

Annual Operating Budget



Morrisville

PR 241930

Town of Morrisville
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Morrisville, NC 27560
www.townofmorrisville.org

CHARTING OUR COURSE  FY2016



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Town of Morrisville

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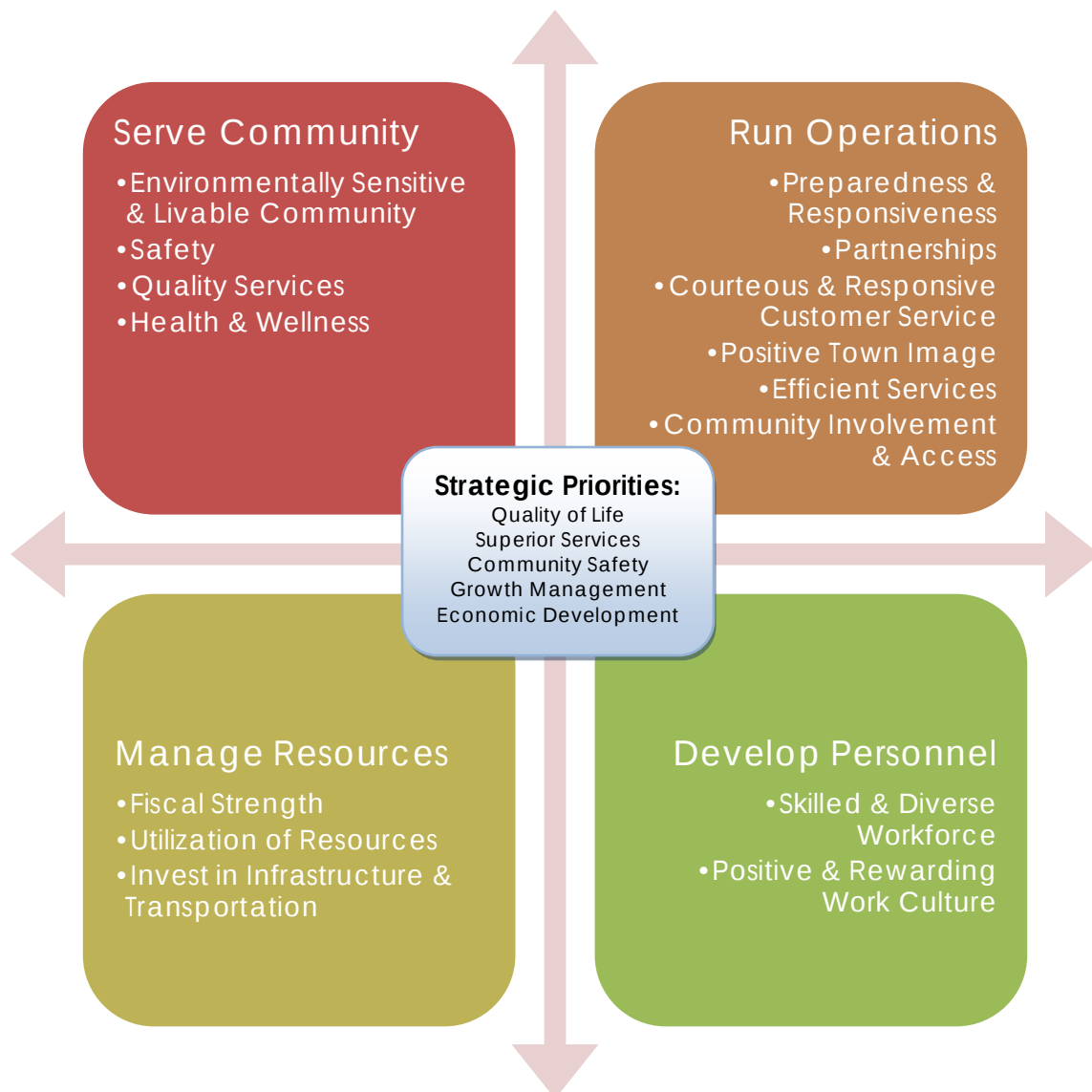
TOWN GOALS

VISION STATEMENT

The Town of Morrisville will be an innovative crossroads where cultural heritage meets the next generation, nurturing vibrant communities of diverse families and businesses, while preserving small-town values.

MISSION STATEMENT

The Town of Morrisville is dedicated to enhancing the quality of life by preserving our past and protecting our future through a collective community partnership. By balancing responsible growth with core values, we embrace a sense of membership, communication, and support.



STRATEGIC PRIORITIES

Quality of Life

- The Town is always searching for ways to add value to the community by preserving history and heritage; providing parks, recreation opportunities, sidewalks and greenways; improving transportation; protecting the environment; and supporting cultural activities.

Superior Services

- Municipal services provided to the community should be a good value, customer service focused, dependable, relevant, well managed, and sustainable. The Town will ensure that training opportunities are provided to employees, elected and appointed officials and volunteers. This will facilitate an environment of continual growth, learning, and willingness to implement innovative strategies, technologies, processes, and approaches that result in more efficient and effective services to the community.

Community Safety

- The Town will provide for a safe community. Citizens will feel safe wherever they may be in Town, driving, biking, strolling on sidewalks or greenways, playing in parks, and safe from fire threats. Citizens will feel confident that when emergencies arise the Town will be prepared to respond in a quick and effective manner.

Growth Management

- The Town will plan and manage growth in a manner that generates development, which maintains the small town character and improves the quality of life for the citizens. The Town will establish and maintain policies, processes, requirements, and plans that address land use, transportation, environmental protection, recreation, public-safety, financial and other critical issues. The Town will ensure new development enhances rather than detracts from the community.

Economic Development

- The Town will encourage and plan for economic development to promote sustainability, support current businesses, bring new businesses to Town, stimulate economic prosperity through quality job creation, and serve as a catalyst for growth and development.

CORE VALUES

Transparency in Government

Well Planned Community

Strategic Visioning

Efficiency

Environmental Responsibility

Vibrant Town Center

Strong Collaborative Relationships

Valued Workforce

Embrace History and Diversity

Continuously Improve

TOWN GOALS BY PERSPECTIVE

Serve the Community

What does our community want? What must be done to implement the vision and mission?

- **Provide an Environmentally Sensitive & Livable Community** – Create a community that is environmentally responsible valuing our historic heritage with gathering places and a small town feel.
- **Provide a Safe Community** – Create a safe & accessible community environment that emanates comfort & security to those that live, work and play in Morrisville.
- **Deliver Quality Services** – Conduct operations in such a way that citizens feel their needs are being addressed through high quality & responsive services.
- **Foster a Healthy Community** – Provide events, activities and programs that promote healthy lifestyles, citizen interaction, and greater pedestrian connectivity.

Run the Operations

What internal processes must we excel at to provide valuable services while achieving the vision and mission?

- **Enhance Community Preparedness and Responsiveness** – Improve the ability to effectively anticipate and respond to emergency situations, from minor incidents to major disasters, through planning, training, collaboration with public and private agencies, and community outreach.
- **Maximize Partnership Opportunities** – Build reliable partnerships and relationships with both internal and external sources that provide opportunities to grow resources, enhance services, accomplish projects and plans, and facilitate training & education.
- **Provide Courteous and Responsive Customer Service** – Conduct operations in such a way that citizens feel their needs are being addressed through high quality, friendly & responsive services. Staff, Town Council, & Volunteers model professionalism, friendliness & reliable interactions with community providing quality services.
- **Model a Positive Town Image** – Emanate a strong, positive identity valued by residents, businesses, & visitors through quality development, community appearance, services & programs.

- **Deliver Efficient Services** – Ensure citizens are receiving a good value from their investments by delivering cost effective services.

- **Cultivate Community Involvement and Access** – Improve quality & frequency of communication to enhance public access to information on Town services, meetings, key issues, & emergency situations. Provide a variety of ways for citizens to share ideas, concerns, & questions with Town officials.

Manage the Resources

How do we deliver quality services efficiently and remain financially sound while achieving the vision and mission?

- **Invest in Infrastructure and Transportation** – Invest in infrastructure maintenance, upgrades, & improvements to plan for future needs & minimize long-term operation & capital cost. Continue developing infrastructure evaluation programs to analyze costs, prioritize maintenance, & secure funding.
- **Maintain Fiscal Strength** – Support fiscal policies & controls that keep the Town government in a financially strong position, allowing it to respond to unforeseen problems, emergencies, as well as opportunities. Continually look for opportunities to diversify revenue sources & leverage outside funding.
- **Maximize Utilization of Resources** – Responsibly use all resources (funds, people, time, assets, partnerships, regional solutions) through service optimization, innovation, process improvements, competition, & other means.

Develop Personnel

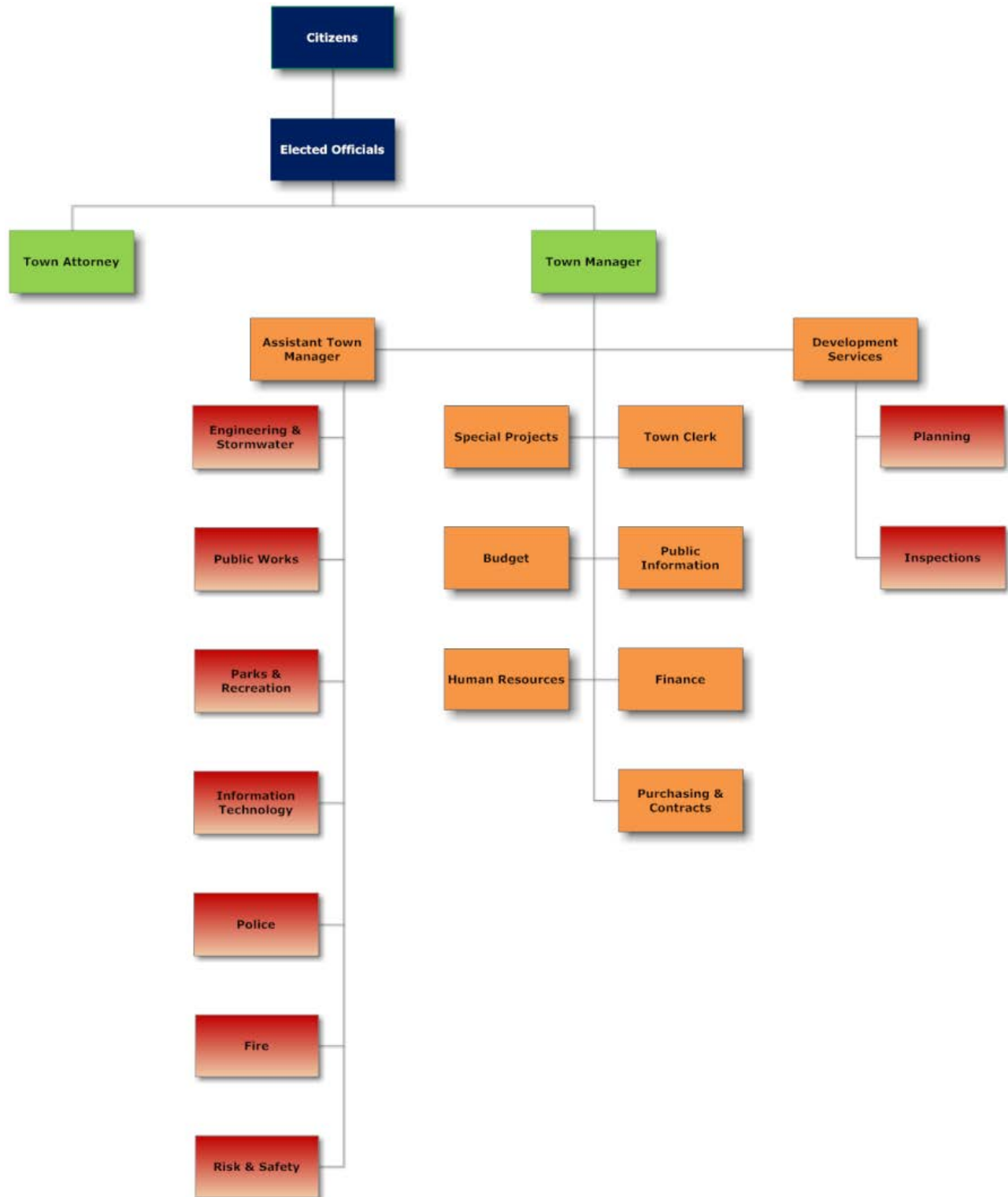
What skills, tools & organizational climate do our employees, elected officials, & volunteer groups need to meet the community's needs while achieving the vision & mission?

- **Develop a Skilled and Diverse Workforce** – Create a work environment that allows the Town to hire & retain a diverse workforce of skilled employees capable of meeting the community needs with focus on career & succession planning.
- **Create a Positive and Rewarding Work Culture** – Create a friendly work environment that is open-minded, supportive, & consistent allowing employee morale & job performance to flourish. Employees are our primary assets delivering high quality services.

Organization



ORGANIZATIONAL CHART



Note: 162 Full Time General Employees and 38.3 Part Time General Employees shown as Full Time Equivalents (FTEs). The organization was re-structured in January 2015.

ELECTED OFFICIALS AND STAFF

MAYOR AND TOWN COUNCIL

Mayor..... Mark Stohlman
 Mayor Pro-Tem / Council Member District 3.....Liz Johnson
 Council Member At Large..... Steve Rao
 Council Member At Large.....Kris Gardner
 Council Member District 1 Michael Schlink
 Council Member District 2.....TJ Cawley
 Council Member District 4..... Vicki Scroggins-Johnson

APPOINTED OFFICIALS AND STAFF

Town Manager Martha L. Paige
 Town Attorney..... Frank Gray
 Assistant Town Manager..... Tony Chiotakis
 Senior Director of Development Services..... Timothy Gauss
 Budget Program ManagerJeanne Hooks
 Finance Director (Acting)..... Allison Picone
 Fire Chief Todd Wright
 Human Resources DirectorLauri Shedlick
 Information Technology Director Dan Birckbichler
 Inspections DirectorForrest Fleming
 Parks and Recreation Director..... Jerry Allen
 Planning Director Benjamin Hitchings
 Police Chief..... Ira Jones
 Public Information OfficerStephanie Smith
 Public Works Director..... Blake Mills
 Purchasing and Contracts ManagerVacant
 Risk Manager.....Chuck Queen
 Special Projects Julia Ketchum
 Town Clerk.....Erin Hudson
 Town Engineer..... Rich Cappola



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Budget Summary





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May 12, 2015



Mayor Stohlman and Members of Town Council:

The proposed Fiscal Year 2016 annual operating budget for the Town of Morrisville is offered for your consideration, recommendation and adoption. The accompanying materials include narrative explanations of the identified priorities along with supporting data, required operational expenditures to sustain basic service delivery and the revenue forecast used to meet forecasted budget objectives. The recommended budget has been prepared in accordance with the North Carolina Local Government Budget and Fiscal Control Act, and maintains a level of core services and programs consistent with our current level (base budget), while prudently and strategically prioritizing unmet needs that will continue to chart our course into the next decade.

Town Council's strategic priorities, affirmed by the annual Town Council retreat and our recent citizen survey, have been programmed into this budget. In many ways, the progress launched in Fiscal Year 2015 on major projects and initiatives has defined our path and direction as we move forward. The focus of the proposed Fiscal Year 2016 Budget concentrates on fulfilling commitments to our citizens and the business community, while preparing for our long-term vision and viability as a prosperous and growing Town. Specific budget allocations recommended in this budget align with our strategic priorities:



The desire to maintain Morrisville's small town feel in conjunction with our place as a forward-thinking and progressive municipality in Wake County is captured within the Town mission statement, *"....by balancing responsible growth with core values, we embrace a sense of membership, communication and support."* Our commitment to high quality but efficient service delivery is demonstrated through our base budget approach and can be viewed as evidence of our core values. Responsible growth is epitomized within targeted budget requests that advance major initiatives started in prior years and creates a path to deliberate and fiscally responsible planning, development, and operational effectiveness. The driving force of these values is the desire and expectation of quality customer service to all.

There are always more needs than resources. The challenge to select from many important needs, requests and desires was made even more difficult this year due to the loss of one of the town's significant revenue sources, the Privilege License Tax. Threats to other sources, most notably the Sales Tax, loom on the horizon. The impacts are unknown, but have influenced the recommendations about the proposed Fiscal Year 2016 Budget. This balanced

budget reflects an overall conservative approach to budget growth while continuing to make prudent investments in impactful priorities that look towards the future. Tough choices are necessary and the strategy employed to close the gap in developing the proposed Fiscal Year 2016 budget included maximizing use of growth in other key resources, limiting and reducing expenditure increases, and reasonable use of our strong fund balance position. Staff and I look forward to working together with Town Council as we continue this journey and achieve success in mapping our course for the coming years.

BUDGET PLANNING AND DEVELOPMENT

The budget planning and review process has been ongoing all year in a continuous cycle of determining goals to identify and validate both the context of our goals and the resources and constraints necessary to accomplish the goals. The recommended budget is a culmination of an action and implementation plan that establishes a means to measure and evaluate results. Town Council and staff collaborated in capturing the goals and direction that guide our work. The Annual Operating Budget supports the resource allocation and scope of authorized work. Staff works year-round in the implementation phase, with periodic check-in and monitoring by Town Council. The annual financial report and other performance reports provide information on project status, conformance with the budget initiatives and guidance for next steps. The budget is a broad plan; however, it is instrumental in serving as our operational compass throughout the year.

Development of a proposed, balanced budget is the responsibility of the Town Manager; however work is not done in a vacuum. The work performed in Fiscal Year 2015 is a compilation of goals, objectives and tasks that have built the framework for the Fiscal Year 2016 Budget. Town Council's annual retreat held in January 2015 provided a comfortable working environment for reflection and visioning by Town Council and validated existing work projects, while fostering collaborative working relationships that are the hallmark of effective decision making. A key feature of the retreat was the presentation of the departmental highlights and major work initiative overviews that laid the groundwork for our discussions. Town Council also received a preliminary snapshot of the funding considerations likely for Fiscal Year 2016. This outlook has been confirmed by the projections and recommendations impacting the proposed Fiscal Year 2016 Budget. Town Council has and will continue to receive comprehensive updates on major projects and initiatives that will influence the proposed Fiscal Year 2016 Budget and those in the coming years.

Staff is creative, nimble and responsive in their approach to their work and participate in all phases of the budget life-cycle. Development of operating budgets and new/non-routine requests began in January and were submitted for consideration in mid-February. Work to evaluate those requests has been ongoing through multiple review stages. Department heads and other critical support function staff provided valuable in-depth knowledge and understanding of factors influencing current operations and future needs that are incorporated into budget recommendations. Special attention has been given this year to providing Town Council an awareness of priorities, initiatives and challenges in both straightforward language and in order of importance in the departmental budget profiles. Staff also participated in a "Bridging the Budget Gap Challenge" in conjunction with the staff retreat in February that reinforced a sense of awareness and allowed us to consider many options to aid in balancing the budget. Where appropriate, departments also were asked to carefully review and evaluate User Fees to reflect value for service and market reasonableness. The departments and its staff are valuable partners in the development of this budget proposal.

Several management team members, including the Assistant Town Manager, Senior Director of Development Services, Budget Manager and Human Resources Director have aided in the continued refinement and ongoing review of the proposed Fiscal Year 2016 Budget. In addition to the processes outlined above, organizational

review utilizing operational and financial analysis tools have complemented the assessment of revenue resources and departmental budget requests. As Town Council deliberates the recommended budget, staff will employ “what-if” modeling to develop scenario based projections to demonstrate impacts on initiatives recommended for inclusion in the budget. This technique is iterative and builds upon known factors and potential impacts of other choices and decisions desired by Town Council. This scenario modeling will be incorporated into the budget review process to facilitate Town Council’s discussion.

Department budgets continue to follow a theme of cost containment using the base budget methodology implemented in 2014. This approach allows for efficient review of the budget in several ways. First, it allows for a careful and prudent examination of a significant percentage of the operating budget based on an assumption of no major change in programs or services, with minor modifications resulting only from routine changes in operational responsibilities, required increases (contract escalations, for example) or inflation. Second, historical comparisons of base budgets more readily illustrate the amount of budget change due to normal operations without fluctuations stemming from project or special initiative costs. Finally, Town Council is able to concentrate on the “discretionary” component of the budget, assuming program assumptions remain the same. For purposes of evaluating the base budget, several major groups of expenses are extracted for review as discretionary items in addition to the typical new routine and one-time expenses, to include carryover items, fleet and equipment replacements and personnel merit pay adjustments. These items vary and fluctuate more than other operational expenditures and are reviewed better separately.

Departmental budgets and new one-time and routine adjustments are incorporated into a long range forecast for four additional years beyond the budget currently under consideration. The primary goal of a long range forecast is to illustrate impacts of prior and current year decisions on future years. A simple example of the need and value of this tool is the inclusion of bond debt in the Fiscal Year 2016 Budget that increases expenditure for many years. Updates of master plans, equipment replacement, and new recurring expense (primarily personnel) are other examples of significant expenditures that may fluctuate year over year that must be incorporated into current year budget decisions. Revenue forecast assumptions also aid in projecting the gap between needs and resources.

Budget development has been heavily influenced this year by the uncertainty surrounding proposed state legislation affecting the Town’s ability to diversify its revenue sources among several categories rather than even greater reliance on the property tax rate. The complete loss of the Privilege License Tax revenues from legislative action in May 2014 is reflected in the Fiscal Year 2016 Budget. Earlier this year, Powell Bill revenues were threatened due to Gas Tax debates, although the stabilization of the Gas Tax has been resolved and reflected accurately in the proposed budget. As of the date of this budget message, three bills have been introduced that would severely impact future revenues, two related to Sales Tax redistribution. Potential impacts of one of these bills suggests the Town of Morrisville could lose from \$950,000 - \$1,220,000 over the next three years in Sales Tax revenue, roughly equal to 2.5 – 3.2 cents value of the property tax rate. A third bill restricts the town’s ability to assess a fee related to a business license registration program as a substitute to the Privilege License program. Other legislation introduced in the North Carolina General Assembly reflects a general sentiment of limitation and restriction of municipal authority. The full impact of these bills, should they become law, is uncertain at this time and cannot accurately be assessed. The Governor of North Carolina has publicly stated his commitment to work towards finding replacement revenue options for municipalities, which may alleviate some of the future revenue loss. That outcome is also unknown. As a result, the proposed Fiscal Year 2016 Budget reflects the total impact of the loss of the Privilege License Tax to the Town. The proposed budget has maintained reasonable revenue projections for Sales Tax in accordance with the current distribution methods. The risk of future loss or dilution of other revenues has been considered and used to make recommendations for other conservative and in some situations difficult expenditure choices and fund balance appropriations in order to balance the budget. Due to

the lack of identified replacement revenue for the Privilege License Tax, no recommendation to pay off the public safety radio installment purchase debt has been recommended in the proposed Budget. There are other unmet needs that await future consideration. We will continue to monitor state legislative activity through the budget review process and into the upcoming fiscal year to protect our financial condition. The Fiscal Year 2016 Proposed Budget is designed to reflect that uncertainty and remains cautious as we strive to work together with the state legislature to address municipal needs and ensure our programming of resources is sustainable going forward.

BUDGET OVERVIEW

The Town of Morrisville has continued to benefit from relatively stable growth in both residential and commercial development. This growth is projected to maintain these current levels for the short-term future. The access to approximately 400 acres in the McCrimmon Parkway Extension area to commercial development as the 2012 voter approved bond road project begins active development has been considered in our long range forecast.

The strong growth in the Town is also evident in the significant increase in our population, projected to have increased 25% to approximately 23,000 (in-house estimate) since the 2010 census count of 18,576. The Town is currently undergoing a special census to capture this additional population and resulting per capita revenue share to support ongoing operations. Results of the census are expected this fall. Future year revenue projections will be adjusted accordingly when information becomes available.

Development and population growth, combined with the Town's customary fiscal restraint and proactive cost containment in times of uncertainty, has cushioned the impact of the projected revenue shortfalls and avoided the need to cut or eliminate programs or reduce staffing levels. Ongoing delivery of core services coupled with careful and deliberate inclusion of initiatives that continue the progress currently underway prepares the Town for future growth in targeted areas and remain the main tenets of the recommended budget appropriations.

In addition to core service delivery, the proposed Fiscal Year 2016 Budget continues to focus on roads and transportation needs; maintenance and replacement of existing public assets and infrastructure; and community branding and identification.

The total operating budget for Fiscal Year 2016 is \$ 29,048,600 for the following annually adopted funds:

General Fund	\$ 28,185,000
Stormwater Fund	\$ 661,200
Municipal Service District Fund	\$ 202,400
Water and Sewer Fund	\$ -

Adoption Note: Based on Town Council modifications to the recommended budget, the General Fund Budget for FY2016 is \$27,625,000 and the Stormwater Fund Budget for FY2016 is \$661,200.

The proposed Fiscal Year 2016 General Fund Budget reflects an approximate 0.01% increase as compared to the current amended Fiscal Year 2015 General Fund Budget of \$28,145,000 (less stormwater for comparison), or an 7.5% increase over the Original Fiscal Year 2015 Budget of \$26,201,000 (less stormwater for comparison) adopted June 24, 2014. Revenues from operations, more fully described below, reflect overall growth of approximately 7%, which is reflective collectively of the increase in the property tax rate of \$0.02, from \$.39 to \$.41 per \$100 valuation for the 2012 voter approved bond projects, the loss in Privilege License Tax and the use of fund balance (inclusive of carryover appropriations unused from Fiscal Year 2015). Real revenue growth in comparison (less

transfers and fund balance) approximates to 3% as compared to the prior year. No additional Property Tax increase is proposed to offset lost revenues from the Privilege License Tax or other operational costs.

General Fund expenditures include base budget expenditures, new ongoing expenditures, and one-time allocations that contribute to the strategic goals and priorities established by Town Council. Expenditures also include transfers to reserve funds for capital purchases and road projects. Public safety, community services and development functions account for 31%, 31%, and 11% respectively of Town operations. Debt service increased 32% in Fiscal Year 2015 to an additional 44% in the proposed Fiscal Year 2016 Budget due to the planned issuance of 2012 voter approved road bond debt in the upcoming year. Transfers, town administration, and support account for the remainder of Town operations.

The Stormwater Fund, previously included in the General Fund, is proposed as an enterprise fund and is included as such in the draft budget ordinance. The recommendation to establish the enterprise fund reflects the substance of discussions with Town Council during review of the Fiscal Year 2015 Budget and the desire to monitor and track cost recovery balances from the stormwater equivalent residential unit (ERU), currently at \$25 per ERU, and the General Fund subsidy to cover basic programmatic expenses. Enterprise funds are used to effectively account for activities for which a fee is charged to external users for goods or services. If the principal revenue is assessed related to a level of cost recovery, an enterprise fund is a useful fund accounting mechanism. Utilities are commonly accounted for via enterprise funds. The enterprise fund will also provide more transparency for the nutrient offset credits and stormwater maintenance bond fees collected by the Town that are restricted for specific projects rather than operational expenses. While the presentation style for the Stormwater Fund has changed, revenue and expense projections for the Stormwater Fund have not been adjusted. The basic level of stormwater programming is continued for the upcoming fiscal year.

The Municipal Service District (MSD) budget for Fiscal Year 2016 assesses a tax rate of \$0.10 per \$100 assessed value for the costs related to the transfer and improvement of the private streets to public street standards. Six neighborhoods provided a majority of signed petitions necessary to form the MSD and are assessed a special tax rate annually which was established in Fiscal Year 2014. The tax rate will continue to be levied for those specific neighborhoods until the cost of the improvements is complete. The MSD tax increment is anticipated to generate approximately \$92,400 in Fiscal Year 2016 with an annual transfer from the General Fund of \$110,000 to fund future projects. These revenues are maintained in a special revenue fund and may only be used for this purpose. The objective of this transfer is to allow work to proceed on the projects at a faster pace than tax collections will provide and before roads deteriorate further. The first project, Huntington Park, began in March 2015 and is in the final stages of completion. The next project is anticipated to begin in FY2018 once funding reserves become available.

The Water and Sewer Fund provides for the operations and management transferred to the Town of Cary via a utility merger in 2006. The Town of Morrisville has retained some sewer capital funding in Debt Service to complete approved capital projects. These debt service payments are expected to conclude this year and the fund is scheduled to close prior to the end of the Fiscal Year 2016. There are no appropriations necessary at this time.

Other non-operating budgets for Fiscal Year 2016 include the following annually adopted fiduciary funds:

Retirement Health Care Fund (OPEB) Fund	\$ 291,750
Retirement LEO Separation Allowance Fund	\$ 61,000

Capital Project Funds with approved project ordinances are on multi-year budgets and are not related to the annual operating budget ordinance unless through a planned interfund transfer(s) or debt obligation(s).

GENERAL FUND OVERVIEW

Ad Valorem Taxes (Property Tax/Auto Decal Fee)

The Fiscal Year 2016 property tax rate is recommended to increase by \$0.02 from the current year rate of \$0.39 to \$0.41 per \$100 of property valuation. The \$0.02 tax rate increase is directly related to the voter approved 2012 Street and Parks Improvement Bonds. Design work has been underway through Fiscal Year 2015 and right-of-way acquisition and preliminary construction work is anticipated during Fiscal Year 2016 on the McCrimmon Parkway Extension (NC54 Bypass). Work will continue for several years, and when completed will provide additional enhanced major road connectivity and promote future commercial development in the Perimeter Park area and between Airport Boulevard and Aviation Parkway. Town Council also continues to explore options related to the Morrisville Aquatics and Fitness Center renovation project included in the 2012 voter bond referendum.

The property tax base is projected to remain constant in the upcoming year, with conservative growth forecast over the next five years. Town of Morrisville property owners benefit from one of the lowest tax rates and costs for service in Wake County. Revaluation is scheduled to occur in 2016 with potential impacts materializing in FY2017. Preliminary forecasts suggest little to no increased property tax base value from the reassessment; growth will continue primarily from new development and subsequent redevelopment. Morrisville will work closely with the Wake County Tax Assessor through this next year as the county begins their process of gauging revaluation impacts.

The General Fund Ad Valorem revenue for Fiscal Year 2016 is estimated at \$15,803,800 and represents 56% of the total budget. This estimate is based on a 99% collection rate and reflects Fiscal Year 2015 experience with the "Tax and Tag Together" program. Overall, the Ad Valorem revenue is anticipated to increase approximately 9% as compared to the Original Budget of Fiscal Year 2015. Approximately 5% is directly attributed to the \$0.02 tax rate increase from the 2012 voter approved bond referendum.

The Town currently collects a \$15 Vehicle Tag Fee, which remains the same for Fiscal Year 2016. One-third of this amount (\$5) is unrestricted; \$10 is committed to repair and maintenance of town roads.

Sales and Use Tax

Sales Taxes growth projections exceeded Fiscal Year 2015 estimates by 4% and have averaged 6% over the past two years. Forecasting assumptions remain consistent but conservative, and maximize use of anticipated revenues in the operating budget. Sales Tax revenues are projected to increase by 4% to \$4,114,000 for Fiscal Year 2016. Sales Tax revenues represent our second largest revenue source at 15% of the total budget. Future Sales Tax growth would be favorably impacted by the special census and negatively impacted by Sales Tax redistribution legislation currently being considered by the North Carolina General Assembly (N.C.G.A.).

Privilege License Tax

The Privilege License Tax has historically been a significant source of revenue for the Town of Morrisville. In Fiscal Year 2014, the Town received \$865,000 from this revenue source, or 3% of the total budget. On May 29, 2014, the North Carolina General Assembly eliminated municipal authority to assess Privilege License Taxes effective July 1, 2015. Based on projected current year-end estimates for Fiscal Year 2015 and original assumptions for Fiscal Year 2016, the Town will lose approximately \$960,000 over the two-year period. A loss of \$70,000 can be attributed to Fiscal Year 2015 and \$890,000 represents the anticipated projection for Fiscal Year 2016. This loss of revenue correlates to an equivalent of \$0.025 on the property tax rate. This loss has been absorbed within the budget through a combination of other revenue and expenditure adjustments and use of fund balance.

