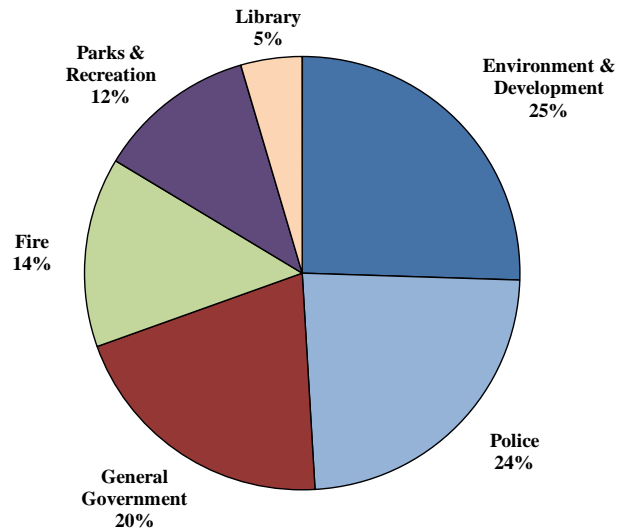


# GENERAL FUND

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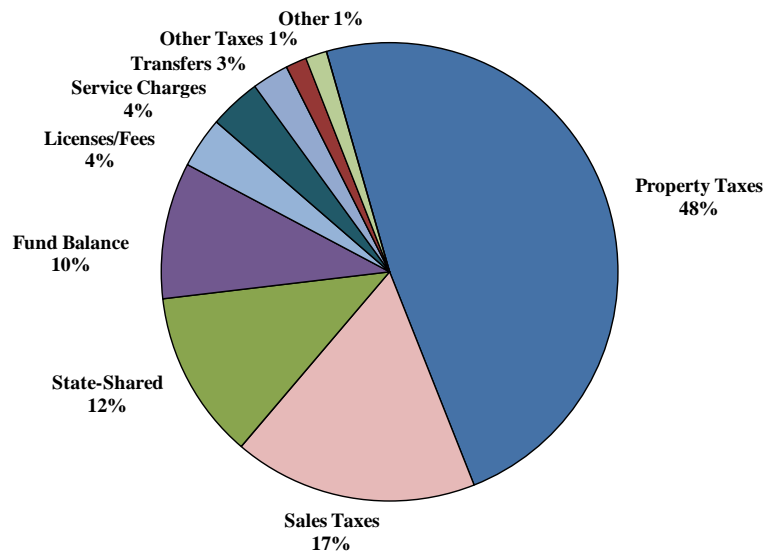
The General Fund is the general operating fund of the Town and is used to account for all revenues and expenditures except those required to be accounted for in another fund. The fund is established at the inception of a government and exists throughout the government's life.

## General Fund Expenditures



**Total \$52,604,000**

## General Fund Revenues



**GENERAL FUND  
BUDGET SUMMARY**

**EXPENDITURES**

	<b>2008-09 Actual</b>	<b>2009-10 Original Budget</b>	<b>2009-10 Revised Budget</b>	<b>2009-10 Estimated</b>	<b>2010-11 Adopted Budget</b>	<b>% Change from 2009-10</b>
General Government	\$ 8,655,045	\$ 8,826,125	\$ 10,871,888	\$ 9,704,204	\$ 11,300,504	28.0%
Environment & Development	12,960,575	13,357,480	13,987,229	13,373,939	13,351,009	0.0%
Public Safety	17,994,313	19,434,467	19,517,267	18,645,792	19,352,451	-0.4%
Leisure	7,338,115	8,197,928	8,441,986	8,192,553	8,600,036	4.9%
<b>Total</b>	<b>\$ 46,948,048</b>	<b>\$ 49,816,000</b>	<b>\$ 52,818,370</b>	<b>\$ 49,916,488</b>	<b>\$ 52,604,000</b>	<b>5.6%</b>

