

FY 2019-20 BUDGET UPDATE

April 3, 2019 Budget Work Session



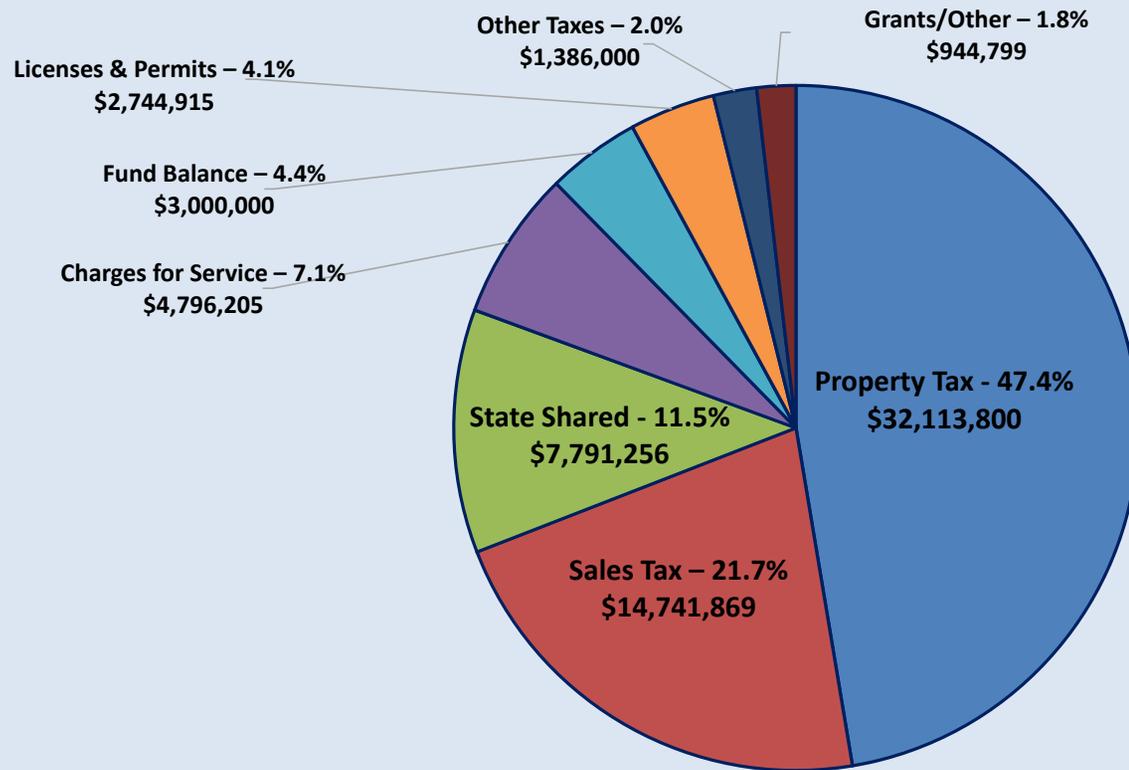
Agenda

1. FY 2019-20 Budget Development Update

2. Budget Decisions History

3. Long-Term Budget Plan

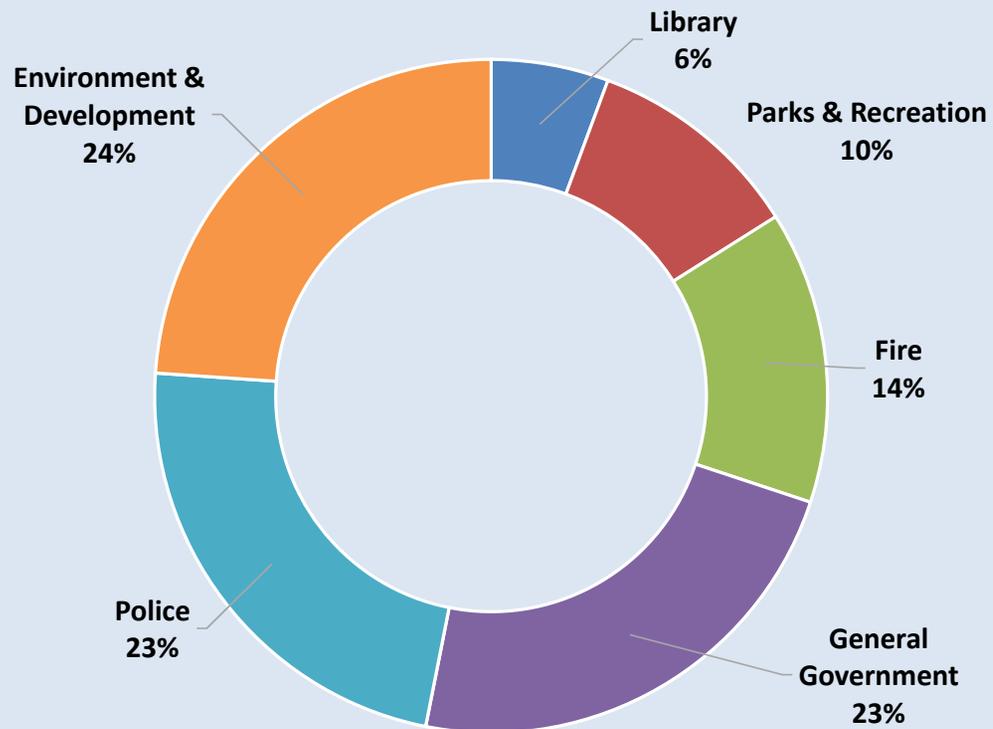
General Fund Revenues Update



**Total Revenues =
\$67,790,108**

As of April 3, 2019

General Fund Expenses Update



**Total Expenses =
\$66,487,635**

As of April 3, 2019

General Fund Discussion Topics 1 of 2

- 1. Pay raise (each 1% is approximately \$335,135)**
CONSIDERATION: 3% raise = approximately \$1,005,405
- 2. Health insurance (each 1% is approximately \$50,000)**
PRESENT OUTLOOK: 4.9% increase is approximately = \$245,000
Hill Chesson & Woody continuing negotiations
- 3. OPEB pre-funding (\$500,000)**
INCLUDED IN TOTAL EXPENSES: Reduced funding from \$630,000 in FY 2019

