

MEMORANDUM

TO: Mayor and Board of Commissioners

FROM: Mandy Cartrette, Finance Officer

SUBJECT: Amendments to the Fiscal Year 2012/2013 Budget

DATE: June 24, 2013

The attached budget amendment would support cost overruns in the Water and Sewer Administration Department. In addition, the Administration, Police, Parks & Recreation, Water Plant, and Wastewater Treatment Plants are very close to their budgeted annual expenditures, and Town staff wants to ensure that these departments do not exceed their budgets.

Please let me emphasize that, with the exception of the Public Utilities Administration Department, these departments are not over budget. This amendment is a precaution so that no department will go over its budget.

BACKGROUND

1. Professional Services – Administration. Due to the procurement of services from Smithers & Associates to assist with the search for a new Town Manager, this line item went over budget. Town staff recommends an increase to this line item of \$4,500.
2. Unemployment Compensation – Administration. The Town received an unexpected invoice from the Employment Security Commission for unemployment claims filed by people who were previously employed with the Town. Town staff tried to unsuccessfully appeal this invoice, so it was paid. Town staff recommends an increase to this line item of \$10,000.
3. Contracted Services – Administration. The expenditures for this line item were higher than anticipated because of an update to the Town's payroll software and expenses related to the hire of a new Town Manager. Town staff recommends an increase to this line item of \$13,000.
4. Uniforms – Police Department. As part of the OSHA inspection that the Town went through, the Police Department was required to purchase gas masks for its officers. In addition, the Police Department purchased bulletproof vests for new hires. Town staff recommends an increase to this line item of \$4,000.
5. Contracted Services – Police Department. As part of the OSHA inspection that the Town went through, the Police Department was required to send all of its officers to be fitted for gas masks. In addition, as part of this inspection, the Town had to contract with a company to dispose of hazardous materials and handle blood-borne pathogens. Town staff recommends an increase to this line item of \$6,000.
6. Workers Compensation Insurance – Police Department. The Workers Comp Insurance line item has been overspent. The North Carolina League of Municipalities, which is the organization that provides Workers Comp Insurance to the Town, bills a lump sum for workers comp insurance, and Town staff allocates the costs across the departments. More funds were spent on this item than were budgeted because the Police Department's workers comp rate is a little higher than other classes of employees. Town staff recommends an increase to this line item of \$3,000.
7. Fines & Penalties – Police Department. After the OSHA inspection, a fine was levied. Town staff recommends an increase to this line item of \$1,000.

8. Departmental Supplies – Parks & Recreation Department. A lady that utilizes the Town’s parks & recreation facilities was very impressed with them, and she gave the Town a donation to be used for parks & recreation. Town staff recommends an increase to this line item of \$100 for this donation.
9. Contracted Services – Parks & Recreation Department. The Town Board asked Paul Horne, the Parks Planner, to spend funds on behalf of the Town for the opening of the courthouse. Because of this request, Town staff recommends an increase to this line item of \$900.
10. Professional Services – Utilities Administration. This line item was decreased because of the expectation that a Town Engineer would be hired and the Town would not have to rely as much on Hydrostructures. The Town Engineer position was expected to be filled in January 2013, but it was not filled until April 2013. During this time, the Town was using Hydrostructures for its engineering needs. Town staff recommends an increase to this line item of \$32,000.
11. Unemployment Compensation – Water Plant. The Town received an unexpected invoice from the Employment Security Commission for unemployment claims filed by people who were previously employed with the Town. Town staff tried to unsuccessfully appeal this invoice, so it was paid. Town staff recommends an increase to this line item of \$6,000.
12. B&G Maintenance, Equipment Maintenance, and Contracted Service – Water Plant. The Water Plant had many unexpected repairs that were needed during the fiscal year. In particular, the raw water pump stopped working, and the Water Plant had to have an emergency repair. The pump was rebuilt entirely. The OSHA inspection also required that the Water Plant spend additional funds that were not anticipated. Town staff recommends an increase to this line item of \$15,000.
13. Capital Outlay-Equipment – Water Plant. The Water Plant had to install Variable Frequency Drives on the pumps that pump water to the Plant and to the Town. Town staff recommends an increase to this line item of \$8,500.
14. Temporary Salaries - Wastewater Treatment Plant. With the approval of the Town Board, one of the Town's WWTP staff members was allowed to work part-time until he was able to reach retirement. The amount of his salary was not budgeted in the temporary salaries line. Town staff recommends an increase to this line item of \$9,000.
15. Equipment Maintenance - Wastewater Treatment Plant. The WWTP had to unexpectedly replace two clarifier gear drives. Town staff recommends an increase to this line item of \$2,100.
16. General Liability Insurance – Wastewater Treatment Plant. The General Liability Insurance line item has been overspent. The North Carolina League of Municipalities, which is the organization that provides General Liability Insurance to the Town, bills a lump sum for general liability insurance, and Town staff allocates the costs across the departments. More funds were spent on this item than were budgeted because of a different method of allocation that I used this year. Town staff recommends an increase to this line item of \$3,000.

RECOMMENDATION

That the Board of Commissioners adopt the attached budget amendment ordinance.

ORDINANCE AMENDING THE
TOWN OF PITTSBORO
2012-2013 OPERATING BUDGET

Be It Ordained by the Board of Commissioners of the Town of Pittsboro in regular session assembled on the 24th day of June, 2013.

Fiscal Year End Budget Amendment to Ensure Compliance with Budget Ordinance

Section 1. That the following **GENERAL FUND REVENUE ITEMS** be increased by the amount indicated:

103300500	Donations	\$ 100.00
103990000	Fund Balance Appropriated	42,400.00
TOTAL		\$42,500.00

Section 2. That the following **GENERAL FUND EXPENDITURE ITEM** be increased by the amount indicated:

104200040	Professional Services	\$4,500.00
104200080	Unemployment Compensation	10,000.00
104200450	Contracted Services	13,000.00
105100360	Uniforms	4,000.00
105100450	Contracted Services	6,000.00
105100542	Workers Comp Insurance	3,000.00
105100802	Fines & Penalties	1,000.00
106200330	Departmental Supplies	100.00
106200450	Contracted Services	900.00
TOTAL		\$42,500.00

Section 3. That the following **ENTERPRISE FUND REVENUE ITEM** be increased by the amount indicated:

303990010	Fund Balance Appropriated	\$75,600.00
TOTAL		\$75,600.00

Section 4. That the following **ENTERPRISE FUND EXPENDITURE ITEMS** be increased by the amount indicated:

307200040	Professional Services	\$32,000.00
308100080	Unemployment Compensation	6,000.00
308100150	B & G Maintenance	5,500.00
308100160	Equipment Maintenance	5,500.00
308100450	Contracted Services	4,000.00
308100740	Capital Outlay – Equipment	8,500.00
308200021	Temporary Salaries	9,000.00
308200160	Equipment Maintenance	2,100.00
308200540	General Liability	3,000.00
TOTAL		\$75,600.00

Adopted this 24th day of June, 2013.

Randolph Voller, Mayor

ATTEST:

Alice F. Lloyd, CMC, Town Clerk