Town of Chapel Hill
North Carolina

2015-2016
ADOPTED BUDGET

Chapel Hill Town Council, 2015-2016

Your Town Council is **Mayor Mark Kleinschmidt, Mayor pro tem Sally Greene, Donna Bell, George Cianciolo, Ed Harrison, Maria Palmer, Lee Storrow** and **Jim Ward.**

Town Manager
Roger L. Stancil

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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 2015-16. The budget includes the same combined property tax rate of 52.4 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 2015-16 reflects Council's priorities and includes specific strategies to achieve Council's goals. 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 2015-16 budget year. In addition to continuing basic services, the adopted 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 8, 2015

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June 8, 2015

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 2015-16.

Budget in Brief

The FY2015-16 Manager's Adopted Budget is balanced without an increase in taxes despite a net increase of 3.80% for all funds and a 5.9% increase for the General Fund. This is possible due to increases in revenues led by economy driven revenues such as sales taxes and selective increases in fees to offset the cost of specific functions such as parking and inspections. The adopted budget makes major investments in strategies to achieve Council Goals including the following:

- **Penny for Housing** – Operational funding for housing initiatives, roughly equivalent to a penny on the tax rate, was first budgeted in FY15 and is being continued for FY16. An additional $100,000 is also being added to the performance agreement with the Orange Community Housing and Land Trust to support their work in providing affordable housing.
- **Support for Development Related Services** – As major development projects have been proposed in the last few years, the need for planning, inspections and other development related services have increased. The FY16 budget adds resources in key areas to address these needs, including 8 new full-time positions related to development. These positions include one dedicated to innovative affordable housing initiatives. The cost of these positions is off-set by an expected increase in inspections and related revenues.
- **Capital Investment Plan** – With the addition of a penny to the Debt Management Fund dedicated tax rate added to the FY15 budget, the Town now has capacity to begin addressing a backlog of major capital projects. In addition to the $40.3 million general obligation (GO) bond referendum scheduled for November of 2015, there are also plans for several installment financings to fund high priority projects including public safety facilities.
- **Transit Sustainability** – With the scarcity of Federal funds available for bus replacement, the Town's need for new buses has reached a critical level. Based on

the recommendations of the Transit Sustainability Study the FY16 Adopted Transit Budget includes $800,000 of funding to finance the purchase of new buses. By borrowing funds and spreading the cost of new buses over their useful life, we can begin the process of bringing the average fleet age within industry standards, thereby reducing breakdowns and maintenance costs.

- **Stormwater** – The GO Bond referendum scheduled for November 2015 includes $5.9 million for stormwater improvement projects. These funds will be used over the next 7 years to complete projects in the Stormwater Master Plan. For FY16 the adopted Stormwater budget includes an increase of $1.40 per Equivalent Rate Unit (ERU) to address the cost of capital projects. As discussed in last year's budget, a series of graduated rate increases over several years will be needed to address Stormwater Master Plan projects, including projects that will be funded through the proposed stormwater referendum bonds.
- **Public Safety** – The Police Headquarters and the Town's Fire Stations are in need of replacement. The process for development of a multi-agency complex that could include Police, Fire, Parks & Recreation Administration and other Town Offices is currently in progress. The proceeds of the sale of 523 East Franklin will be used for the design costs of the new facility. The balance of the project costs will be funded through a combination of GO bonds and an installment financing.
- **Bicycle and Pedestrian Safety** – Recent cyclist fatalities in the area have spotlighted the need to make the Town safer for people using modes of transportation other than motorized vehicles. In addition to the near-term initiatives spearheaded by the Bicycle/Pedestrian Safety Team, creating a safer transportation infrastructure is a key component of our strategy to make the Town a safer place to travel for everyone. The scheduled 2015 GO Bond Referendum includes $7.8 million for bike and pedestrian safety projects, $2.0 million for sidewalks and $5.0 million for trails & greenways. This funding is the first installment of a long-term investment in better infrastructure that supports alternatives to motor vehicle travel.
- **Employee Compensation –** Maintaining competitive compensation is a key element in recruiting and retaining excellent employees who provide high quality services. For FY2015-16 the employee salary adjustment is split into two parts, with a 2% increase in July and another 2% increase in January. By splitting the increase we reduce the annual cost and also set the stage for implementation of a pay for performance, as recommended by the Employee Compensation Task Force.
- **Employee Wellness –** Since its inception in 2011, the Employee Wellness Program has helped reduce the rate of increase in the cost of employee medical insurance. For FY16 the cost of employee medical insurance is going **down** by 8.5%. This marks the second time in four years that premiums have actually declined. This represents a dramatic change from the double digit increases of the past.
- **Safety and Risk Management** – The development of a strong centralized safety and risk management program is a major objective of the FY16 Adopted Budget. Based on staff research with assistance from the NC League of Municipalities' Risk Consultant, we have created a plan for the development of a risk management program that includes hiring of full-time Risk Manager, reporting to the Town Manager. This position will coordinate safety and risk management activities on an organization-wide basis to improve communication, accountability and consistency of our safety and risk management efforts.

- **Technology –** Two new positions are included in the FY2015-16 Adopted Budget to fill the need for additional technical support in the areas of telecommunications, business support and technology integration. This additional staffing will help improve performance in key areas such as support for over 650 users, managing the Town's investment in technology and leading the effort to maximize the value of the Town's fiber communication assets.
- **Changes to Revenues –** Legislative changes to municipal revenues pose the biggest threat to the dependability of the Town's revenue streams. The loss of privilege license revenue in FY16 will have a minor impact on revenues however recent proposals regarding the distribution of sales taxes could eliminate most of the gains in sales tax made in the last few years. In addition, the growth of sales taxes could be severely curtailed by the proposed elimination of all distributions based on local tax generation.

Budget by the Numbers

The following table compares the FY2014-15 Adopted Budget with the FY2015-16 Adopted Budget for all Town funds.

BUDGET SUMMARY – ALL FUNDS

Fund	FY15 Adopted	FY16 Adopted	Incr./Decr.	Incr./Decr. %
General Fund	$57,400,712	$60,596,616	$3,195,904	5.57%
Transit Funds	20,510,813	20,775,015	264,202	1.29%
Stormwater	2,540,516	2,363,388	(177,128)	-6.97%
Parking Funds	1,638,455	1,735,888	97,433	5.95%
Housing	2,347,420	2,091,821	(255,599)	-10.89%
Debt Service	7,524,587	7,602,782	78,195	1.04%
Capital Projects	849,856	853,856	4,000	.47%
Other Funds	4,490,620	4,981,445	490,825	10.93%
Total	**$97,302,979**	**$101,000,811**	**$3,697,832**	**3.80%**
**Net of Transfers*				

- **General Fund** - The addition of 15 new full-time positions, including 8 that are development related, and a 2% + 2% split salary adjustment account for a large portion of the 5.57% increase. An expected increase in tax revenues and revenues from inspection fees cover the additional costs, balancing the General Fund Budget without the need for a tax increase.
- **Transit Fund** – The most significant change in the FY16 Transit Budget is the additional funding ($800,000) for bus purchase/lease program. With nearly half of the bus fleet at or past replacement age, funding replacement buses is a top priority and key recommendation of the Transit Sustainability Study.

- **Stormwater Fund** - The decrease in the adopted Stormwater Fund Budget for FY16 is due to a reduction in planned capital expenditures. The FY2014-15 Stormwater budget was balanced with about $400,000 of appropriated fund balance. As discussed in last year's budget, in order to build capacity for future capital projects and to reduce the reliance on fund balance, annual rate adjustments will be needed. The FY16 Stormwater Budget includes a fee increase of $1.40 per Equivalent Rate Unit (ERU), raising the rate from $24.75 to $26.15.
- **Parking Funds** – Changes to certain parking fees and the use of excess funds from on-street parking to support off-street operations balances the Parking Fund without the planned use of fund balance for FY16. This is a significant change from prior years when the use of fund balance has been as high as $757,000 in FY13.
- **Housing** – The reduction in the FY16 Adopted Housing Fund Budget is due to a reduction in capital expenditures. In the FY15 budget a major roof replacement project was funded using fund balance. The FY16 budget includes $70,000 for the Free WiFi in Public Housing Neighborhoods Project.
- **Debt Service** – The Debt Management Fund budget is increasing with the growth in the property tax base. However, the paydown of existing debt reduces the costs for interest and principal on existing debt generating an addition to fund balance of about $1.19 million for FY16. This addition to fund balance creates capacity for future debt planned in the referendum.
- **Capital Projects** - This budget represents the "pay-go" portion of the Town's Capital Funding Plan. While the adopted amount falls short of the $1 million annual pay-go target, the planned $2.33 million installment financing will fund several high priority projects that would otherwise be funded through pay-go.
- **Other Funds** – The aggregate increase in these funds, that include internal service and grant funds, is due in part to the salary adjustment in internal service funds.

The estimated General Fund revenues for FY16 reflect an increase in revenue sources that are driven by economic activity such as sales taxes and building permits. The following table shows the changes to major revenue categories in the General Fund:

GENERAL FUND REVENUES

Revenue Source	FY15 Adopted	FY16 Adopted	Incr./Decr.	Incr./Decr. %
Property Taxes	$29,495,000	$29,970,000	$475,000	1.61%
Sales Taxes	10,875,600	12,059,494	1,183,890	10.89%
Other Taxes	1,044,000	1,114,000	70,000	6.70%
State Shared Revenues*	6,439,590	6,649,590	210,000	3.26%
Charges for Services	4,353,948	4,666,537	312,589	7.18%
Licenses & Permits	2,062,092	3,213,451	1,151,359	55.83%
Grants	791,407	780,614	(10,793)	-1.36%
Other Revenues	558,270	540,450	(17,820)	-3.19%
Appropriated Fund Balance	2,654,093	2,705,364	51,271	1.93
Total	**$58,274,000**	**$61,701,000**	**$3,427,000**	**5.88%**

- **Property Taxes** – The large size of the existing tax base (assessed value of property) requires significant new development to increase the total collections by even a small percentage. The 1.6% increase over last year's budgeted amount represents a conservative estimate of about $122 million of new property value. Developments that are expected to completed in the next couple of years include: Charterwoods, Village Plaza Apartments, Courtyards at Homestead and The Graduate Apartments.
- **Sales Taxes** – After several years of declines and below average growth following the 2008 financial crisis, sales taxes are starting to make up for lost ground with strong increases in the past two years. The 10.9% increase over last year's budget seems extreme however it is supported by year-to-date receipts which continue to exceed expectations.
- **Other Taxes** – The main component of this category is occupancy taxes which have shown steady growth in the past few years.
- **State Shared Revenues** – Other than an expected 7.1% increase in the Utility Franchise Tax, revenues in this category are expected to remain relatively unchanged from FY15.
- **Charges for Services –** The increase in this category comes from Parks and Recreation and Planning fees. The Parks & Recreation increase is due to both an increase in expected participation in fee funded programs and increases to certain fees designed to recover costs. The increase in planning related fees is based on increased development activity.
- **Licenses and Permits –** By far the largest increase in revenues by percentage is licenses and permits despite the fact that privilege license revenue was eliminated by the State Legislature effective FY16. Growth in this category is due to a new Fire Inspection Fee that is expected to generate an additional $400,000, and inspection permit fees that are expected to grow by more than $700,000. These increases will offset the costs associated with staffing for increased levels of service demand generated by development.
- **Grants & Other Revenues –** Revenues in these categories are expected to decrease slightly in the aggregate.
- **Appropriated Fund Balance –** The amount of fund balance used to balance the budget reflects, in large part, the available unspent funding from the previous fiscal year. The amount budgeted for FY16 represents about 4.4% of the FY15 adopted budget and is slightly higher than the amount of fund balance appropriated in the adopted budget for FY15.

The Adopted FY2015-16 budget maintains the existing tax rates. Last year (FY15) the rate was increased 1 penny for the Debt Management Fund and the preceding year (FY14) it was increased 1 penny for Transit and 1 penny for General Fund, as shown in the following table:

PROPERTY TAX RATES

	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16
General Fund	37.8	37.8	38.8	38.8	38.8
Debt Fund	7.5	7.5	7.5	8.5	8.5
Transit Fund	4.1	4.1	5.1	5.1	5.1
Total	**49.4**	**49.4**	**51.4**	**52.4**	**52.4**

Note: Tax rate is expressed as cents per $100 of assessed valuation

Council Goals

At the 2015 Council Planning Retreat, we continued our discussion of Council Goals and specific budget challenges that we face for FY2015-16 and beyond. Based on our discussion, we refined and confirmed the goals that were developed during the 2014 Council Planning Retreat.

Council Goals, along with status updates can be found on the Town's web-site. These goals are intended to form a bridge between the long-term vision developed during the Chapel Hill 2020 process and the annual budget, helping to ensure that our incremental short-term decisions ultimately take us to the destination that we envisioned as a community.

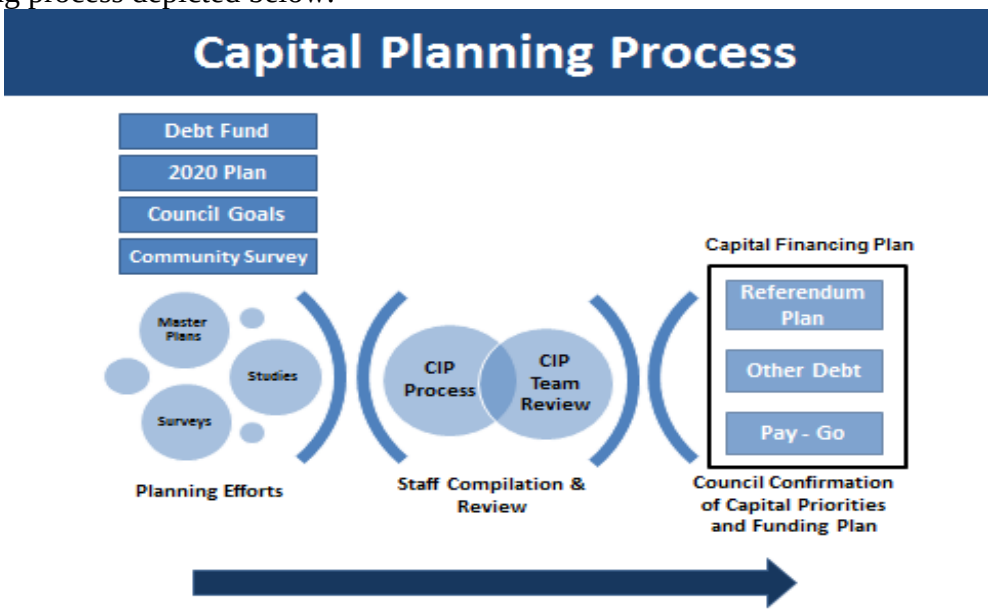
As we have worked through the aftermath of the global economic crisis we have used the concept of "big rocks" (addressing major issues first before focusing on smaller scale problems) to identify and prioritize budgetary challenges. That concept was further reinforced through our efforts to incorporate the tools of priority budgeting to ensure that we are investing scarce resources (tax revenues) in areas that were providing the most value to the people we serve. As we transition to a period of more robust economic growth, the work we have done in identifying priorities in past budgets, as well as the various master-planning processes that have been ongoing, have provided an excellent basis for targeting operating efforts and capital investments in areas where they will maximize value and provide results consistent with our values.

Budget Challenges

Capital Improvements

One of the strategies used by the Town to address the fiscal crisis was to delay investment in major capital projects. This has resulted in a significant backlog of projects that are critical to the Town's mission, but the delay has also provided an opportunity to refine priorities through the master planning process. The work done since the last referendum in 2003, including the creation of the Debt Fund, the 2020 Planning Process, annual Council

Goal development and the community survey, have created the foundation of our capital planning process depicted below:



With the addition of one penny to the dedicated Debt Management Fund tax, Council has kick-started the Town's capital improvement program and paved the way for a GO Bond referendum in November of 2015. A combination of factors, including a dedicated Debt Management Fund, triple A bond rating, favorable debt benchmarks and a rapid pay-down of existing debt, put the Town in excellent position to ramp-up its capital investments.

The bond referendum is the centerpiece of the capital funding plan, but it is just one of several pieces of the capital funding plan that includes the following elements:

- **Pay-as-you-go (pay-go) funding** - Used for small and/or recurring projects that can be accomplished within the fiscal year. Projects may include on-going costs for major maintenance of facilities and projects that can be divided into small annual segments.
    - The FY16 Adopted Budget includes $853,856 for pay-go projects.

- **Two-thirds Bonds** - Used for eligible high priority projects that have relatively short timelines and are too large for pay-go. Projects may include major equipment purchases, facility and infrastructure improvements.
    - The Town will have approximately $1.7 million of two-thirds bonds authority available in FY16. Although it has not been determined whether this capacity will be used or what it would be used for, it is a valuable tool to finance projects that may otherwise be difficult to fund.

- **Installment Financing** - Used for priority projects that are essential and for which adequate collateral is available. In cases where collateral for an installment financing is sufficient to cover multiple projects, combining financing is a useful tool to fund projects that would otherwise be problematic to fund. Projects may

include construction, renovation or major repair of essential facilities and major equipment and vehicles purchases.

- The Town is currently planning an installment financing, in lieu of a planned two-thirds bond issue, in order to finance the following projects

▪ Fire Self Contained Breathing Apparatus (SCBAs)	$ 500,000
▪ Town Hall Emergency Generator	720,000
▪ Energy Efficiency Projects (various locations)	530,000
▪ Town Hall HVAC Improvements	290,000
▪ Hargraves Roof Replacement	290,000
Total	**$ 2,330,000**

  The first interest payment for this debt will be included in the FY16 Debt Management Fund Budget.

- The Town will finance the Town Hall Renovation project ($900,000) and other high priority CIP projects ($800,000), including fire apparatus, using an installment financing secured by Town Hall. The value and essentiality of the collateral allow for combining this financing with additional projects to take advantage of the available security. The need to finance Ephesus Fordham (Ef) public improvements ($10,000,000) created an opportunity to combine that project with the Town Hall financing. The plan calls for the Ef debt to be paid through the incremental increase in the property values in the Ef district. This "synthetic Tax Increment Financing (TIF) is backstopped by the Town's Debt Fund.

- Public Safety Projects are generally considered "essential" for financing purposes and thereby can be funded by an installment financing using the new facility as collateral. Replacement of the Police Department Headquarters Building was first identified as a Council Goal in 2009-10 and there are opportunities for combining a new Police facility with other Town needs including a Fire Station, Parks and Recreation facilities and other ancillary functions such as a wellness clinic and information technology. Combining some or all of these functions in one facility would save costs and create opportunities for sale or re-use of properties that currently support these functions. The potential for combining projects also suggests that using installment financing which is more flexible regarding financing amounts and timing, would be more appropriate. The cost for public safety facilities is estimated as follows:

• Police Headquarters Building	$17,800,000
• Fire Facilities (stations 2,3,4 and training facility	11,700,000
Total	**$ 29,500,000**

- **GO Bond Referendum** - The planned November 2015 referendum will include streets & sidewalks, trails and greenways, recreation facilities, a solid waste transfer station and stormwater improvements. The total amount of the planned referendum is $40.3 million, including $34.4 million of General Fund Projects and $5.9 million of Stormwater projects. The Town finances its long-term capital improvement through its Debt Management Fund. Based on our projections, the proposed referendum bonds can be paid using the existing capacity in the Debt Management

Fund. In other words, it is expected that the Town will not need to increase taxes in order to pay the debt service on the planned referendum debt. The Town's last general obligation bond referendum was in 2003 and the issuance authority was exhausted in 2010.

- **Bond Orders -** The planned bond orders (categories of projects that will be presented on the ballot) include projects that have been prioritized through the Town's internal review process. The bond order categories and project dollar amounts are as follows:
  - **Streets & Sidewalks**
    - Bicycle & Pedestrian Safety $ 7,800,000
    - Sidewalk Construction 2,000,000
    - Street Infrastructure & Bridge 3,400,000
    - Downtown Streetscape 3,000,000
    - **Total $ 16,200,000**
  - **Trails & Greenways**
    - Morgan Creek Trail $ 3,000,000
    - Bolin Creek Trail/Tanyard Branch 2,000,000
    - **Total $ 5,000,000**
  - **Recreation Facilities**
    - Administration Building $ 3,600,000
    - Cultural Arts Building 3,400,000
    - Park Renovations 1,000,000
    - **Total $ 8,000,000**
  - **Solid Waste Facilities $ 5,200,000**
  - **Stormwater Improvements $ 5,900,000**

The following table summarizes the sources and uses of funds for all planned debt issuance. Except as otherwise noted the debt will be issued within the next 7 years.

Use of Funds:	Referendum	Installment Financing	Two-thirds	Pay-go
Referendum Bonds	$ 40,300,000	$ -	$ -	$ -
Ephesus Fordham/Town Hall	-	11,700,000	-	-
FY15 Various Projects	-	2,330,000	-	-
Public Safety Projects		29,500,000		
FY16 Various Projects (TBD)	-	-	1,700,000	-
FY16 Pay-Go Capital				853,856
Bus Replacement		21,000,000		
Total	**$ 40,300,000**	**64,530,000**	**$ 1,700,000**	**$ 853,856**

Source of Funds:	Referendum	Installment Financing	Two-thirds	Pay-go
Debt Management Fund	$ 34,400,000	$ 23,877,750	$ 1,700,000	$ -
Stormwater Fund	5,900,000	-	-	-
Asset Management	-	9,652,250	-	-
Synthetic TIF	-	10,000,000	-	-
GF Operating Budget	-	-	-	853,856
Transit Fund	-	21,000,000	-	-
Total	**$ 40,300,000**	**$ 64,530,000**	**$ 1,700,000**	**$ 853,856**

Asset Management

The sale of Town owned properties is an important potential source of funding for major capital projects. In addition, evaluation of Town owned property to determine if there is potential to leverage unused or underused properties to help achieve Council goals can also lead to opportunities for public-private cooperation and other creative reuse options.

- **523 East Franklin** - The recent sale of 523 East Franklin has generated about $2 million that will be used for the planning and design of the new multi-function complex that will house the new Police Headquarters.
- **Hamilton Road Fire Station Site** - The Council approved a Memorandum of Understanding for a public-private redevelopment project for the Hamilton Road Fire Station, including a new fire station and private development, subject to subsequent approval by the Council of the development in its regulatory role. The arrangement will provide the Town with a new fire station and other economic benefits through the redevelopment of an underutilized site.

Employee Compensation

The Town is a service based organization that relies on a skilled and flexible workforce to deliver a broad scope of governmental services. Personnel related costs account for 70% of the FY16 General Fund Adopted Budget. The costs of maintaining a high performing workforce are increasing as the competition for labor increases. To a large extent the market dictates salary levels and as the economic recovery has gained traction we have seen increased turnover including a significant increase in retirements. The Town has kept competitive in the labor market by maintaining its comprehensive benefits package and through annual salary adjustments, although salary adjustments have historically lagged behind the market.

The FY16 Budget includes a salary adjustment that is split into two parts, with a 2% increase in July and another 2% increase in January. By splitting the increase we reduce the annual cost and also set the stage for implementation of a pay for performance system by separating future pay adjustments and pay for performance increases. This adjustment also brings the average Town employee slightly higher than where they would have been if they had they received annual adjustments equal to the consumer price index (CPI) over the last 10 years (including FY16). In terms of total earnings during that 10 year period, the hypothetical average employee would be slightly lower than but within $140 of CIP adjusted wages.

Moving toward a performance based pay system and maintaining salaries that are competitive with the market are consistent with the recommendations of the Compensation Task Force.

The 2% + 2% split raise will be calculated from the “market” or “mid-point” level of each employee’s pay grade rather than simply applying a percentage to an employee’s

salary. This method of calculation was also used in the FY15 salary adjustments. By calculating adjustments in this manner, employees below market will receive larger adjustments than employees that are above market. The FY16 cost of the 2% + 2% split salary adjustment is $1,030,000 for the General Fund. The following table shows pay adjustments and medical insurance premium changes over the past 8 years.

	Pay Adjustment	One-time Payment	Health Ins. Increase
FY2008-09	3%	0	10.0%
FY2009-10	0	0	17.1%
FY2010-11	0	$800	13.9%
FY2011-12	0	$800	10.1%
FY2012-13	3%	0	(3.0%)
FY2013-14	2%	0	4%
FY2014-15*	3%	0	7.0%
FY2015-16*	2% - 2%	0	(8.5%)

* *Increase calculated from market (mid-point) for each grade*

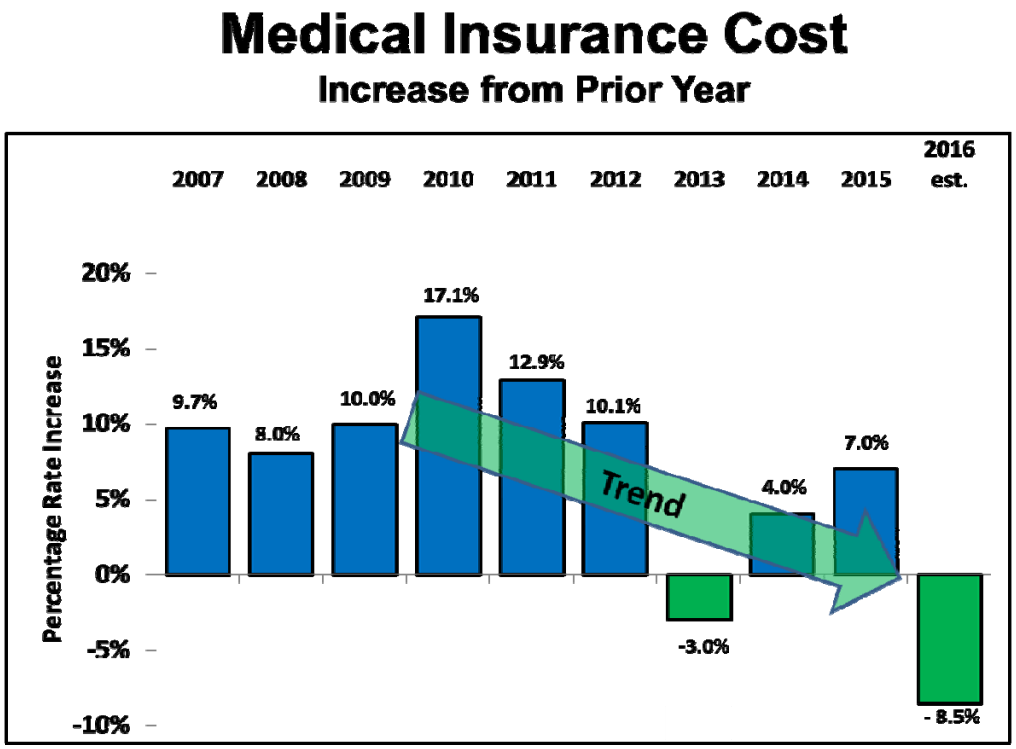
Employee Health

As shown in the following graph the rate of increase for the cost of employee medical insurance is trending downward with FY16 rates dropping by 8.5%. Not entirely by coincidence, the start of the downward trend is when the Town began its Wellness @ Work Program.

The Chapel Hill Wellness @ Work Program is a comprehensive wellness program for the employees of the Town of Chapel Hill. The program is a partnership between the UNC Health Care Department of Family Medicine and the Town of Chapel Hill. The success of this program is a direct result of this partnership and the work of the Wellness @ Work Committee. Highlights over the last year include:

- Health Risk Assessment (HRA) participation as of Jan. 30, 2015 was 82% (goal is 85%); last year's HRA participation was at 40.5%
- Employee Health Clinic (located at 317 Caldwell St. – lower level of Housing Dept. offices) utilization is up by 7% over last year
- Health Clinic visits and HRA lab data continue to show a drop in blood pressure for employees with diabetes; decrease in well-controlled diabetes; improvements in diabetes control for those with high risk complications
- Comprehensive Tobacco Cessation program – during the time that the Wellness Clinic has been open for employees, 89 employees have participated in the Tobacco Cessation Program with 42% quitting for 3 months; 30% quitting for 6 months and 28% quitting for 12 and longer.

Although the reduction in medical insurance premiums is impressive, improving employee health is the most important outcome of the program. The FY16 adopted budget continues these efforts by encouraging participation in the HRA program by giving a discounted employee medical insurance rate for program participants.



Performance Agreements

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 6 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 adopted amounts are shown below.

Performance Agreements with Outside Agencies	2014-15 Adopted Budget	2015-16 Adopted Budget
Human Services	$ 337,100	$337,100
Environmental	1,000	1,000
Arts	10,500	20,500
Affordable Housing	257,074	361,238
Economic Development	260,000	260,000
Total Contributions to Agencies	**$ 864,315**	**$ 979,838**

The affordable housing agency funding includes a $300,414 allocation to the Orange Community Housing and Land Trust. This represents an increase of $100,414 from the FY15 performance agreement. This increase is based on the interlocal agreement, authorized by Council April 13, 2015, with the Towns of Carrboro and Hillsborough and Orange County formalizing the long-standing relationship with the Community Home Trust. In addition to the performance agreement amount, the Community Home Trust has also been allocated $50,000 of the Town's FY16 CDBG funds.

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 will receive an allocation from the Downtown Service District of $120,000.

Technology Initiatives

Beginning with the reorganization of the IT function into a separate "Technology Solutions" Department in the FY15 Budget, two major steps have been taken to better align our technology assets with our service mission. The creation of the Technology Pool provided a separate funding mechanism for technology projects that in the past would be competing with other capital and operating needs. Also the creation of a Business Analyst position in IT to evaluate and facilitate technology projects has allowed a more thoughtful and deliberate investment in new technologies.

One of the remaining challenges for Technology Solutions Department is to effectively support a diverse and growing base of over 650 users. This has become more challenging as we deal with competing demands for higher levels of security to protect confidential information and the need to embrace open data concepts to provide higher levels of transparency by making Town data available to everyone. Two new positions are included in the FY2015-16 Adopted Budget to fill the need for additional technical support in the areas of telecommunications, business support and technology integration.

Closing the digital divide – getting all Chapel Hill residents online – has been an ongoing priority that requires a multipronged approach. While progress has been slow in laying the infrastructure, Chapel Hill is working on a variety of fronts to ensure residents have access to internet, access to computer equipment, and access to digital literacy educational opportunities. The FY16 Budget includes $70,000 in the Public Housing Fund Budget for continuation of the initiative to provide free Wi-Fi to public housing neighborhoods.

Library Operations / Youth Services

Library Operations - The opening of the new expanded Library created new space and new resources for the residents of Chapel Hill and Orange County. With this new community asset came additional costs and challenges to operate the facility in a way that meets the needs of its patrons. Over the past year the Library has been working to implement an organizational structure and staffing model that will more effectively allocate resources, better serve our growing community and meet the future in a sustainable manner. That effort continues in FY16 as services and employee skills shift and expand to meet new demands.

Through a gift from the Chapel Hill Public Library Foundation and additional support from the Library Gift Fund, an automated materials handler will be purchased in FY16. This new equipment will leverage technology to stabilize labor costs, reduce work related injuries, and ensuring faster more accurate sorting of materials. This equipment will also allow staff to be redeployed to more value-added jobs.

Youth Services – To address the need for coordination and expansion of youth services in the community, a Teen Engagement Specialist was included in the FY15 budget and hired earlier this year. While this position is located in the Library, this person is serving the Town's interests of expanding teen programs/services and fostering collaboration between internal and external groups serving teens. The addition of this position has already had a dramatic impact with a 244% increase in teen programs and a 168% increase in program attendance. In FY16 this position will continue to work closely with colleagues in Parks and Recreation, Chapel Hill Police Department, and other departments, furthering the work begun by the Youth Initiative and serving the interests shared by the Town and the Chapel Hill Community.

Transit Sustainability

Chapel Hill Transit (CHT), like most transit systems, relies heavily on State and Federal funding in order to maintain operations. The lack of reliable Federal funding for bus replacement has created a critical maintenance issue for CHT. Based on the consultant's preliminary report, 42 of the 99 fixed route-buses CHT are beyond their useful life and all of the 19 demand response vehicles are beyond their useful life. In order to maintain CHT without significant reductions in fleet size and service levels, plans are being made for an alternative to the current replacement strategy that relies almost completely on Federal and State funding. The FY15 budget included $400,000 to begin a program of financing bus purchases; the FY16 Transit Budget doubles this amount to $800,000. Further expansion of the bus financing program is dependent on successful negotiation of long-term commitments for debt repayment to be negotiated with CHT's funding partners.

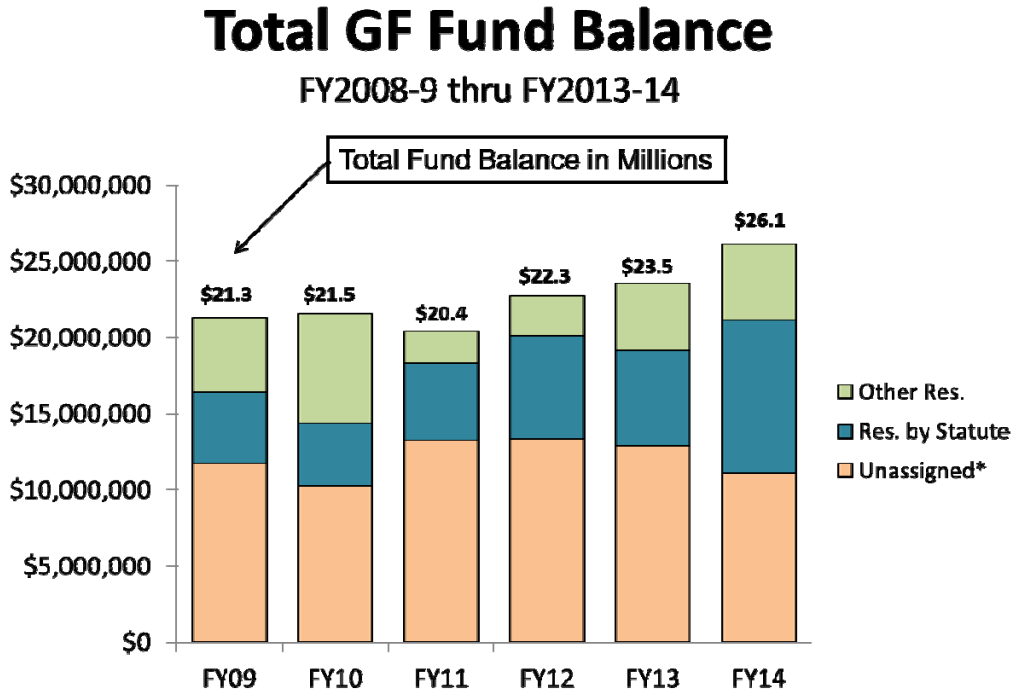
Stormwater Fund

In order to keep pace with needed stormwater improvements it became necessary in FY14 to begin increasing the stormwater fee to meet current and future needs. Prior to FY14 the rate had not changed since the inception of the fund in 2004, despite a 40% increase in the operating budget. Also, the size of the Equivalent Rate Unit (ERU) was reduced in FY14 from 2,000 to 1,000 square feet.

In FY15 the rate was increased by $0.75 to $24.75 per ERU. For FY16 we are increasing the rate an additional $1.40 per ERU to help address capital needs, including the need to pay debt service on General Obligation Bonds should the November 2015 referendum be successful.

Fund Balance

The Town has maintained a strong and consistent General Fund fund balance (see graph below) over the last 6 years. In order to help address the Town's capital needs and to create a funding mechanism for the Town's long-term liability for retiree healthcare, last year we recommended that unassigned fund balance (the portion of fund balance available for appropriation) over 22% be split between high priority capital investments, such as Rogers Road, and funding for the retiree healthcare liability. This distribution would begin with the fund balance calculated from the FY14 financial statements, however due to an unusually high amount of receivables at year-end, the unassigned fund balance percentage went down below 22%.



** Unassigned fund balance is calculated as a percent of next year's appropriations and is not adjusted for debt service payments moved to Debt Management Fund in FY09*

Because the General Fund receivables at the end for FY14 represented an anomaly that was resolved soon after the year end "snap-shot." We are adjusting receivables to FY13 levels to calculate available funding for OPEB and capital projects. Using this adjustment we arrive at 24% fund balance with $1,170,000 available to split between OPEB prefunding and high priority capital projects such as Roger's Road.

The establishment of 22% as a fund balance "floor" for the purpose of allocating excess fund balance is based on the following:

- 22% fund balance ($11 million) would provide about 2.5 months of operating funds for the Town's General Fund.
- Based on the timing and dependability of Town revenue sources, 22% provides adequate operating funds to avoid borrowing for operating cash flow needs.
- Although 10% has generally been considered the floor for purposes of satisfying the Local Government Commission and bond rating agencies, the experience of many municipalities during the fiscal crisis has suggested that 10% is insufficient.

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.

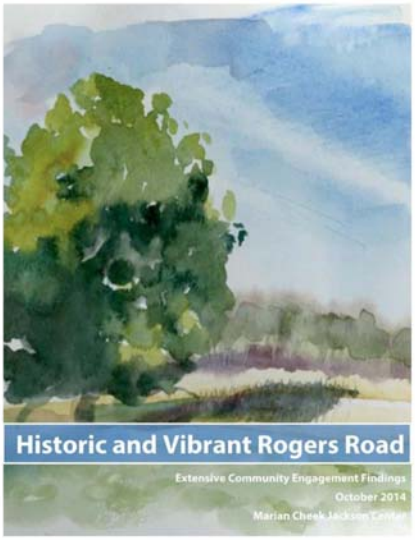
The FY16 Adopted Budget seeks to keep the use of fund balance to a manageable level and uses $2.7 million of fund balance, about 4.38% of total revenues, to help balance the budget. We believe that this is an appropriate and sustainable level of fund balance use.

Affordable Housing / Northside Community

Leaders from the Town of Chapel Hill and the University of North Carolina at Chapel Hill (the University) announced in March of 2015 a major investment in the future of the Northside neighborhood. The investment – a $3 million no-interest, 10-year loan from the University and annual funding from the Town of Chapel Hill for administration of that investment – will allow Northside and community partners to achieve a shared vision for the historic neighborhood: a family-friendly, socially-connected community where long-term residents, new owners, renters and students can live together.

The Town of Chapel Hill's adopted FY16 Budget includes $688,395 to support affordable housing development and preservation, an amount equal to nearly one penny of the property tax rate. A portion of those funds will be used for the Town's commitment to pay for the administration of the loan program that will be facilitated through a contract with Self Help, a nonprofit community developer and credit union.

Rogers Road



The FY15 budget included $100,000 as the Town's contribution for a New Rogers Road Community Center. Also, the Town, along with Orange County and Carrboro funded a $130,000 preliminary engineering contract with OWASA. The preliminary engineering work made some adjustments to the initial proposal and identified sewer alternatives. The estimated project costs to install 3.5 miles of sewer lines is $5.7 million including engineering design, permitting, bidding, construction, construction administration, and contingency. This cost does not include installation of sewer individual laterals and connection fees or easement acquisitions. It is estimated that the project will take a minimum of two years to complete. The next phase of the project, engineering design and permitting, is tentatively scheduled to begin in July 2015. The cost of this phase is estimated to be $370,000. Future contributions from the Town for this project could be funded from the allocation of excess fund balance as described above.

Parking Fund

For the first time since FY2009-10, the Parking Fund Budget is balanced without the use of appropriated fund balance. A period of fund balance spend-down was expected in the transition of Lot 5 to 140 West, however the addition of unexpected capital repair costs and a slower ramp-up of revenues from new facilities prolonged the period during which the fund ran budgetary deficits. Another factor in achieving a balanced Parking Fund budget is the elimination of the practice of transferring excess on-street parking revenues to the General Fund. Beginning in FY16 these excess funds will be used to support off-street parking operations. While the Parking Fund has achieved a balanced operating budget there are still major capital improvement challenges to be addressed, including repairs to the Wallace Deck roof to fix ongoing water infiltration problems.

Changes in parking fees for FY16 include the following:

- Conversion of some under-used hourly spaces to leased spaces
- Changing lease terms for some spaces from monthly to semester
- Instituting a 15 minute grace period from some off-street parking facilities and eliminating ½ hour increments
- Increasing the maximum time limit in off-street metered lots to 10 hours
- Adding a $2.00 weekend rate Saturdays from 9:30am to 5:00pm

Conclusion

The focus of the FY2015-16 Adopted Budget is to prepare the Town for growth by ensuring that we have resources to meet service demands created by new development and by making strategic capital investments to improve public facilities and create infrastructure that is safe for all modes of transportation.

Town functions that deal with development should not serve as a bottleneck to progress. Whether it is a major development project or a backyard gazebo, the process of regulating development and construction needs to be deliberate and efficient at the staff level. Investing in resources to improve timeliness and responsiveness of these services will help to provide a fair and equitable process that accurately reflects a regulatory structure designed to protect the character and uniqueness of our community while allowing for planned growth and renewal. It is also important to note that these new resources are paid for by the increase in expected permit revenue.

The Town's Capital Improvement Plan acts as a hub for the various planning processes that have been conducted over the last few years. Priorities drawn from a variety of sources, including the Bicycle Plan, The Comprehensive Parks Plan, the Stormwater Management Program, the Greenway Master Plan and the 2020 Comprehensive Plan, to name a few, guide the development of the capital program. In addition, the public input process used in the creation of these plans helps maintain the focus on projects that add value from the perspective of the people we serve.

The budget is the tool we use to build steps toward a future based on our shared vision. But, moreover, the budget is about choices. Choices dictated by factors both within and outside of our control. Our ability to understand, manage and anticipate these factors is greatly enhanced by our ability to build trust and respect through open communication and the participation of the public in our planning, goal setting and decision making processes. The choices reflected in the Adopted Budget represent our best efforts to move forward toward achieving Council Goals. The 2015-16 Adopted Budget keeps the Town on its path toward sustainably achieving the long term goals of the community.

Respectfully Submitted,

CITIZENS' GUIDE TO REVIEWING THE BUDGET

General Comments

This budget document describes Town services and revenue sources adopted for the Town's budget for the fiscal year from July 1, 2015 through June 30, 2016.

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 2015-16.

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.

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 budget or interim budget for 2015-16 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.

* 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 2015-16 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.

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.

♦ **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:

- 2013-14 Actual
- 2014-15 Original Budget
- 2014-15 Revised Budget
- 2014-15 Estimated
- 2015-16 Adopted Budget
- % Change from 2014-15 Original Budget

♦ **Key Performance Measures**

The departmental key performance measures section provides key metrics for particular department programs. This section states a Town program, a 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 2015-16 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 originally adopted for the prior fiscal year. The fiscal year begins July 1 of each calendar year.

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

Estimate of prior year final cost/ revenues by category.

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

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

EXPENDITURES

Includes salaries, wages, and employee benefits (for example FICA, insurances).

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
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%
Total	891,2			961,028	916,813	-3.0%

Includes all operating costs except those related to personnel or capital.

Includes costs for land, buildings, equipment and other purchases with an expected usefulness of 3 years or more and a cost of more than $5,000.

Revenues for the general benefit of the Town and not related to specific functions. These revenues include property taxes, State-shared revenues, sales taxes, interest and appropriated net assets (fund balance).

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
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%
Total	891,274	945,237	990,149	961,028	916,813	-3.0%

These revenues are directly related to departmental functions.

Performance Measures Program

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.

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.

By 2013, all service areas completed the performance measurement pilot program. In the summer of 2014, departments began to annually report performance measure data to the Town Manager in their Business Plans, linking performance data to core service areas and strategic initiatives. The budget document shows the performance measures that departments identified as their key performance measures in their Business Plans.

Departments are expected to use performance measures to justify budget adds and direct future priorities. A new position was added to the Business Management department to ensure continuous improvement of existing measures, focus attention on results and accomplishments, and enhance accountability.

CHAPEL HILL –
LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS

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 59,653 according to the latest estimate issued by the State of North Carolina for July 2013. 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

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 29,135 in 2014-15. 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

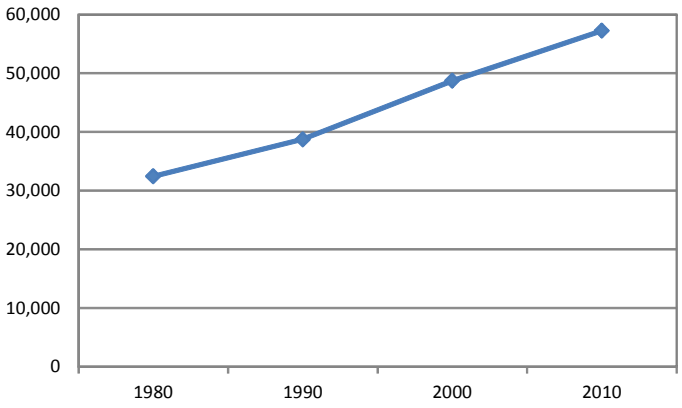
POPULATION GROWTH AND CHARACTERISTICS

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 2003 to 2013 amounts to 17 percent, about 0.7 percent faster than the County's growth and 0.1 percent slower than the 17.1 percent statewide population growth.

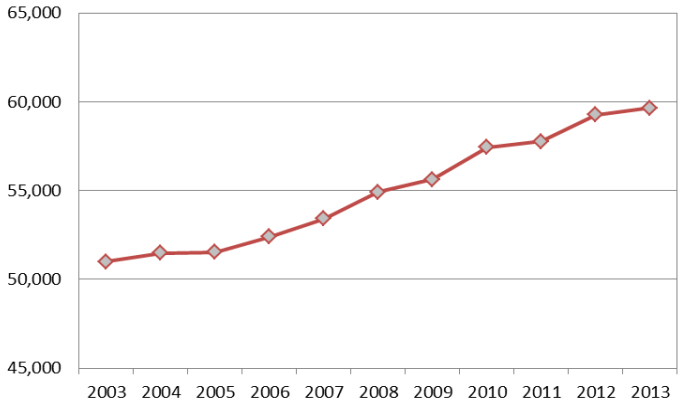
Figure 2 shows the Town's growth since the 2000 Census.

Figure 1. Chapel Hill Population: 1980-2010



Source: US Census Bureau, 2010

Figure 2. Chapel Hill Population: 2003-2013



Source: North Carolina Office of Budget & Management

CHAPEL HILL –
LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS

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Table 1. Chapel Hill Population by County

County	Chapel Hill Population
Durham County	3,290
Orange County	56,363
TOTAL	59,653

Source: NC Office of State Budget and Management, 2013

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 1,500 in Chapel Hill, or 2.7 percent of the Town's total population.

Table 2: Chapel Hill Population by Race & Origin

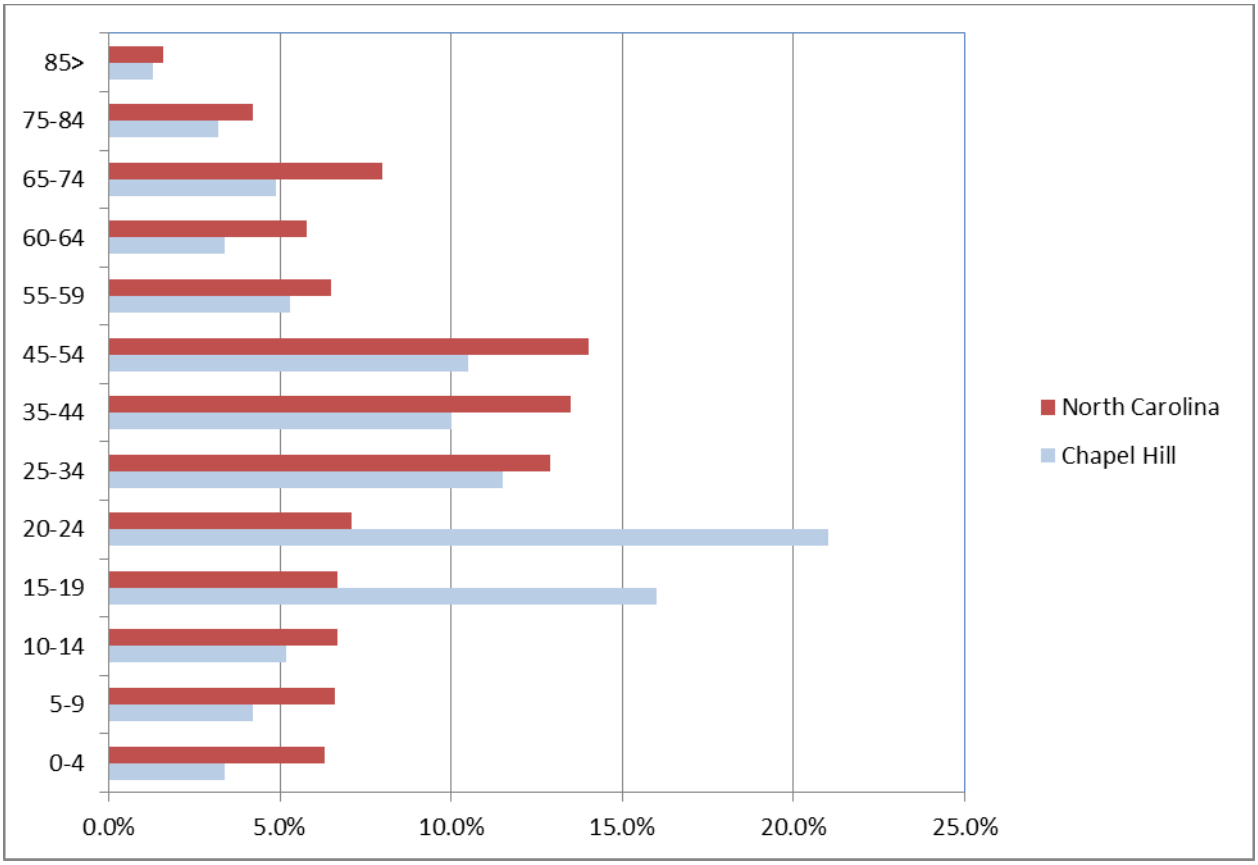
Race/Origin	2010	%
White	41,666	72.8%
Black or African American	5,552	9.7%
American Indian and Alaska Natives	172	0.3%
Asian and Pacific Islander	6,811	11.9%
Some Other Race	1,488	2.6%
Two or More Races	1,545	2.7%
Total	57,233	100.0%
Hispanic Origin (any race)	3,663	6.4%

Source: US Census Bureau, 2010

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 16.0 percent of the Town's population, while the 20 to 24 age group comprises 21.0 percent. As a comparison, the 20 to 24 age group represents 7.1 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 25.1 years old, while North Carolina's median age is 37.8.



Source 2011-2013 American Community Survey, US Census Bureau

ADDITIONAL DEMOGRAPHIC INFORMATION

Note: Unless otherwise noted, the following economic and demographic data are taken from the 2011-2013 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)

	Chapel Hill	Orange County	North Carolina
	Family Income	Family Income	Family Income
Less than $10,000	454	1,303	140,137
$10,000 to $14,999	217	954	93,156
$15,000 to $24,999	355	1,918	238,819
$25,000 to $34,999	336	1,883	264,232
$35,000 to $49,999	849	3,585	360,457
$50,000 to $74,999	1,306	4,638	485,741
$75,000 to $99,999	992	3,296	330,814
$100,000 to $149,999	2,339	6,039	328,944
$150,000 to $199,999	1,386	3,048	114,794
$200,000 or more	2,406	4,677	110,749
Total Households/Families	10,640	31,341	2,467,843
Median Income	$112,583	$85,299	$56,001
Mean Income	$152,646	$117,713	$74,676
Per Capita Income	$37,159	$34,766	$25,065

Table 3a: Family Income (% of total)

	Chapel Hill	Orange County	North Carolina
	Family Income	Family Income	Family Income
Less than $10,000	4.27%	4.16%	5.68%
$10,000 to $14,999	2.04%	3.04%	3.77%
$15,000 to $24,999	3.34%	6.12%	9.68%
$25,000 to $34,999	3.16%	6.01%	10.71%
$35,000 to $49,999	7.98%	11.44%	14.61%
$50,000 to $74,999	12.27%	14.80%	19.68%
$75,000 to $99,999	9.32%	10.52%	13.40%
$100,000 to $149,999	21.98%	19.27%	13.33%
$150,000 to $199,999	13.03%	9.73%	4.65%
$200,000 or more	22.61%	14.92%	4.49%
$50,000 or more	79.22%	69.23%	55.56%

Table 4: Educational Attainment

Educational Attainment	Chapel Hill (% of total)	Orange County	North Carolina
Less than 9th	1.7%	3.8%	5.7%
9th to 12th, No Diploma	2.4%	4.7%	9.1%
High School Graduate	6.2%	15.0%	26.9%
Some College, No Degree	8.5%	14.3%	22.0%
Associate's Degree	4.7%	5.6%	8.7%
Bachelor's Degree	29.7%	25.9%	18.1%
Graduate or Professional Degree	46.8%	30.7%	9.5%

Table 5: School Enrollment

School Enrollment	2010-11	2011-12	2012-2013	2013-2014	2014-2015
Elementary (grades K-5)	5,288	5,475	5,532	5,570	5,529
Intermediate (grades 6-8)	2,712	2,741	2,789	2,858	2,865
Secondary (grades 9-12)	3,675	3,706	3,803	3,778	3,698
Total	11,675	11,922	12,124	12,206	12,092

Source: Chapel Hill-Carrboro City Schools Level of Service

Table 6: Unemployment Rates

Regional Average Unemployment Rates 2004-2015

Year	Chapel Hill	Orange Co.	NC
2004	3.7	3.8	5.5
2005	3.1	3.7	5.2
2006	2.9	3.3	4.8
2007	2.9	3.2	4.7
2008	3.5	4.0	6.1
2009	5.4	6.5	10.6
2010	6.1	6.6	10.9
2011	6.6	6.5	10.2
2012	6.3	6.1	9.2
2013	5.7	5.3	7.9
2014	4.9	4.4	6.1
2015*	4.9	4.4	5.7

*2015 rates based on monthly averages through June.

