

**Town of Chapel Hill  
North Carolina**

**2011-2012  
ADOPTED  
BUDGET**



**Mayor**  
Mark Kleinschmidt

**Mayor pro tem**  
James Ward

**Town Manager**  
Roger L. Stancil

**Town Council**  
Donna Bell  
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### Letter of Transmittal

To the Honorable Mayor and  
Members of Town Council  
Town of Chapel Hill, North Carolina

Ladies and Gentlemen:

I am pleased to present the Town of Chapel Hill, North Carolina Annual Budget for Fiscal Year 2011-12. The budget includes the same combined property tax rate of 49.4 cents per \$100 of assessed value. The property tax rate for the Downtown Service District remains at 7.1 cents per \$100 of assessed value.

The Adopted Budget for 2011-12 recognizes Council's most important goals and makes adjustments to compensate for the impact of the economic crisis. We are pleased to work with Council in making the final decisions on continuing the Town's high level of services and how they would be funded in the 2011-12 budget year. In addition to continuing basic services, the recommended budget:

- Maintains a fare-free transit system as in past years;
- Maintains a competitive pay and benefits level;
- Maintains funding level for performance agreements with outside agencies;
- Provides for capital projects to maintain Town facilities and infrastructure.

This Recommended Budget document is organized as in previous fiscal years utilizing the governmental budget practices recommended by the Government Finance Officers Association of the United States and Canada.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "R. Stancil".

Roger Stancil  
Town Manager

July 1, 2011

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June 13, 2011

Dear Mayor Kleinschmidt and Members of the Chapel Hill Town Council:

The adopted annual budget for the Town of Chapel Hill for Fiscal Year 2011-12 is submitted herein, in accordance with the Local Government Budget and Fiscal Control Act.

These are challenging economic times. Although we have technically entered into a period of economic recovery, we are now feeling the effect of stagnant revenues and increasing costs over the last three years. In many ways, we have been treading water since October of 2008 when the world economy teetered on the brink of collapse. Conservative budgeting practices, sound financial management and a local economy that has been less susceptible to fluctuations in property and employment markets have served us well to date and allowed us to avoid drastic measures to maintain service levels. For the coming year we will need to use a number of strategies that are not sustainable in the long-run in order to meet our budget goals of no tax increase, while maintaining excellent core services.

### **Budget Preparation Goals**

In presentations to the Council at your planning retreat February 4-5 and at the April 11 Council meeting, I outlined my goals in preparing the Recommended Budget:

- No tax increase
- No layoffs
- Fund the Comprehensive Plan as the only new Council Goal for the coming fiscal year
- Continue current initiatives as investments for the future:
  - UNC Healthcare Partnership for employee health
  - Ombuds program
- Minimize changes to employee benefits, recognizing that excellent service derives from excellent employees

This Adopted Budget achieves these goals and one more:

- One time \$800 lump sum payment for employees in light of rising fuel and healthcare costs.

## **Budget Balancing Strategies for 2011-12**

To provide a budget that meets Council's objectives of no tax increase while maintaining core services, we employed the following strategies:

- Manage spending, including vacant positions, during the current year (2010-11) to provide additional fund balance to offset potential revenue shortfalls in next year's (2011-12) budget;
- Concentrate efforts on maintaining core service levels and a compensation plan that retains experienced employees;
- Invest in the health and safety of our employees through our innovative partnership with UNC Healthcare to bend the curve of insurance costs;
- Use a limited amount of fund balance to balance the FY2011-12 Budget so that we do not fall below the 12% fund balance target established by Council;
- Pay current OPEB expenses only and forego additional OPEB liability funding until the budget has achieved equilibrium;
- Reduce capital expenditures to minimal levels;
- Rebalance the distribution of property taxes between debt management and operating funds;
- Use non-general fund revenue sources to fund operations that traditionally have been funded through the annual operating budget.

The adopted annual budget is balanced using these strategies, some of which are not sustainable strategies in the long-term.

### **A Recommendation for the Future**

In order to put the Town on a more stable long-term financial footing, we are recommending that the Council implement a two year budget cycle, beginning with the FY2012-13 budget year. This budget planning cycle would be centered on a program prioritization process that includes public input. We propose to work with the Council to structure a public process for reviewing the Town's programs and services, and prioritizing them in light of the community's vision for the future as part of the Comprehensive Plan process. This prioritization would also include a review of revenue sources. By moving away from the traditional annual incremental approach to budgeting, we can better meet future challenges by matching the scope and depth of our services with available revenues.

Our future budgetary challenges include the effect of continuing financial stress on the overlapping governments and non-profits with which we maintain a financial relationship. Intergovernmental revenues make up 13% of the Town's General Fund budget and \$6.5 million in total revenues for all funds. The trickle-down effect of Federal, State and County budget decisions will, in large part, decide how we balance future budgets and how we deliver services.



**Use of Fund Balance**

Over the past two years we have managed expenditures by delaying hiring for open positions, reducing discretionary expenditures and minimizing new initiatives that could improve the efficiency and effectiveness of operations. In the short term, we have survived the global financial crisis without the level of sacrifice seen in other parts of the country. Our continued success is contingent upon closing the gap between our current revenues and current expenditures.

As shown in the following table, the Town has experienced significant shortfalls in budgeted revenues compared to planned expenditures. In past years the Town has had sufficient fund balance to fill the gap between revenues and expenditures. The gaps have also been reduced by holding expenditure levels well below the amount budgeted and thereby using less fund balance. As budgets have grown tighter, the amount of fund balance used has increased. For FY2010-11, the amount of fund balance used is estimated to be about \$4.4 million, which will reduce year-end fund balance to slightly above the Council’s target minimum balance of 12%.

<b>General Fund Budget GAP (Original Budget)</b>						
	<b>FY2006-07</b>	<b>FY2007-08</b>	<b>FY2008-09</b>	<b>FY2009-10</b>	<b>FY2010-11</b>	<b>FY2011-12</b>
GF Revenue	\$ 47,368,000	\$ 47,814,000	\$ 46,877,126	\$ 46,681,627	\$ 47,537,000	\$ 49,418,395
GF Expenditures	<u>49,247,000</u>	<u>52,129,000</u>	<u>49,621,000</u>	<u>49,816,000</u>	<u>52,604,000</u>	<u>50,540,000</u>
<b>Gap (Fund Balance)</b>	<b>\$ 1,879,000</b>	<b>\$ 4,315,000</b>	<b>\$ 2,743,874</b>	<b>\$ 3,134,373</b>	<b>\$ 5,067,000</b>	<b>\$ 1,121,605</b>

For FY2011-12, we have created a budget that uses far less fund balance in order to preserve the minimum fund balance level in the General Fund. We are appropriating \$1,121,605 from the Town’s fund balance to balance the General Fund budget and accomplish the Council’s goals. We believe it is important to hold the use of fund balance at or below this amount in order to ensure that we do no harm to our credit rating by dropping below our adopted minimal level.

Based on our preliminary estimates, it appears we will finish the current fiscal year with an undesignated General Fund balance of approximately 12%. While this is our current target fund balance, it is below the average for the triple A rated peer group. Maintaining an adequate level of fund balance is critical to meet the cash flow requirements of this municipal corporation and to provide an emergency fund to safeguard the Town against the costs of recovering from unforeseen economic, emergency and natural disasters.

Balancing revenues and expenditures in future years will require a mix of changes in service levels, increasing revenue from existing sources and identifying new revenue sources.

**UNC Health Initiative**

The Town’s services are highly valued by our residents, as evidenced by their comments and the community survey. The Town’s ability to consistently deliver high quality services is dependent on our ability to retain and attract a high quality work force. Part of

the Town's on-going strategy has been a competitive compensation package, including comprehensive medical benefits for full-time employees.

In recent years, the increasing costs of health insurance have made it very difficult to maintain the Town's benefit package. Over the past 5 years the Town has experienced double digit increases in health care costs every year. Although the numbers in the Recommended Budget document show a 12.9% increase in health insurance costs, my recommendation is for a 10.1% increase. This reduction in the rate of medical insurance increase is based on recent negotiations that take into consideration the effect of the UNC Health Initiative and a change to the deductible for emergency room visits. This increase is consistent with the national trend in healthcare costs but it is unsustainable. We must control the rate of increase in our healthcare costs in the long-run if we are to avoid either watering down our benefits plan to the point where it no longer offers employees adequate coverage or reducing the number of employees that are covered under our plan.

To address the trend in health care cost, the Town has entered into a partnership with UNC Healthcare to develop and implement a unique and innovative approach to delivering health care to employees. We believe this approach will ultimately improve employee health, make our employees better consumers of health care services and significantly reduce our costs. The Health Initiative will provide an on-site clinic that will serve as a first line care provider for non-emergency employee health needs and a wellness/health risk assessment program that will help identify and treat employee health issues before they become debilitating both physically and financially.

We have chosen to invest in employee health and safety as a means to controlling healthcare expenditures. We believe that through this initiative we can provide a valuable benefit to employees while reversing the trend of annual double digit cost increases.

### **Other Employee Related Costs**

In addition to the increasing cost of health insurance, this budget also includes a 7% increase in the employer contribution to the Local Government Employees Retirement System (LGERS). The poor investment performance of this state-managed retirement plan during the economic downturn of recent years presents the need for increased contributions to put the plan back on a course of full funding. Future increases are dependent on the fund's performance over the next year.

The Town's ability to maintain a high level of service delivery and high customer satisfaction, as shown in the recent community survey, is directly attributable to the quality and dedication of our workforce. Like most local governments the Town did not provide a salary adjustment to employees last year. Although the general rate of inflation has been very low, Town employees who pay for dependent care have received double digit increases in that cost for the last three years without an increase in base pay to help offset the expense. Despite the difficult nature of this year's budget, we feel that the effect of health care costs and increased cost of other necessities, such as fuel, on lower paid employees creates a strong argument to provide some relief in the form of additional compensation. Based in part on the savings from the recently negotiated medical

insurance renewal I am recommending an \$800 one-time flat rate payment for permanent employees employed by the Town as of June 30, 2011. This payment would be made in August 2011 and is similar to the payment made in the current fiscal year. I am also recommending that we evaluate the Town's financial performance at mid-year and consider adding the payment to employee's base pay so that it becomes a permanent increase effective July 1, 2012.

### **Departmental Budget Reductions**

In order to balance the budget, I instructed departments to submit proposed departmental budgets at the level of actual departmental expenditures for FY2009-10 plus 50% of identified savings in their current (FY2010-11) budgets. For some departments, this target was below the current year's budget amount and therefore required departments to find savings in the current year's budget or make significant reductions in order to absorb cost increases such as medical insurance and the employer contribution to the retirement system. To meet their budget targets, departments are employing a number of different strategies including:

- Focusing on local and internet training opportunities to reduce travel expenses
- Delaying lower priority projects or initiatives
- Deferring replacement of equipment
- Holding vacant positions open

Despite the strain on departmental budgets, I believe we can continue to provide the same high level of service due to the dedication and ingenuity of our employees who continue to do more with less.

### **Planning Retreat**

The Council held a planning retreat with members of the Senior Management Team on February 4-5, 2011. The Council Goals that result from that retreat are focused on planning for the future. Funding for these goals is included in the Recommended Budget.

### **Goal 1. Govern with Quality, Responsiveness and Efficiency**

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#### **POLICY AGENDA**

- Adopt a format for strategic planning aligned with the Comprehensive Plan vision and priorities for action, including measurable milestones to guide decision-making and an annual strategic plan
- Adopt compensation philosophy that balances retention and recruitment, employee interests and financial sustainability to retain and attract the best employees to maintain quality, responsive and efficient services
- Adopt a workforce plan that identifies jobs for the future and a future job structure aligned with the priorities of the Comprehensive Plan
- Define roles and responsibilities for advisory boards and commissions
- Ensure success of the organizational approach to strengthening community connections and resolving issues of discrimination & mistreatment

- Adopt an asset management policy that identifies assets to be aligned with and used in a way consistent with the priorities of the Comprehensive Plan

## **Goal 2. Champion Downtown**

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### **POLICY AGENDA**

- Adopt a Comprehensive Plan that defines the vision of Downtown as a key element in economic vitality, social justice, and environmental protection.
- Compare alternative approaches from successful peer communities and modify ordinances and policies as appropriate in key downtown policy areas

## **Goal 3. Focus Economic Development, Land Use and Transportation for a Balanced and Sustainable Future**

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### **POLICY AGENDA**

- Adopt a Comprehensive Plan based on the principles of economic vitality, social justice, environmental protection with measurable implementation steps to guide all activities of the Town
- Identify policy aspects of the development review process for revision and adopt timetable for review and action
- Define Town role in transportation
- Make best effort to coordinate land use plan with UNC, UNC Healthcare and Chapel Hill-Carrboro school system

## **Goal 4. Maintain and Improve Community Facilities and Services**

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### **POLICY AGENDA**

- Adopt a Comprehensive Plan that will guide public investments and the delivery of community services
- Decide Library expansion policy issues
- Decide municipal solid waste disposal strategy for the future in response to County landfill decision

## **Goal 5. Set Course for a Sustainable Financial Future**

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### **POLICY AGENDA**

- Adopt a Comprehensive Plan that can be implemented through a strategic planning process that links the annual budget as a means for allocating resources and financial policies that support the plan

## **Other budget issues**

Outside agency funding remains at about the same level as the current year. The Human Service Advisory Board and staff will come to Council with recommendations on specific agencies.

The Library budget takes into consideration the fact that they will be operating in a new location while the Library is being expanded. In order to maintain service levels as close as possible to what currently exists, I am recommending the use of bond funds to pay rent, moving costs, and up-fit of the temporary space. When the expanded library opens in FY2012-13, additional operating costs will be the equivalent of 1 penny on the tax rate.

**Re-evaluating long-term commitments such as CIP projects and debt issuance**

In the past few years, the Town has made significant investments in public facilities. As a result of those investments, annual debt service on outstanding debt increased from \$2.4 million to more than \$6.6 million. For the FY2008-09 budget, a debt management plan was adopted to provide a better system for management of the Town’s debt and its effect on the Town’s operating budget. The current tax rate dedicated to the Debt Fund was established based on the assumption that the balance of the 2003 General Obligation Bonds would be issued in FY2009-10.

The delay in issuance and the greatly reduced rates achieved through use of a hybrid debt issuance structure (including both Build America Bonds and conventional tax exempt bonds) greatly reduced the projected annual debt service costs. As a result, the Debt Management Fund needs less tax support to pay the existing debt service and the distribution of the property tax rate can be adjusted to provide additional support for the Town’s operations. The Adopted Budget includes shifting 1.8 cents of the 9.3 cent Debt Management Fund property tax to the general Fund as shown below:

**Property Tax Rates**

	<b>FY2009-10</b>	<b>FY2010-11</b>	<b>FY2011-12 Adopted</b>
General Fund	36.0	36.0	37.8
Debt Fund	9.3	9.3	7.5
Transit Fund	4.1	4.1	4.1
<b>Total</b>	<b>49.4</b>	<b>49.4</b>	<b>49.4</b>

One result of shifting the tax rate to increase the General Fund operating allocation is that major debt funded capital projects will be delayed. This includes the new facilities for Public Safety and Parks and Recreation. Under the proposed tax rate allocation, capacity to pay debt service for these projects will not be available until FY2015-16. Depending on the growth of General Fund revenues as the economy improves, this allocation can be adjusted to accelerate capacity growth for new large scale projects.

**CIP**

In recent years the Town has tried to dedicate about \$1 million of the General Fund annually for non-major capital projects. This year we are recommending that this investment be cut back significantly to increase funding for General Fund operations. The projects listed below represent our highest priority projects. They are, for the most part, minimal levels of major maintenance and facility improvements. The Fiber Optic

Network Project represents a one-time opportunity to install a municipal fiber optic system in conjunction with NCDOT's traffic signal project, consistent with Council's stated priorities. This project will create a fiber-optic infrastructure for the Town at approximately one tenth the cost of building it ourselves. Total funding for capital projects in the CIP is recommended at \$487,300. Projects included in the CIP for this year include the following:

Extraordinary Maintenance - Emergency Repairs	\$ 70,000
Street Maintenance	50,000
Curb Repairs: ADA Compliance	15,000
Fiber optic cable	90,000
Small Park Improvements	45,000
Playground Replacement	50,000
Greenways	40,000
Parking Lots/Paths/Trails	25,000
Parks ADA Improvements	20,000
Police Technology Upgrades	<u>82,300</u>
<b>Total</b>	<b><u>\$ 487,300</u></b>

### General Fund Budget

As shown in the following table, the recommended General Fund Budget represents a 3.9% decrease from the current year's original budget. The major changes from FY2010-11 include the following:

- Reduction in CIP funding (\$740,500)
- Reduction in Street Paving (\$661,000) - Replaced by bond funds
- Elimination of Project Turn Around (\$76,844)
- Elimination of 4<sup>th</sup> of July celebration (\$37,100)
- Suspension of contribution to OPEB liability (\$400,000)
- Use of bond funds for Library transition costs (\$229,700)
- Misc. budget cuts (\$584,346)
- Reduction in Matching Funds for Fire Grant (247,669)
- Comprehensive Plan funding \$250,000
- Addition of Ombuds Program \$75,000
- Increase in Group Medical Insurance cost \$520,250
- Increase in employer contribution for state retirement system \$128,620

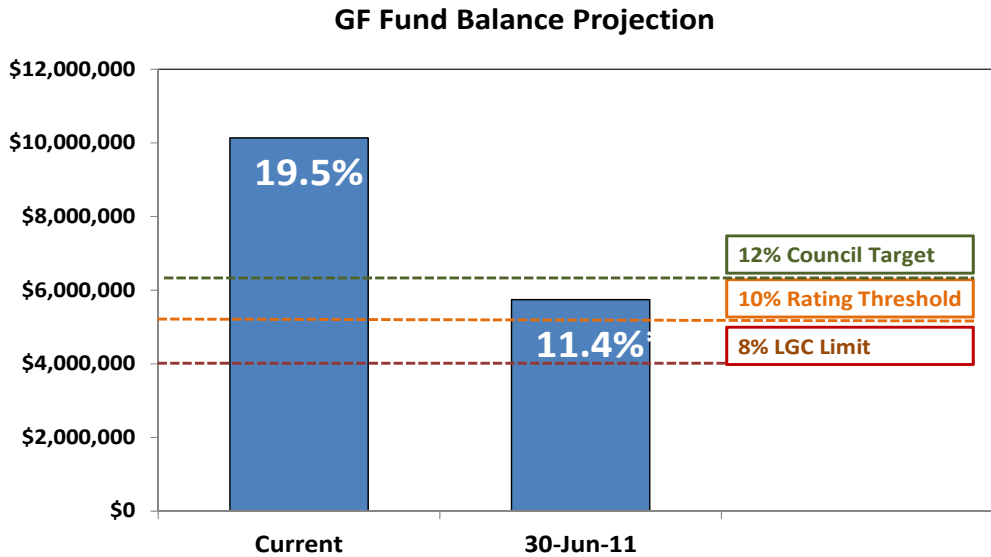
General Fund Expenditures			
Department	FY2010-11 Original Budget	FY2011-12 Adopted Budget	% Change
General Government	11,300,504	9,931,696	-12.1%
Environment and Development	13,351,009	13,000,796	-2.6%
Public Safety	19,352,451	19,412,433	0.3%
Leisure	8,600,036	8,195,075	-4.7%
<b>General Fund Budget</b>	<b>52,604,000</b>	<b>50,540,000</b>	<b>-3.9%</b>

## Fund Balance

With respect to budget preparation, there are two sources of available or “spendable” fund balance. The first is the residual fund balance accumulated from prior years and the second is the excess of revenues over expenditures from the current year’s budget. The limitation on using fund balance as a funding source in the next year’s budget is the need to maintain a prudent level of fund balance to deal with circumstances such as a sudden loss of revenue or extraordinary unplanned expenses from which the Town cannot recover in the same budget period.

For the Town of Chapel Hill, given our status as a triple A rated municipality, the minimum level of fund balance should be 12%. This also represents the Council’s minimum target fund balance level. In recent years, the Town has become more dependent on the excess of revenues over expenditures from the current year to fill the revenue gap in the next year’s budget. Because the General Fund Budget has become much tighter as it has absorbed cost increases with no increase in revenues, there is no excess in the current year to balance next year’s budget. For FY2011-12, we are planning to use \$1,075,403 from residual fund balance. This number is considerably lower than previous years and reflects a much leaner budget.

As shown in following graph, we expect fund balance to drop significantly at the end of the current fiscal year, with the worst case scenario resulting in a fund balance below 12%.



\* Estimated at June 30, 2011

## **Transit Fund**

The Transit Fund continues fare-free service initiated in FY2001-02. The adopted Transit Budget for 2011-12 includes a 1.5% increase over last year's budget. This increase is due in part to the increases in administrative costs, demand response and vehicle maintenance. Overall operating costs for vehicle maintenance and Demand Response are up 19.4% and 15.8%, respectively. State assistance is expected to be the same as budgeted for 2010-11, while federal assistance is expected to decline by 14.6%. Contributions from the transit funding partners, Carrboro and the University remain unchanged from 2010-11. The FY2011-12 Transit Budget is balanced using \$1.4 million in Transit Fund reserves (fund balance). Significant challenges lie ahead in FY 2012-13 and beyond as the continued availability of state and federal funds is not guaranteed. Included in the recommended budget are service reductions based on an evaluation of route performance that are designed to create a more efficient system.

## **Future Budgets**

As we have previously discussed, we are currently in uncharted territory trying to adjust to living in the post economic meltdown environment. Although we have seen some positive signs of recovery in the past year and we have been able to survive to this point without using drastic measures, it is clear that we must refocus on creating a sustainable financial model to regain our footing. In addition to recovering from revenues lost in the past three years, we must also be poised to react to further revenue losses resulting from budget decisions of overlapping government units.

In using the annual budget as a financial planning tool, it is easy to fall into the trap of incremental thinking, using the prior year as a stepping off point for all future budget decisions without examining and challenging the underlying assumptions. Now that we are in an unfamiliar economic environment, facing uncertainty in our revenue sources and finding challenges in providing a consistently high level of service, it is time to discard the incremental approach to budgeting.

As we begin the process of developing a new comprehensive plan that will help shape the future of Chapel Hill, it makes sense to incorporate a vision for what services the Town will provide, how they will be provided and how we will pay for those services. Included in that effort are work force planning and long-term capital planning/asset management. This will provide insight into how we develop the workforce that will provide Town services and how we build, finance and manage public property and facilities to support our mission.

In order to change the way we think about budgeting and its relationship to the comprehensive planning process, we plan to work on shifting to a priority-based budgeting model that will refocus our efforts toward rebalancing service levels to match available revenues, creating a flexible, professional workforce that can adapt to the changing needs of residents and efficiently managing capital resources to support the Town's needs.



The priority-based budget model includes public input into the establishment of service priorities and therefore we are recommending a two-year cycle for gathering public input. This process will provide adequate time to conduct the public input process and will provide a two year time period to address the established priorities through the budget process before the priorities are updated.

## **Conclusion**

The focus for the FY2011-12 Adopted Budget is to continue to mitigate the effect of stagnant revenues on our ability to deliver services, while making strategic investments to accomplish Council's goals and to achieve long-term financial stability. We believe this Adopted Budget achieves our goal of maintaining service levels at or near current levels, continuing funding of performance agreements with outside agencies, maintaining salaries and benefits for employees, and investing in key public initiatives. To accomplish these goals, we are recommending a number of aggressive budget balancing techniques that are not sustainable in the long-term.

The budget as presented is balanced without a tax increase. Long-term projections suggest that we must reset service levels to meet available revenues in order to put the town on stable financial footing in the long-term.

The development of this Adopted Budget has been a team effort of the Town's Senior Management Team with assistance from a number of others who work for the Town. We are fortunate to have a talented and creative workforce. Our sustainable future is dependent on retaining and attracting that talent for the future as we reset service levels, seek process improvements and identify new revenue sources in a systemic and strategic approach.

I look forward to working with the Council and staff to refine our strategic focus for the future.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'R. Stancil', with a large, sweeping flourish extending to the left.

Roger L. Stancil  
Town Manager



# ***CITIZENS' GUIDE TO REVIEWING THE BUDGET***

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## **General Comments**

This budget document describes Town services and revenue sources adopted for the Town's budget for the fiscal year from July 1, 2011 through June 30, 2012.

The Mayor and Council's adoption of an annual budget is one of the most important decisions of the Town as a service organization and governmental entity. The annual budget translates the values of the Chapel Hill community into a plan of action for services, programs and projects, and resources for providing services.

The Mayor and Council's decisions in adopting a budget are in the form of an ordinance allowing expenses and raising of revenue during the coming budget year, an ordinance authorizing employee positions and wage and salary ranges, resolutions adopting fees and charges and related actions.

In accord with normal accounting and budgeting practices for cities and towns, Town services supported partly or entirely with general taxes are budgeted in a General Fund.

The General Fund includes costs and revenues for police, fire, refuse collection, street maintenance and other public works services, human services, planning, construction, inspections, engineering, library, parks and recreation, general administration and support services, and some miscellaneous items.

The public transit, public parking, stormwater management, public housing, internal service funds and supplemental downtown district services are budgeted in separate, individual funds.

This budget is intended to identify most services offered by the Town and proposed objectives for quality, quantity, timing, etc. of services. The individual department and division overviews give details about current Town services approved by Council. However, there may be a few activities not described or noted only in summary form here. We invite you to call the appropriate Town departments as listed on the Town's website or in the blue pages of the BellSouth directory for additional information. Any changes, deletions or additions to current services which may be decided during the proposed budget discussions will be reflected in the adopted budget for 2011-12.

The information in this budget document is intended to be understandable to citizens with a general knowledge of business practices and of most Town services. We have attempted to minimize the use of technical words and phrases, or to define them when used. A glossary of terms is provided in the Budget Appendices. However, if something in this material is not clear, we invite you to call us at (919) 968-2712 or send an email to the Town Manager at: [manager@townofchapelhill.org](mailto:manager@townofchapelhill.org).

## **State Laws Regarding Local Governmental Budgets**

The Town's fiscal year begins on July 1 in accord with requirements in the North Carolina Local Governmental Budget and Fiscal Control Act.

This legislation requires that the Manager submit a recommended budget to the Mayor and Council, that the Council hold a public hearing, and that the Council adopt an annual budget or interim budget for 2011-12 by July 1.

# ***CITIZENS' GUIDE TO REVIEWING THE BUDGET***

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State laws also determine the types of services and regulatory authority which the Town can provide, the revenue sources available to the Town and in many cases the maximum level of such revenue. For example, the Town is not authorized to levy income taxes, and Orange County has enacted a local option sales tax at the authorized limit of 2 and 1/2%. The Town is authorized to provide various types of services needed in urban areas, including police and fire protection, refuse collection and street maintenance services.

In North Carolina, county governments are responsible for public health, education, social services, and various other programs. Funding for the Chapel Hill-Carrboro City School district serving southeast Orange County is provided through County and State government decisions and funding.

## **Financial Management Principles**

The adopted budget is based on financial management principles including:

- \* The Town makes conservative estimates of revenues and costs to minimize the chance that actual revenues received during a budget year may be less than expected, or that actual costs may exceed estimates.
- \* The Town seeks to use stable, annually recurring revenues to pay for costs (such as wages, supplies, etc.) which tend to continue from year to year. The Town avoids using one-time revenues for annually recurring costs.
- \* The Town seeks to keep a reserve of money saved in past years (undesignated net assets or fund balance) so that the Town will not have to borrow funds early in the fiscal year

when revenues are less than the cost of providing services, and so that the Town will have a reserve for any major unexpected costs or revenue fluctuations between budget years. The Town's objective is to have a General Fund balance of at least 12% of the General Fund budget for cash flow purposes in accord with State guidelines, and additional amounts for unforeseen circumstances and emergencies.

- \* The Town avoids or limits the deferral of costs to future years. When deferrals are proposed, the amount is limited to the extent practical and the deferrals are specifically identified.
- \* The Town seeks to properly maintain buildings and equipment to protect the community's investment in these assets.
- \* The Town seeks to recover from user fees all or a significant portion of the cost of some kinds of services, so that the citizens who benefit most from a service will pay for the service. However, several kinds of fees are waived or lowered for low income families, for youth and for senior citizens.
- \* The Town uses general taxes to provide some special services or assistance to citizens with special needs because of low income or other conditions.
- \* The Town seeks to maintain a competitive position in the Triangle labor market to recruit and retain employees who will provide services with the quality desired by the community.
- \* The Town from time to time issues bonds or uses installment contracts authorized by

# ***CITIZENS' GUIDE TO REVIEWING THE BUDGET***

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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.

## **Budget Process**

The Mayor and Council's process and schedule for developing the 2011-12 budget included forums and hearings for citizens to express their views, raise questions and concerns and make comments on services, policies and funding items related to the budget.

The description of the budget process and the budget calendar are included in this Introduction and Background section.

Citizens were invited to make comments at any time by letter to the Mayor and Council or to the Town Manager at 405 Martin Luther King, Jr. Blvd., Chapel Hill, NC 27514, by fax to Town Hall at (919) 969-2063, or by electronic mail at [manager@townofchapelhill.org](mailto:manager@townofchapelhill.org).

Citizens with disabilities in hearing or speaking were invited to call the Town at (919) 968-2743 (TDD: (919) 968-2700) for assistance in participating in public hearing or commenting by other means.

## **Elements of the Budget Document**

- Introduction and background information with regard to the development of the budget including the budget process, the budget goals and assumptions made.
- Department and division mission and duties as well as their budget and a summary of budget changes.

- Explanations of debt and the capital program.
- Summary information with regard to net assets (fund balance), revenues and expenditures for all funds, tax rates and tax collections and staffing and organizational structure.

Each department has a separate overview. The following is an explanation of the information included for departments and divisions.

## **Department Sections**

Each department section contains a department overview intended to provide information about the department; organizational charts for the department; staffing charts for each department; and a budget summary for the department. Also included is the same information for individual divisions within some of the larger departments. Goals and performance measures are also included for appropriate departments.

### **◆ Department Overview**

Each department section starts with an overview page which includes the Mission Statement and summarizes key duties of the department.

### **◆ Organizational Chart**

Following the department overview is an organizational chart for the department that displays the personnel in the department broken out by divisions, where applicable.

### **◆ Staffing Chart**

# ***CITIZENS' GUIDE TO REVIEWING THE BUDGET***

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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.

information intended to assist the reader. This data includes details regarding fund structure, fund descriptions, major revenues and a glossary.

## ◆ **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:

- 2009-10 Actual
- 2010-11 Original Budget
- 2010-11 Revised Budget
- 2010-11 Estimated
- 2011-12 Adopted Budget
- % Change from 2010-11 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. See the “Performance Measures Program” on page 6 for further explanation.

A reader’s guide entitled “Budget Format—The Basics” follows.

In addition to the material described above, the adopted 2011-12 budget contains supplemental

# **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.

<b>EXPENDITURES</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2010-11</b>	<b>2010-11</b>	<b>2011-12</b>	<b>% Change</b>
	<b>Actual</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Estimated</b>	<b>Adopted Budget</b>	<b>from 2010-11</b>
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%
<b>Total</b>	<b>891,274</b>	<b>945,237</b>	<b>990,149</b>	<b>961,028</b>	<b>916,813</b>	<b>-3.0%</b>

<b>REVENUES</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2010-11</b>	<b>2010-11</b>	<b>2011-12</b>	<b>% Change</b>
	<b>Actual</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Estimated</b>	<b>Adopted Budget</b>	<b>from 2010-11</b>
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%
<b>Total</b>	<b>891,274</b>	<b>945,237</b>	<b>990,149</b>	<b>961,028</b>	<b>916,813</b>	<b>-3.0%</b>

## ***Performance Measures Program***

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In the Spring of 2010, the Town of Chapel Hill began a pilot program targeted at improving departmental performance measures Town-wide. A committee of four Town employees was formed by the Town Manager to oversee this program. The Town entered into a contract with Dr. David Ammons from the University of North Carolina at Chapel Hill School of Government for his assistance with this program. A one day seminar was held at Town Hall to introduce department heads and others to the performance measure program. To date, the Town has completed Phase 1 & 2 of the program and is currently working on Phase 3. The service areas that have completed the program are:

- Fleet Services
- Information Technology
- Parking Services
- Fire
- Development Review
- Finance
- Communications & Public Affairs
- Inspections

### Performance Measurement Process:

- Departments were given an instructional session on goals, objectives, and performance measures.
- Individual meetings were held with the pilot units in which goals, objectives and performance measures were discussed.
- Draft goals, objectives and performance measures were submitted to the committee.
- Dr. Ammons reviewed each submission and offered individual feedback to each unit.
- Final meetings were held with each unit to decide on final set of goals, objectives, and performance measures.

The service units that have yet to go through the program are encouraged to begin looking at improvements to their existing performance measures and consult with the committee. The goal is to have the entire Town complete this process by the Fall of 2012.

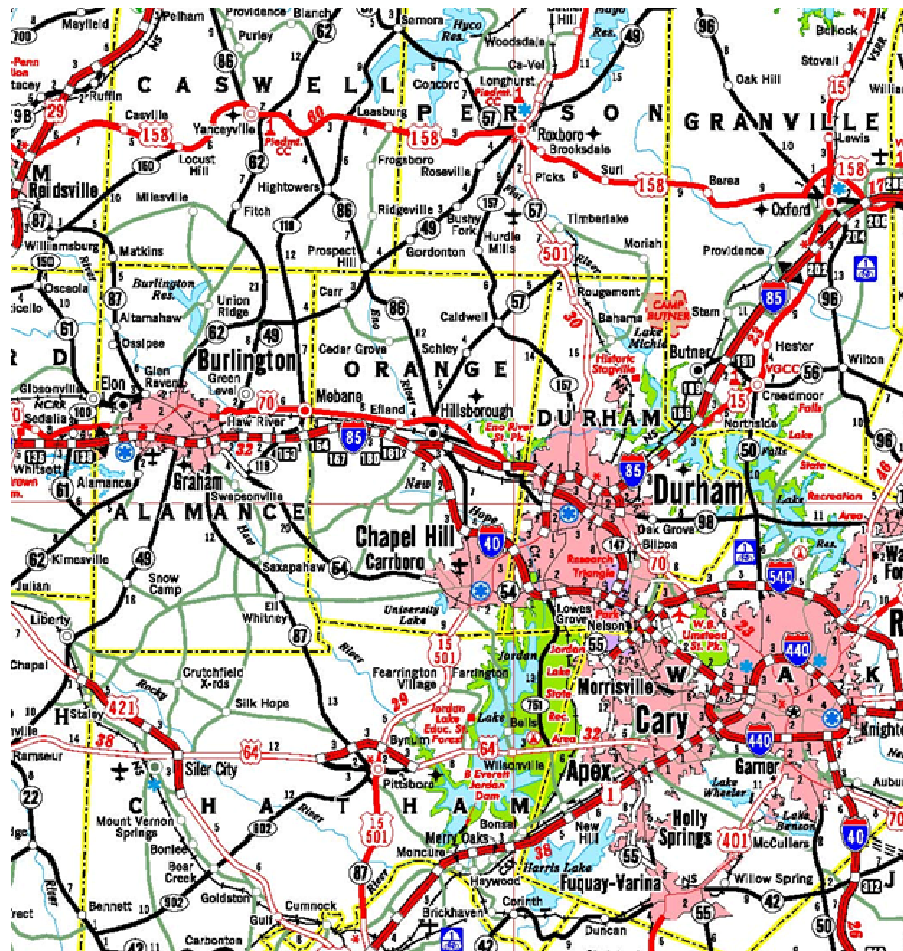
This budget document shows new measures from those service areas that went through phase 1 & 2 of the performance measure program. Future budget documents will include updated measures for departments as they go through the program. The performance measures program will provide departments and management with vital information for management and oversight, will focus attention on priorities and results, will identify successful strategies, and will enhance accountability.



# 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 21.3 square miles and has a population of 56,778 according to the latest estimate issued by the State of North Carolina for July 2009. 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 6.3 square mile planning jurisdiction.

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

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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 29,103 in 2010-11. 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**

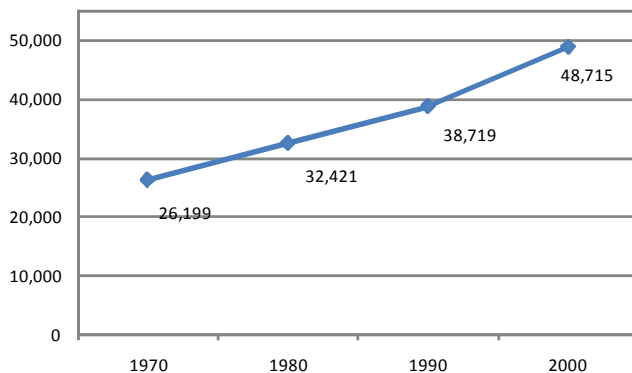
### **POPULATION GROWTH AND CHARACTERISTICS**

#### *Population Growth*

Chapel Hill’s population increased by over 15,000 since the 1990 Census, totaling 48,715 in the 2000 Census. Figure 1 shows the Town’s population growth from 1970 to 2000. The 10-year growth from 1990 to 2000 amounts to 25.8 percent, about 5 percent less than the County, and 2.5 percent less than the 21.4 percent statewide population growth.

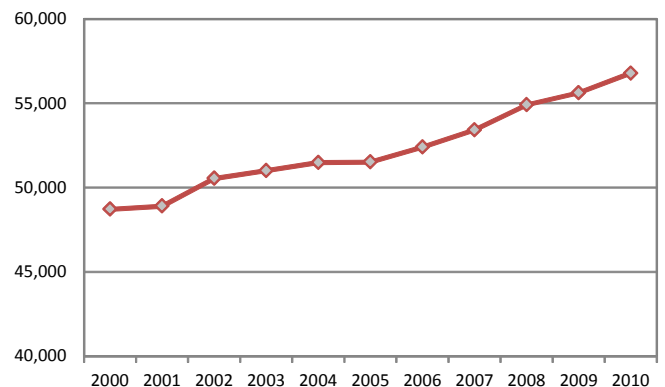
Figure 2 shows the Town’s growth since the 2000 Census.

**Figure 1. Chapel Hill Population: 1970-2000**



Source: US Census Bureau, 2000

**Figure 2. Chapel Hill Population: 2000-2010**



Source: North Carolina Office of Budget & Management

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

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While most Chapel Hill residents live in Orange County, about four percent of the Town’s population lives in Durham County, as shown in Table 1.

**Table 1. Chapel Hill Population by County**

<b>County</b>	<b>Chapel Hill Population</b>
Durham County	2,347
Orange County	54,431
<b>TOTAL</b>	<b>56,778</b>

*Source: NC Office of State Budget and Management, 2009*

## *Racial Makeup, Hispanic Population Growth*

A demographic shift in the 2000 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. In September 2003, the US Census Bureau issued an amended 2000 Census count for the Town of Chapel Hill. Table 2 depicts the amended 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 and African American persons as a share of the Town’s total population declined from 1990 to 2000, although the total numbers for both groups are higher. People who identified themselves as being of more than one race totaled just over 900 in Chapel Hill, or 1.9 percent of the Town’s total population.

**Table 2: Chapel Hill Population by Race & Origin**

<b>Race/Origin</b>	<b>2000</b>	<b>%</b>
White	37,973	77.9%
Black	5,565	11.4%
Am. Indian, Eskimo, Aleut	203	0.4%
Asian & Pacific Islander	3,509	7.2%
Other	1,465	3.0%
Total	48,715	100.0%
Hispanic Origin (any race)	1,564	3.2%

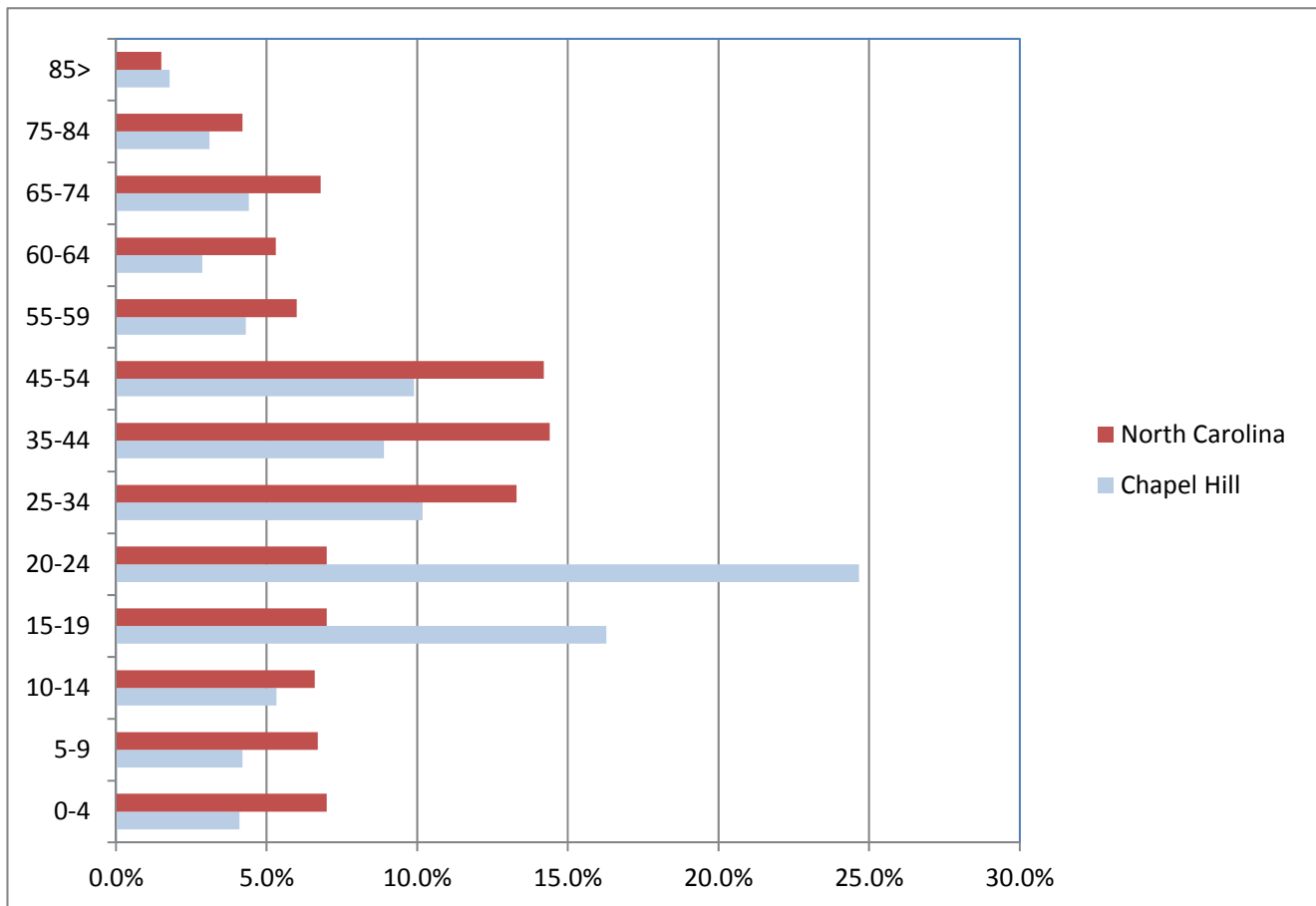
*Source: US Census Bureau, 2000*

# 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 16.3 percent of the Town’s population, while the 20 to 24 age group comprises 24.7 percent. As a comparison, the 20 to 24 age group represents 7.0 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 23.7 years old, while North Carolina’s median age is 36.8.



Source 2007-2009 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 2007-2009 American Community Survey 3-Year Estimates. The data is produced and disseminated by the US Census Bureau's Population Estimates Program.

**Table 3: Family Income (# of families)**

	<b>Chapel Hill</b>	<b>Orange County</b>	<b>North Carolina</b>
	<b>Family Income</b>	<b>Family Income</b>	<b>Family Income</b>
Less than \$10,000	640	1,413	123,378
\$10,000 to \$14,999	137	659	92,128
\$15,000 to \$24,999	677	2,475	235,598
\$25,000 to \$34,999	527	2,135	257,402
\$35,000 to \$49,999	751	3,248	358,055
\$50,000 to \$74,999	1,034	4,661	501,241
\$75,000 to \$99,999	1,369	3,694	329,470
\$100,000 to \$149,999	1,692	5,446	304,585
\$150,000 to \$199,999	1,056	2,851	98,886
\$200,000 or more	1,934	3,673	93,074
<b>Total Households/Families</b>	<b>9,817</b>	<b>30,255</b>	<b>2,393,817</b>
<b>Median Income</b>	<b>\$94,866</b>	<b>\$78,250</b>	<b>\$55,738</b>
<b>Mean Income</b>	<b>\$132,306</b>	<b>\$107,584</b>	<b>\$72,454</b>
<b>Per Capita Income</b>	<b>\$32,969</b>	<b>\$32,417</b>	<b>\$24,588</b>

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

	<b>Chapel Hill</b>	<b>Orange County</b>	<b>North Carolina</b>
	<b>Family Income</b>	<b>Family Income</b>	<b>Family Income</b>
Less than \$10,000	6.52%	4.67%	5.15%
\$10,000 to \$14,999	1.40%	2.18%	3.85%
\$15,000 to \$24,999	6.90%	8.18%	9.84%
\$25,000 to \$34,999	5.37%	7.06%	10.75%
\$35,000 to \$49,999	7.65%	10.74%	14.96%
\$50,000 to \$74,999	10.53%	15.41%	20.94%
\$75,000 to \$99,999	13.95%	12.21%	13.76%
\$100,000 to \$149,999	17.24%	18.00%	12.72%
\$150,000 to \$199,999	10.76%	9.42%	4.13%
\$200,000 or more	19.70%	12.14%	3.89%
<b>\$50,000 or more</b>	<b>72.17%</b>	<b>67.18%</b>	<b>55.45%</b>

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

**Table 4: Educational Attainment**

<b><u>Educational Attainment</u></b>	<b><u>Chapel Hill (% of total)</u></b>	<b><u>Orange County</u></b>	<b><u>North Carolina</u></b>
Less than 9th	2.7%	4.0%	6.2%
9th to 12th, No Diploma	2.2%	5.6%	10.3%
High School Graduate	7.6%	16.0%	28.1%
Some College, No Degree	8.7%	13.7%	21.0%
Associate's Degree	3.4%	6.0%	8.3%
Bachelor's Degree	29.2%	24.5%	17.5%
Graduate or Professional Degree	46.1%	30.1%	8.7%

**Table 5: School Enrollment**

<b><u>School Enrollment</u></b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>
Elementary (grades K-5)	4,851	4,959	5,141	5,268	5,216
Intermediate (grades 6-8)	2,563	2,592	2,617	2,688	2,697
Secondary (grades 9-12)	3,527	3,528	3,669	3,674	3,650
Total	10,941	11,079	11,427	11,630	11,563

**Table 6: Unemployment Rates**

<b><u>Regional Average Unemployment Rates 2000-2011</u></b>			
<b><u>Year</u></b>	<b><u>Chapel Hill</u></b>	<b><u>Orange Co.</u></b>	<b><u>NC</u></b>
2000	1.2%	2.5%	3.7%
2001	1.8%	3.5%	5.6%
2002	4.3%	4.3%	6.6%
2003	4.3%	4.3%	6.5%
2004	3.8%	3.8%	5.5%
2005	3.1%	3.7%	5.3%
2006	2.9%	3.3%	4.8%
2007	2.9%	3.2%	4.7%
2008	3.5%	4.0%	6.2%
2009	5.5%	6.6%	10.8%
2010	5.4%	6.5%	10.6%
2011*	5.5%	6.4%	10.0%

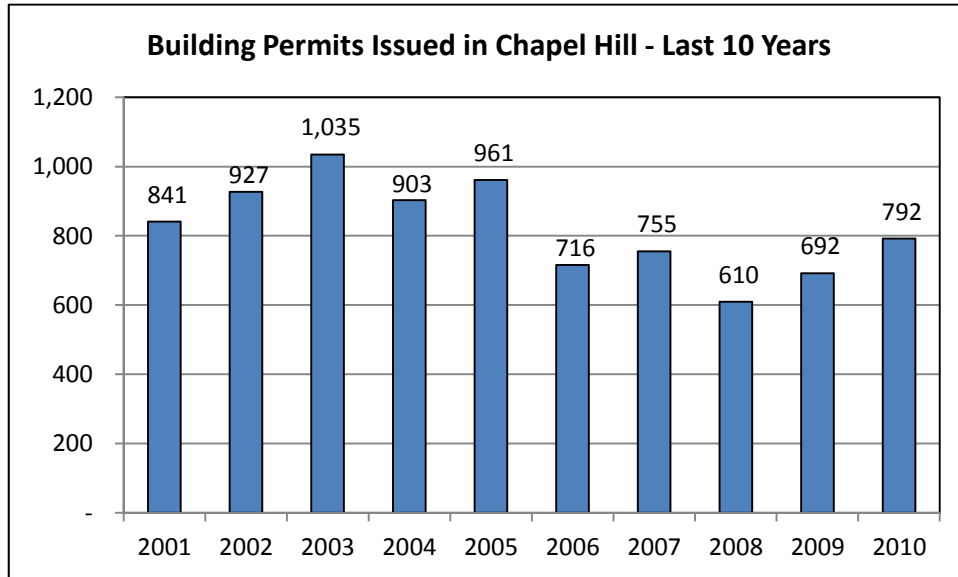
\*2011 rates based on monthly averages through June.

Source: N.C. Employment Security Commission, U.S. Bureau of Labor Statistics, Labor Market Division

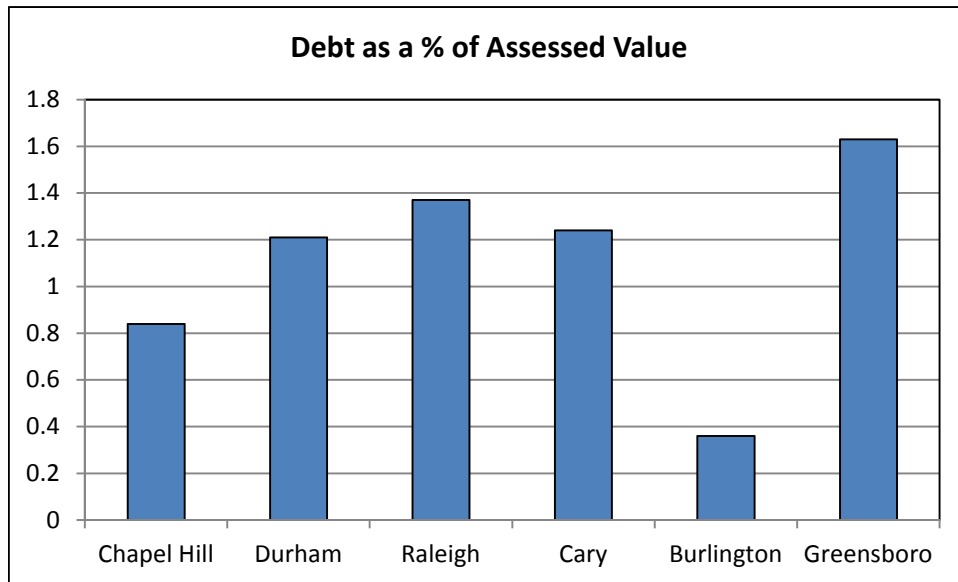
# **CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS**

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

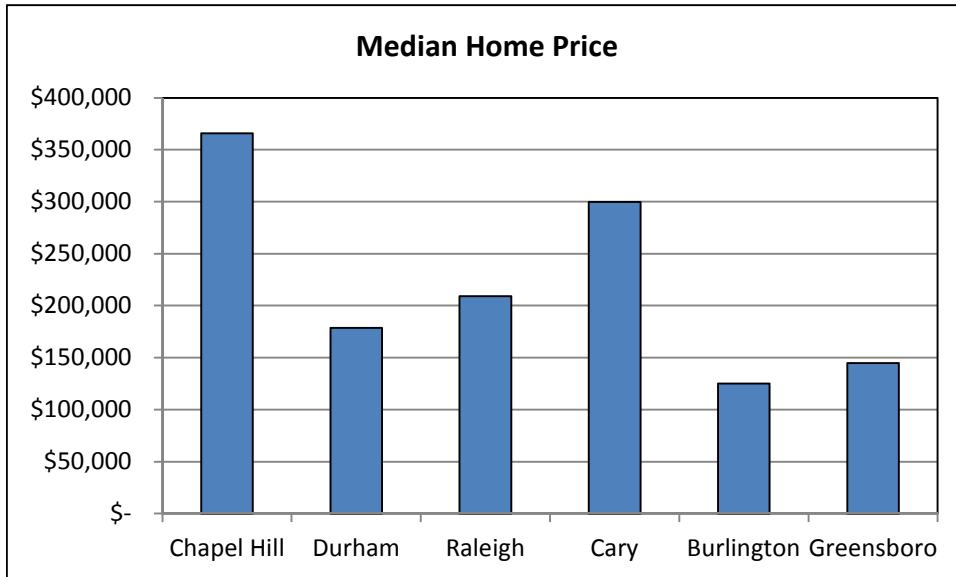


**Table 7b: Economic Indicators – Debt Percentage**



# CHAPEL HILL – LOCATION, GOVERNMENT STRUCTURE & DEMOGRAPHICS

**Table 7c: Economic Indicators – Median Home Price**



**Table 8: Top Employers**

<b>Chapel Hill Top Employers By Size</b>	
<b>Employer</b>	<b>Number of Employees</b>
UNC	12,204
UNC Hospitals	6,000
Blue Cross Blue Shield of N.C.	4,397
Chapel Hill-Carrboro Schools	2,000
Kenan Transport	1,674
Career Partners International	1,600
Performance Direct	1,019
Divi Hotels	1000
Town of Chapel Hill	754
Petro-Chemical Transport	500

*Source: Hoovers: Dun & Bradstreet August 2011*



# ***CHAPEL HILL – MAJOR ECONOMIC DEVELOPMENT***

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## **Carolina North**

The University of North Carolina at Chapel Hill is developing a satellite campus on the Horace Williams Tract, which is located north of Estes Drive and west of Martin Luther King Jr. Boulevard. Named Carolina North, the satellite campus is proposed to cover approximately 250 acres of the Horace Williams Tract's 1,000 acres and would be built in phases over the next 50 years.

The Town Council and members of the Board of Trustees gained the approval of a new zoning district and a development agreement that became effective July 2009. The development agreement will include specific limitations and detailed conditions of approval that would protect the Town's interests, while also offering certainty to the University regarding what type of development can occur.

