

Town of Chapel Hill  
North Carolina

2021-22 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





MANAGER'S  
OFFICE

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

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

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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 2021-22. The total adopted combined property tax rate is 51.4 cents per \$100 of assessed value. The property tax rate for the Downtown Service District is at 6.4 cents per \$100 of assessed value.

The adopted Budget for 2021-22 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 7, 2021

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June 9, 2021

Dear Mayor and Council:

I formally present for your consideration, the Fiscal year 2021-2022 Adopted Budget for the Town of Chapel Hill. The total budget of \$116,832,906 is a 5% increase from FY 2021.

The past year has been a true test of our organization and our community. Ultimately, it proved to be a testimony to our resilience and fortitude. We have all experienced change and loss and the Town of Chapel Hill has responded with courage and compassion. Last year, we focused on protecting the Town's core services and establishing flexibility to face the unknowns brought on by COVID-19. It is our hope that we have emerged on the far side of this global pandemic, but we recognize that our recovery will not be immediate and that our new normal will not be a matter of simply picking up where we left off last March.

There is, however, reason for optimism. A municipal budget is an expression of a community's values and this year is no exception. While we are grateful for the opportunity to receive federal funding to address some of our immediate needs and to support our Town's interests, we must also focus on the long-term future of our community. Recovery will include immediate action with one-time funding as well as a return to our longer-term vision and 5-year plan for the ongoing budget.

Last year, we invested in our core services and were able to pivot to provide public safety, transit, affordable housing, and modified library, parks and recreation, and public works resources to our community. This year's budget seeks to restore some of the services that were limited last year, and to make investments in our future with our recurring revenues. We are putting the Town in a strong position to recover from the immediate impacts of the COVID-19 pandemic and to restore our focus on long-term priorities, especially those that will require an ongoing commitment, such as climate action, social equity, and infrastructure.

### **Recovery**

The COVID-19 pandemic had unequal impacts on our Town's departments. Some of the most significant negative effects were loss of revenues in our Parks and Recreation department since recreational activities could not be offered as usual. Similarly, hotel occupancy tax revenues and parking fees were nearly eliminated by the lock-down. On the other hand, our sales tax collections were better than expected. In response to the emerging pandemic, we anticipated a 9.5% decrease in sales tax revenues in FY 21 and a 5% decrease in sales tax revenues in FY22. For a variety of reasons this expected decrease in sales tax revenues never came to pass. In fact, the Town has seen greater than a 10% increase in sales tax revenues for the first seven months of FY22 over the same period of FY21.

As vaccination rates improve and businesses return to more normal operations, we have taken a cautious approach to projecting revenues, anticipating some return in programming and downtown activity. The one-time federal recovery funds are ideal for helping us support our businesses and our community as we transition to a more typical economy.

During the current year, we were able to use CARES Act funding passed through Orange County to the Town to address COVID-related needs, such as supporting our housing partners in the community, sheltering unhoused residents, providing food-bank support, purchasing and distributing personal protective equipment (PPE) in the community, and supporting our workforce with safety supplies, remote work, and operational shifts.

With the American Rescue Plan Act (ARPA) funds—which have federal limitations on eligible uses, we expect to be able to backstop some of our budget shortfalls and to invest in recovery efforts, such as the ReVive economic plan, so our community can bridge the gap from the pandemic year to a more typical year.

### **Restore/Replenish Operations**

In North Carolina, counties are required by state statute to revalue real property at most every eight years. The revaluation process is designed to set tax assessments to a market value as of the appraisal date in order to equalize the tax base. Orange County recently completed the revaluation process that will go into effect beginning with the FY22 tax year. Overall, the real property value within Chapel Hill increased 13%. This is the combination of a 36% increase in commercial properties and a 9% increase in residential properties. As the result of the revaluation of property values, our property tax revenues—our main source of revenues for ongoing operations—would increase by \$5.2 million at the current tax rate of 54.4 cents per \$100 of assessed valuation.

State law requires the Town to declare, but not institute, a revenue neutral tax rate for the year a revaluation takes effect. The revenue neutral tax rate is calculated to generate the same amount of revenue that was generated in the tax year prior to the new revaluation assessments becoming effective. The revenue neutral tax rate for FY 2021-2022 is 49.4 cents per \$100 of assessed valuation.

The Council has expressed an interest in restoring some of the cumulative reductions the Town has made over time, to maintain our critical assets, and to be responsive to the interests of community members and property owners. The revaluation offers an opportunity for the Town to apply some of the property value growth to priorities that we have struggled to adequately fund in the past.

In an attempt to balance the needs of the community with the impact of the revaluation increase on property owners, we have based this adopted budget on a tax rate of 51.4 cents per \$100 assessed valuation, to capture some of the natural increase in property values, while slightly lowering the tax rate.

Last year, to respond to the pandemic, the Town made a series of significant reductions within our budget in response to the pandemic:

- Other Post Employment Benefit (OPEB) prefunding contribution – reduced funding allocation by \$250,000
- Ephesus Fordham Tax Increment Financing (TIF) - eliminated funding allocation – \$445,100
- Street Resurfacing – reduced funding allocation by \$300,000
- Facilities Maintenance - eliminated funding allocation - \$472,214
- Fleet Replacement – eliminated funding allocation - \$523,908



- Pay-Go Capital – eliminated funding allocation – \$237,500

We know that continuing to defer maintenance of our capital assets will cause greater costs in the long run, so we propose replenishing those funds to the following levels in FY22:

	<b>FY 2021 Budget Reduction</b>	<b>FY 2022 Budget Restoration</b>
Buildings	(\$472,214)	\$350,000
Streets	(\$300,000)	\$200,000
Pay-Go Capital	(\$237,500)	\$250,000
Vehicles	(\$523,908)	\$344,660

We also recognize that the Town has made commitments to decrease future liabilities, so the Town is reinstating the OPEB pre-funding contribution and the Ephesus-Fordham (EF) TIF budgets to the following level:

	<b>FY 2021 Budget Reduction</b>	<b>FY 2022 Budget Restoration</b>
OPEB Contribution	(\$250,000)	\$250,000
EF TIF	(\$445,100)	\$445,100

### **Recognize Town Employees**

Last year, we did not provide Town employees with a pay increase and we instituted a hiring freeze on all vacant positions to save personnel costs. We were able to offer a one-time payment to employees mid-year, but we recognize that this has been an extraordinary year of sacrifice and hard work for our employees, many of whom were out in the community providing front-line service. We are fortunate that our safety protocols and the responsible actions of our employees resulted in very limited cases of COVID and nearly no work-place transmission of the virus. For that, we must thank the employees themselves. This year, the Town is implementing a 3% of market pay increase.

Our healthcare broker continues to negotiate our health insurance premium to ensure the best possible rate. The adopted budget includes a 5.5% increase in health insurance, which is higher than last year's 4% increase. The increase 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.

Our goal is to retain and attract excellent employees in all areas of the organization. Last year, we paused the Class and Compensation study, due to a lack of funds to implement any findings. We have restarted that study and the Town is using \$400,000 to fund identified areas of need within the organization beginning on January 1, 2022.

One area of particular concern is in public safety where the competition for talent is considerable. We want to be in the best position possible to retain and attract the employees who make Chapel Hill a special place to live. We believe we can accomplish that goal by raising the starting pay and addressing the resulting compression of that increase in two phases, the first slated for FY22 and the other in FY23. We anticipate covering the costs of those increases with expected salary savings.

### **Return to the 5-year Budget Strategy**

The Council Retreat in February 2021 focused on priorities for the future and how to pay for them. The Council reviewed the 2020-22 Strategic Goals and received an overview of the 5-year Budget Strategy. During the retreat, Council affirmed the overarching priorities of Environmental Stewardship, Economic

Development and Social Equity and discussed funding priorities for the upcoming year. The strategic initiatives funded in the adopted budget are listed below.

#### Environmental Stewardship

- **Climate Action:** On Wednesday, April 7, 2021, the Town Council voted to adopt the Town's Climate Action and Response Plan. The Council also adopted a resolution declaring a climate emergency and requested that the Town Manager provide funding options as part of the Fiscal Year 2021-22 budget process. The adopted budget includes \$470,000 to begin implementation of the plan, which is roughly a half-penny on the tax rate.

#### Economic Development

- **ReVive:** This Recovery & Resiliency Plan offers a framework of goals, strategies and tactics that community leaders and volunteers can pursue to help Chapel Hill recover from the recession and lay a solid foundation for long-term transformation. This is a perfect use of one-time ARPA funding to help our downtown and other businesses bridge the gap between COVID and a more typical operating environment.
- **East Rosemary Street Parking Deck:** The adopted budget supports the construction of a new parking deck on East Rosemary Street using the Town's Parking Enterprise Fund to pay the debt service for the cost of borrowing funds for the project.

#### Social Equity

- **Human Services:** The adopted budget increases the Human Services budget by \$100,000 to provide vital social services to low-wealth communities struggling with food and housing insecurity.
- **Reimagining Community Safety Task Force:** The adopted budget includes \$100,000 to implement recommendations from the Task Force to enhance our community safety initiatives, eliminate structural inequities in Town public safety systems; and enable all in the community to thrive.
- **Diversity Equity and Inclusion Officer:** The adopted budget includes \$143,250 to hire and support a Diversity Equity and Inclusion Officer for the Town. This position would report directly to the Town Manager and provide executive leadership on the Town's racial equity goals and diversity initiatives.

#### Affordable Housing

- The Council continues to provide substantial annual funding for affordable housing and has approved leveraging Town-owned property to develop affordable housing. The adopted budget includes \$688,395 for affordable housing initiatives.
- The Town is expected to distribute the second half of the Affordable Housing Bond (approximately \$5 million) next year to assist with preserving and creating affordable housing units in Chapel Hill. We also anticipate utilizing ARPA funding to assist with housing assistance as folks continue to recover the financial impacts of the pandemic.

#### **Refocusing on the Future**

The adopted budget restores funding needed to continue to deliver high-quality core services to our residents, businesses, and visitors. The adopted budget also supports the Council's strategic goal areas from climate change to social equity and addresses critical workforce needs. FY22 revenue projections are based on conservative assumptions about how funding levels will return to pre-pandemic levels. And in a revaluation

year, the adopted budget establishes a municipal tax rate that captures a modest amount of property value growth.

Our community has weathered the dangerous storm of COVID-19 as well as any community in North Carolina. Our residents were determined to protect each other from infection and made significant sacrifices to do so. As we move cautiously into a better place, we know the goal is not to simply return to where we were before the pandemic but to learn from the experience and refocus our vision for a sustainable and equitable future. The pandemic exposed vulnerabilities in our community like food and housing insecurity and demonstrated the need for additional human services. And as the last year has also shown, our nation has much work to do to address our continued struggle with racism and its role in causing socio-economic disparities.

I believe this proposed budget offers the critical services and initiatives our community expects. It continues Chapel Hill's long history as a leader in addressing the critical issues of our times in a strategic, thoughtful and compassionate approach.

Sincerely,

Maurice Jones  
Town Manager  
Chapel Hill, NC



# ***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, 2021 through June 30, 2022.

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 2021-22.

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 2021-22 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 2021-22 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:

- 2019-20 Actual
- 2020-21 Original Budget
- 2020-21 Revised Budget
- 2020-21 Estimated
- 2021-22 Adopted Budget
- % Change from 2020-21 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.

A reader's guide entitled "Budget Format—The Basics" follows.

In addition to the material described above, the adopted 2021-22 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-

Audited data from the last completed fiscal year.

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

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

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

Estimate of prior year final cost/revenues by category.

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

## **EXPENDITURES**

Includes salaries, wages, and employee benefits (for example FICA, insurances).

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Adopted Budget	% Change from 2020-21
Personnel	759,140	833,544	833,544	833,544	809,367	-2.9%
Operating Costs	123,123	106,693	151,605	122,484	107,446	0.7%
Capital Outlay	9,011	5,000	5,000	5,000	-	-100.0%
Total	891,274	945,237	990,149	961,028	916,813	-3.0%

Includes costs for land, buildings, equipment and other purchases with an expected usefulness of 3 years or more and a cost of more than \$5,000.

Includes all operating costs except those related to personnel or capital.

## **REVENUES**

Revenues for the general benefit of the Town and not related to specific functions. These revenues include property taxes, State-shared revenues, sales taxes, interest and appropriated net assets (fund balance).

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Adopted Budget	% Change from 2020-21
General Revenues	730,933	776,437	821,349	846,228	770,013	-0.8%
Grants	-	-	-	-	-	N/A
Charges for Services	11,678	10,800	10,800	11,800	11,800	9.3%
Licenses/Permits/Fines	90,594	85,000	85,000	40,000	70,000	-17.6%
Transfers/Other Sources	58,069	73,000	73,000	63,000	65,000	-11.0%
Total	891,274	945,237	990,149	961,028	916,813	-3.0%

These revenues are directly related to departmental functions.

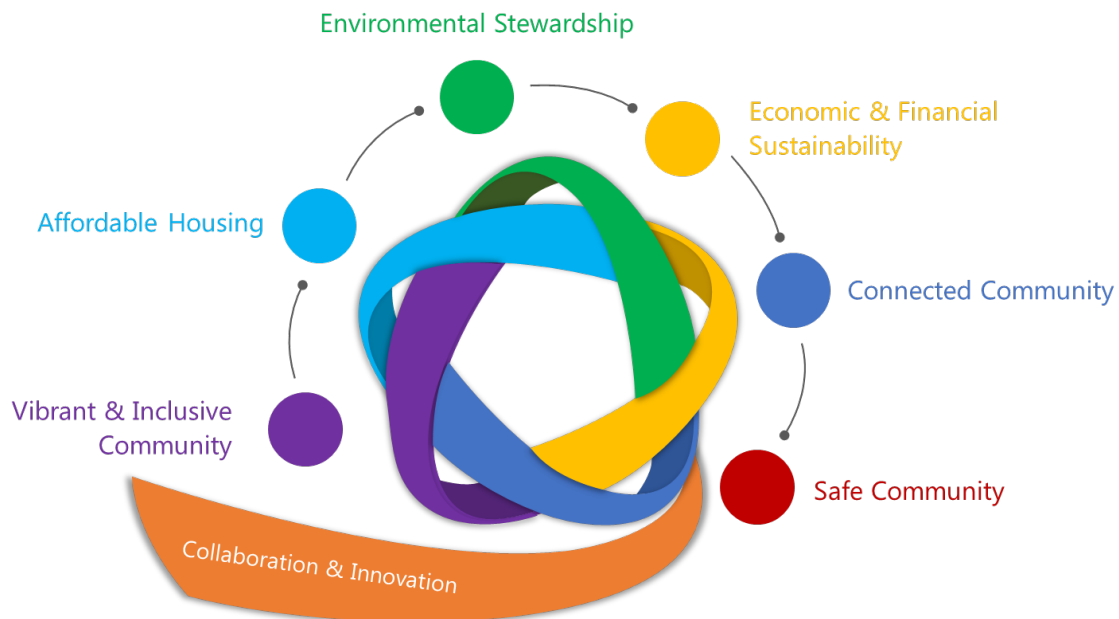
# ***Strategic Goals, Objectives, and Performance Management***

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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 FY22 Budget document illustrates performance data and targets that departments have identified as performance measures in their FY22 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.

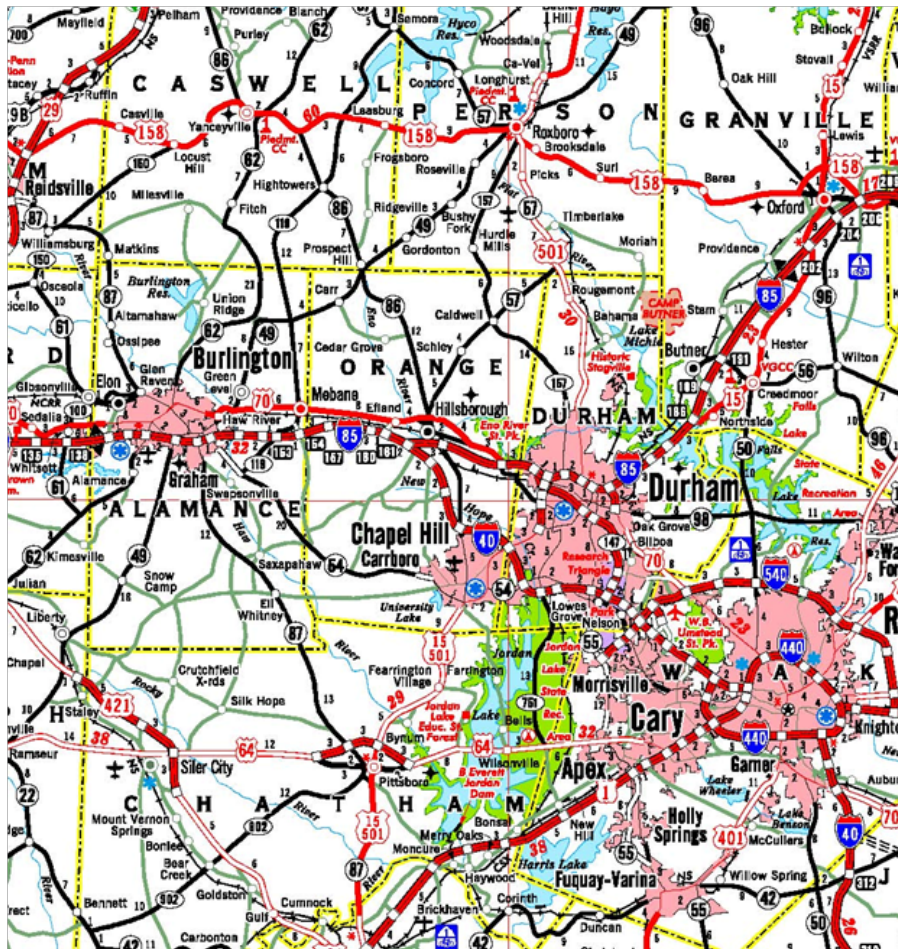
Performance Tools	Data and Dashboards
Business Plans, Performance Measures, Community Survey, Employee Engagement, Capital Project Management	Chapel Hill Open Data, GIS & Analytics, Personnel Dashboard, UNC Benchmarking Project

# ***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 21.7 square miles and has a population of 63,634 according to the latest estimate issued by the State of North Carolina for July 2019. 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 5.9 square mile planning jurisdiction.

# CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS

The growth of the Town has been directly related to the expansion of the University of North Carolina at Chapel Hill. Enrollment at the University has risen from 8,791 in 1960 to 30,101 in 2020-21. 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

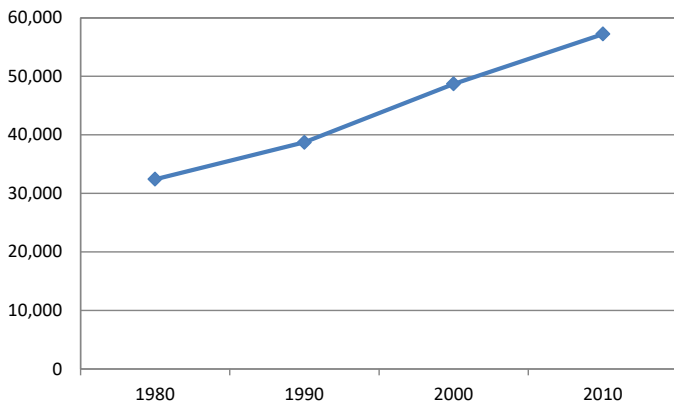
### POPULATION GROWTH AND CHARACTERISTICS

#### 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 2010 to 2019 amounts to 11.2 percent, about 1.6 percent faster than the County’s growth, and 1.2 percent faster than the 10.0 percent statewide population growth.

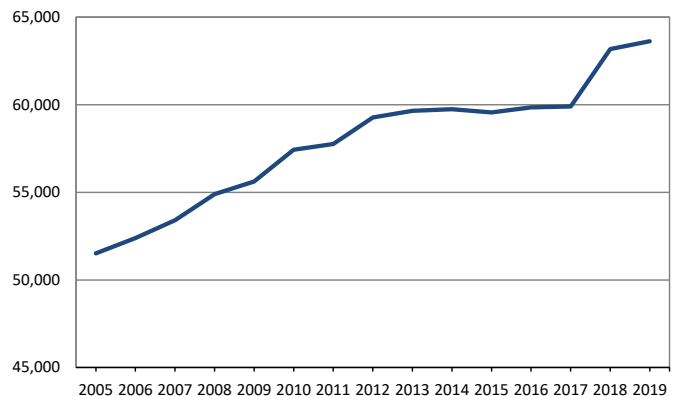
Figure 2 shows the Town’s growth since the 2000 Census.

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



Source: US Census Bureau, 2010

**Figure 2. Chapel Hill Population: 2005-2019**



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	3,372
Orange County	60,262
<b>TOTAL</b>	<b>63,634</b>

*Source: NC Office of State Budget and Management, 2019*

## *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 1,500 in Chapel Hill, or 2.9 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	45,626	71.7%
Black or African American	6,936	10.9%
American Indian and Alaska Natives	191	0.3%
Asian and Pacific Islander	8,272	13.0%
Some Other Race	764	1.2%
Two or More Races	1,845	2.9%
Total	63,634	100.0%
Hispanic Origin (any race)	4,009	6.3%

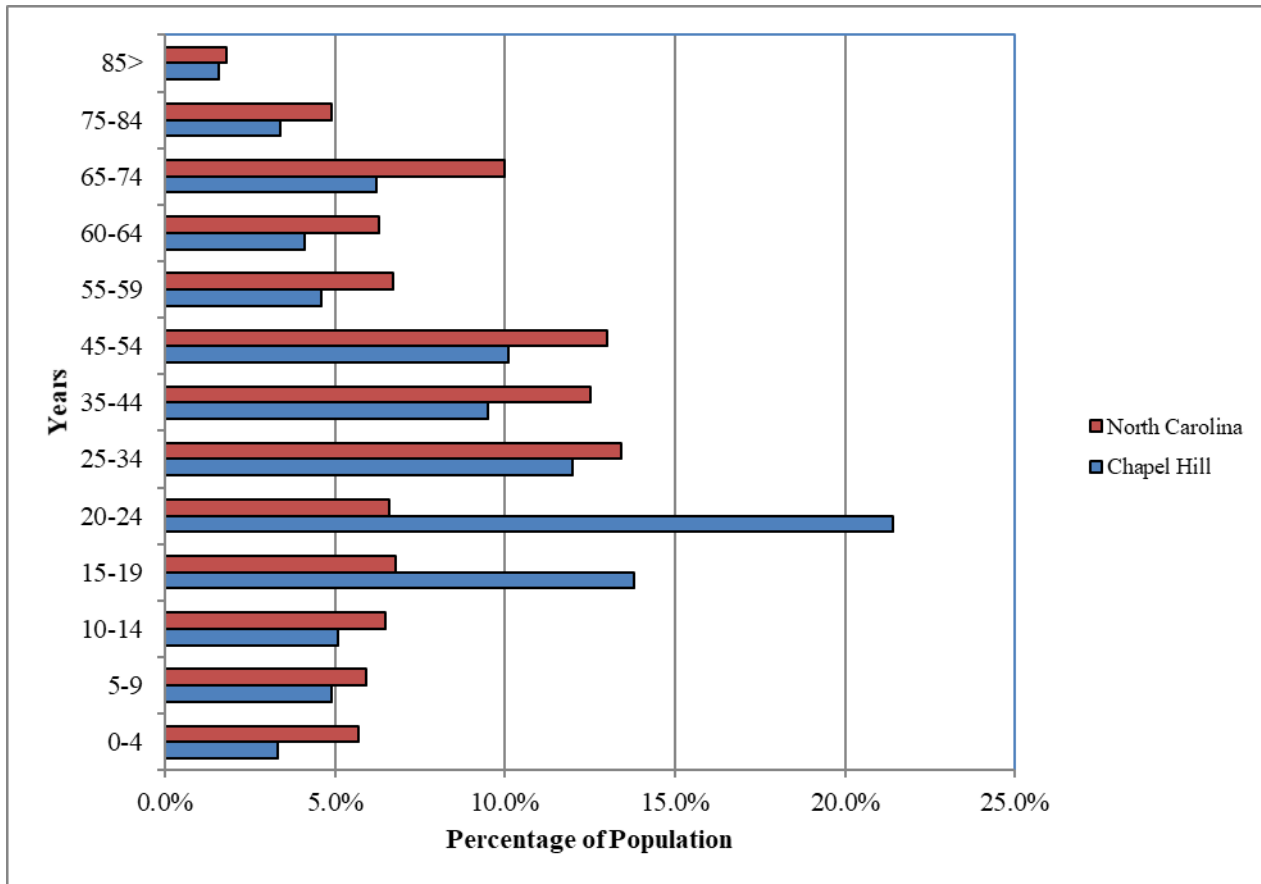
*Source: 2015-19 American Community Survey, US Census Bureau*

# 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 21.4 percent. As a comparison, the 20 to 24 age group represents 6.6 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 25.8 years old, while North Carolina’s median age is 39.1.



Source 2015-2019 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 2015-2019 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>Chapel Hill</b>	<b>Orange County</b>	<b>North Carolina</b>
	<b>Family Income</b>	<b>Family Income</b>	<b>Family Income</b>
Less than \$10,000	1,959	3,537	251,158
\$10,000 to \$14,999	715	2,044	187,653
\$15,000 to \$24,999	1,378	3,537	388,606
\$25,000 to \$34,999	1,576	4,346	390,767
\$35,000 to \$49,999	2,338	6,132	558,772
\$50,000 to \$74,999	2,361	7,979	729,876
\$75,000 to \$99,999	1,654	6,121	513,941
\$100,000 to \$149,999	2,676	7,467	558,344
\$150,000 to \$199,999	1,923	4,496	224,461
\$200,000 or more	3,789	7,717	242,770
<b>Total Households/Families</b>	<b>20,369</b>	<b>53,376</b>	<b>4,046,348</b>
<b>Median Income</b>	<b>\$73,614</b>	<b>\$74,299</b>	<b>\$57,341</b>
<b>Mean Income</b>	<b>\$123,112</b>	<b>\$110,759</b>	<b>\$80,037</b>

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

	<b>Chapel Hill</b>	<b>Orange County</b>	<b>North Carolina</b>
	<b>Family Income</b>	<b>Family Income</b>	<b>Family Income</b>
Less than \$10,000	9.62%	6.63%	6.21%
\$10,000 to \$14,999	3.51%	3.83%	4.64%
\$15,000 to \$24,999	6.77%	6.63%	9.60%
\$25,000 to \$34,999	7.74%	8.14%	9.66%
\$35,000 to \$49,999	11.48%	11.49%	13.81%
\$50,000 to \$74,999	11.59%	14.95%	18.04%
\$75,000 to \$99,999	8.12%	11.47%	12.70%
\$100,000 to \$149,999	13.14%	13.99%	13.80%
\$150,000 to \$199,999	9.44%	8.42%	5.55%
\$200,000 or more	18.60%	14.46%	6.00%
<b>\$50,000 or more</b>	<b>60.89%</b>	<b>63.29%</b>	<b>56.08%</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	1.8%	3.4%	4.2%
9th to 12th, No Diploma	2.2%	3.9%	7.2%
High School Graduate	7.3%	13.6%	25.6%
Some College, No Degree	8.6%	13.1%	20.6%
Associate's Degree	3.2%	6.3%	10.1%
Bachelor's Degree	28.7%	25.8%	20.5%
Graduate or Professional Degree	48.2%	33.9%	11.8%

**Table 5: School Enrollment**

<b><u>School Enrollment</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>	<b><u>2020-21</u></b>
Elementary (grades K-5)	5,547	5,498	5,483	5,324	4,912
Intermediate (grades 6-8)	2,834	2,835	3,003	3,024	2,910
Secondary (grades 9-12)	3,756	3,906	3,988	3,900	3,880
<b>Total</b>	<b>12,137</b>	<b>12,239</b>	<b>12,474</b>	<b>12,248</b>	<b>11,702</b>

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

**Table 6: Unemployment Rates**

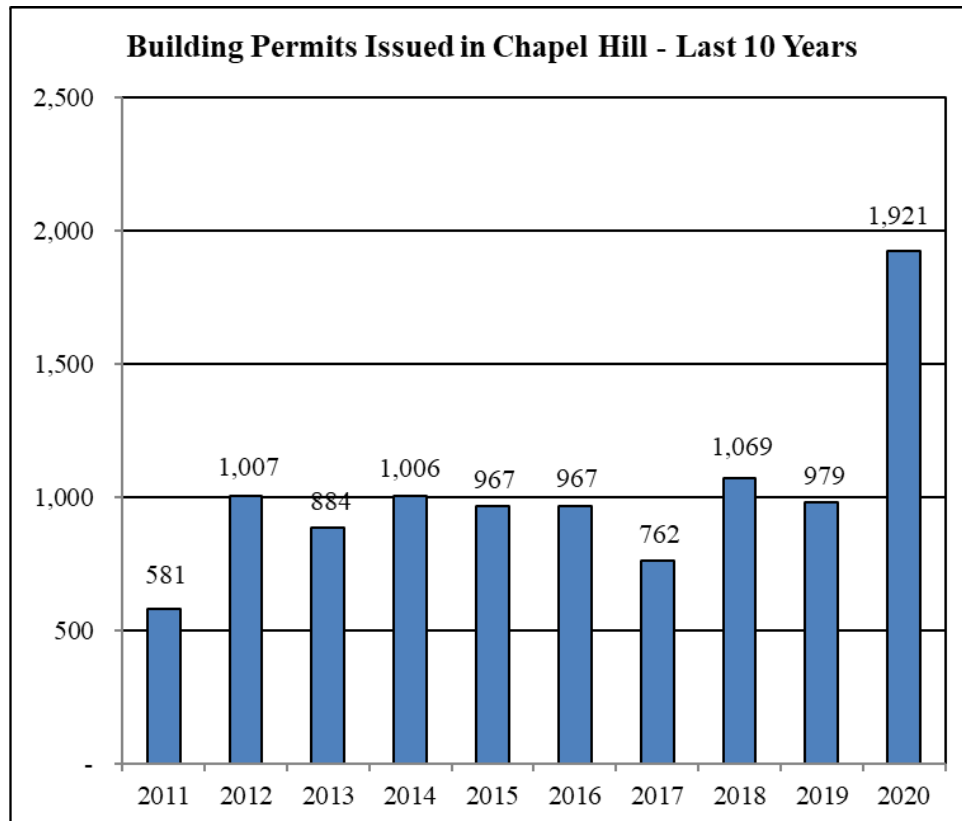
<b><u>Regional Average Unemployment Rates 2006-2020</u></b>			
<b><u>Year</u></b>	<b><u>Chapel Hill</u></b>	<b><u>Orange Co.</u></b>	<b><u>NC</u></b>
2006	2.9	3.3	4.8
2007	2.9	3.2	4.7
2008	3.5	4.0	6.1
2009	5.4	6.5	10.6
2010	6.1	6.6	10.9
2011	6.6	6.5	10.3
2012	6.3	6.1	9.3
2013	5.7	5.3	8.0
2014	4.9	4.4	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	5.4	5.4	7.4
2021	3.7	3.6	5.0

\*2021 rates based on monthly averages through June.  
Source: N.C. Employment Security Commission, U.S. Bureau of Labor

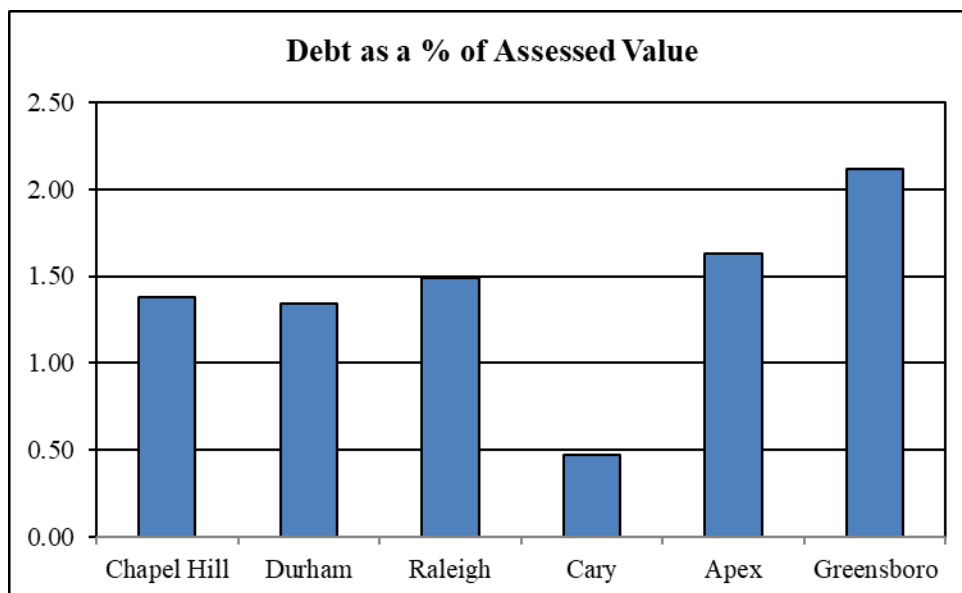
# **CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS**

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

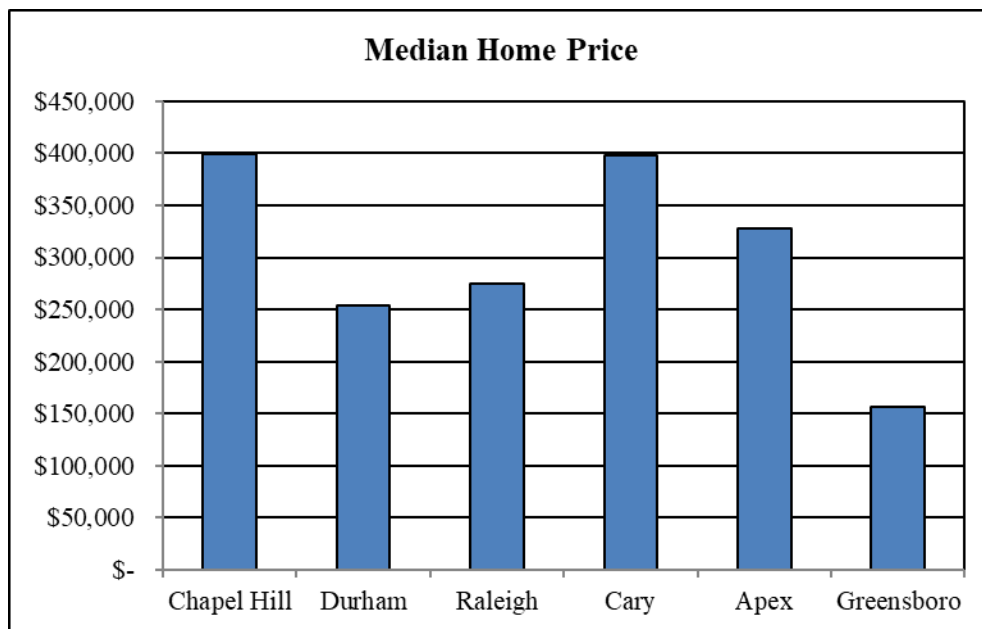


**Table 7b: Economic Indicators – Debt Percentage**



# 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.	650+
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.

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

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

## Carraway Village

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

## Wegmans

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



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

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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***

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<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

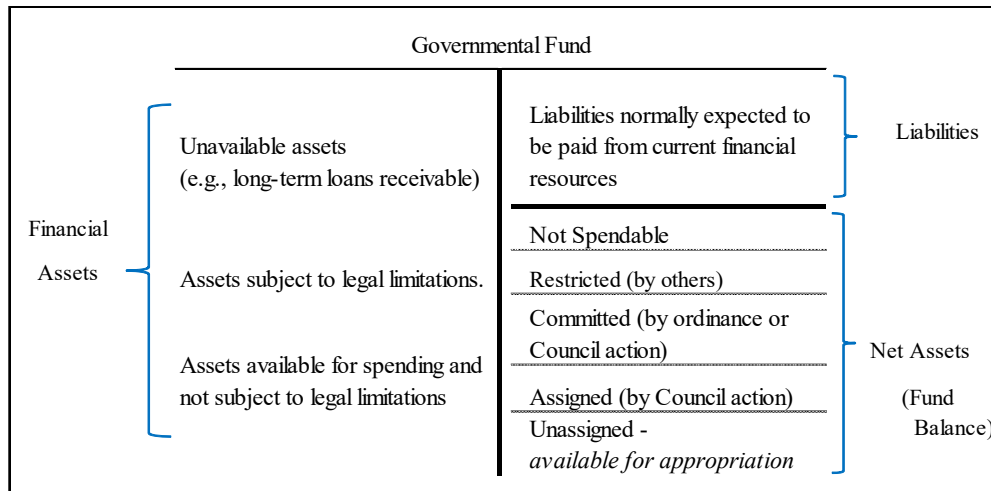
Fund balance (net assets) is the accumulated difference between revenues and expenditures in a governmental fund, and is similar to “working capital” for a private business. Portions of fund balance are intended to meet the cash flow and working capital needs of the Town in accordance with reserve recommendations 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 193 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 253) 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.

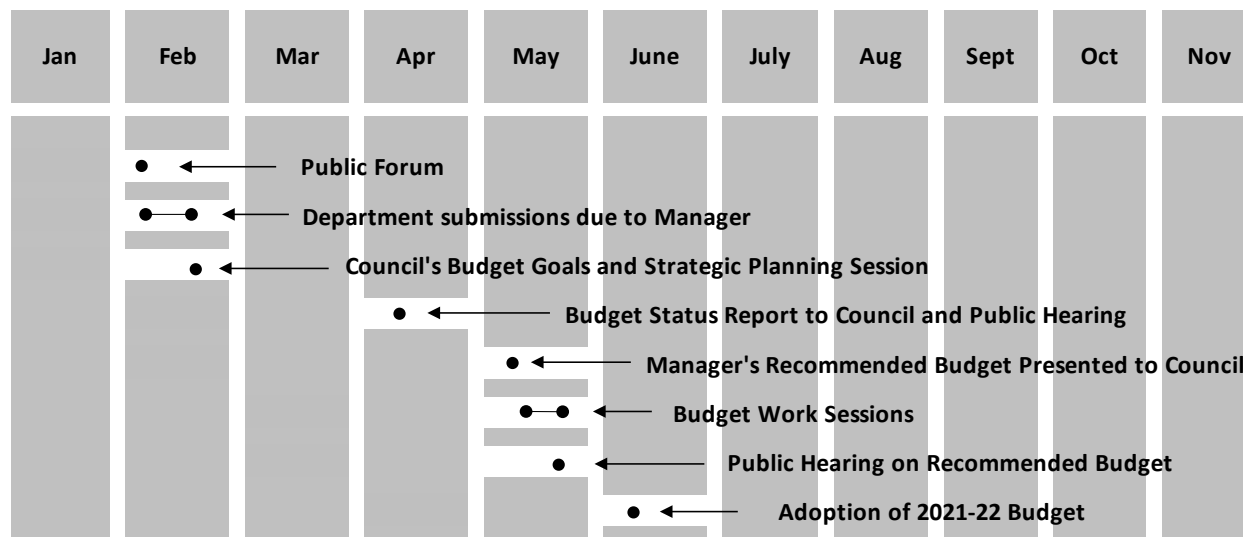
## **BUDGETARY CONTROL**

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***

<p>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.</p>	<p>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.</p>
<p><b>NET ASSET (FUND BALANCE) RESERVES</b></p>	
<p><b>Guideline</b></p>	<p><b>Comment</b></p>
<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, 2020 and Distinguished Budget Award in 2020-21 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 2021-22 budget include the continued 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 2021-22 budget incorporates the following assumptions:

- The property tax base is estimated to be \$9.44 billion in 2021-22 after the Orange County revaluation this year.
- We estimate that the Town's revenue from the local sales taxes will increase but remain difficult to forecast due to economic impacts of COVID-19.
- Federal assistance for the Transit Fund will remain flat for 2021-22.



# ***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 2021-22 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 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, 2021, and the balance of the authority remaining is shown in the following table.

Bond Order	Authority	May 2021 Issuance	Balance
Affordable Housing	\$ 10,000,000	\$ 4,755,000	\$ 5,245,000
<b>Total</b>	<b>\$ 10,000,000</b>	<b>\$ 4,755,000</b>	<b>\$ 5,245,000</b>

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

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

In addition to the referendum bonds, the Town is also planning on financing about \$45.48 million in limited obligation bonds for the East Rosemary Parking Deck (\$39 million) and Phase II Elliott Road Reconstruction (\$6.48 million) which are scheduled to close in August 2021. The Town is also planning to issue about \$34 million for public safety facilities sometime within the next 2 years.

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

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

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

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	<u>3,700,000</u>
<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 Build America Bonds were refunded in FY 2019.

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. The Two-Thirds bonds were used for Parks and Recreation and Streets projects.

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 projections assume that the Parking Fund will provide for the cost of this debt service (\$916,832) 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%.

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

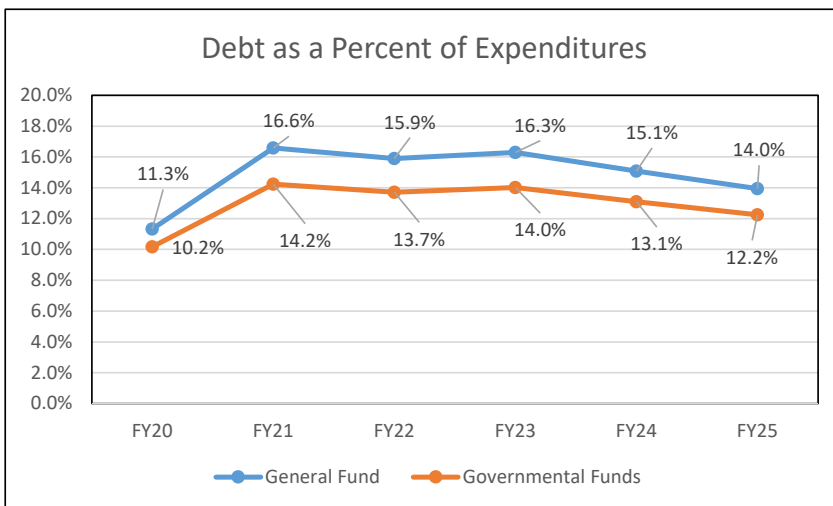
<u>Project</u>	<u>Amount</u>
Ephesus Fordham (Blue Hill) Road Improvements	\$ 4,779,000
Town Hall Renovations	1,865,000
Public Safety Facilities & Equipment	1,185,000
Community Center Pool Improvements	<u>50,000</u>
<b>Total</b>	<b><u>\$ 7,879,000</u></b>



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

The financing agreement has a 15-year term and a rate of 2.32%. The Ephesus Fordham (Blue Hill) Road portion of the borrowing is 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 10.58% in 2021-22 and to 9.31% as a percent of governmental revenues (general fund plus debt fund).



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.

