

FY 2020-21 Budget Update



ORANGE COUNTY **STAY AT HOME** MARCH 27 - APRIL 30, 2020

YOU CAN

- Go to the grocery store
- Go to medical appointments and the pharmacy
- Get take-out, delivery or drive thru from restaurants
- Walk your dog, ride your bike, be in nature
- Pick up essentials for neighbors or loved ones in need of assistance

YOU SHOULD NOT

- Go to work unless providing an essential service
- Socialize or gather in groups
- Visit loved ones in the hospital or nursing home, except under limited circumstances

ORANGE COUNTY HEALTH DEPARTMENT

orangecountync.gov/Coronavirus

FY 2020 Budget Impact Update

- Financial forecast continues to change
- Adjusted revenue estimates:
 - Sales Tax
 - Occupancy Tax
 - Vehicle Tax
- Initiated a hiring freeze in response to generate personnel savings
- Held individual department budget meetings to discuss opportunities for operational savings
- Focus = to protect the services that the Town provides to the community

FY 2021 Budget – Recap of 4/13 Budget Work Session

- Maintaining a status quo budget
- Limited number of budget adds
- No pay increase recommended
- Hiring freeze to continue tentatively through FY 21 Q1
- Council feedback:
 - More conservative sales tax revenue estimates
 - Flexibility in budget to shift resources

FY 2021 Budget Unknowns

- Many unknowns related to the effects COVID-19:
 - Longevity of event
 - Extent of revenue shortfalls
 - Impacts to service delivery
- Built in buffer in fund balance to help offset these unknowns
- Response aligned with 2008 recession
- Intent to come back before Council to provide updates and make any budget adjustments based on actual revenue impacts

General Fund – Revenue Comparisons

Revenue Source	Adopted FY2019-20	Preliminary FY2020-21	Difference
Property Taxes	\$ 32,117,500	\$ 32,587,500	1.5%
Sales Taxes	14,741,869	13,336,343	(9.5%)
Other Taxes	1,386,000	1,292,500	(6.7%)
State Shared Revenues	7,791,256	7,829,256	0.5%
Charges for Service	5,002,662	4,899,000	(2.1%)
Licenses & Permits	2,842,305	2,731,390	(3.9%)
Grants	679,399	679,399	0.0%
Other Revenues	566,243	544,100	(3.9%)
Approp. Fund Balance	3,355,766	2,489,512	(25.8%)
Total	\$ 68,483,000	\$ 66,389,000	(3.0%)

Revised Strategy Proposed for FY 2021 Budget

- Goal of FY 2021 budget is to maintain current level of core operational services
- One-Time Reductions to Budget:
 - Streets
 - Building Maintenance
 - Vehicle Replacement
 - Pay-Go capital projects
 - Library collection material
 - Transfer to Blue Hill Tax Increment Financing
 - OPEB pre-funding contribution
- No reductions in AHDR funds/Human Services Agency Funding

Enterprise Funds

- **Transit**

- Finish FY 2020 strong; FY 2021 state grant fund impact
- CARES \$ for Transit system \$5.7 million

- **Public Housing**

- FY 20 tenant rent impact; additional federal monies from HUD

- **Stormwater**

- No revenue impact anticipated in FY 2020 or FY 2021

- **Parking**

- FY 2020 revenue impact - hourly parking fees waived during Stay at Home Order and beginning of recovery to help downtown businesses, employees & customers with ease of access
- Anticipate using about \$400,000 in fund balance in FY 2020
- Hourly & monthly fee increase required to balance FY 2021 budget

REVISED DATES for Budget Process as of 05.13.20

- May 13** Budget Work Session
- May 20** Presentation of Manager's Recommended Budget
- May 27** Budget Work Session (if needed)
- June 3** Budget Work Session (if needed)
- June 10** Public Hearing
- June 24** Proposed Budget Adoption

2020-21 Budget Development Page

www.townofchapelhill.org/budget