When the Council and the University trustees came together for discussions regarding Carolina North, they established key principles for the process. These principles outline their commitment to public participation, calling for multiple opportunities for meaningful public participation and discussion at all phases of the process. Their intent is to provide for open, transparent negotiations and decision-making.

## **Other Development**

At least two major mixed-use developments are currently completing construction in Chapel Hill: East 54, located on Raleigh Road in the former site of the old University Inn, and Greenbridge, located between W. Rosemary and W. Franklin Streets. Both East 54 and Greenbridge are LEED (Leadership in Energy and Environmental Design) certified developments featuring luxury condos, shops, dining and entertainment.

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

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*The Town of Chapel Hill has many relationships with surrounding communities and with other State and regional organizations. Following is a summary of those relationships:*

## **Town of Carrboro**

- Receives fixed-route and E-Z Rider transit service from Chapel Hill.
- Appoints two members to Orange County Solid Waste Advisory Board and two members to the Orange Water and Sewer Authority (OWASA) board of directors.
- Receives traffic signal system services from Chapel Hill.
- Mutual aid agreement for fire protection; limited joint training with Chapel Hill; uses Chapel Hill's fire training facilities.
- Mutual aid agreement for police services.
- Chapel Hill operates 30 public housing apartments in Carrboro.
- Open facilities policy for recreation services.
- Participates with Orange County in the Joint Planning Agreement.
- Regular staff communications regarding services and policies.
- Development at borders affects each community.

## **Orange County**

- Mutual aid agreement for police services.
- Appoints two members to Orange County Solid Waste Advisory Board; provides landfill and recycling services to Chapel Hill.
- Appoints two members to OWASA board of directors.
- Participates in Joint Planning Agreement.
- Operates 911 emergency communications system; dispatches fire and police service units.
- Provides jail services for Chapel Hill.
- Provides tax assessing and collection services for Chapel Hill; Chapel Hill provides a tax collection service point for Orange County.
- Provides grants to Chapel Hill for recreation, library services, Project Turnaround and Retired Senior Volunteer Program.
- Open facilities policy for recreation services.
- Enforces soil and erosion control ordinance in Town of Chapel Hill.

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

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## **Town of Hillsborough**

- Mutual aid agreement for fire protection; uses Chapel Hill’s fire training facilities.
- Mutual aid agreement for police services.
- Appoints two members of the Orange County Solid Waste Advisory Board.

## **Orange Water and Sewer Authority**

- Is a public, non-profit, community-owned water and sewer agency.
- Governed by a nine-member Board of Directors, to which the Chapel Hill Town Council appoints five members.
- Operates in accord with State law, the contractual obligations in the OWASA Bond Order and the 1977 purchase and sale agreements among Chapel Hill, Carrboro, the University and OWASA.
- Is required to have cost-of-service rates; free service is prohibited.
- Is party to the water and sewer boundary, planning and management agreement with Chapel Hill, Carrboro, Orange County and Hillsborough.

## **Chapel Hill-Carrboro School System**

- Must submit development applications to Chapel Hill for approval if sites are in the Chapel Hill zoning jurisdiction.
- Joint use agreements for use of some recreation facilities.
- Pays for school resource officers provided by Chapel Hill police department in high schools and middle schools.
- Pays for school crossing guards at elementary schools.
- May designate and “reserve” school sites under Chapel Hill zoning ordinance.

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

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## **University of North Carolina**

- Purchases fixed-route transit service from Chapel Hill; provides own service to supplement EZ-Rider service provided by the Town; provides Point-to-Point transportation service for students, staff and faculty.
- Provides refuse collection and recycling services for University properties.
- Traffic signals and town streets in University campus area are maintained by Chapel Hill.
- Fire protection services are provided by Chapel Hill; University budget contributes part of the revenues used by the state to pay part of the cost of fire protection services.
- Mutual aid agreement for police services and other emergencies.
- Must submit development applications to Chapel Hill when sites are within the Chapel Hill zoning jurisdiction.
- Joint Staff Committee meets quarterly.

## **City of Durham**

- Competes with Chapel Hill for transportation funding from State and federal government.
- Provides lead planning staff for Metropolitan Planning Organization (Transportation Advisory Committee).
- Durham-Chapel Hill Work Group meets regularly to review development issues.
- Courtesy reviews of development projects along jurisdictional boundary.

## **Durham County**

- Portion of Chapel Hill is in Durham County.
- Provides tax assessing and tax collection services for Chapel Hill portion of County.
- Development at border affects each community.
- Courtesy reviews of development projects along jurisdictional boundary.

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

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## **Chatham County**

- Orange-Chatham Work Group meets occasionally to review development issues.
- Development at border affects each community.

## **Triangle Transit Authority**

- Chapel Hill appoints one member of the 13-member governing board.
- Provides bus service in Chapel Hill connecting to Durham, Research Triangle Park and other areas of the Triangle.
- Competes with Chapel Hill for transit funding from the federal and state government.

## **Triangle J Council of Governments (TJCOG)**

- Chapel Hill appoints one delegate and one alternate to the board of delegates.
- The Town pays dues to support basic operations of the TJCOG and receives planning and other services.

## **State of North Carolina**

- The State established the Town by granting a municipal charter.
- The Town's powers are granted by the State, and the State imposes limits on the powers of the Town.
- The State constructed and maintains a road network within the Town limits.
- The State is the conduit for transportation improvement funds used to maintain roads and to maintain and operate the transit system.
- The State collects certain taxes and shares proceeds with the Town (sales tax, beer and wine tax, etc.) that amount to nearly a third of the total General Fund revenues in normal years.
- Town provides maintenance service for traffic signal system in Chapel Hill and Carrboro for the State.

# ***FUND DESCRIPTIONS AND MAJOR REVENUES***

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<b><u>Fund Title</u></b>	<b><u>Accounts For</u></b>	<b><u>Primary Funding Sources</u></b>
<b>GENERAL FUND</b>	Normal recurring Town activities such as planning, inspections, engineering, public works, public safety, parks and recreation and library	Property and other taxes, State-shared revenues, grants, charges for services, licenses, permits and fines
<b>TRANSPORTATION</b>		
Transit Fund	Operation and maintenance of public transportation, E-Z Rider and Shared Ride services	Federal and State grants, property taxes and charges for services
Transit Capital Reserve Fund	Reserve fund for replacement of buses and other capital equipment and improvements	Contributions from the Transit Operating Fund
<b>PARKING</b>		
Off-Street Parking Fund	Off-street parking facilities, James Wallace Deck, and monthly rental parking	Short-term parking fees and monthly rentals
On-Street Parking Fund	Parking enforcement and parking meters	Parking meter collections and parking citations
<b>STORMWATER MANAGEMENT</b>		
Stormwater Management Fund	Management of stormwater to protect water quality as mandated by NC General Statutes	Fees
<b>HOUSING</b>		
Public Housing Fund	Management of public housing units and residential rehabilitation	Federal grants and rental income
Housing Loan Trust Fund	Loan programs for the purchase and renovations of homes for lower income families	Second mortgage payments and interest income

# ***FUND DESCRIPTIONS AND MAJOR REVENUES***

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<b><u>Fund Title</u></b>	<b><u>Accounts For</u></b>	<b><u>Primary Funding Sources</u></b>
<b>DEBT</b>		
Debt Service Fund	General obligation debt, proprietary debt, COPS debt, and other governmental debt	Property taxes
<b>CAPITAL PROGRAMS</b>		
Capital Improvements Funds	Capital improvements projects such as park improvements, fire hydrants, stormwater management and traffic signals	Transfers from Capital Reserve Fund and General Fund
Capital Reserve Fund	Reserve fund for capital improvements projects such as the library facilities, parks and recreation improvements, fire hydrants, stormwater management and traffic signals	Transfer from General Fund
<b>OTHER FUNDS</b>		
<b><u>Special Revenue Funds</u></b>		
Grants Fund	Miscellaneous grants	Federal and State Grants
Downtown Service Fund	Promotion of Downtown economic development	Property taxes
Library Gift Fund	Gifts and donations received for the library	Gifts and donations
<b><u>Internal Service Funds</u></b>		
Vehicle Replacement Fund	Centrally managed vehicle replacement	Charges to General Fund
Fleet Maintenance Fund	Centrally managed fleet maintenance	Charges to General, Parking and Housing Funds
Computer Replacement Fund	Centrally managed computer replacement	Charges to General Fund

# FUND BALANCE

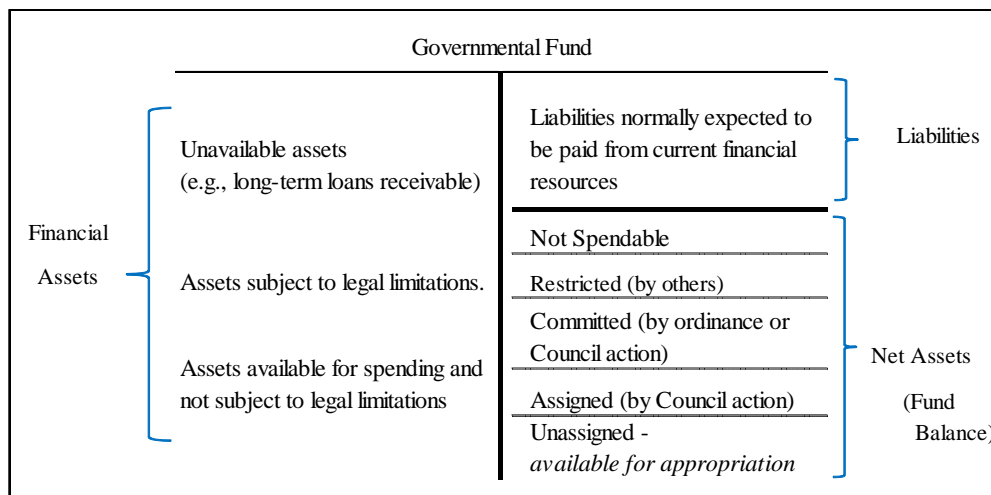
Fund balance (net assets) is the accumulated difference between revenues and expenditures in a governmental fund, and is similar to “working capital” for a private business. Portions of fund balance are intended to meet the cashflow and working capital needs of the Town in accordance with reserve recommendations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

- The Town seeks to continue to maintain a financial reserve minimum of 12% of their unrestricted net assets consistent with the recommendations of the North Carolina Local Government Commission. The reserve is for cash flow, emergencies and opportunities.
- The Town seeks to maintain a level of net assets which is appropriate to retain its high bond ratings: Moody’s Investor Service—AAA and Standard and Poor’s—AAA. Bonding agencies use the percentage of unrestricted net assets as a key indicator when assessing the Town’s creditworthiness.





# ***DEBT***

## ***INTRODUCTION & BACKGROUND***

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The Town has the authority to finance purchases for major projects, buildings, renovations and major equipment. The underlying principal for this type of financing is that the public can and should pay for capital investments over a long time frame in order to spread the cost among citizens over time and to better match the expected usefulness of the capital purchase. This method enables governments to undertake large capital projects without having to pay cash for the projects at the time they take place.

The State of North Carolina allows 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
- Certificates of Participation

### **ESSENTIALS**

*Town policy and practice limits annual general government debt service to 10% of total General Fund expenditures.*

*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 the purchase of large capital equipment and for construction projects. Issuance of GO bonds requires approval by the public through a bond referendum and requires approval by the North Carolina Local Government Commission (LGC). When approved 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. Maturities on GO bonds are normally about 20 years. In North

# ***DEBT***

## ***INTRODUCTION & BACKGROUND***

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Carolina, General Obligation bonds can be used only for capital expenditures and never for operating costs.

The basic rule on the amount of debt that may be issued by a local government in North Carolina is that the principal amount of debt may not exceed 8% of the value of the taxable property base in the unit.

### **Two-thirds GO Bonds**

There is a provision in North Carolina Statutes that allows units to issue bonds each year in an amount equal to two-thirds of the principal amount of debt retired in the previous year. These bonds may be issued without a referendum but must be approved by the LGC in the same manner as other debt financing methods. Because the cost of issuing GO bonds is about \$25,000 to \$30,000 per issue, it is generally more cost effective to issue two-thirds bonds only at the same time as another planned bond issuance, perhaps totaling several million dollars.

### **Revenue Bonds**

Revenue bonds are typically issued for enterprise operations, in which there is a stream of revenues in connection with an enterprise operation that is pledged to the repayment of the bonds. Examples include parking operations, water and sewer operations, electrical operations, etc. In the case of a revenue bond issuance, the revenues from the project operations are pledged only for repayment of bonds, and may not be used for other purposes. In order to obtain approval from the LGC for the issuance of revenue bonds, the LGC requires that a feasibility study be conducted by an independent, nationally recognized consulting firm, and that revenues from the project be 20% greater than total debt service costs and operating expenses of the project. The issuance of revenue bonds normally requires the use of an underwriting firm and involves substantial issuance cost.

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 purchase of equipment and land, or for construction 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 purchase of equipment, land, or for construction projects. The financial institution maintains a security interest in the

# ***DEBT***

## ***INTRODUCTION & BACKGROUND***

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equipment or project until the governmental units repays the loan over a specified maturity. For these contracts, 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 and less than a five-year maturity do not require approval by the LGC.

Installment contracts for equipment 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 the annual purchase of vehicles and computers, for land for a public works site and for capital renovations for existing Town buildings as a part of its proposed Capital Improvements Program.

### **Certificates of Participation**

General Statute 160A-20 also allows a local government unit to issue Certificates of Participation (COPS) which involve another form of installment contract financing. The certificates are similar to revenue bonds, except that the purchasers of the certificates are entitled to receive installment payments from any revenues available to the unit, not solely from the operation of the project financed with certificates. The “full faith and credit” of the government may not be pledged for repayment of certificates. Issuance of Certificates of Participation also normally requires the use of underwriters and involves substantial issuance costs.

### **Debt Options under the Stimulus Act**

Several new debt options were made available to local governments with the passage of the American Recovery and Reinvestment Act in February of 2009. The primary new 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. BABs can be issued for any capital project purpose, but they cannot be used to refund existing bonds. Issuers of BABs receive a 35% rebate of interest costs by making an annual application to the IRS. REZD bonds provide a 45% rebate, but must be used in conjunction with the declaration of a recovery zone. The deadline for issuance of both BABs and REZD bonds is December 31, 2010, although it is possible that the authorization may be extended under different terms.

### **Additional Debt Information**

Please refer to page 171 for additional information on the Town’s debt and bond ratings.

# ***CAPITAL PROGRAM INTRODUCTION AND BACKGROUND***

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The Capital Program is a 15-year financial plan for the Town's major capital and infrastructure needs. The Capital Program identifies capital needs, establishes priorities, identifies potential funding sources, and includes needs for which sources of funding have not been identified. Key sources for identifying capital needs include the 2000 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 235) for additional information on the Town's Capital Improvements Fund.

# ***FUND STRUCTURE & BASIS OF BUDGETING***

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The accounts of the Town are organized on the basis of funds each of which constitutes a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts reflecting its assets, liabilities, fund balance/retained earnings, revenues and expenditures/expenses. The funds of the Town are created because of the diverse nature of governmental operations and the necessity of complying with legal provisions. The Town has two broad fund categories: governmental and proprietary.

## **BASIS OF BUDGETING**

The budgets of general government type funds (for example, the General Fund and Debt Service Funds) are prepared on a modified accrual basis. Briefly, this means that obligations of the Town (for example, outstanding purchase orders) are budgeted as expenditures, but revenues are recognized only when they are measurable and available.

The Enterprise Funds (Transit, Parking, Stormwater Management, Housing and Internal Service) also recognize expenditures as encumbrances when a commitment is made (e.g., through a purchase order). Revenues, on the other hand, are recognized when they are obligated to the Town (for example, charges for transit services are recognized as revenue when service is provided).

In all cases (Enterprise Funds and General Governmental Funds) when goods and services are not received by year end, encumbrances evidenced by unfilled purchase orders lapse, but are normally reappropriated to the following year's budget through an amendment to the budget approved by the Town Council.

The Comprehensive Annual Financial Report (CAFR) shows the status of the Town's finances on the basis of "generally accepted accounting principles" (GAAP). In most cases this conforms to the way the Town prepares its budget. Exceptions are as follows:

- a. Compensated absence liabilities that are expected to be liquidated with expendable available financial resources are accrued as earned by employees (GAAP basis) as opposed to being expended when paid (Budget basis).
- b. General staff and administrative charges for the Transit, Parking and Stormwater Management Funds are accounted for and funded by operating transfers into the General Fund from these funds on the Budget basis as opposed to a GAAP basis.
- c. Principal payments on long-term debt within the Enterprise Funds are applied to the outstanding liability on a GAAP basis, as opposed to being expended on a Budget basis.
- d. Capital outlays within the Enterprise Funds are recorded as assets on a GAAP basis and expended on a Budget basis.
- e. Depreciation expense is recorded on a GAAP basis only.

# ***FUND STRUCTURE & BASIS OF BUDGETING***

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One type of budget entry that is shown differently for budgetary purposes and GAAP is the purchase of an item using installment financing. The actual budget entries for an installment financing agreement can make it appear that the Town is paying twice for the same purchase, because there are two pairs of budget entries in the year that an installment financing takes place. The first pair gives the Town budget authority to make a certain purchase, for example, a fire truck, and receive the financing from a bank or other financial institution for the purchase. In the case of a fire truck costing \$250,000, the budgetary lines would show the following:

REVENUES	Financing Proceeds	\$250,000
EXPENDITURES	Capital Equipment	\$250,000

The second pair of budget entries allow for the first year repayment of the installment (or lease-purchase) debt. That set of budget entries shows the amount of the debt to be paid in the year and the source of the revenue that will provide the cash to make the payment. For the fire truck example, assuming that the Town secures financing for eight years at 5% and that the Town will make a payment for one-eighth the cost of the fire truck in the first year, the budgetary lines would show the interest and principal payment as following:

REVENUES	Appropriated Fund Balance (or other revenue source)	\$38,680
EXPENDITURES	Installment (lease/purchase) financing payment	\$38,680

If the Town made no further installment financing agreements, the Town would show the budgetary requirement for repaying the bank or other financial institution in each of the following seven years.

In addition to approving the budget authority for the above transactions, the Town Council would have to specifically approve each installment financing agreement as required by State law.

The Comprehensive Annual Financial Report shows fund expenditures and revenues on both a GAAP basis and Budget basis for comparison purposes. Because the Town prepares its financial statements using the Government Accounting Standards Board 34 Model, the financial statements include government-wide financial statements aimed at presenting a broad overview of a government's finances. There are two basic government-wide financial statements: the statement of net assets and the statement of activities. These two statements report a government's governmental activities separately from its business-type activities. Fiduciary funds and fiduciary-like component units are excluded from the government-wide financial statements. All activities included within the government-wide financial statements, both governmental and business-type, are measured and reported using the economic resources measurement focus and the full accrual basis of accounting.

# ***FUND STRUCTURE & BASIS OF BUDGETING***

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## **GOVERNMENTAL FUNDS**

Governmental funds are those which finance most governmental functions of the Town. The Town follows the modified accrual basis of accounting and budgeting for all governmental funds. Under this method, revenues are recorded as the amount becomes susceptible to accrual by becoming measurable and available to finance the Town's operations. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related liability is incurred.

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, money must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized when the expenditures are recorded. Major components of this type of revenue are grants and gas tax refunds. In the other, funds are virtually unrestricted as to purpose of expenditure and are revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met. Major revenues susceptible-to-accrual under this category are State-shared revenues.

Licenses and permits, charges for services and other revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Interest on investments is recorded as earned since it is both measurable and available.

The following are the Town's Governmental Fund Types:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Town's special revenue funds consist of the Community Development Entitlement Grant Projects Ordinance Fund, the Transit Grant Projects Ordinance Fund, the Grants Fund, the Downtown Service District Fund, Transitional Housing Fund, Revolving Acquisition Fund, the Housing Loan Trust Fund, the Land Trust Fund, and the Library Gift Fund.

Debt Service Fund - The Debt Service Fund is used to account for the payment of general obligation long-term debt principal, interest and related costs. A portion of the property tax provides the revenues for this fund. Payments of long-term debt associated with Enterprise Fund operations are shown in the Enterprise Funds themselves.

# ***FUND STRUCTURE & BASIS OF BUDGETING***

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Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by special revenue, proprietary funds and trust funds). The Town has four capital projects funds: the Capital Projects Ordinance Fund, the Capital Projects Fund, the Capital Improvements Fund and the Capital Reserve Fund. Only the Capital Improvements Fund and Capital Reserve Fund are budgeted annually and are included in detail in this document.

## **PROPRIETARY FUND TYPES**

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (total expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Town has four Enterprise Funds: the Transit Fund, the Parking Facilities Fund, the Stormwater Management Fund and the Public Housing Fund. For budgeting purposes the Parking Facilities Fund is shown in two parts, On-Street Parking and Off-Street Parking.

The enterprise funds are accounted for using the accrual basis of accounting. The revenues of these funds are recognized when they are earned and expenses are recognized when they are incurred.

Internal Service Funds – Internal Service Funds are used to account for the financing of goods or services provided by one unit, or to other governmental units, on a cost-reimbursement basis. The chief aim of an internal service fund is cost reimbursement including the exhaustion of fixed assets or “depreciation expense.” The Town has three Internal Service Funds: the Vehicle Replacement Fund, the Computer Replacement Fund and the Fleet Maintenance Fund.

## **BUDGETARY CONTROL**

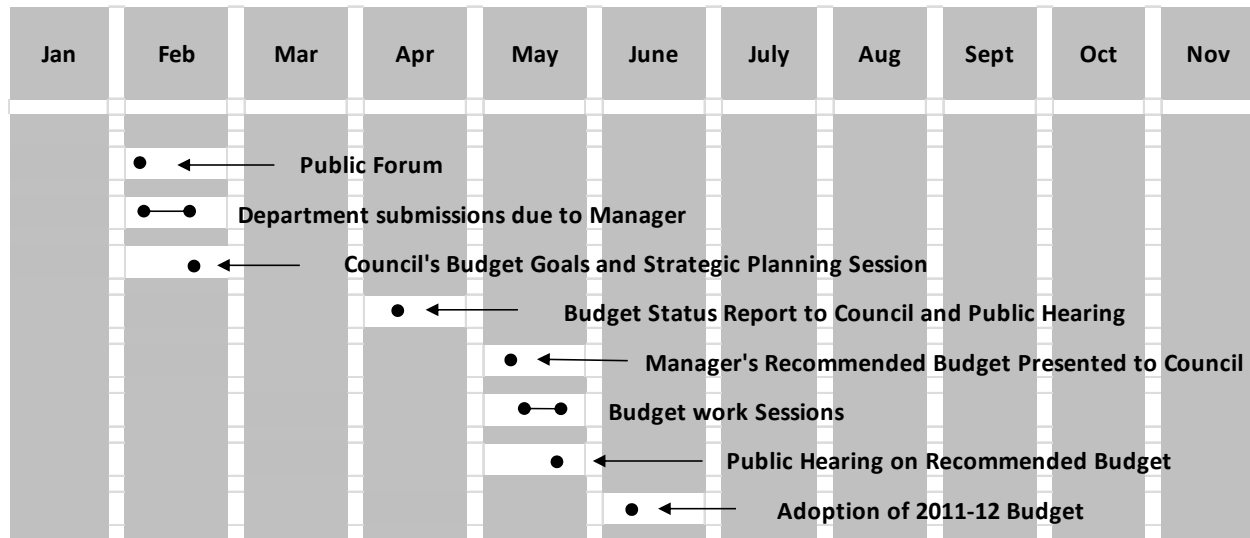
The appropriations in the various funds are formally budgeted on a departmental or functional basis depending on the fund type. Changes of functions and total budgets of any fund require approval by the Town Council. Budgetary control is maintained at the individual budget object line item level (e.g., salaries, supplies, etc.). Neither an operational expenditure nor an encumbrance is processed when the transaction would result in an overrun of an individual line item budget.

## **DEPARTMENTS/DIVISIONS**

Departments may be further represented by divisions. In this document, each department or division summary contains a key objective, a budget summary by expenditure category, major offsetting revenues, major expenses, including capital outlay and an authorized full-time equivalent position count. For departments consisting of more than one division, a department summary precedes the department's division summaries.



# OVERVIEW OF BUDGET PROCESS



Budget preparation allows departments the opportunity to reassess goals and objectives and the means for accomplishing them. Even though the budget may be heard by the Mayor and Town Council in April and adopted in June, its preparation begins at least six months prior, with projection of Town reserves, revenues, expenditure limit requirements, and financial capacity. It is with this “groundwork” that departmental expenditure requests are made and subsequently reviewed.

## Financial Capacity Phase

Forecasting is an integral part of our decision making process. Both long-range and short-range projections are prepared. The Town’s Long-Range Financial Projections are updated annually to assess not only current financial condition given existing Town programs, but future financial capacity, given long range plans and objectives.

A five-year financial forecast is prepared for each major operating fund projecting both expenditures and revenues and their fiscal impact on the respective funds.

## Policy/Strategy Phase

The Town Council’s goals and directives set the tone for the development of the budget. Shortly after the budget is adopted for the next year, the Council meets, as early as September, but not later than January, to identify priorities, issues, and projects impacting the next fiscal year budget. In January or February of each year, the Council holds a strategic planning meeting to identify key policy issues that will provide the direction and framework of the budget. The Manager and Finance Officer provide an updated short- and long-range financial forecast to assist the Council in providing budget policy and direction for the upcoming budget.

# ***OVERVIEW OF BUDGET PROCESS***

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Aside from the Council's own objectives, Town departments identify and discuss their policy issues with the Town Manager throughout the year. In December of each year, a budget kickoff meeting led by the Manager provides budgetary directions and guidelines to the departments.

Participants also help formulate and identify internal and overall budget objectives for the coming year.

The meeting includes discussion of Town-wide goals and objectives, budgeting guidelines for the operating and capital budgets, timelines, an overview of fiscal constraints, and resources available for allocation. The Budget Directives and Instructions distributed at these meetings are designed to assist the departments in preparing all budget requests and forms.

## **Needs Assessment Phase**

The departments have an opportunity to assess current conditions, programs and needs. During this phase, departments are encouraged to thoroughly review all programs and services assessing their value and priority to the citizens of the Town. Programs are examined for possible reductions, eliminations or trade-offs. Additionally, departments reassess service level standards and workload indicators. They then attempt to provide the "best fit" of resource allocation with service and workload estimates. From this process, they prepare preliminary departmental budget requests that are submitted to the Manager in February.

## **Review/Development Phase**

Within the framework of the Town's financial capacity, the Town Council and Town Manager review priorities and departmental needs assessments; review budget requests; and a preliminary Town-wide operating budget takes shape. The departments initially prepare and submit base budgets. In addition, department heads submit proposals for program changes and budget additions or deletions.

## **Implementation/Adoption Phase**

After the Town Council's initial budget planning session, the Council holds an initial budget public forum to receive input, information and requests from citizens on any aspect of the Town's budget for the coming fiscal year, including the Town's operating and capital improvement budget. The forum also solicits comments on the Town's use of federal Community Development funds, the Town Public Housing program and use of federal and State grants for housing, public transit and community development activities.

In March, each Departmental Budget Request is reviewed in detail with the Manager, Deputy Manager, Assistant Manager and the Finance Officer to review service and funding levels for each Department as part of the total budget and to begin work on recommendations for the Council's consideration.

# ***OVERVIEW OF BUDGET PROCESS***

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In April and May, the Council also holds budget work sessions in which the Town presents preliminary budget requests and discusses budget goals, policies and departmental needs with the Council. The Town Manager and designated Department Directors also present requests for additional services to the Council. In these sessions, the Town Council provides further direction to the Manager and Departments on development of the budget for the coming year.

After the initial budget work sessions in April and May each year, the Manager presents to the Council a status report on development of the operating and capital budgets and on preliminary recommendations for the use of all federal and State grant funds for housing programs, public transportation and community development activities.

The status report provides preliminary estimates of revenue and expenditures for the upcoming budget, identifies the most important budget issues for the Council and provides an assessment of how the preliminary revenue and expenditure estimates may impact the tax rate for the coming year. The presentation of this report is provided at a public forum of the Council in which interested citizens and community groups provide budgetary information, feedback or make funding requests to the Town Council. In April and May, the Council may hold additional budget work sessions as desired, providing further direction to the Manager and staff regarding a recommended budget.

In accord with North Carolina State law, the Manager is required to submit a recommended budget to the Town Council. The Manager's Recommended operating and capital budget is submitted to the Town Council in early May and includes proposed revenue and expenditure levels and recommended changes in the tax rate for the coming year. Submittal of the recommended budget is followed by several budget work sessions as desired by the Council. A public hearing as required by law on the recommended budget is held in early May, followed by additional budget working sessions held by the Town Council.

In accord with State law, the Town Council must adopt a final budget and set the tax rate for the next fiscal year by June 30 each year or must adopt an interim budget providing temporary appropriations until a permanent budget is adopted. After adoption of the budget, management control of the budget is maintained by conducting budget performance reviews at least quarterly throughout the fiscal year. The reviews are aimed at examining expenditure patterns and recommending corrective action to be taken during the year. Additionally, detailed financial records are maintained to evaluate actual revenues and expenditures against the budget.

## **Budget Amendments**

The Town Manager may transfer funds between departments within a function, between functions of the operating budget of the same fund and between projects of the Capital Improvement Plan (CIP) with a quarterly report to Council. The Town Manager may also approve intradepartmental transfer requests and transfers between line items within capital project budgets. Transfers between funds, however, may only be authorized by the Town Council.

# ***OVERVIEW OF BUDGET PROCESS***

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## **Budget Roles and Responsibilities**

Every employee plays a role in budgeting, whether in its formulation, preparation, implementation, administration or evaluation. Ultimately, of course, the Senior Management Team, through the Town Manager, is accountable to the Town Council for the performance of departmental personnel in meeting specific objectives within allocation resource limits. Actual budget preparation responsibility can be identified more specifically:

1. Division heads and the Senior Management Team are responsible for reviewing, modifying and assembling their cost data into a departmental request package and potential budget plan. The Senior Management Team critically evaluates all requests, prioritizes, and submits only those requests which are consistent with Council policies, administrative direction and departmental objectives. The preparation of the budget requests, goals and objectives should coincide with stated annual goals.
2. The Finance Officer and staff within the Business Management Department are responsible for (a) preparing short and long range revenue and expenditure forecasts, (b) reviewing departmental budgets with Senior Management and individual departments, (c) analyzing, summarizing, and making recommendations on the budget requests to the Deputy Manager, Assistant Manager and the Town Manager, and (d) reviewing the linkage between budget requests and overall budget goals and policies.
3. The Deputy Manager and the Assistant Manager are 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.*

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<b>OPERATING BUDGET</b>	
<b>Guideline</b>	<b>Comment</b>
Current revenues will be sufficient to support current operating expenditures.	The Town seeks to use stable, annually recurring revenues to pay for costs which tend to continue from year to year, and seeks to avoid using one-time revenues for annually recurring costs.
Financial systems are maintained to monitor expenditures, revenues and program performance on a continuing basis.	The Town maintains a computerized financial system on a continuing basis that monitors and compares all actual revenues and expenditures to approved budget estimates and appropriations.
Revenues and expenditures are projected for a five-year period and updated annually.	The Town's annual budget includes a five-year forecast for the revenues and expenditures of the Town's major operating funds, and monitors and updates the forecast at periodic intervals during the fiscal year.
All fund budgets are balanced.	Planned expenditures equal anticipated revenues including possible fund balance appropriations. In North Carolina, it is required that the budget submitted to the Town Council be balanced.
<b>DEBT SERVICE</b>	
<b>Guideline</b>	<b>Comment</b>
Long-term debt is not issued to finance current operations.	In accordance with North Carolina State law, long-term debt may be issued only to finance capital improvements and capital purchases over the life of the improvements or equipment. Deficit financing for current operations is not permitted by State law.

# BUDGET GUIDELINES & PRACTICES

<p>General Obligation Bonds will be issued to finance capital improvements and equipment at moderate levels that will not exceed the Town’s resources and capacity for repaying the debt.</p>	<p>General Obligation bonds are normally issued to finance capital improvements as desired by the Town Council and Town citizens at levels that maintain financial stability and require moderate and stable tax rate increases. Consistent with this guideline, the Town strives to maintain annual debt service payments totaling less than 10% of General Fund expenditures in a given year. This conservative guideline assists the Town in maintaining its Triple A (AAA) bond rating.</p>
<p><b>CAPITAL EXPENDITURES</b></p>	
<p><b>Guideline</b></p>	<p><b>Comment</b></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***

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.

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.

## **NET ASSET (FUND BALANCE) RESERVES**

<b>Guideline</b>	<b>Comment</b>
<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**

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<b>FINANCIAL REPORTING</b>	
<b>Guideline</b>	<b>Comment</b>
<p>The Town’s accounting and financial reporting systems will be maintained in conformance with current generally accepted accounting principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).</p>	<p>The Town participates in the accounting and budgeting awards programs of the association, receiving the Certificate of Achievement for Excellence in Financial Reporting for fiscal year ending June 30, 2010 and Distinguished Budget Award in 2010-11 and in past years. The Town plans to continue participation in these programs annually.</p>
<p>Consistent with State law, an annual audit will be performed by an independent public accounting firm with subsequent issuance of a Comprehensive Annual Financial Report (CAFR). Full disclosure will be provided in the general financial statements and all bond representations.</p>	<p>The Town prepares a Comprehensive Annual Financial Report that receives an unqualified opinion by an independent accounting firm each year. As required by State law, the annual report is submitted to the N. C. Local Government Commission staff for a detailed review of compliance with Commission recommendations and guidelines and compliance with applicable accounting and financial reporting standards.</p>



## ***BUDGET ASSUMPTIONS***

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Major issues affecting Town revenues for the FY 2012 budget include the expected continued economic recession and its affect on local revenues, anticipated slower growth in the State and Orange County economies, and the indirect effect of funding and growth decisions of the University of North Carolina at Chapel Hill. Federal budget decisions also have a major effect on the Chapel Hill budget, particularly in the areas of transportation and housing.

The FY 2012 budget incorporates the following assumptions:

- We anticipate a slow recovery lasting through the end of FY 2012, with minimal revenue growth.
- The property tax base is estimated to increase to \$7.25 billion in FY 2012.
- We estimate that the Town's revenue from the local sales taxes will increase slightly FY 2012.
- State operating assistance for the Transit Fund will decline slightly for FY 2012 as the state continues to struggle with the impact of the recession.



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

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## **INTRODUCTION AND OVERVIEW**

This section of the budget outlines in summary form projected revenues and costs for the five fiscal years beyond 2011-12 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 in each year.

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 vital elements and principal drivers of revenue and costs. In short, we have included in the projections the important elements that are "big enough to matter," on both the revenue and cost sides of the budgets presented. 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**

The Council authorized the sale of the first two issuances of the \$29.36 million of General Obligation bonds approved by voters in November 2003: \$4 million in 2004-05 and \$4.95 million in 2006-07. The final sale, delayed until the fall of 2010 due to the economic downturn, was for the balance of the authorized general obligation debt and included the following:

	<u>Amount</u>
Library	\$14,260,000
Sidewalk/Street	2,450,000
<u>Parks &amp; Recreation</u>	<u>3,700,000</u>
Total	<u>\$ 20,410,000</u>

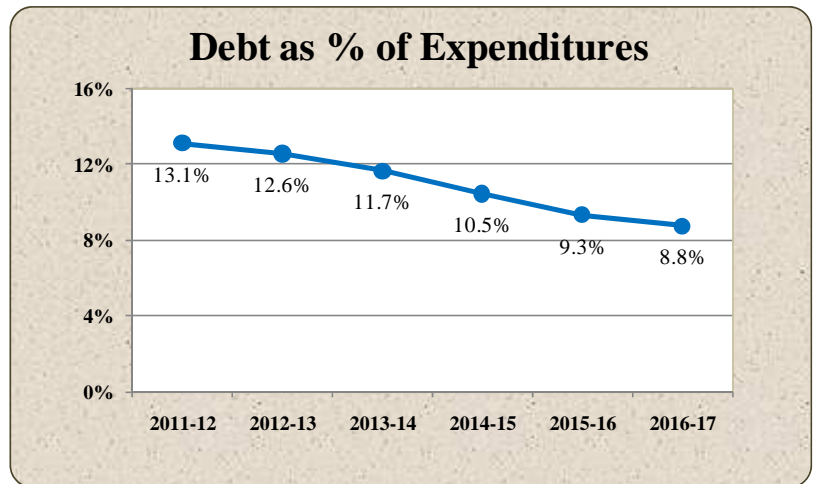
The bonds were issued in two forms, \$12,250,000 in Build America Bonds (BABs) and \$8,160,000 in traditional general obligation debt. Annual debt service payment on the combined issuance totals \$1.76 million, but the BABs have a federal subsidy that will refund 35% of interest costs through the American Recovery and Reinvestment Act. The net debt service on the new bond issuance is \$1,573,140 annually.

In addition to the recent bonds, the Council approved a plan to borrow funds in an amount not to exceed \$7.245 million to pay for underground parking on the current Parking Lot 5 as part of a mixed use development. Construction is currently under way on the project. With the developer's recent construction estimates, the Town's portion is estimated at \$5.5 million, with the first debt service payment of about \$438,000 anticipated to be due in 2012-13. The projections assume that the Parking Fund would provide for the cost of this debt service as a transfer to the Debt Fund.

# ***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 significantly increased the Town's debt load. Although the Town's measures of debt capacity, including debt per capita and debt as a percent of assessed value, are close to the average for our peer group (Triple A rated Municipalities), measures of affordability present a different picture. The Town has traditionally tried to keep debt service below 10% of budgeted expenditures, but with the recent investment in public facilities this ratio has risen to 13.1% in 2011-12. The increase in debt service as a percent of budget in excess of the 10% target was an anticipated result of the financing of the large Town Operations Center project in 2007 and issuance of the bonds that were approved in 2003.

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.

The adopted budget for 2011-12 includes moving a portion of the Debt Fund's tax rate (\$1.8 cents per \$100 valuation) to the General Fund. Even with this change, the debt fund is able to make the new debt service payments and will begin rebuilding reserves in 2014-15. Based on current projections, debt service will fall below 10% of expenditures again in 2015-16.

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, however, 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 2011-12, but they will 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.

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

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As the budget increases, the total reserved fund balance needs to increase proportionally to retain fund balance reserves at a minimum of 12% of the budget. The gap between revenues and costs could be closed by service reductions, revenue enhancements, tax rate adjustments, or any combination of these options.

## **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 growth in property tax revenues has decreased in the past few years and it is anticipated that growth will be below normal during the current recovery period. The estimate of assessed valuation for the tax base in 2011-12 is about \$7.24 billion. The most recent revaluation of property assessments went into effect the FY2009-10 Budget Year. Real property values increased by approximately 24% and the motor vehicle and personal property valuations were decreased by about 10%. The Council adopted a property tax rate slightly below the revenue neutral rate for the FY2009-10 Budget.

Estimated growth in assessed valuation for FY13-14 is 1.5% and is expected to return to about 1.8% annually thereafter. Assuming a revenue-neutral tax rate, these projections do not reflect an increase in property tax estimates based on revaluation in the next five years.

The tax levy projections assume that the General Fund tax rate will continue to be split with the Debt Service Fund. The adopted budget for FY11-12 changes the split by moving \$1.8 cents of the tax rate from the Debt Fund to the General Fund.

Tax Rate	Cents per \$100 valuation		
	FY10-11	FY11-12	\$ Change
General Fund	\$ 36.0	\$ 37.8	\$ 1.8
Debt Fund	9.3	7.5	(1.8)
Transit Fund	4.1	4.1	-
<b>Total Tax Rate</b>	<b>\$ 49.4</b>	<b>\$ 49.4</b>	<b>\$ (0.0)</b>

Two factors may affect our ability to project and collect property taxes in the future. The first relates to Orange County's tax system. The Town relies on Orange County to assess and record most property tax. (A small portion is collected by Durham County for the citizens that reside in Chapel Hill and Durham County.) Orange County replaced its tax collection software system in the fall of 2010. The new system is still in implementation stage, but should improve our ability to

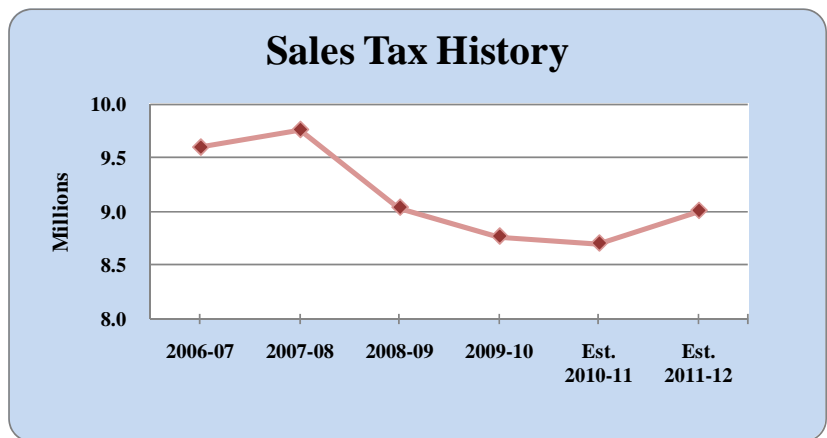
# ***FIVE-YEAR REVENUE AND COST PROJECTIONS FOR MAJOR OPERATING FUNDS***

obtain reports and analyze data. It also requires the Town to pay an additional subsidy for a portion of the system installation and maintenance.

The second factor relates to the change in State law that will move the responsibility for motor vehicle tax collection from the County to the State. Orange County has been efficient and effective in collecting motor vehicle taxes. The collection rate and charges for the service may change once the State assumes the responsibility of collecting motor vehicle taxes.

Estimated additions to the tax base through normal growth, at a tax rate for 2011-12 of \$37.8 cents for the General Fund, would yield increases in property tax revenues of about \$510,000 each year. Projections do not include the potential impacts of general property revaluations scheduled to occur for fiscal year 2014 and every four years thereafter.

The second largest source of Town revenue, sales tax, is a more volatile source than property tax. Revenues increase when the economy is good and grow at a slower pace or decrease when the economy is slow. With the economic downturn, sales tax revenues declined each year from their high point in FY2007-08. Based on FY11 receipts, it appears that sales tax revenues have leveled off and we estimate FY11 receipts at about \$8.7 million, slightly less than prior year. Based on local trends and state forecasts, we anticipate modest growth of about 3.5% for FY2011-12.



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 franchise taxes (estimated at about \$2.8 million in 2010-11 and 2011-12) and Video Programming Tax, estimated to fall slightly from FY11 to FY12. Although the State predicts a decline in FY12, based on collections in Chapel Hill we are projecting very slow growth over the next 5 years for utility franchise taxes.

State-shared revenues also include revenue from fuel tax funds for street maintenance (about \$1.37 million in 2011-12) 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 is now indicating we will receive the full share in FY10-11 and thereafter.

We assume continuation of State Fire Protection funds at the level received in 2009-10, \$1,210,000.

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

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We 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. There are potential changes arising from ongoing State budget proposals that could impact the Town negatively, but most likely we will not know the full impact until after the budget is adopted.

## **Operating and Capital Improvement Costs**

Projected costs for general operations are based on a continuation of most service levels and programs for 2011-12. 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. For FY2011-12 the amount of capital funding is decreased by more than \$700,000 and allows for the most critical projects. We anticipate that funding levels will return to established levels in FY2012-13 and will remain at approximately \$1.0 million annually. While the project requests reflected in the capital plan are usually in excess of the projected available amounts, the funding demonstrates a commitment to maintaining and renovating Town properties.

For FY2011-12, we have estimated changes in personnel costs, including salaries and medical insurance, totaling 2% and 10.1% respectively, with increases of about 3% and 10% annually thereafter. Operating costs are estimated to increase about 3% annually.

Our analysis indicates projected costs for basic operations and the proposed additions to operations would exceed revenues in each of the next five years. 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.

A chart is included in the conclusion of the projections sections showing the projected marginal tax rate increase each year necessary to balance the projected budget.

## **TRANSIT FUND**

The budget for 2011-12 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. State operating assistance is declining for FY2011-12 as the state struggles with the impact of the recession, and is expected to remain at about \$3.3 million each year. Federal assistance is estimated to continue at \$1.9 million each year, a reduction from recent years' receipts as the Federal Government reduced public transportation investments as part of the economic stimulus initiative.

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

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The estimates for expenses for 2011-12 include reductions in routes and services to streamline operations and reduce costs of less productive routes. Concerns regarding the adequacy of revenues to cover costs in future years remains. The adopted budget for 2011-12 is balanced with a continuing tax rate at 4.1 cents and the use of about \$1,398,000 in fund balance. Subsequent years show the need for a tax increase from 0.3 to 1.0 cents each year through 2016-17.

### **DEBT SERVICE FUND**

The adopted budget for the Debt Service Fund includes a reduced tax rate of 7.5 cents, with 1.8 cents of the FY11 rate being allocated to the General Fund in FY12. This tax rate will generate about \$5.38 million in revenues, which, along with the use of fund balance and a transfer from Parking, will provide for projected debt service costs. Cost projections include debt service on the new \$20.41 million in bonds sold in the fall of 2010 and for the \$5.5 million of anticipated debt related to the Downtown Initiative. Our projections indicate no increase needed in the tax rate for debt service for the next five years, although new debt would require additional revenues.



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

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## **CONCLUSION**

Based on the assumptions contained in the analysis of projected revenues and costs for the Town's tax-funded operating funds for the next five years, differences between revenues and costs for future years could require cost or service reductions, revenue enhancements, or tax rate adjustments. The differences expressed as tax rate equivalents are summarized as follows:

### **Tax Rate Equivalents of Needed Revenue (in cents)**

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
	Estimated Increase	Estimated Increase	Estimated Increase	Estimated Increase	Estimated Increase	Estimated Increase
General Fund	0.0	3.2	2.4	1.5	1.8	1.7
Debt Service	0.0	0.0	0.0	0.0	0.0	0.0
Transportation Fund	0.0	0.0	0.6	1.0	0.3	0.4
<b>Total</b>	<b>0.0</b>	<b>3.2</b>	<b>3.0</b>	<b>2.5</b>	<b>2.1</b>	<b>2.1</b>

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 balance spending with available revenues in future budget years due to the lack of fund balance available for appropriation.

**GENERAL FUND  
PROJECTED TAX BASE  
2011/2012- 2016/2017**

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Category	2011-12 Adopted	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated
Assessed Valuation (Real & Personal Property)	\$ 7,245,483,000	\$ 7,375,900,000	\$ 7,508,670,000	\$ 7,643,830,000	\$ 7,781,420,000	\$ 7,921,490,000
Tax Levy - General Fund Only*	27,388,000	27,881,000	28,383,000	28,894,000	29,414,000	29,943,000
Estimated Collections at 99%	27,114,000	27,600,000	28,100,000	28,610,000	29,120,000	29,640,000
Estimated Prior Year Collections	150,000	150,000	150,000	150,000	150,000	150,000
<b>TOTALS</b>	<b>\$ 27,264,000</b>	<b>\$ 27,750,000</b>	<b>\$ 28,250,000</b>	<b>\$ 28,760,000</b>	<b>\$ 29,270,000</b>	<b>\$ 29,790,000</b>

\* Based on moving \$1.8 cents from the Debt Fund tax rate, for a General Fund of \$37.8 cents, with estimated growth of 1.5% in FY12 and 1.8% each year thereafter. Does not consider the effects of revaluation of real property in future years.

**GENERAL FUND**  
**PROJECTED STATE-SHARED REVENUES**  
**2011/2012- 2016/2017**

Category	2011-12 Adopted	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated
Franchise Tax <sup>1</sup>	\$ 2,800,000	\$ 2,814,000	\$ 2,828,000	\$ 2,842,000	\$ 2,856,000	\$ 2,870,000
Video Programming Tax <sup>2</sup>	718,000	725,000	725,000	725,000	725,000	725,000
Supplemental PEG support	50,000	50,000	50,000	50,000	50,000	50,000
Beer, Wine Tax <sup>3</sup>	237,000	239,000	241,000	243,000	245,000	247,000
1% Local Option Sales Tax (Article 39) <sup>4</sup>	2,946,000	3,064,000	3,187,000	3,314,000	3,447,000	3,585,000
1/2% Local Option Sales Tax (Article 40) <sup>4</sup>	2,263,000	2,331,000	2,401,000	2,473,000	2,547,000	2,623,000
1/2% Local Option Sales Tax (Article 42) <sup>4</sup>	1,476,000	1,520,000	1,566,000	1,613,000	1,661,000	1,711,000
1/2% Local Option Sales Tax (Article 44 Hold Harmless) <sup>4</sup>	2,319,000	2,412,000	2,508,000	2,608,000	2,712,000	2,820,000
Total Local Option Sales Taxes	9,004,000	9,327,000	9,662,000	10,008,000	10,367,000	10,739,000
Fuel Tax (Powell Bill) <sup>5</sup>	1,371,000	1,371,000	1,371,000	1,371,000	1,371,000	1,371,000
State Fire Protection	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
Solid Waste Disposal Tax	20,000	20,000	20,000	20,000	20,000	20,000
TOTAL	\$ 15,410,000	\$ 15,756,000	\$ 16,107,000	\$ 16,469,000	\$ 16,844,000	\$17,232,000

<sup>1</sup> Utility franchise tax distribution has been changed in recent years and was impacted by the change in distribution of cable franchise revenues. Revenues are affected by weather, and are expected to remain relatively flat.

<sup>2</sup> Video Programming fees are expected to decline in FY12 and FY13, and to level off thereafter.

<sup>3</sup> Beer and Wine taxes, initially expected to be withheld by the state, are expected to be slightly down from the FY09 levels, and are expected to grow at 1% in future years.

<sup>4</sup> Estimate a continuing slow recovery with local components expected to recover before State-wide, and normal slow growth of about 3.5% in FY13 and thereafter.

<sup>5</sup> Powell Bill revenues are distributed by a formula that is based on both street miles and population.

**GENERAL FUND**  
**REVENUE PROJECTIONS**  
**2011/2012 - 2016/2017**

Category	2011-12 Adopted	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated
Property Taxes*	\$ 27,264,000	\$ 27,750,000	\$ 28,250,000	\$28,760,000	\$29,270,000	\$29,790,000
Other Taxes & Licenses	852,000	877,000	902,000	927,000	952,000	977,000
Licenses/Permits/Fines/ Forfeitures	1,712,000	1,712,000	1,712,000	1,712,000	1,712,000	1,712,000
State-Shared Revenues	15,410,000	15,756,000	16,107,000	16,469,000	16,844,000	17,232,000
Grants	202,000	202,000	202,000	202,000	202,000	202,000
Service Charges	2,160,000	2,170,000	2,180,000	2,190,000	2,200,000	2,210,000
Interest on Investments	45,000	45,000	40,000	35,000	30,000	30,000
Other Revenues	251,000	251,000	251,000	251,000	251,000	251,000
Interfund Transfers	1,522,000	1,568,000	1,615,000	1,663,000	1,713,000	1,764,000
<b>TOTAL</b>	<b>\$ 49,418,000</b>	<b>\$ 50,331,000</b>	<b>\$ 51,259,000</b>	<b>\$52,209,000</b>	<b>\$53,174,000</b>	<b>\$54,168,000</b>

\* Based on moving \$1.8 cents of the tax rate from the Debt Fund, for a total tax rate to 37.8 cents for the General Fund through 2016-17.

**GENERAL FUND  
PROJECTED COSTS  
2011/2012 - 2016/2017**

	2011-12 Adopted	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated
Personnel Services <sup>1</sup>	\$ 36,184,000	\$ 37,737,000	\$ 39,418,000	\$ 41,153,000	\$ 42,951,000	\$44,834,000
Operations						
Operating & Maintenance <sup>2</sup>	12,982,000	13,773,000	14,730,000	15,019,000	15,434,000	15,742,000
Capital						
Equipment <sup>3</sup>	132,000	136,000	140,000	144,000	148,000	152,000
Transfer to Capital Improvements Program <sup>4</sup>	432,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Other						
Human Service contracts, hotel/ motel allocations and grants to other agencies	810,000	800,000	800,000	800,000	800,000	800,000
Other Post Employment Benefits	0	400,000	400,000	400,000	400,000	400,000
<b>TOTAL COSTS OF CURRENT PROGRAMS AND ADDITIONS/  TOTALS</b>	<b>\$ 50,540,000</b>	<b>\$53,846,000</b>	<b>\$ 56,488,000</b>	<b>\$ 58,516,000</b>	<b>\$ 60,733,000</b>	<b>\$62,928,000</b>

**Assumptions for years after 2012, reflected on base cost estimates for 2011-12:**

<sup>1</sup> Assumptions include increase 2% in FY13 and 3% each year after, 15% increase in medical insurance for FY13 and 10% annual increase in each year thereafter, and from 7% to 9% for retirement increases as projected by the State Treasurer through 2016-17.

<sup>2</sup> Increase in operating costs of 2% in FY13 and 3% annually thereafter.

<sup>3</sup> Estimated cost of routine replacement of miscellaneous non-vehicular capital equipment.

<sup>4</sup> General Fund contribution for Capital Improvements Program.

## **GENERAL FUND**

### **ANALYSIS OF REVENUE AND COST PROJECTIONS**

**2011/2012 - 2016/2017**

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	2011-12 Adopted	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated
Estimated Total Costs	\$ 50,540,000	\$ 53,846,000	\$ 56,488,000	\$ 58,516,000	\$ 60,733,000	\$ 62,928,000
Estimated Total Revenues	49,418,000	50,331,000	51,259,000	52,209,000	53,174,000	54,168,000
Revenues Needed	1,122,000	3,515,000	5,229,000	6,307,000	7,559,000	8,760,000
Fund Balance Available	1,122,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
One-time use of Fund Balance	-	-	-	-	-	-
Additional Revenue Needed/ (Available)	\$ -	\$ 2,515,000	\$ 4,229,000	\$ 5,307,000	\$ 6,559,000	\$ 7,760,000
Change in Tax Rate in cents in Specific Years*	-	3.5	2.4	1.5	1.7	1.7

\*Value of a cent = \$717,000

***TRANSIT FUND***  
***REVENUE PROJECTIONS***  
***2011/2012 - 2016/2017***

	2011-12 Adopted	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated
Taxes <sup>1</sup>	\$ 2,943,000	\$ 2,994,000	\$ 3,048,000	\$ 3,103,000	\$ 3,158,000	\$ 3,216,000
Vehicle Taxes <sup>2</sup>	415,000	415,000	419,000	423,000	427,000	431,000
Federal Operating Assistance <sup>3</sup>	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000
State Operating Assistance <sup>3</sup>	3,320,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000
UNC Contract (Net) <sup>4</sup>	5,930,000	6,019,000	6,109,000	6,201,000	6,294,000	6,388,000
Carrboro Contract (Net) <sup>4</sup>	1,033,000	1,035,000	1,037,000	1,039,000	1,041,000	1,043,000
Service Charges <sup>5</sup>	742,000	764,000	787,000	811,000	835,000	860,000
Other	27,000	27,000	27,000	27,000	27,000	27,000
<b>TOTAL</b>	<b>\$ 16,310,000</b>	<b>\$16,454,000</b>	<b>\$16,627,000</b>	<b>\$16,804,000</b>	<b>\$16,982,000</b>	<b>\$17,165,000</b>

Revenue Notes:

<sup>1</sup> Based on the property tax rate of 4.1 cents through 2016-17.

