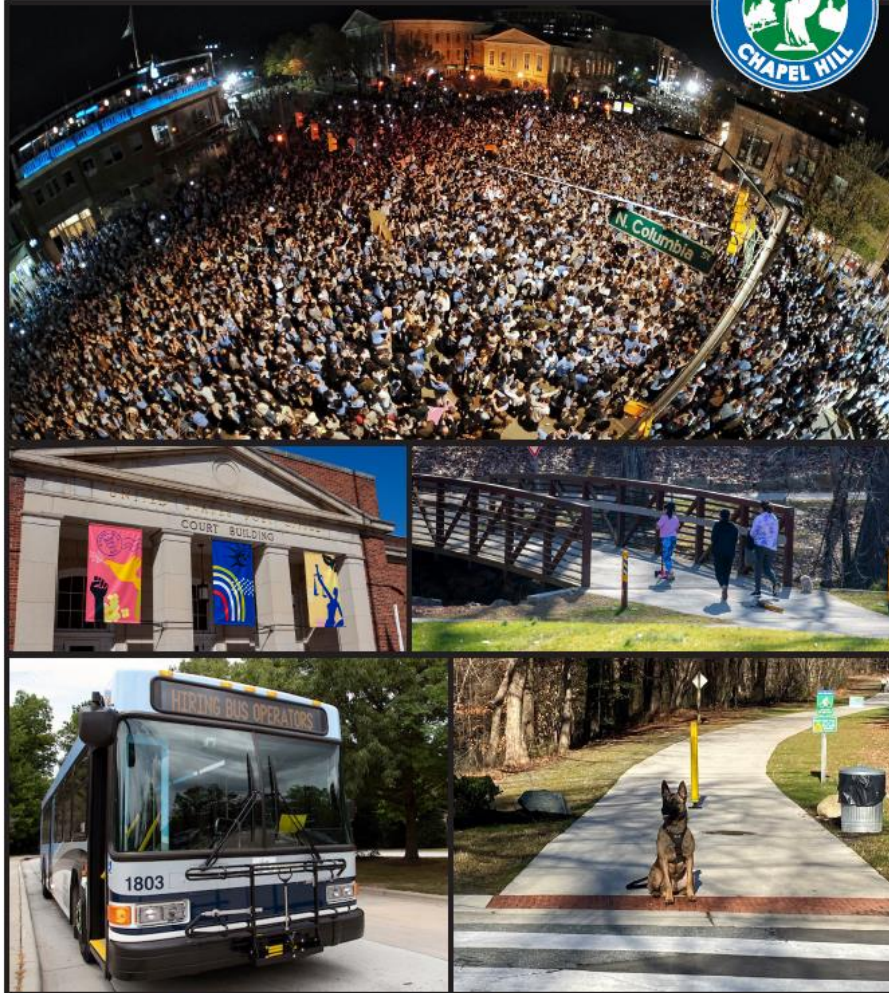


Town of Chapel Hill
North Carolina



Manager's Recommended Budget
FY 2022-23

Town of Chapel Hill
North Carolina

2022-23 Recommended Budget



Chapel Hill Town Council, 2022-2023

Your Town Council is (top row) Council members **Adam Searing, Paris Miller-Foushee, Michael Parker, Amy Ryan, and Camille Berry**, and (bottom row) Council members **Tai Huynh and Jessica Anderson**, Mayor **Pam Hemminger**, and Mayor Pro Tem **Karen Stegman**

Town Manager
Maurice Jones

Finance Officer
Amy Oland

Budget Focus

- Supporting Council's strategic priorities
- Recovery from COVID-19 pandemic
- Restore focus on long-term priorities
- Supporting our most valuable resources



