

Town of Chapel Hill  
North Carolina

2020-21 Adopted Budget



Your Town Council is **Mayor Pam Hemminger**,  
**Mayor Pro tem Michael Parker**, and Council  
members **Jessica Anderson**, **Allen Buansi**,  
**Hongbin Gu**, **Tai Huynh**, **Amy Ryan**, and  
**Karen Stegman**

**Town Manager**  
Maurice Jones

**Finance Officer**  
Amy Oland





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### **Letter of Transmittal**

To the Honorable Mayor and  
Members of Town Council  
Town of Chapel Hill, North Carolina

Ladies and Gentlemen:

I present to you the Town of Chapel Hill, North Carolina Annual Budget for Fiscal Year 2020-21. 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 2020-21 recognizes Council's most important goals and invests in strategic initiatives to achieve those objectives, even during these challenging and unprecedented times. We look forward to working with Council to continue offering the core services our residents expect.

This Adopted Budget document includes the fund summaries that utilize the governmental budget practices recommended by the Government Finance Officers Association of the United States and Canada.

Respectfully submitted,

Maurice Jones  
Town Manager

June 24, 2020

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June 22, 2020

Dear Mayor and Council:

I formally present for your consideration, the Fiscal Year 2020-2021 Adopted Budget for the Town of Chapel Hill. The total budget of \$111,166,471 is a 2.2% decrease from FY 2020. The last three months have proven to be a tumultuous, devastating period of time for our nation. The rapid spread of the COVID-19 virus and heartbreaking loss of life have taken an emotional and economic toll on all of us, and has, at least temporarily, changed our way of life. The pandemic has also altered the budget our team was prepared to present to you this spring. Instead of a budget focused on the future, we offer a budget that protects the Town's core services and provides some level of flexibility if the current economic situation fails to improve during the next fiscal year.

A municipal budget reflects its community's values and even in these unusual times 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, affordable housing, streets and sidewalks, public library, and parks and recreation. These services are sources of pride for the community and make Chapel Hill more accessible to all those who live, work, and visit here. This budget keeps those commitments in place even while reducing overall spending. We are putting the Town in the best possible position to respond to a continually changing economic situation brought on by this global health crisis.

### **5-Year Budget Strategy**

In Fiscal Year 2019, we began conversations about the growing gap between the community's interests and the resources needed to fund them. The Council approved Strategic Goals and Objectives in June 2019 that organized and prioritized the community's interests. Following approval, the Council initiated a long-term budget strategy to fund strategic priorities and address outstanding operational needs. In October 2020, a core group of staff led this 5-year strategy process. Throughout the fall and winter months, staff from every department contributed to the strategy. We believe that the final product will be a useful resource for the Council and could act as a roadmap for future budget processes. Once the economy improves, it is our plan to resume conversations on the five-year budget strategy.

## **Initial Projections**

Our initial budget projections from January 2020 were very positive. Sales tax revenues were higher than we had ever experienced. Occupancy tax numbers were high. Department revenue projections looked good. We were looking forward to incorporating elements of the five-year budget strategy into the FY 2021 budget and increasing funding in several focus areas:

- Climate Action Plan
- Street Resurfacing
- Building & Parks Maintenance
- Vehicle Replacements
- Pay-Go Capital Projects
- Employee Pay

Regarding employee pay, the FY 2020 budget included \$100,000 to fund a comprehensive classification and compensation study. Studies like these review a municipality's salary ranges and compare job classes for appropriate pay, helping to ensure competitive balance. We knew that the results of the study would not be finalized before this budget presentation, but planned to recommend funding in FY 2021 to begin a phased approach to implementing the study's recommendations.

Like the five-year budget strategy, this plan is on hold and we will address the findings from the compensation and classification study as the economy improves. My goal is to use that document as a guide for us to respond to the disparities we may have in compensation.

## **Impacts of COVID-19**

We are all aware of the sudden, significant effects of the pandemic on our nation's economy. Unfortunately, Chapel Hill has not been spared the financial hit.

For context, here are some national economic impacts:

- More than 33 million people have applied for unemployment since the beginning of the crisis. For perspective, 8.8 million jobs were lost during the entire 2008 financial crisis.
- As this document went to print the unemployment rate in the United States stood at nearly 15%, the highest rate since the Great Depression.
- Retail sales were down 16.4% in April 2020. That report followed an 8.9% decline in the month of March.

Here are a few details on our local economy:

- We are projecting a 10% decrease in sales tax growth through the end of FY 2020 (approximately \$800,000).

- We are projecting a 50% decrease in occupancy tax revenues through the end of FY 2020 (approximately \$350,000).
- We are projecting decreases to department revenues in the areas of building & development, parks and recreation, library, public works, police, and fire (impact depends on how long services are either suspended or reduced).
- We are working to mitigate the more than \$1 million revenue shortfall in department operating budgets in the current fiscal year.

Figures like these underscore the need to be cautious with our revenue projections for FY 2021. We do not know how long this event will last, so it is difficult to project the impact on our budget with any certainty. However, we are not alone on this journey as the entire country is feeling the effects and we will continue evaluating and responding to changing conditions.

In order to respond to this uncertain situation, we are recommending little to no increase in discretionary spending for FY2021 while we continue to search for savings in operational costs. We are reducing our sales tax projections and have identified reductions that have the least impact on the organization and community. Our goal is to maintain the high-quality core services that we provide to our residents, businesses, and visitors. We will continue to monitor the Town's budget as the year unfolds.

### **Balancing the Budget**

In recent years, the cost of providing services has outpaced Town revenue trends. This budget includes slight growth in property tax (1.5%). As a result of COVID-19 impacts, this budget includes a 9.5% decrease in sales tax revenues, 7.7% decrease in occupancy tax, and a 2.7% decrease in department revenues and licenses and permits. We have reduced our fund balance appropriation by 25.8% in order to prepare for the unknowns related to the ongoing impacts of COVID-19. The total adopted tax rate remains at 54.4 cents per \$100 of assessed valuation. There is no increase adopted for the General Fund, Debt Service Fund, or Transit Fund.

As mentioned earlier, we have made some operational reductions in order to balance the FY21 budget. We have reduced funding for street resurfacing by \$300,000, removed the \$472,000 allocation for building maintenance, eliminated funding for vehicle replacement, and cut the pay-go CIP. Below are the impacts of these budget reductions:

#### *Street Resurfacing – Reducing Funding Allocation - \$300,000*

With an existing resurfacing backlog of \$10 million to \$11.2 million, reducing our budget will delay future planned projects. Reducing our budget by \$300,000 will delay the reconstruction of Country Club Road, currently scheduled for summer 2020. The project is estimated to cost \$575,000, which is 86% of the department's annual street resurfacing budget. Country Club Road is a high-use multi-modal street, and the project was coordinated to directly follow the

major waterline replacement project by OWASA. The waterline replacement project resulted in additional pavement damage. Deferring this project for another year will also delay the FY22 scheduled milling and resurfacing of West Cameron Avenue, which was also coordinated to follow a scheduled waterline replacement project by OWASA.

Facilities Maintenance Budget Cut Impact – Eliminating Funding Allocation - \$472,200

In FY 19 and FY 20, Council allocated \$472,200 annually to begin addressing a backlog of facilities maintenance and capital needs identified in a recent facilities assessment.

The \$472,200 annual budget over the past two years has allowed the Town to address various long-standing issues including needed roof replacements at Fire Station 1, Hargraves Community Center, and Northside Gym; HVAC and boiler replacements; and soffit and duct work repairs at the Homestead Aquatic Center.

Public Works is scheduled to replace the Post Office roof and refurbish the cupola in Fall of 2020. The Post Office roof and cupola are in poor condition, and the project will require the full \$472,200 budget for FY21. Town Hall's roof also needs to be replaced, and the project is scheduled for FY22. Both the Post Office roof and Town Hall roof are failing and past the point of refurbishment and preventive maintenance to extend the useful life. Postponing these roof replacements will result in additional damage and associated needed maintenance and costs.

Fleet Replacement – Eliminating Funding Allocation - \$525,000

To maintain an effective and available fleet and a cost-effective replacement schedule, it is imperative to replace vehicles when they have reached the end of their useful life. As the fleet gets older, repairs become more difficult, time-consuming, and costly. As a result, downtime increases, which negatively impacts services provided. Deferring replacements also results in a lesser return on the vehicle when it is sold.

Eliminating the fleet replacement budget will result in no replacements in FY21. FY21 planned replacements of three police vehicles, one pickup truck in the streets division and one in the fire department, one solid waste rear loader, and one leaf collection machine will be deferred which will result in an increase in maintenance costs and downtime.

CIP Pay-Go Budget Cut Impacts

*Facilities' Extraordinary Maintenance - Reducing Funding Allocation - \$37,500*

- Public Works receives an annual allocation of \$100,000 for critical repairs associated with unanticipated failures of building systems and/or facility improvements. As noted above, the Town's facilities are aging, requiring major repairs and renovations at higher costs. We have a history of spending the full \$100,000 allocation, and when critical repairs are required, they must be addressed. With the \$37,500 reduction, the Town

will have to identify funds elsewhere in the budget to respond, requiring mid-year funding reductions and negative impacts to other service areas.

*Street Resurfacing and Sidewalk Related ADA Improvements - Eliminating Funding Allocation - \$50,000*

- The Town needs to develop an ADA Transition Plan in FY 21 to comply with ADA regulations. While the \$50,000 is typically used to address ADA maintenance needs, we plan to use this funding allocation in FY 21 for the ADA Transition Plan.

Eliminating the funding will delay completion of the ADA Transition Plan, putting the Town at a greater liability risk.

*Parking Lots, Trails & Paths – Eliminating Funding Allocation - \$50,000*

- The Town owns parking lots at facilities, trails, and paths for which maintenance is required to protect our investment.

Eliminating the funding may result in further deterioration of these facilities and result in greater cost at time of repair and/or resurfacing.

## **Responding to Council and Community Priorities**

The goal of the budget is to align allocations with Council and community priorities. Even during this year, the budget supports high-quality core services and key investments in strategic goal areas prioritized by the Council.

### *Strategic Initiatives*

As previously mentioned, the Five-Year Budget Strategy was a plan for funding the Council's FY 2020-22 Strategic Goals and Objectives and addressing outstanding operational needs. The delayed five-year budget strategy discussion and Town revenue losses are a disruption to the Council's 2020-22 Strategic Plan but do not fundamentally change the Council's goals. While initiatives and work plans may need to be postponed or adapted, the Strategic Plan will still provide policy guidance and strategic direction. Following the adoption of the FY 21 budget, staff will consider how to adjust projects and initiatives with decreased funding and return to Council with revised strategic work plans.

The Council emphasized the overarching priorities of Environmental Stewardship, Economic Development and Equity in the FY 2020-22 Strategic Goals and Objectives. These priorities have influenced the adopted FY 21 budget in the following ways:

#### Environmental Stewardship:

- Although we are not recommending supplemental funding for the Climate Action Plan in this budget at this point, we will finish the community engagement portion of the Climate Action Plan, initiate any practical, low-cost community-focused activities, and use a climate lens when we make operational decisions, such as encouraging telecommuting, during the year.
- The adopted budget includes \$62,500 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.).

#### Economic Development:

- The Town continues to work towards diversifying the tax base by adding more commercial property taxes with public private partnerships like the East Rosemary Street Redevelopment Project and the Eastowne Master Plan and Development Agreement.
- The Town is working with local businesses to support recovery efforts by increasing its focus on safety and cleanliness in its commercial districts and making adjustments to regulations that support public safety and commercial activity.

#### Equity:

- The Town's Affordable Housing and Human Services funding will remain intact in a year where other discretionary funds are being reduced. These funds provide support for the Town's most vulnerable and marginalized populations. The Town's language access plan is a part of this program that has been a critical asset during the coronavirus pandemic response.
- The Town will continue to implement its Diversity, Equity and Inclusion strategic plan through employee training and the application of a racial equity lens when we make operational decisions, such as reopening facilities and the restoration of services.

#### **Effect on Town Employees**

We are not recommending a pay increase for employees and have implemented a hiring freeze on vacant positions to provide personnel savings. Many of those frozen positions will extend into next fiscal year and will be reconsidered at the end of the first quarter if economic conditions improve. We are not proposing any reductions in staff, and we will reevaluate pay mid-year if economic conditions improve.

Our healthcare broker continues to negotiate our health insurance premium to ensure the best rate possible. The adopted budget includes a 2% increase in health insurance, which is lower than last year's 4.9% increase. 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%.

Prior to COVID-19, the Town renewed its application with the Orange County Living Wage (OCLW). The 2021 standard is \$14.90 per hour for employees without health benefits and \$13.40 with health benefits. This affects some seasonal and program support employees. As a result of COVID-19, we have been granted a six-month extension to meet the new wage standard. The FY 21 Manager's Adopted budget does not include any additional funding to pay for this increase.

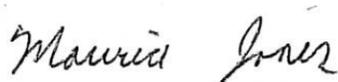
### **Meeting Current and Future Needs**

This budget continues the delivery of high-quality core services to our residents, businesses, and visitors. The budget also supports strategic goal areas, from affordable housing to climate action, to the extent possible under current conditions. We have preserved the affordable housing funding from last year's levels and already allowed greater flexibility in the use of those funds to meet the community's unexpected needs. This budget balances our Town's commitment to the policy decisions of the Council and upholding the community's values.

We will continue 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 propose that we engage in regular updates on the Town's budget and needs during the year, folding in the information gathered in the draft five-year budget strategy. This on-going conversation will allow us to gather current data, evaluate how the battle against the pandemic is progressing, and guide future budgeting decisions.

In the meantime, this adopted budget provides the operational preparedness and financial resilience to respond to difficult and changing conditions. We will 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. Through open dialogue and careful planning, we will have the flexibility to respond to new opportunities and continue making strategic investments in the future of Chapel Hill.

Sincerely,

A handwritten signature in black ink that reads "Maurice Jones". The signature is written in a cursive, flowing style.

Maurice Jones  
Town Manager



# ***CITIZENS' GUIDE TO REVIEWING THE BUDGET***

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## **General Comments**

This budget document describes Town services and revenue sources adopted for the Town's budget for the fiscal year from July 1, 2020 through June 30, 2021.

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 2020-21.

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](mailto: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 2020-21 by July 1. State laws also determine the types of services and regulatory authority which the Town can

# ***CITIZENS' GUIDE TO REVIEWING THE BUDGET***

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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***

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## **Budget Process**

The Mayor and Council's process and schedule for developing the 2020-21 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](mailto: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***

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## **◆ 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:

- 2018-19 Actual
- 2019-20 Original Budget
- 2019-20 Revised Budget
- 2019-20 Estimated
- 2020-21 Adopted Budget
- % Change from 2019-20 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.

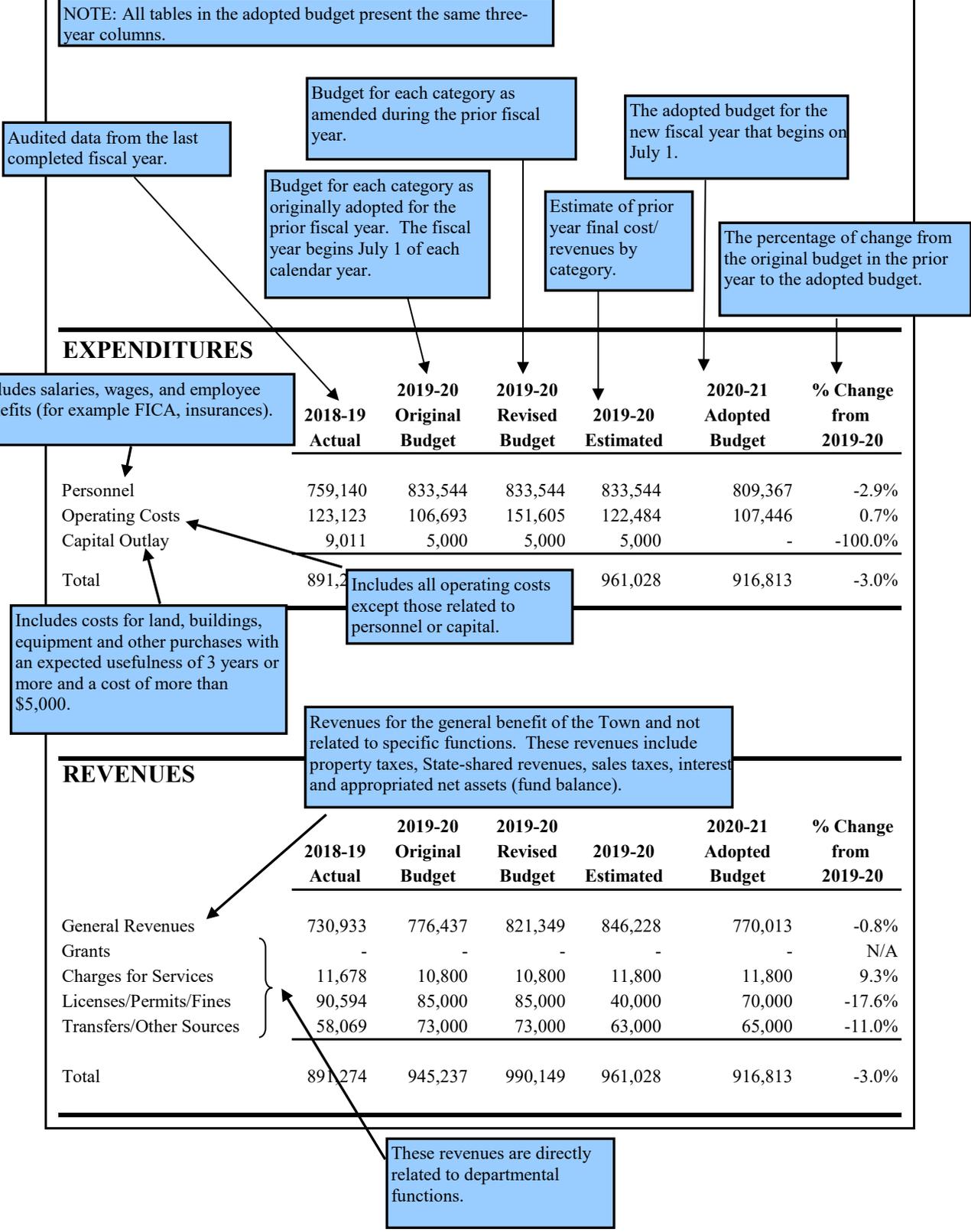
A reader’s guide entitled “Budget Format—The Basics” follows.

In addition to the material described above, the adopted 2020-21 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.

	2018-19 Actual	2019-20 Original Budget	2019-20 Revised Budget	2019-20 Estimated	2020-21 Adopted Budget	% Change from 2019-20
<b>EXPENDITURES</b>						
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%
<b>Total</b>	<b>891,274</b>	<b>945,237</b>	<b>990,149</b>	<b>961,028</b>	<b>916,813</b>	<b>-3.0%</b>
<b>REVENUES</b>						
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%
<b>Total</b>	<b>891,274</b>	<b>945,237</b>	<b>990,149</b>	<b>961,028</b>	<b>916,813</b>	<b>-3.0%</b>



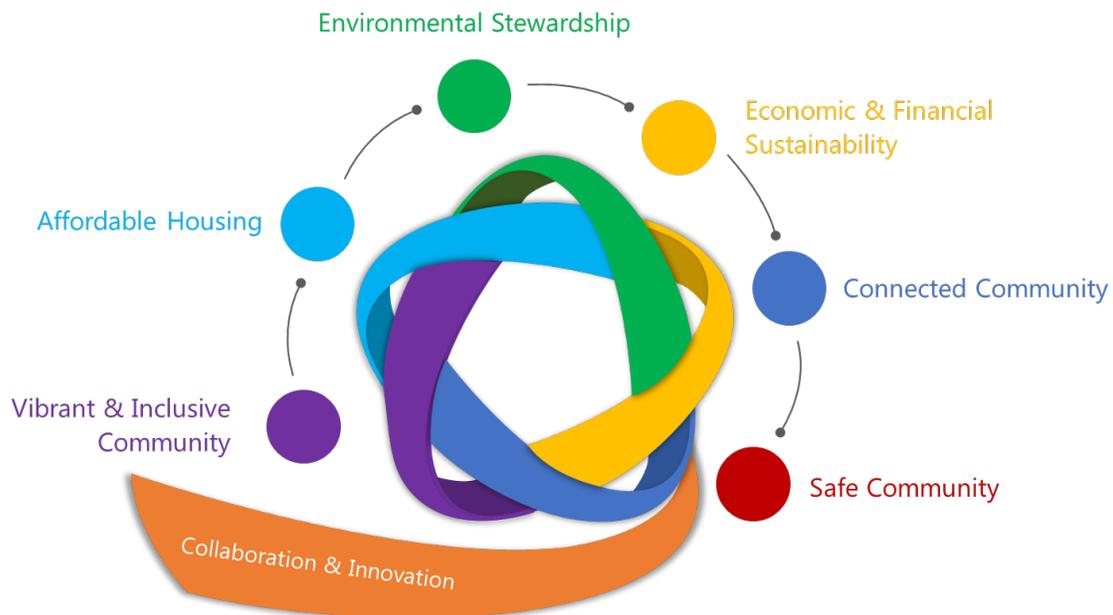
# ***Strategic Goals, Objectives, and Performance Management***

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## ***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 FY21 Budget document illustrates performance data and targets that departments have identified as performance measures in their FY21 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.

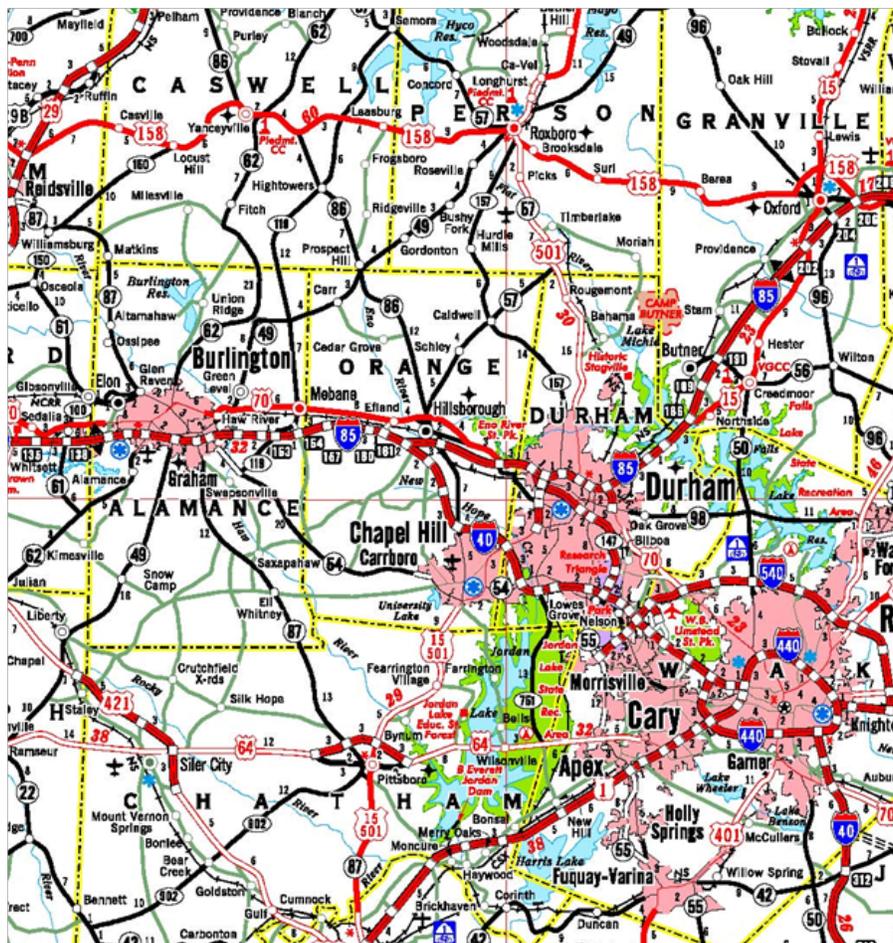
Performance Tools	Data and Dashboards
Business Plans, Performance Measures, Community Survey, Employee Engagement, Capital Project Management	Chapel Hill Open Data, GIS & Analytics, Personnel Dashboard, UNC Benchmarking Project

# ***CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS***

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## **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 63,178 according to the latest estimate issued by the State of North Carolina for July 2018. 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**

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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**

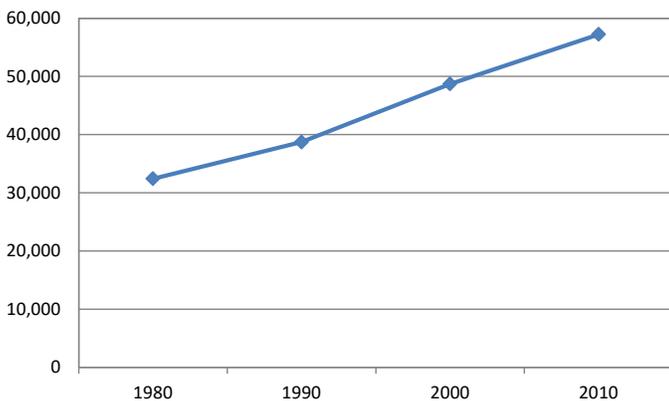
### **POPULATION GROWTH AND CHARACTERISTICS**

#### *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.

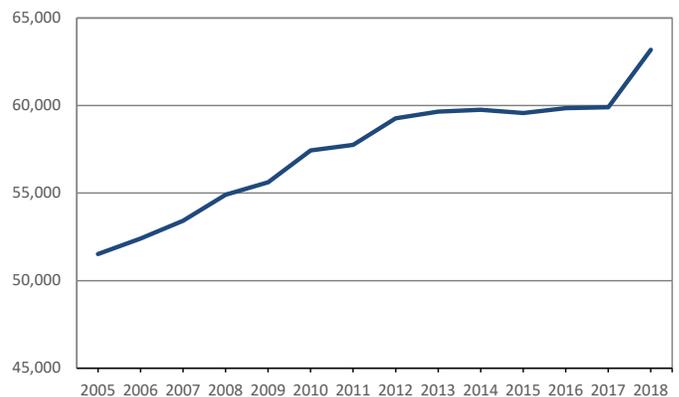
Figure 2 shows the Town’s growth since the 2000 Census.

**Figure 1. Chapel Hill Population: 1980-2010**



Source: US Census Bureau, 2010

**Figure 2. Chapel Hill Population: 2005-2018**



Source: North Carolina Office of Budget & Management

# **CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS**

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**Table 1: Chapel Hill Population by County**

<b>County</b>	<b>Chapel Hill Population</b>
Durham County	3,304
Orange County	59,874
<b>TOTAL</b>	<b>63,178</b>

*Source: NC Office of State Budget and Management, 2018*

## *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**

<b>Race/Origin</b>	<b>2018</b>	<b>%</b>
White	43,391	72.9%
Black or African American	5,888	9.9%
American Indian and Alaska Natives	119	0.2%
Asian and Pacific Islander	7,434	12.5%
Some Other Race	930	1.6%
Two or More Races	1,799	3.0%
Total	59,561	100.0%
Hispanic Origin (any race)	3,934	6.6%

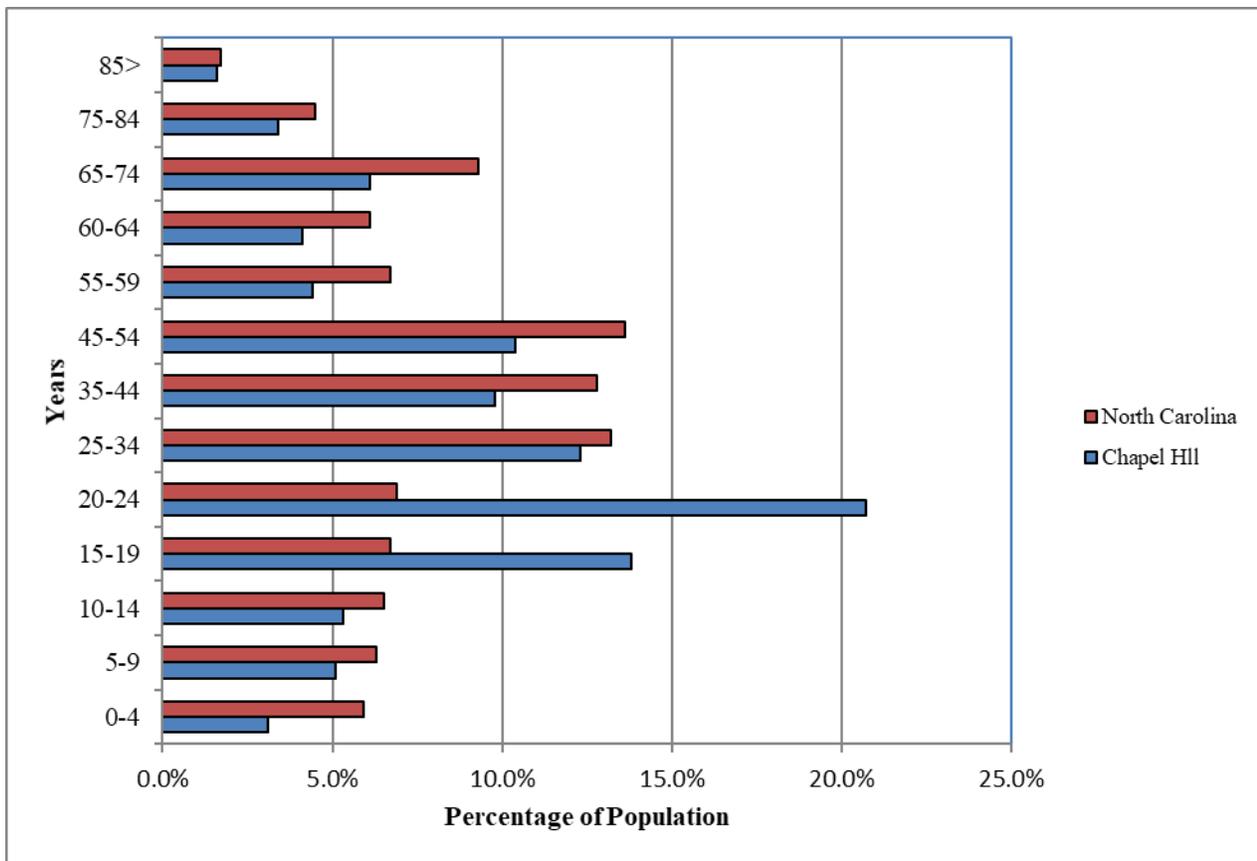
*Source: 2013-18 American Community Survey, US Census Bureau*

# 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 13.8 percent of the Town’s population, while the 20 to 24 age group comprises 20.7 percent. As a comparison, the 20 to 24 age group represents 6.9 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 38.6.



Source 2013-2018 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 2013-2018 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)**

	<b><u>Chapel Hill</u></b> <b><u>Family Income</u></b>	<b><u>Orange County</u></b> <b><u>Family Income</u></b>	<b><u>North Carolina</u></b> <b><u>Family Income</u></b>
Less than \$10,000	259	700	111,490
\$10,000 to \$14,999	83	380	76,157
\$15,000 to \$24,999	369	1,558	198,957
\$25,000 to \$34,999	446	1,664	238,991
\$35,000 to \$49,999	1,023	3,052	345,745
\$50,000 to \$74,999	1,066	5,006	492,928
\$75,000 to \$99,999	976	4,142	369,566
\$100,000 to \$149,999	1,921	5,519	410,072
\$150,000 to \$199,999	1,234	3,324	159,782
\$200,000 or more	3,098	6,541	169,838
<b>Total Households/Families</b>	<b>10,475</b>	<b>31,886</b>	<b>2,573,526</b>
<b>Median Income</b>	<b>\$125,893</b>	<b>\$96,664</b>	<b>\$65,097</b>
<b>Mean Income</b>	<b>\$170,175</b>	<b>\$137,577</b>	<b>\$87,271</b>

**Table 3a: Family Income (% of total)**

	<b><u>Chapel Hill</u></b> <b><u>Family Income</u></b>	<b><u>Orange County</u></b> <b><u>Family Income</u></b>	<b><u>North Carolina</u></b> <b><u>Family Income</u></b>
Less than \$10,000	2.47%	2.20%	4.33%
\$10,000 to \$14,999	0.79%	1.19%	2.96%
\$15,000 to \$24,999	3.52%	4.89%	7.73%
\$25,000 to \$34,999	4.26%	5.22%	9.29%
\$35,000 to \$49,999	9.77%	9.57%	13.43%
\$50,000 to \$74,999	10.18%	15.70%	19.15%
\$75,000 to \$99,999	9.32%	12.99%	14.36%
\$100,000 to \$149,999	18.34%	17.31%	15.93%
\$150,000 to \$199,999	11.78%	10.42%	6.21%
\$200,000 or more	29.58%	20.51%	6.60%
<b>\$50,000 or more</b>	<b>79.19%</b>	<b>76.94%</b>	<b>62.26%</b>

# CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS

**Table 4: Educational Attainment**

<b><u>Educational Attainment</u></b>	<b><u>Chapel Hill</u></b> <b><u>(% of total)</u></b>	<b><u>Orange County</u></b> <b><u>(% of total)</u></b>	<b><u>North Carolina</u></b> <b><u>(% of total)</u></b>
Less than 9th	2.0%	3.6%	4.7%
9th to 12th, No Diploma	1.9%	3.7%	7.9%
High School Graduate	7.8%	14.8%	25.9%
Some College, No Degree	9.4%	13.7%	21.5%
Associate's Degree	4.2%	6.6%	9.5%
Bachelor's Degree	28.8%	24.8%	19.6%
Graduate or Professional Degree	46.1%	32.7%	10.9%

**Table 5: School Enrollment**

<b><u>School Enrollment</u></b>	<b><u>2015-16</u></b>	<b><u>2016-17</u></b>	<b><u>2017-18</u></b>	<b><u>2018-19</u></b>	<b><u>2019-20</u></b>
Elementary (grades K-5)	5,508	5,529	5,582	5,450	5,330
Intermediate (grades 6-8)	2,870	2,827	2,828	2,917	3,024
Secondary (grades 9-12)	3,644	3,701	3,717	3,907	3,930
<b>Total</b>	<b>12,022</b>	<b>12,057</b>	<b>12,127</b>	<b>12,274</b>	<b>12,284</b>

*Source: Chapel Hill-Carrboro City Schools Enrollment Report*

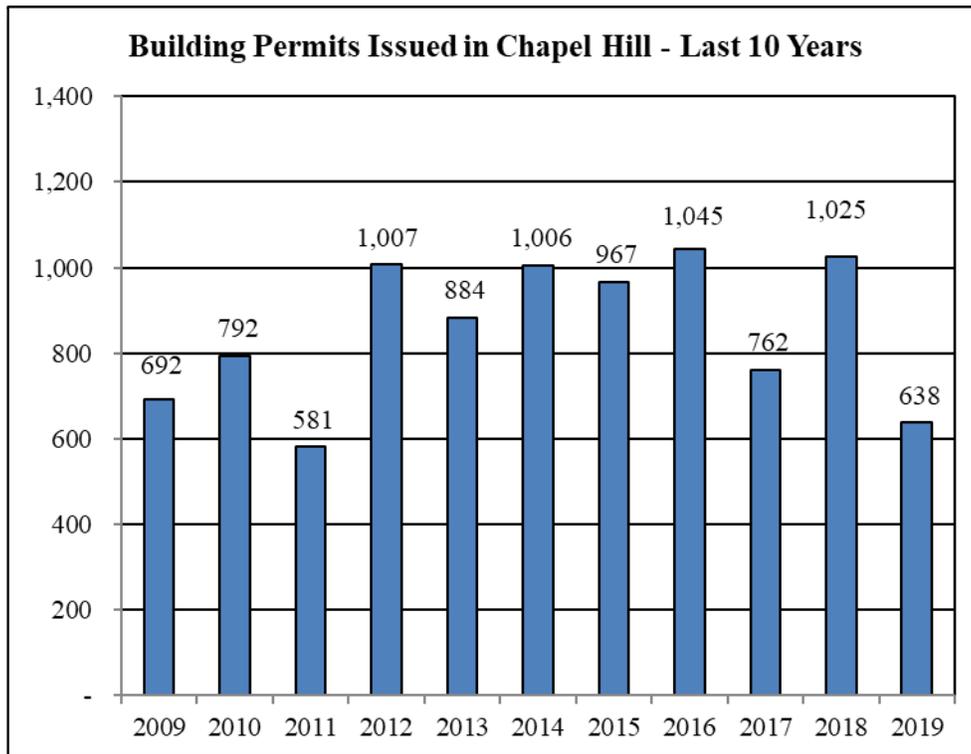
**Table 6: Unemployment Rates**

<b><u>Regional Average Unemployment Rates 2006-2020</u></b>			
<b><u>Year</u></b>	<b><u>Chapel Hill</u></b>	<b><u>Orange Co.</u></b>	<b><u>NC</u></b>
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	3.8	3.3	4.0
2019	3.8	3.3	3.9
2020	5.5	5.5	8.2

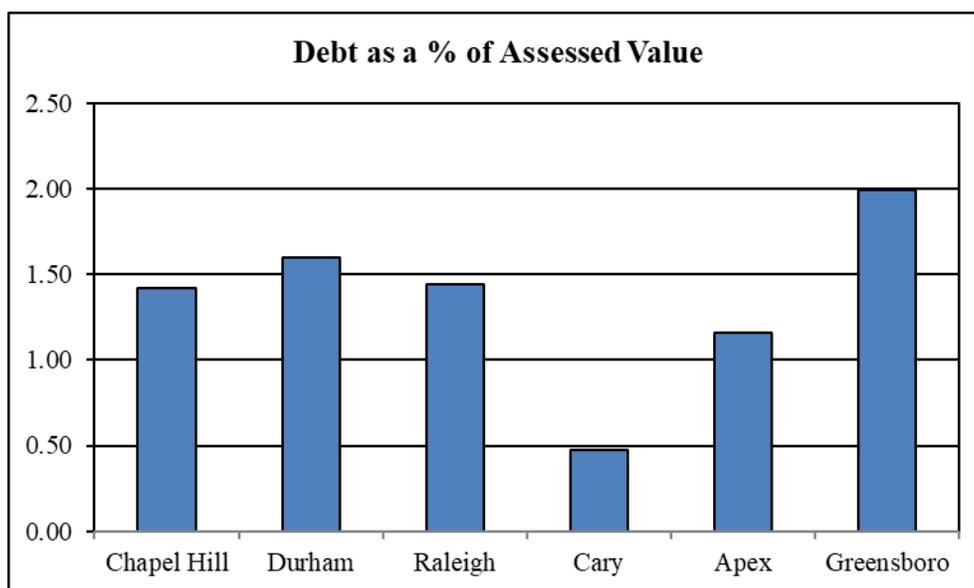
\*2020 rates based on monthly averages through June.  
Source: N.C. Employment Security Commission, U.S. Bureau of Labor

# CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS

**Table 7a: Economic Indicators – Building Permits**

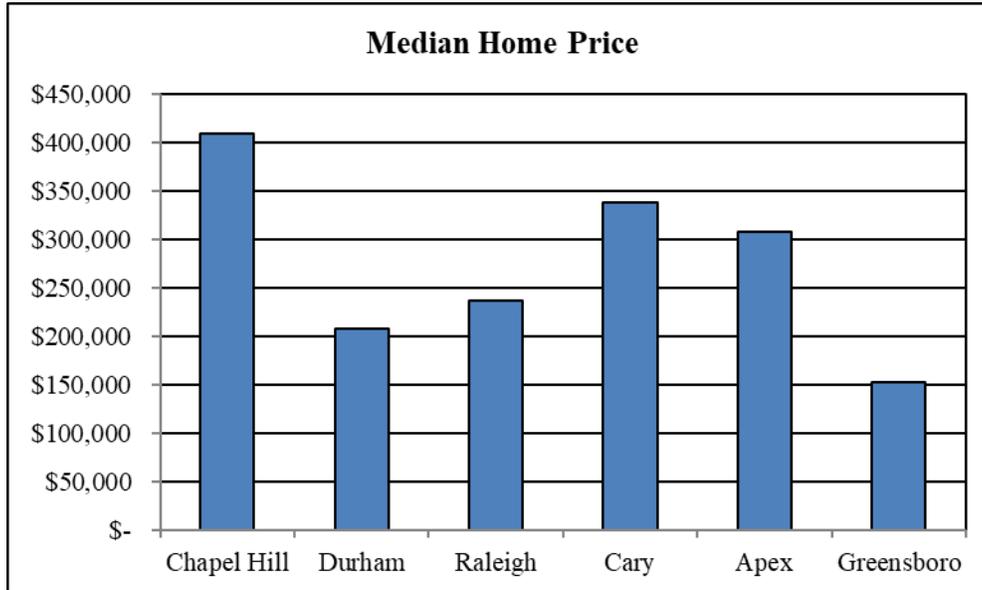


**Table 7b: Economic Indicators – Debt Percentage**



# CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS

**Table 7c: Economic Indicators – Median Home Price**



**Table 8: Top Employers**

<b>Chapel Hill Top Employers By Size</b>	
<b>Employer</b>	<b>Number of Employees</b>
University of North Carolina at Chapel Hill	10,000+
UNC Health Care	10,000+
Chapel Hill-Carrboro City Schools	1,000+
Town of Chapel Hill, Inc.	750+
Aramark Food and Support Services	250+
The Chapel Hill Residential Center	250+
UNC Physicians Network LLC	250+
Harris Teeter	250+
Food Lion	250+
Hyatt Corporation	250+
ABB	250+
AKG	250+

*Source: Chapel Hill Economic Development*

# ***CHAPEL HILL – MAJOR ECONOMIC DEVELOPMENT***

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## **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.



# ***SUMMARY OF KEY INTERGOVERNMENTAL RELATIONSHIPS***

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*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***

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## **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***

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## **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***

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## **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***

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<b><u>Fund Title</u></b>	<b><u>Accounts For</u></b>	<b><u>Primary Funding Sources</u></b>
<b>GENERAL FUND</b>	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
<b>TRANSPORTATION</b>		
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
<b>PARKING</b>		
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
<b>STORMWATER MANAGEMENT</b>		
Stormwater Management Fund	Management of stormwater to protect water quality as mandated by NC General Statutes	Fees
<b>HOUSING</b>		
Public Housing Fund	Management of public housing units and residential rehabilitation	Federal grants and rental income

# ***FUND DESCRIPTIONS AND MAJOR REVENUES***

---

<b><u>Fund Title</u></b>	<b><u>Accounts For</u></b>	<b><u>Primary Funding Sources</u></b>
<b>DEBT</b>		
Debt Service Fund	General obligation debt, proprietary debt, COPS debt, and other governmental debt	Property taxes
<b>CAPITAL PROGRAMS</b>		
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
<b>OTHER FUNDS</b>		
<b><u>Special Revenue Funds</u></b>		
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
<b><u>Internal Service Funds</u></b>		
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

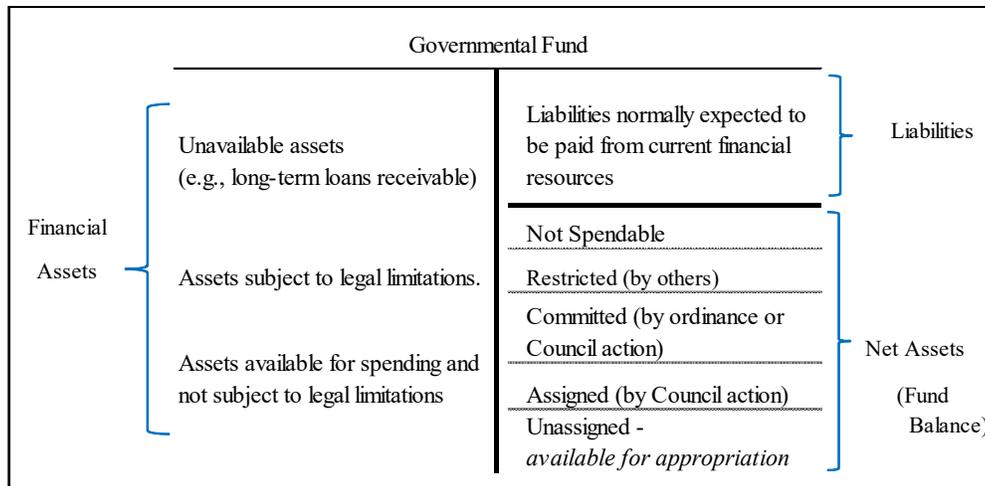
Fund balance (net assets) is the accumulated difference between revenues and expenditures in a governmental fund, and is similar to “working capital” for a private business. Portions of fund balance are intended to meet the cash flow and working capital needs of the Town in accordance with reserve recommendations 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***

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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***

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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***

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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 191 for additional information on the Town’s debt and bond ratings.

## ***CAPITAL PROGRAM INTRODUCTION AND BACKGROUND***

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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 2018 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 261) for additional information on the Town's Capital Improvements Fund.

# ***FUND STRUCTURE & BASIS OF BUDGETING***

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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***

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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***

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## **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***

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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.

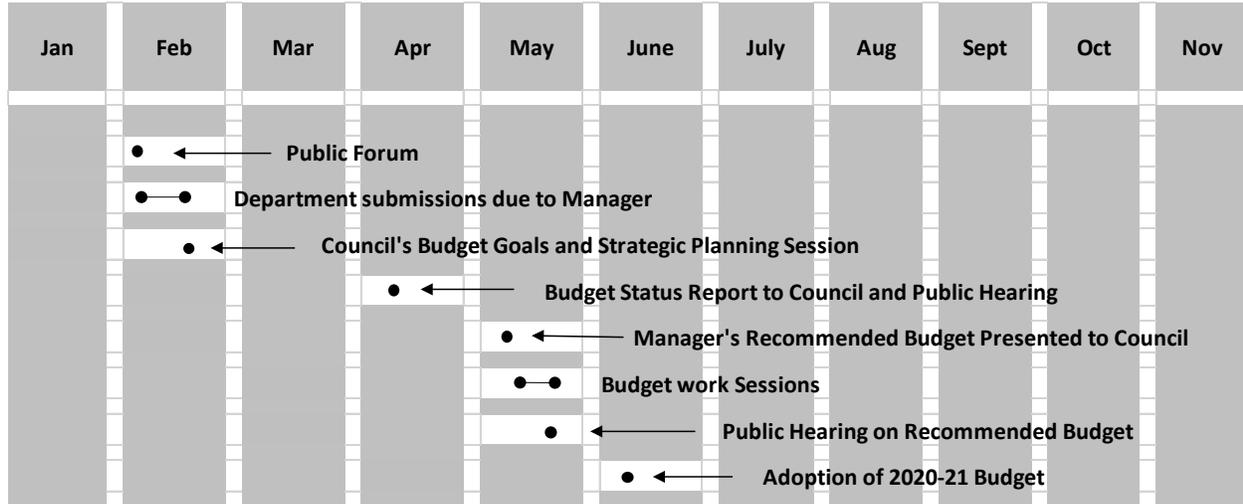
## **BUDGETARY CONTROL**

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***

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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***

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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***

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## **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**

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*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.*

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<b>OPERATING BUDGET</b>	
<b>Guideline</b>	<b>Comment</b>
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.
<b>DEBT SERVICE</b>	
<b>Guideline</b>	<b>Comment</b>
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>
<b>CAPITAL EXPENDITURES</b>	
<b>Guideline</b>	<b>Comment</b>
<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**

<b>Guideline</b>	<b>Comment</b>
<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***

<b>FINANCIAL REPORTING</b>	
<b>Guideline</b>	<b>Comment</b>
<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, 2019 and Distinguished Budget Award in 2019-20 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***

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Major issues affecting Town revenues for the 2020-21 budget include the unknown economic impacts of COVID-19 that we anticipate impacting revenues in a number of areas. Additionally, the 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 2020-21 budget incorporates the following assumptions:

- The property tax base is estimated to be \$8.44 billion in 2020-21.
- We estimate that the Town's revenue from the local sales taxes will decrease due to economic impacts of COVID-19.
- Federal assistance for the Transit Fund will remain flat for 2020-21.