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 2021-22, 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***

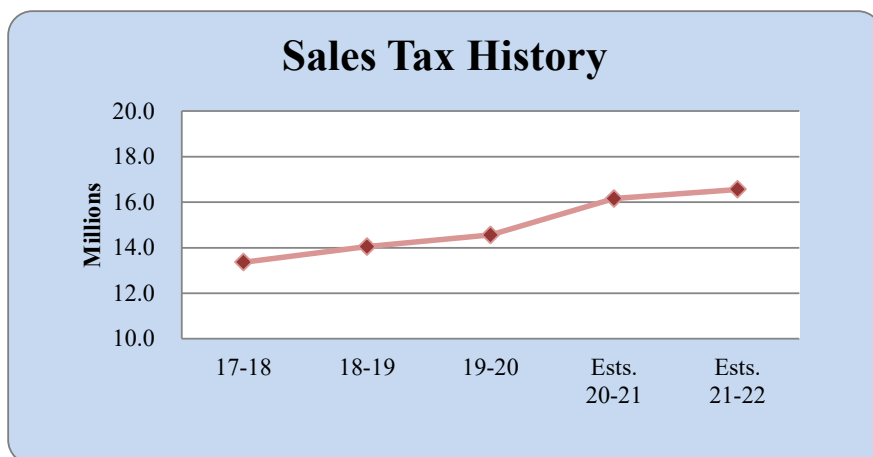
## **GENERAL FUND**

### **Revenues**

The most important revenue sources for General Fund operations continue to be property taxes and sales tax revenues that, combined, comprise about 73% of total General Fund revenues. The estimate of assessed valuation for the tax base in 2021-22 is about \$9.44 billion. There was a revaluation of property tax assessments effective for FY2021-22 budget. Real property values increased by approximately 14% and the motor vehicle and personal property valuations increased by about 2%. The Council adopted a tax rate of 51.4, which is 2 cents above the revenue neutral rate of 49.4 for the FY2021-22 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 \$630,000 each year. This is based on 1.8% annual growth, which is slightly lower than the historical average, and a tax rate for 2021-22 of \$37.2 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 FY21 receipts at about \$16 million, an increase from what was originally budgeted. Based on local trends and state forecasts, we anticipate a increase of about 3% for FY21-22.

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 2020-21 and \$4.2 million in 2021-21) and Video Programming Tax, estimated to remain relatively flat in FY21 and FY22.

State-shared revenues also include revenue from fuel tax funds for street maintenance (about \$1.49 million in 2020-21) 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 FY21 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 2021-22. 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.

Personnel costs for FY 2021-22 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 2021-22 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 FY21.

The 2021-22 Adopted Budget represents a 4.4% increase from the previous year largely due to an increase in revenue generated from Vehicle Fees from Triangle Transit Authority. The Transit budget also includes \$716,000 for debt payments on the purchase of new buses that began in 2016-17. The projections assume continuation of the 5.4 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	37.2	1.4
Debt Fund	9.8	8.8	1.0
Transit Fund	6.0	5.4	0.6
<b>Total Tax Rate</b>	<b>54.4</b>	<b>51.4</b>	<b>3.0</b>

## **DEBT SERVICE FUND**

The projections for the Debt Service Fund include maintaining the adopted tax rate of 8.8 cents. This tax rate will generate about \$8.28 million in revenues in 2021-22 which, along with the transfer from Parking, will provide for projected debt service costs. Cost projections include debt service on the borrowings noted above. Our projections include the planned issuance of about \$92 million of new debt in the next 5 years, including the financing of the new East Rosemary Parking Deck (revenues generated from deck will pay debt service), balance of the GO bonds authorized in the 2015 and 2018 referendum, and the financing of public safety facilities.

# ***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>						
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	Adopted	Estimated	Estimated	Estimated	Estimated	Estimated
	Increase	Increase	Increase	Increase	Increase	Increase
General Fund	0.0	2.4	(1.3)	0.8	0.8	0.8
Debt Service	0.0	1.1	(0.6)	0.2	0.2	0.2
Transit Fund	0.0	0.2	(1.2)	0.9	0.0	0.0
Total	0.0	3.7	(3.1)	1.9	1.0	1.0

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  
2021/2022- 2026/2027**

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Category	2021-22 Adopted	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated
Assessed Valuation (Real & Personal Property)	\$9,443,202,000	\$9,613,180,000	\$9,786,220,000	\$ 9,962,370,000	\$ 10,141,690,000	\$ 10,324,240,000
Tax Levy - General Fund Only*	35,129,000	35,761,000	36,405,000	37,060,000	37,727,000	38,406,000
Estimated Collections at 99%	34,980,000	35,610,000	36,250,000	36,900,000	37,570,000	38,240,000
Estimated Prior Year Collections	115,000	115,000	115,000	115,000	115,000	115,000
<b>TOTALS</b>	<b>\$ 35,095,000</b>	<b>\$ 35,725,000</b>	<b>\$ 36,365,000</b>	<b>\$ 37,015,000</b>	<b>\$ 37,685,000</b>	<b>\$ 38,355,000</b>
Tax rate	37.2	37.2	37.2	37.2	37.2	37.2

1¢ on the tax rate = \$ 940,000

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

2023	1.8%
2024	1.8%
2025	1.8%
2026	1.8%
2027	1.8%

**GENERAL FUND**  
**PROJECTED STATE-SHARED REVENUES**  
**2021-2022 - 2026/2027**

Category	2021-22 Adopted	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated
Utility Sales Tax <sup>1</sup>	\$ 4,175,000	\$ 4,196,000	\$ 4,217,000	\$ 4,238,000	\$ 4,259,000	\$ 4,280,000
Video Programming Tax	625,000	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>	5,556,000	5,834,000	6,126,000	6,432,000	6,754,000	7,092,000
1/2% Local Option Sales Tax (Article 40) <sup>3</sup>	3,942,000	4,139,000	4,346,000	4,563,000	4,791,000	5,031,000
1/2% Local Option Sales Tax (Article 42) <sup>3</sup>	2,875,000	3,019,000	3,170,000	3,329,000	3,495,000	3,670,000
1/2% Local Option Sales Tax (Article 44 Hold Harmless) <sup>3</sup>	92,000	97,000	102,000	107,000	112,000	118,000
City Hold Harmless <sup>3</sup>	4,096,000	4,301,000	4,516,000	4,742,000	4,979,000	5,228,000
Total Local Option Sales Taxes	16,561,000	17,390,000	18,260,000	19,173,000	20,131,000	21,139,000
Fuel Tax (Powell Bill) <sup>4</sup>	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000
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
<b>TOTAL</b>	<b>\$ 24,278,000</b>	<b>\$ 25,153,000</b>	<b>\$ 26,044,000</b>	<b>\$ 26,978,000</b>	<b>\$ 27,957,000</b>	<b>\$ 28,986,000</b>

<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 FY22 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**  
**2021/2022 - 2026/2027**

Category	2021-22 Adopted	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated
Property Taxes*	\$ 35,148,000	\$ 32,495,000	\$ 35,095,000	\$ 35,725,000	\$ 36,365,000	\$ 37,015,000
Sales Taxes	\$ 16,560,000	\$ 17,390,000	\$ 18,260,000	\$ 19,173,000	\$ 20,131,000	\$ 21,139,000
Other Taxes & Licenses	829,000	1,386,000	1,386,000	1,386,000	1,386,000	1,386,000
Licenses/Permits/Fines/ Forfeitures	2,800,000	2,842,000	2,842,000	2,842,000	2,842,000	2,842,000
State-Shared Revenues	7,717,000	7,763,000	7,784,000	7,805,000	7,826,000	7,847,000
Grants	682,000	688,000	697,000	706,000	715,000	724,000
Service Charges	4,306,000	5,013,000	5,023,000	5,033,000	5,043,000	5,053,000
Interest on Investments	25,000	50,000	50,000	50,000	50,000	50,000
Other Revenues	398,000	441,000	441,000	441,000	441,000	441,000
Interfund Transfers	45,000	45,000	45,000	45,000	45,000	45,000
TOTAL	\$ 68,510,000	\$ 68,113,000	\$ 71,623,000	\$ 73,206,000	\$ 74,844,000	\$ 76,542,000

\* Based on continuing the current General Fund tax rate of \$37.2 cents/\$100, with estimated growth as follows:

2023	1.80%
2024	1.80%
2025	1.80%
2026	1.80%
2027	1.80%



**GENERAL FUND  
PROJECTED COSTS  
2021/2022 - 2026/2027**

	2021-22 Adopted	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated
Personnel Services <sup>1</sup>	\$ 51,543,000	\$ 52,897,000	\$ 54,582,000	\$ 56,326,000	\$ 58,131,000	\$ 59,999,000
Operations						
Operating & Maintenance <sup>2</sup>	17,219,000	17,919,000	18,406,000	18,853,000	19,354,000	19,816,000
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	600,000	700,000	800,000	900,000	1,000,000
Other						
Human Service contracts, hotel/ motel allocations and grants to other agencies	1,323,000	1,323,000	1,323,000	1,323,000	1,323,000	1,323,000
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>	\$ 71,020,000	\$ 73,324,000	\$ 75,596,000	\$ 77,887,000	\$ 80,293,000	\$ 82,723,000

**Assumptions for years after 2022, reflected on base cost estimates for 2021-22:**

<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 2021/2022 - 2026/2027**

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	2021-22 Adopted	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated
Estimated Total Costs	\$ 71,020,000	\$ 73,324,000	\$ 75,596,000	\$ 77,887,000	\$ 80,293,000	\$ 82,723,000
Estimated Total Revenues	68,510,000	68,113,000	71,623,000	73,206,000	74,844,000	76,542,000
Revenues Needed	2,510,000	5,211,000	3,973,000	4,681,000	5,449,000	6,181,000
Fund Balance Available	-	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
One-time use of Fund Balance	2,510,000	-	-	-	-	-
Additional Revenue Needed/ (Available)	\$ -	\$ 2,211,000	\$ 973,000	\$ 1,681,000	\$ 2,449,000	\$ 3,181,000
Change in Tax Rate in cents in Specific Years*	-	2.4	(1.3)	0.8	0.8	0.8

\*Value of a cent = \$940,000

***TRANSIT FUND***  
***REVENUE PROJECTIONS***  
***2021/2022 - 2026/2027***

	2021-22 Adopted	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated
Taxes <sup>1</sup>	\$ 5,093,702	\$ 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	4,074,423	4,115,000	4,156,000	4,198,000	4,240,000	4,282,000
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>	8,519,147	8,647,000	8,777,000	8,909,000	9,043,000	9,179,000
Carrboro Contract (Net) <sup>4</sup>	1,900,088	1,929,000	1,958,000	1,987,000	2,017,000	2,047,000
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	446,494	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 26,300,046</b>	<b>\$ 26,124,000</b>	<b>\$ 26,437,000</b>	<b>\$ 26,763,000</b>	<b>\$ 27,083,000</b>	<b>\$ 27,415,000</b>

Revenue Notes:

<sup>1</sup> Based on the adopted tax rate of 5.4 cents through 2026-27.

<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***  
***2021/2022 - 2026/2027***

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	2021-22 Adopted	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated
Personnel Services <sup>1</sup>	\$ 16,114,677	\$ 16,694,000	\$ 17,230,000	\$ 17,786,000	\$ 18,362,000	\$ 18,958,000
Operations <sup>2</sup>	10,185,369	10,491,000	10,802,000	11,124,000	11,456,000	11,800,000
Capital Reserve Fund <sup>3</sup>	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 26,300,046</b>	<b>\$ 27,185,000</b>	<b>\$ 28,032,000</b>	<b>\$ 28,910,000</b>	<b>\$ 29,818,000</b>	<b>\$ 30,758,000</b>

**Assumptions for years after 2021-22**

<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  
2021/2022 - 2026/2027***

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	2021-22 Adopted	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated
Estimated Costs	\$ 26,300,046	\$ 27,185,000	\$28,032,000	\$ 28,910,000	\$ 29,818,000	\$ 30,758,000
Estimated Revenues	26,300,046	26,124,000	26,437,000	26,763,000	27,083,000	27,415,000
Revenue Needed/(Excess)	-	1,061,000	1,595,000	2,147,000	2,735,000	3,343,000
Additional Revenue Needed	\$ -	\$ 1,061,000	\$ 1,595,000	\$ 2,147,000	\$ 2,735,000	\$ 3,343,000
Change in Tax Rate in Specific Years	-	1.1	(0.6)	0.2	0.2	0.2

1 cent on the tax rate = \$940,000

Assumptions on future revenues and costs:

- Same revenue sources as available in 2021-22 (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 FY22.
  - Includes estimated adjustments of 5% in fuel and tire costs after FY22.
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**DEBT SERVICE FUND**  
**PROJECTED TAX BASE AND OTHER REVENUES**  
**2021/2022 - 2026/2027**

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Category	2021-22 Adopted	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated
Assessed Valuation (Real & Personal Property)	\$ 9,443,202,000	\$ 9,613,180,000	\$ 9,786,220,000	\$ 9,962,370,000	\$ 10,141,690,000	\$ 10,324,240,000
Tax Levy - Debt Service Fund Only*	8,310,000	8,460,000	8,612,000	8,767,000	8,925,000	9,085,000
Estimated Collections at 99%	8,280,000	8,420,000	8,580,000	8,730,000	8,890,000	9,050,000
Estimated Prior Year Collections	13,000	13,000	13,000	13,000	13,000	13,000
<b>TOTAL TAXES</b>	<b>\$ 8,293,000</b>	<b>\$ 8,433,000</b>	<b>\$ 8,593,000</b>	<b>\$ 8,743,000</b>	<b>\$ 8,903,000</b>	<b>\$ 9,063,000</b>
Interest Income	10,000	10,000	10,000	10,000	10,000	10,000
Transfer from General Fund	445,000	621,000	952,000	936,000	923,000	908,000
Transfer from Parking	917,000	3,197,000	2,901,000	2,630,000	2,569,000	2,566,000
<b>TOTAL REVENUES</b>	<b>\$ 9,665,000</b>	<b>\$ 12,261,000</b>	<b>\$ 12,456,000</b>	<b>\$ 12,319,000</b>	<b>\$ 12,405,000</b>	<b>\$ 12,547,000</b>

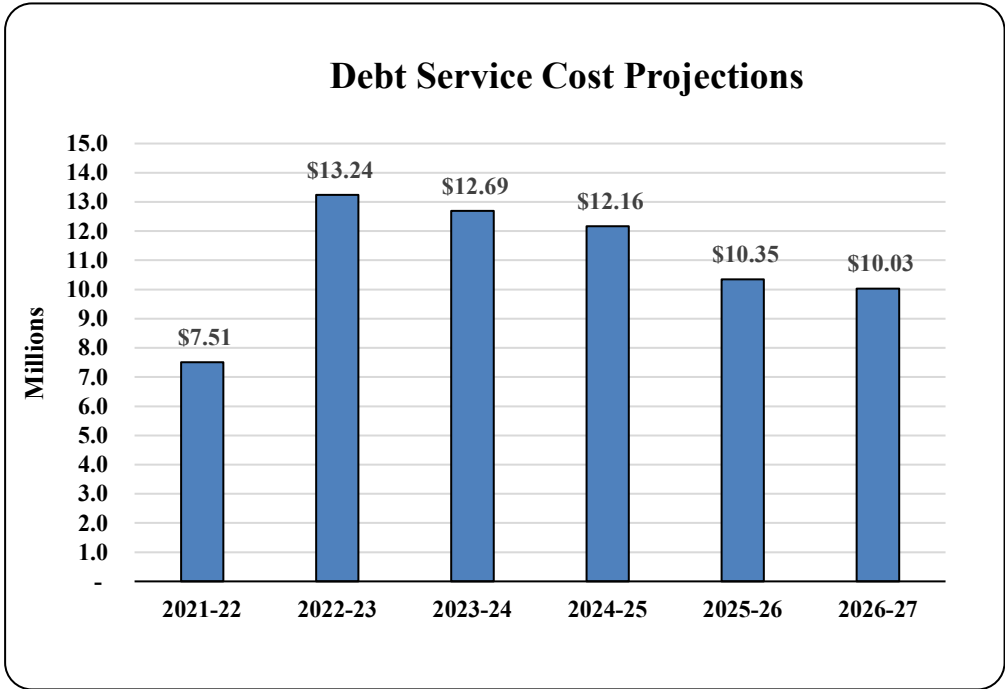
\* Based on a continued tax rate of \$8.8 cents for the Debt Fund through 2026-27, with estimated growth as follows:

2023	1.80%
2024	1.80%
2025	1.80%
2026	1.80%
2027	1.80%

**DEBT SERVICE FUND  
PROJECTED COSTS  
2021/2022 - 2026/2027**

	2021-22 Adopted	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated
Existing Debt	\$ 7,508,000	\$ 7,350,000	\$ 6,923,000	\$ 6,514,000	\$ 4,828,000	\$ 4,576,000
Future Issuance*	-	5,894,000	5,765,000	5,648,000	5,524,000	5,455,000
<b>TOTALS</b>	<b>\$ 7,508,000</b>	<b>\$ 13,244,000</b>	<b>\$ 12,688,000</b>	<b>\$ 12,162,000</b>	<b>\$ 10,352,000</b>	<b>\$ 10,031,000</b>

\* Future issuance includes East Rosemary Parking Deck with annual debt service around \$2.2 million.  
Revenues generated from new parking deck will be transferred to Debt Service Fund to cover debt payments.



***DEBT SERVICE FUND***  
***ANALYSIS OF REVENUE AND COST PROJECTIONS***  
***2021/2022 - 2026/2027***

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	2021-22 Adopted	2022-23 Estimated	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated
Estimated Total Costs	\$ 7,508,000	\$ 13,244,000	\$ 12,688,000	\$ 12,162,000	\$ 10,352,000	\$ 10,031,000
Estimated Total Revenues	9,665,000	12,261,000	12,456,000	12,319,000	12,405,000	12,547,000
Revenue (Needed)/Available	2,157,000	(983,000)	(232,000)	157,000	2,053,000	2,516,000
Fund Balance Available	-	755,000	1,122,000	527,000	110,000	1,809,000
Reserved for future debt	2,157,000	-	-	157,000	2,053,000	2,516,000
Additional Revenue (Needed)/Available	-	(228,000)	890,000	-	-	-
Change in Tax Rate in Specific Years*	0.0	0.2	(1.2)	0.9	0.0	0.0

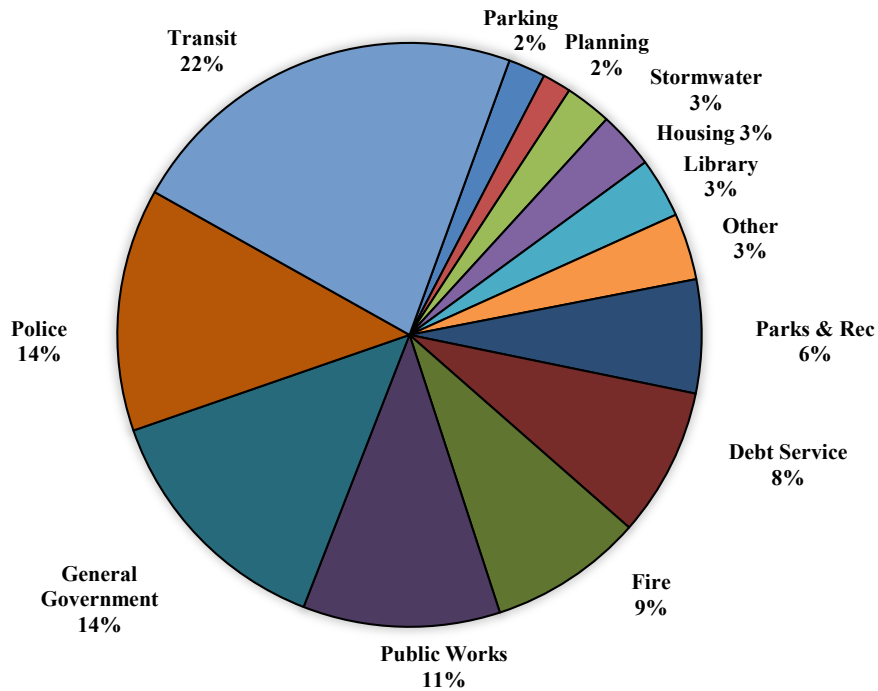
Value of a cent = \$940,000



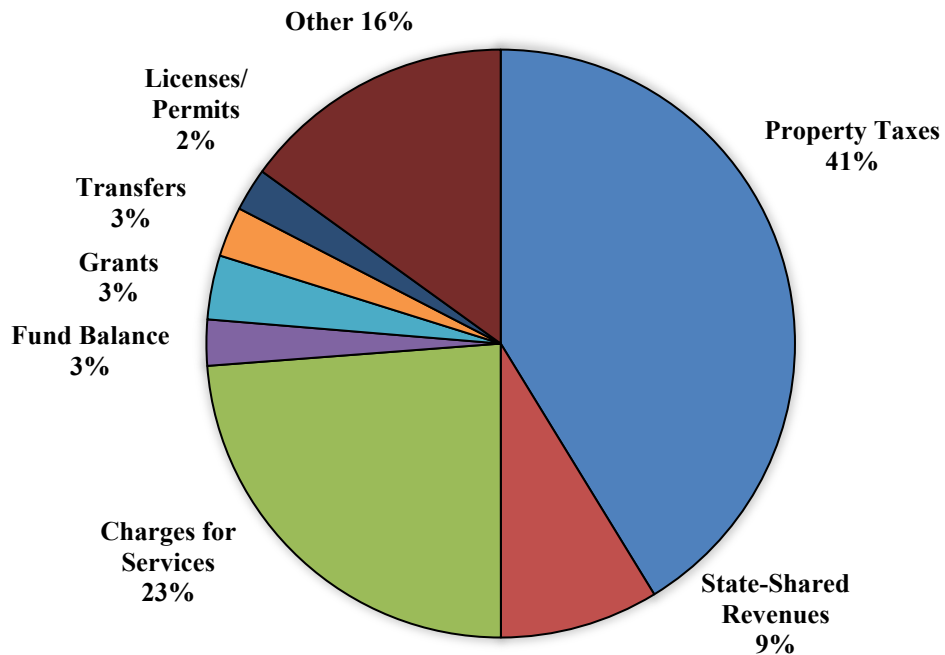
# ALL FUNDS SUMMARY

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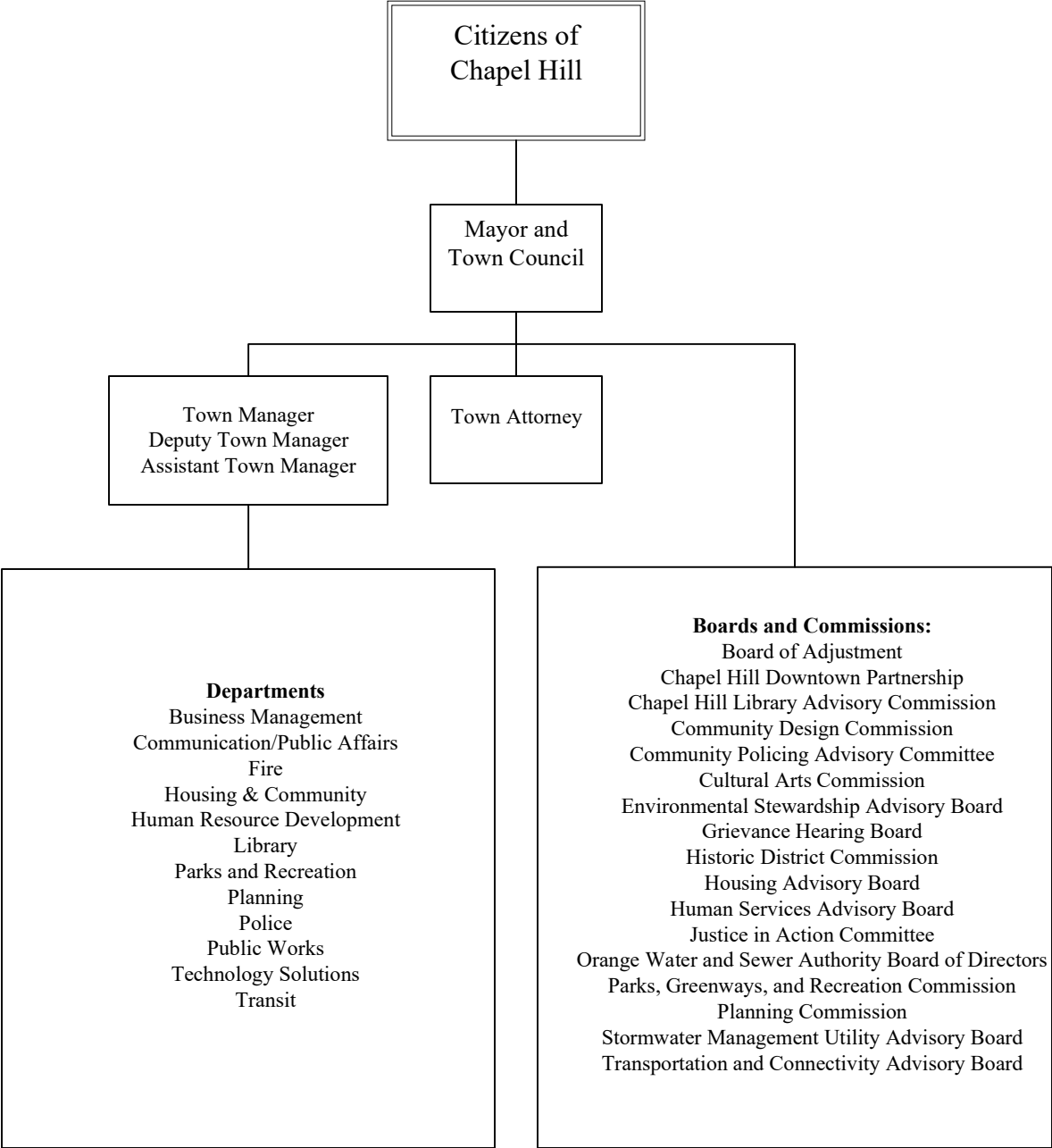
## TOTAL BUDGET EXPENDITURES \$117,302,906 (NET OF TRANSFERS)



## TOTAL BUDGET REVENUES



**TOWN OF CHAPEL HILL ORGANIZATION CHART**



***ALL FUNDS  
SUMMARY OF APPROPRIATIONS  
Adopted Budget 2021-22***

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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>	\$ 71,020,000	\$ 2,302,945	\$ 68,717,055
<b>Transit Funds</b>			
Transit	26,300,046	-	26,300,046
Transit Capital Reserve Fund	-	-	-
<b>Stormwater Management Fund</b>	3,009,500	-	3,009,500
<b>Parking Funds</b>			
Off-Street Parking Fund	2,548,423	916,832	1,631,591
On-Street Parking Fund	787,565	-	787,565
<b>Housing Funds</b>			
Public Housing Fund	2,176,756	-	2,176,756
<b>Debt Service Fund</b>	9,664,932	-	9,664,932
<b>Capital Projects</b>			
Capital Improvements Fund	697,241	-	697,241
<b>Other Funds</b>			
Affordable Housing Reserve Fund	688,395	-	688,395
Climate Action Fund	470,000	-	470,000
Grants Fund	394,852	-	394,852
Downtown Service District Fund	465,500	-	465,500
Library Gift Fund	216,841	45,000	171,841
Vehicle Replacement Fund	344,660	-	344,660
Vehicle Maintenance Fund	1,605,222	-	1,605,222
Computer Replacement Fund	177,750	-	177,750
<b>TOTAL</b>	<b>\$ 120,567,683</b>	<b>\$ 3,264,777</b>	<b>\$ 117,302,906</b>

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# ***ALL FUNDS STAFFING SUMMARY***

Personnel costs make up 62% of the Town's operating budget across all funds. Personnel costs in the General Fund make up 73% of total expenditures. The Staffing Summary represents a snapshot of the FTE's on which the FY22 Adopted Budget is based.

## ***2021-22 STAFFING BY DEPARTMENT IN FULL-TIME EQUIVALENTS***

<b><i>DEPARTMENTS</i></b>	<b>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>	<b>2021-22 ADOPTED</b>
Mayor	1.00	1.00	1.00
Manager	11.00	11.00	12.00
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	3.00
Planning	15.65	15.65	15.65
Public Works <sup>1</sup>	91.20	91.20	91.20
Police	155.00	155.00	141.00
Fire	96.00	96.00	96.00
Parks & Recreation	53.80	53.80	53.80
Library	34.66	34.66	34.66
Transit	203.29	203.29	205.66
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	<b>771.93</b>	<b>771.93</b>	<b>762.30</b>

<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 2021-22***

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	2019-20 Actual	2020-21 Budget	2020-21 Estimated	2021-22 Adopted
<b>Assessed Value of Real and Personal Property</b>	\$ 8,283,264,338	\$ 8,441,580,000	\$ 8,423,583,270	\$ 9,443,201,995
Tax Rate Per \$100 Valuation				
General Fund	38.6	38.6	38.6	37.2
Transit Fund	6.0	6.0	6.0	5.4
Debt Service Fund	9.8	9.8	9.8	8.8
<b>Total Tax Rate (cents)</b>	<b>54.4</b>	<b>54.4</b>	<b>54.4</b>	<b>51.4</b>
Tax Levy	45,060,958	45,922,000	45,824,000	48,538,000
<b>Estimated Collections at 99%</b>	<b>\$ 44,871,700</b>	<b>\$ 45,697,000</b>	<b>\$ 45,631,500</b>	<b>\$ 48,334,100</b>
Distribution				
General Fund	31,839,127	32,420,000	32,380,000	34,980,000
Transit Fund	4,949,085	5,040,000	5,030,000	5,080,000
Debt Service Fund	8,083,330	8,230,000	8,220,000	8,280,000
<b>Downtown Service District Fund</b>				
Tax Rate (cents)	7.0	7.0	7.0	6.4
Assessed Value of Real and Personal Property	\$ 531,000,000	\$ 546,310,000	\$ 524,000,000	\$ 610,392,000
Tax Levy	372,000	382,000	367,000	391,000
<b>1¢ of the Tax Rate Equals (to nearest 1,000)</b>	<b>\$ 824,000</b>	<b>\$ 840,000</b>	<b>\$ 839,000</b>	<b>\$ 940,000</b>

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## ***ESTIMATED UNDESIGNATED RESERVES ANNUALLY BUDGETED FUNDS***

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	Approximate Unassigned Fund Balance July 1, 2021	2021-22 Budgeted Revenues	2021-22 Budgeted Expenditures	Approximate Unassigned Fund Balance June 30, 2022
<b>GENERAL FUND</b>	\$ 17,139,000	\$ 68,510,000	\$ 71,020,000	\$ 14,629,000
<b>SPECIAL REVENUE FUNDS</b>				
Affordable Hsg Develop Reserve	-	688,000	688,000	-
Downtown Service District	130,000	466,000	466,000	130,000
Library Gift	130,000	207,000	217,000	120,000
Grants Fund	10,000	395,000	395,000	10,000
<b>DEBT SERVICE FUND</b>	11,535,000	9,665,000	7,511,000	13,689,000
<b>CAPITAL IMPROVEMENT FUNDS</b>				
Capital Improvements	297,000	697,000	697,000	297,000
Capital Reserve	218,000	-	-	218,000
<b>ENTERPRISE FUNDS</b>				
Transit	14,822,000	26,300,000	26,300,000	14,822,000
Transit Capital Reserve	2,729,000	-	-	2,729,000
Public Housing	3,867,000	2,177,000	2,177,000	3,867,000
On-Street Parking	-	788,000	788,000	-
Off-Street Parking	389,000	2,548,000	2,548,000	389,000
Stormwater Management	2,480,000	3,010,000	2,842,000	2,648,000
<b>INTERNAL SERVICE FUNDS</b>				
Vehicle Replacement	39,000	345,000	345,000	39,000
Vehicle Maintenance	11,000	1,577,000	1,605,000	(17,000)
Computer Replacement	44,000	178,000	178,000	44,000
<b>TOTAL</b>	<b>\$ 53,840,000</b>	<b>\$ 117,551,000</b>	<b>\$ 117,780,000</b>	<b>\$ 53,614,000</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 2021-22 is anticipated to be about 12.4% 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 2021 Comprehensive Annual Financial Report.

**GOVERNMENTAL FUNDS****SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES****2021-22**

	General Fund			Special Revenue Funds		
	19-20 Actual	20-21 Estimated	21-22 Adopted	19-20 Actual	20-21 Estimated	21-22 Adopted
<b>Net Unreserved Assets, Beginning of Year</b>	12,561,644	13,637,393	17,138,807	1,367,374	1,265,837	269,926
<b>Financial Sources</b>						
Property Taxes	31,960,930	32,488,311	35,147,500	372,949	368,750	392,000
Other Tax and Licenses	15,628,313	16,690,074	17,388,988	-	-	-
State-Shared Revenues	7,749,969	7,712,442	7,717,442	-	-	-
Interest on Investments	81,887	10,000	25,000	1,160	87	341
Other Revenues	786,958	836,035	397,900	309,859	304,884	196,000
Grants	1,010,285	950,914	681,997	486,898	2,226,576	392,002
Charges for Services	4,546,422	3,096,951	4,305,852	-	-	-
Licenses/Permits/Fines	2,860,066	2,644,819	2,800,100	-	-	-
Transfers/Other Sources	45,000	45,000	45,000	782,101	773,759	1,245,845
Appropriated Net Assets (Fund Balance)	-	-	2,510,221	-	995,911	9,400
<b>Total Estimated Financial Sources</b>	<b>64,669,830</b>	<b>64,474,546</b>	<b>71,020,000</b>	<b>1,952,967</b>	<b>4,669,967</b>	<b>2,235,588</b>
<b>Expenditures</b>						
Personnel	46,507,294	45,178,422	51,793,274	467,375	541,695	547,047
Operations	16,941,835	15,691,010	19,141,726	1,419,254	3,981,272	1,412,275
Capital	144,952	103,700	85,000	167,875	147,000	269,943
Contribution to Reserve	-	-	-	-	-	6,323
<b>Total Budget</b>	<b>63,594,081</b>	<b>60,973,132</b>	<b>71,020,000</b>	<b>2,054,504</b>	<b>4,669,967</b>	<b>2,235,588</b>
<b>Financial Sources less Expenditures</b>	<b>1,075,749</b>	<b>3,501,414</b>	<b>-</b>	<b>(101,537)</b>	<b>-</b>	<b>-</b>
<b>Net Unreserved Assets, End of Year</b>	<b>13,637,393</b>	<b>17,138,807</b>	<b>14,628,586</b>	<b>1,265,837</b>	<b>269,926</b>	<b>260,526</b>

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



<b>Debt Service Fund</b>			<b>Capital Funds</b>		
<b>19-20 Actual</b>	<b>20-21 Estimated</b>	<b>21-22 Adopted</b>	<b>19-20 Actual</b>	<b>20-21 Estimated</b>	<b>21-22 Adopted</b>
7,494,829	9,565,682	11,534,867	992,624	1,087,988	514,709
8,090,695	8,238,000	8,293,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
184,591	6,000	10,000	3,331	2,500	1,000
-	-	-	-	-	-
122,138	-	-	-	-	-
-	-	-	102,283	96,449	96,241
-	-	-	-	-	-
1,350,432	914,831	1,361,932	321,600	146,545	600,000
-	-	-	-	573,279	-
<b>9,747,856</b>	<b>9,158,831</b>	<b>9,664,932</b>	<b>427,214</b>	<b>818,773</b>	<b>697,241</b>
-	-	-	-	-	-
7,677,003	7,189,646	7,510,975	-	-	-
-	-	-	331,850	818,773	697,241
-	1,969,185	2,153,957	-	-	-
<b>7,677,003</b>	<b>9,158,831</b>	<b>9,664,932</b>	<b>331,850</b>	<b>818,773</b>	<b>697,241</b>
<b>2,070,853</b>	-	-	<b>95,364</b>	-	-
<b>9,565,682</b>	<b>11,534,867</b>	<b>13,688,824</b>	<b>1,087,988</b>	<b>514,709</b>	<b>514,709</b>

**ENTERPRISE FUNDS****SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES****2021-22**

	Parking Funds			Transit Funds		
	19-20 Actual	20-21 Estimated	21-22 Adopted	19-20 Actual	20-21 Estimated	21-22 Adopted
<b>Net Unreserved Assets, Beginning of Year</b>	791,931	389,056	389,056	15,572,740	18,016,336	17,551,336
<b>Financial Sources</b>						
Property Taxes	-	-	-	4,954,584	5,053,702	5,093,702
Other Tax and Licenses	-	-	-	424,834	450,034	450,034
State-Shared Revenues	-	-	-	3,628,189	55,705	2,629,698
Interest on Investments	981	1,000	2,000	72,407	26,395	25,595
Other Revenues	102,682	1,384,613	1,281,788	-	26,500	26,500
Grants	-	-	-	2,132,881	8,582,764	1,960,178
Charges for Services	2,035,673	1,051,600	2,052,200	11,640,757	10,963,015	15,667,845
Licenses/Permits/Fines	-	-	-	-	-	-
Transfers/Other Sources	-	-	-	4,141,703	3,572,739	-
Appropriated Net Assets (Fund Balance)	-	-	-	-	465,000	446,494
<b>Total Estimated Financial Sources</b>	<b>2,139,336</b>	<b>2,437,213</b>	<b>3,335,988</b>	<b>26,995,355</b>	<b>29,195,854</b>	<b>26,300,046</b>
<b>Expenditures</b>						
Personnel	640,016	602,199	946,160	14,079,171	13,371,826	16,114,677
Operations	956,201	832,075	1,457,996	9,636,011	15,087,338	10,165,369
Capital	945,994	1,002,939	931,832	836,577	736,690	20,000
Contribution to Reserve	-	-	-	-	-	-
<b>Total Budget</b>	<b>2,542,211</b>	<b>2,437,213</b>	<b>3,335,988</b>	<b>24,551,759</b>	<b>29,195,854</b>	<b>26,300,046</b>
<b>Financial Sources less Expenditures</b>	<b>(402,875)</b>	<b>-</b>	<b>-</b>	<b>2,443,596</b>	<b>-</b>	<b>-</b>
<b>Net Unreserved Assets, End of Year</b>	<b>389,056</b>	<b>389,056</b>	<b>389,056</b>	<b>18,016,336</b>	<b>17,551,336</b>	<b>17,104,842</b>

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

<b>Stormwater Management Fund</b>			<b>Housing Fund</b>		
<b>19-20 Actual</b>	<b>20-21 Estimated</b>	<b>21-22 Adopted</b>	<b>19-20 Actual</b>	<b>20-21 Estimated</b>	<b>21-22 Adopted</b>
4,989,256	5,447,106	2,479,762	3,013,384	3,586,052	3,867,218
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
40,581	3,000	2,000	1,841	1,715	1,715
7,500	41,800	7,500	173,472	162,370	200
-	-	-	1,224,531	1,145,793	1,145,793
3,158,285	2,988,000	2,988,000	998,645	1,029,048	1,029,048
-	-	-	-	-	-
11,719	12,000	12,000	-	-	-
-	2,967,344	-	-	-	-
<b>3,218,085</b>	<b>6,012,144</b>	<b>3,009,500</b>	<b>2,398,489</b>	<b>2,338,926</b>	<b>2,176,756</b>
1,219,951	1,300,435	1,467,359	954,535	1,131,674	1,213,455
682,990	1,768,839	1,077,178	871,286	926,086	963,301
857,294	2,942,870	297,244	-	-	-
-	-	167,719	-	281,166	-
<b>2,760,235</b>	<b>6,012,144</b>	<b>3,009,500</b>	<b>1,825,821</b>	<b>2,338,926</b>	<b>2,176,756</b>
<b>457,850</b>	-	-	<b>572,668</b>	-	-
<b>5,447,106</b>	<b>2,479,762</b>	<b>2,647,481</b>	<b>3,586,052</b>	<b>3,867,218</b>	<b>3,867,218</b>

**INTERNAL SERVICE FUNDS**  
**SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES**  
**2021-22**

	Internal Service		
	19-20 Actual	20-21 Estimated	21-22 Adopted
<b>Net Unreserved Assets, Beginning of Year</b>	1,095,703	399,128	94,429
<b>Financial Sources</b>			
Property Taxes	-	-	-
Other Tax and Licenses	-	-	-
State-Shared Revenues	-	-	-
Interest on Investments	4,468	3,000	-
Other Revenues	76,449	68,000	18,000
Grants	-	-	-
Charges for Services	1,727,140	1,491,000	2,081,510
Licenses/Permits/Fines	-	-	-
Transfers/Other Sources	-	-	-
Appropriated Net Assets (Fund Balance)	-	304,699	28,122
<b>Total Estimated Financial Sources</b>	<b>1,808,057</b>	<b>1,866,699</b>	<b>2,127,632</b>
<b>Expenditures</b>			
Personnel	585,188	656,860	705,003
Operations	1,173,737	1,078,593	1,077,969
Capital	745,707	131,246	344,660
Contribution to Reserve	-	-	-
<b>Total Budget</b>	<b>2,504,632</b>	<b>1,866,699</b>	<b>2,127,632</b>
<b>Financial Sources less Expenditures</b>	<b>(696,575)</b>	<b>-</b>	<b>-</b>
<b>Net Unreserved Assets, End of Year</b>	<b>399,128</b>	<b>94,429</b>	<b>66,307</b>

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

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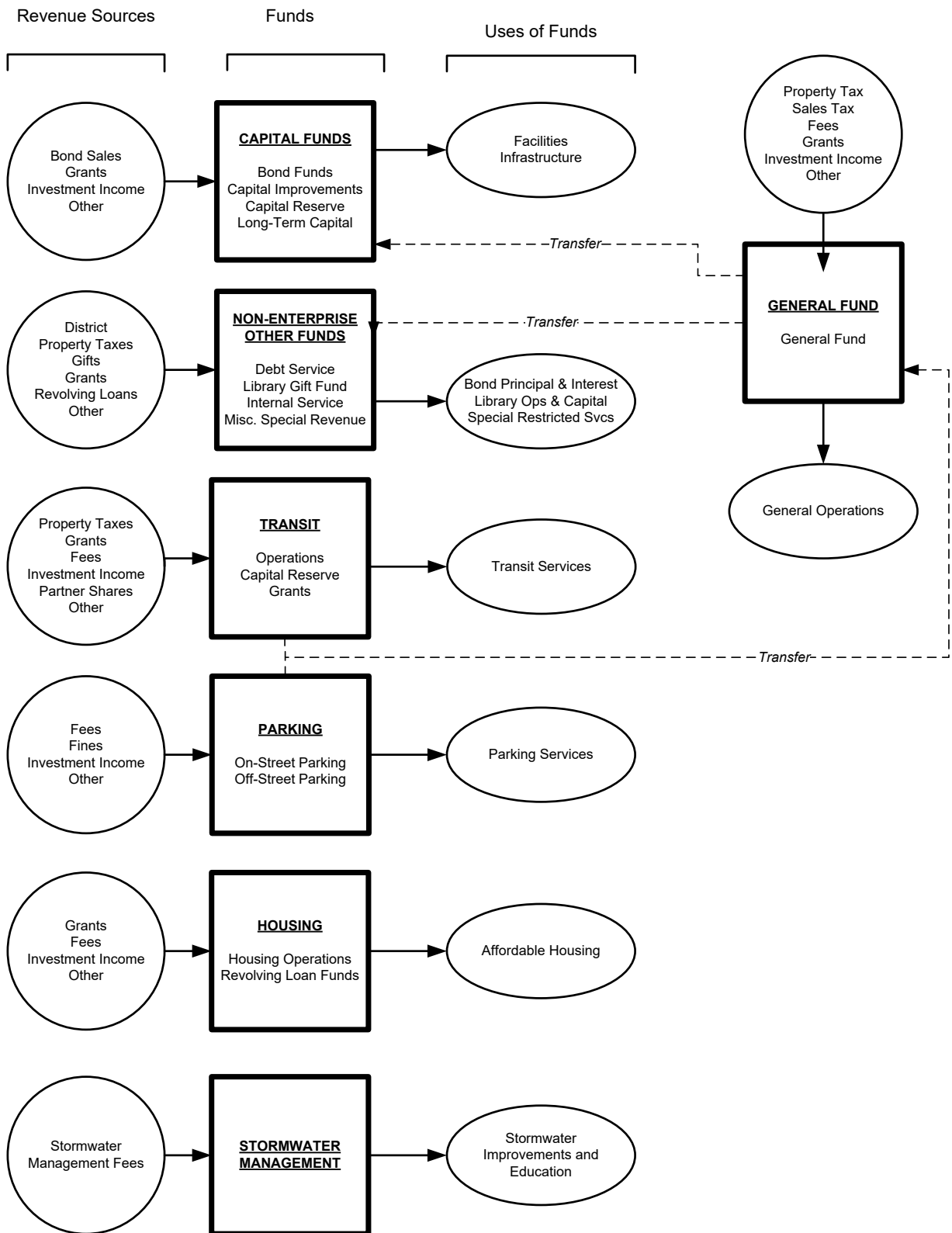
**Annual Funds - Combined Totals**

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<b>19-20 Actual</b>	<b>20-21 Estimated</b>	<b>21-22 Adopted</b>
47,879,485	53,394,578	53,840,110
45,379,158	46,148,763	48,926,202
16,053,147	17,140,108	17,839,022
11,378,158	7,768,147	10,347,140
391,247	53,697	67,651
1,456,920	2,824,202	1,927,888
4,976,733	12,906,047	4,179,970
24,209,205	20,716,063	28,220,696
2,860,066	2,644,819	2,800,100
6,652,555	5,464,874	3,264,777
-	-	-
-	5,306,233	2,994,237
<b>113,357,189</b>	<b>120,972,953</b>	<b>120,567,683</b>
64,453,530	62,783,111	72,786,975
39,358,317	46,554,859	42,806,789
4,030,249	5,883,218	2,645,920
-	2,250,351	2,327,999
<b>107,842,096</b>	<b>117,471,539</b>	<b>120,567,683</b>
<b>5,515,093</b>	<b>3,501,414</b>	-
<b>53,394,578</b>	<b>56,895,992</b>	<b>53,173,872</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  
 Climate Action 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>Transfers From:</b>						
<b>Adopted 2021-22</b>		<b>General</b>	<b>Transit</b>	<b>Off-Street</b>	<b>On-Street</b>	<b>Transit</b>	<b>Library</b>	<b>Net Transfers</b>
<b>Transfers to:</b>	<b>Fund</b>			<b>Parking</b>	<b>Parking</b>	<b>Capital</b>	<b>Gift</b>	
						<b>Reserve</b>	<b>Fund</b>	
<b>General Fund</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ 45,000
<b>Transit Fund</b>	-	-	-	-	-	-	-	-
<b>Parking Fund</b>	-	-	-	-	-	-	-	-
<b>Transit Capital Grants</b>	-	-	-	-	-	-	-	-
<b>Affordable Housing Reserve</b>	688,395	-	-	-	-	-	-	688,395
<b>Climate Action Fund</b>	470,000	-	-	-	-	-	-	470,000
<b>Stormwater Management</b>	12,000	-	-	-	-	-	-	12,000
<b>Debt Service Fund</b>	445,100	-	916,832	-	-	-	-	1,361,932
<b>CIP Fund</b>	600,000	-	-	-	-	-	-	600,000
<b>Grants Fund</b>	87,450	-	-	-	-	-	-	87,450
<b>Net Transfers</b>	<b>\$ 2,302,945</b>	<b>\$ -</b>	<b>\$ 916,832</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 45,000</b>	<b>\$ 3,264,777</b>

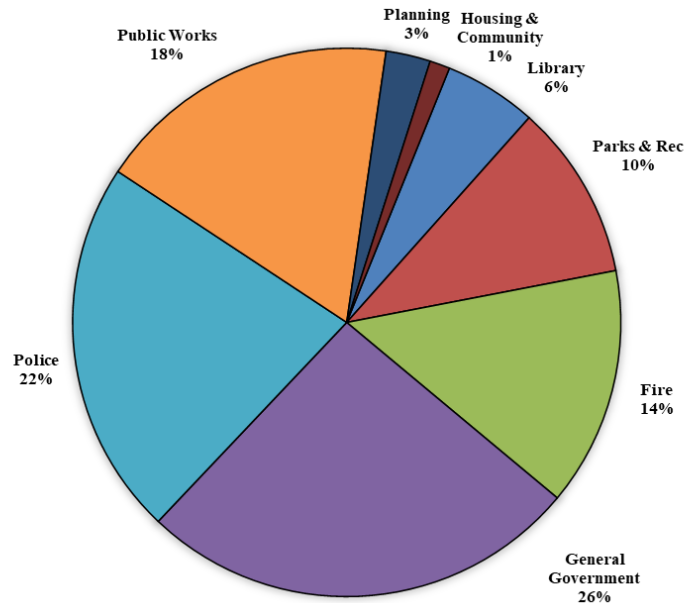




# GENERAL FUND

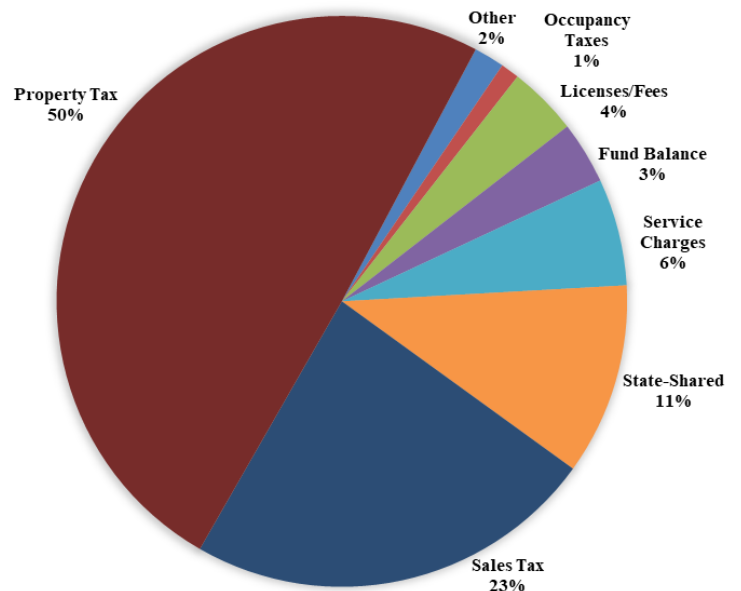
The General Fund is the general operating fund of the Town and is used to account for all revenues and expenditures except those required to be accounted for in another fund. The fund is established at the inception of a government and exists throughout the government's life.