Budget Highlights

Total budget = \$127,716,587

8.9% increase from prior year

Property tax rate of 51.9 cents

4%-5% tiered market pay increase

Investment in Council Priorities



General Fund – Revenue Comparison

Revenue Source	Adopted FY2021-22	Estimated FY2021-22	Recommended FY2022-23
Property Taxes	\$ 35,147,500	\$ 35,208,500	\$ 35,828,500
Sales Taxes	16,560,488	19,100,266	20,246,281
Other Taxes	828,500	1,237,000	1,337,000
State Shared Revenues	7,717,442	7,732,554	7,864,098
Charges for Services	4,305,852	4,035,832	4,815,824
Licenses & Permits	2,800,100	3,046,076	2,825,910
Grants	681,997	694,102	687,997
Other Revenues	467,900	551,872	420,000
Approp. Fund Balance	2,510,221	0	2,528,390
Total	\$ 71,020,000	\$ 71,606,202	\$ 76,554,000

Property Taxes

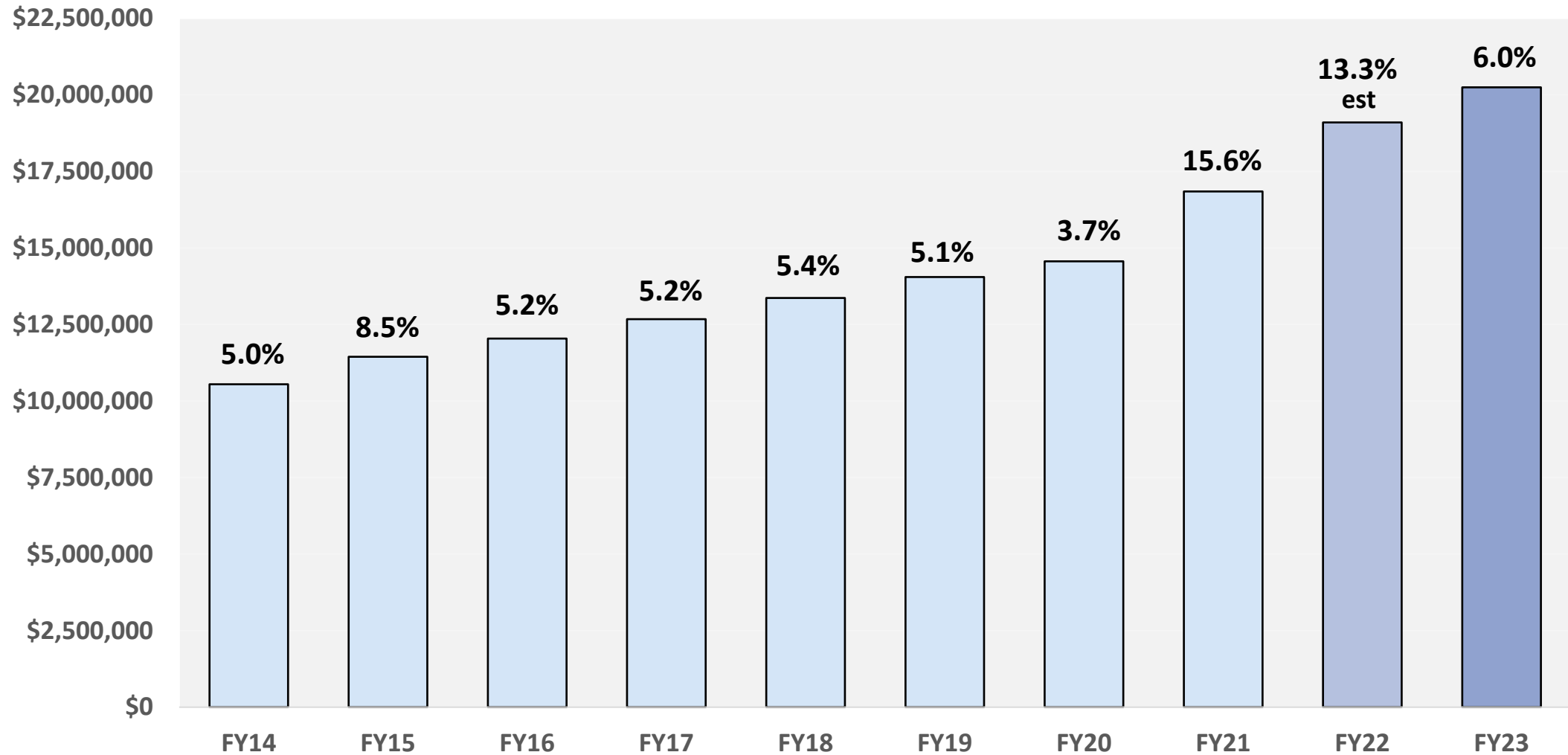


Current Tax Rate 51.4

Proposed Tax Rate 51.9

Value of a Penny \$958K

Sales Taxes Growth



5-Year Budget Strategy

Strategy to ramp up the Town's investments in:

- Environmental Resiliency
- Infrastructure
- Maintenance
- Vehicles
- Human Capital
- Affordable Housing & Human Services
- Social Equity
- Transportation

FY 2023 Priorities

Budget Topic	FY 2023 Recommended Budget
Pay Adjustment	4%/5% tier
Phase 2 Class & Comp Reserve	\$200,000
New Positions	\$355,540
Council Stipends	\$ 40,000
Climate Action	\$ 80,000
Affordable Housing & Homelessness Initiatives	\$ 80,000