# ***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 2020-21 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:

<b>Bond Order</b>	<b>Authority</b>	<b>February 2017 Issuance</b>	<b>April 2018 Issuance</b>	<b>Balance</b>
<b>Streets &amp; Sidewalks</b>	\$ 16,200,000	\$ 3,000,000	\$ 5,500,000	\$ 7,700,000
<b>Trails &amp; Greenways</b>	5,000,000	5,000,000	-	-
<b>Recreation Facilities</b>	8,000,000	1,000,000	4,300,000	2,700,000
<b>Solid Waste Facilities</b>	5,200,000	-	-	5,200,000
<b>Stormwater</b>	5,900,000	-	2,700,000	3,200,000
<b>Total</b>	\$ 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:

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

## ***FIVE-YEAR REVENUE AND COST PROJECTIONS FOR MAJOR OPERATING FUNDS***

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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
<b>Total</b>	<b><u>\$ 20,410,000</u></b>

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:

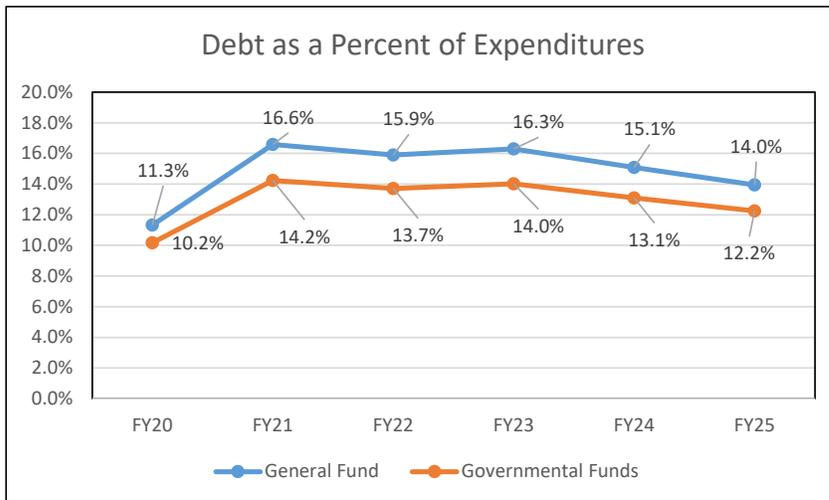
<u>Project</u>	<u>Amount</u>
Ephesus Fordham (Blue Hill) Road Improvements	\$ 4,779,000
Town Hall Renovations	1,865,000
Public Safety Facilities & Equipment	1,185,000
Community Center Pool Improvements	50,000
<b>Total</b>	<b><u>\$ 7,879,000</u></b>

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 2020-21 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 2020-21 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 2020-21, 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***

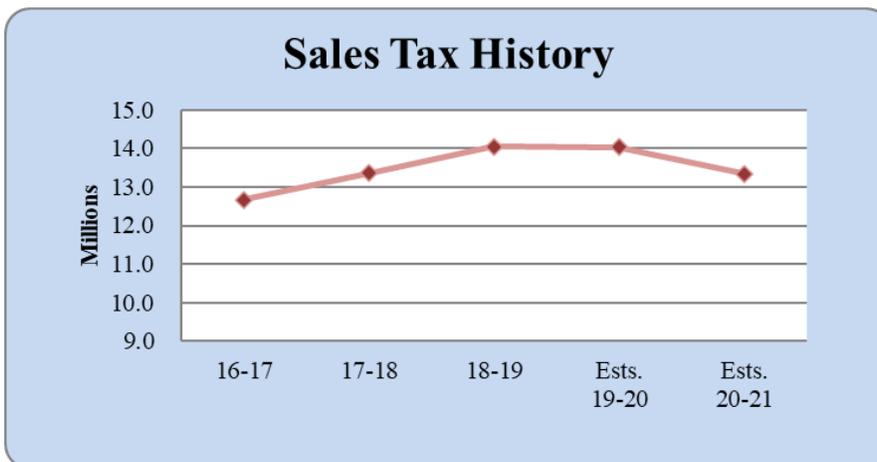
## **GENERAL FUND**

### **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 2020-21 is about \$8.44 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 2020-21 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 FY20 receipts at about \$14 million, a decrease from what was originally budgeted. Based on local trends and state forecasts, we anticipate a reduction of about 5% for FY20-21.

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 2019-20 and \$4.2 million in 2020-21) and Video Programming Tax, estimated to remain relatively flat in FY20 and FY21.

State-shared revenues also include revenue from fuel tax funds for street maintenance (about \$1.43 million in 2019-20) 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 FY20 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***

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## **Operating and Capital Improvement Costs**

Projected costs for general operations are based on a continuation of most service levels and programs for 2020-21. 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 2020-22 include an increase in medical insurance costs of 2% 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 FY2020-21 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***

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## **TRANSIT FUND**

The budget for 2020-21 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 \$2.63 million for this revenue source. Federal assistance is estimated to continue at \$1.96 million next year, which is in line with FY20.

The 2020-21 Adopted Budget represents a 1.6% increase from the previous year largely due to an increase in revenue generated from State operating assistance. 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 2020-21 includes no 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 2025-26.

Adopted Tax Rate	Cents per \$100 valuation		
	FY19-20	FY20-21	\$ Change
General Fund	38.6	38.6	0.0
Debt Fund	9.8	9.8	0.0
Transit Fund	6.0	6.0	0.0
<b>Total Tax Rate</b>	<b>54.4</b>	<b>54.4</b>	<b>0.0</b>

## **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 \$8.24 million in revenues in 2020-21 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***

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## **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:

<b>Tax Rate Equivalents of Needed Revenue (in cents)</b>						
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Adopted	Estimated	Estimated	Estimated	Estimated	Estimated
	Increase	Increase	Increase	Increase	Increase	Increase
General Fund	0.0	2.8	1.0	1.2	1.0	1.2
Debt Service	0.0	0.0	0.0	0.0	0.0	0.0
Transit Fund	0.0	0.6	(0.2)	0.2	0.2	0.2
Total	0.0	3.4	0.8	1.4	1.2	1.4

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  
2020/2021- 2025/2026**

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Category	2020-21 Adopted	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated
Assessed Valuation (Real & Personal Property)	\$ 8,441,580,000	\$ 8,593,530,000	\$ 8,748,210,000	\$ 8,905,680,000	\$ 9,065,980,000	\$ 9,229,170,000
Tax Levy - General Fund Only*	32,584,000	33,171,000	33,768,000	34,376,000	34,995,000	35,625,000
Estimated Collections at 99%	32,420,000	33,010,000	33,600,000	34,210,000	34,820,000	35,450,000
Estimated Prior Year Collections	115,000	115,000	115,000	115,000	115,000	115,000
<b>TOTALS</b>	<b>\$ 32,535,000</b>	<b>\$ 33,125,000</b>	<b>\$ 33,715,000</b>	<b>\$ 34,325,000</b>	<b>\$ 34,935,000</b>	<b>\$ 35,565,000</b>
Tax rate	38.6	38.6	38.6	38.6	38.6	38.6

1¢ on the tax rate = \$ 840,000

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

2022	1.8%
2023	1.8%
2024	1.8%
2025	1.8%
2026	1.8%

# **GENERAL FUND**

## **PROJECTED STATE-SHARED REVENUES**

**2020-2021 - 2025/2026**

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Category	2020-21 Adopted	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated
Utility Sales Tax <sup>1</sup>	\$ 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	82,000	82,000	82,000	82,000	82,000	82,000
Beer, Wine Tax <sup>2</sup>	260,000	260,000	260,000	260,000	260,000	260,000
1% Local Option Sales Tax (Article 39) <sup>3</sup>	4,376,000	4,595,000	4,825,000	5,066,000	5,319,000	5,585,000
1/2% Local Option Sales Tax (Article 40) <sup>3</sup>	3,220,000	3,381,000	3,550,000	3,728,000	3,914,000	4,110,000
1/2% Local Option Sales Tax (Article 42) <sup>3</sup>	2,194,000	2,304,000	2,419,000	2,540,000	2,667,000	2,800,000
1/2% Local Option Sales Tax (Article 44 Hold Harmless) <sup>3</sup>	76,000	80,000	84,000	88,000	92,000	97,000
City Hold Harmless <sup>3</sup>	3,471,000	3,645,000	3,827,000	4,018,000	4,219,000	4,430,000
Total Local Option Sales Taxes	13,337,000	14,005,000	14,705,000	15,440,000	16,211,000	17,022,000
Fuel Tax (Powell Bill) <sup>4</sup>	1,467,000	1,467,000	1,467,000	1,467,000	1,467,000	1,467,000
State Fire Protection <sup>5</sup>	1,106,000	1,106,000	1,106,000	1,106,000	1,106,000	1,106,000
Solid Waste Disposal Tax	39,000	39,000	39,000	39,000	39,000	39,000
TOTAL	\$ 21,166,000	\$ 21,855,000	\$ 22,576,000	\$ 23,332,000	\$ 24,124,000	\$ 24,957,000

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Estimating a normal growth of 5% in FY21 and thereafter.

<sup>4</sup> Powell Bill revenues are distributed by a formula that is based on both street miles and population.

<sup>5</sup> State Fire Protection funding is subject to annual appropriation, and is expected to return to prior levels in future years.

**GENERAL FUND**  
**REVENUE PROJECTIONS**  
**2020/2021 - 2025/2026**

Category	2020-21 Adopted	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated
Property Taxes*	\$ 32,588,000	\$ 33,125,000	\$ 33,715,000	\$ 34,325,000	\$ 34,935,000	\$ 35,565,000
Sales Taxes	\$ 13,336,000	\$ 14,005,000	\$ 14,705,000	\$ 15,440,000	\$ 16,211,000	\$ 17,022,000
Other Taxes & Licenses	1,293,000	1,386,000	1,386,000	1,386,000	1,386,000	1,386,000
Licenses/Permits/Fines/ Forfeitures	2,731,000	2,842,000	2,842,000	2,842,000	2,842,000	2,842,000
State-Shared Revenues	7,829,000	7,850,000	7,871,000	7,892,000	7,913,000	7,935,000
Grants	679,000	688,000	697,000	706,000	715,000	724,000
Service Charges	4,899,000	5,013,000	5,023,000	5,033,000	5,043,000	5,053,000
Interest on Investments	100,000	50,000	50,000	50,000	50,000	50,000
Other Revenues	399,000	441,000	441,000	441,000	441,000	441,000
Interfund Transfers	45,000	45,000	45,000	45,000	45,000	45,000
<b>TOTAL</b>	<b>\$ 63,899,000</b>	<b>\$ 65,445,000</b>	<b>\$ 66,775,000</b>	<b>\$ 68,160,000</b>	<b>\$ 69,581,000</b>	<b>\$ 71,063,000</b>

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

2022	1.80%
2023	1.80%
2024	1.80%
2025	1.80%
2026	1.80%

**GENERAL FUND  
PROJECTED COSTS  
2020/2021 - 2025/2026**

	2020-21 Adopted	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated
Personnel Services <sup>1</sup>	\$ 50,281,000	\$ 52,385,000	\$ 54,053,000	\$ 55,781,000	\$ 57,568,000	\$ 59,419,000
Operations						
Operating & Maintenance <sup>2</sup>	14,449,000	16,034,000	16,418,000	16,949,000	17,347,000	17,892,000
Capital						
Equipment <sup>3</sup>	85,000	85,000	85,000	85,000	85,000	85,000
Transfer to Capital Improvements Program <sup>4</sup>	-	600,000	700,000	800,000	900,000	1,000,000
Other						
Human Service contracts, hotel/ motel allocations and grants to other agencies	1,223,000	1,223,000	1,223,000	1,223,000	1,223,000	1,223,000
Other Post Employment Benefits	250,000	500,000	500,000	500,000	500,000	500,000
<b>TOTAL COSTS OF CURRENT PROGRAMS AND ADDITIONS/</b>						
<b>TOTALS</b>	\$ 66,288,000	\$ 70,827,000	\$ 72,979,000	\$ 75,338,000	\$ 77,623,000	\$ 80,119,000

**Assumptions for years after 2021, reflected on base cost estimates for 2020-21:**

<sup>1</sup> 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.

<sup>2</sup> Increase in most operating costs of 2.5% each year.

<sup>3</sup> Estimated cost of routine replacement of miscellaneous non-vehicular capital equipment.

<sup>4</sup> General Fund contribution for Capital Improvements Program.

## ***GENERAL FUND***

### ***ANALYSIS OF REVENUE AND COST PROJECTIONS 2020/2021 - 2025/2026***

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	2020-21 Adopted	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated
Estimated Total Costs	\$ 66,288,000	\$ 70,827,000	\$ 72,979,000	\$ 75,338,000	\$ 77,623,000	\$ 80,119,000
Estimated Total Revenues	63,899,000	65,445,000	66,775,000	68,160,000	69,581,000	71,063,000
Revenues Needed	2,389,000	5,382,000	6,204,000	7,178,000	8,042,000	9,056,000
Fund Balance Available	-	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
One-time use of Fund Balance	2,389,000	-	-	-	-	-
Additional Revenue Needed/ (Available)	\$ -	\$ 2,382,000	\$ 3,204,000	\$ 4,178,000	\$ 5,042,000	\$ 6,056,000
Change in Tax Rate in cents in Specific Years*	-	2.8	1.0	1.2	1.0	1.2

\*Value of a cent = \$840,000

***TRANSIT FUND***  
***REVENUE PROJECTIONS***  
***2020/2021 - 2025/2026***

	2020-21 Adopted	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated
Taxes <sup>1</sup>	\$ 5,053,702	\$ 5,144,000	\$ 5,234,000	\$ 5,334,000	\$ 5,424,000	\$ 5,524,000
Vehicle Taxes <sup>2</sup>	450,034	452,000	454,000	456,000	458,000	460,000
TTA-Shared Revenues	3,321,849	3,355,000	3,389,000	3,423,000	3,457,000	3,492,000
Federal Operating Assistance <sup>3</sup>	4,589,876	4,590,000	4,590,000	4,590,000	4,590,000	4,590,000
UNC Contract (Net) <sup>4</sup>	8,719,868	8,851,000	8,984,000	9,119,000	9,256,000	9,395,000
Carrboro Contract (Net) <sup>4</sup>	1,835,146	1,863,000	1,891,000	1,919,000	1,948,000	1,977,000
Service Charges <sup>5</sup>	1,023,282	1,044,000	1,065,000	1,086,000	1,108,000	1,130,000
Advertising	200,000	200,000	200,000	200,000	200,000	200,000
Other	3,000	3,000	3,000	3,000	3,000	3,000
Appropriated Fund Balance	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 25,196,757</b>	<b>\$ 25,502,000</b>	<b>\$ 25,810,000</b>	<b>\$ 26,130,000</b>	<b>\$ 26,444,000</b>	<b>\$ 26,771,000</b>

Revenue Notes:

<sup>1</sup> Based on the adopted tax rate of 6.0 cents through 2025-26.

<sup>2</sup> Assumes continuing levy of \$15 vehicle tax for Transit

<sup>3</sup> Assumes continuing level of State and Federal Operating Assistance.

<sup>4</sup> Assumes continued participation by the University and Carrboro, including assumptions on cost sharing for adopted fare-free services, assuming 1.5% growth each year.

<sup>5</sup> 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***  
***2020/2021 - 2025/2026***

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	2020-21 Adopted	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated
Personnel Services <sup>1</sup>	\$ 15,488,112	\$ 16,025,000	\$ 16,658,000	\$ 17,191,000	\$ 17,742,000	\$ 18,314,000
Operations <sup>2</sup>	9,457,755	9,737,110	10,030,110	10,332,110	10,644,110	10,967,110
Capital Reserve Fund <sup>3</sup>	250,890	250,890	250,890	250,890	250,890	250,890
<b>TOTAL</b>	<b>\$ 25,196,757</b>	<b>\$ 26,013,000</b>	<b>\$ 26,939,000</b>	<b>\$ 27,774,000</b>	<b>\$ 28,637,000</b>	<b>\$ 29,532,000</b>

**Assumptions for years after 2020-21**

<sup>1</sup> 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.

<sup>2</sup> Increase in operating costs of 2.5% annually for most operating costs and 5% for fuel and tires.

<sup>3</sup> 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  
2020/21 - 2025/26***

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	2020-21 Adopted	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated
Estimated Costs	\$ 25,196,757	\$ 26,013,000	\$26,939,000	\$ 27,774,000	\$ 28,637,000	\$ 29,532,000
Estimated Revenues	25,196,757	25,502,000	25,810,000	26,130,000	26,444,000	26,771,000
Revenue Needed/(Excess)	-	511,000	1,129,000	1,644,000	2,193,000	2,761,000
Additional Revenue Needed	\$ -	\$ 511,000	\$ 1,129,000	\$ 1,644,000	\$ 2,193,000	\$ 2,761,000
Change in Tax Rate in Specific Years	-	0.6	(0.2)	0.2	0.2	0.2

1 cent on the tax rate = \$840,000

Assumptions on future revenues and costs:

- Same revenue sources as available in 2020-21 (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 FY21.
- Includes estimated adjustments of 5% in fuel and tire costs after FY21.

***DEBT SERVICE FUND  
PROJECTED TAX BASE AND OTHER REVENUES  
2020/2021- 2025/2026***

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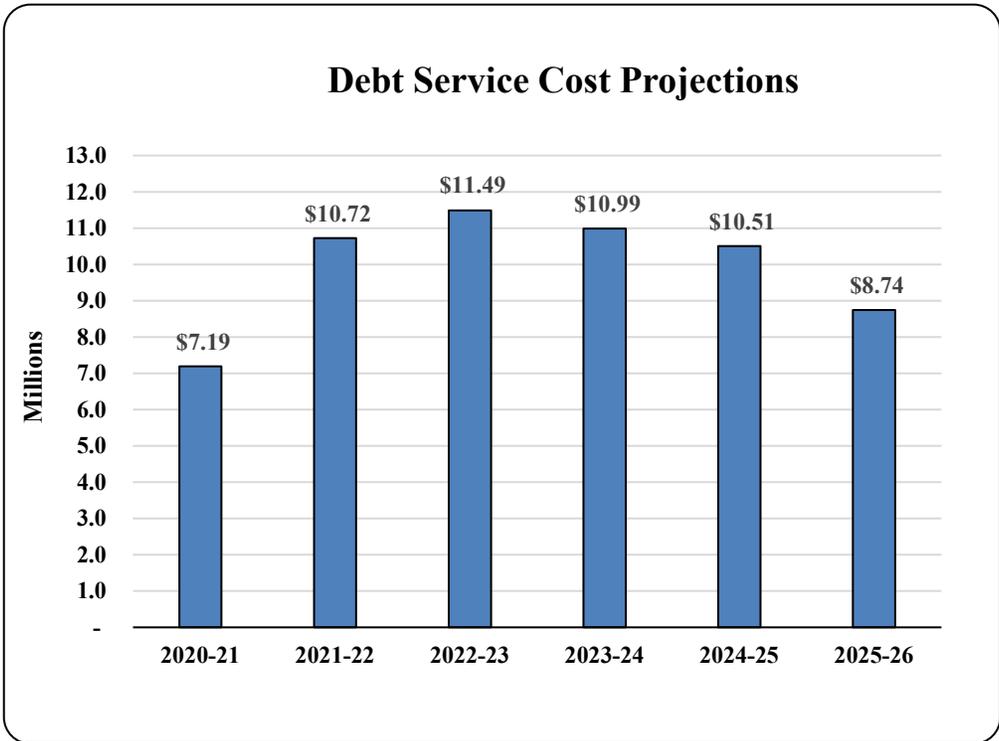
Category	2020-21 Adopted	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated
Assessed Valuation (Real & Personal Property)	\$ 8,441,580,000	\$ 8,593,530,000	\$ 8,748,210,000	\$ 8,905,680,000	\$ 9,065,980,000	\$ 9,229,170,000
Tax Levy - Debt Service Fund Only*	8,273,000	8,422,000	8,573,000	8,728,000	8,885,000	9,045,000
Estimated Collections at 99%	8,230,000	8,380,000	8,530,000	8,690,000	8,840,000	9,000,000
Estimated Prior Year Collections	13,000	13,000	13,000	13,000	13,000	13,000
TOTAL TAXES	\$ 8,243,000	\$ 8,393,000	\$ 8,543,000	\$ 8,703,000	\$ 8,853,000	\$ 9,013,000
Interest Income	175,000	175,000	175,000	175,000	175,000	175,000
Transfer from General Fund	-	481,000	740,000	903,000	903,000	903,000
Transfer from Parking	915,000	917,000	912,000	681,000	464,000	462,000
TOTAL REVENUES	\$ 9,333,000	\$ 9,966,000	\$ 10,370,000	\$ 10,462,000	\$ 10,395,000	\$ 10,553,000

\* Based on a continued tax rate of \$9.8 cents for the Debt Fund through 2025-26, with estimated growth as follows:

2022	1.80%
2023	1.80%
2024	1.80%
2025	1.80%
2026	1.80%

**DEBT SERVICE FUND  
PROJECTED COSTS  
2020/2021 - 2025/2026**

	2020-21 Adopted	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated
Existing Debt	\$ 7,190,000	\$ 6,911,000	\$ 6,738,000	\$ 6,326,000	\$ 5,933,000	\$ 4,263,000
Future Issuance	-	3,810,000	4,754,000	4,663,000	4,572,000	4,481,000
<b>TOTALS</b>	<b>\$ 7,190,000</b>	<b>\$ 10,721,000</b>	<b>\$ 11,492,000</b>	<b>\$ 10,989,000</b>	<b>\$ 10,505,000</b>	<b>\$ 8,744,000</b>



***DEBT SERVICE FUND***  
***ANALYSIS OF REVENUE AND COST PROJECTIONS***  
***2020/2021 - 2025/2026***

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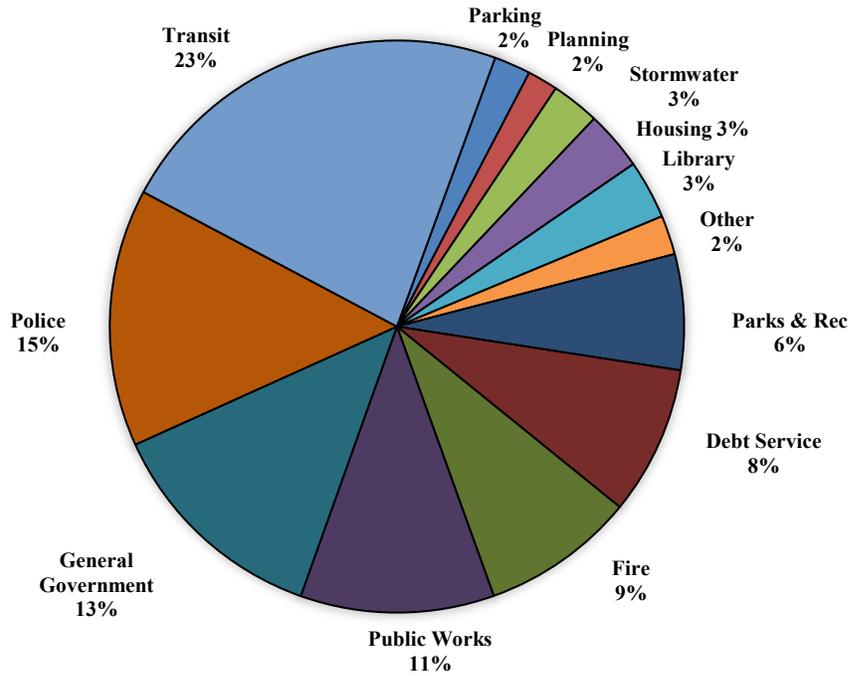
	2020-21 Adopted	2021-22 Estimated	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated
Estimated Total Costs	\$ 7,190,000	\$10,721,000	\$11,492,000	\$ 10,989,000	\$10,505,000	\$ 8,744,000
Estimated Total Revenues	9,333,000	9,966,000	10,370,000	10,462,000	10,395,000	10,553,000
Revenue (Needed)/Available	2,143,000	(755,000)	(1,122,000)	(527,000)	(110,000)	1,809,000
Fund Balance Available	-	755,000	1,122,000	527,000	110,000	1,809,000
Reserved for future debt	2,143,000	-	-	-	-	1,809,000
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 = \$840,000

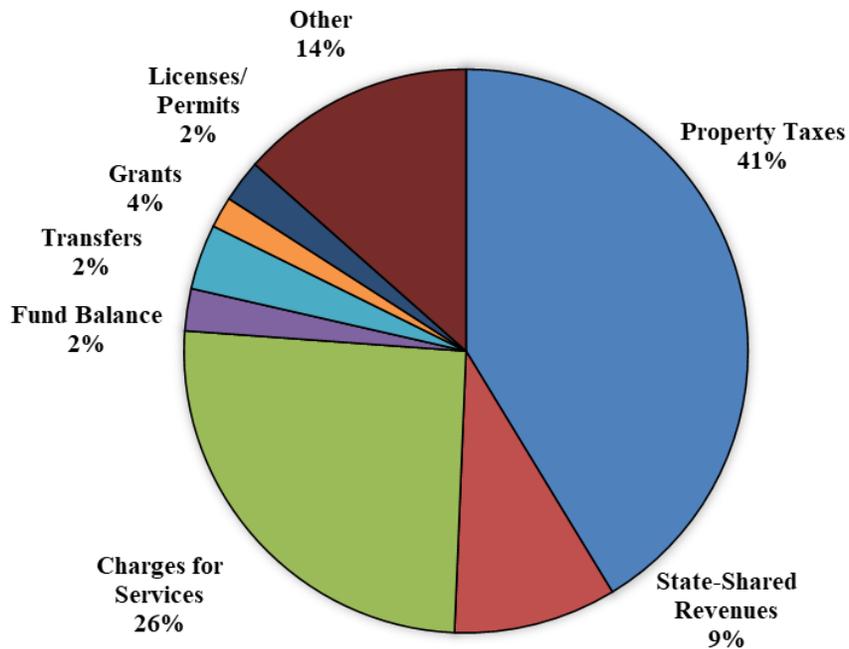
# ALL FUNDS SUMMARY

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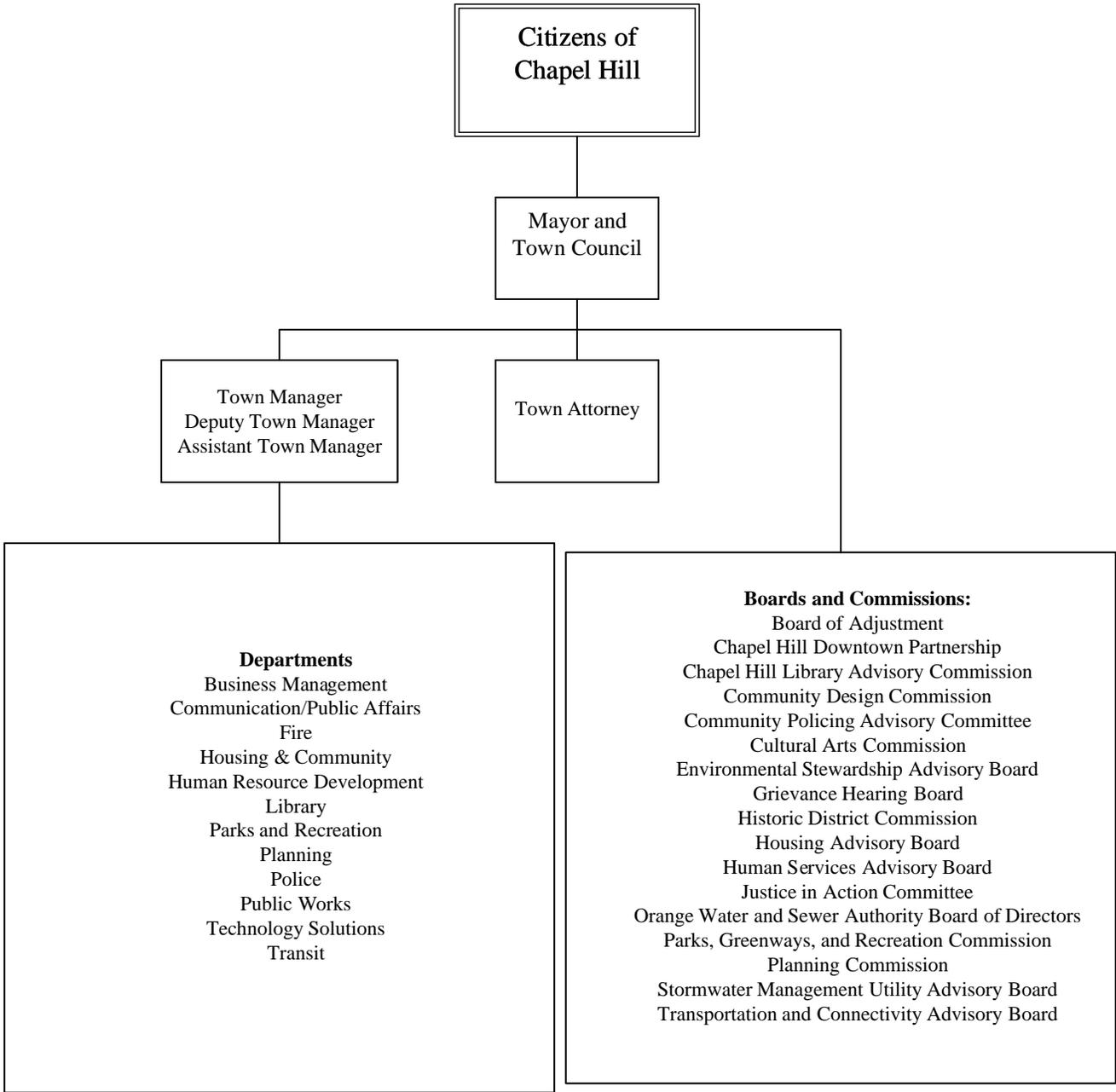
## TOTAL BUDGET EXPENDITURES \$111,166,471 (NET OF TRANSFERS)



## TOTAL BUDGET REVENUES



**TOWN OF CHAPEL HILL ORGANIZATION CHART**



***ALL FUNDS  
SUMMARY OF APPROPRIATIONS  
Adopted Budget 2020-21***

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<b>Fund</b>	<b>Appropriations</b>	<b>Less Transfers to Other Funds</b>	<b>Net Appropriations</b>
<b>General Fund</b>	\$ 66,288,000	\$ 785,759	\$ 65,502,241
<b>Transit Funds</b>			
Transit	25,196,757	250,890	24,945,867
Transit Capital Reserve Fund	260,890	-	260,890
<b>Stormwater Management Fund</b>	3,010,500	-	3,010,500
<b>Parking Funds</b>			
Off-Street Parking Fund	2,422,787	914,831	1,507,956
On-Street Parking Fund	781,500	1,654	779,846
<b>Housing Funds</b>			
Public Housing Fund	2,176,756	-	2,176,756
<b>Debt Service Fund</b>	9,332,831	-	9,332,831
<b>Capital Projects</b>			
Capital Improvements Fund	98,949	-	98,949
<b>Other Funds</b>			
Affordable Housing Reserve Fund	688,395	-	688,395
Grants Fund	386,237	-	386,237
Downtown Service District Fund	456,954	-	456,954
Library Gift Fund	268,591	45,000	223,591
Vehicle Replacement Fund	72,596	-	72,596
Vehicle Maintenance Fund	1,555,862	-	1,555,862
Computer Replacement Fund	167,000	-	167,000
<b>TOTAL</b>	<b>\$ 113,164,605</b>	<b>\$ 1,998,134</b>	<b>\$ 111,166,471</b>

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# ***ALL FUNDS STAFFING SUMMARY***

Personnel costs make up 64% of the Town's operating budget across all funds. Personnel costs in the General Fund make up 76% of total expenditures. The Staffing Summary represents a snapshot of the FTE's on which the FY21 Adopted Budget is based.

## ***2020-21 STAFFING BY DEPARTMENT IN FULL-TIME EQUIVALENTS***

<b><i>DEPARTMENTS</i></b>	<b>2018-19 ADOPTED</b>	<b>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>
Mayor	1.00	1.00	1.00
Manager	10.00	11.00	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	16.00	16.00	16.00
Attorney	2.00	2.00	2.00
Planning	20.65	15.65	15.65
Public Works <sup>1</sup>	90.20	91.20	91.20
Police	150.00	155.00	155.00
Fire	96.00	96.00	96.00
Parks & Recreation	56.50	53.80	53.80
Library	32.16	34.66	34.66
Transit	203.29	203.29	203.29
Stormwater	15.05	15.05	15.05
Parking	9.80	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	770.13	771.93	771.93

<sup>1</sup> 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 2020-21***

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	<b>2018-19 Actual</b>	<b>2019-20 Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted</b>
<b>Assessed Value of Real and Personal Property</b>	<b>\$ 8,223,292,265</b>	<b>\$ 8,307,698,997</b>	<b>\$ 8,358,000,000</b>	<b>\$ 8,441,580,000</b>
<b>Tax Rate Per \$100 Valuation</b>				
General Fund	38.6	38.6	38.6	38.6
Transit Fund	6.0	6.0	6.0	6.0
Debt Service Fund	8.2	9.8	9.8	9.8
<b>Total Tax Rate (cents)</b>	<b>52.8</b>	<b>54.4</b>	<b>54.4</b>	<b>54.4</b>
Tax Levy	43,418,983	45,194,000	45,468,000	45,922,000
<b>Estimated Collections at 99%</b>	<b>\$ 43,206,200</b>	<b>\$ 45,022,300</b>	<b>\$ 45,245,200</b>	<b>\$ 45,697,000</b>
<b>Distribution</b>				
General Fund	31,587,816	31,950,000	32,100,000	32,420,000
Transit Fund	4,909,910	4,970,000	4,990,000	5,040,000
Debt Service Fund	6,710,304	8,110,000	8,150,000	8,230,000
<b>Downtown Service District Fund</b>				
Tax Rate (cents)	7.0	7.0	7.0	7.0
Assessed Value of Real and Personal Property	\$ 534,000,000	\$ 531,470,000	\$ 540,900,000	\$ 546,310,000
Tax Levy	374,000	372,000	379,000	382,000
<b>1¢ of the Tax Rate Equals (to nearest 1,000)</b>	<b>\$ 818,000</b>	<b>\$ 828,000</b>	<b>\$ 832,000</b>	<b>\$ 840,000</b>

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# ***ESTIMATED UNDESIGNATED RESERVES***

## ***ANNUALLY BUDGETED FUNDS***

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	Approximate Unassigned Fund Balance July 1, 2020	2020-21 Budgeted Revenues	2020-21 Budgeted Expenditures	Approximate Unassigned Fund Balance June 30, 2021
<b>GENERAL FUND</b>	\$ 11,673,000	\$ 63,899,000	\$ 66,288,000	\$ 9,284,000
<b>SPECIAL REVENUE FUNDS</b>				
Affordable Hsg Develop Reserve	-	688,000	688,000	-
Downtown Service District	55,000	457,000	457,000	55,000
Library Gift	114,000	255,000	269,000	100,000
Grants Fund	11,000	386,000	386,000	11,000
<b>DEBT SERVICE FUND</b>	7,495,000	9,333,000	7,190,000	9,638,000
<b>CAPITAL IMPROVEMENT FUNDS</b>				
Capital Improvements	537,000	99,000	99,000	537,000
Capital Reserve	217,000	-	-	217,000
<b>ENTERPRISE FUNDS</b>				
Transit	14,969,000	25,197,000	25,197,000	14,969,000
Transit Capital Reserve	1,978,000	261,000	261,000	1,978,000
Public Housing	3,013,000	2,177,000	2,166,000	3,024,000
On-Street Parking	-	782,000	782,000	-
Off-Street Parking	416,000	2,311,000	2,423,000	304,000
Stormwater Management	1,841,000	3,011,000	2,799,000	2,053,000
<b>INTERNAL SERVICE FUNDS</b>				
Vehicle Replacement	324,000	53,000	73,000	304,000
Vehicle Maintenance	32,000	1,547,000	1,556,000	23,000
Computer Replacement	167,000	-	167,000	-
<b>TOTAL</b>	<b>\$ 42,842,000</b>	<b>\$ 110,456,000</b>	<b>\$ 110,800,000</b>	<b>\$ 42,497,000</b>

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***

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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 14% 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 2020 Comprehensive Annual Financial Report.

**GOVERNMENTAL FUNDS**

**SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES**

**2020-21**

	General Fund			Special Revenue Funds		
	18-19 Actual	19-20 Estimated	20-21 Adopted	18-19 Actual	19-20 Estimated	20-21 Adopted
<b>Net Unreserved Assets, Beginning of Year</b>	10,985,018	12,561,644	11,672,945	1,230,893	1,367,374	180,023
<b>Financial Sources</b>						
Property Taxes	31,779,093	32,270,000	32,587,500	375,816	380,000	383,000
Other Tax and Licenses	15,485,788	15,128,255	14,628,843	-	-	-
State-Shared Revenues	7,872,625	7,843,656	7,829,256	-	-	-
Interest on Investments	111,625	100,000	100,000	1,557	441	441
Other Revenues	540,999	777,161	399,100	251,685	256,095	221,000
Grants	705,206	808,423	679,399	419,651	500,183	407,848
Charges for Services	5,211,114	4,601,135	4,899,000	-	-	-
Licenses/Permits/Fines	3,093,580	3,331,611	2,731,390	-	-	-
Transfers/Other Sources	45,000	45,000	45,000	751,363	775,945	773,759
Appropriated Net Assets (Fund Balance)	-	-	2,388,512	-	-	14,129
<b>Total Estimated Financial Sources</b>	<b>64,845,030</b>	<b>64,905,241</b>	<b>66,288,000</b>	<b>1,800,072</b>	<b>1,912,664</b>	<b>1,800,177</b>
<b>Expenditures</b>						
Personnel	45,793,801	46,584,001	50,530,836	403,608	515,470	431,991
Operations	17,343,231	19,051,876	15,672,164	1,117,983	2,416,670	1,221,186
Capital	131,372	158,063	85,000	142,000	167,875	147,000
Contribution to Reserve	-	-	-	-	-	-
<b>Total Budget</b>	<b>63,268,404</b>	<b>65,793,940</b>	<b>66,288,000</b>	<b>1,663,591</b>	<b>3,100,015</b>	<b>1,800,177</b>
<b>Financial Sources less Expenditures</b>	<b>1,576,626</b>	<b>(888,699)</b>	<b>-</b>	<b>136,481</b>	<b>(1,187,351)</b>	<b>-</b>
<b>Net Unreserved Assets, End of Year</b>	<b>12,561,644</b>	<b>11,672,945</b>	<b>9,284,433</b>	<b>1,367,374</b>	<b>180,023</b>	<b>165,894</b>

20%

Note: Please see note about fund balance estimates on page 66.

<b>Debt Service Fund</b>			<b>Capital Funds</b>		
<b>18-19 Actual</b>	<b>19-20 Estimated</b>	<b>20-21 Adopted</b>	<b>18-19 Actual</b>	<b>19-20 Estimated</b>	<b>20-21 Adopted</b>
7,189,658	7,494,829	7,494,829	1,343,637	992,624	753,778
6,725,427	8,163,000	8,243,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
306,816	198,393	175,000	4,604	2,500	2,500
-	-	-	210,000	-	-
170,449	122,138	-	-	-	-
-	-	-	97,825	96,241	96,449
-	-	-	-	-	-
1,359,731	1,350,432	914,831	566,991	321,600	-
-	-	-	-	-	-
<b>8,562,423</b>	<b>9,833,963</b>	<b>9,332,831</b>	<b>879,420</b>	<b>420,341</b>	<b>98,949</b>
-	-	-	-	-	-
8,257,252	7,799,391	7,189,646	-	-	-
-	-	-	1,230,433	659,187	98,949
-	2,034,572	2,143,185	-	-	-
<b>8,257,252</b>	<b>9,833,963</b>	<b>9,332,831</b>	<b>1,230,433</b>	<b>659,187</b>	<b>98,949</b>
<b>305,171</b>	-	-	<b>(351,013)</b>	<b>(238,846)</b>	-
<b>7,494,829</b>	<b>7,494,829</b>	<b>9,638,014</b>	<b>992,624</b>	<b>753,778</b>	<b>753,778</b>

**ENTERPRISE FUNDS****SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES****2020-21**

	Parking Funds			Transit Funds		
	18-19 Actual	19-20 Estimated	20-21 Adopted	18-19 Actual	19-20 Estimated	20-21 Adopted
<b>Net Unreserved Assets, Beginning of Year</b>	895,899	791,931	415,706	10,545,174	15,572,740	16,946,916
<b>Financial Sources</b>						
Property Taxes	-	-	-	4,918,809	5,003,702	5,053,702
Other Tax and Licenses	-	-	-	441,753	450,034	450,034
State-Shared Revenues	-	-	-	2,439,178	3,690,857	2,629,698
Interest on Investments	1,970	750	2,000	88,111	35,595	35,595
Other Revenues	139,568	102,682	134,500	-	26,500	26,500
Grants	-	-	-	4,038,242	2,168,814	1,960,178
Charges for Services	2,466,085	2,072,186	2,954,700	11,383,247	11,913,631	15,051,050
Licenses/Permits/Fines	-	-	-	-	-	-
Transfers/Other Sources	26,005	-	1,654	3,080,525	4,821,954	250,890
Appropriated Net Assets (Fund Balance)	-	-	111,433	193,172	1,186,027	-
<b>Total Estimated Financial Sources</b>	<b>2,633,628</b>	<b>2,175,618</b>	<b>3,204,287</b>	<b>26,583,037</b>	<b>29,297,114</b>	<b>25,457,647</b>
<b>Expenditures</b>						
Personnel	700,959	639,828	934,651	13,680,592	14,350,478	15,488,112
Operations	1,071,001	1,006,683	1,323,151	7,374,892	9,841,674	9,688,645
Capital	965,636	905,332	946,485	499,987	3,730,786	280,890
Contribution to Reserve	-	-	-	-	-	-
<b>Total Budget</b>	<b>2,737,596</b>	<b>2,551,843</b>	<b>3,204,287</b>	<b>21,555,471</b>	<b>27,922,938</b>	<b>25,457,647</b>
<b>Financial Sources less Expenditures</b>	<b>(103,968)</b>	<b>(376,225)</b>	<b>-</b>	<b>5,027,566</b>	<b>1,374,176</b>	<b>-</b>
<b>Net Unreserved Assets, End of Year</b>	<b>791,931</b>	<b>415,706</b>	<b>304,273</b>	<b>15,572,740</b>	<b>16,946,916</b>	<b>16,946,916</b>

Note: Please see note about fund balance estimates on page 66.

<b>Stormwater Management Fund</b>			<b>Housing Fund</b>		
<b>18-19 Actual</b>	<b>19-20 Estimated</b>	<b>20-21 Adopted</b>	<b>18-19 Actual</b>	<b>19-20 Estimated</b>	<b>20-21 Adopted</b>
4,151,965	4,989,256	1,841,788	2,550,850	3,013,384	3,013,384
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
59,666	3,922	3,000	1,701	1,715	1,715
433,629	7,500	7,500	4,820	41,490	200
-	-	-	1,193,827	1,374,953	1,145,793
2,881,822	2,988,100	2,988,000	1,017,155	1,028,956	1,029,048
-	-	-	-	-	-
10,245	11,900	12,000	-	-	-
-	-	-	-	-	-
<b>3,385,362</b>	<b>3,011,422</b>	<b>3,010,500</b>	<b>2,217,503</b>	<b>2,447,114</b>	<b>2,176,756</b>
1,103,583	1,238,953	1,406,046	898,295	987,659	1,216,397
816,603	2,006,534	1,089,210	856,674	987,269	949,893
627,885	2,913,403	303,994	-	-	-
-	-	211,250	-	472,186	10,466
<b>2,548,071</b>	<b>6,158,890</b>	<b>3,010,500</b>	<b>1,754,969</b>	<b>2,447,114</b>	<b>2,176,756</b>
<b>837,291</b>	<b>(3,147,468)</b>	-	<b>462,534</b>	-	-
<b>4,989,256</b>	<b>1,841,788</b>	<b>2,053,038</b>	<b>3,013,384</b>	<b>3,013,384</b>	<b>3,023,850</b>

**INTERNAL SERVICE FUNDS**  
**SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES**  
**2020-21**

	Internal Service		
	18-19 Actual	19-20 Estimated	20-21 Adopted
<b>Net Unreserved Assets, Beginning of Year</b>	2,056,586	1,095,703	522,199
<b>Financial Sources</b>			
Property Taxes	-	-	-
Other Tax and Licenses	-	-	-
State-Shared Revenues	-	-	-
Interest on Investments	9,413	4,700	3,000
Other Revenues	177,723	72,959	68,000
Grants	-	-	-
Charges for Services	1,802,041	1,928,889	1,529,000
Licenses/Permits/Fines	-	-	-
Transfers/Other Sources	-	-	-
Appropriated Net Assets (Fund Balance)	-	-	195,458
<b>Total Estimated Financial Sources</b>	<b>1,989,177</b>	<b>2,006,548</b>	<b>1,795,458</b>
<b>Expenditures</b>			
Personnel	635,481	527,058	672,087
Operations	1,388,373	1,159,944	1,123,371
Capital	926,206	893,050	-
Contribution to Reserve	-	-	-
<b>Total Budget</b>	<b>2,950,060</b>	<b>2,580,052</b>	<b>1,795,458</b>
<b>Financial Sources less Expenditures</b>	<b>(960,883)</b>	<b>(573,504)</b>	<b>-</b>
<b>Net Unreserved Assets, End of Year</b>	<b>1,095,703</b>	<b>522,199</b>	<b>326,741</b>

Note: Please see note about fund balance estimates on page 66.

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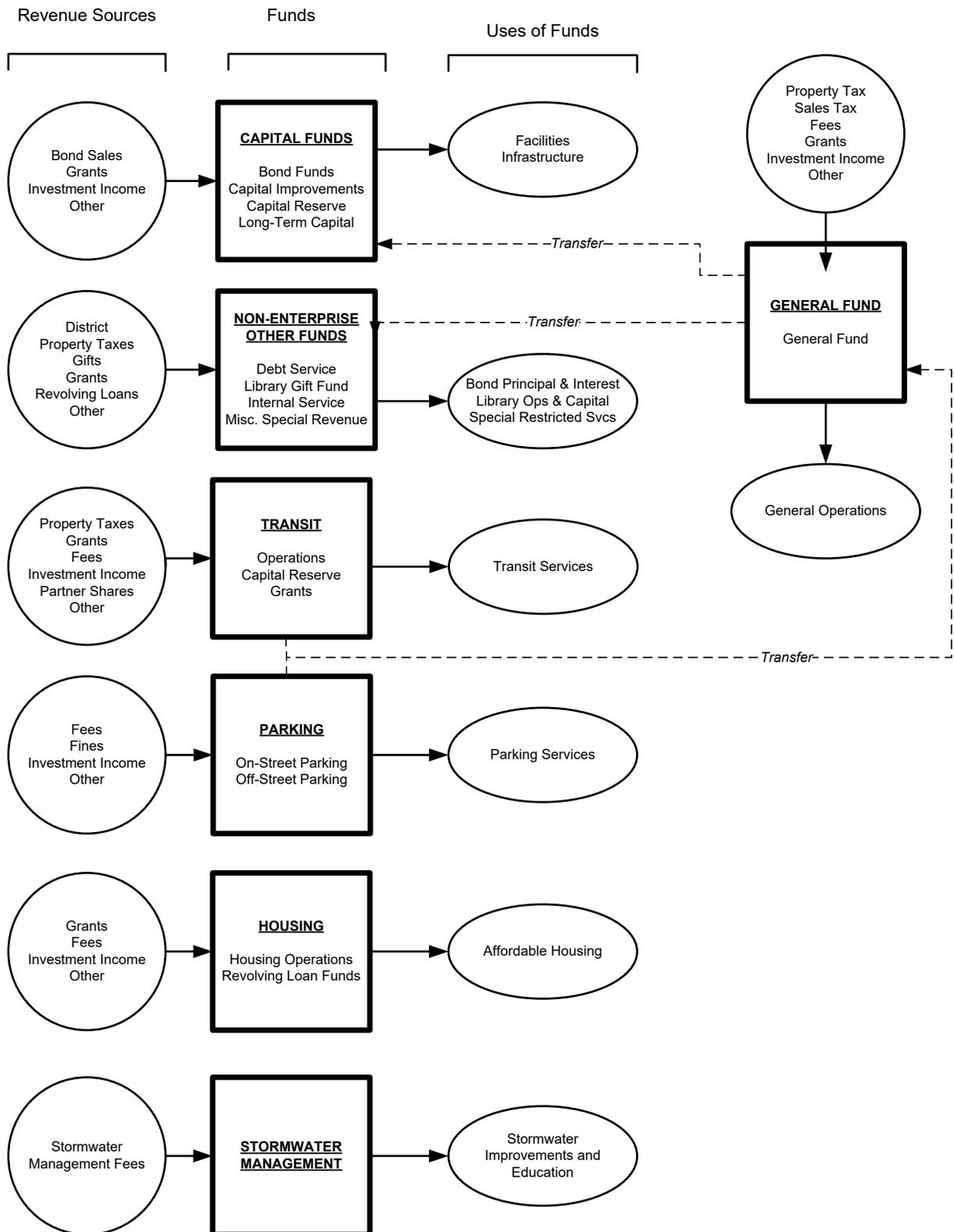
**Annual Funds - Combined Totals**

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<b>18-19 Actual</b>	<b>19-20 Estimated</b>	<b>20-21 Adopted</b>
40,949,680	47,879,485	42,841,568
43,799,145	45,816,702	46,267,202
15,927,541	15,578,289	15,078,877
10,311,803	11,534,513	10,458,954
585,463	348,016	323,251
1,758,424	1,284,387	856,800
6,527,375	4,974,511	4,193,218
24,859,289	24,629,138	28,547,247
3,093,580	3,331,611	2,731,390
5,839,860	7,326,831	1,998,134
-	-	-
193,172	1,186,027	2,709,532
<b>112,895,652</b>	<b>116,010,025</b>	<b>113,164,605</b>
63,216,319	64,843,447	70,680,120
38,226,009	44,270,041	38,257,266
4,523,519	9,427,696	1,862,318
-	2,506,758	2,364,901
<b>105,965,847</b>	<b>121,047,942</b>	<b>113,164,605</b>
<b>6,929,805</b>	<b>(5,037,917)</b>	-
<b>47,879,485</b>	<b>42,841,568</b>	<b>42,496,937</b>

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# TOWN OF CHAPEL HILL FLOW OF FUNDS



## ***SUMMARY OF ANNUAL FUND GROUPS***

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### **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

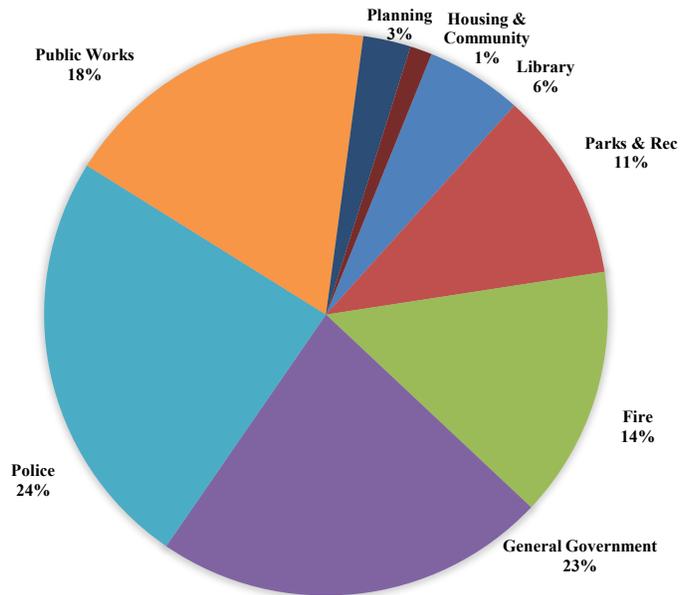
<b>INTERFUND TRANSFERS</b>								
<b>Adopted 2020-21</b>		<b>Transfers From:</b>						
<b>Transfers to:</b>	<b>General Fund</b>	<b>Transit</b>	<b>Off-Street Parking</b>	<b>On-Street Parking</b>	<b>Transit Capital Reserve</b>	<b>Library Gift Fund</b>	<b>Net Transfers</b>	
<b>General Fund</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ 45,000	
<b>Transit Fund</b>	-	-	-	-	-	-	-	
<b>Parking Fund</b>	-	-	-	1,654	-	-	1,654	
<b>Transit Capital Grants</b>	-	250,890	-	-	-	-	250,890	
<b>Affordable Housing Reserve</b>	688,395	-	-	-	-	-	688,395	
<b>Stormwater Management</b>	12,000	-	-	-	-	-	12,000	
<b>Debt Service Fund</b>	-	-	914,831	-	-	-	914,831	
<b>CIP Fund</b>	-	-	-	-	-	-	-	
<b>Grants Fund</b>	85,364	-	-	-	-	-	85,364	
<b>Net Transfers</b>	<b>\$ 785,759</b>	<b>\$ 250,890</b>	<b>\$ 914,831</b>	<b>\$ 1,654</b>	<b>\$ -</b>	<b>\$ 45,000</b>	<b>\$ 1,998,134</b>	



# GENERAL FUND

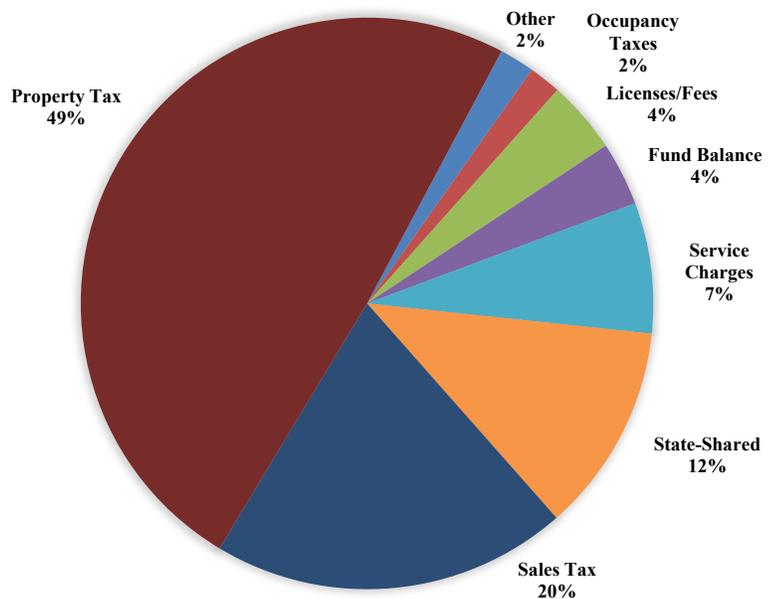
The General Fund is the general operating fund of the Town and is used to account for all revenues and expenditures except those required to be accounted for in another fund. The fund is established at the inception of a government and exists throughout the government's life.

