

**Town of Chapel Hill  
North Carolina**

**2013-2014  
ADOPTED  
BUDGET**



**Mayor**  
Mark Kleinschmidt

**Mayor pro tem**  
Ed Harrison

**Town Manager**  
Roger L. Stancil

**Town Council**  
Donna Bell  
Matt Czajkowski  
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### Letter of Transmittal

To the Honorable Mayor and  
Members of Town Council  
Town of Chapel Hill, North Carolina

Ladies and Gentlemen:

I am pleased to present the Town of Chapel Hill, North Carolina Annual Budget for Fiscal Year 2013-14. The budget includes an increase of 2 cents for a combined property tax rate of 51.4 cents per \$100 of assessed value. The property tax rate for the Downtown Service District remains at 7.1 cents per \$100 of assessed value.

The Adopted Budget for 2013-14 recognizes Council's most important goals and makes adjustments to compensate for the impact of the economic crisis. We are pleased to work with Council in making the final decisions on continuing the Town's high level of services and how they would be funded in the 2013-14 budget year. In addition to continuing basic services, the recommended budget:

- Maintains a fare-free transit system as in past years;
- Maintains a competitive pay and benefits level;
- Maintains funding level for performance agreements with outside agencies;
- Provides for capital projects to maintain Town facilities and infrastructure.

This Adopted Budget document includes the fund summaries that utilize the governmental budget practices recommended by the Government Finance Officers Association of the United States and Canada. The Budget Message is organized around key themes and goals of the Council.

Respectfully submitted,

Roger Stancil  
Town Manager

June 10, 2013

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June 10, 2013

Dear Mayor Kleinschmidt and Members of the Chapel Hill Town Council:

In accordance with the Local Government Budget and Fiscal Control Act, I hereby submit the adopted annual budget for the Town of Chapel Hill for Fiscal Year 2013-14.

At the 2013 Council Planning Retreat, I proposed a set of priorities that would guide development of the 2013-14 Recommended Budget:

- Continue to develop current efforts and find new ways for Chapel Hill 2020 to guide our work:
  - Priority Budgeting
  - Strategic Planning
  - Asset Management
  - Systemic Thinking
  - Performance Metrics
  - Strategic Partnerships
- Make a successful and cost effective move to our new Library.
- Transition our solid waste disposal to Durham. Plan for a short term transfer station in Chapel Hill. Work with Durham and others for a long term sustainable solution to waste disposal.
- Consider strategic solutions to the financial sustainability of our transportation systems.
- Focus on a nimble organization that retains, develops, rewards and attracts excellent employees to provide excellent service.
- Increase support for technology
- Develop new approaches to programming for youth

The Adopted Budget addresses these priorities. It is balanced with a 1.0 cent tax increase in the General Fund to pay for, among other things, costs related to the closure of the landfill, the operating costs for the expanded Library, investments in technology and funding in the CIP for the Ephesus/Fordham construction project engineering. I am also

recommending a 1.0 cent tax increase for Transit in order to meet our funding obligation to our Transit partners and to replace state and federal funding that has been reduced. The Recommended Budget assumes growth in the property tax base of 0.75% and 2% growth in sales taxes. The Recommended Budget includes an allowance for a 2% pay increase for all regular Town employees, implementation of the first two phases of the Classification and Compensation Plan and a 4% increase in the cost of employee medical insurance for active employees. I am including savings accomplished by modifying our post 65 retiree healthcare, a change which will also reduce our OPEB liability while retaining excellent coverage for our retirees. The net increase in the Town's total cost of providing medical insurance coverage to active and retired employees for FY14, including the cost of the new healthcare reform fees, is about 1%.

## Background

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Despite the poor economic climate since the fiscal crisis of 2008 and the sluggish pace of growth in the current recovery, the Town has made progress toward its goals. In each of the past four budget cycles we have made difficult choices to balance our need to maintain high service levels and to pursue forward-looking strategic initiatives, such as Chapel Hill 2020 and its implementation. Our reality has been little or no revenue growth, while costs continued to increase. In many cases we compromised and delayed our original vision, making choices that were unsustainable in the hope that a robust recovery would allow us to pick up where we left off before the economic crisis. Unfortunately that is not the case. We cannot make up for the lost revenue growth of the past four years and continue to make progress toward our vision without raising additional revenues through a tax increase.

Leading up to the FY14 budget cycle we anticipated the need to raise the General Fund and Transit Fund property tax rates. In the General Fund, the increased costs for solid waste disposal, the cost of operating the expanded library and the implementation of the classification and compensation plan together almost ensured that our revenues would not keep pace with our costs for FY14. Taken individually, each of these three factors could ultimately cost the equivalent of 1 cent on the tax rate. We have kept the recommended increase to one cent by phasing the classification and compensation plan implementation over two years, by reducing the weekly hours of the Library from 68 to 58 and by limiting new initiatives throughout the budget.

In the Transit Fund the conditions that led to the recommendation of a ½ cent Transit tax increase in last year's recommended budget have not improved. In fact, they have gotten worse and we are now recommending a 1 cent Transit Tax increase for FY14. The additional loss of state funding for FY14 forces our hand with regard to the increase in the Transit Tax and puts into question the future viability of our fare-free system should this trend continue.

## Solid Waste

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Due to the unexpected early closure of the Orange County Landfill, the Town has been forced to make alternative arrangements for the disposal of solid waste. The short-term solution is to haul solid waste to Durham in collection vehicles. This has necessitated the replacement of existing vehicles with dual axle trucks that are better suited for the longer distances. We will also incur additional maintenance costs for the extra miles and additional personnel costs for the additional time needed to go to Durham and back. The long-term solution will, most likely, include the creation of a transfer station. There is a \$3 million project listed in the long-term capital plan for the construction of a transfer station on Town property.

The increase in the FY14 operating budget due to the closure of the Orange County Landfill is \$355,000. Although it is not reflected in this recommended budget we anticipate that there will be a change in the delivery of recycling services in FY15. We are currently exploring alternatives and will report back to Council in FY14.

## Classification and Compensation Plan

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Consistent with its adopted Goals, Council adopted a “Compensation Philosophy that balances retention and recruitment, employee interests and financial sustainability”. We initiated a comprehensive Pay and Classification Study aligned with that Philosophy and with the Town’s “*Workforce of the Future*” initiative. The purpose of the study is to update the Town’s classification and compensation system to better reflect the current responsibilities and market value of Town jobs. In essence, the Class and Compensation plan is a “reset” of our policy and practice of paying employees.



Implementation of the plan includes the following three phases:

1. Raising employees that are currently below the lowest step in their new classification to the minimum step.
2. Moving employees that fall between steps in the new pay scale to the next step in the new scale.
3. Step adjustments for time in position up to the mid-point of the band.

The FY14 Budget includes funding for the first two phases of the implementation of the new Classification and Compensation Plan effective October 2013. The total cost for implementation of the first two steps is \$149,000 for the General Fund and \$252,700 for all funds.

Considering the third phase of implementation (changes related to time in position) requires ongoing communication with our employees about the choices and tradeoffs involved. These choices include existing strategies such as longevity pay as well as enhanced incentives for skills and experience gained by an employee for on the job performance. We will initiate those conversations in July with the goal of a report to Council in January, 2014. Funding of the third phase of implementation will be evaluated in the FY15 budget cycle.

In addition to the implementation of the first two steps of the Classification and Compensation Plan, the recommended budget also includes an across the board 2% pay adjustment to employee salaries. This recommendation is consistent with the request of the Employee Forum in their presentation to Council to balance implementation of the plan with an across the board increase. The cost of this adjustment is \$433,000 for the General Fund.

The Town's ability to maintain a high level of service delivery and high customer satisfaction is directly attributable to the quality and dedication of our workforce. As shown in the table below, pay adjustments for FY09 through FY13 totaled 6.0% while inflation during that period was 8.5% (Bureau of Labor Statistics CPI Inflation Calculator). In order to keep up with inflation and to also provide an off-set to the increases in the employee cost of dependent care premiums, that have increased far in excess of the rate of inflation, I am recommending a 2% salary adjustment for all regular employees. This increase is consistent with other jurisdictions in our area and will keep our pay rates competitive so that we can retain and recruit excellent employees.

	<b>Pay Adjustment</b>	<b>One-time Payment</b>	<b>Health Ins. Increase</b>
<b>FY2008-09</b>	3%	0	10.0%
<b>FY2009-10</b>	0	0	17.1%
<b>FY2010-11</b>	0	\$800	13.9%
<b>FY2011-12</b>	0	\$800	10.1%
<b>FY2012-13</b>	3%	0	(3.0%)
<b>FY2013-14*</b>	2%	0	4%

*\*Proposed*

The Class and Compensation Plan is one of a number of workforce initiatives that are currently underway including the following:

- **Employee Performance Management and Development System** - The purpose of this project is to create a system to manage employee performance in order to achieve the goals of the Town and promote development opportunities for its employees. The system will provide clarity in job expectations and successful job performance and will reinforce two-way communication among supervisors and their employees and the Town's commitment to being a learning organization.
- **Employee Engagement Study** - The Town partnered with the UNC School of Government in the fall to conduct an employee engagement study about the Town workplace. The study is important on several fronts. The Town is currently engaged in several initiatives in response to employee feedback about organizational policies and procedures, compensation and classification, and employment performance

management and development. The study will solicit employee perspectives on these topics so we can measure the effects of changes made over time. Additionally, we are interested in learning more about employee morale in the workplace in general, including perspectives on how the organization values its workers as employees and members of a team.

- **The Personnel Policy and Procedure Improvement Project** - The review was initiated based on employee concerns that policies were not clear and were not consistently applied throughout the Town. The new and revised policies replace and supersede any previous policies, sections of the employee handbook, or unwritten policies or practices covering the same subjects. The personnel policy review and revision process was designed to involve employee participation and included 20 feedback meetings with over 90 employees as well as over 20 trainings for 130 supervisors.

## Street Paving

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As an interim measure beginning in FY12 to help balance the General Fund Budget, the Town used bond proceeds as a funding source for the annual street repaving program. For FY12 and FY13 the Town used about \$600,000 in bond funds for the annual street resurfacing program. The general obligation bonds available for that purpose have been exhausted, creating a \$550,000 shortfall in the street paving program.

In order to help bridge the gap in resurfacing funding the recommended FY14 budget relies on repurposing a portion of the 2012 two-thirds bonds originally designated for bridge replacement. Cost estimates for the Bolinwood Drive Bridge exceeded the amount budgeted in two-thirds bond funds and there are not sufficient funds available in the pay-go portion of the CIP to make up the difference. Therefore we are recommending using the remaining funding for that project to fund street repaving in FY14. There are no immediate safety issues associated with this delay and this project can be considered for funding with the next two-thirds bonds issue planned for FY15. The amount available from two-thirds bonds for the Bolinwood Bridge project is \$380,000. Added to \$111,000 of street resurfacing funds in the operating budget, there is a total of \$491,000 recommended for street resurfacing in FY14, or about 74% of the amount budgeted in the current year.

## Retiree Healthcare

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Beginning in FY11 all new Town employees have been enrolled in a defined contribution rather than a defined benefit plan for retiree health care. The defined contribution plan does not create a long-term funding responsibility for the Town, thereby eliminating the growth of the long-term retiree healthcare liability. There are currently 116 members of the defined contribution plan.

As of the last valuation there were 892 members of the defined benefit plan with 178 receiving benefits. Because of the long-term nature of the commitment (many members will not begin to receive benefits until more than 30 years from now) and the high projected rate of health care inflation, the amount of the unfunded liability, calculated on an actuarial basis, is astronomical. The annual pay-go amount for retirees that are currently receiving benefits is about \$1.2 million. To further reduce our liability we are working to establish post 65 retirees on a new health insurance plan (separate from active employees) that will have less cost and more appropriate coverage for coordinating with Medicare.

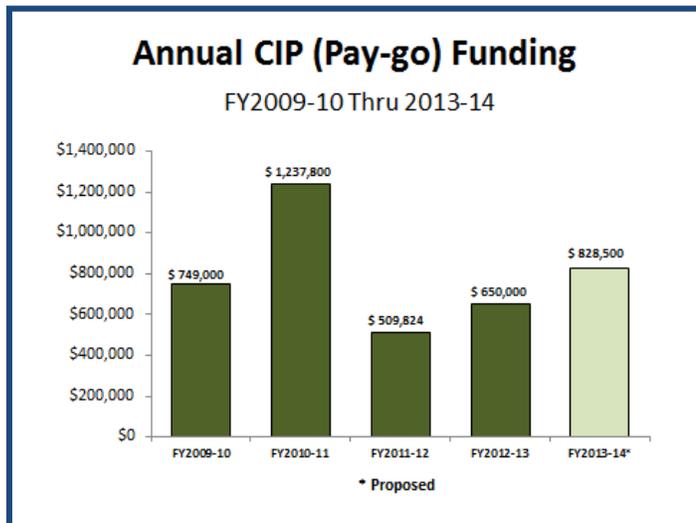
In FY09, FY10 and FY11 the Town set-aside \$400,000 as a first step in directly funding the long-term liability for retiree health care coverage. The Town has not made any subsequent payments toward the liability, choosing instead to work on strategies to control the cost, including:

- Elimination of the defined benefit plan for new employees, as described above
- Creating a separate health care plan for post 65 retirees
- Reducing the number of employees currently covered by the defined benefit plan through conversion to defined contribution

## Capital Improvements

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Traditionally the Town has tried to maintain an annual pay-go CIP of about \$1 million to fund small capital projects. This investment in public assets has been reduced in recent years due to budget pressure. For FY14 the recommended budget includes \$828,500 for pay-go CIP. Funding sources include a transfer from the General Fund (\$758,500), cell tower rental fees (\$55,000) and other revenues (\$15,000) for an increase of \$178,500 over FY13. In addition to annual appropriations for maintenance of Town buildings, parks and other facilities, the FY14 appropriation allows for the addition of the Ephesus/Fordham construction project engineering and the purchase of a mobile stage and police in-car cameras.



## Technology Initiatives

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**IT Business Analyst** - The Town, as a dynamic organization, must keep pace with changes in technology that shape the way that we receive, analyze and communicate information. There is an expectation that the Town will “keep-up” with the newest trends in technology and information systems. However the Town’s current IT function is primarily a support organization that provides technical assistance to the Town’s 650 users and maintains the Town’s network of 130 servers running a variety of applications. The demands of keeping the Town’s technology assets up and running and providing responsive service to all users consumes the bulk of the IT staff’s time and resources.

There is little capacity for other value added services from our IT staff. The most significant gap is in business analysis and pre-implementation planning. While we are maintaining our enterprise infrastructure, we are able to pay little attention to the vocational needs of our departments. On a departmental level we are very good at identifying problems and deficiencies in our current systems and the need for improvements in efficiency and effectiveness that can be facilitated by updated systems and new technology. We lack the ability to translate our needs into business plans that will lead to the successful implementation of new systems. A lack of the business analysis role can result in “jumping at solutions” without fully understanding the problem. This in turn can lead to failed implementations.

The FY2013-14 Adopted Budget includes a Business Analyst position in the IT Division. This position will work with departments to develop technology solutions based on need, capacity and available resources, greatly increasing the potential for efficient and successful implementation of new technology.

**Technology Pool** - In conjunction with the creation of the Business Analyst position, the FY14 budget includes a Technology Pool to fund new technology projects stemming from the business analysis process. The pool represents funding for the technology projects requested in departmental budgets. Rather than evaluating these projects through the budget process, which is not geared to evaluate technology projects, the pool funding will be allocated to projects based on review by the business analyst and coordinated through an internal technology steering committee.

**GIG – U** - The Town of Chapel Hill is working with a regional group that includes UNC Chapel Hill, Carrboro, Duke University, the City of Durham, NC State University, the City of Raleigh, the Triangle J Council of Governments, and Research Triangle Park to deliver gigabit speeds to the homes and

businesses of these communities. This project is part of a larger initiative that includes 37 research universities across the country. The GIG-U Universities and their respective local governments across the nation are seeking to partner with telecommunications



providers who are able to implement high speed broadband at a reasonable cost. The local group North Carolina Next Generation network (NC NGN) has issued an RFP that received responses from eight telecommunications companies. Representatives of the stakeholders of NC NGN are currently reviewing the responses. The Universities initiated the GIG-U project, but ultimately the Town will be the “owner” of the project since it involves providing a service across the municipal jurisdiction using the Town Fiber Network (TFN). Therefore how NC NGN will be implemented in Chapel Hill will be decided by Council.

We believe that due to the hostile legislative climate for municipal initiated broadband services, GIG-U and NC NGN represent our best chance of achieving a wider use of our enterprise fiber assets.

Our Technology priorities in this budget also include

- An administrator for the technology based permitting and information system known as LAMA. The full implementation of this system for staff and community access will be accelerated by the addition of this position.
- A social media position in Communications and Public Affairs available to assist all departments in the use of social media for communication with our community.

## The Expanded Library

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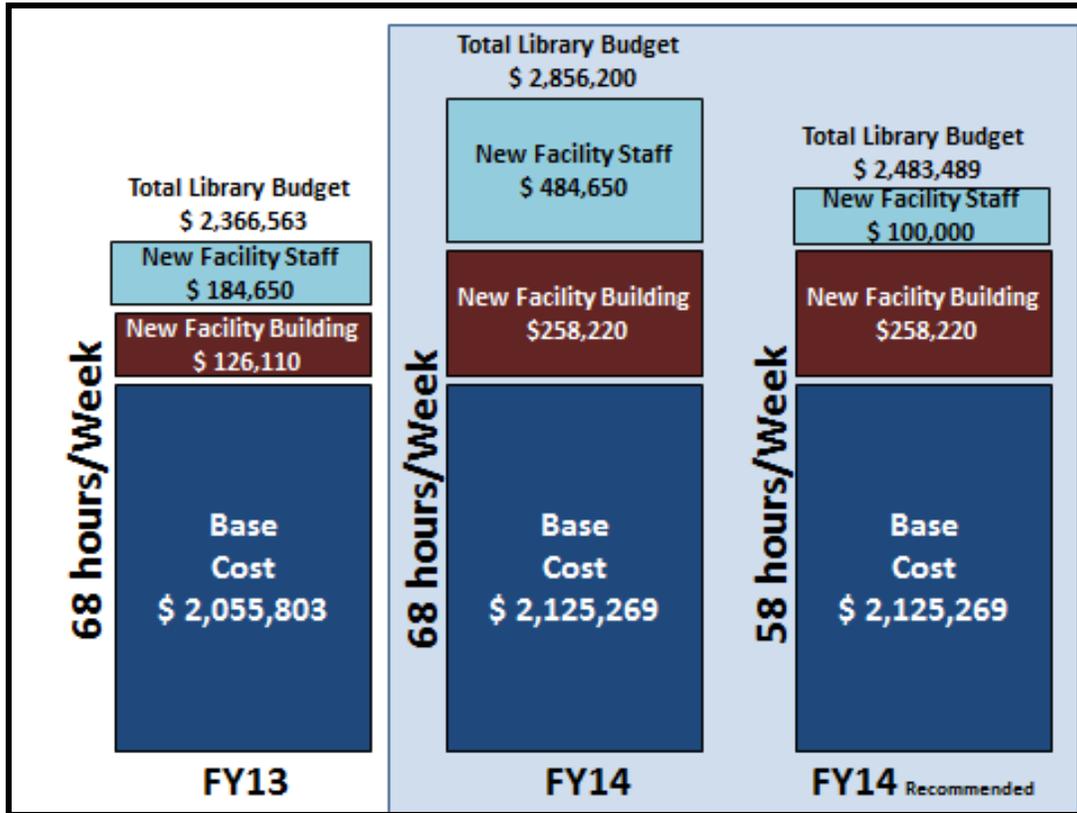


In 2003 Chapel Hill citizens voted to approve a referendum to borrow funds for an expanded Library. In April of 2013, ten years after receiving 76% “yes” votes, the new expanded Library has opened and is servicing an ever-expanding group of patrons. Throughout the last 10 years of planning, designing, delaying and finally constructing, the community and the Council have been unwavering in their support of the expansion. The fact that the Town moved forward with the projects during an economic downturn is testimony to the importance of the Library as a public building and institution within Chapel Hill.

The Library is a special place for the residents of Chapel Hill and Orange County. It is a hub for the community and a resource for all. In a state where Libraries are predominantly a County “function” the presence of a state-of-the-art 63,800 square foot Library with the largest circulation per capita in the state is a source of pride and awe. The decision to move forward with the project was made despite some concern for the ongoing operating cost of a facility more than twice the size of its previous incarnation. At the time of the decision to move ahead with the construction project it was estimated that the additional costs to operate the expanded Library would be the equivalent of about

one penny on the tax rate. In order to control costs Library hours were cut from 68 to 54 hours per week concurrent with the opening of the new facility.

The FY13 budget contained funding to hire new staff so that the expanded Library could operate for the full 68 hour weekly schedule, however those new positions were not hired due to the uncertainty that we could afford to maintain these positions in the FY14 budget. As shown in the following graph the library costs have increased \$132,110 for building related costs, such as utilities and the cost of increasing the weekly hours to 64 would be about \$300,000. The FY14 adopted budget includes \$248,000 for additional library staffing in order to add hours as we determine through community input where those hours are most needed. While that currently appears to be on Saturday, we will work with our new director to bring the total weekly hours to 58. We will report to Council in January 2014 on the status of library operations in anticipation of the FY15 Budget. This total adopted budget for the expanded Library for FY14 is \$2,662,885 or 12.5% above the FY13 budget and 24.8% higher than the actual cost in FY2011-12, the last year that did not include library expansion costs.



## Stormwater Fund

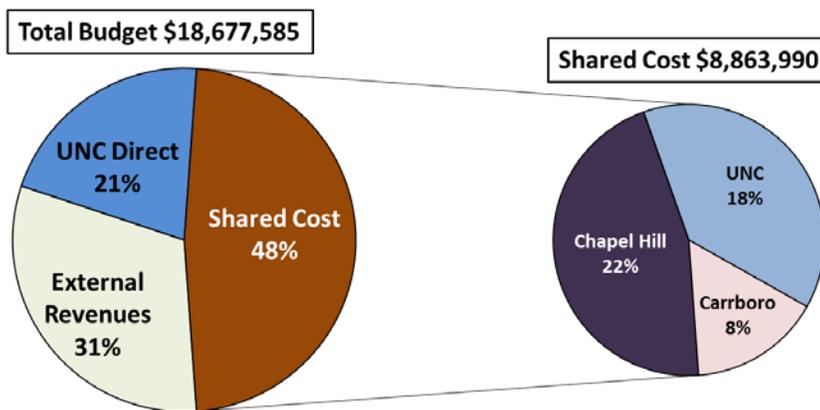
The FY14 Stormwater fund budget includes a \$9 per Equivalent Rate Unit (ERU) fee increase, bringing the total fee to \$48 per ERU. The Stormwater fee has not increased since the creation of the Stormwater Management Fund in 2004 despite a 40% increase in

the Stormwater operating budget. As it stands, the Stormwater fund is using fund balance to pay for normal operating expenses. The fund balance is sufficient to support the operating budget for a few more years, but does not provide for capital projects. Currently there is a high priority stormwater project, the Elliot Road culvert replacement estimated at \$750,000 that would drain most of the fund balance if the rate increase is not approved. The Elliot Road culvert is one of many projects that will need to be addressed in the next few years and the rate increase will help to create capacity to address these important projects. In keeping with the Council’s interest in development of this area, the recommended budget includes funding for this project, requiring a fund balance appropriation of \$479,496, offset by an increase in fees of \$411,000.

## Transit Fund

Over the past few years as fuel prices have trended upwards, fleet maintenance costs have increased and state and federal funding sources have become less dependable. The Transit budget has become more difficult to balance. For FY13 the only way to balance the budget without a tax increase was to “borrow” money from the General Fund. Obviously, this is an unsustainable trend. The Transit Partners are pursuing long-term sustainability strategies through an independent study. For FY14 the Transit Budget picture has been further clouded by a major reduction in State Funding and changes in the sales tax structure that will provide partial relief from the State funding shortfall.

The FY14 Transit Budget is balanced with a 1 cent tax rate increase. This increase is needed to maintain services at the current level and to address increasing personnel and operating costs. This will be the first tax increase for transit since FY07. Transit’s budget is split between the three funding partners after deducting the cost of routes that benefit UNC exclusively (UNC Direct) and the amount of anticipated revenues from state and federal sources (External Revenues), as shown below.



Beginning in FY14 the Town will begin charging for its 1,238 park & ride spaces. This change in policy was necessitated by the University’s decision to begin charging for

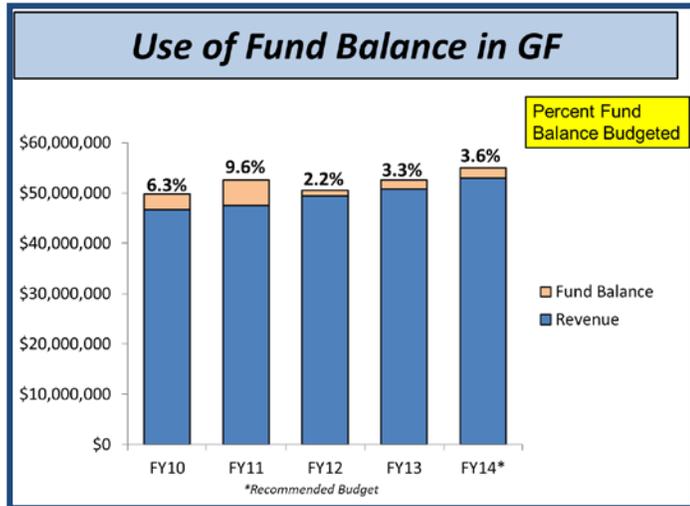
parking in the University’s Park & Ride lots. If the Town maintained its free park and ride policy after the University starts charging, the Town’s lots would quickly overflow creating traffic and enforcement issues. Because of the start-up costs associated with charging for park and ride, the net revenue from operating the lots in the first year will be minimal. The University will be paying the Town \$150,000 annually to allow University permit holders to use Town park and ride lots.

A large portion of the Transit Fund’s revenues come from state and federal funding. These “external revenues” usually make up about 30% of the fund’s total revenue. For FY14 state assistance is being reduced drastically from \$3,077,868 (budgeted) in FY13 to \$2,205,868 projected for FY14, a reduction of \$872,000.

In November of 2012, Orange County voters approved a ½ cent sales tax for Transit. Triangle Transit is working on the implementation of the ½ cent transit tax as well as vehicle registration fee (VRF) increases of \$7 and \$3. The adopted budget includes \$472,000 in vehicle fees from this new source. Additional revenues from these sources will be budgeted when they are collected. The Transit budget is balanced with the use of about \$87,000 of fund balance.

## Fund Balance

Beginning in FY12 we have reduced our reliance on non-current revenues (fund balance) in the General Fund. The FY14 recommended budget seeks to keep the use of fund balance to a manageable level and uses \$1,973,201 million of fund balance, about 3.6% of total revenues, to help balance the budget. We believe that this is an appropriate and sustainable level of fund balance use.



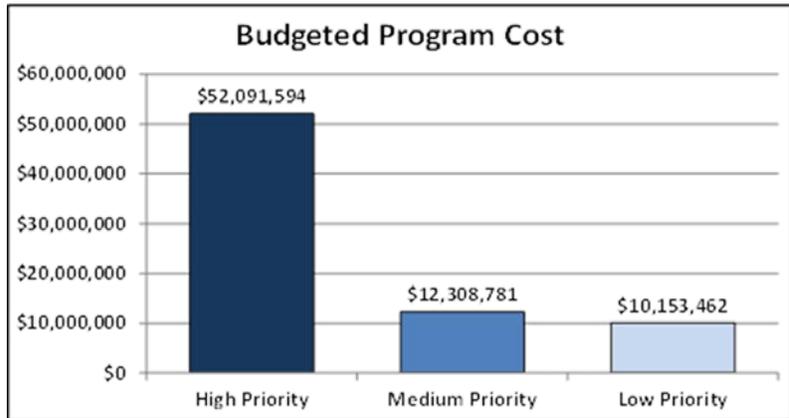
In our last audited financial statements (2011-12), the Town’s General Fund unassigned fund balance was about 25%. Based on the estimated spend-down of fund balance for the current year and the planned use of \$1,884,738 in FY2013-14, we are projecting that fund balance will be about 18% at June 30, 2014. This is above the minimum level of 15% that we have discussed as being appropriate in the current economic climate.

Maintaining an adequate level of fund balance is critical to meet the cash flow requirements of this municipal corporation and to provide an emergency fund to safeguard the Town against the costs of recovering from unforeseen economic, emergency and natural disasters. The Town’s high fund balance levels are a positive

factor in assigning credit ratings to the Town’s debt. The Town has received the highest possible rating for its general obligation bonds

## Priority Budgeting

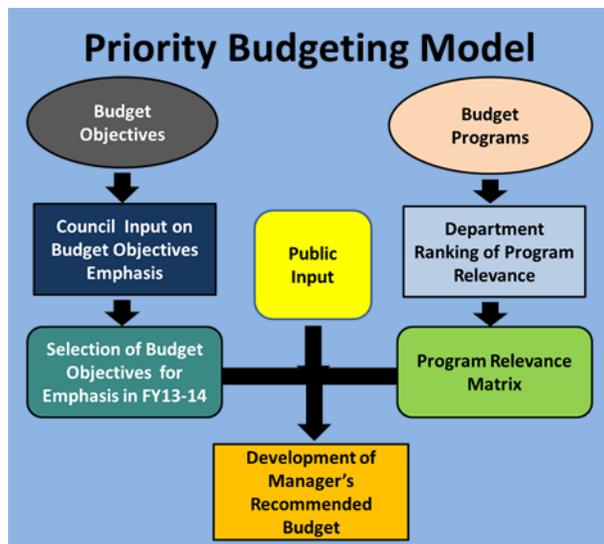
FY2013-14 marks the first year of using a priority based system as part of the budget decision making process. Although we have not fully implemented the system and we are still working out the bugs, the establishment of the priority budgeting structure has given us better insight into and the scope, depth, and value of the Town’s public services. Also, our work on priority budgeting has confirmed the fact that the Town’s budget investments are already heavily weighted toward high priority service programs as shown in the following graph.



The priority budget impetus was created to address a perceived need to improve our decision making process by putting programmatic decisions in the broader context of the full scope of Town services. It is a way to recognize that for everything we decide to fund we are making the choice to not fund something else. In other words, budgeting is about allocating limited resources. Those allocation decisions should not be made in isolation; rather they should be evaluated systematically in a way that recognizes that not all services the Town provides are equally valued by those who use them.

To date we have accomplished the following steps toward incorporating a priority based decision element into our budget system:

- Defined our budget in terms of service programs that produce specific outcomes
- Drafting budget goals and objectives based, in part, on the 2020 Themes and Goals.
- Conducted a pilot process to test the use of ranked budget objectives to score the relevance of budget programs.
- Conducted a public survey



This is the first year of a multi-year process and the data gathered from this cycle is preliminary in nature and does not supersede prior decisions or Council direction. We have checked our decisions against the priority budget data to note concurrence with or deviation from priority rankings. We will continue this process throughout the budget cycle in order to have diagnostic information to improve the priority budget process in future years.

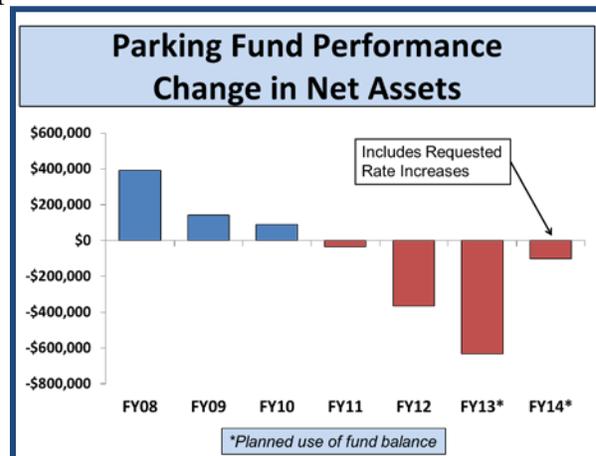
## Parking Fees



Downtown Chapel Hill can be a challenging place to find parking, particularly during peak periods. Over the past few years, working with the Downtown Partnership and the Downtown Parking Taskforce great strides have been made in improving the downtown parking experience. These improvements include many of the recommendations of the Parking Study of 2008 and are listed below.

- New downtown parking signage
- Multi-space pay stations that accept credit cards
- Opening 4 new parking lots as replacement parking for Lot 5
- Courtesy Parking Program for on-street meter violations
- Opening of the 140 West Parking Structure
- Development of the nighttime use of private lots (Downtown Partnership)
- Downtown valet parking (Downtown Partnership)
- Pay-by-phone (to be implemented in May 2013)

Over the past few years the Parking Fund has been running deficits due to the loss of Lot 5 when the 140 West project started and the cost of securing replacement parking spaces. In addition, other operating costs such as personnel and utilities have continued to increase while revenues have been flat. We have known for some time that the financing costs of the 140 West parking structure would further unbalance the revenues and expenses in the Parking Fund and although the financing resulted in lower than expected debt service payments, we still face growing deficits if rates are not adjusted. The FY14 Budget includes two types of parking fee changes. The first set of fee changes increase rates on high-demand lots and on-street spaces to \$1.50 per hour. Both the Wallace Deck and the 140 West Deck will remain at \$1 per hour in order to encourage their use. Other fee changes provide reductions in fees, including discounts for off-peak use at the Wallace Deck, a reduction in the commercial service permit fee from \$300 to \$150 and discounted pre-paid



validation tickets that will be accepted at 140 West. With these fee changes the Parking Fund should return to break-even in FY15.

## Debt Management Fund

In FY2009 Council adopted the Debt Management Plan to help address the Town’s sudden growth in debt and the ongoing need to fund major capital projects. The Debt Management Fund receives a dedicated portion of the Town’s property tax to be used to pay debt service for all Town debt obligations. For FY2011 the allocation of property tax to the Debt Management Fund was 9.3 cents. This was changed in FY2012 as the cash flow needs of the fund declined due to the delay in issuance of the Library expansion bonds and also due to the favorable interest rates on the Library bonds and subsequent refunding bonds. By moving 1.8 cents from the Debt Management Fund to the General Fund we were able to balance the FY12 budget without a tax increase or significant service reductions. This shift provided adequate resources in the Debt Management Fund to pay the debt service on all existing debt however it reduced the capacity to issue any significant new debt issuance.

<b>Project(s)</b>	<b>Amount</b>
Public Safety Headquarters **	\$ 16,620,000
Fire Station Renovations/Replacements**	14,000,000
Transfer Station	3,000,000
Town Hall Renovations	4,840,000
Parks & Recreation Master Plan (net)	44,917,000
100 West Rosemary Renovations**	2,484,000
523 East Franklin Renovations**	2,214,000
<b>Total</b>	<b>\$ 88,075,000</b>

*\* Does not include projects that will be paid for by other funds*  
*\*\* Asset Management Plan*

There is no new debt planned for the FY14 Budget. The Debt Management Fund is balanced drawing on its fund balance, which will be the case through FY15. In FY15 the Town will be eligible to issue \$1.7 million of two-thirds bonds and will have additional debt capacity in subsequent years, due to the pay-down of existing debt, to pay the debt service on the two-thirds bonds. With the existing tax rate, the fund will not be able to support significant new debt issuance until FY17 when there will be capacity to issue \$20 million in new debt.

The following table shows planned debt funded projects. Based on the current revenue structure of the Debt Management Fund the timeline for funding these projects extends more than 20 years to FY33. This schedule can be accelerated if the tax rate dedicated to the Debt Fund is increased at some point in the future. Some of the projects listed in the table above involve property that is currently being evaluated through the Asset Management Plan. Development of the Asset Management Plan will result in recommendations to Council, specific to each project, to retain, repurpose or sell each property.

## FY15 (Planning Year)

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In order to expand our focus beyond the traditional one year budget cycle, we are incorporating key events and issues that will have an impact after FY2013-14 into our budget discussions and analysis. The major issues that we are tracking that will impact FY15 and beyond include the following:

- Planned Issuance of \$1.7 million of two-thirds bonds
- Changes to the County recycling program
- Planning for the construction of a local transfer station for solid waste
- Implementation of the third phase of the Classification and Compensation Plan
- Adjustments to the Library hours of operation
- General Obligation bond referendum to fund large capital projects
- Implementation of financial sustainability model for Transit
- Restoration of street resurfacing funds in the operating budget
- Possible changes to the state tax structure
- Retiree healthcare costs
- Restoring CIP pay-go to \$1 million
- Funding Youth Initiative Programs recommended by the Task Team

## Performance Agreements

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The Town's operating budget includes funding for performance agreements with outside agencies that provide services consistent with the Town's goals and values. We have maintained approximately the same overall level of funding for these agreements over the past five years.

Applications for human service agencies are processed through a joint application process with Orange County and the Town of Carrboro. The human service agency applications are evaluated by the Human Services Advisory Board who make recommendations to Council for funding. All other agencies are evaluated by a cross departmental staff team. The recommended amounts include the changes noted below.

<b>Performance Agreements with Other Agencies</b>	<b>2012-13 Budget</b>	<b>2013-14 Adopted Budget</b>
Human Services	\$ 337,100	\$337,100
Environmental	1,000	1,000
Arts	10,500	10,500
Affordable Housing	244,250	255,715
Economic Development	260,000	260,000
<b>Total Contributions to Agencies</b>	<b>\$ 852,850</b>	<b>\$ 864,315</b>

The affordable housing agency funding recommendations includes a \$200,000 allocation to the Orange Community Housing and Land Trust. Orange Community Housing also

has an allocation of the Town’s CDBG and HOME funds of \$20,941 and \$80,000 respectively.

The economic development agency funding recommendations includes \$175,000 for the Convention and Visitor’s Bureau. Their contract includes a clause that increases their funding if the Town’s Occupancy Tax receipts exceed \$950,000 for the fiscal year. The Bureau will receive 50% of all receipts in excess of \$950,000. Also included in economic development agencies is a \$70,000 allocation to the Downtown Partnership. The Partnership is also recommended to receive an allocation from the Downtown Service District of \$120,000.

The Town has also entered into a performance agreement with the Downtown Partnership to facilitate a joint venture among the Town, Orange County, UNC Chapel Hill, 3Birds Marketing and a private donor for a downtown business incubator called Launch Chapel Hill. Launch Chapel Hill offers its resident teams a place to work on their business, training events and mentorship from experienced entrepreneurs who bring industry and fundraising contacts. UNC Kenan-Flagler students will serve as consultants and potentially as members of venture teams.



## Tax Rates and Stormwater Fees

As shown in the following table the Town’s total property tax rate has been the same for the last four years. For FY14 we are recommending a 1.0 cent increase in the General Fund portion of the tax and a 1.0 cent increase in the Transit portion, for a total increase of 2.0 cents. We have resisted raising taxes for the last four years. Pressures from increasing costs, flagging intergovernmental revenues and demands for expanded services make it no longer prudent to use non-sustainable tactics to avoid raising taxes. We believe that this 2 cent investment will pay dividends by allowing the Town to continue toward its goals and to pay for decisions made in prior years.

	FY2009-10	FY2010-11	FY2011-12	FY2012-13	Recommended FY2013-14
<b>General Fund</b>	<b>36.0</b>	<b>36.0</b>	<b>37.8</b>	<b>37.8</b>	<b>38.8</b>
<b>Debt Fund</b>	<b>9.3</b>	<b>9.3</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>
<b>Transit Fund</b>	<b>4.1</b>	<b>4.1</b>	<b>4.1</b>	<b>4.1</b>	<b>5.1</b>
<b>Total</b>	<b>49.4</b>	<b>49.4</b>	<b>49.4</b>	<b>49.4</b>	<b>51.4</b>

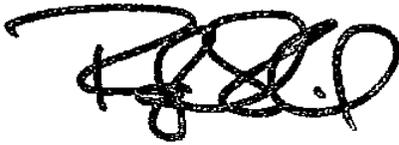
As mentioned above we are also recommending a \$9 increase in the annual Stormwater fee, raising it from \$39 per year to \$48. For a homeowner whose home is valued at \$200,000 the increase in taxes would be \$40 per year. Combined with the Stormwater fee increase that hypothetical homeowner would see a combined increase of \$49 per year.

## Conclusion

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The focus of the FY2013-14 budget is to bridge the gap between the Town's goals and the resources available to accomplish those goals. Over the past several years we have successfully delayed needed tax and fee increases as we waited for the economic recovery to take hold. During that time we have used strategies that are unsustainable in the long-term. Now that we see signs of improvement in the economy, it is time to begin to address the imbalances between our revenues and our expenses by continuing to make investments in cost saving strategies, keeping costs in check and finally raising taxes and fees to fund high priority services. The 2013-14 Budget keeps the Town on its path toward sustainably achieving the long term goals of the community.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'R. Stancil', with a large, sweeping flourish extending to the left.

Roger L. Stancil  
Town Manager



# ***CITIZENS' GUIDE TO REVIEWING THE BUDGET***

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## **General Comments**

This budget document describes Town services and revenue sources adopted for the Town's budget for the fiscal year from July 1, 2013 through June 30, 2014.

The Mayor and Council's adoption of an annual budget is one of the most important decisions of the Town as a service organization and governmental entity. The annual budget translates the values of the Chapel Hill community into a plan of action for services, programs and projects, and resources for providing services.

The Mayor and Council's decisions in adopting a budget are in the form of an ordinance allowing expenses and raising of revenue during the coming budget year, an ordinance authorizing employee positions and wage and salary ranges, resolutions adopting fees and charges and related actions.

In accord with normal accounting and budgeting practices for cities and towns, Town services supported partly or entirely with general taxes are budgeted in a General Fund.

The General Fund includes costs and revenues for police, fire, refuse collection, street maintenance and other public works services, human services, planning, construction, inspections, engineering, library, parks and recreation, general administration and support services, and some miscellaneous items.

The public transit, public parking, stormwater management, public housing, internal service funds and supplemental downtown district services are budgeted in separate, individual funds.

This budget is intended to identify most services offered by the Town and proposed objectives for quality, quantity, timing, etc. of services. The individual department and division overviews give details about current Town services approved by Council. However, there may be a few activities not described or noted only in summary form here. We invite you to call the appropriate Town departments as listed on the Town's website or in the blue pages of the BellSouth directory for additional information. Any changes, deletions or additions to current services which may be decided during the proposed budget discussions will be reflected in the adopted budget for 2013-14.

The information in this budget document is intended to be understandable to citizens with a general knowledge of business practices and of most Town services. We have attempted to minimize the use of technical words and phrases, or to define them when used. A glossary of terms is provided in the Budget Appendices. However, if something in this material is not clear, we invite you to call us at (919) 968-2712 or send an email to the Town Manager at: [manager@townofchapelhill.org](mailto:manager@townofchapelhill.org).

## **State Laws Regarding Local Governmental Budgets**

The Town's fiscal year begins on July 1 in accord with requirements in the North Carolina Local Governmental Budget and Fiscal Control Act.

This legislation requires that the Manager submit a recommended budget to the Mayor and Council, that the Council hold a public hearing, and that the Council adopt an annual

# ***CITIZENS' GUIDE TO REVIEWING THE BUDGET***

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budget or interim budget for 2013-14 by July 1. State laws also determine the types of services and regulatory authority which the Town can provide, the revenue sources available to the Town and in many cases the maximum level of such revenue. For example, the Town is not authorized to levy income taxes, and Orange County has enacted a local option sales tax at the authorized limit of 2 and 1/2%. The Town is authorized to provide various types of services needed in urban areas, including police and fire protection, refuse collection and street maintenance services.

In North Carolina, county governments are responsible for public health, education, social services, and various other programs. Funding for the Chapel Hill-Carrboro City School district serving southeast Orange County is provided through County and State government decisions and funding.

## **Financial Management Principles**

The adopted budget is based on financial management principles including:

- \* The Town makes conservative estimates of revenues and costs to minimize the chance that actual revenues received during a budget year may be less than expected, or that actual costs may exceed estimates.
- \* The Town seeks to use stable, annually recurring revenues to pay for costs (such as wages, supplies, etc.) which tend to continue from year to year. The Town avoids using one-time revenues for annually recurring costs.
- \* The Town seeks to keep a reserve of money saved in past years (undesignated net assets

or fund balance) so that the Town will not have to borrow funds early in the fiscal year when revenues are less than the cost of providing services, and so that the Town will have a reserve for any major unexpected costs or revenue fluctuations between budget years. The Town's objective is to have a General Fund balance of at least 12% of the General Fund budget for cash flow purposes in accord with State guidelines, and additional amounts for unforeseen circumstances and emergencies.

- \* The Town avoids or limits the deferral of costs to future years. When deferrals are proposed, the amount is limited to the extent practical and the deferrals are specifically identified.
- \* The Town seeks to properly maintain buildings and equipment to protect the community's investment in these assets.
- \* The Town seeks to recover from user fees all or a significant portion of the cost of some kinds of services, so that the citizens who benefit most from a service will pay for the service. However, several kinds of fees are waived or lowered for low income families, for youth and for senior citizens.
- \* The Town uses general taxes to provide some special services or assistance to citizens with special needs because of low income or other conditions.
- \* The Town seeks to maintain a competitive position in the Triangle labor market to recruit and retain employees who will provide services with the quality desired by the community.

# ***CITIZENS' GUIDE TO REVIEWING THE BUDGET***

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\* The Town from time to time issues bonds or uses installment contracts authorized by State law to finance capital projects which will benefit the community for a long period and which should therefore be paid for over a long period.

## **Budget Process**

The Mayor and Council's process and schedule for developing the 2013-14 budget included forums and hearings for citizens to express their views, raise questions and concerns and make comments on services, policies and funding items related to the budget.

The description of the budget process and the budget calendar are included in this Introduction and Background section.

Citizens were invited to make comments at any time by letter to the Mayor and Council or to the Town Manager at 405 Martin Luther King, Jr. Blvd., Chapel Hill, NC 27514, by fax to Town Hall at (919) 969-2063, or by electronic mail at [manager@townofchapelhill.org](mailto:manager@townofchapelhill.org).

Citizens with disabilities in hearing or speaking were invited to call the Town at (919) 968-2743 (TDD: (919) 968-2700) for assistance in participating in public hearing or commenting by other means.

## **Elements of the Budget Document**

- Introduction and background information with regard to the development of the budget including the budget process, the budget goals and assumptions made.
- Department and division mission and

duties as well as their budget and a summary of budget changes.

- Explanations of debt and the capital program.
- Summary information with regard to net assets (fund balance), revenues and expenditures for all funds, tax rates and tax collections and staffing and organizational structure.

Each department has a separate overview. The following is an explanation of the information included for departments and divisions.

## **Department Sections**

Each department section contains a department overview intended to provide information about the department; organizational charts for the department; staffing charts for each department; and a budget summary for the department. Also included is the same information for individual divisions within some of the larger departments. Goals and performance measures are also included for appropriate departments.

### **◆ Department Overview**

Each department section starts with an overview page which includes the Mission Statement and summarizes key duties of the department.

### **◆ Organizational Chart**

Following the department overview is an organizational chart for the department that displays the personnel in the department broken out by divisions, where applicable.

# ***CITIZENS' GUIDE TO REVIEWING THE BUDGET***

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## ◆ **Staffing Chart**

The staffing chart for each department lists all positions within the department in full-time equivalents in order to provide a snapshot of staffing for the various department functions.

## ◆ **Budget Summary**

The budget summary for each department provides a summary of significant budget changes in a brief narrative format. It also lists expenditures summarized in the categories of Personnel, Operating Costs and Capital Outlay. Revenues are also listed in a summary format based on revenue sources. These expenditure and revenue summaries provide historic and adopted information as follows:

- 2011-12 Actual
- 2012-13 Original Budget
- 2012-13 Revised Budget
- 2012-13 Estimated
- 2013-14 Adopted Budget
- % Change from 2012-13 Original Budget

## ◆ **Departmental Trends and Performance Measures**

The departmental trends section provides trend data for particular areas of each department. This section states a Council goal, departmental goal, and an objective for each measure. See the “Performance Measures Program” on page 6 for further explanation.

A reader’s guide entitled “Budget Format—The Basics” follows.

In addition to the material described above, the

adopted 2013-14 budget contains supplemental information intended to assist the reader. This data includes details regarding fund structure, fund descriptions, major revenues and a glossary.

# **BUDGET FORMAT - THE BASICS**

NOTE: All tables in the adopted budget present the same three-year columns.

Audited data from the last completed fiscal year.

Budget for each category as amended during the prior fiscal year.

The adopted budget for the new fiscal year that begins on July 1.

Budget for each category as originally adopted for the prior fiscal year. The fiscal year begins July 1 of each calendar year.

Estimate of prior year final cost/revenues by category.

The percentage of change from the original budget in the prior year to the adopted budget.

<b>EXPENDITURES</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2012-13</b>	<b>2012-13</b>	<b>2013-14</b>	<b>% Change</b>
	<b>Actual</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Estimated</b>	<b>Adopted Budget</b>	<b>from 2012-13</b>
Personnel	759,140	833,544	833,544	833,544	809,367	-2.9%
Operating Costs	123,123	106,693	151,605	122,484	107,446	0.7%
Capital Outlay	9,011	5,000	5,000	5,000	-	-100.0%
<b>Total</b>	<b>891,274</b>	<b>945,237</b>	<b>990,149</b>	<b>961,028</b>	<b>916,813</b>	<b>-3.0%</b>

<b>REVENUES</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2012-13</b>	<b>2012-13</b>	<b>2013-14</b>	<b>% Change</b>
	<b>Actual</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Estimated</b>	<b>Adopted Budget</b>	<b>from 2012-13</b>
General Revenues	730,933	776,437	821,349	846,228	770,013	-0.8%
Grants	-	-	-	-	-	N/A
Charges for Services	11,678	10,800	10,800	11,800	11,800	9.3%
Licenses/Permits/Fines	90,594	85,000	85,000	40,000	70,000	-17.6%
Transfers/Other Sources	58,069	73,000	73,000	63,000	65,000	-11.0%
<b>Total</b>	<b>891,274</b>	<b>945,237</b>	<b>990,149</b>	<b>961,028</b>	<b>916,813</b>	<b>-3.0%</b>

## *Performance Measures Program*

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In the Spring of 2010, the Town of Chapel Hill began a pilot program targeted at improving departmental performance measures Town-wide. A committee of four Town employees was formed by the Town Manager to oversee this program. The Town entered into a contract with Dr. David Ammons from the University of North Carolina at Chapel Hill School of Government for his assistance with this program. A one day seminar was held at Town Hall to introduce department heads and others to the performance measure program. To date, the Town has completed Phases 1 - 4 of the program and is currently working on Phase 4. The service areas that have completed the program are:

- Fleet Services
- Information Technology
- Parking Services
- Fire
- Development Review
- Finance
- Communications & Public Affairs
- Inspections
- Transit
- Stormwater
- Police
- Streets
- Traffic
- Parks & Recreation Programs

### Performance Measurement Process:

- Departments were given an instructional session on goals, objectives, and performance measures.
- Individual meetings were held with the pilot units in which goals, objectives and performance measures were discussed.
- Draft goals, objectives and performance measures were submitted to the committee.
- Dr. Ammons reviewed each submission and offered individual feedback to each unit.
- Final meetings were held with each unit to decide on final set of goals, objectives, and performance measures.

The service units that have yet to go through the program are encouraged to begin looking at improvements to their existing performance measures and consult with the committee. The goal is to have the entire Town complete this process by the Fall of 2013.

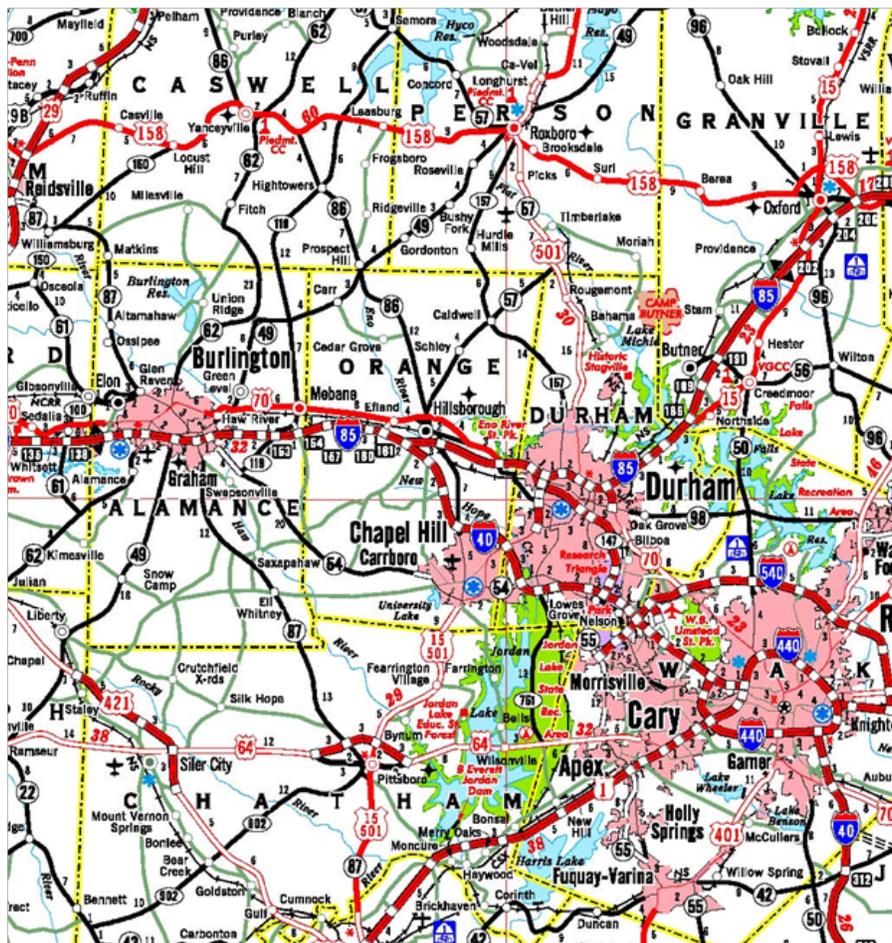
This budget document shows new measures from those service areas that went through phases 1 - 4 of the performance measure program. Future budget documents will include updated measures for departments as they go through the program. The performance measures program will provide departments and management with vital information for management and oversight, will focus attention on priorities and results, will identify successful strategies, and will enhance accountability.

# CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS

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## Location

The Town of Chapel Hill is located principally in Orange County and partially in Durham County in the north central portion of North Carolina on the Piedmont Plateau, approximately equidistant between Washington, D.C. and Atlanta, Georgia. The area's topography is characterized by rolling hills. The Town, which was incorporated in 1819, presently covers an area of 21.3 square miles and has a population of 57,757 according to the latest estimate issued by the State of North Carolina for July 2011. The Town is the home of the University of North Carolina at Chapel Hill, the nation's oldest public university, established in 1789. Today, the University enjoys a reputation as one of the best public universities in the United States.



The Town conducts an ongoing planning and programming process through which it implements orderly expansion and management of the growth and development of the community in accord with the Comprehensive Plan, last revised in spring of 2000 and updated in May 2003. At present, the Town exercises zoning and building controls over a 27.6 square mile area that includes the corporate limits and a 6.3 square mile planning jurisdiction.

# **CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS**

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The growth of the Town has been directly related to the expansion of the University of North Carolina at Chapel Hill. Enrollment at the University has risen from 8,791 in 1960 to 29,278 in 2012-13. It is anticipated that expansion will continue to occur in University-related health facilities such as the UNC Health Care System.

## **Government Structure**

The Town has a Council-Manager form of government. The Town Council is comprised of a Mayor and an eight-member Council. All Council Members serve four-year terms. The Mayor and four Council Members are elected every two years. All elections are on a non-partisan basis. The Council appoints the Town Manager and Town Attorney. The Mayor presides over the Council meetings and has full voting privileges. The Town Manager is the chief administrative officer of the Town. Town departments are responsible to the Town Manager for the provision of public services.

## **Demographics**

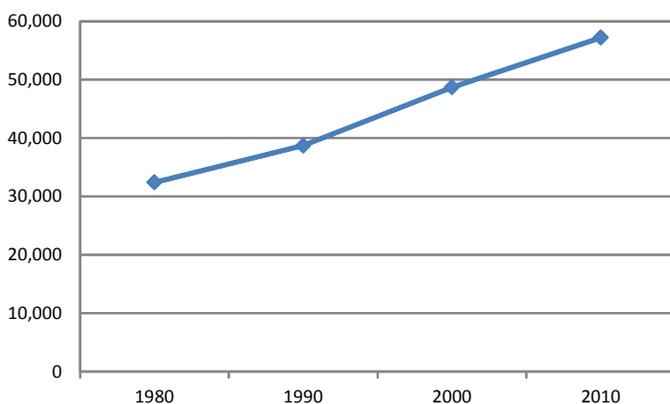
### **POPULATION GROWTH AND CHARACTERISTICS**

#### *Population Growth*

Chapel Hill’s population increased by over 8,500 since the 2000 Census, totaling 57,233 in the 2010 Census. Figure 1 shows the Town’s population growth from 1980 to 2010. The 10-year growth from 2001 to 2011 amounts to 18.1 percent, about 3.8 percent faster than the County’s growth and 0.4 percent faster than the 17.7 percent statewide population growth.

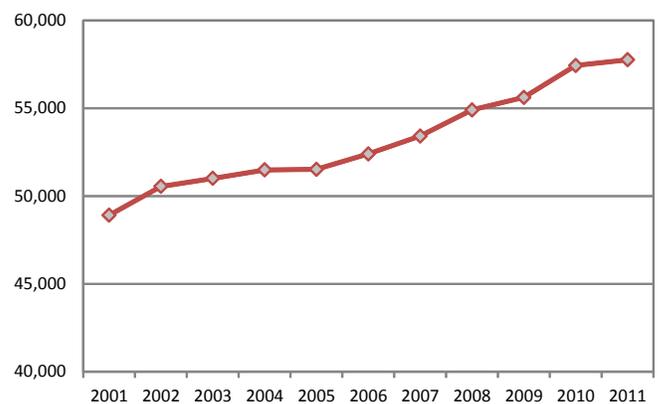
Figure 2 shows the Town’s growth since the 2000 Census.

**Figure 1. Chapel Hill Population: 1980-2010**



Source: US Census Bureau, 2010

**Figure 2. Chapel Hill Population: 2000-2010**



Source: North Carolina Office of Budget & Management

# **CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS**

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While most Chapel Hill residents live in Orange County, about five percent of the Town’s population lives in Durham County, as shown in Table 1.

**Table 1. Chapel Hill Population by County**

<b>County</b>	<b>Chapel Hill Population</b>
Durham County	2,900
Orange County	54,857
<b>TOTAL</b>	<b>57,757</b>

*Source: NC Office of State Budget and Management, 2011*

## *Racial Makeup, Hispanic Population Growth*

A demographic shift in the 2010 Census revealed an increase in the number of people who described themselves as being Hispanic or of Latino origin, a trend evident at the national, state and local levels. Table 2 depicts the breakdown of population by race. Although Asian and Pacific Islanders and persons of Hispanic origin comprise substantially smaller population segments than other races/origins, these two groups have been increasing at the highest rate.

The percentage of White persons as a share of the Town’s total population declined from 2000 to 2010, although the total number for the group is higher. People who identified themselves as being of more than one race totaled over 1500 in Chapel Hill, or 2.7 percent of the Town’s total population.

**Table 2: Chapel Hill Population by Race & Origin**

<b>Race/Origin</b>	<b>2010</b>	<b>%</b>
White	41,666	72.8%
Black or African American	5,552	9.7%
American Indian and Alaska Natives	172	0.3%
Asian and Pacific Islander	6,811	11.9%
Some Other Race	1,488	2.6%
Two or More Races	1,545	2.7%
Total	57,233	100.0%
Hispanic Origin (any race)	3,663	6.4%

*Source: US Census Bureau, 2010*

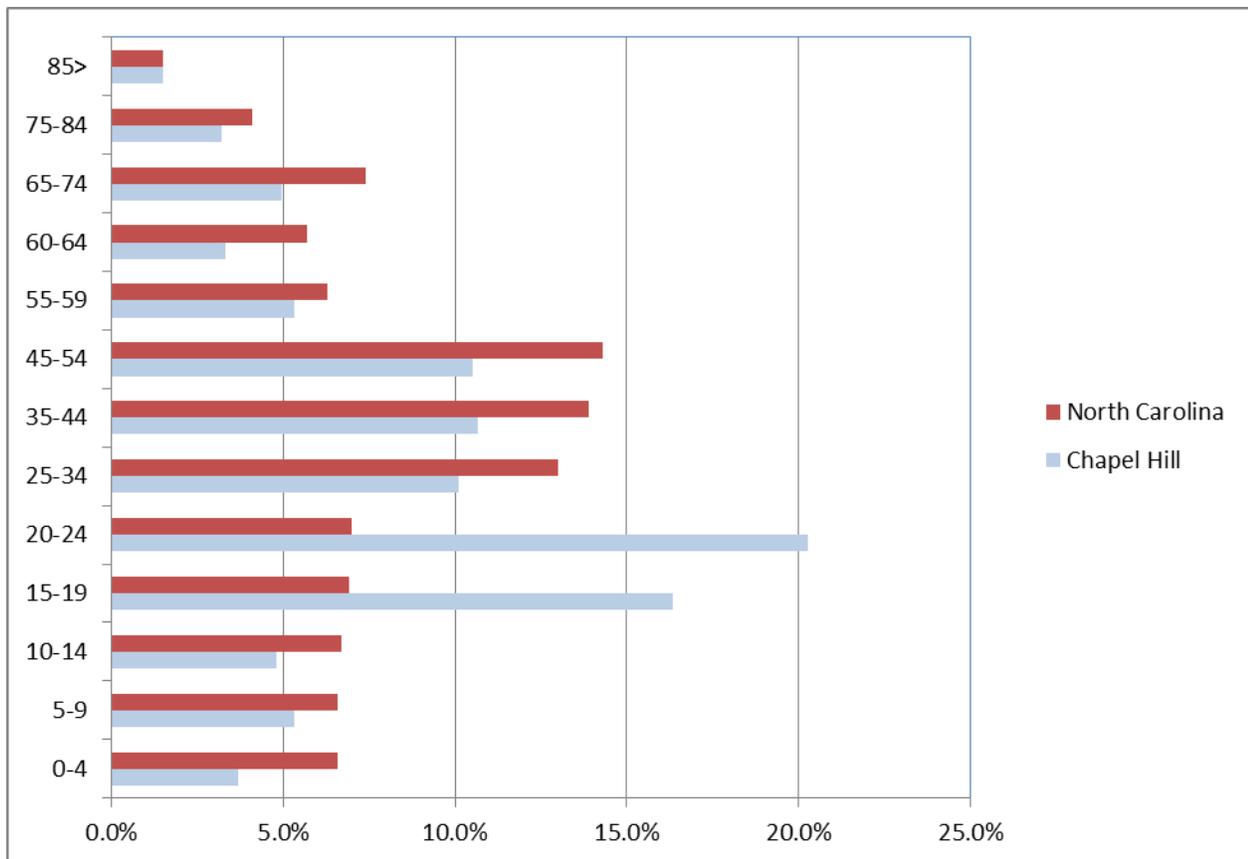
# CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS

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## Age

**Figure 3. Age Distribution**

Figure 2 shows the population distribution for Chapel Hill and the State of North Carolina according to age groups. For example, the bar chart illustrates that the concentration of residents who are in the 15 to 19 age group comprises 16.3 percent of the Town’s population, while the 20 to 24 age group comprises 20.3 percent. As a comparison, the 20 to 24 age group represents 7.0 percent of the State population. The chart illustrates that Chapel Hill has a relatively young population. According to latest estimates, the Town’s median age is 24.8 years old, while North Carolina’s median age is 37.4.



Source 2009-2011 American Community Survey, US Census Bureau

# CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS

## ADDITIONAL DEMOGRAPHIC INFORMATION

Note: Unless otherwise noted, the following economic and demographic data are taken from the 2009-2011 American Community Survey 3-Year Estimates. The data is produced and disseminated by the US Census Bureau's Population Estimates Program.

**Table 3: Family Income (# of families)**

	<b>Chapel Hill</b>	<b>Orange County</b>	<b>North Carolina</b>
	<b>Family Income</b>	<b>Family Income</b>	<b>Family Income</b>
Less than \$10,000	330	1,329	138,292
\$10,000 to \$14,999	302	916	98,005
\$15,000 to \$24,999	483	2,379	241,862
\$25,000 to \$34,999	412	2,007	267,481
\$35,000 to \$49,999	867	3,022	363,027
\$50,000 to \$74,999	1,222	4,609	496,497
\$75,000 to \$99,999	1,135	4,084	332,429
\$100,000 to \$149,999	1,710	4,902	318,724
\$150,000 to \$199,999	1,174	2,768	106,692
\$200,000 or more	2,276	4,419	95,578
<b>Total Households/Families</b>	<b>9,911</b>	<b>30,435</b>	<b>2,458,587</b>
<b>Median Income</b>	<b>\$104,951</b>	<b>\$81,948</b>	<b>\$55,338</b>
<b>Mean Income</b>	<b>\$139,801</b>	<b>\$112,064</b>	<b>\$72,250</b>
<b>Per Capita Income</b>	<b>\$33,163</b>	<b>\$32,862</b>	<b>\$24,459</b>

**Table 3a: Family Income (% of total)**

	<b>Chapel Hill</b>	<b>Orange County</b>	<b>North Carolina</b>
	<b>Family Income</b>	<b>Family Income</b>	<b>Family Income</b>
Less than \$10,000	3.33%	4.37%	5.62%
\$10,000 to \$14,999	3.05%	3.01%	3.99%
\$15,000 to \$24,999	4.87%	7.82%	9.84%
\$25,000 to \$34,999	4.16%	6.59%	10.88%
\$35,000 to \$49,999	8.75%	9.93%	14.77%
\$50,000 to \$74,999	12.33%	15.14%	20.19%
\$75,000 to \$99,999	11.45%	13.42%	13.52%
\$100,000 to \$149,999	17.25%	16.11%	12.96%
\$150,000 to \$199,999	11.85%	9.09%	4.34%
\$200,000 or more	22.96%	14.52%	3.89%
<b>\$50,000 or more</b>	<b>75.85%</b>	<b>68.28%</b>	<b>54.91%</b>

# **CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS**

**Table 4: Educational Attainment**

<b><u>Educational Attainment</u></b>	<b><u>Chapel Hill (% of total)</u></b>	<b><u>Orange County</u></b>	<b><u>North Carolina</u></b>
Less than 9th	3.5%	4.5%	5.8%
9th to 12th, No Diploma	3.8%	5.2%	9.7%
High School Graduate	8.5%	15.9%	27.4%
Some College, No Degree	8.8%	14.5%	21.9%
Associate's Degree	4.1%	5.4%	8.6%
Bachelor's Degree	25.5%	24.4%	17.7%
Graduate or Professional Degree	45.9%	30.0%	8.9%

**Table 5: School Enrollment**

<b><u>School Enrollment</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>2010-2011</u></b>	<b><u>2011-2012</u></b>	<b><u>2012-2013</u></b>
Elementary (grades K-5)	5,268	5,224	5,288	5,475	5,532
Intermediate (grades 6-8)	2,688	2,702	2,712	2,741	2,789
Secondary (grades 9-12)	3,674	3,659	3,675	3,706	3,803
Total	11,630	11,585	11,675	11,922	12,124

**Table 6: Unemployment Rates**

<b><u>Regional Average Unemployment Rates 2002-2013</u></b>			
<b><u>Year</u></b>	<b><u>Chapel Hill</u></b>	<b><u>Orange Co.</u></b>	<b><u>NC</u></b>
2002	4.3	4.3	6.6
2003	4.3	4.3	6.5
2004	3.8	3.8	5.5
2005	3.1	3.8	5.3
2006	3.0	3.3	4.8
2007	2.9	3.3	4.8
2008	3.6	4.1	6.3
2009	5.3	6.3	10.4
2010	5.3	6.6	10.8
2011	5.6	6.6	10.3
2012	5.4	6.2	9.5
2013*	5.5	6.0	9.2

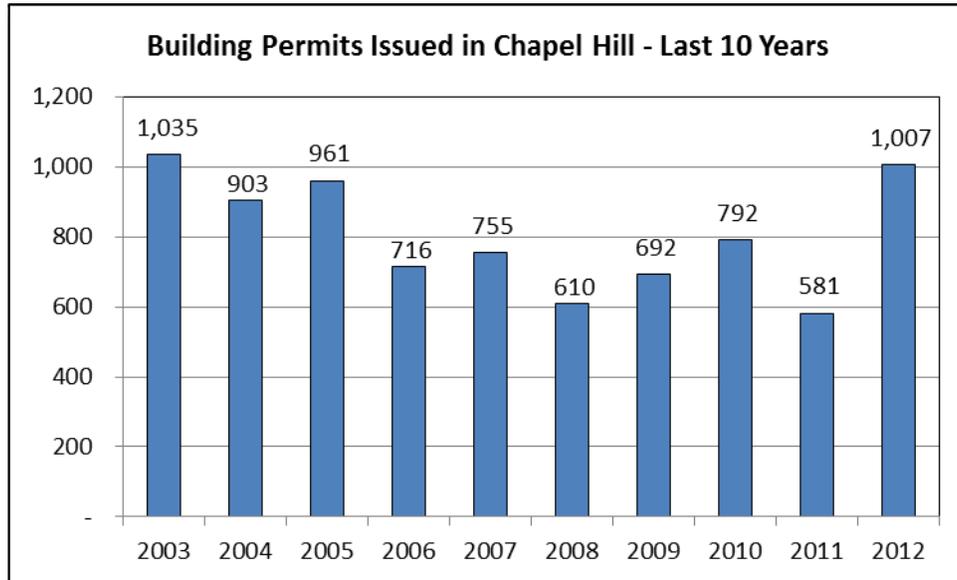
\*2013 rates based on monthly averages through July.

