

Town of Chapel Hill
North Carolina

2022-23 Adopted Budget



Your Town Council is **Mayor Pam Hemminger**,
Mayor Pro tem Karen Stegman, and Council
members **Jessica Anderson**, **Camille Berry**, **Tai
Huynh**, **Paris Miller-Foushee**, **Michael Parker**,
Amy Ryan, and **Adam Searing**.

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

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 2022-23. The total adopted combined property tax rate is 52.2 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 2022-23 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 8, 2022

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June 8, 2022

Dear Mayor and Council:

I am pleased to formally present for your consideration, the Fiscal Year 2022-2023 Adopted Budget for the Town of Chapel Hill. The total budget of \$129,380,002 is an 10.7% increase from FY 2022.

Last year, our budget restored some of the funding we reduced in previous fiscal years, and also invested in our future with improved recurring revenues. This put the Town in a strong position to recover from the immediate impacts of the COVID-19 pandemic and restored our focus on long-term priorities, especially those that require an ongoing commitment, such as climate action, social equity, and infrastructure.

It is our hope that we have emerged on the far side of this global pandemic, and we recognize that our world will be returning to a “new normal”, that will require us to remain flexible during this time of transition. In the face of our many challenges, we are optimistic.

A municipal budget is an expression of the community’s values, and I believe this budget reflects the values of Chapel Hill.

Recovery

Last year, the Council invested in several key areas informed by the 5-year budget strategy, including:

- Climate Action Planning,
- Downtown Recovery & Resiliency Planning,
- New parking in the East Rosemary Street Parking Deck,
- Human Services,
- The Reimagining Community Safety Task Force Recommendations,
- Hiring a Diversity Equity and Inclusion Officer, and
- Funding for preserving and creating affordable housing units in Chapel Hill.

We also made important investments in our employees, who deliver our valuable services, through initial implementation of the Classification and Compensation Study.

Moving Ahead

This year, we are fortunate to have the opportunity to continue building a strong future due to continued federal funding and strong revenue growth.

We have been conservative in managing our budgets through the global COVID-19 Pandemic. Although we did lose revenues during the pandemic, we have also experienced two years of historic sales tax growth. This unexpected condition allowed us to rebound more rapidly than expected. This past year, the Council was able to reinvest surplus revenues—due to a combination of job freezes and high sales tax revenues as well as increases in property values—and we invested in critical infrastructure and our people.

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 where we've been and where we plan to go as a community. Council has also expressed an interest in supporting parks and recreation needs, assisting those who were most impacted by the pandemic, assisting non-profit organizations as they recover from the pandemic and providing funding to revitalize Downtown Chapel Hill. Decisions related to ARPA funding will occur later this spring and in the fall of 2022.

Planning for the Future

As we look ahead, we have taken a moderate approach to projecting revenues, anticipating continued growth in programming and downtown activity. The one-time federal recovery funds will support our businesses and our community in the next year as we move into what we hope will be our new normal. We know that an important part of our future will be continued investment in our people and our services.

The Council identified several priority areas in the Council retreat and budget discussions.

- Climate Action
- Affordable Housing/Ending Homelessness
- Reimagining Community Safety task force
- Diversity, Equity & Inclusion (DEI)
- Human services
- Multimodal transit plan
- Economic development
- Downtown master plan
- Parks & Recreation
- Community Arts and Culture

This year’s budget attempts to balance our wants and needs with the revenues on hand. Though we have certain committed costs, fortunately we also have revenue increases and a healthy amount to commit to addressing our needs.

FY 2023 Budget Commitments

Committed Costs	Amount	Revenue increases	Amount
Health insurance increase 2%	\$ 96,282	Property tax 1.8%	\$ 3,600,000
0.75% retirement rate increase	252,119	Sales tax 6%	3,685,793
Revenue reductions	354,000	Occupancy tax 66.7%	500,000
Absorption of Class and Comp Phase 1 implementation	2,281,587	Powell Bill 24%	345,656
		School Resource Officer	432,342

As in previous years, our departments have identified needs in excess of the funds we have available. While we are not able to fund all these needs at this time, they have been incorporated into our 5-year budget planning efforts.

Department Needs (requested FY 2023 adds)

Operational cost increases	\$ 673,000
Building maintenance	362,000
Street resurfacing	591,000
Vehicle replacements	1,480,000
Personnel needs	3,100,000

The Council has expressed an interest in restoring some of the cumulative reductions the Town has made over time. Although we cannot address every need at once, we will need to pace some of our future investments in facilities, maintenance, vehicles, roads, and infrastructure. Phasing our investments in these important areas allows us to maintain critical assets, and to be responsive to the interests of community members and property owners identified in the Community Survey.

Recognize Town Employees

Employees are our primary resource, and they continue to work hard as we recover and move ahead. Last year we made significant headway on implementing the Classification and Compensation study and a second phase will address some remaining compression issues. This year, I am recommending a tiered 4-5% of market pay increase (4% increases for employees who have been with us for less than five years and 5% for staff with five or more years of

experience with the Town) and we will reserve \$158,005 for the next phase of the Class & Comp implementation efforts.

Our healthcare broker continues to negotiate our health insurance premium to ensure the best possible rate. The adopted budget includes a 2% increase in health insurance, which is lower than last year's 5.5% increase.

Continue the 5-year Budget Strategy

The Council Retreat in March 2022 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.

With the growth in our revenues, we can address some important needs with additional funding in FY 2023.

Climate Action Plan	80,000
Downtown Improvements	100,000
Bike/Ped Safety & Vision Zero	125,000
Human Services Program	27,325
Affordable Housing Agreements	329,000
Cultural Arts	40,000
New Positions	379,496
Class & Compensation Compression Reserve	158,005
Cost of Service Increases	160,000
Parks Maintenance	50,000
Cybersecurity	98,000

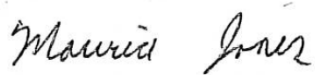
Refocusing on the Future

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.

Chapel Hill has emerged from 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. Our goal now is to rebound and move our strategic interests as a community forward. These investments in safety, diversity, climate, and quality of life are important steps in the right direction.

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

Sincerely,

A handwritten signature in black ink that reads "Maurice Jones". The signature is written in a cursive style with a large initial "M" and a long, sweeping tail on the "J".

Maurice Jones
Town Manager
Chapel Hill, NC

CITIZENS' GUIDE TO REVIEWING THE BUDGET

General Comments

This budget document describes Town services and revenue sources adopted for the Town's budget for the fiscal year from July 1, 2022 through June 30, 2023.

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. 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 2022-23.

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.

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 2022-23 by July 1. State laws also determine the types of services and regulatory authority which the Town can provide, the revenue sources available to the

CITIZENS' GUIDE TO REVIEWING THE BUDGET

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

Budget Process

The Mayor and Council's process and schedule for developing the 2022-23 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.

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

◆ **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:

- 2020-21 Actual
- 2021-22 Original Budget
- 2021-22 Revised Budget
- 2021-22 Estimated
- 2022-23 Adopted Budget
- % Change from 2021-22 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 2022-23 budget contains supplemental information intended to assist the reader. This data includes details regarding fund structure, fund descriptions, major revenues and a glossary.

BUDGET FORMAT - THE BASICS

NOTE: All tables in the adopted budget present the same three-year columns.

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	2020-21	2021-22	2021-22	2021-22	2022-23	% Change
	Actual	Original Budget	Revised Budget	Estimated	Adopted Budget	from 2021-22
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			961,028	916,813	-3.0%

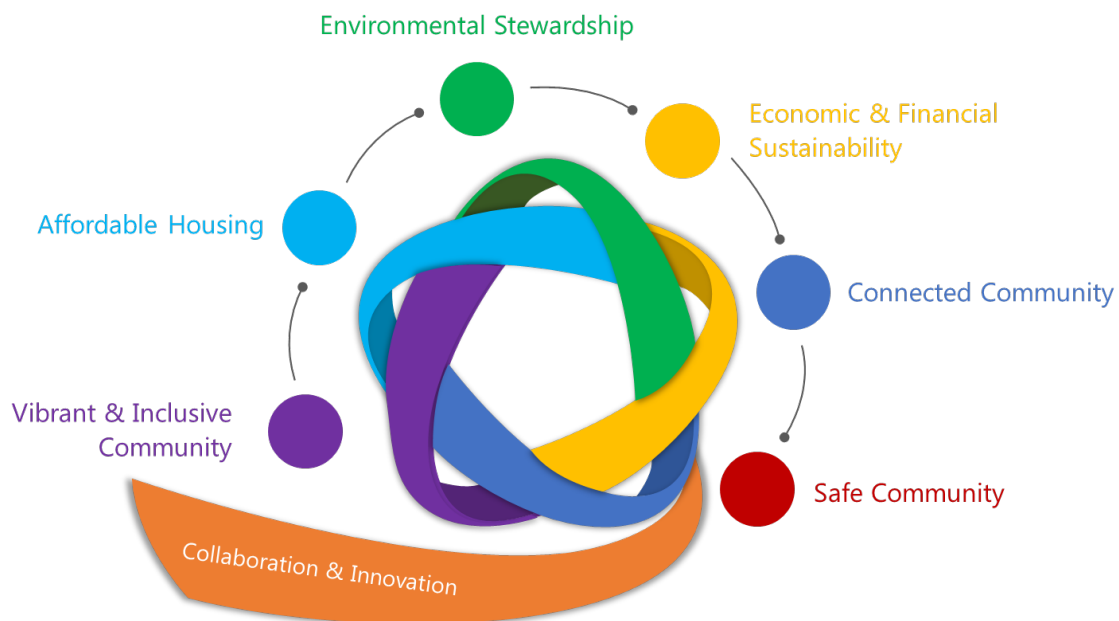
REVENUES	2020-21	2021-22	2021-22	2021-22	2022-23	% Change
	Actual	Original Budget	Revised Budget	Estimated	Adopted Budget	from 2021-22
General Revenues	730,933	776,437	821,349	846,228	770,013	-0.8%
Grants	-	-	-	-	-	N/A
Charges for Services	11,678	10,800	10,800	11,800	11,800	9.3%
Licenses/Permits/Fines	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%

Strategic Goals, Objectives, and Performance Management

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 FY23 Budget document illustrates performance data and targets that departments have identified as performance measures in their FY23 Departmental Business Plans.

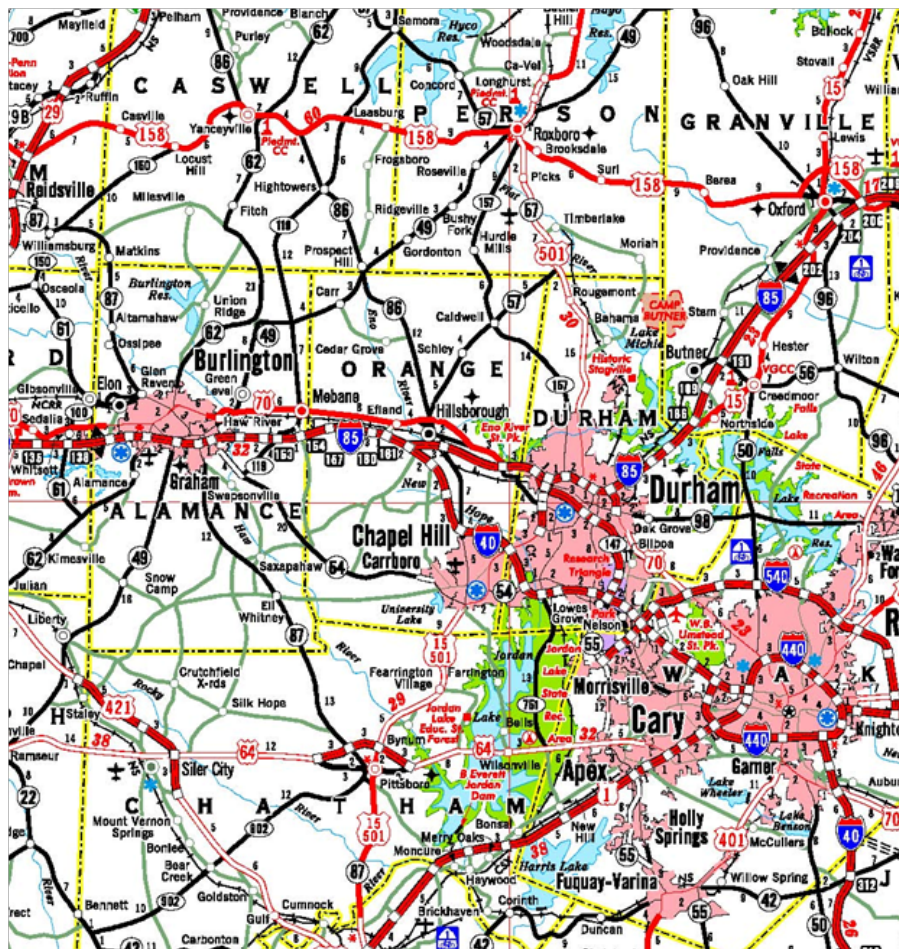
Below are additional Performance Management tools used by the Town to communicate how annual investments are being used to meet Council goals and Community vision.

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

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 62,080 according to the latest estimate issued by the State of North Carolina for July 2020. 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 31,539 in 2021-22. 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

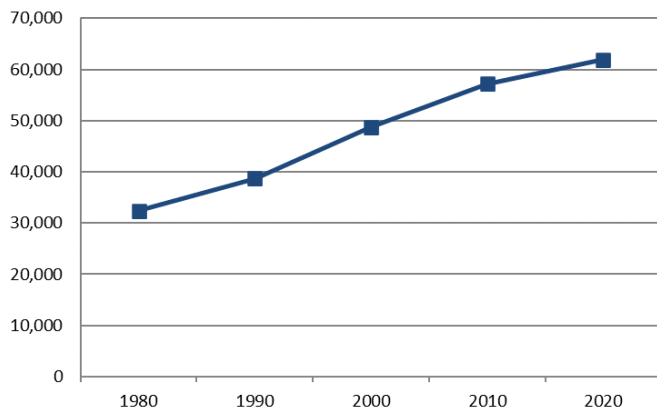
POPULATION GROWTH AND CHARACTERISTICS

Population Growth

Chapel Hill’s population increased by over 13,000 since the 2000 Census, totaling 61,960 in the 2010 Census. Figure 1 shows the Town’s population growth from 1980 to 2020. The 10-year growth from 2011 to 2020 amounts to 7.9 percent, about 3.6 percent slower than the County’s growth, and 1.2 percent faster than the 9.7 percent statewide population growth.

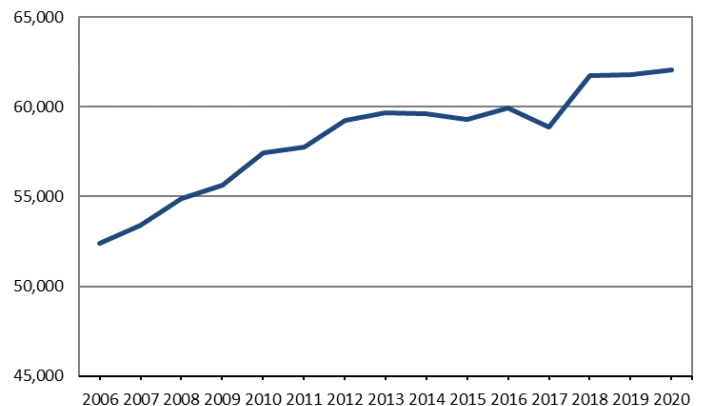
Figure 2 shows the Town’s growth since the 2000 Census.

Figure 1. Chapel Hill Population: 1980-2020



Source: US Census Bureau, 2020

Figure 2. Chapel Hill Population: 2006-2020



Source: North Carolina Office of Budget & Management

CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS

Table 1: Chapel Hill Population by County

County	Chapel Hill Population
Durham County	2,914
Orange County	59,166
TOTAL	62,080

Source: NC Office of State Budget and Management, 2020

Racial Makeup, Hispanic Population Growth

A demographic shift in the 2020 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 2010 to 2020, although the total number for the group is higher. People who identified themselves as being of more than one race totaled over 2,300 in Chapel Hill, or 3.8 percent of the Town’s total population.

Table 2: Chapel Hill Population by Race & Origin

Race/Origin	2020	%
White	44,263	71.3%
Black or African American	6,332	10.2%
American Indian and Alaska Natives	62	0.1%
Asian and Pacific Islander	8,381	13.5%
Some Other Race	683	1.1%
Two or More Races	2,359	3.8%
Total	62,080	100.0%
Hispanic Origin (any race)	4,470	7.2%

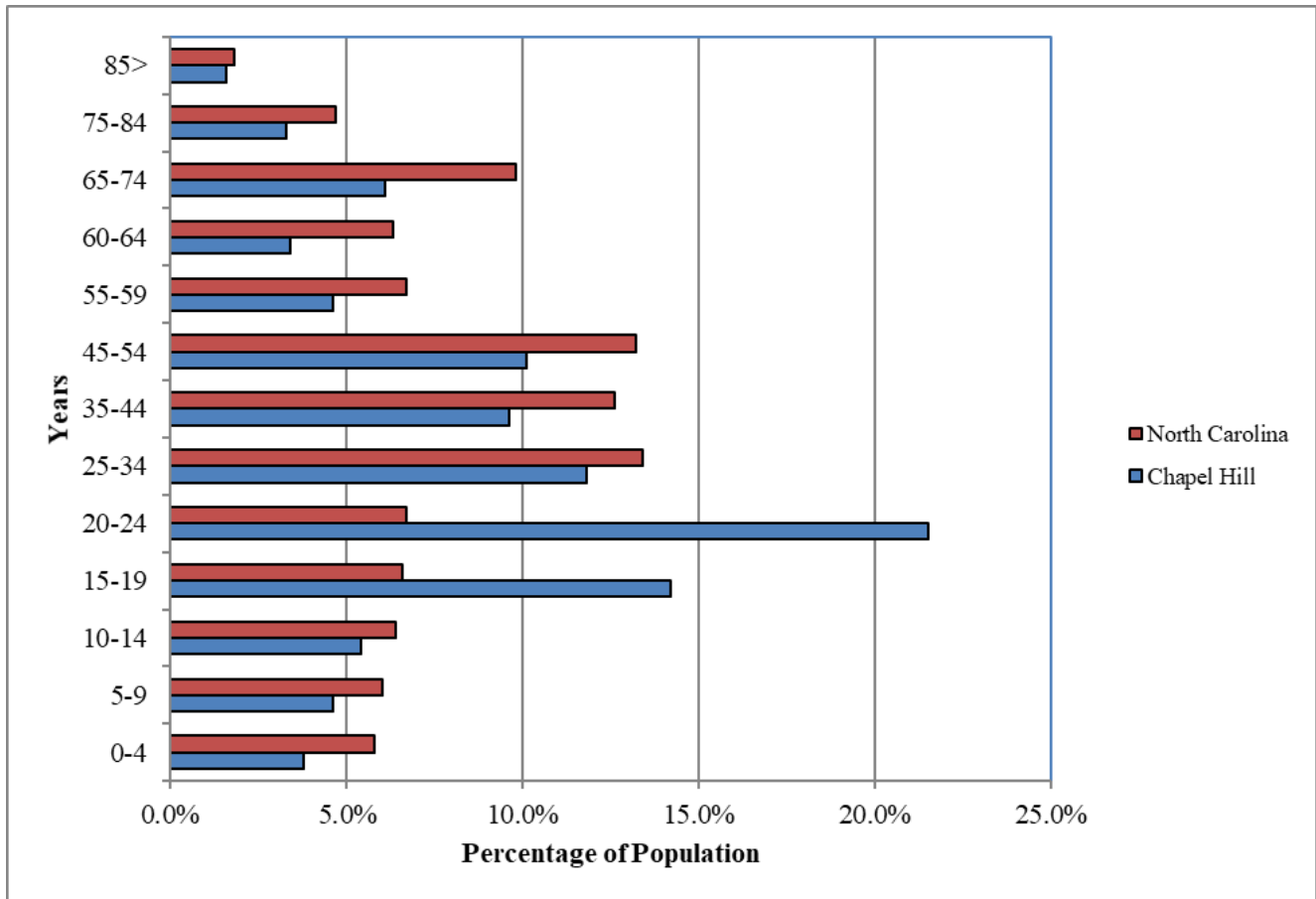
Source: 2016-20 American Community Survey, US Census Bureau

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 14.2 percent of the Town’s population, while the 20 to 24 age group comprises 21.5 percent. As a comparison, the 20 to 24 age group represents 6.7 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 25.2 years old, while North Carolina’s median age is 38.9.



Source 2016-2020 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 2016-2020 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)

	<u>Chapel Hill</u> <u>Family Income</u>	<u>Orange County</u> <u>Family Income</u>	<u>North Carolina</u> <u>Family Income</u>
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
Total Households/Families	20,369	53,376	4,046,348
Median Income	\$73,614	\$74,299	\$57,341
Mean Income	\$123,112	\$110,759	\$80,037

Table 3a: Family Income (% of total)

	<u>Chapel Hill</u> <u>Family Income</u>	<u>Orange County</u> <u>Family Income</u>	<u>North Carolina</u> <u>Family Income</u>
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%
\$50,000 or more	60.89%	63.29%	56.08%

CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS

Table 4: Educational Attainment

<u>Educational Attainment</u>	<u>Chapel Hill</u> <u>(% of total)</u>	<u>Orange County</u> <u>(% of total)</u>	<u>North Carolina</u> <u>(% of total)</u>
Less than 9th	1.6%	3.1%	4.3%
9th to 12th, No Diploma	2.0%	3.9%	7.2%
High School Graduate	7.1%	12.5%	25.5%
Some College, No Degree	8.8%	12.9%	21.1%
Associate's Degree	3.7%	6.7%	9.9%
Bachelor's Degree	28.1%	26.1%	20.4%
Graduate or Professional Degree	48.8%	34.8%	11.6%

Table 5: School Enrollment

<u>School Enrollment</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
Elementary (grades K-5)	5,498	5,483	5,324	4,912	4,666
Intermediate (grades 6-8)	2,835	3,003	3,024	2,910	2,786
Secondary (grades 9-12)	3,906	3,988	3,930	3,910	3,858
Total	12,239	12,474	12,278	11,732	11,310

Source: Chapel Hill-Carrboro City Schools Enrollment Report

Table 6: Unemployment Rates

<u>Regional Average Unemployment Rates 2006-2022</u>			
<u>Year</u>	<u>Chapel Hill</u>	<u>Orange Co.</u>	<u>NC</u>
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	3.5	4.8
2022	3.1	2.7	3.7

*2022 rates based on monthly averages through June.
Source: N.C. Employment Security Commission, U.S. Bureau of Labor

CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS

Table 7a: Economic Indicators – Building Permits

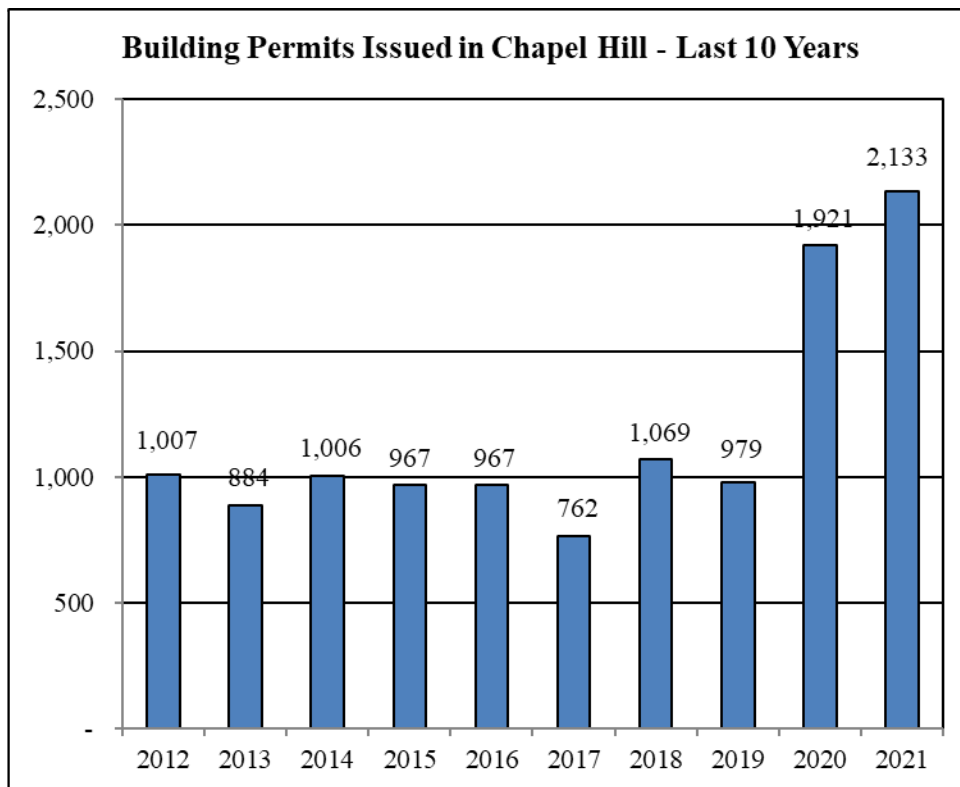
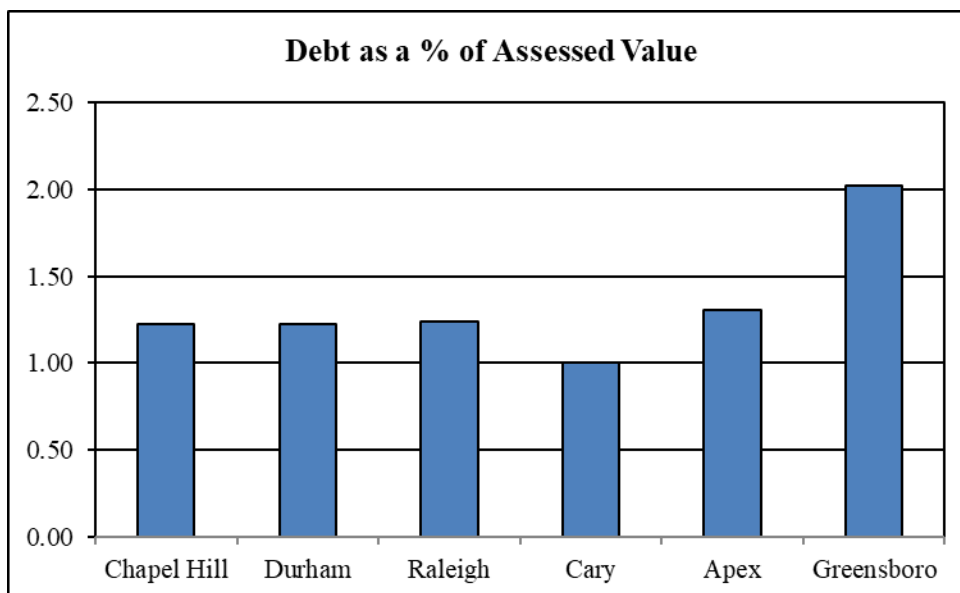


Table 7b: Economic Indicators – Debt Percentage



CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS

Table 7c: Economic Indicators – Median Home Price

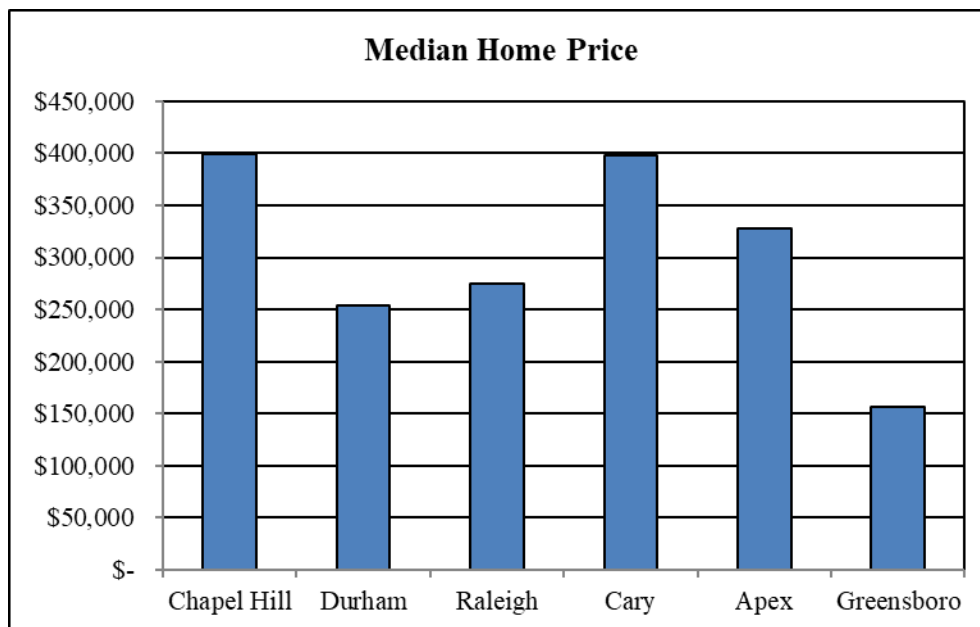


Table 8: Top Employers

Chapel Hill Top Employers By Size	
Employer	Number of Employees
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

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.

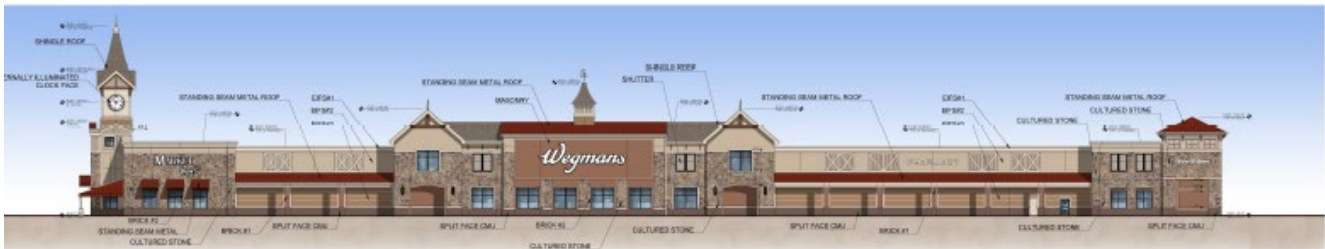
The vision is to create a walkable complex with a mix of commercial uses, upper story residences and offices, bike paths and permanent open space. The project was approved after an open negotiation that included a community compass committee. Currently, Obey Creek is being marketed by the land owner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

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

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

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

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

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

FUND DESCRIPTIONS AND MAJOR REVENUES

<u>Fund Title</u>	<u>Accounts For</u>	<u>Primary Funding Sources</u>
DEBT		
Debt Service Fund	General obligation debt, proprietary debt, COPS debt, and other governmental debt	Property taxes
CAPITAL PROGRAMS		
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
OTHER FUNDS		
<u>Special Revenue Funds</u>		
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
Climate Action Fund	Projects and personnel to address climate change.	General Fund
<u>Internal Service Funds</u>		
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

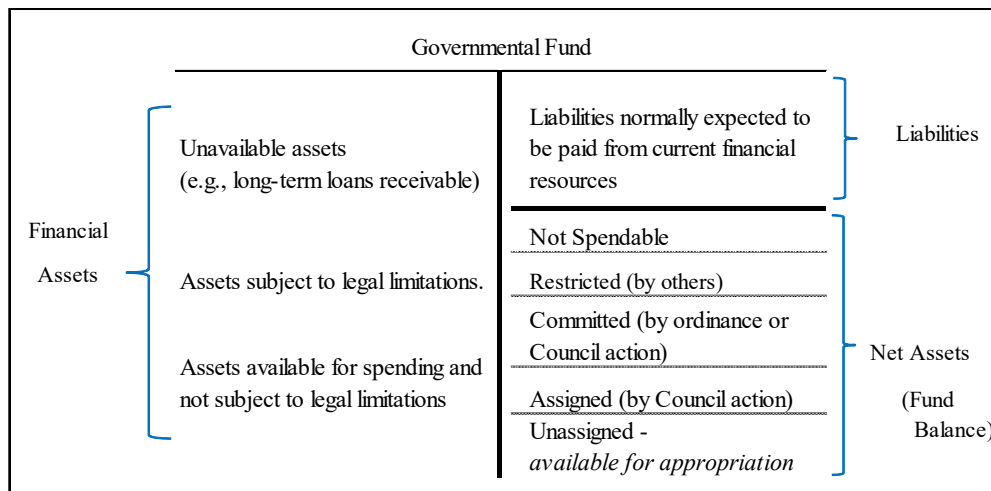
Fund balance (net assets) is the accumulated difference between revenues and expenditures in a governmental fund, and is similar to “working capital” for a private business. Portions of fund balance are intended to meet the cash flow and working capital needs of the Town in accordance with reserve recommendations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

The Town has the authority to finance capital projects and major equipment purchases using long-term debt. The underlying principle 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

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

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

CAPITAL PROGRAM INTRODUCTION AND BACKGROUND

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

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

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

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

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.

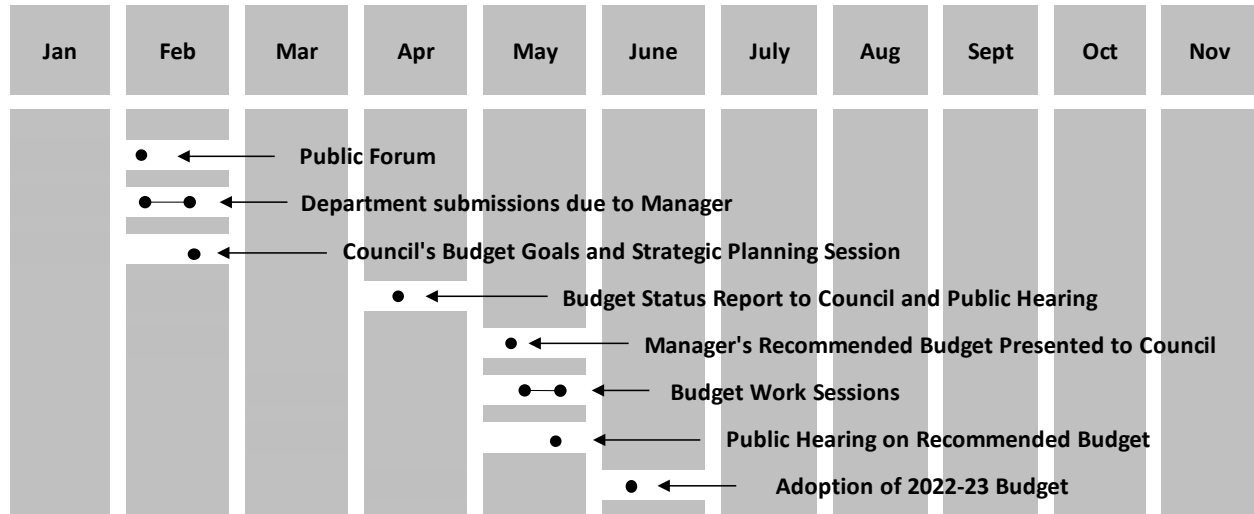
BUDGETARY CONTROL

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

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

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

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

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.

OPERATING BUDGET	
Guideline	Comment
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.
DEBT SERVICE	
Guideline	Comment
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>
<p>CAPITAL EXPENDITURES</p>	
<p>Guideline</p>	<p>Comment</p>
<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>
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NET ASSET (FUND BALANCE) RESERVES

Guideline	Comment
<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

FINANCIAL REPORTING	
Guideline	Comment
<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, 2021 and Distinguished Budget Award in 2021-22 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

Major issues affecting Town revenues for the 2022-23 budget include continued economic impacts 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 2022-23 budget incorporates the following assumptions:

- The property tax base is estimated to be \$9.62 billion in 2022-23.
- We estimate that the Town's revenue from the local sales taxes will increase but remain difficult to forecast due to various economic impacts.
- Federal assistance for the Transit Fund will increase to \$2.5 million in 2022-23.

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 2022-23 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, 2022, 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
Total	\$ 10,000,000	\$ 4,755,000	\$ 5,245,000

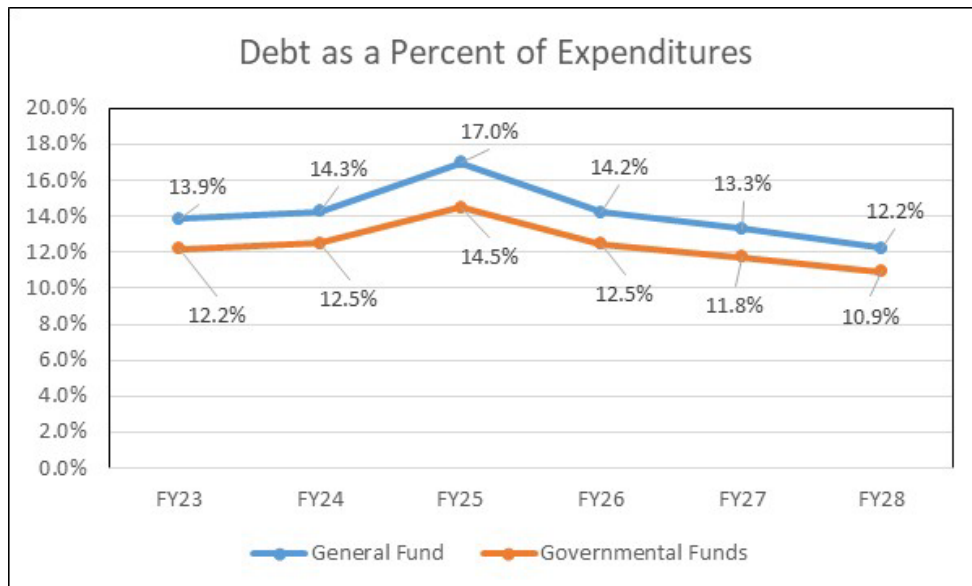
In November 2015 the Town held a general obligation bond referendum consisting of five bond orders totaling \$40.3 million. All five bond orders were approved by the voters. There have been two issuances from the 2015 GO Bond authority. In February of 2017, \$9.0 million of bonds were issued and in April 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
Total	\$ 40,300,000	\$ 9,000,000	\$ 12,500,000	\$ 18,800,000

The Town is planning to issue the remaining \$5.245 million in Affordable Housing bonds and the remaining \$7.7 million in Streets & Sidewalks bonds in winter 2023. 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

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 (East Rosemary Parking Deck), this ratio has risen to 13.9% in 2022-23 and to 12.2% as a percent of governmental revenues (general fund plus debt fund). Once the Parking Deck is operational, the intent is for the revenues generated to repay the Debt Fund and to move to the Parking Fund. Debt as a percentage of governmental revenues approximates the basis used before the debt fund was created in 2010. Debt service as a percentage of expenditures is expected to rise in the next few years as the Town continues to invest in public facilities and infrastructure.

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 2022-23, 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

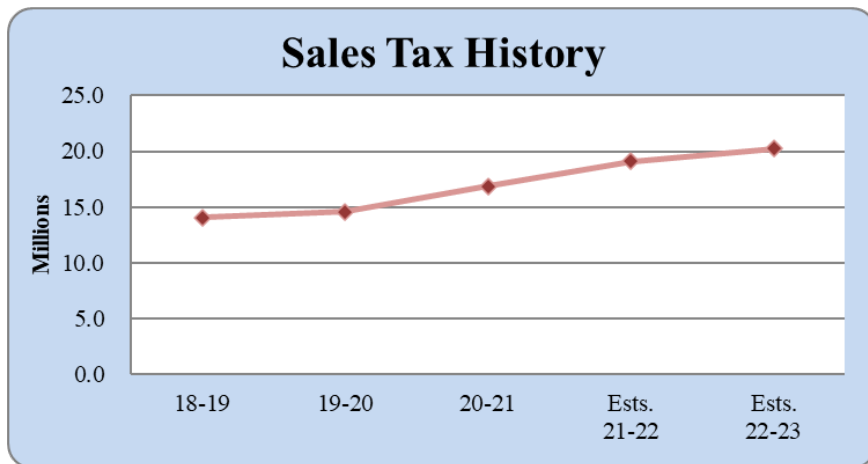
GENERAL FUND

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 2022-23 is about \$9.62 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 52.2 cents after a 0.8 cent increase to the Transit Fund tax rate from 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 \$680,000 each year. This is based on 1.8% annual growth, which is slightly lower than the historical average, and a tax rate for 2022-23 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 FY22 receipts at \$19.1 million, an increase from what was originally budgeted. Based on local trends and state forecasts, we anticipate an increase of about 6% for FY22-23.

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 \$4.1 million in 2021-22 and \$4 million in 2022-23) and Video Programming Tax, estimated to remain relatively flat in FY22 and FY23.

State-shared revenues also include revenue from fuel tax funds for street maintenance (about \$1.78 million in 2022-23) 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

Operating and Capital Improvement Costs

Projected costs for general operations are based on a continuation of most service levels and programs for 2022-23. 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 2022-23 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 0.75% for 3 years after FY23 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 FY2022-23 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

TRANSIT FUND

The budget for 2022-23 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 \$3.2 million for this revenue source. Federal assistance is estimated to continue at \$2.5 million next year, which is an increase from FY21.

The 2022-23 Adopted Budget represents a 19.6% increase from the previous year largely due to an increase in revenue generated from the increased tax rate and subsequent increases to UNC and Carrboro contracts. 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 6.2 cent rate in the next five years. Subsequent years show the need for a tax increase from 0.2 to 0.7 cents through 2027-28.

Adopted Tax Rate	Cents per \$100 valuation		
	FY21-22	FY22-23	\$ Change
General Fund	37.2	37.2	0.0
Debt Fund	8.8	8.8	0.0
Transit Fund	5.4	6.2	0.8
Total Tax Rate	51.4	52.2	0.8

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 \$8.43 million in revenues in 2022-23 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 \$46.7 million of new debt in the next 5 years, including the financing of the balance of the GO bonds authorized in the 2015 (Streets & Sidewalks bonds & Parks & Recreation bonds) and 2018 referendum (Affordable Housing bonds), and the financing of public safety facilities (Municipal Services Center).

FIVE-YEAR REVENUE AND COST PROJECTIONS FOR MAJOR OPERATING FUNDS

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:

Tax Rate Equivalents of Needed Revenue (in cents)						
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Adopted	Estimated	Estimated	Estimated	Estimated	Estimated
	Increase	Increase	Increase	Increase	Increase	Increase
General Fund	0.0	0.5	0.7	0.7	0.7	0.7
Debt Service	0.0	(0.2)	0.2	0.0	0.0	0.0
Transit Fund	0.8	0.7	(0.3)	0.2	0.2	0.3
Total	0.8	1.0	0.6	0.9	0.9	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
2022/2023- 2027/2028**

Category	2022-23 Adopted	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated	2027-28 Estimated
Assessed Valuation (Real & Personal Property)	\$ 9,620,619,000	\$ 9,793,790,000	\$ 9,970,080,000	\$ 10,149,540,000	\$ 10,332,230,000	\$ 10,518,210,000
Tax Levy - General Fund Only*	35,789,000	36,433,000	37,089,000	37,756,000	38,436,000	39,128,000
Estimated Collections at 99%	35,660,000	36,300,000	36,950,000	37,620,000	38,290,000	38,980,000
Estimated Prior Year Collections	115,000	115,000	115,000	115,000	115,000	115,000
TOTALS	\$ 35,775,000	\$ 36,415,000	\$ 37,065,000	\$ 37,735,000	\$ 38,405,000	\$ 39,095,000
Tax rate	37.2	37.2	37.2	37.2	37.2	37.2

1¢ on the tax rate = \$ 962,000

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

2024	1.8%
2025	1.8%
2026	1.8%
2027	1.8%
2028	1.8%

GENERAL FUND

PROJECTED STATE-SHARED REVENUES

2022/2023 - 2027/2028

Category	2022-23 Adopted	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated	2027-28 Estimated
Utility Sales Tax ¹	\$ 4,000,000	\$ 4,020,000	\$ 4,040,000	\$ 4,060,000	\$ 4,080,000	\$ 4,100,000
Video Programming Tax	600,000	650,000	650,000	650,000	650,000	650,000
Supplemental PEG support	80,000	80,000	80,000	80,000	80,000	80,000
Beer, Wine Tax ²	260,000	260,000	260,000	260,000	260,000	260,000
1% Local Option Sales Tax (Article 39) ³	6,542,000	6,869,000	7,212,000	7,573,000	7,952,000	8,350,000
1/2% Local Option Sales Tax (Article 40) ³	4,931,000	5,178,000	5,437,000	5,709,000	5,994,000	6,294,000
1/2% Local Option Sales Tax (Article 42) ³	3,286,000	3,450,000	3,623,000	3,804,000	3,994,000	4,194,000
1/2% Local Option Sales Tax (Article 44 Hold Harmless) ³	106,000	111,000	117,000	123,000	129,000	135,000
City Hold Harmless ³	5,382,000	5,651,000	5,934,000	6,231,000	6,543,000	6,870,000
Total Local Option Sales Taxes	20,247,000	21,259,000	22,323,000	23,440,000	24,612,000	25,843,000
Fuel Tax (Powell Bill) ⁴	1,775,842	1,775,842	1,775,842	1,775,842	1,775,842	1,775,842
State Fire Protection ⁵	1,106,000	1,106,000	1,106,000	1,106,000	1,106,000	1,106,000
Solid Waste Disposal Tax	42,000	42,000	42,000	42,000	42,000	42,000
TOTAL	\$ 28,110,842	\$ 29,192,842	\$ 30,276,842	\$ 31,413,842	\$ 32,605,842	\$ 33,856,842

¹ 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.

² 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.

³ Estimating a normal growth of 5% in FY23 and thereafter.