## General Fund Expenditures



**Total \$66,288,000**

## General Fund Revenues



**GENERAL FUND  
BUDGET SUMMARY**

**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
General Government	\$ 16,058,171	\$ 16,095,136	\$ 16,850,453	\$ 16,121,938	\$ 14,958,553	-7.1%
Environment & Development	14,657,984	15,646,960	16,366,836	15,417,492	14,726,275	-5.9%
Public Safety	22,712,000	25,681,693	25,917,074	24,064,014	25,696,100	0.1%
Leisure	9,840,249	11,059,211	11,161,520	10,190,496	10,907,072	-1.4%
<b>Total</b>	<b>\$ 63,268,404</b>	<b>\$ 68,483,000</b>	<b>\$ 70,295,883</b>	<b>\$ 65,793,940</b>	<b>\$ 66,288,000</b>	<b>-3.2%</b>

**REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
General Revenues:						
Property Taxes	\$ 31,779,093	\$ 32,117,500	\$ 32,117,500	\$ 32,270,000	\$ 32,587,500	1.5%
Sales Taxes	14,048,261	14,741,869	14,741,869	14,038,255	13,336,343	-9.5%
Occupancy Tax	1,348,893	1,300,000	1,300,000	1,000,000	1,200,000	-7.7%
Other Tax and Licenses	88,634	86,000	86,000	90,000	92,500	7.6%
State-Shared Revenues	7,872,625	7,791,256	7,791,256	7,843,656	7,829,256	0.5%
Interest on Investments	111,625	80,000	80,000	100,000	100,000	25.0%
Other Revenues	540,999	441,243	499,382	777,161	399,100	-9.6%
Grants	705,206	679,399	781,458	808,423	679,399	0.0%
Charges for Services	5,211,114	5,002,662	5,002,662	4,601,135	4,899,000	-2.1%
Licenses/Permits/Fines	3,093,580	2,842,305	2,842,305	3,331,611	2,731,390	-3.9%
Transfers/Other Sources	45,000	45,000	45,000	45,000	45,000	0.0%
Appropriated Fund Balance	(1,576,626)	3,355,766	5,008,451	888,699	2,388,512	-28.8%
<b>Total</b>	<b>\$ 63,268,404</b>	<b>\$ 68,483,000</b>	<b>\$ 70,295,883</b>	<b>\$ 65,793,940</b>	<b>\$ 66,288,000</b>	<b>-3.2%</b>

# **GENERAL FUND**

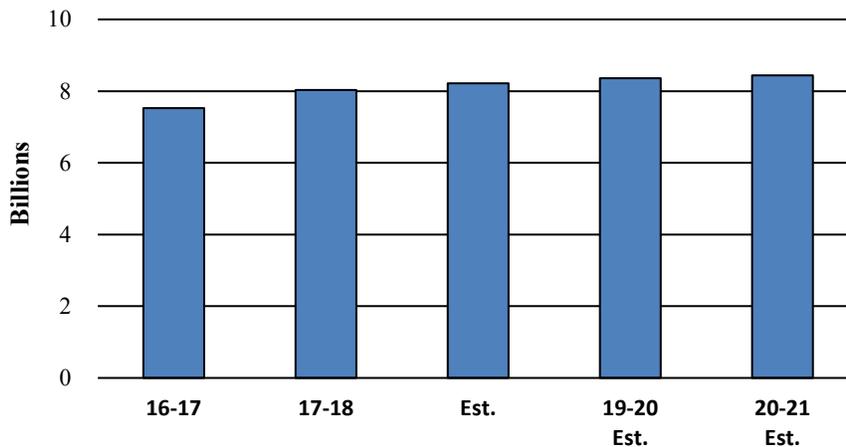
## **Major Revenue Sources - Descriptions and Estimates**

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### **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 2020-21 is estimated to be \$8,441,580,000 with 1 cent on the tax rate equivalent to about \$840,000.

### **Property Tax Base**



The combined property tax revenue we anticipate for 2020-21 totals about \$45.7 million, with \$32.42 million of that supporting the General Fund.

### **Other Local Taxes**

Revenue from the 3 percent Hotel/Motel occupancy tax is expected to total \$1,200,000 in the current year and the same level in 2020-21. Revenue trends are affected by University events and general economic conditions.

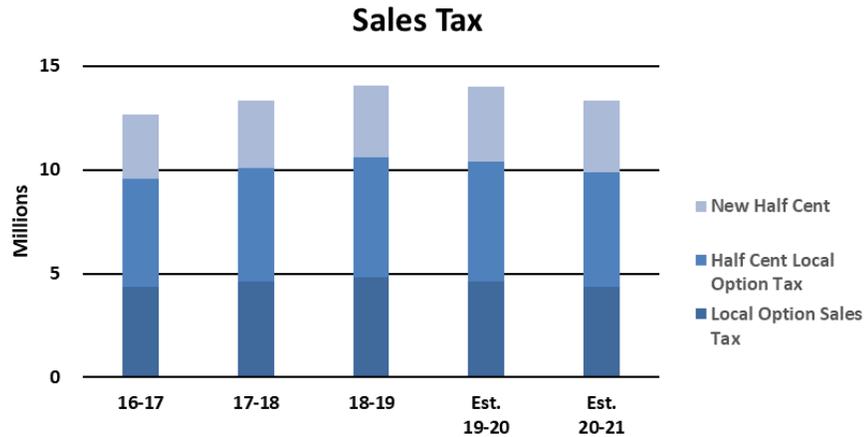
# GENERAL FUND

## Major Revenue Sources - Descriptions and Estimates

### State-Collected Revenues

#### Sales Taxes

Sales tax revenue is expected to come in under budget in 2019-20. Based on recent trends, growth was budgeted at 5% for FY20. Sales tax receipts are at 5.95% increase over the previous year through the



first seven months, however, due to the anticipated effects of COVID-19, we are estimating a 10% reduction for the remaining final 4 months of the fiscal year, which would result in a 5% decrease at year end. Based on this information, we are estimating a further reduction of 5% in sales taxes for FY21. We estimate combined sales taxes of about \$14,038,255 for 2019-20. 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 \$1,486,900 in 2019-20, about \$51,000 more than last year. For 2020-21, we anticipate revenues will drop slightly for FY21 at around \$1,467,000.

#### 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 2020-21.

#### 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 \$4,951,500 in the current year in utility sales taxes. We anticipate that revenues will hold the line in 2020-21.

# GENERAL FUND

## Major Revenue Sources - Descriptions and Estimates

### Solid Waste Disposal Tax

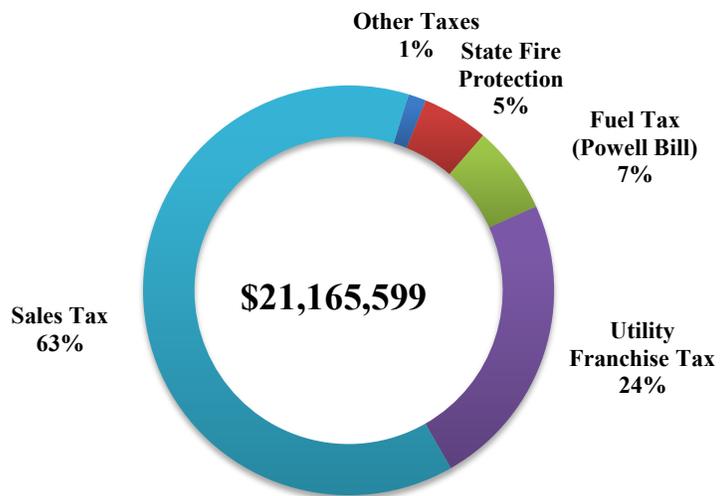
The Solid Waste Disposal Tax went into effect on July 1, 2008. This \$2 per-ton tax is charged on municipal solid waste and construction debris that is deposited in a landfill in the state or transferred at a transfer station for disposal outside of the state. 18.75% of this tax is distributed to cities and towns on a per capita basis. We anticipate receiving around \$39,000 for the current year and \$39,000 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 \$21,165,599 for next year.

### State Collected Revenues



### Other Revenue Sources

#### Grants

This category of revenue includes certain recurring local and State grants totaling about \$679,399 for 2020-21. 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 2020-21 includes level funding from the County at \$83,760 for the Parks and Recreation supplement. The adopted 2020-21 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 significantly under budget in the current year by about \$400,000. Charges for services are expected to decrease from a budgeted amount of \$5,002,662 in 2019-20 to \$4,899,00 for 2020-21 due to projected activity.

# ***GENERAL FUND***

## ***Major Revenue Sources - Descriptions and Estimates***

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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 2020-21, these include \$83,056 from Parking Enterprise Funds, \$128,470 from the Stormwater Management Fund, and \$1,371,500 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 \$489,000 due to higher than expected revenues in inspection permits. Total licenses and permits are expected to decrease from about \$2.8 million in 2019-20 to \$2.7 million in 2020-21.

### *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 exceed the current year's budget estimate of \$80,000 and generate about \$100,000 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 \$777,161 for 2019-20 and \$399,100 for 2020-21.

### *Transfers*

Transfers include a transfer of \$45,000 for 2020-21 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 \$4.8 million of fund balance in 2019-20, but through cost-cutting measures, will use only about \$993,000 based on conservative revenue estimates and departmental end-of-year expenditure estimates. The annual budget includes the use of about \$2,388,512 in 2020-21 to maintain service levels.

# ***GENERAL FUND***

## ***Major Revenue Sources - Descriptions and Estimates***

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### **Summary of Revenues**

In summary, the annual budget includes \$66.3 million in General Fund revenues, including the use of \$2,388,512 of fund balance.

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

	<b>19-20 Revised Budget</b>	<b>19-20 Estimated</b>	<b>20-21 Adopted Budget</b>
Property Taxes	\$ 32,117,500	\$ 32,270,000	\$ 32,587,500
Sales Taxes	14,741,869	14,038,255	13,336,343
Occupancy Tax	1,300,000	1,000,000	1,200,000
Other State-Collected	86,000	90,000	92,500
Other Revenues	8,370,638	8,720,817	8,328,356
Grants	781,458	808,423	679,399
Licenses/Permits	2,842,305	3,331,611	2,731,390
Service Charges	5,002,662	4,601,135	4,899,000
Interfund Transfers	45,000	45,000	45,000
Fund Balance	<u>5,008,451</u>	<u>888,699</u>	<u>2,388,512</u>
<b>Total</b>	<b>\$ 70,295,883</b>	<b>\$ 65,793,940</b>	<b>\$ 66,288,000</b>

# **GENERAL FUND**

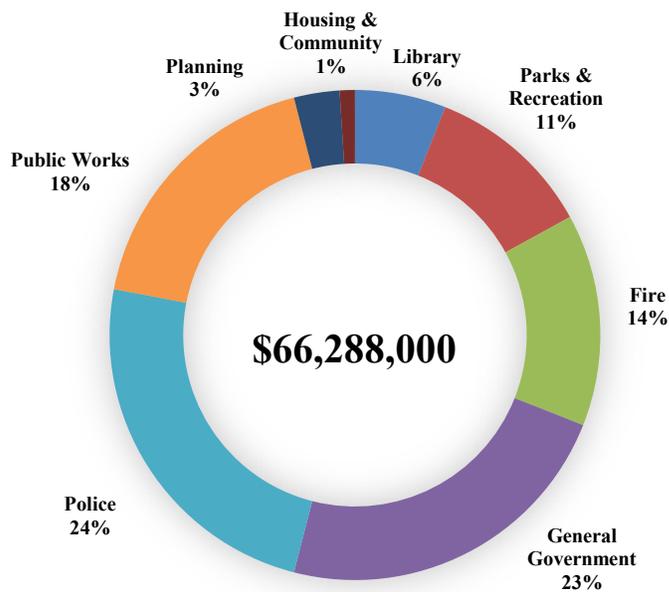
## **Major Expenditures - Descriptions and Estimates**

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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 \$66,288,000 for the 2020-21 budget.

The largest category of expenditures for the General Fund is Public Safety services, with Police Department expenditures of about \$16.1 million and Fire Department expenditures of about \$9.6 million.



Environment and Development is the second largest category in the General Fund at about \$14.7 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 57% of total General Fund expenditures.

Other General Fund services include Parks and Recreation programs totaling about \$7.2 million, Library services of \$3.7 million, and General Governmental activities (Administration, Communications & Public Affairs, Business Management, Human Resources, Attorney, and Non-Departmental) totaling about \$14.9 million.

Other General Fund services include Parks and Recreation

Non-departmental expenditures total \$4.7 million. \$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 \$360,000.

# **GENERAL FUND**

## **Major Expenditures - Descriptions and Estimates**

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The 2020-21 budget includes changes to medical insurance rates. The adopted budget includes a 2% increase in rates for active employees and under-65 retirees, or about a \$101,000 increase. The Town's contribution to employee retirement increased by about \$383,000, which reflects a 1.2% increase to the contribution over the prior year.

Due to the impacts of COVID-19, a number of operational reductions were made in order to balance the FY21 budget. Funding has been reduced for street resurfacing by \$300,000, the \$472,000 allocation for building maintenance has been removed, funding for vehicle replacement has been eliminated, and the transfer to the pay-go Capital Improvements Fund has been eliminated.

The 2020-21 Adopted Budget continues to fund retiree medical costs on a pay-as-you-go basis (\$1,690,000), and contributes \$250,000 towards the post-employment benefit (OPEB) liability, a reduction of \$250,000 from the current year.

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

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	<b>EXPENDITURES</b>					
	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 45,793,801	\$ 50,488,208	\$ 49,904,448	\$ 46,584,001	\$ 50,530,836	0.1%
Operating Costs	17,343,231	17,909,792	20,183,280	19,051,876	15,672,164	-12.5%
Capital Outlay	131,372	85,000	208,155	158,063	85,000	0.0%
Total	\$ 63,268,404	\$ 68,483,000	\$ 70,295,883	\$ 65,793,940	\$ 66,288,000	-3.2%

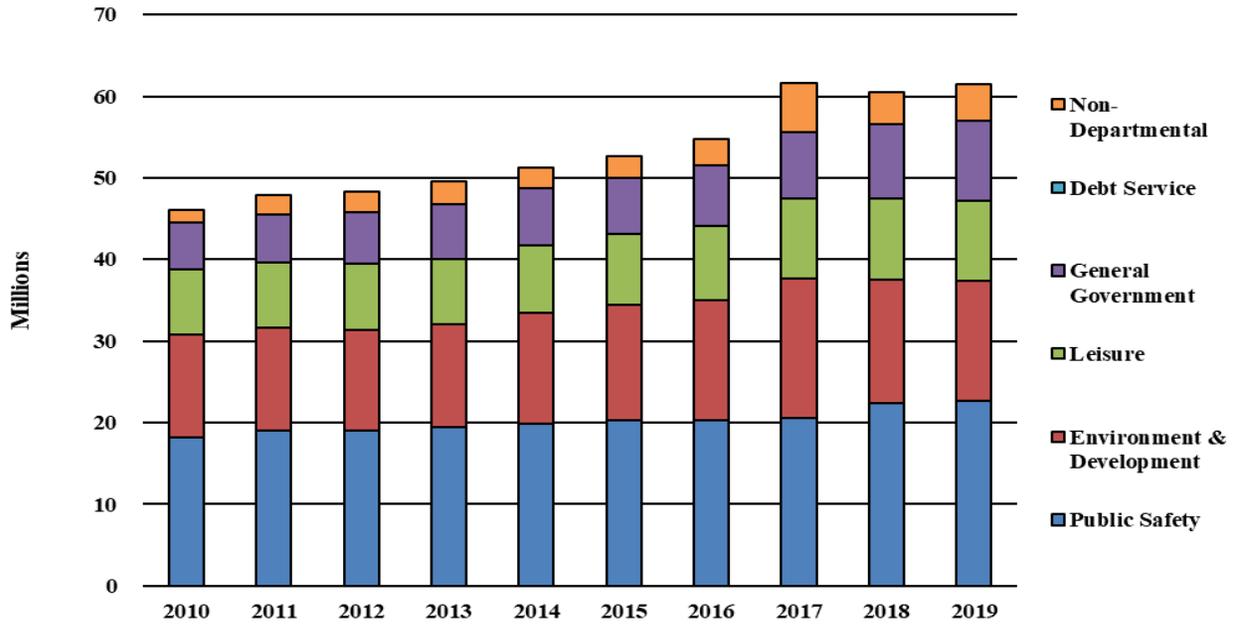
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# GENERAL FUND

## Major Expenditures - Descriptions and Estimates

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### 10-Year Expenditure Trends



**GENERAL FUND  
EXPENDITURES BY DEPARTMENT**

	2018-19 Actual	2019-20 Original Budget	2019-20 Revised Budget	2019-20 Estimated	2020-21 Adopted Budget	% Change from 2019-20
<b>General Government</b>						
Mayor/Council	\$ 398,937	\$ 475,446	\$ 475,646	\$ 441,496	\$ 418,280	-12.0%
Town Manager	1,991,049	1,911,919	1,958,280	1,780,643	1,955,941	2.3%
Communications & Public Affairs	850,352	922,142	930,604	889,760	946,778	2.7%
Human Resource Dev't	1,714,542	1,859,535	1,964,992	1,891,220	1,769,797	-4.8%
Business Management	2,118,625	2,310,602	2,311,665	2,127,521	2,330,886	0.9%
Technology Solutions	2,350,392	2,366,219	2,504,643	2,422,961	2,379,166	0.5%
Town Attorney	372,181	386,581	386,581	384,535	390,963	1.1%
Non-Departmental	6,262,093	5,862,692	6,318,042	6,183,802	4,766,742	-18.7%
<b>Subtotal</b>	<b>\$ 16,058,171</b>	<b>\$ 16,095,136</b>	<b>\$ 16,850,453</b>	<b>\$ 16,121,938</b>	<b>\$ 14,958,553</b>	<b>-7.1%</b>
<b>Environment &amp; Development</b>						
Planning	\$ 1,848,577	\$ 1,743,331	\$ 2,095,143	\$ 1,875,461	\$ 1,810,542	3.9%
Housing & Community	767,243	837,649	855,475	863,001	834,709	-0.4%
Public Works	12,042,164	13,065,980	13,416,218	12,679,030	12,081,024	-7.5%
<b>Subtotal</b>	<b>\$ 14,657,984</b>	<b>\$ 15,646,960</b>	<b>\$ 16,366,836</b>	<b>\$ 15,417,492</b>	<b>\$ 14,726,275</b>	<b>-5.9%</b>
<b>Public Safety</b>						
Police	\$ 13,715,192	\$ 16,027,754	\$ 16,125,015	\$ 14,403,329	\$ 16,112,146	0.5%
Fire	8,996,808	9,653,939	9,792,059	9,660,685	9,583,954	-0.7%
<b>Subtotal</b>	<b>\$ 22,712,000</b>	<b>\$ 25,681,693</b>	<b>\$ 25,917,074</b>	<b>\$ 24,064,014</b>	<b>\$ 25,696,100</b>	<b>0.1%</b>
<b>Leisure</b>						
Parks and Recreation	\$ 6,451,220	\$ 7,236,607	\$ 7,273,099	\$ 6,537,509	\$ 7,234,154	0.0%
Library	3,389,029	3,822,604	3,888,421	3,652,987	3,672,918	-3.9%
<b>Subtotal</b>	<b>\$ 9,840,249</b>	<b>\$ 11,059,211</b>	<b>\$ 11,161,520</b>	<b>\$ 10,190,496</b>	<b>\$ 10,907,072</b>	<b>-1.4%</b>
<b>General Fund Total</b>	<b>\$ 63,268,404</b>	<b>\$ 68,483,000</b>	<b>\$ 70,295,883</b>	<b>\$ 65,793,940</b>	<b>\$ 66,288,000</b>	<b>-3.2%</b>



## **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.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Mayor/Council	\$ 398,937	\$ 475,446	\$ 475,646	\$ 441,496	\$ 418,280	-12.0%
Town Manager	1,991,049	1,911,919	1,958,280	1,780,643	1,955,941	2.3%
Communications & Public Affairs	850,352	922,142	930,604	889,760	946,778	2.7%
Human Resources	1,714,542	1,859,535	1,964,992	1,891,220	1,769,797	-4.8%
Business Management	2,118,625	2,310,602	2,311,665	2,127,521	2,330,886	0.9%
Technology Solutions	2,350,392	2,366,219	2,504,643	2,422,961	2,379,166	0.5%
Town Attorney	372,181	386,581	386,581	384,535	390,963	1.1%
Non-Departmental	6,262,093	5,862,692	6,318,042	6,183,802	4,766,742	-18.7%
<b>Total</b>	<b>\$ 16,058,171</b>	<b>\$ 16,095,136</b>	<b>\$ 16,850,453</b>	<b>\$ 16,121,938</b>	<b>\$ 14,958,553</b>	<b>-7.1%</b>

### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
General Revenues	\$ 16,058,171	\$ 16,095,136	\$ 16,850,453	\$ 16,121,938	\$ 14,958,553	-7.1%
<b>Total</b>	<b>\$ 16,058,171</b>	<b>\$ 16,095,136</b>	<b>\$ 16,850,453</b>	<b>\$ 16,121,938</b>	<b>\$ 14,958,553</b>	<b>-7.1%</b>

# ***MAYOR/COUNCIL***

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## **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.

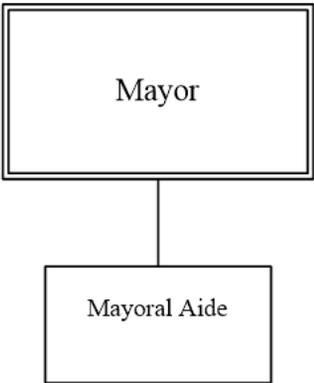
The Mayor and Town Council make policy decisions regarding Town services and other governmental responsibilities of the Town. Most policy decisions occur through adoption of the Comprehensive Plan, the annual budget, the capital improvements program and other ordinances and resolutions. Town Council 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***

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	<b>2018-19 ADOPTED</b>	<b>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>
Mayoral Aide	1.00	1.00	1.00
Mayor's Office Totals	1.00	1.00	1.00



# **MAYOR**

## **BUDGET SUMMARY**

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*The adopted budget for the Mayor's Office reflects a 5.9% decrease from the 2020-21 budget. The 22.3% decrease in operating costs reflects a small decrease in funds allocated to business meetings and trainings and cellular phones.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 86,049	\$ 89,063	\$ 89,063	\$ 87,223	\$ 87,741	-1.5%
Operating Costs	16,304	24,049	12,249	12,018	18,689	-22.3%
<b>Total</b>	<b>\$ 102,353</b>	<b>\$ 113,112</b>	<b>\$ 101,312</b>	<b>\$ 99,241</b>	<b>\$ 106,430</b>	<b>-5.9%</b>

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### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
General Revenues	\$ 102,353	\$ 113,112	\$ 101,312	\$ 99,241	\$ 106,430	-5.9%
<b>Total</b>	<b>\$ 102,353</b>	<b>\$ 113,112</b>	<b>\$ 101,312</b>	<b>\$ 99,241</b>	<b>\$ 106,430</b>	<b>-5.9%</b>

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# **COUNCIL**

## **BUDGET SUMMARY**

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*The adopted budget for the Town Council reflects a decrease of 13.5% from the 2019-20 budget, primarily due to a decrease in operating expenses because FY20-21 is not an election year, resulting in a \$40,000 decrease. Personnel expenses decreased due to changes in individual health coverage selections that have resulted in a decrease associated expenses.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 182,756	\$ 192,613	\$ 192,613	\$ 181,613	\$ 183,930	-4.5%
Operating Costs	113,828	169,721	181,721	160,642	127,920	-24.6%
<b>Total</b>	<b>\$ 296,584</b>	<b>\$ 362,334</b>	<b>\$ 374,334</b>	<b>\$ 342,255</b>	<b>\$ 311,850</b>	<b>-13.9%</b>

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### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
General Revenues	\$ 296,584	\$ 362,334	\$ 374,334	\$ 342,255	\$ 311,850	-13.9%
<b>Total</b>	<b>\$ 296,584</b>	<b>\$ 362,334</b>	<b>\$ 374,334</b>	<b>\$ 342,255</b>	<b>\$ 311,850</b>	<b>-13.9%</b>

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# TOWN MANAGER

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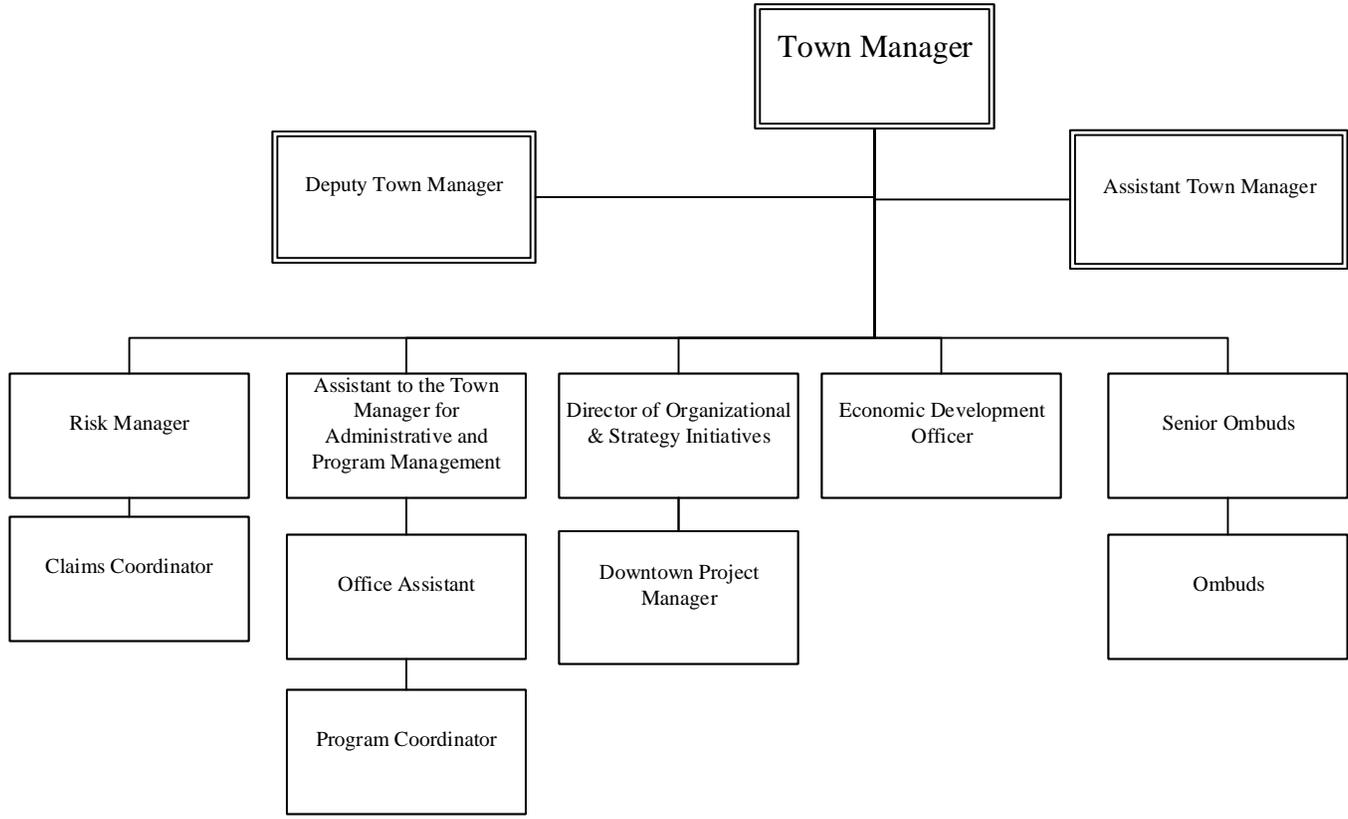
**MISSION STATEMENT:**

*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 2020-21.

Program	Description
<b>Council Support</b>	Provide support to Mayor and Town Council, including coordinating preparation and delivery of informational reports and recommendations.
<b>Executive Management</b>	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.
<b>Economic Development</b>	Provide support and assistance to new and existing businesses in order to promote further development.
<b>Stakeholder Communication</b>	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.
<b>Ombuds Services</b>	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***

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	<b>2018-19 ADOPTED</b>	<b>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>
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	0.00
Ombuds	1.00	1.00	1.00
Assistant to the Manager	1.00	1.00	1.00
Director of Organization & Strategy Initiatives	1.00	1.00	1.00
Office Assistant	1.00	1.00	1.00
Economic Development Specialist	0.00	0.00	1.00
Urban Designer	0.00	1.00	1.00
Town Manager's Office Totals	<u>10.00</u>	<u>11.00</u>	<u>11.00</u>

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# **TOWN MANAGER**

## **BUDGET SUMMARY**

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*The adopted budget for the Manager's Office reflects an 2.3% increase from the 2019-20 budget. The 2.2% increase in personnel expenses captures the cost of a 1.2% retirement increase and a 2% increase in health insurance costs. The 2.8% increase in operating expenses is due to increases in business meetings and trainings.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 1,785,050	\$ 1,700,041	\$ 1,683,476	\$ 1,547,374	\$ 1,738,212	2.2%
Operating Costs	205,999	211,878	274,804	233,269	217,729	2.8%
<b>Total</b>	<b>\$ 1,991,049</b>	<b>\$ 1,911,919</b>	<b>\$ 1,958,280</b>	<b>\$ 1,780,643</b>	<b>\$ 1,955,941</b>	<b>2.3%</b>

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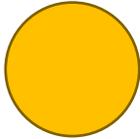
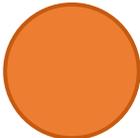
### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
General Revenues	\$ 1,991,049	\$ 1,911,919	\$ 1,958,280	\$ 1,780,643	\$ 1,955,941	2.3%
<b>Total</b>	<b>\$ 1,991,049</b>	<b>\$ 1,911,919</b>	<b>\$ 1,958,280</b>	<b>\$ 1,780,643</b>	<b>\$ 1,955,941</b>	<b>2.3%</b>

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# MANAGER'S OFFICE

## Performance Measures

 <p>ENVIRONMENTAL STEWARDSHIP</p>  <p>ECONOMIC &amp; FINANCIAL SUSTAINABILITY</p>  <p>COLLABORATION &amp; INNOVATION</p>	<p><b>Strategic Objectives</b></p> <ul style="list-style-type: none"> <li>➤ Reduce organizational greenhouse gas emissions</li> <li>➤ Create room for business</li> <li>➤ Increase collaboration, innovation, and learning</li> </ul>
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Core Business Program	Performance Measure	FY18 Actual	FY19 Actual	FY20 Estimate	FY21 Target
Economic Development	Sales tax revenue year-over-year growth	5.3%	5.3%	0.6%	-5%
	Commercial tax base year-over-year growth	11%	11%	10%	5%
Ombuds Services	Increase in number of visitors served from previous year.	26%	4.2%	7%	5%
	Monthly report to Town Manager	17.8%	4.2%	7%	5%
Community Sustainability & Resilience	Guaranteed energy savings from Town Hall, the Community Center, and the Homestead Aquatics Center	1,783,121 lb of CO2e*	1,819,963 lb of CO2e*	1,850,000 lb of CO2e*	1,850,000 lb of CO2e*

\* lb of CO2e = pounds of carbon dioxide equivalent

# COMMUNICATIONS & PUBLIC AFFAIRS

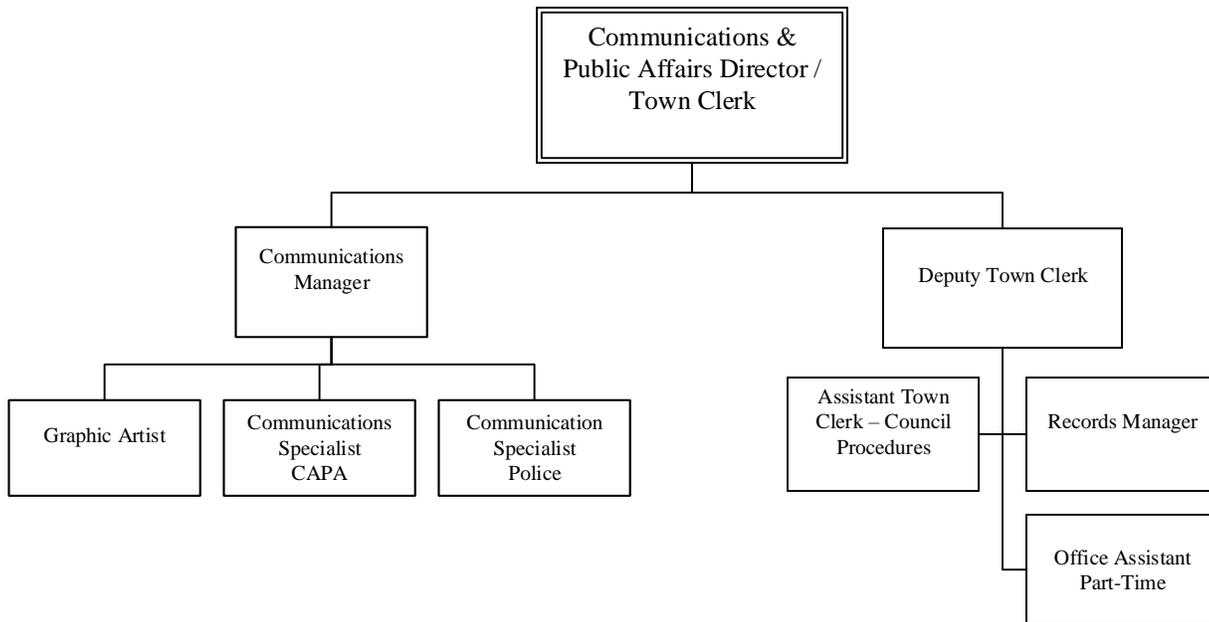
**MISSION STATEMENT:**

*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 2020-21.

Program	Description
<b>Communications &amp; Public Information</b>	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.
<b>Governance Support</b>	Provide support for Council Meetings and the Agenda process. Organize and facilitate all Council meetings/workshops, Council orientation, transcribe Council meeting minutes.
<b>Public Records</b>	Maintain and dispose of public records. Maintain, update and transmit amendments to Municipal Code of Ordinances. Answer public record requests. Maintain Council email archive.
<b>Public Participation</b>	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**

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	<b>2018-19 ADOPTED</b>	<b>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>
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**

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*The adopted budget for the Communications & Public Affairs department reflects a 2.7% increase from the 2019-20 budget. Personnel expenses increased by 7.2% due to a 1.2% retirement increase and a 2% increase in health insurance costs. Operating expenses decreased by 11.4% because the Biennial Community Survey does not run in FY 2020-21.*

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## **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 655,747	\$ 696,219	\$ 703,528	\$ 673,551	\$ 746,667	7.2%
Operating Costs	194,605	225,923	227,076	216,209	200,111	-11.4%
<b>Total</b>	<b>\$ 850,352</b>	<b>\$ 922,142</b>	<b>\$ 930,604</b>	<b>\$ 889,760</b>	<b>\$ 946,778</b>	<b>2.7%</b>

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## **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
General Revenues	\$ 850,352	\$ 922,142	\$ 930,604	\$ 889,760	\$ 946,778	2.7%
<b>Total</b>	<b>\$ 850,352</b>	<b>\$ 922,142</b>	<b>\$ 930,604</b>	<b>\$ 889,760</b>	<b>\$ 946,778</b>	<b>2.7%</b>

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# COMMUNICATIONS & PUBLIC AFFAIRS

## Performance Measures

 COLLABORATION & INNOVATION	<b>Strategic Objectives</b> <ul style="list-style-type: none"> <li>➤ Engage the public in Town decision making and Town programs so that outcomes balance community interests, values, and needs</li> <li>➤ 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</li> <li>➤ Council Business Meeting agenda will be posted to the web at least four days prior to the meeting 90% of the time</li> <li>➤ Council Business Meeting video will be posted to the web within 24 hours 90% of the time.</li> </ul>
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Core Business Program	Performance Measure	FY18 Actual	FY19 Actual	FY20 Estimate	FY21 Target
Communications and Public Information	Increase subscribers to Chapel Hill eNews, Twitter and Facebook by a combined increase of 10 %	20%	22%	10%	10%
	Meet/exceed the regional benchmark of 2013 Community Survey's results of 51% satisfaction with "availability of information about Town Programs."	61%	61%	51%	51%
	Meet/exceed the regional benchmark of 2013 Community Survey's results of 48% satisfaction with "quality of Town website"	56%	56%	48%	48%
Citizen Participation	Approximate number of Council Meeting attendees	1,174	1,368	1,542 (actual)	1,600
	Approximate number of Live streaming Web Views (Council and Advisory Board Meetings)	2,886	4,029	1,418 (actual)	1,500
	Approximate number of Archived streaming Web Views (Council and Advisory Board Meetings)	6,633	4,288	10,762	10,000
	Approximate number of Live & Archived streaming Web Views (Other Events)	1,167	797	2,426	2,500
	Satisfaction rate with Town Website	56%	56%	56%	60%
	Satisfaction rate with eNews updates	87%	87%	87%	87%
	Meet/exceed 2013 Community Survey's results of 60% satisfaction with "participate in local decisions/volunteering."	38%	38%	60%	65%
	Meet/exceed the regional benchmark of 2013 Community Survey's results of 40% satisfaction with "Level of public involvement in decision making."	38%	38%	40%	40%
	Meet/exceed 2013 Community Survey's results of 58% satisfaction with "access to Mayor/Town Council."	43%	43%	58%	58%
Public Records	Number of records requests received by CaPA	*	265	233	249
Governance Support	% of the time that the Council Business Meeting agenda is posted at least four days prior to the meeting.	85%	94%	85%	88%
	% of the time that the Council Business Meeting video is posted within 24 hours.	100%	100%	100%	100%

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

# ***HUMAN RESOURCE DEVELOPMENT DEPARTMENT***

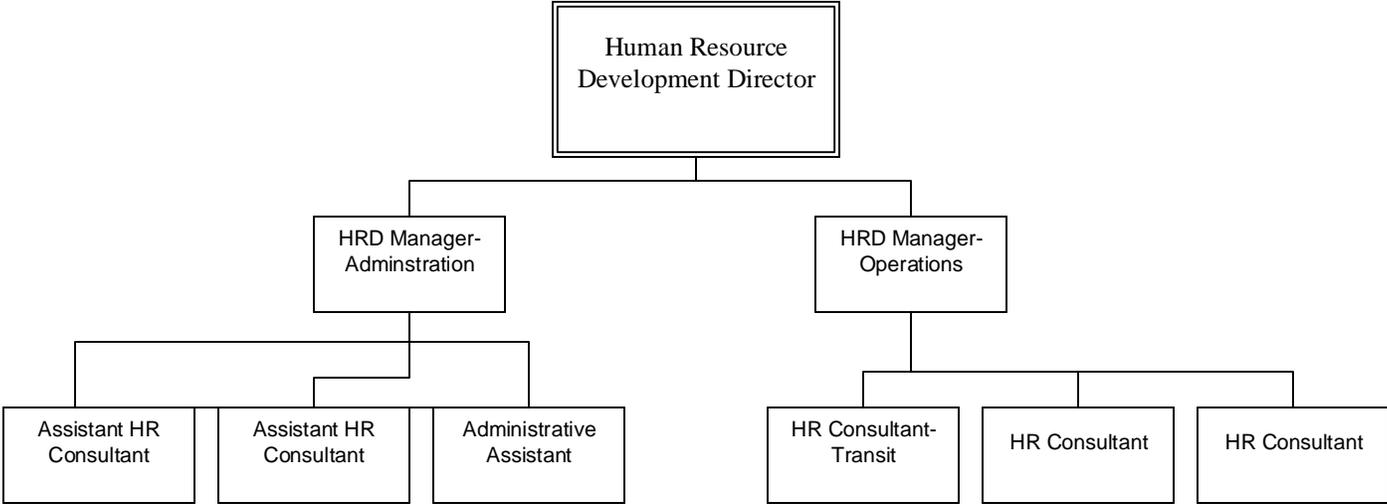
## **MISSION STATEMENT:**

*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 2020-21.

<b>Program</b>	<b>Description</b>
<b>Administration</b>	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.
<b>Classification and Compensation</b>	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.
<b>Benefits</b>	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.
<b>Employee Relations</b>	Ensure communication and understanding of the Town's Code of Ordinances, Town policies and procedures and State and Federal laws.
<b>Employee Training &amp; Development</b>	Provide programs designed to engage our employees and assist them in reaching their professional potential by building skills and enhancing competencies.
<b>Recruitment Services</b>	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.
<b>Safety &amp; Wellness</b>	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***

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	<b>2018-19 ADOPTED</b>	<b>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>
Human Resource Development Director	1.00	1.00	1.00
Assistant Director-Human Resource Development	1.00	1.00	1.00
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	2.00	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

# ***HUMAN RESOURCE DEVELOPMENT BUDGET SUMMARY***

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*The adopted budget for the Human Resource Development department reflects a 4.8% decrease from the 2019-20 budget. Personnel expenses increased by 0.8% due to a 1.2% retirement increase and a 2% increase in health insurance costs. In Fiscal Year 2019-20 the Town conducted a class and compensation study at a cost of \$100,000. This study was concluded in Fiscal Year 2019-20, resulting in a 11.7% decrease in operating expenses.*

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## **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 926,060	\$ 1,023,181	\$ 1,016,681	\$ 996,037	\$ 1,031,380	0.8%
Operating Costs	788,482	836,354	948,311	895,183	738,417	-11.7%
<b>Total</b>	<b>\$ 1,714,542</b>	<b>\$ 1,859,535</b>	<b>\$ 1,964,992</b>	<b>\$ 1,891,220</b>	<b>\$ 1,769,797</b>	<b>-4.8%</b>

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## **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
General Revenues	\$ 1,714,542	\$ 1,859,535	\$ 1,964,992	\$ 1,891,220	\$ 1,769,797	-4.8%
<b>Total</b>	<b>\$ 1,714,542</b>	<b>\$ 1,859,535</b>	<b>\$ 1,964,992</b>	<b>\$ 1,891,220</b>	<b>\$ 1,769,797</b>	<b>-4.8%</b>

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# HUMAN RESOURCE DEVELOPMENT

## Performance Measures

 <p>COLLABORATION &amp; INNOVATION</p>	<p><b>Strategic Objectives</b></p> <ul style="list-style-type: none"> <li>➤ Ensure the workforce plan is up to date, competitive, promotes clear mobility, and identifies jobs for the future.</li> <li>➤ 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.</li> <li>➤ 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.</li> <li>➤ Support the development of our employees, including succession-planning efforts through professional development, career development, and improved performance management.</li> <li>➤ 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.</li> <li>➤ 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.</li> </ul>
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Core Business Program	Performance Measure	FY18 Actual	FY19 Actual	FY20 Estimate	FY21 Target
Classification and Compensation	Percentage of job descriptions reviewed annually	8%	10%	100%	10%
Benefits	HRA employee participation rate	98%	98%	99%	99%
Employee Relations	Number of grievances per 100 full-time equivalent (FTE) employees	1%	1%	0.5%	1%
Employee Training and Development	Number of participants as a percentage of total workforce/supervisors	74%	74%	75%	75%
	Number of employees trained in various areas by Human Resource Development staff	932	1067	1100	1100
Recruitment Services	Women and minority employment in the workforce compared to minority representation in local available labor pool.	30%	57.5%	60%	65%
Safety and Wellness	Number of employees trained in Occupational, Health and Safety as a percentage of the total number of the workforce.	203	321	520	620
Safety and Wellness	Number of employees trained in Occupational, Health and Safety as a percentage of the total number of the workforce.	28%	40.5%	70.2%	86%

# ***BUSINESS MANAGEMENT DEPARTMENT***

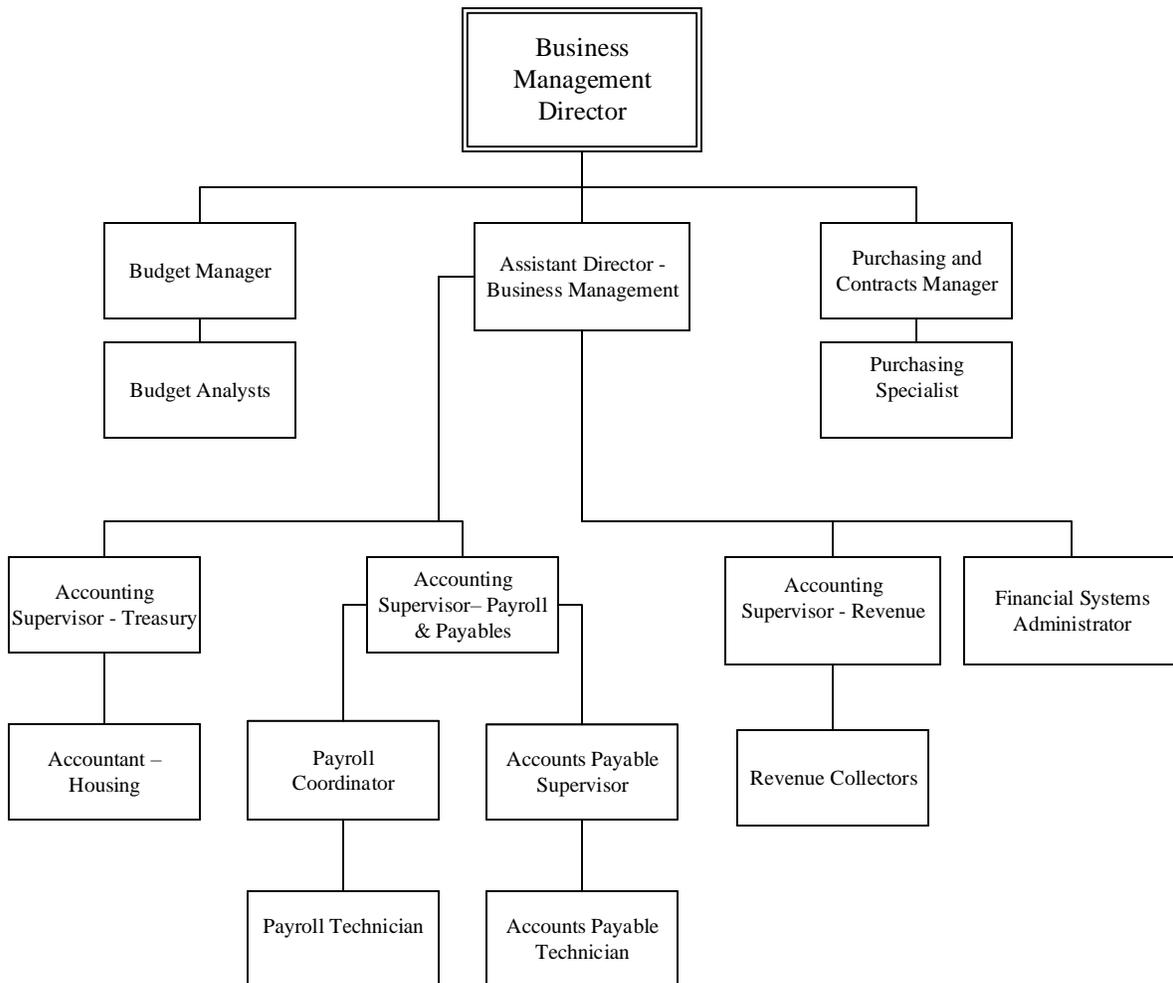
## **MISSION STATEMENT:**

*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 2020-21.