<sup>2</sup> Assumes levy of \$15 vehicle tax for Transit (increased from \$5 in 2009-10).

<sup>3</sup> Assumes continuing level of State and Federal Operating Assistance.

<sup>4</sup> Assumes continued participation by the University and Carrboro, including assumptions on cost sharing for adopted fare-free services.

<sup>5</sup> Based on continuing fare-free services, with remaining service charge revenue generated primarily by Tarheel Express.

***TRANSIT FUND***  
***COST PROJECTIONS***  
***2011/2012 - 2016/2017***

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	2011-12 Adopted	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated
Personnel Services <sup>1</sup>	\$ 10,741,000	\$ 11,238,000	\$ 11,794,000	\$ 12,401,000	\$ 13,065,000	\$ 13,794,000
Operations <sup>2</sup>	6,967,000	7,188,000	7,425,000	7,670,000	7,923,000	8,185,000
Capital Reserve Fund <sup>3</sup>	-	300,000	300,000	300,000	300,000	300,000
<b>TOTAL</b>	<b>\$ 17,708,000</b>	<b>\$ 18,726,000</b>	<b>\$ 19,519,000</b>	<b>\$ 20,371,000</b>	<b>\$ 21,288,000</b>	<b>\$ 22,279,000</b>

**Assumptions for years after 2011-12:**

<sup>1</sup> Assumptions include increase 2% in FY13 and 3% each year after, 10% increase in medical insurance for FY13 and 10% annual increase in each year thereafter, and from 7% to 9% for retirement increases as projected by the State Treasurer through 2016-17.

<sup>2</sup> Increase in operating costs of 3% annually for most operating costs and 4% for fuel.

<sup>3</sup> Amounts allocated for Capital Equipment Reserve Fund for replacement of buses, purchase of capital equipment, and local cost of Transit facilities.



***TRANSIT FUND  
REVENUE AND COST PROJECTIONS  
2011/2012 - 2016/17***

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	2011-12 Adopted	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated
Estimated Costs	\$ 17,708,000	\$18,726,000	\$19,519,000	\$20,371,000	\$21,288,000	\$22,279,000
Estimated Revenues	16,310,000	16,454,000	16,627,000	16,804,000	16,982,000	17,165,000
Revenue Needed/(Excess)	1,398,000	2,272,000	2,892,000	3,567,000	4,306,000	5,114,000
Fund Balance Available	1,398,000	2,272,000	1,500,000	-	-	-
Additional Revenue Needed	\$ -	\$ -	\$ 1,392,000	\$ 3,567,000	\$ 4,306,000	\$ 5,114,000
Change in Tax Rate in Specific Years	-	-	0.6	1.0	0.3	0.4

1 cent on the tax rate = \$717,000

Assumptions on future revenues and costs:

- Same revenue sources as available in 2009-10 (assumes current level of State funding for operating assistance).
- Assumes constant level of federal operating assistance after stimulus funding ends.
- Directed service cuts beginning in FY12.
- Includes estimated adjustments of about 3% in salaries and operating costs after FY11.

**DEBT SERVICE FUND**  
**PROJECTED TAX BASE AND OTHER REVENUES**  
**2011/2012 - 2016/2017**

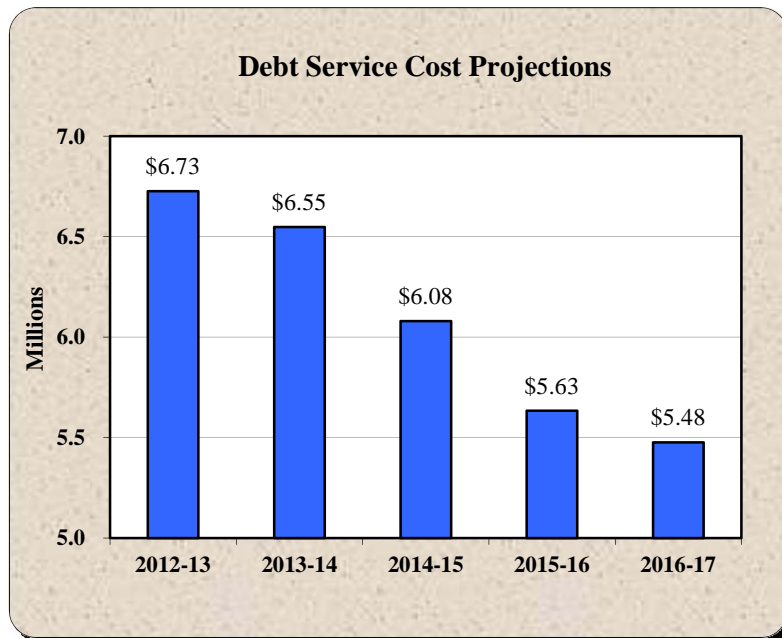
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Category	2011-12 Adopted	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated
Assessed Valuation (Real & Personal Property)	\$7,245,483,000	\$7,375,902,000	\$7,508,668,000	\$7,643,824,000	\$7,781,413,000	\$7,921,478,000
Tax Levy - Debt Service Fund Only*	5,434,000	5,532,000	5,632,000	5,733,000	5,836,000	5,941,000
Estimated Collections at 99%	5,380,000	5,477,000	5,576,000	5,676,000	5,778,000	5,882,000
Estimated Prior Year Collections	-	-	-	-	-	-
<b>TOTAL TAXES</b>	<b>\$ 5,380,000</b>	<b>\$ 5,477,000</b>	<b>\$ 5,576,000</b>	<b>\$ 5,676,000</b>	<b>\$ 5,778,000</b>	<b>\$ 5,882,000</b>
Interest Income	3,000	-	-	-	-	-
Transfer from Parking	-	438,000	438,000	438,000	438,000	438,000
<b>TOTAL REVENUES</b>	<b>\$ 5,383,000</b>	<b>\$ 5,915,000</b>	<b>\$ 6,014,000</b>	<b>\$ 6,114,000</b>	<b>\$ 6,216,000</b>	<b>\$ 6,320,000</b>

\* Based on a recommended tax rate of \$7.5 cents for the Debt Fund through 2016-17, representing a transfer of 1.8 cents to the General Fund tax rate in FY12, with estimated growth of 1.5% in FY12 and 1.8% each year thereafter. Does not consider the effects of revaluation of real property in future years.

**DEBT SERVICE FUND  
PROJECTED COSTS  
2011/2012 - 2016/2017**

	2011-12 Adopted	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated
Existing Debt	\$ 6,761,000	\$ 6,471,000	\$ 6,292,000	\$ 5,824,000	\$ 5,379,000	\$ 5,222,000
Less BABS interest subsidy	(183,000)	(183,000)	(183,000)	(183,000)	(183,000)	(183,000)
New Installment Debt Service - \$5,500,000 Downtown Initiative	-	438,000	438,000	438,000	438,000	438,000
<b>TOTALS</b>	<b>\$ 6,578,000</b>	<b>\$ 6,726,000</b>	<b>\$ 6,547,000</b>	<b>\$ 6,079,000</b>	<b>\$ 5,634,000</b>	<b>\$ 5,477,000</b>



***DEBT SERVICE FUND***  
***ANALYSIS OF REVENUE AND COST PROJECTIONS***  
***2011/2012 - 2016/2017***

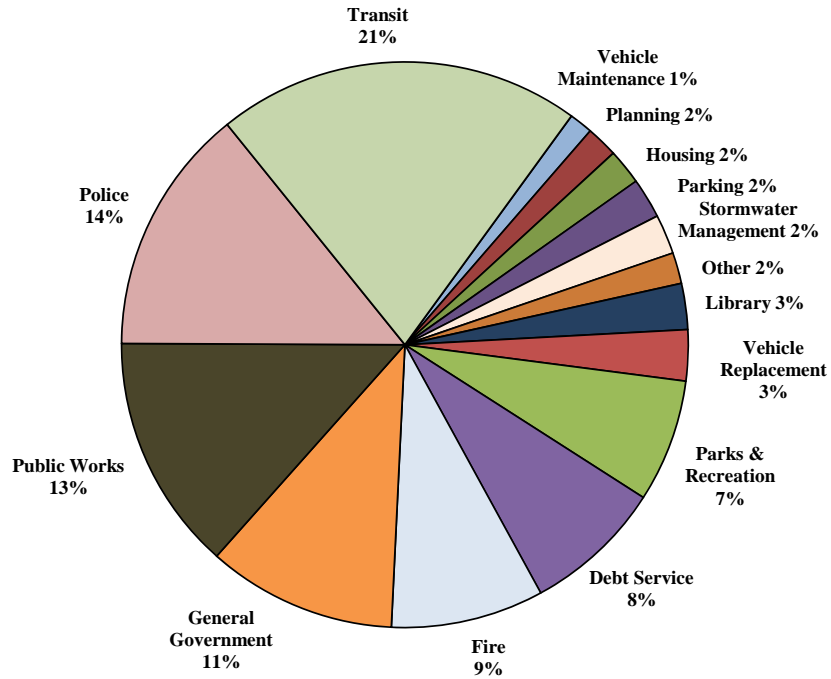
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	2011-12 Adopted	2012-13 Estimated	2013-14 Estimated	2014-15 Estimated	2015-16 Estimated	2016-17 Estimated
Estimated Total Costs	\$ 6,578,000	\$ 6,726,000	\$ 6,547,000	\$ 6,079,000	\$ 5,634,000	\$ 5,477,000
Estimated Total Revenues	5,383,000	5,915,000	6,014,000	6,114,000	6,216,000	6,320,000
Revenue (Needed)/Available	(1,195,000)	(811,000)	(533,000)	35,000	582,000	843,000
Fund Balance Available	1,195,000	811,000	533,000	-	-	-
Reserved for future debt	-	-	-	35,000	582,000	843,000
Change in Tax Rate in Specific Years*	0.0	0.0	0.0	0.0	0.0	0.0

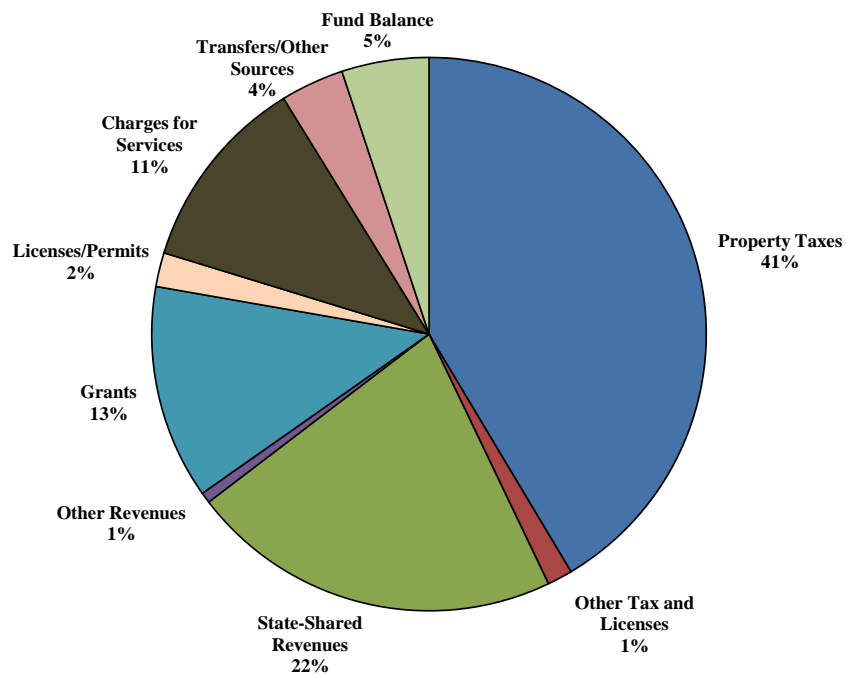
Value of a cent = \$717,000

# ALL FUNDS SUMMARY

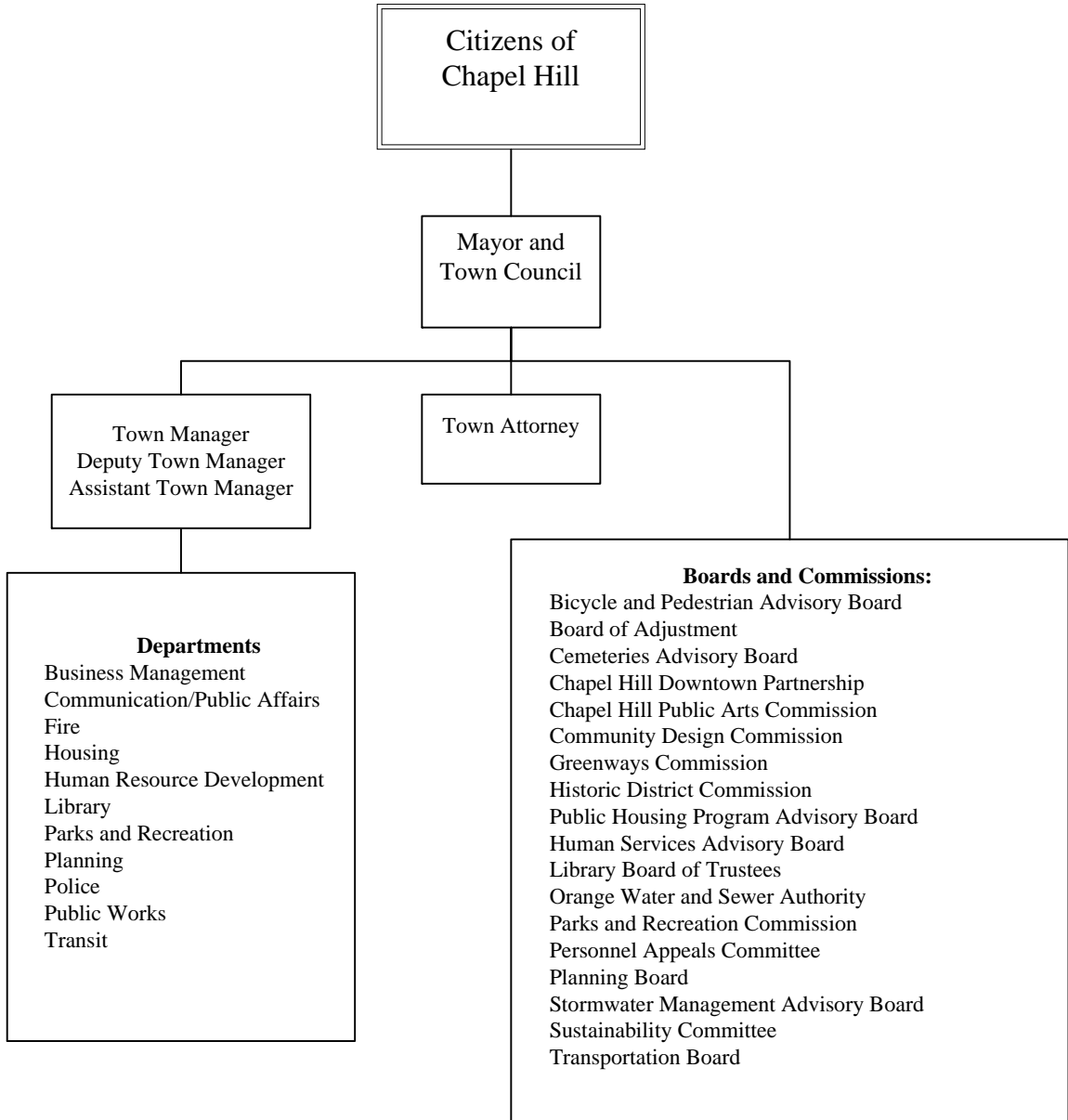
## TOTAL BUDGET EXPENDITURES \$84,934,245 (NET OF TRANSFERS)



## TOTAL BUDGET REVENUES



**TOWN OF CHAPEL HILL ORGANIZATION CHART**



***ALL FUNDS  
SUMMARY OF APPROPRIATIONS  
Adopted Budget 2011-12***

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<b>Fund</b>	<b>Appropriations</b>	<b>Less Transfers to Other Funds</b>	<b>Net Appropriations</b>
<b>General Fund</b>	\$ 50,540,000	\$ 754,756	\$ 49,785,244
<b>Transit Funds</b>			
Transit	17,708,327	47,163	17,661,164
Transit Capital Reserve Fund	315,000	315,000	-
<b>Stormwater Management Fund</b>	1,919,966	-	1,919,966
<b>Parking Funds</b>			
Off-Street Parking Fund	1,358,420	-	1,358,420
On-Street Parking Fund	745,750	153,919	591,831
<b>Housing Funds</b>			
Public Housing Fund	1,722,770	-	1,722,770
Housing Loan Trust Fund	1,260	-	1,260
<b>Debt Service Fund</b>	6,760,930	-	6,760,930
<b>Capital Projects</b>			
Capital Improvements Fund	509,824	-	509,824
<b>Other Funds</b>			
Grants Fund	549,536	-	549,536
Downtown Service District Fund	166,000	-	166,000
Library Gift Fund	238,400	206,000	32,400
Vehicle Replacement Fund	2,476,900	-	2,476,900
Vehicle Maintenance Fund	1,148,000	-	1,148,000
Computer Replacement Fund	250,000	-	250,000
<b>TOTAL</b>	<b>\$ 86,411,083</b>	<b>\$ 1,476,838</b>	<b>\$ 84,934,245</b>

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## ***ALL FUNDS STAFFING SUMMARY***

Personnel costs make up 59% of the Town's operating budget. Overall personnel (FTE's) for the FY 2011-12 Adopted Budget remain unchanged from the FY 2010-11 Adopted Budget.

### ***2011/2012 STAFFING BY DEPARTMENT IN FULL-TIME EQUIVALENTS***

<b><i>DEPARTMENTS</i></b>	<b>2009-10 ADOPTED</b>	<b>2010-11 ADOPTED</b>	<b>2011-12 ADOPTED</b>
Mayor	1.00	1.00	1.00
Manager	8.00	8.00	9.80
Communications & Public Affairs*	9.13	9.13	7.33
Human Resource Development	8.00	8.00	8.00
Business Management	22.00	23.00	23.00
Legal	2.00	2.00	2.00
Planning	20.06	20.53	20.53
Public Works	106.75	106.75	107.25
Police	144.00	145.00	145.00
Fire	93.53	93.53	93.53
Parks & Recreation	58.84	58.84	58.84
Library	29.20	29.08	29.08
Transit	185.98	195.33	195.33
Stormwater	14.00	14.00	14.00
Parking	12.80	12.80	12.80
Housing	18.00	17.00	17.00
Downtown Service District	1.00	1.00	1.00
Vehicle Maintenance	9.25	9.25	8.75
<b>Total FTE's</b>	<b>743.54</b>	<b>754.24</b>	<b>754.24</b>

See individual department Staffing Summaries for further explanation of staffing changes.



# **TAX RATES AND TAX COLLECTIONS**

## **Adopted 2011-12**

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	<b>2009-10 Actual</b>	<b>2010-11 Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted</b>
<b>Assessed Value of Real and Personal Property</b>	<b>\$ 6,850,733,652</b>	<b>\$ 7,110,000,000</b>	<b>\$ 7,138,407,000</b>	<b>\$ 7,245,483,000</b>
<b>Tax Rate Per \$100 Valuation</b>				
General Fund	42.3	36.0	36.0	37.8
Transit Fund	4.8	4.1	4.1	4.1
Debt Service Fund	11.0	9.3	9.3	7.5
<b>Total Tax Rate (cents)</b>	<b>58.1</b>	<b>49.4</b>	<b>49.4</b>	<b>49.4</b>
<b>Tax Levy</b>	<b>34,953,187</b>	<b>35,123,000</b>	<b>35,264,000</b>	<b>35,793,000</b>
<b>Estimated Collections at 99%</b>	<b>\$ 34,759,000</b>	<b>\$ 34,772,000</b>	<b>\$ 34,920,000</b>	<b>\$ 35,435,100</b>
<b>Distribution</b>				
General Fund	25,351,000	25,340,000	25,450,000	27,114,000
Transit Fund	2,890,000	2,886,000	2,900,000	2,941,000
Debt Service Fund	6,518,000	6,546,000	6,570,000	5,380,000
<b>Downtown Service District Fund</b>				
Tax Rate (cents)	9.0	7.1	7.1	7.1
<b>Assessed Value of Real and Personal Property</b>	<b>\$ 262,488,450</b>	<b>\$ 230,000,000</b>	<b>\$ 230,000,000</b>	<b>\$ 230,000,000</b>
Tax Levy	165,900	163,300	165,000	166,000
<b>1¢ of the Tax Rate Equals (to nearest 1,000)</b>	<b>\$ 680,000</b>	<b>\$ 703,890</b>	<b>\$ 707,000</b>	<b>\$ 717,000</b>

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# ***ESTIMATED UNDESIGNATED RESERVES***

## ***ANNUALLY BUDGETED FUNDS***

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	Approximate Unassigned Fund Balance July 1, 2011	2011-12 Budgeted Revenues	2011-12 Budgeted Expenditures	Approximate Unassigned Fund Balance June 30, 2012
<b>GENERAL FUND</b>	\$ 8,741,605	\$ 49,418,395	\$ 50,540,000	\$ 7,620,000
<b>SPECIAL REVENUE FUNDS</b>				
Downtown Service District	19,860	166,000	166,000	19,860
Housing Loan Trust	5,760	300	1,260	4,800
Library Gift	255,740	116,000	238,400	133,340
Grants Fund	19,000	549,536	549,536	19,000
<b>DEBT SERVICE FUND</b>	2,676,424	5,565,506	6,760,930	1,481,000
<b>CAPITAL IMPROVEMENT FUNDS</b>				
Capital Improvements	491,000	509,824	509,824	491,000
Capital Reserve	214,000	-	-	214,000
<b>ENTERPRISE FUNDS</b>				
Transportation	5,666,412	16,309,815	17,708,327	4,267,900
Transportation Capital Reserve	1,447,100	-	315,000	1,132,100
Public Housing	2,288,000	1,722,770	1,722,770	2,288,000
On-Street Parking	-	745,750	745,750	-
Off-Street Parking	27,340	1,331,080	1,358,420	-
Stormwater Management	1,000,966	1,750,000	1,919,966	831,000
<b>INTERNAL SERVICE FUNDS</b>				
Vehicle Replacement	-	2,476,900	2,476,900	-
Vehicle Maintenance	148,000	1,148,000	1,148,000	148,000
Computer Replacement	406,625	159,375	250,000	316,000
<b>TOTAL</b>	<b>\$ 23,407,832</b>	<b>\$ 81,969,251</b>	<b>\$ 86,411,083</b>	<b>\$ 18,966,000</b>

Note: Estimates of fund balance presented on this page and the following pages are based on unaudited information available during preparation of this document. Reservations of fund balance and Restrictions of fund balance are constantly changing, and these estimates are therefore subject to change.

## ***FUND BALANCE VARIANCES***

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The Town maintains a reserve of fund balance for cash flow, emergencies and opportunities. Fund balance is essentially the difference between revenues received and expenditures made in a given year plus any residual balance remaining at the end of the previous year. Part of the balance must remain unused to meet the reserve recommendations of the North Carolina Local Government Commission and State statute requirements. Part of the balance must remain unused to meet restrictions imposed by outside agencies (federal grant funds, for example) and to comply with the Town's contractual and other obligations. The remaining balance is available to be used for additional appropriations.

Fund balance fluctuates depending upon the activities during the year. The General Fund fund balance in 2010-11 is anticipated to be about 13.5% of budgeted expenditures.

**GOVERNMENTAL FUNDS**

**SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES**

**2011-12**

	General Fund			Special Revenue Funds		
	09-10 Actual	10-11 Estimated	11-12 Adopted	09-10 Actual	10-11 Estimated	11-12 Adopted
<b>Net Unreserved Assets, Beginning of Year</b>	9,881,893	10,140,690	8,742,159	548,169	385,055	300,269
<b>Financial Source</b>						
Property Taxes	25,488,679	25,647,200	27,264,000	164,272	165,000	166,000
Other Tax and Licenses	847,859	853,020	852,000	-	-	-
State-Shared Revenues	15,021,472	15,107,221	15,410,550	-	-	-
Interest on Investment	61,241	35,000	45,000	2,450	275	-
Other Revenues	479,927	490,710	251,250	236,016	87,879	116,000
Grants	405,108	463,476	201,550	890,352	677,619	229,641
Charges for Services	1,889,534	2,269,091	2,159,728	27,356	-	-
Licenses/Permits/Fines	1,795,988	1,540,550	1,712,320	-	-	-
Transfers/Other Sources	1,433,034	1,272,219	1,521,997	368,943	599,517	319,895
Appropriated Net Assets (Fund Balance)	-	3,000,000	1,121,605	-	-	123,660
<b>Total Estimated Financial Sources</b>	<b>47,422,842</b>	<b>50,678,487</b>	<b>50,540,000</b>	<b>1,689,389</b>	<b>1,530,290</b>	<b>955,196</b>
<b>Expenditures</b>						
Personnel	32,722,576	34,864,622	36,183,810	980,163	961,459	585,951
Operations	13,783,439	16,091,341	13,794,271	704,983	646,476	369,245
Capital	658,030	1,121,055	561,919	167,357	7,141	-
<b>Total Budget</b>	<b>47,164,045</b>	<b>52,077,018</b>	<b>50,540,000</b>	<b>1,852,503</b>	<b>1,615,076</b>	<b>955,196</b>
<b>Financial Sources less Budget</b>	<b>258,797</b>	<b>(1,398,531)</b>	<b>-</b>	<b>(163,114)</b>	<b>(84,786)</b>	<b>-</b>
<b>Net Unreserved Assets, End of Year</b>	<b>10,140,690</b>	<b>8,742,159</b>	<b>7,620,554</b>	<b>385,055</b>	<b>300,269</b>	<b>176,609</b>

Note: Please see note about fund balance estimates on page 62.

<b>Debt Service Fund</b>			<b>Capital Funds</b>		
<b>09-10 Actual</b>	<b>10-11 Estimated</b>	<b>11-12 Adopted</b>	<b>09-10 Actual</b>	<b>10-11 Estimated</b>	<b>11-12 Adopted</b>
1,043,175	1,546,610	2,675,988	1,787,720	1,673,545	705,545
6,518,783	6,570,000	5,380,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,686	4,240	3,000	5,894	2,000	-
-	-	-	-	75,424	-
-	85,677	182,506	37,599	457,000	-
-	-	-	58,912	55,000	55,000
-	-	-	-	-	-
4,490,000	-	-	474,000	934,555	454,824
-	-	1,195,424	-	-	-
<b>11,014,469</b>	<b>6,659,917</b>	<b>6,760,930</b>	<b>576,405</b>	<b>1,523,979</b>	<b>509,824</b>
-	-	-	-	-	-
10,511,034	5,530,539	6,760,930	-	-	-
-	-	-	690,580	2,491,979	509,824
<b>10,511,034</b>	<b>5,530,539</b>	<b>6,760,930</b>	<b>690,580</b>	<b>2,491,979</b>	<b>509,824</b>
<b>503,435</b>	<b>1,129,378</b>	<b>-</b>	<b>(114,175)</b>	<b>(968,000)</b>	<b>-</b>
<b>1,546,610</b>	<b>2,675,988</b>	<b>1,480,564</b>	<b>1,673,545</b>	<b>705,545</b>	<b>705,545</b>

**ENTERPRISE FUNDS**

**SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES**

**2008-09**

	Parking Funds			Transportation Funds		
	09-10 Actual	10-11 Estimated	11-12 Adopted	09-10 Actual	10-11 Estimated	11-12 Adopted
<b>Net Unreserved Assets, Beginning of Year</b>	665,284	799,540	27,340	5,021,678	6,780,834	7,113,467
<b>Financial Source</b>						
Property Taxes	-	-	-	2,890,868	2,898,967	2,943,720
Other Tax and Licenses	-	-	-	392,677	402,550	415,000
State-Shared Revenues	-	-	-	3,570,322	3,671,170	3,319,737
Interest on Investment	9,941	6,720	7,250	15,276	11,700	10,000
Other Revenues	6,399	326,905	44,000	70,933	117,072	16,800
Grants	-	-	-	10,339,021	9,276,577	8,862,993
Charges for Services	1,915,324	1,931,138	2,025,580	716,193	677,664	741,565
Licenses/Permits/Fines	-	-	-	-	-	-
Transfers/Other Sources	-	-	-	5,000	-	-
Appropriated Net Assets (Fund Balance)	-	-	27,340	-	-	1,713,512
<b>Total Estimated Financial Sources</b>	<b>1,931,664</b>	<b>2,264,763</b>	<b>2,104,170</b>	<b>18,000,290</b>	<b>17,055,700</b>	<b>18,023,327</b>
<b>Expenditures</b>						
Personnel	739,480	706,424	823,666	11,151,709	10,834,831	10,740,990
Operations	1,053,688	1,305,850	1,280,504	4,785,123	5,826,236	6,967,337
Capital	4,240	1,024,689	-	304,302	62,000	315,000
<b>Total Budget</b>	<b>1,797,408</b>	<b>3,036,963</b>	<b>2,104,170</b>	<b>16,241,134</b>	<b>16,723,067</b>	<b>18,023,327</b>
<b>Financial Sources less Budget</b>	<b>134,256</b>	<b>(772,200)</b>	<b>-</b>	<b>1,759,156</b>	<b>332,633</b>	<b>-</b>
<b>Net Unreserved Assets, End of Year</b>	<b>799,540</b>	<b>27,340</b>	<b>-</b>	<b>6,780,834</b>	<b>7,113,467</b>	<b>5,399,955</b>

Note: Please see note about fund balance estimates on page 62.

<b>Stormwater Management Fund</b>			<b>Housing Fund</b>		
<b>09-10 Actual</b>	<b>10-11 Estimated</b>	<b>11-12 Adopted</b>	<b>09-10 Actual</b>	<b>10-11 Estimated</b>	<b>11-12 Adopted</b>
952,178	1,190,672	1,001,462	1,386,238	1,783,264	2,287,937
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,462	2,325	-	5,373	4,294	3,900
(4,876)	(5,786)	(5,800)	987	27,266	250
-	-	-	1,491,477	1,495,763	1,323,490
1,773,084	1,750,000	1,750,000	401,715	434,811	395,130
-	-	-	-	-	-
4,876	5,786	5,800	-	-	-
-	-	169,966	-	-	-
<b>1,778,546</b>	<b>1,752,325</b>	<b>1,919,966</b>	<b>1,899,552</b>	<b>1,962,134</b>	<b>1,722,770</b>
949,071	1,022,600	1,096,180	864,266	776,554	965,722
590,981	768,935	723,786	638,260	680,907	757,048
-	150,000	100,000	-	-	-
<b>1,540,052</b>	<b>1,941,535</b>	<b>1,919,966</b>	<b>1,502,526</b>	<b>1,457,461</b>	<b>1,722,770</b>
<b>238,494</b>	<b>(189,210)</b>	<b>-</b>	<b>397,026</b>	<b>504,673</b>	<b>-</b>
<b>1,190,672</b>	<b>1,001,462</b>	<b>831,496</b>	<b>1,783,264</b>	<b>2,287,937</b>	<b>2,287,937</b>

**INTERNAL SERVICE FUNDS**

**SUMMARY OF ESTIMATED FINANCIAL SOURCES AND USES**

**2008-09**

	<b>Internal Service</b>		
	<b>09-10 Actual</b>	<b>10-11 Estimated</b>	<b>11-12 Adopted</b>
<b>Net Unreserved Assets, Beginning of Year</b>	<b>(489,588)</b>	<b>823,043</b>	<b>500,063</b>
<b>Financial Source</b>			
Property Taxes	-	-	-
Other Tax and Licenses	-	-	-
State-Shared Revenues	-	-	-
Interest on Investment	6,742	6,770	3,000
Other Revenues	45,883	180,000	120,000
Grants	-	57,512	-
Charges for Services	2,851,496	2,926,600	2,774,275
Licenses/Permits/Fines	-	-	-
Transfers/Other Sources	1,470,886	1,600,000	887,000
Appropriated Net Assets (Fund Balance)	-	-	35,725
<b>Total Estimated Financial Sources</b>	<b>4,375,007</b>	<b>4,770,882</b>	<b>3,820,000</b>
<b>Expenditures</b>			
Personnel	592,047	578,150	608,329
Operations	1,720,639	1,983,050	2,324,671
Capital	749,690	2,532,662	887,000
<b>Total Budget</b>	<b>3,062,376</b>	<b>5,093,862</b>	<b>3,820,000</b>
<b>Financial Sources less Budget</b>	<b>1,312,631</b>	<b>(322,980)</b>	<b>-</b>
<b>Net Unreserved Assets, End of Year</b>	<b>823,043</b>	<b>500,063</b>	<b>464,338</b>

Note: Please see note about fund balance estimates on page 62.



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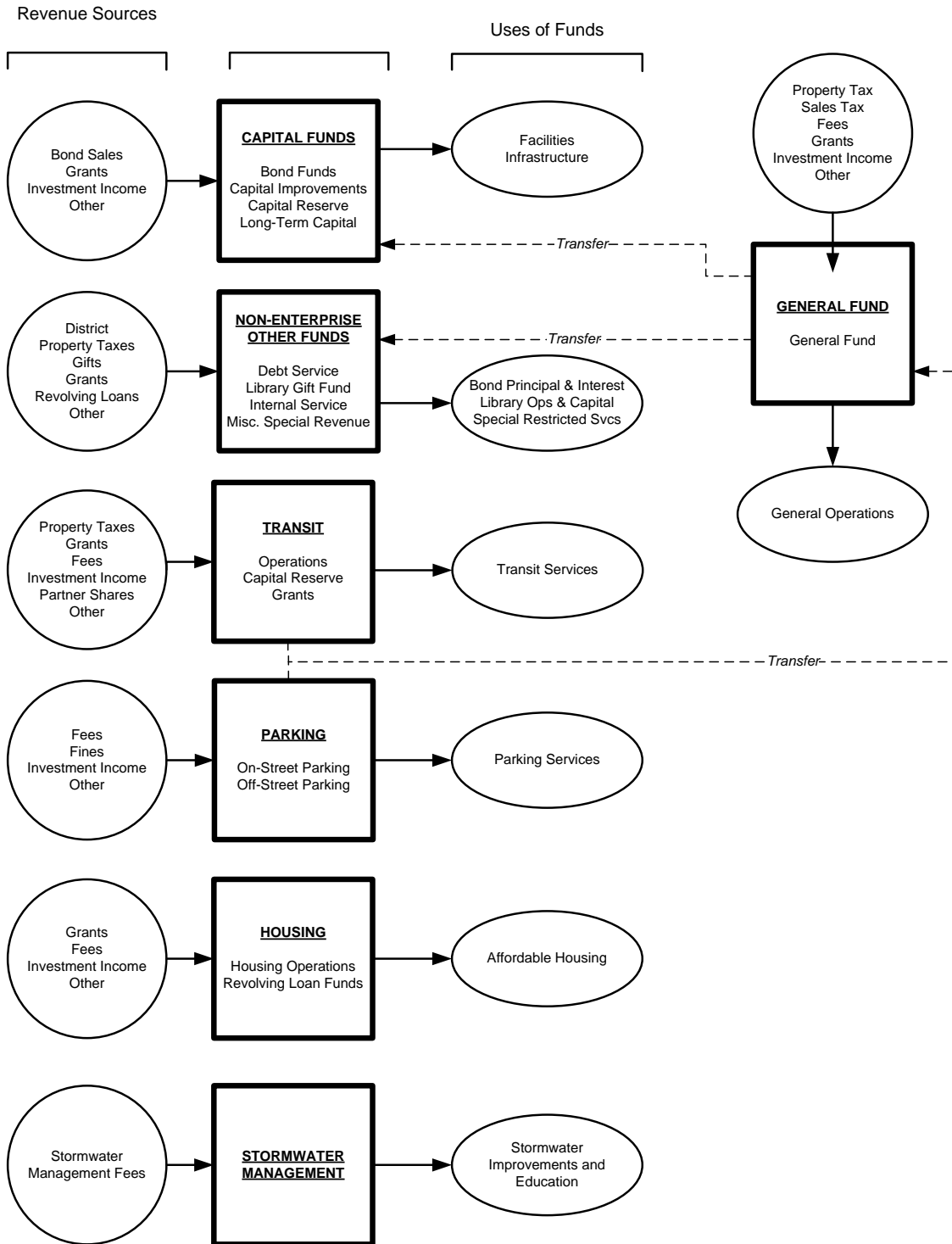
**Annual Funds - Combined Total:**

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<b>09-10 Actual</b>	<b>10-11 Estimated</b>	<b>11-12 Adopted</b>
20,796,747	25,123,253	23,354,230
35,062,602	35,281,167	35,753,720
1,240,536	1,255,570	1,267,000
18,591,794	18,778,391	18,730,287
118,065	73,324	72,150
835,269	1,299,470	542,500
13,163,557	12,513,624	10,800,180
9,633,614	10,044,304	9,901,278
1,795,988	1,540,550	1,712,320
8,246,739	4,412,077	3,189,516
-	3,000,000	4,387,232
<b>88,688,164</b>	<b>88,198,477</b>	<b>86,356,183</b>
47,999,312	49,744,640	51,004,648
33,788,147	32,833,334	32,977,792
2,574,199	7,389,526	2,373,743
<b>84,361,658</b>	<b>89,967,500</b>	<b>86,356,183</b>
<b>4,326,506</b>	<b>(1,769,023)</b>	-
<b>25,123,253</b>	<b>23,354,230</b>	<b>18,966,998</b>

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# TOWN OF CHAPEL HILL FLOW OF FUNDS



## ***SUMMARY OF ANNUAL FUND GROUPS***

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### **Governmental Funds**

General Fund

Special Revenue Funds

Grants Fund

Downtown Service District Fund

Housing Loan Trust Fund

Library Gift Fund

Debt Service Fund

Capital Funds

Capital Projects Fund

Capital Reserve Fund

Transportation Capital Reserve Fund

### **Proprietary Funds**

Enterprise Funds

Transportation Fund

Stormwater Management Fund

Parking Fund

On-Street Parking

Off-Street Parking

Public Housing Funds

Internal Service Funds

Vehicle Maintenance Fund

Vehicle Replacement Fund

Computer Replacement Fund

<b>INTERFUND TRANSFERS</b>							
<b>Adopted 2011-12</b>							
<b>Transfers to:</b>	<b>General Fund</b>	<b>Transit</b>	<b>Parking</b>	<b>Transfers From:</b>			<b>Net Transfers</b>
				<b>Capital Projects Ordinance</b>	<b>Transit Capital Reserve</b>	<b>Library Gift Fund</b>	
<b>General Fund</b>	\$ -	\$ -	\$ 153,919	\$ -	\$ -	\$ 206,000	\$ 359,919
<b>Transit Capital Grants</b>	-	47,163	-	-	315,000	-	362,163
<b>Stormwater Management</b>	5,800	-	-	-	-	-	5,800
<b>CIP Fund</b>	432,300	-	-	22,524	-	-	454,824
<b>Grants Fund</b>	316,656	-	-	-	-	-	316,656
<b>Net Transfers</b>	<b>\$ 754,756</b>	<b>\$ 47,163</b>	<b>\$ 153,919</b>	<b>\$ 22,524</b>	<b>\$ 315,000</b>	<b>\$ 206,000</b>	<b>\$ 1,499,362</b>

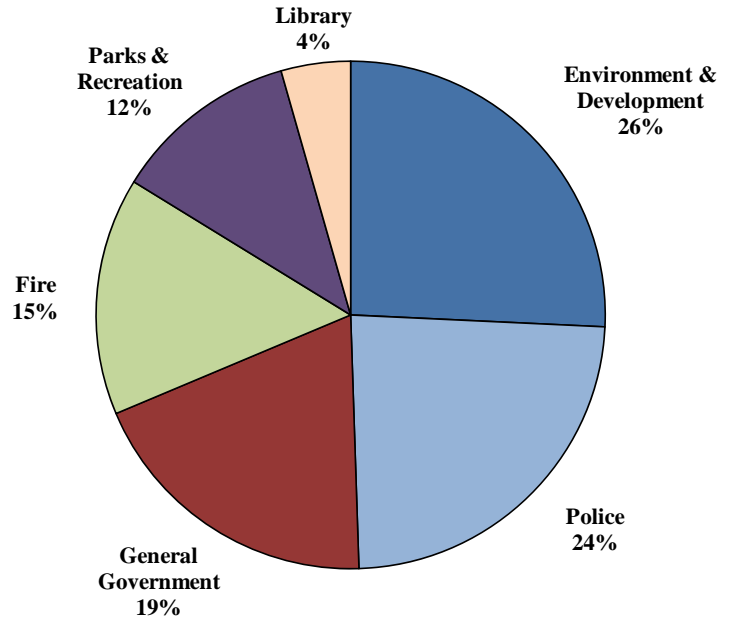


# GENERAL FUND

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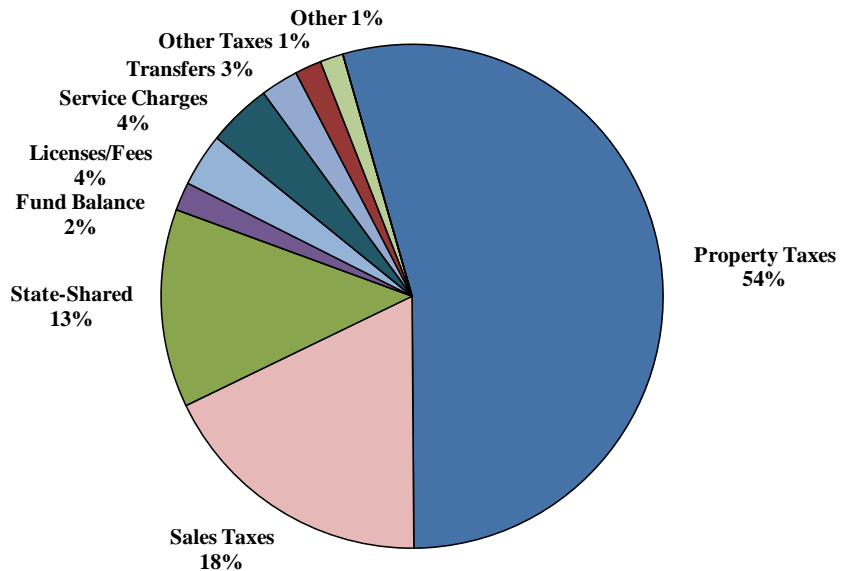
The General Fund is the general operating fund of the Town and is used to account for all revenues and expenditures except those required to be accounted for in another fund. The fund is established at the inception of a government and exists throughout the government's life.

### General Fund Expenditures



Total \$50,540,000

### General Fund Revenues



**GENERAL FUND  
BUDGET SUMMARY**

**EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
General Government	\$ 8,375,722	\$ 11,300,504	\$ 13,021,566	\$ 11,607,950	\$ 9,931,696	-12.1%
Environment & Development	12,594,142	13,351,009	13,705,859	12,853,745	13,000,796	-2.6%
Public Safety	18,170,158	19,352,451	19,645,936	19,254,016	19,412,433	0.3%
Leisure	8,024,023	8,600,036	8,739,097	8,361,307	8,195,075	-4.7%
<b>Total</b>	<b>\$ 47,164,045</b>	<b>\$ 52,604,000</b>	<b>\$ 55,112,458</b>	<b>\$ 52,077,018</b>	<b>\$ 50,540,000</b>	<b>-3.9%</b>

**REVENUES**

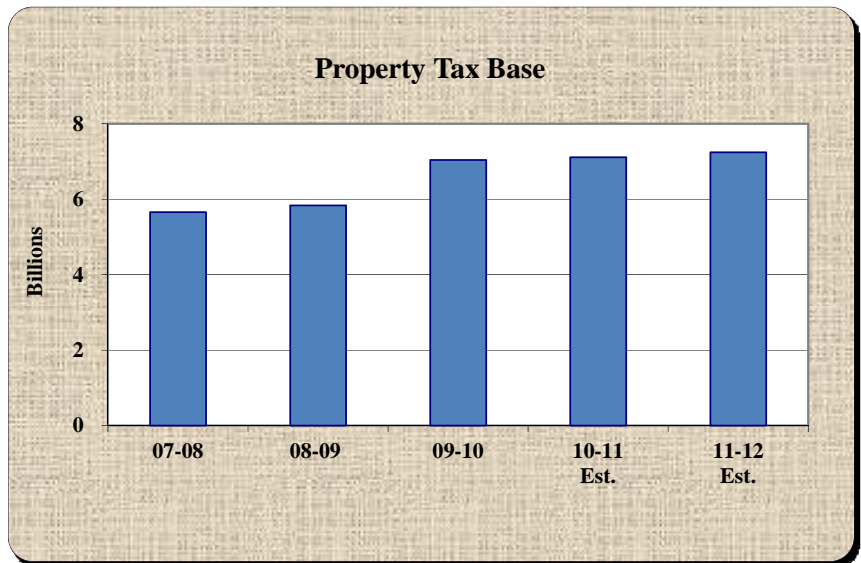
	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
General Revenues:						
Property Taxes	\$ 25,488,679	\$ 25,485,000	\$ 25,485,000	\$ 25,647,200	\$ 27,264,000	7.0%
Sales Taxes	8,765,035	9,055,000	9,055,000	8,700,000	9,004,500	-0.6%
Other Tax and Licenses	847,859	783,000	788,100	853,020	852,000	8.8%
State-Shared Revenues	6,256,437	6,268,180	6,437,242	6,407,221	6,406,050	2.2%
Interest on Investments	61,241	60,000	60,000	35,000	45,000	-25.0%
Other Revenues	479,927	306,000	357,896	490,710	251,250	-17.9%
Grants	405,108	423,468	527,115	463,476	201,550	-52.4%
Charges for Services	1,889,534	2,068,864	2,068,864	2,269,091	2,159,728	4.4%
Licenses/Permits/Fines	1,795,988	1,738,900	1,738,900	1,540,550	1,712,320	-1.5%
Transfers/Other Sources	1,433,034	1,351,358	1,380,779	1,272,219	1,521,997	12.6%
Appropriated Fund Balance	(258,797)	5,064,230	7,213,562	4,398,531	1,121,605	-77.9%
<b>Total</b>	<b>\$ 47,164,045</b>	<b>\$ 52,604,000</b>	<b>\$ 55,112,458</b>	<b>\$ 52,077,018</b>	<b>\$ 50,540,000</b>	<b>-3.9%</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 2011-12 is estimated to be about \$7,245,000,000 with 1 cent on the tax rate equivalent to about \$717,000.



The combined property tax revenue we anticipate for 2011-12 totals about \$35.4 million, with \$27 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 \$815,000 in the current year and about \$815,000 in 2011-12. Revenue trends are affected by University events and general economic conditions.

# GENERAL FUND

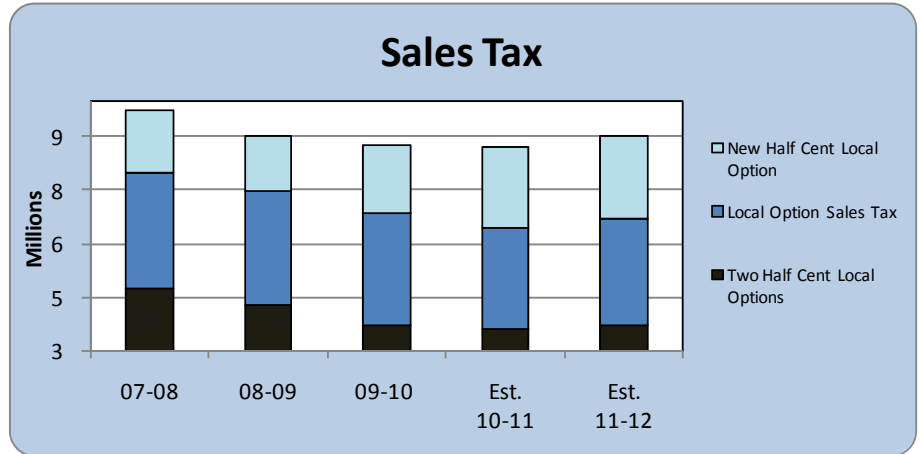
## Major Revenue Sources - Descriptions and Estimates

### State-Collected Revenues

#### Sales Taxes

Due to the slower than expected economic recovery, sales tax revenue is expected to come in about \$350,000 under budget in 2010-11. This can be attributed to uncertainties that we faced with budget preparation for FY11. However, information from the North Carolina

League of Municipalities suggests that we should see greater gains in sales tax in the coming fiscal year. Based on this information, we are estimating an overall growth rate of 3.5% in sales taxes for FY12. We estimate combined sales taxes of about \$9,004,000 for 2011-12. Orange County has the option to change 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 \$1,364,574 in 2010-11, about the same as prior year. For 2011-12, we anticipate revenues will increase slightly to about \$1,371,300.

#### 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 2011-12.

#### 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. Indications are that utility franchise fees will be in line with the current year's budget for a total of about \$3.5 million in 2010-11, and we expect no increase in 2011-12.



# GENERAL FUND

## Major Revenue Sources - Descriptions and Estimates

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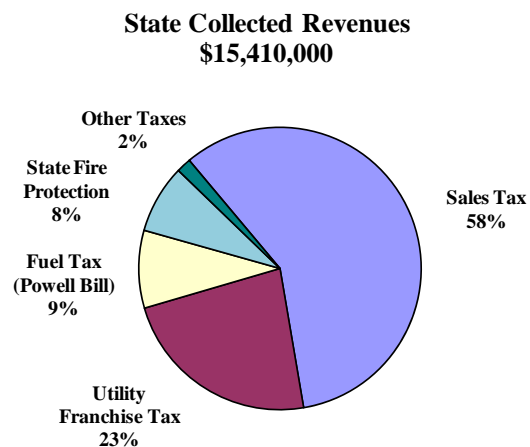
### Solid Waste Disposal Tax

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

During 2010-11 budget preparation, Beer & Wine Taxes were expected to be withheld to help balance the state budget. However, indications show that we should receive the complete allocation of about \$237,000 for the current year and next year.

In summary, we estimate State-collected revenues would total about \$15,410,000 for next year.



### Other Revenue Sources

#### Grants

This category of revenue includes certain recurring local and State grants totaling about \$450,000 for 2011-12. 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. The adopted budget for 2011-12 includes level funding from the County at \$83,700 for the Parks and Recreation supplement. In past years, Orange County has included an appropriation of \$249,000 for the Town's Library. The 2011-12 budget was adopted without the inclusion of the Orange County supplement for the library due to ongoing negotiations, but an adjustment will be made with a mid-year amendment. The State appropriation for Library services is budgeted at \$38,900.

#### Charges for Services

Service Charges for various Town services and programs (including zoning compliance review and Parks and Recreation programs) are estimated to exceed budget in the current year by about \$200,000. This can be attributed to revenues in excess of budget in street cuts and various parks programs. However, charges for services are expected to decrease from \$2,269,000 to about \$2,159,000 in 2011-12 due in large part to the decrease in one-time fees related to Carolina North.

# ***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 fall short of budget by about \$200,000 due to a decline in inspection permits. However, total licenses and permits are expected to return to the 2010-11 budgeted amount of about \$1.7 million in 2011-12.

### *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 \$25,000 in the current year and to generate only about \$45,000 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 (Carol Woods). Miscellaneous revenues are expected to total about \$490,000 for 2010-11 and \$251,000 for 2011-12. This decline is due to one-time revenue in lieu for sidewalks, traffic signals, traffic study, and recreation/open space.

#### *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 2011-12, these include estimates of \$78,000 from Parking Enterprise Funds, \$103,000 from the Stormwater Management Fund, and \$980,000 from the Transit Enterprise Fund. The 2011-12 budget also includes a transfer of \$53,000 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 \$7.2 million of fund balance in 2010-11, but through cost-cutting measures, will use only about \$4.4 million. The annual budget includes the use of about \$1,121,000 in 2011-12 to maintain service levels.

# **GENERAL FUND**

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

---

### **Summary of Revenues**

In summary, the annual budget includes \$50.5 million in General Fund revenues, including the use of about \$1,121,000 of fund balance.

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

	<b>10-11 Revised Budget</b>	<b>10-11 Estimated</b>	<b>11-12 Adopted Budget</b>
Property Taxes	\$ 25,485,000	\$ 25,647,200	\$ 27,264,000
Sales Taxes	9,055,000	8,700,000	9,004,500
Other State-Collected	6,268,180	6,407,221	6,406,050
Other Revenues	1,632,340	1,842,206	1,349,800
Licenses/Permits	1,738,900	1,540,550	1,712,320
Service Charges	2,068,864	2,269,091	2,159,728
Interfund Transfers	1,380,779	1,272,219	1,521,997
Fund Balance	7,200,624	4,398,531	1,121,605
<b>Total</b>	<b>\$ 54,829,687</b>	<b>\$ 52,077,018</b>	<b>\$ 50,540,000</b>

# **GENERAL FUND**

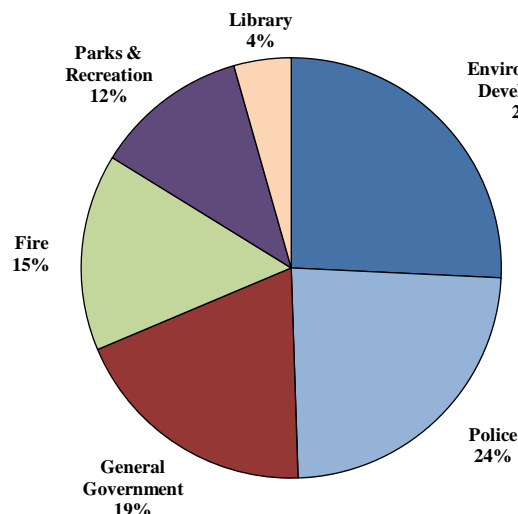
## ***Major Expenditures - Descriptions and Estimates***

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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 \$50,540,000 for the 2011-12 budget.