Source: N.C. Employment Security Commission, U.S. Bureau of Labor Statistics, Labor Market Division

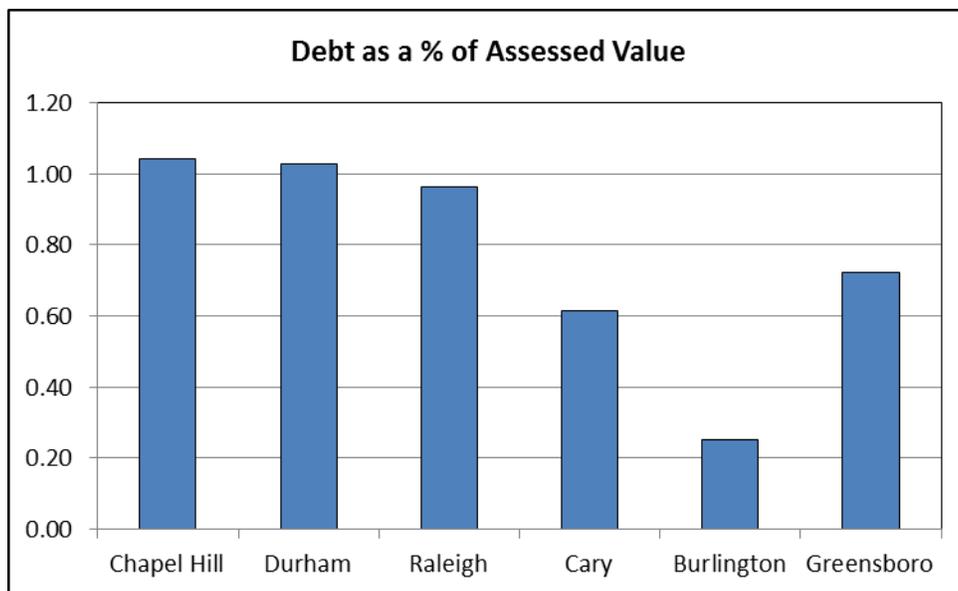
# **CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS**

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**Table 7a: Economic Indicators – Building Permits**



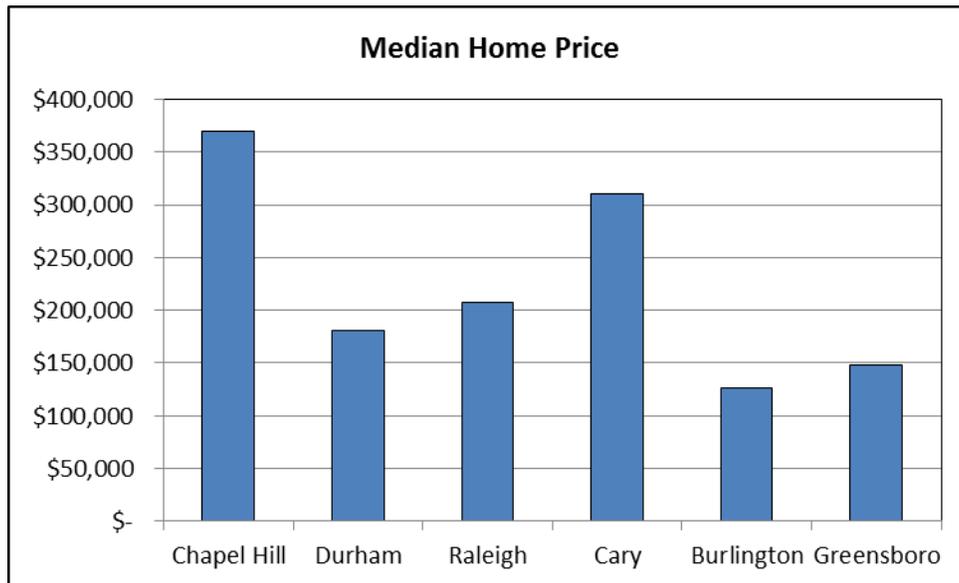
**Table 7b: Economic Indicators – Debt Percentage**



Outstanding debt due to Governmental Activities

# CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS

**Table 7c: Economic Indicators – Median Home Price**



**Table 8: Top Employers**

<b>Chapel Hill Top Employers By Size</b>	
<b>Employer</b>	<b>Number of Employees</b>
University of North Carolina at Chapel Hill	16,217
UNC Health Care	7,964
Chapel Hill Carrboro City Schools	2,138
Town of Chapel Hill	912
Harris Teeter	489
A Southern Season	314
Whole Foods Market Group	252
Performance Chevrolet, Inc.	234
Chapel Hill Carrboro YMCA, Inc.	234
Carolina Inn	233

*Source: Orange County Economic Development*

# ***CHAPEL HILL – MAJOR ECONOMIC DEVELOPMENT***

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## **Carolina North**

The University of North Carolina at Chapel Hill is developing a satellite campus on the Horace Williams Tract, which is located north of Estes Drive and west of Martin Luther King Jr. Boulevard. Named Carolina North, the satellite campus is proposed to cover approximately 250 acres of the Horace Williams Tract's 1,000 acres and would be built in phases over the next 50 years.

The Town Council and members of the Board of Trustees gained the approval of a new zoning district and a development agreement that became effective July 2009. The development agreement will include specific limitations and detailed conditions of approval that would protect the Town's interests, while also offering certainty to the University regarding what type of development can occur.

When the Council and the University trustees came together for discussions regarding Carolina North, they established key principles for the process. These principles outline their commitment to public participation, calling for multiple opportunities for meaningful public participation and discussion at all phases of the process. Their intent is to provide for open, transparent negotiations and decision-making.

# ***SUMMARY OF KEY INTERGOVERNMENTAL RELATIONSHIPS***

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*The Town of Chapel Hill has many relationships with surrounding communities and with other State and regional organizations. Following is a summary of those relationships:*

## **Town of Carrboro**

- Receives fixed-route and E-Z Rider transit service from Chapel Hill.
- Appoints two members to Orange County Solid Waste Advisory Board and two members to the Orange Water and Sewer Authority (OWASA) board of directors.
- Receives traffic signal system services from Chapel Hill.
- Mutual aid agreement for fire protection; limited joint training with Chapel Hill; uses Chapel Hill's fire training facilities.
- Mutual aid agreement for police services.
- Chapel Hill operates 30 public housing apartments in Carrboro.
- Open facilities policy for recreation services.
- Participates with Orange County in the Joint Planning Agreement.
- Regular staff communications regarding services and policies.
- Development at borders affects each community.

## **Orange County**

- Mutual aid agreement for police services.
- Appoints two members to Orange County Solid Waste Advisory Board; provides landfill and recycling services to Chapel Hill.
- Appoints two members to OWASA board of directors.
- Participates in Joint Planning Agreement.
- Operates 911 emergency communications system; dispatches fire and police service units.
- Provides jail services for Chapel Hill.
- Provides tax assessing and collection services for Chapel Hill; Chapel Hill provides a tax collection service point for Orange County.
- Provides grants to Chapel Hill for recreation, library services, Project Turnaround and Retired Senior Volunteer Program.
- Open facilities policy for recreation services.
- Enforces soil and erosion control ordinance in Town of Chapel Hill.

# ***SUMMARY OF KEY INTERGOVERNMENTAL RELATIONSHIPS***

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## **Town of Hillsborough**

- Mutual aid agreement for fire protection; uses Chapel Hill’s fire training facilities.
- Mutual aid agreement for police services.
- Appoints two members of the Orange County Solid Waste Advisory Board.

## **Orange Water and Sewer Authority**

- Is a public, non-profit, community-owned water and sewer agency.
- Governed by a nine-member Board of Directors, to which the Chapel Hill Town Council appoints five members.
- Operates in accord with State law, the contractual obligations in the OWASA Bond Order and the 1977 purchase and sale agreements among Chapel Hill, Carrboro, the University and OWASA.
- Is required to have cost-of-service rates; free service is prohibited.
- Is party to the water and sewer boundary, planning and management agreement with Chapel Hill, Carrboro, Orange County and Hillsborough.

## **Chapel Hill-Carrboro School System**

- Must submit development applications to Chapel Hill for approval if sites are in the Chapel Hill zoning jurisdiction.
- Joint use agreements for use of some recreation facilities.
- Pays for school resource officers provided by Chapel Hill police department in high schools and middle schools.
- Pays for school crossing guards at elementary schools.
- May designate and “reserve” school sites under Chapel Hill zoning ordinance.

# ***SUMMARY OF KEY INTERGOVERNMENTAL RELATIONSHIPS***

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## **University of North Carolina**

- Purchases fixed-route transit service from Chapel Hill; provides own service to supplement EZ-Rider service provided by the Town; provides Point-to-Point transportation service for students, staff and faculty.
- Provides refuse collection and recycling services for University properties.
- Traffic signals and town streets in University campus area are maintained by Chapel Hill.
- Fire protection services are provided by Chapel Hill; University budget contributes part of the revenues used by the state to pay part of the cost of fire protection services.
- Mutual aid agreement for police services and other emergencies.
- Must submit development applications to Chapel Hill when sites are within the Chapel Hill zoning jurisdiction.
- Joint Staff Committee meets quarterly.

## **City of Durham**

- Competes with Chapel Hill for transportation funding from State and federal government.
- Provides lead planning staff for Metropolitan Planning Organization (Transportation Advisory Committee).
- Durham-Chapel Hill Work Group meets regularly to review development issues.
- Courtesy reviews of development projects along jurisdictional boundary.

## **Durham County**

- Portion of Chapel Hill is in Durham County.
- Provides tax assessing and tax collection services for Chapel Hill portion of County.
- Development at border affects each community.
- Courtesy reviews of development projects along jurisdictional boundary.

# ***SUMMARY OF KEY INTERGOVERNMENTAL RELATIONSHIPS***

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## **Chatham County**

- Orange-Chatham Work Group meets occasionally to review development issues.
- Development at border affects each community.

## **Triangle Transit Authority**

- Chapel Hill appoints one member of the 13-member governing board.
- Provides bus service in Chapel Hill connecting to Durham, Research Triangle Park and other areas of the Triangle.
- Competes with Chapel Hill for transit funding from the federal and state government.

## **Triangle J Council of Governments (TJCOG)**

- Chapel Hill appoints one delegate and one alternate to the board of delegates.
- The Town pays dues to support basic operations of the TJCOG and receives planning and other services.

## **State of North Carolina**

- The State established the Town by granting a municipal charter.
- The Town's powers are granted by the State, and the State imposes limits on the powers of the Town.
- The State constructed and maintains a road network within the Town limits.
- The State is the conduit for transportation improvement funds used to maintain roads and to maintain and operate the transit system.
- The State collects certain taxes and shares proceeds with the Town (sales tax, beer and wine tax, etc.) that amount to nearly a third of the total General Fund revenues in normal years.
- Town provides maintenance service for traffic signal system in Chapel Hill and Carrboro for the State.

# ***FUND DESCRIPTIONS AND MAJOR REVENUES***

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<b><u>Fund Title</u></b>	<b><u>Accounts For</u></b>	<b><u>Primary Funding Sources</u></b>
<b>GENERAL FUND</b>	Normal recurring Town activities such as planning, inspections, engineering, public works, public safety, parks and recreation and library	Property and other taxes, State-shared revenues, grants, charges for services, licenses, permits and fines
<b>TRANSPORTATION</b>		
Transit Fund	Operation and maintenance of public transportation, E-Z Rider and Shared Ride services	Federal and State grants, property taxes and charges for services
Transit Capital Reserve Fund	Reserve fund for replacement of buses and other capital equipment and improvements	Contributions from the Transit Operating Fund
<b>PARKING</b>		
Off-Street Parking Fund	Off-street parking facilities, James Wallace Deck, and monthly rental parking	Short-term parking fees and monthly rentals
On-Street Parking Fund	Parking enforcement and parking meters	Parking meter collections and parking citations
<b>STORMWATER MANAGEMENT</b>		
Stormwater Management Fund	Management of stormwater to protect water quality as mandated by NC General Statutes	Fees
<b>HOUSING</b>		
Public Housing Fund	Management of public housing units and residential rehabilitation	Federal grants and rental income

# ***FUND DESCRIPTIONS AND MAJOR REVENUES***

---

<b><u>Fund Title</u></b>	<b><u>Accounts For</u></b>	<b><u>Primary Funding Sources</u></b>
<b>DEBT</b>		
Debt Service Fund	General obligation debt, proprietary debt, COPS debt, and other governmental debt	Property taxes
<b>CAPITAL PROGRAMS</b>		
Capital Improvements Funds	Capital improvements projects such as park improvements, fire hydrants, stormwater management and traffic signals	Transfers from Capital Reserve Fund and General Fund
Capital Reserve Fund	Reserve fund for capital improvements projects such as the library facilities, parks and recreation improvements, fire hydrants, stormwater management and traffic signals	Transfer from General Fund
<b>OTHER FUNDS</b>		
<b><u>Special Revenue Funds</u></b>		
Grants Fund	Miscellaneous grants	Federal and State Grants
Downtown Service Fund	Promotion of Downtown economic development	Property taxes
Library Gift Fund	Gifts and donations received for the library	Gifts and donations
<b><u>Internal Service Funds</u></b>		
Vehicle Replacement Fund	Centrally managed vehicle replacement	Charges to General Fund
Fleet Maintenance Fund	Centrally managed fleet maintenance	Charges to General, Parking and Housing Funds
Computer Replacement Fund	Centrally managed computer replacement	Charges to General Fund

# FUND BALANCE

Fund balance (net assets) is the accumulated difference between revenues and expenditures in a governmental fund, and is similar to “working capital” for a private business. Portions of fund balance are intended to meet the cashflow and working capital needs of the Town in accordance with reserve recommendations of the North Carolina Local Government Commission. A portion of fund balance is reserved for specific purposes and as required by North Carolina statute and is not available for appropriation, and the remainder is available for Council appropriation. It is a Town goal to maintain fund balance at a level that will meet on-going cash flow needs and provide available funds to meet unexpected emergency situations.

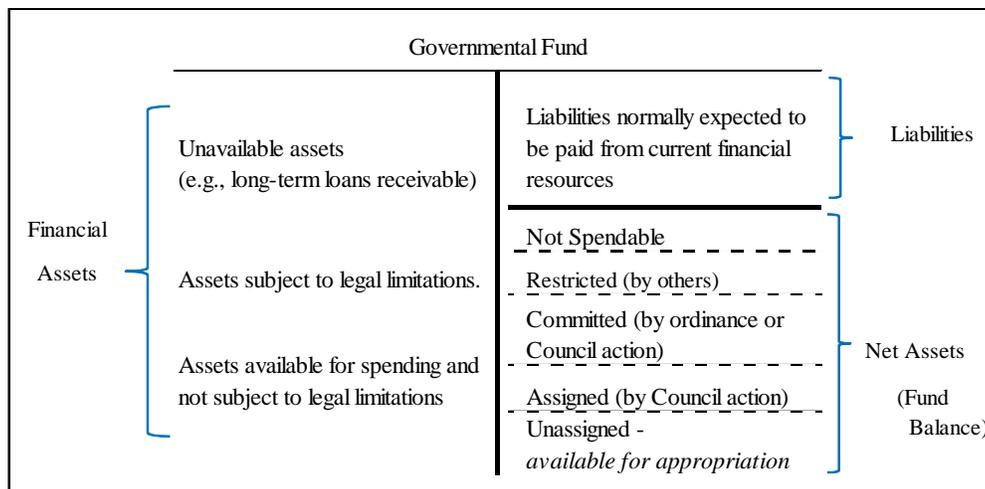
Effective with the financial statements for FY11, fund balance will be presented in the new categories required by GASB Statement No. 54 as shown at right.

Town practices with regard to net assets (fund balance) include the following:

Fund balance designation	
Nonspendable	Not available
Restricted	
Committed	Constraint imposed by Council action
Assigned	
Unassigned	Available for appropriation

Restricted  
  
 Available

- The Town seeks to continue to maintain a financial reserve minimum of 12% of their unrestricted net assets consistent with the recommendations of the North Carolina Local Government Commission. The reserve is for cash flow, emergencies and opportunities.
- The Town seeks to maintain a level of net assets which is appropriate to retain its high bond ratings: Moody’s Investor Service—AAA and Standard and Poor’s—AAA. Bonding agencies use the percentage of unrestricted net assets as a key indicator when assessing the Town’s creditworthiness.



# ***DEBT***

## ***INTRODUCTION & BACKGROUND***

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The Town has the authority to finance purchases for major projects, buildings, renovations and major equipment. The underlying principal for this type of financing is that the public can and should pay for capital investments over a long time frame in order to spread the cost among citizens over time and to better match the expected usefulness of the capital purchase. This method enables governments to undertake large capital projects without having to pay cash for the projects at the time they take place.

The State of North Carolina allows local governments a number of methods to finance these sorts of purchases:

- General Obligation Bonds
- Two-thirds General Obligation Bonds
- Revenue Bonds
- Contract Installment Financing
- Certificates of Participation

### **ESSENTIALS**

*Town policy and practice limits annual general government debt service to 10% of total General Fund expenditures.*

*State statutes only allow debt issuance for capital expenditures.*

*Per State law, the Town's debt may not exceed 8% of the Town's assessed property valuation.*

*General obligation bonds are secured by the pledge of "full faith and credit" and taxing authority of the Town.*

### **General Obligation Bonds**

The issuance of General Obligation bonds (GO bonds) is the most commonly used financing method for the purchase of large capital equipment and for construction projects. Issuance of GO bonds requires approval by the public through a bond referendum and requires approval by the North Carolina Local Government Commission (LGC). When approved GO bonds are issued, a local government pledges to repay the debt from any and all revenues available to the unit. This pledge is generally referred to as a pledge of the "full faith and credit" of the governmental unit, including a pledge of property tax revenue. Maturities on GO bonds are normally about 20 years. In North

# ***DEBT***

## ***INTRODUCTION & BACKGROUND***

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Carolina, General Obligation bonds can be used only for capital expenditures and never for operating costs.

The basic rule on the amount of debt that may be issued by a local government in North Carolina is that the principal amount of debt may not exceed 8% of the value of the taxable property base in the unit.

### **Two-thirds GO Bonds**

There is a provision in North Carolina Statutes that allows units to issue bonds each year in an amount equal to two-thirds of the principal amount of debt retired in the previous year. These bonds may be issued without a referendum but must be approved by the LGC in the same manner as other debt financing methods. Because the cost of issuing GO bonds is about \$25,000 to \$30,000 per issue, it is generally more cost effective to issue two-thirds bonds only at the same time as another planned bond issuance, perhaps totaling several million dollars.

### **Revenue Bonds**

Revenue bonds are typically issued for enterprise operations, in which there is a stream of revenues in connection with an enterprise operation that is pledged to the repayment of the bonds. Examples include parking operations, water and sewer operations, electrical operations, etc. In the case of a revenue bond issuance, the revenues from the project operations are pledged only for repayment of bonds, and may not be used for other purposes. In order to obtain approval from the LGC for the issuance of revenue bonds, the LGC requires that a feasibility study be conducted by an independent, nationally recognized consulting firm, and that revenues from the project be 20% greater than total debt service costs and operating expenses of the project. The issuance of revenue bonds normally requires the use of an underwriting firm and involves substantial issuance cost.

In past years, the Town issued revenue bonds for off-street parking operations, including the purchase of parking lots 2 and 5 and for the James C. Wallace Parking Deck. In 1994, all of the Town's parking revenue bonds were replaced by Certificates of Participation.

### **Installment Contract Financing**

General Statute 160A-20 allows local governments to enter into installment contracts to finance the purchase of equipment and land, or for construction projects. Under this method of financing, the unit enters into a contract with a financial institution in which the financial institution provides funding for the purchase of equipment, land, or for construction projects. The financial institution maintains a security interest in the

# ***DEBT***

## ***INTRODUCTION & BACKGROUND***

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equipment or project until the governmental units repays the loan over a specified maturity. For these contracts, local units pledge to pay the installments from any revenues available, but do not pledge the “full faith and credit” of the unit. Contracts under \$500,000 and less than a five-year maturity do not require approval by the LGC.

Installment contracts for equipment greater than \$500,000 or maturities over five years require approval by the LGC, except the purchase of vehicles and rolling stock which may be purchased in any amount without LGC approval. Installment contracts involving the purchase of land or buildings, and improvements to land or buildings require approval by the LGC regardless of the dollar amount or maturity involved.

The Town has used installment contract financing for the annual purchase of vehicles and computers, for land for a public works site and for capital renovations for existing Town buildings as a part of its proposed Capital Improvements Program.

### **Certificates of Participation**

General Statute 160A-20 also allows a local government unit to issue Certificates of Participation (COPS) which involve another form of installment contract financing. The certificates are similar to revenue bonds, except that the purchasers of the certificates are entitled to receive installment payments from any revenues available to the unit, not solely from the operation of the project financed with certificates. The “full faith and credit” of the government may not be pledged for repayment of certificates. Issuance of Certificates of Participation also normally requires the use of underwriters and involves substantial issuance costs.

### **Debt Options under the Stimulus Act**

Several new debt options were made available to local governments with the passage of the American Recovery and Reinvestment Act in February of 2009. The primary new financing tools are Build America Bonds (BABs) and Recovery Zone Economic Development Zone Bonds (RZED). Both of these instruments are based on the issuance of taxable debt by the municipality with the Federal Government providing a subsidy that effectively reduces the borrowing rate to the equivalent of tax exempt debt or lower. BABs can be issued for any capital project purpose, but they cannot be used to refund existing bonds. Issuers of BABs receive a 35% rebate of interest costs by making an annual application to the IRS. REZD bonds provide a 45% rebate, but must be used in conjunction with the declaration of a recovery zone. The deadline for issuance of both BABs and REZD bonds is December 31, 2010, although it is possible that the authorization may be extended under different terms.

### **Additional Debt Information**

Please refer to page 174 for additional information on the Town’s debt and bond ratings.

# ***CAPITAL PROGRAM INTRODUCTION AND BACKGROUND***

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The Capital Program is a 15-year financial plan for the Town's major capital and infrastructure needs. The Capital Program identifies capital needs, establishes priorities, identifies potential funding sources, and includes needs for which sources of funding have not been identified. Key sources for identifying capital needs include the 2000 Facility Condition Assessment, the Comprehensive Plan, Council Goals and Priorities, special studies, and other ideas from the Council, citizens and staff.

The Capital Program is comprehensive in scope: It includes all identified capital projects and a range of funding sources, as well as projects that have been identified but for which funding is not available. It includes projects that are funded through the Town's annually budgeted Capital Improvements Fund, and also those projects that are funded through bonds, State and federal grants, and other sources. The Capital Program does not include the capital needs of the Chapel Hill-Carrboro City School System, the Orange Water and Sewer Authority, or the Orange Regional Landfill which was transferred to Orange County in 2000. Most projects funded by bonds, grants and other special funding sources are accounted for in Multi-Year Capital Project Funds, such as various capital projects funded from bonds, and are therefore not included in the annual operating budget.

Please refer to the Capital Program section (page 237) for additional information on the Town's Capital Improvements Fund.

# ***FUND STRUCTURE & BASIS OF BUDGETING***

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The accounts of the Town are organized on the basis of funds each of which constitutes a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts reflecting its assets, liabilities, fund balance/retained earnings, revenues and expenditures/expenses. The funds of the Town are created because of the diverse nature of governmental operations and the necessity of complying with legal provisions. The Town has two broad fund categories: governmental and proprietary.

## **BASIS OF BUDGETING**

The budgets of general government type funds (for example, the General Fund and Debt Service Funds) are prepared on a modified accrual basis. Briefly, this means that obligations of the Town (for example, outstanding purchase orders) are budgeted as expenditures, but revenues are recognized only when they are measurable and available.

The Enterprise Funds (Transit, Parking, Stormwater Management, Housing and Internal Service) also recognize expenditures as encumbrances when a commitment is made (e.g., through a purchase order). Revenues, on the other hand, are recognized when they are obligated to the Town (for example, charges for transit services are recognized as revenue when service is provided).

In all cases (Enterprise Funds and General Governmental Funds) when goods and services are not received by year end, encumbrances evidenced by unfilled purchase orders lapse, but are normally reappropriated to the following year's budget through an amendment to the budget approved by the Town Council.

The Comprehensive Annual Financial Report (CAFR) shows the status of the Town's finances on the basis of "generally accepted accounting principles" (GAAP). In most cases this conforms to the way the Town prepares its budget. Exceptions are as follows:

- a. Compensated absence liabilities that are expected to be liquidated with expendable available financial resources are accrued as earned by employees (GAAP basis) as opposed to being expended when paid (Budget basis).
- b. General staff and administrative charges for the Transit, Parking and Stormwater Management Funds are accounted for and funded by operating transfers into the General Fund from these funds on the Budget basis as opposed to a GAAP basis.
- c. Principal payments on long-term debt within the Enterprise Funds are applied to the outstanding liability on a GAAP basis, as opposed to being expended on a Budget basis.
- d. Capital outlays within the Enterprise Funds are recorded as assets on a GAAP basis and expended on a Budget basis.
- e. Depreciation expense is recorded on a GAAP basis only.

# ***FUND STRUCTURE & BASIS OF BUDGETING***

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One type of budget entry that is shown differently for budgetary purposes and GAAP is the purchase of an item using installment financing. The actual budget entries for an installment financing agreement can make it appear that the Town is paying twice for the same purchase, because there are two pairs of budget entries in the year that an installment financing takes place. The first pair gives the Town budget authority to make a certain purchase, for example, a fire truck, and receive the financing from a bank or other financial institution for the purchase. In the case of a fire truck costing \$250,000, the budgetary lines would show the following:

REVENUES	Financing Proceeds	\$250,000
EXPENDITURES	Capital Equipment	\$250,000

The second pair of budget entries allow for the first year repayment of the installment (or lease-purchase) debt. That set of budget entries shows the amount of the debt to be paid in the year and the source of the revenue that will provide the cash to make the payment. For the fire truck example, assuming that the Town secures financing for eight years at 5% and that the Town will make a payment for one-eighth the cost of the fire truck in the first year, the budgetary lines would show the interest and principal payment as following:

REVENUES	Appropriated Fund Balance (or other revenue source)	\$38,680
EXPENDITURES	Installment (lease/purchase) financing payment	\$38,680

If the Town made no further installment financing agreements, the Town would show the budgetary requirement for repaying the bank or other financial institution in each of the following seven years.

In addition to approving the budget authority for the above transactions, the Town Council would have to specifically approve each installment financing agreement as required by State law.

The Comprehensive Annual Financial Report shows fund expenditures and revenues on both a GAAP basis and Budget basis for comparison purposes. Because the Town prepares its financial statements using the Government Accounting Standards Board 34 Model, the financial statements include government-wide financial statements aimed at presenting a broad overview of a government's finances. There are two basic government-wide financial statements: the statement of net assets and the statement of activities. These two statements report a government's governmental activities separately from its business-type activities. Fiduciary funds and fiduciary-like component units are excluded from the government-wide financial statements. All activities included within the government-wide financial statements, both governmental and business-type, are measured and reported using the economic resources measurement focus and the full accrual basis of accounting.

# ***FUND STRUCTURE & BASIS OF BUDGETING***

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## **GOVERNMENTAL FUNDS**

Governmental funds are those which finance most governmental functions of the Town. The Town follows the modified accrual basis of accounting and budgeting for all governmental funds. Under this method, revenues are recorded as the amount becomes susceptible to accrual by becoming measurable and available to finance the Town's operations. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related liability is incurred.

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, money must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized when the expenditures are recorded. Major components of this type of revenue are grants and gas tax refunds. In the other, funds are virtually unrestricted as to purpose of expenditure and are revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met. Major revenues susceptible-to-accrual under this category are State-shared revenues.

Licenses and permits, charges for services and other revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Interest on investments is recorded as earned since it is both measurable and available.

The following are the Town's Governmental Fund Types:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Town's special revenue funds consist of the Community Development Entitlement Grant Projects Ordinance Fund, the Transit Grant Projects Ordinance Fund, the Grants Fund, the Downtown Service District Fund, Transitional Housing Fund, Revolving Acquisition Fund, the Housing Loan Trust Fund, the Land Trust Fund, and the Library Gift Fund.

Debt Service Fund - The Debt Service Fund is used to account for the payment of general obligation long-term debt principal, interest and related costs. A portion of the property tax provides the revenues for this fund. Payments of long-term debt associated with Enterprise Fund operations are shown in the Enterprise Funds themselves.

# ***FUND STRUCTURE & BASIS OF BUDGETING***

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Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by special revenue, proprietary funds and trust funds). The Town has four capital projects funds: the Capital Projects Ordinance Fund, the Capital Projects Fund, the Capital Improvements Fund and the Capital Reserve Fund. Only the Capital Improvements Fund and Capital Reserve Fund are budgeted annually and are included in detail in this document.

## **PROPRIETARY FUND TYPES**

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (total expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Town has four Enterprise Funds: the Transit Fund, the Parking Facilities Fund, the Stormwater Management Fund and the Public Housing Fund. For budgeting purposes the Parking Facilities Fund is shown in two parts, On-Street Parking and Off-Street Parking.

The enterprise funds are accounted for using the accrual basis of accounting. The revenues of these funds are recognized when they are earned and expenses are recognized when they are incurred.

Internal Service Funds – Internal Service Funds are used to account for the financing of goods or services provided by one unit, or to other governmental units, on a cost-reimbursement basis. The chief aim of an internal service fund is cost reimbursement including the exhaustion of fixed assets or “depreciation expense.” The Town has three Internal Service Funds: the Vehicle Replacement Fund, the Computer Replacement Fund and the Fleet Maintenance Fund.

## **BUDGETARY CONTROL**

The appropriations in the various funds are formally budgeted on a departmental or functional basis depending on the fund type. Changes of functions and total budgets of any fund require approval by the Town Council. Budgetary control is maintained at the individual budget object line item level (e.g., salaries, supplies, etc.). Neither an operational expenditure nor an encumbrance is processed when the transaction would result in an overrun of an individual line item budget.

## **DEPARTMENTS/DIVISIONS**

Departments may be further represented by divisions. In this document, each department or division summary contains a key objective, a budget summary by expenditure category, major offsetting revenues, major expenses, including capital outlay and an authorized full-time equivalent position count. For departments consisting of more than one division, a department summary precedes the department's division summaries.

# OVERVIEW OF BUDGET PROCESS



Budget preparation allows departments the opportunity to reassess goals and objectives and the means for accomplishing them. Even though the budget may be heard by the Mayor and Town Council in April and adopted in June, its preparation begins at least six months prior, with projection of Town reserves, revenues, expenditure limit requirements, and financial capacity. It is with this “groundwork” that departmental expenditure requests are made and subsequently reviewed.

## Financial Capacity Phase

Forecasting is an integral part of our decision making process. Both long-range and short-range projections are prepared. The Town’s Long-Range Financial Projections are updated annually to assess not only current financial condition given existing Town programs, but future financial capacity, given long range plans and objectives.

A five-year financial forecast is prepared for each major operating fund projecting both expenditures and revenues and their fiscal impact on the respective funds.

## Policy/Strategy Phase

The Town Council’s goals and directives set the tone for the development of the budget. Shortly after the budget is adopted for the next year, the Council meets, as early as September, but not later than January, to identify priorities, issues, and projects impacting the next fiscal year budget. In January or February of each year, the Council holds a strategic planning meeting to identify key policy issues that will provide the direction and framework of the budget. The Manager and Finance Officer provide an updated short- and long-range financial forecast to assist the Council in providing budget policy and direction for the upcoming budget.

# ***OVERVIEW OF BUDGET PROCESS***

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Aside from the Council's own objectives, Town departments identify and discuss their policy issues with the Town Manager throughout the year. In December of each year, a budget kickoff meeting led by the Manager provides budgetary directions and guidelines to the departments.

Participants also help formulate and identify internal and overall budget objectives for the coming year.

The meeting includes discussion of Town-wide goals and objectives, budgeting guidelines for the operating and capital budgets, timelines, an overview of fiscal constraints, and resources available for allocation. The Budget Directives and Instructions distributed at these meetings are designed to assist the departments in preparing all budget requests and forms.

## **Needs Assessment Phase**

The departments have an opportunity to assess current conditions, programs and needs. During this phase, departments are encouraged to thoroughly review all programs and services assessing their value and priority to the citizens of the Town. Programs are examined for possible reductions, eliminations or trade-offs. Additionally, departments reassess service level standards and workload indicators. They then attempt to provide the "best fit" of resource allocation with service and workload estimates. From this process, they prepare preliminary departmental budget requests that are submitted to the Manager in February.

## **Review/Development Phase**

Within the framework of the Town's financial capacity, the Town Council and Town Manager review priorities and departmental needs assessments; review budget requests; and a preliminary Town-wide operating budget takes shape. The departments initially prepare and submit base budgets. In addition, department heads submit proposals for program changes and budget additions or deletions.

## **Implementation/Adoption Phase**

After the Town Council's initial budget planning session, the Council holds an initial budget public forum to receive input, information and requests from citizens on any aspect of the Town's budget for the coming fiscal year, including the Town's operating and capital improvement budget. The forum also solicits comments on the Town's use of federal Community Development funds, the Town Public Housing program and use of federal and State grants for housing, public transit and community development activities.

In March, each Departmental Budget Request is reviewed in detail with the Manager, Deputy Manager, Assistant Manager and the Finance Officer to review service and funding levels for each Department as part of the total budget and to begin work on recommendations for the Council's consideration.

# ***OVERVIEW OF BUDGET PROCESS***

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In April and May, the Council also holds budget work sessions in which the Town presents preliminary budget requests and discusses budget goals, policies and departmental needs with the Council. The Town Manager and designated Department Directors also present requests for additional services to the Council. In these sessions, the Town Council provides further direction to the Manager and Departments on development of the budget for the coming year.

After the initial budget work sessions in April and May each year, the Manager presents to the Council a status report on development of the operating and capital budgets and on preliminary recommendations for the use of all federal and State grant funds for housing programs, public transportation and community development activities.

The status report provides preliminary estimates of revenue and expenditures for the upcoming budget, identifies the most important budget issues for the Council and provides an assessment of how the preliminary revenue and expenditure estimates may impact the tax rate for the coming year. The presentation of this report is provided at a public forum of the Council in which interested citizens and community groups provide budgetary information, feedback or make funding requests to the Town Council. In April and May, the Council may hold additional budget work sessions as desired, providing further direction to the Manager and staff regarding a recommended budget.

In accord with North Carolina State law, the Manager is required to submit a recommended budget to the Town Council. The Manager's Recommended operating and capital budget is submitted to the Town Council in early May and includes proposed revenue and expenditure levels and recommended changes in the tax rate for the coming year. Submittal of the recommended budget is followed by several budget work sessions as desired by the Council. A public hearing as required by law on the recommended budget is held in early May, followed by additional budget working sessions held by the Town Council.

In accord with State law, the Town Council must adopt a final budget and set the tax rate for the next fiscal year by June 30 each year or must adopt an interim budget providing temporary appropriations until a permanent budget is adopted. After adoption of the budget, management control of the budget is maintained by conducting budget performance reviews at least quarterly throughout the fiscal year. The reviews are aimed at examining expenditure patterns and recommending corrective action to be taken during the year. Additionally, detailed financial records are maintained to evaluate actual revenues and expenditures against the budget.

## **Budget Amendments**

The Town Manager may transfer funds between departments within a function, between functions of the operating budget of the same fund and between projects of the Capital Improvement Plan (CIP) with a quarterly report to Council. The Town Manager may also approve intradepartmental transfer requests and transfers between line items within capital project budgets. Transfers between funds, however, may only be authorized by the Town Council.

# ***OVERVIEW OF BUDGET PROCESS***

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## **Budget Roles and Responsibilities**

Every employee plays a role in budgeting, whether in its formulation, preparation, implementation, administration or evaluation. Ultimately, of course, the Senior Management Team, through the Town Manager, is accountable to the Town Council for the performance of departmental personnel in meeting specific objectives within allocation resource limits. Actual budget preparation responsibility can be identified more specifically:

1. Division heads and the Senior Management Team are responsible for reviewing, modifying and assembling their cost data into a departmental request package and potential budget plan. The Senior Management Team critically evaluates all requests, prioritizes, and submits only those requests which are consistent with Council policies, administrative direction and departmental objectives. The preparation of the budget requests, goals and objectives should coincide with stated annual goals.
2. The Finance Officer and staff within the Business Management Department are responsible for (a) preparing short and long range revenue and expenditure forecasts, (b) reviewing departmental budgets with Senior Management and individual departments, (c) analyzing, summarizing, and making recommendations on the budget requests to the Deputy Manager, Assistant Manager and the Town Manager, and (d) reviewing the linkage between budget requests and overall budget goals and policies.
3. The Deputy Manager and the Assistant Manager are responsible for reviewing the departmental operating and CIP requests within the context of the Council priorities, Town Manager directives, and budget goals for their respective groups and submitting their recommendations for review by the Town Manager.
4. The Town Manager is responsible for reviewing the total financial program and formulating the Town-wide Recommended Budget to be submitted to the Town Council for adoption.
5. The Town Council is responsible for the review of the Manager's Recommended Budget and approval of a final budget.

## **Budgeting for the Capital Program**

Each year, the Town Council, citizens, boards and commissions, and staff consider the Town's capital project needs and possible funding sources. Beginning in the fall of each year, departments submit project requests that are reviewed by the Senior Management Team and the Town Manager. This team develops a draft proposal for consideration by the Town Council.

At the same time, the Council solicits input from advisory boards and citizens on ideas for inclusion in the Capital Improvements Plan. Input from the departmental review process and the citizen and advisory boards assist the Council in deciding which capital improvements the Town may undertake as funding becomes available.

# BUDGET GUIDELINES & PRACTICES

The budgetary guidelines and practices enumerated below outline a general framework of budgetary goals and objectives regarding the operating budget, debt service, capital expenditures, reserves, and financial reporting. They provide standards against which current budgetary performance can be measured, as well as proposals for future program evaluation.

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<b>OPERATING BUDGET</b>	
<b>Guideline</b>	<b>Comment</b>
Current revenues will be sufficient to support current operating expenditures.	The Town seeks to use stable, annually recurring revenues to pay for costs which tend to continue from year to year, and seeks to avoid using one-time revenues for annually recurring costs.
Financial systems are maintained to monitor expenditures, revenues and program performance on a continuing basis.	The Town maintains a computerized financial system on a continuing basis that monitors and compares all actual revenues and expenditures to approved budget estimates and appropriations.
Revenues and expenditures are projected for a five-year period and updated annually.	The Town's annual budget includes a five-year forecast for the revenues and expenditures of the Town's major operating funds, and monitors and updates the forecast at periodic intervals during the fiscal year.
All fund budgets are balanced.	Planned expenditures equal anticipated revenues including possible fund balance appropriations. In North Carolina, it is required that the budget submitted to the Town Council be balanced.
<b>DEBT SERVICE</b>	
<b>Guideline</b>	<b>Comment</b>
Long-term debt is not issued to finance current operations.	In accordance with North Carolina State law, long-term debt may be issued only to finance capital improvements and capital purchases over the life of the improvements or equipment. Deficit financing for current operations is not permitted by State law.

# BUDGET GUIDELINES & PRACTICES

General Obligation Bonds will be issued to finance capital improvements and equipment at moderate levels that will not exceed the Town’s resources and capacity for repaying the debt.

General Obligation bonds are normally issued to finance capital improvements as desired by the Town Council and Town citizens at levels that maintain financial stability and require moderate and stable tax rate increases. Consistent with this guideline, the Town strives to maintain annual debt service payments totaling less than 10% of General Fund expenditures in a given year. This conservative guideline assists the Town in maintaining its Triple A (AAA) bond rating.

## CAPITAL EXPENDITURES

Guideline	Comment
<p>Consistent with the policy of the Town Council, a fifteen-year capital improvements program is developed and updated during the annual budget process, including anticipated funding sources.</p>	<p>Annually the Town prepares a fifteen-year Capital Improvements Program Budget that summarizes current capital improvements projects and future capital improvement needs. This program includes ongoing pay-as-you-go financing, installment contract financing, current and proposed long-term bond-financed projects, and projects funded by grants and miscellaneous funding sources.</p>
<p>Capital projects financed through the issuance of bonds are financed for a period not to exceed the expected useful life of the project.</p>	<p>Consistent with general State law and guidelines in North Carolina, general obligation bonds are normally issued for a period of 20 years for capital improvements that extend over the same 20-year period.</p>
<p>The Town coordinates development of the capital improvements budget with development of the operating budget. Future operating costs associated with the new capital improvements should be projected and included in the operating budget forecasts.</p>	<p>Operating costs of projects included in the Capital Improvements Program and budget are incorporated into the Town’s operating budget annually, and are reflected in the Town’s annual five-year forecast for its major operating funds.</p>

# ***BUDGET GUIDELINES & PRACTICES***

The Town strives to maintain all its physical assets at a level adequate to protect the Town’s capital investment and to minimize future maintenance and replacement costs.

The Town strives to maintain its capital investment by addressing future maintenance and replacement costs in its fifteen-year capital improvements program. Both pay-as-you-go financing and installment financing are used to address capital maintenance needs. When deferrals of capital maintenance are proposed due to unusual budgetary constraints, the amount of deferrals are specifically identified and limited to the extent practical.

## **NET ASSET (FUND BALANCE) RESERVES**

<b>Guideline</b>	<b>Comment</b>
<p>The Town seeks to continue to maintain its financial reserve position consistent with the recommendations of the North Carolina Local Government Commission to reserve a minimum of 12% of General Fund expenditures for cash flow considerations and emergencies.</p>	<p>The Town’s annual budget and revenue and expenditure recommendations are developed and designed to ensure that its financial position and reserve levels are adequate to retain reserve levels recommended by the North Carolina Local Government Commission for the General Fund and other major operating funds, including the Transportation and Parking enterprise funds. The Town’s current balances are consistent with the minimum recommendation. The Town seeks to increase these reserve levels as the expenditure levels increase in each fund to maintain a constant reserve percentage.</p>

# ***BUDGET GUIDELINES & PRACTICES***

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<b>FINANCIAL REPORTING</b>	
<b>Guideline</b>	<b>Comment</b>
<p>The Town’s accounting and financial reporting systems will be maintained in conformance with current generally accepted accounting principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).</p>	<p>The Town participates in the accounting and budgeting awards programs of the association, receiving the Certificate of Achievement for Excellence in Financial Reporting for fiscal year ending June 30, 2012 and Distinguished Budget Award in 2012-13 and in past years. The Town plans to continue participation in these programs annually.</p>
<p>Consistent with State law, an annual audit will be performed by an independent public accounting firm with subsequent issuance of a Comprehensive Annual Financial Report (CAFR). Full disclosure will be provided in the general financial statements and all bond representations.</p>	<p>The Town prepares a Comprehensive Annual Financial Report that receives an unqualified opinion by an independent accounting firm each year. As required by State law, the annual report is submitted to the N. C. Local Government Commission staff for a detailed review of compliance with Commission recommendations and guidelines and compliance with applicable accounting and financial reporting standards.</p>

## ***BUDGET ASSUMPTIONS***

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Major issues affecting Town revenues for the FY 2014 budget include the expected continued economic recovery and its effect on local revenues, anticipated slower growth in the State and Orange County economies, and the indirect effect of funding and growth decisions of the University of North Carolina at Chapel Hill. Federal budget decisions also have a major effect on the Chapel Hill budget, particularly in the areas of transportation and housing.

The FY 2014 budget incorporates the following assumptions:

- We anticipate a slow recovery lasting through the end of FY 2013, with minimal revenue growth.
- The property tax base is estimated to increase to \$7.37 billion in FY 2014.
- We estimate that the Town's revenue from the local sales taxes will increase slightly in FY 2014.
- State operating assistance for the Transit Fund will decline slightly for FY 2014 as the state continues to struggle with the impact of the recession.



# ***FIVE-YEAR REVENUE AND COST PROJECTIONS FOR MAJOR OPERATING FUNDS***

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## **INTRODUCTION AND OVERVIEW**

This section of the budget outlines in summary form projected revenues and costs for the five fiscal years beyond 2013-14 for the Town's General Fund, Transit Fund and Debt Service Fund. A summary schedule is provided for each fund identifying differences between the projected revenues and costs in each year.

The Projections section of the budget is an important tool in developing long-range financial strategies for the Town's major operations and in maintaining sound financial condition. We believe our projections include all the vital elements and principal drivers of revenue and costs. In short, we have included in the projections the important elements that are "big enough to matter," on both the revenue and cost sides of the budgets presented. Our presentation includes projections for operations and for additions and adjustments to ongoing operations. The largest additions relate to capital programs and related debt service.

### **Capital Programs and Related Debt Service**

The Council authorized the sale of the first two issuances of the \$29.36 million of General Obligation bonds approved by voters in November 2003: \$4 million in 2004-05 and \$4.95 million in 2006-07. The final sale, delayed until the fall of 2010 due to the economic downturn, was for the balance of the authorized general obligation debt and included the following:

	<u>Amount</u>
Library	\$14,260,000
Sidewalk/Street	2,450,000
Parks & Recreation	<u>3,700,000</u>
Total	<u>\$ 20,410,000</u>

The bonds were issued in two forms, \$12,250,000 in Build America Bonds (BABs) and \$8,160,000 in traditional general obligation debt. Annual debt service payment on the combined issuance totals \$1.76 million, but the BABs have a federal subsidy that will refund 35% of interest costs through the American Recovery and Reinvestment Act. The net debt service on the new bond issuance is \$1,573,140 annually.

In addition to the final issuance of authorized bonds, the Council approved the issuance of \$1.7 million in Two-Thirds Bonds in July 2012. NC General Statutes allow units to issue bonds each year in an amount equal to two-thirds of the principal amount of debt retired in the previous year. These bonds may be issued without a referendum but must be approved by the LGC in the same manner as other debt financing. The Two-Thirds bonds as approved will be used for Parks and Recreation and Streets projects, and annual debt service on the bonds is \$120,000.

# ***FIVE-YEAR REVENUE AND COST PROJECTIONS FOR MAJOR OPERATING FUNDS***

In addition to the bonds, the Council approved a plan to borrow up to \$7.245 million to pay for underground parking at the 140 West Project (on the site of the Town's old Lot 5) as part of a mixed use development. Construction on the project was completed during FY13 for a total of \$5.96 million. The debt for the project was issued in conjunction with refunding of the Certificates of Participation for the Wallace Deck and Town Operations Center, for a total issuance of \$26,585,000. The first payment, due in FY14, totals \$3.37 million, with the new 140 West debt totaling about \$260,681 of that amount. The projections assume that the Parking Fund will provide for the cost of this debt service as a transfer to the Debt Fund.

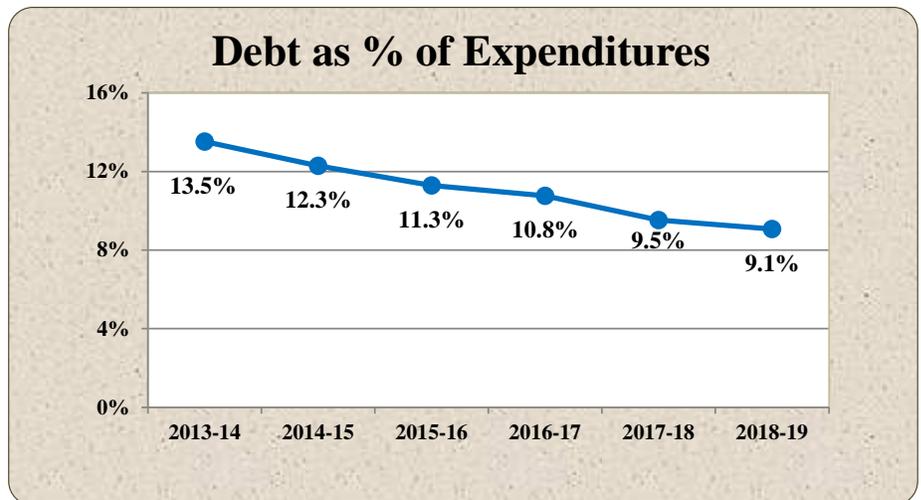
Finally, current low interest rates established a favorable environment for the issuance of refunding bonds to refund \$4.655 million in 1996, 2003 and 2004 bonds for savings of \$532,000 over the remaining life of the bonds.

While the Town has historically had low debt as a percentage of budgeted expenditures, recent borrowings have significantly increased the Town's debt load. The Town's measures of debt capacity, including debt per capita and debt as a percent of assessed value, are close to the average for our peer group (Triple A rated Municipalities). The Town has traditionally tried to keep debt service below 10% of budgeted expenditures, but with the recent investment in public facilities this ratio has risen to 13.5% in 2013-14. The increase in debt service as a percent of budget in excess of the 10% target was an anticipated result of the financing of the large Town Operations Center project in 2007 and issuance of the bonds that were approved in 2003.

In response to the added debt burden, a Debt Management Plan was adopted for the FY2008-09 budget that includes dedicating a portion of the property tax rate to pay debt service instead of transferring funds for debt service needs from the General Fund. Previously, debt service costs competed with other priorities for General Fund revenues, but now have a dedicated revenue source,

which also provides for future debt as existing debt is paid off. Maintaining affordable levels of debt is an important factor in retaining the Town's current AAA ratings.

The adopted budget for 2013-14 includes retaining the Debt Fund's tax rate at \$7.5 cents per \$100 valuation. The debt fund has sufficient capacity to pay existing and planned debt service and will begin rebuilding reserves in 2016-17. Based on current projections, debt service will fall below 10% of expenditures again in 2017-18.



# ***FIVE-YEAR REVENUE AND COST PROJECTIONS FOR MAJOR OPERATING FUNDS***

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Some of the other key factors affecting revenues and costs are outside the Town's control, such as State-shared revenues affected by State legislation, and numerous State and federal regulations which affect funding for the Transit system and the Housing Department, primarily. We project no significant withholding of State-shared revenues. The county has the option each year to change the sales tax distribution formula from the current per capita basis to an ad-valorem basis. Changing from a per capita basis to an ad-valorem distribution would reduce the Town's Sales Tax revenues by approximately \$2.5 million. The County has indicated that they will not make a change to the distribution for 2013-14, but they may revisit this option in subsequent fiscal years.

The main points included in the revenue and cost projections for the General Fund, Transit Fund and the Debt Service Fund are summarized on the following pages. The differences between revenues and expenditures are expressed as tax rate equivalents.

As the budget increases, the total reserved fund balance needs to increase proportionally to retain fund balance reserves at a minimum of 12% of the budget. The gap between revenues and costs could be closed by service reductions, revenue enhancements, tax rate adjustments or any combination of these options.

## **GENERAL FUND**

### **Revenues**

The most important revenue sources for General Fund operations continue to be property taxes and sales tax revenues that, combined, comprise about 71% of total General Fund revenues. The growth in property tax revenues has decreased in the past few years and it is anticipated that growth will be below normal during the current recovery period. The estimate of assessed valuation for the tax base in 2013-14 is about \$7.37 billion. The most recent revaluation of property assessments went into effect the FY2009-10 Budget Year, when real property values increased by approximately 24% and the motor vehicle and personal property valuations were decreased by about 10%. The Council adopted a property tax rate slightly below the revenue neutral rate for the FY2009-10 Budget.

State statute requires revaluation of property every eight years, though Orange County has been on a schedule of revaluation every four years. The recent economic downturn has led to considerably fewer sales on which to base revaluation and as a result, the county decided to delay the scheduled revaluation until 2015-16. These projections conservatively assume that the tax values reflect an estimated reduction in value of 2% in 2016. Our projections assume slow growth after 2016, with growth rates of 1.5% in 2017 and 1.8% in 2018. Our projections assume the adoption of a revenue neutral tax rate.

The tax levy projections assume that the General Fund tax rate will continue to be split with the Debt Service Fund. The adopted budget for FY13-14 retains the rate adopted in FY12, which moved \$1.8 cents of the tax rate from the Debt Fund to the General Fund.

# ***FIVE-YEAR REVENUE AND COST PROJECTIONS FOR MAJOR OPERATING FUNDS***

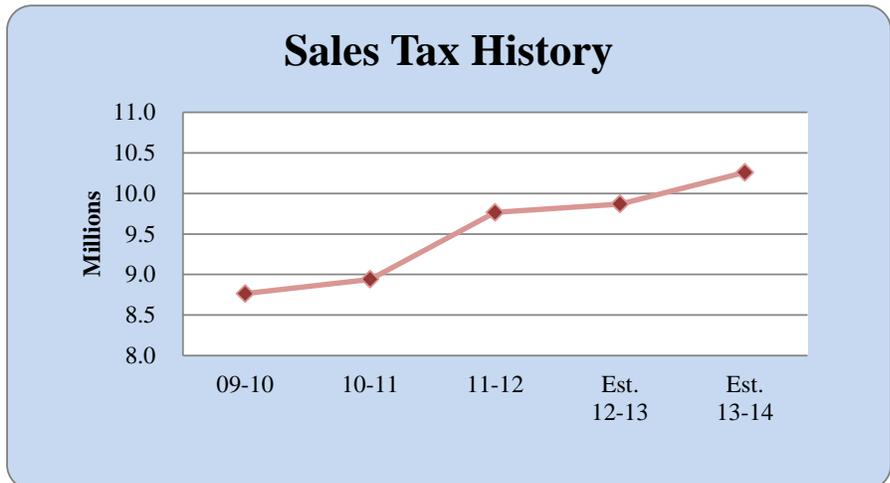
Two factors may affect our ability to project and collect property taxes in the future. The first relates to Orange County's tax system. The Town relies on Orange County to assess and record most property tax. (A small portion is collected by Durham County for the citizens that reside in Chapel Hill and Durham County.) Orange County replaced its tax collection software system in the fall of 2010. The new system is still in implementation stage, but should improve our ability to obtain reports and analyze data. It also requires the Town to pay an additional subsidy for a portion of the system installation and maintenance.

The second factor relates to the change in State law that will move the responsibility for motor vehicle tax collection from the County to the State. Orange County has been efficient and effective in collecting motor vehicle taxes. The collection rate and charges for the service may change once the State assumes the responsibility of collecting motor vehicle taxes, currently projected for July 1, 2014. These projections assume continuation of the same collection rate.

Estimated additions to the tax base through growth of 1.5%, slightly lower than historical average, at a tax rate for 2013-14 of \$38.8 cents for the General Fund, would yield increases in property tax revenues of about \$430,000 each year.

The second largest source of Town revenue, sales tax, is a more volatile source than property tax.

Revenues increase when the economy is good and grow at a slower pace or decrease when the economy is slow. With the economic downturn, sales tax revenues declined each year from their high point in FY2007-08. Based on FY13 receipts to date, it appears that sales tax revenues have rebounded and we estimate FY13 receipts at about \$10.1 million, a level that exceeds 2008 levels.



Based on local trends and state forecasts, we anticipate growth of about 2% for FY13-14.

Based on legislation adopted in 2002-03 by the North Carolina General Assembly (providing greater but not absolute protection for certain State-shared revenues withheld in past years), we believe it is reasonable to include full State-shared revenues in our five year projections for the General Fund. These State-shared revenues include revenue from utility franchise taxes (estimated at about \$2.8 million in 2012-13 and 2013-14) and Video Programming Tax, estimated to remain relatively flat in FY13 and FY14. Although the State predicts a decline in FY13, based on collections in Chapel Hill we are projecting very slow growth over the next 5 years for utility franchise taxes.

# ***FIVE-YEAR REVENUE AND COST PROJECTIONS FOR MAJOR OPERATING FUNDS***

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State-shared revenues also include revenue from fuel tax funds for street maintenance (about \$1.4 million in 2012-13) with no projected growth over the next five years, and Beer and Wine Taxes. The State withheld two-thirds of its distribution of beer and wine tax to municipalities in 2009-10 but indications are that we will receive the full share in FY13 and thereafter.

State Fire Protection Funds dropped in FY12 to \$1,088,000 from the historic level of \$1,210,000. We assume the continued reduce rate of \$1,088,000 for 2013-14. We recommend that the Council continue to seek additional fire protection funding consistent with the costs associated with providing fire protection for state owned property located in the Town.

The most important revenue sources for the General Fund are shown in the two tables which follow, titled Projected Tax Base and Projected State-Shared Revenues. There are potential changes arising from ongoing State budget proposals that could impact the Town negatively, but most likely we will not know the full impact until after the budget is adopted.

## **Operating and Capital Improvement Costs**

Projected costs for general operations are based on a continuation of most service levels and programs for 2013-14. Personnel and operating costs are based on assumptions as noted on the attached tables. The projections also include estimated contributions required to provide needed capital maintenance for future years. For FY2013-14 the amount of capital funding is decreased by about \$172,000 and allows for only the most critical projects. We anticipate that funding levels will return to established levels in FY2014-15 and will remain at approximately \$1.0 million annually. While the project requests reflected in the capital plan are usually in excess of the projected available amounts, the funding demonstrates a commitment to maintaining and renovating Town properties.

Personnel costs for FY2013-14 include 2% pay adjustments effective October 2013, implantation of Phases 1 & 2 of the Class & Compensation Plan, and an increase in medical insurance costs of 4% based on the contracted agreement with Blue Cross Blue Shield. Projections include annual pay increases of about 2% in 2015 and 3% annually thereafter, with a 5% increase in medical insurance costs each year. In addition, the projections include a 2.5% increase in FY15 for implementation of the Pay and Classification Plan currently being undertaken. Operating costs are estimated to increase about 3% annually.

Our analysis indicates projected costs for basic operations and the proposed additions to operations would exceed revenues in each of the next five years. As we come closer to the actual projected years, we will need to update assumptions. Under the current projection assumptions, the Council would need to increase revenues or decrease costs for each of the next five years.

A chart is included in the conclusion of the projections sections showing the projected marginal tax rate increase each year necessary to balance the projected budget.

# ***FIVE-YEAR REVENUE AND COST PROJECTIONS FOR MAJOR OPERATING FUNDS***

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## **TRANSIT FUND**

The budget for 2013-14 assumes the continuation of fare-free transit services as well as the continuation of the cost-sharing arrangement with the University of North Carolina and Carrboro. State operating assistance, expected to come in under budget in FY12 by about \$300,000, is further decline for FY2013-14 as the state struggles with the impact of the recession, and is projected to remain at about \$2.2 million each year. Federal assistance is estimated to continue at \$1.9 million each year, a reduction from recent years' receipts.

The estimates for expenses for 2013-14 include only minor adjustments to routes and services to streamline operations. The increased cost of fuel and other petroleum products has increased pressure on the available funding sources, and concerns regarding the adequacy of revenues to cover costs in future years remains. The adopted budget for 2013-14 includes increases for the funding partners. The projections assume continuation of the 5.1% rate in the next five years. The 2014 budget requires the use of about \$87,000 in fund balance. Subsequent years show the need for a tax increase from .2 to 1.4 cents through 2018-19.

Adopted Tax Rate	Cents per \$100 valuation		
	FY12-13	FY13-14	\$ Change
General Fund	\$ 37.8	\$ 38.8	\$ 1.0
Debt Fund	7.5	7.5	-
Transit Fund	4.1	5.1	1.0
<b>Total Tax Rate</b>	<b>\$ 49.4</b>	<b>\$ 51.4</b>	<b>\$ 2.0</b>

# ***FIVE-YEAR REVENUE AND COST PROJECTIONS FOR MAJOR OPERATING FUNDS***

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## **DEBT SERVICE FUND**

The projections for the Debt Service Fund includes continuation of a reduced tax rate of 7.5 cents, with 1.8 cents of the FY11 rate being allocated to the General Fund in FY12 and thereafter. This tax rate will generate about \$5.47 million in revenues in 2013-14 which, along with the use of fund balance and a transfer from Parking, will provide for projected debt service costs. Cost projections include debt service on the new \$20.41 million in bonds sold in the fall of 2010. In addition, the projections include estimates for the \$6.5 million of anticipated debt related to the Downtown Initiative and the prospective sale of \$1.7 million of two-thirds bonds in June 2012. Our projections indicate no increase needed in the tax rate for debt service for the next five years, although new debt would require additional revenues.

## **CONCLUSION**

Based on the assumptions contained in the analysis of projected revenues and costs for the Town's tax-funded operating funds for the next five years, differences between revenues and costs for future years could require cost or service reductions, revenue enhancements, or tax rate adjustments. The differences expressed as tax rate equivalents are summarized as follows:

### **Tax Rate Equivalents of Needed Revenue (in cents)**

	2013-14 Adopted Increase	2014-15 Estimated Increase	2015-16 Estimated Increase	2016-17 Estimated Increase	2017-18 Estimated Increase	2018-19 Estimated Increase
General Fund	0.0	2.7	2.0	0.9	1.4	0.8
Debt Service	0.0	0.0	0.0	0.0	0.0	0.0
Transit Fund	0.0	1.4	(0.7)	0.2	0.2	0.2
<b>Total</b>	<b>0.0</b>	<b>4.1</b>	<b>1.3</b>	<b>1.1</b>	<b>1.6</b>	<b>1.0</b>

The largest concern in the budget projection is the expected imbalance between revenues and expenditures in the General Fund. In past years, fund balance has been available to supplement revenues and eliminate or reduce the need to increase taxes. We will need to more closely balance spending with available revenues in future budget years due to the diminishing availability of fund balance available for appropriation.

**GENERAL FUND  
PROJECTED TAX BASE  
2013/2014- 2018/2019**

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Category	2013-14 Adopted <sup>1</sup>	2014-15 Estimated <sup>2</sup>	2015-16 Estimated <sup>3</sup>	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated
Assessed Valuation (Real & Personal Property)	\$7,388,520,000	\$7,512,410,000	\$7,362,160,000	\$7,472,590,000	\$7,607,100,000	\$7,744,030,000
Tax Levy - General Fund Only*	28,667,000	29,524,000	28,933,000	29,367,000	29,896,000	30,434,000
Estimated Collections at 99%	28,380,000	29,230,000	28,640,000	29,070,000	29,600,000	30,130,000
Estimated Prior Year Collections	170,000	150,000	150,000	150,000	150,000	150,000
<b>TOTALS</b>	<b>\$ 28,550,000</b>	<b>\$ 29,380,000</b>	<b>\$ 28,790,000</b>	<b>\$ 29,220,000</b>	<b>\$ 29,750,000</b>	<b>\$ 30,280,000</b>
Tax rate	38.8¢	38.8¢	38.8¢	38.8¢	38.8¢	38.8¢

1¢ on the tax rate = \$ 729,000

<sup>1</sup> Fiscal year 2013-14 and thereafter reflect the \$13.77 million voluntary annexation of Chapel Watch.

<sup>2</sup> Fiscal years 2014-15 and forward reflect an estimated tax value of \$50 million for 140 West.

<sup>3</sup> Fiscal year 2015-16 is estimated as the next revaluation year. For illustrative purposes, levy is not displayed at revenue neutral rate.

\* Based on changing the General Fund tax rate from \$37.8 cents to \$38.8 cents/\$100 in 2013-14, with estimated growth as follows:

2014	0.75%
2015	1.00%
2016	-2.00%
2017	1.50%
2018	1.80%
2019	1.80%

**GENERAL FUND**  
**PROJECTED STATE-SHARED REVENUES**  
**2013/2014- 2018/2019**

Category	2013-14 Adopted	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated
Franchise Tax <sup>1</sup>	\$ 2,800,000	\$ 2,814,000	\$ 2,828,000	\$ 2,842,000	\$ 2,856,000	\$ 2,870,000
Video Programming Tax	700,000	700,000	700,000	700,000	700,000	700,000
Supplemental PEG support	50,000	50,000	50,000	50,000	50,000	50,000
Beer, Wine Tax <sup>2</sup>	240,000	242,000	244,000	246,000	248,000	250,000
1% Local Option Sales Tax (Article 39) <sup>3</sup>	3,589,000	3,661,000	3,734,000	3,809,000	3,885,000	3,963,000
1/2% Local Option Sales Tax (Article 40) <sup>3</sup>	2,433,000	2,457,000	2,482,000	2,507,000	2,532,000	2,557,000
1/2% Local Option Sales Tax (Article 42) <sup>3</sup>	1,793,000	1,847,000	1,902,000	1,959,000	2,018,000	2,079,000
1/2% Local Option Sales Tax (Article 44 Hold Harmless) <sup>3</sup>	11,000	11,000	11,000	11,000	11,000	11,000
City Hold Harmless <sup>3</sup>	2,434,000	2,458,000	2,483,000	2,508,000	2,533,000	2,558,000
Total Local Option Sales Taxes	10,260,000	10,434,000	10,612,000	10,794,000	10,979,000	11,168,000
Fuel Tax (Powell Bill) <sup>4</sup>	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
State Fire Protection <sup>5</sup>	1,089,000	1,089,000	1,089,000	1,089,000	1,089,000	1,089,000
Solid Waste Disposal Tax	40,000	40,000	40,000	40,000	40,000	40,000
<b>TOTAL</b>	<b>\$ 16,579,000</b>	<b>\$ 16,769,000</b>	<b>\$ 16,963,000</b>	<b>\$ 17,161,000</b>	<b>\$ 17,362,000</b>	<b>\$ 17,567,000</b>

<sup>1</sup> Utility franchise tax distribution has been changed in recent years and was impacted by the change in distribution of cable franchise revenues. Revenues are affected by weather, and are expected to remain relatively flat.

<sup>2</sup> Except when withheld by the state in recent years, beer and wine taxes have been stable. Distributed based on population, they are expected to grow at 1% in future.

<sup>3</sup> Estimate a continuing recovery, with local components expected to recover before State-wide, and normal growth of between 2 and 3% in FY13 and thereafter. The Hold Harmless amount is expected to remain steady according to current legislation.

<sup>4</sup> Powell Bill revenues are distributed by a formula that is based on both street miles and population.

<sup>5</sup> State Fire Protection funding is subject to annual appropriation, and is expected to return to prior levels in future years.

**GENERAL FUND  
REVENUE PROJECTIONS  
2013/2014 - 2018/2019**

Category	2013-14 Adopted	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated
Property Taxes*	\$ 28,550,000	\$ 29,380,000	\$28,790,000	\$29,220,000	\$29,750,000	\$30,280,000
Sales Taxes	\$ 10,260,000	\$ 10,434,000	\$10,612,000	\$10,794,000	\$10,979,000	\$11,168,000
Other Taxes & Licenses	1,019,000	1,039,000	1,059,000	1,079,000	1,099,000	1,119,000
Licenses/Permits/Fines/ Forfeitures	1,801,000	1,801,000	1,801,000	1,801,000	1,801,000	1,801,000
State-Shared Revenues	6,319,000	6,335,000	6,351,000	6,367,000	6,383,000	6,399,000
Grants	699,000	708,000	717,000	726,000	735,000	744,000
Service Charges	3,760,000	3,770,000	3,780,000	3,790,000	3,800,000	3,810,000
Interest on Investments	20,000	35,000	30,000	30,000	30,000	30,000
Other Revenues	252,000	252,000	252,000	252,000	252,000	252,000
Interfund Transfers	122,000	126,000	130,000	134,000	138,000	142,000
<b>TOTAL</b>	<b>\$ 52,802,000</b>	<b>\$ 53,880,000</b>	<b>\$53,522,000</b>	<b>\$54,193,000</b>	<b>\$54,967,000</b>	<b>\$55,745,000</b>

\* Based on changing the General Fund tax rate from \$37.8 cents to \$39.3 cents/\$100 in 2013-14, with estimated growth as follows:

2014	0.75%
2015	1.00%
2016	-2.00%
2017	1.50%
2018	1.80%
2019	1.80%

**GENERAL FUND  
PROJECTED COSTS  
2013/2014 - 2018/2019**

	2013-14 Adopted	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated
Personnel Services <sup>1</sup>	\$ 38,555,000	\$ 39,791,000	\$ 40,957,000	\$42,317,000	\$43,699,000	\$45,081,000
Operations						
Operating & Maintenance <sup>2</sup>	14,464,000	14,668,000	14,576,000	14,515,000	14,525,000	14,512,000
Capital						
Equipment <sup>3</sup>	147,000	100,000	100,000	100,000	100,000	100,000
Transfer to Capital Improvements Program <sup>4</sup>	759,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Other						
Human Service contracts, hotel/ motel allocations and grants to other agencies	864,000	864,000	864,000	864,000	864,000	864,000
Other Post Employment Benefits	-	400,000	400,000	400,000	800,000	800,000
<b>TOTAL COSTS OF CURRENT PROGRAMS AND ADDITIONS/</b>						
<b>TOTALS</b>	\$ 54,789,000	\$ 56,823,000	\$ 57,897,000	\$59,196,000	\$60,988,000	\$62,357,000

**Assumptions for years after 2014, reflected on base cost estimates for 2013-14:**

<sup>1</sup> Assumptions include:

- Annual increase of 2% in FY15 and 3% each year thereafter, with additional adjustments to implement Pay and Classification plan in FY15.
- 5% increase in medical insurance each year
- From 3% to 11% for retirement increases as projected by the State Treasurer through 2017-18.

<sup>2</sup> Increase in most operating costs of 2.5% each year and restoration of \$661,000 in street resurfacing funding in FY15.

<sup>3</sup> Estimated cost of routine replacement of miscellaneous non-vehicular capital equipment.

<sup>4</sup> General Fund contribution for Capital Improvements Program.

# **GENERAL FUND**

## **ANALYSIS OF REVENUE AND COST PROJECTIONS 2013/2014 - 2018/2019**

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	2013-14 Adopted	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated
Estimated Total Costs	\$ 54,789,000	\$ 56,823,000	\$ 57,897,000	\$ 59,196,000	\$ 60,988,000	\$ 62,357,000
Estimated Total Revenues	52,802,000	53,880,000	53,522,000	54,193,000	54,967,000	55,745,000
Revenues Needed	1,987,000	2,943,000	4,375,000	5,003,000	6,021,000	6,612,000
Fund Balance Available	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
One-time use of Fund Balance	987,000	-	-	-	-	-
Additional Revenue Needed/ (Available)	\$ -	\$ 1,943,000	\$ 3,375,000	\$ 4,003,000	\$ 5,021,000	\$ 5,612,000
Change in Tax Rate in cents in Specific Years*	-	2.7	2.0	0.9	1.4	0.8

\*Value of a cent = \$729,000

***TRANSIT FUND***  
***REVENUE PROJECTIONS***  
***2013/2014 - 2018/2019***

	2013-14 Adopted	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated
Taxes <sup>1</sup>	\$ 3,740,000	\$ 3,803,000	\$ 3,727,000	\$ 3,783,000	\$ 3,851,000	\$ 3,920,000
Vehicle Taxes <sup>2</sup>	425,000	427,000	429,000	431,000	433,000	435,000
TTA-Shared Revenues	472,000	477,000	482,000	487,000	492,000	497,000
Federal Operating Assistance <sup>3</sup>	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000
State Operating Assistance <sup>3</sup>	2,206,000	2,206,000	2,206,000	2,206,000	2,206,000	2,206,000
UNC Contract (Net) <sup>4</sup>	7,364,000	7,474,000	7,586,000	7,700,000	7,816,000	7,933,000
UNC Park & Ride Fee	150,000	150,000	150,000	150,000	150,000	150,000
Carrboro Contract (Net) <sup>4</sup>	1,396,000	1,417,000	1,438,000	1,460,000	1,482,000	1,504,000
Service Charges <sup>5</sup>	872,000	889,000	907,000	925,000	944,000	963,000
Advertising	250,000	250,000	250,000	250,000	250,000	250,000
Grants	898,000	200,000	200,000	200,000	200,000	200,000
Other	3,000	3,000	3,000	3,000	3,000	3,000
<b>TOTAL</b>	<b>\$19,676,000</b>	<b>\$19,196,000</b>	<b>\$19,278,000</b>	<b>\$19,495,000</b>	<b>\$ 19,727,000</b>	<b>\$ 19,961,000</b>

Revenue Notes:

<sup>1</sup> Based on a Manager's Recommended tax rate of 5.1 cents through 2018-19, an addition of 1 cent from FY13.

<sup>2</sup> Assumes continuing levy of \$15 vehicle tax for Transit (increased from \$5 in 2009-10).

<sup>3</sup> Assumes continuing level of State and Federal Operating Assistance.

<sup>4</sup> Assumes continued participation by the University and Carrboro, including assumptions on cost sharing for adopted fare-free services, assuming 1.5% growth each year.

<sup>5</sup> Based on continuing fare-free services, with remaining service charge revenue generated primarily by Tarheel Express and Triangle Transit routes, assuming 2% growth each year.

***TRANSIT FUND***  
***COST PROJECTIONS***  
***2013/2014 - 2018/2019***

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	2013-14 Adopted	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated
Personnel Services <sup>1</sup>	\$ 11,729,000	\$ 12,020,000	\$ 12,502,000	\$ 12,929,000	\$ 13,363,000	\$ 13,801,000
Operations <sup>2</sup>	8,034,000	8,200,000	8,059,000	8,328,000	8,606,000	8,896,000
Capital Reserve Fund <sup>3</sup>	-	-	300,000	300,000	300,000	300,000
<b>TOTAL</b>	<b>\$ 19,763,000</b>	<b>\$ 20,220,000</b>	<b>\$ 20,861,000</b>	<b>\$ 21,557,000</b>	<b>\$ 22,269,000</b>	<b>\$ 22,997,000</b>

**Assumptions for years after 2013-14**

<sup>1</sup> Assumptions include:

- Annual increase of 2% in FY14 and 3% each year thereafter.
- 5% increase in medical insurance each year
- From 3% to 11% for retirement increases as projected by the State Treasurer through 2017-18.

<sup>2</sup> Increase in operating costs of 2.5% annually for most operating costs and 5% for fuel and tires.

<sup>3</sup> Amounts allocated for Capital Equipment Reserve Fund for replacement of buses, purchase of capital equipment, and local cost of Transit facilities.

