

Initial Budget Public Forum

Staff:

Amy Oland, Interim Director
Matt Brinkley, Budget Manager

Department:

Business Management

Overview: The purpose of this initial public forum is to provide opportunity for the Council to receive comments from the public on a variety of topics related to the development of the FY 2019-20 Town Budget.



Recommendation(s):

That the Council receive comments from the public on the forum topics listed below; and that the Council refer comments and questions to the Town Manager for consideration in the budget process.

OVERVIEW OF THE BUDGET PROCESS

Through the Town's annual budget process, the Town Council makes decisions on the level and types of services provided to the public with local, state and federal funds. The budget process reflects direction from the Council, beginning with the 2019 Council Retreat Strategic Work Plans (Attachment 1). Adoption of a budget determines the level of resources available for Town services over the coming budget year.

Process for Participation by Citizens

Additional public forums and hearings on the budget and related items will be held at 7:00 pm on:

March 20 A public forum to:

- Report on the status of development of the budget;
- Receive comments on the preliminary 2020-34 capital program
- Receive comments on the preliminary plan for uses of 2019-20 CDBG program funds

May 8 Public Hearing on recommended budget for the service year beginning on July 1, 2019; use of public transportation grants; recommended 15-year capital program; Downtown Service District program.

The public may also make comments to the Mayor and Council by letter at Town Hall, 405 Martin Luther King Jr Blvd, Chapel Hill, NC 27514, fax at 919-969-2063, or e-mail at mayorandcouncil@townofchapelhill.org at any time in the budget process.

Notice has also been provided on the Town's website.

TOPICS FOR THE FEBRUARY 20 PUBLIC FORUM AND HEARING

Information on each topic for the forums tonight is provided below.

- a. Annual Budget for 2019-20: preparing the budget for the service year beginning on July 1, 2019.
- b. 2020-34 Capital Program: capital improvement needs for 2020-34.
- c. Community Development Block Grant for 2019-20: use of the 2019-20 Federal Community Development Block Grant funds for eligible public service, affordable housing, and community development benefiting low-to-moderate income households in Chapel Hill (Initial Public Forum held November 7, 2018).
- d. Federal HOME Investment Partnership Program funding for 2019-20: use of the 2019-20 Federal HOME Investment Partnership Program funds for a broad range of eligible housing-related activities benefitting low-to-moderate income households in Orange County (Initial Public Forum for the Orange County Home Consortium was held December 3, 2018).
- e. Housing Capital Funds Program for 2019-20: use of the 2019-20 Federal Housing Capital Funds Grant for public housing improvements, renovations and services to public housing residents.
- f. Public Transportation Grant Program for 2019-20: use of 2019-20 Federal and State grants for transit capital projects, operating costs and transportation planning.
- g. Downtown Service District: receive comments and suggestions from downtown business people, property owners and other interested residents regarding the needs of the service district.
- h. Potential Legislative Proposals: receive suggestions for legislation that might be sought in the 2019 session of the General Assembly.

A. Annual Budget for 2019-20

This forum provides an opportunity for citizens to comment on any aspect of the Town's budget and budget documents, including services that should be added, eliminated or changed. The Town's 2019-20 budget and service year will begin on July 1, 2019 in accordance with State law.

Purpose

The annual budget includes funding for operating costs for police and fire protection, street maintenance, refuse collection, various other public works services, parks and recreation, public transit, the public library, planning, building inspection, engineering, legal and administrative services.

The annual budget includes one year's funding for cash-financed (pay-as-you-go) small capital projects such as sidewalks, greenways, street paving, as well as debt service payments on other capital projects.

In addition to setting Town service levels and property tax rates, the Council makes decisions on whether to adjust or adopt service fees for refuse collection, recreation programs, development review, inspections and other services as part of the budget.

Next Steps

On March 20, the Council will hold a public forum on preparing the 2019-20 budget. The forum will provide an opportunity for comments and requests from the public or community groups regarding the budget status, or any aspects of the Town's budget for 2019-20.

On May 1, the Council will receive the Manager's Recommended Budget. The Council will receive comments by the public at a public hearing scheduled for May 8. The Council's adopted budget calendar includes consideration of adopting a budget on June 12.

B. 2020-34 Capital Program

The purpose of this forum is to receive suggestions and comments from the public regarding capital projects proposed for the next 15 years.

2020-34 Capital Program

A summary of the current capital program and long-range projections as adopted by the Council with the FY 2019 budget for 2019-33 is attached as background information (Attachment 2).

Purpose

A capital improvements program is a plan for major projects and purchases including:

- Buying land for parks, open space or other Town services;
- Sidewalks;
- Streetscape;
- Bikeways;
- Greenways;
- Park improvements;
- Construction, renovation, expansion and improvement of Town buildings; and
- Road, bridge and related improvements.

The Town's capital programs have typically included a list of capital projects with cost estimates, a potential schedule and priorities for 15 years, and existing or potential future funding methods for each project.

Identified funding sources may include current general revenues, money previously reserved for capital projects, grants, gifts and bond issues.