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

Table 7a: Economic Indicators – Building Permits

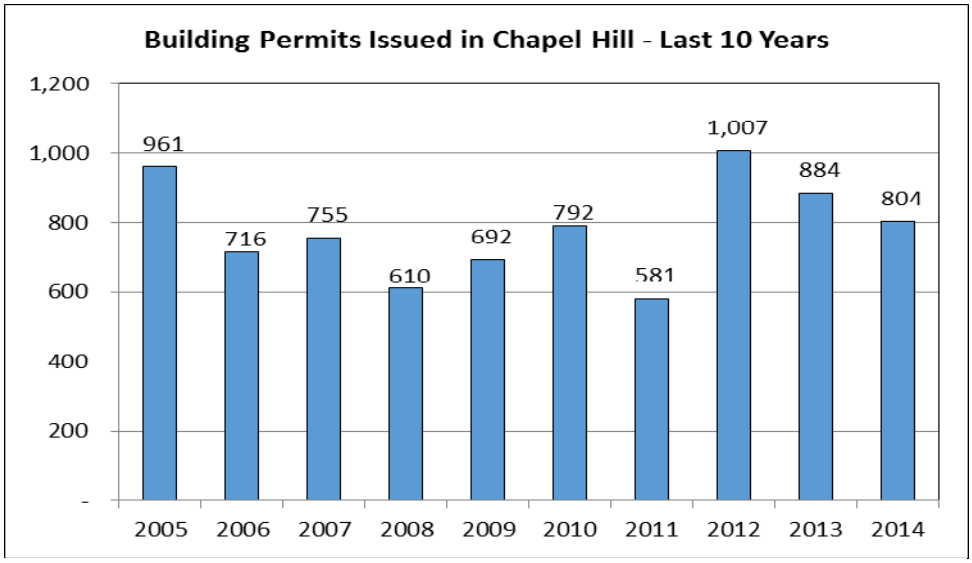
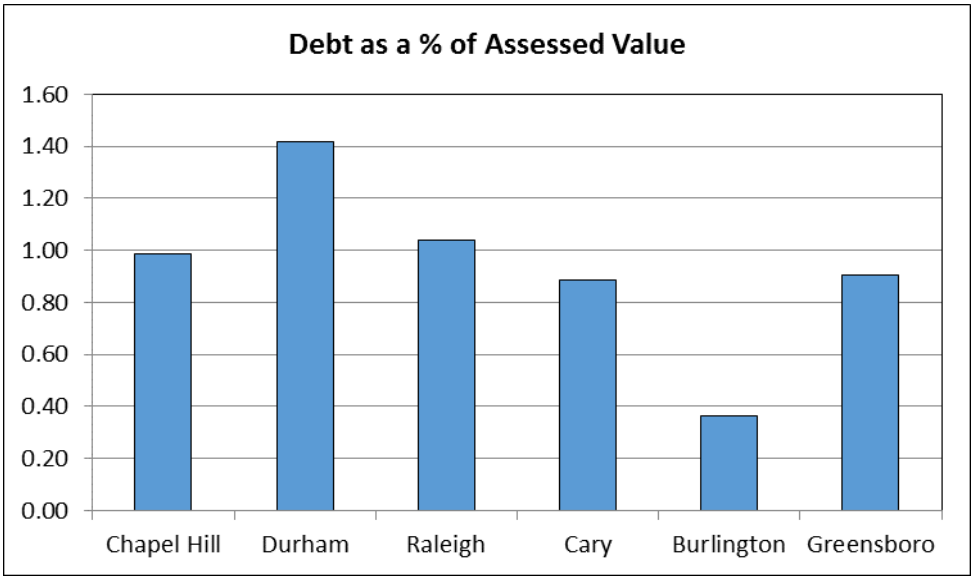


Table 7b: Economic Indicators – Debt Percentage



Outstanding debt due to Governmental Activities

Table 7c: Economic Indicators – Median Home Price

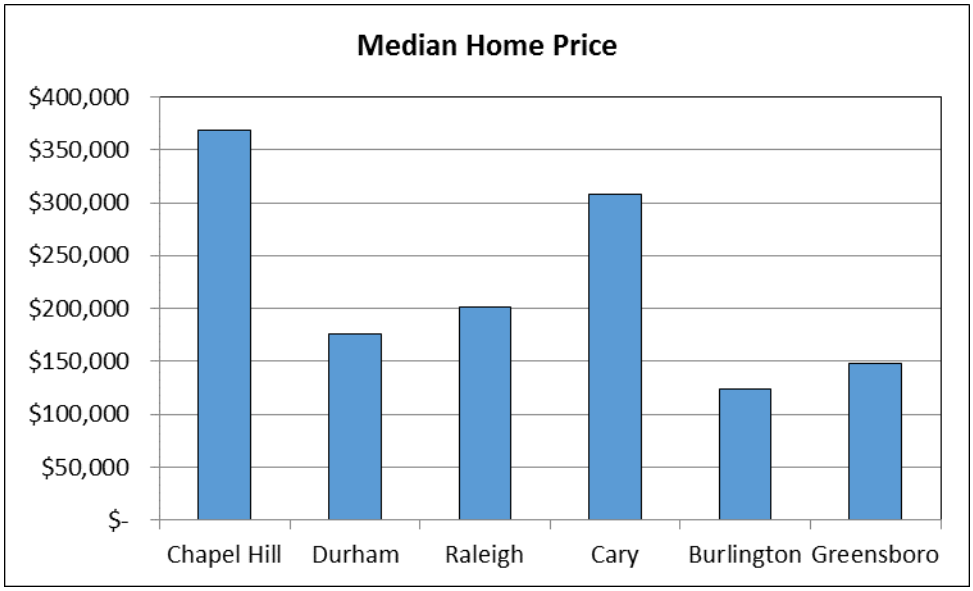


Table 8: Top Employers

Chapel Hill Top Employers By Size

Employer	Number of Employees
University of North Carolina at Chapel Hill	18,000+
UNC Health Care	8,000+
Chapel Hill-Carrboro City Schools	1,000+
BCBS of NC	800+
Town of Chapel Hill, Inc.	700+
Aramark Food and Support Services	600+
Carol Woods	300+
Harris Teeter	275+
Carolina Inn	270+
Performance	250+

Source: Orange County Economic Development

CHAPEL HILL –
MAJOR ECONOMIC DEVELOPMENT

Ephesus Fordham

The Ephesus Fordham Area became a new zoning district in July 2014.

The goal is to renew and transform an area characterized by strip malls, parking lots, confusing roadways and traffic congestion. The area includes some of Chapel Hill's older, suburban style shopping centers – including Eastgate Shopping Center, built in 1958; Village Plaza, built in 1974; and Rams Plaza, built in 1982.

The vision is to create a pleasant walking experience, and a mix of commercial uses, upper story residences and offices, bike paths and sidewalk cafes. The vision was created by public input through visioning workshops with residents and business owners that began in July 2010.

Goals for the new zoning district:

- Improve transportation connectivity and reduce congestion, funded by an $8.8 million bond to be repaid with new tax revenues generated by new development in the district.
- Improve stormwater services by creating high standards for new development in the district. Using some of the new tax revenues created by new development to pay for watershed improvements; creating a higher level of maintenance in the district funded through a municipal service district.
- Create more affordable housing. The Town has provided 8.5 acres of Town property off Legion Road to build between 140-170 units for seniors and low-income families.
- Incentivize developers to design to conserve energy and water resources through a pilot program that is being organized.
- Create new shopping opportunities.
- Expand the commercial tax base in Chapel Hill.

SUMMARY OF KEY INTERGOVERNMENTAL RELATIONSHIPS

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

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

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

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

Fund Title	Accounts For	Primary Funding Sources
GENERAL FUND	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
TRANSPORTATION		
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
PARKING		
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
STORMWATER MANAGEMENT		
Stormwater Management Fund	Management of stormwater to protect water quality as mandated by NC General Statutes	Fees
HOUSING		
Public Housing Fund	Management of public housing units and residential rehabilitation	Federal grants and rental income

FUND DESCRIPTIONS AND MAJOR REVENUES

Fund Title	Accounts For	Primary Funding Sources
DEBT		
Debt Service Fund	General obligation debt, proprietary debt, COPS debt, and other governmental debt	Property taxes
CAPITAL PROGRAMS		
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
OTHER FUNDS		
Special Revenue Funds		
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
Internal Service Funds		
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.

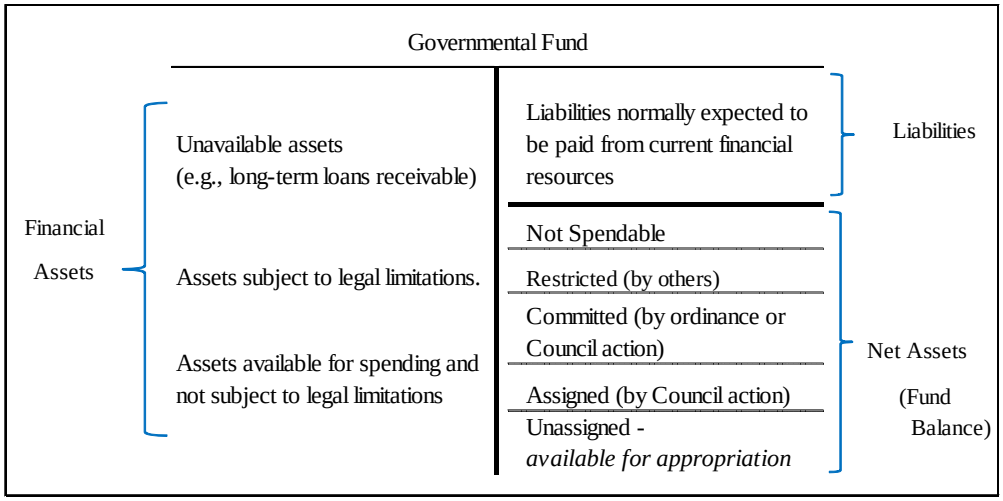
Fund balance designation

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

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

- 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

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

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

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.

Additional Debt Information
Please refer to page 181 for additional information on the Town's debt and bond ratings.

CAPITAL PROGRAM INTRODUCTION AND BACKGROUND

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 245) for additional information on the Town's Capital Improvements Fund.

FUND STRUCTURE & BASIS OF BUDGETING

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.

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

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

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.

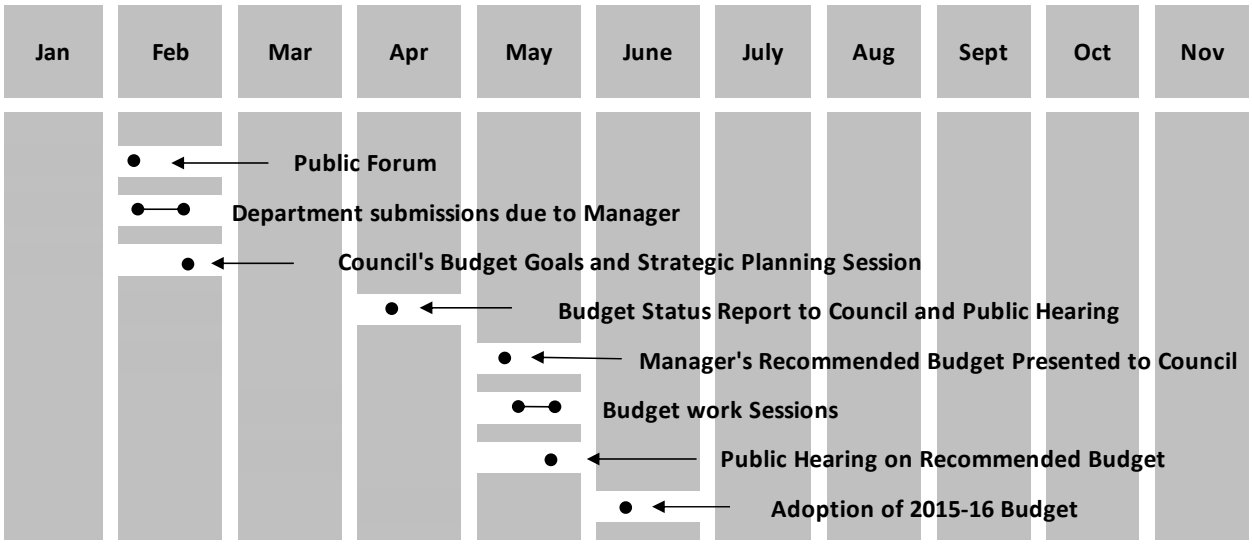
BUDGETARY CONTROL

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

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.

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

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.

*****

OPERATING BUDGET	
Guideline	**Comment**
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.
DEBT SERVICE	
Guideline	**Comment**
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.

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**
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.	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.
Capital projects financed through the issuance of bonds are financed for a period not to exceed the expected useful life of the project.	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.
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.	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.

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	
Guideline	**Comment**
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.	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.

BUDGET GUIDELINES & PRACTICES

FINANCIAL REPORTING	
Guideline	**Comment**
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).	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, 2014 and Distinguished Budget Award in 2014-15 and in past years. The Town plans to continue participation in these programs annually.
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.	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.

BUDGET ASSUMPTIONS

Major issues affecting Town revenues for the FY 2016 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 2016 budget incorporates the following assumptions:

- We anticipate a modest recovery through FY 2016, resulting in revenue growth.
- The property tax base is estimated to increase to $7.73 billion in FY 2016.
- We estimate that the Town's revenue from the local sales taxes will increase slightly in FY 2016.
- State operating assistance for the Transit Fund will decline by 19% for FY 2016.

FIVE-YEAR REVENUE AND COST PROJECTIONS FOR MAJOR OPERATING FUNDS

INTRODUCTION AND OVERVIEW

This section of the budget outlines in summary form projected revenues and costs for the five fiscal years beyond 2015-16 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:

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

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.

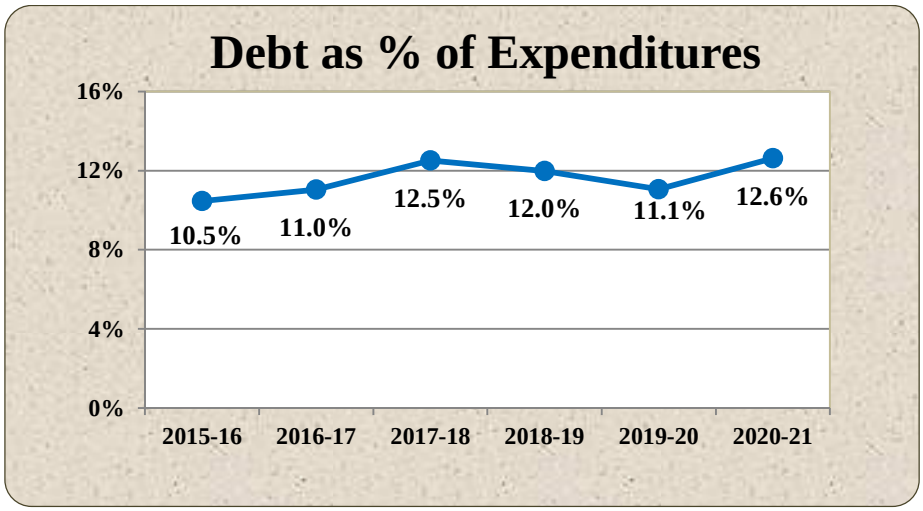
In addition to the final issuance of authorized bonds, the Council approved the issuance of $1.7 million in Two-Thirds Bonds in July 2012. NC General Statutes allow units to issue bonds each year in an amount equal to two-thirds of the principal amount of debt retired in the previous year. These bonds 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.

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 cost 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 FY16 payment totals $3.22 million, with the 140 West debt payment of $464,032 and the Wallace Deck payment of $445,550. The projections assume that the Parking Fund will provide for the cost of this debt service ($909,582) as a transfer to the Debt Fund.

Finally, lower interest rates during the last few years have allowed the Town to refund some existing debt by issuing lower interest refunding bonds. Recent refunding issues include $4.655 million in 2012 and $3.05 million in 2013. Savings for these transactions were $532,000 and $178,820, respectively 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 10.5% in 2015-16. 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.

FIVE-YEAR REVENUE AND COST PROJECTIONS FOR MAJOR OPERATING FUNDS

The adopted budget for 2015-16 includes retaining the Debt Fund's tax rate at $8.5 cents per $100 valuation. The debt fund has capacity to pay existing and planned debt service and will begin rebuilding reserves in 2015-16.

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 2015-16, 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 68% 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 2015-16 is about $7.73 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 no change in value 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.

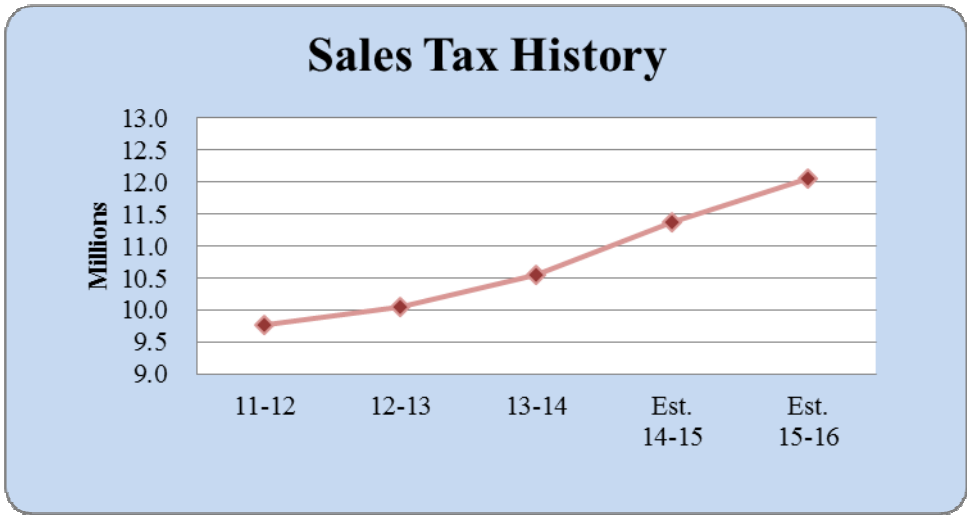
The tax levy projections assume that the General Fund tax rate will continue to be split with the Debt Service Fund. The rate adopted in FY12 moved $1.8 cents of the tax rate from the Debt Fund

to the General Fund.

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 changed once the State assumed the responsibility of collecting motor vehicle taxes. 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 2015-16 of $38.8 cents for the General Fund, would yield increases in property tax revenues of about $450,000 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. Last year was the first year that sales tax revenues exceeded the high point in FY08, indicating that the economy has recovered from the economic downturn experienced the previous years. Based on FY15 receipts to date, we estimate FY15 receipts at about $11.38 million, an increase of 4.6% from what was originally budgeted. Based on local trends and state forecasts, we anticipate growth of about 6% for FY15-16.

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 2013-14 and 2014-15) and Video Programming Tax, estimated to remain relatively flat in FY14 and FY15. Based on collections in Chapel Hill, we are projecting very slow

growth over the next 5 years for utility franchise taxes.

State-shared revenues also include revenue from fuel tax funds for street maintenance (about $1.5 million in 2013-14) 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 FY15 and thereafter.

State Fire Protection Funds dropped in FY14 to $1,091,005 from the historic level of $1,210,000. We anticipate a slight increase to $1,097,590 for 2015-16. 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 2015-16. 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 FY 2015-16, the amount of capital funding is increased by $4,000 and allows for critical projects. We anticipate that funding levels in FY 2016-17 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 FY 2015-16 include a 2% of market rate pay adjustment effective June 2015 and a 2% of market rate pay adjustment effective January 2016 and a decrease in medical insurance costs of 8.5% based on the contracted agreement with Blue Cross Blue Shield. Projections include annual pay increases of 3%, 5% increases in medical insurance costs each year, and the continuation of the 6.67% retirement contribution rate. 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 FY2016-17 and beyond. 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.

TRANSIT FUND

The budget for 2015-16 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 is expected to come in under the revised budget in FY15 by about $147,000. This revenue is projected to stay constant and is budgeted conservatively for FY16 at slightly over $2 million. Federal assistance is estimated to continue at $1.94 million each year, a slight increase from recent years' receipts.

The estimates for expenses for 2015-16 include only minor adjustments to routes and services to streamline operations. The Town plans on buying approximately 12 buses as part of a replacement plan cycle, which is slightly offset by a large decrease in diesel fuel costs (approximately $444,000) compared to FY15. The adopted budget for 2015-16 includes increases for the funding partners. The projections assume continuation of the 5.1 cent rate in the next five years. The 2016 budget does not require the use of fund balance. Subsequent years show the need for a tax increase from 0.2 to 0.6 cents through 2019-20.

Adopted Tax Rate	Cents per $100 valuation		
	FY14-15	FY15-16	$ Change
General Fund	38.8	38.8	-
Debt Fund	8.5	8.5	-
Transit Fund	5.1	5.1	-
Total Tax Rate	52.4	52.4	-

DEBT SERVICE FUND

The projections for the Debt Service Fund include the adopted tax rate of 8.5 cents. This tax rate will generate about $6.52 million in revenues in 2015-16 which, along with the 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 the estimated $6.5 million of debt related to the Downtown Initiative and the prospective sale of $1.7 million of two-thirds bonds in FY2015. 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)

	2015-16 Adopted Increase	2016-17 Estimated Increase	2017-18 Estimated Increase	2018-19 Estimated Increase	2019-20 Estimated Increase	2020-21 Estimated Increase
General Fund	0.0	2.5	0.4	0.8	0.7	0.8
Debt Service	0.0	0.0	0.0	0.0	0.0	0.0
Transit Fund	0.0	0.6	(0.2)	0.2	0.2	0.2
Total	0.0	3.1	0.2	1.0	0.9	1.0

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
2015/2016- 2020/2021

Category	2015-16 Adopted	2016-17 Estimated[1]	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Assessed Valuation (Real & Personal Property)	$7,725,370,000	$7,841,250,000	$7,982,390,000	$8,126,070,000	$8,272,340,000	$8,421,240,000
Tax Levy - General Fund Only*	29,974,000	30,424,000	30,972,000	31,529,000	32,097,000	32,674,000
Estimated Collections at 99%	29,780,000	30,230,000	30,770,000	31,330,000	31,890,000	32,460,000
Estimated Prior Year Collections	190,000	190,000	190,000	190,000	190,000	190,000
TOTALS	$ 29,970,000	$ 30,420,000	$ 30,960,000	$ 31,520,000	$ 32,080,000	$ 32,650,000
Tax rate	38.8¢	38.8¢	38.8¢	38.8¢	38.8¢	38.8¢

1¢ on the tax rate = $ 765,000

[1] Fiscal year 2015-16 is estimated as the next revaluation year. For illustrative purposes, levy is not displayed at revenue neutral rate.

* Based on continuing the General Fund tax rate of $38.8 cents/$100, with estimated growth as follows:

2016	1.00%
2017	1.50%
2018	1.80%
2019	1.80%
2020	1.80%
2021	1.80%

GENERAL FUND

PROJECTED STATE-SHARED REVENUES

2015/2016- 2020/2021

Category	2015-16 Adopted	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Utility Sales Tax [1]	$ 3,000,000	$ 3,015,000	$ 3,030,000	$ 3,045,000	$ 3,060,000	$ 3,075,000
Video Programming Tax	700,000	700,000	700,000	700,000	700,000	700,000
Supplemental PEG support	90,000	90,000	90,000	90,000	90,000	90,000
Beer, Wine Tax [2]	240,000	242,000	244,000	246,000	248,000	250,000
1% Local Option Sales Tax (Article 39) [3]	4,163,000	4,288,000	4,417,000	4,550,000	4,687,000	4,828,000
1/2% Local Option Sales Tax (Article 40) [3]	2,884,000	2,971,000	3,060,000	3,152,000	3,247,000	3,344,000
1/2% Local Option Sales Tax (Article 42) [3]	2,089,000	2,152,000	2,217,000	2,284,000	2,353,000	2,424,000
1/2% Local Option Sales Tax (Article 44 Hold Harmless) [3]	6,000	6,000	6,000	6,000	6,000	6,000
City Hold Harmless [3]	2,917,000	2,946,000	2,975,000	3,005,000	3,035,000	3,065,000
Total Local Option Sales Taxes	12,059,000	12,363,000	12,675,000	12,997,000	13,328,000	13,667,000
Fuel Tax (Powell Bill) [4]	1,490,000	1,490,000	1,490,000	1,490,000	1,490,000	1,490,000
State Fire Protection [5]	1,098,000	1,098,000	1,098,000	1,098,000	1,098,000	1,098,000
Solid Waste Disposal Tax	32,000	32,000	32,000	32,000	32,000	32,000
TOTAL	$ 18,709,000	$ 19,030,000	$ 19,359,000	$ 19,698,000	$ 20,046,000	$ 20,402,000

[1] Utility sales tax distribution has been changed in recent years and is now distributed to municipalities based on the application of the 7% combined general sales tax rate of sales of electricity and natural gas to public utility providers.

[2] 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.

[3] Estimate a continuing recovery, with local components expected to recover before State-wide, and normal growth of 3% in FY17 and thereafter. The Hold Harmless amount is expected to remain steady according to current legislation.

[4] Powell Bill revenues are distributed by a formula that is based on both street miles and population.

[5] State Fire Protection funding is subject to annual appropriation, and is expected to return to prior levels in future years.

GENERAL FUND
REVENUE PROJECTIONS
2015/2016 - 2020/2021

Category	2015-16 Adopted	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Property Taxes*	$ 29,970,000	$ 30,420,000	$ 30,960,000	$ 31,520,000	$ 32,080,000	$ 32,650,000
Sales Taxes	$ 12,059,000	$ 12,363,000	$ 12,675,000	$ 12,997,000	$ 13,328,000	$ 13,667,000
Other Taxes & Licenses	1,114,000	1,114,000	1,114,000	1,114,000	1,114,000	1,114,000
Licenses/Permits/Fines/ Forfeitures	3,213,000	3,213,000	3,213,000	3,213,000	3,213,000	3,213,000
State-Shared Revenues	6,650,000	6,667,000	6,684,000	6,701,000	6,718,000	6,735,000
Grants	782,000	791,000	800,000	809,000	818,000	827,000
Service Charges	4,667,000	4,677,000	4,687,000	4,697,000	4,707,000	4,717,000
Interest on Investments	23,000	23,000	23,000	23,000	23,000	23,000
Other Revenues	473,000	473,000	473,000	473,000	473,000	473,000
Interfund Transfers	45,000	45,000	45,000	45,000	45,000	45,000
TOTAL	$ 58,996,000	$ 59,786,000	$ 60,674,000	$ 61,592,000	$ 62,519,000	$ 63,464,000

* Based on continuing the current General Fund tax rate of $38.8 cents/$100, with estimated growth as follows:

2016	1.00%
2017	1.50%
2018	1.80%
2019	1.80%
2020	1.80%
2021	1.80%

GENERAL FUND PROJECTED COSTS 2015/2016 - 2020/2021

	2015-16 Adopted	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Personnel Services[1]	$ 43,190,000	$ 44,486,000	$ 45,896,000	$ 47,345,000	$ 48,855,000	$ 50,407,000
Operations						
Operating & Maintenance[2]	16,675,000	16,138,000	15,890,000	15,951,000	15,928,000	15,963,000
Capital						
Equipment[3]	78,000	100,000	100,000	100,000	100,000	100,000
Transfer to Capital Improvements Program[4]	778,000	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	980,000	980,000	980,000	980,000	980,000	980,000
TOTAL COSTS OF CURRENT PROGRAMS AND ADDITIONS/						
TOTALS	$ 61,701,000	$ 62,704,000	$ 63,866,000	$ 65,376,000	$ 66,863,000	$ 68,450,000

Assumptions for years after 2016, reflected on base cost estimates for 2015-16:

[1] Assumptions include:
- Annual increase of 3%.
- 5% increase in medical insurance each year
- Continuation of 6.67% Retirement rate.

[2] Increase in most operating costs of 2.5% each year.

[3] Estimated cost of routine replacement of miscellaneous non-vehicular capital equipment.

[4] General Fund contribution for Capital Improvements Program.

GENERAL FUND

ANALYSIS OF REVENUE AND COST PROJECTIONS 2015/2016 - 2020/2021

	2015-16 Adopted	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Estimated Total Costs	$ 61,701,000	$ 62,704,000	$ 63,866,000	$ 65,376,000	$ 66,863,000	$ 68,450,000
Estimated Total Revenues	58,996,000	59,786,000	60,674,000	61,592,000	62,519,000	63,464,000
Revenues Needed	2,705,000	2,918,000	3,192,000	3,784,000	4,344,000	4,986,000
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	1,705,000	-	-	-	-	-
Additional Revenue Needed/ (Available)	$ -	$ 1,918,000	$ 2,192,000	$ 2,784,000	$ 3,344,000	$ 3,986,000
Change in Tax Rate in cents in Specific Years*	-	2.5	0.4	0.8	0.7	0.8

*Value of a cent = $765,000

TRANSIT FUND

REVENUE PROJECTIONS
2015/2016 - 2020/2021

	2015-16 Adopted	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Taxes[1]	$ 3,923,610	$ 3,920,000	$ 3,980,000	$ 4,050,000	$ 4,130,000	$ 4,200,000
Vehicle Taxes[2]	454,738	457,000	459,000	461,000	463,000	465,000
TTA-Shared Revenues	1,678,000	1,695,000	1,712,000	1,729,000	1,746,000	1,763,000
Federal Operating Assistance[3]	1,944,719	1,945,000	1,945,000	1,945,000	1,945,000	1,945,000
State Operating Assistance[3]	2,062,996	2,063,000	2,063,000	2,063,000	2,063,000	2,063,000
UNC Contract (Net)[4]	7,844,040	7,962,000	8,081,000	8,202,000	8,325,000	8,450,000
UNC Park & Ride Fee	-	75,000	75,000	75,000	75,000	75,000
Carrboro Contract (Net)[4]	1,540,288	1,563,000	1,586,000	1,610,000	1,634,000	1,659,000
Service Charges[5]	926,288	945,000	964,000	983,000	1,003,000	1,023,000
Advertising	150,000	150,000	150,000	150,000	150,000	150,000
Grants	-	200,000	200,000	200,000	200,000	200,000
Transfer from General Fund	247,836	-	-	-	-	-
Other	2,500	3,000	3,000	3,000	3,000	3,000
TOTAL	$ 20,775,015	$ 20,978,000	$ 21,218,000	$ 21,471,000	$ 21,737,000	$ 21,996,000

Revenue Notes:

[1] Based on a Manager's Recommended tax rate of 5.1 cents through 2020-21

[2] Assumes continuing levy of $15 vehicle tax for Transit

[3] Assumes continuing level of State and Federal Operating Assistance.

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

[5] 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
2015/2016 - 2020/2021

	2015-16 Adopted	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Personnel Services[1]	$ 12,825,462	$ 13,265,000	$ 13,648,000	$ 14,088,000	$ 14,544,000	$ 15,016,000
Operations[2]	7,149,553	7,365,000	7,603,000	7,849,000	8,104,000	8,368,000
Capital Reserve Fund[3]	800,000	800,000	800,000	800,000	800,000	800,000
TOTAL	$ 20,775,015	$ 21,430,000	$ 22,051,000	$ 22,737,000	$ 23,448,000	$ 24,184,000

Assumptions for years after 2015-16

[1] Assumptions include:
- Annual increase of 3%.
- 5% increase in medical insurance each year
- Continuation of 6.67% Retirement rate.

[2] Increase in operating costs of 2.5% annually for most operating costs and 5% for fuel and tires.

[3] 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
2015/2016 - 2020/21

	2015-16 Adopted	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Estimated Costs	$ 20,775,015	$ 21,430,000	$22,051,000	$ 22,737,000	$ 23,448,000	$ 24,184,000
Estimated Revenues	20,775,015	20,978,000	21,218,000	21,471,000	21,737,000	21,996,000
Revenue Needed/(Excess)	-	452,000	833,000	1,266,000	1,711,000	2,188,000
Additional Revenue Needed	$ -	$ 452,000	$ 833,000	$ 1,266,000	$ 1,711,000	$ 2,188,000
Change in Tax Rate in Specific Years	-	0.6	(0.2)	0.2	0.2	0.2

1 cent on the tax rate = $755,000

Assumptions on future revenues and costs:

- Same revenue sources as available in 2015-16 (assumes current level of State funding for operating assistance).
- Assumes constant level of federal operating assistance.
- Includes estimated adjustments of 3% in salaries and most operating costs after FY16.
- Includes estimated adjustments of 5% in fuel and tire costs after FY16.

DEBT SERVICE FUND
PROJECTED TAX BASE AND OTHER REVENUES
2015/2016- 2020/2021

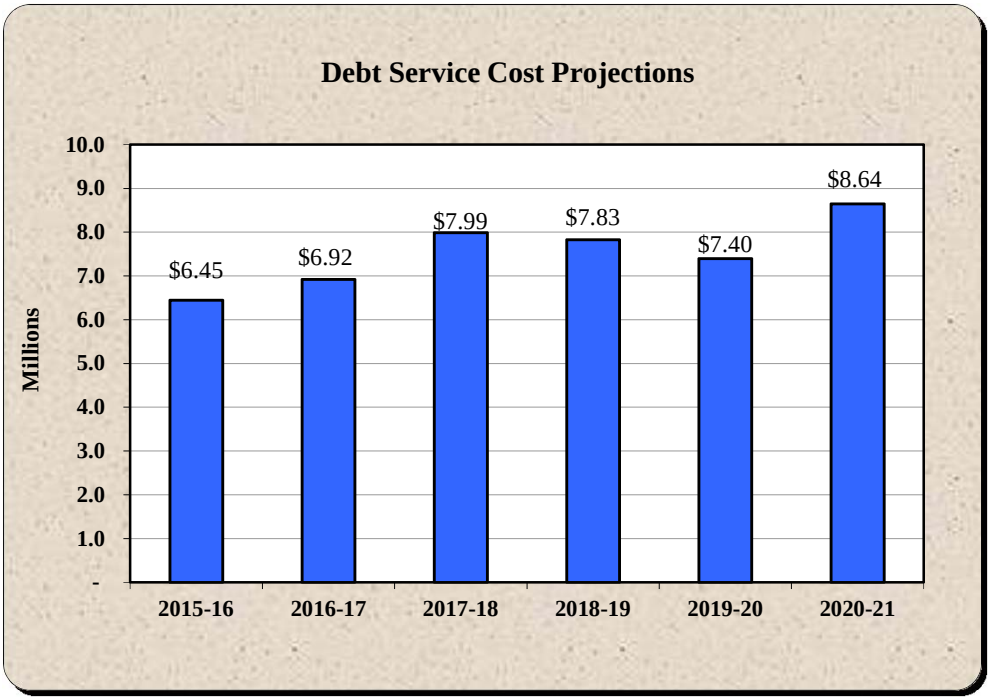
Category	2015-16 Adopted	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Assessed Valuation (Real & Personal Property)	$ 7,725,370,000	$ 7,841,250,000	$ 7,982,390,000	$ 8,126,070,000	$ 8,272,340,000	$ 8,421,240,000
Tax Levy - Debt Service Fund Only*	6,567,000	6,665,000	6,785,000	6,907,000	7,031,000	7,158,000
Estimated Collections at 99%	6,520,000	6,598,000	6,717,000	6,838,000	6,961,000	7,086,000
TOTAL TAXES	$ 6,520,000	$ 6,598,000	$ 6,717,000	$ 6,838,000	$ 6,961,000	$ 7,086,000
BABS Interest Subsidy	169,200	169,000	169,000	169,000	169,000	169,000
Interest Income	4,000	4,000	4,000	4,000	4,000	4,000
Transfer from Parking	909,582	909,000	907,000	915,000	915,000	915,000
TOTAL REVENUES	$ 7,602,782	$ 7,680,000	$ 7,797,000	$ 7,926,000	$ 8,049,000	$ 8,174,000

* Based on a continued tax rate of $8.5 cents for the Debt Fund through 2020-21, with estimated growth as follows:

2016	1.00%
2017	1.50%
2018	1.80%
2019	1.80%
2020	1.80%
2021	1.80%

DEBT SERVICE FUND PROJECTED COSTS 2015/2016 - 2020/2021

	2015-16 Adopted	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Existing Debt	$ 6,448,000	$ 6,361,000	$ 5,896,000	$ 5,738,000	$ 5,306,000	$ 5,020,000
Two-Thirds Bonds	-	137,000	137,000	137,000	137,000	137,000
Future Issuance	-	420,000	1,953,000	1,953,000	1,953,000	3,485,000
TOTALS	$ 6,448,000	$ 6,918,000	$ 7,986,000	$ 7,828,000	$ 7,396,000	$ 8,642,000



DEBT SERVICE FUND

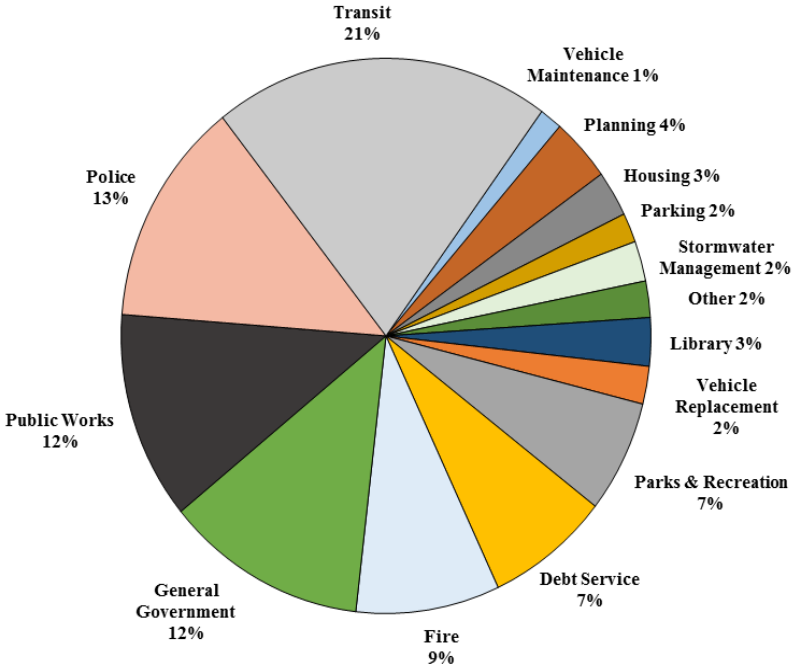
ANALYSIS OF REVENUE AND COST PROJECTIONS 2015/2016 - 2020/2021

	2015-16 Adopted	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Estimated Total Costs	$ 6,448,000	$ 6,918,000	$ 7,986,000	$ 7,828,000	$ 7,396,000	$ 8,642,000
Estimated Total Revenues	7,602,782	7,680,000	7,797,000	7,926,000	8,049,000	8,174,000
Revenue (Needed)/Available	1,154,782	762,000	(189,000)	98,000	653,000	(468,000)
Fund Balance Available	-	-	189,000	-	-	468,000
Reserved for future debt	1,154,782	762,000	-	98,000	653,000	-
Additional Revenue (Needed)/Available	-	-	-	-	-	-
Change in Tax Rate in Specific Years*	0.0	0.0	0.0	0.0	0.0	0.0

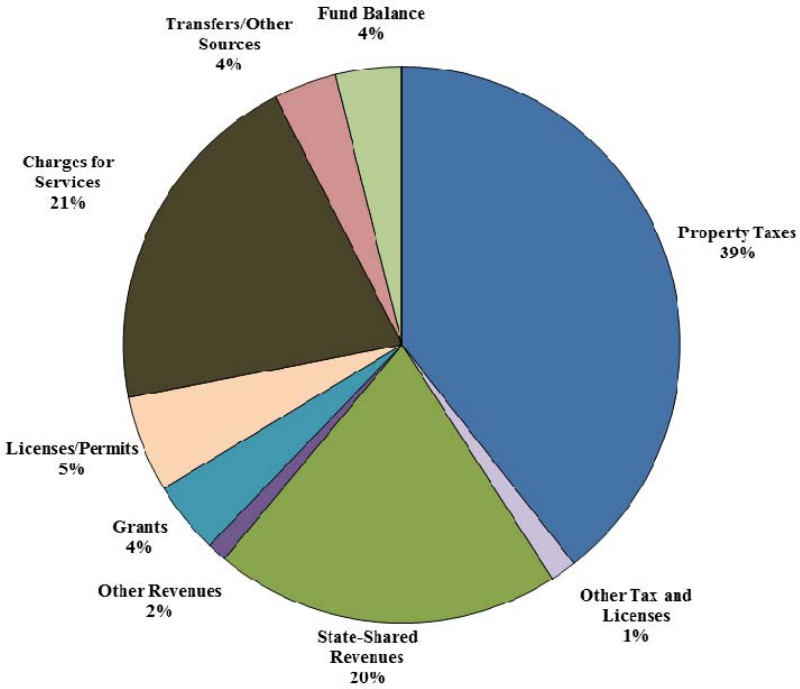
Value of a cent = $765,000

ALL FUNDS SUMMARY

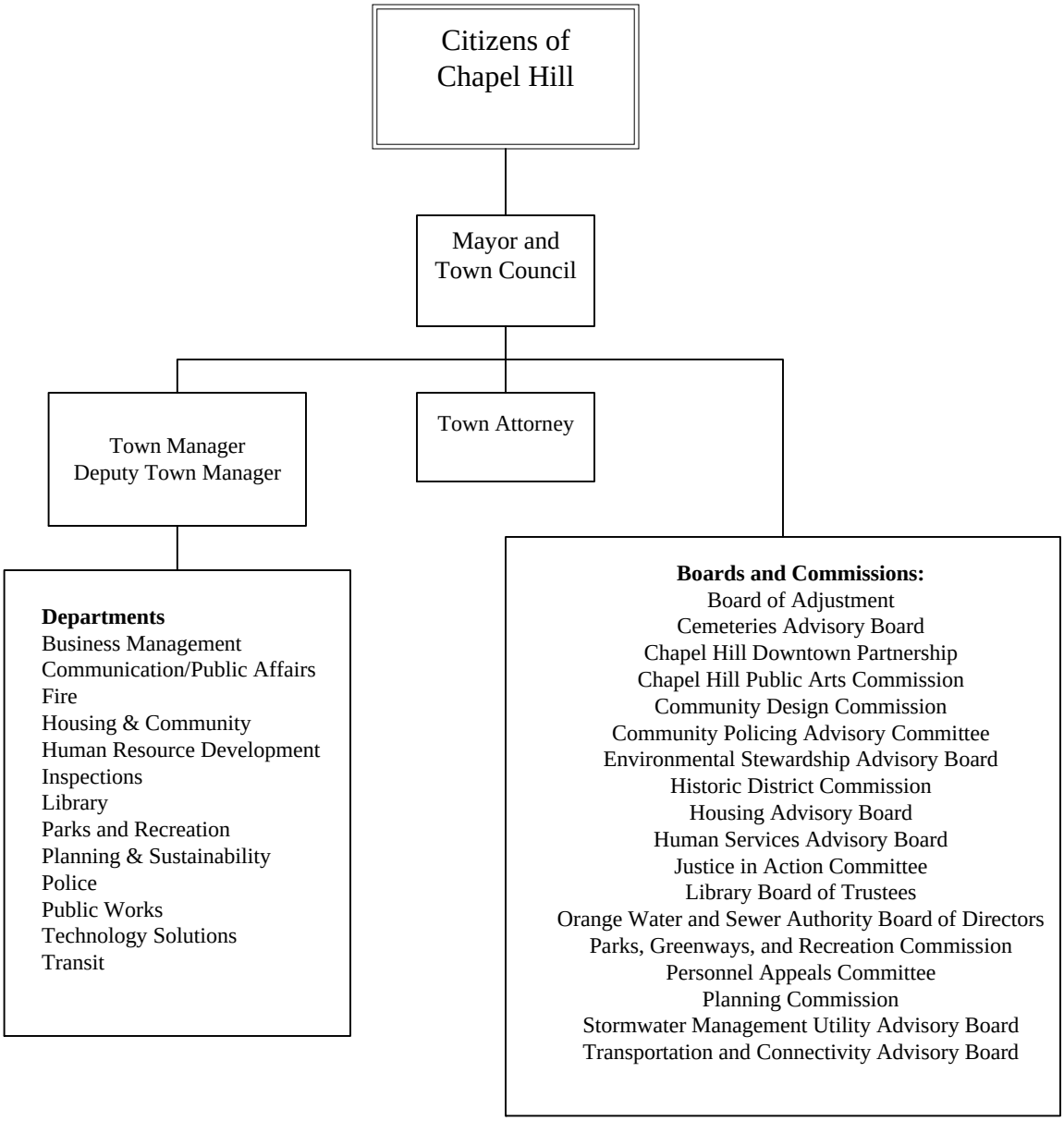
TOTAL BUDGET EXPENDITURES $101,000,811 (NET OF TRANSFERS)



TOTAL BUDGET REVENUES



TOWN OF CHAPEL HILL ORGANIZATION CHART



ALL FUNDS
SUMMARY OF APPROPRIATIONS
Adopted Budget 2015-16

Fund	Appropriations	Less Transfers to Other Funds	Net Appropriations
General Fund	$ 61,701,000	$ 1,104,384	$ 60,596,616
Transit Funds			
Transit	20,775,015	-	20,775,015
Transit Capital Reserve Fund	198,339	198,339	-
Stormwater Management Fund	2,363,388	-	2,363,388
Parking Funds			
Off-Street Parking Fund	2,002,250	909,582	1,092,668
On-Street Parking Fund	698,950	55,730	643,220
Housing Funds			
Public Housing Fund	2,091,821	-	2,091,821
Debt Service Fund	7,602,782	-	7,602,782
Capital Projects			
Capital Improvements Fund	853,856	-	853,856
Other Funds			
Grants Fund	347,850	-	347,850
Downtown Service District Fund	348,528	-	348,528
Library Gift Fund	531,119	45,000	486,119
Vehicle Replacement Fund	2,223,833	-	2,223,833
Vehicle Maintenance Fund	1,399,115	-	1,399,115
Computer Replacement Fund	176,000	-	176,000
TOTAL	**$ 103,313,846**	**$ 2,313,035**	**$ 101,000,811**

ALL FUNDS STAFFING SUMMARY

Personnel costs make up 62% of the Town's operating budget. The Staffing Summary represents a snapshot of the FTE's on which the FY16 Adopted Budget is based.

2015-16 STAFFING BY DEPARTMENT IN FULL-TIME EQUIVALENTS

DEPARTMENTS	2013-14 ADOPTED	2014-15 ADOPTED	2015-16 ADOPTED
Mayor	1.00	1.00	1.00
Manager	11.75	11.75	9.00
Communications & Public Affairs	7.53	7.53	8.53
Human Resource Development	8.00	7.00	10.00
Business Management	15.00	16.00	18.00
Technology Solutions	9.00	9.00	10.00
Attorney	2.00	2.00	2.00
Planning & Sustainability	15.75	15.75	35.65
Inspections	8.00	12.00	-
Public Works	94.25	94.25	93.25
Police	138.00	136.00	136.00
Fire	92.00	92.00	95.00
Parks & Recreation	54.01	54.41	56.83
Library	26.63	30.09	30.41
Transit	178.41	183.79	198.29
Stormwater	14.00	14.00	14.00
Parking	11.80	11.80	12.30
Housing & Community	16.00	16.00	22.20
Downtown Service District	1.00	1.00	1.00
Vehicle Maintenance	7.75	7.75	7.75
Total FTE's	711.88	723.12	761.21

FTE changes from FY15 Adopted Budget - FY16 Adopted Budget

Positions Added	Department
IT Analyst (2)	Technology Solutions
HRD Consultant	Human Resources
Risk Manager	Human Resources
Risk Management Claims Officer	Human Resources
Administrative Coordinator (.20 FTE)	Housing & Community
Affordable Housing Officer	Housing & Community
Plans Reviewer	Planning & Sustainability
Inspectors (3)	Planning & Sustainability
Customer Service Technician	Planning & Sustainability
Administrative Coordinator (.65 FTE)	Planning & Sustainability
Records Manager	CAPA
Fire Inspector (2)	Fire
Revenue Technician	Business Management

TAX RATES AND TAX COLLECTIONS
Adopted 2015-16

	2013-14 Actual	2014-15 Budget	2014-15 Estimated	2015-16 Adopted
Assessed Value of Real and Personal Property	**$ 7,463,253,905**	**$ 7,627,590,000**	**$ 7,648,881,508**	**$ 7,725,370,000**
Tax Rate Per $100 Valuation				
General Fund	38.8	38.8	38.8	38.8
Transit Fund	5.1	5.1	5.1	5.1
Debt Service Fund	7.5	8.5	8.5	8.5
Total Tax Rate (cents)	**51.4**	**52.4**	**52.4**	**52.4**
Tax Levy	38,361,125	39,969,000	40,080,000	40,481,000
Estimated Collections at 99%	**$ 38,069,600**	**$ 39,665,200**	**$ 39,823,500**	**$ 40,221,900**
Distribution				
General Fund	28,773,125	29,370,000	29,490,000	29,780,000
Transit Fund	3,781,023	3,860,000	3,880,000	3,910,000
Debt Service Fund	5,561,000	6,430,000	6,460,000	6,520,000
Downtown Service District Fund				
Tax Rate (cents)	7.1	7.1	7.1	7.1
Assessed Value of Real and Personal Property	$ 347,538,000	$ 343,455,000	$ 383,194,000	$ 387,452,000
Tax Levy	247,000	244,000	272,000	275,000
1¢ of the Tax Rate Equals (to nearest 1,000)	**$ 739,000**	**$ 755,000**	**$ 757,000**	**$ 765,000**

ESTIMATED UNDESIGNATED RESERVES ANNUALLY BUDGETED FUNDS

	Approximate Unassigned Fund Balance July 1, 2015	2015-16 Budgeted Revenues	2015-16 Budgeted Expenditures	Approximate Unassigned Fund Balance June 30, 2016
GENERAL FUND	$ 12,000,000	$ 58,996,000	$ 61,701,000	$ 9,295,000
SPECIAL REVENUE FUNDS				
Downtown Service District	33,000	313,000	349,000	(3,000)
Library Gift	292,000	431,000	531,000	192,000
Grants Fund	56,000	348,000	348,000	56,000
DEBT SERVICE FUND	4,530,000	7,603,000	7,603,000	4,530,000
CAPITAL IMPROVEMENT FUNDS				
Capital Improvements	4,182,000	854,000	854,000	4,182,000
Capital Reserve	215,000	-	-	215,000
ENTERPRISE FUNDS				
Transit	8,100,000	20,775,000	20,775,000	8,100,000
Transit Capital Reserve	848,000	-	198,000	650,000
Public Housing	2,820,000	1,986,000	2,092,000	2,714,000
On-Street Parking	-	699,000	699,000	-
Off-Street Parking	396,000	2,002,000	2,002,000	396,000
Stormwater Management	2,870,000	2,229,000	2,363,000	2,736,000
INTERNAL SERVICE FUNDS				
Vehicle Replacement	3,269,000	1,525,000	2,224,000	2,570,000
Vehicle Maintenance	161,000	1,409,000	1,399,000	171,000
Computer Replacement	483,000	176,000	176,000	483,000
TOTAL	$ 40,255,000	$ 99,346,000	$ 103,314,000	$ 36,287,000

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

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 2015-16 is anticipated to be about 15.1% of budgeted expenditures.

GOVERNMENTAL FUNDS

SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES

2015-16

	General Fund			Special Revenue Funds		
	13-14 Actual	**14-15 Estimated**	**15-16 Adopted**	**13-14 Actual**	**14-15 Estimated**	**15-16 Adopted**
Net Unreserved Assets, Beginning of Year	12,350,704	14,962,366	13,707,284	495,102	450,719	366,449
Financial Source						
Property Taxes	29,044,174	29,696,000	29,970,000	245,847	269,400	272,000
Other Tax and Licenses	1,104,552	1,114,000	1,114,000	-	-	-
State-Shared Revenues	17,130,929	18,034,145	18,709,084	-	-	-
Interest on Investments	25,551	26,255	22,500	469	136	-
Other Revenues	823,074	755,990	472,950	182,137	152,600	471,119
Interest on Receivable	-	-	-	-	1,273	1,291
Grants	1,371,187	872,778	782,114	340,757	517,982	275,802
Charges for Services	3,745,771	4,121,872	4,666,537	-	-	-
Licenses/Permits/Fines	2,970,002	2,071,322	3,213,451	-	-	-
Transfers/Other Sources	170,424	45,000	45,000	81,875	104,713	72,048
Appropriated Net Assets (Fund Balance)	-	-	2,705,364	-	-	135,237
Total Estimated Financial Sources	**56,385,664**	**56,737,362**	**61,701,000**	**851,085**	**1,046,104**	**1,227,497**
Expenditures						
Personnel	36,186,994	38,270,718	43,090,519	366,264	452,207	361,822
Operations	15,089,756	17,320,732	17,771,953	440,327	608,167	795,675
Capital	2,497,252	2,400,994	838,528	88,877	70,000	70,000
Total Budget	**53,774,002**	**57,992,444**	**61,701,000**	**895,468**	**1,130,374**	**1,227,497**
Financial Sources less Budget	**2,611,662**	**(1,255,082)**	**-**	**(44,383)**	**(84,270)**	**-**
Net Unreserved Assets, End of Year	**14,962,366**	**13,707,284**	**11,001,920**	**450,719**	**366,449**	**229,921**

Note: Please see note about fund balance estimates on page 64.