Other Major Revenues

- o Utility Franchise Tax is projected to increase approximately 2% over Fiscal Year 2015 budget estimates and represents 4% of the total budget.
- o Parks and Recreation Programs and Facility Revenues are projected to increase by 2% over Fiscal Year 2015 budget estimates. The sources collectively represent 3.6% of the total budget. Development Services Permits and Fees (Planning, Engineering, and Building Inspections) have remained strong for Fiscal Year 2015. Development in Park West has heavily influenced high revenue from these fees. Revenue assumptions for Fiscal Year 2016 have been adjusted slightly to reflect modest decreases as Park West reaches full build out. These revenues account for 3% of the total budget.
- o Video Programming fees remain consistent from Fiscal Year 2015 budget at \$670,000.
- o Other intergovernmental revenues (Powell Bill, Wake County Fire Tax, Beer & Wine, Rental Vehicle and Solid Waste Disposal) remain comparable to current year budget estimates.

User Fees

The Town assesses a variety of User Fees for Town services including administration fees, inspection permits, police alarm fees, fire department service and permit fees. During the Fiscal Year 2016 Budget development process, departments evaluated fee structures and rates for market comparability, value for service provided, and cost recovery, where appropriate. Changes in these fees for service have been recommended and are illustrated in the User Fee Schedule included in the budget document.

Operational Expenditures

The base budget funding approach used for the Fiscal Year 2014 and 2015 Budgets was continued for development of the Fiscal Year 2016 Budget. Basic routine services and recurring expenses (excluding transfers, contributions and grants, and capital outlay) are approximately \$22,773,000 annually at current operational service levels. The Fiscal Year 2016 Budget provides additional funding above the base operating budget for \$4.5 million in priorities identified by Town Council and other material items related to efficient and effective management of the Town. Approximately \$3.5 million of the recommended expenditures may be considered one-time budget appropriations to address specific projects, of which \$1.2 million is carryover of prior year commitments and reappropriations for designated projects. Proposed budget appropriations also maximize the use of existing revenues and accumulated fund balance that exceed the established fund balance policy that have not previously been allocated. An

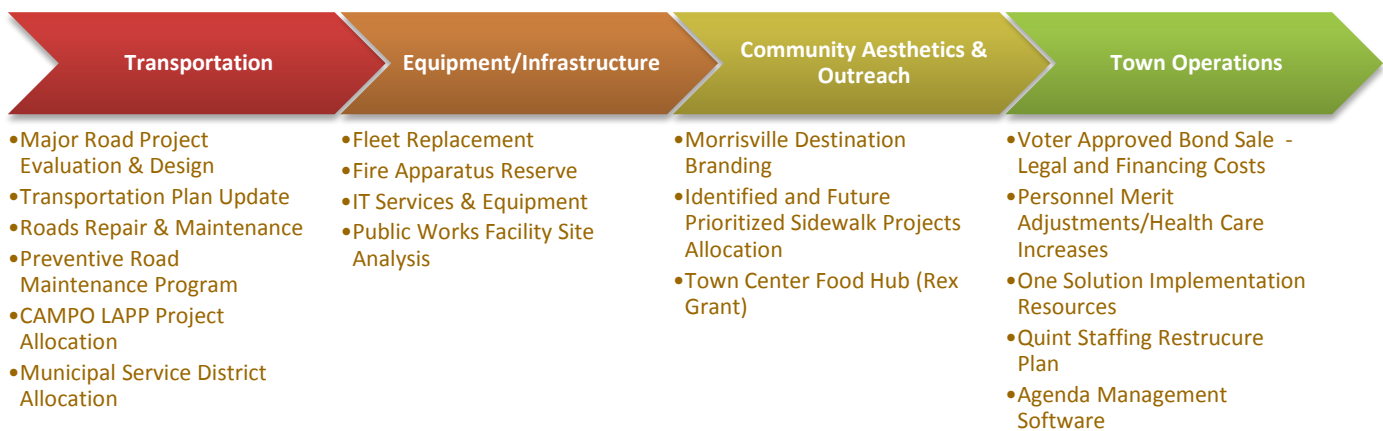
additional \$885,000 in debt service (\$1,430,000 for the 2012 Voter Approved Bonds net of retired debt) is also programed into the proposed budget.

Adoption Note: Based on Town Council modifications to the recommended budget, the anticipated debt obligation related to the Voter Approved Bonds was reduced by half based on new information.

Recommended projects and allocations are focused in three primary areas:

1. *Dedicating available resources to address major road, street, and sidewalk needs;*
2. *Meeting identified operational equipment and repair/maintenance needs; and*
3. *Completion and continued implementation of existing projects and initiatives.*

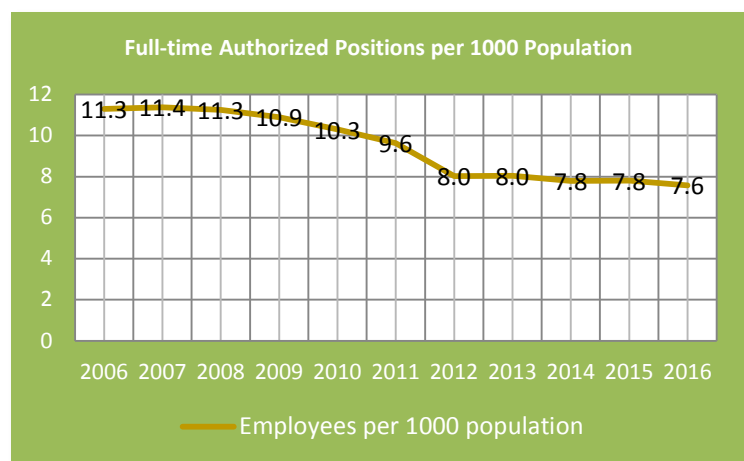
Key programmatic expenditures include:



Additional details about these items and smaller recommended allocations are provided in the department budget profiles.

Personnel Expenditures

The Town of Morrisville continues to maintain a very low staffing level per capita. Expansion of Town service needs and new facilities, and external demands from legal, regulatory, and environmental mandates and from other partner agencies, outpace the growth in staffing needed to maintain and improve desired performance and response. Workload capacity limitations are evaluated through ongoing organizational review and operational efficiency analysis. Where possible, flexibility in staff resource allocation and restructuring of existing positions may aid in maximizing efficiency and effectiveness. Combined with long-range planning and forecasting, the Town can make strategic decisions to manage personnel costs and seek creative alternatives and solutions to completing its important work.



Organizational realignment of some staff and job duties in Administration and Finance were implemented mid-year. Transition of workload responsibilities and imbedding this new structure in the organization is ongoing. Evaluation and adjustment to the new structure will be necessary prior to considering other changes in these areas. A review of Development Services/Planning is underway to consider options for strengthening our service to our business community and address identified workload burdens. Future staffing level recommendations may result from this review as well. Staff for the five new positions authorized by Town Council in the Fiscal Year 2015 Budget have been hired and are assimilating into their respective departments. Recommendations from the Information Technology Needs Assessment, including appropriate staffing levels, are being reviewed.

Town departments evaluate staffing needs and make recommendations for new staff as a part of their annual budget submission. Departments are responsible for documenting need and justifying the request to add personnel. Prior to recommending a new position, staff is challenged to explore alternative solutions to meet needs with existing staff and other resources.

The ongoing review of organizational alignment that is efficient and effective, the increase in full-time employee count from Fiscal Year 2015, and the lack of available resources to fund strategic needs and priorities requires difficult choices when requesting new personnel. As a result, no new position requests have been proposed for the Fiscal Year 2016 Budget. Authorized, full-time positions remain at 162 for Fiscal Year 2016.

The Fiscal Year 2016 Budget includes two personnel requests:

- *Part-time staffing resources to aid the Town as we pursue implementation of One Solution as our Finance and Community Development data management software solution. The Town will need to maintain expertise with our current AS400 information technology platform and require additional project management support for the project over the life of the implementation.*
- *Resources to implement the Fire Department quint staffing restructure that puts in place the hierarchy of positions (captain, lieutenant, engineer) as we plan for the next major purchase of equipment in 2018. The requested resources allow for alignment of pay grades and salaries within the pay plan to support the promotions anticipated within the department as a part of the deployment of this plan.*

Health Care Costs

Health care costs continue to increase based on requirements of the Affordable Care Act and the Town's claim history. Currently, the Town funds 100% of the cost to provide health and dental insurance for each employee and contributes 30% towards the cost of dependent health and dental insurance premiums. The Town also utilizes a Health Reimbursement Account (HRA) as a cost containment strategy to help manage overall healthcare costs.

Initial rate increase estimates were 20% prior to successful renegotiation with our benefits providers and modifications to our benefit plans. Modifications to the health care plan design include modest increases in office visit and pharmacy co-pays paid by the employee.

While the Town has sponsored voluntary wellness programming for the past several years, our employee participation rate has not resulted in any premium discounts. The Town is committed to supporting wellness activities and will continue to offer these programs to employees this year on a voluntary basis. As an incentive, employees participating in the program will be able to maintain employee coverage at no cost. Employees who do not wish to participate in the program will begin paying \$15.00 a month to offset the lost discount effective January 2016.

As a result of these changes, final health care premium increases were approximately 7%. There are no substantive changes to the cost or plan design of other benefit programs.

Additional employee contributions toward healthcare premiums and other plan design changes may be necessary in the future if wellness program participation and other cost control mechanisms do not stabilize increases in annual cost.

Employee Compensation/Merit Pay

The Town has established a Performance Pay Plan to reward employees for their dedication and performance. The current Plan design uses a combination of pay range and performance rating as determined by an annual performance evaluation at the end of the calendar year, and a combination of increase to base salary and lump sum award, ranging from 2.2% to 6.2% based on the first two factors. Since this plan was implemented in 2011, the cost of merit pay adjustments has been approximately 3 – 3.5% of personnel cost and comparable to merit level increases proposed by other towns in Wake County.

Recognizing the value of our highly qualified and committed staff is essential to maintaining talented and skilled personnel. The current pay plan was established with this in mind, while also addressing the need to limit the ongoing impact of salary adjustments on the operating budget. The plan itself is difficult and cumbersome to administer due to the multiple factors that must be used to determine the appropriate pay adjustment rate, and the gap between performance evaluation and merit adjustment results in a lengthy delay in the assessment of performance and pay award. The plan also disincentivizes high performers if they are at the higher end of the pay range.

An updated Performance Pay Plan model is recommended for implementation effective July 1, 2015 and is outlined more completely in a Personnel Resolution included as a part of the Budget Ordinance. Plan components include:

- The Performance Evaluation year will change from a calendar year to a fiscal year to allow work plan objectives and results to correlate with financial and operational results customarily evaluated during a budget year. Work plan goals will be established for all employees in July 2015, to be evaluated in June 2016. Merit award for this performance year would be included as a part of the Fiscal Year 2017 budget proposal.
- Future Merit awards, subject to Town Council approval and inclusion in the adopted budget, will be structured as follows:

o <i>Meets Expectations</i>	<i>2%</i>
o <i>Exceeds Expectations</i>	<i>3%</i>
o <i>Far Exceeds Expectations</i>	<i>4%</i>
- Merit awards will be added to base pay; lump sum component of merit pay will be eliminated. All merit pay awards are based on Town Council approval and subject to funding in the annual budget.
- Merit awards will not be based on salary placement within the pay range.
- Other modifications to the plan for promotion, proration and other change in job status will be addressed in the revised pay plan.

To allow for transition in the performance evaluation year from a calendar year to a fiscal year, and to reflect the change in base/lump adjustment merit percentages, for Fiscal Year 2016, the following implementation plan is proposed:

Effective July 1 2015, all eligible employees will receive ½ of the current pay plan’s total compensation adjustment percentage based on their December 31, 2014 performance evaluation:

o	<i>Meets Expectations</i>	1.1%
o	<i>Exceeds Expectations</i>	2.1%
o	<i>Far Exceeds Expectations</i>	3.1%

All merit pay awards will be applied to base salary. This pay award methodology will approximate an average merit award of approximately 2%.

Subject to a review of December 31, 2015 fund balance and lapse salary information, should funds be available, an additional 0.9% of merit pay will be recommended to Town Council for all employees based on their December 31, 2014 performance evaluation effective January 1, 2016. Appropriation of these funds would occur at that time, and are not included in the Proposed Fiscal Year 2016 budget.

The Town’s pay plan for full-time employees describing the approved position classifications, grades, and pay ranges is included in the Budget Summary. Recommend changes and additions to position classifications, job titles and pay grades have been incorporated into the plan. The pay plan beginning and ending ranges have been

Adoption Note: Based on Town Council modifications to the recommended budget, the budget provides for full implementation of the Merit Plan without the need for the transition plan as defined above. This provides for an average merit award of approximately 3%.

adjusted 2% to reflect rates of pay offered in the recruitment market and with competing jurisdictions to ensure the Town can continue to attract and retain qualified and skilled employees.

A comprehensive review of the Town’s pay ranges and salary structure will be completed prior to January 1, 2016 to ensure the revised performance pay plan structure maintains market competitiveness within Wake County and achieves the goals of properly incentivizing employees for their performance while sustaining long-term affordability. A review of the part-time performance evaluation merit pay plan is also scheduled for completion during Fiscal Year 2016.

Other Employee Benefits

The Local Government Employees Retirement System (LGERS) Board has voted to reduce the General Employees contribution rates to 6.67%, a 0.4% reduction over last year. The Law Enforcement Officers (LEO) rate will decrease from 7.55% to 7.15%. The legislature has recently introduced bills that may grant a Cost of Living Adjustment that would impact the LGERS Board approved rates noted above.

Additionally, Morrisville continues to contribute annually 5.35% of gross wages for both General/Fire employees and LEO employees toward the liability created when Morrisville bought into the retirement system July 1, 2003. The Local Government Employees Retirement System (LGERS) liability pay-off was projected to be completed sometime around Fiscal Year 2018 based on Fiscal Year 2011 payroll of \$2.5M. An updated actuarial study will be necessary before assumptions are incorporated within long range forecast considerations to better anticipate this concluding liability.

Community Investment Program Expenditures

The sale of the 2004 voter authorized \$4 million Parks and Recreation General Obligation Bonds occurred in June 2013 to fund the RTP Park (now named Church Street Park) Capital Improvement Project. Construction is complete and the park is open for use. Full debt service for Church Street Park is incorporated in the Fiscal Year 2016 Budget and will continue until 2034.

As of June 30, 2014, the Town has a total of \$20,000,000 in authorized, but unissued bonds outstanding. These voter approved bonds relate to 2012 Street Improvement Bond of \$14,300,000 and the 2012 Park Improvement Bonds of \$5,700,000 (MAFC Renovation Project and Phase II of Morrisville Community Park).

The initial design phase of the 2012 voter authorized \$14.3 million Street Improvement Project began in Fiscal Year 2014. Work on this project (now named McCrimmon Parkway Extension) will continue into Fiscal Year 2017.

The 2012 voter approved Park Improvement Project design activities are scheduled to commence in Fiscal Year 2016 with an anticipation of debt issuance in Fiscal Year 2018.

The Church Street Walking Loop and Morrisville-Carpenter Road/Progress Energy roadway and sidewalk improvement project are included in the Fiscal Year 2016 Budget (carried over from Fiscal Year 2014).

In Fiscal Year 2014, a second Church Street Walking Loop project was identified and approved for CDBG funding through Wake County. The required match of \$92,000 is encumbered within the current budget.

The Capital Investment Program (CIP) Policy was recently updated March 24, 2015 by Town Council. Significant changes were incorporated through the update that provides for the appropriate consistency in direction and guidance for the purposes of developing funding strategies that responsibly plan for good capital investments that ultimately work to realize tangible result for the community while supporting sustainable budgets. Town Council and staff participated in a CIP Project Concepts Q&A work session March 5, 2015. Prioritization of projects are pending the completion of a comprehensive citizen survey and the conclusion of a roadways and sidewalk prioritization policy. These are important tools to use in establishing future priorities as Council will likely proceed into the next stages of CIP planning in July. Given that no CIP projects are designated for activation with this annual operating budget, the CIP will transpire off-cycle to the annual operating budget.

Debt

The Town's debt policy outlines the goal of keeping tax-supported debt service to a maximum of 15% of governmental expenditures. The Town's current annual debt obligation of \$2,888,100 in Fiscal Year 2016 is 10.2% of the proposed budget as compared to 7.6% of the original budget for Fiscal Year 2015. New debt will be limited without property taxes rate adjustments to pay associated costs for capital improvements or without sustained growth in annual operating revenues.

Retired debt has been recognized as a result of the conclusion of the 2004 Street Improvement Bonds (\$67,275), the 2008 Downtown Development land purchase (\$197,357) and 2004 Installment purchase for fire apparatus

Adoption Note: Based on Town Council modifications to the recommended budget, the anticipated debt service was reduced to \$2,173,100 and is 8% of the proposed budget.

(\$40,700) in Fiscal Year 2015. New debt obligation was realized in FY2015 with the additional financing instruments for Public Safety Radio Replacements and the full extent of the 2004 RTP Park debt.

Fiscal Year 2016 anticipates additional debt obligation payments of \$1.43 million annually for the 2012 Street Improvement Bonds. Future payments of \$570,000 for the 2012 Park Improvement Bonds are scheduled to begin in Fiscal Year 2018.

Fund Balance

The recommended budget includes an appropriation of \$ 1,259,800 unassigned fund balance, resulting in a forecasted fund balance of 45% at the end of Fiscal Year 2016 based on 100% execution of the proposed budget. This balance would remain at the higher end of the 25% - 45% unassigned fund balance policy. This proposed use of unassigned fund balance for one time expenditure items, primarily transportation and equipment/infrastructure, combined with more strategic forecasting of anticipated revenues for the budget year, allows for better defined use of resources during the year. Leveraging our strong fund balance position is a material part of our budget balancing solution with known lost revenue resources and unknown impacts from looming legislative discussions.

Adoption Note: Based on Town Council modifications to the recommended budget, the appropriated Fund Balance was reduced to \$684,800 to balance the annual operating budget.

Use of the unassigned fund balance during Fiscal Year 2015 effectively programs anticipated needs and priorities for the Town rather than as additional new funding decisions individually throughout the year. This approach allows Town Council to more effectively evaluate multiple and competing priorities collectively as a part of its established strategic goals and priorities.

FUTURE OUTLOOK

The Town of Morrisville has employed a conservative approach in balancing existing resources with routine operational expenditures and strategically choosing between its priorities and needs. This fiscal responsibility has allowed the Town to maintain a low property tax rate and an overall low cost of programs and services for our residents. Initiatives begun in Fiscal Year 2014 and 2015 are well underway and coming to fruition. The focus on long-range planning will achieve long-term reward while allowing us to maintain our small town look and feel.

Property tax rate adjustments have been linked directly to significant capital improvement projects approved by voters, indicating their willingness to invest in the community. The update of our capital investment planning policy, process and project prioritization will provide a framework for evaluating and considering future major projects. Roads, Transportation, Parks and Recreation, Town Center, and Greenways will continue to be important considerations in future budget discussions. Completion of current projects will provide staff and funding capacity for taking on new projects in the future.

The Town, literally and figuratively, is at a crossroads. Revenues and resources continue to be challenged and, even with sound assumptions and careful and deliberate forecasting, may be dramatically impacted in coming fiscal years. Options other than property tax increases are limited. User fees, particularly for solid waste programs, may need to be implemented in the future. The special census is anticipated to provide additional revenue, but real estate assessed value from revaluation may not bring additional significant revenues. Discussions of sales tax redistribution are alarming. Staff will continue to expand its revenue diversification review to facilitate these discussions comprehensively, rather than haphazardly make individual decisions. A strong fund balance continues to be essential to the Town's cash flow needs, with responsive flexibility to leverage for other state and federal grant resources opportunities that may arise, and to protect against unknowns surely facing municipalities.

The Town provides a good base of core services to the community. New facilities and services will require even more base-budget allocation, pulling funding availability away from major projects and initiatives. Even with emphasis on organizational efficiency and effectiveness, future capacity of staff at existing levels may not be available. Debt capacity is limited without correlating property tax rate increases.

As we chart our course for the future, we will continue to make the best choices within a comfortable range of cost to our citizens. This approach allows for slow and steady accomplishment of goals and objectives, but does require making tough choices. The proposed Fiscal Year 2016 Budget provides the opportunity for progress to continue, shares the burden for available capacity, and sets a path for future growth and adaptability.

Contrary to being pessimistic about the future, I remain confident in our ability and intention to be resilient in the face of the uncertainty as we navigate our course in Fiscal Year 2016. We will continue to build on the people, places and programs we already have in place. Collaboration and spirit of community continue to grow in Morrisville and as we work together on addressing and meeting the needs and desires of our residents and businesses we face exciting opportunities still yet to come.

ACKNOWLEDGEMENT

Each day town staff contributes to the fiscal strength of the Town of Morrisville through their commitment to high quality performance and careful use of Town resources. Their year-round efforts allow us to maintain service levels at high standards in a cost conscious and efficient manner. I appreciate the attention paid to monitoring and managing budgeted expenses. Thank you to every employee in the Town.

Department heads and their key staff members worked to deliver reasonable and meaningful budget requests. I value their input on needs and assessment of the priorities and challenges they face in their work. Special thanks for active participation in the “Bridging the Budget Gap Challenge” – their input was insightful and valuable to the budget preparation process.

Tony Chiotakis, Assistant Town Manager, and Tim Gauss, Senior Director for Development Services, helped review departmental budgets, evaluate options and review priorities and needs as we put together a recommended budget proposal. Their perspective and insight is balanced and steeped in historical knowledge and context. They help me be a better manager.

I appreciate Human Resources Director Lauri Shedlick’s extra efforts to help me work through what I deem are essential changes to aligning our performance evaluation cycle to the merit pay award and ensuring fair recognition to our employees, addressing the over burdensome complexity of calculation and transparency, and maintaining the sustainability of the plan over time. Decisions affecting employee’s compensation are always difficult, but I believe the revised structure outlined in the proposed budget benefit both the Town and employees long-term.

Jeanne Hooks, Budget Manager, deserves most of the credit for the budget document. Her attention to detail and commitment to capturing the information necessary to choose between multiple priorities and competing needs is exceptional. She is willing to both lead and guide, and the team effort we have employed to develop the Fiscal Year 2016 is rewarding and fulfilling, and I believe has resulted in a fiscally sound and productive plan for the upcoming year.

CONCLUSION

I wish to thank Town Council for their guidance and support throughout the year. Their contributions are also evident in the proposed Fiscal Year 2016 Budget, as our focus continues to be on making progress while working towards completion of work already underway. No budget can meet all individual goals and objectives. Town Council has provided solid direction to staff for this year and beyond.

We look forward to sharing specific details of the proposed budget and providing a cohesive backdrop of context and information for your use in deliberations over the next several meetings. Budget workshops on May 19 and June 4 will be designed to facilitate your review. Supplemental information will aid in reviewing significant expenditures and more complex items. The public hearing on the budget is scheduled for May 26, 2015.

Sincerely,

Martha L. Paige
Town Manager/Budget Officer



SUMMARY OF COUNCIL ADOPTION

Listed below is a summary of actions taken by Town Council at Adoption, modifying the original recommendation as referenced by the "Adoption Notes" annotated within the original Budget Message.

General Fund	2016 Recommended	2016 Council Adopted	Variance	Variance Notes
Ad Valorem Taxes	\$ 15,803,800	\$ 15,803,800	\$ -	
Unrestricted Intergovernmental	\$ 6,267,000	\$ 6,267,000	\$ -	
Restricted Intergovernmental	\$ 943,500	\$ 943,500	\$ -	
Other Taxes & Licenses	\$ 933,700	\$ 933,700	\$ -	
Permits & Fees	\$ 980,700	\$ 980,700	\$ -	
Sales & Services	\$ 1,137,000	\$ 1,137,000	\$ -	
Investment Earnings	\$ 17,500	\$ 17,500	\$ -	
Miscellaneous	\$ 525,700	\$ 540,700	\$ 15,000	Anticipated partnership for Ped Transit Pads
Transfers in from Other Fund Sources	\$ 316,300	\$ 316,300	\$ -	
Appropriation of Unassigned Fund Balance	\$ 1,259,800	\$ 684,800	\$ (575,000)	Reduced need for Unassigned Fund Balance to Balance Budget
Total General Fund Revenues	\$ 28,185,000	\$ 27,625,000	\$ (560,000)	
General Government	\$ 4,939,200	\$ 5,059,200	\$ 120,000	Fully funded Merit Program
Public Safety	\$ 8,582,100	\$ 8,607,100	\$ 25,000	Crossing Guards
Economic & Physical Development	\$ 2,132,200	\$ 2,132,200	\$ -	
Public Works	\$ 6,860,200	\$ 6,870,200	\$ 10,000	Net difference in Solid Waste contract savings and addition of LED Lighting Project
Engineering	\$ 1,039,600	\$ 1,039,600	\$ -	
Culture & Recreation	\$ 1,743,600	\$ 1,743,600	\$ -	
Debt Service	\$ 2,888,100	\$ 2,173,100	\$ (715,000)	Reduced anticipated debt for 2012 Bond Project based on new information
Total General Fund Expenditures	\$ 28,185,000	\$ 27,625,000	\$ (560,000)	

Stormwater Enterprise Fund	2016 Recommended	2016 Council Adopted	Variance	Variance Notes
Sales & Services - Stormwater ERU Fee	\$ 510,000	\$ 510,000	\$ -	
Permits & Fees - Stormwater Review Fee	\$ 25,000	\$ 25,000	\$ -	
Restricted	\$ -	\$ -	\$ -	
Investment Earnings	\$ -	\$ -	\$ -	
Transfer in from General Fund	\$ 126,200	\$ 126,200	\$ -	
Total Municipal Service Fund Revenues	\$ 661,200	\$ 661,200	\$ -	
Operations	\$ 586,200	\$ 586,200		
Capital Outlay	\$ 75,000	\$ 75,000		
Total Municipal Service District Fund Expenditures	\$ 661,200	\$ 661,200	\$ -	

Municipal Service District Fund	2016 Recommended	2016 Council Adopted	Variance	Variance Notes
Ad Valorem Service District Taxes	\$ 92,400	\$ 92,400	\$ -	
Investment Earnings	\$ -	\$ -	\$ -	
Transfer in from General Fund	\$ 110,000	\$ 110,000	\$ -	
Total Municipal Service Fund Revenues	\$ 202,400	\$ 202,400	\$ -	
Operations	\$ 202,400	\$ 202,400		
Transfer to General Fund - Debt Service	\$ -	\$ -		
Total Municipal Service District Fund Expenditures	\$ 202,400	\$ 202,400	\$ -	

Water and Sewer Fund	2016 Recommended	2016 Council Adopted	Variance	Variance Notes
Investment Earnings	\$ -	\$ -	\$ -	
Debt reimbursement from Town of Cary	\$ -	\$ -	\$ -	
Total Water and Sewer Fund Revenues	\$ -	\$ -	\$ -	
Debt Principal	\$ -	\$ -	\$ -	
Total Water and Sewer Fund Expenditures	\$ -	\$ -	\$ -	



100 Town Hall Drive
Morrisville, NC 27560

FISCAL YEAR 2016 ANNUAL OPERATING BUDGET ORDINANCE 2015-044B

BE IT ORDAINED by the Town Council of the Town of Morrisville, North Carolina that the following anticipated fund revenues and expenditures by function, together with a financial plan, certain Fee and Charge Schedules, and certain restrictions and authorizations are hereby appropriated and approved for the operation of the Town Government and its activities for the Fiscal Year beginning July 01, 2015 and ending June 30, 2016.

Section 1 **GENERAL FUND**

ANTICIPATED REVENUES/TRANSFERS IN

Ad Valorem Taxes	15,803,800
Intergovernmental	6,267,000
Sales & Services	1,137,000
Permits & Fees	980,700
Restricted Intergovernmental	943,500
Other Taxes & Licenses	933,700
Miscellaneous	540,700
Investment Earnings	17,500
<i>Transfers (In)</i>	316,300
Appropriation Fund Balance	684,800
Total General Fund Revenues	\$ 27,625,000

AUTHORIZED EXPENDITURES/TRANSFERS OUT

Public Safety

Fire	5,050,700
Police	3,556,400
Total	\$ 8,607,100

Public Works & Facility Management

Fleet	314,000
Powell Bill	513,000
Public Works & Facility Management	6,043,200
Total	\$ 6,870,200

General Government

Governing Body	1,116,500
Administration	1,718,900
Finance	684,600
Human Resources	273,700
Information Technology	1,265,500
Total	\$ 5,059,200

Economic & Development

Senior Director for Development Services	463,700
Inspections	521,900
Planning	1,146,600
Total	\$ 2,132,200

Recreation & Cultural Resources

Parks & Recreation	1,743,600
Total	\$ 1,743,600

Engineering

Engineering	1,039,600
Total	\$ 1,039,600

Debt Service

	2,173,100
Total	\$ 2,173,100

Total Expenditures	\$ 27,625,000
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Section 2 MUNICIPAL SERVICE DISTRICT FUND**ANTICIPATED REVENUES**

Ad Valorem Special District Tax	92,400
Investment Earnings	0
Transfer from General Fund	110,000
Total Anticipated Revenues	\$ 202,400

AUTHORIZED EXPENDITURES

Operations	202,400
Total Anticipated Expenditures	\$ 202,400

Section 3 STORMWATER FUND**ANTICIPATED REVENUES**

Sales & Services – Stormwater ERU Fees	510,000
Permits & Fees – Stormwater Review Fees	25,000
Restricted Intergovernmental	0
Investment Earnings	0
Transfers from General Fund	\$126,200
Total Anticipated Revenues	\$ 661,200

AUTHORIZED EXPENDITURES

Operations	586,200
Capital Outlay	75,000
Restricted Expenses	0
Total Anticipated Expenditures	\$ 661,200

Section 4 WATER & SEWER FUND***ANTICIPATED REVENUES**

Town of Cary	0
Total Anticipated Revenues	\$ 0

AUTHORIZED EXPENDITURES

Debt Service	0
Total Anticipated Expenditures	\$ 0

Note: *While no appropriations are requested with the annual budget ordinance, the fund will remain active for reporting purposes in preparation for closing fund prior to the end of Fiscal Year 2016.

Section 5 OTHER POST EMPLOYMENT BENEFITS (OPEB) FUND**ANTICIPATED REVENUES**

Transfer from General Fund	290,250
Interest	1,500
Total Anticipated Revenues	\$ 291,750

AUTHORIZED EXPENDITURES

Net Assets in Trust	280,450
OPEB Benefits Paid	11,300
Total Expenditures	\$ 291,750

Section 6 LAW ENFORCEMENT SEPARATION ALLOWANCE FUND**ANTICIPATED REVENUES**

Transfer from General Fund	60,500
Interest	500
Total Anticipated Revenues	\$61,000

AUTHORIZED EXPENDITURES

Net Assets in Trust	6,000
Law Enforcement Benefits Paid	55,000
Total Expenditures	\$61,000

Section 7 Levy of Taxes and Fees General Fund

- A. Under authority of GS 160A-209 there is hereby levied for Fiscal Year 2016 an Ad Valorem Tax Rate of \$0.41 (increase of \$0.02 relating to 2012 Voter Approved Bond Referendum) per one hundred dollars (\$100.00) valuation of taxable property as listed for taxes as of January 01, 2015, for the purpose of raising the revenue from current taxes as set forth in the foregoing estimates of revenues, and in order to finance the foregoing applicable appropriations. The rate of tax is based on an estimated assessed valuation of \$3,859,021,047.
- B. Under the authority of GS 20-97, there is hereby levied an annual License Tax of fifteen dollars (\$15.00) on each vehicle with the Town of Morrisville.
- C. Under authority of GS 160A-314, Session Law 2005-441 and Session Law 2011-109 the Town of Morrisville levies a Stormwater Equivalent Residential Unit (ERU) Fee at \$25.00 per Equivalent Residential Unit and hereby authorizes Wake County Revenue Department & Durham County Revenue Department to collect the Stormwater Equivalent Residential Unit Fee as prescribed by the Fiscal Year 2016 Fee Schedule on behalf of the Town of Morrisville as a contracted billing service. The fee shall appear on the Annual Tax Bills. The Stormwater Equivalent Residential Unit Fee is considered a restricted revenue source for the purpose of stormwater activities as prescribed by mandates. The Finance Department is hereby authorized to collect the Stormwater Equivalent Residential Unit Fee from all qualifying property owners who do not otherwise receive an annual Wake County or Durham County Property Tax Statement.
- D. Under authority of GS 160A-215.1 there is hereby levied for Fiscal Year 2016 a Tax on Gross Receipts derived from retail short-term motor vehicle leases or rentals of one and one-half percent (1 ½%) of the gross receipts from the short-term lease or rental of vehicles at

retail to the general public as defined in Section 105.871.1 of the North Carolina General Statutes.

