



Town of Chapel Hill

Preliminary Report

2014-15 Budget Development

April 21, 2014

Budget Update

Tonight's Agenda:

- Adopt Recommended HOME & Housing Capital Programs (Consent Agenda)
- Public Forum for CDBG
- Budget Status
 - Budget Challenges
 - Budget Revenues
 - Budget Gap



Budget Update

HOME Program

- 2014-15 Plan includes use of \$450,317 of Orange County HOME Program Funds to support affordable housing programs

Housing Capital Program

- HUD Capital Fund Grant amount \$449,057. These funds will be combined with CDBG money to renovate Oakwood apartments

Budget Update

CDBG Grant Program Plan

- Public forum and resolution to adopt a plan for use of \$422,152 in CDBG funds is also on tonight's agenda.

Budget Status

- Department Budgets have been submitted and reviewed
- Working on addressing budget challenges and closing the GAP between expected revenues and costs



Work in Progress

Budget Challenges

Capital

Transfer Station

Asset Management

Town Hall Project

Ephesus Fordham

Parks Master Plan

Bike & Pedestrian Plan

Public Safety Facilities

Parks & Rec. Facilities

Operating

Youth Services

CIP Funding Target

Library Operating

Pay 4 Performance

Healthcare Costs/OPEB

Street Resurfacing

Recycling

Policy

Transit Sustainability

Northside Community

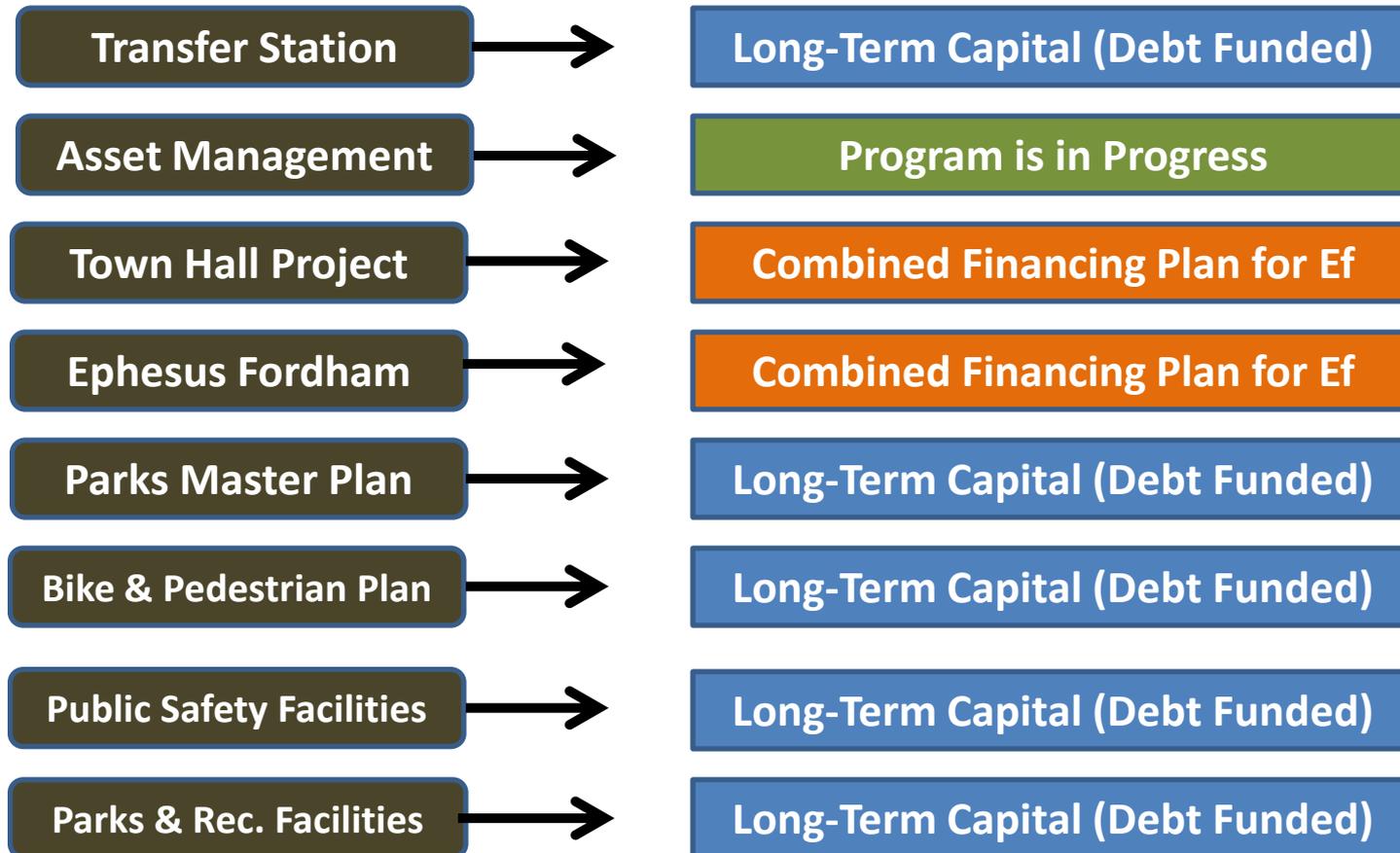
Rogers Road

Affordable Housing

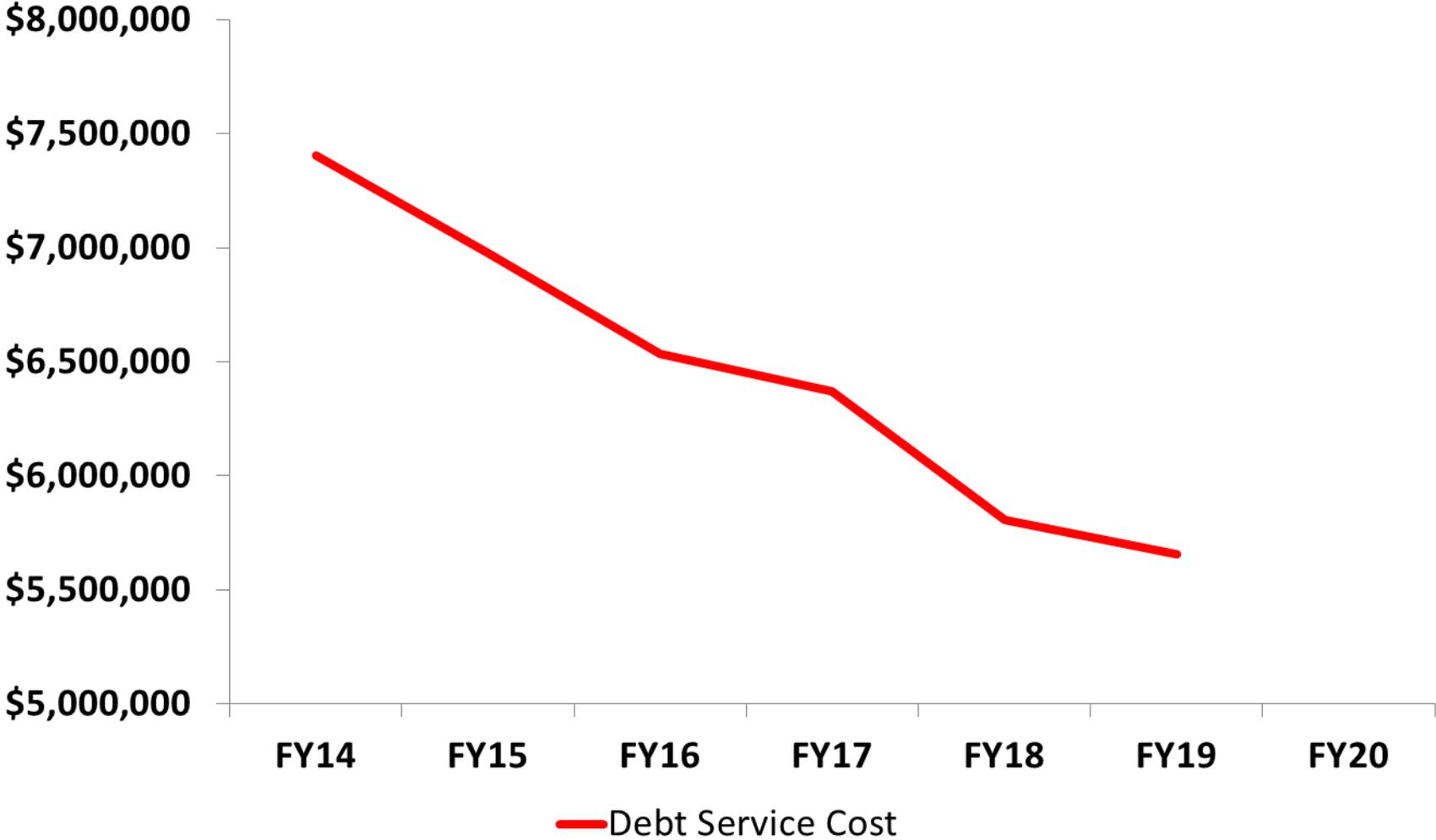