Debt Service Fund			Capital Funds		
13-14 Actual	**14-15 Estimated**	**15-16 Adopted**	**13-14 Actual**	**14-15 Estimated**	**15-16 Adopted**
5,340,180	4,803,925	4,803,925	3,037,909	3,342,947	1,435,756
5,586,519	6,460,000	6,520,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,005	4,500	4,000	3,032	1,000	1,240
-	-	-	267,091	197,221	-
-	-	-	-	-	-
169,366	169,184	169,200	-	175,000	-
-	-	-	83,605	74,856	74,856
-	-	-	-	-	-
908,331	909,081	909,582	2,409,693	2,237,507	778,000
-	-	-	-	-	(240)
6,668,221	**7,542,765**	**7,602,782**	**2,763,421**	**2,685,584**	**853,856**
-	-	-	-	-	-
7,204,476	7,542,765	7,602,782	-	-	-
-	-	-	2,458,383	4,592,775	853,856
7,204,476	**7,542,765**	**7,602,782**	**2,458,383**	**4,592,775**	**853,856**
(536,255)	**-**	**-**	**305,038**	**(1,907,191)**	**-**
4,803,925	**4,803,925**	**4,803,925**	**3,342,947**	**1,435,756**	**1,435,996**

ENTERPRISE FUNDS

SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES

2014-15

	Parking Funds			Transit Funds		
	13-14 Actual	14-15 Estimated	15-16 Adopted	13-14 Actual	14-15 Estimated	15-16 Adopted
Net Unreserved Assets, Beginning of Year	1,576,899	1,359,576	1,049,865	5,408,410	8,680,089	7,675,191
Financial Source						
Property Taxes	-	-	-	3,794,974	3,931,610	3,923,610
Other Tax and Licenses	-	-	-	579,265	424,738	454,738
State-Shared Revenues	-	-	-	2,692,863	2,062,996	2,062,996
Interest on Investments	3,864	4,000	3,750	9,844	4,960	4,000
Other Revenues	56,159	63,025	68,750	62,112	90,671	90,671
Interest on Receivable	-	-	-	-	-	-
Grants	-	-	-	2,166,388	2,360,969	1,944,719
Charges for Services			-	9,756,812	10,197,445	10,368,445
Licenses/Permits/Fines	2,344,036	2,363,555	2,572,970	-	-	
Transfers/Other Sources	-	106,889	55,730	529,758	939,744	1,925,836
Appropriated Net Assets (Fund Balance)	-	-	-	-	-	198,339
Total Estimated Financial Sources	**2,404,059**	**2,537,469**	**2,701,200**	**19,592,016**	**20,013,133**	**20,973,354**
Expenditures						
Personnel	795,362	783,728	873,205	10,193,180	11,979,412	12,825,462
Operations	792,265	862,085	859,085	5,950,089	8,782,138	7,949,553
Capital	1,033,755	1,201,367	968,910	177,068	256,481	198,339
Total Budget	**2,621,382**	**2,847,180**	**2,701,200**	**16,320,337**	**21,018,031**	**20,973,354**
Financial Sources less Budget	**(217,323)**	**(309,711)**	**-**	**3,271,679**	**(1,004,898)**	**-**
Net Unreserved Assets, End of Year	**1,359,576**	**1,049,865**	**1,049,865**	**8,680,089**	**7,675,191**	**7,476,852**

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

Stormwater Management Fund			Housing Fund		
13-14 Actual	**14-15 Estimated**	**15-16 Adopted**	**13-14 Actual**	**14-15 Estimated**	**15-16 Adopted**
1,347,276	1,848,271	1,553,595	2,792,472	2,746,610	2,535,233
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,909	800	800	1,911	2,028	1,950
203	7,200	7,500	223,363	49,762	150
-	-	-	-	-	-
-	-	-	1,231,670	1,197,910	1,153,556
2,152,226	2,094,100	2,214,257	881,681	861,353	830,256
-	-	-	-	-	-
6,274	5,900	6,000	-	-	-
-	-	134,831	-	-	105,909
2,160,612	**2,108,000**	**2,363,388**	**2,338,625**	**2,111,053**	**2,091,821**
1,012,495	1,054,907	1,178,320	1,122,295	1,045,016	1,110,863
651,620	923,613	1,087,568	1,262,192	1,216,192	892,458
(4,498)	424,156	97,500	-	61,222	88,500
1,659,617	**2,402,676**	**2,363,388**	**2,384,487**	**2,322,430**	**2,091,821**
500,995	**(294,676)**	**-**	**(45,862)**	**(211,377)**	**-**
1,848,271	**1,553,595**	**1,418,764**	**2,746,610**	**2,535,233**	**2,429,324**

INTERNAL SERVICE FUNDS

SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES

2014-15

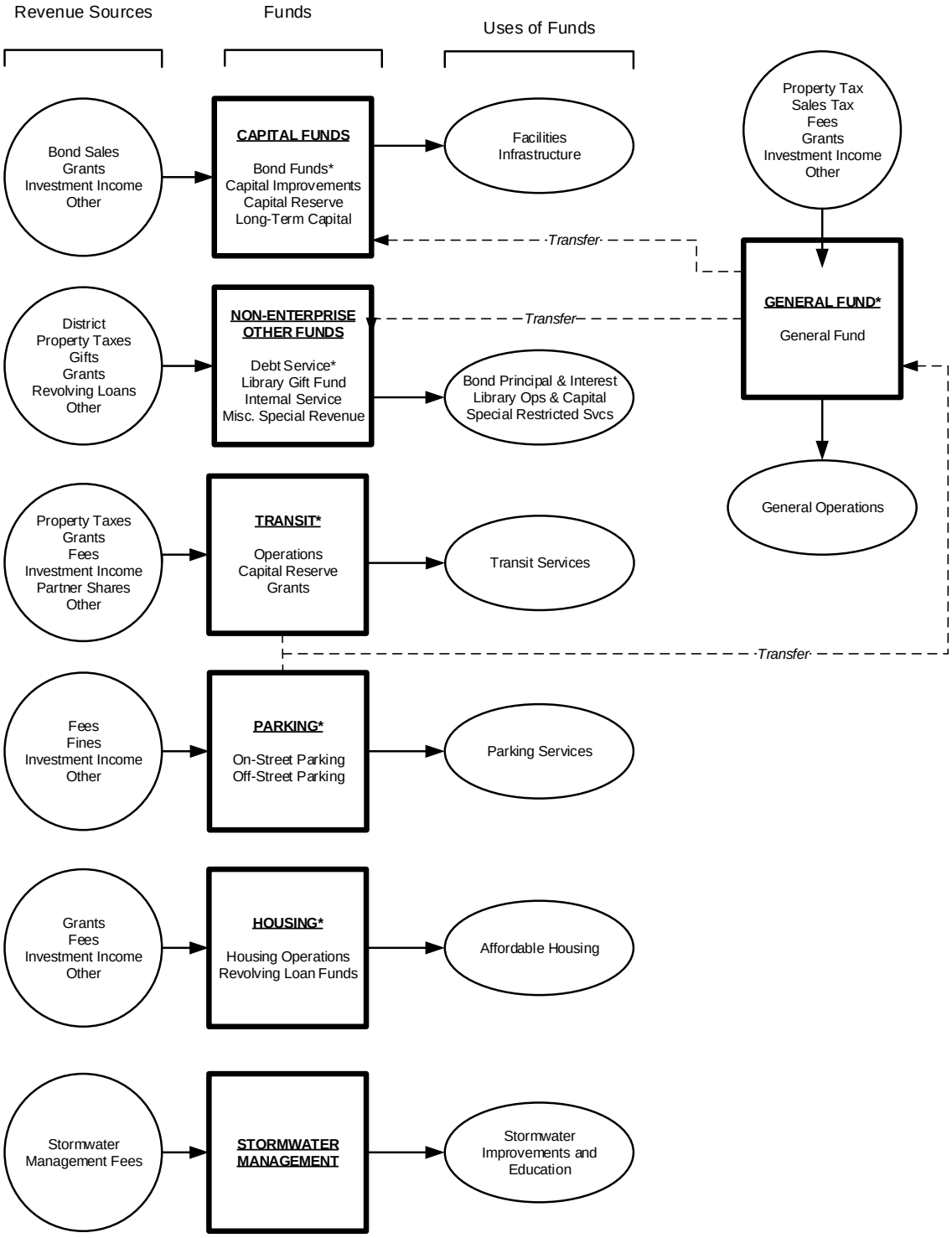
	Internal Service		
	13-14 Actual	**14-15 Estimated**	**15-16 Adopted**
Net Unreserved Assets, Beginning of Year	2,379,047	2,841,039	1,993,487
Financial Source			
Property Taxes	-	-	-
Other Tax and Licenses	-	-	-
State-Shared Revenues	-	-	-
Interest on Investments	5,613	4,500	2,000
Other Revenues	1,072,076	45,000	70,000
Interest on Receivable	-	-	-
Grants	-	-	-
Charges for Services	2,905,667	2,859,770	3,037,600
Licenses/Permits/Fines	-	-	-
Transfers/Other Sources	-	-	-
Appropriated Net Assets (Fund Balance)	-	-	689,348
Total Estimated Financial Sources	**3,983,356**	**2,909,270**	**3,798,948**
Expenditures			
Personnel	533,359	516,846	563,469
Operations	2,040,124	1,808,757	1,928,479
Capital	947,881	1,431,219	1,307,000
Total Budget	**3,521,364**	**3,756,822**	**3,798,948**
Financial Sources less Budget	**461,992**	**(847,552)**	**-**
Net Unreserved Assets, End of Year	**2,841,039**	**1,993,487**	**1,304,139**

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

Annual Funds - Combined Totals

13-14 Actual	14-15 Estimated	15-16 Adopted
34,727,999	41,035,542	35,120,785
38,671,514	40,357,010	40,685,610
1,683,817	1,538,738	1,568,738
19,823,792	20,097,141	20,772,080
56,198	48,179	40,240
2,686,215	1,361,469	1,181,140
-	1,273	1,291
5,279,368	5,293,823	4,325,391
19,525,762	20,209,396	21,191,951
5,314,038	4,434,877	5,786,421
4,106,355	4,348,834	3,792,196
-	-	3,968,788
97,147,059	**97,690,740**	**103,313,846**
50,209,949	54,102,834	60,003,660
33,430,849	39,064,449	38,887,553
7,198,718	10,438,214	4,422,633
90,839,516	**103,605,497**	**103,313,846**
6,307,543	**(5,914,757)**	**-**
41,035,542	**35,120,785**	**31,151,997**

TOWN OF CHAPEL HILL FLOW OF FUNDS



*Represents a Major Fund.

SUMMARY OF ANNUAL FUND GROUPS

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

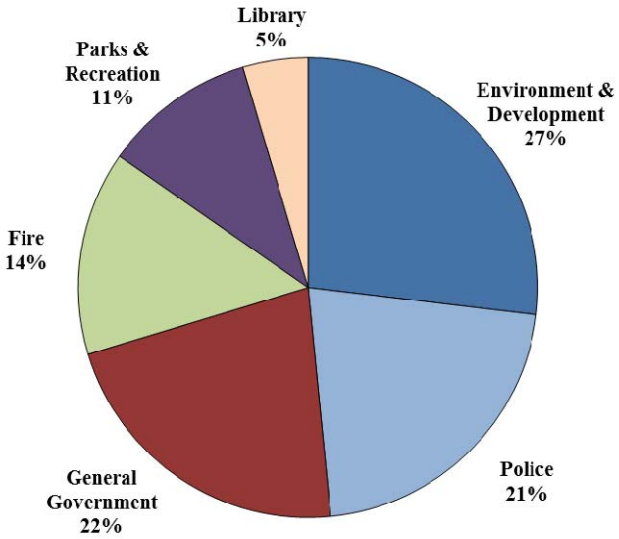
INTERFUND TRANSFERS
Adopted 2015-16

	Transfers From:					
Transfers to:	**General Fund**	**Off-Street Parking**	**On-Street Parking**	**Transit Capital Reserve**	**Library Gift Fund**	**Net Transfers**
General Fund	$ -	$ -	$ -	$ -	$ 45,000	$ 45,000
Transit Fund	247,836	-	-	-	-	247,836
Parking Fund	-	-	55,730	-	-	55,730
Transit Capital Grants	-	-	-	198,339	-	198,339
Stormwater Management	6,500	-	-	-	-	6,500
Debt Service Fund	-	909,582	-	-	-	909,582
CIP Fund	778,000	-	-	-	-	778,000
Grants Fund	72,048	-	-	-	-	72,048
Net Transfers	**$ 1,104,384**	**$ 909,582**	**$ 55,730**	**$ 198,339**	**$ 45,000**	**$ 2,313,035**

GENERAL FUND

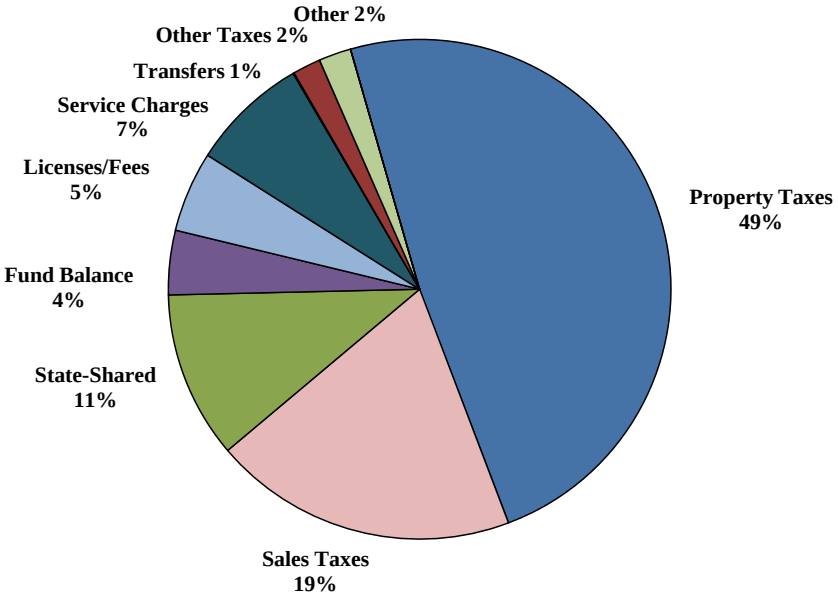
The General Fund is the general operating fund of the Town and is used to account for all revenues and expenditures except those required to be accounted for in another fund. The fund is established at the inception of a government and exists throughout the government's life.

General Fund Expenditures



Total $61,701,000

General Fund Revenues



GENERAL FUND
BUDGET SUMMARY

EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Government	$ 12,035,657	$ 12,827,060	$ 16,377,763	$ 13,364,943	$ 13,498,226	5.2%
Environment & Development	13,585,179	14,681,331	16,052,352	14,902,850	16,584,791	13.0%
Public Safety	19,876,000	21,634,269	21,919,283	20,758,652	22,163,345	2.4%
Leisure	8,277,166	9,131,340	9,387,862	8,965,999	9,454,638	3.5%
Total	$ 53,774,002	$ 58,274,000	$ 63,737,260	$ 57,992,444	$ 61,701,000	5.9%

REVENUES

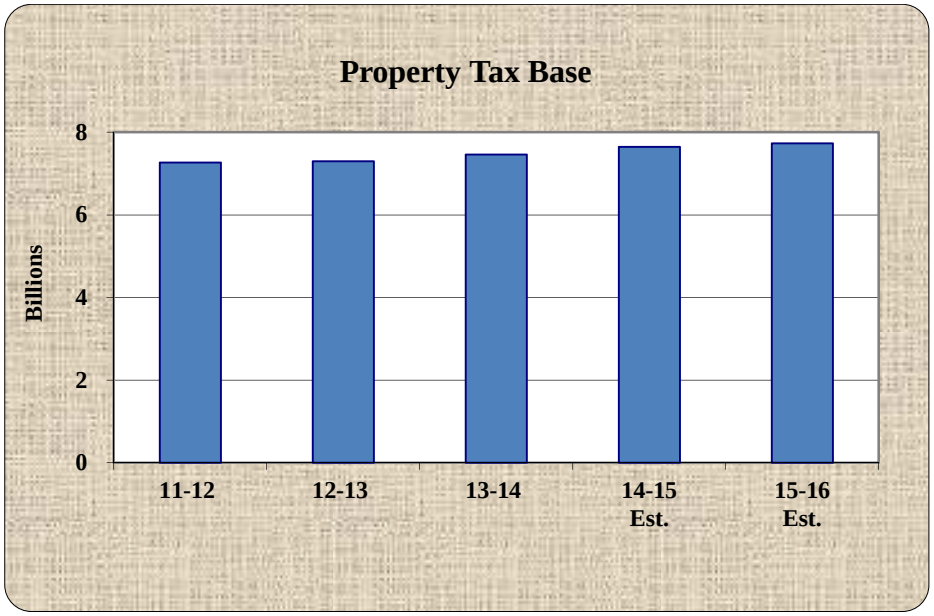
	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Revenues:						
Property Taxes	$ 29,044,174	$ 29,495,000	$ 29,495,000	$ 29,696,000	$ 29,970,000	1.6%
Sales Taxes	10,548,127	10,875,600	10,875,600	11,376,880	12,059,494	10.9%
Other Tax and Licenses	1,104,552	1,044,000	1,044,000	1,114,000	1,114,000	6.7%
State-Shared Revenues	6,582,802	6,439,590	6,439,590	6,657,265	6,649,590	3.3%
Interest on Investments	25,551	21,000	21,000	26,255	22,500	7.1%
Other Revenues	823,074	417,360	557,117	755,990	472,950	13.3%
Grants	1,371,187	791,407	883,571	872,778	782,114	-1.2%
Charges for Services	3,745,771	4,353,948	4,353,948	4,121,872	4,666,537	7.2%
Licenses/Permits/Fines	2,970,002	2,062,092	2,069,592	2,071,322	3,213,451	55.8%
Transfers/Other Sources	170,424	119,910	45,000	45,000	45,000	-62.5%
Appropriated Fund Balance	(2,611,662)	2,654,093	7,952,842	1,255,082	2,705,364	1.9%
Total	$ 53,774,002	$ 58,274,000	$ 63,737,260	$ 57,992,444	$ 61,701,000	5.9%

GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

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 2015-16 is estimated to be about $7,725,370,000 with 1 cent on the tax rate equivalent to about $765,000.



The combined property tax revenue we anticipate for 2015-16 totals about $40.2 million, with $30 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 $1,050,000 in the current year and about $1,050,000 in 2015-16. Revenue trends are affected by University events and general economic conditions.

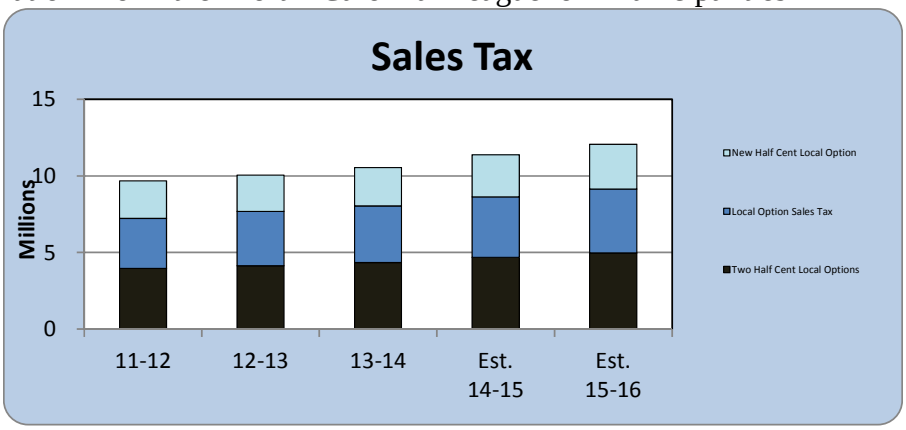
GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

State-Collected Revenues

Sales Taxes

Sales tax revenue is expected to come in at around $500,000 over budget in 2014-15. Growth was budgeted at 6% for FY15 and sales tax receipts have exceeded growth projections. 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 6% in sales taxes for FY16. We estimate combined sales taxes of about $11,376,900 for 2015-16. 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 $1,490,000 in 2014-15, about the same as prior year. For 2015-16, we anticipate revenues will hold the line at around $1,490,000.

State Fire Protection Funds

We are expecting about $1,097,590 in State Fire Protection Funds in the current year, and we expect about the same level of funding from this source in 2015-16.

Utility Franchise Tax

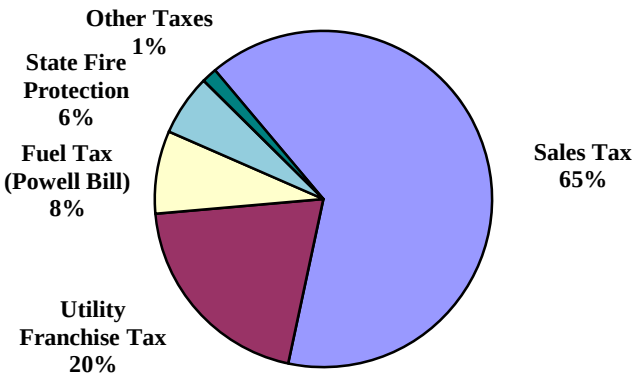
Utility franchise taxes are derived from a 3 percent tax on gross revenues from public utilities in each jurisdiction, and are collected by the State for distribution to cities and towns. Because the fees are dependent upon utility charges, they are affected by weather conditions and can vary from year 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 slightly higher the current year's budget for a total of about $3.7 million in 2014-15, and we expect no increase in 2015-16.

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 $32,000 for the current year and $32,000 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 $240,000 for the current year and $240,000 next year.

In summary, we estimate State-collected revenues would total about $18,709,084 for next year.

State Collected Revenues
$18,709,084



Other Revenue Sources

Grants
This category of revenue includes certain recurring local and State grants totaling about $780,614 for 2015-16. 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 2015-16 includes level funding from the County at $83,700 for the Parks and Recreation supplement. The adopted 2015-16 budget includes $568,139 in Orange County funding to support the Chapel Hill Library, which is equal to the current year's allocation. The State appropriation for Library services is budgeted at $28,715.

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 under budget in the current year by about $230,000. This can be attributed to revenue related to the Ephesus Fordham Project not coming in as expected. Charges for services are expected to increase from $4,354,000 to about $4,667,000 in 2015-16 due to continued growth.

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 2015-16, these include estimates of $82,000 from Parking Enterprise Funds, $114,000 from the Stormwater Management Fund, and $1,196,000 from the Transit Enterprise Fund.

Licenses/Permits/Fines & Forfeitures
Revenue from licenses, permits, and fines, are expected to exceed the current year's budget by about $9,000 due to an increase in inspection permits offset by the elimination of the privilege license revenue. Total licenses and permits are expected to increase significantly in 2015-16 due to further growth in inspection permits and the addition of a fee for fire inspections, with a budget of about $3.2 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 exceed the current year's budget estimate of $21,000 and generate about $22,500 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 $417,000 for 2014-15 and $467,000 for 2015-16.

Transfers
Transfers include a transfer of $45,000 for 2015-16 from the Library Gift Fund for Library purposes.

Fund Balance
This appropriation represents a use of net assets (fund balance) for general operations. We are currently budgeted to use $6.8 million of fund balance in 2014-15, but through cost-cutting measures, will use only about $1.4 million. The annual budget includes the use of about $2,705,000 in 2015-16 to maintain service levels.

GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

Summary of Revenues

In summary, the annual budget includes $61.7 million in General Fund revenues, including the use of about $2,705,000 of fund balance.

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

	14-15 Revised Budget	14-15 Estimated	15-16 Adopted Budget
Property Taxes	$ 29,495,000	$ 29,696,000	$ 29,970,000
Sales Taxes	10,875,600	11,376,880	12,059,494
Other State-Collected	6,439,590	6,657,265	6,649,590
Other Revenues	2,505,688	2,769,023	2,391,564
Licenses/Permits	2,069,592	2,071,322	3,213,451
Service Charges	4,353,948	4,121,872	4,666,537
Interfund Transfers	45,000	45,000	45,000
Fund Balance	7,952,842	1,255,082	2,705,364
Total	**$ 63,737,260**	**$ 57,992,444**	**$ 61,701,000**

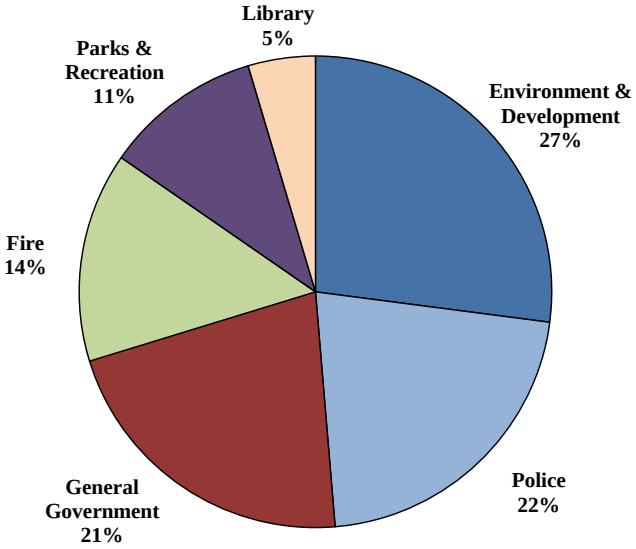
GENERAL FUND

Major Expenditures - Descriptions and Estimates

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 $61,701,000 for the 2015-16 budget.

The largest category of expenditures for the General Fund is Public Safety services, with Police Department expenditures of about $13.3 million and Fire Department expenditures of about $8.9 million.



Environment and Development is the second largest category in the General Fund at about $16.6 million, including Planning & Sustainability, Housing & Community and Public Works which provide services of affordable housing, planning for growth, engineering, solid waste collection, maintenance of streets, inspections, and maintenance of Town facilities.

Police, Fire and Public Works together comprise about 56% of total General Fund expenditures.

Other General Fund services include Parks and Recreation programs totaling about $6.6 million, Library services of $2.8 million, and General Governmental activities (Administration, Communications & Public Affairs, Business Management, Human Resources, Attorney, and Non-Departmental) totaling about $13.5 million.

Non-departmental expenditures total $5.1 million. Non-departmental expenditures include a transfer for capital improvements of $778,000. $969,838 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 non-departmental budget also includes funding for the “penny for housing” ($688,395), legal/investigations/demolition funds ($100,000) and the Technology Fund ($270,407). The budget for liability and property insurance totals $400,000.

GENERAL FUND
Major Expenditures - Descriptions and Estimates

Significant changes in the 2015-16 budget includes changes to medical insurance rates. The adopted budget includes an 8.5% decrease in rates for active employees and under-65 retirees, or about $359,000. The budget also includes a decrease to the employer contribution to the state retirement system from 7.07% to 6.67%, or about $93,000, for General Fund employees.

Additional expenses in the budget include a 2% of market rate salary adjustment, once on the first payroll of July 2015 and again on the first payroll of January 2016 ($1,030,000), increases in development related expenses in Planning & Sustainability, Public Works, Fire and Business Management ($858,000), which includes 3 additional Inspectors, an additional Plans Reviewer, 2 Fire Inspectors, an additional Revenue Collector, Supplemental Development Plan Review and additional associated operating costs. Further additional expenses include an increase for staff dedicated to Risk Management ($138,000), increased costs associated with the Parks & Recreation departmental reorganization ($263,000), two additional IT Analyst positions ($162,000), an additional position dedicated to Affordable Housing ($100,000), a joint administrative position shared between Housing & Community and Planning & Sustainability ($66,000), a new Customer Service Technician dedicated to the Permit Center ($59,000), a new limited term Human Resources Consultant ($83,000), a new Records Manager ($69,000) and other various increases in training, equipment, supplies and technology ($250,000).

The 2015-16 Adopted Budget continues to fund retiree medical costs on a pay-as-you-go basis ($925,000), but does not contribute towards the post-employment benefit liability. The budget increases funding for the Orange Community Housing & Loan Trust ($100,000) and the Homeless Initiative ($4,000). The budget also includes a transfer to the Transit Fund ($116,000).

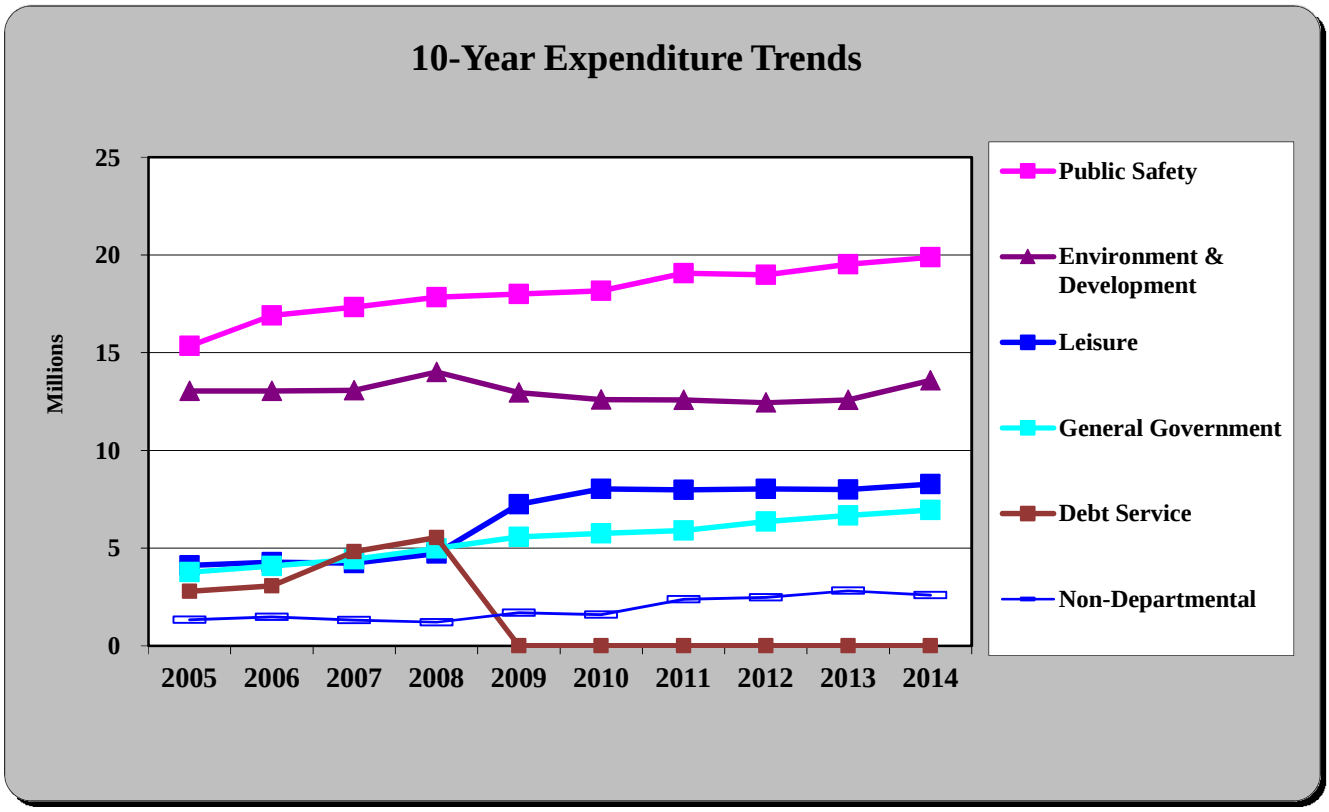
The table below shows expenditure levels for General Fund personnel, operating costs and capital outlay.

EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 36,186,994	$ 40,450,250	$ 40,084,055	$ 38,270,718	$ 43,090,519	6.5%
Operating Costs	15,089,756	16,932,744	21,220,611	17,320,732	17,771,953	5.0%
Capital Outlay	2,497,252	891,006	2,432,594	2,400,994	838,528	-5.9%
Total	$ 53,774,002	$ 58,274,000	$ 63,737,260	$ 57,992,444	$ 61,701,000	5.9%

GENERAL FUND

Major Expenditures - Descriptions and Estimates



GENERAL FUND
EXPENDITURES BY DEPARTMENT

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Government						
Mayor/Council	$ 433,204	$ 417,068	$ 424,468	$ 423,919	$ 471,270	13.0%
Manager/CaPA	2,228,917	2,504,747	2,230,188	2,145,938	2,364,707	-5.6%
Human Resource Dev't	1,128,773	1,468,795	1,558,545	1,440,286	1,708,151	16.3%
Business Management	1,546,311	1,822,728	1,826,454	1,723,182	1,996,679	9.5%
Technology Solutions	1,259,189	1,428,111	1,457,927	1,415,716	1,491,763	4.5%
Town Attorney	346,522	308,660	308,660	309,155	320,132	3.7%
Non-Departmental	5,092,741	4,876,951	8,571,521	5,906,747	5,145,524	5.5%
Subtotal	**$ 12,035,657**	**$ 12,827,060**	**$ 16,377,763**	**$ 13,364,943**	**$ 13,498,226**	**5.2%**
Environment & Development						
Planning & Sustainability	$ 2,226,704	$ 2,595,645	$ 3,143,679	$ 2,671,949	$ 3,743,215	44.2%
Housing & Community	-	-	465,000	393,597	599,491	N/A
Public Works	11,358,475	12,085,686	12,443,673	11,837,304	12,242,085	1.3%
Subtotal	**$ 13,585,179**	**$ 14,681,331**	**$ 16,052,352**	**$ 14,902,850**	**$ 16,584,791**	**13.0%**
Public Safety						
Police	$ 12,019,033	$ 13,201,831	$ 13,329,748	$ 12,591,632	$ 13,304,491	0.8%
Fire	7,856,967	8,432,438	8,589,535	8,167,020	8,858,854	5.1%
Subtotal	**$ 19,876,000**	**$ 21,634,269**	**$ 21,919,283**	**$ 20,758,652**	**$ 22,163,345**	**2.4%**
Leisure						
Parks and Recreation	$ 5,929,953	$ 6,401,924	$ 6,642,318	$ 6,323,612	$ 6,622,483	3.4%
Library	2,347,213	2,729,416	2,745,544	2,642,387	2,832,155	3.8%
Subtotal	**$ 8,277,166**	**$ 9,131,340**	**$ 9,387,862**	**$ 8,965,999**	**$ 9,454,638**	**3.5%**
General Fund Total	**$ 53,774,002**	**$ 58,274,000**	**$ 63,737,260**	**$ 57,992,444**	**$ 61,701,000**	**5.9%**

GENERAL GOVERNMENT BUDGET SUMMARY

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

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Mayor/Council	$ 433,204	$ 417,068	$ 424,468	$ 423,919	$ 471,270	13.0%
Town Manager/CaPA	2,228,917	2,504,747	2,230,188	2,145,938	2,364,707	-5.6%
Human Resources	1,128,773	1,468,795	1,558,545	1,440,286	1,708,151	16.3%
Business Management	1,546,311	1,822,728	1,826,454	1,723,182	1,996,679	9.5%
Technology Solutions	1,259,189	1,428,111	1,457,927	1,415,716	1,491,763	4.5%
Town Attorney	346,522	308,660	308,660	309,155	320,132	3.7%
Non-Departmental	5,092,741	4,876,951	8,571,521	5,906,747	5,145,524	5.5%
Total	$ 12,035,657	$ 12,827,060	$ 16,377,763	$ 13,364,943	$ 13,498,226	5.2%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Revenues	$ 12,035,657	$ 12,827,060	$ 16,377,763	$ 13,364,943	$ 13,498,226	5.2%
Total	$ 12,035,657	$ 12,827,060	$ 16,377,763	$ 13,364,943	$ 13,498,226	5.2%

MAYOR/COUNCIL

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.

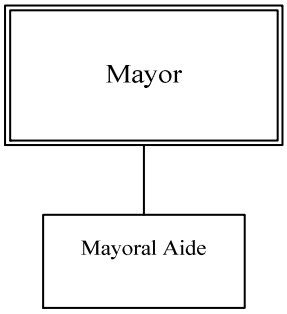
- Appointment of the Town Manager and Town Attorney.

- 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

	2013-14 ADOPTED	2014-15 ADOPTED	2015-16 ADOPTED
Mayoral Aide	1.00	1.00	1.00
Mayor's Office Totals	1.00	1.00	1.00



MAYOR
BUDGET SUMMARY

The adopted budget for the Mayor's office reflects a slight overall decrease from the prior year. The net result of a 2% July and 2% January pay adjustment is offset by a change in personnel in the department as well as a decrease in health insurance costs. The 28.2% increase in operating costs can be attributed to an increase in anticipated travel expenses.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 100,268	$ 104,340	$ 98,040	$ 95,140	$ 94,812	-9.1%
Operating Costs	16,581	18,025	26,925	22,406	23,109	28.2%
Total	$ 116,849	$ 122,365	$ 124,965	$ 117,546	$ 117,921	-3.6%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Revenues	$ 116,849	$ 122,365	$ 124,965	$ 117,546	$ 117,921	-3.6%
Total	$ 116,849	$ 122,365	$ 124,965	$ 117,546	$ 117,921	-3.6%

COUNCIL
BUDGET SUMMARY

The adopted budget for the Town Council reflects an increase of 19.9% from the 2014-15 budget, primarily for election-related items. The operating increase is directly related to adding election expenses to the FY16 budget ($30,000) and an increase in fees/dues. The 7.4% increase in personnel is the net result of adding some Council members to the Town's health plan and through the 2% July and 2% January pay adjustment.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 168,678	$ 167,138	$ 167,538	$ 175,265	$ 179,462	7.4%
Operating Costs	147,677	127,565	131,965	131,108	173,887	36.3%
Total	$ 316,355	$ 294,703	$ 299,503	$ 306,373	$ 353,349	19.9%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Revenues	$ 316,355	$ 294,703	$ 299,503	$ 306,373	$ 353,349	19.9%
Total	$ 316,355	$ 294,703	$ 299,503	$ 306,373	$ 353,349	19.9%

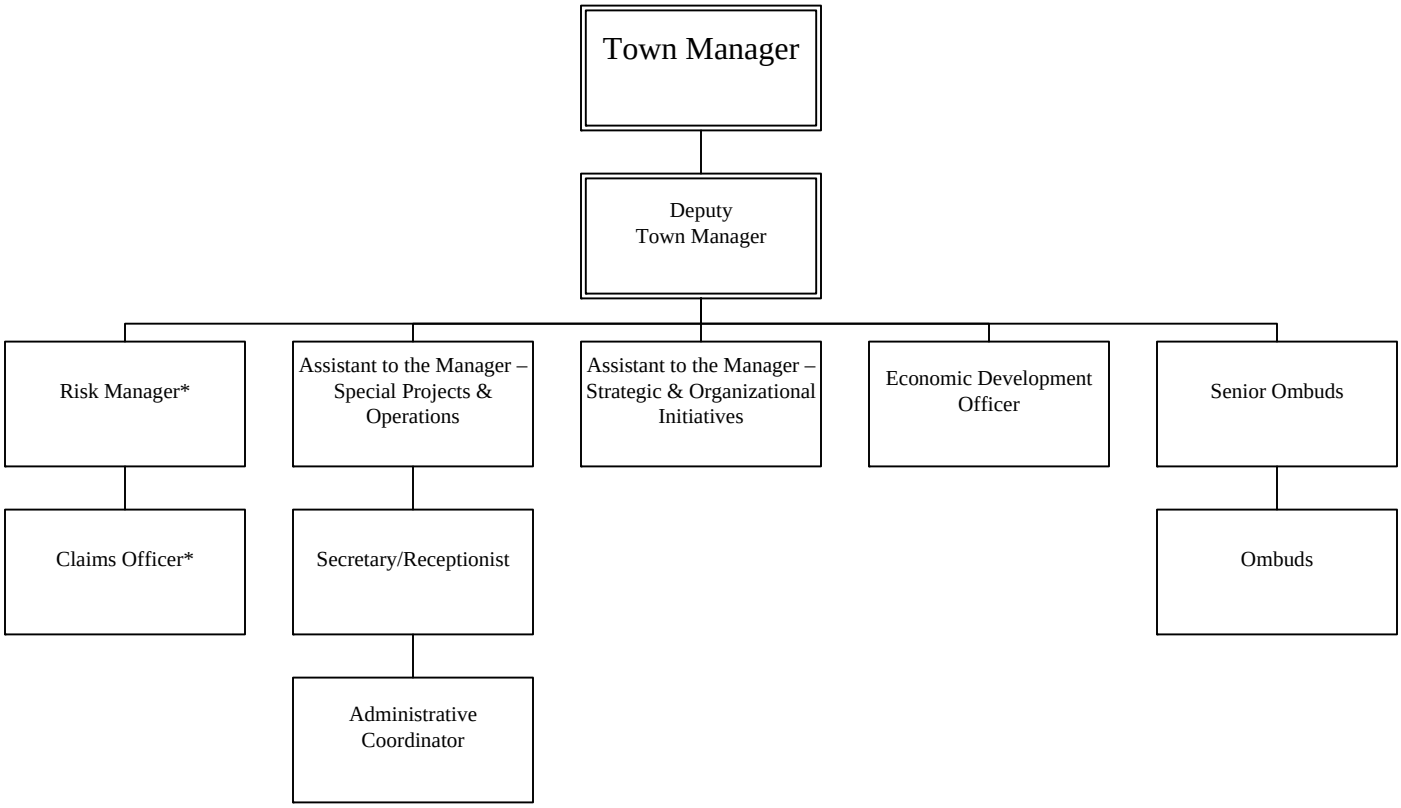
TOWN MANAGER

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 FY16.

Program	Description
Council Support	Provide support to Mayor and Town Council, including coordinating preparation and delivery of informational reports and recommendations.
Executive Management	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.
Economic Development	Provide support and assistance to new and existing businesses in order to promote further development.
Sustainability	Coordinate, develop and implement policy, programs and initiatives to measure and enhance organizational and community sustainability.
Stakeholder Communications	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



* The Risk Management division is housed in the Human Resources budget but reports to the Manager's Office

TOWN MANAGER'S OFFICE

STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2013-14 ADOPTED	2014-15 ADOPTED	2015-16 ADOPTED
Town Manager	1.00	1.00	1.00
Deputy Town Manager	1.00	1.00	1.00
Economic Development Coordinator	1.00	1.00	1.00
Sustainability Officer	1.00	1.00	0.00
Energy Management Specialist	1.00	1.00	0.00
Policy & Strategic Initiatives Director	1.00	1.00	0.00
Organizational Effectiveness Coordinator	1.00	1.00	0.00
Senior Ombuds	1.00	1.00	1.00
Administrative Coordinator	0.00	0.00	1.00
Ombuds	1.00	1.00	1.00
Assistant to the Manager	1.00	1.00	2.00
Administrative Assistant	0.75	0.75	0.00
Office Assistant	1.00	1.00	1.00
Town Manager's Office Totals	11.75	11.75	9.00

TOWN MANAGER
BUDGET SUMMARY

The Town Manager's adopted budget for FY16 reflects a 14.6% decrease over FY15, primarily the result of the movement of the Policy & Strategic Initiatives division, the Sustainability Officer, and the Energy Management Specialist to the Planning & Sustainability department. Other personnel changes include a 2% July and 2% January pay adjustment, a 27% decrease in health insurance, and department reorganization. The operating decrease of 12.7% is due to transfering money associated with energy audits to Planning & Sustainability as well as training and travel that had been associated with the Policy & Strategic Initiatives division.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 1,397,968	$ 1,490,146	$ 1,172,087	$ 1,147,697	$ 1,267,349	-15.0%
Operating Costs	159,732	267,080	233,680	223,951	233,180	-12.7%
Total	$ 1,557,700	$ 1,757,226	$ 1,405,767	$ 1,371,648	$ 1,500,529	-14.6%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Revenues	$ 1,557,700	$ 1,757,226	$ 1,405,767	$ 1,371,648	$ 1,500,529	-14.6%
Total	$ 1,557,700	$ 1,757,226	$ 1,405,767	$ 1,371,648	$ 1,500,529	-14.6%

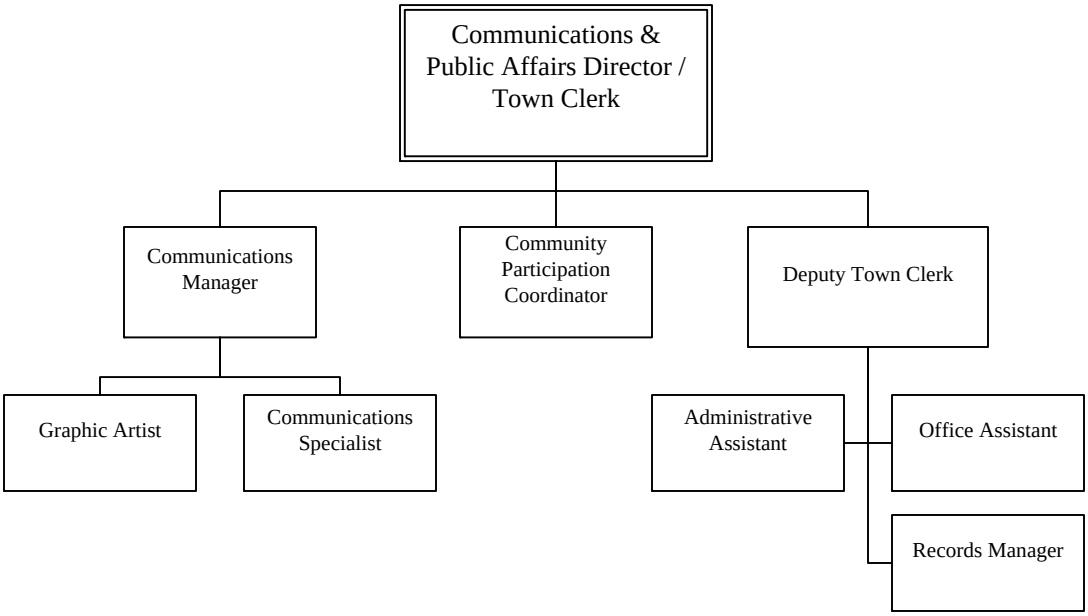
COMMUNICATIONS & PUBLIC AFFAIRS

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 FY16.

Program	Description
Communications & Public Information	Provide information to the public in a variety of forms. Coordinate and administer crisis communications, news media relations, website, community engagement, graphic design, Chapel Hill TV -18, social media, advertising, streaming video and signage.
Governance Support	Provide support for Council Meetings and the Agenda process. Organize and facilitate all Council meetings/workshops, Council orientation, transcribe Council meeting minutes.
Public Records	Maintain and dispose of public records. Maintain, update and transmit amendments to Municipal Code of Ordinances. Answer public record requests. Maintain Council email archive.
Citizen Participation	Support the Town's advisory board system, including the establishment of standards, recruiting and training advisory board members, coordination of Council appointments.
Consultation and Ancillary Support Services	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

	2013-14 ADOPTED	2014-15 ADOPTED	2015-16 ADOPTED
Communications & Public Affairs Director / Town Clerk	1.00	1.00	1.00
Town Clerk-Deputy	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Office Assistant	0.53	0.53	0.53
Community Participation Coordinator	1.00	1.00	1.00
Communications Manager	1.00	1.00	1.00
Records Manager	0.00	0.00	1.00
Graphic Artist	1.00	1.00	1.00
Communications Specialist	1.00	1.00	1.00
CAPA Office Totals	7.53	7.53	8.53

COMMUNICATIONS & PUBLIC AFFAIRS/ TOWN CLERI BUDGET SUMMARY

The adopted budget for 2015-16 reflects a 15.6% increase from the prior year. The personnel increase of 15.4% reflects the addition of a Records Manager position, a 2% July and 2% January pay adjustment, and an 8.5% decrease in health insurance costs. The 16.3% increase to the operating budget is primarily due to the costs associated with the community survey ($20,000) and application software ($17,760).

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 475,505	$ 572,083	$ 563,821	$ 551,063	$ 660,180	15.4%
Operating Costs	195,712	175,438	260,600	223,227	203,998	16.3%
Total	$ 671,217	$ 747,521	$ 824,421	$ 774,290	$ 864,178	15.6%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Revenues	$ 671,217	$ 747,521	$ 824,421	$ 774,290	$ 864,178	15.6%
Total	$ 671,217	$ 747,521	$ 824,421	$ 774,290	$ 864,178	15.6%

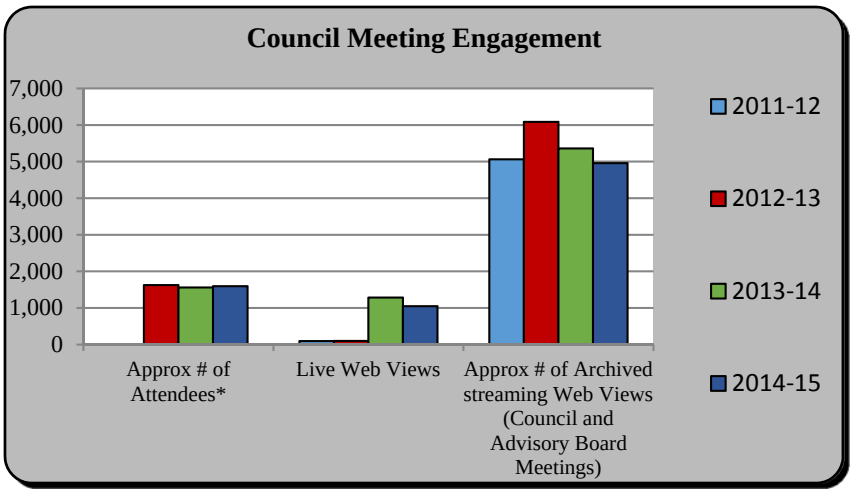
COMMUNICATION & PUBLIC AFFAIRS KEY PERFORMANCE MEASURES

Create a Place for Everyone

Department Program: Communications and Public Information

Objective: Engage the public in Town decision making and Town programs so that outcomes balance community interests, values, and needs

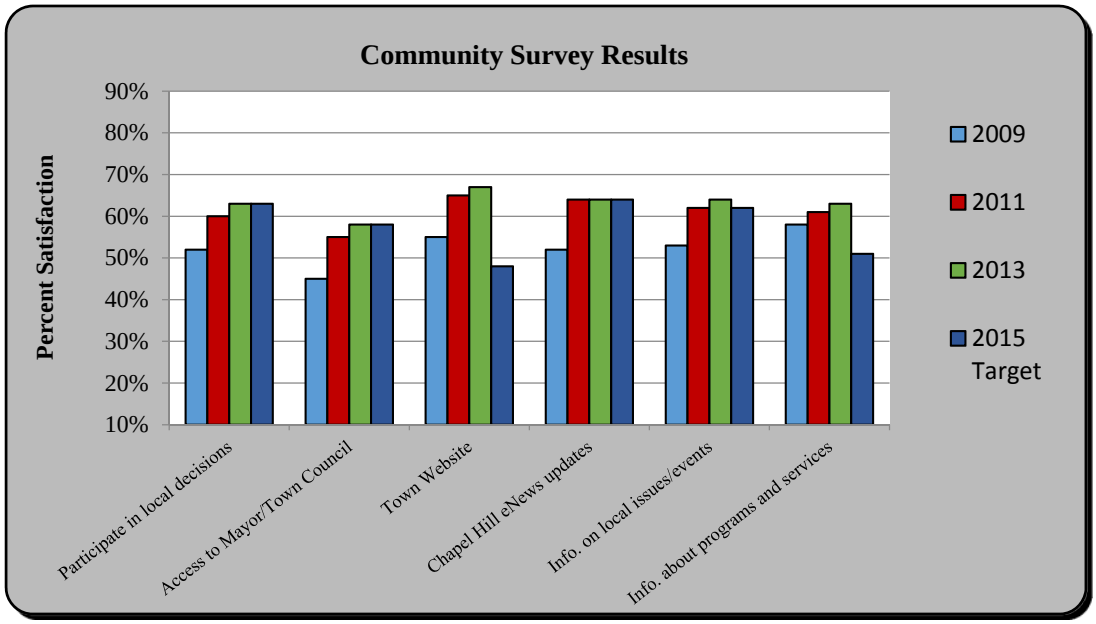
Public engagement is monitored by actual attendance at meetings as well as meetings viewed on the Web. The graph indicates that a similar number of residents attend meetings as view the meetings online. The number of residents that view archived views of Council meetings is two to three times higher than those who attend in person or watch live broadcasts of meetings.



Create a Place for Everyone

Department Program: Communications and Public Information

Objective: Develop, grow, and maintain effective two-way communication channels that reach people where they are to tell the story of what we are doing and how our actions affect them



Our rankings in the Community Survey are about 20% higher than regional benchmarks. We have seen steady increases in combined subscribers to eNews, Twitter and Facebook channels -- 13,100 in 2013-14 which was a 23.7% increase over the previous year; and 15,975 in 2014-15, up 22%.

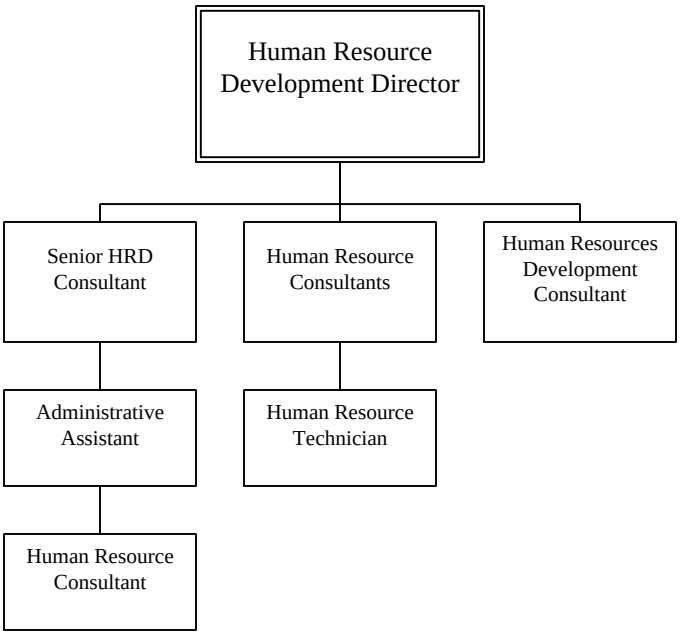
HUMAN RESOURCE DEVELOPMENT DEPARTMENT

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 FY16.

Program	Description
Classification and Compensation	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.
Benefits	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.
Employee Relations	Ensure communication and understanding of the Town's Code of Ordinances, Town policies and procedures and State and Federal laws.
Employee Training and Development	Provide programs designed to engage our employees and assist them in reaching their professional potential by building skills and enhancing competencies.
Recruitment Services	Develop, implement and maintain selection procedures in accordance with applicable polices and laws that identify, attract and retain the most qualified applicants for employment while encouraging diverse representation at all levels of the workforce.
Safety and Wellness	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



The Risk Management division is housed in the Human Resources budget but reports to the Manager's Office.

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

	2013-14 ADOPTED	2014-15 ADOPTED	2015-16 ADOPTED
Human Resource Development Director	1.00	1.00	1.00
Assistant Director-Human Resource Development	0.00	1.00	0.00
Senior Human Resource Consultant	1.00	1.00	1.00
Assistant HR Consultant	0.00	0.00	1.00
Occupational Health and Safety Officer	1.00	0.00	0.00
Human Resources Development Consultant	0.00	0.00	1.00
Risk Manager	0.00	0.00	1.00
Risk Management Claims Officer	0.00	0.00	1.00
Human Resources Technician	0.00	1.00	1.00
Human Resource Consultant	4.00	2.00	2.00
Administrative Assistant	1.00	1.00	1.00
Human Resource Development Totals	8.00	7.00	10.00

HUMAN RESOURCE DEVELOPMENT BUDGET SUMMARY

The adopted budget for FY16 includes a 37.8% increase in personnel costs, the result of a 2% July and 2% January pay adjustment, a new Human Resources Consultant, a Risk Manager, and a Risk Management Claims Officer which is offset by an 8.5% decrease in health insurance costs. The 1.4% increase in operating costs are mainly related to the purchase of a new vehicle ($20,500).

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 521,284	$ 600,445	$ 611,575	$ 586,430	$ 827,331	37.8%
Operating Costs	607,489	868,350	946,970	853,856	880,820	1.4%
Total	$ 1,128,773	$ 1,468,795	$ 1,558,545	$ 1,440,286	$ 1,708,151	16.3%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Revenues	$ 1,128,773	$ 1,468,795	$ 1,558,545	$ 1,440,286	$ 1,708,151	16.3%
Total	$ 1,128,773	$ 1,468,795	$ 1,558,545	$ 1,440,286	$ 1,708,151	16.3%

HUMAN RESOURCE DEVELOPMENT KEY PERFORMANCE MEASURES

Govern with Quality and Steward Public Assets

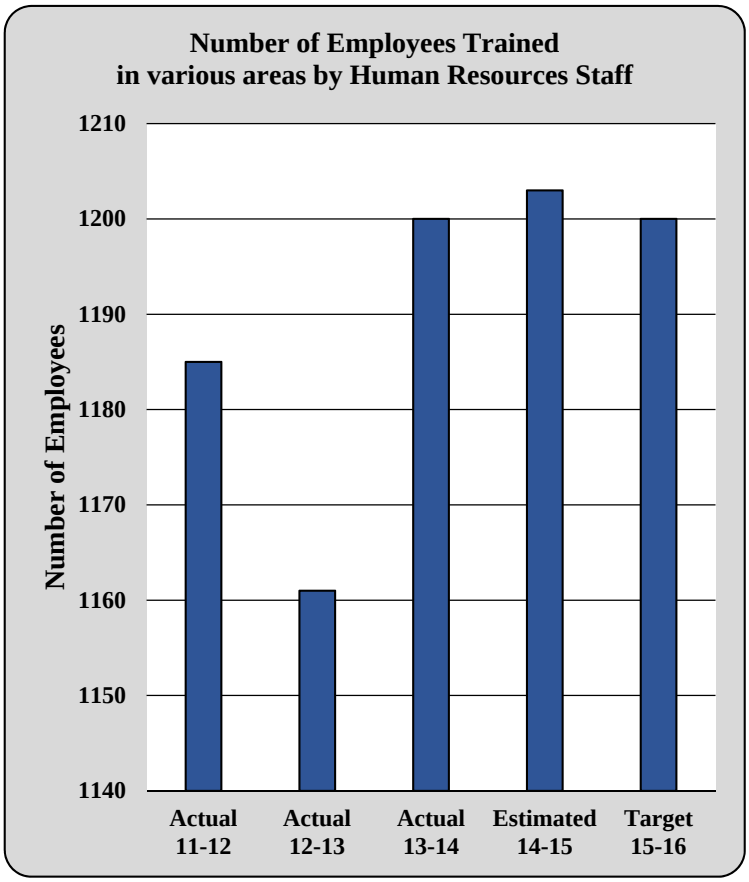
Department Program: Employee Training and Development

Goal: Support the development of our employees, including succession planning efforts through professional development, career development, and improved performance management

Objective: Increase the number of professional development programs and participation in those programs to improve leadership capabilities, job skills, and employee productivity

The Human Resource Development Department offered a variety of training and developmental opportunities in 2014-15. 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 has offered a number of communication and team building workshops. We have continued to provide leadership development, skill building training. As a result, we provided training to approximately 1,200 participants.