Human Services Escalator	\$ 27,325
Downtown Improvements	\$100,000

FY 2023 Priorities

Budget Topic	FY 2023 Recommended Budget
Bike/Pedestrian Safety	\$ 75,000
Vision Zero	\$ 50,000
Cultural Arts	\$ 20,000
Parks Maintenance	\$ 50,000
Vehicle Replacements	\$ 95,600
Cost of Service Increases	\$200,000
Cybersecurity	\$ 98,000

ARPA Draft Funding Options

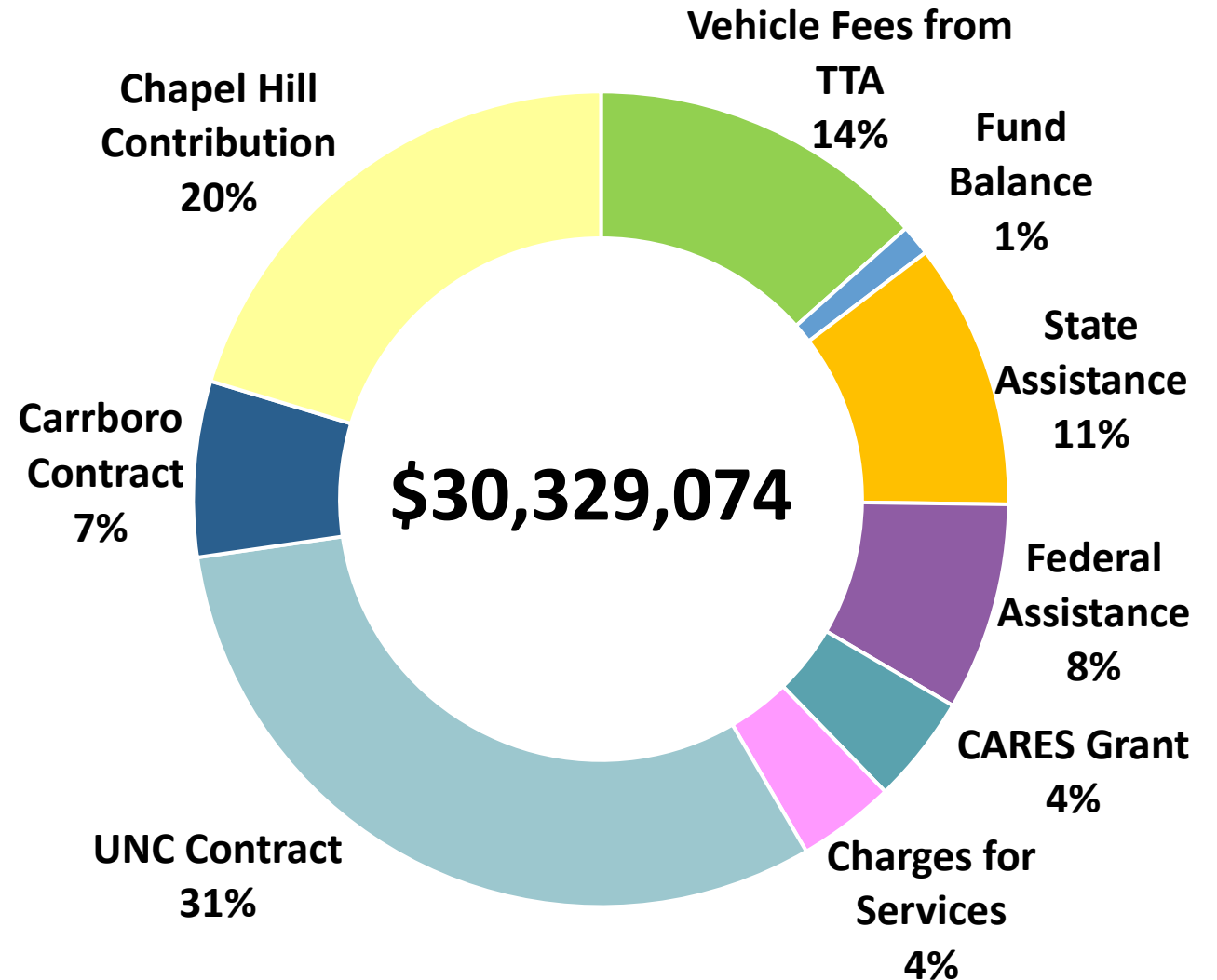
• Human Services/Community Partners Funding	\$ 1,000,000
• Affordable Housing & Homelessness Initiatives	2,500,000
• Parks & Recreation	2,500,000
• Bike/ped/greenway infrastructure	1,000,000
• Building Infrastructure	1,000,000
• Downtown Revitalization	1,000,000
• Digital Access	500,000
• Community Based Projects	500,000