Section 8 Levy of Taxes Municipal Service District

- A. Under authority of GS 160A-536(a)(6), Session Law 2011-072 there is hereby levied for Fiscal Year 2016 an Ad Valorem Tax Rate of \$0.10 per one hundred dollars (\$100.00) valuation of taxable property located within the service district (residential subdivisions – Carpenter Park Townhomes , Carpenter Park Condominiums, Gables, Huntington Park Townhomes, Kelton II , Kelton Square Condos) as listed for taxes as of January 01, 2015, for the purpose of raising the revenue from current taxes as set forth in the foregoing estimates of revenues and in order to finance the foregoing applicable appropriations to pay the cost related to the transfer of ownership of private streets, evaluation of condition of private streets and the design/construction cost related to improving those specific private streets to public street standards to assume maintenance.

Section 9 Fee Schedule

There is hereby established for Fiscal Year 2016 various fees as contained in the Town of Morrisville's User Fee Schedule located in the Additional Information Section of the Annual Budget.

Section 10 Authorized Positions

- A. There are hereby no new positions approved for the Fiscal Year 2016. The Authorized Positions Profile will remain at 162 Fulltime positions with an estimated 38.3 Part-time positions are shown as Full-time Equivalents.
- B. Position authorizations are initially established by the annual budget ordinance. Changes to this schedule may occur during the fiscal year, as authorized by the Town Manager as reclassification of authorizations to meet the changing needs of the organization.

Section 11 Pay & Merit Plans

- A. There is hereby an authorized Fiscal Year 2016 Town of Morrisville Full-time Pay Plan describing the approved position classifications, grades, and pay ranges. The Fiscal Year 2016 Full-time Pay Grades and Ranges list is located in the Budget Summary Section of the Annual Budget for Fiscal Year 2016 and projects a market-based adjustment of two (2) percent.
- B. There is hereby authorized a Merit Pay Plan effective July 1, 2015. The Performance Evaluation Year will shift from a calendar year to a fiscal year. Merit awards earned will apply 100% to the base pay, eliminating the previous lump sum portion of merit. All merit pay awards are based on Town Council approval and subject to funding in the annual budget. The Merit Pay Plan will establish awards for full-time employees in the future based on performance rating that will range from:
- | | |
|------------------------------|----|
| 0 Does Not Meet Expectations | 0% |
| 0 Meets Expectations | 2% |
| 0 Exceeds Expectations | 3% |
| 0 Far Exceeds Expectations | 4% |
- C. There is hereby an authorized Fiscal Year 2016 Town of Morrisville Part-time Pay Plan describing the approved position classifications, grades, and pay rates ranges as referenced in the Budget Summary section of the Annual Budget for Fiscal Year 2016.

Section 12 Federally Forfeited Property (DAG-71)

As it is the intent of any Federally Forfeited Property to enhance law enforcement, these funds are appropriated and have increased and not supplemented the departmental budget and all interest earned on said funds will also be utilized for law enforcement purposes. All forfeiture funds are hereby appropriated when received.

Section 13 Purchase Orders & Capital Outlay

All purchase orders will be pre-audited in accordance with the Local Government Budget and Fiscal Control Act and issued on all purchases over two-thousand dollars (\$2,000) and threshold of five-thousand dollars (\$5,000) for capital outlay.

Section 14 Fiduciary Funds

As it is the intent of the Town to maintain and keep current the liability of both the LEO Separation Allowance Fund and the Retirement Healthcare Fund (OPEB), these funds will be transferred monthly from the General Fund as accumulated within the payroll accrual database.

Section 15 Legal Services

There is hereby authorized for Fiscal Year 2016, an agreement with the Town Attorney for legal services establishing a monthly general legal retainer rate of \$600 to cover attendance at Town Meetings, work sessions, retreats, general consultation, advice, and the like. In addition, charges on an hourly basis for work on specific cases and projects will be at a rate of \$200 per hour. When appropriate, assignment of legal matters to associate attorneys will occur and charges applied per hour based on a rate range of \$160-\$180 per hour.

Section 16 Special Authorization – Town Manager/Budget Officer or His/Her Designee

- I. Budget Transfer Authority
 - a. May reallocate appropriations within or across functions and/or major categories as deemed necessary and in accordance with Budget Transfer Policy. All budget transfers will be reviewed and approved by the Budget Officer or his/her designee.
 - b. May process inter-fund transfers as anticipated by the Budget Ordinance without additional approval by the Town Council.
 - c. May reallocate appropriations from Personnel line accounts where savings have been realized through lapse salary to mitigate unforeseen circumstances or effectively advance priorities subject to Town Manager/Budget Officer's approval or his/her designee. Transactions equal to or greater than \$150,000 will be subsequently reported to the Town Council.
 - d. May reallocate Personnel lapse salary for staff professional development and training opportunities to promote and advance employee knowledge, skills and abilities including tuition reimbursements as outlined in the Personnel Policy.
 - e. May establish and utilize Undesignated Funds held within Governing Body's department budget for the purposes of flexibility to ensure continued operations under unforeseen conditions and subsequently reported to Town Council.
- II. Contract and/or Grants as Authority
 - a. May execute construction or repair projects, which do not require formal competitive bid procedures and for the purchase of apparatus, supplies, materials, service agreements, equipment and rental agreements, which are within budgeted departmental appropriations.

- b. May approve the application and execution of grant agreements to or from public and nonprofit organizations, which are anticipated within budgeted funds unless a grantor organization requires execution by the Town Council.
 - c. May execute contracts as the lessor or lessee of real property for a maximum duration of five years or less.
- III. Special Appropriation Authorization
 - a. May recognize and appropriate cost share reimbursements for fire protection services, fire protection equipment and facility maintenance services and direct said funds back to the appropriate Department.
 - b. May recognize and appropriate donations received for restricted or special designations.
 - c. May recognize and appropriate all insurance claim reimbursements received along with fees for the disposal of assets and direct said funds back to the affected department.
- IV. Inter-fund Loan Authorization
 - a. May make inter-fund loans as necessary to meet cash flow needs for approved capital project ordinances for working capital purposes pending receipt of debt proceeds or awarded grant reimbursements.

Section 17 **Utilization of Budget Ordinance**

- A. This ordinance shall be the basis of the financial plan for the Morrisville Municipal Government during Fiscal Year 2016. The Town Manager/Budget Officer shall administer the Budget and ensure that operating officials are provided guidance and sufficient details to implement their appropriate portion of the Budget.
- B. The Finance Department shall establish and maintain all records, which are in consonance with this Budget Ordinance and the appropriate Statutes of the State of North Carolina.

Section 18 **Re-appropriation of Funds Encumbered in FY 2015**

Operating funds encumbered on the financial records as of June 30, 2015, are hereby re-appropriated to Fiscal Year 2016.

Adopted this 23rd day of June 2015



Mark Stohlman, Mayor

ATTEST:

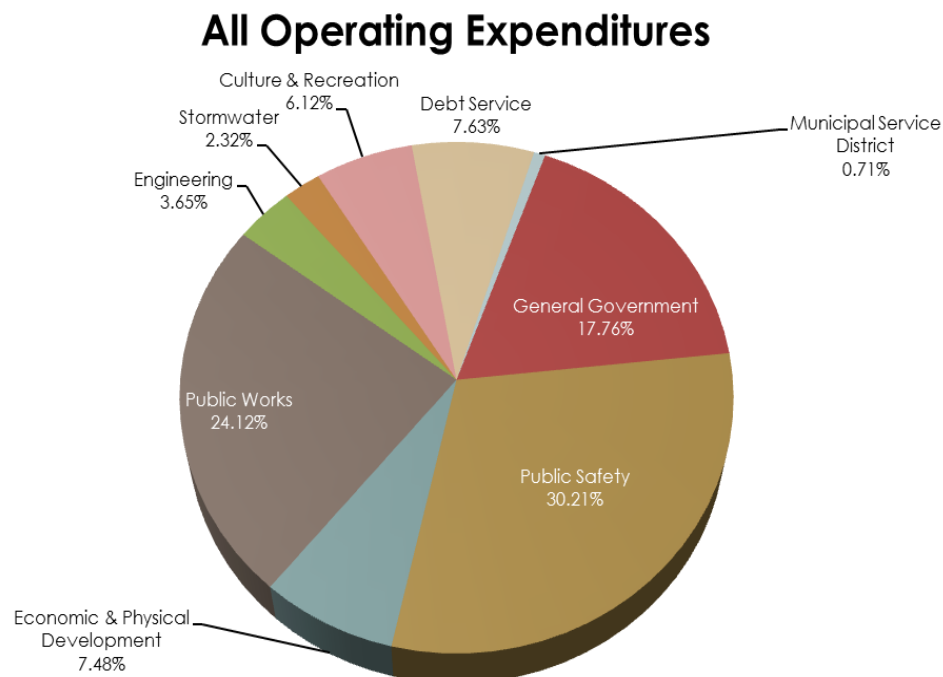
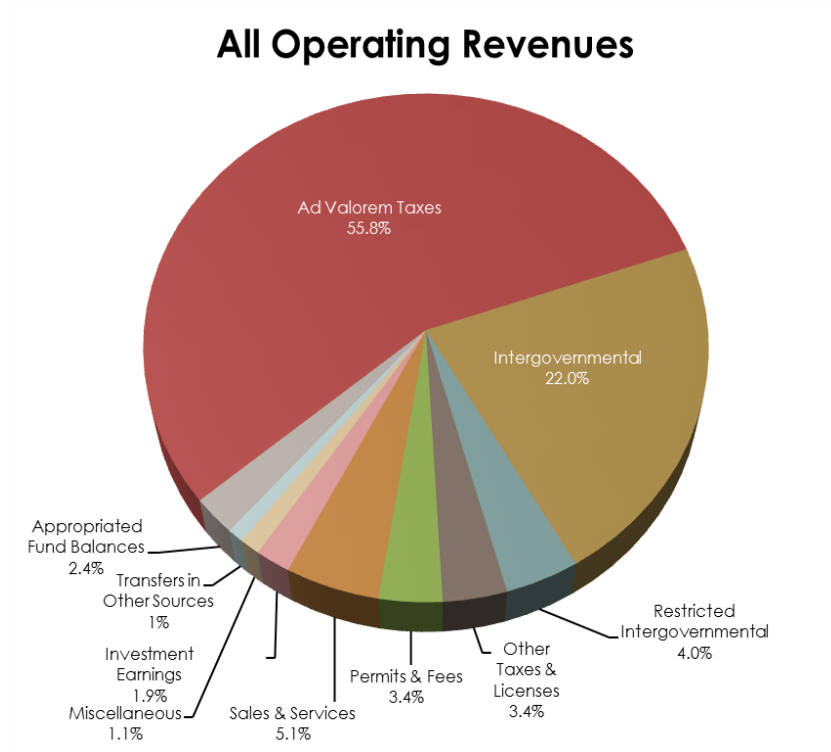


Stephanie Smith, Deputy Town Clerk



OPERATING FUNDS SUMMARY

Charts below illustrate in aggregate all revenues and expenditures for annual operating funds: General Fund (includes consolidation of Capital Reserve Fund), Municipal Service District Fund, Stormwater Fund, and Water & Sewer Fund.



TOTAL REVENUES BY FUND CLASSIFICATION**Major Governmental Appropriated Revenues**

	2013 Actual	2014 Actual	2015 Estimated	2016 Proposed
General Fund				
Ad Valorem Taxes	\$ 12,947,762	\$ 14,511,449	\$ 14,663,768	\$ 15,803,800
Intergovernmental	\$ 5,346,806	\$ 5,574,758	\$ 6,061,595	\$ 6,267,000
Sales & Services	\$ 1,031,857	\$ 1,103,864	\$ 1,123,100	\$ 1,137,000
Permits & Fees	\$ 1,057,788	\$ 1,071,184	\$ 1,035,500	\$ 980,700
Restricted Intergovernmental	\$ 902,823	\$ 522,498	\$ 556,455	\$ 943,500
Other Taxes & Licenses	\$ 1,505,393	\$ 1,761,049	\$ 1,713,560	\$ 933,700
Miscellaneous	\$ 404,864	\$ 359,158	\$ 581,789	\$ 540,700
Transfers in from Other Fund Sources	\$ 1,340,146	\$ 1,707,209	\$ 305,000	\$ 316,300
Investment Earnings	\$ 23,520	\$ 16,474	\$ 17,000	\$ 17,500
Proceeds	\$ -	\$ -	\$ 1,000,000	\$ -
Appropriation of Unassigned Fund Balance	\$ -	\$ -	\$ -	\$ 684,800
Total General Fund Revenues	\$ 24,560,959	\$ 26,627,643	\$ 27,057,767	\$ 27,625,000

Non-Major Governmental Appropriated Revenues**Municipal Service District Fund**

Ad Valorem Service District Taxes	\$ 134	\$ 92,179	\$ 91,500	\$ 92,400
Investment Earnings	\$ 400	\$ 140	\$ 100	\$ -
Transfer in from General Fund	\$ -	\$ -	\$ 110,000	\$ 110,000
Appropriation of Fund Balance	\$ -	\$ -	\$ 122,736	
Total Municipal Service District Fund Revenues	\$ 534	\$ 92,319	\$ 324,336	\$ 202,400

Proprietary Appropriated Revenues**Stormwater Enterprise Fund***

Sales & Services - Stormwater ERU Fees	\$ 444,097	\$ 446,804	\$ 505,000	\$ 510,000
Permits & Fees - Stormwater Review Fees	\$ 29,133	\$ 22,428	\$ 25,000	\$ 25,000
Restricted Intergovernmental	\$ -	\$ 337,640	\$ 219,032	\$ -
Investment Earnings	\$ -	\$ -	\$ -	\$ -
Transfer in from General Fund*	\$ -	\$ -	\$ -	\$ 126,200
Total Stormwater Fund Revenues	\$ 473,230	\$ 806,872	\$ 749,032	\$ 661,200

Water and Sewer Enterprise Fund

Investment Earnings	\$ 8	\$ 2	\$ -	\$ -
Debt reimbursement from Town of Cary	\$ 391,212	\$ 269,350	\$ 160,425	\$ -
Total Water and Sewer Fund Revenues	\$ 391,220	\$ 269,352	\$ 160,425	\$ -

Total Revenues - All Operating Funds **\$ 25,425,943** **\$ 27,796,186** **\$ 28,291,560** **\$ 28,488,600**

Note: * For demonstration purposes, the historical stormwater revenues have been restated prior to FY2016 which proposes the establishment of a Stormwater Enterprise Fund.

TOTAL EXPENDITURES BY FUND CLASSIFICATION

Major Governmental Appropriated Expenditures

	2013 Actual	2014 Actual	2015 Estimated	2016 Proposed
General Fund by Function				
Public Safety*	\$ 6,937,702	\$ 7,309,203	\$ 9,170,449	\$ 8,607,100
Public Works	\$ 5,804,820	\$ 6,101,531	\$ 6,179,616	\$ 6,870,200
General Government*	\$ 5,103,197	\$ 4,497,392	\$ 4,480,073	\$ 5,059,200
Economic & Physical Development	\$ 1,688,917	\$ 1,702,396	\$ 2,001,973	\$ 2,132,200
Culture & Recreation	\$ 1,552,876	\$ 1,660,349	\$ 1,709,775	\$ 1,743,600
Engineering	\$ 494,320	\$ 472,810	\$ 546,714	\$ 1,039,600
Debt Service	\$ 1,611,580	\$ 1,516,701	\$ 1,716,729	\$ 2,173,100
Total General Fund Expenditures	\$ 23,193,411	\$ 23,260,382	\$ 25,805,329	\$ 27,625,000

Non-Major Governmental Appropriated Expenditures

Municipal Service District Fund

Operations	\$ 37,132	\$ 83,148	\$ 322,836	\$ 202,400
Transfer to General Fund	\$ -	\$ -	\$ -	\$ -
Total Municipal Service District Fund Expenditures	\$ 37,132	\$ 83,148	\$ 322,836	\$ 202,400

Proprietary Appropriated Expenditures

Stormwater Enterprise Fund**

Operations	\$ 90,512	\$ 397,418	\$ 565,843	\$ 586,200
Capital Outlay	\$ 264,827	\$ 326,586	\$ 75,000	\$ 75,000
Restricted Expenses	\$ -	\$ -	\$ -	\$ -
Total Stormwater Fund Expenditures	\$ 355,339	\$ 724,004	\$ 640,843	\$ 661,200

Water and Sewer Enterprise Fund

Debt Principal	\$ 391,212	\$ 269,350	\$ 160,425	\$ -
Total Water and Sewer Fund Expenditures	\$ 391,212	\$ 269,350	\$ 160,425	\$ -

Total Expenditures - All Operating Funds **\$ 23,977,094** **\$ 24,336,884** **\$ 26,929,433** **\$ 28,488,600**

Note: *Organizational re-structure shifted some costs between reporting functions. ** For demonstration purposes, the historical stormwater expenditures have been restated prior to FY2016 which proposes the establishment of a Stormwater Enterprise Fund.

NEW ONE-TIME / ROUTINE EXPENDITURES SUMMARY

<u>Department</u>	<u>Request Type</u>	<u>Major Category</u>	<u>Description</u>	<u>Impact</u>
Revenue	One-Time	Revenue	Rex Endowment Grant Funds	\$ 99,500
Revenue	One-Time	Revenue	Police K-9 Unit - (second) - Donation	\$ 15,000
Revenue	One-Time	Revenue	Contribution to Ped Transit Pads	\$ 15,000
Revenue	Carryover	Revenue	CAMPO LAPP Grant - Church Street Walking Loop (carryover FY14,FY15)	\$ 110,000
Revenue	Carryover	Revenue	NCDOT Reimbursement NC54/Cary Park Sidewalk project (carryover FY15)	\$ 200,000
Revenue	Carryover	Revenue	Morrisville-Carpenter Progress Energy Prior Year PIL Infrastructure (carryover FY14, FY15)	\$ 250,000
Revenue	Transfer	Transfers In	Capital Reserve Fund Transfer in to General Fund for Apparatus Outlays	\$ 316,300
Total Revenue				\$ 1,005,800
Administration	One-Time	Operations	OneSolution Implementation Resources	\$ 50,000
All Departments	Routine	Personnel	Additional Merit - Full Funding for Merit Plan	\$ 120,000
All Departments	Routine	Personnel	Merit Award	\$ 242,200
All Departments	Routine	Personnel	Healthcare Premium Increase	\$ 102,800
Engineering	Carryover	Operations	Major Road Design Fund (carryover FY15)	\$ 300,000
Engineering	One-Time	Operations	Roadway Design & Analysis Funds	\$ 200,000
Fire	One-Time	Capital Outlay	Fire Replacement Equipment	\$ 50,000
Fire	One-Time	Operations	Fire Replacement Equipment	\$ 15,000
Fire	Replacement	Capital Outlay	Apparatus Replacement Light Rescue Add-on Equipment	\$ 116,000
Fire	Replacement	Capital Outlay	Apparatus Replacement Light Rescue	\$ 200,300
Fire	Routine	Operations	Fire Inspections Third Party Billing Services	\$ 12,800
Fire	Routine	Personnel	Quint Staffing Restructure Plan	\$ 54,100
Fleet	Replacement	Capital Outlay	Vehicle Replacement - Police (8)	\$ 314,000
Governing Body	One-Time	Capital Outlay	Branding Phase 2 - New Signs	\$ 44,000
Governing Body	One-Time	Operations	Branding Phase 2 - Outreach, Markers, Marketing Items	\$ 31,000
Governing Body	One-Time	Operations	Election Cost	\$ 20,600
Governing Body	One-Time	Operations	Agenda Management Software	\$ 10,000
Governing Body	One-Time	Operations	2012 Bond Issuance Legal Fees	\$ 250,000
Governing Body	Routine	Transfer Out	Municipal Service District Annual Funding	\$ 110,000
Governing Body	Transfer	Transfer Out	Stormwater Subsidy Transfer - Routine	\$ 126,200
Governing Body	Transfer	Transfers Out	Capital Reserve Fund (future fire apparatus replacements)	\$ 170,000
Information Technology	Replacement	Capital Outlay	IT Replacement Servers and Core Switches	\$ 157,000
Information Technology	Replacement	Capital Outlay	IT Replacement Ruggedized/Motion Laptops	\$ 87,300
Information Technology	Replacement	Operations	IT Replacement Desktops and Laptops	\$ 82,100
Information Technology	Routine	Operations	Helpdesk Software Annual Maintenance	\$ 2,500
Information Technology	Routine	Operations	IT Software Licensing Plan Upgrade	\$ 69,500
Information Technology	Routine	Personnel	IT Part-time support	\$ 44,700
P/W Facility Management	Carryover	Capital Outlay	Church Street Walking Loop - Construction and easements (carryover FY14,FY15)	\$ 217,000
P/W Facility Management	Carryover	Capital Outlay	NCDOT Grant - NC54 & Cary Parkway Sidewalk Segment Projects (carryover FY15)	\$ 210,000
P/W Facility Management	Carryover	Capital Outlay	Morrisville-Carpenter Progress Energy Project (carryover FY14, FY15)	\$ 347,900
P/W Facility Management	Carryover	Capital Outlay	Pedestrian Crossing Project (Agreement w/TOC - carryover FY14, FY15)	\$ 78,000
P/W Facility Management	One-Time	Capital Outlay	Pedestrian Safety Enhancements	\$ 100,000
P/W Facility Management	One-Time	Capital Outlay	LED Lights for Facilities	\$ 130,000
P/W Facility Management	One-Time	Capital Outlay	Ped Transit Pads Perimeter Park	\$ 30,000
P/W Facility Management	One-Time	Operations	Public Works New Site Evaluation	\$ 10,000
P/W Facility Management	Routine	Capital Outlay	Proactive Road Maintenance	\$ 300,000
P/W Facility Management	Routine	Capital Outlay	Routine Sidewalk Funds	\$ 100,000
P/W Facility Management	Routine	Operations	Burglar and Fire Alarm System Monitoring	\$ 2,400
P/W Facility Management	Routine	Operations	Pump Station at Church Street Park - Maintenance Contract	\$ 6,100
Planning	Carryover	Operations	Rex Endowment Grant (Year 1 Funding - carryover FY15)	\$ 8,500
Planning	One-Time	Capital Outlay	Rex Endowment Grant (Year 2 Funding)	\$ 99,500
Planning	One-Time	Operations	Transportation Plan Update	\$ 150,000
Planning	One-Time	Operations	LAPP Funds	\$ 120,000
Police	One-Time	Capital Outlay	Police K-9 Unit - (second)	\$ 15,000
Police	Routine	Personnel	Two Additional Crossing Guards	\$ 25,000
Total New Expenditures				\$ 4,931,500

OTHER FUNDS SUMMARY

Fiduciary funds are used to account for assets held by the Town in a trustee capacity on behalf of outside parties, including other governments. The Town has two (2) such funds budgeted annually.

- *Retirement Health Care Fund (OPEB)* – A Fiduciary Fund type used as a trust fund established to account for collection of assets to be expended for medical coverage for retired Morrisville employees up to the age of Medicare eligibility.
- *LEO Separation Allowance Fund* – A Fiduciary Fund type used to account for assets held by the Town in an agency capacity for the purpose of supporting the public employee retirement system for qualifying sworn law enforcement officers.

OPEB TOTAL CONTRIBUTIONS & NET ASSET SUMMARY

Assets	2013 Actual	2014 Actual	2015 Estimated	2016 Proposed
Total Assets				
Cash and cash equivalents	\$ 1,493,787	\$ 1,754,801	\$ 2,039,525	\$ 2,319,975
Change in Net Assets				
Obligations				
Total Liabilities	\$ 1,239	\$ -	\$ -	\$ -
Net Assets				
Held in trust for pension benefits	\$ 1,492,548	\$ 1,754,801	\$ 2,039,525	\$ 2,319,975
Fund				
	2013 Actual	2014 Actual	2015 Estimated	2016 Proposed
Additions				
Contributions - Employee	\$ 251,512	\$ 263,842	\$ 287,794	\$ 290,250
Investment Earnings	2,083	1,480	1,500	1,500
Total additions	\$ 253,595	\$ 265,322	\$ 289,294	\$ 291,750
Deductions				
Benefits Paid to Plan Members	\$ 4,425	\$ 3,068	\$ 4,570	\$ 11,300
Total deductions	\$ 4,425	\$ 3,068	\$ 4,570	\$ 11,300
Change in Net Assets	\$ 249,170	\$ 262,254	\$ 284,724	\$ 280,450
Net Assets				
Beginning of Year	\$ 1,243,378	\$ 1,492,548	\$ 1,754,801	\$ 2,039,525
Net Assets				
End of Year	\$ 1,492,548	\$ 1,754,801	\$ 2,039,525	\$ 2,319,975

LEO TOTAL CONTRIBUTIONS & NET ASSET SUMMARY

Assets

	2013 Actual	2014 Actual	2015 Estimated	2016 Proposed
Total Assets				
Cash and cash equivalents	\$ 293,695	\$ 319,326	\$ 339,258	\$ 345,258

Change in Net Assets

Obligations				
Total Liabilities	\$ -	\$ 5,018	\$ -	\$ -

Net Assets

Held in trust for pension benefits	\$ 293,695	\$ 314,308	\$ 339,258	\$ 345,258
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Fund

	2013 Actual	2014 Actual	2015 Estimated	2016 Proposed
Additions				
Contributions - Employees	\$ 50,313	\$ 55,965	\$ 60,000	\$ 60,500
Investment Earnings	436	279	470	500
Total additions	\$ 50,749	\$ 56,244	\$ 60,470	\$ 61,000

Deductions

Benefits Paid to Plan Members	\$ 31,319	\$ 35,631	\$ 35,520	\$ 55,000
Total deductions	\$ 31,319	\$ 35,631	\$ 35,520	\$ 55,000

Change in Net Assets

	\$ 19,430	\$ 20,613	\$ 24,950	\$ 6,000
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Net Assets

Beginning of Year	\$ 274,265	\$ 293,695	\$ 314,308	\$ 339,258
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Net Assets

End of Year	\$ 293,695	\$ 314,308	\$ 339,258	\$ 345,258
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FUND BALANCE SUMMARY

REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

Changes in fund balance demonstrated as follows are snapshots in time and illustrate total fund balances and a projected unassigned fund balance on June 30, 2015.

Projected Fiscal Year-End 2015

Snapshot as April 30, 2015

	100	150	200	New 120	370	410	470
All Other Funds Governmental/Proprietary	General Fund	MSD Fund*	Capital Reserve Fund*	Parkland Fund	Street Improvements CP	Recreation Facilities CP	Shiloh Sewer CP
Type of Fund	Major Governmental	Major Governmental	Reserve	Special Revenue	Non-Major Governmental	Non-Major Governmental	Proprietary
AUTHORIZED PROJECT BUDGETS	\$ 27,839,844	\$ 322,836	\$ -	\$ -	\$ 14,300,000	\$ 7,284,976	\$ 2,032,464
REVENUES	\$ 27,495,841	\$ 91,534	\$ 436	\$ 259,427	\$ 666	\$ 1,546	\$ 861
EXPENDITURES	\$ 25,781,172	\$ 324,107	\$ -	\$ -	\$ 1,354,129	\$ 1,634,534	\$ -
Revenues over (under) expenditures	\$ 1,714,669	\$ (232,573)	\$ 436	\$ 259,427	\$ (1,353,463)	\$ (1,632,988)	\$ 861
OTHER FINANCING SOURCES (USES)							
<u>Transfers in (out)</u>							
General fund	\$ (659,042)	\$ 110,000	\$ 555,000	\$ -	\$ -	\$ -	\$ -
Capital Reserve fund	\$ 305,000	\$ -	\$ (305,000)	\$ -	\$ -	\$ -	\$ -
Street Improvements CP fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stormwater CP fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Northwest Park CP fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Shiloh Greenway CP fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NC 54 Multi-use Path CP fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recreation Facilities CP fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parkland Special Revenue fund	\$ -	\$ -	\$ -	\$ 1,781,456	\$ -	\$ -	\$ -
Hatcher Creek Greenway fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Greenways CP fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ (354,042)	\$ 110,000	\$ 250,000	\$ 1,781,456	\$ -	\$ -	\$ -
Net change in fund balance	\$ 1,360,627	\$ (122,573)	\$ 250,436	\$ 2,040,883	\$ (1,353,463)	\$ (1,632,988)	\$ 861
FUND BALANCES - Beginning of year	\$ 16,662,886	\$ 122,573	\$ 496,830	\$ -	\$ (376,032)	\$ 2,947,483	\$ 1,236,052
FUND BALANCES - End of year	\$ 18,023,513	\$ -	\$ 747,266	\$ 2,040,883	\$ (1,729,495)	\$ 1,314,495	\$ 1,236,913
Assigned, Restricted, Committed, Non-Spendable	\$ 5,357,509		\$ 747,266	\$ 2,040,883	\$ (1,729,495)	\$ 1,314,495	\$ 1,236,913
Unassigned Fund Balance							
% of Major Governmental Expenditures							

Note: *The MSD and Capital Reserve Fund per GASB are consolidated in the General Fund for purposes of Fund Balance calculations.

CONT'D

Projected Fiscal Year-End 2015

Snapshot as April 30, 2015

	490	New 540	Closed 510	Closed 520	Closed 530	Closed 680	
All Other Funds Governmental/Proprietary	Fire Station 1 CP	Hatcher Creek Greenway CP	Greenways CP	Shiloh Greenways CP	NC54 Multi- Use Path CP	Public Improvement CP	Total
Type of Fund	Non-Major Governmental	Non-Major Governmental	Non-Major Governmental	Non-Major Governmental	Non-Major Governmental	Non-Major Governmental	
AUTHORIZED PROJECT BUDGETS	\$ 120,425	\$ 4,816,892	\$ -	\$ -	\$ -	\$ -	\$ 56,717,437
REVENUES	\$ 43	\$ 352,655	\$ 336,652	\$ 99,953	\$ 966	\$ -	\$ 28,640,580
EXPENDITURES	\$ 20,000	\$ 571,915	\$ 53,268	\$ 284,789	\$ 4,322	\$ -	\$ 30,028,236
Revenues over (under) expenditures	\$ (19,957)	\$ (219,260)	\$ 283,384	\$ (184,836)	\$ (3,356)	\$ -	\$ (1,387,656)
OTHER FINANCING SOURCES (USES)							
<u>Transfers in (out)</u>							
General fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,958)	\$ -
Capital Reserve fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Street Improvements CP fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stormwater CP fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Northwest Park CP fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Shiloh Greenway CP fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NC 54 Multi-use Path CP fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recreation Facilities CP fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parkland Special Revenue fund	\$ -	\$ -	\$ (1,004,587)	\$ (578,360)	\$ (198,509)	\$ -	\$ -
Hatcher Creek Greenway fund	\$ -	\$ 798,850	\$ (798,850)	\$ -	\$ -	\$ -	\$ -
Greenways CP fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 798,850	\$ (1,803,437)	\$ (578,360)	\$ (198,509)	\$ (5,958)	\$ -
Net change in fund balance	\$ (19,957)	\$ 579,590	\$ (1,520,053)	\$ (763,196)	\$ (201,865)	\$ (5,958)	\$ (1,387,656)
FUND BALANCES - Beginning of year	\$ 71,815	\$ -	\$ 1,520,053	\$ 763,195	\$ 201,865	\$ 5,955	\$ 23,652,675
FUND BALANCES - End of year	\$ 51,858	\$ 579,590	\$ -	\$ -	\$ -	\$ -	\$ 22,265,023
Assigned, Restricted, Committed, Non-Spendable	\$ 51,858	\$ 579,590				\$ -	\$ 9,599,019
Unassigned Fund Balance							\$ 13,413,270
% of Major Governmental Expenditures							51.4%

Note: *The MSD and Capital Reserve Fund per GASB are consolidated in the General Fund for purposes of Fund Balance calculations.