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

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

GENERAL FUND
REVENUE PROJECTIONS
2022/2023 - 2027/2028

Category	2022-23 Adopted	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated	2027-28 Estimated
Property Taxes*	\$ 35,829,000	\$ 36,415,000	\$ 37,065,000	\$ 37,735,000	\$ 38,405,000	\$ 39,095,000
Sales Taxes	\$ 20,246,000	\$ 21,259,000	\$ 22,323,000	\$ 23,440,000	\$ 24,612,000	\$ 25,843,000
Other Taxes & Licenses	1,337,000	1,337,000	1,337,000	1,337,000	1,337,000	1,337,000
Licenses/Permits/Fines/ Forfeitures	2,876,000	2,876,000	2,876,000	2,876,000	2,876,000	2,876,000
State-Shared Revenues	7,864,000	7,933,842	7,953,842	7,973,842	7,993,842	8,013,842
Grants	688,000	697,000	706,000	715,000	724,000	733,000
Service Charges	4,766,000	4,776,000	4,786,000	4,796,000	4,806,000	4,816,000
Interest on Investments	10,000	50,000	50,000	50,000	50,000	50,000
Other Revenues	365,000	365,000	365,000	365,000	365,000	365,000
Interfund Transfers	45,000	45,000	45,000	45,000	45,000	45,000
TOTAL	\$ 74,026,000	\$ 75,753,842	\$ 77,506,842	\$ 79,332,842	\$ 81,213,842	\$ 83,173,842

* 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
2022/2023 - 2027/2028**

	2022-23 Adopted	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated	2027-28 Estimated
Personnel Services ¹	\$ 55,975,000	\$ 57,683,000	\$ 59,517,000	\$ 61,415,000	\$ 63,379,000	\$ 65,412,000
Operations						
Operating & Maintenance ²	18,012,000	18,582,000	19,032,000	19,536,000	20,001,000	20,521,000
Capital						
Equipment ³	85,000	85,000	85,000	85,000	85,000	85,000
Transfer to Capital Improvements Program ⁴	635,000	600,000	700,000	800,000	900,000	1,000,000
Other						
Human Service contracts, hotel/ motel allocations and grants to other agencies	1,732,000	1,732,000	1,732,000	1,732,000	1,732,000	1,732,000
Other Post Employment Benefits	250,000	500,000	500,000	500,000	500,000	500,000
TOTAL COSTS OF CURRENT PROGRAMS AND ADDITIONS/						
TOTALS	\$ 76,689,000	\$ 79,182,000	\$ 81,566,000	\$ 84,068,000	\$ 86,597,000	\$ 89,250,000

Assumptions for years after 2023, reflected on base cost estimates for 2022-23:

¹ Assumptions include:

- Annual increase of 3%.
- 5% increase in medical insurance each year
- Increase of 0.75% of the Retirement rate per year after 2022-23.

² Increase in most operating costs of 2.5% each year.

³ Estimated cost of routine replacement of miscellaneous non-vehicular capital equipment.

⁴ General Fund contribution for Capital Improvements Program.

GENERAL FUND

ANALYSIS OF REVENUE AND COST PROJECTIONS 2022/2023 - 2027/2028

	2022-23 Adopted	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated	2027-28 Estimated
Estimated Total Costs	\$ 76,689,000	\$ 79,182,000	\$ 81,566,000	\$ 84,068,000	\$ 86,597,000	\$ 89,250,000
Estimated Total Revenues	74,026,000	75,753,842	77,506,842	79,332,842	81,213,842	83,173,842
Revenues Needed	2,663,000	3,428,158	4,059,158	4,735,158	5,383,158	6,076,158
Fund Balance Available	-	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
One-time use of Fund Balance	2,663,000	-	-	-	-	-
Additional Revenue Needed/ (Available)	\$ -	\$ 428,158	\$ 1,059,158	\$ 1,735,158	\$ 2,383,158	\$ 3,076,158
Change in Tax Rate in cents in Specific Years*	-	0.5	0.7	0.7	0.7	0.7

*Value of a cent = \$940,000

TRANSIT FUND
REVENUE PROJECTIONS
2022/2023 - 2027/2028

	2022-23 Adopted	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated	2027-28 Estimated
Taxes ¹	\$ 5,957,000	\$ 6,057,000	\$ 6,167,000	\$ 6,277,000	\$ 6,387,000	\$ 6,507,000
Vehicle Taxes ²	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 ³	7,300,000	7,300,000	7,300,000	7,300,000	7,300,000	7,300,000
UNC Contract (Net) ⁴	10,266,042	10,420,000	10,576,000	10,735,000	10,896,000	11,059,000
Carrboro Contract (Net) ⁴	2,196,177	2,229,000	2,262,000	2,296,000	2,330,000	2,365,000
Service Charges ⁵	1,007,687	1,028,000	1,049,000	1,070,000	1,091,000	1,113,000
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	-	-	-	-	-	-
TOTAL	\$ 31,454,363	\$ 31,804,000	\$ 32,167,000	\$ 32,535,000	\$ 32,905,000	\$ 33,289,000

Revenue Notes:

¹ Based on the adopted tax rate of 5.4 cents through 2026-27.

² Assumes continuing levy of \$15 vehicle tax for Transit

³ Assumes continuing level of State and Federal Operating Assistance.

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

⁵ 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
2022/2023 - 2027/2028

	2022-23 Adopted	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated	2027-28 Estimated
Personnel Services ¹	\$ 17,660,463	\$ 18,290,000	\$ 18,877,000	\$ 19,484,000	\$ 20,113,000	\$ 20,764,000
Operations ²	13,793,900	14,186,000	14,591,000	15,008,000	15,438,000	15,881,000
Capital Reserve Fund ³	-	-	-	-	-	-
TOTAL	\$ 31,454,363	\$ 32,476,000	\$ 33,468,000	\$ 34,492,000	\$ 35,551,000	\$ 36,645,000

Assumptions for years after 2022-23

¹ Assumptions include:

- Annual increase of 3%.
- 5% increase in medical insurance each year
- Increase of 0.75% of the Retirement rate per year after 2022-23.

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

³ 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
2022/2023 - 2027/2028***

	2022-23 Adopted	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated	2027-28 Estimated
Estimated Costs	\$ 31,454,363	\$ 32,476,000	\$33,468,000	\$ 34,492,000	\$ 35,551,000	\$ 36,645,000
Estimated Revenues	31,454,363	31,804,000	32,167,000	32,535,000	32,905,000	33,289,000
Revenue Needed/(Excess)	-	672,000	1,301,000	1,957,000	2,646,000	3,356,000
Additional Revenue Needed	\$ -	\$ 672,000	\$ 1,301,000	\$ 1,957,000	\$ 2,646,000	\$ 3,356,000
Change in Tax Rate in Specific Years	0.8	0.7	(0.3)	0.2	0.2	0.3

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.
-

DEBT SERVICE FUND
PROJECTED TAX BASE AND OTHER REVENUES
2022/2023 - 2027/2028

Category	2022-23 Adopted	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated	2027-28 Estimated
Assessed Valuation (Real & Personal Property)	\$ 9,620,619,000	\$ 9,793,790,000	\$ 9,970,080,000	\$ 10,149,540,000	\$ 10,332,230,000	\$ 10,518,210,000
Tax Levy - Debt Service Fund Only*	8,466,000	8,619,000	8,774,000	8,932,000	9,092,000	9,256,000
Estimated Collections at 99%	8,430,000	8,580,000	8,740,000	8,890,000	9,050,000	9,220,000
Estimated Prior Year Collections	13,000	13,000	13,000	13,000	13,000	13,000
TOTAL TAXES	\$ 8,443,000	\$ 8,593,000	\$ 8,753,000	\$ 8,903,000	\$ 9,063,000	\$ 9,233,000
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
TOTAL REVENUES	\$ 9,815,000	\$ 12,421,000	\$ 12,616,000	\$ 12,479,000	\$ 12,565,000	\$ 12,717,000

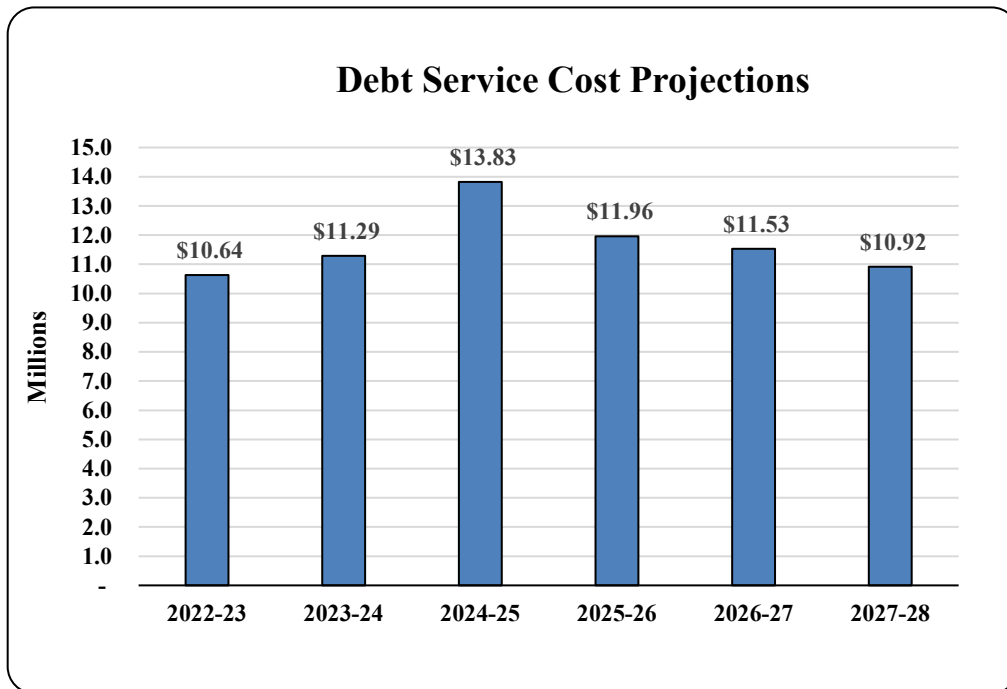
* Based on a continued tax rate of \$8.8 cents for the Debt Fund through 2027-28, with estimated growth as follows

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

DEBT SERVICE FUND PROJECTED COSTS 2022/2023 - 2027/2028

	2022-23 Adopted	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated	2027-28 Estimated
Existing Debt*	\$ 10,636,000	\$ 10,121,000	\$ 9,628,000	\$ 7,859,000	\$ 7,519,000	\$ 6,998,000
Future Issuance*	-	1,165,000	4,199,000	4,105,000	4,011,000	3,917,000
TOTALS	\$ 10,636,000	\$ 11,286,000	\$ 13,827,000	\$ 11,964,000	\$ 11,530,000	\$ 10,915,000

* Existing debt includes East Rosemary Parking Deck (issued August 2021) 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.



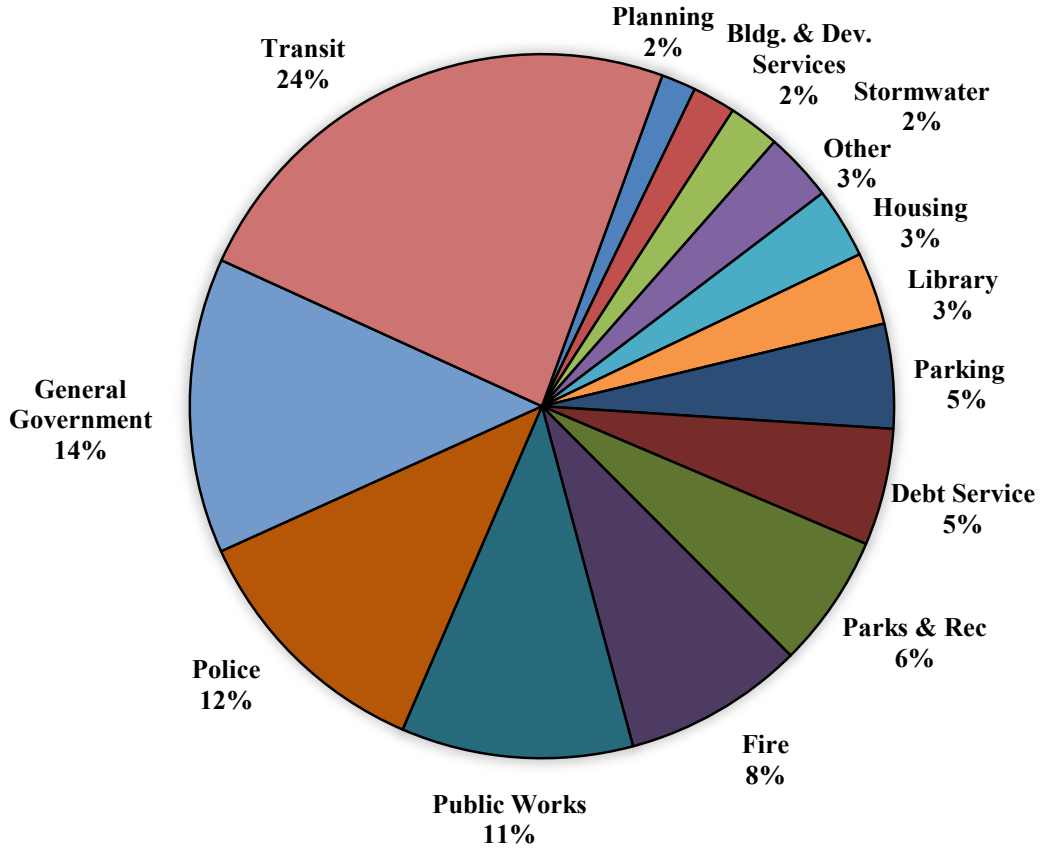
DEBT SERVICE FUND
ANALYSIS OF REVENUE AND COST PROJECTIONS
2022/2023 - 2027/2028

	2022-23 Adopted	2023-24 Estimated	2024-25 Estimated	2025-26 Estimated	2026-27 Estimated	2027-28 Estimated
Estimated Total Costs	\$ 7,350,000	\$ 12,817,000	\$ 12,279,000	\$ 10,476,000	\$ 10,100,000	\$ 9,594,000
Estimated Total Revenues	9,665,000	12,261,000	12,456,000	12,319,000	12,405,000	12,547,000
Revenue (Needed)/Available	2,315,000	(556,000)	177,000	1,843,000	2,305,000	2,953,000
Fund Balance Available	-	755,000	1,122,000	527,000	110,000	1,809,000
Reserved for future debt	2,315,000	-	177,000	1,843,000	2,305,000	2,953,000
Additional Revenue (Needed)/Available	-	199,000	-	-	-	-
Change in Tax Rate in Specific Years*	0.0	(0.2)	0.2	0.0	0.0	0.0

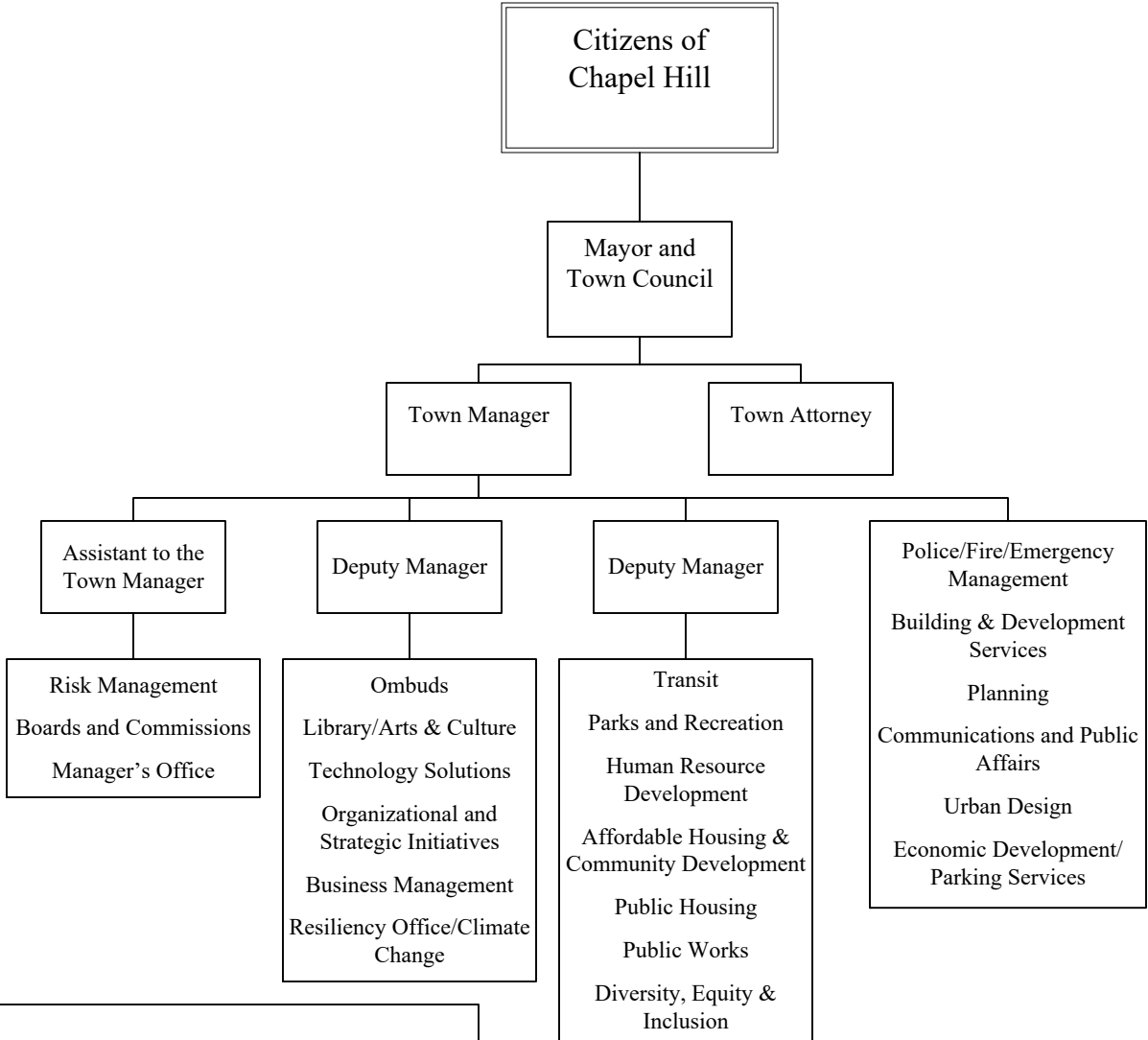
Value of a cent = \$940,000

ALL FUNDS SUMMARY

**TOTAL BUDGET EXPENDITURES \$129,380,002
(NET OF TRANSFERS)**



TOWN OF CHAPEL HILL ORGANIZATION CHART



- Boards and Commissions:**
- Board of Adjustment
 - Chapel Hill Downtown Partnership
 - Chapel Hill Library Advisory Commission
 - Community Design Commission
 - Community Policing Advisory Committee
 - Cultural Arts Commission
 - Environmental Stewardship Advisory Board
 - Grievance Hearing Board
 - Historic District Commission
 - Housing Advisory Board
 - Human Services Advisory Board
 - Justice in Action Committee
 - Orange Water and Sewer Authority Board of Directors
 - Parks, Greenways, and Recreation Commission
 - Planning Commission
 - Stormwater Management Utility Advisory Board
 - Transportation and Connectivity Advisory Board

***ALL FUNDS
SUMMARY OF APPROPRIATIONS
Adopted Budget 2022-23***

Fund	Appropriations	Less Transfers to Other Funds	Net Appropriations
General Fund	\$ 76,689,000	\$ 2,542,622	\$ 74,146,378
Transit Funds			
Transit	31,454,363	-	31,454,363
Transit Capital Reserve Fund	-	-	-
Stormwater Management Fund	3,010,000	-	3,010,000
Parking Funds			
Off-Street Parking Fund	6,130,626	-	6,130,626
On-Street Parking Fund	-	-	-
Housing Funds			
Public Housing Fund	2,416,924	-	2,416,924
Debt Service Fund	9,570,927	2,710,026	6,860,901
Capital Projects			
Capital Improvements Fund	741,241	-	741,241
Other Funds			
Affordable Housing Reserve Fund	688,395	-	688,395
Climate Action Fund	550,000	-	550,000
Grants Fund	493,903	-	493,903
Downtown Service District Fund	574,897	-	574,897
Library Gift Fund	181,759	45,000	136,759
Vehicle Replacement Fund	355,000	-	355,000
Vehicle Maintenance Fund	1,646,640	-	1,646,640
Computer Replacement Fund	173,975	-	173,975
TOTAL	\$ 134,677,650	\$ 5,297,648	\$ 129,380,002

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 FY23 Adopted Budget is based.

2022-23 STAFFING BY DEPARTMENT IN FULL-TIME EQUIVALENTS

<i>DEPARTMENTS</i>	2020-21 ADOPTED	2021-22 ADOPTED	2022-23 ADOPTED
Mayor	1.00	1.00	1.00
Manager	11.00	12.00	16.00
Communications & Public Affairs	7.53	7.53	7.53
Human Resource Development	10.00	10.00	10.00
Business Management	18.00	18.00	19.00
Technology Solutions	16.00	16.00	16.00
Attorney	2.00	3.00	3.00
Planning	15.65	15.65	16.65
Public Works ¹	91.20	91.20	91.20
Building & Development Services ²	22.00	22.00	22.00
Police	133.00	119.00	119.00
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	205.66	205.66
Stormwater	15.05	15.05	15.05
Parking	9.80	9.80	9.80
Affordable Housing and Community Connections	23.20	23.20	23.20
Downtown Service District	1.00	1.00	1.00
Vehicle Maintenance	7.75	7.75	7.75
Total FTEs	771.93	762.30	768.30

¹ Three employees housed in Public Works also work in Stormwater. They have been split-coded to reflect time spent in each department.

² Building & Development Services was housed in the Police Department until FY22. These staffing numbers have been broken out to reflect that change.

TAX RATES AND TAX COLLECTIONS

Adopted 2022-23

	2020-21 Actual	2021-22 Budget	2021-22 Estimated	2022-23 Adopted
Assessed Value of Real and Personal Property	\$ 8,465,215,257	\$ 9,443,202,000	\$ 9,450,510,000	\$ 9,620,619,000
Tax Rate Per \$100 Valuation				
General Fund	38.6	37.2	37.2	37.2
Transit Fund	6.0	5.4	5.4	6.2
Debt Service Fund	9.8	8.8	8.8	8.8
Total Tax Rate (cents)	54.4	51.4	51.4	52.2
Tax Levy	46,050,771	48,538,000	48,576,000	50,220,000
Estimated Collections at 99%	\$ 45,880,400	\$ 48,334,100	\$ 48,396,300	\$ 50,034,200
Distribution				
General Fund	32,558,004	34,980,000	35,030,000	35,660,000
Transit Fund	5,060,807	5,080,000	5,080,000	5,940,000
Debt Service Fund	8,263,483	8,280,000	8,290,000	8,430,000
Downtown Service District Fund				
Tax Rate (cents)	7.0	6.4	6.4	6.4
Assessed Value of Real and Personal Property	\$ 531,000,000	\$ 610,392,000	\$ 615,000,000	\$ 620,000,000
Tax Levy	372,000	391,000	394,000	397,000
1¢ of the Tax Rate Equals (to nearest 1,000)	\$ 842,000	\$ 940,000	\$ 941,000	\$ 958,000

ESTIMATED UNDESIGNATED RESERVES

ANNUALLY BUDGETED FUNDS

	Approximate Unassigned Fund Balance July 1, 2022	2022-23 Budgeted Revenues	2022-23 Budgeted Expenditures	Approximate Unassigned Fund Balance June 30, 2022
GENERAL FUND	\$ 17,139,000	\$ 74,026,000	\$ 76,689,000	\$ 14,476,000
SPECIAL REVENUE FUNDS				
Affordable Hsg Develop Reserve	-	688,000	688,000	-
Downtown Service District	130,000	3,000	575,000	(442,000)
Library Gift	130,000	178,000	182,000	126,000
Grants Fund	10,000	494,000	494,000	10,000
DEBT SERVICE FUND	11,535,000	-	6,861,000	4,674,000
CAPITAL IMPROVEMENT FUNDS				
Capital Improvements	297,000	741,000	741,000	297,000
Capital Reserve	218,000	-	-	218,000
ENTERPRISE FUNDS				
Transit	14,822,000	31,454,000	31,454,000	14,822,000
Transit Capital Reserve	2,729,000	-	-	2,729,000
Public Housing	3,867,000	2,417,000	2,417,000	3,867,000
On-Street Parking	-	-	-	-
Off-Street Parking	389,000	2,710,000	-	3,099,000
Stormwater Management	2,480,000	3,010,000	2,957,000	2,533,000
INTERNAL SERVICE FUNDS				
Vehicle Replacement	39,000	355,000	355,000	39,000
Vehicle Maintenance	11,000	1,627,000	1,647,000	(9,000)
Computer Replacement	44,000	174,000	174,000	44,000
TOTAL	\$ 53,840,000	\$ 117,877,000	\$ 125,230,000	\$ 46,483,000

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

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 2022-23 is anticipated to be about 18.9% 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 FY21 Comprehensive Annual Financial Report.

GOVERNMENTAL FUNDS

SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES

2022-23

	General Fund			Special Revenue Funds		
	20-21 Actual	21-22 Estimated	22-23 Adopted	20-21 Actual	21-22 Estimated	22-23 Adopted
Net Unreserved Assets, Beginning of Year	13,637,393	20,665,847	21,048,321	1,265,837	1,585,470	1,785,935
Financial Sources						
Property Taxes	32,783,393	35,208,500	35,828,500	370,523	395,000	398,000
Other Tax and Licenses	17,527,761	20,337,266	21,583,281	-	-	-
State-Shared Revenues	7,654,239	7,732,554	7,864,098	-	-	-
Interest on Investments	8,512	3,600	10,000	95	341	341
Other Revenues	886,225	503,272	365,000	362,004	237,000	251,000
Grants	985,730	694,102	687,997	2,100,338	950,709	386,276
Charges for Services	3,392,466	4,035,832	4,815,824	-	-	-
Licenses/Permits/Fines	3,121,575	3,046,076	2,825,910	-	-	-
Transfers/Other Sources	45,000	45,000	45,000	771,859	1,294,157	1,446,022
Appropriated Net Assets (Fund Balance)	-	-	2,663,390	-	1,292,586	7,315
Total Estimated Financial Sources	66,404,901	71,606,202	76,689,000	3,604,819	4,169,793	2,488,954
Expenditures						
Personnel	44,871,832	47,191,570	56,224,919	486,523	625,927	678,159
Operations	14,342,836	23,923,761	20,379,081	2,651,663	1,903,815	850,222
Capital	161,779	108,397	85,000	147,000	147,000	272,178
Contribution to Reserve	-	-	-	-	-	688,395
Total Budget	59,376,447	71,223,728	76,689,000	3,285,186	2,676,742	2,488,954
Financial Sources less Expenditures	7,028,454	382,474	-	319,633	1,493,051	-
Net Unreserved Assets, End of Year	20,665,847	21,048,321	18,384,931	1,585,470	1,785,935	1,778,620

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

Debt Service Fund			Capital Funds		
20-21 Actual	21-22 Estimated	22-23 Adopted	20-21 Actual	21-22 Estimated	22-23 Adopted
9,565,682	7,264,168	12,275,688	1,087,988	862,782	440,144
8,282,332	8,314,000	8,443,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,681	2,250	10,000	305	100	500
-	12,246,253	-	136,164	-	-
-	-	-	-	-	-
-	-	-	104,660	106,241	106,241
-	-	-	-	-	-
-	4,830,100	445,100	-	2,350,000	634,500
-	-	672,827	-	422,638	-
8,288,013	25,392,603	9,570,927	241,129	2,878,979	741,241
-	-	-	-	-	-
10,589,527	20,381,083	9,570,927	-	-	-
-	-	-	466,335	2,878,979	741,241
-	5,011,520	-	-	-	-
10,589,527	25,392,603	9,570,927	466,335	2,878,979	741,241
(2,301,514)	5,011,520	-	(225,206)	-	-
7,264,168	12,275,688	12,275,688	862,782	440,144	440,144

ENTERPRISE FUNDS**SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES****2022-23**

	Parking Funds			Transit Funds		
	20-21 Actual	21-22 Estimated	22-23 Adopted	20-21 Actual	21-22 Estimated	22-23 Adopted
Net Unreserved Assets, Beginning of Year	389,056	215,129	215,129	18,016,336	25,148,590	25,148,590
Financial Sources						
Property Taxes	-	-	-	5,072,837	5,097,000	5,957,000
Other Tax and Licenses	-	-	-	454,977	450,034	450,034
State-Shared Revenues	-	-	-	0	3,631,704	3,200,000
Interest on Investments	328	-	500	8,223	4,000	10,000
Other Revenues	45,897	88,580	74,500	40,000	15,000	26,500
Grants	-	-	-	8,505,621	6,897,232	4,100,000
Charges for Services	1,079,802	2,053,278	3,345,600	11,558,973	11,184,173	17,710,829
Licenses/Permits/Fines	-	-	-	-	-	-
Transfers/Other Sources	16,864	1,558,976	2,710,026	3,567,862	4,074,423	-
Appropriated Net Assets (Fund Balance)	-	-	-	-	-	-
Total Estimated Financial Sources	1,142,891	3,700,834	6,130,626	29,208,493	31,353,566	31,454,363
Expenditures						
Personnel	594,092	574,556	1,008,328	13,436,867	13,696,591	17,660,463
Operations	597,619	1,215,424	1,312,426	8,051,416	17,442,450	13,773,900
Capital	125,107	1,910,854	3,809,872	587,956	214,525	20,000
Contribution to Reserve	-	-	-	-	-	-
Total Budget	1,316,818	3,700,834	6,130,626	22,076,239	31,353,566	31,454,363
Financial Sources less Expenditures	(173,927)	-	-	7,132,254	-	-
Net Unreserved Assets, End of Year	215,129	215,129	215,129	25,148,590	25,148,590	25,148,590

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

Stormwater Management Fund			Housing Fund		
20-21 Actual	21-22 Estimated	22-23 Adopted	20-21 Actual	21-22 Estimated	22-23 Adopted
5,447,106	3,601,834	3,766,004	3,586,052	3,729,145	4,144,010
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,317	2,000	2,000	666	1,715	1,715
42,614	7,700	8,000	48,354	114,322	400
-	-	-	1,158,865	1,274,426	1,274,426
3,043,301	2,983,872	2,983,000	955,697	1,062,060	1,062,060
-	-	-	-	-	-
9,128	16,128	17,000	-	-	-
-	-	-	-	-	78,323
3,097,360	3,009,700	3,010,000	2,163,582	2,452,523	2,416,924
1,317,360	1,328,748	1,559,631	1,071,159	960,115	1,444,995
847,531	1,142,226	1,316,868	949,330	1,077,543	971,929
2,777,741	374,556	80,400	-	-	-
-	164,170	53,101	-	414,865	-
4,942,632	3,009,700	3,010,000	2,020,489	2,452,523	2,416,924
(1,845,272)	164,170	-	143,093	-	-
3,601,834	3,766,004	3,819,105	3,729,145	4,144,010	4,144,010

INTERNAL SERVICE FUNDS
SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES
2022-23

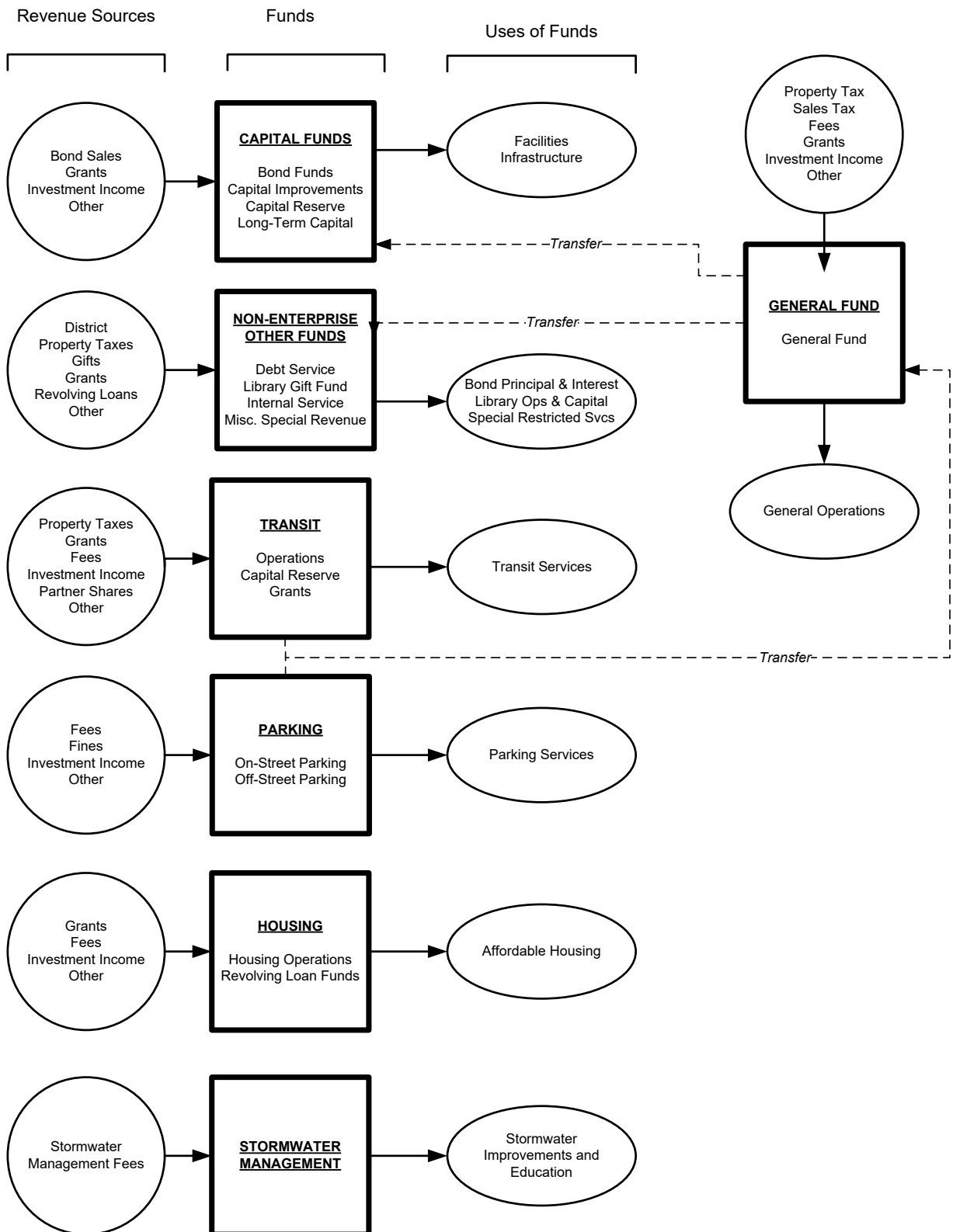
	Internal Service		
	20-21 Actual	21-22 Estimated	22-23 Adopted
Net Unreserved Assets, Beginning of Year	399,128	130,924	15,904
Financial Sources			
Property Taxes	-	-	-
Other Tax and Licenses	-	-	-
State-Shared Revenues	-	-	-
Interest on Investments	292	-	-
Other Revenues	69,149	18,000	18,000
Grants	-	-	-
Charges for Services	1,484,296	2,066,710	2,138,075
Licenses/Permits/Fines	-	-	-
Transfers/Other Sources	-	900,000	-
Appropriated Net Assets (Fund Balance)	-	115,020	19,540
Total Estimated Financial Sources	1,553,737	3,099,730	2,175,615
Expenditures			
Personnel	663,266	641,935	743,255
Operations	1,011,835	1,183,729	1,077,360
Capital	146,840	1,274,066	355,000
Contribution to Reserve	-	-	-
Total Budget	1,821,941	3,099,730	2,175,615
Financial Sources less Expenditures	(268,204)	-	-
Net Unreserved Assets, End of Year	130,924	15,904	(3,636)

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

Annual Funds - Combined Totals

20-21 Actual	21-22 Estimated	22-23 Adopted
53,394,578	63,203,889	68,839,725
46,509,085	49,014,500	50,626,500
17,982,738	20,787,300	22,033,315
7,654,239	11,364,258	11,064,098
26,419	14,006	35,056
1,630,407	13,230,127	743,400
12,750,554	9,816,469	6,448,699
21,619,195	23,492,166	32,161,629
3,121,575	3,046,076	2,825,910
4,410,713	15,068,784	5,297,648
-	-	-
-	1,830,244	3,441,395
115,704,925	147,663,930	134,677,650
62,441,099	65,019,442	79,319,750
39,041,757	68,270,031	49,252,713
4,412,758	6,908,377	5,363,691
-	5,590,555	741,496
105,895,614	145,788,405	134,677,650
9,809,311	1,875,525	-
63,203,889	65,079,414	66,139,826

TOWN OF CHAPEL HILL FLOW OF FUNDS



SUMMARY OF ANNUAL FUND GROUPS

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

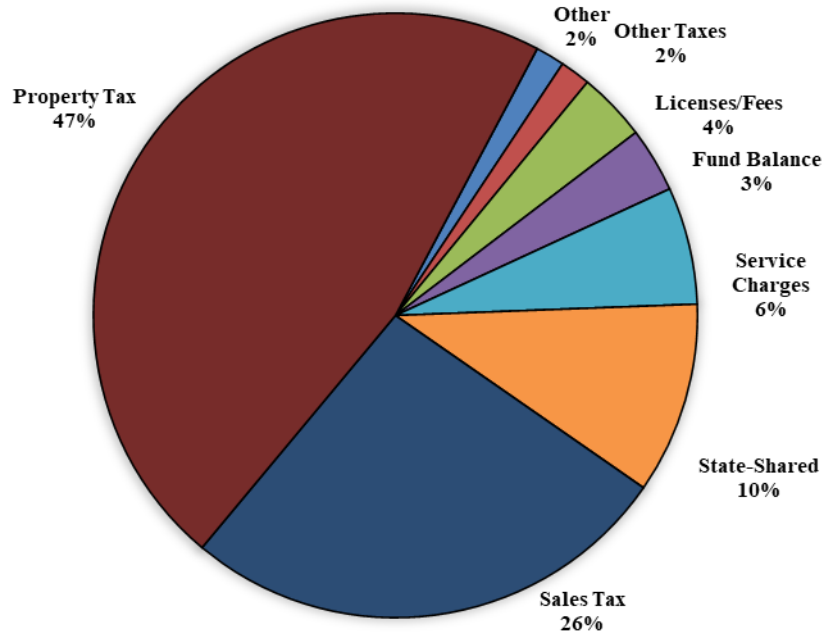
Vehicle Maintenance Fund
 Vehicle Replacement Fund
 Computer Replacement Fund

INTERFUND TRANSFERS								
Adopted 2022-23								
Transfers to:	Transfers From:							
	General Fund	Transit	Off-Street Parking	On-Street Parking	Transit Capital Reserve	Debt Service Fund	Library Gift Fund	Net Transfers
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ 45,000
Transit Fund	-	-	-	-	-	-	-	-
Parking Fund	-	-	-	-	-	2,710,026	-	2,710,026
Transit Capital Grants	-	-	-	-	-	-	-	-
Affordable Housing Reserve	688,395	-	-	-	-	-	-	688,395
Climate Action Fund	550,000	-	-	-	-	-	-	550,000
Downtown Service District	100,000	-	-	-	-	-	-	100,000
Stormwater Management	17,000	-	-	-	-	-	-	17,000
Debt Service Fund	445,100	-	-	-	-	-	-	445,100
CIP Fund	634,500	-	-	-	-	-	-	634,500
Grants Fund	107,627	-	-	-	-	-	-	107,627
Net Transfers	\$ 2,542,622	\$ -	\$ -	\$ -	\$ -	\$ 2,710,026	\$ 45,000	\$ 5,297,648

GENERAL FUND

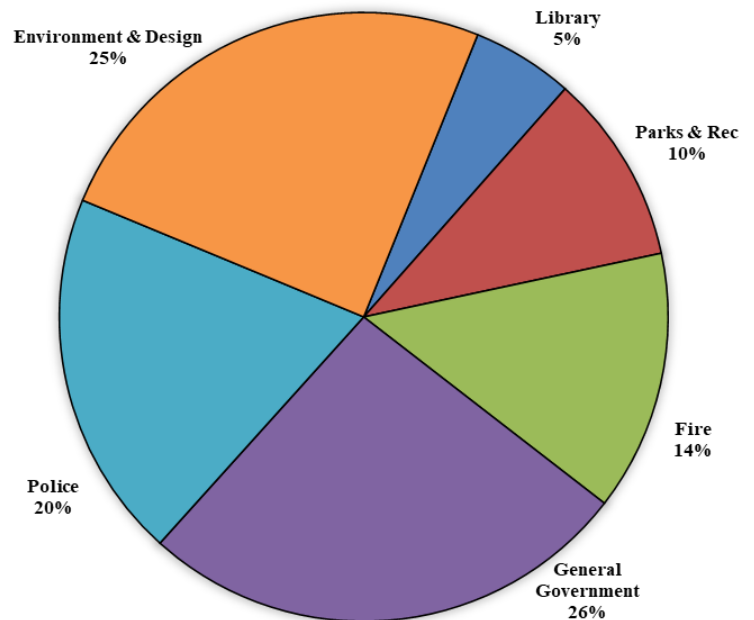
The General Fund is the general operating fund of the Town and is used to account for all revenues and expenditures except those required to be accounted for in another fund. The fund is established at the inception of a government and exists throughout the government's life.

General Fund Revenues



Total \$76,689,000

General Fund Expenditures



**GENERAL FUND
BUDGET SUMMARY**

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Government	\$ 13,311,609	\$ 18,473,780	\$ 22,619,941	\$ 20,229,318	\$ 20,086,773	8.7%
Environment & Development	15,382,205	17,931,425	19,822,582	17,893,599	19,054,575	6.3%
Public Safety	21,414,836	23,351,115	23,701,965	23,051,450	25,640,864	9.8%
Leisure	9,267,797	11,263,680	11,395,390	10,049,361	11,906,788	5.7%
Total	\$ 59,376,447	\$ 71,020,000	\$ 77,539,878	\$ 71,223,728	\$ 76,689,000	8.0%

REVENUES

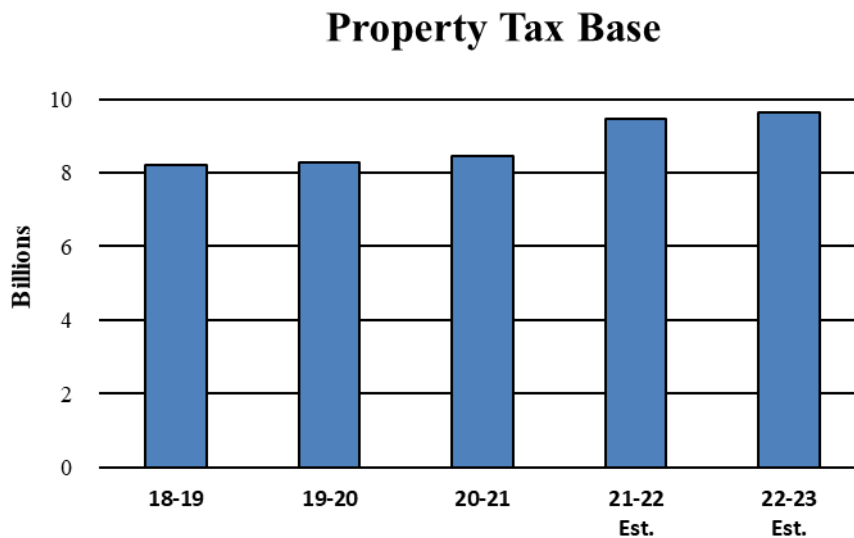
	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Revenues:						
Property Taxes	\$ 32,783,393	\$ 35,147,500	\$ 35,147,500	\$ 35,208,500	\$ 35,828,500	1.9%
Sales Taxes	16,844,132	16,560,488	16,560,488	19,100,266	20,246,281	22.3%
Occupancy Tax	608,599	750,000	750,000	1,150,000	1,250,000	66.7%
Other Tax and Licenses	75,030	78,500	78,500	87,000	87,000	10.8%
State-Shared Revenues	7,654,239	7,717,442	7,717,442	7,732,554	7,864,098	1.9%
Interest on Investments	8,512	25,000	25,000	3,600	10,000	-60.0%
Other Revenues	886,225	397,900	453,764	503,272	365,000	-8.3%
Grants	985,730	681,997	687,997	694,102	687,997	0.9%
Charges for Services	3,392,466	4,305,852	4,305,852	4,035,832	4,815,824	11.8%
Licenses/Permits/Fines	3,121,575	2,800,100	2,800,100	3,046,076	2,825,910	0.9%
Transfers/Other Sources	45,000	45,000	45,000	45,000	45,000	0.0%
Appropriated Fund Balance	(7,028,454)	2,510,221	8,968,235	(382,474)	2,663,390	6.1%
Total	\$ 59,376,447	\$ 71,020,000	\$ 77,539,878	\$ 71,223,728	\$ 76,689,000	8.0%

GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

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 2022-23 is estimated to be \$9,620,619,000 with 1 cent on the tax rate equivalent to about \$958,000.



The combined property tax revenue we anticipate for 2022-23 totals about \$49.3 million, with \$35.66 million of that supporting the General Fund.

Other Local Taxes

Revenue from the 3 percent Hotel/Motel occupancy tax is expected to total \$1,150,000 in the current year and \$1,250,000 in 2022-23. 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.

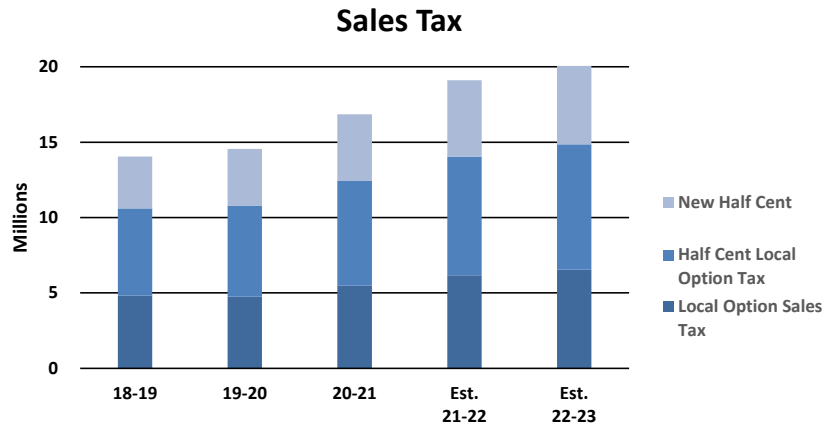
GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

State-Collected Revenues

Sales Taxes

Sales tax revenue is expected to come insignificantly over budget in 2021-22. Based on the uncertainty surrounding the pandemic, a slight increase of 2.5% was budgeted for FY22. However, sales tax receipts



are at a 11% 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 6% in sales taxes for FY23. We estimate combined sales taxes of about \$19,100,266 for 2021-22. 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 \$1,644,298 in 2021-22, about \$214,000 more than last year. For 2022-23, we anticipate revenues will increase for FY23 at around \$1,776,000 due to an increase at the state level.