***TRANSIT FUND  
REVENUE AND COST PROJECTIONS  
2013/2014 - 2018/19***

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	2013-14 Adopted	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated
Estimated Costs	\$ 19,763,000	\$ 20,220,000	\$20,861,000	\$ 21,557,000	\$ 22,269,000	\$ 22,997,000
Estimated Revenues	19,676,000	19,196,000	19,278,000	19,495,000	19,727,000	19,961,000
Revenue Needed/(Excess)	87,000	1,024,000	1,583,000	2,062,000	2,542,000	3,036,000
Fund Balance Available	87,000	-	-	-	-	-
Additional Revenue Needed	\$ -	\$ 1,024,000	\$ 1,583,000	\$ 2,062,000	\$ 2,542,000	\$ 3,036,000
Change in Tax Rate in Specific Years	-	1.4	(0.7)	0.2	0.2	0.2

1 cent on the tax rate = \$729,000

Assumptions on future revenues and costs:

- Same revenue sources as available in 2011-12 (assumes current level of State funding for operating assistance).
- Assumes constant level of federal operating assistance.
- Includes estimated adjustments of 2-3% in salaries and most operating costs after FY14.
- Includes estimated adjustments of 5% in fuel and tire costs after FY14.

***DEBT SERVICE FUND  
PROJECTED TAX BASE AND OTHER REVENUES  
2013/2014- 2018/2019***

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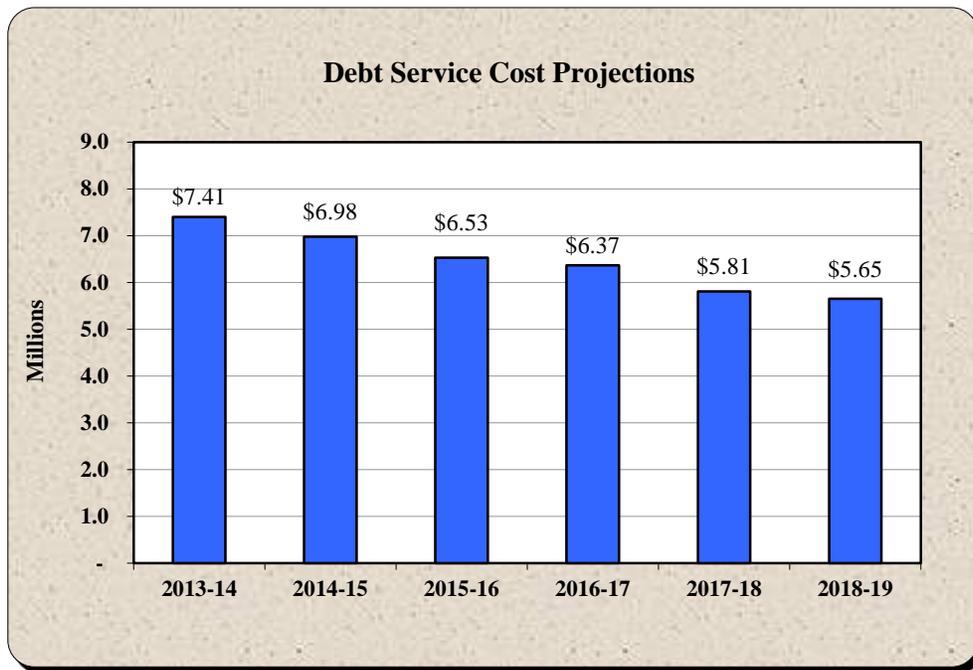
Category	2013-14 Adopted	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated
Assessed Valuation (Real & Personal Property)	\$ 7,368,520,000	\$ 7,492,210,000	\$ 7,342,370,000	\$ 7,452,510,000	\$ 7,586,660,000	\$ 7,723,220,000
Tax Levy - Debt Service Fund Only*	5,526,000	5,619,000	5,507,000	5,589,000	5,690,000	5,792,000
Estimated Collections at 99%	5,471,000	5,563,000	5,452,000	5,533,000	5,633,000	5,734,000
<b>TOTAL TAXES</b>	<b>\$ 5,471,000</b>	<b>\$ 5,563,000</b>	<b>\$ 5,452,000</b>	<b>\$ 5,533,000</b>	<b>\$ 5,633,000</b>	<b>\$ 5,734,000</b>
BABS Interest Subsidy	168,000	168,000	168,000	168,000	168,000	168,000
Interest Income	1,000	-	-	-	-	-
Transfer from Parking	908,000	909,000	910,000	909,000	907,000	915,000
<b>TOTAL REVENUES</b>	<b>\$ 6,548,000</b>	<b>\$ 6,640,000</b>	<b>\$ 6,530,000</b>	<b>\$ 6,610,000</b>	<b>\$ 6,708,000</b>	<b>\$ 6,817,000</b>

\* Based on a continued tax rate of \$7.5 cents for the Debt Fund through 2018-19, with estimated growth as follows:

2014	0.75%
2015	1.00%
2016	-2.00%
2017	1.50%
2018	1.80%
2019	1.80%

**DEBT SERVICE FUND  
PROJECTED COSTS  
2013/2014 - 2018/2019**

	2013-14 Adopted	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated
Existing Debt	\$ 7,405,000	\$ 6,859,000	\$ 6,413,000	\$ 6,149,000	\$ 5,688,000	\$ 5,534,000
Two-Thirds Bonds	-	120,000	120,000	120,000	120,000	120,000
Debt Issuance Cost/Premium	-	-	-	100,000	-	-
<b>TOTALS</b>	<b>\$ 7,405,000</b>	<b>\$ 6,979,000</b>	<b>\$ 6,533,000</b>	<b>\$ 6,369,000</b>	<b>\$ 5,808,000</b>	<b>\$ 5,654,000</b>



***DEBT SERVICE FUND***  
***ANALYSIS OF REVENUE AND COST PROJECTIONS***  
***2013/2014 - 2018/2019***

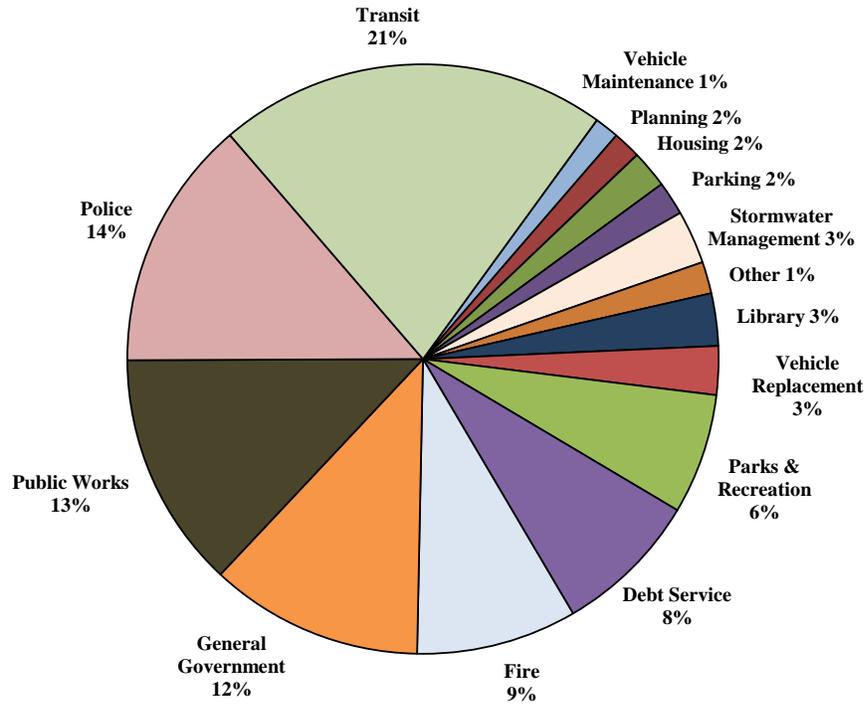
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	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated
Estimated Total Costs	\$ 7,405,000	\$ 6,979,000	\$ 6,533,000	\$ 6,369,000	\$ 5,808,000	\$ 5,654,000
Estimated Total Revenues	6,548,000	6,640,000	6,530,000	6,610,000	6,708,000	6,817,000
Revenue (Needed)/Available	(857,000)	(339,000)	(3,000)	241,000	900,000	1,163,000
Fund Balance Available	857,000	339,000	3,000	-	-	-
Reserved for future debt	-	-	-	241,000	900,000	1,163,000
Additional Revenue (Needed)/Available	-	-	-	-	-	-
Change in Tax Rate in Specific Years*	0.0	0.0	0.0	0.0	0.0	0.0

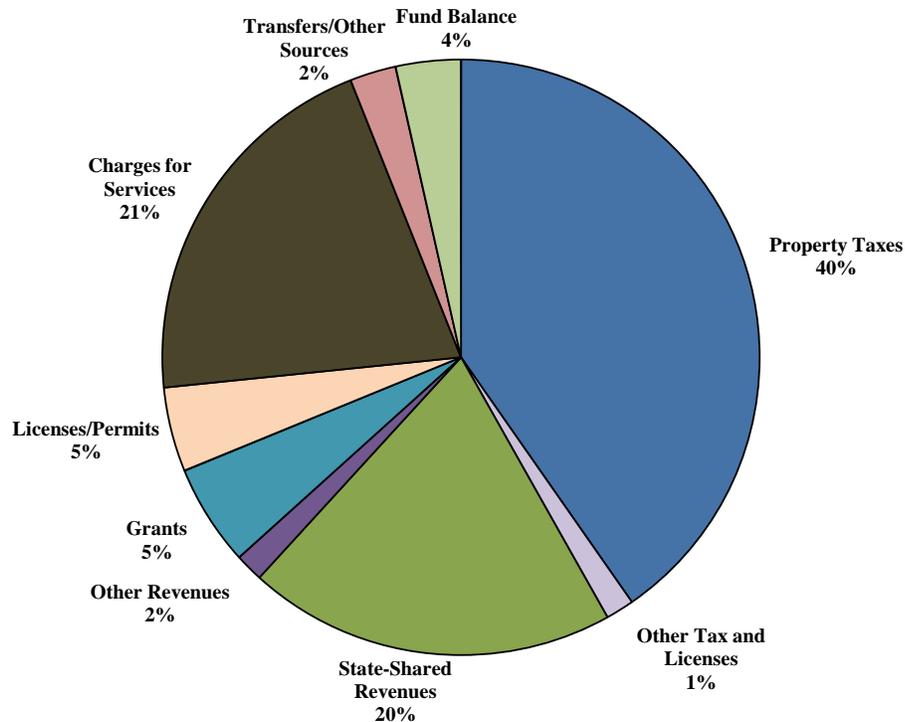
Value of a cent = \$729,000

# ALL FUNDS SUMMARY

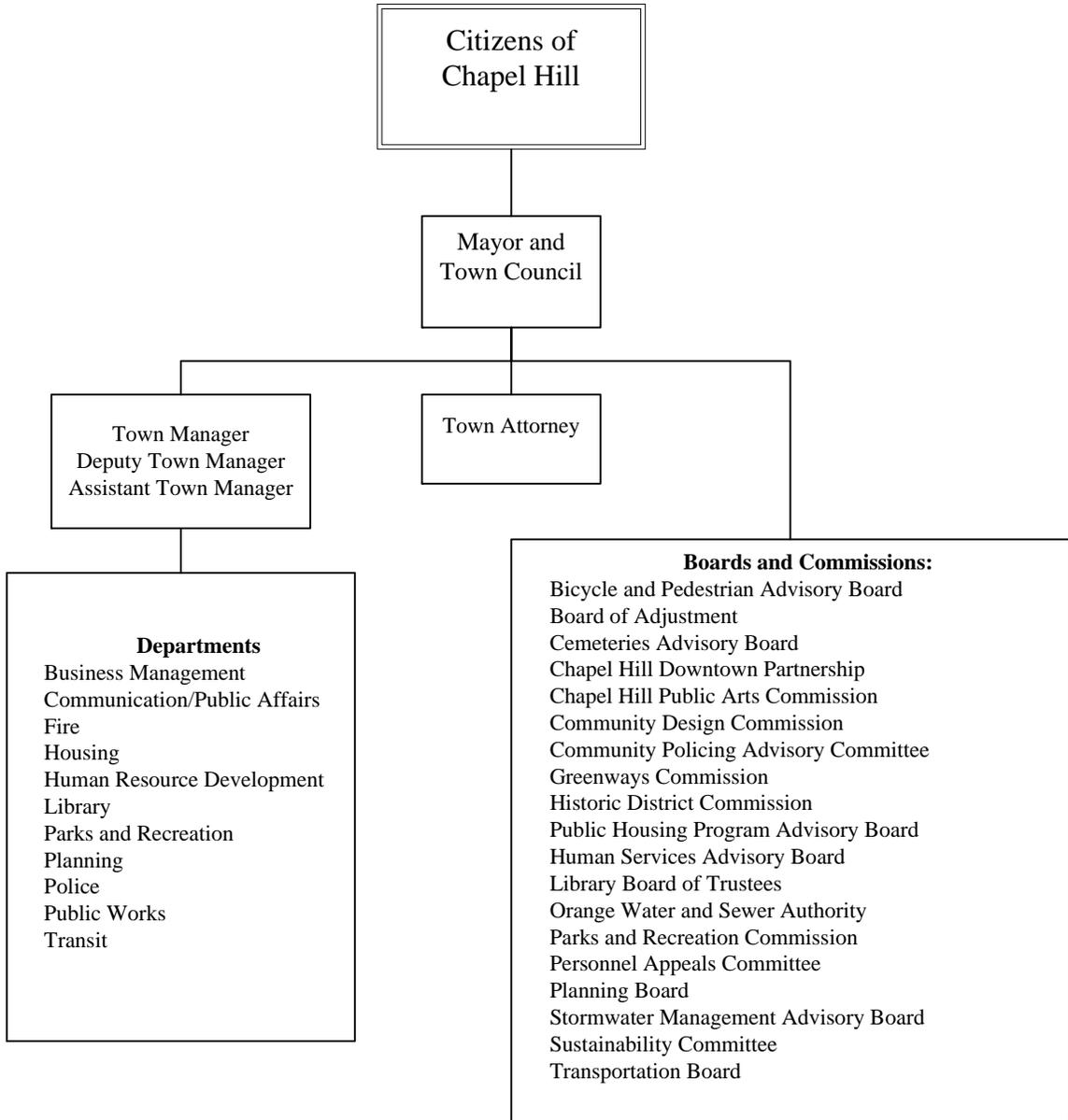
## TOTAL BUDGET EXPENDITURES \$92,747,373 (NET OF TRANSFERS)



## TOTAL BUDGET REVENUES



**TOWN OF CHAPEL HILL ORGANIZATION CHART**



***ALL FUNDS  
SUMMARY OF APPROPRIATIONS  
Adopted Budget 2013-14***

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<b>Fund</b>	<b>Appropriations</b>	<b>Less Transfers to Other Funds</b>	<b>Net Appropriations</b>
<b>General Fund</b>	\$ 54,788,500	\$ 842,126	\$ 53,946,374
<b>Transit Funds</b>			
Transit	19,762,904	3,239	19,759,665
Transit Capital Reserve Fund	286,761	286,761	-
<b>Stormwater Management Fund</b>	2,702,517	-	2,702,517
<b>Parking Funds</b>			
Off-Street Parking Fund	1,979,285	908,331	1,070,954
On-Street Parking Fund	721,000	77,225	643,775
<b>Housing Funds</b>			
Public Housing Fund	1,909,589	-	1,909,589
<b>Debt Service Fund</b>	7,404,742	-	7,404,742
<b>Capital Projects</b>			
Capital Improvements Fund	828,500	-	828,500
<b>Other Funds</b>			
Grants Fund	332,145	-	332,145
Downtown Service District Fund	260,849	-	260,849
Library Gift Fund	83,000	45,000	38,000
Vehicle Replacement Fund	2,468,200	-	2,468,200
Vehicle Maintenance Fund	1,221,968	-	1,221,968
Computer Replacement Fund	160,095	-	160,095
<b>TOTAL</b>	<b>\$ 94,910,055</b>	<b>\$ 2,162,682</b>	<b>\$ 92,747,373</b>

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# ALL FUNDS STAFFING SUMMARY

Personnel costs make up 57% of the Town's operating budget. The Staffing Summary represents a snapshot of the FTE's on which the FY14 Adopted Budget is based.

## 2013/2014 STAFFING BY DEPARTMENT IN FULL-TIME EQUIVALENTS

<i>DEPARTMENTS</i>	<b>2011-12 ADOPTED</b>	<b>2012-13 ADOPTED</b>	<b>2013-14 ADOPTED</b>
Mayor	1.00	1.00	1.00
Manager	9.80	7.00	11.75
Communications & Public Affairs	7.33	6.53	7.53
Human Resource Development	8.00	8.00	8.00
Business Management	23.00	23.00	24.00
Legal	2.00	2.00	2.00
Planning	20.53	17.75	15.75
Public Works	107.25	96.25	102.25
Police	145.00	139.00	138.00
Fire	93.53	90.00	92.00
Parks & Recreation	58.84	53.51	54.01
Library	29.08	30.39	26.63
Transit	195.33	171.73	178.41
Stormwater	14.00	14.00	14.00
Parking	12.80	11.80	11.80
Housing	17.00	16.00	16.00
Downtown Service District	1.00	1.00	1.00
Vehicle Maintenance	8.75	7.75	7.75
<b>Total FTE's</b>	<b>754.24</b>	<b>696.71</b>	<b>711.88</b>

### FTE changes from FY13 Adopted Budget - FY14 Adopted Budget

<u>Positions Added</u>	<u>Department</u>	<u>Positions Deleted</u>	<u>Department</u>
Policy & Strategic Initiatives Director	Manager	Assistant Director	Planning
Organiz. Effectiveness Coordinator	Manager	Administrative Clerk	Planning
.75 Administrative Assistant	Manager	Alt Sentencing Assistant	Police
2 Ombuds	Manager	1.75 Librarians	Library
Media Specialist	CaPA	2 Library Assistants	Library
Business Analyst	Business Mgmt		
5 Solid Waste Collectors	Public Works		
Maintenance Mechanic	Public Works		
2 Firefighters	Fire		
Recreation Specialist	Parks and Recreation		
3 Bus Drivers	Transit		
2 Supervisors	Transit		
Procurement Specialist	Transit		
Customer Service Coordinator	Transit		

Note: Additional salaries are funded for the Library in FY14, but positions are yet to be determined.

See individual department Staffing Summaries for further explanation of staffing changes.

# **TAX RATES AND TAX COLLECTIONS**

## **Adopted 2013-14**

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	2011-12 Actual	2012-13 Budget	2012-13 Estimated	2013-14 Adopted
<b>Assessed Value of Real and Personal Property</b>	\$ 7,264,762,419	\$ 7,353,675,000	\$ 7,300,000,000	\$ 7,368,520,000
Tax Rate Per \$100 Valuation				
General Fund	37.8	37.8	37.8	38.8
Transit Fund	4.1	4.1	4.1	5.1
Debt Service Fund	7.5	7.5	7.5	7.5
<b>Total Tax Rate (cents)</b>	<b>49.4</b>	<b>49.4</b>	<b>49.4</b>	<b>51.4</b>
Tax Levy				
	35,888,000	36,327,000	36,062,000	37,874,000
<b>Estimated Collections at 99%</b>	<b>\$ 35,529,100</b>	<b>\$ 35,963,700</b>	<b>\$ 35,701,400</b>	<b>\$ 37,495,300</b>
Distribution				
General Fund	27,244,232	27,530,000	27,360,000	28,300,000
Transit Fund	2,955,137	2,985,000	2,963,000	3,720,000
Debt Service Fund	5,404,697	5,462,000	5,420,000	5,471,000
<b>Downtown Service District Fund</b>				
Tax Rate (cents)	7.1	7.1	7.1	7.1
Assessed Value of Real and Personal Property	\$ 236,311,070	\$ 237,000,000	\$ 322,470,000	\$ 324,890,000
Tax Levy	168,000	168,000	229,000	231,000
<b>1¢ of the Tax Rate Equals (to nearest 1,000)</b>	<b>\$ 719,000</b>	<b>\$ 728,000</b>	<b>\$ 723,000</b>	<b>\$ 729,000</b>

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# ***ESTIMATED UNDESIGNATED RESERVES***

## ***ANNUALLY BUDGETED FUNDS***

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	Approximate Unassigned Fund Balance July 1, 2013	2013-14 Budgeted Revenues	2013-14 Budgeted Expenditures	Approximate Unassigned Fund Balance June 30, 2014
<b>GENERAL FUND</b>	\$ 12,000,000	\$ 52,802,000	\$ 54,789,000	\$ 10,013,000
<b>SPECIAL REVENUE FUNDS</b>				
Downtown Service District	128,000	269,000	261,000	136,000
Library Gift	331,000	79,000	83,000	327,000
Grants Fund	35,000	305,000	332,000	8,000
<b>DEBT SERVICE FUND</b>	5,300,000	6,548,000	7,405,000	4,443,000
<b>CAPITAL IMPROVEMENT FUNDS</b>				
Capital Improvements	1,814,000	828,000	828,000	1,814,000
Capital Reserve	214,000	-	-	214,000
<b>ENTERPRISE FUNDS</b>				
Transportation	1,992,000	19,675,000	20,050,000	1,617,000
Transportation Capital Reserve	1,076,000	-	513,000	563,000
Public Housing	2,835,000	1,822,000	1,909,000	2,748,000
On-Street Parking	-	721,000	721,000	-
Off-Street Parking	104,000	1,875,000	1,979,000	-
Stormwater Management	1,048,000	2,115,000	2,703,000	460,000
<b>INTERNAL SERVICE FUNDS</b>				
Vehicle Replacement	-	2,468,000	2,468,000	-
Vehicle Maintenance	167,000	1,259,000	1,222,000	204,000
Computer Replacement	471,000	160,000	160,000	471,000
<b>TOTAL</b>	<b>\$ 27,515,000</b>	<b>\$ 90,926,000</b>	<b>\$ 95,423,000</b>	<b>\$ 23,018,000</b>

Note: Estimates of fund balance presented on this page and the following pages are based on unaudited information available during preparation of this document. Reservations of fund balance and Restrictions of fund balance are constantly changing, and these estimates are therefore subject to change.

## ***FUND BALANCE VARIANCES***

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The Town maintains a reserve of fund balance for cash flow, emergencies and opportunities. Fund balance is essentially the difference between revenues received and expenditures made in a given year plus any residual balance remaining at the end of the previous year. Part of the balance must remain unused to meet the reserve recommendations of the North Carolina Local Government Commission and State statute requirements. Part of the balance must remain unused to meet restrictions imposed by outside agencies (federal grant funds, for example) and to comply with the Town's contractual and other obligations. The remaining balance is available to be used for additional appropriations.

Fund balance fluctuates depending upon the activities during the year. The General Fund fund balance in 2013-14 is anticipated to be about 18.2% of budgeted expenditures.

**GOVERNMENTAL FUNDS**

**SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES**

**2013-14**

	General Fund			Special Revenue Funds		
	11-12 Actual	12-13 Estimated	13-14 Adopted	11-12 Actual	12-13 Estimated	13-14 Adopted
<b>Net Unreserved Assets, Beginning of Year</b>	11,410,673	13,357,103	9,257,430	294,239	369,718	386,416
<b>Financial Source</b>						
Property Taxes	27,421,495	27,550,000	28,550,000	234,274	227,000	229,000
Other Tax and Licenses	1,012,948	1,019,000	1,019,000	-	-	-
State-Shared Revenues	16,177,527	16,420,764	16,578,630	-	-	-
Interest on Investments	14,679	20,000	20,000	814	660	-
Other Revenues	386,472	307,826	252,300	122,201	857,050	119,000
Grants	509,546	631,421	699,386	457,695	460,855	251,080
Charges for Services	3,376,318	3,317,162	3,759,619	-	-	-
Licenses/Permits/Fines	1,830,359	1,822,975	1,801,190	-	-	-
Transfers/Other Sources	72,148	45,000	122,225	252,009	140,185	81,065
Appropriated Net Assets (Fund Balance)	-	-	1,986,150			(4,151)
<b>Total Estimated Financial Sources</b>	<b>50,801,492</b>	<b>51,134,148</b>	<b>54,788,500</b>	<b>1,066,993</b>	<b>1,685,750</b>	<b>675,994</b>
<b>Expenditures</b>						
Personnel	34,804,711	36,455,063	38,441,118	639,566	378,477	364,651
Operations	13,594,861	16,936,565	15,441,882	351,948	1,290,575	311,343
Capital	575,593	1,842,193	905,500	-	-	-
<b>Total Budget</b>	<b>48,975,165</b>	<b>55,233,821</b>	<b>54,788,500</b>	<b>991,514</b>	<b>1,669,052</b>	<b>675,994</b>
<b>Financial Sources less Budget</b>	<b>1,826,327</b>	<b>(4,099,673)</b>	<b>-</b>	<b>75,479</b>	<b>16,698</b>	<b>-</b>
<b>Net Unreserved Assets, End of Year</b>	<b>13,357,103</b>	<b>9,257,430</b>	<b>7,271,280</b>	<b>369,718</b>	<b>386,416</b>	<b>390,567</b>

Note: Please see note about fund balance estimates on page 62.

<b>Debt Service Fund</b>			<b>Capital Funds</b>		
<b>11-12 Actual</b>	<b>12-13 Estimated</b>	<b>13-14 Adopted</b>	<b>11-12 Actual</b>	<b>12-13 Estimated</b>	<b>13-14 Adopted</b>
3,009,079	6,281,023	5,252,164	2,205,977	2,135,439	1,360,598
5,427,762	5,447,321	5,471,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,928	2,100	1,000	1,289	1,276	1,000
-	-	-	-	1,500	-
182,506	182,507	168,360	78,034	-	-
-	-	-	246,789	55,000	69,000
-	-	-	-	-	-
31,101,433	3,925,664	908,331	454,824	1,635,000	758,500
-	-	856,051	-	-	-
<b>36,714,629</b>	<b>9,557,592</b>	<b>7,404,742</b>	<b>780,936</b>	<b>1,692,776</b>	<b>828,500</b>
-	-	-	-	-	-
33,442,685	10,586,451	7,404,742	-	-	-
-	-	-	851,474	2,467,617	828,500
<b>33,442,685</b>	<b>10,586,451</b>	<b>7,404,742</b>	<b>851,474</b>	<b>2,467,617</b>	<b>828,500</b>
<b>3,271,944</b>	<b>(1,028,859)</b>	<b>-</b>	<b>(70,538)</b>	<b>(774,841)</b>	<b>-</b>
<b>6,281,023</b>	<b>5,252,164</b>	<b>4,396,113</b>	<b>2,135,439</b>	<b>1,360,598</b>	<b>1,360,598</b>

**ENTERPRISE FUNDS**

**SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES**

**2013-14**

	Parking Funds			Transportation Funds		
	11-12 Actual	12-13 Estimated	13-14 Adopted	11-12 Actual	12-13 Estimated	13-14 Adopted
<b>Net Unreserved Assets, Beginning of Year</b>	1,090,735	811,072	104,465	5,351,050	2,850,732	2,554,775
<b>Financial Source</b>						
Property Taxes	-	-	-	2,965,320	2,983,000	3,740,000
Other Tax and Licenses	-	-	-	434,475	428,819	424,738
State-Shared Revenues	-	-	-	3,419,853	2,757,495	2,205,996
Interest on Investments	1,959	1,835	7,250	3,556	9,782	2,500
Other Revenues	45,898	40,520	76,750	(31,212)	64,171	64,171
Grants	-	-	-	446,621	2,406,047	2,947,825
Charges for Services	-	-	-	7,878,862	9,275,389	9,818,264
Licenses/Permits/Fines	2,025,128	1,928,833	2,511,820	-	-	-
Transfers/Other Sources	-	-	-	-	360,000	472,000
Appropriated Net Assets (Fund Balance)	-	-	104,465	-	-	374,171
<b>Total Estimated Financial Sources</b>	<b>2,072,985</b>	<b>1,971,188</b>	<b>2,700,285</b>	<b>15,117,475</b>	<b>18,284,703</b>	<b>20,049,665</b>
<b>Expenditures</b>						
Personnel	744,858	750,264	823,002	10,556,988	11,172,783	11,728,921
Operations	1,458,083	861,707	899,436	5,595,434	7,363,548	8,033,983
Capital	149,707	1,065,824	977,847	1,465,371	44,329	286,761
<b>Total Budget</b>	<b>2,352,648</b>	<b>2,677,795</b>	<b>2,700,285</b>	<b>17,617,793</b>	<b>18,580,660</b>	<b>20,049,665</b>
<b>Financial Sources less Budget</b>	<b>(279,663)</b>	<b>(706,607)</b>	<b>-</b>	<b>(2,500,318)</b>	<b>(295,957)</b>	<b>-</b>
<b>Net Unreserved Assets, End of Year</b>	<b>811,072</b>	<b>104,465</b>	<b>-</b>	<b>2,850,732</b>	<b>2,554,775</b>	<b>2,180,604</b>

Note: Please see note about fund balance estimates on page 62.

<b>Stormwater Management Fund</b>			<b>Housing Fund</b>		
<b>11-12 Actual</b>	<b>12-13 Estimated</b>	<b>13-14 Adopted</b>	<b>11-12 Actual</b>	<b>12-13 Estimated</b>	<b>13-14 Adopted</b>
1,017,980	1,118,839	1,028,161	2,509,857	2,835,592	2,886,499
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
997	518	900	2,194	2,240	2,100
275	-	-	43,195	9,718	200
-	-	-	1,319,472	1,207,451	1,110,290
1,814,635	1,795,000	2,109,416	617,421	712,710	709,706
-	-	-	-	-	-
4,464	5,000	5,800	-	-	-
-	-	586,401	-	-	87,293
<b>1,820,371</b>	<b>1,800,518</b>	<b>2,702,517</b>	<b>1,982,282</b>	<b>1,932,119</b>	<b>1,909,589</b>
1,022,799	1,024,827	1,132,189	922,634	888,058	1,061,844
658,323	791,369	745,328	733,913	967,762	847,745
38,390	75,000	825,000	-	25,392	-
<b>1,719,512</b>	<b>1,891,196</b>	<b>2,702,517</b>	<b>1,656,547</b>	<b>1,881,212</b>	<b>1,909,589</b>
<b>100,859</b>	<b>(90,678)</b>	<b>-</b>	<b>325,735</b>	<b>50,907</b>	<b>-</b>
<b>1,118,839</b>	<b>1,028,161</b>	<b>441,760</b>	<b>2,835,592</b>	<b>2,886,499</b>	<b>2,799,206</b>

**INTERNAL SERVICE FUNDS**

**SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES**

**2013-14**

	<b>Internal Service</b>		
	<b>11-12 Actual</b>	<b>12-13 Estimated</b>	<b>13-14 Adopted</b>
<b>Net Unreserved Assets, Beginning of Year</b>	341,685	639,061	164,792
<b>Financial Source</b>			
Property Taxes	-	-	-
Other Tax and Licenses	-	-	-
State-Shared Revenues	-	-	-
Interest on Investments	2,471	1,900	1,200
Other Revenues	980,137	1,059,260	922,000
Grants	29,711	-	-
Charges for Services	2,810,457	2,883,157	2,963,595
Licenses/Permits/Fines	-	-	-
Transfers/Other Sources	675	-	-
Appropriated Net Assets (Fund Balance)	-	-	(666,784)
<b>Total Estimated Financial Sources</b>	<b>3,823,451</b>	<b>3,944,317</b>	<b>3,220,011</b>
<b>Expenditures</b>			
Personnel	566,389	524,495	548,975
Operations	2,062,715	2,140,476	1,799,036
Capital	896,971	1,753,615	872,000
<b>Total Budget</b>	<b>3,526,075</b>	<b>4,418,586</b>	<b>3,220,011</b>
<b>Financial Sources less Budget</b>	<b>297,376</b>	<b>(474,269)</b>	<b>-</b>
<b>Net Unreserved Assets, End of Year</b>	<b>639,061</b>	<b>164,792</b>	<b>831,576</b>

Note: Please see note about fund balance estimates on page 62.

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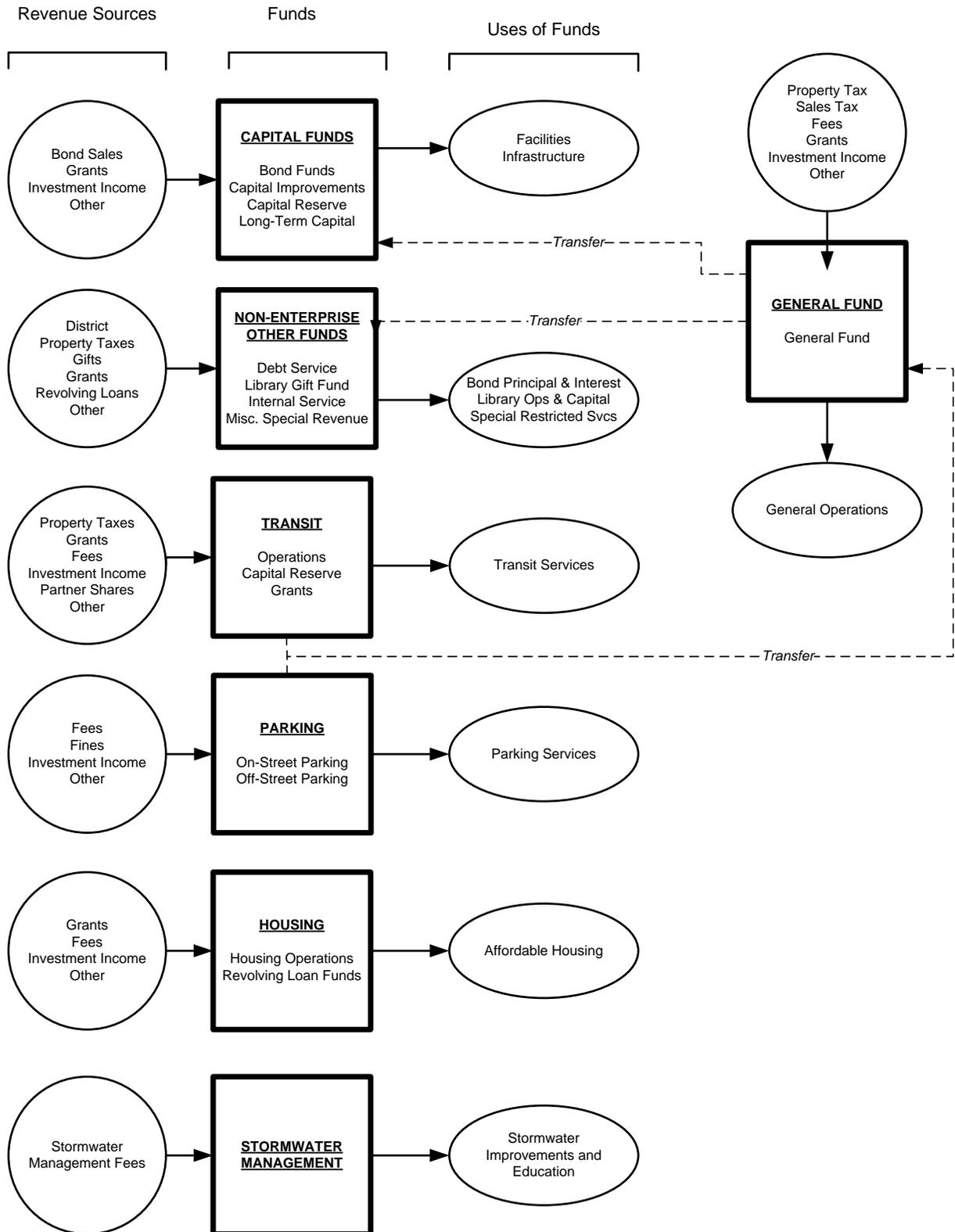
**Annual Funds - Combined Totals**

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<b>11-12 Actual</b>	<b>12-13 Estimated</b>	<b>13-14 Adopted</b>
27,231,275	30,398,579	22,995,300
36,048,851	36,207,321	37,990,000
1,447,423	1,447,819	1,443,738
19,597,380	19,178,259	18,784,626
30,887	40,311	35,950
1,546,966	2,340,045	1,434,421
3,023,585	4,888,281	5,176,941
16,744,482	18,038,418	19,429,600
3,855,487	3,751,808	4,313,010
31,885,553	6,110,849	2,347,921
-		3,323,596
<b>114,180,614</b>	<b>92,003,111</b>	<b>94,279,803</b>
49,257,945	51,193,967	54,100,700
57,897,962	40,938,453	35,483,495
3,977,506	7,273,970	4,695,608
<b>111,133,413</b>	<b>99,406,390</b>	<b>94,279,803</b>
<b>3,047,201</b>	<b>(7,403,279)</b>	-
<b>30,278,476</b>	<b>22,995,300</b>	<b>19,671,704</b>

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# TOWN OF CHAPEL HILL FLOW OF FUNDS



## ***SUMMARY OF ANNUAL FUND GROUPS***

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### **Governmental Funds**

General Fund

#### Special Revenue Funds

Grants Fund  
Downtown Service District Fund  
Library Gift Fund

Debt Service Fund

#### Capital Funds

Capital Projects Fund  
Capital Reserve Fund  
Transit Capital Reserve Fund

### **Proprietary Funds**

#### Enterprise Funds

Transit Fund  
Stormwater Mgmt. Fund  
Parking Fund  
    On-Street Parking  
    Off-Street Parking  
Public Housing Funds

#### Internal Service Funds

Vehicle Maintenance Fund  
Vehicle Replacement Fund  
Computer Replacement Fund

<b>INTERFUND TRANSFERS</b>						
<b>Adopted 2013-14</b>						
<b>Transfers to:</b>	<b>General Fund</b>	<b>Transit</b>	<b>Parking</b>	<b>Transfers From:</b>		<b>Net Transfers</b>
				<b>Transit Capital Reserve</b>	<b>Library Gift Fund</b>	
<b>General Fund</b>	\$ -	\$ -	\$ 77,225	\$ -	\$ 45,000	\$ 122,225
<b>Transit Capital Grants</b>	-	3,239	-	286,761	-	290,000
<b>Stormwater Management</b>	5,800	-	-	-	-	5,800
<b>Debt Service Fund</b>	-	-	908,331	-	-	908,331
<b>CIP Fund</b>	758,500	-	-	-	-	758,500
<b>Grants Fund</b>	77,826	-	-	-	-	77,826
<b>Net Transfers</b>	<b>\$ 842,126</b>	<b>\$ 3,239</b>	<b>\$ 985,556</b>	<b>\$ 286,761</b>	<b>\$ 45,000</b>	<b>\$ 2,162,682</b>

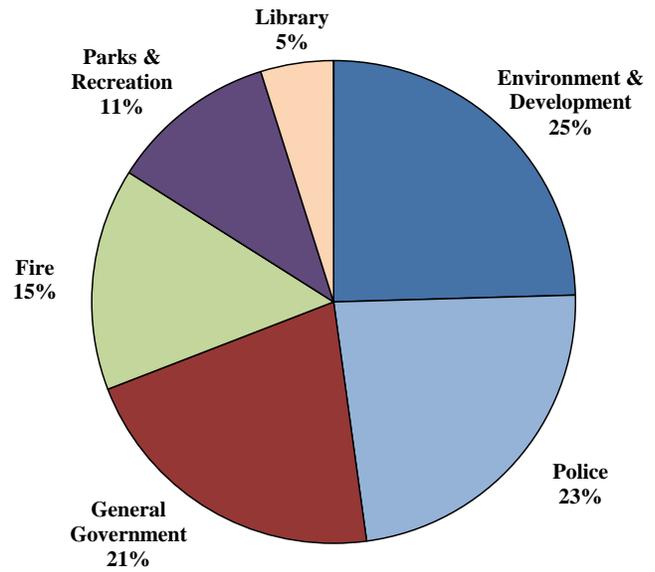


# GENERAL FUND

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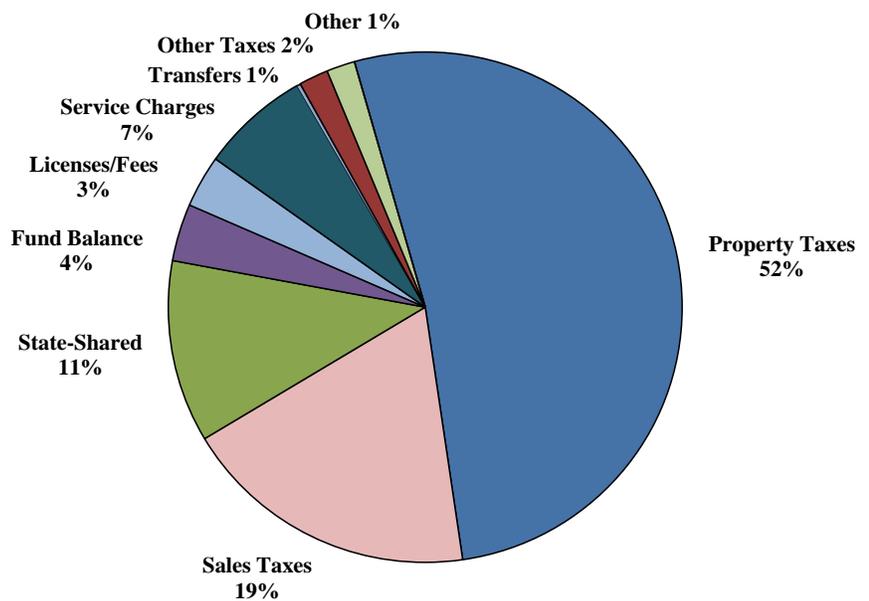
The General Fund is the general operating fund of the Town and is used to account for all revenues and expenditures except those required to be accounted for in another fund. The fund is established at the inception of a government and exists throughout the government's life.

### General Fund Expenditures



Total \$54,788,500

### General Fund Revenues



**GENERAL FUND  
BUDGET SUMMARY**

**EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
General Government	\$ 9,515,435	\$ 10,846,159	\$ 13,855,357	\$ 12,853,949	\$ 11,658,692	7.5%
Environment & Development	12,443,628	12,904,050	13,868,717	13,213,595	13,445,192	4.2%
Public Safety	18,982,493	20,433,094	20,836,463	20,851,803	20,907,614	2.3%
Leisure	8,033,609	8,380,697	8,735,311	8,314,474	8,777,002	4.7%
Total	\$ 48,975,165	\$ 52,564,000	\$ 57,295,848	\$ 55,233,821	\$ 54,788,500	4.2%

**REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
General Revenues:						
Property Taxes	\$ 27,421,495	\$ 27,680,000	\$ 27,680,000	\$ 27,550,000	\$ 28,550,000	3.1%
Sales Taxes	9,765,972	9,870,000	9,870,000	10,050,000	10,260,000	4.0%
Other Tax and Licenses	1,012,948	987,000	987,000	1,019,000	1,019,000	3.2%
State-Shared Revenues	6,411,555	6,360,630	6,360,630	6,370,764	6,318,630	-0.7%
Interest on Investments	14,679	20,000	20,000	20,000	20,000	0.0%
Other Revenues	386,472	233,240	595,907	307,826	252,300	8.2%
Grants	509,546	582,253	682,421	631,421	699,386	20.1%
Charges for Services	3,376,318	3,471,081	3,621,081	3,317,162	3,759,619	8.3%
Licenses/Permits/Fines	1,830,359	1,609,663	1,868,269	1,822,975	1,801,190	11.9%
Transfers/Other Sources	72,148	221,511	221,511	45,000	122,225	-44.8%
Appropriated Fund Balance	(1,826,327)	1,528,622	5,389,029	4,099,673	1,986,150	29.9%
Total	\$ 48,975,165	\$ 52,564,000	\$ 57,295,848	\$ 55,233,821	\$ 54,788,500	4.2%

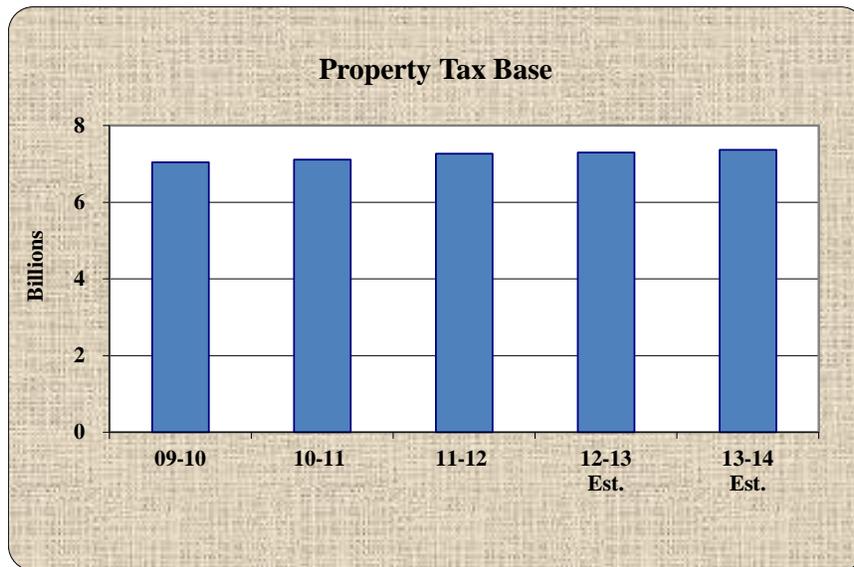
# **GENERAL FUND**

## **Major Revenue Sources - Descriptions and Estimates**

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### **Property Tax**

The largest component of the property tax is the levy on real property. The property tax consists of three components – General Fund, Debt Service Fund and Transit Fund. We have based our estimate on historic trends and current information from Orange and Durham Counties for the overall tax base. The tax base for 2013-14 is estimated to be about \$7,368,520,000 with 1 cent on the tax rate equivalent to about \$729,000.



The combined property tax revenue we anticipate for 2013-14 totals about \$37.5 million, with \$28 million of that supporting the General Fund.

### **Other Local Taxes**

- Cable franchise revenues represent a tax on local Time Warner gross receipts. Effective January 1, 2007, the Department of Revenue changed the distribution calculation for cable franchise revenues, and the majority of the funds we previously received in this revenue line are now allocated in the utility franchise tax.
- Revenue from the 3 percent Hotel/Motel occupancy tax is expected to total \$975,000 in the current year and about \$975,000 in 2013-14. Revenue trends are affected by University events and general economic conditions.

# GENERAL FUND

## Major Revenue Sources - Descriptions and Estimates

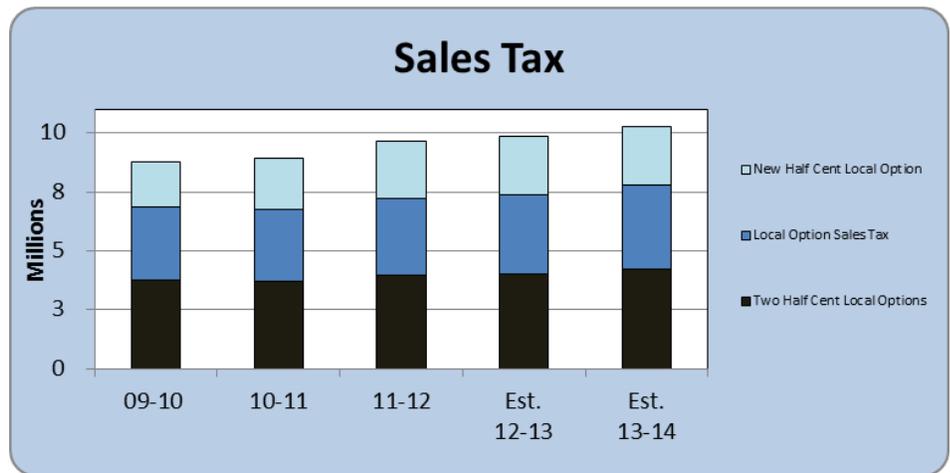
### State-Collected Revenues

#### Sales Taxes

Due to the recent economic upturn, sales tax revenue is expected to come in about \$180,000 over budget in 2012-13. This can be attributed to uncertainties that we faced with budget preparation for FY13. Recent information from the North Carolina League of

Municipalities suggests that we should see greater gains in sales tax in the coming fiscal year. Based on this information, we are estimating an overall growth rate of 2% in sales taxes for FY14. We estimate combined sales taxes of about \$10,260,000 for 2013-14. Orange County has the option to change the allocation method for sales taxes from per capita to ad valorem, which would result in

about \$2.5 million in reduced sales tax receipts for the Town.



#### Motor Fuel Taxes (known as Powell Bill funds)

Motor fuel tax revenue is based on receipts of 1¾ cents of the State gasoline tax allocated to local governments, based on population and local street mileage in each jurisdiction. This revenue is anticipated to total \$1,452,134 in 2012-13, about the same as prior year. For 2013-14, we anticipate revenues will hold the line at around \$1,400,000.

#### State Fire Protection Funds

We are expecting about \$1,088,630 in State Fire Protection Funds in the current year, and we expect about the same level of funding from this source in 2013-14.

#### Utility Franchise Tax

Utility franchise taxes are derived from a 3 percent tax on gross revenues from public utilities in each jurisdiction, and are collected by the State for distribution to cities and towns. Because the fees are dependent upon utility charges, they are affected by weather conditions and can vary from year to year. In 2007, the State changed the distribution method for cable franchise fees and included them in the utility franchise tax distribution. Indications are that utility franchise fees will be in line with the current year's budget for a total of about \$3.5 million in 2012-13, and we expect no increase in 2013-14.

# GENERAL FUND

## Major Revenue Sources - Descriptions and Estimates

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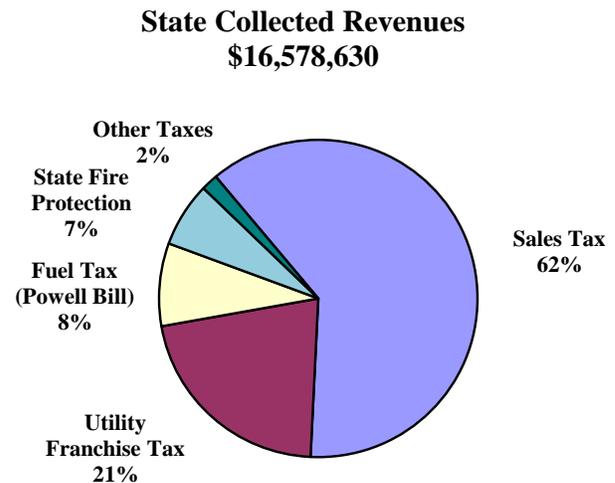
### Solid Waste Disposal Tax

The Solid Waste Disposal Tax went into effect on July 1, 2008. This \$2 per-ton tax is charged on municipal solid waste and construction debris that is deposited in a landfill in the state or transferred at a transfer station for disposal outside of the state. 18.75% of this tax is distributed to cities and towns on a per capita basis. We anticipate receiving around \$35,000 for the current year and \$40,000 next year.

### Beer and Wine Taxes

Assuming full receipt of the Beer and Wine tax revenue normally distributed in May to cities and counties, we estimate allocations from this source of about \$237,000 for the current year and \$240,000 next year.

In summary, we estimate State-collected revenues would total about \$16,578,630 for next year.



### Other Revenue Sources

#### Grants

This category of revenue includes certain recurring local and State grants totaling about \$634,960 for 2013-14. Beginning in 2004-05, we began using a separate Grants Fund for non-recurring grants.

Local grants include an appropriation from Orange County to supplement the Town's Parks and Recreation programs and the Town's Library. The adopted budget for 2013-14 includes level funding from the County at \$83,700 for the Parks and Recreation supplement. The adopted 2013-14 budget includes \$483,000 in Orange County funding to support the Chapel Hill Library, a 3% increase over the FY13 allocation per the new agreement with the County. The State appropriation for Library services is budgeted at \$15,000. Local grants also include a reimbursement from the NC DOT for a portion of the costs of the Traffic Signal Analyst position that was added in FY13.

#### Charges for Services

Service Charges for various Town services and programs (including zoning compliance review and Parks and Recreation programs) are estimated to come in short of budget in the current year by about \$150,000. This can be attributed to revenues shortfalls in street cuts, traffic signals, library fines and various parks programs. However, charges for services are expected to increase from \$3,471,000 to about \$3,760,000 in 2013-14 due in large part to an increase of \$280,000 for the Greater Chapel Hill Fire District.

# ***GENERAL FUND***

## ***Major Revenue Sources - Descriptions and Estimates***

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This category also reflects amounts transferred from other Town funds to the General Fund, primarily to recover administrative and indirect costs from other Town enterprise funds and services. For 2013-14, these include estimates of \$76,000 from Parking Enterprise Funds, \$105,000 from the Stormwater Management Fund, and \$1,030,000 from the Transit Enterprise Fund.

### *Licenses/Permits/Fines & Forfeitures*

Revenue from licenses, permits, and fines, including privilege licenses and vehicle licenses, are expected to exceed the current year's budget by about \$75,000 due to an increase in inspection permits. Total licenses and permits are expected to continue this trend in 2013-14, with a budget of about \$1.8 million.

### *Interest on Investments*

The General Fund share of interest earned on the Town's investments is recorded in this category. Investment income is expected to meet the current year's budget estimate of \$20,000 and generate about \$20,000 next year.

### **Miscellaneous, Transfers, Net Assets (Fund Balance)**

#### *Miscellaneous Revenues*

The primary miscellaneous revenues include the sale of cemetery plots and equipment, court cost reimbursements, and donations (Carol Woods). Miscellaneous revenues are expected to total about \$308,000 for 2012-13 and \$252,000 for 2013-14.

#### *Transfers*

Transfers include a transfer of \$45,000 for 2013-14 from the Library Gift Fund for Library purposes. This section also includes a transfer from On-Street Parking in the amount of \$77,225 for 2013-14, which represents the amount of anticipated revenues in excess of expenditures.

#### *Fund Balance*

This appropriation represents a use of net assets (fund balance) for general operations. We are currently budgeted to use \$5.4 million of fund balance in 2012-13, but through cost-cutting measures, will use only about \$4.1 million. The annual budget includes the use of about \$1,986,000 in 2013-14 to maintain service levels.

# ***GENERAL FUND***

## ***Major Revenue Sources - Descriptions and Estimates***

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### **Summary of Revenues**

In summary, the annual budget includes \$54.79 million in General Fund revenues, including the use of about \$1,986,000 of fund balance.

The table below shows comparative estimates of total General Fund revenues for the current year and next year.

	<b>12-13 Revised Budget</b>	<b>12-13 Estimated</b>	<b>13-14 Adopted Budget</b>
Property Taxes	\$ 27,680,000	\$ 27,550,000	\$ 28,550,000
Sales Taxes	9,870,000	10,050,000	10,260,000
Other State-Collected	6,360,630	6,370,764	6,318,630
Other Revenues	2,285,328	1,978,247	1,990,686
Licenses/Permits	1,868,269	1,822,975	1,801,190
Service Charges	3,621,081	3,317,162	3,759,619
Interfund Transfers	221,511	45,000	122,225
Fund Balance	5,389,029	4,099,673	1,986,150
<b>Total</b>	<b>\$ 57,295,848</b>	<b>\$ 55,233,821</b>	<b>\$ 54,788,500</b>

# **GENERAL FUND**

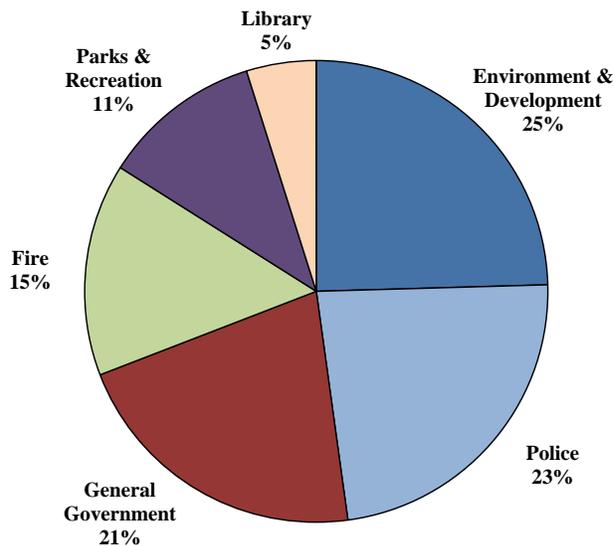
## ***Major Expenditures - Descriptions and Estimates***

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The General Fund provides basic services for Town citizens including police and fire protection, environment and development services (including planning, public works, engineering, and inspections), general administration and planning for growth and development in the community.

The pie chart below shows the relative proportions of expenditures for the various functions and departments in the General Fund budget totaling \$54,788,500 for the 2013-14 budget.

The largest category of expenditures for the General Fund is Public Safety services, with Police Department expenditures of about \$12.8 million and Fire Department expenditures of about \$8.1 million.



Environment and Development is the second largest category in the General Fund at about \$13.4 million, including Planning and Public Works which provide services of planning for growth, engineering, inspections, solid waste collection, maintenance of streets, inspections, and maintenance of Town facilities.

Police, Fire and Public Works together comprise about 60% of total General Fund expenditures.

Other General Fund services include Parks and Recreation programs totaling about \$6.1 million, Library services of \$2.6 million, and General Governmental activities (Administration, Communications & Public Affairs, Business Management, Human Resources, Attorney, and Non-Departmental) totaling about \$11.7 million.

Non-departmental expenditures total \$4.2 million. Non-departmental expenditures include a transfer for capital improvements of \$758,500. \$852,850 is included in the annual budget for distribution to other agencies in support of human services, cultural and arts programs, economic development and development of affordable housing as adopted by the Council. The budget for liability and property insurance totals \$450,000. Prior years included the transfer to the Debt Service Fund, but in 2008-09, a portion of the property tax was allocated to debt service instead.

# **GENERAL FUND**

## ***Major Expenditures - Descriptions and Estimates***

Significant changes in the 2013-14 budget includes changes to medical insurance rates. The adopted budget includes an allowance for a 4% increase in rates for active employees and under-65 retirees, netted with a rate reduction for over-65 retirees of 12.4%. The total allowance is about \$63,000 in group medical insurance for General Fund employees and retirees. The budget also includes an increase to the employer contribution to the state retirement system from 6.74% to 7.07%, or about \$137,000, for General Fund employees.

Additional expenses in the budget include an allowance for a 2% salary increase (\$443,000), implementation of Phase I & II of the Class & Compensation Study (\$149,000), the establishment of a technology fund (\$270,000), increased costs for 10 additional hours at the expanded Library (\$248,746), increases to the transfer to CIP fund (\$164,500) for costs associated to the Ephesus Church/Fordham Construction Engineering, increases due to the expanded Library (\$115,000), increases due to transporting solid waste to Durham (\$355,000) and an increase funds dedicated to the implementation of the Comprehensive Plan (\$80,000).

The 2013-14 Adopted Budget doesn't restore the \$661,000 in street paving that was removed in FY2012 due to the use of two-thirds bonds. This budget also continues to suspend contributions for other post-employment benefits (\$400,000). The 2013-14 budget also fails to completely restore the pay-as-you-go CIP fund to the \$1 million level that has been historically budgeted (\$171,500).

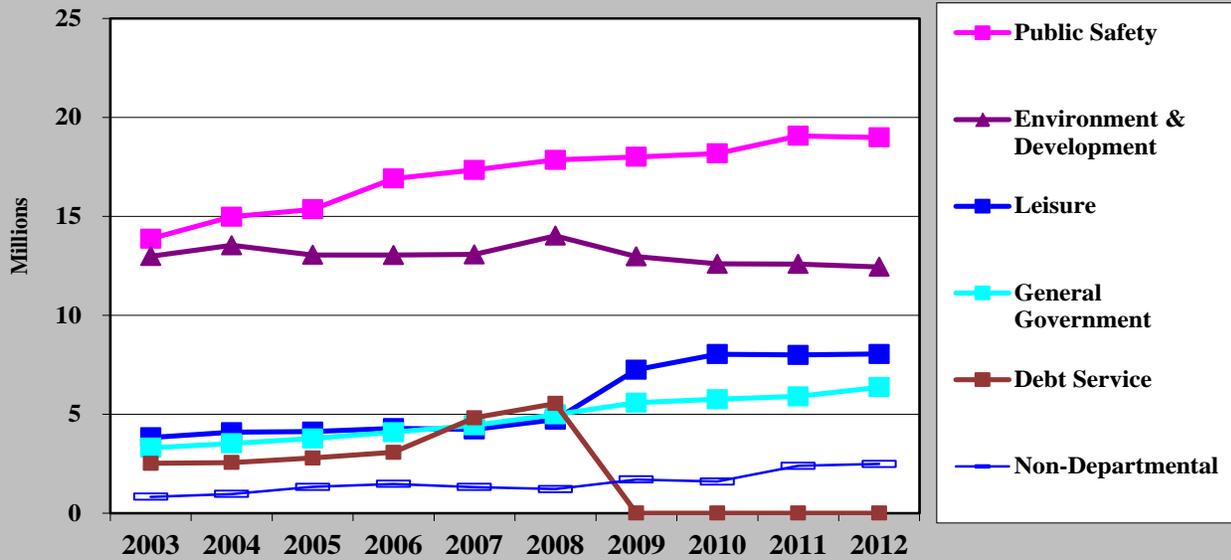
The table below shows expenditure levels for General Fund personnel, operating costs and capital outlay.

<b>EXPENDITURES</b>						
	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	34,804,711	36,836,767	37,122,931	36,455,063	38,441,118	4.4%
Operating Costs	13,594,861	14,951,933	18,264,244	16,936,565	15,441,882	3.3%
Capital Outlay	575,593	775,300	1,908,673	1,842,193	905,500	16.8%
<b>Total</b>	<b>48,975,165</b>	<b>52,564,000</b>	<b>57,295,848</b>	<b>55,233,821</b>	<b>54,788,500</b>	<b>4.2%</b>

# GENERAL FUND

## Major Expenditures - Descriptions and Estimates

### 10-Year Expenditure Trends



**GENERAL FUND  
EXPENDITURES BY DEPARTMENT**

	2011-12 Actual	2012-13 Original Budget	2012-13 Revised Budget	2012-13 Estimated	2013-14 Adopted Budget	% Change from 2012-13
<b>General Government</b>						
Mayor/Council	\$ 396,947	\$ 393,010	\$ 406,126	\$ 387,367	\$ 436,573	11.1%
Manager/CaPA	1,688,491	1,905,924	2,165,181	2,086,375	2,410,088	26.5%
Human Resource Dev't	1,221,871	1,306,915	1,412,817	1,314,563	1,339,622	2.5%
Business Management	2,765,892	2,923,007	3,036,933	2,942,943	2,995,502	2.5%
Town Attorney	284,775	296,834	296,938	281,717	303,197	2.1%
Non-Departmental	3,157,459	4,020,469	6,537,362	5,840,984	4,173,710	3.8%
<b>Subtotal</b>	<b>\$ 9,515,435</b>	<b>\$ 10,846,159</b>	<b>\$ 13,855,357</b>	<b>\$ 12,853,949</b>	<b>\$ 11,658,692</b>	<b>7.5%</b>
<b>Environment &amp; Development</b>						
Planning	\$ 1,320,735	\$ 1,481,340	\$ 1,594,795	\$ 1,382,163	\$ 1,425,972	-3.7%
Public Works	11,122,893	11,422,710	12,273,922	11,831,432	12,019,220	5.2%
<b>Subtotal</b>	<b>\$ 12,443,628</b>	<b>\$ 12,904,050</b>	<b>\$ 13,868,717</b>	<b>\$ 13,213,595</b>	<b>\$ 13,445,192</b>	<b>4.2%</b>
<b>Public Safety</b>						
Police	\$ 11,662,566	\$ 12,599,282	\$ 12,976,301	\$ 12,738,723	\$ 12,759,697	1.3%
Fire	7,319,927	7,833,812	7,860,162	8,113,080	8,147,917	4.0%
<b>Subtotal</b>	<b>\$ 18,982,493</b>	<b>\$ 20,433,094</b>	<b>\$ 20,836,463</b>	<b>\$ 20,851,803</b>	<b>\$ 20,907,614</b>	<b>2.3%</b>
<b>Leisure</b>						
Parks and Recreation	\$ 5,900,402	\$ 6,014,134	\$ 6,311,225	\$ 6,087,042	\$ 6,114,147	1.7%
Library	2,133,207	2,366,563	2,424,086	2,227,432	2,662,855	12.5%
<b>Subtotal</b>	<b>\$ 8,033,609</b>	<b>\$ 8,380,697</b>	<b>\$ 8,735,311</b>	<b>\$ 8,314,474</b>	<b>\$ 8,777,002</b>	<b>4.7%</b>
<b>General Fund Total</b>	<b>\$ 48,975,165</b>	<b>\$ 52,564,000</b>	<b>\$ 57,295,848</b>	<b>\$ 55,233,821</b>	<b>\$ 54,788,500</b>	<b>4.2%</b>



# **GENERAL GOVERNMENT**

## **BUDGET SUMMARY**

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*This section includes management, human resources, finance, information technology and legal functions to support all Town departments as well as budget for non-departmental expenses.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Mayor/Council	\$ 396,947	\$ 393,010	\$ 406,126	\$ 387,367	\$ 436,573	11.1%
Town Manager/CaPA	1,688,491	1,905,924	2,165,181	2,086,375	2,410,088	26.5%
Human Resources	1,221,871	1,306,915	1,412,817	1,314,563	1,339,622	2.5%
Business Management	2,765,892	2,923,007	3,036,933	2,942,943	2,995,502	2.5%
Town Attorney	284,775	296,834	296,938	281,717	303,197	2.1%
Non-Departmental	3,157,459	4,020,469	6,537,362	5,840,984	4,173,710	3.8%
<b>Total</b>	<b>\$ 9,515,435</b>	<b>\$ 10,846,159</b>	<b>\$ 13,855,357</b>	<b>\$ 12,853,949</b>	<b>\$ 11,658,692</b>	<b>7.5%</b>

### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
General Revenues	\$ 9,515,435	\$ 10,846,159	\$ 13,855,357	\$ 12,853,949	\$ 11,658,692	7.5%
<b>Total</b>	<b>\$ 9,515,435</b>	<b>\$ 10,846,159</b>	<b>\$ 13,855,357</b>	<b>\$ 12,853,949</b>	<b>\$ 11,658,692</b>	<b>7.5%</b>

# ***MAYOR/COUNCIL***

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## **MISSION STATEMENT:**

*The primary mission of the Town Council, as the governing body of the Town, is to adopt and provide for the execution of ordinances, rules and regulations as may be necessary or appropriate to protect health, life or property, or to promote the comfort, convenience, security, good order, better government, or the general welfare of the Town and its citizens.*

The Mayor and eight Council Members constitute the governing body of the Town. In accordance with the Town's Charter, the voters elect a Mayor every two years. Council Members are elected to four-year, staggered terms on an at-large basis. The Mayor chairs Town Council meetings and represents the Town in various intergovernmental matters.

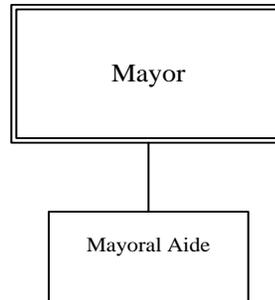
The Mayor and Town Council make policy decisions regarding Town services and other governmental responsibilities of the Town. Most policy decisions occur through adoption of the Comprehensive Plan, the annual budget, the capital improvements program and other ordinances and resolutions. Town Council duties also include:

- Amendment of previously adopted policies from time to time through changes in the Town Code of Ordinances and the Development Ordinance, and by revision of policies and documents such as the Comprehensive Plan and transportation plans.
- Appointment of advisory boards, commissions, task forces and committees, including appointment of five of the nine members of the Orange Water and Sewer Authority Board of Directors, a separate entity from the Town, created pursuant to State law.
- Appointment of the Town Manager and Town Attorney.
- Establishment of agreements with other governments, such as the Joint Planning Agreement with Orange County and the Town of Carrboro.

***MAYOR***  
***STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

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	<b>2011-12 ADOPTED</b>	<b>2012-13 ADOPTED</b>	<b>2013-14 ADOPTED</b>
Mayoral Aide	1.00	1.00	1.00
Mayor's Office Totals	1.00	1.00	1.00



# **MAYOR**

## **BUDGET SUMMARY**

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*The adopted budget for the Mayor's office reflects a slight overall increase from the prior year in keeping with the strategy for addressing next year's budget in the current economic climate. The 2.7% increase in personnel costs include a 2% employee pay allowance effective October 2013, an increase of 4% in medical insurance costs and a slight increase in the state retirement contribution, which accounts for the increase in personnel costs over prior year. The 19.7% in operating costs can be attributed to an increase in anticipated travel expenses.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 97,519	\$ 98,461	\$ 98,536	\$ 95,930	\$ 101,110	2.7%
Operating Costs	16,104	16,987	21,387	21,160	20,330	19.7%
<b>Total</b>	<b>\$ 113,623</b>	<b>\$ 115,448</b>	<b>\$ 119,923</b>	<b>\$ 117,090</b>	<b>\$ 121,440</b>	<b>5.2%</b>

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### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
General Revenues	\$ 113,623	\$ 115,448	\$ 119,923	\$ 117,090	\$ 121,440	5.2%
<b>Total</b>	<b>\$ 113,623</b>	<b>\$ 115,448</b>	<b>\$ 119,923</b>	<b>\$ 117,090</b>	<b>\$ 121,440</b>	<b>5.2%</b>

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# **COUNCIL**

## **BUDGET SUMMARY**

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*The adopted budget for the Town Council reflects an increase of 13.5% from the 2012-13 budget, primarily for election-related items. The operating increase is directly related to adding election expenses to the FY14 budget (\$25,000). The 2.8% increase in personnel is the net result of the 2% pay adjustment effective October 2013, medical insurance selections made by Council members, as well as the 4% increase in medical insurance.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 160,592	\$ 161,681	\$ 161,922	\$ 159,735	\$ 166,210	2.8%
Operating Costs	122,732	115,881	124,281	110,542	148,923	28.5%
<b>Total</b>	<b>\$ 283,324</b>	<b>\$ 277,562</b>	<b>\$ 286,203</b>	<b>\$ 270,277</b>	<b>\$ 315,133</b>	<b>13.5%</b>

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### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
General Revenues	\$ 283,324	\$ 277,562	\$ 286,203	\$ 270,277	\$ 315,133	13.5%
<b>Total</b>	<b>\$ 283,324</b>	<b>\$ 277,562</b>	<b>\$ 286,203</b>	<b>\$ 270,277</b>	<b>\$ 315,133</b>	<b>13.5%</b>

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# TOWN MANAGER

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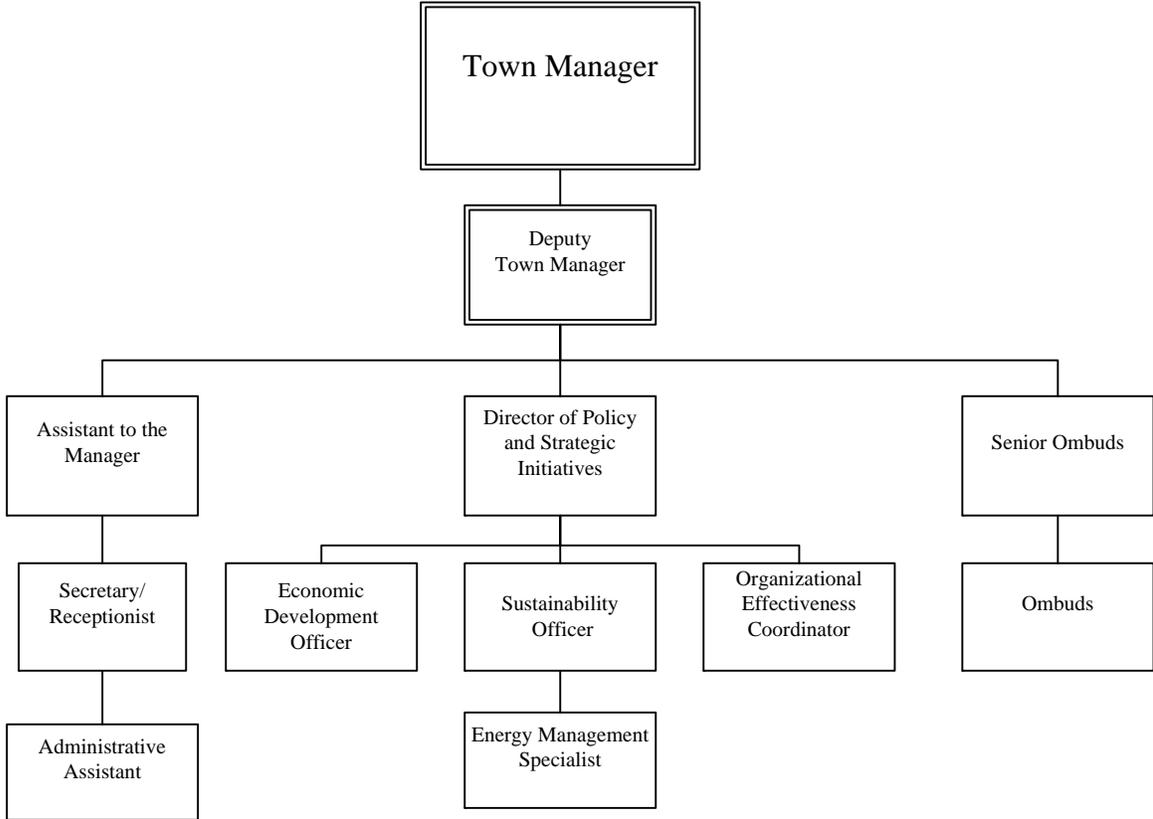
**MISSION STATEMENT:**

*The primary mission of the Town Manager's Office is to ensure that the laws of the State and the ordinances, resolutions, regulations, and policies of the Council are faithfully executed.*

As a first step towards Priority-Based Budgeting, the Town Manger's Office identified the following primary programs that are included in the projected budget for FY14.