DEBT SUMMARY

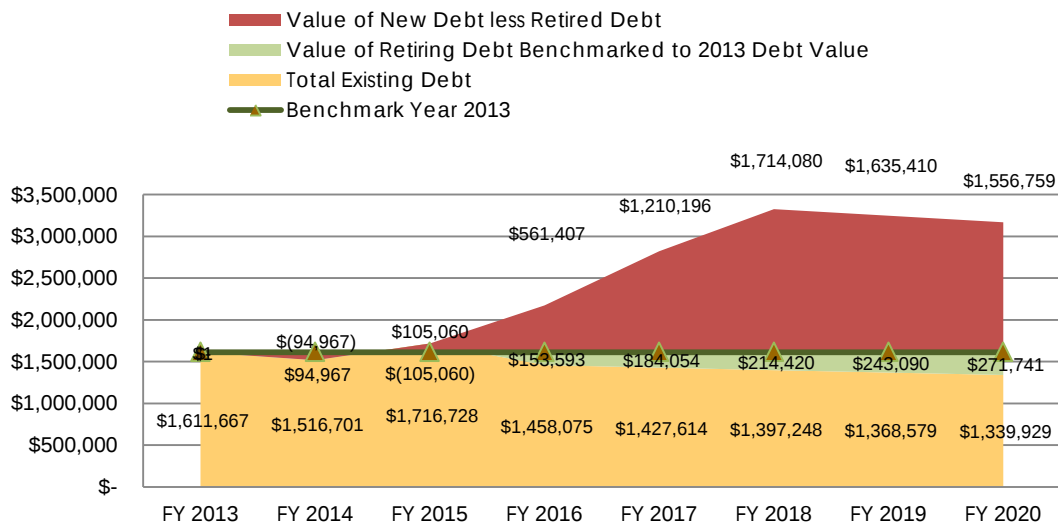
DEBT SERVICE IMPACT ANALYSIS

Debt Service Items	2013** actual	2014 actual	2015 estimated	2016	2017	2018	2019	2020	status
Bond 2004 Park Improvements (RTP Ball Park)	\$ -	\$ 53,519	\$ 293,600	\$ 289,600	\$ 285,600	\$ 281,600	\$ 277,600	\$ 273,600	continues to 2033
Bond 2004 Street Improvements (MSV-CRP/Jeremiah)	\$ 114,363	\$ 110,950	\$ 67,348	\$ -	\$ -				Pending
Bond 2012 Park Improvements (MAFC)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350,000	\$ 341,250	\$ 332,500	continues to 2034
Bond 2012 Park Improvements (MCC Phil)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220,000	\$ 214,500	\$ 209,000	continues to 2034
Bond 2012 Street Improvements (NC54-Bypass)	\$ -	\$ -	\$ -	\$ 715,000	\$ 1,394,250	\$ 1,358,500	\$ 1,322,750	\$ 1,287,000	continues to 2034
Fire Station One 2011	\$ 327,484	\$ 320,518	\$ 313,552	\$ 306,681	\$ 299,620	\$ 292,654	\$ 285,688	\$ 278,741	continues to 2021
Fire Station Two 1998	\$ 112,752	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Pending
Fire Trucks 2004	\$ 81,398	\$ 81,398	\$ 40,700	\$ -	\$ -	\$ -	\$ -	\$ -	Pending
GO Bonds 2007 Public Improvements (PSMS BLDG)	\$ 766,543	\$ 747,143	\$ 727,743	\$ 708,343	\$ 688,943	\$ 669,543	\$ 651,840	\$ 634,138	continues to 2027
Land Purchase 2008 (Downtown Development)	\$ 209,122	\$ 203,173	\$ 197,060	\$ -	\$ -	\$ -	\$ -	\$ -	Pending
Public Safety Radio Replacements	\$ -	\$ -	\$ 76,726	\$ 153,451	\$ 153,452	\$ 153,452	\$ 153,451	\$ 153,451	continues to 2021
Total Debt Service	\$ 1,611,662	\$ 1,516,701	\$ 1,716,729	\$ 2,173,100	\$ 2,821,865	\$ 3,325,749	\$ 3,247,079	\$ 3,168,430	
Equivalent Tax Rate	0.04577	0.04143	0.04582	0.05631	0.07206	0.08326	0.07969	0.07550	
Current Debt	\$ 1,611,662	\$ 1,516,701	\$ 1,716,729	\$ 1,458,075	\$ 1,427,615	\$ 1,397,249	\$ 1,368,579	\$ 1,339,930	
New Debt	\$ -	\$ -	\$ -	\$ 715,000	\$ 1,394,250	\$ 1,928,500	\$ 1,878,500	\$ 1,828,500	
Retiring Per Year Compared to Prior Year		\$ 94,961	\$ (200,028)	\$ 258,654	\$ 30,460	\$ 30,366	\$ 28,670	\$ 28,649	
Accumulated Retired Debt as Measured to Benchmark Year 2013	\$ -	\$ 94,961	\$ (105,067)	\$ 153,587	\$ 184,047	\$ 214,413	\$ 243,083	\$ 271,732	
Tax Base	\$ 3,521,406,350	\$ 3,660,598,315	\$ 3,746,314,247	\$ 3,859,021,047	\$ 3,916,209,598	\$ 3,994,533,790	\$ 4,074,424,466	\$ 4,196,657,200	
Total Expenditures*	\$ 22,345,251	\$ 23,559,386	\$ 25,781,172	\$ 27,218,800	\$ 25,930,800	\$ 27,794,300	\$ 27,587,300	\$ 27,716,400	
Debt Service as % of expenditures - Policy 15% or	7%	6%	7%	12%	11%	12%	12%	11%	

* Expenditures less Transfers

** Benchmark Year

Use of Retired Debt



PAY GRADES & RANGES

FY2016 FULLTIME PAY GRADES

Effective July 1, 2015.

GRADE	Beginning	End	CLASSIFICATION TITLE
10	\$26,500	\$42,400	(RESERVED FOR FUTURE USE)
11	\$27,825	\$44,520	RECEPTIONIST
12	\$29,217	\$46,746	ADMINISTRATIVE SUPPORT ASSISTANT PARKS & GROUNDS TECHNICIAN I STREET MAINTENANCE TECHNICIAN I
13	\$30,677	\$49,084	(RESERVED FOR FUTURE USE)
14	\$32,211	\$51,538	HEAVY EQUIPMENT OPERATOR PARKS & GROUNDS TECHNICIAN II PERMIT SPECIALIST PLANNING ASSISTANT SENIOR ADMINISTRATIVE SUPPORT ASSISTANT STREET MAINTENANCE TECHNICIAN II
15	\$33,822	\$54,115	ACCOUNTS PAYABLE TECHNICIAN FACILITIES MAINTENANCE TECHNICIAN
16	\$35,513	\$56,820	ACCOUNTS RECEIVABLE TECHNICIAN ADMINISTRATIVE SUPPORT SPECIALIST
17	\$37,289	\$59,661	FIREFIGHTER PAYROLL ADMINISTRATOR
18	\$39,153	\$62,644	ADMINISTRATIVE SERVICES MANAGER AQUATICS SPECIALIST ATHLETICS PROGRAM SPECIALIST CULTURAL RESOURCES SPECIALIST DEVELOPMENT SERVICES COORDINATOR FITNESS PROGRAM SPECIALIST POLICE OFFICER RECREATION PROGRAM SPECIALIST
19	\$41,111	\$65,776	ACCREDITATION/CRIME ANALYST BUILDING CODES INSPECTOR I ENGINEERING INSPECTOR MASTER FIREFIGHTER MASTER POLICE OFFICER SENIOR MECHANIC SENIOR FACILITIES MAINTENANCE TECH STREET MAINTENANCE CREW LEADER TURF AND LANDSCAPE SPECIALIST
20	\$43,166	\$69,065	ATHLETICS SUPERVISOR CODE ENFORCEMENT OFFICER FIRE ENGINEER
21	\$45,324	\$72,519	BUILDING CODES INSPECTOR II DEPUTY FIRE MARSHAL ENVIRONMENTAL COMPLIANCE OFFICER HUMAN RESOURCES ANALYST PLANNER I SENIOR POLICE OFFICER
22	\$47,591	\$76,144	ENGINEERING TECHNICIAN FIRE LIEUTENANT PROJECTS COORDINATOR TOWN CLERK

Note: Market range adjustments/reclassifications were made based on recommendations from our consultant (Billings & Associates) during the annual position study. 5% spread between each grade, 60% spread within each range (minimum to maximum.)

GRADE	Beginning	End	CLASSIFICATION TITLE
23	\$49,970	\$79,952	COMMUNITY CENTER SUPERVISOR PARKS AND GREENWAY PLANNER PLANNER II SENIOR BUILDING CODES INSPECTOR
24	\$52,469	\$83,949	ASSISTANT BUILDING CODES ADMINISTRATOR FIRE CAPTAIN GENERAL SERVICES SUPERINTENDENT INFORMATION TECHNOLOGY ANALYST PARKS & GROUNDS SUPERINTENDENT POLICE SERGEANT PUBLIC INFORMATION OFFICER PURCHASING & CONTRACT MANAGER RISK MANAGER STORMWATER ENGINEER STREETS SUPERINTENDENT
25	\$55,092	\$88,147	ACCOUNTING SERVICES SUPERVISOR SENIOR PLANNER
26	\$57,846	\$92,554	IT SYSTEMS ANALYST POLICE CAPTAIN RECREATION SUPERINTENDENT SENIOR STORMWATER ENGINEER SPECIAL PROJECTS COORDINATOR
27	\$60,739	\$97,182	BATTALION CHIEF BUDGET MANAGER FIRE MARSHAL SENIOR IT ANALYST
28	\$63,776	\$102,041	CONTROLLER
29	\$66,964	\$107,143	(RESERVED FOR FUTURE USE)
30	\$70,312	\$112,500	(RESERVED FOR FUTURE USE)
31	\$73,828	\$118,125	(RESERVED FOR FUTURE USE)
32	\$77,520	\$124,031	HUMAN RESOURCES DIRECTOR INSPECTIONS DIRECTOR PARKS & RECREATION DIRECTOR
33	\$81,395	\$130,232	FINANCE DIRECTOR FIRE CHIEF INFORMATION TECHNOLOGY DIRECTOR PLANNING DIRECTOR POLICE CHIEF PUBLIC WORKS DIRECTOR TOWN ENGINEER
34	\$85,465	\$136,744	(RESERVED FOR FUTURE USE)
35	\$89,738	\$143,581	SENIOR DIRECTOR OF DEVELOPMENT SERVICES
36	\$94,225	\$150,760	(RESERVED FOR FUTURE USE)
37	\$98,932	\$158,299	ASSISTANT TOWN MANAGER

Note: Market range adjustments/reclassifications were made based on recommendations from our consultant (Billings & Associates) during the annual position study. 5% spread between each grade, 60% spread within each range (minimum to maximum.)

FY2016 PART-TIME PAY PLAN

Grade	Skill Level	Hourly Rates	Titles
1	Jobs requiring basic education and little or no developed skill or experience. Jobs have immediate supervision available.	\$7.50 to \$9.00	Scorekeeper Recreation Aide I Gym Attendant Lifeguard I
2	Jobs requiring secondary education, or equivalent. Requires developed skill or expertise. May involve use of complex equipment or programs. Previous work experience related to duties is required.	\$8.50 to \$10.00	Lifeguard II Center Aide Recreation Aide II
3	Jobs requiring advanced knowledge and abilities gained through special training or development. Tasks generally involve technical or administrative details. Job duties may include supervising or training other part time staff. Job duties may also require special certifications.	\$9.50 to \$11.00	Field Supervisors Official I Recreation Aide III Center Aide II
4	Jobs requiring advanced technical knowledge. Tasks generally involve more complex assignments, and may include supervision of a site or facility. Job duties may also require special certifications.	\$10.50 to \$12.00	Official II Lifeguard III Recreation Aide IV
5	Jobs may require extensive knowledge, skills, and abilities gained through special training, development, education, extensive experience, or specific certifications. Requires ability to work independently and utilize sound judgment to safely perform duties and/or ensure the safety of others.	Based on market analysis	Swim Instructor WSI Swim Instructor Non-WSI Cultural Arts Instructors Fitness Instructors Other Instructors Reserve Police Officer Firefighter Office Assistant Crossing Guard Maintenance Technician Project or Program Assistant

Note: Part-time Pay Plan was market adjusted in FY2013.

POSITION CHANGES SUMMARY

Full-time	2013	2014	2015	2016	POSITION CHANGES
General Government					
ADMINISTRATION*	8	8	8	8	0
HUMAN RESOURCES	2	2	2	2	0
FINANCE*	5	5	5	5	0
INFORMATION TECHNOLOGY	4	4	4	4	0
	19	19	19	19	0
Public Safety					
POLICE	35	36	36	36	0
FIRE	46	46	49	49	0
	81	82	85	85	0
Economic & Physical Development					
DEVELOPMENT SERVICES	3	4	4	4	0
INSPECTIONS	5	5	5	5	0
PLANNING	7	7	7	7	0
	15	16	16	16	0
Public Works					
PUBLIC WORKS	20	20	21	21	0
	20	20	21	21	0
Engineering					
ENGINEERING	6	5	5	5	0
	6	5	5	5	0
Stormwater					
STORMWATER*	2	2	3	3	0
	2	2	3	3	0
Culture and Recreation					
PARKS & RECREATION	13	13	13	13	0
	13	13	13	13	0
GRAND TOTAL FULL-TIME	156	157	162	162	0
Part-time	2013	2014	2015	2016	POSITION CHANGES
General Government					
INFORMATION TECHNOLOGY	0	0	0	0.5	0.5
	0	0	0	0.5	0.5
Public Safety					
FIRE	15	16	16	16	0.00
POLICE	0.94	1.08	1.08	1.08	0.00
	15.94	17.08	17.08	17.08	0.00
Economic & Physical Development					
PLANNING	0	0.16	0.16	0.16	0.00
	0	0.16	0.16	0.16	0.00
Public Works					
PUBLIC WORKS	2.3	2	2	2	0.00
	2.3	2	2	2	0.00
Culture and Recreation					
PARKS & RECREATION	18.23	18.78	18.78	18.56	0.00
	18.23	18.78	18.78	18.56	0.00
GRAND TOTAL PART-TIME	36.47	38.02	38.02	38.3	0.50
TOTAL ALL POSITIONS	192.47	195.02	200.02	200.3	0.28

Note: Personnel counts are shown as Full-time Equivalents including fulltime and part-time. *As a result of an organizational restructuring in 2015, some positions have been restated for comparative purposes.

Major Governmental Funds



INTRODUCTION

A Major Fund is any fund whose revenues or expenditures, excluding other financing sources and uses, constitutes more than 10 percent of the revenues or expenditures of the appropriated budget. This definition is different for GAAP external reporting purposes as shown in the Comprehensive Annual Financial Report (CAFR).

General Fund – A Major Governmental Fund that accounts for and reports all operating services not accounted for in another fund by law. The primary revenue sources are Ad Valorem taxes and various other taxes and licenses. The primary municipal services are classified functionally as General Government (*Governing Body, Administration, Human Resources, Finance, and Information Technology*), Economic & Development Services (*Inspections, Planning, Economic Development*), Engineering, Public Safety (*Police and Fire*), Culture and Recreation (*Parks and Recreation*), Public Works and Facility Management (*Public Works, Fleet and Powell Bill*), and Debt Service.

Capital Reserve Fund - The Town has legally adopted a Capital Reserve Fund. Under GASB 54 guidance, the Capital Reserve Fund is consolidated in the General Fund. The fund is used to set aside money to pay for large expenditures relating to the acquisition and replacement of Fire Apparatus. Capital outlays occur within the General Fund.

Municipal Service District Fund – The Town has legally established a Municipal Service District Fund. Under GASB guidance, the MSD Fund is consolidated in the General Fund for reporting purposes of fund balance. The fund is authorized by the General Assembly of North Carolina General Statute 160A-536(a)(6), Session Law 2011-072 for the purpose of converting private residential streets to public streets and is a non-major governmental fund. A tax is levied against those affected neighborhoods that received a majority of signed petitions to be included within the Municipal Service District to allow for conversion of private streets to publicly maintained streets.



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GENERAL FUND REVENUE DETAIL**Revenues by Classification**

	2013 Actual	2014 Actual	2015 Estimated	2016 Proposed
Ad Valorem Taxes				
Current Year	\$ 12,848,610	\$ 14,380,589	\$ 14,588,768	\$ 15,713,800
Prior Years	\$ 79,132	\$ 79,542	\$ 50,000	\$ 65,000
Penalties & Interest	\$ 20,019	\$ 51,318	\$ 25,000	\$ 25,000
Total	\$ 12,947,762	\$ 14,511,449	\$ 14,663,768	\$ 15,803,800
Intergovernmental				
Local Option Sales Tax	\$ 3,364,795	\$ 3,612,208	\$ 3,956,000	\$ 4,114,200
Utility Franchise Tax	\$ 1,051,327	\$ 991,030	\$ 1,100,000	\$ 1,126,800
Beer & Wine Tax	\$ 78,351	\$ 88,203	\$ 90,850	\$ 93,500
Wake County Fire District	\$ 775,842	\$ 794,122	\$ 831,000	\$ 839,300
Rental Vehicle Tax	\$ 64,395	\$ 75,100	\$ 70,800	\$ 80,000
Solid Waste Disposal	\$ 12,095	\$ 14,095	\$ 12,945	\$ 13,200
Total	\$ 5,346,806	\$ 5,574,758	\$ 6,061,595	\$ 6,267,000
Sales & Services				
Rents	\$ 106,533	\$ 156,009	\$ 131,900	\$ 126,400
Recreation	\$ 925,324	\$ 947,855	\$ 991,200	\$ 1,010,600
Total	\$ 1,031,857	\$ 1,103,864	\$ 1,123,100	\$ 1,137,000
Permits & Fees				
Building Permits	\$ 686,895	\$ 790,833	\$ 803,000	\$ 767,200
Planning & Zoning Fees	\$ 83,967	\$ 80,362	\$ 105,000	\$ 85,000
Engineering Fees	\$ 236,723	\$ 135,869	\$ 50,000	\$ 50,000
Fire Department Fees	\$ 41,403	\$ 56,160	\$ 50,000	\$ 51,000
Officer Fees	\$ 8,800	\$ 7,960	\$ 27,500	\$ 27,500
Total	\$ 1,057,788	\$ 1,071,184	\$ 1,035,500	\$ 980,700
Restricted Intergovernmental				
Powell Bill	\$ 458,759	\$ 489,215	\$ 502,929	\$ 514,000
Grants & Reimbursements	\$ 444,064	\$ 33,283	\$ 53,526	\$ 429,500
Total	\$ 902,823	\$ 522,498	\$ 556,455	\$ 943,500
Other Taxes & Licenses				
Motor Vehicle Decals	\$ 156,503	\$ 223,623	\$ 230,000	\$ 263,700
Privilege License Tax	\$ 836,212	\$ 865,296	\$ 823,560	\$ -
Video Programming Tax	\$ 512,678	\$ 672,129	\$ 660,000	\$ 670,000
Total	\$ 1,505,393	\$ 1,761,049	\$ 1,713,560	\$ 933,700

Revenues by Classification

	2013 Actual	2014 Actual	2015 Estimated	2016 Proposed
Miscellaneous				
ABC Revenue	\$ 104,496	\$ 108,542	\$ 121,281	\$ 124,300
Surplus Property	\$ 205,687	\$ 143,263	\$ 50,658	\$ 50,000
Miscellaneous Revenue	\$ 57,745	\$ 48,233	\$ 313,075	\$ 300,000
Insurance Claims		\$ 6,580	\$ 47,500	\$ -
Fines & Forfeitures	\$ 92	\$ 3,144	\$ 4,000	\$ -
Wake County Landfill	\$ 35,604	\$ 41,806	\$ 36,000	\$ 36,400
Donations/Sponsorships	\$ 1,240	\$ 7,590	\$ 9,275	\$ 30,000
Total	\$ 404,864	\$ 359,158	\$ 581,789	\$ 540,700
Investment Earnings	\$ 23,520	\$ 16,474	\$ 17,000	\$ 17,500
Total	\$ 23,520	\$ 16,474	\$ 17,000	\$ 17,500
Transfer from Other Fund Sources	\$ 1,340,146	\$ 1,707,209	\$ 305,000	\$ 316,300
Total	\$ 1,340,146	\$ 1,707,209	\$ 305,000	\$ 316,300
Proceeds	\$ -	\$ -	\$ 1,000,000	
Total	\$ -	\$ -	\$ 1,000,000	\$ -
Appropriated Fund Balance Sources	\$ -	\$ -	\$ -	\$ 684,800
Total	\$ -	\$ -	\$ -	\$ 684,800
Total Revenue Sources	\$ 24,560,959	\$ 26,627,643	\$ 27,057,767	\$ 27,625,000

Note: Historical stormwater revenues have been restated for purposes of comparison in lieu of the proposed Stormwater Enterprise Fund.

GENERAL FUND EXPENDITURES DETAIL**Expenditures by Function**

	2013 Actual	2014 Actual	2015 Estimated	2016 Proposed
Public Safety				
Police	\$ 2,946,515	\$ 3,140,765	\$ 4,009,911	\$ 3,556,400
Fire	\$ 3,991,188	\$ 4,168,438	\$ 5,160,538	\$ 5,050,700
Total	\$ 6,937,702	\$ 7,309,203	\$ 9,170,449	\$ 8,607,100
Public Works				
Public Works & Facility Management	\$ 4,413,234	\$ 4,261,374	\$ 5,404,471	\$ 6,043,200
Powell Bill	\$ 517,496	\$ 532,721	\$ 502,645	\$ 513,000
Fleet	\$ 874,090	\$ 1,307,436	\$ 272,500	\$ 314,000
Total	\$ 5,804,820	\$ 6,101,531	\$ 6,179,616	\$ 6,870,200
General Government				
Governing Body	\$ 1,649,399	\$ 998,479	\$ 1,168,704	\$ 1,116,500
Administration	\$ 1,354,069	\$ 1,489,009	\$ 1,553,408	\$ 1,718,900
Human Resources	\$ 245,290	\$ 257,020	\$ 235,550	\$ 273,700
Finance	\$ 507,253	\$ 525,293	\$ 539,861	\$ 684,600
Information Technology	\$ 1,347,185	\$ 1,227,591	\$ 982,550	\$ 1,265,500
Total	\$ 5,103,197	\$ 4,497,392	\$ 4,480,073	\$ 5,059,200
Economic & Physical Development				
Development Services Administration	\$ 416,974	\$ 465,321	\$ 479,123	\$ 463,700
Inspections	\$ 494,933	\$ 498,537	\$ 511,542	\$ 521,900
Planning	\$ 777,010	\$ 738,538	\$ 1,011,308	\$ 1,146,600
Total	\$ 1,688,917	\$ 1,702,396	\$ 2,001,973	\$ 2,132,200
Engineering	\$ 494,320	\$ 472,810	\$ 546,714	\$ 1,039,600
Total	\$ 494,320	\$ 472,810	\$ 546,714	\$ 1,039,600
Culture & Recreation	\$ 1,552,876	\$ 1,660,349	\$ 1,709,775	\$ 1,743,600
Total	\$ 1,552,876	\$ 1,660,349	\$ 1,709,775	\$ 1,743,600
Debt Service	\$ 1,611,580	\$ 1,516,701	\$ 1,716,729	\$ 2,173,100
Total	\$ 1,611,580	\$ 1,516,701	\$ 1,716,729	\$ 2,173,100
Total Expenditures	\$ 23,193,412	\$ 23,260,382	\$ 25,805,329	\$ 27,625,000

Note: Historical departmental expenditures have been restated for purposes of comparison due to an organizational re-structure which occurred in January 2015. Historical stormwater expenditures have been restated in lieu of proposed Stormwater Enterprise Fund.

GENERAL FUND INTERFUND TRANSFERS AND FUND BALANCE DETAIL**Other Financing Sources**

In/(Out) General Fund	2013 Actual	2014 Actual	2015 Estimated	2016 Proposed
Capital Reserve Fund (Out)	\$ (1,203,500)	\$ (425,000)	\$ (555,000)	\$ (170,000)
Capital Reserve Fund In	\$ 1,232,250	\$ 1,118,997	\$ 305,000	\$ 316,300
Municipal Service District Fund	\$ -		\$ (110,000)	\$ (110,000)
2004 Bond Recreation Facilities Fund	\$ -	\$ 587,429		
Downtown Development Fund	\$ -	\$ 783	\$ -	\$ -
Stormwater Fund	\$ 107,896	\$ -	\$ -	\$ (126,200)
Public Improvements Fund	\$ -	\$ -	\$ 5,958	\$ -
2012 Bond McCrimmon Prkwy Fund	\$ -	\$ -	\$ -	\$ -
Claims and Settlements	\$ (349,000)	\$ (225,000)	\$ -	\$ -
Appropriation Fund Balance	\$ -	\$ -	\$ -	\$ -
Total Other Financing Sources (Uses)	\$ (212,354)	\$ 1,057,209	\$ (354,042)	\$ (89,900)
Beginning Fund Balance	\$ 12,076,324	\$ 13,212,761	\$ 16,662,885	\$ 18,023,512
Total Revenues	\$ 23,694,042	\$ 25,727,307	\$ 27,495,841	\$ 26,623,900
Total Expenditures	\$ 22,345,252	\$ 23,334,386	\$ 25,781,172	\$ 27,218,800
Surplus / Deficit	\$ 1,348,791	\$ 2,392,921	\$ 1,714,669	\$ (594,900)
Prior Period Adjustment	\$ -	\$ -	\$ -	\$ -
Net change in Fund Balance	\$ 1,136,437	\$ 3,450,130	\$ 1,360,627	\$ (684,800)
Ending Fund Balance	\$ 13,212,761	\$ 16,662,885	\$ 18,023,512	\$ 17,338,712
Capital Reserve Fund Balance Consolidated	\$ 1,190,372	\$ 496,830	\$ 747,267	\$ 600,938
Municipal Service District Fund Consolidated		\$ 122,573		\$ 204,956
Ending Fund Balance	\$ 14,403,133	\$ 17,282,288	\$ 18,770,779	\$ 18,144,606
Total Fund Balance Breakdown				
Portion Assigned	\$ 3,285,067	\$ 5,601,834	\$ 5,357,509	\$ 5,068,111
Unassigned Fund Balance Ending	\$ 11,118,066	\$ 11,680,454	\$ 13,413,270	\$ 13,076,496
Unassigned Fund Balance as % of Operating Expenditures less Transfers	49.76%	49.88%	51.39%	48.0%

Governing Body

OUR MISSION

The Town of Morrisville is dedicated to enhancing the quality of life by preserving our past and protecting our future through a collective community partnership. By balancing responsible growth with core values, we embrace a sense of membership, communication and supports.

SERVICE TO COMMUNITY

The Town Council by state statute is the entity having primary responsibility to establish the general framework under which the government can meet the needs of the community by creating policies and instituting law.

Strategic Priorities:

Quality of Life	Superior Services	Community Safety	Growth Management	Economic Development
roadway & pedestrian networks, recreation & parks amenities, transportation & transit initiatives, historic & cultural programs, inclusiveness of diverse populations	customer/citizen focus and engagement, program and service innovations, operational efficiency and effectiveness	responsiveness and outreach, training and emergency preparedness, disaster recovery	urbanism vs. small town feel, deliberate planning and development, attentive land use and environmental responsibility	presence and sense of place, climate supportive of quality job creation, regional partnership

Priority (Low, Medium, High)	Non-Routine or New Items	Cost Value
One-Time	2012 Bond Issuance Legal Fees	\$250,000
Transfer	Capital Reserve Fund (Future Fire Apparatus Replacements)	\$170,000
One-Time	Stormwater Subsidy	\$126,200
Transfer	Municipal Service District (est. 10 years)	\$110,000
One-Time	Branding Implementation – Phase 2	\$75,000
One-Time	Election Cost	\$20,600
One-Time	Agenda Management Software	\$10,000

GOVERNING BODY ELECTED OFFICIALS

	2013	2014	2015	2016
	Actuals	Actuals	Estimated	Proposed Budget
Mayor	1	1	1	1
Council Members	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
Total Members	7	7	7	7

GOVERNING BODY BUDGET

	2013	2014	2015	2016
	Actuals	Actuals	Estimated	Proposed Budget
Total Salary and Benefits	\$ 84,407	\$ 79,782	\$ 80,330	\$ 99,000
Operations	\$ 361,492	\$ 418,485	\$ 391,374	\$ 567,300
Capital Outlay	\$ -	\$ 75,212	\$ 32,000	\$ 44,000
Transfers out of General Fund	\$ 1,203,500	\$ 425,000	\$ 665,000	\$ 406,200
Total Expenditures	\$ 1,649,399	\$ 998,479	\$ 1,168,704	\$ 1,116,500
Year Over Year % Change Total	24.1%	-39.5%	17.0%	-4.5%
Year Over Year \$s Change Total	\$ 388,049	\$ (650,920)	\$ 170,225	\$ (52,204)

Administration

(Combined Administration, Directorate Finance & IT, Directorate Community Services & Budget)

OUR MISSION

The Administration Department includes the Town Manager, Assistant Town Manager, Budget, Public Information, Risk & Safety, Special Projects, Town Clerk and support staff. The department is committed to building a citizen-engaged community with a positive town image and ensuring that Town services are planned for and delivered to the community effectively, efficiently, economically and safely. The department provides internal support to Town Council and other Town Departments, leads the organization in making informed and ultimately successful decisions in resource allocation, program evaluation, financial management and long range financial and management analysis, and aids in collaborative and effective program and service delivery.

SERVICE TO COMMUNITY

The Administration Department manages the functions of the Town under the direction of the Town Manager and is responsible for the implementation of policies and guidance established by the Town Council. This consists of: promoting a transparent government and community involvement, timely and accurate public information; overseeing operational efficiency and safety; and ensuring the local, state and federal laws and regulations are met.

BUDGET

Priorities & New Initiatives:

- CIP Development and Prioritization
- Chart of Accounts Streamlining
- Programmatic Reporting
- Revenue Diversification Study
- Budget & Evaluation Officer Certification

Challenges:

- Chart of Accounts Streamlining Needs Coordinated with One Solution Transition
- Reintegration of TeamBudget Software with One Solution

RISK AND SAFETY

Priorities & New Initiatives:

- Create a Unified Exposure Control Plan with Wake County municipalities
- Implementation of Functional Testing for Potential Hazardous Town Positions
- Updating the Town's Drug-Free Workplace policy

Challenges:

- Workforce Complacency within the Safety Program
- Increasing Employee Participation in the Safety Program
- Continuing to Meet NCDOL Requirements to Retain SHARP Designation

TOWN CLERK

Priorities & New Initiatives:

- Agenda Management Software
- Video Streaming for Town Council Meetings

Challenges:

- Agenda Management Process will Require a Significant Overhaul
- Developing Production Protocols for Video Streaming and Indexing of Agenda to Video

PUBLIC INFORMATION

Priorities & New Initiatives:

- Continued Deployment of Town-Wide Rebranding and Logo Development

Challenges:

- Social Media Usage Volume Tracking
- Enhanced Citizen Survey Tools and Data Capture Mechanisms

SPECIAL PROJECTS

Priorities & New Initiatives:

- Strategic Plan Implementation
- Quarterly Performance Report Design and Development
- Standardization of Departmental Policies and Procedures
- Bond Referendum and Debt Financing Support

Challenges:

- Balancing the Implementation of *One Solution*
- Developing and Structuring an Innovative Strategic Plan that will Sustain Morrisville Citizens

New Request above Base Budget

Request Type	New-Routine or Onetime Initiative Request	Cost Value
Routine	Additional Merit Fund – Full Implementation	\$120,000
One-Time	OneSolution Implementation Resources	\$50,000

ADMINISTRATION AUTHORIZED POSITIONS

	2013 Actuals	2014 Actuals	2015 Estimated	2016 Proposed Budget
Town Manager	1	1	1	1
Assistant Town Manager (formerly Special Director)	1	1	1	1
Budget Program Manager	1	1	1	1
Public Information Officer	1	1	1	1
Receptionist	1	1	1	1
Risk & Safety Manager	1	1	1	1
Special Projects Coordinator (formerly Special Director)	1	1	1	1
Town Clerk	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Full-Time Department Total	8	8	8	8

ADMINISTRATION BUDGET

	2013 Actuals	2014 Actuals	2015 Estimated	2016 Proposed Budget
Total Salary and Benefits	\$ 789,605	\$ 843,852	\$ 913,701	\$ 1,063,900
Operations	\$ 564,464	\$ 645,157	\$ 639,707	\$ 655,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -
Transfers out of General Fund	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 1,354,069	\$ 1,489,009	\$ 1,553,408	\$ 1,718,900
Year Over Year % Change Total	-5.8%	10.0%	4.3%	13.3%
Year Over Year \$s Change Total	\$ (45,125)	\$ 134,940	\$ 64,399	\$ 206,650

Note: As a result of organization restructuring in 2015, positions and cost have been restated for comparative purposes.