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 2022-23.

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 \$4,000,000 in the current year in utility sales taxes. We anticipate that revenues will hold the line in 2022-23.

GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

Solid Waste Disposal Tax

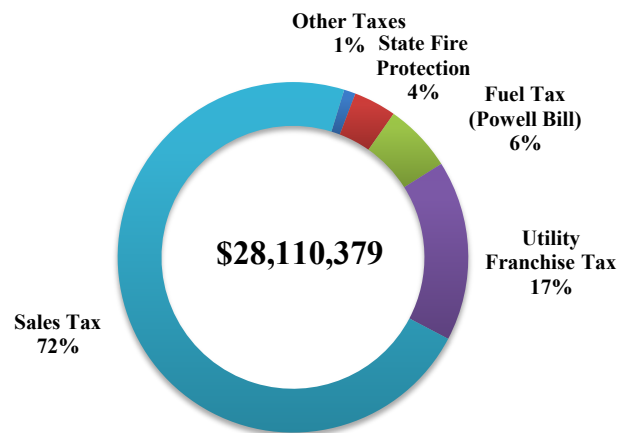
The Solid Waste Disposal Tax went into effect on July 1, 2008. This \$2 per-ton tax is charged on municipal solid waste and construction debris that is deposited in a landfill in the state or transferred at a transfer station for disposal outside of the state. 18.75% of this tax is distributed to cities and towns on a per capita basis. We anticipate receiving around \$42,000 for the current year and \$42,000 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 \$28,110,379 for next year.

State Collected Revenues



Other Revenue Sources

Grants

This category of revenue includes certain recurring local and State grants totaling about \$687,997 for 2022-23. 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 budget for 2022-23 includes level funding from the County at \$83,760 for the Parks and Recreation supplement. The 2022-23 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 under budget in the current year by about \$270,000. This is largely because of closures and cancellations of Parks and Recreation activities for a portion of the fiscal year due to COVID-19. Charges for services are expected to increase from a budgeted amount of \$4,305,852 in 2021-22 to \$4,746,384 for 2022-23 due to projected activity.

GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

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 2022-23, these include \$91,198 from Parking Enterprise Funds, \$139,156 from the Stormwater Management Fund, and \$1,542,984 from the Transit Enterprise Fund.

Licenses/Permits/Fines & Forfeitures

Revenue from licenses, permits, and fines, are expected to come in over the current year's budget by about \$245,000 mainly due to larger than anticipated revenues from special use planning permits. Total licenses and permits are expected to decrease from about \$3 million in 2021-22 to \$2.79 million in 2022-23.

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 \$25,000 and generate about \$10,000 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 \$1,055,000 for 2021-22 and \$364,100 for 2022-23.

Transfers

Transfers include a transfer of \$45,000 for 2022-23 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 \$9 million of fund balance in 2021-22, 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 \$2,663,390 in 2022-23 to maintain service levels.

GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

Summary of Revenues

In summary, the annual budget includes \$76.69 million in General Fund revenues, including the use of \$2,663,390 of fund balance.

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

	21-22 Revised Budget	21-22 Estimated	22-23 Adopted Budget
Property Taxes	\$ 35,147,500	\$ 35,208,500	\$ 35,828,500
Sales Taxes	16,560,488	19,100,266	20,246,281
Occupancy Tax	750,000	1,150,000	1,250,000
Other State-Collected	78,500	87,000	87,000
Other Revenues	8,196,206	8,239,426	8,239,098
Grants	687,997	694,102	687,997
Licenses/Permits	2,800,100	3,046,076	2,825,910
Service Charges	4,305,852	4,035,832	4,815,824
Interfund Transfers	45,000	45,000	45,000
Fund Balance	<u>8,968,235</u>	<u>(382,474)</u>	<u>2,663,390</u>
Total	\$ 77,539,878	\$ 71,223,728	\$ 76,689,000

GENERAL FUND

Major Expenditures - Descriptions and Estimates

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 \$76,689,000 for the 2022-23 budget.

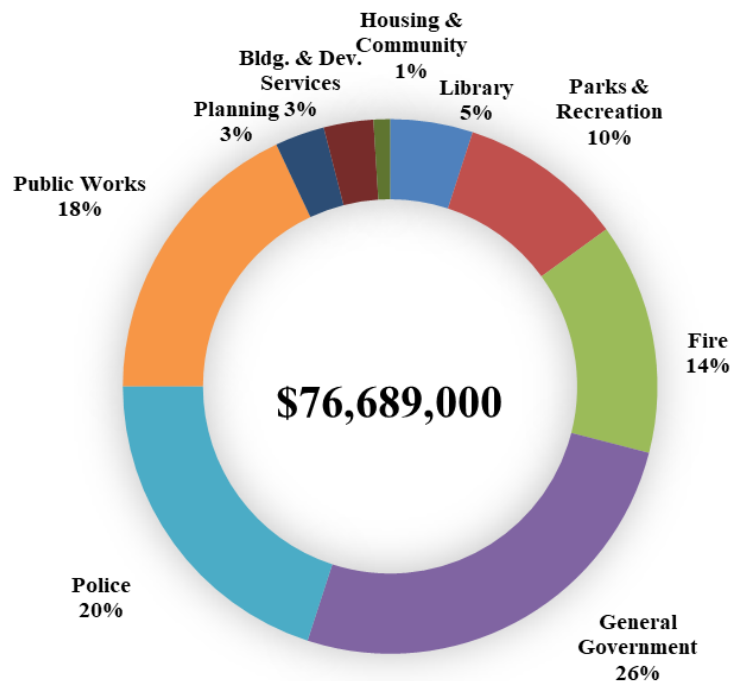
The largest category of expenditures for the General Fund is Public Safety services, with Police Department expenditures of about \$15 million and Fire Department expenditures of about \$10.6 million.

Environment and Development comprises about \$19.1 million, including Planning, Affordable Housing & Community Connections, Building & Development Services, 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 51% of total General Fund expenditures.

Other General Fund services include Parks and Recreation programs totaling about \$7.8 million, Library services of \$4.1 million, and General Governmental activities (Administration, Communications & Public Affairs, Business Management, Human Resources, and Attorney) totaling about \$11.8 million.

Non-departmental expenditures total \$8.3 million. \$1,732,193 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 2022-23 budget includes changes to medical insurance rates. The adopted budget includes a 2% increase in rates for active employees and under-65 retirees, or about a \$92,000 increase. The Town’s contribution to employee retirement increased by about \$252,000, which reflects a 0.7% increase to the contribution over the prior year. The 2022-23 budget absorbs the annualized cost of Phase 1 of the comprehensive pay study (\$2,281,587). Other personnel increases to the budget include a 4/5% of market rate tiered salary adjustment starting July 1, 2022 (\$1,910,044) as well as 4 new positions, an Economic Development Administrative Coordinator, a Grants Administrator, a Planning Technician, and a Diversity, Equity, and Inclusion Project Manager. These 4 positions total \$355,540. The adopted budget also includes \$200,000 towards the implementation of Phase 2 of the comprehensive pay study.

The 2022-23 budget includes increased funding for vehicle replacement (\$95,600) and a set aside for cost of services increases (\$200,000). The adopted budget includes and increase of \$27,325 for Human Services, \$20,000 for Cultural Arts, and \$80,000 towards Affordable Housing/Homelessness Initiatives. The budget also includes funding for parks maintenance (\$50,000), Vision Zero (\$50,000), and Bike/Pedestrian improvements (\$75,000). There is also an additional \$98,000 in the adopted budget for cybersecurity.

Additional increases to the FY23 budget include \$80,000 towards the Climate Action Plan, bringing the total commitment to \$550,000, and \$100,000 for Downtown initiatives.

The 2022-23 adopted budget continues to fund retiree medical costs on a pay-as-you-go basis (\$1,615,000) and contributes \$250,000 towards the post-employment benefit (OPEB) liability.

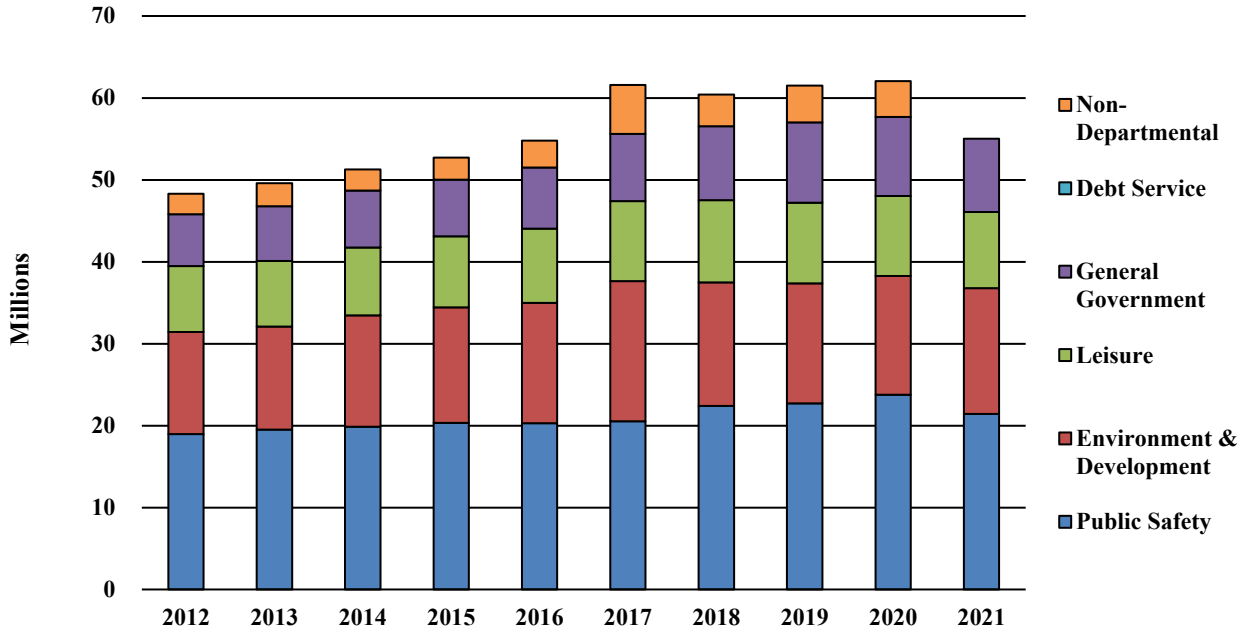
The table below shows expenditure levels for General Fund personnel, operating costs and capital outlay.

EXPENDITURES						
	2020-21	2021-22	2021-22	2021-22	2022-23	% Change
	Actual	Original	Revised	Estimated	Adopted	from
		Budget	Budget		Budget	2021-22
Personnel	\$ 44,871,832	\$ 51,793,274	\$ 51,925,337	\$ 47,191,570	\$ 56,224,919	8.6%
Operating Costs	14,342,836	19,141,726	25,502,185	23,923,761	20,379,081	6.5%
Capital Outlay	161,779	85,000	112,356	108,397	85,000	0.0%
Total	\$ 59,376,447	\$ 71,020,000	\$ 77,539,878	\$ 71,223,728	\$ 76,689,000	8.0%

GENERAL FUND

Major Expenditures - Descriptions and Estimates

10-Year Expenditure Trends



**GENERAL FUND
EXPENDITURES BY DEPARTMENT**

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Government						
Mayor/Council	\$ 347,841	\$ 492,520	\$ 492,520	\$ 472,342	\$ 498,793	1.3%
Town Manager	1,873,282	2,166,624	2,219,124	2,110,736	2,482,115	14.6%
Communications & Public Affairs	669,066	979,154	1,055,154	932,498	1,051,359	7.4%
Human Resource Dev't	1,469,705	1,766,539	2,009,707	1,828,672	1,809,332	2.4%
Business Management	1,913,979	2,419,766	2,595,541	2,200,189	2,685,370	11.0%
Technology Solutions	2,273,223	2,456,616	2,547,572	2,366,436	2,691,695	9.6%
Town Attorney	396,602	577,687	577,687	414,686	598,125	3.5%
Non-Departmental	4,367,911	7,614,874	11,122,636	9,903,759	8,269,984	8.6%
Subtotal	\$ 13,311,609	\$ 18,473,780	\$ 22,619,941	\$ 20,229,318	\$ 20,086,773	8.7%
Environment & Development						
Planning	\$ 1,410,773	\$ 1,865,219	\$ 2,413,422	\$ 1,987,775	\$ 2,027,957	8.7%
Affordable Housing and Community Connections	763,516	843,694	1,293,694	1,188,707	954,730	13.2%
Public Works	11,292,686	12,797,644	13,596,800	12,683,973	13,578,637	6.1%
Building & Development Services	1,915,230	2,424,868	2,518,666	2,033,144	2,493,251	2.8%
Subtotal	\$ 15,382,205	\$ 17,931,425	\$ 19,822,582	\$ 17,893,599	\$ 19,054,575	6.3%
Public Safety						
Police	\$ 12,326,745	\$ 13,346,550	\$ 13,498,479	\$ 13,102,311	\$ 15,024,867	12.6%
Fire	9,088,091	10,004,565	10,203,486	9,949,139	10,615,997	6.1%
Subtotal	\$ 21,414,836	\$ 23,351,115	\$ 23,701,965	\$ 23,051,450	\$ 25,640,864	9.8%
Leisure						
Parks and Recreation	\$ 5,794,064	\$ 7,374,790	\$ 7,510,326	\$ 6,348,009	\$ 7,763,651	5.3%
Library	3,473,733	3,888,890	3,885,064	3,701,352	4,143,137	6.5%
Subtotal	\$ 9,267,797	\$ 11,263,680	\$ 11,395,390	\$ 10,049,361	\$ 11,906,788	5.7%
General Fund Total	\$ 59,376,447	\$ 71,020,000	\$ 77,539,878	\$ 71,223,728	\$ 76,689,000	8.0%

**GENERAL GOVERNMENT
BUDGET SUMMARY**

This section includes management, human resources, finance, information technology and legal functions to support all Town departments, as well as budget for non-departmental expenses.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Mayor/Council	\$ 347,841	\$ 492,520	\$ 492,520	\$ 472,342	\$ 498,793	1.3%
Town Manager	1,873,282	2,166,624	2,219,124	2,110,736	2,482,115	14.6%
Communications & Public Affairs	669,066	979,154	1,055,154	932,498	1,051,359	7.4%
Human Resources	1,469,705	1,766,539	2,009,707	1,828,672	1,809,332	2.4%
Business Management	1,913,979	2,419,766	2,595,541	2,200,189	2,685,370	11.0%
Technology Solutions	2,273,223	2,456,616	2,547,572	2,366,436	2,691,695	9.6%
Town Attorney	396,602	577,687	577,687	414,686	598,125	3.5%
Non-Departmental	4,367,911	7,614,874	11,122,636	9,903,759	8,269,984	8.6%
Total	\$ 13,311,609	\$ 18,473,780	\$ 22,619,941	\$ 20,229,318	\$ 20,086,773	8.7%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Revenues	\$ 13,311,609	\$ 18,473,780	\$ 22,619,941	\$ 20,229,318	\$ 20,086,773	8.7%
Total	\$ 13,311,609	\$ 18,473,780	\$ 22,619,941	\$ 20,229,318	\$ 20,086,773	8.7%

MAYOR/COUNCIL

MISSION STATEMENT:

The primary mission of the Town Council, as the governing body of the Town, is to adopt and provide for the execution of ordinances, rules and regulations as may be necessary or appropriate to protect health, life or property, or to promote the comfort, convenience, security, good order, better government, or the general welfare of the Town and its citizens.

The Mayor and eight Council Members constitute the governing body of the Town. In accordance with the Town's Charter, the voters elect a Mayor every two years. Council Members are elected to four-year, staggered terms on an at-large basis. The Mayor chairs Town Council meetings and represents the Town in various intergovernmental matters.

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

- Amendment of previously adopted policies from time to time through changes in the Town Code of Ordinances and the Development Ordinance, and by revision of policies and documents such as the Comprehensive Plan and transportation plans.
- Appointment of advisory boards, commissions, task forces and committees, including appointment of five of the nine members of the Orange Water and Sewer Authority Board of Directors, a separate entity from the Town, created pursuant to State law.
- Appointment of the Town Manager and Town Attorney.
- Establishment of agreements with other governments, such as the Joint Planning Agreement with Orange County and the Town of Carrboro.

MAYOR
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2020-21 ADOPTED	2021-22 ADOPTED	2022-23 ADOPTED
Mayoral Aide	1.00	1.00	1.00
Mayor's Office Totals	1.00	1.00	1.00

MAYOR

BUDGET SUMMARY

The adopted budget for the Mayor's Office reflects a 5.8% increase from the 2021-22 budget. The 6.5% increase in personnel costs reflects a 0.75% retirement increase, a 2% increase in health insurance costs, and a salary increase. The 2.6% increase in operating costs reflects a small increase in funds allocated to business meetings & trainings and computer replacements.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 85,217	\$ 91,795	\$ 91,945	\$ 86,929	\$ 97,774	6.5%
Operating Costs	10,064	19,504	16,354	13,107	20,019	2.6%
Total	\$ 95,281	\$ 111,299	\$ 108,299	\$ 100,036	\$ 117,793	5.8%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Revenues	\$ 95,281	\$ 111,299	\$ 108,299	\$ 100,036	\$ 117,793	5.8%
Total	\$ 95,281	\$ 111,299	\$ 108,299	\$ 100,036	\$ 117,793	5.8%

COUNCIL

BUDGET SUMMARY

The adopted budget for the Town Council reflects a decrease of 0.1% from the 2021-22 budget, primarily due to an decrease in operating expenses because FY22-23 is not an election year, resulting in a \$51,977 decrease. Personnel expenses increased 25.9% due to a Council salary increase and adding some Council members to the health plan.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 154,318	\$ 199,730	\$ 200,230	\$ 190,797	\$ 251,468	25.9%
Operating Costs	98,242	181,491	183,991	181,509	129,532	-28.6%
Total	\$ 252,560	\$ 381,221	\$ 384,221	\$ 372,306	\$ 381,000	-0.1%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Revenues	\$ 252,560	\$ 381,221	\$ 384,221	\$ 372,306	\$ 381,000	-0.1%
Total	\$ 252,560	\$ 381,221	\$ 384,221	\$ 372,306	\$ 381,000	-0.1%

TOWN MANAGER

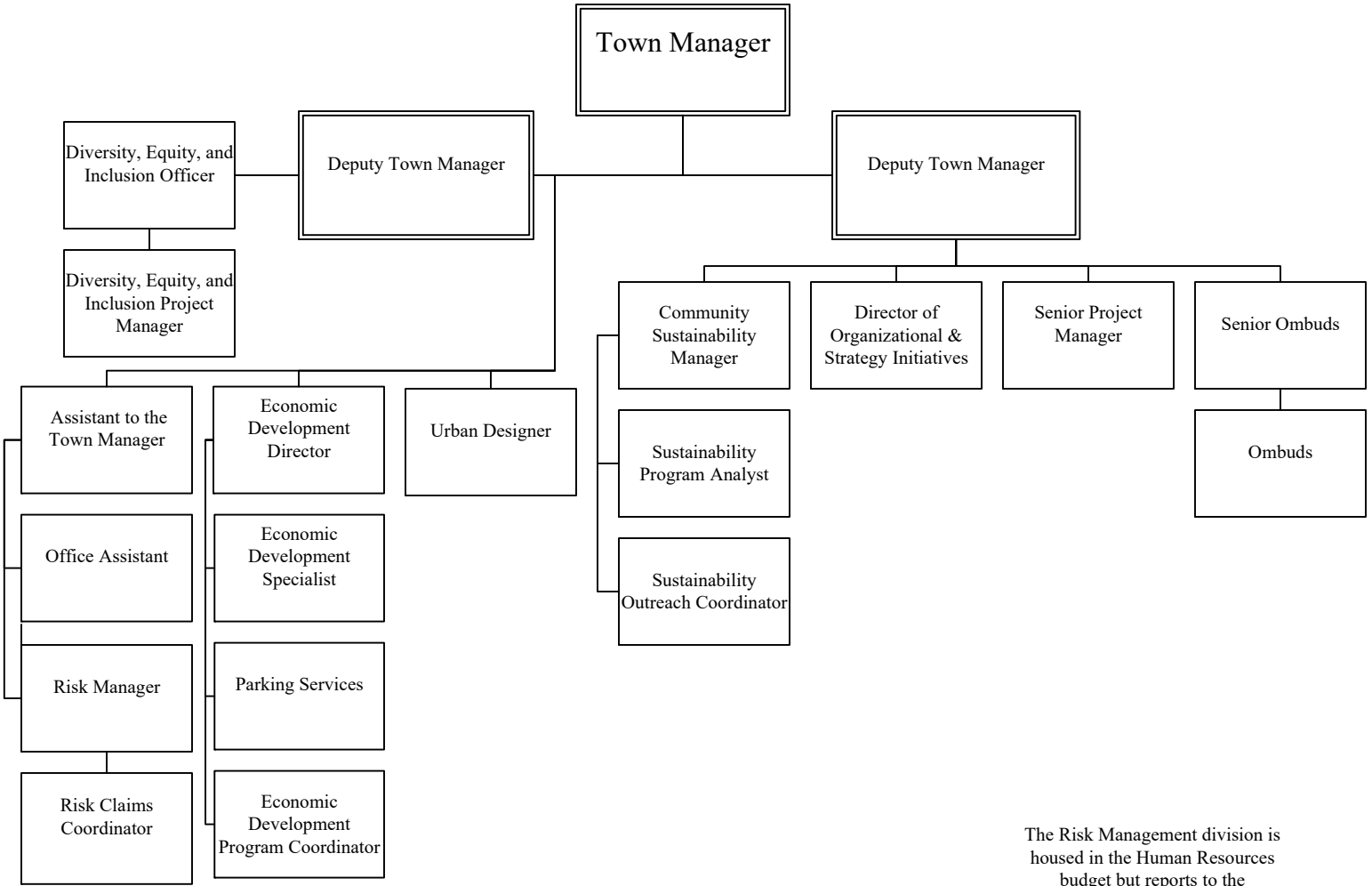
MISSION STATEMENT:

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 2022-23.

Program	Description
Council Support	Provide support to Mayor and Town Council, including coordinating preparation and delivery of informational reports and recommendations.
Executive Management	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.
Economic Development	Provide support and assistance to new and existing businesses in order to promote further development.
Stakeholder Communication	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.
Ombuds Services	Provide neutral, confidential and informal management or resolution of issues brought by Town employees.
Diversity, Equity and Inclusion	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 Senior Project Manager & Community Sustainability Manager 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

	2020-21 ADOPTED	2021-22 ADOPTED	2022-23 ADOPTED
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 Director	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	1.00	1.00
Diversity, Equity & Inclusion Project Manager	0.00	0.00	1.00
Office Assistant	1.00	1.00	1.00
Economic Development Specialist	0.00	1.00	1.00
Economic Development Administrative Coordinator	0.00	0.00	1.00
Urban Designer	1.00	1.00	1.00
Sustainability Program Analyst ¹	0.00	0.00	1.00
Sustainability Outreach Coordinator ¹	0.00	0.00	1.00
Town Manager's Office Totals	<u>11.00</u>	<u>12.00</u>	<u>16.00</u>

¹ These positions are paid out of the Climate Action Fund

TOWN MANAGER

BUDGET SUMMARY

The adopted budget for the Manager’s Office reflects a 14.% increase from the 2021-22 budget. The 15.6% increase in personnel expenses captures the cost of new positions, as well as 0.75% retirement increase, a 2% increase in health insurance costs, and a salary increase for existing staff. The 6.3% increase in operating expenses is due to needs associated with the new positions.

EXPENDITURES



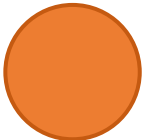
	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 1,687,347	\$ 1,932,833	\$ 1,928,169	\$ 1,884,886	\$ 2,233,621	15.6%
Operating Costs	185,935	233,791	290,955	225,850	248,494	6.3%
Total	\$ 1,873,282	\$ 2,166,624	\$ 2,219,124	\$ 2,110,736	\$ 2,482,115	14.6%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Revenues	\$ 1,873,282	\$ 2,166,624	\$ 2,219,124	\$ 2,110,736	\$ 2,482,115	14.6%
Total	\$ 1,873,282	\$ 2,166,624	\$ 2,219,124	\$ 2,110,736	\$ 2,482,115	14.6%

MANAGER'S OFFICE

Performance Measures

 <p>ENVIRONMENTAL STEWARDSHIP</p>  <p>ECONOMIC & FINANCIAL SUSTAINABILITY</p>  <p>COLLABORATION & INNOVATION</p>	<p>Strategic Objectives</p> <ul style="list-style-type: none"> ➤ Reduce organizational greenhouse gas emissions ➤ Create room for business ➤ Increase collaboration, innovation, and learning
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Core Business Program	Performance Measure	FY20 Actual	FY21 Actual	FY22 Estimate	FY23 Target
Economic Development	Sales tax revenue year-over-year growth	3.7%	15.7%	13.3%	6%
Ombuds Services	Increase in number of visitors served from previous year.	4.2%	--*	957 visitors*	3%
	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	1,839,201 lb of CO2e**	1,843,327 lb of CO2e**	1,844,000 lb of CO2e**	1,844,500 lb of CO2e**

* The Town has incomplete data on Ombuds visitors for FY 21 due to staff turnover

** lb of CO2e = pounds of carbon dioxide equivalent

COMMUNICATIONS & PUBLIC AFFAIRS

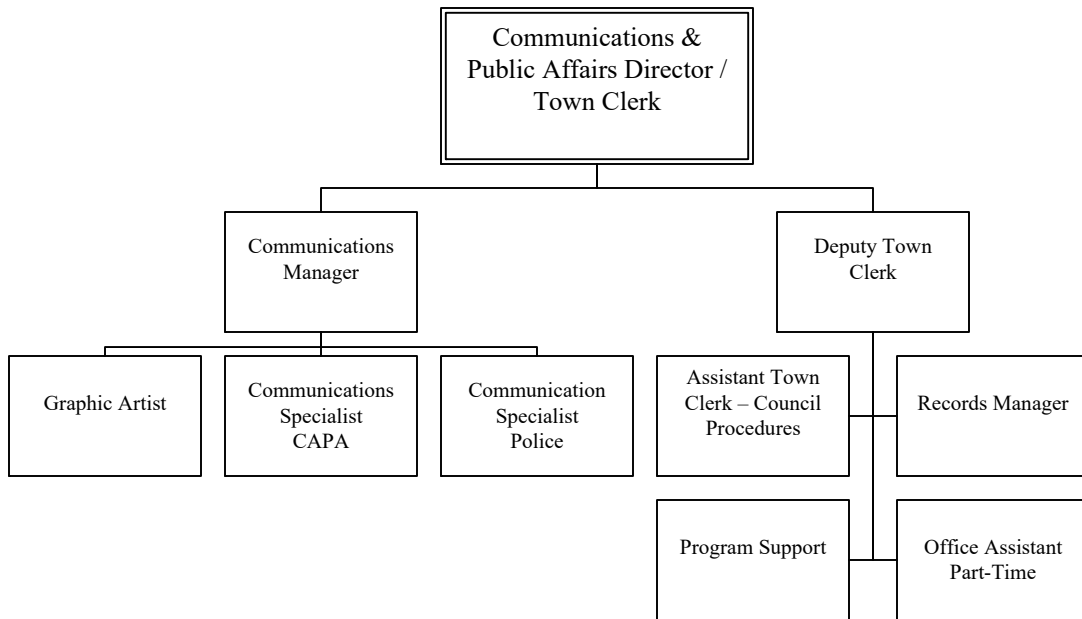
MISSION STATEMENT:

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 2022-23.

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

	2020-21	2021-22	2022-23
	ADOPTED	ADOPTED	ADOPTED
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

The adopted budget for the Communications & Public Affairs department reflects a 7.4% increase from the 2021-22 budget. Personnel expenses increased by 9.4% due to a 0.75% retirement increase, a 2% increase in health insurance costs, and a salary increase. Operating expenses stayed relatively constant.

EXPENDITURES

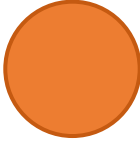
	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 526,353	\$ 752,253	\$ 752,353	\$ 707,892	\$ 822,624	9.4%
Operating Costs	142,713	226,901	302,801	224,606	228,735	0.8%
Total	\$ 669,066	\$ 979,154	\$ 1,055,154	\$ 932,498	\$ 1,051,359	7.4%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Revenues	\$ 669,066	\$ 979,154	\$ 1,055,154	\$ 932,498	\$ 1,051,359	7.4%
Total	\$ 669,066	\$ 979,154	\$ 1,055,154	\$ 932,498	\$ 1,051,359	7.4%

COMMUNICATIONS & PUBLIC AFFAIRS

Performance Measures

 COLLABORATION & INNOVATION	Strategic Objectives <ul style="list-style-type: none"> ➤ Engage the public in Town decision making and Town programs so that outcomes balance community interests, values, and needs ➤ 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 ➤ Council Business Meeting agenda will be posted to the web at least four days prior to the meeting 90% of the time ➤ Council Business Meeting video will be posted to the web within 24 hours 90% of the time.
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Core Business Program	Performance Measure	FY20 Actual	FY21 Actual	FY22 Estimate	FY23 Target
Communications and Public Information	Increase subscribers to Chapel Hill eNews, Twitter and Facebook by a combined increase of 10 %	5%	19%	10%	10%
	Meet/exceed the regional benchmark of 2013 Community Survey's results of 51% satisfaction with "availability of information about Town Programs."	58%	55%	51%	51%
	Meet/exceed the regional benchmark of 2013 Community Survey's results of 48% satisfaction with "quality of Town website"	62%	56%	48%	48%
Citizen Participation	Approximate number of Council Meeting attendees	1,542	1,779	1,327	1,900
	Approximate number of Live streaming Web Views (Council and Advisory Board Meetings)	1,418	988	901	1,000
	Approximate number of Live streaming and Archived YouTube views (Council Meetings)	307	787	1,165	1,000
	Approximate number of Archived streaming Web Views (Council and Advisory Board Meetings)	10,762	7,664	14,364	9,000
	Approximate number of Live & Archived streaming Web Views (Other Events)	2,426	630	1,091	1,000
	Satisfaction rate with Town Website	62%	56%	62%	62%
	Satisfaction rate with eNews updates	69%	59%	69%	69%
	Meet/exceed 2013 Community Survey's results of 60% satisfaction with "participate in local decisions/volunteering."	38%	56%	50%	65%
	Meet/exceed the regional benchmark of 2013 Community Survey's results of 40% satisfaction with "Level of public involvement in decision making."	55%	56%	50%	40%
	Meet/exceed 2013 Community Survey's results of 58% satisfaction with "access to Mayor/Town Council."	43%	NA**	NA**	NA**
Public Records	Number of records requests received by CaPA	219	318	230	230
Governance Support	% of the time that the Council Business Meeting agenda is posted at least four days prior to the meeting.	88%	86%	92%	90%
	% of the time that the Council Business Meeting video is posted within 24 hours.	100%	97%	97%	100%

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

** This measure was not included from the Community Survey.

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.

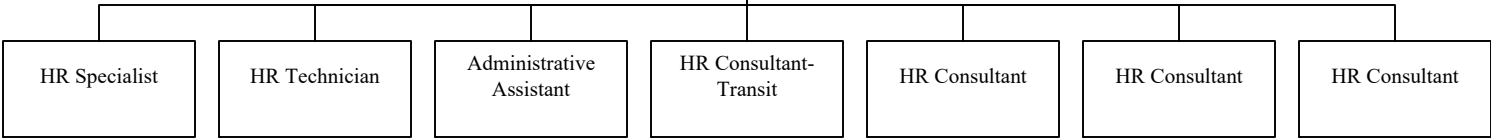
The Human Resource Development Department identified the following primary programs that are included in the adopted budget for 2022-23.

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

Assistant Director



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***

	2020-21 ADOPTED	2021-22 ADOPTED	2022-23 ADOPTED
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 Consultant	2.00	2.00	3.00
Assistant Human Resource Consultant	0.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
	<hr/>	<hr/>	<hr/>
Human Resource Development Totals	10.00	10.00	10.00
	<hr/>	<hr/>	<hr/>

HUMAN RESOURCE DEVELOPMENT BUDGET SUMMARY

The adopted budget for the Human Resource Development department reflects a 5.7% increase from the 2021-22 budget. Personnel expenses increased by 5% due to a 0.75% retirement increase, a 2% increase in health insurance costs, and a salary increase. The 1.5% decrease in operating expenses is due to decreases in professional services.

EXPENDITURES

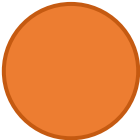
	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 900,742	\$ 1,062,454	\$ 1,062,454	\$ 927,037	\$ 1,116,057	5.0%
Operating Costs	568,963	704,085	947,253	901,635	693,275	-1.5%
Total	\$ 1,469,705	\$ 1,766,539	\$ 2,009,707	\$ 1,828,672	\$ 1,809,332	2.4%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Revenues	\$ 1,469,705	\$ 1,766,539	\$ 2,009,707	\$ 1,828,672	\$ 1,809,332	2.4%
Total	\$ 1,469,705	\$ 1,766,539	\$ 2,009,707	\$ 1,828,672	\$ 1,809,332	2.4%

HUMAN RESOURCE DEVELOPMENT

Performance Measures

 <p>COLLABORATION & INNOVATION</p>	<p>Strategic Objectives</p> <ul style="list-style-type: none"> ➤ Ensure the workforce plan is up to date, competitive, promotes clear mobility, and identifies jobs for the future. ➤ 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. ➤ 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. ➤ Support the development of our employees, including succession-planning efforts through professional development, career development, and improved performance management. ➤ Develop, implement and maintain selection procedures in accordance with applicable policies and law that identify attract and retain qualified applicants for employment while working with the DEI Officer to encourage diverse representation at all levels of the workforce.
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Core Business Program	Performance Measure	FY20 Actual	FY21 Actual	FY22 Estimate	FY23 Target
Classification and Compensation	Percentage of job descriptions reviewed annually	10%	20%	15%	20%
Benefits	HRA employee participation rate	98%	98%	97.5%	99%
Employee Relations	Number of grievances per 100 full-time equivalent (FTE) employees	1%	1%	<1%	1%
Employee Training and Development	Number of participants as a percentage of total workforce/supervisors	74%	90%	90%	75%
	Number of employees trained in various areas by Human Resource Development staff	1067	640	800	1100
Recruitment Services	Women and minority employment in the workforce compared to minority representation in local available labor pool.	57.5%	57.9%	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	640	500	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%	90%	78%	86%

BUSINESS MANAGEMENT DEPARTMENT

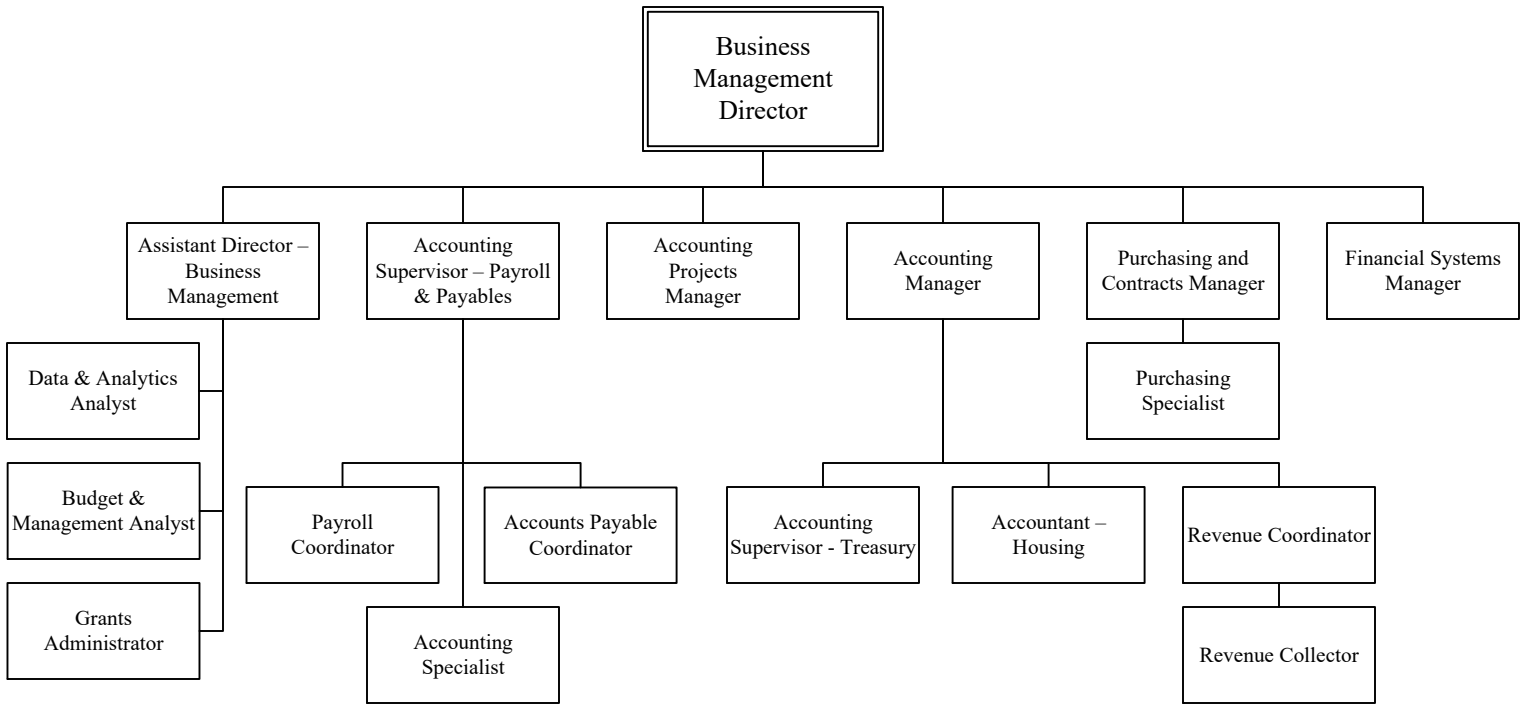
MISSION STATEMENT:

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 2022-23.

Program	Description
Billing & Collections	Provide administration and/or oversight of all Town billings and collections.
Budget	Administer the Town's capital and operating budgets.
Payroll & Payables	Administer the Town's payroll and payables functions.
Accounting & Financial Reporting	Maintain the Town's financial accounting system.
Purchasing & Contracts	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.
Liquidity Management	Administer the Town's cash management, investment, banking, and debt management functions.
Financial Planning & Analysis	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

	2020-21 ADOPTED	2021-22 ADOPTED	2022-23 ADOPTED
<u>Finance</u>			
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	0.00
Data & Analytics Coordinator	0.00	0.00	1.00
Budget & Management Analyst	2.00	2.00	1.00
Grants Administrator	0.00	0.00	1.00
Accounting Manager	0.00	0.00	1.00
Accounting Projects Manager	0.00	1.00	1.00
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
Accounts Payable Coordinator	1.00	1.00	1.00
Accounting Specialist	1.00	1.00	1.00
Revenue Coordinator	0.00	0.00	1.00
Revenue Collector	2.00	2.00	1.00
Business Management Department Totals	18.00	18.00	19.00

***BUSINESS MANAGEMENT
BUDGET SUMMARY***

The adopted budget for the Business Management department reflects an 11% increase from the 2021-22 budget. Personnel expenses increased by 14.2% due to the addition of a Grants Administrator position, as well as a 0.75% retirement increase, a 2% increase in health insurance costs, and a salary increase. Operating costs remain relatively flat.

EXPENDITURES


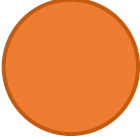
	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 1,317,973	\$ 1,855,116	\$ 1,775,116	\$ 1,470,695	\$ 2,119,320	14.2%
Operating Costs	596,006	564,650	820,425	729,494	566,050	0.2%
Total	\$ 1,913,979	\$ 2,419,766	\$ 2,595,541	\$ 2,200,189	\$ 2,685,370	11.0%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Revenues	\$ 1,913,979	\$ 2,419,766	\$ 2,595,541	\$ 2,200,189	\$ 2,685,370	11.0%
Total	\$ 1,913,979	\$ 2,419,766	\$ 2,595,541	\$ 2,200,189	\$ 2,685,370	11.0%

BUSINESS MANAGMENT

Performance Measures

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

Core Business Program	Performance Measure	FY20 Actual	FY21 Actual	FY22 Estimate	FY23 Target
Billing and Collections	Same-day deposits as a percentage of all receipts	8.33%	9.40%	8.65%	10.00%
Budget	Total budget adjustments as a % of expenditures	7.96%	9.29%	9.37%	7.8%
	Projected General Fund revenues as a % of actual	0.36%	-2.91%	-2%	-2%
Payroll and Payables	Percent of voided/reissued vendor checks	1.28%	1.68%	1.72%	2%
	Percent of voided/reissued/adjusted payroll checks *	0.133%	0.171%	0.212%	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	34	35	36	37
Purchasing and Contracts	Purchase orders issued, as a percentage of all invoices over \$1,000	97%	98%	97%	99%
	Percentage of contracts with funds encumbered prior to execution	99%	99%	99%	99%
Liquidity Management	General Fund Debt as a percent of assessed value	1%	1%	1%	1%
	10-year payout ratio	74%	74%	65.4% ¹	75%
Financial Planning and Support	Percentage of survey respondents indicating that the Finance Division service “meets” or “exceeds” expectations	No Data	No Data	93%	95%

¹This is a result of the borrowing for the East Rosemary Deck

TECHNOLOGY SOLUTIONS DEPARTMENT

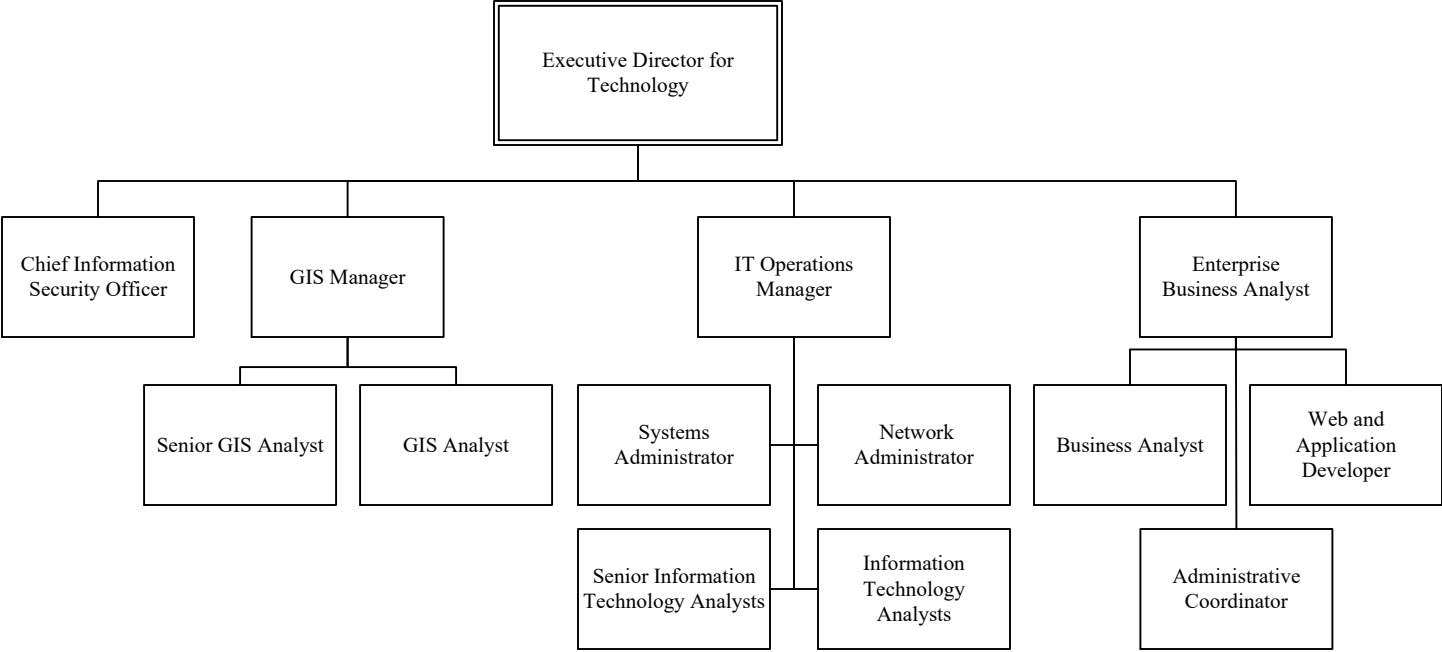
MISSION STATEMENT:

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 selection and use of available technology.

The Technology Solutions Department identified the following primary programs that are included in the adopted budget for 2022-23.