Referendum

Addressing Budget Challenges

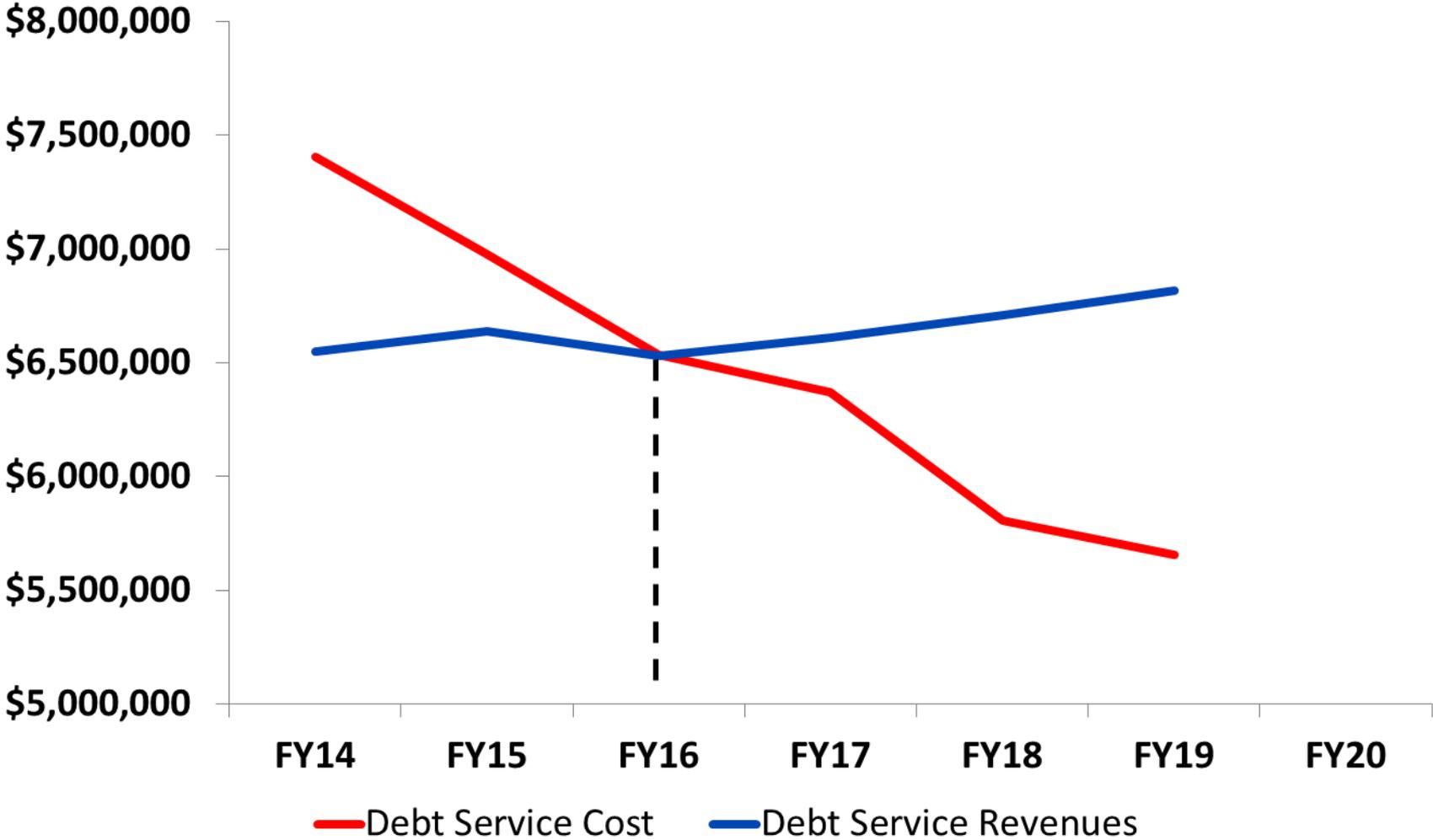
Capital



Debt Fund Capacity

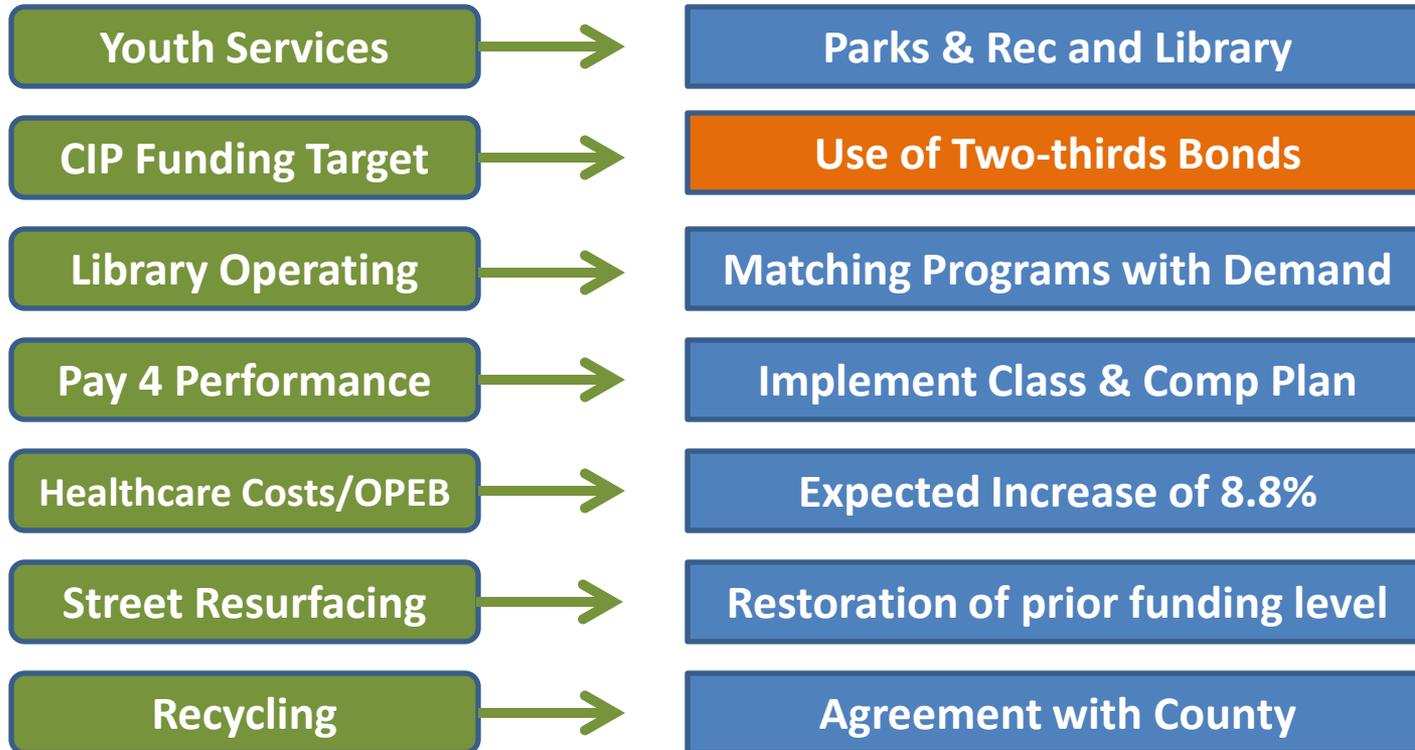


Debt Fund Capacity

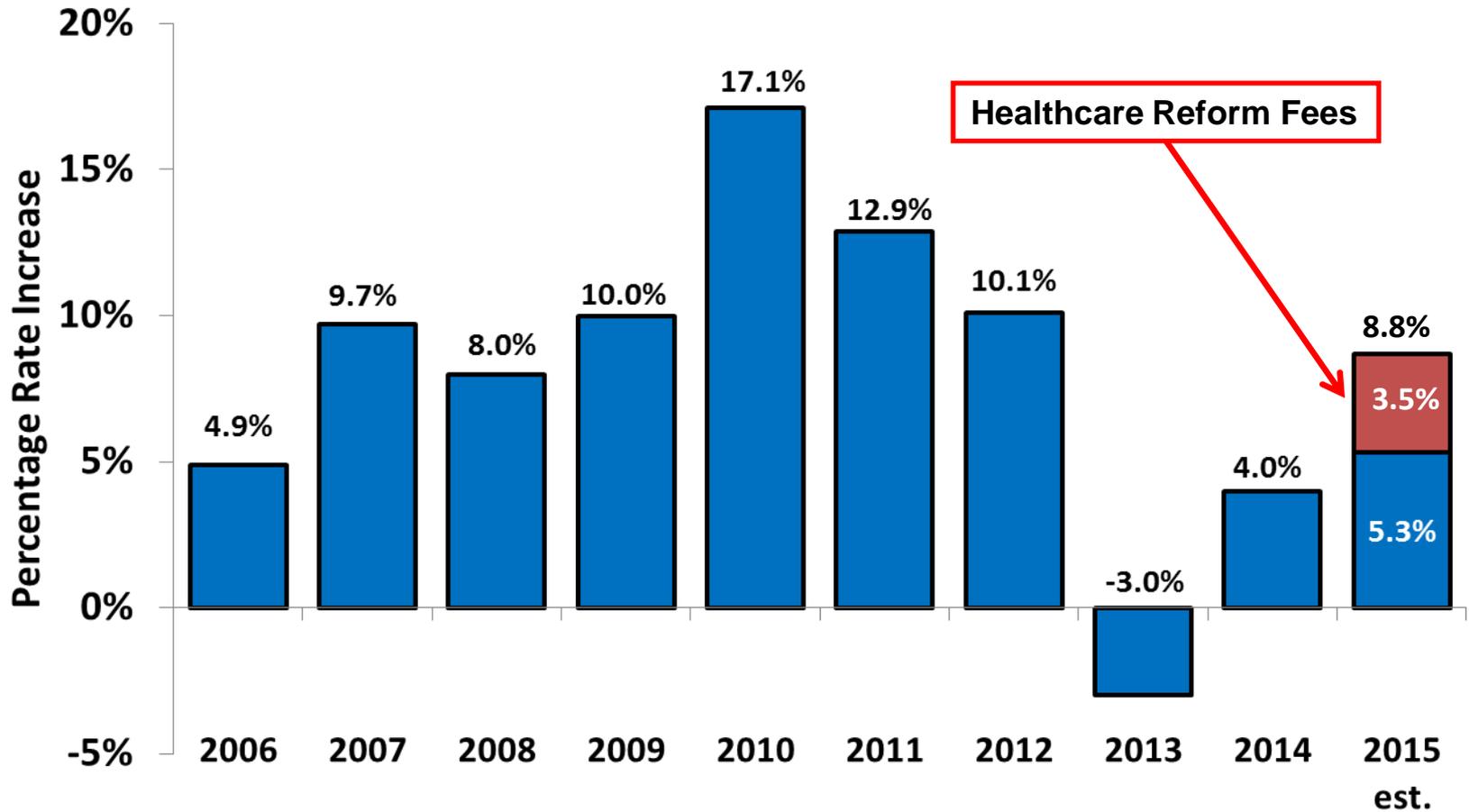


Addressing Budget Challenges

Operating



Medical Insurance Cost Increase from Prior Year



Strategy for Funding OPEB

- Liability declined by \$8 million as of last study
- Plan membership is declining
- Pay-go the past three years