<b>Program</b>	<b>Description</b>
<b>Council Support</b>	Provide support to Mayor and Town Council, including coordinating preparation and delivery of informational reports and recommendations.
<b>Executive Management</b>	Lead organizational and leadership development initiatives. Administer and manage operation of Town government, including supervising department heads and providing oversight for various Town-wide projects.
<b>Economic Development</b>	Provide support and assistance to new and existing businesses in order to promote further development.
<b>Sustainability</b>	Coordinate, develop and implement policy, programs and initiatives to measure and enhance organizational and community sustainability.
<b>Stakeholder Communications</b>	Receive and coordinate responses to requests for services/information by Town Council, residents, business owners and others directed to Manager's Office and Town Council. Represent Town in discussions and negotiations with the University and other agencies and governmental entities.

**TOWN MANAGER**



***TOWN MANAGER'S OFFICE  
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

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	<b>2011-12 ADOPTED</b>	<b>2012-13 ADOPTED</b>	<b>2013-14 ADOPTED</b>
Town Manager	1.00	1.00	1.00
Deputy Town Manager	1.00	1.00	1.00
Assistant Town Manager	1.00	0.00	0.00
Economic Development Coordinator	1.00	1.00	1.00
Executive Assistant (Unfunded)	1.00	0.00	0.00
Sustainability Officer	1.00	1.00	1.00
Energy Management Specialist	0.00	1.00	1.00
Policy & Strategic Initiatives Director	0.00	0.00	1.00
Organizational Effectiveness Coordinator	0.00	0.00	1.00
Coordinator - Special Projects (Unfunded)	1.00	0.00	0.00
Senior Ombuds	0.00	0.00	1.00
Ombuds	0.00	0.00	1.00
Assistant to the Manager	1.00	1.00	1.00
Administrative Assistant	0.80	0.00	0.75
Secretary/Receptionist	1.00	1.00	1.00
Town Manager's Office Totals	<u>9.80</u>	<u>7.00</u>	<u>11.75</u>

# **TOWN MANAGER**

## **BUDGET SUMMARY**

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*The Town Manager's adopted budget for FY14 reflects a 33.5% increase over FY13, primarily the result of the movement of a Planning position as well as a Human Resource Development (HRD) position to create the new Policy & Strategic Initiatives Division, along with the addition of a 2nd position in the Ombuds office, and the addition of a part-time Administrative Assistant. Other personnel changes include a 2% employee pay allowance effective October 2013, an increase of 4% in medical insurance costs and a slight increase in the state retirement contribution. The operating increase of 8.9% is due to increased costs associated with the establishment of the new Policy & Strategic Initiatives Division.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 844,722	\$ 1,044,751	\$ 1,254,153	\$ 1,213,596	\$ 1,444,472	38.3%
Operating Costs	200,052	202,230	251,080	221,290	220,324	8.9%
<b>Total</b>	<b>\$ 1,044,774</b>	<b>\$ 1,246,981</b>	<b>\$ 1,505,233</b>	<b>\$ 1,434,886</b>	<b>\$ 1,664,796</b>	<b>33.5%</b>

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### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
General Revenues	\$ 1,044,774	\$ 1,246,981	\$ 1,505,233	\$ 1,434,886	\$ 1,664,796	33.5%
<b>Total</b>	<b>\$ 1,044,774</b>	<b>\$ 1,246,981</b>	<b>\$ 1,505,233</b>	<b>\$ 1,434,886</b>	<b>\$ 1,664,796</b>	<b>33.5%</b>

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# COMMUNICATIONS & PUBLIC AFFAIRS

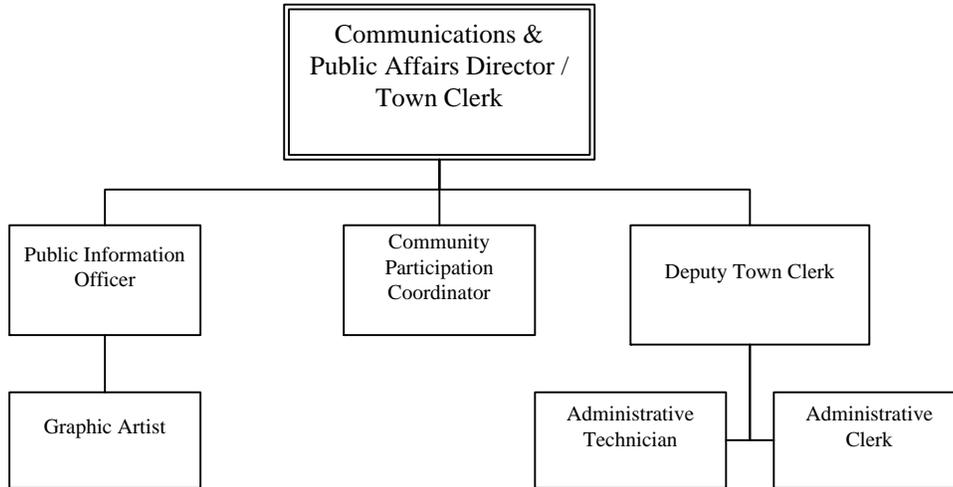
## MISSION STATEMENT:

*To encourage citizen participation in Town government, and to support the Town's strategic directions through news media relations, internal and external communications, vital records maintenance and provision, citizen education and service programs, and marketing activities.*

As a first step towards Priority-Based Budgeting, the Communications and Public Affairs Department identified the following primary programs that are included in the projected budget for FY14.

Program	Description
<b>Communications &amp; Public Information</b>	Provide information to the public in a variety of forms.
<b>Governance Support</b>	Provide support for Council Meetings and the Agenda process. Organize and facilitate all Council meetings/workshops, Council orientation, transcribe Council meeting minutes.
<b>Public Records</b>	Maintain and dispose of public records. Maintain, update and transmit amendments to Municipal Code of Ordinances.
<b>Citizen Participation</b>	Support the Town's advisory board system, including the establishment of standards, recruiting and training advisory board members, coordination of Council appointments.
<b>Consultation and Ancillary Support Services</b>	Provide internal consultation training and support. Help coordinate projects and special events.

# COMMUNICATIONS & PUBLIC AFFAIRS



**COMMUNICATIONS & PUBLIC AFFAIRS OFFICE**  
**STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS**

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	<b>2011-12 ADOPTED</b>	<b>2012-13 ADOPTED</b>	<b>2013-14 ADOPTED</b>
Communications & Public Affairs Director / Town Clerk	1.00	1.00	1.00
Town Clerk-Deputy	1.00	1.00	1.00
Administrative Technician	1.00	1.00	1.00
Administrative Clerk	1.53	0.53	0.53
Community Participation Coordinator	0.00	1.00	1.00
Public Information Officer	1.00	1.00	1.00
Graphic Artist	0.80	1.00	1.00
Media Specialist	1.00	0.00	1.00
	<hr/>	<hr/>	<hr/>
CAPA Office Totals	<b>7.33</b>	<b>6.53</b>	<b>7.53</b>

# **COMMUNICATIONS & PUBLIC AFFAIRS/ TOWN CLERK BUDGET SUMMARY**

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*The adopted budget for 2013-14 reflects a 13.1% increase from prior year. The personnel increase of 14.6% reflects the addition of a Multimedia Producer position, a 2% employee pay allowance effective October 2013, an increase of 4% in medical insurance costs and a slight increase in the state retirement contribution. The 9.7% increase to the operating budget is primarily due to the costs associated with the community survey (\$20,000).*

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## **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 437,882	\$ 455,295	\$ 455,557	\$ 457,350	\$ 521,953	14.6%
Operating Costs	205,835	203,648	204,391	194,139	223,339	9.7%
<b>Total</b>	<b>\$ 643,717</b>	<b>\$ 658,943</b>	<b>\$ 659,948</b>	<b>\$ 651,489</b>	<b>\$ 745,292</b>	<b>13.1%</b>

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## **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
General Revenues	\$ 643,717	\$ 658,943	\$ 659,948	\$ 651,489	\$ 745,292	13.1%
<b>Total</b>	<b>\$ 643,717</b>	<b>\$ 658,943</b>	<b>\$ 659,948</b>	<b>\$ 651,489</b>	<b>\$ 745,292</b>	<b>13.1%</b>

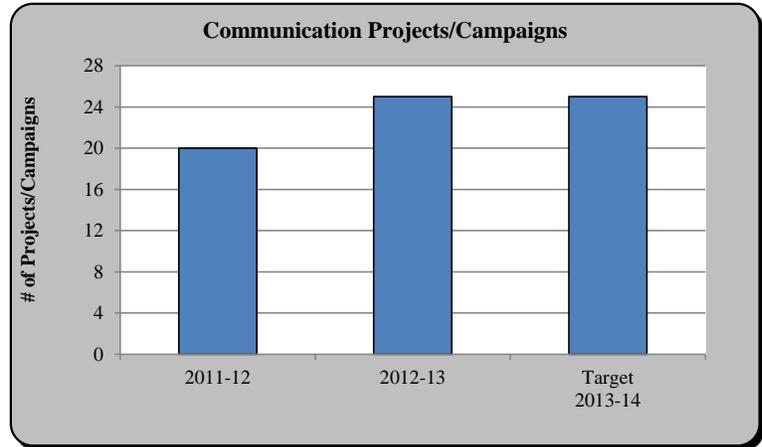
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## **COMMUNICATIONS & PUBLIC AFFAIRS/TOWN CLERK TRENDS**

**COUNCIL SERVICE GOAL:** Provide accurate and timely current and historical public information.

**Objective:** Produce at least 20 Communications Projects/Campaigns annually to enhance public knowledge and involvement with the Council's goals and initiatives.

**Departmental Goal:** Provide public awareness campaigns and maintain officials records to promote local government accountability/transparency, participation and collaboration.



OBJECTIVES	PROGRESS/STATUS			
<b>Public Information:</b> Enhance the Town's image and build support for municipal programs; enable residents to take full advantage of Town services; enhance citizens' understanding of issues facing the Town.	Increased number of news releases, brochures, and numerous special projects to provide information to the public.			
PUBLIC INFORMATION GOAL	Actual 11-12	Actual 12-13	Target for 13-14	Change from Prior Year
Number of news releases	516	615	676	19%
Number of advertisements	86	59	65	-31%
Number of publications/brochures/directories	98	80	88	-18%
Number of communications projects/campaigns	20	25	25	5%

OBJECTIVES	PROGRESS/STATUS			
<b>Public Participation:</b> Help policy makers and constituents cooperatively formulate and achieve common goals; reinforce a sense of openness, which encourages participation in local government	Held training for boards and commissions staff liaisons; developing process for response to petitions; developed process to make Council emails available to public; soliciting more Facebook fans and Twitter followers			
PUBLIC PARTICIPATION GOAL	Actual 11-12	Actual 12-13	Target for 13-14	Change from Prior Year
eNews subscribers	3,132	3,156	3,472	1%
Facebook fans	3,554	3,908	4,299	10%
Twitter followers	2,216	3,522	3,874	59%

OBJECTIVES	PROGRESS/STATUS			
<b>Internal Communications:</b> Increase employee knowledge about overall Town government; increase employee effectiveness at presenting and communicating	Continued production of newsletter (available online); quarterly web steward training; offered training for PowerPoint presentations			
INTERNAL COMMUNICATIONS GOAL	Actual 11-12	Actual 12-13	Target for 13-14	Change from Prior Year
Number of employee newsletters	8	10	8	25%

# ***HUMAN RESOURCE DEVELOPMENT DEPARTMENT***

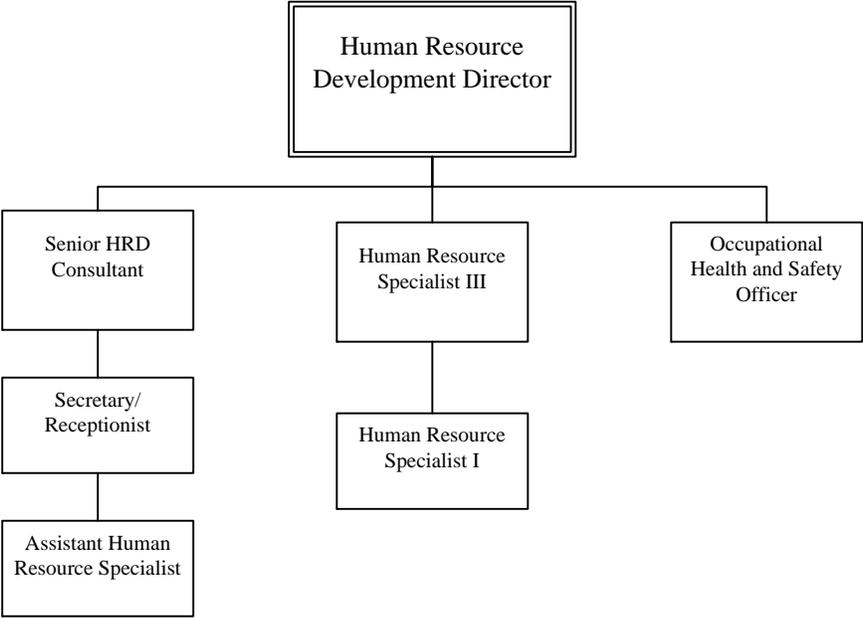
## **MISSION STATEMENT:**

*The mission of the Human Resource Development Department is to directly contribute to the Town's mission and vision by strengthening the development of human resources, providing quality services to employees and the community, promoting a safe working environment, ensuring financially sustainable compensation and benefits programs, while recognizing and valuing diverse backgrounds and improving operational effectiveness.*

As a first step towards Priority-Based Budgeting, the Human Resource Development Department identified the following primary programs that are included in the projected budget for FY14.

<b>Program</b>	<b>Description</b>
<b>Classification and Compensation</b>	Establish and maintain the Town's position classification system and pay plan through periodic reviews of position requirements and job descriptions and external and internal compensation comparability.
<b>Benefits</b>	Administer all insurance and retirement plans for employees, retirees and COBRA participants and their eligible dependents, including medical, dental, life and retirement and health savings plans.
<b>Employee Relations</b>	Ensure communication and understanding of the Town's Code of Ordinances, Town policies and procedures and State and Federal laws.
<b>Employee Training and Development</b>	Provide programs designed to engage our employees and assist them in reaching their professional potential by building skills and enhancing competencies.
<b>Recruitment Services</b>	Develop, implement and maintain selection procedures in accordance with applicable policies and laws that identify, attract and retain the most qualified applicants for employment while encouraging diverse representation at all levels of the workforce.
<b>Safety and Wellness</b>	Manage the Workers' Compensation, risk management, Occupational Health and Safety and Health and Wellness programs; provide safety training and inspection of our facilities to ensure compliance with state and federal standards.

HUMAN RESOURCE DEVELOPMENT



***HUMAN RESOURCE DEVELOPMENT DEPARTMENT  
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

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	<b>2011-12 ADOPTED</b>	<b>2012-13 ADOPTED</b>	<b>2013-14 ADOPTED</b>
Human Resource Development Director	1.00	1.00	1.00
Assistant Director-Human Resource Development	1.00	0.00	0.00
Senior Human Resource Consultant	0.00	0.00	1.00
Planner	0.00	1.00	0.00
Occupational Health and Safety Officer	1.00	1.00	1.00
Human Resource Specialist	4.00	4.00	4.00
Secretary/ Receptionist	1.00	1.00	1.00
	<hr/>		
Human Resource Development Totals	8.00	8.00	8.00

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# ***HUMAN RESOURCE DEVELOPMENT BUDGET SUMMARY***

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*The adopted budget for FY14 includes a 2.4% increase in personnel costs, chiefly the result of a 2% employee pay allowance effective October 2013, an increase of 4% in medical insurance costs and a slight increase in the state retirement contribution. The 2.6% increase to the operating budget can be attributed to an increase of \$15,000 for software costs associated with the new Employee Performance Management & Development System.*

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## **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 580,699	\$ 643,970	\$ 625,139	\$ 563,293	\$ 659,747	2.4%
Operating Costs	641,172	662,945	787,678	751,270	679,875	2.6%
Total	\$ 1,221,871	\$ 1,306,915	\$ 1,412,817	\$ 1,314,563	\$ 1,339,622	2.5%

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## **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
General Revenues	\$ 1,221,871	\$ 1,306,915	\$ 1,412,817	\$ 1,314,563	\$ 1,339,622	2.5%
Total	\$ 1,221,871	\$ 1,306,915	\$ 1,412,817	\$ 1,314,563	\$ 1,339,622	2.5%

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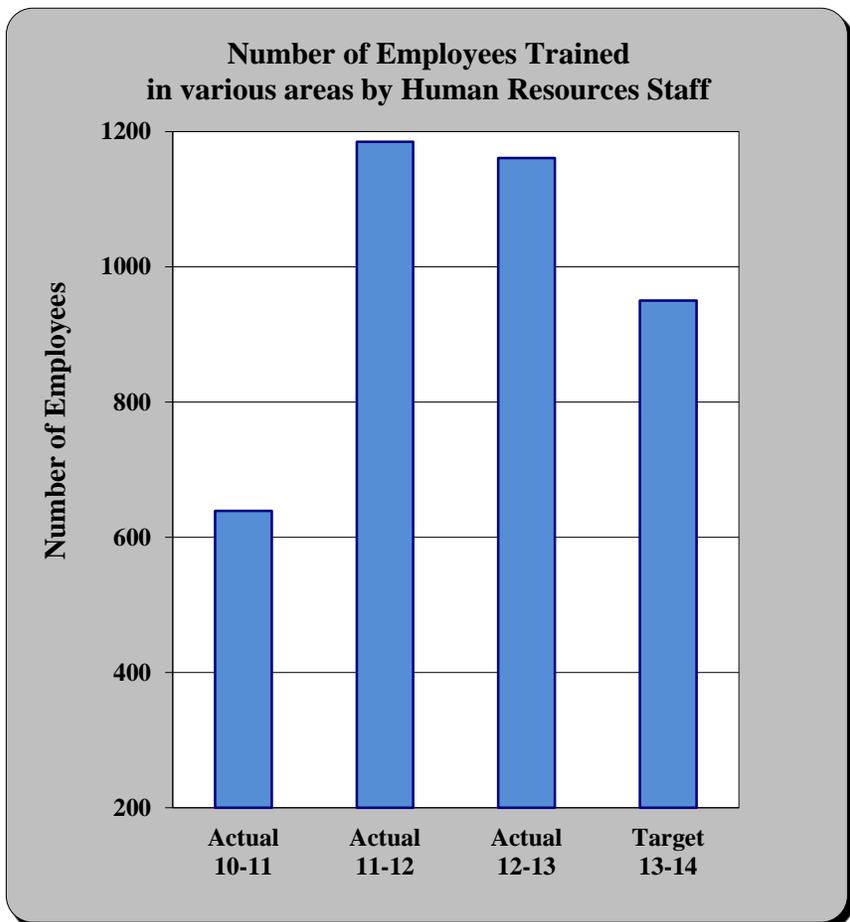
# HUMAN RESOURCES TRENDS

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**COUNCIL SERVICE GOALS:** Retain employees and continue to invest in the maintenance of employee skills, knowledge and abilities as a key community resource.

**GOAL:** *Administer a program which supports a mission focused workforce that is equipped with the necessary competencies to meet the Towns current and future needs.*

The Human Resource Development Department offered a variety of training and developmental opportunities in 2012-2013. Our focus continues to be creating a framework that engages staff at all levels of the organization in the process of aligning their learning activities with the mission, values and strategic goals of the Town. This year HRD trained all employees on legal compliance in a values based organization and provided leadership development and skill building training. As a result we provided training to approximately 950 participants.



# ***BUSINESS MANAGEMENT DEPARTMENT***

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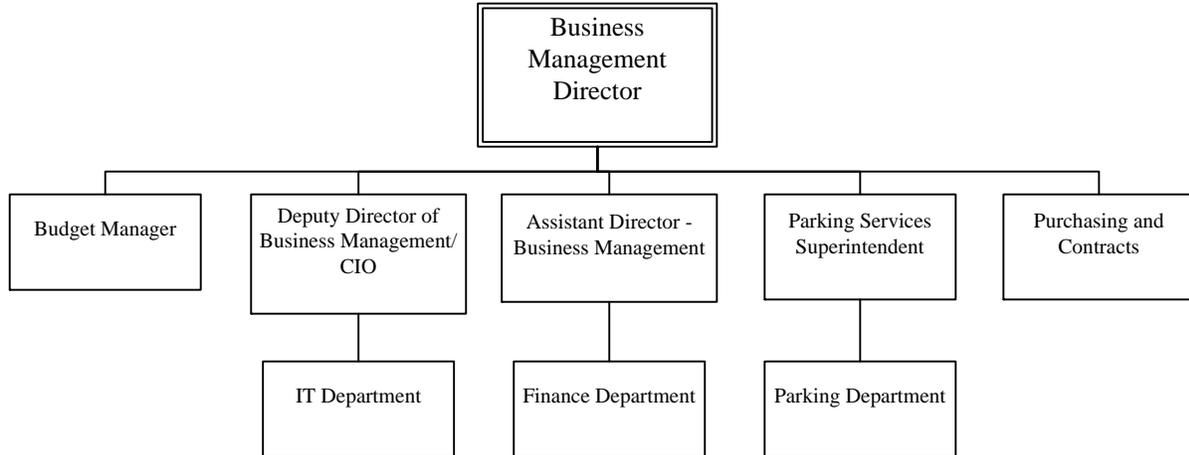
**MISSION STATEMENT:**

*The mission of the Business Management Department is to safeguard the Town's assets through appropriate financial controls, facilitate Town operations through accurate and timely processing of financial transactions, provide relevant and timely reporting of the Town's financial condition, and provide technology oversight and support to help the Town make the best possible use of available technology.*

As a first step towards Priority-Based Budgeting, the Business Management Department identified the following primary programs that are included in the projected budget for FY14.

<b>Program</b>	<b>Description</b>
<b>Billing &amp; Collections</b>	Provide administration and/or oversight of all Town billings and collections.
<b>Budget</b>	Administer the Town's capital and operating budgets.
<b>Payroll &amp; Payables</b>	Administer the Town's payroll and payables functions.
<b>Accounting &amp; Financial Reporting</b>	Maintain the Town's financial accounting system.
<b>Purchasing &amp; Contracts</b>	Administer the Town's purchasing and contracting systems.
<b>Risk Management</b>	Process liability, property and W/C claims against the Town.
<b>Liquidity Management</b>	Administer the Town's cash management, investment, banking, and debt management functions.
<b>Financial Planning &amp; Support</b>	Provide financial analysis, research and strategic planning for the Town's financial operations.
<b>User Support</b>	Provide user Help Desk support for computer hardware, software, network, servers, and telephones.
<b>Intranet Infrastructure</b>	Administer and manage all network infrastructure.
<b>Telecommunications</b>	Administer and manage all Voice over IP telephone systems.
<b>Database Management and Enterprise Application Support</b>	Administer and manage the ESRI Geographic Information System, Tyler Technologies MUNIS financial/payroll/human resources software application and databases, and Davenport LAMA development tracking software.
<b>IT Planning and Coordination</b>	Consult with Town departments on IT planning, collaboration, and design services for infrastructure and software configurations.

## BUSINESS MANAGEMENT DEPARTMENT OVERVIEW



Parking Services is supervised by the Business Management Director, and is shown in the Parking section.

***BUSINESS MANAGEMENT  
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

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	<b>2011-12 ADOPTED</b>	<b>2012-13 ADOPTED</b>	<b>2013-14 ADOPTED</b>
<b><u>Finance</u></b>			
Director - Business Management	1.00	1.00	1.00
Assistant Director - Business Management	1.00	1.00	1.00
Accounting Manager	1.00	1.00	1.00
Financial Systems Administrator	1.00	1.00	1.00
Budget Manager	1.00	1.00	1.00
Accountant	3.00	3.00	3.00
Purchasing & Contracts Manager	1.00	1.00	1.00
Payroll Coordinator	1.00	1.00	1.00
Accounting Technician II	2.00	2.00	2.00
Revenue Collector	1.00	1.00	1.00
Accounting Clerk	1.00	1.00	1.00
Purchasing Technician	1.00	1.00	1.00
Division Totals	<u>15.00</u>	<u>15.00</u>	<u>15.00</u>
<b><u>Information Technology</u></b>			
Deputy Director - Bus. Mgmt./Chief Information Officer	1.00	1.00	1.00
Network and Telecommunications Analyst	1.00	1.00	1.00
Geographic Information Systems Analyst	1.00	1.00	1.00
Business Analyst	0.00	0.00	1.00
Information Technology Analyst	5.00	5.00	5.00
Division Totals	<u>8.00</u>	<u>8.00</u>	<u>9.00</u>
Business Management Totals	<u>23.00</u>	<u>23.00</u>	<u>24.00</u>

The Business Management Director also supervises Parking Services, shown in the Parking section.

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# ***BUSINESS MANAGEMENT***

## ***BUDGET SUMMARY***

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*Business Management is comprised of the Finance and Information Technology divisions. See the following division summaries for details*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 1,806,055	\$ 1,952,486	\$ 1,947,963	\$ 1,837,692	\$ 2,034,749	4.2%
Operating Costs	860,408	876,321	941,715	974,996	860,753	-1.8%
Capital Outlay	99,429	94,200	147,255	130,255	100,000	6.2%
Total	\$ 2,765,892	\$ 2,923,007	\$ 3,036,933	\$ 2,942,943	\$ 2,995,502	2.5%

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### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
General Revenues	\$ 2,765,892	\$ 2,923,007	\$ 3,036,933	\$ 2,942,943	\$ 2,995,502	2.5%
Total	\$ 2,765,892	\$ 2,923,007	\$ 3,036,933	\$ 2,942,943	\$ 2,995,502	2.5%

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# BUSINESS MANAGEMENT

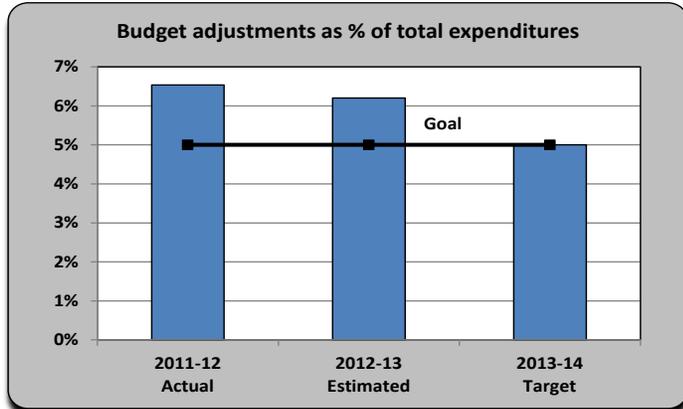
## TRENDS

**COUNCIL SERVICE GOALS:** Provide for responsible management of the Town's financial assets. Provide reliable financial information in a timely manner.

**GOAL :** To support the Town's budget process by establishing an accurate and efficient budget.

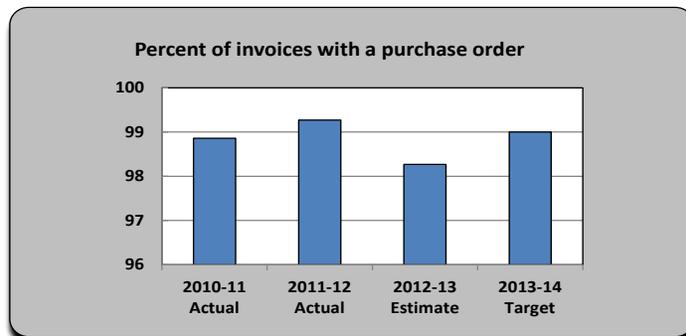
**OBJECTIVE :** Maintain budget adjustments at less than 5% of total expenditures.

This new measure was established in FY12, with a target of keeping budget adjustments at less than 5% of total expenditures. The target was not achieved in FY12. We will reassess the target as we collect more data.



**GOAL :** To safeguard the Town's assets through appropriate accounting controls.

**OBJECTIVE :** To secure purchase orders for 99% of invoices over \$1,000.



During FY12-13, purchase orders were secured for 98.27% of invoices over \$1,000. This is down from 99.27% in FY12 and falling short of the goal of 99%. The Target for FY14 remains at 99%.

OBJECTIVES	PROGRESS/STATUS
Maintain accounting records in a manner that supports the operation of the Town and enables the Town to obtain an unqualified audit opinion on its annual financial statements. Renew the Certificate of Achievement for Excellence in Financial Reporting from the National Government Finance Officers Association.	Received Award for Excellence in Financial Reporting for the FY12 Comprehensive Annual Financial Report. Audit services secured for fiscal year ending June 30, 2013 and initial visits from auditors conducted.
Provide financial, budgetary, and accounting assistance on the coordination and implementation of bond projects and other debt financing requirements.	Monthly bond payments made on time, and \$4.655 million in General Obligation bonds were refunded in FY12, with \$1.7 million in Two-Thirds bonds secured for issuance in FY13. Installment financing of \$487,000 in replacement vehicles was secured in FY12.
Include information in annual budgets necessary to continue to receive the Distinguished Budget Presentation Award from Governmental Finance Officers Association.	Budget work sessions were held in May - June, and the Council adopted the FY13 budget on June 10th. Work has begun on the budget document for submission to GFOA.

# **FINANCE**

## **BUDGET SUMMARY**

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*The adopted budget for FY14 includes a 0.5% decrease in personnel costs, chiefly the result of a reduction of temporary salaries and employee turnover, netted with the 2% employee pay allowance effective October 2013, an increase of 4% in medical insurance costs and a slight increase in the state retirement contribution. The FY14 budget includes a slight overall operating decrease of 0.9% for various decreases.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 1,112,755	\$ 1,203,132	\$ 1,198,237	\$ 1,132,378	\$ 1,197,467	-0.5%
Operating Costs	432,461	475,369	488,103	503,721	471,244	-0.9%
Total	\$ 1,545,216	\$ 1,678,501	\$ 1,686,340	\$ 1,636,099	\$ 1,668,711	-0.6%

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### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
General Revenues	\$ 1,545,216	\$ 1,678,501	\$ 1,686,340	\$ 1,636,099	\$ 1,668,711	-0.6%
Total	\$ 1,545,216	\$ 1,678,501	\$ 1,686,340	\$ 1,636,099	\$ 1,668,711	-0.6%

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## **INFORMATION TECHNOLOGY BUDGET SUMMARY**

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*The adopted budget for the Information Technology division reflects an overall 6.6% increase from FY13. The personnel increase of 11.7% reflects the addition of a new Business Analyst Position, a 2% employee pay allowance effective October 2013, an increase of 4% in medical insurance costs and a slight increase in the state retirement contribution. The 2.9% decrease to the operating budget is chiefly the result of decreases in costs associated to municipal fiber project. The 6.2% increase to Capital Outlay or \$5,800, is for costs associated with server replacement.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 693,300	\$ 749,354	\$ 749,726	\$ 705,314	\$ 837,282	11.7%
Operating Costs	427,947	400,952	453,612	471,275	389,509	-2.9%
Capital Outlay	99,429	94,200	147,255	130,255	100,000	6.2%
<b>Total</b>	<b>\$ 1,220,676</b>	<b>\$ 1,244,506</b>	<b>\$ 1,350,593</b>	<b>\$ 1,306,844</b>	<b>\$ 1,326,791</b>	<b>6.6%</b>

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### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
General Revenues	\$ 1,220,676	\$ 1,244,506	\$ 1,350,593	\$ 1,306,844	\$ 1,326,791	6.6%
<b>Total</b>	<b>\$ 1,220,676</b>	<b>\$ 1,244,506</b>	<b>\$ 1,350,593</b>	<b>\$ 1,306,844</b>	<b>\$ 1,326,791</b>	<b>6.6%</b>

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# INFORMATION TECHNOLOGY

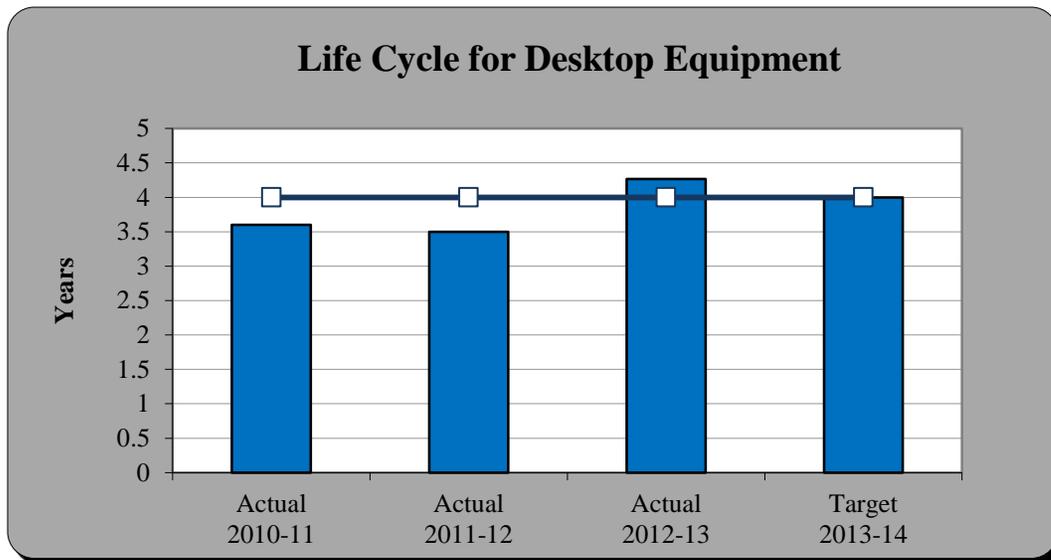
## TRENDS

**COUNCIL SERVICE GOALS:** Invest in technology as a means to provide fast, secure and reliable information for Council, staff and citizens.

**GOAL:** Provide high standard of operational capability with information systems.

**OBJECTIVE:** Maintain a 4-year life cycle for desktop computer equipment.

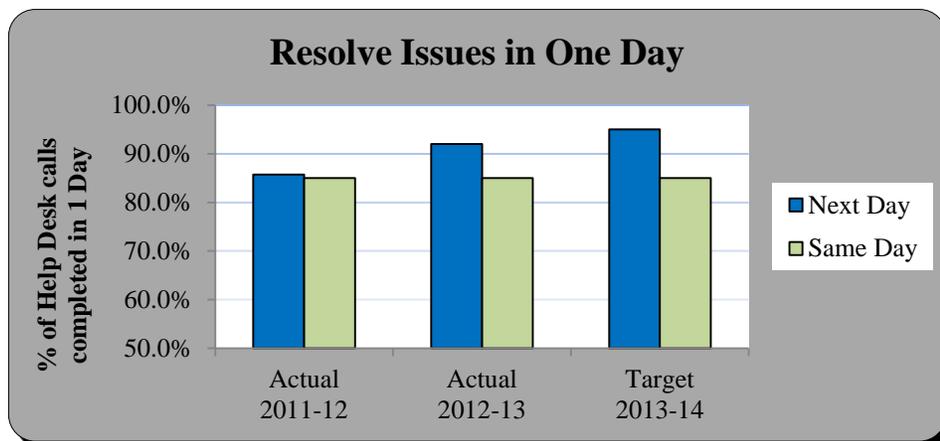
A great majority of desktop computer equipment is no older than 4 years. Projections for FY14 are to sustain the individual computer life cycle as close to four years as possible, permitting the purchase of one fourth of the total PC inventory in FY14 and after to maintain the average age of 2 years.



**GOAL:** Provide improved customer service to all Town users of computer equipment.

**OBJECTIVE:** Complete 85% of all Help Desk calls the same day of call. Complete 95% of all Help Desk calls by the next business day.

Town internal information systems are designed for around-the-clock access. Down time impacts staff productivity and quality and promptness of service to our customers, the citizens of the Town of Chapel Hill. By establishing these customer service standards, we are committing to minimizing the loss of productivity and maximizing the uptime of the Town's computer systems.



# ***TOWN ATTORNEY***

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## **MISSION STATEMENT:**

*The primary mission of the Office of the Town Attorney is to protect the legal interests of the Town of Chapel Hill.*

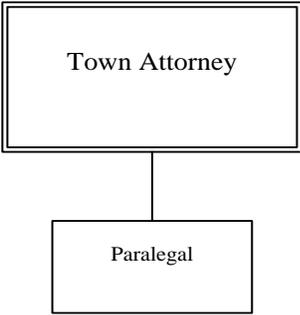
The Town Attorney serves as general counsel to the Town and provides advice to the Mayor and Council, Town boards and commissions, Town administration and Town departments. The duties of the Town Attorney include:

- Preparation for and attendance at Council meetings.
- Research questions raised by Council or individual Council members.
- Conferring with Mayor and members of the Council individually.
- General legal services to Town administration and departments of Town government.
- Participation in administrative agenda planning sessions and special projects.
- Advice to Town Boards and Commissions and individual board members.
- Attendance at Board and Commissions meetings as needed.
- Presentation of orientation program for newly appointed members of Town advisory boards.
- Defense of Town interests in lawsuits and threatened litigation.
- Coordination of work with private law firms representing the Town in litigation, bond financing and other matters where outside counsel is needed.
- Legal services in the acquisition and transfer of land and interests in land.
- Advice to staff in reviewing development projects, drafting ordinances, code enforcement and other matters such as zoning, Town housing initiatives and annexation documents.
- Advice to staff on issues related to construction projects.

***TOWN ATTORNEY***  
***STAFFING COMPARISONS - IN FULL-TIME***

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	2011-12 ADOPTED	2012-13 ADOPTED	2013-14 ADOPTED
Town Attorney	1.00	1.00	1.00
Paralegal	1.00	1.00	1.00
Attorney Department Totals	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>



# **TOWN ATTORNEY**

## **BUDGET SUMMARY**

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*The adopted budget for the Town Attorney's office for 2013-14 shows a increase of 2.1% over the prior year. The personnel increase of 2.7% is a result of the 2% employee pay allowance effective October 2013, an increase of 4% in medical insurance costs and a slight increase in the state retirement contribution. The 4.3% decrease to the operating budget or \$950 is the result of a decrease in supplies.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 269,953	\$ 274,859	\$ 266,463	\$ 261,292	\$ 282,172	2.7%
Operating Costs	14,822	21,975	30,475	20,425	21,025	-4.3%
<b>Total</b>	<b>\$ 284,775</b>	<b>\$ 296,834</b>	<b>\$ 296,938</b>	<b>\$ 281,717</b>	<b>\$ 303,197</b>	<b>2.1%</b>

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### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
General Revenues	\$ 284,775	\$ 296,834	\$ 296,938	\$ 281,717	\$ 303,197	2.1%
<b>Total</b>	<b>\$ 284,775</b>	<b>\$ 296,834</b>	<b>\$ 296,938</b>	<b>\$ 281,717</b>	<b>\$ 303,197</b>	<b>2.1%</b>

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## **NON-DEPARTMENTAL DIVISION BUDGET SUMMARY**

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The Non-Departmental Division is used to account for activities in the General Fund that are not related to other departmental functions. These activities include contributions to other agencies, transfers to other funds and liability insurance. The adopted budget includes decreases from the prior year for Grant Matching Funds (\$42,748), reduction to the Vacancy Pool (\$152,963) and elimination of the one-time transfer to the Transit Fund (\$364,000). The 5.9% decrease in retiree medical insurance is due to the creation of a separate plan for retirees. Other increases from prior year include an increase to the transfer to the Capital Improvements Fund chiefly for the purpose of funding additional Police in-car cameras (\$89,500) and the purchase of a Mobile Stage (\$75,000), the creation of a Technology Fund (\$270,407), increased Unemployment costs due to the new state requirement that local governments set aside 1% of all taxable wage base and funding for the implementation of the class & compensation study (\$150,788).

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Retiree Medical Insurance	\$ 958,858	\$ 1,000,200	\$ 1,016,923	\$ 1,050,923	\$ 941,085	-5.9%
Other Personnel Costs	22,997	25,000	74,773	74,773	320,788	1183.2%
Liability Insurance	419,579	420,593	420,593	420,593	450,000	7.0%
OPEB Liability Contributions	-	-	1,200,000	1,200,000	-	N/A
Operations	(4,336)	70,000	146,500	141,700	161,049	130.1%
Supplemental PEG Fees	202,315	210,000	210,000	210,000	210,000	0.0%
Transfer to Other Funds	5,140	5,800	5,800	5,800	5,800	0.0%
Transfer to Capital Improvement Funds	432,300	594,000	1,635,000	1,635,000	758,500	27.7%
Transfer to Transit	-	364,000	364,000	-	-	-100.0%
Grant Matching Funds	239,457	120,574	301,946	136,946	77,826	-35.5%
Agency Contributions	790,600	852,850	880,850	874,700	864,315	1.3%
Technology Fund	-	-	-	-	270,407	N/A
Vacancy Pool	-	266,903	190,428	-	113,940	-57.3%
Green Tract	90,549	90,549	90,549	90,549	-	-100.0%
<b>Total</b>	<b>\$ 3,157,459</b>	<b>\$ 4,020,469</b>	<b>\$ 6,537,362</b>	<b>\$ 5,840,984</b>	<b>\$ 4,173,710</b>	<b>3.8%</b>

### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
General Revenues	\$ 3,157,459	\$ 4,020,469	\$ 6,537,362	\$ 5,840,984	\$ 4,173,710	3.8%
<b>Total</b>	<b>\$ 3,157,459</b>	<b>\$ 4,020,469</b>	<b>\$ 6,537,362</b>	<b>\$ 5,840,984</b>	<b>\$ 4,173,710</b>	<b>3.8%</b>



## ***ENVIRONMENT & DEVELOPMENT BUDGET SUMMARY***

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*This section includes the Planning and Public Works departments.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Planning	\$ 1,320,735	\$ 1,481,340	\$ 1,594,795	\$ 1,382,163	\$ 1,425,972	-3.7%
Public Works	11,122,893	11,422,710	12,273,922	11,831,432	12,019,220	5.2%
Total	\$ 12,443,628	\$ 12,904,050	\$ 13,868,717	\$ 13,213,595	\$ 13,445,192	4.2%

### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
General Revenues	\$ 10,290,263	\$ 10,804,900	\$ 11,469,461	\$ 10,961,575	\$ 11,195,212	3.6%
State-Shared Revenues	39,213	35,000	35,000	40,000	40,000	14.3%
Grants	-	113,000	113,000	98,000	113,000	0.0%
Charges for Services	909,223	989,950	1,139,950	931,900	943,880	-4.7%
Licenses/Permits/Fines	1,146,965	916,550	1,038,156	1,125,850	1,100,350	20.1%
Other Revenues	57,964	44,650	73,150	56,270	52,750	18.1%
Total	\$ 12,443,628	\$ 12,904,050	\$ 13,868,717	\$ 13,213,595	\$ 13,445,192	4.2%

# ***PLANNING DEPARTMENT***

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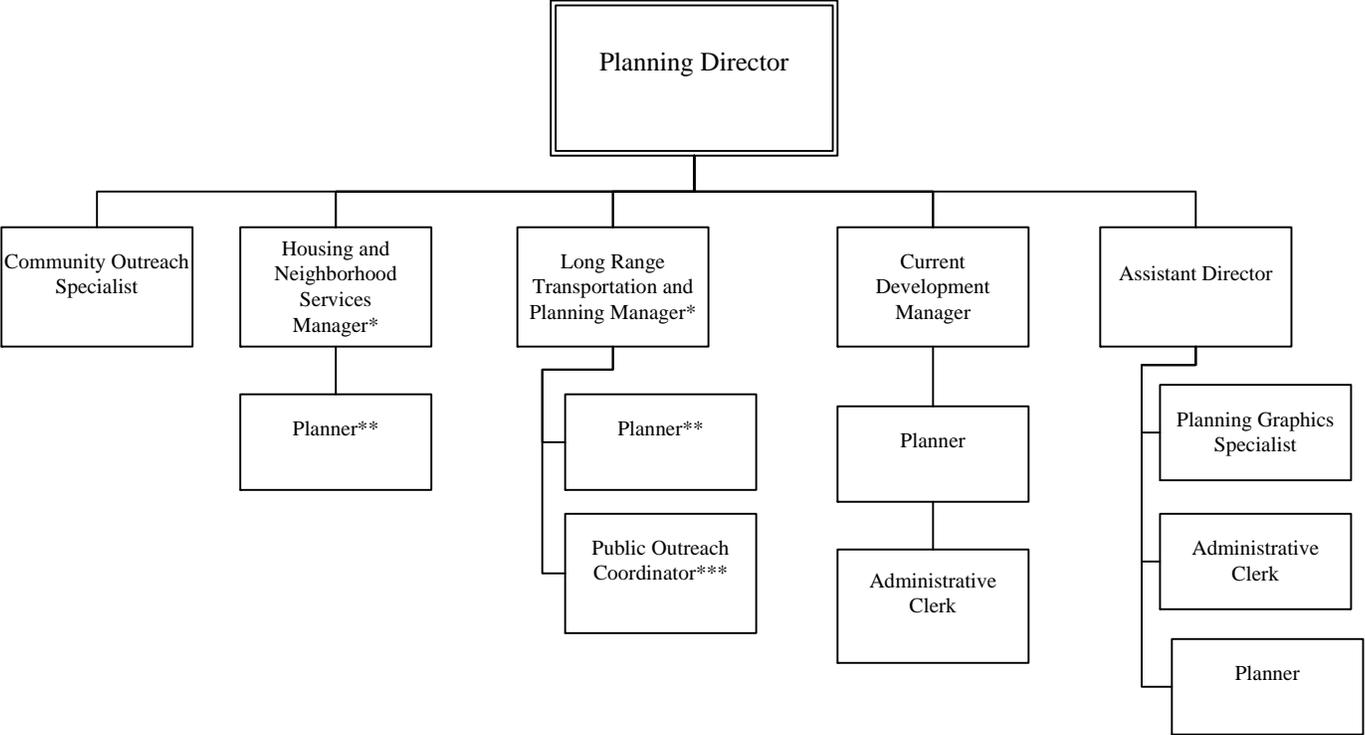
## **MISSION STATEMENT:**

*The Chapel Hill Planning Department implements the community's vision for preservation, development, and future growth. The staff facilitates community decision-making and provides professional advice and technical assistance.*

As a first step towards Priority-Based Budgeting, the Planning Department identified the following primary programs that are included in the projected budget for FY14.

<b>Program</b>	<b>Description</b>
<b>Current Development</b>	Oversee land use management provisions in accordance with policies established in the comprehensive plan. Provide information to citizens, developers, the Town Council and advisory boards concerning zoning, subdivision and land development related activity. Review land use management permit applications and oversee the permit review process. Provide joint enforcement of land use management regulations.
<b>Long-Range and Transportation Planning</b>	Create economic and demographic projections to support planning decisions. Analyze data and create information and mapping to support the state of North Carolina metropolitan planning organization, the Town Council, regional organizations, residents and Town staff. Oversee grant programs for regional transportation improvements. Provide staff support to regional metropolitan planning organization, Transportation Coordinating Committee and Transportation Advisory Committee.
<b>Neighborhood and Housing Services</b>	Review development projects for compliance with the affordable housing ordinance. Administer affordable housing funds. Manage community development block grant funds. Provide staff support to the development of neighborhoods conservation district (NCD) zoning overlays. Enforce NCD regulations.
<b>Comprehensive Plan</b>	Regularly update the Town's comprehensive plan which guides the future development of the Town and policy decisions of the Town Council and staff. Track annual metrics for the plan. Coordinate implementation studies and small area plans. Coordinate policy studies.

PLANNING



\*Housing & Neighborhood Manager position is 40% grant funded and Long Range Transportation and Planning Manager position is 60% grant funded.

\*\*One FT Planner position is 100% grant funded, one FT Planner position is 60% grant funded, and one FT Planner position is 70% grant funded.

\*\*\* Public Outreach Coordinator is 50% grant funded.

***PLANNING DEPARTMENT***  
***STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

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	<b>2011-12 ADOPTED</b>	<b>2012-13 ADOPTED</b>	<b>2013-14 ADOPTED</b>
Director-Planning	1.00	1.00	1.00
Assistant Director	1.00	1.00	0.00
Planning Manager <sup>1</sup>	3.00	3.00	3.00
Planner <sup>2</sup>	9.53	7.75	7.75
Community Outreach Specialist	0.00	1.00	0.00
Coordinator-Public Outreach <sup>3</sup>	1.00	1.00	1.00
Planning Graphics Specialist	1.00	1.00	1.00
Planning Technician	1.00	0.00	0.00
Permit Center Administrator	0.00	0.00	1.00
Administrative Clerk	2.00	2.00	1.00
Coordinator-Development (Unfunded)	1.00	0.00	0.00
Planning Department Totals	<u>20.53</u>	<u>17.75</u>	<u>15.75</u>

<sup>1</sup> Two Planning Managers are partially grant-funded in FY14.

<sup>2</sup> A number of Planner positions are partially or fully grant funded in FY14.

<sup>3</sup> Public Outreach Coordinator is 50% grant-funded.

# **PLANNING**

## **BUDGET SUMMARY**

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The adopted budget for 2013-14 for the Planning Department is down 3.7% from the adopted FY13 budget overall. The net decrease in the personnel budget reflects a combination of the movement of the Planning Assistant Director (\$111,043) and Community Outreach Specialist (\$73,809) positions to the Town Manager's Office, the 2% employee pay allowance effective October 2013, an increase of 4% in medical insurance costs and a slight increase in the state retirement contribution. The 33.7% increase in operating funds is the net result of the addition of \$80,000 for Comprehensive Plan implementation, and \$44,173 in payments to the Metropolitan Planning Organization.

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 1,053,615	\$ 1,097,604	\$ 927,413	\$ 885,184	\$ 912,743	-16.8%
Operating Costs	267,120	383,736	667,382	496,979	513,229	33.7%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 1,320,735</b>	<b>\$ 1,481,340</b>	<b>\$ 1,594,795</b>	<b>\$ 1,382,163</b>	<b>\$ 1,425,972</b>	<b>-3.7%</b>

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### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
General Revenues	\$ 787,531	\$ 1,049,790	\$ 1,013,245	\$ 919,513	\$ 960,922	-8.5%
Charges for Services	210,133	253,500	403,500	257,000	200,500	-20.9%
Licenses/Permits/Fines	314,807	170,000	170,000	195,000	250,000	47.1%
Other Revenues	8,264	8,050	8,050	10,650	14,550	80.7%
<b>Total</b>	<b>\$ 1,320,735</b>	<b>\$ 1,481,340</b>	<b>\$ 1,594,795</b>	<b>\$ 1,382,163</b>	<b>\$ 1,425,972</b>	<b>-3.7%</b>

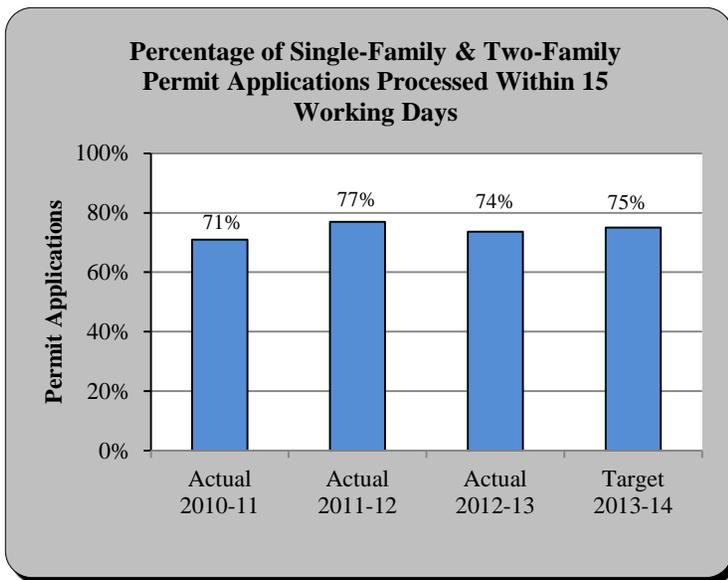
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# PLANNING TRENDS

**COUNCIL SERVICE GOALS:** Provide fair, effective, efficient and prompt customer service. Maintain a safe environment and attractive public facilities.

**DEPARTMENT GOAL:** Provide fair and efficient customer service during the permit application process.

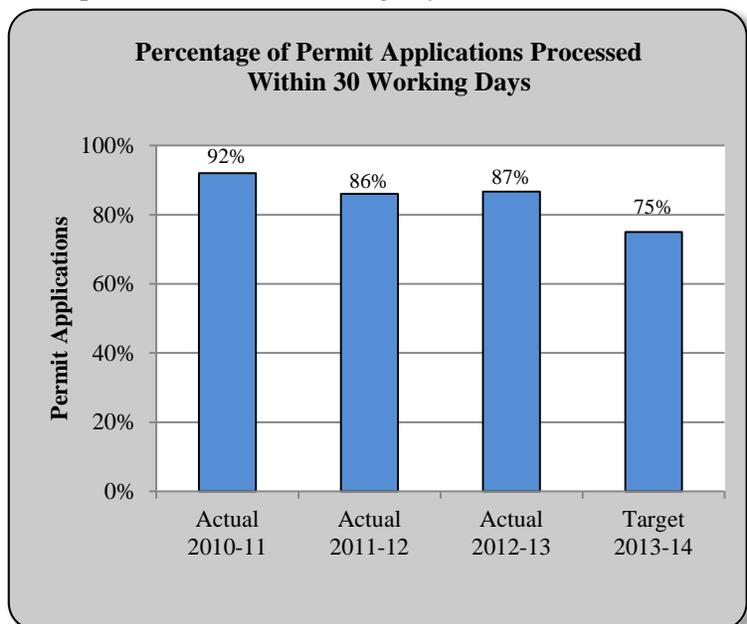
**OBJECTIVE:** Process 75% of single-family/two-family zoning compliance permits within 15 working days.



During the 2012-13 fiscal year, 74 % of the applications for single-family/two-family permits were processed within 15 days: half the time allocated in the Town Ordinance. The single-family/two-family permit application percentage processed in the reduced time period is slightly down from the previous year (77%).

**OBJECTIVE :** Process 75% of all zoning compliance permits within 30 working days.

In the upcoming fiscal year, the Planning Department will strive to meet the reduced time period goal for both single-family/two family permits as well as other Zoning Compliance Permit applications. We believe the new Permit Center has aided in this effort. The Permit Center is a single location to apply for zoning and building permits. It will also become a central web portal where people can submit applications and payments, schedule an inspection, and check on the status of an application or inspection.



# ***PUBLIC WORKS***

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## **MISSION STATEMENT:**

*The overall mission of the Public Works Department is to establish and maintain the Town's physical infrastructure, emphasizing a safe, efficient and effective environment.*

As a first step towards Priority-Based Budgeting, the Public Works Department identified the following primary programs that are included in the projected budget for FY14.

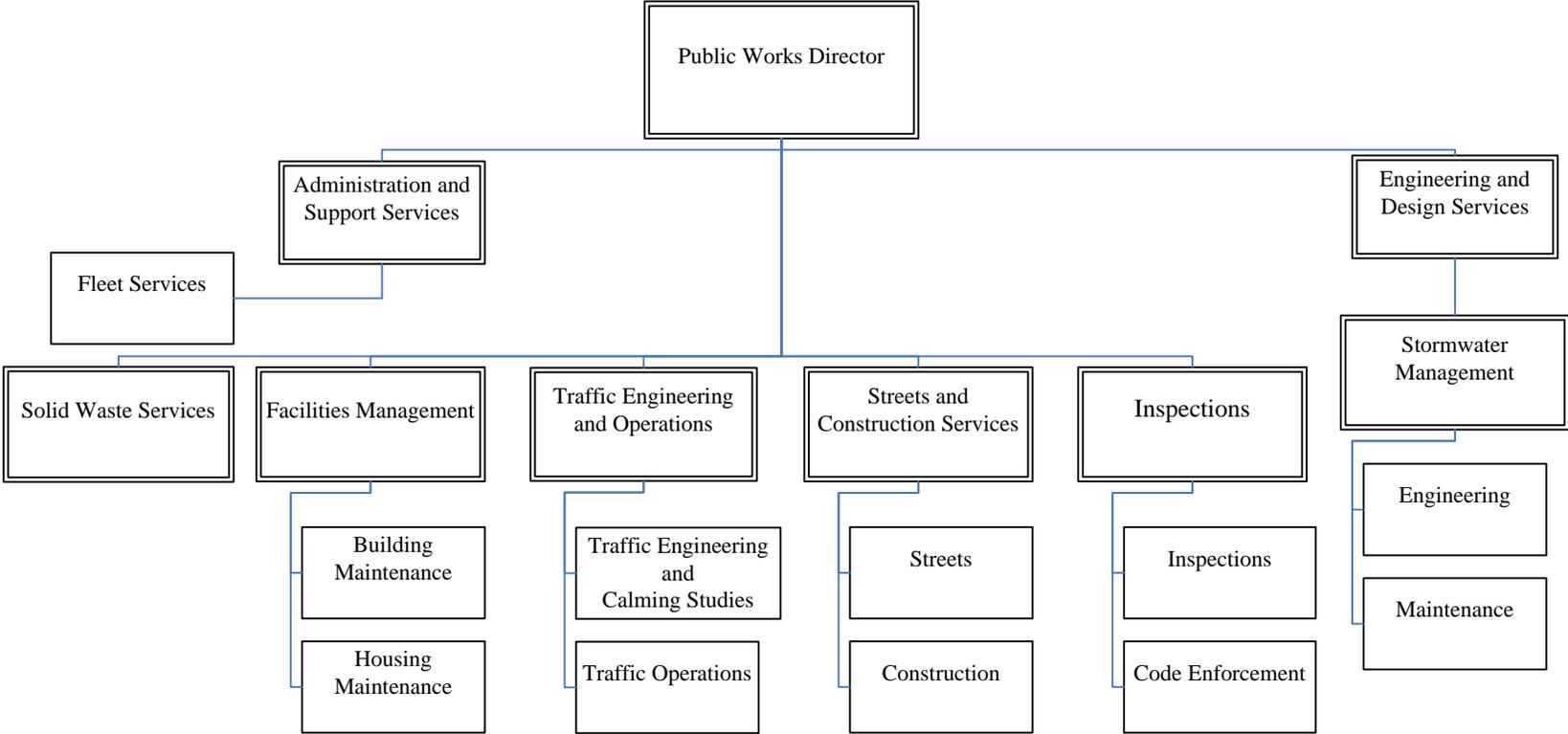
<b>Program</b>	<b>Description</b>
<b>Building Permits</b>	Review construction plans for compliance with building codes. Issue building permits, perform building inspections, and issue certificates of occupancy.
<b>Code Compliance and Enforcement</b>	Investigate complaints and perform inspections. Perform routine inspections of daycare facilities and businesses for code compliance. Issue notices of violation along with correction orders.
<b>Traffic Signals</b>	Provide timing plans, traffic monitoring, emergency repairs, preventive maintenance, small improvements and larger contract project oversight.
<b>Traffic Signs/Markings/Calming</b>	Install and maintain all traffic control signs and pavement markings. Oversee traffic impact studies and manage the traffic calming program.
<b>Street Lighting</b>	Ensure new development compliance with established standards, respond to improvement requests, routinely inspect major roadways and the central business district for malfunctions.
<b>Special Event Services</b>	Plan for and assist with the installation of seasonal banners, flags and holiday decorations. Plan and assist in opening and closing streets, including event clean-up.
<b>Inclement Weather</b>	Provide planning, response and recovery to inclement weather events (high water, wind damage and ice/snow), including continuous service (around the clock) when required. Manage large scale inclement weather disasters including management and oversight of contracts.
<b>Miscellaneous Construction</b>	Construct small to medium construction projects using in-house crews, including: sidewalk and curb/gutter repairs; installation and maintenance of streetscape amenities; and projects such as the installation of a bus shelter, removal of playground equipment and construction of small parking lots.

# ***PUBLIC WORKS***

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<b>Streets and Parking Lots</b>	Perform patching and street maintenance primarily with in-house labor, supplemented by temp labor assistance and contract patching during peak periods. Manage annual resurfacing contract. Oversee the evaluation and maintenance of all town-maintained or leased parking lots, bike paths and trails.
<b>Facilities</b>	Manage approximately 50 publicly owned facilities. Provide in-house maintenance and repair, oversight of service contracts and management of small projects.
<b>Solid Waste Collection</b>	Provide weekly collection of household solid waste, containerized vegetative materials and small piles of brush from approximately 11,000 single family properties. Collect larger piles of loose residential brush on an unscheduled basis, but typically within two weeks. Collect leaves from mid-October to mid- February. Collect waste from approximately 200 street and bus shelter trash receptacles seven days per week.
<b>Special Collections</b>	Provide fee-based, scheduled in-house collection of white goods, including appliances and furniture. Provide fee-based use of yard waste roll-off containers. Collect dead animals within the right-of-way at no cost.
<b>Commercial Solid Waste Collection</b>	Collect solid waste placed in dumpsters for a fee established annually by Town Council. Collect waste twice weekly by contract from the two Town-provided fee based compactors downtown.
<b>Street Sweeping</b>	Clean all publicly maintained streets within the town limits using in-house labor and equipment.
<b>Civil Engineering and Landscape Architecture Services</b>	Provide engineering services including capital project planning, surveying, design, urban forestry, landscape architecture, private developer review, infrastructure inspection, small facility upgrades, and project management. Provide surveying services related to public rights-of-way, easements and other public properties. Gather survey data required for development of in-house computer-aided drafting and design (CADD). Design sidewalk projects, street and parking lot improvements, recreation trails, landscape projects, and downtown streetscape improvements.

# PUBLIC WORKS OVERVIEW



***PUBLIC WORKS DEPARTMENT***  
***STAFFING COMPARISONS - IN FULL TIME EQUIVALENTS***

	<b>2011-12 ADOPTED</b>	<b>2012-13 ADOPTED</b>	<b>2013-14 ADOPTED</b>
<b><u>Administration</u></b>			
Director-Public Works	1.00	1.00	1.00
Administrative Analyst	1.00	1.00	1.00
Manager - Operations	1.00	1.00	1.00
Occupational Health and Safety Officer	1.00	1.00	1.00
Office Manager	1.00	1.00	1.00
Accounting Technician	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	1.00
Administrative Clerk	1.00	1.00	1.00
Division Totals	<u>8.00</u>	<u>8.00</u>	<u>8.00</u>
<b><u>Inspections</u></b>			
Building Inspector Manager	1.00	1.00	1.00
Chief Building Inspector	1.00	1.00	1.00
Code Enforcement Officer	1.00	1.00	1.00
Inspector (Levels I-III)	4.00	4.00	4.00
Permits Technician	1.00	1.00	1.00
Division Totals	<u>8.00</u>	<u>8.00</u>	<u>8.00</u>
<b><u>Engineering and Design Services</u></b>			
Town Engineer	1.00	1.00	1.00
Engineering Coordinator-Sr	1.00	1.00	1.00
Buildings Program Manager	1.00	1.00	1.00
Survey/Project Coordinator <sup>1</sup>	1.00	1.00	1.00
Engineering Design Specialist	1.00	1.00	1.00
Engineering Inspector <sup>1</sup>	2.00	2.00	2.00
Landscape Architect	1.00	1.00	1.00
GIS Technician-Sr	1.00	1.00	1.00
Engineering Technician	1.00	1.00	1.00
Office Manager <sup>1</sup>	1.00	1.00	1.00
Project Manager (Unfunded)	1.00	0.00	0.00
Special Projects Coordinator/Urban Forester	1.00	1.00	1.00
Unit Totals	<u>13.00</u>	<u>12.00</u>	<u>12.00</u>
<b><u>Traffic Engineering and Operations</u></b>			
Engineering Services Manager	1.00	1.00	1.00
Engineer	1.00	1.00	1.00
Engineering Technician	1.00	1.00	1.00
Traffic Signal Analyst	0.00	1.00	1.00
Traffic Signal Technician (Levels I-III)	4.00	4.00	4.00
Sign and Marketing Technician (Levels I-II)	3.00	3.00	3.00
Unit Totals	<u>10.00</u>	<u>11.00</u>	<u>11.00</u>
Division Totals	<u>23.00</u>	<u>23.00</u>	<u>23.00</u>

***PUBLIC WORKS DEPARTMENT***  
***STAFFING COMPARISONS - IN FULL TIME EQUIVALENTS***

	<b>2011-12 ADOPTED</b>	<b>2012-13 ADOPTED</b>	<b>2013-14 ADOPTED</b>
<b><u>Streets and Construction Services</u></b>			
<b>Streets</b>			
Superintendent-Streets/Construction/Drainage	1.00	1.00	1.00
Supervisor-Streets	1.00	1.00	1.00
Inspector-Streets	1.00	1.00	1.00
Supervisor-Streets Crew	1.00	1.00	1.00
Construction Worker (Levels I-IV)	10.00	9.00	9.00
Lead Construction Worker	1.00	1.00	1.00
Unit Totals	<u>15.00</u>	<u>14.00</u>	<u>14.00</u>
<b>Construction</b>			
Supervisor-Construction Crew	2.00	2.00	2.00
Construction Worker (Levels I - IV)	7.00	4.00	4.00
Senior Heavy Equipment Operator	1.00	1.00	1.00
Unit Totals	<u>10.00</u>	<u>7.00</u>	<u>7.00</u>
Division Totals	<u>25.00</u>	<u>21.00</u>	<u>21.00</u>
<b><u>Facilities Management</u></b>			
<b>Buildings</b>			
Superintendent- Sustainability and Facilities Mgmt	1.00	1.00	1.00
Supervisor-Buildings Program	1.00	1.00	1.00
Maintenance Mechanic (Levels I-III)	6.00	5.00	6.00
Maintenance Operations Specialist <sup>2</sup>	0.25	0.25	0.25
Unit Totals	<u>8.25</u>	<u>7.25</u>	<u>8.25</u>
Division Totals	<u>8.25</u>	<u>7.25</u>	<u>8.25</u>
<b><u>Solid Waste and Fleet Services</u></b>			
<b>Solid Waste</b>			
Superintendent-Solid Waste	1.00	1.00	1.00
Supervisor-Solid Waste (Residential and Commercial)	2.00	2.00	3.00
Inspector-Solid Waste	1.00	0.00	0.00
Solid Waste Equipment Operator III	4.00	4.00	4.00
Solid Waste Equipment Operator II	10.00	9.00	10.00
Solid Waste Equipment Operator I	3.00	3.00	3.00
Solid Waste Collector	14.00	10.00	13.00
Division Totals	<u>35.00</u>	<u>29.00</u>	<u>34.00</u>
Public Works Totals	<u>107.25</u>	<u>96.25</u>	<u>102.25</u>

<sup>1</sup> The Stormwater fund assumes a portion of salaries of the Engineering Office Manager, Surveyor and Engineering Inspector positions.

<sup>2</sup> Position split between Building Maintenance and Vehicle Maintenance.

Note: Vehicle Maintenance employees are supervised by Public Works, but included with the Vehicle Maintenance Fund Staffing Summary.

## ***PUBLIC WORKS***

### ***BUDGET SUMMARY***

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*The adopted budget for the Public Works Department reflects an overall increase of 5.2% from last year. In addition to adjustments for the 2% employee pay increase, 4% increase in medical costs, and a slight increase in the state retirement contribution, the Public Works budget includes an increase in electricity costs for street lighting and personnel increases due to the transportation of solid waste to Durham.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Administration	\$ 731,472	\$ 788,791	\$ 863,793	\$ 823,883	\$ 807,915	2.4%
Inspections	700,890	766,659	767,050	688,275	788,989	2.9%
Engineering & Design	1,077,568	1,121,059	1,129,966	1,115,660	1,157,977	3.3%
Traffic	1,623,175	1,812,934	1,936,626	1,797,055	1,885,121	4.0%
Construction	604,223	716,218	874,327	819,631	718,362	0.3%
Streets	1,466,685	1,514,649	1,550,592	1,519,020	1,549,235	2.3%
Building Maintenance	1,262,752	1,383,928	1,410,992	1,385,030	1,463,872	5.8%
Solid Waste	3,656,128	3,318,472	3,740,576	3,682,878	3,647,749	9.9%
<b>Total</b>	<b>\$ 11,122,893</b>	<b>\$ 11,422,710</b>	<b>\$ 12,273,922</b>	<b>\$ 11,831,432</b>	<b>\$ 12,019,220</b>	<b>5.2%</b>

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### **REVENUES**

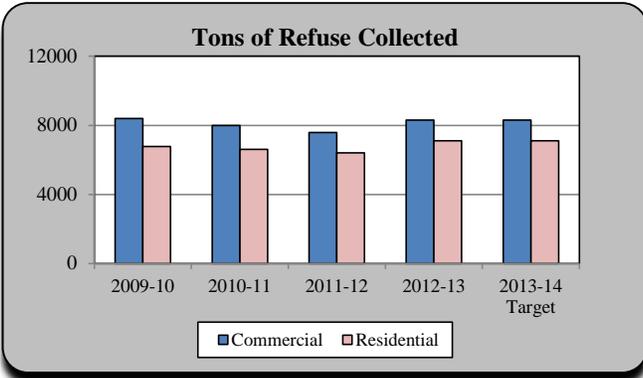
	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
General Revenues	\$ 9,502,732	\$ 9,755,110	\$ 10,456,216	\$ 10,042,062	\$ 10,234,290	4.9%
State Shared	39,213	35,000	35,000	40,000	40,000	14.3%
Grants	-	113,000	113,000	98,000	113,000	0.0%
Charges for Services	699,090	736,450	736,450	674,900	743,380	0.9%
Licenses/Permits/Fines	832,158	746,550	868,156	930,850	850,350	13.9%
Other Revenues	49,700	36,600	65,100	45,620	38,200	4.4%
<b>Total</b>	<b>\$ 11,122,893</b>	<b>\$ 11,422,710</b>	<b>\$ 12,273,922</b>	<b>\$ 11,831,432</b>	<b>\$ 12,019,220</b>	<b>5.2%</b>

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# PUBLIC WORKS TRENDS

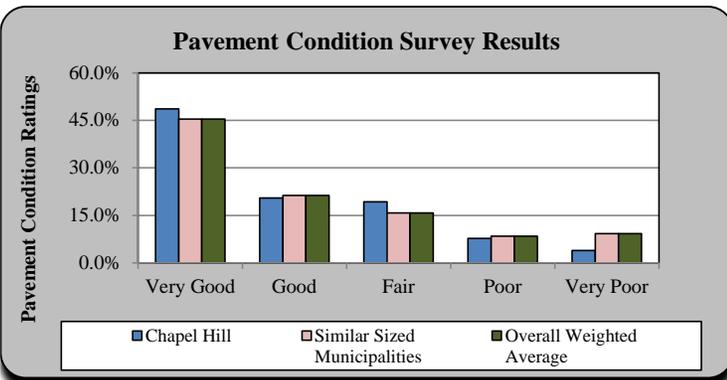
**COUNCIL SERVICE GOALS:** Maintain a safe environment and attractive public facilities. Maintain basic services.