<b>Program</b>	<b>Description</b>
<b>Billing &amp; Collections</b>	Provide administration and/or oversight of all Town billings and collections.
<b>Budget</b>	Administer the Town's capital and operating budgets.
<b>Payroll &amp; Payables</b>	Administer the Town's payroll and payables functions.
<b>Accounting &amp; Financial Reporting</b>	Maintain the Town's financial accounting system.
<b>Purchasing &amp; Contracts</b>	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.
<b>Risk Management</b>	Process liability, property and W/C claims against the Town. Purchase insurance coverage. Coordinate with insurance carriers and process recovery claims.
<b>Liquidity Management</b>	Administer the Town's cash management, investment, banking, and debt management functions.
<b>Financial Planning &amp; Analysis</b>	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***

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	<b>2018-19 ADOPTED</b>	<b>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>
<b><u>Finance</u></b>			
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	0.00
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
Accountant	0.00	0.00	1.00
Revenue Collector	2.00	2.00	2.00
Business Management Department Totals	18.00	18.00	18.00

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# ***BUSINESS MANAGEMENT BUDGET SUMMARY***

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*The adopted budget for the Business Management department reflects a 0.9% increase from the 2019-20 budget. Personnel expenses increased by 1.1% due to a 1.2% retirement increase and a 2% increase in health insurance costs.*

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## **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 1,520,255	\$ 1,752,590	\$ 1,697,590	\$ 1,531,930	\$ 1,771,961	1.1%
Operating Costs	598,370	558,012	614,075	595,591	558,925	0.2%
<b>Total</b>	<b>\$ 2,118,625</b>	<b>\$ 2,310,602</b>	<b>\$ 2,311,665</b>	<b>\$ 2,127,521</b>	<b>\$ 2,330,886</b>	<b>0.9%</b>

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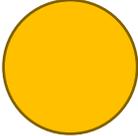
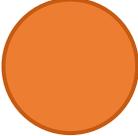
## **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
General Revenues	\$ 2,118,625	\$ 2,310,602	\$ 2,311,665	\$ 2,127,521	\$ 2,330,886	0.9%
<b>Total</b>	<b>\$ 2,118,625</b>	<b>\$ 2,310,602</b>	<b>\$ 2,311,665</b>	<b>\$ 2,127,521</b>	<b>\$ 2,330,886</b>	<b>0.9%</b>

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# BUSINESS MANAGMENT

## Performance Measures

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

Core Business Program	Performance Measure	FY18 Actual	FY19 Actual	FY20 Estimate	FY21 Target
Billing and Collections	Same-day deposits as a percentage of all receipts	7.18%	7.61%	8.33%	7.50%
Budget	Total budget adjustments as a % of expenditures	7.85%	8.77%	7.40%	7.20%
	Projected General Fund revenues as a % of actual	-1.93%	-1.39	-2%	-2%
Payroll and Payables	Percent of voided/reissued vendor checks	1.80%	2.17%	1.28%	2.06%
	Percent of voided/reissued/adjusted payroll checks *	0.162%	0.125%	0.133%	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	32	33	34	35
Purchasing and Contracts	Purchase orders issued, as a percentage of all invoices over \$1,000	96%	96%	97%	99%
	Percentage of contracts with funds encumbered prior to execution	99%	99%	99%	99%
Liquidity Management	General Fund Debt as a percent of assessed value	1%	1%	1%	1%
	10-year payout ratio	73%	73%	74%	75%
Financial Planning and Support	Percentage of survey respondents indicating that the Finance Division service “meets” or “exceeds” expectations	No data	93%	No Data	95%

# ***TECHNOLOGY SOLUTIONS DEPARTMENT***

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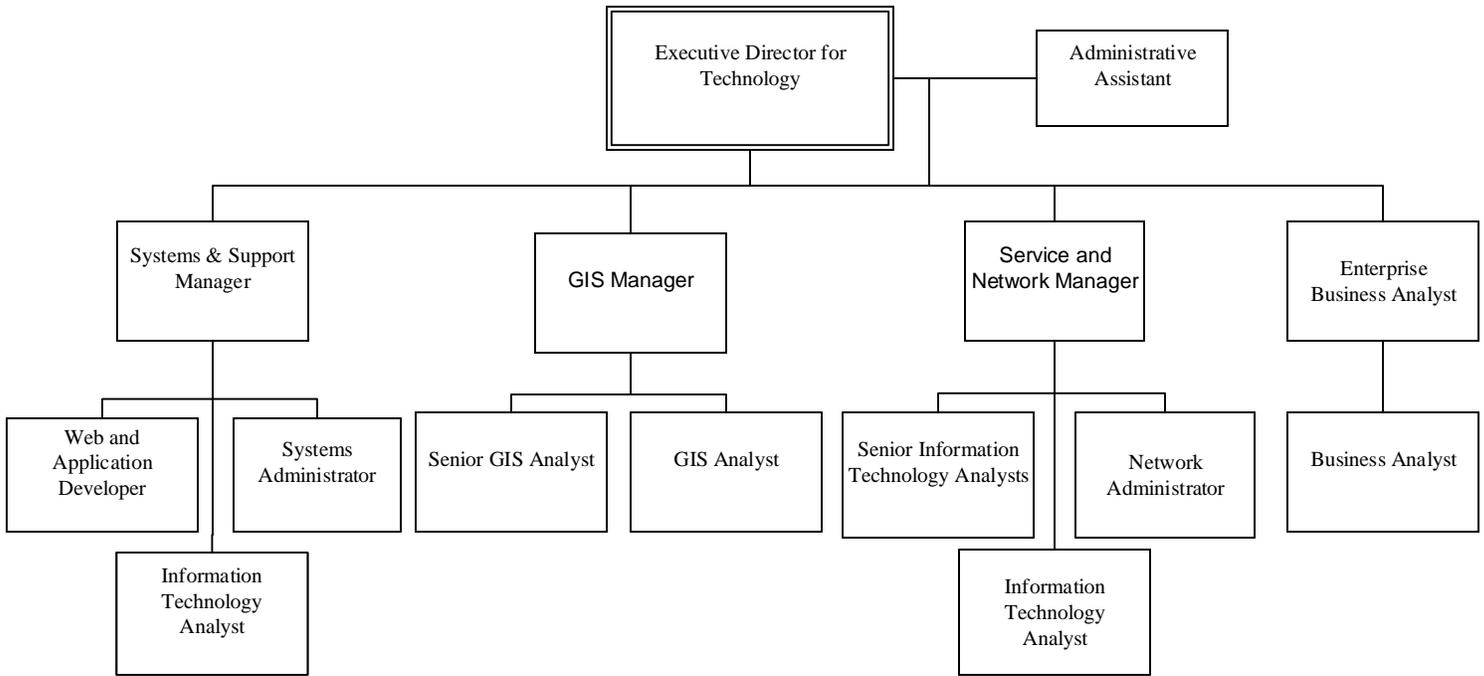
**MISSION STATEMENT:**

*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 2020-21.

Program	Description
<b>User Support</b>	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.
<b>Network Infrastructure</b>	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.
<b>Telecommunications</b>	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.
<b>Enterprise Application Analysis &amp; Support</b>	Administer and manage the Microsoft SharePoint, OnBase, and other Enterprise applications. Support all major application software and databases located on Town servers.
<b>IT Planning and Coordination</b>	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***

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	<b>2018-19 ADOPTED</b>	<b>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>
Executive Director - Technology Solutions	1.00	1.00	1.00
Director-Technology Solutions	0.00	0.00	0.00
Senior Analyst	1.00	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	2.00	2.00	2.00
Planning Manager	1.00	1.00	1.00
Technology Solutions Department Totals	<u>16.00</u>	<u>16.00</u>	<u>16.00</u>

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# **TECHNOLOGY SOLUTIONS**

## **BUDGET SUMMARY**

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*The adopted budget for the Technology Solutions department reflects a 0.5% increase from the 2019-20 budget. Personnel expenses increased by 0.8% due to a 1.2% retirement increase, and a 2% increase in health insurance costs.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 1,689,238	\$ 1,780,902	\$ 1,780,902	\$ 1,749,254	\$ 1,794,507	0.8%
Operating Costs	586,851	535,317	558,141	558,389	534,659	-0.1%
Capital Outlay	74,303	50,000	165,600	115,318	50,000	0.0%
<b>Total</b>	<b>\$ 2,350,392</b>	<b>\$ 2,366,219</b>	<b>\$ 2,504,643</b>	<b>\$ 2,422,961</b>	<b>\$ 2,379,166</b>	<b>0.5%</b>

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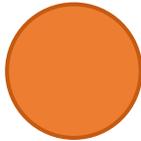
### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
General Revenues	\$ 2,350,392	\$ 2,366,219	\$ 2,504,643	\$ 2,422,961	\$ 2,379,166	0.5%
<b>Total</b>	<b>\$ 2,350,392</b>	<b>\$ 2,366,219</b>	<b>\$ 2,504,643</b>	<b>\$ 2,422,961</b>	<b>\$ 2,379,166</b>	<b>0.5%</b>

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# TECHNOLOGY SOLUTIONS

## Performance Measures

 COLLABORATION & INNOVATION	<b>Strategic Objectives</b> <ul style="list-style-type: none"> <li>➤ Respond to user related service requests within one working day.</li> <li>➤ Resolve user-assist service requests within two working days.</li> <li>➤ Provide high standard of operational capability with information systems.</li> <li>➤ Resolve network service incidents within one working day.</li> <li>➤ Bandwidth utilization expected to be &lt;50% allowing for bursts</li> <li>➤ Servers and other infrastructure patches up to date.</li> <li>➤ Town employees trained to reduce risk of cyber-attacks.</li> <li>➤ Resolve network service incidents within one working day</li> <li>➤ Provide access to Town databases to support business functions</li> <li>➤ Provide backup copies of data for recovery and business functions</li> <li>➤ Provide access to Town applications</li> <li>➤ Ensure technology related projects are compliant with legal and security requirements</li> <li>➤ Ensure infrastructure can support technology plans across all departments</li> </ul>
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Core Business Program	Performance Measure	FY18 Actual	FY19 Actual	FY20 Estimate	FY21 Target
User Support	Service request response percentage within Service Level Agreement (SLA)	90%	95%	95%	99%
	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%	97%
	Percentage of desktop computer equipment four years old or newer	98%	98%	95%	95%
Network Infrastructure	Percentage of network service incidents resolved within SLA	90%	90%	95%	95%
	Percentage of utilization factors of systems and infrastructure (i.e. storage capacity, bandwidth usage, compute-power usage)	50%	55%	55%	55%
Cyber Security	Percentage of machines in security compliance	90%	90%	85%	100%
	Number of training sessions offered on cyber security and appropriate use	*	40	40	40
Telecommunications	Percentage of phone service incidents resolved within SLA	99%	95%	95%	100%
Database Management	Percentage of time critical databases are available	*	99%	99%	100%
	Daily backup of environment maintained and tested	99%	99%	99%	100%
Enterprise Application Support	Percentage of application incidents/request resolved within SLA	*	4	4	5
IT Planning and Coordination	Percentage of Town software and project contract reviews	*	95%	95%	100%
	Capacity, utilization and replacements plans completed within cycle	N/A	95%	95%	100%

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

# ***TOWN ATTORNEY***

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## **MISSION STATEMENT:**

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

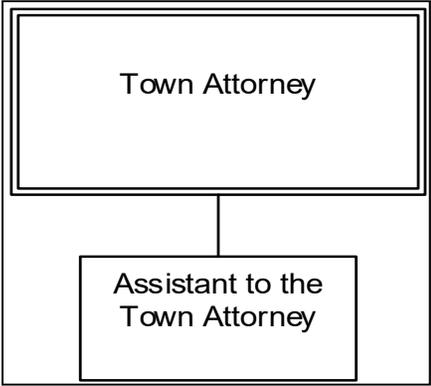
The Town Attorney serves as general counsel to the Town and provides advice to the Mayor and Council, Town boards and commissions, Town administration and Town departments. The duties of the Town Attorney include:

- 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***

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	<b>2018-19 ADOPTED</b>	<b>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>
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**

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*The adopted budget for the Attorney's Office reflects a 1.1% increase from the 2019-20 budget. Personnel expenses increased by 1.1% due to a 1.2% retirement increase and a 2% increase in health insurance costs for the Office. Operating expenses increased by 0.9% due to a small increase in dues and subscriptions.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 361,200	\$ 375,591	\$ 375,591	\$ 374,301	\$ 379,873	1.1%
Operating Costs	10,981	10,990	10,990	10,234	11,090	0.9%
<b>Total</b>	<b>\$ 372,181</b>	<b>\$ 386,581</b>	<b>\$ 386,581</b>	<b>\$ 384,535</b>	<b>\$ 390,963</b>	<b>1.1%</b>

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### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
General Revenues	\$ 372,181	\$ 386,581	\$ 386,581	\$ 384,535	\$ 390,963	1.1%
<b>Total</b>	<b>\$ 372,181</b>	<b>\$ 386,581</b>	<b>\$ 386,581</b>	<b>\$ 384,535</b>	<b>\$ 390,963</b>	<b>1.1%</b>

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**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 2% increase to health insurance costs. Agency contributions are unchanged from last year's budget. The largest decrease in expenditures, in the debt fund and capital improvement fund, total \$766,700. OPEB liability contributions have decreased by fifty percent (\$250,000).

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Recommended Budget</b>	<b>% Change from 2019-20</b>
Retiree Medical Insurance	\$ 1,582,343	\$ 1,620,000	\$ 1,620,000	\$ 1,570,000	\$ 1,690,000	4.3%
Other Personnel Costs	(740)	2,500	2,500	2,070	2,000	-20.0%
Liability Insurance	340,365	375,000	369,195	350,000	360,000	-4.0%
Transfer to Affordable Housing	688,395	688,395	688,395	688,395	688,395	0.0%
Operations	80,391	171,812	257,246	188,200	270,564	57.5%
Supplemental PEG Fees	171,461	176,000	176,000	180,000	185,000	5.1%
Transfer to Other Funds	10,245	10,250	11,469	11,900	12,000	17.1%
Transfer to Capital						
Improvement Funds	566,991	321,600	321,600	321,600	-	-100.0%
Transfer to Debt Fund	445,100	445,100	445,100	445,100	-	-100.0%
OPEB Liability Contributions	630,000	500,000	500,000	500,000	250,000	-50.0%
Grant Matching Funds	62,968	87,550	87,550	87,550	85,364	-2.5%
Agency Contributions	1,284,574	1,218,485	1,392,987	1,392,987	1,223,419	0.4%
Orange County Contribution	-	-	200,000	200,000	-	N/A
Coal Ash Remediation	-	246,000	246,000	246,000	-	-100.0%
Community Center	400,000	-	-	-	-	N/A
<b>Total</b>	<b>\$ 6,262,093</b>	<b>\$ 5,862,692</b>	<b>\$ 6,318,042</b>	<b>\$ 6,183,802</b>	<b>\$ 4,766,742</b>	<b>-18.7%</b>

**REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Recommended Budget</b>	<b>% Change from 2019-20</b>
General Revenues	\$ 6,262,093	\$ 5,862,692	\$ 6,318,042	\$ 6,183,802	\$ 4,766,742	-18.7%
<b>Total</b>	<b>\$ 6,262,093</b>	<b>\$ 5,862,692</b>	<b>\$ 6,318,042</b>	<b>\$ 6,183,802</b>	<b>\$ 4,766,742</b>	<b>-18.7%</b>

## ***ENVIRONMENT & DEVELOPMENT BUDGET SUMMARY***

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

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Planning	\$ 1,848,577	\$ 1,743,331	\$ 2,095,143	\$ 1,875,461	\$ 1,810,542	3.9%
Housing & Community	767,243	837,649	855,475	863,001	834,709	-0.4%
Public Works	12,042,164	13,065,980	13,416,218	12,679,030	12,081,024	-7.5%
<b>Total</b>	<b>\$ 14,657,984</b>	<b>\$ 15,646,960</b>	<b>\$ 16,366,836</b>	<b>\$ 15,417,492</b>	<b>\$ 14,726,275</b>	<b>-5.9%</b>

### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
General Revenues	\$ 12,503,497	\$ 13,884,388	\$ 14,604,264	\$ 13,042,797	\$ 13,044,325	-6.1%
State-Shared Revenues	44,506	38,000	38,000	39,000	39,000	2.6%
Grants	13,905	-	-	66,024	-	N/A
Charges for Services	1,730,373	1,216,674	1,216,674	1,370,747	1,141,560	-6.2%
Licenses/Permits/Fines	236,293	437,055	437,055	649,161	427,390	-2.2%
Other Revenues	129,410	70,843	70,843	249,763	74,000	4.5%
<b>Total</b>	<b>\$ 14,657,984</b>	<b>\$ 15,646,960</b>	<b>\$ 16,366,836</b>	<b>\$ 15,417,492</b>	<b>\$ 14,726,275</b>	<b>-5.9%</b>

# ***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 2020-21.

<b>Program</b>	<b>Description</b>
<b>Current Development</b>	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.
<b>Development Services</b>	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.
<b>Transportation Planning &amp; Transportation Demand Management</b>	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.
<b>Community Sustainability</b>	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.
<b>GIS &amp; Analytics</b>	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

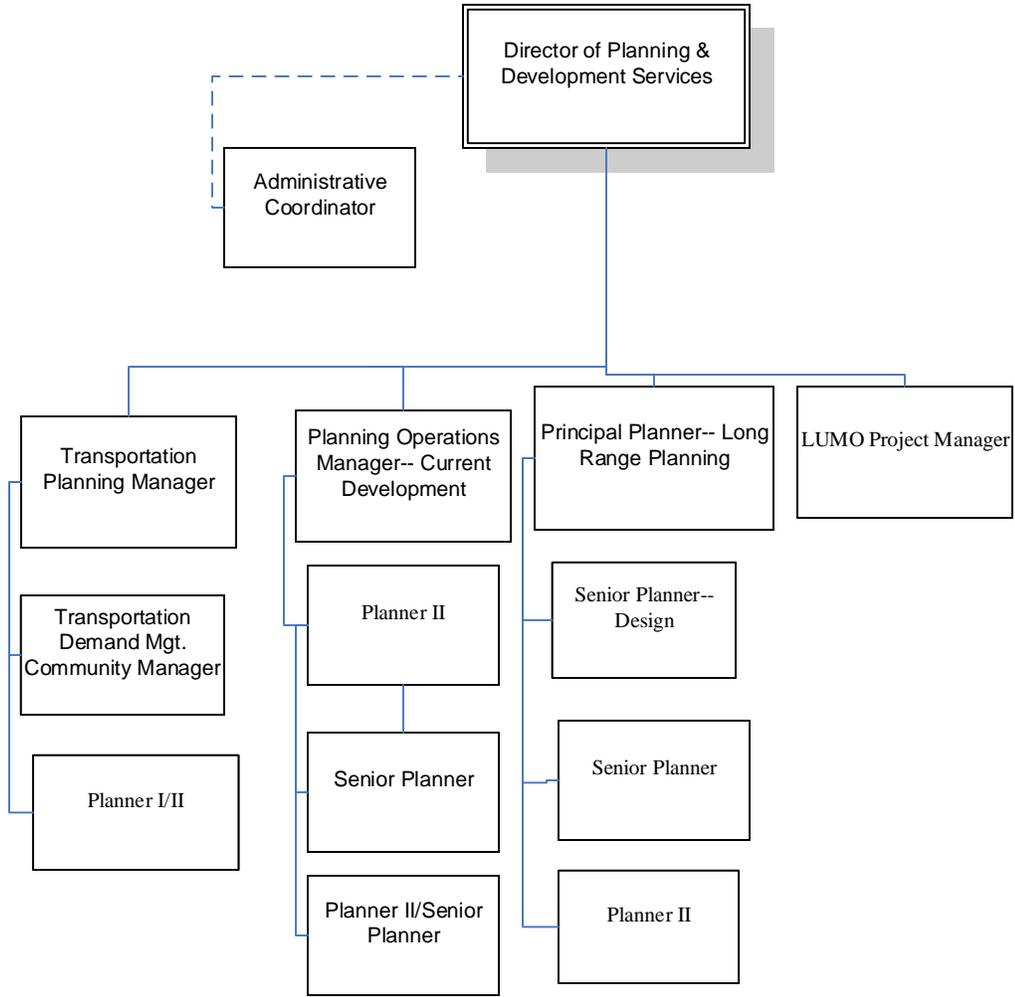
## Performance Measures

 CONNECTED COMMUNITY	<b>Strategic Objectives</b> <ul style="list-style-type: none"> <li>➤ Provide high quality customer service with substantial opportunities for public input</li> <li>➤ Provide high quality customer service with improved permit approval times</li> <li>➤ Track special project progress within a fiscal year (for projects managed by Planning and Development Services)</li> <li>➤ 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</li> <li>➤ Make progress on implementation of Mobility and Connectivity Plan recommendations</li> </ul>
 VIBRANT & INCLUSIVE COMMUNITY	

Core Business Program	Performance Measure	FY18 Actual	FY19 Actual	FY20 Estimate	FY21 Target
Current Development	Number of Public Information Meetings held on current development projects.	16	25	10	10
	Number of Advisory Board Meetings held	85	67	85	85
Planning	Progress made across all special projects managed by Planning and Development Services, as a percentage of the work targeted for FY18	92%	76%	80%	85%
Long-Range Planning	Number of Community Planning Meetings held	*	6	6	6
	Completion of staff evaluation memos for all rezoning cases	*	100%	100%	100%
Transportation Planning	Quarterly updates to Council and on website for Connected Community strategic goal	*	0	0	4
	Number of Mobility and Connectivity Plan projects/recommendations advanced	*	0	4	0

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

PLANNING & DEVELOPMENT SERVICES



***PLANNING DEPARTMENT***  
***STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

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	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>ADOPTED</b>
<b><u>Planning</u></b>			
Director - Planning	1.00	1.00	1.00
Operations Manager - Planning	1.00	1.00	1.00
Community Resilience Officer	1.00	1.00	1.00
Planning Manager <sup>1</sup>	3.00	1.00	1.00
Planner/Planner II/Senior Planner <sup>2</sup>	8.00	8.00	8.00
Transportation Demand Community Manager <sup>3</sup>	1.00	1.00	1.00
Code Enforcement Officer	1.00	0.00	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	0.00	0.00
Planning Technician	1.00	0.00	0.00
Division Totals	<u>20.65</u>	<u>15.65</u>	<u>15.65</u>

<sup>1</sup> Planning Manager is partially grant-funded.

<sup>2</sup> A number of Planner positions are partially or fully grant funded in FY21.

<sup>3</sup> Transportation Demand Community Manager is 50% grant-funded.

# ***PLANNING BUDGET SUMMARY***

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*The adopted budget for the Planning Department reflects a 8.9% increase from the 2019-20 budget. The 3.9% increase in personnel expenses is due to a 1.2% retirement increase and a 2% increase in health insurance costs. Operating expenses remained mostly flat increasing by 0.6%.*

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## **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 1,429,262	\$ 1,274,548	\$ 1,270,165	\$ 1,255,438	\$ 1,338,990	5.1%
Operating Costs	419,315	468,783	824,978	620,023	471,552	0.6%
<b>Total</b>	<b>\$ 1,848,577</b>	<b>\$ 1,743,331</b>	<b>\$ 2,095,143</b>	<b>\$ 1,875,461</b>	<b>\$ 1,810,542</b>	<b>3.9%</b>

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## **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
General Revenues	\$ 940,888	\$ 1,178,313	\$ 1,530,125	\$ 1,166,909	\$ 1,296,182	10.0%
Charges for Services	792,990	313,535	313,535	425,552	256,360	-18.2%
Licenses/Permits/Fines	107,225	246,140	246,140	275,000	250,000	1.6%
Other Revenues	7,474	5,343	5,343	8,000	8,000	49.7%
<b>Total</b>	<b>\$ 1,848,577</b>	<b>\$ 1,743,331</b>	<b>\$ 2,095,143</b>	<b>\$ 1,875,461</b>	<b>\$ 1,810,542</b>	<b>3.9%</b>

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# ***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 2020-21.

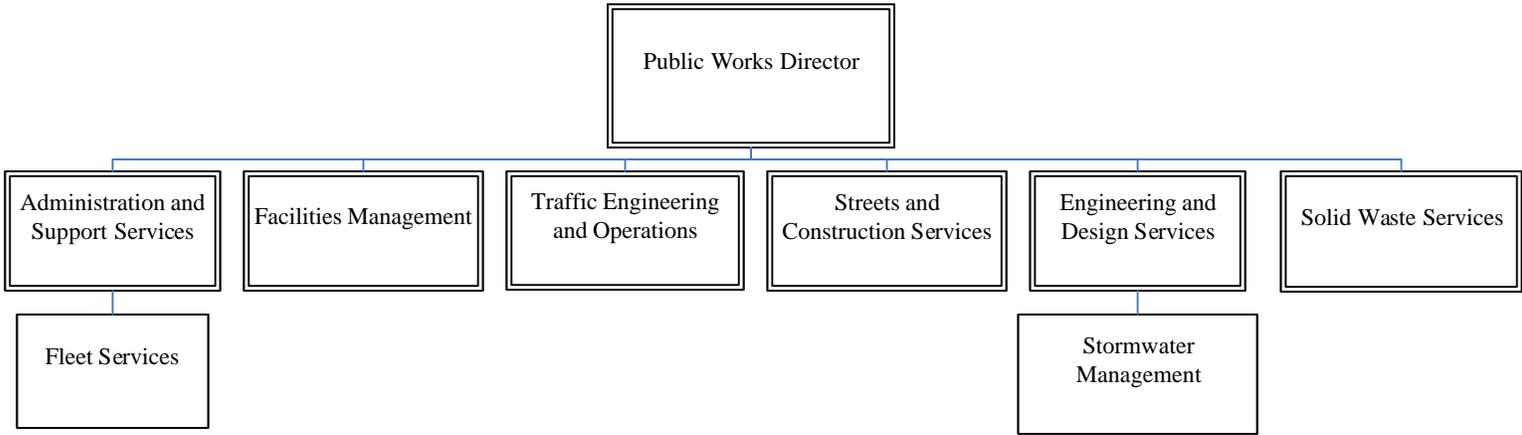
<b>Program</b>	<b>Description</b>
<b>Traffic Signals</b>	Provide timing plans, traffic monitoring, emergency repairs, preventive maintenance, small improvements and larger contract project oversight.
<b>Traffic Signs/Markings/Calming</b>	Install and maintain all traffic control signs and pavement markings. Oversee traffic impact studies and manage the traffic calming program.
<b>Street Lighting</b>	Ensure new development compliance with established standards, respond to improvement requests, routinely inspect major roadways and the central business district for malfunctions.
<b>Special Event Services</b>	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.
<b>Inclement Weather</b>	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.
<b>Miscellaneous Construction</b>	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.
<b>Streets and Parking Lots</b>	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***

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<b>Facilities Management &amp; Maintenance</b>	Manage approximately 50 publicly owned facilities. Provide in-house maintenance and repair, oversight of service contracts and management of small projects.
<b>Solid Waste Collection</b>	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.
<b>Special Collections</b>	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.
<b>Commercial Solid Waste Collection</b>	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.
<b>Street Sweeping</b>	Clean all publicly maintained streets within the town limits using in-house labor and equipment.
<b>Civil Engineering and Landscape Architecture Services</b>	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***

	<b>2018-19 ADOPTED</b>	<b>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>
<b><u>Administration</u></b>			
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
<b><u>Engineering and Design Services</u></b>			
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 <sup>1</sup>	0.75	0.75	0.75
Senior Engineer <sup>1</sup>	0.50	0.50	0.50
Engineering Inspector	1.00	1.00	1.00
Engineering Inspector - Sr <sup>1</sup>	0.70	0.70	0.70
Landscape Architect	0.00	0.00	0.00
Engineering Technician	1.00	1.00	1.00
Capital Projects Manager	0.00	1.00	1.00
Unit Totals	6.95	7.95	7.95
<b><u>Traffic Engineering and Operations</u></b>			
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	17.95	18.95	18.95

***PUBLIC WORKS DEPARTMENT***  
***STAFFING COMPARISONS - IN FULL TIME EQUIVALENTS***

	<b>2018-19 ADOPTED</b>	<b>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>
<b><u>Streets and Construction Services</u></b>			
<b>Streets</b>			
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
<b>Construction</b>			
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
<b><u>Facilities Management</u></b>			
<b>Buildings</b>			
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 <sup>2</sup>	0.25	0.25	0.25
Unit Totals	9.25	9.25	9.25
Division Totals	9.25	9.25	9.25
<b><u>Solid Waste and Fleet Services</u></b>			
<b>Solid Waste</b>			
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	90.20	91.20	91.20

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

<sup>2</sup> 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 7.5% decrease from the 201-20 budget. Personnel expenses in the recommended budget reflect a 1.2% retirement increase and a 2% increase in health insurance costs.

#### **EXPENDITURES**

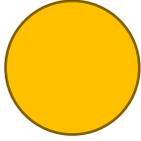
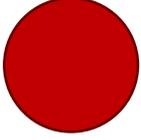
	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Administration	\$ 1,109,055	\$ 1,090,877	\$ 1,124,314	\$ 1,110,026	\$ 1,117,644	2.5%
Engineering & Design	810,704	975,815	971,177	922,482	854,007	-12.5%
Traffic	1,892,494	2,023,599	2,370,766	2,228,747	2,029,986	0.3%
Construction	526,427	676,386	696,102	540,348	660,252	-2.4%
Streets	2,361,575	2,316,635	2,340,297	2,202,042	1,974,639	-14.8%
Building Maintenance	1,674,626	2,144,423	2,171,889	2,064,749	1,890,737	-11.8%
Solid Waste	3,667,283	3,838,245	3,741,673	3,610,636	3,553,759	-7.4%
<b>Total</b>	<b>\$ 12,042,164</b>	<b>\$ 13,065,980</b>	<b>\$ 13,416,218</b>	<b>\$ 12,679,030</b>	<b>\$ 12,081,024</b>	<b>-7.5%</b>

#### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
General Revenues	\$ 10,795,366	\$ 11,868,426	\$ 12,218,664	\$ 11,012,887	\$ 10,913,434	-8.0%
State Shared	44,506	38,000	38,000	39,000	39,000	2.6%
Grants	13,905	-	-	66,024	-	N/A
Charges for Services	937,383	903,139	903,139	945,195	885,200	-2.0%
Licenses/Permits/Fines	129,068	190,915	190,915	374,161	177,390	-7.1%
Other Revenues	121,936	65,500	65,500	241,763	66,000	0.8%
<b>Total</b>	<b>\$ 12,042,164</b>	<b>\$ 13,065,980</b>	<b>\$ 13,416,218</b>	<b>\$ 12,679,030</b>	<b>\$ 12,081,024</b>	<b>-7.5%</b>

# PUBLIC WORKS

## Performance Measures

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

Core Business Program	Performance Measure	FY18 Actual	FY19 Actual	FY20 Estimate	FY21 Target
Traffic Signals	Percent of emergency traffic signal problems addressed within 2 hours.	*	*	94%	95%
	Percent of signal preventive maintenance completed as planned	66%	69%	57%	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	*	*	100%	100%
	Percent of permits issued within five business days for traffic control plans for lanes and street closures	*	67%	94%	100%
	Percent of traffic calming studies completed within six months of receiving the request	100%	100%	N/A <sup>1</sup>	100%

<sup>1</sup> No traffic calming study requests were received in FY 20.

Streets and Parking Lots	Percent of town-maintained street system rated 81 or better (square yards)	N/A <sup>2</sup>	58%	N/A <sup>3</sup>	80%
	Percent of town-maintained streets (square yards) resurfaced annually	2.3%	2.5%	1.6%	7%
	Percent of leaf collection cycle completed between Halloween and Thanksgiving	100%	80%	100%	100%
	Percent of leaf collection cycle completed between Thanksgiving and Christmas	100%	50%	100%	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%	90%
	Percent of development plan reviews completed by assigned deadline <sup>4</sup>	*	*	99%	100%
Solid Waste Collection	Tons of Residential Refuse Collected per Collection FTE	529	557	537	520
	Percent of commercial collection costs recovered via fees <sup>5</sup>	44%	44%	40%	45%
	Percent of community “satisfied” or “very satisfied” with quality of trash/yard waste collection services	85%	N/A <sup>6</sup>	88%	85%
Inclement Weather	Percent of priority Town roadways pre-treated prior to each anticipated significant inclement weather event	100%	100%	N/A <sup>7</sup>	100%
	Percent of priority streets where initial snow removal is completed within 48 hours	100%	100%	N/A <sup>8</sup>	80%
Facilities Management	Preventive maintenance work orders as a percent of total annual work orders	*	63%	62%	45%
	Percent of customer repair requests completed within 2 business days of receipt	*	82%	92%	85%
	Percent of emergency work orders that personnel respond to within 1 hour	100%	100%	100%	100%

\* Public Works staff completed an internal review of data and identified improvements needed to ensure high quality data; therefore, data for previous reporting periods is not available.

<sup>2</sup> Data comes from the biennial pavement condition survey. No data in FY18.

<sup>3</sup> Data comes from the biennial pavement condition survey. No data in FY20.

<sup>4</sup> The development plan review tracking system for Engineering was established in Fall 2019. Data is reported from October 2019 – June 2020.

<sup>5</sup> The reduction in commercial collection costs recovered is related to a decrease in commercial tonnage due to COVID-19 (966 fewer tons in FY20 compared to FY19).

<sup>6</sup> Data comes from the biennial Community Survey; no data in FY19.

<sup>7</sup> Crews pretreated primary roads for one small event that did not materialize.

<sup>8</sup> There was no snow removal response in FY20.

***PUBLIC WORKS - Administration Division***  
***BUDGET SUMMARY***

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*The adopted budget for the Administration Division of the Public Works Department reflects a 2.5% increase from the 2019-20 budget. Personnel expenses increased by 2.3% due to a 1.2% retirement increase and a 2% increase in health insurance costs. The 3% increase to operating expenses is due to an increase in career development training and cellular phones.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 888,887	\$ 908,947	\$ 914,947	\$ 917,274	\$ 930,179	2.3%
Operating Costs	220,168	181,930	209,367	192,752	187,465	3.0%
Total	\$ 1,109,055	\$ 1,090,877	\$ 1,124,314	\$ 1,110,026	\$ 1,117,644	2.5%

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***PUBLIC WORKS - Engineering***  
***BUDGET SUMMARY***

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*The adopted budget for the Engineering Division of the Public Works Department reflects an 0.3% decrease from the 2019-20 budget. Personnel costs are down 12.6% due to an employee moving to the Building Maintenance Division, offset by a 1.2% retirement increase and a 2% increase in health insurance costs. Operating expenses decreased by 11.3% due to costs related to the employee move.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 755,936	\$ 917,329	\$ 917,329	\$ 869,005	\$ 802,126	-12.6%
Operating Costs	54,768	58,486	53,848	53,477	51,881	-11.3%
<b>Total</b>	<b>\$ 810,704</b>	<b>\$ 975,815</b>	<b>\$ 971,177</b>	<b>\$ 922,482</b>	<b>\$ 854,007</b>	<b>-12.5%</b>

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## ***PUBLIC WORKS - Traffic***

### ***BUDGET SUMMARY***

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*The adopted budget for the Traffic Division of the Public Works Department reflects a 0.3% increase from the 2019-20 budget. Personnel expenses increased by 1.0% due to a 1.2% retirement increase and a 2% increase in health insurance costs. Operating expenses decreased by 0.5% due to a reduction in supplies and vehicle fuel.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 1,015,672	\$ 1,047,566	\$ 1,047,566	\$ 1,035,408	\$ 1,058,561	1.0%
Operating Costs	876,822	976,033	1,318,972	1,189,109	971,425	-0.5%
Capital Outlay	-	-	4,228	4,230	-	N/A
<b>Total</b>	<b>\$ 1,892,494</b>	<b>\$ 2,023,599</b>	<b>\$ 2,370,766</b>	<b>\$ 2,228,747</b>	<b>\$ 2,029,986</b>	<b>0.3%</b>

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## ***PUBLIC WORKS - Construction***

### ***BUDGET SUMMARY***

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*The adopted budget for the Construction Division of the Public Works Department reflects a 2.4% decrease from the 2019-20 budget. Personnel expenses decreased by 1% due to employee turnover. Personnel expenses also include a 1.2% retirement increase and a 2% increase in health insurance costs for existing employees. Operating expenses decreased 4.5% due to a decrease in fuel charges.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 377,783	\$ 450,586	\$ 380,086	\$ 245,018	\$ 444,662	-1.3%
Operating Costs	148,644	225,800	316,016	295,330	215,590	-4.5%
<b>Total</b>	<b>\$ 526,427</b>	<b>\$ 676,386</b>	<b>\$ 696,102</b>	<b>\$ 540,348</b>	<b>\$ 660,252</b>	<b>-2.4%</b>

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***PUBLIC WORKS - Streets***  
***BUDGET SUMMARY***

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*The adopted budget for the Streets division reflects an overall expenditure decrease of 14.8% from last year's budget. The 1.2% decrease in personnel is due to turnover, which is partially offset by a 1.2% retirement increase and a 2% increase in health insurance costs. The 27.7% decrease in operating reflects a decrease to the street's maintenance and repairs (\$300,000) and vehicle replacement charges.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 1,000,922	\$ 1,104,866	\$ 1,104,866	\$ 993,640	\$ 1,091,504	-1.2%
Operating Costs	1,309,415	1,186,769	1,197,104	1,169,887	858,135	-27.7%
Capital Outlay	51,238	25,000	38,327	38,515	25,000	0.0%
<b>Total</b>	<b>\$ 2,361,575</b>	<b>\$ 2,316,635</b>	<b>\$ 2,340,297</b>	<b>\$ 2,202,042</b>	<b>\$ 1,974,639</b>	<b>-14.8%</b>

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***PUBLIC WORKS - Building Maintenance***  
***BUDGET SUMMARY***

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*The adopted budget for the Building Maintenance division reflects an overall expenditure decrease of 11.8% from last year's budget. The 16.6% increase in personnel costs reflects the move of an employee from the Engineering division in addition to a 1.2% retirement increase and a 2% health insurance increase. The 28.7% decrease in operation costs reflects a decrease in planned facility maintenance. This is partially offset with an increase to contracted services.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 666,508	\$ 797,626	\$ 797,626	\$ 736,784	\$ 929,965	16.6%
Operating Costs	1,008,118	1,346,797	1,374,263	1,327,965	960,772	-28.7%
Total	\$ 1,674,626	\$ 2,144,423	\$ 2,171,889	\$ 2,064,749	\$ 1,890,737	-11.8%

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***PUBLIC WORKS - Solid Waste Services***  
***BUDGET SUMMARY***

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*The adopted budget for the Solid Waste Services division reflects an overall expenditure decrease of 7.4% from last year's budget. The 3.3% decrease in personnel costs is due to turnover. This is partially offset by reflect a 1.2% retirement increase and a 2% health insurance increase. The 13.9% decrease in operating cost is due to a decrease in vehicle replacement charges.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 2,193,730	\$ 2,350,204	\$ 2,293,204	\$ 2,163,489	\$ 2,271,974	-3.3%
Operating Costs	1,473,553	1,488,041	1,448,469	1,447,147	1,281,785	-13.9%
Total	\$ 3,667,283	\$ 3,838,245	\$ 3,741,673	\$ 3,610,636	\$ 3,553,759	-7.4%

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# ***HOUSING & COMMUNITY DEPARTMENT***

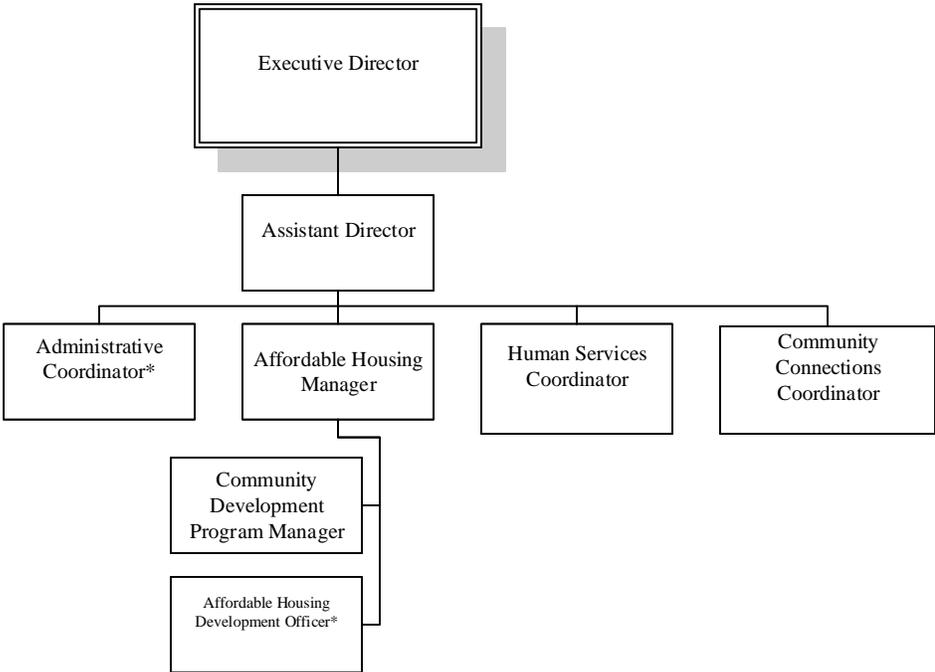
## **MISSION STATEMENT:**

*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 2020-21.

<b>Program</b>	<b>Description</b>
<b>Affordable Housing Policy</b>	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.
<b>Human Services</b>	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.
<b>Community Development</b>	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***

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	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>ADOPTED</b>
<b>Housing &amp; Community</b>			
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
Affordable Housing Manager	1.00	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

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# ***HOUSING & COMMUNITY BUDGET SUMMARY***

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*The adopted budget reflects an overall decrease of 0.4% from the previous fiscal year's budget. The 0.4% decrease in personnel costs is due to turnover. This is partially offset by a 2% increase in health insurance costs and a 1.2% retirement increase. Operating costs have remained about the same.*

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## **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 703,468	\$ 753,729	\$ 763,929	\$ 778,867	\$ 750,688	-0.4%
Operating Costs	63,775	83,920	91,546	84,134	84,021	0.1%
<b>Total</b>	<b>\$ 767,243</b>	<b>\$ 837,649</b>	<b>\$ 855,475</b>	<b>\$ 863,001</b>	<b>\$ 834,709</b>	<b>-0.4%</b>

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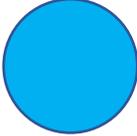
## **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
General Revenues	\$ 767,243	\$ 837,649	\$ 855,475	\$ 863,001	\$ 834,709	-0.4%
<b>Total</b>	<b>\$ 767,243</b>	<b>\$ 837,649</b>	<b>\$ 855,475</b>	<b>\$ 863,001</b>	<b>\$ 834,709</b>	<b>-0.4%</b>

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# HOUSING & COMMUNITY

## Performance Measures

 AFFORDABLE HOUSING   VIBRANT & INCLUSIVE COMMUNITY	<p><b>Strategic Objectives</b></p> <ul style="list-style-type: none"> <li>➤ 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</li> <li>➤ Deepen the Town’s connections and engagement with organizations, groups, and populations that historically have been disengaged or disconnected from the Town</li> <li>➤ 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</li> </ul>
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Core Business Program	Performance Measure	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Target
Affordable Housing	% of funding available for affordable housing projects allocated.	99%	85%	94%	85%
	Number of affordable homes developed with support from the Town.	99	78	15	95
	Number of affordable homes preserved with support from the Town.	23	147	194	125
	Number of households assisted through our Rental and Utility Assistance Program.	14	13	142	12
	Number of units in our Transitional Housing Program	8	16	16	16
	Dollars dedicated to affordable housing strategies in Town Budget	\$6.23 M	\$5.65 M	\$10.61 / 5.61 M	\$15.6M
	Number of new development units that received funding approval	91	101	281	100
	Number of preservation units that received funding approval	111	44	85	75
	Percentage of Town employees that live in Chapel Hill.	10%	9%	9%	10%
	Percentage of affordable housing in Town within a 1/2 mile of a bus stop.	*	95%	96%	95%
	Percentage of residents satisfied with the availability of a range of housing options by price.	15%	27%	27%	27%
Community Connections	Percentage of human services agency recipients who are satisfied with our funding process.	89%	91%	83%	90%
	% of total students living off campus that read the Tar Heel Citizen Times (open rate)	39%	38%	33%	40%
	% of department staff who participate in Racial Equity Training	*	100%	100%	100%
	Number of residents served by programs funded through the Town's Human Services Program.	32,000	NA	NA	NA

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.	6,090	20,000	20,000	20,960
Number of low-income youth employed through our Summer Youth Employment Program	33	29	28	29
Total budget for Human Services Program	\$419,000	\$446,500	\$446,500	\$446,500
Number of Town meetings where interpretation is provided	*	8	8	15

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



## ***PUBLIC SAFETY BUDGET SUMMARY***

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

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Police	\$ 13,715,192	\$ 16,027,754	\$ 16,125,015	\$ 14,403,329	\$ 16,112,146	0.5%
Fire	8,996,808	9,653,939	9,792,059	9,660,685	9,583,954	-0.7%
Total	\$ 22,712,000	\$ 25,681,693	\$ 25,917,074	\$ 24,064,014	\$ 25,696,100	0.1%

### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
General Revenues	\$ 18,413,691	\$ 21,807,523	\$ 21,964,845	\$ 19,876,402	\$ 21,946,180	0.6%
State-Shared Revenues	1,095,540	1,106,256	1,106,256	1,106,256	1,106,256	0.0%
Grants	10,000	-	78,059	39,000	-	N/A
Charges for Services	674,032	672,664	672,664	705,006	684,664	1.8%
Licenses/Permits/Fines	2,409,218	1,950,250	1,950,250	2,227,350	1,849,000	-5.2%
Other Revenues	109,519	145,000	145,000	110,000	110,000	-24.1%
Total	\$ 22,712,000	\$ 25,681,693	\$ 25,917,074	\$ 24,064,014	\$ 25,696,100	0.1%

# CHAPEL HILL POLICE DEPARTMENT

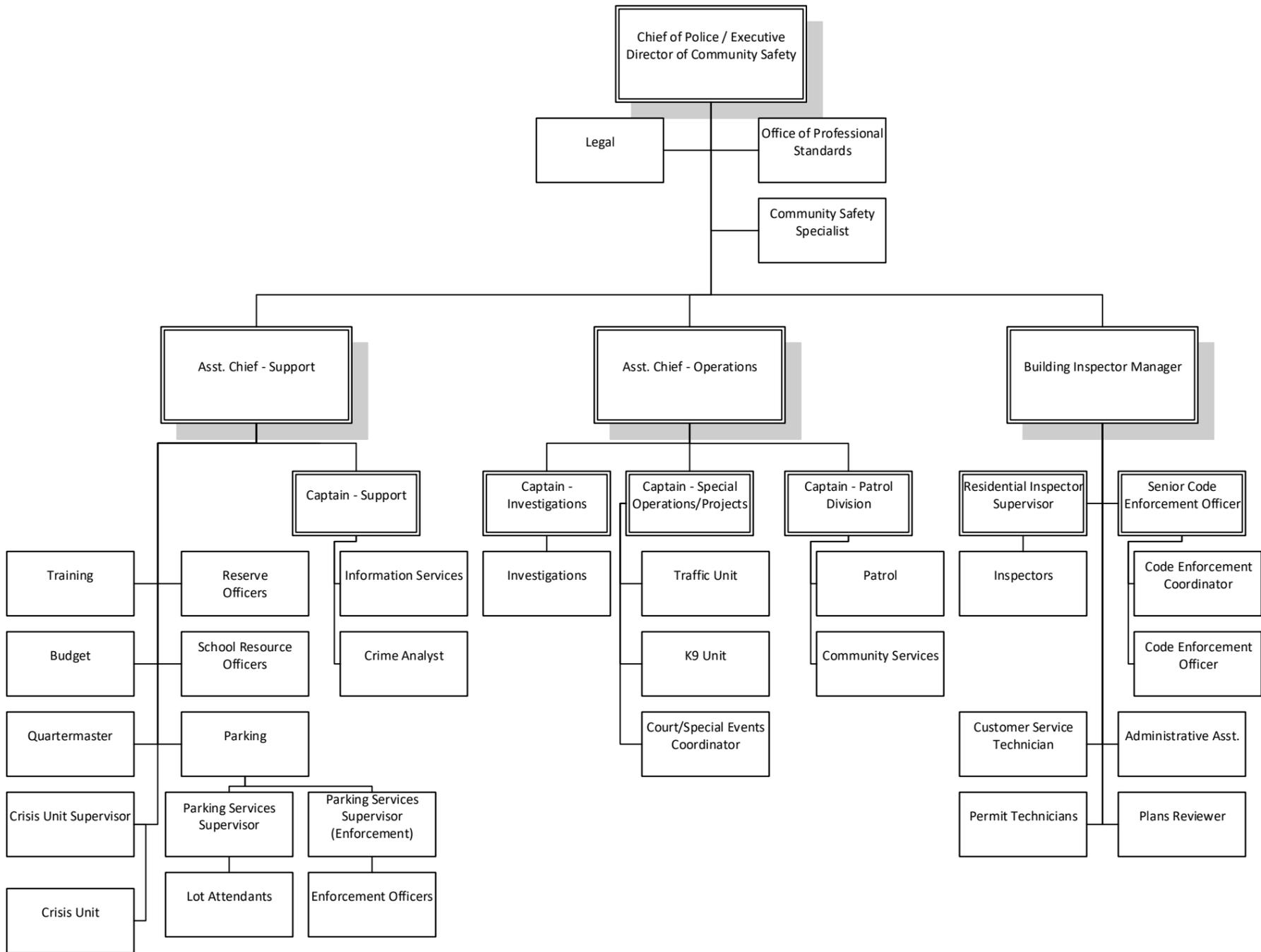
## MISSION STATEMENT:

*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 2020-21.

