

FY 2025 MANAGER'S RECOMMENDED BUDGET



Town Council Business Meeting
May 1, 2024

AGENDA

1.

Budget Highlights

2.

5-Year Budget Focus Areas

3.

Enterprise Funds

4.

Looking Ahead

BUDGET HIGHLIGHTS

BUDGET HIGHLIGHTS

- Total budget = \$156,259,106
- 4% increase from prior year
- Tax increase of 2 cents
- Property tax rate of 59.2 cents
- 6% of market cost of living adjustment

BUDGET PRIORITIES

- Recruiting and retaining excellent employees.
- Providing high quality core service to residents.
- Stewardship of facilities, fleet, and infrastructure.
- Continuing our commitment to affordable housing.

CHAPEL HILL TAXES OVER TIME

	FY 09	FY 10 *	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18 *	FY 19	FY 20	FY 21	FY 22 *	FY 23	FY 24	FY 25
General Fund	42.3	36.0	36.0	37.8	37.8	38.8	38.8	38.8	38.8	37.6	38.6	38.6	38.6	37.2	37.2	42.2	43.7
Debt Fund	11.0	9.3	9.3	7.5	7.5	7.5	8.5	8.5	8.5	8.2	8.2	9.8	9.8	8.8	8.8	8.8	8.8
Transit Fund**	4.8	4.1	4.1	4.1	4.1	5.1	5.1	5.1	5.1	5.0	6.0	6.0	6.0	5.4	6.2	6.2	6.7
Town Total	58.1	49.4	49.4	49.4	49.4	51.4	52.4	52.4	52.4	50.8	52.8	54.4	54.4	51.4	52.2	57.2	59.2

* Revaluation years

 Budget Highlights

GENERAL FUND REVENUES

Revenue Source	Adopted FY2023-24	Estimated FY2023-24	Recommended FY2024-25
Property Taxes	\$ 41,128,500	\$ 40,685,000	\$ 42,835,000
Sales Taxes	21,993,943	22,108,800	22,993,152
Other Taxes	1,610,000	1,800,000	1,800,000
State Shared Revenues	7,817,600	8,213,894	8,313,708
Charges for Services	5,413,705	4,754,209	5,616,827
Licenses & Permits	3,112,660	3,270,834	3,462,693
Grants	775,748	787,944	749,862
Interest	100,000	1,000,000	750,000
Other Revenues	457,485	675,514	466,100
Approp. Fund Balance	2,469,359	2,321,597	2,422,658
Total	\$ 84,879,000	\$ 85,617,792	\$ 89,410,000

WHAT'S THE IMPACT OF THE 2 CENT INCREASE ON TAXPAYERS?

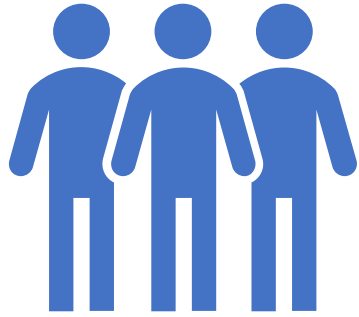
Property Valuation	Annual Impact
\$ 250,000	\$ 50
\$ 500,000	\$ 100
\$ 750,000	\$ 150
\$ 1,000,000	\$ 200
\$ 13,000,000	\$ 2,600
\$ 64,000,000	\$ 12,800

WHAT'S THE IMPACT OF THE 2 CENT INCREASE ON OUR PRIORITIES?

PRIORITY	FY 2025
Operations	\$ 500,000
Facilities	250,000
Streets	250,000
Fleet	<u>500,000</u>
Total General Fund	\$ 1,500,000

PRIORITY	FY 2025
Transit Operations	<u>\$ 488,000</u>
Total Transit Fund	\$ 488,000

5-YEAR BUDGET FOCUS AREAS



STAFFING

- 6% of Market Cost of Living Adjustment
- Living Wage Adjustments
- 0.75% increase to retirement system
- Health insurance remains steady (currently at 0.5% decrease)
- Funding to develop pay progression plan
- Two new positions in Transit funded by the Orange County Transit Plan
- One new position in AH&CC funded by AHDR



OPERATIONS

+ \$500,000

Cost of Doing Business Increases

- Solid Waste tipping fees
- Aquatics pool supplies
- Technology cost increases
- Event programming cost increases