**GOAL:** To provide 100% of the commercial and residential customers with on-time, same day service for all collection points while responding to the change in refuse needs.

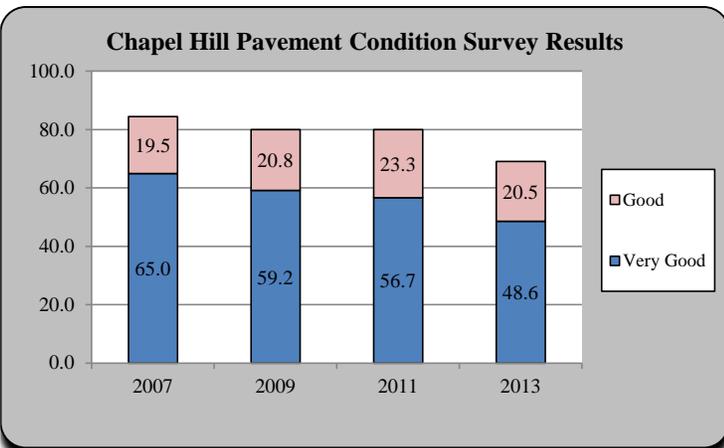


The Public Works Department maintained on-time service 100% of the time (with the exception of rescheduling due to inclement weather). Total quantities of commercial and residential refuse collected have declined in the last several years, though the rate appears to have plateaued and has begun to increase slightly. Compared to last fiscal year, residential solid waste collection increased by 4% and commercial solid waste collection increased by 6%, but the overall tonnage of residential and commercial waste collections is still below FY 08-09 levels.

**GOAL:** To maintain a favorable pavement condition rating relative to the average for other municipalities.



The 2013 pavement condition survey reflects comparative pavement conditions among localities state wide. The "Similar Sized Municipalities" ratings represent the average ratings of municipalities similar in size to the Town of Chapel Hill in terms of the number of miles of pavement. The "Overall Weighted Average" is a weighted average of the pavement conditions of 32 municipalities, excluding the Town of Chapel Hill.



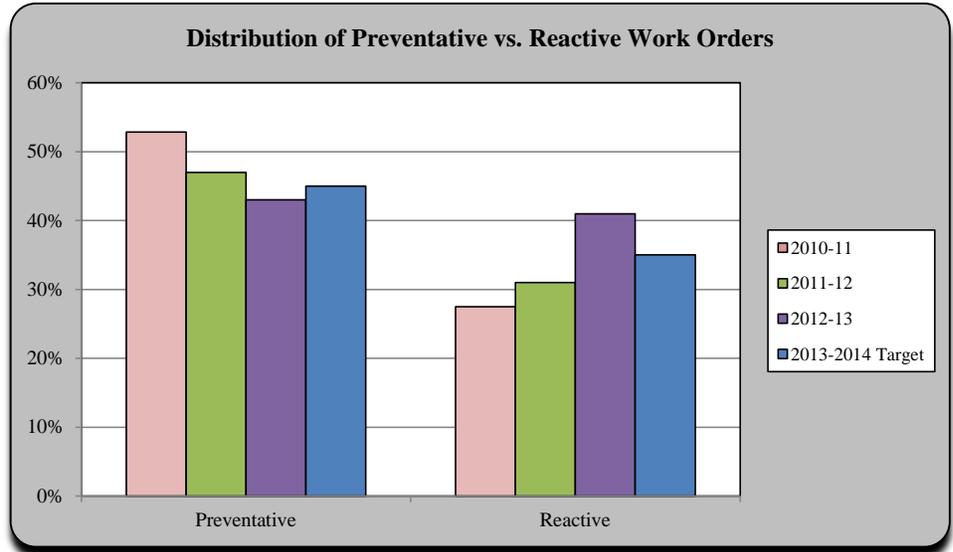
In 2013, 48.6% of Chapel Hill streets were rated "very good," a 8.1% decrease from 2011 . Compared to previous years, the percentage of streets rated poor and very poor has also increased from 4.6% in 2011 to 11.6% in 2013. These trends suggest that the Town's pavement conditions will continue to deteriorate unless corrective action is taken.

# PUBLIC WORKS

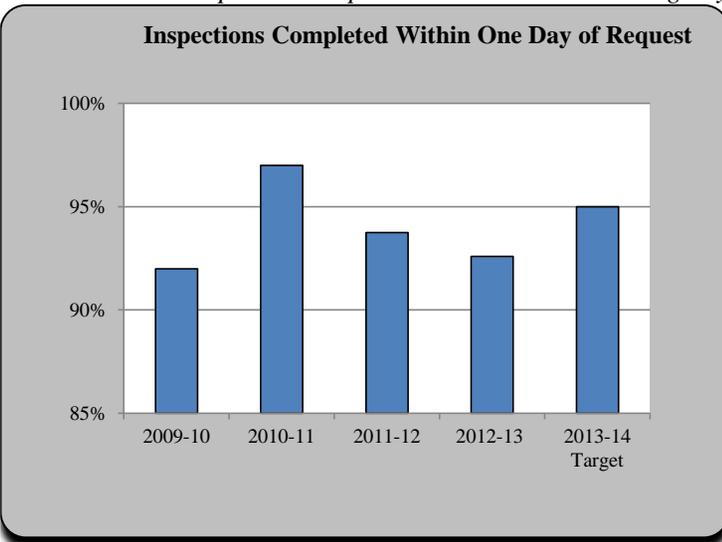
## TRENDS *Cont.*

**GOAL :** *To assure all facilities are maintained in excellent condition through emphasis of preventive maintenance, with the number preventive work orders exceeding reactive work orders.*

Of the work orders issued by the facilities maintenance division in FY 13, 43% were associated with preventive maintenance. In comparison, 41% of work orders were in the reactive (unscheduled) maintenance category in FY 13. FY 14 objective is to ensure that 45% of work orders are preventive maintenance work.



**GOAL :** *To complete all inspections within three working days of the request.*



In 2012-13, 92.6% of inspections were completed within one business day of the request. Data for other NC municipalities was compiled by the UNC School of Government. (Note: municipal average not available for the last several fiscal years).

***PUBLIC WORKS - Administration Division***  
***BUDGET SUMMARY***

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*The adopted budget for the Administration division reflects an overall expenditure increase of 2.4% from last year's budget. The net increase in the personnel budget reflects a combination of the 2% employee pay adjustment effective October 2013, 4% medical insurance increase, and a slight increase in the state retirement contribution. The operating increases can be attributed to slight increases in cellular phones and equipment rentals.*

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**EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 598,414	\$ 664,311	\$ 661,713	\$ 623,148	\$ 678,280	2.1%
Operating Costs	125,560	124,480	202,080	200,735	129,635	4.1%
Capital Outlay	7,498	-	-	-	-	N/A
<b>Total</b>	<b>\$ 731,472</b>	<b>\$ 788,791</b>	<b>\$ 863,793</b>	<b>\$ 823,883</b>	<b>\$ 807,915</b>	<b>2.4%</b>

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***PUBLIC WORKS - Inspections Division***  
***BUDGET SUMMARY***

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*The adopted budget for the Inspections division reflects an overall expenditure increase of 2.9% from last year's budget. The net increase in the personnel budget reflects a combination of the 2% employee pay adjustment effective October 2013, 4% medical insurance increase, a slight increase in the state retirement contribution, and the addition of a new Permit Technician Apprentice. The operating decrease of 20.5% can be attributed to a decrease to Personnel Agency Payments which was offset by the addition of the new position.*

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**EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 601,059	\$ 645,339	\$ 622,730	\$ 577,255	\$ 692,523	7.3%
Operating Costs	99,831	121,320	144,320	111,020	96,466	-20.5%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 700,890</b>	<b>\$ 766,659</b>	<b>\$ 767,050</b>	<b>\$ 688,275</b>	<b>\$ 788,989</b>	<b>2.9%</b>

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***PUBLIC WORKS - Engineering and Design Services***  
***BUDGET SUMMARY***

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*The adopted budget for the Engineering and Design division reflects an overall expenditure increase of 3.3% from last year's budget. The net increase in the personnel budget reflects a combination of the 2% employee pay adjustment effective October 2013, 4% medical insurance increase, and a slight increase in the state retirement contribution. The operating decreases can be attributed to a reduction in fuels needs.*

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**EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 979,863	\$ 997,934	\$ 998,541	\$ 988,745	\$ 1,037,308	3.9%
Operating Costs	84,581	123,125	131,425	126,915	120,669	-2.0%
Capital Outlay	13,124	-	-	-	-	N/A
<b>Total</b>	<b>\$ 1,077,568</b>	<b>\$ 1,121,059</b>	<b>\$ 1,129,966</b>	<b>\$ 1,115,660</b>	<b>\$ 1,157,977</b>	<b>3.3%</b>

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## ***PUBLIC WORKS - Traffic***

### ***BUDGET SUMMARY***

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*The adopted budget for the Traffic division reflects an overall expenditure increase of 4.0% from last year's budget. The net increase in the personnel budget reflects a combination of the 2% employee pay adjustment effective October 2013, 4% medical insurance increase, and a slight increase in the state retirement contribution.. The operating increases can be attributed to an increase of \$70,000 over the prior year for electricity for street lighting.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 759,258	\$ 854,494	\$ 835,632	\$ 775,527	\$ 862,200	0.9%
Operating Costs	863,917	958,440	1,100,994	1,021,528	1,022,921	6.7%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 1,623,175</b>	<b>\$ 1,812,934</b>	<b>\$ 1,936,626</b>	<b>\$ 1,797,055</b>	<b>\$ 1,885,121</b>	<b>4.0%</b>

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***PUBLIC WORKS - Construction Unit***  
***BUDGET SUMMARY***

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*The adopted budget for the Construction division reflects an overall expenditure increase of 0.3% from last year's budget. The net decrease in the personnel budget reflects a combination of the 2% employee pay adjustment effective October 2013, 4% medical insurance increase, a slight increase in the state retirement contribution, and turnover. The operating increases can be attributed to an increase in supplies.*

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**EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 432,344	\$ 438,508	\$ 438,817	\$ 388,881	\$ 433,143	-1.2%
Operating Costs	171,879	277,710	435,510	430,750	285,219	2.7%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 604,223</b>	<b>\$ 716,218</b>	<b>\$ 874,327</b>	<b>\$ 819,631</b>	<b>\$ 718,362</b>	<b>0.3%</b>

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***PUBLIC WORKS - Streets Unit***  
***BUDGET SUMMARY***

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*The adopted budget for the Streets division reflects an overall expenditure increase of 2.3% from last year's budget. The net increase in the personnel budget reflects a combination of the 2% employee pay adjustment effective October 2013, 4% medical insurance increase, and a slight increase in the state retirement contribution. The operating increases can be attributed to increases in fuel and supplies.*

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**EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 844,750	\$ 846,789	\$ 857,929	\$ 870,210	\$ 874,309	3.2%
Operating Costs	606,055	650,860	685,063	641,210	657,926	1.1%
Capital Outlay	15,880	17,000	7,600	7,600	17,000	0.0%
<b>Total</b>	<b>\$ 1,466,685</b>	<b>\$ 1,514,649</b>	<b>\$ 1,550,592</b>	<b>\$ 1,519,020</b>	<b>\$ 1,549,235</b>	<b>2.3%</b>

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## ***PUBLIC WORKS - Building Maintenance Unit***

### ***BUDGET SUMMARY***

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*The adopted budget for the Building Maintenance division reflects an overall expenditure increase of 5.8% from last year's budget. The net increase in the personnel budget reflects a combination of the 2% employee pay adjustment effective October 2013, 4% medical insurance increase, a slight increase in the state retirement contribution, and the addition of a Maintenance Mechanic. The operating increases can be attributed to increases in utilities, maintenance, and the stormwater fee increase.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 453,693	\$ 532,788	\$ 524,649	\$ 488,040	\$ 596,486	12.0%
Operating Costs	809,059	851,140	886,343	896,990	867,386	1.9%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 1,262,752</b>	<b>\$ 1,383,928</b>	<b>\$ 1,410,992</b>	<b>\$ 1,385,030</b>	<b>\$ 1,463,872</b>	<b>5.8%</b>

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***PUBLIC WORKS - Solid Waste Services Unit***  
***BUDGET SUMMARY***

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*The adopted budget for the Solid Waste Services division reflects an overall expenditure increase of 9.9% from last year's budget. The net increase in the personnel budget reflects a combination of the 2% employee pay adjustment effective October 2013, 4% medical insurance increase, a slight increase in the state retirement contribution, and the addition of 6 Collector positions from last year's budget. The operating increases can be attributed to increases to fuels, vehicle replacement, and vehicle maintenance related to the transportation of solid waste to Durham, offset by a reduction in landfill fee charges.*

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**EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 1,752,559	\$ 1,663,802	\$ 1,793,584	\$ 1,796,088	\$ 1,983,278	19.2%
Operating Costs	1,903,569	1,654,670	1,946,992	1,886,790	1,664,471	0.6%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 3,656,128</b>	<b>\$ 3,318,472</b>	<b>\$ 3,740,576</b>	<b>\$ 3,682,878</b>	<b>\$ 3,647,749</b>	<b>9.9%</b>

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**PUBLIC SAFETY**  
**BUDGET SUMMARY**

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*Public Safety includes the Town's Police and Fire Departments.*

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**EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Police	\$ 11,662,566	\$ 12,599,282	\$ 12,976,301	\$ 12,738,723	\$ 12,759,697	1.3%
Fire	7,319,927	7,833,812	7,860,162	8,113,080	8,147,917	4.0%
Total	\$ 18,982,493	\$ 20,433,094	\$ 20,836,463	\$ 20,851,803	\$ 20,907,614	2.3%

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**REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
General Revenues	\$ 17,352,385	\$ 18,922,141	\$ 19,061,899	\$ 19,286,888	\$ 19,099,194	0.9%
State-Shared Revenues	1,088,630	1,088,630	1,088,630	1,088,630	1,088,630	0.0%
Grants	6,892	-	4,200	4,200	4,200	N/A
Charges for Services	364,761	294,710	294,710	294,960	586,750	99.1%
Licenses/Permits/Fines	103,934	127,613	264,613	127,125	128,840	1.0%
Other Revenues	65,891	-	122,411	50,000	-	N/A
Total	\$ 18,982,493	\$ 20,433,094	\$ 20,836,463	\$ 20,851,803	\$ 20,907,614	2.3%

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# CHAPEL HILL POLICE DEPARTMENT

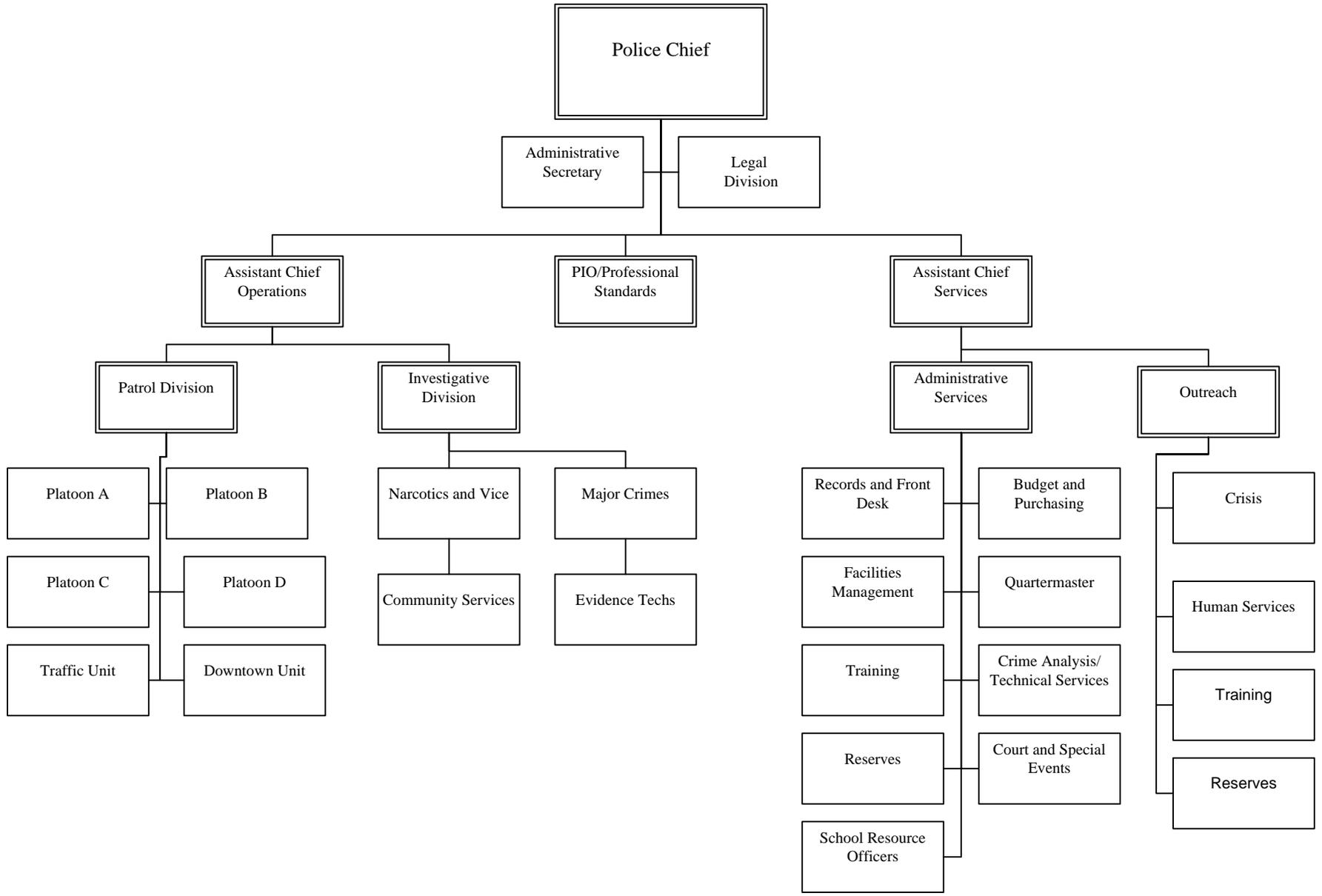
## MISSION STATEMENT:

*The primary mission of the Police Department is to preserve and protect life and property and enhance the quality of life in our community through the fair and effective delivery of services.*

As a first step towards Priority-Based Budgeting, the Chapel Hill Police Department identified the following primary programs that are included in the projected budget for FY14.

Program	Description
<b>Patrol Division</b>	Respond to 911 calls, investigate traffic accidents, conduct directed patrols, serve criminal processes, and provide patrols in the field. Participate in Community Watch Meetings and provide crime prevention and traffic education to public.
<b>Investigative Division</b>	Investigate crimes against people and property, including drug and alcohol related offenses. Gather and analyze evidence and investigate crime scenes.
<b>Human Services</b>	Follow-up after incidents to help those involved deal with social/emotional issues. Assist in organizing community watch groups and provide outreach to businesses.
<b>Chiefs Staff</b>	Provide management and general oversight for the department. Provide legal support, training, and advice. Investigate complaints from the community and conduct administrative investigations within the Police Department. Interact with news media and produce press releases and reports as needed.
<b>Support Services</b>	Coordinate and provide required training to meet State Criminal Justice standards of departmental employees. Manage and oversee budget and day to day financial records. Archive police records and make them available to community members.
<b>School Resource Officers</b>	Organize outreach to middle and high schools in Chapel Hill while serving as a liaison to the Police Department and providing security.
<b>Special Events and Court Liaison</b>	Provide logistical support for special events and coordinate with the local court.

POLICE DEPARTMENT



***POLICE DEPARTMENT***  
***STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

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	<b>2011-12 ADOPTED</b>	<b>2012-13 ADOPTED</b>	<b>2013-14 ADOPTED</b>
<b>Support Services</b>			
Police Chief	1.00	1.00	1.00
Assistant Police Chief	1.00	1.00	1.00
Police Captain	1.00	1.00	1.00
Police Attorney/Legal Advisor	2.00	2.00	2.00
Police Analyst	1.00	1.00	1.00
Crisis Unit Supervisor	1.00	1.00	1.00
Crisis Counselor	3.00	3.00	3.00
Human Services Coordinator	1.00	1.00	1.00
Senior Information Technology Analyst	1.00	1.00	1.00
Alternative Sentencing Coordinator	1.00	0.00	0.00
Resident Activities Coordinator	1.00	1.00	1.00
Records Supervisor	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Alternative Sentencing Assistant	3.00	1.00	0.00
Information Services Technician	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	1.00
Records Technician	1.00	1.00	1.00
Administrative Services Supervisor (Unfunded)	1.00	0.00	0.00
Customer Service Technician	4.00	2.00	2.00
Division Totals	<u>27.00</u>	<u>21.00</u>	<u>20.00</u>
<b>Operations</b>			
Assistant Police Chief	1.00	1.00	1.00
Police Major (Unfunded)	1.00	0.00	0.00
Police Captain	2.00	2.00	2.00
Police Lieutenant	9.00	9.00	9.00
Police Sergeant	13.00	13.00	13.00
Forensic and Evidence Specialist	2.00	2.00	2.00
Police Officer	90.00	91.00	91.00
Division Totals	<u>118.00</u>	<u>118.00</u>	<u>118.00</u>
Police Department Totals	<u>145.00</u>	<u>139.00</u>	<u>138.00</u>

# ***POLICE***

## ***BUDGET SUMMARY***

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*While the Police Department generates revenues from grants, charges for services, and licenses, permits and fines, the majority of the revenues are not department specific. Most grant revenues were moved to a separate Grants Fund in 2007-08. Revenues are expected to remain largely unchanged overall in 2013-14. Changes relating to expenditures are noted on division summaries.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 10,032,536	\$ 10,790,212	\$ 10,886,646	\$ 10,649,499	\$ 10,886,024	0.9%
Operating Costs	1,622,668	1,754,070	2,027,655	2,034,986	1,873,673	6.8%
Capital Outlay	7,362	55,000	62,000	54,238	-	-100.0%
<b>Total</b>	<b>\$ 11,662,566</b>	<b>\$ 12,599,282</b>	<b>\$ 12,976,301</b>	<b>\$ 12,738,723</b>	<b>\$ 12,759,697</b>	<b>1.3%</b>

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### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
General Revenues	\$ 11,145,164	\$ 12,201,759	\$ 12,315,167	\$ 12,287,488	\$ 12,344,957	1.2%
Grants	6,892	-	4,200	4,200	4,200	N/A
Charges for Services	363,035	293,210	293,210	293,210	305,000	4.0%
Licenses/Permits/Fines	81,584	104,313	241,313	103,825	105,540	1.2%
Other Revenues	65,891	-	122,411	50,000	-	N/A
<b>Total</b>	<b>\$ 11,662,566</b>	<b>\$ 12,599,282</b>	<b>\$ 12,976,301</b>	<b>\$ 12,738,723</b>	<b>\$ 12,759,697</b>	<b>1.3%</b>

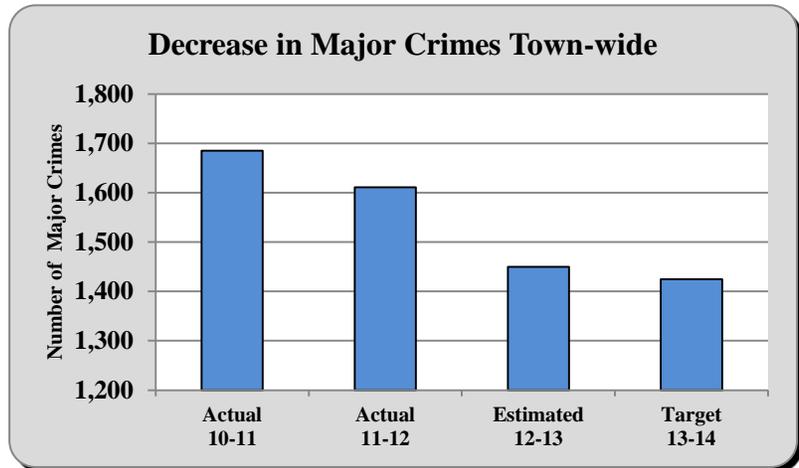
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# POLICE TRENDS

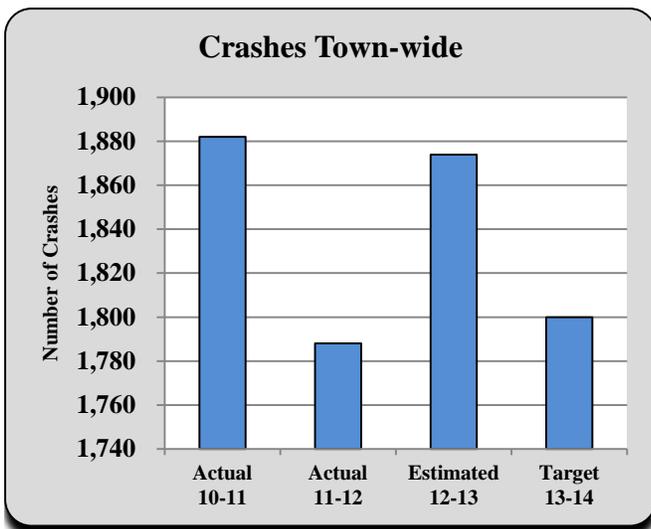
**COUNCIL SERVICE GOAL:** Provide protection and public safety.

**OBJECTIVE:** Continue decrease in major crimes (UCR Part I).

In fiscal year 2012-13, the number of Part I crimes (homicide, rape, robbery, assault, burglary, larceny, auto theft and arson) totaled 1,450. This represents a 10% decrease in major crimes from the previous year. During the 2013-14 fiscal year, the Police Department will continue to use strategies developed through data analysis, crime prevention, and enforcement procedures to pursue additional decreases in major crimes.



**OBJECTIVE :** Continue decrease in number of crashes Town-wide.



In fiscal year 2012-13, the number of crashes Town-wide totaled 1,874. This represents nearly a 5% increase from the previous year, however, crashes with injury have been reduced by 12.5%. The Police Department will continue to analyze areas of most frequent crashes and develop plans to reduce them. Through education, enforcement and directed patrols, we will work to enhance the safety of motorists, cyclists and pedestrians throughout Town.

***POLICE - Support Services Division***  
***BUDGET SUMMARY***

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*The adopted budget for the Support Services division reflects an overall expenditure increase of 0.8% from last year's budget. The 3% increase in personnel is the net result of the 2% employee pay allowance effective October 2013, an increase of 4% in medical insurance costs and a slight increase in the state retirement contribution. The operating increases can be attributed to increases in supply purchases, building maintenance, and contractual services. There are no capital purchases budgeted for FY14.*

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**EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 1,716,732	\$ 1,701,836	\$ 1,711,834	\$ 1,729,322	\$ 1,752,893	3.0%
Operating Costs	556,216	645,875	796,588	788,890	664,025	2.8%
Capital Outlay	7,362	50,000	57,000	50,000	-	-100.0%
<b>Total</b>	<b>\$ 2,280,310</b>	<b>\$ 2,397,711</b>	<b>\$ 2,565,422</b>	<b>\$ 2,568,212</b>	<b>\$ 2,416,918</b>	<b>0.8%</b>

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***POLICE - Operations Division***  
***BUDGET SUMMARY***

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*The Personnel Budget for the Operations Division reflects a 0.5% increase in personnel costs, the net of a 2% employee pay allowance effective October 2013, an increase of 4% in medical insurance costs, a slight increase in the state retirement contribution, the funding for career progression, sale of holiday time, turnover, and pay for reserve and on-call officers.*

*The 9.9% increase in operating expenses can be attributed to the increase in vehicle maintenance, vehicle replacement and fuel costs.*

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**EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 8,315,804	\$ 9,088,376	\$ 9,174,812	\$ 8,920,177	\$ 9,133,131	0.5%
Operating Costs	955,128	989,695	1,072,792	1,139,758	1,087,648	9.9%
Capital Outlay	-	5,000	5,000	4,238	-	-100.0%
<b>Total</b>	<b>\$ 9,270,932</b>	<b>\$ 10,083,071</b>	<b>\$ 10,252,604</b>	<b>\$ 10,064,173</b>	<b>\$ 10,220,779</b>	<b>1.4%</b>

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***POLICE - Special Events***  
***BUDGET SUMMARY***

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*The Special Events division was established in 2007-08 to track the cost of additional police presence at special events including impromptu University of North Carolina student celebrations, Halloween and Festifall. Efforts to contain the downtown Halloween celebration in recent years has been successful. The adopted budget for FY14 includes an increase in operating costs of 3% due to increases to supplies.*

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**EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Operating Costs	111,324	118,500	158,275	106,338	122,000	3.0%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 111,324</b>	<b>\$ 118,500</b>	<b>\$ 158,275</b>	<b>\$ 106,338</b>	<b>\$ 122,000</b>	<b>3.0%</b>

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# ***FIRE DEPARTMENT***

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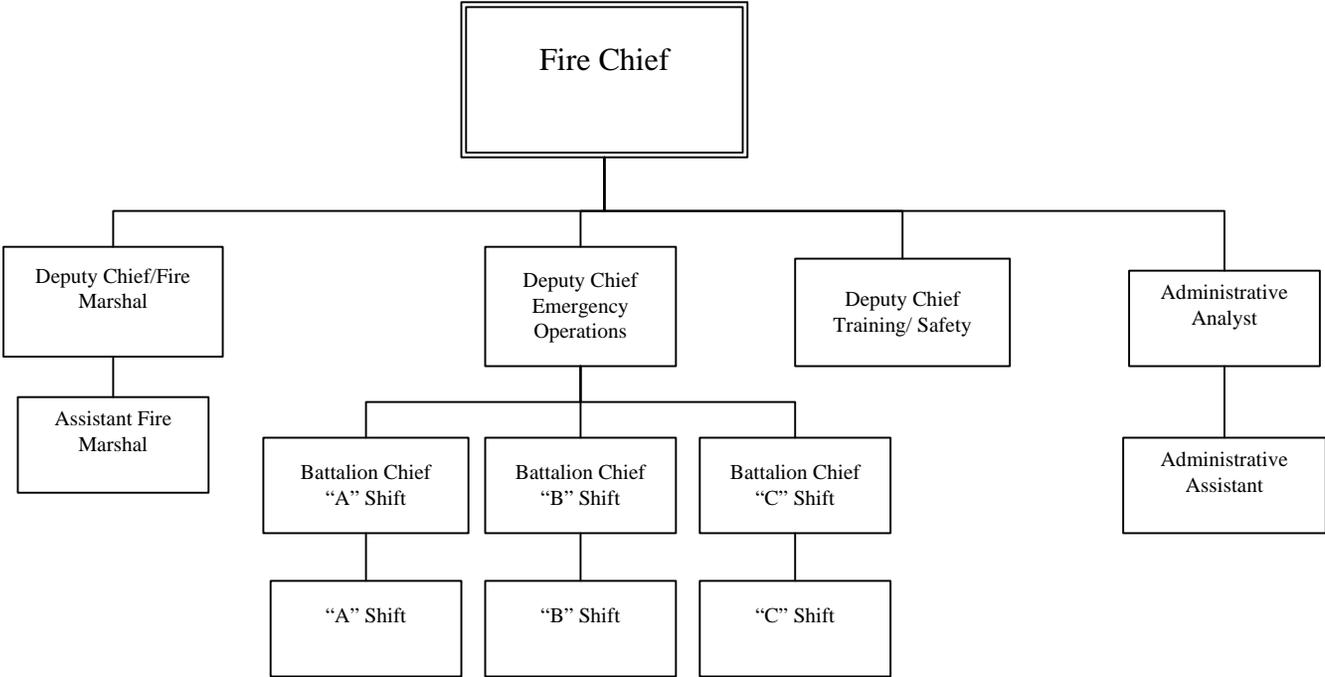
**MISSION STATEMENT:**

*The primary mission of the Chapel Hill Fire Department is to protect life, property and the community environment from the destructive effects of fire, disasters or other life hazards by providing public education, incident prevention and emergency response services.*

As a first step towards Priority-Based Budgeting, the Fire Department identified the following primary programs that are included in the projected budget for FY14.

<b>Program</b>	<b>Description</b>
<b>Emergency Operations</b>	Provide Fire Suppression, rescue, extrication/accident response, hazard mitigation and response to environmental threats in the Town of Chapel Hill and to neighboring jurisdictions under Mutual Aid agreements. Manage disaster operations.
<b>Code Enforcement</b>	Enforce the fire and safety codes of the Town and State through inspection, plan review and investigating the causes of fires.
<b>Command-Control-Administration</b>	Provide command and control of emergency incidents and fire operations. Provide Departmental administration and training of fire personnel. Coordinate emergency preparedness of Town including related resources.
<b>Support Services</b>	Provide logistical and management support as needed to Parks & Recreation, Public Works, Police and University of North Carolina. Provide technical support and equipment (such as lighting or elevated operations) for investigations and law enforcement operations as needed.
<b>Fire Prevention and Safety Education</b>	Conduct public education and outreach services providing information on fire prevention, CPR, child safety seats, home safety and smoke alarms.
<b>First Responder Medical Services</b>	Provide response to medical emergencies within Town limits as part of emergency operations.
<b>Urban Search and Rescue</b>	Rescue people buried in debris after a disaster and respond to heavy rescue, water rescue, and victim search operations. The Urban Search and Rescue Team is a FEMA Type 1 Team which is operated in cooperation with Raleigh, Cary and Durham.

FIRE



***FIRE DEPARTMENT***  
***STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

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	<b>2011-12 ADOPTED</b>	<b>2012-13 ADOPTED</b>	<b>2013-14 ADOPTED</b>
<b>Administration</b>			
Fire Chief	1.00	1.00	1.00
Deputy Fire Chief	1.00	1.00	0.00
Administrative Assistant	1.00	1.00	1.00
Office Assistant	0.53	0.00	0.00
Administrative Analyst	1.00	1.00	1.00
Emergency Management Planner	1.00	0.00	1.00
Division Totals	<u>5.53</u>	<u>4.00</u>	<u>4.00</u>
<b>Emergency Operations</b>			
Deputy Fire Chief	1.00	1.00	1.00
Battalion Fire Chief	3.00	4.00	4.00
Fire Captain/Lieutenant	16.00	20.00	20.00
Fire Equipment Operator/Firefighter	63.00	55.00	57.00
Division Totals	<u>83.00</u>	<u>80.00</u>	<u>82.00</u>
<b>Life Safety</b>			
Deputy Fire Chief (Fire Marshal)	1.00	1.00	1.00
Deputy Fire Marshal	1.00	1.00	2.00
Fire Captain (Assistant Fire Marshal)	3.00	4.00	3.00
Division Totals	<u>5.00</u>	<u>6.00</u>	<u>6.00</u>
Fire Department Totals	<u><u>93.53</u></u>	<u><u>90.00</u></u>	<u><u>92.00</u></u>

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# ***FIRE***

## ***BUDGET SUMMARY***

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*While the Fire Department generates revenues from grants, charges for services, and licenses, permits and fines, the majority of the revenues are not department specific. Revenues are expected to remain largely unchanged overall in 2013-14, with the exception of the increase to charges for services due to the new fire district fee for service to an area outside of town limits (\$280,000). Changes related to expenditures are noted on division summaries.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 6,287,998	\$ 6,592,955	\$ 6,652,202	\$ 6,867,343	\$ 6,980,375	5.9%
Operating Costs	1,031,929	1,240,857	1,192,958	1,245,737	1,137,542	-8.3%
<b>Total</b>	<b>\$ 7,319,927</b>	<b>\$ 7,833,812</b>	<b>\$ 7,860,162</b>	<b>\$ 8,113,080</b>	<b>\$ 8,147,917</b>	<b>4.0%</b>

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### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
General Revenues	\$ 6,207,221	\$ 6,720,382	\$ 6,746,732	\$ 6,999,400	\$ 6,754,237	0.5%
State-Shared Revenues	1,088,630	1,088,630	1,088,630	1,088,630	1,088,630	0.0%
Charges for Services	1,726	1,500	1,500	1,750	281,750	18683.3%
Licenses/Permits/Fines	22,350	23,300	23,300	23,300	23,300	0.0%
<b>Total</b>	<b>\$ 7,319,927</b>	<b>\$ 7,833,812</b>	<b>\$ 7,860,162</b>	<b>\$ 8,113,080</b>	<b>\$ 8,147,917</b>	<b>4.0%</b>

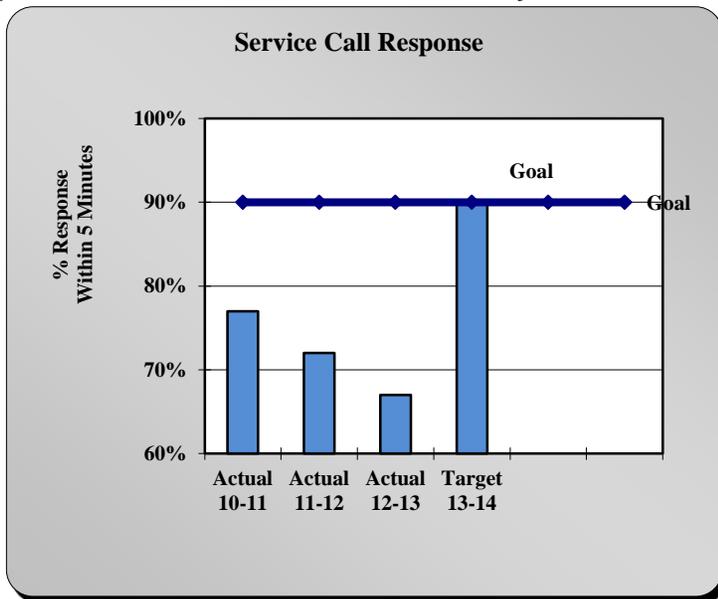
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# FIRE TRENDS

**COUNCIL SERVICE GOAL:** Provide protection and public safety.

**GOAL:** Respond with emergency services in an expedient manner to all fire, rescue, and appropriate medical requests for help of an emergency nature in a consistent time frame across the community.

**OBJECTIVE:** Achieve and maintain a response time (dispatch to on-scene) consistent with the national standards of coverage (NFPA 1710) of a 4-minute arrival time for the first due area and 8-minute arrival time for the second or third due in at least 90% of all incidents.

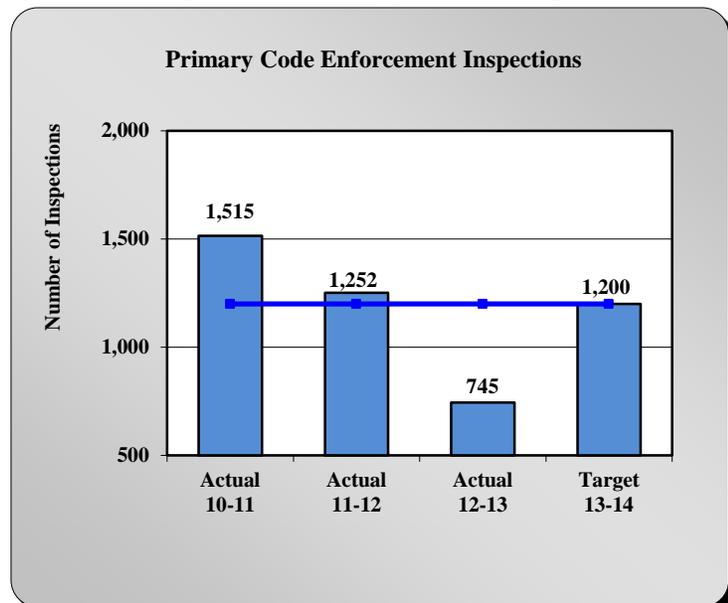


In fiscal year 2012-13, the response to emergency services calls within five minutes dropped from 72% to 67%. Part of our response time is dependent on the Orange County Communication system. This system has been upgraded and we are in the transition of implementing the new system.

**GOAL:** Reduce preventable fire hazards.

**OBJECTIVE:** Conduct 1200 primary code enforcement inspections in commercial buildings.

In fiscal year 2012-13, fire marshals conducted 745 primary code enforcement inspections and will continue efforts to increase enforcement efforts to at least 1,200 primary inspections in fiscal year 2013-14. Although we have improved our service by having inspections conducted by fire marshals, who have specialized certifications to conduct extremely comprehensive inspections. We have suffered in service delivery based on staff shortages. We will continue to improve our attempts to reduce preventable fire hazards.



***FIRE - Administration Division***  
***BUDGET SUMMARY***

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*The adopted budget for the Administration division reflects an overall expenditure increase of 1.2% from last year's budget. This increase in personnel is the net result of the 2% employee pay allowance effective October 2013, an increase of 4% in medical insurance costs and a slight increase in the state retirement contribution. The operating decreases (\$3,000) can be attributed to travel reductions.*

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**EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 403,341	\$ 409,962	\$ 410,173	\$ 412,584	\$ 419,535	2.3%
Operating Costs	77,269	109,803	116,783	114,683	106,391	-3.1%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 480,610</b>	<b>\$ 519,765</b>	<b>\$ 526,956</b>	<b>\$ 527,267</b>	<b>\$ 525,926</b>	<b>1.2%</b>

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## ***FIRE - Emergency Operations Division***

### ***BUDGET SUMMARY***

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*The adopted budget for the Emergency Operations Division reflects an 6.3% increase in personnel costs. In addition to the addition of 2 firefighter positions and an increase in overtime, the FY14 Budget includes the 2% employee pay allowance effective October 2013, an increase of 4% in medical insurance costs, a slight increase in the state retirement contribution and overtime. The 9% decrease in operating costs is the result of decreases in vehicle replacement costs as well as small equipment purchases. The \$30,000 increase in Capital Outlay is for a one-time purchase of fire hydrants for the new special tax district.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 5,348,078	\$ 5,590,705	\$ 5,764,113	\$ 5,862,393	\$ 5,940,394	6.3%
Operating Costs	946,464	1,114,979	1,068,888	1,114,979	1,015,076	-9.0%
Capital Outlay	-	-	15,002	-	30,000	N/A
<b>Total</b>	<b>\$ 6,294,542</b>	<b>\$ 6,705,684</b>	<b>\$ 6,848,003</b>	<b>\$ 6,977,372</b>	<b>\$ 6,985,470</b>	<b>4.2%</b>

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## ***FIRE - Life Safety Division***

### **BUDGET SUMMARY**

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*The adopted budget for the Life Safety division reflects an overall expenditure increase of 4.6% from last year's budget. This increase in personnel is the result of the 2% employee pay allowance effective October 2013, an increase of 4% in medical insurance costs, a slight increase in the state retirement contribution, along with turnover and promotions. The operating budget reflects no change from the prior year.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 536,579	\$ 592,288	\$ 477,916	\$ 592,366	\$ 620,446	4.8%
Operating Costs	8,196	16,075	7,287	16,075	16,075	0.0%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 544,775</b>	<b>\$ 608,363</b>	<b>\$ 485,203</b>	<b>\$ 608,441</b>	<b>\$ 636,521</b>	<b>4.6%</b>

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# ***LEISURE BUDGET SUMMARY***

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*Leisure includes the Parks and Recreation Department and the Chapel Hill Public Library.*

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## **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Parks and Recreation	\$ 5,900,402	\$ 6,014,134	\$ 6,311,225	\$ 6,087,042	\$ 6,114,147	1.7%
Library	2,133,207	2,366,563	2,424,086	2,227,432	2,662,855	12.5%
<b>Total</b>	<b>\$ 8,033,609</b>	<b>\$ 8,380,697</b>	<b>\$ 8,735,311</b>	<b>\$ 8,314,474</b>	<b>\$ 8,777,002</b>	<b>4.7%</b>

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## **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
General Revenues	\$ 6,501,674	\$ 6,818,595	\$ 7,107,241	\$ 6,777,936	\$ 7,096,924	4.1%
Grants	461,347	469,253	535,221	529,221	582,186	24.1%
Charges for Services	918,566	971,349	971,349	895,317	970,892	0.0%
Licenses/Permits/Fines	4,407	5,500	5,500	2,000	2,000	-63.6%
Other Revenues	94,615	71,000	71,000	65,000	80,000	12.7%
Transfers/Other Sources	53,000	45,000	45,000	45,000	45,000	0.0%
<b>Total</b>	<b>\$ 8,033,609</b>	<b>\$ 8,380,697</b>	<b>\$ 8,735,311</b>	<b>\$ 8,314,474</b>	<b>\$ 8,777,002</b>	<b>4.7%</b>

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# ***PARKS AND RECREATION DEPARTMENT***

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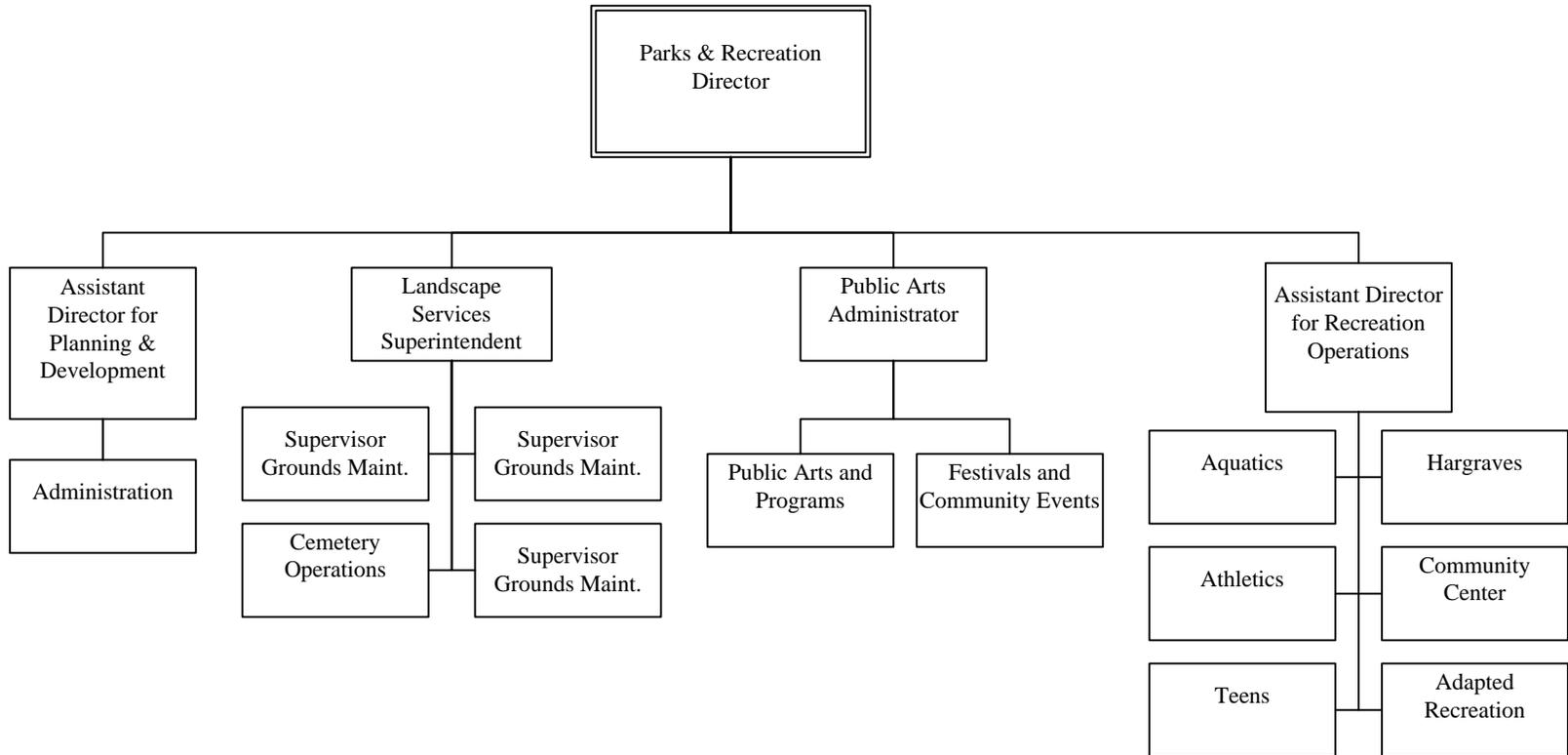
**MISSION STATEMENT:**

*The primary mission of the Parks and Recreation Department is to enhance the quality of life of all citizens and foster a sense of community by providing superior recreation, cultural and educational services through the effective maintenance and protection of the Town's natural resources.*

As a first step towards Priority-Based Budgeting, the Parks and Recreation Department identified the following primary programs that are included in the adopted budget for FY14.

<b>Program</b>	<b>Description</b>
<b>Park Maintenance and Landscape Services</b>	Maintain all Town owned and controlled outdoor properties, including: parks, playgrounds, recreation fields, open space, greenways, landscaping around all public buildings including public housing neighborhoods, all park and ride lots and rights of way along public roadways. Assist with set up and cleanup of Town sponsored events. Remove snow and ice in winter storms and trees during inclement weather events.
<b>Cemetery Operations</b>	Administer operations of 4 Town cemeteries, including sale of burial plots, scheduling of burials, maintenance and mowing of cemeteries, record keeping, and restoration work in cooperation with local historical society.
<b>Recreational Programming</b>	Provide recreational programming throughout Town, including: operating recreation and athletic buildings; leasing athletic fields, gyms, meeting rooms, picnic facilities, and other facilities. Provide aquatics and swimming programs, youth and adult instructional sports, athletic leagues, fitness and arts programs, open gym and field play opportunities.
<b>Public &amp; Cultural Arts</b>	Provide Town wide arts programs including: administering the Town's Percent for Art Program and projects from CIP allocations; art installations in Town Hall and other public spaces; and public arts programs such as the Artist-in-Residency, Community Art, and Sculpture Visions Programs. Maintain and conserve the Town's public art assets. Operate annual festivals and community celebrations. Provide technical and logistical support to internal events and meetings.

# Parks & Recreation



***PARKS & RECREATION DEPARTMENT***  
***STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

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	<b>2011-12 ADOPTED</b>	<b>2012-13 ADOPTED</b>	<b>2013-14 ADOPTED</b>
<b>Administration</b>			
Director-Parks & Recreation	1.00	1.00	1.00
Assistant Director-Parks and Recreation	2.00	2.00	2.00
Office Manager	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	1.00
Office Assistant	0.60	0.60	0.60
Division Totals	<u>5.60</u>	<u>5.60</u>	<u>5.60</u>
<b>Landscape Services and Park Maintenance</b>			
Superintendent-Grounds Maintenance Operations	1.00	1.00	1.00
Landscape Supervisor I	2.00	2.00	2.00
Landscape Supervisor II	1.00	1.00	1.00
Arborist	1.00	1.00	1.00
Arborist-Assistant	1.00	1.00	1.00
Landscape Specialist.Landscape Crew Leader	22.00	18.00	17.00
Administrative Technician	1.00	1.00	1.00
Maintenance Assistant	1.00	1.00	1.00
Division Totals	<u>30.00</u>	<u>26.00</u>	<u>25.00</u>
<b>Athletics</b>			
Supervisor-Recreation	1.00	1.00	1.00
Recreation Specialist	3.53	3.53	3.53
Division Totals	<u>4.53</u>	<u>4.53</u>	<u>4.53</u>
<b>Community Center</b>			
Supervisor-Recreation	1.00	1.00	1.00
Recreation Specialist	0.00	0.00	0.50
Recreation Assistant	2.00	2.00	2.00
Division Totals	<u>3.00</u>	<u>3.00</u>	<u>3.50</u>

***PARKS & RECREATION DEPARTMENT***  
***STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

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	2011-12 ADOPTED	2012-13 ADOPTED	2013-14 ADOPTED
<i>continued</i>			
<b>Aquatics Center</b>			
Supervisor-Recreation	1.00	1.00	1.00
Assistant Supervisor-Aquatics	1.00	1.00	1.00
Recreation Specialist	0.53	0.00	0.00
Lifeguard	4.00	4.00	4.00
Division Totals	6.53	6.00	6.00
<b>Public Arts</b>			
Public Arts Administrator	1.00	1.00	1.00
Public Arts Coordinator	1.00	1.00	1.00
Division Totals	2.00	2.00	2.00
<b>Hargraves Center</b>			
Supervisor-Recreation	1.00	1.00	1.00
Assistant Supervisor-Recreation	1.00	1.00	1.00
Recreation Specialist	0.80	0.80	1.80
Recreation Assistant	1.58	1.58	1.58
Division Totals	4.38	4.38	5.38
<b>Community Cultural Arts</b>			
Supervisor-Recreation	1.00	1.00	1.00
Assistant Recreation Supervisor	1.80	1.00	1.00
Division Totals	2.80	2.00	2.00
Parks & Recreation Department Totals	58.84	53.51	54.01

<sup>1</sup> One additional Groundskeeper is funded by the Downtown Service District.

# **PARKS AND RECREATION**

## **BUDGET SUMMARY**

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The adopted budget for Parks and Recreation reflects an overall expenditure increase of 1.7% from last year's budget. The 1.0% increase in personnel is the net result of the 2% employee pay allowance effective October 2013, an increase of 4% in medical insurance costs and a slight increase in the state retirement contribution. The 4.1% operating increase can be attributed to a movement to contracted maintenance of 3 major thoroughfares (\$49,400) and contracted maintenance costs associated with the new Library (\$21,500). The reduction in Capital Outlay is due to the elimination of one-time purchases made in FY13.

The budget for service charges, grants and other revenues remains largely unchanged from the prior year.

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 4,146,385	\$ 4,210,739	\$ 4,191,583	\$ 4,167,987	\$ 4,252,766	1.0%
Operating Costs	1,754,017	1,788,295	2,077,826	1,903,955	1,861,381	4.1%
Capital Outlay	-	15,100	41,816	15,100	-	-100.0%
<b>Total</b>	<b>\$ 5,900,402</b>	<b>\$ 6,014,134</b>	<b>\$ 6,311,225</b>	<b>\$ 6,087,042</b>	<b>\$ 6,114,147</b>	<b>1.7%</b>

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### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
General Revenues	\$ 4,945,051	\$ 5,039,025	\$ 5,326,116	\$ 5,123,965	\$ 5,136,515	1.9%
Grants	86,145	83,760	93,760	87,760	83,760	0.0%
Charges for Services	783,066	831,349	831,349	815,317	833,872	0.3%
Other Revenues	86,140	60,000	60,000	60,000	60,000	0.0%
<b>Total</b>	<b>\$ 5,900,402</b>	<b>\$ 6,014,134</b>	<b>\$ 6,311,225</b>	<b>\$ 6,087,042</b>	<b>\$ 6,114,147</b>	<b>1.7%</b>

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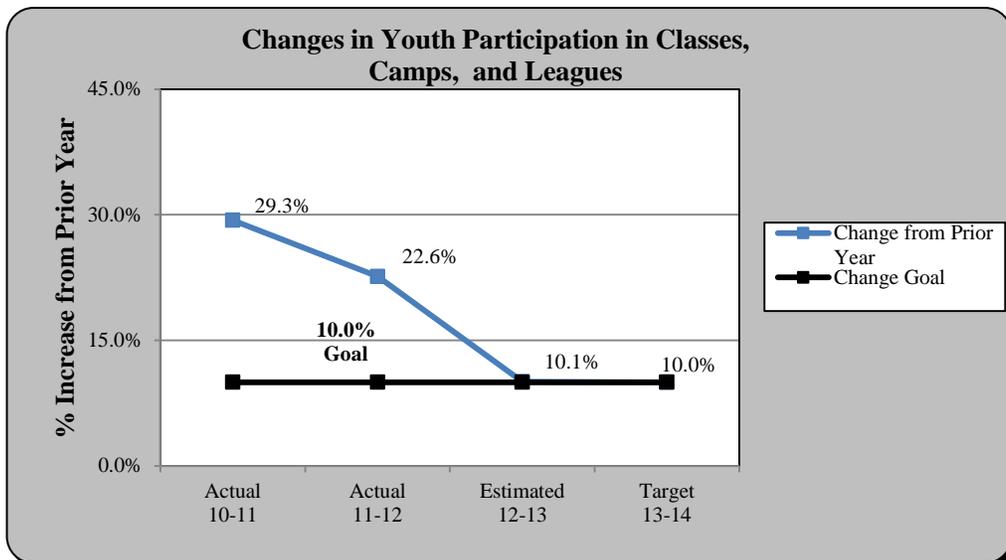
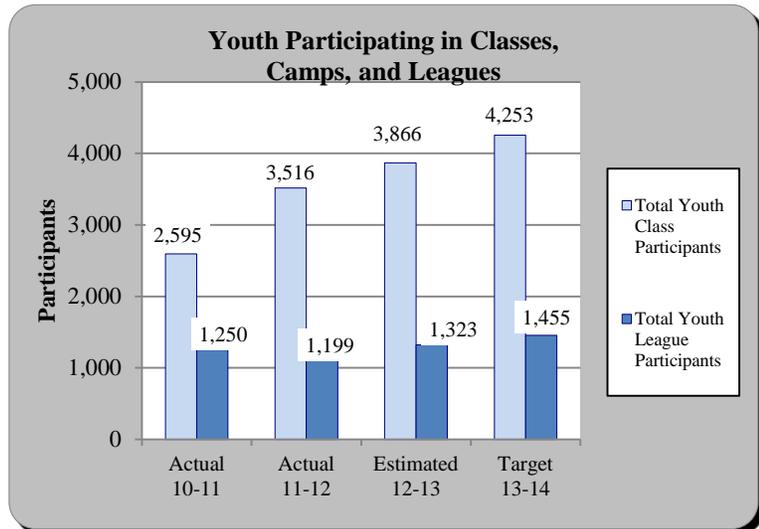
# PARKS AND RECREATION TRENDS

**COUNCIL SERVICE GOAL:** Provide leisure and cultural opportunities.

**DEPARTMENT GOAL:** Increase participation in youth programming.

**OBJECTIVE:** Increase the number of participants in youth programming, including camps, classes, and youth leagues by 10% each year.

In Fiscal Year 2012-13, the Parks and Recreation Department saw an increase in participation in youth classes and leagues by 10.1% from 4,715 participants to 5,189 participants. This trend is expected to continue in 2013-14.



# CHAPEL HILL PUBLIC LIBRARY

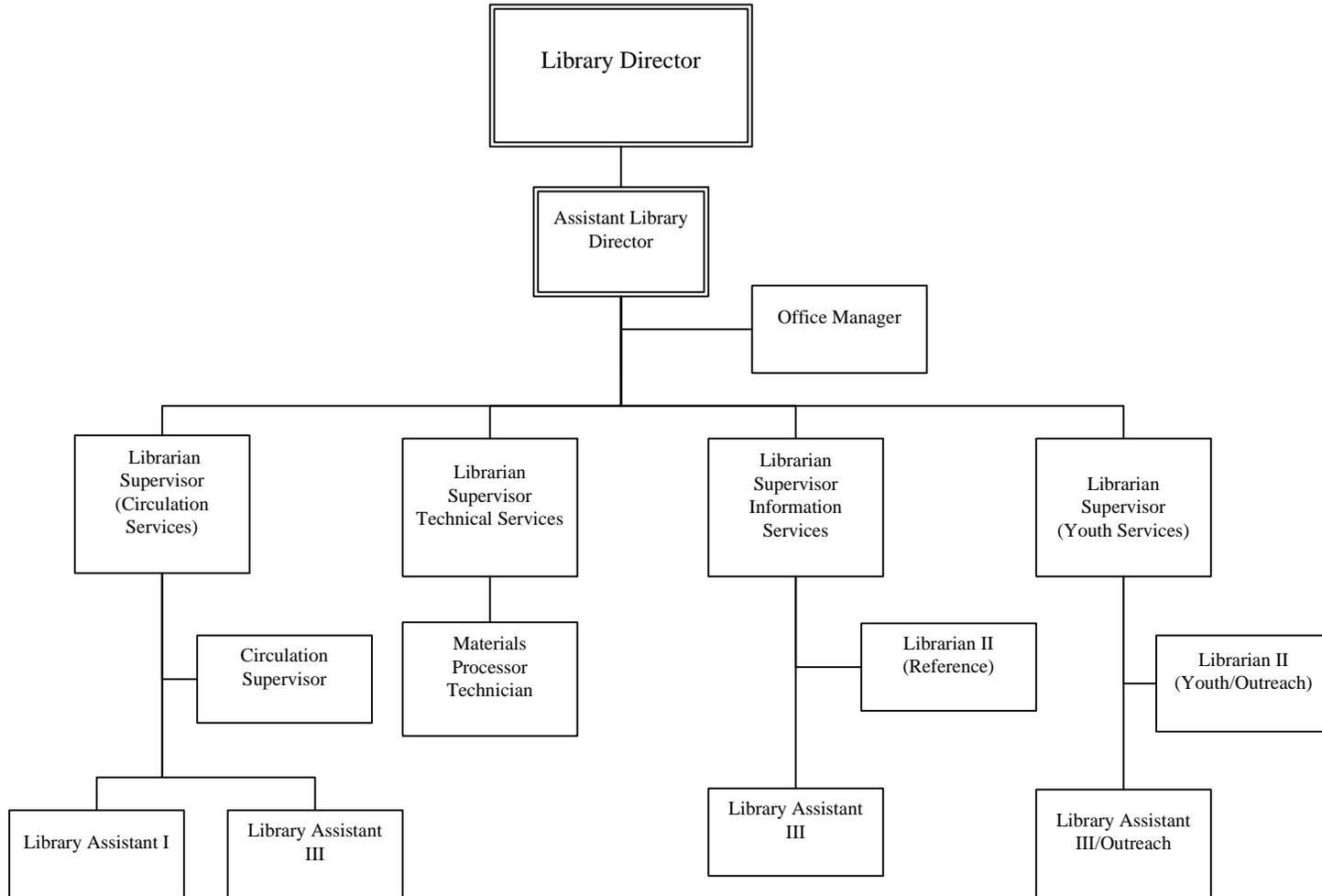
## MISSION STATEMENT:

*The mission of the Chapel Hill Public Library, based on the Town's Comprehensive Plan Goals 11.2 and 11A-6, is to "provide community facilities and services that meet the physical, social and cultural needs of Chapel Hill's population" and to "develop and implement a plan to meet future community needs for library service."*

As a first step towards Priority-Based Budgeting, the Chapel Hill Public Library Department identified the following primary programs that are included in the adopted budget for FY14.

Program	Description
<b>Library Collection Development &amp; Maintenance</b>	Select and purchase materials in a variety of formats for in-house and remote use by children, teens and adults. Prepare and categorize collection materials to make them easily accessible to the public.
<b>Collection Lending</b>	Assist patrons with the following: checkout of collection materials; interlibrary loan of materials from other libraries; reserving materials; reserving meeting room space; fines and fees notices and processing.
<b>Information/Reference Services</b>	Provide in-house and remote 24/7 reference and readers' advisory services to children, teens and adults. Provide and support the public computer lab and children's computers.
<b>Library Programs</b>	Provide, partner and/or contract for programs for children, teens and adults. Programs include story times, book groups, summer reading programs, movies, author presentations, free computer classes and job search workshops.
<b>Community Gathering Space</b>	Provide meeting rooms, art display space, study rooms and seating.
<b>On-line Patron Support</b>	Maintain the library website to provide access to library services, including the library catalog, online databases, 24/7 reference and homework assistance, recommended websites and tutorials, best books lists, library news and information and library/community events calendars.

# LIBRARY



***LIBRARY DEPARTMENT***  
***STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

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	<b>2011-12 ADOPTED</b>	<b>2012-13 ADOPTED</b>	<b>2013-14 ADOPTED</b>
Director-Library	1.00	1.00	1.00
Assistant Director-Library/Head of Public Services	1.00	1.00	1.00
Supervisor-Librarian	4.00	4.00	4.00
Librarian	2.60	3.75	2.00
Supervisor-Circulation	1.00	1.00	1.00
Information Services Technician	0.00	0.50	0.00
Office Manager	1.00	1.00	1.00
Materials Processor	3.53	3.53	3.73
Library Assistant I-III	14.95	14.61	12.90
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Library Department Totals	29.08	30.39	26.63
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# **LIBRARY**

## **BUDGET SUMMARY**

The adopted budget for the Library includes funding for the full year in the expanded facility. The budget reflects an overall expenditure increase of 12.5% from last year's budget. The 3.5% decrease in personnel is the net result of the reduction in salary estimates for the expanded Library from the previous year (\$108,000) offset with a 2% employee pay allowance effective October 2013, an increase of 4% in medical insurance costs and a slight increase in the state retirement contribution. The operating budget increase of 69.3% is due to various costs associated with the expanded Library. Funds have been placed in an account for the purpose of additional personnel (\$248,746), an additional \$64,500 for increased utility costs and \$50,000 for a janitorial contract for the expanded building.

Library revenues reflect support from Orange County in the amount of \$483,426. Transfer from the Library Gift Fund remains at the historic level of \$45,000 in 2013-14.

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 1,682,960	\$ 1,844,589	\$ 1,830,063	\$ 1,662,572	\$ 1,779,397	-3.5%
Operating Costs	450,247	521,974	594,023	564,860	883,458	69.3%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 2,133,207</b>	<b>\$ 2,366,563</b>	<b>\$ 2,424,086</b>	<b>\$ 2,227,432</b>	<b>\$ 2,662,855</b>	<b>12.5%</b>

### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
General Fund	\$ 1,556,623	\$ 1,779,570	\$ 1,781,125	\$ 1,653,971	\$ 1,960,409	10.2%
Grants	375,202	385,493	441,461	441,461	498,426	29.3%
Charges for Services	135,500	140,000	140,000	80,000	137,020	-2.1%
Licenses/Permits/Fines	4,407	5,500	5,500	2,000	2,000	-63.6%
Other Revenues	8,475	11,000	11,000	5,000	20,000	81.8%
Transfers/Other Sources	53,000	45,000	45,000	45,000	45,000	0.0%
<b>Total</b>	<b>\$ 2,133,207</b>	<b>\$ 2,366,563</b>	<b>\$ 2,424,086</b>	<b>\$ 2,227,432</b>	<b>\$ 2,662,855</b>	<b>12.5%</b>

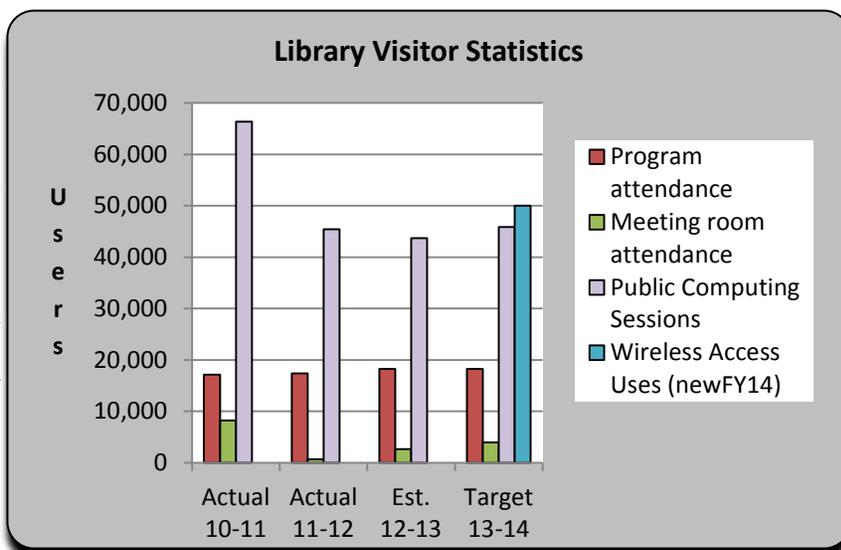
# LIBRARY TRENDS

## COUNCIL SERVICE GOALS: *Maintain and Improve Community Facilities and Service.*

**DEPARTMENT GOAL 1:** *Position the library as an educational and cultural destination and a place for everyone.*

**OBJECTIVE 1:** *Increase meeting room attendance by 50%, increase number of public computing sessions by 5%, maintain current program attendance levels, and establish baseline wireless network session data for FY13-14*

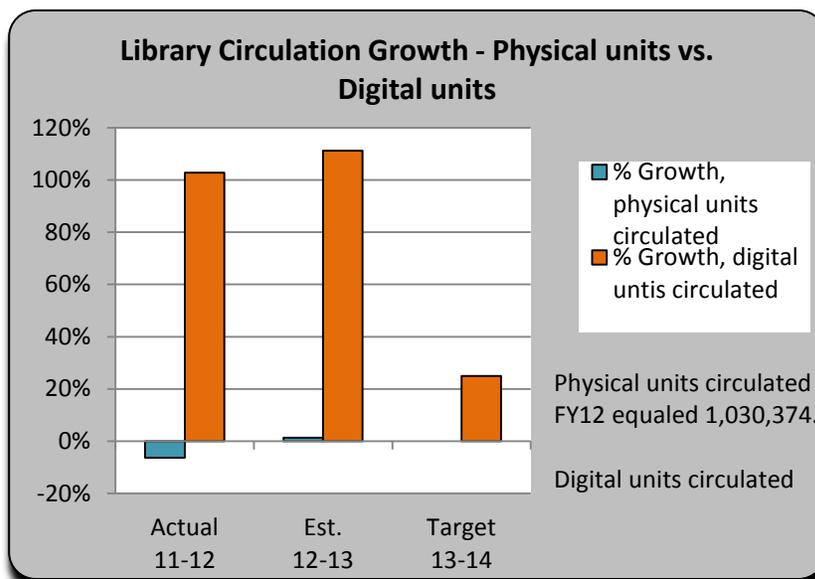
The library is a multi-function space and not everyone comes in to just check out materials. By tracking door count as well as program attendance, meeting room usage, and public computer usage we are able to better capture the ways that people are using this community space and plan for the future.



**DEPARTMENT GOAL 2:** *Offer access to a wide variety of materials that reflect the community's curiosity.*

**OBJECTIVE 2:** *Increase digital units circulated by 25% and maintain physical circulation level.*

Across the board, libraries are faced with confronting the shift to digital formats while still maintaining print collections for the foreseeable future. Demand for ebooks and digital content, with their greater associated costs, will only increase and CHPL will strive to keep up with this growing demand.



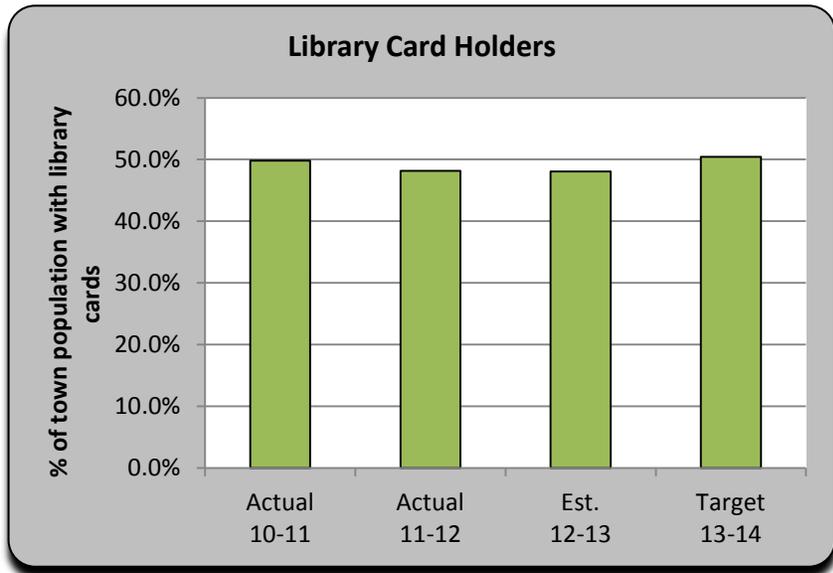
# LIBRARY TRENDS

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**DEPARTMENT GOAL 3:** Foster increased usage by service population.