Program	Description
<b>Patrol Division</b>	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.
<b>Investigative Division</b>	Investigate crimes against people and property, including drug and alcohol related offenses. Gather and analyze evidence and investigate crime scenes.
<b>Human Services</b>	Follow-up after incidents to help those involved deal with social/emotional issues. Assist in organizing community watch groups and provide outreach to businesses.
<b>Support Services</b>	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.
<b>School Resource Officers</b>	Organize outreach to middle and high schools in Chapel Hill while serving as a liaison to the Police Department and providing security.
<b>Special Events and Court Liaison</b>	Provide logistical support for special events and coordinate with the local court.
<b>Building Inspections</b>	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.
<b>Code Enforcement</b>	Enforcement of the Minimum Housing Code and the Land Use Management Ordinance.

# Police Department



# ***POLICE DEPARTMENT***

## ***STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

	<b>2018-19 ADOPTED</b>	<b>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>
<b>Support Services</b>			
Police Chief/Executive Director for Community Safety	1.00	1.00	1.00
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
Management Analyst	1.00	1.00	1.00
Communications Specialist	1.00	1.00	1.00
Customer Service Technician	3.00	3.00	0.00
Community Safety Outreach Coordinator	0.00	1.00	1.00
Records Technician	0.00	0.00	3.00
Division Totals	16.00	17.00	17.00
<b>Operations</b>			
Assistant Police Chief	2.00	2.00	2.00
Police Captain	4.00	4.00	4.00
Police Lieutenant	8.00	8.00	8.00
Police Sergeant	11.00	12.00	12.00
Forensic and Evidence Specialist	2.00	2.00	2.00
Police Officer	90.00	88.00	88.00
Division Totals	117.00	116.00	116.00
<b><u>Inspections</u></b>			
Building Inspector Director	1.00	1.00	1.00
Code Enforcement Officer	2.00	2.00	1.00
Building Operations Manager	1.00	1.00	1.00
Commercial Plans Reviewer - Sr.	1.00	1.00	1.00
Customer Service Technician	1.00	2.00	3.00
Construction Inspector- Sr.	0.00	0.00	1.00
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	1.00
Planning Manager	0.00	2.00	2.00
Permitting Systems Admin	0.00	1.00	1.00
Planning Technician	0.00	1.00	1.00
Division Totals	17.00	22.00	22.00
Police Department Totals	150.00	155.00	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. Personnel expenditure increases are attributed to a 2% 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.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 12,047,951	\$ 14,203,584	\$ 13,870,078	\$ 12,408,495	\$ 14,404,219	1.4%
Operating Costs	1,667,241	1,824,170	2,254,937	1,994,834	1,707,927	-6.4%
<b>Total</b>	<b>\$ 13,715,192</b>	<b>\$ 16,027,754</b>	<b>\$ 16,125,015</b>	<b>\$ 14,403,329</b>	<b>\$ 16,112,146</b>	<b>0.5%</b>

### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
General Revenues	\$ 10,937,945	\$ 13,718,754	\$ 13,807,015	\$ 11,810,887	\$ 13,931,146	1.5%
Grants	10,000	-	9,000	9,000	-	N/A
Charges for Services	406,776	400,000	400,000	432,342	412,000	3.0%
Licenses/Permits/Fines	2,250,952	1,764,000	1,764,000	2,041,100	1,659,000	-6.0%
Other Revenues	109,519	145,000	145,000	110,000	110,000	-24.1%
<b>Total</b>	<b>\$ 13,715,192</b>	<b>\$ 16,027,754</b>	<b>\$ 16,125,015</b>	<b>\$ 14,403,329</b>	<b>\$ 16,112,146</b>	<b>0.5%</b>

# POLICE

## Performance Measures

 <p>SAFE COMMUNITY</p>	<p><b>Strategic Objectives</b></p> <ul style="list-style-type: none"> <li>➤ 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.</li> <li>➤ The annual number of part 1 Crimes against Persons and Property not exceed 1,500 crimes.</li> <li>➤ Achieve an annual Clearance Rate of Part 1 Crimes against Persons of 60%.</li> <li>➤ Achieve an annual Clearance Rate of Part 1 Property Crime of 17%.</li> <li>➤ Maintain “very safe” or “safe” survey ratings for “Level of Safety and Security” in neighborhoods from at least 90% of residents surveyed.</li> <li>➤ Achieve a decrease in vehicle crash resulting in injuries.</li> <li>➤ Achieve “very satisfied” or “satisfied” survey ratings for employee perception of the police department from at least 75% of employees surveyed.</li> </ul>
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Core Business Program	Performance Measure	FY18 Actual	FY19 Actual	FY20 Estimate	FY21 Target
Patrol Division, Investigative Division, Police Crisis Unit	Survey residents and ascertain satisfaction with overall quality of police protection.	87%		N/A	
	Total Number of Part 1 Crimes against Persons and Property	1,505	1,237	1,111	1,200
	Percentage of Part 1 Crimes against Persons cleared	56%	53%	41%*	53%
	Percentage of Part 1 Property Crimes cleared	20%	23%	17%	21%
	“very safe” or “safe” survey ratings for “Level of Safety and Security” in neighborhoods in Community Survey.	79%		87%	
	Percentage of vehicle crashes resulting in injuries <17% of our total number of crashes.	**	18%, 2%***	19%, 3%***	17%, 2%***
Support Services	% of employees who advance through career progression program on-time	99%	99%	100%	100%
	% of police applicants successfully passing BLET/FTP	87%	100%	95%	100%
	Reduce turnover rate to national average (8%)	13%	11.02%		8%

\* This number includes active cases that have not been closed yet.

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

\*\*\* The top (larger) number includes all crashes where any complaint of injury, no matter how small, is made known to the investigating officer. The smaller number includes only crashes where an injury was clearly evident or there was a fatality.

***POLICE - Support Services Division***  
***BUDGET SUMMARY***

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*The adopted budget for the Support Services division reflects an overall expenditure increase of 1.4% from last year's budget. The 1.0% increase in personnel is the result of a 2% increase in health insurance and a 1.2% retirement increase. There is a 2.3% increase in operating costs due an increase in contracted service costs.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 1,356,837	\$ 1,601,919	\$ 1,601,919	\$ 1,497,199	\$ 1,617,237	1.0%
Operating Costs	764,079	807,617	1,043,405	945,497	826,087	2.3%
Total	\$ 2,120,916	\$ 2,409,536	\$ 2,645,324	\$ 2,442,696	\$ 2,443,324	1.4%

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***POLICE - Operations Division***  
***BUDGET SUMMARY***

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*The Operations Division reflects a 0.6% increase in the 2020-21 budget. The personnel budget for the Operations Division reflects a 1.6% increase in personnel costs due to a 1.2% increase in retirement costs and a 2% increase in health insurance costs. The 13.8% decrease in operating is primarily attributed a decrease in vehicle replacement charges. This is somewhat offset due to an increase in fleet replacement charges and contracted services, regarding additional security procedures.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 9,203,803	\$ 10,554,916	\$ 10,221,410	9,027,661	10,726,294	1.6%
Operating Costs	697,514	788,108	829,141	813,217	679,515	-13.8%
<b>Total</b>	<b>\$ 9,901,317</b>	<b>\$ 11,343,024</b>	<b>\$ 11,050,551</b>	<b>\$ 9,840,878</b>	<b>\$ 11,405,809</b>	<b>0.6%</b>

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***POLICE - Special Events***  
***BUDGET SUMMARY***

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*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 2020-21 reflects a 33.2% decrease in operating costs to match a historical decrease in the size and scale of the events.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Operating Costs	\$ 104,043	\$ 112,350	\$ 49,776	\$ 108,262	\$ 75,000	-33.2%
Total	\$ 104,043	\$ 112,350	\$ 49,776	\$ 108,262	\$ 75,000	-33.2%

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# ***POLICE - Building & Development Services***

## **BUDGET SUMMARY**

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*The adopted budget for the Inspections division reflects an overall expenditure increase of 1.2% from the 2019-20 budget. Personnel expenses increased due to a 1.2% retirement increase and a 2% health insurance increase. The operating costs increased by 9.7% due to increases to fleet use charges.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 1,487,311	\$ 2,046,749	\$ 2,046,749	\$ 1,883,635	\$ 2,060,688	0.7%
Operating Costs	101,605	116,095	332,615	127,858	127,325	9.7%
<b>Total</b>	<b>\$ 1,588,916</b>	<b>\$ 2,162,844</b>	<b>\$ 2,379,364</b>	<b>\$ 2,011,493</b>	<b>\$ 2,188,013</b>	<b>1.2%</b>

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### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
General Revenues	\$ (581,858)	\$ 501,844	\$ 718,364	\$ 72,393	\$ 611,513	21.9%
Licenses/Permits/Fines	2,170,774	1,661,000	1,661,000	1,939,100	1,576,500	-5.1%
<b>Total</b>	<b>\$ 1,588,916</b>	<b>\$ 2,162,844</b>	<b>\$ 2,379,364</b>	<b>\$ 2,011,493</b>	<b>\$ 2,188,013</b>	<b>1.2%</b>

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# INSPECTIONS

## Performance Measures

 <p>SAFE COMMUNITY</p>	<p><b>Strategic Objectives</b></p> <ul style="list-style-type: none"> <li>➤ Improve customer service delivery with technology enhancements</li> <li>➤ Improve customer service and delivery of commercial plan reviews within targeted deadlines</li> <li>➤ Improve customer service and delivery of residential plan reviews within targeted deadlines.</li> <li>➤ Improve response time to inspections requests within targeted deadlines</li> <li>➤ Improve response time to code complaints and within targeted deadlines</li> </ul>
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Core Business Program	Performance Measure	FY18 Actual	FY19 Actual	FY20 Estimate	FY21 Target
Code Enforcement (State Laws and Local Ordinances), Inspections, Plan Review, and Permitting (all programs assume building and zoning)	% of staff trained on usage of new program once installed	*	*	*	100%
	Increase percentage of commercial plans reviews completed within 30 days of acceptance.	80%	87%	89%	90%
	Increase percentage of residential plan reviews completed within 5 days of acceptance.	80%	89%	86%	90%
	Increase percentage of inspections completed within one workday of request	99%	96%	97%	97%
	Increase percentage of code complaints responded to within 2 business days	50%	94%	100%	100%

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

# ***FIRE DEPARTMENT***

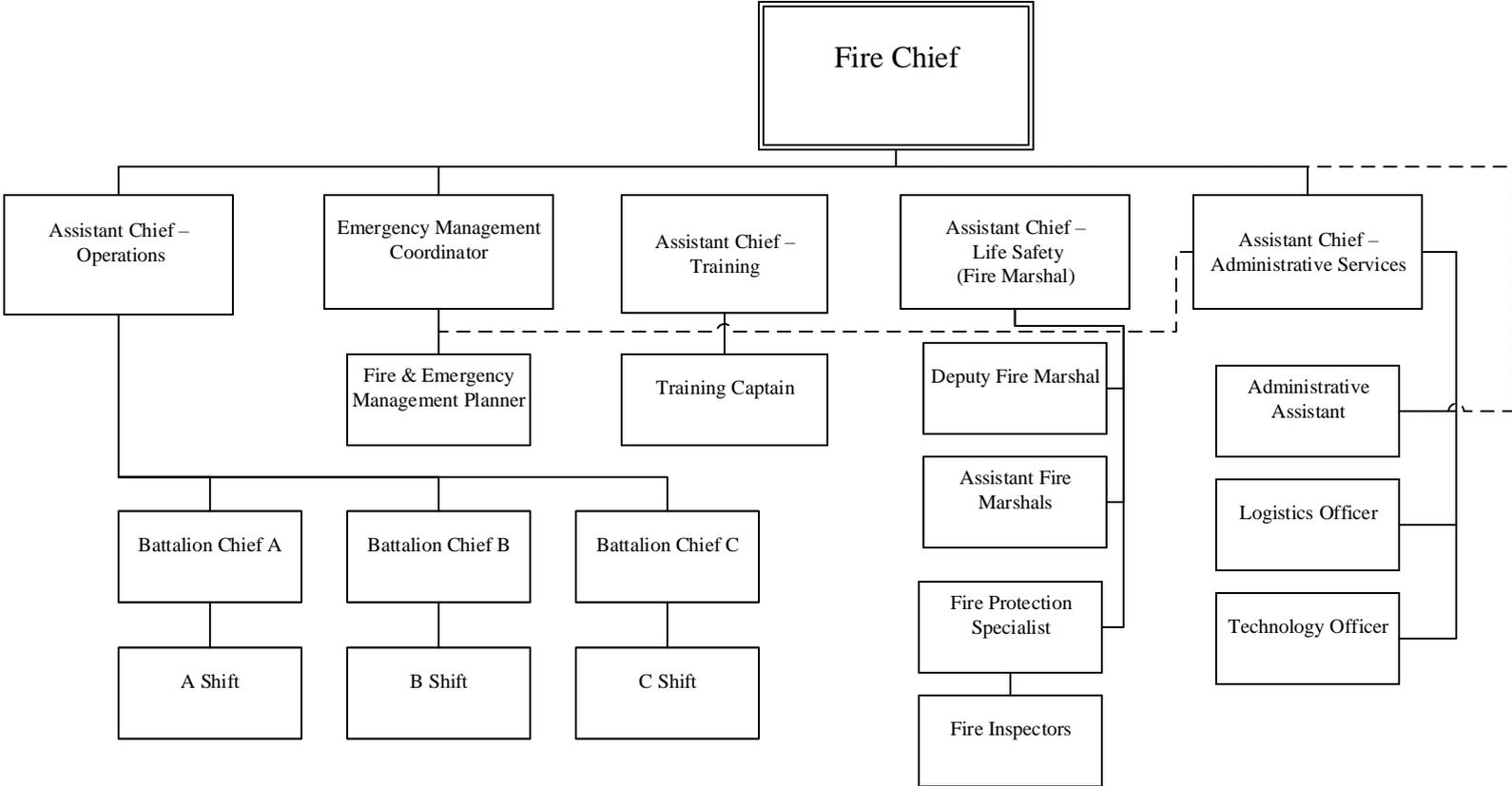
**MISSION STATEMENT:**

*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 2020-21.

<b>Program</b>	<b>Description</b>
<b>Emergency Operations</b>	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.
<b>Code Enforcement</b>	Enforce the fire and safety codes of the Town and State through inspection, plan review and investigating the causes of fires.
<b>Command-Control Administration</b>	Provide command and control of emergency incidents and fire operations. Provide Departmental administration. Coordinate emergency preparedness of Town including related resources.
<b>Fire Prevention &amp; Life Safety Education</b>	Schedule, coordinate and conduct public education and outreach services providing information on fire prevention, CPR, child safety seats, home safety and smoke alarms.
<b>Emergency Medical Services</b>	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.
<b>Emergency Management</b>	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***

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	<b>2018-19 ADOPTED</b>	<b>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>
<b>Administration</b>			
Fire Chief	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Assistant Chief - Admin Services	1.00	1.00	1.00
Emergency Management Planner	0.00	1.00	1.00
Emergency Management Coordinator	1.00	1.00	1.00
Division Totals	4.00	5.00	5.00
<b>Emergency Operations</b>			
Fire/Emergency Management Planner	1.00	0.00	0.00
Battalion Fire Chief	3.00	3.00	3.00
Fire Captain\Lieutenant	19.00	23.00	26.00
Fleet & Logistics Officer	1.00	0.00	0.00
Assistant Fire Chief of Operations	1.00	1.00	1.00
Assistant Fire Chief of Training	1.00	1.00	1.00
Fire Comms Tech Officer	1.00	1.00	0.00
Fire Equipment Operator	19.00	21.00	19.00
Firefighter/Master	38.00	33.00	33.00
Division Totals	84.00	83.00	83.00
<b>Life Safety</b>			
Fire Marshall- Assistant Chief	1.00	1.00	1.00
Fire Inspector	2.00	2.00	3.00
Fire Protection Specialist	1.00	0.00	0.00
Deputy Fire Marshal	1.00	2.00	2.00
Assistant Fire Marshal	3.00	3.00	2.00
Division Totals	8.00	8.00	8.00
Fire Department Totals	96.00	96.00	96.00

# ***FIRE***

## ***BUDGET SUMMARY***

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*While the Fire Department generates revenues from grants, charges for services, and licenses, permits and fines, the majority of revenues are not department specific. Changes related to expenditures are noted on division summaries. Fire department costs have decreased slightly due to employee turnover and decreases to the vehicle replacement charges.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 7,953,644	\$ 8,588,252	\$ 8,568,752	\$ 8,522,298	\$ 8,543,215	-0.5%
Operating Costs	1,043,164	1,055,687	1,223,307	1,138,387	1,030,739	-2.4%
Capital Outlay	-	10,000	-	-	10,000	0.0%
<b>Total</b>	<b>\$ 8,996,808</b>	<b>\$ 9,653,939</b>	<b>\$ 9,792,059</b>	<b>\$ 9,660,685</b>	<b>\$ 9,583,954</b>	<b>-0.7%</b>

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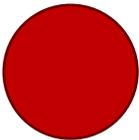
### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
General Revenues	\$ 7,475,746	\$ 8,088,769	\$ 8,157,830	\$ 8,065,515	\$ 8,015,034	-0.9%
State-Shared Revenues	1,095,540	1,106,256	1,106,256	1,106,256	1,106,256	0.0%
Grants	-	-	69,059	30,000	-	N/A
Charges for Services	267,256	272,664	272,664	272,664	272,664	0.0%
Licenses/Permits/Fines	158,266	186,250	186,250	186,250	190,000	2.0%
<b>Total</b>	<b>\$ 8,996,808</b>	<b>\$ 9,653,939</b>	<b>\$ 9,792,059</b>	<b>\$ 9,660,685</b>	<b>\$ 9,583,954</b>	<b>-0.7%</b>

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# FIRE

## Performance Measures

 SAFE COMMUNITY	<b>Strategic Objectives</b> <ul style="list-style-type: none"> <li>➤ 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.</li> <li>➤ Make building familiarization and pre-incident planning tours of each commercial, industrial and other similar building at least annually.</li> <li>➤ Maintain out-of-service time of front line apparatus at 10% or less</li> <li>➤ 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</li> <li>➤ 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</li> <li>➤ Enforce the fire and safety codes of the Town and State through inspection, plan review and investigating the causes of fires</li> <li>➤ 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</li> <li>➤ Achieve full ISO credit for training standards in the areas of: company, officer, driver operator, and hazardous material</li> </ul>
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Core Business Program	Performance Measure	FY18 Actual	FY19 Actual	FY20 Estimate	FY21 Target
Emergency Operations	Percentage of structure fire responses within 5 minutes from dispatch to the arrival of the first unit	70%	76%	79%	90%
	Percentage of structure fire responses within 9 minutes from dispatch to the arrival of the full alarm	90%	84%	79%	90%
	Percentage of non-medical emergency responses within 5 minutes from dispatch to the arrival of the first unit.	65%	75%	71%	90%
	Percentage of buildings toured for familiarization and pre-incident planning.	95%	89%	70%	95%
	Percentage of front line apparatus with out-of-service time greater than 10%	22%	71%	86%	20%
First Responder Medical Services	CHFD response time to medical calls within 5 minutes from dispatch to arrival	85%	67%	63%	90%
	CHFD is released from medical calls in less than 20 minutes 90% of the time	90%	88%	85%	90%
Code Enforcement	Percentage of State required inspections completed	98%	66%	70%	90%

Fire Prevention and Safety Education	Combined audiences of public safety presentation, as a percentage of total population	71%	73%	70%	100%
Training and Development	Personnel completed company training (192 hours required)	100%	100%	100%	100%
	Personnel completed full officer training (12 hours required)	100%	92%	90%	100%
	Personnel completed existing driver operator training (12 hours required)	100%	100%	100%	100%
	Personnel completed hazardous material training (6 hours required).	100%	98%	95%	100%

***FIRE - Administration Division***  
***BUDGET SUMMARY***

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*The adopted budget for the Administration division reflects an overall expenditure decrease of 5.9% from last year's budget. The decrease in personnel cost is the result of employee turnovers. This is partially offset by a 1.2% retirement increase and a 2% increase in health insurance costs. The operating budget reflects a 7.4% decrease due to a significant decrease in vehicle replacement charges.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 537,794	\$ 614,508	\$ 614,508	\$ 602,523	\$ 580,121	-5.6%
Operating Costs	131,048	150,764	172,694	149,314	\$ 139,680	-7.4%
Total	\$ 668,842	\$ 765,272	\$ 787,202	\$ 751,837	\$ 719,801	-5.9%

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***FIRE - Emergency Operations Division***  
***BUDGET SUMMARY***

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*The adopted budget for the Emergency Operations Division reflects a 0.2% increase overall. Personnel expenditures experienced a 0.3% increase due to a 2% increase in health insurance costs and a 1.2% retirement costs increase. Operating expenditures saw a 0.7% decrease, reflecting reductions to vehicle fuel charges. Capital outlay expenditures remain the same.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 6,706,670	\$ 7,093,775	\$ 7,093,775	\$ 7,105,408	\$ 7,112,538	0.3%
Operating Costs	837,387	826,173	855,363	866,066	820,199	-0.7%
Capital Outlay	-	10,000	-	-	10,000	0.0%
<b>Total</b>	<b>\$ 7,544,057</b>	<b>\$ 7,929,948</b>	<b>\$ 7,949,138</b>	<b>\$ 7,971,474</b>	<b>\$ 7,942,737</b>	<b>0.2%</b>

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***FIRE - Life Safety Division***  
***BUDGET SUMMARY***

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*The adopted budget for the Life Safety division reflects an overall expenditure decrease of 3.9% from the 2019-2020 budget. The 3.3% decrease in personnel is due to turnover, which is partially offset by a 2% increase in health insurance costs and a 1.2% retirement increase. The operating budget decreased by 10% due to a decrease in fleet use charges.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 709,180	\$ 879,969	\$ 860,469	\$ 814,367	\$ 850,556	-3.3%
Operating Costs	74,729	78,750	195,250	123,007	70,860	-10.0%
<b>Total</b>	<b>\$ 783,909</b>	<b>\$ 958,719</b>	<b>\$ 1,055,719</b>	<b>\$ 937,374</b>	<b>\$ 921,416</b>	<b>-3.9%</b>

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**LEISURE  
BUDGET SUMMARY**

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

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Parks and Recreation	\$ 6,451,220	\$ 7,236,607	\$ 7,273,099	\$ 6,537,509	\$ 7,234,154	0.0%
Library	3,389,029	3,822,604	3,888,421	3,652,987	3,672,918	-3.9%
<b>Total</b>	<b>\$ 9,840,249</b>	<b>\$ 11,059,211</b>	<b>\$ 11,161,520</b>	<b>\$ 10,190,496</b>	<b>\$ 10,907,072</b>	<b>-1.4%</b>

**REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
General Revenues	\$ 7,653,554	\$ 8,794,417	\$ 8,842,726	\$ 8,313,293	\$ 8,665,423	-1.5%
Grants	681,301	679,399	703,399	703,399	679,399	0.0%
Charges for Services	1,385,233	1,477,395	1,477,395	1,066,204	1,464,750	-0.9%
Other Revenues	74,338	63,000	93,000	62,500	52,500	-16.7%
Transfers/Other Sources	45,000	45,000	45,000	45,000	45,000	0.0%
<b>Total</b>	<b>\$ 9,840,249</b>	<b>\$ 11,059,211</b>	<b>\$ 11,161,520</b>	<b>\$ 10,190,496</b>	<b>\$ 10,907,072</b>	<b>-1.4%</b>

# ***PARKS AND RECREATION DEPARTMENT***

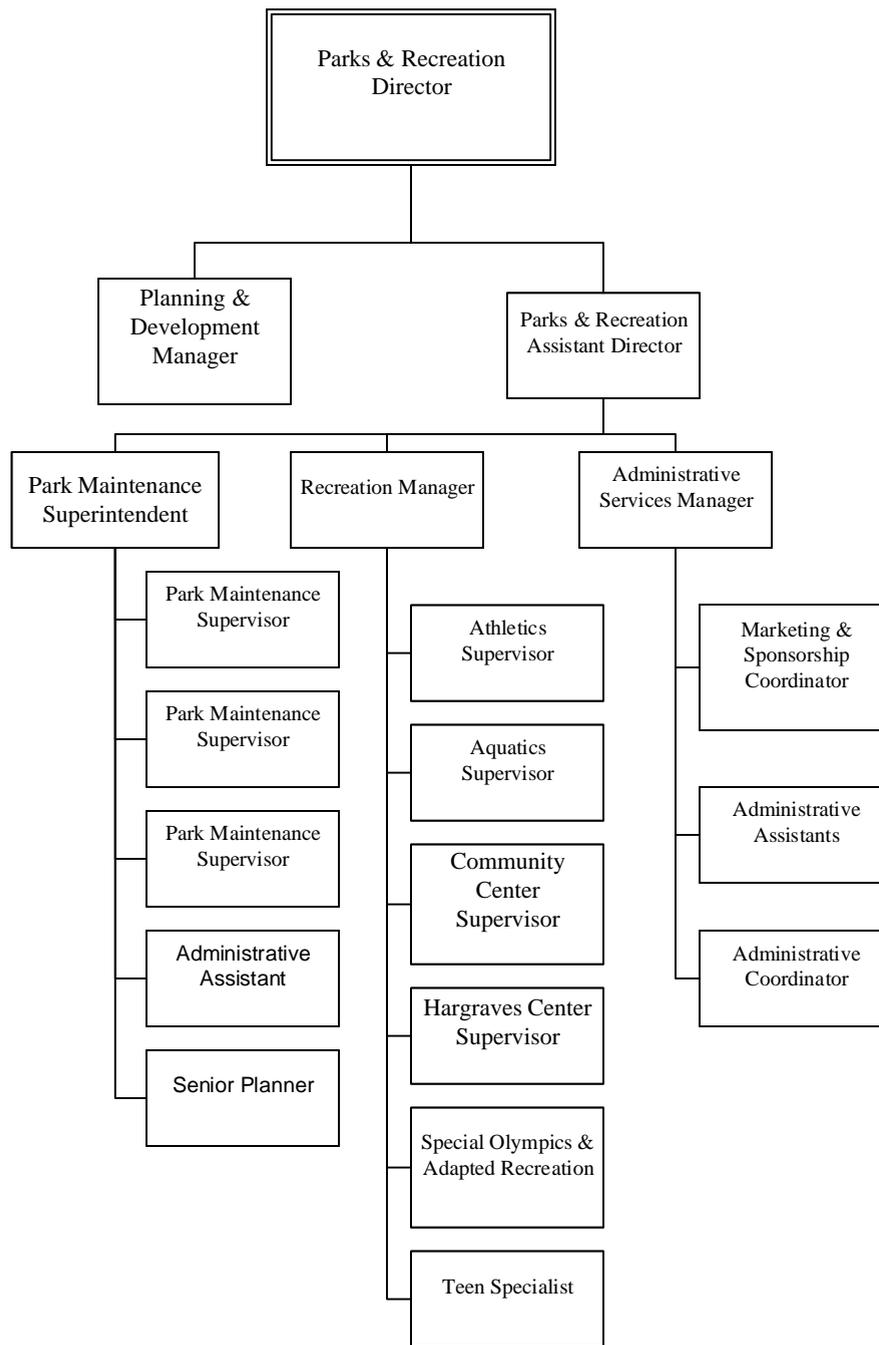
## **MISSION STATEMENT:**

*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 2020-21.

<b>Program</b>	<b>Description</b>
<b>Park Maintenance</b>	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.
<b>Planning &amp; Development of Parks &amp; Greenways</b>	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.
<b>Cemetery Operations</b>	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
<b>Recreation Programming</b>	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.
<b>Cultural Arts</b>	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***

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	2018-19 ADOPTED	2019-20 ADOPTED	2020-21 ADOPTED
<b>Administration</b>			
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	9.00	9.00	9.00
<b>Landscape Services and Park Maintenance</b>			
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	0.00	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	1.00	1.00	1.00
Division Totals	26.00	25.00	25.00
<b>Athletics</b>			
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	1.50	1.50	1.50
Division Totals	4.50	4.50	4.50
<b>Community Center</b>			
Recreation Supervisor	1.00	1.00	1.00
Recreation Specialist	1.00	1.00	1.00
Recreation Assistant	2.00	2.50	2.50
Division Totals	4.00	4.50	4.50

*continued*

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

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	2018-19 ADOPTED	2019-20 ADOPTED	2020-21 ADOPTED
<b>Aquatics Center</b>			
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	6.00	6.00	6.00
<b>Hargraves Center</b>			
Recreation Supervisor	1.00	1.00	1.00
Assistant Recreation Supervisor	1.00	1.00	1.00
Recreation Specialist	1.50	1.80	1.80
Recreation Assistant	1.50	1.00	1.00
Division Totals	5.00	4.80	4.80
<b>Community Cultural Arts</b>			
Recreation Supervisor	1.00	0.00	0.00
Festivals & Event Technician	1.00	0.00	0.00
Division Totals	2.00	0.00	0.00
Parks & Recreation Department Totals	56.50	53.80	53.80

<sup>1</sup> One additional Groundskeeper is funded by the Downtown Service District.

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# ***PARKS AND RECREATION***

## ***BUDGET SUMMARY***

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*The adopted budget for Parks & Recreation has a slight overall decrease. The budget includes a 2% increase in health insurance costs, and a 1.2% retirement increase. The slight decrease in operations is due to reductions to fuel and the fleet replacement fund.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 4,813,231	\$ 5,422,411	\$ 5,385,746	\$ 4,725,389	\$ 5,431,413	0.2%
Operating Costs	1,632,158	1,814,196	1,887,353	1,812,120	1,802,741	-0.6%
Capital Outlay	5,831	-	-	-	-	N/A
<b>Total</b>	<b>\$ 6,451,220</b>	<b>\$ 7,236,607</b>	<b>\$ 7,273,099</b>	<b>\$ 6,537,509</b>	<b>\$ 7,234,154</b>	<b>0.0%</b>

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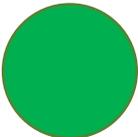
### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
General Revenues	\$ 5,083,631	\$ 5,806,027	\$ 5,818,519	\$ 5,470,565	\$ 5,757,144	-0.8%
Grants	85,656	83,760	107,760	107,760	83,760	0.0%
Charges for Services	1,258,519	1,342,820	1,342,820	956,684	1,388,750	3.4%
Other Revenues	23,414	4,000	4,000	2,500	4,500	12.5%
<b>Total</b>	<b>\$ 6,451,220</b>	<b>\$ 7,236,607</b>	<b>\$ 7,273,099</b>	<b>\$ 6,537,509</b>	<b>\$ 7,234,154</b>	<b>0.0%</b>

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# PARKS & RECREATION

## Performance Measures

 <p>CONNECTED COMMUNITY</p>  <p>VIBRANT &amp; INCLUSIVE COMMUNITY</p>  <p>ENVIRONMENTAL STEWARDSHIP</p>	<p><b>Strategic Objectives</b></p> <ul style="list-style-type: none"> <li>➤ Use contracted services to maintain community space.</li> <li>➤ Use employees to maintain community space.</li> <li>➤ Maintain community space in an attractive and timely manner</li> <li>➤ Provide community use of Town recreation facilities</li> <li>➤ Offer exceptional recreational and cultural programs to the community</li> <li>➤ Planning and Facility Development</li> </ul>
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Core Business Program	Performance Measure	FY18 Actual	FY19 Actual	FY20 Estimate	FY21 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	16	16	16
	Number of acres contracted for the Library	4	4	4	4
	Number of Acres maintained per employee	22	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
	Mowing Frequency of Contracted Right of Way mowing	14	14	14	14
Recreation Programming	Field rentals - number of rentals	2,163	2,275	1,804	600
	Field rentals - revenue	\$331,215	393,795	367,056	122,000
	Field rentals - attendance	166,002	181,717	117,728	39,000
	Shelter rentals - number of rentals	276	365	181	60
	Shelter rentals - revenue	\$11,756	14,914	8,239	2,700
	Shelter rentals - attendance	11,618	14,223	6,936	2,300
	Pool rentals - number of rentals	4,959	5,336	3,233	1,000
	Pool rentals - revenue	161,414 <sup>1</sup>	176,029	113,454	37,818
	Pool rentals - attendance	20,256	18,072	13,036	1,000

<sup>1</sup> Changed from vendor contracted swim lessons to vendor pool rental in 2018

	Other Indoor Rentals - number of rentals for meeting rooms, gyms and auditorium	115 <sup>2</sup>	163	216	75
	Other Indoor Rentals - revenue	\$13,358	18,294	18,273	6,000
	Other Indoor Rentals - attendance	6,178	6,173	7,799	2,600
	Number of programs offered	771 <sup>3</sup>	970	1,132	400
	Percentage of programs completed	80%	80%	70%	80%
	Number of registered participants in all programs	7,025	7,243	8,005	2,000
	Number of waitlisted participants in all programs	1,498	1,540	1,228	100
	Number of drop-in participants in all programs	38,678	37,119	20,370	5,000
Administration	Department and Co-hosted events - number of events held (New)	*	19	7	5
	Department and Co-hosted events - number of attendees/participants (New)	*	2,183	1152	500
Planning and Facility Development	Complete the Inclusive Playground Project (Design Only)	20%	30%	30%	60%
	Complete the Homestead Park Soccer Field Project	10%	100%	N/A	N/A
	Complete the Cedar Falls Tennis Court Project (Design only)	10%	30%	30%	60%
	Complete the Bolin Creek Trail Project (Coal Ash area)	*	80%	100%	N/A
	Complete the Tanyard Branch Trail	80%	99%	100%	N/A
	Complete the Morgan Creek Trail - Western Extension to Carrboro (Design only)	10%	30%	30%	60%
	Complete the Morgan Creek Bridge - Eastern Extension to Oteys Rd (Design only)	10%	20%	30%	60%

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

<sup>2</sup> No longer counting additional facilities associated in facility tree

<sup>3</sup> Revised methodology for calculating activities (remove duplicates of drop-in, etc.)

***PARKS & RECREATION - Administration Division***  
***BUDGET SUMMARY***

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*The adopted budget for the Administration division reflects an overall expenditure increase of 0.5% from the 2019-2020 budget. The 0.9% decrease in personnel costs due to turnover. A 1.2% retirement increase and a 2% increase in health insurance costs somewhat offsets employee turnover. The operating budget has an increase of 6.9% due to a slight increase in space rental and fleet use charges.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 825,284	\$ 958,144	\$ 958,479	\$ 953,701	\$ 949,177	-0.9%
Operating Costs	251,794	216,314	230,239	222,812	231,215	6.9%
<b>Total</b>	<b>\$ 1,077,078</b>	<b>\$ 1,174,458</b>	<b>\$ 1,188,718</b>	<b>\$ 1,176,513</b>	<b>\$ 1,180,392</b>	<b>0.5%</b>

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***PARKS & RECREATION - Special Events***  
***BUDGET SUMMARY***

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*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.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Operating Costs	12,134	-	5,175	-	-	N/A
Total	\$ 12,134	\$ -	\$ 5,175	\$ -	\$ -	N/A

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***PARKS & RECREATION - Parks Maintenance***  
***BUDGET SUMMARY***

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*The adopted budget for the Parks Maintenance division reflects an overall expenditure decrease of 2.2% from last year's budget. The 0.7% decrease in personnel costs reflects employee turnover. This is slightly offset by a 1.2% retirement increase and a 2% increase in health insurance costs. The 6.5% decrease in operating costs is due to a decrease in vehicle fuel costs and fleet use charges.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 1,680,417	\$ 1,836,390	\$ 1,799,390	\$ 1,658,742	\$ 1,823,550	-0.7%
Operating Costs	593,790	650,952	695,952	678,229	608,962	-6.5%
Capital Outlay	5,831	-	-	-	-	N/A
<b>Total</b>	<b>\$ 2,280,038</b>	<b>\$ 2,487,342</b>	<b>\$ 2,495,342</b>	<b>\$ 2,336,971</b>	<b>\$ 2,432,512</b>	<b>-2.2%</b>

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**PARKS & RECREATION - Athletics**  
**BUDGET SUMMARY**

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*The adopted budget for the Athletics division reflects an overall expenditure increase of 2.8% from the 2019-20 budget. The 0.3% increase in personnel costs reflects a 2% increase in health insurance costs and a 1.2% retirement increase. The 6.2% increase in operating costs is attributed to an increase in water and sewer usage associated costs.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 486,211	\$ 525,111	\$ 525,111	\$ 503,420	\$ 526,917	0.3%
Operating Costs	302,801	395,077	379,587	386,478	419,396	6.2%
Total	\$ 789,012	\$ 920,188	\$ 904,698	\$ 889,898	\$ 946,313	2.8%

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***PARKS & RECREATION - Community Center***  
***BUDGET SUMMARY***

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*The adopted budget for the Community Center division reflects an overall expenditure decrease of 1.5% from the 2019-20 budget. The 0.2% increase in personnel costs reflects a 2% increase in health insurance costs and a 1.2% retirement increase. The 7.2% decrease in operating costs can be attributed to a decrease in projected electricity usage.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 478,891	\$ 533,866	\$ 534,106	\$ 492,006	\$ 534,703	0.2%
Operating Costs	123,678	148,974	152,828	139,993	138,217	-7.2%
<b>Total</b>	<b>\$ 602,569</b>	<b>\$ 682,840</b>	<b>\$ 686,934</b>	<b>\$ 631,999</b>	<b>\$ 672,920</b>	<b>-1.5%</b>

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***PARKS & RECREATION - Aquatics***  
***BUDGET SUMMARY***

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*The adopted budget for the Aquatics division reflects an overall expenditure increase of 0.7% from last year's budget. The 0.5% increase in personnel costs reflects a 2% increase in health insurance costs and a 1.2% retirement increase. The 1.5% increase in due to a minor increase in electricity usage.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 831,243	\$ 940,914	\$ 940,914	\$ 603,331	\$ 945,189	0.5%
Operating Costs	245,561	269,113	277,766	262,872	273,094	1.5%
Total	\$ 1,076,804	\$ 1,210,027	\$ 1,218,680	\$ 866,203	\$ 1,218,283	0.7%

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***PARKS & RECREATION - Hargraves***  
***BUDGET SUMMARY***

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*The adopted budget for the Hargraves division reflects an overall expenditure increase of 2.9% from the 2019-20 budget. The 3.8% increase in personnel costs reflects a 2% increase in health insurance costs and a 1.2% retirement increase. The 1.4% decrease in operating costs can be attributed to costs associated with business meetings and trainings.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 511,185	\$ 627,986	\$ 627,746	\$ 514,189	\$ 651,877	3.8%
Operating Costs	102,400	133,766	145,806	121,736	131,857	-1.4%
Total	\$ 613,585	\$ 761,752	\$ 773,552	\$ 635,925	\$ 783,734	2.9%

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# CHAPEL HILL PUBLIC LIBRARY

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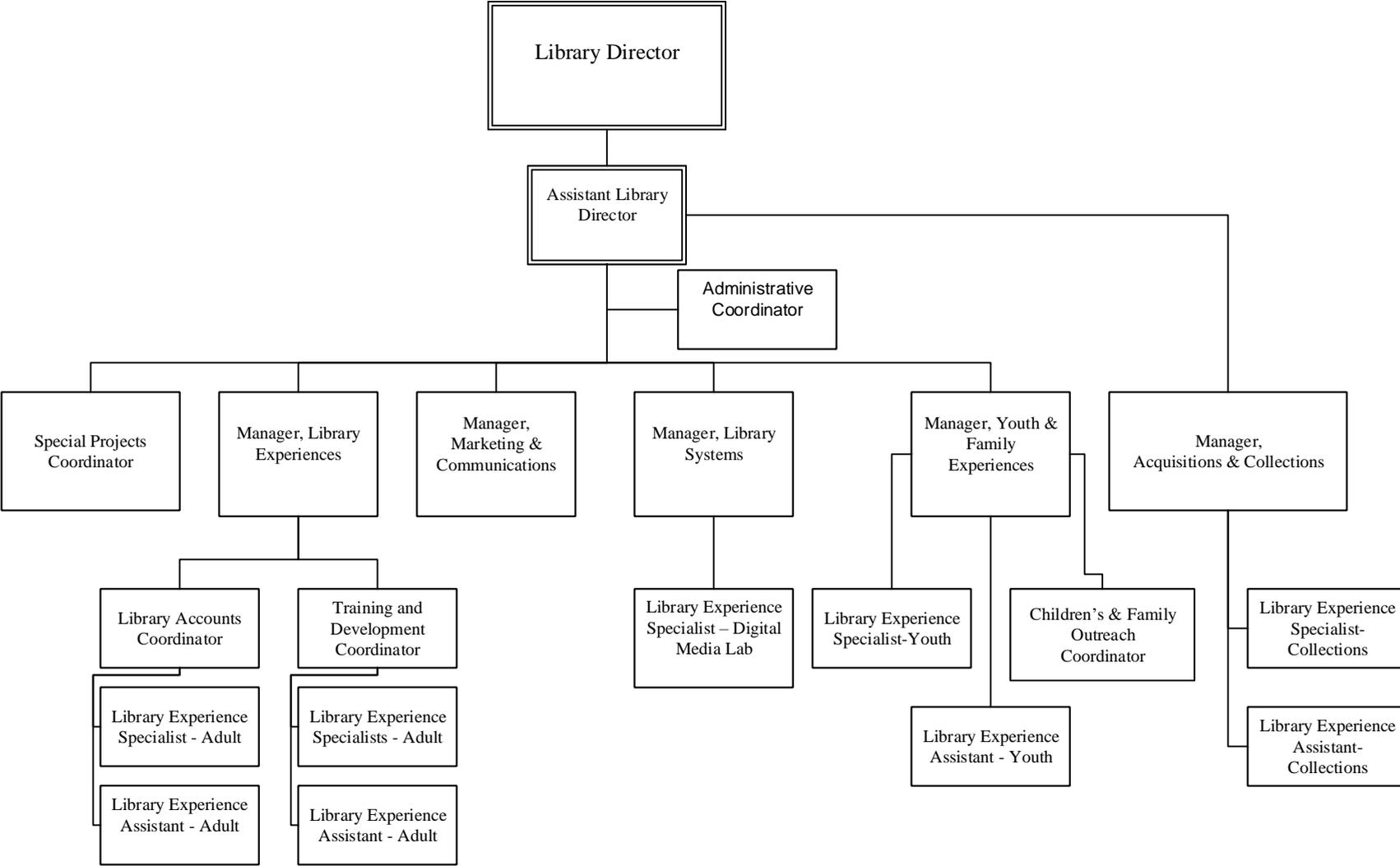
## MISSION STATEMENT:

*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 2020-21.

Program	Description
<b>Collection Management</b>	Collect, curate, and make accessible library materials in a wide variety of formats that respond to community interests, publishing trends, and community demographics.
<b>Circulation</b>	Circulate both physical and digital materials throughout the community. Continually increase discovery of materials and decrease barriers to access.
<b>Customer Service</b>	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.
<b>Cultural &amp; Community Programs</b>	Offer programs for all ages at the library and in the community. Focus on literacy, arts & culture, local history, technology, and civic engagement.
<b>Serve as a Place for Everyone</b>	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***

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	2018-19 ADOPTED	2019-20 ADOPTED	2020-21 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	0.00
Project Coordinator	0.00	0.00	1.00
Training Coordinator	1.00	1.00	0.00
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	0.00
Administrative Analyst	0.00	0.00	1.00
Library Experience Specialist	6.00	7.00	6.00
Library Experience Assistant	12.16	11.66	12.16
Library Systems Manager	1.00	1.00	1.00
Learning and Development Coordinator	0.00	0.00	1.00
Environmental Education	0.00	0.00	0.50
Marketing & Communications Manager	1.00	1.00	1.00
Division Total	30.16	30.66	30.66
<b>Public Arts</b>			
Public Arts Administrator	1.00	0.00	0.00
Public Arts Coordinator	1.00	1.00	1.00
Marketing & Communications Coordinator	0.00	1.00	1.00
Division Total	2.00	2.00	2.00
<b>Community Cultural Arts</b>			
Recreation Supervisor	0.00	0.00	0.00
Festival & Events Technician	0.00	0.00	0.00
Special Events Coordinator	0.00	1.00	1.00
Administrative Assistant	0.00	1.00	1.00
Division Total	0.00	2.00	2.00
Library Department Total	32.16	34.66	34.66

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# **LIBRARY**

## **BUDGET SUMMARY**

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*The adopted budget for the Library reflects an overall expenditure decrease of 3.9% from the 2019-20 budget. The 2.7% decrease in personnel is the result of employee turnover. This is somewhat offset by a 2% increase in health insurance costs and a 1.2% retirement increase. In addition, the operating budget has decreased due to various reductions in software, circulation materials, and cuts in the community arts and culture division (\$100,000).*

*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 2020-21.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2018-19</b>
Personnel	\$ 2,528,849	\$ 2,935,860	\$ 2,928,210	\$ 2,719,543	\$ 2,857,069	-2.7%
Operating Costs	860,180	886,744	960,211	933,444	815,849	-8.0%
<b>Total</b>	<b>\$ 3,389,029</b>	<b>\$ 3,822,604</b>	<b>\$ 3,888,421</b>	<b>\$ 3,652,987</b>	<b>\$ 3,672,918</b>	<b>-3.9%</b>

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### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2018-19</b>
General Fund	\$ 2,569,923	\$ 2,988,390	\$ 3,024,207	\$ 2,842,728	\$ 2,908,279	-2.7%
Grants	595,645	595,639	595,639	595,639	595,639	0.0%
Charges for Services	126,714	134,575	134,575	109,520	76,000	-43.5%
Licenses/Permits/Fines	823	-	-	100	-	N/A
Other Revenues	50,924	59,000	89,000	60,000	48,000	-18.6%
Transfers/Other Sources	45,000	45,000	45,000	45,000	45,000	0.0%
<b>Total</b>	<b>\$ 3,389,029</b>	<b>\$ 3,822,604</b>	<b>\$ 3,888,421</b>	<b>\$ 3,652,987</b>	<b>\$ 3,672,918</b>	<b>-3.9%</b>

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# LIBRARY

## Performance Measures

	<p><b>Strategic Objectives</b></p> <ul style="list-style-type: none"> <li>➤ Leverage technology to provide great customer experience</li> <li>➤ Provide skills-based and customer-focused staff training opportunities</li> <li>➤ Provide programming for all ages</li> <li>➤ Expand efforts to support educational success and life-long learning</li> <li>➤ Provide meeting rooms for external groups</li> <li>➤ Provide a desirable space for the community</li> <li>➤ Provide a positive user experience with library services</li> <li>➤ Meet community demand for physical and digital library materials</li> <li>➤ Select materials efficiently that are desirable to the community</li> <li>➤ Increase community usage of library collections</li> <li>➤ Provide community access to library resources</li> </ul>
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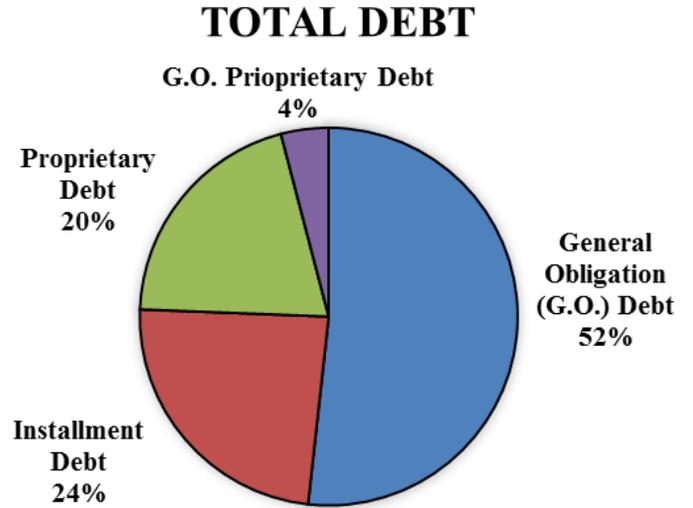
Core Business Program	Performance Measure	FY18 Actual	FY19 Actual	FY20 Estimate	FY21 Target
Customer Service	Transactions at self-serve or virtual points (checkouts, including renewals)	85%	91%	92%	90%
	Provide quarterly customer service training opportunities for all staff members	*	met	met	meet
Cultural and Community Programs for All Ages	Programs offered per 1,000 capita - greater than or equal to state average (state average FY18 = 14.3)	16.5	16.1	10.3	2
	Number of Summer Reading Program registered participants	3,305	3,459	1,818	2,000
Serve as a Place for Everyone	Number of events held in library meeting rooms for functions not sponsored, organized or initiated by the library.	2,233	1,995	1,394 (notes)	0
	Library visits per capita greater than state average (state average FY18 = 3.06)	11.85	9.35	6.54	0
	Percentage of surveyed attendees who would recommend the program to a friend	79.0%	70.3%	78.6%	75%
Collection Development & Management	Average hold list wait time (days) of the physical materials collection	*	49.1	40	45
	Circulation per registered borrower greater than state average (state average FY18 = 8.88)	30.0	23.5	25.3	23
	Cost per circulation less than state average (state average FY18 = \$4.37)	\$2.21	\$2.07	\$1.79	\$2.05
Circulation	Circulation per hour open greater than state average (state average FY18 = 50.8)	441.4	444.3	479.83	440
	Percentage of population that are registered users greater than state average (state average FY18 = 65.6%)	86%	110%	95.9%	90%

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

## ***DEBT SERVICE FUND***

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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, 2020, the Town had about \$67 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 November 2019, the Town sold \$9.505 million of G.O. refunding bonds to pay off the remaining 2010 Build America Bonds that were issued for the library expansion. The refunding bonds sold at a very competitive interest rate of 1.42% resulting in net present value savings of \$784,954.