Funding Allocations for Council Priorities

	FY 2021 Excess FB	FY 2023 Budget	ARPA Allocation
Human Services Funding	\$ 0	\$ 573,825	\$ 1,000,000
Affordable Housing & Homelessness Initiatives	500,000	1,235,153	2,500,000
Parks & Recreation Capital	0	220,000	2,500,000
Bike/Ped/Greenway Infrastructure	250,000	125,000	1,000,000
Downtown Revitalization	0	100,000	1,000,000
Building Infrastructure/Maintenance	750,000	439,500	1,000,000
Digital Access / Community Project Funding	0	0	1,000,000
Climate Action	0	550,000	0
Vehicle Replacements	900,000	450,600	0
Fire Truck	750,000	0	0
Streets	600,000	568,515	0
Department Adds	250,000	200,000	0
TOTAL	\$ 4,000,000	\$ 4,462,593	\$ 10,000,000

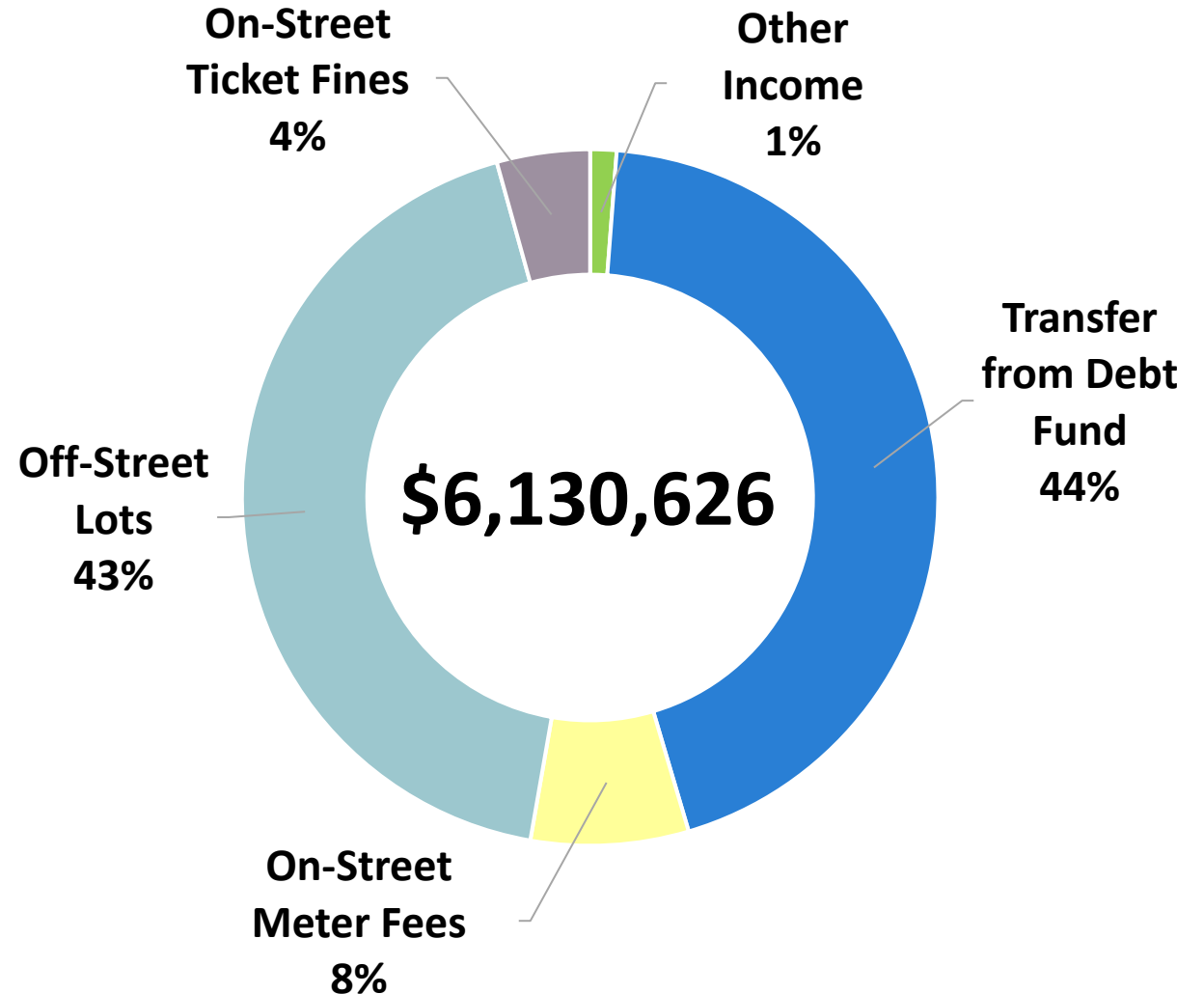
Transit Fund Revenues FY 2022-23

- 15.3% increase in overall budget
- ½ cent tax increase (5.4 -> 5.9) for debt service
- Corresponding changes to partner contributions (UNC & Carrboro)
- Federal Assistance - \$539K increase
- State Assistance - \$570K increase
- Transit Fund in relatively good fiscal condition – dependent on continued federal/state monies & capital needs