**REVENUES**

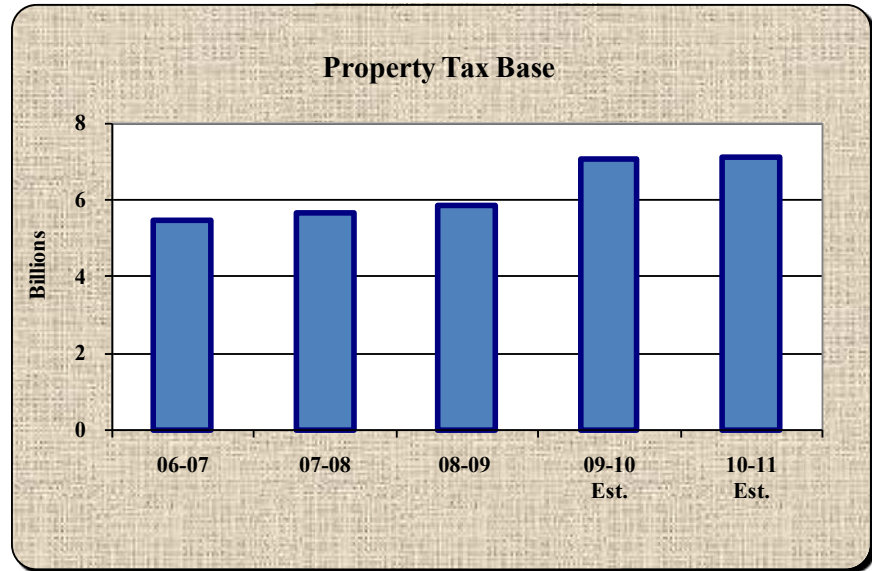
	<b>2008-09 Actual</b>	<b>2009-10 Original Budget</b>	<b>2009-10 Revised Budget</b>	<b>2009-10 Estimated</b>	<b>2010-11 Adopted Budget</b>	<b>% Change from 2009-10</b>
General Revenues:						
Property Taxes	\$ 24,648,014	\$ 24,971,000	\$ 24,971,000	\$ 25,355,051	\$ 25,485,000	2.1%
Sales Taxes	9,033,512	8,660,730	8,660,730	8,920,790	9,055,000	4.6%
Other Tax and Licenses	1,004,557	989,500	989,500	720,000	783,000	-20.9%
State-Shared Revenues	6,544,892	6,196,000	6,196,000	6,235,743	6,268,180	1.2%
Interest on Investments	115,924	100,000	100,000	60,000	60,000	-40.0%
Other Revenues	479,903	412,450	455,979	363,470	306,000	-25.8%
Grants	494,438	371,600	375,100	391,058	423,468	14.0%
Charges for Services	2,213,918	1,735,797	1,735,797	1,704,902	1,918,864	10.5%
Licenses/Permits/Fines	2,386,477	1,812,100	2,018,431	1,966,216	1,888,900	4.2%
Transfers/Other Sources	1,423,803	1,432,450	1,551,665	1,429,577	1,351,358	-5.7%
Appropriated Fund Balance	(1,397,390)	3,134,373	5,764,168	2,769,681	5,064,230	61.6%
<b>Total</b>	<b>\$ 46,948,048</b>	<b>\$ 49,816,000</b>	<b>\$ 52,818,370</b>	<b>\$ 49,916,488</b>	<b>\$ 52,604,000</b>	<b>5.6%</b>

# 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 2010-11 is estimated to be about \$7,110,000,000 with 1 cent on the tax rate equivalent to about \$700,000.



The combined property tax revenue we anticipate for 2010-11 totals about \$34.7 million, with \$25.3 million of that supporting the General Fund.

### Other Local Taxes

- Cable franchise revenues represent a tax on local Time Warner gross receipts. Effective January 1, 2007, the Department of Revenue changed the distribution calculation for cable franchise revenues, and the majority of the funds we previously received in this revenue line are now allocated in the utility franchise tax.
- Revenue from the 3 percent Hotel/Motel occupancy tax is expected to total \$650,000 in the current year and about \$750,000 in 2010-11. Revenue trends are affected by University events and general economic conditions.