Many projects in the first year of the capital program normally are funded as part of the annual budget. Projects in the second through fifteenth years are normally not funded in the budget for the next year, although some may be financed through bond issues, installment purchase contracts and other sources. Funding for most projects in the second through fifteenth years will be considered in future annual processes.

Planning Process

Each year, the Town Council, residents, boards and commissions, and staff consider the Town's capital project needs and possible funding sources for needed projects. This process results in decisions by the Town Council regarding capital improvements that the Town may undertake as funding becomes available and is appropriated.

2019-20 Funding

We have not yet established estimates of the amounts that may be allocated in the upcoming proposed annual budget for capital projects. In the current 2018-19 budget year, \$237,500 was allocated to the annual capital improvement fund.

Next Steps

We will submit to the Council a preliminary recommendation for the capital program as a part of the budget process. A public forum to receive comments on the preliminary capital program is scheduled for March 20. The capital program will be presented as part of the Manager's Recommended Budget on May 1 and a public hearing on the recommended budget will be held on May 8.

C. Community Development Block Grant Program for 2019-20

The initial public forum for the Community Development Block Grant Program was held [November 7, 2018](#).

Next Steps:

- The deadline for submitting applications was January 22, 2019.
- The CDBG Application Review Committee is reviewing applications and draft funding recommendations in February 2019.
- On March 20, 2019, the Town Council will hold a second public forum to receive comments on the preliminary plan for uses of 2019-20 CDBG program funds.
- On April 10, 2019, the Council will receive the recommended 2019-20 CDBG Program Plan.
- The 2019 Annual Action Plan will be submitted to HUD on or before May 15, 2019.

D. Federal HOME Investment Partnership Program for 2019-20

Federal HOME Program funding is allocated to the Orange County HOME Consortium (Chapel Hill, Carrboro, Hillsborough and Orange County). The Orange County Board of Commissioners held the initial public hearing for the Orange County Home Consortium on [December 3, 2018](#).

Next Steps:

- HOME funding is awarded through a joint application process. The deadline for completing applications was February 5, 2019.
- The HOME Program Review Committee will review applications and make recommendations to local elected officials in April 2019.
- The 2019 Annual Action Plan will be submitted to Housing and Urban Development on or before May 15, 2019.

E. Housing Capital Fund Grant Program for 2019-20

The purpose of this forum is to receive public comments on the use of the federal 2019-20 Housing Capital Fund grant.

Purpose

The Town may use the annual Housing Capital Fund grant for comprehensive renovation and improvements to public housing neighborhoods.

Federal rules give priority to work needed to meet statutory requirements such as:

- Testing for and removing or otherwise controlling lead-based paint;
- Testing for and removing or otherwise controlling asbestos; and
- Renovations to meet the needs of disabled citizens.

Estimated Grant for 2019-20

The 2018-19 grant amount was \$782,242. We have not received notice of the grant amount for 2019-20, but believe it may be somewhat lower. We have developed a proposed plan using an average of the last three year awards (16-17 award \$521,212; 17-18 award \$549,598; 18-19 award \$782,242) for \$617,684.

PRELIMINARY 2019-20 CAPITAL FUND PROGRAM

Proposed Sources of Funds

Capital Fund Program	\$617,684
TOTAL	\$617,684

Proposed Uses of Funds

Electrical upgrades (AMP II)	\$180,000
Concrete Replacement/Repair (AMP I)	98,924
Exterior Repairs/Upgrades (AMP I)	95,000
Parking Lot Resurfacing/Tree Assessment (AMP I)	78,000
Administrative Cost	60,000
Appliance Upgrade (Energy Saving) (AMP II)	55,760
Professional Services	50,000
TOTAL	\$617,684

*AMP = Asset Management Property

1. Electrical Upgrades AMP II (\$180,000)

- a. Several of the neighborhoods in AMP II have experienced degradation of their electrical systems due to age and wear/tear. We plan to repair that which we can and upgrade that which we cannot repair.
- b. The neighborhoods to be addressed are:
 - i. S. Roberson (\$26,200)
 - ii. Eastwood (\$40,000)
 - iii. Oakwood (\$64,000)
 - iv. Rainbow Heights (\$49,800)

2. Concrete replacement/Repair AMP I (\$98,924)

- a. Due to heavy rainfall and early snow, several neighborhoods have experienced cracking in the concrete in their parking lot and on their stairs
- b. The neighborhoods to be addressed this cycle are:
 - i. Church St/Caldwell (\$48,400)
 - ii. Pritchard Park (\$36,450)
 - iii. Lindsay Street (\$14,074)

3. Exterior Repairs AMP I (\$95,000)

- a. Siding, windows, light fixtures & restoration of handicap ramps
- b. Drainage work is needed prior to installation of ramps

4. Parking Lot resurfacing / Tree assessment (\$78,000)

- a. Hurricanes Matthew & Michael – Park area at Pritchard Court (\$30,000)
Continuing to explore options; have received some suggestions from Northside Elementary staff
- b. Lindsay Street (\$48,000)
Reviewing possibility of expansion from youth only apparatus to include more recreation friendly products for all ages.