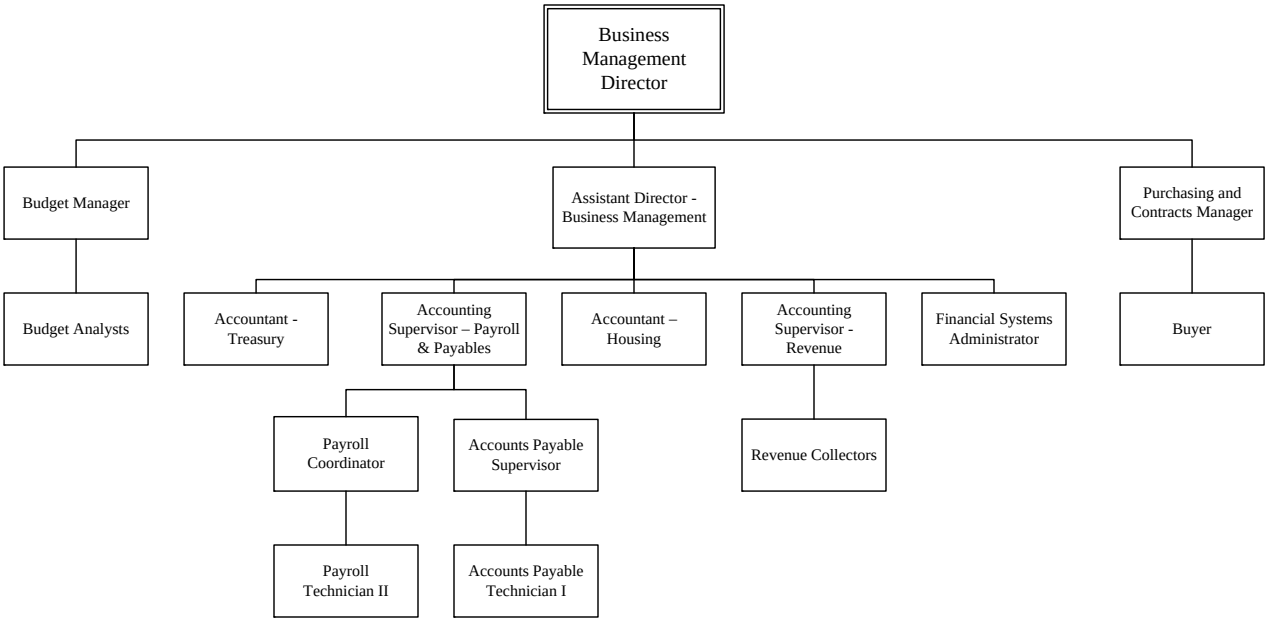
BUSINESS MANAGEMENT DEPARTMENT

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 FY16.

Program	Description
Billing & Collections	Provide administration and/or oversight of all Town billings and collections.
Budget	Administer the Town's capital and operating budgets.
Payroll & Payables	Administer the Town's payroll and payables functions.
Accounting & Financial Reporting	Maintain the Town's financial accounting system, including: recording, aggregating and reporting all of the Town's financial transactions; facilitating the annual audit; producing periodic financial reports including CAFR, grant reports and ad hoc reports.
Purchasing & Contracts	Administer the Town's purchasing and contracting systems. Includes: facilitating bids and other competitive procurement processes; reviewing all contracts, bids and purchases and disposal of Town assets for compliance with applicable regulations and Town policies.
Risk Management	Process liability, property and W/C claims against the Town. Purchase insurance coverage. Coordinate with insurance carriers and process recovery claims.
Liquidity Management	Administer the Town's cash management, investment, banking and debt management functions.
Financial Planning & Support	Provide financial analysis, research and strategic planning for the Town's financial operations, including: review of agenda items; budget planning and analysis; long-term capital and debt planning; and departmental financial planning support.
Database Management and Enterprise Application Support	Administer and manage the Tyler Technologies MUNIS financial/payroll/human resources software application and databases.

BUSINESS MANAGEMENT DEPARTMENT



BUSINESS MANAGEMENT

STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2013-14 ADOPTED	2014-15 ADOPTED	2015-16 ADOPTED
Finance			
Director - Business Management	1.00	1.00	1.00
Assistant Director - Business Management	1.00	1.00	1.00
Accounting Manager	1.00	0.00	0.00
Financial Systems Administrator	1.00	1.00	1.00
Budget Manager	1.00	1.00	1.00
Budget Analyst	0.00	1.00	2.00
Accountant - Payroll & Payables	0.00	1.00	1.00
Accountant - Revenue	1.00	1.00	1.00
Accountant - Treasury	1.00	1.00	1.00
Accountant - Housing	1.00	1.00	1.00
Purchasing & Contracts Manager	1.00	1.00	1.00
Purchasing Technician	1.00	1.00	1.00
Payroll Coordinator	1.00	1.00	1.00
Payroll Technician	1.00	1.00	1.00
Accounting Technician II	1.00	0.00	0.00
Accounts Payable Supervisor	0.00	1.00	1.00
Revenue Collector	1.00	1.00	2.00
Accounting Tech I	1.00	1.00	1.00
Division Totals	15.00	16.00	18.00

BUSINESS MANAGEMENT
BUDGET SUMMARY

The adopted budget for FY16 includes an 8.7%% increase in personnel costs, chiefly the result of a a 2% July and 2% January pay adjustment, an additional Budget Analyst, and a Revenue Collector, which is partially offset by an 8.5% decrease in health insurance costs. The operating increase of 12% includes $10,000 to be a part of the UNC School of Government's Benchmarking Study and a $45,000 increase in Orange County tax collection fees.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 1,072,990	$ 1,346,416	$ 1,275,905	$ 1,200,942	$ 1,463,253	8.7%
Operating Costs	473,321	476,312	550,549	522,240	533,426	12.0%
Total	$ 1,546,311	$ 1,822,728	$ 1,826,454	$ 1,723,182	$ 1,996,679	9.5%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Revenues	$ 1,546,311	$ 1,822,728	$ 1,826,454	$ 1,723,182	$ 1,996,679	9.5%
Total	$ 1,546,311	$ 1,822,728	$ 1,826,454	$ 1,723,182	$ 1,996,679	9.5%

BUSINESS MANAGEMENT
KEY PERFORMANCE MEASURES

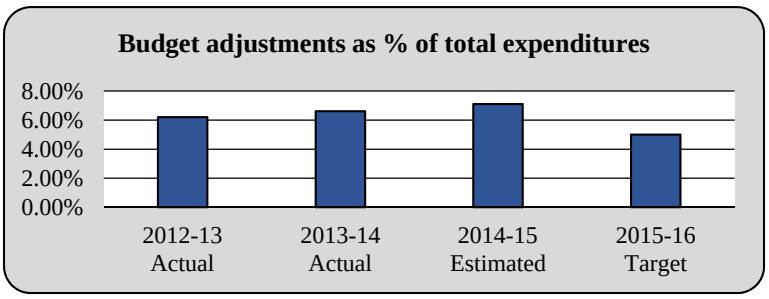
Govern with Quality and Steward Public Assets

Department Program: Budget

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 FY13 or FY14. Based on estimates we will not meet target for FY15. Ad hoc reorganizations authorized outside of the budget process make this goal unobtainable.

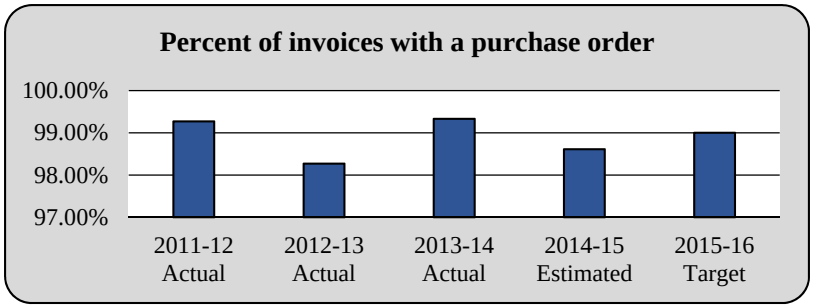


Govern with Quality and Steward Public Assets

Department Program: Purchasing and Contracts

Goal: To safeguard the Town's assets through appropriate accounting controls

Objective: To secure purchase orders for 99% of invoices over $1,000



During FY14-15, purchase orders were secured for 98.61% of invoices over $1,000. This is down from 99.33% in FY13 and does not meet the goal of 99%. The target for FY16 remains at 99%.

Objectives	Progress/Status
Maintain accounting records 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 Achievements for Excellence in Financial Reporting from the National GFOA.	Received Award for Excellence in Financial Reporting for the FY14 Comprehensive Annual Financial Report. Audit services secured for fiscal year ending June 30, 2015 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 Installment financing for vehicle replacement in the amount of $872,000 was secured in FY14. A reimbursement resolution was adopted in FY14 in anticipation of the issuance of an Installment Financing for Ef and Town Hall. In FY15 a $2.4 million Installment Financing was issued to fund public safety and public facilities projects. FY15 GO Referendum - $40.3 million is in progress.
Include information in annual budgets necessary to continue to receive the Distinguished Budget Presentation Award from GFOA.	Budget work sessions were held in May – June, and the Council adopted the FY16 budget on June 8th. Work has begun on the budget document for submission to GFOA.

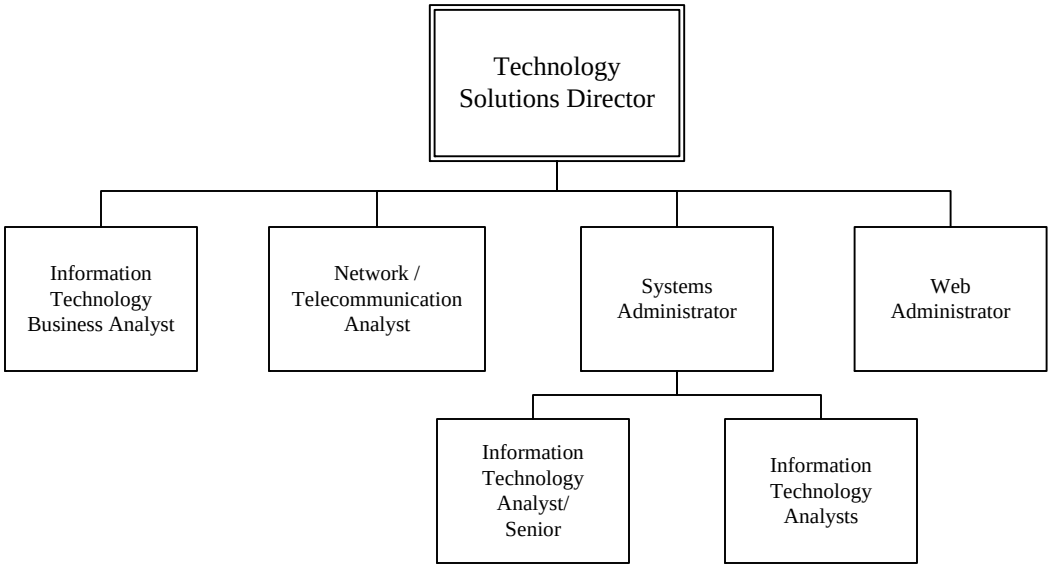
TECHNOLOGY SOLUTIONS DEPARTMENT

MISSION STATEMENT:
The mission of the Technology Solutions department is to provide technology leadership through innovation, oversight, education, and support to ensure that 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 FY16.

Program	Description
User Support	Provide user Help Desk support for computer hardware, software, network, servers, and telephones. Provide user support for other technical issues, including: engineering reviews of new building construction for IT requirements; user training in the use of application software; and technical training of IT staff.
Network Infrastructure	Administer and manage all network infrastructure, including: security, connectivity, server support, network hardware support, email support, collaboration software support, and financial/payroll/human resources application software support. Fiber optic cable maintenance and support.
Telecommunications	Administer and manage all Voice over IP telephone systems, including setup and configuration of desktop telephone handsets, VoIP related network servers and software support. Support wide area network through 3rd party broadband network, and support the Town videoconferencing systems.
Database Management and Enterprise Application Support	Administer and manage the Geographic Information System (GIS). Support all major application software and databases located on Town servers.
IT Planning and Coordination	Consult with Town departments on IT planning, collaboration, and design services for infrastructure and software configurations. Consult with various agencies and units of government on shared projects and areas of interest.

TECHNOLOGY SOLUTIONS DEPARTMENT



Technology Solutions

STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2013-14 ADOPTED	2014-15 ADOPTED	2015-16 ADOPTED
Director-Technology Solutions/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	0.00
Business Analyst	1.00	1.00	1.00
Information Technology Analyst	5.00	4.00	3.00
Web Administrator	0.00	0.00	1.00
Senior Information Technology Analyst	0.00	0.00	2.00
Systems Administrator	0.00	1.00	1.00
Division Totals	9.00	9.00	10.00

TECHNOLOGY SOLUTIONS
BUDGET SUMMARY

The adopted budget for the Information Technology division reflects an overall 6.4% increase from FY15. The personnel increase of 6.4% reflects the addition of two new IT Analysts (partially offset by an employee transferring to the Planning & Sustainability department as well as an 8.5% decrease in health insurance costs) and a 2% July and 2% January pay adjustment. The 4.6% increase to the operating budget is chiefly the result of the purchase of a new vehicle. The 31.6% decrease to Capital Outley is due to the completion of an Uninterruptable Power Supply project with the Fire department.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 741,936	$ 934,781	$ 854,721	$ 864,513	$ 994,611	6.4%
Operating Costs	472,253	441,384	572,260	507,257	461,624	4.6%
Capital Outlay	45,000	51,946	30,946	43,946	35,528	-31.6%
Total	$ 1,259,189	$ 1,428,111	$ 1,457,927	$ 1,415,716	$ 1,491,763	4.5%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Revenues	$ 1,259,189	$ 1,428,111	$ 1,457,927	$ 1,415,716	$ 1,491,763	4.5%
Total	$ 1,259,189	$ 1,428,111	$ 1,457,927	$ 1,415,716	$ 1,491,763	4.5%

TECHNOLOGY SOLUTIONS
KEY PERFORMANCE MEASURES

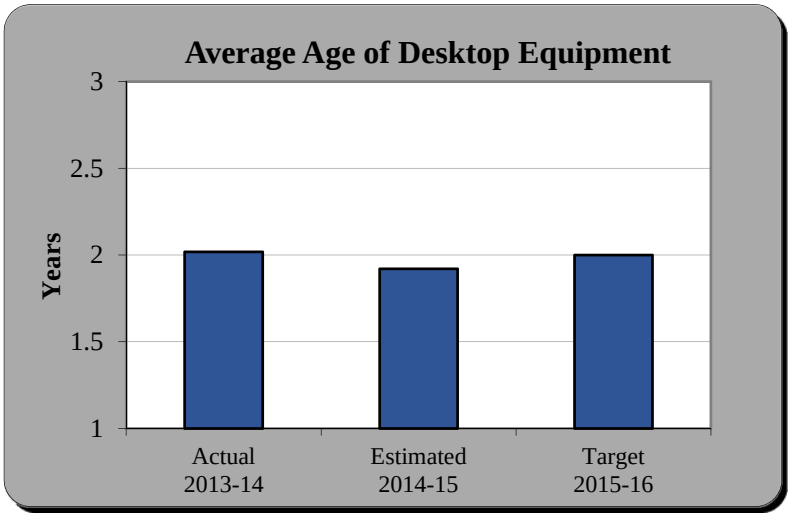
Govern with Quality and Steward Public Assets

Department Program: User Support

Goal: Provide effective support of information technologies for Town services

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 FY16 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 FY16 and after to maintain the average age of 2 years.

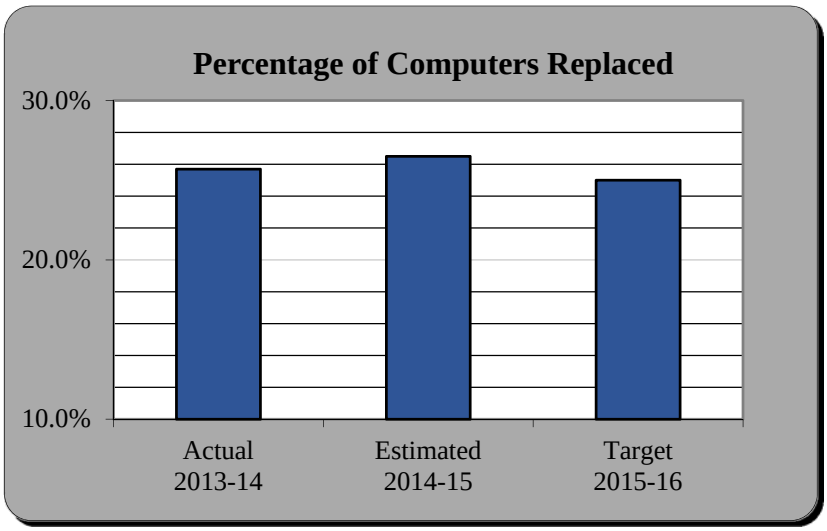


Govern with Quality and Steward Public Assets

Department Program: User Support

Goal: Provide effective support of information technologies for Town services

Objective: Replace 25% of desktop computers each year



The Town has set the life cycle of a desktop PC to be 4 years, which was adjusted from a life cycle of 3 years that was established a few years ago. We should replace one fourth of the desktop inventory in the Town each year. The chart shows that we are getting closer to evening out the replacement over the 4 year period. This life cycle schedule is more cost effective for the Town, allowing the expenditure for replacement to be spread over an additional year.

TECHNOLOGY SOLUTIONS
KEY PERFORMANCE MEASURES (continued)

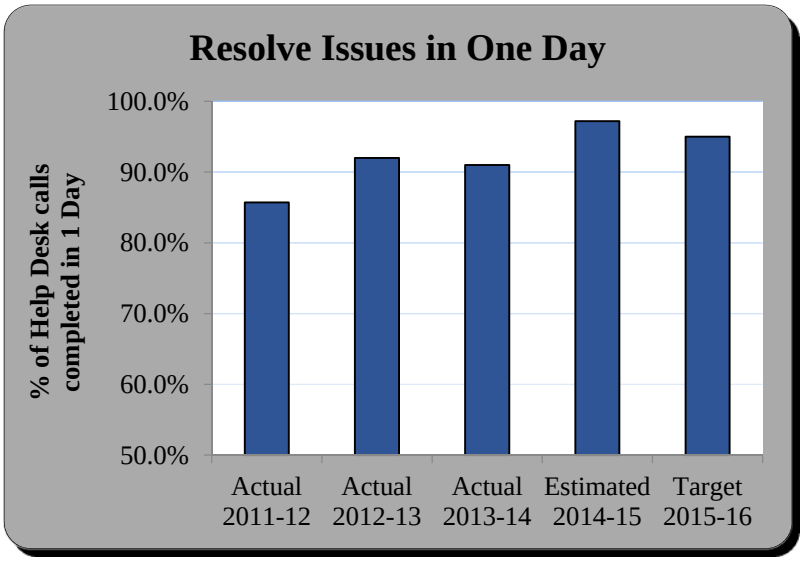
Govern with Quality and Steward Public Assets

Department Program: User Support

Goal: Provide effective support of information technologies for Town services

Objective: Complete 85% of all Help Desk calls the same day of call.

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

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

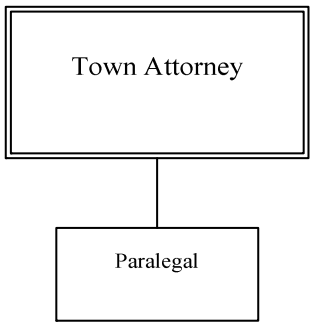
The Town Attorney serves as general counsel to the Town and provides advice to the Mayor and Council, Town boards and commissions, Town administration and Town departments. The duties of the Town Attorney include:

- 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

	2013-14 ADOPTED	2014-15 ADOPTED	2015-16 ADOPTED
Town Attorney	1.00	1.00	1.00
Paralegal	1.00	1.00	1.00
Attorney Department Totals	2.00	2.00	2.00



TOWN ATTORNEY
BUDGET SUMMARY

The adopted budget for the Town Attorney's office for 2015-16 shows a increase of 3.7% over the prior year. The personnel increase of 3.9% is a result of the 2% July and 2% January pay adjustment which is partially offset by an 8.5% health insurance decrease. The 1.6% increase to the operating budget ($200) is a result of a slight increase in training and travel.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 283,683	$ 287,835	$ 287,835	$ 291,475	$ 298,982	3.9%
Operating Costs	62,839	20,825	20,825	17,680	21,150	1.6%
Total	$ 346,522	$ 308,660	$ 308,660	$ 309,155	$ 320,132	3.7%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Revenues	$ 346,522	$ 308,660	$ 308,660	$ 309,155	$ 320,132	3.7%
Total	$ 346,522	$ 308,660	$ 308,660	$ 309,155	$ 320,132	3.7%

NON-DEPARTMENTAL DIVISION BUDGET SUMMARY

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 ($15,740). The 2.1% increase in retiree medical insurance is due to the an increase in the number of retirees. Other increases from prior year include a transfer to the Transit department ($247,836) and an increase increase in agency contributions ($114,164).

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Retiree Medical Insurance	$ 975,702	$ 1,028,687	$ 1,028,687	$ 1,020,000	$ 1,050,000	2.1%
Other Personnel Costs	145,443	120,000	120,000	35,990	75,000	-37.5%
Liability Insurance	395,972	450,000	450,000	360,000	400,000	-11.1%
Penny for Housing	-	688,395	688,395	688,395	688,395	0.0%
Operations	8,393	170,500	841,500	219,000	167,500	-1.8%
Supplemental PEG Fees	198,746	210,000	210,000	210,000	210,000	0.0%
Transfer to Other Funds	6,275	6,500	6,500	5,741	6,500	0.0%
Transfer to Capital Improvement Funds	2,409,693	779,000	2,237,507	2,237,507	778,000	-0.1%
Contributions	-	-	1,758,000	-	-	N/A
Transfer to Transit	-	-	-	-	247,836	N/A
Grant Matching Funds	78,636	87,788	104,713	104,713	72,048	-17.9%
Agency Contributions	873,881	865,674	925,401	925,401	979,838	13.2%
Technology Fund	-	270,407	818	-	270,407	0.0%
Vacancy Pool	-	100,000	100,000	-	100,000	0.0%
Community Center	-	100,000	100,000	100,000	100,000	0.0%
Total	$ 5,092,741	$ 4,876,951	$ 8,571,521	$ 5,906,747	$ 5,145,524	5.5%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Revenues	$ 5,092,741	$ 4,876,951	$ 8,571,521	$ 5,906,747	$ 5,145,524	5.5%
Total	$ 5,092,741	$ 4,876,951	$ 8,571,521	$ 5,906,747	$ 5,145,524	5.5%

ENVIRONMENT & DEVELOPMENT BUDGET SUMMARY

This section includes the Planning & Sustainability, Housing & Community and Public Works departments.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Planning & Sustainabilit	$ 2,226,704	$ 2,595,645	$ 3,143,679	$ 2,671,949	$ 3,743,215	44.2%
Housing & Community	-	-	465,000	393,597	599,491	N/A
Public Works	11,358,475	12,085,686	12,443,673	11,837,304	12,242,085	1.3%
Total	$ 13,585,179	$ 14,681,331	$ 16,052,352	$ 14,902,850	$ 16,584,791	13.0%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Revenues	$ 10,540,442	$ 11,721,201	$ 13,009,722	$ 12,067,139	$ 12,762,566	8.9%
State-Shared Revenues	36,213	32,000	32,000	32,000	32,000	0.0%
Grants	-	107,000	182,000	175,000	100,000	-6.5%
Charges for Services	925,763	1,335,988	1,335,988	1,127,994	1,484,750	11.1%
Licenses/Permits/Fines	1,919,981	1,409,242	1,416,742	1,420,092	2,128,825	51.1%
Other Revenues	162,780	75,900	75,900	80,625	76,650	1.0%
Total	$ 13,585,179	$ 14,681,331	$ 16,052,352	$ 14,902,850	$ 16,584,791	13.0%

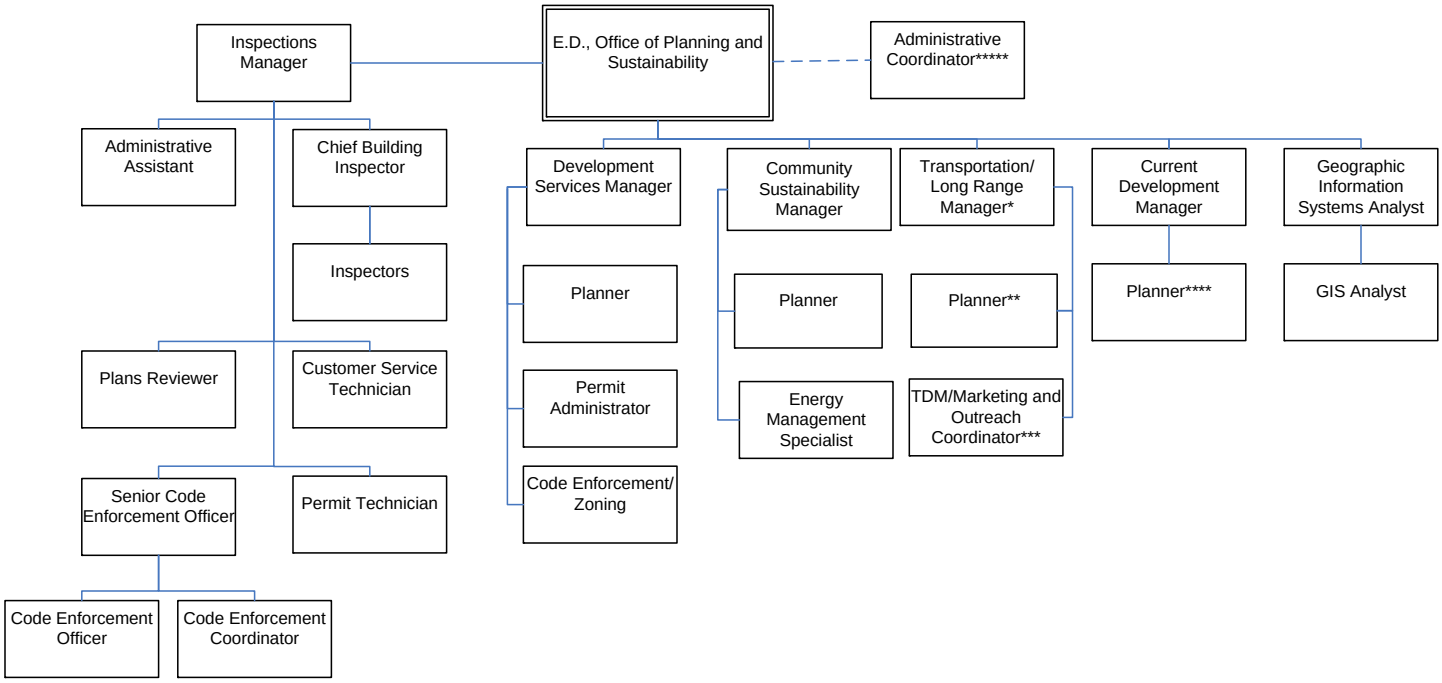
PLANNING & SUSTAINABILITY DEPARTMENT

MISSION STATEMENT:
The Chapel Hill Planning & Sustainability 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 FY16.

Program	Description
Current Development	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 large development applications. Provide enforcement of land use management regulations.
Long-Range and Transportation Planning	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.
Neighborhood and Housing Services	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.
Comprehensive Plan	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 & SUSTAINABILITY



Notes: *50% grant funded (5303 and STPDA)
**one grant funded at 45% STPDA and one funded at 100% (5303)
***grant funded at 50% (TDM)
****one funded at 15% (CDBG)
*****65% funded by Planning and shared with Housing & Community

PLANNING DEPARTMENT

STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2013-14 ADOPTED	2014-15 ADOPTED	2015-16 ADOPTED
Planning & Sustainability			
Director-Planning	1.00	1.00	1.00
Assistant Director	0.00	1.00	0.00
Planning Manager [1]	3.00	2.00	4.00
Planner [2]	7.75	7.75	7.00
GIS Analyst II	0.00	0.00	1.00
GIS Technician - SR	0.00	0.00	1.00
Coordinator-Public Outreach [3]	1.00	1.00	1.00
Planning Graphics Specialist	1.00	1.00	0.00
Administrative Coordinator[4]	0.00	0.00	0.65
Energy Management Specialist	0.00	0.00	1.00
Permitting Systems Administrator	1.00	1.00	1.00
Administrative Coordinator	1.00	1.00	0.00
Division Totals	15.75	15.75	17.65
Inspections			
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	2.00
Code Enforcement Coordinator	0.00	1.00	0.00
Building-Fire Plans Reviewer	0.00	1.00	2.00
Customer Service Technician	0.00	0.00	1.00
Inspector	4.00	4.00	8.00
Permit Technician	1.00	1.00	2.00
Permit Technician Apprentice	0.00	1.00	0.00
Office Assistant	0.00	1.00	1.00
Division Totals	8.00	12.00	18.00
Planning & Sustainability Totals	23.75	27.75	35.65

[1] Planning Manager is partially grant-funded in FY16.

[2] A number of Planner positions are partially or fully grant funded in FY16.

[3] Public Outreach Coordinator is 50% grant-funded.

[4] Administrative Coordinator is 35% funded from Housing & Community and grants

Inspections was merged into the Planning & Sustainability department in FY15. The totals from FY14-FY16 are both divisions combined.

PLANNING & SUSTAINABILITY BUDGET SUMMARY

The 2015-16 adopted budget for the Planning & Sustainability Department is up by 44.2% due to a stronger economic demand for inspections and development. The Inspections division received a total of five new positions, including three new Inspectors, a Plans Reviewer, and a Customer Service Technician. The Planning division is sharing a Housing Administrator with the Housing & Community Department, of which they pay for 65% of the employee's salary. The increases in personnel for the department was partially offset by an 8.5% decrease in health insurance costs. The 41.8% increase in operating funds is mainly the result of paying for three new vehicles for the Inspectors ($84,000) and training and travel for the new personnel hires ($20,000).

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 1,439,923	$ 2,001,930	$ 2,099,914	$ 1,946,106	$ 2,901,157	44.9%
Operating Costs	786,781	593,715	1,043,765	725,843	842,058	41.8%
Total	$ 2,226,704	$ 2,595,645	$ 3,143,679	$ 2,671,949	$ 3,743,215	44.2%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Revenues	$ 218,564	$ 717,565	$ 1,258,099	$ 936,803	$ 953,990	32.9%
Charges for Services	214,364	623,288	623,288	461,854	807,750	29.6%
Licenses/Permits/Fines	1,787,195	1,240,292	1,247,792	1,266,792	1,974,975	59.2%
Other Revenues	6,581	14,500	14,500	6,500	6,500	-55.2%
Total	$ 2,226,704	$ 2,595,645	$ 3,143,679	$ 2,671,949	$ 3,743,215	44.2%

PLANNING & SUSTAINABILITY KEY PERFORMANCE MEASURES

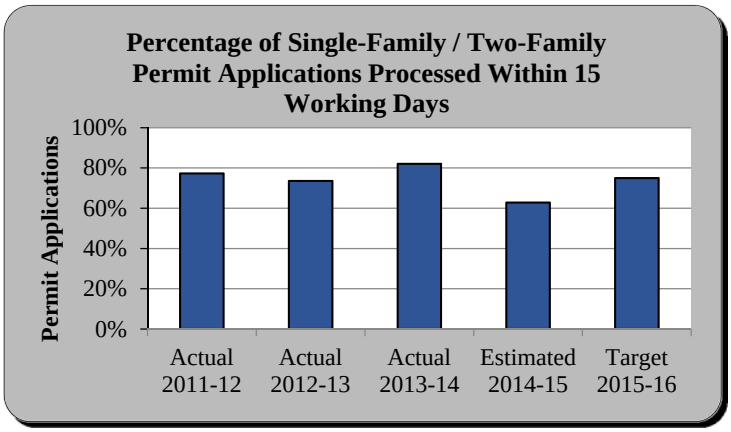
Develop Good Places, New Spaces

Department Program: Development Services

Goal: Improve the development review process to effectively share information, approve applications, and provide useful planning expertise as well as excellent customer service to the community

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

During the 2014-15 fiscal year, 63% 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 has declined from last year (82%).

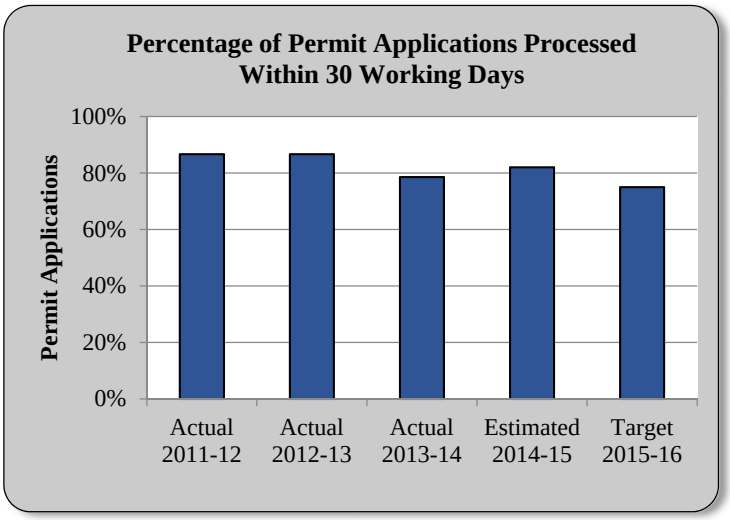


Develop Good Places, New Spaces

Department Program: Development Services

Goal: Improve the development review process to effectively share information, approve applications, and provide useful planning expertise as well as excellent customer service to the community

Objective: Process 75% of all zoning compliance permits within 30 working days



In the upcoming fiscal year, Planning & Sustainability will continue to focus on the 15-day goal for both single-family / two family permits as well as other Zoning Compliance Permit applications. Adjusting to the new Development Services Center in renovated Town Hall will further support this goal. The Development Services Center is a single location to apply for zoning and building permits. It will also include a central web portal for applications and payments, scheduling inspections, and status updates.

PLANNING
BUDGET SUMMARY

The 2015-16 adopted budget for the Planning Division is up 29.4% from FY15. This takes into account two GIS Analysts who were moved to the division, a joint departmental Housing Administrator who has 65% of their salary being paid through the division, and a 2% July and 2% January pay adjustment which is partially offset by an 8.5% decrease in health insurance costs. The 7.8% increase in Operating Costs is related to an increase in training ($13,580), and GIS software ($19,200).

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 880,500	$ 998,502	$ 1,104,987	$ 1,084,053	$ 1,406,328	40.8%
Operating Costs	649,756	525,606	952,380	650,248	566,490	7.8%
Total	$ 1,530,256	$ 1,524,108	$ 2,057,367	$ 1,734,301	$ 1,972,818	29.4%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Revenues	$ 644,020	$ 548,528	$ 1,081,787	$ 973,355	$ 817,968	49.1%
Charges for Services	214,364	623,288	623,288	461,654	807,550	29.6%
Licenses/Permits/Fines	665,291	337,792	337,792	292,792	340,800	0.9%
Other Revenues	6,581	14,500	14,500	6,500	6,500	-55.2%
Total	$ 1,530,256	$ 1,524,108	$ 2,057,367	$ 1,734,301	$ 1,972,818	29.4%

INSPECTIONS DEPARTMENT
BUDGET SUMMARY

The adopted budget for the Inpections division reflects an overall expenditure increase of 65.2% from last year's budget. Personnel costs increased by 49% due to five new positions, an increase in overtime and temporary salaries, and the implementation of a 2% July and 2% January pay adjustment which is partially offset by an 8.5% decrease in health insurance costs. The operating costs increased by 304.6% due to one-time purchases of three new cars for the new Inspectors (an increase of about $117,000), an increase in training/travel ($20,000), and new office equipment and software licenses for the new positions.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 559,423	$ 1,003,428	$ 994,927	$ 862,053	$ 1,494,829	49.0%
Operating Costs	137,025	68,109	91,385	75,595	275,568	304.6%
Total	$ 696,448	$ 1,071,537	$ 1,086,312	$ 937,648	$ 1,770,397	65.2%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Revenues	$ (425,456)	$ 169,037	$ 176,312	$ (36,552)	$ 136,022	-19.5%
Charges for Services	-	-	-	200	200	N/A
Licenses/Permits/Fines	1,121,904	902,500	910,000	974,000	1,634,175	81.1%
Total	$ 696,448	$ 1,071,537	$ 1,086,312	$ 937,648	$ 1,770,397	65.2%

PUBLIC WORKS

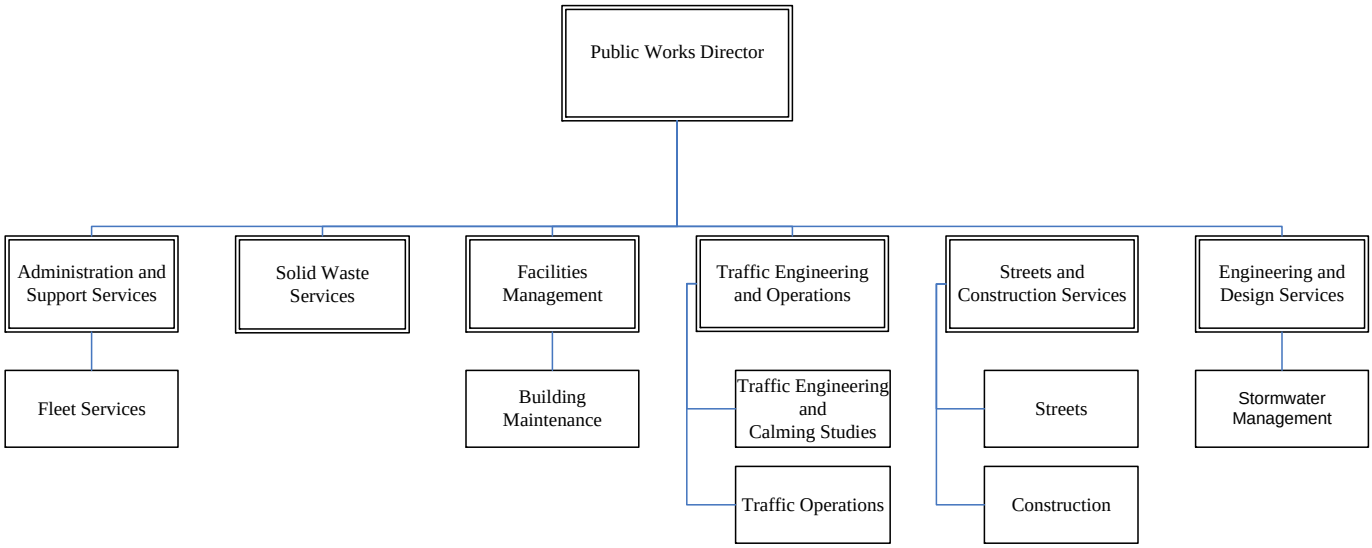
MISSION STATEMENT:
The overall mission of the Public Works Department is to establish and maintain the Town's physical infrastructure, emphasizing a safe, efficient and effective environment.

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 FY16.

Program	Description
Building Permits	Review construction plans for compliance with building codes. Issue building permits, perform building inspections, and issue certificates of occupancy.
Code Compliance and Enforcement	Investigate complaints and perform inspections. Perform routine inspections of daycare facilities and businesses for code compliance. Issue notices of violation along with correction orders.
Traffic Signals	Provide timing plans, traffic monitoring, emergency repairs, preventive maintenance, small improvements and larger contract project oversight.
Traffic Signs/Markings/Calming	Install and maintain all traffic control signs and pavement markings. Oversee traffic impact studies and manage the traffic calming program.
Street Lighting	Ensure new development compliance with established standards, respond to improvement requests, routinely inspect major roadways and the central business district for malfunctions.
Special Event Services	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.
Inclement Weather	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.
Miscellaneous Construction	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.

Streets and Parking Lots	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.
Facilities	Manage approximately 50 publicly owned facilities. Provide in-house maintenance and repair, oversight of service contracts and management of small projects.
Solid Waste Collection	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.
Special Collections	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.
Commercial Solid Waste Collection	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.
Street Sweeping	Clean all publicly maintained streets within the town limits using in-house labor and equipment.
Civil Engineering and Landscape Architecture Services	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

	2013-14 ADOPTED	2014-15 ADOPTED	2015-16 ADOPTED
Administration			
Director-Public Works	1.00	1.00	1.00
Management 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 Assistant	1.00	1.00	1.00
Accounting Technician	1.00	1.00	1.00
Administrative Coordinator	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Division Totals	8.00	8.00	8.00
Engineering and Design Services			
Town Engineer	1.00	1.00	1.00
Engineering Coordiator-Sr	1.00	1.00	1.00
Project Manager	1.00	1.00	1.00
Survey/Project Coordinator[1]	1.00	1.00	1.00
Engineering Design Specialist	1.00	1.00	1.00
Engineering Inspector[1]	2.00	2.00	2.00
Landscape Architect	1.00	1.00	1.00
GIS Technician-Sr	1.00	1.00	0.00
Engineering Technician	1.00	1.00	1.00
Administrative Coordinator[1]	1.00	1.00	1.00
Special Projects Coordinator/Urban Forester	1.00	1.00	1.00
Unit Totals	12.00	12.00	11.00
Traffic Engineering and Operations			
Traffic Engineering 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	1.00	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	11.00	11.00	11.00
Division Totals	23.00	23.00	22.00

PUBLIC WORKS DEPARTMENT

STAFFING COMPARISONS - IN FULL TIME EQUIVALENTS

	2013-14 ADOPTED	2014-15 ADOPTED	2015-16 ADOPTED
Streets and Construction Services			
Streets			
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)	9.00	9.00	9.00
Lead Construction Worker	1.00	1.00	1.00
Unit Totals	14.00	14.00	14.00
Construction			
Supervisor-Construction Crew	2.00	2.00	2.00
Construction Worker (Levels I - IV)	4.00	4.00	4.00
Senior Heavy Equipment Operator	1.00	1.00	1.00
Unit Totals	7.00	7.00	7.00
Division Totals	21.00	21.00	21.00
Facilities Management			
Buildings			
Facilities Manager	1.00	1.00	1.00
Supervisor-Buildings Program	1.00	1.00	1.00
Maintenance Mechanic (Levels I-III)	6.00	6.00	6.00
Processing Technician[2]	0.25	0.25	0.25
Unit Totals	8.25	8.25	8.25
Division Totals	8.25	8.25	8.25
Solid Waste and Fleet Services			
Solid Waste			
Solid Waste Services Manager	1.00	1.00	1.00
Supervisor-Solid Waste (Residential and Commercial)	3.00	3.00	3.00
Solid Waste Equipment Operator III	4.00	4.00	4.00
Solid Waste Equipment Operator II	10.00	10.00	10.00
Solid Waste Equipment Operator I	3.00	3.00	3.00
Solid Waste Collector	13.00	13.00	13.00
Division Totals	34.00	34.00	34.00
Public Works Totals	94.25	94.25	93.25

[1] The Stormwater fund assumes a portion of salaries of the Engineering Administrative Coordinator, Surveyor and Engineering Inspector positions.

[2] 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

The adopted budget for the Public Works Department reflects an overall increase of 1.3% from last year. This is chiefly due to the 2% July and 2% January employee pay adjustment that is partially offset by an 8.5% decrease in health insurance cost, as well as some money appropriated for a contract developmental plan review.

EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Administration	$ 725,656	$ 827,877	$ 814,702	$ 678,173	$ 933,888	12.8%
Engineering & Design	1,072,907	1,199,908	1,176,733	1,086,670	1,111,078	-7.4%
Traffic	1,741,944	1,869,143	1,912,287	1,816,441	1,923,715	2.9%
Construction	679,423	679,350	672,399	583,215	728,326	7.2%
Streets	1,620,394	2,298,923	2,395,751	2,383,012	2,139,910	-6.9%
Building Maintenance	1,464,951	1,499,536	1,607,400	1,524,217	1,527,993	1.9%
Solid Waste	4,053,200	3,710,949	3,864,401	3,765,576	3,877,175	4.5%
Total	$ 11,358,475	$ 12,085,686	$ 12,443,673	$ 11,837,304	$ 12,242,085	1.3%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Revenues	$ 10,321,878	$ 11,003,636	$ 11,286,623	$ 10,736,739	$ 11,209,085	1.9%
State Shared	36,213	32,000	32,000	32,000	32,000	0.0%
Grants	-	107,000	182,000	175,000	100,000	-6.5%
Charges for Services	711,399	712,700	712,700	666,140	677,000	-5.0%
Licenses/Permits/Fines	132,786	168,950	168,950	153,300	153,850	-8.9%
Other Revenues	156,199	61,400	61,400	74,125	70,150	14.3%
Total	$ 11,358,475	$ 12,085,686	$ 12,443,673	$ 11,837,304	$ 12,242,085	1.3%

PUBLIC WORKS
KEY PERFORMANCE MEASURES

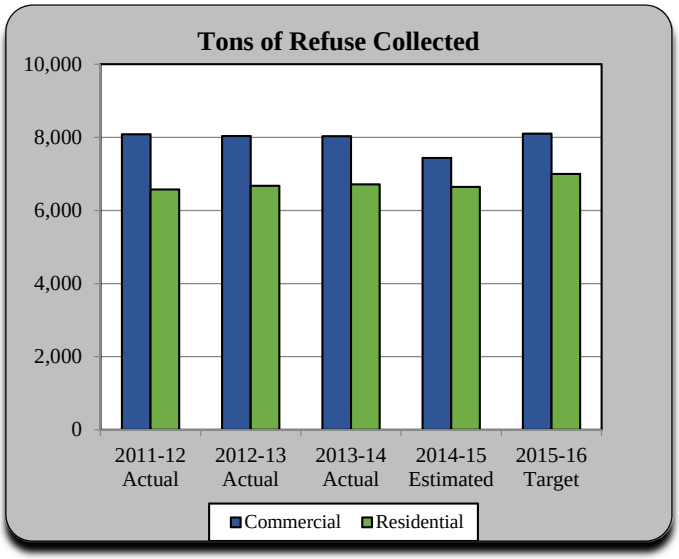
Nurture Our Community

Department Program: Solid Waste Collection

Goal: Provide residential customers with on-schedule solid waste service for all collection points

Objective: Provide commercial and residential solid waste services while responding to changing refuse needs

Total quantities of commercial and residential refuse collected have declined over the last decade; however a slight increase in tonnage was observed over the previous two fiscal years after appearing to plateau in 2011-12. This trend appears to have reversed, and in fiscal year 2014-15, another decline in solid waste tonnage occurred when compared to tonnages in 2013-14. Compared to last fiscal year, residential and commercial solid waste tons decreased by approximately 4.5%. The most significant decrease was in commercial solid waste tonnage which declined by approximately 7.4%. Residential solid waste tonnage declined by approximately 1%. It is expected that as the economy continues to recover that solid waste tonnages will stabilize and will begin to increase again over time.

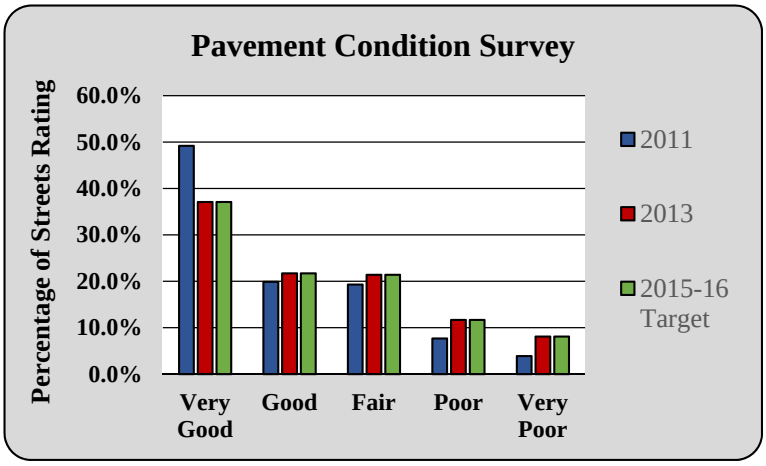


Facilitate Getting Around

Department Program: Streets and Parking Lots

Goal: Maintain all Town streets and gravel sidewalks for which another jurisdiction is not responsible

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



In 2013, 48.6% of Chapel Hill streets were rated "very good," an 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
KEY PERFORMANCE MEASURES (continued)

Govern with Quality and Steward Public Assets

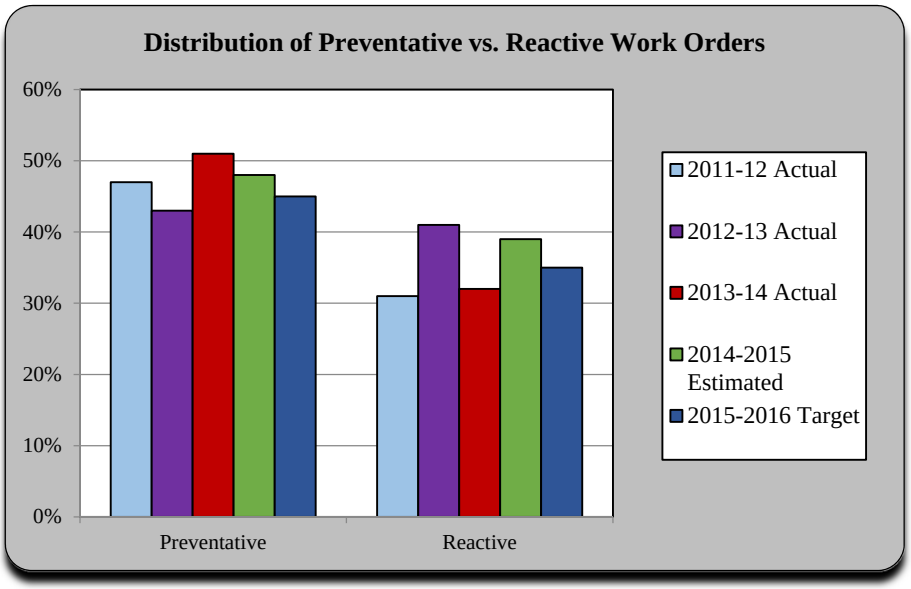
Department Program: Facilities Management and Maintenance

Goal: Maintain town owned buildings in a safe, professional and pro-active manner

Objective: 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 14, 51% were associated with preventive maintenance. In comparison, 32% of work orders were in the reactive (unscheduled) maintenance category in FY 14.

FY 15 objective is to ensure that 45% of work orders are preventive maintenance work.



PUBLIC WORKS - Administration Division
BUDGET SUMMARY

The adopted budget for the Administration division reflects an overall expenditure increase of 12.8% from last year's budget. The net increase in the personnel budget reflects a combination of the 2% July and 2% January pay adjustment that is partially offset by an 8.5% health insurance decrease and reclassifying an Administrative Analyst from the Engineering division to Administration. The operating decreases can be attributed to decreases in the number of pagers in the division.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 610,663	$ 707,252	$ 683,802	$ 548,948	$ 816,313	15.4%
Operating Costs	114,993	120,625	130,900	129,225	117,575	-2.5%
Capital Outlay	-	-	-	-	-	N/A
Total	$ 725,656	$ 827,877	$ 814,702	$ 678,173	$ 933,888	12.8%

PUBLIC WORKS - Engineering and Design Services
BUDGET SUMMARY

The adopted budget for the Engineering and Design division reflects an overall expenditure decrease of 7.4% from last year's budget. The net decrease of 11.4% in the personnel budget reflects an employee transfer to Public Works Administration an an 8.5% decrease in health insurance costs. The operating increases of 36.5% can be attributed to a new $45,000 Contracted Plan Development Review.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 982,347	$ 1,100,691	$ 1,100,691	$ 1,007,099	$ 975,636	-11.4%
Operating Costs	74,976	99,217	76,042	79,571	135,442	36.5%
Capital	15,584	-	-	-	-	N/A
Total	$ 1,072,907	$ 1,199,908	$ 1,176,733	$ 1,086,670	$ 1,111,078	-7.4%

PUBLIC WORKS - Traffic
BUDGET SUMMARY

The adopted budget for the Traffic 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% July and 2% January pay adjustment, which is partially offset by an 8.5% decrease in health insurance costs. The operating increases can be attributed to an increase of almost $32,000 over the prior year for vehicle replacement.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 708,267	$ 891,420	$ 889,420	$ 817,042	$ 908,835	2.0%
Operating Costs	1,033,677	977,723	1,022,867	999,399	1,014,880	3.8%
Total	$ 1,741,944	$ 1,869,143	$ 1,912,287	$ 1,816,441	$ 1,923,715	2.9%

PUBLIC WORKS - Construction Unit
BUDGET SUMMARY

The adopted budget for the Construction division reflects an overall expenditure increase of 7.2% from last year's budget. The net increase in the personnel budget reflects a combination of the 2% July and 2% January pay adjustment and classification changes to one of the positions, which is partially offset by a decrease of 8.5% in health care costs. The operating increases can be attributed to an increase in fleet use charges.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 381,611	$ 447,466	$ 428,166	$ 364,131	$ 480,504	7.4%
Operating Costs	297,812	231,884	244,233	219,084	247,822	6.9%
Capital Outlay	-	-	-	-	-	N/A
Total	$ 679,423	$ 679,350	$ 672,399	$ 583,215	$ 728,326	7.2%

PUBLIC WORKS - Streets Unit
BUDGET SUMMARY

The adopted budget for the Streets division reflects an overall expenditure decrease of 6.9% from last year's budget. The net increase in the personnel budget reflects a 2% July and 2% January pay adjustment, a rise in on-call pay, and payments to the Stormwater division for providing temporary personnel when needed, which is partially offset by an 8.5% decrease in health insurance costs. The operating decreases can be attributed to a decrease of $229,625 in vehicle replacement charges.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 843,797	$ 899,513	$ 862,513	$ 862,402	$ 971,675	8.0%
Operating Costs	755,572	1,369,410	1,475,638	1,490,610	1,143,235	-16.5%
Capital Outlay	21,025	30,000	57,600	30,000	25,000	-16.7%
Total	$ 1,620,394	$ 2,298,923	$ 2,395,751	$ 2,383,012	$ 2,139,910	-6.9%

PUBLIC WORKS - Building Maintenance Unit
BUDGET SUMMARY

The adopted budget for the Building Maintenance division reflects an overall expenditure increase of 1.9% from last year's budget. The net increase in the personnel budget reflects the 2% July and 2% January pay adjustment, which is slightly offset by an 8.5% decrease in health insurance costs. There was a slight decrease in operating costs for FY16.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 594,163	$ 618,709	$ 594,259	$ 591,687	$ 652,477	5.5%
Operating Costs	870,788	880,827	1,013,141	932,530	875,516	-0.6%
Total	$ 1,464,951	$ 1,499,536	$ 1,607,400	$ 1,524,217	$ 1,527,993	1.9%

PUBLIC WORKS - Solid Waste Services Unit
BUDGET SUMMARY

The adopted budget for the Solid Waste Services division reflects an overall expenditure increase of 4.5% from last year's budget. The net increase in the personnel budget reflects a combination of the 2% July and 2% January employee pay adjustment which is partially offset by an 8.5% decrease in health insurance costs. The operating increases can be attributed to increases to vehicle replacement ($112,579) and fleet use charges ($30,000).

