

Town of Chapel Hill
North Carolina

2019-20 Adopted Budget



Chapel Hill Town Council, 2017-2019

Your Town Council is **Mayor Pam Hemminger** and **Mayor Pro tem Jessica Anderson** (both seated at center) with Council members (clockwise from lower left) **Michael Parker, Donna Bell, Karen Stegman, Rachel Schaevitz, Allen Buansi, Hongbin Gu** and **Nancy Oates**.

Town Manager
Maurice Jones

Finance Officer
Amy Oland



MANAGER'S
OFFICE
Town of Chapel
Hill
405 Martin Luther King Jr.
Blvd.
Chapel Hill, NC 27514-
5705

phone (919) 968-2743 *fax* (919) 969-
2063

www.townofchapelhill.org

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 2019-20. The budget is balanced with a proposed tax increase of 1.6 cents for the Debt Service Fund. There is no increase adopted for the General Fund or for the Transit Fund. The total adopted combined property tax rate is 54.4 cents per \$100 of assessed value. The property tax rate for the Downtown Service District is at 7.0 cents per \$100 of assessed value.

The Adopted Budget for 2019-20 recognizes Council's most important goals and makes investments in strategies to achieve those 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 2019-20 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 adopted 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,

Maurice Jones
Town Manager

June 12, 2019

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MANAGER'S OFFICE
Town of Chapel Hill
405 Martin Luther King Jr. Blvd.
Chapel Hill, NC 27514-5705

phone (919) 968-2743 fax (919) 969-2063
www.townofchapelhill.org

June 12, 2019

Dear Mayor and Council:

It is my pleasure to formally present the Fiscal Year 2019-2020 Adopted Budget for the Town of Chapel Hill. The budget of \$113,447,530, is a 4.1% increase from FY 2019.

A municipal budget serves as a reflection of its community's values and this adopted budget is no exception. It continues to significantly invest in the core services offered by the Town and expected by our residents and businesses, including, but not limited to, public safety, transit, streets and sidewalks and parks and recreation. The budget also includes new investments in environmental sustainability, affordable housing and urban design.

In recent years, the cost of providing Town services has outpaced Town revenue trends. This budget includes slight growth in property tax (1%), continued strong growth in sales tax (5.3%), and a slight increase in the appropriation of fund balance. The budget is balanced with a 1.6 cent property tax increase for the Debt Service Fund, with 1 cent dedicated to funding the \$10 million Affordable Housing Bond approved by 72% of the voters in November of 2018. The additional .6 cent increase will assist in paying the debt service on other bonded projects like the future Municipal Services Center. The total adopted tax rate is 54.4 cents per \$100 of assessed valuation. There is no increase for the General Fund or for the Transit Fund.

Responding to Council and Community Priorities

The goal of the budget is to align allocations with Council and community priorities. This budget provides continued support for the delivery of high-quality core services and key investments in strategic goal areas identified as priorities by the Council. Below are summaries of the key priorities in the budget.

Strategic Initiatives

Vision, innovation, collaboration, and dedicated employees serve as the foundation of the Town's efforts to build a community where people thrive. In 2018, the Town Council established strategic goal areas to add specificity and short-term focus to the Chapel Hill 2020 Comprehensive Plan. Strategic Work Plans were created by staff to identify actions and projects that will make progress

towards the Council's goals. In addition to supporting the implementation of the Strategic Work Plans, the adopted budget includes targeted funds for key strategic interests expressed by Council.

- \$50,000 will support a Climate Action Plan. While it is generally understood this amount will not be adequate when it comes to implementing future programs or projects that are included in a completed Plan, this will fund the current stage of developing a framework and initiating a public engagement process needed to draft a Plan.
- \$315,000 to implement interim remedial actions based on the results of the ongoing assessments of coal ash remediation at the police station property (828 Martin Luther King Jr. Blvd.). As the community explores possible courses of action for remediation, the Town continues to work with an environmental engineering firm and a recently-hired firm performing human health and ecological risk assessments. The funds initially allocated to this project are almost depleted and interim remedial measures will need to be taken until a future for the property is determined by Council.
- \$100,000 for urban design services in FY2019-20 to include placemaking and urban design standards at the beginning stages of development project proposals. An early success of this effort came from the use of contracted urban design services for the Eastowne Medical Office Building project.

Debt Funds

Fiscal sustainability and prudent management of public finances are critical elements of a financial strategy that secures the public trust and maximizes the investment of limited resources. Maintaining a Aaa bond rating and producing award-winning budget documents and financial reports has allowed the Town to secure optimal long term debt terms for the Town. To this end, the budget includes a long term funding strategy for several key initiatives that contribute to the quality to life in Chapel Hill.

- A 0.6 cent tax increase for the Debt Service Fund, which will generate the revenue necessary for the Town to continue meeting its existing debt obligations and create the needed borrowing capacity for planned capital investments, including a new Municipal Services Center.
- A 1.0 cent tax increase for the Debt Service Fund will fund the repayment of new debt in the form of voter-approved general obligation bonds dedicated to affordable housing projects. This new borrowing capacity follows Chapel Hill voters' overwhelming approval of an Affordable Housing Bond Referendum in November 2018. Over the next several years, the bonds will help support several large-scale affordable housing projects including public housing redevelopment and development on Town-owned parcels.
- A \$2.82 increase to the annual Stormwater Management fee associated with the debt service to issue the remaining \$3.2 million general obligation bonds in FY2019-20. The new fee will increase stormwater fees inside the town to \$34.97 for each 1,000 square feet of impervious surface.

Investment in Town Employees

The 2018 Community Survey reflects that Chapel Hill residents rank the overall quality of services at 79% which is 30 percentage points higher than the national average. As a service based organization, the Town relies on a skilled and nimble workforce to deliver a broad scope of governmental services. Personnel related costs account for 74% of the FY20 General Fund Adopted Budget. The costs of maintaining a high performing workforce are increasing as the competition for labor grows. In recent years we have seen increased turnover, including a significant increase in retirements. The Town's turnover rate of almost 14% is on the high end for local governments in our region. The Town can stay competitive in the labor market by maintaining its comprehensive benefits package and through annual market based salary adjustments. Key investments are described below.

- 3% pay increase for employees based on the market rate of their position, maintaining health insurance benefits for employees and their dependents, pay adjustments to meet the Orange County Living Wage standards, and keeping up with a required increase in employer contribution to the State retirement system.
- \$200,000 to adjust the starting pay for police officers and make additional adjustments throughout the officer pay ranges. During the past few years, the Police Department has had an increasingly difficult time recruiting and retaining Police Officers. One contributing factor is that we have fallen behind the market in our pay for sworn officers. We are at a critical time when action is needed.
- \$100,000 to fund a comprehensive classification and compensation study, to review all salary ranges to ensure they are competitive with the market, compare all job classes for appropriate compensation level and create a compensation policy which will allow us to be more competitive in the market and be sustainable for the Town.
- The FY20 Adopted Budget includes additional funding to pay for an increase in the Orange County Living Wage (OCLW) standard. The 2020 standard is \$14.25 per hour for employees without health benefits and \$12.75 with health benefits. This affects some seasonal and program support employees in the Parks and Recreation Department and the budget includes an additional funding to cover this cost. With this change, the Town will be in compliance with the OCLW standard for 2020.
- The FY20 increase for Medical Insurance is 4.5%. After several years of moderate increases including an 8.5% reduction in FY16, our rates increased substantially in FY17 and FY18. The spike in rates is due to a combination of significant claims experience from a relatively small number of high dollar claims and a general increase in the cost of healthcare. In FY19, the Town implemented a \$250 deductible which reduced premiums by 1.5%.

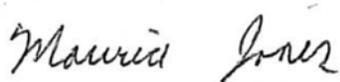
Meeting Current and Future Needs

This budget continues to support the delivery of high-quality core services to our residents, businesses and visitors. The budget also provides key investments in strategic goal areas identified as priorities by the Council, from affordable housing to climate action. Overall, it reflects a commitment to implementing the policy decisions of the Council and upholding the values of the community.

We recognize that more work must be done to address the growing gap between the wants and needs of our community and the resources to fund those initiatives. In order to reach a shared understanding of how we prioritize our resources in the future, I am proposing the creation of a long term budget strategy that will help guide future budgeting processes. While this adopted budget outlines a short-term path, it will be important to continue having in-depth, open discussions about the future of Chapel Hill with the Council and members of the community over the next 6-12 months. We anticipate initiating this process soon after the FY 20 budget is passed.

With this type of dialogue, we can build a five-year plan that identifies opportunities for new investment, and develops options for the Council to consider in order to make informed spending decisions in the future.

Sincerely,

A handwritten signature in cursive script that reads "Maurice Jones".

Maurice Jones
Town Manager

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, 2019 through June 30, 2020.

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 2019-20.

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 2019-20 by July 1. State laws also determine the types of services and regulatory authority which the Town can

CITIZENS' GUIDE TO REVIEWING THE BUDGET

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.

CITIZENS' GUIDE TO REVIEWING THE BUDGET

Budget Process

The Mayor and Council's process and schedule for developing the 2019-20 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.

CITIZENS' GUIDE TO REVIEWING THE BUDGET

◆ **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:

- 2017-18 Actual
- 2018-19 Original Budget
- 2018-19 Revised Budget
- 2018-19 Estimated
- 2019-20 Adopted Budget
- % Change from 2018-19 Original Budget

◆ **Departmental Trends and Performance Measures**

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

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

In addition to the material described above, the adopted 2019-20 budget contains supplemental information intended to assist the reader. This data includes details regarding fund structure, fund descriptions, major revenues and a glossary.

BUDGET FORMAT - THE BASICS

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

Audited data from the last completed fiscal year.

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

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

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

Estimate of prior year final cost/revenues by category.

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

EXPENDITURES	2017-18	2018-19	2018-19	2018-19	2019-20	% Change
	Actual	Original Budget	Revised Budget	Estimated	Adopted Budget	from 2018-19
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	891,274	945,237	990,149	961,028	916,813	-3.0%

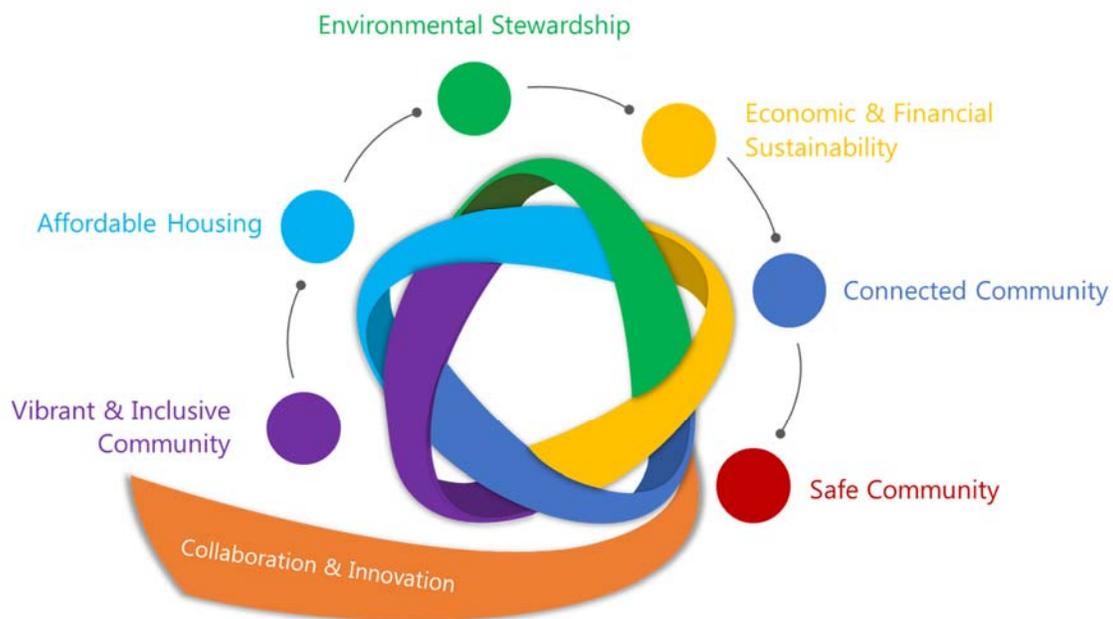
REVENUES	2017-18	2018-19	2018-19	2018-19	2019-20	% Change
	Actual	Original Budget	Revised Budget	Estimated	Adopted Budget	from 2018-19
General Revenues	730,933	776,437	821,349	846,228	770,013	-0.8%
Grants	-	-	-	-	-	N/A
Charges for Services	11,678	10,800	10,800	11,800	11,800	9.3%
Licenses/Permits/Fines	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%

Strategic Goals, Objectives, and Performance Management

FY 2020 – 2022 Strategic Goals and Objectives

Local governments use strategic planning as a tool to set goals, connect to stakeholders, track progress, and communicate results. Approving Council goals and objectives is the first phase of building a performance management system that links Council goals to staff work plans and communicates outcomes to the public.

On June 26, 2019, the Town Council approved seven goal areas and nineteen objectives as an operational framework for the Town. The Strategic Goals guide the development of the Town Budget and Departmental Business Plans, which drive the allocation of resources and staff time. Below are the FY 2020 - 2022 Strategic Goals and Objectives approved by the Town Council.



Goal 1: Environmental Stewardship. *To mitigate effects of climate changes through management of Town resources, partnerships, and natural environment*

- Objective 1: Reduce carbon footprint
- Objective 2: Improve local waterways and conserve biological ecosystems
- Objective 3: Invest in green infrastructure and build community resiliency

Goal 2: Economic & Financial Stewardship. *To steward public assets and support a vibrant economy where there is opportunity for jobs and entrepreneurship that position Chapel Hill for the future*

- Objective 1: Attract and retrain companies that create jobs in Chapel Hill
- Objective 2: Make Downtown Chapel Hill a destination with diverse options for work, live, and play
- Objective 3: Adopt a budget strategy that aligns Town revenues and expenses

Goal 3: Affordable Housing. *To increase access to housing for individuals across a range of incomes, and to constantly strive for more equitable outcomes and opportunities for historically underserved populations*

- Objective 1: Increase availability of affordable housing for all incomes
- Objective 2: Preserve existing affordable housing stock

Goal 4: Connected Community. *To create a highly connected community where bicycling, walking, and transit are convenient, everyday choices for our neighborhoods, businesses, and public spaces*

- Objective 1: Improve management of traffic flow during peak times of day and at problem intersections
- Objective 2: Increase connectivity between walking, bicycling, and multi-modal networks to reduce amount of driving needed to get around Chapel Hill

Goal 5: Vibrant & Inclusive Community. *To enrich the lives of those who live, work, and visit Chapel Hill by building community and creating a place for everyone*

- Objective 1: Create diverse opportunities for community to engage with the arts
- Objective 2: Improve connections and partnerships with historically disengaged and marginalized populations
- Objective 3: Preserve the history of Chapel Hill and embrace the future needs of the community

Goal 6: Safe Community. *To preserve and protect life and property through the fair and effective delivery of Town services*

- Objective 1: Invest in facilities and infrastructure that support public safety
- Objective 2: Maintain community safety using equitable policing practices
- Objective 3: Deliver Town services fairly and effectively

Goal 7: Collaborative & Innovative Organization. *To continue to build a Town workforce that leads with collaboration and innovation to build a community where people thrive*

- Objective 1: Increase collaboration, innovation, and learning
- Objective 2: Attract and retain diverse and talented employees
- Objective 3: Increase public transparency and information sharing

Performance Management

Performance management uses evidence from measurement to evaluate how Town resources are meeting community and Council expectations. Departmental business plans set strategic priorities and performance metrics for core programs and services for each fiscal year. The FY20 Budget document illustrates performance data and targets that departments have identified as performance measures in their FY20 Departmental Business Plans.

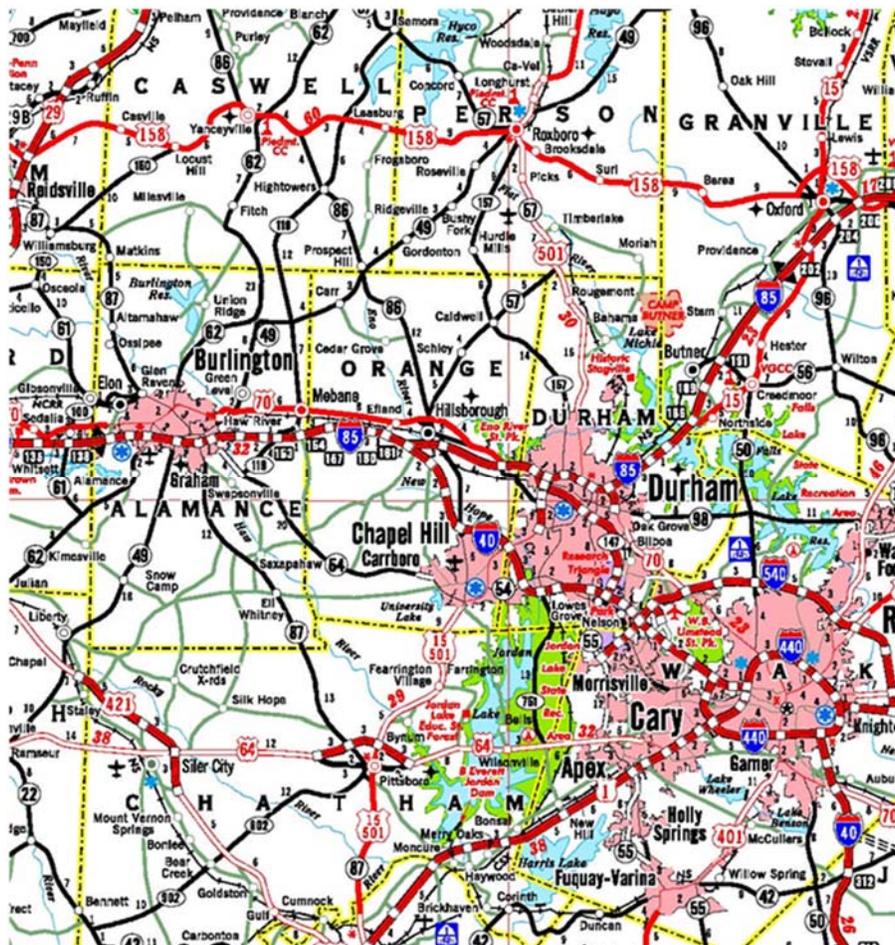
Below are additional Performance Management tools used by the Town to communicate how annual investments are being used to meet Council goals and Community vision.

Performance Tools	Data and Dashboards
Business Plans, Performance Measures, Community Survey, Employee Engagement, Capital Project Management	Chapel Hill Open Data, GIS & Analytics, Personnel Dashboard, UNC Benchmarking Project

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 59,851 according to the latest estimate issued by the State of North Carolina for July 2016. 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 29,911 in 2017-18. 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

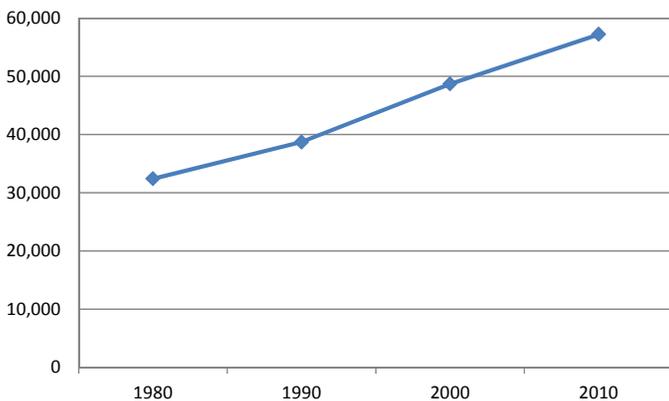
POPULATION GROWTH AND CHARACTERISTICS

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 2005 to 2016 amounts to 16.2 percent, about 1.3 percent faster than the County’s growth, and 0.7 percent slower than the 16.9 percent statewide population growth.

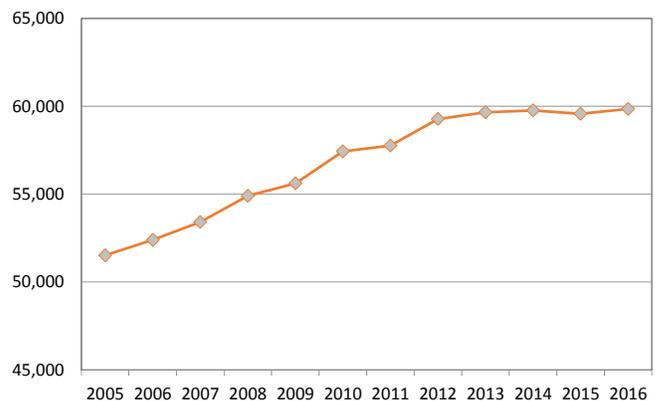
Figure 2 shows the Town’s growth since the 2000 Census.

Figure 1. Chapel Hill Population: 1980-2010



Source: US Census Bureau, 2010

Figure 2. Chapel Hill Population: 2005-2016



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	3,160
Orange County	56,691
TOTAL	59,851

Source: NC Office of State Budget and Management, 2016

Racial Makeup, Hispanic Population Growth

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

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

Table 2: Chapel Hill Population by Race & Origin

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%

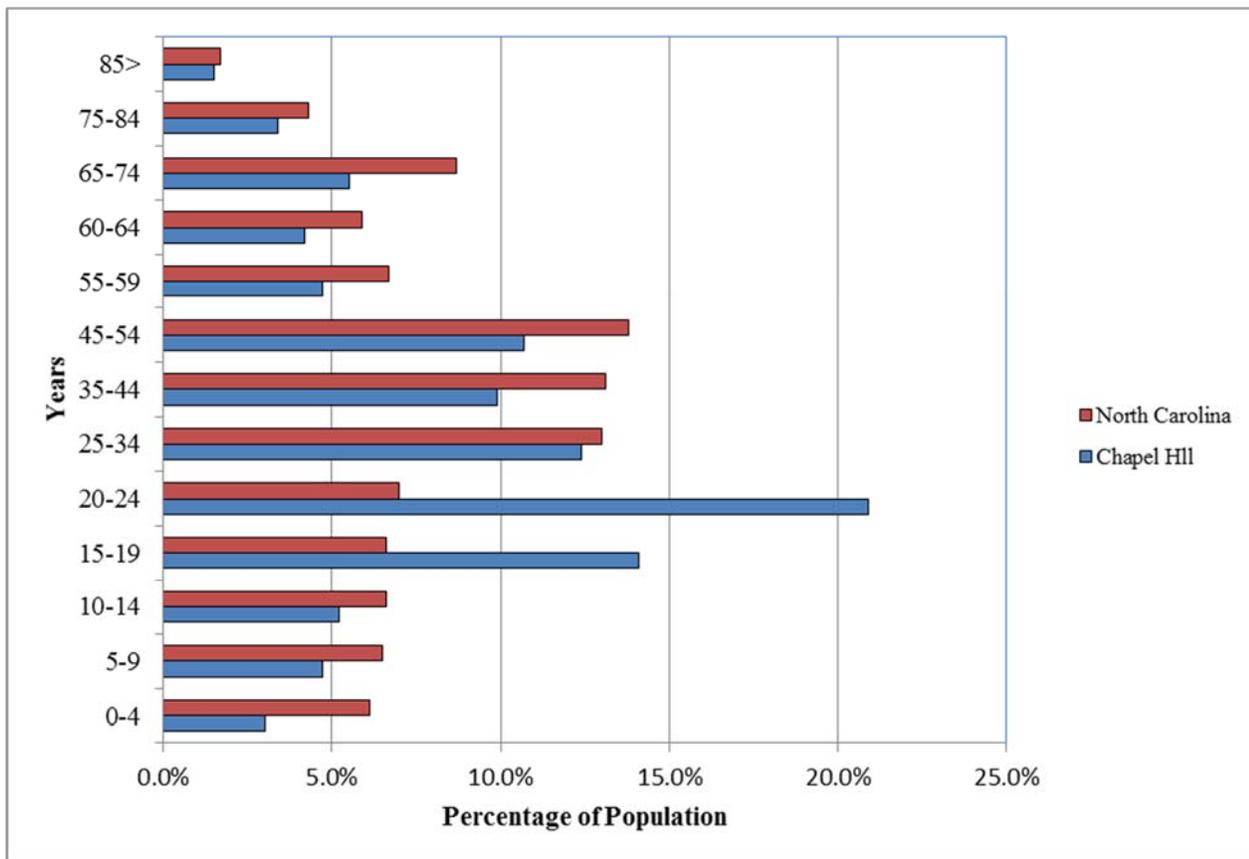
Source: US Census Bureau, 2010

CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS

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 14.1 percent of the Town’s population, while the 20 to 24 age group comprises 20.9 percent. As a comparison, the 20 to 24 age group represents 7.0 percent of the State population. The chart illustrates that Chapel Hill has a relatively young population. According to latest estimates, the Town’s median age is 26.2 years old, while North Carolina’s median age is 38.3.



Source 2011-2016 American Community Survey, US Census Bureau

CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS

ADDITIONAL DEMOGRAPHIC INFORMATION

Note: Unless otherwise noted, the following economic and demographic data are taken from the 2011-2016 American Community Survey 5-Year Estimates. The data is produced and disseminated by the US Census Bureau's Population Estimates Program.

Table 3: Family Income (# of families)

	<u>Chapel Hill</u>	<u>Orange County</u>	<u>North Carolina</u>
	<u>Family Income</u>	<u>Family Income</u>	<u>Family Income</u>
Less than \$10,000	378	1,044	133,313
\$10,000 to \$14,999	194	728	90,552
\$15,000 to \$24,999	302	1,646	233,926
\$25,000 to \$34,999	453	1,867	261,595
\$35,000 to \$49,999	1,036	3,798	364,724
\$50,000 to \$74,999	1,371	4,969	490,491
\$75,000 to \$99,999	950	3,545	344,601
\$100,000 to \$149,999	2,105	5,602	349,632
\$150,000 to \$199,999	1,360	3,102	125,767
\$200,000 or more	2,656	5,381	120,736
Total Households/Families	10,805	31,683	2,515,338
Median Income	\$115,538	\$88,887	\$59,667
Mean Income	\$159,522	\$127,746	\$79,446

Table 3a: Family Income (% of total)

	<u>Chapel Hill</u>	<u>Orange County</u>	<u>North Carolina</u>
	<u>Family Income</u>	<u>Family Income</u>	<u>Family Income</u>
Less than \$10,000	3.50%	2.80%	5.00%
\$10,000 to \$14,999	1.30%	1.80%	3.50%
\$15,000 to \$24,999	3.70%	5.20%	8.90%
\$25,000 to \$34,999	4.80%	6.10%	10.10%
\$35,000 to \$49,999	8.50%	11.10%	14.30%
\$50,000 to \$74,999	11.60%	16.00%	19.50%
\$75,000 to \$99,999	9.50%	11.90%	14.00%
\$100,000 to \$149,999	18.90%	17.60%	14.30%
\$150,000 to \$199,999	11.80%	9.80%	5.20%
\$200,000 or more	26.30%	17.80%	5.30%
\$50,000 or more	78.10%	73.10%	58.30%

CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS

Table 4: Educational Attainment

<u>Educational Attainment</u>	<u>Chapel Hill</u> (% of total)	<u>Orange County</u> (% of total)	<u>North Carolina</u> (% of total)
Less than 9th	2.40%	3.9%	5.4%
9th to 12th, No Diploma	2.10%	4.1%	8.8%
High School Graduate	7.70%	15.6%	26.7%
Some College, No Degree	9.20%	13.9%	21.8%
Associate's Degree	4.70%	6.0%	9.0%
Bachelor's Degree	29.30%	25.4%	18.4%
Graduate or Professional Degree	44.70%	31.2%	9.9%

Table 5: School Enrollment

<u>School Enrollment</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Elementary (grades K-5)	5,570	5,529	5,508	5,529	5,582
Intermediate (grades 6-8)	2,858	2,865	2,870	2,827	2,828
Secondary (grades 9-12)	3,778	3,698	3,644	3,701	3,717
Total	12,206	12,092	12,022	12,057	12,127

Source: Chapel Hill-Carrboro City Schools Enrollment Report

Table 6: Unemployment Rates

<u>Regional Average Unemployment Rates 2006-2018</u>			
<u>Year</u>	<u>Chapel Hill</u>	<u>Orange Co.</u>	<u>NC</u>
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	10.3
2012	6.3	6.1	9.3
2013	5.7	5.3	8.0
2014	4.9	4.4	6.3
2015	5.2	4.6	5.8
2016	5.0	4.3	5.1
2017	4.6	3.8	4.6
2018	4.1	3.5	4.2

*2018 rates based on monthly averages through May.
Source: N.C. Employment Security Commission, U.S. Bureau of Labor

CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS

Table 7a: Economic Indicators – Building Permits

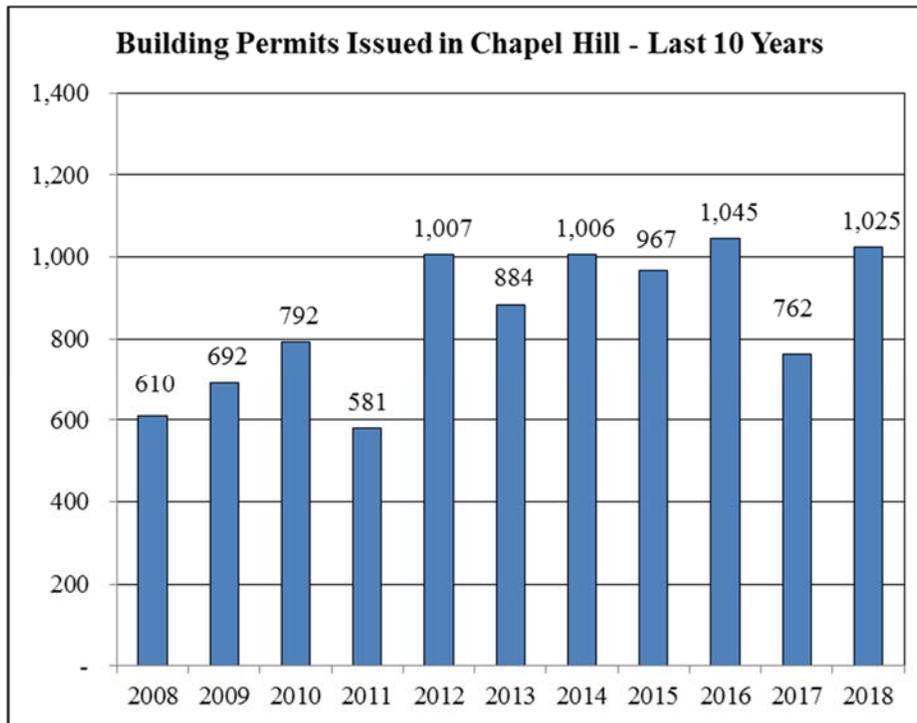
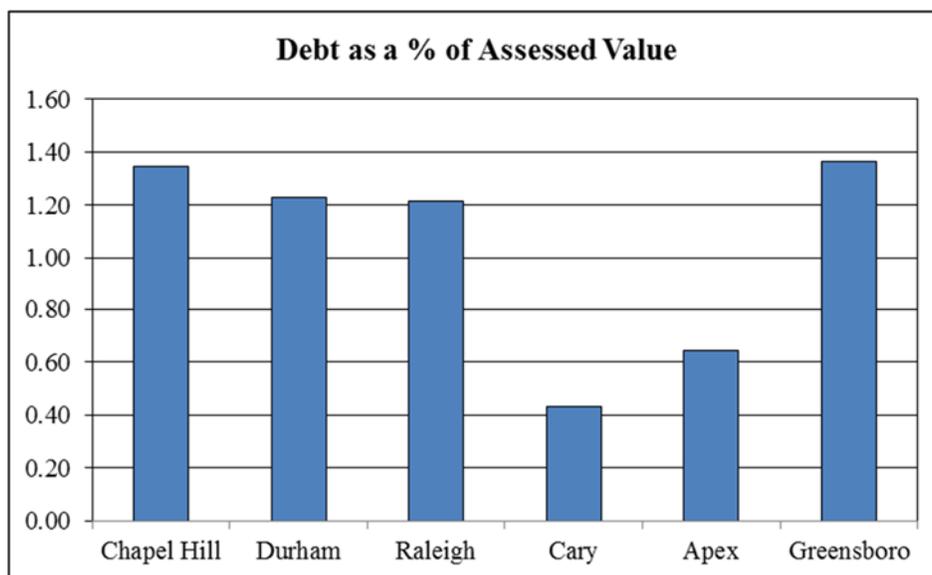


Table 7b: Economic Indicators – Debt Percentage



Outstanding debt due to Governmental Activities

CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS

Table 7c: Economic Indicators – Median Home Price

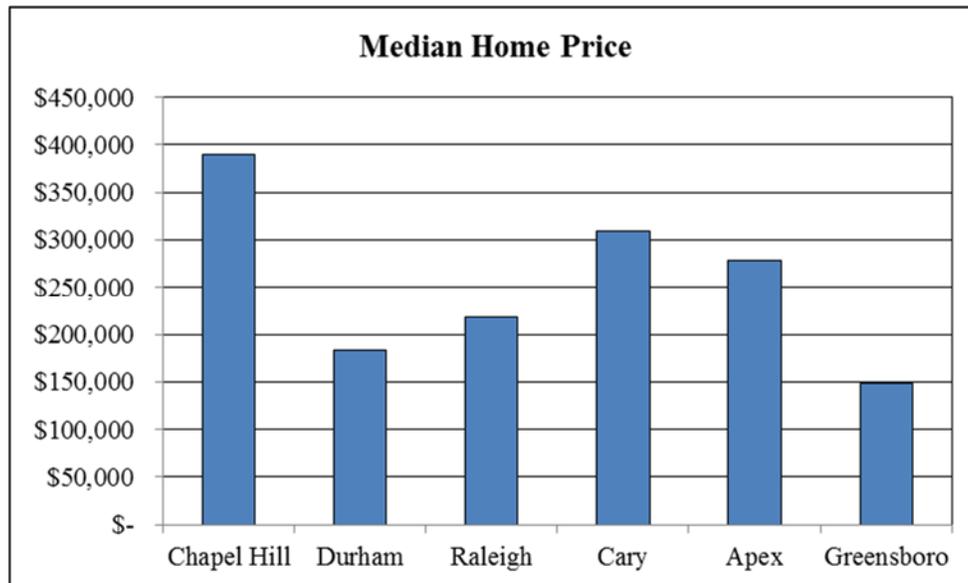


Table 8: Top Employers

Chapel Hill Top Employers By Size	
Employer	Number of Employees
University of North Carolina at Chapel Hill	20,000+
UNC Health Care	13,000+
Chapel Hill-Carrboro City Schools	2,000+
Town of Chapel Hill, Inc.	1,000+
Aramark Food and Support Services	500+
The Chapel Hill Residential Center	400+
UNC Physicians Network LLC	400+
United Parcel Services, Inc.	300+
Performance	250+
Carolina Inn	250+
Whole Foods	200+
A Southern Season	200+

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 for the district is to create a walkable community with 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:

- Capital investments to improve transportation connectivity and reduce congestion, funded by an \$8.8 million of borrowing to be repaid with new tax revenues generated by new development in the district.
- Improve stormwater management by creating high standards for new development in the district and by making investments in stormwater projects in the area consistent with the Lower Booker Creek Subwatershed Study.
- Create more affordable housing. The Town has provided 8.5 acres of property off Legion Road to build between 140-170 units for seniors and low-income families.
- Incentivize developers to conserve energy and water resources through a pilot program that is currently being organized to promote efficient building and site design.
- Create new shopping opportunities.
- Expand the commercial tax base in Chapel Hill.

Many future projects being considered include Fordham Boulevard apartments, the redevelopment of Village Plaza II, and the redevelopment of the former Hampton Inn (now Quality Inn).

Obey Creek

The Obey Creek project was approved through a Development Agreement in June 2015.

The project includes a mix of private development, affordable housing, preserved green spaces, and public amenities including transit and transportation contributions.

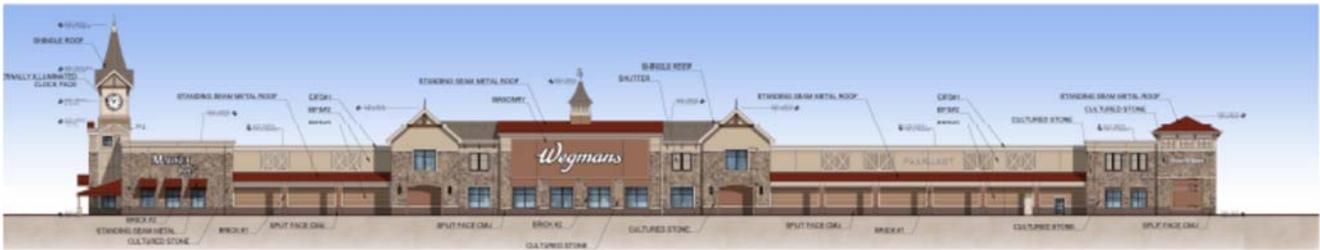
The vision is to create a walkable complex with a mix of commercial uses, upper story residences and offices, bike paths and permanent open space. The project was approved after an open negotiation that included a community compass committee. Currently, Obey Creek is being marketed by the land owner as a future development site.

Carraway Village

The Town has approved a Special Use Permit from Northwood Ravin, LLC for a mixed use development on 55 acres in the Northwest corner of the Town adjacent to I-40. Phase I, which includes 400 multi-family residential units and roadway improvements, is currently underway. The development is adjacent to an additional 40-60 acres that Council has designated for a new light-industrial, research, and flex zoning to help create broader opportunities in this area of town.

Wegmans

In October 2016, the Chapel Hill Town Council approved an economic development agreement to build a Wegmans Food Market on the site where Performance AutoMall off Fordham Boulevard in Chapel Hill. Approximately 130,000 square feet of floor area with parking for 750 vehicles has been proposed. Approximately 350 full-time equivalent jobs and about \$1.5 million in annual retail sales tax will be generated for Orange County and the Town of Chapel Hill. A \$4.0 million performance-based incentive agreement will be split 50/50 between Orange County (\$2 million) and the Town of Chapel Hill (\$2 million).



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

<u>Fund Title</u>	<u>Accounts For</u>	<u>Primary Funding Sources</u>
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

<u>Fund Title</u>	<u>Accounts For</u>	<u>Primary Funding Sources</u>
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		
<u>Special Revenue Funds</u>		
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
Affordable Housing Development Reserve	Development and preservation of affordable housing.	General Fund
<u>Internal Service Funds</u>		
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

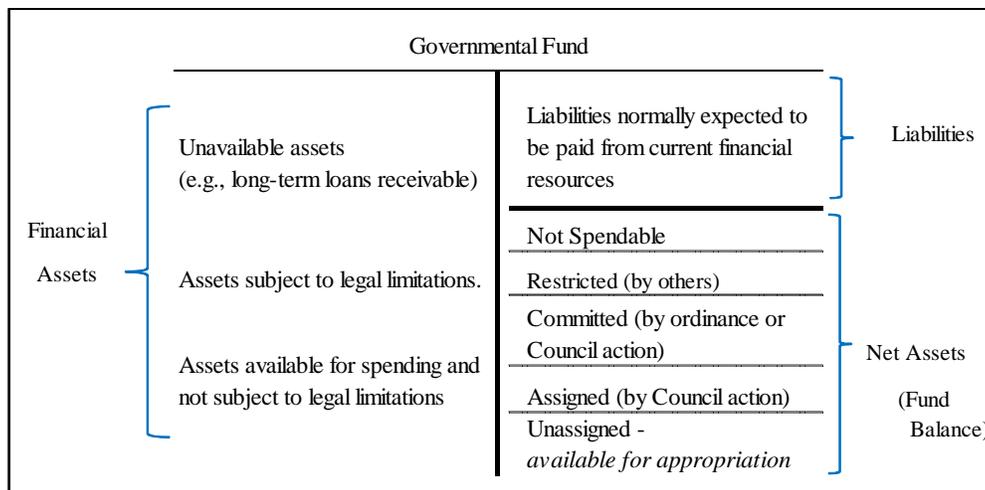
Fund balance (net assets) is the accumulated difference between revenues and expenditures in a governmental fund, and is similar to “working capital” for a private business. Portions of fund balance are intended to meet the cash flow and working capital needs of the Town in accordance with reserve recommendations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

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

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

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

- In June 2019, the Town Council adopted a fund balance policy which set a targeted minimum unassigned fund balance of 22% of General Fund Expenditures. This target is well above the financial reserve minimum of 12% recommended by the LGC. 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 capital projects and major equipment purchases using long-term debt. The underlying principal for this type of financing is to spread the cost of the project over a longer time-period to eliminate the spike in costs associated with major projects. In addition, the use of long-term debt matches the repayment period of the debt with the taxpayers who will be enjoying the benefits of the capital project. The Town, like other government agencies, can borrow at low tax exempt rates for most capital projects, thereby improving the affordability of issuing debt to finance capital projects.

The State of North Carolina provides 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

Essentials:

Town policy and practice limits annual general government debt service up to 10% of total governmental funds.

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 large-scale capital projects. Issuance of GO bonds requires approval by voters through a bond referendum and requires approval by the North Carolina Local Government Commission (LGC). When 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. GO bonds are typically issued with 20 year terms. In North Carolina, the use of GO bond proceeds is limited to capital and capital related costs.

The statutory limit on the amount of debt issued by a local government in North Carolina

DEBT

INTRODUCTION & BACKGROUND

is 8% of the value of the taxable property base in the unit. This limitation pertains to principal only. In practice, most jurisdictions are far below the 8% limit, as the affordability of debt service payments usually becomes an issue well before reaching the 8% limit.

Two-thirds GO Bonds

There is a provision in North Carolina Statutes that allows units to issue bonds in an amount equal to two-thirds of the net principal amount of GO debt retired in the previous year. These bonds can be issued without a referendum, for purposes specifically authorized in the statute, and must be approved by the LGC in the same manner as other debt financing. The amount of two-thirds bonds that can be issued at any time is relatively small and therefore they are often combined with other debt issues in order to achieve economies of scale with respect to the cost of issuance.

Revenue Bonds

Revenue bonds are typically issued for enterprise operations, where there is a stream of revenues available to pledge for repayment of the bonds. Examples include parking operations, water and sewer and electrical utilities. Revenue bonds are generally issued for projects that are associated with a specific revenue stream that can be estimated and pledged as a source of debt repayment. The approval process for revenue bonds includes, among other things, an independent feasibility study including verification that pledged revenue exceeds debt service by at least 20%. Ongoing independent evaluation of the maintenance of the project and the adequacy of revenues to cover debt service are required while the bonds are outstanding.

The Town currently does not have revenue bonds outstanding however, 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 cost of capital 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 project. The financial institution maintains a security interest in the project

DEBT

INTRODUCTION & BACKGROUND

until the governmental units repays the loan. For this method of financing, 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 with less than a five-year maturity do not require approval by the LGC.

Installment contracts 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 various projects including the purchase of vehicles and computers and for capital renovations to public buildings.

Certificates of Participation

General Statute 160A-20 also allows a local government unit to issue Certificates of Participation (COPS) that are another form of installment contract financing. COPs are a financial instrument that are secured by the installment payments made by a local government. An installment financing is usually a transaction between a municipality and a bank, a COPs transaction allows multiple investors to participate in the transaction through an underwriting arrangement with an investment bank.

Debt Options under the Stimulus Act

Several debt options were made available to local governments with the passage of the American Recovery and Reinvestment Act in February of 2009. The primary 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. Issuers of BABs receive a 35% rebate of interest costs by making an annual application to the IRS.

Additional Debt Information

Please refer to page 193 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 263) 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.

FUND STRUCTURE & BASIS OF BUDGETING

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.

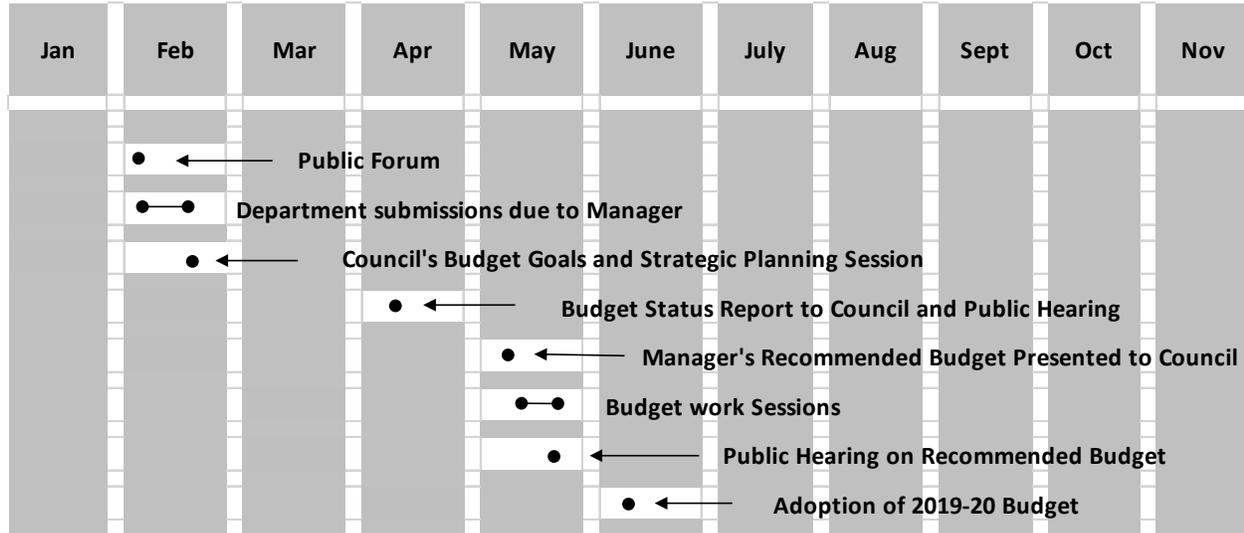
BUDGETARY CONTROL

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 Town Manager, Deputy Manager, and the Finance Officer to review service and funding levels for each Department as part of the total budget and to begin work on recommendations for the Council's consideration.

OVERVIEW OF BUDGET PROCESS

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 Town Manager and the Deputy Manager, and (d) reviewing the linkage between budget requests and overall budget goals and policies.
3. The Deputy Manager is 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.

BUDGET GUIDELINES & PRACTICES

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

BUDGET GUIDELINES & PRACTICES

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

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

NET ASSET (FUND BALANCE) RESERVES

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

BUDGET GUIDELINES & PRACTICES

FINANCIAL REPORTING	
Guideline	Comment
<p>The Town’s accounting and financial reporting systems will be maintained in conformance with current generally accepted accounting principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).</p>	<p>The Town participates in the accounting and budgeting awards programs of the association, receiving the Certificate of Achievement for Excellence in Financial Reporting for fiscal year ending June 30, 2015 and Distinguished Budget Award in 2014-15 and in past years. The Town plans to continue participation in these programs annually.</p>
<p>Consistent with State law, an annual audit will be performed by an independent public accounting firm with subsequent issuance of a Comprehensive Annual Financial Report (CAFR). Full disclosure will be provided in the general financial statements and all bond representations.</p>	<p>The Town prepares a Comprehensive Annual Financial Report that receives an unqualified opinion by an independent accounting firm each year. As required by State law, the annual report is submitted to the N. C. Local Government Commission staff for a detailed review of compliance with Commission recommendations and guidelines and compliance with applicable accounting and financial reporting standards.</p>

BUDGET ASSUMPTIONS

Major issues affecting Town revenues for the 2019-20 budget include a continuation of slow property tax base growth that has not kept pace with the increase in expenditures. Delays in the construction of major approved development projects and the diminishing supply of developable land have exacerbated the problem. State and Federal budget decisions also have a major effect on the Chapel Hill budget, particularly in the areas of transportation and housing.

The 2019-20 budget incorporates the following assumptions:

- The property tax base is estimated to be \$8.31 billion in 2019-20.
- We estimate that the Town's revenue from the local sales taxes will increase slightly.
- Federal assistance for the Transit Fund will increase slightly for 2019-20.

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 2019-20 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.

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 major elements and principal drivers of revenue and costs. In short, we have included in the projections the elements that are "big enough to matter," on both the revenue and cost sides of the budget. 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

In November 2015 the Town held a general obligation bond referendum consisting of five bond orders totaling \$40.3 million. All five bond orders were approved by the voters. There have been two issuances from the 2015 GO Bond authority. In February of 2017, \$9.0 million of bonds were issued and in April of 2018, and additional \$12.5 million of bonds were issued. The bond orders and amounts issued to date are shown in the table below:

Bond Order	Authority	February 2017 Issuance	April 2018 Issuance	Balance
Streets & Sidewalks	\$ 16,200,000	\$ 3,000,000	\$ 5,500,000	\$ 7,700,000
Trails & Greenways	5,000,000	5,000,000	-	-
Recreation Facilities	8,000,000	1,000,000	4,300,000	2,700,000
Solid Waste Facilities	5,200,000	-	-	5,200,000
Stormwater	5,900,000	-	2,700,000	3,200,000
Total	\$ 40,300,000	\$ 9,000,000	\$ 12,500,000	\$ 18,800,000

In addition to the referendum bonds, the Town is also planning on financing about \$33 million for public safety facilities sometime within the next 18 months.

There was also a sale of Two-Thirds General Obligation Bonds in February 2017 to purchase Public Safety Equipment. The sale included the following projects:

<u>Project</u>	<u>Amount</u>
100 Foot Fire Ladder Truck	\$ 1,348,000
Public Safety Radios	168,816
Body Cameras	72,506
Bond Issuance Expenses	25,381
Total	<u>\$ 1,614,703</u>

FIVE-YEAR REVENUE AND COST PROJECTIONS FOR MAJOR OPERATING FUNDS

The final sale of the General Obligation bonds approved by voters in November 2003 was held in the fall of 2010 and included the following projects:

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

The bonds were issued in two forms, \$12,250,000 in Build America Bonds (BABs) and \$8,160,000 in traditional general obligation debt. The FY19 annual debt service payment on the combined issuance totals \$1.57 million, but the BABs have a federal subsidy that will refund 32% of interest costs through the American Recovery and Reinvestment Act. The net debt service on this bond issuance is \$1.40 million for FY19.

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 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 and Council in the same manner as other debt financing. The Two-Thirds bonds were used for Parks and Recreation and Streets projects, and annual debt service on the bonds is \$113,000.

In June of 2012 the Town issued \$28,800,000 of limited obligation bonds. The bonds were used to pay for underground parking at the 140 West Project (\$6,700,000) as part of a mixed use development and to refund outstanding Certificates of Participation for the Wallace Deck and Town Operations Center (\$22,100,000). Construction of the 140 West Project was completed during FY13 for a total cost of \$5.96 million. The total debt service payment for FY19 is \$2.69 million, consisting of \$914,631 paid through the Parking Fund and \$1,847,000 paid from the General Fund. The projections assume that the Parking Fund will provide for the cost of this debt service (\$905,332) as a transfer to the Debt Fund.

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 \$26.75 million in 2012 and \$3.05 million in 2013. Total savings for these transactions is \$746,580 over the life of the bonds.

In June 2015, the Town entered into an installment financing agreement to finance public safety equipment and improvements to public buildings. The Town borrowed \$2,395,000 for a 15-year term at a rate of 2.24%. The debt service payment for FY19 is \$204,668.