Strategy for Funding Liability:

- Link contributions to year-end fund balance
- Fund Balance greater than 22% will be split between funding OPEB Liability and Capital

Retiree Healthcare

Liability \$56 Million

ARC \$5.9 million

Pay-Go \$1.3 million

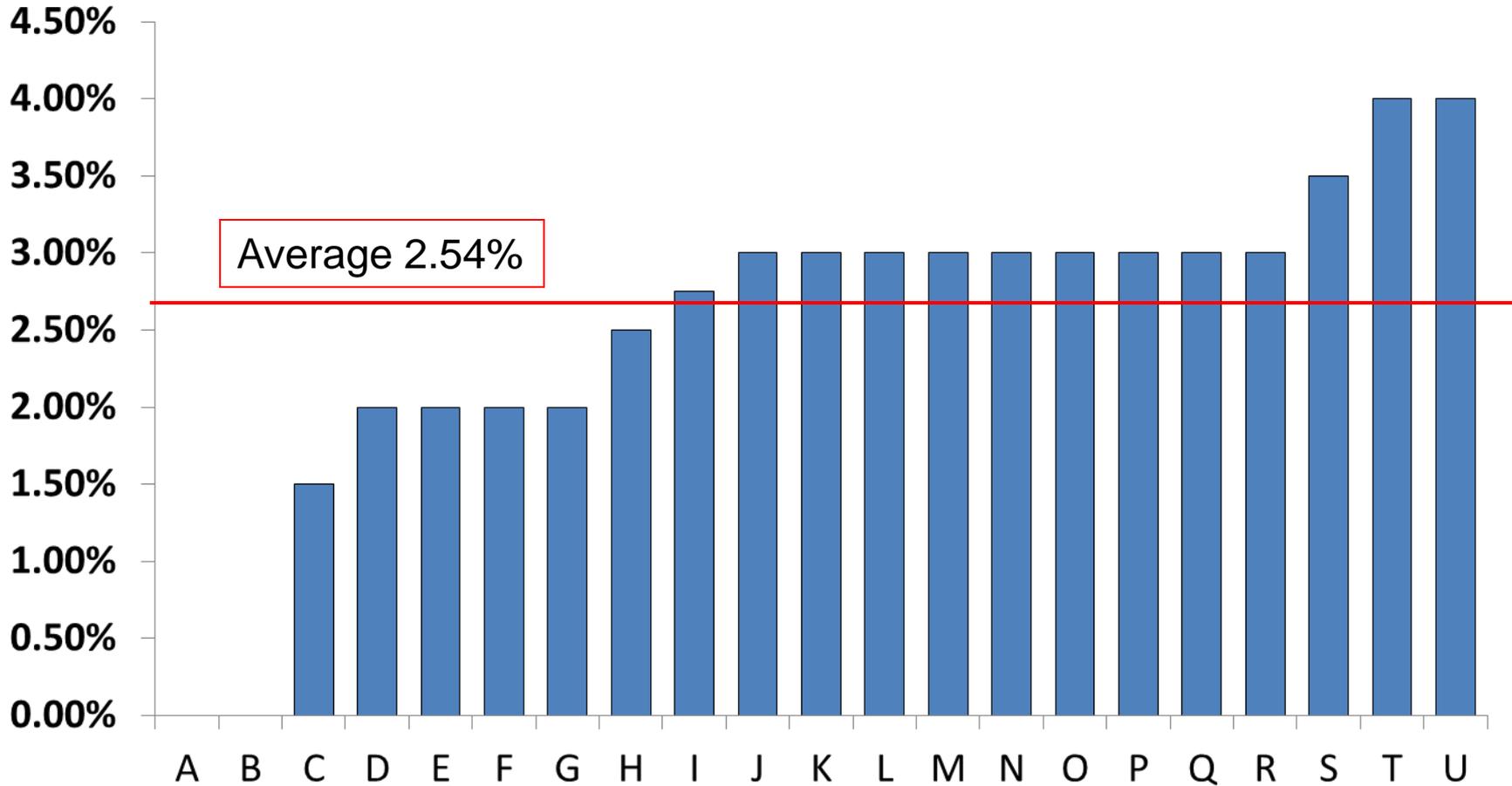
Plan Members:

Defined Benefit 791

Defined Contrib. 116

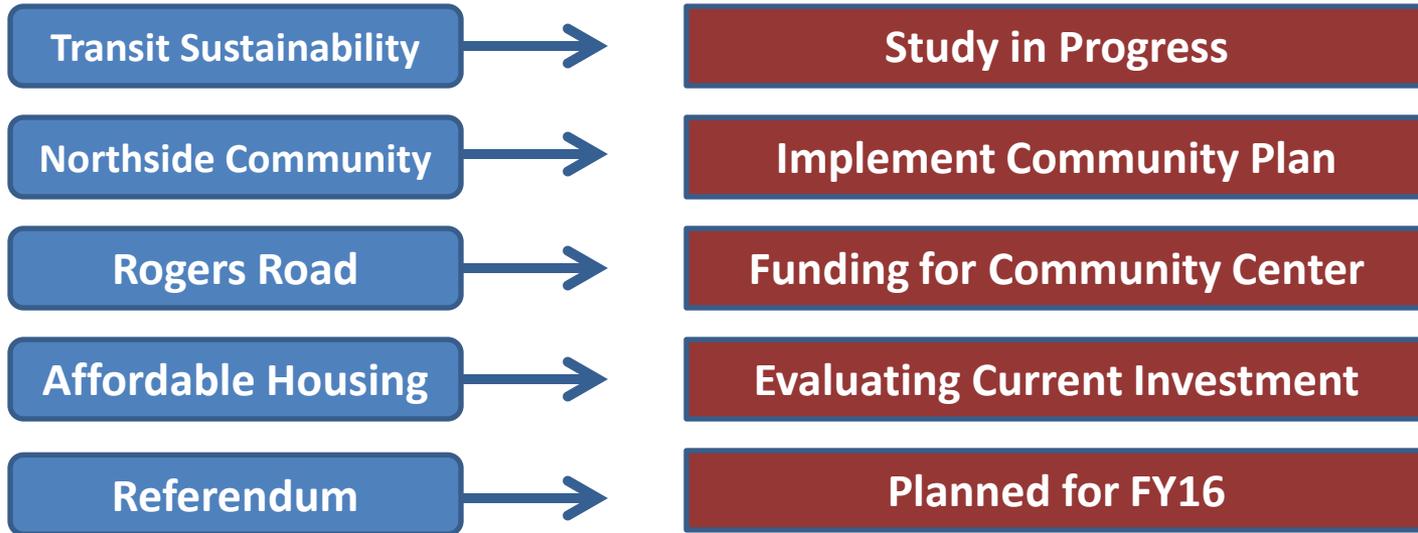
Planned Pay Adjustment Survey

(Respondents with population greater than 25,000)



Addressing Budget Challenges

Policy



Budget Balancing



GF Revenue Trends

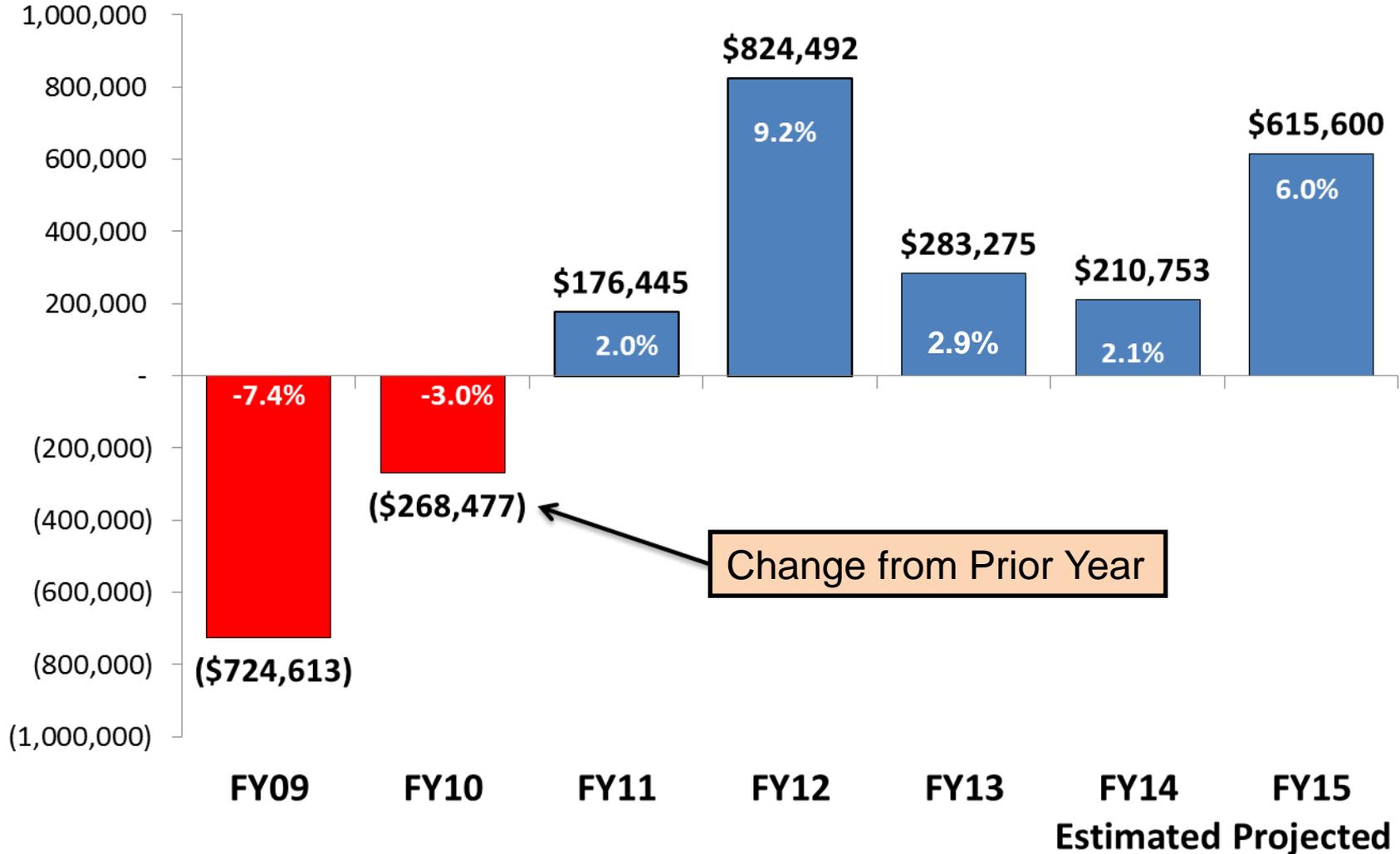
REVENUES	FY13 Actual	FY14 Estimated	% Increase	FY15 Recommended	% Increase
Taxes	\$ 38,698,384	\$ 39,844,465	3.0%	\$ 41,414,600	3.9%
Licenses & Permits	2,397,928	2,278,700	-5.0%	2,075,300	-8.9%
Intergovernmental	7,108,028	7,129,584	0.3%	7,160,787	0.4%
Charges for Service	3,524,282	3,816,628	8.3%	3,791,923	-0.6%
Other	924,128	659,891	-28.6%	566,507	-14.2%
Total	\$ 52,652,750	\$ 53,729,268	2.0%	\$ 55,009,117	2.4%