Program	Description
User Support	Provide user Help Desk support for computer hardware, software, network, servers, and telephones. Provide training and assistance need to effectively use technology. Review construction projects to ensure IT requirements and opportunities are included. Maintain high levels of training for the IT staff.
IT Infrastructure and cyber security	Manage all IT infrastructure, including connectivity, hardware, servers, data storage, networks, end user computers, mobile devices, and internet access. Includes cybersecurity, backups, awareness, incident response and recovery.
Telecommunications	Administer and manage all telephone systems, including setup and configuration of VoIP desktop telephones, related network infrastructure and software support. Administer the Town’s cellphone and mobile device services. Manage the Town video meeting systems supporting remote work and remote meetings.
Enterprise Application Analysis & Support	Administer and manage Microsoft Office 365, Geographic Information Systems, and other enterprise productivity and communication applications. Manage the server and cloud environments used to operate financial systems, department systems, records management, databases, and other applications located on Town servers and in the cloud.
IT Planning and Coordination	Collaborate with all Town departments to identify needs and opportunities and to create enterprise-wide plans, project prioritization, data analytics, and process integration for software. Manage the IT Governance needed to invest in and maintain the infrastructure and software procurement with the limited resources available. Collaborate beyond the Town with state and local governments, UNC, CCHCS on shared areas interests.

TECHNOLOGY SOLUTIONS DEPARTMENT



Technology Solutions

STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2020-21	2021-22	2022-23
	ADOPTED	ADOPTED	ADOPTED
Executive Director - Technology Solutions	1.00	1.00	1.00
Director-Technology Solutions	0.00	0.00	0.00
Senior Analyst	1.00	1.00	1.00
Network Administrator	1.00	1.00	1.00
Systems & Support Manager	1.00	1.00	1.00
Business Analyst	1.00	1.00	1.00
Information Technology Analyst	2.00	2.00	2.00
Senior Information Technology Analyst	2.00	2.00	2.00
Web Administrator	1.00	1.00	1.00
Technical Services Manager	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Systems Administrator	1.00	1.00	1.00
GIS Analyst II	2.00	2.00	2.00
Planning Manager	1.00	1.00	1.00
Technology Solutions Department Totals	<u>16.00</u>	<u>16.00</u>	<u>16.00</u>

TECHNOLOGY SOLUTIONS

BUDGET SUMMARY

The adopted budget for the Technology Solutions department reflects a 9.6% increase from the 2021-22 budget. Personnel expenses increased by 7.8% due to a 0.75% retirement increase, a 2% increase in health insurance costs, and a salary increase. Operating expenses increased by 16.1% due to a \$98,000 investment in cybersecurity.

EXPENDITURES

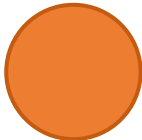
	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 1,707,854	\$ 1,844,018	\$ 1,829,588	\$ 1,754,299	\$ 1,988,532	7.8%
Operating Costs	435,663	562,598	667,984	562,137	653,163	16.1%
Capital Outlay	129,706	50,000	50,000	50,000	50,000	0.0%
Total	\$ 2,273,223	\$ 2,456,616	\$ 2,547,572	\$ 2,366,436	\$ 2,691,695	9.6%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Revenues	\$ 2,273,223	\$ 2,456,616	\$ 2,547,572	\$ 2,366,436	\$ 2,691,695	9.6%
Total	\$ 2,273,223	\$ 2,456,616	\$ 2,547,572	\$ 2,366,436	\$ 2,691,695	9.6%

TECHNOLOGY SOLUTIONS

Performance Measures for Service

 COLLABORATION & INNOVATION	Strategic Objectives <ul style="list-style-type: none"> ➤ Service - Respond to user related requests within one working day ➤ Service - Resolve user-assist service requests within two working days. ➤ Infrastructure - Provide operational capability with information systems. ➤ Infrastructure - Resolve network service incidents within one working day. ➤ Infrastructure - Bandwidth utilization expected to be <50% allowing for bursts ➤ Infrastructure - Servers and other infrastructure patches up to date. ➤ Infrastructure - Provide access to databases and applications supporting operations ➤ Security - Town employees trained to reduce risk of cyber-attacks. ➤ Security - Maintain backup copies of data for recovery and business functions ➤ Security - Ensure technology related projects comply with legal and security requirements ➤ Ensure infrastructure can support technology plans across all departments
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Core Business Program	Performance Measure	FY20 Actual	FY21 Actual	FY22 Estimate	FY23 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%	97%	97%
	Percentage of desktop computer software utilizing the most current version available	90%	90%	95%	97%
	Percentage of desktop computer equipment four years old or newer	98%	98%	98%	98%
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%	60%	65%	55%
Cyber Security	Percentage of machines in security compliance	90%	95%	97%	100%
	Number of training sessions offered on cyber security and appropriate use	40	10	15	15
Telecommunications	Percentage of phone service incidents resolved within SLA	95%	95%	98%	99%
Database Management	Percentage of time critical databases are available	99%	99%	99%	99%
	Daily backup of environment maintained and tested	99%	100%	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%	97%	100%
	Capacity, utilization and replacements plans completed within cycle	95%	95%	97%	100%

TOWN ATTORNEY

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 administration and Town departments, and Town boards and commissions. Duties of the Town Attorney include:

- Preparing for and attending Council meetings.
- Conferring with the Mayor, Council, and individual Council members.
- Providing general legal services to Town administration and Town departments.
- Participating in administrative agenda planning sessions and special projects.
- Advising Town Boards and Commissions and attendance at certain meetings as necessary.
- Defending Town interests in lawsuits and threatened litigation.
- Coordinating work of retained law firms representing the Town in litigation, bond financing, special projects, and other matters where outside counsel is needed.
- Providing guidance in the acquisition and transfer of interests in land.
- Advising staff in reviewing development projects, drafting ordinances, code enforcement, and other matters such as zoning, housing initiatives, construction projects, and annexation.
- Presentation of orientation materials for new Council members.
- Supervising and collaborating with the Assistant Town Attorney and Legal Services Administrator.

***TOWN ATTORNEY
STAFFING COMPARISONS - IN FULL-TIME***

	2020-21 ADOPTED	2021-22 ADOPTED	2022-23 ADOPTED
Town Attorney	1.00	1.00	1.00
Assistant Town Attorney	0.00	1.00	1.00
Assistant to the Town Attorney	1.00	1.00	1.00
Attorney Department Totals	<u>2.00</u>	<u>3.00</u>	<u>3.00</u>

TOWN ATTORNEY

BUDGET SUMMARY

The adopted budget for the Attorney's Office reflects a 3.5% increase from the 2021-22 budget. Personnel expenses increased by 7.4% due to a 0.75% retirement increase, a 2% increase in health insurance costs, and a salary increase. Operating expenses decreased by 42.1% due to the lack of costs associated with a new position created last fiscal year.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 386,739	\$ 532,157	\$ 532,157	\$ 365,438	\$ 571,760	7.4%
Operating Costs	9,863	45,530	45,530	49,248	26,365	-42.1%
Total	\$ 396,602	\$ 577,687	\$ 577,687	\$ 414,686	\$ 598,125	3.5%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Revenues	\$ 396,602	\$ 577,687	\$ 577,687	\$ 414,686	\$ 598,125	3.5%
Total	\$ 396,602	\$ 577,687	\$ 577,687	\$ 414,686	\$ 598,125	3.5%

**NON-DEPARTMENTAL DIVISION
BUDGET SUMMARY**

The Non-Departmental Division is used to account for activities in the General Fund that are not allocated to other departmental functions. These activities include contributions to other agencies, transfers to other funds, and liability insurance. The adopted budget includes a 2% increase to health insurance costs.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Retiree Medical Insurance	\$ 1,419,856	\$ 1,460,000	\$ 1,460,000	\$ 1,524,701	\$ 1,615,000	10.6%
Other Personnel Costs	(14,922)	402,500	902,500	-	160,505	-60.1%
Liability Insurance	323,731	350,000	350,000	350,000	350,000	0.0%
Transfer to Affordable Housing Operations	688,395	688,395	688,395	688,395	688,395	0.0%
Supplemental PEG Fees	170,080	1,251,010	1,310,460	925,254	1,444,664	15.5%
Transfer to Other Funds	170,331	175,000	175,000	175,000	175,000	0.0%
Transfer to Downtown Service District Fund	9,128	12,000	962,000	966,128	17,000	41.7%
Transfer to Capital Improvement Funds	-	-	-	-	100,000	N/A
Transfer to Debt Fund	-	600,000	2,350,000	2,350,000	634,500	5.8%
OPEB Liability Contributions	-	445,100	445,100	445,100	445,100	0.0%
Transfer to Climate Action Fund	250,000	250,000	250,000	250,000	250,000	0.0%
Reimagining Community Safety	-	470,000	470,000	470,000	550,000	17.0%
Grant Matching Funds	-	100,000	100,000	100,000	-	-100.0%
Agency Contributions	83,464	87,450	135,762	135,762	107,627	23.1%
Orange County Contribution	1,205,348	1,323,419	1,323,419	1,323,419	1,732,193	30.9%
Coal Ash Remediation	-	-	200,000	200,000	-	N/A
	62,500	-	-	-	-	N/A
Total	\$ 4,367,911	\$ 7,614,874	\$ 11,122,636	\$ 9,903,759	\$ 8,269,984	8.6%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Revenues	\$ 4,367,911	\$ 7,614,874	\$ 11,122,636	\$ 9,903,759	\$ 8,269,984	8.6%
Total	\$ 4,367,911	\$ 7,614,874	\$ 11,122,636	\$ 9,903,759	\$ 8,269,984	8.6%

ENVIRONMENT & DEVELOPMENT
BUDGET SUMMARY

This section includes the Planning, Affordable Housing & Community Connections, Public Works, and Building & Development Services Departments.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Planning	\$ 1,410,773	\$ 1,865,219	\$ 2,413,422	\$ 1,987,775	\$ 2,027,957	8.7%
Affordable Housing & Community Connections	763,516	843,694	1,293,694	1,188,707	954,730	13.2%
Public Works	11,292,686	12,797,644	13,596,800	12,683,973	13,578,637	6.1%
Building & Development Services	1,915,230	2,424,868	2,518,666	2,033,144	2,493,251	2.8%
Total	\$ 15,382,205	\$ 17,931,425	\$ 19,822,582	\$ 17,893,599	\$ 19,054,575	6.3%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Revenues	\$ 10,629,340	\$ 14,403,180	\$ 613,666	\$ 13,982,569	\$ 15,438,922	7.2%
State-Shared Revenues	47,631	39,000	39,000	42,000	42,000	7.7%
Grants	256,417	-	-	-	-	N/A
Charges for Services	1,243,805	1,277,445	1,277,445	1,209,513	1,334,343	4.5%
Licenses/Permits/Fines	2,536,034	2,141,600	2,141,600	2,438,521	2,172,310	1.4%
Other Revenues	668,978	70,200	70,200	220,996	67,000	-4.6%
Total	\$ 15,382,205	\$ 17,931,425	\$ 4,141,911	\$ 17,893,599	\$ 19,054,575	6.3%

PLANNING DEPARTMENT

MISSION STATEMENT:



The Chapel Hill Planning Department is charged with providing collaborative leadership to create and implement policies, plans, and programs that reflect Chapel Hill values as an equitable, livable, and sustainable town today and in the future. We help Chapel Hill guide equitable growth through publishing various planning documents, including the Comprehensive Plan, evaluating land development, moving people around town, and serving as the steward of our historic resources.

The Planning & Development Services Department identified the following primary programs that are included in the adopted budget for 2022-23.

Program	Description
Long-Range Planning	Engage with regional and local stakeholders around land use planning and growth management issues; create planning documents that reflect community values. Translate values and planning best practices into land use management policy for the town, and work to improve that policy over time through monitoring and evaluating development trends.
Current Development	Implement land use management provisions in accordance with policies established in the comprehensive plan. Review land use applications and oversee the development review process.
Transportation Planning & Transportation Demand Management	Oversee long range transportation plans and manage projects related to pedestrians, bicycles, and road traffic in Chapel Hill.
Historic Preservation	Uphold the Town’s Certified Local Government (CLG) status through the North Carolina Historic Preservation Office (HPO); identify, evaluate, and document historic sites within the town’s three local historic districts for inclusion on the National Register of Historic Places (NRHP); provide guidance on best historic preservation practices, promote historic preservation and appreciation in the community.
Design and Urban Forestry	Preserve and enhance the town tree canopy coverage through considering the ordinance, working with designers to reduce the construction impacts on critical root zones, monitoring invasive species, and relaying design and plant material options to promote native species or drought tolerant plant selections.
Land Use Management Ordinance and Equity	Align updated LUMO with the Town’s values and vision for equitable planning and development. Facilitate equity dialogue in community.

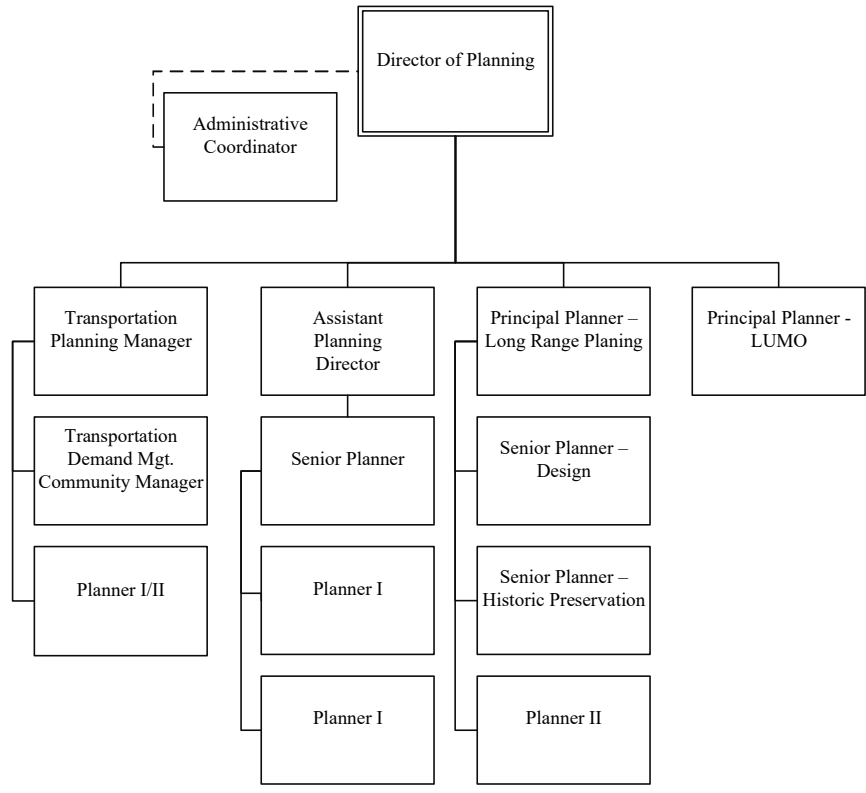
PLANNING

Performance Measures

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

Core Business Program	Performance Measure	FY20 Actual	FY21 Actual	FY22 Estimate	FY23 Target
Current Development	Number of Public Information Meetings held on current development projects.	25	25	15	10
	Number of Advisory Board Meetings held	67	84	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%	80%	95%	85%
Long-Range Planning	Number of Community Planning Meetings held	5	5	25	25
	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	3	7	5

PLANNING



PLANNING DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2020-21	2021-22	2022-23
	ADOPTED	ADOPTED	ADOPTED
<u>Planning</u>			
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 ¹	1.00	1.00	1.00
Planner/Planner II/Senior Planner ²	8.00	8.00	8.00
Transportation Demand Community Manager ³	1.00	1.00	1.00
Administrative Coordinator	0.65	0.65	0.65
Downtown Project Manager	1.00	1.00	1.00
LUMO Project Manager	1.00	1.00	1.00
Planning Technician	0.00	0.00	1.00
Planning Department Totals	<u>15.65</u>	<u>15.65</u>	<u>16.65</u>

¹ Planning Manager is partially grant-funded.

² A number of Planner positions are partially or fully grant funded in FY23.

³ Transportation Demand Community Manager is 50% grant-funded.

PLANNING

BUDGET SUMMARY

The adopted budget for the Planning Department reflects an 8.7% increase from the 2021-22 budget. The 11.8% increase in personnel expenses is due to the addition of a Planning Technician position, as well as a 0.75% retirement increase, a 2% increase in health insurance costs, and a salary increase. Operating expenses remain relatively flat.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 1,183,733	\$ 1,385,552	\$ 1,385,552	\$ 1,339,849	\$ 1,549,220	11.8%
Operating Costs	227,040	479,667	1,027,870	647,926	478,737	-0.2%
Total	\$ 1,410,773	\$ 1,865,219	\$ 2,413,422	\$ 1,987,775	\$ 2,027,957	8.7%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Revenues	\$ 675,754	\$ 1,379,159	\$ 1,927,362	\$ 1,275,842	\$ 1,444,442	4.7%
Charges for Services	481,596	402,860	402,860	376,651	535,015	32.8%
Licenses/Permits/Fines	244,832	75,000	75,000	325,486	40,000	-46.7%
Other Revenues	8,591	8,200	8,200	9,796	8,500	3.7%
Total	\$ 1,410,773	\$ 1,865,219	\$ 2,413,422	\$ 1,987,775	\$ 2,027,957	8.7%

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.

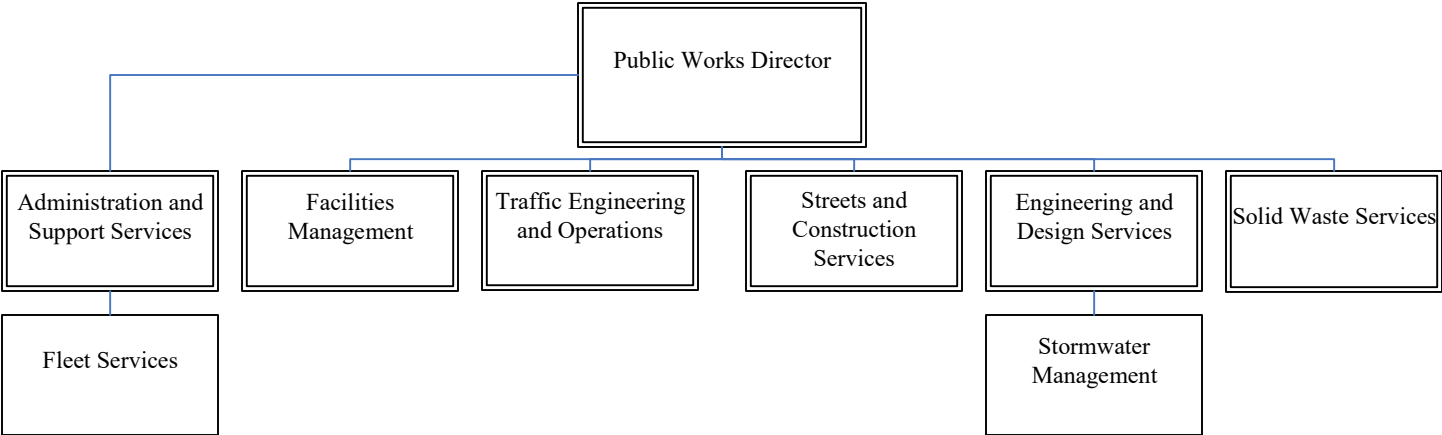
The Public Works Department identified the following primary programs that are included in the adopted budget for 2022-23.

Program	Description
Traffic Signals	Provide timing plans, traffic monitoring, emergency repairs, preventive maintenance, small improvements and larger contract project oversight.
Traffic Signs/Markings/Calming	Install and maintain all traffic control signs and pavement markings along approximately 750 town-maintained streets totaling approximately 165 center line miles. Oversee traffic impact studies and manage the traffic calming program. Issue traffic work zone permits and monitor for compliance.
Street Lighting	Ensure new development compliance with established standards, respond to improvement requests, routinely inspect major roadways and the central business district for malfunctions, and budget and manage service agreements.
Special Event Services	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 related to specials events in the Town.
Inclement Weather	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.
Miscellaneous Construction	Construct small to medium construction projects including sidewalk and curb/gutter repairs and improvements; installation and maintenance of streetscape amenities (benches, bike racks, trash receptacles, etc.); and occasional projects such as the installation of a bus shelter and small parking lot improvements.

PUBLIC WORKS

<p>Streets and Parking Lots</p>	<p>Oversee the evaluation of all town-maintained streets, parking lots, bike paths and trails. Perform patching, street maintenance and resurfacing along various sections of the Town’s ~750 streets totaling ~165 center lane miles.</p>
<p>Facilities Management & Maintenance</p>	<p>Manage approximately 50 publicly owned facilities. Provide in-house maintenance and repair, oversight of service contracts and management of projects.</p>
<p>Solid Waste Collection</p>	<p>Provide weekly collection of household solid waste, containerized vegetative materials and small piles of brush from approximately 12,000 single family properties. Collect leaves from mid-October to mid- February. Collect waste from approximately 200 street and bus shelter trash receptacles seven days per week.</p>
<p>Special Collections</p>	<p>Provide fee-based, scheduled in-house collection of bulky items, including appliances, electronics, and furniture. Provide fee-based collection of loose residential brush that exceeds 3 cubic yards. Provide fee-based use of yard waste roll-off containers. Collect dead animals within the right-of-way at no cost.</p>
<p>Commercial Solid Waste Collection</p>	<p>Collect solid waste placed in dumpsters for a fee established annually by Town Council. Collect waste weekly by contract from the two Town-provided fee-based compactors downtown.</p>
<p>Civil Engineering Services</p>	<p>Provide engineering services including capital project management, surveying, design, private developer review, and infrastructure inspection.</p> <p>Review developer-submitted plans for private development projects for compliance with requirements and standards for infrastructure and environmental protection.</p> <p>Provide field inspection of various infrastructure improvements to ensure quality of infrastructure and reasonable compliance with Town standards. Monitor surety bonds to ensure proper infrastructure is completed by developers.</p> <p>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). Provide design services to small and medium projects.</p>

PUBLIC WORKS OVERVIEW



PUBLIC WORKS DEPARTMENT
STAFFING COMPARISONS - IN FULL TIME EQUIVALENTS

	2020-21 ADOPTED	2021-22 ADOPTED	2022-23 ADOPTED
<u>Administration</u>			
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	9.00	9.00	9.00
<u>Engineering and Design Services</u>			
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 ¹	0.75	0.75	0.75
Senior Engineer ¹	0.50	0.50	0.50
Engineering Inspector	1.00	1.00	1.00
Engineering Inspector - Sr ¹	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	7.95	7.95	7.95
<u>Traffic Engineering and Operations</u>			
Traffic Engineering Manager	1.00	1.00	1.00
Traffic Signal System Engineer	1.00	1.00	1.00
Engineering Technician	1.00	1.00	1.00
Traffic Signal Systems Analyst	1.00	1.00	1.00
Lead Traffic Signal Tech	1.00	1.00	1.00
Traffic Signal Technician (Levels I-III)	3.00	3.00	3.00
Lead Sign & Marking Tech	1.00	1.00	1.00
Sign and Marketing Technician (Levels I-II)	2.00	2.00	2.00
Unit Totals	11.00	11.00	11.00
Division Totals	18.95	18.95	18.95

PUBLIC WORKS DEPARTMENT
STAFFING COMPARISONS - IN FULL TIME EQUIVALENTS

	2020-21 ADOPTED	2021-22 ADOPTED	2022-23 ADOPTED
<u>Streets and Construction Services</u>			
Streets			
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>
<u>Construction</u>			
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>
<u>Facilities Management</u>			
Buildings			
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 ²	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>
<u>Solid Waste and Fleet Services</u>			
Solid Waste			
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>

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

² Position split between Building Maintenance and Vehicle Maintenance.

Note: Vehicle Maintenance employees are supervised by Public Works, but included with the Vehicle Maintenance Fund Staffing Summary.

PUBLIC WORKS BUDGET SUMMARY

The adopted budget for the Public Works Department reflects a 6.1% increase from the 2021-22 budget. Personnel expenses in the adopted budget reflect a 0.75% retirement increase, a 2% increase in health insurance costs, and a salary increase.

EXPENDITURES

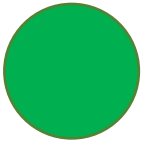


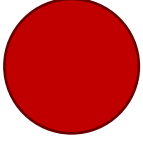
	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Administration	\$ 1,061,512	\$ 1,154,249	\$ 1,085,353	\$ 1,018,473	\$ 1,224,971	6.1%
Engineering & Design	687,061	883,039	873,518	705,508	915,815	3.7%
Traffic	2,035,060	1,957,711	2,083,081	1,921,514	2,020,434	3.2%
Construction	397,883	683,987	665,152	451,268	656,471	-4.0%
Streets	1,788,016	2,229,734	2,907,216	2,628,416	2,301,107	3.2%
Building Maintenance	1,923,711	1,933,306	1,969,597	1,967,014	2,174,707	12.5%
Solid Waste	3,399,443	3,955,618	4,012,883	3,991,780	4,285,132	8.3%
Total	\$ 11,292,686	\$ 12,797,644	\$ 13,596,800	\$ 12,683,973	\$ 13,578,637	6.1%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Revenues	\$ 9,464,803	\$ 11,660,459	\$ 12,459,615	\$ 11,359,876	\$ 12,486,299	7.1%
State Shared	47,631	39,000	39,000	42,000	42,000	7.7%
Grants	256,417	-	-	-	-	N/A
Charges for Services	762,209	874,585	874,585	832,862	799,328	-8.6%
Licenses/Permits/Fines	101,239	161,600	161,600	238,035	192,510	19.1%
Other Revenues	660,387	62,000	62,000	211,200	58,500	-5.6%
Total	\$ 11,292,686	\$ 12,797,644	\$ 13,596,800	\$ 12,683,973	\$ 13,578,637	6.1%

PUBLIC WORKS

Performance Measures

 <p>ENVIRONMENTAL STEWARDSHIP</p>  <p>ECONOMIC & FINANCIAL SUSTAINABILITY</p>  <p>CONNECTED COMMUNITY</p>  <p>SAFE COMMUNITY</p>	<p>Strategic Objectives</p> <ul style="list-style-type: none"> ➤ Address 95% of traffic signal system problems per the North Carolina Department of Transportation (NCDOT) and Federal Highway Administration (FHWA) standards ➤ Perform preventive maintenance on 95% of traffic signals twice per year ➤ Perform 100% of emergency maintenance on regulatory traffic control signs per the Institute of Transportation Engineers (ITE) standards within two hours ➤ Review, approve and issue permits within five business days for all traffic control plans for lanes and street closures ➤ Perform traffic calming studies within six months of receiving the request ➤ Achieve an average pavement condition rating of 81 or better for 80% of town-maintained street system ➤ Achieve a resurfacing cycle of once every 15 years by resurfacing at least 7% of town-maintained streets annually ➤ Complete one leaf collection cycle between Halloween and Thanksgiving ➤ Complete 90% of one leaf collection cycle between Thanksgiving and Christmas ➤ Review and respond to 100%¹ of Survey Plat review request applications within five working days of receipt of a properly certified survey plat. ➤ Complete 100% of development plan reviews by assigned deadlines (roadway and sidewalks in the public right of way) ➤ Collect 530² tons of residential refuse per collection FTE ➤ Recover 45% of commercial collection costs via commercial collection fees ➤ Maintain quality of residential trash/yard waste collection services customer satisfaction level ➤ Pre-treat all priority Town roadways and facilities prior to each anticipated significant winter inclement weather event ➤ Complete initial snow removal from 80% of priority streets within 48 hours after the end of each snowstorm event ➤ Ensure at least 45% of facility work orders are preventive maintenance work ➤ Complete 85% of customer repair requests within 2 business days of receipt ➤ Dispatch personnel to 100% of facility emergency work orders within 1 hour
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Core Business Program	Performance Measure	FY20 Actual	FY21 ³ Actual	FY22 Estimate	FY23 Target
Traffic Signals	Percent of emergency traffic signal problems addressed within 2 hours.	94%	100%	100%	95%
	Percent of signal preventive maintenance completed as planned	57%	82%	49% ⁴	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	100%	100%
	Percent of permits issued within five business days for traffic control plans for lanes and street closures	94%	98%	82% ⁵	100%

¹ Objective has changed from 90% to 100% beginning FY22.

² Objective has changed from 520 to 530 tons beginning FY22.

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

⁴ Developing new tracking system for collecting data.

⁵ Estimate is less than previous years as a result of lack of staff available to issue permits.

Streets and Parking Lots	Percent of traffic calming studies completed within six months of receiving the request	N/A	N/A	100%	100%
	Percent of town-maintained street system rated 81 or better (square yards)	N/A ⁶	46.5%	N/A	80%
	Percent of town-maintained streets (square yards) resurfaced annually	2%	1.8%	5%	7%
	Percent of leaf collection cycle completed between Halloween and Thanksgiving	100%	65% ⁷	100%	100%
	Percent of leaf collection cycle completed between Thanksgiving and Christmas	100%	40% ⁸	50%	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 ⁹	99%	99%	95%	100%
Solid Waste Collection	Tons of Residential Refuse Collected per Collection FTE	537	559	548	530
	Percent of commercial collection costs recovered via fees ¹⁰	40%	34%	TBD	45%
	Percent of community “satisfied” or “very satisfied” with quality of trash/yard waste collection services	88%	88% ¹¹	87% ¹²	88%
Inclement Weather	Percent of priority Town roadways pre-treated prior to each anticipated significant inclement weather event	N/A ¹³	100%	100%	100%
	Percent of priority streets where initial snow removal is completed within 48 hours	N/A	100%	100%	80%
Facilities Management	Preventive maintenance work orders as a percent of total annual work orders	62%	73%	70%	45%
	Percent of customer repair requests completed within 2 business days of receipt	92%	91%	91%	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.

⁶ Data comes from the biennial pavement condition survey. No data in FY20.

⁷ Heavy fall foliage fell at one time and the department was experiencing staffing shortages in FY21 and FY22.

⁸ Heavy fall foliage fell at one time and the department was experiencing staffing shortages in FY21 and FY22.

⁹ The development plan review tracking system for Engineering was established in Fall 2019. Data is reported from October 2019 – June 2020.

¹⁰ 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).

¹¹ Using last year’s available data point. Community Survey completed biennially.

¹² Second highest rated service based on the 2022 Community Survey

PUBLIC WORKS - Administration Division
BUDGET SUMMARY

The adopted budget for the Administration Division of the Public Works Department reflects a 6.1% increase from the 2021-22 budget. Personnel expenses increased by 7.4% due to a 0.75% retirement increase, a 2% increase in health insurance costs, and a salary increase. Operating expenses remain flat.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 884,831	\$ 960,989	\$ 900,683	\$ 834,965	\$ 1,031,801	7.4%
Operating Costs	176,681	193,260	184,670	183,508	193,170	0.0%
Total	\$ 1,061,512	\$ 1,154,249	\$ 1,085,353	\$ 1,018,473	\$ 1,224,971	6.1%

PUBLIC WORKS - Engineering

BUDGET SUMMARY

The adopted budget for the Engineering Division of the Public Works Department reflects a 3.7% increase from the 2021-22 budget. Personnel costs have increased 4.2% due to a 0.75% retirement increase, a 2% increase in health insurance costs, and a salary increase. Operating expenses decreased by 4.3% due to a decrease in fleet use.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 666,940	\$ 832,709	\$ 810,709	\$ 646,810	\$ 867,655	4.2%
Operating Costs	20,121	50,330	62,809	58,698	48,160	-4.3%
Total	\$ 687,061	\$ 883,039	\$ 873,518	\$ 705,508	\$ 915,815	3.7%

PUBLIC WORKS - Traffic
BUDGET SUMMARY

The adopted budget for the Traffic Division of the Public Works Department reflects a 3.2% decrease from the 2021-22 budget. Personnel expenses increased by 1.3% due to a 0.75% retirement increase, a 2% increase in health insurance costs, and a salary increase. Operating expenses increased by 5.6% due to increases in contracted services and supplies.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 1,057,948	\$1,090,240	\$ 1,090,240	\$ 930,826	\$ 1,103,999	1.3%
Operating Costs	977,112	867,471	992,841	990,688	916,435	5.6%
Total	\$ 2,035,060	\$ 1,957,711	\$ 2,083,081	\$ 1,921,514	\$ 2,020,434	3.2%

PUBLIC WORKS - Construction
BUDGET SUMMARY

The adopted budget for the Construction Division of the Public Works Department reflects a 4.0% decrease from the 2021-22 budget. Personnel expenses decreased by 4.8% due to staff turnover. Operating expenses decreased 2.4% due to a decrease in fleet use.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 214,590	\$ 455,987	\$ 447,387	\$ 236,048	\$ 433,911	-4.8%
Operating Costs	183,293	228,000	217,765	215,220	222,560	-2.4%
Total	\$ 397,883	\$ 683,987	\$ 665,152	\$ 451,268	\$ 656,471	-4.0%

PUBLIC WORKS - Streets
BUDGET SUMMARY

The adopted budget for the Streets division reflects an overall expenditure increase of 3.2% from the 2021-22 budget. The 7.1% increase in personnel is due to a 0.75% retirement increase, a 2% increase in health insurance costs, and a salary increase. The operating budget and capital outlay remain relatively flat.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 920,143	\$ 1,119,394	\$ 1,116,294	\$ 834,811	\$ 1,199,007	7.1%
Operating Costs	835,800	1,085,340	1,760,438	1,761,980	1,077,100	-0.8%
Capital Outlay	32,073	25,000	30,484	31,625	25,000	0.0%
Total	\$ 1,788,016	\$ 2,229,734	\$ 2,907,216	\$ 2,628,416	\$ 2,301,107	3.2%

PUBLIC WORKS - Building Maintenance
BUDGET SUMMARY

The adopted budget for the Building Maintenance division reflects a 12.5% increase from the 2021-22 budget. The 10.1% increase in personnel costs reflects a 0.75% retirement increase, a 2% health insurance increase, and a salary increase. The 14.9% increase in operation costs reflects the move of a maintenance project from Pay-Go CIP to the General Fund.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 930,888	\$ 969,381	\$ 960,081	\$ 1,000,468	\$ 1,067,227	10.1%
Operating Costs	992,823	963,925	1,009,516	966,546	1,107,480	14.9%
Total	\$ 1,923,711	\$ 1,933,306	\$ 1,969,597	\$ 1,967,014	\$ 2,174,707	12.5%

PUBLIC WORKS - Solid Waste Services
BUDGET SUMMARY

The adopted budget for the Solid Waste Services division reflects an overall expenditure increase of 8.6% from last year's budget. The 9.3% increase in personnel costs is due to a 0.75% retirement increase, a 2% health insurance increase, and a salary increase. The 6.9% increase in operating costs is due to an increase in vehicle replacement.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 2,123,291	\$ 2,345,771	\$ 2,368,771	\$ 2,356,978	\$ 2,563,982	9.3%
Operating Costs	1,276,152	1,609,847	1,644,112	1,634,802	1,721,150	6.9%
Total	\$ 3,399,443	\$ 3,955,618	\$ 4,012,883	\$ 3,991,780	\$ 4,285,132	8.3%

AFFORDABLE HOUSING & COMMUNITY CONNECTIONS

VISION:

A vibrant and inclusive community where all residents have access to affordable housing and opportunities to thrive.

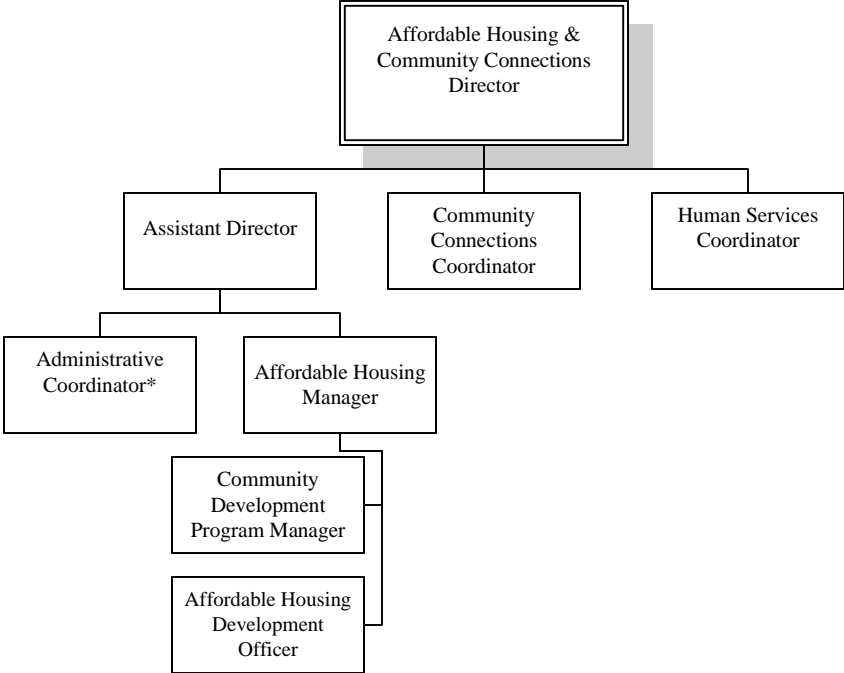
MISSION:

*Creating Partnership
Catalyzing Affordable Housing
Building Community*

The Affordable Housing and Community Connections Department identified the following primary programs that are included in the adopted budget for 2022-23.

Program	Description
Affordable Housing	<ul style="list-style-type: none"> ▪ Funding Community Partner Projects ▪ Creating Affordable Housing Policies ▪ Managing Affordable Housing Units ▪ Initiating Development and Preservation of Affordable Housing
Community Connections	<ul style="list-style-type: none"> ▪ Funding Human Services Agencies ▪ Managing Equitable Engagement Initiatives ▪ Creating Communications for Residents and Community Partners ▪ Providing Technical Assistance to Departments for engagement planning ▪ Managing Language Access Initiatives

AFFORDABLE HOUSING & COMMUNITY CONNECTIONS



* 20% funded by Affordable Housing & Community Connections and shared with Planning

***AFFORDABLE HOUSING & COMMUNITY CONNECTIONS
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

	2020-21 ADOPTED	2021-22 ADOPTED	2022-23 ADOPTED
Affordable Housing and Community Connections			
Executive Director - Affordable Housing & Community Connections	1.00	1.00	1.00
Assistant Director - Affordable Housing & Community Connections	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
Department Totals	7.20	7.20	7.20

AFFORDABLE HOUSING & COMMUNITY CONNECTIONS

BUDGET SUMMARY

The adopted budget reflects an overall increase of 13.2% from the previous fiscal year's budget. The 15.1% increase in personnel costs is due to a 2% increase in health insurance costs, a 0.75% retirement increase, and a salary increase. Operating costs decreased 3.6% due to an decrease in meetings & trainings.

EXPENDITURES



	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 723,646	\$ 756,963	\$ 736,620	\$ 630,843	\$ 871,130	15.1%
Operating Costs	39,870	86,731	557,074	557,864	83,600	-3.6%
Total	\$ 763,516	\$ 843,694	\$ 1,293,694	\$ 1,188,707	\$ 954,730	13.2%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Revenues	\$ 763,516	\$ 843,694	\$ 1,293,694	\$ 1,188,707	\$ 954,730	13.2%
Total	\$ 763,516	\$ 843,694	\$ 1,293,694	\$ 1,188,707	\$ 954,730	13.2%

AFFORDABLE HOUSING & COMMUNITY CONNECTIONS

Performance Measures

 AFFORDABLE HOUSING  VIBRANT & INCLUSIVE COMMUNITY	<p>Strategic Objectives</p> <ul style="list-style-type: none"> ➤ 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 ➤ Deepen the Town’s connections and engagement with organizations, groups, and populations that historically have been disengaged or disconnected from the Town ➤ 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
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Core Business Program	Performance Measure	FY20 Actual	FY21 Actual	FY22 Estimate	FY23 Target
Affordable Housing	% of funding available for affordable housing projects allocated.	94%	85%	72%	90%
	Number of affordable homes developed with support from the Town.	15	3	10	30
	Number of affordable homes preserved with support from the Town.	194	554	473	125
	Number of households assisted through our Rental and Utility Assistance Program.	142	535	460	100
	Number of units in our Transitional Housing Program	16	16	21	21
	Dollars dedicated to affordable housing strategies in Town Budget	\$10.61 / 5.61 M	\$6.38 M	\$5.73 M	\$12 / 5.75 M
	Number of new development units that received funding approval	281	130	105	300
	Number of preservation units that received funding approval	85	603	516	150
	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.	96%	96%	96%	96%
	Percentage of residents satisfied with the availability of a range of housing options by price.	27%	27%	20%	20%
	Dollars deployed to community partners to support affordable housing development and preservation projects	\$6.09 M	\$1.81 M	\$2.52 M	\$7 M
	Number of affordable housing units approved by council	N/A	198	123	50
Community Connections	Percentage of human services agencies who are satisfied with our funding process.	82%	87%	90%	90%
	% of total students living off campus that read the Tar Heel Citizen Times (open rate)	33%	30%	34%	35%

% 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	NA	NA	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.	20,960	20,303	22,497	23,000
Number of low-income youth employed through our Summer Youth Employment Program	28	0	5	6
Total budget for Human Services Program	\$446,500	\$546,500	\$546,500	\$573,825
Number of Town meetings where interpretation is provided	8	12	61	75
Number of nonprofits funded by our Human Services Program	42	39	39	37
Number of residents graduated from our Peoples Academy	37	39	15	40
Number of community engagement meetings facilitated	51	46	69	70
Town budget for Community Connections strategies	\$836 K	\$1.2 M	\$923,176	\$1,048,176

BUILDING & DEVELOPMENT SERVICES
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2020-21 ADOPTED	2021-22 ADOPTED	2022-23 ADOPTED
<u>Building & Development Services</u>			
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
BDS Department Totals	<u>22.00</u>	<u>22.00</u>	<u>22.00</u>

Building & Development Services

BUDGET SUMMARY

The adopted budget for the Building & Development Services department reflects an overall expenditure increase of 2.8% from the 2021-22 budget. Personnel expenses increased 1.2% due to a 0.75% retirement increase, a 2% health insurance increase, and a salary increase, offset by reductions in temporary salaries. The operating costs increased by 20.5% due to increases to various technology needs.

EXPENDITURES


	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 1,722,068	\$ 2,226,923	\$ 2,226,923	\$ 1,749,153	\$ 2,254,646	1.2%
Operating Costs	193,162	197,945	291,743	283,991	238,605	20.5%
Total	\$ 1,915,230	\$ 2,424,868	\$ 2,518,666	\$ 2,033,144	\$ 2,493,251	2.8%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Revenues	\$ (274,733)	\$ 519,868	\$ 613,666	\$ 158,144	\$ 553,451	6.5%
Licenses/Permits/Fines	2,189,963	1,905,000	1,905,000	1,875,000	1,939,800	1.8%
Total	\$ 1,915,230	\$ 2,424,868	\$ 2,518,666	\$ 2,033,144	\$ 2,493,251	2.8%

BUILDING & DEVELOPMENT SERVICES

Performance Measures

 <p>SAFE COMMUNITY</p>	<p>Strategic Objectives</p> <ul style="list-style-type: none"> ➤ Improve customer service delivery with technology enhancements ➤ Improve customer service and delivery of commercial plan reviews within targeted deadlines ➤ Improve customer service and delivery of residential plan reviews within targeted deadlines. ➤ Improve response time to inspections requests within targeted deadlines ➤ Improve response time to code complaints and within targeted deadlines
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Core Business Program	Performance Measure	FY20 Actual	FY21 Actual	FY22 Estimate	FY23 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%	84	100	100%
	Increase percentage of commercial plans reviews completed within 30 days of acceptance.	90%	92	90	95%
	Increase percentage of residential plan reviews completed within 5 days of acceptance.	90%	89	90	95%
	Increase percentage of inspections completed within one workday of request	96%	99	98	100%
	Increase percentage of code complaints responded to within 2 business days	94%	94	98	96%

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

***PUBLIC SAFETY
BUDGET SUMMARY***

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

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Police	\$ 12,326,745	\$ 13,346,550	\$ 13,498,479	\$ 13,102,311	\$ 15,024,867	12.6%
Fire	9,088,091	10,004,565	10,203,486	9,949,139	10,615,997	6.1%
Total	\$ 21,414,836	\$ 23,351,115	\$ 23,701,965	\$ 23,051,450	\$ 25,640,864	9.8%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Revenues	\$ 19,846,542	\$ 21,665,973	\$ 22,010,823	\$ 21,093,204	\$ 23,522,280	8.6%
State-Shared Revenues	1,064,323	1,106,256	1,106,256	1,106,256	1,106,256	0.0%
Grants	45,816	-	6,000	12,107	6,000	N/A
Charges for Services	317,619	275,386	275,386	651,883	707,728	157.0%
Licenses/Permits/Fines	125,936	203,500	203,500	153,000	198,600	-2.4%
Other Revenues	14,600	100,000	100,000	35,000	100,000	0.0%
Total	\$ 21,414,836	\$ 23,351,115	\$ 23,701,965	\$ 23,051,450	\$ 25,640,864	9.8%

CHAPEL HILL POLICE DEPARTMENT

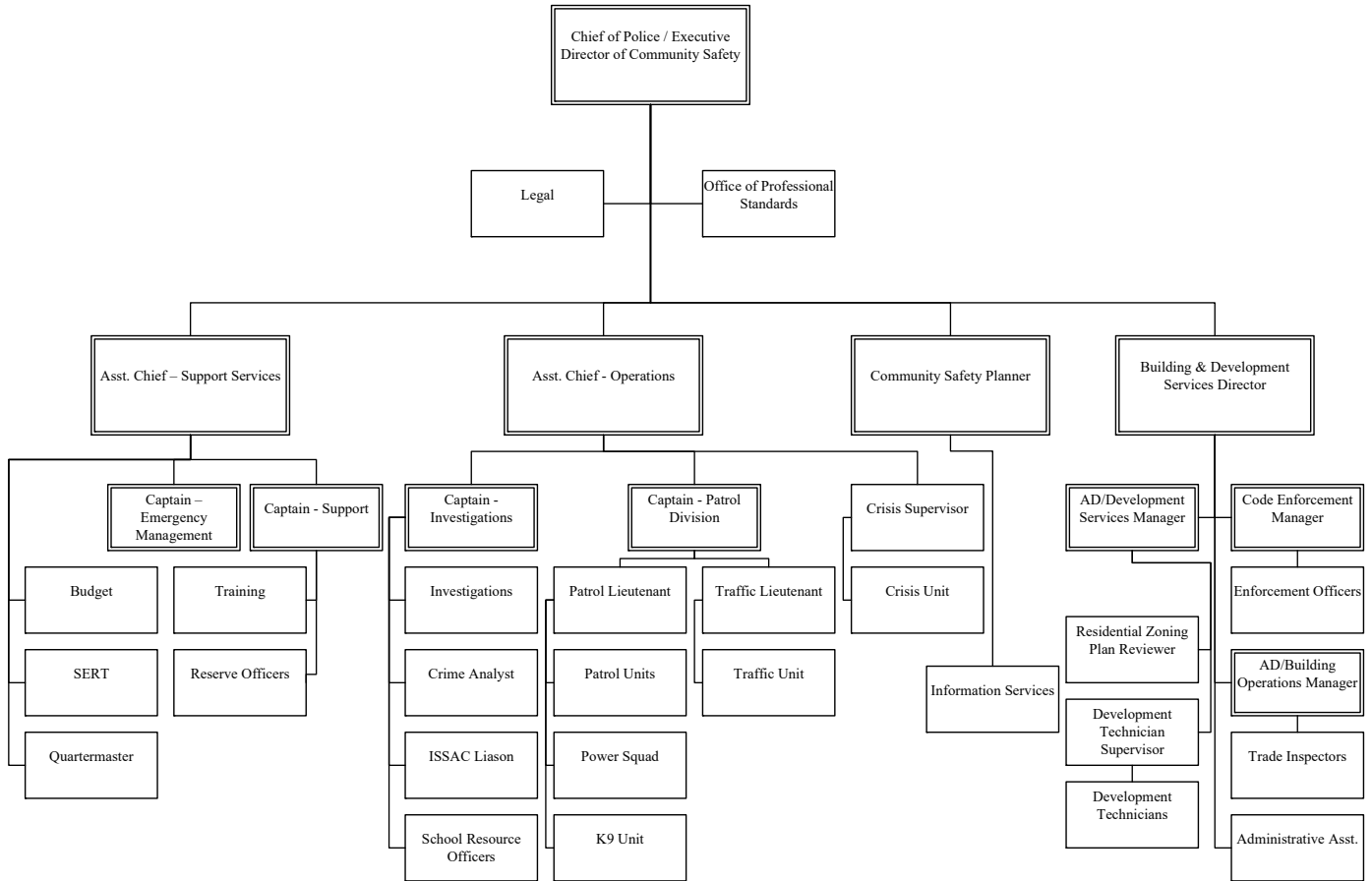
MISSION STATEMENT:

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 2022-23.