Human Resources Department

OUR MISSION

The mission of the Human Resources Department is to take a leadership role providing service in support of the Town of Morrisville vision by promoting the concept that our employees are our most valuable resource and will be treated as such. The Human Resources Department will act as catalysts, enabling all Town employees to contribute at optimum levels towards the success of the Town. This is accomplished by the following:

- Ensuring Town employees are given tools, training, and motivation to operate in the most efficient and effective manner.
- Promoting & recruiting the best-qualified people, recognizing & encouraging the value of diversity in the work place.
- Providing a competitive salary & benefit package & developing the full potential of our work force by providing training & development for career enhancement.
- Providing a work atmosphere that is safe, healthy & secure.
- Establishing, administering & effectively communicating sound policies, rules & practices that treat employees with dignity & equality while maintaining Town compliance with employment & labor laws.

SERVICE TO COMMUNITY

Primary duties include interpreting town policies and procedures, administering recruitment and hiring practices, keeping informed of employment laws, and ensuring legal compliance for all functions. We communicate Town policies and procedures to promote employee understanding and compliance. Human Resources is also responsible for administering employee benefits, employee relations, training and pay & classification systems.

Priorities & New Initiatives:

- Retain Tenured Employees and Sustain Low Turnover Rate
- Maintain a Competitive Benefits Package While Managing Additional Costs Associated with the Affordable Care Act (ACA)
- Review Options to Better Incentivize Participation in our Wellness Programs
- Staff Development Opportunities to Increase Current Skills and Prepare for Succession Planning
- Oversee 360 Evaluation Professional Development Initiative

Challenges:

- Affordable Care Act (ACA) Requirements and Changes & Anticipated Increases in Healthcare Premiums
- Low Participation in Wellness Activities
- NEOGOV Performance Evaluation Connectivity Issues

HR AUTHORIZED POSITIONS

	2013 Actuals	2014 Actuals	2015 Estimated	2016 Proposed Budget
Human Resource Director	1	1	1	1
Human Resource Specialist	1	1	1	1
Full-Time Department Total	2	2	2	2

HR BUDGET

	2013 Actuals	2014 Actuals	2015 Estimated	2016 Proposed Budget
Total Salary and Benefits	\$ 196,433	\$ 219,328	\$ 194,095	\$ 230,000
Operations	\$ 48,857	\$ 37,692	\$ 41,455	\$ 43,700
Capital Outlay	\$ -	\$ -	\$ -	\$ -
Transfers out of General Fund	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 245,290	\$ 257,020	\$ 235,550	\$ 273,700
Year Over Year % Change Total	4.8%	4.8%	-8.4%	16.2%
Year Over Year \$s Change Total	\$ 11,259	\$ 11,730	\$ (21,470)	\$ 38,150

Finance Department

OUR MISSION

The Finance Department's mission is to manage Town Funds in accordance with the Local Government Budget and Fiscal Control Act, applicable State and Federal regulations, and sound principles of accounting and cash management. The Department is committed to the highest standards of accountability, accuracy, timeliness, professionalism, and innovation in providing financial services that not only meet, but exceed the expectations of those we serve through progressive contributions of its employees.

SERVICE TO COMMUNITY

The Finance Department administers the financial affairs of the Town of Morrisville under the direction of the Finance Director. This encompasses investing all Town funds; maintaining accounting and financial records; billing and collecting; maintaining an encumbrance system for purchasing; processing accounts payable each week; preparing biweekly payrolls; preparation of the Comprehensive Annual Financial Report; and issuance of and collections related to various user fees and charges.

Priorities & New Initiatives:

- Training New Finance Staff to Optimal Performance Level
- Fixed Asset Management Review and Organization
- OneSolution Implementation in Finance.

Challenges:

- OneSolution Implementation Staff and Resource Requirements
- Fixed Asset Management System Clean Up will Require Departmental Cooperation and Dedicated Efforts for Research, Inventorying and Cataloging
- Acclimation of New/Realigned Staff to Job Responsibilities and Duties

FINANCE AUTHORIZED POSITIONS

	2013	2014	2015	2016
	Actuals	Actuals	Estimated	Proposed Budget
Finance Director	1	1	1	1
Accounting Services Supervisor*	n/a	n/a	1	1
Accounts Payable Technician	1	1	1	1
Accounts Receivable Technician	1	1	1	1
Payroll Administrator	1	1	1	1
Purchasing & Contracts Manager*	<u>1</u>	<u>1</u>	<u>n/a</u>	<u>n/a</u>
Full-Time Department Total	5	5	5	5

Note: *Reclassified vacant authorized position and absorbed contracting within the Finance function as a result of organizational restructure in 2015. Additional realignment of departmental roles and responsibilities will be ongoing in FY 2016.

FINANCE BUDGET

	2013	2014	2015	2016
	Actuals	Actuals	Estimated	Proposed Budget
Total Salary and Benefits	\$ 402,180	\$ 380,562	\$ 393,666	\$ 521,900
Operations	\$ 105,073	\$ 144,731	\$ 146,195	\$ 162,700
Capital Outlay	\$ -	\$ -	\$ -	\$ -
Transfers out of General Fund	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 507,253	\$ 525,293	\$ 539,861	\$ 684,600
Year Over Year % Change Total	27.2%	3.6%	2.8%	14.9%
Year Over Year \$s Change Total	\$ 20,512	\$ 18,040	\$ 14,568	\$ 88,640

Note: As a result of organizational restructuring in 2015, the positions and cost have been restated for comparative purposes.

Information Technology Department

OUR MISSION

The mission of the Information Technology Department is to provide the employees of the Town of Morrisville with a modern, reliable, full-featured computing and telephony environment through which those employees can perform their duties in an effective manner, in order to provide for the needs, interests, and priorities of our community.

SERVICE TO COMMUNITY

Our Department is responsible for the purchase, installation, maintenance, and support of all technology equipment and software throughout the Town.

Priorities & New Initiatives:

- Evaluate IT Needs Assessment - TBD
- One Solution Implementation Resources
- Hardware replacement schedule(s)

Challenges:

- AS400 Transition
- Evaluation of IT Needs Assessment
- One Solution Project Implementation & Transition

Request Type	New-Routine or Onetime Initiative Request	Cost Value
Replacement	IT Replacement Servers & Switches	\$157,000
Replacement	IT Replacement Ruggedized Laptops/Motion Laptops	\$87,300
Replacement	IT Replacement Desktops/Laptops	\$82,100
Replacement	Modified Enterprise Software Licensing and Agreements	\$69,500
Routine	IT Part-time Staff Resources	\$44,700
Routine	Annual Maintenance Helpdesk Software	\$2,500

IT AUTHORIZED POSITIONS

	2013 Actuals	2014 Actuals	2015 Estimated	2016 Proposed Budget
Information Technology Director	1	1	1	1
Senior IT Analyst	1	1	1	1
Systems Analyst	1	1	1	1
IT Analyst	1	1	1	1
Part-Time IT Resources	n/a	n/a	n/a	0.5
Full-Time Department Total	4	4	4	4
Part-Time Department Total	n/a	n/a	n/a	0.5

IT BUDGET

	2013 Actuals	2014 Actuals	2015 Estimated	2016 Proposed Budget
Total Salary and Benefits	\$ 410,934	\$ 422,736	\$ 336,785	\$ 420,100
Operations	\$ 532,889	\$ 510,781	\$ 594,765	\$ 601,100
Capital Outlay	\$ 403,362	\$ 294,074	\$ 51,000	\$ 244,300
Transfers out of General Fund	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 1,347,185	\$ 1,227,591	\$ 982,550	\$ 1,265,500
Year Over Year % Change Total	32.1%	-8.9%	-20.0%	28.8%
Year Over Year \$s Change Total	\$ 327,617	\$ (119,594)	\$ (245,041)	\$ 282,950

Development Services Administration

OUR MISSION

The mission of the Directorate of Development Services is to enhance the quality of life in the Town of Morrisville through the promotion of quality growth that capitalizes on our central location within the region, promotes a mix of land uses with choices in housing and transportation for Morrisville residents, and provides a sustainable built and natural environment. The Directorate is dedicated to the highest standards of accountability, professionalism, and innovation in providing services that not only meet, but also exceed the expectation of those we serve.

SERVICE TO COMMUNITY

- Promote and ensure a high level of quality in the built environment, both private and public facilities. Coordinate the effective and efficient functioning of the Planning and Inspections Departments.
- Develop, maintain, apply, and enforce key policy and regulatory documents, including but not limited to the UDO Land Use Plan, Town Center Plan, Transportation Plan, Stormwater Management Plan, Engineering Design and Construction Manual, and the International Building Code.
- Encourage land use patterns and developments consistent with the Town's adopted Town Center Plan, UDO, Land Use Plan, Transportation Plan, and other adopted planning policies, regional initiatives, and plans of surrounding communities.
- Encourage the timely development of streets, sidewalks, stormwater management systems, and other infrastructure to support private development.
- Ensure the safety of habitable structures through conscientious and accurate application and enforcement of building standards.
- Promote environmentally sensitive policies for the Directorate and Town.
- Establish and maintain a predictable, efficient, and effective project review process.
- Develop strong positive working relationships with the private sector development community.

Priorities & New Initiatives:

- Support the efforts of Google Fiber and other private entities to install high speed fiber optic cable in town.
- Continue efforts to improve the Town's development review process and working relationship with the development community, leading to a culture of consistent enforcement and helpful customer service.
- Continue managing private development to insure standards are met, public health and safety are maintained, and essential public improvements are provided as part of plan review and approval.
- Continue efforts to implement Town Center Plan, including Town Council's vision for the Town Center core.
- Develop and adopt a new Utility Agreement with the Town of Cary (to replace the 2006 Merger Agreement).
- Coordinate and support Town's 2015 Legislative Agenda.
- Prepare draft Sustainability Plan for review and adoption.
- Support major and minor Town-initiated projects, including McCrimmon Parkway Extension, Municipal Services District (MSD), Northwest Park, Town Center core/gathering place, evaluation of Greer property and Page Street house, etc.

Challenges:

- The improving economy will generate a greater workload for DDS departments and other partners (Engineering, Town of Cary Utilities) in managing private development – planning/site plan review, civil engineering/construction drawing review, environmental engineering/stormwater review, permitting, field inspection, and enforcement.
- Continuing effort and internal communication to provide efficient process of plan review and support for private development.
- Implementation of the Town Center core and other Town-initiated projects require substantial investment and time to realize.
- Mitigation of the Town's perennial #1 issue – traffic congestion – is complicated by a variety of factors, including inadequate funding, coordination of improvements required on State-maintained roads, and the long-term nature of capital improvements.

DDS AUTHORIZED POSITIONS

	2013	2014	2015	2016
	Actuals	Actuals	Estimated	Proposed Budget
Senior Director Development Services	1	1	1	1
Development Services Coordinator	1	1	1	1
Senior Administrative Support Assistant	n/a	1	1	1
Permit Specialist	1	1	1	1
Full-Time Department Total	3	4	4	4

DEVELOPMENT SERVICES BUDGET

	2013	2014	2015	2016
	Actuals	Actuals	Estimated	Proposed Budget
Total Salary and Benefits	\$ 317,956	\$ 335,393	\$ 348,521	\$ 356,700
Operations	\$ 99,018	\$ 129,928	\$ 130,602	\$ 107,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -
Transfers out of General Fund	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 416,974	\$ 465,321	\$ 479,123	\$ 463,700
Year Over Year % Change Total	22.9%	11.6%	3.0%	-3.2%
Year Over Year \$s Change Total	\$ 25,121	\$ 48,347	\$ 13,802	\$ (15,423)

Note: Combined Economic Development Budget into DDS Budget in FY2016.

Planning Department

OUR MISSION

The Planning Department works to manage growth and protect the quality of life in the community.

SERVICE TO COMMUNITY

Long-Range Planning: Working with the community to plan the future of the Town

Current Planning: Reviewing development proposals, improving ordinances, and providing needed information

Cross-jurisdictional Coordination: Collaborating with our neighbors

Community Projects: Working with volunteers to improve the community

Priorities & New Initiatives:

- Transportation Plan Update to Reflect the Continued Growth of the Community, Prioritize Transportation Projects for Improvement, and Update the Roadway Cross Sections
- UDO Update and Text Amendment Clean-Up
- Advancing the Town Center Core Project to Create a Vibrant Central Gathering Place for the Community
- Establishing a Planning Data System to provide more data in a more accessible manner to public clients and provide better data to support the Town's planning and infrastructure improvement work.

Challenges:

- Keeping the Town's Adopted Plans Updated in a Fast Growing Community Environment
- Establishing a Vibrant Central Gathering Place for the Community
- Improving Community Appearance and Safety by Reducing the Inventory of Abandoned Structures
- Integrating GIS technology More Fully into the Town's Planning Data System to Provide Better Analysis and Make More Data Available to the General Public.

Request Type	New-Routine or Onetime Initiative Request	Cost Value
One-Time	Transportation Plan Update	\$150,000
One-Time	LAPP Funding	\$120,000
One-Time	Rex Endowment Grant (Year 2 Funding)	\$99,500
Carry-Over (FY 2015)	Rex Endowment Grant (Year 1 Funding)	\$8,500

PLANNING AUTHORIZED POSITIONS

	2013 Actuals	2014 Actuals	2015 Estimated	2016 Proposed Budget
Planning Director	1	1	1	1
Senior Planner	2	2	2	2
Planner II	1	1	2	2
Planner I	2	2	1	1
Code Enforcement Officer	1	1	1	1
Part Time Employee(s) FTE	n/a	0.16	0.16	0.16
Part-Time Department Total	0	0.16	0.16	0.16
Full-Time Department Total	7	7	7	7

PLANNING BUDGET

	2013 Actuals	2014 Actuals	2015 Estimated	2016 Proposed Budget
Total Salary and Benefits	\$ 581,439	\$ 620,651	\$ 648,125	\$ 658,600
Operations	\$ 195,572	\$ 117,887	\$ 363,183	\$ 388,500
Capital Outlay	\$ -	\$ -	\$ -	\$ 99,500
Transfers out of General Fund	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 777,010	\$ 738,538	\$ 1,011,308	\$ 1,146,600
Year Over Year % Change Total	0.0%	-5.0%	36.9%	13.4%
Year Over Year \$s Change Total	\$ (125)	\$ (38,472)	\$ 272,770	\$ 135,292

Inspections Department

OUR MISSION

The Inspections Department of the Town of Morrisville is committed to promoting the safety of lives, health, and welfare of the general public within the built environment by the administration and enforcement of the North Carolina State Building Code, as well as local municipal ordinances. Each staff member is committed to performing his/her duties in a friendly, timely, and effective manner. Each staff member's technical knowledge and/or other administrative skills are constantly upgraded by participation in state and departmentally mandated continuing education courses and by active participation in state and regional building trade associations.

The collective utilization of our knowledge and resources with the Town's other regulatory and administrative offices shall enhance the residential, working, and visiting experience of the public within the Town of Morrisville.

SERVICE TO COMMUNITY

The Inspections Department and the Inspectors are responsible for enforcing within their territorial jurisdiction State and Local laws relating to; the construction of buildings and other structures; installation of such facilities as plumbing, electrical, heating, refrigeration, and air-conditioning systems; maintenance of structures in a safe, sanitary and healthful condition; and other matters that may be specified by the Town Council.

Priorities & New Initiatives:

- Inspection Technology Implementation – Laptops and Printers for Town Vehicles
- Enhanced Coordination with Fire Department for Plan Review and Project Inspection
- Evaluate Future Staffing Needs (Retention and Succession Planning)

Challenges:

- Uncertainty of Potential Governmental Legislation
- Pending Loss of Knowledge and Experience Due to Retirements in Key Positions

INSPECTIONS AUTHORIZED POSITIONS

	2013 Actuals	2014 Actuals	2015 Estimated	2016 Proposed Budget
Inspections Director	1	1	1	1
Asst. Building Codes Administrator	1	1	1	1
Senior Building Codes Inspector	1	1	1	1
Building Codes Inspector II	1	1	1	1
Building Codes Inspector I	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Full-Time Department Total	5	5	5	5

INSPECTIONS BUDGET

	2013 Actuals	2014 Actuals	2015 Estimated	2016 Proposed Budget
Total Salary and Benefits	\$ 475,451	\$ 477,247	\$ 486,679	\$ 493,100
Operations	\$ 19,482	\$ 21,290	\$ 24,863	\$ 28,800
Capital Outlay	\$ -	\$ -	\$ -	\$ -
Transfers out of General Fund	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 494,933	\$ 498,537	\$ 511,542	\$ 521,900
Year Over Year % Change Total	-0.5%	0.7%	2.6%	2.0%
Year Over Year \$s Change Total	\$ (2,703)	\$ 3,604	\$ 13,005	\$ 10,358

Parks & Recreation Department

OUR MISSION

To enrich the Morrisville Community by creating quality recreation experiences, celebrating local culture and enhancing our natural resources.

SERVICE TO COMMUNITY

Primary responsibilities include the development and implementation of athletic, recreation and cultural programs and events, as well as planning and construction of parks, greenways and recreation facilities in accordance with the department's comprehensive master plan.

Priorities & New Initiatives:

- Northwest Park Construction
- Crabtree/Hatcher Creek Greenway Project Design and Bidding
- 2012 Parks and Recreation Bond Project Implementation (MAFC/MCP)
- Parks and Recreation Master Plan Update Preliminary Work
- Community Relations Plan Development to Improve Information Exchange with the Community.

Challenges:

- Crabtree/Hatcher Creek Greenway Project Cash-flow
- Crabtree Creek Greenway crossing of the NC railroad and NC54
- Facility Space Limitations for Public Users and Program Expansion Options

PARKS AUTHORIZED POSITIONS

	2013 Actuals	2014 Actuals	2015 Estimated	2016 Proposed Budget
Parks & Recreation Director	1	1	1	1
Recreation Superintendent	1	1	1	1
Parks & Greenway Planner	1	1	1	1
Community Center Supervisor	2	2	2	2
Athletics Supervisor	1	1	1	1
Recreation Program Specialist	1	1	1	1
Cultural Resource Specialist	1	1	1	1
Aquatics Specialist	1	1	1	1
Fitness Program Specialist	1	1	1	1
Athletics Program Specialist	1	1	1	1
Administrative Support Specialist	1	1	1	1
Senior Administrative Support Assistant	1	1	1	1
Permanent - Part Time Employee	3	3	3	3
Seasonal - Part Time Employee (FTE)	15.87	13.40	15.78	15.56
Full-Time Department Total	13	13	13	13
Part-Time Department Total	18.87	16.40	18.78	18.56

PARKS BUDGET

	2013 Actuals	2014 Actuals	2015 Estimated	2016 Proposed Budget
Total Salary and Benefits	\$ 1,235,140	\$ 1,282,855	\$ 1,377,219	\$ 1,447,000
Operations	\$ 261,155	\$ 321,024	\$ 332,556	\$ 296,600
Capital Outlay	\$ 56,581	\$ 56,470	\$ -	\$ -
Transfers out of General Fund	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 1,552,876	\$ 1,660,349	\$ 1,709,775	\$ 1,743,600
Year Over Year % Change Total	2.6%	6.9%	3.0%	2.0%
Year Over Year \$s Change Total	\$ 38,912	\$ 107,473	\$ 49,426	\$ 33,825

Engineering Department

OUR MISSION

The mission of the Engineering Department is to represent the interests of the Town of Morrisville's residents and taxpayers in the activities related to planning, inspection, construction, and maintenance of the Town's infrastructure and to endeavor to provide engineered systems that enhance the standard of living, quality of life and minimize the impact to the environment.

SERVICE TO COMMUNITY

- Evaluating and responding to residential and business concerns and complaints.
- Providing development support, including review of site plans, construction plans, plats, and plot plans (construction phase development support also involves construction inspection services and the formal acceptance of public improvements).
- Providing technical support in meeting the Town's floodplain management responsibilities
- In-house engineering design and support and project construction management and oversight.

Priorities & New Initiatives:

- Significant Transportation & Infrastructure Needs Require Additional Study and Analysis
- Develop /Integrate GIS Standards
- Electronic Plans Review & Mobile Inspection Services

Challenges:

- Funding for the Study/Analysis and Design of Major Transportation & Infrastructure (Drainage) Improvements
- Legislative Changes Make Executing Plans Difficult
- GIS Standards/Integration and E-Plan Review will take Significant Implementation & Coordination Efforts

Request Type	New-Routine or Onetime Initiative Request	Cost Value
One-Time	Roadway Design and Analysis Funds	\$200,000
Carry Over (FY 2015)	Roadway Design and Analysis Funds	\$300,000

ENGINEERING AUTHORIZED POSITIONS

	2013 Actuals	2014 Actuals	2015 Estimated	2016 Proposed Budget
Town Engineer	1	1	1	1
Senior Stormwater Engineer	1	-	-	-
Engineering Technician	3	3	3	3
Engineering Inspector	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Full-Time Department Total	6	5	5	5

ENGINEERING BUDGET

	2013 Actuals	2014 Actuals	2015 Estimated	2016 Proposed Budget
Total Salary and Benefits	\$ 455,235	\$ 405,139	\$ 435,433	\$ 462,300
Operations	\$ 32,303	\$ 67,671	\$ 98,556	\$ 577,300
Capital Outlay	\$ 6,782	\$ -	\$ 12,725	\$ -
Transfers out of General Fund	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 494,320	\$ 472,810	\$ 546,714	\$ 1,039,600
Year Over Year % Change Total	12.9%	-4.4%	15.6%	90.2%
Year Over Year \$s Change Total	\$ 56,443	\$ (21,510)	\$ 73,904	\$ 492,886

Public Works Department

OUR MISSION

The Public Works Department's mission is to provide exceptional customer service by ensuring citizen safety, maintaining the infrastructure, supporting Town departments, and providing quality essential municipal services in an efficient manner.

SERVICE TO COMMUNITY

Public Works is responsible for ensuring the safety of the Town's vehicle fleet, creating secure and clean environments in Town facilities, providing safe and improved streets for travel, affording town-wide landscape, park, and athletic field maintenance while offering progressive, cost-effective solid waste services.

Priorities & New Initiatives:

- Public Works Accreditation
- Proactive Road Maintenance Program
- Improved Sidewalk Connectivity Between Neighborhoods
- Preventative Maintenance Programs for Emergency Generators and Roofs
- Exploration of Green Technologies to Reduce the Carbon Footprint and Save Money

Challenges:

- Aging Facilities and the Trend of Higher Maintenance Costs
- Expanding Pedestrian Safety Needs
- Maintaining a High Level of Landscaping and Regular Maintenance on North Carolina Department of Transportation (NCDOT) Rights-of-Way (ROW)
- Existing Public Works Facility Inadequate for Future Needs

Request Type	New-Routine or Onetime Initiative Request	Cost Value
Replacement	Vehicle Replacement – Police (8)	\$314,000
Routine	Proactive Road Maintenance	\$300,000
Routine	Sidewalks	\$100,000
One-Time	Public Works Facility New Site Evaluation	\$10,000
Routine	Church Street Park Pump Station Maintenance Contract	\$6,100
Routine	Burglar and Fire Alarm System Monitoring	\$2,400
Carry Over (FY 2015)	NCDOT Sidewalk Agreement (NC54 and Cary Parkway segments)	\$210,000
Carry Over (FY 2014)	Morrisville-Carpenter Road/Progress Energy Road/Sidewalk	\$347,900
Carry Over (FY 2014)	CAMPO Grant Church Street Walking Loop	\$217,000
Carry Over (FY 2014)	Town of Cary Pedestrian Crossing Agreement	\$78,000
One-Time	Pedestrian Safety Enhancements	\$100,000
One-Time	LED Lights Facilities	\$130,000
One-Time	Perimeter Park Transit Pads (6)	\$30,000

PUBLIC WORKS AUTHORIZED POSITIONS

	2013 Actuals	2014 Actuals	2015 Estimated	2016 Proposed Budget
Public Works Director/Utilities Eng.	1	1	1	1
Parks & Grounds Superintendent	1	1	1	1
General Services Superintendent	1	1	1	1
Streets Superintendent	1	1	1	1
Projects Coordinator	1	1	1	1
Street Maintenance Crew Leader	1	1	1	1
Turf & Landscape Specialist	1	1	2	2
Senior Facilities Maintenance Tech	1	1	1	1
Senior Mechanic	1	1	1	1
Administrative Services Manager	1	1	1	1
Senior Administrative Support Assistant	1	1	1	1
Facilities Maintenance Technician	1	1	1	1

	2013	2014	2015	2016
	Actuals	Actuals	Estimated	Proposed Budget
Parks & Grounds Maintenance Tech II	2	2	2	2
Streets Maintenance Technician II	1	1	1	1
Street Maintenance Tech I	2	2	2	2
Parks & Grounds Maintenance Tech I	3	3	3	3
Temporary - Part Time Employee (presented as Fulltime Equivalents)	<u>2.3</u>	<u>2.3</u>	<u>2</u>	<u>2</u>
Full-Time Department Total	20	20	21	21
Part-Time Department Total	2.3	2.3	2	2

PUBLIC WORK BUDGET

	2013	2014	2015	2016
	Actuals	Actuals	Estimated	Proposed Budget
Total Salary and Benefits	\$ 1,301,537	\$ 1,346,973	\$ 1,453,844	\$ 1,521,700
Operations	\$ 2,119,985	\$ 2,383,757	\$ 3,385,936	\$ 3,050,700
Capital Outlay	\$ 991,712	\$ 530,644	\$ 564,691	\$ 1,470,800
Transfers out of General Fund	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 4,413,234	\$ 4,261,374	\$ 5,404,471	\$ 6,043,200
Year Over Year % Change Total	-9.6%	-3.4%	26.8%	11.8%
Year Over Year \$s Change Total	\$ (471,152)	\$ (151,860)	\$ 1,143,097	\$ 638,729

POWELL BILL

Total Salary and Benefits	\$ -	\$ -	\$ -	\$ -
Operations	\$ 5,494	\$ 32,454	\$ 471,645	\$ 20,000
Capital Outlay	\$ 512,003	\$ 500,267	\$ 31,000	\$ 493,000
Transfers out of General Fund	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 517,496	\$ 532,721	\$ 502,645	\$ 513,000
Year Over Year % Change Total	100%	2.9%	-5.6%	2.1%
Year Over Year \$s Change Total	\$ 517,496	\$ 15,225	\$ (30,076)	\$ 10,355

FLEET BUDGET

Total Salary and Benefits	\$ -	\$ -	\$ -	\$ -
Operations	\$ 1,896	\$ 11,652	\$ -	\$ -
Capital Outlay	\$ 872,194	\$ 1,295,784	\$ 272,500	\$ 314,000
Transfers out of General Fund	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 874,090	\$ 1,307,436	\$ 272,500	\$ 314,000
Year Over Year % Change Total	216.0%	49.6%	-79.2%	15.2%
Year Over Year \$s Change Total	\$ 597,452	\$ 433,346	\$ (1,034,936)	\$ 41,500

Police Department

OUR MISSION

The members of the Morrisville Police Department are committed to the improvement of the quality of life for the Town of Morrisville by working in partnership with our citizens. We will strive to maintain safe and secure neighborhoods for all of our stakeholders. This will be accomplished through the delivery of professional law enforcement services and recognizing the need to treat all citizens with respect and dignity.

SERVICE TO COMMUNITY

Primary responsibilities include crime prevention and education, general law enforcement activities and conducting criminal investigations.

Priorities & New Initiatives:

- Community Outreach Program Expansion
- Meet Standard for CALEA Re-accreditation
- Implement Fair and Impartial Policing Program

Challenges:

- Train Officers On Fair and Impartial Policing Curriculum
- Prepare Workforce for Potential Increase in Violence towards Police Officers

New Request above Base Budget

Request Type	New-Routine or Onetime Initiative Request	Cost Value
One-Time	K-9 Unit (second unit)	\$15,000
Routine	Additional Crossing Guards (2)	\$25,000

POLICE AUTHORIZED POSITIONS

	2013 Actuals	2014 Actuals	2015 Estimated	2016 Proposed Budget
Police Chief	1	1	1	1
Police Captain	2	2	2	2
Police Sergeant	7	7	7	7
Senior Police Officer	2	2	3	3
Master Officer	3	8	8	8
Accreditation/Crimes Analyst	n/a	1	1	1
Police Officer I	19	13	13	13
Sr. Admn. Support Assistant	1	1	1	1
Police Auxiliary - Part Time (FTEs)	.08	.08	.08	.08
Crossing Guard - Part Time (FTEs)	.86	1	1	1
Full-Time Department Total	35	36	36	36
Part-Time Department Total	.94	1.08	1.08	1.08

POLICE BUDGET

	2013 Actuals	2014 Actuals	2015 Estimated	2016 Proposed Budget
Total Salary and Benefits	\$ 2,715,305	\$ 2,820,380	\$ 3,052,984	\$ 3,090,700
Operations	\$ 231,210	\$ 209,133	\$ 374,827	\$ 450,700
Capital Outlay	\$ -	\$ 111,252	\$ 582,100	\$ 15,000
Transfers out of General Fund	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 2,946,515	\$ 3,140,765	\$ 4,009,911	\$ 3,556,400
Year Over Year % Change Total	-1.6%	6.6%	27.7%	-11.3%
Year Over Year \$s Change Total	\$ (46,944)	\$ 194,250	\$ 869,146	\$ (453,511)

Fire Department

OUR MISSION

Members of the Morrisville Fire Department are committed to maintaining and improving the quality of life for citizens in our fire district through customer oriented proactive fire protection efforts.

SERVICE TO COMMUNITY

The Morrisville Fire Department provides services to the community utilizing a combination of volunteer and career members 24 hours a day, 365 days a year.