Cost of Expanding Services

- More training for employees
- Planning Ambassador program
- GARE survey



FLEET
+ \$500,000

15 Vehicle Replacements + 4 Mowers

- 7 Police vehicles
- 2 Solid Waste rear loaders
- Streets tandem dump truck
- Streets crew truck
- Streets roller
- Facilities maintenance crew truck
- Parks maintenance crew truck
- Parks van
- 4 Mowers



**FACILITIES/
STREETS**

+ \$500,000

Planned Facility Projects:

- Community Center HVAC Replacement
- Hargraves HVAC Replacement
- P&R Administration HVAC Replacement
- Public Works Roof Design
- Misc. Small Improvement Projects

Planned Streets Projects:

- Resurface section of collector street & 2 residential streets (total of ~0.9 miles)



AFFORDABLE HOUSING

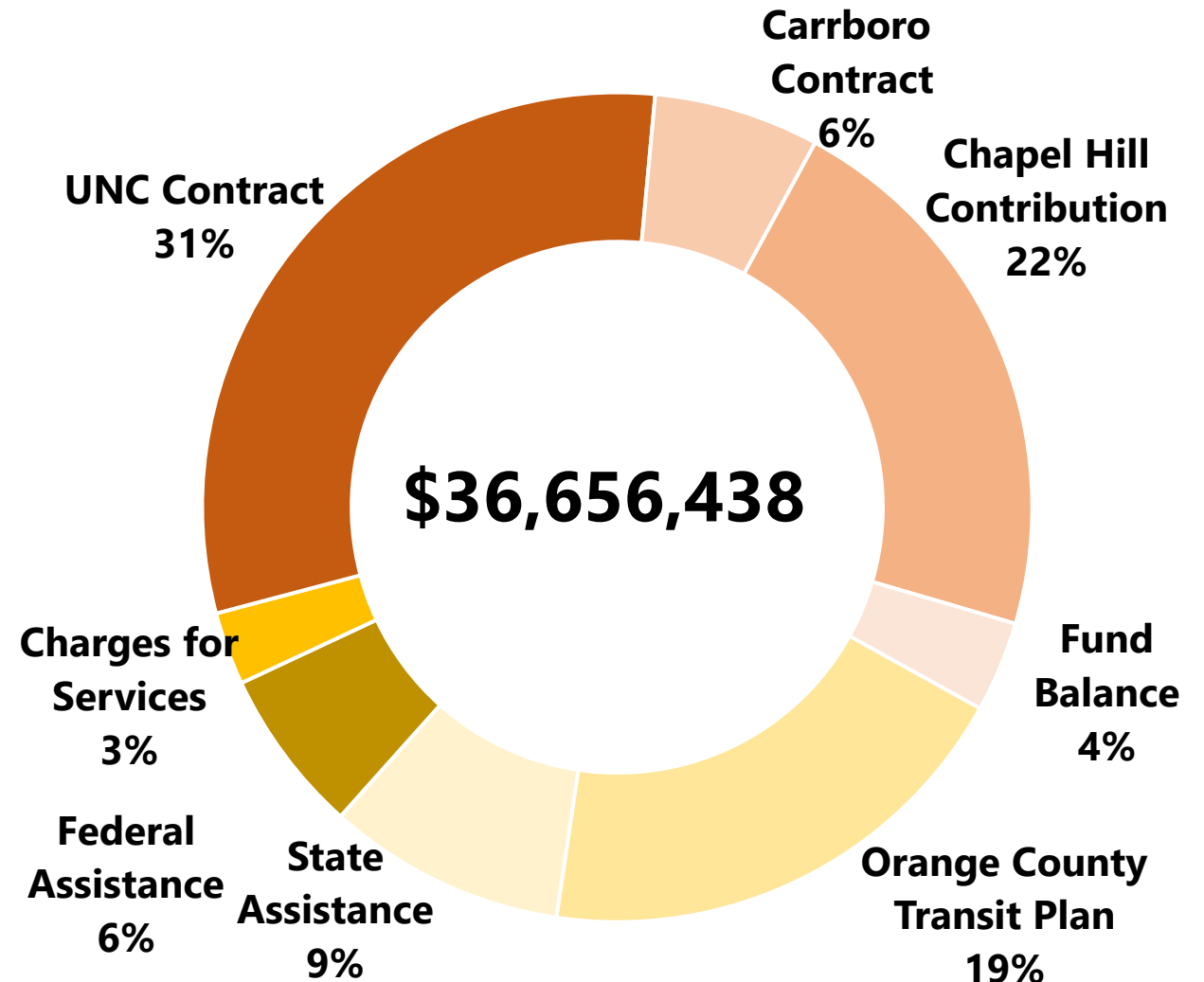
\$2,886,155

- Support our community partners
- Develop & preserve affordable housing
- Support affordable housing programs

ENTERPRISE FUNDS

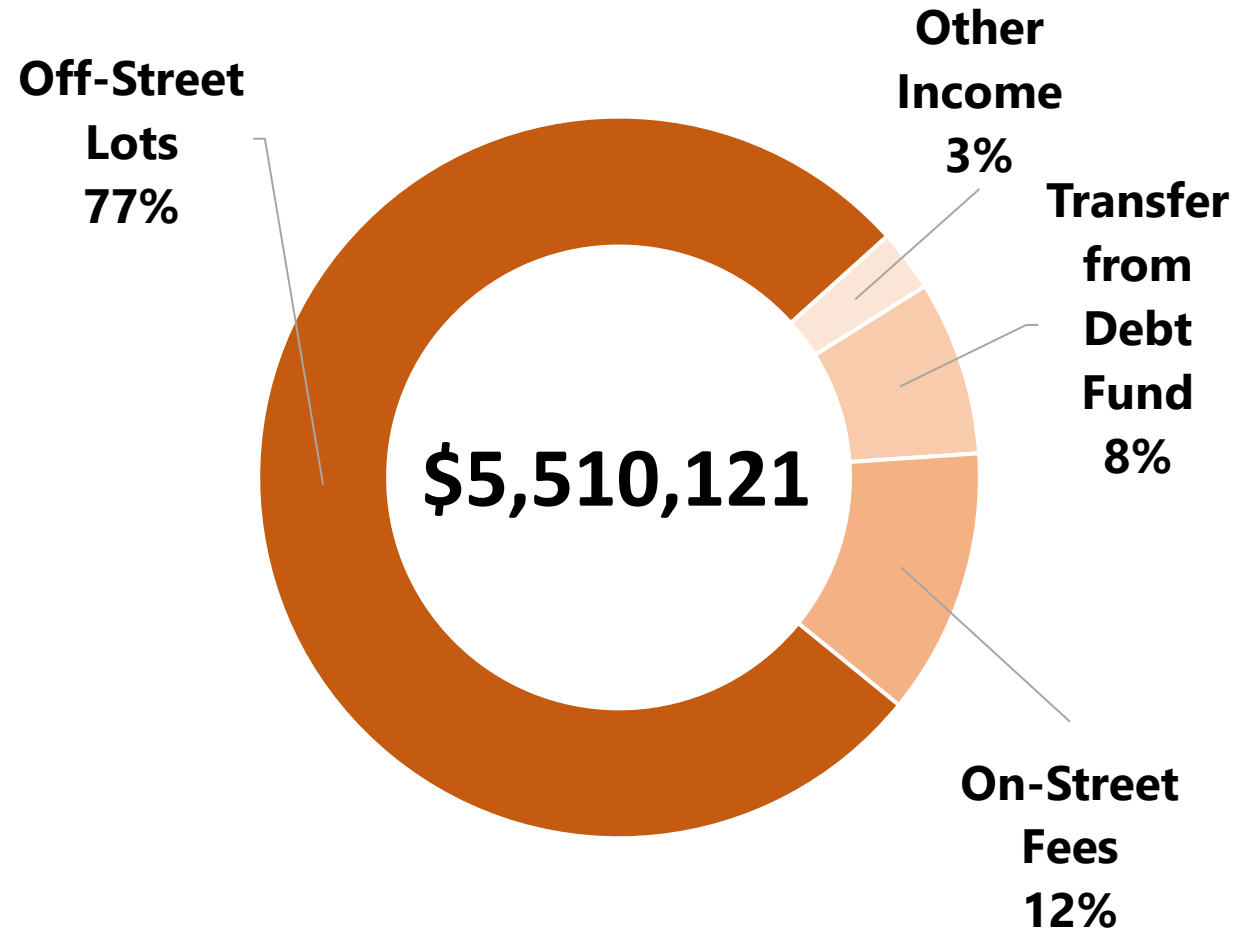
Transit Fund

- 14% increase in overall budget
- 0.5 cent tax increase; increases in UNC & Carrboro contributions
- No new federal recovery \$
- \$1.29 million fund balance appropriation to balance budget