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

Police Department



POLICE DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2020-21 ADOPTED	2021-22 ADOPTED	2022-23 ADOPTED
Support Services			
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	5.00	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	18.00	18.00
Operations			
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	1.00
Police Officer	88.00	73.00	74.00
Division Totals	116.00	101.00	101.00
Police Department Totals	133.00	119.00	119.00

POLICE

BUDGET SUMMARY

While the Police Department generates revenues from grants, charges for services, and licenses, permits and fines, the majority of the revenues are not department specific. Most grant revenues were moved to a separate Grants Fund in 2007-08. Personnel expenditure increases are attributed to a 2% health insurance increase, a 0.75% retirement increase, and a salary increase. Operating cost increases are attributed to increases in communication costs and a criminal justice debt program.

In fiscal year 2017-18, Inspections became a division under the Police Department. As of last fiscal year, the Inspections division became its own department, Building and Development Services.

EXPENDITURES


	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 10,928,577	\$ 11,774,422	\$ 11,641,961	\$ 11,471,987	\$ 13,349,883	13.4%
Operating Costs	1,398,168	1,572,128	1,856,518	1,630,324	1,674,984	6.5%
Total	\$ 12,326,745	\$ 13,346,550	\$ 13,498,479	\$ 13,102,311	\$ 15,024,867	12.6%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Revenues	\$ 12,241,601	\$ 13,174,050	\$ 13,319,979	\$ 12,656,707	\$ 14,445,325	9.6%
Grants	6,000	-	6,000	12,107	6,000	N/A
Charges for Services	42,233	-	-	376,497	432,342	N/A
Licenses/Permits/Fines	22,311	72,500	72,500	22,000	41,200	-43.2%
Other Revenues	14,600	100,000	100,000	35,000	100,000	0.0%
Total	\$ 12,326,745	\$ 13,346,550	\$ 13,498,479	\$ 13,102,311	\$ 15,024,867	12.6%

POLICE

Performance Measures

 <p>SAFE COMMUNITY</p>	<p>Strategic Objectives</p> <ul style="list-style-type: none"> ➤ 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. ➤ The annual number of part 1 Crimes against Persons and Property not exceed 1,500 crimes. ➤ Achieve an annual Clearance Rate of Part 1 Crimes against Persons of 60%. ➤ Achieve an annual Clearance Rate of Part 1 Property Crime of 17%. ➤ Maintain “very safe” or “safe” survey ratings for “Level of Safety and Security” in neighborhoods from at least 90% of residents surveyed. ➤ Achieve a decrease in vehicle crash resulting in injuries. ➤ Achieve “very satisfied” or “satisfied” survey ratings for employee perception of the police department from at least 75% of employees surveyed.
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Core Business Program	Performance Measure	FY20 Actual	FY21 Actual	FY22 Estimate	FY23 Target
Patrol Division, Investigative Division, Police Crisis Unit	Survey residents and ascertain satisfaction with overall quality of police protection.	N/A	N/A	74%	70%
	Total Number of Part 1 Crimes against Persons and Property	1,237	1,111	1,204	1,200
	Percentage of Part 1 Crimes against Persons cleared	53%	41%	50%	53%
	Percentage of Part 1 Property Crimes cleared	23%	17%	17%	21%
	“very safe” or “safe” survey ratings for “Level of Safety and Security” in neighborhoods in Community Survey.	88%	N/A	84%	90%
	Percentage of vehicle crashes resulting in injuries <17% of our total number of crashes.	18%, 2%**	19% 3% **	21% 4% **	17%, 2%**
Support Services	% of employees who advance through career progression program on-time	99%	100%	100%	100%
	% of police applicants successfully passing BLET/FTP	100%	95%	87%	100%
	Reduce turnover rate to national average (8%)	11.02%	9%	14%	8%

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

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

POLICE - Support Services Division
BUDGET SUMMARY

The adopted budget for the Support Services division reflects an overall expenditure increase of 7.0% from last year's budget. The 9.7% increase in personnel is due to a 2% increase in health insurance, a 0.75% retirement increase, and a salary increase. There is a 1.6% increase in operating costs due an increase in telephone maintenance.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 1,489,288	\$ 1,784,315	\$ 1,784,315	\$ 1,637,801	\$ 1,956,795	9.7%
Operating Costs	788,705	858,609	1,015,619	883,181	872,195	1.6%
Total	\$ 2,277,993	\$ 2,642,924	\$ 2,799,934	\$ 2,520,982	\$ 2,828,990	7.0%

POLICE - Operations Division
BUDGET SUMMARY

The Operations Division reflects a 14.0% increase from the 2021-22 budget. The personnel budget for the Operations Division reflects a 14.0% increase due to a 0.75% increase in retirement costs, a 2% increase in health insurance costs, and a salary increase. The 13.7% increase in operating costs is primarily attributed to the criminal justice debt program.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 9,439,289	9,990,107	9,857,646	9,834,186	11,393,088	14.0%
Operating Costs	609,439	653,669	828,279	687,293	742,939	13.7%
Total	\$ 10,048,728	\$ 10,643,776	\$ 10,685,925	\$ 10,521,479	\$ 12,136,027	14.0%

POLICE - Special Events
BUDGET SUMMARY

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 2022-23 is flat compared to 2021-22.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Operating Costs	\$ 24	\$ 59,850	\$ 12,620	\$ 59,850	\$ 59,850	0.0%
Total	\$ 24	\$ 59,850	\$ 12,620	\$ 59,850	\$ 59,850	0.0%

FIRE DEPARTMENT

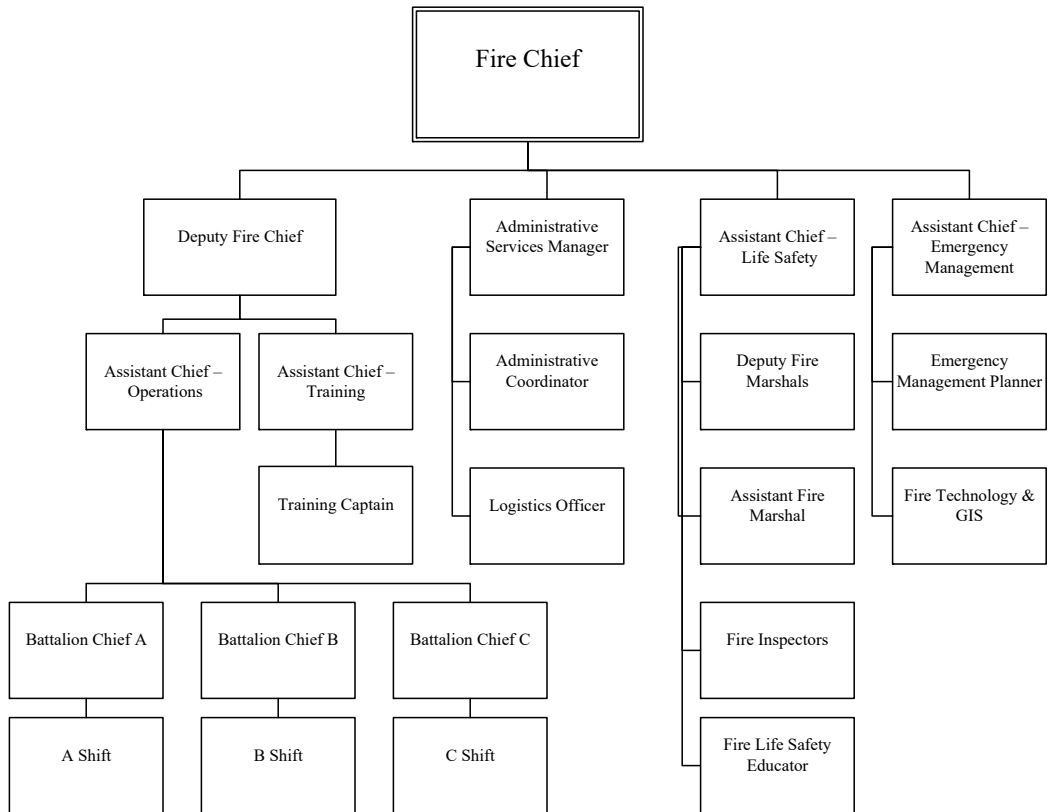
MISSION STATEMENT:

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 2022-23.

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

	2020-21 ADOPTED	2021-22 ADOPTED	2022-23 ADOPTED
Administration			
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>
Emergency Operations			
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>
Life Safety			
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

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 6.1% due to personnel increases and increases to vehicle fuel and vehicle maintenance charges.

EXPENDITURES

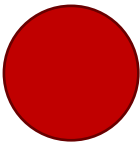
	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 8,063,561	\$ 8,902,751	\$ 8,902,751	\$ 8,617,928	\$ 9,488,845	6.6%
Operating Costs	1,024,530	1,091,814	1,290,735	1,321,211	1,117,152	2.3%
Capital Outlay	-	10,000	10,000	10,000	10,000	0.0%
Total	\$ 9,088,091	\$ 10,004,565	\$ 10,203,486	\$ 9,949,139	\$ 10,615,997	6.1%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Revenues	\$ 7,604,941	\$ 8,491,923	\$ 8,690,844	\$ 8,436,497	\$ 9,076,955	6.9%
State-Shared Revenues	1,064,323	1,106,256	1,106,256	1,106,256	1,106,256	0.0%
Grants	39,816	-	-	-	-	N/A
Charges for Services	275,386	275,386	275,386	275,386	275,386	0.0%
Licenses/Permits/Fines	103,625	131,000	131,000	131,000	157,400	20.2%
Total	\$ 9,088,091	\$ 10,004,565	\$ 10,203,486	\$ 9,949,139	\$ 10,615,997	6.1%

FIRE

Performance Measures

 SAFE COMMUNITY	<p>Strategic Objectives</p> <ul style="list-style-type: none"> ➤ 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. ➤ Make building familiarization and pre-incident planning tours of each commercial, industrial and other similar building at least annually. ➤ Maintain out-of-service time of front line apparatus at 10% or less ➤ 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 ➤ 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 ➤ Enforce the fire and safety codes of the Town and State through inspection, plan review and investigating the causes of fires ➤ 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 ➤ Achieve full ISO credit for training standards in the areas of: the company, officer, driver operator, and hazardous material
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Core Business Program	Performance Measure	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Target
Emergency Operations	Percentage of structure fire responses within 5 minutes from dispatch to the arrival of the first unit	78%	84%	83%	90%
	Percentage of structure fire responses within NFPA 1710 standard of 8 minutes from dispatch to the arrival of the full alarm	86%	81%	82%	90%
	Percentage of non-medical emergency responses within 5 minutes from dispatch to the arrival of the first unit.	78%	82%	84%	90%
	Percentage of front-line apparatus with out-of-service time greater than 10%	66%	66%	66%	20%
	Percentage of full alarm structure fire responses to high hazard occupancies within NFPA 1710 standard of 10 minutes and 10 seconds	New metric in FY23	New metric in FY23	New metric in FY23	90%
Emergency Management	Percentage of Town employees that have participated in emergency management training plan over each fiscal (workshop, seminar, class, etc.)	New metric in FY23	New metric in FY23	New metric in FY23	30%

	Percentage of incident corrective action items in after action reports successfully addressed	New metric in FY23	New metric in FY23	New metric in FY23	75%
	Percentage of events/incidents that receive after action report	New metric in FY23	New metric in FY23	New metric in FY23	90%
	Percentage of critical function responsibilities addressed in the Town's EOP	New metric in FY23	New metric in FY23	New metric in FY23	90%
	Percentage of standard emergency management plans that have been created	New metric in FY23	New metric in FY23	New metric in FY23	90%
First Responder Medical Services	CHFD response time to medical calls within 5 minutes from dispatch to arrival	77%	79%	80%	90%
Code Enforcement	Percentage of State required inspections completed *Note many inspections were put on hold during COVID-19 protocols	No Data Available	No Data Available	No Data Available	90%
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.	No Data Available	No Data Available	No Data Available	15%
	Defining and conducting determinations on the risk as it relates to Community Risk Reduction	New metric in FY23	New metric in FY23	New metric in FY23	10%
Training and Development	Personnel completed company training (192 hours required)	100%	100%	100%	100%
	Personnel completed full officer training (12 hours required)	92%	90%	94%	100%
	Personnel completed existing driver operator training (12 hours required)	100%	96%	94%	100%
	Personnel completed hazardous material training (6 hours required).	98%	94%	94%	100%

FIRE - Administration Division
BUDGET SUMMARY

The adopted budget for the Administration division reflects an overall expenditure decrease of 25.0% from last year's budget. The decrease in personnel costs is the result of a deputy chief position moving from Administration to Operations. This is partially offset by a 0.75% retirement increase, a 2% increase in health insurance costs, and a salary increase. The operating budget reflects a 36.7% decrease due to decreases in vehicle replacements and professional services.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 372,305	\$ 482,645	\$ 482,645	\$ 350,888	\$ 383,987	-20.4%
Operating Costs	97,981	\$ 184,433	\$ 232,317	215,377	\$ 116,655	-36.7%
Total	\$ 470,286	\$ 667,078	\$ 714,962	\$ 566,265	\$ 500,642	-25.0%

FIRE - Emergency Operations Division
BUDGET SUMMARY

The adopted budget for the Emergency Operations Division reflects an 8.8% increase overall. Personnel expenditures experienced an 8.7% increase due to a 2% increase in health insurance costs, a 0.75% retirement costs increase, and a salary increase, as well as gaining a deputy chief position moved from Administration. Operating expenditures saw a 9.3% increase, reflecting increases to fleet use and training supplies. Capital outlay expenditures remain the same.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 6,785,280	\$ 7,413,073	\$ 7,413,073	\$ 7,373,443	\$ 8,061,520	8.7%
Operating Costs	751,060	828,456	947,493	1,007,909	905,317	9.3%
Capital Outlay	-	10,000	10,000	10,000	10,000	0.0%
Total	\$ 7,536,340	\$ 8,251,529	\$ 8,370,566	\$ 8,391,352	\$ 8,976,837	8.8%

FIRE - Life Safety Division
BUDGET SUMMARY

The adopted budget for the Life Safety division reflects an overall expenditure increase of 0.3% from the 2021-22 budget. The 0.2% increase in personnel is due to a 2% increase in health insurance costs, a 0.75% retirement increase, and a salary increase. The operating budget increased by 1.4% due to increases in vehicle fuel and business meetings & training.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 730,174	\$ 794,129	\$ 794,129	\$ 690,053	\$ 795,443	0.2%
Operating Costs	53,334	74,325	73,325	74,130	75,340	1.4%
Total	\$ 783,508	\$ 868,454	\$ 867,454	\$ 764,183	\$ 870,783	0.3%

FIRE - Emergency Management
BUDGET SUMMARY

The Emergency Management division was created during FY21. The overall budget increased 23.1% from the 2021-22 budget. Personnel costs increased 16.4% from the 2021-22 budget due to a 2% increase in health insurance costs, a 0.75% retirement increase, and a salary increase. Operating costs increased by 331.4% (\$15,240) due to increases to fleet use and contracted services.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 175,802	\$ 212,904	\$ 212,904	\$ 203,544	\$ 247,895	16.4%
Operating Costs	122,155	4,600	37,600	23,795	19,840	331.3%
Total	\$ 297,957	\$ 217,504	\$ 250,504	\$ 227,339	\$ 267,735	23.1%

**LEISURE
BUDGET SUMMARY**

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

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Parks and Recreation	\$ 5,794,064	\$ 7,374,790	\$ 7,510,326	\$ 6,348,009	\$ 7,763,651	5.3%
Library	3,473,733	3,888,890	3,885,064	3,701,352	4,143,137	6.5%
Total	\$ 9,267,797	\$ 11,263,680	\$ 11,395,390	\$ 10,049,361	\$ 11,906,788	5.7%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Revenues	\$ 8,034,492	\$ 9,363,033	\$ 9,468,879	\$ 8,450,730	\$ 10,157,476	8.5%
Grants	683,497	681,997	681,997	681,995	681,997	0.0%
Charges for Services	454,703	1,119,650	1,119,650	800,236	975,415	-12.9%
Other Revenues	50,105	54,000	79,864	71,400	46,900	-13.1%
Transfers/Other Sources	45,000	45,000	45,000	45,000	45,000	0.0%
Total	\$ 9,267,797	\$ 11,263,680	\$ 11,395,390	\$ 10,049,361	\$ 11,906,788	5.7%

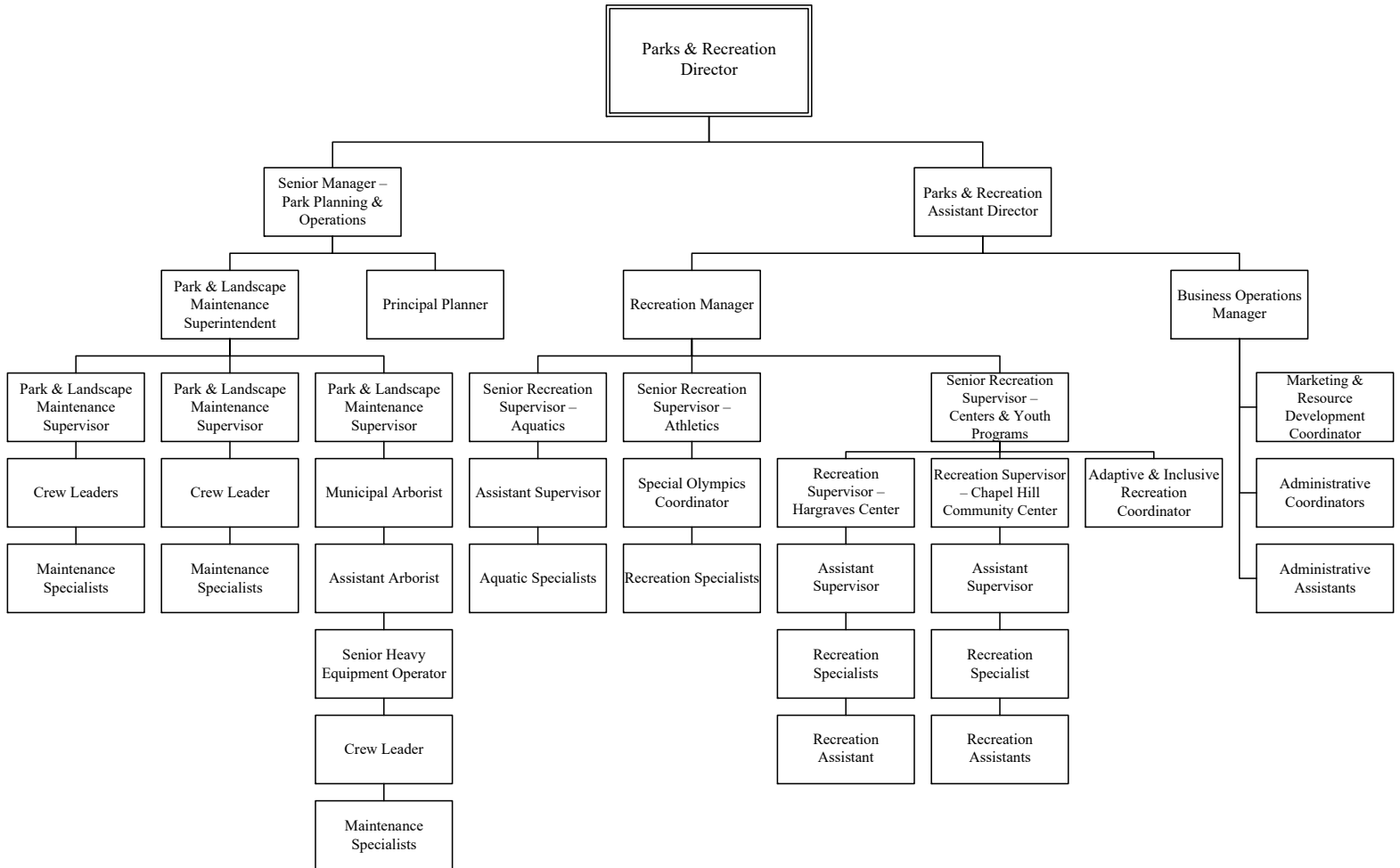
PARKS AND RECREATION DEPARTMENT

MISSION STATEMENT: *To enliven our community by providing exceptional service, creating opportunities for inclusive recreational and cultural experiences, and nurturing beautiful, sustainable spaces.*

The Parks and Recreation Department identified the following primary programs that are included in the adopted budget for 2022-23.

Program	Description
Park and Landscape Maintenance	Operates and maintains Town owned and controlled outdoor properties, including: parks, playgrounds, athletic fields, green / open space, cemeteries, and trails and greenways. Performs or coordinates landscape maintenance at rights of way along public roadways and thoroughfares throughout Chapel Hill including vegetative maintenance at most Town facilities and tree / arboriculture responsibilities.
Planning and Development	Leads the planning and development of new facilities and renovations - parks, greenways / trails, and recreation venues. Coordinates comprehensive and strategic planning efforts related to Parks and Recreation. Manages construction and renovation projects.
Cemetery Operations	Administers operation of Memorial Cemetery including sale of columbarium niches, resale of burial plots, and scheduling of services. Provides landscaping, routine maintenance, and record keeping at the 4 Town owned cemeteries.
Recreation Programming and Facility Management	Provides recreational programming throughout Town, including youth and teen programs, aquatics and swimming classes, instructional sports, athletic leagues, fitness and arts programs, open gym and field play opportunities as well as specialized programs including Special Olympics of Orange County and adapted recreation. Operates recreation, aquatic, and athletic facilities and coordinates the use of athletic fields, gyms, meeting rooms, and other facilities.
Business Operations	Facilitates administrative and business operations including marketing and promotion, facility booking and program registration software and process coordination, resource development, reporting and evaluation, and payroll. Coordinates picnic shelter bookings and customer service management processes department-wide.

PARKS AND RECREATION DEPARTMENT



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

	2020-21 ADOPTED	2021-22 ADOPTED	2022-23 ADOPTED
Administration			
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>
Landscape Services and Park Maintenance			
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>
Athletics			
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>
Community Center			
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

	2020-21 ADOPTED	2021-22 ADOPTED	2022-23 ADOPTED
Aquatics Center			
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>
Hargraves Center			
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>
Community Cultural Arts			
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>

¹ One additional Groundskeeper is funded by the Downtown Service District.

PARKS AND RECREATION

BUDGET SUMMARY

The adopted budget for Parks & Recreation has a 5.3% overall increase. The budget includes a 2% increase in health insurance costs, a 0.75% retirement increase, and a salary increase. The 1.1% increase in operations is due to increases in vehicle fuel costs.

EXPENDITURES




	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 4,326,886	\$ 5,592,946	\$ 5,592,946	\$ 4,577,361	\$ 5,961,769	6.6%
Operating Costs	1,467,178	1,781,844	1,895,508	1,753,876	1,801,882	1.1%
Capital Outlay	-	-	21,872	16,772	-	N/A
Total	\$ 5,794,064	\$ 7,374,790	\$ 7,510,326	\$ 6,348,009	\$ 7,763,651	5.3%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Revenues	\$ 5,240,494	\$ 6,221,380	\$ 6,336,616	\$ 5,457,913	\$ 6,748,476	8.5%
Grants	85,260	83,760	83,760	83,760	83,760	0.0%
Charges for Services	420,987	1,058,650	1,058,650	746,036	906,415	-14.4%
Other Revenues	47,323	11,000	31,300	60,300	25,000	127.3%
Total	\$ 5,794,064	\$ 7,374,790	\$ 7,510,326	\$ 6,348,009	\$ 7,763,651	5.3%

PARKS & RECREATION

Performance Measures

 <p>CONNECTED COMMUNITY</p>  <p>VIBRANT & INCLUSIVE COMMUNITY</p>  <p>ENVIRONMENTAL STEWARDSHIP</p>	<p>Strategic Objectives</p> <ul style="list-style-type: none"> ➤ Use contracted services to maintain community space. ➤ Use employees to maintain community space. ➤ Maintain community space in an attractive and timely manner ➤ Provide community use of Town recreation facilities ➤ Offer exceptional recreational and cultural programs to the community ➤ Planning and Facility Development
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Core Business Program	Performance Measure	FY20 Actual	FY21 Actual	FY22 Estimate	FY23 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
Recreation Programming	Mowing Frequency of Contracted Right of Way mowing	14	14	14	14
	Field rentals - number of rentals	2,275	4581	3170	600
	Field rentals - revenue	393,795	363,716	245,563	122,000
	Field rentals - attendance	181,717	305,830	185,405	180,000
	Shelter rentals - number of rentals	365	287	681	300
	Shelter rentals - revenue	14,914	13261	31,388	13,500
	Shelter rentals - attendance	14,223	8750	21,157	9,000
	Pool rentals - number of rentals	5,336	0	0	1,000
	Pool rentals - revenue	112,576	0	0	500
	Pool rentals - attendance	18,072	0	0	200
	Other Indoor Rentals - number of rentals for meeting rooms, gyms and auditorium	163	0	0	75
Other Indoor Rentals - revenue	18,294	0	0	2,000	

Recreation Programming	Other Indoor Rentals - attendance	6,173	0	0	1,000
	Number of programs offered	970	511	623	550
	Percentage of programs completed	80%	70%	75%	80%
	Number of registered participants in all programs	7,243	6,785	5316	6800
	Number of waitlisted participants in all programs	1,540	688	1270	100
	Number of drop-in participants in all programs	37,119	41,127	29,100	25,000
Administration	Department and Co-hosted events - number of events held (New)	19	7	10	5
Planning and Facility Development	Complete the Inclusive Playground Project (Design Only)	30%	30%	30%	60%
	Complete the Homestead Park Soccer Field Project	100%	100%	100%	N/A
	Complete the Cedar Falls Tennis Court Project (Design only)	30%	60%	60%	60%
	Complete the Bolin Creek Trail Project (Coal Ash area)	80%	100%	100%	N/A
	Complete the Tanyard Branch Trail	99%	100%	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

The adopted budget for the Administration division reflects an overall expenditure increase of 4.1% from the 2021-22 budget. The 4.7% increase in personnel costs is due a 0.75% retirement increase, a 2% increase in health insurance costs, and a salary increase. The operating budget has an increase of 2.2% due to increases in contracted services.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 798,657	\$ 956,253	\$ 956,253	\$ 735,922	\$ 1,000,750	4.7%
Operating Costs	188,642	257,607	285,130	238,781	263,168	2.2%
Total	\$ 987,299	\$ 1,213,860	\$ 1,241,383	\$ 974,703	\$ 1,263,918	4.1%

PARKS & RECREATION - Special Events
BUDGET SUMMARY

The Parks and Recreation Special Events division was moved to the Library department in Fiscal Year 2018-19. The remaining budget in FY22 represents 140 West programming funds.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Operating Costs	-	-	5,175	-	-	N/A
Total	\$ -	\$ -	\$ 5,175	\$ -	\$ -	N/A

PARKS & RECREATION - Parks Maintenance
BUDGET SUMMARY

The adopted budget for the Parks Maintenance division reflects an overall expenditure increase of 8.3% from last year's budget. The 9.8% increase in personnel costs is due to a 0.75% retirement increase, a 2% increase in health insurance costs, and a salary increase. Operating costs increased 3.7% due to increases in vehicle fuel.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 1,645,995	\$ 1,908,494	\$ 1,928,494	\$ 1,728,024	\$ 2,095,986	9.8%
Operating Costs	606,359	607,302	650,662	647,604	629,522	3.7%
Capital Outlay	-	-	16,772	16,772	-	N/A
Total	\$ 2,252,354	\$ 2,515,796	\$ 2,595,928	\$ 2,392,400	\$ 2,725,508	8.3%

PARKS & RECREATION - Athletics
BUDGET SUMMARY

The adopted budget for the Athletics division reflects an overall expenditure increase of 4.1% from the 2021-22 budget. The 6.2% increase in personnel costs reflects a 2% increase in health insurance costs, a 0.75% retirement increase, and a salary increase. The 1.0% increase in operating costs is attributed to an increase in water and sewer costs.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 388,546	\$ 528,138	\$ 528,138	\$ 411,654	\$ 561,091	6.2%
Operating Costs	231,843	381,447	396,680	359,737	385,407	1.0%
Total	\$ 620,389	\$ 909,585	\$ 924,818	\$ 771,391	\$ 946,498	4.1%

PARKS & RECREATION - Community Center

BUDGET SUMMARY

The adopted budget for the Community Center division reflects an overall expenditure increase of 13.8% from the 2021-22 budget. The 19.9% increase in personnel costs reflects a 2% increase in health insurance costs, a 0.75% retirement increase, and a salary increase. Operating costs decreased by 10.2% due to changes in recreation programs and events.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 429,311	\$ 551,527	\$ 551,527	\$ 481,577	\$ 661,127	19.9%
Operating Costs	100,448	138,255	133,536	134,738	124,189	-10.2%
Capital Outlay	-	-	5,100	-	-	N/A
Total	\$ 529,759	\$ 689,782	\$ 690,163	\$ 616,315	\$ 785,316	13.8%

PARKS & RECREATION - Aquatics

BUDGET SUMMARY

The adopted budget for the Aquatics division reflects an overall expenditure decrease of 2.0% from last year's budget. The 2.9% decrease in personnel costs is due to staff turnover, offset by a 2% increase in health insurance costs, a 0.75% retirement increase, and a salary increase. The 1.0% increase in operating costs is attributed to an increase in water and sewer costs.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 616,991	\$ 976,037	\$ 956,037	\$ 705,239	\$ 948,003	-2.9%
Operating Costs	249,405	264,760	272,542	254,724	267,406	1.0%
Total	\$ 866,396	\$ 1,240,797	\$ 1,228,579	\$ 959,963	\$ 1,215,409	-2.0%

PARKS & RECREATION - Hargraves

BUDGET SUMMARY

The adopted budget for the Hargraves division reflects an overall expenditure increase of 2.7% from the 2021-22 budget. The 3.3% increase in personnel costs reflects a 2% increase in health insurance costs, a 0.75% retirement increase, and a salary increase. Operating costs remain at similar levels to the previous fiscal year.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 447,386	\$ 672,497	\$ 672,497	\$ 514,945	\$ 694,812	3.3%
Operating Costs	90,481	132,473	151,783	118,292	132,190	-0.2%
Total	\$ 537,867	\$ 804,970	\$ 824,280	\$ 633,237	\$ 827,002	2.7%

CHAPEL HILL PUBLIC LIBRARY

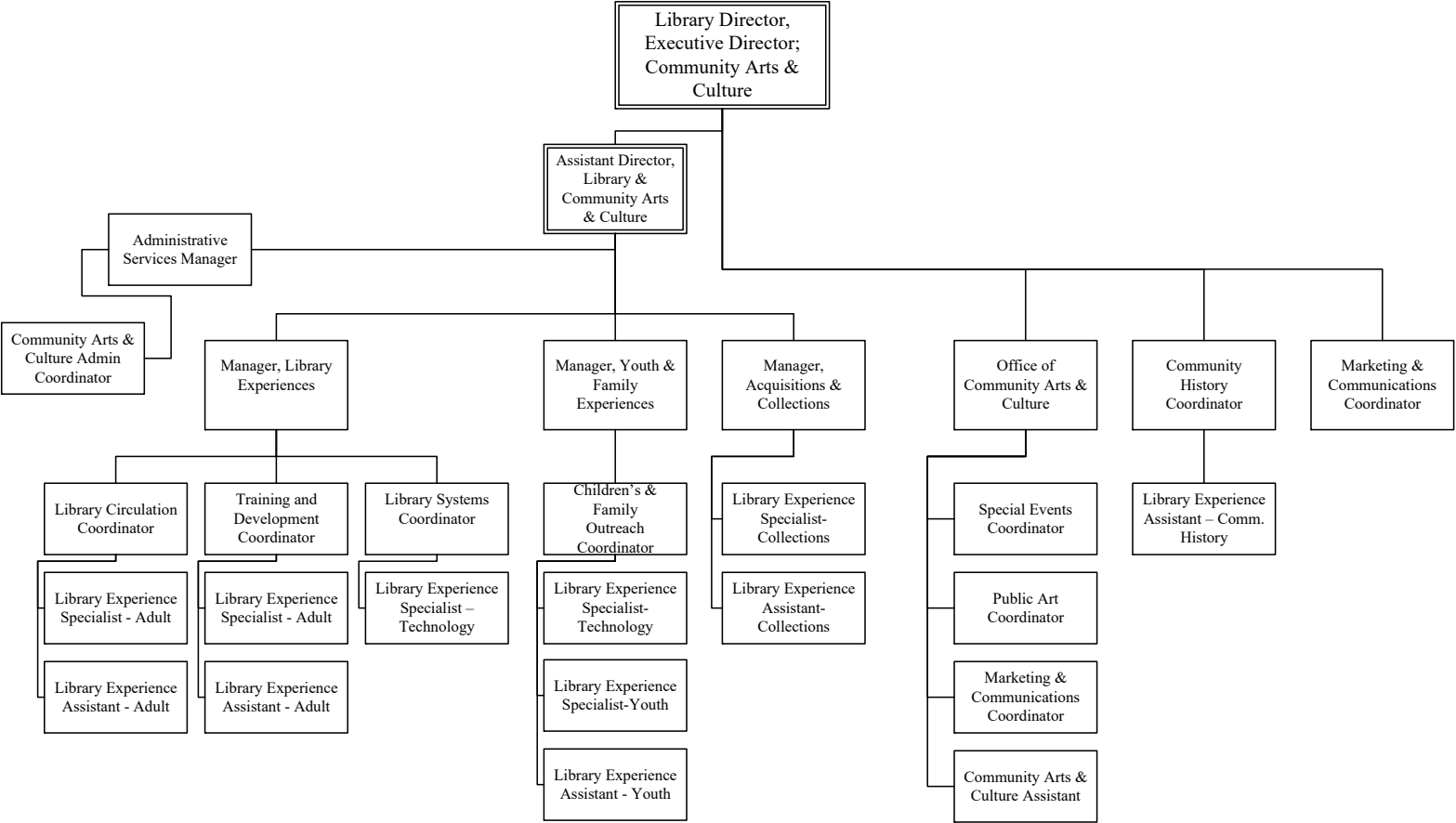
MISSION STATEMENT:

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 2022-23.

Program	Description
Friendly and Helpful Customer Service	Engaged, empowered, and well-trained staff who embody our values of opportunity, hospitality, and stewardship.
Relevant and Responsive Collections	Curated collections of print and digital materials for all ages that reflect diverse community interests and demographics.
Community Engagement and Outreach	Collaborative relationships and joint initiatives with a wide variety of organizations that help our community thrive.
Diverse and Inclusive Public Programs	Events and experiences for all ages that spark curiosity, inspire learning, and create connections.
Access to Current Technology and Digital Resources	Devices, services, and infrastructure that support 21 st century learning, working, and connecting.
Sustainable and Accessible Public Spaces	Building and grounds that show our commitment to user experience, environmental sustainability, and accessibility.

LIBRARY



LIBRARY DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2020-21 ADOPTED	2021-22 ADOPTED	2022-23 ADOPTED
Director-Library	1.00	1.00	1.00
Assistant Director-Library/Head of Public Services	1.00	1.00	1.00
Acquisitions & Collections Manager	1.00	1.00	1.00
Library Experience Manager	1.00	1.00	1.00
Children's & Family Outreach Coordinator	1.00	1.00	1.00
Reader Service Coordinator	1.00	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
Public Arts			
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
Community Cultural Arts			
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

The adopted budget for the Library reflects an overall expenditure increase of 6.5% from the 2021-22 budget. The 8.6% increase in personnel is the result of a 2% increase in health insurance costs, a 0.75% retirement increase, and a salary increase. Operating costs remained relatively constant.

Library revenues reflect support from Orange County in the amount of \$598,237. Transfer from the Library Gift Fund remains at the historic level of \$45,000 in 2022-23.

EXPENDITURES


	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 2,703,253	\$ 2,996,390	\$ 2,959,907	\$ 2,800,869	\$ 3,255,183	8.6%
Operating Costs	770,480	892,500	925,157	900,483	887,954	-0.5%
Total	\$ 3,473,733	\$ 3,888,890	\$ 3,885,064	\$ 3,701,352	\$ 4,143,137	6.5%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
General Fund	\$ 2,793,998	\$ 3,141,653	\$ 3,132,263	\$ 2,992,817	\$ 3,409,000	8.5%
Grants	598,237	598,237	598,237	598,235	598,237	0.0%
Charges for Services	33,716	61,000	61,000	54,200	69,000	13.1%
Other Revenues	2,782	43,000	48,564	11,100	21,900	-49.1%
Transfers/Other Sources	45,000	45,000	45,000	45,000	45,000	0.0%
Total	\$ 3,473,733	\$ 3,888,890	\$ 3,885,064	\$ 3,701,352	\$ 4,143,137	6.5%

LIBRARY

Performance Measures

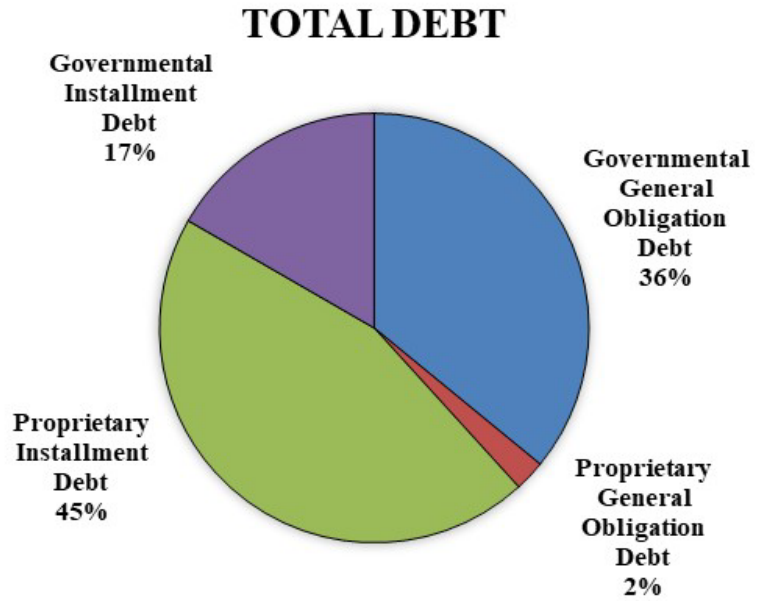
	Strategic Objectives <ul style="list-style-type: none"> ➤ Increase engagement with community history ➤ Increase efforts to reduce the effects of climate change ➤ Increase equity, diversity & inclusion of library collections, programs, and services ➤ Improve usability & sustainability of library spaces and services
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Core Business Program	Performance Measure	FY20 Actual	FY21 Actual	FY22 Estimate	FY23 Target
Friendly and Helpful Customer Service	Conduct 2 Department-wide staff training & development days per year	0	1	1	2
	Provide quarterly customer service training opportunities for all staff members	met	met	met	meet
Diverse and Inclusive Public Programs	Total program attendance per 1,000 capita - greater than or equal to state average (state average FY21 = 101)	406	130	130	120
	Number of Summer Reading Program registered participants over previous year	1,818	556	950	1,000
Sustainable and Accessible Public Spaces	Number of events held in library meeting rooms for functions not sponsored, organized, or initiated by the library.	1,394	0	0	300
	Library visits per capita greater than state average (state average FY21 = 2.1)	6.54	6.16	.27	4
	Pounds of compostable waste diverted from landfill per year	0	2,935	4,450	5,500
Relevant and Responsive Collections	Percentage of operating budget spent on collections equal to state average (state average FY22=10%)	7%	6%	6%	7%
	Circulation per registered borrower greater than state average (state average FY21=13.55)	25.3	14.58	16	21
	Collection expenditure per use less than state average (state average FY21 = \$1.72)	NA	\$0.22	\$0.22	\$0.25
Useful Technology and Digital Resources	Technology lending circulation	932	77	400	600
	Uses of public internet computers at library annually	92,543	1,185	3,000	50,000
Community Engagement and Outreach	Number of off-site outreach services and events	61	47	56	75
	Volunteer service hours contributed to library	2,494	202	1,123	2,500

*Attendees for virtual programs were not surveyed

DEBT SERVICE FUND

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, 2022, the Town had about \$104 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 August 2021, the Town issued \$58.2 million in Limited Obligation Bonds (LOBS) as follows: \$39.4 million for the East Rosemary Parking Deck, an 1,100-space deck, \$6.5 million for Phase II of the Ephesus Fordham public improvements, \$1.5 million for the refunding of the 2015 installment purchase agreement, and \$10.8 million for the refunding of the 2012 LOBS.

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.

		Long-Term Debt June 30, 2022
Governmental Debt		
General obligation debt	\$	33,422,000
Limited Obligation Bonds		10,694,000
Installment debt		4,819,000
Separation allowance		7,312,000
Compensated absences		<u>2,979,000</u>
Total	\$	<u>59,226,000</u>
Proprietary Fund Debt		
Enterprise Funds		
General obligation debt	\$	2,160,000
Limited Obligation Bonds		38,531,000
Installment debt		3,383,000
Compensated absences		<u>786,000</u>
Total	\$	<u>44,860,000</u>

DEBT & BOND RATINGS

Also in February 2017, the Town closed on an installment financing for the purchase of 14 transit buses. The buses were financed for a 10-year term at an interest rate of 2.09%. The Chapel Hill Transit funding partners, Carrboro, UNC and Chapel Hill, are sharing the cost of repaying the debt.

In March 2016, the Town completed a combined installment financing for streets and buildings for \$7,984,000. The financing had a 15-year term and net interest cost of 2.32%.

In June 2015, the Town entered into a public improvement installment financing in the amount of \$2.44 million. The funds were used for public facility and public safety projects. The installment financing had a 15-year term with a net interest cost of 2.24%.

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.

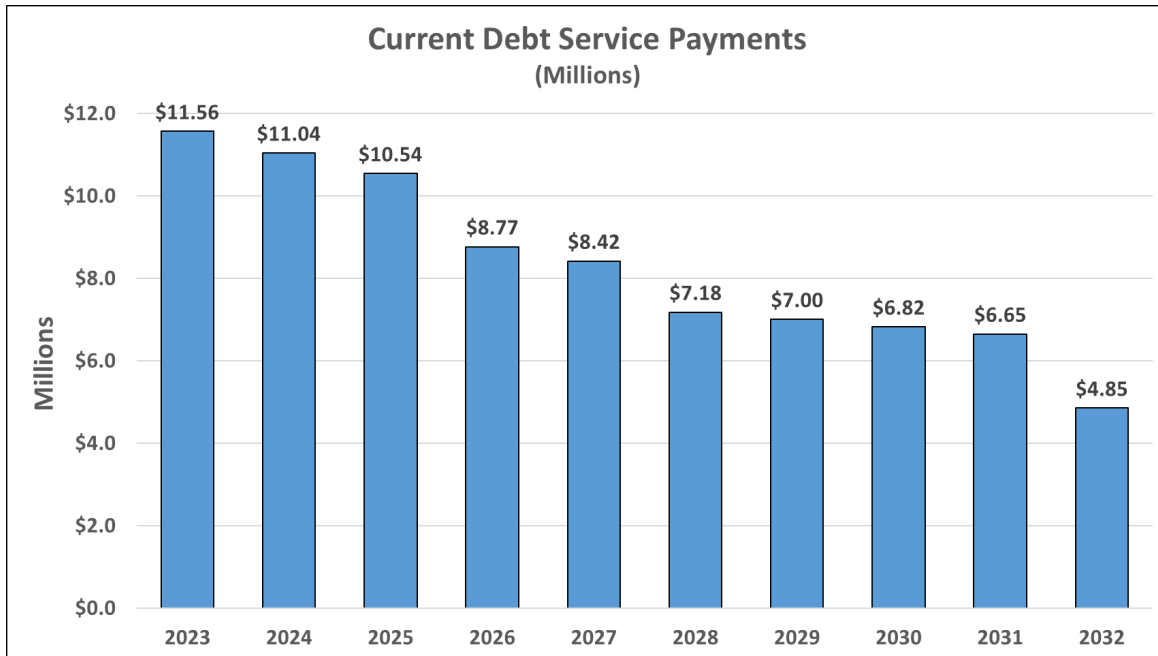
In June 2012, the Town sold \$6.9 million of Limited Obligation Bonds (LOBs) to finance the Town's portion of the 140 West parking garage, other parking improvements and improvements to the Town's Operation Center. The transaction included refunding of approximately \$24 million of existing installment 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 typically in the 70% - 80% of existing debt scheduled to be retired within 10 years. With the issuance of the 2021 Limited Obligation Bonds, the 10-year payout is currently 65.4%. 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, 2022, and the balance of the authority remaining is shown in the following table.