5. Administrative Costs (\$60,000)

- a. Administrative costs are those indirect costs associated with the performance of a sponsored activity (such as a grant or a contract or other similar agreement with an external funding source). This activity includes the administrative cost for coordinating and implementing the Capital Fund activities.

6. Appliance Upgrade (Energy Saving) (AMP II) (\$55,760)

- a. Replacement of appliances with energy efficient models
- b. The neighborhoods to be addressed this cycle are:
 - o Rainbow Heights (\$25,000)
 - o Eastwood (\$22,000)
 - o S. Roberson (\$8,760)

Professional Services (\$50,000)

- a. Continued contractual relationship with David Paul Rosen & Associates to assist our efforts to review and select development partners for proposed RAD conversion.

Next Steps

Comments received tonight will be taken into consideration in preparing a recommended plan for the 2019-20 Capital Fund grant. We will present a recommended 2019-20 Capital Fund Program Annual Statement for the Council’s consideration on April 10, 2019.

F. Public Transportation Grant Program for 2019-20

The forum tonight is an opportunity for the public to comment on transit services and projects in 2019-20 including the use of Federal and State grants for transit operations, capital projects and transportation planning.

Purpose

Transportation services, projects and planning activities are intended to provide alternatives to the use of single-occupant vehicles, reduce traffic congestion, reduce air pollution and assist people with disabilities affecting their mobility.

Estimated Funding

For 2019-20, Federal funding for transit service operations is estimated to be about \$1.9 million and State funding is estimated to be about \$2.3 million. Because of the changes at the State and Federal levels, it is difficult to predict how much funding will be received.

Sharing of Local Costs

The University and the Towns of Carrboro and Chapel Hill have agreed to share the local cost for transit services. The cost-sharing formulas are set forth in separate contracts with the University and Carrboro.

2019-20 Services

Chapel Hill Transit provides:

- Fixed route and express bus service throughout Chapel Hill, Carrboro and the University North Carolina with additional services to Chatham County and Hillsborough;
- E-Z Rider service for citizens with mobility impairments.

Next Steps

Staff will present the budget to the Public Transit Committee no later than April 2019. The public will have an opportunity to comment on the transit budget and grants again at the Public Forum on May 8, 2019.

G. Downtown Service District

The purpose of this forum is to receive comments and suggestions from downtown business people, property owners and other interested residents regarding:

- the needs of the service district;
- the use of Downtown Service District taxes in 2019-20; and
- the scope of projects and programs in the service plan for the Downtown District.

Purpose

In 1989, the Council established a Downtown Service District in response to requests from several downtown businesses and property owners. State law allows the Council to establish this service district and to apply a supplemental property tax to promote the economic vitality of downtown, enhance Town services in the downtown district and other related activities. Most of the property in the downtown is in the zoning districts Town Center 1, 2 or Town Center 3.

Estimated Funding in 2019-20

The Downtown Service District is funded by a dedicated property tax of 7.0 cents on the properties within the District. We estimate that Downtown Service District collections in 2019-20 will be about \$364,000, an increase of \$3,000 over 2018-19.

Downtown District Services

Currently, downtown district funds are allocated to the Chapel Hill Downtown Partnership, a grounds maintenance employee for the downtown, maintenance costs for public areas of 140 West, and other Downtown economic development projects.

Recently enacted legislation imposed new requirements for municipal service districts to procure contractual services. To comply with these requirements, in 2016 the Town held a competitive process for selection of a vendor to provide services in the Downtown. The Downtown Partnership was selected and the Town entered into a 5-year contract for the Partnership to provide services.

The Council normally adopts the downtown district tax rate in June with the overall budget.

H. Potential Legislative Proposals

Tonight's forum is also an opportunity for Town residents and Council Members to identify potential local legislative requests for the 2019 session of the North Carolina General Assembly.

The General Assembly convened in early January for this year's long session. In "long sessions" there is more opportunity to consider potential local legislative requests. The Town Council met with the Town's Legislative Delegation on [January 7, 2019](#) to discuss the 2019 session of the General Assembly and legislative issues of interest to the Town.

Any proposal offered by citizens this evening can be considered at an upcoming Council meeting as Council develops any formal requests for local legislation.

Information from the General Assembly currently indicates the following:

In the House of Representatives:

All local bills must be submitted to the Legislative Drafting Division or the Legislative Analysis Division of the Legislative Services Office by 4:00 P.M. on Wednesday, March 6, 2019, and must be introduced not later than 3:00 P.M. on Thursday, March 28, 2019.

In the Senate:

All local bills must be submitted to either the Legislative Drafting Division or the Legislative Analysis Division of the Legislative Services Office by 4:00 P.M. on Wednesday, February 27, 2019, and must be filed for introduction in the Senate before 4:00 P.M. on Thursday, March 14, 2019.



Attachments:

- Staff Presentation
- Attachment 1 – FY2020-22 Council Work Plan
- Attachment 2 – FY2018-34 Capital Project Listing

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

PRESENTER: Amy Oland

RECOMMENDATION: That the Council receive comments from the public on the forum topics listed below; and that the Council refer comments and questions to the Town Manager for consideration in the budget process.