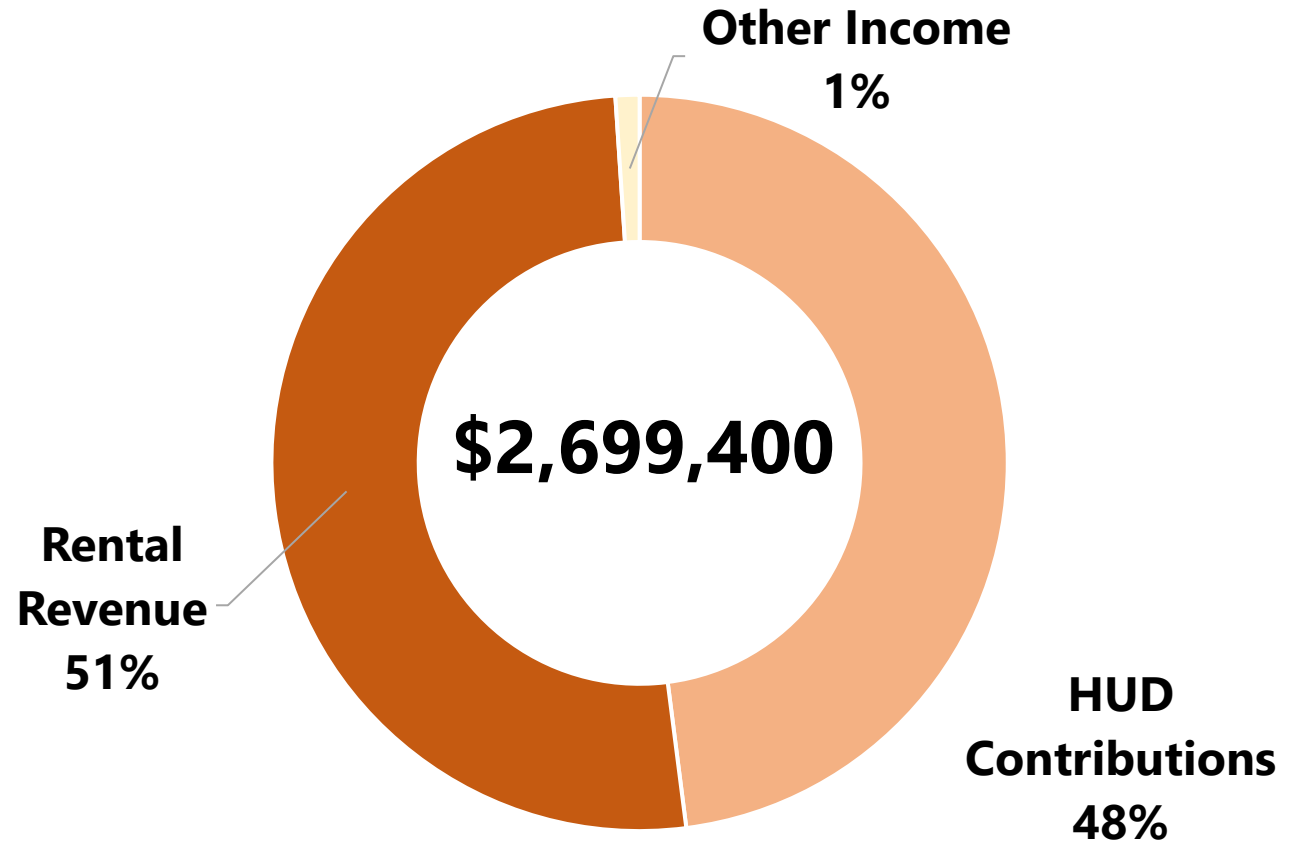
Parking Fund

- 9.5% decrease in total budget
- Includes opening of new deck at 125 E Rosemary
- Budget balanced with \$431K transfer from Debt Service Fund