BOND ORDER	AUTHORITY	ISSUED	BALANCE
Affordable Housing	\$ 10,000,000	\$ 4,755,000	\$ 5,245,000
Total	\$ 10,000,000	\$ 4,755,000	\$ 5,245,000

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, 2022, and the balance of authority remaining are shown in the following table.

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

DEBT & BOND RATINGS

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 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 winter 2023.
- The Town is currently in the planning process for several Streets & Sidewalks projects including: Fordham Sidepath, Estes Drive (Carrboro to MLK), Bolinwood Drive bridge replacement, street resurfacing projects, streetscapes, North Street/MLK Intersection improvements, 100 & 600 block sidewalks on West Franklin Street, Ephesus Church Road sidewalk, Seawell School Road sidewalk and Homestead Road sidewalk for a total of about \$7.7 million. It is expected that these projects will be financed in winter 2023.
- 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 2024.

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, 2022, the Town had \$35,582,000 in outstanding G.O. Bonds that apply to this limit. The total is less than 1% of the Town’s June 30, 2022 tax base (\$9.450 billion).

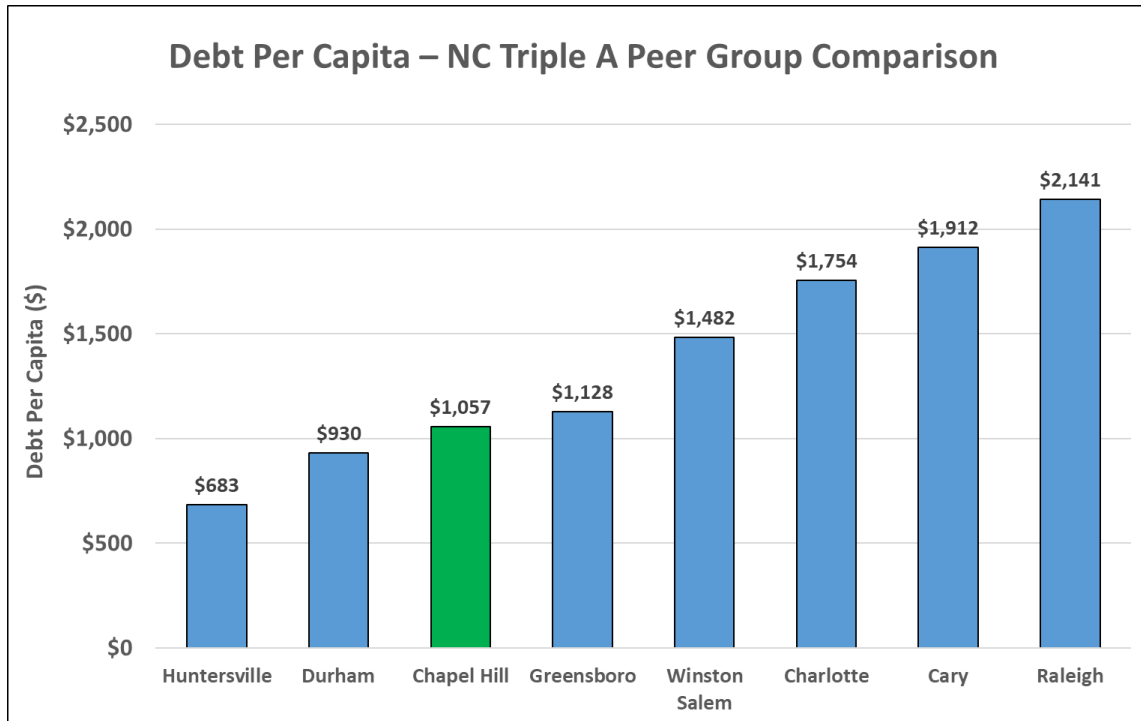
Debt Benchmarks

The Town’s annual General Fund G.O. bond and installment financing debt service cost for FY 23 is about \$6.86 million, or about 8.95% of the adopted General Fund budget. As a percentage of adopted governmental funds budgets (Debt Management Fund and General

DEBT & BOND RATINGS

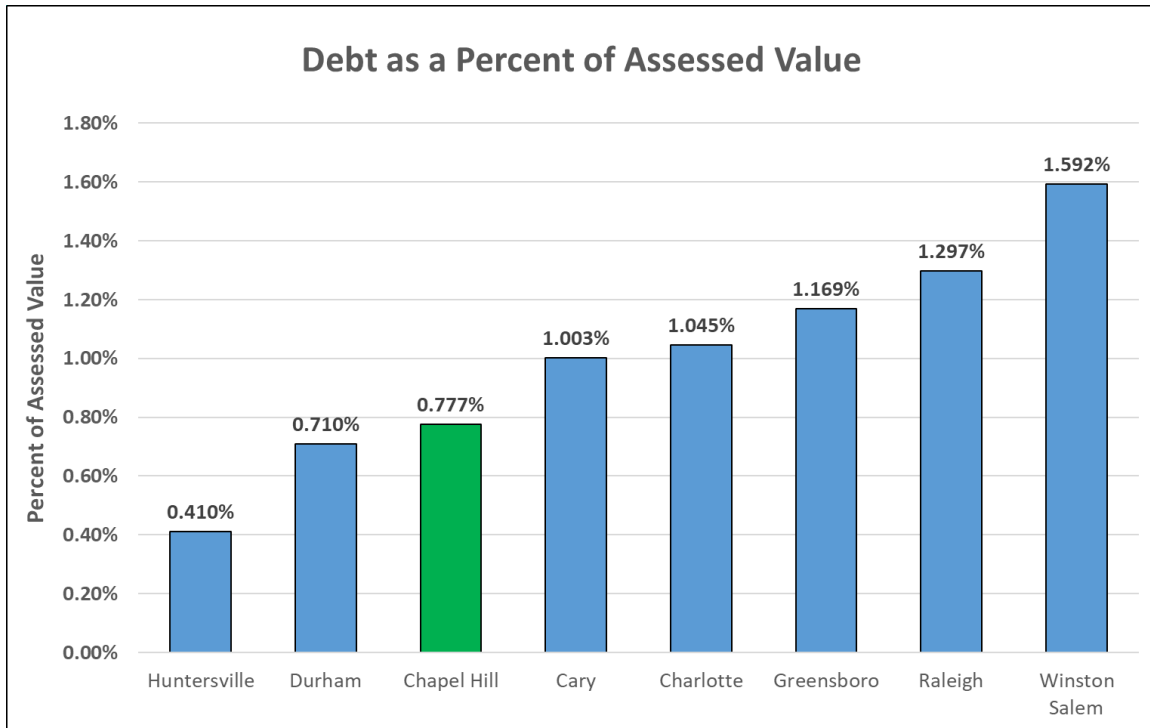
Fund), debt service costs are about 7.95%. Annual debt service is considered to be low to moderate if it is less than 10% of the annual governmental appropriations. Our projections show that we will have debt service levels between 9.3% and 13.2% of governmental budgets for the next several years as 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 6/30/2021, 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

Moody's	AAA
Standard & Poor's	AAA

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. 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 2022-23 budget maintains the dedicated Debt Service Fund tax rate at 8.8 cents.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Principal Payments	\$ 5,224,000	\$ 5,556,000	\$ 5,556,000	\$ 4,851,000	\$ 5,201,000	-6.4%
Interest Expense	1,965,577	1,954,975	1,954,975	1,724,854	1,659,901	-15.1%
Bond Issuance Costs	-	-	5,209	5,209	-	N/A
Advanced Refunding	-	-	12,241,044	12,241,044	-	N/A
Transfer to LOBS Fund	3,399,950	-	-	-	-	N/A
Transfer to Parking Fund	-	-	-	1,558,976	2,710,026	N/A
Contribution to Reserve	-	2,153,957	6,538,957	5,011,520	-	-100.0%
Total	\$ 10,589,527	\$ 9,664,932	\$ 26,296,185	\$ 25,392,603	\$ 9,570,927	-1.0%

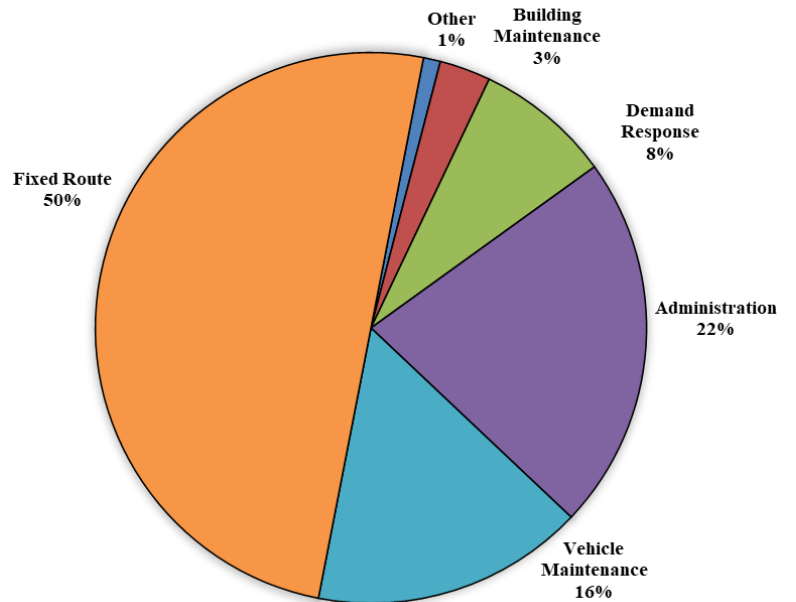
REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Property Taxes	\$ 8,282,332	\$ 8,293,000	\$ 8,293,000	\$ 8,314,000	\$ 8,443,000	1.8%
Transfer from Off-Street Parking	-	916,832	916,832	-	-	-100.0%
Transfer from General Fund	-	445,100	445,100	445,100	445,100	0.0%
Debt Proceeds	-	-	12,246,253	12,246,253	-	N/A
Transfer from LOBS Fund	-	-	4,385,000	4,385,000	-	N/A
Interest Income	5,681	10,000	10,000	2,250	10,000	0.0%
Appropriated Fund Balance	2,301,514	-	-	-	672,827	N/A
Total	\$ 10,589,527	\$ 9,664,932	\$ 26,296,185	\$ 25,392,603	\$ 9,570,927	-1.0%

TRANSIT FUND

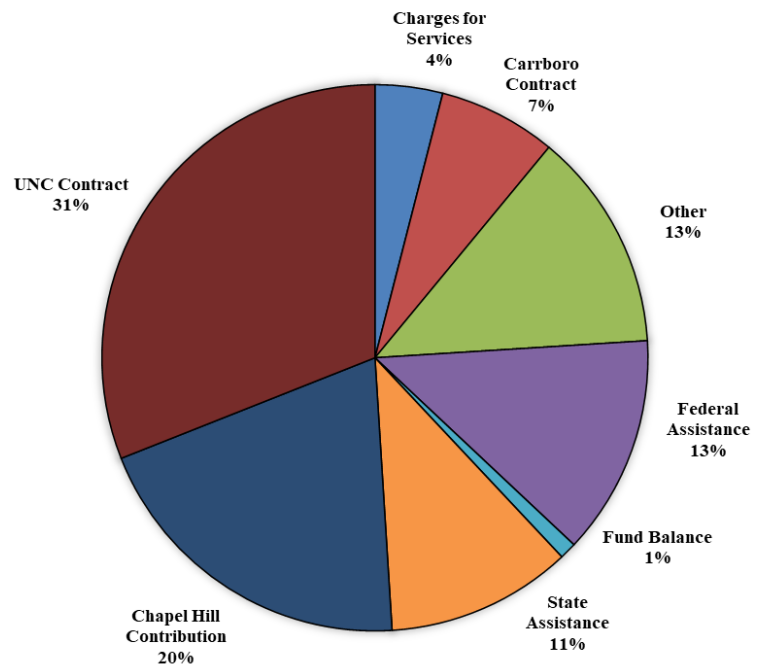
The Transit Fund is used to account for the operations of the Town's public transit system.

TRANSIT EXPENDITURES



Total \$31,454,363

TRANSIT REVENUES



TRANSIT

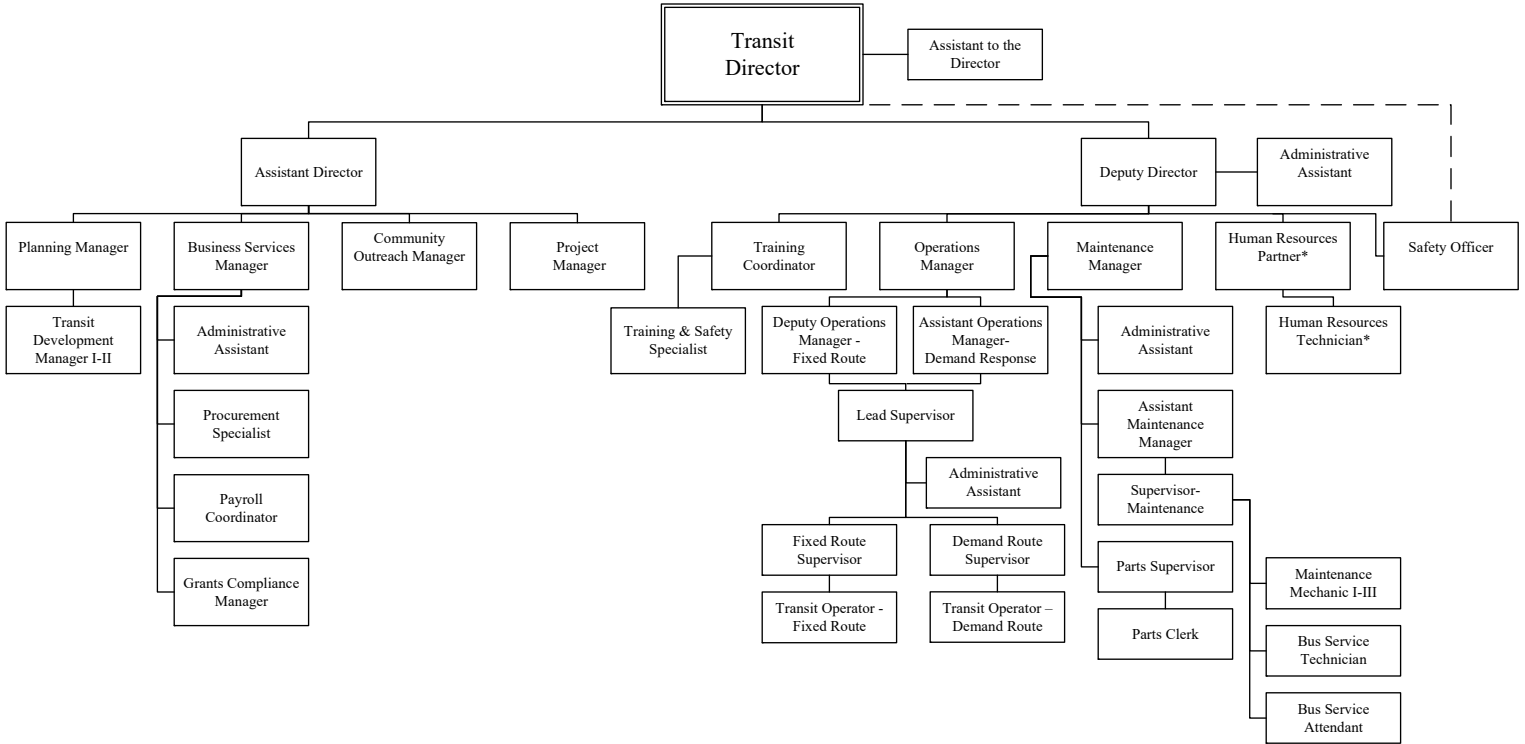
MISSION STATEMENT:

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 2022-23.

Program	Description
Fixed-Route Bus Service	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 22 weekday and weekend routes, utilizing 98 transit buses. Includes local, express, regional express and Tar Heel Express routes.
Demand-Response Service	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.
Maintenance	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.)
Administration and Finance	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.
Transit Advertising	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



*These positions have a shared report structure which includes both the Deputy Director and Human Resources Director.

TRANSIT FUND

Major Revenue Sources - Descriptions and Estimates

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.)

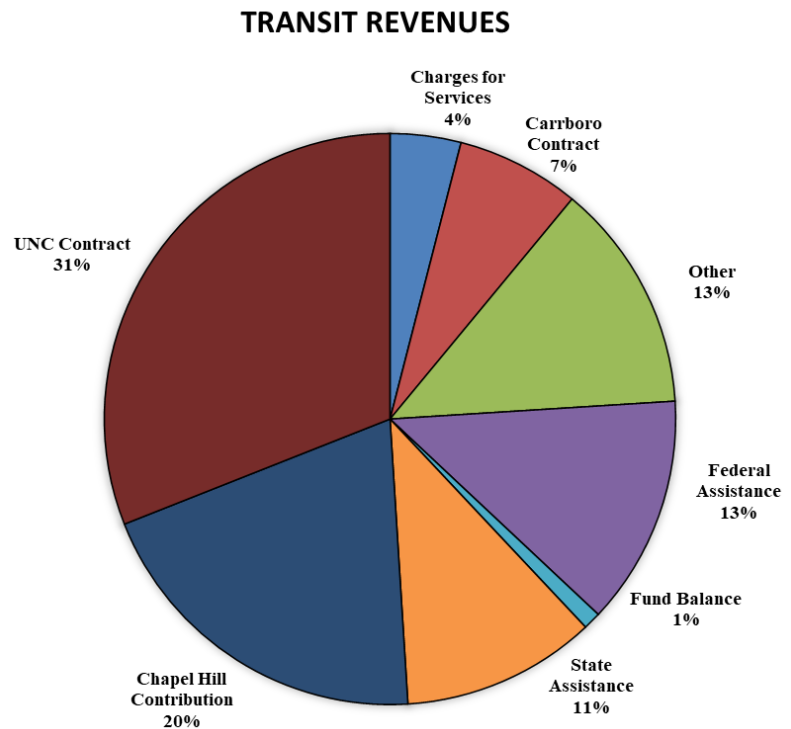
The budget for the Transit Fund for fiscal year 2022-23 totals about \$31.5 million, an increase of 19.6% from 2021-22. Below is a description of the major revenue sources for the Transit Fund and the pie chart below shows the major revenue sources for fiscal year 2022-23. Please note that due to the 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 increase from 2021-22 levels to \$2.5 million. A further \$1.6 million is anticipated in federal operating grants. Additional operating grants will be sought for 2022-23 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. This allocation is anticipated to increase in 2022-23 to \$3.2 million.



TRANSIT FUND

Major Revenue Sources - Descriptions and Estimates

University Contract

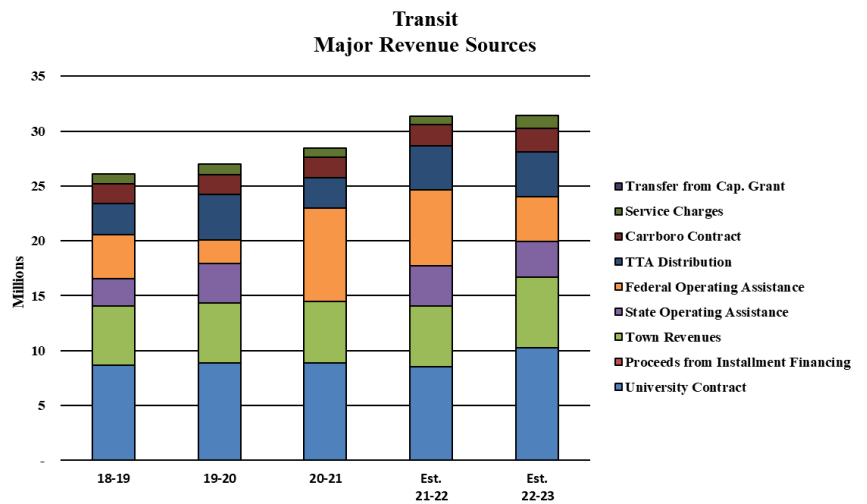
The University of North Carolina contracts with the Town for bus service for routes on and surrounding the campus of the University and UNC Health Care System. The University contract also covers routes determined to serve mainly students and employees of the University. The cost of these services is 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 \$8.9 million in 2020-21 and \$8.5 million in 2021-22. UNC’s allocation for 2022-23 is up to \$10.3 million due to the increased transit tax rate and its effect on the funding formula.

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 2021-22 was about \$1.9 million and the budget for 2022-23 increased to \$2.2 million due to the increased transit tax rate and its effect 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. This share of cost in the budget for the Transit Fund in fiscal year 2022-23 is about \$6.44 million. The 2022-23 budget is balanced with a 0.8 cent tax increase to the Transit property tax in order to fund the bus replacement program. Also included in Town revenues are interest income and \$450,000 for vehicle license fees.



TRANSIT FUND

Major Revenue Sources - Descriptions and Estimates

Park and Ride Fees

The budget for 2022-23 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 2022-23 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 2022-23 budget was balanced without the use of fund balance.

TRANSIT FUND

Major Expenditures - Descriptions and Estimates

The budget for Transit for 2022-23 continues fare free services for fixed routes in the system and totals \$31.5 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 \$24.3 million and Maintenance costs total about \$6 million.



Expenditures for 2022-23 include a 2% health insurance cost increase, a pay increase, and a 0.75% retirement increase. There is \$184,800 budgeted cost for other post-employment benefits (OPEB) and also includes \$1.1 million in reserve for the purchase of new buses.

TRANSIT DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2020-21 ADOPTED	2021-22 ADOPTED	2022-23 ADOPTED
Administration			
Director-Transportation	1.00	1.00	1.00
Assistant Director-Transportation	1.00	1.00	1.00
Assistant Director - Admin Services	1.00	0.00	1.00
Management Analyst	1.00	1.00	1.00
Community Outreach Manager	1.00	1.00	1.00
Transit Project Manager	0.00	1.00	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	2.00
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	<u>14.00</u>	<u>14.00</u>	<u>16.00</u>
Operations			
OCC Health & Safety Officer	1.00	1.00	1.00
Demand Response Manager	1.00	1.00	1.00
Training & Safety Specialist	1.00	2.00	2.00
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	16.00	16.00
Transit Operator - Fixed Route	122.66	122.66	122.66
Training Coordinator	1.00	1.00	1.00
Administrative Assistant	2.00	2.00	1.00
Division Totals	<u>156.29</u>	<u>158.66</u>	<u>157.66</u>
Equipment Maintenance			
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	15.00
Bus Service Technician	2.00	2.00	3.00
Mechanic Helper	1.00	1.00	0.00
Administrative Assistant	1.00	1.00	1.00
Parts Clerk	2.00	2.00	2.00
Service Attendant	5.00	5.00	6.00
Division Totals	<u>33.00</u>	<u>33.00</u>	<u>33.00</u>
Transit Department Totals	<u><u>203.29</u></u>	<u><u>205.66</u></u>	<u><u>206.66</u></u>

TRANSIT BUDGET SUMMARY

The adopted budget for the Transit Department continues fare-free service. Federal and State assistance has increased for FY23. Triangle Transit Authority (TTA) revenues remain flat. The 2022-23 adopted budget also includes increased revenues from partners including the Town of Carrboro and the University of North Carolina at Chapel Hill. Cost increases include a 0.75% retirement increase, a pay increase, and a 2% increase in health insurance costs.

EXPENDITURES

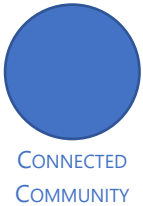
	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Admin & Non-Dept	\$ 4,045,812	\$ 4,874,247	\$ 14,246,673	\$ 8,985,711	\$ 6,985,692	43.3%
Grant-Funded	987,271	-	1,154,271	-	-	N/A
Fixed Route	9,870,411	12,798,403	13,523,189	12,355,158	15,640,223	22.2%
Demand Response	2,174,392	2,472,428	2,460,928	2,276,246	2,515,061	1.7%
Special Events	218	309,653	309,653	311,715	311,275	0.5%
Vehicle Maintenance	3,619,527	4,951,906	5,008,365	4,448,601	5,110,782	3.2%
Building Maintenance	1,378,792	893,409	3,128,620	2,976,135	891,330	-0.2%
Total	\$ 22,076,423	\$ 26,300,046	\$ 39,831,699	\$ 31,353,566	\$ 31,454,363	19.6%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Charges for Services	\$ 806,917	\$ 1,174,187	\$ 1,174,187	\$ 764,938	\$ 1,174,187	0.0%
Federal Assistance	2,065,739	1,960,178	1,960,178	1,960,178	2,500,000	27.5%
Federal Ops Grants	6,439,882	-	9,559,407	4,937,054	1,600,000	N/A
State Assistance	-	2,629,698	3,631,704	3,631,704	3,200,000	21.7%
TTA Fees	2,816,972	4,074,423	4,074,423	4,074,423	4,074,423	0.0%
UNC Contract	8,880,048	8,519,147	8,519,147	8,519,147	10,266,042	20.5%
Carrboro Contract	1,872,008	1,900,088	1,900,088	1,900,088	2,196,177	15.6%
Chapel Hill Revenues	5,575,305	5,595,831	5,595,831	5,566,034	6,443,534	15.1%
Appropriated Fund Balance	(6,380,448)	446,494	3,416,734	-	-	-100.0%
Total	\$ 22,076,423	\$ 26,300,046	\$ 39,831,699	\$ 31,353,566	\$ 31,454,363	19.6%

TRANSIT

Performance Measures

	<p>Strategic Objectives</p> <ul style="list-style-type: none"> ➤ Maintain favorable productivity levels. ➤ Demand response services will be on time (arriving within the 20 minute pick-up window) at least 90 percent of the time. ➤ 100% of scheduled weekday and weekend Demand Response (DR) service will be placed into service. ➤ Keep the rate of demand response accidents at three or fewer per 100,000 miles. ➤ Keep the rate of demand response preventable accidents at one or fewer per 100,000 miles. ➤ Fixed route services will operate according to published schedules at least 90% of the time ➤ 100% of scheduled weekday and weekend Fixed Route Response (FR) service will be placed into service ➤ 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 ➤ Keep the rate of fixed route accidents at three or fewer per 100,000 miles. ➤ Keep the rate of preventable fixed route accidents at one per 100,000 miles. ➤ Comply with preventative maintenance schedule for all vehicles at least 90% of the time. ➤ Maintain a Fixed Route and Demand Response fleet age that is within industry standards in compliance with federal recommendations
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Core Business Program	Performance Measure	FY20 Actual	FY21 Actual	FY22 Estimated	FY23 Target
Demand – Response Service	Number of passengers per mile in demand response paratransit service	0.18	0.18	0.20	0.21
	Cost per hour for demand response paratransit services	\$66.34	\$68.96	\$70.96	\$65.85
	On-time performance percentage	94%	94.7%	89.19%	90%
	Scheduled weekday/weekend DR service placed into service on time	100%	100%	100%	100%
	Demand Response accidents per 100,000 miles	1.10	2.1	2.3	3.00
	Preventable demand response accident per 100,000 miles	0.50	1.05	0.75	1.00
Fixed - Route Bus Service	Number of passengers per mile in fixed route transit service	2.61	1.64	2.32	3.70
	Cost per hour for fixed route services	\$121.01	\$123.38	\$125.39	\$125.00
	Percentage of on-time performance	74%	77.4%	80%	90%

	Scheduled weekday/weekend FR service placed into service on time	80.0%	80*	80*	98%
	Complaints per 100,000 fixed route trips	3.85	2.25	4.00	6.50
	Fixed Route accidents per 100,000 miles	2.31	1.47	2.20	3.00
	Preventable Fixed Route accident per 100,000 miles	1.34	1.06	1.10	1.00
Maintenance	Number of service miles between road calls that may interrupt (DR)	109,344	160,849	126,932	150,000
	Number of service miles between road calls that may interrupt (FR)	15,301	17,849	17,381	16
	Compliance with preventative maintenance percentage	100%	100%	100%	100%
Administration and Finance	Passengers per Revenue Hour (DR)	2.27	2.11	2.35	2.65
	Passengers per Revenue Hour (FR)	36.02	21.2	25	40.00
	Passengers per Revenue Mile (DR)	0.21	0.17	0.2	0.20
	Passengers per Revenue Mile (FR)	3.13	1.63	2.1	3.65
	Average age of fleet vehicle (DR)	2.43	3.76	4.76	4.27
	Average age of fleet vehicle (FR)	7.13	8.56	9.56	6.70

*service reduced due to operator shortages

TRANSIT - ADMINISTRATION DIVISION

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 team members.*

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

The adopted budget for 2022-23 includes a 43.3% increase to the overall budget. Personnel has increased by 8.5% due to a 0.75% retirement increase, a 2% increase in health insurance costs, and a salary increase.

Operating costs increased by 62.8% due to increased contribution to reserves for new bus purchases.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 1,557,009	\$ 1,747,152	\$ 1,747,152	\$ 1,701,740	\$ 1,895,920	8.5%
Operating Costs	2,488,803	3,127,095	12,499,521	7,283,971	5,089,772	62.8%
Total	\$ 4,045,812	\$ 4,874,247	\$ 14,246,673	\$ 8,985,711	\$ 6,985,692	43.3%

TRANSIT - Grants
BUDGET SUMMARY

As of the time of the adopted budget, there were no planned grant related expenditures for 2022-23.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 838,770	\$ -	\$ 111,714	\$ -	\$ -	N/A
Operating Costs	148,501	-	1,042,557	-	-	N/A
Total	\$ 987,271	\$ -	\$ 1,154,271	\$ -	\$ -	N/A

TRANSIT- OPERATIONS DIVISION

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 team members.*

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***

The adopted budget reflects a 22.2% increase in overall costs. Personnel costs are up 12.3% due to a 2% increase in health insurance costs, a 0.75% increase in retirement costs, and a salary increase.

Operating expenses increased by 52.3% due to increases in contracted services.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 7,245,730	\$ 9,633,599	\$ 9,168,599	\$ 8,021,398	\$ 10,820,454	12.3%
Operating Costs	2,036,541	3,164,804	4,160,065	4,139,235	4,819,769	52.3%
Capital Outlay	588,140	-	194,525	194,525	-	N/A
Total	\$ 9,870,411	\$ 12,798,403	\$ 13,523,189	\$ 12,355,158	\$ 15,640,223	22.2%

TRANSIT - Demand Response
BUDGET SUMMARY

The adopted budget for Demand Response division has a 1.7% increase over the 2021-22 budget. Personnel expenditures experienced a 2% health insurance increase, a 0.75% increase in retirement costs, and a salary increase. Operating expenses decreased by 4.2%.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 1,710,008	\$ 1,808,039	\$ 1,808,039	\$ 1,639,054	\$ 1,878,791	3.9%
Operating Costs	464,384	664,389	652,889	637,192	636,270	-4.2%
Total	\$ 2,174,392	\$ 2,472,428	\$ 2,460,928	\$ 2,276,246	\$ 2,515,061	1.7%

TRANSIT - Tarheel Express / Special Events
BUDGET SUMMARY

The adopted budget for Tarheel Express & Special Events in 2022-23 reflects an 0.5% increase in overall expenditures. The Special Events budget is largely unchanged from FY22.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 205	\$ 227,319	\$ 227,319	\$ 232,468	\$ 228,941	0.7%
Operating Costs	13	82,334	82,334	79,247	82,334	0.0%
Total	\$ 218	\$ 309,653	\$ 309,653	\$ 311,715	\$ 311,275	0.5%

TRANSIT - MAINTENANCE DIVISION

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 team members.*

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 team members have the proper training and skills to ensure the safe efficient operation of Town vehicles.

TRANSIT - Vehicle Maintenance
BUDGET SUMMARY

The adopted budget for 2022-23 represents a 3.2% increase in expenditures from the 2021-22 fiscal year. The 5.1% increase in personnel costs is due to a 2% increase in health insurance costs, an increase of 0.75% for retirement costs, and a salary increase. Operating costs are largely unchanged from FY22.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 2,082,669	\$ 2,696,060	\$ 2,576,060	\$ 2,099,481	\$ 2,833,907	5.1%
Operating Costs	1,536,858	2,235,846	2,412,305	2,329,120	2,256,875	0.9%
Capital Outlay	-	20,000	20,000	20,000	20,000	0.0%
Total	\$ 3,619,527	\$ 4,951,906	\$ 5,008,365	\$ 4,448,601	\$ 5,110,782	3.2%

TRANSIT - Building Maintenance
BUDGET SUMMARY

The recommended budget for Transit's Building Maintenance division reflects a 0.2% decrease overall. The 2.3% decrease in personnel expenditures is related to new retiree medical expenses. The operating expenditures remain flat.

EXPENDITURES

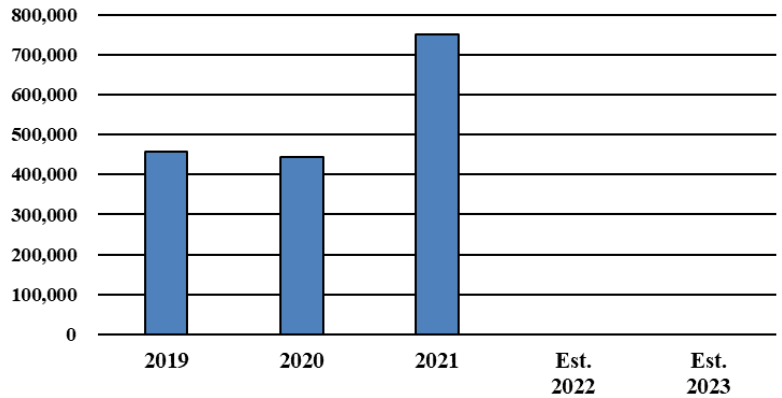
	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Recommended Budget	% Change from 2021-22
Personnel	\$ 2,476	\$ 2,508	\$ 2,508	\$ 2,450	\$ 2,450	-2.3%
Operating Costs	1,376,316	890,901	3,126,112	2,973,685	888,880	-0.2%
Total	\$ 1,378,792	\$ 893,409	\$ 3,128,620	\$ 2,976,135	\$ 891,330	-0.2%

TRANSIT CAPITAL RESERVE FUND

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

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 2022-23 are estimates for grants historically received each year, but not yet awarded.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Contribution to Capital Grant Reserve	\$ (184) 751,806	\$ - -	\$ - -	\$ - -	\$ - -	N/A N/A
Total	\$ 751,622	\$ -	\$ -	\$ -	\$ -	N/A

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Interest Income Transfer from Transit Fund Appropriated Fund Balance	\$ 732 750,890 -	\$ - -	\$ - -	\$ - -	\$ - -	N/A N/A N/A
Total	\$ 751,622	\$ -	\$ -	\$ -	\$ -	N/A

TRANSIT CAPITAL GRANT PROJECT ORDINANCES

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, 2022
2015-2016 Transit Capital Grant	\$534,124.00	\$271,280.00

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, 2022
2017-2018 Transit Capital Grant	\$592,707.00	\$443,610.00

2020 Transit Oriented Development Grant

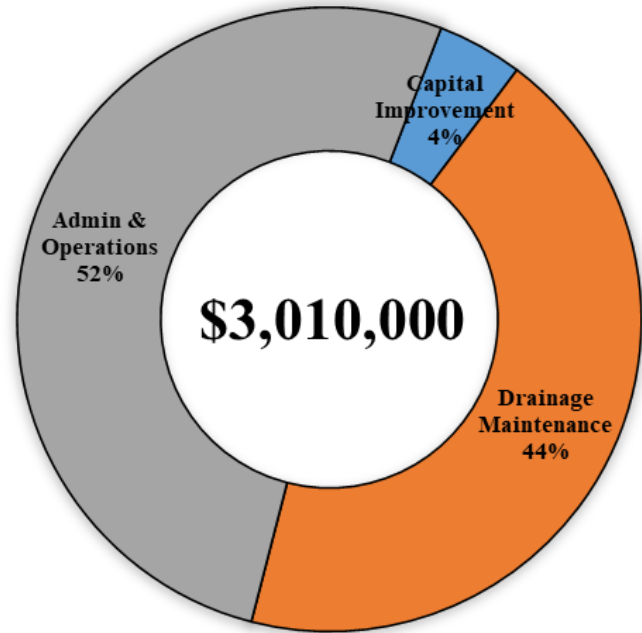
The project ordinance for the fiscal year 2020 TOD Grant was executed September 29, 2021. The Grant funds development and review of 16 proposed stops along the proposed NSBRT route. 80% is federally funded. 20% will be funded through local budget.

	Project Budget	Estimated Expenditures Through June 30, 2022
2018 Transit Capital Grant	\$705,000.00	\$352,000.00

STORMWATER MANAGEMENT FUND

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

MISSION STATEMENT:

The Public Works – Stormwater Management 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, including the implementation of the Town’s Comprehensive Stormwater Management Program.

The Public Works Department - Stormwater Management Division identified the following primary programs that are included in the adopted budget for 2022-23.

Program	Description
Stormwater Infrastructure	Perform routine maintenance, remedial repairs, and capital improvements to the town-maintained stormwater infrastructure using in-house and contracted resources.
Stormwater Regulatory Compliance	<p>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).</p> <p>This includes, development reviews and technical assistance involving stormwater management, floodplain management, field classification of streams, mapping and database management, assisting compliance officer with investigation of inquiries/violations, identification of grant opportunities to fund drainage and water quality improvement projects, and development of and administer stormwater-related professional services and construction contracts.</p>
Street Sweeping	Sweep publicly maintained streets within the town limits using in-house labor and equipment. Inspect and sweep downtown streets twice a week, major roadways once a week, and residential streets once every six to eight weeks, weather permitting.

STORMWATER MANAGEMENT FUND

Major Revenue Sources – Descriptions and Estimates

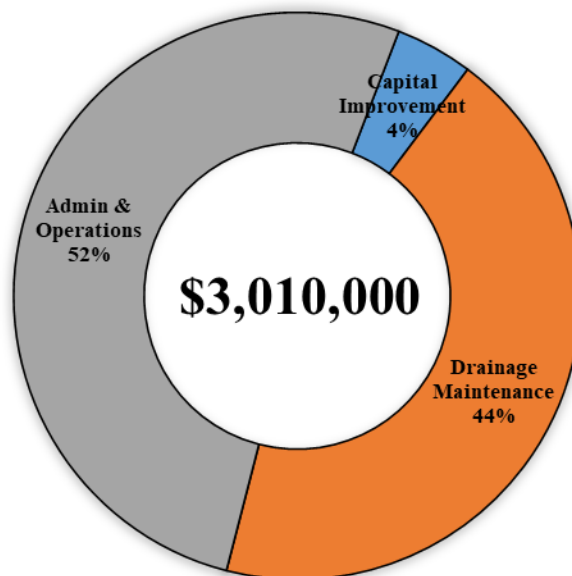
In order to continue to enhance stormwater management services currently provided by the Town, and to implement stormwater management activities necessary to comply with State and federal regulations, the Town established a Stormwater Management Fund in 2004-05. Stormwater management activities are funded by a fee charged to property owners based on the amount of impervious surface area on a property. The 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 2022-23. For 2022-23, the budget is balanced without the use of fund balance.

Major Expenditures and Estimates

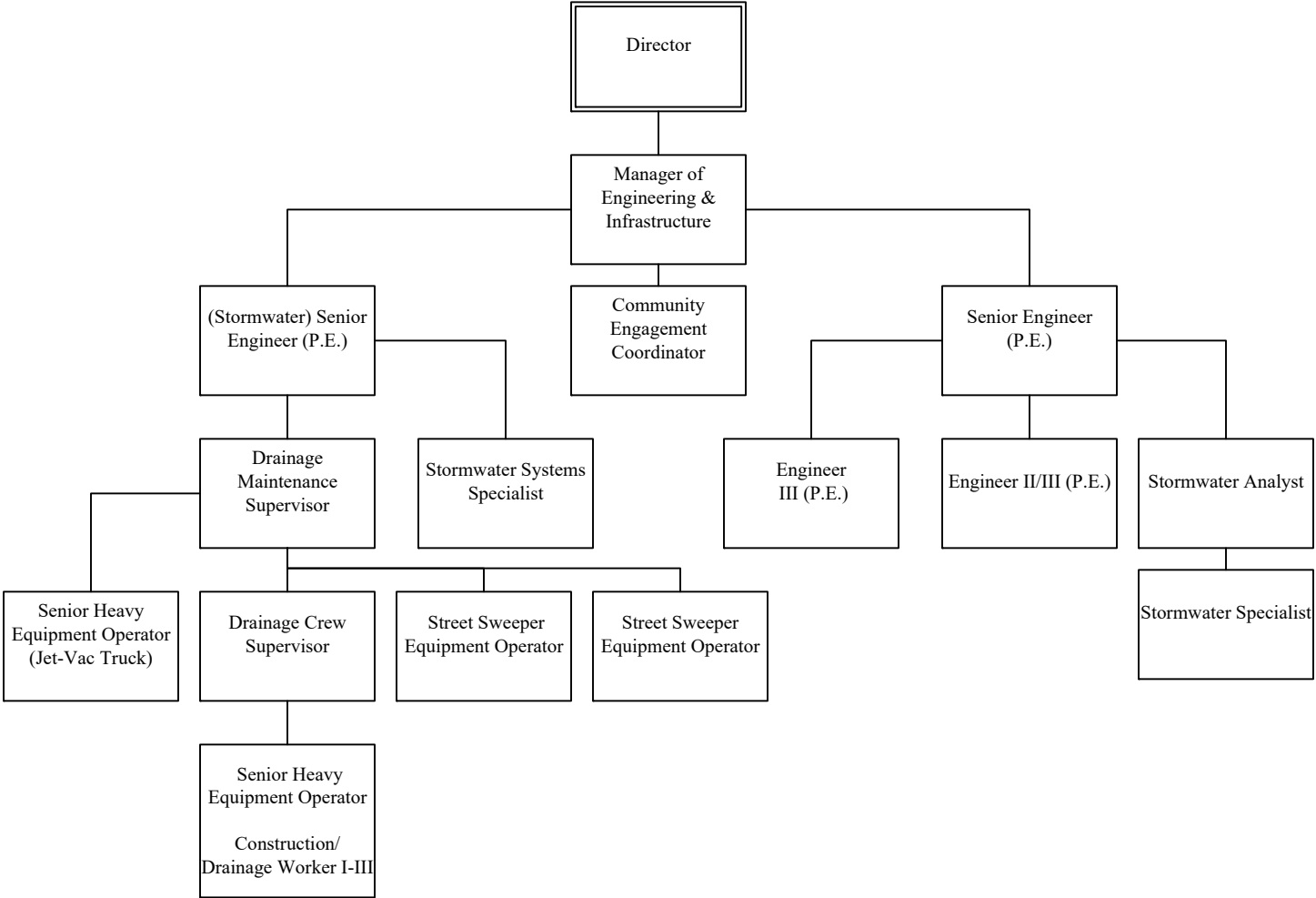
The budget for 2022-23 totals \$3,010,000. This represents largely no change from the FY22 budget. Changes to the budget include a 2% health insurance increase, a pay increase, and a 0.75% retirement rate increase, offset by a reduction to the reserve for capital. \$210,094 is in the budget for the debt payment related to the G.O. bond issuance. Approximately \$53,000 is budgeted for capital reserve.

As indicated in the chart below, 44% of the 2022-23 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***

	2020-21 ADOPTED	2021-22 ADOPTED	2022-23 ADOPTED
Stormwater			
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>
Drainage			
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 2022-23 includes the continuation of existing services. The 6.3% increase in personnel expenditures includes a 0.75% retirement increase, a 2% increase in health insurance costs, and a salary increase. Operating costs are mostly unchanged from FY 2021-22. The budget for capital reserve has decreased by roughly \$115,000.

The budget is balanced without the use of fund balance.