Priorities & New Initiatives:

- Implement Quint Staffing Restructuring Plan
- Bike Safety Course for Children
- Youth Fire Safety Camp for Teenagers
- Update the Fire Department Strategic Plan
- Update Town's Emergency Operations Plan (EOP)

Challenges:

- Manage increased workload for plan review and new construction inspections
- Utilize shift personnel to cover more routine fire inspections and fire safety programs due to the Fire Prevention Division focusing more on plans review and new construction inspections

Request Type	New-Routine or Onetime Initiative Request	Cost Value
Replacement	Light Rescue Apparatus – Station 2	\$316,300
Replacement	Fire Equipment – Extrication/Air Compressor	\$65,000
Routine	Quint Staffing Restructure	\$54,100
Routine	Fire Inspections Third Party Billing	\$12,800

FIRE AUTHORIZED POSITIONS

	2013 Actuals	2014 Actuals	2015 Estimated	2016 Proposed Budget
Fire Chief	1	1	1	1
Battalion Chief	3	3	3	3
Fire Marshal	1	1	1	1
Deputy Fire Marshal	1	1	1	1
Fire Captain	9	9	9	9
Fire Lieutenant	n/a	n/a	n/a	3
Fire Engineer	9	9	9	12
Master Firefighter	9	9	9	9
Firefighter	12	12	15	9
Administrative Support Specialist	1	1	1	1
Volunteers (presented in Fulltime Equivalents)	<u>15</u>	<u>15</u>	<u>15</u>	<u>16</u>
Full-Time Department Total	46	46	49	49
Part-Time Department Total	n/a	15	15	16

FIRE BUDGET

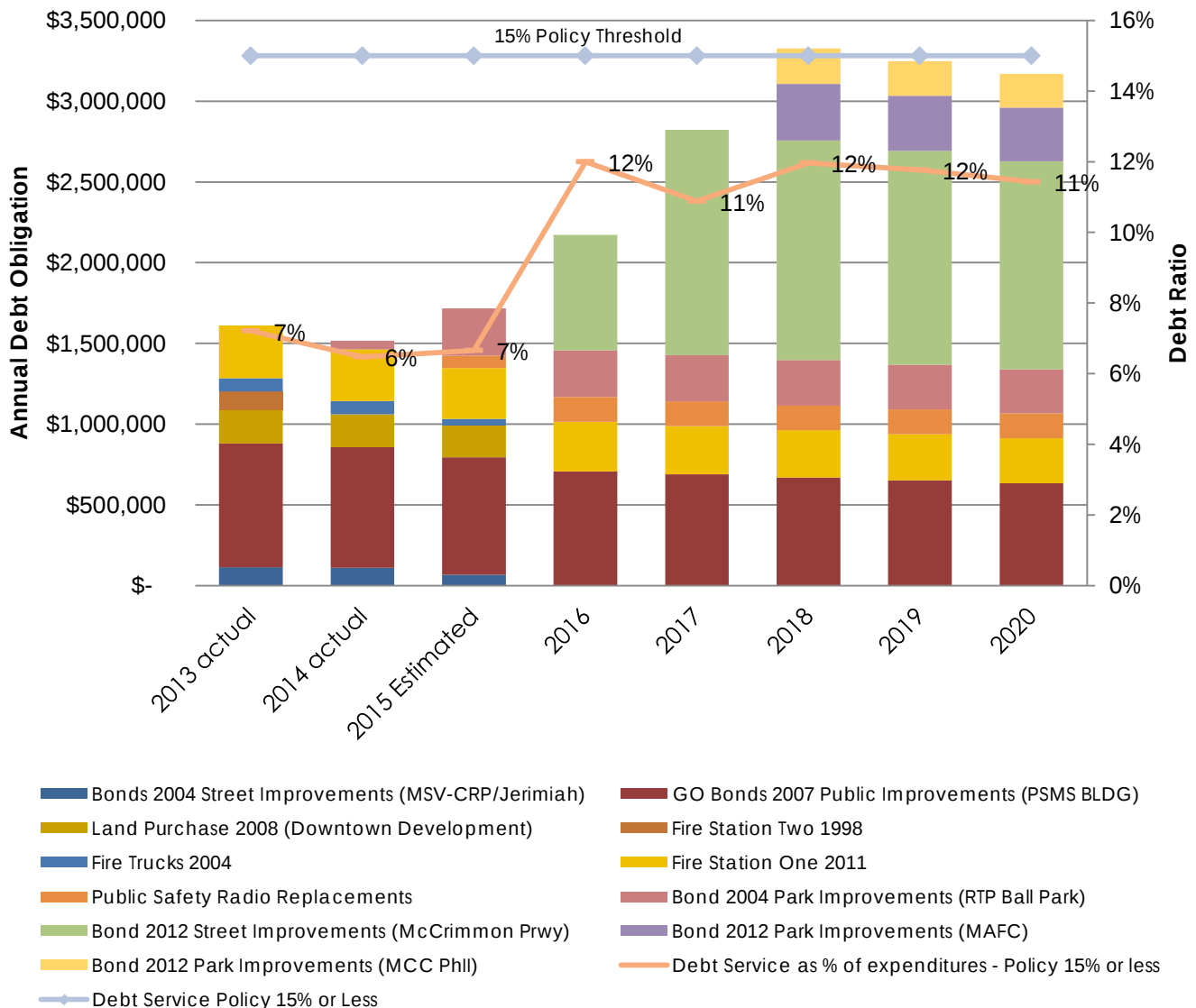
	2013 Actuals	2014 Actuals	2015 Estimated	2016 Proposed Budget
Total Salary and Benefits	\$ 3,482,574	\$ 3,674,054	\$ 3,941,953	\$ 4,197,300
Operations	\$ 439,940	\$ 412,904	\$ 482,133	\$ 484,600
Capital Outlay	\$ 68,674	\$ 81,480	\$ 736,452	\$ 368,800
Transfers out of General Fund	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 3,991,188	\$ 4,168,438	\$ 5,160,538	\$ 5,050,700
Year Over Year % Change Total	4.5%	4.4%	23.8%	-2.1%
Year Over Year \$s Change Total	\$ 171,477	\$ 177,250	\$ 992,100	\$ (109,838)

Debt Service

DEBT PROFILE

	2013 Actuals	2014 Actuals	2015 Estimated	2016 Proposed Budget
Debt Service	\$ 1,611,580	\$ 1,516,701	\$ 1,716,729	\$ 2,173,100
Year Over Year % Change Total	-2.2%	-6.9%	13.2%	26.6%
Year Over Year \$s Change Total	\$ (35,884)	\$ (94,879)	\$ 200,028	\$ 456,371

Debt Schedule



MUNICIPAL SERVICE DISTRICT FUND SUMMARY**Revenues**

	2013 Actual	2014 Actual	2015 Estimated	2016 Proposed
Ad Valorem Special District Tax	\$ 134	\$ 92,179	\$ 91,534	\$ 92,400
Transfer from General Funds	\$ -		\$ 110,000	\$ 110,000
Investment Earnings	\$ 400	\$ 140	\$ -	\$ -
Appropriation of Fund Balance	\$ -	\$ -	\$ 122,736	
Total Municipal Service District Fund Revenues	\$ 534	\$ 92,319	\$ 324,270	\$ 202,400

Expenditures

	2013 Actual	2014 Actual	2015 Estimated	2016 Proposed
Operations	\$ 37,132	\$ 86,716	\$ 324,107	\$ 202,400
Transfer to General Fund	\$ -	\$ -	\$ -	\$ -
Total Municipal Service District Fund Expenditures	\$ 37,132	\$ 86,716	\$ 324,107	\$ 202,400

Revenues Over (under) Expenditures	\$ (36,598)	\$ 5,603	\$ 163	\$ -
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Proprietary Funds



INTRODUCTION

A Proprietary fund type is used to report an activity for which a fee is charged to external users for goods or services.

Stormwater Enterprise Fund – Proposed fund will independently track and report all cost and revenues associated with the Stormwater Management

Program. *The General Fund* provides an annual subsidy to balance the budget.

Water and Sewer Fund – All Operations and management for this function transferred to the Town of Cary via a utility merger in 2006. The fund will remain open until closed prior to the end of Fiscal Year 2016.

PROPRIETARY FUNDS SUMMARY

STORMWATER FUND SUMMARY

Revenues	2013 Actual	2014 Actual	2015 Estimated	2016 Proposed
Sales & Services - Stormwater ERU Fees	\$ 444,097	\$ 446,805	\$ 505,000	\$ 510,000
Permits & Fees - Stormwater Review Fees	\$ 29,132	\$ 22,428	\$ 25,000	\$ 25,000
Restricted Intergovernmental		\$ 337,640	\$ 219,032	\$ -
Investment Earnings		\$ -	\$ -	\$ -
Transfers from General Fund		\$ -	\$ -	\$ 126,200
Total Water & Sewer Fund Revenues	\$ 473,229	\$ 806,873	\$ 749,032	\$ 661,200

Expenditures	2013 Actual	2014 Estimated	2015 Estimated	2016 Proposed
Personnel	\$ 43,534	\$ 152,871	\$ 214,820	\$ 252,900
Operations	\$ 46,978	\$ 244,547	\$ 351,023	\$ 333,300
Capital Outlay	\$ 264,827	\$ 326,586	\$ 75,000	\$ 75,000
Restricted Expenses	\$ -	\$ -	\$ -	\$ -
Total Water & Sewer Fund Expenditures	\$ 355,339	\$ 724,004	\$ 640,843	\$ 661,200

Revenues Over (under) Expenditures	\$ 117,890	\$ 82,869	\$ 108,189	\$ -
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WATER & SEWER FUND SUMMARY

The Water and Sewer Fund will close out prior to the end of FY2016.

Revenues	2013 Actual	2014 Actual	2015 Estimated	2016 Proposed
Investment Earnings	\$ 8	\$ 3	\$ -	\$ -
Debt reimbursements fm Town of Cary	\$ 391,212	\$ 269,350	\$ 160,425	\$ -
Total Water & Sewer Fund Revenues	\$ 391,220	\$ 269,353	\$ 160,425	\$ -

Expenditures	2013 Actual	2014 Estimated	2015 Proposed	2016 Proposed
Debt Service	\$ 391,212	\$ 269,353	\$ 160,425	\$ -
Total Water & Sewer Fund Expenditures	\$ 391,212	\$ 269,353	\$ 160,425	\$ -

Revenues Over (under) Expenditures	\$ 8	\$ -	\$ -	\$ -
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Stormwater

OUR MISSION

The mission of the Stormwater Program is to represent the interests of the Town of Morrisville's residents and taxpayers in the activities related to stormwater management systems that enhance the standard of living, quality of life and minimize the impact to the environment.

SERVICE TO COMMUNITY

- Evaluating and responding to residential and business concerns and complaints
- Providing development support, including review of site plans, construction plans, plats, and plot plans (construction phase development support also involves construction inspection services and the formal acceptance of public improvements)
- Implementing a stormwater management program which complies with the Town's NPDES Phase II permit, Jordan Lake Rules, and Neuse Buffer Rules, which includes:

Public education and outreach	Public involvement and participation	Pollution prevention & good municipal operations housekeeping
Illicit discharge detection and elimination	Construction site runoff controls	Post-construction site runoff controls
Riparian Buffer ordinance	Stream delineations	
- Providing technical support in meeting the Town's floodplain management responsibilities
- In-house engineering design and support; and project management and oversight

Priorities & New Initiatives:

- Significant Infrastructure Needs Require Additional Study and Analysis
- Monitor Cost Recovery for Stormwater Program

Challenges:

- Funding for the Study/Analysis and Design of Infrastructure (drainage) Improvements
- Legislative Changes Make Executing Plans Difficult
- GIS Standards/Integration and E-Plan Review will Take Significant Implementation & Coordination Efforts
- The Stormwater Program Continues to Develop, and Will Need to Adapt and Plan for Changing Laws and Rules

STORMWATER AUTHORIZED POSITIONS

	2013	2014	2015	2016
	Actuals	Actuals	Estimated	Proposed Budget
Senior Stormwater Engineer	-	1	1	1
Stormwater Engineer	-	-	1	1
Environmental Compliance Officer	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Full-Time Department Total	1	2	3	3

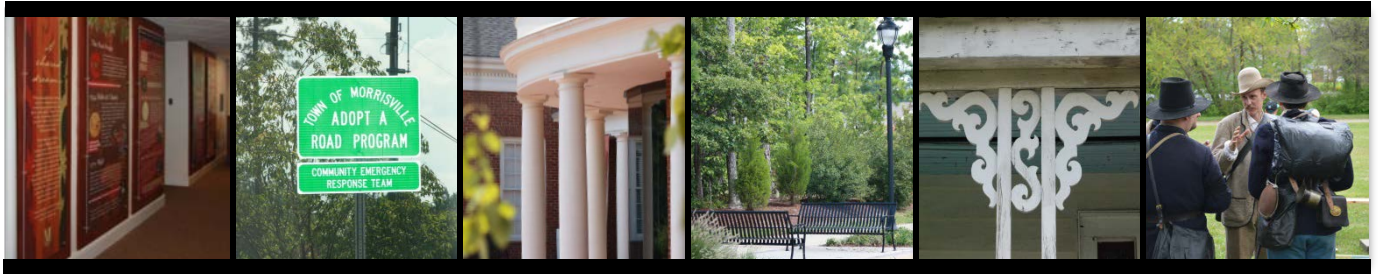
STORMWATER BUDGET

	2013	2014	2015	2016
	Actuals	Actuals	Estimated	Proposed Budget
Total Salary and Benefits	\$ 43,534	\$ 152,871	\$ 214,820	\$ 252,900
Operations	\$ 46,978	\$ 244,547	\$ 351,023	\$ 333,300
Capital Outlay	\$ 264,827	\$ 326,586	\$ 75,000	\$ 75,000
Transfers out of General Fund	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 355,339	\$ 724,004	\$ 640,843	\$ 661,200
Year Over Year % Change Total	100%	103.7%	-11.5%	3.2%
Year Over Year \$s Change Total	\$ 355,339	\$ 368,665	\$ (83,161)	\$ 20,357



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Additional Information



BUDGET PROCESS

The Town of Morrisville's budget process is designed to learn by assessing current conditions and desired needs; to set our focus toward delivering the right outcomes based on community demands and financial capacity; to assemble a budget that works within the framework of our focus; to present a balanced and responsible plan that looks to evaluate how decisions today might impact future budgets; and to take action executing the budget with a high degree of proficiency.

ASSESSMENT PHASE

The process begins in October with a review of current Town finances utilizing our Comprehensive Annual Financial Report and long-range forecasting and Capital Investments Program. This level of review of current Town finances covers such specifics as revenue from tax assessments, sales taxes as affected by retail sales as well as other state-shared revenues and reimbursements; debt service obligations; and current expenditures. We then evaluate how well our performance of the past budget measures against Town Strategy. Successes are identified, issues are diagnosed, adjustments made, and future priorities defined.

FOCUS PHASE

November kicks off the step in our process of focusing the town's direction for the coming budget year using what we learn from experience through the Performance Management Program to focus on the priorities. Council and staff may elect to conduct work session(s) to gauge community priorities, issues, and performance. Through a comparative performance analysis of Town Goals/Performance Measures, the application of Long Range Forecasting Analysis and Capital Investments Program (CIP) we begin correlating our institutional goals to our budget planning processes. Department Heads begin re-assessing their 5-Year Business Plan projections in relation to their service objectives for the coming year. Available financial capacity will determine the ability to fund any new initiative request such as service expansions, onetime priorities, or previous unfunded expenditures in department Business Plans. The tone of the budget begins to take shape as we define our financial capacity to deliver the outcomes valued by

our community within the resources available. The Town Strategy provides the steering mechanism of our budget process.

In January, the Council conducts an annual planning retreat wherein Town Council, Town Manager, Senior Directorates, and Department Heads meet collectively to finalize the priorities within the projected financial capacity. During this phase, consideration is given to make necessary modifications to Long Range Forecasting assumptions and the Capital Investments Program accounting for influential factors such as economic conditions, trend indicators, performance indices, program changes, and compensation levels while not deviating from the direction of our Town Strategy. Such a multi-year evaluation philosophy allows for a greater understanding of how decisions in one budget year may impact future budgets.

ASSEMBLY PHASE

Departments align departmental Performance Measures to the Town Goals identified by the Town Strategy. Final adjustments are applied to Long Range Forecast assumptions and the Capital Investment Program adjusted if needed by February, the Budget Manager gathers and prepares departmental budget materials. Departments are preparing related revenue and expenditure forecasts for the current fiscal year to anticipate year-end performance.

Departments assemble their final business plans. These plans are submitted to the Budget Manager before the end of March. The budget team, comprised of the Budget Manager and senior management evaluate departmental budget plans to finalize the Preliminary Budget to present to Town Manager in March. Meetings are held with Senior Directorates and Department Heads to make any needed adjustments to the departmental budget plans. By the end of April, a preliminary budget is complete.

PRESENTATION PHASE

The budget document that is presented to the Town Council represents the culmination of intensive research and analysis. The document's purpose is to present to the Council and the public a comprehensive picture of proposed operations for the budget year based on the following guidelines:

- *The primary objective is to provide the highest level of service to residents without impairing the Town's sound financial condition.*
- *The budget must be balanced for each fund; total projected revenues and funding sources must equal total anticipated expenditures.*
- *The internal budgetary control is maintained at the departmental level and designed to provide reasonable assurance that these objectives are met.*
- *Organizational oversight is maintained by the Budget Officer and his/her designee to provide for reasonable assurance and compliance that overall budgetary objectives are met.*

The proposed budget is presented to the Town Council at the first briefing meeting in May. A Public

Comment Portal provided via the internet invites the public to weigh in as Council deliberates. After considering the proposed budget, Council schedules a formal public hearing. At least ten days before the hearing, public notice of the time and place, along with a budget summary is published.

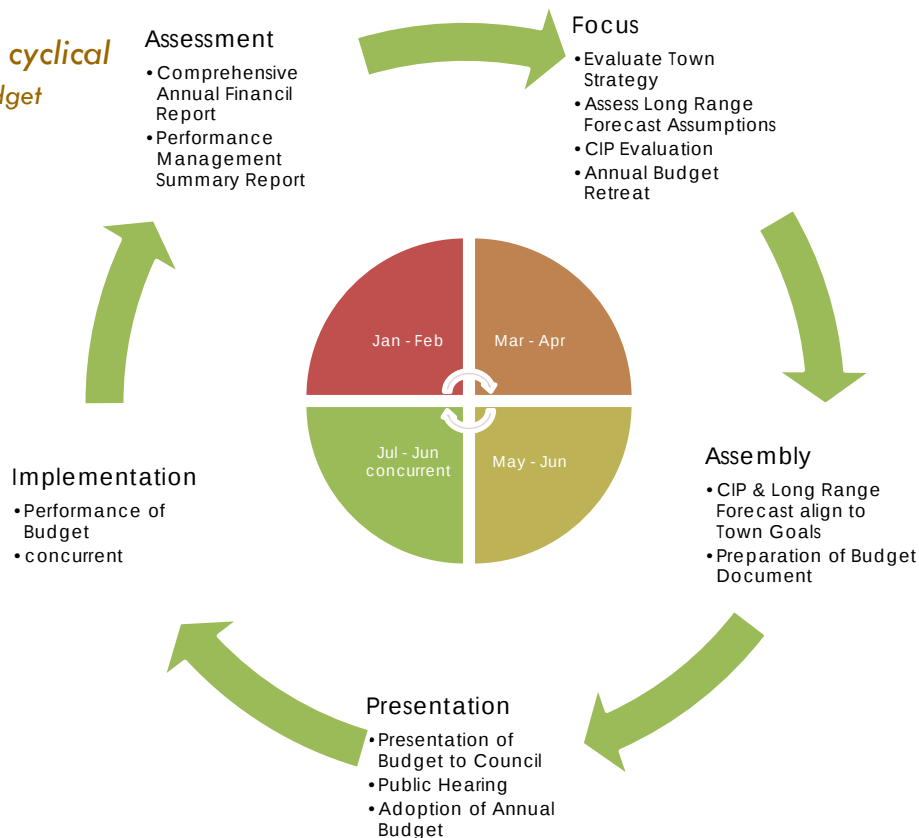
The Council reviews any public comments, and adopts the operating budget by ordinance with such modifications or statements as the Council deems advisable on or before June 30th.

IMPLEMENTATION PHASE

This is the performance phase. The fiscal year runs from July 1st through June 30th annually. During this phase, the organization will responsibly deliver services while maintaining financial accountability.

Execution of the approved budget is monitored and evaluated for performance against defined measures to identify successes, diagnose weaknesses and make adjustments to achieve the vision and mission of the community.

Illustrates the cyclical nature of the Budget Process



BUDGET CALENDAR

A Budget Development Calendar establishes a schedule of budget planning process events and important dates for the coming fiscal year development. Below represents the general events and general timeframes the calendar provides for:



BASIS OF BUDGETING

The accounts of the Town of Morrisville are organized on the basis of funds. A fund is an independent fiscal and accounting entity, with a self-balancing set of accounts. Funds maintain independent records of cash and/or other resources, together with all related liabilities, obligations, reserves and equities. The purpose of a fund is to carry out specific activities or attain certain objectives in accordance with special financial regulations, restrictions or limitations. The budget covers the activities and expenditures for a fiscal year that runs from July 1 to June 30 of the following year.

The Town develops its budget as required by the North Carolina Local Government Budget & Fiscal Control Act. All budgets are prepared and adopted using the modified accrual basis whereby revenues are recognized when measurable and available and expenditures are recognized when a liability is incurred. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds. During the year, the Town's

accounting system is maintained on the same basis as the adopted budget. Unexpended funds revert to fund balance at close of year. Unexpended capital reserve funds carry forward from year to year. At year-end, the Town's Comprehensive Annual Financial Report (CAFR) is prepared on the basis consistent with Generally Accepted Accounting Principals (GAAP). The main differences between budget and CAFR for proprietary funds are:

- *Capital Outlay and Debt Service principal payments are recorded as expenditures for budgetary purposes as opposed to adjustments of balance sheet accounts in the financial statements.*
- *Depreciation is not recognized for budgetary purposes and is recorded as a charge applied against the capital assets in the CAFR.*

The Town of Morrisville maintains the following active fund types:

FUND TYPE	PRIMARY RESOURCES	FUND USE
General Fund accounts for all governmental services and summarizes financial transactions except those activities which are more appropriately recorded in another fund group. Annually adopted budget.	• Property Taxes • Sales Tax • Local Fees & Other State Distributed Sources • Interfund Transfers	• Public Safety • Streets, Facilities & Solid Waste • Parks, Recreation & Culture • Economic & Development • General Operations • Debt Obligation
Capital Reserve Fund provides a means to set aside funds annually in a reserve to pay for future capital items. The budgeting and financial reporting consolidates this fund into the General Fund under GASB 54 annually.	• General Fund Transfers	• Fire Apparatus Replacements
Municipal Service District Fund is special revenue fund. The NC General Assembly authorized the creation of a service district property tax levied against only those properties receiving a majority of signed petitions to be included within the district for specific improvements. Annually adopted budget.	• Special District Property Tax of \$0.10/\$100 assessed property value	• Convert & upgrade private residential streets to public standards
Stormwater Enterprise Fund is a proprietary fund to create a separate accounting and reporting for which fees are charged in exchange for a utility type service. Annually adopted budget.	• Stormwater ERU Fee • Stormwater Review Fees • Restricted Fees	• Stormwater systems & programs to improve water quality • Compliance with state water resource management mandates
Water and Sewer Enterprise Fund is a proprietary fund. The Water & Sewer utilities were transferred to the Town of Cary via a	• Debt Reimbursement Town of Cary	• Capital funding in Debt Service to complete

utility merger in 2006. Annually adopted budget – fund will close at end of FY2016.		approved capital projects.
Retirement Health Care Fund is a fiduciary fund to account for assets held by the Town in a trustee capacity for others & therefore cannot be used to support the Town's own programs. Annually adopted budget.	3% of Gross Wages	Retiree supplemental medical coverage
Separation Allowance Fund is a fiduciary fund used to account for assets held by the Town in a trustee capacity for others and therefore cannot be used to support the Town's own programs. Annually adopted budget.	3% of Law Enforcement Gross Wages	Law Enforcement supplemental retirement
Capital Project Funds are used for the purpose of tracking active Capital Improvement Projects. These funds operate on a multi-year budgetary basis. No appropriations typically within the annual operating budget. Project Ordinances control appropriations.	- Property Taxes - Fund Balance & Reserves - Debt Proceeds - Grants - Impact Fees	Large non-recurring capital projects

FUND RELATIONSHIP

The following table demonstrates the interaction and relationships of departments and funds for planning and financial reporting purposes.

Fund Type		Budget Appropriation	Funds	General Government	Public Safety	Economic & Development	Public Works	Engineering	Culture & Recreation	Debt Service
Operating	Annual	General Fund		✓	✓	✓	✓	✓	✓	✓
Reserve	Annual	Capital Reserve Fund*		✓	✓					
Special Revenue	Annual	Municipal Service District Fund		✓			✓	✓		
Fiduciary	Annual	LEO Separation Allowance Fund		✓	✓					
Fiduciary	Annual	Retirement Health Care Fund		✓	✓	✓	✓	✓		
Proprietary	Annual	Stormwater Enterprise Fund		✓						✓
Proprietary	Annual	Water & Sewer Fund		✓						✓
Special Revenue	Multi-year	Parkland Fund						✓		
Capital Project	Multi-year	Fire Station One Fund		✓	✓					
Capital Project	Multi-year	Hatcher Creek Greenway		✓				✓		
Capital Project	Multi-year	Parks & Greenways PPIL Fund		✓				✓		
Capital Project	Multi-year	Recreation Facilities Fund		✓				✓		
Capital Project	Multi-year	Shiloh Sewer Fund		✓		✓				
Capital Project	Multi-year	Street Improvements McCrimmon Prwy Fund		✓						

NOTE: * GASB 54 guidance requires the Capital Reserve Fund to be consolidated in the General Fund for financial reporting.

BUDGETARY CONTROL

The Town Manager serves as the Budget Officer, as mandated by state statute. Annual budget ordinances are adopted each fiscal year and amended as required. The General Fund, Municipal Service District Fund, Stormwater Fund, Water &

Sewer Fund, and Fiduciary Funds are on an annual budgetary basis. The Capital Reserve Fund is consolidated and reported in the General Fund as per GASB 54. All Capital Project Funds operate on a multi-year budgetary basis. Multi-year based budgets span more than one fiscal year and are adopted and amended as required via project

ordinances. Budgetary control is exercised both at the departmental level, with the adoption of the budget by Town Council, and at the line item within each fund adopted by the budget ordinance. All unencumbered budget appropriations, except Capital Reserve and Capital Project Fund budgets, lapse at year-end.

The Budget Officer may designate a person(s) to carry out budgetary responsibilities. The Budget Officer and/or designee must approve transfers within functions. The Budget Officer and/or designee may also approve cross function transfers, within the same fund. All transfers must comply with the Adopted Budget Ordinance and the town's internal Budget Adjustment Policy. Budget amendments requiring additional appropriations must receive Town Council approval in the form of a Budget Ordinance Amendment unless the Annual Budget Ordinance authorizes otherwise. As required by North Carolina law, the Town maintains encumbrance accounts, which are considered to be "budgetary accounts." Encumbrances outstanding at year-end represent the estimated amounts of the expenditures ultimately to

result if unperformed contracts in process at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities because the commitments may be honored during the subsequent year (Purchase Order Rollover).

Emergency Appropriations:

Upon a declaration by the Council that there exists a public emergency affecting life, health, property, or the public peace, the Council may make emergency appropriations. If unappropriated revenues are not available to meet such circumstances, the Council is authorized to borrow sufficient funds to satisfy the emergency.

Balanced Budget:

According to North Carolina General Statute, local governments are required to present and operate under an annual balanced budget ordinance. A budget ordinance is balanced when the sum of estimated net revenues and appropriated fund balances is equal to expenditure appropriations.

FISCAL POLICY GUIDELINES

ADOPTED POLICES

The Town maintains a number of financial and management policies providing guiding principles and goals that will influence financial management practice of the Town of Morrisville, North Carolina as approved by the Town Council. A fiscal policy that is adopted, adhered to, and regularly reviewed is recognized as the cornerstone of sound financial management for the purpose of:

- a) *Contributes to the Town's ability to insulate itself from fiscal crisis,*
- b) *Enhances short-term & long-term financial credit ability by helping to achieve the highest credit and bond ratings possible,*
- c) *Promotes long-term financial stability by establishing clear & consistent guidelines,*
- d) *Directs attention to the total financial picture of the Town rather than single issue areas,*
- e) *Promotes the view of linking long-run financial planning with day-to-day operations, and*
- f) *Provides Town Council, citizenry, and professional management a framework for measuring the fiscal impacts of government services against established fiscal parameter & guidelines.*

REVENUE POLICY

The Town seeks to implement a diversified taxing policy that will ensure reasonable stability for operation at continuous service levels, but that will provide elasticity necessary for responding quickly to increased service demands due to new development. Revenue management includes within its focus, an ongoing process for reviewing and analyzing each revenue source to ensure that proceeds from each source are at an optimum level. Every attempt will be made to project revenues within 5% of final actual results, and the projections will be based on historical trends, growth patterns, and the economy. To meet these objectives the Town observes the following guidelines:

Ad Valorem Tax:

As provided by the North Carolina Local Budget and Fiscal Control Act, estimated revenue from the Ad Valorem Tax levy will be budgeted as follows:

- *Assessed valuation will be estimated based on historical trends; growth patterns, & anticipated construction.*
- *The estimated percentage of collection will not exceed the percentage of the levy actually realized in cash as of June 30th during the preceding fiscal year, in accordance with state law.*
- *The tax rate will be set each year based on the cost of providing general governmental services & paying debt service. Consideration will be given to future net revenue requirements for capital improvement project operational expenditure impacts & debt service.*

User Fees:

The Town sets fees that maximize user charges in lieu of Ad Valorem Taxes for services that can be individually identified and where the costs are directly related to the level of service. Emphasis of user charges over Ad Valorem Taxes results in the following benefits:

- *User Fees are paid by all users, including those exempt from property taxes.*
- *User Fees avoid subsidization in instances where the service is not being provided to the general public.*
- *User Fees are a means of rationing the provision of certain services.*
- *User Fees for certain services can be justified on the basis of equity & efficiency, by producing information on the demand level for services & by helping to make the connection between the amount paid & the service received.*

Other Revenue:

All other revenues will be programmed through the annual budget process to meet Town Council's goals.

EXPENDITURES POLICY

Budget Management:

Expenditure budgets are reviewed by staff, Budget Manager, the Town Manager, and Town Council prior to adoption and are continually monitored throughout the budget year. Budgeted funds will only be spent for categorical purposes for which they were intended. The annual operating budget defines staff authorization for operating budget adjustments. No appropriations of the proceeds of a debt instrument will be made except for the purpose for which such debt instrument was issued.

Fiscal Management:

Current operating expenditures will not exceed current operating revenues.

Continuing Contracts:

For continuing contracts, funds will be appropriated in the annual budget ordinance to meet current year obligations arising under the contract, in accordance with G.S. 160A-17.

Payroll:

Payroll will be in accordance with the requirements of the Fair Labor Standards Act. Overtime and benefits payments will be in accordance with the Town's Personnel Ordinance.

RESERVES POLICY

Reserve for State Statute:

In accordance with state statute, appropriated fund balance in any fund will not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts.

Unassigned Fund Balance:

The Town will maintain an unassigned fund balance in operating funds. These funds will be used to avoid cash flow interruptions, generate interest income, eliminate the need for short-term borrowing, assist in maintaining an investment-grade bond rating, provide funding flexibility for unanticipated needs and opportunities, and sustain operations during unanticipated emergencies and disasters. The level of reserve will be determined based on anticipated future funding needs, historical trends, growth patterns, the economy, and contractual obligations, including bond covenants. Refer to the Fund Balance Policy in this section.

Interfund Transfers:

Interfund transfers are allowed for the allocation of direct or indirect costs of services rendered by one fund to another.

Capital Investments Program:

The Town will update on a 4 year cycle a 5-Year Capital Investments Program ("CIP"); and a projection of capital needs and expenditures, which details the estimated cost, description, and anticipated funding sources for capital projects. The plan will include costs that have been estimated including consideration for inflation. The first year of the 5-Year CIP will be the basis of formal fiscal year appropriations intersecting with the annual budget process each year. If new project needs arise during the year, a budget amendment identifying both funding sources and project appropriations will be utilized to provide formal budgetary authority for the subject projects. The Capital Investments Program will generally address those capital assets with a value of more than \$100,000, a useful life of five (5) years or greater.

Financing Sources:

The Town acknowledges pay-as-you-go financing as a significant capital-financing source, but will determine the most appropriate financing structure for each capital project on an individual basis using all relevant factors of a project. Fund balance in excess of aforementioned LGC guidelines may be utilized as a capital source for pay-as-you-go financing.

CASH MANAGEMENT POLICY

The purpose of the Town's Cash Management Policy is to provide guidelines to maximize the use of public moneys in the best interest of the public.

Receipts:

Cash receipts will be collected as expediently as reasonably possible to provide secure handling of incoming cash and to move these moneys into interest bearing accounts and investments. All incoming funds will be deposited daily as required by law. Deposits will be made in such a manner as to receive credit for that day's interest.

Cash Disbursement:

The Town's objective is to retain moneys for investment for the longest appropriate period. Disbursements will be made shortly in advance of or on the agreed-upon contractual date of payment unless earlier payment provides a greater economic benefit to the Town. All checks require two (2) signatures Finance Director, Town Manager or Assistant Town Manager.

Banking Relations:

Banking service providers will be evaluated and selected through a competitive proposal process. Town Council will review the banking relationship at least every five (5) years. The Town will maintain a minimum number of bank accounts to facilitate the movement and investment of funds. Collateralization for deposits will be in accordance with Title 20, Chapter 7 of the North Carolina Administrative Code.

DEBT MANAGEMENT POLICY

The Town of Morrisville recognizes the foundation of any well-managed debt program is a comprehensive debt policy. A debt policy sets forth the parameters for issuing debt and managing outstanding debt and provides guidance to decision makers regarding the timing and purposes for which debt may be issued, types and amounts of permissible debt, method of sale that may be used and structural features that may be incorporated. The debt policy should recognize a binding commitment to full and timely repayment of all debt as an intrinsic requirement for entry into the capital markets. Adherence to a debt policy helps to ensure that a government maintains a sound debt position and that credit quality is protected. Advantages of a debt policy are as follows:

- a) *Enhances the quality of decisions by imposing order and discipline,*
- b) *Promotes consistency and continuity in decision making,*
- c) *Rationalizes the decision making process,*
- d) *Identifies objectives for staff to implement,*
- e) *Demonstrates a commitment to long-term planning objectives, and*
- f) *Regarded as a positive by the rating agencies in reviewing credit quality.*

It is the policy of the Town Council:

- a) *periodically approve the issuance of Debt Obligations on behalf of the Town to finance the construction or acquisition of infrastructure & other assets for the purpose of meeting its governmental obligations to its residents*
- b) *approve the issuance of Debt Obligations to refund outstanding debt when indicated by market conditions or management considerations*
- c) *debt obligations are issued & administered in such a manner as to ensure & sustain the long-term financial integrity of the Town, to achieve the highest possible credit rating, to preserve & enhance the quality of life, & the safety & welfare of its citizens*

Debt issuance will not be used to finance current operations or normal maintenance.

