

# PUBLIC HEARING: Manager's Recommended Budget FY 2020-21

Town of Chapel Hill  
North Carolina



Manager's Recommended Budget  
FY 2020-21

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# Recommended Budget Highlights

- Manager's Recommended Budget presented to Council on May 20<sup>th</sup>  
<https://www.townofchapelhill.org/home/showdocument?id=4589>
- \$110,885,256 budget for all funds (2.2% decrease from FY 2020)
- No property tax increase proposed
- No pay increase proposed
- No staff furloughs or layoffs

# Budget Foundations

## Responsible, Resilient, Smart and Strategic

- Supporting Council's strategic priorities
- Supporting our most valuable resources
- Protecting fund balance to promote resiliency



# FY 2021 Budget Unknowns

- Financial forecast continues to change with the 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

<b>Revenue Source</b>	<b>Adopted FY2019-20</b>	<b>Recommended FY2020-21</b>	<b>Difference</b>
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%)
<b>Total</b>	<b>\$ 68,483,000</b>	<b>\$ 66,389,000</b>	<b>(3.0%)</b>

# Balancing 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:
  - Hiring Freeze to continue into FY 2021
  - Streets
  - Building Maintenance
  - Vehicle Replacement
  - Pay-Go capital projects
  - Transfer to Blue Hill Tax Increment Financing
  - OPEB pre-funding contribution
- No reductions in AHDR funds/Human Services Agency Funding

# Enterprise Fund Summary - 1 of 2

- **TRANSIT FUND:**

- No recommended tax increase
- No proposed use of fund balance
- Status quo budget for partner contributions
- \$5.7 million CARES Act future budgetary impact
- Fund balance is strong; stable outlook



- **PARKING FUND:**

- Proposed use of fund balance of \$113,392 to balance budget
- Parking Fund needs influx of revenues to continue with existing operations
- Will review rate structure and hours to consider for early FY21



# Enterprise Fund Summary - 2 of 2

- **HOUSING FUND:**

- 53% of housing expenses are covered with HUD operating subsidy
- 47% of housing expenses are covered with tenant rents (unknown impact of ability to pay due to COVID-19)
- Fund balance is strong; stable outlook



- **STORMWATER FUND:**

- No fee increase proposed
- Fund balance is strong; stable outlook



# REMAINING DATES for Budget Process

**June 10**    **Public Hearing on Budget**

**June 24**    Budget Adoption

# Budget Resources

Town of Chapel Hill  
North Carolina






**Manager's Recommended Budget  
FY 2020-21**

## Manager's Recommended Budget Notebook

CHAPEL HILL

SERVICES RESIDENTS BUSINESSES GOVERNMENT THINGS TO DO

- Business Management
  - Contact Us
  - + Purchasing and Contracts
  - Holiday Schedule
  - Budget
    - 2020-2021 Budget Development
      - 2020-2021 Recommended Budget
      - + 2019-2020 Adopted Budget
      - Priority Budgeting
      - + Past Budgets
      - Tax Payments
      - Financial Statements
      - Debt Management
      - Business License Forms
      - ABC License Forms
      - Occupancy Tax Form
      - Fee Schedules
      - + Capital Improvements Program
      - Food Trucks
      - Policy and Procedures

Government » Departments & Services » Business Management » Budget »

## 2020-2021 BUDGET DEVELOPMENT

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Through the Town's annual budget process, the Town Council makes decisions on the level and types of services provided to residents with local, State and federal funds.

Adoption of a budget determines in many respects the level of resources to be available for Town services over the coming budget year. The budget process is one of the most important functions and responsibilities of the Council, and it is also a key opportunity for residents' participation in Town government.

The Town's [2020 Comprehensive Plan](#) will help guide the development of this and future budgets.

BUDGET MEETINGS	DISCUSSION / PURPOSE
January 31 - February 1	<a href="#">Council Retreat - Day 1</a> <a href="#">Council Retreat - Day 2</a>
February 26	<a href="#">Initial Budget Public Forum</a>
March 18	<a href="#">Budget Work Session</a>
April 13	<a href="#">Budget Work Session</a>
May 13	<a href="#">Budget Work Session</a>
May 20	<a href="#">Presentation of Manager's Recommended Budget</a>
May 27	<a href="#">Budget Work Session</a>
June 3	<a href="#">Budget Work Session</a>
June 10	<a href="#">Public Hearing on Recommended Budget</a>
June 24	<a href="#">Adoption of FY 2020-2021 Budget</a>

**Your Feedback Welcome**

Chapel Hill residents may also make comments to the Mayor and Council by letter, fax, or e-mail at any time in the budget process.

**Mail:** Town Hall  
405 Martin Luther King Jr. Blvd.  
Chapel Hill, NC 27514

**Fax:** 919-969-2063

**Email:**  
[mayorandcouncil@townofchapelhill.org](mailto:mayorandcouncil@townofchapelhill.org)

**Access the Town Budget Brochure:** <https://bit.ly/2jpCvqA>

## 2020-21 Budget Development Page on website: [www.townofchapelhill.org/budget](http://www.townofchapelhill.org/budget)

# **Manager's Recommended Budget FY 2020-21**

**Council may now open up the  
public hearing to receive  
comments from the public  
on the FY21 budget**

**2020-21 Budget Development Page on website:**

**[www.townofchapelhill.org/budget](http://www.townofchapelhill.org/budget)**