## General Fund Expenditures



**Total \$71,020,000**

## General Fund Revenues



**GENERAL FUND  
BUDGET SUMMARY**

**EXPENDITURES**

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Adopted Budget	% Change from 2020-21
General Government	\$ 15,567,308	\$ 14,958,553	\$ 15,906,461	\$ 14,137,036	\$ 18,473,780	23.5%
Environment & Development	14,491,948	14,726,275	15,449,748	13,730,482	15,506,557	5.3%
Public Safety	23,775,797	25,696,100	26,085,178	23,919,110	25,775,983	0.3%
Leisure	9,759,028	10,907,072	10,973,786	9,186,504	11,263,680	3.3%
Total	\$ 63,594,081	\$ 66,288,000	\$ 68,415,173	\$ 60,973,132	\$ 71,020,000	7.1%

**REVENUES**

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Adopted Budget	% Change from 2020-21
General Revenues:						
Property Taxes	\$ 31,960,930	\$ 32,587,500	\$ 32,587,500	\$ 32,488,311	\$ 35,147,500	7.9%
Sales Taxes	14,562,458	13,336,343	13,336,343	16,156,574	16,560,488	24.2%
Occupancy Tax	986,188	1,200,000	1,200,000	460,000	750,000	-37.5%
Other Tax and Licenses	79,667	92,500	92,500	73,500	78,500	-15.1%
State-Shared Revenues	7,749,969	7,829,256	7,829,256	7,712,442	7,717,442	-1.4%
Interest on Investments	81,887	100,000	100,000	10,000	25,000	-75.0%
Other Revenues	786,958	399,100	962,848	836,035	397,900	-0.3%
Grants	1,010,285	679,399	691,899	950,914	681,997	0.4%
Charges for Services	4,546,422	4,899,000	4,899,000	3,096,951	4,305,852	-12.1%
Licenses/Permits/Fines	2,860,066	2,731,390	2,731,390	2,644,819	2,800,100	2.5%
Transfers/Other Sources	45,000	45,000	45,000	45,000	45,000	0.0%
Appropriated Fund Balance	(1,075,749)	2,388,512	3,939,437	(3,501,414)	2,510,221	5.1%
Total	\$ 63,594,081	\$ 66,288,000	\$ 68,415,173	\$ 60,973,132	\$ 71,020,000	7.1%

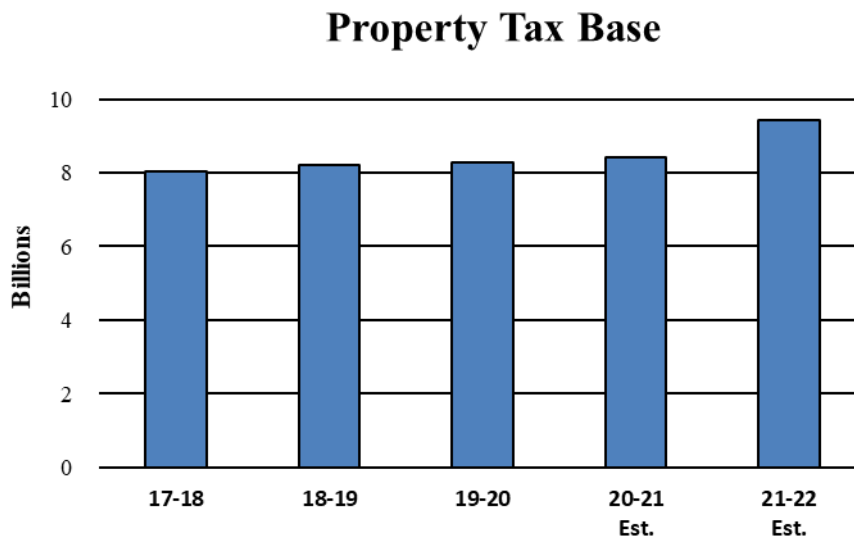
# **GENERAL FUND**

## **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 2021-22 is estimated to be \$9,443,201,995 with 1 cent on the tax rate equivalent to about \$940,000.



The combined property tax revenue we anticipate for 2021-22 totals about \$49.3 million, with \$35.92 million of that supporting the General Fund.

### **Other Local Taxes**

Revenue from the 3 percent Hotel/Motel occupancy tax is expected to total \$460,000 in the current year and \$750,000 in 2021-22. Occupancy Tax is expected to rebound in 2021-22 as we continue to return to normal conditions post COVID-19. Generally, revenue trends are affected by University events and general economic conditions.

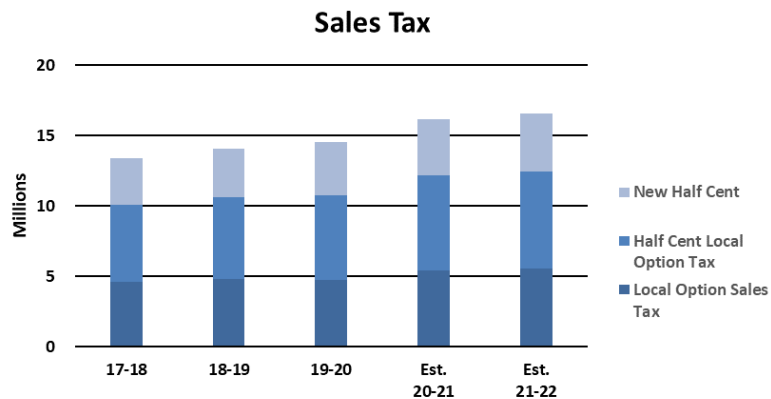
# GENERAL FUND

## Major Revenue Sources - Descriptions and Estimates

### State-Collected Revenues

#### Sales Taxes

Sales tax revenue is expected to come insignificantly over budget in 2020-21. Based on the uncertainty surrounding the pandemic, a reduction was budgeted at 5% for FY21. However, sales tax receipts are at a 19.27% increase over the previous year through the first seven months. Based on this



trend, we anticipate steady growth through the remainder of the fiscal year. We are estimating continued growth of 2.5% in sales taxes for FY22. We estimate combined sales taxes of about \$16,156,574 for 2020-21. 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 \$1,430,186 in 2020-21, about \$57,000 less than last year. For 2021-22, we anticipate revenues will remain flat for FY22 at around \$1,430,000.

#### 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 2021-22.

#### 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 \$4,877,000 in the current year in utility sales taxes. We anticipate that revenues will hold the line in 2021-22.

# GENERAL FUND

## Major Revenue Sources - Descriptions and Estimates

### Solid Waste Disposal Tax

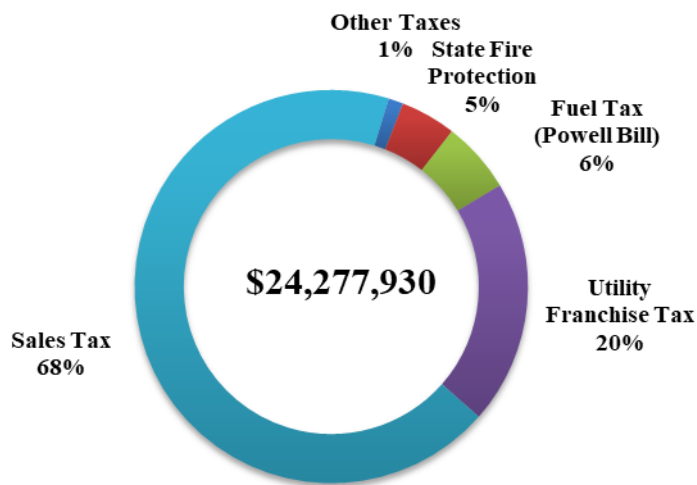
The Solid Waste Disposal Tax went into effect on July 1, 2008. This \$2 per-ton tax is charged on municipal solid waste and construction debris that is deposited in a landfill in the state or transferred at a transfer station for disposal outside of the state. 18.75% of this tax is distributed to cities 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 \$24,277,930 for next year.

### State Collected Revenues



### Other Revenue Sources

#### Grants

This category of revenue includes certain recurring local and State grants totaling about \$681,997 for 2021-22. 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 2021-22 includes level funding from the County at \$83,760 for the Parks and Recreation supplement. The adopted 2021-22 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 \$30,098.

#### 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 \$1,802,000. This is largely because of closures and cancellations of Parks and Recreation activities for the majority of the fiscal year due to COVID-19. Charges for services are expected to decrease from a budgeted amount of \$4,899,000 in 2020-21 to \$4,305,852 for 2021-22 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 2021-22, these include \$84,019 from Parking Enterprise Funds, \$131,731 from the Stormwater Management Fund, and \$1,392,621 from the Transit Enterprise Fund.

### *Licenses/Permits/Fines & Forfeitures*

Revenue from licenses, permits, and fines, are expected to come in under the current year's budget by about \$87,000 mainly due to a reduction in fire inspection permits due to the pandemic. Total licenses and permits are expected to decrease from about \$2.6 million in 2020-21 to \$2.5 million in 2021-22.

### *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 fall significantly below the current year's budget estimate of \$100,000 and generate about \$25,000 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 \$836,000 for 2020-21 and \$397,900 for 2021-22.

### *Transfers*

Transfers include a transfer of \$45,000 for 2021-22 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 \$3.9 million of fund balance in 2020-21, but through cost-cutting measures, do not anticipate using any fund balance in the current fiscal year. This is based on conservative revenue estimates and departmental end-of-year expenditure estimates. The annual budget includes the use of \$2,298,221 in 2021-22 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 \$70.7 million in General Fund revenues, including the use of \$2,510,221 of fund balance.

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

	<b>20-21 Revised Budget</b>	<b>20-21 Estimated</b>	<b>21-22 Adopted Budget</b>
Property Taxes	\$ 32,587,500	\$ 32,488,311	\$ 35,147,500
Sales Taxes	13,336,343	16,156,574	16,560,488
Occupancy Tax	1,200,000	460,000	750,000
Other State-Collected	92,500	73,500	78,500
Other Revenues	8,892,104	8,558,477	8,140,342
Grants	691,899	950,914	681,997
Licenses/Permits	2,731,390	2,644,819	2,500,100
Service Charges	4,899,000	3,096,951	4,305,852
Interfund Transfers	45,000	45,000	45,000
Fund Balance	<u>3,939,437</u>	<u>-</u>	<u>2,510,221</u>
<b>Total</b>	<b>\$ 68,415,173</b>	<b>\$ 64,474,546</b>	<b>\$ 70,720,000</b>

# **GENERAL FUND**

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

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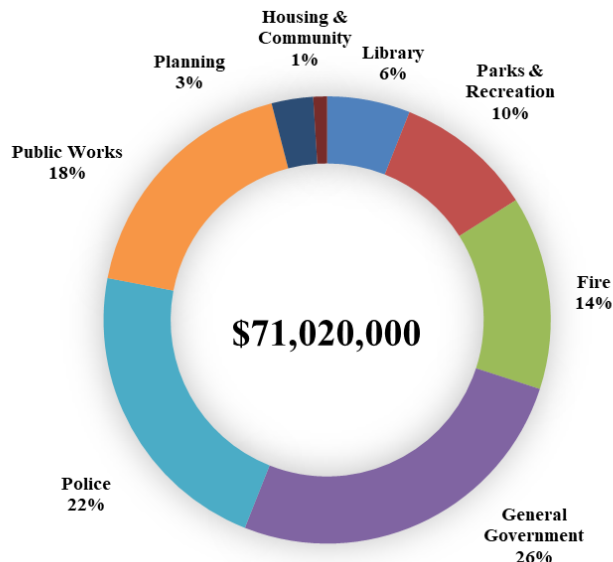
The General Fund provides basic services for Town citizens including police and fire protection, environment and development services (including planning, public works, engineering, and inspections), general administration and planning for growth and development in the community.

The pie chart below shows the relative proportions of expenditures for the various functions and departments in the General Fund budget totaling \$71,020,000 for the 2021-22 budget.

The largest category of expenditures for the General Fund is Public Safety services, with Police Department expenditures of about \$15.8 million and Fire Department expenditures of about \$10 million.

Environment and Development is the second largest category in the General Fund at about \$15.5 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 54% of total General Fund expenditures.



Other General Fund services include Parks and Recreation programs totaling about \$7.4 million, Library services of \$3.9 million, and General Governmental activities (Administration, Communications & Public Affairs, Business Management, Human Resources, Attorney, and Non-Departmental) totaling about \$18.5 million.

Non-departmental expenditures total \$7.6 million. \$1,323,419 is included in the adopted 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 \$350,000.



# **GENERAL FUND**

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

The 2021-22 budget includes changes to medical insurance rates. The adopted budget includes a 5.5% increase in rates for active employees and under-65 retirees, or about a \$285,000 increase. The Town’s contribution to employee retirement increased by about \$387,000, which reflects a 1.2% increase to the contribution over the prior year. Other personnel increases to the budget include a 3.0% of market rate salary adjustment starting July 1, 2021 (\$992,256) as well as 3 new positions, an Assistant Town Attorney (\$209,510), a Crisis Counselor (\$91,434) and a Diversity, Equity, and Inclusion Officer (\$143,250). 15 Vacant Police Officer positions have been eliminated from the budget, generating \$1,000,365 in savings. The adopted budget also includes \$400,000 towards the implementation of the comprehensive pay study.

As we continue to recover from the budgetary effects of COVID-19, a number of operational reductions from 2020-21 have been restored in some capacity. Funding has been restored for building maintenance by \$350,000, vehicle replacement by \$344,660, and pay-go Capital Improvements by \$250,000. Funding for Library operations have also been restored by \$78,000. The 2021-22 adopted budget also reinstates the transfer to the Debt Service Fund for the Ephesus-Fordham (EF) tax increment financing (TIF) to the pre-pandemic level (\$445,100).

Additional increases to the FY22 budget include \$470,000 to begin implementing the Climate Action Plan and \$100,000 to implement recommendations from the Reimagining Community Safety Task Force.

The 2021-22 Adopted Budget continues to fund retiree medical costs on a pay-as-you-go basis (\$1,460,000) and contributes \$250,000 towards the post-employment benefit (OPEB) liability.

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

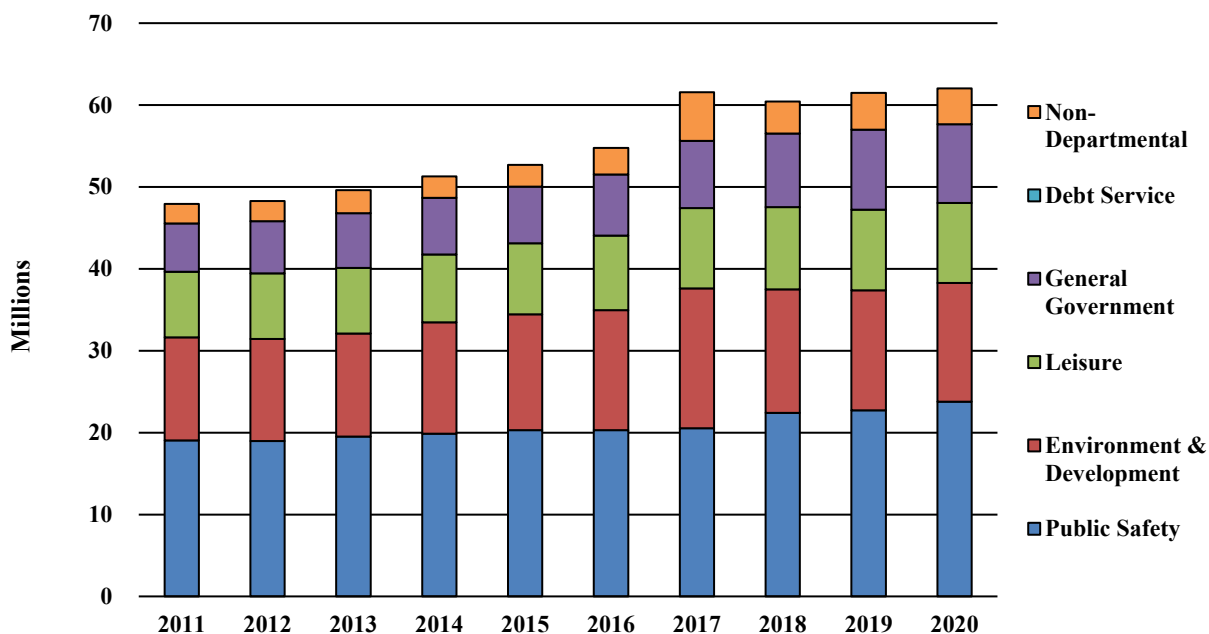
<b>EXPENDITURES</b>						
	<b>2019-20</b>	<b>2020-21</b>	<b>2020-21</b>	<b>2020-21</b>	<b>2021-22</b>	<b>% Change</b>
	<b>Actual</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Estimated</b>	<b>Adopted Budget</b>	<b>from 2020-21</b>
Personnel	\$ 46,507,294	\$ 50,530,836	\$ 50,917,713	\$ 45,178,422	\$ 51,793,274	2.5%
Operating Costs	16,941,835	15,672,164	17,326,268	15,691,010	19,141,726	22.1%
Capital Outlay	144,952	85,000	171,192	103,700	85,000	0.0%
<b>Total</b>	<b>\$ 63,594,081</b>	<b>\$ 66,288,000</b>	<b>\$ 68,415,173</b>	<b>\$ 60,973,132</b>	<b>\$ 71,020,000</b>	<b>7.1%</b>

# GENERAL FUND

## Major Expenditures - Descriptions and Estimates

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### 10-Year Expenditure Trends



**GENERAL FUND**  
**EXPENDITURES BY DEPARTMENT**

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Adopted Budget	% Change from 2020-21
<b>General Government</b>						
Mayor/Council	\$ 444,024	\$ 418,280	\$ 419,020	\$ 387,703	\$ 492,520	17.7%
Town Manager	1,761,606	1,955,941	2,001,549	1,831,655	2,166,624	10.8%
Communications & Public Affairs	863,683	946,778	947,492	712,343	979,154	3.4%
Human Resource Dev't	1,650,037	1,769,797	1,902,810	1,664,417	1,766,539	-0.2%
Business Management	2,099,834	2,330,886	2,330,886	2,144,997	2,419,766	3.8%
Technology Solutions	2,431,142	2,379,166	2,386,765	2,282,359	2,456,616	3.3%
Town Attorney	383,430	390,963	391,747	394,721	577,687	47.8%
Non-Departmental	5,933,552	4,766,742	5,526,192	4,718,841	7,614,874	59.8%
<b>Subtotal</b>	<b>\$ 15,567,308</b>	<b>\$ 14,958,553</b>	<b>\$ 15,906,461</b>	<b>\$ 14,137,036</b>	<b>\$ 18,473,780</b>	<b>23.5%</b>
<b>Environment &amp; Development</b>						
Planning	\$ 1,641,073	\$ 1,810,542	\$ 2,177,472	\$ 1,563,417	\$ 1,865,219	3.0%
Housing & Community	802,551	834,709	834,709	677,501	843,694	1.1%
Public Works	12,048,324	12,081,024	12,437,567	11,489,564	12,797,644	5.9%
<b>Subtotal</b>	<b>\$ 14,491,948</b>	<b>\$ 14,726,275</b>	<b>\$ 15,449,748</b>	<b>\$ 13,730,482</b>	<b>\$ 15,506,557</b>	<b>5.3%</b>
<b>Public Safety</b>						
Police	\$ 14,320,286	\$ 16,112,146	\$ 16,356,934	\$ 14,173,743	\$ 15,771,418	-2.1%
Fire	9,455,511	9,583,954	9,728,244	9,745,367	10,004,565	4.4%
<b>Subtotal</b>	<b>\$ 23,775,797</b>	<b>\$ 25,696,100</b>	<b>\$ 26,085,178</b>	<b>\$ 23,919,110</b>	<b>\$ 25,775,983</b>	<b>0.3%</b>
<b>Leisure</b>						
Parks and Recreation	\$ 6,272,636	\$ 7,234,154	\$ 7,258,077	\$ 5,893,539	\$ 7,374,790	1.9%
Library	3,486,392	3,672,918	3,715,709	3,292,965	3,888,890	5.9%
<b>Subtotal</b>	<b>\$ 9,759,028</b>	<b>\$ 10,907,072</b>	<b>\$ 10,973,786</b>	<b>\$ 9,186,504</b>	<b>\$ 11,263,680</b>	<b>3.3%</b>
<b>General Fund Total</b>	<b>\$ 63,594,081</b>	<b>\$ 66,288,000</b>	<b>\$ 68,415,173</b>	<b>\$ 60,973,132</b>	<b>\$ 71,020,000</b>	<b>7.1%</b>



**GENERAL GOVERNMENT  
BUDGET SUMMARY**

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*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>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Mayor/Council	\$ 444,024	\$ 418,280	\$ 419,020	\$ 387,703	\$ 492,520	17.7%
Town Manager	1,761,606	1,955,941	2,001,549	1,831,655	2,166,624	10.8%
Communications & Public Affairs	863,683	946,778	947,492	712,343	979,154	3.4%
Human Resources	1,650,037	1,769,797	1,902,810	1,664,417	1,766,539	-0.2%
Business Management	2,099,834	2,330,886	2,330,886	2,144,997	2,419,766	3.8%
Technology Solutions	2,431,142	2,379,166	2,386,765	2,282,359	2,456,616	3.3%
Town Attorney	383,430	390,963	391,747	394,721	577,687	47.8%
Non-Departmental	5,933,552	4,766,742	5,526,192	4,718,841	7,614,874	59.8%
<b>Total</b>	<b>\$ 15,567,308</b>	<b>\$ 14,958,553</b>	<b>\$ 15,906,461</b>	<b>\$ 14,137,036</b>	<b>\$ 18,473,780</b>	<b>23.5%</b>

**REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
General Revenues	\$ 15,567,308	\$ 14,958,553	\$ 15,906,461	\$ 14,137,036	\$ 18,473,780	23.5%
<b>Total</b>	<b>\$ 15,567,308</b>	<b>\$ 14,958,553</b>	<b>\$ 15,906,461</b>	<b>\$ 14,137,036</b>	<b>\$ 18,473,780</b>	<b>23.5%</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***

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	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>ADOPTED</b>
Mayoral Aide	1.00	1.00	1.00
Mayor's Office Totals	1.00	1.00	1.00

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# **MAYOR**

## **BUDGET SUMMARY**

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*The adopted budget for the Mayor's Office reflects a 4.6% increase from the 2020-21 budget. The 4.6% increase in personnel costs reflects a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. The 4.4% increase in operating costs reflects a small increase in funds allocated to business meetings & trainings and computer replacements.*

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### **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 87,221	\$ 87,741	\$ 87,767	\$ 87,525	\$ 91,795	4.6%
Operating Costs	10,396	18,689	18,663	18,582	19,504	4.4%
<b>Total</b>	<b>\$ 97,617</b>	<b>\$ 106,430</b>	<b>\$ 106,430</b>	<b>\$ 106,107</b>	<b>\$ 111,299</b>	<b>4.6%</b>

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### **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
General Revenues	\$ 97,617	\$ 106,430	\$ 106,430	\$ 106,107	\$ 111,299	4.6%
<b>Total</b>	<b>\$ 97,617</b>	<b>\$ 106,430</b>	<b>\$ 106,430</b>	<b>\$ 106,107</b>	<b>\$ 111,299</b>	<b>4.6%</b>

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# **COUNCIL**

## **BUDGET SUMMARY**

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*The adopted budget for the Town Council reflects an increase of 22.3% from the 2020-21 budget, primarily due to an increase in operating expenses because FY21-22 is an election year, resulting in a \$49,176 increase. Personnel expenses increased 8.6% due to filling the 8th Town Council seat.*

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### **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 173,162	\$ 183,930	\$ 183,930	\$ 153,148	\$ 199,730	8.6%
Operating Costs	173,245	127,920	128,660	128,448	181,491	41.9%
<b>Total</b>	<b>\$ 346,407</b>	<b>\$ 311,850</b>	<b>\$ 312,590</b>	<b>\$ 281,596</b>	<b>\$ 381,221</b>	<b>22.2%</b>

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### **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
General Revenues	\$ 346,407	\$ 311,850	\$ 312,590	\$ 281,596	\$ 381,221	22.2%
<b>Total</b>	<b>\$ 346,407</b>	<b>\$ 311,850</b>	<b>\$ 312,590</b>	<b>\$ 281,596</b>	<b>\$ 381,221</b>	<b>22.2%</b>

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# TOWN MANAGER

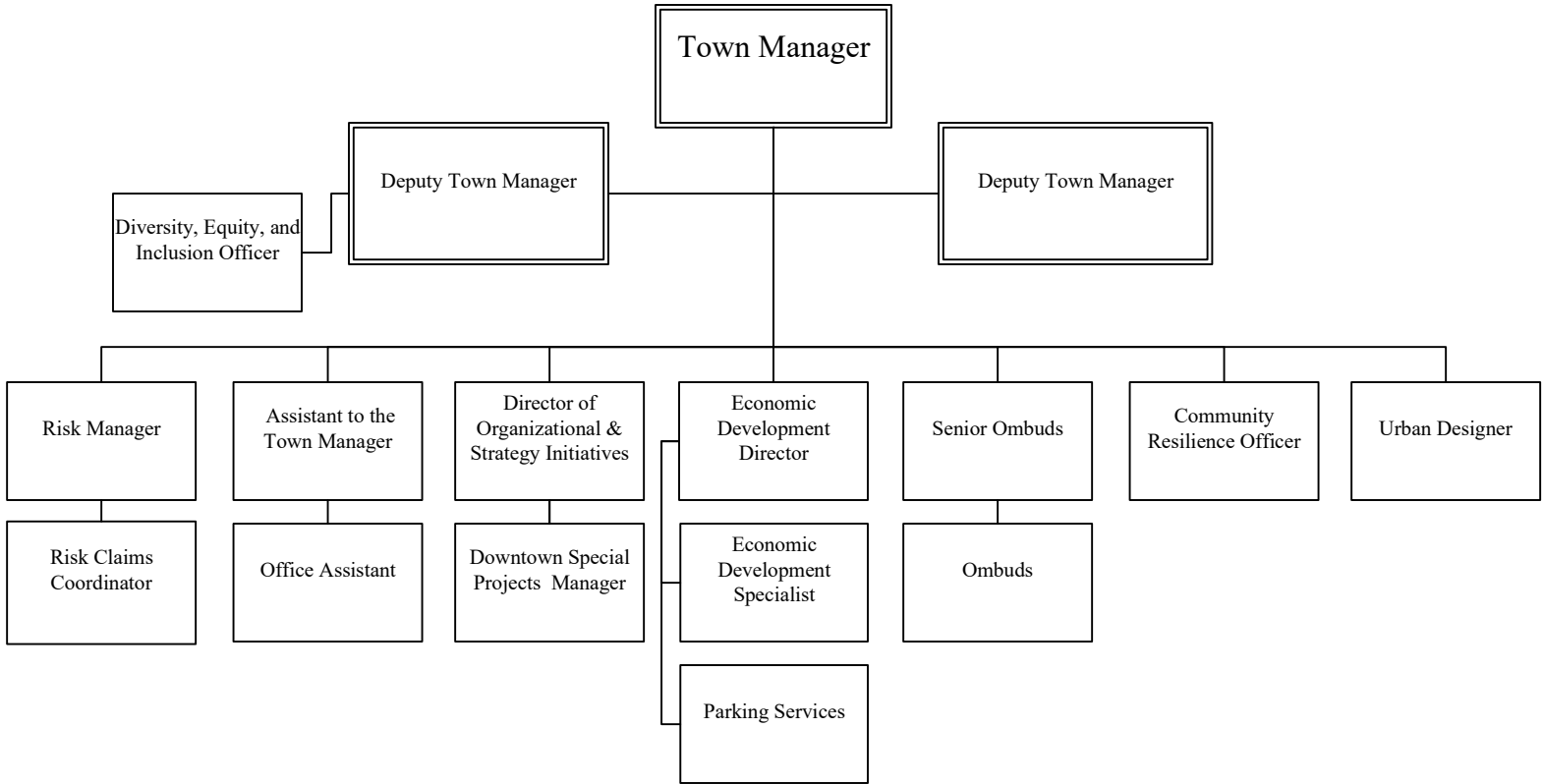
## MISSION STATEMENT:

*The primary mission of the Town Manager's Office is to ensure that the laws of the State and the ordinances, resolutions, regulations, and policies of the Council are faithfully executed.*

The Town Manger's Office identified the following primary programs that are included in the adopted budget for 2021-22.

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.
<b>Diversity, Equity and Inclusion</b>	Advance and transform the Town's commitment to diversity, equity, and inclusion. Collaboratively direct, coordinate, and implement programs and activities designed to celebrate Chapel Hill's diversity and to establish equitable opportunities for all.

**TOWN MANAGER**



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

The Downtown Project Manager & Community Resilience Officer positions are housed in Planning's budget, but reports to the Manager's Office

The Parking Services department maintains their own budget, but reports to the Manager's Office

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

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	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>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	0.00	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
Diversity, Equity & Inclusion Officer	0.00	0.00	1.00
Office Assistant	1.00	1.00	1.00
Economic Development Specialist	0.00	1.00	1.00
Urban Designer	1.00	1.00	1.00
	<hr/>		
Town Manager's Office Totals	11.00	11.00	12.00
	<hr/> <hr/>		

# **TOWN MANAGER**

## **BUDGET SUMMARY**

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*The adopted budget for the Manager’s Office reflects a 3.4% increase from the 2020-21 budget. The 11.2% increase in personnel expenses captures the cost of a new Diversity, Equity & Inclusion Officer position, as well as 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase for existing staff. The 7.4% increase in operating expenses is due to increases in business meetings & trainings and costs associated with the new position.*

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### **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 1,545,012	\$ 1,738,212	\$ 1,713,462	\$ 1,653,687	\$ 1,932,833	11.2%
Operating Costs	216,594	217,729	288,087	177,968	233,791	7.4%
<b>Total</b>	<b>\$ 1,761,606</b>	<b>\$ 1,955,941</b>	<b>\$ 2,001,549</b>	<b>\$ 1,831,655</b>	<b>\$ 2,166,624</b>	<b>10.8%</b>

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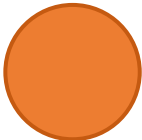
### **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
General Revenues	\$ 1,761,606	\$ 1,955,941	\$ 2,001,549	\$ 1,831,655	\$ 2,166,624	10.8%
<b>Total</b>	<b>\$ 1,761,606</b>	<b>\$ 1,955,941</b>	<b>\$ 2,001,549</b>	<b>\$ 1,831,655</b>	<b>\$ 2,166,624</b>	<b>10.8%</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	FY19 Actual	FY20 Actual	FY21 Estimate	FY22 Target
Economic Development	Sales tax revenue year-over-year growth	5.3%	3.7%	15.7%	2.5%
Ombuds Services	Increase in number of visitors served from previous year.	4.2%	4.2%	3%	4%
	Monthly report to Town Manager	met	met	met	meet
Community Sustainability & Resilience	Guaranteed energy savings from Town Hall, the Community Center, and the Homestead Aquatics Center	1,819,963 lb of CO2e*	1,839,201 lb of CO2e*	1,840,000 lb of CO2e*	1,840,000 lb of CO2e*

\* lb of CO2e = pounds of carbon dioxide equivalent

# COMMUNICATIONS & PUBLIC AFFAIRS

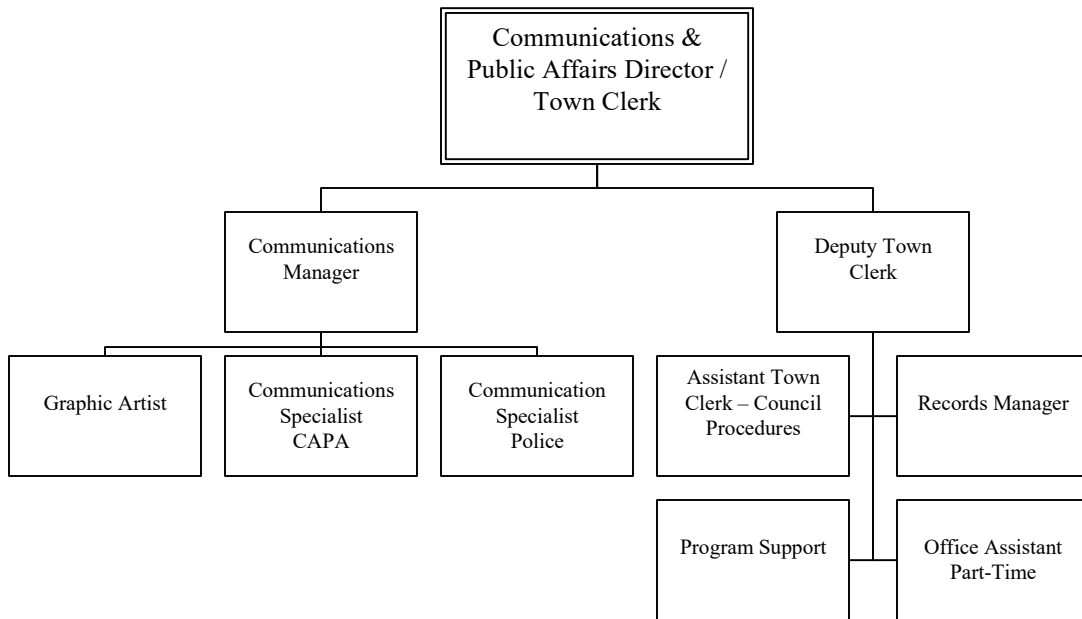
**MISSION STATEMENT:**

*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 2021-22.

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>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>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	1.00	1.00	1.00
Office Assistant	0.53	0.53	0.53
Communications Manager	1.00	1.00	1.00
Records Manager	1.00	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 3.4% increase from the 2020-21 budget. Personnel expenses increased by 0.7% due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. Operating expenses increased by 13.4% due to the Biennial Community Survey.*

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## **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 681,761	\$ 746,667	\$ 747,025	\$ 512,822	\$ 752,253	0.7%
Operating Costs	181,922	200,111	200,467	199,521	226,901	13.4%
<b>Total</b>	<b>\$ 863,683</b>	<b>\$ 946,778</b>	<b>\$ 947,492</b>	<b>\$ 712,343</b>	<b>\$ 979,154</b>	<b>3.4%</b>

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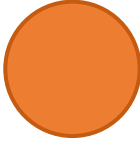
## **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
General Revenues	\$ 863,683	\$ 946,778	\$ 947,492	\$ 712,343	\$ 979,154	3.4%
<b>Total</b>	<b>\$ 863,683</b>	<b>\$ 946,778</b>	<b>\$ 947,492</b>	<b>\$ 712,343</b>	<b>\$ 979,154</b>	<b>3.4%</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	FY19 Actual	FY20 Actual	FY21 Estimate	FY22 Target
Communications and Public Information	Increase subscribers to Chapel Hill eNews, Twitter and Facebook by a combined increase of 10 %	22%	5%	10%	10%
	Meet/exceed the regional benchmark of 2013 Community Survey's results of 51% satisfaction with "availability of information about Town Programs."	61%	58%	51%	51%
	Meet/exceed the regional benchmark of 2013 Community Survey's results of 48% satisfaction with "quality of Town website"	56%	62%	48%	48%
Citizen Participation	Approximate number of Council Meeting attendees	1,368	1542	1779	1,900
	Approximate number of Live streaming Web Views (Council and Advisory Board Meetings)	4,029	1418	988	1000
	Approximate number of Live streaming and Archived YouTube views (Council Meetings)	*	307	787	1000
	Approximate number of Archived streaming Web Views (Council and Advisory Board Meetings)	4,288	10762	7664	9000
	Approximate number of Live & Archived streaming Web Views (Other Events)	797	2,426	630	1000
	Satisfaction rate with Town Website	56%	62%	62%	62%
	Satisfaction rate with eNews updates	87%	69%	69%	69%
	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%	55%	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	219	230	230
Governance Support	% of the time that the Council Business Meeting agenda is posted at least four days prior to the meeting.	94%	88%	86%	90%
	% of the time that the Council Business Meeting video is posted within 24 hours.	100%	100%	97%	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.*

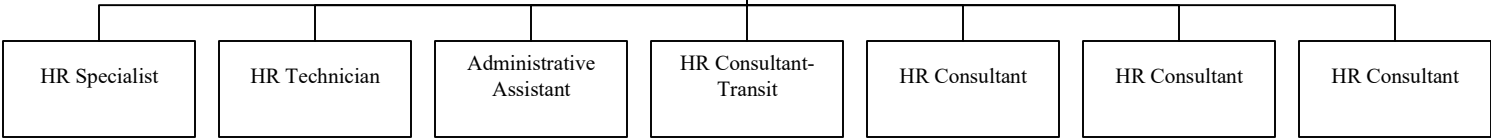
The Human Resource Development Department identified the following primary programs that are included in the adopted budget for 2021-22.