The Town will strive to maintain its annual tax-supported debt service costs at a level no greater than fifteen percent (15%) of the governmental revenues, including installment purchase debt. Payout of aggregate outstanding tax-supported debt principal shall be no less than 55% repaid in 10 years. The tax-supported debt of the Town will not exceed two (2%) percent of the assessed valuation of the taxable property of the Town.

Whenever possible, the Town will first attempt to fund capital projects with grants or developer contributions.

The types of debt currently used by the Town of Morrisville include general obligation bonds and installment purchase agreements. The Town may pursue other methods of financing based upon the direction of the Town Manager and approval of the Town Council. The Town will only use debt instruments, which are approved for local government.

The Town will comply with standards of the Government Finance Officers Association for financial reporting and budget presentation and the disclosure requirements of the Securities and Exchange Commission.

FUND BALANCE POLICY

To ensure financial stability, secure, and maintain investment grade bond ratings this policy is to set a reasonable level of fund balance, establish under what circumstance the Town can go below the policy level, and procedures on how the Town will restore the fund balance.

Definitions:

Non-spendable fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (grant providers), constitutionally, or through enabling legislation (legislation that creates a revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that originally imposed the constraint.

Assigned fund balance comprises amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This

indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the General Fund.

Fund balance range is the range of amounts this policy has set within which the Town means to maintain the unassigned fund balance.

Surplus is the amount by which the unassigned fund balance exceeds the upper limit of the fund balance range.

Shortfall is the amount by which the unassigned fund balance drops below the lower limit of the fund balance range.

Expenditures are all uses of financial resources, budgeted for any purpose, and include operating and capital expenses, debt service, and transfers to other funds.

Operating expenditures are uses of financial resources for personnel, supplies, services and materials, and exclude capital expenses, debt service, and transfers to other funds.

Policy:

The Unassigned Fund Balance range for the General Fund shall be no less than three (3) months operating expenditures or twenty-five (25%) percent of the total budgeted operating expenditures. In the event of an extreme emergency, the Town Council may

utilize unassigned fund balance that will reduce fund balance below the 25% policy for the purpose of providing for:

- *An unanticipated revenue shortfall*
- *Exposure to natural disasters (e.g. hurricanes or other events that threatens the health or safety of the residents*
- *Taking advantage of an unforeseen significant opportunity that may be otherwise lost to the community*
- *To protect the long-term fiscal security of the Town of Morrisville*

If Fund Balance falls below twenty-five (25%) percent, the Town Council will adopt a written plan as part of the following year's budget process to restore the Fund Balance available to the policy level within twenty-four (24) months from the date of the budget adoption. This plan may require reduction of services, increases in taxes, fees, or rates, or some combination thereof.

If Unassigned Fund Balance available as calculated as part of closing-out a fiscal year is in excess of forty-five (45%) percent, the Town Council may appropriate or designate the excess for one-time Capital Expenditures, Economic Development related expenditures, or transfer the excess to a Capital Reserve Fund. Therefore, the unassigned fund balance range target is forty-five (45%) percent.

INVESTMENT POLICY

The purpose of this investment policy is to guide the Town of Morrisville in managing cash on hand, to preserve principal, and generate income to provide cash for daily operational and capital needs.

- a) *It is the intent of the Town that public funds will be invested to the extent possible to reduce the need for property tax revenues. Funds will be invested with the chief objectives of safety of principal, liquidity, and yield, in that order. All deposits and investments of Town funds will be in accordance with N.C.G.S. 159.*
- b) *The Town will use a Central Depository to maximize the availability and mobility of*

cash for all funds that can be legally, and practically combined.

- c) *Cash Flows will be forecasted and investments will be made to mature when funds are projected to be needed to meet cash flow requirements.*
- d) *Liquidity: No less than 20% of funds available for investment will be maintained in liquid investments at any point in time.*
- e) *Maturity: All investments will mature in no more than thirty-six (36) months from their purchase date.*
- f) *Custody: All investments will be purchased "payment-versus-delivery" and if certificated will be held by the Finance Officer in the name of the Town. All non-certificated investment will be held in book-entry form in the name of the Town with the Town's third party Custodian (Safekeeping Agent).*
- g) *Authorized Investments: The Town may deposit Town Funds into any Board approved Official Depository, if such funds are secured in accordance with NCGS-159 (31). The Town may invest Town Funds in: the North Carolina Capital Management Trust, US Treasury Securities, US Agency Securities specifically authorized in GS-159 and Commercial Paper meeting the requirements of NCGS-159 plus having a national bond rating.*
- h) *Diversification: No more than 5% of the Town's investment funds may be invested in a specific company's commercial paper and no more than 20% of the Town's investment funds may be invested in commercial paper. No more than 25% of the Town's investments may be invested in any one US Agency's Securities.*
- i) *Allocation: Investment income will be allocated to each participating fund or account based on a fair and equitable formula determined by the Finance Director.*

- j) *Reporting: The Town Council will receive a report summarizing the Town's investment holdings on a monthly basis.*

Note: The Town maintains a number of internal policies defining procedural internal controls. The Town Manager approves such policies.

ACCOUNTING AND FINANCIAL REPORTING

The Town will establish and maintain an accounting system according to the North Carolina Local Budget and Fiscal Control Act, generally accepted accounting principles (GAAP), standard of the Governmental Accounting Standards Board (GASB), and the Government Finance Officers Association (GFOA).

Comprehensive Annual Financial Report (CAFR):

The Town's CAFR will be submitted to the GFOA Certification of Achievement for Excellence in Financial Report Program. The financial report should be in conformity with GAAP, demonstrate compliance with finance related legal and contractual provisions, disclose thoroughness and detail sufficiency, and minimize ambiguities and potentials for misleading inference. The audit opinion will be included with the Town's CAFR.

The Long-range forecast are updated post audit with new historical information produced by the annual audit for the purposes of future forecasting analysis.

Internal Controls:

Financial systems will maintain internal controls to monitor revenues, expenditures, and program performance on an ongoing basis.

Fiscal Monitoring:

Monthly financial reports will present actual expenditures vs. budget on a monthly and cumulative basis. Major revenue sources will be monitored on a monthly basis, noting the status of each revenue as compared to budget.

Basis of Accounting:

For financial reporting purposes, the governmental funds use the modified accrual basis of accounting, under which revenues considered to be both measurable and available for funding current appropriations are recognized when earned. All other revenues are recognized when received in cash, except that revenues of material amounts that have not been received at the normal time of receipt are accrued, and any revenues in advance are deferred. Expenditures are recorded at the time liabilities are incurred except for accumulated sick leave, which is treated as an expenditure when paid.

Proprietary funds use the accrual basis of accounting under which revenues are recognized when earned, and expenses are recorded when liabilities are incurred.

Basis of Budgeting:

The Town prepares and adopts annually a budget using the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when liability is incurred. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds.



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LONG-RANGE FORECASTING

MAJOR LONG-RANGE FORECAST ASSUMPTIONS

Major Category	2016	2017	2018	2019	2020
Revenues					
Revenues	- Conservative \$0.41 Tax Rate (Increased Bond) - Ad Valorem collection rate 99% \$15 Vehicle Decal \$25 Stormwater ERU - Sales Tax 4% growth - Privilege License loss \$890K 3% average real growth	- Conservative \$0.41 Tax Rate - Ad Valorem collection rate 99% \$15 Vehicle Decal \$25 Stormwater ERU - Sales Tax 10% growth (special census) - Privilege License loss \$908K 1% average real growth - Revaluation impact	- Conservative \$0.41 Tax Rate - Ad Valorem collection rate 99% \$15 Vehicle Decal \$25 Stormwater ERU - Sales Tax 5% growth - Privilege License loss \$926K 2% average real growth	- Conservative \$0.41 Tax Rate - Ad Valorem collection rate 99% \$15 Vehicle Decal \$25 Stormwater ERU - Sales Tax 4% growth - Privilege License loss \$945K 2% average real growth	- Conservative \$0.41 Tax Rate - Ad Valorem collection rate 99% \$15 Vehicle Decal \$25 Stormwater ERU - Sales Tax 4% growth - Privilege License loss \$964K 3% average real growth
Transfers In	Capital Reserve Fund – Small Rescue	None	Capital Reserve Fund - Quint	None	None
Expenditures					
Personnel	- Merit average 3% - No New Fulltime Positions 2 Crossing Guard (PT) - Quint Plan Staffing Restructure - IT OneSolution Resources - Insurance 7% increase 401k 5% - LGERS decrease 12.35% General/12.5%LEO - OPEB 3% - LEO Separation 3%	- Merit average 2% - No New Positions - Insurance 7% increase 401k 5% - LGERS decrease 12.35% General/12.5%LEO - OPEB 3% - LEO Separation 3%	- Merit average 2% - No New Positions - Insurance 7% increase 401k 5% - LGERS decrease 12.35% General/12.5%LEO - OPEB 3% - LEO Separation 3%	- Merit average 2% 3-Firefighters - Insurance 7% increase 401k 5% - LGERS decrease 12.35% General/12.5%LEO - OPEB 3% - LEO Separation 3%	- Merit average 2% - No New Positions - Insurance 7% increase 401k 5% - LGERS decrease 12.35% General/12.5%LEO - OPEB 3% - LEO Separation 3%
Operations	- Inflationary Adjustments - Operations Reserve - Fire Inspections Billing - IT Replacements - IT Software Licensing Plan - Branding & Agenda Mgmt. - Transportation Plan - LAPP Funds - Roadway Design Funds - Bond Issuance Legal Fees - Public Works New Site Eval - OneSolution Resources	- Inflationary Adjustments - Operations Reserve - Fire Inspections Billing - IT Replacements - IT Software Licensing Plan - Added Routine Maintenance Items - Roadway Design Funds	- Inflationary Adjustments - Operations Reserve - Fire Inspections Billing - IT Replacements - IT Software Licensing Plan - Bond Sale Cost	- Inflationary Adjustments - Operations Reserve - Fire Inspections Billing - IT Replacements	- Inflationary Adjustments - Operations Reserve - Fire Inspections Billing - IT Replacements
Capital Outlay	- Small Fire Apparatus/ Vehicle Replacements - IT & Other Replacements - Higher Street Maintenance - Sidewalk Funds - K-9 Unit (second) - Carryover Projects - Pedestrian Safety Funds - Perimeter Transit Pads (6) - LED Lights Facilities	- IT & Other Replacements - Higher Street Maintenance - Sidewalk Funds	- Fire Apparatus/ Vehicle Replacements - IT & Other Replacements - Higher Street Maintenance - Sidewalk Funds	- Vehicle Replacements - IT & Other Replacements - Higher Street Maintenance - Sidewalk Funds	- Vehicle Replacements - IT & Other Replacements - Higher Street Maintenance - Sidewalk Funds
Debt Service	- Retiring Debt - Partial 2012 Bond Debt McCrimmon	Minor Retiring Debt	- Minor Retiring Debt 2012 Bond Debt MAFC/MCPII	Minor Retiring Debt	Minor Retiring Debt
Transfers Out	- Capital Reserve Funding - MSD Funding - Stormwater Subsidy	- Capital Reserve Funding - MSD Funding - Stormwater Subsidy	- Capital Reserve Funding - MSD Funding - Stormwater Subsidy	- Capital Reserve Funding - MSD Funding - Stormwater Subsidy	- Capital Reserve Funding - MSD Funding - Stormwater Subsidy
Cash Flow Demands	2012 Park Bond Design 2012 Road Bond Design/Easements - Hatcher Creek - Northwest Park	2012 Park Bond Design - Hatcher Creek - Northwest Park			

Operating Budget for FY2016, 5% increase as compared to the Original Approved FY2015 Budget. 5-Year Projections based on Departmental Business Plans. Expenditure increases decrease based on Town Goals, infrastructure additions, population growth, CPI-U, service expansions.

5-Year Long-Range Forecast Analysis Summary

General Fund

	actual 2013	actual 2014	estimate 2015	forecast 2016	forecast 2017	forecast 2018	forecast 2019	forecast 2020
Revenues by type								
Ad Valorem	\$ 12,947,762	\$ 14,511,449	\$ 14,663,768	\$ 15,803,800	\$ 16,035,900	\$ 16,353,800	\$ 16,678,100	\$ 17,174,200
Intergovernmental Revenues Total	\$ 5,346,806	\$ 5,574,758	\$ 6,061,595	\$ 6,267,000	\$ 6,738,200	\$ 6,954,500	\$ 7,178,600	\$ 7,411,100
Intergovernmental Restricted Revenues Total	\$ 902,823	\$ 522,498	\$ 556,455	\$ 943,500	\$ 658,500	\$ 570,000	\$ 586,500	\$ 603,300
Other Taxes & Licenses Total	\$ 1,505,393	\$ 1,761,049	\$ 1,713,560	\$ 933,700	\$ 951,200	\$ 971,700	\$ 992,300	\$ 1,014,000
Permits & Fees Total	\$ 1,057,788	\$ 1,071,184	\$ 1,035,500	\$ 980,700	\$ 921,100	\$ 920,600	\$ 935,500	\$ 986,600
Stormwater Revenues Total	\$ 473,203	\$ 806,872	\$ 749,032					
Sales & Services Total	\$ 1,031,857	\$ 1,103,864	\$ 1,123,100	\$ 1,137,000	\$ 1,158,800	\$ 1,190,900	\$ 1,232,900	\$ 1,264,800
Investment Earnings	\$ 23,520	\$ 16,474	\$ 17,000	\$ 17,500	\$ 18,200	\$ 19,100	\$ 21,000	\$ 23,100
Miscellaneous	\$ 404,864	\$ 359,158	\$ 581,789	\$ 540,700	\$ 264,200	\$ 267,800	\$ 271,500	\$ 275,200
Proceeds	\$ -	\$ -	\$ 1,000,000					
Transfers In from Other Fund Sources	\$ 1,340,146	\$ 1,707,209	\$ 305,000	\$ 316,300	\$ -	\$ 1,094,900	\$ -	\$ -
Appropriation of Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 25,034,161	\$ 27,434,516	\$ 27,806,799	\$ 26,940,200	\$ 26,746,100	\$ 28,343,300	\$ 27,896,400	\$ 28,752,300
Total Revenues without Transfers	\$ 23,694,015	\$ 25,727,307	\$ 26,501,799	\$ 26,623,900	\$ 26,746,100	\$ 27,248,400	\$ 27,896,400	\$ 28,752,300
Overall Revenue Growth (not including interfund transfers)	7%	9%	3%	0.5%	0%	1.9%	2%	3%
Overall Revenue Growth (includes interfund transfers)	10%	10%	1%	-3%	-1%	6%	-2%	3%
Revenue Per Capita Less Transfers	\$ 1,220.96	\$ 1,275.90	\$ 1,277.01	\$ 1,245.50	\$ 1,214.79	\$ 1,213.36	\$ 1,217.86	\$ 1,230.62
Expenditures by type								
Personnel Service	\$ 12,491,731	\$ 13,061,823	\$ 13,878,155	\$ 14,562,300	\$ 14,866,400	\$ 15,240,900	\$ 15,818,400	\$ 16,195,600
Operations	\$ 5,065,805	\$ 5,820,345	\$ 7,807,314	\$ 7,434,000	\$ 6,652,900	\$ 6,768,500	\$ 6,789,900	\$ 6,883,100
Capital Outlay	\$ 3,176,135	\$ 3,160,517	\$ 2,378,974	\$ 3,049,400	\$ 1,589,600	\$ 2,459,100	\$ 1,731,900	\$ 1,469,400
Interfund Transfers	\$ 1,203,500	\$ 425,000	\$ 665,000	\$ 406,200	\$ 603,900	\$ 365,400	\$ 407,900	\$ 407,400
Debt	\$ 1,611,580	\$ 1,516,701	\$ 1,716,729	\$ 2,173,100	\$ 2,821,900	\$ 3,325,800	\$ 3,247,100	\$ 3,168,300
Total Expenditures	\$ 23,548,751	\$ 23,984,386	\$ 26,446,172	\$ 27,625,000	\$ 26,534,700	\$ 28,159,700	\$ 27,995,200	\$ 28,123,800
Total Expenditures without Transfers	\$ 22,345,251	\$ 23,559,386	\$ 25,781,172	\$ 27,218,800	\$ 25,930,800	\$ 27,794,300	\$ 27,587,300	\$ 27,716,400
Overall Expenditure Growth (not including interfund transfers)	8%	5%	9%	6%	-5%	7%	-1%	0%
Overall Expenditure Growth (includes interfund transfers)	7%	2%	10%	4%	-4%	6%	-1%	0%
Expenditures Per Capita Less Transfers	\$ 1,151.46	\$ 1,168.39	\$ 1,242.29	\$ 1,273.33	\$ 1,177.76	\$ 1,237.67	\$ 1,204.37	\$ 1,186.29
Transfers (In/Out)								
other Sources								
Transfers In	\$ 1,340,146	\$ 1,707,209	\$ 310,958	\$ 316,300	\$ -	\$ 1,094,900	\$ -	\$ -
Transfers out	\$ 1,203,500	\$ 425,000	\$ 665,000	\$ 406,200	\$ 603,900	\$ 365,400	\$ 407,900	\$ 407,400
Claims/Settlements	\$ 349,000	\$ 225,000						
Total Transfers	\$ (212,354)	\$ 1,057,209	\$ (354,042)	\$ (89,900)	\$ (603,900)	\$ 729,500	\$ (407,900)	\$ (407,400)
Total Revenues (all sources)	\$ 25,034,161	\$ 27,434,516	\$ 27,806,799	\$ 26,940,200	\$ 26,746,100	\$ 28,343,300	\$ 27,896,400	\$ 28,752,300
Total Expenditure (all sources)	\$ 23,548,751	\$ 23,984,386	\$ 26,446,172	\$ 27,625,000	\$ 26,534,700	\$ 28,159,700	\$ 27,995,200	\$ 28,123,800
Surplus/(deficit) - includes transfers in/out effect	\$ 1,485,410	\$ 3,450,130	\$ 1,360,627	\$ (684,800)	\$ 211,400	\$ 183,600	\$ (98,800)	\$ 628,500

General Fund		actual 2013	actual 2014	estimate 2015	forecast 2016	forecast 2017	forecast 2018	forecast 2019	forecast 2020
Debt Outlay Analysis									
Maximum debt outlay annually within Policy ¹	\$	3,290,576	\$ 3,370,153	\$ 3,709,416	\$ 3,817,785	\$ 3,556,920	\$ 3,725,085	\$ 3,712,215	\$ 3,743,325
Retiring Debt from previous year			\$ 94,879	\$ (200,027)	\$ 258,654	\$ 30,460	\$ 30,366	\$ 28,670	\$ 28,649
Existing Long-term Debt	\$	1,611,580	\$ 1,516,701	\$ 1,716,728	\$ 1,458,075	\$ 1,427,614	\$ 1,397,248	\$ 1,368,579	\$ 1,339,929
New CIP Debt Service	\$	-	\$ -	\$ -	\$ 715,000	\$ 1,394,250	\$ 1,928,500	\$ 1,878,500	\$ 1,828,500
Total Long-term Debt Service (including New Debt)	\$	1,611,580	\$ 1,516,701	\$ 1,716,729	\$ 2,173,100	\$ 2,821,865	\$ 3,325,749	\$ 3,247,079	\$ 3,168,430
Debt Service Ratio	<i>Debt outlay as % of prior year expenditures indicates the service flexibility within the amount of expenditures committed to annual debt service. 15% or higher exceeds Town Policy.</i>								
Performance Indicator		7%	7%	7%	8%	11%	12%	12%	11%

Tax Rate Analysis									
Current and Projected Tax Rate		0.3665	0.3900	0.3900	0.4100	0.4100	0.4100	0.4100	0.4100
Tax Base	\$	3,521,406,350	\$ 3,660,598,315	\$ 3,746,622,375	\$ 3,859,021,047	\$ 3,916,209,598	\$ 3,994,533,790	\$ 4,074,424,466	\$ 4,196,657,200
Tax Base Growth		4.13%	3.95%	2.35%	3.00%	1.48%	2.00%	2.00%	3.00%
Population		19,406	20,164	20,753	21,376	22,017	22,457	22,906	23,364
Per Penny	\$	353,281	\$ 372,088	\$ 375,994	\$ 385,459	\$ 391,120	\$ 398,873	\$ 406,783	\$ 418,883
Expenditures Per Capita	\$	1,213.48	\$ 1,189.47	\$ 1,274.33	\$ 1,292.34	\$ 1,205.19	\$ 1,253.94	\$ 1,222.18	\$ 1,203.72

Fund Balance Analysis - CAFR Exhibit 5									
Beginning Total Fund Balance	\$	12,076,324	\$ 13,212,761	\$ 16,662,885	\$ 18,023,512	\$ 17,338,712	\$ 17,550,112	\$ 17,733,712	\$ 17,634,912
Revenues based on Current Tax Rate	\$	23,694,042	\$ 25,727,307	\$ 27,495,841	\$ 26,623,900	\$ 26,746,100	\$ 27,248,400	\$ 27,896,400	\$ 28,752,300
Expenditures with New CIP	\$	22,345,252	\$ 23,334,386	\$ 25,781,172	\$ 27,218,800	\$ 25,930,800	\$ 27,794,300	\$ 27,587,300	\$ 27,716,400
Surplus/(deficit)	\$	1,136,436	\$ 3,450,125	\$ 1,360,627	\$ (684,800)	\$ 211,400	\$ 183,600	\$ (98,800)	\$ 628,500
Non-Spendable; Restricted; Committed; Assigned Fund Balance	\$	3,285,067	\$ 5,601,834	\$ 5,357,509	\$ 5,068,111	\$ 4,899,044	\$ 5,111,750	\$ 4,953,264	\$ 4,870,583
Prior Period Adjustment									
Assigned/Unassigned	\$	13,212,761	\$ 16,662,885	\$ 18,023,512	\$ 17,338,712	\$ 17,550,112	\$ 17,733,712	\$ 17,634,912	\$ 18,263,412
Capital Reserve Fund Balance (consolidated)	\$	1,190,372	\$ 496,830	\$ 747,267	\$ 600,938	\$ 973,938	\$ (918)	\$ 199,082	\$ 762,269
MSD Fund Balance (consolidated - new 2014)	\$	-	\$ 122,573	\$ -	\$ 204,956	\$ 408,356	\$ 612,626	\$ 205,200	\$ 411,350
Assigned / Unassigned Fund Balance including Capital Reserve Fund	\$	14,403,133	\$ 17,282,288	\$ 18,770,780	\$ 18,144,606	\$ 18,932,406	\$ 18,345,421	\$ 18,039,195	\$ 19,437,031
Unassigned Fund Balance	\$	11,118,066	\$ 11,680,454	\$ 13,413,270	\$ 13,076,496	\$ 14,033,362	\$ 13,233,671	\$ 13,085,931	\$ 14,566,449
Unassigned Fund Balance	<i>Percentage of expenditures indicates Morrisville's ability to handle long-term obligations - 25% or less fails to meet Policy. Over 45% may indicate flexibility for onetime outlays.</i>								
Performance Indicator		49.8%	49.9%	51.4%	48.0%	54.1%	47.6%	47.4%	52.6%
Fund Balance High Policy		45%	45%	45%	45%	45%	45%	45%	45%
Fund Balance Low Policy		25%	25%	25%	25%	25%	25%	25%	25%

- notes:**
- 1 - Deficit indicates potential to use Fund Balance to balance revenues to expenditures, cut operations, or raise revenues / Surplus indicates revenues in excess of expenditures should current tax rate be held the same.
 - 2 - Change in Fund Balance Reporting can limit year to year comparison in previous years. - MSD & CRF are now required to be consolidated in General Fund.
 - 3 - Current year estimates include encumbrance assumptions that by June 30th may become part of the Purchase Order Rollover required by financial reporting, affecting assumptions used to forecast Fund Balance.
 - 4 - Unassigned Fund Balance assumptions are long projections, in that estimates must span over a two year period. Should any one variable change it can radically alter the assumptions overall. However estimates are produced to reasonably understand potential impacts of budgetary decisions.
 - 5 - Stormwater Fund as of FY2016 does not appear within the forward analysis. The Stormwater enterprise fund will have its own long-range forecast tool going forward.

User Fee Schedule

ADMINISTRATION DEPARTMENT

Fee Description	Current Fee	Proposed Fee Change
Ad Valorem Tax	39.00 ¢ per \$100	41.00 ¢ per \$100
Ad Valorem Municipal Service District Tax (only impacts those residents located within Service District Area)	10.00 ¢ per \$100	
Vehicle Tag Fee	\$15.00	
<u>Public Record Fees and Copy Fees:</u>	-	
Paper Copies (Includes Certified Documents)		
For Color (If available)– Double Fees		
8 1/2" x 11" (one/two sided)	15¢	
8 1/2" x 14" (one/two sided)	20¢	
11" x 17" (one/two sided)	25¢	
Site Plans & Construction Drawings (Full Size)	\$8 first sheet, \$1.50 each add'l sheet	
Site Plans & Construction Drawings (11" x 17")	\$5 first sheet, \$1.00 each add'l sheet	
<i>Files on Disk/CD Rom</i>		
CD Rom	\$6.00	
DVD	\$8.00	
<i>Digital Copies</i>		
All documents & maps, except custom, sent via email or FTP site	No Charge	
<i>Copies from Plotter (Maps)</i>		
17" x 22" (Size C)	\$7.00 first sheet, \$1.50 each add'l sheet	
22" x 34" (Size D)	\$9.00 first sheet, \$1.50 each add'l sheet	
34" x 44" (Size E)	\$13.00 first sheet, \$1.50 each add'l sheet	
<i>Custom Map</i>		
Fee includes One digital version and one hard copy from plotter	Base map fee + \$130.00 per hour	
<i>Development Plans and Documents</i>		
Land Use Plan – Current Version (updated March 24, 2009)	\$40	
Land Use Plan - Previous Version	\$5	
<u>Subdivision Ordinance</u>	\$40	
Town Center	\$40	
Transportation Plan – Current Version (updated March 24, 2009)	\$40	

Effective July 1, 2015 – June 30, 2016 – Modifications to User Fee Schedule may occur at any time outside of Budget Process if necessary. Proposed additions and/or deletions indicated in RED text and in change column.

ADMINISTRATION DEPARTMENT

Fee Description	Current Fee	Proposed Fee Change
Transportation Plan - Previous Version	\$5	
Zoning Ordinance	\$40	
Other Plans Not Listed Above	\$40	
Off- Site File Retrieval	\$60 per file/specific record	
<i>For Public Records requests that require more than 1 hour of staff time to formulate the requested records a per hour fee based on the staff person(s) providing the records salary will be assessed. An estimate can be provided in advance, but may not reflect actual staff time usage incurred. Hours will be rounded to the nearest lowest hour.</i>		

FINANCE DEPARTMENT

Fee Description	Current Fee	Proposed Fee Change
Privilege License Fee Authority	All	Repealed

PLANNING DEPARTMENT

Fee Description	Current Fee	Proposed Fee Change
Development Permits and Approvals		
Administrative Adjustment	\$100 / individual request per requested standard	\$150 per request standard
Administrative Appeal (UDO)	\$580	\$600
Alternative Equivalent of Compliance	\$700 + \$25/acre	\$750 + \$25/acre
Conceptual Master Plan Approval (includes first 3 reviews)	\$700 + \$25/acre	\$750 + \$25/acre
Conceptual Master Plan Approval: Minor Modification (includes first 3 reviews)	\$500	
4 th Review and each review thereafter	\$200	
Development Agreement	\$1,000	
Development Name Change	N/A	\$500
Special Use Permit	\$700 + \$25/acre	\$750 + \$25/acre
Special Use Permit: Minor Amendment	\$500	
Type 1 (includes first 3 reviews) * Note: Fee not required for single family attached. See Site Plan fees	\$750 + \$10/lot	\$800 + \$10/lot
Type 2 (includes first 3 reviews) * Note: Fee not required for single family attached. See Site Plan fees	\$695 + \$10/lot	\$700 + \$10/lot
Type 3 (includes first 3 reviews)	\$330 + 10/lot	\$350 + \$10/lot
Determination of Subdivision Exclusion (includes first 2 3 paper Reviews & mylar)	\$120	\$150
Right-of-Way Dedication (includes first 3 paper reviews & mylar review)	\$120	\$150
Type 1 and 2: Minor Amendment Modification (includes first 3 reviews)	\$720	\$750
Type 3: Minor Amendments Modification (includes first 3 reviews)	\$200	
Type 1 and Type 2: 4 th review and each review thereafter	\$520	\$525
Type 3 and , Determination of Subdivision Exclusion, and Right-of-way Dedication: Each additional review (paper and mylar)	\$100	
Final Plat: Type 1 and Type 2 (includes first 3 paper reviews & mylar review)	\$180 + \$10/lot	\$200 + \$10/lot + \$20/unit (if mixed use has residential component)
Final Plat: Type 1 and Type 2 Each additional review	\$100	
Site Plan: Major Non-Residential and Mixed Use (includes first 3 reviews) Note: If submitted concurrent with Construction Drawing it includes first 4 reviews.	\$750 + \$25/acre	\$800 + \$25/acre
Site Plan: Major Residential Single Family Attached and Multi-family (includes first 3 reviews) Note: If submitted concurrent with Construction Drawing it includes first 4 reviews	\$750 + \$10 /unit	\$800 + \$20/unit
Site Plan: Minor Non-Residential use and Mixed Use (includes first 3 reviews)	\$695 + \$25/acre	\$700 + \$25/acre

Effective July 1, 2015 – June 30, 2016 – Modifications to User Fee Schedule may occur at any time outside of Budget Process if necessary. Proposed additions and/or deletions indicated in RED text and in change column.

PLANNING DEPARTMENT

Fee Description	Current Fee	Proposed Fee Change
Site Plan: Minor Residential Single Family attached and multi-family (includes first 3 reviews)	\$695 + \$10/unit	\$700 + \$20/unit
Site Plan: Minor Modification (includes first 3 reviews)	\$720	\$550
Site Plan: 4 th review and each review thereafter	\$520	\$550
Combined Review: Non-residential and Mixed Use (includes first 4 reviews)	\$1,280 + \$37.50/acre	REMOVE
Combined Review: Residential (includes first 4 review)	\$1,280 + \$10/per unit	REMOVE
Combined Review: Minor Modification (includes first 4 reviews)	\$710	REMOVE
Combined Review: 5th Review and each review thereafter	\$710	REMOVE
Site-Specific Development Plan Designation	\$1,000	
Interpretation (UDO)	\$200	
Structures in the Right-of-way (See Section 2.5.24 Right-of-Way Encroachment Agreement Approval)	\$375	\$500
Variance (also see Riparian Buffer)	\$440	\$500
Ordinance Amendments		
Conditional	\$685 + \$25/acre	\$700 + \$25/acre
General Use	\$685 + \$25/acre	\$700 + \$25/acre
Planned Development	\$2,000 + \$25/acre	
Planned Development: Minor Modification	\$500	
Comprehensive Plan Amendments		
Consultant Peer Review Fee	Actual Cost of Review	
Map Amendment	\$695	\$700
Text Amendment	\$695	\$700
Other Permits, Fees, and Procedures		
Alternative Landscape Plan	\$100	\$200 per requested standard
Alternative Parking Plan	\$100	
Food Truck Permit	\$100 (1/1 to 12/31) or \$50 (7/1 to 12/31)	\$100
Grave Removal Request	\$210	\$225
Master Parking Payment-in-Lieu	\$2,000 per space	
Parkland Payment Appraisal	Actual Cost of the Appraisal	
Parkland Payment-in-Lieu	1/35 of an acre (predevelopment cost) times the number of dwelling units	
PIL for Replacement Tree	N/A	\$300 per caliper inch
Request to Waive Limitation on Subsequent Similar Applications	\$250	
Road Closing	\$2,120	\$2,125

Effective July 1, 2015 – June 30, 2016 – Modifications to User Fee Schedule may occur at any time outside of Budget Process if necessary. Proposed additions and/or deletions indicated in RED text and in change column.