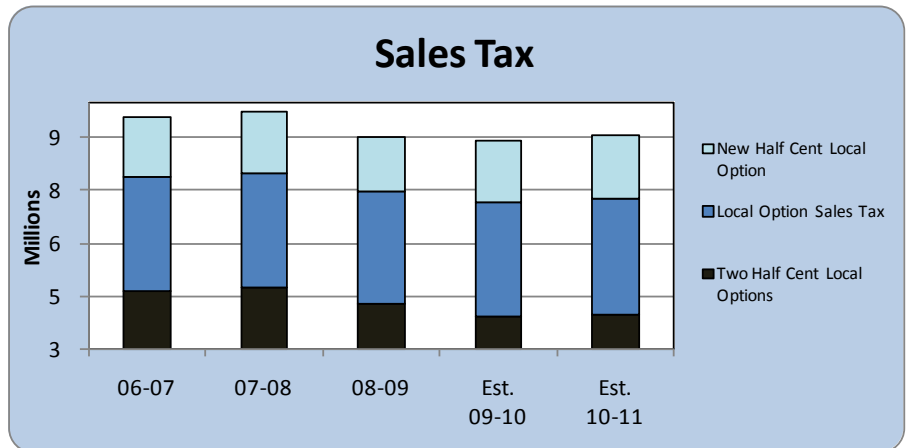
# GENERAL FUND

## Major Revenue Sources - Descriptions and Estimates

### State-Collected Revenues

#### Sales Taxes

In spite of the economic downturn, sales tax revenue is expected to come in about \$260,000 over budget in 2009-10. This can be attributed to uncertainties that we faced with budget preparation for FY10. Based on this slight upswing and information



from the North Carolina League of Municipalities, we are estimating an overall growth rate of 1.5% in sales taxes for FY11. We estimate combined sales taxes of about \$9,055,000 for 2010-11. Orange County has the option to the allocation method for sales taxes from per capita to ad valorem, which would result in about \$2.5 million in reduced 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 \$1,337,750 in 2009-10, about the same as prior year. For 2010-11, we anticipate revenues will increase slightly to about \$1,350,000.

#### State Fire Protection Funds

We are expecting about \$1,210,000 in State Fire Protection Funds in the current year, and we expect about the same level of funding from this source in 2010-11.

#### Utility Franchise Tax

Utility franchise 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 franchise tax distribution. Despite the economic downturn, indications are that utility franchise fees will slightly exceed the current year's budget for a total of about \$3.5 million in 2009-10, and will grow to about \$3.6 million in 2010-11.

# GENERAL FUND

## Major Revenue Sources - Descriptions and Estimates

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### 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 \$20,000 for the current year and next year.

### Beer and Wine Taxes

Due to budget constraints at the state level, Beer & Wine Taxes have been withheld to help balance the state budget. Therefore, we estimate allocations from this source to fall well short of the \$246,000 budgeted amount to \$81,180 for the current year and next year.

In summary, we estimate State-collected revenues would total about \$15,323,000 for next year.

### Other Revenue Sources

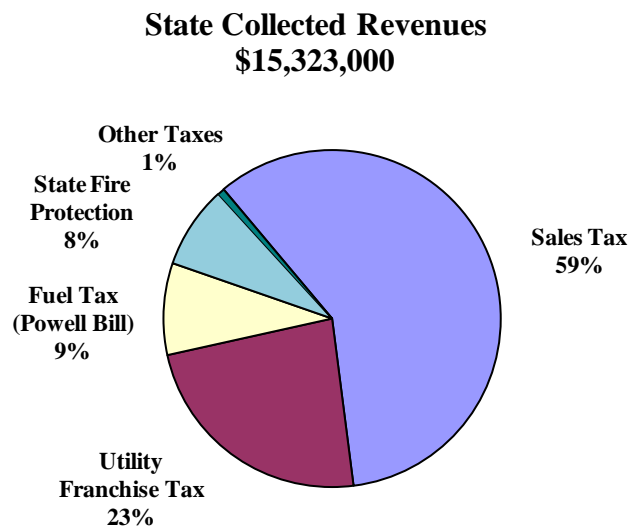
#### Grants

This category of revenue includes certain recurring local and State grants totaling about \$423,000 for 2010-11. Beginning in 2004-05, we began using a separate Grants Fund for non-recurring grants.

Local grants include appropriations from Orange County to supplement the Town's Parks and Recreation programs and the Town's Library. Both supplements have remained constant over the last few years, although the Town and County are in discussion over the level of funding for library operations. The adopted budget for 2010-11 includes level funding from the County at \$83,700 for the Parks and Recreation supplement and \$249,000 for the Library supplement. The State appropriation for Library services is budgeted at \$36,700.

#### Charges for Services

Service Charges for various Town services and programs (including zoning compliance review and Parks and Recreation programs) are estimated to fall short of budget in the current year by about \$30,000, but are expected to increase from \$1,705,000 to about \$1,919,000 in 2010-11. Included is a preliminary estimate of fees related to Carolina North, the public-private development begun by the University.