**OBJECTIVE 3:** Increase number of library cardholders by 5%.

While the library has a very high rate of circulation, the percentage of Chapel Hill residents that currently has a card is lower than might be expected. The more town residents that have a library card, the more they can fully make use of this Town resource and more fully understand its value.

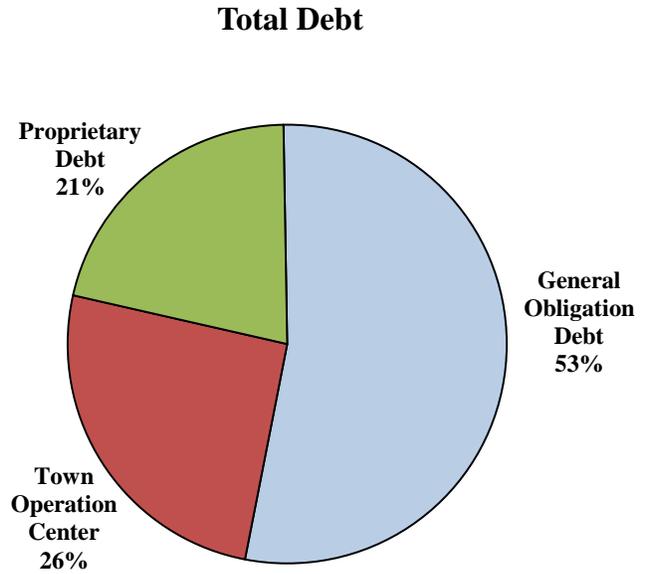




# ***DEBT SERVICE FUND***

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The Debt Service Fund accounts for the principal and interest payments for the Town's general obligation bonds and certificates of participation issued for construction of the Town Operations Center and the 140 West Downtown Initiative.



## ***DEBT & BOND RATINGS***

As of June 30, 2013 the Town will have about \$63 million in debt outstanding. The Town's most recent debt issuance was the February 28, 2013 sale of \$3.05 million of General Obligation refunding bonds. The refunding bonds sold at a very competitive interest rate of 2.02% and resulted in net present value savings of \$158,563. In June of 2012 the Town sold \$6.9 million of Limited Obligation Bonds (LOBs) to finance the Town's portion of the 140 West parking garage, other parking improvements and improvements to the Town's Operation Center. The transaction included refunding of approximately \$24 million of existing installment financings, including the Town Operations Center debt. The refunding portion of the transaction resulted in a net present value savings of \$746,580 over the remaining life of the bonds. The debt service costs for 140 West will be funded by the Parking Fund budget and the savings from the refunding will be split between the Parking Fund and the Debt Management Fund.

On May 15, 2012 the Town sold \$1.7 million of two-thirds general obligation (GO) bonds and \$4.94 million in GO refunding bonds. The bonds were sold at very competitive rates due to the Town's triple A rating. The rate for the refunding bonds that closed in FY12 was 2.26%, generating \$432,217 in net present value savings. The rate for the two-thirds bonds, which closed in FY13, was 1.42%. The debt service for the two-thirds bonds and the savings from the refunding are reflected in the Debt Management Fund's budget.

Projected Long-Term Debt June 30, 2013	
<b>Governmental Debt</b>	
General obligation debt	\$ 30,820,000
Limited Obligation Bonds	15,875,000
Installment debt	228,145
Separation allowance (est.)	239,000
Compensated absences (est.)	<u>2,339,224</u>
<b>Total</b>	<b>\$ <u>49,501,369</u></b>
<b>Proprietary Fund Debt</b>	
Enterprise Funds	
Limited Obligation Bonds	\$ 9,540,000
Compensated absences (est.)	625,947
Internal Service Funds	
Motor vehicle equipment	<u>3,622,666</u>
<b>Total</b>	<b>\$ <u>13,788,613</u></b>

On October 12, 2010, the Town issued \$20.41 million in general obligation bonds for the Library Expansion Project, Streets and Sidewalks, and Parks and Recreation facilities. About half of the bonds were issued as taxable Build America Bonds (BABs) that receive an interest rebate from the Federal Government. At the time the bonds were issued the rebate was 35% however one of the effects of sequestration has been a reduction in the interest reimbursement amount. BABs interest reimbursement payments due in FY14 will be reduced by 7.2% as a result of sequestration. The balance of the general obligation bonds were issued as conventional tax-exempt bonds. The next largest portion of debt, \$15.9 million, was issued in 2005 to finance the construction of the Town Operations Center project. The Town has an additional \$9.5 million in debt that was used to finance the Wallace Parking Deck and other off-street parking facilities. This debt is paid entirely from parking fee revenue.

# ***DEBT & BOND RATINGS***

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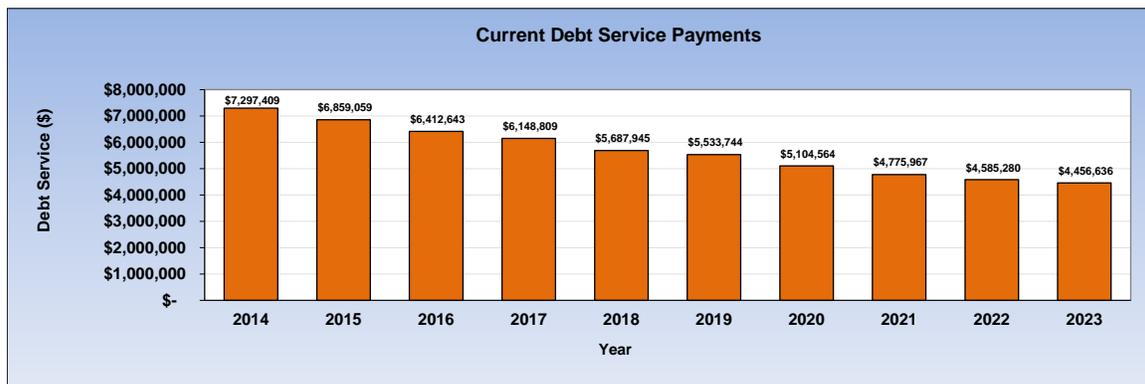
FY14 expenses include the issuance of \$1.7 million in Two-Thirds bonds and refunding of \$4.94 million in GO bonds in June 2012, along with issuance of \$6.9 million in Limited Obligation Bonds (LOBs) for the 140 West downtown project issued in July 2012. The long term debt also includes installment financing for equipment, land and reserves for compensated absences, that is, the amount that the Town owes for future payments for employee vacation.

## Current Debt Obligations

The Town delayed the issuance of the remaining authorized 2003 General Obligation bonds in order to build additional capacity in the Debt Management Fund. By delaying the issuance the Town was also able to take advantage of the Build America Bond program under the Federal Stimulus Act. The 2010 General Obligation bonds were issued with a level principal structure and the annual debt service was about \$1.6 million in FY2011-12, declining each year to \$1.06 million in FY2030-31.

In December of 2009, the Town issued \$4,490,000 of general obligation bonds to refund bonds issued in 1998 and 2000. The sale resulted in a savings of \$487,393 in interest costs spread over the remaining 10 year life of the bonds.

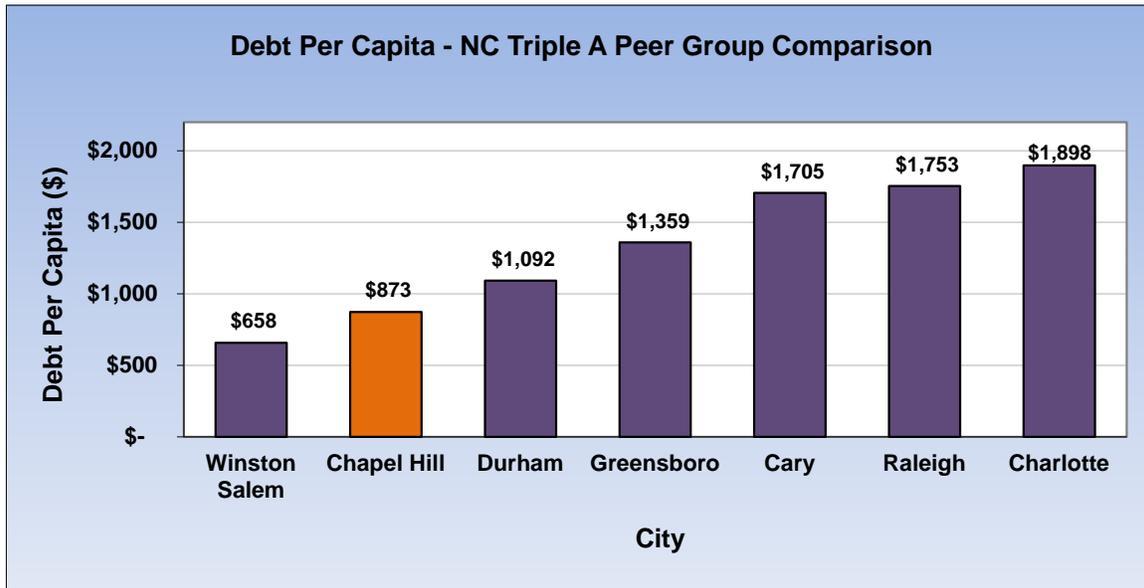
The Town's long-term debt payments for existing general obligation bonds and certificates of participation are shown below for the next ten years:



## Future Additional Debt

Town Council placed a bond referendum before the citizens of Chapel Hill in November of 2003. The October 2010 General Obligation debt issuance represented the balance of that authority. In order to issue additional General Obligation Bonds the Town would need to receive approval from voters through the public referendum process. The next bond referendum will probably take place after FY2016-17 as the Debt Management Fund builds capacity for new debt service.

# DEBT & BOND RATINGS



(Ratios of total outstanding G.O.B. debt, authorized & unissued G.O.B. debt, and IP debt, excluding enterprise, for N.C. populations greater than 50,000. Source: Analysis of Debt of N.C. Municipalities 6/30/2012, Department of State Treasurer, Division of State and Local Government Finance.)

## Debt Limits

By State law, local governments may issue debt totaling 8% of the total assessed value of its property tax base. The 8% limit applies to general obligation bonds and certificates of participation. The Town is allowed seven years to issue general obligation debt once it is approved by the taxpayers, which

allows the Town to phase in debt as it is needed and as older debt drops off the repayment schedule. An additional three years extension of the authority to issue general obligation debt is available with approval of the Local Government Commission. Outstanding debt in most governmental units falls well below the 8% of the total assessed value limit, and typically ranges from about 1% to 4% for most governments, depending on the utility enterprises operated by the unit.

<b>TOWN OF CHAPEL HILL, NORTH CAROLINA</b>	
<b>COMPUTATION OF LEGAL DEBT MARGIN</b>	
<b>June 30, 2013</b>	
Total assessed valuation at June 30, 2013	\$ <u>7,658,521,555</u>
Debt limit - 8% of total assessed value	\$ <u>612,681,724</u>
Amount of debt applicable to debt limit:	
General obligation bonds	<u>31,048,145</u>
Legal debt margin	\$ <u>581,633,579</u>

The Town's projected outstanding debt that applies to this limit at June 30, 2013 will total \$31,048,145 in outstanding general obligation bonds. The total is less than 1% of the Town's June 30, 2013 tax base (\$7.66 billion).

# DEBT & BOND RATINGS

The Town's annual general obligation and certificate of participation debt service cost for 2013-14 is estimated to be about \$7.30 million, or about 13.4% of the General Fund adopted budget. Annual debt service is considered to be low to moderate if it is less than 10% of its annual General Fund budget. We are aware that we have exceeded our own debt guidelines in recent years by increasing debt service to over 10% of the estimated budget. Our projections show that we will have debt service levels between 10% and 13% of budget for several years. We will continue to monitor this indicator because it is one of numerous factors used to determine the Town's credit rating.

RATIO OF NET BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA LAST TEN FISCAL YEARS					
Fiscal Year Ended June 30	Population Estimate	Taxable Assessed Value	Net Bonded Debt	Ratio of Net Bonded Debt to Taxable Assessed Value	Net Bonded Debt Per Capita
2004	51,485	4,305,436,972	18,400,000	0.43	357
2005	51,519	4,458,136,168	46,725,000	1.05	907
2006	52,397	5,300,417,389	44,045,000	0.83	841
2007	53,416	5,472,958,888	46,130,000	0.84	864
2008	54,904	5,839,993,985	42,650,000	0.73	777
2009	55,616	5,835,597,388	39,185,000	0.67	705
2010	56,778	7,045,574,326	38,520,000	0.55	678
2011	57,233	7,411,059,390	55,445,000	0.75	969
2012	58,076	7,593,430,730	53,445,000	0.70	920
2013	59,338	7,658,521,555	56,235,000	0.73	948

Note: Net bonded debt includes general obligation bonds and certificates of participation.

## Bond Ratings

The Town's bond ratings evidence its financial strength. When the

<b>Moody's</b>	<b>AAA</b>
<b>Standard &amp; Poor's</b>	<b>AAA</b>

Town issues general obligation bonds or other securities, rating agencies reevaluate the Town's current and future ability to repay debt. As a part of the evaluations, the agencies examine the Town's management, reserves, current debt obligations, community growth and stability of key revenue sources. Because of a solid employment base in and around the Town of Chapel Hill and the Town's careful management of resources, the Town has maintained especially high bond ratings for a municipality of its size. In June of 2012, the Town's bond ratings were confirmed at triple A from Moody's Investor Service and from Standard and Poor's, the highest rating attainable.

## **DEBT SERVICE FUND**

### **BUDGET SUMMARY**

The Debt Service Fund is used to account for debt payments on the Town's general obligation bonds issued for capital improvement projects and on the limited obligation bonds issued to refund the Town Operations Center debt and to pay for the Town's new parking deck at 140 West. Funding for debt service historically came from a transfer from the General Fund to the Debt Service Fund, but beginning in 2008-09, a portion of the property tax rate was allocated to debt service payments. The continuing tax rate of 7.5 cents is expected to yield \$5.47 million in revenues in FY14.

Expenses for FY14 reflect the issuance of \$3.05 million in refunding GO bonds in February 2013. The adopted budget for FY14 includes appropriation of about \$856,000 of fund balance.

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Principal Payments	\$ 4,490,000	\$ 4,676,000	\$ 4,972,798	\$ 4,995,000	\$ 4,904,000	4.9%
Interest Expense	2,271,774	2,272,652	2,294,854	2,294,854	2,500,742	10.0%
Issuance Expense	181,354	75,000	241,117	251,730	-	-100.0%
Advanced Refunding	26,499,557	-	3,044,867	3,044,867	-	N/A
<b>Total</b>	<b>\$ 33,442,685</b>	<b>\$ 7,023,652</b>	<b>\$ 10,553,636</b>	<b>\$ 10,586,451</b>	<b>\$ 7,404,742</b>	<b>5.4%</b>

### **REVENUES**

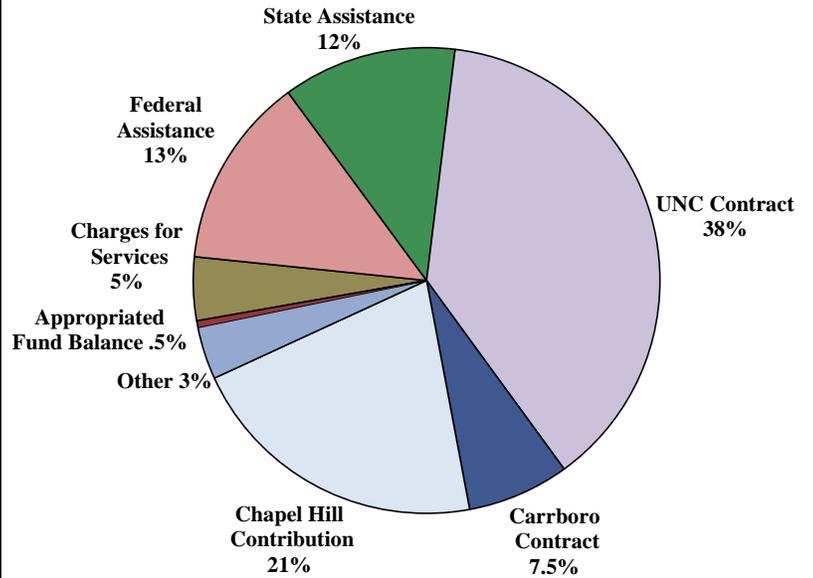
	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Property Taxes	\$ 5,427,762	\$ 5,462,000	\$ 5,462,000	\$ 5,447,321	\$ 5,471,000	0.2%
Transfer from Off-Street Parking	-	438,000	875,664	875,664	908,331	107.4%
Premium on Bond Sale	4,683,694	-	-	-	-	N/A
Debt Proceeds	26,417,739	-	3,050,000	3,050,000	-	N/A
BABS Interest Subsidy	182,506	183,000	175,061	182,507	168,360	-8.0%
Interest Income	2,928	-	57,842	2,100	1,000	N/A
Appropriated Fund Balance	(3,271,944)	940,652	933,069	1,028,859	856,051	-9.0%
<b>Total</b>	<b>\$ 33,442,685</b>	<b>\$ 7,023,652</b>	<b>\$ 10,553,636</b>	<b>\$ 10,586,451</b>	<b>\$ 7,404,742</b>	<b>5.4%</b>

# TRANSIT FUND

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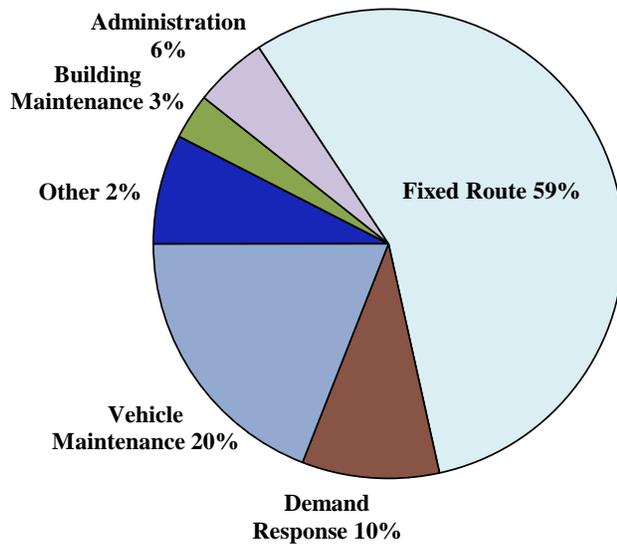
The Transit Fund is used to account for the operations of the Town's public transit system.

## Transit Revenues



Total \$19,762,904

## Transit Expenditures



# TRANSIT

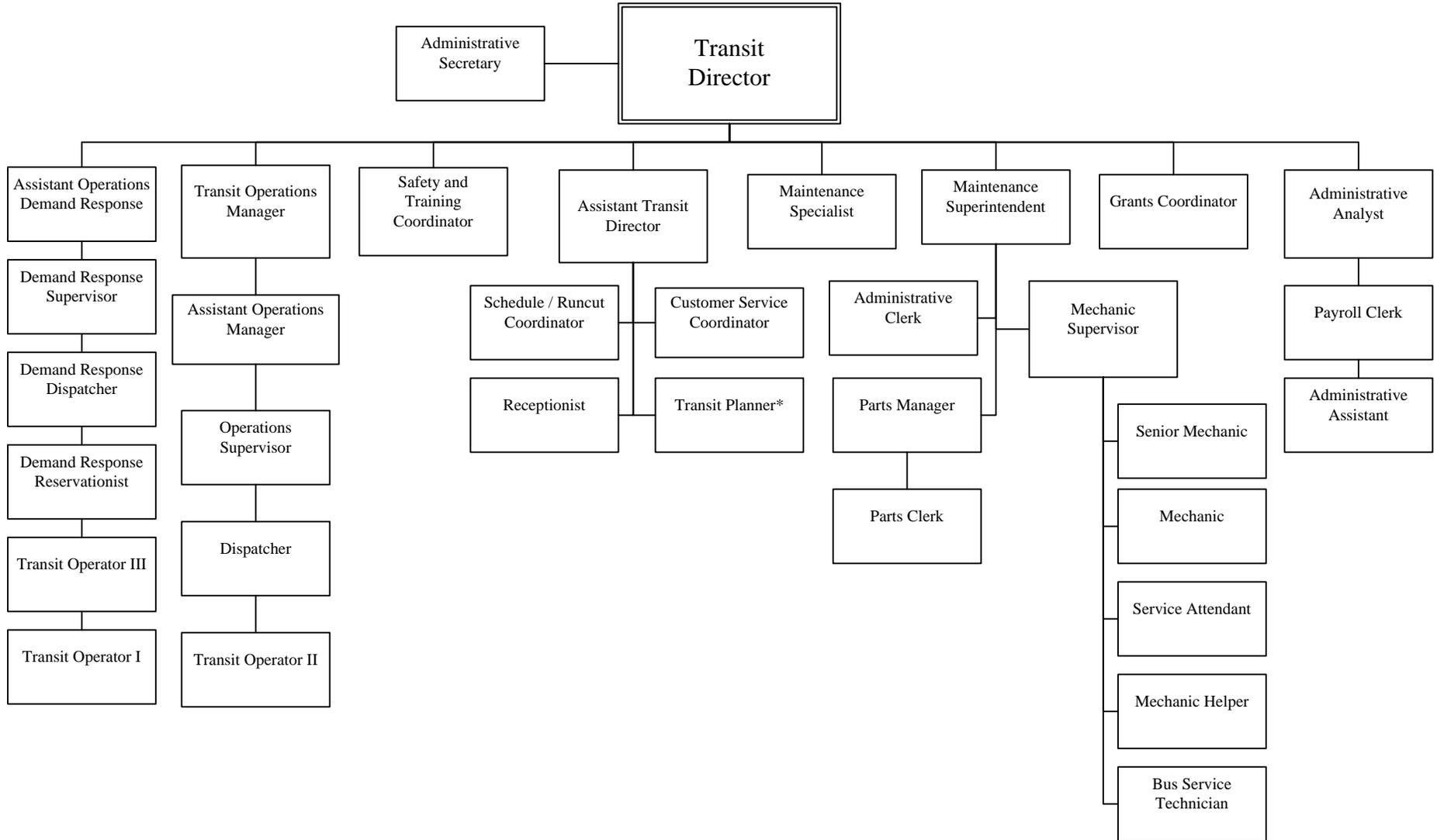
## MISSION STATEMENT:

*Chapel Hill Transit's mission is to build and operate a public transit system that provides personal mobility, while supporting local development and environmental goals of our community.*

As a first step towards Priority-Based Budgeting, the Transit Department identified the following primary programs that are included in the adopted budget for FY14.

Program	Description
<b>Fixed-Route Bus Service</b>	Provide public transportation for the Towns of Chapel Hill and Carrboro and the University of North Carolina-Chapel Hill (UNC). CHT provides fare-free fixed route bus service on 31 weekday and weekend routes, utilizing 98 transit buses. Includes local, express, regional express and Tar Heel Express routes.
<b>Demand-Response Service</b>	Provide ADA Paratransit service within three-quarter miles of each fixed route for persons with a qualified disability who are unable to use fixed-route services, utilizing 22 lift-equipped vehicles. The service operates the same days and times as fixed-route services.
<b>Maintenance</b>	Maintain and repair CHT fleet of 120 buses/vans and 18 support/maintenance vehicles. Responsible for general maintenance of the transit facility and all customer amenities (e.g. shelters, benches, trash cans, etc.)
<b>Administration and Finance</b>	Manage all aspects of the transit system, including: Administration and Finance, Short and Long Range Planning, Regional Service Coordination, Grant Management (Federal and State) Marketing and Public Relations and Taxi Franchises.

# TRANSIT



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\* Grant-funded positions.

**TRANSIT DEPARTMENT**  
**STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS**

	2011-12 ADOPTED	2012-13 ADOPTED	2013-14 ADOPTED
<b>Administration</b>			
Director-Transit	1.00	1.00	1.00
Manager Systems Dev. Planning (Unfunded)	1.00	0.00	0.00
Assistant Director-Transit	1.00	1.00	1.00
Compliance Manager	0.00	1.00	1.00
Administrative Analyst	1.00	1.00	1.00
Advertising Sales Manager	0.00	1.00	1.00
Coordinator-Scheduling/Run Cut	1.00	1.00	1.00
Coordinator-Grants	1.00	1.00	1.00
Customer Service Coordinator	0.00	0.00	1.00
GIS Technician	1.00	1.00	1.00
Procurement Specialist	0.00	0.00	1.00
Transit Services Planner	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	1.00
Receptionist	1.00	0.00	0.00
Administrative Clerk	1.00	1.00	1.00
Division Totals	<u>12.00</u>	<u>12.00</u>	<u>14.00</u>
<b>Operations</b>			
Transit Operations Manager	1.00	1.00	1.00
Coordinator-Safety and Training	1.00	1.00	1.00
Assistant Transit Operations Manager	2.00	2.00	2.00
Supervisor-Transit	6.00	4.00	6.00
Transit Dispatcher	4.00	4.00	4.00
Transit Operator III (E-Z Rider Driver)	15.57	13.25	13.25
Transit Operator II (Bus Driver)	120.26	102.98	105.66
Transit Operator I (Shared Rider Driver)	1.00	1.00	1.00
Transit Reservationist	2.00	1.00	1.00
Division Totals	<u>152.83</u>	<u>130.23</u>	<u>134.91</u>
<b>Equipment Maintenance</b>			
Superintendent-Transit Maintenance	1.00	1.00	1.00
Supervisor-Mechanic	2.00	2.00	2.00
Mechanic, Senior	1.00	0.00	0.00
Parts Manager	1.00	1.00	1.00
Maintenance Specialist	1.00	0.00	0.00
Mechanic	12.00	14.00	14.00
Bus Service Technician	2.00	2.00	2.00
Mechanic Helper	2.00	2.00	2.00
Administrative Clerk	1.00	1.00	1.00
Parts Clerk	1.00	1.00	1.00
Service Attendant	6.50	5.50	5.50
Division Totals	<u>30.50</u>	<u>29.50</u>	<u>29.50</u>
Transit Department Totals	<u><u>195.33</u></u>	<u><u>171.73</u></u>	<u><u>178.41</u></u>

# ***TRANSIT FUND***

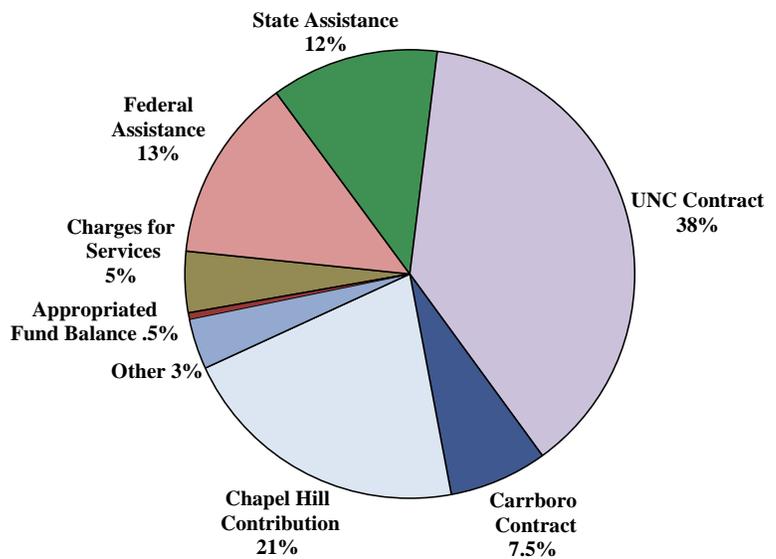
## ***Major Revenue Sources - Descriptions and Estimates***

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The Town provides public transit services for the Town of Chapel Hill and the neighboring Town of Carrboro and the University of North Carolina. The two towns and the university share annual operating costs of the transit system on a contractual basis. In 2001, the transit system initiated fare free services, eliminating fare box and pass sale revenues previously collected for the basic system. (Exceptions are fares for specific routes to Hillsborough and Pittsboro and the Tar Heel Express service provided for athletic and other special events for the University.)

The adopted budget for the Transit Fund for fiscal year 2013-14 totals about \$19.76 million, an increase of 5.8% over FY13. Below is a description of the major revenue sources for the Transit Fund, and the pie chart below shows the major revenue sources for fiscal year 2013-14.

**Transit Revenues**



### **Federal Operating Assistance**

The Transit system receives an operating assistance allocation each year from the federal government based on a variety of factors and funding formulas. We estimate the continuation of federal funding for operations at \$1.9 million in 2013-14. The adopted budget for FY14 includes two planning grants totaling just over \$1 million dollars, one for the MLK Alternatives Analysis and one for the Fiscal Sustainability Plan, with the federal portion totaling about \$925,000. Additional operating grants will be sought for FY14 as opportunities arise, and will be added to the budget through amendment if awarded.

### **State Operating Assistance**

The Transit system also receives an operating assistance allocation each year from the State based on a formula involving various operating statistics for the system. The subsidy for FY13 is expected to be about \$288,000 less than budgeted, with reduction of another \$499,000 in 2013-14. The reduction reflects the service cuts from FY12, which happened concurrently with increases in service miles for other jurisdictions, resulting in a smaller statewide allocation to Chapel Hill.

# TRANSIT FUND

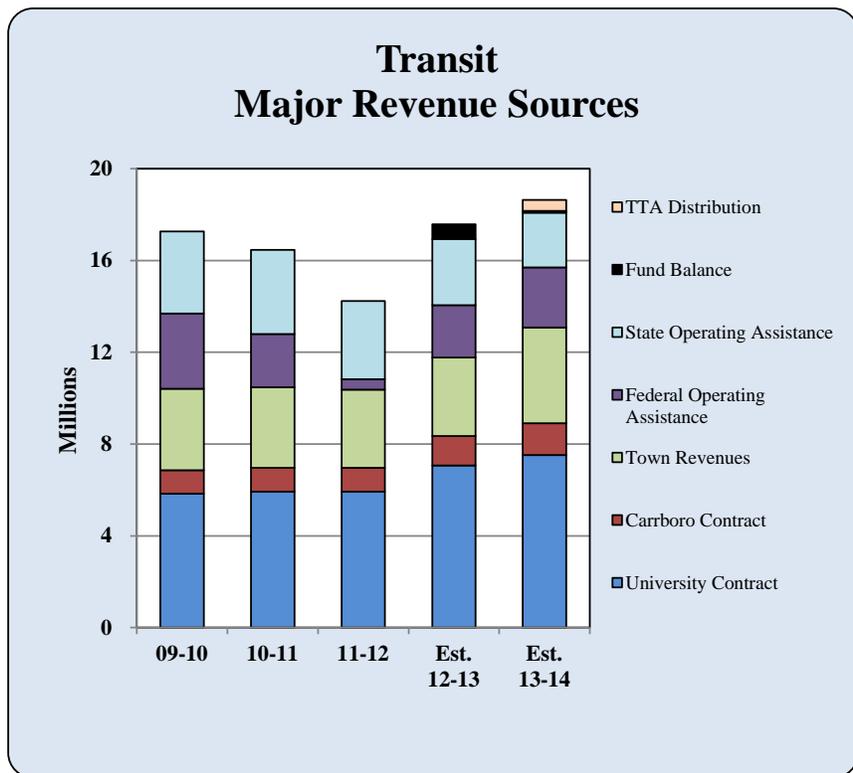
## Major Revenue Sources - Descriptions and Estimates

### University Contract

The University of North Carolina contracts with the Town for bus service for routes on and surrounding the campus of the University and UNC Health Care System. The University contract also covers routes determined to serve mainly students and employees of the University. The cost of these services is based on cost sharing arrangements among the Town, the University and Carrboro, as agreed to in an annual contract. The University's contracted share remained about \$5.9 million from 2010 through 2012, with an increase to about \$7.06 million in FY12-13. UNC's allocation for FY13-14 reflects an increase of about \$300,000.

### Carrboro Contract

The Town of Carrboro also contracts with the Town for transit service with costs also based on the Memorandum of Understanding. Carrboro's cost for 2012-13 also reflect the first increase since 2010, and the budget for FY14 reflects an increase of about \$113,000 over FY13 based on the funding formula.



### Town Revenues

The Town's share of cost for the Transit system is funded primarily by a property tax levy for transit. The adopted budget for the Transit Fund in fiscal year 2013-14 includes a 1 cent increase in the tax rate for Transit, moving from 4.1 cents to 5.1 cents for budgeted tax revenue of about \$3.7 million. Also included in Town revenues are interest income and \$425,000 for vehicle license fees.

# ***TRANSIT FUND***

## ***Major Revenue Sources - Descriptions and Estimates***

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### **Park and Ride Fees**

The adopted budget for 2013-14 includes the initiation of fees for use of park and ride lots. The University will begin charging a fee for the lots they operate, which would result in overflow to our lots if they remained free of charge. The FY14 budget includes fee revenues of \$81,000 and a subsidy estimated at \$150,000 from UNC to pay for use of Town operated lots by UNC permit holders. Operating expenses necessary to collect park and ride fees total about \$69,000.

Other revenues expected for the system include about \$390,000 in fares for the Tar Heel Express and other special events, and about \$228,000 in services for Triangle Transit Authority.

### **Fund Balance**

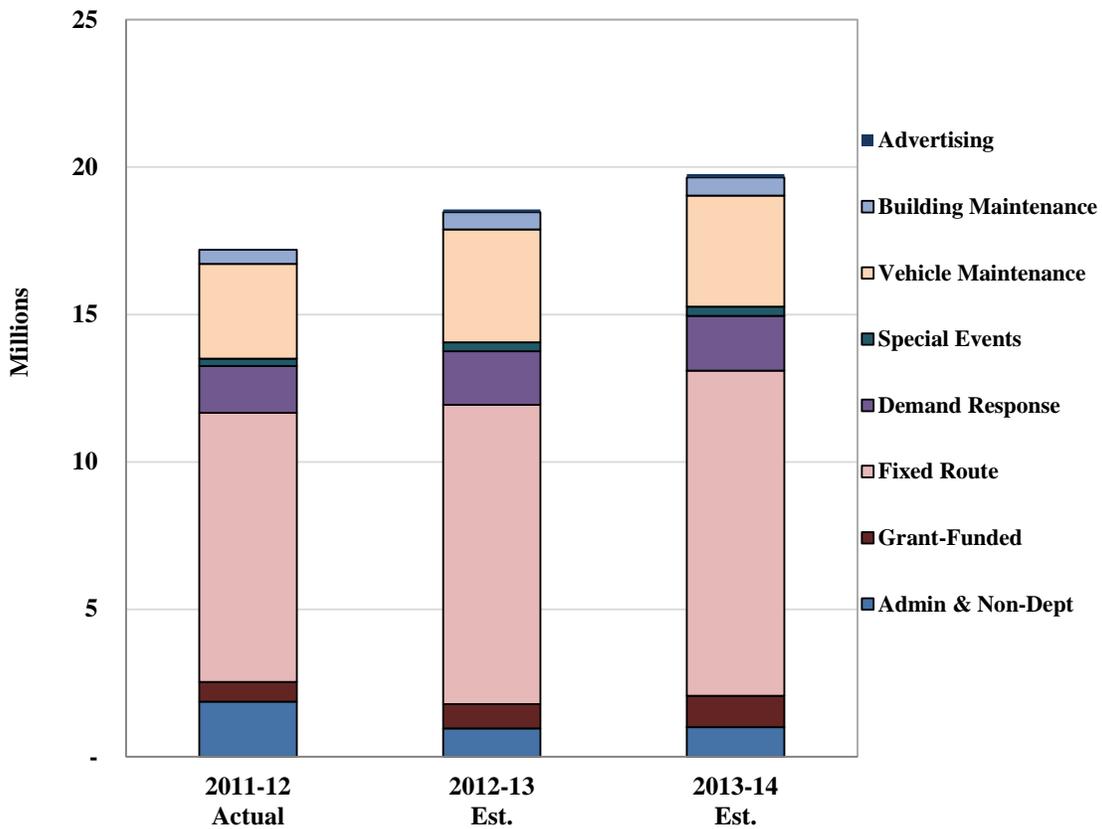
The Transit system expects expenditures in excess of revenues in FY13 of about \$646,000, to be provided by the use of fund balance. An additional use of about \$87,000 of fund balance is used to balance the budget in FY14.

# TRANSIT FUND

## Major Expenditures - Descriptions and Estimates

The adopted budget for Transit for 2013-14 continues fare free services for fixed routes in the system and totals \$19.76 million. Major expenditures of the system consist primarily of personnel, operating and maintenance costs for a planned fleet of 99 buses, two 15-passenger vans, 15 lift-equipped vans, 13 wagons or minivans, and four maintenance service trucks that provide transit service to the entire community.

### Transit Expenses



The chart above illustrates the portions of the budget allocated to the major categories of Fixed Route, Demand Response, Vehicle Maintenance, Administration and Building Maintenance. Operational costs total about \$15.4 million and Maintenance costs total about \$4.4 million. Administrative costs, shown at about \$1 million, include a reserve of about \$35,000 for employee pay adjustments.

## ***TRANSIT FUND***

### ***Major Expenditures - Descriptions and Estimates***

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Expenditures for FY14 include the full year cost of the FY13 raise, offset by reductions in fuel and vehicle maintenance. The Town has signed a fuel contract for about half the expected fuel needed for FY14, and the current estimate for diesel is \$3.1689 per gallon. With the receipt of fifteen replacement buses in F13, the budget for maintenance and tires is reduced by about \$300,000 in FY14 while the new buses are under warranty.

The adopted budget includes the addition of about \$240,000 in one-time cost for the MLK alternatives analysis and long range financial sustainability plan, and the addition of operating expenses necessary for charging fees for use of park and ride lots, about \$81,000. These continuing costs include credit card processing fees, supplies and contracted services for online sales of permits.

The FY14 adopted budget does not include a transfer to the Capital Reserve Fund for future grant matches.

## **TRANSIT BUDGET SUMMARY**

The adopted budget for the Transit Department continues fare-free service and is balanced with an increase in the Transit tax rate from \$4.1 cents/\$100 to \$5.1 cents. The budget reflects a decrease in State formula funding in both FY13 and FY14. Contributions from UNC and Carrboro reflect increases to relieve reliance on fund balance and to bridge the gap from the reduction in State funding. The FY14 budget also includes new revenues from anticipated first year distributions from TTA from the Orange County sales tax for Transit. Cost increases include adjustments for a 4% medical insurance increase, a 2% pay allowance and Phases 1 and 2 of the Class and Compensation Study, both effective October 2013, and reflect the savings achieved by contracting at least half the expected fuel usage for FY14. The budget for FY14 also reflects fees for use of park and ride lots, along with anticipated costs of the program, for a net of about \$160,000. Operating costs also include matching funds for the MLK alternatives and financial sustainability plans. Operations in FY13 are expected to require the use of about \$646,000 in fund balance, and the FY14 budget is balanced with the use of about \$87,000 of fund balance.

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Admin & Non-Dept Grant-Funded	\$ 1,861,700	\$ 1,020,884	\$ 1,050,231	\$ 960,371	\$ 996,561	-2.4%
Advertising	673,847	504,924	1,127,218	823,008	1,070,500	112.0%
Fixed Route	33,118	133,696	133,696	99,793	117,207	N/A
Demand Response	9,125,526	10,472,165	10,453,992	10,150,270	11,029,432	5.3%
Special Events	1,593,973	1,848,164	1,871,502	1,820,523	1,861,387	0.7%
Vehicle Maintenance	244,568	332,471	313,959	304,608	305,351	-8.2%
Building Maintenance	3,218,849	3,765,778	3,950,563	3,824,862	3,766,187	0.0%
	480,893	607,354	654,764	586,135	616,279	N/A
<b>Total</b>	<b>\$ 17,232,474</b>	<b>\$ 18,685,436</b>	<b>\$ 19,555,925</b>	<b>\$ 18,569,570</b>	<b>\$ 19,762,904</b>	<b>5.8%</b>

### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Charges for Services	\$ 830,046	\$ 728,155	\$ 728,155	\$ 790,526	\$ 871,526	19.7%
Federal Assistance	-	1,900,000	1,900,000	1,900,000	1,900,000	0.0%
Federal Ops Grants	446,621	203,892	614,819	386,047	725,150	255.7%
State Assistance	3,419,853	3,165,556	3,207,468	2,877,495	2,378,671	-24.9%
TTA Fees	-	-	-	-	472,000	N/A
UNC Park & Ride	-	-	-	-	150,000	N/A
UNC Contract	5,930,168	7,065,667	7,065,667	7,065,667	7,364,487	4.2%
Carrboro Contract	1,032,825	1,283,367	1,283,367	1,283,367	1,396,422	8.8%
Advertising Revenue	44,611	250,000	250,000	200,000	250,000	0.0%
Chapel Hill Revenues	3,412,361	3,418,500	3,418,500	3,420,319	4,167,238	21.9%
Transfer from General Fund	-	364,000	364,000	-	-	-100.0%
Transfer from Transit Capital Grant	-	-	360,000	-	-	N/A
Appropriated Fund Balance	2,115,989	306,299	363,949	646,149	87,410	-71.5%
<b>Total</b>	<b>\$ 17,232,474</b>	<b>\$ 18,685,436</b>	<b>\$ 19,555,925</b>	<b>\$ 18,569,570</b>	<b>\$ 19,762,904</b>	<b>5.8%</b>

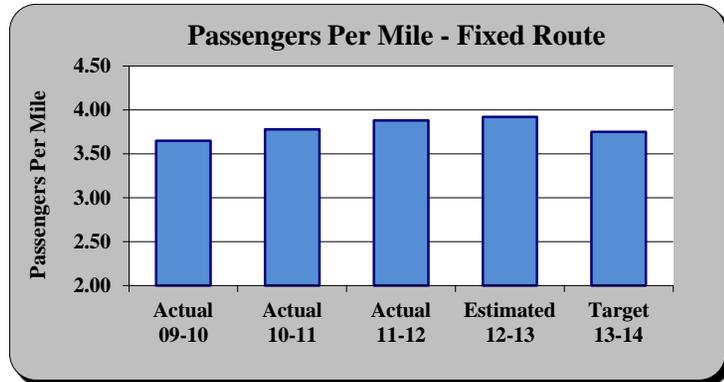
# TRANSIT TRENDS

**COUNCIL SERVICE GOALS:** Provide fair, effective, efficient and prompt customer service. Maintain current transit service levels and routes.

**GOAL:** Increase the efficiency and effectiveness of transit services.

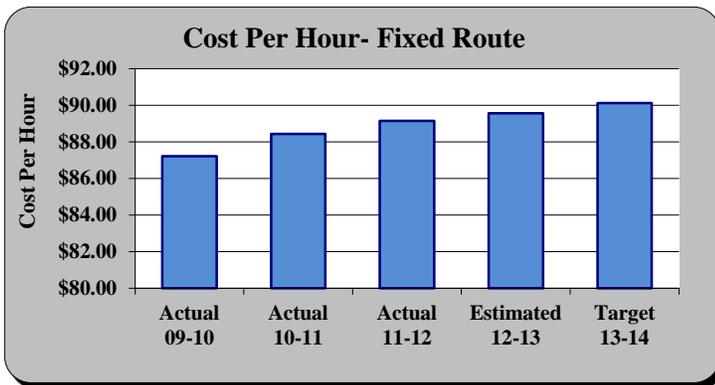
**OBJECTIVE:** Increase the number of passengers per mile in fixed route transit service.

In fiscal year 2012-13, the number of passengers per mile increased by approximately 1.03% above 2011-12, as the Town continued to provide fare-free service.



**GOAL:** Increase the efficiency and effectiveness of transit services.

**OBJECTIVE:** Maintain a stable system cost per hour for fixed route services.



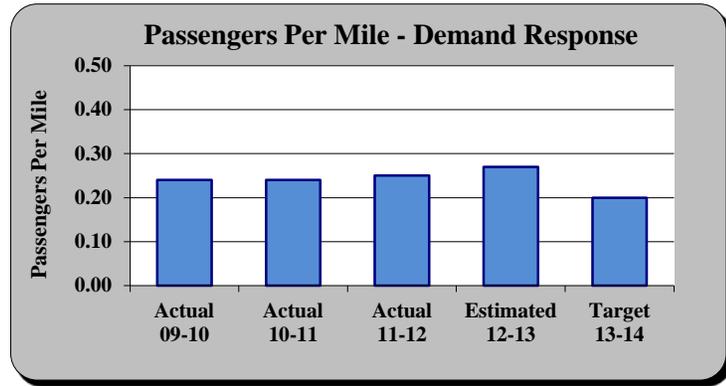
In fiscal year 2012-13, the fixed route cost per hour increased about 0.48% over 2011-12 at approximately \$90. With the target number of passengers set to increase next year, efforts are focused on controlling the fixed route cost per hour.

# TRANSIT TRENDS Cont.

**GOAL:** Increase the efficiency and effectiveness of transit services.

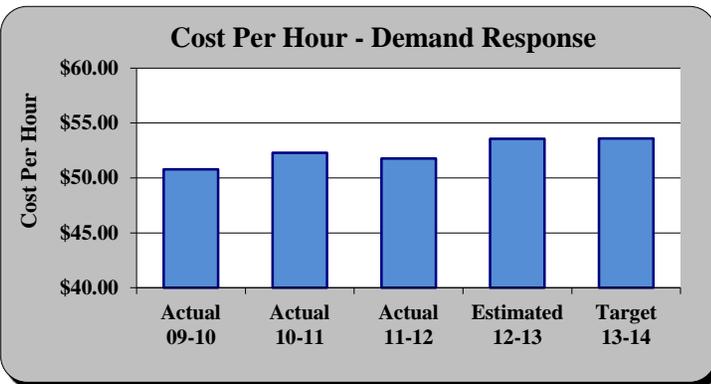
**OBJECTIVE:** Increase the number of passengers per mile in demand response paratransit service.

In fiscal year 2012-13, the number of passengers per mile remained fairly consistent with 2011-12, as the Town continued to provide fare-free paratransit service.



**GOAL:** Increase the efficiency and effectiveness of transit services.

**OBJECTIVE:** Maintain a stable system cost per hour for demand response paratransit services.

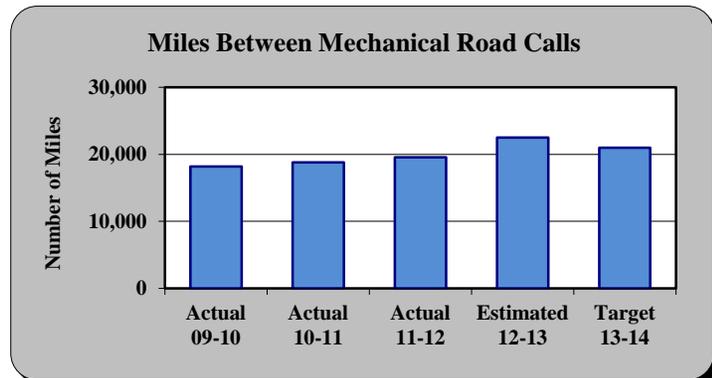


In fiscal year 2012-13, the demand response cost per hour increased about 3.46% from 2011-12, due to reallocation of costs more appropriately captured in the fixed route budget. With anticipated increases in operational costs, the 2013-14 target is to hold increases to 3% or less.

**GOAL:** Increase the efficiency and effectiveness of transit services.

**OBJECTIVE:** Maintain or increase service miles between road calls that may interrupt service.

In fiscal year 2012-13, the miles between road calls increased by about 15.17%, and remained below the industry standard of 24,000 miles or more. For 2013-14, the target is to have fewer maintenance calls and an average of 21,000 miles or more between road calls that may interrupt service.



## ***TRANSIT - ADMINISTRATION DIVISION***

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**MISSION STATEMENT:** *The Mission of Chapel Hill Transit is to build and operate a safe, efficient, responsive public transit system serving Chapel Hill, Carrboro and the University of North Carolina with trained and dedicated employees.*

*Chapel Hill Transit will provide mobility, support local development and environmental goals while improving the quality of life and preserving the natural beauty of our community.*

The Administration Division supervises departmental operations, manages grant and service contracts and participates in transportation planning. Duties of the division include:

- Contract monitoring and negotiation with the University of North Carolina and the Town of Carrboro for transportation services and funding arrangements.
- Grants management (from the Federal Transit Administration and the State of North Carolina).
- Transit planning activities including short range and long range transit plans and special transit initiatives.
- Review of development proposals to assess impact on public transportation.
- Marketing and public relations activities.
- Participation in local, regional and state-wide public transit activities.
- Monitor, evaluate and analyze transit operations to ensure that services are being provided with the highest level of customer service in the most efficient and cost effective manner possible.

## ***TRANSIT - Administration and Non-Departmental BUDGET SUMMARY***

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*The adopted budget for 2014 includes the addition of a procurement specialist and a customer service position, along with a 2% raise effective October 2013, a 4% increase in medical insurance rates and a small increase in retirement costs. The non-departmental budget also includes a reserve for implementation of Phases 1 and 2 of the Class and Compensation Study, also effective in October 2013.*

*The 18.1% reduction in operating costs is largely due to a reduction of operating grant matching funds, in addition to a reduction in marketing and printing costs, now handled by Advertising.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 481,974	\$ 673,436	\$ 676,358	\$ 695,959	\$ 711,420	5.6%
Operating Costs	299,674	344,209	370,634	261,173	281,902	-18.1%
Transfer to Grant Match	12,552	3,239	3,239	3,239	3,239	0.0%
Transfer to Capital Reserve	1,067,500	-	-	-	-	N/A
<b>Total</b>	<b>\$ 1,861,700</b>	<b>\$ 1,020,884</b>	<b>\$ 1,050,231</b>	<b>\$ 960,371</b>	<b>\$ 996,561</b>	<b>-2.4%</b>

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**TRANSIT - Grants**  
**BUDGET SUMMARY**

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*Operating grants included in the Transit Fund for FY14 include 5307 and 5309 planning funds for undertaking the MLK Alternatives Analysis Study (\$437,500) and the Financial Sustainability Plan (\$633,000.)*

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**EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 477,893	\$ 167,507	\$ 335,353	\$ 264,473	\$ 50,000	-70.2%
Operating Costs	195,954	337,417	629,865	528,535	1,020,500	202.4%
Capital Outlay	-	-	162,000	30,000	-	N/A
<b>Total</b>	<b>\$ 673,847</b>	<b>\$ 504,924</b>	<b>\$ 1,127,218</b>	<b>\$ 823,008</b>	<b>\$ 1,070,500</b>	<b>112.0%</b>

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## ***TRANSIT - Advertising*** ***BUDGET SUMMARY***

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*The Transit Advertising Program was adopted in FY12, and although budgeted as the first full year of service, FY13 estimates reflect a few months' moratorium while the advertising policy was reviewed and revised. The reduction in the adopted budget estimates for FY14 reflects actual trends.*

*Revenues are projected at \$200,000 in FY13, and at \$250,000 for FY14.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 30,568	\$ 102,168	\$ 102,168	\$ 85,392	\$ 92,278	-9.7%
Operating Costs	2,550	31,528	31,528	14,401	24,929	-20.9%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 33,118</b>	<b>\$ 133,696</b>	<b>\$ 133,696</b>	<b>\$ 99,793</b>	<b>\$ 117,207</b>	<b>-12.3%</b>

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## ***TRANSIT- OPERATIONS DIVISION***

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**MISSION STATEMENT:** *The Mission of Chapel Hill Transit is to build and operate a safe, efficient, responsive public transit system serving Chapel Hill, Carrboro and the University of North Carolina with trained and dedicated employees.*

*Chapel Hill Transit will provide mobility, support local development and environmental goals while improving the quality of life and preserving the natural beauty of our community.*

The Operations Division manages fixed-route bus service and demand-responsive services with smaller vehicles. Duties of the division include:

- Provide fixed-route bus service to meet the mobility goals of Chapel Hill, Carrboro and the University of North Carolina.
- Coordinate transit service with other public transit systems in the Triangle to enhance the mobility of our citizens.
- Operate demand-responsive door-to-door service for certified persons with disabilities, using lift-equipped vans and sedans.
- Operate shuttle service (Tar Heel Express) to all UNC home football and basketball games.
- Hire, train and motivate bus operators and support staff to ensure efficient, safe, on-time and courteous service to the public.

**TRANSIT - Fixed Route**  
**BUDGET SUMMARY**

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*The adopted budget for 2013-14 reflects a 2% pay adjustment effective October 2013, medical insurance rate increase of 4% and a small increase in the required contribution to the retirement system. Personnel costs also include the addition of two bus drivers and two supervisors.*

*Operating costs remain stable while maintaining service levels, with the 3% decrease mostly comprised of a reduction in the fuel budget, with at least half the expected fuel usage at a contracted cost basis. Current projected fuel prices are at \$3.17 per gallon. The FY14 budget also includes the one-time cost of matching funds for the MLK alternatives analysis.*

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**EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 6,479,034	\$ 6,758,008	\$ 6,876,185	\$ 6,813,738	\$ 7,427,904	9.9%
Operating Costs	2,646,492	3,714,157	3,577,807	3,336,532	3,601,528	-3.0%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 9,125,526</b>	<b>\$ 10,472,165</b>	<b>\$ 10,453,992</b>	<b>\$ 10,150,270</b>	<b>\$ 11,029,432</b>	<b>5.3%</b>

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## ***TRANSIT - Demand Response***

### **BUDGET SUMMARY**

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*The adopted budget for Demand Response in FY14 remains relatively stable, with increases in personnel costs largely offset by decreases in operating. The adopted budget for 2013-14 reflects a 2% pay adjustment effective October 2013, medical insurance rate increase of 4% and a small increase in the required contribution to the retirement system. The 4.8% reduction in operating costs reflects a decrease in gasoline costs based on contracting for up to half the anticipated needs for the year, along with a number of minor decreases in other items. Gasoline for FY14 is projected at \$2.906 per gallon, compared with \$3.20 per gallon from FY13.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 1,172,902	\$ 1,240,059	\$ 1,270,897	\$ 1,242,633	\$ 1,282,260	3.4%
Operating Costs	421,071	608,105	600,605	577,890	579,127	-4.8%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 1,593,973</b>	<b>\$ 1,848,164</b>	<b>\$ 1,871,502</b>	<b>\$ 1,820,523</b>	<b>\$ 1,861,387</b>	<b>0.7%</b>

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## ***TRANSIT - Tarheel Express / Special Events***

### **BUDGET SUMMARY**

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*The adopted budget for Tarheel Express & Special Events in FY14 reflects a decrease in operating cost for fuel at contracted prices. The adopted budget for 2013-14 reflects a 2% pay adjustment effective October 2013, medical insurance rate increase of 4% and a small increase in the required contribution to the retirement system.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 188,553	\$ 213,654	\$ 213,654	\$ 210,968	\$ 223,525	4.6%
Operating Costs	56,015	118,817	100,305	93,640	81,826	-31.1%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 244,568</b>	<b>\$ 332,471</b>	<b>\$ 313,959</b>	<b>\$ 304,608</b>	<b>\$ 305,351</b>	<b>-8.2%</b>

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## ***TRANSIT - MAINTENANCE DIVISION***

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**MISSION STATEMENT:** *The Mission of Chapel Hill Transit is to build and operate a safe, efficient, responsive public transit system serving Chapel Hill, Carrboro and the University of North Carolina with trained and dedicated employees.*

*Chapel Hill Transit will provide mobility, support local development and environmental goals while improving the quality of life and preserving the natural beauty of our community.*

The Maintenance Division services and repairs transit vehicles and support equipment to ensure safe, reliable and clean transit vehicles. Duties of the division include:

- Daily service, fueling and cleaning of all transit vehicles.
- Ongoing maintenance, inspection and repair of buses, vans and support vehicles.
- Ongoing maintenance of transit amenities, such as benches and shelters.
- Maintain and inventory system of fuel and bus parts to support the timely operation of services.
- Develop capital improvement plan and procurement of major capital equipment.
- Ensure that employees have the proper training and skills to ensure the safe efficient operation of Town vehicles.

***TRANSIT - Vehicle Maintenance***  
***BUDGET SUMMARY***

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*The 2.9% increase in personnel costs are due to the 2% raise effective October 2013, 4% increase in medical insurance rates and a small increase in the retirement rate. The 2.9% reduction in operating costs reflects the expectation of reduced maintenance with 15 new buses under warranty in FY14.*

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**EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 1,699,771	\$ 1,880,738	\$ 1,817,714	\$ 1,852,690	\$ 1,935,495	2.9%
Operating Costs	1,519,078	1,885,040	2,124,849	1,972,172	1,830,692	-2.9%
Capital Outlay	-	-	8,000	-	-	N/A
<b>Total</b>	<b>\$ 3,218,849</b>	<b>\$ 3,765,778</b>	<b>\$ 3,950,563</b>	<b>\$ 3,824,862</b>	<b>\$ 3,766,187</b>	<b>0.0%</b>

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## ***TRANSIT - Building Maintenance***

### ***BUDGET SUMMARY***

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*The adopted budget for Transit's Building Maintenance division reflects a 1.5% increase overall. Personnel costs are limited to retiree health care for a prior employee. The operating budget is stable, with an increase in electricity cost largely offset by other reductions.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 26,293	\$ -	\$ -	\$ 6,930	\$ 6,039	N/A
Operating Costs	454,600	607,354	654,764	579,205	610,240	0.5%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 480,893</b>	<b>\$ 607,354</b>	<b>\$ 654,764</b>	<b>\$ 586,135</b>	<b>\$ 616,279</b>	<b>1.5%</b>

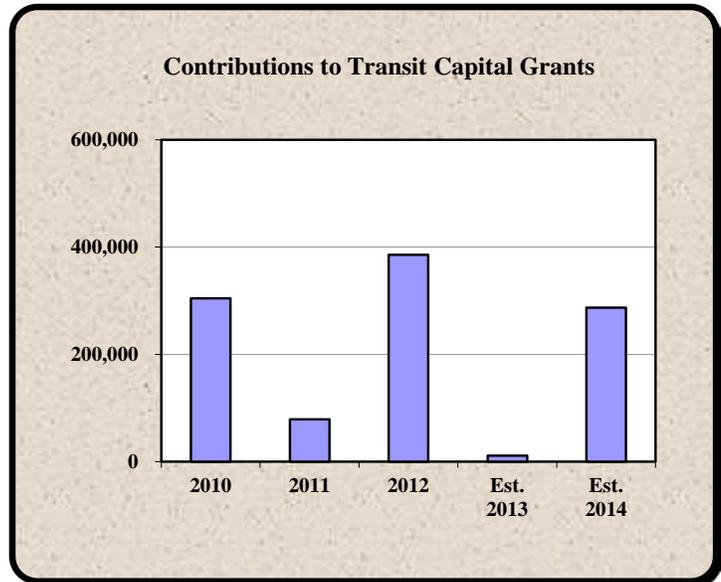
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## ***TRANSIT CAPITAL RESERVE FUND***

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The Transit Capital Reserve Fund is used to account for funds reserved for matching capital funds for buses and facilities related to the Town's transportation system.

Donations vary substantially from year to year, depending on anticipated future needs for reserves.



# ***TRANSIT CAPITAL RESERVE BUDGET SUMMARY***

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*The Transit Capital Reserve Fund is intended to accumulate funding to make capital purchases and to meet matching requirements for capital grants for replacement buses and other equipment. Grant matches for bus purchases in FY13 were made in FY12. Matching funds for FY14 are estimates for grants historically received each year, but not yet awarded.*

*There is no contribution to the fund budgeted for FY14.*

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## **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Contribution to Capital Grant Reserve	\$ 385,319	\$ 512,989	\$ 512,989	\$ 11,090	\$ 286,761	-44.1%
		-	-	-	-	N/A
<b>Total</b>	<b>\$ 385,319</b>	<b>\$ 512,989</b>	<b>\$ 512,989</b>	<b>\$ 11,090</b>	<b>\$ 286,761</b>	<b>-44.1%</b>

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## **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Interest Income	\$ 990	\$ -	\$ -	\$ 1,282	\$ -	N/A
Transfer from Transit Grant	-	-	-	360,000	-	N/A
Appropriated Fund Balance	384,329	512,989	512,989	(350,192)	286,761	-44.1%
<b>Total</b>	<b>\$ 385,319</b>	<b>\$ 512,989</b>	<b>\$ 512,989</b>	<b>\$ 11,090</b>	<b>\$ 286,761</b>	<b>-44.1%</b>

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# ***TRANSIT CAPITAL GRANT PROJECT ORDINANCES***

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Transit capital and planning grants awarded by the Federal Transit Administration are implemented pursuant to grant project ordinances authorized by General Statute 159-13.12. Budgets are adopted throughout the year as the grant awards are received. Nine current project ordinances in the Transportation Department are shown below:

## **2006-07 Capital Grant**

The project ordinance for the fiscal year 2006-07 Section 5307 capital grant was adopted on September 10, 2007. Funds are being used to conduct a feasibility study, environmental assessment, and preliminary engineering for the expansion of park and ride capacity at the existing Eubanks Road Park and Ride lot.

	Project Budget	Estimated Expenditures Through June 30, 2013
2006-07 Transit Capital Grant	\$1,187,077	\$275,392

## **2007-08 Transit Capital and Planning Grant**

The project ordinance for the fiscal year 2007-08 Section 5307 Transit Capital and Planning Grant was adopted on June 9, 2008. The funds were used to continue the ongoing lease of a park and ride facility, to provide enhancements to bus shelter sites, to assist the transportation department staff in conducting transit planning activities, to prepare the annual Transportation Improvement Plan, and to prepare annual statewide planning reports.

	Project Budget	Estimated Expenditures Through June 30, 2013
2007-08 Transit Capital and Planning Grant	\$633,143	\$427,265

## **2008-09 Capital and Planning**

The project ordinance for the fiscal year 2008-09 Section 5307 capital grant was adopted on June 22, 2009. Funds are being used to continue the on-going lease obligation for a park-ride facility at Carrboro Plaza, re-design the Chapel Hill Transit web page, purchase and repair bus shelters, provide repairs and maintenance at park and ride lots served by Chapel Hill Transit and to conduct transit planning activities.

	Project Budget	Estimated Expenditures Through June 30, 2013
2008-09 Transit Capital and Planning Grant	\$189,520	\$183,938

# ***TRANSIT CAPITAL GRANT PROJECT ORDINANCES***

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## **2008-09 Capital Grant**

The project ordinance for the fiscal year 2008-09 Section 5307 capital grant was adopted on February 13, 2012. Funds will be used to conduct an environmental assessment, preliminary engineering and construction for the expansion of the existing Eubanks Road Park and Ride lot.

	Project Budget	Estimated Expenditures Through June 30, 2013
2008-09 Transit Capital Grant	\$423,225	\$-0-

## **2009-10 Capital Grant**

The project ordinance for the fiscal year 2009-10 Section 5307 capital grant was adopted on June 21, 2010. Funds were requested to continue the on-going lease obligation for a park-ride facility at Carrboro Plaza, to purchase a replacement low-floor demand response vehicle and a replacement support vehicle, purchase and repair bus shelters as needed, and to provide repairs and maintenance at park and ride lots served by Chapel Hill Transit.

	Project Budget	Estimated Expenditures Through June 30, 2013
2009-10 Transit Capital and Planning Grant	\$167,369	\$166,084

## **2010-11 Capital Grant**

The project ordinance for the fiscal year 2010-11 Section 5307 technology grant was adopted on October 10, 2011. Funds are being used for camera installation and re-paving at Town-owned park and ride lots.

	Project Budget	Estimated Expenditures Through June 30, 2013
2010-11 Transit Capital Grant	\$82,243	\$7,932

# ***TRANSIT CAPITAL GRANT PROJECT ORDINANCES***

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## **2010-11 Capital Grant**

The project ordinance for a fiscal year 2010-11 Elderly and Disabled capital grant was adopted on January 18, 2011. Funds are being used to complete a bus stop inventory system, to implement a voucher program and to support mobility management.

	Project Budget	Estimated Expenditures Through June 30, 2013
2010-11 Transit Capital Grant	\$537,683	\$139,242

## **2010-11 Capital Grant**

The project ordinance for the fiscal year 2010-11 Section 5307 capital grant was adopted on February 28, 2011. Funds are being used to upgrade the Transportation Department's radio system.

	Project Budget	Estimated Expenditures Through June 30, 2013
2010-11 Transit Capital Grant	\$1,505,000	\$275,934

## **2012-2013 Capital Grant**

The project ordinance for the fiscal year 2012-13 Section 5309 capital grant was adopted on November 21, 2011. Funds are being used to purchase 15 replacement hybrid electric buses.

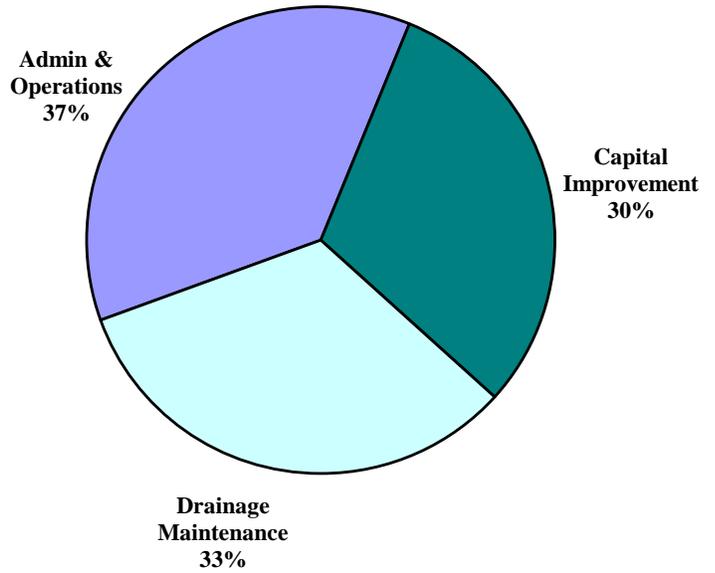
	Project Budget	Estimated Expenditures Through June 30, 2013
2012-13 Transit Capital Grant	\$9,000,000	\$8,959,545

# **STORMWATER MANAGEMENT FUND**

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The Stormwater Management Fund was established in 2004-05 to protect and restore local streams, reduce flood damage through capital improvements, safeguard Jordan Lake water quality and educate citizens about water quality, flood damage and stream protection.

## **Stormwater Expenses**



**Total \$2,702,517**

# ***PUBLIC WORKS-STORMWATER MANAGEMENT***

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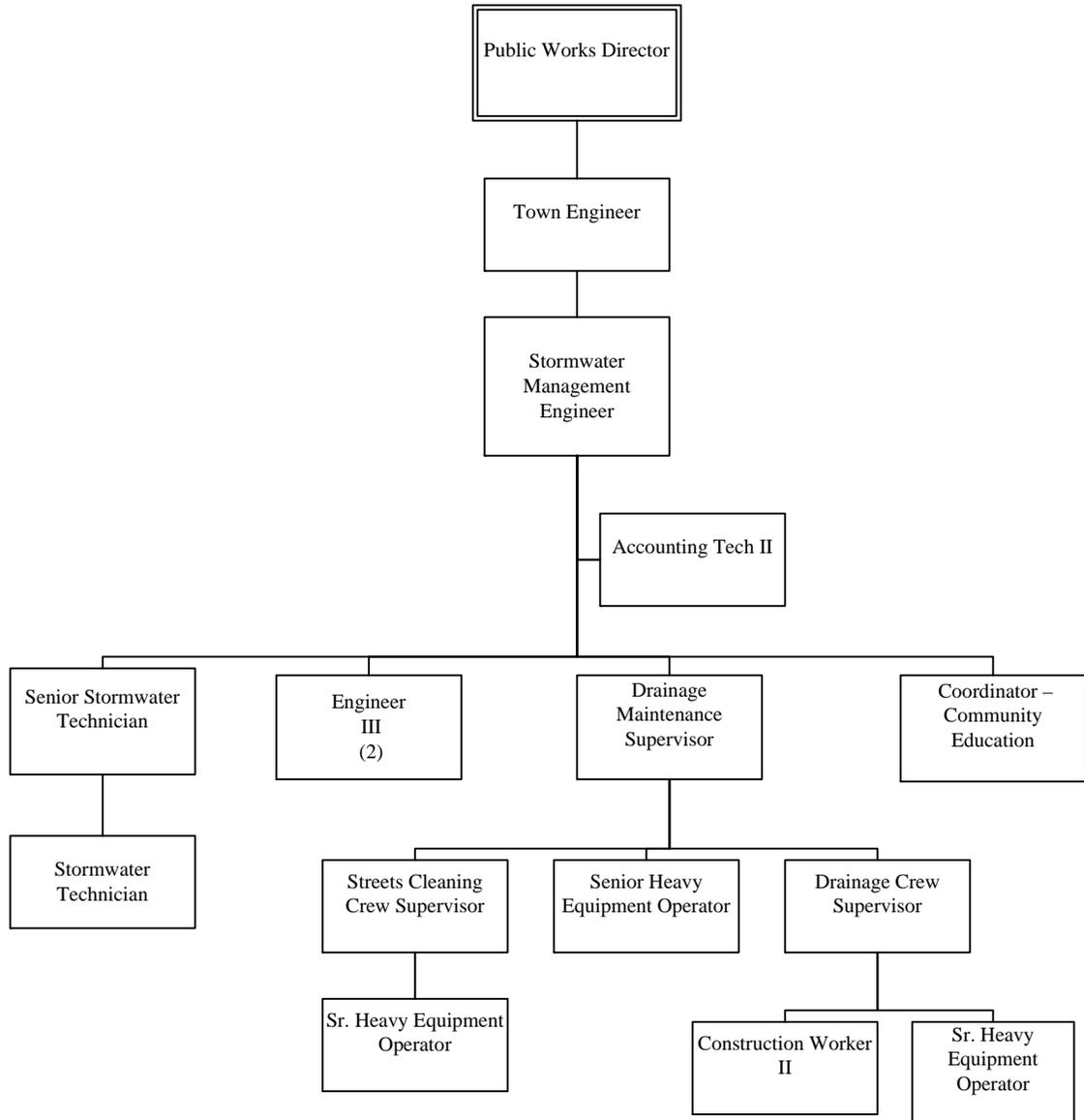
**MISSION STATEMENT:**

*The overall mission of the Stormwater Management Fund is to implement the provisions of the Town's Comprehensive Stormwater Management Program.*

As a first step towards Priority-Based Budgeting, the Public Works-Stormwater Management Department identified the following primary programs that are included in the adopted budget for FY14.

<b>Program</b>	<b>Description</b>
<b>Stormwater Regulatory Compliance</b>	Develop, implement, perform, and administer activities and programs to maintain compliance with Town, State and Federal regulatory requirements (LUMO, NPDES, Jordan TMDL, FEMA Floodplain Management, and Hazard Mitigation).
<b>Stormwater Infrastructure</b>	Perform routine maintenance, remedial repairs, and capital improvements to the town-maintained stormwater infrastructure using in-house and contracted resources.
<b>Stormwater Technical Assistance</b>	Provide technical assistance, respond to inquiries, and investigate complaints from residents, Town staff, and the development community.

STORMWATER MANAGEMENT FUND



***STORMWATER MANAGEMENT FUND***  
***STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

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	<b>2011-12 ADOPTED</b>	<b>2012-13 ADOPTED</b>	<b>2013-14 ADOPTED</b>
<b>Stormwater</b>			
Engineer (Stormwater)	3.00	3.00	3.00
Stormwater Technician	1.00	1.00	1.00
Senior Stormwater Technician	1.00	1.00	1.00
Coordinator - Community Education	1.00	1.00	1.00
Accounting Tech II	1.00	1.00	1.00
Unit Totals	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>
<b>Drainage</b>			
Supervisor-Drainage Maintenance	1.00	1.00	1.00
Supervisor-Drainage Crew	1.00	1.00	1.00
Supervisor-Streets Cleaning Crew	1.00	1.00	1.00
Senior Heavy Equipment Operator	3.00	3.00	3.00
Construction Worker II	1.00	1.00	1.00
Unit Totals	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>
 Stormwater Management Fund Totals	 <u>14.00</u>	 <u>14.00</u>	 <u>14.00</u>

Note: The Stormwater Fund also assumes a portion of salaries of the Engineering Office Manager, Surveyor and Engineering Inspector positions.