In March 2016, the Town entered into an installment financing agreement to fund the following projects:

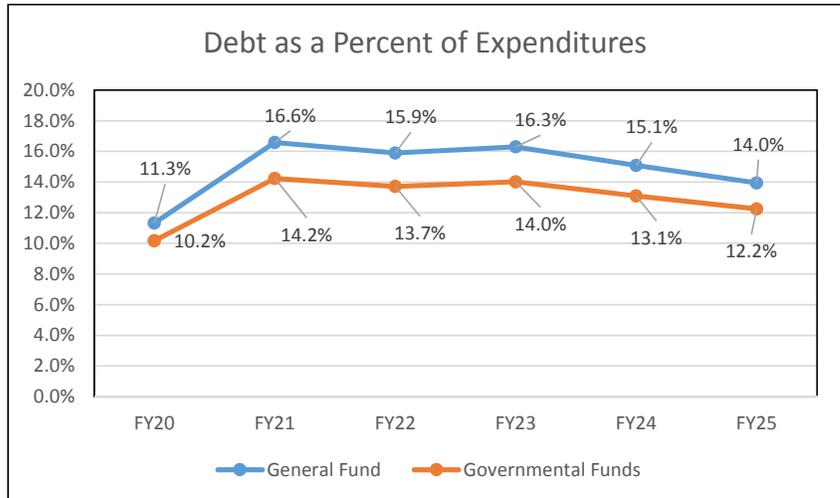
<u>Project</u>	<u>Amount</u>
Ephesus Fordham (Blue Hill) Road Improvements	\$ 4,779,000
Town Hall Renovations	1,865,000
Public Safety Facilities & Equipment	1,185,000
Community Center Pool Improvements	50,000
Total	<u>\$ 7,879,000</u>

The financing agreement has a 15-year term and a rate of 2.32%. The debt service payment for FY19 for this installment financing is \$684,310. The Ephesus Fordham (Blue Hill) Road portion of the borrowing is

FIVE-YEAR REVENUE AND COST PROJECTIONS FOR MAJOR OPERATING FUNDS

structured as a synthetic tax increment financing. Growth in tax receipts in the Ephesus Fordham District is being used to offset the cost of debt service for the project. In addition, NCDOT is reimbursing the Town approximately \$1.79 million for Phase I of the roadway construction.

While the Town has historically had low debt as a percentage of budgeted expenditures, recent borrowings have 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 slightly below the average of our peer group (Triple A rated Municipalities in North Carolina). The Town has traditionally kept debt service below 10% of budgeted general fund expenditures, but with the recent investment in public facilities, this ratio has risen to 11.3% in 2019-20 and to 10.2% as a percent of governmental revenues (general fund plus debt fund). Debt as a percentage of governmental revenues approximates the basis used before the debt fund was created in 2010. Debt service as a percentage of expenditures is expected to rise in the next few years as the Town continues to invest in public facilities and infrastructure.



Debt service as a percentage of expenditures is expected to rise in the next few years as the Town continues to invest in public facilities and infrastructure.

In response to the added debt burden, a Debt Management Plan was adopted for the FY2008-09 budget that includes dedicating a portion of the property tax rate to pay debt service instead of transferring funds for debt service needs from the General Fund. Previously, debt service costs competed with other priorities for General Fund revenues, but now have a dedicated revenue source, which also provides for future debt as existing debt is paid off. Maintaining affordable levels of debt is an important factor in retaining the Town's current AAA ratings.

The adopted budget for 2019-20 includes a tax rate at \$9.8 cents per \$100 valuation. The debt fund has capacity to pay existing and planned debt service through the 2022-2023 fiscal year.

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 2019-20, 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 maintain fund balance reserves at the target 22% of expenditures. The gap between revenues and costs could be closed by service reductions, revenue enhancements, tax rate adjustments or any combination of these options.

FIVE-YEAR REVENUE AND COST PROJECTIONS FOR MAJOR OPERATING FUNDS

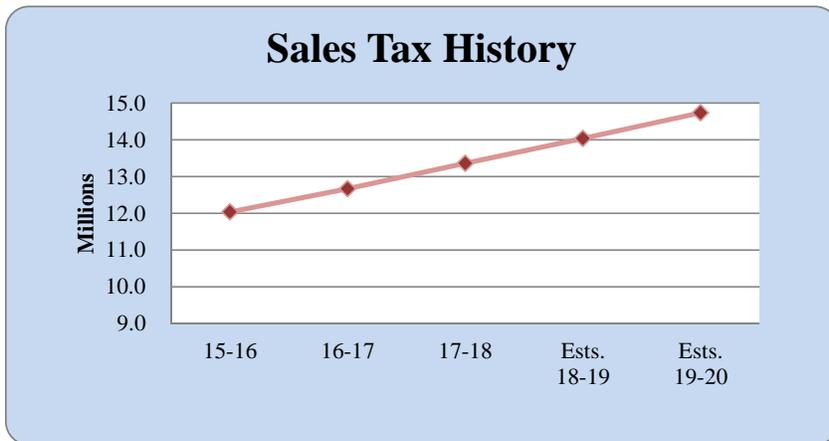
GENERAL FUND

Revenues

The most important revenue sources for General Fund operations continue to be property taxes and sales tax revenues that, combined, comprise about 69% of total General Fund revenues. The estimate of assessed valuation for the tax base in 2019-20 is about \$8.31 billion. There was a revaluation of property tax assessments effective for FY2017-18 budget. Real property values increased by approximately 24% and the motor vehicle and personal property valuations decreased by about 10%. The Council adopted a revenue neutral rate for the FY2017-18 Budget.

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.

Estimated additions to the tax base through growth yield increases in property tax revenues of about \$575,000 each year. This is based on 1.5% annual growth, which is slightly lower than the historical average, and a tax rate for 2019-20 of \$38.6 cents for the General Fund.



The second largest source of Town revenue, sales tax, is more volatile than property tax. Revenues from sales taxes tend to increase when the economy is strong and slow or decline when the economy weakens. Based on sales tax revenues to date, we estimate FY19 receipts at about \$14 million, an increase from what was originally budgeted. Based on local trends and state forecasts, we anticipate growth of about 5% for FY19-20.

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 sales taxes (estimated at about \$4.2 million in 2018-18 and \$4.2 million in 2019-20) and Video Programming Tax, estimated to remain relatively flat in FY19 and FY20.

State-shared revenues also include revenue from fuel tax funds for street maintenance (about \$1.45 million in 2018-19) 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 FY19 and thereafter.

State Fire Protection Funds have not changed significantly in the past few years and we anticipate they will remain stable. We do however 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.

FIVE-YEAR REVENUE AND COST PROJECTIONS FOR MAJOR OPERATING FUNDS

Operating and Capital Improvement Costs

Projected costs for general operations are based on a continuation of most service levels and programs for 2019-20. 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. To date, the Town has issued \$21.5 million of 2015 referendum bonds to pay for streets and sidewalks, trails and greenways, stormwater improvements and recreation facilities. With the availability of bond funds, the amount of pay-go capital funding in the areas of greenways and streets and sidewalks decreased by about \$337,000.

Personnel costs for FY 2019-20 include a 3% of market rate pay adjustment effective July 2019 and an increase in medical insurance costs of 4.5% based on the contract agreement with Blue Cross Blue Shield. Projections include the following assumptions:

- Annual pay increases of 3%
- 5% annual increases in medical insurance
- An increase of 1.2% for 3 years after FY20 for the employer's retirement system contribution rate.
- Operating costs increase of about 3% annually

Our analysis indicates projected costs for basic operations and the proposed additions to operations would exceed revenues in FY2019-20 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.

FIVE-YEAR REVENUE AND COST PROJECTIONS FOR MAJOR OPERATING FUNDS

TRANSIT FUND

The budget for 2019-20 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. Due to the occasional unknown nature of the State operating assistance, we are conservatively budgeting \$2.25 million for this revenue source. Federal assistance is estimated to continue at \$1.96 million next year, which is in line with FY19.

The 2019-20 Adopted Budget represents a 4.3% increase from the previous year largely due to an increase in revenue generated from TTA fees. The Transit budget also includes \$716,000 for debt payments on the purchase of new buses that began in 2016-17. The adopted budget for 2019-20 includes contribution increases on behalf of the partners. The projections assume continuation of the 6.0 cent rate in the next five years. Subsequent years show the need for a tax increase from 0.2 to 0.7 cents through 2024-25.

Adopted Tax Rate	Cents per \$100 valuation		
	FY17-18	FY18-19	\$ Change
General Fund	38.6	38.6	0.0
Debt Fund	8.2	9.8	1.6
Transit Fund	6.0	6.0	0.0
Total Tax Rate	52.8	54.4	1.6

DEBT SERVICE FUND

The projections for the Debt Service Fund include maintaining the adopted tax rate of 9.8 cents. This tax rate will generate about \$8.11 million in revenues in 2019-20 which, along with the transfer from Parking, will provide for projected debt service costs. Cost projections include debt service on the \$12.5 million general obligations issued in April 2018. Our projections include the planned issuance of about \$50 million of new debt in the next 5 years, including the balance of the GO bonds authorized in the 2015 referendum and the financing of public safety facilities. In addition, our projections indicate an increase will be needed in the tax rate for debt service for 2022-23 however, the timing of Debt Fund's cash flow needs suggest an earlier and considerably smaller tax increase would be preferable.

FIVE-YEAR REVENUE AND COST PROJECTIONS FOR MAJOR OPERATING FUNDS

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)						
	2019-20	2020-21	2021-22	2022-22	2023-24	2024-25
	Adopted	Estimated	Estimated	Estimated	Estimated	Estimated
	Increase	Increase	Increase	Increase	Increase	Increase
General Fund	0.0	2.3	1.4	0.9	1.1	1.0
Debt Service	1.6	0.0	0.0	0.0	0.0	0.0
Transit Fund	0.0	0.7	(0.2)	0.2	0.2	0.2
Total	1.6	3.0	1.2	1.1	1.3	1.2

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
2019/2020- 2024/2025**

Category	2019-20 Adopted	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Assessed Valuation (Real & Personal Property)	\$ 8,307,698,997	\$ 8,457,240,000	\$ 8,609,470,000	\$ 8,764,440,000	\$ 8,922,200,000	\$ 9,082,800,000
Tax Levy - General Fund Only*	32,068,000	32,645,000	33,233,000	33,831,000	34,440,000	35,060,000
Estimated Collections at 99%	31,950,000	32,520,000	33,110,000	33,700,000	34,310,000	34,930,000
Estimated Prior Year Collections	115,000	115,000	115,000	115,000	115,000	115,000
TOTALS	\$ 32,065,000	\$ 32,635,000	\$ 33,225,000	\$ 33,815,000	\$ 34,425,000	\$ 35,045,000
Tax rate	38.6	38.6	38.6	38.6	38.6	38.6

1¢ on the tax rate = \$ 828,000

* Based on continuing the General Fund tax rate of \$38.6 cents/\$100, with estimated growth as follows:

2021	1.8%
2022	1.8%
2023	1.8%
2024	1.8%
2025	1.8%

GENERAL FUND

PROJECTED STATE-SHARED REVENUES

2019-2020 - 2024/2025

Category	2019-20 Adopted	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Utility Sales Tax ¹	\$ 4,225,000	\$ 4,246,000	\$ 4,267,000	\$ 4,288,000	\$ 4,309,000	\$ 4,331,000
Video Programming Tax	650,000	650,000	650,000	650,000	650,000	650,000
Supplemental PEG support	81,000	81,000	81,000	81,000	81,000	81,000
Beer, Wine Tax ²	260,000	260,000	260,000	260,000	260,000	260,000
1% Local Option Sales Tax (Article 39) ³	5,121,000	5,377,000	5,646,000	5,928,000	6,224,000	6,535,000
1/2% Local Option Sales Tax (Article 40) ³	3,419,000	3,590,000	3,770,000	3,959,000	4,157,000	4,365,000
1/2% Local Option Sales Tax (Article 42) ³	2,561,000	2,689,000	2,823,000	2,964,000	3,112,000	3,268,000
1/2% Local Option Sales Tax (Article 44 Hold Harmless) ³	78,000	82,000	86,000	90,000	95,000	100,000
City Hold Harmless ³	3,562,000	3,740,000	3,927,000	4,123,000	4,329,000	4,545,000
Total Local Option Sales Taxes	14,741,000	15,478,000	16,252,000	17,064,000	17,917,000	18,813,000
Fuel Tax (Powell Bill) ⁴	1,432,000	1,432,000	1,432,000	1,432,000	1,432,000	1,432,000
State Fire Protection ⁵	1,106,000	1,106,000	1,106,000	1,106,000	1,106,000	1,106,000
Solid Waste Disposal Tax	38,000	38,000	38,000	38,000	38,000	38,000
TOTAL	\$ 22,533,000	\$ 23,291,000	\$ 24,086,000	\$ 24,919,000	\$ 25,793,000	\$ 26,711,000

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 remain flat in the future.

³ Estimating a normal growth of 5% in FY20 and thereafter.

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
2019/2020 - 2024/2025

Category	2019-20 Adopted	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Property Taxes*	\$ 32,118,000	\$ 32,635,000	\$ 33,225,000	\$ 33,815,000	\$ 34,425,000	\$ 35,045,000
Sales Taxes	\$ 14,742,000	\$ 15,478,000	\$ 16,252,000	\$ 17,064,000	\$ 17,917,000	\$ 18,813,000
Other Taxes & Licenses	1,386,000	1,386,000	1,386,000	1,386,000	1,386,000	1,386,000
Licenses/Permits/Fines/ Forfeitures	2,842,000	2,842,000	2,842,000	2,842,000	2,842,000	2,842,000
State-Shared Revenues	7,791,000	7,813,000	7,834,000	7,855,000	7,876,000	7,898,000
Grants	679,000	688,000	697,000	706,000	715,000	724,000
Service Charges	5,003,000	5,013,000	5,023,000	5,033,000	5,043,000	5,053,000
Interest on Investments	80,000	50,000	50,000	50,000	50,000	50,000
Other Revenues	441,000	441,000	441,000	441,000	441,000	441,000
Interfund Transfers	45,000	45,000	45,000	45,000	45,000	45,000
TOTAL	\$ 65,127,000	\$ 66,391,000	\$ 67,795,000	\$ 69,237,000	\$ 70,740,000	\$ 72,297,000

* Based on continuing the current General Fund tax rate of \$38.6 cents/\$100, with estimated growth as follows:

2021	1.80%
2022	1.80%
2023	1.80%
2024	1.80%
2025	1.80%

**GENERAL FUND
PROJECTED COSTS
2019/2020 - 2024/2025**

	2019-20 Adopted	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Personnel Services ¹	\$ 49,988,000	\$ 52,094,000	\$ 54,164,000	\$ 55,896,000	\$ 57,688,000	\$ 59,544,000
Operations						
Operating & Maintenance ²	16,370,000	16,790,000	17,218,000	17,554,000	18,059,000	18,525,000
Capital						
Equipment ³	85,000	85,000	85,000	85,000	85,000	85,000
Transfer to Capital Improvements Program ⁴	322,000	600,000	700,000	800,000	900,000	1,000,000
Other						
Human Service contracts, hotel/ motel allocations and grants to other agencies	1,218,000	1,218,000	1,218,000	1,218,000	1,218,000	1,218,000
Other Post Employment Benefits	500,000	500,000	500,000	500,000	500,000	500,000
TOTAL COSTS OF CURRENT PROGRAMS AND ADDITIONS/						
TOTALS	\$ 68,483,000	\$ 71,287,000	\$ 73,885,000	\$ 76,053,000	\$ 78,450,000	\$ 80,872,000

Assumptions for years after 2020, reflected on base cost estimates for 2019-20:

¹ Assumptions include:

- Annual increase of 3%.
- 5% increase in medical insurance each year
- Increase of 1.20% of the Retirement rate per year until 2021-22.

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 2019/2020 - 2024/2025

	2019-20 Adopted	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Estimated Total Costs	\$ 68,483,000	\$ 71,287,000	\$ 73,885,000	\$ 76,053,000	\$ 78,450,000	\$ 80,872,000
Estimated Total Revenues	65,127,000	66,391,000	67,795,000	69,237,000	70,740,000	72,297,000
Revenues Needed	3,356,000	4,896,000	6,090,000	6,816,000	7,710,000	8,575,000
Fund Balance Available	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
One-time use of Fund Balance	356,000	-	-	-	-	-
Additional Revenue Needed/ (Available)	\$ -	\$ 1,896,000	\$ 3,090,000	\$ 3,816,000	\$ 4,710,000	\$ 5,575,000
Change in Tax Rate in cents in Specific Years*	-	2.3	1.4	0.9	1.1	1.0

*Value of a cent = \$828,000

TRANSIT FUND
REVENUE PROJECTIONS
2019/2020 - 2024/2025

	2019-20 Adopted	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Taxes ¹	\$ 4,983,702	\$ 4,984,000	\$ 5,064,000	\$ 5,164,000	\$ 5,254,000	\$ 5,344,000
Vehicle Taxes ²	454,350	456,000	458,000	460,000	462,000	464,000
TTA-Shared Revenues	3,321,849	3,355,000	3,389,000	3,423,000	3,457,000	3,492,000
Federal Operating Assistance ³	4,213,503	4,214,000	4,214,000	4,214,000	4,214,000	4,214,000
UNC Contract (Net) ⁴	8,719,868	8,851,000	8,984,000	9,119,000	9,256,000	9,395,000
Carrboro Contract (Net) ⁴	1,835,146	1,863,000	1,891,000	1,919,000	1,948,000	1,977,000
Service Charges ⁵	1,012,497	1,033,000	1,054,000	1,075,000	1,097,000	1,119,000
Advertising	185,000	185,000	185,000	185,000	185,000	185,000
Other	3,000	3,000	3,000	3,000	3,000	3,000
Appropriated Fund Balance	-	-	-	-	-	-
TOTAL	\$ 24,792,491	\$ 24,944,000	\$ 25,242,000	\$ 25,562,000	\$ 25,876,000	\$ 26,193,000

Revenue Notes:

¹ Based on the adopted tax rate of 6.0 cents through 2024-25.

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
2019/2020 - 2024/2025

	2019-20 Adopted	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Personnel Services ¹	\$ 15,473,789	\$ 15,973,000	\$ 16,605,000	\$ 17,138,000	\$ 17,690,000	\$ 18,261,000
Operations ²	9,318,702	9,576,000	9,863,000	10,159,000	10,465,000	10,781,000
Capital Reserve Fund ³	-	-	-	-	-	-
TOTAL	\$ 24,792,491	\$ 25,549,000	\$ 26,468,000	\$ 27,297,000	\$ 28,155,000	\$ 29,042,000

Assumptions for years after 2019-20

¹ Assumptions include:

- Annual increase of 3%.
- 5% increase in medical insurance each year
- Increase of 1.2% of the Retirement rate per year until 2021-22.

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
2019/20 - 2024/25***

	2019-20 Adopted	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Estimated Costs	\$ 24,792,491	\$ 25,549,000	\$26,468,000	\$ 27,297,000	\$ 28,155,000	\$ 29,042,000
Estimated Revenues	24,792,491	24,944,000	25,242,000	25,562,000	25,876,000	26,193,000
Revenue Needed/(Excess)	-	605,000	1,226,000	1,735,000	2,279,000	2,849,000
Additional Revenue Needed	\$ -	\$ 605,000	\$ 1,226,000	\$ 1,735,000	\$ 2,279,000	\$ 2,849,000
Change in Tax Rate in Specific Years	-	0.7	(0.2)	0.2	0.2	0.2

1 cent on the tax rate = \$828,000

Assumptions on future revenues and costs:

- Same revenue sources as available in 2019-20 (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 FY20.
- Includes estimated adjustments of 5% in fuel and tire costs after FY20.

***DEBT SERVICE FUND
PROJECTED TAX BASE AND OTHER REVENUES
2019/2020- 2024/2025***

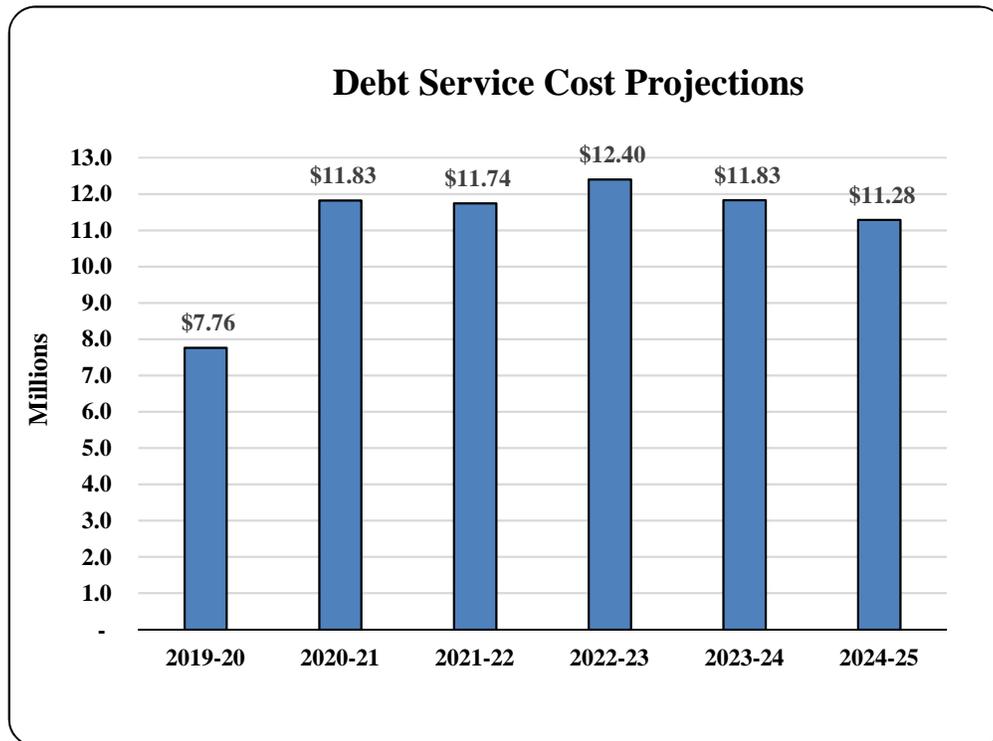
Category	2019-20 Adopted	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Assessed Valuation (Real & Personal Property)	\$ 8,307,699,000	\$ 8,457,240,000	\$ 8,609,470,000	\$ 8,764,440,000	\$ 8,922,200,000	\$ 9,082,800,000
Tax Levy - Debt Service Fund Only*	8,142,000	8,288,000	8,437,000	8,589,000	8,744,000	8,901,000
Estimated Collections at 99%	8,110,000	8,260,000	8,400,000	8,560,000	8,710,000	8,870,000
Estimated Prior Year Collections	40,000	40,000	40,000	40,000	40,000	40,000
TOTAL TAXES	\$ 8,150,000	\$ 8,300,000	\$ 8,440,000	\$ 8,600,000	\$ 8,750,000	\$ 8,910,000
BABS Interest Subsidy	170,000	165,000	152,000	138,000	124,000	110,000
Interest Income	175,000	175,000	175,000	175,000	175,000	175,000
Transfer from General Fund	445,000	481,000	740,000	903,000	903,000	903,000
Transfer from Parking	905,000	915,000	917,000	912,000	681,000	464,000
TOTAL REVENUES	\$ 9,845,000	\$ 10,036,000	\$ 10,424,000	\$ 10,728,000	\$ 10,633,000	\$ 10,562,000

* Based on a continued tax rate of \$9.8 cents for the Debt Fund through 2024-25, with estimated growth as

2021	1.80%
2022	1.80%
2023	1.80%
2024	1.80%
2025	1.80%

**DEBT SERVICE FUND
PROJECTED COSTS
2019/2020 - 2024/2025**

	2019-20 Adopted	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Existing Debt	\$ 7,761,000	\$ 7,425,000	\$ 7,133,000	\$ 6,946,000	\$ 6,525,000	\$ 6,116,000
Future Issuance	-	4,400,000	4,608,000	5,450,000	5,308,000	5,166,000
TOTALS	\$ 7,761,000	\$ 11,825,000	\$ 11,741,000	\$ 12,396,000	\$ 11,833,000	\$ 11,282,000



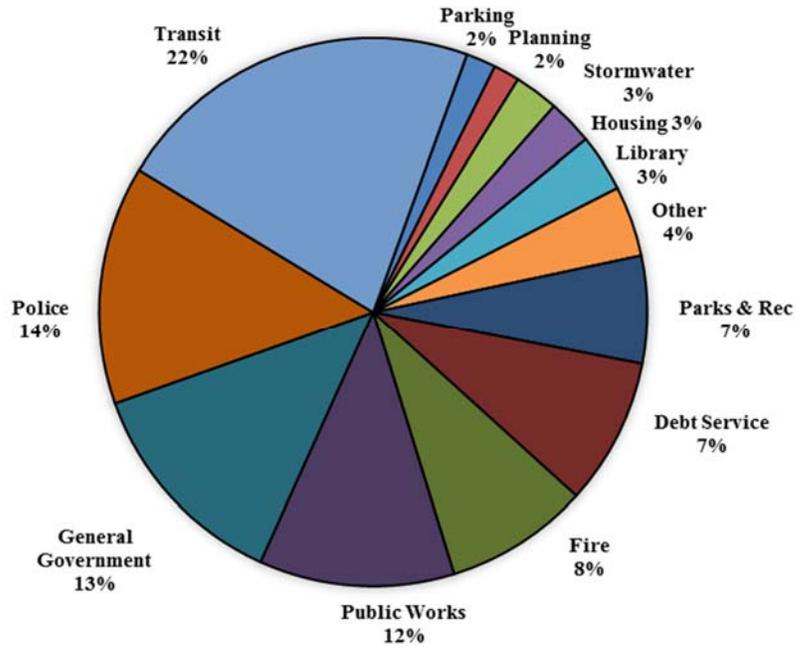
DEBT SERVICE FUND
ANALYSIS OF REVENUE AND COST PROJECTIONS
2019/2020 - 2024/2025

	2019-20 Adopted	2020-21 Estimated	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated
Estimated Total Costs	\$ 7,761,000	\$ 11,825,000	\$ 11,741,000	\$ 12,396,000	\$ 11,833,000	\$ 11,282,000
Estimated Total Revenues	9,845,000	10,036,000	10,424,000	10,728,000	10,633,000	10,562,000
Revenue (Needed)/Available	2,084,000	(1,789,000)	(1,317,000)	(1,668,000)	(1,200,000)	(720,000)
Fund Balance Available	-	1,789,000	1,317,000	1,668,000	1,200,000	720,000
Reserved for future debt	2,084,000	-	-	-	-	-
Additional Revenue (Needed)/Available	-	-	-	-	-	-
Change in Tax Rate in Specific Years*	0.0	0.0	0.0	0.0	0.0	0.0

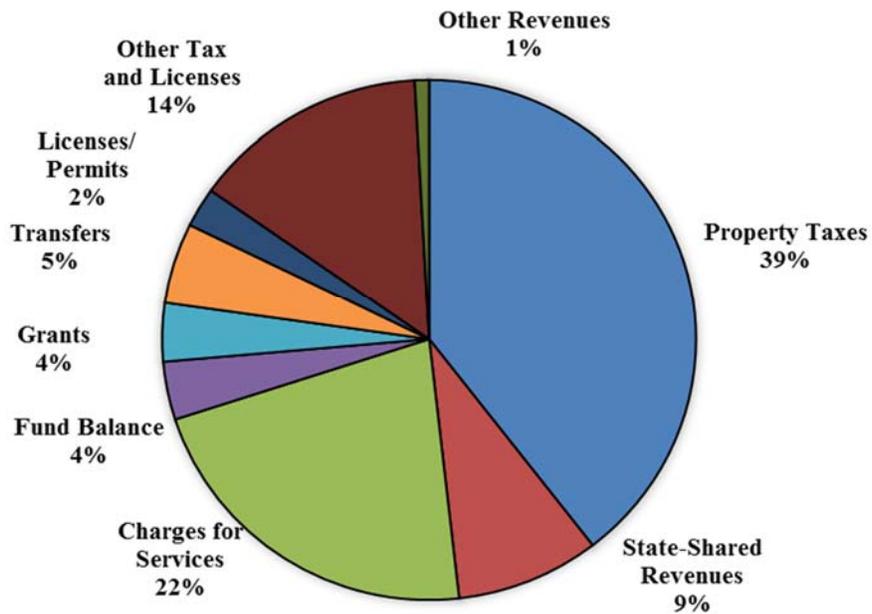
Value of a cent = \$828,000

ALL FUNDS SUMMARY

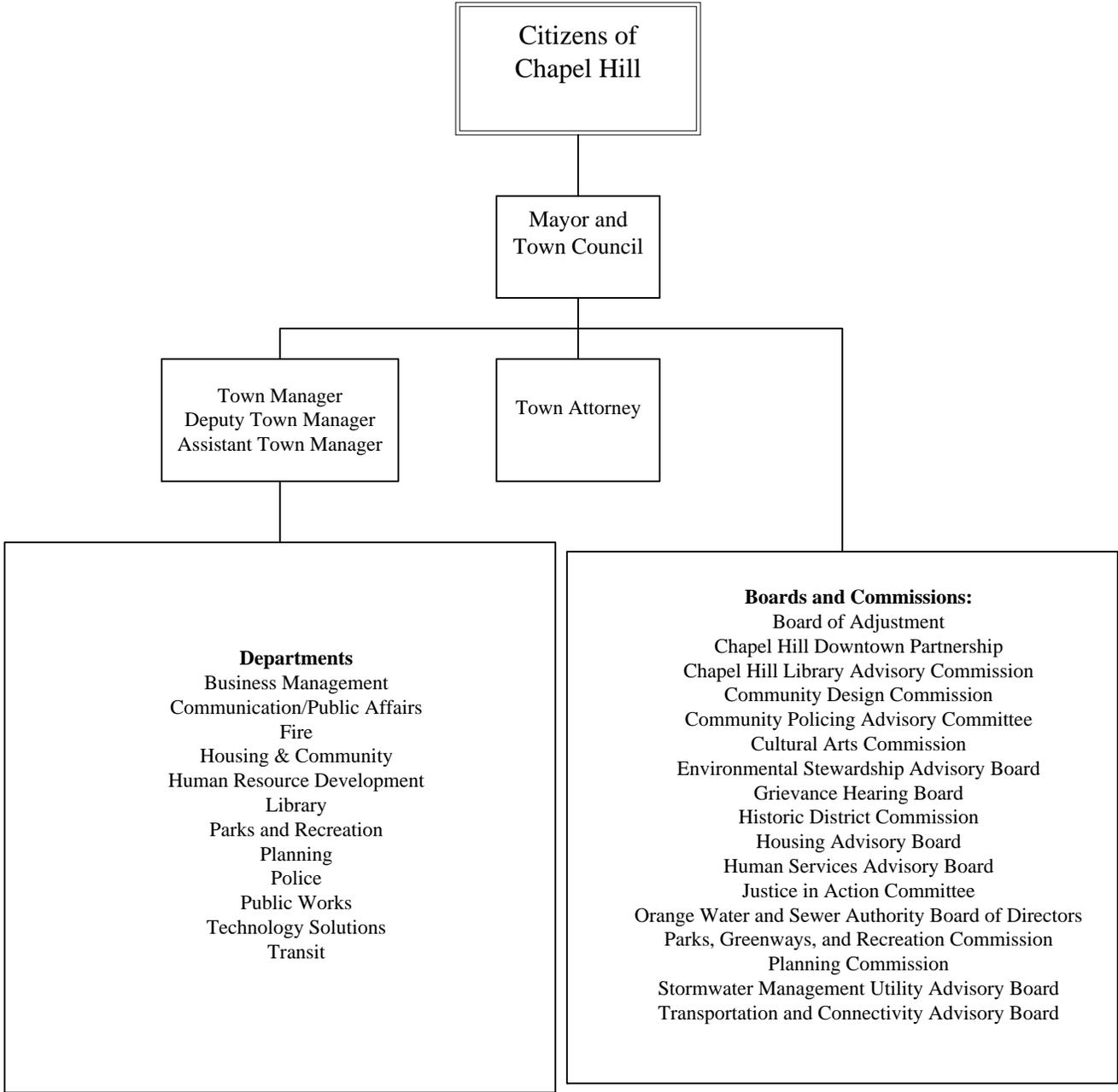
TOTAL BUDGET EXPENDITURES \$113,447,530 (NET OF TRANSFERS)



TOTAL BUDGET REVENUES



TOWN OF CHAPEL HILL ORGANIZATION CHART



***ALL FUNDS
SUMMARY OF APPROPRIATIONS
Adopted Budget 2019-20***

Fund	Appropriations	Less Transfers to Other Funds	Net Appropriations
General Fund	\$ 68,483,000	\$ 1,552,895	\$ 66,930,105
Transit Funds			
Transit	24,792,491	-	24,792,491
Transit Capital Reserve Fund	10,000	-	10,000
Stormwater Management Fund	2,965,115	-	2,965,115
Parking Funds			
Off-Street Parking Fund	2,203,622	905,332	1,298,290
On-Street Parking Fund	707,239	-	707,239
Housing Funds			
Public Housing Fund	2,182,460	-	2,182,460
Debt Service Fund	9,845,432	-	9,845,432
Capital Projects			
Capital Improvements Fund	420,341	-	420,341
Other Funds			
Affordable Housing Reserve Fund	688,395	-	688,395
Grants Fund	402,746	-	402,746
Downtown Service District Fund	456,107	-	456,107
Library Gift Fund	237,468	45,000	192,468
Vehicle Replacement Fund	859,091	-	859,091
Vehicle Maintenance Fund	1,532,000	-	1,532,000
Computer Replacement Fund	165,250	-	165,250
TOTAL	\$ 115,950,757	\$ 2,503,227	\$ 113,447,530

ALL FUNDS STAFFING SUMMARY

Personnel costs make up 62% of the Town's operating budget across all funds. Personnel costs in the General Fund make up 74% of total expenditures. The Staffing Summary represents a snapshot of the FTE's on which the FY20 Adopted Budget is based.

2019-20 STAFFING BY DEPARTMENT IN FULL-TIME EQUIVALENTS

<i>DEPARTMENTS</i>	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 ADOPTED
Mayor	1.00	1.00	1.00
Manager	10.00	10.00	11.00
Communications & Public Affairs	7.53	7.53	7.53
Human Resource Development	10.00	10.00	10.00
Business Management	18.00	18.00	18.00
Technology Solutions	13.00	16.00	16.00
Attorney	2.00	2.00	2.00
Planning	22.65	20.65	15.65
Public Works ¹	92.55	90.20	91.20
Police	150.00	150.00	155.00
Fire	96.00	96.00	96.00
Parks & Recreation	57.80	56.50	53.80
Library	30.30	32.16	34.66
Transit	203.29	203.29	203.29
Stormwater	14.70	15.05	15.05
Parking	9.00	9.80	9.80
Housing & Community	23.20	23.20	23.20
Downtown Service District	1.00	1.00	1.00
Vehicle Maintenance	7.75	7.75	7.75
Total FTE's	769.77	770.13	771.93

¹ Three employees housed in Public Works also work in Stormwater. They have been split-coded to reflect time spent in each department.

TAX RATES AND TAX COLLECTIONS

Adopted 2019-20

	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Adopted
Assessed Value of Real and Personal Property	\$ 8,034,649,409	\$ 8,225,444,551	\$ 8,226,000,000	\$ 8,307,698,997
Tax Rate Per \$100 Valuation				
General Fund	37.6	38.6	38.6	38.6
Transit Fund	5.0	6.0	6.0	6.0
Debt Service Fund	8.2	8.2	8.2	9.8
Total Tax Rate (cents)	50.8	52.8	52.8	54.4
Tax Levy	40,816,019	43,430,000	43,433,000	45,194,000
Estimated Collections at 99%	\$ 40,677,200	\$ 43,265,000	\$ 43,268,000	\$ 45,022,300
Distribution				
General Fund	30,108,999	31,630,000	31,630,000	31,950,000
Transit Fund	4,003,776	4,920,000	4,920,000	4,970,000
Debt Service Fund	6,566,255	6,720,000	6,720,000	8,110,000
Downtown Service District Fund				
Tax Rate (cents)	7.0	7.0	7.0	7.0
Assessed Value of Real and Personal Property	\$ 443,000,000	\$ 515,474,000	\$ 526,207,000	\$ 531,470,000
Tax Levy	310,000	361,000	368,000	372,000
1¢ of the Tax Rate Equals (to nearest 1,000)	\$ 801,000	\$ 819,000	\$ 820,000	\$ 828,000

ESTIMATED UNDESIGNATED RESERVES ANNUALLY BUDGETED FUNDS

	Approximate Unassigned Fund Balance July 1, 2019	2019-20 Budgeted Revenues	2019-20 Budgeted Expenditures	Approximate Unassigned Fund Balance June 30, 2020
GENERAL FUND	\$ 10,531,000	\$ 65,127,000	\$ 68,483,000	\$ 7,175,000
SPECIAL REVENUE FUNDS				
Affordable Hsg Develop Reserve	-	688,000	688,000	-
Downtown Service District	55,000	456,000	456,000	55,000
Library Gift	37,000	237,000	237,000	37,000
Grants Fund	11,000	403,000	403,000	11,000
DEBT SERVICE FUND	7,471,000	9,845,000	9,845,000	7,471,000
CAPITAL IMPROVEMENT FUNDS				
Capital Improvements	522,000	420,000	420,000	522,000
Capital Reserve	217,000	-	-	217,000
ENTERPRISE FUNDS				
Transit	8,478,000	24,792,000	24,792,000	8,478,000
Transit Capital Reserve	2,908,000	10,000	10,000	2,908,000
Public Housing	2,928,000	2,146,000	2,182,000	2,892,000
On-Street Parking	-	638,000	707,000	(69,000)
Off-Street Parking	726,000	2,039,000	2,204,000	561,000
Stormwater Management	4,366,000	2,965,000	2,965,000	4,366,000
INTERNAL SERVICE FUNDS				
Vehicle Replacement	593,000	507,000	859,000	241,000
Vehicle Maintenance	32,000	1,532,000	1,532,000	32,000
Computer Replacement	234,000	-	165,000	69,000
TOTAL	\$ 39,109,000	\$ 111,805,000	\$ 115,950,000	\$ 34,966,000

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 2019-20 is anticipated to be about 7.3% of budgeted expenditures. The Town uses expenditure estimates that are provided by departments when their budget requests are submitted in February. These estimates are not necessarily a true representation of actual expenditures because the estimates are very conservative and a historical look shows that there are significant budget savings each year. For a more accurate information related to fund balance, please see the FY 2019 Comprehensive Annual Financial Report.

GOVERNMENTAL FUNDS

SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES

2018-19

	General Fund			Special Revenue Funds		
	17-18 Actual	18-19 Estimated	19-20 Adopted	17-18 Actual	18-19 Estimated	19-20 Adopted
Net Unreserved Assets, Beginning of Year	10,813,493	10,985,018	10,530,559	1,509,311	1,230,893	103,536
Financial Sources						
Property Taxes	30,273,964	31,800,000	32,117,500	311,950	370,000	373,000
Other Tax and Licenses	14,732,565	15,426,125	16,127,869	-	-	-
State-Shared Revenues	7,781,256	7,782,181	7,791,256	-	-	-
Interest on Investments	72,812	80,000	80,000	1,259	1,022	535
Other Revenues	526,074	536,810	441,243	247,416	246,963	253,200
Grants	713,355	691,301	679,399	404,156	390,258	372,429
Charges for Services	4,538,954	4,798,433	5,002,662	-	-	-
Licenses/Permits/Fines	3,211,232	2,781,955	2,842,305	-	-	-
Transfers/Other Sources	45,000	45,000	45,000	784,418	769,946	775,945
2016 Installment Financing	-	-	-	-	-	-
Appropriated Net Assets (Fund Balance)	-	-	3,355,766	-	-	9,607
Total Estimated Financial Sources	61,895,212	63,941,805	68,483,000	1,749,199	1,778,189	1,784,716
Expenditures						
Personnel	44,925,349	45,959,839	48,982,406	426,567	442,365	59,107
Operations	16,179,795	17,653,246	19,027,480	1,497,550	2,321,181	1,578,609
Capital	618,543	783,179	473,114	103,500	142,000	147,000
Contribution to Reserve	-	-	-	-	-	-
Total Budget	61,723,687	64,396,264	68,483,000	2,027,617	2,905,546	1,784,716
Financial Sources less Expenditures	171,525	(454,459)	-	(278,418)	(1,127,357)	-
Net Unreserved Assets, End of Year	10,985,018	10,530,559	7,174,793	1,230,893	103,536	93,929

18%

Note: Please see note about fund balance estimates on page 67.

Debt Service Fund			Capital Funds		
17-18 Actual	18-19 Estimated	19-20 Adopted	17-18 Actual	18-19 Estimated	19-20 Adopted
7,048,523	7,189,658	7,471,077	3,027,150	1,343,637	739,076
6,581,420	6,734,000	8,150,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
25,357	275,000	175,000	8,110	2,500	2,500
-	-	-	577,276	-	-
170,188	170,000	170,000	-	-	-
-	-	-	82,240	82,260	96,241
-	-	-	-	-	-
906,831	1,359,731	1,350,432	490,700	776,991	321,600
-	-	-	-	-	-
-	-	-	-	-	-
7,683,796	8,538,731	9,845,432	1,158,326	861,751	420,341
-	-	-	-	-	-
7,542,661	8,257,312	7,761,064	-	-	-
-	-	-	2,841,839	1,466,312	420,341
-	-	2,084,368	-	-	-
7,542,661	8,257,312	9,845,432	2,841,839	1,466,312	420,341
141,135	281,419	-	(1,683,513)	(604,561)	-
7,189,658	7,471,077	7,471,077	1,343,637	739,076	739,076

ENTERPRISE FUNDS**SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES****2018-19**

	Parking Funds			Transit Funds		
	17-18 Actual	18-19 Estimated	19-20 Adopted	17-18 Actual	18-19 Estimated	19-20 Adopted
Net Unreserved Assets, Beginning of Year	370,050	822,938	726,440	8,428,711	10,545,174	11,385,576
Financial Sources						
Property Taxes	-	-	-	4,409,288	4,983,702	5,103,702
Other Tax and Licenses	-	-	-	399,303	359,236	454,350
State-Shared Revenues	-	-	-	3,268,227	2,774,752	2,253,325
Interest on Investments	1,329	2,000	2,000	9,000	80,900	12,000
Other Revenues	406,636	66,000	51,000	79,500	275,254	91,500
Grants	-	-	-	944,605	1,842,223	2,023,754
Charges for Services	2,390,778	2,620,000	2,624,000	12,722,086	13,484,413	14,853,860
Licenses/Permits/Fines	-	-	-	-	-	-
Transfers/Other Sources	629,034	-	-	967,000	561,044	10,000
2016 Installment Financing	-	-	-	-	-	-
Appropriated Net Assets (Fund Balance)	-	-	233,861	-	-	-
Total Estimated Financial Sources	3,427,777	2,688,000	2,910,861	22,799,009	24,361,524	24,802,491
Expenditures						
Personnel	1,353,758	1,398,842	1,434,649	13,037,436	13,322,896	15,473,789
Operations	1,325,831	1,355,656	1,446,212	6,261,889	8,660,825	9,308,702
Capital	295,300	30,000	30,000	1,383,221	1,537,401	20,000
Contribution to Reserve	-	-	-	-	-	-
Total Budget	2,974,889	2,784,498	2,910,861	20,682,546	23,521,122	24,802,491
Financial Sources less Expenditures	452,888	(96,498)	-	2,116,463	840,402	-
Net Unreserved Assets, End of Year	822,938	726,440	492,579	10,545,174	11,385,576	11,385,576

Note: Please see note about fund balance estimates on page 65.

Stormwater Management Fund			Housing Fund		
17-18 Actual	18-19 Estimated	19-20 Adopted	17-18 Actual	18-19 Estimated	19-20 Adopted
1,688,744	4,606,978	4,365,573	2,284,281	2,550,850	2,928,442
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,163	3,000	3,000	1,454	1,663	1,680
13,571	7,500	8,000	35,631	200	200
-	-	-	1,229,562	1,236,797	1,126,092
2,841,275	2,706,200	2,943,615	996,848	1,015,970	1,017,881
-	-	-	-	-	-
2,838,954	7,200	10,500	-	-	-
-	-	-	-	-	-
		-		-	36,607
5,708,963	2,723,900	2,965,115	2,263,495	2,254,630	2,182,460
1,214,118	1,104,361	1,402,696	961,730	925,154	1,243,895
1,195,821	1,219,619	1,014,403	1,035,196	951,884	938,565
380,790	641,325	310,744	-	-	-
-	-	237,272	-	-	-
2,790,729	2,965,305	2,965,115	1,996,926	1,877,038	2,182,460
2,918,234	(241,405)	-	266,569	377,592	-
4,606,978	4,365,573	4,365,573	2,550,850	2,928,442	2,891,835

INTERNAL SERVICE FUNDS
SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES
2018-19

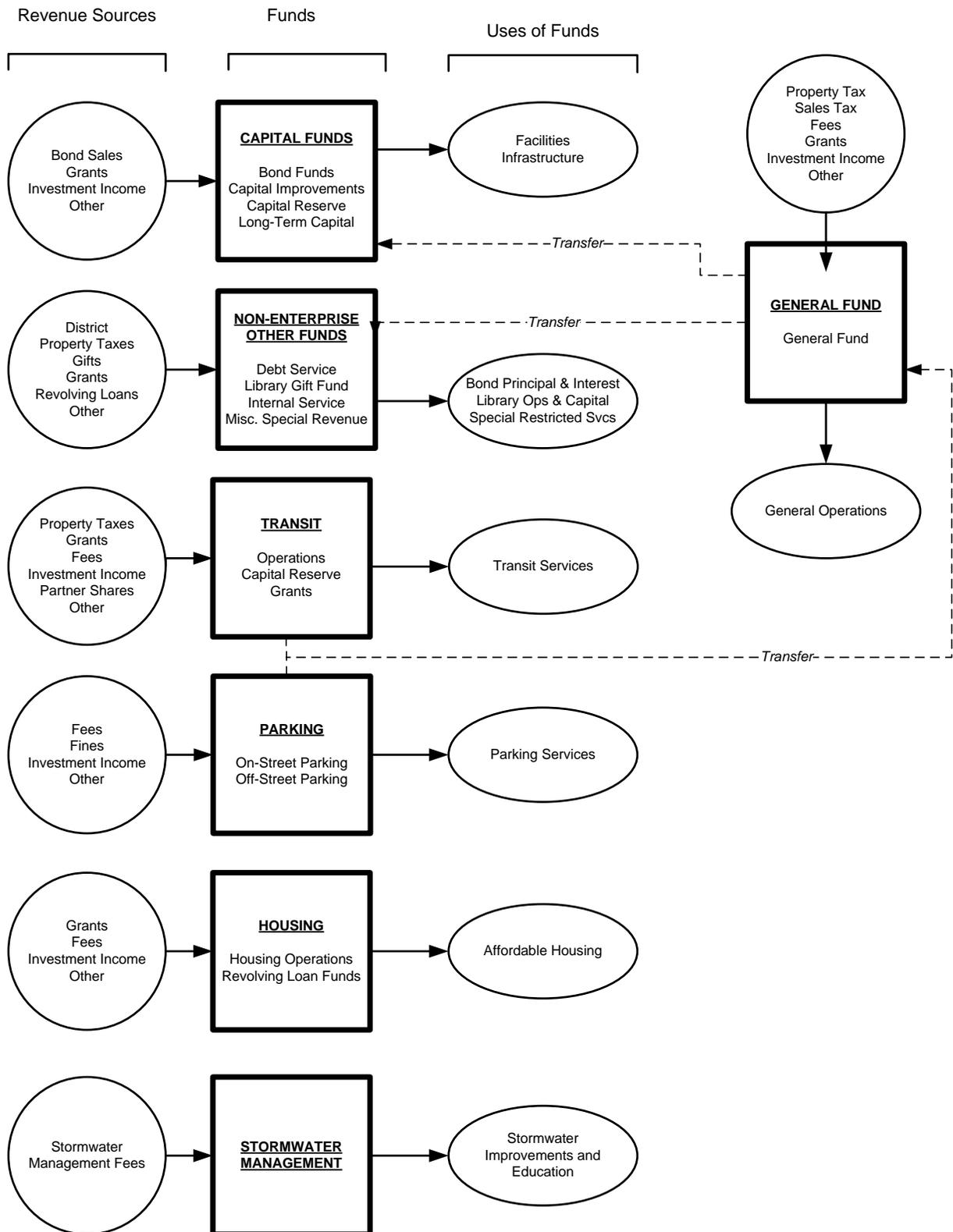
	Internal Service		
	17-18 Actual	18-19 Estimated	19-20 Adopted
Net Unreserved Assets, Beginning of Year	2,455,306	2,056,586	858,921
Financial Sources			
Property Taxes	-	-	-
Other Tax and Licenses	-	-	-
State-Shared Revenues	-	-	-
Interest on Investments	7,976	5,600	4,000
Other Revenues	136,965	120,468	68,000
Grants	-	-	-
Charges for Services	2,209,345	1,807,429	1,967,089
Licenses/Permits/Fines	-	-	-
Transfers/Other Sources	-	-	-
2016 Installment Financing	-	-	-
Appropriated Net Assets (Fund Balance)	-	-	517,252
Total Estimated Financial Sources	2,354,286	1,933,497	2,556,341
Expenditures			
Personnel	616,840	630,925	657,101
Operations	1,536,014	1,367,311	1,311,740
Capital	600,152	1,132,926	587,500
Contribution to Reserve	-	-	-
Total Budget	2,753,006	3,131,162	2,556,341
Financial Sources less Expenditures	(398,720)	(1,197,665)	-
Net Unreserved Assets, End of Year	2,056,586	858,921	341,669

Note: Please see note about fund balance estimates on page 65.