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 1,865,925	$ 2,034,097	$ 2,016,597	$ 1,934,302	$ 2,060,944	1.3%
Operating Costs	2,187,275	1,676,852	1,847,804	1,831,274	1,816,231	8.3%
Total	$ 4,053,200	$ 3,710,949	$ 3,864,401	$ 3,765,576	$ 3,877,175	4.5%

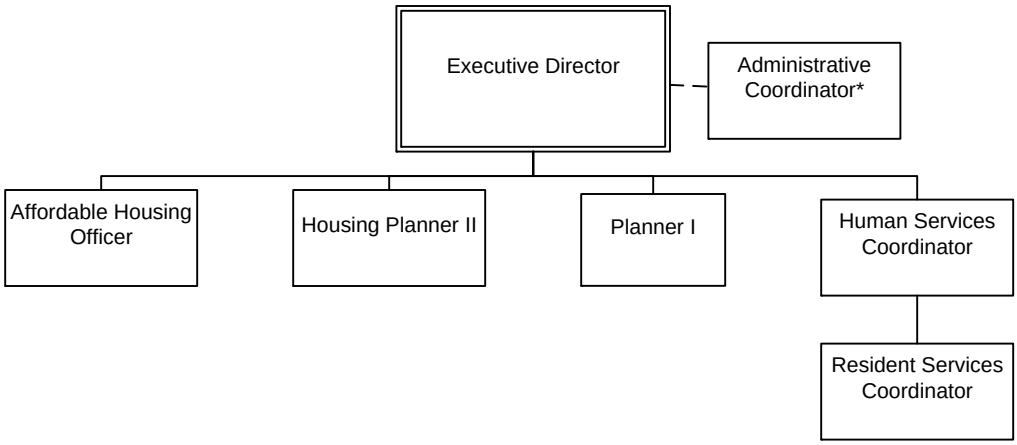
HOUSING & COMMUNITY DEPARTMENT

MISSION STATEMENT:
The mission of the Housing and Community Department is to provide housing, community development, and neighborhood services so that all residents have access to livable neighborhoods and opportunities to thrive.

As a first step towards Priority-Based Budgeting, the Housing & Community Department identified the following primary program that is included in the adopted budget for FY16.

Program	Description
Neighborhood and Housing Services	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.

HOUSING & COMMUNITY



* 20% funded by Housing & Community and shared with Planning & Sustainability

HOUSING & COMMUNITY

STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2013-14 ADOPTED	2014-15 ADOPTED	2015-16 ADOPTED
Housing & Community			
Executive Director - Housing & Community	0.00	0.00	1.00
Resident Services Coordinator	0.00	0.00	1.00
Administrative Coordinator	0.00	0.00	0.20
Affordable Housing Officer	0.00	0.00	1.00
Planner	0.00	0.00	1.00
Human Services Coordinator	0.00	0.00	1.00
Planner II	0.00	0.00	1.00
Division Totals	0.00	0.00	6.20

HOUSING & COMMUNITY BUDGET SUMMARY

The Housing and Community department was created in FY16 to assist with affordable housing options in Chapel Hill. The adopted budget reflects five employees who were transferred from other departments during FY16 as well as the new Affordable Housing Coordinator position which is partially offset by an 8.5% decrease in health insurance costs. The slight decrease in operating costs from the revised FY15 budget to the FY16 budget is due to a decrease in expected spending for miscellaneous contracted services.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ -	$ -	$ 385,226	$ 333,822	$ 529,841	N/A
Operating Costs	-	-	79,774	59,775	69,650	N/A
Total	$ -	$ -	$ 465,000	$ 393,597	$ 599,491	N/A

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Revenues	$ -	$ -	$ 465,000	$ 393,597	$ 599,491	N/A
Total	$ -	$ -	$ 465,000	$ 393,597	$ 599,491	N/A

PUBLIC SAFETY
BUDGET SUMMARY

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

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Police	$ 12,019,033	$ 13,201,831	$ 13,329,748	$ 12,591,632	$ 13,304,491	0.8%
Fire	7,856,967	8,432,438	8,589,535	8,167,020	8,858,854	5.1%
Total	$ 19,876,000	$ 21,634,269	$ 21,919,283	$ 20,758,652	$ 22,163,345	2.4%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Revenues	$ 17,702,899	$ 19,726,879	$ 20,004,729	$ 18,801,923	$ 19,712,714	-0.1%
State-Shared Revenues	1,091,005	1,097,590	1,097,590	1,097,590	1,097,590	0.0%
Grants	5,277	4,200	11,364	7,164	-	-100.0%
Charges for Services	633,467	637,750	637,750	642,915	642,915	0.8%
Licenses/Permits/Fines	312,859	127,850	127,850	127,060	660,126	416.3%
Other Revenues	130,493	40,000	40,000	82,000	50,000	25.0%
Total	$ 19,876,000	$ 21,634,269	$ 21,919,283	$ 20,758,652	$ 22,163,345	2.4%

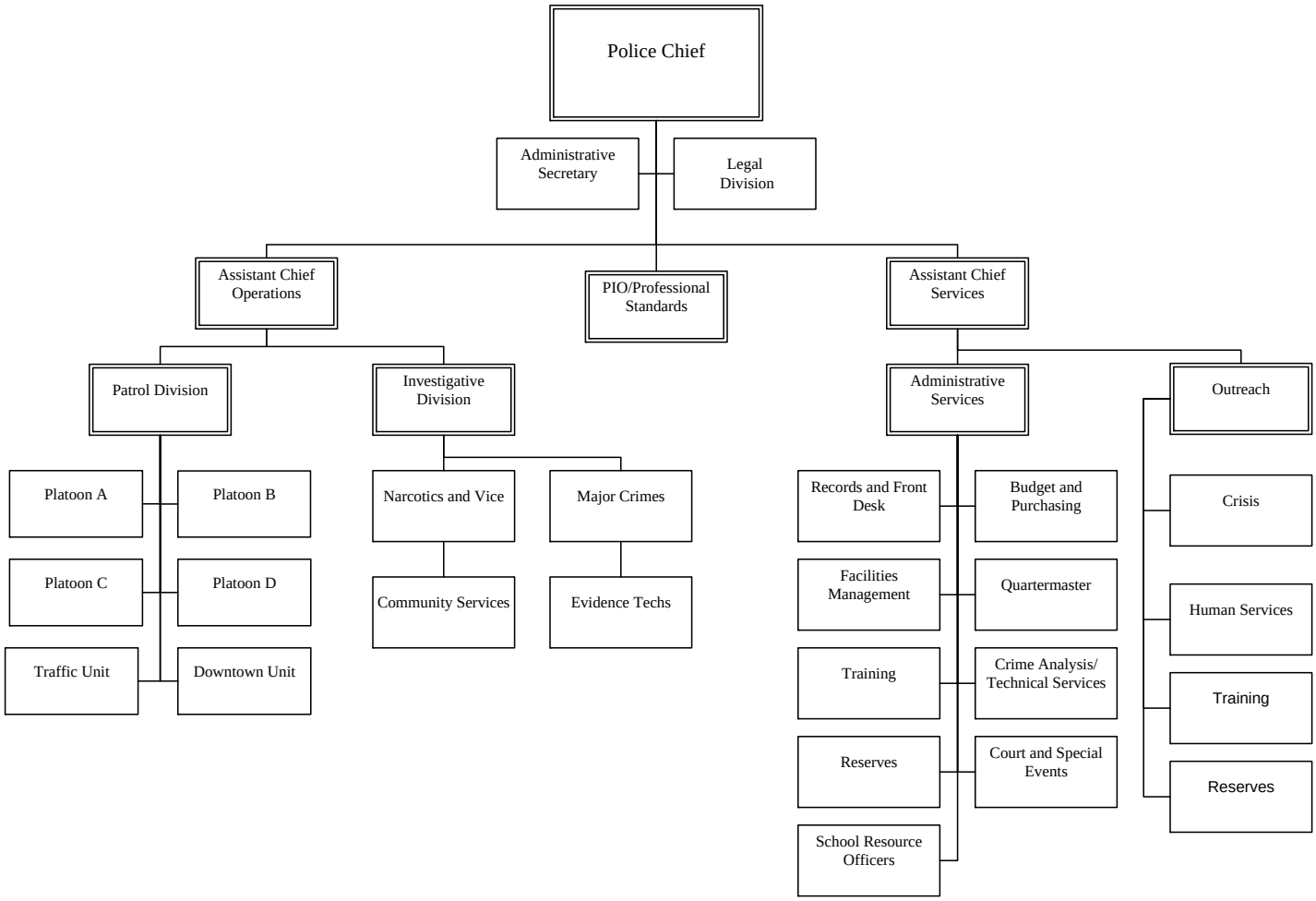
CHAPEL HILL POLICE DEPARTMENT

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 FY16.

Program	Description
Patrol Division	Respond to 911 calls, investigate traffic accidents, conduct directed patrols, serve criminal processes, provide patrols in the field. Participate in Community Watch Meetings and provide crime prevention and traffic education to public.
Investigative Division	Investigate crimes against people and property, including drug and alcohol related offenses. Gather and analyze evidence and investigate crime scenes.
Human Services	Follow-up after incidents to help those involved deal with social/emotional issues. Assist in organizing community watch groups and provide outreach to businesses.
Chiefs Staff	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.
Support Services	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. Provide clerical support for staff. Interact with news media and produce press releases and reports as needed.
School Resource Officers	Organize outreach to middle and high schools in Chapel Hill while serving as a liason to the Police Department and providing security.
Special Events and Court Liaison	Provide logistical support for special events and coordinate with the local court.

POLICE DEPARTMENT



POLICE DEPARTMENT

STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2013-14 ADOPTED	2014-15 ADOPTED	2015-16 ADOPTED
Support Services			
Police Chief	1.00	1.00	1.00
Assistant Police Chief	1.00	0.00	0.00
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	0.00
Information Security Officer	1.00	1.00	1.00
Resident Services Coordinator	1.00	1.00	0.00
Records Supervisor	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Alternative Sentencing Assistant	0.00	0.00	0.00
Information Services Technician	1.00	1.00	1.00
Administrative Coordinator	1.00	1.00	1.00
Records Technician	1.00	0.00	0.00
Customer Service Technician	2.00	3.00	3.00
Division Totals	20.00	19.00	17.00
Operations			
Assistant Police Chief	1.00	2.00	2.00
Police Captain	2.00	2.00	3.00
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	91.00	89.00	90.00
Division Totals	118.00	117.00	119.00
Police Department Totals	138.00	136.00	136.00

POLICE
BUDGET SUMMARY

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 2015-16. Changes relating to expenditures are noted on division summaries.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 10,208,244	$ 11,211,044	$ 11,019,053	$ 10,456,803	$ 11,259,439	0.4%
Operating Costs	1,810,789	1,990,787	2,293,695	2,134,829	2,045,052	2.7%
Capital Outlay	-	-	17,000	-	-	N/A
Total	$ 12,019,033	$ 13,201,831	$ 13,329,748	$ 12,591,632	$ 13,304,491	0.8%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Revenues	$ 11,239,824	$ 12,697,081	$ 12,817,834	$ 12,035,307	$ 12,783,130	0.7%
Grants	5,277	4,200	11,364	7,164	-	-100.0%
Charges for Services	356,540	356,000	356,000	370,761	370,761	4.1%
Licenses/Permits/Fines	286,899	104,550	104,550	96,400	100,600	-3.8%
Other Revenues	130,493	40,000	40,000	82,000	50,000	25.0%
Total	$ 12,019,033	$ 13,201,831	$ 13,329,748	$ 12,591,632	$ 13,304,491	0.8%

POLICE
KEY PERFORMANCE MEASURES

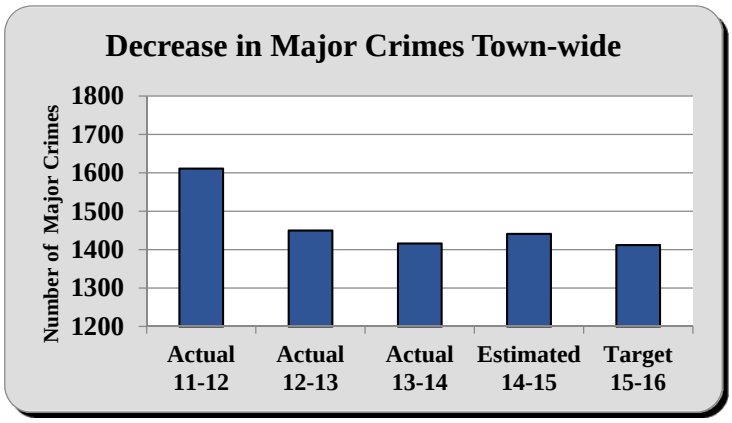
Protect and Provide for a Safe Community

Department Program: Patrol Division, Investigative Division, Human Services

Goal: To reduce crime through a strategic and data-driven partnership with our stakeholders through crime prevention, accountability and enforcement

Objective: Continue decrease in major crimes (UCR Part I)

In fiscal year 2014-15, the number of Part I crimes (homicide, rape, robbery, assault, burglary, larceny, auto theft and arson) totaled 1,441. This represents a 1.7% increase in major crimes from the previous year. During the 2015-16 fiscal year, the Police Department will use strategies developed through data analysis, crime prevention, and enforcement procedures and pursue a 2% decrease in major crimes.

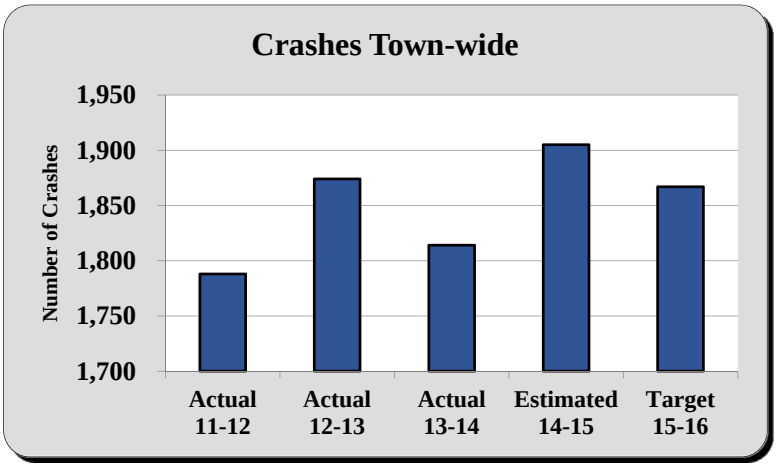


Protect and Provide for a Safe Community

Department Program: Patrol Division, Investigative Division, Human Services

Goal: Promote vehicular, bicycle & pedestrian safety through education and enforcement

Objective: Continue decrease in number of crashes Town-wide



In fiscal year 2014-15, the number of crashes Town-wide totaled 1,905. This represents a 5.4% increase from the previous year. The Police Department will continue to analyze areas of most frequent crashes and develop plans to reduce them. Through education, enforcement, directed patrols and our new strategic plan to employ Data-Driven Approaches to Crime and Traffic Safety (DDACTS), we will work to enhance the safety of motorists, cyclists and pedestrians throughout Town and pursue a 2% decrease in crashes Town-wide. Use of the DDACTS operational approach is expected to reduce crime as well as crashes.

POLICE - Support Services Division
BUDGET SUMMARY

The adopted budget for the Support Services division reflects an overall expenditure decrease of 4.5% from last year's budget. The 9.1% decrease in personnel is the result of the two employees being transfered to the Housing & Community department as well as an 8.5% decrease in health insurance costs. The operating increases can be attributed to a partnership between UNC and Chapel Hill for a health department official ($30,000) as well as increases in dues/subscriptions.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 1,722,304	$ 1,745,315	$ 1,596,780	$ 1,560,484	$ 1,587,298	-9.1%
Operating Costs	683,182	689,433	826,202	751,969	737,875	7.0%
Capital Outlay	-	-	-	-	-	N/A
Total	$ 2,405,486	$ 2,434,748	$ 2,422,982	$ 2,312,453	$ 2,325,173	-4.5%

POLICE - Operations Division
BUDGET SUMMARY

The Personnel Budget for the Operations Division reflects a 2.2% increase in personnel costs, the net result of a 2% July and 2% January employee pay allowance and a slight increase in the state retirement contribution, which is offset by an 8.5% decrease in health insurance costs. There was a negligible decrease in operating costs for FY16.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 8,485,940	$ 9,465,729	$ 9,422,273	$ 8,896,319	$ 9,672,141	2.2%
Operating Costs	1,019,620	1,152,054	1,337,593	1,252,960	1,151,277	-0.1%
Capital Outlay	-	-	17,000	-	-	N/A
Total	$ 9,505,560	$ 10,617,783	$ 10,776,866	$ 10,149,279	$ 10,823,418	1.9%

POLICE - Special Events
BUDGET SUMMARY

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 FY16 includes an increase in operating costs of 4.4% due to increases to Halloween being on a weekend and for additional traffic diversion supplies

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ -	$ -	$ -	$ -	$ -	N/A
Operating Costs	107,987	149,300	129,900	129,900	155,900	4.4%
Capital Outlay	-	-	-	-	-	N/A
Total	$ 107,987	$ 149,300	$ 129,900	$ 129,900	$ 155,900	4.4%

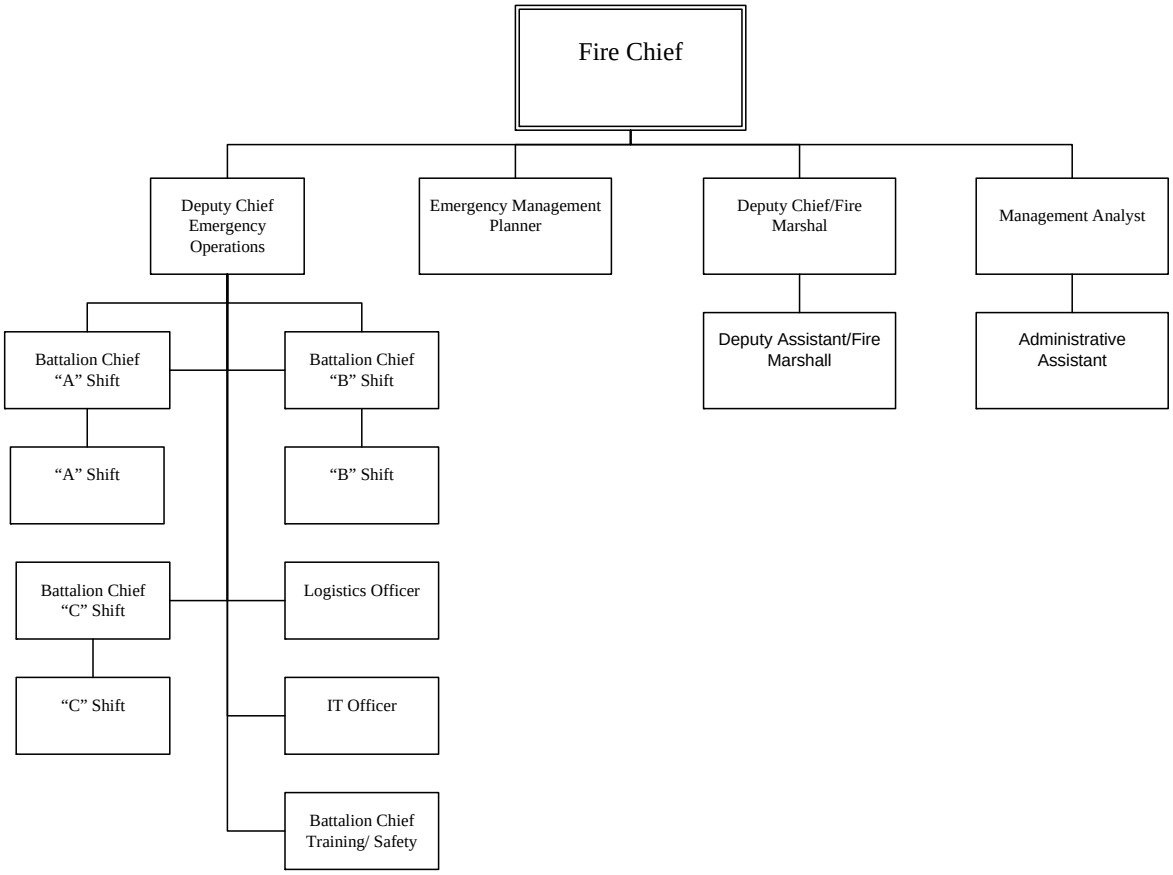
FIRE DEPARTMENT

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 FY16.

Program	Description
Emergency Operations	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. Coordinate emergency preparedness of Town including administration efforts.
Code Enforcement	Enforce the fire and safety codes of the Town and State through inspection, plan review and investigating the causes of fires.
Command-Control-Administration	Provide command and control of emergency incidents and fire operations. Provide Departmental administration. Coordinate emergency preparedness of Town including related resources.
Prevention and Safety Education	Schedule, coordinate and conduct public education and outreach services providing information on fire prevention, CPR, child safety seats, home safety and smoke alarms.
First Responder Medical Services	Provide response to medical emergencies within Town limits as part of emergency operations. Manage resources and coordinate administrative efforts to ensure proper coverage and service delivery.
Urban Search and Rescue	The Urban Search and Rescue Team is a FEMA Type 1 Team which is operated in cooperation with Raleigh, Cary and Durham. The Team is responsive to disasters and serve to rescue people buried in debris and respond to heavy rescue, water rescue, and victim search operations. Coordinate and participate in local and state wide training to maintain expertise.

FIRE


Fire Chief
Deputy Chief Emergency Operations
Emergency Management Planner
Deputy Chief/Fire Marshal
Management Analyst
Battalion Chief "A" Shift
Battalion Chief "B" Shift
Deputy Assistant/Fire Marshall
Administrative Assistant
"A" Shift
"B" Shift
Battalion Chief "C" Shift
Logistics Officer
"C" Shift
IT Officer
Battalion Chief Training/ Safety

FIRE DEPARTMENT

STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2013-14 ADOPTED	2014-15 ADOPTED	2015-16 ADOPTED
Administration			
Fire Chief	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Management Analyst	1.00	1.00	1.00
Emergency Management Coordinator	1.00	1.00	1.00
Division Totals	4.00	4.00	4.00
Emergency Operations			
Deputy Fire Chief	1.00	1.00	1.00
Battalion Fire Chief	4.00	4.00	4.00
Fire Captain/Lieutenant	20.00	19.00	19.00
Fire Comms Tech Officer	0.00	0.00	1.00
Fire Equipment Operator/Firefighter	57.00	58.00	58.00
Division Totals	82.00	82.00	83.00
Life Safety			
Deputy Fire Chief (Fire Marshal)	1.00	1.00	1.00
Fire Inspector	0.00	0.00	2.00
Deputy Fire Marshal	2.00	2.00	2.00
Fire Captain (Assistant Fire Marshal)	3.00	3.00	3.00
Division Totals	6.00	6.00	8.00
Fire Department Totals	92.00	92.00	95.00

FIRE
BUDGET SUMMARY

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 drastically increase due to new fire inspection fees in order to satisfy state statutes and a rise in development in Chapel Hill. Changes related to expenditures are noted on division summaries.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 6,762,749	$ 7,392,118	$ 7,343,799	$ 7,195,759	$ 7,681,410	3.9%
Operating Costs	1,094,218	1,040,320	1,212,510	938,035	1,177,444	13.2%
Capital Outlay	-	-	33,226	33,226	-	N/A
Total	$ 7,856,967	$ 8,432,438	$ 8,589,535	$ 8,167,020	$ 8,858,854	5.1%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Revenues	$ 6,463,075	$ 7,029,798	$ 7,186,895	$ 6,766,616	$ 6,929,584	-1.4%
State-Shared Revenues	1,091,005	1,097,590	1,097,590	1,097,590	1,097,590	0.0%
Charges for Services	276,927	281,750	281,750	272,154	272,154	-3.4%
Licenses/Permits/Fines	25,960	23,300	23,300	30,660	559,526	2301.4%
Total	$ 7,856,967	$ 8,432,438	$ 8,589,535	$ 8,167,020	$ 8,858,854	5.1%

FIRE
KEY PERFORMANCE MEASURES

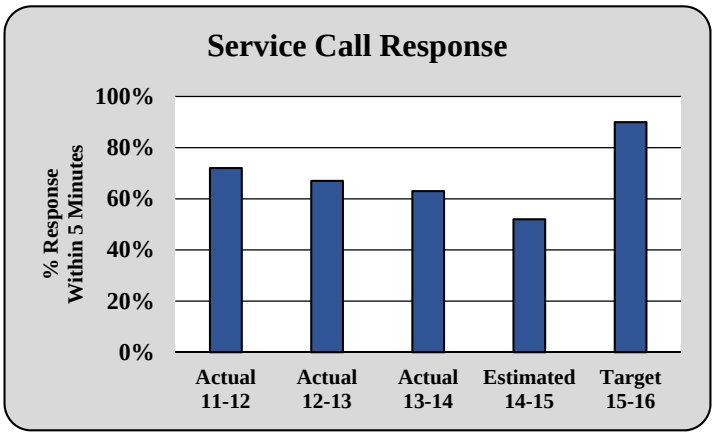
Protect and Provide for a Safe Community

Department Program: Emergency Operations

Goal: Respond with emergency services in an expedient manner to all fire, rescue, and appropriate emergency medical requests promptly and consistently across the community.

Objective: Achieve and maintain a response time (dispatch to on-scene) consistent with national standards of coverage (NFPA 1710) of a 5-minute arrival time for the first due or 9-minute arrival time for the full dispatched assignment in at least 90% of all incidents

We are modifying the measure for response times to drill down into the data to analyze what part of our response components are driving our arrival time (i.e. turnout time, travel time), and revise staffing level requirements to better meet the needs of our community.

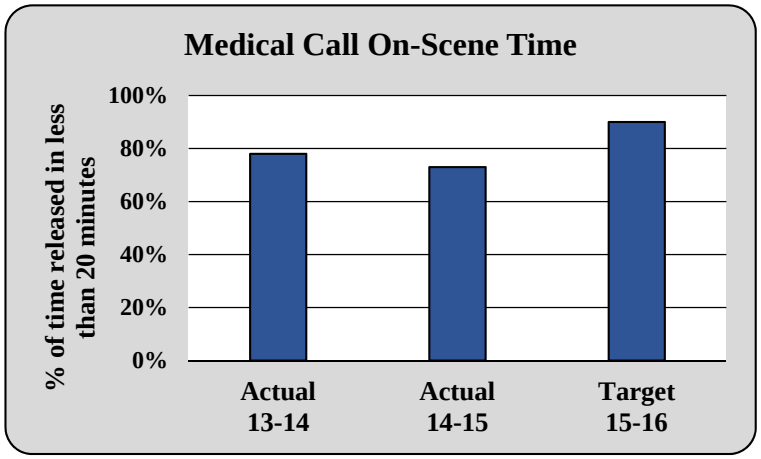


Protect and Provide for a Safe Community

Department Program: First Responder Medical Services

Goal: Work collaboratively with OCEM to coordinate efforts to release fire units as quickly as possible on medical calls without compromising care to the citizens.

Objective: Reduce on-scene time to less than 20 minutes 90% of the time



In fiscal year 2014-15, CHFD was released from medical calls in less than 20 minutes 73% of the time. This is in contrast from fiscal year 2013-14 when CHFD was released from medical calls in less than 20 minutes 78% of the time. The Life Safety division is in the midst of a reorganization that we hope will improve our performance in this area so we can meet our 90% target.

FIRE - Administration Division
BUDGET SUMMARY

The adopted budget for the Administration division reflects an overall expenditure increase of 15.6% from last year's budget. This increase in personnel is the net result of the 2% July and 2% January employee pay adjustment which is slightly offset by an 8.5% decrease in health insurance costs. The operating increases (approximately $75,000) can be attributed to lease payments for Sharp LED TVs used for training purposes.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 412,042	$ 430,718	$ 437,243	$ 404,691	$ 448,029	4.0%
Operating Costs	133,698	96,886	190,501	95,745	161,679	66.9%
Capital Outlay	-	-	-	-	-	N/A
Total	$ 545,740	$ 527,604	$ 627,744	$ 500,436	$ 609,708	15.6%

FIRE - Emergency Operations Division
BUDGET SUMMARY

The adopted budget for the Emergency Operations Division reflects a 2% increase in personnel costs. The FY16 budget includes a 2% July and 2% January employee pay adjustment which is slightly offset by an 8.5% decrease in health insurance costs. There was a slight decrease in operating spending due to a decrease in grant matching funds.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 5,797,988	$ 6,317,671	$ 6,279,771	$ 6,215,333	$ 6,445,462	2.0%
Operating Costs	947,677	927,359	1,005,934	826,884	913,888	-1.5%
Capital Outlay	-	-	33,226	33,226	-	N/A
Total	$ 6,745,665	$ 7,245,030	$ 7,318,931	$ 7,075,443	$ 7,359,350	1.6%

FIRE - Life Safety Division
BUDGET SUMMARY

The adopted budget for the Life Safety division reflects an overall expenditure increase of 34.9% from last year's budget. This increase in personnel is the result of two new Fire Inspectors and a 2% July and 2% January pay adjustment which is partially offset by an 8.5% decrease in health insurance costs . The operating budget increased by 533.8% due to the cost of materials, equipment, and vehicles for the two Fire Inspectors.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 552,719	$ 643,729	$ 626,785	$ 575,735	$ 787,919	22.4%
Operating Costs	12,843	16,075	16,075	15,406	101,877	533.8%
Capital Outlay	-	-	-	-	-	N/A
Total	$ 565,562	$ 659,804	$ 642,860	$ 591,141	$ 889,796	34.9%

LEISURE
BUDGET SUMMARY

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

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Parks and Recreation	$ 5,929,953	$ 6,401,924	$ 6,642,318	$ 6,323,612	$ 6,622,483	3.4%
Library	2,347,213	2,729,416	2,745,544	2,642,387	2,832,155	3.8%
Total	$ 8,277,166	$ 9,131,340	$ 9,387,862	$ 8,965,999	$ 9,454,638	3.5%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Revenues	$ 5,647,183	$ 7,255,867	$ 7,362,632	$ 6,820,602	$ 7,432,838	2.4%
Grants	1,251,963	680,207	690,207	690,614	682,114	0.3%
Charges for Services	1,026,285	1,030,766	1,030,766	1,043,740	1,130,686	9.7%
Licenses/Permits/Fines	6,373	5,000	5,000	4,170	4,500	-10.0%
Other Revenues	300,362	114,500	254,257	361,873	159,500	39.3%
Transfers/Other Sources	45,000	45,000	45,000	45,000	45,000	0.0%
Total	$ 8,277,166	$ 9,131,340	$ 9,387,862	$ 8,965,999	$ 9,454,638	3.5%

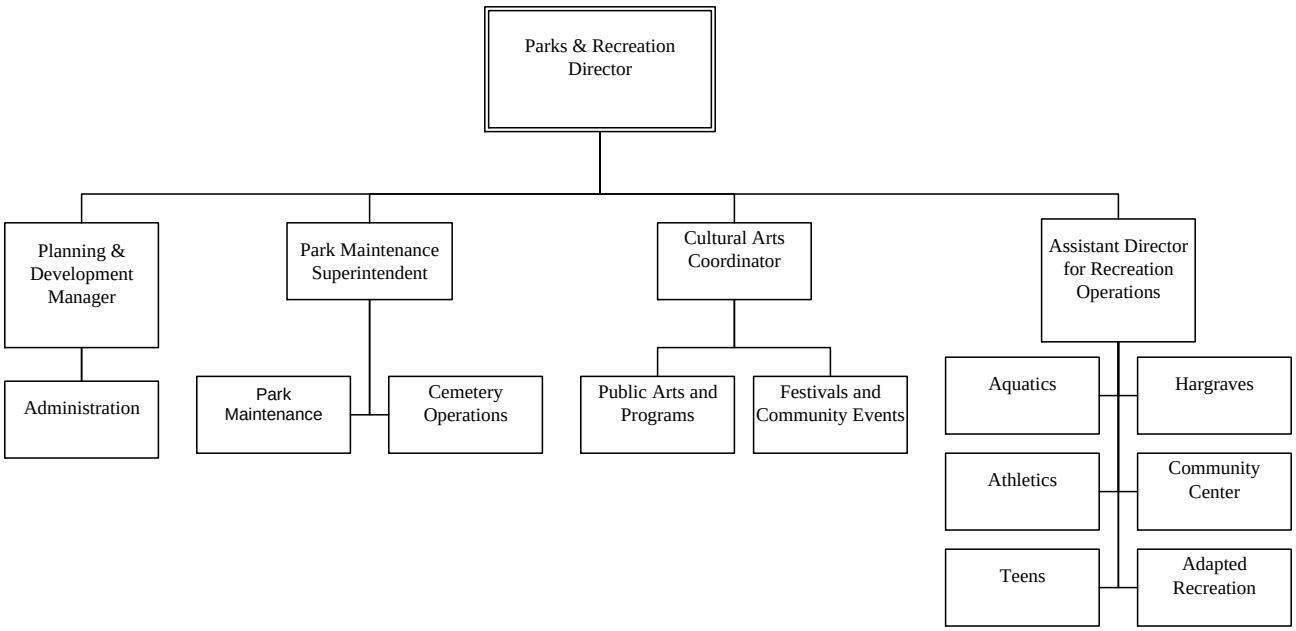
PARKS AND RECREATION DEPARTMENT

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 FY16.

Program	Description
Park Maintenance and Landscape Services	Operate and 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. Inspect and maintain playgrounds in Town parks and Public Housing. Maintain cleanliness of Downtown Central Business District. Assist with set up and cleanup of Town sponsored events.
Cemetery Operations	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.
Recreational Programming	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.
Public & Cultural Arts	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 five 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

	2013-14 ADOPTED	2014-15 ADOPTED	2015-16 ADOPTED
Administration			
Director-Parks & Recreation	1.00	1.00	1.00
Assistant Director-Parks and Recreation	2.00	2.00	2.00
Administrative Coordinator	1.00	1.00	1.00
Recreation Manager	0.00	0.00	1.00
Administrative Assistant	1.00	1.00	1.00
Office Assistant	0.60	1.00	1.00
Division Totals	5.60	6.00	7.00
Landscape Services and Park Maintenance			
Superintendent-Grounds Maintenance Operations	1.00	1.00	1.00
Landscape Supervisor	3.00	3.00	3.00
Arborist	1.00	1.00	1.00
Landscape Superintendent	0.00	0.00	1.00
Arborist-Assistant	1.00	1.00	1.00
Landscape Specialist.Landscape Crew Leader	17.00	17.00	17.00
Administrative Assistant	1.00	1.00	1.00
Maintenance Assistant	1.00	1.00	0.00
Division Totals	25.00	25.00	25.00
Athletics			
Supervisor-Recreation	1.00	1.00	1.00
Adaptive Recreation Coordinator	0.00	0.00	1.00
Special Olympics Coordinator	0.00	0.00	1.00
Recreation Specialist	3.53	3.53	1.53
Division Totals	4.53	4.53	4.53
Community Center			
Supervisor-Recreation	1.00	1.00	1.00
Recreation Specialist	0.50	0.50	0.50
Recreation Assistant	2.00	2.00	2.00
Division Totals	3.50	3.50	3.50

continued

Aquatics Center			
Supervisor-Recreation	1.00	1.00	1.00
Assistant Supervisor-Aquatics	1.00	1.00	1.00
Lifeguard	4.00	4.00	4.00
Division Totals	6.00	6.00	6.00

PARKS & RECREATION DEPARTMENT

STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2013-14 ADOPTED	2014-15 ADOPTED	2015-16 ADOPTED
Public Arts			
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
Hargraves Center			
Supervisor-Recreation	1.00	1.00	1.00
Assistant Supervisor-Recreation	1.00	1.00	1.00
Recreation Specialist	1.80	1.80	1.80
Recreation Assistant	1.58	1.58	2.00
Division Totals	5.38	5.38	5.80
Community Cultural Arts			
Supervisor-Recreation	1.00	1.00	0.00
Marketing & Sponsorship Coordinator	0.00	0.00	1.00
Festivals & Event Technician	0.00	0.00	1.00
Assistant Recreation Supervisor	1.00	1.00	1.00
Division Totals	2.00	2.00	3.00
Parks & Recreation Department Totals	54.01	54.41	56.83

[1] One additional Groundskeeper is funded by the Downtown Service District.

PARKS AND RECREATION BUDGET SUMMARY

The adopted budget for Parks and Recreation reflects an overall expenditure increase of 3.4% from last year's budget. The 8.2% increase in personnel is the net result of a department-wide reorganization that has added three new positions, changed job titles/duties, and includes a 2% July and 2% January pay adjustment (which is slightly offset by an 8.5% decrease in health insurance costs). The 5.6% operating decrease can be attributed to a decrease in vehicle replacement charges.

There was an increase in revenues by 3.4%, mainly due to an increase in fees for athletic field rentals.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 4,118,397	$ 4,398,086	$ 4,384,353	$ 4,244,571	$ 4,758,562	8.2%
Operating Costs	1,805,606	1,973,778	2,201,650	2,022,726	1,863,921	-5.6%
Capital Outlay	5,950	30,060	56,315	56,315	-	-100.0%
Total	$ 5,929,953	$ 6,401,924	$ 6,642,318	$ 6,323,612	$ 6,622,483	3.4%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Revenues	$ 4,035,929	$ 5,324,554	$ 5,425,191	$ 5,001,135	$ 5,408,173	1.6%
Grants	740,229	83,760	83,760	83,760	83,760	0.0%
Charges for Services	862,509	888,610	888,610	888,300	980,550	10.3%
Other Revenues	291,286	105,000	244,757	350,417	150,000	42.9%
Total	$ 5,929,953	$ 6,401,924	$ 6,642,318	$ 6,323,612	$ 6,622,483	3.4%

PARKS AND RECREATION
KEY PERFORMANCE MEASURES

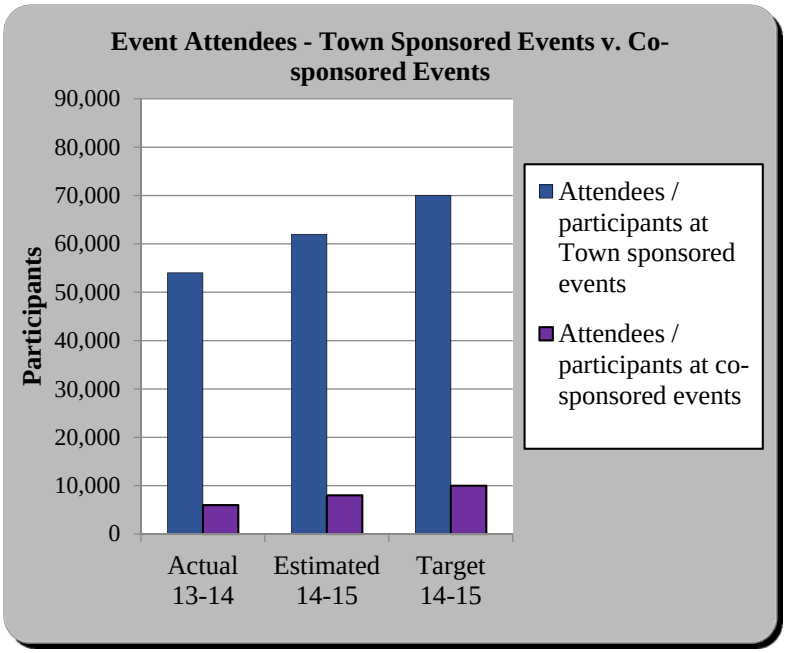
Develop Good Places, New Spaces

Department Program: Cultural Arts

Goal: Provide availability for and participation in cultural art programs and experiences

Objective: Provide a variety of cultural arts events

In fiscal year 2014-15, the Parks and Recreation Department saw an increase in participation in town sponsored events by 15% from 54,000 participants to 62,000 participants. The participation also increased in co-sponsored events from 6,000 to 8,000 participants, which is a 33% increase. This trend is expected to continue in 2015-16.



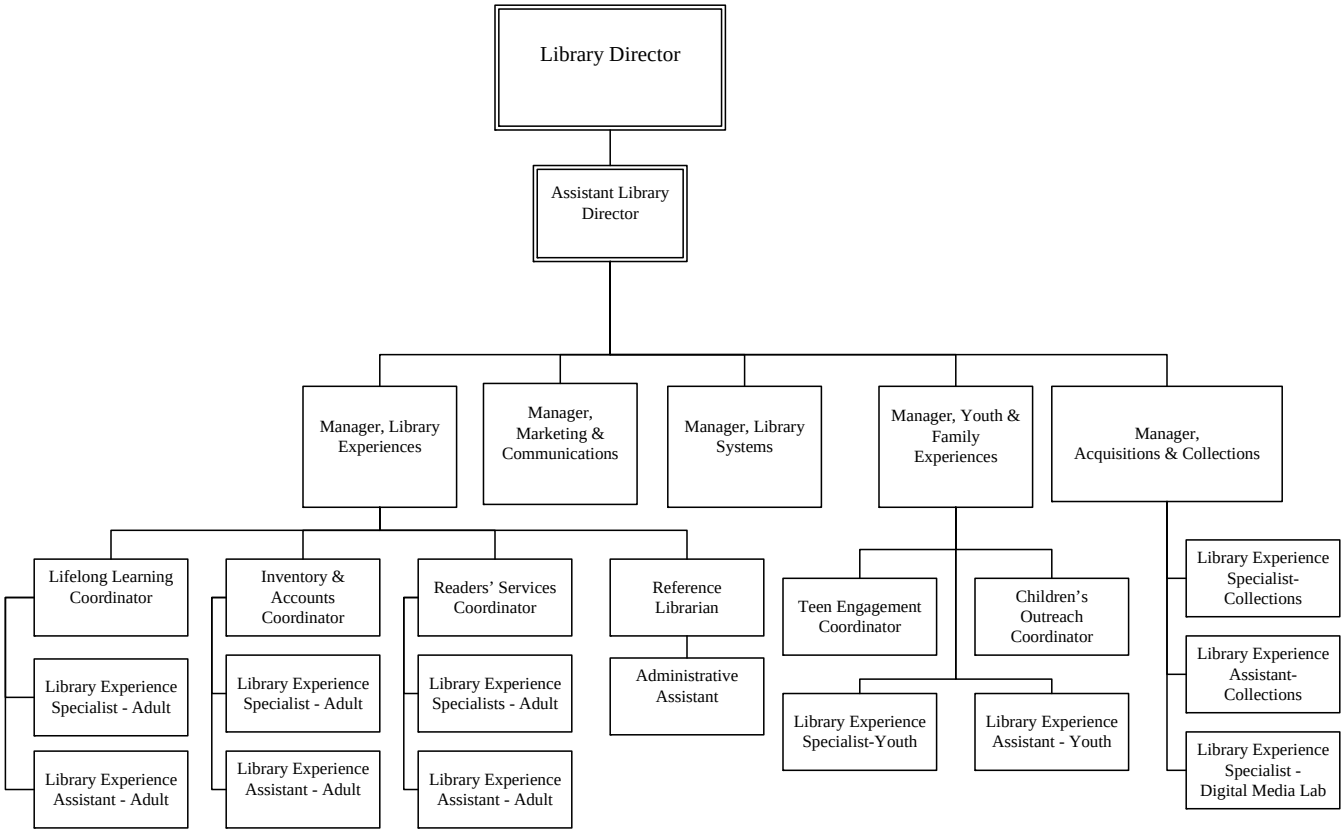
CHAPEL HILL PUBLIC LIBRARY

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 FY16.

Program	Description
Library Collection Development & Maintenance	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.
Collection Lending	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.
Information/Reference Services	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.
Library Programs	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.
Community Gathering Space	Provide meeting rooms, art display space, study rooms and seating.
On-line Patron Support	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 Director
Assistant Library Director
Manager, Library Experiences
Manager, Marketing & Communications
Manager, Library Systems
Manager, Youth & Family Experiences
Manager, Acquisitions & Collections
Lifelong Learning Coordinator
Library Experience Specialist - Adult
Library Experience Assistant - Adult
Inventory & Accounts Coordinator
Library Experience Specialist - Adult
Library Experience Assistant - Adult
Readers' Services Coordinator
Library Experience Specialists - Adult
Library Experience Assistant - Adult
Reference Librarian
Administrative Assistant
Teen Engagement Coordinator
Children's Outreach Coordinator
Library Experience Specialist-Youth
Library Experience Assistant - Youth
Library Experience Specialist-Collections
Library Experience Assistant-Collections
Library Experience Specialist - Digital Media Lab

LIBRARY DEPARTMENT

STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2013-14 ADOPTED	2014-15 ADOPTED	2015-16 ADOPTED
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	2.00	2.00	3.00
Supervisor-Circulation	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Materials Processor	3.73	3.73	3.73
Library Assistant I-III	12.90	12.86	11.93
Teen Engagement Specialist	0.00	1.00	1.00
Library Systems Manager	0.00	1.00	1.00
Community Engagement Specialist	0.00	1.00	1.00
Digital Media Lab Coordinator	0.00	0.50	0.75
Library Department Totals	26.63	30.09	30.41

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 3.8% from last year's budget. The 4.1% increase in personnel is the net result of a position reclassification and the 2% July and 2% January pay adjustment, which is slightly offset by an 8.5% decrease in health insurance costs. The operating budget increase of 2.5% is due to an increase in credit card fees, software/licenses, and printing.

Library revenues reflect support from Orange County in the amount of $568,139. Transfer from the Library Gift Fund remains at the historic level of $45,000 in 2015-16.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 1,787,451	$ 2,096,053	$ 2,096,053	$ 1,999,531	$ 2,182,746	4.1%
Operating Costs	559,762	633,363	649,491	642,856	649,409	2.5%
Total	$ 2,347,213	$ 2,729,416	$ 2,745,544	$ 2,642,387	$ 2,832,155	3.8%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
General Fund	$ 1,611,254	$ 1,931,313	$ 1,937,441	$ 1,819,467	$ 2,024,665	4.8%
Grants	511,734	596,447	606,447	606,854	598,354	0.3%
Charges for Services	163,776	142,156	142,156	155,440	150,136	5.6%
Licenses/Permits/Fines	6,373	5,000	5,000	4,170	4,500	-10.0%
Other Revenues	9,076	9,500	9,500	11,456	9,500	0.0%
Transfers/Other Sources	45,000	45,000	45,000	45,000	45,000	0.0%
Total	$ 2,347,213	$ 2,729,416	$ 2,745,544	$ 2,642,387	$ 2,832,155	3.8%

LIBRARY
KEY PERFORMANCE MEASURES

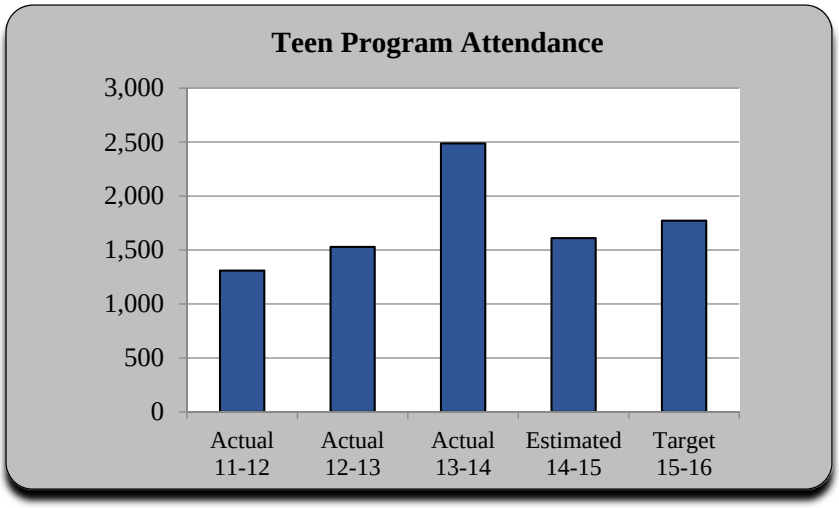
Create a Place for Everyone

Department Program: Cultural and Community Programs for All Ages

Goal: Position the library as an educational and cultural destination and a place for everyone.

Objective: Increase Teen programming

In FY 2014-15, CHPL hired a new Teen Engagement Coordinator to focus programs and services for teens town-wide, and to expand teen services at the library. CHPL aims to engage teens more widely through a variety of programs and partnerships in 2015-16.

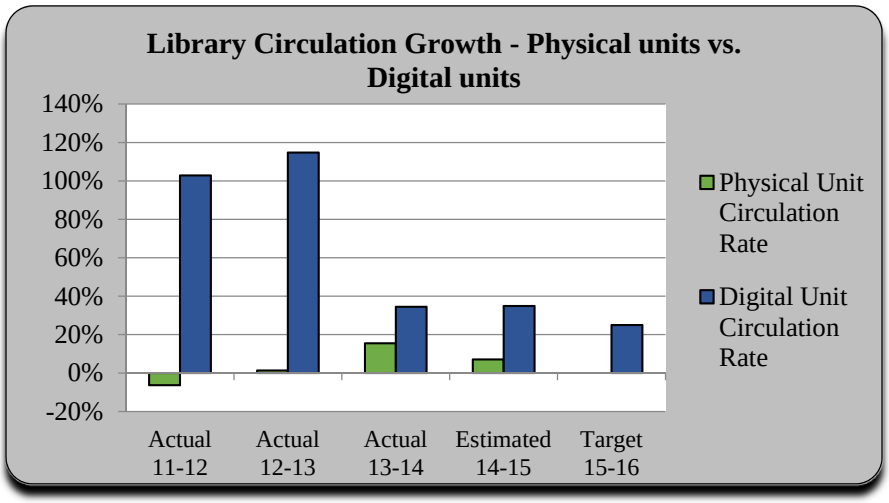


Create a Place for Everyone

Department Program: Circulation

Goal: Circulate both physical and digital materials throughout the community.

Objective: 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 e-books and digital content, with their greater associated costs, will only increase and CHPL will strive to keep up with this growing demand.

LIBRARY
KEY PERFORMANCE MEASURES (cont.)

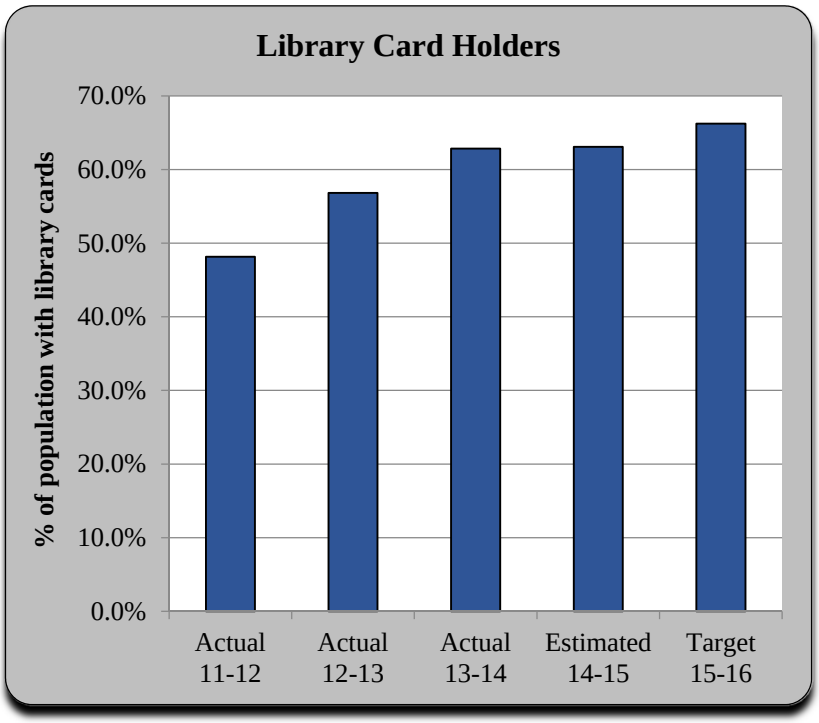
Create a Place for Everyone

Department Program: Circulation

Goal: Circulate both physical and digital materials throughout the community.

Objective: Increase number of library cardholders by 5%.

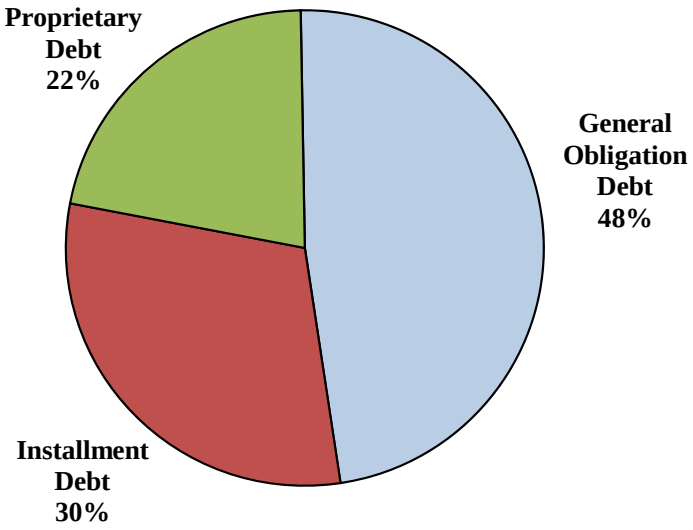
A library card is the primary means to access CHPL's wealth of print and digital resources. More cardholders signify that more community members have access to these resources and recognize this valued and valuable Town resource. In 2015-16, CHPL will focus on community awareness and customer development by publishing a Community Engagement Plan, updating library Mission, Vision, and Values statements, and establishing a library brand.



DEBT SERVICE FUND

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

Total Debt



DEBT & BOND RATINGS

Outstanding Debt

As of June 30, 2015 the Town will have about $57 million in debt outstanding. The Town's most recent debt issuance was the June 2015 public improvement installment financing in the amount of $2.44 million. The installment financing had a 15 year term and was completed with a net interest cost of 2.24%.