<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

Human Resource  
Development Director

HRD Manager-  
Operations



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

Senior HR Consultant – Transit is funded by Transit, but is housed in Human Resources Development

***HUMAN RESOURCE DEVELOPMENT DEPARTMENT  
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

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	<b>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>	<b>2021-22 ADOPTED</b>
Human Resource Development Director	1.00	1.00	1.00
Human Resources Manager	2.00	2.00	1.00
Risk Manager	1.00	1.00	1.00
Claims Coordinator	1.00	1.00	1.00
Human Resources Technician	2.00	1.00	1.00
Human Resources Specialist	0.00	0.00	1.00
Human Resources Consultant	2.00	2.00	3.00
Assistant Human Resource Consultant	0.00	1.00	0.00
Administrative Assistant	1.00	1.00	1.00
	<hr/>	<hr/>	<hr/>
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 0.2% decrease from the 2020-21 budget. Personnel expenses increased by 3.0% due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. The 4.6% decrease in operating expenses is due to decreases in software licenses and the Town Wellness Program fees.*

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## **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 977,288	\$ 1,031,380	\$ 1,032,796	\$ 898,484	\$ 1,062,454	3.0%
Operating Costs	672,749	738,417	870,014	765,933	704,085	-4.6%
<b>Total</b>	<b>\$ 1,650,037</b>	<b>\$ 1,769,797</b>	<b>\$ 1,902,810</b>	<b>\$ 1,664,417</b>	<b>\$ 1,766,539</b>	<b>-0.2%</b>

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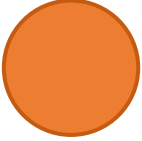
## **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
General Revenues	\$ 1,650,037	\$ 1,769,797	\$ 1,902,810	\$ 1,664,417	\$ 1,766,539	-0.2%
<b>Total</b>	<b>\$ 1,650,037</b>	<b>\$ 1,769,797</b>	<b>\$ 1,902,810</b>	<b>\$ 1,664,417</b>	<b>\$ 1,766,539</b>	<b>-0.2%</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	FY19 Actual	FY20 Actual	FY21 Estimate	FY22 Target
Classification and Compensation	Percentage of job descriptions reviewed annually	10%	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	1067	1067	1100	1100
Recruitment Services	Women and minority employment in the workforce compared to minority representation in local available labor pool.	57.5%	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.	321	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.	40.5%	40.5%	70.2%	86%



# ***BUSINESS MANAGEMENT DEPARTMENT***

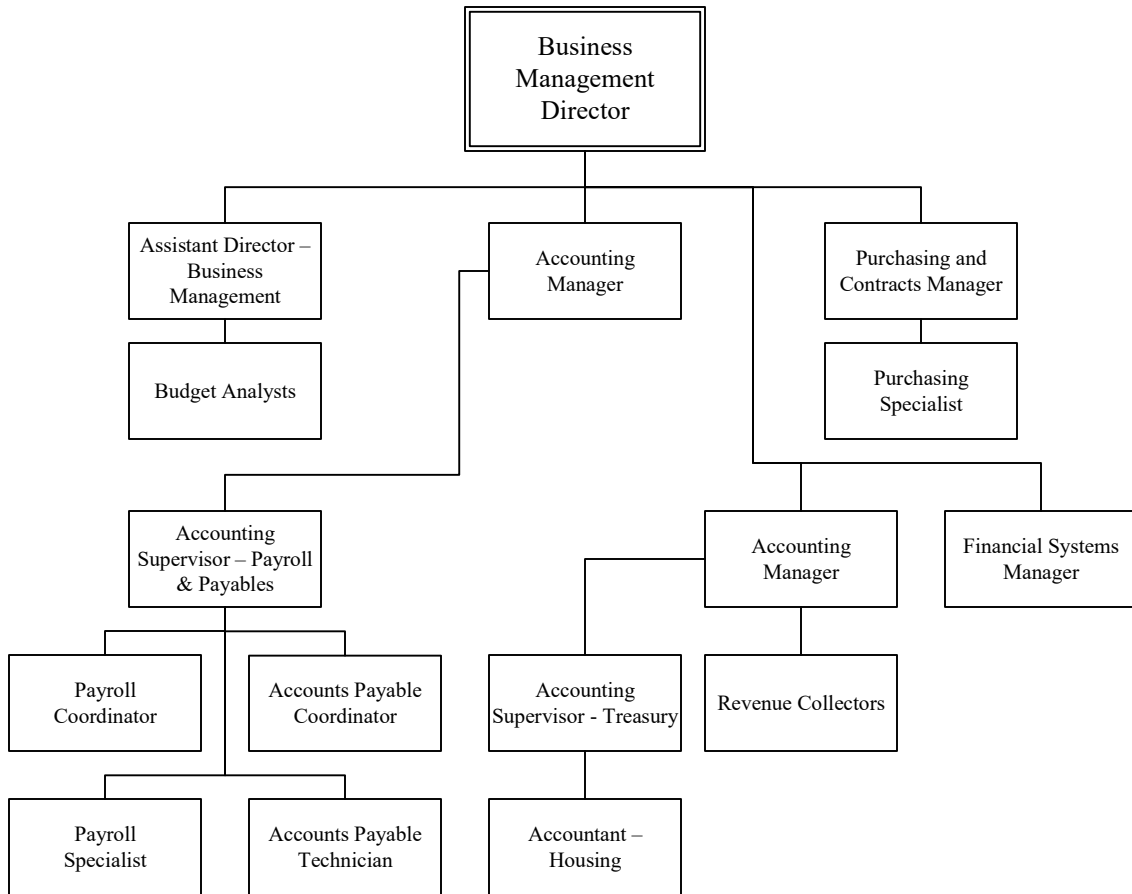
## **MISSION STATEMENT:**

*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 2021-22.

<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>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>	<b>2021-22 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	0.00	1.00
Budget Analyst	2.00	2.00	2.00
Accountant - Payroll & Payables	1.00	1.00	1.00
Accountant - Revenue	1.00	1.00	0.00
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	1.00	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 3.8% increase from the 2020-21 budget. Personnel expenses increased by 4.7% due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase.*

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## **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 1,519,413	\$ 1,771,961	\$ 1,698,961	\$ 1,532,929	\$ 1,855,116	4.7%
Operating Costs	580,421	558,925	631,925	612,068	564,650	1.0%
<b>Total</b>	<b>\$ 2,099,834</b>	<b>\$ 2,330,886</b>	<b>\$ 2,330,886</b>	<b>\$ 2,144,997</b>	<b>\$ 2,419,766</b>	<b>3.8%</b>

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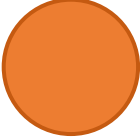
## **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
General Revenues	\$ 2,099,834	\$ 2,330,886	\$ 2,330,886	\$ 2,144,997	\$ 2,419,766	3.8%
<b>Total</b>	<b>\$ 2,099,834</b>	<b>\$ 2,330,886</b>	<b>\$ 2,330,886</b>	<b>\$ 2,144,997</b>	<b>\$ 2,419,766</b>	<b>3.8%</b>

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# BUSINESS MANAGMENT

## Performance Measures

 ECONOMIC & FINANCIAL SUSTAINABILITY	<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>
 COLLABORATION & INNOVATION	

Core Business Program	Performance Measure	FY19 Actual	FY20 Actual	FY21 Estimate	FY22 Target
Billing and Collections	Same-day deposits as a percentage of all receipts	7.61%	8.33%	9.4%	10.00%
Budget	Total budget adjustments as a % of expenditures	8.77%	7.96%	9.13%	7.8%
	Projected General Fund revenues as a % of actual	-1.39	0.36	-2%	-2%
Payroll and Payables	Percent of voided/reissued vendor checks	2.17%	1.28%	1.75%	2%
	Percent of voided/reissued/adjusted payroll checks *	0.125%	0.133%	0.2%	0.25%
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	33	34	35	36
Purchasing and Contracts	Purchase orders issued, as a percentage of all invoices over \$1,000	96%	97%	98%	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%	74%	74%	75%
Financial Planning and Support	Percentage of survey respondents indicating that the Finance Division service “meets” or “exceeds” expectations	93%	No Data	No Data	95%

# **TECHNOLOGY SOLUTIONS DEPARTMENT**

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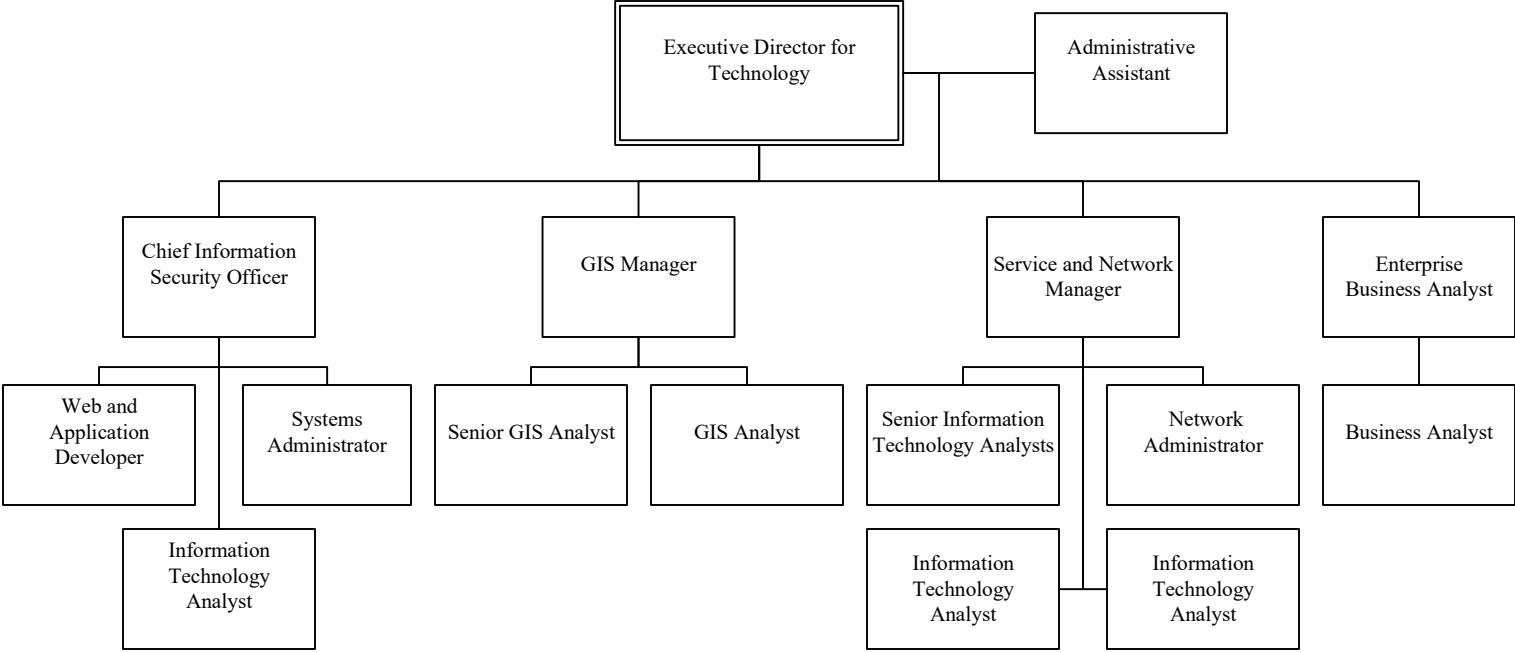
**MISSION STATEMENT:**

*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 2021-22.

<b>Program</b>	<b>Description</b>
<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>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>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	16.00	16.00	16.00

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## **TECHNOLOGY SOLUTIONS BUDGET SUMMARY**

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*The adopted budget for the Technology Solutions department reflects a 3.3% increase from the 2020-21 budget. Personnel expenses increased by 2.8% due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. Operating expenses increased by 5.2% due to computer replacements and software licenses.*

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### **EXPENDITURES**

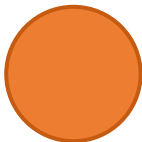
	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 1,728,246	\$ 1,794,507	\$ 1,794,507	\$ 1,698,112	\$ 1,844,018	2.8%
Operating Costs	587,578	534,659	462,258	534,247	562,598	5.2%
Capital Outlay	115,318	50,000	130,000	50,000	50,000	0.0%
<b>Total</b>	<b>\$ 2,431,142</b>	<b>\$ 2,379,166</b>	<b>\$ 2,386,765</b>	<b>\$ 2,282,359</b>	<b>\$ 2,456,616</b>	<b>3.3%</b>

### **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
General Revenues	\$ 2,431,142	\$ 2,379,166	\$ 2,386,765	\$ 2,282,359	\$ 2,456,616	3.3%
<b>Total</b>	<b>\$ 2,431,142</b>	<b>\$ 2,379,166</b>	<b>\$ 2,386,765</b>	<b>\$ 2,282,359</b>	<b>\$ 2,456,616</b>	<b>3.3%</b>

# TECHNOLOGY SOLUTIONS

## Performance Measures for Service

 COLLABORATION & INNOVATION	<b>Strategic Objectives</b> <ul style="list-style-type: none"> <li>➤ Service - Respond to user related requests within one working day</li> <li>➤ Service - Resolve user-assist service requests within two working days.</li> <li>➤ Infrastructure - Provide operational capability with information systems.</li> <li>➤ Infrastructure - Resolve network service incidents within one working day.</li> <li>➤ Infrastructure - Bandwidth utilization expected to be &lt;50% allowing for bursts</li> <li>➤ Infrastructure - Servers and other infrastructure patches up to date.</li> <li>➤ Infrastructure - Provide access to databases and applications supporting operations</li> <li>➤ Security - Town employees trained to reduce risk of cyber-attacks.</li> <li>➤ Security - Maintain backup copies of data for recovery and business functions</li> <li>➤ Security - Ensure technology related projects comply 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	FY19 Actual	FY20 Actual	FY21 Estimate	FY22 Target
User Support	Service request response percentage within Service Level Agreement (SLA)	95%	95%	95%	96%
	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)	55%	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	30 <sup>1</sup>	40
Telecommunications	Percentage of phone service incidents resolved within SLA	95%	95%	95%	99%
Database Management	Percentage of time critical databases are available	99%	99%	99%	99%
	Daily backup of environment maintained and tested	99%	99%	100%	100%
Enterprise Application Support	Percentage of application incidents/request resolved within SLA	95%	95%	95%	95%
IT Planning and Coordination	Percentage of Town software and project contract reviews	95%	95%	95%	100%
	Capacity, utilization and replacements plans completed within cycle	95%	95%	95%	100%

<sup>1</sup> Due to Covid-related work from home situations, training sessions were difficult to coordinate. Cybersecurity training was changed to an extensive communication plan and added awareness to home networks.

The performance measures include a significant change to the service and support model in TS. Service and support changed to many “instant” remote workers, the use of cloud collaboration tools and the reliance on virtual meeting software to keep staff connected and operating. Building on our technology plans and tools, TS maintained high performance measures while working through challenges and short timelines.

# ***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***

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	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>ADOPTED</b>
Town Attorney	1.00	1.00	1.00
Assistant Town Attorney	0.00	0.00	1.00
Assistant to the Town Attorney	1.00	1.00	1.00
Attorney Department Totals	2.00	2.00	3.00

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# **TOWN ATTORNEY BUDGET SUMMARY**

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*The adopted budget for the Attorney's Office reflects a 47.8% increase from the 2020-21 budget. Personnel expenses increased by 40.1% due to the addition of an Assistant Town Attorney, as well as a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase for existing staff. Operating expenses increased by 310.6% due to costs associated with the new position.*

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## **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 375,820	\$ 379,873	\$ 379,873	\$ 383,611	\$ 532,157	40.1%
Operating Costs	7,610	11,090	11,874	11,110	45,530	310.6%
Total	\$ 383,430	\$ 390,963	\$ 391,747	\$ 394,721	\$ 577,687	47.8%

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## **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
General Revenues	\$ 383,430	\$ 390,963	\$ 391,747	\$ 394,721	\$ 577,687	47.8%
Total	\$ 383,430	\$ 390,963	\$ 391,747	\$ 394,721	\$ 577,687	47.8%

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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 5.5% increase to health insurance costs. The Town does not receive grants until mid-late May, so that line item will be adjusted for the adopted budget once the Town has received the grants. Personnel costs include a \$400,000 reserve for the implementation of the pay study. Operations include a nearly \$1 million increase to economic development incentives. Transfers to capital improvement funds and debt service funds have been restored to pre-COVID levels. Agency contributions include a \$100,000 increase to human services from last year's budget. There is also \$470,000 dedicated to Climate Action and \$100,000 set aside for reimagining community safety.*

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### **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Retiree Medical Insurance	\$ 1,531,691	\$ 1,690,000	\$ 1,690,000	\$ 1,439,730	\$ 1,460,000	-13.6%
Other Personnel Costs	34,398	2,000	552,000	4,174	402,500	20025.0%
Liability Insurance	363,584	360,000	360,000	345,000	350,000	-2.8%
Transfer to Affordable Housing	688,395	688,395	688,395	688,395	688,395	0.0%
Operations	138,880	270,564	280,014	298,259	1,251,010	362.4%
Supplemental PEG Fees	173,578	185,000	185,000	172,500	175,000	-5.4%
Transfer to Other Funds	11,719	12,000	12,000	12,000	12,000	0.0%
Transfer to Capital Improvement Funds	321,600	-	-	-	600,000	N/A
Transfer to Debt Fund	445,100	-	-	-	445,100	N/A
OPEB Liability Contributions	500,000	250,000	250,000	250,000	250,000	0.0%
Transfer to Climate Action Fund	-	-	-	-	470,000	N/A
Reimagining Community Safety	-	-	-	-	100,000	N/A
Grant Matching Funds	93,706	85,364	85,364	85,364	87,450	2.4%
Agency Contributions	1,384,901	1,223,419	1,423,419	1,423,419	1,323,419	8.2%
Orange County Contribution	-	-	-	-	-	N/A
Coal Ash Remediation	246,000	-	-	-	-	N/A
<b>Total</b>	<b>\$ 5,933,552</b>	<b>\$ 4,766,742</b>	<b>\$ 5,526,192</b>	<b>\$ 4,718,841</b>	<b>\$ 7,614,874</b>	<b>59.8%</b>

### **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
General Revenues	\$ 5,933,552	\$ 4,766,742	\$ 5,526,192	\$ 4,718,841	\$ 7,614,874	59.8%
<b>Total</b>	<b>\$ 5,933,552</b>	<b>\$ 4,766,742</b>	<b>\$ 5,526,192</b>	<b>\$ 4,718,841</b>	<b>\$ 7,614,874</b>	<b>59.8%</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>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Planning	\$ 1,641,073	\$ 1,810,542	\$ 2,177,472	\$ 1,563,417	\$ 1,865,219	3.0%
Housing & Community	802,551	834,709	834,709	677,501	843,694	1.1%
Public Works	12,048,324	12,081,024	12,437,567	11,489,564	12,797,644	5.9%
<b>Total</b>	<b>\$ 14,491,948</b>	<b>\$ 14,726,275</b>	<b>\$ 15,449,748</b>	<b>\$ 13,730,482</b>	<b>\$ 15,506,557</b>	<b>5.3%</b>

### **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
General Revenues	\$ 12,201,350	\$ 13,044,325	\$ 13,217,798	\$ 11,280,251	\$ 13,883,312	6.4%
State-Shared Revenues	47,810	39,000	39,000	39,000	39,000	0.0%
Grants	252,614	-	-	256,417	-	N/A
Charges for Services	1,427,628	1,141,560	1,141,560	1,109,225	1,277,445	11.9%
Licenses/Permits/Fines	314,840	427,390	427,390	398,340	236,600	-44.6%
Other Revenues	247,706	74,000	624,000	647,249	70,200	-5.1%
<b>Total</b>	<b>\$ 14,491,948</b>	<b>\$ 14,726,275</b>	<b>\$ 15,449,748</b>	<b>\$ 13,730,482</b>	<b>\$ 15,506,557</b>	<b>5.3%</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 2021-22.

<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.



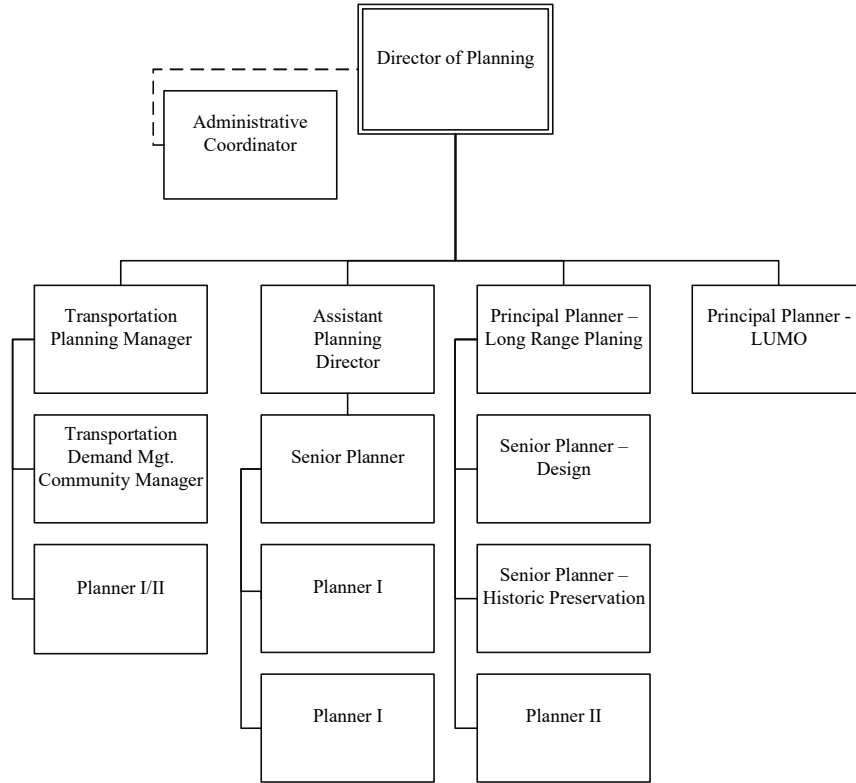
# PLANNING

## 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	FY19 Actual	FY20 Actual	FY21 Estimate	FY22 Target
Current Development	Number of Public Information Meetings held on current development projects.	25	25	10	10
	Number of Advisory Board Meetings held	67	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	76%	76%	80%	85%
Long-Range Planning	Number of Community Planning Meetings held	6	5	8	8
	Completion of staff evaluation memos for all rezoning cases	100%	100%	100%	100%
Transportation Planning	Number of Mobility and Connectivity Plan projects/recommendations advanced	0	0	3	4

PLANNING



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

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	<b>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>	<b>2021-22 ADOPTED</b>
<b>Planning</b>			
Director - Planning	1.00	1.00	1.00
Assistant Director - Planning	0.00	0.00	1.00
Operations Manager - Planning	1.00	1.00	0.00
Community Resilience Officer	1.00	1.00	1.00
Planning Manager <sup>1</sup>	1.00	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
Administrative Coordinator	0.80	0.80	0.80
Downtown Project Manager	1.00	1.00	1.00
LUMO Project Manager	1.00	1.00	1.00
Division Totals	15.80	15.80	15.80

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

<sup>2</sup> A number of Planner positions are partially or fully grant funded in FY22.

<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 3.0% increase from the 2020-21 budget. The 3.5% increase in personnel expenses is due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. Operating expenses increased by 1.7%, driven by computer replacements.*

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## **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 1,234,302	\$ 1,338,990	\$ 1,338,990	\$ 1,165,579	\$ 1,385,552	3.5%
Operating Costs	406,771	471,552	838,482	397,838	479,667	1.7%
Total	\$ 1,641,073	\$ 1,810,542	\$ 2,177,472	\$ 1,563,417	\$ 1,865,219	3.0%

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## **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
General Revenues	\$ 1,038,337	\$ 1,296,182	\$ 1,663,112	\$ 1,103,927	\$ 1,379,159	6.4%
Charges for Services	422,619	256,360	256,360	291,090	402,860	57.1%
Licenses/Permits/Fines	169,276	250,000	250,000	160,400	75,000	-70.0%
Other Revenues	10,841	8,000	8,000	8,000	8,200	2.5%
Total	\$ 1,641,073	\$ 1,810,542	\$ 2,177,472	\$ 1,563,417	\$ 1,865,219	3.0%

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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 2021-22.

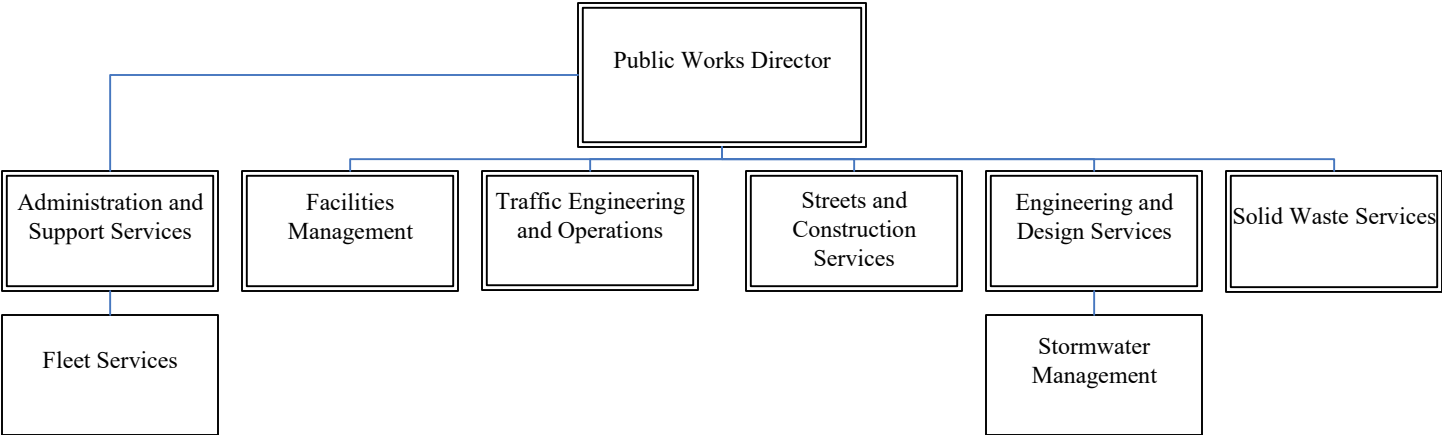
<b>Program</b>	<b>Description</b>
<b>Traffic Signals</b>	Provide timing plans, traffic monitoring, emergency repairs, preventive maintenance, small improvements and larger contract project oversight.
<b>Traffic Signs/Markings/Calming</b>	Install and maintain all traffic control signs and pavement markings. 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>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>	<b>2021-22 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	2.00
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	0.00
Administrative Assistant	1.00	1.00	1.00
Division Totals	<u>9.00</u>	<u>9.00</u>	<u>9.00</u>
<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	1.00	1.00	1.00
Unit Totals	<u>7.95</u>	<u>7.95</u>	<u>7.95</u>
<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	<u>11.00</u>	<u>11.00</u>	<u>11.00</u>
Division Totals	<u>18.95</u>	<u>18.95</u>	<u>18.95</u>



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

	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>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	<u>14.00</u>	<u>14.00</u>	<u>14.00</u>
<b>Construction</b>			
Supervisor-Construction Crew	2.00	1.00	1.00
Construction Worker (Levels I - IV)	3.00	4.00	4.00
Senior Heavy Equipment Operator	1.00	1.00	1.00
Unit Totals	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>
Division Totals	<u>20.00</u>	<u>20.00</u>	<u>20.00</u>
<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	<u>9.25</u>	<u>9.25</u>	<u>9.25</u>
Division Totals	<u>9.25</u>	<u>9.25</u>	<u>9.25</u>
<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	1.00
Solid Waste Services Crew Supervisor	1.00	1.00	2.00
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	<u>34.00</u>	<u>34.00</u>	<u>34.00</u>
Public Works Totals	<u>91.20</u>	<u>91.20</u>	<u>91.20</u>

<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***

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*The adopted budget for the Public Works Department reflects a 5.9% increase from the 2020-21 budget. Personnel expenses in the adopted budget reflect a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase.*

### **EXPENDITURES**

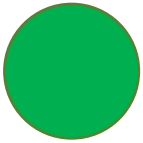


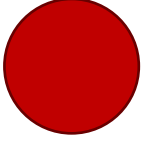
	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Administration	\$ 1,069,156	\$ 1,117,644	\$ 1,111,059	\$ 1,048,615	\$ 1,154,249	3.3%
Engineering & Design	921,686	854,007	849,407	777,120	883,039	3.4%
Traffic	2,161,013	2,029,986	2,116,330	2,012,692	1,957,711	-3.6%
Construction	520,197	660,252	655,804	436,088	683,987	3.6%
Streets	1,868,528	1,974,639	2,140,611	1,904,587	2,229,734	12.9%
Building Maintenance	1,930,340	1,890,737	1,982,677	1,966,795	1,933,306	2.3%
Solid Waste	3,577,404	3,553,759	3,581,679	3,343,667	3,955,618	11.3%
<b>Total</b>	<b>\$ 12,048,324</b>	<b>\$ 12,081,024</b>	<b>\$ 12,437,567</b>	<b>\$ 11,489,564</b>	<b>\$ 12,797,644</b>	<b>5.9%</b>

### **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
General Revenues	\$ 10,360,462	\$ 10,913,434	\$ 10,719,977	\$ 9,498,823	\$ 11,660,459	6.8%
State Shared	47,810	39,000	39,000	39,000	39,000	0.0%
Grants	252,614	-	-	256,417	-	N/A
Charges for Services	1,005,009	885,200	885,200	818,135	874,585	-1.2%
Licenses/Permits/Fines	145,564	177,390	177,390	237,940	161,600	-8.9%
Other Revenues	236,865	66,000	616,000	639,249	62,000	-6.1%
<b>Total</b>	<b>\$ 12,048,324</b>	<b>\$ 12,081,024</b>	<b>\$ 12,437,567</b>	<b>\$ 11,489,564</b>	<b>\$ 12,797,644</b>	<b>5.9%</b>

# PUBLIC WORKS

## Performance Measures

 <p>ENVIRONMENTAL STEWARDSHIP</p>  <p>ECONOMIC &amp; FINANCIAL SUSTAINABILITY</p>  <p>CONNECTED COMMUNITY</p>  <p>SAFE COMMUNITY</p>	<p><b>Strategic Objectives</b></p> <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 100%<sup>1</sup> 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 (roadway and sidewalks in the public right of way)</li> <li>➤ Collect 530<sup>2</sup> 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 snowstorm 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>
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Core Business Program	Performance Measure	FY19 Actual	FY20 Actual	FY21 <sup>3</sup> Estimate	FY22 Target
Traffic Signals	Percent of emergency traffic signal problems addressed within 2 hours.	*	94%	100%	95%
	Percent of signal preventive maintenance completed as planned	69%	57%	82%	95%
Traffic Signs / Markings / Calming	Percent of emergency maintenance requests addressed on critical regulatory traffic control signs (i.e., stop sign, yield sign, one-way sign, do not enter sign) within two hours	*	100%	N/A <sup>4</sup>	100%
	Percent of permits issued within five business days for traffic control plans for lanes and street closures	67%	94%	98% <sup>5</sup>	100%

<sup>1</sup> Objective has changed from 90% to 100% beginning FY22.

<sup>2</sup> Objective has changed from 520 to 530 tons beginning FY22.

<sup>3</sup> COVID impacted our daily operations for the period of March 2020 to present and may be reflected in our reported measures.

<sup>4</sup> No emergency requests were reported in FY21.

<sup>5</sup> Data reported July 1, 2020 – May 28, 2021.

	Percent of traffic calming studies completed within six months of receiving the request	100%	N/A	N/A <sup>6</sup>	100%
Streets and Parking Lots	Percent of town-maintained street system rated 81 or better (square yards)	58%	N/A <sup>7</sup>	47%	80%
	Percent of town-maintained streets (square yards) resurfaced annually	3%	2%	2%	7%
	Percent of leaf collection cycle completed between Halloween and Thanksgiving	80%	100%	63%	100%
	Percent of leaf collection cycle completed between Thanksgiving and Christmas	50%	100%	90%	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%	100%
	Percent of development plan reviews completed by assigned deadline <sup>8</sup>	*	99%	100%	100%
Solid Waste Collection	Tons of Residential Refuse Collected per Collection FTE	557	537	559	530
	Percent of commercial collection costs recovered via fees <sup>9</sup>	44%	40%	45%	45%
	Percent of community “satisfied” or “very satisfied” with quality of trash/yard waste collection services	N/A <sup>10</sup>	88%	88%	88%
Inclement Weather	Percent of priority Town roadways pre-treated prior to each anticipated significant inclement weather event	100%	N/A <sup>11</sup>	100%	100%
	Percent of priority streets where initial snow removal is completed within 48 hours	100%	N/A	N/A <sup>12</sup>	80%
Facilities Management	Preventive maintenance work orders as a percent of total annual work orders	63%	62%	62%	45%
	Percent of customer repair requests completed within 2 business days of receipt	82%	92%	90%	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>6</sup> No traffic calming study requests were received in FY20 & FY21.

<sup>7</sup> Data comes from the biennial pavement condition survey. No data in FY20.

<sup>8</sup> The development plan review tracking system for Engineering was established in Fall 2019. Data is reported from October 2019 – June 2020.

<sup>9</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>10</sup> Data comes from the biennial Community Survey; no data in FY19.

<sup>11</sup> Crews pretreated primary roads for one small event that did not materialize.

<sup>12</sup> There was no snow removal response in FY20 & FY21.

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

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*The adopted budget for the Administration Division of the Public Works Department reflects a 3.3% increase from the 2020-21 budget. Personnel expenses increased by 3.3% due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. The 3.1% increase to operating expenses is due to an increase in computer replacements and contracted services.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 898,728	\$ 930,179	\$ 934,679	\$ 886,805	\$ 960,989	3.3%
Operating Costs	170,428	187,465	176,380	161,810	193,260	3.1%
Total	\$ 1,069,156	\$ 1,117,644	\$ 1,111,059	\$ 1,048,615	\$ 1,154,249	3.3%

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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 a 3.4% increase from the 2020-21 budget. Personnel costs have increased 3.8% due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. Operating expenses decreased by 3.0% due to a decrease in professional services.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 871,176	\$ 802,126	\$ 797,526	\$ 739,533	\$ 832,709	3.8%
Operating Costs	50,510	51,881	51,881	37,587	50,330	-3.0%
<b>Total</b>	<b>\$ 921,686</b>	<b>\$ 854,007</b>	<b>\$ 849,407</b>	<b>\$ 777,120</b>	<b>\$ 883,039</b>	<b>3.4%</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 3.6% decrease from the 2020-21 budget. Personnel expenses increased by 3.0% due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. Operating expenses decreased by 10.7% due to a reduction in street lighting electricity costs.*

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### **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 1,034,435	\$1,058,561	\$ 1,058,561	\$ 1,044,435	\$ 1,090,240	3.0%
Operating Costs	1,122,350	971,425	1,057,769	968,257	867,471	-10.7%
Capital Outlay	4,228	-	-	-	-	N/A
<b>Total</b>	<b>\$ 2,161,013</b>	<b>\$ 2,029,986</b>	<b>\$ 2,116,330</b>	<b>\$ 2,012,692</b>	<b>\$ 1,957,711</b>	<b>-3.6%</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 3.6% increase from the 2020-21 budget. Personnel expenses increased by 2.5% due to a 1.2% retirement increase, a 5.5% increase in health insurance costs for existing employees, and a 3% salary increase. Operating expenses increased 5.8% due to an increase in pavement markings.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 243,706	\$ 444,662	\$ 439,662	\$ 216,558	\$ 455,987	2.5%
Operating Costs	276,491	215,590	216,142	219,530	228,000	5.8%
Total	\$ 520,197	\$ 660,252	\$ 655,804	\$ 436,088	\$ 683,987	3.6%

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

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*The adopted budget for the Streets division reflects an overall expenditure increase of 12.9% from last year's budget. The 2.6% increase in personnel is due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. The 26.5% increase in operating costs reflects a return to pre-COVID funding levels for maintenance & repairs and vehicle replacement charges.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 994,736	\$ 1,091,504	\$ 1,091,504	\$ 907,502	\$ 1,119,394	2.6%
Operating Costs	848,386	858,135	1,007,915	953,385	1,085,340	26.5%
Capital Outlay	25,406	25,000	41,192	43,700	25,000	0.0%
<b>Total</b>	<b>\$ 1,868,528</b>	<b>\$ 1,974,639</b>	<b>\$ 2,140,611</b>	<b>\$ 1,904,587</b>	<b>\$ 2,229,734</b>	<b>12.9%</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 increase of 2.3% from last year's budget. The 4.2% increase in personnel costs reflects a 1.2% retirement increase, a 5.5% health insurance increase, and a 3% salary increase. The 0.3% increase in operation costs reflects a slight increase to contracted services and supplies.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 761,015	\$ 929,965	\$ 925,065	\$ 922,843	\$ 969,381	4.2%
Operating Costs	1,169,325	960,772	1,057,612	1,043,952	963,925	0.3%
Total	\$ 1,930,340	\$ 1,890,737	\$ 1,982,677	\$ 1,966,795	\$ 1,933,306	2.3%

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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 increase of 11.3% from last year's budget. The 3.2% increase in personnel costs is due to a 1.2% retirement increase, a 5.5% health insurance increase, and a 3% salary increase. The 25.6% increase in operating costs is due to a return to pre-COVID vehicle replacement charges.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 2,142,386	\$ 2,271,974	\$ 2,231,974	\$ 2,025,892	\$ 2,345,771	3.2%
Operating Costs	1,435,018	1,281,785	1,349,705	1,317,775	1,609,847	25.6%
<b>Total</b>	<b>\$ 3,577,404</b>	<b>\$ 3,553,759</b>	<b>\$ 3,581,679</b>	<b>\$ 3,343,667</b>	<b>\$ 3,955,618</b>	<b>11.3%</b>

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# ***HOUSING & COMMUNITY DEPARTMENT***

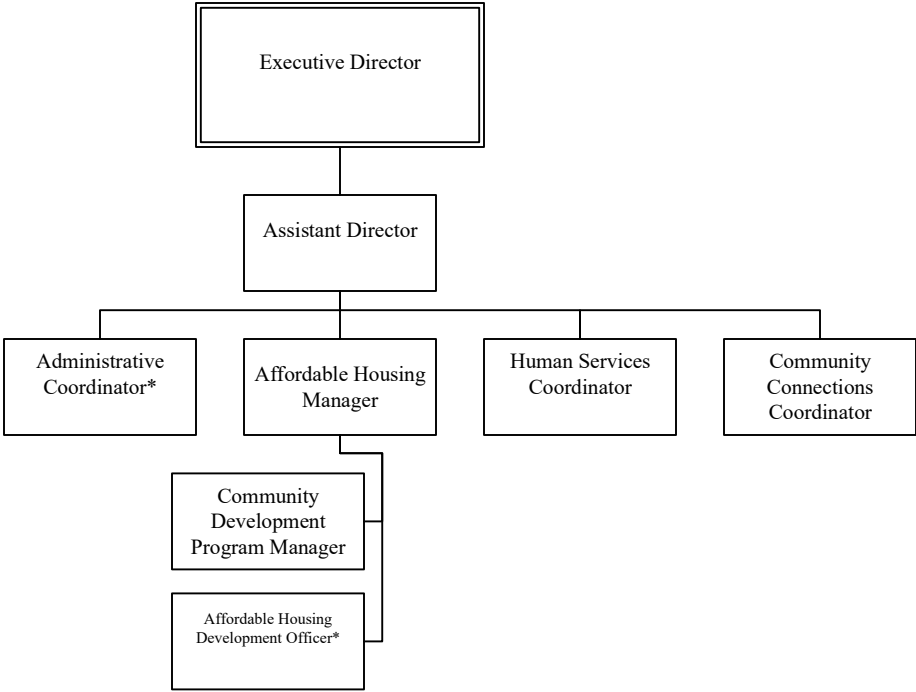
**MISSION STATEMENT:**

*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 2021-22.

<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>2019-20</b>	<b>2020-21</b>	<b>2021-22</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 increase of 1.1% from the previous fiscal year's budget. The 0.8% increase in personnel costs is due to a 5.5% increase in health insurance costs, a 1.2% retirement increase, and a 3% salary increase. Operating costs increased 3.2% due to an increase in computer replacements.*

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## **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 765,446	\$ 750,688	\$ 750,688	\$ 607,236	\$ 756,963	0.8%
Operating Costs	37,105	84,021	84,021	70,265	86,731	3.2%
Total	\$ 802,551	\$ 834,709	\$ 834,709	\$ 677,501	\$ 843,694	1.1%

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## **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
General Revenues	\$ 802,551	\$ 834,709	\$ 834,709	\$ 677,501	\$ 843,694	1.1%
Total	\$ 802,551	\$ 834,709	\$ 834,709	\$ 677,501	\$ 843,694	1.1%

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# HOUSING & COMMUNITY

## Performance Measures

 AFFORDABLE HOUSING   VIBRANT & INCLUSIVE COMMUNITY	<h3>Strategic Objectives</h3> <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	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Target
Affordable Housing	% of funding available for affordable housing projects allocated.	85%	94%	85%	90%
	Number of affordable homes developed with support from the Town.	78	15	3	10
	Number of affordable homes preserved with support from the Town.	147	194	554	125
	Number of households assisted through our Rental and Utility Assistance Program.	13	142	535	100
	Number of units in our Transitional Housing Program	16	16	16	21
	Dollars dedicated to affordable housing strategies in Town Budget	\$5.65 M	\$10.61 / 5.61 M	\$6.38 M	\$10.5 M
	Number of new development units that received funding approval	101	281	130	240
	Number of preservation units that received funding approval	44	85	603	75
	Percentage of Town employees that live in Chapel Hill.	9%	9%	9%	10%
	Percentage of affordable housing in Town within a 1/2 mile of a bus stop.	95%	96%	96%	96%
	Percentage of residents satisfied with the availability of a range of housing options by price.	27%	27%	27%	27%
	Dollars deployed to community partners to support affordable housing development and preservation projects	\$1.2 M	\$6.09 M	\$1.81 M	\$6 M
	Number of affordable housing units approved by council	N/A	N/A	198	125
Community Connections	Percentage of human services agencies who are satisfied with our funding process.	91%	82%	87%	90%
	% of total students living off campus that read the Tar Heel Citizen Times (open rate)	38%	33%	30%	40%



% of department staff who participate in Racial Equity Training	100%	100%	100%	100%
Number of residents served by programs funded through the Town's Human Services Program.	N/A	N/A	N/A	N/A
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.	23,477	20,960	20,303	20,303
Readership of the Tar Heel Citizen Times (average)	6,000	6,934	7,814	8,000
Number of low-income youth employed through our Summer Youth Employment Program	29	28	0	28
Total budget for Human Services Program	\$446,500	\$446,500	\$546,500	\$546,500
Number of Town meetings where interpretation is provided	8	8	12	15
Number of nonprofits funded by our Human Services Program	N/A	42	39	37
Number of residents graduated from our Peoples Academy	43	37	39	40
Number of community engagement meetings facilitated	86	51	46	50
Town budget for Community Connections strategies	N/A	\$836 K	\$1.2 M	\$900 K



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

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

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### **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Police	\$ 14,320,286	\$ 16,112,146	\$ 16,356,934	\$ 14,173,743	\$ 15,771,418	-2.1%
Fire	9,455,511	9,583,954	9,728,244	9,745,367	10,004,565	4.4%
Total	\$ 23,775,797	\$ 25,696,100	\$ 26,085,178	\$ 23,919,110	\$ 25,775,983	0.3%

### **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
General Revenues	\$ 19,664,987	\$ 21,946,180	\$ 22,327,758	\$ 20,768,902	\$ 22,185,841	1.1%
State-Shared Revenues	1,081,968	1,106,256	1,106,256	1,106,256	1,106,256	0.0%
Grants	48,059	-	7,500	7,500	-	N/A
Charges for Services	733,927	684,664	684,664	317,619	275,386	-59.8%
Licenses/Permits/Fines	2,114,695	1,849,000	1,849,000	1,708,833	2,108,500	14.0%
Other Revenues	132,161	110,000	110,000	10,000	100,000	-9.1%
Total	\$ 23,775,797	\$ 25,696,100	\$ 26,085,178	\$ 23,919,110	\$ 25,775,983	0.3%

# CHAPEL HILL POLICE DEPARTMENT

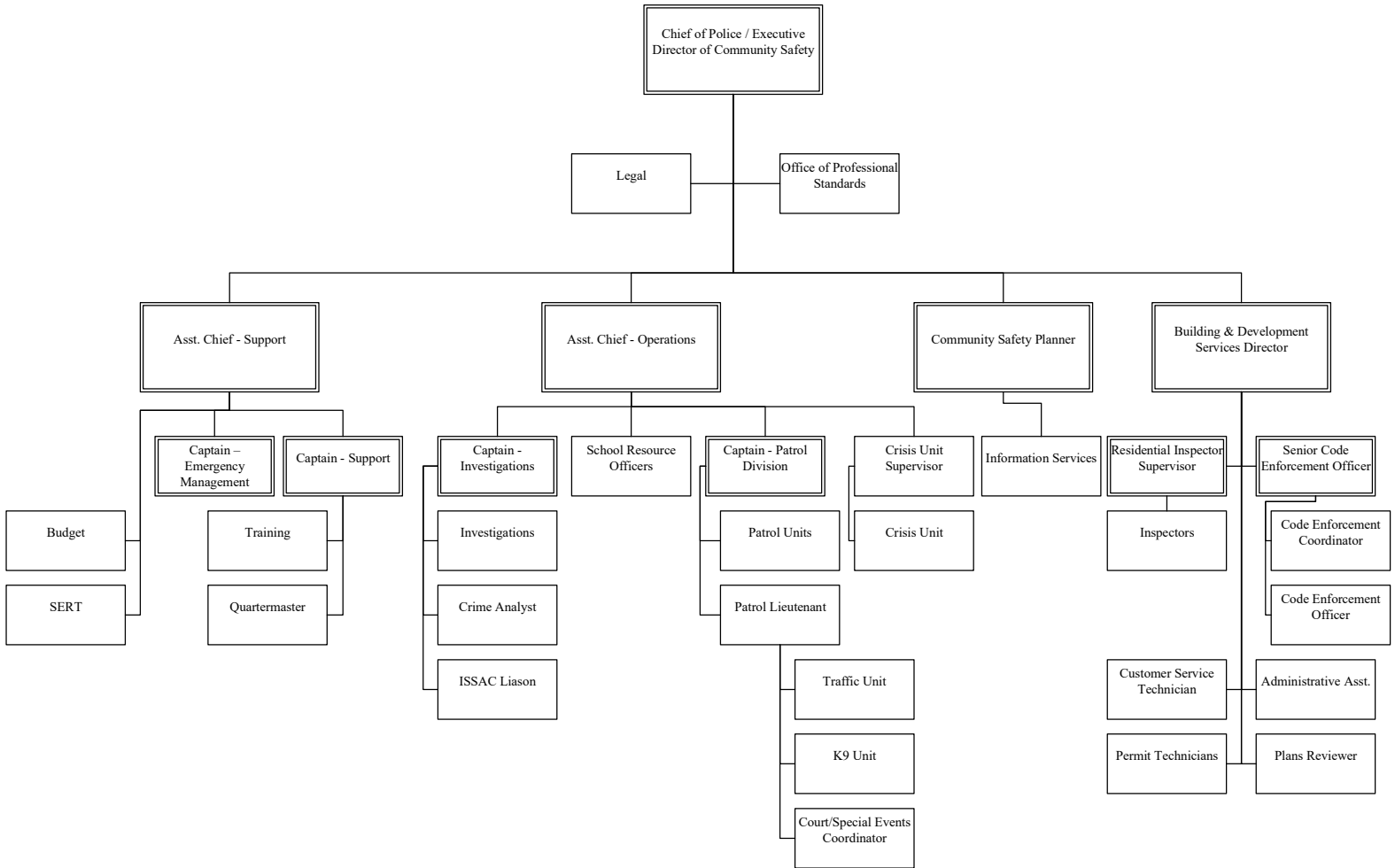
## MISSION STATEMENT:

*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 2021-22.