Annual Funds - Combined Totals

17-18 Actual	18-19 Estimated	19-20 Adopted
37,625,569	41,331,732	39,109,200
41,576,622	43,887,702	45,744,202
15,131,868	15,785,361	16,582,219
11,049,483	10,556,933	10,044,581
142,460	451,685	280,715
2,023,069	1,253,195	913,143
3,461,866	4,330,579	4,371,674
25,781,526	26,514,705	28,505,348
3,211,232	2,781,955	2,842,305
6,661,937	3,519,912	2,513,477
0	-	-
-	-	-
-	-	4,153,093
109,040,063	109,082,027	115,950,757
62,535,798	63,784,382	69,253,643
36,574,757	41,787,034	42,386,775
6,223,345	5,733,143	1,988,699
-	-	2,321,640
105,333,900	111,304,559	115,950,757
3,706,163	(2,222,532)	-
41,331,732	39,109,200	34,956,107

TOWN OF CHAPEL HILL FLOW OF FUNDS



SUMMARY OF ANNUAL FUND GROUPS

Governmental Funds

General Fund

Special Revenue Funds

- Grants Fund
- Downtown Service District Fund
- Library Gift Fund
- Affordable Housing Development Reserve 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

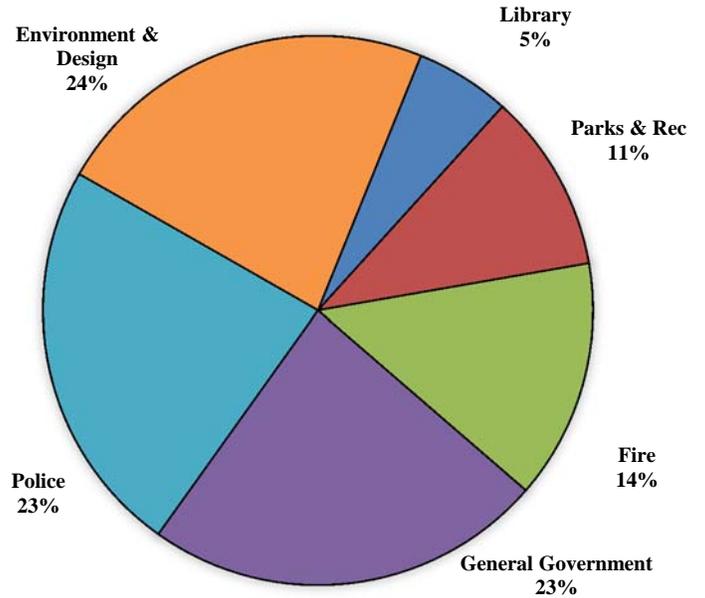
- Vehicle Maintenance Fund
- Vehicle Replacement Fund
- Computer Replacement Fund

INTERFUND TRANSFERS									
Adopted 2019-20									
Transfers to:	Transfers From:							Net Transfers	Net Transfers
	General Fund	Transit	Off-Street Parking	On-Street Parking	Transit Capital Reserve	Library Gift Fund			
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ 45,000	
Transit Fund	-	-	-	-	-	-	-	-	
Parking Fund	-	-	-	-	-	-	-	-	
Transit Capital Grants	-	-	-	-	-	-	-	-	
Affordable Housing Reserve	688,395	-	-	-	-	-	-	688,395	
Stormwater Management	10,250	-	-	-	-	-	-	10,250	
Debt Service Fund	445,100	-	905,332	-	-	-	-	1,350,432	
CIP Fund	321,600	-	-	-	-	-	-	321,600	
Grants Fund	87,550	-	-	-	-	-	-	87,550	
Net Transfers	\$1,552,895	\$ -	\$ 905,332	\$ -	\$ -	\$ -	\$ 45,000	\$ 2,503,227	

GENERAL FUND

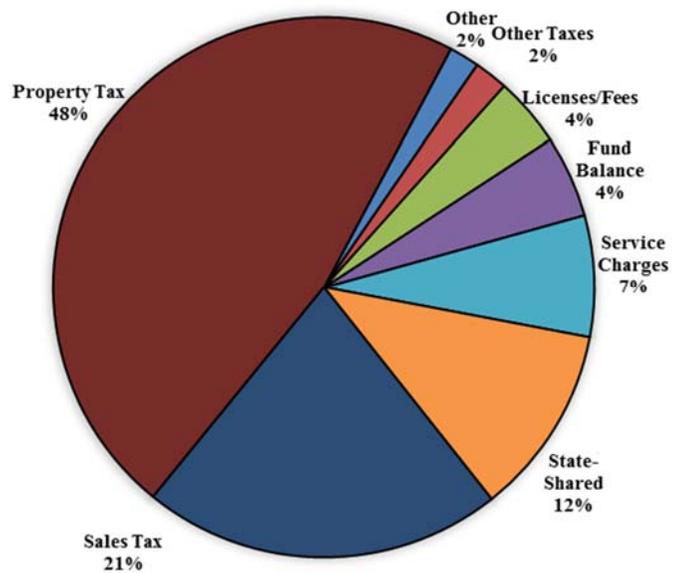
The General Fund is the general operating fund of the Town and is used to account for all revenues and expenditures except those required to be accounted for in another fund. The fund is established at the inception of a government and exists throughout the government's life.

General Fund Expenditures



Total \$68,483,000

General Fund Revenues



**GENERAL FUND
BUDGET SUMMARY**

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
General Government	\$ 14,192,913	\$ 15,263,182	\$ 16,369,629	\$ 16,191,519	\$ 16,095,136	5.5%
Environment & Development	15,088,530	15,726,875	15,969,968	15,126,067	15,646,960	-0.5%
Public Safety	22,398,098	24,599,694	24,638,888	22,864,440	25,681,693	4.4%
Leisure	10,044,146	10,767,249	10,819,165	10,214,238	11,059,211	2.7%
Total	\$ 61,723,687	\$ 66,357,000	\$ 67,797,650	\$ 64,396,264	\$ 68,483,000	3.2%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
General Revenues:						
Property Taxes	\$ 30,273,964	\$ 31,771,000	\$ 31,771,000	\$ 31,800,000	\$ 32,117,500	1.1%
Sales Taxes	13,364,922	13,853,827	13,853,827	14,039,875	14,741,869	6.4%
Occupancy Tax	1,281,461	1,275,000	1,275,000	1,300,000	1,300,000	2.0%
Other Tax and Licenses	86,182	82,500	82,500	86,250	86,000	4.2%
State-Shared Revenues	7,781,256	7,820,590	7,820,590	7,782,181	7,791,256	-0.4%
Interest on Investments	72,812	50,000	50,000	80,000	80,000	60.0%
Other Revenues	526,074	398,600	451,503	536,810	441,243	10.7%
Grants	713,355	680,899	690,899	691,301	679,399	-0.2%
Charges for Services	4,538,954	4,820,808	4,820,808	4,798,433	5,002,662	3.8%
Licenses/Permits/Fines	3,211,232	2,461,890	2,461,890	2,781,955	2,842,305	15.5%
Transfers/Other Sources	45,000	45,000	45,000	45,000	45,000	0.0%
Appropriated Fund Balance	(171,525)	3,096,886	4,474,633	454,459	3,355,766	8.4%
Total	\$ 61,723,687	\$ 66,357,000	\$ 67,797,650	\$ 64,396,264	\$ 68,483,000	3.2%

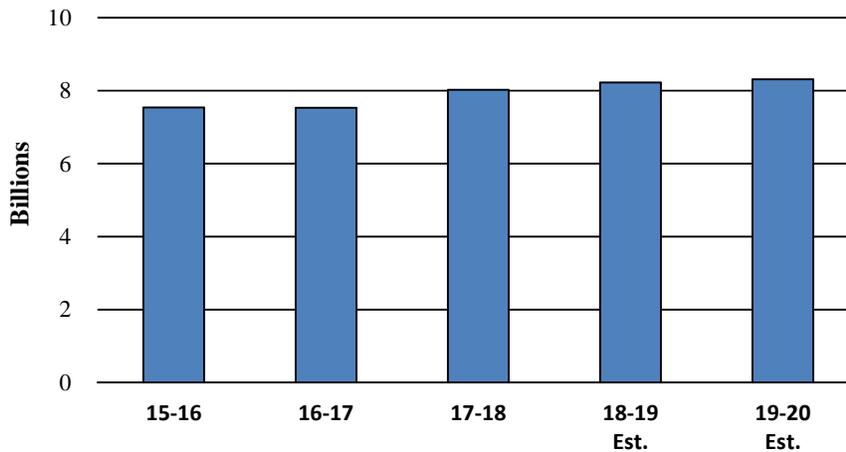
GENERAL FUND

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 2019-20 is estimated to be \$8,307,698,997 with 1 cent on the tax rate equivalent to about \$828,000.

Property Tax Base



The combined property tax revenue we anticipate for 2019-20 totals about \$45 million, with \$31.95 million of that supporting the General Fund.

Other Local Taxes

Revenue from the 3 percent Hotel/Motel occupancy tax is expected to total \$1,300,000 in the current year and the same level in 2019-20. Revenue trends are affected by University events and general economic conditions.

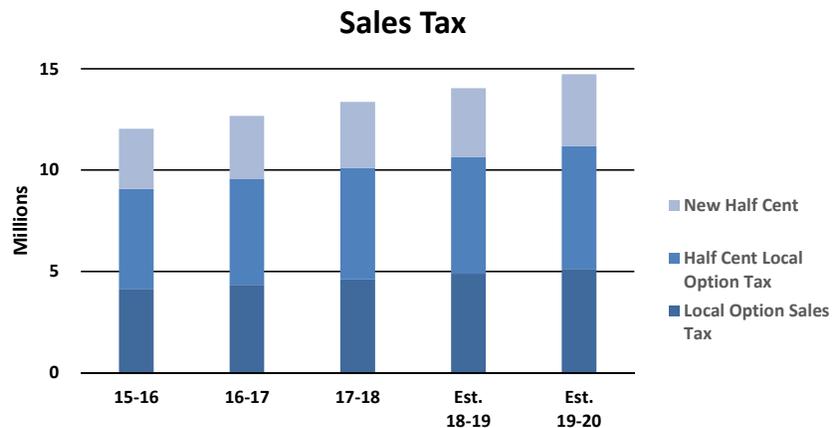
GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

State-Collected Revenues

Sales Taxes

Sales tax revenue is expected to come in over budget in 2018-19. Based on recent trends, growth was budgeted at 5% for FY19. Sales tax receipts are at 3.25% increase over the previous year through the first seven months, however typically



Chapel Hill ends the year with strong growth (6-7%), that should bring the Town to a 5.2% overall increase at year end. Based on this information, we are estimating an overall growth rate of 5.3% in sales taxes for FY20. We estimate combined sales taxes of about \$14,039,875 for 2018-19. Orange County has the option to change the allocation method for sales taxes from per capita to ad valorem, which would result in a significant reduction in 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 \$1,437,425 in 2018-19, about \$20,000 less than last year. For 2019-20, we anticipate revenues will drop slightly for FY20 at around \$1,431,500.

State Fire Protection Funds

We are expecting about \$1,106,256 in State Fire Protection Funds in the current year, and we expect that figure to hold at 1,106,256 in 2019-20.

Utility Sales Tax

Utility sales 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 sales tax distribution. We estimate that we will receive approximately \$4,940,500 in the current year in utility sales taxes. We anticipate that revenues will hold the line in 2019-20.

GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

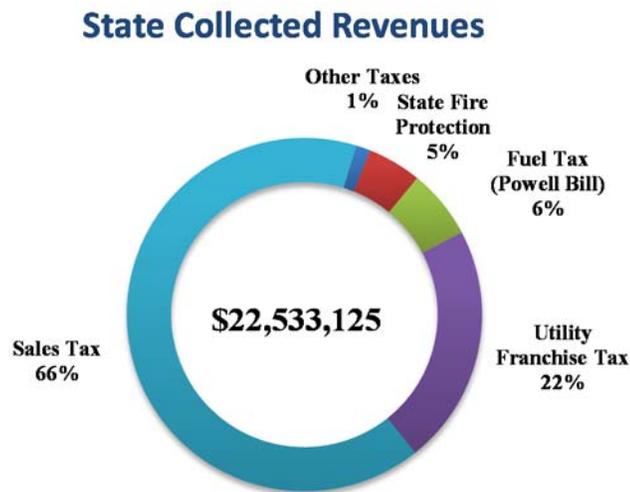
Solid Waste Disposal Tax

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 \$38,000 for the current year and \$38,000 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 \$260,000 for the current year and \$260,000 next year.

In summary, we estimate State-collected revenues would total about \$22,533,125 for next year.



Other Revenue Sources

Grants

This category of revenue includes certain recurring local and State grants totaling about \$679,399 for 2019-20. 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 2019-20 includes level funding from the County at \$83,760 for the Parks and Recreation supplement. The adopted 2019-20 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 \$27,500.

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 slightly under budget in the current year by about \$22,000. Charges for services are expected to increase from a budgeted amount of \$4,798,433 in 2018-19 to \$5,002,662 for 2019-20 due to projected activity.

GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

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 2019-20, these include \$83,472 from Parking Enterprise Funds, \$130,337 from the Stormwater Management Fund, and \$1,388,884 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 \$320,000 due to higher than expected revenues in inspection permits. Total licenses and permits are expected to increase from about \$2.5 million in 2018-19 to \$2.8 million in 2019-20.

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 far exceed the current year's budget estimate of \$50,000 and generate about \$80,000 next year.

Miscellaneous, Transfers, Net Assets (Fund Balance)

Miscellaneous Revenues

The primary miscellaneous revenues include mutual aid reimbursements, court cost reimbursements, and donations (Carol Woods). Miscellaneous revenues are expected to total about \$536,810 for 2018-19 (approximately \$40,000 was received for revenue-in-lieu for recreation & open space and traffic signs that was not budgeted) and \$440,681 for 2019-20.

Transfers

Transfers include a transfer of \$45,000 for 2019-20 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 about \$4.5 million of fund balance in 2018-19, but through cost-cutting measures, will use only about \$450,000 based on conservative revenue estimates and departmental end-of-year expenditure estimates. The annual budget includes the use of about \$3,321,328 in 2019-20 to maintain service levels.

GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

Summary of Revenues

In summary, the annual budget includes \$68.4 million in General Fund revenues, including the use of \$3,321,328 of fund balance.

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

	18-19 Revised Budget	18-19 Estimated	19-20 Adopted Budget
Property Taxes	\$ 31,771,000	\$ 31,800,000	\$ 32,117,500
Sales Taxes	13,853,827	14,039,875	14,741,869
Other State-Collected	82,500	86,250	86,000
Other Revenues	9,544,190	10,390,292	9,657,499
Licenses/Permits	2,461,890	2,781,955	5,002,662
Service Charges	4,820,808	4,798,433	679,399
Interfund Transfers	45,000	45,000	2,842,305
Fund Balance	4,474,633	454,459	3,355,766
Total	\$ 67,053,848	\$ 64,396,264	\$ 68,483,000

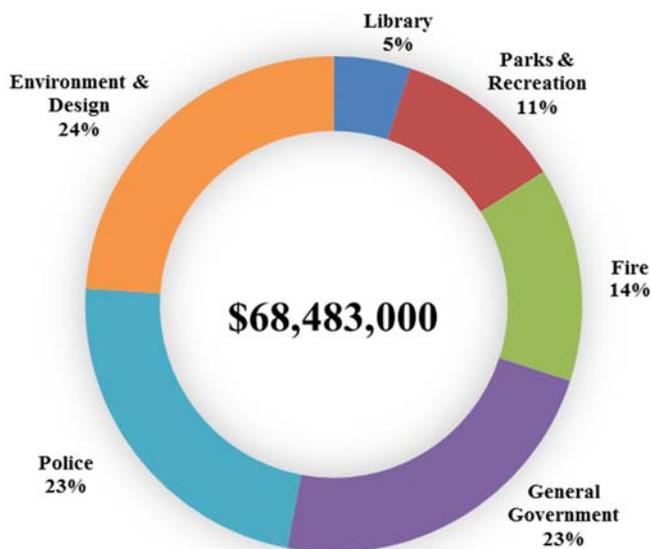
GENERAL FUND

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 \$68,483,000 for the 2019-20 budget.

The largest category of expenditures for the General Fund is Public Safety services, with Police Department expenditures of about \$16 million and Fire Department expenditures of about \$9.7 million.



Environment and Development is the second largest category in the General Fund at about \$15.7 million, including Planning, Housing & Community and Public Works which provide services of affordable housing, planning for growth, engineering, solid waste collection, maintenance of streets, and maintenance of Town facilities.

Police, Fire and Public Works together comprise about 56.6% of total General Fund expenditures.

Other General Fund services include Parks and Recreation programs totaling about \$7.2 million, Library services of \$3.8 million, and General Governmental activities (Administration, Communications & Public Affairs, Business Management, Human Resources, Attorney, and Non-Departmental) totaling about \$16 million.

Non-departmental expenditures total \$5.8 million. Non-departmental expenditures include a transfer for capital improvements of \$321,600. \$1,218,485 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 “penny for housing” (\$688,395) and legal funds (\$100,000). The budget for liability and property insurance totals \$375,000.

GENERAL FUND

Major Expenditures - Descriptions and Estimates

The 2019-20 budget includes changes to medical insurance rates. The adopted budget includes a 4.9% increase in rates for active employees and under-65 retirees, or about a \$247,190 increase. The Town's contribution to employee retirement increased by about \$371,000, which reflects a 1.2% increase to the contribution over the prior year.

Additional expenses in the budget include a 3.0% of market rate salary adjustment starting July 1, 2019 (\$1,007,687). The FY20 budget also includes an emphasis to bringing our police salaries up to our regional market (\$200,000 increase) in an effort to remain competitive and continue to recruit and retain the best employees. This will bring our starting police officer salary up to \$42,000. The budget also includes a comprehensive pay study of the entire organization (\$100,000).

Additional increases to the FY20 budget include funding for an Urban Designer (\$100,000), initial investment for Climate Action Planning (\$50,000), and \$315,000 towards coal ash remediation at the site of the Police Department.

The 2019-20 Adopted Budget continues to fund retiree medical costs on a pay-as-you-go basis (\$1,620,000), and contributes \$500,000 towards the post-employment benefit (OPEB) liability, a reduction of \$130,000 from the current year.

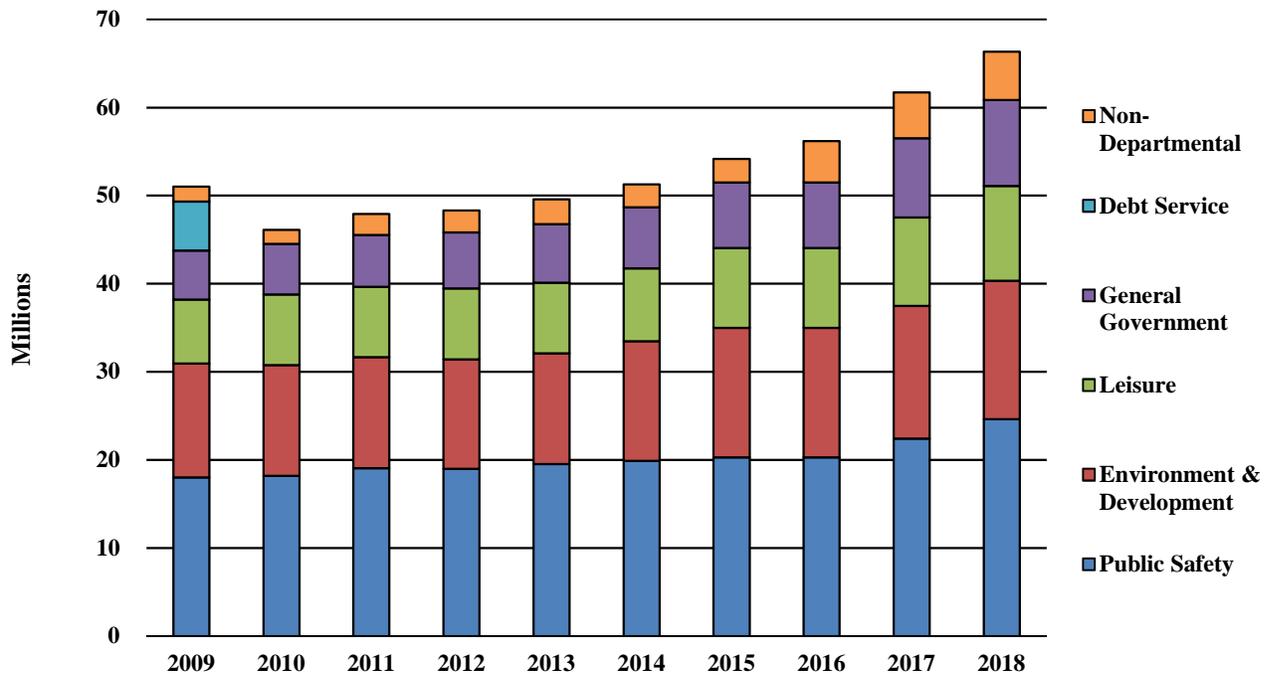
The table below shows expenditure levels for General Fund personnel, operating costs and capital outlay.

EXPENDITURES						
	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 44,925,349	\$ 48,981,421	\$ 48,870,846	\$ 45,959,839	\$ 48,982,406	0.0%
Operating Costs	16,179,795	16,580,365	18,184,524	17,653,246	19,027,480	14.8%
Capital Outlay	618,543	795,214	742,280	783,179	473,114	-40.5%
Total	\$ 61,723,687	\$ 66,357,000	\$ 67,797,650	\$ 64,396,264	\$ 68,483,000	3.2%

GENERAL FUND

Major Expenditures - Descriptions and Estimates

10-Year Expenditure Trends



**GENERAL FUND
EXPENDITURES BY DEPARTMENT**

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
General Government						
Mayor/Council	\$ 480,990	\$ 426,968	\$ 427,218	\$ 426,759	\$ 475,446	11.4%
Town Manager	1,710,908	1,762,127	2,046,727	2,043,366	1,911,919	8.5%
Communications & Public Affairs	814,291	870,205	879,243	850,258	922,142	6.0%
Human Resource Dev't	1,669,232	1,768,953	1,889,942	1,869,456	1,859,535	5.1%
Business Management	2,140,442	2,254,949	2,154,949	2,079,251	2,310,602	2.5%
Technology Solutions	1,849,164	2,333,858	2,361,621	2,315,531	2,366,219	1.4%
Town Attorney	337,189	351,379	376,289	375,367	386,581	10.0%
Non-Departmental	5,190,697	5,494,743	6,233,640	6,231,531	5,862,692	6.7%
Subtotal	\$ 14,192,913	\$ 15,263,182	\$ 16,369,629	\$ 16,191,519	\$ 16,095,136	5.5%
Environment & Development						
Planning	\$ 2,507,058	\$ 2,115,477	\$ 2,423,016	\$ 2,103,915	\$ 1,743,331	-17.6%
Housing & Community	733,577	833,548	843,548	796,458	837,649	0.5%
Public Works	11,847,895	12,777,850	12,703,404	12,225,694	13,065,980	2.3%
Subtotal	\$ 15,088,530	\$ 15,726,875	\$ 15,969,968	\$ 15,126,067	\$ 15,646,960	-0.5%
Public Safety						
Police	\$ 13,611,650	\$ 15,206,077	\$ 15,226,547	\$ 13,858,197	\$ 16,027,754	5.4%
Fire	8,786,448	9,393,617	9,412,341	9,006,243	9,653,939	2.8%
Subtotal	\$ 22,398,098	\$ 24,599,694	\$ 24,638,888	\$ 22,864,440	\$ 25,681,693	4.4%
Leisure						
Parks and Recreation	\$ 6,752,391	\$ 7,365,091	\$ 7,103,116	\$ 6,671,847	\$ 7,236,607	-1.7%
Library	3,291,755	3,402,158	3,716,049	3,542,391	3,822,604	12.4%
Subtotal	\$ 10,044,146	\$ 10,767,249	\$ 10,819,165	\$ 10,214,238	\$ 11,059,211	2.7%
General Fund Total	\$ 61,723,687	\$ 66,357,000	\$ 67,797,650	\$ 64,396,264	\$ 68,483,000	3.2%

**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.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Mayor/Council	\$ 480,990	\$ 426,968	\$ 427,218	\$ 426,759	\$ 475,446	11.4%
Town Manager	1,710,908	1,762,127	2,046,727	2,043,366	1,911,919	8.5%
Communications & Public Affairs	814,291	870,205	879,243	850,258	922,142	6.0%
Human Resources	1,669,232	1,768,953	1,889,942	1,869,456	1,859,535	5.1%
Business Management	2,140,442	2,254,949	2,154,949	2,079,251	2,310,602	2.5%
Technology Solutions	1,849,164	2,333,858	2,361,621	2,315,531	2,366,219	1.4%
Town Attorney	337,189	351,379	376,289	375,367	386,581	10.0%
Non-Departmental	5,190,697	5,494,743	6,233,640	6,231,531	5,862,692	6.7%
Total	\$ 14,192,913	\$ 15,263,182	\$ 16,369,629	\$ 16,191,519	\$ 16,095,136	5.5%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
General Revenues	\$ 14,192,913	\$ 15,263,182	\$ 16,369,629	\$ 16,191,519	\$ 16,095,136	5.5%
Total	\$ 14,192,913	\$ 15,263,182	\$ 16,369,629	\$ 16,191,519	\$ 16,095,136	5.5%

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.

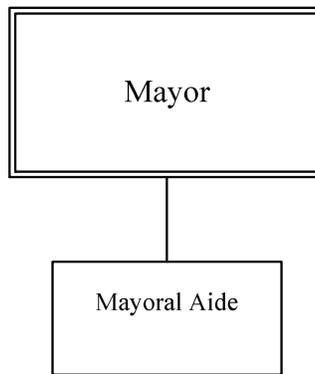
The Mayor and eight Council Members constitute the governing body of the Town. In accordance with the Town's Charter, the voters elect a Mayor every two years. Council Members are elected to four-year, staggered terms on an at-large basis. The Mayor chairs Town Council meetings and represents the Town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

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 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 3.4% increase from the 2018-19 budget. The 6.3% increase in personnel expenses is due to a 3% salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs. The 5.9% decrease in operating costs reflects a small decrease in funds allocated to business meetings and training.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 80,110	\$ 83,794	\$ 83,794	\$ 83,270	\$ 89,063	6.3%
Operating Costs	14,000	25,556	25,806	26,067	24,049	-5.9%
Total	\$ 94,110	\$ 109,350	\$ 109,600	\$ 109,337	\$ 113,112	3.4%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
General Revenues	\$ 94,110	\$ 109,350	\$ 109,600	\$ 109,337	\$ 113,112	3.4%
Total	\$ 94,110	\$ 109,350	\$ 109,600	\$ 109,337	\$ 113,112	3.4%

COUNCIL

BUDGET SUMMARY

The adopted budget for the Town Council reflects an increase of 14.1% from the 2018-19 budget, primarily due to the addition of \$40,000 in operating funds to cover 2019 municipal election expenses. Personnel expenses increased by 2.8% due to a 3% salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 191,447	\$ 187,440	\$ 187,440	\$ 185,374	\$ 192,613	2.8%
Operating Costs	195,433	130,178	130,178	132,048	169,721	30.4%
Total	\$ 386,880	\$ 317,618	\$ 317,618	\$ 317,422	\$ 362,334	14.1%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
General Revenues	\$ 386,880	\$ 317,618	\$ 317,618	\$ 317,422	\$ 362,334	14.1%
Total	\$ 386,880	\$ 317,618	\$ 317,618	\$ 317,422	\$ 362,334	14.1%

TOWN MANAGER

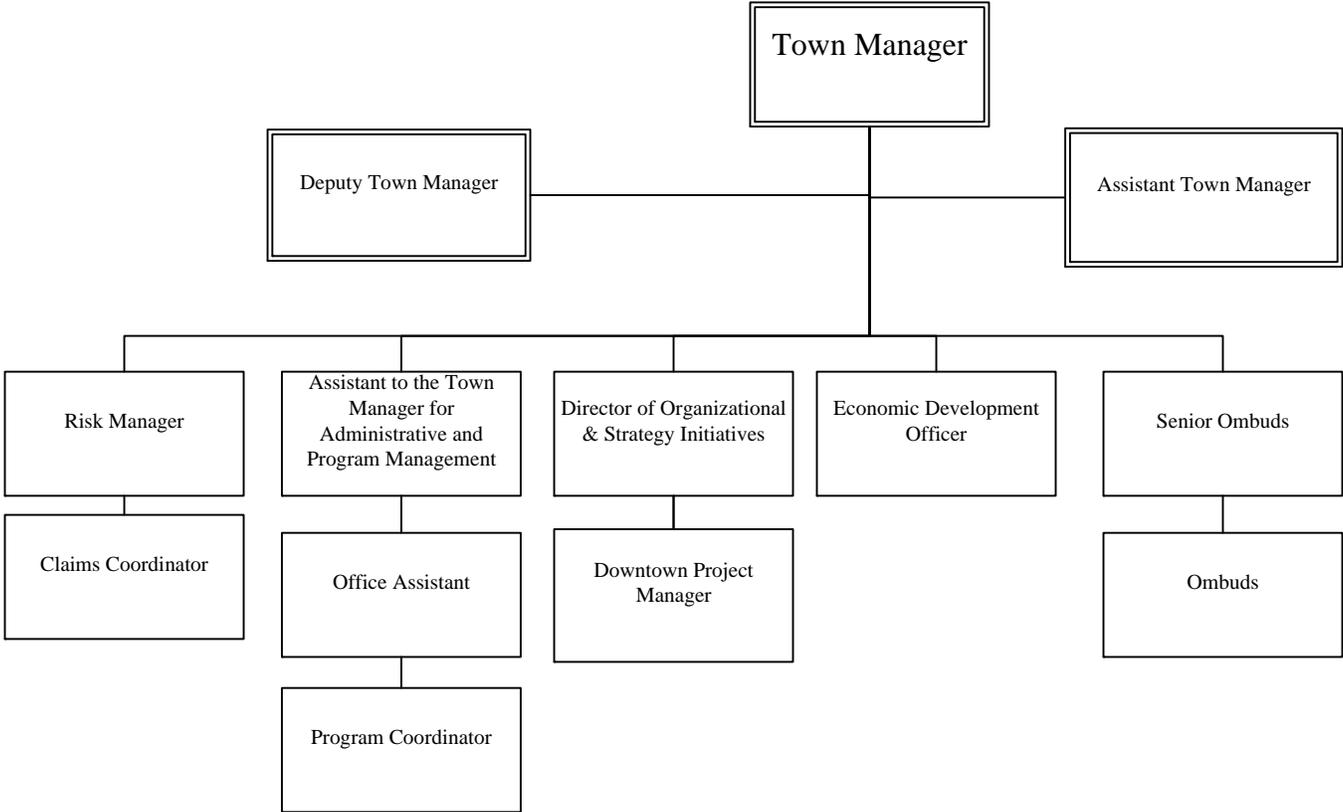
MISSION STATEMENT:

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.

The Town Manger's Office identified the following primary programs that are included in the adopted budget for 2019-20.

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.
Stakeholder Communication	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.
Ombuds Services	Provide neutral, confidential and informal management or resolution of issues brought by Town employees.

TOWN MANAGER



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

The Downtown Project Manager is housed in Planning & Sustainability's budget, but reports to the Manager's Office

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

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 ADOPTED
Town Manager	1.00	1.00	1.00
Deputy Town Manager	1.00	1.00	1.00
Assistant Town Manager	1.00	1.00	1.00
Economic Development Coordinator	1.00	1.00	1.00
Senior Ombuds	1.00	1.00	1.00
Program Coordinator	1.00	1.00	1.00
Ombuds	1.00	1.00	1.00
Assistant to the Manager	2.00	1.00	1.00
Director of Organization & Strategy Initiatives	0.00	1.00	1.00
Office Assistant	1.00	1.00	1.00
Urban Designer	0.00	0.00	1.00
	<hr/>		
Town Manager's Office Totals	10.00	10.00	11.00

TOWN MANAGER

BUDGET SUMMARY

The adopted budget for the Manager's Office reflects an 8.5% increase from the 2018-19 budget, primarily due to the addition of an Urban Designer position. The 9.5% increase in personnel expenses captures the cost of this new position along with a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs for existing employees.

EXPENDITURES

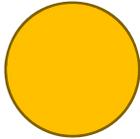
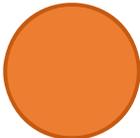
	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 1,478,155	\$ 1,552,043	\$ 1,826,543	\$ 1,821,964	\$ 1,700,041	9.5%
Operating Costs	232,753	210,084	220,184	221,402	211,878	0.9%
Total	\$ 1,710,908	\$ 1,762,127	\$ 2,046,727	\$ 2,043,366	\$ 1,911,919	8.5%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
General Revenues	\$ 1,710,908	\$ 1,762,127	\$ 2,046,727	\$ 2,043,366	\$ 1,911,919	8.5%
Total	\$ 1,710,908	\$ 1,762,127	\$ 2,046,727	\$ 2,043,366	\$ 1,911,919	8.5%

MANAGER'S OFFICE

Performance Measures

<div style="text-align: center; margin-bottom: 20px;">  ENVIRONMENTAL STEWARDSHIP </div> <div style="text-align: center; margin-bottom: 20px;">  ECONOMIC & FINANCIAL SUSTAINABILITY </div> <div style="text-align: center;">  COLLABORATION & INNOVATION </div>	<p>Strategic Objectives</p> <ul style="list-style-type: none"> ➤ Reduce organizational greenhouse gas emissions ➤ Create room for business ➤ Increase collaboration, innovation, and learning
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Core Business Program	Performance Measure	FY17 Actual	FY18 Actual	FY19 Estimate	FY20 Target
Economic Development	Sales tax revenue year-over-year growth	5.2%	5.2%	5%	5%
	Growth in Commercial Tax Base	*	*	*	*
Ombuds Services	Monthly report to Town Manager.	*	*	*	*
Community Sustainability & Resilience	Guaranteed energy savings from Town Hall, the Community Center, and the Homestead Aquatics Center	*	*	*	*

* This is a new measure. Data for previous reporting periods is not available.

COMMUNICATIONS & PUBLIC AFFAIRS

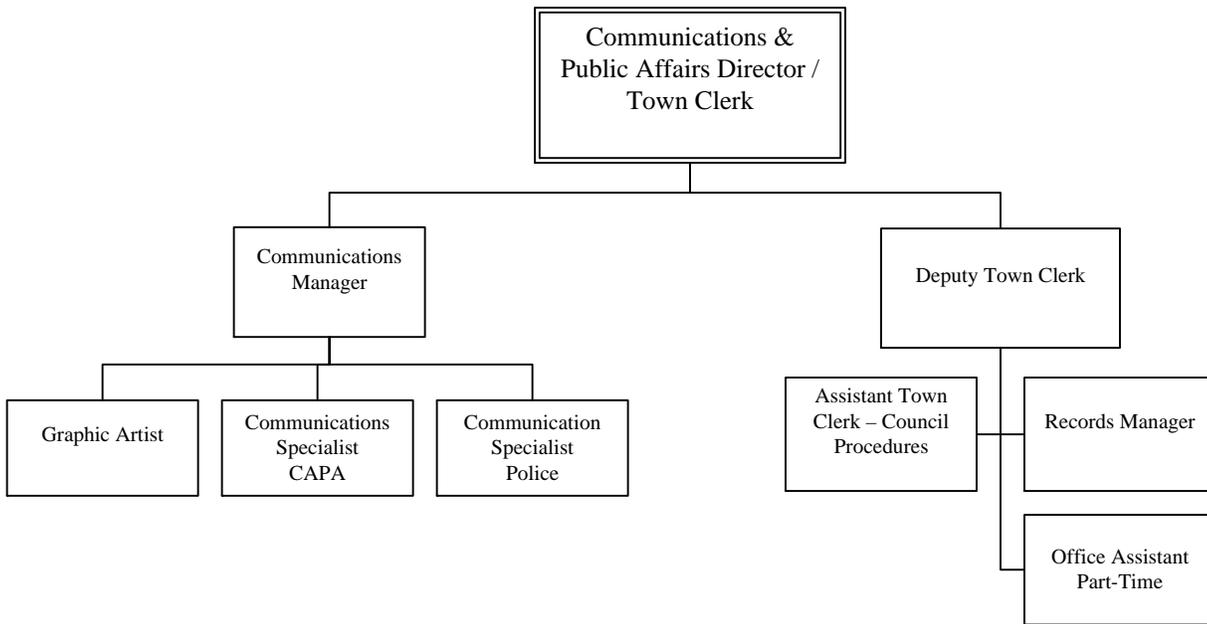
MISSION STATEMENT:

To encourage public 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, public education and service programs, and marketing activities.

The Communications and Public Affairs Department identified the following primary programs that are included in the adopted budget for 2019-20.

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.
Public Participation	Support the Town's advisory board system, including the establishment of standards, recruiting and training advisory board members, coordination of Council appointments.

COMMUNICATIONS & PUBLIC AFFAIRS



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

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 ADOPTED
Communications & Public Affairs Director / Town Clerk	1.00	1.00	1.00
Town Clerk-Deputy	1.00	1.00	1.00
Administrative Assistant	0.00	0.00	0.00
Assistant Town Clerk	2.00	1.00	1.00
Office Assistant	0.53	0.53	0.53
Communications Manager	1.00	1.00	1.00
Records Manager	0.00	1.00	1.00
Graphic Artist	1.00	1.00	1.00
Communications Specialist	1.00	1.00	1.00
Communications and Public Affairs Department Totals	<u>7.53</u>	<u>7.53</u>	<u>7.53</u>

COMMUNICATIONS & PUBLIC AFFAIRS/ TOWN CLERK BUDGET SUMMARY

The adopted budget for the Communications & Public Affairs department reflects a 4.5% increase from the 2018-19 budget. Personnel expenses increased by 2.1% due to a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs. Operating expenses increased by 13% to cover the costs of the biennial Community Survey, which is scheduled to be complete in FY20.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 614,600	\$ 681,837	\$ 663,437	\$ 657,651	\$ 725,319	6.4%
Operating Costs	199,691	188,368	215,806	192,607	196,823	4.5%
Total	\$ 814,291	\$ 870,205	\$ 879,243	\$ 850,258	\$ 922,142	6.0%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
General Revenues	\$ 814,291	\$ 870,205	\$ 879,243	\$ 850,258	\$ 922,142	6.0%
Total	\$ 814,291	\$ 870,205	\$ 879,243	\$ 850,258	\$ 922,142	6.0%

COMMUNICATIONS & PUBLIC AFFAIRS

Performance Measures

 COLLABORATION & INNOVATION	Strategic Objectives <ul style="list-style-type: none"> ➤ Engage the public in Town decision making and Town programs so that outcomes balance community interests, values, and needs ➤ 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 ➤ Council Business Meeting agenda will be posted to the web at least four days prior to the meeting 90% of the time ➤ Council Business Meeting video will be posted to the web within 24 hours 90% of the time.
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Core Business Program	Performance Measure	FY17 Actual	FY18 Actual	FY19 Estimate	FY20 Target
Communications and Public Information	Increase subscribers to Chapel Hill eNews, Twitter and Facebook by a combined increase of 10 %	10%	20%	22%	10%
	Meet/exceed the regional benchmark of 2013 Community Survey's results of 51% satisfaction with "availability of information about Town Programs."	No data ¹	61%	No data	51%
	Meet/exceed the regional benchmark of 2013 Community Survey's results of 48% satisfaction with "quality of Town website"	No data	56%	No data	48%
Citizen Participation	Approximate number of Council Meeting attendees	990	1,174	1,368	1,400
	Approximate number of Live streaming Web Views (Council and Advisory Board Meetings)	*	2,886	4,029	3,458
	Approximate number of Archived streaming Web Views (Council and Advisory Board Meetings)	*	6,633	4,288	5,461
	Approximate number of Live & Archived streaming Web Views (Other Events)	*	1,167	797	982
	Satisfaction rate with Town Website	*	56%	*	56%
	Satisfaction rate with eNews updates	89.0%	87%	*	87%
	Meet/exceed 2013 Community Survey's results of 60% satisfaction with "participate in local decisions/volunteering."	0	38%	*	60%
	Meet/exceed the regional benchmark of 2013 Community Survey's results of 40% satisfaction with "Level of public involvement in decision making."	*	38%	*	40%
Public Records	Number of records requests received by CaPA	236	*	261	218
	% of the time that the Council Business Meeting agenda is posted at least four days prior to the meeting.	86%	85%	pending	85%
Governance Support	% of the time that the Council Business Meeting video is posted within 24 hours.	100%	100%	pending	100%

* This is a new measure. Data for previous reporting periods is not available.

¹ The Community Survey is conducted on a biennial basis. Therefore, there is not data available on an annual basis.

HUMAN RESOURCE DEVELOPMENT DEPARTMENT

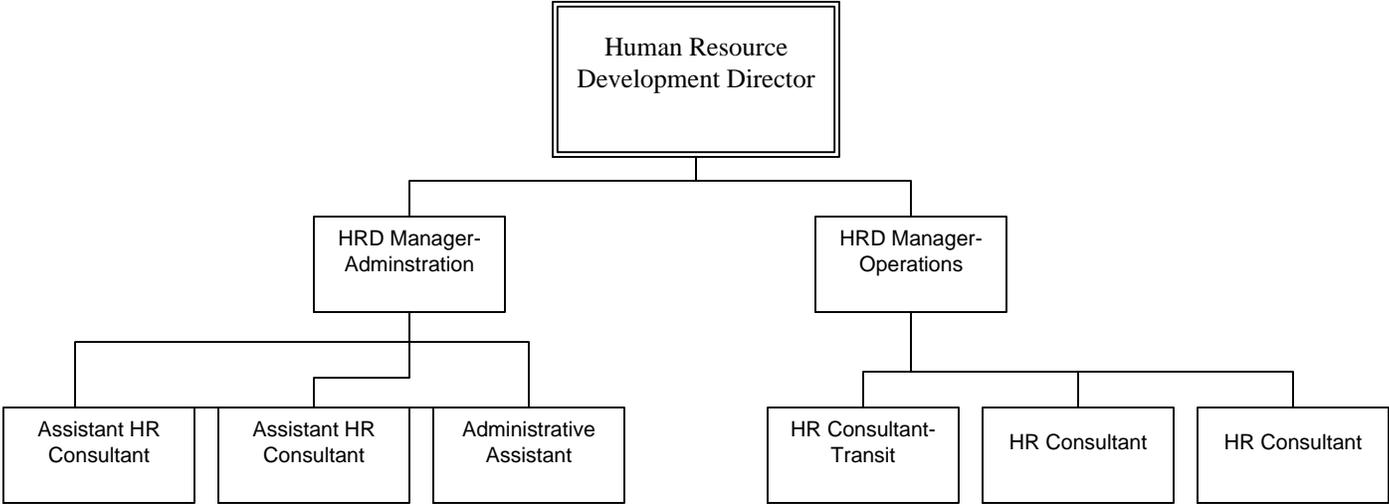
MISSION STATEMENT:

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.

The Human Resource Development Department identified the following primary programs that are included in the adopted budget for 2019-20.

Program	Description
Administration	Manage the operations of the department to ensure that programs and systems support the Town's mission. Provide support to the Manager and departments in the development, administration and interpretation of Policies and Procedures.
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 & 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 policies and laws that identify, attract and retain the most qualified applicants for employment while encouraging diverse representation at all levels of the workforce.
Safety & 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***

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 ADOPTED
Human Resource Development Director	1.00	1.00	1.00
Assistant Director-Human Resource Development	1.00	1.00	1.00
Assistant HR Consultant	1.00	0.00	0.00
Risk Manager	1.00	1.00	1.00
Claims Coordinator	1.00	1.00	1.00
Learning & Development Manager	1.00	1.00	1.00
Human Resources Technician	2.00	2.00	2.00
Human Resource Consultant	1.00	2.00	2.00
Administrative Assistant	1.00	1.00	1.00
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Human Resource Development Totals	10.00	10.00	10.00
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HUMAN RESOURCE DEVELOPMENT BUDGET SUMMARY

The adopted budget for the Human Resource Development department reflects a 5.1% increase from the 2018-19 budget. Personnel expenses increased by 3.3% due to a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs. Operating expenses increased by 7.4% to cover the costs of a comprehensive classification and compensation study (\$100,000). This increase is partially mitigated by a \$40,000 decrease in operating funds to align budget to actuals.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 822,434	\$ 990,551	\$ 941,728	\$ 936,671	\$ 1,023,181	3.3%
Operating Costs	846,798	778,402	948,214	932,785	836,354	7.4%
Total	\$ 1,669,232	\$ 1,768,953	\$ 1,889,942	\$ 1,869,456	\$ 1,859,535	5.1%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2017-18
General Revenues	\$ 1,669,232	\$ 1,768,953	\$ 1,889,942	\$ 1,869,456	\$ 1,859,535	5.1%
Total	\$ 1,669,232	\$ 1,768,953	\$ 1,889,942	\$ 1,869,456	\$ 1,859,535	5.1%

HUMAN RESOURCE DEVELOPMENT

Performance Measures

 <p>COLLABORATION & INNOVATION</p>	<p>Strategic Objectives</p> <ul style="list-style-type: none"> ➤ Ensure the workforce plan is up to date, competitive, promotes clear mobility, and identifies jobs for the future. ➤ Provide benefits plans that meet the needs of our employees, retirees and their dependents, aids in recruitment and retention, and is cost effective and sustainable. ➤ Treat employees equitably and consistently, that issues are resolved at the lowest level possible, and to create a work environment that recognizes and appreciates diversity. ➤ Support the development of our employees, including succession-planning efforts through professional development, career development, and improved performance management. ➤ Develop, implement and maintain selection procedures in accordance with applicable policies and law that identify attract and retain qualified applicants for employment while encouraging diverse representation at all levels of the workforce. ➤ Develop and implement an Occupational Safety and Health (OSH) program with management leadership, employee involvement, and commitment at all levels to provide a safe and healthful workplace for all employees.
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Core Business Program	Performance Measure	FY17 Actual	FY18 Actual	FY19 Estimate	FY20 Target
Classification and Compensation	Percentage of job descriptions reviewed annually	5%	8%	8%	30%
Benefits	HRA employee participation rate	96%	98%	99%	99%
Employee Relations	Number of grievances per 100 full-time equivalent (FTE) employees	1.00%	1%	0%	100.00%
Employee Training and Development	Number of participants as a percentage of total workforce/supervisors	68%	74%	73%	69%
	Number of employees trained in various areas by Human Resource Development staff	1,023	932	950	1,000
Recruitment Services	Women and minority employment in the workforce compared to minority representation in local available labor pool.	32%	30%	29%	30%
Safety and Wellness	Number of employees trained in Occupational, Health and Safety as a percentage of the total number of the workforce.	78	203	189	500
Safety and Wellness	Number of employees trained in Occupational, Health and Safety as a percentage of the total number of the workforce.	5%	8%	8%	30%

BUSINESS MANAGEMENT DEPARTMENT

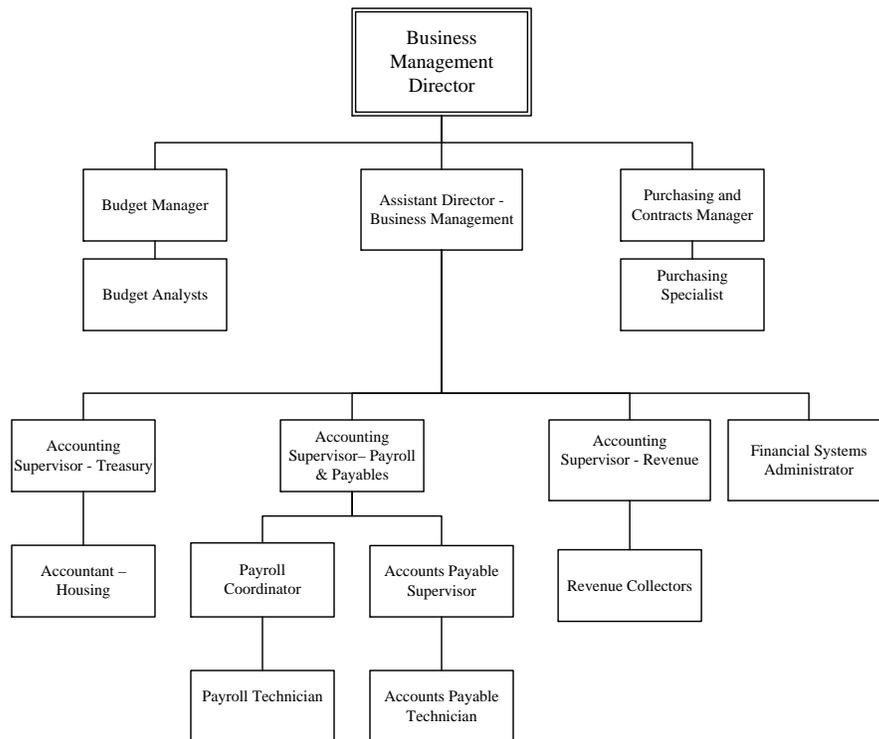
MISSION STATEMENT:

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 financial information and analysis to support decision making.

The Business Management Department identified the following primary programs that are included in the adopted budget for 2019-20.

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.
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 & Analysis	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.