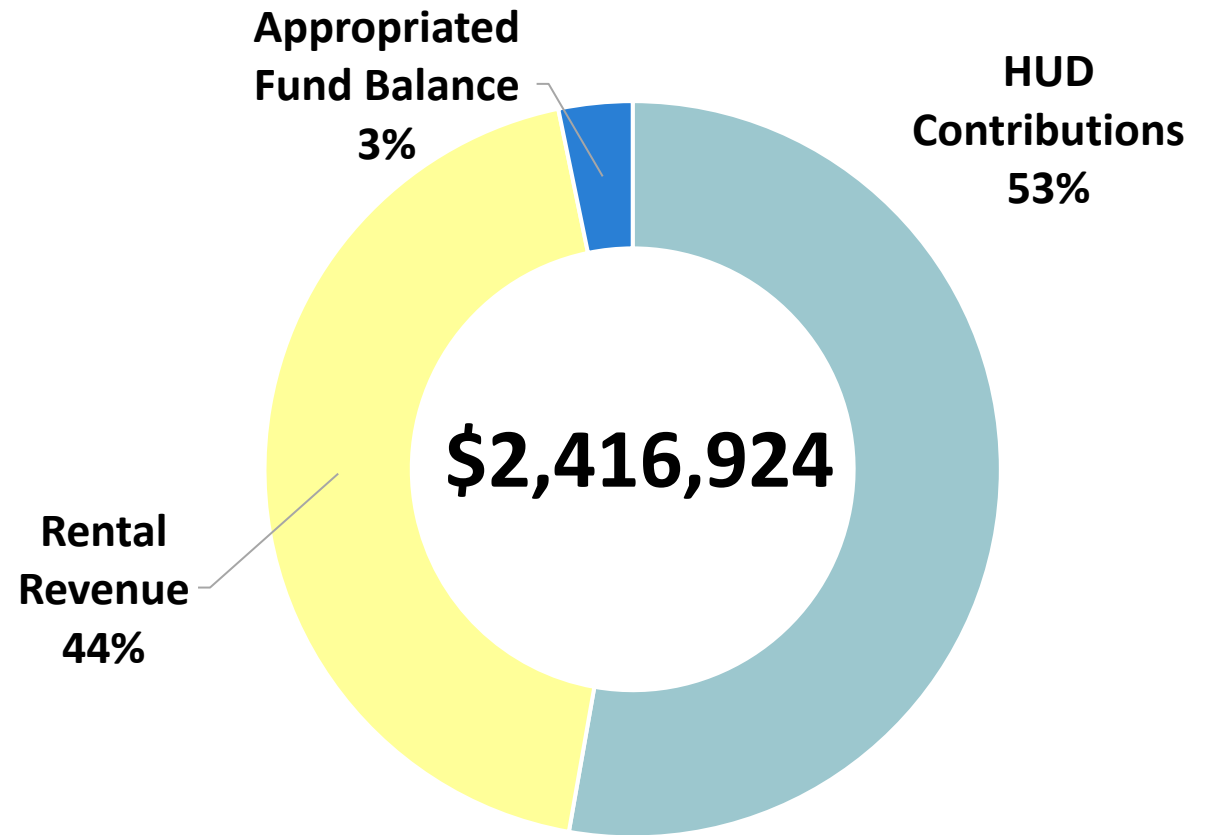
Parking Fund Revenues FY 2022-23

- 83.8% increase in total budget
- Increase tied to debt service associated with East Rosemary St Deck
- Budget balanced with \$2.7 million Transfer from Debt Service Fund
- Parking Fund revenues still affected by COVID-19 pandemic but seeing significant amount of recovery in current year and expect trend to continue