The largest category of expenditures for the General Fund is Public Safety services, with Police Department expenditures of about \$12.0 million and Fire Department expenditures of about \$7.4 million.



Environment and Development is the second largest category in the General Fund at about \$13.0 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 61% of total General Fund expenditures.

Other General Fund services include Parks and Recreation programs totaling about \$5.9 million, Library services of \$2.2 million, and General Governmental activities (Administration, Communications & Public Affairs, Business Management, Human Resources, Attorney, and Non-Departmental) totaling about \$9.9 million.

Non-departmental expenditures total \$3.2 million. Non-departmental expenditures include a transfer for capital improvements of \$432,300. The non-departmental budget also includes \$242,017 in matching funds for a federal Fire grant. \$809,700 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 \$410,000. Prior years included the transfer to the Debt Service Fund, but in 2008-09, a portion of the property tax was allocated to debt service instead.

# **GENERAL FUND**

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

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Significant changes in the 2011-12 budget include a 10.1% increase, or about \$520,000 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 6.35% to 6.88%, or \$128,620, for General Fund employees. Additional expenses in the budget include funding of previously unfunded & grant funded Planner positions (\$93,087), Ombudsman (\$75,000), and development of a Comprehensive Plan (\$250,000).

Major reductions to the 2011-12 budget include using bond funds for street paving (\$661,000), using bond funds for Library transition costs (\$229,700), reduction in CIP funding (\$740,500), elimination of 4<sup>th</sup> of July celebration (\$37,100), elimination of Project Turn Around (\$76,844), suspension of contributions for other post-employment benefits (\$400,000), reduction in matching funds for federal Fire grant (\$247,669), elimination of one-time Development Review funding (\$217,000), and miscellaneous budget cuts (\$520,894).

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

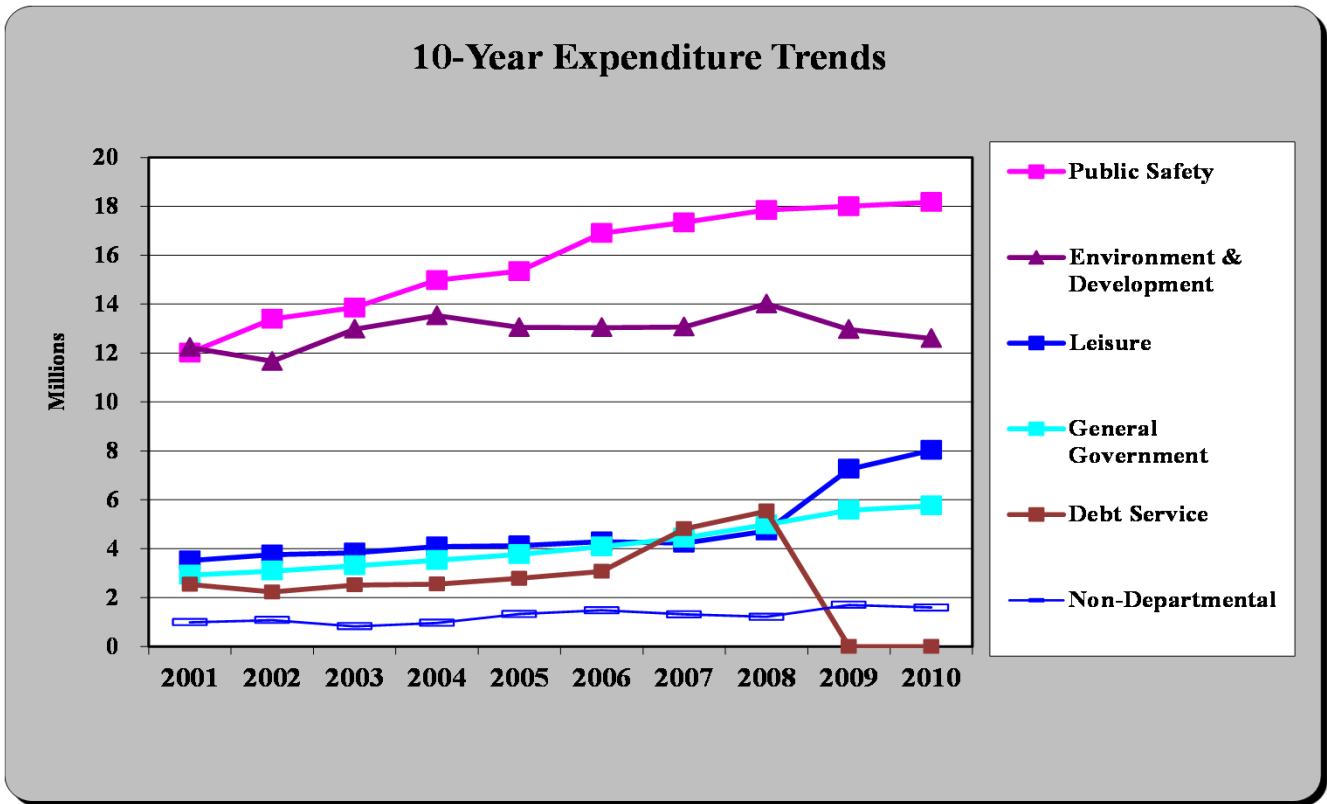
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	<b>EXPENDITURES</b>					
	<b>2009-10</b>	<b>2010-11</b>	<b>2010-11</b>	<b>2010-11</b>	<b>2011-12</b>	<b>% Change</b>
	<b>Actual</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Estimated</b>	<b>Adopted Budget</b>	<b>from 2010-11</b>
Personnel	32,722,576	35,891,230	34,993,521	34,864,622	36,183,810	0.8%
Operating Costs	13,783,439	15,445,970	18,759,372	16,091,341	13,794,271	-10.7%
Capital Outlay	658,030	1,266,800	1,359,565	1,121,055	561,919	-55.6%
Total	47,164,045	52,604,000	55,112,458	52,077,018	50,540,000	-3.9%

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# GENERAL FUND

## Major Expenditures - Descriptions and Estimates



**GENERAL FUND  
EXPENDITURES BY DEPARTMENT**

	2009-10 Actual	2010-11 Original Budget	2010-11 Revised Budget	2010-11 Estimated	2011-12 Adopted Budget	% Change from 2010-11
<b>General Government</b>						
Mayor/Council	\$ 433,625	\$ 419,041	\$ 419,041	\$ 378,367	\$ 484,664	15.7%
Manager/CaPA	1,626,166	1,689,074	1,940,835	1,731,810	1,818,297	7.7%
Human Resource Dev't	802,431	1,308,397	1,294,808	1,002,622	1,321,970	1.0%
Business Management	2,609,282	2,735,241	3,007,743	2,840,126	2,766,889	1.2%
Town Attorney	276,393	293,945	295,461	286,478	294,448	0.2%
Non-Departmental	2,627,825	4,854,806	6,063,678	5,368,547	3,245,428	-33.2%
<b>Subtotal</b>	<b>\$ 8,375,722</b>	<b>\$ 11,300,504</b>	<b>\$ 13,021,566</b>	<b>\$ 11,607,950</b>	<b>\$ 9,931,696</b>	<b>-12.1%</b>
<b>Environment &amp; Development</b>						
Planning	\$ 1,154,200	\$ 1,244,221	\$ 1,385,760	\$ 1,300,594	\$ 1,530,158	23.0%
Public Works	11,439,942	12,106,788	12,320,099	11,553,151	11,470,638	-5.3%
<b>Subtotal</b>	<b>\$ 12,594,142</b>	<b>\$ 13,351,009</b>	<b>\$ 13,705,859</b>	<b>\$ 12,853,745</b>	<b>\$ 13,000,796</b>	<b>-2.6%</b>
<b>Public Safety</b>						
Police	\$ 11,444,558	\$ 12,395,970	\$ 12,688,455	\$ 12,303,588	\$ 12,004,806	-3.2%
Fire	6,725,600	6,956,481	6,957,481	6,950,428	7,407,627	6.5%
<b>Subtotal</b>	<b>\$ 18,170,158</b>	<b>\$ 19,352,451</b>	<b>\$ 19,645,936</b>	<b>\$ 19,254,016</b>	<b>\$ 19,412,433</b>	<b>0.3%</b>
<b>Leisure</b>						
Parks and Recreation	\$ 5,692,308	\$ 6,202,801	\$ 6,319,328	\$ 6,175,048	\$ 5,963,430	-3.9%
Library	2,331,715	2,397,235	2,419,769	2,186,259	2,231,645	-6.9%
<b>Subtotal</b>	<b>\$ 8,024,023</b>	<b>\$ 8,600,036</b>	<b>\$ 8,739,097</b>	<b>\$ 8,361,307</b>	<b>\$ 8,195,075</b>	<b>-4.7%</b>
<b>General Fund Total</b>	<b>\$ 47,164,045</b>	<b>\$ 52,604,000</b>	<b>\$ 55,112,458</b>	<b>\$ 52,077,018</b>	<b>\$ 50,540,000</b>	<b>-3.9%</b>





# **GENERAL GOVERNMENT BUDGET SUMMARY**

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

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## **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Mayor/Council	\$ 433,625	\$ 419,041	\$ 419,041	\$ 378,367	\$ 484,664	15.7%
Town Manager/CaPA	1,626,166	1,689,074	1,940,835	1,731,810	1,818,297	7.7%
Human Resources	802,431	1,308,397	1,294,808	1,002,622	1,321,970	1.0%
Business Management	2,609,282	2,735,241	3,007,743	2,840,126	2,766,889	1.2%
Town Attorney	276,393	293,945	295,461	286,478	294,448	0.2%
Non-Departmental	2,627,825	4,854,806	6,063,678	5,368,547	3,245,428	-33.2%
<b>Total</b>	<b>\$ 8,375,722</b>	<b>\$ 11,300,504</b>	<b>\$ 13,021,566</b>	<b>\$ 11,607,950</b>	<b>\$ 9,931,696</b>	<b>-12.1%</b>

## **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
General Revenues	\$ 8,375,722	\$ 11,300,504	\$ 13,021,566	\$ 11,607,950	\$ 9,931,696	-12.1%
<b>Total</b>	<b>\$ 8,375,722</b>	<b>\$ 11,300,504</b>	<b>\$ 13,021,566</b>	<b>\$ 11,607,950</b>	<b>\$ 9,931,696</b>	<b>-12.1%</b>

# ***MAYOR/COUNCIL***

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## **MISSION STATEMENT:**

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

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

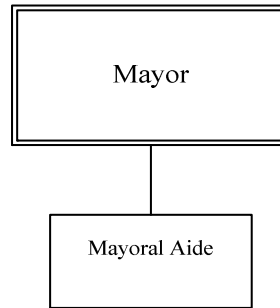
The Mayor and Town Council make policy decisions regarding Town services and other governmental responsibilities of the Town. Most policy decisions occur through adoption of the Comprehensive Plan, the annual budget, the capital improvements program and other ordinances and resolutions. Town Council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

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

***MAYOR***  
***STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

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	<b>2009-10 ADOPTED</b>	<b>2010-11 ADOPTED</b>	<b>2011-12 ADOPTED</b>
Mayoral Aide	1.00	1.00	1.00
Mayor's Office Totals	1.00	1.00	1.00



# **MAYOR**

## **BUDGET SUMMARY**

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*The adopted budget for the Mayor's office reflects an overall decrease from the prior year in keeping with the strategy for addressing next year's budget in the current economic climate. The changes in personnel costs include a 10.1% increase in medical insurance rates and an increase to the retirement contribution. These changes result in a net overall decrease of 2.2% from the previous fiscal year. The decrease in operating is due to reductions to various operating line items, such as supplies.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 107,108	\$ 97,642	\$ 97,642	\$ 98,717	\$ 98,285	0.7%
Operating Costs	21,629	20,290	20,290	19,214	16,994	-16.2%
<b>Total</b>	<b>\$ 128,737</b>	<b>\$ 117,932</b>	<b>\$ 117,932</b>	<b>\$ 117,931</b>	<b>\$ 115,279</b>	<b>-2.2%</b>

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### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
General Revenues	\$ 128,737	\$ 117,932	\$ 117,932	\$ 117,931	\$ 115,279	-2.2%
<b>Total</b>	<b>\$ 128,737</b>	<b>\$ 117,932</b>	<b>\$ 117,932</b>	<b>\$ 117,931</b>	<b>\$ 115,279</b>	<b>-2.2%</b>

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# **COUNCIL**

## **BUDGET SUMMARY**

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*The adopted budget for the Town Council reflects an increase of 22.7% from the 2010-11 budget, primarily for election-related items. The operating increase is directly related to adding election expenses to the FY12 budget, including \$55,500 for voter owned elections and \$25,000 for direct election costs. The increase in personnel costs can be attributed to the 10.1% increase in medical insurance rates and the election-related contingency for new council members' insurance.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 152,927	\$ 168,768	\$ 166,754	\$ 164,200	\$ 174,219	3.2%
Operating Costs	151,961	132,341	134,355	96,236	195,166	47.5%
Total	\$ 304,888	\$ 301,109	\$ 301,109	\$ 260,436	\$ 369,385	22.7%

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### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
General Revenues	\$ 304,888	\$ 301,109	\$ 301,109	\$ 260,436	\$ 369,385	22.7%
Total	\$ 304,888	\$ 301,109	\$ 301,109	\$ 260,436	\$ 369,385	22.7%

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# **TOWN MANAGER**

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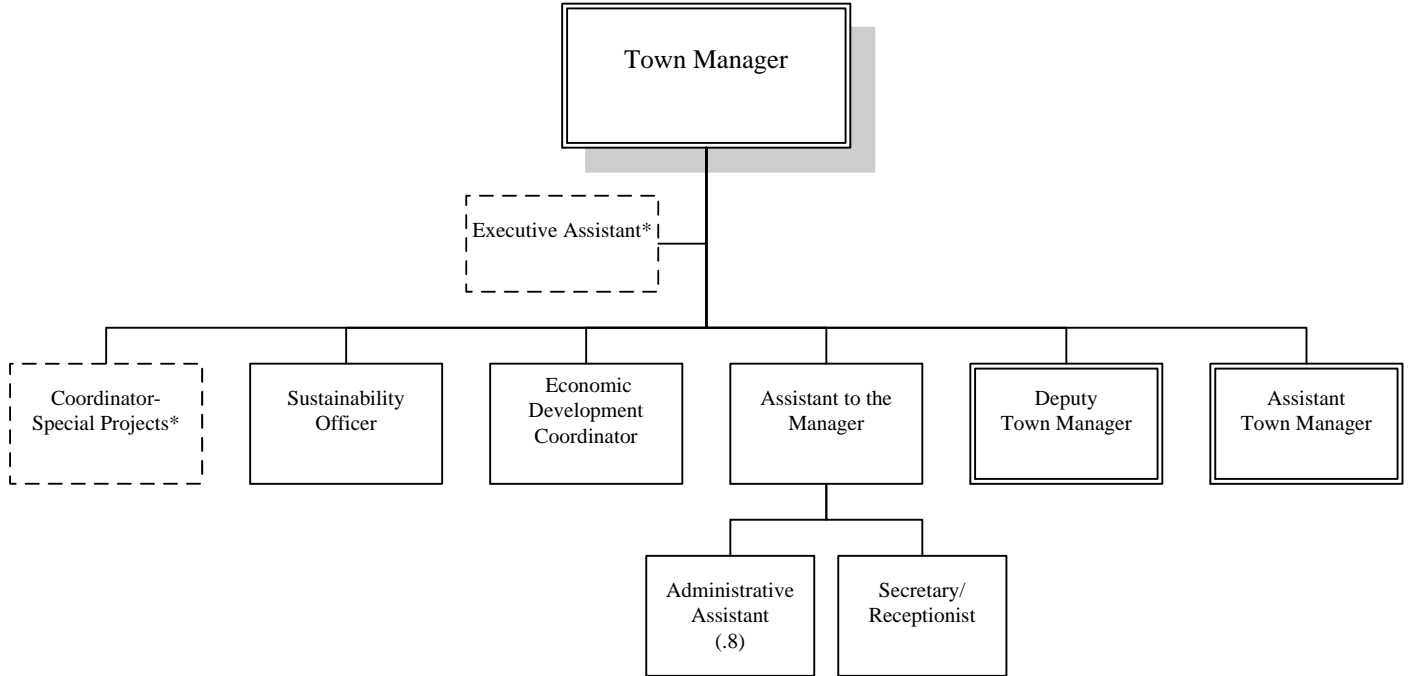
## **MISSION STATEMENT:**

*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 Manager's Office is responsible for the overall management of Town services under the direction of the Mayor and Council, and for various support services to the Mayor and Council. In accordance with policy direction by the Council, the Manager's Office directs, coordinates, and evaluates the performance of Town services, and provides staff support to the Council. Duties of the Town Manager's Office include:

- Attendance at all meetings of the Town Council and recommendations for adoption of such measures as shall be deemed expedient.
- Preparation of reports to Council from time to time on the affairs of the Town, and ensuring that the Council is fully advised of the Town's financial condition and its future financial needs.
- Budget and capital improvements program recommendations in accordance with the schedule adopted by the Town Council.
- Comprehensive and clear staff reports on all items placed on the Council's agenda.
- Supervision of all work of department heads, officers and employees of the Town, as administrative head of the Town.

**TOWN MANAGER**



\* Unfunded Position

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

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	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>
	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>ADOPTED</b>
Town Manager	1.00	1.00	1.00
Deputy Town Manager	1.00	1.00	1.00
Assistant Town Manager	1.00	1.00	1.00
Economic Development Coordinator	1.00	1.00	1.00
Executive Assistant*	1.00	1.00	1.00
Sustainability Officer	1.00	1.00	1.00
Coordinator - Special Projects*	1.00	1.00	1.00
Assistant to the Manager	1.00	1.00	1.00
Administrative Assistant	0.00	0.00	0.80
Secretary/Receptionist	0.00	0.00	1.00
Town Manager's Office Totals	<u>8.00</u>	<u>8.00</u>	<u>9.80</u>

\*Unfunded position



# **TOWN MANAGER**

## **BUDGET SUMMARY**

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*The Town Manager's adopted budget for FY12 reflects a 19.7% increase over FY11, primarily the result of the transfer of two administrative positions from Communications & Public Affairs. Other personnel changes include a 10.1% increase to medical insurance, increase to the retirement contribution, reserve for pay adjustments and budget for the previously frozen Assistant to the Manager position (\$21,776). The operating increase of 47.3% is due to a continuation of the Economic Development adjustment that was made mid-FY11 and an increase in the budget for professional services.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 790,987	\$ 796,809	\$ 790,166	\$ 801,157	\$ 910,089	14.2%
Operating Costs	145,718	158,625	329,711	254,952	233,703	47.3%
<b>Total</b>	<b>\$ 936,705</b>	<b>\$ 955,434</b>	<b>\$ 1,119,877</b>	<b>\$ 1,056,109</b>	<b>\$ 1,143,792</b>	<b>19.7%</b>

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### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
General Revenues	\$ 936,705	\$ 955,434	\$ 1,119,877	\$ 1,056,109	\$ 1,143,792	19.7%
<b>Total</b>	<b>\$ 936,705</b>	<b>\$ 955,434</b>	<b>\$ 1,119,877</b>	<b>\$ 1,056,109</b>	<b>\$ 1,143,792</b>	<b>19.7%</b>

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# ***COMMUNICATIONS & PUBLIC AFFAIRS***

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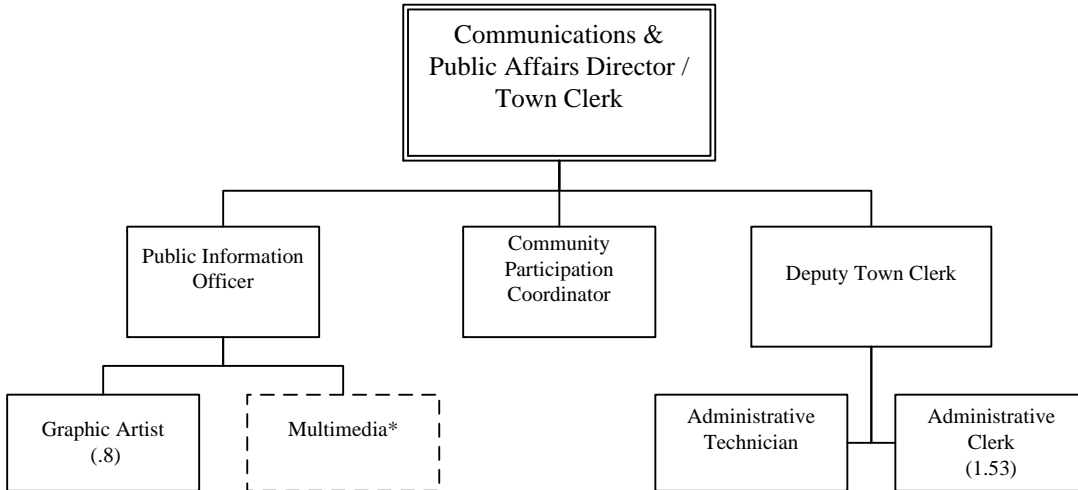
## **MISSION STATEMENT:**

*To encourage citizen 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, citizen education and service programs, and marketing activities.*

Summary of services provided in support of department's mission:

- Manages the Town's communications and media relations activities.
- Develops information and public awareness campaigns.
- Maintains and makes easily accessible all official records of the local legislative process.
- Coordinates Council appointments to all Town boards and commissions.
- Coordinates citizens' requests for service.
- Oversees content on the Town's website and social media.
- Produces internal and external publications.
- Manages the government access cable television channel.
- Coordinates protest petitions.
- Administers oaths of office.
- Maintains calendars of official Town activities and meetings.

COMMUNICATIONS & PUBLIC AFFAIRS



\*Unfunded position.

**COMMUNICATIONS & PUBLIC AFFAIRS OFFICE**  
**STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS**

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	<b>2009-10 ADOPTED</b>	<b>2010-11 ADOPTED</b>	<b>2011-12 ADOPTED</b>
Communications & Public Affairs Director / Town Clerk	1.00	1.00	1.00
Town Clerk-Deputy	1.00	1.00	1.00
Administrative Technician	1.00	1.00	1.00
Administrative Clerk	1.53	1.53	1.53
Public Information Officer	1.00	1.00	1.00
Administrative Assistant	0.80	0.80	0.00
Secretary/Receptionist	1.00	1.00	0.00
Web System Administrator*	1.00	0.00	0.00
Graphic Artist	0.80	0.80	0.80
Media Specialist*	0.00	1.00	1.00
<b>CAPA Office Totals</b>	<b>9.13</b>	<b>9.13</b>	<b>7.33</b>

\*Unfunded position.

# **COMMUNICATIONS & PUBLIC AFFAIRS/ TOWN CLERK BUDGET SUMMARY**

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*The adopted budget for 2011-12 reflects an 8.1% decrease from prior year, primarily the result of the transfer of two administrative positions to the Town Manager's department. Other personnel changes include the 10.1% increase to medical insurance and 7% increase to the retirement contribution. The 6.7% increase to the operating budget can be attributed to an increase in equipment rentals due to increased costs for copier rental.*

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## **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 518,993	\$ 524,909	\$ 430,661	\$ 420,020	\$ 451,817	-13.9%
Operating Costs	170,468	208,731	390,297	255,681	222,688	6.7%
<b>Total</b>	<b>\$ 689,461</b>	<b>\$ 733,640</b>	<b>\$ 820,958</b>	<b>\$ 675,701</b>	<b>\$ 674,505</b>	<b>-8.1%</b>

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## **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
General Revenues	\$ 689,461	\$ 733,640	\$ 820,958	\$ 675,701	\$ 674,505	-8.1%
<b>Total</b>	<b>\$ 689,461</b>	<b>\$ 733,640</b>	<b>\$ 820,958</b>	<b>\$ 675,701</b>	<b>\$ 674,505</b>	<b>-8.1%</b>

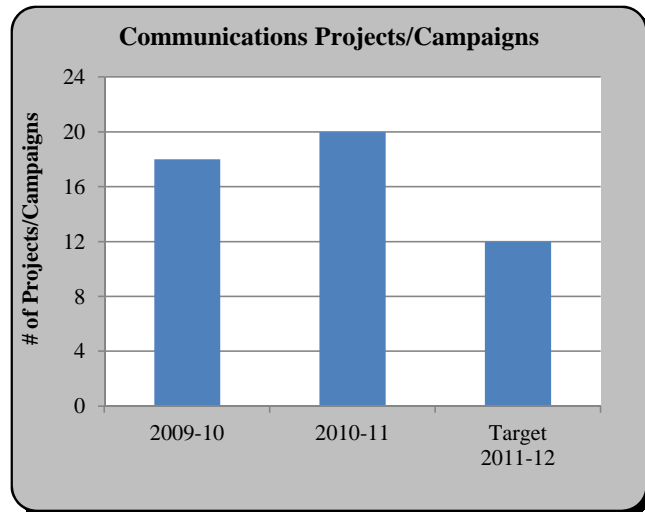
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# COMMUNICATIONS & PUBLIC AFFAIRS/TOWN CLERK TRENDS

**COUNCIL SERVICE GOAL:** Provide accurate and timely current and historical public information.

**Objective:** Produce at least 12 Communication Projects/Campaigns annually to enhance public knowledge and involvement with the Council's goals and initiatives.

**Departmental Goal:** Provide public awareness campaigns and maintain official records to promote local government accountability/transparency, participation and collaboration.



OBJECTIVES	PROGRESS/STATUS			
<b>Public Information:</b> Enhance the Town's image and build support for municipal programs; enable residents to take full advantage of Town services; enhance citizens' understanding of issues facing the Town.	Increased number of news releases, brochures, and numerous special projects to provide information to the public.			
<b>PUBLIC INFORMATION GOAL</b>	<b>Actual 09-10</b>	<b>Actual 10-11</b>	<b>Target for 11-12</b>	<b>Change from Prior Year</b>
Number of news releases	440	487	450	11%
Number of advertisements	67	61	70	-9%
Number of publications/brochures/directories	61	70	65	15%
Number of communications projects/campaigns	18	20	12	11%

OBJECTIVES	PROGRESS/STATUS			
<b>Public Participation:</b> Help policy makers and constituents cooperatively formulate and achieve common goals; reinforce a sense of openness, which encourages participation in local government	Held training for boards and commissions staff liaisons; developing process for response to petitions; developed process to make Council emails available to public; soliciting more Facebook fans and Twitter followers			
<b>PUBLIC PARTICIPATION GOAL</b>	<b>Actual 09-10</b>	<b>Actual 10-11</b>	<b>Target for 11-12</b>	<b>Change from Prior Year</b>
Number of applicants to boards/commissions	109	93	110	-13%
eNews subscribers	3,084	3,074	3,381	-0.32%
Facebook fans	2,175	2,954	3,249	36%
Twitter followers	788	1,555	1,711	97%

# ***HUMAN RESOURCE DEVELOPMENT DEPARTMENT***

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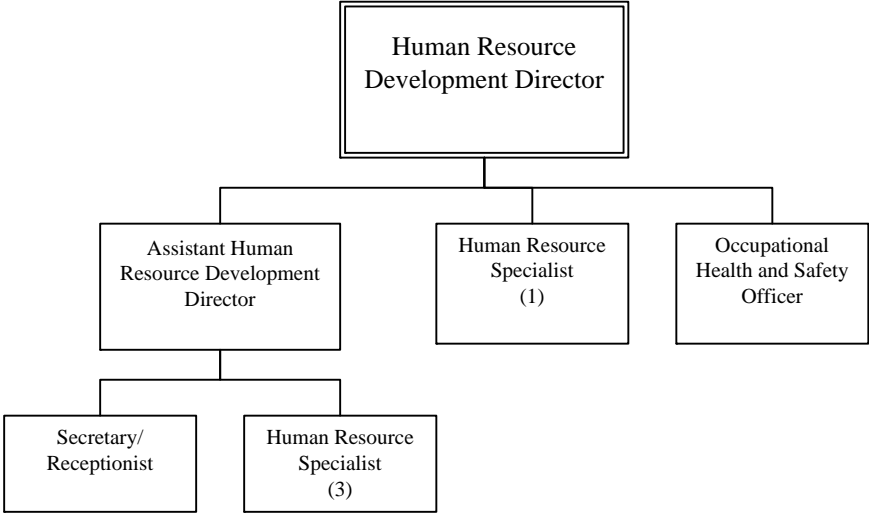
## **MISSION STATEMENT:**

*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.*

Summary of strategies and services provided in support of department's mission:

- Attract, retain and engage employees who support the Town's mission and contribute to its success.
- Facilitate the professional growth and development of employees.
- Manage information and provide services/consultation to support the employee-employer relationship.
- Collaborate to solve problems, break down barriers and experiment with new ideas and approaches.
- Ensure that policies, programs and actions promote the dignity and worth of people as well as meet the highest ethical and legal standards.

HUMAN RESOURCE DEVELOPMENT





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

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	<b>2009-10 ADOPTED</b>	<b>2010-11 ADOPTED</b>	<b>2011-12 ADOPTED</b>
Human Resource Development Director	1.00	1.00	1.00
Assistant Director-Human Resource Development	1.00	1.00	1.00
Occupational Health and Safety Officer	1.00	1.00	1.00
Human Resource Specialist	4.00	4.00	4.00
Secretary/ Receptionist	1.00	1.00	1.00
	<hr/>		
Human Resource Development Totals	8.00	8.00	8.00

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# ***HUMAN RESOURCE DEVELOPMENT BUDGET SUMMARY***

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*The adopted budget for Human Resource Development for FY12 shows little change from FY11. The net result of the personnel changes (that include a 10.1% increase to medical insurance, an increase to the retirement contribution, and reserve for pay adjustments) is a 1.8% increase or \$11,302. The 0.3% increase to the operating budget can be attributed to a net of a decrease of \$64,000 for costs associated with the UNC Health System initiative, an increase of \$75,000 for an Ombudsman, and miscellaneous operating cuts.*

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## **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 610,801	\$ 639,995	\$ 586,171	\$ 586,171	\$ 651,297	1.8%
Operating Costs	191,630	668,402	708,637	416,451	670,673	0.3%
<b>Total</b>	<b>\$ 802,431</b>	<b>\$ 1,308,397</b>	<b>\$ 1,294,808</b>	<b>\$ 1,002,622</b>	<b>\$ 1,321,970</b>	<b>1.0%</b>

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## **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
General Revenues	\$ 802,431	\$ 1,308,397	\$ 1,294,808	\$ 1,002,622	\$ 1,321,970	1.0%
<b>Total</b>	<b>\$ 802,431</b>	<b>\$ 1,308,397</b>	<b>\$ 1,294,808</b>	<b>\$ 1,002,622</b>	<b>\$ 1,321,970</b>	<b>1.0%</b>

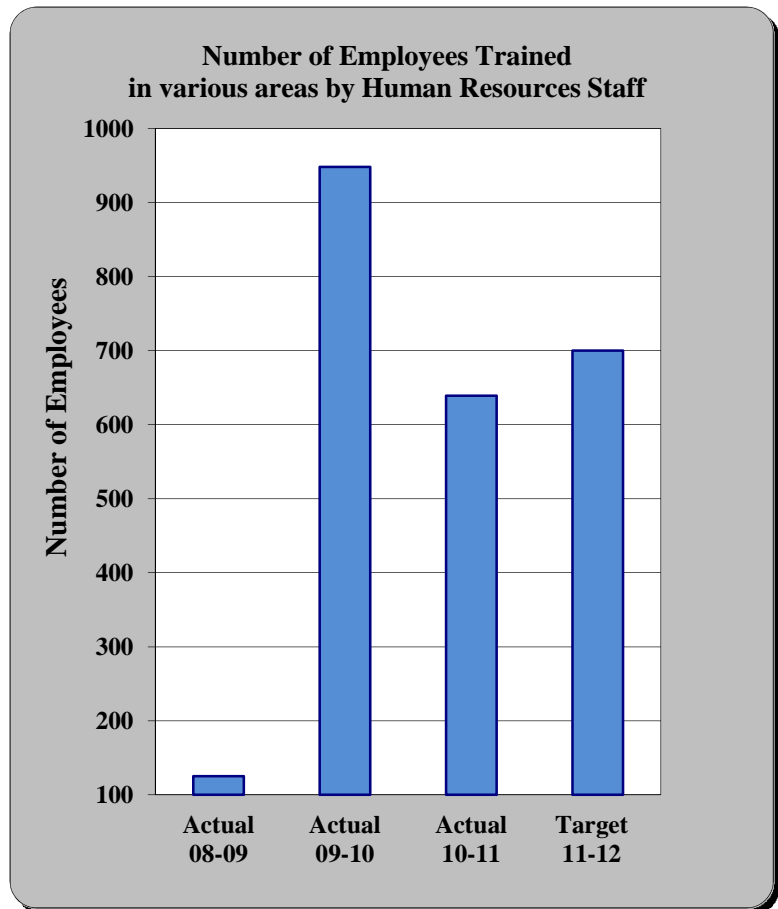
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# HUMAN RESOURCES TRENDS

**COUNCIL SERVICE GOALS:** Retain employees and continue to invest in the maintenance of employee skills, knowledge and abilities as a key community resource.

**GOAL:** Increase the number of employees who receive health and safety training.

The Human Resource Development Department offered a variety of training and developmental opportunities in 2010 -2011. Our focus is to create a strategic framework for learning that aligns itself with the mission, values and goals of the Town. This year HRD offered over 33 training opportunities and reached 992 participants. There were 13 health and safety related training opportunities offered and 105 participants. This and other program efforts are aimed at reducing the total number of injuries, the lost days due to work-related injuries and ultimately the reduction of costs. Although we have offered less training opportunities this year, the number of lost days for Worker's Compensation claims continue in a downward trend.



Additional Details	Actual 08-09	Actual 09-10	Actual 10-11	Target 11-12
# of Lost Days due to Workers'	554	210	64	50
# of New Workers' Compensation	14	9	4	4
Average Amount Paid Per Injury	\$4,820	\$1,784	\$1,659	\$1,500
Total Claim Costs	\$453,039	\$153,464	\$92,913	\$85,000

# ***BUSINESS MANAGEMENT DEPARTMENT***

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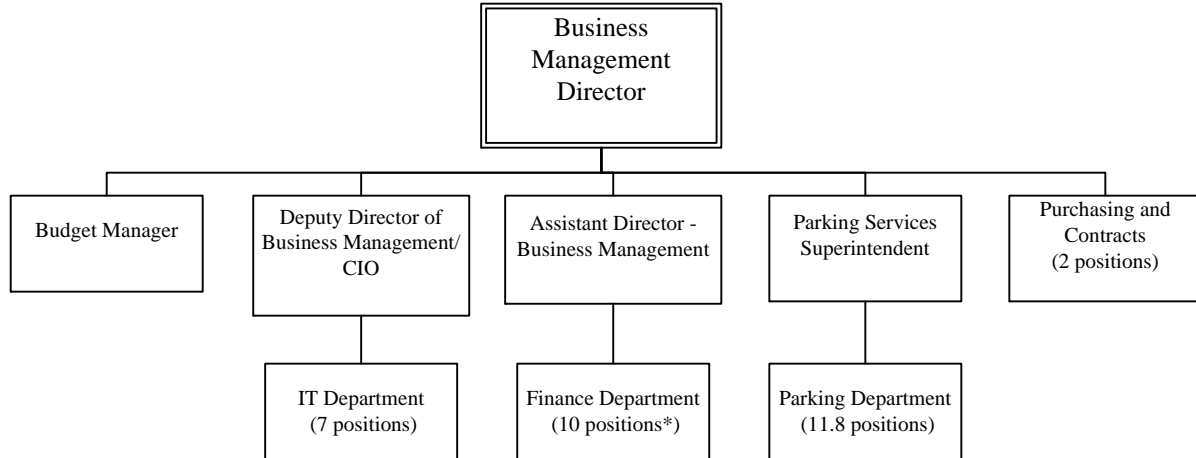
## **MISSION STATEMENT:**

*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 technology oversight and support to help the Town make the best possible use of available technology.*

Summary of services provided in support of department's mission:

- Support the budget and performance measurement process, including preparation of an accurate and informative budget document and estimation of Town revenues.
- Monitor the Town's financial position and provide for appropriate investments and borrowings.
- Oversee centralized purchasing and contract management; maintain insurance policies and processing of insurance claims for property damage.
- Provide payroll and accounts payable services.
- Provide centralized billing and revenue collection services for all Departments and collection of taxes for Town and County citizens.
- Maintain accurate and informative financial records that support the Town's operations and enable the Town to receive unqualified opinions by independent auditors and to obtain renewal of the Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Award from the Government Finance Officers' Association.
- Review internal systems, policies and processes for fiscal efficiencies.
- Provide technological equipment, software and support for staff, citizens, and other interested parties to use the Town information efficiently within a secure environment.
- Oversee procurement, operation and maintenance of computer systems, network and telephone services and related equipment.
- Develop and maintain internet-related information services.
- Oversee management of the Town's on- and off-street parking services.

## BUSINESS MANAGEMENT DEPARTMENT OVERVIEW



Parking Services is supervised by the Business Management Director, and is shown in the Parking section.

***BUSINESS MANAGEMENT***  
***STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

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	<b>2009-10 ADOPTED</b>	<b>2010-11 ADOPTED</b>	<b>2011-12 ADOPTED</b>
<b><u>Finance</u></b>			
Director - Business Management	1.00	1.00	1.00
Assistant Director - Business Management	1.00	1.00	1.00
Accounting Manager	1.00	1.00	1.00
Financial Systems Administrator	1.00	1.00	1.00
Budget Manager	1.00	1.00	1.00
Accountant*	2.00	3.00	3.00
Purchasing & Contracts Manager	1.00	1.00	1.00
Payroll Coordinator	1.00	1.00	1.00
Accounting Technician II	2.00	2.00	2.00
Revenue Collector	1.00	1.00	1.00
Accounting Clerk	1.00	1.00	1.00
Purchasing Technician	1.00	1.00	1.00
Division Totals	14.00	15.00	15.00
<b><u>Information Technology</u></b>			
Deputy Director - Bus. Mgmt./Chief Information Officer	1.00	1.00	1.00
Network and Telecommunications Analyst	1.00	1.00	1.00
Geographic Information Systems Analyst	1.00	1.00	1.00
Information Technology Analyst	5.00	5.00	5.00
Division Totals	8.00	8.00	8.00
Business Management Totals	22.00	23.00	23.00

\* The Housing Budget Officer position was changed to "Accountant" and moved to Finance mid-year FY10.

The Business Management Director also supervises Parking Services, shown in the Parking section.

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# ***BUSINESS MANAGEMENT***

## ***BUDGET SUMMARY***

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*Business Management is comprised of the Finance and Information Technology divisions. See the following division summaries for details.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 1,758,474	\$ 1,885,837	\$ 1,909,167	\$ 1,867,977	\$ 1,898,362	0.7%
Operating Costs	723,203	769,404	940,536	809,149	755,908	-1.8%
Capital Outlay	127,605	80,000	158,040	163,000	112,619	40.8%
<b>Total</b>	<b>\$ 2,609,282</b>	<b>\$ 2,735,241</b>	<b>\$ 3,007,743</b>	<b>\$ 2,840,126</b>	<b>\$ 2,766,889</b>	<b>1.2%</b>

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### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
General Revenues	\$ 2,609,282	\$ 2,735,241	\$ 3,007,743	\$ 2,840,126	\$ 2,766,889	1.2%
<b>Total</b>	<b>\$ 2,609,282</b>	<b>\$ 2,735,241</b>	<b>\$ 3,007,743</b>	<b>\$ 2,840,126</b>	<b>\$ 2,766,889</b>	<b>1.2%</b>

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# BUSINESS MANAGEMENT

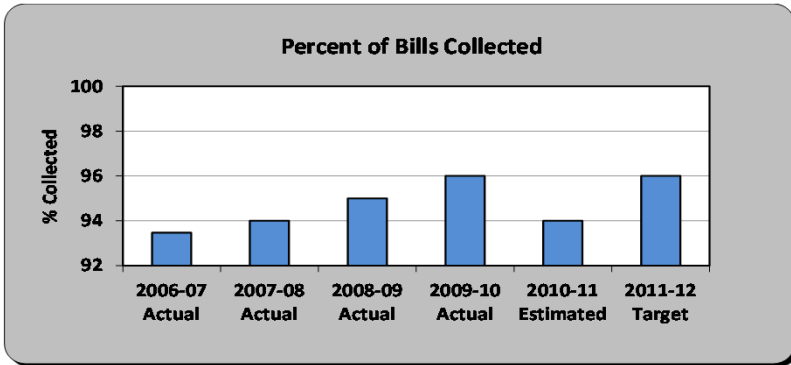
## TRENDS

**COUNCIL SERVICE GOALS:** Provide for responsible management of the Town's financial assets. Provide reliable financial information in a timely manner.

**GOAL:** Provide efficient financial administration.

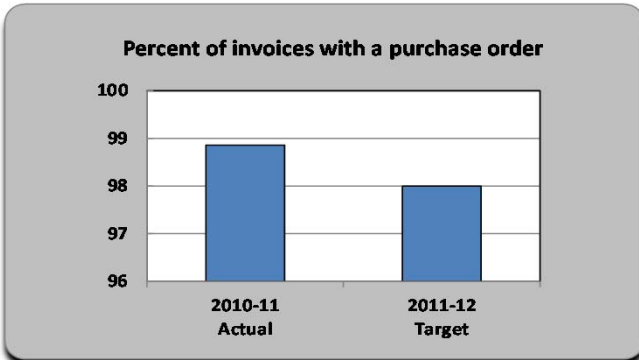
**OBJECTIVE:** To maximize collection of revenues.

The percent of bills collected decreased approximately 2% from 2009-10 to 2010-11. The Town's target is to improve collections in FY 2011-12 by increasing collection efforts.



**GOAL:** To safeguard the Town's assets through appropriate accounting controls.

**OBJECTIVE:** To secure purchase orders for 98% of invoices over \$1,000.



This new measure was established in FY11 with an initial target of 98%. The target was achieved in FY11, and we will reassess the target as we gather more years' data.

OBJECTIVES	PROGRESS/STATUS
Maintain accounting records in a manner that supports the operation of the Town and enables the Town to obtain an unqualified audit opinion on its annual financial statements. Renew the Certificate of Achievement for Excellence in Financial Reporting from the National Government Finance Officers Association.	Received Award for Excellence in Financial Reporting for the FY10 Comprehensive Annual Financial Report. Audit services secured for fiscal year ending June 30, 2011 and initial visits from auditors conducted.
Provide financial, budgetary, and accounting assistance on the coordination and implementation of bond projects and other debt financing requirements.	Monthly bond payments made on time, and \$20.4 million in bonds were issued in FY11 through a combination of Build America bonds and General Obligation bonds. Secured installment financing for \$1.6 million in replacement vehicles.
Include information in annual budgets necessary to continue to receive the Distinguished Budget Presentation Award from Governmental Finance Officers Association.	Budget work sessions were held in May - June, and the Council adopted the FY12 budget on June 13th. Work has begun on the budget document for submission to GFOA.



**FINANCE**  
**BUDGET SUMMARY**

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*The adopted budget for FY12 reflects the increase of 10.1% for medical insurance, an increase in retirement costs and reserve for pay adjustments. These personnel increases are offset by an elimination in temporary salaries (\$11,000), resulting in no net change in personnel costs. The operating decrease of 6.6% is the net result of a slight increase for tax collection fees and various cuts to printing, professional services, and travel/training.*

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**EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 1,060,535	\$ 1,152,138	\$ 1,124,468	\$ 1,134,394	\$ 1,152,399	0.0%
Operating Costs	305,875	417,379	467,276	351,074	389,632	-6.6%
Total	\$ 1,366,410	\$ 1,569,517	\$ 1,591,744	\$ 1,485,468	\$ 1,542,031	-1.8%

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**REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
General Revenues	\$ 1,366,410	\$ 1,569,517	\$ 1,591,744	\$ 1,485,468	\$ 1,542,031	-1.8%
Total	\$ 1,366,410	\$ 1,569,517	\$ 1,591,744	\$ 1,485,468	\$ 1,542,031	-1.8%

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# **INFORMATION TECHNOLOGY**

## **BUDGET SUMMARY**

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*The adopted budget for the Information Technology division reflects an overall 5.1% increase from FY11. The 1.7% increase in personnel costs is a reflection of the 10.1% increase in medical insurance rates, the increase to the retirement contribution and reserve for pay adjustments. The 4.0% increase to the operating budget is related to an increase in software license costs. The 40.8% increase to Capital Outlay or \$32,619, is for costs associated with the municipal fiber project.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 697,939	\$ 733,699	\$ 784,699	\$ 733,583	\$ 745,963	1.7%
Operating Costs	417,328	352,025	473,260	458,075	366,276	4.0%
Capital Outlay	127,605	80,000	158,040	163,000	112,619	40.8%
<b>Total</b>	<b>\$ 1,242,872</b>	<b>\$ 1,165,724</b>	<b>\$ 1,415,999</b>	<b>\$ 1,354,658</b>	<b>\$ 1,224,858</b>	<b>5.1%</b>

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### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
General Revenues	\$ 1,242,872	\$ 1,165,724	\$ 1,415,999	\$ 1,354,658	\$ 1,224,858	5.1%
<b>Total</b>	<b>\$ 1,242,872</b>	<b>\$ 1,165,724</b>	<b>\$ 1,415,999</b>	<b>\$ 1,354,658</b>	<b>\$ 1,224,858</b>	<b>5.1%</b>

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# INFORMATION TECHNOLOGY TRENDS

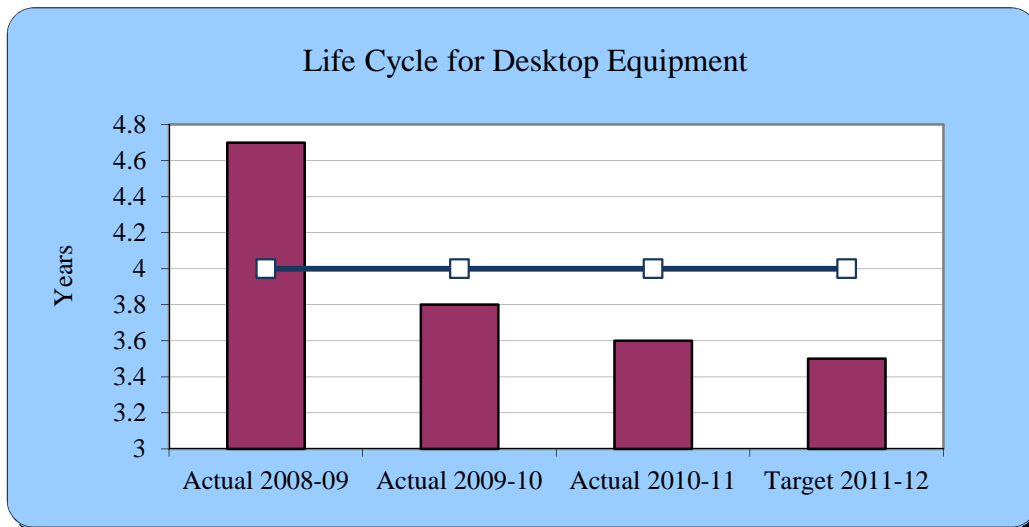
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**COUNCIL SERVICE GOALS:** Invest in technology as a means to provide fast, secure and reliable information for Council, staff and citizens.

**GOAL :** Provide a high standard of operational capability with information systems.

**OBJECTIVE :** Maintain a 4-year life cycle for desktop computer equipment.

The desktop computer lifecycle goal of four years has been achieved. Lower procurement costs allowed replacement of equipment ahead of schedule such that desktop computer equipment is within the four year goal. Projections for FY12 are to sustain the life cycle below four years. In the future as all the equipment ages, the goal is to maintain as close to 4 year average age as possible, permitting the purchase of fewer systems in FY13 to maintain that average age.



**GOAL (NEW) :** Provide improved customer service to all Town users of computer equipment.

**OBJECTIVE (NEW) :** Answer 95% of all Help Desk calls within one hour of call receipt and resolve 85% of all computer issues within one business day.

Town internal information systems are designed for round-the-clock access. Down time impacts staff productivity, quality and promptness of service to our customers, the citizens of the Town of Chapel Hill. By establishing these customer service standards, we are committing to minimizing the loss of productivity and maximizing the uptime of the Town's computer systems.

# ***TOWN ATTORNEY***

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## **MISSION STATEMENT:**

*The primary mission of the Office of the Town Attorney is to protect the legal interests of the Town of Chapel Hill.*

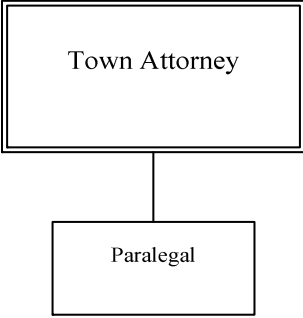
The Town Attorney serves as general counsel to the Town and provides advice to the Mayor and Council, Town boards and commissions, Town administration and Town departments. The duties of the Town Attorney include:

- Preparation for and attendance at Council meetings.
- Research questions raised by Council or individual Council members.
- Conferring with Mayor and members of the Council individually.
- General legal services to Town administration and departments of Town government.
- Participation in administrative agenda planning sessions and special projects.
- Advice to Town Boards and Commissions and individual board members.
- Attendance at Board and Commissions meetings as needed.
- Presentation of orientation program for newly appointed members of Town advisory boards.
- Defense of Town interests in lawsuits and threatened litigation.
- Coordination of work with private law firms representing the Town in litigation, bond financing and other matters where outside counsel is needed.
- Legal services in the acquisition and transfer of land and interests in land.
- Advice to staff in reviewing development projects, drafting ordinances, code enforcement and other matters such as zoning, Town housing initiatives and annexation documents.
- Advice to staff on issues related to construction projects.

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

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	<b>2009-10 ADOPTED</b>	<b>2010-11 ADOPTED</b>	<b>2011-12 ADOPTED</b>
Town Attorney	1.00	1.00	1.00
Paralegal	1.00	1.00	1.00
Attorney Department Totals	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>



# **TOWN ATTORNEY**

## **BUDGET SUMMARY**

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*The adopted budget for the Town Attorney's office for 2011-12 shows little change over the prior year in keeping with the target directive of zero increase. Anticipated increases in medical insurance, retirement contributions and reserve for pay adjustments are offset by operating budget reductions for a net change of -0.2%.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 259,408	\$ 268,706	\$ 268,706	\$ 266,946	\$ 272,473	1.4%
Operating Costs	16,985	25,239	26,755	19,532	21,975	-12.9%
<b>Total</b>	<b>\$ 276,393</b>	<b>\$ 293,945</b>	<b>\$ 295,461</b>	<b>\$ 286,478</b>	<b>\$ 294,448</b>	<b>0.2%</b>

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### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
General Revenues	\$ 276,393	\$ 293,945	\$ 295,461	\$ 286,478	\$ 294,448	0.2%
<b>Total</b>	<b>\$ 276,393</b>	<b>\$ 293,945</b>	<b>\$ 295,461</b>	<b>\$ 286,478</b>	<b>\$ 294,448</b>	<b>0.2%</b>

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## **NON-DEPARTMENTAL DIVISION BUDGET SUMMARY**

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*The Non-Departmental Division is used to account for activities in the General Fund that are not related to other departmental functions. These activities include contributions to other agencies, transfers to other funds and liability insurance. The adopted budget includes decreases from the prior year for the transfer to the Capital Improvements Fund (\$740,500), elimination of one-time funding for development review (\$217,000), suspension of OPEB contribution (\$400,000), and for reduced matching requirements for the SAFER grant for firefighters (\$237,767). The 13.4% increase in retiree medical insurance is due to the 10.1% increase in medical insurance as well as additions to the number of new retirees.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Retiree Medical Insurance	\$ -	\$ 815,176	\$ 878,711	\$ 835,076	\$ 924,215	13.4%
Other Personnel Costs	19,981	30,000	40,000	18,660	20,000	-33.3%
Liability Insurance	356,008	450,000	450,000	410,000	410,000	-8.9%
OPEB Liability Contributions	-	400,000	1,200,000	1,200,000	-	-100.0%
Operations	143,782	167,549	246,776	150,549	99,249	-40.8%
Supplemental PEG Fees	232,707	227,508	237,508	183,436	227,508	0.0%
Transfer to Other Funds	213,931	222,000	259,000	223,500	5,800	-97.4%
Transfer to Capital Improvement Funds	474,000	1,172,800	1,172,800	934,555	432,300	-63.1%
Grant Matching Funds	350,396	554,423	741,112	575,000	316,656	-42.9%
Agency Contributions	837,020	815,350	837,771	837,771	809,700	-0.7%
<b>Total</b>	<b>\$ 2,627,825</b>	<b>\$ 4,854,806</b>	<b>\$ 6,063,678</b>	<b>\$ 5,368,547</b>	<b>\$ 3,245,428</b>	<b>-33.2%</b>

### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
General Revenues	\$ 2,627,825	\$ 4,854,806	\$ 6,063,678	\$ 5,368,547	\$ 3,245,428	-33.2%
<b>Total</b>	<b>\$ 2,627,825</b>	<b>\$ 4,854,806</b>	<b>\$ 6,063,678</b>	<b>\$ 5,368,547</b>	<b>\$ 3,245,428</b>	<b>-33.2%</b>





## ***ENVIRONMENT & DEVELOPMENT BUDGET SUMMARY***

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*This section includes the Planning and Public Works departments. As part of the organizational realignment, the engineering and traffic operations became part of the Public Works budget in 2009-10 and are combined with Public Works in this presentation in prior years to facilitate comparison.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Planning	\$ 1,154,200	\$ 1,244,221	\$ 1,385,760	\$ 1,300,594	\$ 1,530,158	23.0%
Public Works	11,439,942	12,106,788	12,320,099	11,553,151	11,470,638	-5.3%
<b>Total</b>	<b>\$ 12,594,142</b>	<b>\$ 13,351,009</b>	<b>\$ 13,705,859</b>	<b>\$ 12,853,745</b>	<b>\$ 13,000,796</b>	<b>-2.6%</b>

### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
General Revenues	\$ 10,633,704	\$ 11,262,739	\$ 11,610,589	\$ 10,747,668	\$ 10,998,758	-2.3%
Grants	22,034	-	-	-	-	N/A
Charges for Services	679,014	934,270	934,270	1,073,052	900,868	-3.6%
Licenses/Permits/Fines	1,146,841	1,057,900	1,057,900	877,500	1,036,370	-2.0%
Transfers/Other Sources	112,549	96,100	103,100	155,525	64,800	-32.6%
<b>Total</b>	<b>\$ 12,594,142</b>	<b>\$ 13,351,009</b>	<b>\$ 13,705,859</b>	<b>\$ 12,853,745</b>	<b>\$ 13,000,796</b>	<b>-2.6%</b>

# ***PLANNING DEPARTMENT***

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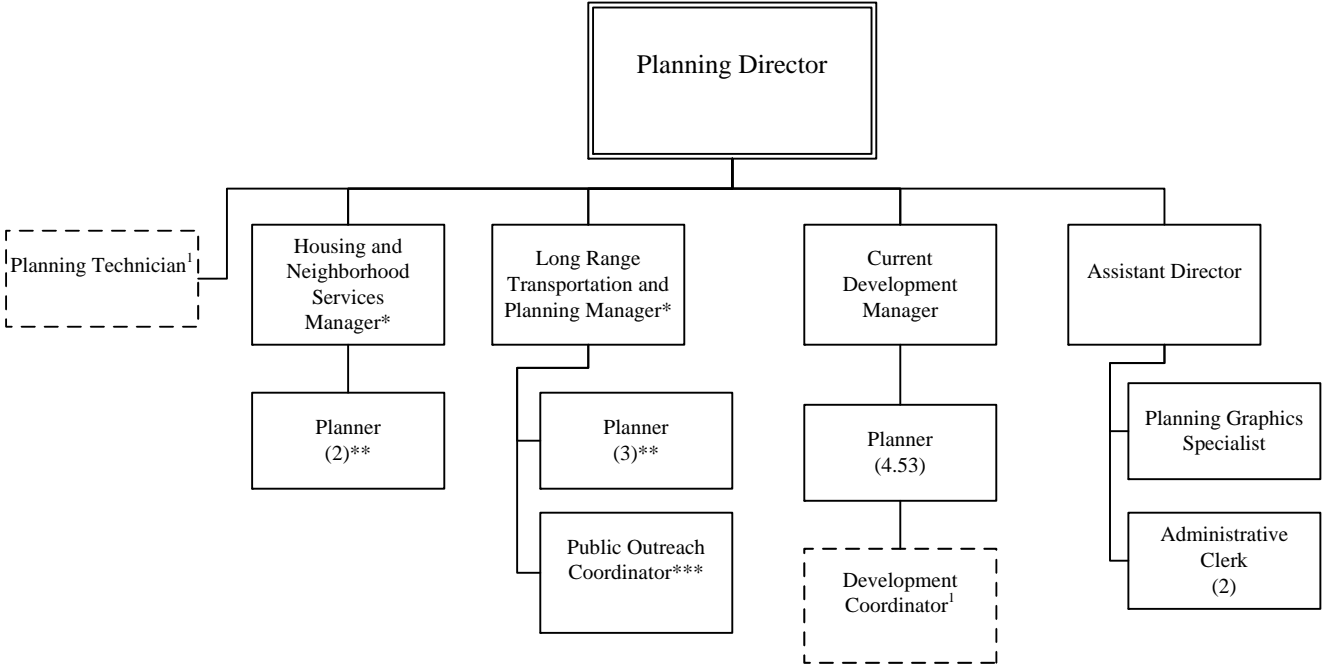
## **MISSION STATEMENT:**

*The Chapel Hill Planning Department implements the community's vision for preservation, development, and future growth. The staff facilitates community decision-making and provides professional advice and technical assistance.*

Responsibilities of the Planning Department include:

- Long-range and transportation planning services – maintains and oversees implementation of the Comprehensive Plan, prepares Small Area Plans, prepares annexation studies, maintains community statistics, coordinates with state and regional agencies to prepare and implement local and regional transportation plans, manages the transportation demand management program, administers the sidewalk construction plan, and conducts special studies.
- Housing and neighborhood services – implements the neighborhood conservation district process, administers affordable housing and neighborhood revitalization programs, evaluates requests for affordable housing funding, works with partner governments and organizations to implement County-wide affordable housing and homelessness prevention programs, administers affordable housing programs and manages the federal Community Development Block Grant Program.
- Current development – evaluates land development proposals to ensure consistency with Town land use regulations and plans, coordinates interdepartmental and interagency review of development proposals, as part of the developmental approval and permitting processes, and advises on and implements changes to the Land Use Management Ordinance and Zoning Map.
- Staff support – provides reports, studies, information and organizational support to multiple Town Advisory Boards, committees and task forces.
- Public information – makes information available about the activities listed above via the web site, workshops, notifications, and individual technical assistance.