EXPENDITURES


	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 1,317,360	\$ 1,467,359	\$ 1,467,359	\$ 1,328,748	\$ 1,559,631	6.3%
Operating Costs	847,531	1,294,022	1,578,411	1,142,226	1,316,868	1.8%
Capital Outlay	2,777,741	80,400	374,556	374,556	80,400	0.0%
Capital Reserve	-	167,719	167,719	164,170	53,101	-68.3%
Total	\$ 4,942,632	\$ 3,009,500	\$ 3,588,045	\$ 3,009,700	\$ 3,010,000	0.0%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Stormwater Fees	\$ 3,052,429	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	0.0%
Fee Exemption	(9,128)	(12,000)	(12,000)	(16,128)	(17,000)	N/A
Transfer from General Fund	9,128	12,000	12,000	16,128	17,000	41.7%
Interest Income	2,317	2,000	2,000	2,000	2,000	0.0%
Other Income	8,314	7,500	7,500	7,700	8,000	6.7%
FEMA Grant	34,300	-	-	-	-	N/A
Appropriated Fund Balance	1,845,272	-	578,545	-	-	N/A
Total	\$ 4,942,632	\$ 3,009,500	\$ 3,588,045	\$ 3,009,700	\$ 3,010,000	0.0%

STORMWATER

Performance Measures

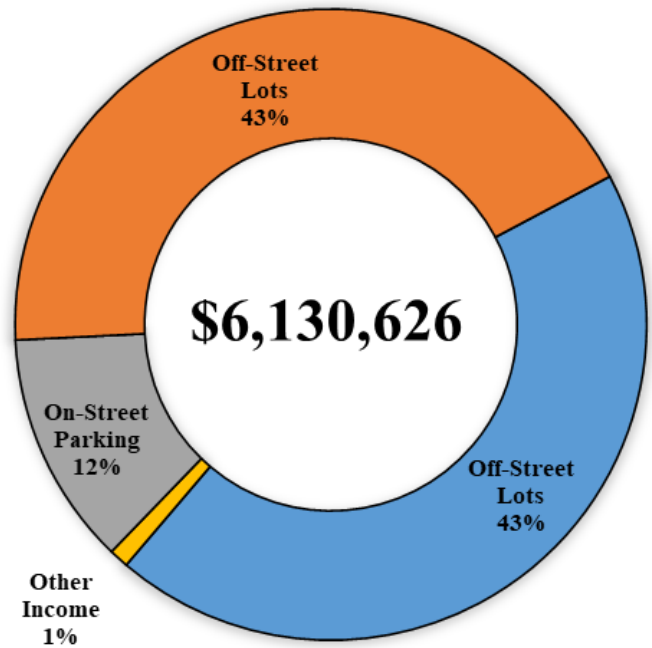
 ENVIRONMENTAL STEWARDSHIP	<p>Strategic Objectives</p> <ul style="list-style-type: none"> ➤ Initiate 100% of investigations of reported pollution (sedimentation, illicit discharge) events within 24 hours of receipt. ➤ Confirm that 20% of project sites subject to the NPDES regulation have had a certified post-construction inspection each year, with the goal of having all sites inspected every five years. ➤ 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).
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Core Business Program	Performance Measure	FY20 Actual	FY21 Actual	FY22 Estimated	FY23 Target
Stormwater Regulatory Compliance	Percent of investigations of reported pollution initiated within 24 hours of notification	97%	100%	89%	100%
	Percent of sites inspected annually	37%	17%	TBD	20%
Stormwater Infrastructure	Percent of development plan reviews completed by assigned deadline (in coordination with Planning)	81%	92%	85%	100%
Street Sweeping	Percent of time downtown streets were swept according to schedule (twice per week)	95%	Est. 95%	95%	100%
	Percent of time major streets were swept according to schedule (once per week)	95%	Est. 85%	95%	100%
	Percent of time residential streets were swept according to schedule (once every seven weeks)	80%	Est. 70%	80%	100%

PARKING SERVICES

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

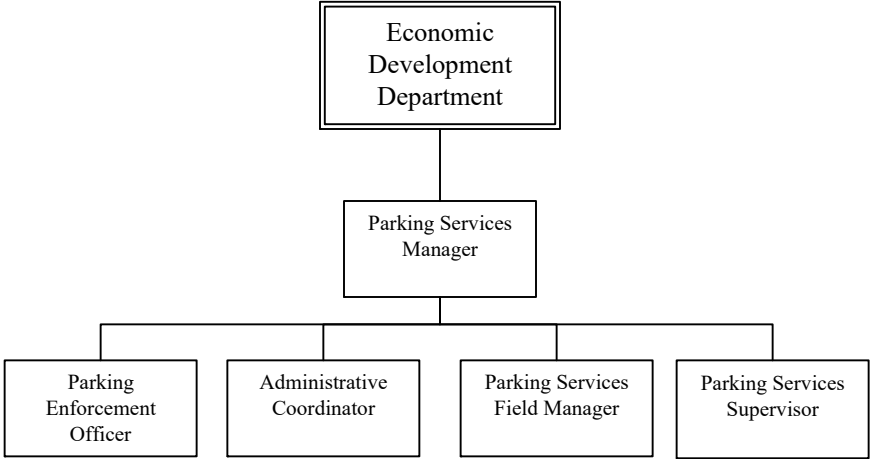
MISSION STATEMENT:

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 2022-23.

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



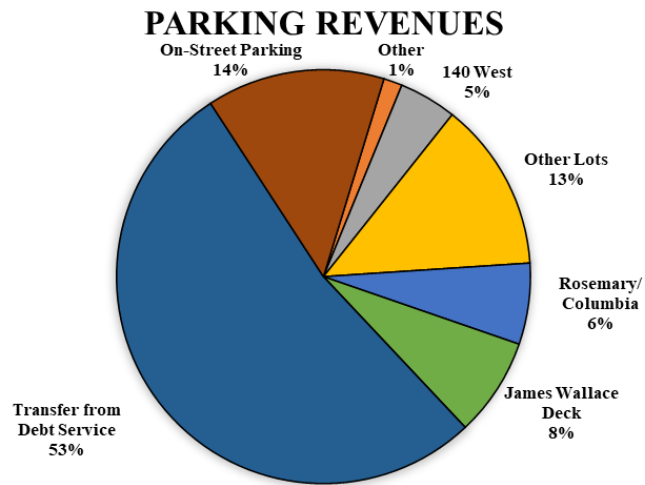
Note: Parking Services is supervised by the Economic Development Director.

PARKING FUNDS

Major Revenue Sources – Descriptions and Estimates

Starting in FY23, the Off-Street Parking Fund and the On-Street Parking Fund have been combined into one fund. In FY23, both of these funds will be shown in the Off-Street Parking Fund budget page as there is still the need to show prior year actuals and current year budgets for both On-Street and Off-Street.

Off-Street Parking, with a budget of \$6,130,626 for 2022-23, 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 \$395,000, or 8% of total parking revenues, is budgeted from the James Wallace Deck and \$325,000, or 6%, is budgeted from the Rosemary/Columbia Street lot. The deck at 140 West is budgeted to generate about \$231,000 in 2022-23.



On-Street Parking, with a budget for 2022-23 of \$714,000, has two major revenue sources: parking meter fees and parking ticket fines. Meter fees are estimated to generate about \$405,000 and parking ticket fines about \$265,000 in 2022-23.

Major Expenditures and Estimates

The primary expenditure of the Parking Fund is the cost of personnel to manage the lots. The personnel budget of \$1,008,328 includes a 2% health insurance increase, a pay increase, and a 0.75% increase in retirement.

The other major expenditure in the Parking Fund is an increase in debt payments related to new parking lots. These debt expenditures total nearly \$3.8 million

PARKING SERVICES
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2020-21 ADOPTED	2021-22 ADOPTED	2022-23 ADOPTED
Superintendent-Parking Services	0.00	0.00	0.00
Supervisor-Parking Services	1.00	1.00	1.00
Assistant Parking Services Supervisor	1.00	1.00	1.00
Parking Enforcement Officer	3.00	3.00	3.00
Records Technician	1.80	1.80	1.80
Parking Attendant	2.00	2.00	2.00
Community Services Planner	1.00	1.00	1.00
	<hr/>		
Parking Fund Totals	9.80	9.80	9.80

PARKING SERVICES BUDGET SUMMARY

Starting this fiscal year, the Parking Services Fund is merging its two divisions into one. All revenues and expenditures for the On-Street Parking fund are now accounted in the Off-Street Parking fund.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
On-Street Parking	\$ 611,988	\$ 787,565	\$ 790,638	\$ 698,263	\$ -	-100.0%
Off-Street Parking	704,830	2,548,423	2,672,055	3,002,571	6,130,626	140.6%
Total	\$ 1,316,818	\$ 3,335,988	\$ 3,462,693	\$ 3,700,834	\$ 6,130,626	83.8%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
On-Street Parking	\$ 611,988	\$ 787,565	\$ 790,638	\$ 698,263	\$ -	-100.0%
Off-Street Parking	704,830	2,548,423	2,672,055	3,002,571	6,130,626	140.6%
Total	\$ 1,316,818	\$ 3,335,988	\$ 3,462,693	\$ 3,700,834	\$ 6,130,626	83.8%

ON-STREET PARKING BUDGET SUMMARY

Starting this fiscal year, the Parking Services Fund is merging its two divisions into one. All revenues and expenditures are now accounted in the Off-Street Parking fund.

For this reason, all revenues and expenditures in this fund have been zeroed out for FY23 and are now shown in the Off-Street Parking fund on the following page.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Enforcement:						
Personnel	\$ 387,430	\$ 386,329	\$ 386,329	\$ 319,049	\$ -	-100.0%
Operations	87,521	185,892	201,965	158,257	-	-100.0%
Capital	-	15,000	15,000	-	-	-100.0%
Meters:						
Personnel	79,852	85,411	85,411	149,042	-	-100.0%
Operations	57,185	114,933	101,933	71,915	-	-100.0%
Transfer to Off-Street	-	-	-	-	-	N/A
Total	\$ 611,988	\$ 787,565	\$ 790,638	\$ 698,263	\$ -	-100.0%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Parking Meter Fees	\$ 230,909	\$ 455,000	\$ 455,000	\$ 443,763	\$ -	-100.0%
Parking Ticket Fines/Fees	135,648	265,000	265,000	225,000	-	-100.0%
Interest Income	27	500	500	-	-	-100.0%
Other Income	45,022	61,000	61,000	29,500	-	-100.0%
American Rescue Plan Act Appropriated Fund Balance	-	6,065	6,065	-	-	-100.0%
	200,382	-	3,073	-	-	N/A
Total	\$ 611,988	\$ 787,565	\$ 790,638	\$ 698,263	\$ -	-100.0%

**OFF-STREET PARKING
BUDGET SUMMARY**

Off-Street Parking revenues for the adopted 2022-23 budget reflects an increase of 140.6% from the 2021-22 budget due to Off-Street Parking absorbing the On-Street Parking budget starting this fiscal year, shown as a line item under Expenditures.

The overall increase in expenditures for 2022-23 is due to a increase in debt payments related to new parking decks. Overall revenue projections are expected to increase, including Wallace Deck, Rosemary, and South Graham Lots.

EXPENDITURES


	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
James Wallace Deck	\$ 130,178	\$ 351,091	\$ 706,651	\$ 503,756	\$ 529,478	50.8%
Parking Lots	346,575	1,083,458	728,018	436,319	1,335,964	23.3%
140 West Deck	8,615	53,300	53,180	22,986	53,300	0.0%
Administration	94,355	1,060,574	1,060,574	2,002,870	3,942,817	271.8%
Wallace Renovation	125,107	-	123,632	36,640	19,640	N/A
On-Street Parking	-	-	-	-	249,427	N/A
Total	\$ 704,830	\$ 2,548,423	\$ 2,672,055	\$ 3,002,571	\$ 6,130,626	140.6%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
James Wallace Deck	\$ 144,176	\$ 200,000	\$ 200,000	\$ 510,000	\$ 395,000	97.5%
Rosemary/Columbia Lot	128,601	400,000	400,000	250,000	325,000	-18.8%
415 West Franklin Lot	14,265	76,000	76,000	36,000	51,000	-32.9%
West Rosemary Lot	4,907	15,500	15,500	22,500	5,500	-64.5%
Rosemary/Sunset	39,583	54,000	54,000	51,000	59,500	10.2%
South Graham Lot	8,164	11,500	11,500	16,100	16,600	44.3%
West Franklin/Basnight Lot	126,573	124,000	124,000	103,800	119,000	-4.0%
427 West Franklin Lot	8,313	52,000	52,000	22,000	41,000	-21.2%
Jones Park Lot	4,458	12,000	12,000	13,675	13,500	12.5%
Mallette Lot	29,275	77,200	77,200	70,500	70,500	-8.7%
Courtyard Lot	14,179	79,000	79,000	25,000	54,000	-31.6%
140 West Deck	145,709	231,000	231,000	230,500	231,000	0.0%
125 East Rosemary	45,042	-	-	1,940	250,000	N/A
205 Columbia Street	875	-	-	31,500	-	N/A
Interest Income	301	1,500	1,500	-	500	-66.7%
Miscellaneous Income	16,864	73,500	73,500	59,080	74,500	1.4%
On-Street Parking	-	-	-	-	714,000	N/A
American Rescue Plan Act	-	1,141,223	1,141,223	-	-	-100.0%
UNC Leases - 125 East Rosemary	-	-	-	-	1,000,000	N/A
Transfer from Debt Service Fund	-	-	-	1,558,976	2,710,026	N/A
Appropriated Fund Balance	(26,455)	-	123,632	-	-	N/A
Total	\$ 704,830	\$ 2,548,423	\$ 2,672,055	\$ 3,002,571	\$ 6,130,626	140.6%

PARKING SERVICES

Performance Measures

 ECONOMIC & FINANCIAL SUSTAINABILITY	Strategic Objectives ➤ Achieve “satisfied” survey rating for “Quality of Parking Downtown” from at least 60% of residents surveyed
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Core Business Program	Performance Measure	FY20 Actual	FY21 Actual	FY22 Estimate	FY23 Target
On and Off-Street Parking	Achieve “satisfied” survey rating for “Quality of Parking Downtown” in Community Survey	35%	No Data ¹	36%	64%

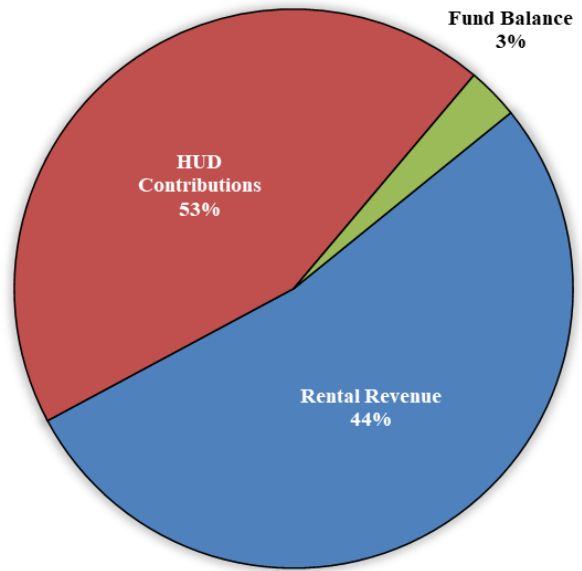
¹ The Community Survey is conducted on a biennial basis. Therefore, there is not data available on an annual basis.

PUBLIC HOUSING FUND

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

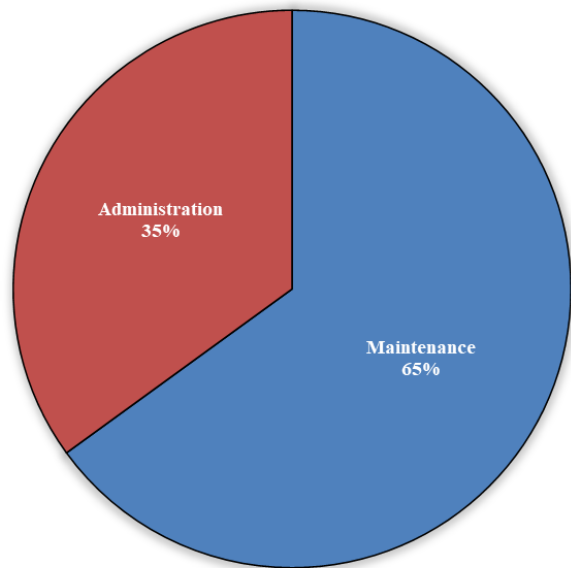
Since those with fewer than 400 units have been exempt each year from HUD's new funding model (AMPs) since 2007-08, we have returned to a simpler budget presentation comprised of Administrative and Maintenance divisions.

PUBLIC HOUSING REVENUES



Total \$2,416,924

PUBLIC HOUSING EXPENSES



PUBLIC HOUSING FUND

MISSION STATEMENT:

The mission of the Department of Public Housing is to create strong, sustainable, inclusive communities and quality affordable homes for all. We also aim to provide programs and services to help public housing tenants improve basic life skills and achieve economic independence.

The Department of Public Housing identified the following primary programs that are included in the adopted budget for 2022-23.

Program	Description
Rental Housing for Low-Income Families	Manage 336 public housing units (13 locations) overseen by the Department of Public Housing. Monitor tenant eligibility and administer rental assistance programs. Calculate and collect rental payments and manage the waiting list of those requesting residency.
Maintenance Services	Respond to requests for repair of rental units, appliances, and fixtures. Respond to emergency repair requests on a 24-hour/7 days 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.
Resident Services	Refer tenants to outside agencies for job training or budgeting assistance when residents have difficulty paying rent. Refer tenants 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

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.

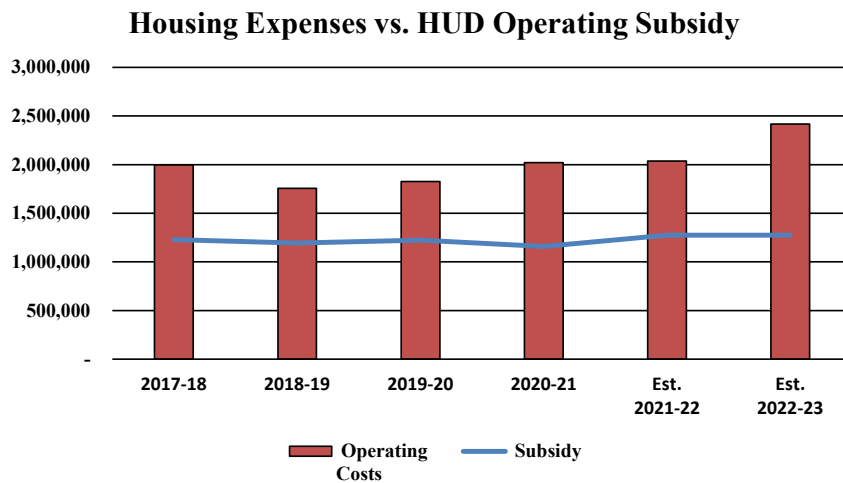
Smaller housing agencies have been allowed to opt out of Asset Management since 2008. HUD has continued to provide the exception to smaller units, one a year at a time. We believe that “opting out” will continue permanently, and so have prepared the budget for 2022-23

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 2022 but we have no information about calendar 2023. Based on interim allocations, our estimate of HUD’s subsidy for 2021-22 is \$1,274,426, about a 10% increase from the 2020-21 subsidy of \$1,158,865.

The Housing Department estimates dwelling rents, the second largest revenue for the Public Housing Fund, at about \$1,062,060, which is in line with current year estimates.

Major Expenditures and Estimates

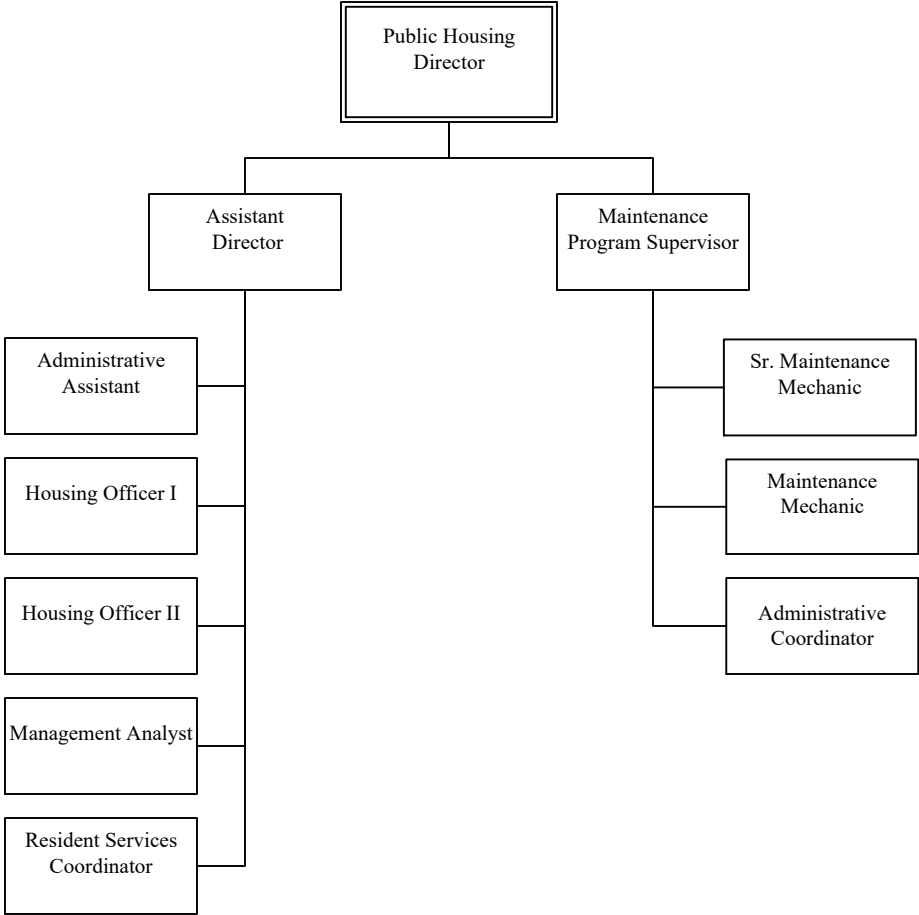


Major expenditure categories include about \$1,444,995 for salaries and benefits, \$213,400 for utilities, \$75,000 for liability and flood insurance and \$555,994 for maintenance of the units.

The personnel costs include a 2% increase in health insurance costs, a 4/5% of market pay increase, and a 0.75% retirement contribution increase.

	2021-22 Original Budget	2022-23 Adopted Budget	% Change from 2021-22
Salary & Benefits - Administration	\$ 492,874	\$ 597,993	21.3%
Salary & Benefits - Maintenance	720,581	847,002	17.5%
Maintenance Costs	549,564	555,994	1.2%
Utilities	213,400	213,400	0.0%
Liability & Flood Insurance	75,000	75,000	0.0%
Other Expenses	125,337	127,535	1.8%
Total Budget	\$ 2,176,756	\$ 2,416,924	11.0%

PUBLIC HOUSING



PUBLIC HOUSING
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2020-21 ADOPTED	2021-22 ADOPTED	2022-23 ADOPTED
Administration			
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
Resident Services Coordinator	0.00	0.00	1.00
Division Totals	6.00	6.00	7.00
Maintenance			
Mechanic Supervisor	1.00	1.00	1.00
Maintenance Mechanic (Repair Worker, I, II, III)	8.00	8.00	7.00
Administrative Assistant	1.00	1.00	1.00
Division Totals	10.00	10.00	9.00
Housing Department Totals	16.00	16.00	16.00

¹ 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 2022-23 retains a simpler model that includes an Administrative Division and a Maintenance Division.

The 19.1% increase in personnel is the result of a 2% increase in health insurance, a 0.75% retirement increase, and a salary increase. The budget for 2022-23 reflects an estimate of the HUD subsidy anticipated for calendar year 2022. The Town anticipates increases in HUD subsidies and rental revenues. The town also anticipates it will have a higher fund balance appropriation in 2022-23.

REVENUES


	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Revenue Summary						
HUD Contributions	\$ 1,158,865	\$ 1,145,793	\$ 1,145,793	\$ 1,274,426	\$ 1,274,426	11.2%
Rental Revenue	955,697	1,029,048	1,029,048	1,062,060	1,062,060	3.2%
Other Revenues	107	200	200	400	400	100.0%
Interest Income	666	1,715	1,715	1,715	1,715	0.0%
Cares Act	48,247	-	113,922	113,922	-	N/A
Appropriated Fund Balance	-	-	361	-	78,323	N/A
Total Revenues	\$ 2,163,582	\$ 2,176,756	\$ 2,291,039	\$ 2,452,523	\$ 2,416,924	11.0%

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 1,071,159	\$ 1,213,455	\$ 1,242,471	\$ 960,115	\$ 1,444,995	19.1%
Operating	949,330	963,301	1,048,568	1,077,543	971,929	0.9%
Contribution to Reserve	143,093	-	-	414,865	-	N/A
Total	\$ 2,163,582	\$ 2,176,756	\$ 2,291,039	\$ 2,452,523	\$ 2,416,924	11.0%

PUBLIC HOUSING

Performance Measures

 AFFORDABLE HOUSING	Strategic Objectives ➤ To provide decent, safe, and well maintained affordable rental housing for low-income residents
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Core Business Program	Performance Measure	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Target
Public Housing	HUD's PHAS rating	73%	58%	58%	70%
	Average number of days to complete a routine work order	1.8	2.2	10.5	2
	% of work orders initiated by residents	32%	28%	38%	25%
	% of Public Housing units with access/use to free High-Speed Wi-Fi	*	*	*	*
	% of work orders initiated by Public Housing Staff	67%	34%	31%	75%
	% of vacant units occupied within 20 days or less	0%	0%	0%	50%
	Average # of calls received via the after-hour line monthly	N/A	85	74	30
	Average number of persons attending a food bank in Public Housing	N/A	873	520	3,000
	% of Public Housing Residents employed	45%	64%	50%	40%
	% of new admissions homeless at the time of admission	17%	3%	7%	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

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.

The 2021 project ordinance budgets a \$418,300 grant and \$7,339 program income, for affordable rental acquisition and rehabilitation, homeowner housing improvement programs, neighborhood revitalization activities, youth counseling services, and homelessness case management.

CAPITAL PROGRAM

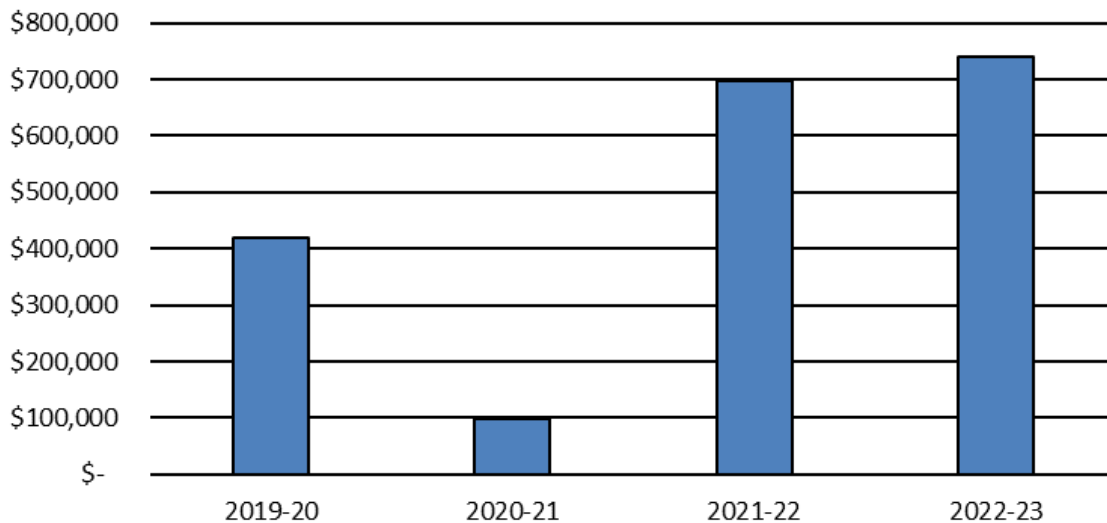
The Capital Program is a 15-year financial plan for the Town’s major capital and infrastructure needs. The program identifies capital needs, establishes priorities and identifies potential funding sources.

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 2022-23 are part of the 2022-23 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 2019-20 to 2022-23



CAPITAL PROGRAM – MAJOR REVENUE SOURCES

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

- 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

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

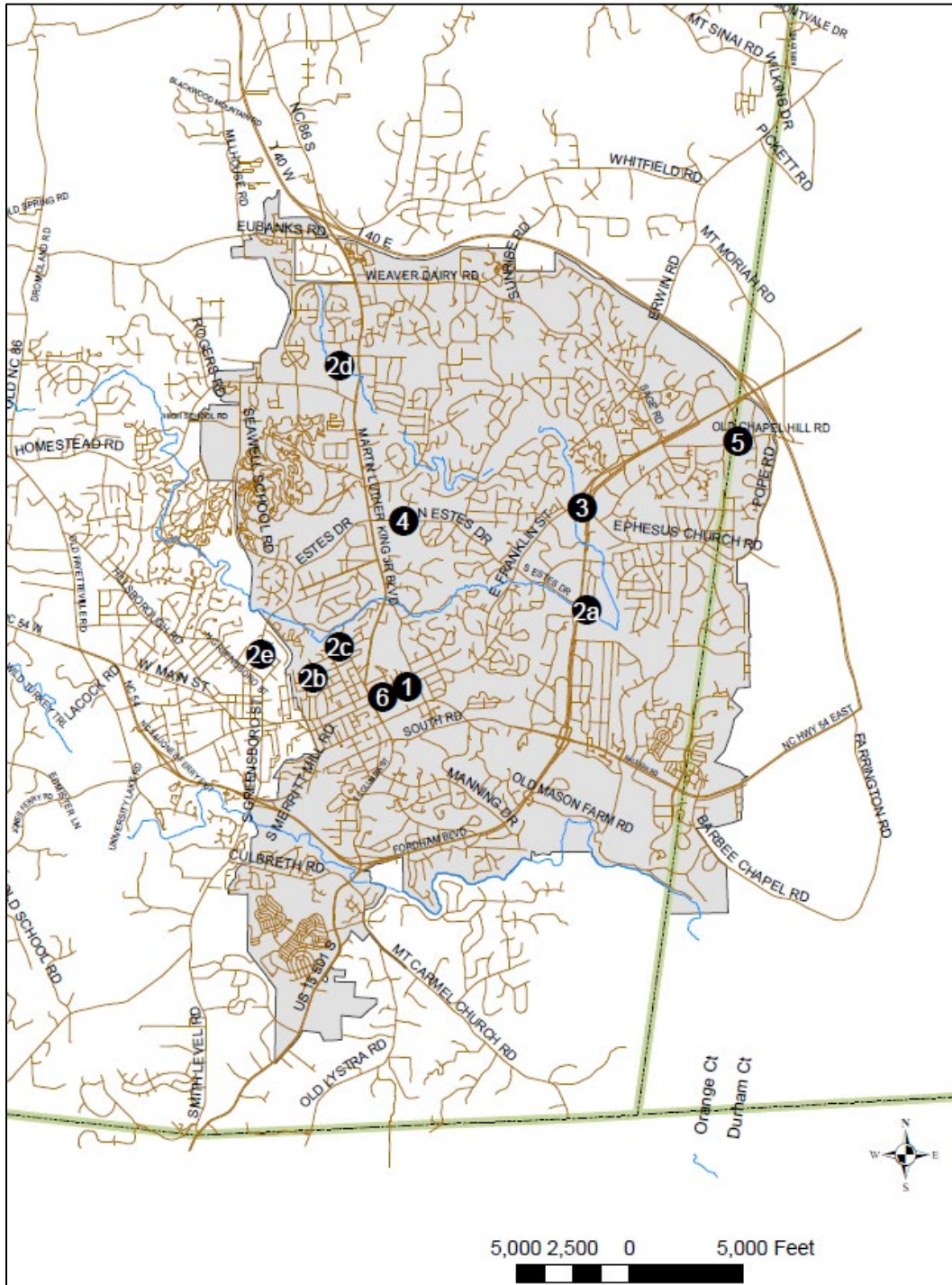
CAPITAL PROGRAM – KEY PROJECTS

This section highlights key projects included in the 2022-37 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. East Rosemary Street Redevelopment Project; 2a. South Estes Drive; 2b. Craig/Gomains Street; 2c. Pritchard Park; 2d. Bright Sun Place; 2e. Oakwood 3. 2200 Homestead Road Affordable Housing; 4. Estes Drive Bike & Ped Improvements (MLK to Caswell); 5. Elliott Road Extension; 6. Cedar Falls Park

CAPITAL PROGRAM – KEY PROJECTS

1. East Rosemary Street Redevelopment Project

The Town of Chapel Hill is preparing to carry out the East Rosemary Street Redevelopment Project in conjunction with Grubb Properties, who exchanged the Wallace parking deck/land for 137 (CVS) parking deck and adjacent parcels. The project involves construction of a 1,100-space parking deck and an office building with web lab space, bringing an estimated \$50 million investment and 800 jobs. The project is expected to attract new entrepreneurs and retain local businesses. Additional community benefits include increased centralized parking, new greenspaces, improved bike and pedestrian connections, and downtown jobs to support our restaurant and retail businesses.

2. Public Housing

The FY23 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 South Estes Drive, Craig Gomains, Pritchard Park, Bright Sun Place, and Oakwood.

3. 2200 Homestead Road Affordable Housing

The Homestead Gardens project at 2200 Homestead Road is one of the Town’s first efforts to develop affordable housing on Town land. The project will include about 100 mixed income affordable housing units, including rental apartments and for sale duplexes and townhomes surrounded by a variety of community amenities, including a multi-use greenway path, walking trails, basketball court, and a community garden.

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. Elliott Road Extension

Once complete, Elliott Road Extension will offer an easier way for residents along Ephesus Church Road to get to Fordham Boulevard heading south. It will relieve traffic congestion at the existing Ephesus Church Road/Fordham Boulevard/Eastgate Drive intersection. Elliott Road Extension will also include wide sidewalks and bike lanes that connect to Booker Creek Greenway and the larger Blue Hill multimodal network.

CAPITAL PROGRAM – KEY PROJECTS

6. Cedar Falls Park

The sixty-six-acre Cedar Falls Park is one of the system's oldest parks and most popular community park operated and maintained by Parks and Recreation Department.

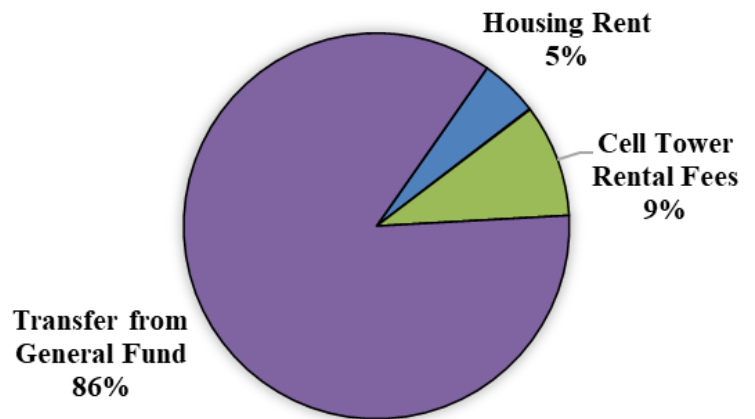
Various capital projects will:

- Rebuild the existing 1970's tennis courts (including lights and add a small building for storing the equipment needed for adaptive programming) which are in poor condition with cracks and drainage issues.
- Upgrade the current path from the restroom and parking lot to the tennis courts to bring it into compliance with accessibility requirements.
- Replace aging artificial turf with innovative new technologies including using all recycled material cork infill.
- Upgrade the current bathroom building, which is currently connected to a septic field and needs to be connected to an OWASA sewer line to prevent continued blockages that cause closures of the restrooms.
- Pave the current parking lot, which is currently not paved and requires constant maintenance.

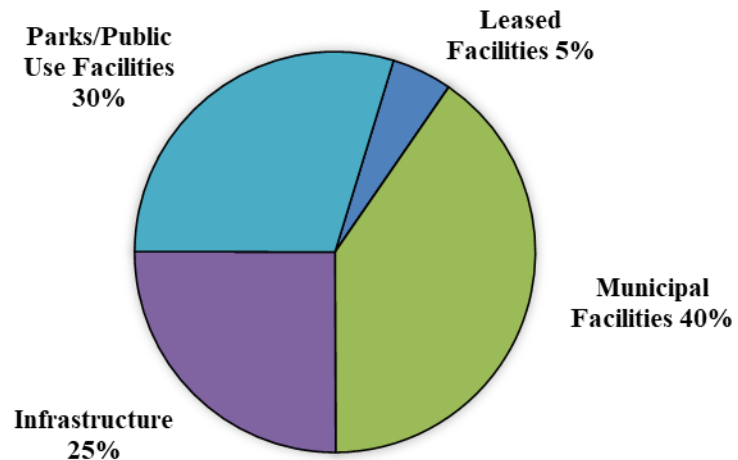
CAPITAL IMPROVEMENTS FUND

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

The budget for the Capital Improvements Program for 2022-23 totals \$741,241 and includes projects to be completed in 2022-23. 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.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Municipal Facilities	\$ 250,526	\$ 430,000	\$ 1,394,133	\$ 1,394,133	\$ 299,000	-30.5%
Public Safety	-	-	750,000	750,000	-	N/A
Facilities Leased by Others	21,138	36,241	165,832	165,832	36,241	0.0%
Infrastructure	48,170	61,000	311,000	311,000	186,000	204.9%
Communication/Technology	29,152	-	88,014	88,014	-	N/A
Parks/Public Use Facilities	67,349	170,000	170,000	170,000	220,000	29.4%
Transfers/Financing Costs	50,000	-	-	-	-	N/A
Total	\$ 466,335	\$ 697,241	\$ 2,878,979	\$ 2,878,979	\$ 741,241	6.3%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Housing Rent Proceeds	\$ 36,655	\$ 36,241	\$ 36,241	\$ 36,241	\$ 36,241	0.0%
Cell Tower Rental Fees	68,005	60,000	60,000	70,000	70,000	16.7%
Interest on Investments	305	1,000	1,000	100	500	-50.0%
Intergovernmental Revenue	(881)	-	-	-	-	N/A
Insurance Claims	137,045	-	-	-	-	N/A
Transfer from General Fund	-	600,000	2,350,000	2,350,000	634,500	5.8%
Appropriated Fund Balance	225,206	-	431,738	422,638	-	N/A
Total	\$ 466,335	\$ 697,241	\$ 2,878,979	\$ 2,878,979	\$ 741,241	6.3%

CAPITAL IMPROVEMENTS FUND

DETAIL EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget
MUNICIPAL OPERATIONS FACILITIES					
Extraordinary Maintenance, Emergency Repairs	\$ 217,935	\$ 100,000	\$ 265,188	\$ 265,188	\$ 100,000
Facilities Maintenance	27,011	-	26,225	26,225	-
Town Hall Parking Deck Repairs	-	-	200,000	200,000	-
Post Office/Courthouse Roof	-	-	550,000	550,000	-
Town Hall Roof	5,580	330,000	352,720	352,720	-
Facility Condition Assessment	-	-	-	-	58,000
Hargraves HVAC	-	-	-	-	54,000
Community Center Roof	-	-	-	-	52,000
Community Center HVAC	-	-	-	-	35,000
Subtotal	\$ 250,526	\$ 430,000	\$ 1,394,133	\$ 1,394,133	\$ 299,000
PUBLIC SAFETY					
Fire Truck	\$ -	\$ -	\$ 750,000	\$ 750,000	\$ -
Subtotal	\$ -	\$ -	\$ 750,000	\$ 750,000	\$ -
TOWN FACILITIES LEASED BY OTHERS					
Housing Maintenance	\$ 21,138	\$ 36,241	\$ 165,832	\$ 165,832	\$ 36,241
Subtotal	\$ 21,138	\$ 36,241	\$ 165,832	\$ 165,832	\$ 36,241
INFRASTRUCTURE					
Path, Trail and Lot Maintenance	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Vision Zero	-	-	-	-	50,000
Curbs / ADA	48,170	36,000	36,000	36,000	36,000
Bike/Ped Safety	-	-	250,000	250,000	75,000
Subtotal	\$ 48,170	\$ 61,000	\$ 311,000	\$ 311,000	\$ 186,000

CAPITAL IMPROVEMENTS FUND

DETAIL EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget
COMMUNICATIONS AND TECHNOLOGY					
GovTV Equipment	\$ 29,152	\$ -	\$ 46,098	\$ 46,098	\$ -
General Technology	-	-	41,916	41,916	-
Subtotal	\$ 29,152	\$ -	\$ 88,014	\$ 88,014	\$ -
PARKS AND OTHER PUBLIC USE FACILITIES					
Greenways	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Playground Replacement	58,109	50,000	50,000	50,000	50,000
Cemetery Beautification	-	20,000	20,000	20,000	20,000
Parks Maintenance	-	-	-	-	50,000
Small Park Improvements	9,240	50,000	50,000	50,000	50,000
Subtotal	\$ 67,349	\$ 170,000	\$ 170,000	\$ 170,000	\$ 220,000
TRANSFER TO OTHER FUNDS AND FINANCING COSTS					
Capital Projects Ordinance Fund	50,000	-	-	-	-
Subtotal	\$ 50,000	\$ -	\$ -	\$ -	\$ -
TOTALS	\$ 466,335	\$ 697,241	\$ 2,878,979	\$ 2,878,979	\$ 741,241

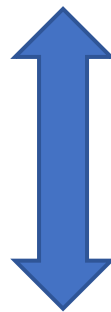
PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS

This section provides descriptions of various capital projects funded in the 2022-23 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 2022-23 Budget and Projected Expenditures

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total*</i>	<i>Funding Source</i>
2022-23	2023-24	2024-25	2025-26	2026-27	<i>Through 2026-27</i>	<i>Through 2036-37</i>	
\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000	\$1,500,000	Capital Improvements Fund

← **Summary of 2022-23 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 2022-23 Budget and Projected Expenditures

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total*</i>	<i>Funding Source</i>
2022-23	2023-24	2024-25	2025-26	2026-27	<i>Through 2026-27</i>	<i>Through 2036-37</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 #61
Location: Various sites
Operating Budget Impact: No Impact

Adopted 2022-23 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>
2022-23	2023-24	2024-25	2025-26	2026-27	<i>Through 2026-27</i>	<i>Through 2036-37</i>	
-	-	-	-	-	-	-	Multi-Year Capital Project Ordinance

PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS

INFRASTRUCTURE

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 #23
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 2022-23 Budget and Projected Expenditures

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
2022-23	2023-24	2024-25	2025-26	2026-27	<i>Through 2026-27</i>	<i>Through 2036-37</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 #31
Location: Various Sites
Operating Budget Impact: No Impact

Adopted 2022-23 Budget and Projected Expenditures

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
2022-23	2023-24	2024-25	2025-26	2026-27	<i>Through 2026-27</i>	<i>Through 2036-37</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

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 #91
Location: Various Sites
Operating Budget Impact: No Impact

Adopted 2012-23 Budget and Projected Expenditures

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
2022-23	2023-24	2024-25	2025-26	2026-27	<i>Through 2026-27</i>	<i>Through 2036-37</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 #104
Location: Rogers Road-Eubanks Road Neighborhood
Operating Budget Impact: No Impact

Adopted 2022-23 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>
2022-23	2023-24	2024-25	2025-26	2026-27	<i>Through 2026-27</i>	<i>Through 2036-37</i>	
-	-	-	-	-	-	-	Multi-Year Capital Project Ordinance

PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS

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 #103
Location: Various sites
Operating Budget Impact: No Impact

Adopted 2022-23 Budget and Projected Expenditures

<i>Fiscal Year (\$2,790,971) budgeted in CMAQ Grants from Fiscal Years 2017-18 & 2018-19.</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<i>2022-23</i>	<i>2023-24</i>	<i>2024-25</i>	<i>2025-26</i>	<i>2026-27</i>	<i>Through 2026-27</i>	<i>Through 2036-37</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 #162
Location: Various sites
Operating Budget Impact: No Impact

Adopted 2022-23 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>2022-23</i>	<i>2023-24</i>	<i>2024-25</i>	<i>2025-26</i>	<i>2026-27</i>	<i>Through 2026-27</i>	<i>Through 2036-37</i>	
-	-	-	-	-	-	-	2018 Bond Sale

PROJECT DESCRIPTIONS AND COSTS – CURRENTLY FUNDED PROJECTS

PUBLIC SAFETY

Public Safety Radios

Funding will replace aging public safety radios.

Table and Ref #: Table 3, Ref #154
Location: Technology Solutions
Operating Budget Impact: No Impact

Adopted 2022-23 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>
2022-23	2023-24	2024-25	2025-26	2026-27	<i>Through 2026-27</i>	<i>Through 2036-37</i>	
-	-	-	-	-	-	-	Two-Thirds Bonds

PARKS AND OTHER PUBLIC USE FACILITIES

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 #52
Location: Various locations
Operating Budget Impact: Positive (Hundreds per year): Projects will reduce need to use operating budget for repairs.

Adopted 2022-23 Budget and Projected Expenditures

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
2022-23	2023-24	2024-25	2025-26	2026-27	<i>Through 2026-27</i>	<i>Through 2036-37</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

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 #166
Location: Morgan Creek
Operating Budget Impact: No Impact

Adopted 2022-23 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>
2022-23	2023-24	2024-25	2025-26	2026-27	<i>Through 2026-27</i>	<i>Through 2036-37</i>	
-	-	-	-	-	-	-	2015 Bond Issue

CAPITAL PROGRAM TABLES – INTRODUCTION

The Capital Improvements Program contains tables that outline the adopted budget for CIP projects in fiscal year 2022-23 and projected expenditures in future fiscal years for all funds, from 2022-23 through 2036-37. These tables are as follows:

- **Table 1. Capital Improvements.** Table 1 lists projects identified for Capital Improvements. Projects listed include adopted projects for 2022-23 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	2021-22 Budget Revised	2022-23 Adopted Budget	2023-24
Municipal Operations Facilities				
1	Extraordinary Maintenance	\$ 265,188	\$ 100,000	\$ 100,000
2	Facilities Maintenance	26,225	-	-
3	Facility Condition Assessment	-	58,000	-
4	Town Hall - Safety & Security Improvements	-	-	171,720
5	Town Hall Parking Deck Maintenance	200,000	-	-
6	Town Hall Elevators	-	-	-
7	Town Hall Roof	352,720	-	-
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	550,000	-	260,000
15	Council Chambers Broadcast Center Replacement	-	-	150,200
16	Small Capital Improvements	-	-	100,000
17	Hargraves HVAC	-	54,000	-
18	Community Center Roof	-	52,000	-
19	Community Center HVAC	-	35,000	-
Public Safety				
20	Fire Radios	-	-	250,000
21	Fire Truck	750,000	-	-
Town Facilities Leased by Others				
22	Housing Maintenance	165,832	36,241	36,241
Infrastructure				
23	Parking Lots/Paths/Trails	25,000	25,000	50,000
24	Wood Cir/Velma Rd Closed System Improvements	-	-	-
25	Booker Creek Rd/Lakeshore Ln Closed System Improvements	-	-	-
26	Chelsey Ln Closed System Improvements	-	-	-
27	Old Oxford Rd. Cosed System Improvements	-	-	-
28	Downtown Lighting LED Upgrade	-	-	150,000
29	Barclay Rd Crossing	-	-	-
30	Bennett Rd Sidewalk	-	-	205,000
31	Curb Cut Improvements (ADA)	36,000	36,000	50,000
32	Bike/Ped Safety	250,000	75,000	-
33	Vision Zero	-	50,000	-
Communications				
34	GovTV Equipment	46,098	-	-
35	General Technology	41,916	-	-
Parks and Other Public Use Facilities				
36	Parks Needs Assessment	-	-	-
37	Small Parks Improvements	50,000	50,000	150,000
38	Old Chapel Hill Cemetery Paths Renovation	-	-	-
39	Umstead Park Renovations	-	-	-
40	Greenways	50,000	50,000	75,000
41	Cemetery Beautification	20,000	20,000	20,000
42	Community Center Pool Shell Re-Plastering	-	-	-
43	Homestead Aquatics Center Pool Shell Re-Plastering	-	-	-
44	Homestead Park Dog Park Renovations	-	-	75,000
45	Replacement of HVAC Equipment at Public Works	-	-	-
46	Replacement of HVAC Equipment at Transit	-	-	-
47	Cedar Falls Picnic Shelter	-	-	-
48	Inclusive Playground	-	-	-
49	North Forest Hills Park Renovations	-	-	-
50	Property Line Marking	-	-	75,000
51	Homestead Park Path Renovation	-	-	-
52	Playgrounds	50,000	50,000	100,000
53	Parks Maintenance	-	50,000	-
	Total	\$ 2,878,979	\$ 741,241	\$ 2,296,161

*Future years after FY2022-23 are for planning purposes only.