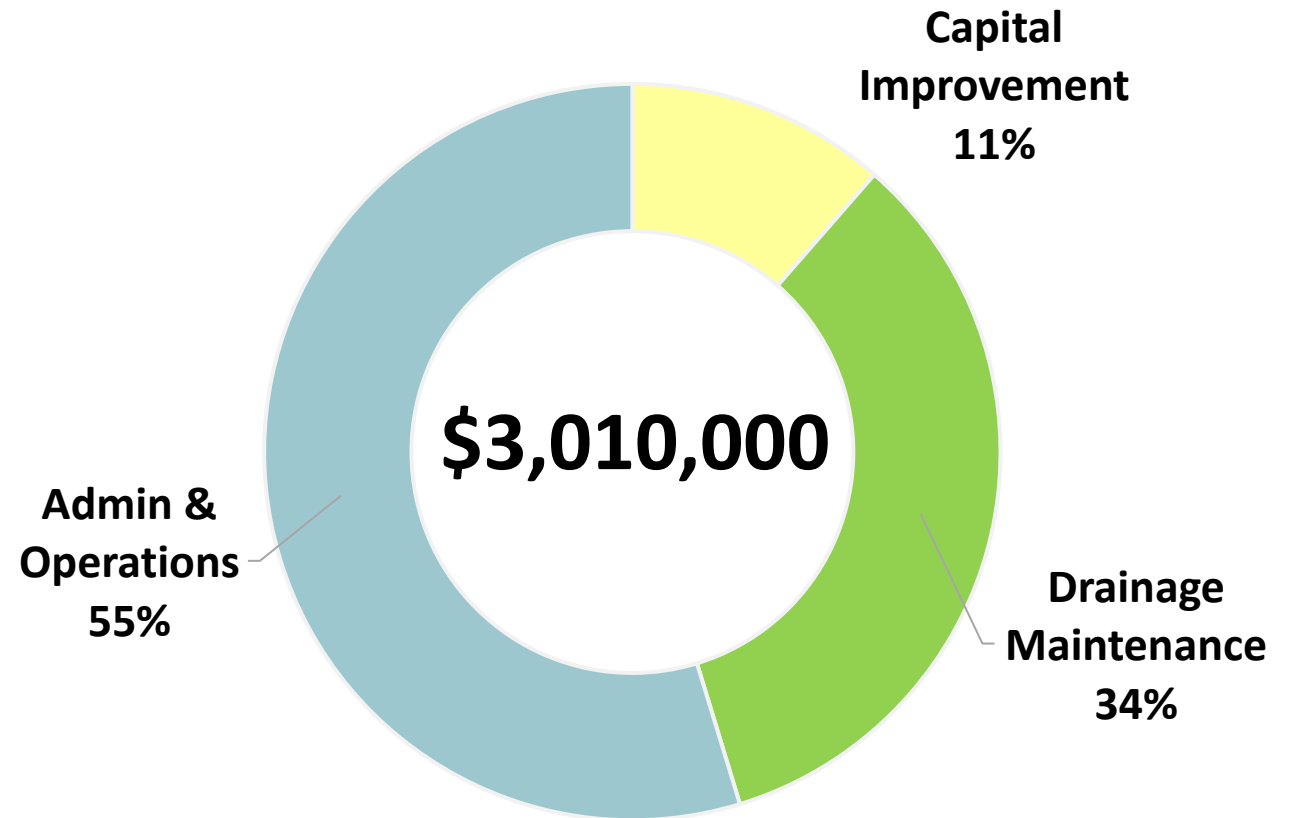
Housing Fund Revenues FY 2022-23

- **11% increase in budget**
- **53% of housing expenses are covered with HUD Operating Subsidy**
- **44% of housing expenses are covered with tenant rents**
- **3% of housing expenses are covered with appropriated fund balance**
- **Housing Fund in good fiscal condition however use of fund balance for recurring expenditures is not a sustainable practice**



Stormwater Fund Expenses FY 2022-23

- Flat Budget (\$500)
- No stormwater fee increase proposed
- Continuation of existing services
- Stormwater Fund in good fiscal condition



What One Additional Penny Can Do

Climate Action	\$ 50,000
Affordable Housing & Homelessness Initiatives	\$189,605
Bike/Pedestrian Safety	\$ 15,000
Vision Zero	\$ 15,000
Cultural Arts	\$ 20,000
Economic Development Position	\$ 81,995
Parks Maintenance	\$ 40,000
Building Maintenance	\$ 75,000
Pay Go Capital	\$ 75,000
Vehicle Replacements	\$103,400
Cost of Service Increases	\$ 75,000
Fire Department Positions	\$180,000
Reimagining Community Safety Task Force	\$ 30,000

Dates for Budget Process

May 4	Presentation of Manager's Recommended Budget
May 11	Budget Work Session
May 18	Budget Public Hearing
May 25	Budget Work Session
June 1	Budget Work Session (if needed)
June 8	Budget Adoption

2022-23 Budget Development Page

www.townofchapelhill.org/budget