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>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>	<b>2021-22 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	5.00
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	0.00	0.00
Community Safety Outreach Coordinator	1.00	1.00	1.00
Records Technician	0.00	3.00	3.00
Division Totals	17.00	17.00	18.00
<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	12.00	12.00	12.00
Forensic and Evidence Specialist	2.00	2.00	2.00
Police Officer	88.00	88.00	73.00
Division Totals	116.00	116.00	101.00
<b>Inspections</b>			
Building Inspector Director	1.00	1.00	1.00
Code Enforcement Officer	2.00	1.00	1.00
Building Operations Manager	1.00	1.00	1.00
Commercial Plans Reviewer - Sr.	1.00	1.00	1.00
Customer Service Technician	2.00	3.00	3.00
Construction Inspector- Sr.	0.00	1.00	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	1.00	1.00
Planning Manager	2.00	2.00	2.00
Permitting Systems Admin	1.00	1.00	1.00
Planning Technician	1.00	1.00	1.00
Division Totals	22.00	22.00	22.00
Police Department Totals	155.00	155.00	141.00

# **POLICE**

## **BUDGET SUMMARY**

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*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 5.5% health insurance increase, a 1.2% retirement increase, and a 3% salary 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>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 12,532,769	\$ 14,404,219	\$ 14,384,219	\$ 12,620,773	\$ 14,001,345	-2.8%
Operating Costs	1,787,517	1,707,927	1,972,715	1,552,970	1,770,073	3.6%
<b>Total</b>	<b>\$ 14,320,286</b>	<b>\$ 16,112,146</b>	<b>\$ 16,356,934</b>	<b>\$ 14,173,743</b>	<b>\$ 15,771,418</b>	<b>-2.1%</b>

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### **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
General Revenues	\$ 11,793,446	\$ 13,931,146	\$ 14,168,434	\$ 12,504,310	\$ 13,693,918	-1.7%
Grants	9,000	-	7,500	7,500	-	N/A
Charges for Services	432,342	412,000	412,000	42,233	-	-100.0%
Licenses/Permits/Fines	1,953,337	1,659,000	1,659,000	1,609,700	1,977,500	19.2%
Other Revenues	132,161	110,000	110,000	10,000	100,000	-9.1%
<b>Total</b>	<b>\$ 14,320,286</b>	<b>\$ 16,112,146</b>	<b>\$ 16,356,934</b>	<b>\$ 14,173,743</b>	<b>\$ 15,771,418</b>	<b>-2.1%</b>

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# 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	FY19 Actual	FY20 Actual	FY21 Estimate	FY22 Target
Patrol Division, Investigative Division, Police Crisis Unit	Survey residents and ascertain satisfaction with overall quality of police protection.	N/A	N/A	N/A	N/A
	Total Number of Part 1 Crimes against Persons and Property	1,237	1,237	1,111	1,200
	Percentage of Part 1 Crimes against Persons cleared	53%	53%	41%*	53%
	Percentage of Part 1 Property Crimes cleared	23%	23%	17%	21%
	“very safe” or “safe” survey ratings for “Level of Safety and Security” in neighborhoods in Community Survey.	N/A	N/A	87%	N/A
	Percentage of vehicle crashes resulting in injuries <17% of our total number of crashes.	18%, 2%***	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	100%	100%	95%	100%
	Reduce turnover rate to national average (8%)	11.02%	11.02%	9.0%****	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.

\*\*\*\* This lower rate is based on our lowered FTE count of 103.



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

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*The adopted budget for the Support Services division reflects an overall expenditure increase of 8.2% from last year's budget. The 10.3% increase in personnel is the result of the addition of a crisis counselor position, as well as a 5.5% increase in health insurance, a 1.2% retirement increase, and a 3% salary increase to existing positions. There is a 3.9% increase in operating costs due an increase in computer replacement costs.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 1,526,192	\$ 1,617,237	\$ 1,617,237	\$ 1,459,903	\$ 1,784,315	10.3%
Operating Costs	986,630	826,087	901,786	842,148	858,609	3.9%
Total	\$ 2,512,822	\$ 2,443,324	\$ 2,519,023	\$ 2,302,051	\$ 2,642,924	8.2%

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

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*The Operations Division reflects a 6.7% decrease in the 2021-22 budget. The personnel budget for the Operations Division reflects a 6.9% decrease in personnel costs due to the elimination of 15 vacant police officer positions, offset by a 1.2% increase in retirement costs, a 5.5% increase in health insurance costs, and a 3% salary increase. The 3.8% decrease in operating costs is primarily attributed to a decrease in network & communications charges.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 9,164,590	10,726,294	\$ 10,706,294	9,246,250	9,990,107	-6.9%
Operating Costs	674,503	679,515	726,514	578,026	653,669	-3.8%
<b>Total</b>	<b>\$ 9,839,093</b>	<b>\$ 11,405,809</b>	<b>\$ 11,432,808</b>	<b>\$ 9,824,276</b>	<b>\$ 10,643,776</b>	<b>-6.7%</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 2021-22 reflects a 20.2% decrease in operating costs to match a historical decrease in the size and scale of the events.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Operating Costs	\$ 49,484	\$ 75,000	\$ 2,090	\$ 25	\$ 59,850	-20.2%
Total	\$ 49,484	\$ 75,000	\$ 2,090	\$ 25	\$ 59,850	-20.2%

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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 10.8% from the 2020-21 budget. Personnel expenses increased 8.1% due to a 1.2% retirement increase, a 5.5% health insurance increase, and a 3% salary increase. The operating costs increased by 55.5% due to increases to computer replacements and contracted services.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 1,841,987	\$ 2,060,688	\$ 2,060,688	\$ 1,914,620	\$ 2,226,923	8.1%
Operating Costs	76,900	127,325	342,325	132,771	197,945	55.5%
<b>Total</b>	<b>\$ 1,918,887</b>	<b>\$ 2,188,013</b>	<b>\$ 2,403,013</b>	<b>\$ 2,047,391</b>	<b>\$ 2,424,868</b>	<b>10.8%</b>

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**REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
General Revenues	\$ 25,659	\$ 611,513	\$ 826,513	\$ 463,691	\$ 519,868	-15.0%
Licenses/Permits/Fines	1,893,228	1,576,500	1,576,500	1,583,700	1,905,000	20.8%
<b>Total</b>	<b>\$ 1,918,887</b>	<b>\$ 2,188,013</b>	<b>\$ 2,403,013</b>	<b>\$ 2,047,391</b>	<b>\$ 2,424,868</b>	<b>10.8%</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	FY19 Actual	FY20 Actual	FY21 Estimate	FY22 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	*	0%	80%	100%
	Increase percentage of commercial plans reviews completed within 30 days of acceptance.	87%	90%	92%	95%
	Increase percentage of residential plan reviews completed within 5 days of acceptance.	89%	90%	92%	95%
	Increase percentage of inspections completed within one workday of request	96%	96%	98%	100%
	Increase percentage of code complaints responded to within 2 business days	94%	94%	95%	96%

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

# ***FIRE DEPARTMENT***

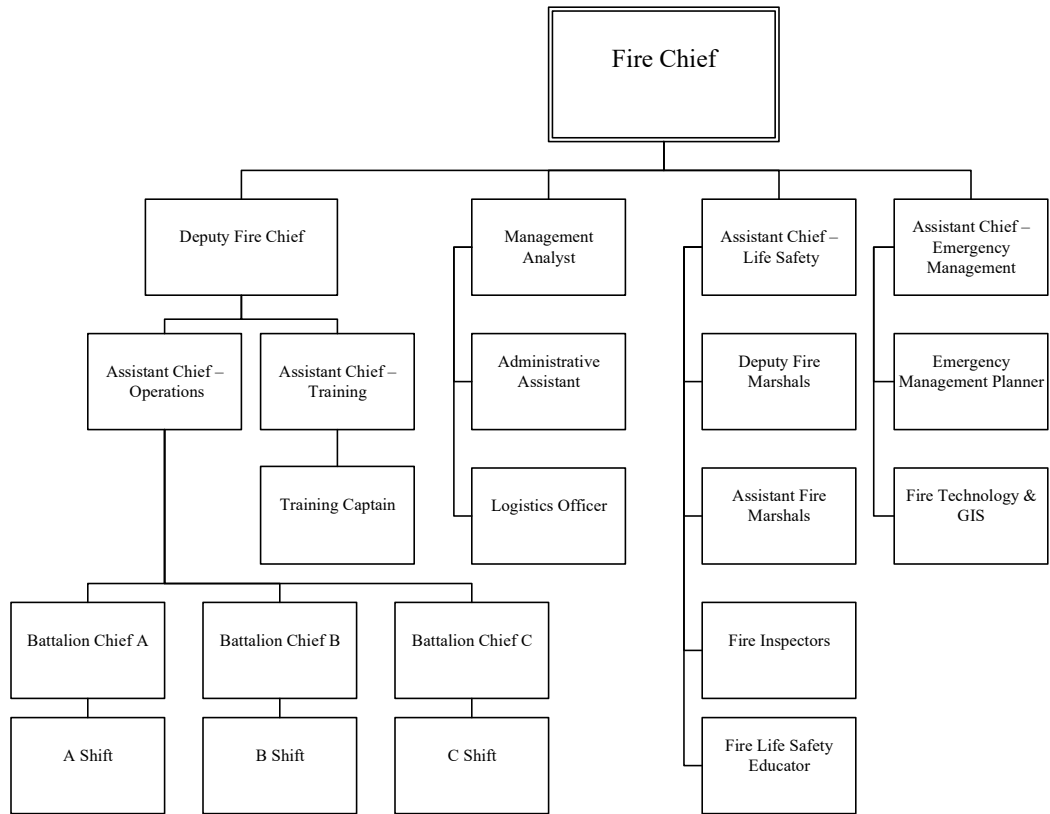
**MISSION STATEMENT:**

*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 2021-22.

<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>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>	<b>2021-22 ADOPTED</b>
<b>Administration</b>			
Fire Chief	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Deputy Fire Chief	1.00	1.00	1.00
Management Analyst	0.00	0.00	1.00
Emergency Management Planner	1.00	1.00	1.00
Emergency Management Coordinator	1.00	1.00	1.00
Division Totals	<u>5.00</u>	<u>5.00</u>	<u>6.00</u>
<b>Emergency Operations</b>			
Battalion Fire Chief	3.00	3.00	3.00
Fire Captain	23.00	26.00	22.00
Fleet & Logistics Officer	0.00	0.00	1.00
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	0.00	1.00
Fire Equipment Operator/Lieutenant	21.00	19.00	21.00
Firefighter/Master	33.00	33.00	33.00
Division Totals	<u>83.00</u>	<u>83.00</u>	<u>83.00</u>
<b>Life Safety</b>			
Fire Marshall- Assistant Chief	1.00	1.00	1.00
Fire Inspector	2.00	3.00	3.00
Deputy Fire Marshal	2.00	2.00	2.00
Assistant Fire Marshal	3.00	2.00	1.00
Division Totals	<u>8.00</u>	<u>8.00</u>	<u>7.00</u>
Fire Department Totals	<u><u>96.00</u></u>	<u><u>96.00</u></u>	<u><u>96.00</u></u>



## ***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 increased 4.4% due to personnel increases and increases to vehicle fuel and vehicle maintenance charges.*

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### **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 8,383,407	\$ 8,543,215	\$ 8,543,215	\$ 8,552,399	\$ 8,902,751	4.2%
Operating Costs	1,072,104	1,030,739	1,185,029	1,182,968	1,091,814	5.9%
Capital Outlay	-	10,000	-	10,000	10,000	0.0%
<b>Total</b>	<b>\$ 9,455,511</b>	<b>\$ 9,583,954</b>	<b>\$ 9,728,244</b>	<b>\$ 9,745,367</b>	<b>\$ 10,004,565</b>	<b>4.4%</b>

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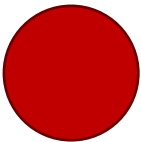
### **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
General Revenues	\$ 7,871,541	\$ 8,015,034	\$ 8,159,324	\$ 8,264,592	\$ 8,491,923	5.9%
State-Shared Revenues	1,081,968	1,106,256	1,106,256	1,106,256	1,106,256	0.0%
Grants	39,059	-	-	-	-	N/A
Charges for Services	301,585	272,664	272,664	275,386	275,386	1.0%
Licenses/Permits/Fines	161,358	190,000	190,000	99,133	131,000	-31.1%
<b>Total</b>	<b>\$ 9,455,511</b>	<b>\$ 9,583,954</b>	<b>\$ 9,728,244</b>	<b>\$ 9,745,367</b>	<b>\$ 10,004,565</b>	<b>4.4%</b>

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# FIRE

## Performance Measures

 SAFE COMMUNITY	<p><b>Strategic Objectives</b></p> <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: the company, officer, driver operator, and hazardous material</li> </ul>
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Core Business Program	Performance Measure	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Target
Emergency Operations	Percentage of structure fire responses within 5 minutes from dispatch to the arrival of the first unit	76%	78%	82%	90%
	Percentage of structure fire responses within 9 minutes from dispatch to the arrival of the full alarm	84%	86%	90%	90%
	Percentage of non-medical emergency responses within 5 minutes from dispatch to the arrival of the first unit.	75%	78%	81%	90%
	Percentage of buildings toured for familiarization and pre-incident planning.	89%	89%	62%	90%
	Percentage of front line apparatus with out-of-service time greater than 10%	71%	65%	88%	20%
First Responder Medical Services	CHFD response time to medical calls within 5 minutes from dispatch to arrival	67%	77%	70%	90%
	CHFD is released from medical calls in less than 20 minutes	88%	74%	71%	90%
Code Enforcement	Percentage of State required inspections completed *Note many inspections were put on hold	66%	No Data Available	No Data Available	90%

	during COVID-19 protocols				
Fire Prevention and Safety Education	Combined audiences of public safety presentation, as a percentage of total population *Note many types of public education events were not executed during FY20 due to COVID-19 protocols.	10.95%	No Data Available	.8%	15%
Training and Development	Personnel completed company training (192 hours required)	100%	100%	100%	100%
	Personnel completed full officer training (12 hours required)	92%	92%	90%	100%
	Personnel completed existing driver operator training (12 hours required)	100%	100%	100%	100%
	Personnel completed hazardous material training (6 hours required).	98%	98%	100%	100%

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

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*The adopted budget for the Administration division reflects an overall expenditure decrease of 6.7% from last year's budget. The decrease in personnel costs is the result of one position moving from Administration to Emergency Management. This is partially offset by a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. The operating budget reflects a 35.3% increase due to computer replacements and a return to pre-COVID funding levels in vehicle replacement charges.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 735,763	\$ 580,121	\$ 345,700	\$ 382,504	\$ 482,645	-16.8%
Operating Costs	151,659	\$ 139,680	139,180	142,910	\$ 184,433	32.0%
<b>Total</b>	<b>\$ 887,422</b>	<b>\$ 719,801</b>	<b>\$ 484,880</b>	<b>\$ 525,414</b>	<b>\$ 667,078</b>	<b>-7.3%</b>

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## ***FIRE - Emergency Operations Division***

### ***BUDGET SUMMARY***

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*The adopted budget for the Emergency Operations Division reflects a 3.9% increase overall. Personnel expenditures experienced a 4.2% increase due to a 5.5% increase in health insurance costs, a 1.2% retirement costs increase, and a 3% salary increase. Operating expenditures saw a 1.0% increase, reflecting increases to vehicle fuel and vehicle maintenance charges. Capital outlay expenditures remain the same.*

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### **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 6,864,590	\$ 7,112,538	\$ 7,112,538	\$ 7,160,314	\$ 7,413,073	4.2%
Operating Costs	796,802	820,199	837,178	827,355	828,456	1.0%
Capital Outlay	-	10,000	-	10,000	10,000	0.0%
<b>Total</b>	<b>\$ 7,661,392</b>	<b>\$ 7,942,737</b>	<b>\$ 7,949,716</b>	<b>\$ 7,997,669</b>	<b>\$ 8,251,529</b>	<b>3.9%</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 5.7% from the 2020-21 budget. The 6.6% decrease in personnel is due to turnover, which is partially offset by a 5.5% increase in health insurance costs, a 1.2% retirement increase, and a 3% salary increase. The operating budget increased by 4.9% due to increases in vehicle fuel and vehicle maintenance charges.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 783,054	\$ 850,556	\$ 850,556	\$ 834,192	\$ 794,129	-6.6%
Operating Costs	65,718	70,860	70,860	70,092	74,325	4.9%
Total	\$ 848,772	\$ 921,416	\$ 921,416	\$ 904,284	\$ 868,454	-5.7%

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## ***FIRE - Emergency Management***

### ***BUDGET SUMMARY***

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*The Emergency Management division was created during FY21. Personnel costs are decreased from the FY21 revised budget due to staff turnover, which is partially offset by a 5.5% increase in health insurance costs, a 1.2% retirement increase, and a 3% salary increase. The decrease in operating costs reflects COVID-19 related expenditures during FY21.*

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### **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ -	\$ -	\$ 234,421	\$ 175,389	\$ 212,904	N/A
Operating Costs	57,925	-	137,811	142,611	4,600	N/A
<b>Total</b>	<b>\$ 57,925</b>	<b>\$ -</b>	<b>\$ 372,232</b>	<b>\$ 318,000</b>	<b>\$ 217,504</b>	<b>N/A</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>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Parks and Recreation	\$ 6,272,636	\$ 7,234,154	\$ 7,258,077	\$ 5,893,539	\$ 7,374,790	1.9%
Library	3,486,392	3,672,918	3,715,709	3,292,965	3,888,890	5.9%
<b>Total</b>	<b>\$ 9,759,028</b>	<b>\$ 10,907,072</b>	<b>\$ 10,973,786</b>	<b>\$ 9,186,504</b>	<b>\$ 11,263,680</b>	<b>3.3%</b>

**REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
General Revenues	\$ 7,992,296	\$ 8,665,423	\$ 8,713,389	\$ 8,258,268	\$ 9,363,033	8.1%
Grants	709,612	679,399	684,399	686,997	681,997	0.4%
Charges for Services	948,473	1,464,750	1,464,750	161,191	1,119,650	-23.6%
Other Revenues	63,538	52,500	66,248	35,048	54,000	2.9%
Transfers/Other Sources	45,000	45,000	45,000	45,000	45,000	0.0%
<b>Total</b>	<b>\$ 9,759,028</b>	<b>\$ 10,907,072</b>	<b>\$ 10,973,786</b>	<b>\$ 9,186,504</b>	<b>\$ 11,263,680</b>	<b>3.3%</b>

# ***PARKS AND RECREATION DEPARTMENT***

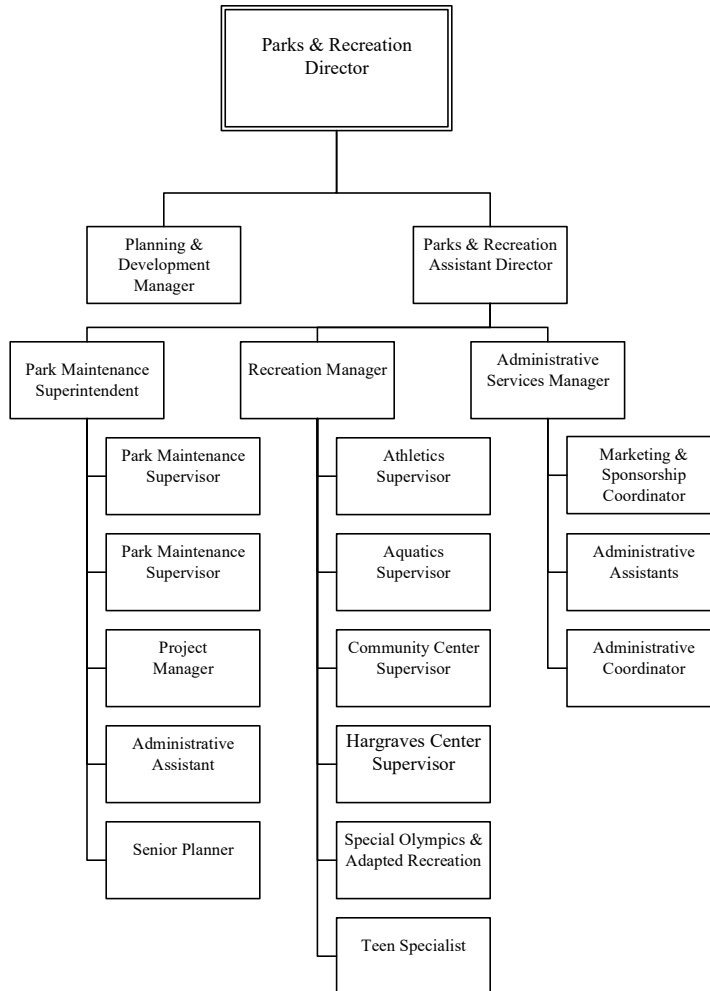
## **MISSION STATEMENT:**

*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 2021-22.

<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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	<b>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>	<b>2021-22 ADOPTED</b>
<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	<u>9.00</u>	<u>9.00</u>	<u>9.00</u>
<b>Landscape Services and Park Maintenance</b>			
Parks Maintenance Superintendent	1.00	1.00	1.00
Landscape Supervisor	3.00	3.00	2.00
Municipal Arborist	1.00	1.00	1.00
Senior Planner	0.00	0.00	1.00
Project Manager	0.00	0.00	1.00
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	0.00
Division Totals	<u>25.00</u>	<u>25.00</u>	<u>25.00</u>
<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	<u>4.50</u>	<u>4.50</u>	<u>4.50</u>
<b>Community Center</b>			
Recreation Supervisor	1.00	1.00	1.00
Recreation Specialist	1.00	1.00	1.00
Recreation Assistant	2.50	2.50	2.50
Division Totals	<u>4.50</u>	<u>4.50</u>	<u>4.50</u>

*continued*

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

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	<b>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>	<b>2021-22 ADOPTED</b>
<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	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>
<b>Hargraves Center</b>			
Recreation Supervisor	1.00	1.00	1.00
Assistant Recreation Supervisor	1.00	1.00	1.00
Recreation Specialist	1.80	1.80	1.80
Recreation Assistant	1.00	1.00	1.00
Division Totals	<u>4.80</u>	<u>4.80</u>	<u>4.80</u>
<b>Community Cultural Arts</b>			
Recreation Supervisor	0.00	0.00	0.00
Festivals & Event Technician	0.00	0.00	0.00
Division Totals	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Parks & Recreation Department Totals	<u><u>53.80</u></u>	<u><u>53.80</u></u>	<u><u>53.80</u></u>

<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 1.9% overall increase. The budget includes a 5.5% increase in health insurance costs, a 1.2% retirement increase, and a 3% salary increase. The slight decrease in operations is due to reductions to water and sewer usage associated costs.*

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### **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 4,789,835	\$ 5,431,413	\$ 5,431,413	\$ 4,412,549	\$ 5,592,946	3.0%
Operating Costs	1,482,801	1,802,741	1,826,664	1,480,990	1,781,844	-1.2%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 6,272,636</b>	<b>\$ 7,234,154</b>	<b>\$ 7,258,077</b>	<b>\$ 5,893,539</b>	<b>\$ 7,374,790</b>	<b>1.9%</b>

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### **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
General Revenues	\$ 5,277,850	\$ 5,757,144	\$ 5,762,319	\$ 5,635,140	\$ 6,221,380	8.1%
Grants	112,760	83,760	88,760	88,760	83,760	0.0%
Charges for Services	866,001	1,388,750	1,388,750	136,091	1,058,650	-23.8%
Other Revenues	16,025	4,500	18,248	33,548	11,000	144.4%
<b>Total</b>	<b>\$ 6,272,636</b>	<b>\$ 7,234,154</b>	<b>\$ 7,258,077</b>	<b>\$ 5,893,539</b>	<b>\$ 7,374,790</b>	<b>1.9%</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	FY19 Actual	FY20 Actual	FY21 Estimate	FY22 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	2,275	2,275	4,581	600
	Field rentals - revenue	393,795	393,795	363,716	122,000
	Field rentals - attendance	181,717	181,717	305,830	39,000
	Shelter rentals - number of rentals	365	365	287	300
	Shelter rentals - revenue	14,914	14,914	13,261	13,500
	Shelter rentals - attendance	14,223	14,223	8,750	9,000
	Pool rentals - number of rentals	5,336	5,336	0	1,000
	Pool rentals - revenue	176,029	112,576	0	500
	Pool rentals - attendance	18,072	18,072	0	200
	Other Indoor Rentals - number of rentals for meeting rooms, gyms and auditorium	163	163	0	75
	Other Indoor Rentals - revenue	18,294	18,294	0	2,000

	Other Indoor Rentals - attendance	6,173	6,173	0	1,000
	Number of programs offered	970	970	511	550
	Percentage of programs completed	80%	80%	70%	80%
	Number of registered participants in all programs	7,243	7,243	6,785	6800
	Number of waitlisted participants in all programs	1,540	1,540	668	100
	Number of drop-in participants in all programs	37,119	37,119	41,127	25,000
Administration	Department and Co-hosted events - number of events held (New)	19	19	7	5
	Department and Co-hosted events - number of attendees/participants (New)	2,183	2,183	1152	500
Planning and Facility Development	Complete the Inclusive Playground Project (Design Only)	30%	30%	30%	60%
	Complete the Homestead Park Soccer Field Project	100%	100%	N/A	N/A
	Complete the Cedar Falls Tennis Court Project (Design only)	30%	30%	30%	60%
	Complete the Bolin Creek Trail Project (Coal Ash area)	80%	80%	100%	N/A
	Complete the Tanyard Branch Trail	99%	99%	100%	N/A
	Complete the Morgan Creek Trail - Western Extension to Carrboro (Design only)	30%	30%	30%	60%
	Complete the Morgan Creek Bridge - Eastern Extension to Oteys Rd (Design only)	20%	20%	30%	60%



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

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*The adopted budget for the Administration division reflects an overall expenditure increase of 2.8% from the 2020-21 budget. The 0.7% increase in personnel costs due a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. The operating budget has an increase of 11.4% due to increases in computer replacements and professional services.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 944,481	\$ 949,177	\$ 949,177	\$ 797,270	\$ 956,253	0.7%
Operating Costs	188,747	231,215	248,747	203,559	257,607	11.4%
Total	\$ 1,133,228	\$ 1,180,392	\$ 1,197,924	\$ 1,000,829	\$ 1,213,860	2.8%

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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 FY21 represents 140 West programming funds.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Operating Costs	-	-	5,175	-	-	N/A
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,175</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>

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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 increase of 3.4% from last year's budget. The 4.7% increase in personnel costs is due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. Operating costs remain relatively the same.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 1,611,869	\$ 1,823,550	\$ 1,823,550	\$ 1,647,004	\$ 1,908,494	4.7%
Operating Costs	584,000	608,962	613,962	579,198	607,302	-0.3%
Total	\$ 2,195,869	\$ 2,432,512	\$ 2,437,512	\$ 2,226,202	\$ 2,515,796	3.4%

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

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*The adopted budget for the Athletics division reflects an overall expenditure decrease of 3.9% from the 2020-21 budget. The 0.2% increase in personnel costs reflects a 5.5% increase in health insurance costs, a 1.2% retirement increase, and a 3% salary increase. The 9.0% decrease in operating costs is attributed to an decrease in water and sewer usage associated costs.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 520,353	\$ 526,917	\$ 526,917	\$ 463,947	\$ 528,138	0.2%
Operating Costs	276,700	419,396	400,796	232,375	381,447	-9.0%
Total	\$ 797,053	\$ 946,313	\$ 927,713	\$ 696,322	\$ 909,585	-3.9%

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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 increase of 2.5% from the 2020-21 budget. The 3.1% increase in personnel costs reflects a 5.5% increase in health insurance costs, a 1.2% retirement increase, and a 3% salary increase. Operating costs are nearly identical to the previous fiscal year.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 529,794	\$ 534,703	\$ 534,703	\$ 457,271	\$ 551,527	3.1%
Operating Costs	119,910	138,217	138,559	111,484	138,255	0.0%
Total	\$ 649,704	\$ 672,920	\$ 673,262	\$ 568,755	\$ 689,782	2.5%

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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 1.8% from last year's budget. The 3.3% increase in personnel costs reflects a 5.5% increase in health insurance costs, a 1.2% retirement increase, and a 3% salary increase. The 3.1% decrease in operating costs is attributed to an decrease in water and sewer usage associated costs.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 630,580	\$ 945,189	\$ 945,189	\$ 666,314	\$ 976,037	3.3%
Operating Costs	215,993	273,094	277,788	258,943	264,760	-3.1%
Total	\$ 846,573	\$ 1,218,283	\$ 1,222,977	\$ 925,257	\$ 1,240,797	1.8%

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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 2.7% from the 2020-21 budget. The 3.2% increase in personnel costs reflects a 5.5% increase in health insurance costs, a 1.2% retirement increase, and a 3% salary increase. Operating costs remain at similar levels to the previous fiscal year.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 552,758	\$ 651,877	\$ 651,877	\$ 380,743	\$ 672,497	3.2%
Operating Costs	97,451	131,857	141,637	95,431	132,473	0.5%
Total	\$ 650,209	\$ 783,734	\$ 793,514	\$ 476,174	\$ 804,970	2.7%

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# CHAPEL HILL PUBLIC LIBRARY

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## MISSION STATEMENT:

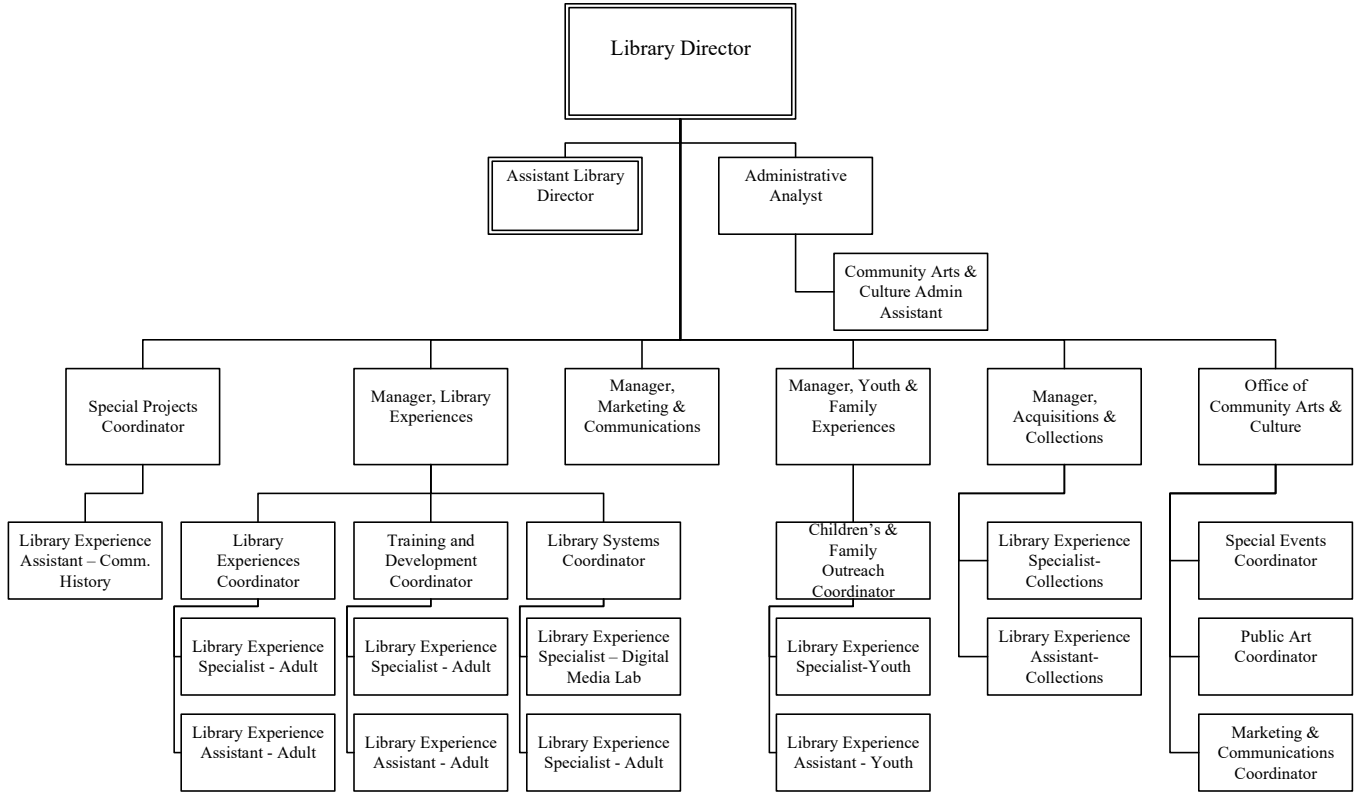
*Sparking Curiosity. Inspiring Learning. Creating Connections.*

The Chapel Hill Public Library Department identified the following primary programs that are included in the adopted budget for 2021-22.

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***

	<b>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>	<b>2021-22 ADOPTED</b>
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	0.00	0.00
Project Coordinator	0.00	1.00	1.00
Training Coordinator	1.00	0.00	1.00
Youth & Family Experience Manager	1.00	1.00	1.00
Library Accounts Coordinator	1.00	1.00	1.00
Administrative Coordinator	1.00	0.00	0.00
Administrative Analyst	0.00	1.00	1.00
Library Experience Specialist	7.00	6.00	7.00
Library Experience Assistant	11.66	12.16	11.66
Library Systems Manager	1.00	1.00	1.00
Learning and Development Coordinator	0.00	1.00	0.00
Environmental Education	0.00	0.50	0.00
Marketing & Communications Manager	1.00	1.00	1.00
Division Total	30.66	30.66	30.66
<b>Public Arts</b>			
Public Arts Administrator	0.00	0.00	0.00
Public Arts Coordinator	1.00	1.00	1.00
Marketing & Communications Coordinator	1.00	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	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Division Total	2.00	2.00	2.00
Library Department Total	34.66	34.66	34.66

# **LIBRARY**

## **BUDGET SUMMARY**

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The adopted budget for the Library reflects an overall expenditure increase of 5.9% from the 2020-21 budget. The 4.9% increase in personnel is the result of a 5.5% increase in health insurance costs, a 1.2% retirement increase, and a 3% salary increase. Operating costs have increased 9.4% due to a return to pre-COVID funding levels for circulation materials and the community arts & culture division.

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>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 2,701,341	\$ 2,857,069	\$ 2,859,896	\$ 2,462,096	\$ 2,996,390	4.9%
Operating Costs	785,051	815,849	855,813	830,869	892,500	9.4%
<b>Total</b>	<b>\$ 3,486,392</b>	<b>\$ 3,672,918</b>	<b>\$ 3,715,709</b>	<b>\$ 3,292,965</b>	<b>\$ 3,888,890</b>	<b>5.9%</b>

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### **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
General Fund	\$ 2,714,446	\$ 2,908,279	\$ 2,951,070	\$ 2,623,128	\$ 3,141,653	8.0%
Grants	596,852	595,639	595,639	598,237	598,237	0.4%
Charges for Services	82,472	76,000	76,000	25,100	61,000	-19.7%
Licenses/Permits/Fines	109	-	-	-	-	N/A
Other Revenues	47,513	48,000	48,000	1,500	43,000	-10.4%
Transfers/Other Sources	45,000	45,000	45,000	45,000	45,000	0.0%
<b>Total</b>	<b>\$ 3,486,392</b>	<b>\$ 3,672,918</b>	<b>\$ 3,715,709</b>	<b>\$ 3,292,965</b>	<b>\$ 3,888,890</b>	<b>5.9%</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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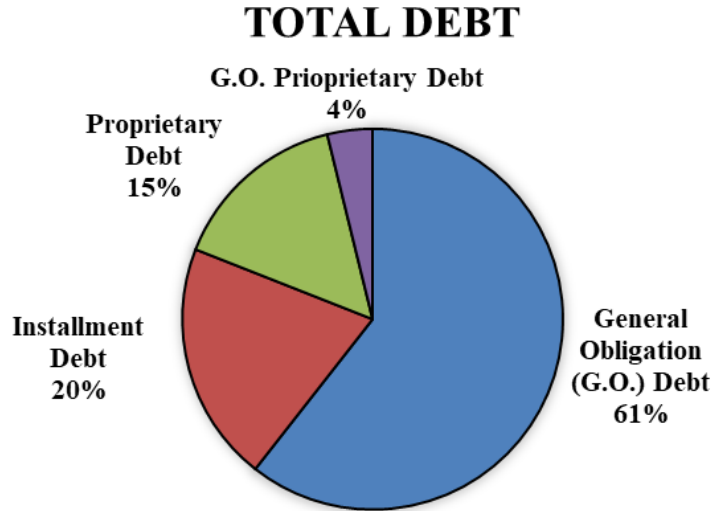
Core Business Program	Performance Measure	FY19 Actual	FY20 Actual	FY21 Estimate	FY22 Target
Customer Service	Transactions at self-serve or virtual points (checkouts, including renewals)	91%	92%	87%	90%
	Provide quarterly customer service training opportunities for all staff members	met	met	met	meet
Cultural and Community Programs for All Ages	Programs offered per 1,000 capita - greater than or equal to state average (state average FY20 = 10.8)	16.1	10.3	2.9	5.7
	Number of Summer Reading Program registered participants	3,459	1,818	901	3,000
Serve as a Place for Everyone	Number of events held in library meeting rooms for functions not sponsored, organized or initiated by the library.	1,995	1,394	0	300
	Library visits per capita greater than state average (state average FY20 = 2.08)	9.35	6.54	0	3.3
	Percentage of surveyed attendees who would recommend the program to a friend	70.3%	78.60%	0*	75%
Collection Development & Management	Average hold list wait time (days) of the physical materials collection	49.1	40	19.2	40
	Circulation per registered borrower greater than state average (state average FY20 = 8.09)	23.5	25.3	21.7	21
	Cost per circulation less than state average (state average FY20 = \$7.88)	\$2.07	\$1.79	\$2.39	\$2.25
Circulation	Circulation per hour open greater than state average (state average FY20 = 26.87)	444.3	479.83	159	300
	Percentage of population that are registered users greater than state average (state average FY20 = 53%)	110%	95.9%	99%	90%

\*Attendees for virtual programs were not surveyed

# ***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, 2021, the Town had about \$71 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 May 2021, the Town issued \$3.205 million of G.O. two-thirds bonds for parks and recreation, public safety, and streets and sidewalks projects.

In May 2021, the Town also issued \$4.755 million of G.O. Bonds for affordable housing projects including 2200 Homestead Road, Weavers Grove Development, and the Johnson Street Apartments.

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 \$2,700,000, Parks & Recreation \$4,300,000, and 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.

		Long-Term Debt June 30, 2021
<b>Governmental Debt</b>		
General obligation debt	\$	36,264,000
Limited Obligation Bonds		5,250,000
Installment debt		6,958,000
Separation allowance		7,321,000
Compensated absences		<u>3,020,000</u>
<b>Total</b>	<b>\$</b>	<b><u>58,813,000</u></b>
<b>Proprietary Fund Debt</b>		
Enterprise Funds		
General obligation debt	\$	2,295,000
Limited Obligation Bonds		5,075,000
Installment debt		4,019,000
Compensated absences		792,000
Internal Service Funds		
Compensated absences		<u>46,000</u>
<b>Total</b>	<b>\$</b>	<b><u>12,227,000</u></b>

## ***DEBT & BOND RATINGS***

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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%.

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.