BUSINESS MANAGEMENT DEPARTMENT



BUSINESS MANAGEMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 ADOPTED
<u>Finance</u>			
Director - Business Management	1.00	1.00	1.00
Assistant Director - Business Management	1.00	1.00	1.00
Financial Systems Administrator	1.00	1.00	1.00
Budget Manager	1.00	1.00	1.00
Budget Analyst	2.00	2.00	2.00
Accountant - Payroll & Payables	1.00	1.00	1.00
Accountant - Revenue	1.00	1.00	1.00
Accountant Supervisor - 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 Specialist	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	1.00	1.00
Accounts Payable Supervisor	1.00	1.00	1.00
Revenue Collector	2.00	2.00	2.00
Business Management Department Totals	18.00	18.00	18.00

BUSINESS MANAGEMENT BUDGET SUMMARY

The adopted budget for the Business Management department reflects a 2.5% increase from the 2018-19 budget. Personnel expenses increased by 3.2% due to a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 1,611,524	\$ 1,698,450	\$ 1,573,343	\$ 1,525,007	\$ 1,752,590	3.2%
Operating Costs	528,918	556,499	581,606	554,244	558,012	0.3%
Total	\$ 2,140,442	\$ 2,254,949	\$ 2,154,949	\$ 2,079,251	\$ 2,310,602	2.5%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
General Revenues	\$ 2,140,442	\$ 2,254,949	\$ 2,154,949	\$ 2,079,251	\$ 2,310,602	2.5%
Total	\$ 2,140,442	\$ 2,254,949	\$ 2,154,949	\$ 2,079,251	\$ 2,310,602	2.5%

BUSINESS MANAGMENT

Performance Measures

 ECONOMIC & FINANCIAL SUSTAINABILITY	Strategic Objectives <ul style="list-style-type: none"> ➤ Same-day deposits as a percentage of all receipts ➤ Total budget adjustments as a % of expenditures ➤ Projected General Fund revenues as a % of actual ➤ Percent of voided/reissued vendor checks ➤ Percent of voided/reissued/adjusted payroll checks * ➤ Receipt confirmation from LGC ➤ Receive annual GFOA Award for Financial Reporting ➤ Consecutive years receiving GFOA Award for Financial Reporting ➤ Purchase orders issued, as a percentage of all invoices over \$1,000 ➤ Percentage of contracts with funds encumbered prior to execution ➤ General Fund Debt as a percent of assessed value ➤ 10-year payout ratio ➤ Percentage of survey respondents indicating that the Finance Division service “meets” or “exceeds” expectations
 COLLABORATION & INNOVATION	

Core Business Program	Performance Measure	FY17 Actual	FY18 Actual	FY19 Estimate	FY20 Target
Billing and Collections	Same-day deposits as a percentage of all receipts	8.33%	8.33%	8.33%	8%
Budget	Total budget adjustments as a % of expenditures	6.30%	7.80%	7.56%	7.20%
	Projected General Fund revenues as a % of actual	-1.39%	-0.24%	-3.64%	2.00%
Payroll and Payables	Percent of voided/reissued vendor checks	2.39%	1.80%	2.00%	2.06%
	Percent of voided/reissued/adjusted payroll checks *	0.5%	0.162%	0.260%	0.3%
Accounting and Financial Reporting	Receipt confirmation from LGC	Yes	Yes	Yes	Yes
	Receive annual GFOA Award for Financial Reporting	Yes	Yes	Yes	Yes
	Consecutive years receiving GFOA Award for Financial Reporting	31	32	33	34
Purchasing and Contracts	Purchase orders issued, as a percentage of all invoices over \$1,000	96%	96%	91%	99%
	Percentage of contracts with funds encumbered prior to execution	98%	99%	99%	98%
Liquidity Management	General Fund Debt as a percent of assessed value	1%	1%	1%	1%
	10-year payout ratio	70%	73%	73%	74%
Financial Planning and Support	Percentage of survey respondents indicating that the Finance Division service “meets” or “exceeds” expectations	83%	No data	93%	95%

TECHNOLOGY SOLUTIONS DEPARTMENT

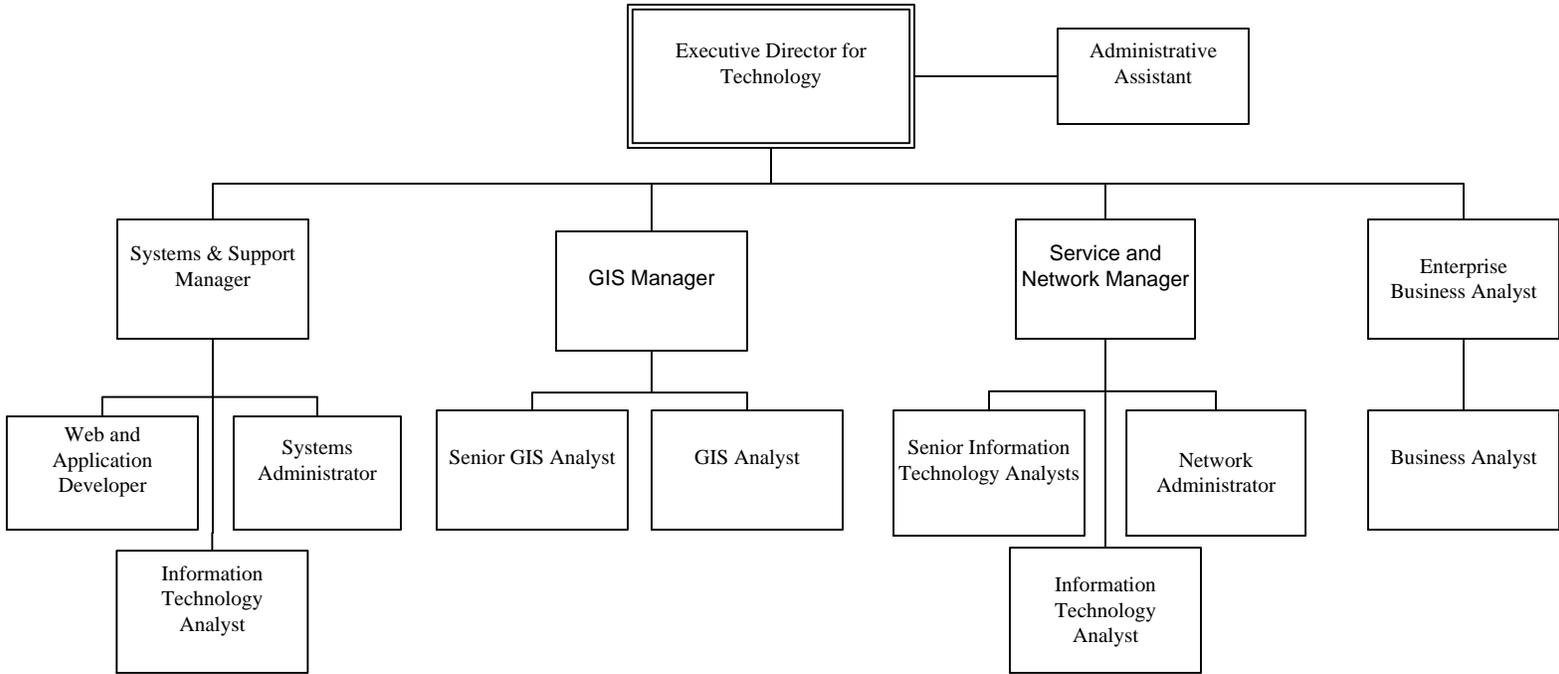
MISSION STATEMENT:

The mission of the Technology Solutions department is to provide technology leadership through innovation, oversight, education, and support to ensure that the Town makes the best possible use of available technology.

The Technology Solutions Department identified the following primary programs that are included in the adopted budget for 2019-20.

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.
Enterprise Application Analysis & Support	Administer and manage the Microsoft SharePoint, OnBase, and other Enterprise applications. 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

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 ADOPTED
Executive Director - Technology Solutions	1.00	1.00	1.00
Director-Technology Solutions	1.00	0.00	0.00
Senior Analyst	0.00	1.00	1.00
Network Administrator	1.00	1.00	1.00
Systems & Support Manager	1.00	1.00	1.00
Business Analyst	1.00	1.00	1.00
Information Technology Analyst	2.00	2.00	2.00
Senior Information Technology Analyst	2.00	2.00	2.00
Web Administrator	1.00	1.00	1.00
Technical Services Manager	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Systems Administrator	1.00	1.00	1.00
GIS Analyst II	0.00	2.00	2.00
Planning Manager	0.00	1.00	1.00
Technology Solutions Department Totals	13.00	16.00	16.00

TECHNOLOGY SOLUTIONS

BUDGET SUMMARY

The adopted budget for the Technology Solutions department reflects a 1.4% increase from the 2018-19 budget. Personnel expenses increased by 1.7% due to a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 1,273,160	\$ 1,750,969	\$ 1,711,469	\$ 1,683,530	\$ 1,780,902	1.7%
Operating Costs	503,492	532,889	600,152	582,001	535,317	0.5%
Capital Outlay	72,512	50,000	50,000	50,000	50,000	0.0%
Total	\$ 1,849,164	\$ 2,333,858	\$ 2,361,621	\$ 2,315,531	\$ 2,366,219	1.4%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
General Revenues	\$ 1,849,164	\$ 2,333,858	\$ 2,361,621	\$ 2,315,531	\$ 2,366,219	1.4%
Total	\$ 1,849,164	\$ 2,333,858	\$ 2,361,621	\$ 2,315,531	\$ 2,366,219	1.4%

TECHNOLOGY SOLUTIONS

Performance Measures

 COLLABORATION & INNOVATION	Strategic Objectives <ul style="list-style-type: none"> ➤ Respond to user related service requests within one working day. ➤ Resolve user-assist service requests within two working days. ➤ Provide high standard of operational capability with information systems. ➤ Resolve network service incidents within one working day. ➤ Bandwidth utilization expected to be <50% allowing for bursts ➤ Servers and other infrastructure patches up to date. ➤ Town employees trained to reduce risk of cyber-attacks. ➤ Resolve network service incidents within one working day ➤ Provide access to Town databases to support business functions ➤ Provide backup copies of data for recovery and business functions ➤ Provide access to Town applications ➤ Ensure technology related projects are compliant with legal and security requirements ➤ Ensure infrastructure can support technology plans across all departments
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Core Business Program	Performance Measure	FY17 Actual	FY18 Actual	FY19 Estimate	FY20 Target
User Support	Service request response percentage within Service Level Agreement (SLA)	90%	90%	90%	95%
	Percentage of user-assist service requests resolved within SLA (excludes cases requiring vendor support)	95%	95%	95%	95%
	Percentage of desktop computer software utilizing the most current version available	90%	90%	90%	90%
	Percentage of desktop computer equipment four years old or newer	98%	98%	98%	98%
Network Infrastructure	Percentage of network service incidents resolved within SLA	90%	90%	90%	90%
	Percentage of utilization factors of systems and infrastructure (i.e. storage capacity, bandwidth usage, compute-power usage)	50%	50%	50%	50%
Cyber Security	Percentage of machines in security compliance	85%	90%	90%	95%
	Number of training sessions offered on cyber security and appropriate use	*	*	*	10
Telecommunications	Percentage of phone service incidents resolved within SLA	99%	99%	99%	99%
Database Management	Percentage of time critical databases are available	*	*	*	99%
	Daily backup of environment maintained and tested	99%	99%	99%	99%
Enterprise Application Support	Percentage of application incidents/request resolved within SLA	*	*	*	99%
IT Planning and Coordination	Percentage of Town software and project contract reviews	*	*	*	95%
	Capacity, utilization and replacements plans completed within cycle	N/A	N/A	N/A	99%

* This is a new measure. Data for previous reporting periods is not available.

TOWN ATTORNEY

MISSION STATEMENT:

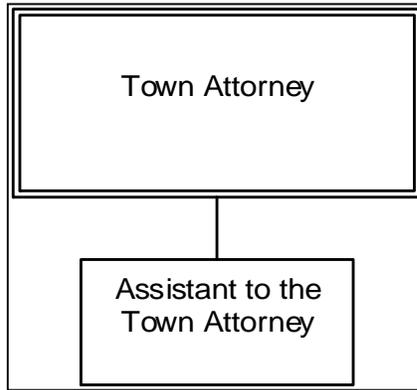
The primary mission of the Office of the Town Attorney is to protect the legal interests of the Town of Chapel Hill.

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 EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 ADOPTED
Town Attorney	1.00	1.00	1.00
Assistant to the Town Attorney	1.00	1.00	1.00
Attorney Department Totals	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>



TOWN ATTORNEY

BUDGET SUMMARY

The adopted budget for the Attorney's Office reflects a 10% increase from the 2018-19 budget. Personnel expenses increased by 10.5% due to the reclassification of the Legal Services Administrator position and a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs for the Office. Operating expenses decreased by 4.5% due to a small reduction in costs related to professional services.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 328,878	\$ 339,877	\$ 364,787	\$ 364,342	\$ 375,591	10.5%
Operating Costs	8,311	11,502	11,502	11,025	10,990	-4.5%
Total	\$ 337,189	\$ 351,379	\$ 376,289	\$ 375,367	\$ 386,581	10.0%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
General Revenues	\$ 337,189	\$ 351,379	\$ 376,289	\$ 375,367	\$ 386,581	10.0%
Total	\$ 337,189	\$ 351,379	\$ 376,289	\$ 375,367	\$ 386,581	10.0%

NON-DEPARTMENTAL DIVISION BUDGET SUMMARY

The Non-Departmental Division is used to account for activities in the General Fund that are not allocated to other departmental functions. These activities include contributions to other agencies, transfers to other funds, and liability insurance. The adopted budget includes a 4.9% increase to health insurance costs. The Town does not receive grants until mid-late May, so that line item will be adjusted for the adopted budget once the Town has received the grants. Agency contributions are unchanged from last year's budget. The largest increase in expenditures, of \$315,000, accounts for the planned coal ash remediation on town owned property.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Retiree Medical Insurance	\$ 1,431,190	\$ 1,450,000	\$ 1,450,000	\$ 1,560,000	\$ 1,620,000	11.7%
Other Personnel Costs	644	40,000	10,000	1,447	2,500	-93.8%
Liability Insurance	335,987	425,000	405,000	350,000	375,000	-11.8%
Transfer to Affordable Housing Operations	688,395	688,395	688,395	688,395	688,395	0.0%
Supplemental PEG Fees	118,692	172,250	213,891	190,250	171,812	-0.3%
Transfer to Other Funds	180,435	190,000	190,000	180,000	176,000	-7.4%
Transfer to Multi-Year Capital Projects	9,400	7,400	7,400	10,250	10,250	38.5%
Transfer to Capital Improvement Funds	10,300	-	-	-	-	N/A
Transfer to Debt Fund	490,700	237,500	566,991	566,991	321,600	35.4%
OPEB Liability Contributions	-	445,100	445,100	445,100	445,100	0.0%
Launch Initiative	630,000	630,000	630,000	630,000	500,000	-20.6%
Grant Matching Funds	33,500	-	-	-	-	N/A
Agency Contributions	96,023	81,551	81,551	81,551	87,550	7.4%
Technology Fund	1,165,431	1,127,547	1,128,047	1,127,547	1,218,485	8.1%
Coal Ash Remediation	-	-	17,265	-	-	N/A
Community Center	-	-	-	-	246,000	N/A
	-	-	400,000	400,000	-	N/A
Total	\$ 5,190,697	\$ 5,494,743	\$ 6,233,640	\$ 6,231,531	\$ 5,862,692	6.7%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
General Revenues	\$ 5,190,697	\$ 5,494,743	\$ 6,233,640	\$ 6,231,531	\$ 5,862,692	6.7%
Total	\$ 5,190,697	\$ 5,494,743	\$ 6,233,640	\$ 6,231,531	\$ 5,862,692	6.7%

ENVIRONMENT & DEVELOPMENT

BUDGET SUMMARY

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

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Planning	\$ 2,507,058	\$ 2,115,477	\$ 2,423,016	\$ 2,103,915	\$ 1,743,331	-17.6%
Housing & Community	733,577	833,548	843,548	796,458	837,649	0.5%
Public Works	11,847,895	12,777,850	12,703,404	12,225,694	13,065,980	2.3%
Total	\$ 15,088,530	\$ 15,726,875	\$ 15,969,968	\$ 15,126,067	\$ 15,646,960	-0.5%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
General Revenues	\$ 13,447,198	\$ 13,961,117	\$ 14,204,210	\$ 13,200,949	\$ 13,884,388	-0.5%
State-Shared Revenues	39,763	38,000	38,000	38,000	38,000	0.0%
Charges for Services	1,130,918	1,277,868	1,277,868	1,441,460	1,216,674	-4.8%
Licenses/Permits/Fines	307,716	376,890	376,890	335,485	437,055	16.0%
Other Revenues	162,935	73,000	73,000	110,173	70,843	-3.0%
Total	\$ 15,088,530	\$ 15,726,875	\$ 15,969,968	\$ 15,126,067	\$ 15,646,960	-0.5%

PLANNING & DEVELOPMENT SERVICES DEPARTMENT

MISSION STATEMENT:

The Chapel Hill Planning & Development Services 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.

The Planning & Development Services Department identified the following primary programs that are included in the adopted budget for 2019-20.

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 land use management permit applications and oversee the permit review process.
Development Services	The Development Services Division of the Office of Planning and Sustainability is responsible for the following: Managing incoming permit and project applications, Completing reviews on small permit applications, Coordinating with reviewers on larger permit applications.
Transportation Planning & Transportation Demand Management	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.
Community Sustainability	The Community Sustainability Division of the Office of Planning and Sustainability is focused on creating connections, choices, and community for a sustainable Chapel Hill. The Community Sustainability Division aims to provide opportunities for community members and businesses to engage in a variety of sustainable practices and programs.
GIS & Analytics	The GIS Division of the Office of Planning and Sustainability provides a town-wide data, mapping, and analytics function to support the production and analysis of information in decision making. Staff maintains the Town's data, performs specific analysis for projects, Council, other staff, and the community.

PLANNING

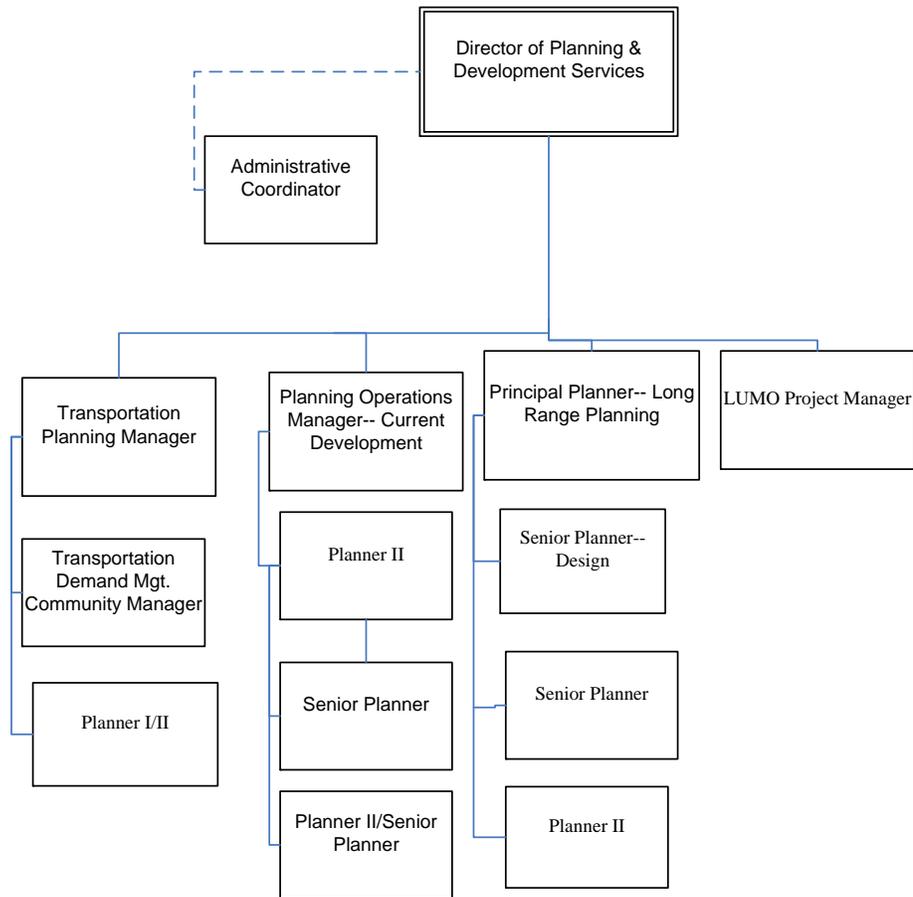
Performance Measures

 CONNECTED COMMUNITY	Strategic Objectives <ul style="list-style-type: none"> ➤ Provide high quality customer service with substantial opportunities for public input ➤ Provide high quality customer service with improved permit approval times ➤ Track special project progress within a fiscal year (for projects managed by Planning and Development Services) ➤ Create a system of policies and tools that provide clear guidance to residents, developers, staff, and council on future land use and can be used for review of development applications ➤ Make progress on implementation of Mobility and Connectivity Plan recommendations
 VIBRANT & INCLUSIVE COMMUNITY	

Core Business Program	Performance Measure	FY17 Actual	FY18 Actual	FY19 Estimate	FY20 Target
Current Development	Number of Public Information Meetings held on current development projects.	*	16	12	14
Development Services	Percentage of Residential Zoning Compliance Permit (all types) processed within 5 working days	81%	81%	85%	82%
	Percentage of Combined Residential Zoning-Building processed within goal time frame (Zoning-5 days / Building-10 days).	85%	83%	85%	84%
Planning	Progress made across all special projects managed by Planning and Development Services, as a percentage of the work targeted for FY18	*	92%	90%	91%
Long-Range Planning	Number of Community Planning Meetings held	*	*	4	5
	Completion of staff evaluation memos for all rezoning cases	*	*	100%	100%
Transportation Planning	Quarterly updates to Council and on website for Connected Community strategic goal	*	*	*	*
	Number of Mobility and Connectivity Plan projects/recommendations advanced	*	*	5	5

* This is a new measure. Data for previous reporting periods is not available.

PLANNING & DEVELOPMENT SERVICES



PLANNING DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 ADOPTED
<u>Planning</u>			
Director - Planning	1.00	1.00	1.00
Operations Manager - Planning	1.00	1.00	1.00
Community Resilience Officer	0.00	1.00	1.00
Planning Manager ¹	5.00	3.00	1.00
Planner/Planner II/Senior Planner ²	7.00	8.00	8.00
GIS Analyst II	2.00	0.00	0.00
Transportation Demand Community Manager ³	1.00	1.00	1.00
Code Enforcement Officer	1.00	1.00	0.00
Administrative Coordinator	0.65	0.65	0.65
Downtown Project Manager	1.00	1.00	1.00
LUMO Project Manager	1.00	1.00	1.00
Permitting Systems Technician	1.00	1.00	0.00
Planning Technician	1.00	1.00	0.00
Division Totals	22.65	20.65	15.65

¹ Planning Manager is partially grant-funded.

² A number of Planner positions are partially or fully grant funded in FY20.

³ Transportation Demand Community Manager is 50% grant-funded.

PLANNING

BUDGET SUMMARY

The adopted budget for the Planning Department reflects a 29.9% decrease from the 2018-19 budget. The majority of this decrease is due to a reorganization that allocated five employees (5 FTEs) to the Inspections division that had been previously budgeted in the Planning Department. Personnel expenses also reflect a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 1,788,389	\$ 1,667,066	\$ 1,673,101	\$ 1,395,005	1,274,548	-23.5%
Operating Costs	718,669	448,411	749,915	708,910	468,783	4.5%
Total	\$ 2,507,058	\$ 2,115,477	\$ 2,423,016	\$ 2,103,915	\$ 1,743,331	-17.6%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
General Revenues	\$ 2,018,430	\$ 1,532,737	\$ 1,840,276	\$ 1,484,277	\$ 1,178,313	-23.1%
Charges for Services	322,497	398,740	398,740	535,560	313,535	-21.4%
Licenses/Permits/Fines	159,513	180,000	180,000	80,085	246,140	36.7%
Other Revenues	6,618	4,000	4,000	3,993	5,343	33.6%
Total	\$ 2,507,058	\$ 2,115,477	\$ 2,423,016	\$ 2,103,915	\$ 1,743,331	-17.6%

PUBLIC WORKS

MISSION STATEMENT:

The Public Works team strives to provide excellent customer service, emphasizing public safety and environmental stewardship by preserving, maintaining, and enhancing the Town's infrastructure and natural resources.

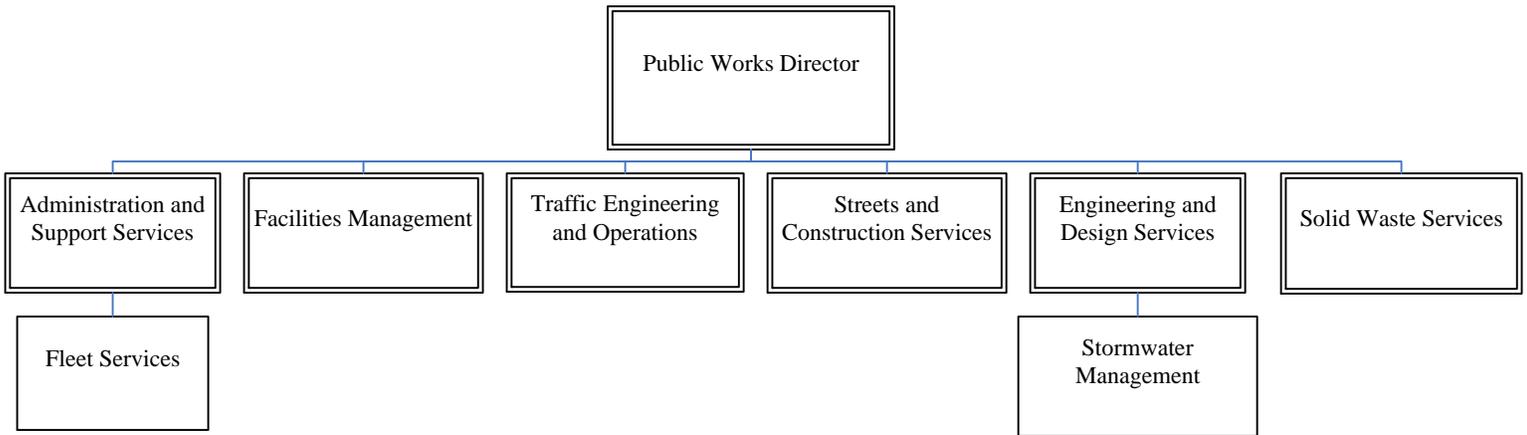
The Public Works Department identified the following primary programs that are included in the adopted budget for 2019-20.

Program	Description
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.

PUBLIC WORKS

Facilities Management & Maintenance	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).

PUBLIC WORKS OVERVIEW



PUBLIC WORKS DEPARTMENT
STAFFING COMPARISONS - IN FULL TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 ADOPTED
<u>Administration</u>			
Director-Public Works	1.00	1.00	1.00
Management Analyst	1.00	1.00	1.00
Administrative Analyst	1.00	1.00	1.00
Manager - Operations	1.00	1.00	1.00
Occupational Health and Safety Officer	1.00	1.00	1.00
Office Assistant	1.00	1.00	1.00
Accounting Technician II	1.00	1.00	1.00
Administrative Coordinator	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Division Totals	9.00	9.00	9.00
<u>Engineering and Design Services</u>			
Manager of Engineering & Infrastructure	1.00	1.00	1.00
Engineering Coordinator-Sr	1.00	1.00	1.00
Project Manager	1.00	1.00	1.00
Survey/Project Coordinator ¹	0.75	0.75	0.75
Senior Engineer ¹	0.85	0.50	0.50
Engineering Inspector	1.00	1.00	1.00
Engineering Inspector - Sr ¹	0.70	0.70	0.70
Landscape Architect	1.00	0.00	0.00
Engineering Technician	1.00	1.00	1.00
Capital Projects Manager	0.00	0.00	1.00
Urban Forester/Special Projects	1.00	0.00	0.00
Unit Totals	9.30	6.95	7.95
<u>Traffic Engineering and Operations</u>			
Traffic Engineering Manager	1.00	1.00	1.00
Traffic Signal System Engineer	1.00	1.00	1.00
Engineering Technician	1.00	1.00	1.00
Traffic Signal Systems Analyst	1.00	1.00	1.00
Lead Traffic Signal Tech	1.00	1.00	1.00
Traffic Signal Technician (Levels I-III)	3.00	3.00	3.00
Lead Sign & Marking Tech	1.00	1.00	1.00
Sign and Marketing Technician (Levels I-II)	2.00	2.00	2.00
Unit Totals	11.00	11.00	11.00
Division Totals	20.30	17.95	18.95

PUBLIC WORKS DEPARTMENT
STAFFING COMPARISONS - IN FULL TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 ADOPTED
<u>Streets and Construction Services</u>			
Streets			
Superintendent-Streets/Construction/Services	1.00	1.00	1.00
Streets Supervisor	1.00	1.00	1.00
Street Inspector	1.00	1.00	1.00
Street Crew Supervisor	1.00	1.00	1.00
Construction Worker (Levels I-IV)	8.00	8.00	8.00
Senior Heavy Equipment Officer	1.00	1.00	1.00
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	1.00
Construction Worker (Levels I - IV)	3.00	3.00	4.00
Senior Heavy Equipment Operator	1.00	1.00	1.00
Unit Totals	6.00	6.00	6.00
Division Totals	20.00	20.00	20.00
<u>Facilities Management</u>			
Buildings			
Facilities Manager	1.00	1.00	1.00
Facilities Supervisor	1.00	1.00	1.00
Building Maintenance Mechanic (Levels I-III)	6.00	6.00	6.00
Facilities Systems Technician	1.00	1.00	1.00
Processing Technician ²	0.25	0.25	0.25
Unit Totals	9.25	9.25	9.25
Division Totals	9.25	9.25	9.25
<u>Solid Waste and Fleet Services</u>			
Solid Waste			
Solid Waste Services Manager	1.00	1.00	1.00
Supervisor-Solid Waste (Residential and Commercial)	2.00	2.00	2.00
Solid Waste Services Crew Supervisor	1.00	1.00	1.00
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	92.55	90.20	91.20

¹ The Stormwater fund assumes a portion of salaries of the Survey/Project Coordinator, Senior Engineer, and Engineering Inspector - Sr.

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 a 2.3% increase from the 2019-20 budget. Personnel expenses in the adopted budget reflect a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs.

EXPENDITURES

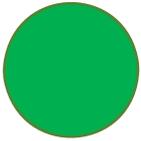
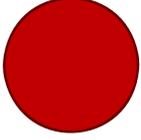
	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Administration	\$ 947,015	\$ 1,047,072	\$ 1,085,685	\$ 1,087,263	\$ 1,090,877	4.2%
Engineering & Design	789,025	827,104	799,054	803,051	975,815	18.0%
Traffic	2,047,745	2,026,088	2,086,415	1,859,741	2,023,599	-0.1%
Construction	648,991	689,388	689,028	586,259	676,386	-1.9%
Streets	2,142,332	2,238,876	2,416,293	2,443,082	2,316,635	3.5%
Building Maintenance	1,606,966	2,200,640	1,871,149	1,755,423	2,144,423	-2.6%
Solid Waste	3,665,821	3,748,682	3,755,780	3,690,875	3,838,245	2.4%
Total	\$ 11,847,895	\$ 12,777,850	\$ 12,703,404	\$ 12,225,694	\$ 13,065,980	2.3%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
General Revenues	\$ 10,695,191	\$ 11,594,832	\$ 11,520,386	\$ 10,920,214	\$ 11,868,426	2.4%
State Shared	39,763	38,000	38,000	38,000	38,000	0.0%
Charges for Services	808,421	879,128	879,128	905,900	903,139	2.7%
Licenses/Permits/Fines	148,203	196,890	196,890	255,400	190,915	-3.0%
Other Revenues	156,317	69,000	69,000	106,180	65,500	-5.1%
Total	\$ 11,847,895	\$ 12,777,850	\$ 12,703,404	\$ 12,225,694	\$ 13,065,980	2.3%

PUBLIC WORKS

Performance Measures

 ENVIRONMENTAL STEWARDSHIP	Strategic Objectives <ul style="list-style-type: none"> ➤ Address 95% of traffic signal system problems per the North Carolina Department of Transportation (NCDOT) and Federal Highway Administration (FHWA) standards ➤ Perform preventive maintenance on 95% of traffic signals every six months ➤ Perform 100% of emergency maintenance on regulatory traffic control signs per the Institute of Transportation Engineers(ITE) standards within two hours ➤ Review, approve and issue permits within five business days for all traffic control plans for lanes and street closures ➤ Perform traffic calming studies within six months of receiving the request ➤ Achieve an average pavement condition rating of 81 or better for 80% of town-maintained street system ➤ Achieve a resurfacing cycle of once every 15 years by resurfacing at least 7% of town-maintained streets annually ➤ Complete one leaf collection cycle between Halloween and Thanksgiving ➤ Complete 90% of one leaf collection cycle between Thanksgiving and Christmas ➤ Review and Respond to 90% of Survey Plat review request applications within five working days of receipt of a properly certified survey plat. ➤ Complete 100% of development plan reviews by assigned deadlines (road way and sidewalks in the public right of way) ➤ Collect 520 tons of residential refuse per collection FTE ➤ Recover 45% of commercial collection costs via commercial collection fees ➤ Maintain quality of residential trash/yard waste collection services customer satisfaction level ➤ Pre-treat all priority Town roadways and facilities prior to each anticipated significant winter inclement weather event ➤ Complete initial snow removal from 80% of priority streets within 48 hours after the end of each snow storm event ➤ Ensure at least 45% of facility work orders are preventive maintenance work ➤ Complete 85% of customer repair requests within 2 business days of receipt ➤ Dispatch personnel to 100% of facility emergency work orders within 1 hour
 ECONOMIC & FINANCIAL SUSTAINABILITY	
 CONNECTED COMMUNITY	
 SAFE COMMUNITY	

Core Business Program	Performance Measure	FY17 Actual	FY18 Actual	FY19 Estimate	FY20 Target
Traffic Signals	Percent of emergency traffic signal problems addressed within 2 hours.	*	*	*	95%
	Percent of traffic signals on which preventive maintenance is performed twice per year	60%	66%	69%	95%
Traffic Signs / Markings / Calming	Percent of emergency maintenance addressed on critical regulatory traffic control signs (i.e. stop sign, yield sign, one-way sign, do not enter sign) within two hours	*	*	67%	100%
	Percent of permits issued within five business days for traffic control plans for lanes and street closures	*	*	67%	100%
	Percent of traffic calming studies completed within six months of receiving the request	100%	100%	100%	100%
Streets and Parking Lots	Percent of town-maintained street system rated 81 or better (square yards)	55%	N/A	57.96%	100%
	Percent of town-maintained streets (square yards) resurfaced annually	3.0%	2.3%	2.54%	7.0%

	Percent of leaf collection cycle completed between Halloween and Thanksgiving	100%	100%	80%	100%
	Percent of leaf collection cycle completed between Thanksgiving and Christmas	100%	100%	50%	90%
Civil Engineering	Percent of properly certified and submitted Survey Plats reviewed and responded to within five (5) working days of receipt	*	100%	100%	100%
	Percent of development plan reviews completed by assigned deadline	*	*	*	100%
Solid Waste Collection	Tons of Residential Refuse Collected per Collection FTE	526	529	533	529
	Percent of commercial collection costs recovered via fees	43%	44%	pending	40%
	Percent of community “satisfied” or “very satisfied” with quality of trash/yard waste collection services	N/A	85%	85%	85%
Inclement Weather	Percent of priority Town roadways pre-treated prior to each anticipated significant inclement weather event	100%	100%	100%	100%
	Percent of priority streets where initial snow removal is completed within 48 hours	100%	100%	100%	100%
Facilities Management	Preventive maintenance work orders as a percent of total annual work orders	*	*	63%	45%
	Percent of customer repair requests completed within 2 business days of receipt	*	*	82%	85%
	Percent of emergency work orders that personnel respond to within 1 hour	100%	100%	100%	100%

* This is a new measure. Data for previous reporting periods is not available.

PUBLIC WORKS - Administration Division
BUDGET SUMMARY

The adopted budget for the Administration Division of the Public Works Department reflects a 4.2% increase from the 2018-19 budget. Personnel expenses increased by 5% due to a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 811,693	\$ 865,677	\$ 885,977	\$ 885,388	\$ 908,947	5.0%
Operating Costs	135,322	181,395	199,708	201,875	181,930	0.3%
Total	\$ 947,015	\$ 1,047,072	\$ 1,085,685	\$ 1,087,263	\$ 1,090,877	4.2%

PUBLIC WORKS - Engineering
BUDGET SUMMARY

The adopted budget for the Engineering Division of the Public Works Department reflects an 18% increase from the 2018-19 budget. This large increase is due to the transfer of a position (1 FTE) from the Parks Maintenance division to the Engineering Division. Personnel expenses also increased due to a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs. Operating expenses increased by 9.4% due to additional fleet use charges.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 736,379	\$ 773,636	\$ 755,736	\$ 753,092	\$ 917,329	18.6%
Operating Costs	52,646	53,468	43,318	49,959	58,486	9.4%
Total	\$ 789,025	\$ 827,104	\$ 799,054	\$ 803,051	\$ 975,815	18.0%

PUBLIC WORKS - Traffic

BUDGET SUMMARY

The adopted budget for the Traffic Division of the Public Works Department reflects a 0.1% decrease from the 2018-19 budget. Personnel expenses increased by 3.3% due to a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs. Operating expenses decreased by 3.6% due to a reduction in street lighting electricity budget to match actuals.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 940,314	\$ 1,013,884	\$ 1,013,884	\$ 1,007,879	\$ 1,047,566	3.3%
Operating Costs	1,107,431	1,012,204	1,072,531	851,862	976,033	-3.6%
Total	\$ 2,047,745	\$ 2,026,088	\$ 2,086,415	\$ 1,859,741	\$ 2,023,599	-0.1%

PUBLIC WORKS - Construction

BUDGET SUMMARY

The adopted budget for the Construction Division of the Public Works Department reflects a 1.9% decrease from the 2018-19 budget. Personnel expenses decreased by 3.3% due to employee turnover. Personnel expenses also include a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs for existing employees. Operating expenses increased slightly due to additional fleet use charges.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 432,818	\$ 466,159	\$ 463,759	\$ 356,755	\$ 450,586	-3.3%
Operating Costs	216,173	223,229	225,269	229,504	225,800	1.2%
Total	\$ 648,991	\$ 689,388	\$ 689,028	\$ 586,259	\$ 676,386	-1.9%

PUBLIC WORKS - Streets

BUDGET SUMMARY

The adopted budget for the Streets division reflects an overall expenditure increase of 3.5% from last year's budget. The 4.2% increase in personnel is due to a 3% pay adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs. The 2.9% increase in operating reflects an increase to fleet use charges. Some of the operation costs have been offset by a decrease to the vehicle replacement fund.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 1,002,775	\$ 1,060,255	\$ 1,053,240	\$ 1,005,216	\$ 1,104,866	4.2%
Operating Costs	1,113,242	1,153,621	1,324,728	1,383,941	1,186,769	2.9%
Capital Outlay	26,315	25,000	38,325	53,925	25,000	0.0%
Total	\$ 2,142,332	\$ 2,238,876	\$ 2,416,293	\$ 2,443,082	\$ 2,316,635	3.5%

PUBLIC WORKS - Building Maintenance

BUDGET SUMMARY

The adopted budget for the Building Maintenance division reflects an overall expenditure decrease of 2.6% from last year's budget. The 4.7% increase in personnel costs reflects a 3% pay adjustment, a 1.2% retirement increase, and a 4.9% health insurance increase. The 0.8% decrease in operation costs reflects a decrease in personnel agency payments. Capital outlay expenditures have decreased by 17.8% due to \$84,100 of the planned facility maintenance funding being transferred to the Capital Improvements Fund to better account for capital expenditures.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 728,608	\$ 761,711	\$ 761,711	\$ 679,587	\$ 797,626	4.7%
Operating Costs	878,358	966,715	1,028,314	973,113	958,683	-0.8%
Capital Outlay	-	472,214	81,124	102,723	388,114	-17.8%
Total	\$ 1,606,966	\$ 2,200,640	\$ 1,871,149	\$ 1,755,423	\$ 2,144,423	-2.6%

PUBLIC WORKS - Solid Waste Services
BUDGET SUMMARY

The adopted budget for the Solid Waste Services division reflects an overall expenditure increase of 2.4% from last year's budget. The 2.5% increase in personnel costs reflect a 3% pay adjustment, a 1.2% retirement increase, and a 4.9% health insurance increase. The 2.3% increase in operating cost is due to an increase in vehicle replacement services.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 2,172,810	\$ 2,293,918	\$ 2,241,418	\$ 2,175,063	\$ 2,350,204	2.5%
Operating Costs	1,493,011	1,454,764	1,514,362	1,515,812	1,488,041	2.3%
Total	\$ 3,665,821	\$ 3,748,682	\$ 3,755,780	\$ 3,690,875	\$ 3,838,245	2.4%

HOUSING & COMMUNITY DEPARTMENT

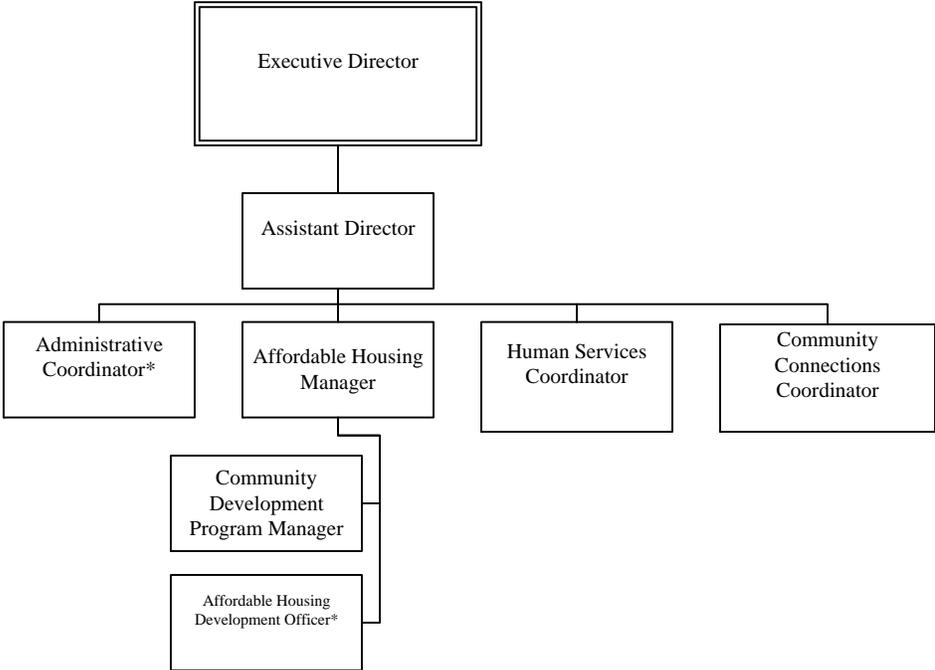
MISSION STATEMENT:

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

The Housing & Community Department identified the following primary program that is included in the adopted budget for 2019-20.

Program	Description
Affordable Housing Policy	Create and implement affordable housing plans. Create and support innovative affordable housing options that address all housing needs. Review development projects for compliance with affordable housing policies and ordinances. Liaison to the development review process (internal and external). Connect housing policy to other Town initiatives (Transit, Long Range Planning, Economic Development, Sustainability, Chapel Hill 2020). Establish new and manage existing relationships with development partners (private/non-profit). Provide staff support to the Housing Advisory Board and other ad-hoc committees as identified by Council.
Human Services	Manage the Human Services program. Establish new and manage existing relationships with the community and with service providers. Develop and implement community service programs for adults and youth in the community. Provide staff support to the Human Services Advisory Board and other ad-hoc committees as identified by Council.
Community Development	Develop and implement Community Development Block Grant Program Plans. Manage federal compliance for CDBG and HOME programs. Provide financial management and accounting for federal and local fund management. Provide staff support to standing Town advisory boards and other ad-hoc committees as identified by Council. Develop public communication materials for in-person, web, and published distributions. Manage relationships with housing and community development providers.

HOUSING & COMMUNITY



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

HOUSING & COMMUNITY
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 ADOPTED
Housing & Community			
Executive Director - Housing & Community	1.00	1.00	1.00
Assistant Director - Housing & Community	1.00	1.00	1.00
Resident Services Coordinator	1.00	1.00	1.00
Administrative Coordinator	0.20	0.20	0.20
Principal Planner	1.00	0.00	0.00
Affordable Housing Manager	0.00	1.00	1.00
Affordable Housing Officer	1.00	1.00	1.00
Community Development Program Manager	1.00	1.00	1.00
Human Services Coordinator	1.00	1.00	1.00
Division Totals	7.20	7.20	7.20

HOUSING & COMMUNITY BUDGET SUMMARY

The adopted budget reflects an overall increase of 0.5% from the previous fiscal year's budget. The 0.5% increase in personnel costs reflects a 3% pay adjustment, 4.9% increase in health insurance costs, and a 1.2% retirement increase. This is mostly offset by employee turnover. Operating costs have remained about the same.

EXPENDITURES

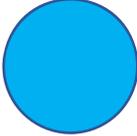
	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 670,232	\$ 749,608	\$ 759,608	\$ 714,029	\$ 753,729	0.5%
Operating Costs	63,345	83,940	83,940	82,429	83,920	0.0%
Total	\$ 733,577	\$ 833,548	\$ 843,548	\$ 796,458	\$ 837,649	0.5%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
General Revenues	\$ 733,577	\$ 833,548	\$ 843,548	\$ 796,458	\$ 837,649	0.5%
Total	\$ 733,577	\$ 833,548	\$ 843,548	\$ 796,458	\$ 837,649	0.5%

HOUSING & COMMUNITY

Performance Measures

 AFFORDABLE HOUSING  VIBRANT & INCLUSIVE COMMUNITY	<p>Strategic Objectives</p> <ul style="list-style-type: none"> ➤ To increase access to housing for individuals across a range of incomes, and to constantly strive for more equitable outcomes and opportunities for historically underserved populations ➤ Deepen the Town’s connections and engagement with organizations, groups, and populations that historically have been disengaged or disconnected from the Town ➤ Increase the diversity of residents engaged in Town processes and programs to fully reflect the composition of the community, with particular focus on engaging populations that have been historically disengaged or disconnected from the Town
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Core Business Program	Performance Measure	FY17 Actual	FY18 Actual	FY19 Estimate	FY20 Target
Affordable Housing	% of funding available for affordable housing projects allocated.	*	99%	85%	85%
	Number of affordable homes developed with support from the Town.	12	99	78	95
	Number of affordable homes preserved with support from the Town.	13	23	147	125
	Number of households assisted through our Rental and Utility Assistance Program.	5	14	14	12
	Number of units in our Transitional Housing Program	7	8	16	16%
	% of total eligible households assisted through our Housing Displacement Assistance Program	*	*	*	50%
	% increase in Town employees who live in Town.	*	*	*	5
	Dollars dedicated to affordable housing strategies in Town Budget	NA	\$6.23 M	\$5.65 M	\$15.6 M
	Number of new development units that received funding approval	18	91	101	100
	Number of preservation units that received funding approval	16	111	44	75
	Percentage of Town employees that live in Chapel Hill.	11%	10%	9%	10%
	Percentage of affordable housing in Town within a 1/2 mile of a bus stop.	*	*	95%	95%
	Percentage of residents satisfied with the availability of a range of housing options by price.	15%	15%	27%	27%
Community Connections	Percentage of human services agency recipients who are satisfied with our funding process.	*	89%	91%	90%
	% of total students living off campus that read the Tar Heel Citizen Times (open rate)	*	39%	38%	40%
	% of department staff who participate in Racial Equity Training	*	*	87.5%	100.0%

Number of residents served by programs funded through the Town's Human Services Program.	*	32,000	19,340	*
Total subscribers to Tar Heel Citizen Times (based on August/Sept issue). *Starting in FY19, THCT was sent to all undergraduate, graduate, and professional students.	5,947	6,090	23,477	20,960
Number of low-income youth employed through our Summer Youth Employment Program	37	33	29	29
Total budget for Human Services Program	\$419,000	\$419,000	\$446,500	\$446,500
Number of Town meetings where interpretation is provided	*	*	8	15%

* This is a new measure. Data for previous reporting periods is not available.

***PUBLIC SAFETY
BUDGET SUMMARY***

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

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Police	\$ 13,611,650	\$ 15,206,077	\$ 15,226,547	\$ 13,858,197	\$ 16,027,754	5.4%
Fire	8,786,448	9,393,617	9,412,341	9,006,243	9,653,939	2.8%
Total	\$ 22,398,098	\$ 24,599,694	\$ 24,638,888	\$ 22,864,440	\$ 25,681,693	4.4%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
General Revenues	\$ 18,063,259	\$ 21,042,019	\$ 21,071,213	\$ 18,938,422	\$ 21,807,523	3.6%
State-Shared Revenues	1,106,256	1,115,590	1,115,590	1,106,256	1,106,256	-0.8%
Grants	10,000	-	10,000	10,000	-	N/A
Charges for Services	668,973	667,085	667,085	673,862	672,664	0.8%
Licenses/Permits/Fines	2,448,492	1,630,000	1,630,000	1,990,900	1,950,250	19.6%
Other Revenues	101,118	145,000	145,000	145,000	145,000	0.0%
Total	\$ 22,398,098	\$ 24,599,694	\$ 24,638,888	\$ 22,864,440	\$ 25,681,693	4.4%

CHAPEL HILL POLICE DEPARTMENT

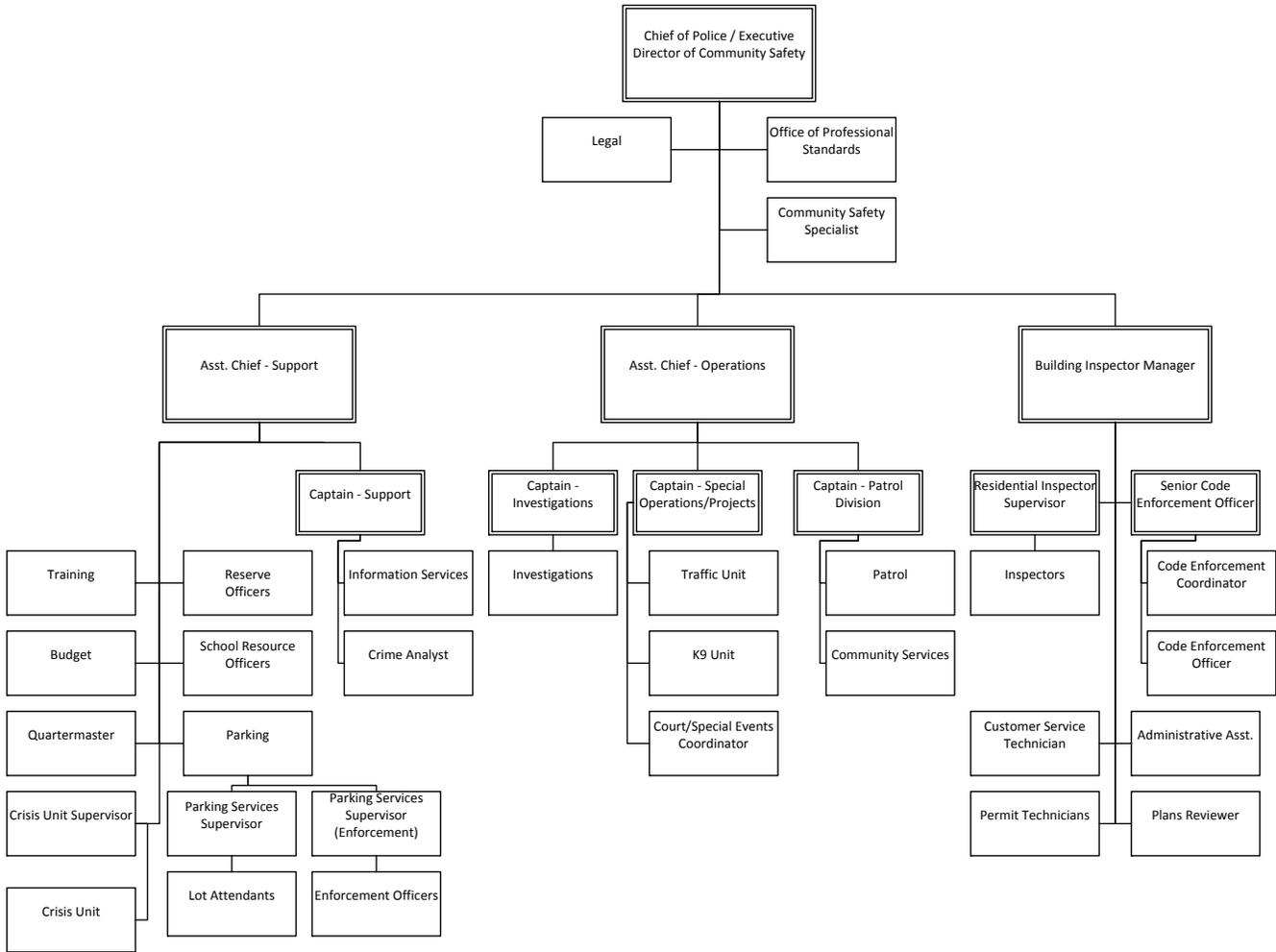
MISSION STATEMENT:

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 2019-20.

Program	Description
Patrol Division	Respond to 911 calls, investigate traffic accidents, conduct directed patrols, serve criminal processes, and provide patrols in the field. Participate in Community Watch Meetings and provide crime prevention and traffic education to public.
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.
Support Services	Coordinate and provide required training to meet State Criminal Justice standards of departmental employees. Manage and oversee budget and day to day financial records. Archive police records and make them available to community members.
School Resource Officers	Organize outreach to middle and high schools in Chapel Hill while serving as a liaison to the Police Department and providing security.
Special Events and Court Liaison	Provide logistical support for special events and coordinate with the local court.
Building Inspections	The Inspections Division manages the inspections and permits. The main responsibilities of the Division include: Enforcement of the NC State Building Codes, Chapel Hill Code of Ordinances, Minimum Housing Code, and the Land Use Management Ordinance.
Code Enforcement	Enforcement of the Minimum Housing Code and the Land Use Management Ordinance.