**PLANNING**



<sup>1</sup>Unfunded Position

\*Housing & Neighborhood Manager position is 40% grant funded and Long Range Transportation and Planning Manager position is 50% grant funded.

\*\*One FT Planner position is 100% grant funded, one FT Planner position is 70% grant funded, one FT Planner position is 40% grant funded, and one FT Planner position is 50% grant funded.

\*\*\* Public Outreach Coordinator is 50% grant funded.

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

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	<b>2009-10 ADOPTED</b>	<b>2010-11 ADOPTED</b>	<b>2011-12 ADOPTED</b>
Director-Planning	1.00	1.00	1.00
Planning Manager <sup>1</sup>	3.00	3.00	3.00
Planner <sup>2</sup>	9.06	9.53	9.53
Coordinator-Public Outreach <sup>3</sup>	1.00	1.00	1.00
Planning Graphics Specialist	1.00	1.00	1.00
Planning Technician	1.00	1.00	1.00
Administrative Clerk	2.00	2.00	2.00
Assistant Director	1.00	1.00	1.00
Coordinator-Development*	1.00	1.00	1.00
Planning Department Totals	<u>20.06</u>	<u>20.53</u>	<u>20.53</u>

<sup>1</sup> Two Planning Managers are partially grant-funded in FY12.

<sup>2</sup> A number of Planner positions are partially or fully grant funded in FY12.

<sup>3</sup> Public Outreach Coordinator is 50% grant-funded.

\*Unfunded positions

## **PLANNING BUDGET SUMMARY**

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*The adopted budget for 2011-12 for the Planning Department is up 23.0% from the adopted FY11 budget overall. The net increase in the personnel budget reflects a combination of the 10.1% medical insurance increase, increase in the state retirement contribution, mid-year pay adjustments, the availability of grant funding, reserve for pay increase and the freezing/unfreezing of positions in the past year. The increase in operating funds can be attributed to the addition of \$250,000 to update the Comprehensive Plan and \$25,695 for credit card fees related to the acceptance of credit card payments for planning fees.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 1,022,168	\$ 1,074,541	\$ 1,025,061	\$ 1,025,061	\$ 1,101,340	2.5%
Operating Costs	132,032	169,680	360,699	275,533	428,818	152.7%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 1,154,200</b>	<b>\$ 1,244,221</b>	<b>\$ 1,385,760</b>	<b>\$ 1,300,594</b>	<b>\$ 1,530,158</b>	<b>23.0%</b>

### **REVENUES**

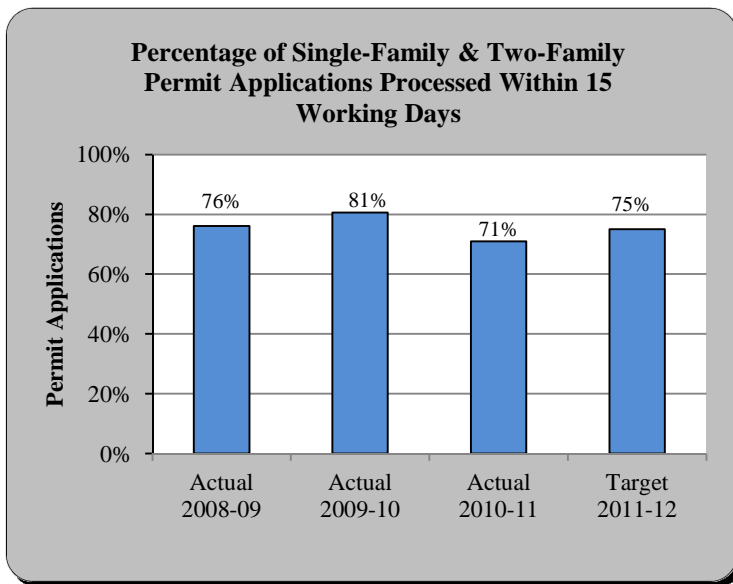
	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
General Revenues	\$ 1,027,690	\$ 849,051	\$ 983,590	\$ 841,839	\$ 1,152,908	35.8%
Charges for Services	3,242	293,570	293,570	313,180	218,700	-25.5%
Licenses/Permits/Fines	118,474	100,000	100,000	137,000	150,000	50.0%
Other Revenues	4,794	1,600	8,600	8,575	8,550	434.4%
<b>Total</b>	<b>\$ 1,154,200</b>	<b>\$ 1,244,221</b>	<b>\$ 1,385,760</b>	<b>\$ 1,300,594</b>	<b>\$ 1,530,158</b>	<b>23.0%</b>

# PLANNING TRENDS

**COUNCIL SERVICE GOALS:** Provide fair, effective, efficient and prompt customer service. Maintain a safe environment and attractive public facilities.

**DEPARTMENT GOAL:** Provide fair and efficient customer service during the permit application process.

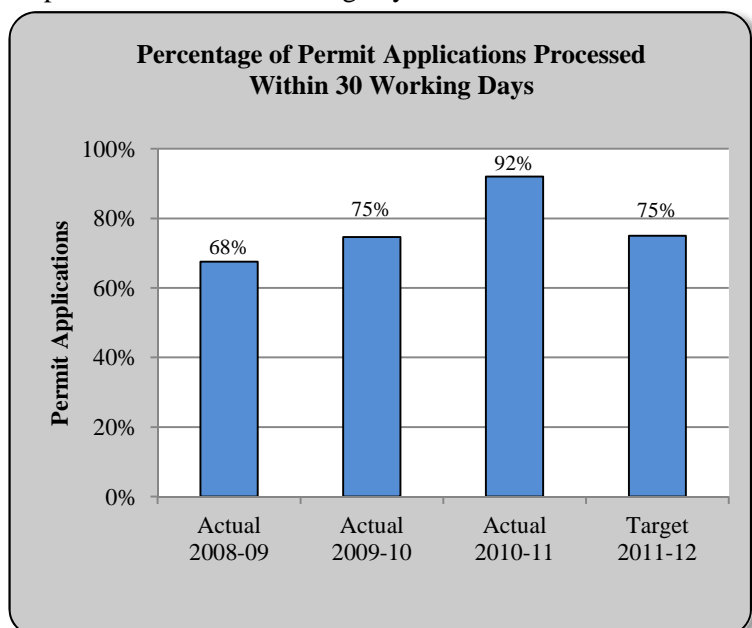
**OBJECTIVE:** Process single-family/two-family zoning compliance permits within 15 working days.



During the 2010-11 fiscal year, 71 % of the applications for single-family/two-family permits were processed within 15 days: half the time allocated in the Town Ordinance. For other Zoning Compliance Permit applications, the number processed within the ordinance required 30 day period was up at 92%. The single-family/two-family permit application percentage processed in the reduced time period is down slightly from the previous year but the percentage of regular Zoning Compliance Permit applications processed in the 30 day period has increased from 75 % to 92%.

**OBJECTIVE :** Process 75% of zoning compliance permits within 30 working days.

In the upcoming fiscal year, the Planning Department will strive to meet the reduced time period goal for both single-family/two family permits as well as other Zoning Compliance Permit applications. We believe the opening of the new streamlined Permit Center will aid this effort. The new Permit Center will be a single location to apply for zoning and building permits. It will also become the central portal through the web where people can submit applications and payments, schedule an inspection, and check on the status of an application or inspection.



# ***PUBLIC WORKS***

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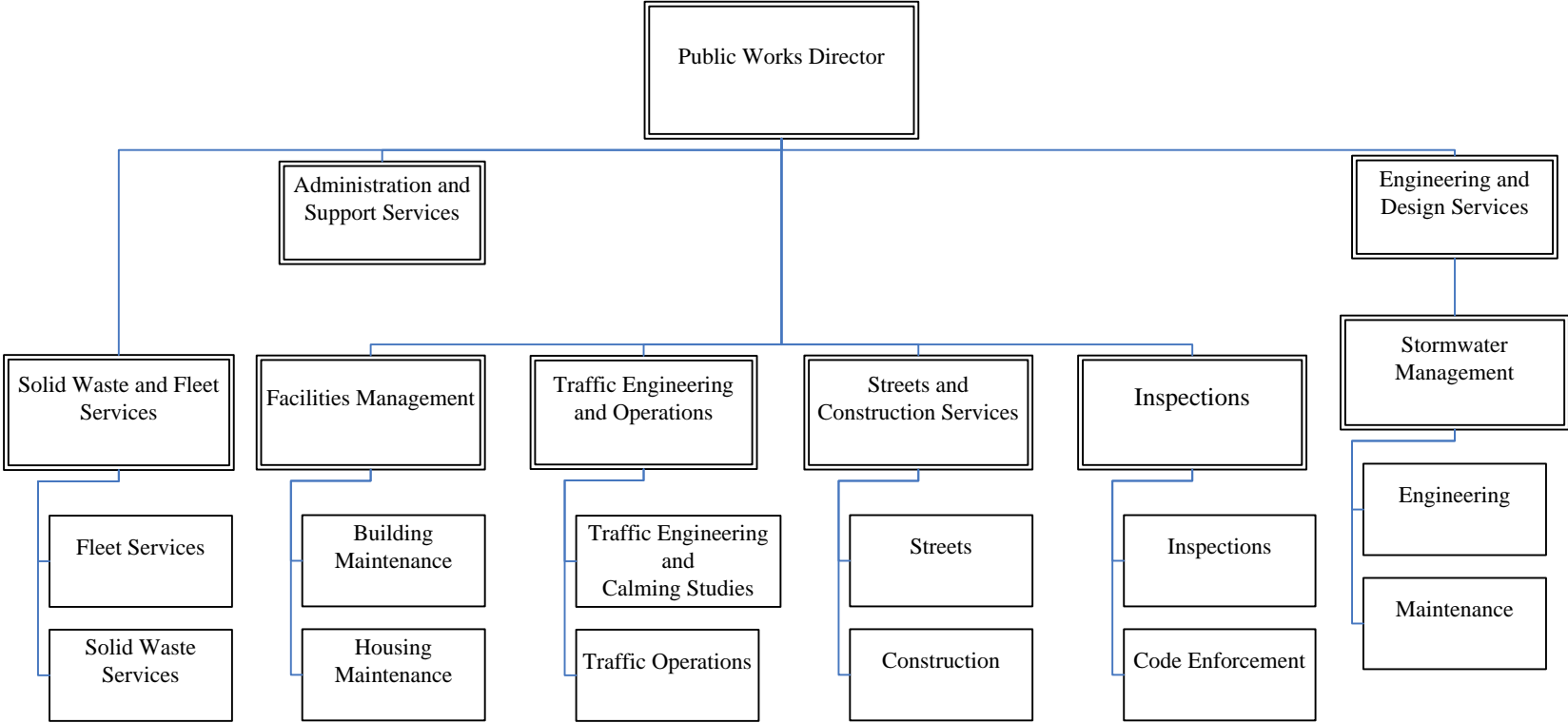
## **MISSION STATEMENT:**

*The overall mission of the Public Works Department is to establish and maintain the Town's physical infrastructure, emphasizing a safe, efficient and effective environment.*

Summary of services provided in support of department's mission:

- Provision of administrative and management support for technical and operational programs and services, including fiscal administration, staff training and development, safety coordination and capital programming.
- Overall review of design and development plans.
- Provision of technical engineering expertise essential for quality facilities, infrastructure and operations.
- Operation and maintenance of traffic control system.
- Inspection of physical structures to ensure compliance with state and local standards and regulations.
- Provision of safe, well-maintained rights-of-way and sound infrastructure.
- Overall maintenance of Town-owned facilities, emphasizing sustainability goals and objectives and efficient building maintenance services.
- Efficient, reliable collection of municipal solid waste, both residential and commercial, and vegetative debris throughout the Town.

# PUBLIC WORKS OVERVIEW





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

	<b>2009-10 ADOPTED</b>	<b>2010-11 ADOPTED</b>	<b>2011-12 ADOPTED</b>
<b><u>Administration</u></b>			
Director-Public Works	1.00	1.00	1.00
Administrative Analyst	1.00	1.00	1.00
Manager - Operations	1.00	1.00	1.00
Occupational Health and Safety Officer	1.00	1.00	1.00
Office Manager	1.00	1.00	1.00
Landscape Architect	0.00	0.00	0.00
Grounds Maintenance Architect/Urban Forester	0.00	0.00	0.00
Accounting Technician	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	1.00
Administrative Clerk	1.00	1.00	1.00
Division Totals	<u>8.00</u>	<u>8.00</u>	<u>8.00</u>
<b><u>Inspections</u></b>			
Building Inspector Manager	1.00	1.00	1.00
Chief Building Inspector	1.00	1.00	1.00
Code Enforcement Officer	1.00	1.00	1.00
Inspector (Levels I-III)	4.00	4.00	4.00
Permits Technician	1.00	1.00	1.00
Division Totals	<u>8.00</u>	<u>8.00</u>	<u>8.00</u>
<b><u>Engineering and Design Services</u></b>			
Town Engineer	1.00	1.00	1.00
Engineering Coordinator-Sr	1.00	1.00	1.00
Buildings Program Manager	1.00	1.00	1.00
Survey/Project Coordinator <sup>1</sup>	1.00	1.00	1.00
Engineering Design Specialist	1.00	1.00	1.00
Engineering Inspector <sup>1</sup>	2.00	2.00	2.00
Landscape Architect/Urban Forester	1.00	0.00	0.00
Landscape Architect	1.00	1.00	1.00
GIS Technician-Sr	1.00	1.00	1.00
Engineering Technician	1.00	1.00	1.00
Office Manager <sup>1</sup>	1.00	1.00	1.00
Project Manager*	1.00	1.00	1.00
Special Projects Coordinator/Urban Forester	0.00	1.00	1.00
Unit Totals	<u>13.00</u>	<u>13.00</u>	<u>13.00</u>
<b><u>Traffic Engineering and Operations</u></b>			
Engineering Services Manager	1.00	1.00	1.00
Engineer	1.00	1.00	1.00
Engineering Technician	1.00	1.00	1.00
Traffic Signal Technician (Levels I-III)	4.00	4.00	4.00
Sign and Marketing Technician (Levels I-II)	3.00	3.00	3.00
Unit Totals	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>
Division Totals	<u>23.00</u>	<u>23.00</u>	<u>23.00</u>

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

	<b>2009-10 ADOPTED</b>	<b>2010-11 ADOPTED</b>	<b>2011-12 ADOPTED</b>
<b><u>Streets and Construction Services</u></b>			
<b>Streets</b>			
Superintendent-Streets/Construction/Drainage	1.00	1.00	1.00
Supervisor-Streets	1.00	1.00	1.00
Inspector-Streets	1.00	1.00	1.00
Supervisor-Streets Crew	1.00	1.00	1.00
Construction Worker (Levels I-IV)	11.00	10.00	10.00
Lead Construction Worker	0.00	1.00	1.00
Unit Totals	<u>15.00</u>	<u>15.00</u>	<u>15.00</u>
<b>Construction</b>			
Supervisor-Construction Crew	2.00	2.00	2.00
Construction Worker (Levels I - IV)	8.00	7.00	7.00
Senior Heavy Equipment Operator	0.00	1.00	1.00
Unit Totals	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>
Division Totals	<u>25.00</u>	<u>25.00</u>	<u>25.00</u>
<b><u>Facilities Management</u></b>			
<b>Buildings</b>			
Superintendent- Internal Services	0.00	0.00	0.00
Superintendent- Sustainability and Facilities Mgmt	1.00	1.00	1.00
Manager-Buildings Program	0.00	0.00	0.00
Supervisor-Buildings Program	1.00	1.00	1.00
Maintenance Mechanic (Levels I-III)	6.00	6.00	6.00
Maintenance Operations Specialist <sup>2</sup>	0.25	0.25	0.25
Unit Totals	<u>8.25</u>	<u>8.25</u>	<u>8.25</u>
Division Totals	<u>8.25</u>	<u>8.25</u>	<u>8.25</u>
<b><u>Solid Waste and Fleet Services</u></b>			
<b>Solid Waste</b>			
Superintendent-Solid Waste	0.50	0.50	1.00
Supervisor-Solid Waste (Residential and Commercial)	2.00	2.00	2.00
Inspector-Solid Waste	1.00	1.00	1.00
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	14.00	14.00	14.00
Administrative Secretary	0.00	0.00	0.00
Division Totals	<u>34.50</u>	<u>34.50</u>	<u>35.00</u>
Public Works Totals	<u>106.75</u>	<u>106.75</u>	<u>107.25</u>

<sup>1</sup> The Stormwater fund assumes a portion of salaries of the Engineering Office Manager, Surveyor and Engineering Inspector positions.

<sup>2</sup> Position split between Building Maintenance and Vehicle Maintenance.

\*Unfunded position

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 an overall decrease of 5.3 percent from last year. Please see division summaries for expenditure notations. Revenues from inspections are expected to decrease by about \$70,000, due to continued decline in development, offset by a 8% fee increase. The increase to charges for service reflects anticipated increases to street cuts and right of way revenues. The 40.5% decrease in other revenues is due to anticipated decreases to motor fuel sales to non-profits.*

### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Administration	\$ 748,046	\$ 765,146	\$ 800,694	\$ 758,600	\$ 774,111	1.2%
Inspections	695,521	756,035	753,344	678,710	771,867	2.1%
Engineering & Design	913,711	1,087,638	1,260,907	1,074,450	1,117,854	2.8%
Traffic	1,643,802	1,567,982	1,578,862	1,611,655	1,597,208	1.9%
Construction	769,080	807,653	843,764	766,868	653,211	-19.1%
Streets	2,078,943	2,138,541	2,126,037	1,979,243	1,555,591	-27.3%
Building Maintenance	1,291,818	1,460,878	1,427,190	1,319,325	1,463,076	0.2%
Solid Waste	3,299,021	3,522,915	3,529,301	3,364,300	3,537,720	0.4%
<b>Total</b>	<b>\$ 11,439,942</b>	<b>\$ 12,106,788</b>	<b>\$ 12,320,099</b>	<b>\$ 11,553,151</b>	<b>\$ 11,470,638</b>	<b>-5.3%</b>

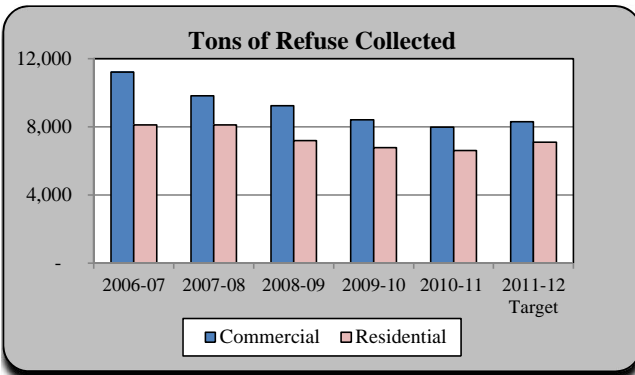
### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
General Revenues	\$ 9,606,014	\$ 10,413,688	\$ 10,626,999	\$ 9,905,829	\$ 9,845,850	-5.5%
Grants	22,034	-	-	-	-	N/A
Charges for Services	675,772	640,700	640,700	759,872	682,168	6.5%
Licenses/Permits/Fines	1,028,367	957,900	957,900	740,500	886,370	-7.5%
Other Revenues	107,755	94,500	94,500	146,950	56,250	-40.5%
<b>Total</b>	<b>\$ 11,439,942</b>	<b>\$ 12,106,788</b>	<b>\$ 12,320,099</b>	<b>\$ 11,553,151</b>	<b>\$ 11,470,638</b>	<b>-5.3%</b>

# PUBLIC WORKS TRENDS

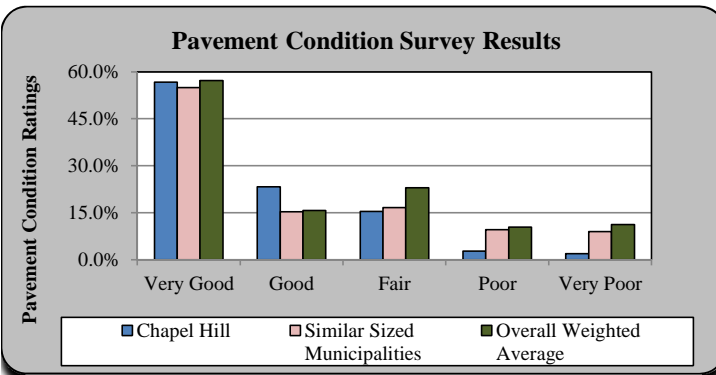
**COUNCIL SERVICE GOALS:** Maintain a safe environment and attractive public facilities. Maintain basic services.

**GOAL:** To provide 100% of the commercial and residential customers with on-time, same day service for all collection points while responding to the change in refuse needs.

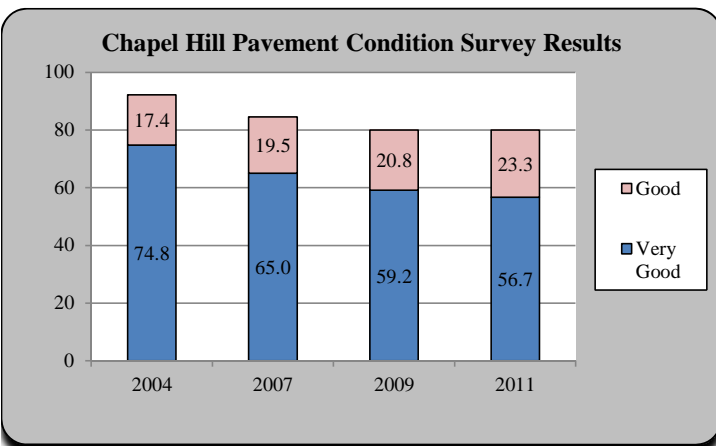


The Public Works Department maintained on-time service 100% of the time (with the exception of rescheduling due to inclement weather); total quantities of commercial and residential refuse collected declined in the last several years, though the rate of decline has decreased in recent years. Compared to last fiscal year, commercial tonnage decreased by 5% and residential tonnage decreased by 2.3%.

**GOAL:** To maintain a favorable pavement condition rating relative to the average for other municipalities.



The Institute for Traffic Research and Education survey reflects comparative pavement conditions among localities state wide. The "Similar Sized Municipalities" ratings represent the weighted average ratings of 4 municipalities similar in size to the Town of Chapel Hill in terms of the number of miles of pavement. The "Overall Weighted Average" is a weighted average of the pavement conditions of 29 municipalities, excluding the Town of Chapel Hill.



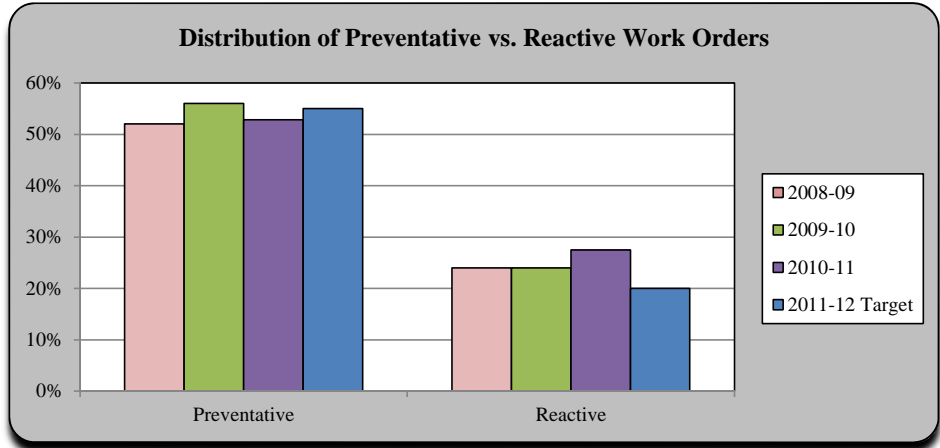
In 2010-11, 56.7% of Chapel Hill streets were rated "very good," a 2.5% decrease from 2008-09 and a 8.3% decrease from 2006-07. In all years rated, poor and very poor streets in Chapel Hill were always below 6.0%, with 1% rated very poor and 2.7% rated poor in 2010-11. Chapel Hill pavement conditions consistently rate above average compared to other North Carolina municipalities that participate in street condition analyses through the Institute for Traffic Research and Education. However, the trends suggest that the Town's pavement conditions will continue to deteriorate unless corrective action is taken.

# PUBLIC WORKS

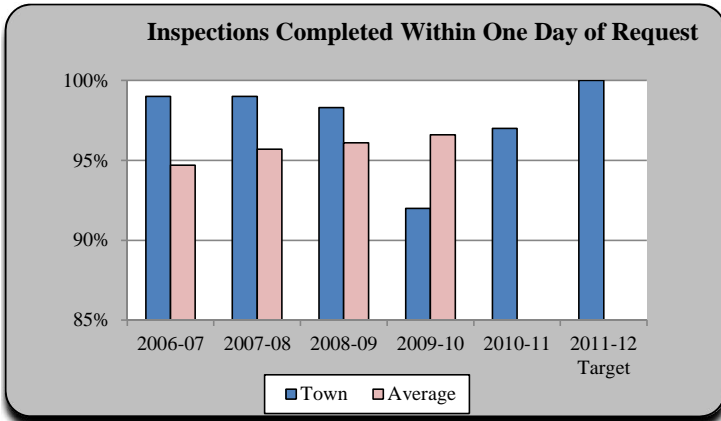
## TRENDS *Cont.*

**GOAL :** *To assure all facilities are maintained in excellent condition through emphasis of preventive maintenance, with the number preventive works exceeding reactive work orders.*

Of the work orders issued by the facilities maintenance division in 2010-11, 53% were associated with preventive maintenance. In comparison, only 28% of work orders were in the reactive (unscheduled) maintenance category in 2010-11.



**GOAL :** *To complete all inspections within three working days of the request.*



In 2010-11, 97% of inspections were completed within one business day of the request, an increase of 5% from last fiscal year. Data for other NC municipalities was compiled by the UNC School of Government. (Note: municipal average not yet available for 2010-11.)

## ***PUBLIC WORKS - Administration Division***

### ***BUDGET SUMMARY***

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*The adopted budget for the Administration division reflects an overall expenditure increase of 1.2% from last year's budget. The increase in personnel is the net result of the 10.1% increase in medical insurance, increase in the state retirement contribution and reserve for pay adjustments. The operating increases can be attributed to the consolidation of cellular phone charges which had previously been split out among divisions.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 607,106	\$ 646,696	\$ 638,700	\$ 637,600	\$ 652,411	0.9%
Operating Costs	140,940	118,450	161,994	121,000	121,700	2.7%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 748,046</b>	<b>\$ 765,146</b>	<b>\$ 800,694</b>	<b>\$ 758,600</b>	<b>\$ 774,111</b>	<b>1.2%</b>

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***PUBLIC WORKS - Inspections Division***  
***BUDGET SUMMARY***

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*The adopted budget for the Inspections division reflects an overall expenditure increase of 2.1% from last year's budget. The increase in personnel is the net result of the 10.1% increase in medical insurance, increase in the state retirement contribution and reserve for pay adjustments. The operating decrease of 18.9% can be attributed to the elimination of cellular phone charges due to the consolidation and reduction in travel & training costs.*

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**EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 582,872	\$ 654,135	\$ 568,807	\$ 575,380	\$ 689,267	5.4%
Operating Costs	112,649	101,900	184,537	103,330	82,600	-18.9%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 695,521</b>	<b>\$ 756,035</b>	<b>\$ 753,344</b>	<b>\$ 678,710</b>	<b>\$ 771,867</b>	<b>2.1%</b>

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***PUBLIC WORKS - Engineering and Design Services***  
***BUDGET SUMMARY***

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*The adopted budget for the Engineering and Design division reflects an overall expenditure increase of 2.8% from last year's budget. This increase in personnel is the net result of the 10.1% increase in medical insurance, increase in the state retirement contribution and reserve for pay adjustments. The operating increases can be attributed to an increase in professional services.*

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**EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 813,658	\$ 970,638	\$ 968,000	\$ 960,500	\$ 997,079	2.7%
Operating Costs	100,053	117,000	292,907	113,950	120,775	3.2%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 913,711</b>	<b>\$ 1,087,638</b>	<b>\$ 1,260,907</b>	<b>\$ 1,074,450</b>	<b>\$ 1,117,854</b>	<b>2.8%</b>

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\* Engineering was a separate department prior to 2009-10, but is shown with Public Works for ease of comparison.



## ***PUBLIC WORKS - Traffic***

### ***BUDGET SUMMARY***

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*The adopted budget for the Traffic division reflects an overall expenditure increase of 1.9% from last year's budget. This increase in personnel is the net result of the 10.1% increase in medical insurance, increase in the state retirement contribution and reserve for pay adjustments. The operating increases can be attributed to an increase of \$13,000 over the prior year for electricity for street lighting.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 708,442	\$ 767,682	\$ 742,964	\$ 739,700	\$ 788,478	2.7%
Operating Costs	935,360	800,300	835,898	871,955	808,730	1.1%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 1,643,802</b>	<b>\$ 1,567,982</b>	<b>\$ 1,578,862</b>	<b>\$ 1,611,655</b>	<b>\$ 1,597,208</b>	<b>1.9%</b>

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*\* Traffic was included in the Engineering Department budget prior to 2009-10.*

***PUBLIC WORKS - Construction Unit***  
***BUDGET SUMMARY***

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*The adopted budget for the Construction division reflects an overall expenditure decrease of 19.1% from last year's budget. The decrease in personnel is the net result of the 10.1% increase in medical insurance, increase in the state retirement contribution, reserve for pay adjustments and the freezing of an additional construction worker position. The adopted budget has a total of 4 frozen vacant positions in FY12. The operating decreases can be attributed to the elimination of \$100,000 in street construction due to the use of bond funding.*

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**EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 430,659	\$ 480,253	\$ 436,700	\$ 434,200	\$ 446,211	-7.1%
Operating Costs	338,421	327,400	407,064	332,668	207,000	-36.8%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 769,080</b>	<b>\$ 807,653</b>	<b>\$ 843,764</b>	<b>\$ 766,868</b>	<b>\$ 653,211</b>	<b>-19.1%</b>

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

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*The adopted budget for the Streets division reflects an overall expenditure decrease of 27.3% from last year's budget. This decrease in personnel is the net result in the 10.1% increase in medical insurance, increase in the state retirement contribution, reserve for pay adjustments, career progressions and turnover. The operating decreases can be attributed to the elimination of \$561,000 in street resurfacing due to the use of bond funding. The increase in capital outlay is for the purchase of a salt spreader.*

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**EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 817,290	\$ 927,091	\$ 870,535	\$ 870,531	\$ 904,191	-2.5%
Operating Costs	1,233,328	1,197,450	1,238,802	1,092,012	634,400	-47.0%
Capital Outlay	28,325	14,000	16,700	16,700	17,000	21.4%
<b>Total</b>	<b>\$ 2,078,943</b>	<b>\$ 2,138,541</b>	<b>\$ 2,126,037</b>	<b>\$ 1,979,243</b>	<b>\$ 1,555,591</b>	<b>-27.3%</b>

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***PUBLIC WORKS - Building Maintenance Unit***  
***BUDGET SUMMARY***

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*The adopted budget for the Building Maintenance division reflects an overall expenditure increase of 0.2% from last year's budget. The decrease in personnel is the net result in the 10.1% increase in medical insurance, increase in the state retirement contribution, reserve for pay adjustments, freezing a Maintenance Mechanic position for partial year, turnover and mid-year career advancement for 2 employees. The operating increase is the result of an increase to electricity costs.*

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**EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 467,353	\$ 622,378	\$ 465,784	\$ 494,700	\$ 618,776	-0.6%
Operating Costs	824,465	838,500	954,606	817,825	844,300	0.7%
Capital Outlay	-	-	6,800	6,800	-	N/A
<b>Total</b>	<b>\$ 1,291,818</b>	<b>\$ 1,460,878</b>	<b>\$ 1,427,190</b>	<b>\$ 1,319,325</b>	<b>\$ 1,463,076</b>	<b>0.2%</b>

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***PUBLIC WORKS - Solid Waste Services Unit***  
***BUDGET SUMMARY***

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*The adopted budget for the Solid Waste Services division reflects an overall expenditure increase of 0.4% from last year's budget. This decrease in personnel is the net result in the 10.1% increase in medical insurance, increase in the state retirement contribution, reserve for pay adjustments and the increase to 100% funding of the Solid Waste Superintendent position which was previously split funded with the Fleet Fund. The increases are mitigated by the freezing of 2 positions. The operating increases can be attributed to an increase in landfill fees.*

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**EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 1,795,123	\$ 1,872,815	\$ 1,752,676	\$ 1,751,500	\$ 1,838,320	-1.8%
Operating Costs	1,503,898	1,650,100	1,776,625	1,612,800	1,699,400	3.0%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 3,299,021</b>	<b>\$ 3,522,915</b>	<b>\$ 3,529,301</b>	<b>\$ 3,364,300</b>	<b>\$ 3,537,720</b>	<b>0.4%</b>

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***PUBLIC SAFETY  
BUDGET SUMMARY***

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

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**EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Police	\$ 11,444,558	\$ 12,395,970	\$ 12,688,455	\$ 12,303,588	\$ 12,004,806	-3.2%
Fire	6,725,600	6,956,481	6,957,481	6,950,428	7,407,627	6.5%
Total	\$ 18,170,158	\$ 19,352,451	\$ 19,645,936	\$ 19,254,016	\$ 19,412,433	0.3%

**REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
General Fund	\$ 17,737,064	\$ 18,828,347	\$ 19,129,032	\$ 18,760,506	\$ 18,972,473	0.8%
Grants	10,902	54,000	46,800	44,800	3,800	-93.0%
Charges for Services	320,104	349,604	349,604	340,710	320,710	-8.3%
Licenses/Permits/Fines	102,088	120,500	120,500	108,000	115,450	-4.2%
Transfers/Other Sources	-	-	-	300	-	N/A
Total	\$ 18,170,158	\$ 19,352,451	\$ 19,645,936	\$ 19,254,316	\$ 19,412,433	0.3%

# ***CHAPEL HILL POLICE DEPARTMENT***

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## **MISSION STATEMENT:**

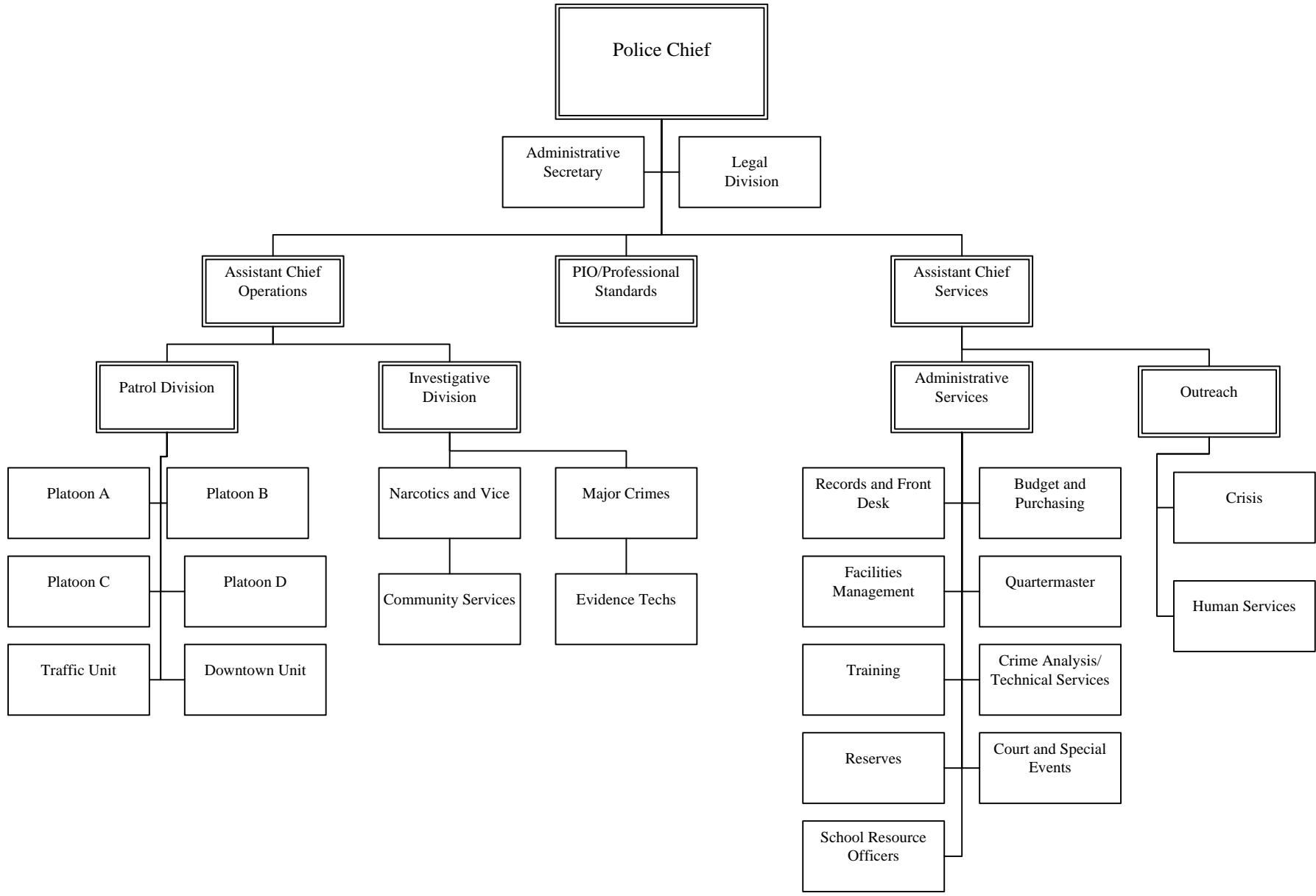
*The primary mission of the Police Department is to preserve and protect life and property and enhance the quality of life in our community through the fair and effective delivery of services.*

Summary of services provided in support of department's mission:

- Emergency responses to medical and public risk situations and assistance to victims of crimes.
- Operation of police substations for maintaining police visibility and providing customer service in commercial and residential areas.
- On-foot and bicycle patrols in the downtown and adjacent residential neighborhoods.
- Response to and investigation of reported crimes against persons and property, including sexual assaults, child abuse/neglect, domestic disputes, and other disturbance calls.
- Traffic enforcement and education with emphasis on high-risk locations and the prevention and detection of speeding and driving while impaired offenses.
- Community services and crime prevention to include regular participation in neighborhood watch meetings and youth outreach.
- Maintenance of public records and information.
- Public housing resident services and human services.
- Crime analysis, police workload analysis and research.
- 24-hour response to citizens in crisis situations. Services include: emergency and short-term counseling, providing information to citizens and referrals to other agencies as needed and mediating conflicts.
- Management of special events and coordination with other agencies (street fairs and celebrations, parades, marches, athletic events and concerts).
- Technology services.



POLICE DEPARTMENT



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

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	<b>2009-10 ADOPTED</b>	<b>2010-11 ADOPTED</b>	<b>2011-12 ADOPTED</b>
<b>Support Services</b>			
Police Chief	1.00	1.00	1.00
Assistant Police Chief	1.00	1.00	1.00
Police Captain	0.00	1.00	1.00
Police Attorney/Legal Advisor	1.00	2.00	2.00
Police Analyst	1.00	1.00	1.00
Crisis Unit Supervisor	1.00	1.00	1.00
Crisis Counselor	3.00	3.00	3.00
Human Services Coordinator	1.00	1.00	1.00
Senior Information Technology Analyst	1.00	1.00	1.00
Alternative Sentencing Coordinator	1.00	1.00	1.00
Resident Activities Coordinator	1.00	1.00	1.00
Records Supervisor	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Alternative Sentencing Assistant	3.00	3.00	3.00
Information Services Technician	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	1.00
Records Technician	1.00	1.00	1.00
Administrative Services Supervisor*	1.00	1.00	1.00
Customer Service Technician	4.00	4.00	4.00
Division Totals	<u>25.00</u>	<u>27.00</u>	<u>27.00</u>
<b>Operations</b>			
Assistant Police Chief	1.00	1.00	1.00
Police Major*	1.00	1.00	1.00
Police Captain	3.00	2.00	2.00
Police Lieutenant	9.00	9.00	9.00
Police Sergeant	13.00	13.00	13.00
Senior Forensic and Evidence Specialist	0.00	0.00	0.00
Forensic and Evidence Specialist	2.00	2.00	2.00
Police Officer	90.00	90.00	90.00
Division Totals	<u>119.00</u>	<u>118.00</u>	<u>118.00</u>
Police Department Totals	<u><u>144.00</u></u>	<u><u>145.00</u></u>	<u><u>145.00</u></u>

\*Unfunded positions

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# ***POLICE***

## ***BUDGET SUMMARY***

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*While the Police Department generates revenues from grants, charges for services, and licenses, permits and fines, the majority of the revenues are not department specific. Most grant revenues were moved to a separate Grants Fund in 2007-08. Revenues are expected to remain largely unchanged overall in 2011-12 with the exception of the elimination of Project Turnaround which results in the loss of \$54,000 in Grants & \$30,000 in Charges for Services. Changes relating to expenditures are noted on division summaries.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 9,734,877	\$ 10,587,970	\$ 10,464,105	\$ 10,434,862	\$ 10,395,876	-1.8%
Operating Costs	1,704,540	1,808,000	2,219,125	1,868,726	1,608,930	-11.0%
Capital Outlay	5,141	-	5,225	-	-	N/A
<b>Total</b>	<b>\$ 11,444,558</b>	<b>\$ 12,395,970</b>	<b>\$ 12,688,455</b>	<b>\$ 12,303,588</b>	<b>\$ 12,004,806</b>	<b>-3.2%</b>

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### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
General Revenues	\$ 11,047,208	\$ 11,896,760	\$ 12,208,245	\$ 11,845,878	\$ 11,594,646	-2.5%
Grants	4,102	54,000	35,000	35,000	-	-100.0%
Charges for Services	319,210	349,210	349,210	339,210	319,210	-8.6%
Licenses/Permits/Fines	74,038	96,000	96,000	83,500	90,950	-5.3%
<b>Total</b>	<b>\$ 11,444,558</b>	<b>\$ 12,395,970</b>	<b>\$ 12,688,455</b>	<b>\$ 12,303,588</b>	<b>\$ 12,004,806</b>	<b>-3.2%</b>

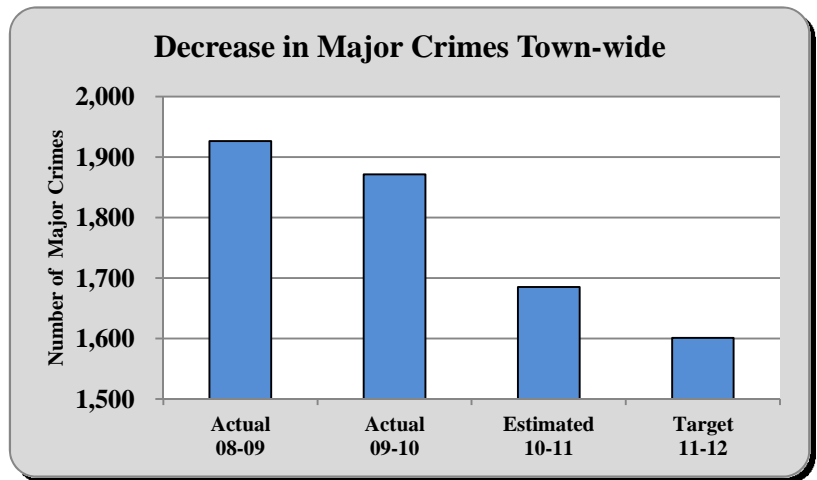
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# POLICE TRENDS

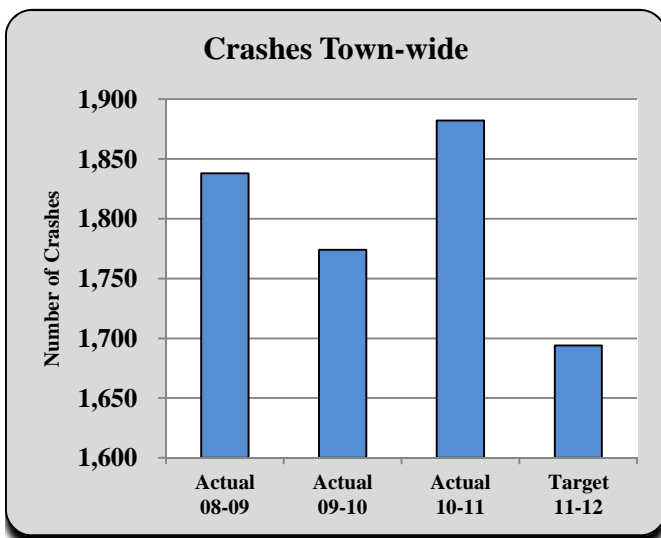
**COUNCIL SERVICE GOAL:** Provide protection and public safety.

**OBJECTIVE:** Continue decrease in major crimes (UCR Part I).

In fiscal year 2010-11, the number of Part I crimes (homicide, rape, robbery, assault, burglary, larceny, auto theft and arson) totaled 1,685. This represents approximately a 10% decrease in major crimes from the previous year. During the 2011-12 fiscal year, the Police Department will use strategies developed through analysis of data, crime prevention and enforcement procedures to continue the decrease in major crimes.



**OBJECTIVE :** Decrease number of crashes Town-wide by 10%.



The Police Department will analyze areas of most frequent crashes and develop plans to reduce them. The Crash Investigation Traffic Enforcement and Education unit along with the patrol division will use education, enforcement and directed patrols to enhance the safety of motorists, cyclists and pedestrians throughout Town.

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

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*The adopted budget for the Support Services division reflects an overall expenditure decrease of 6.9% from last year's budget. This decrease in personnel is the net result in the 10.1% increase in medical insurance, increase in the state retirement contribution and reserve for pay adjustments. These personnel increases are netted with the freezing of four vacant positions and the elimination of the Project Turnaround position. The operating increases can be attributed to the increases in utility costs netted with various operating reductions.*

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**EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 1,580,769	\$ 1,944,308	\$ 1,910,454	\$ 1,850,719	\$ 1,766,273	-9.2%
Operating Costs	572,622	576,691	803,624	637,326	581,540	0.8%
<b>Total</b>	<b>\$ 2,153,391</b>	<b>\$ 2,520,999</b>	<b>\$ 2,714,078</b>	<b>\$ 2,488,045</b>	<b>\$ 2,347,813</b>	<b>-6.9%</b>

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

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*Despite the 10.1% increase in medical insurance (\$98,000) and 7% increase in retirement (\$30,000), the Operations division achieved a 0.2% decrease in personnel budget by continuing to hold the Police Major position vacant and by freezing one vacant officer position. Also included is funding for the one-time employee bonus totaling \$111,000.*

*The 17.2% decrease in operating expenses can be attributed to a reduction in the contribution to the Vehicle Replacement Fund (\$175,000) and miscellaneous operating cuts.*

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**EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 8,154,108	\$ 8,643,662	\$ 8,553,651	\$ 8,584,143	\$ 8,629,603	-0.2%
Operating Costs	1,012,294	1,111,309	1,285,469	1,101,877	920,690	-17.2%
Capital Outlay	5,141	-	5,225	-	-	N/A
<b>Total</b>	<b>\$ 9,171,543</b>	<b>\$ 9,754,971</b>	<b>\$ 9,844,345</b>	<b>\$ 9,686,020</b>	<b>\$ 9,550,293</b>	<b>-2.1%</b>

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***POLICE - Special Events***  
***BUDGET SUMMARY***

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*The Special Events division was established in 2007-08 to track the cost of additional police presence at special events including impromptu University of North Carolina student celebrations, Halloween and Festifall. Following successful efforts to contain the downtown Halloween celebration and a more subdued Final Four season, current year estimates are within budget and the adopted budget for FY12 includes a further reduction by 11.1%.*

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**EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Operating Costs	119,624	120,000	130,032	129,523	106,700	-11.1%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 119,624</b>	<b>\$ 120,000</b>	<b>\$ 130,032</b>	<b>\$ 129,523</b>	<b>\$ 106,700</b>	<b>-11.1%</b>

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# ***FIRE DEPARTMENT***

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## **MISSION STATEMENT:**

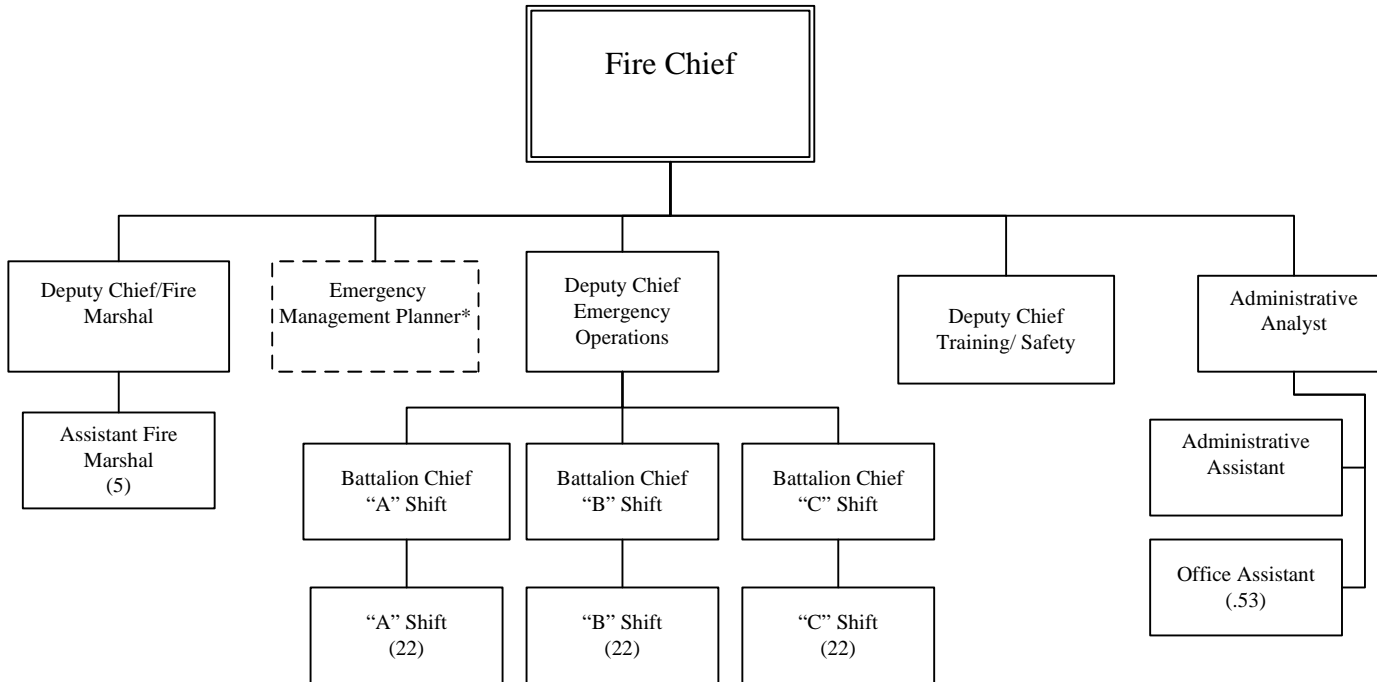
*The primary mission of the Chapel Hill Fire Department is to protect life, property and the community environment from the destructive effects of fire, disasters or other life hazards by providing public education, incident prevention and emergency response services.*

The priorities of the Chapel Hill Fire Department include safety, service and morale. Duties and services of the Fire Department include:

- Fire suppression.
- First responder - emergency medical.
- Vehicle extrication and basic rescue.
- Fire code enforcement through an inspection program.
- Disaster management and emergency operations center.
- Participation in regional Urban Search & Rescue Team.
- Public education through in-house and out-reach programs.
- Fire cause and determination investigations.
- Contact department for citizens' inquiries on safety.
- Development of domestic preparedness capability.
- Special events management.