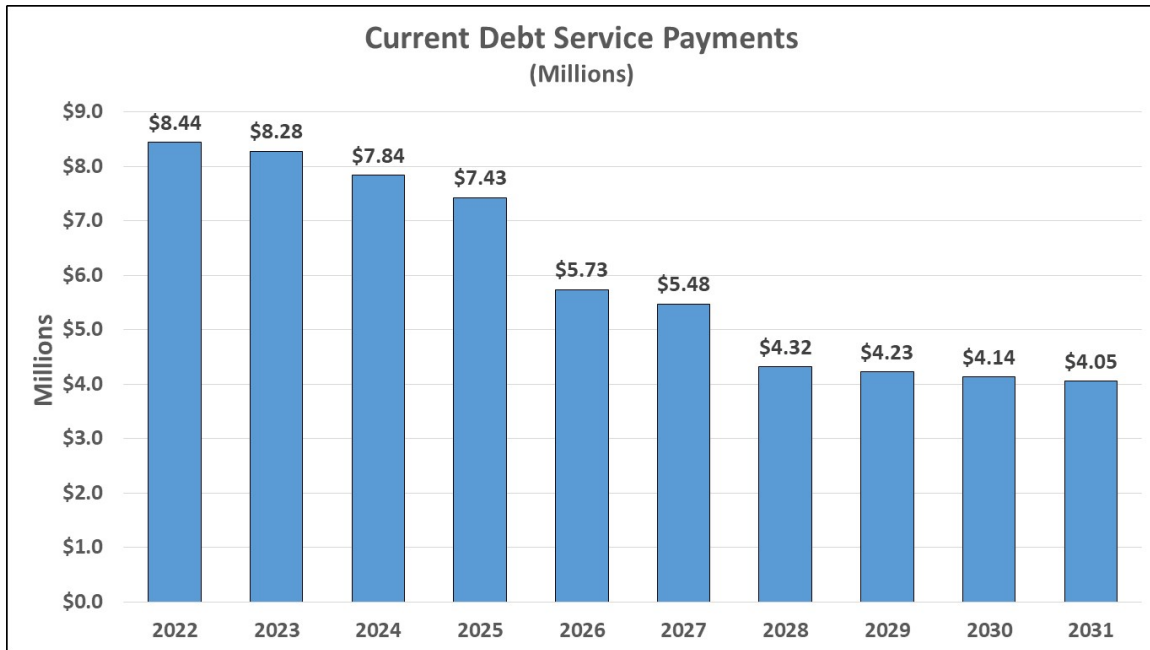
In June 2012, the Town sold \$6.9 million of Limited Obligation Bonds (LOBs) to finance the Town's portion of the 140 West parking garage, other parking improvements and improvements to the Town's Operation Center. The transaction included refunding of approximately \$24 million of existing installment 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 82% 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:

# DEBT & BOND RATINGS



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

## **Future Additional Debt**

In November 2018, the Town held a general obligation bond referendum. There was one bond order that appeared on the ballot and it was approved by the voters. The amount of the authority approved by the voters, the amounts issued through June 30, 2021, 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	\$ 4,755,000	\$ 5,245,000
<b>Total</b>	<b>\$ 10,000,000</b>	<b>\$ 4,755,000</b>	<b>\$ 5,245,000</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, 2021, 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>



# ***DEBT & BOND RATINGS***

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

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

- The East Rosemary Parking Deck, an 1,100-space deck, and Phase II of the Ephesus Fordham public improvements, were both approved by Council in June 2021 for a Limited Obligation Bonds issuance. The estimated cost of the project is about \$45.48 million. It is expected that the project will be close in August 2021.
- The Town is currently in the planning process for several affordable housing projects including: Jay Street, a three-story apartment building, the redevelopment of Trinity Court, a public housing community, and partnerships with local non-profits for affordable housing opportunities for a total of about \$5 million. It is expected that these projects will be financed in spring 2022.
- 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 2023.

## **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, 2021, the Town had \$38,559,000 in outstanding G.O. Bonds that apply to this limit. The total is less than 1% of the Town's June 30, 2021 tax base (\$8.465 billion).

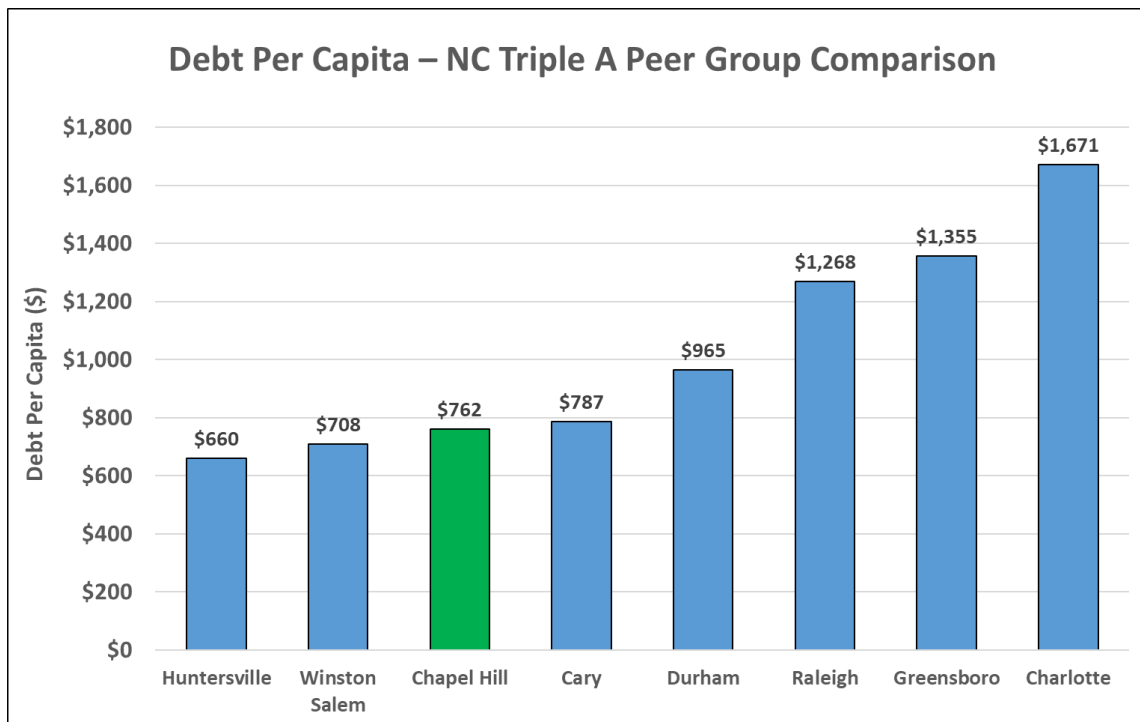
## **Debt Benchmarks**

The Town's annual General Fund G.O. bond and installment financing debt service cost for FY 22 is about \$7.51 million, or about 10.58% 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 9.31%. 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 9.3% and 13.2% of

# DEBT & BOND RATINGS

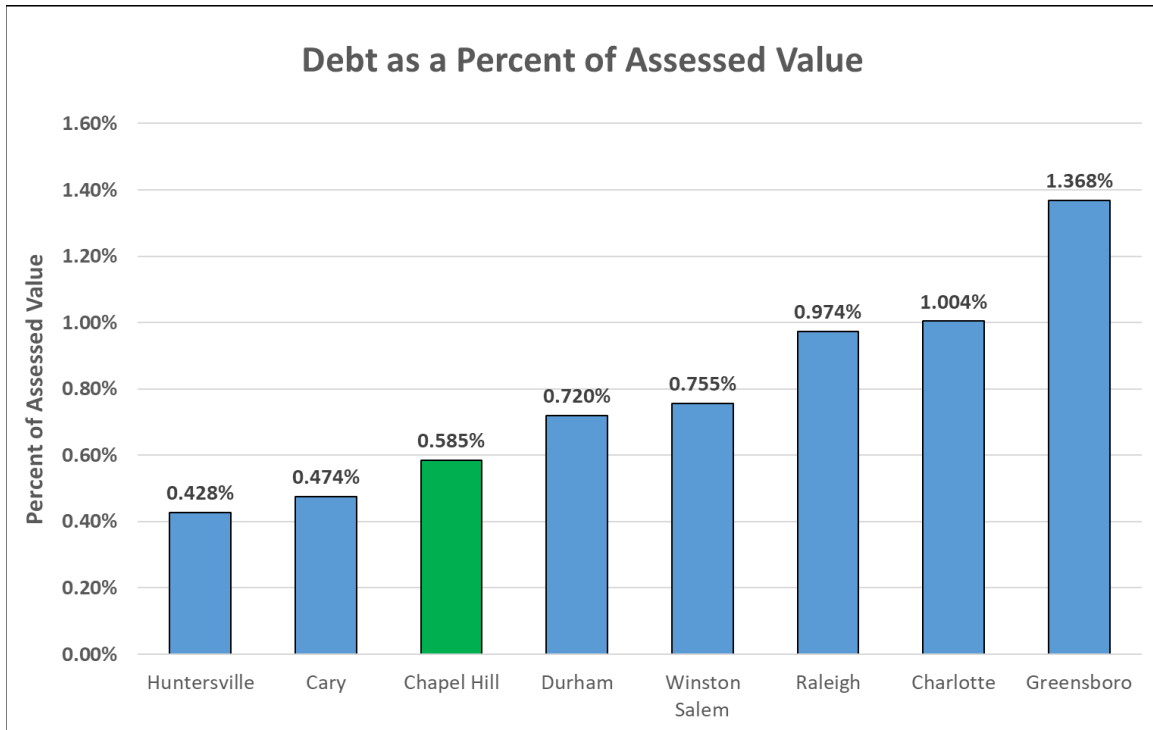
governmental budgets for the next several years as borrowing increases to meet capital needs. We will continue to monitor this indicator because it is one of numerous factors used to determine the Town's credit rating.

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



(Ratios of total outstanding G.O.B. debt, authorized & unissued G.O.B. debt, and IP debt, excluding enterprise, for N.C. populations with a triple A rating. Source: Analysis of Debt of N.C. Municipalities 6/30/2020, Department of State Treasurer, Division of State and Local Government Finance.)

# DEBT & BOND RATINGS



(Ratios of total outstanding G.O.B. debt, authorized & unissued G.O.B. debt, and IP debt, excluding enterprise, for N.C. populations with a triple A rating. Source: Analysis of Debt of N.C. Municipalities 6/30/2020, Department of State Treasurer, Division of State and Local Government Finance.)

## Bond Ratings

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

<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 May 2021 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 FY 2008-09, a portion of the property tax rate was allocated to debt service payments to pay the Town's debt service. The FY 2021-22 budget reduces the dedicated Debt Service Fund tax rate to 8.8 cents as a result of the Orange County revaluation, which is expected to generate \$8.28 million in revenues in FY 2021-22.*

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### **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Principal Payments	\$ 5,572,000	\$ 5,224,000	\$ 5,224,000	\$ 5,224,000	\$ 5,556,000	6.4%
Interest Expense	2,092,683	1,965,646	1,965,646	1,965,646	1,954,975	-0.5%
Bond Issuance Costs	12,320	-	-	-	-	N/A
Contribution to Reserve	2,070,853	2,143,185	2,143,185	1,969,185	2,153,957	0.5%
<b>Total</b>	<b>\$ 9,747,856</b>	<b>\$ 9,332,831</b>	<b>\$ 9,332,831</b>	<b>\$ 9,158,831</b>	<b>\$ 9,664,932</b>	<b>3.6%</b>

### **REVENUES**

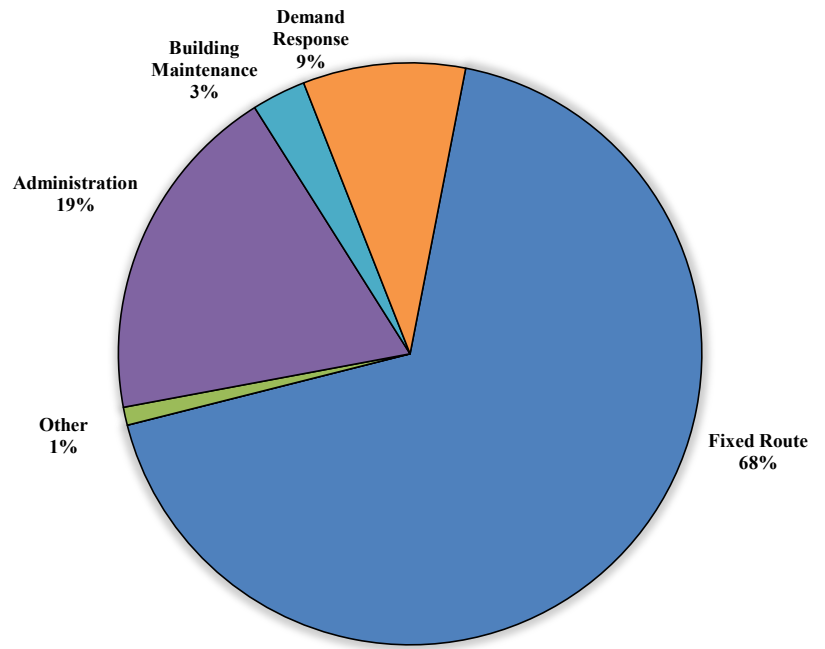
	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Property Taxes	\$ 8,090,695	\$ 8,243,000	\$ 8,243,000	\$ 8,238,000	\$ 8,293,000	0.6%
Transfer from Off-Street Parking	905,332	914,831	914,831	914,831	916,832	0.2%
Transfer from General Fund	445,100	-	-	-	445,100	N/A
BABS Interest Subsidy	122,138	-	-	-	-	N/A
Interest Income	184,591	175,000	175,000	6,000	10,000	-94.3%
<b>Total</b>	<b>\$ 9,747,856</b>	<b>\$ 9,332,831</b>	<b>\$ 9,332,831</b>	<b>\$ 9,158,831</b>	<b>\$ 9,664,932</b>	<b>3.6%</b>

# TRANSIT FUND

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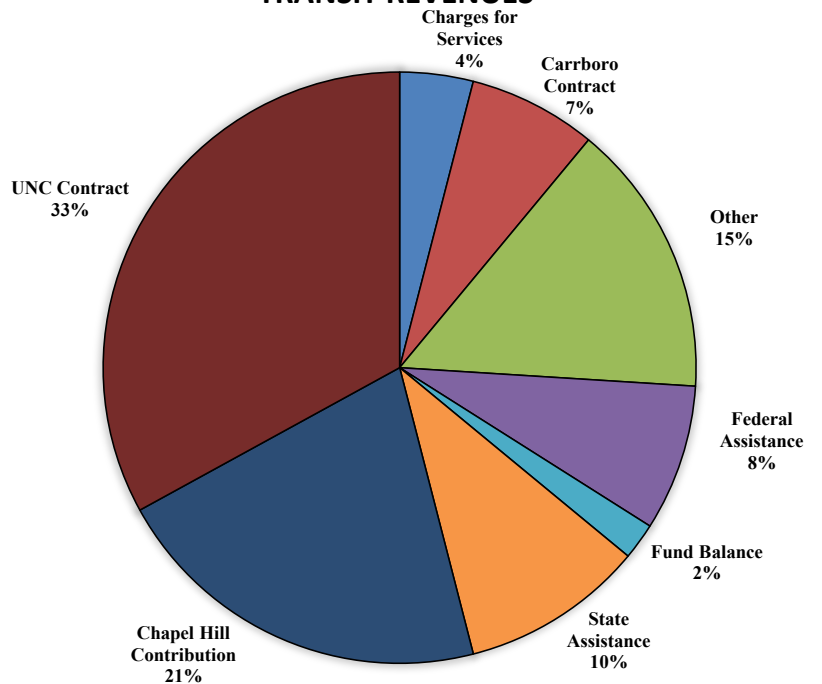
The Transit Fund is used to account for the operations of the Town's public transit system.

## TRANSIT EXPENDITURES



Total \$26,300,046

## TRANSIT REVENUES



# TRANSIT

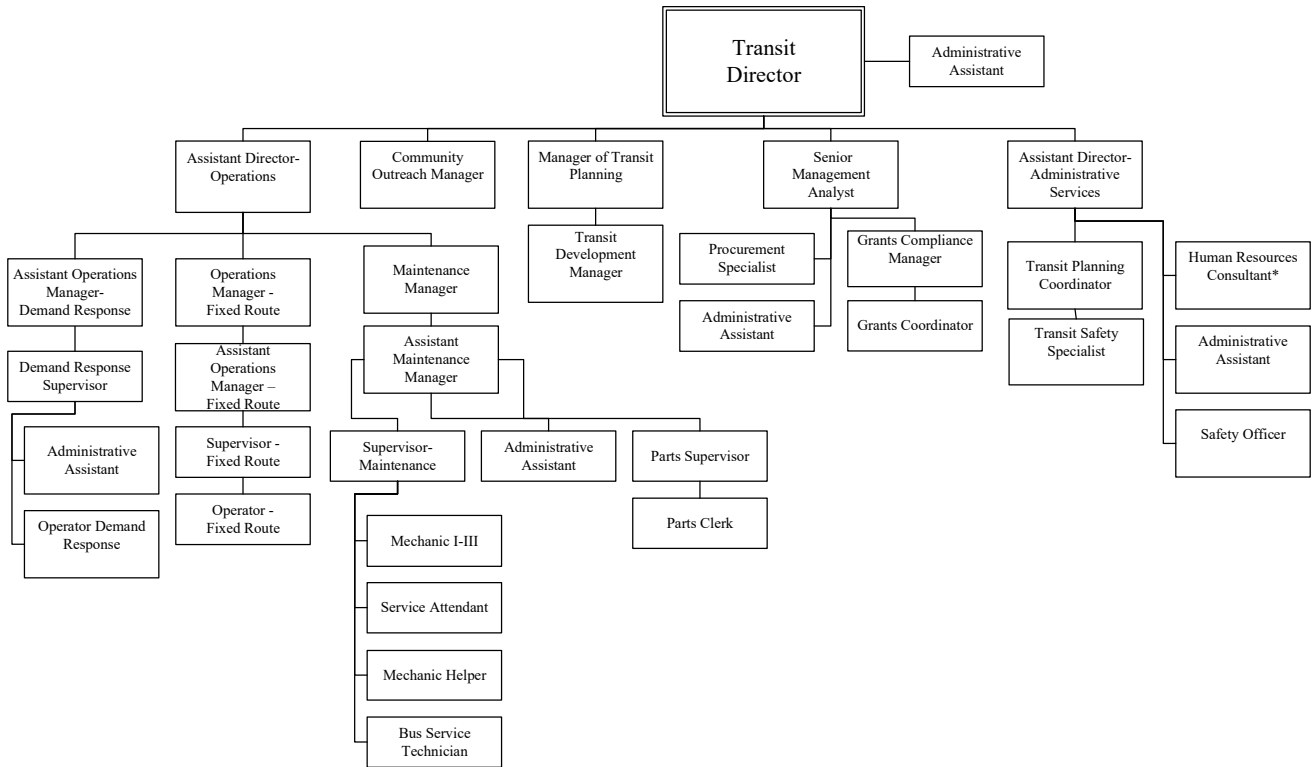
## MISSION STATEMENT:

*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 2021-22.

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.)

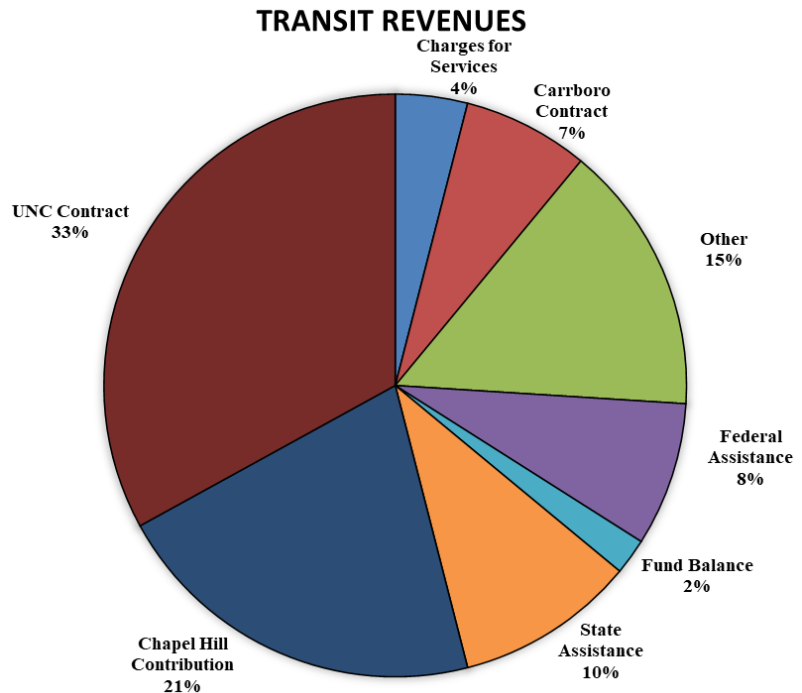
The adopted budget for the Transit Fund for fiscal year 2021-22 totals about \$26.3 million, an increase of 4% from 2020-21. Below is a description of the major revenue sources for the Transit Fund and the pie chart below shows the major revenue sources for fiscal year 2021-22. Please note that due to 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 2020-21 levels at \$1.96 million. Additional operating grants will be sought for 2021-22 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. There is no subsidy expected for 2020-21, but that is anticipated to return in 2021-22 at \$2.6 million.





# TRANSIT FUND

## Major Revenue Sources - Descriptions and Estimates

### University Contract

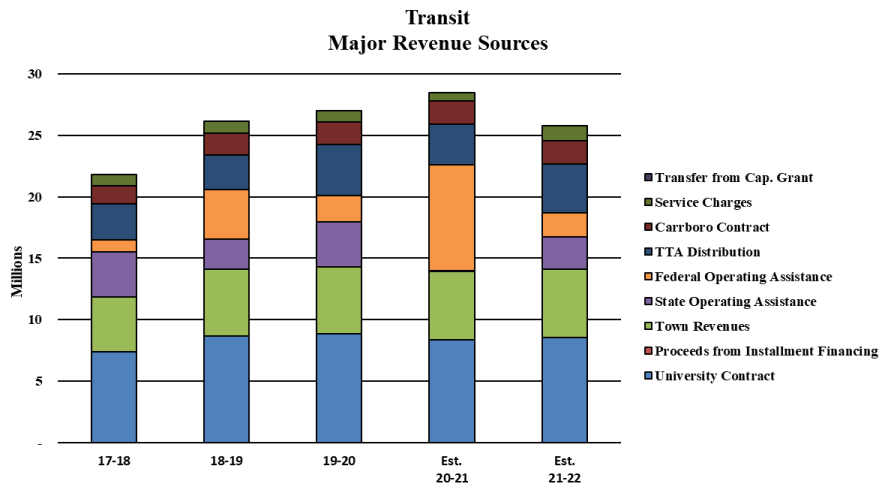
The University of North Carolina contracts with the Town for bus service for routes on and surrounding the campus of the University and UNC Health Care System. The University contract also covers routes determined to serve mainly students and employees of the University. The cost of these services is 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 \$8.8 million in 2019-20 and \$8.4 million in 2020-21. UNC’s allocation for 2021-22 is up slightly at \$8.5 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 2020-21 was about \$1.84 million and the budget for 2021-22 increased to \$1.9 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 2021-22 is about \$5.6 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 2021-22 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 2021-22 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 \$4.1 million to fund balance in 2020-21. The 2021-22 adopted budget was balanced with an appropriation of \$446,494 in fund balance only as a placeholder due to the next round of CARES funding that will be allocated to the Transit Fund.

# TRANSIT FUND

## Major Expenditures - Descriptions and Estimates

The adopted budget for Transit for 2021-22 continues fare free services for fixed routes in the system and totals \$25.23 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 \$15.6 million and Maintenance costs total about \$5.8 million. Administrative and non-departmental costs total nearly \$4.9 million.



Expenditures for 2021-22 include a 5.5% health insurance cost increase, a 3% pay 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***

	2019-20 ADOPTED	2020-21 ADOPTED	2021-22 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	0.00
Management Analyst	1.00	1.00	1.00
Community Outreach Manager	1.00	1.00	1.00
Advertising Sales Manager	0.00	0.00	0.00
Transit Project Manager	0.00	0.00	1.00
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	3.00	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	1.00	1.00	1.00
Division Totals	14.00	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	16.00
Transit Operator - Fixed Route	122.66	122.66	122.66
Training & Safety Specialist	1.00	1.00	2.00
Administrative Assistant	2.00	2.00	2.00
Division Totals	156.29	156.29	158.66
<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	205.66

# **TRANSIT BUDGET SUMMARY**

The adopted budget for the Transit Department continues fare-free service. Federal and State assistance remained flat. There is a 19.9% increase in TTA fees. The 2021-22 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, a 3% pay increase, and a 5.5% increase in health insurance costs.

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## **EXPENDITURES**

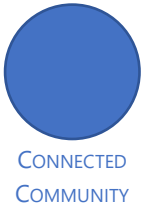
	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Admin & Non-Dept	\$ 5,090,951	\$ 4,411,585	\$ 8,579,004	\$ 9,261,701	\$ 4,874,247	10.5%
Grant-Funded	241,023	-	1,290,904	68,763	-	N/A
Fixed Route	11,863,316	12,335,149	11,463,845	10,952,501	12,798,403	3.8%
Demand Response	2,515,966	2,345,924	2,392,011	2,423,087	2,472,428	5.4%
Special Events	329,526	312,193	312,193	60	309,653	-0.8%
Vehicle Maintenance	3,350,419	4,866,862	5,137,055	4,637,583	4,951,906	1.7%
Building Maintenance	716,781	925,044	1,480,005	1,135,469	893,409	-3.4%
<b>Total</b>	<b>\$ 24,107,982</b>	<b>\$ 25,196,757</b>	<b>\$ 30,655,017</b>	<b>\$ 28,479,164</b>	<b>\$ 26,300,046</b>	<b>4.4%</b>

## **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Charges for Services	\$ 925,561	\$ 1,174,187	\$ 1,174,187	\$ 697,759	\$ 1,174,187	0.0%
Federal Assistance	2,023,003	1,960,178	1,960,178	1,960,178	1,960,178	0.0%
Federal Ops Grants	109,878	-	6,622,586	6,622,586	-	N/A
State Assistance	3,628,189	2,629,698	55,705	55,705	2,629,698	0.0%
TTA Fees	4,141,703	3,321,849	3,321,849	3,321,849	4,074,423	22.7%
UNC Contract	8,880,048	8,719,868	8,719,868	8,393,248	8,519,147	-2.3%
Carrboro Contract	1,835,148	1,835,146	1,835,146	1,872,008	1,900,088	3.5%
Chapel Hill Revenues	5,443,254	5,555,831	5,555,831	5,555,831	5,595,831	0.7%
Appropriated Fund Balance	(2,878,802)	-	1,409,667	-	446,494	N/A
<b>Total</b>	<b>\$ 24,107,982</b>	<b>\$ 25,196,757</b>	<b>\$ 30,655,017</b>	<b>\$ 28,479,164</b>	<b>\$ 26,300,046</b>	<b>4.4%</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	FY19 Actual	FY20 Actual	FY21 Estimated	FY22 Target
Demand – Response Service	Number of passengers per mile in demand response paratransit service	0.20	0.18	0.21	0.21
	Cost per hour for demand response paratransit services	\$65.78	\$66.34	\$65.85	\$65.85
	On-time performance percentage	89%	94%	90%	90%
	Scheduled weekday/weekend DR service placed into service on time	100%	100%	100%	100%
	Demand Response accidents per 100,000 miles	1.23	1.10	2.50	3.00
	Preventable demand response accident per 100,000 miles	0.25	0.50	2.50	1.00
Fixed - Route Bus Service	Number of passengers per mile in fixed route transit service	3.68	2.61	3.15	3.70
	Cost per hour for fixed route services	\$96.61	\$121.01	\$125.00	\$125.00
	Percentage of on-time performance	78%	74%	80%	90%

	Scheduled weekday/weekend FR service placed into service on time	98%	80.0%	70.0%	98%
	Complaints per 100,000 fixed route trips	6.33	3.85	7.50	6.50
	Fixed Route accidents per 100,000 miles	3.09	2.31	2.04	3.00
	Preventable Fixed Route accident per 100,000 miles	1.83	1.34	0.89	1.00
Maintenance	Number of service miles between road calls that may interrupt (DR)	35,009	109,344	160,589	150,000
	Number of service miles between road calls that may interrupt (FR)	16,398	15,301	18	16
	Compliance with preventative maintenance percentage	95%	100%	100%	100%
Administration and Finance	Passengers per Revenue Hour (DR)	2.38	2.27	2.31	2.65
	Passengers per Revenue Hour (FR)	40.40	36.02	38.50	40.00
	Passengers per Revenue Mile (DR)	0.20	0.21	0.20	0.20
	Passengers per Revenue Mile (FR)	3.67	3.13	3.5	3.65
	Average age of fleet vehicle (DR)	5.30	2.43	3.48	4.27
	Average age of fleet vehicle (FR)	7.88	7.13	6.28	6.70

## ***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 2021-22 includes a 8.4% increase to the overall budget. Personnel has decreased by 5.8% due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase, offset by staff turnover.*

*Operating costs are increased due to contracted services related to the Bus Rapid Transit (BRT) Project.*

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### **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 1,554,373	\$ 1,757,309	\$ 1,757,309	\$ 1,545,015	\$ 1,747,152	-0.6%
Operating Costs	3,536,578	2,403,386	6,570,805	7,465,796	3,127,095	30.1%
Transfer to Capital Reserve	-	250,890	250,890	250,890	-	-100.0%
<b>Total</b>	<b>\$ 5,090,951</b>	<b>\$ 4,411,585</b>	<b>\$ 8,579,004</b>	<b>\$ 9,261,701</b>	<b>\$ 4,874,247</b>	<b>10.5%</b>

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

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*As of the time of the adopted budget, there were no planned grant related expenditures for 2021-22.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 39,342	\$ -	\$ 352,438	\$ -	\$ -	N/A
Operating Costs	201,681	-	938,466	68,763	-	N/A
<b>Total</b>	<b>\$ 241,023</b>	<b>\$ -</b>	<b>\$ 1,290,904</b>	<b>\$ 68,763</b>	<b>\$ -</b>	<b>N/A</b>

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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 4.4% increase in overall costs. Personnel costs are up 5.6% due to a 5.5% increase in health insurance costs, a 1.2% increase in retirement costs, and a 3% salary increase.*

*Operating expenses remain mostly flat from FY21.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 8,331,077	\$ 9,197,467	\$ 8,703,587	\$ 7,928,132	\$ 9,633,599	4.7%
Operating Costs	3,532,239	3,137,682	2,760,258	3,024,369	3,164,804	0.9%
Total	\$ 11,863,316	\$ 12,335,149	\$ 11,463,845	\$ 10,952,501	\$ 12,798,403	3.8%

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

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*The adopted budget for Demand Response division has a 2.1% increase over the 2020-21 budget. Personnel expenditures experienced a 5.5% health insurance increase, a 1.2% increase in retirement costs, and a 3% salary increase. Operating expenses remain mostly flat from FY21.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 1,692,721	\$ 1,683,668	\$ 1,683,668	\$ 1,699,359	\$ 1,808,039	7.4%
Operating Costs	430,445	662,256	708,343	723,728	664,389	0.3%
Capital Outlay	392,800	-	-	-	-	N/A
<b>Total</b>	<b>\$ 2,515,966</b>	<b>\$ 2,345,924</b>	<b>\$ 2,392,011</b>	<b>\$ 2,423,087</b>	<b>\$ 2,472,428</b>	<b>5.4%</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 2021-22 reflects an 0.8% decrease in overall expenditures. The Special Events budget is largely unchanged from FY21.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 220,390	\$ 229,859	\$ 229,859	\$ 60	\$ 227,319	-1.1%
Operating Costs	109,136	82,334	82,334	-	82,334	0.0%
Total	\$ 329,526	\$ 312,193	\$ 312,193	\$ 60	\$ 309,653	-0.8%

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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 2021-22 represents a 1.7% increase in expenditures from the 2020-21 fiscal year. The 3.1% increase in personnel costs is due to a 5.5% increase in health insurance costs, an increase of 1.2% for retirement costs, and a 3% salary increase. Operating costs are largely unchanged from FY21.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 2,237,429	\$ 2,615,059	\$ 2,589,059	\$ 2,196,752	\$ 2,696,060	3.1%
Operating Costs	1,112,990	2,231,803	2,527,996	2,420,831	2,235,846	0.2%
Capital Outlay	-	20,000	20,000	20,000	20,000	0.0%
<b>Total</b>	<b>\$ 3,350,419</b>	<b>\$ 4,866,862</b>	<b>\$ 5,137,055</b>	<b>\$ 4,637,583</b>	<b>\$ 4,951,906</b>	<b>1.7%</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 3.4% decrease overall. The 47.2% decrease in personnel expenditures is due to adjusting the new retiree medical figure to align better with prior year actuals. The 3.2% reduction in operating expenditures is mainly tied to budgeting utility costs to better align with actuals.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 3,839	\$ 4,750	\$ 4,750	\$ 2,508	\$ 2,508	-47.2%
Operating Costs	712,942	920,294	1,475,255	1,132,961	890,901	-3.2%
Total	\$ 716,781	\$ 925,044	\$ 1,480,005	\$ 1,135,469	\$ 893,409	-3.4%

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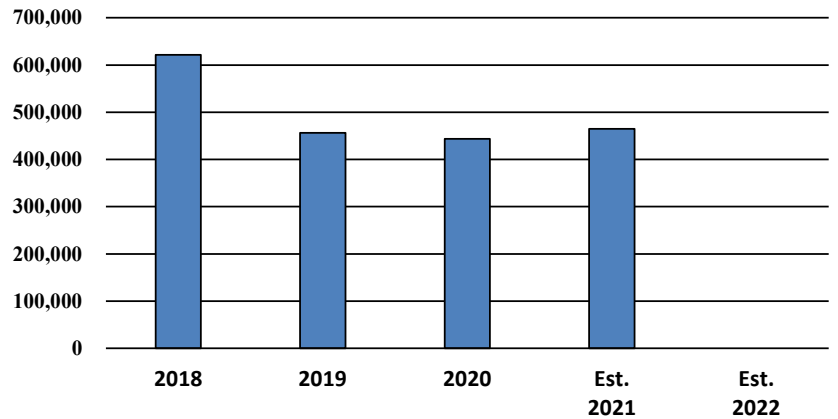
# ***TRANSIT CAPITAL RESERVE FUND***

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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 2021-22 are estimates for grants historically received each year, but not yet awarded.*

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### **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Contribution to Capital Grant Reserve	\$ 443,777 -	\$ - 260,890	\$ 465,000 260,890	\$ 465,000 251,690	\$ - -	N/A -100.0%
<b>Total</b>	<b>\$ 443,777</b>	<b>\$ 260,890</b>	<b>\$ 725,890</b>	<b>\$ 716,690</b>	<b>\$ -</b>	<b>-100.0%</b>

### **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Interest Income Transfer from Transit Fund Appropriated Fund Balance	\$ 8,571 - 435,206	\$ 10,000 250,890 -	\$ 10,000 250,890 465,000	\$ 800 250,890 465,000	\$ - -	-100.0% -100.0% N/A
<b>Total</b>	<b>\$ 443,777</b>	<b>\$ 260,890</b>	<b>\$ 725,890</b>	<b>\$ 716,690</b>	<b>\$ -</b>	<b>-100.0%</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, 2021
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, 2021
2017-2018 Transit Capital Grant	\$592,707.00	\$592,707.00

## **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.

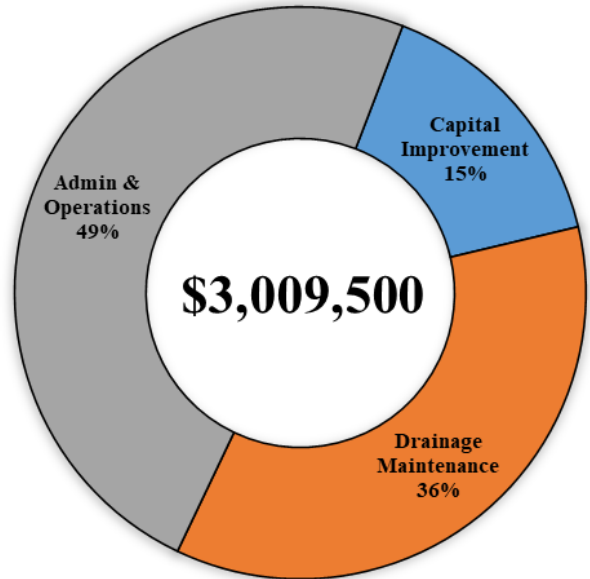
	Project Budget	Estimated Expenditures Through June 30, 2021
2018 Transit Capital Grant	\$1,727,500.00	\$1,727,500.00

# ***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 2021-22.

<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**

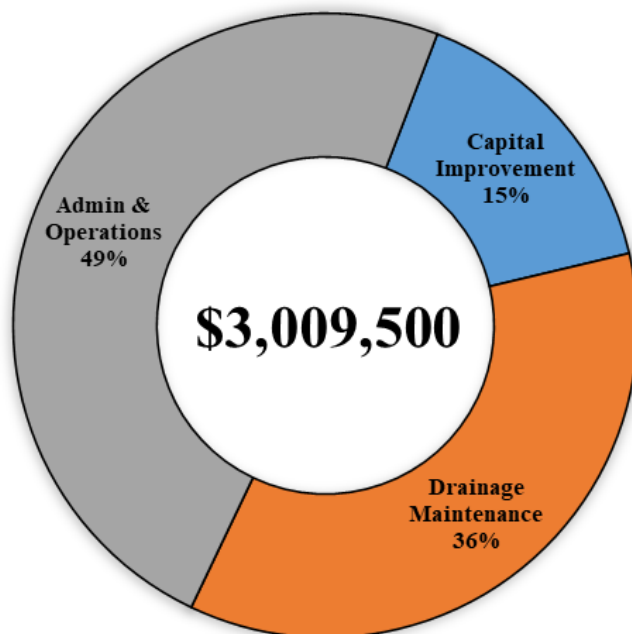
In order to continue to enhance stormwater management services currently provided by the Town, and to implement stormwater management activities necessary to comply with State and federal regulations, the Town established a Stormwater Management Fund in 2004-05. Stormwater management activities are funded 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 2021-22. In the current year, the budget is expected to be balanced with \$2.97 million in fund balance. For 2021-22, the budget is balanced without the use of fund balance.

## **Major Expenditures and Estimates**

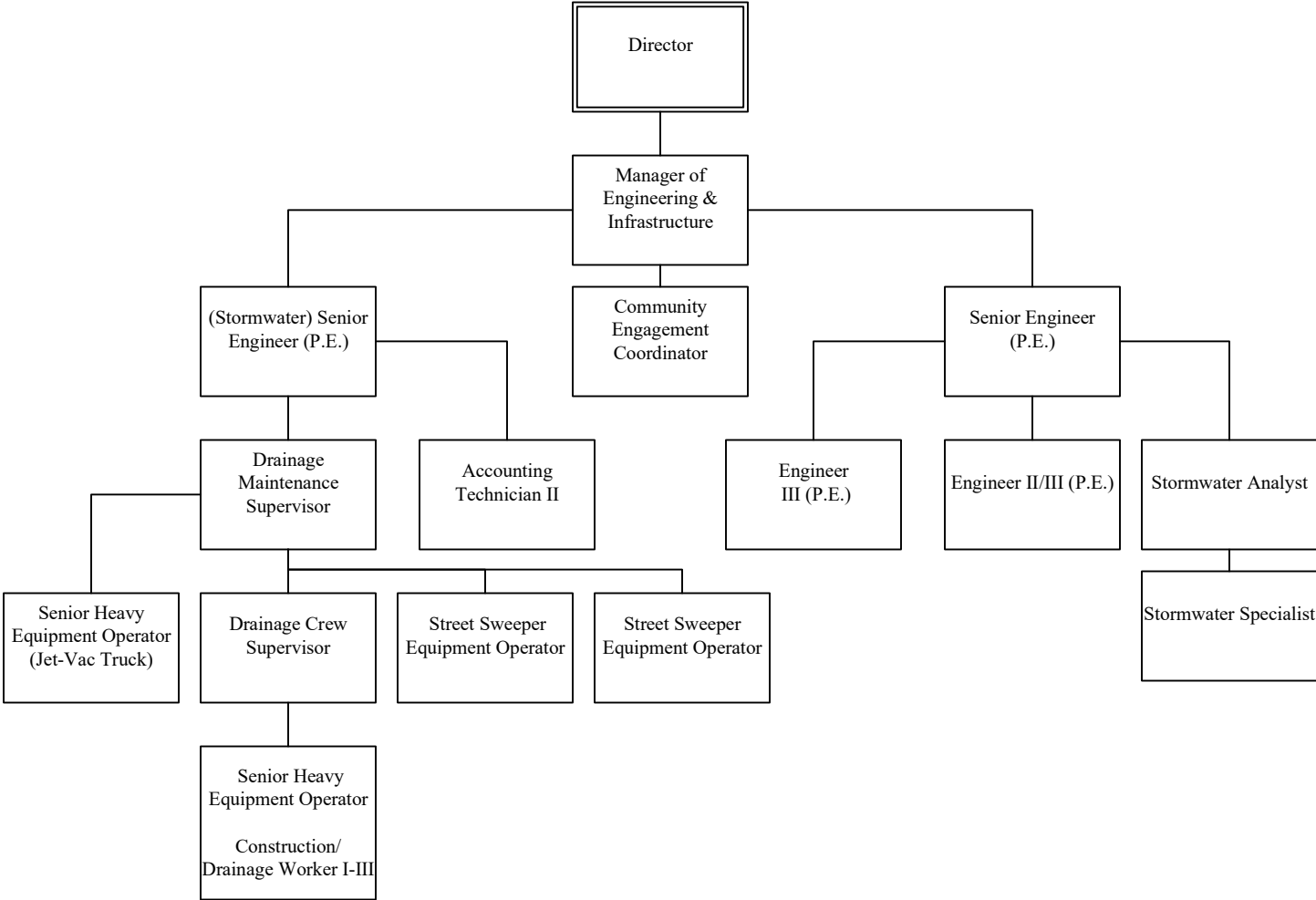
The budget for 2021-22 totals \$3,009,500. This represents largely no change from the FY21 budget. Changes to the budget include a 5.5% health insurance increase, a 3% pay increase, and a 1.2% retirement rate increase, offset by a reduction to the reserve for capital. \$216,844 is in the budget for the debt payment related to the G.O. bond issuance. Approximately \$168,000 is budgeted for capital reserve.

As indicated in the chart below, 36% of the 2021-22 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>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>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>15.05</u>	 <u>15.05</u>	 <u>15.05</u>

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

**STORMWATER MANAGEMENT FUND  
BUDGET SUMMARY**

The adopted budget for FY 2021-22 includes the continuation of existing services. The 4.4% increase in personnel expenditures includes a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. Operating costs are mostly unchanged from FY 2020-21. The budget for capital reserve has decreased by roughly \$44,000.

The budget is balanced without the use of fund balance.

\*\*\*\*\*

**EXPENDITURES**


	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Adopted Budget	% Change from 2020-21
Personnel	\$ 1,219,951	\$ 1,406,046	\$ 1,406,046	\$ 1,300,435	\$ 1,467,359	4.4%
Operating Costs	682,990	1,089,210	1,706,175	1,768,839	1,077,178	-1.1%
Capital Outlay	857,294	303,994	2,842,421	2,942,870	297,244	-2.2%
Capital Reserve	457,850	211,250	211,250	-	167,719	-20.6%
Total	\$ 3,218,085	\$ 3,010,500	\$ 6,165,892	\$ 6,012,144	\$ 3,009,500	0.0%

**REVENUES**

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Adopted Budget	% Change from 2020-21
Stormwater Fees	\$ 3,170,004	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	0.0%
Fee Exemption	(11,719)	(12,000)	(12,000)	(12,000)	(12,000)	N/A
Transfer from General Fund	11,719	12,000	12,000	12,000	12,000	0.0%
Interest Income	40,581	3,000	3,000	3,000	2,000	-33.3%
Other Income	7,500	7,500	7,500	7,500	7,500	0.0%
FEMA Grant	-	-	34,300	34,300	-	N/A
Appropriated Fund Balance	-	-	3,121,092	2,967,344	-	N/A
Total	\$ 3,218,085	\$ 3,010,500	\$ 6,165,892	\$ 6,012,144	\$ 3,009,500	0.0%

# 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 (weather permitting), major streets once weekly (weather permitting), and check and clean residential streets as needed once every six to eight weeks (not weather dependent).</li> </ul>
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Core Business Program	Performance Measure	FY19 Actual	FY20 Actual	FY21 Estimated	FY22 Target
Stormwater Regulatory Compliance	Percent of investigations of reported pollution initiated within 24 hours of notification	97%	97%	100%	100%
	Percent of sites inspected annually	20%	37%	17%	20%
Stormwater Infrastructure	Percent of development plan reviews completed by assigned deadline (in coordination with Planning)*	*	*	92% <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)	95%	95%	85%	100%
	Percent of time residential streets were swept according to schedule (once every seven weeks)	80%	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.