2024-25	2025-26	2026-27	2027-37	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
-	-	-	-	14
-	-	-	-	15
100,000	100,000	100,000	1,000,000	16
-	-	-	-	17
-	-	-	-	18
-	-	-	-	19
-	-	-	-	20
-	-	-	-	21
36,241	36,241	36,241	36,241	22
50,000	50,000	50,000	500,000	23
-	-	-	165,500	24
-	-	-	262,600	25
-	-	-	146,400	26
64,000	232,000	-	-	27
-	-	-	-	28
-	100,000	-	-	29
-	-	-	-	30
50,000	50,000	50,000	500,000	31
-	-	-	-	32
-	-	-	-	33
-	-	-	-	34
-	-	-	-	35
-	80,000	-	-	36
150,000	150,000	150,000	1,500,000	37
-	35,000	-	-	38
135,000	-	-	-	39
75,000	75,000	75,000	750,000	40
20,000	20,000	20,000	200,000	41
-	-	-	84,000	42
-	-	-	165,000	43
-	60,000	-	-	44
32,500	390,000	-	-	45
21,500	215,000	-	180,000	46
-	210,000	-	-	47
-	-	-	211,000	48
-	205,000	-	-	49
75,000	75,000	75,000	450,000	50
-	200,000	-	-	51
100,000	100,000	100,000	1,000,000	52
-	-	-	-	53
\$ 1,284,241	\$ 2,543,241	\$ 756,241	\$ 8,630,856	

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

Reference #	Project	Revised Budget 2021-22	Adopted 2022-23	2023-24
	Municipal Operations Facilities			
54	Comprehensive Public Housing Renovations	\$ -	\$ 935,260	\$ 935,260
55	Comprehensive Public Housing Renovations	935,260		
56	Comprehensive Public Housing Renovations	886,188	-	-
57	Comprehensive Public Housing Renovations	745,540	-	-
58	Comprehensive Public Housing Renovations	427,188	-	-
59	Comprehensive Public Housing Renovations	280,855	-	-
60	Wallace Parking Facility	379,238	-	-
61	Multi-Agency Complex Project	261,702	-	-
62	Police Station Environmental Remediation	-	-	-
63	Fire Station 1 Replacement	-	-	-
64	Fire Station 3 Replacement	-	-	-
65	Fire Station 4 Replacement	-	-	-
66	Fire Station 6	-	-	-
67	Live Fire Training Building Replacement	-	-	1,000,000
68	Building Addition to Public Works	-	-	-
69	Library Roof Replacement	-	-	-
70	Transit HVAC Replacement	-	-	-
71	Transit Building Facilities Maintenance	-	-	-
72	Transit Park and Ride Facilities Maintenance	-	-	-
73	Public Works Roof Replacement	-	-	-
74	Historic Town Hall Renovation	-	-	-
75	Public Safety Headquarters (MSC)	-	-	-
76	Parks & Recreation Facility	-	-	-
77	Solid Waste Transfer Station	-	-	-
78	Library HVAC Replacement	-	-	-
79	Town Facilities - Security & Safety Upgrades	-	-	-
80	Town Hall 2nd Floor Renovation	-	-	-
81	Public Works HVAC Replacement	-	-	-
82	Town Hall Roof Replacement	-	-	-
	Public Safety			
83	Engine 35	-	-	-
84	Engine 34	-	-	-
85	Engine 32	-	-	-
86	Engine 31	-	-	-
87	Squad 61	-	-	-
88	Ladder 72	-	-	-
89	Ladder 74	-	-	-
90	Police Radios	-	-	1,536,585
	Infrastructure			
91	Stormwater Projects	170,690	80,400	80,400
92	Small/Medium Drainage Maintenance and Improvements	-	-	-
93	Teen Center/Archives Renovation	-	-	-
94	Infrastructure Capital Improvement Program	-	-	-
95	Water Quality Capital Improvement Program	-	-	-
96	Lake Ellen Flood Storage Project	-	-	-
97	Dobbins Culvert Improvements	-	-	-
98	Subwatershed Modeling	428,999	352,000	-
99	Library Parking Lot Expansion	-	-	-
100	Cedar Falls Parking Lot Renovation	-	-	-

2024-25	2025-26	2026-27	2027-37	Fund Source	Reference #
\$ 935,260	\$ 935,260	\$ 935,260	\$ 9,352,600	HUD Grant	54
					55
-	-	-	-	HUD Grant	56
-	-	-	-	HUD Grant	57
-	-	-	-	HUD Grant	58
-	-	-	-	HUD Grant	59
-	-	-	-	Limited Obligation Bonds	60
-	-	-	-	Multi-year Capital Project Ord.	61
-	-	-	10,000,000	Future Financing	62
-	3,376,527	-	-	Future Financing	63
600,000	1,029,000	1,971,000	-	Future Financing	64
-	550,000	926,000	1,324,000	Future Financing	65
-	-	-	2,050,000	Future Financing	66
-	-	-	-	Future Financing	67
-	-	-	2,253,000	Future Financing	68
-	-	-	725,000	Future Financing	69
418,000	-	-	-	Transit Funds	70
300,000	-	-	290,800	Transit Funds	71
-	300,000	-	-	Transit Funds	72
-	-	-	1,005,500	Future Financing	73
-	328,000	262,000	3,950,000	Future Financing	74
1,020,876	1,722,377	21,651,971	191,375	Future Financing	75
142,982	257,368	3,235,350	28,596	Future Financing	76
-	75,000	425,000	4,700,000	Future Financing	77
-	-	-	1,017,000	Future Financing	78
-	-	518,663	-	Future Financing	79
420,000	-	-	-	Future Financing	80
-	-	-	445,318	Future Financing	81
-	-	-	263,452	Future Financing	82
-	-	-	577,500	Future Financing	83
566,500	-	-	-	Future Financing	84
-	-	640,000	-	Future Financing	85
-	-	-	605,000	Future Financing	86
-	-	825,000	-	Future Financing	87
-	-	1,700,000	-	Future Financing	88
-	900,000	-	-	Future Financing	89
-	-	-	-	Future Financing	90
80,400	80,400	80,400	804,000	Stormwater Management Funds	91
-	-	-	1,000,000	Stormwater Management Funds	92
-	-	175,000	1,850,000	Future Financing	93
-	-	-	5,500,000	Stormwater Management Funds	94
-	-	-	5,500,000	Stormwater Management Funds	95
-	-	165,000	-	Stormwater Management Funds	96
-	-	199,800	-	Stormwater Management Funds	97
-	-	-	-	Stormwater Management Funds	98
-	-	191,100	-	Future Financing	99
-	750,000	-	-	Future Financing	100

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

Reference #	Project	Revised Budget 2021-22	Adopted 2022-23	2023-24
101	Road Diet Traffic Studies	-	-	-
102	Fordham Sidepath*	708,427	-	-
103	Estes Drive Bike & Ped Improvements*	4,946,674	-	-
104	Rogers Road Design and Engineering	626,689	-	-
105	Traffic Signal Improvement	226,069	-	-
106	Streetscape Improvements	-	-	-
107	Bolinwood Drive Bridge Replacement	-	-	-
108	Downtown Streetscape Improvements	-	-	-
109	Street Resurfacing	-	-	-
110	Fordham Blvd Multiuse Paths	-	-	-
111	Martin Luther King Jr Blvd Flood Storage	-	-	-
112	Honeysuckle Rd	-	-	-
113	Piney Mountain Rd Flood Storage	-	-	-
114	New Parkside Flood Storage	-	-	-
115	Willow Dr Flood Storage	-	-	-
116	Ephesus Church Rd Closed System Improvements	-	-	-
117	Markham Dr/Old Oxford Rd Closed System Improvements	-	-	-
118	Booker Creek Rd Subwatershed Study	-	-	-
119	Red Bud Flood Storage	-	-	-
120	Foxcroft Dr Culvert Improvement	-	-	-
121	Daley Rd Flood Storage	-	-	-
122	Raleigh Rd Improvements	-	-	-
123	Meadowmont Dam Replacement	-	-	-
124	Franklin St Underpass	-	-	-
125	Mid-Block Pedestrian Signal Heads	-	-	-
126	N. Elliott Rd Complete Street	-	-	-
127	Cameron Ave Buffered Bike Lanes	-	-	-
	Parks and Other Public Use Facilities			
128	Meadowmont Bridge	-	-	-
129	Burlington Park Renovations	-	-	-
130	Homestead Park Skate Park Ramp Replacemen	-	-	-
131	Homestead Park Trail Extension	-	-	-
132	Millhouse Rd. Park	-	-	-
133	Athletic Fields Conversion to LED lights	-	-	-
134	Boundary Marking	-	-	-
135	Cedar Falls Ballfields Renovations	-	-	-
136	Ephesus Park Toilet Building	-	-	-
137	Oakwood Park Toilet Building	-	-	-
138	Meadowmont Park Toilet Building	-	-	-
139	Cedar Falls Park Tennis Court Replacement	-	-	268,000
140	Morgan Creek Trail, Phase 3	-	-	-
141	Homestead Park Synthetic Turf Replacement	-	-	-
142	Barclay Trail	-	-	-
143	P&R Community Center - Roof Replacement	-	-	-
144	Cedar Falls Synthetic Turf Replacement	-	-	-
145	Battle Park Trail Upgrade	-	-	-
146	Hargraves - HVAC Equipment Replacement	-	-	-
147	P&R Community Center - HVAC Replacement	-	-	-
148	P&R Homestead Aquatic Center - HVAC Replacement	-	-	-
149	Bolin Creek Trail, Phase 4	-	-	-
150	Timberlyne Trail	-	-	-
	TOTAL	\$ 10,088,259	\$ 432,400	\$ 2,884,985

Note: Future years after FY2022-23 are for planning purposes only.

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

2024-25	2025-26	2026-27	2027-37	Fund Source	Reference #
470,000	-	-	-	Future Financing	101
-	-	-	-	NCDOT Direct Allocation Grant	102
-	-	-	-	Multiple Sources	103
-	-	-	-	Multi-year Capital Project Ord.	104
-	-	-	-	NCDOT Direct Allocation Grant	105
825,000	-	-	-	Future Financing	106
1,115,000	-	-	-	Future Financing	107
-	400,000	-	-	Future Financing	108
-	800,000	-	-	Future Financing	109
-	300,000	-	1,948,000	Future Financing	110
-	-	-	3,788,651	Stormwater Funds	111
-	335,900	-	-	Future Financing	112
-	-	622,900	1,283,000	Stormwater Funds	113
-	-	437,525	2,248,275	Stormwater Funds	114
45,000	378,000	398,000	3,190,000	Stormwater Funds	115
-	-	151,000	895,000	Future Financing	116
-	-	96,000	355,000	Future Financing	117
-	-	-	1,285,100	Stormwater Funds	118
-	-	-	914,200	Stormwater Funds	119
-	-	112,000	552,000	Stormwater Funds	120
-	-	434,000	2,709,000	Stormwater Funds	121
-	-	-	900,000	Future Financing	122
705,000	-	-	-	Future Financing	123
-	-	-	1,000,000	Future Financing	124
-	-	-	420,000	Future Financing	125
-	-	-	375,000	Future Financing	126
-	-	-	600,000	Future Financing	127
-	-	620,000	-	Future Financing	128
-	-	260,000	-	Future Financing	129
-	-	3,000,000	-	Future Financing	130
-	330,000	-	-	Future Financing	131
-	-	-	3,400,000	Future Financing	132
-	1,400,000	-	-	Future Financing	133
750,000	-	-	-	Future Financing	134
-	450,000	-	-	Future Financing	135
428,000	-	-	-	Future Financing	136
-	-	387,000	-	Future Financing	137
-	-	387,000	-	Future Financing	138
-	-	-	-	Future Financing	139
-	-	609,000	2,962,000	Future Financing	140
-	-	-	940,000	Future Financing	141
-	-	20,000	430,000	Future Financing	142
-	-	-	536,205	Future Financing	143
-	-	-	895,000	Future Financing	144
-	-	-	3,000,000	Future Financing	145
414,000	-	-	-	Future Financing	146
271,000	-	-	-	Future Financing	147
-	-	1,186,704	-	Future Financing	148
-	-	-	3,120,000	Future Financing	149
-	-	-	3,100,000	Future Financing	150
\$ 8,571,758	\$ 13,762,572	\$ 41,687,413	\$ 84,926,972		

TABLE 3: Issued Bond Projects

				2006 Bond Sale (\$4,950,000)	2010 Bond Sale (\$20,760,237)
Reference #	Council Priority	Project Name	Category	2006-07	2010-11
Public Safety					
151	5	100 Foot Fire Ladder Truck	Public Safety	\$ -	\$ -
152	5	Fire Engine	Public Safety	-	-
153	5	Public Safety Radios/Body Cameras	Public Safety	-	-
Infrastructure					
154	2	Downtown Improvements - Streetscape	Sidewalks & Streets	1,000,000	64,000
155	7	Capital Project Management, Bond Issuance Costs	Sidewalks & Streets	-	-
156	2	Neighborhood Traffic Calming, Pedestrian, and Bicycle Improvements	Sidewalks & Streets	-	225,000
157	2	Pedestrian Amenities at Town Owned Traffic Signals	Sidewalks & Streets	50,000	100,000
158	7	Public Art	Sidewalks & Streets	-	-
159	2	Streets and Bridges	Sidewalks & Streets	-	661,000
160	2	Sidewalks and Bicycle Facilities	Sidewalks & Streets	600,000	1,442,042
161	6	Elliott Road Storage Project	Stormwater	-	-
Parks and Other Public Use Facilities					
162	2	Bolin Creek Trail	Parks/Recreational Facilities	-	2,245,889
163	2	Dry Creek Trail	Parks/Recreational Facilities	16,000	150,540
164	2	Tanyard Branch Trail	Parks/Recreational Facilities	-	-
165	2	Morgan Creek Trail	Parks/Recreational Facilities	968,000	1,212,455
166	2	Open Space Acquisition	Open Space and Areas	800,000	-
167	2	Playground Improvements	Parks/Recreational	-	-
168	2	Upper Booker Creek Trail	2003 Bond	16,000	154,608
169	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

Two-Thirds Bonds (\$1,700,000)	2015 Bond Sale (\$9,615,091)	Two-Thirds Bonds (1,614,703)	2018 Bond Sale (\$13,099,788)	Two-Thirds Bonds (3,511,731)	2021 Bond Sale (\$5,213,966)		
2012-13	2016-17		2017-18	2020-21		TOTAL	Reference #
\$ -	\$ -	\$ 1,348,000	\$ -	\$ -	\$ -	\$ 1,348,000	151
-	-	-	-	654,500	-	654,500	152
-	-	241,322	-	-	-	241,322	153
-	414,266	-	800,000	-	-	2,278,266	154
-	425,091	25,381	263,907	69,759	103,417	887,555	155
-	670,134	-	-	-	-	895,134	156
-	-	-	-	-	-	150,000	157
-	30,000	-	55,000	-	-	85,000	158
1,000,000	1,000,000	-	775,000	1,323,581	-	4,759,581	159
-	1,075,600	-	3,870,000	223,581	-	7,211,223	160
-	-	-	2,829,554	-	-	2,829,554	161
-	1,163,306	-	-	-	-	3,409,195	162
-	-	-	-	-	-	166,540	163
-	1,390,000	-	-	-	-	1,390,000	164
-	2,446,694	-	-	-	-	4,627,149	165
-	-	-	-	-	-	800,000	166
-	1,000,000	-	-	-	-	1,000,000	167
-	-	-	-	-	-	170,608	168
700,000	-	-	-	-	-	700,000	169

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
170	2	Cedar Falls Park Tennis Complex	Parks/Recreational Facilities	-	-
171	2	Hargraves Parks Tennis Courts	Parks/Recreational Facilities	-	-
172	2	Ephesus Parks Tennis & Pickleball Courts	Parks/Recreational Facilities	-	-
173	2	Hargraves Park Playground	Parks/Recreational Facilities	-	-
174	2	AD Clark Pool	Parks/Recreational Facilities	-	-
175	2	Hargraves Center Ballfield	Parks/Recreational Facilities	-	-
176	2	Umstead Park Basketball Court	Parks/Recreational Facilities	-	-
177	2	Homestead Aquatic Center Pool	Parks/Recreational Facilities	-	-
178	2	American Legion Property	Open Space and Areas	-	-
179	2	Library Expansion	Library Facilities	1,500,000	14,504,703
Affordable Housing					
180	2	Weavers Grove Development	Affordable Housing	-	-
181	2	Johnson Street Apartments	Affordable Housing	-	-
182	2	2200 Homestead Road	Affordable Housing	-	-
183	2	Affordable Housing Project Reserve	Affordable Housing	-	-
TOTAL				\$ 4,950,000	\$ 20,760,237

COLUMN DESCRIPTION KEY

Council Priority

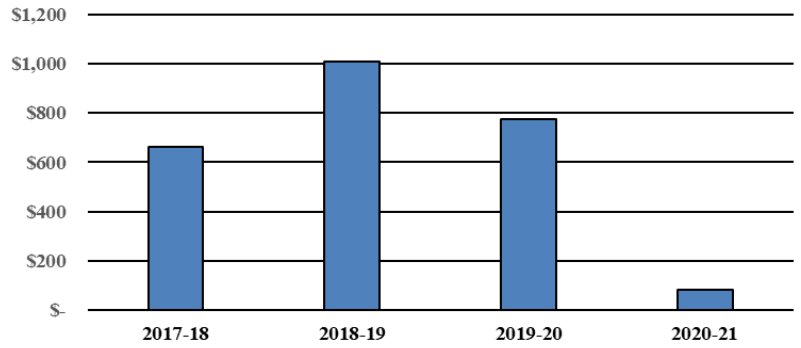
- 1 - Council Authorized Contracts
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- 7 - Other projects

Two-Thirds Bonds (\$1,700,000)	2015 Bond Sale (\$9,615,091)	Two-Thirds Bonds (1,614,703)	2018 Bond Sale (\$13,099,788)	Two-Thirds Bonds (3,205,000)	2021 Bond Sale (\$4,755,000)		
2012-13	2016-17		2017-18	2020-21		TOTAL	Reference #
-	-	-	-	371,310	-	371,310	170
-	-	-	-	215,000	-	215,000	171
-	-	-	-	109,000	-	109,000	172
-	-	-	-	32,000	-	32,000	173
-	-	-	-	58,000	-	58,000	174
-	-	-	-	225,000	-	225,000	175
-	-	-	-	30,000	-	30,000	176
-	-	-	-	200,000	-	200,000	177
-	-	-	4,506,327	-	-	4,506,327	178
-	-	-	-	-	-	16,004,703	179
-	-	-	-	-	1,255,692	1,255,692	180
-	-	-	-	-	200,000	200,000	181
-	-	-	-	-	3,300,000	3,300,000	182
-	-	-	-	-	354,857	354,857	183
\$ 1,700,000	\$ 9,615,091	\$ 1,614,703	\$ 13,099,788	\$ 3,511,731	\$ 5,213,966	\$ 64,465,516	

CAPITAL RESERVE FUND

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

No appropriations are planned for the Capital Reserve Fund for 2022-23, which had a fund balance of \$218,049 at June 30, 2021.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Reserved for CIP	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Transfer to Capital Improvements Fund	-	-	-	-	-	N/A
Transfer to General Fund	-	-	-	-	-	N/A
Total	\$ -	\$ -	\$ -	\$ -	\$ -	N/A

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Interest on Investments Appropriated	\$ 80	\$ -	\$ -	\$ -	\$ -	N/A
Fund Balance	(80)	-	-	-	-	N/A
Total	\$ -	\$ -	\$ -	\$ -	\$ -	N/A

MAJOR CAPITAL BOND PROJECTS

Several major capital improvement projects were approved by bond referenda in November 2003 and November 2015 and limited obligation bonds in 2012 and 2021.

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, 2022 are shown in the table at the right.

Major Capital Bond Projects	Budget	Expenditures as of June 30, 2022
2003 Bond Projects		
Streets and Sidewalks	\$ 5,600,000	\$ 5,562,000
Library Expansion	16,260,000	16,260,000
Parks and Recreation	5,000,000	4,882,000
Subtotal	<u>\$ 26,860,000</u>	<u>\$ 26,704,000</u>
2012 LOBS Projects		
Lot 5 Project	\$ 5,770,000	\$ 5,770,000
Parking Projects	836,000	692,000
TOC Projects	202,000	202,000
Subtotal	<u>\$ 6,808,000</u>	<u>\$ 6,664,000</u>
2015 Bond Projects		
Streets and Sidewalks	\$ 8,500,000	\$ 5,528,000
Parks Trails	5,000,000	3,484,000
Parks Facilities	5,300,000	4,733,000
Subtotal	<u>\$ 18,800,000</u>	<u>\$ 13,745,000</u>
2018 Bond Projects		
Affordable Housing Projects	\$ 4,755,000	\$ 1,346,000
2021 LOBS Projects		
East Rosemary Deck	\$ 39,370,000	\$ 15,302,000
Elliott Road Reconstruction	6,480,000	3,688,000
Subtotal	<u>\$ 45,850,000</u>	<u>\$ 18,990,000</u>
TOTAL	<u>\$ 103,073,000</u>	<u>\$ 67,449,000</u>

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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

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 FY23, the funding level remains at \$688,395.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Land Acquisitions	\$ 175,000	\$ -	\$ 396,356	\$ 274,500	\$ -	N/A
Rental Subsidies	22,712	-	409,555	409,555	-	N/A
Homeownership Assist.	60,000	-	67,000	67,000	-	N/A
Future Development	141,078	-	278,357	278,357	-	N/A
Reserve	289,605	688,395	770,225	892,081	688,395	0.0%
Total	\$ 688,395	\$ 688,395	\$ 1,921,493	\$ 1,921,493	\$ 688,395	0.0%

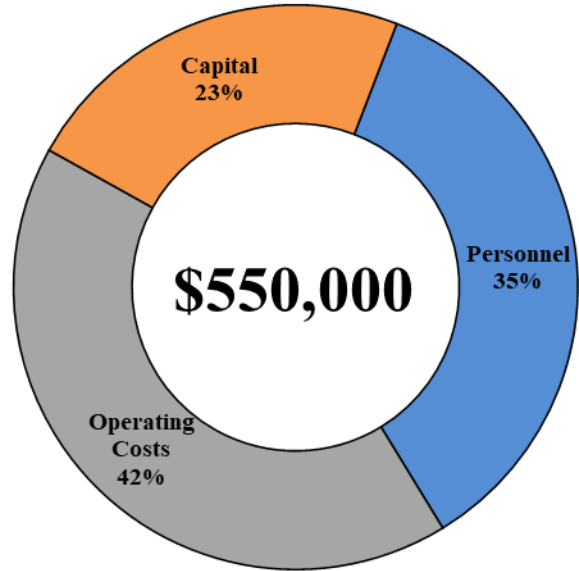
REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Transfer from General Fund	\$ 688,395	\$ 688,395	\$ 688,395	\$ 688,395	\$ 688,395	0.0%
Appropriated Fund Balance	-	-	1,233,098	1,233,098	-	N/A
Total	\$ 688,395	\$ 688,395	\$ 1,921,493	\$ 1,921,493	\$ 688,395	0.0%

CLIMATE ACTION FUND

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

CLIMATE ACTION FUND



CLIMATE ACTION FUND BUDGET SUMMARY

The Climate Action Fund was established in FY22 to dedicate funding to address climate change. The adopted budget for the Climate Action Fund reflects a 17% increase from the 2021-22 budget. The 81.8% increase in personnel costs reflects a new Sustainability Outreach Coordinator position, as well as a 0.75% retirement increase, a 2% increase in health insurance costs, and a salary increase. Operating and capital costs remain relatively flat.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ -	\$ 107,197	\$ 107,197	\$ 73,587	\$ 194,897	81.8%
Operating Costs	-	239,860	292,453	292,453	229,925	-4.1%
Capital	-	122,943	274,907	274,907	125,178	1.8%
Contribution to Reserve	-	-	-	33,610	-	N/A
Total	\$ -	\$ 470,000	\$ 674,557	\$ 674,557	\$ 550,000	17.0%

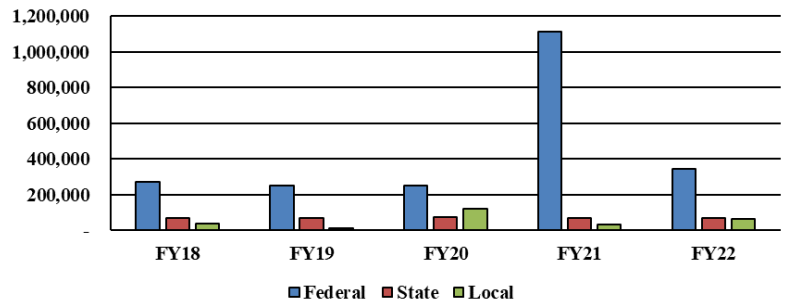
REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Transfer from General Fund	\$ -	\$ 470,000	\$ 470,000	\$ 470,000	\$ 550,000	17.0%
Grants	-	-	204,557	204,557	-	0.0%
Total	\$ -	\$ 470,000	\$ 674,557	\$ 674,557	\$ 550,000	17.0%

GRANTS FUND

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

Grant Revenue Sources FY18-FY22



GRANTS FUND

BUDGET SUMMARY

The Grants Fund was established in 2004-05 to account for grants previously included in the General Fund. Grants for 2022-23 consist of three Planning grants that provide personnel and operating funding for transportation planning.

EXPENDITURES

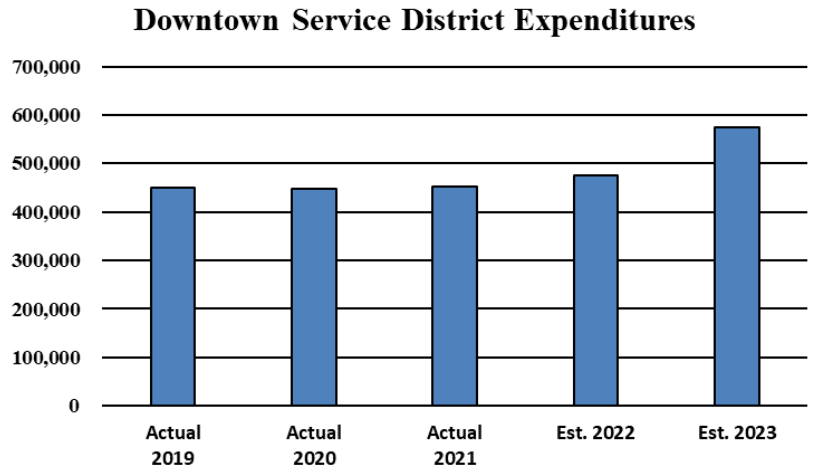
	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Police Grants	\$ 77,994	\$ -	\$ 230,768	\$ 230,768	\$ -	N/A
Planning Grants	1,909,857	394,852	398,767	398,767	493,903	25.1%
Total	\$ 1,987,851	\$ 394,852	\$ 629,535	\$ 629,535	\$ 493,903	25.1%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Grants	\$ 1,896,351	\$ 307,402	\$ 453,600	\$ 479,776	\$ 386,276	25.7%
Transfer from General Fund	83,464	87,450	135,762	135,762	107,627	23.1%
Appropriated Fund Balance	8,036	-	40,173	13,997	-	N/A
Total	\$ 1,987,851	\$ 394,852	\$ 629,535	\$ 629,535	\$ 493,903	25.1%

DOWNTOWN SERVICE DISTRICT FUND

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 \$620,000,000. The tax rate of 6.4 cents is unchanged from FY 2021-22 and is expected to yield a total of about \$397,000 in FY 2022-23. This represents an increase of \$3,000 from the current year estimates, due to the increase in value from new development in the downtown area.

FY23 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.

The FY 2022-23 budget also includes a transfer of \$100,000 from the General Fund to further support downtown initiatives.

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 budget provides for \$250,000 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 Downtown Service District Fund tax rate of 6.4 cents for 2022-23 provides for continued funding of the groundskeeper position dedicated to the downtown area (including a 2% rate increase in medical insurance). The adopted budget includes an allocation of about \$500,000 for services related to the district, and includes expenses related to the "Launch" initiative (\$147,000) along with 140 West expenses (\$110,000).

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 59,157	\$ 62,177	\$ 62,177	\$ 61,682	\$ 67,897	9.2%
Other Expenses	-	-	16,991	16,991	-	N/A
Contracted Services	245,378	250,000	250,000	250,000	360,000	44.0%
Launch	147,000	147,000	147,000	147,000	147,000	0.0%
Reserve	-	6,323	6,323	-	-	-100.0%
Total	\$ 451,535	\$ 465,500	\$ 482,491	\$ 475,673	\$ 574,897	23.5%

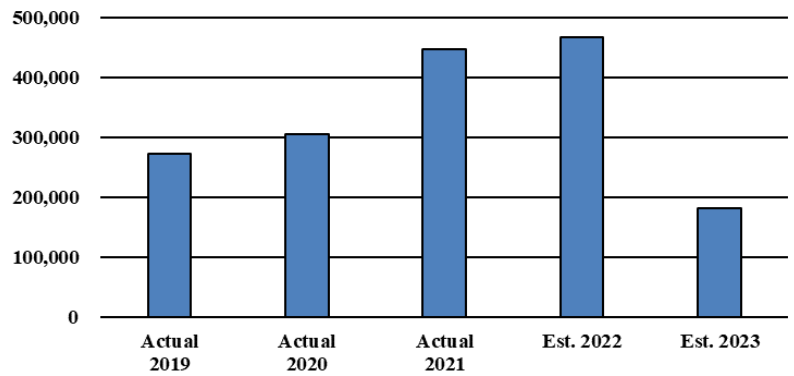
REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Property Taxes	\$ 369,684	\$ 391,000	\$ 391,000	\$ 394,000	\$ 397,000	1.5%
Interest Income	839	1,000	1,000	1,000	1,000	0.0%
Gifts and Donations	73,500	73,500	73,500	73,500	73,500	0.0%
Interest on Receivable	24	-	-	-	-	N/A
Transfer from General Fund	-	-	-	-	100,000	N/A
Appropriated Fund Balance	7,488	-	16,991	7,173	3,397	N/A
Total	\$ 451,535	\$ 465,500	\$ 482,491	\$ 475,673	\$ 574,897	23.5%

LIBRARY GIFT FUND

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 2022-23 reflects a decrease from the previous year due to a one-time grant received in FY22. Gifts for 2022-23 include a increase in funding from the current year (\$125,000) and increased funding for miscellaneous donations (\$52,500). 2022-23 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 2022-23.

EXPENDITURES

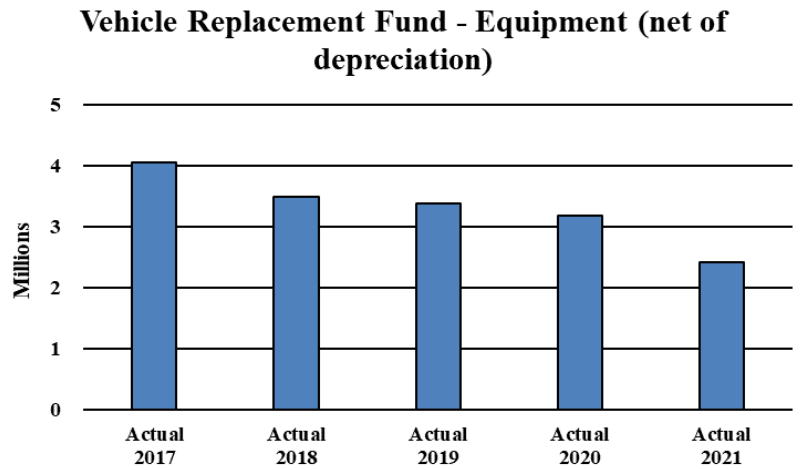
	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Computers/Database	\$ -	\$ -	\$ 83,059	\$ 83,059	\$ 9,550	N/A
Collection Purchases	26,353	32,000	51,500	51,500	36,000	12.5%
Other	375,657	139,841	288,976	288,976	63,268	-54.8%
Transfer to General Fund	45,000	45,000	45,000	45,000	45,000	0.0%
Contribution to Reserve	-	-	-	-	27,941	N/A
Total	\$ 447,010	\$ 216,841	\$ 468,535	\$ 468,535	\$ 181,759	-16.2%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Interest Income	\$ 71	\$ 341	\$ 341	\$ 341	\$ 341	0.0%
Friends' Donations	210,000	75,000	116,000	116,000	125,000	66.7%
Grants	203,987	84,600	266,376	266,376	-	-100.0%
Misc Donations	78,504	47,500	47,500	47,500	52,500	10.5%
Appropriated Fund Balance	(45,552)	9,400	38,318	38,318	3,918	-58.3%
Total	\$ 447,010	\$ 216,841	\$ 468,535	\$ 468,535	\$ 181,759	-16.2%

VEHICLE REPLACEMENT FUND

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 2022-23 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 2022-23 adopted budget is the replacement of a solid waste front loader. 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.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Lease Purchase Payments	\$ 63,920	\$ -	\$ -	\$ -	\$ -	N/A
Other Expense	633	-	-	-	-	N/A
Capital Equipment	128,248	344,660	1,244,660	1,244,660	355,000	3.0%
Total	\$ 192,801	\$ 344,660	\$ 1,244,660	\$ 1,244,660	\$ 355,000	3.0%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Vehicle Use Fees	\$ -	\$ 344,660	\$ 344,660	\$ 344,660	\$ 355,000	3.0%
Interest Income	75	-	-	-	-	N/A
Sale of Fixed Assets	50,462	-	-	-	-	N/A
Transfer from General Fund	-	-	900,000	900,000	-	N/A
Appropriated Fund Balance	142,264	-	-	-	-	N/A
Total	\$ 192,801	\$ 344,660	\$ 1,244,660	\$ 1,244,660	\$ 355,000	3.0%

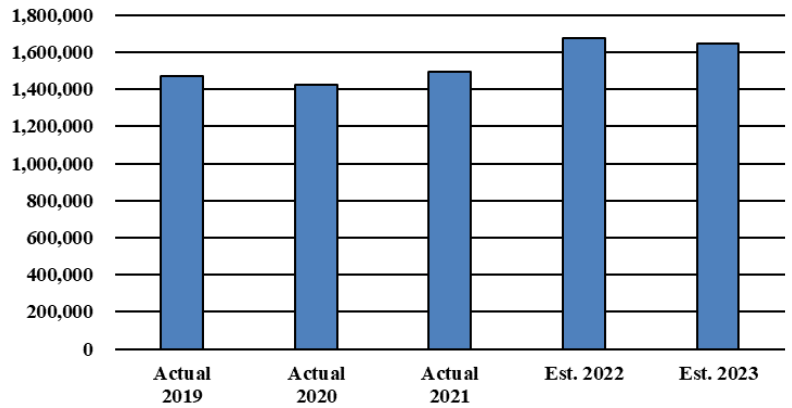
VEHICLE MAINTENANCE FUND

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

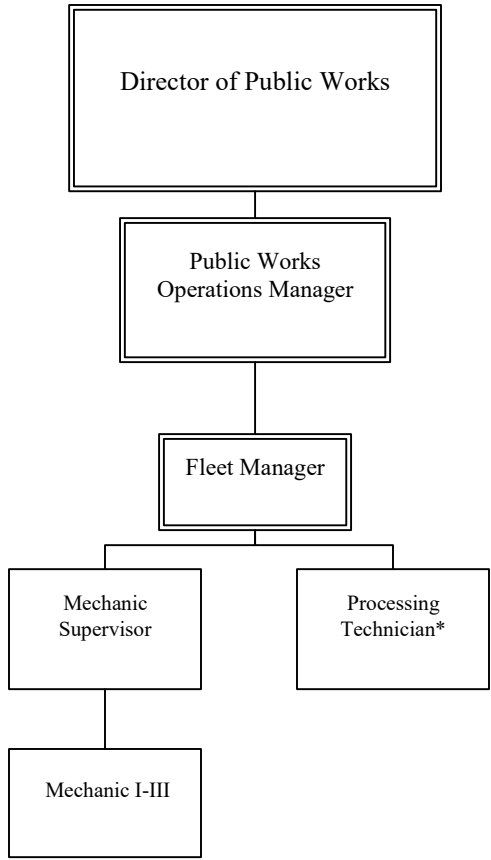
MISSION STATEMENT:

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

	2020-21 ADOPTED	2021-22 ADOPTED	2022-23 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 ¹	0.75	0.75	0.75
Unit Totals	7.75	7.75	7.75

¹ 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

The 2022-23 adopted budget for the Vehicle Maintenance Fund reflects an overall increase in expenditures of 2.6% from last year's budget. The increase in personnel is the result of a 2% rate increase in medical insurance, a pay increase, and a 0.75% increase in retirement costs. The operating budget remains relatively flat.

EXPENDITURES

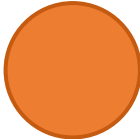
	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Personnel	\$ 663,266	\$ 705,003	\$ 705,003	\$ 675,065	\$ 743,255	5.4%
Operating Costs	811,930	900,219	993,277	898,449	903,385	0.4%
Capital Outlay	18,592	-	29,406	29,406	-	N/A
Total	\$ 1,493,788	\$ 1,605,222	\$ 1,727,686	\$ 1,602,920	\$ 1,646,640	2.6%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Vehicle Maintenance Fees	\$ 1,484,296	\$ 1,559,100	\$ 1,559,100	\$ 1,544,300	\$ 1,609,100	3.2%
Interest Income	177	-	-	-	-	N/A
Sale of Equipment	689	-	-	-	-	N/A
Insurance Claims	17,998	18,000	18,000	18,000	18,000	0.0%
Appropriated Fund Balance	(9,372)	28,122	150,586	40,620	19,540	-30.5%
Total	\$ 1,493,788	\$ 1,605,222	\$ 1,727,686	\$ 1,602,920	\$ 1,646,640	2.6%

VEHICLE MAINTENANCE

Performance Measures

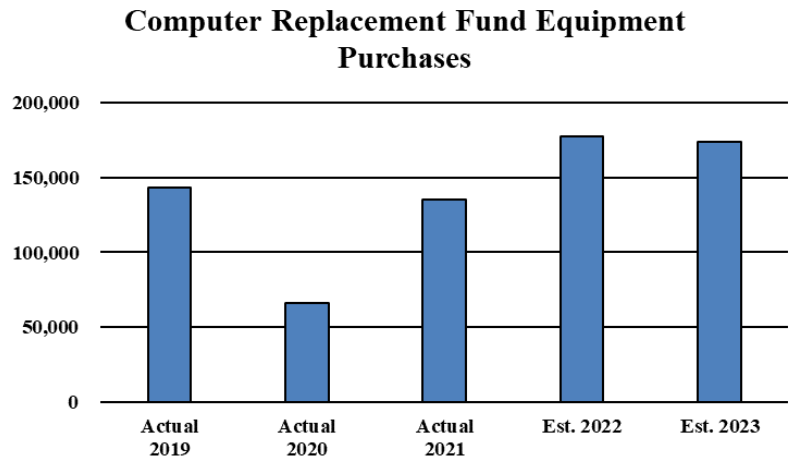
 COLLABORATION & INNOVATION	<p>Strategic Objectives</p> <ul style="list-style-type: none"> ➤ Ensure that at least 30% of all work orders are preventive maintenance work ➤ Limit repeat repairs to 2% or less ➤ Complete at least 95% of preventive maintenances as scheduled in order to reduce out-of-service time ➤ Ensure that 90% of rolling stock is available per day ➤ Complete 85% of repair orders within 1 work day, with no more than 10% taking longer than 2 work days
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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

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



COMPUTER REPLACEMENT FUND

BUDGET SUMMARY

The adopted budget for 2022-23 provides for replacement of computer equipment on a pay-as-you-go basis.

EXPENDITURES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Small Equipment	\$ 135,352	\$ 177,750	\$ 177,750	\$ 177,750	\$ 173,975	-2.1%
Other Expense	-	-	-	-	-	N/A
Total	\$ 135,352	\$ 177,750	\$ 177,750	\$ 177,750	\$ 173,975	-2.1%

REVENUES

	2020-21 Actual	2021-22 Original Budget	2021-22 Revised Budget	2021-22 Estimated	2022-23 Adopted Budget	% Change from 2021-22
Computer Use Fees	\$ -	\$ 177,750	\$ 177,750	\$ 177,750	\$ 173,975	-2.1%
Interest Income	40	-	-	-	-	N/A
Appropriated Fund Balance	135,312	-	-	-	-	N/A
Total	\$ 135,352	\$ 177,750	\$ 177,750	\$ 177,750	\$ 173,975	-2.1%

BUDGET ORDINANCE

Appendix 1

AN ORDINANCE CONCERNING THE ESTABLISHMENT OF THE TOWN BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2022 (2022-06-08/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	\$ 20,086,773
Environment & Development	19,054,575
Public Safety	25,640,864
Leisure	11,906,788
GENERAL FUND TOTAL	\$ 76,689,000

OTHER FUNDS

Transit Fund	\$ 31,454,363
Transit Capital Reserve Fund	0
Debt Service Fund	9,570,927
Vehicle Replacement Fund	355,000
Vehicle Maintenance Fund	1,646,640
Computer Replacement Fund	173,975
Public Housing Fund	2,416,924
Affordable Housing Reserve Fund	688,395
On-Street Parking Fund	0
Off-Street Parking Facilities Fund	6,130,626
Library Gift Fund	181,759
Capital Improvements Fund	741,241
Downtown Service District Fund	574,897
Climate Action Fund	550,000
Stormwater Management Fund	3,010,000
Grants Fund	493,903
TOTAL ALL FUNDS	\$ 134,677,650

ARTICLE II

It is estimated that the following revenues will be available during the fiscal year beginning July 1, 2022 and ending June 30, 2023 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	\$ 35,828,500
Sales Taxes	20,246,281
Occupancy Tax	1,250,000
Other Taxes & Licenses	87,000
State-Shared Revenues	7,864,098
Grants	687,997
Charges for Services	4,815,824
Licenses/Permits/Fines	2,825,910
Interest on Investments	10,000
Other Revenues	365,000
Transfers/Other Sources	45,000
Fund Balance Appropriated	2,663,390
General Fund Total	\$ 76,689,000

OTHER FUNDS

Transit Fund	\$ 31,454,363
Transit Capital Reserve Fund	0
Debt Service Fund	9,570,927
Vehicle Replacement Fund	355,000
Vehicle Maintenance Fund	1,646,640
Computer Replacement Fund	173,975
Public Housing Fund	2,416,924
Affordable Housing Reserve Fund	688,395
On-Street Parking Fund	0
Off-Street Parking Facilities Fund	6,130,626
Library Gift Fund	181,759
Capital Improvements Fund	741,241
Downtown Service District Fund	574,897
Climate Action Fund	550,000
Stormwater Management Fund	3,010,000
Grants Fund	493,903
TOTAL ALL FUNDS	\$ 134,677,650

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, 2022 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)	\$0.062/\$100
TOTAL	\$0.522/\$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 8th day of June, 2022.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Chapel Hill
North Carolina**

For the Fiscal Year Beginning

July 01, 2021

Christopher P. Morill

Executive Director

Performance Agreements with Other Agencies

Performance Agreements with Other Agencies	2021-22 Adopted Budget	2022-23 Adopted Budget
Human Services		
Human Services Advisory Board Recommendations	\$ 546,500	\$ 573,825
Total Human Services	546,500	573,825
Arts		
Cultural Arts	23,500	63,500
Total Arts	23,500	63,500
Public Health		
Orange County Food Council	29,110	29,110
Total Public Health	29,110	29,110
Affordable Housing		
Community Home Trust	358,009	367,173
Interfaith Council (IFC)*	-	203,000
Orange County Partnership to End Homelessness	96,300	225,585
Total Affordable Housing	454,309	795,758
Economic Development		
Chapel Hill/Orange County Visitors Bureau	200,000	200,000
Chapel Hill Downtown Partnership	70,000	70,000
Total Economic Development	270,000	270,000
Total Contributions to Agencies	\$ 1,323,419	\$ 1,732,193

*IFC commitment is \$258,000 for FY23. \$55,000 will be brought forward from FY22.

GLOSSARY

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

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

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

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 of law within the boundaries of the Town.

GLOSSARY

- 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.
- Performance Agreement** - A contract with an external agency to provide funding for specific functions with specific performance targets. These are designed to provide accountability from external agencies to align with the Town's strategic goals.
- 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.

GLOSSARY

Reserve - An account designated for a portion of the fund balance which is to be used for a specific purpose.

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.

GLOSSARY

Triangle – Chapel Hill is located in central North Carolina, in the area commonly referred to as the Triangle, including Orange, Durham and Wake Counties.

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.