# ***STORMWATER MANAGEMENT FUND***

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## **Major Revenue Sources – Descriptions and Estimates**

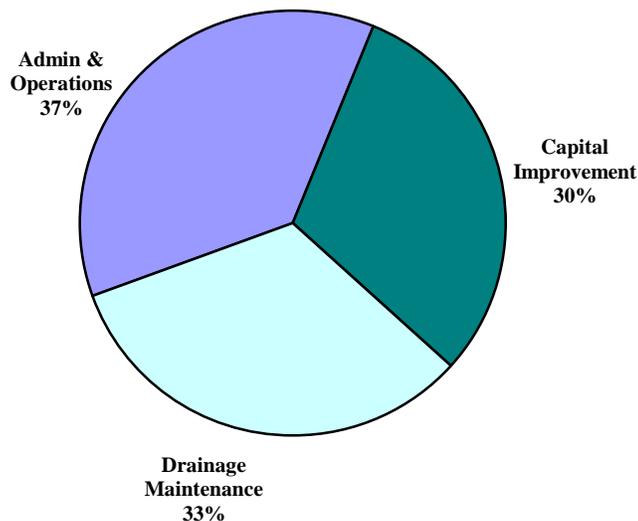
In order to continue to enhance stormwater management services currently provided by the Town, and to implement stormwater management activities necessary to comply with State and federal regulations, the Town established a Stormwater Management Fund in 2004-05. Stormwater management activities are funded by a fee charged to property owners based on the amount of impervious surface area on a property. The adopted budget includes a fee increase of \$9, from \$39 to \$48 for each 2,000 square feet of impervious surface. At this new rate, fees are estimated at about \$2.2 million in 2013-14, an increase of about \$400,000 over the FY13 estimate. The budget is balanced with the use of fund balance, \$90,678 in FY13 and \$586,401 in FY14.

## **Major Expenditures and Estimates**

The budget for 2013-14 totals \$2,702,517. This budget level maintains current levels of service and includes operating and maintenance costs of the vacuum truck and operator for storm drain cleaning and repair. The budget includes funding for the large capital project of the Elliot Road culvert replacement totaling \$750,000 along with continuing \$75,000 budgeted for smaller drainage projects.

As indicated in the chart below, 33% of the 2013-14 budget provides for the Drainage division to conduct stormwater-related drainage and maintenance projects.

### **Stormwater Expenses**



# **STORMWATER MANAGEMENT FUND**

## **BUDGET SUMMARY**

The adopted budget for 2013-14 includes the continuation of existing services with the addition of a large capital project. Personnel expenditures include a 2% employee pay allowance as well as the implementation of Phases 1 & 2 of the Class & Compensation study both effective October 2013, an increase of 4% in medical insurance costs and a slight increase in the state retirement contribution, which accounts for the increase in personnel costs over prior year. Operating expenditures are largely unchanged from FY13. The budget includes planned capital drainage projects totaling \$75,000 as well as the Elliot Road culvert replacement totaling \$750,000.

The FY14 adopted budget includes a stormwater fee increase of \$9 per Equivalent Rate Unit (ERU), bringing the fee to \$48. This fee increase will yield about \$411,000 in revenue for the Stormwater Fund. The budget is balanced with the use of about \$586,000 in fund balance.

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 1,022,799	\$ 1,091,620	\$ 1,091,620	\$ 1,024,827	\$ 1,132,189	3.7%
Operating Costs	658,323	743,022	851,114	791,369	745,328	0.3%
Capital Outlay	38,390	75,000	88,753	75,000	825,000	1000.0%
<b>Total</b>	<b>\$ 1,719,512</b>	<b>\$ 1,909,642</b>	<b>\$ 2,031,487</b>	<b>\$ 1,891,196</b>	<b>\$ 2,702,517</b>	<b>41.5%</b>

### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Stormwater Fees	\$ 1,819,099	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 2,115,216	17.5%
Fee Exemption	(4,464)	(5,000)	(5,000)	(5,000)	(5,800)	N/A
Transfer from General Fund	4,464	5,000	5,000	5,000	5,800	16.0%
Interest Income	997	-	-	518	900	N/A
Other Income	275	-	-	-	-	N/A
Appropriated Fund Balance	(100,859)	109,642	231,487	90,678	586,401	434.8%
<b>Total</b>	<b>\$ 1,719,512</b>	<b>\$ 1,909,642</b>	<b>\$ 2,031,487</b>	<b>\$ 1,891,196</b>	<b>\$ 2,702,517</b>	<b>41.5%</b>

# STORMWATER MANAGEMENT TRENDS

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**COUNCIL SERVICE GOAL:** Maintain a safe environment and attractive public facilities.

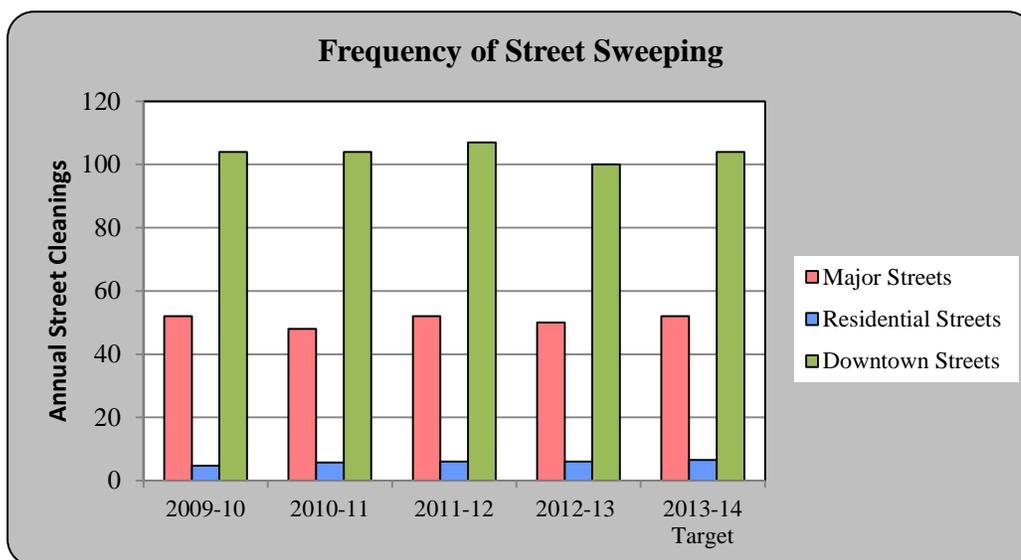
**GOAL:** To sweep streets downtown twice weekly, major streets weekly, and check and clean residential streets as needed once every six to eight weeks.

While on an average the division is typically able to meet service objectives, on a weekly basis it is difficult to do so due to inclement weather, equipment maintenance, schedule leave or the need to make adjustments to accommodate extra street cleaning for special events during certain weeks of the year.

On a weekly basis, we met or exceeded our target for downtown streets 50 of the 52 weeks or 96% of the time and major streets 50 of 52 weeks or 96% of the time. Residential streets were swept on a 9 week cycle during the fall and winter months (3 months) and the remaining 9 months were swept on a 6 week cycle.

In total, downtown streets were swept 100 times for an average of 2 times per week, major streets were swept 50 times for an average of approximately once per week, and residential streets were swept on an average of once every 6.5 weeks.

Overall the service level is relatively consistent with recent history.





# ***PARKING SERVICES***

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Parking Services includes operation of two major Off-Street parking lots, all On-Street metered parking and parking enforcement activities.

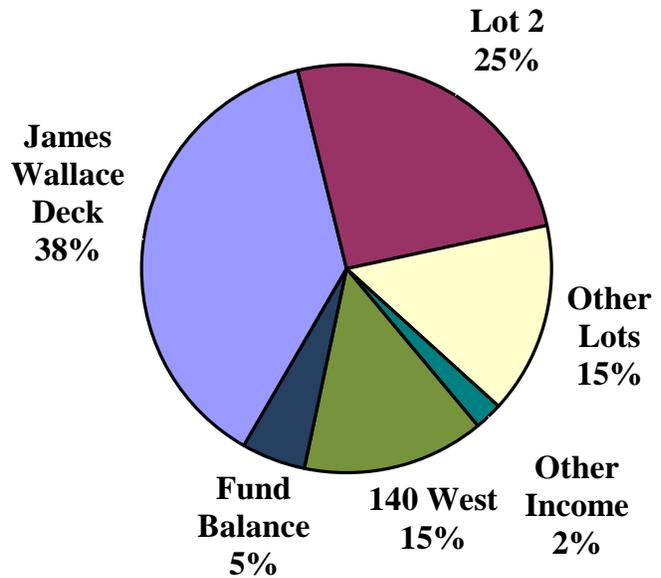
## **Off-Street Parking**

Off-Street Parking accounts for the operations of the Town's parking facilities at several off-street lots.

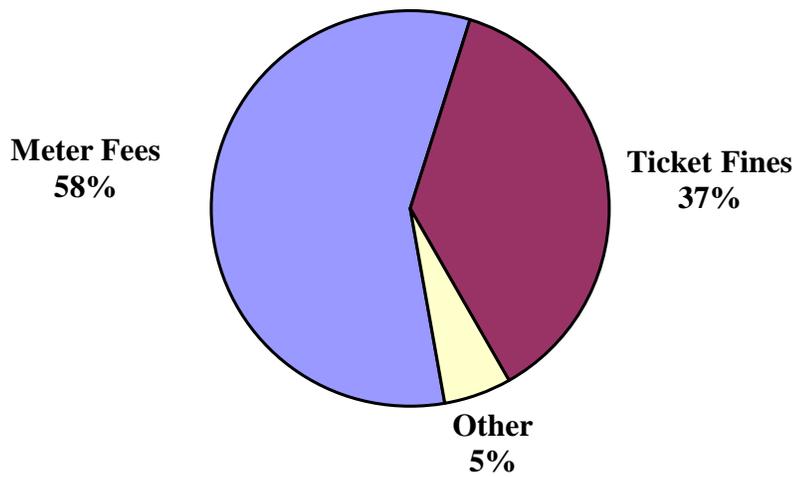
## **On-Street Parking**

On-Street Parking accounts for meter revenue and parking fines.

## **Off-Street Parking Revenues**



## **On-Street Parking Revenues**



# ***PARKING SERVICES***

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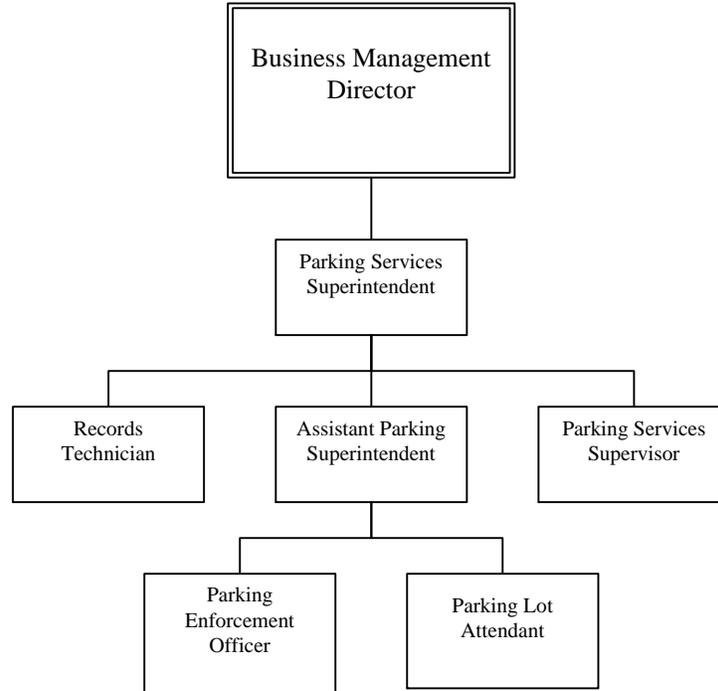
## **MISSION STATEMENT:**

*Our primary mission is to provide safe and efficient on-street and off-street parking to Chapel Hill's citizens and visitors in a courteous manner, offer support and promote economic development, and to operate a parking enforcement system in compliance with the parking regulation adopted by the Town Council.*

As a first step towards Priority-Based Budgeting, the Parking Services Department identified the following primary programs that are included in the adopted budget for FY14.

<b>Program</b>	<b>Description</b>
<b>On-Street Parking</b>	Maintain on-street parking inventory (210 spaces), parking meters and pay-stations. Collect meter revenue and monitor utilization and meter/pay station maintenance.
<b>Off-Street Parking</b>	Maintain off-street parking inventory (694 spaces) including the Wallace Parking Deck. Manage hourly, monthly and special event parking and revenue control.
<b>Parking Enforcement</b>	Enforce the Town's parking ordinances in the Downtown and permit parking areas. Collect ticket revenue and administer appeal process.
<b>Parking Administration and Parking Permit Programs</b>	Administer the Town's Parking facilities and programs. Issue parking permits, collect misc. revenues and manage the Town's residential Parking Permit Program and the mixed use permit parking programs.

# PARKING SERVICES



Note: Parking Services is supervised by the Business Management Director.

***PARKING SERVICES***  
***STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

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	<b>2011-12 ADOPTED</b>	<b>2012-13 ADOPTED</b>	<b>2013-14 ADOPTED</b>
Superintendent-Parking Services	1.00	1.00	1.00
Assistant Superintendent-Parking Services	1.00	1.00	1.00
Supervisor-Parking Services	1.00	1.00	1.00
Parking Enforcement Officer	3.00	3.00	3.00
Records Technician	1.80	1.80	1.80
Parking Lot Attendant I	4.00	3.00	3.00
Parking Lot Attendant II	1.00	1.00	1.00
	<hr/>		
Parking Fund Totals	12.80	11.80	11.80
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Note: Parking Services is supervised by the Business Management Director

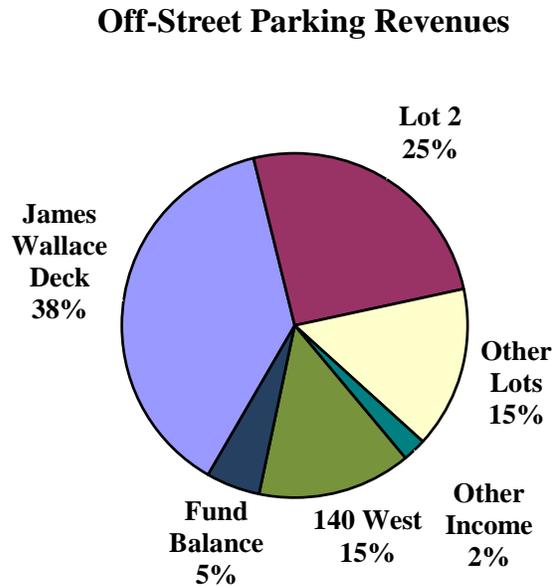
# ***PARKING FUNDS***

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## **Major Revenue Sources – Descriptions and Estimates**

The Town budgets parking-related revenues in two funds: the Off-Street Parking Fund and the On-Street Parking Fund.

The Off-Street Parking Fund, with a adopted budget of \$1,979,285 for 2013-14, accounts for revenues from the James Wallace Deck and other parking lots in the downtown area. Revenues consist almost exclusively of the fees charged for parking in these lots. About \$747,000, or 38% of total off-street parking revenues, is budgeted from the James Wallace Deck and about \$501,000, or 25%, is budgeted from Lot 2 at the corner of Rosemary and Columbia Streets. Lot 5, which generated about \$285,000 in parking fees in FY10, closed in January 2011. Construction of a mixed use development (140 West) on the Lot 5 site was completed in FY13 and is expected to generate about \$18,000 in revenues for FY13 and about \$284,000 in FY14.



The FY14 Adopted Budget includes a number of rate increases.

- Lot 2 Hourly fee increase of \$0.10 per half hour, bringing the rate to \$0.75.
- Hourly meter fee increase of \$0.25 for all 2 & 4 hour meters, bringing the rate to \$1.50.
- New evening rate fee of \$2.00 for all Monday – Thursday operations beginning at 6:00
- New \$7.00 flat rate fee for off-peak periods at the Wallace Deck.

The On-Street Parking Fund, with a adopted budget for 2013-14 of \$721,000, has two major revenue sources: parking meter fees and parking ticket fines. Meter fees are estimated to generate about \$416,000 and parking ticket fines about \$266,000 in 2013-14. The FY14 Adopted Budget includes an hourly meter rate increase from \$1.25 to \$1.50 on all 2 & 4 hour meters.

# ***PARKING FUNDS***

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## ***Major Expenditures and Estimates***

The primary expenditure of the Off-Street Parking Fund is the cost of personnel to manage the lots (approximately \$403,000). The budget for FY14 will require a use of fund balance of \$104,465 to perform one-time software upgrades to the Wallace Deck and Rosemary/Columbia lot as well as the \$908,331 annual transfer to the Debt Fund to pay for debt service on the refunded Wallace Deck and new underground parking at 140 West.

The On-Street Parking Fund includes expenditures primarily for the personnel to administer and collect meter revenues and parking tickets, about \$420,000. The budget of \$721,000 includes a 2% employee salary allowance, implementation of Phases 1 & 2 of the Class & Compensation Study and an allowance for a medical insurance increase.

The FY14 Adopted Budget also includes \$77,225 to be transferred to the General Fund.

# **PARKING SERVICES BUDGET SUMMARY**

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*The Parking Services Fund is comprised of two divisions: On-Street Parking that accounts for meters and enforcement and Off-Street Parking that accounts for the parking deck and lots.*

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## **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
On-Street Parking	\$ 644,948	\$ 760,500	\$ 787,408	\$ 579,624	\$ 721,000	-5.2%
Off-Street Parking	1,707,700	2,039,603	2,193,968	2,098,171	1,979,285	-3.0%
<b>Total</b>	<b>\$ 2,352,648</b>	<b>\$ 2,800,103</b>	<b>\$ 2,981,376</b>	<b>\$ 2,677,795</b>	<b>\$ 2,700,285</b>	<b>-3.6%</b>

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## **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
On-Street Parking	\$ 644,948	\$ 760,500	\$ 787,408	\$ 579,624	\$ 721,000	-5.2%
Off-Street Parking	1,707,700	2,039,603	2,193,968	2,098,171	1,979,285	-3.0%
<b>Total</b>	<b>\$ 2,352,648</b>	<b>\$ 2,800,103</b>	<b>\$ 2,981,376</b>	<b>\$ 2,677,795</b>	<b>\$ 2,700,285</b>	<b>-3.6%</b>

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## ***ON-STREET PARKING BUDGET SUMMARY***

*The adopted budget for On-Street Parking reflects an increase in revenues from parking meter fees due to an increase in the hourly meter rate of \$0.25, bringing the rate to \$1.50. This fee increase will yield an additional \$79,500 in revenue over the FY13 estimates.*

*The budget also includes an allowance for a 2% employee pay adjustment, implementation of Phases 1 & 2 of the Class & Compensation study, medical insurance increase of 4%, and slight retirement increase. The addition of a part-time enforcement officer also adds to the overall increase in personnel. The budget also includes \$77,225 to be transferred to the General Fund.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
<b>Enforcement:</b>						
Personnel	\$ 326,910	\$ 329,497	\$ 329,497	\$ 328,687	\$ 368,977	12.0%
Operations	140,193	141,711	168,619	137,380	155,971	10.1%
Capital	42,525	-	-	-	-	N/A
<b>Meters:</b>						
Personnel	48,966	48,942	48,942	48,697	50,906	4.0%
Operations	67,206	63,839	63,839	64,860	67,921	6.4%
Transfer to General Fund	19,148	176,511	176,511	-	77,225	-56.2%
<b>Total</b>	<b>\$ 644,948</b>	<b>\$ 760,500</b>	<b>\$ 787,408</b>	<b>\$ 579,624</b>	<b>\$ 721,000</b>	<b>-5.2%</b>

### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Parking Meter Fees	\$ 420,839	\$ 403,000	\$ 403,000	\$ 280,100	\$ 415,500	3.1%
Parking Ticket Fines/Fees	234,739	318,000	318,000	257,600	266,000	-16.4%
Interest Income	97	250	250	100	250	0.0%
Other Income	32,395	39,250	61,300	28,600	39,250	0.0%
Appropriated Fund Balance	(43,122)	-	4,858	13,224	-	N/A
<b>Total</b>	<b>\$ 644,948</b>	<b>\$ 760,500</b>	<b>\$ 787,408</b>	<b>\$ 579,624</b>	<b>\$ 721,000</b>	<b>-5.2%</b>

## **OFF-STREET PARKING BUDGET SUMMARY**

*Off-Street Parking revenues for the adopted 2013-14 budget reflect an increase of about \$460,000 due to the increase in hourly parking rate from \$1.25 to \$1.50, an increase of \$0.10 per half-hour at Lot 2, a new \$2.00 evening rate fee, a new \$7.00 flat rate for off-peak periods at Wallace Deck and due to a full year of revenues at the new 140 West underground parking lot. The budget is balanced with a fund balance appropriation of \$104,465.*

*The overall decrease in expenditures for FY14 is the net effect of the 2% employee pay allowance, implementation of Phases 1 & 2 of the Class & Compensation study, an increase of 4% in medical insurance and a slight increase in retirement contributions, offset by the reduction of one-time capital expenses from FY13. Administrative expenses include the \$908,331 annual transfer to the Debt Fund to pay for debt service on the refunded Wallace Deck and the new underground parking.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
James Wallace Deck	\$ 351,979	\$ 472,658	\$ 563,488	\$ 517,310	\$ 508,755	7.6%
Parking Lots	495,144	594,757	643,607	598,035	481,773	-19.0%
140 West	-	-	41,700	42,900	27,500	N/A
Administration	860,577	972,188	945,173	939,926	961,257	-1.1%
Total	1,707,700	2,039,603	2,193,968	2,098,171	1,979,285	-3.0%

### **REVENUES**

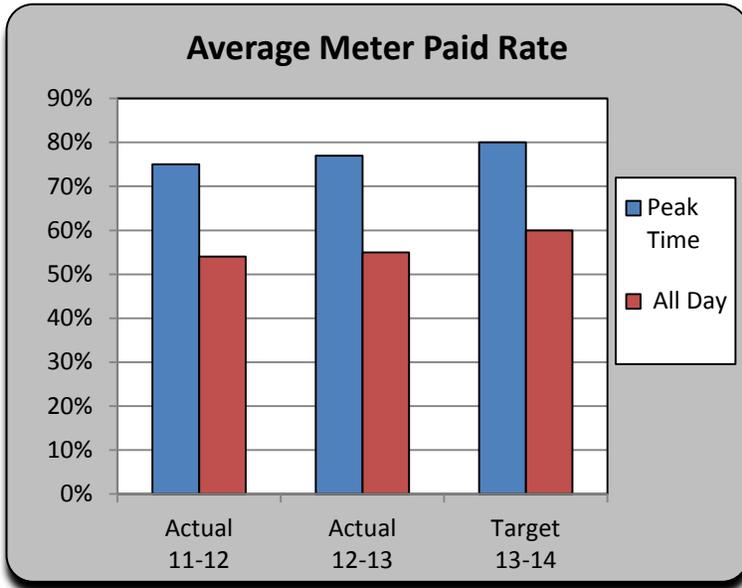
	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
James Wallace Deck	\$ 682,391	\$ 686,640	\$ 686,640	\$ 718,800	\$ 746,600	8.7%
Lot 2	415,213	425,000	425,000	416,450	500,750	17.8%
Lot 3	108,571	109,000	109,000	104,000	136,480	25.2%
Lot 4	24,625	24,000	24,000	2,000	31,870	32.8%
Lot 5	305	-	-	-	-	N/A
Lot 6	11,647	13,240	13,240	11,800	13,680	3.3%
Graham Street	74	15,000	15,000	1,075	1,000	-93.3%
Craig Lots	90,473	95,400	95,400	105,350	100,000	4.8%
Riddle Lot Revenues	34,532	1,000	46,000	2,268	2,340	134.0%
Mallette Street	1,719	21,000	21,000	11,840	13,800	-34.3%
140 West	-	-	19,050	17,550	283,800	N/A
Interest Income	1,862	7,000	7,000	1,735	7,000	0.0%
Miscellaneous Income	13,503	11,000	20,450	11,920	37,500	240.9%
Appropriated Fund Balance	322,785	631,323	712,188	693,383	104,465	-83.5%
Total	\$ 1,707,700	\$ 2,039,603	\$ 2,193,968	\$ 2,098,171	\$ 1,979,285	-3.0%

# PARKING TRENDS

**COUNCIL SERVICE GOAL:** Provide fair, effective, efficient, and prompt customer service.

**DEPARTMENTAL GOAL :** To provide ready access to public parking throughout the downtown area.

**OBJECTIVE:** To maintain a meter paid rate (i.e., lawful parking) of at least 60%.

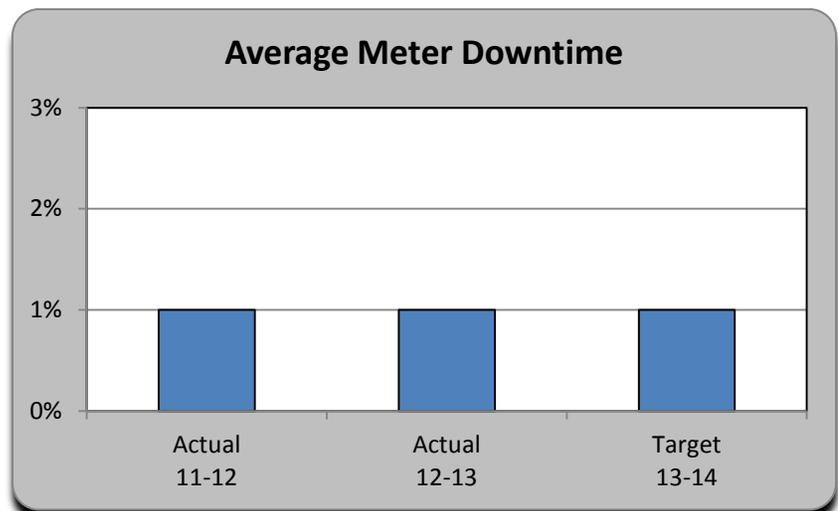


In FY12-13, during the peak hours of 11:00am to 4:00pm, the average meter paid rate increased slightly to 77%. We anticipate a continued increase for FY13-14 as patrons become familiar with our of pay-by-phone technology launched late spring which will offer patrons an additional payment means with even greater ease and convenience.

**DEPARTMENTAL GOAL :** To manage and provide maintenance and repair of all municipally metered on-street and off-street parking facilities.

**OBJECTIVE:** To maintain an average meter downtime rate of 1% or less.

In FY 12-13, we managed to meet our goal of a 1% or less meter down time rate consistently. Our goal for FY13-14 is to continue to maintain this standard, through utilization of the enhanced features available within our new meter system.



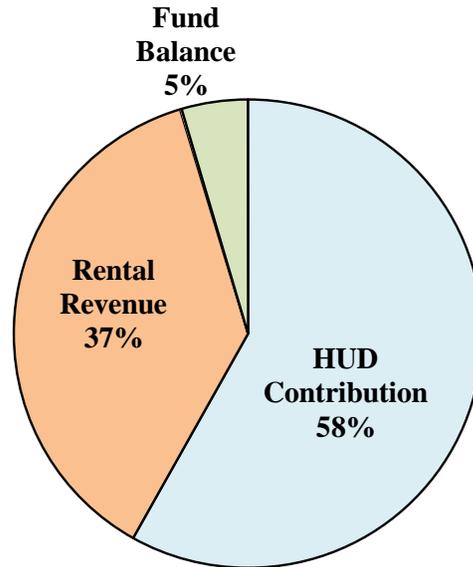
# ***PUBLIC HOUSING FUND***

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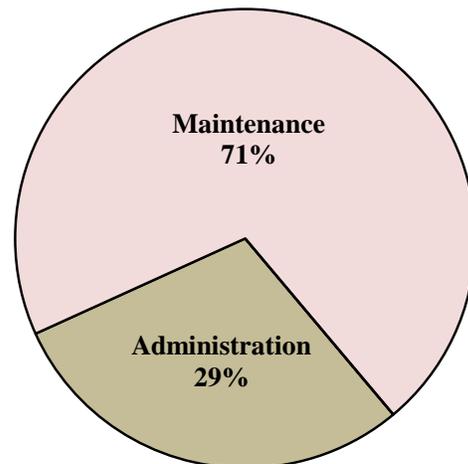
The Public Housing Fund is used to account for federal grants restricted for the Town's public housing programs.

Since those with fewer than 400 units have been exempt each year from HUD's new funding model (AMPs) since 2007-08, we are returning to a simpler budget presentation comprised of Administrative and Maintenance divisions.

## **Housing Revenues**



## **Housing Expenses**



# HOUSING DEPARTMENT

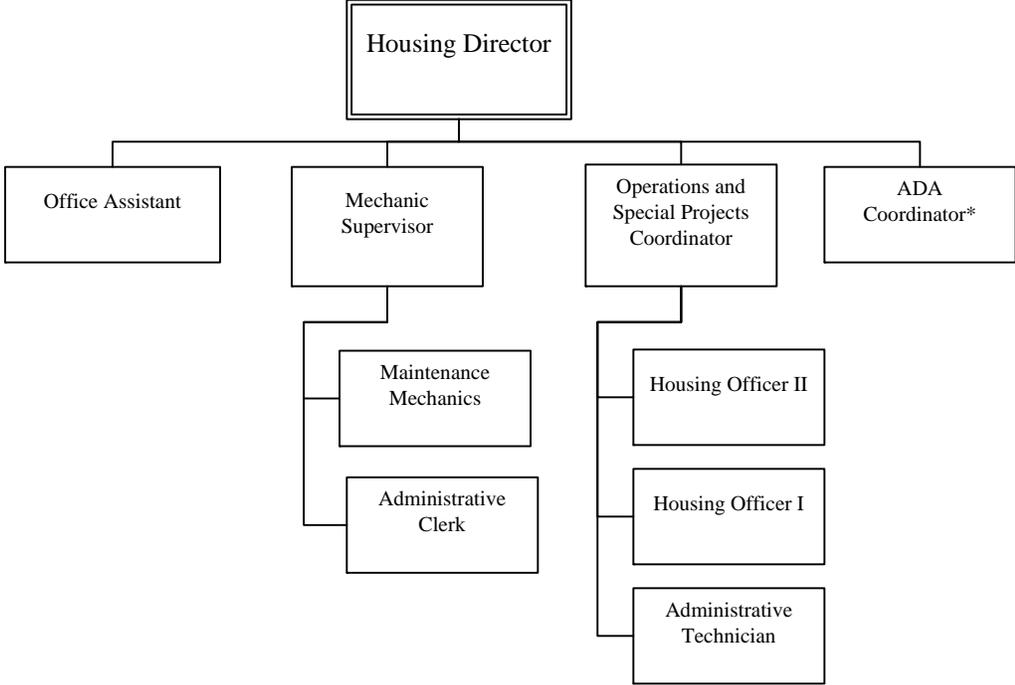
**MISSION STATEMENT:**

*The mission of the Housing Department is to provide decent, safe and well maintained affordable rental housing for Chapel Hill’s 336 public housing families. Our mission is also to provide programs and services to help public housing families improve basic life skills and achieve economic independence.*

As a first step towards Priority-Based Budgeting, the Housing Department identified the following primary programs that are included in the adopted budget for FY14.

Program	Description
<b>Rental Housing for Low-Income Families</b>	Manage the 336 public housing units (13 locations) overseen by the Housing Department. Monitor resident eligibility and administer rental assistance programs. Calculate and collect rental payments and manage the waiting list of those requesting residency.
<b>Maintenance Services</b>	Respond to requests for repair of rental units, appliances and fixtures. Respond to emergency repair requests on a 24 hour 7 day per week basis. Manage comprehensive modernization program that retrofits units on a rotating basis, including upgrading electrical systems, replacing doors and windows, installing central a/c and upgrading appliances.
<b>Resident Services</b>	Refer residents to outside agencies for job training or budgeting assistance when residents have difficulty paying rent. Refer residents to outside agencies in order to deal with social issues such as alcohol and drug dependency.

**HOUSING**



\*ADA Coordinator position is grant-funded.

***PUBLIC HOUSING***  
***STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

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	<b>2011-12 ADOPTED</b>	<b>2012-13 ADOPTED</b>	<b>2013-14 ADOPTED</b>
<b>Administration</b>			
Director-Housing	1.00	1.00	1.00
Operations and Special Projects Coordinator	1.00	1.00	1.00
Office Assistant	1.00	1.00	1.00
Administrative Technician	0.00	1.00	1.00
ADA/Section 504 Coordinator <sup>1</sup>	1.00	0.00	0.00
Division Totals	4.00	4.00	4.00
<b>Maintenance</b>			
Maintenance Services Manager	1.00	0.00	0.00
Mechanic Supervisor	0.00	1.00	1.00
Maintenance Mechanic (Repair Worker, I, II, III)	9.00	8.00	8.00
Administrative Clerk	1.00	1.00	1.00
Division Totals	11.00	10.00	10.00
<b>Resident Services</b>			
Housing Officer II	1.00	1.00	1.00
Housing Officer I	1.00	1.00	1.00
Division Totals	2.00	2.00	2.00
Housing Department Totals	17.00	16.00	16.00

<sup>1</sup> Grant-funded position.

## ***PUBLIC HOUSING FUND***

### ***Major Revenue Sources - Descriptions and Estimates***

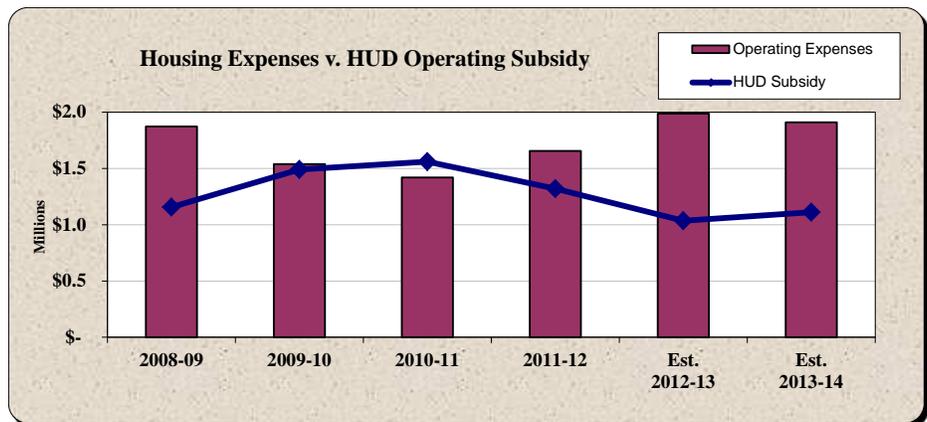
The Town's Public Housing program provides for the administration and operation of the Town's 336 public housing units, and is funded primarily through federal grants and rents paid by residents.

In 1987, the Chapel Hill Public Housing Authority was abolished by the Chapel Hill Town Council. Since then, the Town's public housing program has been operated as a Town Department administered by Town staff and a Public Housing Director.

Primary revenue sources include dwelling rents paid by residents and operating grants from the Department of Housing and Urban Development (HUD). In the fall of 2005, HUD adopted a "new Operating Fund final rule" which prescribed a phased series of changes to public housing management and reporting requirements. As a first step of implementation, HUD determined to begin budgeting on a calendar year basis. Difficulty with the new online reporting model delayed funding determination, and HUD has been funding housing agencies for a few months at a time since 2008.

Smaller housing agencies have been allowed to opt out of Asset Management since 2008. HUD has continued to provide the exception to smaller units, one a year at a time. We believe that "opting out" will continue permanently, and so have prepared the budget for FY12 and FY13 under a simpler budget model that more closely reflects the way we are reporting to HUD, eliminating the necessity of separating expenditures into AMPs or Asset Management Projects.

HUD has provided funding estimates for calendar year 2013 but we have no information about calendar 2014. Based on interim allocations, our estimate of HUD's subsidy for 2012-13 is \$1,207,451, about a 8% decrease from the FY12 subsidy of \$1,319,472. In anticipation of HUD's continuation of reduced funding for calendar year 2014, we are estimating \$1,110,290 in subsidy for FY14.



In anticipation of HUD's continuation of reduced funding for calendar year 2014, we are estimating \$1,110,290 in subsidy for FY14.

The Housing Department estimates dwelling rents, the second largest revenue for the Public Housing Fund, at about \$709,000, an increase over current year estimates with the completion of a renovation project.

## ***Major Expenditures and Estimates***

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Major expenditure categories include about \$1,061,000 for salaries and benefits, \$164,000 for utilities, \$76,000 for liability and flood insurance and about \$493,000 for maintenance of the units.

The personnel costs include a 2% increase in employee pay effective October 2013, and the implementation of Phase I and II of the Compensation and Classification Study. FY14's budget also reflects the hiring of an administrative technician and a maintenance mechanic supervisor, and increases in medical insurance of 4% and slight increase in retirement costs. About \$45,000 of personnel costs are budgeted to be paid through Housing Capital and Community Development Block Grants, both subject to federal grant awards that are pending.

One-time costs in FY13 (\$98,000 for the Fiber project alone and purchase of a replacement maintenance vehicle) are not repeated in FY14, reflected in the reduction of Capital and Maintenance costs for FY14. Maintenance costs include funding for the continuation of about \$100,000 for contracted landscaping services, a reduction from the \$138,000 estimated in FY13.

	<b>2012-13 Original Budget</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Salary and Benefits - Administration	\$ 439,250	\$ 419,418	-4.51%
Salary and Benefits - Maintenance	552,887	642,426	16.19%
Maintenance Costs	548,401	493,382	-10.03%
Utilities	172,300	163,900	-4.88%
Liability and Flood Insurance	76,500	76,500	0.00%
Capital Expense	79,200	-	-100.00%
Other Expenses	118,865	113,963	-4.12%
<b>Total Budget</b>	<b>\$ 1,987,403</b>	<b>\$ 1,909,589</b>	<b>-3.92%</b>

## ***PUBLIC HOUSING BUDGET SUMMARY***

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*The Town's 336 public housing units are funded primarily through federal grants from the U.S. Department of Housing and Urban Development and rents paid by residents. HUD's funding formula changed to implement Asset Based Budgeting in 2007-08, but each year, HUD has waived many Asset-based requirements for housing authorities of our size. We believe it is likely the waiver will be made permanent, so the budget for 2013-14 retains a simpler model that includes an Administrative Division and a Maintenance Division.*

*The budget for FY14 reflects an estimate of the HUD subsidy anticipated for calendar year 2013. As yet, there has been no indication of HUD's funding for calendar year 2014 and no information about the effect of sequestration on public housing subsidy. Rental revenue reflects an increase with the anticipated reopening of apartments that were closed for renovation and an increase in the flat rent schedule.*

### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Revenue Summary						
HUD Contributions	\$ 1,319,472	\$ 1,035,588	\$ 1,035,588	\$ 1,207,451	\$ 1,110,290	7.2%
Rental Revenue	617,421	496,160	496,160	712,710	709,706	43.0%
Other Revenues	43,195	250	250	9,718	200	-20.0%
Interest Income	2,194	2,200	2,200	2,240	2,100	-4.5%
Approp. Fund Balance	(325,735)	453,205	517,471	(50,907)	87,293	-80.7%
<b>Total Revenues</b>	<b>\$ 1,656,547</b>	<b>\$ 1,987,403</b>	<b>\$ 2,051,669</b>	<b>\$ 1,881,212</b>	<b>\$ 1,909,589</b>	<b>-3.9%</b>

### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 922,634	\$ 992,137	\$ 968,870	\$ 888,058	\$ 1,061,844	7.0%
Operating	733,913	916,066	1,003,599	967,762	847,745	-7.5%
Capital	-	79,200	79,200	25,392	-	-100.0%
<b>Total</b>	<b>\$ 1,656,547</b>	<b>\$ 1,987,403</b>	<b>\$ 2,051,669</b>	<b>\$ 1,881,212</b>	<b>\$ 1,909,589</b>	<b>-3.9%</b>

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## ***PUBLIC HOUSING DIVISION BUDGETS***

*The Town's 336 public housing units are funded primarily through federal grants from the U.S. Department of Housing and Urban Development and rents paid by residents. HUD's funding formula changed to implement Asset Based Budgeting in 2007-08, but each year, HUD has waived many Asset-based requirements for housing authorities of our size. It appears likely the waiver will be made permanent, so the budget presentation for 2013-14 remains with the simpler model of an Administrative Division and a Maintenance Division.*

*Revenues anticipated for the 2013-14 fiscal year reflect a continuation of HUD's calendar year 2013 reduction in grants to agencies with reserves or fund balance, about an 8.5% drop from FY12 to FY13. The Adopted Budget for FY14 proposes the use of about \$87,000 in fund balance to compensate for the continued reduction in federal funding.*

### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
<b>AMP 1</b>						
HUD Contributions	\$ 670,777	\$ 501,462	\$ 501,462	\$ 590,639	\$ 540,614	7.8%
Rental Revenue	293,058	237,500	237,500	367,313	364,561	53.5%
Other Revenues	75	125	125	6,795	125	0.0%
<b>Total AMP 1</b>	<b>\$ 963,910</b>	<b>\$ 739,087</b>	<b>\$ 739,087</b>	<b>\$ 964,747</b>	<b>\$ 905,300</b>	<b>22.5%</b>
<b>AMP 2</b>						
HUD Contributions	\$ 648,695	\$ 534,126	\$ 534,126	\$ 616,812	\$ 569,676	6.7%
Rental Revenue	324,363	258,660	258,660	345,397	345,145	33.4%
Other Revenues	635	125	125	75	75	-40.0%
<b>Total AMP 2</b>	<b>\$ 973,693</b>	<b>\$ 792,911</b>	<b>\$ 792,911</b>	<b>\$ 962,284</b>	<b>\$ 914,896</b>	<b>15.4%</b>
<b>Central Office Cost Center</b>						
Interest Income	\$ 2,194	\$ 2,200	\$ 2,200	\$ 2,240	\$ 2,100	-4.5%
Other Revenues	42,485	-	-	2,848	-	N/A
Approp. Fund Balance	(325,735)	453,205	517,471	(50,907)	87,293	-80.7%
<b>Total Central Office</b>	<b>\$ (281,056)</b>	<b>\$ 455,405</b>	<b>\$ 519,671</b>	<b>\$ (45,819)</b>	<b>\$ 89,393</b>	<b>-80.4%</b>
<b>Total Revenues</b>	<b>\$ 1,656,547</b>	<b>\$ 1,987,403</b>	<b>\$ 2,051,669</b>	<b>\$ 1,881,212</b>	<b>\$ 1,909,589</b>	<b>-3.9%</b>

## ***PUBLIC HOUSING DIVISION BUDGETS***

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*The budget for FY14 includes a 2% employee pay allowance and the implementation of Phases 1 & 2 of the Class & Compensation study, both effective in October 2013. The FY14 budget also reflects an increase of 4% in medical insurance costs and a slight increase in the state retirement contribution. One-time maintenance costs in the FY13 budget are not repeated in FY14, accounting for the reduction in operating costs.*

*Revenues are expected to exceed expenditures by \$50,907 in the current year FY13, with the difference shown as negative appropriated fund balance on the previous page in order to present a balanced budget. These reserves will in large part provide for the use of fund balance in FY14.*

### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
<b>Central Maintenance</b>						
Personnel	\$ 494,134	\$ 552,887	\$ 529,620	\$ 489,442	\$ 642,426	16.2%
Operating	609,852	761,201	845,768	823,632	707,682	-7.0%
Capital	-	79,200	79,200	25,392	-	-100.0%
<b>Total</b>	<b>\$ 1,103,986</b>	<b>\$ 1,393,288</b>	<b>\$ 1,454,588</b>	<b>\$ 1,338,466</b>	<b>\$ 1,350,108</b>	<b>-3.1%</b>
<b>Central Office Cost Center</b>						
Personnel	\$ 428,500	\$ 439,250	\$ 439,250	\$ 398,616	\$ 419,418	-4.5%
Operating	124,061	154,865	157,831	144,130	140,063	-9.6%
Capital	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 552,561</b>	<b>\$ 594,115</b>	<b>\$ 597,081</b>	<b>\$ 542,746</b>	<b>\$ 559,481</b>	<b>-5.8%</b>
<b>Total Expenses</b>	<b>\$ 1,656,547</b>	<b>\$ 1,987,403</b>	<b>\$ 2,051,669</b>	<b>\$ 1,881,212</b>	<b>\$ 1,909,589</b>	<b>-3.9%</b>

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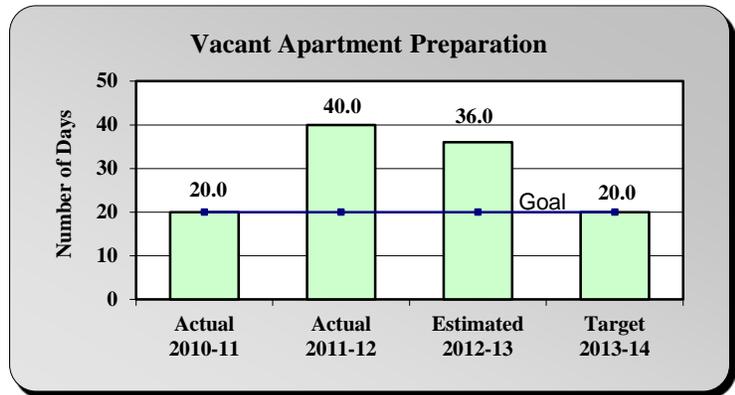
# HOUSING TRENDS

**COUNCIL SERVICE GOALS:** Offer secure, reliable and affordable services. Maintain safe and attractive public facilities.

**GOAL :** Maximize livable housing stock.

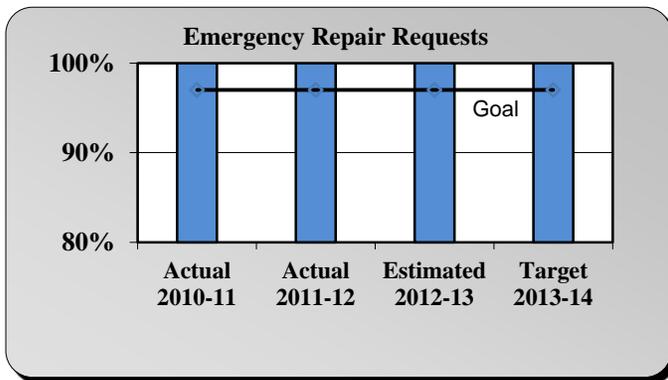
**OBJECTIVE :** Prepare vacant apartments for occupancy within 20 days.

In fiscal year 2012-13, the Housing Department did not achieve this goal. Seventy-four units were vacant. It took an average of 36 days to prepare units for occupancy.



**GOAL :** Maximize livable housing stock.

**OBJECTIVE :** Complete or abate 97% of emergency repairs within 24 hours.



In fiscal year 2012-2013, the Housing Department completed or abated 100% of its 178 emergency repairs within 24 hours, following standards set forth by the U.S. Department of Housing and Urban Development.

***COMMUNITY DEVELOPMENT PROJECT ORDINANCES***  
***U.S. Department of Housing and Urban Development***  
***Community Development Program***  
***Summary of Activities***

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The Town became an "entitlement" Community Development city in 1984, which means that the Town is entitled to receive Community Development grant funds annually upon submission of a final statement. Community Development grants awarded by Housing and Urban Development are implemented pursuant to grant project ordinances authorized by General Statute 159-13.12. Budgets are adopted throughout the year as the grant awards are received.

The 2007 project ordinance budgets a \$596,282 grant for rehabilitation of public housing, homeownership assistance, a comprehensive housing rehabilitation program for the Northside and Pine Knolls neighborhoods, neighborhood revitalization activities, and community services.

The 2008 project ordinance budgets a \$574,804 grant for rehabilitation of public housing, homeownership assistance, neighborhood revitalization activities, rehabilitation of rental units for individuals with disabilities and at risk of homelessness, and community services.

The 2009 project ordinance budgets a \$584,379 grant and \$7,338 of program income for rehabilitation of public housing, predevelopment costs for the development of a residential facility for homeless men, infrastructure development, homeownership assistance and community services.

The project ordinance for the 2009 American Reinvestment Recovery Act grant of \$156,110 budgets funds for public housing renovations and infrastructure development at Habitat for Humanity's Phoenix Place subdivision.

The 2010 project ordinance budgets a \$633,405 grant and \$7,338 of program income for rehabilitation of public housing, predevelopment costs for the development of a residential facility for homeless men, rehabilitation of affordable rental properties, rehabilitation of a public facility, homeownership assistance and community services.

The 2011 project ordinance budgets a \$529,660 grant, and \$18,410 of program income and residual funds for rehabilitation of public housing, predevelopment costs for the development of a residential facility for homeless men, homeownership assistance, neighborhood revitalization and community services.

The 2012 project ordinance budgets a \$410,687 grant, and \$42,780 of program income for rehabilitation of public housing, predevelopment costs for the development of a residential facility for homeless men, homeownership assistance, code enforcement, after school programs and community services.



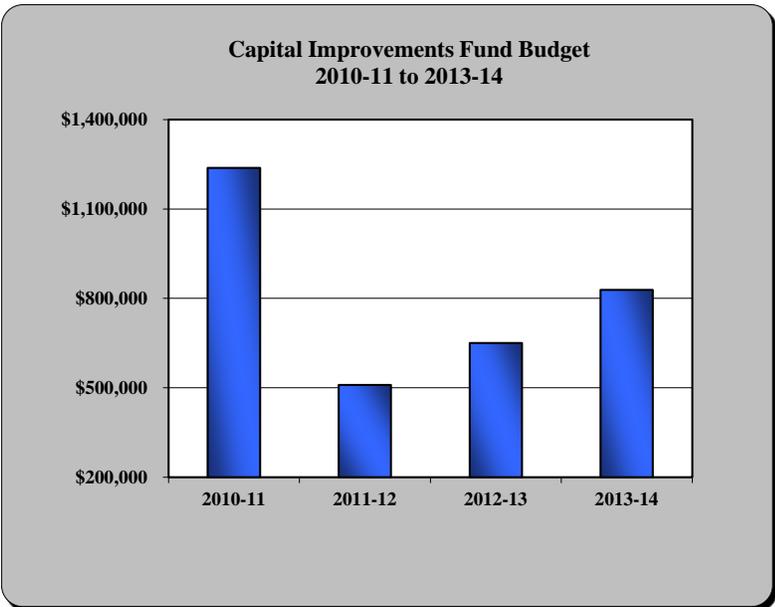
# CAPITAL PROGRAM

The Capital Program is a 15-year financial plan for the Town's major capital and infrastructure needs. The program identifies capital needs, establishes priorities and identifies potential funding sources.

Key sources for development of the Capital Program include the Facility Condition Assessment completed in 2000, special studies, the Comprehensive Plan, and requests from the Council, citizens and Town staff.

The Capital Program includes projects financed with bond funds, grants or other sources. The Capital Improvements Fund and Capital Reserve Fund are generally funded by annual transfers from the Town's General Fund.

Expenditures in the Capital Improvements and Reserve Funds for 2013-14 are part of the 2013-14 annual budget. All other years are projected expenditures. Proposed funding levels will change in future years as capital programs are refined and the official Town budget is adopted for a given fiscal year.



# ***CAPITAL PROGRAM – MAJOR REVENUE SOURCES***

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## **Capital Improvements Program**

The Capital Improvements Program is a 15-year plan to fund capital projects that are selected based on a set of priorities and anticipated availability of funding. The program emphasizes projects at Town facilities, with the goal of addressing capital-related problems as they arise in order to avoid more costly repairs in the future.

## **2003 Bonds**

In November 2003, voters approved \$29.36 million in bonds. The bond projects are assigned to five individual categories as follows:

- *Sidewalk and Streets* (\$5.6 million):
  - \$2.6 million for construction of sidewalks on the Town's Sidewalk Priority List and for meeting the local match requirement for programmed State improvements
  - \$350,000 for improvements at pedestrian crossings
  - \$650,000 for neighborhood traffic calming and pedestrian and bicycle safety improvements such as speed humps and raised crosswalks and improved pedestrian and bicycle signage
  - \$2 million for downtown streetscape improvements consistent with the Downtown Streetscape Master Plan adopted by the Town Council in 1993
- *Library Facilities* (\$16.26 million): For expansion of the Town Library on Library Drive
- *Parks and Recreational Facilities* (\$5 million): For greenway construction projects
- *Open Space and Areas* (\$2 million): For open space purchases
- *Energy Efficiency Projects* (\$500,000): For energy efficiency improvements at public buildings and other Town facilities

## **Two-Thirds Bonds**

By NC General Statutes, the Town is able to issue two-thirds bonds without a referendum in an amount equivalent to two-thirds of the principal amount of debt retired in the prior fiscal year. The Town issued \$1.7 million in two-thirds bonds in June 2012.

## **Stormwater Management Funds**

Stormwater Management fees provide funding for the Town's Stormwater Management Department, including capital projects.

# ***CAPITAL PROGRAM – MAJOR REVENUE SOURCES***

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## **Parking Funds**

Fees collected from Town-operated on-street and off-street parking areas provide funding for the Parking Services Department, including capital projects.

## **Other Sources**

- *Community Development Block Grant (CDBG)*: The Town receives annual federal grants from the U. S. Department of Housing and Urban Development (HUD). The Council approves a general 5-year spending plan to benefit lower-income neighborhoods, and adopts an annual budget for these funds by a capital projects ordinance.
- *Housing Capital Grant*: In fiscal year 1993-94, the Town began receiving an annual entitlement for public housing renovations from the U. S. Department of Housing and Urban Development (HUD).
- *N.C. Department of Transportation (NCDOT)*: For most public transit projects, the Federal Transit Administration provides 80% funding and the NCDOT provides an additional 10% match. For the State's thoroughfare, bikeways and pedestrian programs, the NCDOT funds projects selected from an annual Transportation Improvements Program in which local governments request that the State fund these types of projects in their community. Local requests are considered in a State-wide priority list. Projects are implemented by the NCDOT.
- *Surface Transportation Program (STP)*: The Surface Transportation Program provides flexible funding for projects on Federal-aid highways, including shared use paths and related facilities that may have recreational use, bridge projects on public roads, transit capital projects, and intracity and intercity bus terminals and facilities.
- *American Recovery and Reinvestment Act (ARRA) of 2009*: The American Recovery and Reinvestment Act of 2009 is an economic stimulus package that allocates special Capital grants. The Town received funding for fiscal year 2009-10 for repairing and modernizing public housing, increasing energy efficiency, and for building streets, sidewalks, and greenways.
- *Gifts*: Occasionally, citizens of Chapel Hill will provide the Town with contributions to be used toward a project for which the citizen holds a special interest.
- Additional financing options include Certificates of Participation (COPS) and Asset-Backed Installment Debt

## ***CAPITAL PROGRAM – KEY PROJECTS***

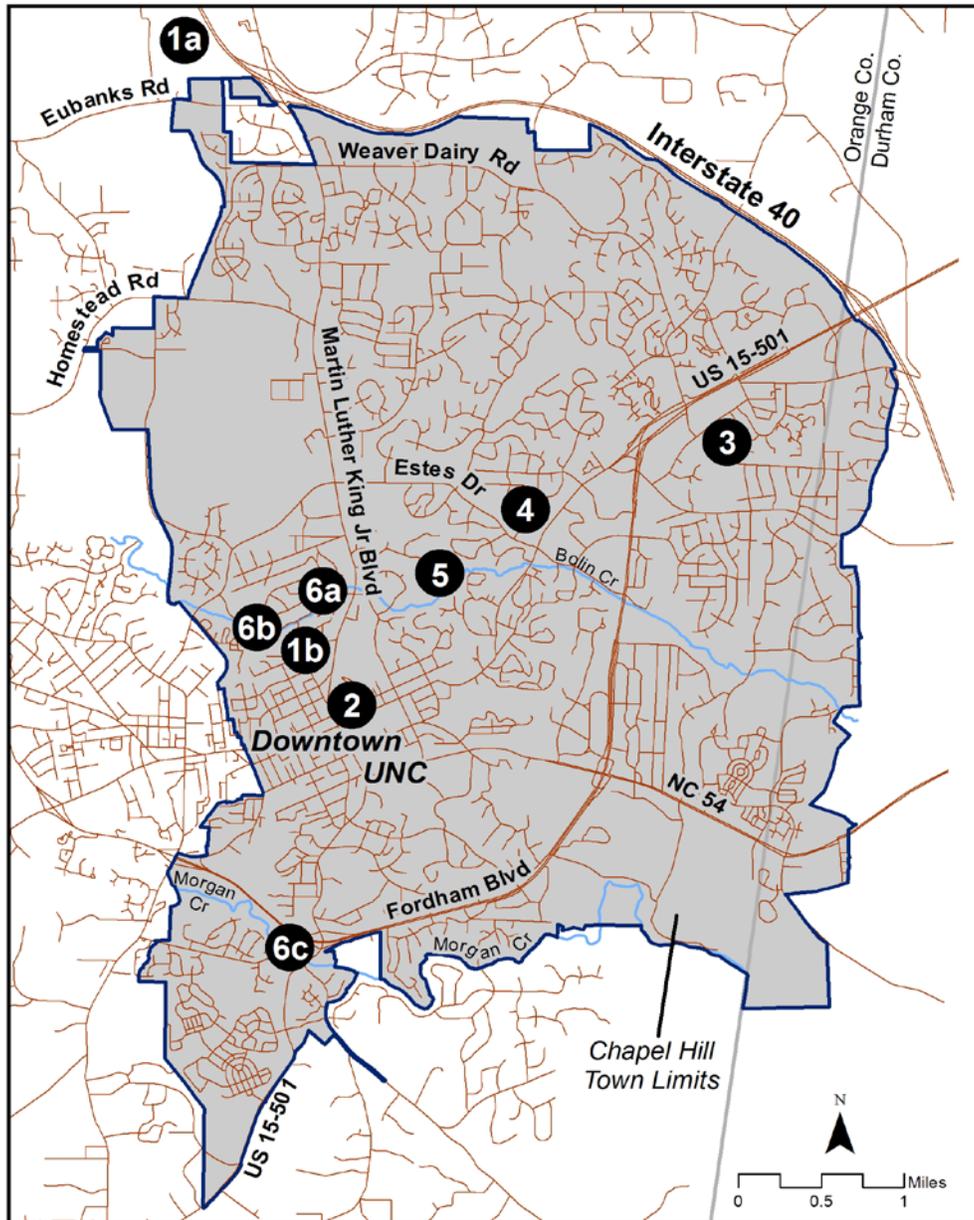
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This section highlights key projects included in the 2013-28 Capital Program. The map on the following page shows project locations.

Major projects in the Program anticipated to take place over the next five years include completion of a municipal fiber optic cable network, Morgan Creek Trail expansion, Bolin Creek Trail expansion and replacement of playground equipment at Umstead Park. Other capital projects include the expansion of the Public Library, construction of sidewalk and bicycle facilities, construction of new greenways and cemetery beautification.

The Capital Program also emphasizes maintenance and renovation projects at Town facilities and Town-owned facilities leased by others, with the goal of addressing problems as they arise in order to avoid more costly repairs in the future.

# CAPITAL PROGRAM – KEY PROJECTS



## *Location of Key Capital Projects*

### **KEY**

1a. Town Operations Center (Fiber optic hub); 1b. Town Hall (Fiber optic hub); 2. Wallace Deck; 3. Colony Woods. Public Housing; 4. Library expansion; 5. Bolin Creek Watershed Improvements; 6a. Bolin Creek Trail; 6b. Umstead Park; 6c. Morgan Creek Trail

# ***CAPITAL PROGRAM – KEY PROJECTS***

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## **1. Municipal Fiber Project**

The Town of Chapel Hill Municipal Fiber Project will install fiber optic communications cable linking Town administrative, service and recreation facilities. The project will provide high speed data communications to facilitate voice, data and video services for Town facilities. The work is being undertaken in conjunction with a North Carolina Department of Transportation project to upgrade traffic signals throughout Chapel Hill and Carrboro.

The Town municipal fiber will provide reliable site-to-site communication services for both emergency and day-to-day activities. The project is expected to be completed in 2013.

## **2. Wallace Deck**

The Wallace Deck has a water infiltration problem caused by value engineering decisions made during construction. Waterproofing between the two layers on the top of the structure was omitted during construction, which has led to water infiltration. Ultimately this will cause structural deterioration. Roof repairs, including the placement of a waterproof barrier are needed to prevent structural deterioration.

## **3. Public Housing**

The FY14 CIP includes funding for needed repairs to public housing apartments, facilities and sites. The renovation work will be comprehensive and provide upgrades to all building components and systems throughout the apartments. These improvements to the public housing apartments will provide safe and sanitary living conditions to the lower-income citizens of Chapel Hill.

## **4. Library Building Expansion**

In November 2003, voters approved a \$16.23 million bond for improvements to the Chapel Hill Public Library. In June of 2004, the Town Council appointed a 15 member Library Building Committee to select an architect for a facility expansion project, and work with the architect through the schematic design process. In October of 2006 the Town executed a contract with Corley, Redfoot, Zack Inc., working with Robert A. M. Stern Architects, to prepare plans for the Library expansion project.

During the winter and spring of 2007, the design consultants worked with Town staff and developed design options for consideration by the Library Building Committee. The process involved a number of meetings with the Library Building Committee resulting in a Conceptual Plan that was approved by the Committee on June 14, 2007.

On July 20, 2007, the Town Manager executed a contract with Clancy & Theys Construction Company to provide construction management services for the Library

# ***CAPITAL PROGRAM – KEY PROJECTS***

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expansion project. Consistent with the Council's February 13, 2006 authorization this agreement permits the selected firm to proceed with the project as a Construction Manager at Risk pending agreement on a "guaranteed maximum price" at the time construction documents are complete.

Acting in its role as owner, the Town Council approved the Schematic Design proposal and authorized the Town's consultants to proceed with Design Development drawings. On January 14, 2008, the Town Council approved the Special Use Permit Modification plans. Construction began in FY 2011-12 and is largely complete.

## **5. Bolin Creek Watershed Improvements**

The Bolin Creek Watershed project includes stream channel and infrastructure improvements, stream restoration, and infrastructure repair/retrofit along Bolin Creek. This project will mitigate flooding/drainage problems as well as improve water quality conditions.

## **6. Parks & Recreation Projects**

Morgan Creek Trail (Phase 2): The Morgan Creek Trail (Phase 2) project will connect the existing Morgan Creek and Fan Branch Trails. The new segment will be approximately 1/3 mile long and will include two bridges and a tunnel under Culbreth Road. The project will provide direct trail connections to Merritt's Pasture, Southern Village, Culbreth Road, and Southern Community Park. Construction started in calendar year 2012.

Bolin Creek Trail (Phase 3): The Bolin Creek Trail (Phase 3) project includes an extension of the existing Bolin Creek Trail about .5 miles west along Bolin Creek to Umstead Park. The project will involve underpasses of Martin Luther King Jr. Blvd and Pritchard Avenue Extension and 2 bridges over Bolin Creek. Construction started in calendar year 2012.

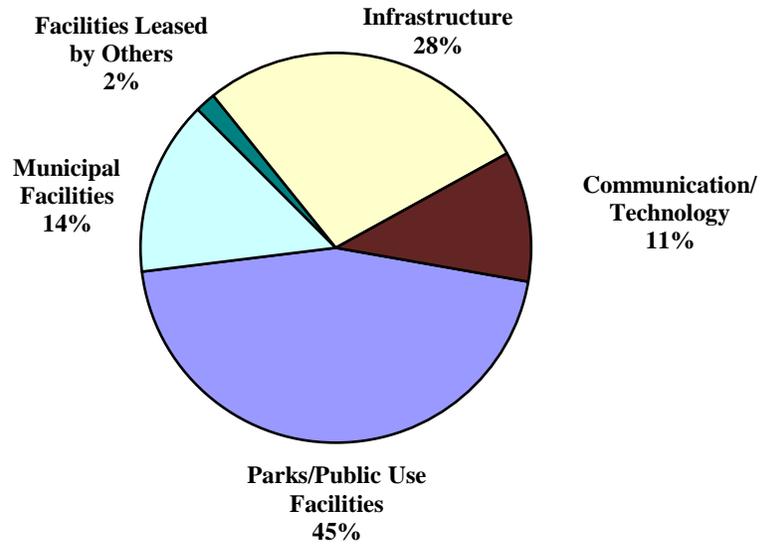
In FY10, the Town began process of replacing playground equipment in at least four Town parks there were in need of replacement due to aging and in order to comply with Americans with Disabilities Act and Consumer Product Safety Commission guidelines. The Town is now in year 5 of this process and will focus on Umstead Park for FY14. The goal of playground replacement is to provide safe, accessible facilities for the citizens of Chapel Hill.

# CAPITAL IMPROVEMENTS FUND

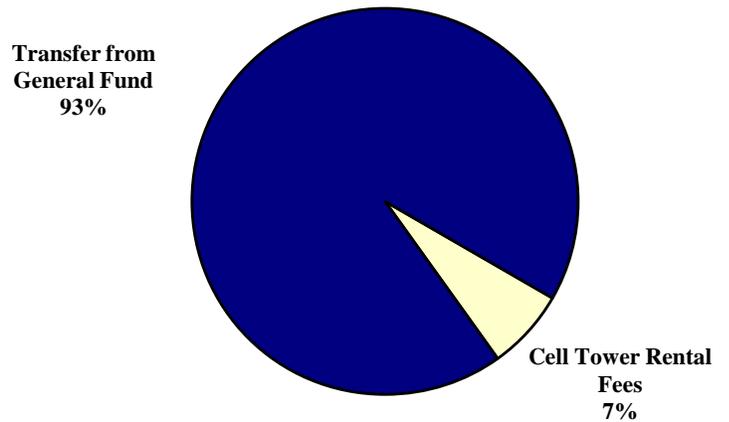
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The Capital Improvements Fund generally accounts for purchases and construction that can be completed within a single year. Capital Improvements Fund (CIP) projects are prioritized as part of the Town's 15-year capital program.

### Capital Improvements Fund Expenditures



### Capital Improvements Fund Revenues



# **CAPITAL IMPROVEMENTS FUND**

## **BUDGET SUMMARY**

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The budget for the Capital Improvements Program for 2013-14 totals \$828,500, and includes projects to be completed in FY14.

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>
Municipal Facilities	\$ 79,853	\$ 100,000	\$ 100,000	\$ 100,000	\$ 120,000
Public Safety	-	-	850,000	850,000	-
Facilities Leased by Others	-	-	55,700	50,000	14,000
Infrastructure	66,422	60,000	147,700	147,700	230,000
Communication/Technology	347,799	240,000	914,603	913,503	89,500
Parks/Public Use Facilities	357,400	250,000	406,414	406,414	375,000
<b>Total</b>	<b>\$ 851,474</b>	<b>\$ 650,000</b>	<b>\$ 2,474,417</b>	<b>\$ 2,467,617</b>	<b>\$ 828,500</b>

### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>
NCDOT Reimbursements	\$ 22,567	\$ -	\$ -	\$ -	\$ -
National Recreation Trails Grant	55,467	-	-	-	-
Housing Rent Proceeds	-	-	-	-	14,000
Cell Tower Rental Fees	53,814	55,000	55,000	55,000	55,000
UNC Reimbursement	187,225	-	-	-	-
Rent-Sport Art Gymnasium	5,750	-	-	-	-
Interest on Investments	1,139	1,000	1,000	1,000	1,000
Revenue in Lieu	-	-	-	1,500	-
Transfer from 440 Capital Project	22,524	-	-	-	-
Transfer from General Fund	432,300	594,000	1,635,000	1,635,000	758,500
Appropriated Fund Balance	70,688	-	783,417	775,117	-
<b>Total</b>	<b>\$ 851,474</b>	<b>\$ 650,000</b>	<b>\$ 2,474,417</b>	<b>\$ 2,467,617</b>	<b>\$ 828,500</b>

***CAPITAL IMPROVEMENTS FUND  
DETAIL EXPENDITURES***

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>
<b>MUNICIPAL OPERATIONS FACILITIES</b>					
Extraordinary Maintenance, Emergency Repairs	\$ 79,853	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Small Capital Improvements	-	-	-	-	20,000
<b>Subtotal</b>	<b>\$ 79,853</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 120,000</b>
<b>PUBLIC SAFETY</b>					
Fire Truck	\$ -	\$ -	\$ 850,000	\$ 850,000	\$ -
<b>Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 850,000</b>	<b>\$ 850,000</b>	<b>\$ -</b>
<b>TOWN FACILITIES LEASED BY OTHERS</b>					
Housing Maintenance	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 14,000
Appraisal Services	-	-	5,700	-	-
<b>Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 55,700</b>	<b>\$ 50,000</b>	<b>\$ 14,000</b>
<b>INFRASTRUCTURE</b>					
Street Maintenance	\$ 42,422	\$ -	\$ 73,000	\$ 73,000	\$ -
Ephesus Ch./Fordham Engineering	-	-	-	-	150,000
Path, Trail and Lot Maintenance	24,000	30,000	29,700	29,700	50,000
Curbs / ADA	-	30,000	45,000	45,000	30,000
<b>Subtotal</b>	<b>\$ 66,422</b>	<b>\$ 60,000</b>	<b>\$ 147,700</b>	<b>\$ 147,700</b>	<b>\$ 230,000</b>

# ***CAPITAL IMPROVEMENTS FUND***

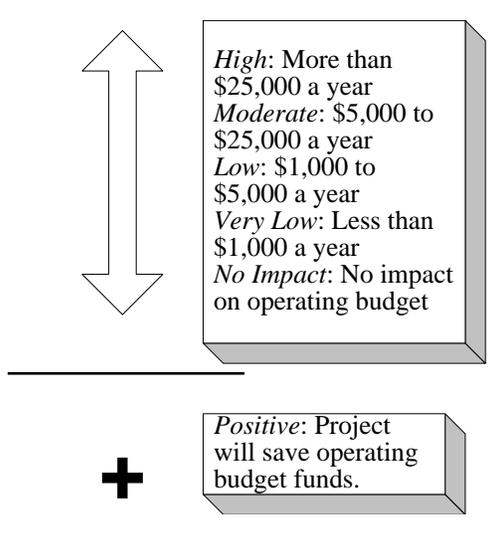
## ***DETAIL EXPENDITURES***

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>
<b>COMMUNICATIONS AND TECHNOLOGY</b>					
Traffic Signal Upgrade	\$ 237,515	\$ -	\$ -	\$ -	-
Fiber Optic Network	-	240,000	772,503	772,503	-
Fire House Mobile & GIS System for Response Units	2,015	-	1,100	-	-
In-Car Police Cameras	-	-	-	-	89,500
Police Technology Upgrades	108,269	-	93,000	93,000	-
Fire Radios	-	-	48,000	48,000	-
<b>Subtotal</b>	<b>\$ 347,799</b>	<b>\$ 240,000</b>	<b>\$ 914,603</b>	<b>\$ 913,503</b>	<b>\$ 89,500</b>
<b>PARKS AND OTHER PUBLIC USE FACILITIES</b>					
Greenways	\$ 15,925	\$ 75,000	\$ 86,175	\$ 86,175	\$ 80,000
Battle Branch Trail	124,290	-	8,691	8,691	-
Transfer to Multi-Year Capital Project Fund (Percent for Art)	-	-	2,800	2,800	-
Transfer to Multi-Year Capital Project Fund (Synthetic Turf)	-	-	70,684	70,684	-
Playground Replacement	132,361	85,000	13,466	13,466	100,000
Cemetery Beautification	26,859	-	110,168	110,168	20,000
Small Park Improvements	57,965	90,000	114,430	114,430	100,000
Mobile Stage	-	-	-	-	75,000
<b>Subtotal</b>	<b>\$ 357,400</b>	<b>\$ 250,000</b>	<b>\$ 406,414</b>	<b>\$ 406,414</b>	<b>\$ 375,000</b>
<b>TOTALS</b>	<b>\$ 851,474</b>	<b>\$ 650,000</b>	<b>\$ 2,474,417</b>	<b>\$ 2,467,617</b>	<b>\$ 828,500</b>

# ***PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS***

This section provides descriptions of capital projects funded in the 2012-13 budget shown in Table 1. The projects listed are those funded or proposed to receive funding through the Capital Improvements Fund, Stormwater Management Funds, Grant Funds and/or Special Purpose Funds.