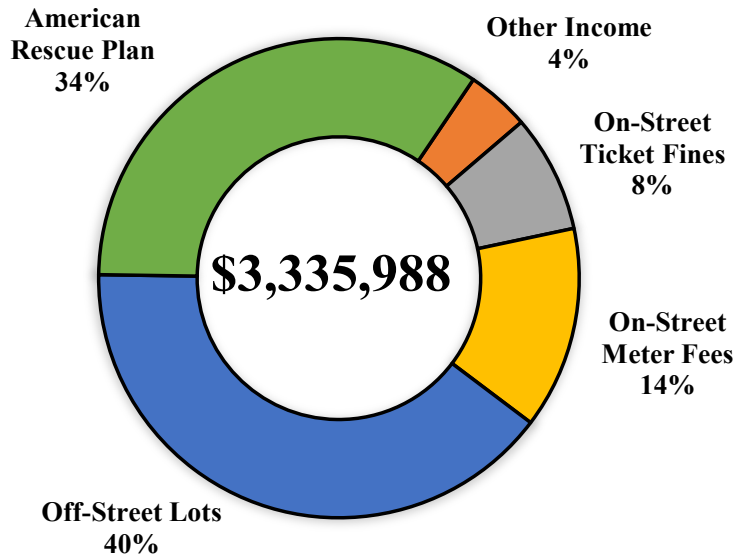


# ***PARKING SERVICES***

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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***

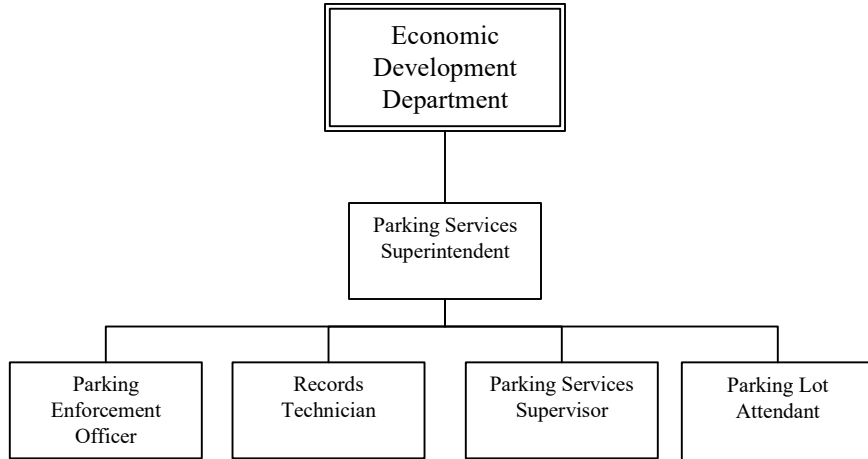
## **MISSION STATEMENT:**

*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 2021-22.

<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 Economic Development Director.

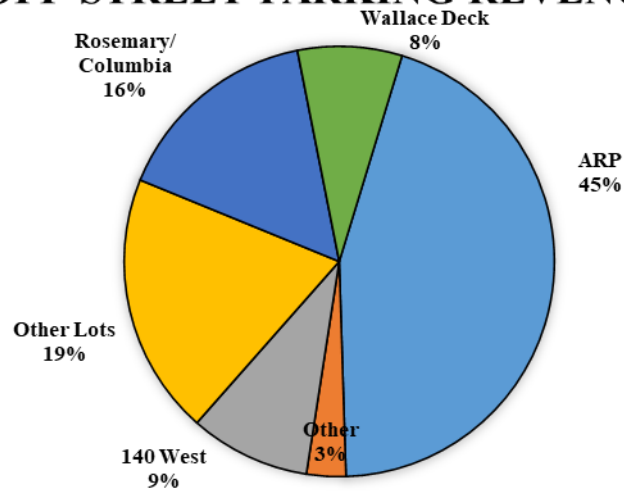
# ***PARKING FUNDS***

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

The Off-Street Parking Fund, with an adopted budget of \$2,548,423 for 2021-22, 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 \$200,000, or 8% of total off-street parking revenues, is budgeted from the James Wallace Deck and \$400,000, or 16%, is budgeted from the Rosemary/Columbia Street lot. The deck at 140 West is budgeted to generate about \$231,000 in 2021-22. The anticipated revenue loss is offset by funding from the American Rescue Plan Act in the amount of \$1,141,223.

**OFF-STREET PARKING REVENUES**



The On-Street Parking Fund, with an adopted budget for 2021-22 of \$787,565, 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 2021-22.

## **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 \$2,548,423 includes a 5.5% health insurance increase, a 3% pay 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 \$472,000. The budget of \$787,565 includes a 5.5% health insurance increase, a 3% pay increase, and a 1.2% increase in retirement.



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

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	<b>2019-20 ADOPTED</b>	<b>2020-21 ADOPTED</b>	<b>2021-22 ADOPTED</b>
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	1.00	1.00	1.00
Parking Fund Totals	<u>9.80</u>	<u>9.80</u>	<u>9.80</u>

Note: Parking Services is supervised by the Economic Development Director

# ***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>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
On-Street Parking	\$ 657,337	\$ 781,500	\$ 781,500	\$ 651,345	\$ 787,565	0.8%
Off-Street Parking	1,884,874	2,422,787	2,671,525	1,785,868	2,548,423	5.2%
<b>Total</b>	<b>\$ 2,542,211</b>	<b>\$ 3,204,287</b>	<b>\$ 3,453,025</b>	<b>\$ 2,437,213</b>	<b>\$ 3,335,988</b>	<b>4.1%</b>

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## **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
On-Street Parking	\$ 657,337	\$ 781,500	\$ 781,500	\$ 651,345	\$ 787,565	0.8%
Off-Street Parking	1,884,874	2,422,787	2,671,525	1,785,868	2,548,423	5.2%
<b>Total</b>	<b>\$ 2,542,211</b>	<b>\$ 3,204,287</b>	<b>\$ 3,453,025</b>	<b>\$ 2,437,213</b>	<b>\$ 3,335,988</b>	<b>4.1%</b>

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**ON-STREET PARKING  
BUDGET SUMMARY**

The adopted budget for On-Street Parking represents a 0.8% increase over the fiscal year 2020-21 budget. There is a slight increase in personnel for Enforcement. This is mainly due to the transfer of a 5.5% health insurance increase, a 1.2% retirement cost increase, and a 3% salary increase. Personnel for meters also experienced an increase for the same reasons.

There is no fund balance appropriation in Fiscal Year 2021-22.

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**EXPENDITURES**

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Adopted Budget	% Change from 2020-21
Enforcement:						
Personnel	\$ 380,643	\$ 377,199	\$ 377,199	\$ 384,284	\$ 386,329	2.4%
Operations	117,681	174,782	174,782	124,693	185,892	6.4%
Capital	-	30,000	30,000	2,000	15,000	-50.0%
Meters:						
Personnel	76,328	82,872	82,872	78,847	85,411	3.1%
Operations	82,685	114,993	114,993	61,521	114,933	-0.1%
Transfer to Off-Street	-	1,654	1,654	-	-	-100.0%
Total	\$ 657,337	\$ 781,500	\$ 781,500	\$ 651,345	\$ 787,565	0.8%

**REVENUES**

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Adopted Budget	% Change from 2020-21
Parking Meter Fees	\$ 353,831	\$ 455,000	\$ 455,000	\$ 252,500	\$ 455,000	0.0%
Parking Ticket Fines/Fees	214,853	265,000	265,000	125,000	265,000	0.0%
Interest Income	914	500	500	500	500	0.0%
Other Income	53,276	61,000	61,000	50,000	61,000	0.0%
American Rescue Plan Act Appropriated Fund	-	-	-	223,345	6,065	N/A
Balance	34,463	-	-	-	-	N/A
Total	\$ 657,337	\$ 781,500	\$ 781,500	\$ 651,345	\$ 787,565	0.8%

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

Off-Street Parking revenues for the adopted 2021-22 budget reflects an increase of 5.2% from the 2020-21 budget. The budget is balanced with funding from the American Rescue Plan Act.

The overall increase in expenditures for 2021-22 is due to a increase in expenditures to the parking lots. There is a slight overall decrease in personnel costs due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase, which is offset by turnover. Revenue projections of multiple lots, including Rosemary, West Rosemary, and Jones Park, are expected to decrease.

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### **EXPENDITURES**


	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
James Wallace Deck	\$ 175,757	\$ 350,560	\$ 353,695	\$ 163,481	\$ 351,091	0.2%
Parking Lots	601,508	951,668	948,533	454,235	1,083,458	13.8%
140 West Deck	31,463	53,315	53,315	26,427	53,300	0.0%
Administration	1,035,484	1,067,244	1,067,244	1,055,617	1,060,574	-0.6%
Wallace Renovation	40,662	-	248,738	86,108	-	N/A
<b>Total</b>	<b>\$ 1,884,874</b>	<b>\$ 2,422,787</b>	<b>\$ 2,671,525</b>	<b>\$ 1,785,868</b>	<b>\$ 2,548,423</b>	<b>5.2%</b>

### **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
James Wallace Deck	\$ 426,620	\$ 720,000	\$ 720,000	\$ 138,000	\$ 200,000	-72.2%
Rosemary/Columbia Lot	266,353	450,000	450,000	117,000	400,000	-11.1%
415 West Franklin Lot	56,559	76,000	76,000	13,500	76,000	0.0%
West Rosemary Lot	12,130	15,500	15,500	5,250	15,500	0.0%
Rosemary/Sunset	45,851	54,000	54,000	41,500	54,000	0.0%
South Graham Lot	7,093	11,500	11,500	5,750	11,500	0.0%
West Franklin/Basnigh Lot	114,218	124,000	124,000	100,600	124,000	0.0%
427 West Franklin Lot	37,616	52,000	52,000	6,500	52,000	0.0%
Jones Park Lot	14,625	12,000	12,000	7,000	12,000	0.0%
Mallette Lot	51,692	77,200	77,200	26,500	77,200	0.0%
Courtyard Lot	66,722	79,000	79,000	12,000	79,000	0.0%
140 West Deck	173,999	268,500	268,500	155,500	231,000	-14.0%
125 East Rosemary	193,511	295,000	295,000	45,000	-	-100.0%
Interest Income	67	1,500	1,500	500	1,500	0.0%
Miscellaneous Income	49,406	73,500	73,500	12,800	73,500	0.0%
American Rescue Plan Act	-	-	-	1,098,468	1,141,223	N/A
Transfer from On-Street Parking	-	1,654	1,654	-	-	-100.0%
Appropriated Fund Balance	368,412	111,433	360,171	-	-	-100.0%
<b>Total</b>	<b>\$ 1,884,874</b>	<b>\$ 2,422,787</b>	<b>\$ 2,671,525</b>	<b>\$ 1,785,868</b>	<b>\$ 2,548,423</b>	<b>5.2%</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	FY19 Actual	FY20 Actual	FY21 Estimate	FY22 Target
On and Off-Street Parking	Achieve “satisfied” survey rating for “Quality of Parking Downtown” in Community Survey	No Data <sup>1</sup>	No Data	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.



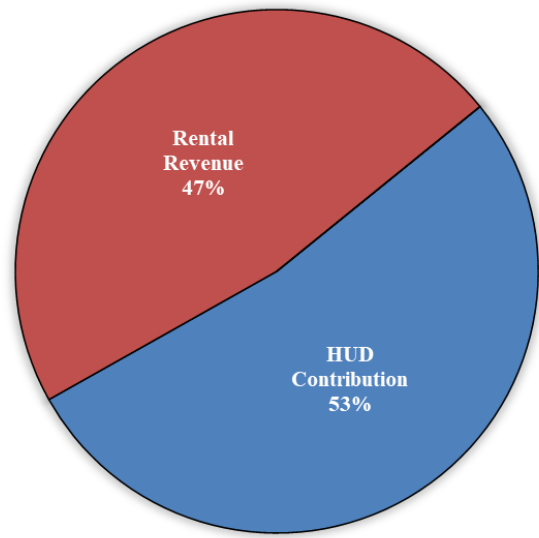
# ***PUBLIC HOUSING FUND***

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

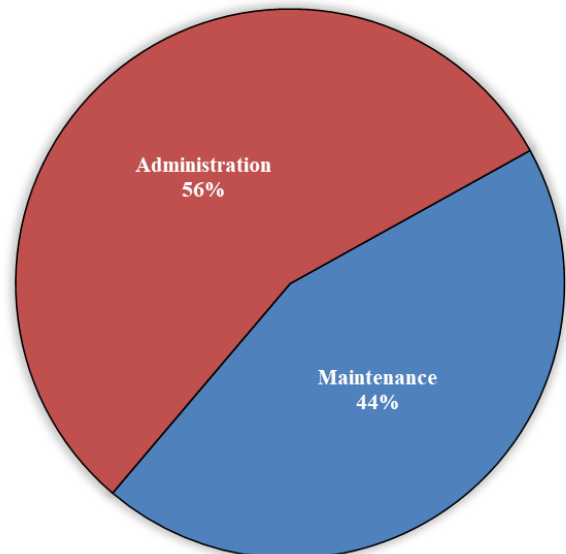
Since those with fewer than 400 units have been exempt each year from HUD's new funding model (AMPs) since 2007-08, we have returned to a simpler budget presentation comprised of Administrative and Maintenance divisions.

## **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 2021-22.

<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***

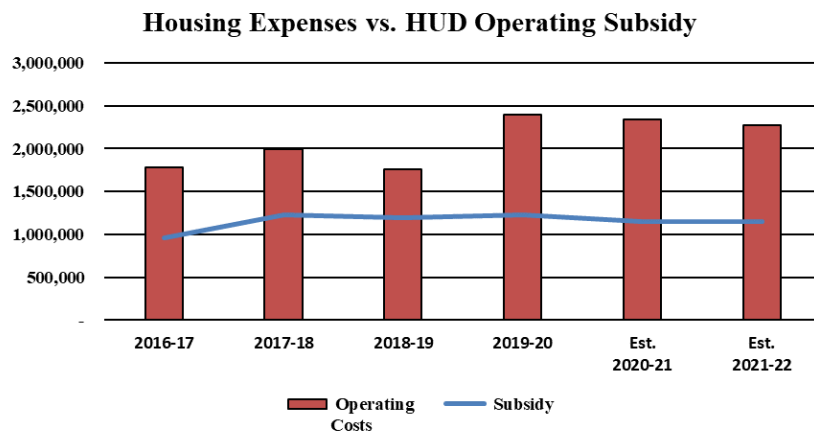
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The Town’s Public Housing program provides for the administration and operation of the Town's 336 public housing units, and is funded primarily through federal grants and rents paid by residents.

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 2021-22 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 2021 but we have no information about calendar 2022. Based on interim allocations, our estimate of HUD’s subsidy for 2020-21 is \$1,145,793, about a 7% decrease from the 2019-20 subsidy of \$1,224,531.

The Housing Department estimates dwelling rents, the second largest revenue for the Public Housing Fund, at about \$1,029,048, which is in line with current year estimates.

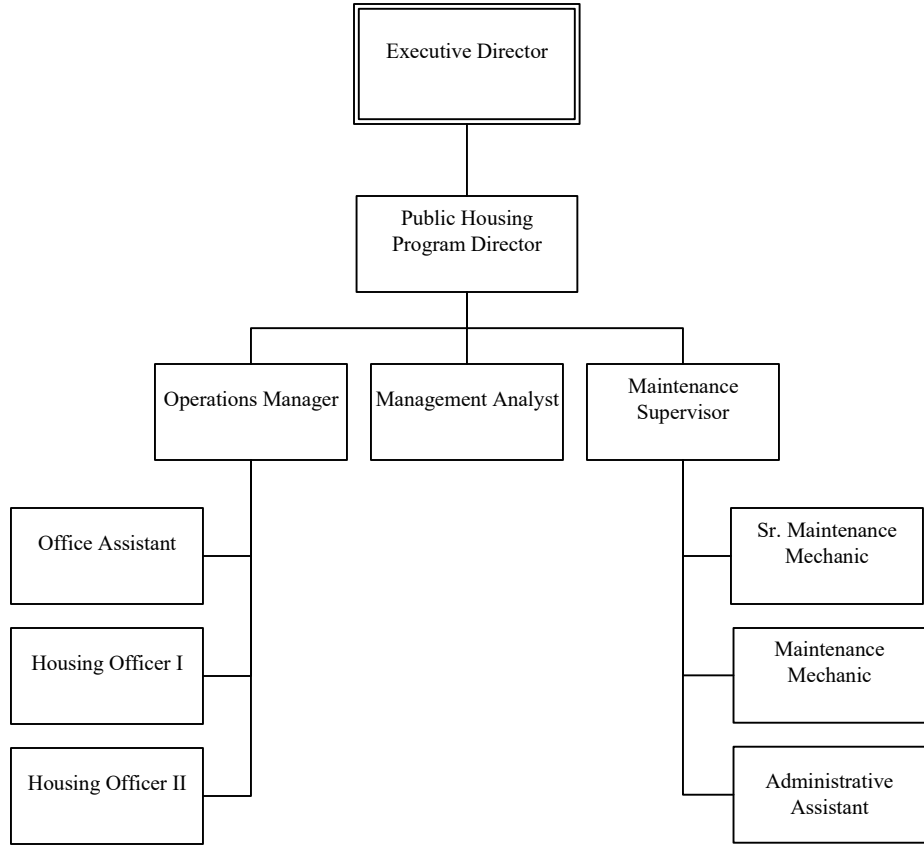
## ***Major Expenditures and Estimates***

Major expenditure categories include about \$1,213,455 for salaries and benefits, \$213,400 for utilities, \$75,000 for liability and flood insurance and about \$549,500 for maintenance of the units.

The personnel costs include a 5.5% increase in health insurance costs, a 3% of market pay increase, and a 1.2% retirement contribution increase.

	2020-21 Original Budget	2021-22 Adopted Budget	% Change from 2020-21
Salary & Benefits - Administration	\$ 487,535	\$ 492,874	1.1%
Salary & Benefits - Maintenance	728,862	720,581	-1.1%
Maintenance Costs	517,680	549,564	6.2%
Utilities	184,700	213,400	15.5%
Liability & Flood Insurance	100,500	75,000	-25.4%
Other Expenses	157,479	125,337	-20.4%
<b>Total Budget</b>	<b>\$ 2,176,756</b>	<b>\$ 2,176,756</b>	<b>0.0%</b>

PUBLIC HOUSING FUND



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

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	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>ADOPTED</b>
<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***

*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 2021-22 retains a simpler model that includes an Administrative Division and a Maintenance Division.*

*The 0.2% decrease in personnel is the result of a 5.5% increase in health insurance, a 1.2% retirement increase, and a 3% salary increase, which is offset by turnover. The budget for 2021-22 reflects an estimate of the HUD subsidy anticipated for calendar year 2021. The Town anticipates level HUD subsidies and rental revenues. The town is anticipating it will have a higher fund balance appropriation in 2021-22.*

### **REVENUES**


	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Revenue Summary						
HUD Contributions	\$ 1,224,531	\$ 1,145,793	\$ 1,145,793	\$ 1,145,793	\$ 1,145,793	0.0%
Rental Revenue	998,645	1,029,048	1,029,048	1,029,048	1,029,048	0.0%
Other Revenues	267	200	162,370	162,370	200	0.0%
Interest Income	1,841	1,715	1,715	1,715	1,715	0.0%
Insurance Claims	173,205	-	-	-	-	N/A
Appropriated Fund Balance	-	-	1,500	-	-	N/A
<b>Total Revenues</b>	<b>\$ 2,398,489</b>	<b>\$ 2,176,756</b>	<b>\$ 2,340,426</b>	<b>\$ 2,338,926</b>	<b>\$ 2,176,756</b>	<b>0.0%</b>

### **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 954,535	\$ 1,216,397	\$ 1,220,431	\$ 1,131,674	\$ 1,213,455	-0.2%
Operating	871,286	949,893	1,109,529	926,086	963,301	1.4%
Contribution to Reserve	572,668	10,466	10,466	281,166	-	-100.0%
<b>Total</b>	<b>\$ 2,398,489</b>	<b>\$ 2,176,756</b>	<b>\$ 2,340,426</b>	<b>\$ 2,338,926</b>	<b>\$ 2,176,756</b>	<b>0.0%</b>

# 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	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Target
Public Housing	1. HUD's PHAS rating	73%	73%	54%	70%
	2. Average number of days to complete a routine work order	1.8	1.8	1.5	2
	3. % of work orders initiated by residents	32%	32%	34%	25%
	4. % of Public Housing units with access/use to free High-Speed Wi-Fi	*	*	*	*
	5. % of work orders initiated by Public Housing Staff	67%	67%	33%	75%
	6. % of vacant units occupied within 20 days or less	0%	0%	1%	50%
	7. Average # of calls received via the after-hour line monthly	N/A	N/A	71	30
	8. Average number of persons attending a food bank in Public Housing	N/A	N/A	4,075**	3,000
	9. % of Public Housing Residents employed	45%	45%	25%	40%
	10. % of new admissions homeless at the time of admission	17%	17%	5%	20%

\* 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.

The 2020 project ordinance budgets a \$417,591 grant and \$7,339 program income, for homeownership assistance, homeowner housing improvement programs, emergency housing assistance, the summer youth employment program, youth counseling services,

and homelessness case management. There were also two COVID-19 related CDBG-CV ordinances in 2020:

- The Coronavirus funding round 1 project ordinance budgets a grant of \$245,693 for emergency housing assistance and homelessness case management.
- The Coronavirus funding round 3 project ordinance budgets a grant of \$290,902 for remote learning scholarships, neighborhood support centers and staffing and supplies for the food bank.



# ***CAPITAL PROGRAM***

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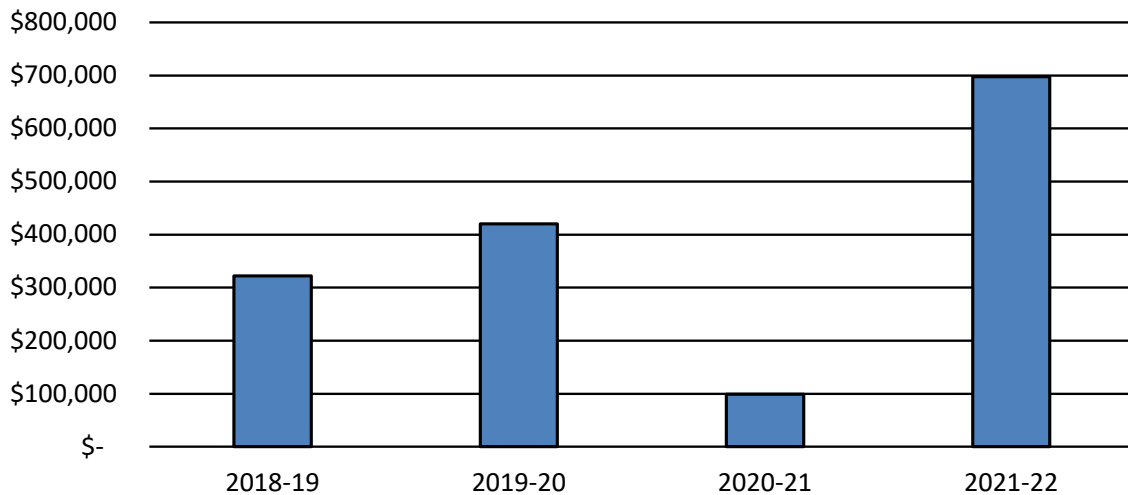
The Capital Program is a 15-year financial plan for the Town’s major capital and infrastructure needs. The program identifies capital needs, establishes priorities and identifies potential funding sources.

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 2021-22 are part of the 2021-22 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 2018-19 to 2021-22**



# ***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 issued \$12.5 million of General Obligation bonds in March 2018. The Town issued an additional \$4.755 million in General Obligation bonds in May 2021.

## **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. The Town also issued \$3,205,000 in May 2021.

## **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

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

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additional 10% match. For the State's thoroughfare, bikeways and pedestrian programs, the NCDOT funds projects selected from an annual Transportation 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***

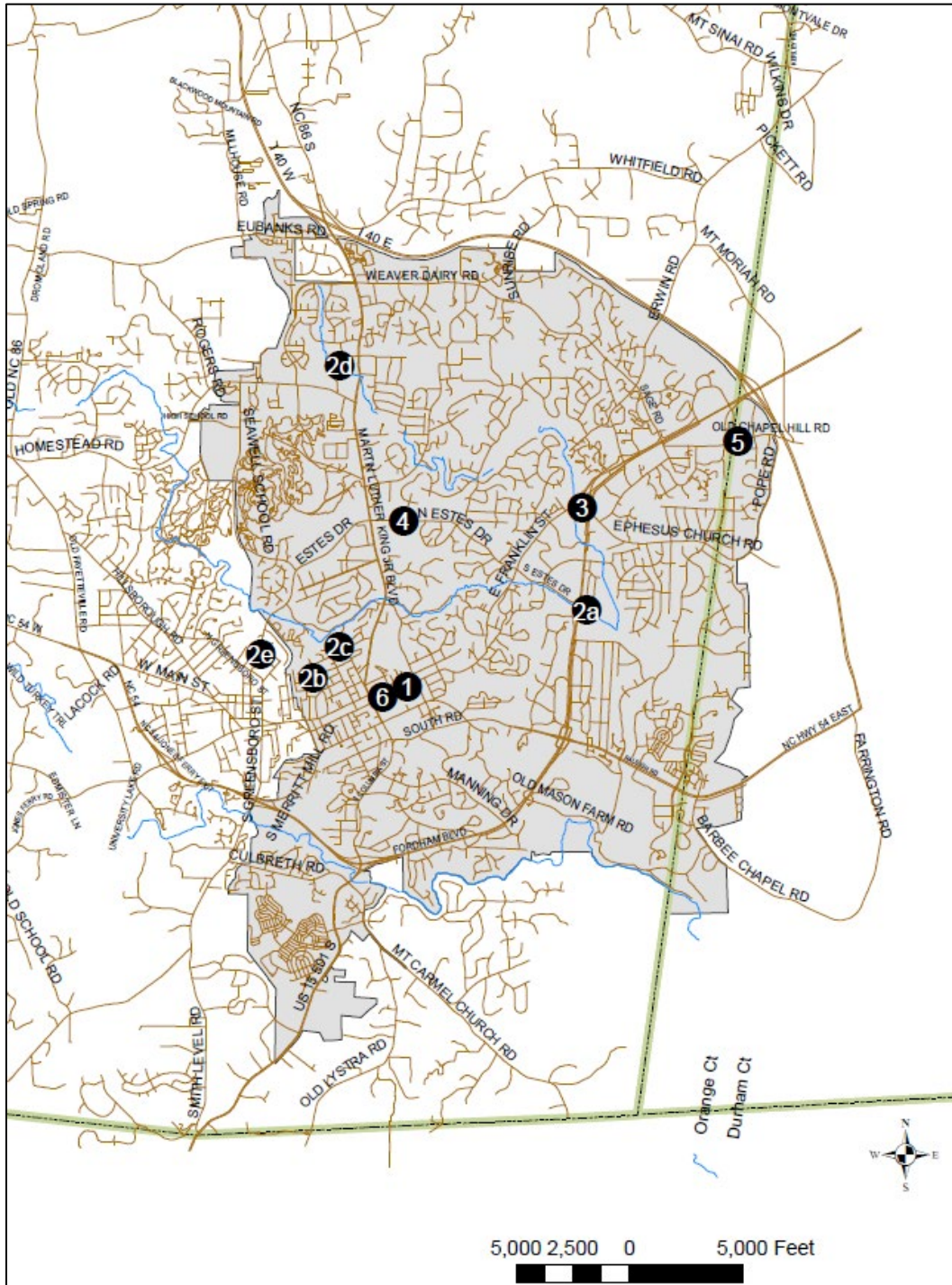
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This section highlights key projects included in the 2021-36 Capital Program. The map on the following page shows project locations.

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 FY22 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 began 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.

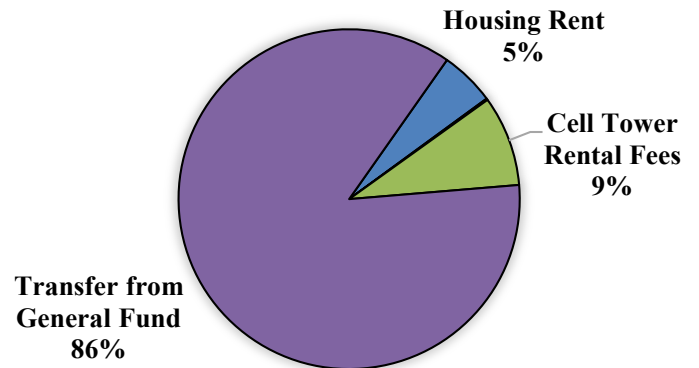


# ***CAPITAL IMPROVEMENTS FUND***

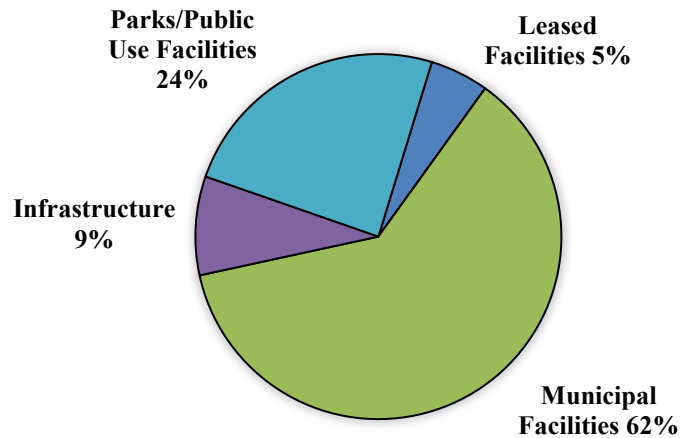
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The Capital Improvements Fund generally accounts for purchases and construction that can be completed within a single year. Capital Improvements Fund (CIP) projects are prioritized as part of the Town's 15-year capital program.

## **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 2021-22 totals \$797,241 and includes projects to be completed in 2021-22. 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.*

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### **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>
Municipal Facilities	\$ 132,276	\$ 62,500	\$ 395,546	\$ 395,546	\$ 430,000
Public Safety	-	-	-	-	-
Facilities Leased by Others	22,533	36,449	134,599	134,599	36,241
Infrastructure	97,044	-	48,750	48,750	61,000
Communication/Technology	-	-	117,166	117,166	-
Parks/Public Use Facilities	79,997	-	72,712	72,712	170,000
Transfers/Financing Costs	-	-	50,000	50,000	-
<b>Total</b>	<b>\$ 331,850</b>	<b>\$ 98,949</b>	<b>\$ 818,773</b>	<b>\$ 818,773</b>	<b>\$ 697,241</b>

### **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>
Housing Rent Proceeds	\$ 36,250	\$ 36,449	\$ 36,449	\$ 36,449	\$ 36,241
Cell Tower Rental Fees	66,033	60,000	60,000	60,000	60,000
Interest on Investments	2,557	2,500	2,500	2,500	1,000
Transfer from Capital Project	-	-	9,500	9,500	-
Insurance Claims	-	-	137,045	137,045	-
Transfer from General Fund	321,600	-	-	-	600,000
Appropriated Fund Balance	(94,590)	-	573,279	573,279	-
<b>Total</b>	<b>\$ 331,850</b>	<b>\$ 98,949</b>	<b>\$ 818,773</b>	<b>\$ 818,773</b>	<b>\$ 697,241</b>

***CAPITAL IMPROVEMENTS FUND  
DETAIL EXPENDITURES***

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Adopted Budget
<b>MUNICIPAL OPERATIONS FACILITIES</b>					
Extraordinary Maintenance, Emergency Repairs	\$ 87,780	\$ 62,500	\$ 307,545	\$ 307,545	\$ 100,000
Facilities Maintenance	27,191	-	81,536	81,536	-
Town Hall Parking Lot	-	-	6,465	6,465	-
Town Hall Roof	-	-	-	-	330,000
Fire Extraordinary Maintenance	17,305	-	-	-	-
<b>Subtotal</b>	<b>\$ 132,276</b>	<b>\$ 62,500</b>	<b>\$ 395,546</b>	<b>\$ 395,546</b>	<b>\$ 430,000</b>
<b>TOWN FACILITIES LEASED BY OTHERS</b>					
Housing Maintenance	\$ 22,533	\$ 36,449	\$ 134,599	\$ 134,599	\$ 36,241
<b>Subtotal</b>	<b>\$ 22,533</b>	<b>\$ 36,449</b>	<b>\$ 134,599</b>	<b>\$ 134,599</b>	<b>\$ 36,241</b>
<b>INFRASTRUCTURE</b>					
Path, Trail and Lot Maintenance	\$ 97,044	-	-	-	\$ 25,000
Curbs / ADA	-	-	48,750	48,750	36,000
<b>Subtotal</b>	<b>\$ 97,044</b>	<b>\$</b>	<b>48,750</b>	<b>\$ 48,750</b>	<b>\$ 61,000</b>

# ***CAPITAL IMPROVEMENTS FUND***

## ***DETAIL EXPENDITURES***

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Adopted Budget
<b>COMMUNICATIONS AND TECHNOLOGY</b>					
GovTV Equipment	\$ -	\$ -	\$ 75,250	\$ 75,250	\$ -
General Technology	-	-	41,916	41,916	-
<b>Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 117,166</b>	<b>\$ 117,166</b>	<b>\$ -</b>
<b>PARKS AND OTHER PUBLIC USE FACILITIES</b>					
Greenways	\$ 6,997	\$ -	\$ -	\$ -	\$ 50,000
Playground Replacement	122	-	59,378	59,378	50,000
Cemetery Beautification	-	-	-	-	20,000
Small Park Improvements	72,878	-	13,334	13,334	50,000
<b>Subtotal</b>	<b>\$ 79,997</b>	<b>\$ -</b>	<b>\$ 72,712</b>	<b>\$ 72,712</b>	<b>\$ 170,000</b>
<b>TRANSFER TO OTHER FUNDS AND FINANCING COSTS</b>					
Capital Projects Ordinance Fund	-	-	50,000	50,000	-
<b>Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ -</b>
<b>TOTALS</b>	<b>\$ 331,850</b>	<b>\$ 98,949</b>	<b>\$ 818,773</b>	<b>\$ 818,773</b>	<b>\$ 697,241</b>

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

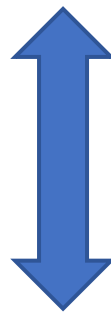
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This section provides descriptions of various capital projects funded in the 2019-20 budget shown in Table 1. The projects listed are those funded or proposed to receive funding through the Capital Improvements Fund, Stormwater Management Funds, Grant 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 2021-22 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total*</i>	<i>Funding Source</i>
<b>2021-22</b>	2022-23	2023-24	2024-25	2025-26	<i>Through 2025-26</i>	<i>Through 2035-36</i>	
\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000	\$1,500,000	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>2021-22</b>	2022-23	2023-24	2024-25	2025-26	<i>Through 2025-26</i>	<i>Through 2035-36</i>	
\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000	\$1,500,000	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 #54  
*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>2021-22</b>	2022-23	2023-24	2024-25	2025-26	<i>Through 2026-26</i>	<i>Through 2035-36</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 #19  
*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>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<i>Through 2025-26</i>	<i>Through 2035-36</i>	
\$25,000	\$50,000	\$50,000	\$50,000	\$50,000	\$225,000	\$725,000	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 #27  
*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>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<i>Through 2025-26</i>	<i>Through 2035-36</i>	
\$36,000	\$50,000	\$50,000	\$50,000	\$50,000	\$236,000	\$736,000	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 #88  
*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>
2021-22	2022-23	2023-24	2024-25	2025-26	<i>Through 2025-26</i>	<i>Through 2035-36</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 #102  
*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>
2021-22	2022-23	2023-24	2024-25	2025-26	<i>Through 2025-26</i>	<i>Through 2035-36</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 #101  
*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>
<i>2021-22</i>	<i>2022-23</i>	<i>2023-24</i>	<i>2024-25</i>	<i>2025-26</i>	<i>Through 2025-26</i>	<i>Through 2035-36</i>	
-	-	-	-	-	-	-	CMAQ Grant

## **Elliott 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>
<i>2021-22</i>	<i>2022-23</i>	<i>2023-24</i>	<i>2024-25</i>	<i>2025-26</i>	<i>Through 2025-26</i>	<i>Through 2035-36</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>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<i>Through 2025-26</i>	<i>Through 2035-36</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 #46  
*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>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<i>Through 2025-26</i>	<i>Through 2035-36</i>	
\$50,000	\$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>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<i>Through 2025-26</i>	<i>Through 2035-36</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	2020-21 Budget Revised	2021-22 Adopted Budget	2022-23
<b>Municipal Operations Facilities</b>				
1	Extraordinary Maintenance	\$ 307,545	\$ 100,000	\$ 100,000
2	Facilities Maintenance	81,536	-	-
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	Town Hall Roof	-	330,000	-
8	Fire Station #3 Roof	-	-	80,000
9	Fire Station #3 Generator	-	-	-
10	Station 1 Bay Door Replacement	-	-	-
11	Fire Station #1 Generator	-	-	-
12	Fire Station #4 Generator	-	-	98,000
13	Fire Station #4 Roof	-	-	100,000
14	Post Office Roof Replacement	-	-	-
15	Council Chambers Broadcast Center Replacement	-	-	-
16	Small Capital Improvements	-	-	100,000
<b>Public Safety</b>				
17	Fire Radios	-	-	250,000
<b>Town Facilities Leased by Others</b>				
18	Housing Maintenance	134,599	36,241	36,241
<b>Infrastructure</b>				
19	Parking Lots/Paths/Trails	-	25,000	50,000
20	Wood Cir/Velma Rd Closed System Improvements	-	-	-
21	Booker Creek Rd/Lakeshore Ln Closed System Improvements	-	-	-
22	Chelsey Ln Closed System Improvements	-	-	-
23	Old Oxford Rd. Cosed System Improvements	-	-	-
24	Downtown Lighting LED Upgrade	-	-	-
25	Barclay Rd Crossing	-	-	-
26	Bennett Rd Sidewalk	-	-	-
27	Curb Cut Improvements (ADA)	48,750	36,000	50,000
<b>Communications</b>				
28	GovTV Equipment	75,250	-	-
29	General Technology	41,916	-	-
<b>Parks and Other Public Use Facilities</b>				
30	Parks Needs Assessment	-	-	-
31	Small Parks Improvements	13,334	50,000	150,000
32	Old Chapel Hill Cemetery Paths Renovation	-	-	-
33	Umstead Park Renovations	-	-	-
34	Greenways	-	50,000	75,000
35	Cemetery Beautification	-	20,000	20,000
36	Community Center Pool Shell Re-Plastering	-	-	-
37	Homestead Aquatics Center Pool Shell Re-Plastering	-	-	-
38	Homestead Park Dog Park Renovations	-	-	-
39	Replacement of HVAC Equipment at Public Works	-	-	-
40	Replacement of HVAC Equipment at Transit	-	-	-
41	Cedar Falls Picnic Shelter	-	-	-
42	Inclusive Playground	-	-	-
43	North Forest Hills Park Renovations	-	-	-
44	Property Line Marking	-	-	75,000
45	Homestead Park Path Renovation	-	-	-
46	Playgrounds	59,378	50,000	100,000
<b>Total</b>		<b>\$ 768,773</b>	<b>\$ 697,241</b>	<b>\$ 1,455,961</b>

\*Future years after FY2021-22 are for planning purposes only.