Includes 1 cent tax increase

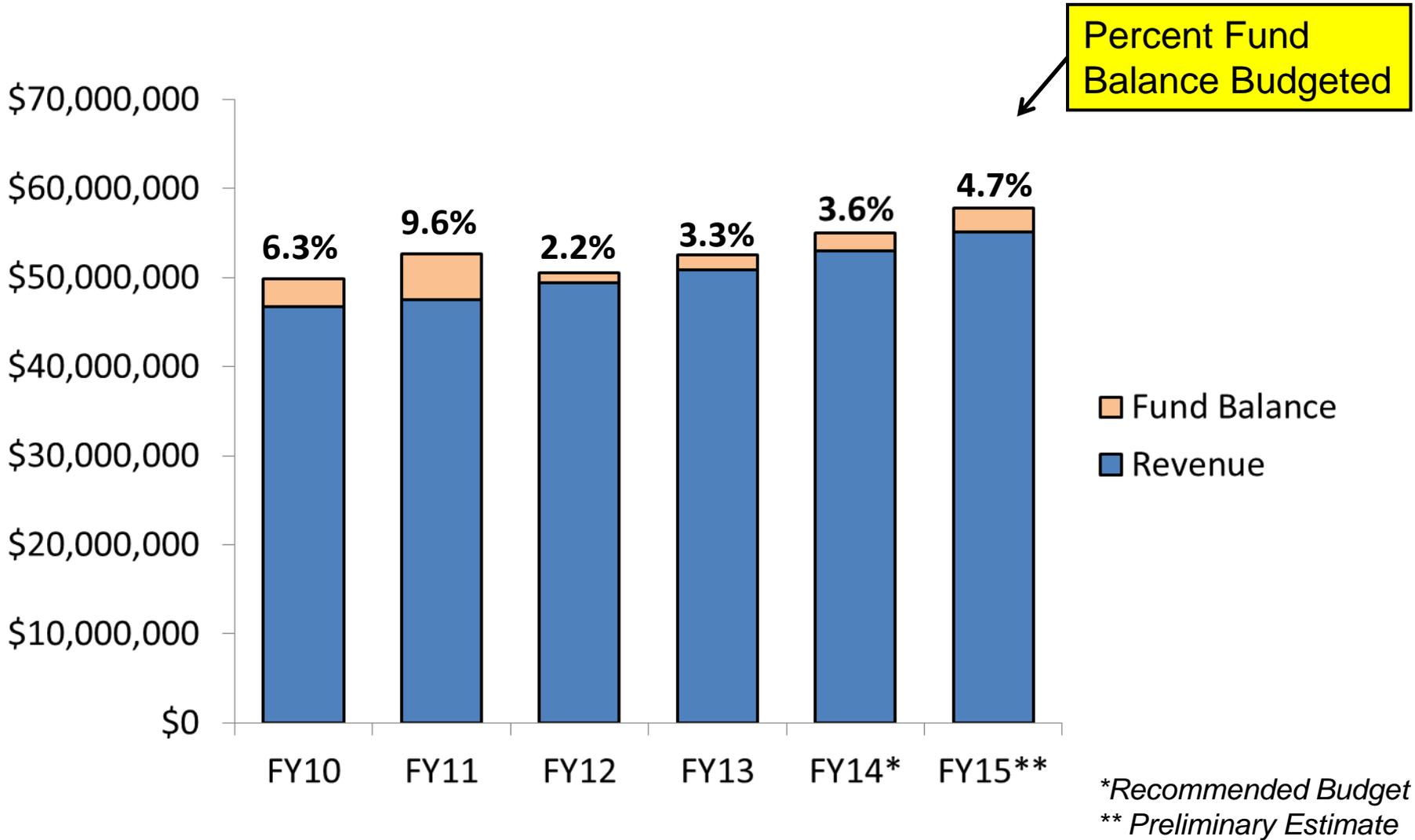
Increase due to growth

Sales Tax Receipts YR to YR Change

2008-09 thru 2014-15

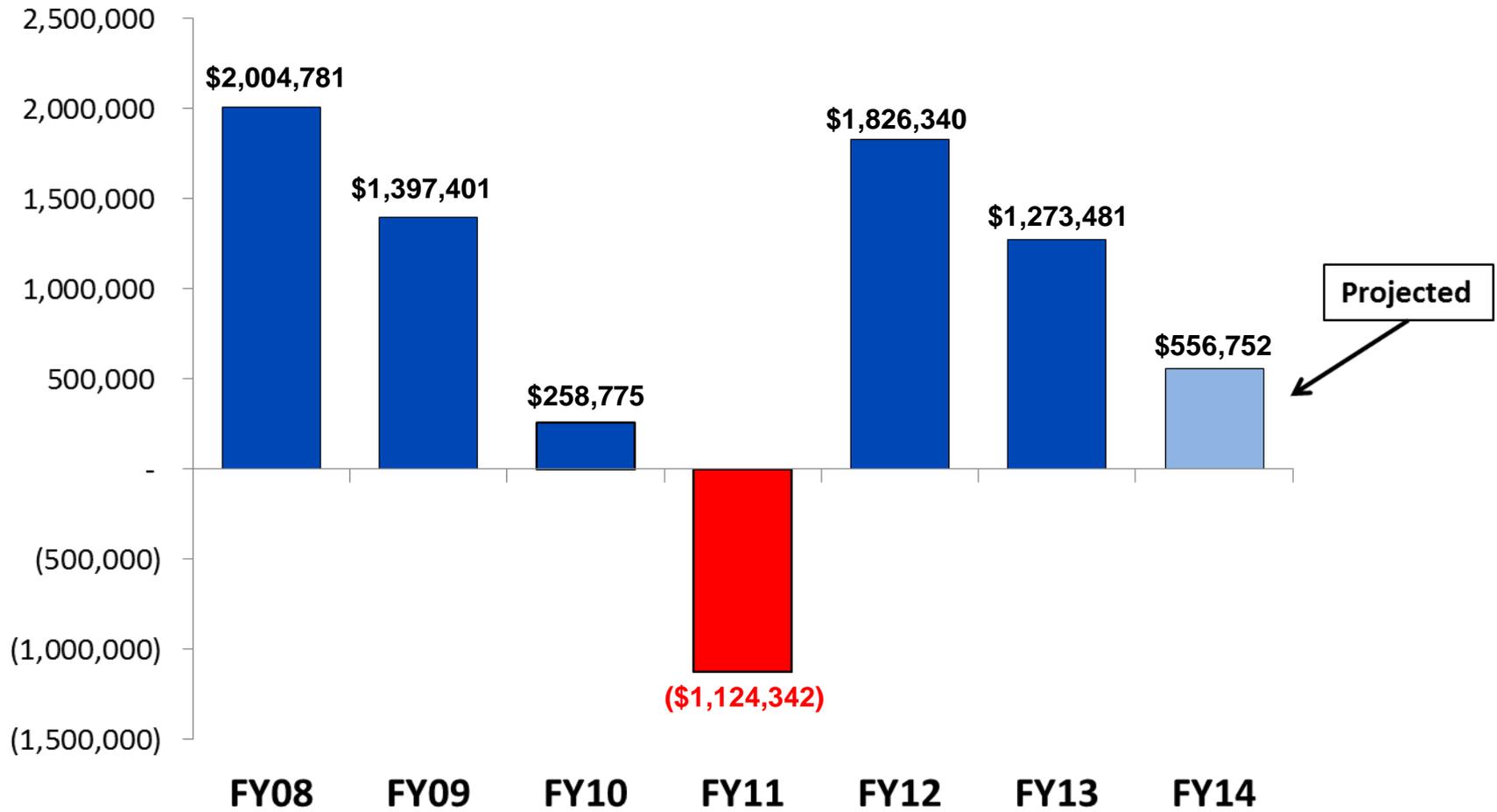


Use of Fund Balance in GF



Net Change in Total Fund Balance*

2007-08 thru 2013-14



* Includes increases in "non-spendable" reserves and designations

Capital Program

\$183,439,000

Requested capital projects for the next 15 years

*Public safety headquarters
Bicycle and Pedestrian Plans
Fire Apparatus
Public Building Renovations*

*Fire Stations
Storm water Projects*

*Transfer Station
Parks Master Plan
Streets & Sidewalks
Parking Facility Improvements*

Capital Program

A recommended Capital program will be submitted to Council on May 12th, consisting of:

- Annual pay-as-you-go allocation for FY15
- Report on future debt capacity
- Proposed prioritization of projects for the next 15 years
- Calendar of planned future debt issuance

Contact Us

Your Feedback Welcome

Chapel Hill residents may also make comments to the Mayor and Council by letter, fax, or e-mail at any time in the budget process.

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Fax: 919-969-2063

Email: mayorandcouncil@townofchapelhill.org

Next Steps

- **April 21th Public Forum & Status Report**
- May 12th Budget Work Session – Manager’s Recommended Budget
- May 14th Budget Worksession
- May 19th **Public Hearing on Recommended Budget**
- June 2, 4th Budget Worksession (if needed)
- **June 9th Adoption of FY2014-15 Budget**