FIRE



\* Unfunded Position

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

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	<b>2009-10 ADOPTED</b>	<b>2010-11 ADOPTED</b>	<b>2011-12 ADOPTED</b>
<b>Administration</b>			
Fire Chief	1.00	1.00	1.00
Deputy Fire Chief	1.00	1.00	1.00
Administrative Captain/Fire	1.00	0.00	0.00
Administrative Assistant	1.00	1.00	1.00
Office Assistant	0.53	0.53	0.53
Administrative Analyst	0.00	1.00	1.00
Emergency Management Planner*	1.00	1.00	1.00
Division Totals	<u>5.53</u>	<u>5.53</u>	<u>5.53</u>
<b>Emergency Operations</b>			
Deputy Fire Chief	1.00	1.00	1.00
Battalion Fire Chief	3.00	3.00	3.00
Fire Captain/Lieutenant	18.00	16.00	16.00
Fire Equipment Operator/Firefighter <sup>1</sup>	60.00	63.00	63.00
Division Totals	<u>82.00</u>	<u>83.00</u>	<u>83.00</u>
<b>Life Safety</b>			
Deputy Fire Chief (Fire Marshal)	1.00	1.00	1.00
Deputy Fire Marshal	0.00	2.00	1.00
Fire Captain (Assistant Fire Marshal)	5.00	2.00	3.00
Division Totals	<u>6.00</u>	<u>5.00</u>	<u>5.00</u>
Fire Department Totals	<u><u>93.53</u></u>	<u><u>93.53</u></u>	<u><u>93.53</u></u>

\*Unfunded position

<sup>1</sup> Three Fire Captain positions and nine Firefighter positions are partially grant-funded.

# ***FIRE***

## ***BUDGET SUMMARY***

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*While the Fire Department generates revenues from grants, charges for services, and licenses, permits and fines, the majority of the revenues are not department specific. Revenues are expected to remain largely unchanged overall in 2011-12. Changes related to expenditures are noted on division summaries.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 5,800,599	\$ 5,917,667	\$ 5,923,942	\$ 5,922,784	\$ 6,361,581	7.5%
Operating Costs	925,001	1,038,814	1,033,539	1,027,644	1,046,046	0.7%
<b>Total</b>	<b>\$ 6,725,600</b>	<b>\$ 6,956,481</b>	<b>\$ 6,957,481</b>	<b>\$ 6,950,428</b>	<b>\$ 7,407,627</b>	<b>6.5%</b>

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### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
General Revenues	\$ 6,689,856	\$ 6,931,587	\$ 6,920,787	\$ 6,914,628	\$ 7,377,827	6.4%
Grants	6,800	-	11,800	9,800	3,800	N/A
Charges for Services	894	394	394	1,500	1,500	280.7%
Licenses/Permits/Fines	28,050	24,500	24,500	24,500	24,500	0.0%
Other Revenues	-	-	-	300	-	N/A
<b>Total</b>	<b>\$ 6,725,600</b>	<b>\$ 6,956,481</b>	<b>\$ 6,957,481</b>	<b>\$ 6,950,728</b>	<b>\$ 7,407,627</b>	<b>6.5%</b>

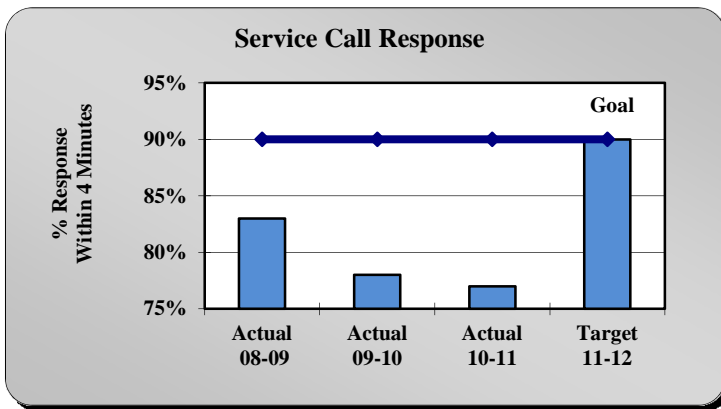
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# FIRE TRENDS

**COUNCIL SERVICE GOAL:** Provide protection and public safety.

**GOAL:** Respond with emergency services in an expedient manner to all fire, rescue, and appropriate medical requests for help of an emergency nature in a consistent time frame across the community.

**OBJECTIVE:** Achieve and maintain a response time (dispatch to on-scene) consistent with the national standards of coverage (NFPA 1710) of a 4-minute arrival time for the first due area and 8-minute arrival time for the second or third due in at least 90% of all incidents.

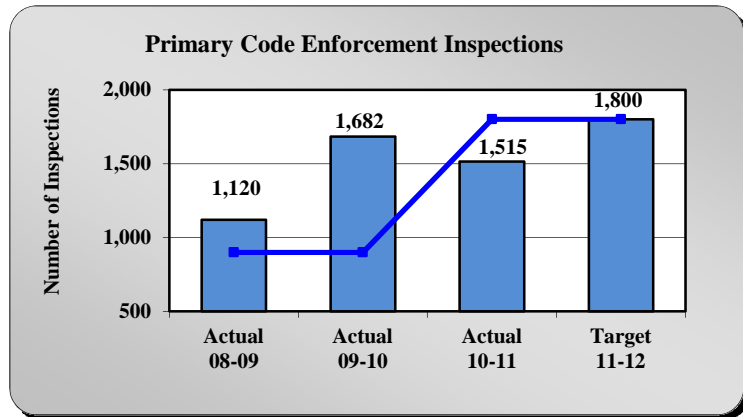


In fiscal year 2010-11, the response to fire related calls within five minutes dropped minimally from 78% to 77%. In order to satisfy the requirements of NFPA 1710, our response has to be within a certain amount of time, as well as have required staffing on the Engine. Although we find our response time to be acceptable, we are unable to maintain staffing on each unit frequently enough to satisfy the national standard.

**GOAL:** Reduce preventable fire hazards.

**OBJECTIVE:** Conduct 900 primary code enforcement inspections in commercial buildings.

In fiscal year 2010-11, fire marshals and fire crews conducted 1,515 primary code enforcement inspections and will continue efforts to conduct at least 1,800 primary inspections in fiscal year 2011-12. A new implementation of fire code enforcement officers per district will help improve our efforts.



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

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*The adopted budget for the Administration division reflects an overall expenditure increase of 2.1% from last year's budget. This increase in personnel is the net result in the 10.1% increase in medical insurance, increase in the state retirement contribution and reserve for pay adjustments. The operating decreases (\$2,700) are comprised of various operating cuts such as travel & training and fleet use charges.*

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**EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 426,083	\$ 423,436	\$ 423,436	\$ 424,260	\$ 436,640	3.1%
Operating Costs	70,992	77,375	78,886	75,210	74,631	-3.5%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 497,075</b>	<b>\$ 500,811</b>	<b>\$ 502,322</b>	<b>\$ 499,470</b>	<b>\$ 511,271</b>	<b>2.1%</b>

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

### ***BUDGET SUMMARY***

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*The adopted budget for the Emergency Operations Division reflects an 8.2% increase in personnel costs due to the 10.1% increase in medical insurance, increase in the state retirement contribution, progression pay adjustments, reserve for pay adjustments and the increasing Town share of the 12 firefighters paid by the SAFER grant (\$312,406). The 1.2% increase in operating costs is the net result of the move of reverse 911 funding from the IT budget to Fire (\$20,000) and miscellaneous cuts.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 4,821,588	\$ 4,930,407	\$ 4,918,407	\$ 4,911,995	\$ 5,334,556	8.2%
Operating Costs	844,073	947,722	940,045	941,184	958,990	1.2%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 5,665,661</b>	<b>\$ 5,878,129</b>	<b>\$ 5,858,452</b>	<b>\$ 5,853,179</b>	<b>\$ 6,293,546</b>	<b>7.1%</b>

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## ***FIRE - Life Safety Division***

### ***BUDGET SUMMARY***

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*The adopted budget for the Life Safety division reflects an overall expenditure increase of 4.4% from last year's budget. This increase in personnel is the net result in the 10.1% increase in medical insurance, increase in the state retirement contribution, progression pay adjustments and reserve for pay adjustments. The operating decrease is due to a decrease in travel and training needs and supplies.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 552,928	\$ 563,824	\$ 582,099	\$ 586,529	\$ 590,385	4.7%
Operating Costs	9,936	13,717	14,608	11,250	12,425	-9.4%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 562,864</b>	<b>\$ 577,541</b>	<b>\$ 596,707</b>	<b>\$ 597,779</b>	<b>\$ 602,810</b>	<b>4.4%</b>

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**LEISURE  
BUDGET SUMMARY**

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

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**EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Parks and Recreation	\$ 5,692,308	\$ 6,202,801	\$ 6,319,328	\$ 6,175,048	\$ 5,963,430	-3.9%
Library	2,331,715	2,397,235	2,419,769	2,186,259	2,231,645	-6.9%
<b>Total</b>	<b>\$ 8,024,023</b>	<b>\$ 8,600,036</b>	<b>\$ 8,739,097</b>	<b>\$ 8,361,307</b>	<b>\$ 8,195,075</b>	<b>-4.7%</b>

**REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
General Revenues	\$ 6,674,807	\$ 7,378,318	\$ 7,517,379	\$ 6,998,852	\$ 6,914,575	-6.3%
Grants	368,172	369,468	369,468	371,750	371,750	0.6%
Charges for Services	869,186	769,850	769,850	840,329	827,150	7.4%
Licenses/Permits/Fines	99,400	71,400	71,400	139,376	70,600	-1.1%
Transfers/Other Sources	12,458	11,000	11,000	11,000	11,000	0.0%
<b>Total</b>	<b>\$ 8,024,023</b>	<b>\$ 8,600,036</b>	<b>\$ 8,739,097</b>	<b>\$ 8,361,307</b>	<b>\$ 8,195,075</b>	<b>-4.7%</b>

# ***PARKS AND RECREATION DEPARTMENT***

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## **MISSION STATEMENT:**

*The primary mission of the Parks and Recreation Department is to enhance the quality of life of all citizens and foster a sense of community by providing superior recreation, cultural and educational services through the effective maintenance and protection of the Town's natural resources.*

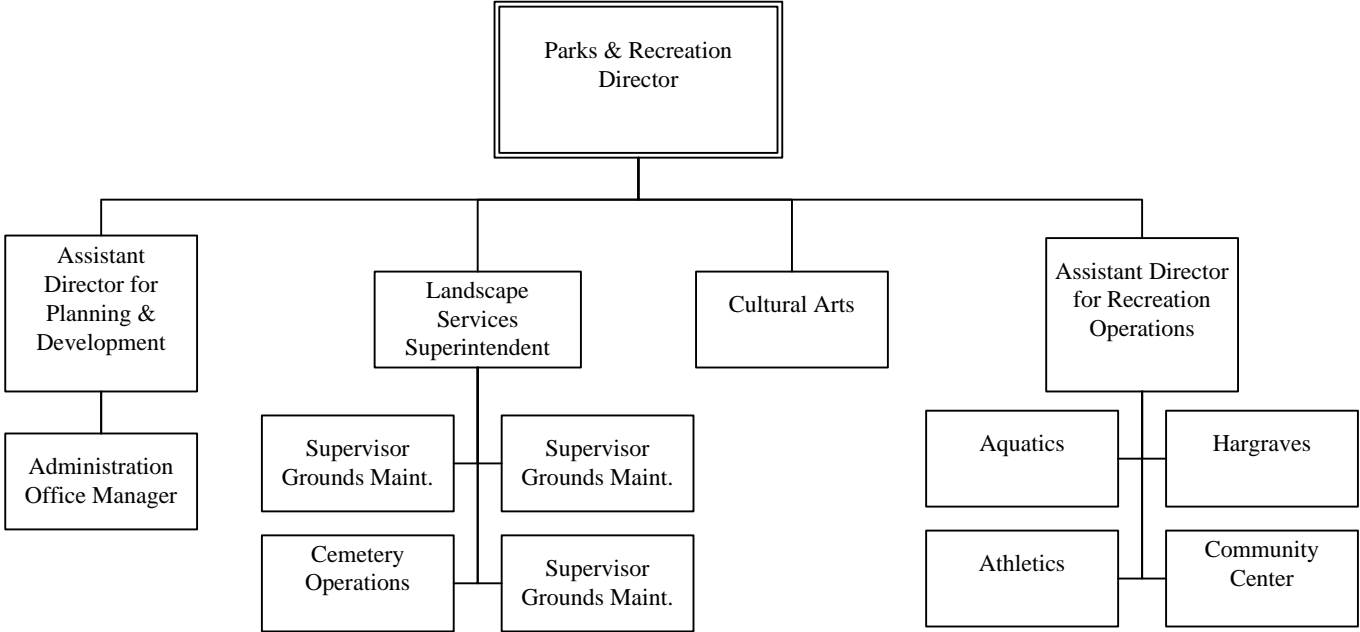
The Parks and Recreation Department provides a variety of services to the citizens of Chapel Hill. Some of these services include:

- Youth and adult sports activities through league play, clinics, and drop-in free play including but not limited to: basketball, flag and tackle football, lacrosse, softball, volleyball, tennis, swimming, bocce ball and Little League Baseball.
- Programs such as pottery, kayaking, karate, aqua-aerobics, teen club, scuba diving, magic, holiday arts, summer camps, rock climbing, dance, cheerleading, family fun days, and music events for all ages and abilities.
- Special events such as the Fourth of July Celebration, Festifall, Locally Grown Concert Series and Movies on the Plaza.
- Scheduled grounds maintenance at parks, cemeteries, parking lots, public facilities, Public Housing and other public locations.
- Maintenance of right-of-ways through replacement of trees and shrubs and mowing of road shoulders.
- Maintenance and inspection of Town playgrounds, including equipment at parks and public housing sites, to assure that playground safety standards are met.

The key facilities of the Parks and Recreation Department are as follows:

- Fifteen parks with picnic and playground equipment
- Homestead Aquatic Center
- Two community centers (one with an indoor pool and one with an outdoor pool)
- Four gymnasiums
- Outdoor gardens, athletic fields, tennis courts, volleyball courts, bocce-ball courts, and basketball courts
- Skateboard park/batting cage facility
- Extensive trail network with paved and natural surfaces
- Numerous open space areas
- Two Dog parks

Parks & Recreation



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

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	<b>2009-10 ADOPTED</b>	<b>2010-11 ADOPTED</b>	<b>2011-12 ADOPTED</b>
<b>Administration</b>			
Director-Parks & Recreation	1.00	1.00	1.00
Assistant Director-Parks and Recreation	1.00	1.00	2.00
Office Manager	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	1.00
Office Assistant	0.60	0.60	0.60
Division Totals	<u>4.60</u>	<u>4.60</u>	<u>5.60</u>
<b>Landscape Services and Park Maintenance</b>			
Superintendent-Grounds Maintenance Operations	1.00	1.00	1.00
Landscape Supervisor I	2.00	2.00	2.00
Landscape Supervisor II	1.00	1.00	1.00
Arborist	1.00	1.00	1.00
Arborist-Assistant	1.00	1.00	1.00
Horticulturist	2.00	0.00	0.00
Right-of-Way Crew Leader	1.00	0.00	0.00
Groundskeeper (Levels I & II) / Ground Crew Leader <sup>1</sup>	17.00	0.00	0.00
Landscape Specialist.Landscape Crew Leader	0.00	22.00	22.00
Administrative Technician	1.00	1.00	1.00
Maintenance Assistant	1.00	1.00	1.00
Construction Worker (Levels I - IV)	2.00	0.00	0.00
Division Totals	<u>30.00</u>	<u>30.00</u>	<u>30.00</u>
<b>Athletics</b>			
Superintendent-Recreation	1.00	0.00	0.00
Supervisor-Recreation	1.00	1.00	1.00
Recreation Specialist	2.53	2.53	3.53
Maintenance Assistant	0.00	0.00	0.00
Division Totals	<u>4.53</u>	<u>3.53</u>	<u>4.53</u>
<b>Community Center</b>			
Supervisor-Recreation	1.00	1.00	1.00
Recreation Assistant	1.00	2.00	2.00
Lifeguard	0.00	0.00	0.00
Division Totals	<u>2.00</u>	<u>3.00</u>	<u>3.00</u>

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

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	2009-10 ADOPTED	2010-11 ADOPTED	2011-12 ADOPTED
<i>continued</i>			
<b>Aquatics Center</b>			
Supervisor-Recreation	1.00	1.00	1.00
Assistant Supervisor-Aquatics	1.00	1.00	1.00
Recreation Assistant	1.00	0.00	0.00
Recreation Specialist	0.53	0.53	0.53
Lifeguard	4.00	4.00	4.00
Division Totals	7.53	6.53	6.53
<b>Public Arts</b>			
Public Arts Administrator	1.00	1.00	1.00
Public Arts Coordinator	1.00	1.00	1.00
Division Totals	2.00	2.00	2.00
<b>Hargraves Center</b>			
Supervisor-Recreation	1.00	1.00	1.00
Assistant Supervisor-Recreation	1.00	1.00	1.00
Recreation Specialist	0.80	0.80	0.80
Recreation Assistant	1.58	1.58	1.58
Division Totals	4.38	4.38	4.38
<b>Community Cultural Arts</b>			
Assistant Director-Recreation	0.00	1.00	0.00
Supervisor-Recreation	1.00	1.00	1.00
Recreation Specialist	2.80	2.80	1.80
Division Totals	3.80	4.80	2.80
Parks & Recreation Department Totals	58.84	58.84	58.84

<sup>1</sup> One additional Groundskeeper is funded by the Downtown Service District.

## ***PARKS AND RECREATION BUDGET SUMMARY***

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*The adopted budget for Parks and Recreation reflects an overall expenditure decrease of 3.9% from last year's budget. The 1.1% decrease in personnel is the net result of the 10.1% increase in medical insurance, an increase in the state retirement contribution, reserve for pay increase, reduction of temporary salaries (\$34,000), and freezing of 1 full-time and 2 part-time vacant positions. The operating decreases can be attributed to the elimination of one-time funding for the park's master plan (\$140,000), elimination of funding for the 4th of July event (\$37,100), and other miscellaneous cuts.*

*The budget for service charges is increased by 9.2% due largely to expected increases in pool passes based on recent trends.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 4,003,685	\$ 4,326,998	\$ 4,290,029	\$ 4,281,016	\$ 4,278,552	-1.1%
Operating Costs	1,665,664	1,875,803	2,029,299	1,894,032	1,684,878	-10.2%
Capital Outlay	22,959	-	-	-	-	N/A
<b>Total</b>	<b>\$ 5,692,308</b>	<b>\$ 6,202,801</b>	<b>\$ 6,319,328</b>	<b>\$ 6,175,048</b>	<b>\$ 5,963,430</b>	<b>-3.9%</b>

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### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
General Revenues	\$ 4,799,495	\$ 5,438,291	\$ 5,554,818	\$ 5,269,083	\$ 5,142,420	-5.4%
Grants	84,760	83,760	83,760	83,760	83,760	0.0%
Charges for Services	708,653	619,850	619,850	688,329	677,150	9.2%
Other Revenues	99,400	60,900	60,900	133,876	60,100	-1.3%
<b>Total</b>	<b>\$ 5,692,308</b>	<b>\$ 6,202,801</b>	<b>\$ 6,319,328</b>	<b>\$ 6,175,048</b>	<b>\$ 5,963,430</b>	<b>-3.9%</b>

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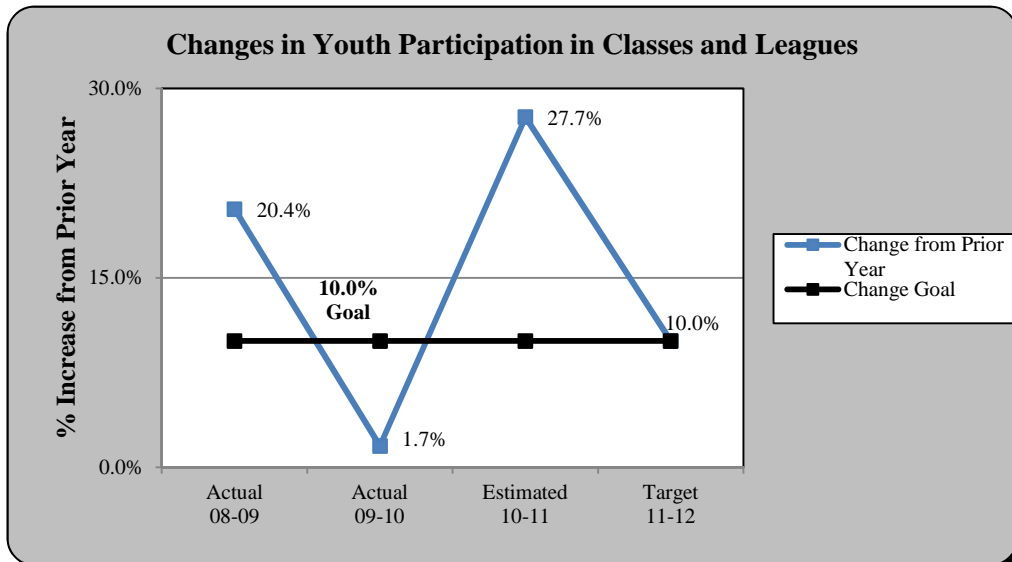
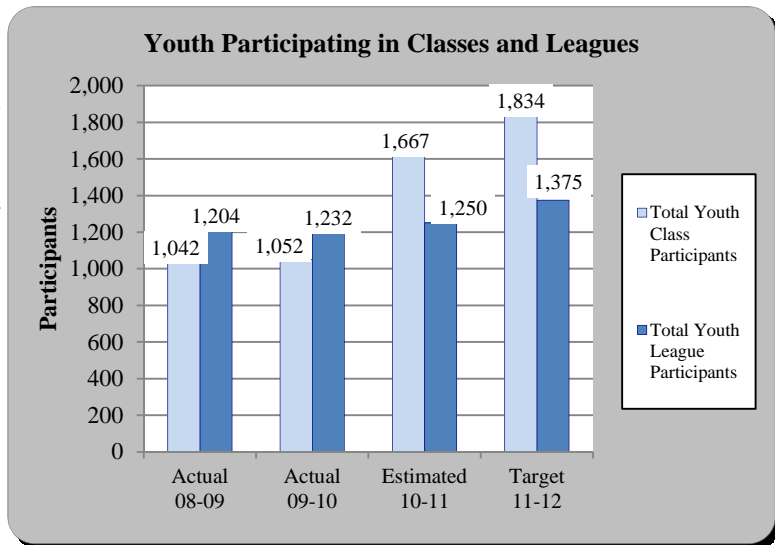
# PARKS AND RECREATION TRENDS

**COUNCIL SERVICE GOAL:** Provide leisure and cultural opportunities.

**DEPARTMENT GOAL:** Increase participation in youth programming.

**OBJECTIVE:** Increase the number of participants in youth classes and youth leagues by 10% each year.

In Fiscal Year 2010-11, the Parks and Recreation Department saw an increase in participation in youth classes and leagues by 29.9% from 2,284 participants to 2,917 participants. These increases are expected to continue for 2011-12.



# **CHAPEL HILL PUBLIC LIBRARY**

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## **MISSION STATEMENT:**

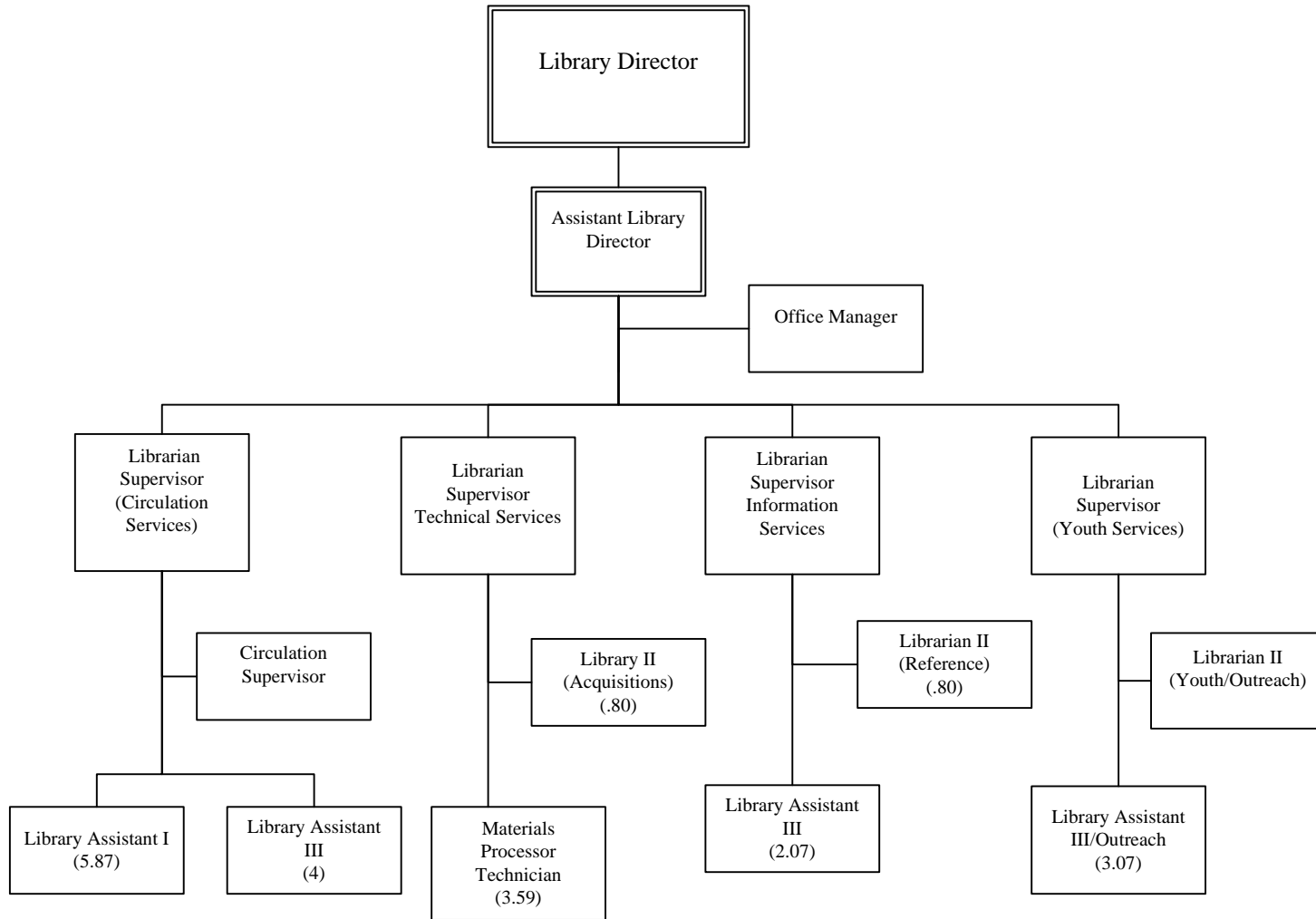
*The mission of the Chapel Hill Public Library, based on the Town's Comprehensive Plan Goals 11.2 and 11A-6, is to "provide community facilities and services that meet the physical, social and cultural needs of Chapel Hill's population" and to "develop and implement a plan to meet future community needs for library service."*

The Library works to achieve its mission by providing:

- Current recreational reading, listening and viewing materials and information about contemporary culture and trends.
- General information through answering reference questions and provision of specialized subscription reference services.
- Information and programs to support life-long learning.
- Instruction in finding, evaluating and using electronic information resources.



# LIBRARY



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

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	<b>2009-10 ADOPTED</b>	<b>2010-11 ADOPTED</b>	<b>2011-12 ADOPTED</b>
Director-Library	1.00	1.00	1.00
Assistant Director-Library/Head of Public Services	1.00	1.00	1.00
Supervisor-Librarian	4.00	4.00	4.00
Librarian	2.60	2.60	2.60
Supervisor-Circulation	1.00	1.00	1.00
Office Manager	1.00	1.00	1.00
Materials Processor <sup>1</sup>	3.59	3.53	3.53
Library Assistant I-III <sup>1</sup>	15.01	14.95	14.95
Library Department Totals	<u>29.20</u>	<u>29.08</u>	<u>29.08</u>

<sup>1</sup> FTE change in FY11 is due to an adjustment in work hours of part-time employees

# **LIBRARY**

## **BUDGET SUMMARY**

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*The adopted budget for the Library assumes operation in a temporary location for 2011-12, which assumes the use of bond funds for rental and moving expenses. The budget reflects an overall expenditure decrease of 6.9% from last year's budget. The decrease in personnel is the net result of the 10.1% increase in medical insurance, increase in the state retirement contribution, reserve for pay increase and freezing four vacant part-time positions. The operating decrease of 10.6% can be attributed to reductions in utilities due to the move and decreased purchase of periodicals.*

*Library revenues are expected to be about the same as 2010-11. Transfer from the Library Gift Fund is increased to \$53,000 in 2011-12.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 1,720,065	\$ 1,814,524	\$ 1,678,240	\$ 1,677,864	\$ 1,710,971	-5.7%
Operating Costs	611,650	582,711	741,529	508,395	520,674	-10.6%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 2,331,715</b>	<b>\$ 2,397,235</b>	<b>\$ 2,419,769</b>	<b>\$ 2,186,259</b>	<b>\$ 2,231,645</b>	<b>-6.9%</b>

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### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
General Fund	\$ 1,875,312	\$ 1,940,027	\$ 1,962,561	\$ 1,729,769	\$ 1,772,155	-8.7%
Grants	283,412	285,708	285,708	287,990	287,990	0.8%
Charges for Services	160,533	150,000	150,000	152,000	150,000	0.0%
Licenses/Permits/Fines	-	10,500	10,500	5,500	10,500	0.0%
Other Revenues	12,458	11,000	11,000	11,000	11,000	0.0%
<b>Total</b>	<b>\$ 2,331,715</b>	<b>\$ 2,397,235</b>	<b>\$ 2,419,769</b>	<b>\$ 2,186,259</b>	<b>\$ 2,231,645</b>	<b>-6.9%</b>

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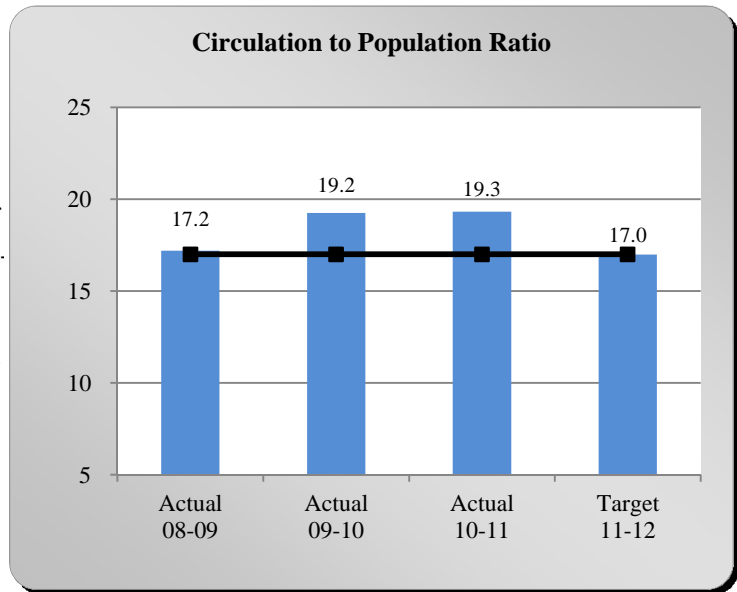
# LIBRARY TRENDS

**COUNCIL SERVICE GOALS:** Provide leisure and cultural opportunities. Provide accurate and timely current and historical public information.

**DEPARTMENT GOAL:** Provide quality customer service and a library collection that will foster increased usage by citizens.

**OBJECTIVE:** Provide a circulation to population ratio of at least 17.

Previous years ratio of total circulation to Town population reflected increased number of materials available to patrons due to a special 4-year capital project to expand the collection. Target for 2011-12 reflects reduced transition space and off-site storage of approximately 30% of the collection.

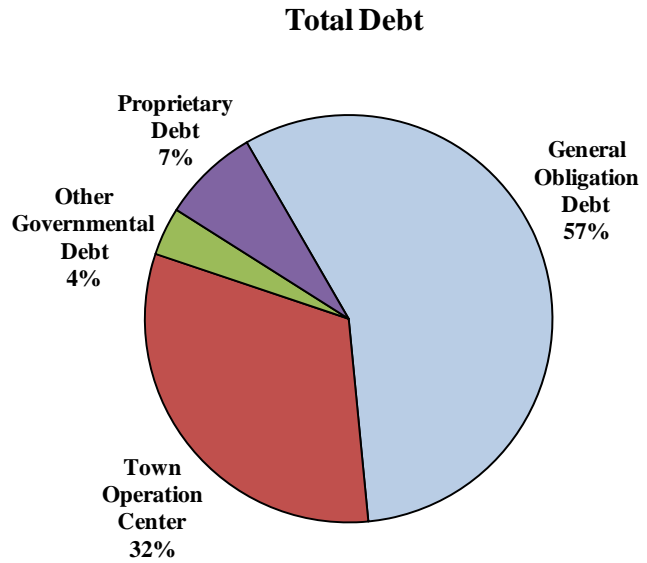


OBJECTIVES: 2011-12	ANNUAL REPORT: 2010-11
To meet the information, educational, and recreational reading needs of the community during the 68 hours the library is open each week by: circulating books and other library materials (982,050; -10.6%); staffing the Reference Desk with two employees an average of 60 hours per week; supporting 17 internet terminals for reference; answering reference and readers advisory questions (95,100).	Materials circulated (includes e-resources): 1,097,587 (+.4%) Reference questions logged: 86,180 (-9%)* Patron visits to the library: 381,851 (-3.5%)* <i>* Reflects increased patron use of online resources for information.</i>
Provide a well-balanced, up-date collection of library materials which meets the reading and informational needs and interests of the community by: adding new, gift, and replacement materials to the collection (19,000 items); establishing target endowments and a gift list for the expansion project to encourage community donations; supporting fundraising efforts by the Friends and Foundation (\$100,000) for the expanded library's opening day collection by December 2012; repairing existing collection items (9,000).	Items cataloged and added to the collection: 12,703 Materials withdrawn from the collection: 11,306 Uncataloged donations added to the collection: 1,993 Collection items repaired: 9,890 Total # of current titles: 142,807 Total # of current collection items: 182,800

# ***DEBT SERVICE FUND***

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The Debt Service Fund accounts for the principal and interest payments for the Town's general obligation bonds and certificates of participation issued for construction of the Town Operations Center.



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

As of June 30, 2011 the Town will have about \$68 million in debt outstanding. On October 12, 2010, the Town issued \$20.41 million in general obligation bonds for the Library Expansion Project, Streets and Sidewalks, and Parks and Recreation facilities. About half of the bonds were issued as taxable Build America Bonds that will receive a 35% interest rebate from the Federal Government. The balance of the general obligation bonds were issued as conventional tax-exempt bonds. The next largest portion of debt, \$19.0 million, are certificates of participation issued in 2005 to finance the construction of the Town Operations Center project. The Town has an additional \$4.6 million in certificates of participation which were used to finance the parking deck and other off-street parking facilities. This debt is paid entirely from parking fee revenue. The long term debt also includes installment financing for equipment, land and reserves for compensated absences, that is, the amount that the Town owes for future payments for employee vacation.

		Projected Long-Term Debt June 30, 2011
<b>Governmental Debt</b>		
General obligation debt	\$	34,110,000
Certificates of Participation		19,040,000
Installment debt		2,295,000
Separation allowance (est.)		254,773
Compensated absences (est.)		<u>2,242,755</u>
<b>Total</b>	<b>\$</b>	<b><u>57,942,528</u></b>
<b>Proprietary Fund Debt</b>		
Enterprise Funds		
Certificates of Participation	\$	4,615,000
Compensated absences (est.)		660,797
Internal Service Funds		
Motor vehicle equipment		<u>5,157,515</u>
<b>Total</b>	<b>\$</b>	<b><u>10,433,312</u></b>

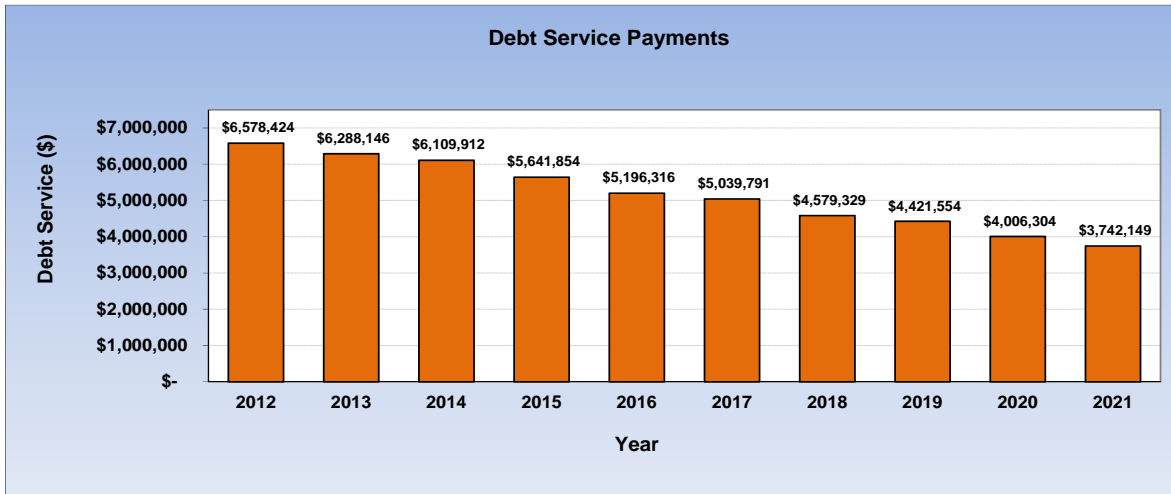
### Current Debt Obligations

The Town delayed the issuance of the remaining authorized 2003 General Obligation bonds in order to build additional capacity in the Debt Management Fund. By delaying the issuance the Town was also able to take advantage of the Build America Bond program under the Federal Stimulus Act. The 2010 General Obligation bonds were issued with a level principal structure and the annual debt service is about \$1.6 million in FY2011-12, declining each year to \$1.06 million in FY2030-31.

In December of 2009, the Town issued \$4,490,000 of general obligation bonds to refund bonds issued in 1998 and 2000. The sale resulted in a savings of \$487,393 in interest costs spread over the remaining 10 year life of the bonds.

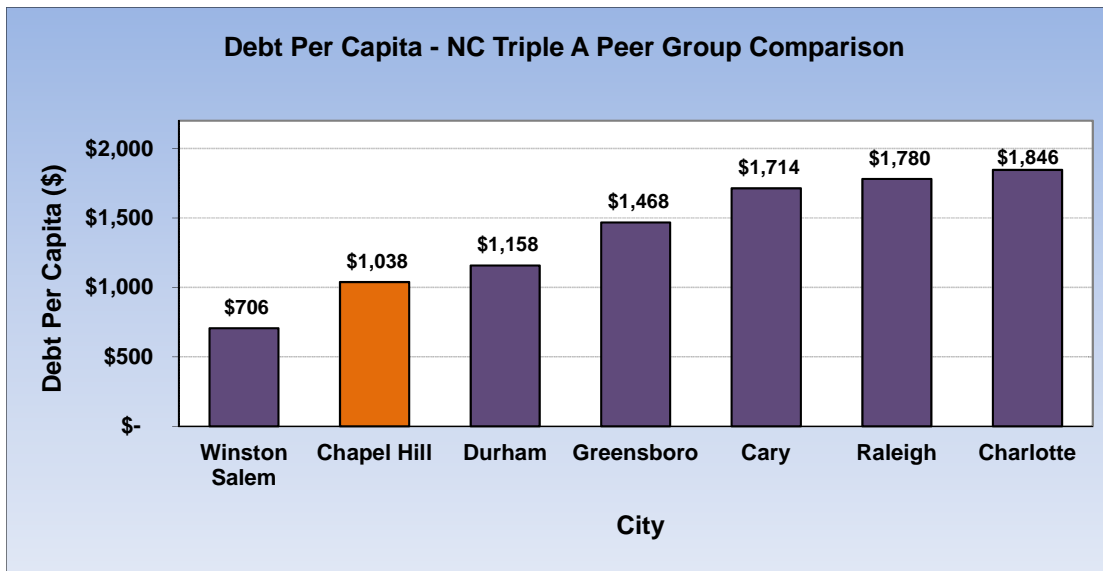
# DEBT & BOND RATINGS

The Town's long-term debt payments for existing general obligation bonds and certificates of participation are shown below for the next ten years:



## Future Additional Debt

Town Council placed a bond referendum before the citizens of Chapel Hill in November of 2003. The October 2010 General Obligation debt issuance represented the balance of that authority. In order to issue additional General Obligation Bonds the Town would need to receive approval from voters through the public referendum process. The next bond referendum will probably take place after FY2014-15 as the Debt Management Fund builds capacity for new debt service.



(Ratios of total outstanding G.O.B. debt, authorized & unissued G.O.B. debt, and IP debt, excluding enterprise, for N.C. populations greater than 50,000. Source: Analysis of Debt of N.C. Municipalities 6/30/2009, Department of State Treasurer, Division of State and Local Government Finance.)

# ***DEBT & BOND RATINGS***

The Town also anticipates the sale of up to \$7,245,000 in debt to cover the cost of underground parking for the Downtown Initiative in 2012-13. The Parking Fund will pay the debt service on the Downtown Initiative bonds.

## 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 general obligation bonds and certificates of participation. The Town is allowed seven years to issue general obligation debt once it is approved by the taxpayers, which allows the Town to phase in debt as it is needed

<b>TOWN OF CHAPEL HILL, NORTH CAROLINA</b>	
<b>COMPUTATION OF LEGAL DEBT MARGIN</b>	
<b>June 30, 2011</b>	
Total assessed valuation at June 30, 2011	\$ <u>7,375,900,000</u>
Debt limit - 8% of total assessed value	\$ <u>590,072,000</u>
Amount of debt applicable to debt limit:	
General obligation bonds	<u>34,110,000</u>
Legal debt margin	\$ <u>555,962,000</u>

and as older debt drops off the repayment schedule. An additional three years extension of the authority to issue general obligation debt is available with approval of the Local Government Commission. 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.

The Town's projected outstanding debt that applies to this limit at June 30, 2011 will total \$34,110,000 in outstanding general obligation bonds. The total is less than 1% of the Town's June 30, 2010 tax base (\$7.11 billion).

The Town's annual general obligation and certificate of participation debt service cost for 2011-12 is estimated to be about \$6.76 million, or about 13.1% of the General Fund original budget. A general guideline by bond rating agencies is that annual debt service is considered to be low to moderate if it is less than 10% of its annual General Fund budget. We are aware that we have exceeded our own debt guidelines in recent years by increasing debt service to over 10% of the estimated budget. Our projections show that we will have debt service levels between 10% and 13% of budget for several years with the issuance of the \$20.41 million remaining authorized general obligation bonds. We will continue to monitor this indicator because it is one of numerous factors used to determine the Town's credit rating.



# DEBT & BOND RATINGS

RATIO OF NET BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA LAST TEN FISCAL YEARS					
Fiscal Year Ended June 30	Population Estimate	Taxable Assessed Value	Net Bonded Debt	Ratio of Net Bonded Debt to Taxable Assessed Value	Net Bonded Debt Per Capita
2001	48,902	3,039,516,608	18,705,000	0.62	382
2002	50,454	4,021,127,152	17,380,000	0.43	344
2003	51,005	4,167,181,402	20,070,000	0.48	393
2004	51,485	4,305,436,972	18,400,000	0.43	357
2005	51,519	4,458,136,168	46,725,000	1.05	907
2006	52,397	5,300,417,389	44,045,000	0.83	841
2007	52,397	5,472,958,888	46,130,000	0.84	880
2008	54,904	5,839,993,985	42,650,000	0.73	777
2009	55,616	5,835,597,388	39,185,000	0.67	705
2010	56,778	7,045,574,326	38,520,000	0.55	678

Note: Net bonded debt includes general obligation bonds and certificates of participation.

## Bond Ratings

The Town's bond ratings evidence its financial strength. When the Town issues general obligation bonds or other securities, rating agencies reevaluate 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. In October 2010, the Town's bond ratings were confirmed at triple A from Moody's Investor Service and from Standard and Poor's, the highest rating attainable.

<b>Moody's</b>	<b>AAA</b>
<b>Standard &amp; Poor's</b>	<b>AAA</b>

## **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 certificates of participation issued for construction of the Town Operations Center. Funding for debt service historically came from a transfer from the General Fund to the Debt Service Fund, but beginning in 2008-09, a portion of the property tax rate was allocated to debt service payments. We expect revenues in excess of expenditures of about \$1.1 million in 2010-11, shown below as a "reserve for debt" to present a balanced budget. The projected reserves are the result of delaying debt that had been planned for the fall of 2008 in light of the ongoing recession. The adopted budget for FY12 includes appropriation of about \$1.2 million of fund balance, and the remaining reserved funds will be available for appropriation by the Council for future debt.

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#### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Principal Payments	\$ 8,520,000	\$ 3,485,000	\$ 3,485,000	\$ 3,485,000	\$ 4,490,000	28.8%
Interest Expense	1,912,679	1,641,089	2,041,089	1,996,011	2,270,930	38.4%
Issuance Expense	78,355	-	50,000	49,528	-	
Reserve for debt	503,435	1,422,911	1,058,587	1,129,378	-	-100.0%
<b>Total</b>	<b>\$ 11,014,469</b>	<b>\$ 6,549,000</b>	<b>\$ 6,634,676</b>	<b>\$ 6,659,917</b>	<b>\$ 6,760,930</b>	<b>3.2%</b>

#### **REVENUES**

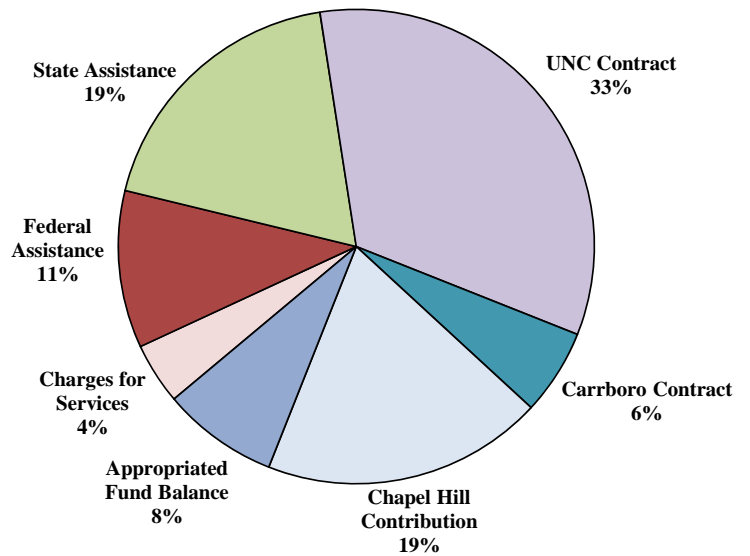
	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Property Taxes	\$ 6,518,783	\$ 6,546,000	\$ 6,546,000	\$ 6,570,000	\$ 5,380,000	-17.8%
Bond Proceeds	4,490,000	-	-	-	-	N/A
BABS Interest Subsidy	-	-	85,676	85,677	182,506	N/A
Interest Income	5,686	3,000	3,000	4,240	3,000	0.0%
Appropriated Fund Balance	-	-	-	-	1,195,424	N/A
<b>Total</b>	<b>\$ 11,014,469</b>	<b>\$ 6,549,000</b>	<b>\$ 6,634,676</b>	<b>\$ 6,659,917</b>	<b>\$ 6,760,930</b>	<b>3.2%</b>

# TRANSIT FUND

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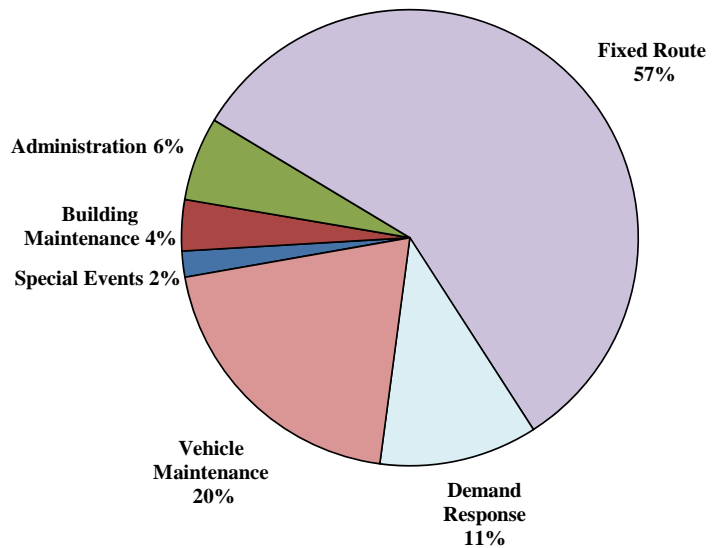
The Transit Fund is used to account for the operations of the Town's public transit system.

## Transit Revenues



Total \$17,708,327

## Transit Expenditures



# ***TRANSIT***

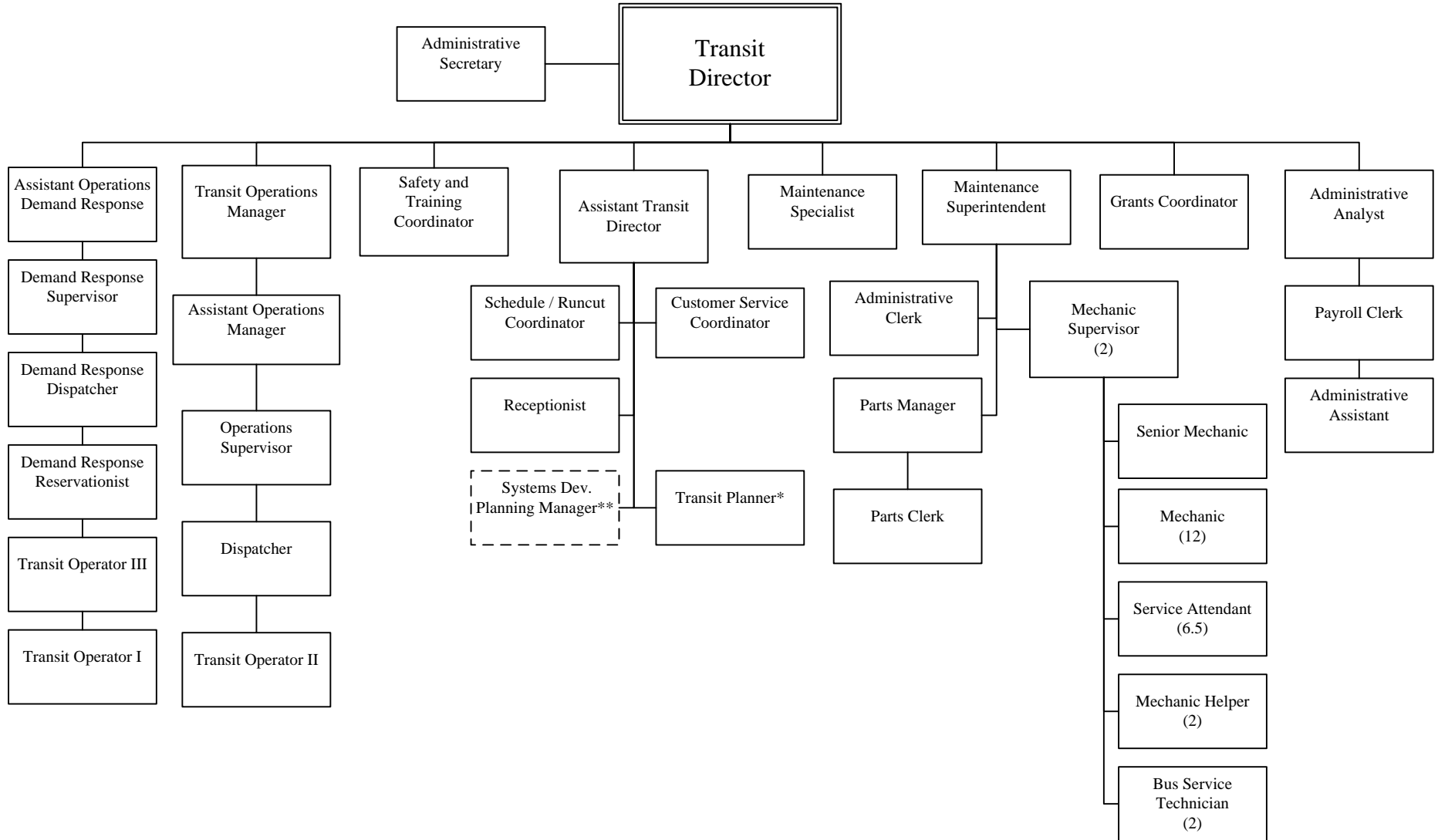
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## **MISSION STATEMENT:**

*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.*

- In order to accomplish its mission, Chapel Hill Transit will:
  - Foster customer oriented services
  - Maximize safety and security for our customers and community
  - Hold our operations to high service quality standards
  - Embrace creativity and adaptability in addressing needs
  - Collaborate with other providers to be inclusive and multi-modal
  - Ensure a quality operation that emphasizes mutual respect
  
- Chapel Hill Transit provides fixed route and demand response bus service within its service area and extended service to areas such as Hillsborough and Chatham County.
  
