

AN ORDINANCE AMENDING THE 1979-80 POSITION CLASSIFICATION PLAN

BE IT ORDAINED by the Council of the Town of Chapel Hill that the Council hereby amends the "Ordinance Establishing a Position Classification and Pay Plan, etc., for the period July 1, 1979 through June 30, 1980," as follows:

SECTION I

In Section III Classifications Grouped by Salary Grade, ADD:

<u>Grade</u>	<u>Classification</u>
27	Special Assistant to the Town Manager

SECTION II

In Section IV C Positions, ADD:

<u>Position</u>	<u># Full-Time</u>	<u>Hours</u>	<u>Salary Grade</u>
Special Assistant to the Town Manager	1	-	27

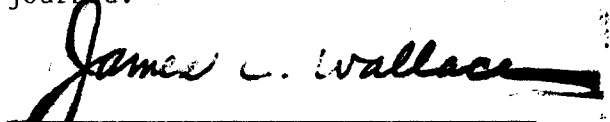
SECTION III

All Ordinances and portions of Ordinances in conflict herewith are hereby repealed.


This the 25th day of July, 1979.

THE MOTION WAS CARRIED BY A VOTE OF SIX TO ONE WITH COUNCIL MEMBERS BOULTON, COHEN, EPTING, HOWES, SMITH, AND WALLACE SUPPORTING AND COUNCIL MEMBER KAWALEC OPPOSING.

There being no further business to come before the Council the meeting was adjourned.



Mayor James C. Wallace



Town Clerk David B. Roberts

MINUTES OF A SPECIAL MEETING
TOWN COUNCIL
TOWN OF CHAPEL HILL
MONDAY, AUGUST 20, 1979
7:30 P.M.

Mayor Pro Tempore Epting called the meeting to order. Present were:

Marilyn Boulton
Gerald Cohen
Beverly Kawalec
R. D. Smith
Bill Thorpe
Edward Vickery

Also present were Town Manager E. Shipman and Town Finance Director Mary Parker. Mayor Wallace and Council member Howes were excused.

Mayor Pro Tempore Epting requested Town Manager Shipman state the reason for the special meeting. Mr. Shipman stated that the meeting had been called to enable the Town to submit a balanced budget to the North Carolina Local Government Commission. He stated that revenues had not been received as anticipated and it was therefore necessary to amend the General Fund as well as the Library Fund in order to balance

the budget. He noted the memorandum dated August 20, 1979, (Third 1979-80 Budget Ordinance Amendment) outlining his recommendations for prevention of a similar situation in subsequent years.

Mayor Pro Tempore Epting asked Mr. Shipman to explain the matters set forth in the memorandum for the benefit of public and press present. Mr. Shipman responded that revenues in the General Fund were \$18,000 short and to correct the shortfall he was proposing the Council amend the 1979-80 budget to reduce the non-departmental sundry capital improvement contribution by \$13,800. He noted that this amount had been appropriated for the courts facility. Mr. Shipman stated that he was also proposing a reduction in the non-departmental sundry retirement account of \$4,200. He explained that the sundry retirement account had been appropriated \$4,200 more than was necessary because the retirement contribution had not increased as was anticipated when the recommended budget was prepared last spring. He reported that the Library Fund experienced a similar revenue shortfall situation and \$4,500 was not received from the County until after the close of the fiscal year. He stated that the Library Fund had been approximately \$8,000 short prior to the County's appropriation and he was therefore proposing a reduction of the sundry contingency account by \$3,500 to bring the Library Fund budget into balance.

Mayor Pro Tempore Epting noted that Mr. Shipman, in the August 20, 1979, memorandum, recommended leaving some margin in the fund balance to avoid a similar situation in the future. Mr. Shipman stated that the Local Government Commission had strongly recommended such a procedure. He reported that they were willing to suggest an appropriate amount to be retained in the fund balance.

COUNCIL MEMBER COHEN MOVED, SECONDED BY COUNCIL MEMBER SMITH, ADOPTION OF THE FOLLOWING ORDINANCE:

AN ORDINANCE TO AMEND THE "ORDINANCE CONCERNING APPROPRIATIONS AND THE RAISING OF REVENUE FOR THE FISCAL YEAR BEGINNING JULY 1, 1979"

BE IT ORDAINED by the Council of the Town of Chapel Hill that the Budget Ordinance entitled "An Ordinance Concerning Appropriations and the Raising of Revenue for the Fiscal Year Beginning July 1, 1979" as duly adopted on June 25, 1979, be and the same is hereby amended as follows:

ARTICLE I

	<u>CURRENT BUDGET</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>REVISED BUDGET</u>
<u>GENERAL FUND</u>				
Sundry				
Wage/Fringe	\$1,149,536	-	\$ 4,200	\$1,145,336
Interfund Transfers	\$ 492,285	-	\$13,800	\$ 478,485
<u>OTHER FUNDS</u>				
Library	\$ 345,525	-	\$ 3,500	\$ 342,025
Capital Improvements	\$3,967,630	-	\$13,800	\$3,953,830

ARTICLE II

	<u>CURRENT BUDGET</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>REVISED BUDGET</u>
<u>REVENUE</u>				
General Fund				
Fund Balance	\$ 563,640	-	\$18,000	\$ 545,640
Library Fund	\$ 345,525	-	\$ 3,500	\$ 342,025
Capital Improvements	\$3,967,630	-	\$13,800	\$3,953,830

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

This the 20th day of August, 1979.

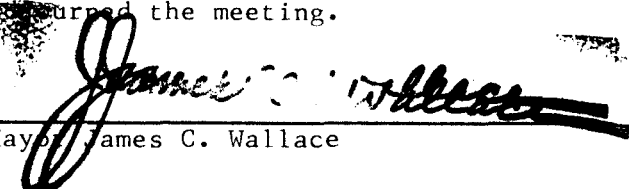
Council member Cohen stated that a revenue deficit of \$18,000 in the Town's budget did not create concern over confidence in the budget. He opined that a change in procedure was appropriate to relieve the possibility of similar situations in the future.

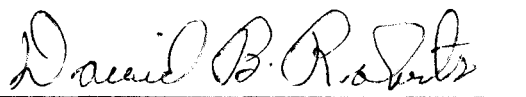
Council member Boulton arrived and asked what had transpired up to this point. Mayor Pro Tempore Epting summarized the proceedings. He then asked if the revenue shortfall situation was a result of expenditures beyond those expected. Ms. Parker responded that the budget had simply been cut too close with the increased expenditures occurring across the board. Council member Kawalec asked that the difference between the Fund Balance and the Contingency Fund be explained. She also asked how the two would be used in the future. Mr. Shipman answered that he would prefer the Fund Balance be used just for such purposes and not appropriated until the new fiscal year. He stated that the Town may wish to hold a substantial Fund Balance to offset such items as new capital facility operating expenses. He noted that the contingency account existed to defray unforeseen expenses, such as the increased cost of diesel fuel, which occur during the fiscal year. He stated that present reduction of the Contingency Fund would be unwise because the fiscal year had just begun. He stated that the Contingency Fund would probably be required during the third and fourth quarters of the fiscal year.

Council member Smith asked whether, if the new procedure were adopted, the Fund Balance would be included in next year's budget. Mr. Shipman responded that an unappropriated Fund Balance would be a sum of money which the Town had on hand, in a bank account earning interest, and not included in the adopted budget for the year. Council member Smith noted that in past years the Fund Balance had been appropriated in the budget to help stabilize the tax rate. He then asked what effect the proposed new procedure would have on the tax rate. Mr. Shipman answered that the Local Government Commission had indicated 5% of the total general fund budget as an appropriate figure. Council member Cohen stated that would mean \$300,000 and therefore a one-time 10¢ tax increase. He opined that it would be easier to make \$18,000 adjustments than to borrow money from the taxpayers. Ms. Parker responded that the creation of such a fund would have a continued revenue producing effect. Mr. Shipman stated that it was not uncommon to find cities with substantial fund balances. Council member Cohen stated that whatever money the Town received was money a taxpayer was not earning interest on. He noted that he was not opposed to the Town's having a cushion, however.

Mayor Pro Tempore Epting asked for further questions and/or comments. There being none, he called for a vote on the motion. THE MOTION WAS CARRIED UNANIMOUSLY.

There being no further business to come before the Council, Mayor Pro Tempore Epting adjourned the meeting.


Mayor James C. Wallace


Town Clerk David B. Roberts

MINUTES OF A PUBLIC HEARING AND SPECIAL MEETING OF THE
MAYOR AND CHAPEL HILL TOWN COUNCIL
MUNICIPAL BUILDING
TUESDAY, SEPTEMBER 4, 1979
7:30 P.M.

Mayor Wallace called the meeting to order. Present were:

Marilyn Boulton
Gerald Cohen
Robert Epting
Jonathan Howes
Beverly Kawalec
R. D. Smith
Bill Thorpe
Edward Vickery

Also present were Town Manager E. Shipman and Town Attorney E. Denny. Mayor Wallace announced that the special meeting had been called to review and issue certain bonds.