Police Department



POLICE DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 ADOPTED
Support Services			
Police Chief/Executive Director for Community Safety	1.00	1.00	1.00
Police Captain	0.00	0.00	0.00
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	4.00	4.00	4.00
Records Supervisor	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Administrative Coordinator	1.00	0.00	0.00
Management Analyst	0.00	1.00	1.00
Communications Specialist	1.00	1.00	1.00
Customer Service Technician	3.00	3.00	3.00
Community Safety Outreach Coordinator	0.00	0.00	1.00
Division Totals	16.00	16.00	17.00
Operations			
Assistant Police Chief	2.00	2.00	2.00
Police Captain	4.00	4.00	4.00
Police Lieutenant	9.00	8.00	8.00
Police Sergeant	11.00	11.00	12.00
Forensic and Evidence Specialist	2.00	2.00	2.00
Police Officer	90.00	90.00	88.00
Division Totals	118.00	117.00	116.00
<u>Inspections</u>			
Building Inspector Director	1.00	1.00	1.00
Code Enforcement Officer	2.00	2.00	2.00
Code Compliance Officer	1.00	0.00	0.00
Building Operations Manager	0.00	1.00	1.00
Commercial Plans Reviewer - Sr.	0.00	1.00	1.00
Customer Service Technician	1.00	1.00	2.00
Administrative Assistant	1.00	1.00	1.00
Inspector	7.00	7.00	7.00
Inspector Supervisor	1.00	1.00	1.00
Permit Technician	2.00	2.00	2.00
Planning Manager	0.00	0.00	2.00
Permitting Systems Admin	0.00	0.00	1.00
Planning Technician	0.00	0.00	1.00
Division Totals	16.00	17.00	22.00
Police Department Totals	150.00	150.00	155.00

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 increase due to an increase of licenses, permits, and fines (\$260,000). Personnel expenditure increases are attributed to a 3% market adjustment, a 4.9% health insurance increase, and a 1.2% retirement increase.

Starting in fiscal year 2014-15, the Inspections division was combined with Planning to create the Planning & Sustainability department. Beginning in fiscal year 2017-18, Inspections became a division under the Police department.

EXPENDITURES

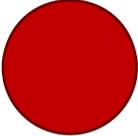
	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 11,862,873	\$ 13,462,290	\$ 13,403,290	\$ 12,079,239	\$ 14,203,584	5.5%
Operating Costs	1,748,777	1,743,787	1,823,257	1,778,958	1,824,170	4.6%
Total	\$ 13,611,650	\$ 15,206,077	\$ 15,226,547	\$ 13,858,197	\$ 16,027,754	5.4%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
General Revenues	\$ 10,809,593	\$ 13,157,077	\$ 13,167,547	\$ 11,431,520	\$ 13,718,754	4.3%
Grants	10,000	-	10,000	10,000	-	N/A
Charges for Services	396,309	400,000	400,000	406,777	400,000	0.0%
Licenses/Permits/Fines	2,294,630	1,504,000	1,504,000	1,864,900	1,764,000	17.3%
Other Revenues	101,118	145,000	145,000	145,000	145,000	0.0%
Total	\$ 13,611,650	\$ 15,206,077	\$ 15,226,547	\$ 13,858,197	\$ 16,027,754	5.4%

POLICE

Performance Measures

 SAFE COMMUNITY	Strategic Objectives <ul style="list-style-type: none"> ➤ Achieve or maintain “very satisfied” or “satisfied” survey ratings for customer perception of the Chapel Hill Police Department from at least 70% of customers surveyed. ➤ The annual number of part 1 Crimes against Persons and Property not exceed 1,500 crimes. ➤ Achieve an annual Clearance Rate of Part 1 Crimes against Persons of 60%. ➤ Achieve an annual Clearance Rate of Part 1 Property Crime of 17%. ➤ Maintain “very safe” or “safe” survey ratings for “Level of Safety and Security” in neighborhoods from at least 90% of residents surveyed. ➤ Achieve a decrease in vehicle crash resulting in injuries. ➤ Achieve “very satisfied” or “satisfied” survey ratings for employee perception of the police department from at least 75% of employees surveyed.
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Core Business Program	Performance Measure	FY17 Actual	FY18 Actual	FY19 Estimate	FY20 Target
Patrol Division, Investigative Division, Police Crisis Unit	Survey residents and ascertain satisfaction with overall quality of police protection.	88%	87%	90%	90%
	Total Number of Part 1 Crimes against Persons and Property	<1500	1,505	<1500	< 1500
	Percentage of Part 1 Crimes against Persons cleared	60%	56%	60	60%
	Percentage of Part 1 Property Crimes cleared	20%	20%	20%	17%
	“very safe” or “safe” survey ratings for “Level of Safety and Security” in neighborhoods in Community Survey.	85%	79%	85%	85%
	Percentage of vehicle crashes resulting in injuries <17% of our total number of crashes.	16.70%	*	*	*
Support Services	% of employees who advance through career progression program on-time	78%	99%	100%	100%
	% of police applicants successfully passing BLET/FTP	50%	87%	95%	100%
	Reduce turnover rate to national average (8%)	14%	13%	8%	10%

* This is a new measure. Data for previous reporting periods is not available.

POLICE - Support Services Division
BUDGET SUMMARY

The adopted budget for the Support Services division reflects an overall expenditure increase of 2.7% from last year's budget. The 4.0% increase in personnel is the result of a 3% pay adjustment, 4.9% increase in health insurance, and a 1.2% retirement increase. Additionally, a position was reorganized from the Operations Division to create a Community Safety Outreach Coordinator (1 FTE). There is a 0.2% increase in operating costs to match budget to actual expenditures.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 1,450,713	\$ 1,540,455	\$ 1,540,455	\$ 1,384,790	\$ 1,601,919	4.0%
Operating Costs	750,608	805,642	870,317	839,882	807,617	0.2%
Total	\$ 2,201,321	\$ 2,346,097	\$ 2,410,772	\$ 2,224,672	\$ 2,409,536	2.7%

POLICE - Operations Division
BUDGET SUMMARY

The Operations Division reflects a 3.2% increase in the 2019-20 budget. The personnel budget for the Operations Division reflects a 2.7% increase in personnel costs, due to a 3% pay adjustment and a 4.9% increase in health insurance costs. Additionally, the adopted budget includes a proposed salary increase for sworn officers to maintain compensation competitiveness in the region. The 9.2% increase in operating is primarily attributed to an increase in fleet use charges, and an increase in revenues directed toward the fleet vehicle replacement fund to replace vehicles as they reach their useful life.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 9,132,222	\$ 10,274,004	\$ 10,228,504	\$ 9,227,817	\$ 10,554,916	2.7%
Operating Costs	767,735	721,765	720,676	719,175	788,108	9.2%
Total	\$ 9,899,957	\$ 10,995,769	\$ 10,949,180	\$ 9,946,992	\$ 11,343,024	3.2%

POLICE - Special Events
BUDGET SUMMARY

The Special Events division tracks 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 have been successful. The adopted budget for 2019-20 reflects a 0.9% increase in operating costs for equipment rental to adjust budget to actual expenditures.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Operating Costs	\$ 113,703	\$ 111,350	\$ 111,350	\$ 108,262	\$ 112,350	0.9%
Total	\$ 113,703	\$ 111,350	\$ 111,350	\$ 108,262	\$ 112,350	0.9%

POLICE - Building & Development Services

BUDGET SUMMARY

The adopted budget for the Inspections division reflects an overall expenditure increase of 23.4% from last year's budget. Due to a reorganization the Inspections division gained five employees (5 FTEs) from the Planning department. Personnel costs increased by 24.2% due to increased cost the of skill-based pay program (\$18,000) for employee acquisition of additional qualifying certifications. Additionally, the increase includes a 3% pay adjustment, a 1.2% retirement increase, and a 4.9% health insurance increase. The operating costs increased by 10.5% as the operating costs associated with the reorganized personnel were moved to the Building and Development Services division.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 1,279,938	\$ 1,647,831	\$ 1,634,331	\$ 1,466,632	\$ 2,046,749	24.2%
Operating Costs	116,731	105,030	120,914	111,639	116,095	10.5%
Total	\$ 1,396,669	\$ 1,752,861	\$ 1,755,245	\$ 1,578,271	\$ 2,162,844	23.4%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
General Revenues	\$ (784,219)	\$ 344,861	\$ 347,245	\$ (184,629)	\$ 501,844	45.5%
Licenses/Permits/Fines	2,180,888	1,408,000	1,408,000	1,762,900	1,661,000	18.0%
Total	\$ 1,396,669	\$ 1,752,861	\$ 1,755,245	\$ 1,578,271	\$ 2,162,844	23.4%

INSPECTIONS

Performance Measures

 <p>SAFE COMMUNITY</p>	<p>Strategic Objectives</p> <ul style="list-style-type: none"> ➤ Improve customer service delivery with technology enhancements ➤ Improve customer service and delivery of commercial plan reviews within targeted deadlines ➤ Improve customer service and delivery of residential plan reviews with targeted deadlines. ➤ Improve response time to inspections requests with targeted deadlines ➤ Improve response time to code complaints and with targeted deadlines
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Core Business Program	Performance Measure	FY17 Actual	FY18 Actual	FY19 Estimate	FY20 Target
Code Enforcement (Housing Code, LUMO), Building Inspections, and Permitting	% of staff trained on usage of new program once installed	*	*	100%	100%
	Increase percentage of commercial plans reviews completed within 30 days of acceptance.	71.30%	80%	80%	85%
	Increase percentage of residential plan reviews completed within 5 days of acceptance.	72.80%	80%	80%	90%
	Increase percentage of inspections completed within one workday of request	99.40%	99%	99%	100%
	Increase percentage of code complaints responded to within 2 business days	51.10%	50%	93%	95%

* This is a new measure. Data for previous reporting periods is not available.

FIRE DEPARTMENT

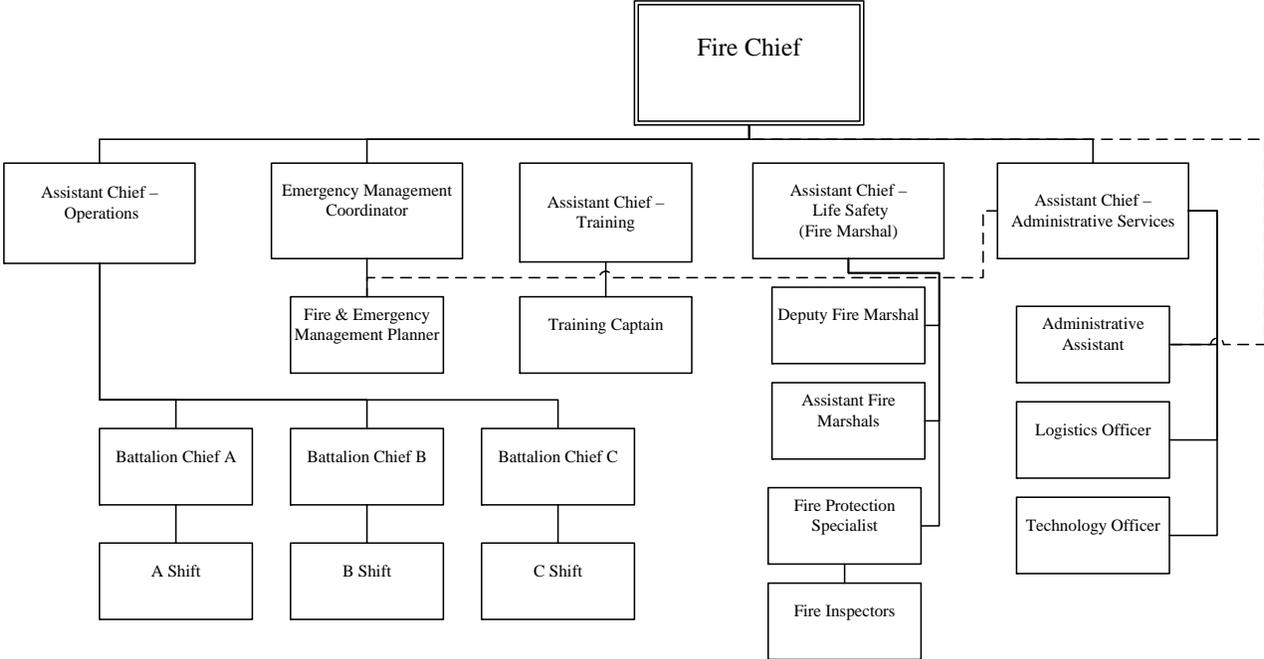
MISSION STATEMENT:

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 2019-20.

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.
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.
Fire Prevention & Life 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.
Emergency 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.
Emergency Management	Facilitate preparedness activities that counter threats and hazards to the community and provide for the prevention of, protection from, mitigation of, response to and recovery from natural and man-made disasters.

FIRE



FIRE DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 ADOPTED
Administration			
Fire Chief	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Management Analyst	1.00	0.00	0.00
Assistant Chief - Admin Services	0.00	1.00	1.00
Emergency Management Planner	0.00	0.00	1.00
Emergency Management Coordinator	1.00	1.00	1.00
Division Totals	4.00	4.00	5.00
Emergency Operations			
Fire Chief - Deputy Operations	1.00	0.00	0.00
Fire/Emergency Management Planner	0.00	1.00	0.00
Battalion Fire Chief	4.00	3.00	3.00
Fire Captain\Lieutenant	19.00	19.00	23.00
Fleet & Logistics Officer	1.00	1.00	0.00
Assistant Fire Chief of Operations	1.00	1.00	1.00
Assistant Fire Chief of Training	0.00	1.00	1.00
Fire Comms Tech Officer	1.00	1.00	1.00
Fire Equipment Operator	17.00	19.00	21.00
Firefighter/Master	40.00	38.00	33.00
Division Totals	84.00	84.00	83.00
Life Safety			
Fire Marshall	1.00	1.00	1.00
Fire Inspector	2.00	2.00	2.00
Fire Protection Specialist	1.00	1.00	0.00
Deputy Fire Marshal	1.00	1.00	2.00
Assistant Fire Marshal	3.00	3.00	3.00
Division Totals	8.00	8.00	8.00
Fire Department Totals	96.00	96.00	96.00

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. Changes related to expenditures are noted on division summaries. Personnel costs have increased due to 3% market adjustments, a 4.9% increase in medical insurance costs, and a 1.2% retirement increase.

EXPENDITURES

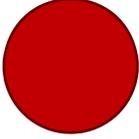
	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 7,781,134	\$ 8,306,586	\$ 8,306,586	\$ 7,908,436	\$ 8,588,252	3.4%
Operating Costs	1,003,308	1,076,531	1,105,755	1,088,267	1,055,687	-1.9%
Capital Outlay	2,006	10,500	-	9,540	10,000	-4.8%
Total	\$ 8,786,448	\$ 9,393,617	\$ 9,412,341	\$ 9,006,243	\$ 9,653,939	2.8%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
General Revenues	\$ 7,253,666	\$ 7,884,942	\$ 7,903,666	\$ 7,506,902	\$ 8,088,769	2.6%
State-Shared Revenues	1,106,256	1,115,590	1,115,590	1,106,256	1,106,256	-0.8%
Charges for Services	272,664	267,085	267,085	267,085	272,664	2.1%
Licenses/Permits/Fines	153,862	126,000	126,000	126,000	186,250	47.8%
Total	\$ 8,786,448	\$ 9,393,617	\$ 9,412,341	\$ 9,006,243	\$ 9,653,939	2.8%

FIRE

Performance Measures

 SAFE COMMUNITY	<p>Strategic Objectives</p> <ul style="list-style-type: none"> ➤ 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. ➤ Make building familiarization and pre-incident planning tours of each commercial, industrial and other similar building at least annually. ➤ Maintain out-of-service time of front line apparatus at 10% or less ➤ Achieve and maintain a response time (dispatch to on-scene) of 5 minute arrival time in first due area at least 90% of the time ➤ Work collaboratively with OCEM to coordinate efforts to release fire units as quickly as possible on medical calls without compromising care to the citizens. Reduce on-scene time to less than 20 minutes 90% of the time ➤ Enforce the fire and safety codes of the Town and State through inspection, plan review and investigating the causes of fires ➤ Reach at least 15% of the Chapel Hill population annually with presentations, demonstrations, programs, materials and events with messages to raise awareness and knowledge of how to prevent emergency incidents and/or how to appropriately react when an emergency does occur ➤ Achieve full ISO credit for training standards in the areas of: company, officer, driver operator, and hazardous material
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Core Business Program	Performance Measure	FY17 Actual	FY18 Actual	FY19 Estimate	FY20 Target
Emergency Operations	Percentage of structure fire responses within 5 minutes from dispatch to the arrival of the first unit	57%	70%	73%	80%
	Percentage of structure fire responses within 9 minutes from dispatch to the arrival of the full alarm	48%	90%	54%	80%
	Percentage of non-medical emergency responses within 5 minutes from dispatch to the arrival of the first unit.	57%	65%	78%	80%
	Percentage of buildings toured for familiarization and pre-incident planning.	90%	95%	81%	95%
	Percentage of front line apparatus with out-of-service time greater than 10%	13%	22%	50%	20%
First Responder Medical Services	CHFD response time to medical calls within 5 minutes from dispatch to arrival	85%	85%	59%	90%
	CHFD is released from medical calls in less than 20 minutes 90% of the time	88%	90%	78%	90%
Code Enforcement	Percentage of State required inspections completed	52%	98%	98%	90%

Fire Prevention and Safety Education	Combined audiences of public safety presentation, as a percentage of total population	25%	71%	11%	15%
Training and Development	Personnel completed company training (192 hours required)	90%	100%	97%	100%
	Personnel completed full officer training (12 hours required)	100%	100%	82%	100%
	Personnel completed existing driver operator training (12 hours required)	100%	100%	100%	100%
	Personnel completed hazardous material training (6 hours required).	100%	100%	57%	100%

FIRE - Administration Division
BUDGET SUMMARY

The adopted budget for the Administration division reflects an overall expenditure increase of 19.8% from last year's budget. One position (1 FTE) was moved and reclassified from the Fire Emergency Operations division to create an Emergency Management Coordinator. In addition to the reorganization, the increase in personnel cost is the result of a 3% pay adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs. The operating budget reflects a 3.2% increase to align budget to actuals.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 400,369	\$ 492,506	\$ 492,506	\$ 486,852	\$ 614,508	24.8%
Operating Costs	134,946	146,118	146,118	145,968	150,764	3.2%
Total	\$ 535,315	\$ 638,624	\$ 638,624	\$ 632,820	\$ 765,272	19.8%

FIRE - Emergency Operations Division
BUDGET SUMMARY

The adopted budget for the Emergency Operations Division reflects a 1.1% increase overall. This is due to a 3% pay adjustment, a 4.9% increase in health insurance costs, and a 1.2% retirement. The reorganization of one employee (1 FTE) to the Fire Administration division offset some personnel costs. Operating expenditures saw a 2.3% decrease, reflecting reductions to vehicle replacement charges. There is a reduction in the capital outlay to align budget to actuals.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 6,685,703	\$ 6,986,286	\$ 6,986,286	\$ 6,702,306	\$ 7,093,775	1.5%
Operating Costs	795,028	845,982	874,458	867,599	826,173	-2.3%
Capital Outlay	2,006	10,500	-	9,540	10,000	-4.8%
Total	\$ 7,482,737	\$ 7,842,768	\$ 7,860,744	\$ 7,579,445	\$ 7,929,948	1.1%

FIRE - Life Safety Division
BUDGET SUMMARY

The adopted budget for the Life Safety division reflects an overall expenditure increase of 5.1% from last year's budget. The 6.3% increase in personnel is due to a 3% pay adjustment, a 4.9% increase in health insurance costs, as well as a 1.2% retirement increase. This is slightly offset by a reduction to overtime salary. The operating budget decreased by 6.7% to align budget to actuals.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 695,062	\$ 827,794	\$ 827,794	\$ 719,278	\$ 879,969	6.3%
Operating Costs	73,334	84,431	85,179	74,700	78,750	-6.7%
Total	\$ 768,396	\$ 912,225	\$ 912,973	\$ 793,978	\$ 958,719	5.1%

**LEISURE
BUDGET SUMMARY**

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

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Parks and Recreation	\$ 6,752,391	\$ 7,365,091	\$ 7,103,116	\$ 6,671,847	\$ 7,236,607	-1.7%
Library	3,291,755	3,402,158	3,716,049	3,542,391	3,822,604	12.4%
Total	\$ 10,044,146	\$ 10,767,249	\$ 10,819,165	\$ 10,214,238	\$ 11,059,211	2.7%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
General Revenues	\$ 7,916,514	\$ 8,751,382	\$ 8,803,298	\$ 8,167,099	\$ 8,794,417	0.5%
Grants	703,355	680,899	680,899	681,301	679,399	-0.2%
Charges for Services	1,344,140	1,261,718	1,261,718	1,258,603	1,477,395	17.1%
Other Revenues	35,137	28,250	28,250	62,235	63,000	123.0%
Transfers/Other Sources	45,000	45,000	45,000	45,000	45,000	0.0%
Total	\$ 10,044,146	\$ 10,767,249	\$ 10,819,165	\$ 10,214,238	\$ 11,059,211	2.7%

PARKS AND RECREATION DEPARTMENT

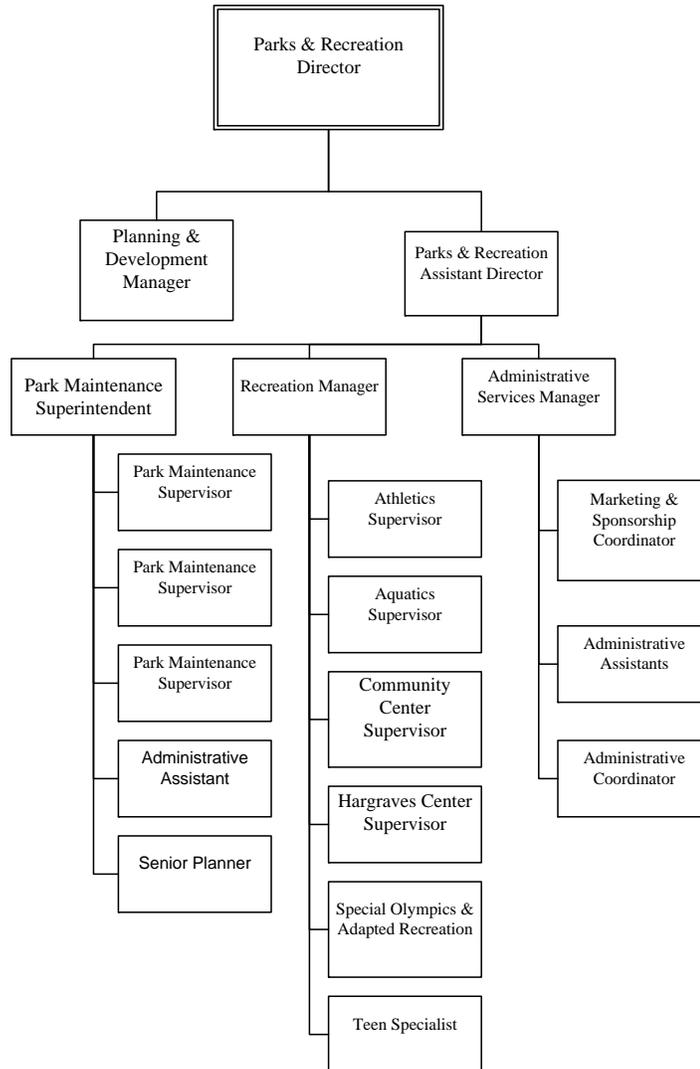
MISSION STATEMENT:

To provide exceptional recreational and cultural opportunities in beautiful, sustainable environments.

The Parks & Recreation Department identified the following primary programs that are included in the adopted budget for 2019-20.

Program	Description
Park Maintenance	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.
Planning & Development of Parks & Greenways	Planning and development of park renovations, future parks, and greenways based on the Parks Master Plan and the Greenways Master Plan. Managing construction/renovation projects.
Cemetery Operations	Administer operations of 4 Town cemeteries, including sale of burial plots, scheduling of burials, maintenance and mowing of cemeteries, and record keeping including burial records
Recreation 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 as well as programs for unique populations including Special Olympics and Therapeutic Recreation programs.
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.

Parks & Recreation



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

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 ADOPTED
Administration			
Director-Parks & Recreation	1.00	1.00	1.00
Assistant Director-Parks and Recreation	1.00	1.00	1.00
Planning & Development Manager	1.00	1.00	1.00
Administrative Coordinator	1.00	1.00	1.00
Recreation Manager	1.00	1.00	1.00
Administrative Assistant	2.00	2.00	2.00
Administrative Services Manager	1.00	1.00	1.00
Marketing & Sponsorship Coordinator	1.00	1.00	1.00
Division Totals	<u>9.00</u>	<u>9.00</u>	<u>9.00</u>
Landscape Services and Park Maintenance			
Parks Maintenance Superintendent	1.00	1.00	1.00
Landscape Supervisor	3.00	3.00	3.00
Municipal Arborist	1.00	1.00	1.00
Project Manager	1.00	1.00	0.00
Assistant Arborist	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
Landscape Architect	0.00	1.00	1.00
Division Totals	<u>25.00</u>	<u>26.00</u>	<u>25.00</u>
Athletics			
Recreation Supervisor	1.00	1.00	1.00
Adaptive Recreation Coordinator	1.00	1.00	1.00
Special Olympics Coordinator	1.00	1.00	1.00
Recreation Specialist	1.53	1.50	1.50
Division Totals	<u>4.53</u>	<u>4.50</u>	<u>4.50</u>
Community Center			
Recreation Supervisor	1.00	1.00	1.00
Recreation Specialist	0.50	1.00	1.00
Recreation Assistant	2.00	2.00	2.50
Division Totals	<u>3.50</u>	<u>4.00</u>	<u>4.50</u>

continued

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

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 ADOPTED
Aquatics Center			
Recreation Supervisor	1.00	1.00	1.00
Assistant Recreation Supervisor	1.00	1.00	1.00
Aquatics Specialist	4.00	4.00	4.00
Division Totals	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>
Public Arts			
Public Arts Administrator	1.00	0.00	0.00
Public Arts Coordinator	1.00	0.00	0.00
Division Totals	<u>2.00</u>	<u>0.00</u>	<u>0.00</u>
Hargraves Center			
Recreation Supervisor	1.00	1.00	1.00
Assistant Recreation Supervisor	1.00	1.00	1.00
Recreation Specialist	1.80	1.50	1.80
Recreation Assistant	2.00	1.50	1.00
Division Totals	<u>5.80</u>	<u>5.00</u>	<u>4.80</u>
Community Cultural Arts			
Recreation Supervisor	1.00	1.00	0.00
Festivals & Event Technician	1.00	1.00	0.00
Division Totals	<u>2.00</u>	<u>2.00</u>	<u>0.00</u>
Parks & Recreation Department Totals	<u><u>57.83</u></u>	<u><u>56.50</u></u>	<u><u>53.80</u></u>

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

PARKS AND RECREATION

BUDGET SUMMARY

The adopted budget for Parks & Recreation has a slight overall decrease. The budget includes a 3% pay adjustment, a 4.9% increase in health insurance costs, and a 1.2% retirement increase. The overall decrease is attributed to the reorganization of two full time employees (2.0 FTEs) from the Parks and Recreation Special Event's division to the Library Department, as well as aligning budget to actuals for some line items.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 5,111,161	\$ 5,507,882	\$ 5,286,898	\$ 4,922,987	\$ 5,422,411	-1.6%
Operating Costs	1,624,520	1,857,209	1,810,378	1,748,860	1,814,196	-2.3%
Capital Outlay	16,710	-	5,840	-	-	N/A
Total	\$ 6,752,391	\$ 7,365,091	\$ 7,103,116	\$ 6,671,847	\$ 7,236,607	-1.7%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
General Revenues	\$ 5,444,899	\$ 6,155,005	\$ 5,893,030	\$ 5,439,454	\$ 5,806,027	-5.7%
Grants	106,760	83,760	83,760	85,656	83,760	0.0%
Charges for Services	1,188,482	1,124,326	1,124,326	1,131,937	1,342,820	19.4%
Other Revenues	12,250	2,000	2,000	14,800	4,000	100.0%
Total	\$ 6,752,391	\$ 7,365,091	\$ 7,103,116	\$ 6,671,847	\$ 7,236,607	-1.7%

PARKS & RECREATION

Performance Measures

 <p>CONNECTED COMMUNITY</p>  <p>VIBRANT & INCLUSIVE COMMUNITY</p>  <p>ENVIRONMENTAL STEWARDSHIP</p>	<p>Strategic Objectives</p> <ul style="list-style-type: none"> ➤ Use contracted services to maintain community space. ➤ Use employees to maintain community space. ➤ Maintain community space in an attractive and timely manner ➤ Provide community use of Town recreation facilities ➤ Offer exceptional recreational and cultural programs to the community ➤ Planning and Facility Development
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Core Business Program	Performance Measure	FY17 Actual	FY18 Actual	FY19 Estimate	FY20 Target
Park Maintenance and Landscape Services	Number of acres contracted for Right of ways	70	70	70	70
	Number of acres contracted for Transit and Park and Ride Lots	*	16	22	22
	Number of acres contracted for the Library	4	4	4	4
	Number of Acres maintained per employee	20	22	22	22
	Mowing Frequency of Hybrid Bermuda fields	3	3	3	3
	Mowing Frequency of Fescue ball fields	7	7	7	7
	Mowing Frequency of Parks, Facilities and Greenways	7	7	7	7
	Mowing Frequency of Tractor Right of Way	42	42	42	42
Recreation Programming	Mowing Frequency of Contracted Right of Way mowing	14	14	14	14
	Field rentals - number of rentals	2,088	2,163	2,275	2,200
	Field rentals - revenue	\$241,643	\$331,215	393,795	390,000
	Field rentals - attendance	156,691	166,002	181,717	180,000
	Shelter rentals - number of rentals	340	276	365	350
	Shelter rentals - revenue	\$13,630	\$11,756	14,914	13,000
	Shelter rentals - attendance	13,673	11,618	14,223	13,000
	Pool rentals - number of rentals	194 ¹	4959 ²	5,336	5,200
Pool rentals - revenue	7389 ³	161,414 ⁴	176,029	175,000	

¹ Includes rentals entered into RecTrac as well as CHCCS Team Rentals - Homestead Closed Jan. 17-Apr.17 due to leak

² \$68,839 includes all FY17 contributions to The Friends of Chapel Hill Parks, Recreation & Greenways

³ Number of deposits into Friends - spreadsheet data will collect individual donations from this point forward

⁴ Changed from vendor contracted swim lessons to vendor pool rental in 2018

	Pool rentals - attendance	3,843	20,256	18,072	19,000
	Other Indoor Rentals - number of rentals for meeting rooms, gyms and auditorium	223	115 ⁵	163	140
	Other Indoor Rentals - revenue	\$10,887	\$13,358	18,294	15,000
	Other Indoor Rentals - attendance	15170	6178	6,173	6,000
	Number of programs offered	1,255	771 ⁶	970	980
	Percentage of programs completed	*	80%	80%	80%
	Number of registered participants in all programs	6,213	7,025	7,243	8,000
	Number of waitlisted participants in all programs	994	1,498	1,540	1,400
	Number of drop-in participants in all programs	34,612	38,678	37,119	38,000
Administration	Department and Co-hosted events - number of events held (New)	*	*	19	12
	Department and Co-hosted events - number of attendees/participants (New)	*	*	2,183	2,000
Planning and Facility Development	Complete the Inclusive Playground Project (Design Only)	10%	20%	30%	40%
	Complete the Homestead Park Soccer Field Project	*	10%	100%	NA
	Complete the Cedar Falls Tennis Court Project (Design only)	*	10%	30%	100%
	Complete the Bolin Creek Trail Project (Coal Ash area)	*	*	*	100%
	Complete the Tanyard Branch Trail	5%	80%	99%	100%
	Complete the Morgan Creek Trail - Western Extension to Carrboro (Design only)	5%	10%	60%	100%
	Complete the Morgan Creek Bridge - Eastern Extension to Oteys Rd (Design only)	5%	10%	20%	20%

* This is a new measure. Data for previous reporting periods is not available.

⁵ No longer counting additional facilities associated in facility tree

⁶ Revised methodology for calculating activities (remove duplicates of drop-in, etc.)

PARKS & RECREATION - Administration Division

BUDGET SUMMARY

The adopted budget for the Administration division reflects an overall expenditure increase of 4.6% from last year's budget. The 4.8% increase in personnel costs reflects a 3% pay adjustment, a 1.2% retirement increase, as well as a 4.9% increase in health insurance costs. This is somewhat offset by employee turnover. The operating budget has an increase of 3.9% due to a slight increase in credit card fees, telephone costs, and contracted services.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 850,529	\$ 914,066	\$ 880,891	\$ 822,090	\$ 958,144	4.8%
Operating Costs	212,363	208,224	258,509	263,636	216,314	3.9%
Total	\$ 1,062,892	\$ 1,122,290	\$ 1,139,400	\$ 1,085,726	\$ 1,174,458	4.6%

PARKS & RECREATION - Special Events
BUDGET SUMMARY

The Parks and Recreation Special Events division was moved to the Library department in Fiscal Year 2018-19. The remaining budget in FY19 represents 140 West programming funds.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 151,857	\$ 175,309	\$ -	\$ -	\$ -	-100.0%
Operating Costs	122,300	113,322	17,309	-	-	-100.0%
Total	\$ 274,157	\$ 288,631	\$ 17,309	\$ -	\$ -	-100.0%

PARKS & RECREATION - Parks Maintenance

BUDGET SUMMARY

The adopted budget for the Parks Maintenance division reflects an overall expenditure decrease of 1.8% from last year's budget. The 3.3% decrease in personnel costs reflects a reorganization, which moved a FTE (Project Manager) to Public Work's Engineering division. This is slightly offset by a 3% pay adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs. Temporary employee's salaries were increased to align with the Orange County Living Wage standard. The 2.8% increase in operating costs is due to increased charges for vehicle replacements.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 1,788,493	\$ 1,899,049	\$ 1,886,549	\$ 1,663,612	\$ 1,836,390	-3.3%
Operating Costs	529,890	633,034	631,194	606,545	650,952	2.8%
Capital Outlay	16,710	-	5,840	-	-	N/A
Total	\$ 2,335,093	\$ 2,532,083	\$ 2,523,583	\$ 2,270,157	\$ 2,487,342	-1.8%

PARKS & RECREATION - Athletics
BUDGET SUMMARY

The adopted budget for the Athletics division reflects an overall expenditure increase of 2.0% from last year's budget. The 2.5% increase in personnel costs reflects a 3% pay adjustment, a 4.9% increase in health insurance costs, and a 1.2% retirement increase. Temporary employee's salaries were increased to align with the Orange County Living Wage standard. The 1.4% increase in operating costs is attributed to an increase in recreational programs and events.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 477,638	\$ 512,128	\$ 512,128	\$ 513,772	\$ 525,111	2.5%
Operating Costs	288,125	389,603	355,413	342,319	395,077	1.4%
Total	\$ 765,763	\$ 901,731	\$ 867,541	\$ 856,091	\$ 920,188	2.0%

PARKS & RECREATION - Community Center
BUDGET SUMMARY

The adopted budget for the Community Center division reflects an overall expenditure increase of 6.0% from last year's budget. The 3.2% increase in personnel costs reflects a 3% pay adjustment, a 4.9% increase in health insurance costs, and a 1.2% retirement increase. Temporary employee's salaries were increased to align with the Orange County Living Wage standard. The 17.6% increase in operating costs can be attributed to an increase in electricity costs.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 474,153	\$ 517,259	\$ 517,259	\$ 476,706	\$ 533,866	3.2%
Operating Costs	114,346	126,642	136,158	145,443	148,974	17.6%
Total	\$ 588,499	\$ 643,901	\$ 653,417	\$ 622,149	\$ 682,840	6.0%

PARKS & RECREATION - Aquatics
BUDGET SUMMARY

The adopted budget for the Aquatics division reflects an overall expenditure increase of 3.0% from last year's budget. The 4.3% increase in personnel costs reflects a 3% pay adjustment, a 4.9% increase in health insurance costs and a 1.2% retirement increase. Temporary employee's salaries were increased to align with the Orange County Living Wage standard. The 1.0% decrease in operating cost aligns budget to actuals.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 797,483	\$ 902,454	\$ 902,454	\$ 904,156	\$ 940,914	4.3%
Operating Costs	236,787	271,861	278,732	262,905	269,113	-1.0%
Total	\$ 1,034,270	\$ 1,174,315	\$ 1,181,186	\$ 1,167,061	\$ 1,210,027	3.0%

PARKS & RECREATION - Hargraves
BUDGET SUMMARY

The adopted budget for the Hargraves division reflects an overall expenditure increase of 8.5% from last year's budget. The 6.9% increase in personnel costs reflects a 3% pay adjustment, a 4.9% increase in health insurance costs, and a 1.2% retirement increase. Temporary employee's salaries were increased to align with the Orange County Living Wage standard. The 16.8% increase in operating costs can be attributed to costs associated with expanding the Reading to Achieve program and the Drama Kids Spring Break program.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 571,008	\$ 587,617	\$ 587,617	\$ 542,651	\$ 627,986	6.9%
Operating Costs	120,709	114,523	133,063	128,012	133,766	16.8%
Total	\$ 691,717	\$ 702,140	\$ 720,680	\$ 670,663	\$ 761,752	8.5%

CHAPEL HILL PUBLIC LIBRARY

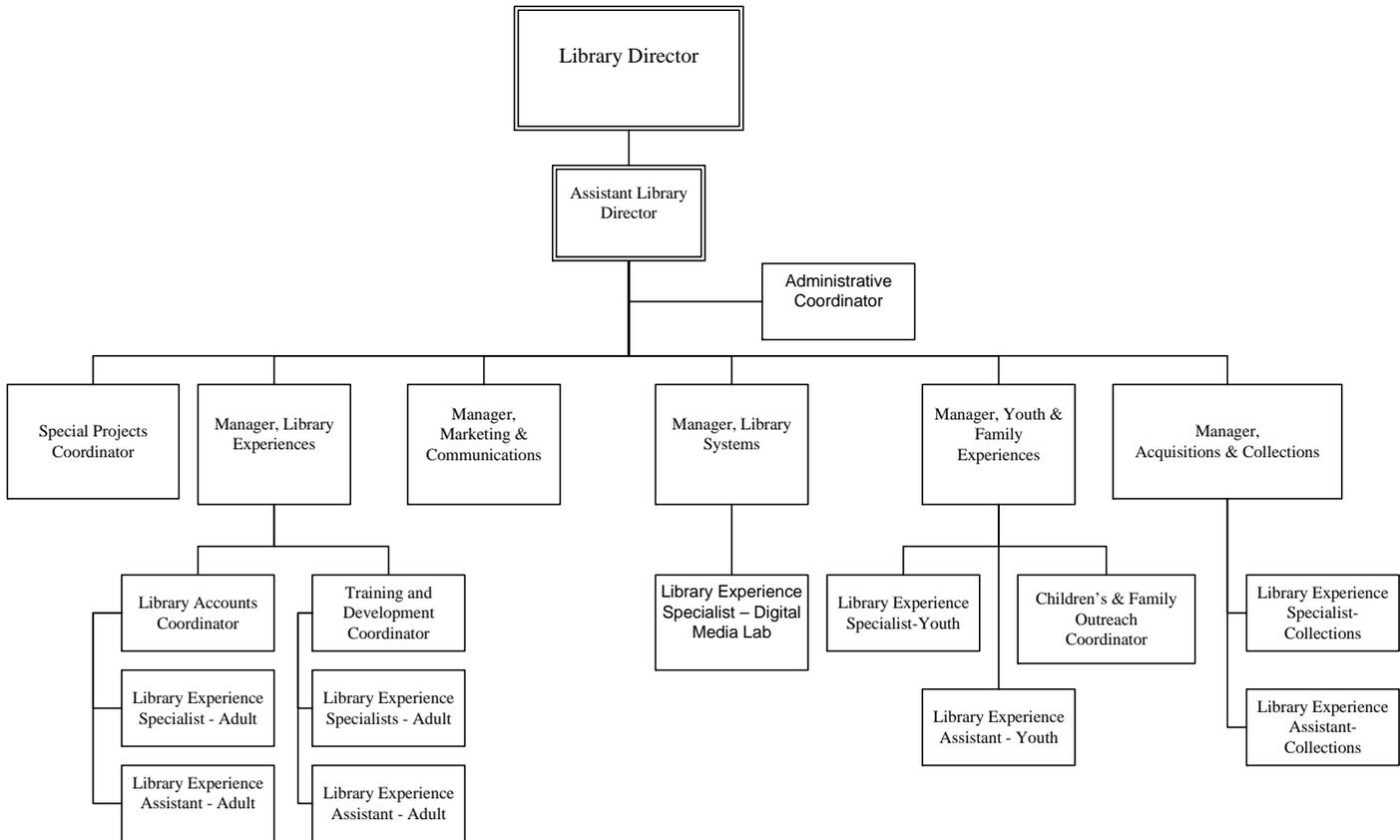
MISSION STATEMENT:

Sparking Curiosity. Inspiring Learning. Creating Connections.

The Chapel Hill Public Library Department identified the following primary programs that are included in the adopted budget for 2019-20.

Program	Description
Collection Management	Collect, curate, and make accessible library materials in a wide variety of formats that respond to community interests, publishing trends, and community demographics.
Circulation	Circulate both physical and digital materials throughout the community. Continually increase discovery of materials and decrease barriers to access.
Customer Service	Connect people to the information they need, the materials they want, and the wide variety of technology resources the library offers. Develop a flexible, nimble staff with 21st century, customer-first skills.
Cultural & Community Programs	Offer programs for all ages at the library and in the community. Focus on literacy, arts & culture, local history, technology, and civic engagement.
Serve as a Place for Everyone	Position the library as a popular, community-owned destination, open to all. Serve as a gateway to community and a showcase for it.

LIBRARY



LIBRARY DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 ADOPTED
Director-Library	1.00	1.00	1.00
Assistant Director-Library/Head of Public Services	1.00	1.00	1.00
Acquisitions & Collections Manager	1.00	1.00	1.00
Library Experience Manager	1.00	1.00	1.00
Children's & Family Outreach Coordinator	1.00	1.00	1.00
Reader Service Coordinator	1.00	1.00	1.00
Reference Librarian	1.00	0.00	0.00
Training Coordinator	0.00	1.00	1.00
Youth & Family Experience Manager	1.00	1.00	1.00
Library Accounts Coordinator	1.00	1.00	1.00
Administrative Coordinator	1.00	1.00	1.00
Library Experience Specialist	6.60	6.00	7.00
Library Experience Assistant	10.70	12.16	11.66
Teen Engagement Coordinator	1.00	0.00	0.00
Library Systems Manager	1.00	1.00	1.00
Marketing & Communications Manager	1.00	1.00	1.00
Division Total	30.30	30.16	30.66
Public Arts			
Public Arts Administrator	0.00	1.00	0.00
Public Arts Coordinator	0.00	1.00	1.00
Marketing & Communications Coordinator	0.00	0.00	1.00
Division Total	0.00	2.00	2.00
Community Cultural Arts			
Recreation Supervisor	0.00	0.00	0.00
Festival & Events Technician	0.00	0.00	0.00
Special Events Coordinator	0.00	0.00	1.00
Administrative Assistant	0.00	0.00	1.00
Division Total	0.00	0.00	2.00
Library Department Totals	30.30	32.16	34.66

LIBRARY

BUDGET SUMMARY

The adopted budget for the Library reflects an overall expenditure increase of 12.4% from last year's budget. The 10.9% increase in personnel is the result of a 3% pay adjustment, a 4.9% increase in health insurance costs, and a 1.2% retirement increase. In addition, two employees (2 FTE) from the Special Events division of the Parks and Recreation department moved to the Library department during the 2018-19 fiscal year. The operating costs associated with the employees from the Special Events division have led to an increase in the operating cost for the Library. In addition, the operating budget has increased due to increases in electricity and contracted services costs.

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 2019-20.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 2,424,021	\$ 2,647,788	\$ 2,823,097	\$ 2,627,907	\$ 2,935,860	10.9%
Operating Costs	867,734	754,370	892,952	914,484	886,744	17.5%
Total	\$ 3,291,755	\$ 3,402,158	\$ 3,716,049	\$ 3,542,391	\$ 3,822,604	12.4%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
General Fund	\$ 2,471,615	\$ 2,596,377	\$ 2,910,268	\$ 2,727,645	\$ 2,988,390	15.1%
Grants	596,595	597,139	597,139	595,645	595,639	-0.3%
Charges for Services	155,658	137,392	137,392	126,666	134,575	-2.1%
Other Revenues	22,887	26,250	26,250	47,435	59,000	124.8%
Transfers/Other Sources	45,000	45,000	45,000	45,000	45,000	0.0%
Total	\$ 3,291,755	\$ 3,402,158	\$ 3,716,049	\$ 3,542,391	\$ 3,822,604	12.4%

LIBRARY

Performance Measures

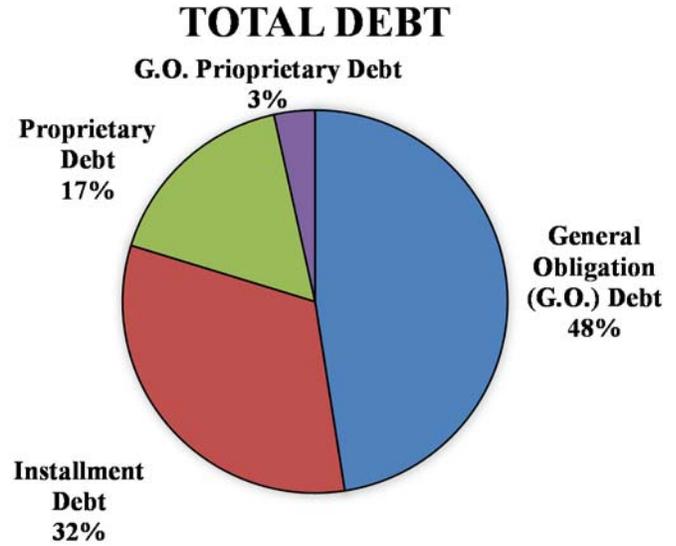
	<p>Strategic Objectives</p> <ul style="list-style-type: none"> ➤ Leverage technology to provide great customer experience ➤ Provide skills-based and customer-focused staff training opportunities ➤ Provide programming for all ages ➤ Expand efforts to support educational success and life-long learning ➤ Provide meeting rooms for external groups ➤ Provide a desirable space for the community ➤ Provide a positive user experience with library services ➤ Meet community demand for physical and digital library materials ➤ Select materials efficiently that are desirable to the community ➤ Increase community usage of library collections ➤ Provide community access to library resources
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Core Business Program	Performance Measure	FY17 Actual	FY18 Actual	FY19 Estimate	FY20 Target
Customer Service	Transactions at self-serve or virtual points (checkouts, including renewals)	81%	85%	91%	91%
	Provide quarterly customer service training opportunities for all staff members	*	*	met	met
Cultural and Community Programs for All Ages	Programs offered per 1,000 capita - greater than or equal to state average (state average FY18 = 14.3)	17.2	16.5	16.1	14.3
	Number of Summer Reading Program registered participants	2,994	3,305	*	3,300
Serve as a Place for Everyone	Number of events held in library meeting rooms for functions not sponsored, organized or initiated by the library.	2,132	2,233	1,995	2,000
	Library visits per capita greater than state average (state average FY18 = 3.06)	9.90	11.85	9.35	3.06
	Percentage of surveyed attendees who would recommend the program to a friend	*	79.0%	70.3%	70.0%
Collection Development & Management	Average hold list wait time (days) of the physical materials collection	*	*	49.1	49.1
	Circulation per registered borrower greater than state average (state average FY18 = 8.88)	24.0	30.0	23.5	8.9
	Cost per circulation less than state average (state average FY18 = \$4.37)	\$2.11	\$2.21	*	\$4.37
Circulation	Circulation per hour open greater than state average (state average FY18 = 50.8)	*	441.4	444.3	50.8
	Percentage of population that are registered users greater than state average (state average FY18 = 65.6%)	69%	86%	110%	66%

* This is a new measure. Data for previous reporting periods is not available.

DEBT SERVICE FUND

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



DEBT & BOND RATINGS

Outstanding Debt

As of June 30, 2019, the Town had about \$75 million in debt outstanding. As shown in the following table, this consists of General Obligation (G.O.) debt and installment financings as well as employee related obligations such as separation allowance and compensated absences.

In April 2018, the Town closed on \$12.5 million of General Obligation (G.O.) bonds. The G.O. Bonds were issued for the following uses:

- Stormwater Improvements
\$2,700,000
- Parks & Recreation
\$4,300,000
- Streets & Sidewalks
\$5,500,000

In February 2017, the Town closed on \$1.46 million of Two-thirds Public Safety bond and \$9,000,000 of G.O. bonds. The two-thirds bonds were used to purchase fire apparatus. The G.O. bonds funded trails and greenways, parks and recreation facility improvements and street and sidewalk projects. The G.O. bonds were the first issuance from the successful 2015 Bond Referendum.

Long-Term Debt June 30, 2019	
Governmental Debt	
General obligation debt	\$ 35,528,000
Limited Obligation Bonds	7,880,000
Installment debt	8,468,000
Separation allowance	5,042,000
Compensated absences	<u>2,688,000</u>
Total	\$ <u>59,606,000</u>
Proprietary Fund Debt	
Enterprise Funds	
General obligation debt	\$ 2,565,000
Limited Obligation Bonds	6,355,000
Installment debt	5,251,000
Compensated absences	644,000
Internal Service Funds	
Motor vehicle equipment	<u>327,000</u>
Total	\$ <u>15,142,000</u>

Also in February 2017, the Town closed on an installment financing for the purchase of 14 transit buses. The buses were financed for a 10-year term at an interest rate of 2.09%. The Chapel Hill Transit funding partners, Carrboro, UNC and Chapel Hill, are sharing the cost of repaying the debt.

In March 2016, the Town completed a combined installment financing for streets and buildings for \$7,984,000. The financing had a 15-year term with a net interest cost of 2.32%.

In June 2015, the Town entered into a public improvement installment financing in the amount of \$2.44 million. The funds were used for public facility and public safety projects. The installment financing had a 15-year term with a net interest cost of 2.24%.

DEBT & BOND RATINGS

In February 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% resulting in net present value savings of \$158,563.

In June 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 being funded by the Parking Fund budget and the savings from the refunding are being split between the Parking Fund and the Debt Management Fund.

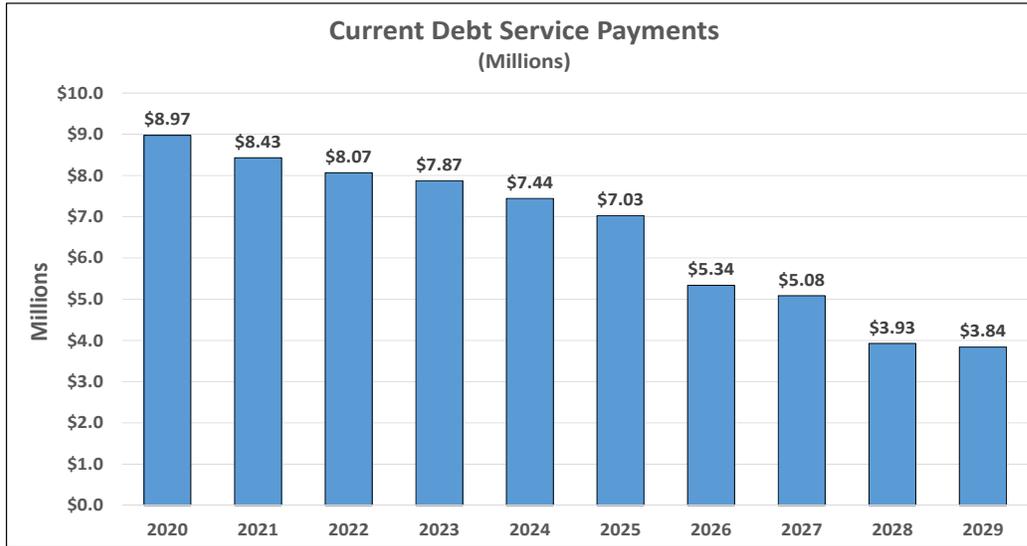
In May 2012, the Town sold \$1.7 million of two-thirds G.O. bonds and \$4.94 million in G.O. refunding bonds. The refunding bonds closed in FY12 with a rate of 2.26%, generating \$432,217 in net present value savings. The two-thirds bonds closed in FY13, with a rate of 1.42%.