	Long-Term Debt June 30, 2015
Governmental Debt	
General obligation debt	$ 25,662,000
Limited Obligation Bonds	13,775,000
Installment debt	2,518,145
Separation allowance	308,000
Compensated absences	2,514,000
Total	$ 44,777,145
Proprietary Fund Debt	
Enterprise Funds	
Limited Obligation Bonds	$ 8,575,000
Compensated absences	641,000
Internal Service Funds	
Motor vehicle equipment	3,061,766
Total	$ 12,277,766

In February 28, 2013 the Town sold $3.05 million of General Obligation (G.O.) 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 are 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.

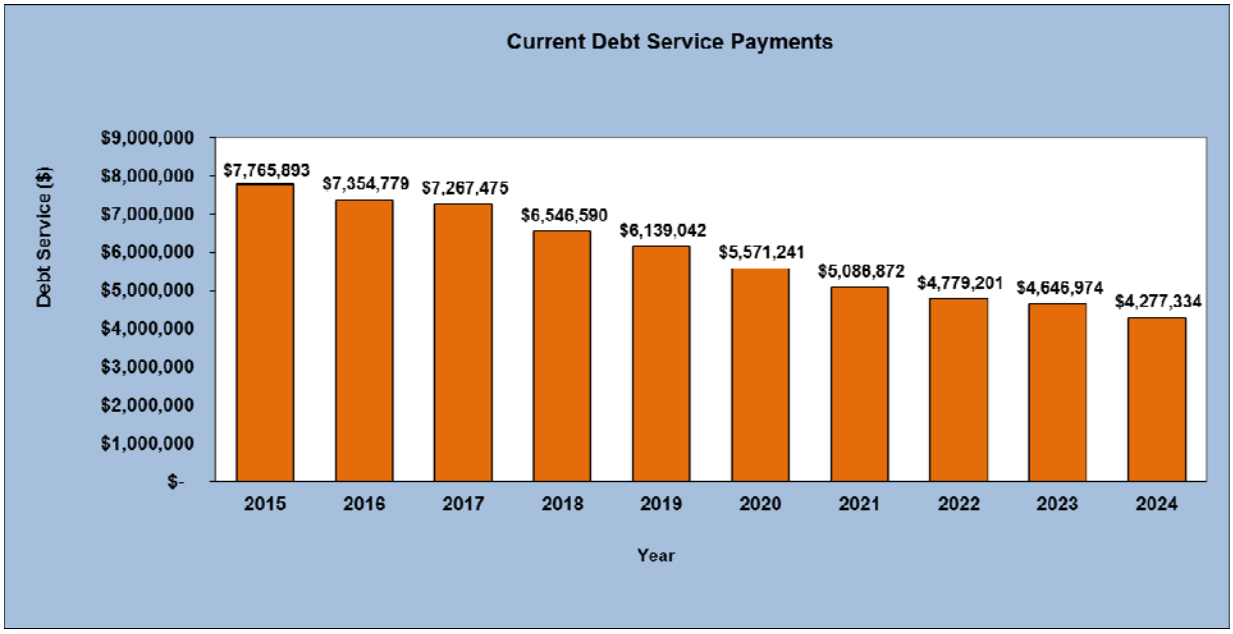
On May 15, 2012 the Town sold $1.7 million of two-thirds G.O. bonds and $4.94 million in G.O. refunding bonds. The rate for the refunding bonds that closed in FY12 was 2.26%, generating $432,217 in net present value savings. The rate for the two-thirds bonds, which closed in FY13, was 1.42%.

On October 12, 2010, the Town issued $20.41 million in G.O. 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. The balance of the G.O. 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 $8.57 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.

Current Debt Obligations

The Town has a rapid pay-down of existing debt with 78% of existing debt scheduled to be retired within 10 years. The Town's long-term debt payments for existing G.O. obligation bonds and certificates of participation, for all funds, are shown below for the next ten years:



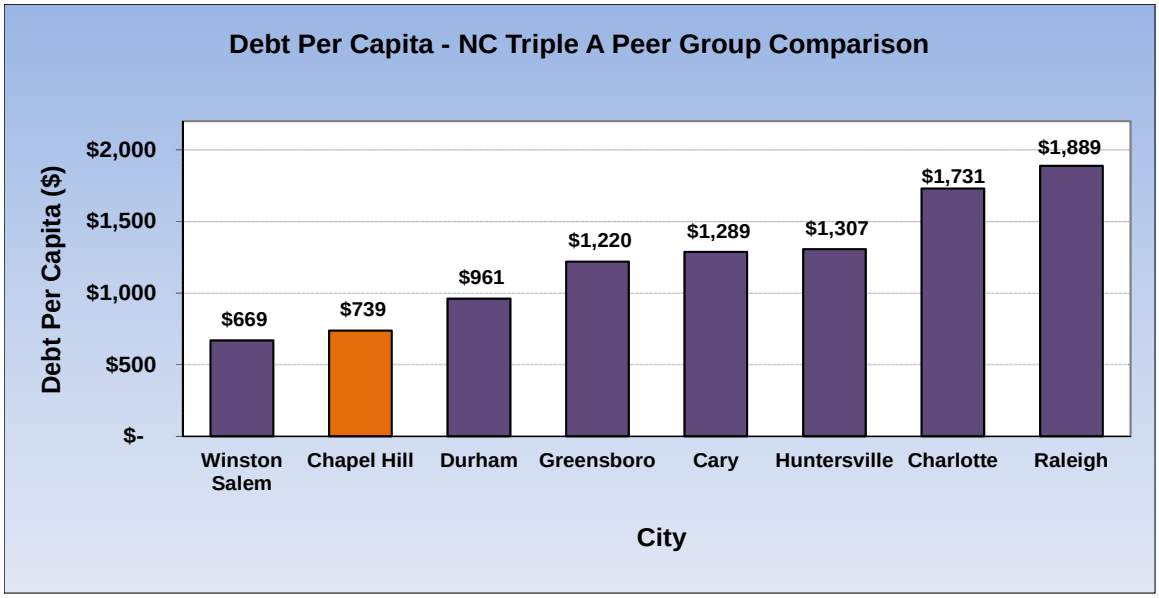
Future Additional Debt

The Town's capital planning process, which includes the consideration of multiple master plans, special studies and public facility assessments, identified a number of large-scale projects that could be financed through G.O. Bonds. These projects were aggregated by purpose, as shown below, in order to establish bond orders that will appear on a referendum ballot scheduled for November 3, 2015.

Streets & sidewalks	$16,200,000
Trails and greenways	5,000,000
Recreation facilities	8,000,000
Solid waste facilities	5,200,000
Stormwater improvements	5,900,000
Total	**$40,300,000**

In addition to the referendum the Town is also planning to finance the following projects using installment debt.

- Town Hall Renovation/Ephesus–Fordham Public Improvements: This combined financing is planned for FY16. The proceeds of the installment financing will be used for renovations to Town Hall ($0.9 million), other CIP Projects ($0.8 million) and the Ephesus-Fordham Renewal Project roadway and stormwater improvements ($10.0 million).
- The Town is also planning on financing the purchase of buses for the Chapel Hill Transit System. There are 12 buses planned for debt financing in FY16 and the total cost is expected to be about $6 million. With the reduction in federal funding available for bus purchases, the Town and its funding partners (University of North Carolina at Chapel Hill and the Town of Carrboro) are working together to maintain a bus replacement schedule that will support the system's annual ridership of about 7 million passengers.
- The Town is currently in the planning process for the replacement of public safety facilities, including police headquarters and several fire stations. In addition, the Town is looking to address other space needs by combining public safety with other uses in one "multi-agency" facility. Preliminary estimates suggest that the total cost of a multi-agency facility will be between $20-30 million, depending on the final scope and location of the project. It is expected that the project will be financed sometime after FY17.



(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 6/30/2014, Department of State Treasurer, Division of State and Local Government Finance.)

DEBT & BOND RATINGS

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 G.O. bonds and certificates of participation. 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.

TOWN OF CHAPEL HILL, NORTH CAROLINA

COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2015

Total assessed valuation at June 30, 2015	$	7,481,046,641
Debt limit - 8% of total assessed value	$	598,483,731
Amount of debt applicable to debt limit:		
General obligation bonds		25,662,000
Legal debt margin	$	572,821,731

As of June 30, 2015 the Town has $25,662,000 in outstanding G.O. Bonds that apply to this limit. The total is less than 1% of the Town's June 30, 2014 tax base ($7.48 billion).

The Town's annual General Fund G.O. and installment financing debt service cost for FY16 is estimated to be about $6.41 million, or about 10.4% of the General Fund adopted budget. As a percentage of adopted governmental budgets (Debt Management Fund and General Fund), debt service costs are about 9.3%. Annual debt service is considered to be low to moderate if it is less than 10% of the annual governmental appropriations. Our projections show that we will have debt service levels between 9% and 12% of budget for the next several years as borrowing increases to meet capital needs. We will continue to monitor this indicator because it is one of numerous factors used to determine the Town's credit rating.

Bond Ratings

Moody's	**AAA**
Standard & Poor's	**AAA**

The Town's bond ratings evidence its financial strength. When the Town issues G.O. 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. Both Moody's Investor Services and Standard and Poor's have affirmed the Town's triple A G.O. Bond Rating (Moody's in June of 2012 and Standard & Poor's in August of 2015). Triple A is the highest rating attainable for G.O. Bonds.

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 8.5 cents is expected to yield $6.52 million in revenues in FY16.

The adopted budget for FY16 includes a contribution to reserve of about $1,188,000.

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EXPENDITURES

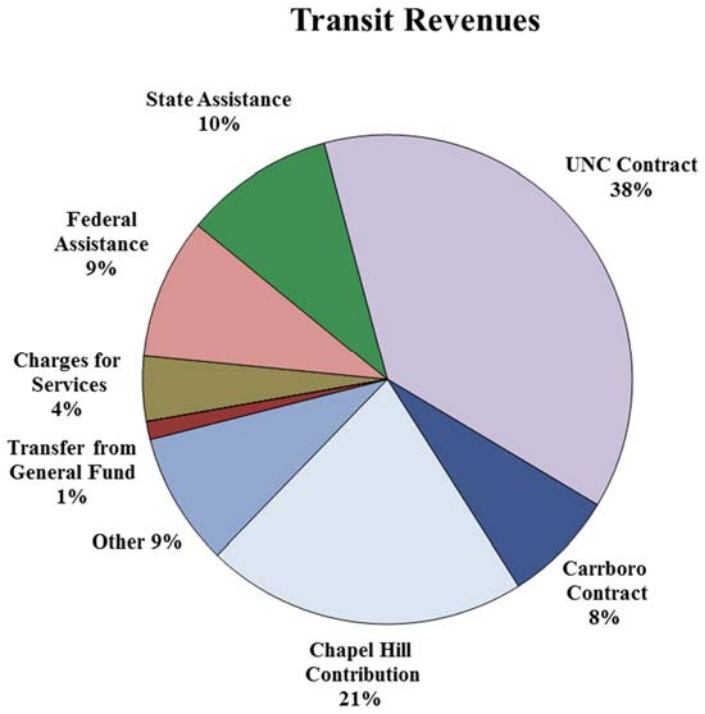
	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Principal Payments	$ 4,904,000	$ 4,594,000	$ 4,594,000	$ 4,594,000	$ 4,330,000	-5.7%
Interest Expense	2,298,726	2,265,059	2,265,059	2,265,059	2,082,643	-8.1%
Service Charges	1,750	1,750	1,750	1,750	1,750	0.0%
Contribution to Reserve	-	663,778	663,778	681,956	1,188,389	79.0%
Total	$ 7,204,476	$ 7,524,587	$ 7,524,587	$ 7,542,765	$ 7,602,782	1.0%

REVENUES

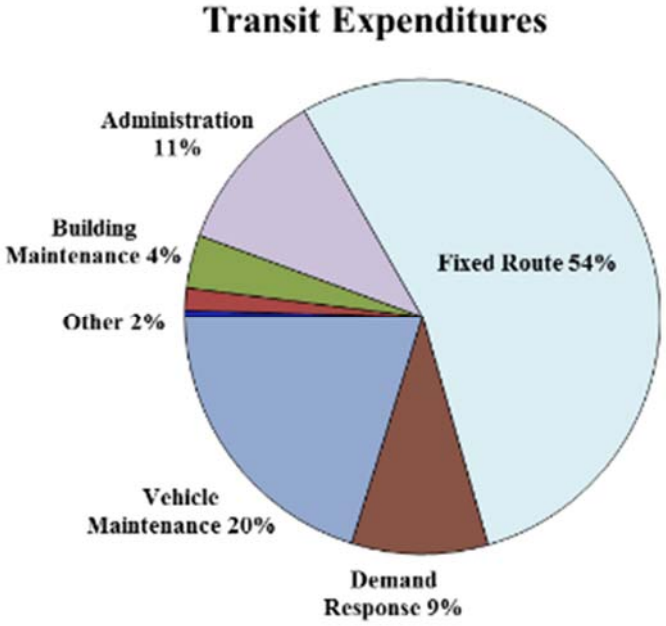
	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Property Taxes	$ 5,586,519	$ 6,430,000	$ 6,430,000	$ 6,460,000	$ 6,520,000	1.4%
Transfer from Off-Street Parking	908,331	909,081	909,081	909,081	909,582	0.1%
Premium on Bond Sale	-	-	-	-	-	N/A
Debt Proceeds	-	-	-	-	-	N/A
BABS Interest Subsidy	169,366	182,506	182,506	169,184	169,200	-7.3%
Interest Income	4,005	3,000	3,000	4,500	4,000	33.3%
Appropriated Fund Balance	536,255	-	-	-	-	N/A
Total	$ 7,204,476	$ 7,524,587	$ 7,524,587	$ 7,542,765	$ 7,602,782	1.0%

TRANSIT FUND

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



Total $20,775,015



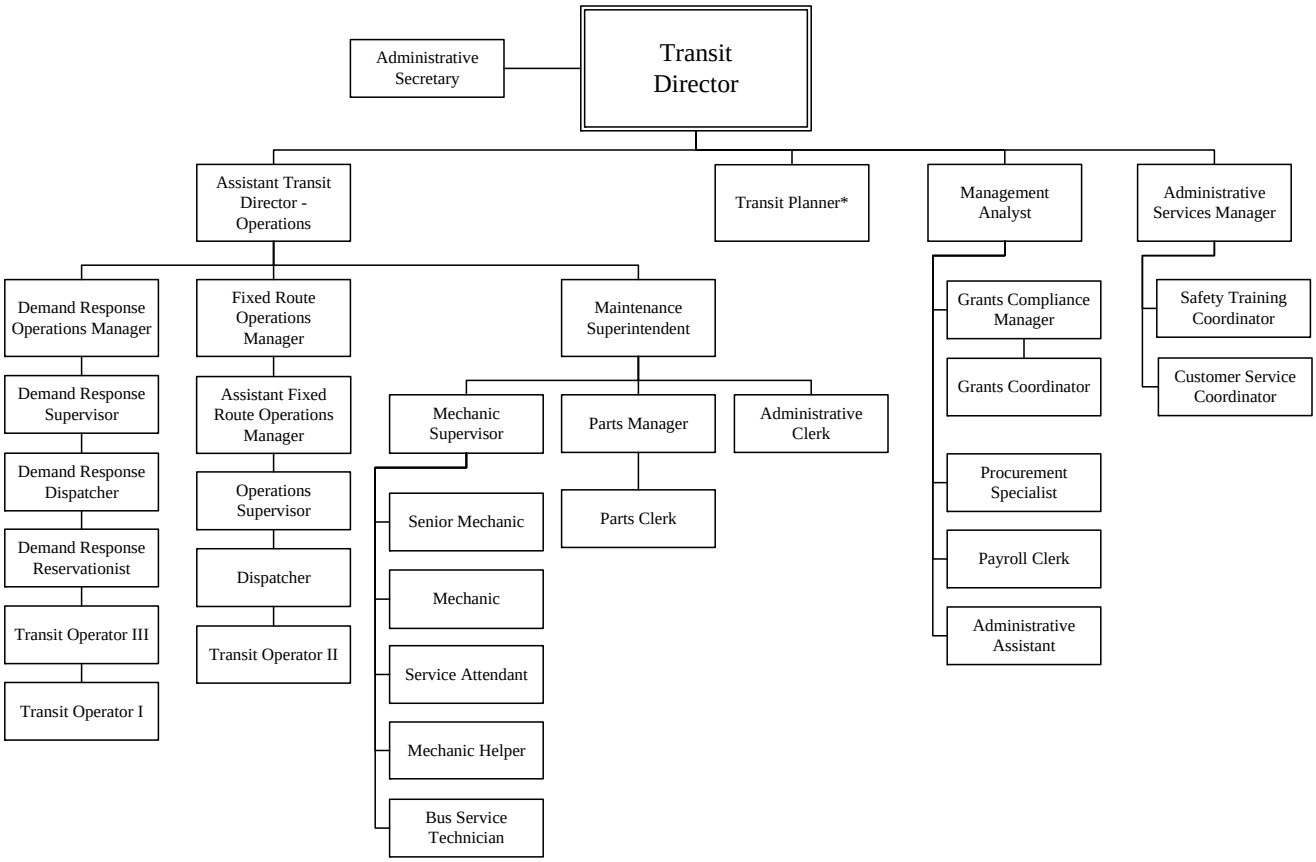
TRANSIT

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 FY16.

Program	Description
Fixed-Route Bus Service	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.
Demand-Response Service	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.
Maintenance	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.)
Administration and Finance	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



* Grant-funded positions.

TRANSIT DEPARTMENT

STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2013-14 ADOPTED	2014-15 ADOPTED	2015-16 ADOPTED
Administration			
Director-Transit	1.00	1.00	1.00
Assistant Director-Transit	1.00	1.00	1.00
Compliance Manager	1.00	1.00	0.00
Administrative Analyst	1.00	1.00	1.00
Advertising Sales Manager	1.00	1.00	1.00
Coordinator-Grants	1.00	1.00	1.00
Customer Service Coordinator	1.00	1.00	1.00
GIS Technician	1.00	1.00	0.00
Procurement Specialist	1.00	1.00	1.00
Transit Services Planner	1.00	1.00	2.00
Administrative Assistant	1.00	3.00	3.00
Administrative Secretary	1.00	0.00	0.00
Human Resources Technician	0.00	0.00	1.00
Training Coordinator	0.00	0.00	1.00
Administrative Clerk	1.00	0.00	0.00
Manager - Transit Operations	0.00	0.00	1.00
Administrative Services Manager	0.00	1.00	1.00
Division Totals	13.00	14.00	16.00
Operations			
Transit Operations Manager	1.00	0.00	0.00
Coordinator-Safety and Training	1.00	1.00	1.00
Coordinator-Scheduling/Run Cut	1.00	1.00	0.00
Assistant Transit Operations Manager	2.00	1.00	1.00
Demand Response Manager	0.00	1.00	1.00
Supervisor-Transit	6.00	10.00	10.00
Transit Dispatcher	4.00	0.00	0.00
Transit Operator - Demand Response	13.25	12.63	13.63
Transit Operator - Fixed Route	105.66	108.66	122.66
Transit Operator - Shared Rider Driver	1.00	0.00	0.00
Office Assistant	0.00	1.00	0.00
Administrative Assistant	0.00	2.00	2.00
Transit Reservationist	1.00	0.00	0.00
Division Totals	135.91	138.29	151.29
Equipment Maintenance			
Maintenance Manager	1.00	1.00	1.00
Assistant Maintenance Manager	0.00	1.00	1.00
Supervisor-Mechanic	2.00	2.00	2.00
Parts Manager	1.00	1.00	1.00
Electronics Technician	0.00	1.00	0.00
Mechanic	14.00	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	2.00
Service Attendant	5.50	5.50	5.00
Division Totals	29.50	31.50	31.00
Transit Department Totals	178.41	183.79	198.29

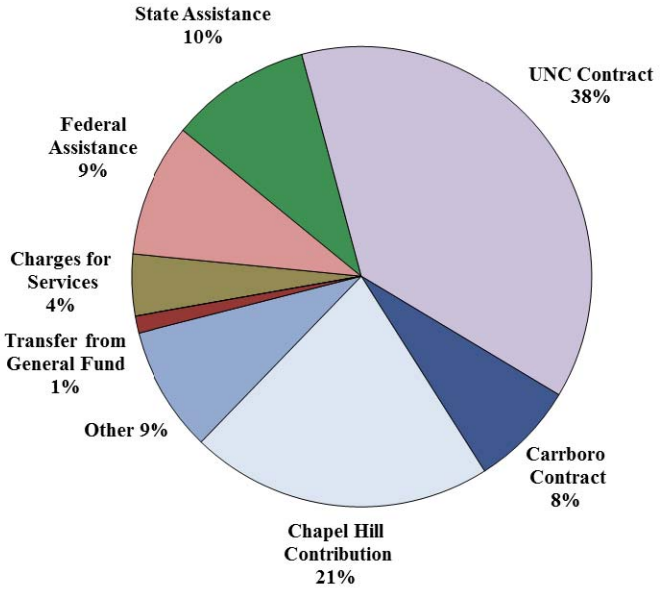
TRANSIT FUND

Major Revenue Sources - Descriptions and Estimates

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 2015-16 totals about $20.78 million, an increase of 1.3% over FY15. 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 2015-16.

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 $1.94 million in 2015-16. The adopted budget for FY16 includes no non-recurring federal grants at this time. Additional operating grants will be sought for FY16 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 FY15 is expected to be $2.06 million, about $480,000 less than budgeted, with an adopted FY16 budget amount of $2.06 million. The FY16 adopted budget amount represents a 19% decrease from the previous fiscal year.

TRANSIT FUND

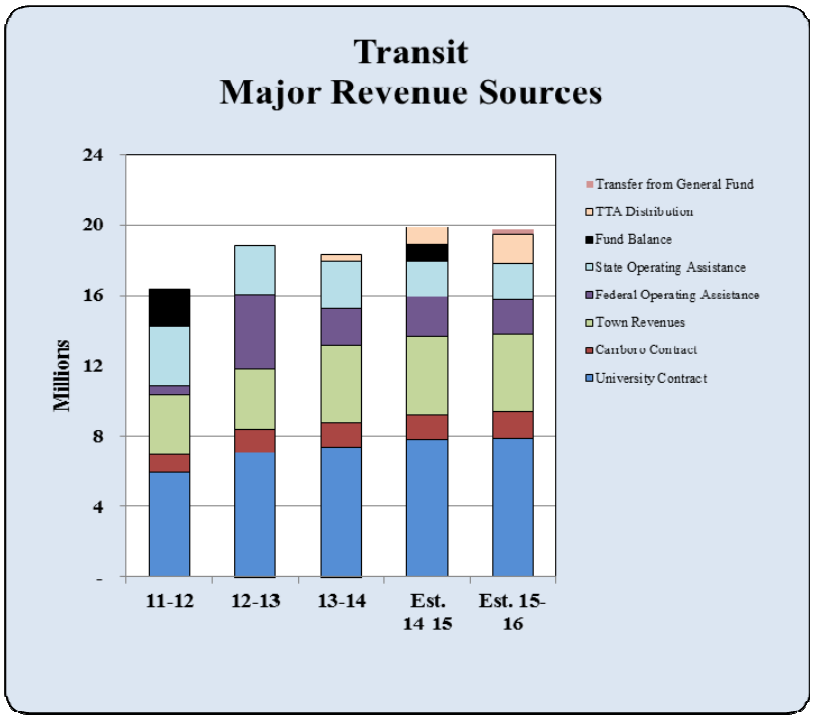
Major Revenue Sources - Descriptions and Estimates

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 was about $7.36 million in FY14 and $7.77 million in FY15. UNC's allocation for FY15-16 reflects an increase of about $78,000 to $7.84 million.

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 FY15 was about $1.47 million and the budget for FY16 reflects an increase of about $67,800 to $1.54 million 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 2015-16 is about $4.4 million. Also included in Town revenues are interest income and $455,000 for vehicle license fees.

TRANSIT FUND

Major Revenue Sources - Descriptions and Estimates

Park and Ride Fees

The adopted budget for 2015-16 includes fees for use of park and ride lots. The University charges a fee for the lots they operate, which would result in overflow to our lots if they remained free of charge. The FY16 budget includes fee revenues of $95,000. The Town used to receive a subsidy estimated at $75,000 from UNC to pay for use of Town operated lots by UNC permit holders, but starting in FY16 that will no longer be the case.

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.

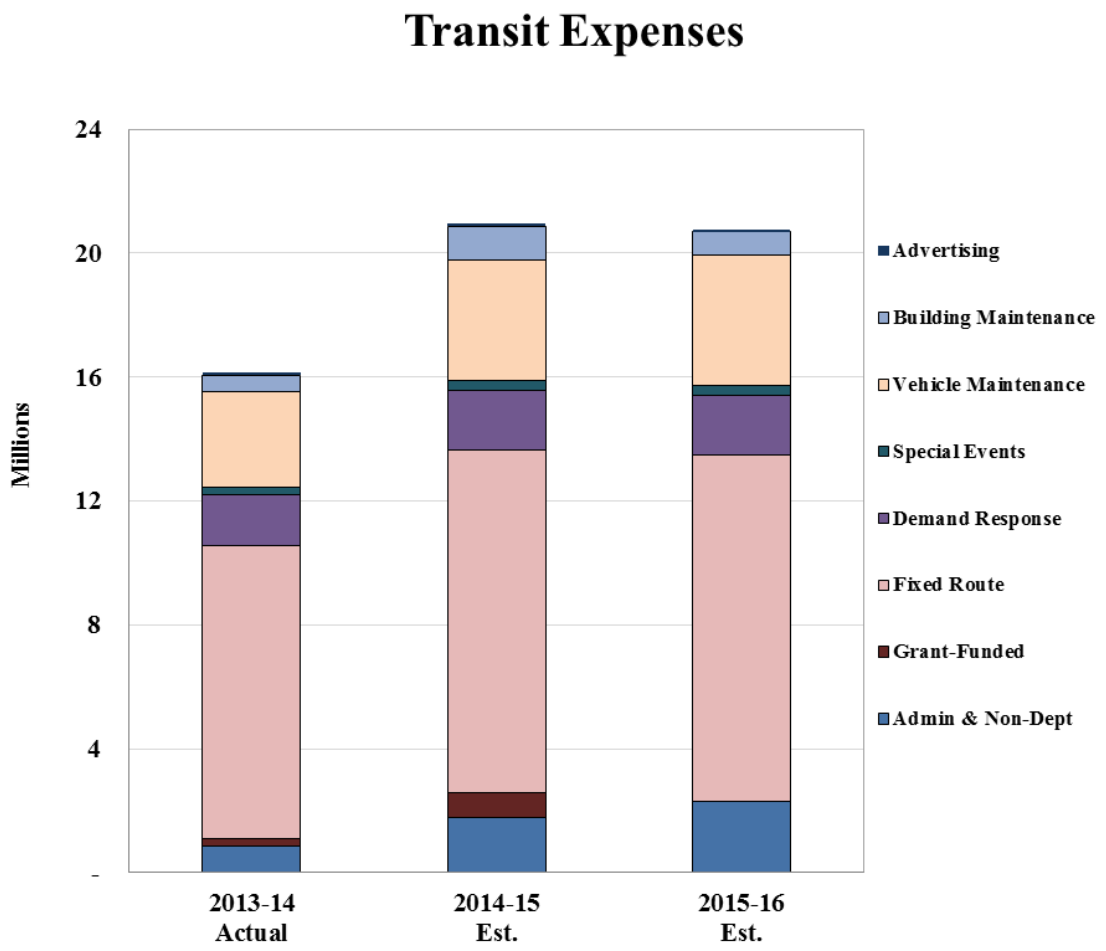
Fund Balance

The Transit system expects expenditures in excess of revenues in FY15 of about $950,945 to be appropriated from Fund Balance. While no amount of Fund balance is used to balance the budget in FY16, there is a $247,836 transfer from the General Fund.

TRANSIT FUND

Major Expenditures - Descriptions and Estimates

The adopted budget for Transit for 2015-16 continues fare free services for fixed routes in the system and totals $20.78 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 minivans, and four maintenance service trucks that provide transit service to the entire community.



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 $13.4 million and Maintenance costs total about $4.94 million.

TRANSIT FUND

Major Expenditures - Descriptions and Estimates

Expenditures for FY16 include a 2% July and 2% January pay adjustment and adding 15 new fixed route drivers. The budget also includes $800,000 for vehicle replacement.

The FY16 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. Funding from the State continues to decrease below historic levels. 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 FY16 budget also includes revenues from TTA from the Orange County sales tax for Transit. Cost increases include a 2% June and 2% July of market rate salary adjustment and hiring 15 new fixed route operators. Operations in FY15 are expected to appropriate approximately $951,000 to fund balance. The FY16 budget includes a $247,836 transfer from the General Fund to balance the budget.

*****

EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Admin & Non-Dept	$ 872,921	$ 1,807,198	$ 1,864,623	$ 1,799,710	$ 2,312,025	27.9%
Grant-Funded	245,247	-	1,665,605	795,230	-	N/A
Advertising	84,292	91,261	84,061	90,201	93,222	N/A
Fixed Route	9,444,917	11,613,961	10,997,737	11,055,365	11,181,804	-3.7%
Demand Response	1,634,779	1,912,354	1,918,781	1,929,926	1,926,450	0.7%
Special Events	253,939	312,302	269,575	294,303	317,207	1.6%
Vehicle Maintenance	3,085,403	4,102,377	4,042,156	3,896,342	4,193,542	2.2%
Building Maintenance	525,010	671,360	740,831	1,102,041	750,765	N/A
Total	$ 16,146,508	$ 20,510,813	$ 21,583,369	$ 20,963,118	$ 20,775,015	1.3%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Charges for Services	$ 939,393	$ 883,657	$ 883,657	$ 898,288	$ 898,288	1.7%
Federal Assistance	1,933,993	1,944,719	1,944,719	1,944,719	1,944,719	0.0%
Federal Ops Grants	151,988	225,000	681,578	341,250	-	-100.0%
State Assistance	2,698,270	2,545,371	2,210,404	2,062,996	2,062,996	-19.0%
TTA Fees	353,400	1,125,000	1,125,000	939,744	1,678,000	49.2%
UNC Park & Ride	75,000	75,000	75,000	75,000	-	N/A
UNC Contract	7,364,487	7,765,808	7,765,808	7,765,808	7,844,040	1.0%
Carrboro Contract	1,396,423	1,472,520	1,472,520	1,472,520	1,540,288	4.6%
Advertising Revenue	85,121	150,000	150,000	125,000	150,000	0.0%
Chapel Hill Revenues	4,416,500	4,323,738	4,323,738	4,386,848	4,408,848	2.0%
Transfer from General Fund	-	-	-	-	247,836	N/A
Transfer from Transit Capital Grant	176,358	-	-	-	-	N/A
Appropriated Fund Balance	(3,444,425)	-	950,945	950,945	-	N/A
Total	$ 16,146,508	$ 20,510,813	$ 21,583,369	$ 20,963,118	$ 20,775,015	1.3%

TRANSIT
KEY PERFORMANCE MEASURES

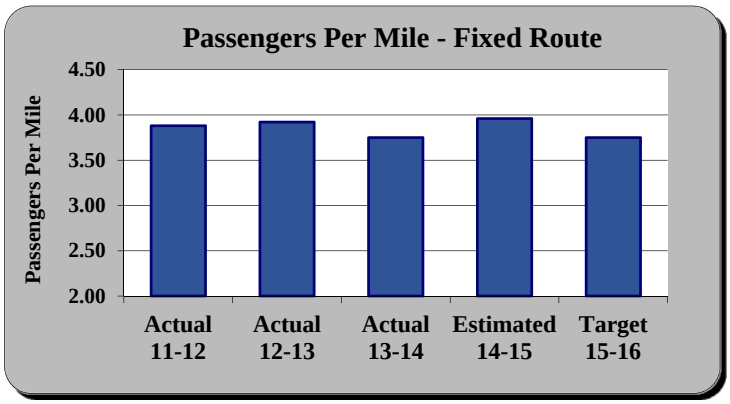
Facilitate Getting Around

Department Program: Fixed Route Bus Service

Goal: Provide safe, dependable, high-quality services to all customers

Objective: Increase the number of passengers per mile in fixed route transit service

In fiscal year 2014-15, the number of passengers per mile increased to 3.96, an increase of 5.6% compared to fiscal year 2013-2014, as the Town continued to provide fare-free service.



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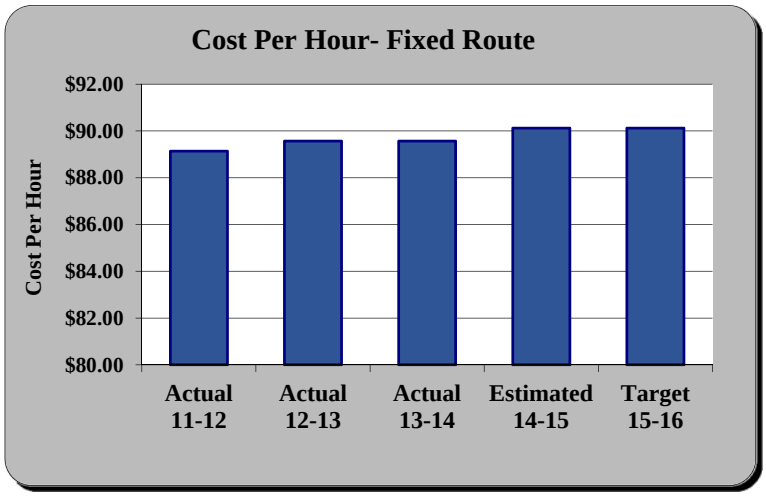


In fiscal year 2014-15, the fixed route cost per hour increased from $89.57 to $90.12, an increase of .61%. With the number of passengers per mile rising this past fiscal year, efforts are focused on controlling the fixed route cost per hour.

TRANSIT
KEY PERFORMANCE MEASURES (continued)

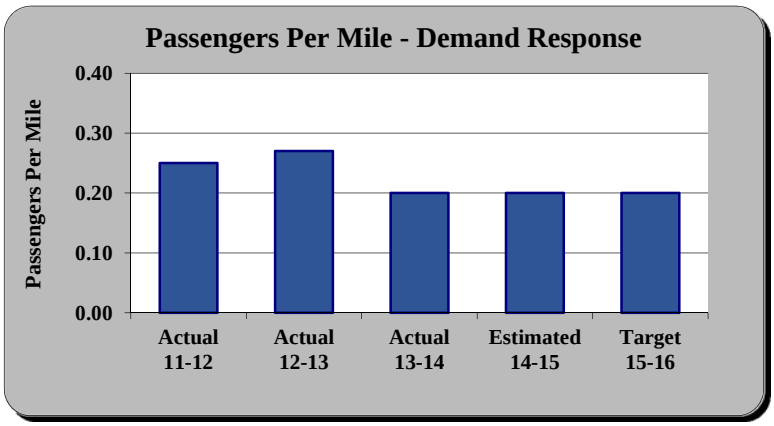
Create a Place for Everyone

Department Program: Demand - Response Service

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 2014-15, the number of passengers per mile remained fairly consistent with prior years at .2, as the Town continued to provide fare-free paratransit service.

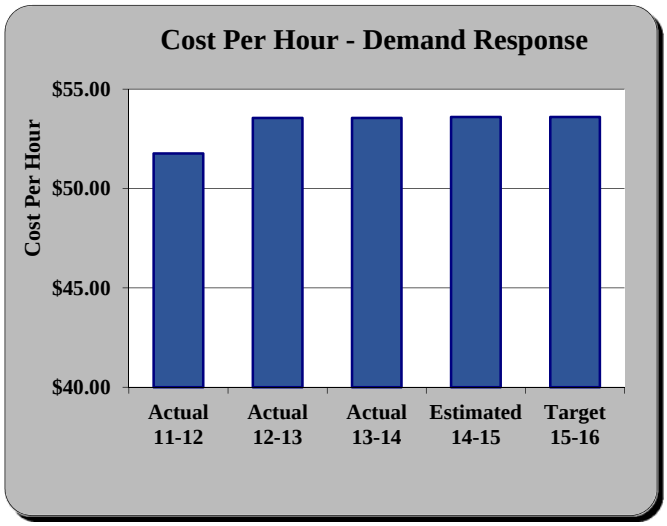


Create a Place for Everyone

Department Program: Demand - Response 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 2014-15, the demand response cost per hour increased .9% from 2013-14, achieving our target of limiting cost increases to 3% or less. The cost per hour for fiscal year 2014-15 ($53.60) remains consistent with our cost in fiscal year 2013-14.

TRANSIT
KEY PERFORMANCE MEASURES (continued)

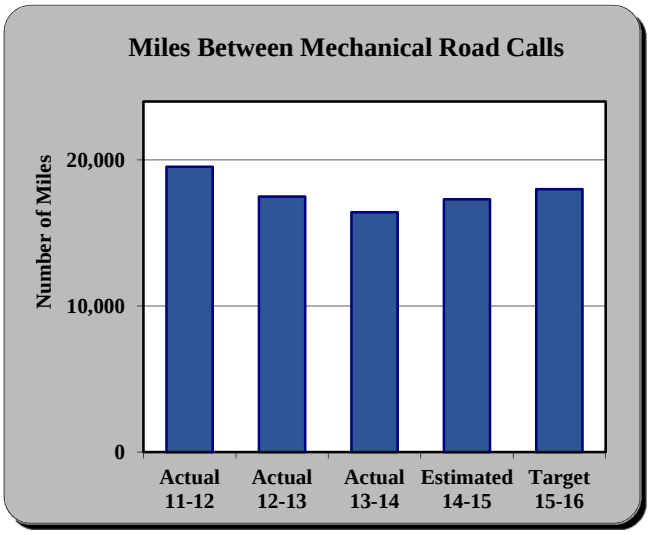
Create a Place for Everyone

Department Program: Maintenance

Goal: Maintain or increase service miles between road calls that may interrupt service

Objective: Maintain buses in a manner that ensures at least 18,000 miles between mechanical breakdowns (road-calls)

In fiscal year 2014-15, the miles between road calls decreased by 5.42%, which is a positive step from fiscal year 2013-14 but remains below the industry standard of 24,000 miles or more. For 2015-16, the target is to have fewer maintenance calls and an average of 18,000 miles or more between road calls that may interrupt service.



TRANSIT - ADMINISTRATION DIVISION

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

The adopted budget for 2016 includes an employee transfer to this division and a 2% July and 2% January pay adjustment, which is slightly offset by an 8.5% decrease in health insurance costs.

The 57.2% increase in operating costs is due to a $400,000 transfer to the transit capital reserves.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 574,745	$ 1,083,691	$ 1,132,616	$ 1,072,448	$ 1,174,864	8.4%
Operating Costs	294,937	723,507	702,007	727,262	1,137,161	57.2%
Capital Outlay	-	-	30,000	-	-	N/A
Transfer to Grant Match	3,239	-	-	-	-	N/A
Total	$ 872,921	$ 1,807,198	$ 1,864,623	$ 1,799,710	$ 2,312,025	27.9%

TRANSIT - Grants
BUDGET SUMMARY

At the time of budget adoption, there were no planned grants for the Transit Fund for FY16.

*****

EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 42,941	$ -	$ 262,796	$ 78,420	$ -	N/A
Operating Costs	202,306	-	1,259,241	573,242	-	N/A
Capital Outlay	-	-	143,568	143,568	-	N/A
Total	$ 245,247	$ -	$ 1,665,605	$ 795,230	$ -	N/A

TRANSIT - Advertising
BUDGET SUMMARY

The Transit Advertising Program was adopted in FY12. There was a slight increase of 2.3% in personnel expense due to a 2% July and 2% January pay adjustment, which was slightly offset by an 8.5% decrease in health insurance costs.

Revenues are projected at $125,000 for FY15, and budgeted at $150,000 for FY16.

*****

EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 71,754	$ 74,927	$ 74,927	$ 73,867	$ 76,617	2.3%
Operating Costs	12,538	16,334	9,134	16,334	16,605	1.7%
Capital Outlay	-	-	-	-	-	N/A
Total	$ 84,292	$ 91,261	$ 84,061	$ 90,201	$ 93,222	2.1%

TRANSIT-
OPERATIONS DIVISION

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

The adopted budget for 2015-16 reflects a 2% July and 2% January pay adjustment and a slight increase in the required contribution to the retirement system, which is partially offset by an 8.5% decrease in health insurance costs.

There was a 13.9% decrease in operating costs, due to a decrease of approximately $150,000 to miscellaneous contracted services and a decrease of approximately $251,000 in diesel fuel costs.

*****

EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 6,467,652	$ 7,771,786	$ 7,354,188	$ 7,346,902	$ 7,880,464	1.4%
Operating Costs	2,977,265	3,834,175	3,392,549	3,700,463	3,301,340	-13.9%
Capital Outlay	-	8,000	251,000	8,000	-	-100.0%
Total	$ 9,444,917	$ 11,613,961	$ 10,997,737	$ 11,055,365	$ 11,181,804	-3.7%

TRANSIT - Demand Response
BUDGET SUMMARY

The adopted budget for Demand Response in FY16 remains relatively stable, with some minor increases in operating costs. The adopted budget for 2015-16 reflects a 2% July and 2% January pay adjustment and a small increase in the required contribution to the retirement system, which is slightly offset by an 8.5% decrease in health insurance costs. The 2.1% increase in operating costs reflects an increase in maintenance and repair for vehicles.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 1,167,030	$ 1,320,282	$ 1,358,182	$ 1,313,703	$ 1,322,072	0.1%
Operating Costs	467,749	592,072	555,599	601,223	604,378	2.1%
Capital Outlay	-	-	5,000	15,000	-	N/A
Total	$ 1,634,779	$ 1,912,354	$ 1,918,781	$ 1,929,926	$ 1,926,450	0.7%

TRANSIT - Tarheel Express / Special Events
BUDGET SUMMARY

The adopted budget for Tarheel Express & Special Events in FY15 reflects a minimal increase in operating costs. The adopted budget for 2015-16 reflects a 2% July and 2% January pay adjustment which is slightly offset by an 8.5% decrease in health insurance costs.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 190,855	$ 229,991	$ 186,041	$ 213,923	$ 234,235	1.8%
Operating Costs	63,084	82,311	83,534	80,380	82,972	0.8%
Capital Outlay	-	-	-	-	-	N/A
Total	$ 253,939	$ 312,302	$ 269,575	$ 294,303	$ 317,207	1.6%

TRANSIT - MAINTENANCE DIVISION

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

There was a negligible decrease in personnel costs due to the elimination of part-time employees and a decrease in worker's compensation claims, which is slightly offset by a 2% January and 2% January pay adjustment and an 8.5% decrease in health insurance costs. The 4.8% increase in operating costs reflects an increase in costs for professional services and maintenance and repairs for vehicles.

*****

EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 1,668,975	$ 2,133,669	$ 1,769,969	$ 1,872,559	$ 2,130,049	-0.2%
Operating Costs	1,416,428	1,968,708	2,224,187	2,005,783	2,063,493	4.8%
Capital Outlay	-	-	48,000	18,000	-	N/A
Total	$ 3,085,403	$ 4,102,377	$ 4,042,156	$ 3,896,342	$ 4,193,542	2.2%

TRANSIT - Building Maintenance
BUDGET SUMMARY

The adopted budget for Transit's Building Maintenance division reflects an 11.8% increase overall. Personnel costs are limited to retiree health care for a prior employee, and the 6% reduction in personnel reflects a decrease in retiree medical costs. The operating budget had an increase of 12% due to an increase in miscellaneous contracted services.

*****

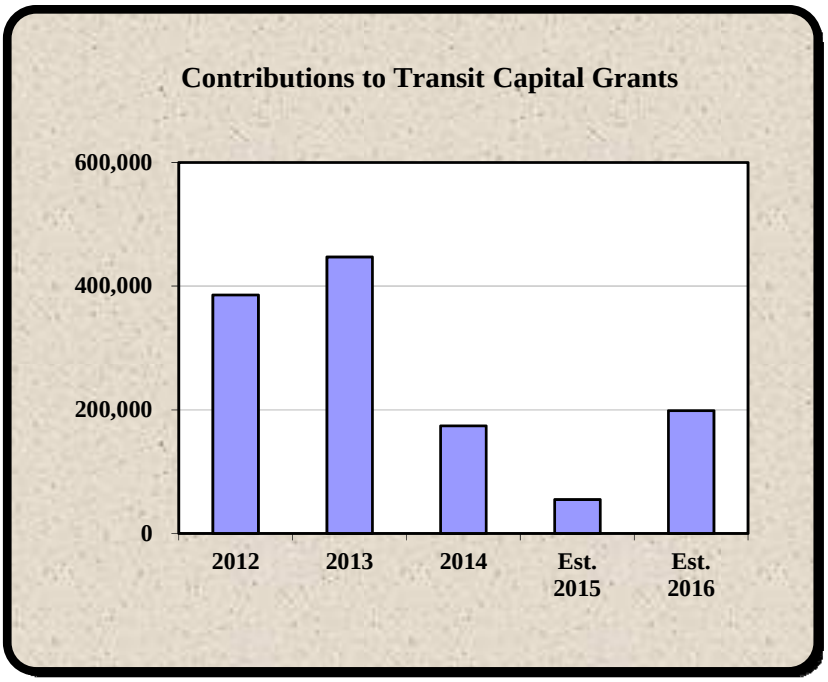
EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 9,228	$ 7,620	$ 7,820	$ 7,590	$ 7,161	-6.0%
Operating Costs	515,782	663,740	716,011	1,077,451	743,604	12.0%
Capital Outlay	-	-	17,000	17,000	-	N/A
Total	$ 525,010	$ 671,360	$ 740,831	$ 1,102,041	$ 750,765	11.8%

TRANSIT CAPITAL RESERVE FUND

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

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. Matching funds for FY16 are estimates for grants historically received each year, but not yet awarded.

There is no contribution to the fund budgeted for FY16.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Contribution to Capital Grant	$ 173,829	$ 218,000	$ 275,930	$ 54,913	$ 198,339	-9.0%
Reserve	-	-	-	-	-	N/A
Total	$ 173,829	$ 218,000	$ 275,930	$ 54,913	$ 198,339	-9.0%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Interest Income	$ 1,083	$ -	$ -	$ 960	$ -	N/A
Transfer from Transit Grant	-	-	-	-	-	N/A
Appropriated Fund Balance	172,746	218,000	275,930	53,953	198,339	-9.0%
Total	$ 173,829	$ 218,000	$ 275,930	$ 54,913	$ 198,339	-9.0%

TRANSIT CAPITAL GRANT PROJECT ORDINANCES

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 grant awards are received. Five current project ordinances in the Transit Department are shown below:

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 lease of a park and ride facility, to provide enhancements to bus shelter sites, to assist the Transit 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, 2015
2007-08 Transit Capital and Planning Grant	$633,143	$633,143

2010-11 Capital Grant

The project ordinance for the fiscal year 2010-11 Section 5307 capital grant was adopted on February 28, 2011. Funds were used to complete a study of the Transit Department's radio system and to begin a study of the Department's financial sustainability. Remaining funds will be used to offset transit salaries.

	Project Budget	Estimated Expenditures Through June 30, 2015
2010-11 Transit Capital and Planning Grant	$1,505,000	$1,201,500

2010-11 Capital Grant

The project ordinance for the fiscal year 2010-11 Section 5307 capital grant was adopted on October 10, 2011. Funds will be used to maintain security at Town-owned park and ride lots and for Associated Transit Improvements.

	Project Budget	Estimated Expenditures Through June 30, 2015
2010-11 Transit Capital Grant	$82,243	$26,681

TRANSIT CAPITAL GRANT PROJECT ORDINANCES

2012-13 Capital Grant

The project ordinance for the fiscal year 2012-2013 Section 5307 capital grant was adopted on September 9, 2013. Funds will be used for Associated Transit Improvements.

	Project Budget	Estimated Expenditures Through June 30, 2015
2012-13 Transit Capital Grant	$45,633	$-0-

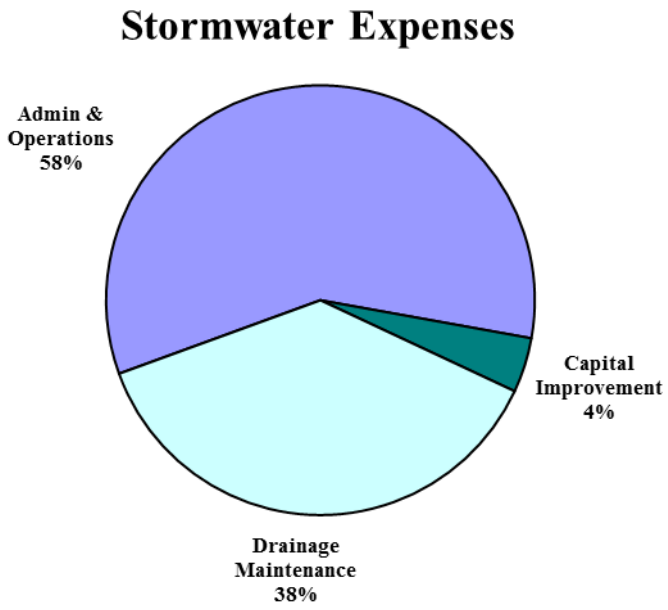
2013-14 Capital Grant

The project ordinance for the fiscal year 2013-14 Section 5307 capital grant was adopted on September 23, 2013. Funds will be used for Associated Transit Improvements.

	Project Budget	Estimated Expenditures Through June 30, 2015
2013-14 Transit Capital Grant	$25,485	$-0-

STORMWATER MANAGEMENT FUND

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.



Total $2,363,388

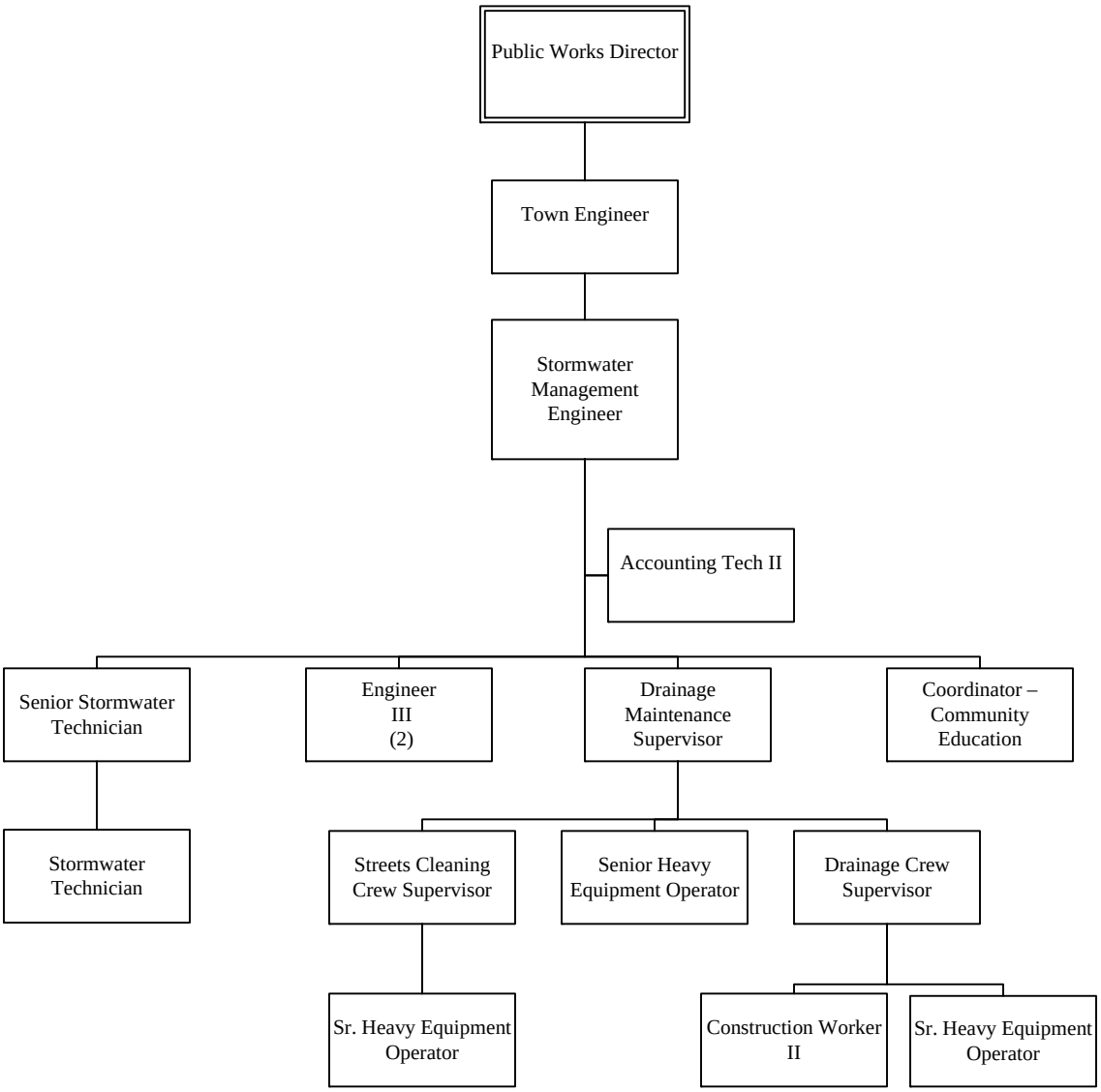
PUBLIC WORKS-STORMWATER MANAGEMENT

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 FY16.

Program	Description
Stormwater Regulatory Compliance	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).
Stormwater Infrastructure	Perform routine maintenance, remedial repairs, and capital improvements to the town-maintained stormwater infrastructure using in-house and contracted resources.
Stormwater Technical Assistance	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

	2013-14 ADOPTED	2014-15 ADOPTED	2015-16 ADOPTED
Stormwater			
Engineer (Stormwater)	3.00	3.00	3.00
Stormwater Specialist	1.00	1.00	1.00
Stormwater Analyst	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	7.00	7.00	7.00
Drainage			
Stormwater Maintenance Supervisor	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	7.00	7.00	7.00
Stormwater Management Fund Totals	14.00	14.00	14.00

Note: The Stormwater Fund also assumes a portion of salaries of the Senior Engineering Inspector, Surveyor and Senior Engineer positions.

STORMWATER MANAGEMENT FUND

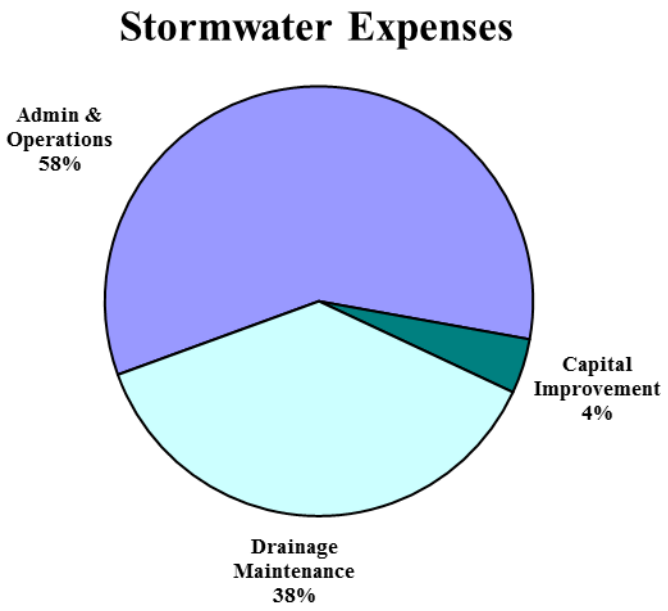
Major Revenue Sources – Descriptions and Estimates

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 $1.40, from $24.75 to $26.15 for each 1,000 square feet of impervious surface. At this new rate, fees are estimated at about $2.2 million in 2015-16, an increase of about $84,000 over the FY15 estimate. The budget is balanced with the use of fund balance, $294,676 in FY15 and $134,831 in FY16.