- CHT operates 23 fixed routes serving nearly 7 million rides annually. Routes include local transit service and express routes from 6 park and ride locations
  
- CHT operates a demand response service for the elderly and disabled persons in the community. A fleet of 15 vehicles is used to provide approximately 75,000 annual rides.
  
- In addition to transit operations, Chapel Hill Transit is responsible for the following:
  - Transit Vehicle maintenance
  - Bus/Van Procurement
  - Short range transit planning
  - Transit Marketing and public information
  - Compliance with state and federal requirements
  - Coordination of regional transit services
  - Budget/grant development and management
  - Transit System safety and security

# TRANSIT



179

\* Grant-funded positions.  
 \*\*Unfunded positions.

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

	<b>2009-10 ADOPTED</b>	<b>2010-11 ADOPTED</b>	<b>2011-12 ADOPTED</b>
<b>Administration</b>			
Director-Transit	1.00	1.00	1.00
Manager Systems Dev. Planning*	1.00	1.00	1.00
Assistant Director-Transit	1.00	1.00	1.00
Administrative Analyst	1.00	1.00	1.00
Coordinator-Scheduling/Run Cut	1.00	1.00	1.00
Coordinator-Grants	1.00	1.00	1.00
Coordinator-Project	0.00	0.00	0.00
GIS Technician	1.00	1.00	1.00
Transit Services Planner*	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	1.00
Receptionist	1.00	1.00	1.00
Administrative Clerk	1.00	1.00	1.00
Division Totals	12.00	12.00	12.00
<b>Operations</b>			
Transit Operations Manager	1.00	1.00	1.00
Coordinator-Safety and Training	1.00	1.00	1.00
Assistant Transit Operations Manager	1.00	2.00	2.00
Supervisor-Transit	6.00	6.00	6.00
Coordinator-Customer Service/Operations	1.00	0.00	0.00
Transit Dispatcher	3.50	4.00	4.00
Transit Operator III (E-Z Rider Driver)	11.41	15.57	15.57
Transit Operator II (Bus Driver)	113.57	120.26	120.26
Transit Operator I (Shared Rider Driver)	3.00	1.00	1.00
Transit Reservationist	2.00	2.00	2.00
Division Totals	143.48	152.83	152.83
<b>Equipment Maintenance</b>			
Superintendent-Transit Maintenance	1.00	1.00	1.00
Supervisor-Mechanic	2.00	2.00	2.00
Mechanic, Senior	1.00	1.00	1.00
Parts Manager	1.00	1.00	1.00
Maintenance Specialist	1.00	1.00	1.00
Mechanic	12.00	12.00	12.00
Bus Service Technician	2.00	2.00	2.00
Mechanic Helper	2.00	2.00	2.00
Administrative Clerk	1.00	1.00	1.00
Parts Clerk	1.00	1.00	1.00
Service Attendant	6.50	6.50	6.50
Division Totals	30.50	30.50	30.50
Transit Department Totals	185.98	195.33	195.33

\*Unfunded Position

# ***TRANSIT FUND***

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

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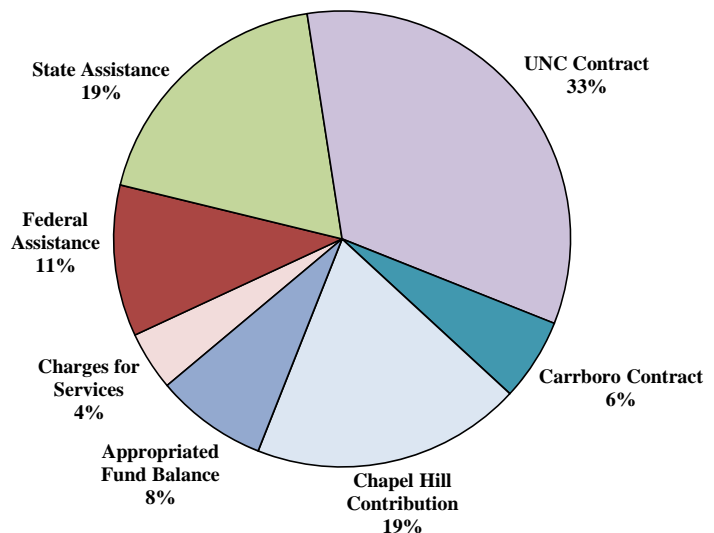
The Town provides public transit services for the Town of Chapel Hill and the neighboring Town of Carrboro, the University of North Carolina and the UNC Health Care System on a contractual basis. In 2001, the transit system initiated fare free services, eliminating fare box and pass sale revenues previously collected for the basic system. (Exceptions are fares for specific routes to Hillsborough and Pittsboro and the Tar Heel Express service provided for athletic and other special events for the University.)

The adopted budget for the Transit Fund for fiscal year 2011-12 totals about \$17.7 million. Below is a description of the major revenue sources for the Transit Fund. The pie chart below shows the major revenue sources for fiscal year 2011-12.

### **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 at \$1.9 million in 2011-12, a reduction of over \$300,000 from the past few years. This reduction reflects a discontinuation of the ARRA grant that provided \$500,000 in operating assistance in FY09 and FY10. The adopted budget for FY12 also includes no non-recurring grants as we have no grant awards at this time.

Additional operating grants will be sought for FY12 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. The subsidy for FY11 is expected to be about \$351,000 more than budgeted, but we estimate that the subsidy will return to the current year budgeted level of \$3.3 million for 2011-12.

# TRANSIT FUND

## Major Revenue Sources - Descriptions and Estimates

### University Contract

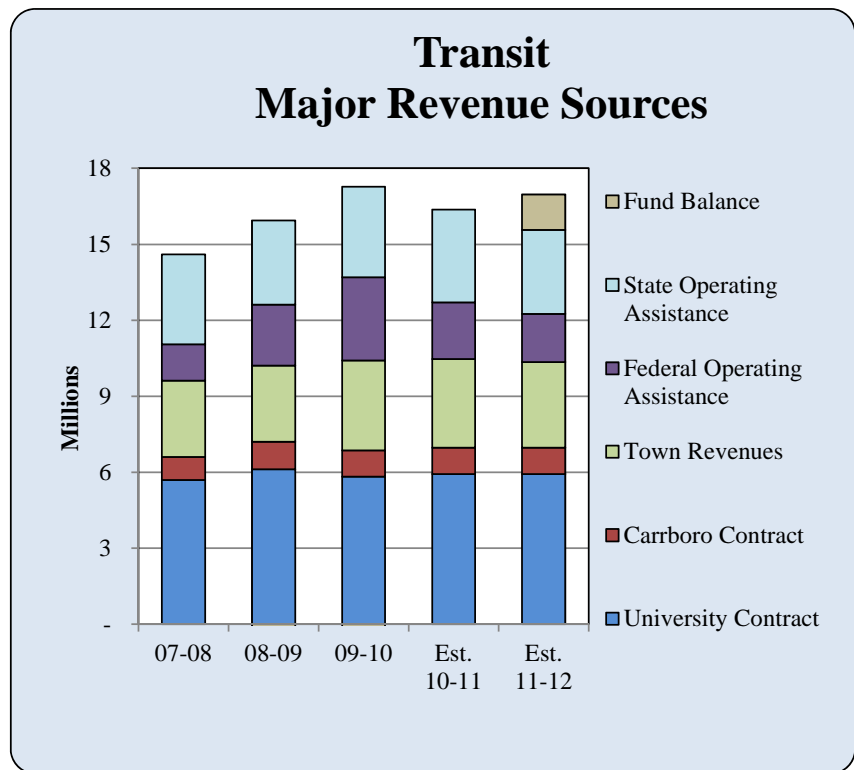
The University of North Carolina contracts with the Town for bus service for routes on and surrounding the campus of the University and UNC Health Care System. The University contract also covers routes determined to serve mainly students and employees of the University. The cost of these services is based on cost sharing arrangements among the Town, the University and Carrboro, as agreed to in an annual contract. The University's share of cost for 2011-12 totals about \$5.9 million, the same as current year as requested.

### 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 both 2010-11 and 2011-12 is \$1.03 million.

### Town Revenues

The Town's share of cost for the Transit system is funded primarily by a property tax levy for transit. The adopted budget for the Transit Fund in fiscal year 2011-12 includes continuation of the tax rate of 4.8 cents for budgeted tax revenue of about \$2.9 million.



Other revenues expected for the system include about \$390,000 in fares for the Tar Heel Express and other special events, \$415,000 for vehicle license fees and about \$228,000 in services for Triangle Transit Authority.

The Transit system expects revenues in excess of expenditures in FY11 of about \$25,000, expected to be retained as fund balance. Use of about \$1.4 million of fund balance is adopted to balance the budget in FY12.



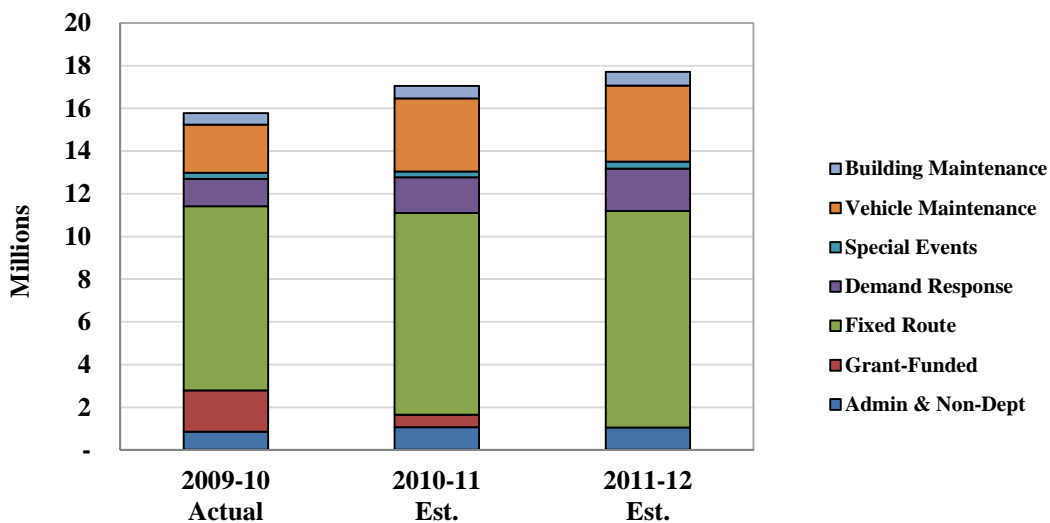
# TRANSIT FUND

## Major Expenditures - Descriptions and Estimates

The Town provides public transit services for the Town of Chapel Hill and to the neighboring Town of Carrboro, the University of North Carolina and the UNC Health Care System on a contractual basis.

The adopted budget that continues fare free services for fixed routes in the system totals \$17.7 million for the 2011-12 budget. 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 wagons or minivans, and four maintenance service trucks that provide transit service to the entire community.

### Transit Expenses



The chart above illustrates the portions of the budget allocated to the major categories of Fixed Route, Demand Response, Vehicle Maintenance, Administration and Building Maintenance. Operational costs total about \$12.4 million, Maintenance costs total about \$4.2 million and Administrative costs total about \$1 million.

The adopted budget for 2011-12 includes increases of 10.1% increase in medical insurance for employees and retirees, 7% increase for retirement, allowance for employee pay adjustments and an increase in maintenance costs with the loss of the ARRA grant from prior years. The largest increase in operating cost (at about \$377,000 for Fixed Route) is for fuel. The Town does not have a fuel contract for FY12 at this time, but we intend to secure a contract when prices stabilize. The FY12 budget does not include a transfer to the Capital Reserve Fund for future grant matches.

# **TRANSIT**

## **BUDGET SUMMARY**

The adopted budget for the Transit Department continues fare-free service initiated during fiscal year 2001-02. The 2010-11 budget is based on the receipt of approximately \$2.9 million in property taxes at a continuing tax rate of \$4.1 cents/\$100 valuation. Contributions from UNC and Carrboro remain at prior year levels, and federal and State operating assistance are expected to decrease from current year estimates. Operations in FY11 are expected to yield a surplus of revenue over expenditures of about \$25,000, and the adopted FY12 budget includes the use of about \$1.4 million of such reserves (fund balance) to balance the budget.

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Admin & Non-Dept	\$ 849,734	\$ 903,396	\$ 1,220,218	\$ 1,035,041	\$ 1,051,584	16.4%
Grant-Funded	1,711,758	406,250	696,755	588,326	-	-100.0%
Fixed Route	8,630,527	10,364,614	9,730,987	9,455,174	10,142,984	-2.1%
Demand Response	1,282,951	1,710,379	1,759,152	1,674,087	1,983,479	16.0%
Special Events	291,085	382,230	382,230	264,381	326,842	-14.5%
Vehicle Maintenance	2,258,048	2,983,612	3,552,867	3,422,345	3,562,758	19.4%
Building Maintenance	528,798	686,002	687,474	589,684	640,680	N/A
<b>Total</b>	<b>\$ 15,552,901</b>	<b>\$ 17,436,483</b>	<b>\$ 18,029,683</b>	<b>\$ 17,029,038</b>	<b>\$ 17,708,327</b>	<b>1.6%</b>

### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Charges for Services	\$ 716,199	\$ 715,049	\$ 715,049	\$ 677,664	\$ 741,565	3.7%
Federal Assistance	2,308,997	2,225,000	2,234,015	2,234,015	1,900,000	-14.6%
Federal Operating Grants	977,983	-	-	-	-	N/A
State Assistance	3,570,322	3,319,737	3,671,170	3,671,170	3,319,737	0.0%
UNC Contracts	5,828,502	5,930,168	5,930,168	5,930,168	5,930,168	0.0%
Carrboro Contracts	1,032,834	1,032,825	1,032,825	1,032,825	1,032,825	0.0%
Chapel Hill Revenues	3,546,047	3,325,705	3,539,682	3,508,158	3,385,520	1.8%
Appropriated Fund Balance	(2,427,983)	887,999	906,774	(24,962)	1,398,512	57.5%
<b>Total</b>	<b>\$ 15,552,901</b>	<b>\$ 17,436,483</b>	<b>\$ 18,029,683</b>	<b>\$ 17,029,038</b>	<b>\$ 17,708,327</b>	<b>1.6%</b>

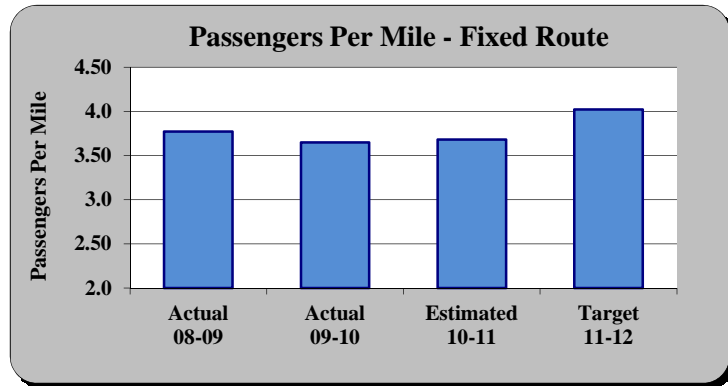
# TRANSIT TRENDS

**COUNCIL SERVICE GOALS:** Provide fair, effective, efficient and prompt customer service. Maintain current transit service levels and routes.

**GOAL:** Increase the efficiency and effectiveness of transit services.

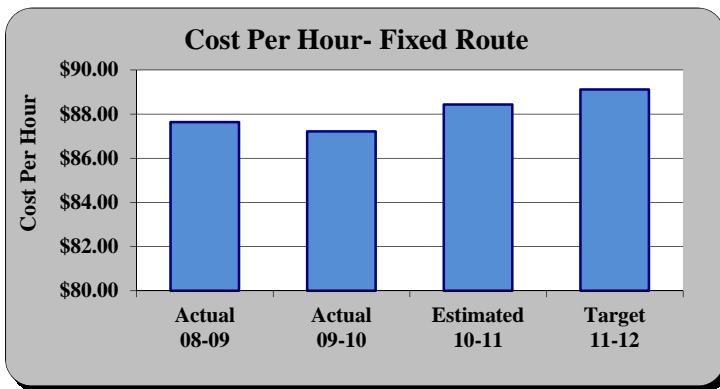
**OBJECTIVE:** Increase the number of passengers per mile in fixed route transit service.

In fiscal year 2010-11, the number of passengers per mile increased by approximately 1% above 2009-10, as the Town continued to provide fare-free service.



**GOAL:** Increase the efficiency and effectiveness of transit services.

**OBJECTIVE:** Maintain a stable system cost per hour for fixed route services.



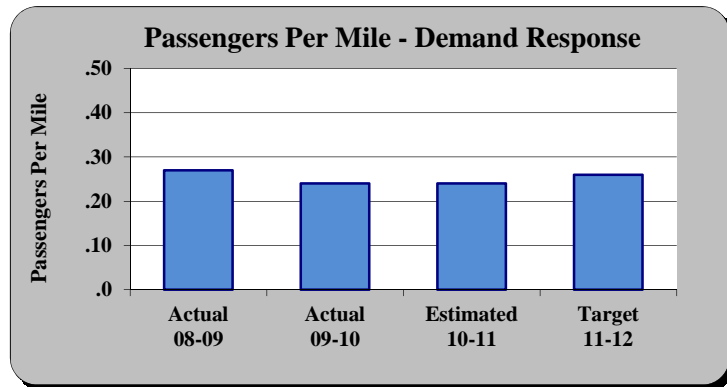
In fiscal year 2010-11, the fixed route cost per hour increased about 1% over 2009-10 at approximately \$88.4. With the target number of passengers set to increase next year, efforts are focused on maintaining the fixed route cost per hour.

# TRANSIT TRENDS Cont.

**GOAL:** Increase the efficiency and effectiveness of transit services.

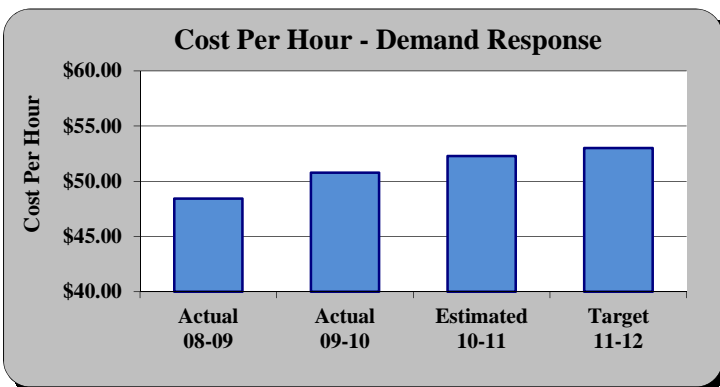
**OBJECTIVE:** Increase the number of passengers per mile in demand response paratransit service.

In fiscal year 2010-11, the number of passengers per mile remained consistent with 2009-10, as the Town continued to provide fare-free paratransit service.



**GOAL:** Increase the efficiency and effectiveness of transit services.

**OBJECTIVE:** Maintain a stable system cost per hour for demand response paratransit services.

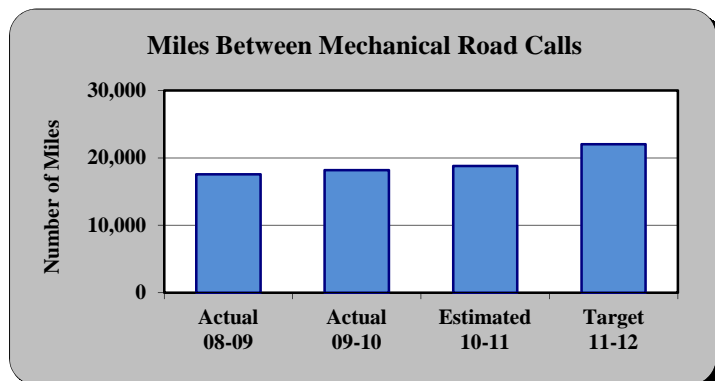


In fiscal year 2010-11, the demand response cost per hour increased 3% over 2009-10. With anticipated increases in operational costs, the 2011-12 target is to hold increases to 6% or less.

**GOAL:** Increase the efficiency and effectiveness of transit services.

**OBJECTIVE:** Maintain or increase service miles between road calls that may interrupt service.

In fiscal year 2010-11, the miles between road calls increased by 3%, but remained below the industry standard of 24,000 miles or more. For 2011-12, the target is to have fewer maintenance calls and an average of 22,000 miles or more between road calls that may interrupt service.



# ***TRANSIT - ADMINISTRATION DIVISION***

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**MISSION STATEMENT:** *The Mission of Chapel Hill Transit is to build and operate a safe, efficient, responsive public transit system serving Chapel Hill, Carrboro and the University of North Carolina with trained and dedicated employees.*

*Chapel Hill Transit will provide mobility, support local development and environmental goals while improving the quality of life and preserving the natural beauty of our community.*

The Administration Division supervises departmental operations, manages grant and service contracts and participates in transportation planning. Duties of the division include:

- Contract monitoring and negotiation with the University of North Carolina and the Town of Carrboro for transportation services and funding arrangements.
- Grants management (from the Federal Transit Administration and the State of North Carolina).
- Transit planning activities including short range and long range transit plans and special transit initiatives.
- Review of development proposals to assess impact on public transportation.
- Marketing and public relations activities.
- Participation in local, regional and state-wide public transit activities.
- Monitor, evaluate and analyze transit operations to ensure that services are being provided with the highest level of customer service in the most efficient and cost effective manner possible.

## ***TRANSIT - Administration and Non-Departmental BUDGET SUMMARY***

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*The adopted budget for the Administrative divisions of Transit reflect a 15% increase in personnel costs due to the 10.1% increase in medical insurance, reserve for pay adjustments and 7% increase in retirement contribution. This division is also covering the cost of positions that were previously paid by grants. The operating cost increase of 12.6% for FY12 is comprised of increases in liability insurance, miscellaneous contracted services, and charges by the General Fund related to increased payroll in Administration. The budget for FY12 does not include a transfer to the capital reserve fund for future grant matches.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 481,664	\$ 544,810	\$ 544,810	\$ 350,476	\$ 626,587	15.0%
Operating Costs	173,680	335,580	259,469	268,626	377,834	12.6%
Transfer to						
Grant Match	18,548	23,006	23,006	23,006	47,163	105.0%
Transfer to						
Capital Reserve	175,842	-	392,933	392,933	-	N/A
<b>Total</b>	<b>\$ 849,734</b>	<b>\$ 903,396</b>	<b>\$ 1,220,218</b>	<b>\$ 1,035,041</b>	<b>\$ 1,051,584</b>	<b>16.4%</b>

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

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*A number of federal operating grants were included in the Transit Fund for FY11, including an STP-DA Operating Grant that supports salaries and an ARRA Grant for capital maintenance. Other grants in FY10-11 provided for a mobility manager, support of specific routes and services for the elderly.*

*No FY12 grant awards have been received at this time, so no grants are included in the FY12 adopted budget.*

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**EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 729,882	\$ 391,250	\$ 501,258	\$ 463,654	\$ -	-100.0%
Operating Costs	981,876	15,000	195,497	124,672	-	-100.0%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 1,711,758</b>	<b>\$ 406,250</b>	<b>\$ 696,755</b>	<b>\$ 588,326</b>	<b>\$ -</b>	<b>-100.0%</b>

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## ***TRANSIT- OPERATIONS DIVISION***

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**MISSION STATEMENT:** *The Mission of Chapel Hill Transit is to build and operate a safe, efficient, responsive public transit system serving Chapel Hill, Carrboro and the University of North Carolina with trained and dedicated employees.*

*Chapel Hill Transit will provide mobility, support local development and environmental goals while improving the quality of life and preserving the natural beauty of our community.*

The Operations Division manages fixed-route bus service and demand-responsive services with smaller vehicles. Duties of the division include:

- Provide fixed-route bus service to meet the mobility goals of Chapel Hill, Carrboro and the University of North Carolina.
- Coordinate transit service with other public transit systems in the Triangle to enhance the mobility of our citizens.
- Operate demand-responsive door-to-door service for certified persons with disabilities, using lift-equipped vans and sedans.
- Operate shuttle service (Tar Heel Express) to all UNC home football and basketball games.
- Hire, train and motivate bus operators and support staff to ensure efficient, safe, on-time and courteous service to the public.



***TRANSIT - Fixed Route***  
***BUDGET SUMMARY***

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*The adopted budget for 2011-12 reflects an 8.7% decrease in personnel costs, the net of increases for medical insurance (10.1%), reserve for pay adjustments and retirement contributions (7%) with the savings from freezing six vacant transit operator positions. The personnel budget also reflects a decrease in overtime pay to reflect service changes.*

*The 13.5% increase in operating costs is chiefly the result of an increase in fuel & tire costs with the rising cost of petroleum-based products. The \$377,000 increase in fuel estimates for this division is based on the increase in the price of fuel. At the time of this adopted budget, the Town has not secured a fuel contract for FY12.*

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**EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 6,489,569	\$ 7,294,807	\$ 6,876,591	\$ 6,770,300	\$ 6,658,431	-8.7%
Operating Costs	2,140,958	3,069,807	2,854,396	2,684,874	3,484,553	13.5%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 8,630,527</b>	<b>\$ 10,364,614</b>	<b>\$ 9,730,987</b>	<b>\$ 9,455,174</b>	<b>\$ 10,142,984</b>	<b>-2.1%</b>

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

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*The adopted budget for FY12 includes a 5.4% increases in personnel costs, the net result of an increase in medical insurance of 10.1%, reserve for pay adjustments, increase in retirement contributions of 7%, the freezing of a vacant reservationist position, a decrease in part-time salaries, and increases in overtime and temporary salaries. The 48% operating increase reflects a change to capture all maintenance and other costs attributable to Demand Response within this division.*

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**EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 984,380	\$ 1,285,222	\$ 1,271,797	\$ 1,241,441	\$ 1,354,216	5.4%
Operating Costs	298,571	425,157	484,165	432,646	629,263	48.0%
Capital Outlay	-	-	3,190	-	-	N/A
<b>Total</b>	<b>\$ 1,282,951</b>	<b>\$ 1,710,379</b>	<b>\$ 1,759,152</b>	<b>\$ 1,674,087</b>	<b>\$ 1,983,479</b>	<b>16.0%</b>

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## ***TRANSIT - Tarheel Express / Special Events***

### **BUDGET SUMMARY**

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*The Tarheel Express/Special Events budget adopted for 2011-12 includes a 20.7% decrease from the previous year, chiefly due to a decreased budget for overtime salaries and benefits. The Tarheel Express/Special Events budget is funded by fees to patrons, estimated to bring in about \$390,000 for FY12.*

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### **EXPENDITURES**

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	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 218,125	\$ 266,184	\$ 266,184	\$ 191,755	\$ 211,022	-20.7%
Operating Costs	72,960	116,046	116,046	72,626	115,820	-0.2%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 291,085</b>	<b>\$ 382,230</b>	<b>\$ 382,230</b>	<b>\$ 264,381</b>	<b>\$ 326,842</b>	<b>-14.5%</b>

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## ***TRANSIT - MAINTENANCE DIVISION***

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**MISSION STATEMENT:** *The Mission of Chapel Hill Transit is to build and operate a safe, efficient, responsive public transit system serving Chapel Hill, Carrboro and the University of North Carolina with trained and dedicated employees.*

*Chapel Hill Transit will provide mobility, support local development and environmental goals while improving the quality of life and preserving the natural beauty of our community.*

The Maintenance Division services and repairs transit vehicles and support equipment to ensure safe, reliable and clean transit vehicles. Duties of the division include:

- Daily service, fueling and cleaning of all transit vehicles.
- Ongoing maintenance, inspection and repair of buses, vans and support vehicles.
- Ongoing maintenance of transit amenities, such as benches and shelters.
- Maintain and inventory system of fuel and bus parts to support the timely operation of services.
- Develop capital improvement plan and procurement of major capital equipment.
- Ensure that employees have the proper training and skills to ensure the safe efficient operation of Town vehicles.

***TRANSIT - Vehicle Maintenance***  
***BUDGET SUMMARY***

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*The 5.7% increase in personnel costs are largely due to the 10.1% increase in medical insurance. The 37.7% increase in operating costs reflects a \$419,000 increase in Maintenance and Repairs with the ending of the ARRA grants of prior years which were able to pay these costs.*

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**EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 1,596,878	\$ 1,709,577	\$ 1,709,577	\$ 1,720,981	\$ 1,807,804	5.7%
Operating Costs	661,170	1,274,035	1,843,290	1,701,364	1,754,954	37.7%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 2,258,048</b>	<b>\$ 2,983,612</b>	<b>\$ 3,552,867</b>	<b>\$ 3,422,345</b>	<b>\$ 3,562,758</b>	<b>19.4%</b>

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## ***TRANSIT - Building Maintenance***

### **BUDGET SUMMARY**

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*The adopted budget for Transit's Building Maintenance division reflects the 10.1% increase in medical insurance netted with a reduction to the job rate for the vacant position, for a net decrease of 13% in personnel costs. The 5.6% decrease in operating costs is chiefly comprised of a decrease in cellular charges for the automatic vehicle locator system.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 91,437	\$ 95,287	\$ 95,287	\$ 96,224	\$ 82,930	-13.0%
Operating Costs	437,361	590,715	585,577	493,460	557,750	-5.6%
Capital Outlay	-	-	6,610	-	-	N/A
<b>Total</b>	<b>\$ 528,798</b>	<b>\$ 686,002</b>	<b>\$ 687,474</b>	<b>\$ 589,684</b>	<b>\$ 640,680</b>	<b>-6.6%</b>

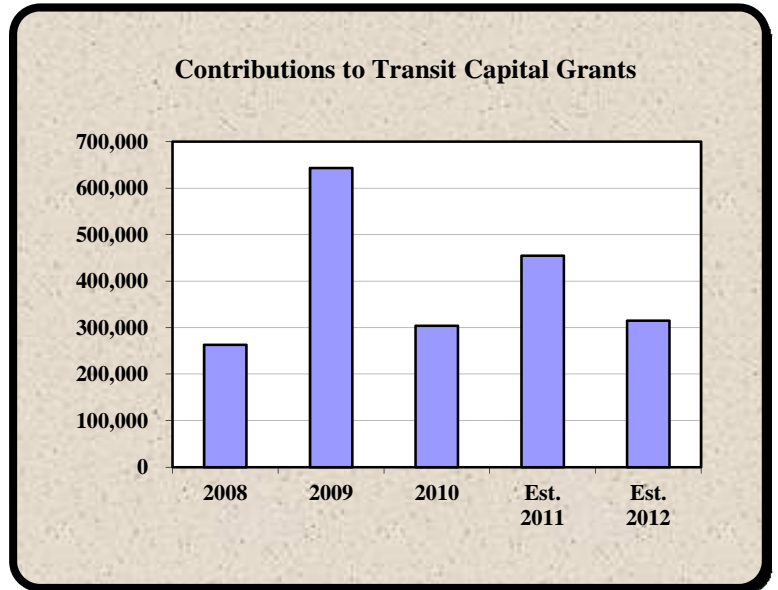
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## ***TRANSIT CAPITAL RESERVE FUND***

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The Transit Capital Reserve Fund is used to account for funds reserved for matching capital funds for buses and facilities related to the Town's transportation system.

Donations vary substantially from year to year, depending on anticipated future needs for reserves.



## ***TRANSIT CAPITAL RESERVE BUDGET SUMMARY***

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*The Transit Capital Reserve Fund is intended to accumulate funding to make capital purchases and to meet matching requirements for capital grants for replacement buses and other equipment. Grant matches in FY11 are estimated to be about \$62,000, and the adopted budget for 2011-12 includes the use of \$315,000 of fund balance. There is no contribution to the fund budgeted for FY12.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Contribution to Capital Grant Reserve	\$ 304,302 -	\$ 175,000 -	\$ 187,000 351,433	\$ 62,000 392,933	\$ 315,000 -	80.0% N/A
Total	\$ 304,302	\$ 175,000	\$ 538,433	\$ 454,933	\$ 315,000	80.0%

### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Interest Income	\$ 3,415	\$ -	\$ -	\$ 1,700	\$ -	N/A
Other Income	16,000	-	-	-	-	N/A
Transfer from Transit Fund	175,843	-	351,433	392,933	-	N/A
Appropriated Fund Balance	109,044	175,000	187,000	60,300	315,000	80.0%
Total	\$ 304,302	\$ 175,000	\$ 538,433	\$ 454,933	\$ 315,000	80.0%



# ***TRANSIT CAPITAL GRANT PROJECT ORDINANCES***

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Transit capital and planning grants awarded by the Federal Transit Administration are implemented pursuant to grant project ordinances authorized by General Statute 159-13.12. Budgets are adopted throughout the year as the grant awards are received. Nine current project ordinances in the Transportation Department are shown below:

## **2006-07 Capital Grant**

The project ordinance for the fiscal year 2006-07 Section 5307 capital grant was adopted on September 10, 2007. Funds are being used to conduct a feasibility study, environmental assessment, and preliminary engineering for the expansion of park and ride capacity at the existing Eubanks Road Park and Ride lot.

	Project Budget	Estimated Expenditures Through June 30, 2011
2006-07 Transit Capital Grant	\$733,120	\$-0-

## **2007-08 Transit Capital and Planning Grant**

The project ordinance for the fiscal year 2007-08 Section 5307 Transit Capital and Planning Grant was adopted on June 9, 2008. The funds were used to continue the ongoing lease of a park and ride facility, to provide enhancements to bus shelter sites, to assist the transportation department staff in conducting transit planning activities, to prepare the annual Transportation Improvement Plan, and to prepare annual statewide planning reports. The balance of funds will be used to purchase land for bus parking at the Town Operations Center.

	Project Budget	Estimated Expenditures Through June 30, 2011
2007-08 Transit Capital and Planning Grant	\$633,143	\$633,143

## **2007-08 Capital Grant**

The project ordinance for the fiscal year 2007-08 Section 5307 capital grant was adopted on June 9, 2008. Funds are being used to purchase replacement buses.

	Project Budget	Estimated Expenditures Through June 30, 2011
2007-08 Transit Capital Grant	\$2,870,000	\$2,783,000

# ***TRANSIT CAPITAL GRANT PROJECT ORDINANCES***

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## **2008-09 Capital Grant**

The project ordinance for the fiscal year 2008-09 Section 5307 capital grant was adopted on June 25, 2008. Funds are being used to purchase replacement demand response vans.

	Project Budget	Estimated Expenditures Through June 30, 2011
2008-09 Transit Capital Grant	\$500,000	\$486,538

## **2008-09 Capital and Planning**

The project ordinance for the fiscal year 2008-09 Section 5307 capital grant was adopted on June 22, 2009. Funds are being used to continue the on-going lease obligation for a park-ride facility at Carrboro Plaza, re-design the Chapel Hill Transit web page, purchase and repair bus shelters, provide repairs and maintenance at park and ride lots served by the Chapel Hill Transit and to conduct transit planning activities.

	Project Budget	Estimated Expenditures Through June 30, 2011
2008-09 Transit Capital and Planning Grant	\$189,520	\$189,520

## **2008-09 Capital Grant**

The project ordinance for the fiscal year 2008-09 Section 5307 capital grant received under the American Recovery and Reinvestment Act of 2009 was adopted on June 22, 2009. Funds are being used to purchase 2 replacement hybrid buses, 8 replacement paratransit vehicles, 1 service truck, bus stop shelters with lighting, automatic vehicle locator signs and computer hardware and software for the fleet inventory system.

	Project Budget	Estimated Expenditures Through June 30, 2011
2008-09 Transit Capital Grant	\$1,714,867	\$1,679,720

# ***TRANSIT CAPITAL GRANT PROJECT ORDINANCES***

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## **2009-10 Capital Grant**

The project ordinance for the fiscal year 2009-10 Section 5307 capital grant received under the American Recovery and Reinvestment Act of 2009 was adopted on June 21, 2010. Funds are being used to purchase 1 replacement and 1 expansion paratransit vehicle for lease to Orange County, North Carolina. Funds will also be used to purchase schedule holders for Orange County.

	Project Budget	Estimated Expenditures Through June 30, 2011
2009-10 Transit Capital Grant	\$183,00	\$183,000

## **2009-10 Capital Grant**

The project ordinance for the fiscal year 2009-10 Section 5307 capital grant was adopted on June 21, 2010. Funds were requested to continue the on-going lease obligation for a park-ride facility at Carrboro Plaza, to purchase a replacement low-floor demand response vehicle and a replacement support vehicle, purchase and repair bus shelters as needed, and to provide repairs and maintenance at park and ride lots served by the Chapel Hill Transit.

	Project Budget	Estimated Expenditures Through June 30, 2011
2008-09 Transit Capital and Planning Grant	\$167,369	\$95,000

## **2009-10 Capital Grant**

The project ordinance for the fiscal year 2009-10 Section 5307 technology grant was adopted on October 11, 2010. Funds are being used to purchases a maintenance inventory system for Chapel Hill Transit.

	Project Budget	Estimated Expenditures Through June 30, 2011
2009-10 Transit Capital Grant	\$100,000	\$75,000

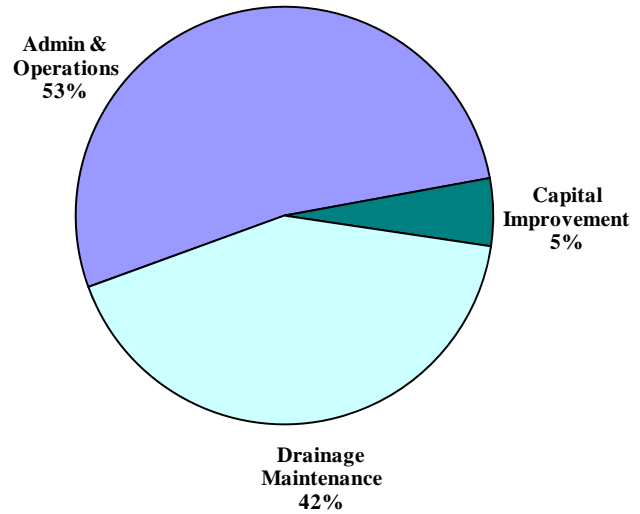


# **STORMWATER MANAGEMENT FUND**

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The Stormwater Management Fund was established in 2004-05 to protect and restore local streams, reduce flood damage through capital improvements, safeguard Jordan Lake water quality and educate citizens about water quality, flood damage and stream protection.

## **Stormwater Expenses**



**Total \$1,919,966**

# ***PUBLIC WORKS-STORMWATER MANAGEMENT***

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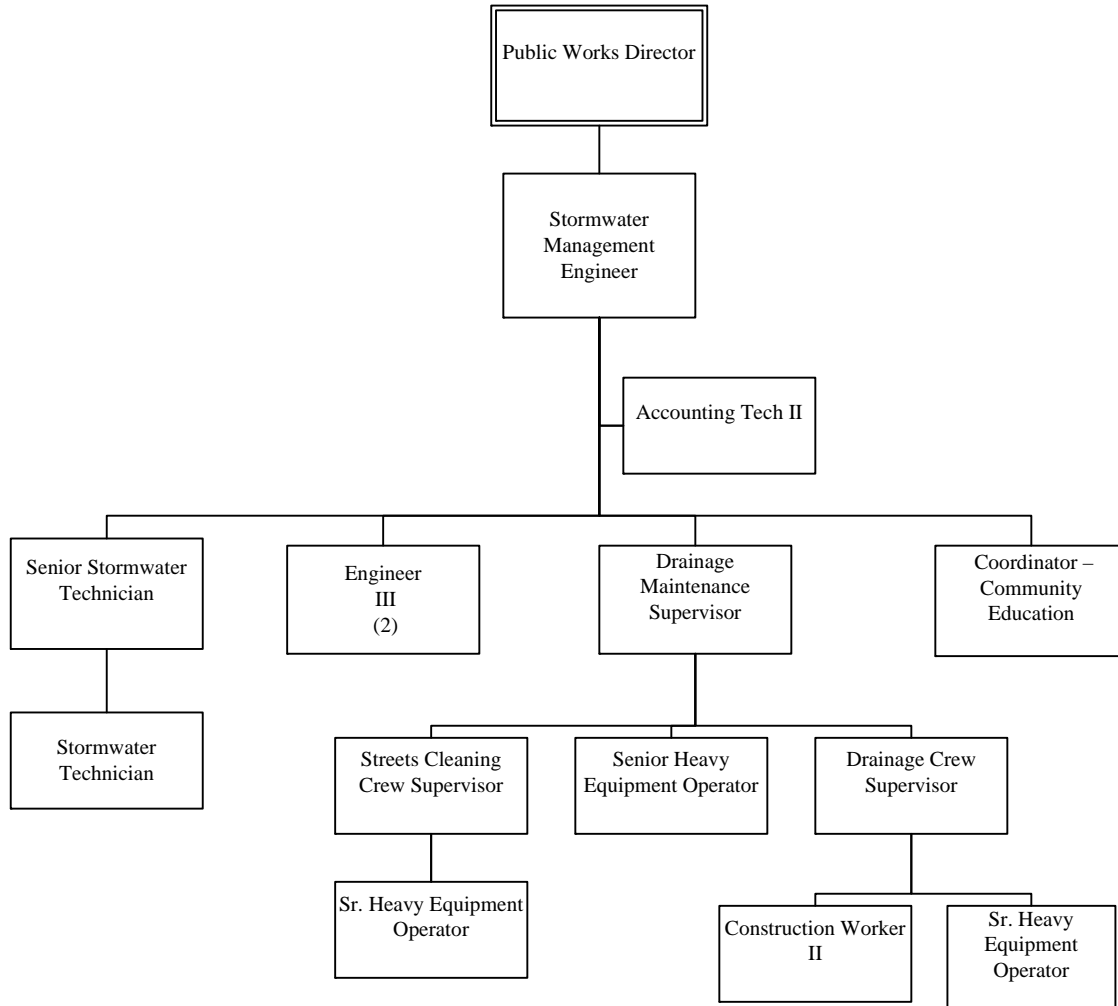
## **MISSION STATEMENT:**

*The overall mission of the Stormwater Management Fund is to implement the provisions of the Town's Comprehensive Stormwater Management Program.*

Summary of services provided in support of department's mission:

- Protection of health and safety of citizens and ecosystem.
- Addressing stormwater quality and quantity concerns.
- Meeting or exceeding national and state mandates regarding stormwater management.

STORMWATER MANAGEMENT FUND



***STORMWATER MANAGEMENT FUND***  
***STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

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	<b>2009-10 ADOPTED</b>	<b>2010-11 ADOPTED</b>	<b>2011-12 ADOPTED</b>
<b>Stormwater</b>			
Engineer (Stormwater)	3.00	3.00	3.00
Engineering Technician	2.00	2.00	0.00
Stormwater Technician	0.00	0.00	1.00
Senior Stormwater Technician	0.00	0.00	1.00
Coordinator - Community Education	1.00	1.00	1.00
Accounting Tech II	1.00	1.00	1.00
Unit Totals	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>
<b>Drainage</b>			
Supervisor-Drainage Maintenance	1.00	1.00	1.00
Supervisor-Drainage Crew	1.00	1.00	1.00
Supervisor-Streets Cleaning Crew	1.00	1.00	1.00
Senior Heavy Equipment Operator	0.00	0.00	3.00
Heavy Equipment Operator	0.00	2.00	0.00
Construction Worker (Levels I-IV)	4.00	2.00	0.00
Construction Worker II	0.00	0.00	1.00
Unit Totals	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>
 Stormwater Management Fund Totals	 <u>14.00</u>	 <u>14.00</u>	 <u>14.00</u>

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



# ***STORMWATER MANAGEMENT FUND***

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

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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 fee remains unchanged at the initially established rate of \$39 for each 2,000 square feet of impervious surface, and fees are estimated at \$1,750,000 in 2011-12. With no fee increase, the FY11 budget is balanced with the use of about \$189,000 from fund balance. The 2011-12 adopted budget includes use of about \$170,000 in fund balance.

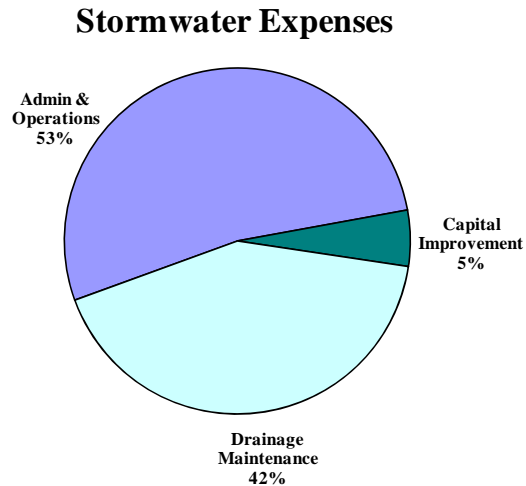
## ***Major Expenditures and Estimates***

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The budget for 2011-12 totals \$1,919,966, a reduction of about 7% from the 2010-11 budget. This budget level continues to provide for the Master Plan and includes operating and maintenance costs of the vacuum truck and operator for storm drain cleaning and repair.

As indicated in the chart at the right, 42% of the 2011-12 budget provides for the Drainage division to conduct stormwater-related drainage and maintenance projects.

The \$100,000 budgeted for capital expenditures is intended to supplement federal grant funds to continue the ongoing Bolin Creek Restoration project.



# ***STORMWATER MANAGEMENT FUND***

## ***BUDGET SUMMARY***

*The adopted budget for 2011-12 includes the costs of Stormwater Management and the Drainage Maintenance division, which conducts drainage-related maintenance and repair projects. Expenditures include a 10.1% increase in medical insurance costs and a 7% increase in the state retirement contribution, which accounts for the slight increase in personnel costs over prior year. Operating expenditures decreased largely due to a decrease in costs associated with Master Plan development, which is nearing completion. The budget includes planned capital drainage projects totaling \$100,000. The budget is balanced with the use of about \$170,000 in fund balance.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 949,071	\$ 1,078,516	\$ 1,078,516	\$ 1,022,600	\$ 1,096,180	1.6%
Operating Costs	590,981	815,003	1,064,328	768,935	723,786	-11.2%
Capital Outlay	-	175,000	292,699	150,000	100,000	-42.9%
<b>Total</b>	<b>\$ 1,540,052</b>	<b>\$ 2,068,519</b>	<b>\$ 2,435,543</b>	<b>\$ 1,941,535</b>	<b>\$ 1,919,966</b>	<b>-7.2%</b>

### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Stormwater Fees	\$ 1,773,084	\$ 1,700,000	\$ 1,700,000	\$ 1,750,000	\$ 1,750,000	2.9%
Fee Exemption	(4,876)	(5,000)	(5,000)	(5,786)	(5,800)	N/A
Transfer from General Fund	4,876	5,000	5,000	5,786	5,800	16.0%
Interest Income	5,462	5,000	5,000	2,325	-	-100.0%
Other Income	-	-	-	-	-	N/A
FEMA Grant	-	-	-	-	-	N/A
Appropriated Fund Balance	(238,494)	363,519	730,543	189,210	169,966	-53.2%
<b>Total</b>	<b>\$ 1,540,052</b>	<b>\$ 2,068,519</b>	<b>\$ 2,435,543</b>	<b>\$ 1,941,535</b>	<b>\$ 1,919,966</b>	<b>-7.2%</b>

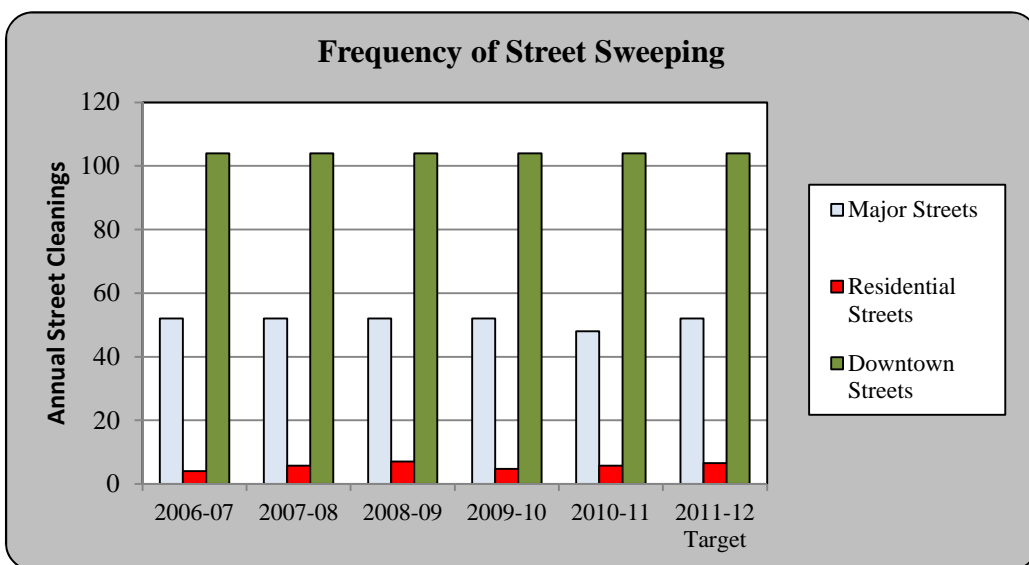
# ***STORMWATER MANAGEMENT TRENDS***

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**COUNCIL SERVICE GOAL:** Maintain a safe environment and attractive public facilities.

**GOAL:** *To sweep major streets once per week, residential streets at least 6.5 cycles per year (every 6 to 8 weeks), and Downtown streets twice per week.*

The Stormwater Management Division is responsible for Street Sweeping. Street sweeping on major streets and streets in the Downtown area typically occurs once per week and twice per week, respectively. Residential street sweeping occurs every 6 to 8 weeks, about 6.5 times per year. Major and residential streets were swept slightly fewer times than the target in 2009-10 and 2010-11 due to unanticipated, prolonged downtime of one of the Division's two sweeper trucks.





# ***PARKING SERVICES***

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Parking Services includes operation of two major Off-Street parking lots, all On-Street metered parking and parking enforcement activities.

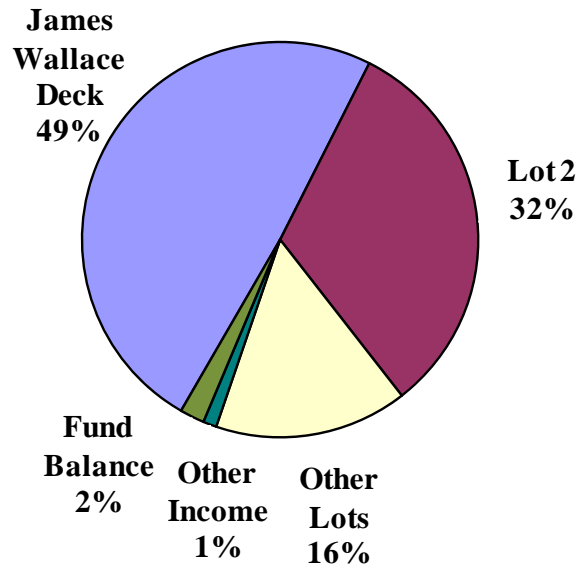
## **Off-Street Parking**

Off-Street Parking accounts for the operations of the Town's parking facilities at several off-street lots.

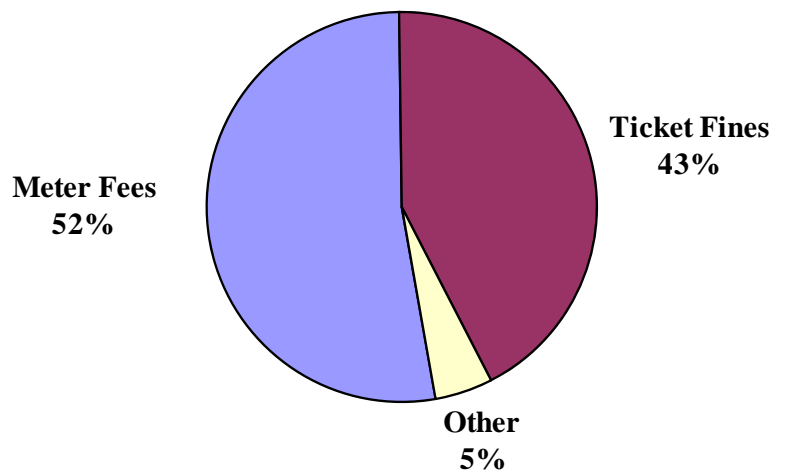
## **On-Street Parking**

On-Street Parking accounts for meter revenue and parking fines.

**Off-Street Parking Revenues**



**On-Street Parking Revenues**



# ***PARKING SERVICES***

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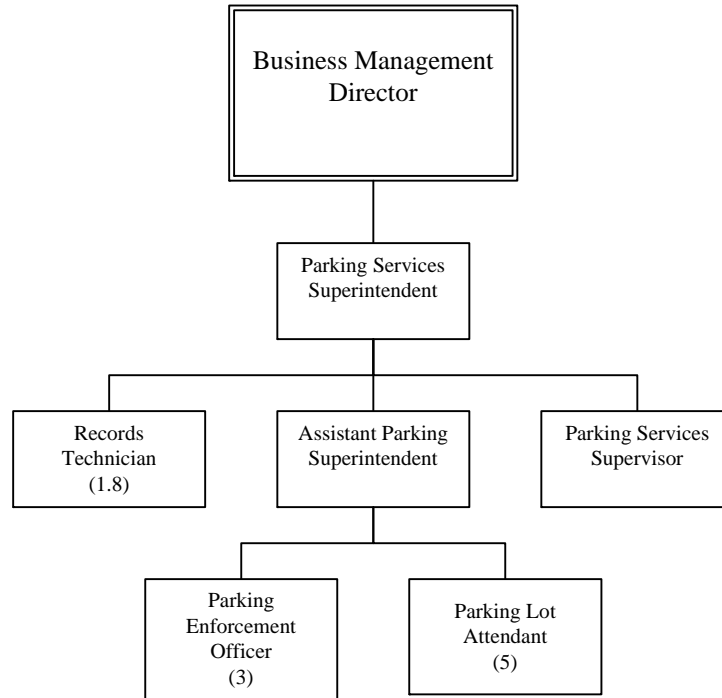
## **MISSION STATEMENT:**

*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.*

Summary of services provided in support of department's mission:

- Management, maintenance and repair of all municipal metered on-street and off-street parking facilities.
- Enforcement of parking ordinances for parking meters, restricted parking zones, and residential on-street parking permit zones; evaluation of residential parking permit applications.
- Issuance of citations for parking ordinance violations; collection of civil penalties and related record-keeping and follow-up after the Police Department makes decisions regarding citizens' appeals of parking citations.
- Lease of designated off-street parking spaces on a monthly basis in accordance with fee policies adopted by the Town Council.
- Collection and deposit of revenues from the Town's parking operations and maintenance of accurate records.
- Support existing development and foster new growth within the Central Business District by providing adequate facilities, responsive community service and fair treatment.