# ***GENERAL FUND***

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

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

Revenue from licenses, permits, and fines, including privilege licenses and vehicle licenses, are expected to decline from the current year's anticipated receipts. This decline is due to a reduction in revenues received from traffic impact studies. Total licenses and permits are expected to be about \$2.0 million in 2009-10 and \$1.9 million in 2010-11.

### *Interest on Investments*

The General Fund share of interest earned on the Town's investments is recorded in this category. With the plunge in interest rates from the current recession and the spending down of the Town's fund balance, investment income is expected to fall short of budget by about \$40,000 in the current year and to generate only about \$60,000 next year.

### **Miscellaneous, Transfers, Net Assets (Fund Balance)**

#### *Miscellaneous Revenues*

The primary miscellaneous revenues include the sale of cemetery lots and equipment, court cost reimbursements, and donations. Miscellaneous revenues are expected to total about \$363,000 for 2009-10 and \$306,000 for 2010-11.

#### *Transfers and Charges*

This category 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 2010-11, these include estimates of \$86,000 from Parking Enterprise Funds, \$102,000 from the Stormwater Management Fund, and \$1 million from the Transit Enterprise Fund. These transfers include a contribution of \$45,000 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 \$5.55 million of fund balance in 2009-10, but through cost-cutting measures, will use only about \$2.77 million. The annual budget includes the use of \$5.06 million in 2010-11 to maintain service levels.

# **GENERAL FUND**

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

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### **Summary of Revenues**

In summary, the annual budget includes General Fund revenues, including the use of \$5.06 million of fund balance, of about \$52.6 million.

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

	<b>09-10 Revised Budget</b>	<b>09-10 Estimated</b>	<b>10-11 Adopted Budget</b>
Property Taxes	\$ 24,971,000	\$ 25,355,051	\$ 25,485,000
Sales Taxes	8,660,730	8,920,790	9,055,000
Other State-Collected	6,196,000	6,235,743	6,268,180
Other Revenues	1,880,550	1,534,528	1,572,468
Licenses/Permits	2,018,431	1,966,216	1,888,900
Service Charges	1,735,797	1,704,902	1,918,864
Interfund Transfers	1,551,665	1,429,577	1,351,358
Fund Balance	5,554,500	2,769,681	5,064,230
<b>Total</b>	<b>\$ 52,568,673</b>	<b>\$ 49,916,488</b>	<b>\$ 52,604,000</b>

# ***GENERAL FUND***

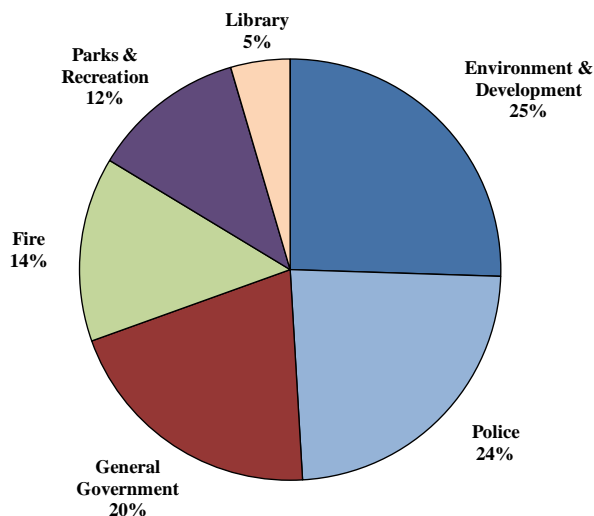
## ***Major Expenditures - Descriptions and Estimates***

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

The pie chart below shows the relative proportions of expenditures for the various functions and departments in the General Fund budget totaling \$52,604,000 for the 2010-11 budget.

The largest category of expenditures for the General Fund is Public Safety services, with Police Department expenditures of about \$12.4 million and Fire Department expenditures of about \$7.0 million.



Environment and Development is the second largest category in the General Fund at about \$13.4 million, including Planning and Public Works which provide services of planning for growth, engineering, inspections, solid waste collection, maintenance of streets, inspections, and maintenance of Town facilities.

Police, Fire and Public Works together comprise about 60% of total General Fund expenditures.

