (Health)				
	Retirement	\$ 5,900	\$ 4,106	\$ 10,006	Increase in Retirement
	Materials and Supplies	\$ 18,400			
	Travel/Training	\$ 20,000	\$ 12,500	\$ 32,500	Increased Travel/Training for Board
New	National League of Cities	\$ -	\$ 1,700	\$ 1,700	Membership fee to join NLC
New	Bee City	\$ -	\$ 1,000	\$ 1,000	Membership fee to join Bee City
New	Zebulon Chamber dues	\$ -	\$ 1,000	\$ 1,000	Membership fee to join Zebulon Chamber
New	Employee Wellness Survey	\$ -	\$ 5,000	\$ 5,000	Fund Employee Wellness Survey
	Uniforms/Clothing	\$ 600			
Budget and Finance -----					
	Cell Phone Reimbursements				
Administration -----					
	Salaries	\$ 674,000	\$ (125,035)		Not fund IT Specialist & HR Tech positions
	Group Insurance (Health)	\$ 50,400	\$ (15,000)		Reduction in Health Insurance
	Retirement	\$ 120,300	\$ (22,319)		Reduction in Retirement
	Professional Services (Retreats)	\$ 75,000	\$ (25,000)	\$ 50,000	Reduce Board Retreat expenses
	Town Hall Renovation Design	\$ 66,000		\$ 50,000	Reduce design expense/explore using Grad. Students
Planning -----					
	Cell Phones Reimbursements				
Police -----					
	Salaries	\$ 1,845,000	\$ 50,500	\$ 1,895,500	Fund new Drug Investigator
	Group Insurance (Health)	\$ 229,000	\$ 7,500	\$ 236,500	Increase in Health Insurance
	Retirement	\$ 380,900	\$ 9,469	\$ 390,369	Increase in Retirement
	Cell Phones Reimbursements				
	Vehicle, Uniform, etc. for Investigator				Expenses related to new Drug Investigator
Fire -----					
	Cell Phone Reimbursements				
Parks & Recreation -----					
	Cell Phone Reimbursements				

<u>Dept Budget</u>	<u>Operating Budget Line</u>	<u>FY 2024 Recommended</u>	<u>\$ Change +/-</u>	<u>FY 2024 Revised Budget</u>	<u>Justification</u>
Public Works -----					
Operations Division	Salaries	\$ 645,000	\$ 36,000	\$ 681,000	Add Equipment Operator I
	Group Insurance (Health)	\$ 81,000	\$ 7,500	\$ 88,500	Increase in Health Insurance
	Retirement	\$ 119,300	\$ 6,426	\$ 125,726	Increase in Retirement
	Cell Phone Reimbursements				
Community & Econ Dev --					
	Cell Phone Reimbursements				
			Net Change in Budget \$ (21,653)		

Notes:

- FY 2024 will have lapse salary and fringes;
- Positions not recruited/hired based upon budget hire dates, could be defunded after x days. Would require a new Board request for funding the position;
- Employees & Board who waive Health Insurance to receive full cost of Health Insurance as compensation (rather than a % of);
- Reduce Budget Revision threshold from \$10,000 to \$5,000;
- Assessment Centers used for recruits requires advance Board approval;
- Board needs plan - time-table and expense to complete Career Ladder and Salary Compression for all departments;
- Cell Phone Reimbursements reduced from \$50 and \$35 to \$25 and \$18 per month;
- Group Health Insurance \$7,500 per employee;
- Retirement 17.85% of salary;
- Town Clerk hire to be time-limited Contract;
- Deputy Clerk duties filled from existing staff;
- Employee salary increases beyond COLA budgeted must be pre-approved;