In October 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 enterprise revenue.

DEBT & BOND RATINGS

Current Debt Obligations

The Town has a rapid pay-down of existing debt with 84% of existing debt scheduled to be retired within 10 years. The Town’s long-term debt payments for existing G.O. bonds and installment finance debt, for all funds, are shown below for the next ten years:



(Includes enterprise and vehicle financings that are not paid from the debt Fund)

Future Additional Debt

In November 2018, the Town held a general obligation bond referendum. There was one bond order that appeared on the ballot and it was approved by the voters. The amount of the authority approved by the voters, the amounts issued through June 30, 2019, and the balance of the authority remaining is shown in the following table.

BOND ORDER	AUTHORITY	ISSUED	BALANCE
Affordable Housing	\$ 10,000,000	\$ 0	\$ 10,000,000
Total	\$ 10,000,000	\$ 0	\$ 10,000,000

In November 2015, the Town held a general obligation bond referendum. All five of the bond orders that appeared on the ballot were approved by the voters. The amount of authority approved by the voters, by bond order, the amounts issued through June 30, 2019, and the balance of authority remaining are shown in the following table.

BOND ORDER	AUTHORITY	ISSUED	BALANCE
Streets & Sidewalks	\$ 16,200,000	\$ 8,500,000	\$ 7,700,000
Trails & Greenways	5,000,000	5,000,000	0
Recreation Facilities	8,000,000	5,300,000	2,700,000
Solid Waste Facility	5,200,000	0	5,200,000
Stormwater Improvements	5,900,000	2,700,000	3,200,000
Total	\$ 40,300,000	\$ 21,500,000	\$ 18,800,000

DEBT & BOND RATINGS

The projects planned for each of the bond orders were identified through the Town’s capital planning process, which includes consideration of multiple master plans, special studies and public facility assessments. Through this process a number of large-scale projects were identified that could be financed through G.O. Bonds.

In addition to the referendum the Town is also planning to finance the following projects using installment debt. Depending on the timing of these projects, they may be combined into a single financing to reduce the cost of issuance.

- 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, including remediation costs at the current Police Headquarters site, will be about \$34 million, depending on the final design of the project. It is expected that the project will be financed sometime in late 2020.
- The Town is planning to add additional parking capacity in Downtown by adding an additional level of parking to the Wallace Parking Garage. Preliminary cost estimates are \$2.4 million.
- Phase II of the Ephesus Fordham public improvements is currently in the planning stages. The estimated cost of the project is about \$4.2 million. The amount of the borrowing will be reduced by the NCDOT reimbursement of \$1.6 million that the Town received for the construction cost of Ephesus Fordham Phase I. Net of the reimbursement, the expected borrowing will be about \$2.6 million.

TOWN OF CHAPEL HILL, NORTH CAROLINA	
COMPUTATION OF LEGAL DEBT MARGIN	
June 30, 2019	
Total assessed valuation at June 30, 2019	\$ <u>8,226,000,000</u>
Debt limit - 8% of total assessed value	\$ <u>658,080,000</u>
Amount of debt applicable to debt limit:	
General obligation bonds	<u>38,093,000</u>
Legal debt margin	\$ <u>619,987,000</u>

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.

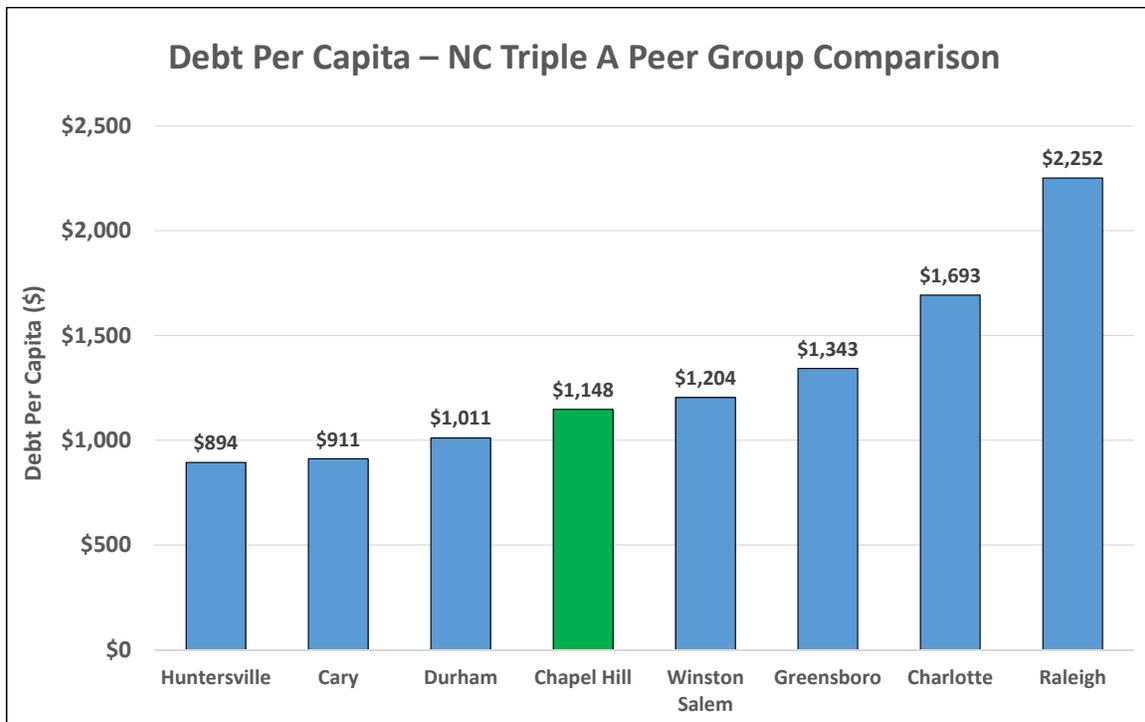
As of June 30, 2019 the Town had \$38,093,000 in outstanding G.O. Bonds that apply to this limit. The total is less than 1% of the Town’s June 30, 2019 tax base (\$8.226 billion).

DEBT & BOND RATINGS

Debt Benchmarks

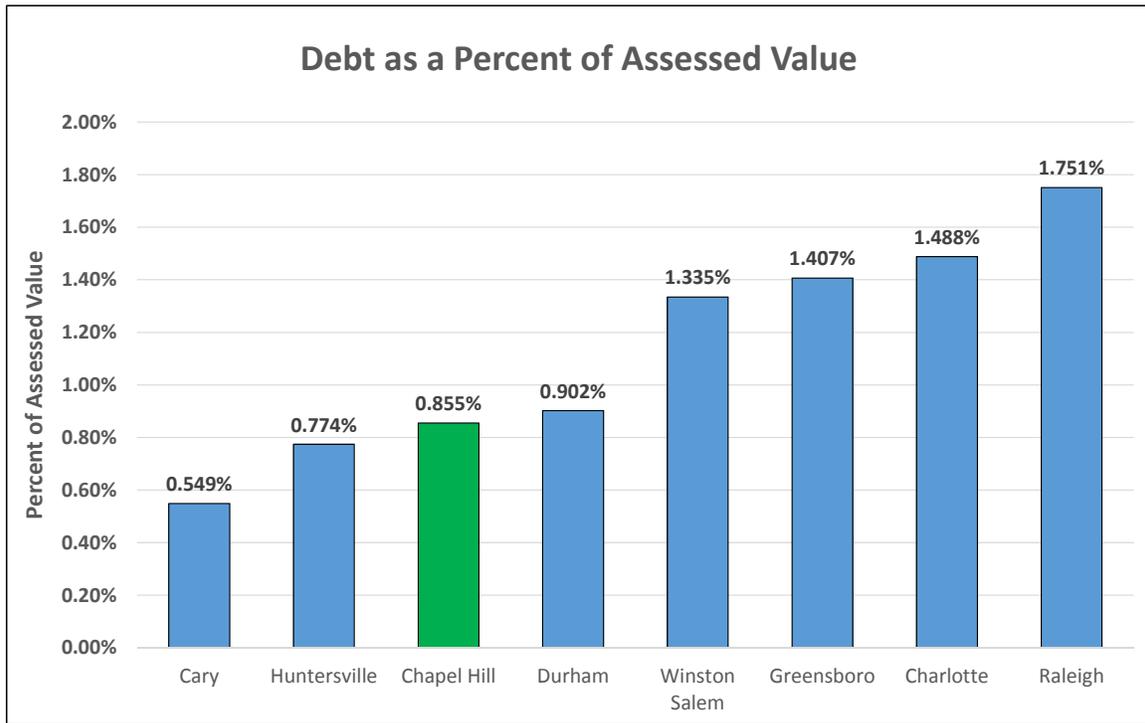
The Town's annual General Fund G.O. bond and installment financing debt service cost for FY20 is about \$7.76 million, or about 11.33% of the adopted General Fund budget. As a percentage of adopted governmental funds budgets (Debt Management Fund and General Fund), debt service costs are about 9.91%. 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 10% and 13% of governmental budgets 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.

Two commonly used debt burden measures are debt per capita and debt as a percentage of assessed value. The Town's values for these two benchmarks compared to other triple A rated credits in North Carolina are shown in the following graphs. For both benchmarks, the Town is slightly below the average for the triple A peer group. This suggests that the Town's debt levels are on par with other highly rated jurisdictions.



(Ratios of total outstanding G.O.B. debt, authorized & unissued G.O.B. debt, and IP debt, excluding enterprise, for N.C. populations with a triple A rating. Source: Analysis of Debt of N.C. Municipalities 6/30/2018, Department of State Treasurer, Division of State and Local Government Finance.)

DEBT & BOND RATINGS



(Ratios of total outstanding G.O.B. debt, authorized & unissued G.O.B. debt, and IP debt, excluding enterprise, for N.C. populations with a triple A rating. Source: Analysis of Debt of N.C. Municipalities 6/30/2018, Department of State Treasurer, Division of State and Local Government Finance.)

Bond Ratings

The Town's bond ratings evidence its financial strength. When the Town issues G.O. bonds or other securities, rating agencies reevaluate

Moody's	AAA
Standard & Poor's	AAA

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 affirmed the Town's triple A General Obligation Bond Rating for the April 2018 issuance of G.O. Bonds. 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 parking deck at 140 West. In FY2008-09, a portion of the property tax rate was allocated to debt service payments to pay the Town's debt service. The FY2019-20 adopted tax rate increase of 1.6 cents will bring the dedicated Debt Service Fund tax rate to 9.8 cents, which is expected to generate \$8.15 million in revenues in FY2019-20.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Principal Payments	\$ 5,338,000	\$ 5,845,000	\$ 5,845,000	\$ 5,845,000	\$ 5,572,000	-4.7%
Interest Expense	2,204,661	2,412,312	2,412,312	2,412,312	2,189,064	-9.3%
Contribution to Reserve	141,135	16,919	16,919	281,419	2,084,368	12219.7%
Total	\$ 7,683,796	\$ 8,274,231	\$ 8,274,231	\$ 8,538,731	\$ 9,845,432	19.0%

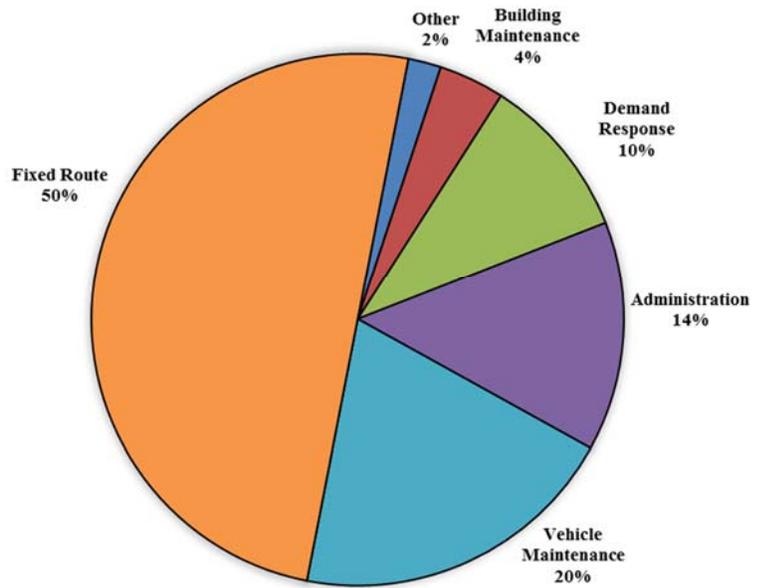
REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Property Taxes	\$ 6,581,420	\$ 6,733,000	\$ 6,733,000	\$ 6,734,000	\$ 8,150,000	21.0%
Transfer from Off-Street Parking	906,831	914,631	914,631	914,631	905,332	-1.0%
Transfer from General Fund	-	445,100	445,100	445,100	445,100	0.0%
BABS Interest Subsidy	170,188	170,000	170,000	170,000	170,000	0.0%
Interest Income	25,357	11,500	11,500	275,000	175,000	1421.7%
Total	\$ 7,683,796	\$ 8,274,231	\$ 8,274,231	\$ 8,538,731	\$ 9,845,432	19.0%

TRANSIT FUND

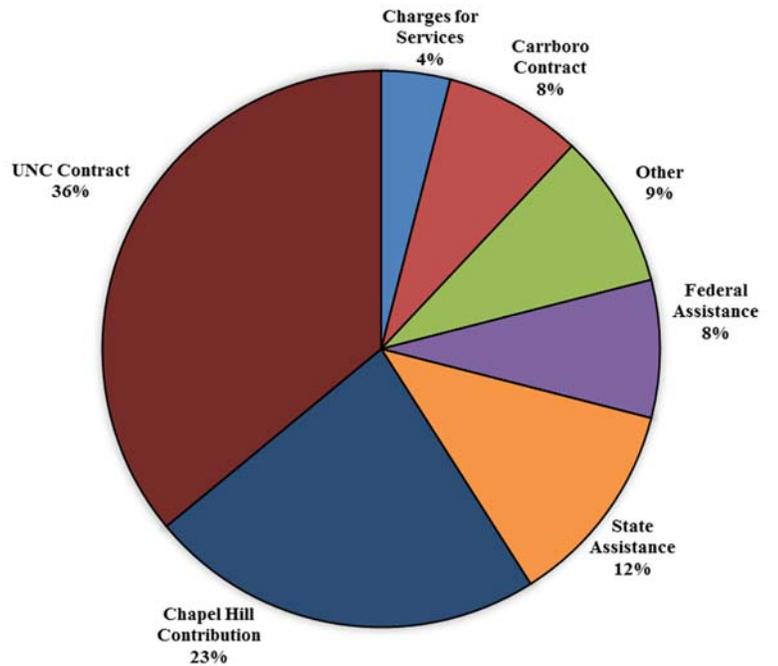
The Transit Fund is used to account for the operations of the Town's public transit system.

TRANSIT EXPENDITURES



Total \$24,792,491

TRANSIT REVENUES



TRANSIT

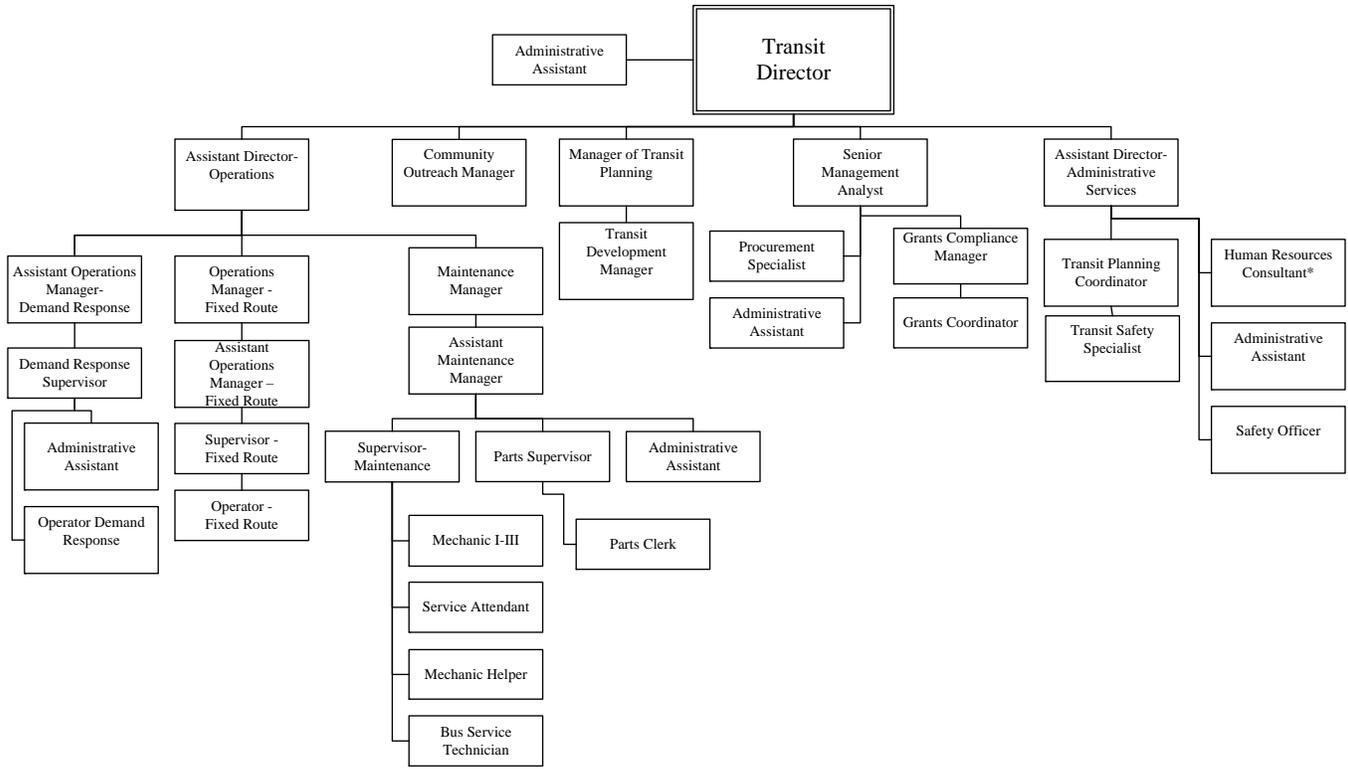
MISSION STATEMENT:

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.

The Transit Department identified the following primary programs that are included in the adopted budget for 2019-20.

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 Advertising	Maintain a viable advertising sales business for the transit system. Coordinate with advertisers, third-party ad developers, and others to generate revenues for the transit fund.

TRANSIT



*This position has a shared report structure which includes both the Asst. Director and Human Resources Director.

TRANSIT FUND

Major Revenue Sources - Descriptions and Estimates

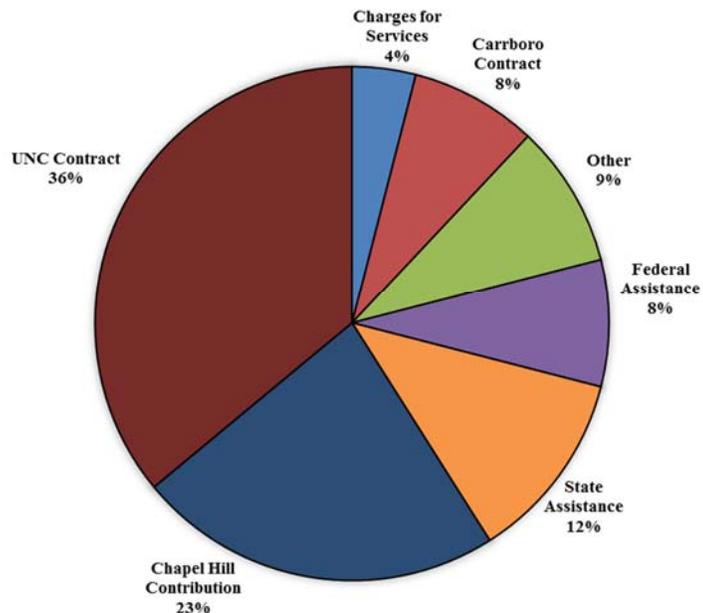
The Town provides public transit services for the Town of Chapel Hill and the neighboring Town of Carrboro and the University of North Carolina. The two towns and the university share annual operating costs of the transit system on a contractual basis. In 2001, the transit system initiated fare free services, eliminating fare box and pass sale revenues previously collected for the basic system. (Exceptions are fares for specific routes to Hillsborough and 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 2019-20 totals about \$24.8 million, an increase of 4.3% from 2018-19. 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 2019-20. Please note that due to the partnership between the Town of Chapel Hill, Town of Carrboro, and the University of North Carolina, some financial aspects are still being discussed by the partners and are subject to change.

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 federal funding for operations to keep increase slightly from 2018-19 levels at \$1.96 million. Additional operating grants will be sought for 2019-20 as opportunities arise, and will be added to the budget through amendment if awarded.

TRANSIT REVENUES



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 2018-19 is expected to be almost \$3.1 million, about \$145,000 more than budgeted, with an adopted 2019-20 budget amount of \$2.25 million. The reduction can be attributed to the decrease in State Maintenance Assistance Program (SMAP) funding of \$686,000.

TRANSIT FUND

Major Revenue Sources - Descriptions and Estimates

University Contract

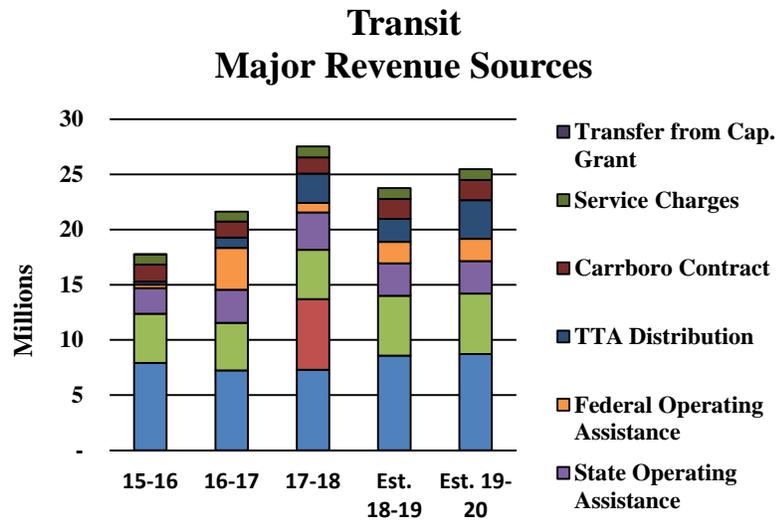
The University of North Carolina contracts with the Town for bus service for routes on and surrounding the campus of the University and UNC Health Care System. The University contract also covers routes determined to serve mainly students and employees of the University. The cost of these services is 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 2017-18 and \$8.57 million in 2018-19. UNC's allocation for 2019-20 reflects an increase of about \$146,000 million to \$8.72 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 2018-19 was about \$1.81 million and the budget for 2019-20 reflects an increase of about \$26,000 to \$1.84 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 2019-20 is about \$5.48 million. Also included in Town revenues are interest income and \$454,000 for vehicle license fees.



TRANSIT FUND

Major Revenue Sources - Descriptions and Estimates

Park and Ride Fees

The adopted budget for 2019-20 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 2019-20 adopted budget includes fee revenues of \$95,000.

Other revenues expected for the system include about \$340,000 in fares for the Tar Heel Express and other special events, and about \$348,000 in services for Triangle Transit Authority.

Fund Balance

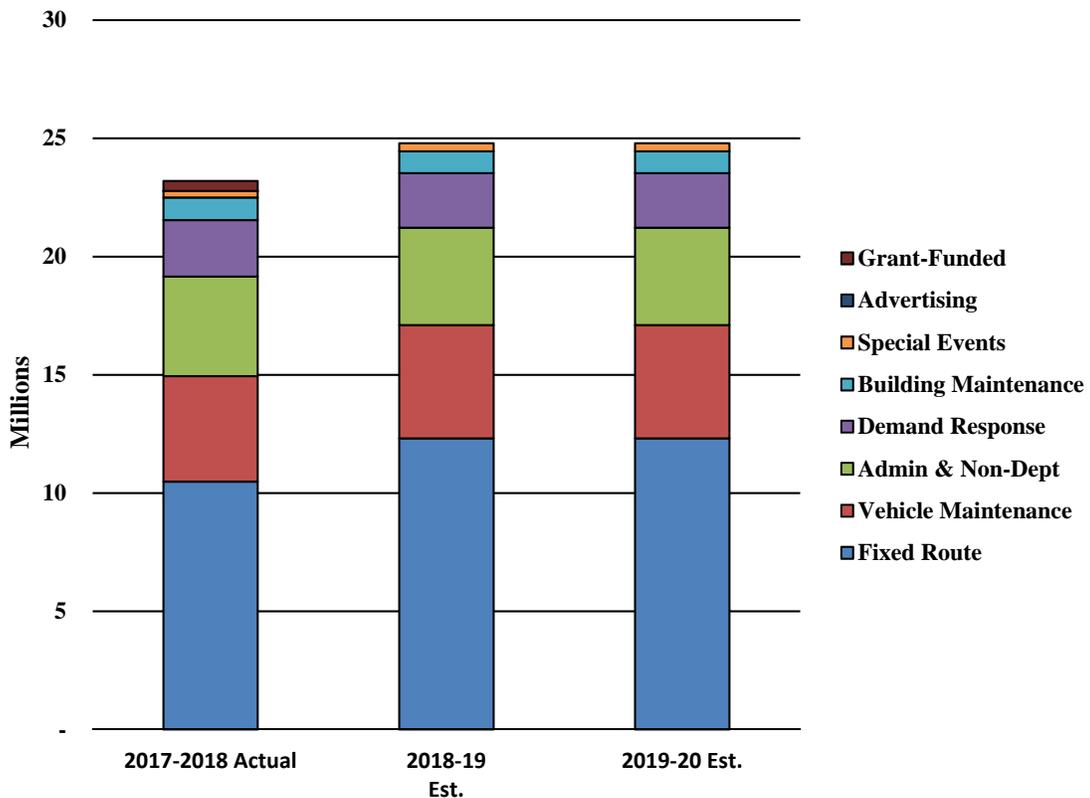
The Transit system expects to add approximately \$840,000 to fund balance in 2018-19. The 2019-2020 adopted budget was balanced without the appropriation of fund balance.

TRANSIT FUND

Major Expenditures - Descriptions and Estimates

The adopted budget for Transit for 2019-20 continues fare free services for fixed routes in the system and totals \$24.79 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. Operational costs total about \$15 million and Maintenance costs total about \$5.7 million.

Transit Expenses



Expenditures for 2019-20 include a 3% of market pay adjustment, a 4.9% health insurance cost increase, and a 1.2% retirement increase. There is \$146,500 budgeted cost for other post-employment benefits (OPEB) and also includes \$716,110 for debt payments for the purchase of 14 buses.

TRANSIT DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 ADOPTED
Administration			
Director-Transportation	1.00	1.00	1.00
Assistant Director-Transportation	1.00	1.00	1.00
Assistant Director - Admin Services	0.00	1.00	1.00
Management Analyst	1.00	1.00	1.00
Community Outreach Manager	1.00	1.00	1.00
Advertising Sales Manager	1.00	1.00	0.00
Grants Coordinator	1.00	1.00	1.00
Customer Service Coordinator	1.00	0.00	0.00
Procurement Specialist	1.00	1.00	1.00
Transit Services Planner	1.00	1.00	1.00
Administrative Assistant	3.00	4.00	3.00
Human Resources Consultant	1.00	1.00	1.00
Transit Planning Coordinator	1.00	1.00	1.00
Accounting Technician II	0.00	0.00	1.00
Administrative Services Manager	1.00	0.00	0.00
Division Totals	15.00	15.00	14.00
Operations			
OCC Health & Safety Officer	1.00	1.00	1.00
Demand Response Manager	1.00	1.00	1.00
Training Coordinator	1.00	1.00	1.00
Manager - Transit Operations	1.00	1.00	1.00
Assistant Manager - Transit	2.00	2.00	2.00
Supervisor-Transit	10.00	10.00	10.00
Transit Operator - Demand Response	14.63	14.63	14.63
Transit Operator - Fixed Route	122.66	122.66	122.66
Training Coordinator	0.00	0.00	1.00
Administrative Assistant	2.00	2.00	2.00
Division Totals	155.29	155.29	156.29
Equipment Maintenance			
Maintenance Manager	1.00	1.00	1.00
Assistant Maintenance Manager	1.00	1.00	1.00
Mechanic Supervisor	2.00	3.00	3.00
Parts Manager	1.00	1.00	1.00
Mechanic (I-III)	16.00	16.00	16.00
Bus Service Technician	2.00	2.00	2.00
Mechanic Helper	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Parts Clerk	2.00	2.00	2.00
Service Attendant	6.00	5.00	5.00
Division Totals	33.00	33.00	33.00
Transit Department Totals	203.29	203.29	203.29

TRANSIT BUDGET SUMMARY

The adopted budget for the Transit Department continues fare-free service. Federal assistance remained flat, while state assistance has decreased 23.4%. This is offset by additional revenue in federal operations grants, increases from the UNC contract, the Carrboro contract, and increases in TTA Fees collected. The 2019-20 adopted budget also includes revenues from the Orange County Transit Plan (formerly entitled the Orange County Bus and Rail Plan), administered by GoTriangle. Cost increases include a 3% pay adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Admin & Non-Dept	\$ 3,187,847	\$ 3,362,955	\$ 4,612,220	\$ 4,213,086	\$ 4,119,754	22.5%
Grant-Funded	207,675	-	419,145	419,145	-	N/A
Advertising	28,032	91,916	-	6,500	-	-100.0%
Fixed Route	10,004,187	11,899,399	11,899,399	10,484,836	12,313,207	3.5%
Demand Response	2,012,767	2,381,391	2,381,391	2,388,559	2,310,518	-3.0%
Special Events	272,490	336,905	336,905	339,682	340,605	1.1%
Vehicle Maintenance	3,280,206	4,766,675	4,900,368	4,459,984	4,788,402	0.5%
Building Maintenance	622,342	929,054	993,717	953,440	920,005	-1.0%
Total	\$ 19,615,546	\$ 23,768,295	\$ 25,543,145	\$ 23,265,232	\$ 24,792,491	4.3%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Charges for Services	\$ 791,786	\$ 834,655	\$ 834,655	\$ 857,813	\$ 976,997	17.1%
Federal Assistance	833,990	1,944,719	1,944,719	1,960,178	1,960,178	0.8%
Federal Ops Grants	110,615	-	145,462	157,299	63,576	N/A
State Assistance	3,667,530	2,939,769	3,087,906	3,084,906	2,253,325	-23.4%
TTA Fees	2,964,287	2,094,000	2,094,000	2,094,000	3,321,849	58.6%
UNC Contract	7,363,164	8,573,655	8,573,655	8,573,655	8,719,868	1.7%
Carrboro Contract	1,455,012	1,808,945	1,808,945	1,808,945	1,835,146	1.4%
Advertising Revenue	147,837	150,000	150,000	150,000	185,000	23.3%
Chapel Hill Revenues	4,496,788	5,422,552	5,422,552	5,418,838	5,476,552	1.0%
Appropriated Fund Balance	(2,215,463)	-	1,481,251	(840,402)	-	N/A
Total	\$ 19,615,546	\$ 23,768,295	\$ 25,543,145	\$ 23,265,232	\$ 24,792,491	4.3%

TRANSIT

Performance Measures

	<p>Strategic Objectives</p> <ul style="list-style-type: none"> ➤ Maintain favorable productivity levels. ➤ Demand response services will be on time (arriving within the 20 minute pick-up window) at least 90 percent of the time. ➤ 100% of scheduled weekday and weekend Demand Response (DR) service will be placed into service. ➤ Keep the rate of demand response accidents at three or fewer per 100,000 miles. ➤ Keep the rate of demand response preventable accidents at one or fewer per 100,000 miles. ➤ Fixed route services will operate according to published schedules at least 90% of the time ➤ 100% of scheduled weekday and weekend Fixed Route Response (FR) service will be placed into service ➤ Keep customer complaints rate low – i.e., no more than 15 complaints per 100,000 fixed route trips and no more than 2 complaints per 100 demand response rides ➤ Keep the rate of fixed route accidents at three or fewer per 100,000 miles. ➤ Keep the rate of preventable fixed route accidents at one per 100,000 miles. ➤ Comply with preventative maintenance schedule for all vehicles at least 90% of the time. ➤ Maintain a Fixed Route and Demand Response fleet age that is within industry standards in compliance with federal recommendations
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Core Business Program	Performance Measure	FY17 Actual	FY18 Actual	FY19 Estimate	FY20 Target
Demand – Response Service	Number of passengers per mile in demand response paratransit service	0.22	0.22	0.22	0.22
	Cost per hour for demand response paratransit services	\$58.84	\$63.77	\$57.62	\$53.00
	On-time performance percentage	92%	91%	90%	95%
	Scheduled weekday/weekend DR service placed into service on time	100%	100%	100%	100%
	Demand Response accidents per 100,000 miles	0.36	1.77	1.25	0.00
	Preventable demand response accident per 100,000 miles	0.36	0.35	0.50	0.00
Fixed - Route Bus Service	Number of passengers per mile in fixed route transit service	3.38	3.33	3.39	3.41
	Cost per hour for fixed route services	\$88.48	\$88.54	\$88.62	\$88.50
	Percentage of on-time performance	82%	79%	80%	100%

	Scheduled weekday/weekend FR service placed into service on time	99.6%	97.5%	99.0%	100%
	Complaints per 100,000 fixed route trips	13.65	6.54	12.00	0.00
	Fixed Route accidents per 100,000 miles	3.38	3.14	3.00	0.00
	Preventable Fixed Route accident per 100,000 miles	1.33	1.78	1.25	0.00
Maintenance	Number of service miles between road calls that may interrupt (DR)	40,501	32,840	35,010	25,000
	Number of service miles between road calls that may interrupt (FR)	13,598	11,258	11,000	7,500
	Compliance with preventative maintenance percentage	97%	95%	96%	100%
Administration and Finance	Passengers per Revenue Hour (DR)	2.40	2.57	2.60	2.80
	Passengers per Revenue Hour (FR)	38.68	37.71	40.00	42.00
	Passengers per Revenue Mile (DR)	0.22	0.22	0.22	0.22
	Passengers per Revenue Mile (FR)	3.38	3.33	3.39	4.00
	Average age of fleet vehicle (DR)	6.00	5.90	6.20	6.00
	Average age of fleet vehicle (FR)	8.58	8.25	7.90	6.80

* This is a new measure. Data for previous reporting periods is not available.

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 2019-20 includes a 22.5% increase to the overall budget. A reorganization of personnel caused a decrease in personnel costs. The Advertising Sales Manager (1 FTE) was moved to the Fixed Route division. In addition, a 1.2% retirement increase, a 3% raise adjustment, and a 4.9% increase in health insurance costs in encompassed in the personnel line item.

Operating costs have increased 89.7% due to contracted work costs associated with the Bus Rapid Transit project.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 1,510,162	\$ 1,846,934	\$ 1,915,628	\$ 1,585,720	\$ 1,719,379	-6.9%
Operating Costs	1,426,995	1,265,131	2,445,702	1,660,366	2,400,375	89.7%
Transfer to Capital Reserve	250,690	250,890	250,890	967,000	-	-100.0%
Total	\$ 3,187,847	\$ 3,362,955	\$ 4,612,220	\$ 4,213,086	\$ 4,119,754	22.5%

TRANSIT - Grants
BUDGET SUMMARY

As of the time of the adopted budget, there were no planned grant related expenditures for 2019-20.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 67,612	\$ -	\$ 77,893	\$ 77,893	\$ -	N/A
Operating Costs	140,063	-	341,252	341,252	-	N/A
Total	\$ 207,675	\$ -	\$ 419,145	\$ 419,145	\$ -	N/A

TRANSIT - Advertising
BUDGET SUMMARY

The adopted budget for 2019-20 has an overall expenditure decrease of 100%. Due to a reorganization, the Advertising Sales Manager position (1 FTE) has moved to the Fixed Route division of the Transit department.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 27,882	\$ 78,194	\$ -	\$ -	\$ -	-100.0%
Operating Costs	150	13,722	-	6,500	-	-100.0%
Total	\$ 28,032	\$ 91,916	\$ -	\$ 6,500	\$ -	-100.0%

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 reflects a 3.5% increase in overall costs. There is a 2.6% increase in personnel costs, which is a result of a 3% pay adjustment, a 4.9% increase in health insurance costs, and a 1.2% increase in retirement costs. Workers compensation insurance is also increased to align budget to actuals. Due to a reorganization of the department a Training coordinator (1 FTE) has been added, leading to an increase in personnel costs.

There is an increase of 6.1% in operating costs due to contractual services including the NextBus Subscription.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 7,628,109	\$ 8,998,652	\$ 8,832,652	\$ 7,608,434	\$ 9,234,369	2.6%
Operating Costs	2,349,117	2,900,747	3,066,747	2,819,533	3,078,838	6.1%
Capital Outlay	26,961	-	-	56,869	-	N/A
Total	\$ 10,004,187	\$ 11,899,399	\$ 11,899,399	\$ 10,484,836	\$ 12,313,207	3.5%

TRANSIT - Demand Response
BUDGET SUMMARY

The adopted budget for Demand Response division in 2019-20 has a 3.0% decrease from the previous year. Personnel expenditures experienced a 3% pay adjustment, a 4.9% health insurance increase, and a 1.2% increase in retirement costs. This is offset by employee turnover. The decrease in operating are due to budget to actual alignment.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 1,538,679	\$ 1,717,793	\$ 1,717,793	\$ 1,487,510	\$ 1,656,470	-3.6%
Operating Costs	435,518	663,598	663,598	663,407	654,048	-1.4%
Capital Outlay	38,570	-	-	237,642	-	N/A
Total	\$ 2,012,767	\$ 2,381,391	\$ 2,381,391	\$ 2,388,559	\$ 2,310,518	-3.0%

TRANSIT - Tarheel Express / Special Events
BUDGET SUMMARY

The adopted budget for Tarheel Express & Special Events in 2019-20 reflects a 1.1% increase in overall expenditures. There is a 1.5% increase in personnel due to the 1.2% increase to the retirement rate.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 219,351	\$ 254,571	\$ 254,571	\$ 257,348	\$ 258,271	1.5%
Operating Costs	53,139	82,334	82,334	82,334	82,334	0.0%
Total	\$ 272,490	\$ 336,905	\$ 336,905	\$ 339,682	\$ 340,605	1.1%

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

The adopted budget for 2019-20 represents a 0.5% increase in expenditures from the previous fiscal year. The 3.3% increase in personnel costs is due to a 3% pay adjustment, a 4.9% increase in health insurance costs, and an increase of 1.2% for retirement costs. The decrease of 2.7% in operating costs reflects decreases to the costs related to maintenance and repair of transit vehicles.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 2,039,298	\$ 2,517,402	\$ 2,496,402	\$ 2,300,791	\$ 2,600,100	3.3%
Operating Costs	1,240,908	2,229,273	2,381,943	2,139,193	2,168,302	-2.7%
Capital Outlay	-	20,000	22,023	20,000	20,000	0.0%
Total	\$ 3,280,206	\$ 4,766,675	\$ 4,900,368	\$ 4,459,984	\$ 4,788,402	0.5%

TRANSIT - Building Maintenance

BUDGET SUMMARY

The adopted budget for Transit's Building Maintenance division reflects a 1.0% decrease overall. The 20.0% decrease in personnel expenditures is due to adjusting the new retiree medical figure to align better with prior year actuals. The 0.8% decrease in operating costs is due to a decrease in utility costs.

EXPENDITURES

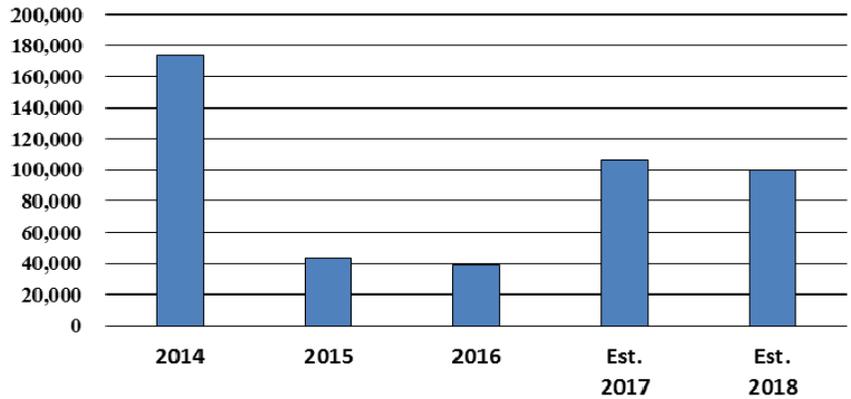
	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 6,343	\$ 6,500	\$ 6,500	\$ 5,200	\$ 5,200	-20.0%
Operating Costs	615,999	922,554	987,217	948,240	914,805	-0.8%
Total	\$ 622,342	\$ 929,054	\$ 993,717	\$ 953,440	\$ 920,005	-1.0%

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.

Contributions to Capital Grants



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 2019-20 are estimates for grants historically received each year, but not yet awarded.

The contribution to reserve budgeted for 2019-20 is intended for bus replacement expenditures.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Contribution to Capital Grant Reserve	\$ 621,771	\$ -	\$ 339,331	\$ 339,331	\$ -	N/A
	-	255,890	255,890	-	10,000	-96.1%
Total	\$ 621,771	\$ 255,890	\$ 595,221	\$ 339,331	\$ 10,000	-96.1%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Interest Income	\$ 9,058	\$ 5,000	\$ 5,000	\$ 10,000	\$ 10,000	100.0%
Transfer from Transit Fund	250,690	250,890	250,890	250,890	-	-100.0%
Appropriated Fund Balance	362,023	-	339,331	78,441	-	N/A
Total	\$ 621,771	\$ 255,890	\$ 595,221	\$ 339,331	\$ 10,000	-96.1%

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. Seven current project ordinances in the Transit Department are shown below:

2015-2016 Capital Grant 5339

The project ordinance for the fiscal year 2015-2016 Section 5339 Transit Capital Grant was executed on May 14, 2018. The funds will be used to expand transit's employee/visitor parking lot, install a new security gate to the bus fleet yard and fund and preliminary review and analysis of constructing a solar canopy over the bus yard. 80% is federally funded. 20% will be funded through local budget.

	Project Budget	Estimated Expenditures Through June 30, 2020
2015-2016 Transit Capital Grant	\$534,124.00	\$534,124.00

2017-2018 Capital Grant 5339

The project ordinance for the fiscal year 2017-18 Section 5339 capital grant was executed on August 29, 2018. Funds will be used to purchase replacement Light Transit Vehicles (LTVs) for the demand response fleet and to improve transit amenities and ADA access at existing bus stops. 80% is federally funded. 20% will be funded through local budget.

	Project Budget	Estimated Expenditures Through June 30, 2020
2017-2018 Transit Capital Grant	\$592,707.00	\$592,707.00

2018 Capital Grant 5307 STP-DA Flex Funds

The project ordinance for the fiscal year 2017-2018 Section 5307 capital grant for Surface Transportation Program – Direct Attributable (STP-DA) was executed August 29, 2018. Funds are to be used to purchase two 40' diesel buses for the Fixed Route Department. An order was placed for the buses, however they are not expected to be delivered FY19. The Federal portion of this project is \$697,000.00 The Town will provide the remainder through local budget. Current costs have local share at \$218,901.00.

	Project Budget	Estimated Expenditures Through June 30, 2020
2018 Transit Capital Grant	\$916,000.00	\$916,000.00

TRANSIT CAPITAL GRANT PROJECT ORDINANCES

2017 Capital Grant 5307 CMAQ Flex Funds

The project ordinance for the fiscal year 2018 Section 5307 Congestion Mitigation and Air Quality (CMAQ) capital grant is currently under review by the FTA for execution. Funds will be used for the purchase of three 40' diesel buses. The Federal portion of this project is \$1,093,015.00. The Town's share is \$280,538.00

	Project Budget	Estimated Expenditures Through June 30, 2020
2018 Transit Capital Grant	\$1,373,553.00	\$1,373,553.00

2018 Capital Grant 5339c Lo/No Emissions

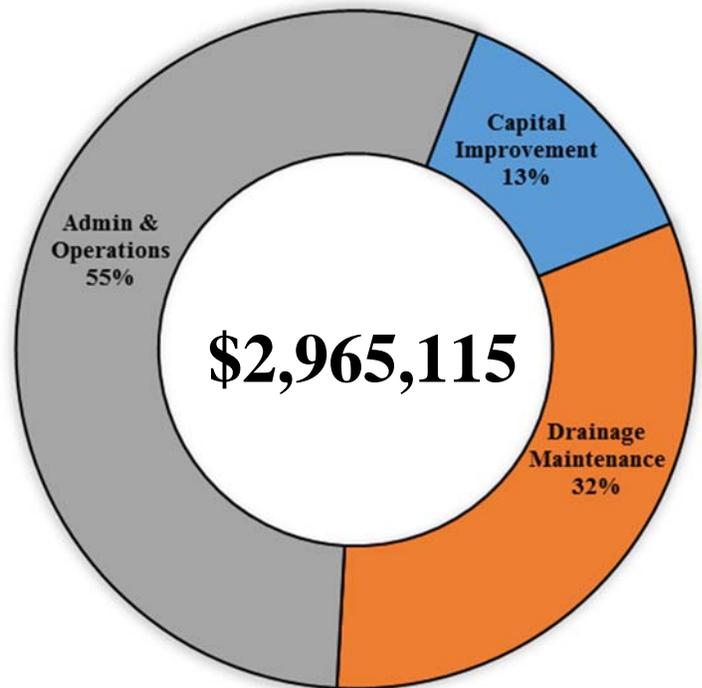
The project ordinance for the fiscal year 2018 5339c Competitive Lo/No Emission Transit Capital Grant is currently under review by the FTS for execution. The funds will be used to purchase two 40' electric buses. 80% is federally funded. 10% will be funded through local budget and 10% through the State.

	Project Budget	Estimated Expenditures Through June 30, 2020
2018 Transit Capital Grant	\$1,727,500.00	\$1,727,500.00

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.

STORMWATER EXPENSES



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.

The Public Works-Stormwater Management Department identified the following primary programs that are included in the adopted budget for 2018-19.

Program	Description
Stormwater Infrastructure	Perform routine maintenance, remedial repairs, and capital improvements to the town-maintained stormwater infrastructure using in-house and contracted resources.
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).
Street Sweeping	Clean all publicly maintained streets within the town limits using in-house labor and equipment. Inspect and clean downtown streets twice a week, major roadways once a week, and residential streets once every six to eight weeks, weather permitting.

STORMWATER MANAGEMENT FUND

Major Revenue Sources – Descriptions and Estimates

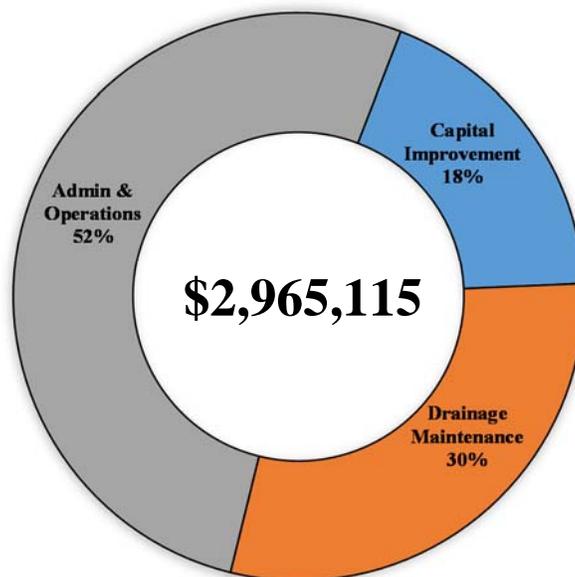
In order to continue to enhance stormwater management services currently provided by the Town, and to implement stormwater management activities necessary to comply with State and federal regulations, the Town established a Stormwater Management Fund in 2004-05. Stormwater management activities are funded by a fee charged to property owners based on the amount of impervious surface area on a property. The adopted budget includes a \$2.82 per equivalent rate unit (ERU) fee increase to fund the remaining balance associated with the debt service related to the 2015 Stormwater Bonds. This will bring the Stormwater fee to \$34.97 for each 1,000 square feet of impervious surface. At this rate, fees are estimated at about \$2.95 million in 2019-20. In the current year, the budget is expected to be balanced with \$241,405 in fund balance. For 2019-20, the budget is balanced without the use of fund balance.