Other General Fund services include Parks and Recreation programs totaling about \$6.2 million, Library services of \$2.4 million, and General Governmental activities (Administration, Communications & Public Affairs, Business Management, Human Resources, Attorney, and Non-Departmental) totaling about \$11.2 million.

Non-departmental expenditures total \$4.8 million. Non-departmental expenditures include transfers for capital improvements of \$1,172,800 and a transfer to the Multi-year Capital Fund to support the Development Review Project. The non-departmental budget includes \$490,000 in matching funds for a federal Fire grant. \$799,700 is included in the annual budget for distribution to other agencies in support of human services, cultural and arts programs, economic development and development of affordable housing as adopted by the Council. The budget for liability and property insurance totals \$450,000. Also included in non-departmental expenditures is a \$400,000 contribution toward funding the Town's liability for post-employment health benefits. Prior years included the transfer to



# **GENERAL FUND**

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

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the Debt Service Fund, but in 2008-09, a portion of the property tax was allocated to debt service instead.

Significant changes in the 2010-11 budget include a 13.9% increase in group medical insurance for General Fund employees and retirees. The budget also includes an increase to the employer contribution to the state retirement system from 5% to 6.35%, or \$368,000, for General Fund employees. The budget also includes a reserve for employee pay adjustments of \$453,200. Additional expenses in the budget include funding for the on-site wellness center (\$338,500), Assistant Director position in Parks & Recreation (\$100,021), development of a Parks & Recreation Master Plan (\$140,000), Legal Advisor position in the Police Department (\$95,906), and continued funding for the Development Review project (\$217,000).

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

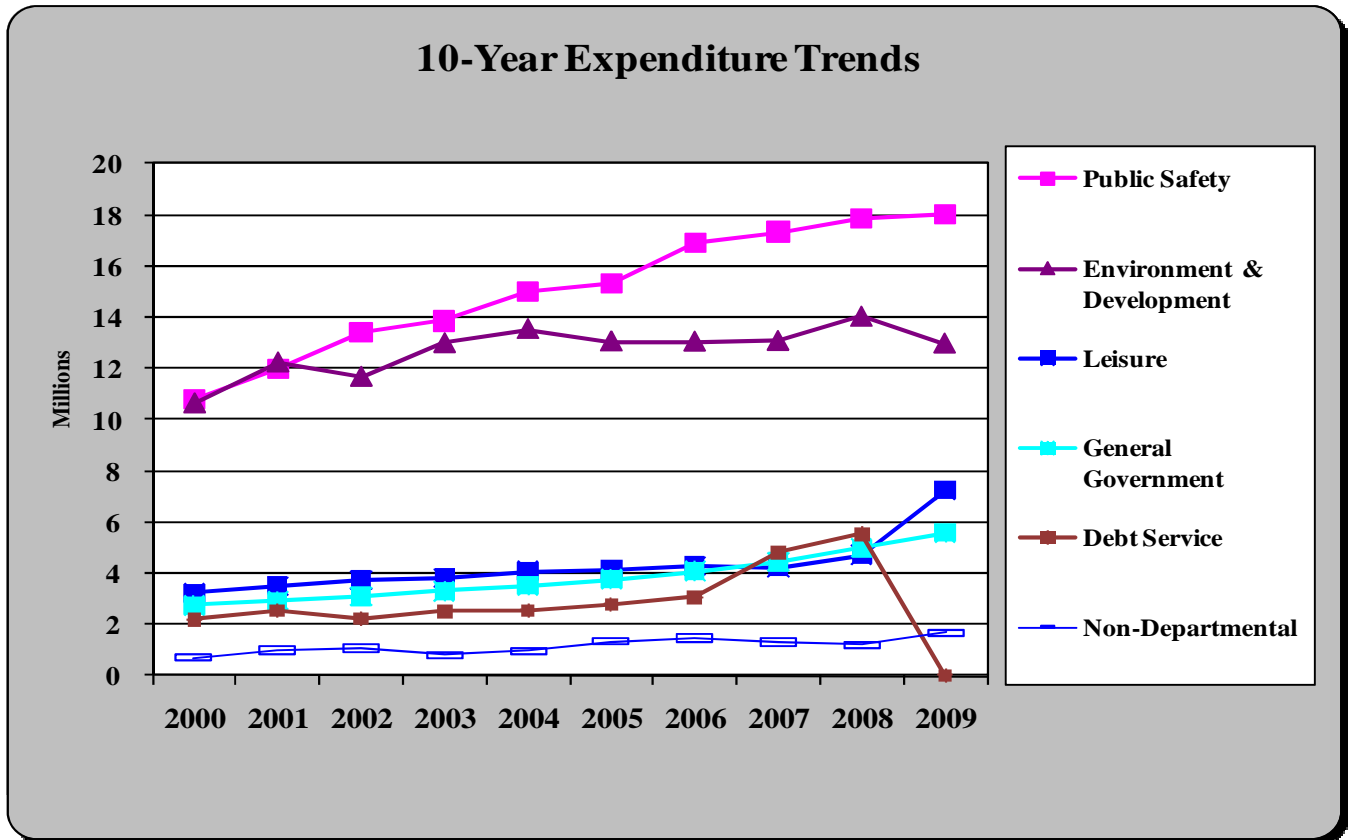
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<b>EXPENDITURES</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2009-10</b>		<b>2010-11</b>	<b>% Change</b>
	<b>Actual</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>2009-10 Estimated</b>	<b>Adopted Budget</b>	<b>from 2009-10</b>
Personnel	31,802,319	34,745,941	34,676,617	33,227,345	35,891,230	3.3%
Operating Costs	13,720,686	14,673,059	17,442,881	16,110,318	15,445,970	5.3%
Capital Outlay	1,425,043	397,000	698,872	578,825	1,266,800	219.1%
Total	46,948,048	49,816,000	52,818,370	49,916,488	52,604,000	5.6%