2023-24	2024-25	2025-26	2026-36	Reference #
\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,000,000	1
-	-	-	-	2
-	-	60,000	-	3
-	-	-	-	4
-	-	-	-	5
-	-	-	300,000	6
-	-	-	-	7
-	-	-	-	8
-	-	-	180,115	9
-	114,000	-	-	10
-	161,000	-	-	11
-	-	-	-	12
-	-	-	-	13
260,000	-	-	-	14
150,200	-	-	-	15
100,000	100,000	100,000	1,000,000	16
-	-	-	-	-
-	-	-	-	17
36,241	36,241	36,241	36,241	18
50,000	50,000	50,000	500,000	19
-	-	-	165,500	20
-	-	-	262,600	21
-	-	-	146,400	22
-	64,000	232,000	-	23
150,000	-	-	-	24
-	-	100,000	-	25
202,500	-	-	-	26
50,000	50,000	50,000	500,000	27
-	-	-	-	28
-	-	-	-	29
-	-	80,000	-	30
150,000	150,000	150,000	1,500,000	31
-	-	35,000	-	32
-	135,000	-	-	33
75,000	75,000	75,000	750,000	34
20,000	20,000	20,000	200,000	35
-	-	-	84,000	36
-	-	-	165,000	37
75,000	-	60,000	-	38
-	32,500	390,000	-	39
-	21,500	215,000	180,000	40
-	-	210,000	-	41
-	-	-	211,000	42
-	-	205,000	-	43
75,000	75,000	75,000	450,000	44
-	-	200,000	-	45
100,000	100,000	100,000	1,000,000	46
\$ 1,593,941	\$ 1,284,241	\$ 2,543,241	\$ 8,630,856	

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

Reference #	Project	Revised Budget 2020-21	Adopted 2021-22	2022-23
	<b>Municipal Operations Facilities</b>			
47	Comprehensive Public Housing Renovations	\$ -	\$ 935,260	\$ 935,260
48	Comprehensive Public Housing Renovations	891,521	-	-
49	Comprehensive Public Housing Renovations	813,780	-	-
50	Comprehensive Public Housing Renovations	645,420	-	-
51	Comprehensive Public Housing Renovations	365,308	-	-
52	Comprehensive Public Housing Renovations	283	-	-
53	Wallace Parking Facility	379,238	-	2,400,000
54	Multi-Agency Complex Project	446,931	-	-
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	-	-	-
64	Transit HVAC Replacement	-	-	-
65	Transit Building Facilities Maintenance	-	-	-
66	Transit Park and Ride Facilities Maintenance	-	-	-
67	Public Works Roof Replacement	-	-	-
68	Historic Town Hall Renovation	-	-	-
69	Public Safety Headquarters (MSC)	-	-	-
70	Parks & Recreation Facility	-	-	-
74	Solid Waste Transfer Station	-	-	-
75	Library HVAC Replacement	-	-	-
76	Town Facilities - Security & Safety Upgrades	-	-	-
77	Town Hall 2nd Floor Renovation	-	-	-
78	Public Works HVAC Replacement	-	-	-
79	Town Hall Roof Replacement	-	-	-
	<b>Public Safety</b>			
80	Engine 35	-	-	-
81	Engine 34	-	-	-
82	Engine 32	-	-	-
83	Engine 31	-	-	-
84	Squad 61	-	-	-
85	Ladder 72	-	-	-
86	Ladder 74	-	-	-
87	Police Radios	-	-	1,536,585
	<b>Infrastructure</b>			
88	Stormwater Projects	115,290	80,400	80,400
89	Small/Medium Drainage Maintenance and Improvements	-	-	-
90	Teen Center/Archives Renovation	-	-	-
91	Infrastructure Capital Improvement Program	-	-	-
92	Water Quality Capital Improvement Program	-	-	-
93	Lake Ellen Flood Storage Project	-	-	-
94	Dobbins Culvert Improvements	-	-	-
95	Subwatershed Modeling	668,554	352,000	-
97	Library Parking Lot Expansion	-	-	-
98	Cedar Falls Parking Lot Renovation	-	-	-

2023-24	2024-25	2025-26	2026-36	Fund Source	Reference #
\$ 935,260	\$ 935,260	\$ 935,260	\$ 9,352,600	HUD Grant	47
-	-	-	-	HUD Grant	48
-	-	-	-	HUD Grant	49
-	-	-	-	HUD Grant	50
-	-	-	-	HUD Grant	51
-	-	-	-	HUD Grant	52
-	-	-	-	Limited Obligation Bonds	53
-	-	-	-	Multi-year Capital Project Ord.	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	64
300,000	-	-	290,800	Transit Funds	65
-	300,000	-	-	Transit Funds	66
-	-	-	1,005,500	Future Financing	67
-	328,000	262,000	3,950,000	Future Financing	68
1,020,876	1,722,377	21,651,971	191,375	Future Financing	69
142,982	257,368	3,235,350	28,596	Future Financing	70
-	75,000	425,000	4,700,000	Future Financing	74
-	-	-	1,017,000	Future Financing	75
-	-	518,663	-	Future Financing	76
420,000	-	-	-	Future Financing	77
-	-	-	445,318	Future Financing	78
-	-	-	263,452	Future Financing	79
-	-	-	-	-	-
-	-	-	577,500	Future Financing	80
566,500	-	-	-	Future Financing	81
-	-	640,000	-	Future Financing	82
-	-	-	605,000	Future Financing	83
-	-	825,000	-	Future Financing	84
-	-	1,700,000	-	Future Financing	85
-	900,000	-	-	Future Financing	86
-	-	-	-	Future Financing	87
-	-	-	-	-	-
80,400	80,400	80,400	804,000	Stormwater Management Funds	88
-	-	-	1,000,000	Stormwater Management Funds	89
-	-	175,000	1,850,000	Future Financing	90
-	-	-	5,500,000	Stormwater Management Funds	91
-	-	-	5,500,000	Stormwater Management Funds	92
-	-	165,000	-	Stormwater Management Funds	93
-	-	199,800	-	Stormwater Management Funds	94
-	-	-	-	Stormwater Management Funds	95
-	-	191,100	-	Future Financing	97
-	750,000	-	-	Future Financing	98

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

Reference #	Project	Revised Budget 2020-21	Adopted 2021-22	2022-23
99	Road Diet Traffic Studies	-	-	-
100	Fordham Sidepath*	747,681	-	-
101	Estes Drive Bike & Ped Improvements*	5,011,893	-	-
102	Rogers Road Design and Engineering	831,636	-	-
103	Traffic Signal Improvement	226,069	-	-
104	Streetscape Improvements	-	-	-
105	Bolinwood Drive Bridge Replacement	-	-	-
106	Downtown Streetscape Improvements	-	-	-
107	Street Resurfacing	-	-	-
108	Fordham Blvd Multiuse Paths	-	-	-
109	Martin Luther King Jr Blvd Flood Storage	-	-	-
110	Honeysuckle Rd	-	-	-
111	Piney Mountain Rd Flood Storage	-	-	-
112	New Parkside Flood Storage	-	-	-
113	Willow Dr Flood Storage	-	-	-
114	Ephesus Church Rd Closed System Improvements	-	-	-
115	Markham Dr/Old Oxford Rd Closed System Improvements	-	-	-
116	Booker Creek Rd Subwatershed Study	-	-	-
117	Red Bud Flood Storage	-	-	-
118	Foxcroft Dr Culvert Improvement	-	-	-
119	Daley Rd Flood Storage	-	-	-
120	Raleigh Rd Improvements	-	-	-
121	Meadowmont Dam Replacement	-	-	-
122	Franklin St Underpass	-	-	-
123	Mid-Block Pedestrian Signal Heads	-	-	-
124	N. Elliott Rd Complete Street	-	-	-
125	Cameron Ave Buffered Bike Lanes	-	-	-
	<b>Parks and Other Public Use Facilities</b>			
126	Meadowmont Bridge	-	-	-
127	Burlington Park Renovations	-	-	-
128	Homestead Park Skate Park Ramp Replacement	-	-	-
129	Homestead Park Trail Extension	-	-	-
130	Millhouse Rd. Park	-	-	-
131	Athletic Fields Conversion to LED lights	-	-	-
132	Boundary Marking	-	-	-
133	Cedar Falls Ballfields Renovations	-	-	-
134	Ephesus Park Toilet Building	-	-	-
135	Oakwood Park Toilet Building	-	-	-
136	Meadowmont Park Toilet Building	-	-	-
137	Cedar Falls Park Tennis Court Replacement	-	-	268,000
138	Morgan Creek Trail, Phase 3	-	-	-
139	Homestead Park Synthetic Turf Replacement	-	-	-
140	Barclay Trail	-	-	-
141	P&R Community Center - Roof Replacement	-	-	-
142	Cedar Falls Synthetic Turf Replacement	-	-	-
143	Battle Park Trail Upgrade	-	-	-
144	Hargraves - HVAC Equipment Replacement	-	-	-
145	P&R Community Center - HVAC Replacement	-	-	-
146	P&R Homestead Aquatic Center - HVAC Replacement	-	-	-
147	Bolin Creek Trail, Phase 4	-	-	-
148	Timberlyne Trail	-	-	-
	<b>TOTAL</b>	<b>\$ 11,143,604</b>	<b>\$ 432,400</b>	<b>\$ 5,284,985</b>

Note: Future years after FY2021-22 are for planning purposes only.

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

2023-24	2024-25	2025-26	2026-36	Fund Source	Reference #
470,000	-	-	-	Future Financing	99
-	-	-	-	NCDOT Direct Allocation Grant	100
-	-	-	-	Multiple Sources	101
-	-	-	-	Multi-year Capital Project Ord.	102
-	-	-	-	NCDOT Direct Allocation Grant	103
825,000	-	-	-	Future Financing	104
1,115,000	-	-	-	Future Financing	105
-	400,000	-	-	Future Financing	106
-	800,000	-	-	Future Financing	107
-	300,000	-	1,948,000	Future Financing	108
-	-	-	3,788,651	Stormwater Funds	109
-	335,900	-	-	Future Financing	110
-	-	622,900	1,283,000	Stormwater Funds	111
-	-	437,525	2,248,275	Stormwater Funds	112
45,000	378,000	398,000	3,190,000	Stormwater Funds	113
-	-	151,000	895,000	Future Financing	114
-	-	96,000	355,000	Future Financing	115
-	-	-	1,285,100	Stormwater Funds	116
-	-	-	914,200	Stormwater Funds	117
-	-	112,000	552,000	Stormwater Funds	118
-	-	434,000	2,709,000	Stormwater Funds	119
-	-	-	900,000	Future Financing	120
705,000	-	-	-	Future Financing	121
-	-	-	1,000,000	Future Financing	122
-	-	-	420,000	Future Financing	123
-	-	-	375,000	Future Financing	124
-	-	-	600,000	Future Financing	125
-	-	620,000	-	Future Financing	126
-	-	260,000	-	Future Financing	127
-	-	3,000,000	-	Future Financing	128
-	330,000	-	-	Future Financing	129
-	-	-	3,400,000	Future Financing	130
-	1,400,000	-	-	Future Financing	131
750,000	-	-	-	Future Financing	132
-	450,000	-	-	Future Financing	133
428,000	-	-	-	Future Financing	134
-	-	387,000	-	Future Financing	135
-	-	387,000	-	Future Financing	136
-	-	-	-	Future Financing	137
-	-	609,000	2,962,000	Future Financing	138
-	-	-	940,000	Future Financing	139
-	-	20,000	430,000	Future Financing	140
-	-	-	536,205	Future Financing	141
-	-	-	895,000	Future Financing	142
-	-	-	3,000,000	Future Financing	143
414,000	-	-	-	Future Financing	144
271,000	-	-	-	Future Financing	145
-	-	1,186,704	-	Future Financing	146
-	-	-	3,120,000	Future Financing	147
-	-	-	3,100,000	Future Financing	148
<b>\$ 8,571,758</b>	<b>\$ 13,762,572</b>	<b>\$ 41,687,413</b>	<b>\$ 84,926,972</b>		

**TABLE 3: Issued Bond Projects**

				<b>2006 Bond Sale (\$4,950,000)</b>	<b>2010 Bond Sale (\$20,760,237)</b>
<b>Reference #</b>	<b>Council Priority</b>	<b>Project Name</b>	<b>Category</b>	<b>2006-07</b>	<b>2010-11</b>
<b>Public Safety</b>					
149	5	100 Foot Fire Ladder Truck	Public Safety	\$ -	\$ -
150	5	Fire Engine	Public Safety	-	-
151	5	Public Safety Radios/Body Cameras	Public Safety	-	-
<b>Infrastructure</b>					
152	2	Downtown Improvements - Streetscape	Sidewalks & Streets	1,000,000	64,000
153	7	Capital Project Management, Bond Issuance Costs	Sidewalks & Streets	-	-
154	2	Neighborhood Traffic Calming, Pedestrian, and Bicycle Improvements	Sidewalks & Streets	-	225,000
155	2	Pedestrian Amenities at Town Owned Traffic Signals	Sidewalks & Streets	50,000	100,000
156	7	Public Art	Sidewalks & Streets	-	-
157	2	Streets and Bridges	Sidewalks & Streets	-	661,000
158	2	Sidewalks and Bicycle Facilities	Sidewalks & Streets	600,000	1,442,042
159	6	Elliott Road Storage Project	Stormwater	-	-
<b>Parks and Other Public Use Facilities</b>					
160	2	Bolin Creek Trail	Parks/Recreational Facilities	-	2,245,889
161	2	Dry Creek Trail	Parks/Recreational Facilities	16,000	150,540
162	2	Tanyard Branch Trail	Parks/Recreational Facilities	-	-
163	2	Morgan Creek Trail	Parks/Recreational Facilities	968,000	1,212,455
164	2	Open Space Acquisition	Open Space and Areas	800,000	-
165	2	Playground Improvements	Parks/Recreational	-	-
166	2	Upper Booker Creek Trail	2003 Bond	16,000	154,608
167	2	Parks Facilities	Parks/Recreational	-	-

**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

<b>Two-Thirds Bonds (\$1,700,000)</b>	<b>2015 Bond Sale (\$9,615,091)</b>	<b>Two-Thirds Bonds (1,614,703)</b>	<b>2018 Bond Sale (\$13,099,788)</b>	<b>Two-Thirds Bonds (3,511,731)</b>	<b>2021 Bond Sale (\$5,213,966)</b>		
<b>2012-13</b>	<b>2016-17</b>		<b>2017-18</b>	<b>2020-21</b>		<b>TOTAL</b>	<b>Reference #</b>
\$ -	\$ -	\$ 1,348,000	\$ -	\$ -	\$ -	\$ 1,348,000	149
-	-	-	-	654,500	-	654,500	150
-	-	241,322	-	-	-	241,322	151
-	414,266	-	800,000	-	-	2,278,266	152
-	425,091	25,381	263,907	69,759	103,417	887,555	153
-	670,134	-	-	-	-	895,134	154
-	-	-	-	-	-	150,000	155
-	30,000	-	55,000	-	-	85,000	156
1,000,000	1,000,000	-	775,000	1,323,581	-	4,759,581	157
-	1,075,600	-	3,870,000	223,581	-	7,211,223	158
-	-	-	2,829,554	-	-	2,829,554	159
-	1,163,306	-	-	-	-	3,409,195	160
-	-	-	-	-	-	166,540	161
-	1,390,000	-	-	-	-	1,390,000	162
-	2,446,694	-	-	-	-	4,627,149	163
-	-	-	-	-	-	800,000	164
-	1,000,000	-	-	-	-	1,000,000	165
-	-	-	-	-	-	170,608	166
700,000	-	-	-	-	-	700,000	167

**TABLE 3 (cont'd): Issued Bond Projects**

Reference #	Council Priority	Project Name	Category	2006 Bond Sale (\$4,950,000)	2010 Bond Sale (\$20,760,237)
				2006-07	2010-11
168	2	Cedar Falls Park Tennis Complex	Parks/Recreational Facilities	-	-
169	2	Hargraves Parks Tennis Courts	Parks/Recreational Facilities	-	-
170	2	Ephesus Parks Tennis & Pickleball Courts	Parks/Recreational Facilities	-	-
171	2	Hargraves Park Playground	Parks/Recreational Facilities	-	-
172	2	AD Clark Pool	Parks/Recreational Facilities	-	-
173	2	Hargraves Center Ballfield	Parks/Recreational Facilities	-	-
174	2	Umstead Park Basketball Court	Parks/Recreational Facilities	-	-
175	2	Homestead Aquatic Center Pool	Parks/Recreational Facilities	-	-
176	2	American Legion Property	Open Space and Areas	-	-
177	2	Library Expansion	Library Facilities	1,500,000	14,504,703
<b>Affordable Housing</b>					
178	2	Weavers Grove Development	Affordable Housing	-	-
179	2	Johnson Street Apartments	Affordable Housing	-	-
180	2	2200 Homestead Road	Affordable Housing	-	-
181	2	Affordable Housing Project Reserve	Affordable Housing	-	-
<b>TOTAL</b>				<b>\$ 4,950,000</b>	<b>\$ 20,760,237</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



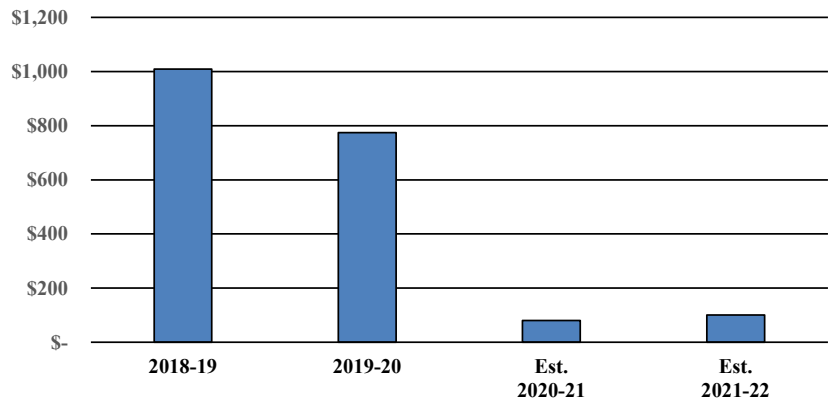
<b>Two-Thirds Bonds (\$1,700,000)</b>	<b>2015 Bond Sale (\$9,615,091)</b>	<b>Two-Thirds Bonds (1,614,703)</b>	<b>2018 Bond Sale (\$13,099,788)</b>	<b>Two-Thirds Bonds (3,205,000)</b>	<b>2021 Bond Sale (\$4,755,000)</b>		
<b>2012-13</b>	<b>2016-17</b>		<b>2017-18</b>	<b>2020-21</b>		<b>TOTAL</b>	<b>Reference #</b>
-	-	-	-	371,310	-	<b>371,310</b>	168
-	-	-	-	215,000	-	<b>215,000</b>	169
-	-	-	-	109,000	-	<b>109,000</b>	170
-	-	-	-	32,000	-	<b>32,000</b>	171
-	-	-	-	58,000	-	<b>58,000</b>	172
-	-	-	-	225,000	-	<b>225,000</b>	173
-	-	-	-	30,000	-	<b>30,000</b>	174
-	-	-	-	200,000	-	<b>200,000</b>	175
-	-	-	4,506,327	-	-	<b>4,506,327</b>	176
-	-	-	-	-	-	<b>16,004,703</b>	177
-	-	-	-	-	1,255,692	<b>1,255,692</b>	178
-	-	-	-	-	200,000	<b>200,000</b>	179
-	-	-	-	-	3,300,000	<b>3,300,000</b>	180
-	-	-	-	-	354,857	<b>354,857</b>	181
<b>\$ 1,700,000</b>	<b>\$ 9,615,091</b>	<b>\$ 1,614,703</b>	<b>\$ 13,099,788</b>	<b>\$ 3,511,731</b>	<b>\$ 5,213,966</b>	<b>\$ 64,465,516</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 2021-22, which had a fund balance of \$217,969 at June 30, 2020.*

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**EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</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>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Interest on Investments Appropriated	\$ 774	\$ -	\$ -	\$ -	\$ -	N/A
Fund Balance	(774)	-	-	-	-	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 June 30, 2021 are shown in the table at the right.

<b>Major Capital Bond Projects</b>	<b>Budget</b>	<b>Expenditures as of June 30, 2021</b>
<b>2003 Bond Projects</b>		
Streets and Sidewalks	\$ 5,600,000	\$ 5,574,000
Library Expansion	16,260,000	16,260,000
Parks and Recreation	5,000,000	4,878,000
Subtotal	\$ 26,860,000	\$ 26,712,000
<b>2012 LOBS Projects</b>		
Lot 5 Project	\$ 5,770,000	\$ 5,770,000
Parking Projects	836,000	626,000
TOC Projects	202,000	180,000
Subtotal	\$ 6,808,000	\$ 6,576,000
<b>2015 Bond Projects</b>		
Streets and Sidewalks	\$ 8,500,000	\$ 5,890,000
Parks Trails	5,000,000	3,447,000
Parks Facilities	5,300,000	4,885,000
Subtotal	\$ 18,800,000	\$ 14,222,000
<b>2021 Bond Projects</b>		
Affordable Housing	\$ 4,755,000	\$ -
<b>2021 2/3 Bond Projects</b>		
Streets and Sidewalks	\$ 1,500,000	\$ -
Parks and Recreation	1,155,000	-
Public Safety	550,000	-
Subtotal	\$ 3,205,000	\$ -
<b>TOTAL</b>	<b>\$ 60,428,000</b>	<b>\$ 47,510,000</b>

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

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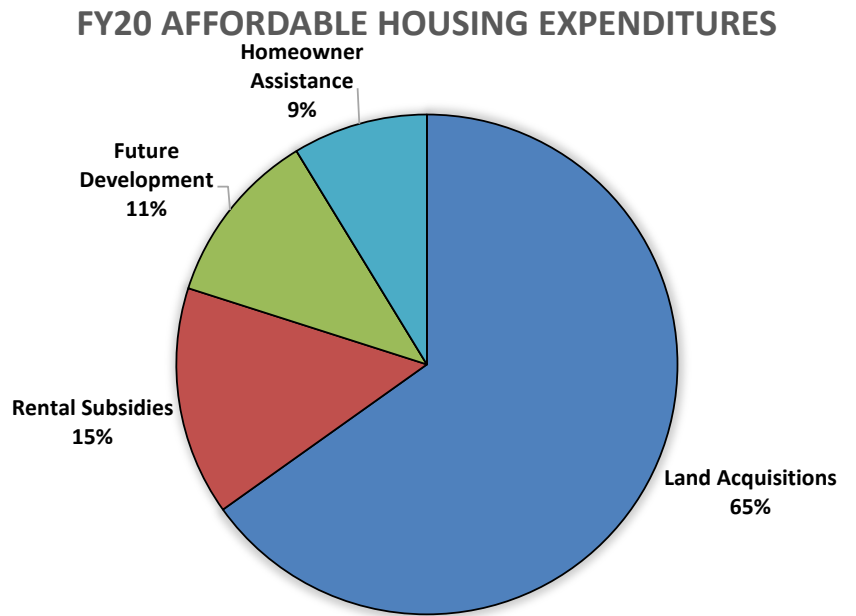
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# ***AFFORDABLE HOUSING DEVELOPMENT RESERVE FUND***

---

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



## ***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 FY22, the funding level remains at \$688,395.*

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### **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Land Acquisitions	\$ 523,461	\$ -	\$ 263,465	\$ 263,465	\$ -	N/A
Rental Subsidies	118,906	-	432,267	432,267	-	N/A
Homeownership Assist.	70,000	-	67,000	67,000	-	N/A
Future Development	91,255	-	321,180	321,180	-	N/A
Reserve	-	688,395	547,976	547,976	688,395	0.0%
<b>Total</b>	<b>\$ 803,622</b>	<b>\$ 688,395</b>	<b>\$ 1,631,888</b>	<b>\$ 1,631,888</b>	<b>\$ 688,395</b>	<b>0.0%</b>

### **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Transfer from General Fund	\$ 688,395	\$ 688,395	\$ 688,395	\$ 688,395	\$ 688,395	0.0%
Appropriated Fund Balance	115,227	-	943,493	943,493	-	N/A
<b>Total</b>	<b>\$ 803,622</b>	<b>\$ 688,395</b>	<b>\$ 1,631,888</b>	<b>\$ 1,631,888</b>	<b>\$ 688,395</b>	<b>0.0%</b>

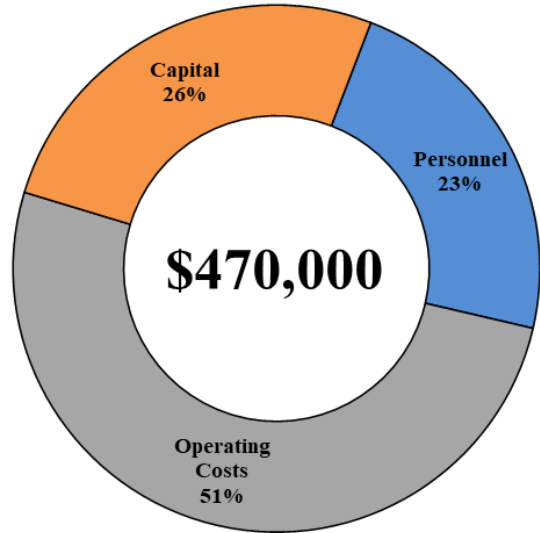


# ***CLIMATE ACTION FUND***

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The Climate Action Fund was established in FY22 to dedicate funding to address climate change.

## **CLIMATE ACTION FUND**



# ***CLIMATE ACTION FUND***

## ***BUDGET SUMMARY***

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*The Climate Action Fund was established in FY22 to dedicate funding to address climate change. As this is a new fund for this fiscal year, there are no budgeted funds for prior fiscal years.*

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### **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ -	\$ -	\$ -	\$ -	\$ 107,197	N/A
Operating Costs	-	-	-	-	239,860	N/A
Capital	-	-	-	-	122,943	N/A
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 470,000</b>	<b>N/A</b>

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### **REVENUES**

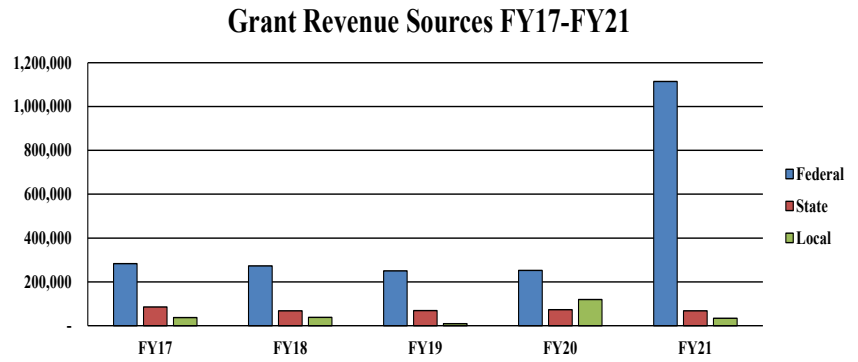
	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Transfer from General Fund	\$ -	\$ -	\$ -	\$ -	\$ 470,000	N/A
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 470,000</b>	<b>N/A</b>

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# 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***

---

*The Grants Fund was established in 2004-05 to account for grants previously included in the General Fund. Grants for 2021-22 consist of three Planning grants that provide personnel and operating funding for transportation planning.*

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### **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Police Grants	\$ 136,778	\$ -	\$ 1,720,636	\$ 1,720,636	\$ -	N/A
Planning Grants	380,826	386,237	386,237	386,237	394,852	2.2%
<b>Total</b>	<b>\$ 517,604</b>	<b>\$ 386,237</b>	<b>\$ 2,106,873</b>	<b>\$ 2,106,873</b>	<b>\$ 394,852</b>	<b>2.2%</b>

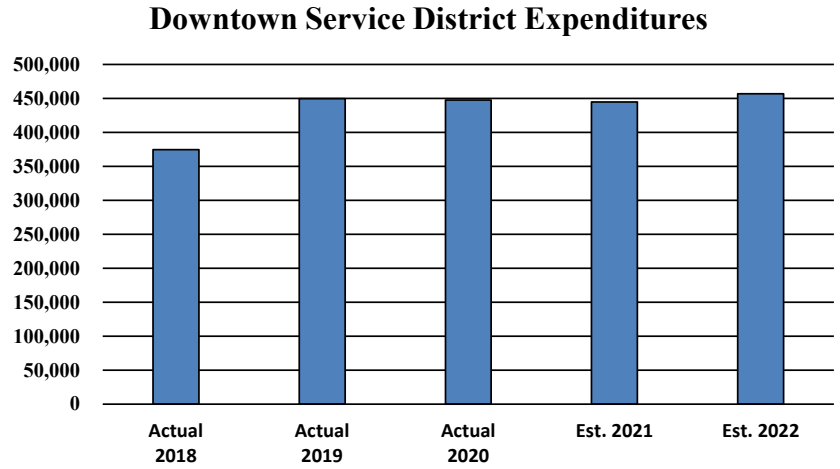
### **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Grants	\$ 418,236	\$ 300,873	\$ 2,005,747	\$ 2,005,747	\$ 307,402	2.2%
Transfer from General Fund	93,706	85,364	85,364	85,364	87,450	2.4%
Appropriated Fund Balance	5,662	-	15,762	15,762	-	N/A
<b>Total</b>	<b>\$ 517,604</b>	<b>\$ 386,237</b>	<b>\$ 2,106,873</b>	<b>\$ 2,106,873</b>	<b>\$ 394,852</b>	<b>2.2%</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***

---

## ***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 \$610,392,000. The tax rate of 6.4 cents represents the revenue neutral rate based on the Orange County revaluation and is expected to yield a total of about \$391,000 in FY 2021-22. This represents an increase of \$24,000 from the current year estimates, due to the increase in value from new development in the downtown area and the revaluation.

FY22 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 6.4 cents for 2021-22 provides for continued funding of the groundskeeper position dedicated to the downtown area (including a 5.5% rate increase in medical insurance). The adopted budget continues an allocation of about \$150,000 for services related to the district, and includes expenses related to the "Launch" initiative (\$147,000) along with 140 West expenses (\$100,000).*

\*\*\*\*\*

### **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 58,058	\$ 59,954	\$ 59,954	\$ 57,786	\$ 62,177	3.7%
Contracted Services	242,599	250,000	250,000	240,000	250,000	0.0%
Grants/Deferred Loans	147,000	147,000	147,000	147,000	147,000	0.0%
Reserve	-	-	-	-	6,323	N/A
<b>Total</b>	<b>\$ 447,657</b>	<b>\$ 456,954</b>	<b>\$ 456,954</b>	<b>\$ 444,786</b>	<b>\$ 465,500</b>	<b>1.9%</b>

### **REVENUES**

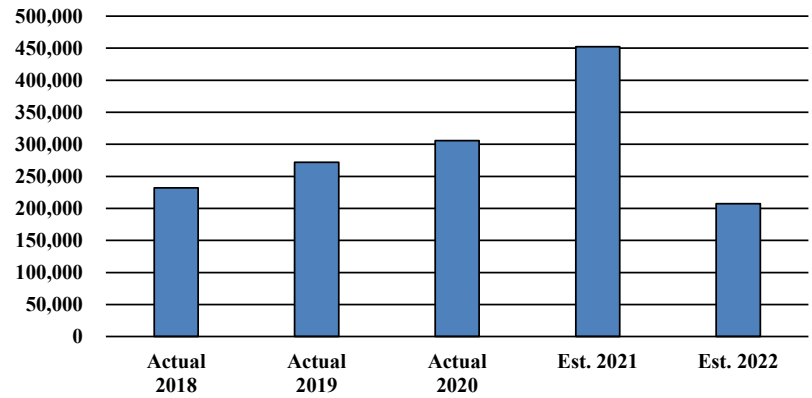
	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Property Taxes	\$ 372,377	\$ 382,000	\$ 382,000	\$ 367,000	\$ 391,000	2.4%
Interest Income	572	1,000	1,000	1,750	1,000	0.0%
Gifts and Donations	73,500	73,500	73,500	73,500	73,500	0.0%
Interest on Receivable	395	-	-	-	-	N/A
Appropriated Fund Balance	813	454	454	2,536	-	-100.0%
<b>Total</b>	<b>\$ 447,657</b>	<b>\$ 456,954</b>	<b>\$ 456,954</b>	<b>\$ 444,786</b>	<b>\$ 465,500</b>	<b>1.9%</b>

# ***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 2021-22 reflects a decrease from the previous year due to a one-time grant received in FY21. Gifts for 2021-22 include a decrease in funding from the current year (\$75,000) and level funding for miscellaneous donations (\$47,500). 2021-22 expenses include additions to the collection, staff support, 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 2021-22.

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### **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Computers/Database	\$ 9,624	\$ 532	\$ -	\$ -	\$ -	-100.0%
Furniture	14,421	-	-	-	-	N/A
Collection Purchases	28,942	40,000	40,000	27,000	32,000	-20.0%
Other	187,634	183,059	567,526	414,420	139,841	-23.6%
Transfer to General Fund	45,000	45,000	45,000	45,000	45,000	0.0%
<b>Total</b>	<b>\$ 285,621</b>	<b>\$ 268,591</b>	<b>\$ 652,526</b>	<b>\$ 486,420</b>	<b>\$ 216,841</b>	<b>-19.3%</b>

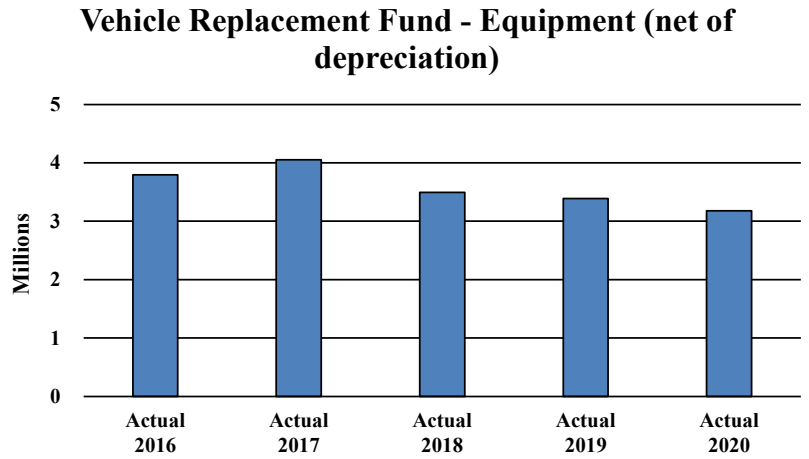
### **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Interest Income	\$ 765	\$ 441	\$ 441	\$ 87	\$ 341	-22.7%
Friends' Donations	185,000	100,000	202,486	184,486	75,000	-25.0%
Grants	68,662	106,975	364,864	220,829	84,600	-20.9%
Misc Donations	51,359	47,500	47,500	46,898	47,500	0.0%
Appropriated Fund Balance	(20,165)	13,675	37,235	34,120	9,400	-31.3%
<b>Total</b>	<b>\$ 285,621</b>	<b>\$ 268,591</b>	<b>\$ 652,526</b>	<b>\$ 486,420</b>	<b>\$ 216,841</b>	<b>-19.3%</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**

*The adopted budget for 2021-22 for the Vehicle Replacement Fund includes a list of the most critical capital equipment needs pending a comprehensive review of the Town's fixed assets. Included in the 2021-22 budget is the replacement of a solid waste rear loader, a Fire training vehicle, and a truck for the Streets Division. The Vehicle Replacement Fund has moved to a pay-as-you-go system. Beginning in 2014-15, vehicle purchases were bought outright rather than financed.*

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### **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Lease Purchase Payments	\$ 268,186	\$ 66,596	\$ 66,596	\$ 66,596	\$ -	-100.0%
Other Expense	22	6,000	6,000	6,000	-	-100.0%
Capital Equipment	745,707	-	131,246	131,246	344,660	N/A
<b>Total</b>	<b>\$ 1,013,915</b>	<b>\$ 72,596</b>	<b>\$ 203,842</b>	<b>\$ 203,842</b>	<b>\$ 344,660</b>	<b>374.8%</b>

### **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Vehicle Use Fees	\$ 453,089	\$ -	\$ -	\$ -	\$ 344,660	N/A
Interest Income	1,578	3,000	3,000	3,000	-	-100.0%
Sale of Fixed Assets	44,943	50,000	50,000	50,000	-	-100.0%
Insurance Claims	7,959	-	-	-	-	N/A
Appropriated Fund Balance	506,346	19,596	150,842	150,842	-	-100.0%
<b>Total</b>	<b>\$ 1,013,915</b>	<b>\$ 72,596</b>	<b>\$ 203,842</b>	<b>\$ 203,842</b>	<b>\$ 344,660</b>	<b>374.8%</b>

# ***VEHICLE MAINTENANCE FUND***

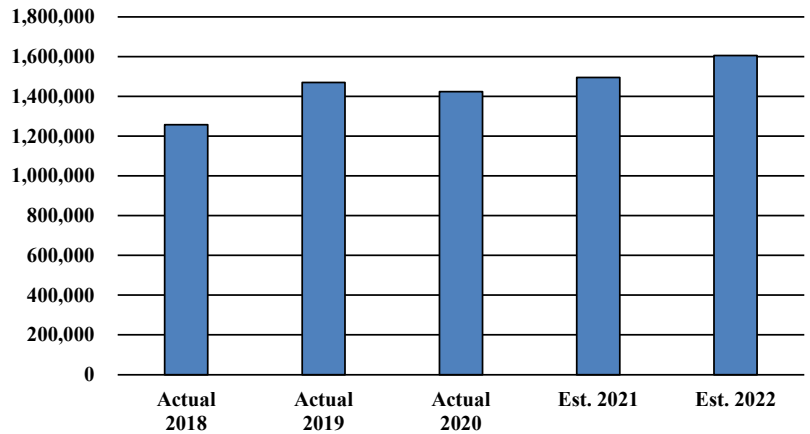
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The Vehicle Maintenance Fund accounts for the repair and maintenance of all the Town's cars, trucks, and heavy equipment, excluding those used in public transit operations.

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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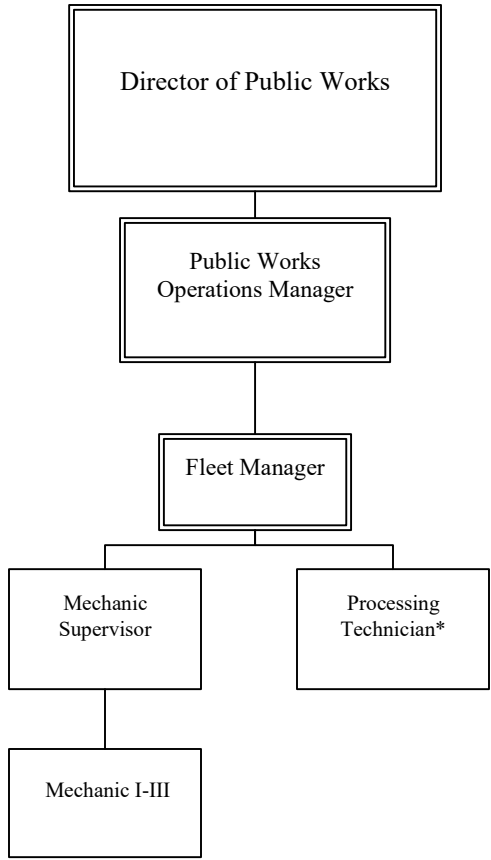
## **MISSION STATEMENT:**

*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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	2019-20 ADOPTED	2020-21 ADOPTED	2021-22 ADOPTED
Supervisor-Mechanic	1.00	1.00	1.00
Mechanic (I-III)	5.00	5.00	5.00
Manager-Fleet	1.00	1.00	1.00
Processing Technician <sup>1</sup>	0.75	0.75	0.75
Unit Totals	7.75	7.75	7.75

<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 2021-22 adopted budget for the Vehicle Maintenance Fund reflects an overall increase in expenditures of 3.2% from last year's budget. The increase in personnel is the result of a 5.5% rate increase in medical insurance, a 3% pay increase, and a 1.2% increase in retirement costs. The 1.9% increase in the operating budget is due to the increase in maintenance due to the aging fleet.

\*\*\*\*\*

### **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Personnel	\$ 585,188	\$ 672,087	\$ 672,087	\$ 656,860	\$ 705,003	4.9%
Operating Costs	839,527	883,775	883,775	838,997	900,219	1.9%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 1,424,715</b>	<b>\$ 1,555,862</b>	<b>\$ 1,555,862</b>	<b>\$ 1,495,857</b>	<b>\$ 1,605,222</b>	<b>3.2%</b>

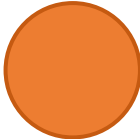
### **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Vehicle Maintenance Fees	\$ 1,274,051	\$ 1,529,000	\$ 1,529,000	\$ 1,491,000	\$ 1,559,100	2.0%
Interest Income	2,034	-	-	-	-	N/A
Insurance Claims	23,547	18,000	18,000	18,000	18,000	0.0%
Appropriated Fund Balance	125,083	8,862	8,862	(13,143)	28,122	217.3%
<b>Total</b>	<b>\$ 1,424,715</b>	<b>\$ 1,555,862</b>	<b>\$ 1,555,862</b>	<b>\$ 1,495,857</b>	<b>\$ 1,605,222</b>	<b>3.2%</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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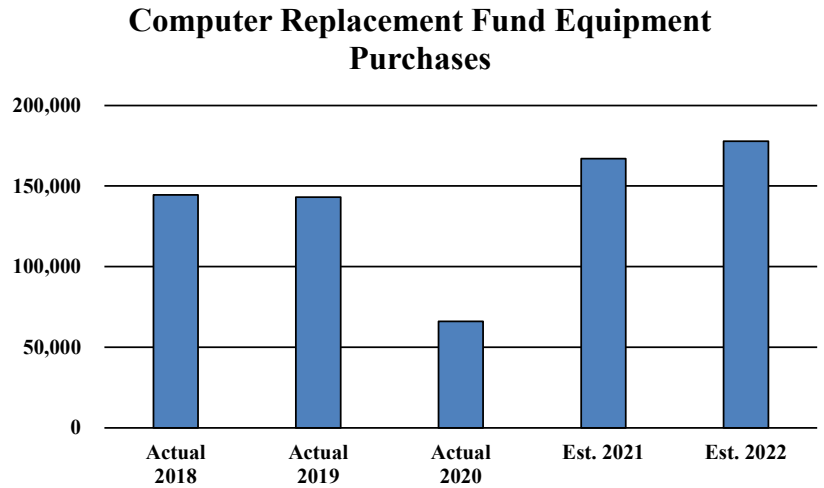
Core Business Program	Performance Measure	FY18 Actual	FY19 Actual	FY20 Estimate	FY21 Target
Fleet Services	Percent of work orders that are preventive maintenance	32%	38%	34%	30%
	Percent of work orders that are repeat repairs	0.92%	0.90%	0.27%	< 2%
	Percent of preventive maintenances completed as scheduled	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 2021-22 provides for replacement of computer equipment on a pay-as-you-go basis.*

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### **EXPENDITURES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Small Equipment	\$ 66,002	\$ 167,000	\$ 167,000	\$ 167,000	\$ 177,750	6.4%
Other Expense	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 66,002</b>	<b>\$ 167,000</b>	<b>\$ 167,000</b>	<b>\$ 167,000</b>	<b>\$ 177,750</b>	<b>6.4%</b>

### **REVENUES**

	<b>2019-20 Actual</b>	<b>2020-21 Original Budget</b>	<b>2020-21 Revised Budget</b>	<b>2020-21 Estimated</b>	<b>2021-22 Adopted Budget</b>	<b>% Change from 2020-21</b>
Computer Use Fees	\$ -	\$ -	\$ -	\$ -	\$ 177,750	N/A
Interest Income	856	-	-	-	-	N/A
Appropriated Fund Balance	65,146	167,000	167,000	167,000	-	-100.0%
<b>Total</b>	<b>\$ 66,002</b>	<b>\$ 167,000</b>	<b>\$ 167,000</b>	<b>\$ 167,000</b>	<b>\$ 177,750</b>	<b>6.4%</b>



# BUDGET ORDINANCE

Appendix 1

## AN ORDINANCE CONCERNING THE ESTABLISHMENT OF THE TOWN BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2021 (2020-06-09/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	\$ 18,473,780
Environment & Development	15,506,557
Public Safety	25,775,983
Leisure	11,263,680
<b>GENERAL FUND TOTAL</b>	<b>\$ 71,020,000</b>

#### OTHER FUNDS

Transit Fund	\$ 26,300,046
Transit Capital Reserve Fund	0
Debt Service Fund	9,664,932
Vehicle Replacement Fund	344,660
Vehicle Maintenance Fund	1,605,222
Computer Replacement Fund	177,750
Public Housing Fund	2,176,756
Affordable Housing Reserve Fund	688,395
On-Street Parking Fund	787,565
Off-Street Parking Facilities Fund	2,548,423
Library Gift Fund	216,841
Capital Improvements Fund	697,241
Downtown Service District Fund	465,500
Climate Action Fund	470,000
Stormwater Management Fund	3,009,500
Grants Fund	394,852
<b>TOTAL ALL FUNDS</b>	<b>\$ 120,567,683</b>

## ARTICLE II

It is estimated that the following revenues will be available during the fiscal year beginning July 1, 2021 and ending June 30, 2022 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	\$ 35,147,500
Sales Taxes	16,560,488
Occupancy Tax	750,000
Other Taxes & Licenses	78,500
State-Shared Revenues	7,717,442
Grants	681,997
Charges for Services	4,305,852
Licenses/Permits/Fines	2,800,100
Interest on Investments	25,000
Other Revenues	397,900
Transfers/Other Sources	45,000
Fund Balance Appropriated	2,510,221
<b>General Fund Total</b>	<b>\$ 71,020,000</b>

### OTHER FUNDS

Transit Fund	\$ 26,300,046
Transit Capital Reserve Fund	0
Debt Service Fund	9,664,932
Vehicle Replacement Fund	344,660
Vehicle Maintenance Fund	1,605,222
Computer Replacement Fund	177,750
Public Housing Fund	2,176,756
Affordable Housing Reserve Fund	688,395
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Climate Action Fund	470,000
Stormwater Management Fund	3,009,500
Grants Fund	394,852
<b>TOTAL ALL FUNDS</b>	<b>\$ 120,567,683</b>

## 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, 2021 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)	\$0.372/\$100
Debt Service Fund (for the payment of expenses of the Town of Chapel Hill)	\$0.088/\$100
Transit Fund (for the payment of expenses related to transportation approved by referendum)	\$0.054/\$100
TOTAL	\$0.514/\$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	\$0.064/\$100
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This the 9<sup>th</sup> day of June, 2021.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Town of Chapel Hill  
North Carolina**

For the Fiscal Year Beginning

**July 01, 2020**

*Christopher P. Morill*

Executive Director



## *Performance Agreements with Other Agencies*

	<b>2020-21 Adopted Budget</b>	<b>2021-22 Adopted Budget</b>
<b>Performance Agreements with Other Agencies</b>		
<b>Human Services</b>		
Human Services Advisory Board Recommendations	\$ 446,500	\$ 546,500
<b>Total Human Services</b>	<b>446,500</b>	<b>546,500</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	358,009	358,009
Orange County Partnership to End Homelessness	96,300	96,300
<b>Total Affordable Housing</b>	<b>454,309</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>\$ 1,223,419</b>	<b>\$ 1,323,419</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.