Major Expenditures and Estimates

The budget for 2015-16 totals $2,363,388. This is a 7% decrease compared to FY15 due to decrease in capital spending. The budget includes funding for a stormwater plan reviewer ($45,000), a contract for the videoing of stormwater pipes ($38,000), and a haul trailer for a back hoe ($22,500).

As indicated in the chart below, 38% of the 2015-16 budget provides for the Drainage division to conduct stormwater-related drainage and maintenance projects.



STORMWATER MANAGEMENT FUND
BUDGET SUMMARY

The adopted budget for 2015-16 includes the continuation of existing services. The increase in personnel expenditures includes a 2% July and 2% January of market rate salary adjustment which is offset by an 8.5% decrease in health insurance costs. The increase in operating expenditures reflects costs of consulting services for a subwatershed modeling. The decrease in capital reflects capital projects that have been completed. The budget includes a stormwater plan review totaling $45,000 and a contract for videoing stormwater pipes totaling $38,000.

The FY16 adopted budget includes a stormwater fee increase of $1.40 per Equivalent Rate Unit (ERU), bringing the fee to $26.15. This fee increase will yield about $120,257 in revenue for the Stormwater Fund. The budget is balanced with the use of $134,831 in fund balance. The decrease in appropriated fund balance for Stormwater is due to the completion of one-time capital projects in FY15 and the continuation of a plan to bring Stormwater Fees to a level that will not rely on fund balance in the future.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 1,012,495	$ 1,172,188	$ 1,172,188	$ 1,054,907	$ 1,178,320	0.5%
Operating Costs	651,620	938,328	1,070,360	923,613	1,087,568	15.9%
Capital Outlay	(4,498)	430,000	1,111,053	424,156	97,500	-77.3%
Total	$ 1,659,617	$ 2,540,516	$ 3,353,601	$ 2,402,676	$ 2,363,388	-7.0%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Stormwater Fees	$ 2,158,500	$ 2,136,075	$ 2,136,075	$ 2,100,000	$ 2,220,257	3.9%
Fee Exemption	(6,274)	(6,500)	(6,500)	(5,900)	(6,000)	N/A
Transfer from General Fund	6,274	6,500	6,500	5,900	6,000	-7.7%
Interest Income	1,909	800	800	800	800	0.0%
Other Income	203	7,200	7,200	7,200	7,500	4.2%
FEMA Grant		-				N/A
Appropriated Fund Balance	(500,995)	396,441	1,209,526	294,676	134,831	-66.0%
Total	$ 1,659,617	$ 2,540,516	$ 3,353,601	$ 2,402,676	$ 2,363,388	-7.0%

STORMWATER
KEY PERFORMANCE MEASURES

Nurture Our Community

Department Program: Stormwater Infrastructure

Goal: Minimize street flooding by conducting inspections and completing repair projects

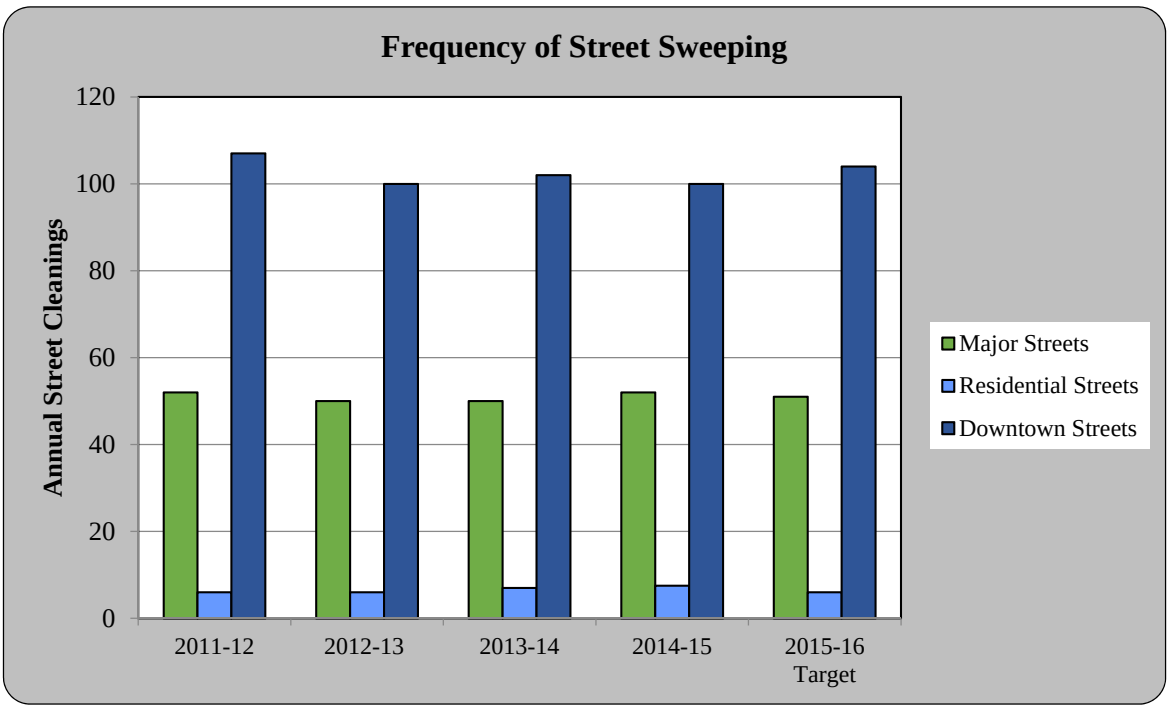
Objective: To sweep streets downtown twice weekly, major streets weekly, and check and clean residential streets as needed once every six to eight weeks

While on 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, scheduled 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 52 of 52 weeks or 100% of the time.

In total, downtown streets were swept 100 times for an average of 1.9 times per week, major streets were swept 52 times for an average of once per week, and residential streets were swept on an average of once every 7.5 weeks.

Overall the service level is consistent with recent history.

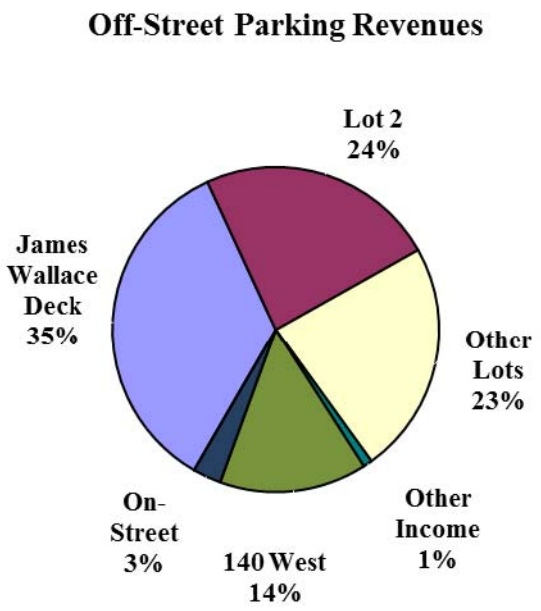


PARKING SERVICES

Parking Services includes operation of two major Off-Street parking lots, all On-Street metered parking and parking enforcement activities.

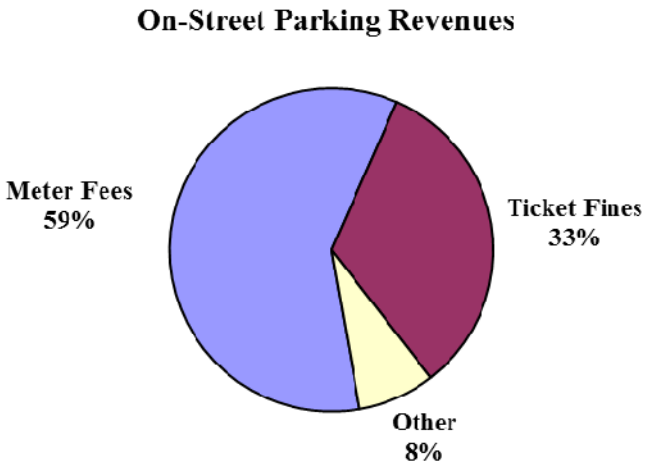
Off-Street Parking

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.



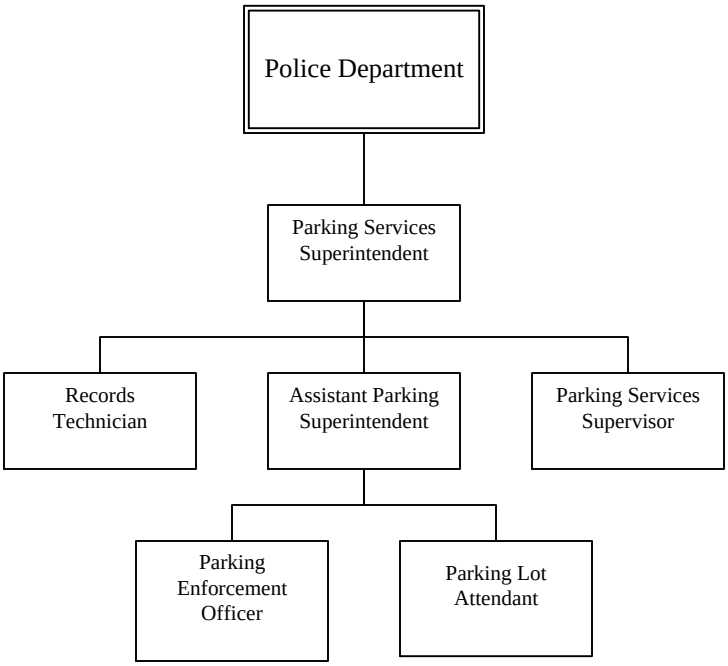
PARKING SERVICES

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 FY16.

Program	Description
On-Street Parking	Maintain on-street parking inventory (210 spaces), parking meters and pay-stations. Collect meter revenue and monitor utilization and meter/pay station maintenance.
Off-Street Parking	Maintain off-street parking inventory (694 spaces) including the Wallace Parking Deck. Manage hourly, monthly and special event parking and revenue control.
Parking Enforcement	Enforce the Town's parking ordinances in the Downtown and permit parking areas. Collect ticket revenue and administer appeal process.
Parking Administration and Parking Permit Programs	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 Police Department.

PARKING SERVICES

STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2013-14 ADOPTED	2014-15 ADOPTED	2015-16 ADOPTED
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	3.50
Records Technician	1.80	1.80	1.80
Parking Lot Attendant I	3.00	3.00	3.00
Parking Lot Attendant II	1.00	1.00	1.00
Parking Fund Totals	11.80	11.80	12.30

Note: Parking Services is supervised by the Police Chief

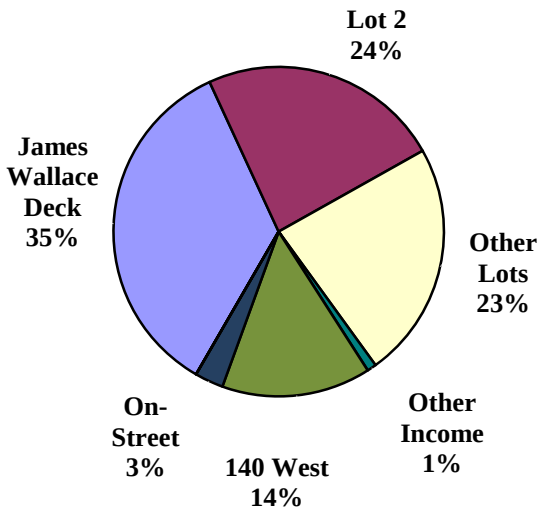
PARKING FUNDS

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 an adopted budget of $2,002,250 for 2015-16, 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 $697,000, or 35% of total off-street parking revenues, is budgeted from the James Wallace Deck and $475,000, or 23%, is budgeted from Lot 2 at the corner of Rosemary and Columbia Streets. Construction of a mixed use development (140 West) on the Lot 5 site was completed in FY13 and is expected to generate about $251,000 in revenues for FY1 and about $291,000 in FY15.

Off-Street Parking Revenues



The FY16 Adopted Budget includes some new fee increases that will add a $2 weekend rate and will allow patrons to pay for monthly parking and semester parking in the Jones Park lots. The purpose of these fee increases are to help offset the rising operating costs and maintenance on parking facilities.

The On-Street Parking Fund, with an adopted budget for 2015-16 of $698,950, has two major revenue sources: parking meter fees and parking ticket fines. Meter fees are estimated to generate about $415,000 and parking ticket fines about $230,000 in 2015-16.

Major Expenditures and Estimates

The primary expenditure of the Off-Street Parking Fund is the cost of personnel to manage the lots (approximately $443,000). The budget for FY16 will require a transfer from the On-Street Parking Fund of $55,730 to maintain current service levels.

The On-Street Parking Fund includes expenditures primarily for the personnel to administer and collect meter revenues and parking tickets of about $430,000. The budget of $698,950 includes a 2% July and 2% January market rate salary adjustment, which is slightly offset by an 8.5% health insurance decrease.

PARKING SERVICES
BUDGET SUMMARY

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

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
On-Street Parking	$ 724,294	$ 707,750	$ 718,342	$ 695,335	$ 698,950	-1.2%
Off-Street Parking	1,897,088	1,914,696	2,205,228	2,151,845	2,002,250	4.6%
Total	$ 2,621,382	$ 2,622,446	$ 2,923,570	$ 2,847,180	$ 2,701,200	3.0%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
On-Street Parking	$ 724,294	$ 707,750	$ 718,342	$ 695,335	$ 698,950	-1.2%
Off-Street Parking	1,897,088	1,914,696	2,205,228	2,151,845	2,002,250	4.6%
Total	$ 2,621,382	$ 2,622,446	$ 2,923,570	$ 2,847,180	$ 2,701,200	3.0%

ON-STREET PARKING BUDGET SUMMARY

The adopted budget for On-Street Parking reflects a slight decrease in revenues. This is due to lower expected ticket fines and late fees, but is partly offset by an increase in meter fee revenues.

There is a slight increase in Personnel due to a 2% July and 2% January salary adjustment and the addition of three new new part-time Parking Enforcement Officers, which is slightly offset by an 8.5% decrease in health insurance costs. The budget also includes a $55,730 transfer to Off-Street Parking.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15%
Enforcement:						
Personnel	$ 333,299	$ 354,425	$ 354,425	$ 302,201	$ 374,775	5.7%
Operations	135,236	151,887	157,684	151,023	130,332	-14.2%
Capital	-	-	-	-	-	N/A
Meters:						
Personnel	54,098	54,858	56,358	53,952	55,632	1.4%
Operations	76,237	71,670	74,965	81,270	82,481	15.1%
Transfer to Off-Street	-	-	-	106,889	55,730	N/A
Transfer to General Fund	125,424	74,910	74,910	-	-	-100.0%
Total	$ 724,294	$ 707,750	$ 718,342	$ 695,335	$ 698,950	-1.2%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Parking Meter Fees	$ 453,199	$ 420,000	$ 420,000	$ 414,025	$ 415,000	-1.2%
Parking Ticket Fines/Fees	226,679	245,000	245,000	217,110	230,000	-6.1%
Interest Income	2,106	4,250	4,250	2,500	2,250	-47.1%
Other Income	42,791	38,500	38,500	51,700	51,700	34.3%
Appropriated Fund Balance	(481)		10,592	10,000		N/A
Total	$ 724,294	$ 707,750	$ 718,342	$ 695,335	$ 698,950	-1.2%

OFF-STREET PARKING BUDGET SUMMARY

Off-Street Parking revenues for the adopted 2015-16 budget reflects an increase of about $88,000. This is due to better than expected revenues from the different lots, new fee increases, and a $55,730 transfer from On-Street Parking. The budget was balanced without any fund balance appropriation.

The overall increase in expenditures for FY16 is the net effect of a 2% July and 2% January market rate salary adjustment and the finalization of Phase 3 of the Class & Compensation study, offset slightly by an 8.5% decrease in health insurance costs. Administrative expenses include the $909,582 annual transfer to the Debt Fund to pay for debt service on the refunded Wallace Deck and the underground parking at 140 West.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
James Wallace Deck	$ 387,384	$ 405,546	$ 584,328	$ 540,607	$ 410,756	1.3%
Parking Lots	509,178	477,455	583,364	574,735	546,743	14.5%
140 West	37,087	69,768	50,809	72,141	77,968	11.8%
Administration	963,439	961,927	986,727	964,362	966,783	0.5%
Total	$ 1,897,088	$ 1,914,696	$ 2,205,228	$ 2,151,845	$ 2,002,250	4.6%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
James Wallace Deck	$ 597,501	$ 672,100	$ 672,100	$ 639,365	$ 696,800	3.7%
Lot 2	430,026	431,500	431,500	437,400	475,000	10.1%
Lot 3	116,640	111,000	111,000	107,300	127,112	14.5%
Lot 4	16,755	16,500	16,500	15,625	20,712	25.5%
Lot 5	-	-	-	-	-	N/A
Lot 6	10,878	13,680	13,680	10,700	13,680	0.0%
Graham Street	1,288	1,500	1,500	1,250	8,239	449.3%
Craig Lots	141,563	113,600	113,600	126,650	139,057	22.4%
Riddle Lot Revenues	58,149	45,700	45,700	56,370	58,580	28.2%
Jones Park	63	1,500	1,500	100	45,390	2926.0%
Mallette Street	66,241	59,925	59,925	34,975	-	-100.0%
Courtyard	20,885	15,000	15,000	51,785	51,500	243.3%
140 West	204,169	191,200	191,200	250,900	291,900	52.7%
Interest Income	1,758	1,000	1,000	1,500	1,500	50.0%
Miscellaneous Income	13,368	15,500	15,500	11,325	17,050	10.0%
Transfer from On-Street Parking	-	-	74,910	106,889	55,730	N/A
Appropriated Fund Balance	217,804	224,991	440,613	299,711	-	-100.0%
Total	$ 1,897,088	$ 1,914,696	$ 2,205,228	$ 2,151,845	$ 2,002,250	4.6%

PARKING
KEY PERFORMANCE MEASURES

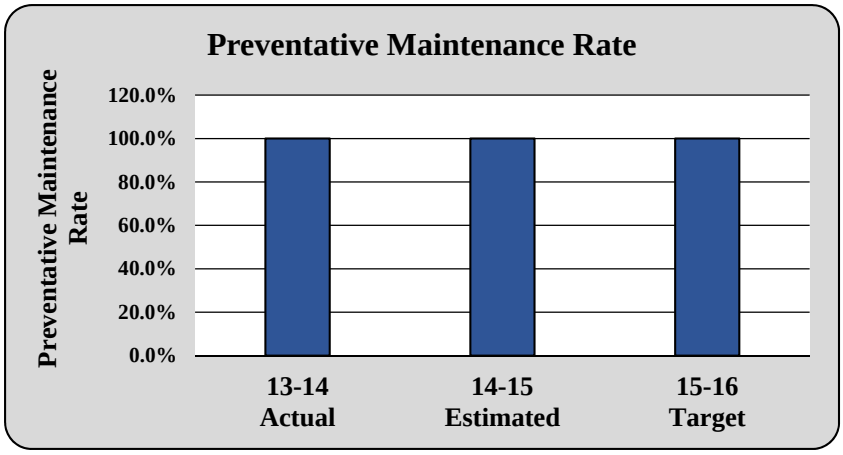
Facilitate Getting Around

Department Program: Parking Enforcement

Goal: To provide ready access to public parking throughout the downtown area

Objective: To complete/perform preventative maintenance on 90% or greater of on-street and off-street meters at least once weekly

In fiscal year 14-15, we managed to meet our goal of a 1% or less meter down time rate consistently. Our goal for FY15-16 is to continue to maintain this standard, through utilization of the enhanced features available within our new meter system.

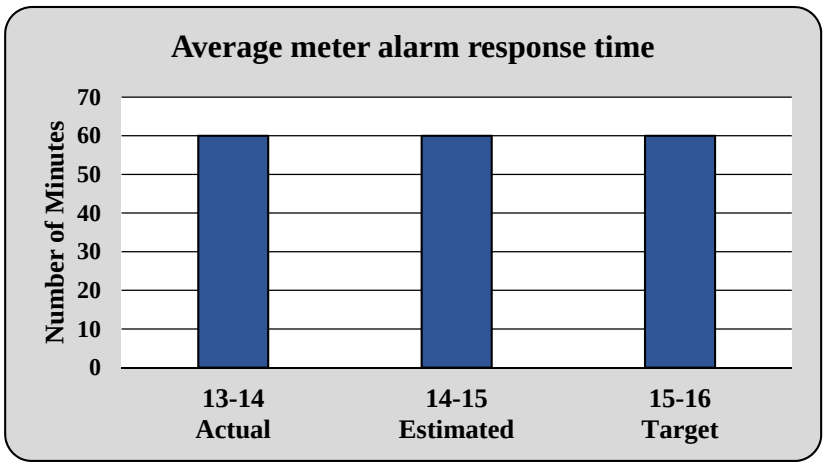


Facilitate Getting Around

Department Program: Parking Enforcement

Goal: To provide ready access to public parking throughout the downtown area

Objective: To maintain a meter alarm response time of less than 2 hours during normal hours of operation

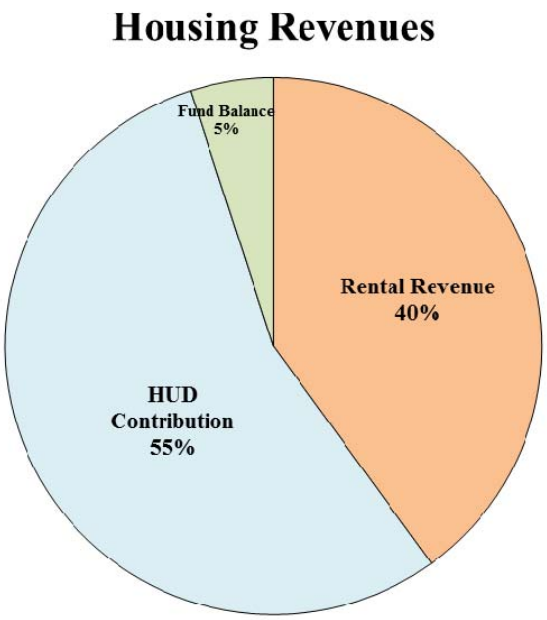


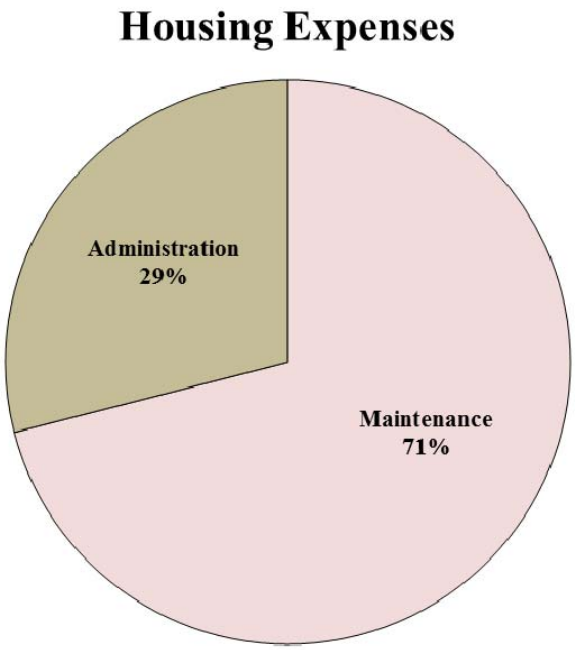
In fiscal year 14-15, we maintained our average meter alarm response time of 60 minutes. This remains our target for next year to meet our objective of a meter alarm response time of less than 2 hours.

PUBLIC HOUSING FUND

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 have returned to a simpler budget presentation comprised of Administrative and Maintenance divisions.





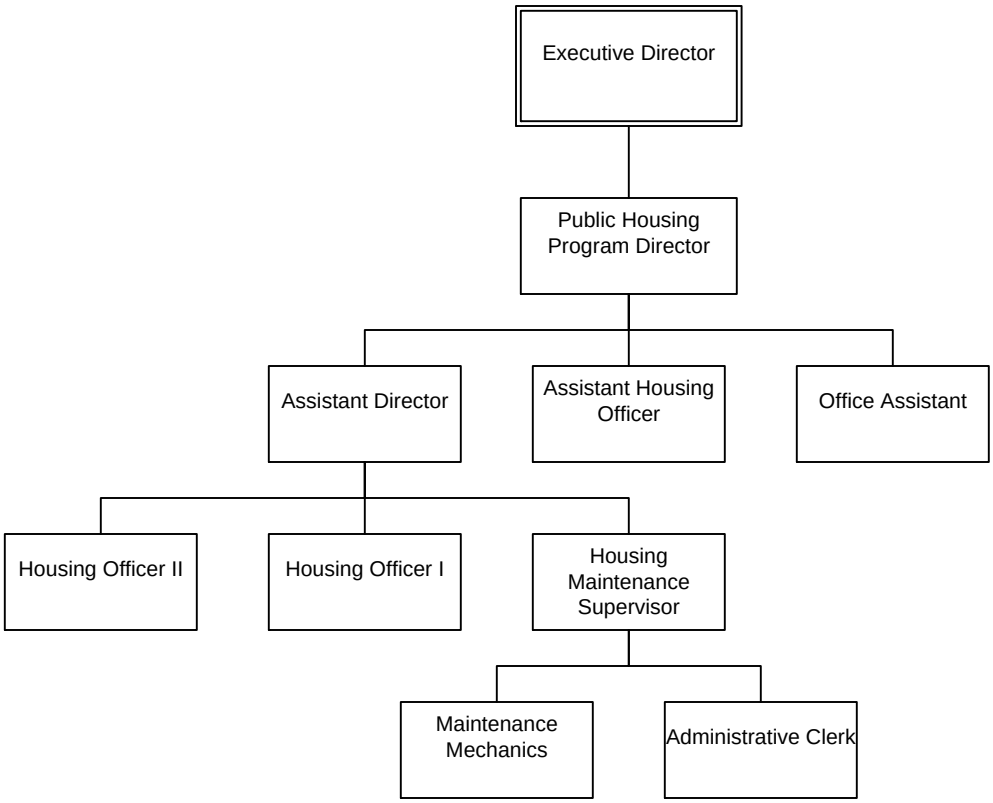
PUBLIC HOUSING FUND DEPARTMENT

MISSION STATEMENT:
The mission of the Public Housing Fund 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 Public Housing Fund Department identified the following primary programs that are included in the adopted budget for FY16.

Program	Description
Rental Housing for Low-Income Families	Manage the 336 public housing units (13 locations) overseen by the Public Housing Fund Department. Monitor resident eligibility and administer rental assistance programs. Calculate and collect rental payments and manage the waiting list of those requesting residency.
Maintenance Services	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.
Resident Services	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.

PUBLIC HOUSING FUND



PUBLIC HOUSING FUND

STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2013-14 ADOPTED	2014-15 ADOPTED	2015-16 ADOPTED
Administration			
Director-Housing	1.00	1.00	1.00
Assistant Director	1.00	1.00	1.00
Office Assistant	1.00	1.00	1.00
Housing Officer II	1.00	1.00	1.00
Housing Officer I	1.00	1.00	1.00
Assistant Housing Officer	1.00	1.00	1.00
Division Totals	6.00	6.00	6.00
Maintenance			
Mechanic Supervisor	1.00	1.00	1.00
Maintenance Mechanic (Repair Worker, I, II, III)	8.00	8.00	8.00
Administrative Assistant	1.00	1.00	1.00
Division Totals	10.00	10.00	10.00
Housing Department Totals	16.00	16.00	16.00

[1] Grant-funded position.

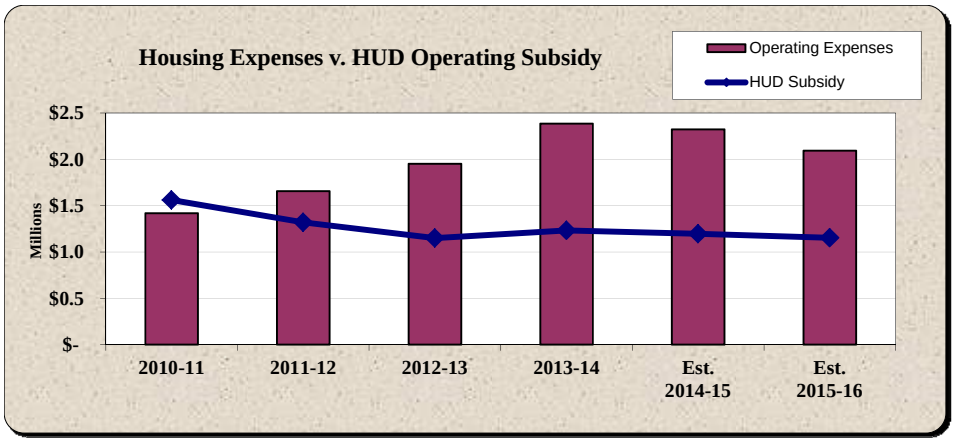
PUBLIC HOUSING FUND
Major Revenue Sources - Descriptions and Estimates

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 FY16 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 2015 but we have no information about calendar 2016. Based on interim allocations, our estimate of HUD's subsidy for 2014-15 is $1,197,910, about a 2.7% decrease from the FY14 subsidy of $1,231,670. Due to this decrease, we are estimating a $1,153,556 in subsidy for FY16.

The Housing Department estimates dwelling rents, the second largest revenue for the Public Housing Fund, at about $830,000, an increase over current year estimates with the completion of renovation projects.

Major Expenditures and Estimates

Major expenditure categories include about $1,111,000 for salaries and benefits, $169,200 for utilities, $78,000 for liability and flood insurance and about $541,850 for maintenance of the units.

The personnel costs include a 2% January and 2% July of market rate increase in employee pay and increased overtime expense, which is slightly offset by an 8.5% decrease in health insurance costs.

There are significant decreases in Maintenance costs for FY16. This is due to the completion of roof replacement projects (approximately $303,000) in FY15. There was an increase in Capital costs for FY16, due to the replacement of a maintenance vehicle ($18,500) and providing free fiber wifi to public houses ($70,000). These projects are one-time appropriations of fund balance.

	2014-15 Original Budget	2015-16 Adopted Budget	% Change from 2014-15
Salary and Benefits - Administration	$ 446,149	$ 449,187	0.68%
Salary and Benefits - Maintenance	655,764	661,676	0.90%
Maintenance Costs	792,235	514,850	-35.01%
Utilities	168,200	169,200	0.59%
Liability and Flood Insurance	76,500	78,000	1.96%
Capital Expense	61,500	88,500	43.90%
Other Expenses	147,072	130,408	-11.33%
Total Budget	$ 2,347,420	$ 2,091,821	-10.89%

PUBLIC HOUSING BUDGET SUMMARY

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 2015-16 retains a simpler model that includes an Administrative Division and a Maintenance Division.

The budget for FY16 reflects an estimate of the HUD subsidy anticipated for calendar year 2015. As yet, there has been no indication of HUD's funding for calendar year 2016. Rental revenue reflects an increase with the reopening of apartments that were closed for renovation and an increase in the flat rent schedule. $70,000 is incuded in the Housing budget for Wi-Fi equipment and installation for each resident of the remaining public housing neighborhoods after the Craig-Gomains pilot project is completed.

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Revenue Summary						
HUD Contributions	$ 1,231,670	$ 1,132,420	$ 1,132,420	$ 1,197,910	$ 1,153,556	1.9%
Rental Revenue	881,681	780,444	780,444	861,353	830,256	6.4%
Other Revenues	14,396	225	225	49,762	150	-33.3%
Interest Income	1,911	1,950	1,950	2,028	1,950	0.0%
Insurance Claims	208,967	-	-	-	-	N/A
Appropriated Fund Balance	45,862	432,381	805,713	211,377	105,909	-75.5%
Total Revenues	$ 2,384,487	$ 2,347,420	$ 2,720,752	$ 2,322,430	$ 2,091,821	-10.9%

EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 1,122,295	$ 1,101,913	$ 1,090,828	$ 1,045,016	$ 1,110,863	0.8%
Operating	1,262,192	1,184,007	937,716	1,216,192	892,458	-24.6%
Capital	-	61,500	692,208	61,222	88,500	43.9%
Contribution to Reserve	-	-	-	-	-	N/A
Total	$ 2,384,487	$ 2,347,420	$ 2,720,752	$ 2,322,430	$ 2,091,821	-10.9%

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 2015-16 remains with the simpler model of an Administrative Division and a Maintenance Division.

Revenues anticipated for the 2015-16 fiscal year reflect a continuation of HUD's calendar year 2015 reduction in grants to agencies. Rental revenues are up significantly (6.4%, or about $50,000). The Adopted Budget for FY16 requires the use of about $106,000 in fund balance.

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
AMP 1						
HUD Contributions	$ 606,435	$ 554,337	$ 554,337	$ 588,074	$ 563,400	1.6%
Rental Revenue	409,231	377,724	377,724	418,734	403,221	6.8%
Other Revenues	412	125	125	75	75	-40.0%
Total AMP 1	$ 1,016,078	$ 932,186	$ 932,186	$ 1,006,883	$ 966,696	3.7%
AMP 2						
HUD Contributions	$ 625,235	$ 578,083	$ 578,083	$ 609,836	$ 590,156	2.1%
Rental Revenue	472,450	402,720	402,720	442,619	427,035	6.0%
Other Revenues	75	100	100	75	75	-25.0%
Total AMP 2	$ 1,097,760	$ 980,903	$ 980,903	$ 1,052,530	$ 1,017,266	3.7%
Central Office Cost Center						
Interest Income	$ 1,911	$ 1,950	$ 1,950	$ 2,028	$ 1,950	0.0%
Other Revenues	13,909	-	-	49,612	-	N/A
Approp. Fund Balance	-	432,381	805,713	211,377	105,909	-75.5%
Total Central Office	$ 15,820	$ 434,331	$ 807,663	$ 263,017	$ 107,859	-75.2%
2013 Flood Recovery Insurance Claims	$ 208,967	$ -	$ -	$ -	$ -	N/A
Total Revenues	**$ 2,338,625**	**$ 2,347,420**	**$ 2,720,752**	**$ 2,322,430**	**$ 2,091,821**	-10.9%

PUBLIC HOUSING DIVISION BUDGETS

The budget for FY16 includes a 2% July and 2% January pay adjustment and an 8.5% decrease in health insurance costs. One-time maintenance costs in the FY15 budget are not repeated in FY16, accounting for the reduction in operating costs.

Expenditures are expected to exceed revenues by $211,377 in the current year FY15, with the difference shown as appropriated fund balance on the previous page in order to present a balanced budget.

EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Central Maintenance						
Personnel	$ 588,408	$ 655,764	$ 655,764	$ 639,453	$ 661,676	0.9%
Operating	766,737	1,010,335	775,171	1,062,930	735,450	-27.2%
Capital	-	61,500	692,208	61,222	88,500	43.9%
Total	$ 1,355,145	$ 1,727,599	$ 2,123,143	$ 1,763,605	$ 1,485,626	-14.0%
Central Office Cost Center						
Personnel	$ 533,887	$ 446,149	$ 435,064	$ 405,563	$ 449,187	0.7%
Operating	138,151	173,672	162,545	153,262	157,008	-9.6%
Contribution to Reserve	-	-	-	-	-	N/A
Total	$ 672,038	$ 619,821	$ 597,609	$ 558,825	$ 606,195	-2.2%
2013 Flood Recovery						
Operating	$ 357,304	$ -	$ -	$ -	$ -	N/A
Capital	-	-	-	-	-	N/A
Total	$ 357,304	$ -	$ -	$ -	$ -	N/A
Total Expenses	**$ 2,384,487**	**$ 2,347,420**	**$ 2,720,752**	**$ 2,322,430**	**$ 2,091,821**	-10.9%

PUBLIC HOUSING
KEY PERFORMANCE MEASURES

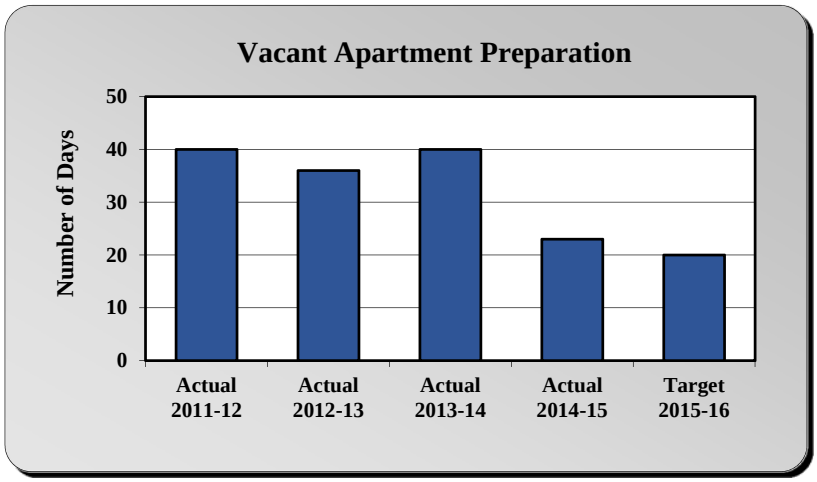
Create a Place for Everyone

Department Program: Rental Housing for low-income families

Goal: Prepare vacant apartments for occupancy

Objective: Prepare vacant apartments for occupancy within 20 days

In fiscal year 2014-15, the Housing Department did not achieve this goal. Fifty-eight units were vacant. It took an average of 23 days to prepare units for occupancy.

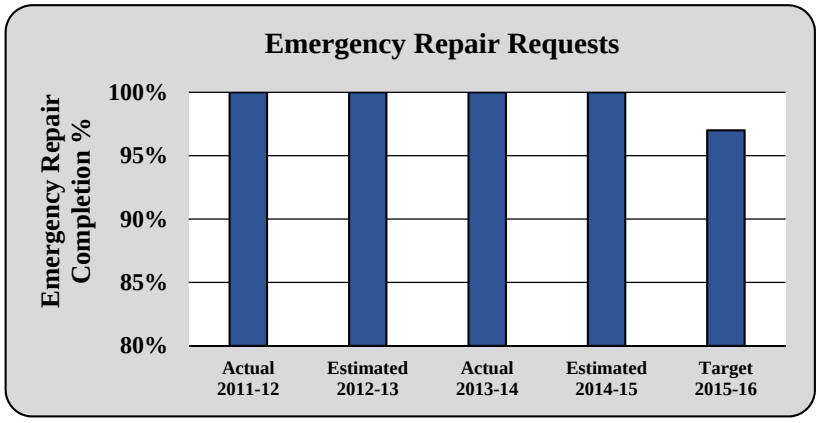


Create a Place for Everyone

Department Program: Maintenance Services

Goal: Complete or abate emergency repairs

Objective: Complete or abate 97% of emergency repairs within 24 hours



In fiscal year 2014-2015, the Housing Department completed or abated 100% of its 132 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

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 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 $42780 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 $28541 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.

The 2013 project ordinance budgets a $406,248 grant, and $17,338 of program income for rehabilitation of public housing, homeownership assistance, neighborhood revitalization, code enforcement, after school programs, community and homelessness outreach and youth skills development programs.

The 2014 project ordinance budgets a $403,505 grant for rehabilitation of public housing, homeownership assistance, code enforcement, after school programs, community and homelessness outreach, and youth skills development programs.

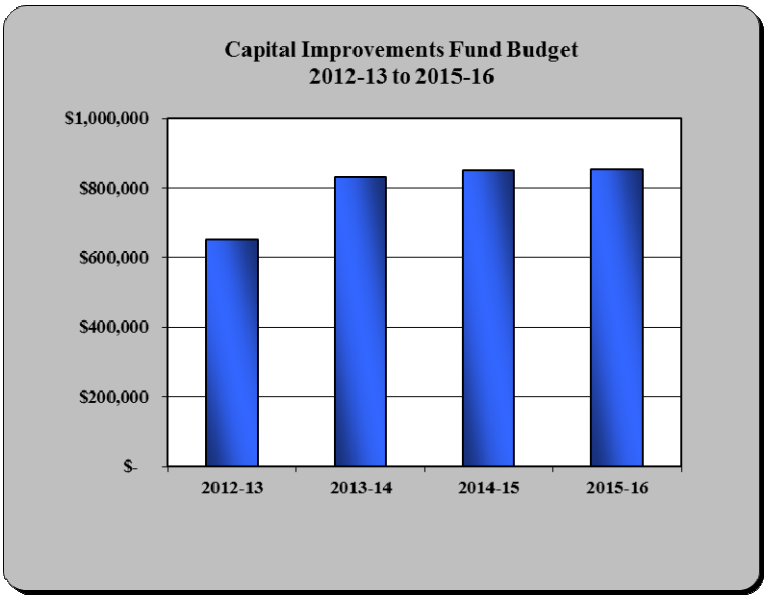
CAPITAL PROGRAM

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 2015-16 are part of the 2015-16 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

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

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

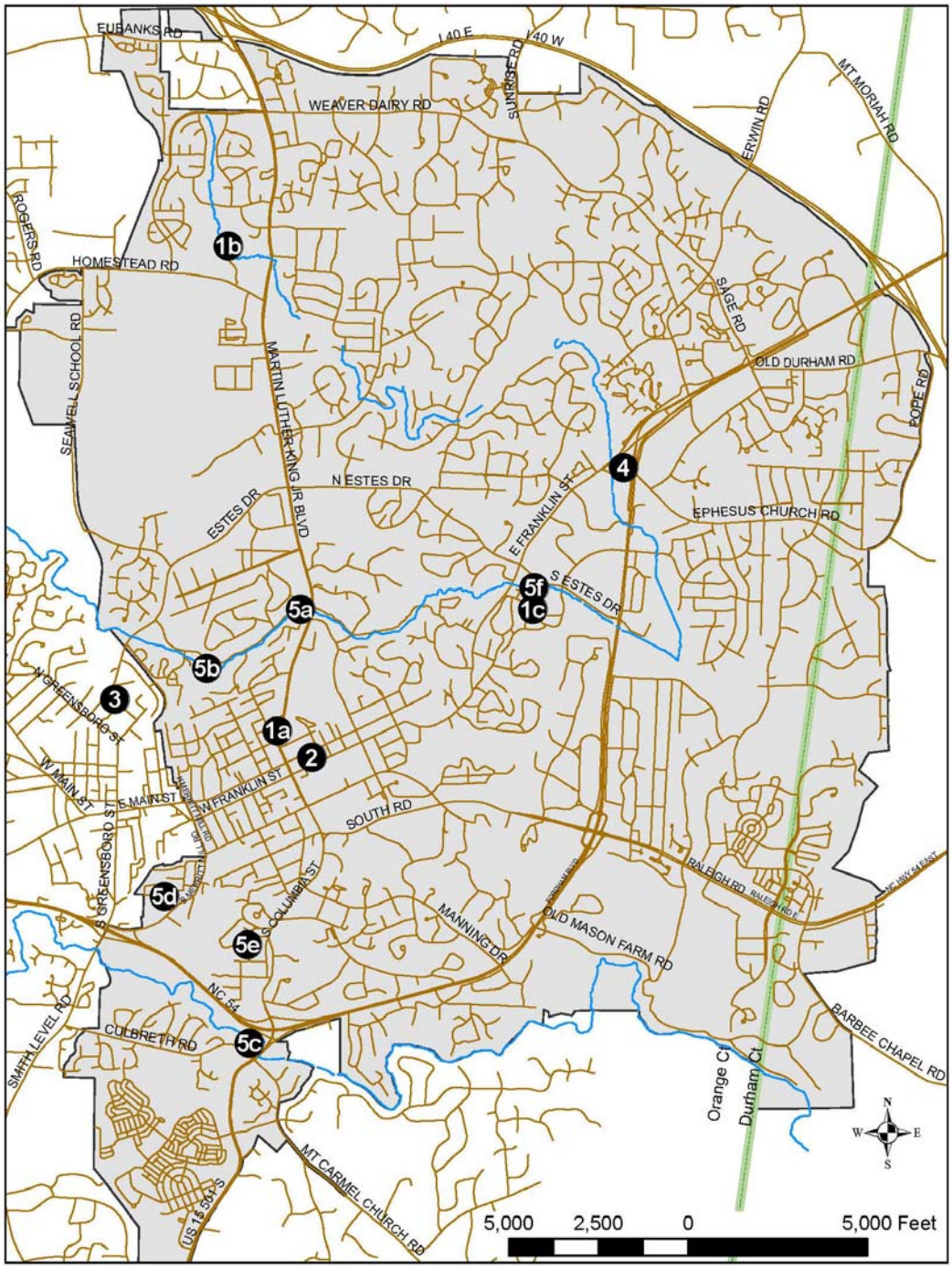
CAPITAL PROGRAM – KEY PROJECTS

This section highlights key projects included in the 2015-30 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 a guaranteed energy savings contract for Town Hall, roof repairs to the Wallace Deck, renovations to the Oakwood neighborhood apartments, culvert replacements at Booker Creek, and various trail expansions, replacement of playground equipment, and extending the Bolin Creek trail. Other capital projects include construction of sidewalk and bicycle facilities, 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 Hall (Guaranteed energy savings contract); 1b. Homestead Aquatics Center (Guaranteed energy savings contract); 1c. Community Center (Guaranteed energy savings contract); 2. Wallace Deck; 3a. Oakwood Public Housing; 4. Booker Creek Watershed Improvements; 5a. Bolin Creek Trail; 5b. Umstead Park; 5c. Morgan Creek Trail; 5d. Pine Knolls Playground; 5e. Westwood Park; 5f. Community Center Park

CAPITAL PROGRAM – KEY PROJECTS

1. Guaranteed Energy Savings Contract

The Guaranteed Energy Savings Contract is part of a larger guaranteed energy savings project that also includes Homestead Aquatics Center and the Community Center. The entire project is estimated to save the Town $1.2 million over the next 15 years. At Town Hall specifically, the project will upgrade the building automation system and will recommission the building to run more efficiently. The savings at Town Hall are about $25,000 a year and should increase occupant comfort and reduce work orders and callbacks.

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 FY16 CIP includes funding for needed repairs to public housing apartments, facilities and sites. These improvements to the public housing apartments will provide safe and sanitary living conditions to the lower-income citizens of Chapel Hill. Seventeen out of the 30 apartments at the Oakwood neighborhood are being renovated, which includes replacing furnaces, installing air conditioning, replacing windows and screens, replacing floor tiles, and plumbing and electrical upgrades. This activity also includes the costs for relocating families during the renovation process.

4. Booker Creek Watershed Improvements

The Booker Creek Watershed project includes stream channel and infrastructure improvements, stream restoration, and infrastructure repair/retrofit along Booker Creek. This project will mitigate flooding/drainage problems as well as improve water quality conditions.

5. Parks & Recreation Projects

Morgan Creek Trail (Phase 2): The Morgan Creek Trail (Phase 2) project connects the existing Morgan Creek and Fan Branch Trails. The new segment is approximately 1/3 mile long and includes two bridges and a tunnel under Culbreth Road. The project provides direct trail connections to Merritt's Pasture, Southern Village, Culbreth Road, and Southern Community Park. Construction started in calendar year 2012 and the trail opened in 2013. The final closeout with NCDOT is anticipated to take place in the second

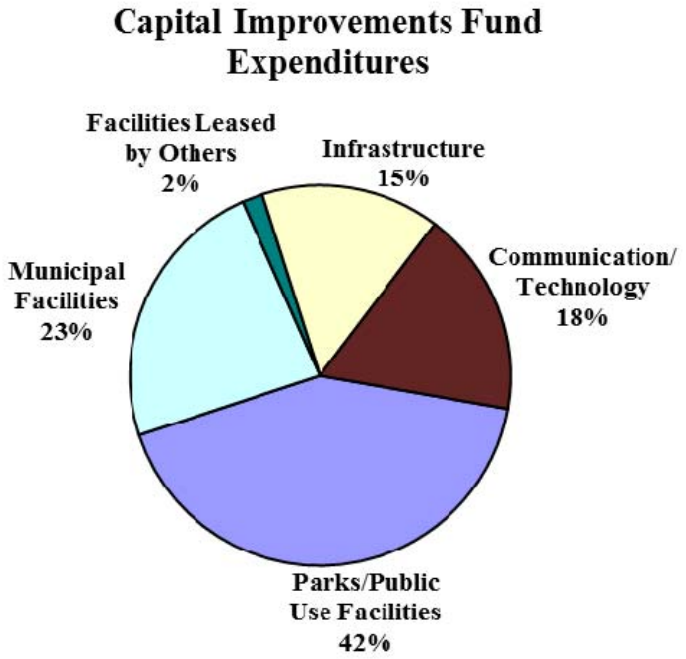
half of 2015.

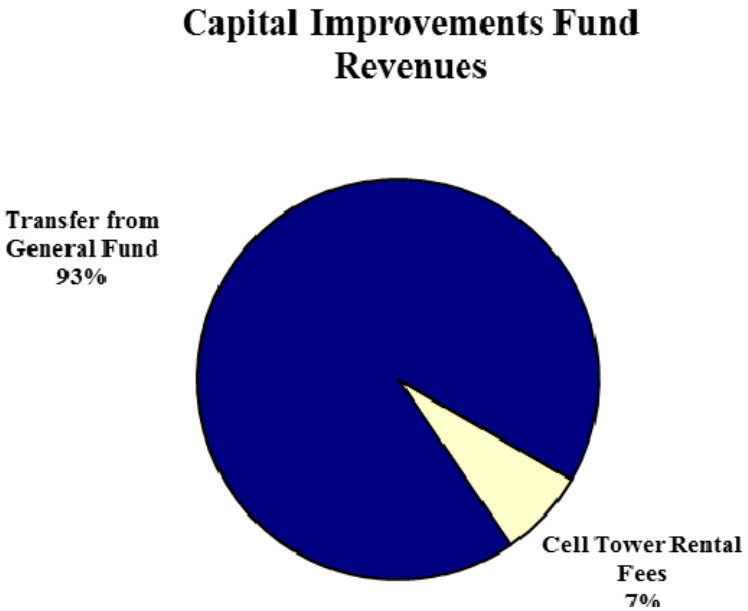
Bolin Creek Trail (Phase 3): The Bolin Creek Trail (Phase 3) project includes an extension of the existing Bolin Creek Trail about .5 miles west along Bolin Creek to Umstead Park. The project will involve underpasses of Martin Luther King Jr. Blvd and Pritchard Avenue Extension and 2 bridges over Bolin Creek. The construction of Phase 3A, an extension of Martin Luther King Jr. Boulevard to Pritchard Avenue was started in June 2015 and is expected to be completed by late spring 2016.

In FY10, the Town began process of replacing playground equipment in all Town parks that are in need of replacement or capital level repair 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. In FY16, the Town will focus on Pine Knolls Playground, Westwood Park, and Community Center Park. The goal of the playground replacement program is to provide safe, accessible facilities for the citizens of Chapel Hill.

CAPITAL IMPROVEMENTS FUND

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 BUDGET SUMMARY

The budget for the Capital Improvements Program for 2015-16 totals $853,856, and includes projects to be completed in FY16.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Municipal Facilities	$ 858,765	$ 285,000	$ 1,226,756	$ 1,226,756	$ 200,000	-29.8%
Public Safety	830,377	-	655,353	655,353	-	N/A
Facilities Leased by Others	16,727	14,856	55,443	55,443	14,856	0.0%
Infrastructure	215,326	80,000	883,553	883,553	130,000	62.5%
Communication/Technology	135,622	140,000	862,601	862,601	149,000	6.4%
Parks/Public Use Facilities	401,566	330,000	909,069	909,069	360,000	9.1%
Total	$ 2,458,383	$ 849,856	$ 4,592,775	$ 4,592,775	$ 853,856	0.5%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Housing Rent Proceeds	$ 11,839	$ 14,856	$ 14,856	$ 14,856	$ 14,856	0.0%
Cell Tower Rental Fees	71,766	55,000	55,000	60,000	60,000	9.1%
Grants	-	-	175,000	175,000	-	N/A
Interest on Investments	2,796	1,000	1,000	1,000	1,000	0.0%
Revenue in Lieu	-	-	138,490	172,598	-	N/A
Insurance Claims	267,091	-	-	24,623	-	N/A
Transfer from General Fund	2,409,693	779,000	2,237,507	2,237,507	778,000	-0.1%
Appropriated Fund Balance	(304,802)	-	1,970,922	1,907,191	-	N/A
Total	$ 2,458,383	$ 849,856	$ 4,592,775	$ 4,592,775	$ 853,856	0.5%

CAPITAL IMPROVEMENTS FUND
DETAIL EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget
MUNICIPAL OPERATIONS FACILITIES					
Extraordinary Maintenance, Emergency Repairs	$ 150,761	$ 100,000	$ 158,851	$ 158,851	$ 100,000
Town Hall Flood	686,168	-	953,405	953,405	-
Facility Condition Assessment	-	85,000	85,000	85,000	-
Small Capital Improvements	21,836	100,000	29,500	29,500	100,000
Subtotal	**$ 858,765**	**$ 285,000**	**$ 1,226,756**	**$ 1,226,756**	**$ 200,000**
PUBLIC SAFETY					
Fire Truck	$ 830,377	$ -	$ 655,353	$ 655,353	$ -
Subtotal	**$ 830,377**	**$ -**	**$ 655,353**	**$ 655,353**	**$ -**
TOWN FACILITIES LEASED BY OTHERS					
Housing Maintenance	$ 16,727	$ 14,856	$ 55,443	$ 55,443	$ 14,856
Subtotal	**$ 16,727**	**$ 14,856**	**$ 55,443**	**$ 55,443**	**$ 14,856**
INFRASTRUCTURE					
Town Hall Parking Deck	$ -	$ -	$ 65,000	$ 65,000	$ -
Variable Message Sign System	-	-	93,750	93,750	-
Ephesus Ch./Fordham Engineering	115,406	-	637,594	637,594	-
Path, Trail and Lot Maintenance	72,930	50,000	50,000	50,000	50,000
Traffic Calming/Bike & Ped.	-	-	-	-	50,000
Curbs / ADA	26,990	30,000	37,209	37,209	30,000
Subtotal	**$ 215,326**	**$ 80,000**	**$ 883,553**	**$ 883,553**	**$ 130,000**

CAPITAL IMPROVEMENTS FUND
DETAIL EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget
COMMUNICATIONS AND TECHNOLOGY					
Document Management	$ -	$ -	$ 218,634	$ 218,634	$ -
Fiber Optic Network	-	91,000	540,503	540,503	-
Fire House Mobile & GIS System for Response Units	44,607	-	3,339	3,339	-
In-Car Police Cameras	78,030	-	51,125	51,125	-
Police Technology Upgrades	12,985	-	-	-	-
Fire Radios	-	49,000	49,000	49,000	149,000
Subtotal	**$ 135,622**	**$ 140,000**	**$ 862,601**	**$ 862,601**	**$ 149,000**
PARKS AND OTHER PUBLIC USE FACILITIES					
Greenways	$ 66,023	$ 80,000	$ 237,563	$ 237,563	$ 80,000
Community Center Pool	-	-	50,000	50,000	-
Battle Branch Trail	-	-	707	707	-
Bolin Creek Trail	-	-	238,247	238,247	-
Playground Replacement	71,658	100,000	100,000	100,000	100,000
Accessible Playground	-	50,000	50,000	50,000	-
Cemetery Beautification	20,644	-	64,577	64,577	20,000
Small Park Improvements	55,973	100,000	167,975	167,975	100,000
Meadowmont Dam	-	-	-	-	30,000
Homestead Rd. Dam	-	-	-	-	30,000
Mobile Stage	187,268	-	-	-	-
Subtotal	**$ 401,566**	**$ 330,000**	**$ 909,069**	**$ 909,069**	**$ 360,000**
TOTALS	**$ 2,458,383**	**$ 849,856**	**$ 4,592,775**	**$ 4,592,775**	**$ 853,856**

PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS

This section provides descriptions of capital projects funded in the 2015-16 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.