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# GENERAL FUND

## Major Expenditures - Descriptions and Estimates



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

	2008-09 Actual	2009-10 Original Budget	2009-10 Revised Budget	2009-10 Estimated	2010-11 Adopted Budget	% Change from 2009-10
<b>General Government</b>						
Mayor/Council	\$ 365,252	\$ 529,378	\$ 585,898	\$ 486,958	\$ 419,041	-20.8%
Manager/CaPA	1,672,073	1,666,042	1,790,162	1,666,392	1,689,074	1.4%
Human Resource Dev't	728,373	877,714	970,643	891,806	1,308,397	49.1%
Business Management	2,448,075	2,594,376	2,928,388	2,756,829	2,735,241	5.4%
Town Attorney	268,345	294,130	295,125	286,622	293,945	-0.1%
Non-Departmental	3,172,927	2,864,485	4,301,672	3,615,597	4,854,806	69.5%
<b>Subtotal</b>	<b>8,655,045</b>	<b>8,826,125</b>	<b>10,871,888</b>	<b>9,704,204</b>	<b>11,300,504</b>	<b>28.0%</b>
<b>Environment &amp; Development</b>						
Planning	1,169,497	1,310,492	1,376,299	1,322,569	1,244,221	-5.1%
Public Works	11,791,078	12,046,988	12,610,930	12,051,370	12,106,788	0.5%
<b>Subtotal</b>	<b>12,960,575</b>	<b>13,357,480</b>	<b>13,987,229</b>	<b>13,373,939</b>	<b>13,351,009</b>	<b>0.0%</b>
<b>Public Safety</b>						
Police	11,482,833	12,138,197	12,211,737	11,617,781	12,395,970	2.1%
Fire	6,511,480	7,296,270	7,305,530	7,028,011	6,956,481	-4.7%
<b>Subtotal</b>	<b>17,994,313</b>	<b>19,434,467</b>	<b>19,517,267</b>	<b>18,645,792</b>	<b>19,352,451</b>	<b>-0.4%</b>
<b>Leisure</b>						
Parks and Recreation	5,103,787	5,823,996	5,948,859	5,791,830	6,202,801	6.5%
Library	2,234,328	2,373,932	2,493,127	2,400,723	2,397,235	1.0%
<b>Subtotal</b>	<b>7,338,115</b>	<b>8,197,928</b>	<b>8,441,986</b>	<b>8,192,553</b>	<b>8,600,036</b>	<b>4.9%</b>
<b>General Fund Total</b>	<b>\$ 46,948,048</b>	<b>\$ 49,816,000</b>	<b>\$ 52,818,370</b>	<b>\$ 49,916,488</b>	<b>\$ 52,604,000</b>	<b>5.6%</b>