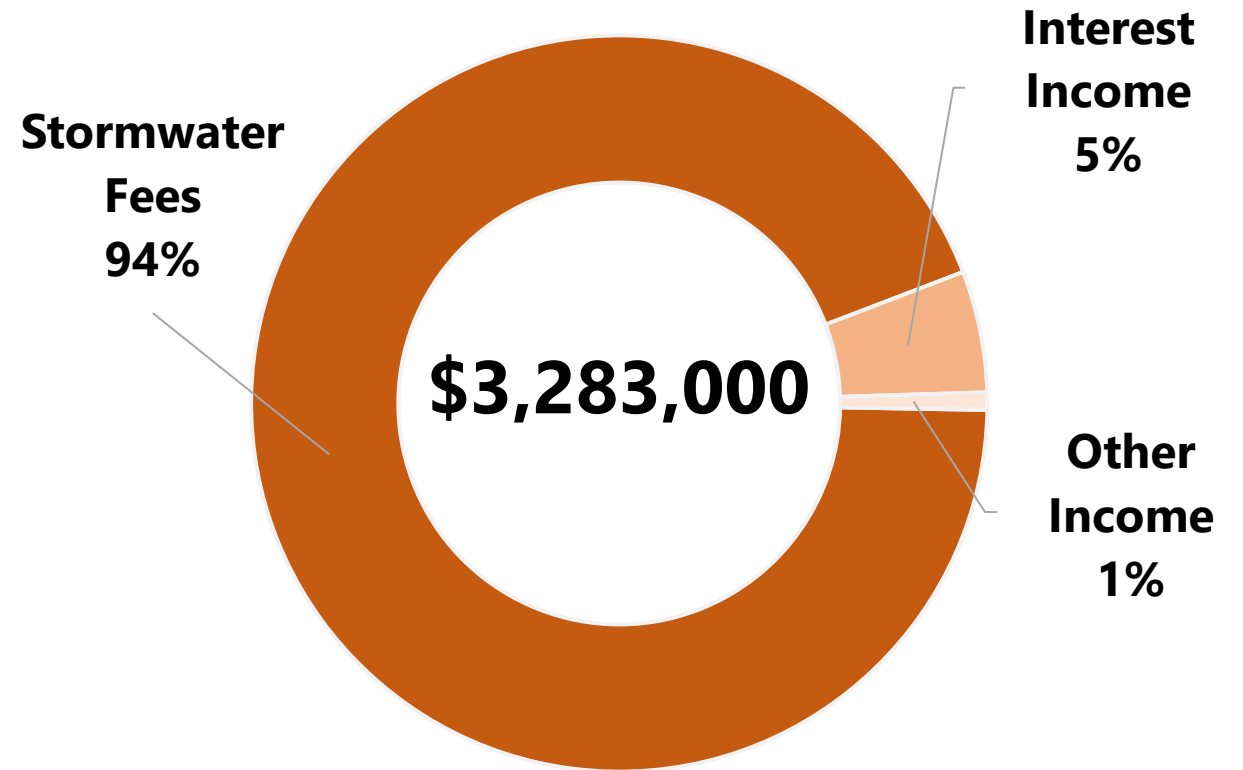
Public Housing Fund

- 4.3% increase in budget
- 48% of expenses covered with HUD Operating Subsidy
- 51% of expenses covered with tenant rents
- 1% of expenses covered with other income
- No fund balance appropriated



Stormwater Fund

- 7.3% increase in budget
- No stormwater fee increase proposed
- Future impact of NPDES permit requirements



LOOKING AHEAD

IN SUMMARY...

This budget:

- Continues funding the priorities in the 5-year budget strategy & the Complete Community Framework
- Addresses the increased costs to carry out the services provided by Transit
- Bridges the gap to next year's revaluation, where we propose to use the expected tax growth to "right-size" our budget.

FY25 Proposed Budget Schedule

**MAY
1**

**Manager's
Recommended
Budget**

**MAY
8**

**Work
Session
(if needed)**

**MAY
15**

**Public
Hearing**

**JUNE
5**

**Council
Vote**

2024-25 Budget Development Page

www.townofchapelhill.org/budget