The descriptions include information on the total funding proposed for each project, the funding source, the project location, the estimated impact on the operating budget, and where the project is listed in the 15-Year Project Tables which follow this section.

<p><b><i>Explanation: Operating Budget Impact</i></b></p> <p>Each project description includes an assessment of the operating budget impact from implementing the project. For example, the development of a new park would increase the maintenance and programming costs for the Parks and Recreation Department. Not all projects would increase the operating budget costs. For example, renovations of a Town facility would have a net positive effect on the operating budget by reducing maintenance items funded out of departments' operating budgets. The impact levels are shown in the adjacent chart.</p>	 <p><i>High:</i> More than \$25,000 a year  <i>Moderate:</i> \$5,000 to \$25,000 a year  <i>Low:</i> \$1,000 to \$5,000 a year  <i>Very Low:</i> Less than \$1,000 a year  <i>No Impact:</i> No impact on operating budget</p> <p><b>+</b></p> <p><i>Positive:</i> Project will save operating budget funds.</p>
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# ***PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS***

## ***Illustration: Tips for Reading Project Descriptions***

<b>Project Name</b>	<b>MUNICIPAL OPERATIONS FACILITIES</b>	<b>Project Category</b>
	<b><u>Extraordinary Maintenance, Emergency Repairs</u></b>	<b>Description</b>
	From time to time, unanticipated failures occur in building systems that require immediate emergency repairs. Examples of projects include roof repairs, HVAC system repairs, asbestos/lead abatements, vandalism remediation, swimming pool mechanical system repairs and hazardous material spill abatements.	
<b>Effect on Town's operating budget when project is implemented.</b>	<p><i>Table and Ref #:</i> Table 1, Ref #2</p> <p><i>Location:</i> Various sites</p> <p><i>Operating Budget Impact:</i> Positive (Thousands annually): Funding will reduce need to use operating funds for emergency repairs.</p>	<b>Where to find project in Tables 1, 2 or 3, which appear after this section</b>

### ***Adopted 2013-14 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total*</i>	<i>Funding Source</i>
<b>2013-14</b>	2014-15	2015-16	2016-17	2017-18	<i>Through 2017-18</i>	<i>Through 2027-28</i>	
\$70,000	\$100,000	\$100,000	\$100,000	\$100,000	\$475,000	\$1,470,000	Capital Improvements Fund

**Summary of 2013-14 budget and projected expenditures for project. See Projects by Funding Source tables (Tables 1 through 3) for projected expenditures for all 15 years.**

# ***PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS***

## **MUNICIPAL OPERATIONS FACILITIES**

### **Extraordinary Maintenance, Emergency Repairs**

From time to time, unanticipated failures occur in building systems that require immediate emergency repairs. Examples of projects include roof repairs, HVAC system repairs, asbestos/lead abatements, vandalism remediation, swimming pool mechanical system repairs and hazardous material spill abatements.

*Table and Ref #:* Table 1, Ref #1  
*Location:* Various sites  
*Operating Budget Impact:* Positive (Thousands annually): Funding will reduce need to use operating funds for emergency repairs.

### ***Adopted 2013-14 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total*</i>	<i>Funding Source</i>
<b>2013-14</b>	2014-15	2015-16	2016-17	2017-18	<i>Through 2017-18</i>	<i>Through 2027-28</i>	
\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000	\$1,500,000	Capital Improvements Fund

### **Comprehensive Public Housing Renovation**

Federal funding sources will be used to upgrade the condition of the public housing apartments and sites. In recent years work has been completed in the Trinity Court, South Estes Drive, Craig-Gomains, S. Roberson St. and Lindsay St. neighborhoods.

*Table and Ref #:* Table 2, Ref #32  
*Location:* Public Housing sites  
*Operating Budget Impact:* Positive (Tens of thousands annually): Renovations will reduce need to make repairs using operating budget funds.

### ***Adopted 2013-14 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2013-14</b>	2014-15	2015-16	2016-17	2017-18	<i>Through 2017-18</i>	<i>Through 2027-28</i>	
\$444,974	\$444,974	\$444,974	\$444,974	\$444,974	\$2,224,870	\$6,674,610	Community Development Block Grant Program

# ***PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS***

## **INFRASTRUCTURE**

### **Capital Repairs - Bike Paths, Paved Trails and Public Parking Areas**

Funds will pay for repair and maintenance of existing paved pedestrian paths, trails and parking lots. Repair needs have been identified at fire stations, public housing developments, Parks and Recreation facilities and other locations.

*Table and Ref #:* Table 1, Ref #10  
*Location:* Various Sites  
*Operating Budget Impact:* Positive (More than \$1,000 annually):  
 Repairs will reduce need to use operating budget funds to address needs.

#### ***Adopted 2013-14 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<i>Through 2017-18</i>	<i>Through 2027-28</i>	
\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000	\$750,000	Capital Improvements Fund

### **Curb Repairs: ADA Compliance**

The Town is retrofitting curb ramps by installing truncated domes that alert pedestrians with vision impairments of their approach into a street. The inclusion of funds in the Town’s annual CIP confirms our commitment to meeting ADA requirements as presently interpreted to include truncated domes. We also believe that this plan satisfies legislative intent.

*Table and Ref #:* Table 1, Ref #12  
*Location:* Various Sites  
*Operating Budget Impact:* No Impact

#### ***Adopted 2013-14 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<i>Through 2017-18</i>	<i>Through 2027-28</i>	
\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$150,000	\$450,000	Capital Improvements Fund

# ***PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS***

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## **Stormwater Project Construction/Design**

Funding will provide stream channel and infrastructure improvements, stream restoration, and infrastructure repair/retrofit along Bolin Creek. This project will mitigate flooding/drainage problems as well as improve water quality conditions.

*Table and Ref #:* Table 2, Ref #45  
*Location:* Various Sites  
*Operating Budget Impact:* No Impact

### ***Adopted 2013-14 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2013-14</b>	2014-15	2015-16	2016-17	2017-18	<i>Through 2017-18</i>	<i>Through 2027-28</i>	
\$75,000	\$175,000	\$175,000	\$175,000	\$425,000	\$1,025,000	\$3,525,000	Stormwater Management Fund

## **South Elliot Road Culvert Replacement**

Funding will be used to replace deteriorated corrugated metal pipe under S Elliott Rd identified as a high priority need by NCDOT in the biennial inspection report performed for the Town of Chapel Hill.

*Table and Ref #:* Table 2, Ref #47  
*Location:* South Elliot Road  
*Operating Budget Impact:* Positive (More than \$1,000 annually):  
 Repairs will reduce need to use operating budget funds to address needs.

### ***Adopted 2013-14 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2013-14</b>	2014-15	2015-16	2016-17	2017-18	<i>Through 2017-18</i>	<i>Through 2027-28</i>	
\$750,000	-	-	-	-	\$750,000	\$750,000	Stormwater Fund

# ***PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS***

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## **Ephesus Church/Fordham Road Engineering**

Funding will be used for planning of the Ephesus Church/Fordham Road intersection. This project will provide planning/engineering for road reconstruction, drainage, etc.

*Table and Ref #:* Table 1, Ref #14  
*Location:* Ephesus Church/Fordham Rd.  
*Operating Budget Impact:* No Impact

### ***Adopted 2013-14 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<i>Through 2017-18</i>	<i>Through 2027-28</i>	
\$150,000	-	-	-	-	\$150,000	\$150,000	Capital Improvements Fund

## **Parking Management Software**

Funding will be used to purchase a software management system which will allow real-time management of access equipment, vehicle counts, occupancy, and to manage revenue from the desktop.

*Table and Ref #:* Table 2, Ref #52  
*Location:* Rosemary/Columbia Lot & Wallace Deck  
*Operating Budget Impact:* No Impact

### ***Adopted 2013-14 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<i>Through 2017-18</i>	<i>Through 2027-28</i>	
\$34,194	-	-	-	-	\$34,194	\$34,194	Parking Fund

# ***PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS***

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## **Street Resurfacing/ Bridge Replacement**

Funding will be used for resurfacing and reconstruction of streets that fallen behind street condition standards. This project will also provide funding for replacement of the Bolinwood Bridge. The existing bridge is forty-seven years old, has a load restriction, and was not designed with a dedicated section for pedestrian crossing.

*Table and Ref #:*                      Table 3, Ref #67  
*Location:*                                      Various Sites  
*Operating Budget Impact:*      No Impact

### ***Adopted 2013-14 Budget and Projected Expenditures***

<i>Fiscal Year (\$1,000,000) budgeted in multi-year fund in FY 2012-13</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<i>Through 2017-18</i>	<i>Through 2027-28</i>	
-	-	-	-	-	-	-	Two-thirds Bonds (2012)

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## **COMMUNICATIONS AND TECHNOLOGY**

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## **In-Car Police Cameras**

Funding will be used to purchase the remaining 33 in-car cameras needed to complete the installation for the entire Police Fleet. These cameras provide documentation of criminal activity, contact with citizens, and evidence for court.

*Table and Ref #:*                      Table 1, Ref #20  
*Location:*                                      Police Fleet  
*Operating Budget Impact:*      No Impact

### ***Adopted 2013-14 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<i>Through 2017-18</i>	<i>Through 2027-28</i>	
\$89,500	-	-	-	-	\$89,500	\$89,500	Capital Improvements Fund

# ***PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS***

## ***PARKS AND OTHER PUBLIC USE FACILITIES***

### **Small Park Improvements**

These projects involve improvements, repairs and replacement of equipment in Town parks. Examples of potential projects include bleacher replacements, replacement of playground equipment and turf repairs at athletic fields.

*Table and Ref #:*                      Table 1, Ref #22  
*Location:*                                      Various Sites  
*Operating Budget Impact:*              Positive (More than \$1,000 annually):  
     Projects will reduce need to use operating  
     budget funds for repairs at parks.

### ***Adopted 2013-14 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
2013-14	2014-15	2015-16	2016-17	2017-18	<i>Through 2017-18</i>	<i>Through 2027-28</i>	
\$1,000,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000	\$1,500,000	Capital Improvements Fund

### **Greenways**

The funds associated with this project will be used to replace bridges, signs, re-grade trails, correct erosion problems, and perform maintenance throughout trail system. In addition, long range plans include new trail construction. In addition, funds are expected to be used to match grants and pay for materials for volunteer projects.

*Table and Ref #:*                      Table 1, Ref #24  
*Location:*                                      Various Sites  
*Operating Budget Impact:*              Positive (Hundreds to thousands annually):  
     Projects will reduce need to use operating  
     budget funds for greenway repairs.

### ***Adopted 2013-14 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
2013-14	2014-15	2015-16	2016-17	2017-18	<i>Through 2017-18</i>	<i>Through 2027-28</i>	
\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$400,000	\$1,200,000	Capital Improvements Fund

# ***PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS***

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## **Playgrounds**

Playground equipment in various locations throughout the Town is in need of replacement in order to comply with current safety and ADA guidelines. Playground equipment will be replaced at one playground per year in the following priority order: Burlington Park, Umstead Park, Oakwood Park, North Forest Hills Park, and Westwood Park. Umstead Park equipment would be fully accessible for mobility challenged youth.

*Table and Ref #:* Table 1, Ref #30  
*Location:* Various locations  
*Operating Budget Impact:* Positive (Hundreds per year): Projects will reduce need to use operating budget for repairs.

### ***Adopted 2013-14 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<i>Through 2017-18</i>	<i>Through 2027-28</i>	
\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000	\$1,500,000	Capital Improvements Fund

## **Bolin Creek Trail**

The Bolin Creek Trail (Phase 3) project includes an extension of the existing Bolin Creek Trail about .5 miles west along Bolin Creek to Umstead Park. The project will involve underpasses of Martin Luther King Jr. Blvd and Pritchard Avenue Extension and 2 bridges over Bolin Creek.

*Table and Ref #:* Table 3, Ref #69  
*Location:* Bolin Creek  
*Operating Budget Impact:* No Impact

### ***Adopted 2013-14 Budget and Projected Expenditures***

<i>Fiscal Year (\$2,245,889) budgeted in multi-year fund in FY 2010-11</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<i>Through 2017-18</i>	<i>Through 2027-28</i>	
-	-	-	-	-	-	-	2010 Bond Issue



# ***PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS***

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## **Parks Facilities**

Funding will provide for the replacement of the Cedar Falls toilet building, tennis court reconstruction, and playground equipment at Umstead Park. All of these projects address capital needs that have been deferred in prior years' CIP.

*Table and Ref #:* Table 3, Ref #74  
*Location:* Various sites  
*Operating Budget Impact:* No Impact

### ***Adopted 2013-14 Budget and Projected Expenditures***

<i>Fiscal Year (\$700,000) budgeted in multi-year fund in FY 2012-13</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<i>Through 2017-18</i>	<i>Through 2027-28</i>	
-	-	-	-	-	-	-	Two-thirds Bonds (2012)

## **Mobile Stage**

Funding will be used to purchase a large mobile stage suited for all department outdoor events such as street fairs, 4<sup>th</sup> July, arts events, and other community gatherings.

*Table and Ref #:* Table 1, Ref #29  
*Location:* Various Sites  
*Operating Budget Impact:* Positive (Hundreds to thousands annually):  
 Projects will reduce need to use operating budget funds for stage rental.

### ***Adopted 2013-14 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<i>Through 2017-18</i>	<i>Through 2027-28</i>	
\$75,000	-	-	-	-	\$75,000	\$75,000	Capital Improvements Fund

## ***CAPITAL PROGRAM TABLES – INTRODUCTION***

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The Capital Improvements Program contains tables that outline the adopted budget for CIP projects in fiscal year 2013-14 and projected expenditures in future fiscal years for all funds, from 2013-14 through 2027-28. These tables are as follows:

- **Table 1. Capital Improvements.** Table 1 lists projects identified for Capital Improvements. Projects listed include adopted projects for 2013-14 and other identified capital improvement needs for future years.
- **Table 2. Other Sources.** Table 2 lists capital projects funded by grants or other available or anticipated funding sources other than the Capital Improvements Fund. These project budgets would be established by separate project ordinances.
- **Table 3. 2003 Bonds – Approved Bond Schedule.** Table 3 lists projects to be funded using bonds voters approved in November 2003 and shows the bond-sale schedule approved by the Council.

**TABLE 1: Capital Improvements**

Reference #	Project	2012-13 Budget Revised	2013-14 Adopted Budget	2014-15
<b>Municipal Operations Facilities</b>				
1	Extraordinary Maintenance	\$ 100,000	\$ 100,000	\$ 100,000
2	Fleet Mobile Lifts	-	-	65,000
3	Small Capital Improvements	-	20,000	50,000
4	Facility Condition Assessment	-	-	85,000
5	Town Hall Parking Deck Maintenance	-	-	120,000
6	Exterior Maintenance - 179 West Franklin	-	-	75,000
<b>Public Safety</b>				
7	Fire Truck	850,000	-	-
<b>Town Facilities Leased by Others</b>				
8	Housing Maintenance	50,000	14,000	-
9	Appraisal Services	5,700	-	-
<b>Infrastructure</b>				
10	Parking Lots/Paths/Trails	29,700	50,000	50,000
11	Sidewalks	-	-	50,000
12	Curb Cut Improvements (ADA)	45,000	30,000	30,000
13	Bolinwood Drive Bridge Replacement	-	-	175,000
14	Ephesus Church/Fordham Engineering	-	150,000	-
15	Street Infrastructure Improvements	73,000	-	-
<b>Communications</b>				
16	Fire Radios	48,000	-	-
17	Fiber Optic Network	772,503	-	-
18	Fire House Mobile & GIS System for Response Units	1,100	-	-
19	Police Technology Upgrades	93,000	-	63,750
20	In-Car Police Cameras	-	89,500	-
<b>Parks and Other Public Use Facilities</b>				
21	Cemetery Beautification	110,168	20,000	-
22	Small Parks Improvements	114,430	100,000	100,000
23	Northside Gym Roof Replacement	-	-	-
24	Greenways	86,175	80,000	80,000
25	Community Center Pool Maintenance	-	-	50,000
26	Transfer to Multi-Year Capital Project Fund (% for Art)	2,800	-	-
27	Battle Branch Trail	8,691	-	-
28	Transfer to Multi-Year Capital Project Fund (Synthetic Turf)	70,684	-	-
29	Mobile Stage	-	75,000	-
30	Playgrounds	13,466	100,000	100,000
<b>Total</b>		<b>\$ 2,474,417</b>	<b>\$ 828,500</b>	<b>\$ 1,193,750</b>

\*Future years after FY2013-14 are for planning purposes only.

2015-16	2016-17	2017-18	2018-28	Reference #
\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,000,000	1
-	-	-	-	2
50,000	50,000	50,000	500,000	3
-	-	-	-	4
-	-	-	-	5
-	-	-	-	6
-	-	-	-	7
-	-	-	-	8
-	-	-	-	9
50,000	50,000	50,000	500,000	10
50,000	50,000	50,000	500,000	11
30,000	30,000	30,000	300,000	12
-	-	-	-	13
-	-	-	-	14
-	3,500,000	-	-	15
-	-	-	-	16
-	-	-	-	17
-	-	-	-	18
-	-	-	-	19
-	-	-	-	20
-	-	-	-	21
100,000	100,000	100,000	1,000,000	22
-	-	205,000	-	23
80,000	80,000	80,000	800,000	24
-	-	-	-	25
-	-	-	-	26
-	-	-	-	27
-	-	-	-	28
-	-	-	-	29
100,000	100,000	100,000	1,000,000	30
<b>\$ 560,000</b>	<b>\$ 4,060,000</b>	<b>\$ 765,000</b>	<b>\$ 5,600,000</b>	

**TABLE 2: Other Sources - Current Year Budget and Future Year Budget Requests**

Reference #	Project	Revised Budget 2012-13	Adopted 2013-14	2014-15
<b>Municipal Operations Facilities</b>				
31	Parking - Automatic Vehicle Identification System	\$ -	\$ 35,222	\$ -
32	Comprehensive Public Housing Renovations	444,974	444,974	444,974
33	Comprehensive Public Housing Renovations	506,097	-	-
34	Comprehensive Public Housing Renovations	448,270	-	-
35	Town Hall Renovation	-	-	-
36	100 West Rosemary Renovation	-	-	-
37	Public Safety Headquarters	-	-	-
38	Parks & Recreation Administration Building	-	-	-
39	523 East Franklin Renovation	-	-	-
40	Roof Replacement at Town Operations Center	-	-	-
41	Town Data Center	-	-	-
42	Solid Waste Transfer Station	-	-	150,000
43	Wallace Parking Facility	-	500,000	-
44	SEEA Energy Grant	973,723	-	-
<b>Infrastructure</b>				
45	Stormwater Projects	83,402	75,000	175,000
46	Jordan Nutrient Rules Compliance	-	-	75,000
47	South Elliot Road Culvert Replacement	-	750,000	-
48	Downtown Development Initiative	1,116,000	-	-
49	Rosemary/Columbia Lot Resurfacing	90,500	-	-
50	Replace gate and ticket equipment - Wallace Deck	75,300	-	-
51	Pay-in-Lane System	42,000	-	-
52	Parking Management Software	-	34,194	-
53	Traffic Signal Improvement	450,000	-	-
<b>Communications and Technology</b>				
54	Development Software Project	300,000	-	-
<b>Parks and Other Public Use Facilities</b>				
55	Fordham Landscape Buffer	50,000	-	-
56	Percent for Art - Art Purchase	15,300	-	-
57	Pritchard Park	184,000	-	-
58	Cedar Falls Synthetic Turf*	743,784	-	-
59	Tanyard Branch Trail	150,000	-	-
60	Bolin Creek Trail*	140,000	-	-
<b>TOTAL</b>		<b>\$ 5,813,350</b>	<b>\$ 1,839,390</b>	<b>\$ 844,974</b>

Note: Future years after FY2013-14 are for planning purposes only.

\*In addition to the funding shown on this table, these projects are also funded by Parks Bonds

2015-16	2016-17	2017-18	2018-28	Fund Source	Reference #
\$ -	\$ -	\$ -	\$ -	Parking Revenues	31
444,974	444,974	444,974	4,449,740	HUD Grant	32
-	-	-	-	HUD Grant	33
				HUD Grant	34
-	-	-	4,840,000	Future Bond Issuance	35
-	-	-	2,483,500	Future Bond Issuance	36
-	520,000	830,000	15,270,000	Future Bond Issuance	37
-	384,000	-	3,200,000	Future Bond Issuance	38
-	366,000	1,848,000	-	Future Bond Issuance	39
-	-	-	975,000	Future Bond Issuance	40
-	-	-	1,390,000	Future Bond Issuance	41
450,000	2,669,200	-	-	Future Bond Issuance	42
-	-	-	-	Limited Obligation Bonds	43
-	-	-	-	DOE Grant	44
175,000	175,000	425,000	2,500,000	Stormwater Management Funds	45
150,000	450,000	450,000	500,000	Stormwater Management Funds	46
-	-	-	-	Stormwater Management Funds	47
-	-	-	-	Multi-year Capital Project Ord.	48
-	-	-	-	Parking Revenue	49
-	-	-	-	Parking Revenue	50
-	-	-	-	Parking Revenue	51
-	-	-	-	Parking Revenue	52
-	-	-	-	NCDOT Direct Allocation Grant	53
-	-	-	-	Multi-year Capital Project Ord.	54
-	-	-	-	Multi-year Capital Project Ord.	55
-	-	-	-	Multi-year Capital Project Ord.	56
-	-	-	-	Multi-year Capital Project Ord.	57
-	-	-	-	Revenue in Lieu/Orange County	58
-	-	-	-	Chapel Hill/Carrboro Schools	59
-	-	-	-	Multi-year Capital Project Ord.	60
<b>\$ 1,219,974</b>	<b>\$ 5,009,174</b>	<b>\$ 3,997,974</b>	<b>\$ 35,608,240</b>		

**Table 3: 2003 Bonds: Approved Bond Projects**

Reference #	Council Priority	Project Name	Category	2004 Bond Sale (\$4,000,000)	
				2004-05	2005-06
<b>Municipal Operations Facilities</b>					
61	2	Energy Efficiency Projects	Public Buildings	\$ 392,600	\$ -
62	2	Sustainable Community Project - Local Match	Public Buildings	17,400	-
63	7	Energy Management System: Town Hall HVAC	Public Buildings	-	90,000
<b>Infrastructure</b>					
64	2	Downtown Improvements - Streetscape	Sidewalks & Streets	500,000	-
65	2	Neighborhood Traffic Calming, Pedestrian, and Bicycle Improvements	Sidewalks & Streets	50,000	250,000
66	2	Pedestrian Amenities at Town Owned Traffic Signals	Sidewalks & Streets	20,000	80,000
67	2	Streets and Bridges	Sidewalks & Streets	-	-
68	2	Sidewalks and Bicycle Facilities	Sidewalks & Streets	600,000	-
<b>Parks and Other Public Use Facilities</b>					
69	2	Bolin Creek Trail	Parks/Recreational Facilities	100,000	-
70	2	Dry Creek Trail	Parks/Recreational Facilities	125,000	-
71	2	Morgan Creek Trail	2003 Bond	75,000	-
72	2	Open Space Acquisition	Open Space and Areas	1,200,000	-
73	2	Upper Booker Creek Trail	2003 Bond	-	-
74	2	Parks Facilities	Parks/Recreational	-	-
75	2	Library Expansion	Library Facilities	500,000	-
<b>TOTAL</b>				<b>\$ 3,580,000</b>	<b>\$ 420,000</b>

**COLUMN DESCRIPTION KEY**

**Council Priority**

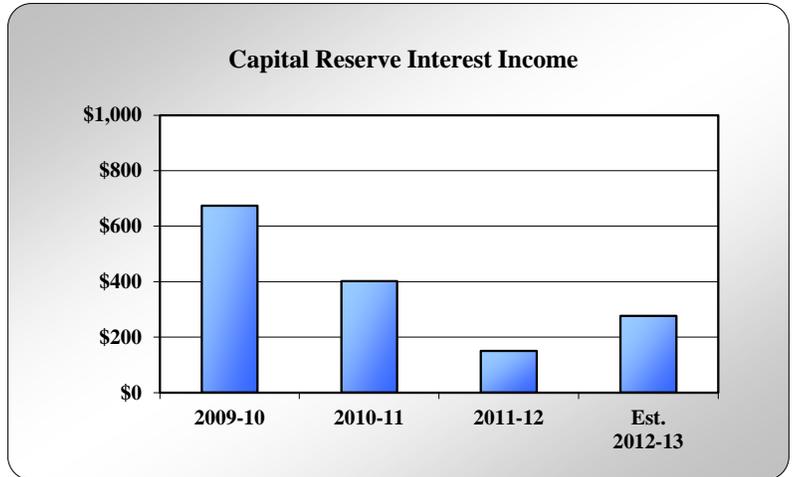
- 1 - Council Authorized Contracts
- 2 - Projects that have a Council mandate
- 3 - Projects that we have a legal requirement to perform or complete
- 4 - Projects that would repair or maintain existing Town facilities/infrastructure above and beyond ordinary maintenance
- 5 - Projects involving public safety
- 6 - Projects which are part of an adopted master plan
- 7 - Other projects

2006 Bond Sale (\$4,950,000)				2010 Bond Sale (\$20,760,237)			Two-Thirds Bonds (\$1,700,000)		
2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	TOTAL	Reference #	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 392,600	61	
-	-	-	-	-	-	-	\$ 17,400	62	
-	-	-	-	-	-	-	\$ 90,000	63	
1,000,000	-	-	-	64,000	-	-	\$ 1,564,000	64	
-	-	-	-	225,000	-	-	\$ 525,000	65	
50,000	-	-	-	100,000	-	-	\$ 250,000	66	
-	-	-	-	661,000	-	1,000,000	\$ 1,661,000	67	
600,000	-	-	-	1,442,042	-	-	\$ 2,642,042	68	
-	-	-	-	2,245,889	-	-	\$ 2,345,889	69	
16,000	-	-	-	150,540	-	-	\$ 291,540	70	
968,000	-	-	-	1,212,455	-	-	\$ 2,255,455	71	
800,000	-	-	-	-	-	-	\$ 2,000,000	72	
16,000	-	-	-	154,608	-	-	\$ 170,608	73	
-	-	-	-	-	-	700,000	\$ 700,000	74	
1,500,000	-	-	-	14,504,703	-	-	\$ 16,504,703	75	
\$ 4,950,000	\$ -	\$ -	\$ -	\$ 20,760,237	\$ -	\$ 1,700,000	\$ 29,710,237		

# ***CAPITAL RESERVE FUND***

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The Capital Reserve Fund accounts for funds reserved for specific capital improvement projects including water and sewer improvements.



## ***CAPITAL RESERVE FUND BUDGET SUMMARY***

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*No appropriations are planned for the Capital Reserve Fund for 2013-14, which had a balance of \$214,182 at June 30, 2012.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Reserved for CIP	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Transfer to Capital Improvements Fund	-	-	-	-	-	N/A
Transfer to General Fund	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>

### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Interest on Investments Appropriated	\$ 150	\$ -	\$ -	\$ 276	\$ -	N/A
Fund Balance	(150)	-	-	(276)	-	N/A
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>

## **MAJOR CAPITAL BOND PROJECTS**

Several major capital improvement projects were approved by bond referenda in November of 1996 and November of 2003.

As authorized by General Statute 159.13.2, capital project ordinances were established for each of the projects for the life of the projects.

Expenditures for these projects through June 30, 2013 are shown in the table at the right.

<b>Major Capital Bond Projects</b>	<b>Budget</b>	<b>Estimated Expenditures as of June 30, 2013</b>
<b>1996 Bond Projects</b>		
Parks and Recreation Facilities	\$ 5,000,000	\$ 5,000,000
Open Space/Greenways	3,000,000	3,000,000
Public Safety Improvements	2,000,000	2,000,000
Streets and Sidewalks	3,000,000	2,929,000
Public Works Facilities	500,000	477,000
Subtotal	<u>\$ 13,500,000</u>	<u>\$ 13,406,000</u>
<b>2003 Bond Projects</b>		
Public Buildings	\$ 500,000	\$ 241,000
Streets and Sidewalks	5,600,000	3,467,000
Library Expansion	16,260,000	16,260,000
Open Space	2,000,000	2,000,000
Parks and Recreation	5,000,000	2,198,000
Subtotal	<u>\$ 29,360,000</u>	<u>\$ 24,166,000</u>
<b>2012 LOBS Projects</b>		
Lot 5 Project	\$ 6,000,000	\$ -
Parking Projects	500,000	-
TOC Projects	200,000	-
Subtotal	<u>\$ 6,700,000</u>	<u>\$ -</u>
<b>2012 Two-Thirds Projects</b>		
Street Resurfacing	\$ 600,000	\$ 476,000
Bolinwood Drive Bridge	400,000	17,000
Cedar Falls Park Building	205,000	49,000
Umstead Playground	106,000	-
Tennis Court Reconstruction	235,000	229,000
Southern Comm Park Lighting	154,000	106,000
Subtotal	<u>\$ 1,700,000</u>	<u>\$ 877,000</u>
<b>TOTAL</b>	<b><u>\$ 51,260,000</u></b>	<b><u>\$ 38,449,000</u></b>

## ***TABLE OF CONTENTS – OTHER FUNDS***

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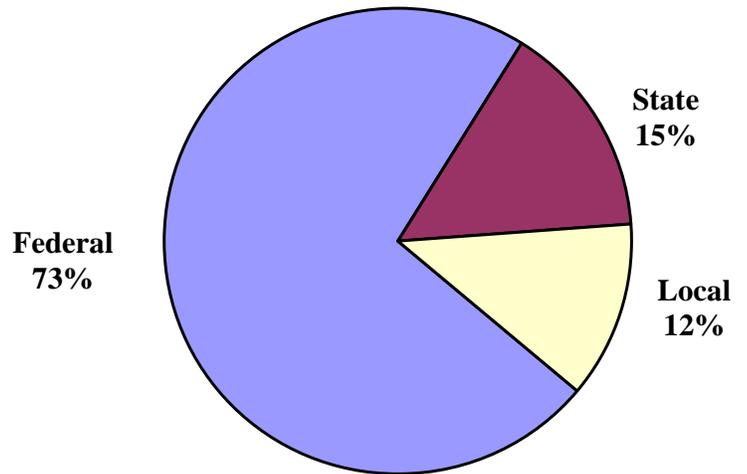


# ***GRANTS FUND***

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The Grants Fund was established to account for miscellaneous small grants that would otherwise be accounted for in the General Fund.

**Grant Sources - Historical Trend**



## **GRANTS FUND**

### **BUDGET SUMMARY**

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*The Grants Fund was established in 2004-05 to account for grants previously included in the General Fund. The grants already included for 2013-14 consist of three Planning grants that provides personnel and operating funding for transportation planning.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Police Grants	\$ 88,873	\$ -	\$ 44,851	\$ 44,851	\$ -	N/A
Fire Grants	252,456	-	-	-	-	N/A
Planning Grants	290,821	436,149	686,149	531,149	332,145	-23.8%
Transit	65,320	-	28,428	28,428	-	N/A
Other Grants	19,838	-	-	-	-	N/A
<b>Total</b>	<b>\$ 717,308</b>	<b>\$ 436,149</b>	<b>\$ 759,428</b>	<b>\$ 604,428</b>	<b>\$ 332,145</b>	<b>-23.8%</b>

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### **REVENUES**

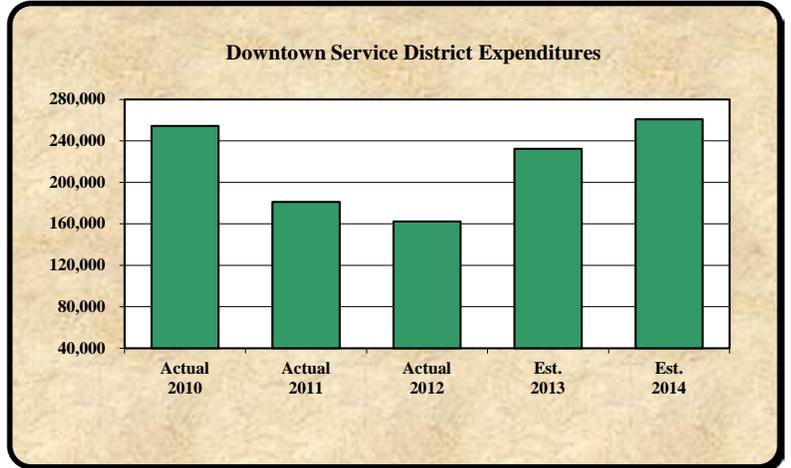
	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Grants	\$ 457,695	\$ 342,336	\$ 460,855	\$ 460,855	\$ 251,080	-26.7%
Transfer from General Fund	239,457	90,574	291,946	136,946	77,826	-14.1%
Transfer from Transit	12,552	3,239	3,239	3,239	3,239	0.0%
Transfer from Capital Imp. Fund	-	-	-	-	-	N/A
Appropriated Fund Balance	7,604	-	3,388	3,388	-	N/A
<b>Total</b>	<b>\$ 717,308</b>	<b>\$ 436,149</b>	<b>\$ 759,428</b>	<b>\$ 604,428</b>	<b>\$ 332,145</b>	<b>-23.8%</b>

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# ***DOWNTOWN SERVICE DISTRICT FUND***

---

The Downtown Service District Fund accounts for the programs and capital improvements for the downtown service district established by the Town Council.



# ***DOWNTOWN SERVICE DISTRICT FUND***

## **Major Revenue Sources – Descriptions and Estimates**

The revenue source for the Downtown Service District is the special district property tax on the assessed value of \$324,890,000. The tax rate of 7.1 cents is unchanged from FY 2012-13, and is expected to yield a total of about \$229,000 in FY 2013-14. This represents an increase of \$63,000 from the current year, due to the increase in value from new development in the downtown area.

An additional revenue in the Downtown Service District Fund for FY14 is funding from Orange County in the amount of \$40,000 for the “Launch” initiative, which is a partnership between Orange County, the University and the Town of Chapel Hill with the goal of providing incentives to assist in small and local business development.

Adjustments to the Downtown Service District border were last made for the 2006-07 fiscal year to take into account changes in business status between commercial and residential uses.

## **Major Expenditures and Estimates**

The budget provides for continued funding for the Chapel Hill Downtown Partnership of about \$120,000. The Chapel Hill Downtown Partnership brings the resources of the Town, University and downtown community together to maintain, enhance and promote downtown as the social, cultural and spiritual center of Chapel Hill through economic development.

The budget for FY14 continues funding for a groundskeeper (\$47,454) dedicated to the downtown area. The FY14 budget also includes the addition of about \$23,000 for maintenance and utilities at the 140 West Public Plaza and \$70,000 towards the “Launch” initiative, partly funded by Orange County.

<b><i>DOWNTOWN SERVICE DISTRICT FUND</i></b>			
<b><i>STAFFING COMPARISONS - IN FULL-TIME</i></b>			
	<b>2011-12 ADOPTED</b>	<b>2012-13 ADOPTED</b>	<b>2013-14 ADOPTED</b>
Groundskeeper*	1.00	1.00	1.00
Downtown Service District Fund Totals	1.00	1.00	1.00
*Position supervised by Parks and Recreation			

## **DOWNTOWN SERVICE DISTRICT FUND BUDGET SUMMARY**

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*The adopted Downtown Service District Fund tax rate of 7.1 cents for 2013-14 provides for continued funding of the groundskeeper position dedicated to the downtown area, including a 2% salary allowance, implementation of Phases 1 & 2 of the Class & Compensation study, an allowance for a 4% rate increase in medical insurance, and a slight increase in the employee contribution to the retirement system. The adopted budget continues an allocation of about \$120,000 to the Chapel Hill Downtown Partnership, and includes the addition of expenses related to the "Launch" initiative (\$70,000) along with maintenance and utilities at the new 140 West Public Plaza (\$23,395).*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 45,973	\$ 46,067	\$ 46,067	\$ 45,989	\$ 47,454	3.0%
Contracted Services	116,376	119,933	119,933	116,376	143,395	19.6%
Grants/Deferred Loans	-	-	80,000	70,000	70,000	N/A
<b>Total</b>	<b>\$ 162,349</b>	<b>\$ 166,000</b>	<b>\$ 246,000</b>	<b>\$ 232,365</b>	<b>\$ 260,849</b>	<b>57.1%</b>

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### **REVENUES**

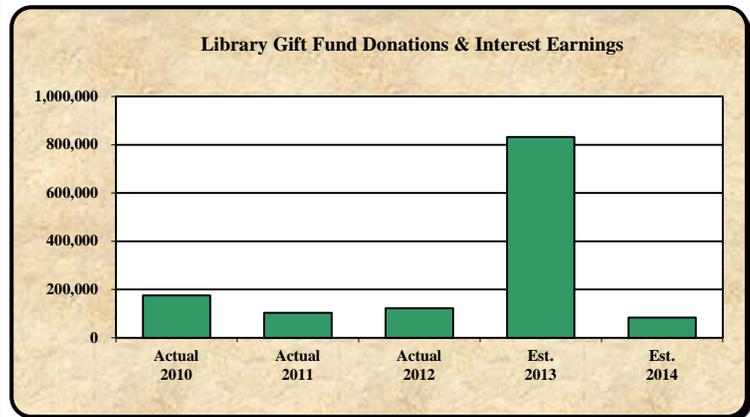
	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Property Taxes	\$ 234,274	\$ 166,000	\$ 166,000	\$ 227,000	\$ 229,000	38.0%
Interest Income	612	-	-	660	-	0.0%
Gifts and Donations	-	-	40,000	30,000	40,000	0.0%
Appropriated Fund Balance	(72,537)	-	40,000	(25,295)	(8,151)	N/A
<b>Total</b>	<b>\$ 162,349</b>	<b>\$ 166,000</b>	<b>\$ 246,000</b>	<b>\$ 232,365</b>	<b>\$ 260,849</b>	<b>57.1%</b>

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# LIBRARY GIFT FUND

---

The Library Gift Fund accounts for private contributions to the Town's library.



# **LIBRARY GIFT FUND**

## **BUDGET SUMMARY**

The adopted budget for the Library Gift Fund for 2013-14 reflects a return to normal levels of donations after the Library's reopening. Gifts for FY13 include the Opening Day Collection Grant (\$150,000), Reopening Furniture Grant (\$350,000) and Media Grant (\$75,000) from the Library Foundation, and a reopening and furniture grant (\$185,000) from the Friends of the Library. FY14 expenses include additions to the collection and a contribution to the reserve that could address needs that might arise with the opening of the new facility. The Library Gift Fund continues to budget a transfer to the General Fund to support Library operations, at an amount of \$45,000 for FY14.

\*\*\*\*\*

### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Computers/Database	\$ 23,192	\$ -	\$ 64,945	\$ 60,000	\$ 10,000	N/A
Furniture/Reopening	-	-	535,000	535,000	-	N/A
Collection Purchases	35,665	158,000	163,632	163,209	8,000	-94.9%
Other	-	-	15,000	15,000	-	N/A
Contribution to Reserve	-	144,000	14,000	14,050	20,000	-86.1%
Transfer to General Fund	53,000	45,000	45,000	45,000	45,000	0.0%
<b>Total</b>	<b>\$ 111,857</b>	<b>\$ 347,000</b>	<b>\$ 837,577</b>	<b>\$ 832,259</b>	<b>\$ 83,000</b>	<b>-76.1%</b>

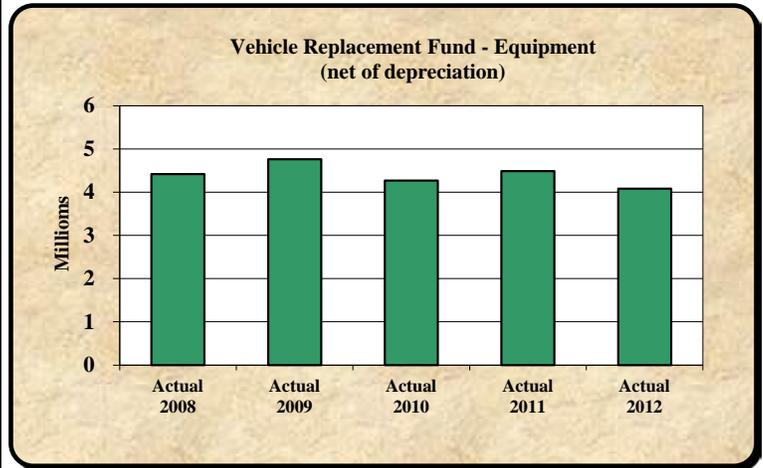
### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Interest Income	\$ 202	\$ -	\$ -	\$ -	\$ -	N/A
Fdn Opening Day Grant	-	150,000	150,000	150,000	-	-100.0%
Fdn ReOpening Grant	-	-	350,000	350,000	-	N/A
Fdn Media Grant	-	-	75,000	75,000	-	N/A
Foundation Donations	50,000	-	4,945	-	5,000	
Friends' Donations	5,650	138,000	193,000	193,000	23,000	-83.3%
Misc Donations	66,551	59,000	59,000	59,050	51,000	-13.6%
Appropriated Fund Balance	(10,546)	-	5,632	5,209	4,000	N/A
<b>Total</b>	<b>\$ 111,857</b>	<b>\$ 347,000</b>	<b>\$ 837,577</b>	<b>\$ 832,259</b>	<b>\$ 83,000</b>	<b>-76.1%</b>

# ***VEHICLE REPLACEMENT FUND***

---

The Vehicle Replacement Fund accounts for the purchase and financing of motor vehicles and related costs to other Town departments.



## **VEHICLE REPLACEMENT FUND BUDGET SUMMARY**

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*The adopted budget for 2013-14 for the Vehicle Replacement Fund includes a pared-down list of the most critical capital equipment needs pending a comprehensive review of the Town's fixed assets. Included in the FY14 budget is the replacement of one garbage truck and fifteen police cars.*

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Lease Purchase Payments	\$ 1,361,558	\$ 1,443,098	\$ 1,489,698	\$ 1,358,296	\$ 955,948	-33.8%
Other Expense	13,830	4,500	4,500	10,000	10,000	122.2%
Capital Equipment	896,971	470,000	1,936,415	1,753,615	872,000	85.5%
Contribution to Reserve	213,687	117,159	-	-	630,252	437.9%
<b>Total</b>	<b>\$ 2,486,046</b>	<b>\$ 2,034,757</b>	<b>\$ 3,430,613</b>	<b>\$ 3,121,911</b>	<b>\$ 2,468,200</b>	<b>21.3%</b>

### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Vehicle Use Fees	\$ 1,486,900	\$ 1,518,557	\$ 1,565,157	\$ 1,565,157	\$ 1,565,000	3.1%
Interest Income	2,020	1,200	1,200	1,700	1,200	0.0%
Sale of Fixed Assets	79,740	45,000	45,000	30,000	30,000	-33.3%
Insurance Claims	-	-	-	-	-	N/A
Financing Proceeds	887,000	470,000	1,043,850	1,005,050	872,000	85.5%
Clean Fuels Grant	-	-	-	-	-	N/A
ARRA Grant	29,711	-	-	-	-	N/A
Transfer from General Fund	675	-	-	-	-	N/A
Appropriated Fund Balance	-	-	775,406	520,004	-	N/A
<b>Total</b>	<b>\$ 2,486,046</b>	<b>\$ 2,034,757</b>	<b>\$ 3,430,613</b>	<b>\$ 3,121,911</b>	<b>\$ 2,468,200</b>	<b>21.3%</b>

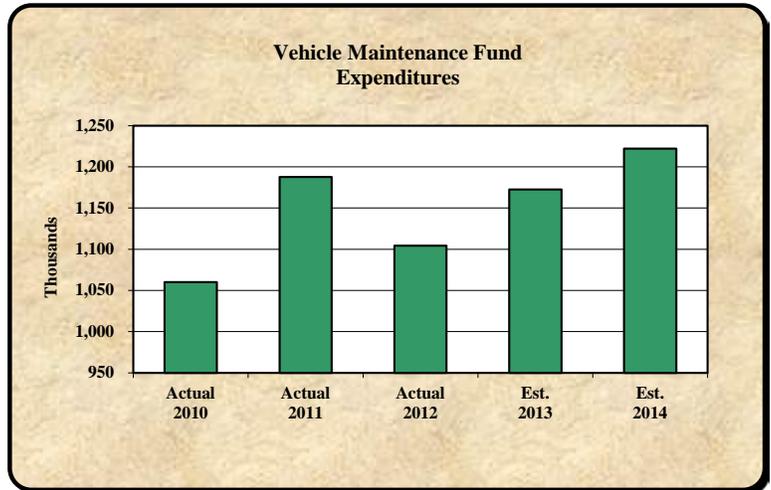
# ***VEHICLE MAINTENANCE FUND***

---

The Vehicle Maintenance Fund accounts for the repair and maintenance of all the Town's cars, trucks, and heavy equipment, excluding those used in public transit operations.

Vehicle maintenance is an internal service fund; its cost is charged out to other Town departments based on actual repairs.

The division is supervised by Public Works.



# ***VEHICLE MAINTENANCE***

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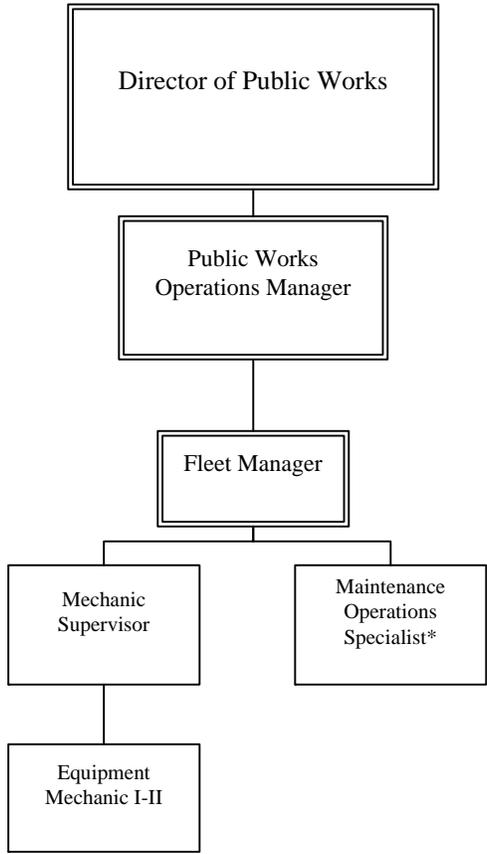
## **MISSION STATEMENT:**

*The overall mission of the Fleet Maintenance Fund is to ensure safe, reliable fleet and equipment essential for provision of public services, with an emphasis on sustainability, efficiency and effectiveness.*

Summary of services provided in support of department's mission:

- Full-service automotive garage, including refueling station.
- Use of state-of-art fuel efficiency techniques.
- Comprehensive preventive maintenance program for vehicles and equipment.
- Major repair program, including both in-house and outside vendors.
- Around-the-clock emergency road services.
- Overall management of the Town's vehicle replacement program with emphasis on greening our fleet.

VEHICLE MAINTENANCE



\*Position is split with Building Maintenance.

***VEHICLE MAINTENANCE FUND***  
***STAFFING COMPARISONS - IN FULL-TIME***

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	<b>2011-12 ADOPTED</b>	<b>2012-13 ADOPTED</b>	<b>2013-14 ADOPTED</b>
Supervisor-Mechanic	1.00	1.00	1.00
Parts Manager	1.00	0.00	0.00
Mechanic (I-III)	5.00	5.00	5.00
Manager-Fleet	1.00	1.00	1.00
Maintenance Operations Specialist <sup>1</sup>	0.75	0.75	0.75
Unit Totals	8.75	7.75	7.75

<sup>1</sup> Maintenance Operations Specialist is split between Building Maintenance and the Vehicle Maintenance Fund.

Note: Vehicle Maintenance is supervised by the Public Works Department.

## **VEHICLE MAINTENANCE FUND BUDGET SUMMARY**

The FY14 adopted budget for the Vehicle Maintenance Fund reflects an overall increase in expenditures of 11.9% from last year's budget. The increase in personnel is the result of a 2% employee pay allowance as well as implementation of Phases 1 & 2 of the Class & Compensation Study both effective October 2013, a 4% increase in medical insurance costs and a slight increase in the state retirement contribution. The increase in operating costs is related to increased maintenance costs for solid waste with the implementation of transporting to Durham, as well as increased maintenance costs for the aging Police fleet. There are no planned capital expenditures.

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### **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Personnel	\$ 566,389	\$ 529,068	\$ 529,068	\$ 524,495	\$ 548,975	3.8%
Operating Costs	537,714	563,200	598,653	604,670	672,993	19.5%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 1,104,103</b>	<b>\$ 1,092,268</b>	<b>\$ 1,127,721</b>	<b>\$ 1,129,165</b>	<b>\$ 1,221,968</b>	<b>11.9%</b>

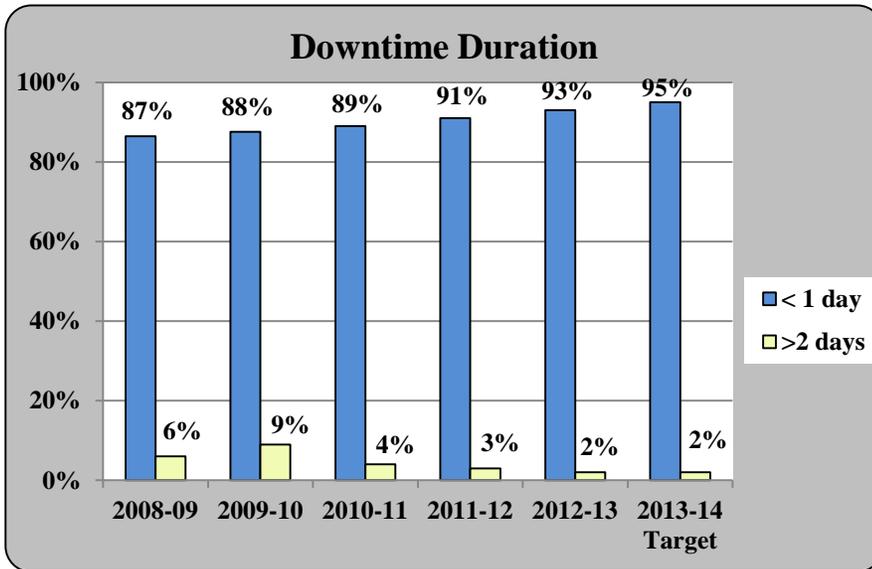
### **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Vehicle Maintenance Fees	\$ 1,164,182	\$ 1,057,850	\$ 1,092,350	\$ 1,155,900	\$ 1,238,500	17.1%
Interest Income	138	-	-	-	-	N/A
Insurance Claims	7,938	13,000	13,000	19,000	20,000	53.8%
Appropriated Fund Balance	(68,155)	21,418	22,371	(45,735)	(36,532)	-270.6%
<b>Total</b>	<b>\$ 1,104,103</b>	<b>\$ 1,092,268</b>	<b>\$ 1,127,721</b>	<b>\$ 1,129,165</b>	<b>\$ 1,221,968</b>	<b>11.9%</b>

# VEHICLE MAINTENANCE TRENDS

**COUNCIL SERVICE GOALS :** Maintain basic Town services.

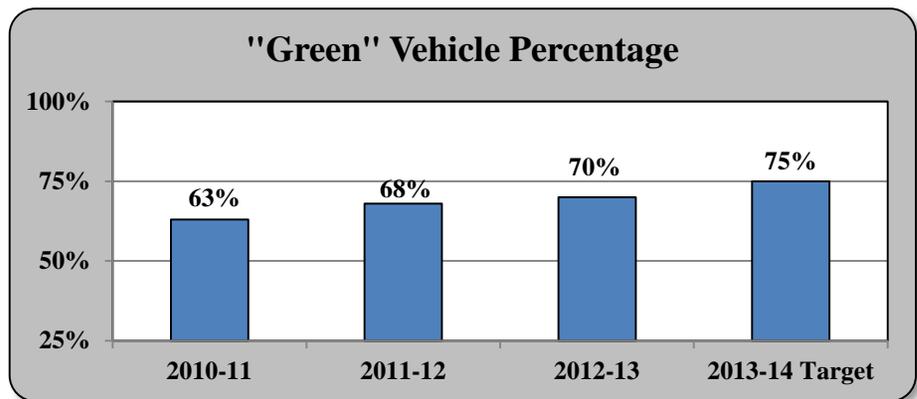
**GOAL :** To complete 85% of repair orders within 1 day, with no more than 10% requiring in excess of 2 days.



In FY 2012-13, 93% of work orders were completed in less than one day, with only 2% in excess of two days, as compared to 91% and 3% respectively in 2011-12.

**GOAL :** Achieve 100% replacement of unleaded vehicles with "green" vehicles—hybrids, alternative fuels, etc.—by 2016

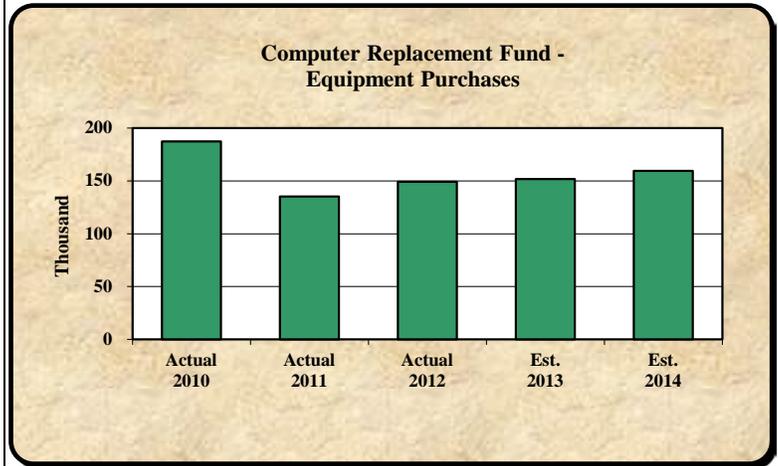
In 2012-13, the percentage of "green" vehicles in the Town's fleet increased by 2% from the previous year, and by 7% from 2011-12.



# COMPUTER REPLACEMENT FUND

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The Computer Replacement Fund accounts for the purchase and financing of computer equipment and software to the Town departments.



# **COMPUTER REPLACEMENT FUND BUDGET SUMMARY**

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The adopted budget for 2013-14 provides for replacement of computer equipment on a pay-as-you-go basis.

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## **EXPENDITURES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Small Equipment	\$ 149,204	\$ 150,000	\$ 151,782	\$ 151,782	\$ 159,595	6.4%
Other Expense	409	100,500	102,500	15,728	500	-99.5%
Reserve	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 149,613</b>	<b>\$ 250,500</b>	<b>\$ 254,282</b>	<b>\$ 167,510</b>	<b>\$ 160,095</b>	<b>-36.1%</b>

## **REVENUES**

	<b>2011-12 Actual</b>	<b>2012-13 Original Budget</b>	<b>2012-13 Revised Budget</b>	<b>2012-13 Estimated</b>	<b>2013-14 Adopted Budget</b>	<b>% Change from 2012-13</b>
Computer Use Fees	\$ 159,375	\$ 160,100	\$ 162,100	\$ 162,100	\$ 160,095	0.0%
Interest Income	313	-	-	200	-	N/A
Sale of Equipment	5,459	-	-	5,210	-	N/A
Appropriated Fund Balance	(15,534)	90,400	92,182	-	-	-100.0%
<b>Total</b>	<b>\$ 149,613</b>	<b>\$ 250,500</b>	<b>\$ 254,282</b>	<b>\$ 167,510</b>	<b>\$ 160,095</b>	<b>-36.1%</b>



# BUDGET ORDINANCE

Appendix 1

## AN ORDINANCE CONCERNING THE ESTABLISHMENT OF THE TOWN BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2013 (2013-06-10/O-0.1)

BE IT ORDAINED by the Council of the Town of Chapel Hill, the following appropriations are hereby made:

### ARTICLE I

#### GENERAL FUND

<u>Department</u>	<u>Department Total</u>
Mayor/Council	\$ 436,573
Town Manager/CaPA	2,410,088
Human Resources Development	1,339,622
Business Management	2,995,502
Attorney	303,197
Planning	1,425,972
Public Works	12,019,220
Police	12,759,697
Fire	8,147,917
Parks and Recreation	6,114,147
Library	2,662,855
Non-Departmental	4,173,710
<b>GENERAL FUND TOTAL</b>	<b>\$ 54,788,500</b>

#### OTHER FUNDS

Transit Fund	\$ 19,762,904
Transit Capital Reserve Fund	286,761
Debt Service Fund	7,404,742
Vehicle Replacement Fund	2,468,200
Vehicle Maintenance Fund	1,221,968
Computer Replacement Fund	160,095
Public Housing Fund	1,909,589
On-Street Parking Fund	721,000
Off-Street Parking Facilities Fund	1,979,285
Library Gift Fund	83,000
Capital Improvements Fund	828,500
Downtown Service District Fund	260,849
Stormwater Management Fund	2,702,517
Grants Fund	332,145
<b>TOTAL ALL FUNDS</b>	<b>\$ 94,910,055</b>

## ARTICLE II

It is estimated that the following revenues will be available during the fiscal year beginning July 1, 2013 and ending June 30, 2014 to meet the foregoing appropriations. It is determined that where estimated revenues are higher than the previous year, the increases were warranted.

### GENERAL FUND

Property Taxes	\$ 28,550,000
Other Taxes & Licenses	1,019,000
State-Shared Revenues	16,578,630
Grants	699,386
Charges for Services	3,759,619
Licenses/Permits/Fines	1,801,190
Interest on Investments	20,000
Other Revenues	252,300
Transfers/Other Sources	122,225
Fund Balance Appropriated	1,986,150
<b>General Fund Total</b>	<b>\$ 54,788,500</b>

### OTHER FUNDS

Transit Fund	\$ 19,762,904
Transit Capital Reserve Fund	286,761
Debt Service Fund	7,404,742
Vehicle Replacement Fund	2,468,200
Vehicle Maintenance Fund	1,221,968
Computer Replacement Fund	160,095
Public Housing Fund	1,909,589
On-Street Parking Fund	721,000
Off-Street Parking Facilities Fund	1,979,285
Library Gift Fund	83,000
Capital Improvements Fund	828,500
Downtown Service District Fund	260,849
Stormwater Management Fund	2,702,517
Grants Fund	332,145
<b>TOTAL ALL FUNDS</b>	<b>\$ 94,910,055</b>

# **BUDGET ORDINANCE**

*Appendix 1*

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## ARTICLE III

There is hereby levied the following tax on each one hundred dollars (\$100) valuation of taxable property, located within the Town of Chapel Hill, as listed for taxes as of January 1, 2013 for the purpose of raising revenue from property tax as set forth in the foregoing estimates of revenues, and in order to finance the foregoing appropriations.

General Fund (for the payment of expenses of the Town of Chapel Hill)	\$0.388/\$100
Debt Service Fund (for the payment of expenses of the Town of Chapel Hill)	\$0.075/\$100
Transit Fund (for the payment of expenses related to transportation approved by referendum)	\$0.051/\$100
TOTAL	\$0.514/\$100

## ARTICLE IV

There is hereby levied the following tax on each one hundred dollars (\$100) valuation of taxable property located in the Downtown Revitalization Municipal Service District established by the Town Council's resolution of June 12, 1989:

Downtown Service District Fund	\$0.071/\$100
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This the 10<sup>th</sup> day of June, 2013.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Town of Chapel Hill  
North Carolina**

For the Fiscal Year Beginning

**July 1, 2012**

*Christopher P. Morrell*

President

*Jeffrey R. Egan*

Executive Director

## *Performance Agreements with Other Agencies*

	<b>2012-13 Adopted Budget</b>	<b>2013-14 Adopted Budget</b>
<b>Performance Agreements with Other Agencies</b>		
<b>Human Services</b>		
Human Services Advisory Board Recommendations	\$ 337,100	\$ 337,100
<b>Total Human Services</b>	<b>337,100</b>	<b>337,100</b>
<b>Environment</b>		
Piedmont Wildlife	1,000	1,000
<b>Total Arts</b>	<b>1,000</b>	<b>1,000</b>
<b>Arts</b>		
Cultural Arts Dinner	500	500
ArtsCenter	10,000	10,000
<b>Total Arts</b>	<b>10,500</b>	<b>10,500</b>
<b>Affordable Housing</b>		
Orange Community Housing and Land Trust	200,000	200,000
Homeless Initiative	30,750	42,215
Empowerment	13,500	13,500
<b>Total Affordable Housing</b>	<b>244,250</b>	<b>255,715</b>
<b>Economic Development</b>		
Chapel Hill/Orange County Visitors Bureau	175,000	175,000
North Carolina High School Athletic Association	15,000	15,000
Chapel Hill Downtown Partnership	70,000	70,000
<b>Total Economic Development</b>	<b>260,000</b>	<b>260,000</b>
<b>Total Contributions to Agencies</b>	<b>\$ 852,850</b>	<b>\$ 864,315</b>

## ***GLOSSARY***

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**Accrual** – Revenues are recorded when earned and expenses are recorded as soon as they result in liabilities for benefits received.

**Ad Valorem tax** - A tax levied in proportion to the value of a property.

**ADA** - American Disabilities Act

**Allocate** - To set apart portions of budgeted expenditures which are specifically designated to organizations for special activities and purposes.

**AMP** - Asset Management Project. A division of the Town's public housing communities.

**ARRA** - American Recovery and Reinvestment Act.

**Annual Budget** - A budget covering a single fiscal year.

**Appropriation** - The amount budgeted on a yearly basis to cover projected expenditures which the Town Council legally authorizes through the Budget Ordinance.

**Approved Budget** - The budget as formally adopted by the Town Council for the upcoming fiscal year.

**Assessed Valuation** - The estimated dollar value placed upon real and personal property by the County Assessor as the basis for levying property taxes. The General Assembly exempted household personal property from taxation effective July 1, 1987.

**Authorized Bonds** - Bonds which have been legally authorized but may or may not have been sold.

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

**Bond** - A written promise to pay a specific amount of money with interest within a specific time period, usually long-term.

**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 capital projects funded by bonds. A high rating is indicative of the government's strong financial position. Ratings range from AAA (highest) to D (lowest).

**Bonds Issued** - Bonds that are sold.

**Budget** - A financial plan for a specified period of time that matches planned revenues and expenditures with various Town services.

## ***GLOSSARY***

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**Budget Message** - A written overview of the proposed budget from the Town Manager to the Town Council. This overview discusses the major budget items of the Manager's recommended budget.

**Capital Improvements Plan** - A long term plan of proposed capital improvements projects, which includes estimated project cost and funding sources, that the Town expects to undertake within a five year period. The plan is updated annually to reassess capital needs.

**Capital Outlay** - An expenditure which results in the acquisition of or addition to a fixed asset.

**Capital Project** - A project expected to have a useful life greater than 10 years and an estimated cost of \$10,000 or more. Capital projects include the construction, purchase or major renovation of buildings, utility systems, parks, or other physical structures or property; purchase of land; and purchase of large equipment.

**Capital Project Fund** - A fund used to account for the acquisition or construction of major capital facilities and equipment.

**Category** - Expenditure budgets are presented in one of three categories: Personnel Services, Operations and Capital Outlay.

**CDBG** – Community Development Block Grant

**Community Development Fund** - A fund used to account for block grant monies received from the federal government under Title I of the Housing and Community Development Act.

**Compensated Absences** – Paid time off made available to employees in connection with vacation leave, sick leave, and similar benefits.

**Contingency** - Appropriation intended for unanticipated expenditures. Transfer of these funds into an expendable account is controlled by the Town Council.

**Debt Service** - Principal, interest and administrative costs associated with the repayment of long-term debt.

**Delinquent Taxes** - Taxes that remain unpaid after the due date on which a penalty for nonpayment is incurred.

**Department** - A major administrative division of the Town that has overall management responsibility for an operation within a functional area.

**Depreciation** – An allowance made for the loss in the value of property over time.

**District Tax** - Taxes paid by those owning property in a special district of the Town.

## ***GLOSSARY***

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**Employee Benefits** - For budgeting purposes, employee benefits include employer payments for social security, retirement, group health and life insurance, and workers' compensation and any similar form of employee compensation.

**Encumbrances** - A financial commitment for services, contracts, or goods which have not been delivered or performed.

**Enterprise Fund** - A grouping of activities whose expenditures are wholly or partially offset by revenues collected from consumers in the form of fees and charges.

**Equivalent Rate Unit (ERU)** – A unit of area of impervious surface.

**Expenditures** - The total cost of a program or capital project.

**EZ Rider** - A special service which uses lift equipped vehicles to transport individuals with mobility limitations that prevent them from using Chapel Hill Transit's regular bus service.

**Fiscal Year** - A 12 month period (July 1 through June 30) in which the annual operating budget applies and at the end of which an assessment is made of the Town's financial condition and performance of operations.

**Fixed Asset** - An asset of long-term character. For budgetary purposes, a fixed asset is defined as an item costing \$5,000 or more with an expected life of more than one year.

**FTA** – Federal Transit Administration

**Full-time Equivalent** - One F.T.E. refers to the equivalent of one permanent position.

**Fund** - An accounting entity created to record the financial activity for a selected financial group.

**Fund Balance** - Funds accumulated through the under-expenditure of appropriations and/or receiving revenues greater than anticipated and included in the budget.

**Function** - A broad grouping of activities and departments whose objectives and expenditures are inter-related. Examples of functions within the Town include General Government, Public Safety, Leisure, etc.

**General Fund** - A fund which provides for the accounting for most of the basic government services, such as police, fire, sanitation, inspections, recreation and other general services.

**General Obligation Bonds** - Bonds issued by a government which are backed by the full faith and credit of its taxing authority.

## ***GLOSSARY***

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**Goal** - A broad statement of desired conditions to be maintained or achieved through the efforts of an organization.

**Governmental Funds** – Funds generally used to account for tax-supported activities.

**Impervious Surface** – Hard surfaces such as concrete, compressed gravel. Asphalt and rooftops. These surfaces increase the amount of stormwater runoff.

**Indirect Cost** - The component of the total cost for a service which is provided by one department but budgeted within another department or division. Indirect costs are budgeted to more accurately reflect the true total cost for such services.

**Interest and Penalties Receivable on Taxes** - Uncollected interest and penalties on property taxes.

**Intergovernmental Revenues** - Revenues from other governments (State, federal, and local) which can be in the form of grants, shared revenue, or entitlement.

**Land Use Management Ordinance** - The Chapel Hill Land Use Management Ordinance establishes standards and procedures for new development or redevelopment in the Town. The major purpose of the Land Use Management Ordinance is to implement the Town's adopted *Comprehensive Plan*. It is designed to provide clear rules about what is expected of applicants in order to gain approval to develop land in the Town.

**Lease Purchase** - A method of purchasing equipment in which payments are spread over a period of time.

**Levy** - The amount of tax, service charge, and assessments imposed by the government.

**Line Item** - A budgetary account representing a specific object of expenditure.

**Modified Accrual** - The basis of accounting for the Town. Under this system, expenditures are recognized when encumbered.

**MPO/DA** – Metropolitan Planning Organization/Direct Allocation

**NCDOT** – North Carolina Department of Transportation

**Non-operating Expenses** - Expenses which are not directly related to the provision of services such as debt service.

**Non-operating Revenues** - Revenues which are generated from other sources and are not directly related to service activities.

## ***GLOSSARY***

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- Objective** - A specific statement or objective that is to be accomplished or achieved for a particular program during the fiscal year.
- Ordinance** - A formal legislative enactment by the Town Council which has the full force and effect of law within the boundaries of the Town.
- Operating Budget** - The Town's financial plan which outlines proposed expenditures for the upcoming fiscal year and estimates revenues which will be used to finance them.
- Operating Expenses** - Those expenditures of a recurring nature, covering services and supplies necessary to operate individual departmental activities.
- Personal Property** - Movable property classified within two categories: tangible and intangible. "Tangible" or touchable, property includes items of visible and movable property not permanently affixed to real property. "Intangible" or non-touchable, property includes stocks, bonds, notes, cash, bank deposits, accounts receivable, patents, trademarks, copyrights and similar assets.
- Personnel Services** - Salaries and wages paid to employees for full-time, part-time and temporary work, including overtime and similar compensation. Also included in this account group are employee benefits paid for employees.
- Program** - A well-defined portion of the operating plan for which a distinct set of goals and objective may be developed.
- Property Tax Rate** - The rate at which real property in the Town is taxed in order to produce revenues sufficient to conduct necessary governmental activities.
- Property Tax** - Tax paid by those owning property in the Town.
- Proprietary Fund** - A fund used to account for the operations similar to those in the private sector. This includes enterprise funds. The focus is on determination of net income, financial position and changes in financial position.
- Public Safety** - A group of expenditures related to the provision and enforcement of law enforcement and fire and disaster protection.
- Real Property** - Land, buildings, and items permanently affixed to land or buildings.
- Real Property Value** - The value of land and buildings which are taxable.
- Reappraisal** - The process of revaluing a jurisdiction's real property in order to adjust the tax value to the market value; by North Carolina law, a revaluation must be conducted at a minimum of every eight years. Property was revalued as of January 1, 2001.

## ***GLOSSARY***

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**Reclassification** - A change in the classification and corresponding job title of an existing position which results from a major change in assigned responsibilities.

**Reserve** - An account designated for a portion of the fund balance which is to be used for a specific purpose.

**Revenue** - All funds that the Town government receives as income, including items such as tax payments, fees for specific services, receipts from other governments, fines, forfeitures, shared revenues, and interest income.

**Revenue Neutral Tax Rate** – G.S. §159-11(e) states that “the revenue-neutral tax rate is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no reappraisal had occurred.”

**Rolling Stock** – Vehicles and other similar equipment which use wheels to move about.

**Rural Buffer** - Established by the 1987 Joint Planning Agreement between Carrboro, Chapel Hill and Orange County, the Rural Buffer is defined as a belt of land surrounding the Towns of Chapel Hill and Carrboro, that will remain rural in character, contain low-density residential uses (1 dwelling unit per two acres of land), and not require urban services (public water and sewer).

**Sales Tax** - Tax paid by retail consumers.

**Service Level** - The amount of service provided during the fiscal year as indicated by one or more performance indicators.

**Shared Ride** – An extension of transit service to designated areas of town which do not receive regular bus service.

**Special Assessment** - A levy on certain properties to defray part or all of the cost associated with improvements or services which will benefit those properties. For instance, a special assessment would be levied against property owners who have petitioned for paving a street.

**Special Districts** – A tax district approved by the voters to provide specified services. A special district in the Town is the Downtown Service District which provides improvements in the Town center.

**Special Revenue Fund** - A fund used to account for the revenues from specific sources which are to be used for legally specified expenditures.

**Tax Levy** - Revenue produced by applying a given tax rate to a property's assessed, or tax value.

**TOC** – Town Operations Center: Town property on Eubanks Road, site of Public Works and Transit Operations.

## ***GLOSSARY***

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**Town Council** - Nine-member Council elected at large by the voters of the Town for four year terms.

**Triangle** – Chapel Hill is located in central North Carolina, in the area commonly referred to as the Triangle, including Orange, Durham and Wake Counties.

**Two-Thirds Bonds** - General obligation bonds that can be issued by a local government without voter authorization under a formula set by the State of two-thirds of the previous year's net debt reduction.

**Urban Services Area** - Defined as the area within which public utilities and services are currently available or will be provided in the future. The Urban Services Area includes not only the urban area of Chapel Hill, but also of Carrboro and several “transition areas” which are in the process of changing from rural to urban character.