In April 2018, the Town closed on \$12.5 million of 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 bonds 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.

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 and 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%.

		Long-Term Debt June 30, 2020
<b>Governmental Debt</b>		
General obligation debt	\$	30,851,000
Limited Obligation Bonds		6,570,000
Installment debt		7,655,000
Separation allowance		5,342,000
Compensated absences		<u>2,834,000</u>
<b>Total</b>	<b>\$</b>	<b><u>53,252,000</u></b>
<b>Proprietary Fund Debt</b>		
Enterprise Funds		
General obligation debt	\$	2,430,000
Limited Obligation Bonds		5,735,000
Installment debt		4,641,000
Compensated absences		783,000
Internal Service Funds		
Motor vehicle equipment		63,000
Compensated absences		<u>39,000</u>
<b>Total</b>	<b>\$</b>	<b><u>13,691,000</u></b>

# DEBT & BOND RATINGS

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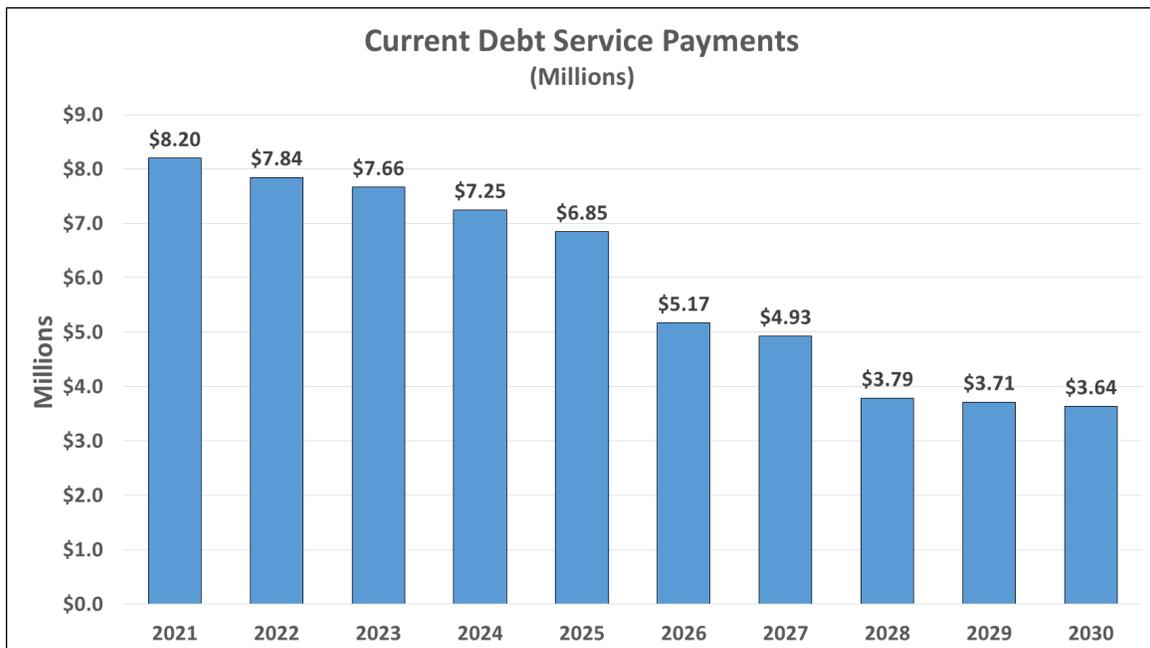
In February 2013, the Town sold \$3.05 million of G.O. refunding bonds. The refunding bonds sold at a very competitive interest rate of 2.02% resulting in net present value savings of \$158,563.

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%.

## Current Debt Obligations

The Town has a rapid pay-down of existing debt with 87% 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)*

# ***DEBT & BOND RATINGS***

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## **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, 2020, and the balance of the authority remaining is shown in the following table.

<b>BOND ORDER</b>	<b>AUTHORITY</b>	<b>ISSUED</b>	<b>BALANCE</b>
Affordable Housing	\$ 10,000,000	\$ 0	\$ 10,000,000
<b>Total</b>	<b>\$ 10,000,000</b>	<b>\$ 0</b>	<b>\$ 10,000,000</b>

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, 2020, and the balance of authority remaining are shown in the following table.

<b>BOND ORDER</b>	<b>AUTHORITY</b>	<b>ISSUED</b>	<b>BALANCE</b>
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
<b>Total</b>	<b>\$ 40,300,000</b>	<b>\$ 21,500,000</b>	<b>\$ 18,800,000</b>

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.

- Phase II of the Ephesus Fordham public improvements is currently wrapping up the planning stage and getting ready for construction. The estimated cost of the project is about \$6.8 million. The amount of the borrowing will be reduced by the NCDOT reimbursement of \$400,000 that the Town received for the construction of Ephesus Fordham Phase I for a total of \$6.4 million. It is expected that the project will be financed in spring 2021.
- The Town is currently in the planning process for several affordable housing projects including: 2200 Homestead Road, a mixed-income residential community, redevelopment of Trinity Court, a public housing community, and partnerships with local non-profits for affordable housing opportunities for a total of \$5 million. It is expected that these projects will be financed in 2022.

# ***DEBT & BOND RATINGS***

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- 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 2022.

## **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.

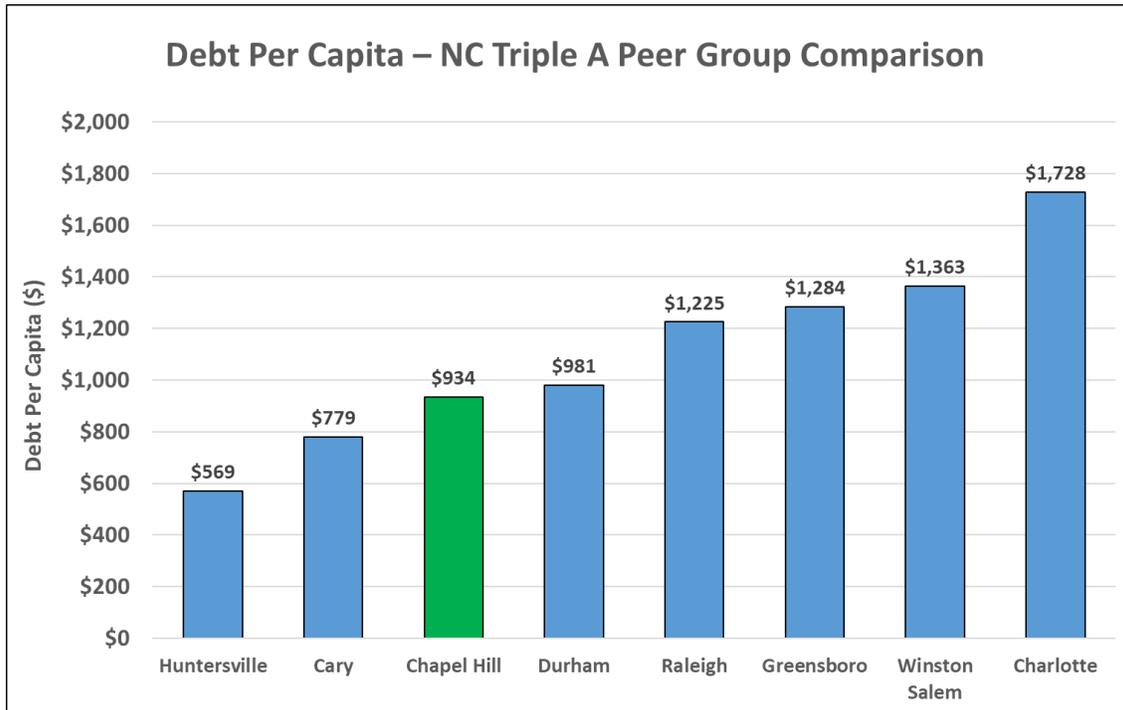
As of June 30, 2020 the Town had \$33,281,000 in outstanding G.O. Bonds that apply to this limit. The total is less than 1% of the Town’s June 30, 2020 tax base (\$8.358 billion).

## **Debt Benchmarks**

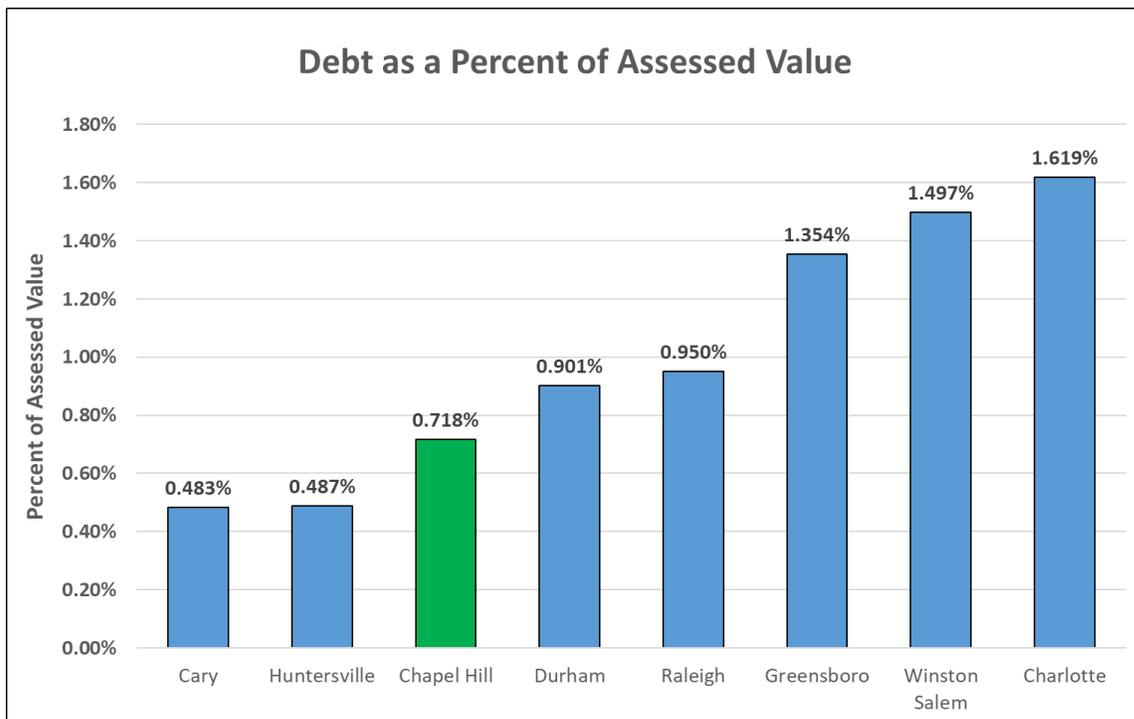
The Town’s annual General Fund G.O. bond and installment financing debt service cost for FY 21 is about \$7.19 million, or about 10.85% of the adopted General Fund budget. As a percentage of adopted governmental funds budgets (Debt Management Fund and General Fund), debt service costs are about 9.78%. 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 9.8% and 13.6% 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 Towns 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.

# 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 6/30/2019, Department of State Treasurer, Division of State and Local Government Finance.)



(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 6/30/2019, Department of State Treasurer, Division of State and Local Government Finance.)

# ***DEBT & BOND RATINGS***

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## **Bond Ratings**

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

<b>Moody's</b>	<b>AAA</b>
<b>Standard &amp; Poor's</b>	<b>AAA</b>

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 FY2020-21 continues the dedicated Debt Service Fund tax rate of 9.8 cents, which is expected to generate \$8.23 million in revenues in FY2020-21.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Principal Payments	\$ 5,845,000	\$ 5,572,000	\$ 5,572,000	\$ 5,572,000	\$ 5,224,000	-6.2%
Interest Expense	2,412,252	2,189,064	2,092,683	2,092,041	1,965,646	-10.2%
Bond Issuance Costs	-	-	146,177	135,350	-	N/A
Contribution to Reserve	305,171	2,084,368	2,034,572	2,034,572	2,143,185	2.8%
<b>Total</b>	<b>\$ 8,562,423</b>	<b>\$ 9,845,432</b>	<b>\$ 9,845,432</b>	<b>\$ 9,833,963</b>	<b>\$ 9,332,831</b>	<b>-5.2%</b>

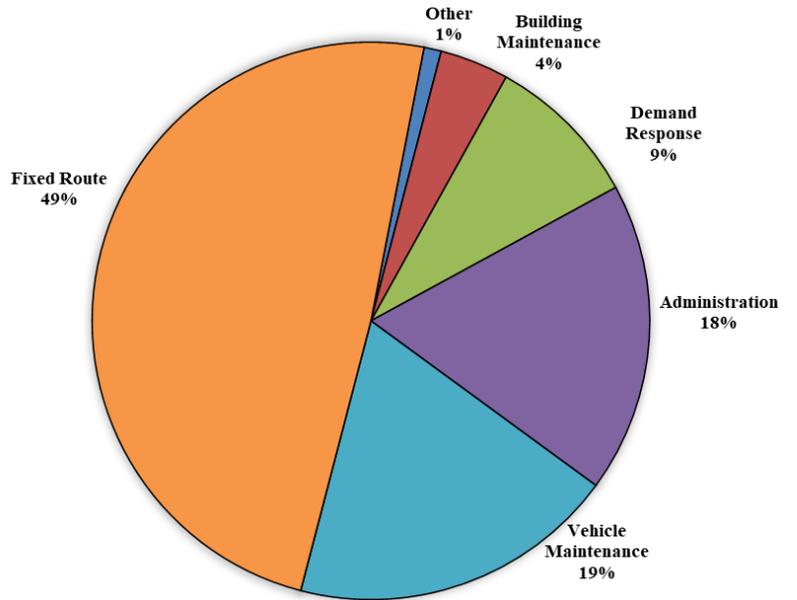
### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Property Taxes	\$ 6,725,427	\$ 8,150,000	\$ 8,150,000	\$ 8,163,000	\$ 8,243,000	1.1%
Transfer from Off-Street Parking	914,631	905,332	905,332	905,332	914,831	1.0%
Transfer from General Fund	445,100	445,100	445,100	445,100	-	-100.0%
BABS Interest Subsidy	170,449	170,000	170,000	122,138	-	-100.0%
Interest Income	306,816	175,000	175,000	198,393	175,000	0.0%
<b>Total</b>	<b>\$ 8,562,423</b>	<b>\$ 9,845,432</b>	<b>\$ 9,845,432</b>	<b>\$ 9,833,963</b>	<b>\$ 9,332,831</b>	<b>-5.2%</b>

# TRANSIT FUND

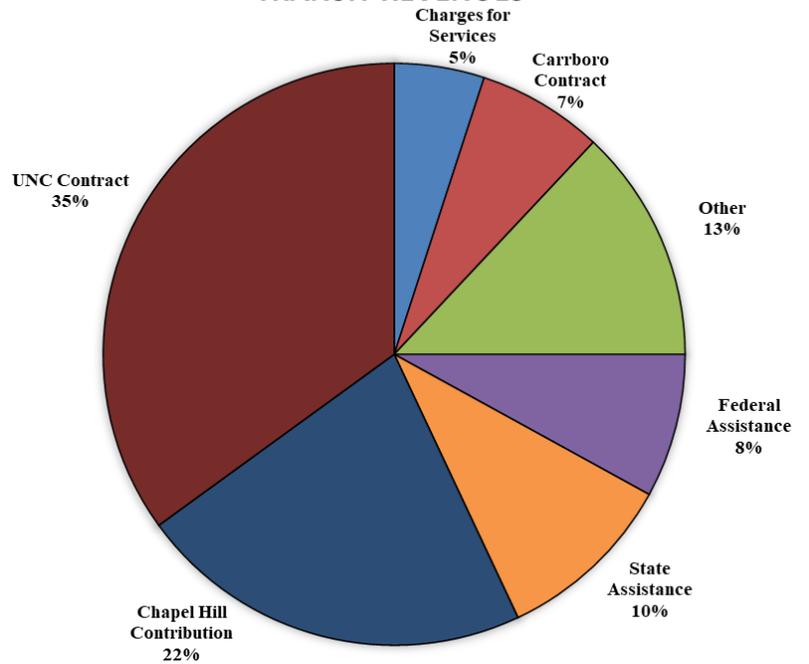
The Transit Fund is used to account for the operations of the Town's public transit system.

## TRANSIT EXPENDITURES



Total \$25,196,757

## TRANSIT REVENUES



# TRANSIT

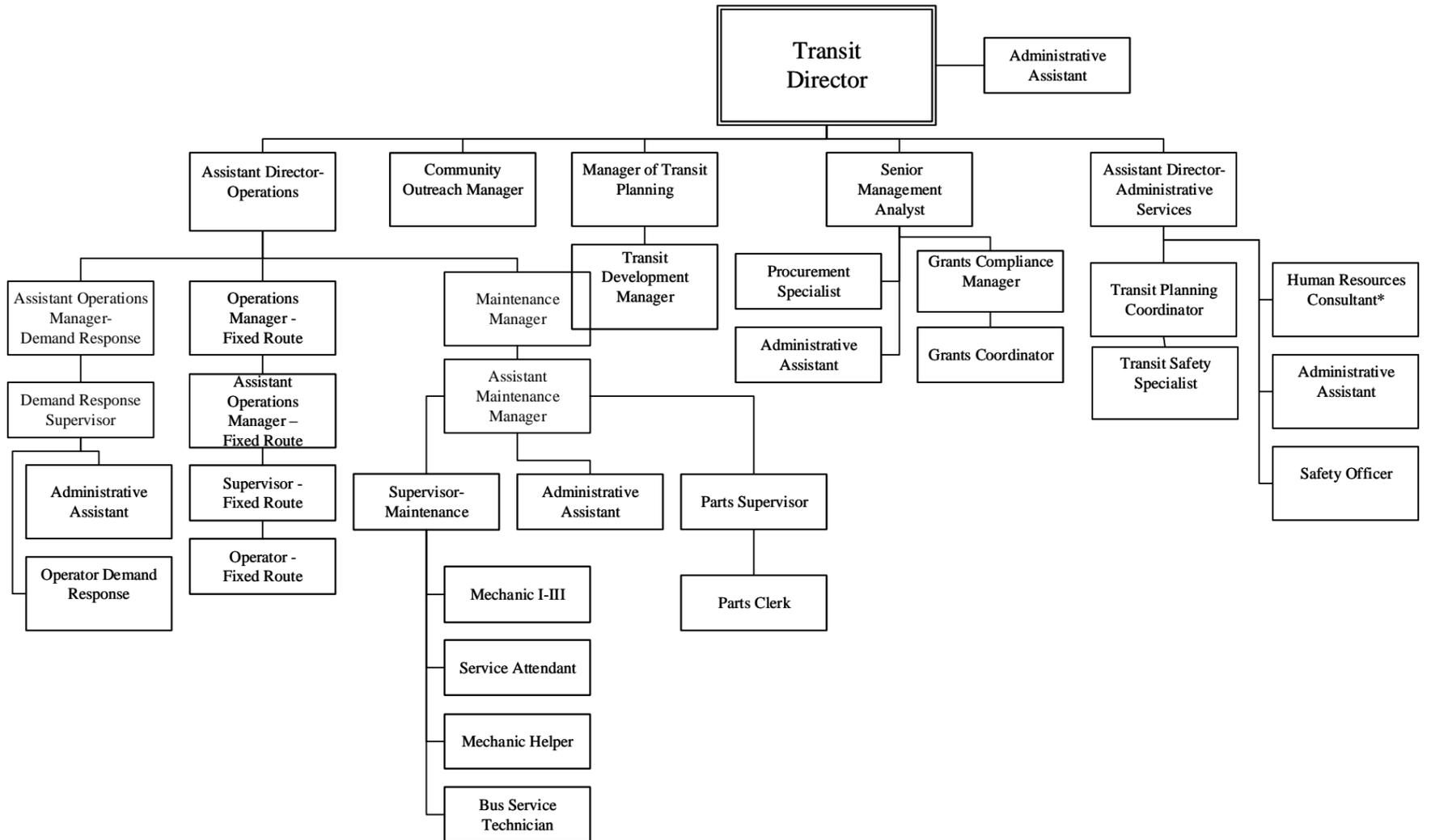
## MISSION STATEMENT:

*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 2020-21.

Program	Description
<b>Fixed-Route Bus Service</b>	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.
<b>Demand-Response Service</b>	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.
<b>Maintenance</b>	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.)
<b>Administration and Finance</b>	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.
<b>Transit Advertising</b>	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***

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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.)

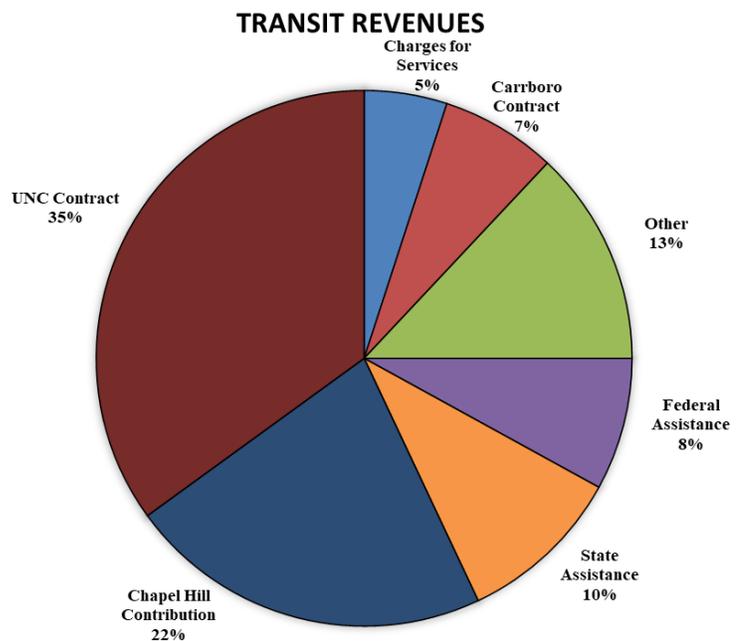
The adopted budget for the Transit Fund for fiscal year 2020-21 totals about \$25.2 million, an increase of 1.6% from 2019-20. Below is a description of the major revenue sources for the Transit Fund and the pie chart below shows the major revenue sources for fiscal year 2020-21. Please note that due 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 remain flat from 2019-20 levels at \$1.96 million. Additional operating grants will be sought for 2020-21 as opportunities arise, and will be added to the budget through amendment if awarded.

### **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 2019-20 is expected to be almost \$3.7 million, about \$1.4 million more than budgeted, with an adopted 2020-21 budget amount of \$2.6 million. The increase can be attributed to the increase in State Maintenance Assistance Program (SMAP) funding of \$947,000.



# TRANSIT FUND

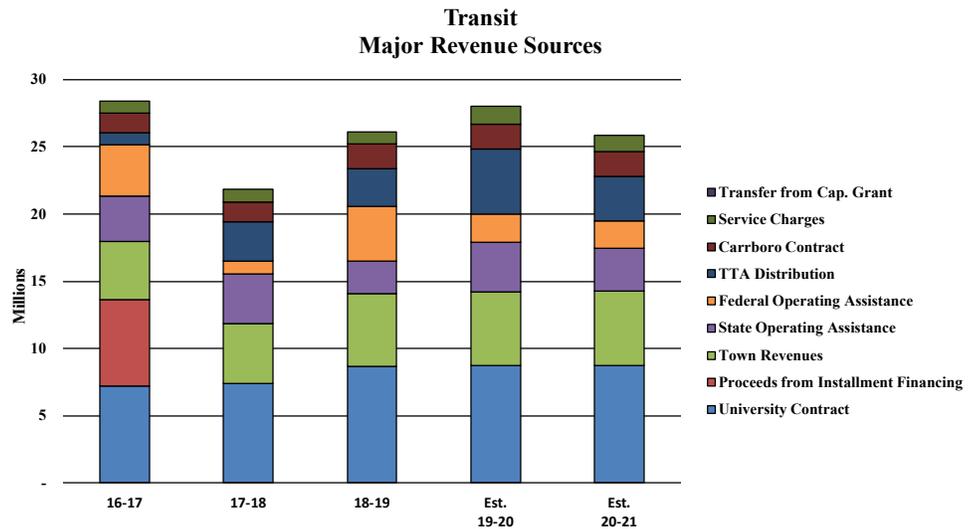
## Major Revenue Sources - Descriptions and Estimates

### 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 \$8.57 million in 2018-19 and \$8.72 million in 2019-20. UNC's allocation for 2020-21 remains flat at \$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 2019-20 was about \$1.84 million and the budget for 2020-21 remains flat at \$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 2020-21 is about \$5.56 million. Also included in Town revenues are interest income and \$450,000 for vehicle license fees.

# ***TRANSIT FUND***

## ***Major Revenue Sources - Descriptions and Estimates***

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### **Park and Ride Fees**

The adopted budget for 2020-21 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 2020-21 adopted budget includes fee revenues of \$95,000.

Other revenues expected for the system include about \$306,000 in fares for the Tar Heel Express and other special events, and about \$375,000 in services for Triangle Transit Authority.

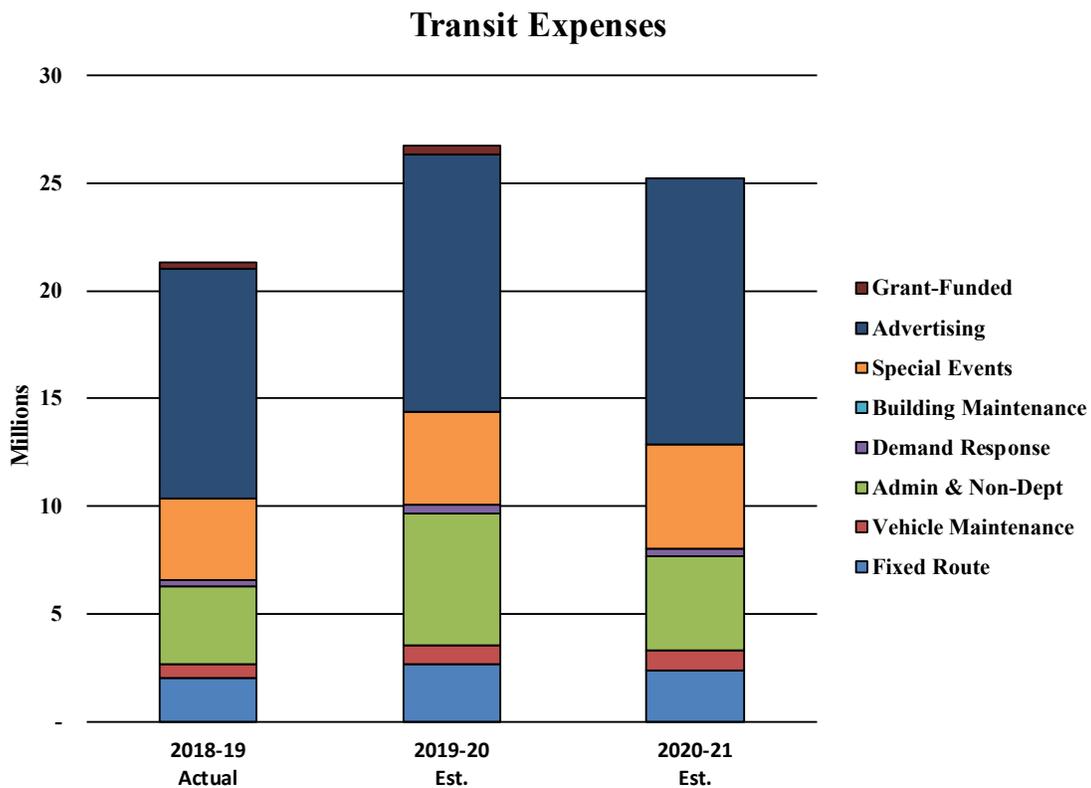
### **Fund Balance**

The Transit system expects to add approximately \$1.3 million to fund balance in 2019-20. The 2020-21 adopted budget was balanced with no appropriation of fund balance.

# TRANSIT FUND

## Major Expenditures - Descriptions and Estimates

The adopted budget for Transit for 2020-21 continues fare free services for fixed routes in the system and totals \$25.2 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 \$5.8 million.



Expenditures for 2020-21 include a 2% health insurance cost increase and a 1.2% retirement increase. There is \$184,800 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***

	2018-19 ADOPTED	2019-20 ADOPTED	2020-21 ADOPTED
<b>Administration</b>			
Director-Transportation	1.00	1.00	1.00
Assistant Director-Transportation	1.00	1.00	1.00
Assistant Director - Admin Services	1.00	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	0.00	0.00
Grants Coordinator	1.00	1.00	1.00
Procurement Specialist	1.00	1.00	1.00
Transit Services Planner	1.00	1.00	1.00
Administrative Assistant	4.00	3.00	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	1.00	1.00
Division Totals	15.00	14.00	14.00
<b>Operations</b>			
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	1.00	1.00
Administrative Assistant	2.00	2.00	2.00
Division Totals	155.29	156.29	156.29
<b>Equipment Maintenance</b>			
Maintenance Manager	1.00	1.00	1.00
Assistant Maintenance Manager	1.00	1.00	1.00
Mechanic Supervisor	3.00	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	5.00	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 increased 16.7%. This is slightly offset by a decrease in advertising revenues. The 2020-21 adopted budget also includes revenues from the partners including the Town of Carrboro and the University of North Carolina at Chapel Hill. Cost increases include a 1.2% retirement increase and a 2% increase in health insurance costs.

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Admin & Non-Dept	\$ 3,627,142	\$ 4,119,754	\$ 6,236,727	\$ 6,136,886	\$ 4,411,585	7.1%
Grant-Funded	294,968	-	442,671	409,556	-	N/A
Fixed Route	10,682,917	12,313,207	12,799,098	11,938,835	12,335,149	0.2%
Demand Response	2,019,742	2,310,518	2,872,471	2,665,980	2,345,924	1.5%
Special Events	282,399	340,605	395,980	393,803	312,193	-8.3%
Vehicle Maintenance	3,785,208	4,788,402	4,858,791	4,339,349	4,866,862	1.6%
Building Maintenance	657,713	920,005	1,401,652	842,502	925,044	0.5%
<b>Total</b>	<b>\$ 21,350,089</b>	<b>\$ 24,792,491</b>	<b>\$ 29,007,390</b>	<b>\$ 26,726,911</b>	<b>\$ 25,196,757</b>	<b>1.6%</b>

### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Charges for Services	\$ 738,738	\$ 976,997	\$ 976,997	\$ 1,358,617	\$ 1,174,187	20.2%
Federal Assistance	3,938,230	1,960,178	1,960,178	1,960,178	1,960,178	0.0%
Federal Ops Grants	100,012	63,576	183,457	208,636	-	-100.0%
State Assistance	2,439,178	2,253,325	3,296,103	3,690,857	2,629,698	16.7%
TTA Fees	2,829,635	3,321,849	4,821,954	4,821,954	3,321,849	0.0%
UNC Contract	8,650,740	8,719,868	8,719,868	8,719,868	8,719,868	0.0%
Carrboro Contract	1,808,940	1,835,146	1,835,146	1,835,146	1,835,146	0.0%
Advertising Revenue	184,829	185,000	185,000	-	-	-100.0%
Chapel Hill Revenues	5,436,463	5,476,552	5,476,552	5,505,831	5,555,831	1.4%
Appropriated Fund Balance	(4,776,676)	-	1,552,135	(1,374,176)	-	N/A
<b>Total</b>	<b>\$ 21,350,089</b>	<b>\$ 24,792,491</b>	<b>\$ 29,007,390</b>	<b>\$ 26,726,911</b>	<b>\$ 25,196,757</b>	<b>1.6%</b>

# TRANSIT

## Performance Measures

	<p><b>Strategic Objectives</b></p> <ul style="list-style-type: none"> <li>➤ Maintain favorable productivity levels.</li> <li>➤ Demand response services will be on time (arriving within the 20 minute pick-up window) at least 90 percent of the time.</li> <li>➤ 100% of scheduled weekday and weekend Demand Response (DR) service will be placed into service.</li> <li>➤ Keep the rate of demand response accidents at three or fewer per 100,000 miles.</li> <li>➤ Keep the rate of demand response preventable accidents at one or fewer per 100,000 miles.</li> <li>➤ Fixed route services will operate according to published schedules at least 90% of the time</li> <li>➤ 100% of scheduled weekday and weekend Fixed Route Response (FR) service will be placed into service</li> <li>➤ 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</li> <li>➤ Keep the rate of fixed route accidents at three or fewer per 100,000 miles.</li> <li>➤ Keep the rate of preventable fixed route accidents at one per 100,000 miles.</li> <li>➤ Comply with preventative maintenance schedule for all vehicles at least 90% of the time.</li> <li>➤ Maintain a Fixed Route and Demand Response fleet age that is within industry standards in compliance with federal recommendations</li> </ul>
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Core Business Program	Performance Measure	FY18 Actual	FY19 Actual	FY20 Estimated	FY21 Target
Demand – Response Service	Number of passengers per mile in demand response paratransit service	0.22	0.20	0.21	0.21
	Cost per hour for demand response paratransit services	\$63.77	65.78	65.85	65.85
	On-time performance percentage	91%	89%	89%	91%
	Scheduled weekday/weekend DR service placed into service on time	100%	100%	100%	100%
	Demand Response accidents per 100,000 miles	1.77	1.23	1.25	1.25
	Preventable demand response accident per 100,000 miles	0.35	0.25	0.25	0.25
Fixed - Route Bus Service	Number of passengers per mile in fixed route transit service	3.33	3.68	3.15	3.7
	Cost per hour for fixed route services	\$88.54	\$96.61	\$97.11	\$97.21
	Percentage of on-time performance	79%	78%	75%	85%

	Scheduled weekday/weekend FR service placed into service on time	97.5%	98%	97%	98%
	Complaints per 100,000 fixed route trips	6.54	6.33	7.27	6.50
	Fixed Route accidents per 100,000 miles	3.14	3.09	3.15	3.15
	Preventable Fixed Route accident per 100,000 miles	1.78	1.83	1.89	1.80
Maintenance	Number of service miles between road calls that may interrupt (DR)	32,840	31,433	30,051	31,500
	Number of service miles between road calls that may interrupt (FR)	11,258	10,789	11,118	11,250
	Compliance with preventative maintenance percentage	95%	97%	98%	98%
Administration and Finance	Passengers per Revenue Hour (DR)	2.57	2.38	1.98	2.15
	Passengers per Revenue Hour (FR)	37.71	40.40	36.41	37.50
	Passengers per Revenue Mile (DR)	0.22	0.20	0.18	0.19
	Passengers per Revenue Mile (FR)	3.33	3.67	3.16	3.25
	Average age of fleet vehicle (DR)	5.90	6.12	3.77	4.91
	Average age of fleet vehicle (FR)	8.25	8.33	8.52	8.25

## ***TRANSIT - ADMINISTRATION DIVISION***

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**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***

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*The adopted budget for 2020-21 includes a 7.1% increase to the overall budget. Personnel has increased by 2.2% due to a 1.2% retirement increase and a 2% increase in health insurance costs.*

*Operating costs have remained relatively unchanged.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 1,543,984	\$ 1,719,379	\$ 1,613,379	\$ 1,595,007	\$ 1,757,309	2.2%
Operating Costs	1,867,205	2,400,375	3,065,758	2,987,535	2,403,386	0.1%
Transfer to Capital Grant	-	-	3,246	-	-	N/A
Transfer to Capital Reserve	250,890	-	-	-	250,890	N/A
Capital Outlay	(34,937)	-	1,554,344	1,554,344	-	N/A
<b>Total</b>	<b>\$ 3,627,142</b>	<b>\$ 4,119,754</b>	<b>\$ 6,236,727</b>	<b>\$ 6,136,886</b>	<b>\$ 4,411,585</b>	<b>7.1%</b>

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***TRANSIT - Grants***  
***BUDGET SUMMARY***

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*As of the time of the recommended budget, there were no planned grant related expenditures for 2020-21.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 46,189	\$ -	\$ 72,000	\$ 72,000	\$ -	N/A
Operating Costs	248,779	-	370,671	337,556	-	N/A
Total	\$ 294,968	\$ -	\$ 442,671	\$ 409,556	\$ -	N/A

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## ***TRANSIT- OPERATIONS DIVISION***

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**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***

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*The adopted budget reflects a 0.2% increase in overall costs. Employee turnover has led personnel expenses to remain relatively flat. There is a 2% increase in health insurance costs and a 1.2% increase in retirement costs.*

*There is an increase of 1.9% in operating costs due to an increase in diesel fuel usage and telephone maintenance.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 8,031,246	\$ 9,234,369	\$ 8,705,814	\$ 8,391,400	\$ 9,197,467	-0.4%
Operating Costs	2,651,671	3,078,838	3,020,372	2,984,523	3,137,682	1.9%
Capital Outlay	-	-	1,072,912	562,912	-	N/A
<b>Total</b>	<b>\$ 10,682,917</b>	<b>\$ 12,313,207</b>	<b>\$ 12,799,098</b>	<b>\$ 11,938,835</b>	<b>\$ 12,335,149</b>	<b>0.2%</b>

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***TRANSIT - Demand Response***  
***BUDGET SUMMARY***

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*The adopted budget for Demand Response division has a 1.5% increase over the 2019-20 budget. Personnel expenditures experienced a 2% health insurance increase and a 1.2% increase in retirement costs. The 1.3% increase in operating are due to increases to cellular phones and gasoline usage.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 1,567,436	\$ 1,656,470	\$ 1,711,470	\$ 1,715,263	\$ 1,683,668	1.6%
Operating Costs	452,306	654,048	748,498	553,214	662,256	1.3%
Capital Outlay	-	-	412,503	397,503	-	N/A
<b>Total</b>	<b>\$ 2,019,742</b>	<b>\$ 2,310,518</b>	<b>\$ 2,872,471</b>	<b>\$ 2,665,980</b>	<b>\$ 2,345,924</b>	<b>1.5%</b>

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## ***TRANSIT - Tarheel Express / Special Events***

### **BUDGET SUMMARY**

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*The adopted budget for Tarheel Express & Special Events in 2020-21 reflects an 8.3% decrease in overall expenditures. There is an 11% decrease in personnel costs due an update in the allocation of health insurance funding to respective divisions within the transportation department.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 228,407	\$ 258,271	\$ 259,146	\$ 305,665	\$ 229,859	-11.0%
Operating Costs	53,992	82,334	136,834	88,138	82,334	0.0%
Total	\$ 282,399	\$ 340,605	\$ 395,980	\$ 393,803	\$ 312,193	-8.3%

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## ***TRANSIT - MAINTENANCE DIVISION***

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**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***

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*The adopted budget for 2020-21 represents a 1.6% increase in expenditures from the 2019-20 fiscal year. The 0.8% increase in personnel costs is due to a 2% increase in health insurance costs and an increase of 1.2% for retirement costs. The increase of 2.9% in operating costs reflects increases to the costs related to vehicle maintenance and repairs.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 2,258,214	\$ 2,600,100	\$ 2,545,475	\$ 2,266,053	\$ 2,615,059	0.6%
Operating Costs	1,514,646	2,168,302	2,291,293	2,053,296	2,231,803	2.9%
Capital Outlay	12,348	20,000	22,023	20,000	20,000	0.0%
<b>Total</b>	<b>\$ 3,785,208</b>	<b>\$ 4,788,402</b>	<b>\$ 4,858,791</b>	<b>\$ 4,339,349</b>	<b>\$ 4,866,862</b>	<b>1.6%</b>

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***TRANSIT - Building Maintenance***  
***BUDGET SUMMARY***

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*The adopted budget for Transit's Building Maintenance division reflects a 0.5% increase overall. The 8.7% decrease in personnel expenditures is due to adjusting the new retiree medical figure to align better with prior year actuals. Operating costs have remained relatively flat.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 5,116	\$ 5,200	\$ 5,200	\$ 5,090	\$ 4,750	-8.7%
Operating Costs	586,293	914,805	1,396,452	837,412	920,294	0.6%
Capital Outlay	66,304	-	-	-	-	N/A
<b>Total</b>	<b>\$ 657,713</b>	<b>\$ 920,005</b>	<b>\$ 1,401,652</b>	<b>\$ 842,502</b>	<b>\$ 925,044</b>	<b>0.5%</b>

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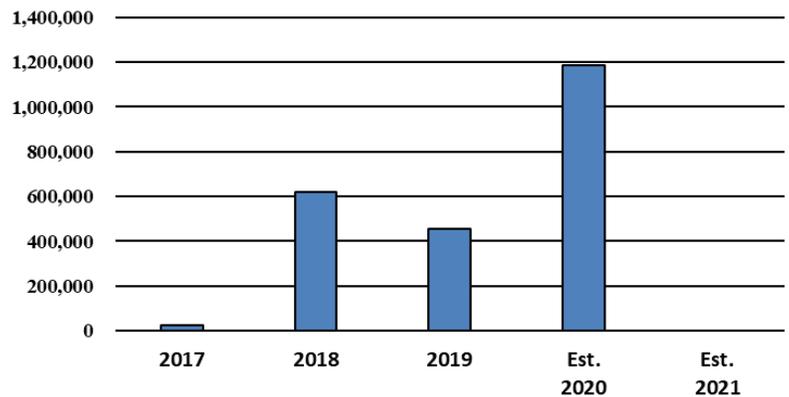
# ***TRANSIT CAPITAL RESERVE FUND***

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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***

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*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 2020-21 are estimates for grants historically received each year, but not yet awarded.*

*The contribution to reserve budgeted for 2020-21 is intended for bus replacement expenditures.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Contribution to Capital Grant Reserve	\$ 456,272	\$ -	\$ 1,186,027	\$ 1,186,027	\$ -	N/A
	-	10,000	10,000	10,000	260,890	2508.9%
<b>Total</b>	<b>\$ 456,272</b>	<b>\$ 10,000</b>	<b>\$ 1,196,027</b>	<b>\$ 1,196,027</b>	<b>\$ 260,890</b>	<b>2508.9%</b>

### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Interest Income	\$ 12,210	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	0.0%
Transfer from Transit Fund	250,890	-	-	-	250,890	N/A
Appropriated Fund Balance	193,172	-	1,186,027	1,186,027	-	N/A
<b>Total</b>	<b>\$ 456,272</b>	<b>\$ 10,000</b>	<b>\$ 1,196,027</b>	<b>\$ 1,196,027</b>	<b>\$ 260,890</b>	<b>2508.9%</b>

# ***TRANSIT CAPITAL GRANT PROJECT ORDINANCES***

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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***

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## **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. Delivery December 2020.

	Project Budget	Estimated Expenditures Through June 30, 2020
2018 Transit Capital Grant	\$1,727,500.00	\$0

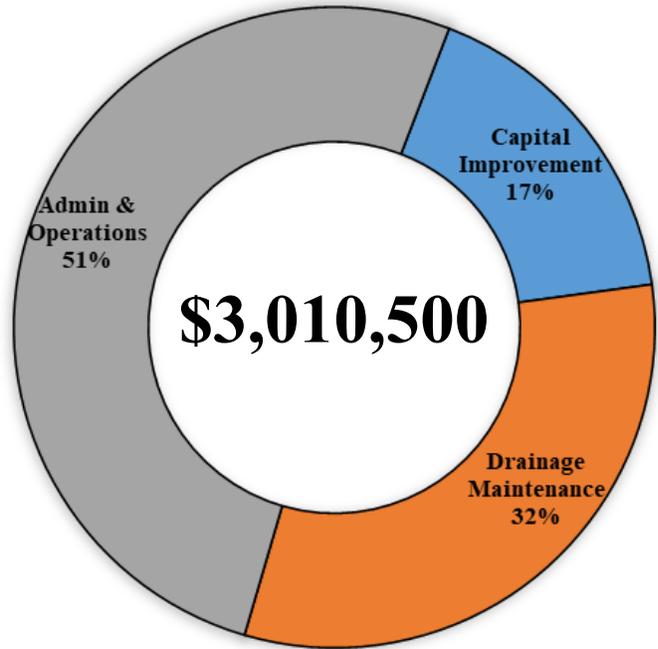


# ***STORMWATER MANAGEMENT FUND***

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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***

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**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 2020-21.

<b>Program</b>	<b>Description</b>
<b>Stormwater Infrastructure</b>	Perform routine maintenance, remedial repairs, and capital improvements to the town-maintained stormwater infrastructure using in-house and contracted resources.
<b>Stormwater Regulatory Compliance</b>	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).
<b>Street Sweeping</b>	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***

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## **Major Revenue Sources – Descriptions and Estimates**

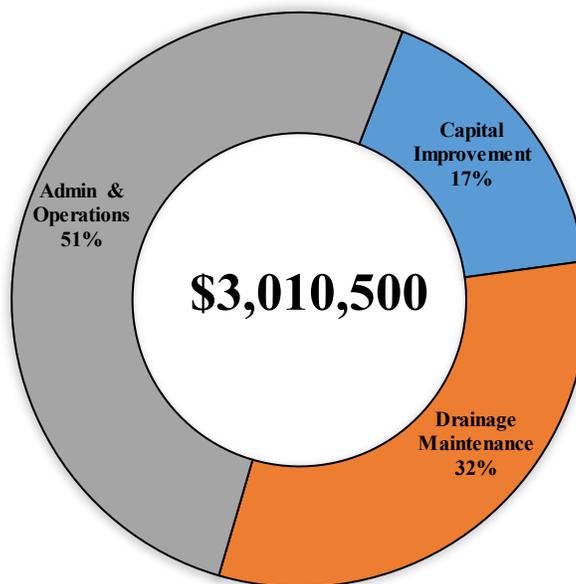
In order to continue to enhance stormwater management services currently provided by the Town, and to implement stormwater management activities necessary to comply with State and federal regulations, the Town established a Stormwater Management Fund in 2004-05. Stormwater management activities are funded by a fee charged to property owners based on the amount of impervious surface area on a property. The adopted budget maintains the fee of \$34.97 for each 1,000 square feet of impervious surface. At this rate, fees are estimated at about \$3 million in 2020-21. In the current year, the budget is expected to be balanced with \$3.15 million in fund balance. For 2020-21, the budget is balanced without the use of fund balance.