Major Expenditures and Estimates

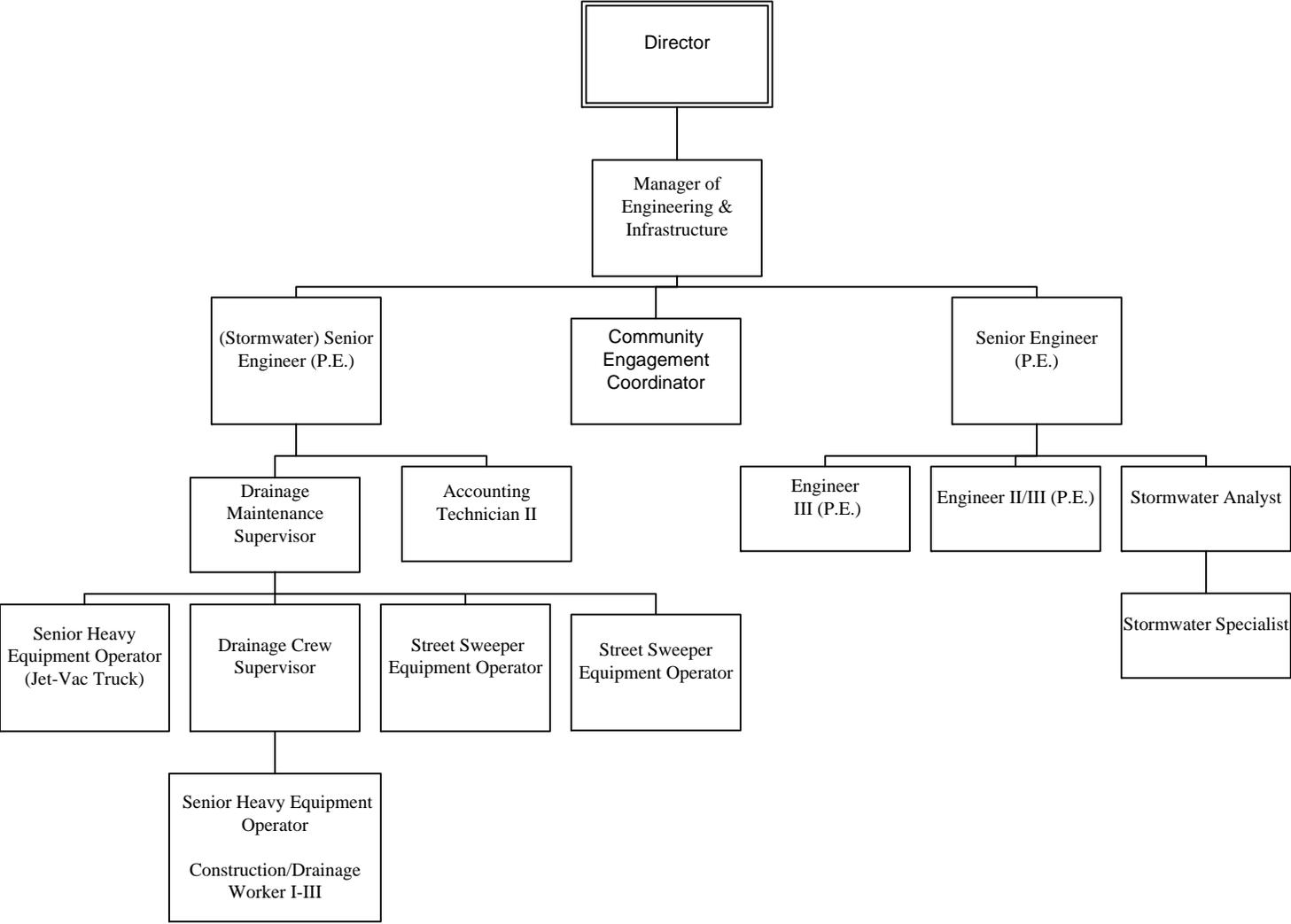
The budget for 2019-20 totals \$2,965,115. This is an 8.8% increase compared to FY19 due to a 3% pay adjustment, a 4.9% health insurance increase, an increase to capital reserve. \$230,344 is in the adopted budget for the debt payment related to the G.O. bond issuance. Approximately \$237,000 is budgeted for capital reserve.

As indicated in the chart below, 30% of the 2019-20 budget provides for the Drainage division to conduct stormwater-related drainage and maintenance projects.

STORMWATER EXPENSES



STORMWATER MANAGEMENT FUND



STORMWATER MANAGEMENT FUND
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 ADOPTED
Stormwater			
Senior Engineer	1.15	1.50	1.50
Engineer III	2.00	2.00	2.00
Engineering Inspector - SR	0.30	0.30	0.30
Stormwater Specialist	1.00	1.00	1.00
Stormwater Analyst	1.00	1.00	1.00
Survey/Project Coordinator	0.25	0.25	0.25
Community Education Coordinator	1.00	1.00	1.00
Accounting Tech II	1.00	1.00	1.00
Unit Totals	<u>7.70</u>	<u>8.05</u>	<u>8.05</u>
Drainage			
Drainage Maintenance Supervisor	1.00	1.00	1.00
Drainage Crew Supervisor	1.00	1.00	1.00
Senior Street Sweeper Equipment Operator	1.00	1.00	1.00
Street Sweeper Equipment Operator	1.00	1.00	1.00
Senior Heavy Equipment Operator	2.00	2.00	2.00
Construction Worker II	1.00	1.00	1.00
Unit Totals	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>
Stormwater Management Fund Totals	<u>14.70</u>	<u>15.05</u>	<u>15.05</u>

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

STORMWATER MANAGEMENT FUND

BUDGET SUMMARY

The adopted budget for 2019-20 includes the continuation of existing services. The 2.6% increase in personnel expenditures includes a 3% pay adjustment, a 1.2% retirement increase, as well as a 4.9% increase in health insurance costs. Operating costs increased due to increases in contractual services. Capital reserve increased due to increases in stormwater fees.

The adopted budget includes a \$2.82 per ERU fee increase to issue the remaining \$3.2 million general obligation bonds and pay the related debt service for the 2015 Stormwater Bonds. The budget is balanced without the use of fund balance.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 1,214,118	\$ 1,367,025	\$ 1,367,025	\$ 1,104,361	\$ 1,402,696	2.6%
Operating Costs	1,195,821	998,176	1,909,193	1,219,619	1,014,403	1.6%
Capital Outlay	380,790	320,897	2,952,768	641,325	310,744	-3.2%
Capital Reserve	2,918,234	38,302	238,664	-	237,272	519.5%
Total	\$ 5,708,963	\$ 2,724,400	\$ 6,467,650	\$ 2,965,305	\$ 2,965,115	8.8%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Stormwater Fees	\$ 2,850,732	\$ 2,713,400	\$ 2,713,400	\$ 2,713,400	\$ 2,954,115	8.9%
Fee Exemption	(9,457)	(7,400)	(7,400)	(7,200)	(10,500)	N/A
Transfer from General Fund	9,400	7,400	7,400	7,200	10,500	41.9%
Interest Income	15,163	3,000	3,000	3,000	3,000	0.0%
Other Income	7,500	8,000	8,000	7,500	8,000	0.0%
Proceeds from Bond Sale	2,700,000	-	-	-	-	N/A
Premium on Bonds	129,554	-	-	-	-	N/A
Revenue in Lieu	6,071	-	-	-	-	N/A
Appropriated Fund Balance	-	-	3,743,250	241,405	-	N/A
Total	\$ 5,708,963	\$ 2,724,400	\$ 6,467,650	\$ 2,965,305	\$ 2,965,115	8.8%

STORMWATER

Performance Measures

 ENVIRONMENTAL STEWARDSHIP	<p>Strategic Objectives</p> <ul style="list-style-type: none"> ➤ Initiate 100% of investigations of reported pollution (sedimentation, illicit discharge) events within 24 hours of receipt. ➤ Conduct at least one post-construction inspection to 20% of the project sites subject to the NPDES regulation, with the goal of inspecting all sites every five years. ➤ Initiate at least 75% of investigations for drainage service inquiries within three working days. ➤ Sweep streets downtown twice weekly, major streets once weekly, and check and clean residential streets as needed once every six to eight weeks
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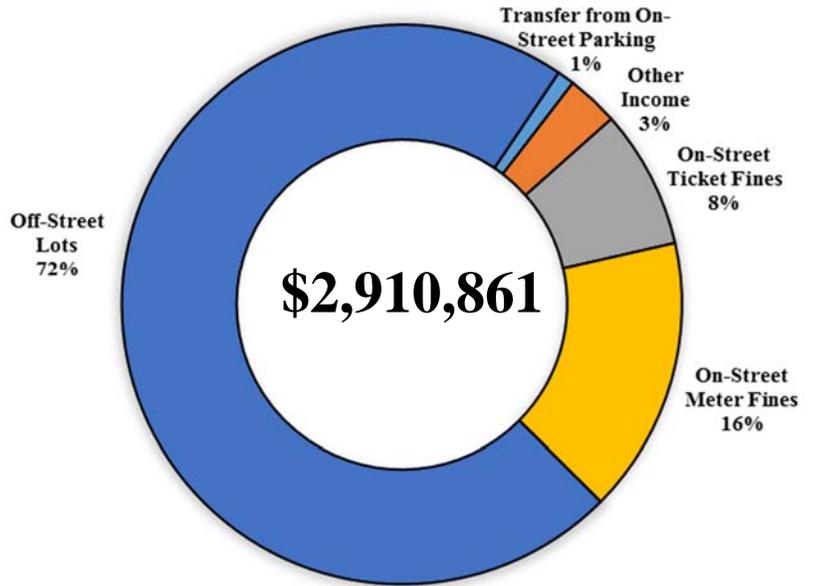
Core Business Program	Performance Measure	FY17 Actual	FY18 Actual	FY19 Estimate	FY20 Target
Stormwater Regulatory Compliance	Percent of investigations of reported pollution initiated within 24 hours of notification	*	*	*	100%
	Percent of sites inspected annually	*	*	*	20%
Stormwater Infrastructure	Percent of investigations for drainage service inquiries initiated within three working days	*	*	*	75%
Street Sweeping	Percent of time downtown streets were swept according to schedule (twice per week)	*	*	*	100%
	Percent of time major streets were swept according to schedule (once per week)	*	*	*	100%
	Percent of time residential streets were swept according to schedule (once every seven weeks)	*	*	*	100%

* This is a new measure. Data for previous reporting periods is not available.

PARKING SERVICES

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

TOTAL PARKING REVENUES



PARKING SERVICES

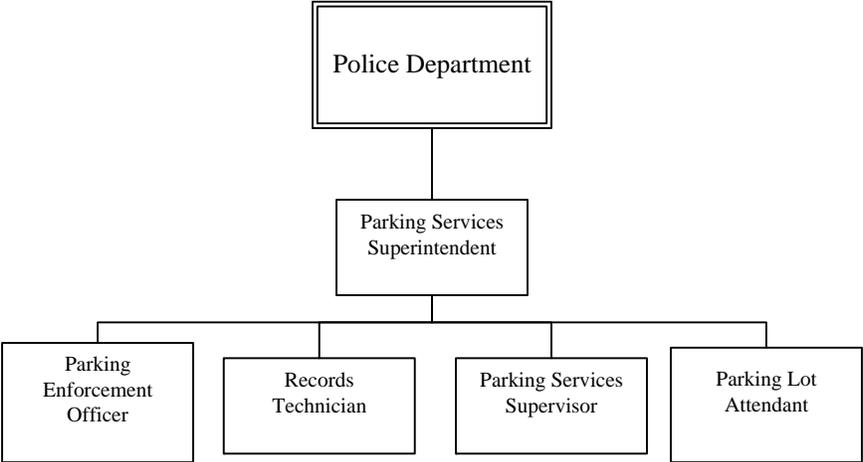
MISSION STATEMENT:

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.

The Parking Services Department identified the following primary programs that are included in the adopted budget for 2018-19.

Program	Description
On-Street Parking	Maintain on-street parking inventory, parking meters and pay-stations. Collect meter revenue and monitor utilization and meter/pay station maintenance.
Off-Street Parking	Maintain off-street parking inventory 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.

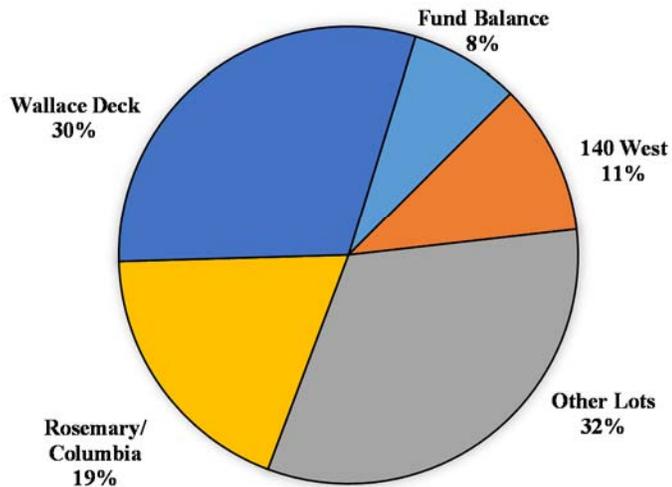
PARKING FUNDS

Major Revenue Sources – Descriptions and Estimates

The Off-Street Parking Fund, with a adopted budget of \$2,203,622 for 2019-20, 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 \$665,000, or 30% of total off-street parking revenues, is budgeted from the James Wallace Deck and \$415,000, or 19%, is budgeted from the Rosemary/Columbia Street lot. The deck at 140 West is budgeted to generate about \$236,500 in 2019-20.

The On-Street Parking Fund, with an adopted budget for 2019-20 of \$707,239, has two major revenue sources: parking meter fees and parking ticket fines. Meter fees are estimated to generate about \$406,000 and parking ticket fines about \$185,000 in 2019-20.

OFF-STREET PARKING REVENUES



Major Expenditures and Estimates

The primary expenditure of the Off-Street Parking Fund is the cost of personnel to manage the lots (approximately \$445,000). The budget of \$2,203,622 includes a 3% pay adjustment, a 4.9% health insurance increase, and a 1.2% increase in retirement.

The On-Street Parking Fund includes expenditures primarily for the personnel to administer and collect meter revenues and parking tickets of about \$451,000. The budget of \$707,239 includes a 3% pay adjustment, a 4.9% health insurance increase, and a 1.2% increase in retirement.

PARKING SERVICES
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 ADOPTED
Superintendent-Parking Services	1.00	1.00	0.00
Supervisor-Parking Services	1.00	1.00	1.00
Assistant Parking Services Supervisor	0.00	1.00	1.00
Parking Enforcement Officer	2.00	3.00	3.00
Records Technician	1.00	1.80	1.80
Parking Attendant	3.00	2.00	2.00
Community Services Planner	0.00	0.00	1.00
Parking Attendant - SR	1.00	0.00	0.00
Parking Fund Totals	<u>9.00</u>	<u>9.80</u>	<u>9.80</u>

Note: Parking Services is supervised by the Police Chief

PARKING SERVICES

BUDGET SUMMARY

The Parking Services Fund is comprised of two divisions: On-Street Parking accounts for meters and enforcement and Off-Street Parking that accounts for the parking deck and lots.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
On-Street Parking	\$ 1,055,891	\$ 716,810	\$ 749,254	\$ 664,542	\$ 707,239	-1.3%
Off-Street Parking	1,918,998	1,990,020	2,420,985	2,119,956	2,203,622	10.7%
Total	\$ 2,974,889	\$ 2,706,830	\$ 3,170,239	\$ 2,784,498	\$ 2,910,861	7.5%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
On-Street Parking	\$ 1,055,891	\$ 716,810	\$ 749,254	\$ 664,542	\$ 707,239	-1.3%
Off-Street Parking	1,918,998	1,990,020	2,420,985	2,119,956	2,203,622	10.7%
Total	\$ 2,974,889	\$ 2,706,830	\$ 3,170,239	\$ 2,784,498	\$ 2,910,861	7.5%

**ON-STREET PARKING
BUDGET SUMMARY**

The adopted budget for On-Street Parking represents a 1.3% decrease over the fiscal year 2019-20 budget. There is a 6.3% decrease in personnel for Enforcement. This is mainly due to the transfer of a position from Off-Street Parking along with a 3% pay adjustment, a 4.9% health insurance increase, a 1.2% retirement cost increase, and the reorganization of a part-time employee (0.5 FTE).

There is a \$69,239 fund balance appropriation. Due to decreases in parking ticket fines/fees and other incomes, fund balance appropriation is necessary to balance the fund.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Enforcement:						
Personnel	\$ 322,175	\$ 403,302	\$ 403,302	\$ 340,047	\$ 377,973	-6.3%
Operations	185,207	135,883	138,883	129,633	129,375	-4.8%
Capital	285,300	-	32,444	30,000	30,000	N/A
Meters:						
Personnel	67,803	67,985	67,985	70,031	73,398	8.0%
Operations	81,371	85,050	82,050	94,831	96,493	13.5%
Transfer to Off-Street	114,035	24,590	24,590	-	-	-100.0%
Total	\$ 1,055,891	\$ 716,810	\$ 749,254	\$ 664,542	\$ 707,239	-1.3%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Transfer from Capital Improvemen	\$ 400,000	\$ -	\$ -	\$ -	\$ -	N/A
Parking Meter Fees	394,192	426,560	426,560	406,000	406,000	-4.8%
Parking Ticket Fines/Fees	192,912	207,000	207,000	185,000	185,000	-10.6%
Interest Income	424	250	250	500	500	100.0%
Other Income	102,271	83,000	83,000	61,500	46,500	-44.0%
Appropriated Fund Balance	(33,908)	-	32,444	11,542	69,239	N/A
Total	\$ 1,055,891	\$ 716,810	\$ 749,254	\$ 664,542	\$ 707,239	-1.3%

OFF-STREET PARKING BUDGET SUMMARY

Off-Street Parking revenues for the adopted 2019-20 budget reflects a increase of 10.7% from the 2018-19 budget. The budget was balanced with a \$164,622 appropriation of fund balance.

The overall increase in expenditures for 2019-20 is due to an increase in expenditures to the parking lots. There is a slight increase in personnel costs due to a 3% market rate salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs. The Off-Street Parking budget also includes a transfer of \$905,332 to the Debt Fund for the portion of the 2012 Limited Obligation Bonds (LOBs) used to pay for the deck at 140 West and for refunding the Wallace Deck, which was consolidated in the new LOBs. Revenue projections of multiple lots, including Rosemary, West Rosemary, and Jones Park, are expected to decrease.

EXPENDITURES

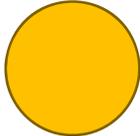
	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
James Wallace Deck	\$ 339,951	\$ 371,215	\$ 369,956	\$ 347,934	\$ 380,143	2.4%
Parking Lots	553,075	467,318	589,630	712,384	769,751	64.7%
140 West Deck	52,192	63,330	35,982	70,874	70,450	11.2%
Administration	963,780	1,088,157	1,135,417	988,764	983,278	-9.6%
Wallace Renovation	10,000	-	290,000	-	-	N/A
Total	\$ 1,918,998	\$ 1,990,020	\$ 2,420,985	\$ 2,119,956	\$ 2,203,622	10.7%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
James Wallace Deck	\$ 646,904	\$ 704,000	\$ 704,000	\$ 665,000	\$ 665,000	-5.5%
Rosemary/Columbia Lot	422,771	455,000	455,000	415,000	415,000	-8.8%
415 West Franklin Lot	91,900	106,600	106,600	101,500	102,000	-4.3%
West Rosemary Lot	26,439	31,500	31,500	21,000	21,500	-31.7%
Rosemary/Sunset	60,893	54,800	54,800	67,000	67,500	23.2%
127 West Rosemary Lot	2,707	-	-	-	-	N/A
South Graham Lot	17,933	11,700	11,700	28,500	29,000	147.9%
West Franklin/Basnight Lot	108,956	134,030	134,030	117,000	117,500	-12.3%
427 West Franklin Lot	53,602	45,000	45,000	51,500	52,000	15.6%
Jones Park Lot	11,580	17,500	17,500	11,000	11,000	-37.1%
Mallette Lot	132	22,000	22,000	36,500	37,000	68.2%
Courtyard Lot	76,621	76,500	76,500	69,000	69,000	-9.8%
140 West Deck	274,057	305,300	305,300	236,000	236,500	-22.5%
125 East Rosemary	9,179	-	-	210,000	210,000	N/A
Interest Income	905	1,500	1,500	1,500	1,500	0.0%
Miscellaneous Income	304,365	-	-	4,500	4,500	N/A
Transfer from Capital Improvement	115,000	-	-	-	-	N/A
Transfer from On-Street Parking	114,034	24,590	24,590	-	-	-100.0%
Appropriated Fund Balance	(418,980)	-	430,965	84,956	164,622	N/A
Total	\$ 1,918,998	\$ 1,990,020	\$ 2,420,985	\$ 2,119,956	\$ 2,203,622	10.7%

PARKING SERVICES

Performance Measures

 ECONOMIC & FINANCIAL SUSTAINABILITY	<p>Strategic Objectives</p> <ul style="list-style-type: none"> ➤ Achieve “satisfied” survey rating for “Quality of Parking Downtown” from at least 60% of residents surveyed
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Core Business Program	Performance Measure	FY17 Actual	FY18 Actual	FY19 Estimate	FY20 Target
On and Off-Street Parking	Achieve “satisfied” survey rating for “Quality of Parking Downtown” in Community Survey	No Data ¹	35%	No data	60%

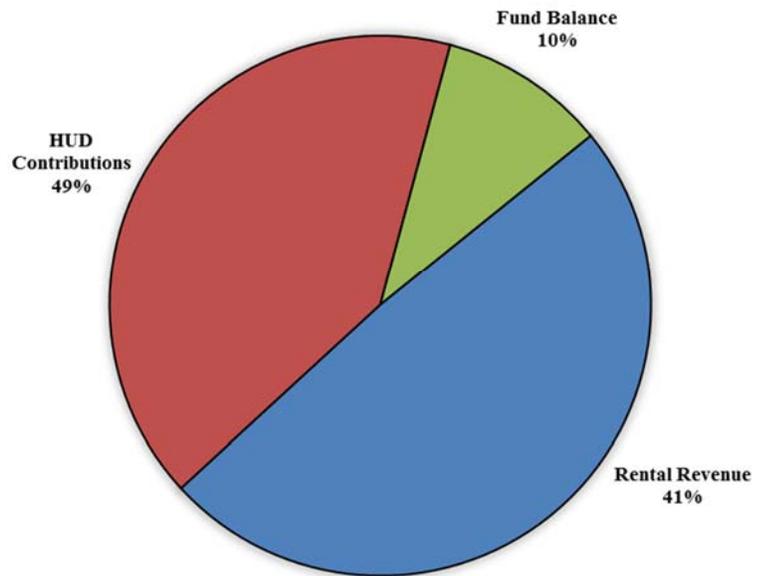
¹ The Community Survey is conducted on a biennial basis. Therefore, there is not data available on an annual basis.

PUBLIC HOUSING FUND

The Public Housing Fund is used to account for federal grants restricted for the Town's public housing programs.

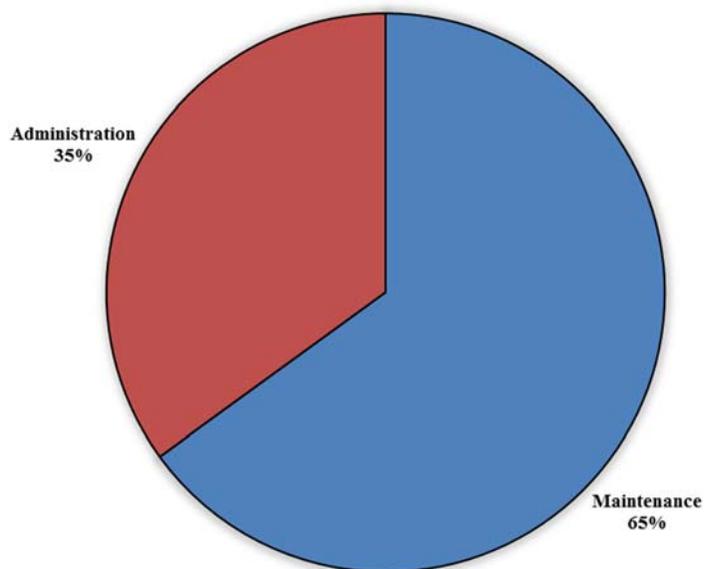
Since those with fewer than 400 units have been exempt each year from HUD's new funding model (AMPs) since 2007-08, we have returned to a simpler budget presentation comprised of Administrative and Maintenance divisions.

PUBLIC HOUSING REVENUES



Total \$2,182,460

PUBLIC HOUSING EXPENSES



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.

The Public Housing Fund Department identified the following primary programs that are included in the adopted budget for 2019-20.

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

Major Revenue Sources - Descriptions and Estimates

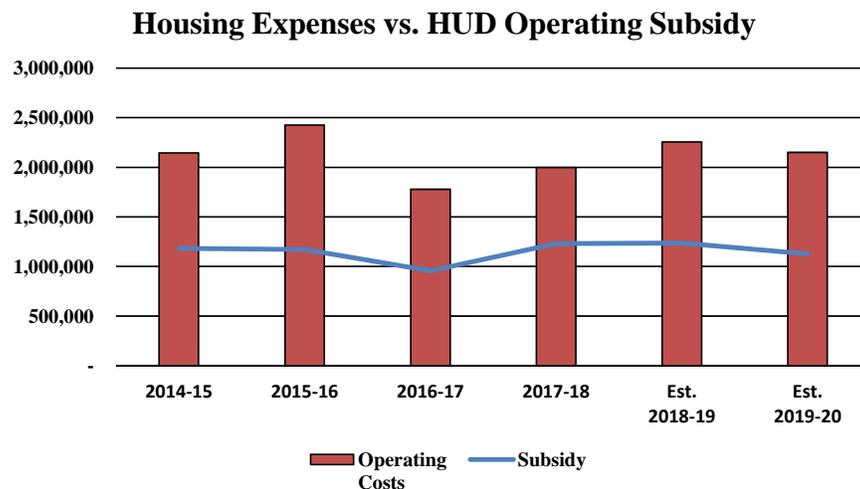
The Town’s Public Housing program provides for the administration and operation of the Town’s 336 public housing units, and is funded primarily through federal grants and rents paid by residents.

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 2019-20 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 2019 but we have no information about calendar 2020. Based on interim allocations, our estimate of HUD’s subsidy for 2018-19 is \$1,236,797, about a 0.6% increase from the 2017-18 subsidy of \$1,229,562.

The Housing Department estimates dwelling rents, the second largest revenue for the Public Housing Fund, at about \$1,017,881 decrease over current year estimates due to a number of vacant units, tenant's income, and subsequent rent requirements.

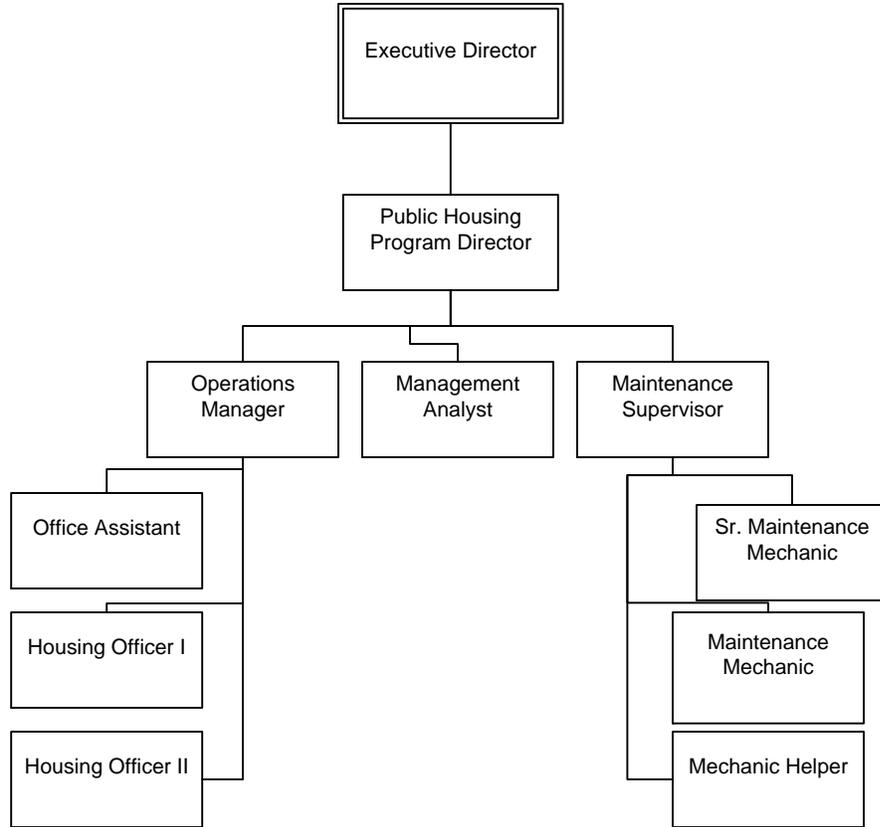
Major Expenditures and Estimates

Major expenditure categories include about \$1,243,895 for salaries and benefits, \$192,000 for utilities, \$92,200 for liability and flood insurance and about \$521,650 for maintenance of the units.

The personnel costs include a 3% pay adjustment and a 4.9% increase in health insurance costs.

	2018-19 Original Budget	2019-20 Adopted Budget	% Change from 2018-19
Salary & Benefits - Administration	\$ 563,062	\$ 499,595	-11.3%
Salary & Benefits - Maintenance	698,435	744,300	6.6%
Maintenance Costs	518,100	521,650	0.7%
Utilities	177,200	192,000	8.4%
Liability & Flood Insurance	90,200	92,200	2.2%
Other Expenses	157,375	132,715	-15.7%
Total Budget	\$ 2,204,372	\$ 2,182,460	-1.0%

PUBLIC HOUSING FUND



PUBLIC HOUSING
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 ADOPTED
Administration			
Director-Housing	1.00	1.00	1.00
Assistant Director	1.00	0.00	0.00
Operations Manager - Housing	0.00	1.00	1.00
Management Analyst	0.00	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	0.00	0.00
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 BUDGET SUMMARY

The Town's 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 2019-20 retains a simpler model that includes an Administrative Division and a Maintenance Division.

The 1.4% decrease in personnel is the result of a 3% pay adjustment, 4.9% increase in health insurance, and a 1.2% retirement increase, which is offset by employee turnover. The budget for 2019-20 reflects an estimate of the HUD subsidy anticipated for calendar year 2019. The Town anticipates a 5.0% increase in HUD subsidies and a 12.6% increase in rental revenues. Due to these increases, the town is anticipating it will have a significantly lower fund balance appropriation in 2019-20.

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Revenue Summary						
HUD Contributions	\$ 1,229,562	\$ 1,072,644	\$ 1,072,644	\$ 1,236,797	\$ 1,126,092	5.0%
Rental Revenue	996,848	903,642	903,642	1,015,970	1,017,881	12.6%
Other Revenues	35,631	200	200	200	200	0.0%
Interest Income	1,454	1,394	1,394	1,663	1,680	20.5%
Appropriated Fund Balance	-	226,492	231,022	-	36,607	-83.8%
Total Revenues	\$ 2,263,495	\$ 2,204,372	\$ 2,208,902	\$ 2,254,630	\$ 2,182,460	-1.0%

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 961,730	\$ 1,261,497	\$ 1,261,497	\$ 925,154	\$ 1,243,895	-1.4%
Operating	1,035,196	942,875	947,405	951,884	938,565	-0.5%
Contribution to Reserve	266,569	-	-	377,592	-	N/A
Total	\$ 2,263,495	\$ 2,204,372	\$ 2,208,902	\$ 2,254,630	\$ 2,182,460	-1.0%

PUBLIC HOUSING

Performance Measures

 AFFORDABLE HOUSING	Strategic Objectives ➤ To provide decent, safe, and well maintained affordable rental housing for low-income residents
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Core Business Program	Performance Measure	FY17 Actual	FY18 Actual	FY19 Estimate	FY20 Target
Public Housing	1. HUD's PHAS rating	93%	90%	78%	100%
	2. % of routine work orders completed within 3 - 5 days	84%	*	80%	100%
	3. % of work orders initiated by residents	88%	*	65%	33%
	4. % of Public Housing units with access/use to free High Speed Wi-Fi	100%	*	40%	100%
	5. % of work orders initiated by Maintenance Mechanics	16%	65%	35%	66%
	6. % of vacant units occupied within 20 days or less	80%	54	85	100%
	7. # of move-ins during the last 30 days	8%	5	3	25%
	8. Average # of calls received via the after hour line monthly	75%	25	54	35%
	9. Average number of persons attending a food bank in Public Husing	64%	75	35	75%
	10. % of Public Housing Residents employed	2%	45	5	25%
	11. % of new admissions homeless at the time of admission	*	*	*	*

* This is a new measure. Data for previous reporting periods is not available.

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 2014 project ordinance budgets a \$403,505 grant and \$7,338 program income, for public housing improvements, homeownership assistance, code enforcement, after school programs, community and homelessness outreach, and youth skills development programs.

The 2015 project ordinance budgets a \$404,761 grant and \$7,338 program income, for public housing improvements, homeownership assistance, code enforcement, after-school programs, summer youth employment programs, and youth skills development programs, community and homelessness outreach, homeowner housing improvements.

The 2016 project ordinance budgets a \$387,702 grant and \$7,338 program income, for public housing improvements, homeownership assistance, homeowner housing improvement programs, code enforcement, neighborhood revitalization activities, summer youth employment programs, homelessness outreach and case management, youth skills development and community literacy programs.

The 2017 project ordinance budgets a \$380,825 grant and \$38,046 program income, for public housing improvements, homeownership assistance, homeowner housing improvement programs, code enforcement, neighborhood revitalization activities, summer youth employment programs, and homelessness case management.

The 2018 project ordinance budgets a \$418,344 grant and \$21,777 program income, for public housing improvements, homeownership assistance, homeowner housing improvement programs, code enforcement, neighborhood revitalization activities, summer youth employment programs, and homelessness case management.

CAPITAL PROGRAM

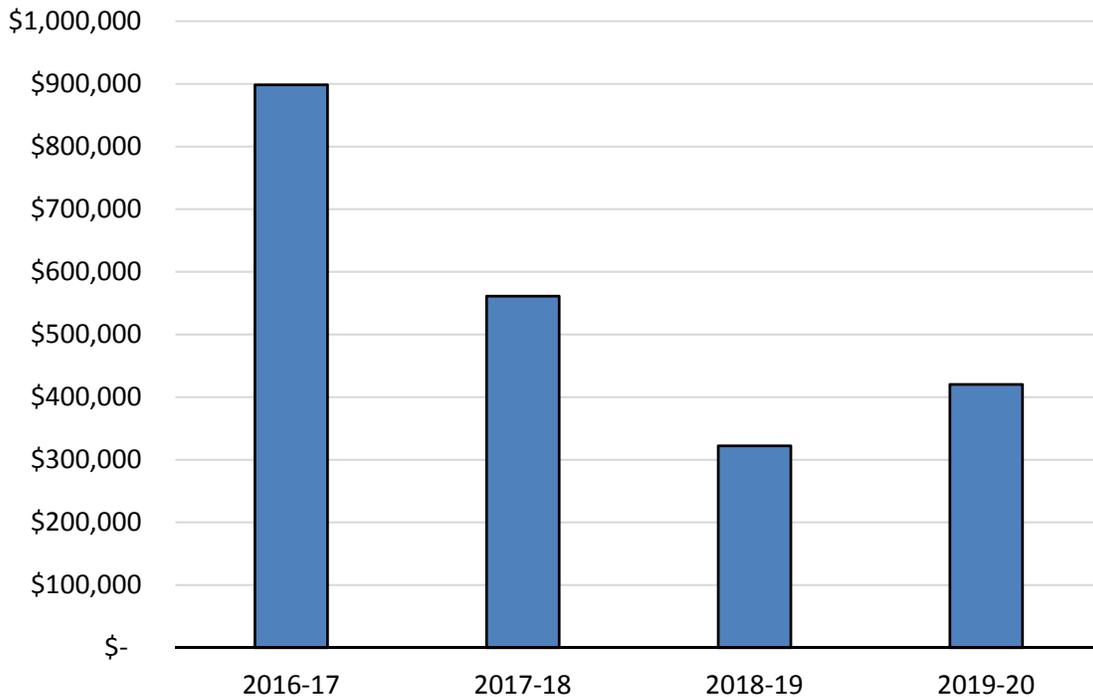
The Capital Program is a 15-year financial plan for the Town’s major capital and infrastructure needs. The program identifies capital needs, establishes priorities and identifies potential funding sources.

Key sources for development of the Capital Program include the Facility Condition Assessment completed in 2016, 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 2019-20 are part of the 2019-20 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 Improvements Fund Budget
2016-17 to 2019-20**



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
 - \$2,000,000 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

2015 Bonds

In November 2015, voters approved \$40.3 million in bonds. The bond projects are assigned to five individual categories as follows:

- *Sidewalks and Streets* (\$16.2 million): For improvements for bicycle and pedestrian safety, sidewalks, streets and bridges, and Downtown Streetscape.
- *Trails and Greenways* (\$5 million): For expansion of the town’s Greenway System.

CAPITAL PROGRAM – MAJOR REVENUE SOURCES

- Recreation Facilities (\$8 million): Renovations to parks, Parks & Recreation administrative space, and a community programming space.
- Solid Waste Options (\$5.2 million): Develop options for future solid-waste removal.
- Stormwater Improvements (\$5.9 million): For drainage improvements, flood control and stream restoration.

The Town issued \$9 million of General Obligation bonds in February 2017. The Town then issues \$12.5 million of General Obligation bonds in March 2018.

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 \$1.6 million in two-thirds bonds in March 2017.

Stormwater Management Funds

Stormwater Management fees provide funding for the Town's Stormwater Management Department, including capital projects.

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

CAPITAL PROGRAM – MAJOR REVENUE SOURCES

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

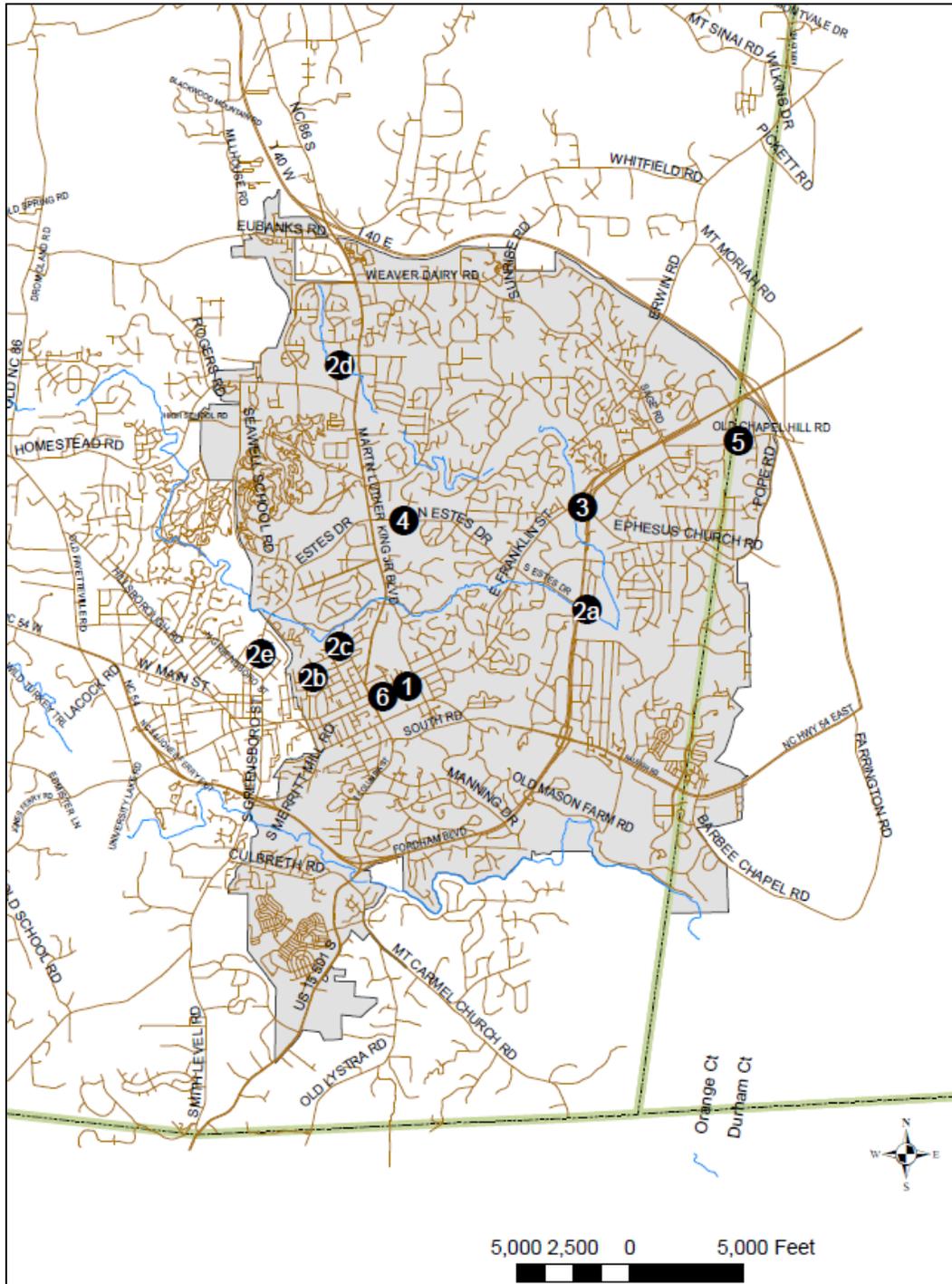
CAPITAL PROGRAM – KEY PROJECTS

This section highlights key projects included in the 2020-35 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 roof repairs to Wallace Deck, renovations to the roofs of several neighborhood apartments, culvert replacements to Booker Creek, and expansions/improvements of bike and pedestrian lanes on Estes Drive. Other capital projects include construction of sidewalks and bicycle facilities, new greenways, and improvements to downtown alleyways.

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

- 1. Wallace Deck; 2a. South Estes Drive; 2b. Craig/Gomains Street; 2c. Pritchard Park; 2d. Bright Sun Place; 2e. Oakwood
- 3. Booker Creek Watershed Improvements; 4. Estes Drive Bike & Ped Improvements (MLK to Caswell); 5. Old Durham Road; 6. Downtown Alleyway Improvements

CAPITAL PROGRAM – KEY PROJECTS

1. 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.

2. Public Housing

The FY20 CIP includes funding for needed repairs and renovations to public housing apartments, facilities and sites. These improvements to the public housing apartments will allow us to continue our efforts to provide safe and sanitary living conditions to a portion of the lower-income citizens of Chapel Hill. Locations for these planned improvements include our sites at Craig Gomains, Oakwood, South Estes Drive, Pritchard Park, and Bright Sun Place.

3. 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.

4. Estes Drive Bike & Ped Improvements (MLK to Caswell)

This project includes constructing raised bike lanes on both sides, a multiuse path on the north side, and a sidewalk on the south side of Estes Drive from Martin Luther King Jr. Blvd. to Caswell. Intersection improvements at MLK/Estes are also part of the project. Staff has made progress on ROW and easements and only one easement is outstanding. Plans are at 100% and are about to be submitted to NCDOT for review.

5. Old Durham Road

This project includes constructing bike lanes and fill in sidewalk gaps along Old Durham Chapel Hill Road between 15-501 and Pope Road roundabout. Intersection improvements at 15-501 are included. Construction is set to begin in FY20.

6. Downtown Alleyway Improvements

This project includes the renovations of the Post Office Alley and the Varsity Alley in Downtown. In the Post Office Alley this consists of re-paving the sidewalk, replacing

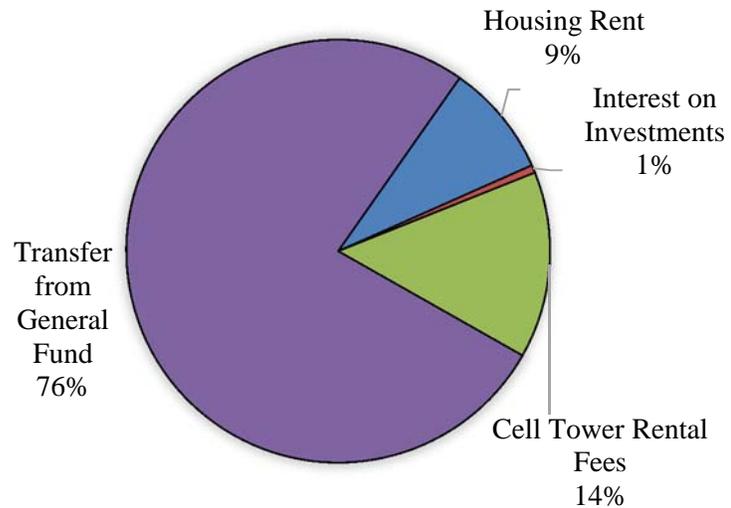
CAPITAL PROGRAM – KEY PROJECTS

planters, replacing the railing along the stairs down to the Teen Center, installing a new brick-screening wall, constructing an archway and installing brass lettering in the sidewalk on both ends of the Alley with the name of the alley. In Varsity, this consists of replacing lighting, constructing arches on both ends, fixing the stairs on the north side of the trash compactor, and replacing some railing on the south side of the compactor. Town staff will be removing two trees, one in each alley (and possibly two in PO Alley), and replacing them with more appropriate greenery for the space.

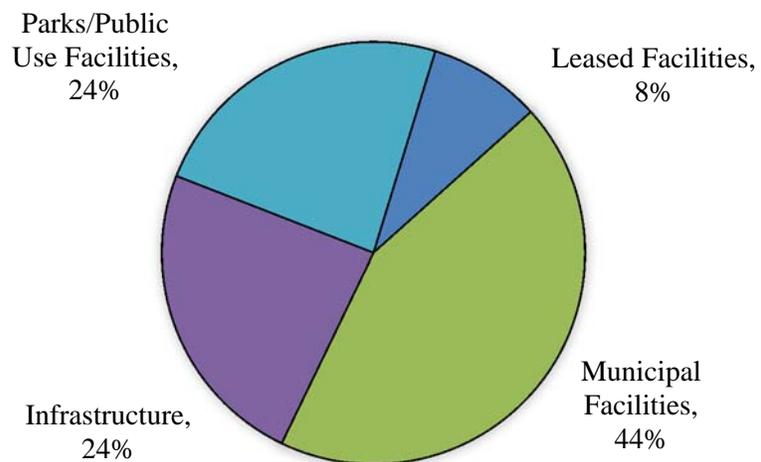
CAPITAL IMPROVEMENTS FUND

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 Revenues



Capital Improvements Fund Expenditures



CAPITAL IMPROVEMENTS FUND

BUDGET SUMMARY

The budget for the Capital Improvements Program for 2019-20 totals \$420,341 and includes projects to be completed in 2019-20. Beginning in FY 2018-19, the Town began budgeting funds for facility maintenance in the General Fund. Each year, depending on the nature of the planned projects, a portion of those funds will be transferred into the Capital Improvements Fund. The FY20 budget includes \$84,100 in planned facility maintenance.

EXPENDITURES

	2017-18	2018-19	2018-19	2018-19	2019-20
	Actual	Original	Revised	Estimated	Adopted
	Actual	Budget	Budget	Estimated	Budget
Municipal Facilities	\$ 185,452	\$ 100,000	\$ 605,945	\$ 605,945	\$ 184,100
Public Safety	1,456,827	-	315,369	315,369	-
Facilities Leased by Others	4,804	22,260	68,387	68,387	36,241
Infrastructure	84,686	100,000	109,590	109,590	100,000
Communication/Technology	-	-	80,000	80,000	-
Parks/Public Use Facilities	294,361	100,000	287,021	287,021	100,000
Transfers/Financing Costs	815,709	-	-	-	-
Total	\$ 2,841,839	\$ 322,260	\$ 1,466,312	\$ 1,466,312	\$ 420,341

REVENUES

	2017-18	2018-19	2018-19	2018-19	2019-20
	Actual	Original	Revised	Estimated	Adopted
	Actual	Budget	Budget	Estimated	Budget
Orange County Contribution	\$ 520,000	\$ -	\$ -	\$ -	\$ -
Revenue in Lieu	57,276	-	-	-	-
Housing Rent Proceeds	22,590	22,260	22,260	22,260	36,241
Cell Tower Rental Fees	59,650	60,000	60,000	60,000	60,000
Sale of Equipment	-	-	210,000	210,000	-
Interest on Investments	7,449	2,500	2,500	2,500	2,500
Transfer from General Fund	490,700	237,500	566,991	566,991	321,600
Appropriated Fund Balance	1,684,174	-	604,561	604,561	-
Total	\$ 2,841,839	\$ 322,260	\$ 1,466,312	\$ 1,466,312	\$ 420,341

CAPITAL IMPROVEMENTS FUND

DETAIL EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget
MUNICIPAL OPERATIONS FACILITIES					
Extraordinary Maintenance, Emergency Repairs	\$ 101,944	\$ 100,000	\$ 103,163	\$ 103,163	\$ 100,000
Facilities Maintenance	-	-	295,341	295,341	84,100
Town Hall Parking Lot	-	-	18,591	18,591	-
Small Capital Improvements	70,308	-	-	-	-
Fire Extraordinary Maintenance	13,200	-	188,850	188,850	-
Subtotal	\$ 185,452	\$ 100,000	\$ 605,945	\$ 605,945	\$ 184,100
PUBLIC SAFETY					
Hamilton Rd. Fire Station	\$ 1,456,827	\$ -	\$ 315,369	\$ 315,369	\$ -
Subtotal	\$ 1,456,827	\$ -	\$ 315,369	\$ 315,369	\$ -
TOWN FACILITIES LEASED BY OTHERS					
Housing Maintenance	\$ 4,804	\$ 22,260	\$ 68,387	\$ 68,387	\$ 36,241
Subtotal	\$ 4,804	\$ 22,260	\$ 68,387	\$ 68,387	\$ 36,241
INFRASTRUCTURE					
Variable Message Sign System	\$ 15,317	\$ -	\$ -	\$ -	\$ -
Path, Trail and Lot Maintenance	23,590	50,000	56,340	56,340	50,000
Traffic Calming/Bike & Ped.	4,029	-	-	-	-
Curbs / ADA	41,750	50,000	53,250	53,250	50,000
Subtotal	\$ 84,686	\$ 100,000	\$ 109,590	\$ 109,590	\$ 100,000

CAPITAL IMPROVEMENTS FUND

DETAIL EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget
COMMUNICATIONS AND TECHNOLOGY					
General Technology	\$ -	\$ -	\$ 80,000	\$ 80,000	\$ -
Subtotal	\$ -	\$ -	\$ 80,000	\$ 80,000	\$ -
PARKS AND OTHER PUBLIC USE FACILITIES					
Greenways	\$ 30,147	\$ -	\$ 21,428	\$ 21,428	\$ -
Playground Replacement	195,100	100,000	86,176	86,176	100,000
Cemetery Beautification	2,982	-	105,662	105,662	-
Small Park Improvements	66,132	-	73,755	73,755	-
Subtotal	\$ 294,361	\$ 100,000	\$ 287,021	\$ 287,021	\$ 100,000
TRANSFER TO OTHER FUNDS AND FINANCING COSTS					
Basnight Lane Parking Expansion	\$ 115,000	\$ -	\$ -	\$ -	\$ -
Replace Parking Meters	400,000	-	-	-	-
Capital Projects Ordinance Fund	300,709	-	-	-	-
Subtotal	\$ 815,709	\$ -	\$ -	\$ -	\$ -
TOTALS	\$ 2,841,839	\$ 322,260	\$ 1,466,312	\$ 1,466,312	\$ 420,341

PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS

This section provides descriptions of various capital projects funded in the 2019-20 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 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 funded out of departments' operating budgets. The impact levels are to the right.



High: More than \$25,000 a year
Moderate: \$5,000 to \$25,000 a year
Low: \$1,000 to \$5,000 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 repair, 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**

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

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 2019-20 Budget and Projected Expenditures

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total*</i>	<i>Funding Source</i>
2019-20	2020-21	2021-22	2022-23	2023-24	<i>Through 2023-24</i>	<i>Through 2033-34</i>	
\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000	\$1,500,000	Capital Improvements Fund

← **Summary of 2019-20 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 2019-20 Budget and Projected Expenditures

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total*</i>	<i>Funding Source</i>
2019-20	2020-21	2021-22	2022-23	2023-24	<i>Through 2023-24</i>	<i>Through 2033-34</i>	
\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000	\$1,500,000	Capital Improvements Fund

Facilities Maintenance

Additional funding for building maintenance programs to optimize the use of the Town’s assets through capital improvement planning, preventative maintenance, and asset management. The 2016 Facility Condition Assessment governs the prioritization of these projects.

Table and Ref #: Table 1, Ref #2
Location: Various sites
Operating Budget Impact: Positive (More than \$1,000 annually): Funding will reduce need to use operating funds for facilities maintenance.