PLANNING DEPARTMENT

Fee Description	Current Fee	Proposed Fee Change
Road Name Change	\$545	\$550
Special Event Permit	\$30	
Stockpiling Permit	\$100	
Street Vendor Permit	\$100 (1/1 to 12/31) or \$50 (7/1 to 12/31)	\$100
Telecommunications Facility: Collocation	\$1,000	
Telecommunications Facility: New Facility :	\$3,500	\$4,500
<u>Transportation Impact Analysis:</u>	-	
Town Review Fee	\$695 + \$10/acre	\$700 + \$10/acre
Consultant Peer Review Fee	Actual Cost of Review	
Transportation Impact Analysis: Reduced Analysis (See Section 5.8.6.B.2.a.(2) in the UDO for thresholds):		
Town Review Fee	\$370	REMOVE
Consultant Peer Review Fee	Actual Cost of Review	REMOVE
<u>Traffic Signal – Peer Review:</u>		
Town Review Fee	\$370	\$375
Consultant Peer Review Fee	Actual Cost of Review	
Tree Damage Report	Actual Cost of Report	
Voluntary Annexation Petition	\$335	\$350
Zoning Compliance Letter	\$185	
Sign Permits		
<u>Specific Sign types (See Table 5.16.4: Standards for Specific Sign Types, in the UDO)</u>		
Ground, Wall Mounted, Projection, Awning-Mounted & Marquee	\$130 (Sign less than or equal to 30 sqft); or \$5 per sqft (Sign greater than 30 sqft)	
Bracket Mounted	\$5 per sqft	
Sandwich board	\$20	
<u>Special Purpose Signs (See Table 5.16.5: Standards for Special Purpose Signs, in the UDO)</u>		
Address (Ground mounted) \$20	\$20	
Address (Wall Mounted) No Fee	No Fee	
Contractor/Construction Signs \$5 per sqft	\$5 per sqft	
Residential Development Identification Signs	\$130 (Sign less than or equal to 30 sqft); or \$5 per sqft (Sign greater than 30 sqft)	
<u>Temporary Sign (See Table 5.16.6: Standard for Temporary Signs, in the UDO)</u>		
Directional Signage \$5 per square feet	\$5 per sqft	

PLANNING DEPARTMENT

Fee Description	Current Fee	Proposed Fee Change
<i>Directory Signs</i>	\$130 (Sign less than or equal to 30 sqft); or \$5 per sqft (Sign greater than 30 sqft)	
<i>Home Garden Produce Sale Sign</i>	\$20	
<i>Real Estate (Commercial Only)</i>	\$20	
<i>Promotional Event Signs</i>	\$60 per calendar year	
<i>Off-site Temporary Directional Signage associated with Special Events Permit</i>	\$20 per sign	
<i>Off-site Temporary Directional Signage associated with Residential Developments</i>	\$60 (1/1 to 12/31) or \$30 (7/1 to 12/31) per sign	\$70 per sign
<i>Light Pole Banner</i>	\$5 per pole (One-time fee required for initial installation. This is necessary to ensure banner location & brackets comply with UDO standards)	
<i>Banner Signs on Ground-mounted Signage:</i>	\$20 per sign (One-time fee required for initial installation. This is necessary to ensure banner location & brackets comply with UDO standards)	

ENGINEERING DEPARTMENT

Fee Description	Current Fee	Proposed Fee Change
Engineering Review Fees		
<u>Construction Site Plan Review Fee</u>		
Construction Plan Review includes 3 reviews Note: If submitted concurrent with Site Plan it includes first 4 reviews	\$600 + \$25 per acre	\$750 + \$25 per acre
Construction Plan Review Re-submittal 4th review and after	\$510	\$550
Construction Drawing Minor Modification Fee	\$510	\$550
<u>Floodplain Development Permit</u>		
Elevation Certificate	n/a	\$150
Map Revision (CLOMR/LOMR)	n/a	\$1,000
<u>Riparian Buffer Development (No practical alternatives) Submittal</u>		
1st 2 Reviews	\$110	\$250
2nd-3rd Review and thereafter	\$75	
Stormwater Plan Review Fee (Includes 3 review or if submitted concurrent with Site Plan includes first 4 reviews.)	\$510 + \$50 per disturbed acre	\$550 + \$50 per disturbed acre
Re-Submittal Stormwater Plan Review Fee (4th submittal and each thereafter.)	\$510	\$350
Permit Fees (Paid prior to Final Approval.)	-	
<u>Stormwater Nutrient Offset (based on a 30 year period)</u>	-	
Neuse River Basin:	-	
• Total Nitrogen (TN) per pound – 80% of the posted EEP rate for the “Neuse-Falls Lake watershed”	-	
• Total Phosphorus (TP) per pound – 80% of the posted EEP rate for the “Neuse-Falls Watershed”	-	
<u>See website here: http://portal.ncdenr.org/web/eep/fee-schedules</u>		
Jordan Lake/Cape Fear River Basin:	-	
Total Nitrogen (TN) per pound and Total Phosphorus (TP) - credit must be purchased from a Private Mitigation Bank, if available. If none exists, the credits shall be purchased from EEP directly. See website here:		
<u>http://portal.ncdenr.org/web/eep/fee-schedules</u>		
Project Close-Out Fees (Paid upon Project Completion)	-	
Record Drawing Review - Includes 2 Reviews	n/a	\$200
Re-submittal Record Drawing - 3rd Review and each Thereafter	n/a	\$100
Stormwater As-Builts - includes 2 reviews	\$100 per BMP	\$200 per BMP
Stormwater As-Builts - 3rd Review and each Thereafter	n/a	\$100
Miscellaneous Fees		

ENGINEERING DEPARTMENT

Fee Description	Current Fee	Proposed Fee Change
Administrative Appeal (EDCM)	n/a	\$600
Engineering Design and Construction Manual Modification Request Alternative Standard (EDCM) - Request for alternative standard	\$100 per individual request	\$150 per request standard
Bulletin Drawing Review - per review	\$100	\$150
Interpretation (EDCM)	n/a	\$200
<u>Retaining Wall/Other Structures Submittal</u>		
1st Review	\$110	\$150
2nd Review and each Thereafter	\$75	
Riparian Buffer Variance	\$440	\$500
Stream Origin Buffer Determination	\$210 per Stream	\$250 per Stream
Stormwater ERU Fee - Per Equivalent Residential Unit (ERU) and billed by Wake County	\$25 per ERU	
Stormwater Variance	\$440	\$500
Infrastructure Fees		
Roadway improvements w/in or adjacent to public right-of-way includes storm drainage, grading, curb and gutter, sidewalks, and paving, and street acceptance (includes 1 punch-list walkthrough, 1 post punch-list walkthrough, 1 end of warranty punch-list and 1 final acceptance walkthrough [NOTE: punch-lists are only valid for 3 months from date of inspection letter unless otherwise allowed for by the Town Engineer. Failure to complete required repairs will result in a new punch-list walkthrough being completed and re-inspection fee required])	\$4.50 per linear foot	\$6.00 per linear foot
Street Acceptance Walk Through (Punch-list) Re-inspection	n/a	\$50 per street + \$0.50 per linear foot
Roadway Improvements Re-inspection	n/a	\$50 per inspection
Driveway curb cut includes excavation, forming, and concrete placement	\$50 per driveway opening	
Re-inspection of driveway curb cut	\$50 per driveway opening	
Utility improvements w/in or adjacent to public right-of-way includes excavation, backfill and work relating to the installation, repair, replacement, and removal of utilities	\$1.85 per linear foot	\$2.00 per linear foot
Detached single-family dwelling unit includes one inspection and one re-inspection	\$130 per lot	\$150 per lot
Re-inspection of detached single-family dwelling unit includes 2 additional re-inspections	\$130 per lot	\$150 per lot
Irrigation improvements w/in public right-of-way	\$1.05 per linear foot	REMOVE
Sidewalk improvements outside public right-of-way	\$0.35 per linear foot	\$0.50 per linear foot
Roadway / Fire lane improvements outside of public right-of-way	\$2.35 per linear foot	\$2.50 per linear foot
Storm drainage improvements outside of public right-	\$1.05 per linear foot	\$1.50 per linear foot

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ENGINEERING DEPARTMENT

Fee Description	Current Fee	Proposed Fee Change
of-way		
Drainage swale/ditch improvements (outside of public right-of-way)	\$1.05 per linear foot	\$1.05 per linear foot
Attached town home dwelling unit (includes one inspection and one re-inspection)	\$65 per lot	\$65 per lot
Re-inspection of attached town home dwelling unit (includes two additional re-inspections)	\$65 per lot	\$65 per lot
Greenway (Private & Public)	\$0.35 per linear foot	\$0.35 per linear foot
Apartments, commercial, office, institutional, and industrial lots (includes one inspection and one re-inspection)	\$375 per lot	\$375 per lot
Re-inspection of apartments, commercial, office, institutional, and industrial lots (includes two additional re-inspections)	\$375 per lot	\$375 per lot
Stormwater Facility(ies) permit-Inspection	\$250 per disturbed area-Facility	\$250 per facility
Stormwater Facility(ies) Re-inspection	n/a	\$100 per inspection

INSPECTIONS DEPARTMENT

Fee Description	Current Fee	Proposed Fee Change
Residential		
New Single Family & Duplex up to 1,200 sqft per dwelling	\$500*	
New Single Family & Duplexes over 1,200 sqft per dwelling	\$500 + \$0.25 per sqft	
*Gross floor area served by either mechanical, plumbing, or electrical systems and suitable for occupant's use within the inside perimeter of the exterior walls - to include garages, corridors, stairs, closets, or other features such as decks, porches, or bonus rooms.		
<u>Residential Addition:</u>		
Bedrooms, bathrooms, sunrooms, or similar addition with) up to 400 sqft	\$240	
Bedrooms, bathrooms, sunrooms, or similar addition with) over 400 sqft	\$Same as New Single Family	
Multi-Family Dwelling	\$450 first unit (per unit)	
Manufactured home or construction trailer - includes piers, tie-downs, steps, decks, electrical, plumbing & mechanical	\$240	
Modular Units/Dwellings Moved on Lot	\$75 + \$0.25 per sqft each trade	
Residential Accessory Structure - includes attached deck, garage, open porch, etc.. Or detached shed or garage of more than 144 sqft or greater	\$75 + \$0.25 per sqft each trade	
Residential Alteration, Change Out or Individual Trade - Building, Electrical Plumbing, or Mechanical	\$75	
Electrical Service or Gas Utility - Conditional Power and/or Conditional Mechanical	\$75	
Non - Residential	-	
Based on total construction cost of all trades including both labor and materials, fire suppression, and alarm systems if applicable.	-	
\$0 - \$2,500	\$150	
\$2,501 - \$7,500	\$200	
\$7,501 - \$15,000	\$300	
\$15,001 - \$25,000	\$400	
\$25,001 - \$50,000	\$650	
\$50,001 - \$100,000	\$1,300	
\$100,001 - \$200,000	\$2,600	
\$200,001 - \$350,000	\$4,000	
\$350,001 - \$500,000	\$5,500	
\$500,001 - \$750,000	\$7,500	

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INSPECTIONS DEPARTMENT

Fee Description	Current Fee	Proposed Fee Change
\$750,001 - \$1,000,000	\$9,500	
over \$1,000,000	\$9,500 + .18% (.0018) of everything over \$1,000,000	\$9,500 + .20% (.0020) of everything over \$1,000,000
Other Fees		
Residential Irrigation Permit Only	\$75	
Commercial Irrigation Permit Only	\$150	
Residential - New Single Family & Townhome Application Submittal Fee	\$75	
Commercial Application Submittal Fee - Non-Refundable	\$150	
Re-Review / Plan Change	\$150	
<u>Re-Inspection Fee -</u>	\$75 each trade	
Homeowner Recovery Fee	\$10	
Demolition Permit	\$150 if required for utilities	
Temporary Electrical Power - Tree sales, etc..	\$75	
Work Without a Permit	Up to Double Permit Fee	
Replacement Permit Card	\$10	
Replacement Certificate of Occupancy	\$10	
Plan Re-Stamp	\$25	
Permit Renewal	Up to 25% of Original Permit Fee	
Permit Pick-up	Forfeit Fees	
Refund Policy - Non-Expired	\$75	
Refund Policy - Expired	Forfeit Fees	
Weekend Inspection	\$75 per hour (3 hour minimum)	
Miscellaneous / Courtesy Inspection	\$75 per trade	

POLICE DEPARTMENT

Fee Description	Current Fee	Proposed Fee Change
Residential & Commercial False Alarm Fees		
1 - 3 (Three) false alarms annually along with official notification from the Chief of Police	No Charge	
4 - 5 consecutive false alarm at same address during same year	\$80.00	
6 - 8 consecutive false alarm at same address during same year	\$150.00	
9 - 10 consecutive false alarms at same address during same year	\$200.00	
> 10 consecutive false alarm occurrence at same address during same year	\$300.00	

FIRE DEPARTMENT

Fee Description	Current Fee	Proposed Fee Change
Fire Inspection Service Fees		
<i>Single Family attached/detached, commercial, industrial, office, etc... based on square footage</i>		
Inspection Fee		
1-2,500 sqft	\$35.00	\$40.00
2,501 - 5,000 sqft	\$50.00	\$60.00
5,001 - 10,000 sqft	\$65.00	\$70.00
10,001 - 25,000 sqft	\$80.00	\$90.00
25,001 - 50,000 sqft	\$100.00	\$110.00
50,001 - 100,000 sqft	\$125.00	\$135.00
100,001 - 500,000 sqft	\$165.00	\$175.00
>500,000 sqft	\$250.00	\$275.00
1st Re - Inspection Fee	No Fee	
If violations still exist issue another warning, assess fee included with initial fire inspection		
2nd Re - Inspection Fee		
1-2,500 sqft	\$75.00	
2,501 - 5,000 sqft	\$75.00	
5,001 - 10,000 sqft	\$75.00	
10,001 - 25,000 sqft	\$75.00	
25,001 - 50,000 sqft	\$75.00	
50,001 - 100,000 sqft	\$75.00	
100,001 - 500,000 sqft	\$75.00	
>500,000 sqft	\$75.00	
If violations corrected - no fee. If violations still exist 2nd warning (time TBD by inspector) assess fee (below).		
3rd Re - Inspection Fee		
1-2,500 sqft	\$100.00	
2,501 - 5,000 sqft	\$100.00	
5,001 - 10,000 sqft	\$100.00	
10,001 - 25,000 sqft	\$100.00	
25,001 - 50,000 sqft	\$100.00	
50,001 - 100,000 sqft	\$100.00	
100,001 - 500,000 sqft	\$100.00	
>500,000 sqft	\$100.00	
If violations corrected - no fee. If violations still exist 2nd warning (time TBD by inspector) assess fee (below).		

FIRE DEPARTMENT

Fee Description	Current Fee	Proposed Fee Change
Subsequent 1st Offense		
1-2,500 sqft	\$100.00	
2,501 - 5,000 sqft	\$100.00	
5,001 - 10,000 sqft	\$100.00	
10,001 - 25,000 sqft	\$100.00	
25,001 - 50,000 sqft	\$100.00	
50,001 - 100,000 sqft	\$100.00	
100,001 - 500,000 sqft	\$100.00	
>500,000 sqft	\$100.00	
Example: Locked/Blocked Exits, Over Capacity, etc...		
Subsequent 2nd Offense		
1-2,500 sqft	\$200.00	
2,501 - 5,000 sqft	\$200.00	
5,001 - 10,000 sqft	\$200.00	
10,001 - 25,000 sqft	\$200.00	
25,001 - 50,000 sqft	\$200.00	
50,001 - 100,000 sqft	\$200.00	
100,001 - 500,000 sqft	\$200.00	
>500,000 sqft	\$200.00	
Example: Locked/Blocked Exits, Over Capacity, etc...		
Subsequent 3rd Offense		
1-2,500 sqft	\$500.00	
2,501 - 5,000 sqft	\$500.00	
5,001 - 10,000 sqft	\$500.00	
10,001 - 25,000 sqft	\$500.00	
25,001 - 50,000 sqft	\$500.00	
50,001 - 100,000 sqft	\$500.00	
100,001 - 500,000 sqft	\$500.00	
>500,000 sqft	\$500.00	
Example: Locked/Blocked Exits, Over Capacity, etc...		
Violations from date of 2nd Re-inspection Fee	\$25.00 per day for each violation	
Fire Inspection Service Fees		
<u>Apartments, Hotel/Motel and Condominiums</u>		
Inspection Fee		
3 - 9 Units	\$25.00	\$30.00
10 - 19 Units	\$75.00	\$80.00

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FIRE DEPARTMENT

Fee Description	Current Fee	Proposed Fee Change
20 - 29 Units	\$125.00	\$130.00
30 - 49 Units	\$150.00	\$160.00
50 -99 Units	\$175.00	\$185.00
100 Units	\$200.00	\$210.00
1st Re-Inspection Fee	No Fee	
2nd Re-Inspection Fee		
3 - 9 Units	\$50.00	\$75.00
10 - 19 Units	\$50.00	\$75.00
20 - 29 Units	\$50.00	\$75.00
30 - 49 Units	\$50.00	\$75.00
50 -99 Units	\$50.00	\$75.00
100 Units	\$50.00	\$75.00
3rd Re-Inspection Fee		
3 - 9 Units	\$100.00	
10 - 19 Units	\$100.00	
20 - 29 Units	\$100.00	
30 - 49 Units	\$100.00	
50 -99 Units	\$100.00	
100 Units	\$100.00	
Other Fire Inspection Fees		
<u>After Hours Commercial Fire Inspection</u>		
Monday - Friday	\$75.00 per hour	
Saturday - Sunday	\$125.00 per hour	
2 hour minimum if already at work and 3 hours minimum if inspector has to leave from his/her residence.		
Water Flow Testing	\$150.00	
Witness Flow Testing	\$75.00	
Fire Hydrant & Fire Lane No Parking Violations	\$75.00	
Pine Straw Violation	\$500.00	
<u>Private Fire Hydrant Non-Maintaining</u>		
1st Non Compliance	\$250.00	
2nd Non Compliance	\$500.00	
3rd Non Compliance	\$1,000.00	
<u>Misc Test</u>	50	
ABC License Application Inspection	\$50 Minimum or based on square footage, whichever is greater	
Work & Modification without plan submittal & approval (Fire Alarms & Sprinklers)	\$200.00	

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FIRE DEPARTMENT

Fee Description	Current Fee	Proposed Fee Change
Fire Alarm System Reset		
1st Offense	\$100.00	
2nd Offense	\$250.00	
3rd Offense	\$500.00	
False Alarm Offense (4 Complimentary per Calendar Year)	\$150.00	
Fire Permit Fees		
<i>Amusement Buildings</i>	\$70	
<i>Carnival & Fairs</i>	\$70	
<i>Combustible Dust Producing Operations</i>	\$70	
<i>Covered Mall Building- Certain Indoor Activities</i>	\$70	
<i>Exhibits & Trade Shows</i>	\$70	
<i>Explosive Materials/Blasting</i>	\$70	
<i>Flammable & Combustible Liquids</i>	\$70	
<i>Fogging Hazardous Chemicals</i>	\$150	
<i>Fumigation & Insecticidal Fogging</i>	\$70	
<i>Fumigation & Thermal Insecticide</i>	\$70	
<i>Liquid or gas vehicles inside of an Assembly building</i>	\$70	
<i>Pitt Burning</i>	\$70	
<i>Private Fire Hydrants</i>	\$70	
<i>Public Fireworks Display</i>	\$150	
<i>Pyrotechnic Special Effects Material</i>	\$70	
<i>Spraying or Dipping</i>	\$70	
<i>Tents</i>	\$70	
<i>Underground Tank Removal</i>	\$150 per Tank	
Fire Service Fees		
<i>Fire Watch</i>	\$75 per hour	
<i>Public Education Employer Mandated Training</i>	\$25 per hour	
<i>Company Standby Fee</i>	\$200 per hour	
<i>Express Fire Plan Review Fee</i>	\$200	

Note: The Parks and Recreational Fee are not included in the standard Budget User Fee Schedule. These fees are determined by the approved Parks, Recreation and Cultural Resources Fees and Charges Policy.

Glossary

Account – A separate financial reporting unit for budgeting, management, or accounting purposes. All budgetary transactions, whether revenue or expenditure, are recorded in accounts.

Accounts Payable – A short term liability account reflecting amounts owed to private persons or organizations for goods and services received by the Town.

Accounts Receivable – An asset account reflecting amounts due from private persons or organizations for goods and services furnished by the Town.

Accrual Basis – The recording of the financial effects on an entity of cash transactions in the periods in which they occur rather than the periods in which the cash is received.

Ad Valorem Taxes – Commonly referred to as property taxes, are levied on the value of real, certain personal, and public utility property according to the property's valuation and tax rate.

Adopted Budget – The budget approved by the Town Board of Commissioners and enacted through a budget ordinance adopted on or before June 30 of each year.

Appropriated Fund Balance - The amount of fund balance budgeted as revenue to offset expenses that exceed current revenue.

Appropriation – This the legal authorization granted by the Town Council to expend or obligate funds for specific purposes. An appropriation usually is limited in the amount and time that it may be expended. The Council appropriates annually, at the beginning of each fiscal year, by department, based upon the adopted Budget. Additional appropriations may be approved by the Council during the fiscal year by amending the Budget and appropriating the funds for expenditure.

Assessed Value – The value of real estate or personal property as determined by the Wake County Tax Assessor as a basis for levying property taxes.

Asset – A probable future economic benefit obtained or controlled by the Town as a result of past transactions or events.

Audit – An examination, usually by an official or private accounting firm retained by the Town Council that reports on the accuracy of the annual financial report.

Authorized Positions - Employee positions that are authorized in the adopted budget to be filled during the fiscal year.

Balanced Budget – Occurs when planned expenditures equal anticipated revenues. In North Carolina, it is a requirement that the budget submitted to the Town Council be balanced.

Basis of Accounting & Basis of Budgeting – The system under which revenues, expenditures, expenses, and transfers – and the related assets and liabilities – are recognized in accounts and reported in financial statements. It specifically relates to the timing of the measurements made.

Bond – a written promise to pay a designated sum of money (the principal) at a specific date in the future, along with periodic interest at a specified rate. The payment on bonds is identified as Debt Service. Bonds are generally used to obtain long-term financing for capital improvements.

Bond Rating – A grade indicating a governmental unit's investment qualities. Generally speaking, the higher the bond rating, the more favorable the interest rate and the lower the cost of financing of capital projects funded by bonds. A high rating is indicative of the government's strong financial position.

Bond Referendum – An election in which registered voters vote on whether the Town will be allowed to issue debt in the form of interest-bearing bonds.

Budget – A financial plan containing estimated expenditures and resources covering a fiscal year.

Budget Adjustment Transfer – the transfer of funds between line accounts within a function or across functional areas in accordance with policy. Authority is granted by Town Council to Budget Officer/Designee.

Budget Amendment – A revision of the adopted budget that, when approved by the Town Council, replaces the original provision. Budget amendments occur throughout the fiscal year as spending priorities shift.

Budget Calendar – The schedule of key dates which the Town follows in the preparation and adoption of the budget.

Budget Document – The official written statement prepared by the Town's staff and presented to the Town Council containing the proposed financial plan for the fiscal year.

Budget Message – A written summary of the proposed budget to the Town Council which discusses major budget issues and recommendations.

Budget Ordinance – The official enactment by the Council establishing the legal authority for staff to obligate and expend funds.

CAFR – Comprehensive Annual Financial Report. The official annual report of a government.

Capital Improvement Plan (CIP) – A plan of proposed capital outlay to be incurred each year over a fixed number of years to meet capital needs.

Capital Outlay – Outlays which result in the acquisition (either new or replacement) or additions to fixed assets having a significant value (\$5,000 or more) and possessing a useful life of more than one year.

Capital Project – Major construction, acquisition, or renovation activities which add value to physical assets or significantly increase their useful life.

Capital Project Fund – A fund used to account for financial resources accumulated for the acquisition or construction of major capital facilities.

Capital Reserve Fund – A type of account on a municipality's balance sheet that is reserved for long-term capital investment projects or any other large and anticipated expense(s) that will be incurred in the future. This type of reserve fund is set aside to ensure that the company or municipality has adequate funding to at least partially finance the project.

Chart of Accounts – A chart that assigns a unique number to each type of transaction and to each budgetary unit in the organization.

COLA – A Cost-of-Living Adjustment is an increase in salaries to offset the adverse effect of inflation on compensation.

Consumer Price Index (CPI) – A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (economic inflation).

Contingency Account – Account in which funds are set aside for emergency and exceptional expenditures that may become necessary during the year and which have not otherwise been provided for in the context of the annual operating budget.

Debt Service – Payment of interest and repayment of principal on Town debt.

Deficit – The amount by which expenditures exceed revenues during an accounting period.

Department – An organizational unit within the Town which is functionally unique in its delivery of services or activities.

Depreciation – Expiration in the service life of fixed assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy and obsolescence. The portion of the cost of a fixed asset, other than a wasting asset, charged as an expense during a particular period. In accounting for depreciation, the cost of a fixed asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of the cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

Designated Fund Balance – Monies over the years that remain unspent after all budgeted expenditures have been made, but which are reserved for specific purposes and are unavailable for appropriation.

Effectiveness Measure – A performance measure identifying quality or extent to which an organization is obtaining its objectives (ex. Percentage of year waste/leaf collection points serviced on time)

Efficiency Measure – A performance measure identifying inputs used per unit of output, or unit of cost(ex. Cost per ton of yard waste/leaves collected)

Encumbrance – The commitment of appropriated funds to purchase an item or service.

Enterprise Fund – A fund that accounts for operations that are financed and operated in a manner similar to private business enterprises. Operations are financed from charges to users for services provided.

Expenditure – The cost of goods or services whether payment has been made or not.

Fees – A general term used for any charge levied by the Town associated with providing a service or permitting an activity.

Fiduciary Fund – A special classification fund used to account for assets held by the Town in a trustee capacity on behalf of outside parties, including other governments.

Fiscal Year (FY) – A twelve month period which determines the time frame for financial reporting, budgeting, and accounting.

Fixed Assets – Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances.

Fund – A fiscal entity with revenues and expenses that are segregated for the purpose of accounting for an activity(s) with common objectives.

Fund Balance – The excess of the assets of a fund over its liabilities.

GAAP – Generally accepted accounting principles. A uniform minimum standard used by state and local governments for financial recording and reporting; established by the accounting profession through the Governmental Accounting Standards Board.

General Fund – A fund that accounts for most of the basic government services such as public safety, streets and highways, sanitation, parks and recreation, and general government services.

General Obligation Bonds – Bonds issued by a government entity which are backed by its full faith, credit and unlimited taxing authority.

Goal – a statement of Council direction, purpose or intent based on the needs of the community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a given time period.

Grants – Contributions or gifts of cash or other assets from another government to be used or expended for a specified purpose, activity or facility.

In Lieu of Taxes – A contribution by benefactors of Town services who are tax exempt.

Interest – Compensation for the use of borrowed money, generally expressed as an annual percentage of the principal amount.

Interfund Transfers – The movement of moneys between funds of the same governmental entity.

Interfund Loan - The loan of moneys between funds of the same governmental entity for cash flow purposes with full intent to reimburse.

Intergovernmental Revenue – Revenue received from another government for general purposes or special intent.

Law Enforcement Officer's (LEO) Special Separation Allowance – A single-employer defined benefit plan that provides retirement benefits to the Town's qualified sworn law enforcement officers.

Lease – A contract for temporary use of equipment or facilities at a negotiated price.

Levy – To impose taxes for the support of government services and activities.

Liabilities – Probable future sacrifices of economic benefits arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events.

Local Government Budget and Fiscal Control Act – General Statute of the State of North Carolina governing budgetary and fiscal affairs of local governments.

Long Range Financial Forecast – The Town of Morrisville's forecast evaluates decisions on a multiyear level guiding the annual budget process. This tool has been developed to provide for capital improvements, staff and facility growth to meet community needs. It is used to measure the long-term financial impact of all annual budget and capital project proposals.

Mission – A broad statement outlining the Town's purpose for existing.

Modified Accrual Basis – A method for accounting for the receipt and expenditure of funds whereby revenues are recorded when they become measurable and available and expenditures are recorded when the liability is incurred.

Moody's Investor Service – A recognized bond rating agency.

Net Bonded Debt – The amount calculated as gross bonded debt less debt service monies available at year-end less debt payable from Enterprise Revenues, which ultimately equates to amounts to be repaid through property taxes.

North Carolina Municipal Council - A recognized bond rating agency.

Objective – a statement of specific direction, purpose or intent to be accomplished by staff within a program.

Operating Budget – Includes all funds except those accounted for in the capital budget. The Operating Budget is adopted by the Town Council by budget ordinance amendment on a fiscal year basis.

Operating Expenses – The cost of contractual services, materials, supplies and other expenses not related to personnel expenses and capital projects.

Per Capita Debt – The amount of the Town's debt divided by the population. It is used as an indication of credit position by reference to the proportionate debt borne per resident.

Performance Measurement – Any systematic attempt to learn how responsive a government's services are to the needs of constituents through the use of standards, workload indicators, etc...

Personnel Expenses – Cost of salaries, wages, and fringe benefits such as employer's share of social security contributions, retirement expenses, and health and life insurance payments.

Powell Bill Funds – Revenue from state-shared gasoline tax which is restricted for use on maintenance of local streets and roads.

Proprietary Funds – A fund that accounts for operations that are financed and operated in a manner similar to private business enterprises. Operations are financed from charges to users for services provided. Also referred to as an Enterprise Fund.

Resources – Assets that can be used to fund expenditures such as property taxes, charges for services, beginning fund balances, or working capital.

Revenue – A term used to represent actual or expected income to a specific fund.

Retirement Healthcare Fund (OPEB) – A legal trust fund having been established to account for the collection of assets to be expended for medical coverage for retired Morrisville employees up to the age of Medicare eligibility.

Special Revenue Fund – Funds that are set aside to pay for large expenditure items. The fund provides a means to provide consistent funding from General Fund without competition with other community investment projects or increasing debt.

Standard & Poor's Corporation – A recognized bond rating agency.

Structurally Balanced Budget – A balanced budget that supports financial sustainability for multiple years into the future. A government needs to make sure that is aware of the distinction between satisfying the statutory definition and achieving a true structurally balanced budget.

Surplus – The amount by which revenues exceed expenditures.

Tax Base – The total assessed valuation of real property within the Town.

Tax Levy – The product when the tax rate is multiplied by assessed values.

Tax Rate – The amount per \$100 pf property valuation that is levied for the support of government services or activities.

Transfer – An appropriation to or from another fund. A transfer is the movement of money from one fund to another to wholly or partially support the functions of the receiving fund.

Unencumbered Balance – The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purchases.

Unassigned Fund Balance – That portion of resources, which at years end, exceeded requirements and has not been assigned to some future time for a specific project or use. Money in the unassigned fund balance is not in the Budget and therefore has not been appropriated for expenditure. However, those funds are available for use if the need arises in accordance with Town Policy.

Workload Measure – A performance measure identifying how much or how many products or service were produced (ex. Number of yard waste/leaf collection points served).

Common Acronyms

CAFR	Comprehensive Annual Financial Report	LEED	Leadership in Energy and Environmental Design
CALEA	Commission on Accreditation for Law Enforcement Agencies	LGC	Local Government Commission
CATV	Cable Access Television	LGERS	Local Government Employee's Retirement System
CDBG	Community Development Block Grant	LUTP	Land Use & Transportation Plan
CIP	Capital Investment Plan	MSD	Municipal Service District
CO	Certificate of Occupancy	N/A	Not Applicable
DENR	Department of Environment and Natural Resources	NCDOT	North Carolina Department of Transportation
DMV	Department of Motor Vehicles	NCDWQ	North Carolina Department of Water Quality
EEO	Equal Employment Opportunity	NCLM	North Carolina League of Municipalities
EMS	Emergency Management Services	NFPA	National Fire Protection Agency
EPA	Environmental Protection Agency	NPDES	National Pollutant Discharge Elimination System
ETJ	Extra Territorial Jurisdiction	OPEB	Other Post Employment Benefits
FEMA	Federal Emergency Management Administration	OSHA	Occupational Safety and Health Act
FT	Full-time	PIL	Payment in Lieu
FTE	Full-time Equivalent	PPIL	Parkland Payment in Lieu
FY	Fiscal Year	PIO	Public Information Officer
GAAP	Generally Accepted Accounting Principles	PO	Purchase Order
GASB	Governmental Accounting Standards Board	PT	Part-time
GFOA	Government Finance Officers Association	TIA	Traffic Impact Analysis
GO Bonds	General Obligation Bonds	TIP	Transportation Improvement Program
GIS	Geographic Information Systems	TP	Transportation Plan
GS	General Statutes	UDO	Unified Development Ordinance

Annual Operating Budget Fiscal Year 2016

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