Explanation: Operating Budget Impact

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.

High: More than $25,000 a year
Moderate: $5,000 to $25,000 a year
Low: $1,000 to $5,000 a year
Very Low: Less than $1,000 a year
No Impact: No impact on operating budget

+ *Positive*: Project will save operating budget funds.

PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS

Illustration: Tips for Reading Project Descriptions

MUNICIPAL OPERATIONS FACILITIES

Project Category

Project Name

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.

Description

Where to find project in Tables 1, 2 or 3, which appear after this section

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.

Effect on Town's operating budget when project is implemented.

Adopted 2015-16 Budget and Projected Expenditures

Fiscal Year					***5-Year Total***	***15-Year Total****	***Funding Source***
2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	***Through 2019-20***	***Through 2029-30***	
$100,000	$100,000	$100,000	$100,000	$100,000	$500,000	$1,500,000	Capital Improvements Fund

Summary of 2015-16 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 2015-16 Budget and Projected Expenditures

Fiscal Year					***5-Year Total***	***15-Year Total****	***Funding Source***
2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	***Through 2019-20***	***Through 2029-30***	
$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 #33
Location:	Public Housing sites
Operating Budget Impact:	Positive (Tens of thousands annually): Renovations will reduce need to make repairs using operating budget funds.

Adopted 2015-16 Budget and Projected Expenditures

Fiscal Year					***5-Year Total***	***15-Year Total***	***Funding Source***
2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	***Through 2019-20***	***Through 2029-30***	
$454,460	$454,460	$454,460	$454,460	$454,460	$2,272,300	$6,816,900	Community Development Block Grant Program

PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS

Energy Efficiency Projects

Funding will be used to replace old single-pane windows in the old wing of Town Hall, as well as fund improvements to three main entrance vestibules. Funding would allow for the work to occur while improvements are occurring as a result of recent water damage sustained in Town Hall two years ago.

Table and Ref #: Table 2, Ref #53
Location: Town Hall
Operating Budget Impact: No Impact

Adopted 2015-16 Budget and Projected Expenditures

Fiscal Year ($530,000) budgeted in multi-year fund in FY 2014-15					***5-Year Total***	***15-Year Total***	***Funding Source***
2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	***Through 2019-20***	***Through 2029-30***	
-	-	-	-	-	-	-	Multi-year Capital Project Ordinance

Hargraves Roof Replacement

Funding will replace the old shingles with a slate roof as a way to increase the lifespan of the roof, provide better fire protection, and be invulnerable to rot and insects.

Table and Ref #: Table 2, Ref #52
Location: Town Hall
Operating Budget Impact: No Impact

Adopted 2015-16 Budget and Projected Expenditures

Fiscal Year ($290,000) budgeted in multi-year fund in FY 2014-15					***5-Year Total***	***15-Year Total***	***Funding Source***
2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	***Through 2019-20***	***Through 2029-30***	
-	-	-	-	-	-	-	Multi-year Capital Project Ordinance

PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS

Town Hall HVAC Improvements

Funding will upgrade and improve the existing HVAC system at Town Hall. This project will include engineering review of existing system and controls, add new zones to improve occupant comfort, add new sensors to improve safety and monitor air quality, and upgrade existing equipment to improve comfort levels in the building.

Table and Ref #: Table 2, Ref #51
Location: Town Hall
Operating Budget Impact: No Impact

Adopted 2015-16 Budget and Projected Expenditures

Fiscal Year ($290,000) budgeted in multi-year fund in FY 2014-15					***5-Year Total***	***15-Year Total***	***Funding Source***
2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	***Through 2019-20***	***Through 2029-30***	
-	-	-	-	-	-	-	Multi-year Capital Project Ordinance

Town Hall Emergency Generator

Funding will purchase a new emergency generator that will enable emergency power at Town Hall. A new generator will allow all of Town Hall to be able to operate during inclement weather or power-outage.

Table and Ref #: Table 2, Ref #50
Location: Town Hall
Operating Budget Impact: No Impact

Adopted 2015-16 Budget and Projected Expenditures

Fiscal Year ($720,000) budgeted in multi-year fund in FY 2014-15					***5-Year Total***	***15-Year Total***	***Funding Source***
2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	***Through 2019-20***	***Through 2029-30***	
-	-	-	-	-	-	-	Multi-year Capital Project Ordinance

PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS

PUBLIC SAFETY

Fire Self-Contained Breathing Apparatus

Funding will provide new self-contained breathing apparatus (SCBA) equipment for the Fire Department. The new equipment will provide breathable air in an "Immediately Dangerous to Life or Health" atmosphere.

Table and Ref #:	Table 1, Ref #54
Location:	Various sites
Operating Budget Impact:	No Impact

Adopted 2015-16 Budget and Projected Expenditures

Fiscal Year ($500,000) budgeted in multi-year fund in FY 2014-15					***5-Year Total***	***15-Year Total****	***Funding Source***
2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	***Through 2019-20***	***Through 2029-30***	
-	-	-	-	-	-	-	Multi-Year Capital Project Ordinance

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 #7
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 2015-16 Budget and Projected Expenditures

Fiscal Year					***5-Year Total***	***15-Year Total***	***Funding Source***
2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	***Through 2019-20***	***Through 2029-30***	
$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 #9
Location: Various Sites
Operating Budget Impact: No Impact

Adopted 2015-16 Budget and Projected Expenditures

Fiscal Year					***5-Year Total***	***15-Year Total***	***Funding Source***
2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	***Through 2019-20***	***Through 2029-30***	
$30,000	$30,000	$30,000	$30,000	$50,000	$170,000	$510,000	Capital Improvements Fund

PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS

Traffic Calming/Bike & Pedestrian

Funding will install traffic calming devices, crosswalk lighting systems, and other pedestrian/bicycle improvements throughout the Town.

Table and Ref #: Table 2, Ref #44
Location: Various Sites
Operating Budget Impact: No Impact

Adopted 2015-16 Budget and Projected Expenditures

Fiscal Year					***5-Year Total***	***15-Year Total***	***Funding Source***
2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	***Through 2019-20***	***Through 2029-30***	
$50,000	50,000	50,000	50,000	50,000	$250,000	$750,000	Capital Improvements Fund

Stormwater Project Construction/Design

Funding will provide stream channel and infrastructure improvements, stream restoration, and infrastructure repair/retrofit throughout the Town. This project will mitigate flooding/drainage problems as well as improve water quality conditions.

Table and Ref #: Table 2, Ref #55
Location: Various Sites
Operating Budget Impact: No Impact

Adopted 2015-16 Budget and Projected Expenditures

Fiscal Year					***5-Year Total***	***15-Year Total***	***Funding Source***
2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	***Through 2019-20***	***Through 2029-30***	
$75,000	$100,000	$100,000	$100,000	$100,000	$475,000	$1,000,000	Stormwater Management Fund

PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS

Old Durham/Chapel Hill Road Bike & Pedestrian Project

Funding will provide for the construction of a multiuse path, bicycle lanes and sidewalks along Old Durham-Chapel Hill Road from Standish Drive in Chapel Hill to Garrett Road in Durham. The project also includes roadway safety, drainage and bus stop improvements, and a traffic roundabout at the intersection with Pope Road.

Table and Ref #: Table 2, Ref #71
Location: Various sites
Operating Budget Impact: No Impact

Adopted 2015-16 Budget and Projected Expenditures

Fiscal Year ($3,143,573) budgeted in NCDOT Direct Allocation Grant in FY 2014-15					***5-Year Total***	***15-Year Total***	***Funding Source***
2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	***Through 2019-20***	***Through 2029-30***	
-	-	-	-	-	-	-	NCDOT Direct Allocation Grant

Friday Center Drive Bike & Pedestrian Improvements

Funding will construct bicycle facilities along Friday Center Drive in accordance with the Chapel Hill Bicycle and Pedestrian Action Plan.

Table and Ref #: Table 2, Ref #72
Location: Various sites
Operating Budget Impact: No Impact

Adopted 2015-16 Budget and Projected Expenditures

Fiscal Year ($565,000) budgeted in multi-year fund in FY 2014-15					***5-Year Total***	***15-Year Total***	***Funding Source***
2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	***Through 2019-20***	***Through 2029-30***	
-	-	-	-	-	-	-	Multi-year Capital Project Ordinance

PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS

Estes Drive Bike and Pedestrian Improvements

Funding will include bike lanes and sidewalks on the north and south sides of Estes Drive and an off-road multi-use trail on the north side. The work supports goals outlined in Chapel Hill 2020 comprehensive plan and The Chapel Hill Bike Plan.

Table and Ref #:	Table 2, Ref #73
Location:	Various sites
Operating Budget Impact:	No Impact

Adopted 2015-16 Budget and Projected Expenditures

Fiscal Year ($2,068,400) budgeted in NCDOT Direct Allocation Grant in FY 2014-15					***5-Year Total***	***15-Year Total***	***Funding Source***
2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	***Through 2019-20***	***Through 2029-30***	
-	-	-	-	-	-	-	NCDOT Direct Allocation Grant

PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS

COMMUNICATIONS AND TECHNOLOGY

Radio/Headset Replacement

Technological safety upgrades including GPS technology to locate downed firefighters or lost radios. Multi-year request would replace 25% of our inventory each year.

Table and Ref #: Table 1, Ref #14
Location: Fire Fleet
Operating Budget Impact: No Impact

Adopted 2015-16 Budget and Projected Expenditures

Fiscal Year					***5-Year Total***	***15-Year Total***	***Funding Source***
2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	***Through 2019-20***	***Through 2029-30***	
$149,000	$149,333	149,333	-	-	$447,666	$447,666	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 2015-16 Budget and Projected Expenditures

Fiscal Year					***5-Year Total***	***15-Year Total***	***Funding Source***
2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	***Through 2019-20***	***Through 2029-30***	
$100,000	$150,000	$150,000	$150,000	$150,000	$700,000	$2,200,000	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 2015-16 Budget and Projected Expenditures

Fiscal Year					***5-Year Total***	***15-Year Total***	***Funding Source***
2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	***Through 2019-20***	***Through 2029-30***	
$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

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 Pine Knolls Playground, Westwood Park, and the Community Center Park in FY16. Umstead Park equipment would be fully accessible for mobility challenged youth.

Table and Ref #:	Table 1, Ref #32
Location:	Various locations
Operating Budget Impact:	Positive (Hundreds per year): Projects will reduce need to use operating budget for repairs.

Adopted 2015-16 Budget and Projected Expenditures

Fiscal Year					***5-Year Total***	***15-Year Total***	***Funding Source***
2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	***Through 2019-20***	***Through 2029-30***	
$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 #87
Location:	Bolin Creek
Operating Budget Impact:	No Impact

Adopted 2015-16 Budget and Projected Expenditures

Fiscal Year ($2,245,889) budgeted in multi-year fund in FY 2010-11					***5-Year Total***	***15-Year Total***	***Funding Source***
2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	***Through 2019-20***	***Through 2029-30***	
-	-	-	-	-	-	-	2010 Bond Issue

PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS

Morgan Creek Trail

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.

Table and Ref #: Table 3, Ref #89
Location: Morgan Creek
Operating Budget Impact: No Impact

Adopted 2015-16 Budget and Projected Expenditures

Fiscal Year ($1,212,455) budgeted in multi-year fund in FY 2010-11					***5-Year Total***	***15-Year Total***	***Funding Source***
2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	***Through 2019-20***	***Through 2029-30***	
-	-	-	-	-	-	-	2010 Bond Issue

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 #92
Location: Various sites
Operating Budget Impact: No Impact

Adopted 2015-16 Budget and Projected Expenditures

Fiscal Year ($700,000) budgeted in multi-year fund in FY 2012-13					***5-Year Total***	***15-Year Total***	***Funding Source***
2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**	***Through 2019-20***	***Through 2029-30***	
-	-	-	-	-	-	-	Two-thirds Bonds (2012)

CAPITAL PROGRAM TABLES – INTRODUCTION

The Capital Improvements Program contains tables that outline the adopted budget for CIP projects in fiscal year 2015-16 and projected expenditures in future fiscal years for all funds, from 2015-16 through 2029-30. These tables are as follows:

- **Table 1. Capital Improvements.** Table 1 lists projects identified for Capital Improvements. Projects listed include adopted projects for 2015-16 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	2014-15 Budget Revised	2015-16 Adopted Budget	2016-17
	Municipal Operations Facilities			
1	Extraordinary Maintenance	$ 158,851	$ 100,000	$ 100,000
2	Town Hall Flood	953,405	-	-
3	Small Capital Improvements	29,500	100,000	100,000
4	Facility Condition Assessment	85,000	-	-
	Public Safety			
5	Fire Truck	655,353	-	-
	Town Facilities Leased by Others			
6	Housing Maintenance	55,443	14,856	-
	Infrastructure			
7	Parking Lots/Paths/Trails	50,000	50,000	50,000
8	Neighborhood Traffic Calming, Pedestrian & Bicycle Improvements	-	50,000	50,000
9	Curb Cut Improvements (ADA)	37,209	30,000	30,000
10	Town Hall Parking Deck Maintenance	65,000	-	-
11	Variable Message Sign System	93,750	-	-
12	Cedar Falls Parking Lot	-	-	80,000
13	Ephesus Church/Fordham Engineering	637,594	-	-
14	2200 Homestead Road	-	-	30,000
15	Street Infrastructure Improvements	-	-	-
	Communications			
16	Fire Radios	49,000	149,000	149,333
17	Fiber Optic Network	540,503	-	-
18	Fire House Mobile & GIS System for Response Units	3,339	-	-
19	In-Car Police Cameras	51,125	-	-
20	Document Management	218,634	-	-
	Parks and Other Public Use Facilities			
21	Cemetery Beautification	64,577	20,000	20,000
22	Small Parks Improvements	167,975	100,000	150,000
23	Northside Gym Roof Replacement	-	-	205,000
24	Greenways	237,563	80,000	80,000
25	Meadowmont Dam	-	30,000	-
26	Homestead Dam	-	30,000	
27	Battle Branch Trail	707	-	-
28	Community Center Pool	50,000	-	-
29	Bolin Creek Trail	238,247	-	-
30	Property Line Marking	-	-	50,000
31	Accessible Playground	50,000	-	-
32	Playgrounds	100,000	100,000	100,000
	Total	**$ 4,592,775**	**$ 853,856**	**$ 1,194,333**

*Future years after FY2015-16 are for planning purposes only.

2017-18	2018-19	2019-20	2020-30	Reference #
$ 100,000	$ 100,000	$ 100,000	$ 1,000,000	1
-	-	-	-	2
100,000	100,000	100,000	1,000,000	3
-	-	98,500	-	4
-	-	-	-	5
-	-	-	-	6
50,000	50,000	50,000	500,000	7
50,000	50,000	50,000	500,000	8
30,000	30,000	50,000	340,000	9
-	-	-	-	10
-	-	-	-	11
-	80,000	-	80,000	12
-	-	-	-	13
-	-	-	-	14
1,400,000	1,300,000		-	15
149,333	149,333	-	-	16
-	-	-	-	17
-	-	-	-	18
-	-	-	-	19
-	-	-	-	20
20,000	20,000	20,000	200,000	21
150,000	150,000	150,000	1,500,000	22
-	-	-	-	23
80,000	80,000	80,000	1,250,000	24
-	-	-	-	25
				26
-	-	-	-	27
-	-	-	-	28
-	-	-	-	29
50,000	50,000	50,000	50,000	30
300,000	-	-	-	31
100,000	100,000	100,000	1,000,000	32
$ 2,579,333	**$ 2,259,333**	**$ 848,500**	**$ 7,420,000**	

TABLE 2: Other Sources - Current Year Budget and Future Year Budget Requests

Reference #	Project	Revised Budget 2014-15	Adopted 2015-16	2016-17
	Municipal Operations Facilities			
33	Comprehensive Public Housing Renovations	$ -	$ 454,460	$ 454,460
34	Comprehensive Public Housing Renovations	449,057	-	-
35	Comprehensive Public Housing Renovations	410,655	-	-
36	Comprehensive Public Housing Renovations	12,356	-	-
37	Fire Station 1 Replacement	-	-	-
38	Fire Station 2 Replacement	-	-	2,652,250
39	Fire Station 3 Replacement	-	-	3,715,000
40	Fire Station 4 Replacement	-	-	-
41	100 West Rosemary Renovation	-	-	375,000
42	Public Safety Headquarters	-	-	48,550
43	Parks & Recreation Administration Building	-	-	-
44	Cultural Arts Building	-	-	-
45	Fire Warehouse/Garage Facility	-	-	-
46	Fire Training Center Replacement	-	-	-
47	Solid Waste Transfer Station	-	-	422,500
48	Wallace Parking Facility	500,000	-	-
49	Multi-Agency Complex Project	1,692,474	-	-
50	Town Hall Emergency Generator	720,000	-	-
51	Town Hall HVAC Improvements	290,000	-	-
52	Hargraves Roof Replacement	290,000	-	-
53	Energy Efficiency Projects	530,000	-	-
	Public Safety			
54	Fire Self-Contained Breathing Apparatus	500,000	-	-
	Infrastructure			
55	Stormwater Projects	75,000	75,000	100,000
56	North Street Culvert Replacement	-	-	210,000
57	Small/Medium Drainage Maintenance and Improvements	-	-	-
58	Burning Tree Drive Additional Culvert	-	-	-
59	Infrastructure Capital Improvement Program	-	-	100,000
60	Water Quality Capital Improvement Program	-	-	50,000
61	Rosemary Street and Pritchard Avenue	-	-	-
62	Mitchell Street to Tanyard Branch	-	-	-
63	South Elliot Road Culvert Replacement	660,000	-	-
64	Booker Creek Road Culvert Replacement	300,000	-	-
65	Subwatershed Modeling	300,000	-	-
66	Street Sweeper Equipment	55,000	-	-
67	Wallace Deck Waterproofing	-	-	1,000,000
68	Replace gate and ticket equipment - Wallace Deck	75,300	-	-
69	Pay-in-Lane System	42,000	-	-
70	Parking Management Software	34,194	-	-
71	Old Durham/Chapel Hill Rd. Bike & Ped Project**	3,143,573	-	-
72	Friday Center Drive Bike & Ped Improvements**	565,000	-	-
73	Estes Drive Bike & Ped Improvements **	2,068,400	-	-
74	Rogers Road Design and Engineering	558,000	-	-
75	Traffic Signal Improvement	450,000	-	-
	Parks and Other Public Use Facilities			
76	Morgan Creek Trail*	1,410,000	-	-
77	Tanyard Branch Trail	150,000	-	-
78	Bolin Creek Trail*	160,000	-	-
	TOTAL	**$ 15,441,009**	**$ 529,460**	**$ 9,127,760**

Note: Future years after FY2015-16 are for planning purposes only.
*In addition to the funding shown on this table, these projects are also funded by Parks Bonds
**In addition to the funding shown on this table, these projects are also funded by Streets & Sidewalks Bonds.

2017-18	2018-19	2019-20	2021-30	Fund Source	Reference #
$ 454,460	$ 454,460	$ 454,460	$ 4,544,600	HUD Grant	33
-	-	-	-	HUD Grant	34
-	-	-	-	HUD Grant	35
-	-	-	-	HUD Grant	36
-	3,376,257	-	-	Future Bond Issuance	37
-	-	-	-	Future Bond Issuance	38
-	-	-	-	Future Bond Issuance	39
2,652,250	-	-	-	Future Bond Issuance	40
2,825,000	-	-	-	Future Bond Issuance	41
551,668	880,547	16,369,387	-	Future Bond Issuance	42
-	3,584,000	-	-	Future Bond Issuance	43
	3,360,000	-	-	Future Bond Issuance	44
-	520,000			Future Bond Issuance	45
2,652,250	-	-	-	Future Bond Issuance	46
4,720,000	-	-	-	Future Bond Issuance	47
-	-	-	-	Limited Obligation Bonds	48
-	-	-	-	Multi-year Capital Project Ord.	49
-	-	-	-	Multi-year Capital Project Ord.	50
-	-	-	-	Multi-year Capital Project Ord.	51
-	-	-	-	Multi-year Capital Project Ord.	52
-	-	-	-	Multi-year Capital Project Ord.	53
-	-	-	-	Multi-year Capital Project Ord.	54
100,000	100,000	100,000	1,000,000	Stormwater Management Funds	55
-	-	-	-	Stormwater Management Funds	56
35,000	150,000	150,000	-	Stormwater Management Funds	57
50,000	-	-	-	Stormwater Management Funds	58
200,000	300,000	400,000	-	Stormwater Management Funds	59
150,000	400,000	500,000	500,000	Stormwater Management Funds	60
-	-	250,000	270,000	Stormwater Management Funds	61
-	-	250,000	1,000,000	Stormwater Management Funds	62
-	-	-	-	Stormwater Management Funds	63
-	-	-	-	Stormwater Management Funds	64
-	-	-	-	Stormwater Management Funds	65
-	-	-	-	Stormwater Management Funds	66
-	-	-	-	Parking Revenue	67
-	-	-	-	Parking Revenue	68
-	-	-	-	Parking Revenue	69
-	-	-	-	Parking Revenue	70
-	-	-	-	NCDOT Direct Allocation Grant	71
-	-	-	-	Multi-year Capital Project Ord.	72
-	-	-	-	NCDOT Direct Allocation Grant	73
-	-	-	-	Multi-year Capital Project Ord.	74
-	-	-	-	NCDOT Direct Allocation Grant	75
-	-	-	-	NCDOT Direct Allocation Grant	76
-	-	-	-	Chapel Hill/Carrboro Schools	77
-	-	-	-	Multi-year Capital Project Ord.	78
$ 14,390,628	**$ 13,125,264**	**$ 18,473,847**	**$ 7,314,600**		

Table 3: 2003 Bonds: Approved Bond Projects

				2004 Bond Sale ($4,000,000)	
Reference #	Council Priority	Project Name	Category	2004-05	2005-06
	Municipal Operations Facilities				
79	2	Energy Efficiency Projects	Public Buildings	$ 392,600	$ -
80	2	Sustainable Community Project - Local Match	Public Buildings	17,400	-
81	7	Energy Management System: Town Hall HVAC	Public Buildings	-	90,000
	Infrastructure				
82	2	Downtown Improvements - Streetscape	Sidewalks & Streets	500,000	-
83	2	Neighborhood Traffic Calming, Pedestrian, and Bicycle Improvements	Sidewalks & Streets	50,000	250,000
84	2	Pedestrian Amenities at Town Owned Traffic Signals	Sidewalks & Streets	20,000	80,000
85	2	Streets and Bridges	Sidewalks & Streets	-	-
86	2	Sidewalks and Bicycle Facilities	Sidewalks & Streets	600,000	-
	Parks and Other Public Use Facilities				
87	2	Bolin Creek Trail	Parks/Recreational Facilities	100,000	-
88	2	Dry Creek Trail	Parks/Recreational Facilities	125,000	-
89	2	Morgan Creek Trail	2003 Bond	75,000	-
90	2	Open Space Acquisition	Open Space and Areas	1,200,000	-
91	2	Upper Booker Creek Trail	2003 Bond	-	-
92	2	Parks Facilities	Parks/Recreational	-	-
93	2	Library Expansion	Library Facilities	500,000	-
		TOTAL		**$ 3,580,000**	**$ 420,000**

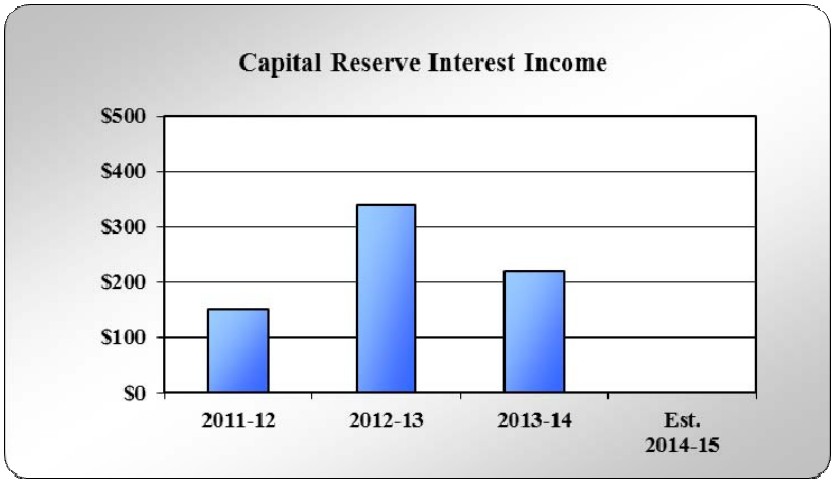
COLUMN DESCRIPTION KEY

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**	79
-	-	-	-	-	-	-	**$ 17,400**	80
-	-	-	-	-	-	-	**$ 90,000**	81
1,000,000	-	-	-	64,000	-	-	**$ 1,564,000**	82
-	-	-	-	225,000	-	-	**$ 525,000**	83
50,000	-	-	-	100,000	-	-	**$ 250,000**	84
-	-	-	-	661,000	-	1,000,000	**$ 1,661,000**	85
600,000	-	-	-	1,442,042	-	-	**$ 2,642,042**	86
-	-	-	-	2,245,889	-	-	**$ 2,345,889**	87
16,000	-	-	-	150,540	-	-	**$ 291,540**	88
968,000	-	-	-	1,212,455	-	-	**$ 2,255,455**	89
800,000	-	-	-	-	-	-	**$ 2,000,000**	90
16,000	-	-	-	154,608	-	-	**$ 170,608**	91
-	-	-	-	-	-	700,000	**$ 700,000**	92
1,500,000	-	-	-	14,504,703	-	-	**$ 16,504,703**	93
$ 4,950,000	**$ -**	**$ -**	**$ -**	**$ 20,760,237**	**$ -**	**$ 1,700,000**	**$ 29,710,237**	

CAPITAL RESERVE FUND

The Capital Reserve Fund accounts for funds reserved for specific capital improvement projects including water and sewer improvements.



CAPITAL RESERVE FUND BUDGET SUMMARY

No appropriations are planned for the Capital Reserve Fund for 2015-16, which had a fund balance of $214,756 at June 30, 2014.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Reserved for CIP	$ -	$ -	$ -	$ -	$ -	N/A
Transfer to Capital Improvements Fund	-	-	-	-	-	N/A
Transfer to General Fund	-	-	-	-	-	N/A
Total	$ -	$ -	$ -	$ -	$ -	N/A

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Interest on Investments	$ 236	$ -	$ -	$ -	$ 240	N/A
Appropriated Fund Balance	(236)	-	-	-	(240)	N/A
Total	$ -	$ -	$ -	$ -	$ -	N/A

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, 2015 are shown in the table at the right.

Major Capital Bond Projects	Budget	Expenditures as of June 30, 2015
1996 Bond Projects		
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	2,925,000	2,925,000
Public Works Facilities	500,000	500,000
Subtotal	$ 13,425,000	$ 13,425,000
2003 Bond Projects		
Public Buildings	$ 500,000	$ 280,000
Streets and Sidewalks	5,600,000	4,621,000
Library Expansion	16,260,000	16,260,000
Open Space	2,000,000	2,000,000
Parks and Recreation	5,000,000	5,000,000
Subtotal	$ 29,360,000	$ 28,161,000
2012 LOBS Projects		
Lot 5 Project	$ 6,000,000	$ 5,770,000
Parking Projects	500,000	-
TOC Projects	200,000	5,000
Subtotal	$ 6,700,000	$ 5,775,000
2012 Two-Thirds Projects		
Street Resurfacing	$ 982,000	$ 982,000
Bolinwood Drive Bridge	17,000	17,000
Cedar Falls Park Building	232,000	217,000
Umstead Playground	7,000	7,000
Tennis Court Reconstruction	229,000	229,000
Southern Comm Park Lighting	106,000	106,000
Cedar Falls Artificial Turf	246,000	246,000
Subtotal	$ 1,819,000	$ 1,804,000
TOTAL	**$ 51,304,000**	**$ 49,165,000**

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Internal Service Funds

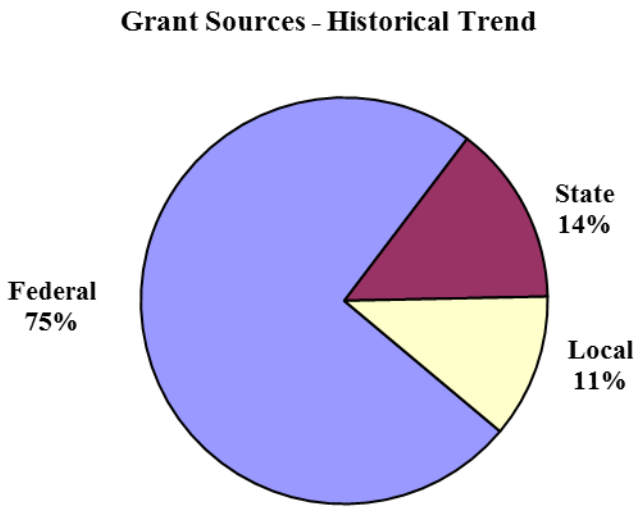
Vehicle Replacement Fund 290

Vehicle Maintenance Fund 292

Computer Replacement Fund 298

GRANTS FUND

The Grants Fund was established to account for miscellaneous small grants that would otherwise be accounted for in the General Fund.



GRANTS FUND
BUDGET SUMMARY

The Grants Fund was established in 2004-05 to account for grants previously included in the General Fund. Grants for 2015-16 consist of three Planning grants that provide personnel and operating funding for transportation planning.

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EXPENDITURES

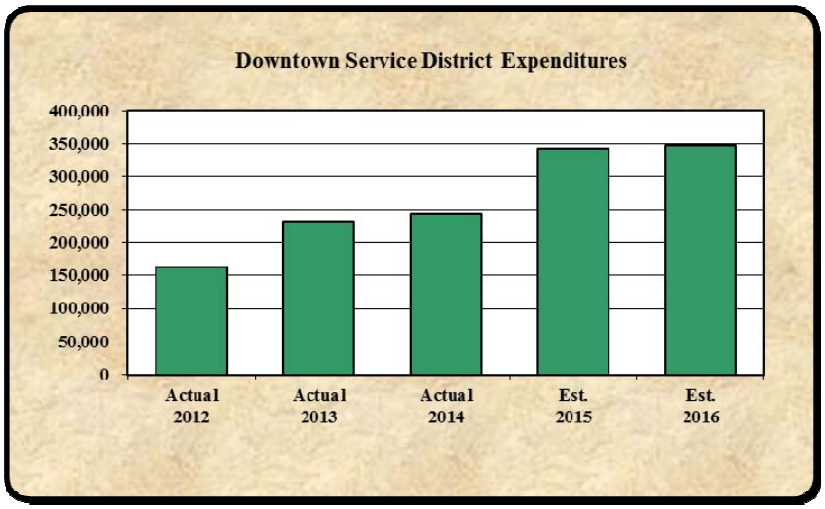
	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Police Grants	$ 70,009	$ -	$ 165,892	$ 165,892	$ -	N/A
Fire Grants	-	-	-	-	-	N/A
Planning Grants	379,496	434,231	434,231	434,231	347,850	-19.9%
Transit	-	-	-	-	-	N/A
Library	-	30,500	30,500	30,500	-	-100.0%
Total	$ 449,505	$ 464,731	$ 630,623	$ 630,623	$ 347,850	-25.2%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Grants	$ 340,757	$ 376,943	$ 517,982	$ 517,982	$ 275,802	-26.8%
Transfer from General Fund	78,636	87,788	104,713	104,713	72,048	-17.9%
Transfer from Transit	3,239	-	-	-	-	N/A
Appropriated Fund Balance	26,873	-	7,928	7,928	-	N/A
Total	$ 449,505	$ 464,731	$ 630,623	$ 630,623	$ 347,850	-25.2%

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 $387,452,000. The tax rate of 7.1 cents is unchanged from FY 2014-15, and is expected to yield a total of about $272,000 in FY 2015-16. This represents an increase of $30,000 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 FY16 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 FY16 continues funding for a groundskeeper ($53,528) dedicated to the downtown area. The FY16 budget also includes the addition of about $61,000 for dues at 140 West, maintenance and utilities for the public art at the 140 West Public Plaza ($9,000), public unit expenditures ($35,000) and $70,000 towards the "Launch" initiative, partly funded by Orange County.

DOWNTOWN SERVICE DISTRICT FUND BUDGET SUMMARY

The adopted Downtown Service District Fund tax rate of 7.1 cents for 2015-16 provides for continued funding of the groundskeeper position dedicated to the downtown area, including a 2% of market rate salary adjustment, effective July 1 & January 1, and an 8.4% rate decrease in medical insurance. The adopted budget continues an allocaton 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 dues at 140 West ($61,000), maintenance and utilities for the public art ($9,000) and public unit expenses ($35,000).

*****

EXPENDITURES

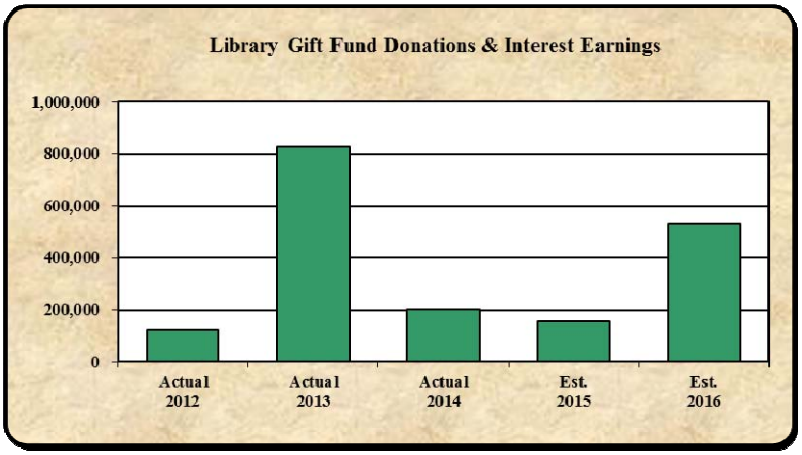
	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 47,056	$ 49,361	$ 49,361	$ 49,530	$ 53,528	8.4%
Contracted Services	126,474	191,480	229,480	223,480	225,000	17.5%
Grants/Deferred Loans	70,000	70,000	100,000	70,000	70,000	0.0%
Total	$ 243,530	$ 310,841	$ 378,841	$ 343,010	$ 348,528	12.1%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Property Taxes	$ 245,847	$ 242,000	$ 242,000	$ 269,400	$ 272,000	12.4%
Interest Income	106	-	-	25	-	0.0%
Gifts and Donations	40,000	40,000	40,000	40,000	40,000	0.0%
Interest on Receivable	-	-	1,273	1,273	1,291	0.0%
Appropriated Fund Balance	(42,423)	28,841	95,568	32,312	35,237	22.2%
Total	$ 243,530	$ 310,841	$ 378,841	$ 343,010	$ 348,528	12.1%

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 2015-16 reflects an increase in expected donations mainly due to the Automated Materials Handling Project ($300,000). The Library Gift Fund also includes a LSTA Grant ($100,000), matched with Friends' Donations of $16,150 for the purpose of an audit to improve the Library "experience". Gifts for FY16 include donations ($55,000) from the Friends of the Library and miscellaneous donations ($59,969). FY16 expenses include additions to the collection, computers, software and other miscellaneous expenses. The Library Gift Fund continues to budget a transfer to the General Fund to support Library operations, at an amount of $45,000 for FY16.

*****

EXPENDITURES

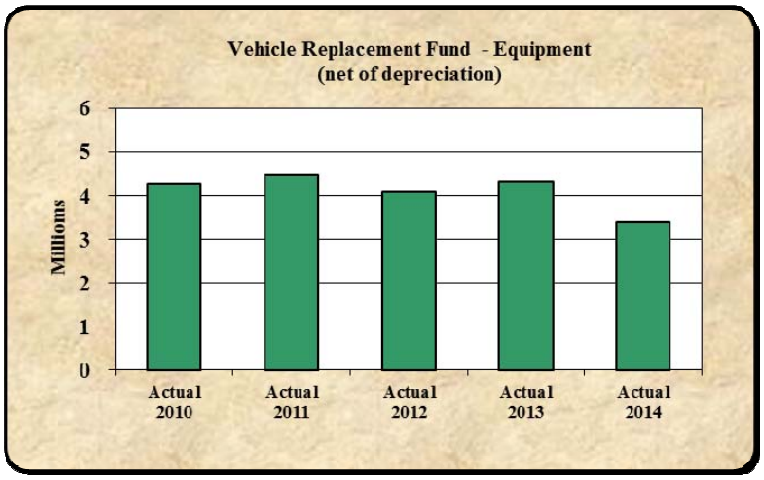
	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Computers/Database	$ 67,403	$ 8,600	$ 21,543	$ 23,908	$ 18,000	109.3%
Furniture/Reopening	19,701	-	28,542	28,542	1,500	N/A
Collection Purchases	34,524	17,000	16,616	19,166	18,200	7.1%
Other	35,805	20,500	31,510	34,925	148,419	624.0%
Automated Handling	-	-	-	-	300,000	N/A
Contribution to Reserve	-	9,500	1,419	5,200	-	-100.0%
Transfer to General Fund	45,000	45,000	45,000	45,000	45,000	0.0%
Total	$ 202,433	$ 100,600	$ 144,630	$ 156,741	$ 531,119	428.0%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Interest Income	$ 363	$ -	$ -	$ 111	$ -	N/A
Fdn Media Grant	20,000	-	-	-	-	N/A
LSTA Grant	-	-	-	-	116,150	N/A
Foundation Donations	33,470	5,000	5,000	5,000	200,000	3900.0%
Friends' Donations	33,192	45,000	45,000	45,000	55,000	22.2%
Misc Donations	55,475	50,600	50,600	62,600	59,969	18.5%
Appropriated Fund Balance	59,933	-	44,030	44,030	100,000	N/A
Total	$ 202,433	$ 100,600	$ 144,630	$ 156,741	$ 531,119	428.0%

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

The adopted budget for 2015-16 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 FY16 budget is the replacement of two garbage trucks and ten police cars. The Vehicle Replacement Fund is moving to a pay-as-you-go system. Beginning in FY15, vehicle purchases were bought outright rather than financed.

*****

EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Lease Purchase Payments	$ 1,144,837	$ 906,833	$ 906,833	$ 906,833	$ 906,833	0.0%
Other Expense	15,654	10,000	10,000	5,000	10,000	0.0%
Capital Equipment	947,881	1,348,164	1,431,219	1,431,219	1,307,000	-3.1%
Contribution to Reserve	-	-	-	-	-	N/A
Total	$ 2,108,372	$ 2,264,997	$ 2,348,052	$ 2,343,052	$ 2,223,833	-1.8%

REVENUES

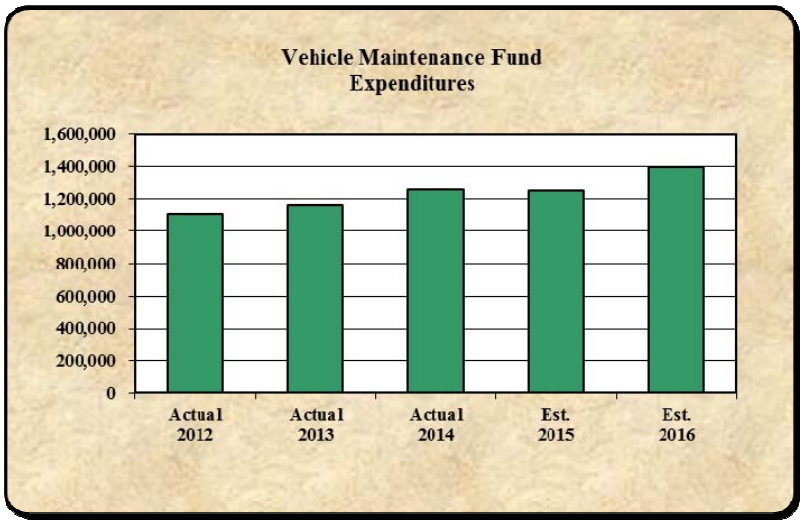
	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Vehicle Use Fees	$ 1,565,000	$ 1,456,500	$ 1,456,500	$ 1,456,500	$ 1,473,000	1.1%
Interest Income	4,566	2,000	2,000	4,000	2,000	0.0%
Sale of Fixed Assets	151,873	50,000	50,000	35,000	50,000	0.0%
Financing Proceeds	872,000	-	-	-	-	N/A
Appropriated Fund Balance	(485,067)	756,497	839,552	847,552	698,833	-7.6%
Total	$ 2,108,372	$ 2,264,997	$ 2,348,052	$ 2,343,052	$ 2,223,833	-1.8%

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.



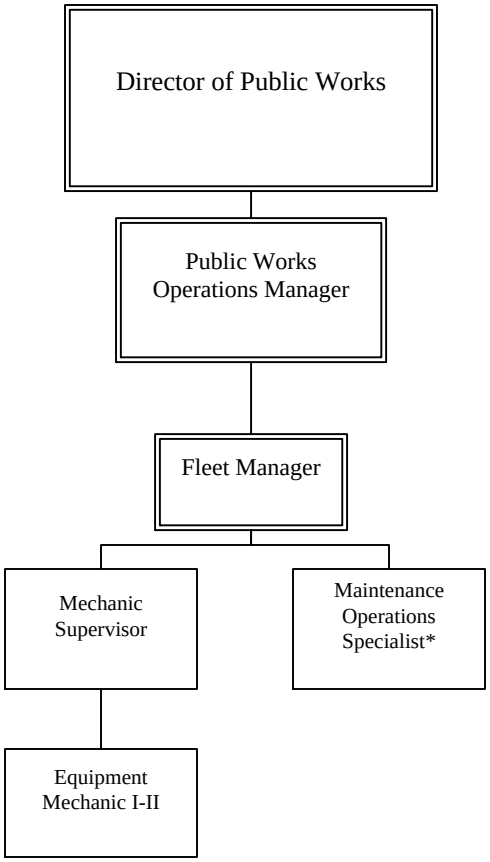
VEHICLE MAINTENANCE

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

	2013-14 ADOPTED	2014-15 ADOPTED	2015-16 ADOPTED
Supervisor-Mechanic	1.00	1.00	1.00
Mechanic (I-III)	5.00	5.00	5.00
Manager-Fleet	1.00	1.00	1.00
Maintenance Operations Specialist[1]	0.75	0.75	0.75
Unit Totals	7.75	7.75	7.75

[1] 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 FY16 adopted budget for the Vehicle Maintenance Fund reflects an overall increase in expenditures of 13.3% from last year's budget. There was a 2% July and January pay adjustment that is offset by a decrease in worker's compensation costs and health insurances costs, leading to a small decrease of .9% in personnel. There is an increase of 25.4% for operating costs, which can be attributed to an increase in spending on maintenance and repairs for vehicles. There are no planned capital expenses.

*****

EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Personnel	$ 533,359	$ 568,316	$ 517,916	$ 516,846	$ 563,469	-0.9%
Operating Costs	729,138	666,165	766,565	736,454	835,646	25.4%
Capital Outlay	-	-	-	-	-	N/A
Total	$ 1,262,497	$ 1,234,481	$ 1,284,481	$ 1,253,300	$ 1,399,115	13.3%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Vehicle Maintenance Fees	$ 1,180,572	$ 1,243,300	$ 1,243,300	$ 1,243,300	$ 1,388,600	11.7%
Interest Income	499	-	-	-	-	N/A
Insurance Claims	42,817	20,000	20,000	10,000	20,000	0.0%
Appropriated Fund Balance	38,609	(28,819)	21,181	-	(9,485)	N/A
Total	$ 1,262,497	$ 1,234,481	$ 1,284,481	$ 1,253,300	$ 1,399,115	13.3%

VEHICLE MAINTENANCE KEY PERFORMANCE MEASURES

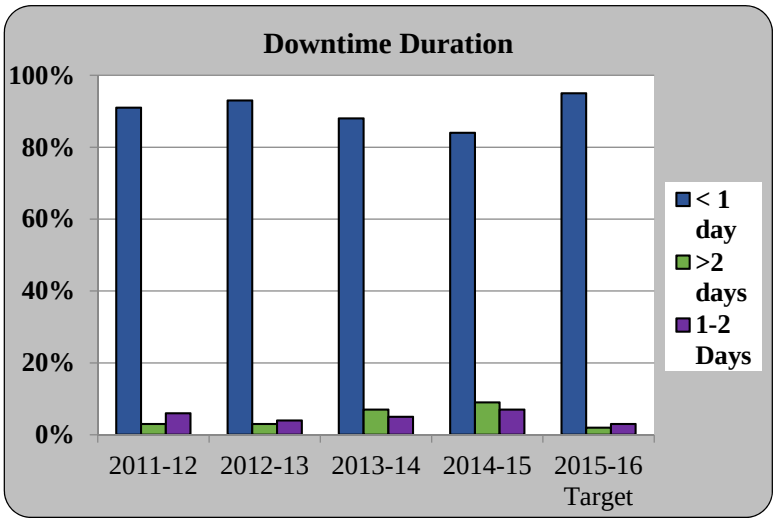
Govern with Quality and Steward Public Assets

Department Program: Fleet Services

Goal: Administer a structured preventative and reactive maintenance program for the Town's fleet of motor vehicles, heavy equipment and other vehicular and small engine equipment in support of the service delivery needs of the Town's departments that minimizes preventable breakdowns and improves the quality and promptness of repairs

Objective: To complete 85% of repair orders within 1 day, with no more than 10% requiring in excess of 2 days

In FY 2014-15, 84% of work orders were completed in less than one day, with 9% in excess of two days, compared to 88% and 7% in the previous year respectively. Fleet division experienced an unusually high amount of employee turnover this year in a variety of ways either by retirement or promotion. Those circumstances left our personnel quite shorthanded for a majority of the year. As we begin FY2016, we are now fully staffed and expect our numbers to rise back to target.

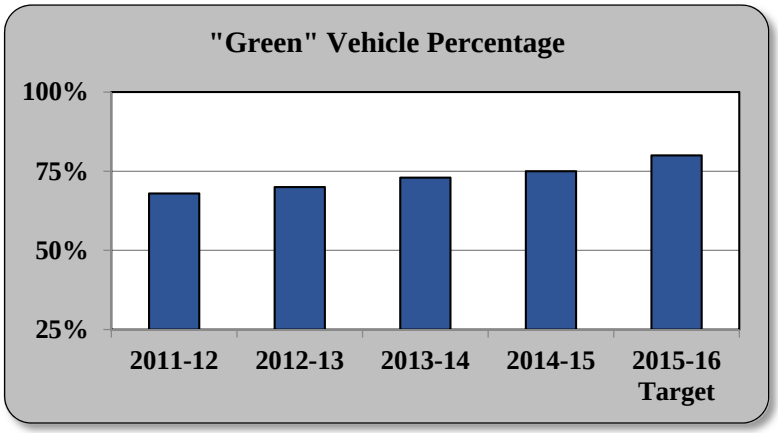


Govern with Quality and Steward Public Assets

Department Program: Fleet Services

Goal: Plan for and acquire motor vehicles, heavy equipment and other vehicular and small engine equipment in accordance with the Town's Sustainability Goals and Green Fleets Policy

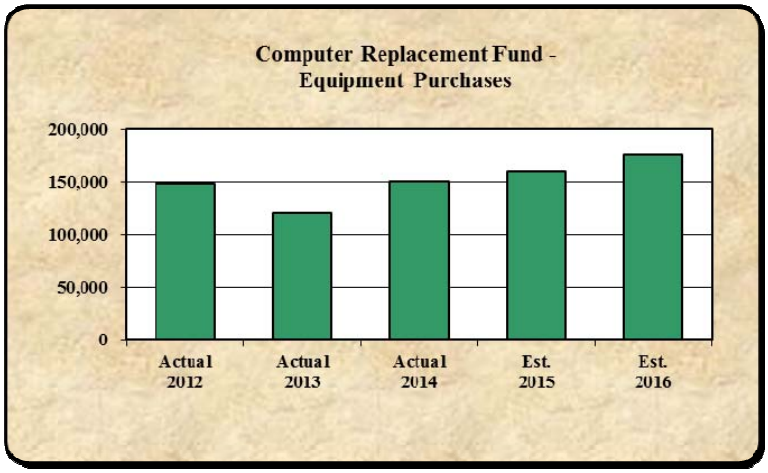
Objective: Achieve 100% replacement of unleaded vehicles with "green" vehicles — hybrids, alternative fuels, etc. — by 2018



In 2014-15, the percentage of "green" vehicles in the Town's fleet increased by 2% from the previous year, and by 5% from 2013-14. We have reassessed our goal of becoming 100% green by 2016 and moved our goal to 2018. We found that our 2016 goal was over exuberant, though our 2018 goal is still on track to meet our mandate of becoming 100% green by 2025.

COMPUTER REPLACEMENT FUND

The Computer Replacement Fund accounts for the purchase and financing of computer equipment and software to the Town departments.



COMPUTER REPLACEMENT FUND BUDGET SUMMARY

The adopted budget for 2015-16 provides for replacement of computer equipment on a pay-as-you-go basis.

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EXPENDITURES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Small Equipment	$ 150,092	$ 159,470	$ 167,683	$ 159,970	$ 175,500	10.1%
Other Expense	403	500	500	500	500	0.0%
Total	$ 150,495	$ 159,970	$ 168,183	$ 160,470	$ 176,000	10.0%

REVENUES

	2013-14 Actual	2014-15 Original Budget	2014-15 Revised Budget	2014-15 Estimated	2015-16 Adopted Budget	% Change from 2014-15
Computer Use Fees	$ 160,095	$ 159,970	$ 159,970	$ 159,970	$ 176,000	10.0%
Interest Income	548	-	-	500	-	N/A
Sale of Equipment	5,386	-	-	-	-	N/A
Appropriated Fund Balance	(15,534)	-	8,213	-	-	N/A
Total	$ 150,495	$ 159,970	$ 168,183	$ 160,470	$ 176,000	10.0%

AN ORDINANCE CONCERNING THE ESTABLISHMENT OF THE TOWN BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2015 (2015-06-8/O-1.1)

BE IT ORDAINED by the Council of the Town of Chapel Hill, the following appropriations are hereby made:

ARTICLE I

GENERAL FUND

Department	Department Total
Mayor/Council	$ 471,270
Town Manager/CaPA	2,364,707
Human Resources Development	1,708,151
Finance	1,996,679
Technology Solutions	1,491,763
Attorney	320,132
Planning & Sustainability	3,743,215
Public Works	12,242,085
Housing & Community	599,491
Police	13,304,491
Fire	8,858,854
Parks and Recreation	6,622,483
Library	2,832,155
Non-Departmental	5,145,524
GENERAL FUND TOTAL	**$ 61,701,000**

OTHER FUNDS

Transit Fund	$ 20,775,015
Transit Capital Reserve Fund	198,339
Debt Service Fund	7,602,782
Vehicle Replacement Fund	2,223,833
Vehicle Maintenance Fund	1,399,115
Computer Replacement Fund	176,000
Public Housing Fund	2,091,821
On-Street Parking Fund	698,950
Off-Street Parking Facilities Fund	2,002,250
Library Gift Fund	531,119
Capital Improvements Fund	853,856
Downtown Service District Fund	348,528
Stormwater Management Fund	2,363,388
Grants Fund	347,850
TOTAL ALL FUNDS	**$ 103,313,846**

ARTICLE II

It is estimated that the following revenues will be available during the fiscal year beginning July 1, 2015 and ending June 30, 2016 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	$ 29,970,000
Other Taxes & Licenses	1,114,000
State-Shared Revenues	18,709,084
Grants	782,114
Charges for Services	4,666,537
Licenses/Permits/Fines	3,213,451
Interest on Investments	22,500
Other Revenues	472,950
Transfers/Other Sources	45,000
Fund Balance Appropriated	2,705,364
General Fund Total	**$ 61,701,000**

OTHER FUNDS

Transit Fund	$ 20,775,015
Transit Capital Reserve Fund	198,339
Debt Service Fund	7,602,782
Vehicle Replacement Fund	2,223,833
Vehicle Maintenance Fund	1,399,115
Computer Replacement Fund	176,000
Public Housing Fund	2,091,821
On-Street Parking Fund	698,950
Off-Street Parking Facilities Fund	2,002,250
Library Gift Fund	531,119
Capital Improvements Fund	853,856
Downtown Service District Fund	348,528
Stormwater Management Fund	2,363,388
Grants Fund	347,850
TOTAL ALL FUNDS	**$ 103,313,846**

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, 2015 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)	$0.085/$100
Transit Fund (for the payment of expenses related to transportation approved by referendum)	$0.051/$100
TOTAL	$0.524/$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

This the 8th day of June, 2015.

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Town of Chapel Hill

North Carolina

For the Fiscal Year Beginning

July 1, 2014

Executive Director

Performance Agreements with Other Agencies

Performance Agreements with Other Agencies	2014-15 Adopted Budget	2015-16 Adopted Budget
Human Services		
Human Services Advisory Board Recommendations	$ 337,100	$ 337,100
Total Human Services	**337,100**	**337,100**
Environment		
Piedmont Wildlife	1,000	1,000
Total Arts	**1,000**	**1,000**
Arts		
Cultural Arts Dinner	500	500
ArtsCenter	10,000	10,000
Kidzu	-	10,000
Total Arts	**10,500**	**20,500**
Affordable Housing		
Orange Community Housing and Land Trust	200,000	300,414
Homeless Initiative	43,574	47,324
Empowerment	13,500	13,500
Total Affordable Housing	**257,074**	**361,238**
Economic Development		
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
Total Economic Development	**260,000**	**260,000**
Total Contributions to Agencies	**$ 865,674**	**$ 979,838**

GLOSSARY

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

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

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

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.

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.

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

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.