Adopted 2019-20 Budget and Projected Expenditures

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total*</i>	<i>Funding Source</i>
2019-20	2020-21	2021-22	2022-23	2023-24	<i>Through 2023-24</i>	<i>Through 2033-34</i>	
\$84,100	-	-	-	-	\$84,100	\$84,100	Capital Improvements Fund

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 #12
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 2019-20 Budget and Projected Expenditures

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
2019-20	2020-21	2021-22	2022-23	2023-24	<i>Through 2023-24</i>	<i>Through 2033-34</i>	
\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000	\$750,000	Capital Improvements Fund

Curb Repairs: ADA Compliance

The Town is retrofitting curb ramps by installing truncated domes that alert pedestrians with vision impairments of their approach into a street. The inclusion of funds in the Town’s annual CIP confirms our commitment to meeting ADA requirements as presently interpreted to include truncated domes. We also believe that this plan satisfies legislative intent.

Table and Ref #: Table 1, Ref #19
Location: Various Sites
Operating Budget Impact: No Impact

Adopted 2019-20 Budget and Projected Expenditures

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
2019-20	2020-21	2021-22	2022-23	2023-24	<i>Through 2023-24</i>	<i>Through 2033-34</i>	
\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000	\$750,000	Capital Improvements Fund

PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS

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 #73
Location: Various Sites
Operating Budget Impact: No Impact

Adopted 2019-20 Budget and Projected Expenditures

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
2019-20	2020-21	2021-22	2022-23	2023-24	<i>Through 2023-24</i>	<i>Through 2033-34</i>	
\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$375,000	\$750,000	Stormwater Management Fund

Rogers Road Design & Engineering

This collaborative project between the Town of Chapel Hill, the Town of Carrboro, and Orange County will provide funding for a new sewer service and to create a master plan for the Rogers Road – Eubanks Road Neighborhood.

Table and Ref #: Table 2, Ref #93
Location: Rogers Road-Eubanks Road Neighborhood
Operating Budget Impact: No Impact

Adopted 2019-20 Budget and Projected Expenditures

<i>Fiscal Year (\$1,058,000) budgeted in NCDOT Direct Allocation Grant in FY 2016-17</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
2019-20	2020-21	2021-22	2022-23	2023-24	<i>Through 2023-24</i>	<i>Through 2033-34</i>	
\$1,036,584	-	-	-	-	\$1,036,584	\$1,036,584	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 #89
Location: Various sites
Operating Budget Impact: No Impact

Adopted 2019-20 Budget and Projected Expenditures

<i>Fiscal Year (\$224,390) budgeted in NCDOT Direct Allocation Grant in FY 2016-17</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
2019-20	2020-21	2021-22	2022-23	2023-24	<i>Through 2023-24</i>	<i>Through 2033-34</i>	
-	\$64,000	\$260,600	\$843,506	\$1,235,000	\$2,403,106	\$2,609,106	NCDOT Direct Allocation Grant

Elliot Road Storage Project

This project involves constructing a stormwater control facility behind the existing Day’s Inn on Fordham Boulevard along with making park and pedestrian improvements to the area. Public Works staff are working with WK Dickson, a stormwater engineering consultant, to execute construction management services for the Elliott Road Storage Facility.

Table and Ref #: Table 3, Ref #145
Location: Various sites
Operating Budget Impact: No Impact

Adopted 2019-20 Budget and Projected Expenditures

<i>Fiscal Year (\$2,829,554) budgeted in 2018 Bond Sale in FY 2018-19</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
2019-20	2020-21	2021-22	2022-23	2023-24	<i>Through 2023-24</i>	<i>Through 2033-34</i>	
-	-	-	-	-	-	-	2018 Bond Sale

PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS

COMMUNICATIONS AND TECHNOLOGY

Public Safety Radios

Funding will replace aging public safety radios.

Table and Ref #: Table 2, Ref #72
Location: Technology Solutions
Operating Budget Impact: No Impact

Adopted 2019-20 Budget and Projected Expenditures

<i>Fiscal Year (\$241,322) budgeted in Two-Thirds Bonds in FY 2016-17.</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
2019-20	2020-21	2021-22	2022-23	2023-24	<i>Through 2023-24</i>	<i>Through 2033-34</i>	
-	\$1,258,007	-	-	-	\$1,258,007	\$1,258,007	Two-Thirds Bonds

PARKS AND OTHER PUBLIC USE FACILITIES

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 Homestead Park and Southern Community Park.

Table and Ref #: Table 1, Ref #30
Location: Various locations
Operating Budget Impact: Positive (Hundreds per year): Projects will reduce need to use operating budget for repairs.

Adopted 2019-20 Budget and Projected Expenditures

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
2019-20	2020-21	2021-22	2022-23	2023-24	<i>Through 2023-24</i>	<i>Through 2033-34</i>	
\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000	\$1,500,000	Capital Improvements Fund

CAPITAL PROGRAM TABLES – INTRODUCTION

The Capital Improvements Program contains tables that outline the adopted budget for CIP projects in fiscal year 2019-20 and projected expenditures in future fiscal years for all funds, from 2019-20 through 2033-34. These tables are as follows:

- **Table 1. Capital Improvements.** Table 1 lists projects identified for Capital Improvements. Projects listed include adopted projects for 2019-20 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	2018-19 Budget Revised	2019-20 Adopted Budget	2020-21
Municipal Operations Facilities				
1	Extraordinary Maintenance	\$ 103,163	\$ 100,000	\$ 100,000
2	Facilities Maintenance	295,341	84,100	-
3	Facility Condition Assessment	-	-	-
4	Town Hall - Safety & Security Improvements			143,236
5	Town Hall Parking Deck Maintenance	18,591	-	-
6	Fire Extraordinary Maintenance	188,850	-	-
Public Safety				
7	Fire Truck	-	-	-
8	Station 1 Bay Door Replacement			
9	Station 4 Bay Door Replacement			
10	Hamilton Road Fire Station	315,369	-	-
Town Facilities Leased by Others				
11	Housing Maintenance	25,015	36,241	-
Infrastructure				
12	Parking Lots/Paths/Trails	56,340	50,000	50,000
13	Wood Cir/Velma Rd Closed System Improvements			
14	Booker Creek Rd/Lakeshore Ln Closed System Improvements			
15	Chelsey Ln Closed System Improvements			
16	Dobbins Culvert Improvements			
17	Barclay Rd Crossing			
18	Bennett Rd Sidewalk			
19	Curb Cut Improvements (ADA)	53,250	50,000	50,000
Communications				
20	General Technology	80,000	-	-
Parks and Other Public Use Facilities				
21	Cemetery Beautification	105,662	-	-
22	Small Parks Improvements	73,755	-	-
23	Greenways	21,428	-	-
24	Community Center Pool Shell Re-Plastering			
25	Homestead Aquatics Center Pool Shell Re-Plastering			
26	Cedar Falls Park Parking Lot			
27	Replacement of HVAC Equipment at Public Works	-	-	-
28	Replacement of HVAC Equipment at Transit	-	-	-
29	Property Line Marking	-	-	54,000
30	Playgrounds	86,176	100,000	100,000
Total		\$ 1,422,940	\$ 420,341	\$ 497,236

*Future years after FY2019-20 are for planning purposes only.

2021-22	2022-23	2023-24	2025-35	Reference #
\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,000,000	1
-	-	-	-	2
-	-	60,000	-	3
				4
-	-	-	-	5
-	-	-	-	6
				-
-		-	-	7
	114,000			8
	80,500			9
-	-	-	-	10
				-
-	-	-	-	11
				-
50,000	50,000	50,000	500,000	12
			165,500	13
			262,600	14
			146,600	15
			199,800	16
	100,000			17
202,500				18
50,000	50,000	50,000	500,000	19
				-
-	-	-	-	20
				-
-	-	-	-	21
-	-	-	-	22
-	-	-	-	23
			84,000	24
			162,000	25
75,000				26
-	32,500	267,500	-	27
-	21,500	215,000	150,000	28
55,000	57,000	59,000	525,000	29
100,000	100,000	100,000	1,000,000	30
\$ 632,500	\$ 705,500	\$ 901,500	\$ 4,695,500	

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

Reference #	Project	Revised Budget 2018-19	Adopted 2019-20	2020-21
	Municipal Operations Facilities			
31	Comprehensive Public Housing Renovations	\$ -	\$ 821,793	\$ 821,793
32	Comprehensive Public Housing Renovations	782,242	-	-
33	Comprehensive Public Housing Renovations	549,598	-	-
34	Comprehensive Public Housing Renovations	474,882	-	-
35	Comprehensive Public Housing Renovations	374,930	-	-
36	Comprehensive Public Housing Renovations	312,218	-	-
39	Wallace Parking Facility	17,908	17,908	2,400,000
40	Multi-Agency Complex Project	682,154	504,874	-
41	Town Hall HVAC Improvements	7,076	7,076	-
42	Hargraves Roof Replacement	285,500	36,823	-
43	Energy Efficiency Projects	15,142	15,142	-
44	Fire Station 1 Replacement	-	-	-
45	Fire Station 3 Replacement	-	-	-
46	Fire Station 4 Replacement	-	-	-
47	Live Fire Training Building Replacement	-	-	1,750,000
48	Building Addition to Public Works	-	-	-
49	Library Roof Replacement	-	-	-
50	Transit Roof Replacement	-	-	-
51	Public Works Roof Replacement	-	-	-
52	Historic Town Hall Renovation	-	-	-
53	Public Safety Headquarters (MSC)	-	-	-
54	Parks & Recreation Facility	-	-	-
58	Solid Waste Transfer Station	-	-	-
59	Library HVAC Replacement	-	-	-
60	Post Office Roof Replacement	-	-	-
61	Town Facilities - Security & Safety Upgrades	-	-	-
62	Public Works HVAC Replacement	-	-	-
63	Town Hall Roof Replacement	-	-	-
	Public Safety			
66	Fire Self-Contained Breathing Apparatus	3,995	3,995	-
67	Engine 35	-	-	-
68	Engine 34	-	-	-
69	Engine 33	-	-	-
70	Engine 32	-	-	-
71	Engine 31	-	-	-
72	Police Radios	-	-	1,258,007
	Infrastructure			
73	Stormwater Projects	148,123	80,400	75,000
74	ADA Improvements	-	-	45,000
75	Small/Medium Drainage Maintenance and Improvement	-	-	-
76	Teen Center/Archives Renovation	-	-	-
77	Infrastructure Capital Improvement Program	-	-	-
78	Water Quality Capital Improvement Program	-	-	-
81	Booker Creek Road Culvert Replacement	467,763	-	-
82	Subwatershed Modeling	420,770	300,000	-
83	140 West Project	192,600	192,600	-
84	Downtown Parking Deck	-	-	-
85	Downtown Parking Lot	-	-	-
86	Replace gate and ticket equipment - Wallace Deck	-	-	-
87	AVI Reader System - Wallace Deck	-	-	-
88	Parking Lot Construction	72,600	-	-
89	Friday Center Drive Bike & Ped Improvements [‡]	665,000	-	-
90	Estes Drive Bike & Ped Improvements [‡]	224,390	-	64,000
91	Fordham Sidepath*	446,400	-	150,000
92	Estes Drive Bike & Ped Improvements [‡]	508,000	-	-

2021-22	2022-23	2023-24	2025-35	Fund Source	Reference #
\$ 821,793	\$ 821,793	\$ 821,793	\$ 8,217,930	HUD Grant	31
-	-	-	-	HUD Grant	32
-	-	-	-	HUD Grant	33
-	-	-	-	HUD Grant	34
-	-	-	-	HUD Grant	35
-	-	-	-	HUD Grant	36
-	-	-	-	Limited Obligation Bonds	39
-	-	-	-	Multi-year Capital Project Ord.	40
-	-	-	424,500	2015 Installment Financing	41
-	-	-	-	2015 Installment Financing	42
-	-	-	-	2015 Installment Financing	43
-	3,376,527	-	-	Future Financing	44
600,000	1,029,000	1,471,000	-	Future Financing	45
-	550,000	926,000	1,324,000	Future Financing	46
-	-	-	-	Future Financing	47
-	-	-	2,253,000	Future Financing	48
-	-	-	725,000	Future Financing	49
-	236,500	-	-	Future Financing	50
-	-	-	835,000	Future Financing	51
-	328,000	262,000	3,950,000	Future Financing	52
1,020,876	1,722,377	21,651,971	191,375	Future Financing	53
142,982	257,368	3,235,350	28,596	Future Financing	54
-	75,000	425,000	4,700,000	Future Financing	58
-	-	-	1,017,000	Future Financing	59
180,272	-	-	-	Future Financing	60
-	-	518,663	-	Future Financing	61
-	-	-	445,318	Future Financing	62
-	-	-	263,452	Future Financing	63
-	-	-	-	2015 Installment Financing	66
-	-	-	1,642,000	Future Financing	67
566,500	-	-	-	Future Financing	68
555,000	-	-	936,000	Future Financing	69
-	-	640,000	-	Future Financing	70
-	-	-	1,374,000	Future Financing	71
-	-	-	-	Future Financing	72
75,000	75,000	75,000	750,000	Stormwater Management Funds	73
535,000	-	-	-	Future Financing	74
-	-	-	1,000,000	Stormwater Management Funds	75
-	-	175,000	1,850,000	Future Financing	76
-	-	-	5,500,000	Stormwater Management Funds	77
-	-	-	5,500,000	Stormwater Management Funds	78
-	-	-	-	Stormwater Management Funds	81
-	-	-	-	Stormwater Management Funds	82
-	-	-	-	Limited Obligation Bonds	83
-	2,712,827	2,794,212	28,878,039	Future Financing	84
3,386,125	305,009	-	-	Future Financing	85
-	-	-	-	Parking Revenue	86
-	-	-	-	Parking Revenue	87
-	-	-	-	Parking Revenue	88
-	-	-	-	Multi-year Capital Project Ord.	89
260,600	843,506	1,235,000	206,000	NCDOT Direct Allocation Grant	90
-	-	-	-	NCDOT Direct Allocation Grant	91
-	-	-	-	CMAQ Grant	92

TABLE 2 (cont'd): Other Sources - Current Year Budget and Future Budget Requests

Reference #	Project	Revised Budget 2018-19	Adopted 2019-20	2020-21
93	Rogers Road Design and Engineering	1,241,531	1,036,584	-
94	Traffic Signal Improvement	215,469	215,469	-
95	Lake Ellen Flood Storage	-	-	-
96	Streetscape Improvements	-	-	-
97	Downtown Lighting LED Upgrade	-	-	-
98	Bolinwood Drive Bridge Replacement	-	-	-
99	W Franklin Streetscape Improvements	-	-	-
100	Street Resurfacing	-	-	-
101	Fordham Blvd Multiuse Paths	-	-	-
102	Martin Luther King Jr Blvd Flood Storage	-	-	-
103	Honeysuckle Rd	-	-	-
104	Piney Mountain Rd Flood Storage	-	-	-
105	New Parkside Flood Storage	-	-	-
106	Willow Dr Flood Storage	-	-	-
107	Ephesus Church Rd Closed System Improvements	-	-	-
108	Markham Dr/Old Oxford Rd Closed System Improvement	-	-	-
109	Booker Creek Rd U/S	-	-	-
110	Red Bud Flood Storage	-	-	-
111	Old Oxford Rd Closed System Improvements	-	-	-
112	Foxcroft Dr Culvert Improvement	-	-	-
113	Daley Rd Flood Storage	-	-	-
114	Raleigh Rd Sidewalk Improvements, Bike Climbing Lane, & Underpass Lighting	-	-	-
115	Meadowmont Dam Replacement	-	-	-
116	Franklin St Underpass	-	-	-
117	Mid-Block Pedestrian Signal Heads	-	-	-
118	N. Elliott Rd Complete Street	-	-	-
119	Cameron Ave Buffered Bike Lanes	-	-	-
	Parks and Other Public Use Facilities			
120	Meadowmont Bridge	9,005	-	-
121	Cedar Falls Park Tennis Court Replacement	-	-	-
122	Morgan Creek Trail, Phase 3	-	-	-
123	Homestead Park Synthetic Turf Replacement	-	-	-
124	Barclay Trail	-	-	-
125	P&R Community Center - Roof Replacement	-	-	-
126	Cedar Falls Synthetic Turf Replacement	-	-	-
127	Battle Park Trail Upgrade	-	-	-
128	Hargraves - HVAC Equipment Replacement	-	-	-
129	P&R Community Center - HVAC Replacement	-	-	-
130	P&R Homestead Aquatic Center - HVAC Replacement	-	-	-
131	Bolin Creek Trail, Phase 4	-	-	-
132	Timberlyne Trail	-	-	-
	TOTAL	\$ 8,117,296	\$ 3,232,664	\$ 6,563,800

Note: Future years after FY2019-20 are for planning purposes only.

*In addition to the funding shown on this table, these projects are also funded by Streets & Sidewalks Bonds.

2021-22	2022-23	2023-24	2025-35	Fund Source	Reference #
-	-	-	-	Multi-year Capital Project Ord.	93
-	-	-	-	NCDOT Direct Allocation Grant	94
-	-	-	900,000	Future Financing	95
700,000	-	-	-	Future Financing	96
150,000	-	-	-	Future Financing	97
900,000	-	-	-	Future Financing	98
-	350,000	-	-	Future Financing	99
-	800,000	-	-	Future Financing	100
-	300,000	-	1,947,000	Future Financing	101
-	-	-	3,788,651	Future Financing	102
-	335,900	-	-	Future Financing	103
-	-	622,900	1,283,000	Future Financing	104
-	-	437,525	2,348,275	Future Financing	105
45,000	378,000	398,000	3,190,000	Future Financing	106
-	-	151,000	895,000	Future Financing	107
-	-	96,000	355,000	Future Financing	108
-	-	-	1,285,100	Future Financing	109
-	-	-	914,200	Future Financing	110
-	64,000	232,000	-	Future Financing	111
-	-	112,000	552,000	Future Financing	112
-	-	434,000	2,709,000	Future Financing	113
-	-	-	900,000	Future Financing	114
605,000	-	-	-	Future Financing	115
-	-	-	1,000,000	Future Financing	116
-	-	-	400,000	Future Financing	117
-	-	-	375,000	Future Financing	118
-	-	-	600,000	Future Financing	119
-	-	-	-		
-	-	-	-	Multi-year Capital Project Ord.	120
-	-	-	630,478	Future Financing	121
-	-	609,000	2,962,000	Future Financing	122
-	-	-	913,000	Future Financing	123
-	-	20,000	357,000	Future Financing	124
-	-	-	600,000	Future Financing	125
-	-	-	824,000	Future Financing	126
-	-	-	3,000,000	Future Financing	127
402,000	-	-	-	Future Financing	128
263,000	-	-	-	Future Financing	129
-	-	364,000	-	Future Financing	130
-	-	-	870,000	Future Financing	131
-	-	-	3,100,000	Future Financing	132
\$ 11,209,148	\$ 14,560,807	\$ 37,707,414	\$ 108,709,914		

TABLE 3: Issued Bond Projects

Reference #	Council Priority	Project Name	Category	2004 Bond Sale (\$4,000,000)		2006 Bond Sale (\$4,950,000)
				2004-05	2005-06	2006-07
Municipal Operations Facilities						
133	2	Energy Efficiency Projects	Public Buildings	\$ 392,600	\$ -	\$ -
134	2	Sustainable Community Project - Local Match	Public Buildings	17,400	-	-
135	7	Energy Management System: Town Hall HVAC	Public Buildings	-	90,000	-
Public Safety						
136	5	100 Foot Fire Ladder Truck	Public Safety	-	-	-
137	5	Public Safety Radios/Body Cameras	Public Safety	-	-	-
Infrastructure						
138	2	Downtown Improvements - Streetscape	Sidewalks & Streets	500,000	-	1,000,000
139	7	Capital Project Management, Bond Issuance Costs	Sidewalks & Streets	-	-	-
140	2	Neighborhood Traffic Calming, Pedestrian, and Bicycle Improvements	Sidewalks & Streets	50,000	250,000	-
141	2	Pedestrian Amenities at Town Owned Traffic Signals	Sidewalks & Streets	20,000	80,000	50,000
142	7	Public Art	Sidewalks & Streets	-	-	-
143	2	Streets and Bridges	Sidewalks & Streets	-	-	-
144	2	Sidewalks and Bicycle Facilities	Sidewalks & Streets	600,000	-	600,000
145	6	Elliot Road Storage Project	Stormwater	-	-	-
Parks and Other Public Use Facilities						
146	2	Bolin Creek Trail	Parks/Recreational Facilities	100,000	-	-
147	2	Dry Creek Trail	Parks/Recreational Facilities	125,000	-	16,000
148	2	Tanyard Branch Trail	Parks/Recreational Facilities	-	-	-
149	2	Morgan Creek Trail	Parks/Recreational Facilities	75,000	-	968,000
150	2	Open Space Acquisition	Open Space and Areas	1,200,000	-	800,000
151	2	Playground Improvements	Parks/Recreational	-	-	-
152	2	Upper Booker Creek Trail	2003 Bond	-	-	16,000
153	2	Parks Facilities	Parks/Recreational	-	-	-
154	2	American Legion Property	Open Space and Areas	-	-	-
155	2	Library Expansion	Library Facilities	500,000	-	1,500,000
TOTAL				\$ 3,580,000	\$ 420,000	\$ 4,950,000

COLUMN DESCRIPTION KEY

Council Priority

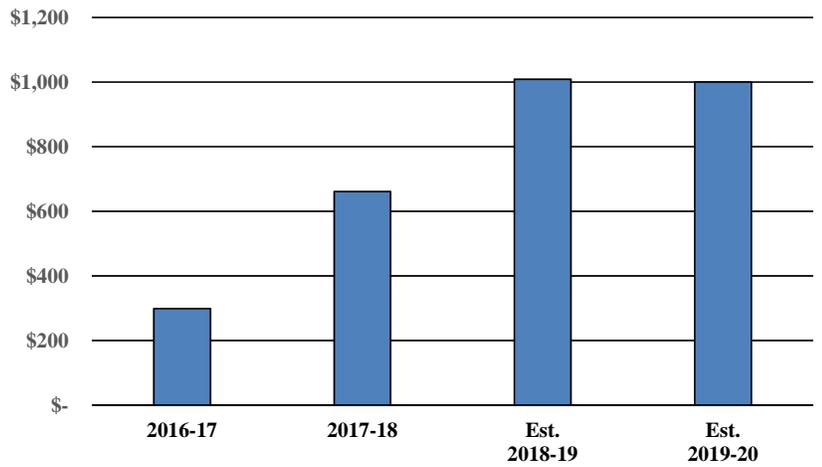
- 1 - Council Authorized Contracts
- 2 - Projects that have a Council mandate
- 3 - Projects that we have a legal requirement to perform or complete
- 4 - Projects that would repair or maintain existing Town facilities/infrastructure above and beyond ordinary maintenance
- 5 - Projects involving public safety
- 6 - Projects which are part of an adopted master plan
- 7 - Other projects

2010 Bond Sale (\$20,760,237)	Two-Thirds Bonds (\$1,700,000)	2015 Bond Sale (\$9,615,091)	Two-Thirds Bonds (1,614,703)	2018 Bond Sale (\$13,099,788)		
2010-11	2012-13	2016-17		2017-18	TOTAL	Reference #
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 392,600	133
-	-	-	-	-	17,400	134
-	-	-	-	-	90,000	135
-	-	-	1,348,000	-	1,348,000	136
-	-	-	241,322	-	241,322	137
64,000	-	414,266	-	800,000	2,778,266	138
-	-	425,091	25,381	263,907	714,379	139
225,000	-	670,134	-	-	1,195,134	140
100,000	-	-	-	-	250,000	141
-	-	30,000	-	55,000	85,000	142
661,000	1,000,000	1,000,000	-	775,000	3,436,000	143
1,442,042	-	1,075,600	-	3,870,000	7,587,642	144
-	-	-	-	2,829,554	2,829,554	145
2,245,889	-	1,163,306	-	-	3,509,195	146
150,540	-	-	-	-	291,540	147
-	-	1,390,000	-	-	1,390,000	148
1,212,455	-	2,446,694	-	-	4,702,149	149
-	-	-	-	-	2,000,000	150
-	-	1,000,000	-	-	1,000,000	151
154,608	-	-	-	-	170,608	152
-	700,000	-	-	-	700,000	153
-	-	-	-	4,506,327	4,506,327	154
14,504,703	-	-	-	-	16,504,703	155
\$ 20,760,237	\$ 1,700,000	\$ 9,615,091	\$ 1,614,703	\$ 13,099,788	\$ 55,739,819	

CAPITAL RESERVE FUND

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

Capital Reserve Interest Income



CAPITAL RESERVE FUND BUDGET SUMMARY

No appropriations are planned for the Capital Reserve Fund for 2019-20, which had a fund balance of \$216,186 at June 30, 2018.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Reserved for CIP	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Transfer to Capital Improvements Fund	-	-	-	-	-	N/A
Transfer to General Fund	-	-	-	-	-	N/A
Total	\$ -	\$ -	\$ -	\$ -	\$ -	N/A

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Interest on Investments Appropriated	\$ 661	\$ -	\$ -	\$ -	\$ -	N/A
Fund Balance	(661)	-	-	-	-	N/A
Total	\$ -	\$ -	\$ -	\$ -	\$ -	N/A

MAJOR CAPITAL BOND PROJECTS

Several major capital improvement projects were approved by bond referenda in November 2003 and November 2015.

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, 2019 are shown in the table at the right.

Major Capital Bond Projects	Budget	Expenditures as of June 30, 2019
2003 Bond Projects		
Public Buildings	\$ 500,000	\$ 500,000
Streets and Sidewalks	5,600,000	5,524,000
Library Expansion	16,260,000	16,260,000
Open Space	2,000,000	2,000,000
Parks and Recreation	5,000,000	4,872,000
Subtotal	<u>\$ 29,360,000</u>	<u>\$ 29,156,000</u>
2012 LOBS Projects		
Lot 5 Project	\$ 6,000,000	\$ 5,770,000
Parking Projects	606,000	606,000
TOC Projects	202,000	135,000
Subtotal	<u>\$ 6,808,000</u>	<u>\$ 6,511,000</u>
2012 Two-Thirds Projects		
Street Resurfacing	\$ 982,000	\$ 982,000
Bolinwood Drive Bridge	17,000	17,000
Cedar Falls Park Building	227,000	227,000
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
Inclusive Playground	7,000	6,000
Subtotal	<u>\$ 1,821,000</u>	<u>\$ 1,820,000</u>
2015 Bond Projects		
Streets and Sidewalks	\$ 8,500,000	\$ 3,120,000
Parks Trails	5,000,000	2,548,000
Parks Facilities	5,300,000	4,579,000
Subtotal	<u>\$ 18,800,000</u>	<u>\$ 10,247,000</u>
TOTAL	<u>\$ 56,789,000</u>	<u>\$ 47,734,000</u>

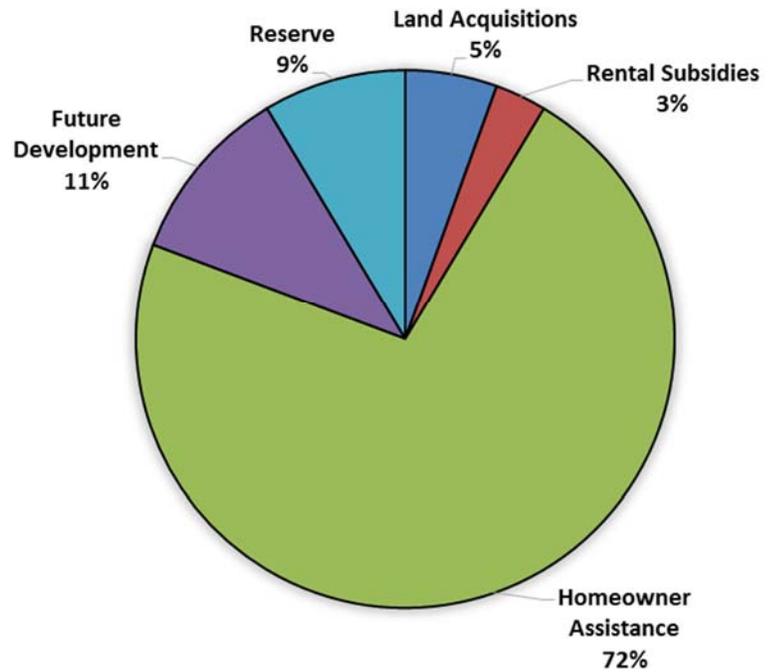
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AFFORDABLE HOUSING DEVELOPMENT RESERVE FUND

The Affordable Housing Development Reserve Fund was established in FY18 to dedicate funding for the development and preservation of affordable housing.

FY18 AFFORDABLE HOUSING EXPENDITURES



AFFORDABLE HOUSING DEVELOPMENT RESERVE FUND BUDGET SUMMARY

The Affordable Housing Development Reserve Fund is dedicated exclusively for the development and preservation of affordable housing. Funds had been budgeted annually in the General Fund through the "penny for Housing", but in September of 2017, the Town Council approved the creation of the Affordable Housing Development Reserve Fund. For FY20, the funding level remains at \$688,395.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Land Acquisitions	\$ -	\$ -	\$ 412,803	\$ 412,803	\$ -	N/A
Rental Subsidies	673,328	-	672,926	672,926	-	N/A
Homeownership Assist.	95,000	-	107,000	107,000	-	N/A
Future Development Reserve	150,000	-	-	196,932	-	N/A
	-	688,395	326,118	129,186	688,395	0.0%
Total	\$ 918,328	\$ 688,395	\$ 1,518,847	\$ 1,518,847	\$ 688,395	0.0%

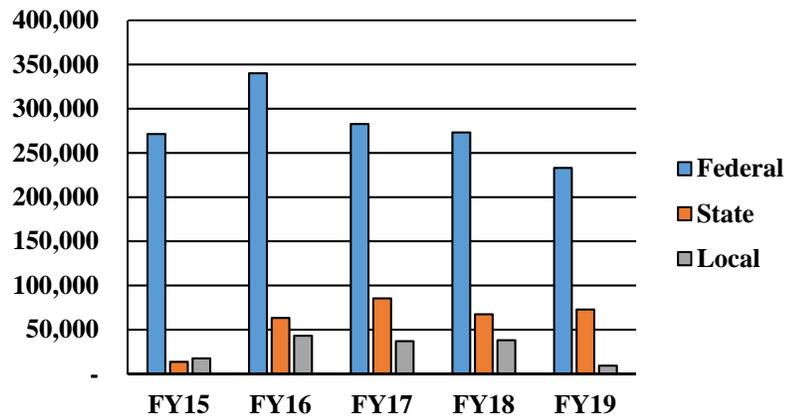
REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Transfer from General Fund Appropriated Fund Balance	\$ 688,395	\$ 688,395	\$ 688,395	\$ 688,395	\$ 688,395	0.0%
	229,933	-	830,452	830,452	-	N/A
Total	\$ 918,328	\$ 688,395	\$ 1,518,847	\$ 1,518,847	\$ 688,395	0.0%

GRANTS FUND

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

Grant Revenue Sources FY15-FY19



GRANTS FUND

BUDGET SUMMARY

The Grants Fund was established in 2004-05 to account for grants previously included in the General Fund. Grants for 2019-20 consist of three Planning grants that provide personnel and operating funding for transportation planning.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Police Grants	\$ 61,781	\$ -	\$ 132,019	\$ 132,019	\$ -	N/A
Planning Grants	371,693	384,640	384,640	384,640	402,746	4.7%
Total	\$ 433,474	\$ 384,640	\$ 516,659	\$ 516,659	\$ 402,746	4.7%

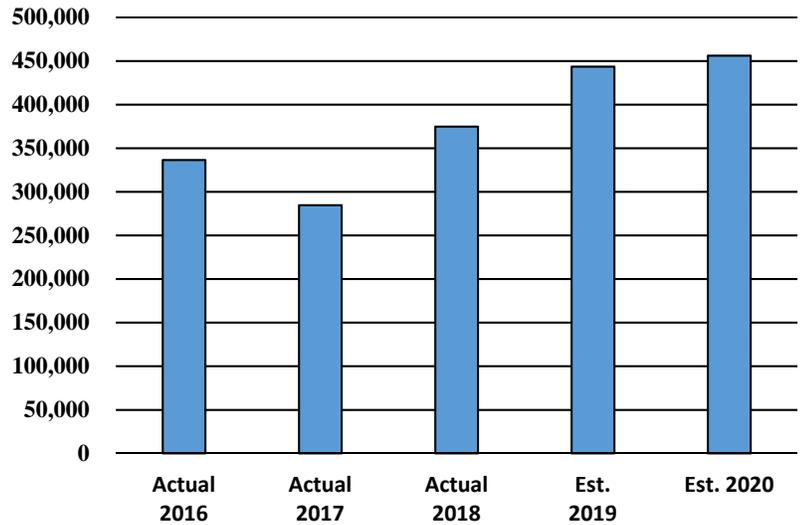
REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Grants	\$ 347,177	\$ 303,089	\$ 328,507	\$ 328,507	\$ 315,196	4.0%
Transfer from General Fund	96,023	81,551	81,551	81,551	87,550	7.4%
Appropriated Fund Balance	(9,726)	-	106,601	106,601	-	N/A
Total	\$ 433,474	\$ 384,640	\$ 516,659	\$ 516,659	\$ 402,746	4.7%

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 Expenditures



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 \$531,470,000. The tax rate of 7.0 cents is unchanged from FY 2019-20, and is expected to yield a total of about \$372,000 in FY 2019-20. This represents an increase of \$4,000 from the current year estimates, due to the increase in value from new development in the downtown area.

FY20 continues funding from Orange County in the amount of \$73,500 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 adopted budget provides for \$140,000 in continued funding for services related to the downtown service district. These services include efforts to bring 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. Additionally, there are expenses related to the “Launch” initiative (\$147,000) along with 140 West expenses (\$110,000).

DOWNTOWN SERVICE DISTRICT FUND BUDGET SUMMARY

The adopted Downtown Service District Fund tax rate of 7.0 cents for 2019-20 provides for continued funding of the groundskeeper position dedicated to the downtown area (including a 3% of market rate salary adjustment, effective July 1, and a 4.9% rate increase in medical insurance). The adopted budget continues an allocation of about \$140,000 for services related to the district, and includes expenses related to the "Launch" initiative (\$147,000) along with 140 West expenses (\$110,000).

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 54,874	\$ 56,597	\$ 56,597	\$ 57,725	\$ 59,107	4.4%
Contracted Services	216,471	235,000	235,000	235,000	250,000	6.4%
Grants/Deferred Loans	103,500	137,000	137,000	142,000	147,000	7.3%
Reserve	-	6,903	6,903	8,775	-	-100.0%
Total	\$ 374,845	\$ 435,500	\$ 435,500	\$ 443,500	\$ 456,107	4.7%

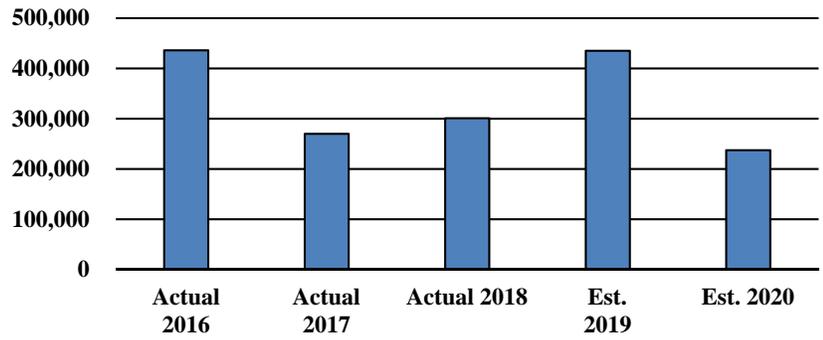
REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Property Taxes	\$ 310,286	\$ 361,000	\$ 361,000	\$ 368,000	\$ 372,000	3.0%
Interest on Delinq Tax	1,664	1,000	1,000	2,000	1,000	0.0%
O.Cty. Contribution	73,500	73,500	73,500	73,500	73,500	0.0%
Interest Income	228	-	-	-	-	N/A
Appropriated Fund Balance	(10,833)	-	-	-	9,607	N/A
Total	\$ 374,845	\$ 435,500	\$ 435,500	\$ 443,500	\$ 456,107	4.7%

LIBRARY GIFT FUND

The Library Gift Fund accounts for private contributions to the Town's library.

Library Gift Fund Donations and Interest Earnings



LIBRARY GIFT FUND

BUDGET SUMMARY

The adopted budget for the Library Gift Fund for 2019-20 reflects an increase from the previous year due to a larger donation from the Friends of the Library. Gifts for 2019-20 include an increase in donations from the Friends of the Library due to increased membership and revenue from book sales (\$130,000) and miscellaneous donations (\$49,700). 2019-20 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 2019-20.

EXPENDITURES

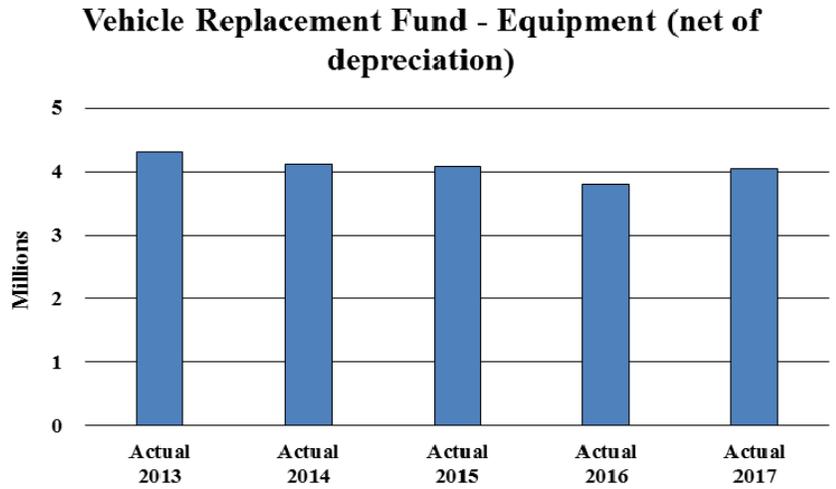
	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Computers/Database	\$ 19,868	\$ 11,200	\$ 21,000	\$ 23,500	\$ 9,000	-19.6%
Furniture	24,358	21,676	103,026	95,910	-	-100.0%
Collection Purchases	34,871	26,000	29,382	32,000	34,160	31.4%
Other	175,766	36,200	235,084	236,491	149,308	312.5%
Pop-Up Library	1,107	-	2,414	2,414	-	N/A
Transfer to General Fund	45,000	45,000	45,000	45,000	45,000	0.0%
Total	\$ 300,970	\$ 140,076	\$ 435,906	\$ 435,315	\$ 237,468	69.5%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Interest Income	\$ 1,031	\$ 476	\$ 476	\$ 1,022	\$ 535	12.4%
Friends' Donations	115,000	65,000	99,000	99,000	130,000	100.0%
Grants	56,979	-	61,751	61,751	57,233	N/A
Misc Donations	58,916	50,600	75,600	74,463	49,700	-1.8%
Appropriated Fund Balance	69,044	24,000	199,079	199,079		-100.0%
Total	\$ 300,970	\$ 140,076	\$ 435,906	\$ 435,315	\$ 237,468	69.5%

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 2019-20 for the Vehicle Replacement Fund includes a list of the most critical capital equipment needs pending a comprehensive review of the Town's fixed assets. Included in the 2019-20 adopted budget is the replacement of three mowers, five Public Works vehicles, and three police cars. The Vehicle Replacement Fund is moving to a pay-as-you-go system. Beginning in 2014-15, vehicle purchases are bought outright rather than financed.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Lease Purchase Payments	\$ 650,394	\$ 400,630	\$ 400,630	\$ 400,630	\$ 265,591	-33.7%
Other Expense	7,430	6,000	6,000	8,431	6,000	0.0%
Capital Equipment	600,152	713,500	1,132,926	1,132,926	587,500	-17.7%
Total	\$ 1,257,976	\$ 1,120,130	\$ 1,539,556	\$ 1,541,987	\$ 859,091	-23.3%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Vehicle Use Fees	\$ 835,995	\$ 387,129	\$ 387,129	\$ 387,129	\$ 453,089	17.0%
Interest Income	4,494	3,500	3,500	4,000	4,000	14.3%
Sale of Fixed Assets	85,294	50,000	50,000	102,468	50,000	0.0%
Appropriated Fund Balance	332,193	679,501	1,098,927	1,048,390	352,002	-48.2%
Total	\$ 1,257,976	\$ 1,120,130	\$ 1,539,556	\$ 1,541,987	\$ 859,091	-23.3%

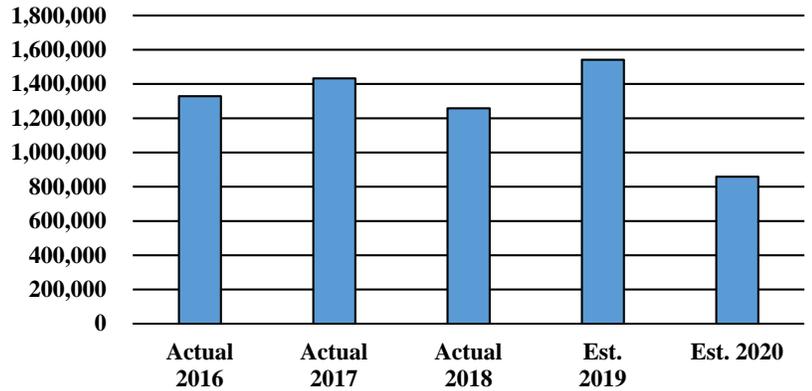
VEHICLE MAINTENANCE FUND

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 Fund Expenditures



VEHICLE MAINTENANCE

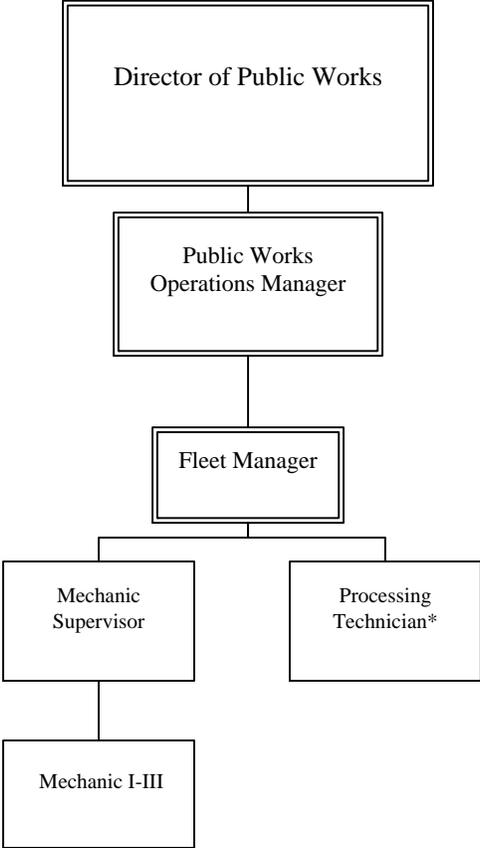
MISSION STATEMENT:

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 EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 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
Processing Technician ¹	0.75	0.75	0.75
Unit Totals	<u>7.75</u>	<u>7.75</u>	<u>7.75</u>

¹ Processing Technician 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 2019-20 adopted budget for the Vehicle Maintenance Fund reflects an overall increase in expenditures of 6.5% from last year's budget. The increase in personnel is the result of a 3% market rate salary adjustment and a 4.9% rate increase in medical insurance, and a 1.2% increase in retirement costs. The 8.7% increase in the operating budget is due to the increase in maintenance due to the aging fleet.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Personnel	\$ 616,840	\$ 633,675	\$ 633,675	\$ 630,925	\$ 657,101	3.7%
Operating Costs	733,688	804,625	804,625	807,375	874,899	8.7%
Total	\$ 1,350,528	\$ 1,438,300	\$ 1,438,300	\$ 1,438,300	\$ 1,532,000	6.5%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Vehicle Maintenance Fees	\$ 1,373,350	\$ 1,420,300	\$ 1,420,300	\$ 1,420,300	\$ 1,514,000	6.6%
Interest Income	1,919	-	-	-	-	N/A
Insurance Claims	51,671	18,000	18,000	18,000	18,000	0.0%
Appropriated Fund Balance	(76,412)	-	-	-	-	N/A
Total	\$ 1,350,528	\$ 1,438,300	\$ 1,438,300	\$ 1,438,300	\$ 1,532,000	6.5%

VEHICLE MAINTENANCE

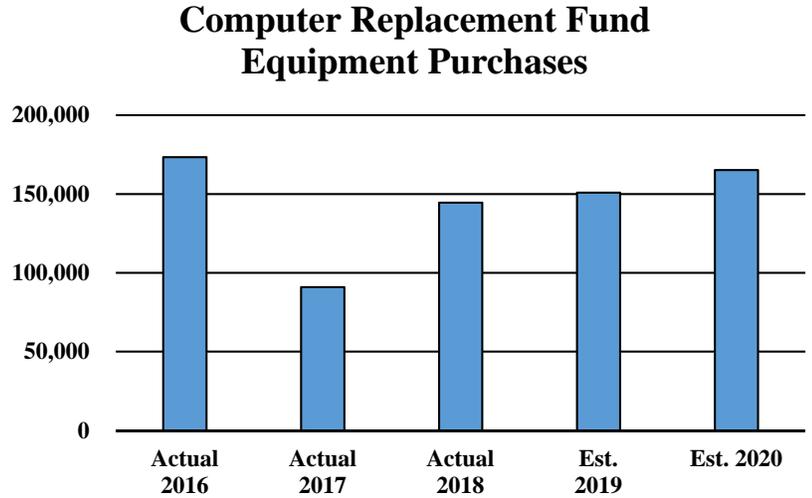
Performance Measures

 COLLABORATION & INNOVATION	<p>Strategic Objectives</p> <ul style="list-style-type: none"> ➤ Ensure that at least 30% of all work orders are preventive maintenance work ➤ Limit repeat repairs to 2% or less ➤ Complete at least 95% of preventive maintenances as scheduled in order to reduce out-of-service time ➤ Ensure that 90% of rolling stock is available per day ➤ Complete 85% of repair orders within 1 work day, with no more than 10% taking longer than 2 work days
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Core Business Program	Performance Measure	FY17 Actual	FY18 Actual	FY19 Estimate	FY20 Target
Fleet Services	Percent of work orders that are preventive maintenance	35%	32%	37%	35%
	Percent of work orders that are repeat repairs	1.25%	0.92%	0.90%	1%
	Percent of preventive maintenances completed as scheduled	67%	69%	77%	71%
	Percent of rolling stock available per day	95.00%	95.00%	95.00%	95%
	Percent of work orders completed in less than 1 work day	48%	50%	52%	50%
	Percent of work orders completed in excess of 2 work days	40%	38%	37%	38%

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 2019-20 provides for replacement of computer equipment on a pay-as-you-go basis. For fiscal year 2019-20, \$165,250 of appropriated fund balance will be used to balance the budget and provide financial assistance to all Town funds.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Small Equipment	\$ 144,502	\$ 150,875	\$ 150,875	\$ 150,875	\$ 165,250	9.5%
Other Expense	-	-	-	-	-	N/A
Total	\$ 144,502	\$ 150,875	\$ 150,875	\$ 150,875	\$ 165,250	9.5%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Adopted Budget	% Change from 2018-19
Computer Use Fees	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Interest Income	1,563	-	-	1,600	-	N/A
Appropriated Fund Balance	142,939	150,875	150,875	149,275	165,250	9.5%
Total	\$ 144,502	\$ 150,875	\$ 150,875	\$ 150,875	\$ 165,250	9.5%

BUDGET ORDINANCE

Appendix 1

AN ORDINANCE CONCERNING THE ESTABLISHMENT OF THE TOWN BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2019 (2019-06-12/O-1)

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

ARTICLE I

GENERAL FUND

<u>Function</u>	<u>Function Total</u>
General Government	\$ 16,095,136
Environment & Development	15,646,960
Public Safety	25,681,693
Leisure	11,059,211
GENERAL FUND TOTAL	\$ 68,483,000

OTHER FUNDS

Transit Fund	\$ 24,792,491
Transit Capital Reserve Fund	10,000
Debt Service Fund	9,845,432
Vehicle Replacement Fund	859,091
Vehicle Maintenance Fund	1,532,000
Computer Replacement Fund	165,250
Public Housing Fund	2,182,460
Affordable Housing Reserve Fund	688,395
On-Street Parking Fund	707,239
Off-Street Parking Facilities Fund	2,203,622
Library Gift Fund	237,468
Capital Improvements Fund	420,341
Downtown Service District Fund	456,107
Stormwater Management Fund	2,965,115
Grants Fund	402,746
TOTAL ALL FUNDS	\$ 115,950,757

ARTICLE II

It is estimated that the following revenues will be available during the fiscal year beginning July 1, 2018 and ending June 30, 2019 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	\$ 32,117,500
Other Taxes & Licenses	86,000
State-Shared Revenues	23,833,125
Grants	679,399
Charges for Services	5,002,662
Licenses/Permits/Fines	2,842,305
Interest on Investments	80,000
Other Revenues	441,243
Transfers/Other Sources	45,000
Fund Balance Appropriated	3,355,766
General Fund Total	\$ 68,483,000

OTHER FUNDS

Transit Fund	\$ 24,792,491
Transit Capital Reserve Fund	10,000
Debt Service Fund	9,845,432
Vehicle Replacement Fund	859,091
Vehicle Maintenance Fund	1,532,000
Computer Replacement Fund	165,250
Public Housing Fund	2,182,460
Affordable Housing Reserve Fund	688,395
On-Street Parking Fund	707,239
Off-Street Parking Facilities Fund	2,203,622
Library Gift Fund	237,468
Capital Improvements Fund	420,341
Downtown Service District Fund	456,107
Stormwater Management Fund	2,965,115
Grants Fund	402,746
TOTAL ALL FUNDS	\$ 115,950,757

BUDGET ORDINANCE

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, 2019 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)	\$0.386/\$100
Debt Service Fund (for the payment of expenses of the Town of Chapel Hill)	\$0.098/\$100
Transit Fund (for the payment of expenses related to transportation approved by referendum)	\$0.060/\$100
TOTAL	\$0.544/\$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	\$0.070/\$100
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This the 12th day of June, 2019.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

***Distinguished
Budget Presentation
Award***

PRESENTED TO

Town of Chapel Hill

North Carolina

For the Fiscal Year Beginning

July 1, 2018

Christopher P. Morill

Executive Director

Performance Agreements with Other Agencies

	2018-19 Adopted Budget	2019-20 Adopted Budget
Performance Agreements with Other Agencies		
Human Services		
Human Services Advisory Board Recommendations	\$ 419,500	\$ 446,500
Total Human Services	419,500	446,500
Arts		
Cultural Arts	-	23,500
Cultural Arts Dinner	1,000	-
ArtsCenter	12,500	-
Total Arts	13,500	23,500
Public Health		
Food Council	-	29,110
Total Public Health	-	29,110
Affordable Housing		
Orange Community Housing and Land Trust	347,148	352,518
Affordable Rentals Group/Empowerment Inc.	13,500	-
Housing Locator	-	15,000
Homeless Initiative	63,899	81,857
Total Affordable Housing	424,547	449,375
Economic Development		
Chapel Hill/Orange County Visitors Bureau	200,000	200,000
Chapel Hill Downtown Partnership	70,000	70,000
Total Economic Development	270,000	270,000
Total Contributions to Agencies	\$ 1,127,547	\$ 1,218,485

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

GLOSSARY

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

GLOSSARY

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.