## **Major Expenditures and Estimates**

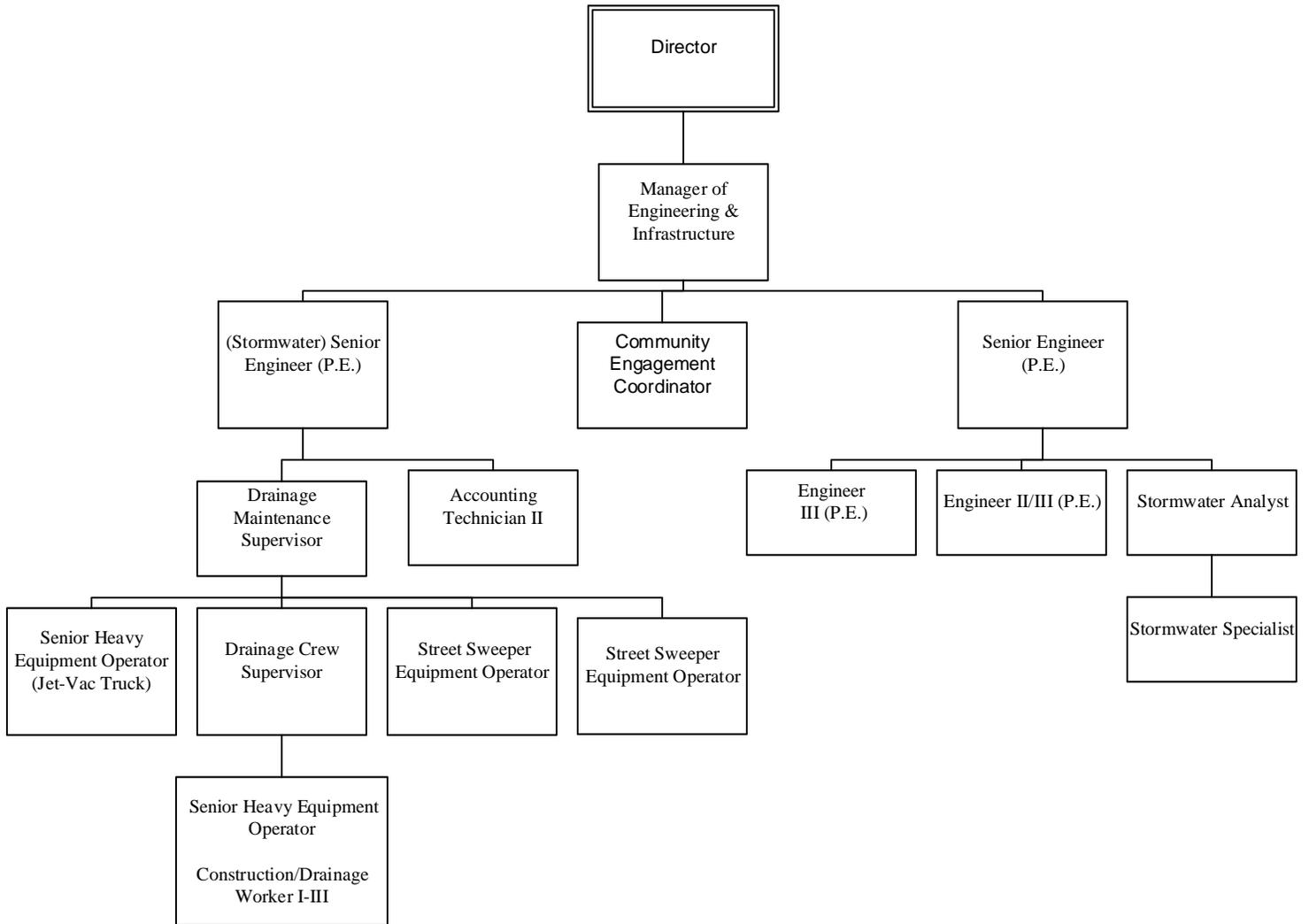
The budget for 2020-21 totals \$3,010,500. This is an 1.5% increase compared to FY20 due to a 2% health insurance increase and a 1.2% retirement rate increase. \$223,594 is in the adopted budget for the debt payment related to the G.O. bond issuance. Approximately \$211,000 is budgeted for capital reserve.

As indicated in the chart below, 32% of the 2020-21 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***

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	<b>2018-19 ADOPTED</b>	<b>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>
<b>Stormwater</b>			
Senior Engineer	1.50	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>8.05</u>	<u>8.05</u>	<u>8.05</u>
<b>Drainage</b>			
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><u>15.05</u></u>	<u><u>15.05</u></u>	<u><u>15.05</u></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***

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*The adopted budget for 2020-21 includes the continuation of existing services. The 0.2% increase in personnel expenditures includes a 1.2% retirement increase and a 2% increase in health insurance costs. Operating costs increased due to increases in contractual services. The budget for capital reserve has decreased by roughly \$30,000.*

*The budget is balanced without the use of fund balance.*

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### **EXPENDITURES**

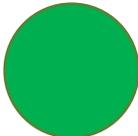
	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 1,103,583	\$ 1,402,696	\$ 1,355,996	\$ 1,238,953	\$ 1,406,046	0.2%
Operating Costs	816,603	1,014,403	2,067,620	2,006,534	1,089,210	7.4%
Capital Outlay	627,885	310,744	3,320,957	2,913,403	303,994	-2.2%
Capital Reserve	837,291	237,272	197	-	211,250	-11.0%
<b>Total</b>	<b>\$ 3,385,362</b>	<b>\$ 2,965,115</b>	<b>\$ 6,744,770</b>	<b>\$ 6,158,890</b>	<b>\$ 3,010,500</b>	<b>1.5%</b>

### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Stormwater Fees	\$ 2,892,066	\$ 2,954,115	\$ 2,954,115	\$ 3,000,000	\$ 3,000,000	1.6%
Fee Exemption	(10,244)	(10,500)	(10,500)	(11,900)	(12,000)	N/A
Transfer from General Fund	10,245	10,500	10,500	11,900	12,000	14.3%
Interest Income	59,666	3,000	3,000	3,922	3,000	0.0%
Other Income	9,753	8,000	8,000	7,500	7,500	-6.3%
Revenue in Lieu	423,876	-	-	-	-	N/A
Appropriated Fund Balance	-	-	3,779,655	3,147,468	-	N/A
<b>Total</b>	<b>\$ 3,385,362</b>	<b>\$ 2,965,115</b>	<b>\$ 6,744,770</b>	<b>\$ 6,158,890</b>	<b>\$ 3,010,500</b>	<b>1.5%</b>

# STORMWATER

## Performance Measures

 ENVIRONMENTAL STEWARDSHIP	<b>Strategic Objectives</b> <ul style="list-style-type: none"> <li>➤ Initiate 100% of investigations of reported pollution (sedimentation, illicit discharge) events within 24 hours of receipt.</li> <li>➤ Confirm that 20% of project sites subject to the NPDES regulation have had a certified post-construction inspection each year, with the goal of having all sites inspected every five years.</li> <li>➤ Sweep streets downtown twice weekly, major streets once weekly, and check and clean residential streets as needed once every six to eight weeks</li> </ul>
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Core Business Program	Performance Measure	FY18 Actual	FY19 Actual	FY20 Estimate	FY21 Target
Stormwater Regulatory Compliance	Percent of investigations of reported pollution initiated within 24 hours of notification	*	97%	100%	100%
	Percent of sites inspected annually	*	20%	37%	20%
Stormwater Infrastructure	Percent of development plan reviews completed by assigned deadline (in coordination with Planning)*	*	*	83% <sup>1</sup>	100%
Street Sweeping	Percent of time downtown streets were swept according to schedule (twice per week)	95%	95%	95%	100%
	Percent of time major streets were swept according to schedule (once per week)	89%	95%	85%	100%
	Percent of time residential streets were swept according to schedule (once every seven weeks)	92%	80%	70%	100%

\* Past fiscal year data was not reported because Public Works staff was completing an internal review of data and identified improvements needed to ensure high quality data.

<sup>1</sup> The development plan review tracking system for Stormwater was tested throughout the year, improvements were made and it was finalized in March 2020. Data reported is from March – June 2020. Data reported includes plan reviews submitted one day after the assigned deadline, in order to account for plans that required meetings or additional coordination with Planning.

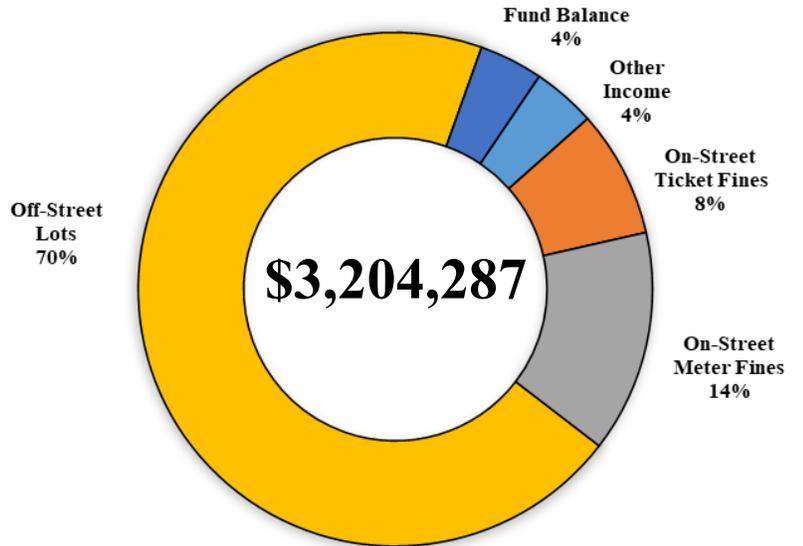


# ***PARKING SERVICES***

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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***

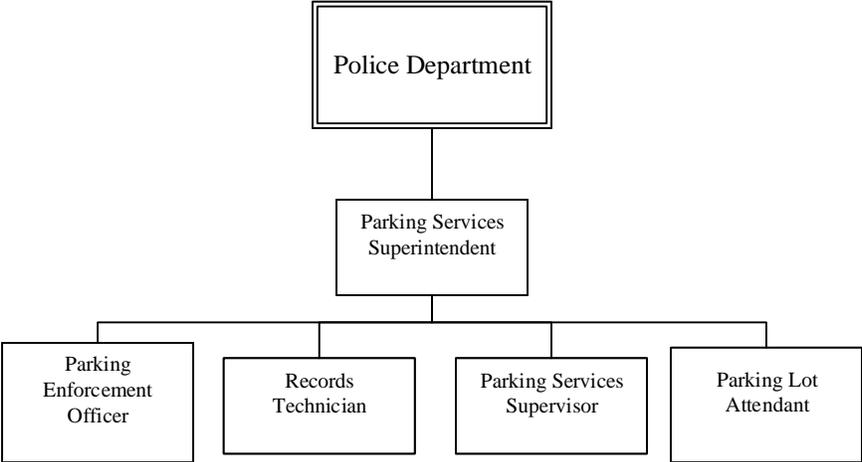
**MISSION STATEMENT:**

*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 2019-20.

<b>Program</b>	<b>Description</b>
<b>On-Street Parking</b>	Maintain on-street parking inventory, parking meters and pay-stations. Collect meter revenue and monitor utilization and meter/pay station maintenance.
<b>Off-Street Parking</b>	Maintain off-street parking inventory including the Wallace Parking Deck. Manage hourly, monthly and special event parking and revenue control.
<b>Parking Enforcement</b>	Enforce the Town's parking ordinances in the Downtown and permit parking areas. Collect ticket revenue and administer appeal process.
<b>Parking Administration and Parking Permit Programs</b>	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***

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## **Major Revenue Sources – Descriptions and Estimates**

The Off-Street Parking Fund, with an adopted budget of \$2,422,787 for 2020-21, 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 \$720,000, or 30% of total off-street parking revenues, is budgeted from the James Wallace Deck and \$450,000, or 19%, is budgeted from the Rosemary/Columbia Street lot. The deck at 140 West is budgeted to generate about \$268,500 in 2020-21.

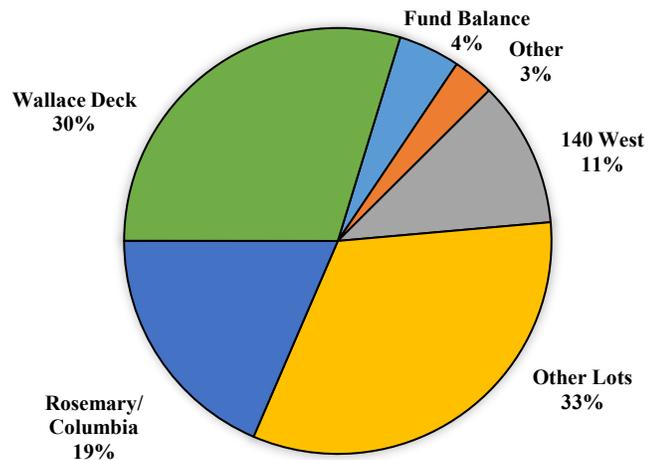
The On-Street Parking Fund, with a adopted budget for 2020-21 of \$781,500, has two major revenue sources: parking meter fees and parking ticket fines. Meter fees are estimated to generate about \$455,000 and parking ticket fines about \$265,000 in 2020-21.

## **Major Expenditures and Estimates**

The primary expenditure of the Off-Street Parking Fund is the cost of personnel to manage the lots (approximately \$475,000). The budget of \$2,422,787 includes a 2% 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 \$460,000. The budget of \$781,500 includes a 2% health insurance increase and a 1.2% increase in retirement.

**OFF-STREET PARKING REVENUES**



***PARKING SERVICES***  
***STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

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	<b>2018-19 ADOPTED</b>	<b>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>
Superintendent-Parking Services	1.00	0.00	0.00
Supervisor-Parking Services	1.00	1.00	1.00
Assistant Parking Services Supervisor	1.00	1.00	1.00
Parking Enforcement Officer	3.00	3.00	3.00
Records Technician	1.80	1.80	1.80
Parking Attendant	2.00	2.00	2.00
Community Services Planner	0.00	1.00	1.00
Parking Fund Totals	9.80	9.80	9.80

Note: Parking Services is supervised by the Police Chief

# ***PARKING SERVICES BUDGET SUMMARY***

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*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.*

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## **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
On-Street Parking	\$ 712,441	\$ 707,239	\$ 707,239	\$ 651,807	\$ 781,500	10.5%
Off-Street Parking	2,025,155	2,203,622	2,497,868	1,900,036	2,422,787	9.9%
<b>Total</b>	<b>\$ 2,737,596</b>	<b>\$ 2,910,861</b>	<b>\$ 3,205,107</b>	<b>\$ 2,551,843</b>	<b>\$ 3,204,287</b>	<b>10.1%</b>

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## **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
On-Street Parking	\$ 712,441	\$ 707,239	\$ 707,239	\$ 651,807	\$ 781,500	10.5%
Off-Street Parking	2,025,155	2,203,622	2,497,868	1,900,036	2,422,787	9.9%
<b>Total</b>	<b>\$ 2,737,596</b>	<b>\$ 2,910,861</b>	<b>\$ 3,205,107</b>	<b>\$ 2,551,843</b>	<b>\$ 3,204,287</b>	<b>10.1%</b>

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## ***ON-STREET PARKING BUDGET SUMMARY***

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*The adopted budget for On-Street Parking represents a 10.5% increase over the fiscal year 2020-21 budget. There is a slight increase in personnel for Enforcement. This is mainly due to the 2% health insurance increase a 1.2% retirement cost increase. Personnel for meters also experienced an increase for the same reasons.*

*There is no fund balance appropriation in Fiscal Year 2020-21.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Enforcement:						
Personnel	\$ 339,983	\$ 377,973	\$ 374,973	\$ 380,479	\$ 377,199	-0.2%
Operations	137,370	129,375	131,675	112,879	174,782	35.1%
Capital	25,000	30,000	30,000	-	30,000	0.0%
Meters:						
Personnel	72,473	73,398	73,398	76,322	82,872	12.9%
Operations	111,610	96,493	97,193	82,127	114,993	19.2%
Transfer to Off-Street	26,005	-	-	-	1,654	N/A
<b>Total</b>	<b>\$ 712,441</b>	<b>\$ 707,239</b>	<b>\$ 707,239</b>	<b>\$ 651,807</b>	<b>\$ 781,500</b>	<b>10.5%</b>

### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Parking Meter Fees	\$ 482,790	\$ 406,000	\$ 406,000	\$ 357,547	\$ 455,000	12.1%
Parking Ticket Fines/Fees	169,148	185,000	185,000	220,868	265,000	43.2%
Interest Income	1,014	500	500	750	500	0.0%
Other Income	101,605	46,500	46,500	53,276	61,000	31.2%
Appropriated Fund Balance	(42,116)	69,239	69,239	19,366	-	-100.0%
<b>Total</b>	<b>\$ 712,441</b>	<b>\$ 707,239</b>	<b>\$ 707,239</b>	<b>\$ 651,807</b>	<b>\$ 781,500</b>	<b>10.5%</b>

## **OFF-STREET PARKING BUDGET SUMMARY**

Off-Street Parking revenues for the adopted 2020-21 budget reflects an increase of 9.9% from the 2019-20 budget. The budget was balanced with the appropriation of \$111,433 in fund balance.

The overall increase in expenditures for 2020-21 is due to an increase in expenditures to the parking lots. There is a slight increase in personnel costs due to a 1.2% retirement increase and a 2% increase in health insurance costs. Miscellaneous income, involving a mobile parking application, is projected to significantly increase. Revenue projections of multiple lots, including Rosemary, West Rosemary, and Jones Park, are expected to decrease.

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### **EXPENDITURES**

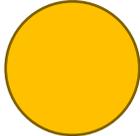
	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
James Wallace Deck	\$ 266,945	\$ 380,143	\$ 280,187	\$ 176,107	\$ 350,560	-7.8%
Parking Lots	684,312	769,751	804,189	626,706	951,668	23.6%
140 West Deck	13,215	70,450	72,172	29,973	53,315	-24.3%
Administration	1,060,683	983,278	1,051,320	1,024,750	1,067,244	8.5%
Wallace Renovation	-	-	290,000	42,500	-	N/A
<b>Total</b>	<b>\$ 2,025,155</b>	<b>\$ 2,203,622</b>	<b>\$ 2,497,868</b>	<b>\$ 1,900,036</b>	<b>\$ 2,422,787</b>	<b>9.9%</b>

### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
James Wallace Deck	\$ 531,817	\$ 665,000	\$ 665,000	\$ 438,189	\$ 720,000	8.3%
Rosemary/Columbia Lot	349,193	415,000	415,000	256,307	450,000	8.4%
415 West Franklin Lot	85,170	102,000	102,000	56,484	76,000	-25.5%
West Rosemary Lot	16,284	21,500	21,500	12,115	15,500	-27.9%
Rosemary/Sunset	64,023	67,500	67,500	49,636	54,000	-20.0%
South Graham Lot	22,718	29,000	29,000	7,078	11,500	-60.3%
West Franklin/Basnight Lot	115,103	117,500	117,500	122,883	124,000	5.5%
427 West Franklin Lot	50,878	52,000	52,000	37,571	52,000	0.0%
Jones Park Lot	8,158	11,000	11,000	11,625	12,000	9.1%
Mallette Lot	40,581	37,000	37,000	50,682	77,200	108.6%
Courtyard Lot	78,464	69,000	69,000	66,662	79,000	14.5%
140 West Deck	245,158	236,500	236,500	186,966	268,500	13.5%
125 East Rosemary	206,600	210,000	210,000	197,573	295,000	40.5%
Interest Income	956	1,500	1,500	-	1,500	0.0%
Miscellaneous Income	37,963	4,500	4,500	49,406	73,500	1533.3%
Transfer from On-Street Parking	26,005	-	-	-	1,654	N/A
Appropriated Fund Balance	146,084	164,622	458,868	356,859	111,433	-32.3%
<b>Total</b>	<b>\$ 2,025,155</b>	<b>\$ 2,203,622</b>	<b>\$ 2,497,868</b>	<b>\$ 1,900,036</b>	<b>\$ 2,422,787</b>	<b>9.9%</b>

# ***PARKING SERVICES***

## Performance Measures

 ECONOMIC & FINANCIAL SUSTAINABILITY	<p><b>Strategic Objectives</b></p> <ul style="list-style-type: none"> <li>➤ Achieve “satisfied” survey rating for “Quality of Parking Downtown” from at least 60% of residents surveyed</li> </ul>
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Core Business Program	Performance Measure	FY18 Actual	FY19 Actual	FY20 Estimate	FY21 Target
On and Off-Street Parking	Achieve “satisfied” survey rating for “Quality of Parking Downtown” in Community Survey	35%	No Data <sup>1</sup>	35%	No Data

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



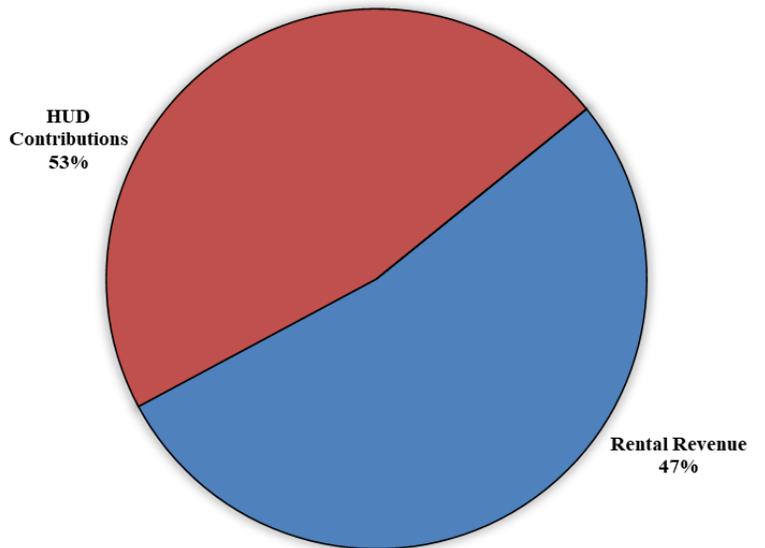
# ***PUBLIC HOUSING FUND***

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

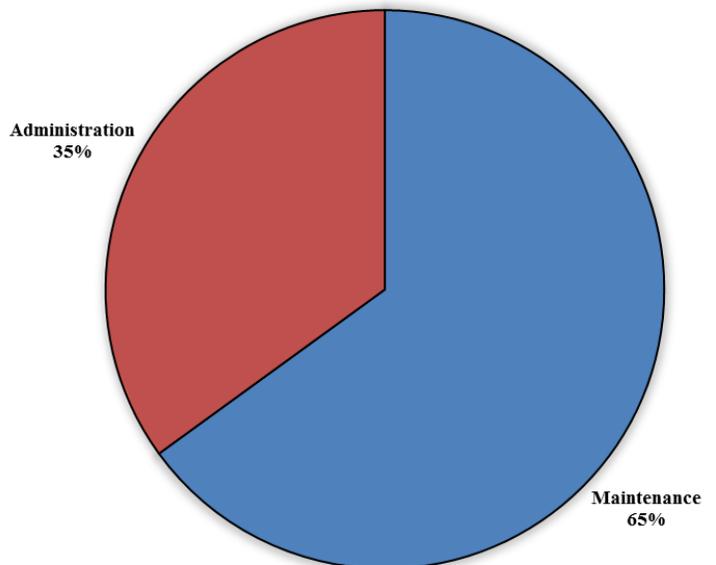
Since those with fewer than 400 units have been exempt each year from HUD's new funding model (AMPs) since 2007-08, we have returned to a simpler budget presentation comprised of Administrative and Maintenance divisions.

## **PUBLIC HOUSING REVENUES**



**Total \$2,176,756**

## **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 2020-21.

<b>Program</b>	<b>Description</b>
<b>Rental Housing for Low-Income Families</b>	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.
<b>Maintenance Services</b>	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.
<b>Resident Services</b>	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***

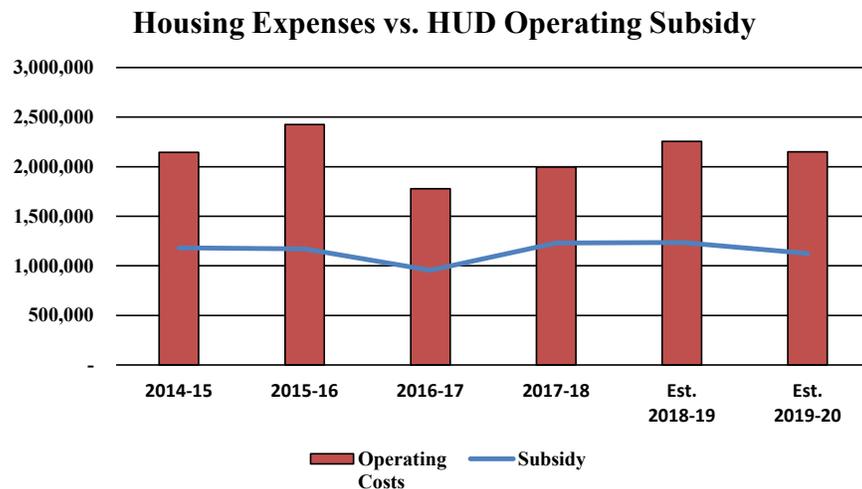
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The Town’s Public Housing program provides for the administration and operation of the Town's 336 public housing units, and is funded primarily through federal grants and rents paid by residents.

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 2020-21 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 2020 but we have no information about calendar 2021. Based on interim allocations, our estimate of HUD’s subsidy for 2019-20 is \$1,374,953, about a 15% increase from the 2018-19 subsidy of \$1,193,827.

The Housing Department estimates dwelling rents, the second largest revenue for the Public Housing Fund, at about \$1,029,048, a slight increase over current year estimates due tenant’s income and subsequent rent requirements.

## ***Major Expenditures and Estimates***

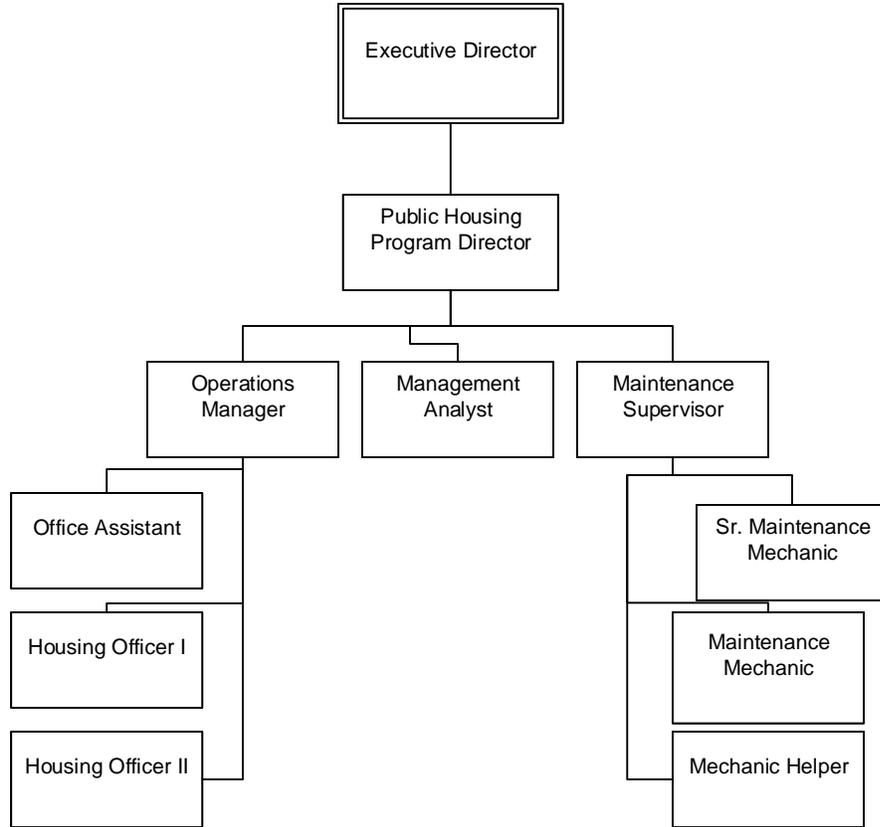
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Major expenditure categories include about \$1,219,220 for salaries and benefits, \$184,700 for utilities, \$100,500 for liability and flood insurance and about \$517,680 for maintenance of the units.

The personnel costs include a 2% increase in health insurance costs and a 1.2% retirement contribution increase.

	2019-20 Original Budget	2020-21 Adopted Budget	% Change from 2019-20
Salary & Benefits - Administration	\$ 499,595	\$ 488,360	-2.2%
Salary & Benefits - Maintenance	744,300	730,860	-1.8%
Maintenance Costs	521,650	517,680	-0.8%
Utilities	192,000	184,700	-3.8%
Liability & Flood Insurance	92,200	100,500	9.0%
Other Expenses	132,715	154,656	16.5%
<b>Total Budget</b>	<b>\$ 2,182,460</b>	<b>\$ 2,176,756</b>	<b>-0.3%</b>

PUBLIC HOUSING FUND



***PUBLIC HOUSING***  
***STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

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	2018-19 ADOPTED	2019-20 ADOPTED	2020-21 ADOPTED
<b>Administration</b>			
Director-Housing	1.00	1.00	1.00
Operations Manager - Housing	1.00	1.00	1.00
Management Analyst	1.00	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
Division Totals	6.00	6.00	6.00
<b>Maintenance</b>			
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

<sup>1</sup> Grant-funded position.

## ***PUBLIC HOUSING BUDGET SUMMARY***

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*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 2020-21 retains a simpler model that includes an Administrative Division and a Maintenance Division.*

*The 1.7% decrease in personnel is the result of a 2% increase in health insurance and a 1.2% retirement increase, which is offset by turnover. The budget for 2020-21 reflects an estimate of the HUD subsidy anticipated for calendar year 2019. The Town anticipates a 1.7% increase in HUD subsidies and a 1.1% increase in rental revenues. Due to these increases, there is no fund balance appropriation in 2020-21.*

### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Revenue Summary						
HUD Contributions	\$ 1,193,827	\$ 1,126,092	\$ 1,126,092	\$ 1,374,953	\$ 1,145,793	1.7%
Rental Revenue	1,017,155	1,017,881	1,017,881	1,028,956	1,029,048	1.1%
Other Revenues	4,820	200	200	41,490	200	0.0%
Interest Income	1,701	1,680	1,680	1,715	1,715	2.1%
Appropriated Fund Balance	-	36,607	48,584	-	-	-100.0%
<b>Total Revenues</b>	<b>\$ 2,217,503</b>	<b>\$ 2,182,460</b>	<b>\$ 2,194,437</b>	<b>\$ 2,447,114</b>	<b>\$ 2,176,756</b>	<b>-0.3%</b>

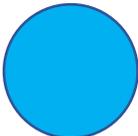
### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 898,295	\$ 1,243,895	\$ 1,218,895	\$ 987,659	\$ 1,216,397	-2.2%
Operating	856,674	938,565	975,542	987,269	949,893	1.2%
Contribution to Reserve	462,534	-	-	472,186	10,466	N/A
<b>Total</b>	<b>\$ 2,217,503</b>	<b>\$ 2,182,460</b>	<b>\$ 2,194,437</b>	<b>\$ 2,447,114</b>	<b>\$ 2,176,756</b>	<b>-0.3%</b>

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# PUBLIC HOUSING

## Performance Measures

 AFFORDABLE HOUSING	<b>Strategic Objectives</b> ➤ To provide decent, safe, and well maintained affordable rental housing for low-income residents
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Core Business Program	Performance Measure	FY18 Actual	FY19 Actual	FY20 Estimate	FY21 Target
Public Housing	1. HUD's PHAS rating	82%	73%	54%	70%
	2. Average number of days to complete a routine work order	*	1.8	4.7	2
	3. % of work orders initiated by residents	*	32%	35%	25%
	4. % of Public Housing units with access/use to free High-Speed Wi-Fi	*	*	*	*
	5. % of work orders initiated by Public Housing Staff	65%	67%	36%	75%
	6. % of vacant units occupied within 20 days or less	54%	0%	0%	50%
	7. Average # of calls received via the after-hour line monthly	25	N/A	80	20
	8. Average number of persons attending a food bank in Public Housing	75	N/A	4,075**	3,000
	9. % of Public Housing Residents employed	45%	45%	39%	40%
	10. % of new admissions homeless at the time of admission	*	17%	33%	40%

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

\* Food bank numbers were very high due to increased food insecurity during COVID-19 pandemic.

***COMMUNITY DEVELOPMENT PROJECT ORDINANCES***  
***U.S. Department of Housing and Urban Development***  
***Community Development Program***  
***Summary of Activities***

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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.

The 2019 project ordinance budgets a grant of \$386,584 for homeownership assistance, housing improvement programs for homeowners, code enforcement, neighborhood revitalization activities, the summer youth employment program, youth counseling services,, and homelessness case management.



# ***CAPITAL PROGRAM***

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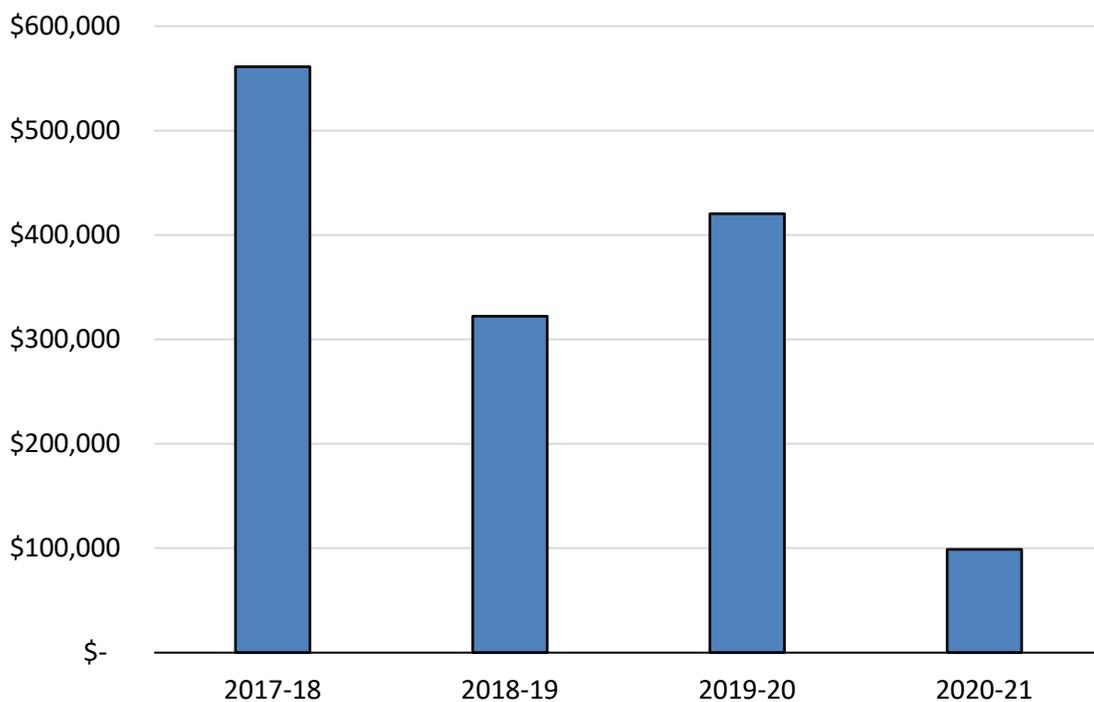
The Capital Program is a 15-year financial plan for the Town’s major capital and infrastructure needs. The program identifies capital needs, establishes priorities and identifies potential funding sources.

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 2020-21 are part of the 2020-21 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  
2017-18 to 2020-21**



# ***CAPITAL PROGRAM – MAJOR REVENUE SOURCES***

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## **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***

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- 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***

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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***

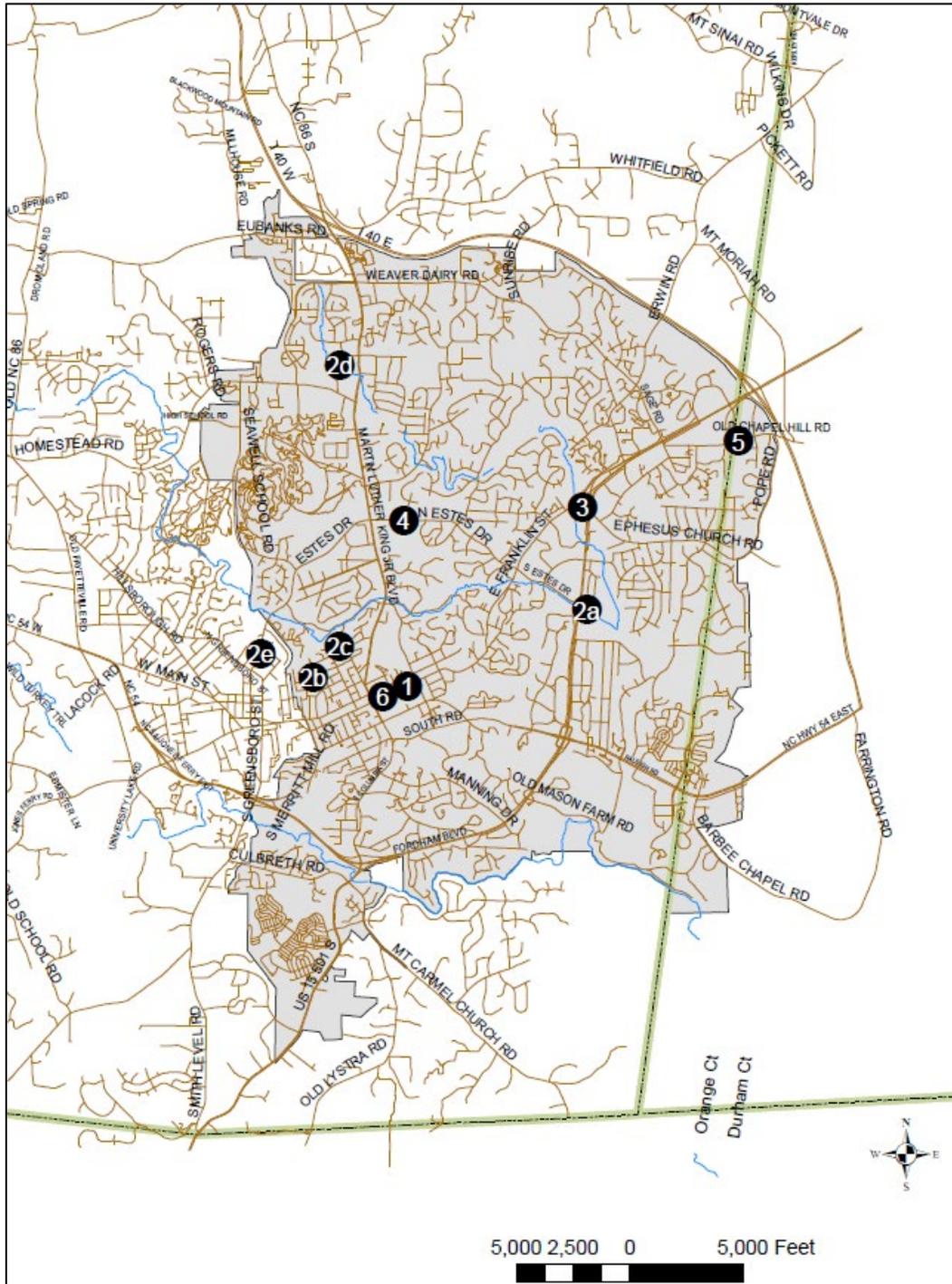
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This section highlights key projects included in the 2020-35 Capital Program. The map on the following page shows project locations.

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***

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## **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***

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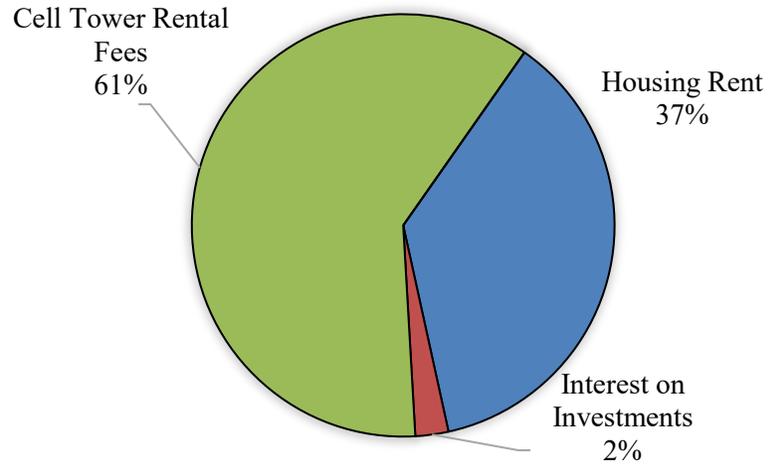
planters, replacing the railing along the stairs down to the Teen Center, installing a new brick-screening wall, constructing an archway and installing brass lettering in the sidewalk on both ends of the Alley with the name of the alley. In Varsity, this consists of replacing lighting, constructing arches 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***

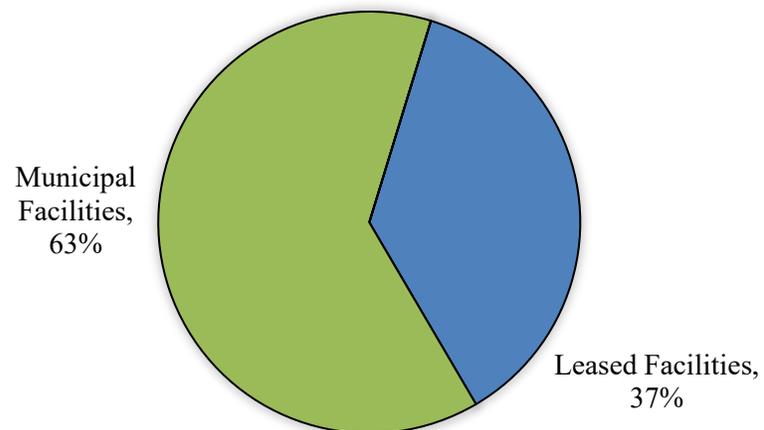
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The Capital Improvements Fund generally accounts for purchases and construction that can be completed within a single year. Capital Improvements Fund (CIP) projects are prioritized as part of the Town's 15-year capital program.

**Capital Improvements Fund Revenues**



**Capital Improvements Fund Expenditures**





# **CAPITAL IMPROVEMENTS FUND**

## **BUDGET SUMMARY**

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*The budget for the Capital Improvements Program for 2020-21 totals \$98,949 and includes projects to be completed in 2020-21. 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. Due to the budgetary impacts of COVID-19, all planned facility maintenance has been deferred in FY21.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>
Municipal Facilities	\$ 545,791	\$ 184,100	\$ 232,500	\$ 232,500	\$ 62,500
Public Safety	326,649	-	-	-	-
Facilities Leased by Others	17,385	36,241	94,187	94,187	36,449
Infrastructure	59,190	100,000	147,375	147,375	-
Communication/Technology	38,084	-	41,916	41,916	-
Parks/Public Use Facilities	243,334	100,000	143,209	143,209	-
<b>Total</b>	<b>\$ 1,230,433</b>	<b>\$ 420,341</b>	<b>\$ 659,187</b>	<b>\$ 659,187</b>	<b>\$ 98,949</b>

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### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>
Housing Rent Proceeds	\$ 33,707	\$ 36,241	\$ 36,241	\$ 36,241	\$ 36,449
Cell Tower Rental Fees	64,118	60,000	60,000	60,000	60,000
Sale of Equipment	210,000	-	-	-	-
Interest on Investments	3,595	2,500	2,500	2,500	2,500
Transfer from General Fund	566,991	321,600	321,600	321,600	-
Appropriated Fund Balance	352,022	-	238,846	238,846	-
<b>Total</b>	<b>\$ 1,230,433</b>	<b>\$ 420,341</b>	<b>\$ 659,187</b>	<b>\$ 659,187</b>	<b>\$ 98,949</b>

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# ***CAPITAL IMPROVEMENTS FUND***

## ***DETAIL EXPENDITURES***

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>
<b>MUNICIPAL OPERATIONS FACILITIES</b>					
Extraordinary Maintenance, Emergency Repairs	\$ 99,430	\$ 100,000	\$ 100,000	\$ 100,000	\$ 62,500
Facilities Maintenance	275,991	84,100	103,448	103,448	-
Town Hall Parking Lot	-	-	6,465	6,465	-
Fire Extraordinary Maintenance	170,370	-	22,587	22,587	-
<b>Subtotal</b>	<b>\$ 545,791</b>	<b>\$ 184,100</b>	<b>\$ 232,500</b>	<b>\$ 232,500</b>	<b>\$ 62,500</b>
<b>PUBLIC SAFETY</b>					
Hamilton Rd. Fire Station	\$ 326,649	\$ -	\$ -	\$ -	\$ -
<b>Subtotal</b>	<b>\$ 326,649</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOWN FACILITIES LEASED BY OTHERS</b>					
Housing Maintenance	\$ 17,385	\$ 36,241	\$ 94,187	\$ 94,187	\$ 36,449
<b>Subtotal</b>	<b>\$ 17,385</b>	<b>\$ 36,241</b>	<b>\$ 94,187</b>	<b>\$ 94,187</b>	<b>\$ 36,449</b>
<b>INFRASTRUCTURE</b>					
Path, Trail and Lot Maintenance	\$ 5,940	\$ 50,000	\$ 97,375	\$ 97,375	\$ -
Curbs / ADA	53,250	50,000	50,000	50,000	-
<b>Subtotal</b>	<b>\$ 59,190</b>	<b>\$ 100,000</b>	<b>\$ 147,375</b>	<b>\$ 147,375</b>	<b>\$ -</b>

***CAPITAL IMPROVEMENTS FUND  
DETAIL EXPENDITURES***

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>
<b>COMMUNICATIONS AND TECHNOLOGY</b>					
General Technology	\$ 38,084	\$ -	\$ 41,916	\$ 41,916	\$ -
<b>Subtotal</b>	<b>\$ 38,084</b>	<b>\$ -</b>	<b>\$ 41,916</b>	<b>\$ 41,916</b>	<b>\$ -</b>
<b>PARKS AND OTHER PUBLIC USE FACILITIES</b>					
Greenways	\$ 5,612	\$ -	\$ 6,997	\$ 6,997	\$ -
Playground Replacement	85,450	100,000	50,000	50,000	-
Cemetery Beautification	105,184	-	-	-	-
Small Park Improvements	47,088	-	86,212	86,212	-
<b>Subtotal</b>	<b>\$ 243,334</b>	<b>\$ 100,000</b>	<b>\$ 143,209</b>	<b>\$ 143,209</b>	<b>\$ -</b>
<b>TOTALS</b>	<b>\$ 1,230,433</b>	<b>\$ 420,341</b>	<b>\$ 659,187</b>	<b>\$ 659,187</b>	<b>\$ 98,949</b>

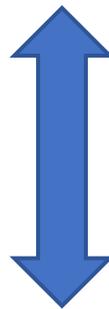
# ***PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS***

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>
<b>2020-21</b>	2021-22	2022-23	2023-24	2024-25	<i>Through 2024-25</i>	<i>Through 2034-35</i>	
\$62,500	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000	\$1,462,500	Capital Improvements Fund

← **Summary of 2020-21 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 2020-21 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total*</i>	<i>Funding Source</i>
<b>2020-21</b>	2021-22	2022-23	2023-24	2024-25	<i>Through 2024-25</i>	<i>Through 2034-35</i>	
\$62,500	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000	\$1,462,500	Capital Improvements Fund

### **Multi-Agency Complex**

Proceeds from the sale of the old Library building at 523 East Franklin Street are going toward the design and other related costs for the planned multi-agency complex. This building will house Town departments.

*Table and Ref #:* Table 2, Ref #51  
*Location:* Various sites  
*Operating Budget Impact:* No Impact

### ***Adopted 2020-21 Budget and Projected Expenditures***

<i>Fiscal Year (\$1,692,474) budgeted from sale of property in Fiscal Year 2014-15</i>					<i>5-Year Total</i>	<i>15-Year Total*</i>	<i>Funding Source</i>
<b>2020-21</b>	2021-22	2022-23	2023-24	2024-25	<i>Through 2024-25</i>	<i>Through 2034-35</i>	
-	-	-	-	-	-	-	Multi-Year Capital Project Ordinance

# ***PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS***

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## **INFRASTRUCTURE**

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### **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 #18  
*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 2020-21 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<i>Through 2024-25</i>	<i>Through 2034-35</i>	
\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000	\$700,000	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 #26  
*Location:* Various Sites  
*Operating Budget Impact:* No Impact

#### ***Adopted 2020-21 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<i>Through 2024-25</i>	<i>Through 2034-35</i>	
\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000	\$700,000	Capital Improvements Fund

# ***PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS***

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## **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 #86  
*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>
<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<i>Through 2024-25</i>	<i>Through 2034-35</i>	
\$80,400	\$80,400	\$80,400	\$80,400	\$80,400	\$402,000	\$1,206,000	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 #100  
*Location:* Rogers Road-Eubanks Road Neighborhood  
*Operating Budget Impact:* No Impact

### ***Adopted 2020-21 Budget and Projected Expenditures***

<i>Fiscal Year (\$1,036,584) remaining in account to cover payments to Orange County as part of joint effort.</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<i>Through 2024-25</i>	<i>Through 2034-35</i>	
-	-	-	-	-	-	-	Multi-Year Capital Project Ordinance

# ***PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS***

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## **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 #99  
*Location:* Various sites  
*Operating Budget Impact:* No Impact

### ***Adopted 2020-21 Budget and Projected Expenditures***

<i>Fiscal Year (\$2,790,971) budgeted in CMAQ Grants from Fiscal Years 2017-18 &amp; 2018-19.</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2020-21</b>	2021-22	2022-23	2023-24	2024-25	<i>Through 2024-25</i>	<i>Through 2034-35</i>	
-	-	-	-	-	-	-	CMAQ 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 #159  
*Location:* Various sites  
*Operating Budget Impact:* No Impact

### ***Adopted 2020-21 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>
<b>2020-21</b>	2021-22	2022-23	2023-24	2024-25	<i>Through 2024-25</i>	<i>Through 2034-35</i>	
-	-	-	-	-	-	-	2018 Bond Sale

# ***PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS***

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## **PUBLIC SAFETY**

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### **Public Safety Radios**

Funding will replace aging public safety radios.

*Table and Ref #:* Table 3, Ref #151  
*Location:* Technology Solutions  
*Operating Budget Impact:* No Impact

### ***Adopted 2020-21 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>
<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<i>Through 2023-24</i>	<i>Through 2033-34</i>	
-	-	-	-	-	-	-	Two-Thirds Bonds

## **PARKS AND OTHER PUBLIC USE FACILITIES**

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### **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 #43  
*Location:* Various locations  
*Operating Budget Impact:* Positive (Hundreds per year): Projects will reduce need to use operating budget for repairs.

### ***Adopted 2020-21 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<i>Through 2024-25</i>	<i>Through 2034-35</i>	
\$0	\$100,000	\$100,000	\$100,000	\$100,000	\$450,000	\$1,450,000	Capital Improvements Fund

# ***PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS***

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## **Morgan Creek Trail**

The next phases of the Morgan Creek Trail are currently in the design phase. There are four separate sub-projects for design purposes. For construction these might be bid separately or bundled together. One project will extend the trail east from Merritt’s Pasture, along Fordham Boulevard to Morgan Creek Road. Another project will extend the trail from the existing parking lot westward to Smith Level Road. We are also designing an expansion of the existing parking lot and a separate pedestrian bridge at Ashe Place. Design and permitting is underway and should be completed in 2018.