General Fund Discussion Topics 2 of 2

4. Class & Compensation Study \$100,000

Consideration to fund at \$100,000 in response to FY 2019 budget resolution

5. Urban Designer \$100,000

Consideration to fund at \$100,000 to hire full-time employee

6. Climate Action Plan \$50,000

Consideration to fund at \$50,000 to meet Council interests

Debt Fund

- Additional revenues are needed to fund planned major capital projects including:
 - Affordable Housing projects
 - Municipal Services Center
 - Streets & Sidewalks
 - Wallace Deck
- Consideration of 1.0 cent tax increase in FY20 for affordable housing
- Consideration of 0.6 cent tax increase in FY20 to cover projects for next 5 years

Transit Fund

<u>FY 2020 BUDGET</u>	
TOTAL REVENUES	\$ 24,756,691
TOTAL EXPENSES	<u>24,790,422</u>
GAP	(\$33,731)

Note - Transit budget isn't as fully developed at this point as conversations with the funding partners still need to take place.

Pending budget items - pay raise, medical insurance, capital contribution

Parking Fund

FY 2020 OFF-STREET BUDGET

TOTAL REVENUES	\$ 2,039,000
TOTAL EXPENSES	<u>2,198,989</u>
APPROPRIATED FUND BALANCE	<u>\$ 159,989</u>

FY 2020 ON-STREET BUDGET

TOTAL REVENUES	\$ 638,000
TOTAL EXPENSES	<u>694,495</u>
APPROPRIATED FUND BALANCE	<u>\$ 56,495</u>

Proposed fee increase (not included in total revenue numbers above): Working with stakeholders to make rates consistent with other off-street parking rates

Housing Fund

FY 2020 BUDGET

Charges for Services	\$ 1,017,881
HUD Contributions	1,126,092
Non-operating Revenues	<u>1,880</u>
TOTAL REVENUES	\$ 2,145,853
TOTAL EXPENSES	<u>\$ 2,151,282</u>
APPROPRIATED FUND BALANCE	<u>\$ 5,429</u>

Stormwater Fund

FY 2020 BUDGET

Charges for Services	\$ 2,713,400
Non-operating Revenues	<u>11,000</u>
TOTAL REVENUES	\$ 2,724,400
TOTAL EXPENSES	<u>\$ 2,690,095</u>
RESERVE FOR CAPITAL	<u>\$ 34,305</u>

Proposed Fee Increase: \$2.82 per Equivalent Rate Unit (ERU) to fund remaining \$3.2 million bond issuance (\$11.28/year impact for an average bill)

Bond Projects: Lake Ellen Flood Storage
Red Bud Flood Storage
Booker Creek Road



Chapel Hill Public Library
Construction, 2012

10-YEAR BUDGET HISTORY 2010 - 2019

10-Year Budget History 2010-2019

Key Takeaways from the General Fund

- 1. Strategic Impact.** Council goals give direction to our efforts in achieving the Town's Strategic Vision as a values based organization serving the public with consistency, compassion and integrity.
- 2. Core Services & Maintenance.** We have not kept pace with the need for investment in public facilities and core services.
- 3. Slow Property Tax Growth.** Property tax growth has not kept up with the cost of providing services.



10-Year Budget History 2010-2019

Significant Service Changes

What functions have been expanded?

1. Housing & Community
2. Library and Recreation Programs
3. Economic Development
4. Sustainability & Resiliency
5. Emergency Management
6. Technology Infrastructures
7. Facilities Maintenance



10-Year Budget History 2010-2019

Significant Investments

- **Economic Development**

- 140 West
- Ephesus Fordham (Blue Hill)
- Caraway Village (in progress)
- Wegmans (in progress)

- **Expansion of Public Facilities**

- American Legion property
- Hamilton Road Fire Station
- Wallace Deck (pending)
- Municipal Services Center (pending)

- **Affordable Housing**

- Penny for Housing (\$688,000)

- **Transit**

- Investment in bus replacements

- **Public Safety**

- Event response
- Safer community



10-Year Budget History 2010-2019

Significant Service Changes

What services have been reduced?

1. No significant service changes
2. Department line item budget reductions
3. Moved tax dollars from the debt fund to the general fund during Great Recession
4. Focused on essential maintenance of public facilities

Budget Balancing Decisions 2010-2019

- Appropriated higher levels of fund balance/lapsed salary
- Unfunded OPEB contributions/same level funding
- Significantly reduced pay-go capital
- Significantly reduced vehicle replacement
- Tightened department line item budgets
- Health insurance plan changes
- Used bond funds for annual street resurfacing

Long-Term Budget Planning

- 5 -Year plan to accomplish:
 - Restoration of pay-go capital and vehicle maintenance programs
 - Expansion of building maintenance and street paving programs
 - Building up department operating budgets to meet operational needs
 - Connections between strategic work plans to budget program expansions
 - Sustainability of enterprise funds

QUESTIONS