*Table and Ref #:*                      Table 3, Ref #163  
*Location:*                                      Morgan Creek  
*Operating Budget Impact:*              No Impact

### ***Adopted 2020-21 Budget and Projected Expenditures***

<i>Fiscal Year (\$2,446,694) budgeted in multi-year fund in FY 2016-17</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<i>Through 2024-25</i>	<i>Through 2034-35</i>	
-	-	-	-	-	-	-	2015 Bond Issue



## ***CAPITAL PROGRAM TABLES – INTRODUCTION***

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The Capital Improvements Program contains tables that outline the adopted budget for CIP projects in fiscal year 2020-21 and projected expenditures in future fiscal years for all funds, from 2020-21 through 2034-35. These tables are as follows:

- **Table 1. Capital Improvements.** Table 1 lists projects identified for Capital Improvements. Projects listed include adopted projects for 2020-21 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	2019-20 Budget Revised	2020-21 Adopted Budget	2021-22
<b>Municipal Operations Facilities</b>				
1	Extraordinary Maintenance	\$ 100,000	\$ 62,500	\$ 100,000
2	Facilities Maintenance	103,448	-	-
3	Facility Condition Assessment	-	-	-
4	Town Hall - Safety & Security Improvements	-	-	171,720
5	Town Hall Parking Deck Maintenance	6,465	-	-
6	Town Hall Elevators	-	-	-
7	Fire Station #3 Roof	-	-	80,000
8	Fire Station #3 Generator	-	-	-
9	Station 1 Bay Door Replacement	22,587	-	-
10	Fire Station #1 Generator	-	-	-
11	Fire Station #4 Generator	-	-	98,000
12	Fire Station #4 Roof	-	-	100,000
13	Post Office Roof Replacement	-	-	-
14	Council Chambers Broadcast Center Replacement	-	-	-
15	Small Capital Improvements	-	-	100,000
<b>Public Safety</b>				
16	Fire Radios	-	-	250,000
<b>Town Facilities Leased by Others</b>				
17	Housing Maintenance	25,015	36,449	36,449
<b>Infrastructure</b>				
18	Parking Lots/Paths/Trails	97,375	-	50,000
19	Wood Cir/Velma Rd Closed System Improvements	-	-	-
20	Booker Creek Rd/Lakeshore Ln Closed System Improvements	-	-	-
21	Chelsey Ln Closed System Improvements	-	-	-
22	Old Oxford Rd. Cosed System Improvements	-	-	-
23	Downtown Lighting LED Upgrade	-	-	-
24	Barclay Rd Crossing	-	-	-
25	Bennett Rd Sidewalk	-	-	-
26	Curb Cut Improvements (ADA)	50,000	-	50,000
<b>Communications</b>				
27	General Technology	41,916	-	-
<b>Parks and Other Public Use Facilities</b>				
28	Parks Needs Assessment	-	-	-
29	Small Parks Improvements	86,212	-	150,000
30	Old Chapel Hill Cemetery Paths Renovation	-	-	-
31	Umstead Park Renovations	-	-	-
32	Greenways	6,997	-	75,000
33	Community Center Pool Shell Re-Plastering	-	-	-
34	Homestead Aquatics Center Pool Shell Re-Plastering	-	-	-
35	Homestead Park Dog Park Renovations	-	-	-
36	Replacement of HVAC Equipment at Public Works	-	-	-
37	Replacement of HVAC Equipment at Transit	-	-	-
38	Cedar Falls Picnic Shelter	-	-	-
39	Inclusive Playground	-	-	-
40	North Forest Hills Park Renovations	-	-	-
41	Property Line Marking	-	-	75,000
42	Homestead Park Path Renovation	-	-	-
43	Playgrounds	50,000	-	100,000
<b>Total</b>		<b>\$ 590,015</b>	<b>\$ 98,949</b>	<b>\$ 1,436,169</b>

\*Future years after FY2020-21 are for planning purposes only.

2022-23	2023-24	2024-25	2026-35	Reference #
\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,000,000	1
-	-	-	-	2
-	-	60,000	-	3
-	-	-	-	4
-	-	-	-	5
-	-	-	300,000	6
-	-	-	-	7
-	-	-	180,115	8
-	114,000	-	-	9
-	161,000	-	-	10
-	-	-	-	11
-	-	-	-	12
260,000	-	-	-	13
150,200	-	-	-	14
100,000	100,000	100,000	1,000,000	15
				-
-	-	-	-	16
36,449	36,449	36,449	364,490	17
50,000	50,000	50,000	500,000	18
-	-	-	165,500	19
-	-	-	262,600	20
-	-	-	146,400	21
-	64,000	232,000	-	22
150,000	-	-	-	23
-	-	100,000	-	24
202,500	-	-	-	25
50,000	50,000	50,000	500,000	26
-	-	-	-	27
-	-	80,000	-	28
150,000	150,000	150,000	1,500,000	29
-	-	35,000	-	30
-	135,000	-	-	31
75,000	75,000	75,000	750,000	32
-	-	-	84,000	33
-	-	-	165,000	34
75,000	-	60,000	-	35
-	32,500	390,000	-	36
-	21,500	215,000	180,000	37
-	-	210,000	-	38
-	-	-	211,000	39
-	-	205,000	-	40
75,000	75,000	75,000	450,000	41
-	-	200,000	-	42
100,000	100,000	100,000	1,000,000	43
\$ 1,574,149	\$ 1,264,449	\$ 2,523,449	\$ 8,759,105	

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

Reference #	Project	Revised Budget 2019-20	Adopted 2020-21	2021-22
	<b>Municipal Operations Facilities</b>			
44	Comprehensive Public Housing Renovations	\$ -	\$ 886,583	\$ 886,583
45	Comprehensive Public Housing Renovations	825,913	-	-
46	Comprehensive Public Housing Renovations	775,080	-	-
47	Comprehensive Public Housing Renovations	467,126	-	-
48	Comprehensive Public Housing Renovations	320,981	-	-
49	Comprehensive Public Housing Renovations	257,377	-	-
50	Wallace Parking Facility	17,908	-	2,400,000
51	Multi-Agency Complex Project	504,874	-	-
52	Town Hall HVAC Improvements	7,076	-	-
53	Hargraves Roof Replacement	21,412	-	-
54	Energy Efficiency Projects	15,142	-	-
55	Police Station Environmental Remediation	-	-	-
56	Fire Station 1 Replacement	-	-	-
57	Fire Station 3 Replacement	-	-	-
58	Fire Station 4 Replacement	-	-	-
59	Fire Station 6	-	-	-
60	Live Fire Training Building Replacement	-	-	1,000,000
61	Building Addition to Public Works	-	-	-
62	Library Roof Replacement	-	-	-
63	Transit HVAC Replacement	-	-	-
64	Transit Building Facilities Maintenance	-	-	-
65	Transit Park and Ride Facilities Maintenance	-	-	-
66	Public Works Roof Replacement	-	-	-
67	Historic Town Hall Renovation	-	-	-
68	Public Safety Headquarters (MSC)	-	-	-
69	Parks & Recreation Facility	-	-	-
70	Solid Waste Transfer Station	-	-	-
71	Library HVAC Replacement	-	-	-
72	Town Facilities - Security & Safety Upgrades	-	-	-
73	Town Hall 2nd Floor Renovation	-	-	-
74	Public Works HVAC Replacement	-	-	-
75	Town Hall Roof Replacement	-	-	-
	<b>Public Safety</b>			
76	Fire Self-Contained Breathing Apparatus	3,995	-	-
77	Engine 35	-	-	-
78	Engine 34	-	-	-
79	Engine 33	-	-	-
80	Engine 32	-	-	-
81	Engine 31	-	-	-
82	Squad 61	-	-	-
83	Ladder 72	-	-	-
84	Ladder 74	-	-	-
85	Police Radios	-	-	1,536,585
	<b>Infrastructure</b>			
86	Stormwater Projects	115,290	80,400	80,400
87	Small/Medium Drainage Maintenance and Improvements	-	-	-
88	Teen Center/Archives Renovation	-	-	-
89	Infrastructure Capital Improvement Program	-	-	-
90	Water Quality Capital Improvement Program	-	-	-
91	Lake Ellen Flood Storage Project	-	-	-
92	Dobbins Culvert Improvements	-	-	-
94	Subwatershed Modeling	998,142	300,000	-
95	Library Parking Lot Expansion	-	-	-
96	Cedar Falls Parking Lot Renovation	-	-	-

2022-23	2023-24	2024-25	2026-35	Fund Source	Reference #
\$ 886,583	\$ 886,583	\$ 886,583	\$ 8,865,830	HUD Grant	44
-	-	-	-	HUD Grant	45
-	-	-	-	HUD Grant	46
-	-	-	-	HUD Grant	47
-	-	-	-	HUD Grant	48
-	-	-	-	HUD Grant	49
-	-	-	-	Limited Obligation Bonds	50
-	-	-	-	Multi-year Capital Project Ord.	51
-	-	-	424,500	2015 Installment Financing	52
-	-	-	-	2015 Installment Financing	53
-	-	-	-	2015 Installment Financing	54
-	-	-	10,000,000	Future Financing	55
-	3,376,527	-	-	Future Financing	56
600,000	1,029,000	1,971,000	-	Future Financing	57
-	550,000	926,000	1,324,000	Future Financing	58
-	-	-	2,050,000	Future Financing	59
-	-	-	-	Future Financing	60
-	-	-	2,253,000	Future Financing	61
-	-	-	725,000	Future Financing	62
418,000	-	-	-	Transit Funds	63
300,000	-	-	290,800	Transit Funds	64
-	300,000	-	-	Transit Funds	65
-	-	-	1,005,500	Future Financing	66
-	328,000	262,000	3,950,000	Future Financing	67
1,020,876	1,722,377	21,651,971	191,375	Future Financing	68
142,982	257,368	3,235,350	28,596	Future Financing	69
-	75,000	425,000	4,700,000	Future Financing	70
-	-	-	1,017,000	Future Financing	71
-	-	518,663	-	Future Financing	72
420,000	-	-	-	Future Financing	73
-	-	-	445,318	Future Financing	74
-	-	-	263,452	Future Financing	75
-	-	830,000	-	2015 Installment Financing	76
-	-	-	577,500	Future Financing	77
566,500	-	-	-	Future Financing	78
550,000	-	-	-	Future Financing	79
-	-	640,000	-	Future Financing	80
-	-	-	605,000	Future Financing	81
-	-	825,000	-	Future Financing	82
-	-	1,700,000	-	Future Financing	83
-	900,000	-	-	Future Financing	84
-	-	-	-	Future Financing	85
80,400	80,400	80,400	804,000	Stormwater Management Funds	86
-	-	-	1,000,000	Stormwater Management Funds	87
-	-	175,000	1,850,000	Future Financing	88
-	-	-	5,500,000	Stormwater Management Funds	89
-	-	-	5,500,000	Stormwater Management Funds	90
-	-	165,000	-	Stormwater Management Funds	91
-	-	199,800	-	Stormwater Management Funds	92
-	-	-	-	Stormwater Management Funds	94
-	-	191,100	-	Future Financing	95
-	750,000	-	-	Future Financing	96

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

Reference #	Project	Revised Budget 2019-20	Adopted 2020-21	2021-22
97	Road Diet Traffic Studies	-	-	-
98	Fordham Sidepath*	767,896	-	-
99	Estes Drive Bike & Ped Improvements*	2,790,971	-	-
100	Rogers Road Design and Engineering	1,036,584	-	-
101	Traffic Signal Improvement	226,069	-	-
102	Streetscape Improvements	-	-	-
103	Bolinwood Drive Bridge Replacement	-	-	-
104	Downtown Streetscape Improvements	-	-	-
105	Street Resurfacing	-	-	-
106	Fordham Blvd Multiuse Paths	-	-	-
107	Martin Luther King Jr Blvd Flood Storage	-	-	-
108	Honeysuckle Rd	-	-	-
109	Piney Mountain Rd Flood Storage	-	-	-
110	New Parkside Flood Storage	-	-	-
111	Willow Dr Flood Storage	-	-	-
112	Ephesus Church Rd Closed System Improvements	-	-	-
113	Markham Dr/Old Oxford Rd Closed System Improvements	-	-	-
114	Booker Creek Rd Subwatershed Study	-	-	-
115	Red Bud Flood Storage	-	-	-
116	Foxcroft Dr Culvert Improvement	-	-	-
117	Daley Rd Flood Storage	-	-	-
118	Raleigh Rd Improvements	-	-	-
119	Meadowmont Dam Replacement	-	-	-
120	Franklin St Underpass	-	-	-
121	Mid-Block Pedestrian Signal Heads	-	-	-
122	N. Elliott Rd Complete Street	-	-	-
123	Cameron Ave Buffered Bike Lanes	-	-	-
	<b>Parks and Other Public Use Facilities</b>			
124	Meadowmont Bridge	-	-	-
125	Burlington Park Renovations	-	-	-
126	Homestead Park Skate Park Ramp Replacement	-	-	-
127	Homestead Park Trail Extension	-	-	-
128	Millhouse Rd. Park	-	-	-
129	Athletic Fields Conversion to LED lights	-	-	-
130	Boundary Marking	-	-	-
131	Cedar Falls Ballfields Renovations	-	-	-
132	Ephesus Park Toilet Building	-	-	-
133	Oakwood Park Toilet Building	-	-	-
134	Meadowmont Park Toilet Building	-	-	-
135	Cedar Falls Park Tennis Court Replacement	-	-	268,000
136	Morgan Creek Trail, Phase 3	-	-	-
137	Homestead Park Synthetic Turf Replacement	-	-	-
138	Barclay Trail	-	-	-
139	P&R Community Center - Roof Replacement	-	-	-
140	Cedar Falls Synthetic Turf Replacement	-	-	-
141	Battle Park Trail Upgrade	-	-	-
142	Hargraves - HVAC Equipment Replacement	-	-	-
143	P&R Community Center - HVAC Replacement	-	-	-
144	P&R Homestead Aquatic Center - HVAC Replacement	-	-	-
145	Bolin Creek Trail, Phase 4	-	-	-
146	Timberlyne Trail	-	-	-
	<b>TOTAL</b>	<b>\$ 9,151,836</b>	<b>\$ 1,266,983</b>	<b>\$ 6,171,568</b>

Note: Future years after FY2020-21 are for planning purposes only.

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

2022-23	2023-24	2024-25	2026-35	Fund Source	Reference #
470,000	-	-	-	Future Financing	97
-	-	-	-	NCDOT Direct Allocation Grant	98
-	-	-	-	CMAQ Grant	99
-	-	-	-	Multi-year Capital Project Ord.	100
-	-	-	-	NCDOT Direct Allocation Grant	101
825,000	-	-	-	Future Financing	102
1,115,000	-	-	-	Future Financing	103
-	400,000	-	-	Future Financing	104
-	800,000	-	-	Future Financing	105
-	300,000	-	1,948,000	Future Financing	106
-	-	-	3,788,651	Stormwater Funds	107
-	335,900	-	-	Future Financing	108
-	-	622,900	1,283,000	Stormwater Funds	109
-	-	437,525	2,248,275	Stormwater Funds	110
45,000	378,000	398,000	3,190,000	Stormwater Funds	111
-	-	151,000	895,000	Future Financing	112
-	-	96,000	355,000	Future Financing	113
-	-	-	1,285,100	Stormwater Funds	114
-	-	-	914,200	Stormwater Funds	115
-	-	112,000	552,000	Stormwater Funds	116
-	-	434,000	2,709,000	Stormwater Funds	117
-	-	-	900,000	Future Financing	118
705,000	-	-	-	Future Financing	119
-	-	-	1,000,000	Future Financing	120
-	-	-	420,000	Future Financing	121
-	-	-	375,000	Future Financing	122
-	-	-	600,000	Future Financing	123
-	-	620,000	-	Future Financing	124
-	-	260,000	-	Future Financing	125
-	-	3,000,000	-	Future Financing	126
-	330,000	-	-	Future Financing	127
-	-	-	3,400,000	Future Financing	128
-	1,400,000	-	-	Future Financing	129
750,000	-	-	-	Future Financing	130
-	450,000	-	-	Future Financing	131
428,000	-	-	-	Future Financing	132
-	-	387,000	-	Future Financing	133
-	-	387,000	-	Future Financing	134
-	-	-	-	Future Financing	135
-	-	609,000	2,962,000	Future Financing	136
-	-	-	940,000	Future Financing	137
-	-	20,000	430,000	Future Financing	138
-	-	-	536,205	Future Financing	139
-	-	-	895,000	Future Financing	140
-	-	-	3,000,000	Future Financing	141
414,000	-	-	-	Future Financing	142
271,000	-	-	-	Future Financing	143
-	-	1,186,704	-	Future Financing	144
-	-	-	3,120,000	Future Financing	145
-	-	-	3,100,000	Future Financing	146
<b>\$ 10,008,341</b>	<b>\$ 14,649,155</b>	<b>\$ 43,403,996</b>	<b>\$ 94,217,302</b>		

**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
<b>Municipal Operations Facilities</b>						
147	2	Energy Efficiency Projects	Public Buildings	\$ 392,600	\$ -	\$ -
148	2	Sustainable Community Project - Local Match	Public Buildings	17,400	-	-
149	7	Energy Management System: Town Hall HVAC	Public Buildings	-	90,000	-
<b>Public Safety</b>						
150	5	100 Foot Fire Ladder Truck	Public Safety	-	-	-
151	5	Public Safety Radios/Body Cameras	Public Safety	-	-	-
<b>Infrastructure</b>						
152	2	Downtown Improvements - Streetscape	Sidewalks & Streets	500,000	-	1,000,000
153	7	Capital Project Management, Bond Issuance Costs	Sidewalks & Streets	-	-	-
154	2	Neighborhood Traffic Calming, Pedestrian, and Bicycle Improvements	Sidewalks & Streets	50,000	250,000	-
155	2	Pedestrian Amenities at Town Owned Traffic Signals	Sidewalks & Streets	20,000	80,000	50,000
156	7	Public Art	Sidewalks & Streets	-	-	-
157	2	Streets and Bridges	Sidewalks & Streets	-	-	-
158	2	Sidewalks and Bicycle Facilities	Sidewalks & Streets	600,000	-	600,000
159	6	Elliot Road Storage Project	Stormwater	-	-	-
<b>Parks and Other Public Use Facilities</b>						
160	2	Bolin Creek Trail	Parks/Recreational Facilities	100,000	-	-
161	2	Dry Creek Trail	Parks/Recreational Facilities	125,000	-	16,000
162	2	Tanyard Branch Trail	Parks/Recreational Facilities	-	-	-
163	2	Morgan Creek Trail	Parks/Recreational Facilities	75,000	-	968,000
164	2	Open Space Acquisition	Open Space and Areas	1,200,000	-	800,000
165	2	Playground Improvements	Parks/Recreational	-	-	-
166	2	Upper Booker Creek Trail	2003 Bond	-	-	16,000
167	2	Parks Facilities	Parks/Recreational	-	-	-
168	2	American Legion Property	Open Space and Areas	-	-	-
169	2	Library Expansion	Library Facilities	500,000	-	1,500,000
<b>TOTAL</b>				<b>\$ 3,580,000</b>	<b>\$ 420,000</b>	<b>\$ 4,950,000</b>

**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

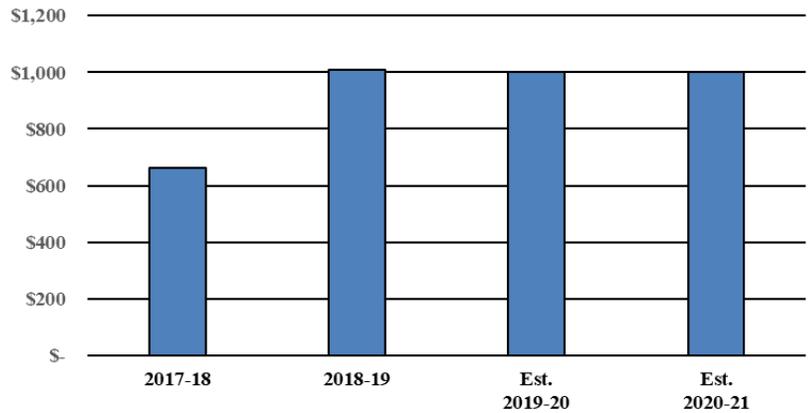
2010 Bond Sale (\$20,760,237)	Two-Thirds Bonds (\$1,700,000)	2015 Bond Sale (\$9,615,091)	Two-Thirds Bonds (1,614,703)	2018 Bond Sale (\$13,099,788)		
2010-11	2012-13	2016-17		2017-18	TOTAL	Reference #
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 392,600	147
-	-	-	-	-	17,400	148
-	-	-	-	-	90,000	149
-	-	-	1,348,000	-	1,348,000	150
-	-	-	241,322	-	241,322	151
64,000	-	414,266	-	800,000	2,778,266	152
-	-	425,091	25,381	263,907	714,379	153
225,000	-	670,134	-	-	1,195,134	154
100,000	-	-	-	-	250,000	155
-	-	30,000	-	55,000	85,000	156
661,000	1,000,000	1,000,000	-	775,000	3,436,000	157
1,442,042	-	1,075,600	-	3,870,000	7,587,642	158
-	-	-	-	2,829,554	2,829,554	159
2,245,889	-	1,163,306	-	-	3,509,195	160
150,540	-	-	-	-	291,540	161
-	-	1,390,000	-	-	1,390,000	162
1,212,455	-	2,446,694	-	-	4,702,149	163
-	-	-	-	-	2,000,000	164
-	-	1,000,000	-	-	1,000,000	165
154,608	-	-	-	-	170,608	166
-	700,000	-	-	-	700,000	167
-	-	-	-	4,506,327	4,506,327	168
14,504,703	-	-	-	-	16,504,703	169
<b>\$ 20,760,237</b>	<b>\$ 1,700,000</b>	<b>\$ 9,615,091</b>	<b>\$ 1,614,703</b>	<b>\$ 13,099,788</b>	<b>\$ 55,739,819</b>	

# ***CAPITAL RESERVE FUND***

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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***

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*No appropriations are planned for the Capital Reserve Fund for 2020-21, which had a fund balance of \$217,195 at June 30, 2019.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Reserved for CIP	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Transfer to Capital Improvements Fund	-	-	-	-	-	N/A
Transfer to General Fund	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>

**REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Interest on Investments Appropriated	\$ 1,009	\$ -	\$ -	\$ -	\$ -	N/A
Fund Balance	(1,009)	-	-	-	-	N/A
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>

## **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 March 31, 2020 are shown in the table at the right.

<b>Major Capital Bond Projects</b>	<b>Budget</b>	<b>Expenditures as of June 30, 2020</b>
<b>2003 Bond Projects</b>		
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	4,876,000
Subtotal	<u>\$ 29,360,000</u>	<u>\$ 29,160,000</u>
<b>2012 LOBS Projects</b>		
Lot 5 Project	\$ 5,770,000	\$ 5,770,000
Parking Projects	836,000	626,000
TOC Projects	202,000	151,000
Subtotal	<u>\$ 6,808,000</u>	<u>\$ 6,547,000</u>
<b>2012 Two-Thirds Projects</b>		
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	6,000	6,000
Cedar Falls Grounds	1,000	-
Subtotal	<u>\$ 1,821,000</u>	<u>\$ 1,820,000</u>
<b>2015 Bond Projects</b>		
Streets and Sidewalks	\$ 8,500,000	\$ 4,832,000
Parks Trails	5,000,000	3,119,000
Parks Facilities	5,300,000	4,885,000
Subtotal	<u>\$ 18,800,000</u>	<u>\$ 12,836,000</u>
<b>TOTAL</b>	<b><u>\$ 56,789,000</u></b>	<b><u>\$ 50,363,000</u></b>

## ***TABLE OF CONTENTS – OTHER FUNDS***

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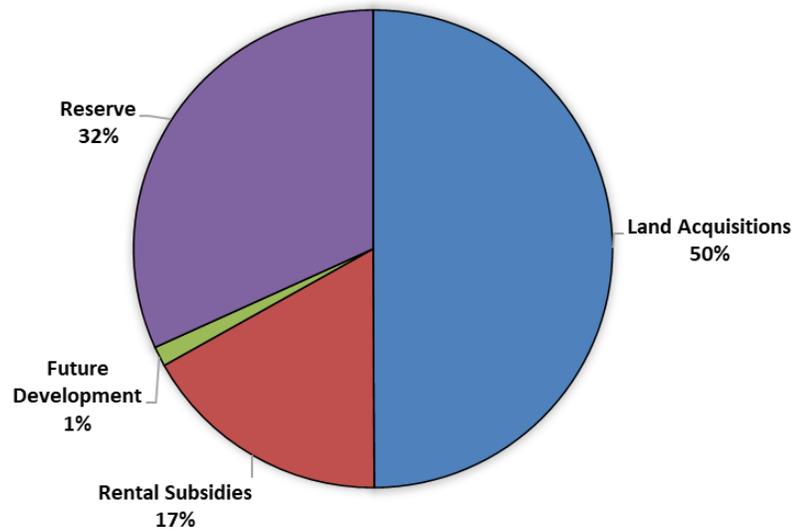


# ***AFFORDABLE HOUSING DEVELOPMENT RESERVE FUND***

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

**FY19 AFFORDABLE HOUSING EXPENDITURES**



## ***AFFORDABLE HOUSING DEVELOPMENT RESERVE FUND BUDGET SUMMARY***

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*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 FY21, the funding level remains at \$688,395.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Land Acquisitions	\$ 358,674	\$ -	\$ 611,926	\$ 611,926	\$ -	N/A
Rental Subsidies	121,753	-	551,173	551,173	-	N/A
Homeownership Assist.	(30,000)	-	137,000	137,000	-	N/A
Future Development	9,700	-	412,435	412,435	-	N/A
Reserve	228,268	688,395	34,581	34,581	688,395	0.0%
<b>Total</b>	<b>\$ 688,395</b>	<b>\$ 688,395</b>	<b>\$ 1,747,115</b>	<b>\$ 1,747,115</b>	<b>\$ 688,395</b>	<b>0.0%</b>

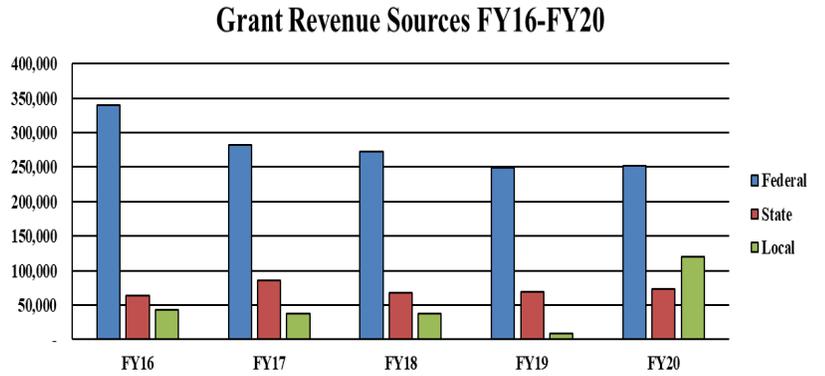
### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Transfer from General Fund	\$ 688,395	\$ 688,395	\$ 688,395	\$ 688,395	\$ 688,395	0.0%
Appropriated Fund Balance	-	-	1,058,720	1,058,720	-	N/A
<b>Total</b>	<b>\$ 688,395</b>	<b>\$ 688,395</b>	<b>\$ 1,747,115</b>	<b>\$ 1,747,115</b>	<b>\$ 688,395</b>	<b>0.0%</b>

# GRANTS FUND

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



## **GRANTS FUND BUDGET SUMMARY**

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*The Grants Fund was established in 2004-05 to account for grants previously included in the General Fund. Grants for 2020-21 consist of three Planning grants that provide personnel and operating funding for transportation planning.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2018-19</b>
Police Grants	\$ 64,072	\$ -	\$ 209,884	\$ 209,884	\$ -	N/A
Planning Grants	333,777	402,746	402,746	402,746	386,237	-4.1%
Other Grants	-	-	746,410	-	-	N/A
<b>Total</b>	<b>\$ 397,849</b>	<b>\$ 402,746</b>	<b>\$ 1,359,040</b>	<b>\$ 612,630</b>	<b>\$ 386,237</b>	<b>-4.1%</b>

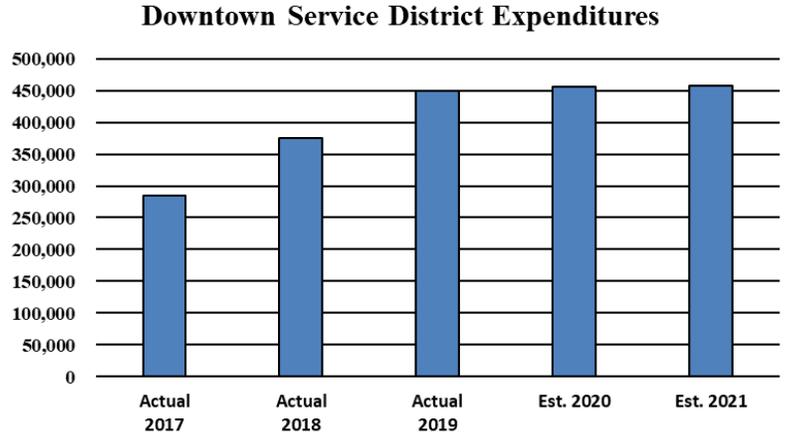
### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2018-19</b>
Grants	\$ 327,109	\$ 315,196	\$ 1,190,898	\$ 444,488	\$ 300,873	-4.5%
Transfer from General Fund	62,968	87,550	87,550	87,550	85,364	-2.5%
Appropriated Fund Balance	7,772	-	80,592	80,592	-	N/A
<b>Total</b>	<b>\$ 397,849</b>	<b>\$ 402,746</b>	<b>\$ 1,359,040</b>	<b>\$ 612,630</b>	<b>\$ 386,237</b>	<b>-4.1%</b>

# ***DOWNTOWN SERVICE DISTRICT FUND***

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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 FUND***

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## ***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 \$546,310,000. The tax rate of 7.0 cents is unchanged from FY 2019-20, and is expected to yield a total of about \$382,000 in FY 2020-21. This represents an increase of \$3,000 from the current year estimates, due to the increase in value from new development in the downtown area.

FY21 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 2020-21 provides for continued funding of the groundskeeper position dedicated to the downtown area (including a 2% 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).*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 58,285	\$ 59,107	\$ 59,107	\$ 58,299	\$ 59,954	1.4%
Contracted Services	230,770	250,000	250,000	250,000	250,000	0.0%
Grants/Deferred Loans	142,000	147,000	147,000	147,000	147,000	0.0%
Reserve	18,762	-	-	-	-	N/A
<b>Total</b>	<b>\$ 449,817</b>	<b>\$ 456,107</b>	<b>\$ 456,107</b>	<b>\$ 455,299</b>	<b>\$ 456,954</b>	<b>0.2%</b>

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### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Property Taxes	\$ 373,860	\$ 372,000	\$ 372,000	\$ 379,000	\$ 382,000	2.7%
Interest Income	1,956	1,000	1,000	1,000	1,000	0.0%
Gifts and Donations	73,500	73,500	73,500	73,500	73,500	0.0%
Interest on Receivable	501	-	-	-	-	N/A
Appropriated Fund Balance	-	9,607	9,607	1,799	454	-95.3%
<b>Total</b>	<b>\$ 449,817</b>	<b>\$ 456,107</b>	<b>\$ 456,107</b>	<b>\$ 455,299</b>	<b>\$ 456,954</b>	<b>0.2%</b>

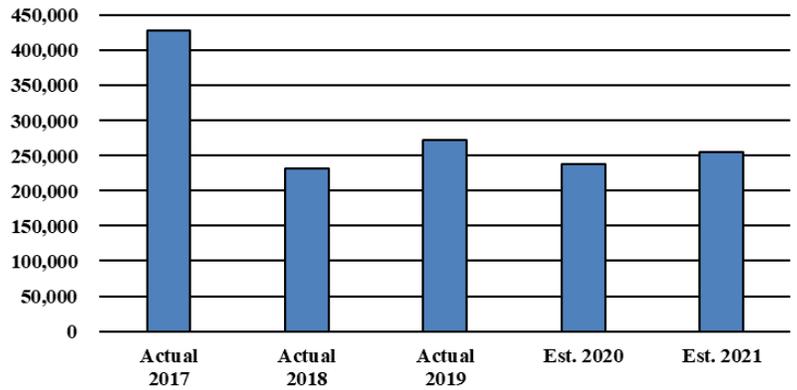
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# ***LIBRARY GIFT FUND***

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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 2020-21 reflects a decrease from the previous year due to a one-time grant received in FY20. Gifts for 2020-21 include a decrease funding from the current year (\$100,000) and miscellaneous donations (\$47,500). 2020-21 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 2020-21.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Computers/Database	\$ 17,694	\$ 18,333	\$ 21,483	\$ 13,483	\$ 532	-97.1%
Furniture	81,122	-	11,800	19,633	-	N/A
Collection Purchases	28,290	34,160	35,254	35,254	40,000	17.1%
Other	202,454	139,975	477,318	171,601	183,059	30.8%
Transfer to General Fund	45,000	45,000	45,000	45,000	45,000	0.0%
<b>Total</b>	<b>\$ 374,560</b>	<b>\$ 237,468</b>	<b>\$ 590,855</b>	<b>\$ 284,971</b>	<b>\$ 268,591</b>	<b>13.1%</b>

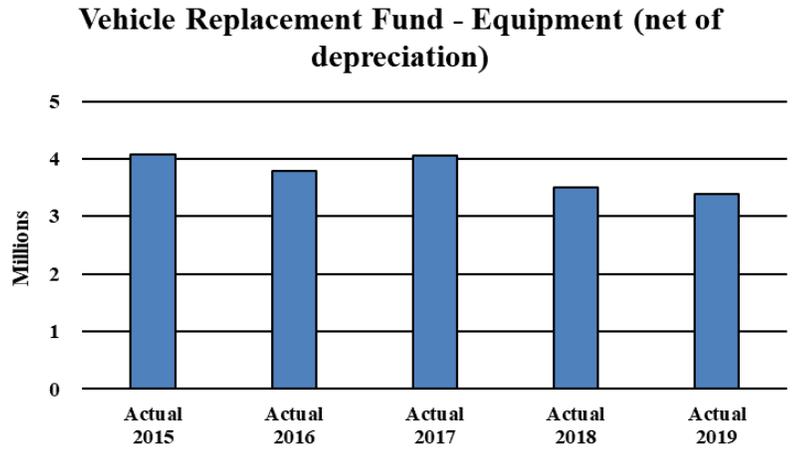
### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Interest Income	\$ 1,056	\$ 535	\$ 535	\$ 441	\$ 441	-17.6%
Friends' Donations	153,185	135,000	330,000	135,000	100,000	-25.9%
Grants	92,542	52,233	162,533	55,695	106,975	104.8%
Misc Donations	25,000	49,700	49,700	47,595	47,500	-4.4%
Appropriated Fund Balance	102,777	-	48,087	46,240	13,675	N/A
<b>Total</b>	<b>\$ 374,560</b>	<b>\$ 237,468</b>	<b>\$ 590,855</b>	<b>\$ 284,971</b>	<b>\$ 268,591</b>	<b>13.1%</b>

# ***VEHICLE REPLACEMENT FUND***

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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**

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*The adopted budget for 2020-21 for the Vehicle Replacement Fund only includes debt payments for outstanding loans. Due to the budgetary impacts of COVID-19, there are no new vehicle purchases for FY21. 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.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Lease Purchase Payments	\$ 400,630	\$ 265,591	\$ 270,922	\$ 270,922	\$ 66,596	-74.9%
Other Expense	9,561	6,000	6,000	6,000	6,000	0.0%
Capital Equipment	926,206	587,500	878,050	878,050	-	-100.0%
<b>Total</b>	<b>\$ 1,336,397</b>	<b>\$ 859,091</b>	<b>\$ 1,154,972</b>	<b>\$ 1,154,972</b>	<b>\$ 72,596</b>	<b>-91.5%</b>

### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Vehicle Use Fees	\$ 387,129	\$ 453,089	\$ 453,089	\$ 453,089	\$ -	-100.0%
Interest Income	5,080	6,000	6,000	3,000	3,000	-50.0%
Sale of Fixed Assets	121,523	50,000	50,000	50,000	50,000	0.0%
Insurance Claims	38,200	-	-	7,959	-	N/A
Appropriated Fund Balance	784,465	350,002	645,883	640,924	19,596	-94.4%
<b>Total</b>	<b>\$ 1,336,397</b>	<b>\$ 859,091</b>	<b>\$ 1,154,972</b>	<b>\$ 1,154,972</b>	<b>\$ 72,596</b>	<b>-91.5%</b>

# ***VEHICLE MAINTENANCE FUND***

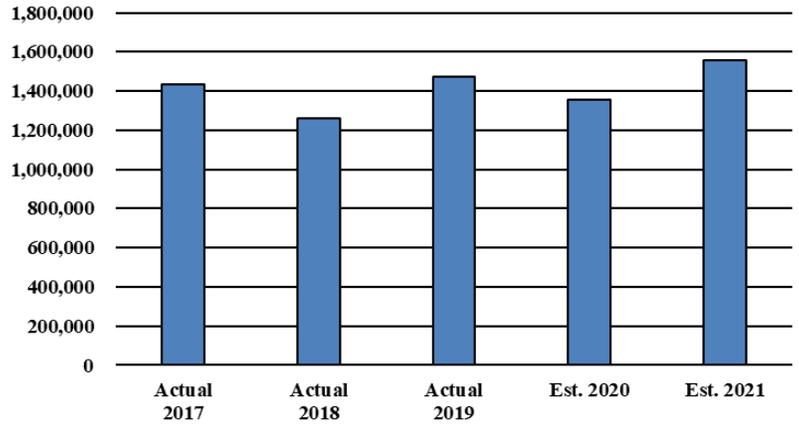
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The Vehicle Maintenance Fund accounts for the repair and maintenance of all the Town's cars, trucks, and heavy equipment, excluding those used in public transit operations.

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***

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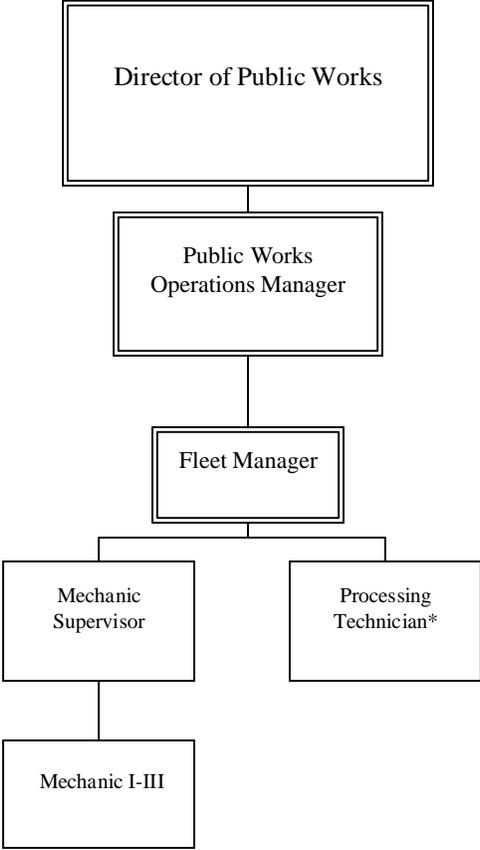
## **MISSION STATEMENT:**

*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***

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	<b>2018-19 ADOPTED</b>	<b>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>
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 <sup>1</sup>	0.75	0.75	0.75
Unit Totals	<u>7.75</u>	<u>7.75</u>	<u>7.75</u>

<sup>1</sup> 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**

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The 2020-21 adopted budget for the Vehicle Maintenance Fund reflects an overall increase in expenditures of 1.6% from last year's budget. The increase in personnel is the result of a 2% rate increase in medical insurance and a 1.2% increase in retirement costs. The 1% increase in the operating budget is due to the increase in maintenance due to the aging fleet.

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### **EXPENDITURES**

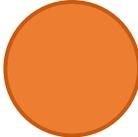
	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 635,481	\$ 657,101	\$ 657,101	\$ 527,058	\$ 672,087	2.3%
Operating Costs	835,100	874,899	874,899	815,772	883,775	1.0%
Capital Outlay	-	-	-	15,000	-	N/A
<b>Total</b>	<b>\$ 1,470,581</b>	<b>\$ 1,532,000</b>	<b>\$ 1,532,000</b>	<b>\$ 1,357,830</b>	<b>\$ 1,555,862</b>	<b>1.6%</b>

### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Vehicle Maintenance Fees	\$ 1,414,912	\$ 1,514,000	\$ 1,514,000	\$ 1,475,800	\$ 1,529,000	1.0%
Interest Income	2,972	-	-	1,200	-	N/A
Insurance Claims	18,000	18,000	18,000	15,000	18,000	0.0%
Appropriated Fund Balance	34,697	-	-	(134,170)	8,862	N/A
<b>Total</b>	<b>\$ 1,470,581</b>	<b>\$ 1,532,000</b>	<b>\$ 1,532,000</b>	<b>\$ 1,357,830</b>	<b>\$ 1,555,862</b>	<b>1.6%</b>

# VEHICLE MAINTENANCE

## Performance Measures

 COLLABORATION & INNOVATION	<p><b>Strategic Objectives</b></p> <ul style="list-style-type: none"> <li>➤ Ensure that at least 30% of all work orders are preventive maintenance work</li> <li>➤ Limit repeat repairs to 2% or less</li> <li>➤ Complete at least 95% of preventive maintenances as scheduled in order to reduce out-of-service time</li> <li>➤ Ensure that 90% of rolling stock is available per day</li> <li>➤ Complete 85% of repair orders within 1 work day, with no more than 10% taking longer than 2 work days</li> </ul>
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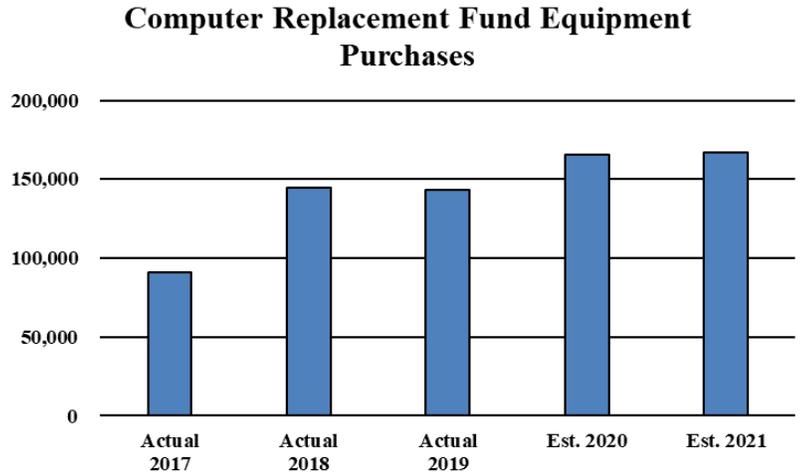
Core Business Program	Performance Measure	FY18 Actual	FY19 Actual	FY20 Estimate	FY21 Target
Fleet Services	Percent of work orders that are preventive maintenance	32%	38%	34%	30%
	Percent of work orders that are repeat repairs	0.92%	0.90%	0.27%	< 2%
	Percent of preventive maintenances completed as scheduled	69%	76%	63%	95%
	Percent of rolling stock available per day	*	*	95%	90%
	Percent of work orders completed in less than 1 work day	*	*	65%	85%
	Percent of work orders completed in excess of 2 work days	*	*	26%	<10%

\* Past fiscal year data was not reported because Public Works staff was completing an internal review of data and identified improvements needed to ensure high quality data. Staff developed a new system of entering work orders in Sept. 2019 to more accurately track and record these measures.

# ***COMPUTER REPLACEMENT FUND***

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The Computer Replacement Fund accounts for the purchase and financing of computer equipment and software to the Town departments.



## **COMPUTER REPLACEMENT FUND BUDGET SUMMARY**

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*The adopted budget for 2020-21 provides for replacement of computer equipment on a pay-as-you-go basis. For fiscal year 2020-21, \$167,000 of appropriated fund balance will be used to balance the budget and provide financial assistance to all Town funds.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Small Equipment	\$ 143,082	\$ 165,250	\$ 165,250	\$ 67,250	\$ 167,000	1.1%
Other Expense	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 143,082</b>	<b>\$ 165,250</b>	<b>\$ 165,250</b>	<b>\$ 67,250</b>	<b>\$ 167,000</b>	<b>1.1%</b>

### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Adopted Budget</b>	<b>% Change from 2019-20</b>
Computer Use Fees	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Interest Income	1,361	-	-	500	-	N/A
Appropriated Fund Balance	141,721	165,250	165,250	66,750	167,000	1.1%
<b>Total</b>	<b>\$ 143,082</b>	<b>\$ 165,250</b>	<b>\$ 165,250</b>	<b>\$ 67,250</b>	<b>\$ 167,000</b>	<b>1.1%</b>



# BUDGET ORDINANCE

Appendix 1

## AN ORDINANCE CONCERNING THE ESTABLISHMENT OF THE TOWN BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2020 (2020-06-24/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	\$ 14,958,553
Environment & Development	14,726,275
Public Safety	25,696,100
Leisure	10,907,072
<b>GENERAL FUND TOTAL</b>	<b>\$ 66,288,000</b>

#### OTHER FUNDS

Transit Fund	\$ 24,196,757
Transit Capital Reserve Fund	260,890
Debt Service Fund	9,332,831
Vehicle Replacement Fund	72,596
Vehicle Maintenance Fund	1,555,862
Computer Replacement Fund	167,000
Public Housing Fund	2,176,756
Affordable Housing Reserve Fund	688,395
On-Street Parking Fund	781,500
Off-Street Parking Facilities Fund	2,422,787
Library Gift Fund	268,591
Capital Improvements Fund	98,949
Downtown Service District Fund	456,954
Stormwater Management Fund	3,010,500
Grants Fund	386,237
<b>TOTAL ALL FUNDS</b>	<b>\$ 113,164,605</b>

## ARTICLE II

It is estimated that the following revenues will be available during the fiscal year beginning July 1, 2020 and ending June 30, 2021 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	\$ 32,587,500
Other Taxes & Licenses	1,292,500
State-Shared Revenues	21,165,599
Grants	679,399
Charges for Services	4,899,000
Licenses/Permits/Fines	2,731,390
Interest on Investments	100,000
Other Revenues	399,100
Transfers/Other Sources	45,000
Fund Balance Appropriated	2,388,512
<b>General Fund Total</b>	<b>\$ 66,288,000</b>

### OTHER FUNDS

Transit Fund	\$ 24,196,757
Transit Capital Reserve Fund	260,890
Debt Service Fund	9,332,831
Vehicle Replacement Fund	72,596
Vehicle Maintenance Fund	1,555,862
Computer Replacement Fund	167,000
Public Housing Fund	2,176,756
Affordable Housing Reserve Fund	688,395
On-Street Parking Fund	781,500
Off-Street Parking Facilities Fund	2,422,787
Library Gift Fund	268,591
Capital Improvements Fund	98,949
Downtown Service District Fund	456,954
Stormwater Management Fund	3,010,500
Grants Fund	386,237
<b>TOTAL ALL FUNDS</b>	<b>\$ 113,164,605</b>

# **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, 2020 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 24<sup>th</sup> day of June, 2020.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Town of Chapel Hill  
North Carolina**

For the Fiscal Year Beginning

**July 1, 2019**

*Christopher P. Morill*

Executive Director

## *Performance Agreements with Other Agencies*

	<b>2019-20 Adopted Budget</b>	<b>2020-21 Adopted Budget</b>
<b>Performance Agreements with Other Agencies</b>		
<b>Human Services</b>		
Human Services Advisory Board Recommendations	\$ 446,500	\$ 446,500
<b>Total Human Services</b>	<b>446,500</b>	<b>446,500</b>
<b>Arts</b>		
Cultural Arts	23,500	23,500
<b>Total Arts</b>	<b>23,500</b>	<b>23,500</b>
<b>Public Health</b>		
Orange County Food Council	29,110	29,110
<b>Total Public Health</b>	<b>29,110</b>	<b>29,110</b>
<b>Affordable Housing</b>		
Community Home Trust	352,518	358,009
Housing Locator	15,000	-
Orange County Partnership to End Homelessness	81,857	96,300
<b>Total Affordable Housing</b>	<b>449,375</b>	<b>454,309</b>
<b>Economic Development</b>		
Chapel Hill/Orange County Visitors Bureau	200,000	200,000
Chapel Hill Downtown Partnership	70,000	70,000
<b>Total Economic Development</b>	<b>270,000</b>	<b>270,000</b>
<b>Total Contributions to Agencies</b>	<b>\$ 1,218,485</b>	<b>\$ 1,223,419</b>

## ***GLOSSARY***

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**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.

**Budget Message** - A written overview of the proposed budget from the Town Manager to the Town

## ***GLOSSARY***

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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.

**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

## ***GLOSSARY***

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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.

**Goal** - A broad statement of desired conditions to be maintained or achieved through the efforts of an organization.

## ***GLOSSARY***

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**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 program during the fiscal year.

**Ordinance** - A formal legislative enactment by the Town Council which has the full force and effect

## ***GLOSSARY***

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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 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.

## ***GLOSSARY***

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**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.

**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.

## ***GLOSSARY***

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**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.