# PARKING SERVICES



Note: Parking Services is supervised by the Business Management Director.

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

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	<b>2009-10 ADOPTED</b>	<b>2010-11 ADOPTED</b>	<b>2011-12 ADOPTED</b>
Superintendent-Parking Services	1.00	1.00	1.00
Assistant Superintendent-Parking Services	1.00	1.00	1.00
Supervisor-Parking Services	1.00	1.00	1.00
Parking Enforcement Officer	3.00	3.00	3.00
Records Technician	1.80	1.80	1.80
Parking Lot Attendant I	4.00	4.00	4.00
Parking Lot Attendant II	1.00	1.00	1.00
Parking Fund Totals	<u>12.80</u>	<u>12.80</u>	<u>12.80</u>

Note: Parking Services is supervised by the Business Management Director

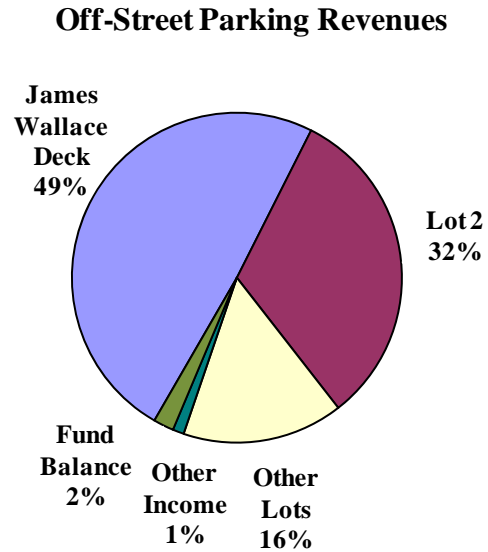


# ***PARKING FUNDS***

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

The Town budgets parking-related revenues in two funds: the Off-Street Parking Fund and the On-Street Parking Fund.

The Off-Street Parking Fund, with an adopted budget of \$1,358,420 for 2011-12, 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 \$666,300, or 49% of total off-street parking revenues, is budgeted from the James Wallace Deck and about \$435,000, or 32%, is budgeted from Lot 2 at the corner of Rosemary and Columbia Streets. Lot 5, which generated about \$285,000 in parking fees in FY10, closed in January 2011. Construction of a mixed use development on the Lot 5 site is currently under way and the Town expects no revenue from that lot in FY12. Replacement parking during the period of construction is in place, and we are reflecting modest increases in other parking due to the closing of Lot 5.



The On-Street Parking Fund, with an adopted budget for 2011-12 of \$745,750, has two major revenue sources: parking meter fees and parking ticket fines. Meter fees are estimated to generate about \$392,000 and parking ticket fines about \$318,000 in 2011-12.

## **Major Expenditures and Estimates**

The primary expenditures of the Off-Street Parking Fund include the costs of personnel to manage the lots (approximately \$443,000) and payments for principal and interest on the James Wallace Deck of \$458,525. The budget for FY12 will require a use of fund balance of \$27,340 due to the loss of revenues from the closing of Lot 5.

The On-Street Parking Fund includes expenditures primarily for the personnel to administer and collect meter revenues and parking tickets, about \$326,000. The budget of \$745,750 includes an increase in medical insurance and retirement.

The FY12 Adopted Budget also includes \$153,919 to be transferred to the General Fund.

# **PARKING SERVICES BUDGET SUMMARY**

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*The Parking Services Fund is comprised of two divisions: On-Street Parking that accounts for meters and enforcement and Off-Street Parking that accounts for the parking deck and lots.*

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## **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
On-Street Parking	\$ 518,703	\$ 596,000	\$ 918,900	\$ 893,839	\$ 745,750	25.1%
Off-Street Parking	1,322,822	1,426,782	2,256,782	2,143,124	1,358,420	-4.8%
<b>Total</b>	<b>\$ 1,841,525</b>	<b>\$ 2,022,782</b>	<b>\$ 3,175,682</b>	<b>\$ 3,036,963</b>	<b>\$ 2,104,170</b>	<b>4.0%</b>

## **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
On-Street Parking	\$ 518,703	\$ 596,000	\$ 918,900	\$ 893,839	\$ 745,750	25.1%
Off-Street Parking	1,322,822	1,426,782	2,256,782	2,143,124	1,358,420	-4.8%
<b>Total</b>	<b>\$ 1,841,525</b>	<b>\$ 2,022,782</b>	<b>\$ 3,175,682</b>	<b>\$ 3,036,963</b>	<b>\$ 2,104,170</b>	<b>4.0%</b>

## ***ON-STREET PARKING BUDGET SUMMARY***

*The adopted budget for On-Street Parking reflects a 25.1% increase in revenues from parking meter fees and tickets due to the addition of a residential parking permit (\$25 per decal), a mixed-use development parking permit (\$150 annually), and an increase in the hourly on-street meter rate from \$1.00 to \$1.25. These new fees & fee increases will yield an additional \$110,500 in revenue.*

*The budget also includes a medical insurance increase of 10.1% and retirement increase of 7%, reflected by the increase in administration expenses. The budget also includes \$153,919 to be transferred to the General Fund.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
<b>Enforcement:</b>						
Personnel	\$ 311,468	\$ 324,171	\$ 324,171	\$ 321,982	\$ 330,455	1.9%
Operations	113,009	137,613	139,013	129,890	144,213	4.8%
Capital	4,240	-	310,461	402,963	-	N/A
<b>Meters:</b>						
Personnel	35,082	42,618	42,618	12,971	49,767	16.8%
Operations	10,787	5,376	16,415	26,033	67,396	1153.6%
Transfer to General Fund	44,117	86,222	86,222	-	153,919	78.5%
<b>Total</b>	<b>\$ 518,703</b>	<b>\$ 596,000</b>	<b>\$ 918,900</b>	<b>\$ 893,839</b>	<b>\$ 745,750</b>	<b>25.1%</b>

### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Parking Meter Fees	\$ 291,080	\$ 289,000	\$ 289,000	\$ 314,025	\$ 392,000	35.6%
Parking Ticket Fines/Fees	227,306	302,500	302,500	259,594	318,000	5.1%
Interest Income	317	4,500	4,500	220	250	-94.4%
Other Income	-	-	320,000	320,000	35,500	N/A
Appropriated Fund Balance	-	-	2,900	-	-	N/A
<b>Total</b>	<b>\$ 518,703</b>	<b>\$ 596,000</b>	<b>\$ 918,900</b>	<b>\$ 893,839</b>	<b>\$ 745,750</b>	<b>25.1%</b>

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

*Off-Street Parking revenues for the adopted 2011-12 budget are about the same overall from 2010-11, with a decrease in use of Fund Balance.*

*Expenditures also decreased from the previous year, reflecting a 24.4% decrease in James Wallace Deck expenses due to a reduction in one time capital expenses related to office expansion and revenue control equipment. Expenditures increased for Parking Lots due to an increase in space rental for additional temporary parking while the Lot 5 Development is under way. The budget also includes a medical insurance increase of 10.1% and a retirement increase of 7%.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
James Wallace Deck	\$ 301,086	\$ 562,506	\$ 493,992	\$ 496,407	\$ 425,088	-24.4%
Parking Lots	366,453	368,559	435,160	380,391	431,094	17.0%
Administration	655,283	495,717	1,327,630	1,266,326	502,238	1.3%
<b>Total</b>	<b>\$ 1,322,822</b>	<b>\$ 1,426,782</b>	<b>\$ 2,256,782</b>	<b>\$ 2,143,124</b>	<b>\$ 1,358,420</b>	<b>-4.8%</b>

### **REVENUES**

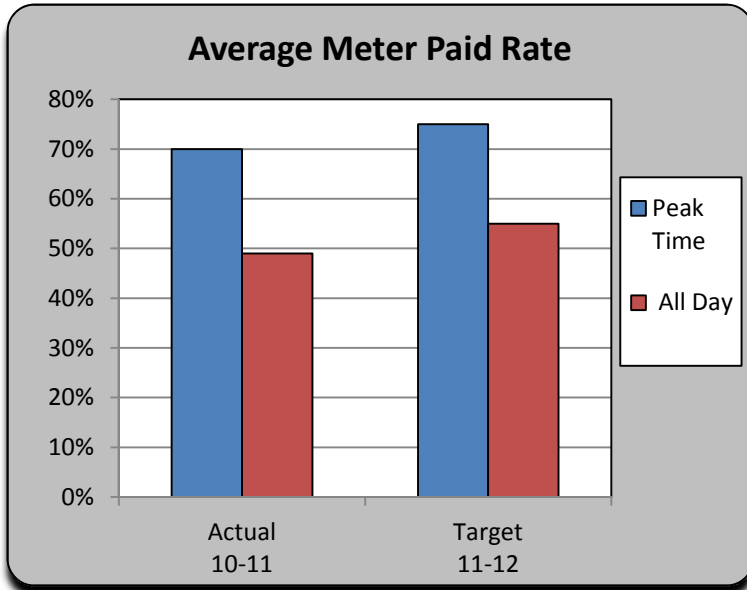
	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
James Wallace Deck	\$ 599,026	\$ 646,300	\$ 646,300	\$ 666,487	\$ 666,300	3.1%
Lot 2	388,386	435,000	435,000	426,312	435,000	0.0%
Lot 3	74,547	80,000	80,000	72,843	80,000	0.0%
Lot 4	143	35,000	35,000	8,902	35,000	0.0%
Lot 5	286,759	-	-	128,695	-	N/A
Lot 6	9,732	14,280	14,280	14,280	14,280	0.0%
Graham Street	0	0	0	0	35,000	N/A
Craig Lot	38,345	50,000	50,000	40,000	50,000	0.0%
Interest Income	9,624	50,000	50,000	6,500	7,000	-86.0%
Miscellaneous Income	6,399	6,750	6,750	6,905	8,500	25.9%
Appropriated Fund Balance	(90,139)	109,452	939,452	772,200	27,340	-75.0%
<b>Total</b>	<b>\$ 1,322,822</b>	<b>\$ 1,426,782</b>	<b>\$ 2,256,782</b>	<b>\$ 2,143,124</b>	<b>\$ 1,358,420</b>	<b>-4.8%</b>

# PARKING TRENDS

**COUNCIL SERVICE GOAL:** Provide fair, effective, efficient, and prompt customer service.

**DEPARTMENTAL GOAL :** To provide ready access to public parking throughout the downtown area.

**OBJECTIVE:** To maintain a meter paid rate (i.e., lawful parking) of at least 60%.

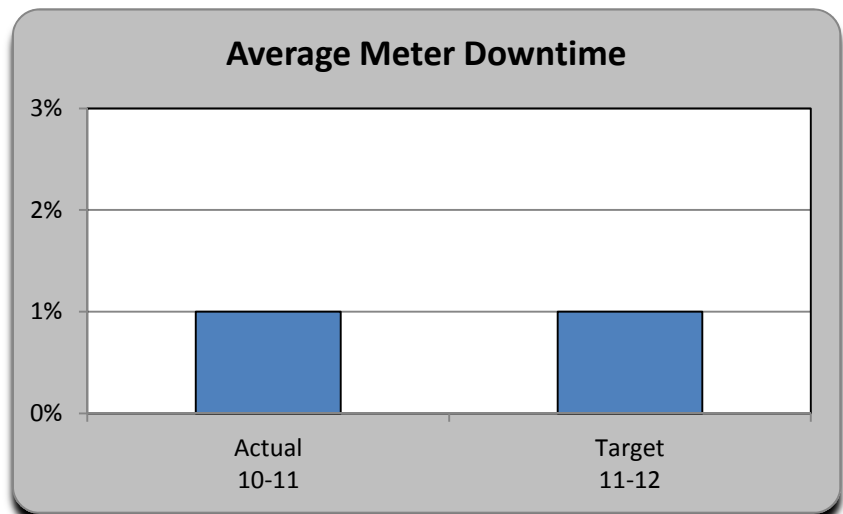


In FY10-11, during the peak hours of 11:00am to 4:00pm, we maintained a average meter paid rate of 70%. We anticipate a significant increase for FY11-12 due to our meter system conversion, which offers patrons the ease and convenience of credit card acceptance.

**DEPARTMENTAL GOAL :** To manage and provide maintenance and repair of all municipally metered on-street and off-street parking facilities.

**OBJECTIVE:** To maintain an average meter downtime rate of 1% or less.

In FY 10-11, we managed to meet our goal of a 1% or less meter down time rate consistently. Our goal for FY11-12 is to not only maintain this standard, but to surpass it through utilization of the enhanced features available within our new meter system.





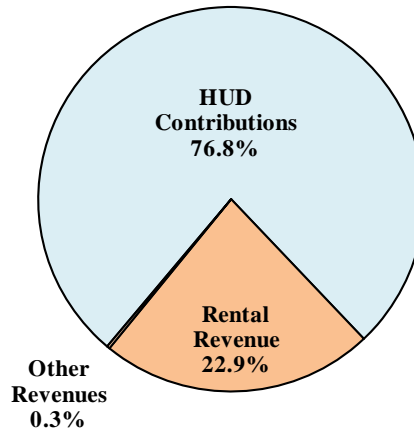
# ***PUBLIC HOUSING FUND***

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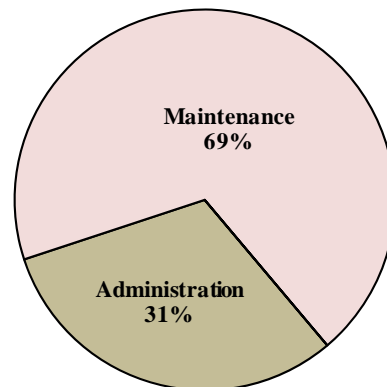
The Public Housing Fund is used to account for federal grants restricted for the Town's public housing programs.

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

**Housing Revenues**



**Housing Expenses**



# ***HOUSING DEPARTMENT***

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## **MISSION STATEMENT:**

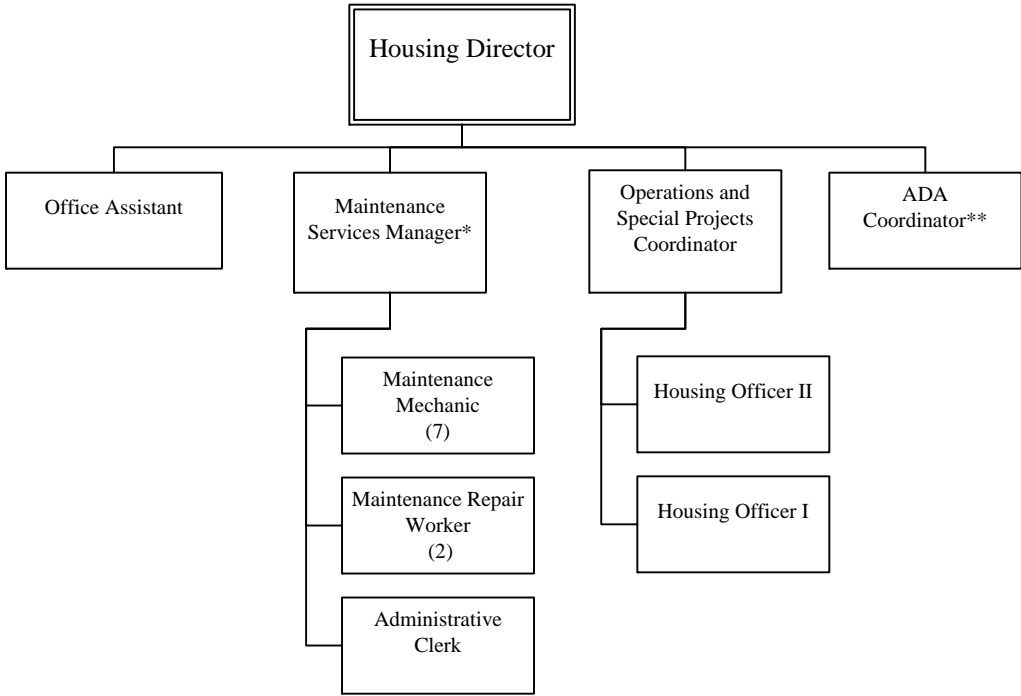
*The mission of the Housing Department is to provide decent, safe and well maintained affordable rental housing for Chapel Hill's 336 public housing families. Our mission is also to provide programs and services to help public housing families improve basic life skills and achieve economic independence.*

Summary of services provided in support of department's mission:

- Low cost or no cost rental housing for low-income families.
- Respond daily to residents' requests for repair services.
- Twenty-four hour emergency maintenance repair services 7 days a week.
- Education opportunities, job training, budgeting and life skills development services to help public housing families achieve economic independence.
- Referral services for residents experiencing alcohol or drug dependency problems.
- Conflict resolution services to help residents resolve disputes.
- Referral services for families needing financial assistance to pay rent.
- Read mail and other correspondence for residents who cannot read.
- Make home visits to complete redeterminations or eligibility or receive rent from elderly or disabled residents who can not come to the office.
- Information and referral services to public housing applicants and the general public about the public housing programs and other federal housing programs.



**HOUSING**



\*Maintenance positions are funded by the Housing Department and supervised by the Public Works Department.

\*\*ADA Coordinator position is grant-funded.

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

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	<b>2009-10 ADOPTED</b>	<b>2010-11 ADOPTED</b>	<b>2011-12 ADOPTED</b>
<b>Administration</b>			
Director-Housing	1.00	1.00	1.00
Operations and Special Projects Coordinator	1.00	1.00	1.00
Housing Budget Officer <sup>1</sup>	1.00	0.00	0.00
Office Assistant	1.00	1.00	1.00
ADA/Section 504 Coordinator <sup>2</sup>	1.00	1.00	1.00
Division Totals	5.00	4.00	4.00
<b>Maintenance<sup>3</sup></b>			
Maintenance Services Manager	1.00	1.00	1.00
Maintenance Mechanic (Repair Worker, I, II, III)	9.00	9.00	9.00
Administrative Clerk	1.00	1.00	1.00
Division Totals	11.00	11.00	11.00
<b>Resident Services</b>			
Housing Officer II	1.00	1.00	1.00
Housing Officer I	1.00	1.00	1.00
Division Totals	2.00	2.00	2.00
Housing Department Totals	18.00	17.00	17.00

<sup>1</sup> The Housing Budget Officer position was changed to "Accountant" and moved to Finance mid-year FY10.

<sup>2</sup> Grant-funded position.

<sup>3</sup> Maintenance positions are supervised by the Public Works Department.

## ***PUBLIC HOUSING FUND***

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

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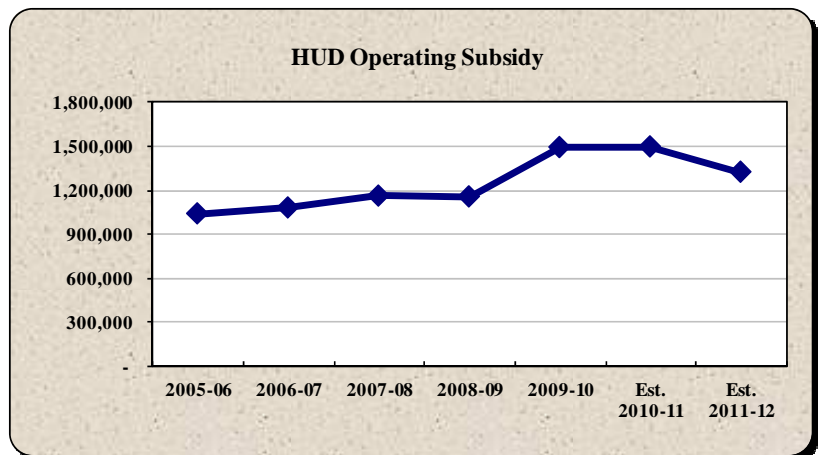
The Town's Public Housing program provides for the administration and operation of the Town's 336 public housing units, and is funded primarily through federal grants and rents paid by residents.

In 1987, the Chapel Hill Public Housing Authority was abolished by the Chapel Hill Town Council. Since then, the Town's public housing program has been operated as a Town Department administered by Town staff and a Public Housing Director.

Primary revenue sources include dwelling rents paid by residents and operating grants from the Department of Housing and Urban Development (HUD). In the fall of 2005, HUD adopted a "new Operating Fund final rule" which prescribes 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 has 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 FY12 under a simpler budget model that more closely reflects the way we are reporting to HUD and eliminates the necessity of separating expenditures into AMPs.

At the time of printing this document, we have not received notification of funding for the full fiscal year 2011, and HUD has not established a working system for agencies to request funding for calendar year 2011. Based on interim allocations, our estimate of HUD's subsidy for 2010-11 is \$1,495,763, about a 3% increase over the FY10 subsidy of \$1,491,477. Based on budget-cutting discussions at the federal level, we are estimating a reduction in HUD subsidy for FY12, to a total of \$1,323,490.



The Housing Department estimates dwelling rents, the second largest revenue for the Public Housing Fund, at about \$375,000, \$12,000 more than budgeted in 2010-11, based on increased collection efforts.

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

Major expenditure categories include about \$966,000 for salaries and benefits, \$157,000 for utilities, \$76,000 for liability and flood insurance and about \$352,000 for maintenance of the units. The personnel costs include a 10.1% increase in medical insurance and a 7% increase in the Town's retirement contribution for employees. The change in reporting structure includes returning the Maintenance Services Manager to the Maintenance division from Administration, and returning the two Housing Officer positions to Administration from Maintenance. About \$96,000 of personnel costs are budgeted to be paid through Housing Capital and Community Development Block Grants, both subject to federal grant awards that are pending at this time. The budget is balanced by continuing to hold a maintenance position vacant throughout FY12.

	<b>2010-11 Original Budget</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Salary and Benefits - Administration	238,153	337,744	41.82%
Salary and Benefits - Maintenance	676,161	627,978	-7.13%
Maintenance Costs	317,989	352,196	10.76%
Utilities	141,140	156,570	10.93%
Liability and Flood Insurance	83,000	75,625	-8.89%
Other Expenses	177,068	172,657	-2.49%
Contribution to Reserve	40,229	-	-100.00%
<b>Total Budget Net of Transfers</b>	<b>1,673,740</b>	<b>1,722,770</b>	<b>2.93%</b>

## ***PUBLIC HOUSING BUDGET SUMMARY***

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*The Town's 336 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 2011-12 returns to the simpler model of an Administrative Division and a Maintenance Division.*

<b>REVENUES</b>	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Revenue Summary						
HUD Contributions	\$ 1,491,477	\$ 1,287,040	\$ 1,287,040	\$ 1,495,763	\$ 1,323,490	2.8%
Rental Revenue	401,715	382,500	382,500	434,811	395,130	3.3%
Other Revenues	987	400	27,441	27,266	250	-37.5%
Interest Income	5,373	3,800	3,800	4,294	3,900	2.6%
Internal Transfers	-	258,594	258,594	-	-	-100.0%
Approp. Fund Balance	-	-	8,453	-	-	N/A
<b>Total Revenues</b>	<b>\$ 1,899,552</b>	<b>\$ 1,932,334</b>	<b>\$ 1,967,828</b>	<b>\$ 1,962,134</b>	<b>\$ 1,722,770</b>	<b>-10.8%</b>

<b>EXPENDITURES</b>	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 864,266	\$ 914,314	\$ 924,557	\$ 776,554	\$ 965,722	5.6%
Operating	638,260	719,197	744,448	680,907	757,048	5.3%
Internal Transfers	-	258,594	258,594	-	-	-100.0%
Contribution to Reserves	397,026	40,229	40,229	504,673	-	-100.0%
<b>Total</b>	<b>\$ 1,899,552</b>	<b>\$ 1,932,334</b>	<b>\$ 1,967,828</b>	<b>\$ 1,962,134</b>	<b>\$ 1,722,770</b>	<b>-10.8%</b>

## ***PUBLIC HOUSING DIVISION BUDGETS***

*The Town's 336 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 2011-12 returns to the simpler model of an Administrative Division and a Maintenance Division.*

### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
<b>AMP 1</b>						
HUD Contributions	\$ 708,774	\$ 589,195	\$ 589,195	\$ 676,869	\$ 607,000	3.0%
Rental Revenue	228,066	229,000	229,000	255,194	231,500	1.1%
Other Revenues	125	150	150	125	125	-16.7%
Approp. Fund Balance		-	3,807	-	-	N/A
<b>Total AMP 1</b>	<b>\$ 936,965</b>	<b>\$ 818,345</b>	<b>\$ 822,152</b>	<b>\$ 932,188</b>	<b>\$ 838,625</b>	<b>2.5%</b>
<b>AMP 2</b>						
HUD Contributions	\$ 782,703	\$ 697,845	\$ 697,845	\$ 818,894	\$ 716,490	2.7%
Rental Revenue	173,649	153,500	153,500	179,617	163,630	6.6%
Other Revenues	862	250	250	100	125	-50.0%
Approp. Fund Balance	-	-	2,531	-	-	N/A
<b>Total AMP 2</b>	<b>\$ 957,214</b>	<b>\$ 851,595</b>	<b>\$ 854,126</b>	<b>\$ 998,611</b>	<b>\$ 880,245</b>	<b>3.4%</b>
<b>Central Office Cost Center</b>						
Interest Income	\$ 5,373	\$ 3,800	\$ 3,800	\$ 4,294	\$ 3,900	2.6%
Internal Transfers		258,594	258,594	-	-	-100.0%
Other Revenues	-	-	27,041	27,041	-	N/A
Approp. Fund Balance	-	-	2,115	-	-	N/A
<b>Total Central Office</b>	<b>\$ 5,373</b>	<b>\$ 262,394</b>	<b>\$ 291,550</b>	<b>\$ 31,335</b>	<b>\$ 3,900</b>	<b>-98.5%</b>
<b>Total Revenues</b>	<b>\$ 1,899,552</b>	<b>\$ 1,932,334</b>	<b>\$ 1,967,828</b>	<b>\$ 1,962,134</b>	<b>\$ 1,722,770</b>	<b>-10.8%</b>

## ***PUBLIC HOUSING DIVISION BUDGETS***

*The adopted budget for FY12 includes increases for employee medical insurance and retirement, and is balanced by holding a maintenance position vacant. Revenues are expected to exceed expenditures by \$504,673 across all divisions in FY11, with the difference shown as "contribution to reserves" below in order to present a balanced budget.*

### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
<b>AMP 1</b>						
Personnel	\$ 255,861	\$ 337,347	\$ 326,272	\$ 195,065	\$ -	-100.0%
Operating	278,717	310,620	325,502	290,781	-	-100.0%
Internal Transfers	-	121,262	121,262	-	-	-100.0%
Contribution to Reserves	-	49,116	49,116	252,387	-	-100.0%
<b>Total</b>	<b>\$ 534,578</b>	<b>\$ 818,345</b>	<b>\$ 822,152</b>	<b>\$ 738,233</b>	<b>\$ -</b>	<b>-100.0%</b>
<b>AMP 2</b>						
Personnel	\$ 328,667	\$ 338,814	\$ 348,019	\$ 333,035	\$ -	-100.0%
Operating	261,851	287,657	308,024	288,945	-	-100.0%
Internal Transfers	-	137,332	137,332	-	-	-100.0%
Contribution to Reserves	-	87,792	87,792	252,286	-	-100.0%
<b>Total</b>	<b>\$ 590,518</b>	<b>\$ 851,595</b>	<b>\$ 881,167</b>	<b>\$ 874,266</b>	<b>\$ -</b>	<b>-100.0%</b>
<b>Central Maintenance</b>						
Personnel	\$ -	\$ -	\$ -	\$ -	\$ 627,978	N/A
Operating	-	-	-	-	558,517	N/A
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,186,495</b>	<b>N/A</b>
<b>Central Office Cost Center</b>						
Personnel	\$ 279,738	\$ 238,153	\$ 250,266	\$ 248,454	\$ 337,744	41.8%
Operating	97,692	120,920	110,922	101,181	198,531	64.2%
Contribution to Reserves	397,026	(96,679)	(96,679)	-	-	N/A
<b>Total</b>	<b>\$ 774,456</b>	<b>\$ 262,394</b>	<b>\$ 264,509</b>	<b>\$ 349,635</b>	<b>\$ 536,275</b>	<b>104.4%</b>
<b>Total Expenses</b>	<b>\$ 1,899,552</b>	<b>\$ 1,932,334</b>	<b>\$ 1,967,828</b>	<b>\$ 1,962,134</b>	<b>\$ 1,722,770</b>	<b>-10.8%</b>

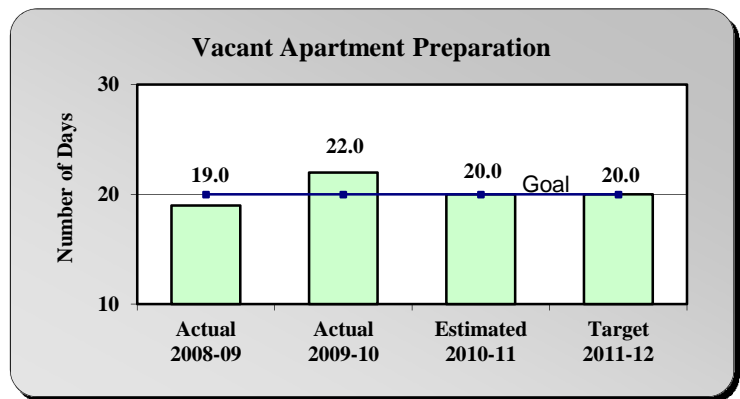
# HOUSING TRENDS

**COUNCIL SERVICE GOALS:** Offer secure, reliable and affordable services. Maintain safe and attractive public facilities.

**GOAL :** Maximize livable housing stock.

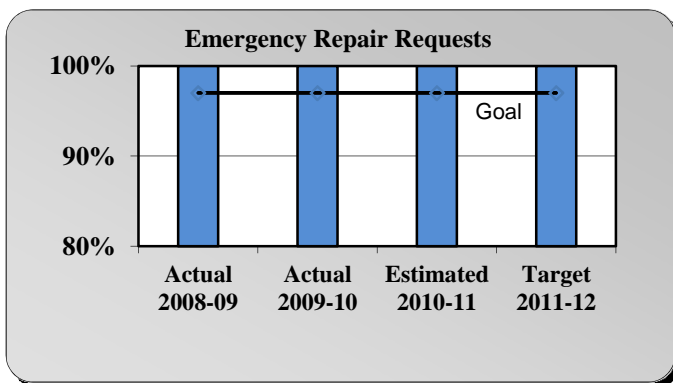
**OBJECTIVE :** Prepare vacant apartments for occupancy within 20 days.

In fiscal year 2010-11, the Housing Department achieved this goal, improving on the prior year's performance. The Housing Department will strive to achieve this goal again in fiscal year 2011-12.



**GOAL :** Maximize livable housing stock.

**OBJECTIVE :** Complete or abate 97% of emergency repairs within 24 hours.



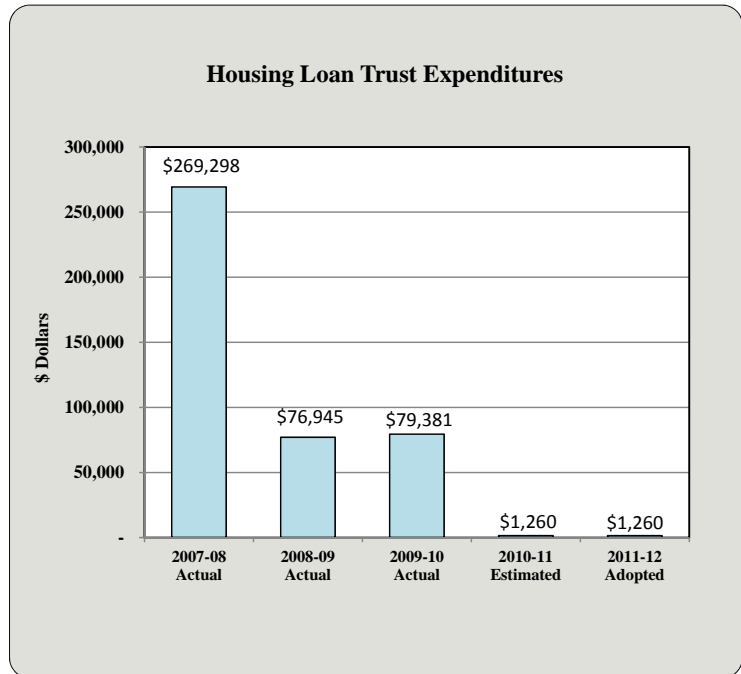
In fiscal year 2010-11, the Housing Department completed or abated 100% of its 108 emergency repairs within 24 hours, following standards set forth by the Department of Housing and Urban Development.



# ***HOUSING LOAN TRUST FUND***

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The Housing Loan Trust Fund accounts for the Town's loan programs for the purchase and renovation of homes for lower income families.



## ***HOUSING LOAN TRUST FUND BUDGET SUMMARY***

*The Housing Loan Trust Fund budget for 2010-11 was set to exhaust the remaining funds available for mortgage assistance programs and the Town's share of matching funds for the HOME program administered by Orange County. Activity in 2010-11 is estimated to leave a small balance available to appropriate for the FY2011-12 fiscal year.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Other Expenses	\$ 525	\$ 1,260	\$ 1,260	\$ 1,260	\$ 1,260	0.0%
Grants/Deferred Loans	11,208	-	-	-	-	N/A
Contributions to Agencies:						
HOME Program Match	67,648	-	-	-	-	N/A
<b>Total</b>	<b>\$ 79,381</b>	<b>\$ 1,260</b>	<b>\$ 1,260</b>	<b>\$ 1,260</b>	<b>\$ 1,260</b>	<b>0.0%</b>

### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Interest Income	\$ 215	\$ 300	\$ 300	\$ -	\$ -	-100.0%
Program Income	42,000	-	-	-	-	N/A
Appropriated Fund Balance	37,166	960	960	1,260	1,260	31.3%
<b>Total</b>	<b>\$ 79,381</b>	<b>\$ 1,260</b>	<b>\$ 1,260</b>	<b>\$ 1,260</b>	<b>\$ 1,260</b>	<b>0.0%</b>

***COMMUNITY DEVELOPMENT PROJECT ORDINANCES***  
***U.S. Department of Housing and Urban Development***  
***Community Development Program***  
***Summary of Activities***

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The Town became an "entitlement" Community Development city in 1984, which means that the Town is entitled to receive Community Development grant funds annually upon submission of a final statement. Community Development grants awarded by Housing and Urban Development are implemented pursuant to grant project ordinances authorized by General Statute 159-13.12. Budgets are adopted throughout the year as the grant awards are received.

The 2007 project ordinance budgets a \$596,282 grant for rehabilitation of public housing, homeownership assistance, a comprehensive housing rehabilitation program for the Northside and Pine Knolls neighborhoods, neighborhood revitalization activities, and community services.

The 2008 project ordinance budgets a \$574,804 grant for rehabilitation of public housing, homeownership assistance, neighborhood revitalization activities, rehabilitation of rental units for individuals with disabilities and at risk of homelessness, and community services.

The 2009 project ordinance budgets a \$584,379 grant and \$7,338 of program income for rehabilitation of public housing, predevelopment costs for the development of a residential facility for homeless men, infrastructure development, homeownership assistance and community services.

The project ordinance for the 2009 American Reinvestment Recovery Act grant of \$156,110 budgets funds for public housing renovations and infrastructure development at Habitat for Humanity's Phoenix Place subdivision.

The 2010 project ordinance budgets a \$633,405 grant and \$7,338 of program income for rehabilitation of public housing, predevelopment costs for the development of a residential facility for homeless men, rehabilitation of affordable rental properties, rehabilitation of a public facility, homeownership assistance and community services.



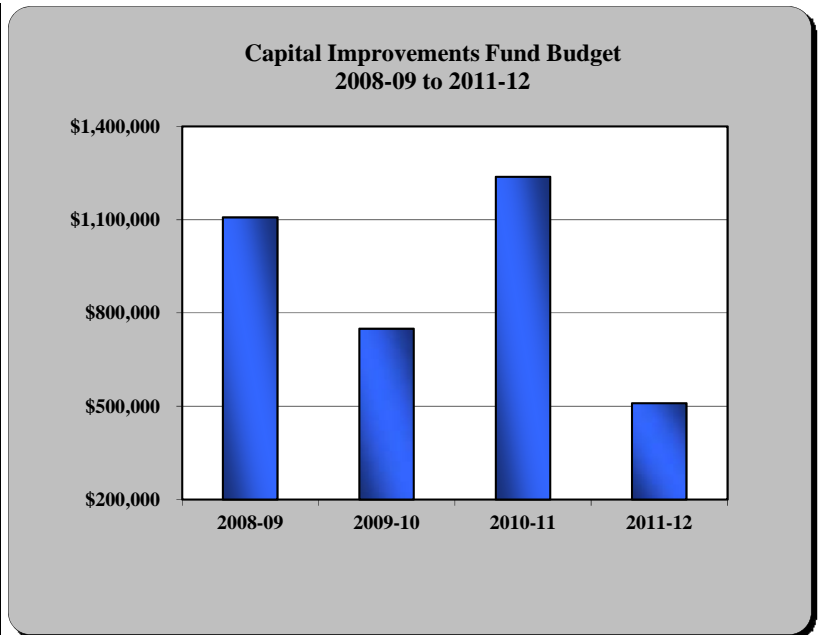
# CAPITAL PROGRAM

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 2000, 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 2011-12 are part of the 2011-12 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 PROGRAM – MAJOR REVENUE SOURCES***

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## **Capital Improvements Program**

The Capital Improvements Program is a 15-year plan to fund capital projects that are selected based on a set of priorities and anticipated availability of funding. The program emphasizes projects at Town facilities, with the goal of addressing capital-related problems as they arise in order to avoid more costly repairs in the future.

## **2003 Bonds**

In November 2003, voters approved \$29.36 million in bonds. The bond projects are assigned to five individual categories as follows:

- *Sidewalk and Streets* (\$5.6 million):
  - \$2.6 million for construction of sidewalks on the Town's Sidewalk Priority List and for meeting the local match requirement for programmed State improvements
  - \$350,000 for improvements at pedestrian crossings
  - \$650,000 for neighborhood traffic calming and pedestrian and bicycle safety improvements such as speed humps and raised crosswalks and improved pedestrian and bicycle signage
  - \$2 million 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

## **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.

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

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## **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 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.

## ***CAPITAL PROGRAM – KEY PROJECTS***

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This section highlights key projects included in the 2011-26 Capital Program. The map on the following page shows project locations.

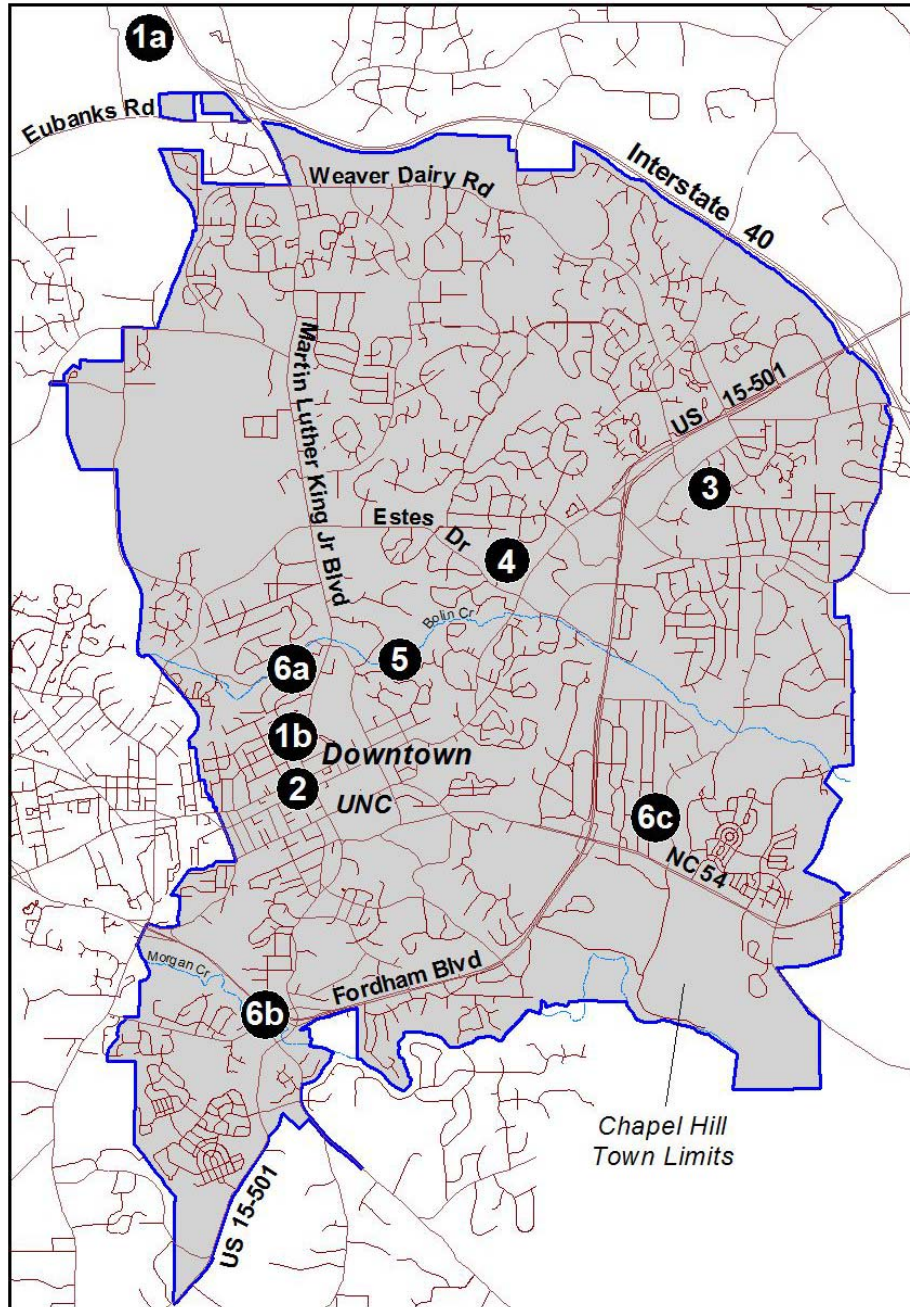
Major projects in the Program anticipated to take place over the next five years include installation of a municipal fiber optic cable network, Morgan Creek Trail expansion, Bolin Creek Trail expansion and replacement of playground equipment at Oakwood Park. Other capital projects include the expansion of the Public Library, construction of sidewalk and bicycle facilities, construction of new greenways and cemetery beautification.

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.

The Town has negotiated an agreement with RAM Development Corporation for the construction of a mixed use development on the Town's Lot 5 property. The project will include a level of public parking in an underground parking deck and a public plaza adjoining the development. Construction began in 2010.



# CAPITAL PROGRAM – KEY PROJECTS



## Location of Key Capital Projects

### KEY

1a. Town Operations Center (Fiber optic hub); 1b. Town Hall (Fiber optic hub); 2. Parking Lot 5; 3. Colony Woods. Public Housing; 4. Library expansion; 5. Bolin Creek Watershed Improvements; 6a. Bolin Creek Trail; 6b. Morgan Creek Trail; 6c. Oakwood Playground

# ***CAPITAL PROGRAM – KEY PROJECTS***

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## **1. Municipal Fiber Project**

The Town of Chapel Hill Municipal Fiber Project will install fiber optic communications cable linking Town administrative, service and recreation facilities. The project will provide high speed data communications to facilitate voice, data and video services for Town facilities. The work is being undertaken in conjunction with a North Carolina Department of Transportation project to upgrade traffic signals throughout Chapel Hill and Carrboro.

The Town municipal fiber will provide reliable site-to-site communication services for both emergency and day-to-day activities. The project is expected to be completed in 2012.

## **2. Downtown Economic Development Initiative**

The Town Council has selected Ram Development Company of Florida to develop Town Parking Lot 5. The mixed-use project will include the construction of residential condominiums, retail space, public space and underground parking at Lot 5. The design and permitting process is completed and construction began in 2010.

## **3. Public Housing**

The FY11 CIP includes funding for needed repairs to public housing apartments, facilities and sites. The renovation work will be comprehensive and provide upgrades to all building components and systems throughout the apartments. These improvements to the public housing apartments will provide safe and sanitary living conditions to the lower-income citizens of Chapel Hill.

## **4. Library Building Expansion**

In November 2003, voters approved a \$16.23 million bond for improvements to the Chapel Hill Public Library. In June of 2004, the Town Council appointed a 15 member Library Building Committee to select an architect for a facility expansion project, and work with the architect through the schematic design process. In October of 2006 the Town executed a contract with Corley, Redfoot, Zack Inc., working with Robert A. M. Stern Architects, to prepare plans for the Library expansion project.

During the winter and spring of 2007, the design consultants worked with Town staff and developed design options for consideration by the Library Building Committee. The process involved a number of meetings with the Library Building Committee resulting in a Conceptual Plan that was approved by the Committee on June 14, 2007.

On July 20, 2007, the Town Manager executed a contract with Clancy & Theys Construction Company to provide construction management services for the Library expansion project. Consistent with the Council's February 13, 2006 authorization this

# ***CAPITAL PROGRAM – KEY PROJECTS***

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agreement permits the selected firm to proceed with the project as a Construction Manager at Risk pending agreement on a “guaranteed maximum price” at the time construction documents are complete.

Acting in its role as owner, the Town Council approved the Schematic Design proposal and authorized the Town’s consultants to proceed with Design Development drawings. On January 14, 2008, the Town Council approved the Special Use Permit Modification plans. Construction is scheduled to begin in FY 2011-12.

## **5. Bolin Creek Watershed Improvements**

The Bolin Creek Watershed project includes stream channel and infrastructure improvements, stream restoration, and infrastructure repair/retrofit along Bolin Creek. This project will mitigate flooding/drainage problems as well as improve water quality conditions.

## **6. Parks & Recreation Projects**

Morgan Creek Trail (Phase 2): The Morgan Creek Trail (Phase 2) project will connect the existing Morgan Creek and Fan Branch Trails. The new segment will be approximately 1/3 mile long and will include two bridges and a tunnel under Culbreth Road. The project will provide direct trail connections to Merritt’s Pasture, Southern Village, Culbreth Road, and Southern Community Park. Construction should start in calendar year 2012.

Bolin Creek Trail (Phase 3): The Bolin Creek Trail (Phase 3) project includes an extension of the existing Bolin Creek Trail about .5 miles west along Bolin Creek to Umstead Park. The project will involve underpasses of Martin Luther King Jr. Blvd and Pritchard Avenue Extension and 2 bridges over Bolin Creek. Construction should start in calendar year 2012.

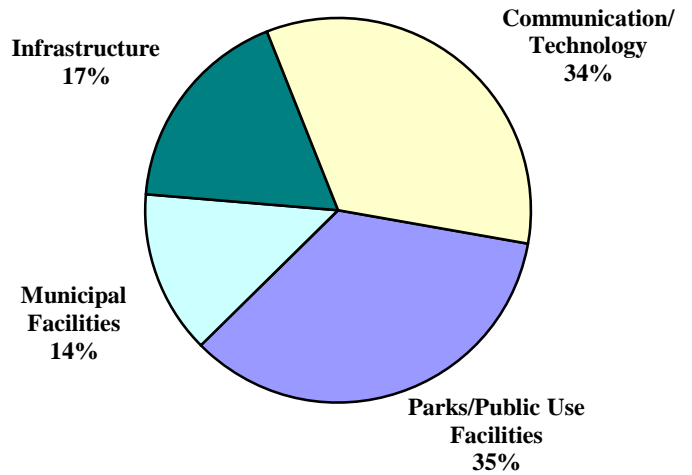
In FY10, the Town began a four year process of replacing playground equipment in at least four Town parks there were in need of replacement due to aging and in order to comply with Americans with Disabilities Act and Consumer Product Safety Commission guidelines. The Town is now in year 3 of this four year process and will focus on Oakwood Park for FY11. The goal of playground replacement is to provide safe, accessible facilities for the citizens of Chapel Hill.

# CAPITAL IMPROVEMENTS FUND

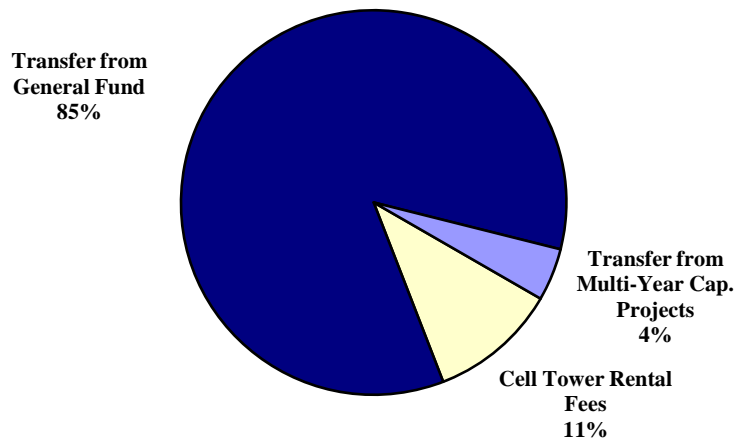
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The Capital Improvements Fund generally accounts for purchases and construction that can be completed within a single year. Capital Improvements Fund (CIP) projects are prioritized as part of the Town's 15-year capital program.

**Capital Improvements Fund Expenditures**



**Capital Improvements Fund Revenues**



## ***CAPITAL IMPROVEMENTS FUND BUDGET SUMMARY***

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*The budget for the Capital Improvements Program for 2011-12 totals \$509,824, and includes projects to be completed in the next five years.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>
Municipal Facilities	\$ 129,280	\$ 195,000	\$ 329,334	\$ 238,477	\$ 70,000
Public Safety	-	300,000	300,000	260,684	-
Facilities Leased by Others	16,200	-	45,000	15,000	-
Infrastructure	84,231	135,000	377,474	227,424	90,000
Communication/Technology	34,897	208,800	1,172,049	1,158,135	172,300
Parks/Public Use Facilities	425,972	399,000	696,851	592,259	177,524
<b>Total</b>	<b>\$ 690,580</b>	<b>\$ 1,237,800</b>	<b>\$ 2,920,708</b>	<b>\$ 2,491,979</b>	<b>\$ 509,824</b>

### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>
NCDOT Reimbursements	\$ 37,599	\$ -	\$ 30,000	\$ 30,000	\$ -
National Recreation Trails Grant	-	-	75,000	75,000	-
Miscellaneous Grants	-	-	2,000	2,000	-
Cell Tower Rental Fees	53,162	55,000	55,000	55,000	55,000
UNC Reimbursement	-	-	350,000	350,000	-
Rent-Sport Art Gymnasium	5,750	10,000	10,000	-	-
Interest on Investments	5,221	-	-	2,000	-
Revenue in Lieu	-	-	75,424	75,424	-
Transfer from 440 Capital Project	-	-	-	-	22,524
Transfer from General Fund	474,000	1,172,800	1,172,800	934,555	432,300
Appropriated Fund Balance	114,848	-	1,150,484	968,000	-
<b>Total</b>	<b>\$ 690,580</b>	<b>\$ 1,237,800</b>	<b>\$ 2,920,708</b>	<b>\$ 2,491,979</b>	<b>\$ 509,824</b>

# ***CAPITAL IMPROVEMENTS FUND***

## ***DETAIL EXPENDITURES***

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>
<b>MUNICIPAL OPERATIONS FACILITIES</b>					
Town Hall: Replacement of HVAC Units	\$ 44,862	\$ -	\$ 8,600	\$ 3,334	\$ -
General Maintenance	17,150	-	-	-	-
Extraordinary Maintenance, Emergency Repairs	67,268	75,000	123,100	90,143	70,000
Fire Station #3 Capital Maintenance	-	120,000	120,000	115,000	-
Library Capital Maintenance	-	-	14,500	-	-
Police Space Needs Study	-	-	30,000	30,000	-
Town Hall & Council Chamber Capital Improvements	-	-	33,134	-	-
<b>Subtotal</b>	<b>\$ 129,280</b>	<b>\$ 195,000</b>	<b>\$ 329,334</b>	<b>\$ 238,477</b>	<b>\$ 70,000</b>
<b>PUBLIC SAFETY</b>					
Reserve Fire Truck	\$ -	\$ 300,000	\$ 300,000	\$ 260,684	\$ -
<b>Subtotal</b>	<b>\$ -</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ 260,684</b>	<b>\$ -</b>
<b>TOWN FACILITIES LEASED BY OTHERS</b>					
Old Post Office Capital Maintenance	\$ 16,200	\$ -	\$ -	\$ -	\$ -
523 East Franklin Maintenance	-	-	45,000	15,000	-
<b>Subtotal</b>	<b>\$ 16,200</b>	<b>\$ -</b>	<b>\$ 45,000</b>	<b>\$ 15,000</b>	<b>\$ -</b>
<b>INFRASTRUCTURE</b>					
East Franklin Curb Repair	\$ -	\$ -	\$ 30,000	\$ 30,000	\$ -
Street Maintenance	-	75,000	117,903	42,903	50,000
Stamped Asphalt	-	-	52,521	52,521	-
Tree Removal from Dams	-	-	50,000	-	-
Path, Trail and Lot Maintenance	54,234	40,000	87,000	87,000	25,000
Sidewalks	-	-	8,550	-	-
Curbs / ADA	29,997	20,000	30,000	15,000	15,000
Cameron Avenue Railroad Crossing Improvements (Town Share)	-	-	1,500	-	-
<b>Subtotal</b>	<b>\$ 84,231</b>	<b>\$ 135,000</b>	<b>\$ 377,474</b>	<b>\$ 227,424</b>	<b>\$ 90,000</b>

***CAPITAL IMPROVEMENTS FUND  
DETAIL EXPENDITURES***

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>
<b>COMMUNICATIONS AND TECHNOLOGY</b>					
Traffic Signal Upgrade	\$ 27,400	\$ -	\$ 471,768	\$ 471,768	\$ -
Fiber Optic Network	7,497	100,000	442,503	442,503	90,000
Fire House Mobile & GIS System for Response Units	-	-	123,978	112,842	-
In-Car Police Cameras	-	108,800	108,800	106,022	-
Police Technology Upgrades	-	-	25,000	25,000	82,300
<b>Subtotal</b>	<b>\$ 34,897</b>	<b>\$ 208,800</b>	<b>\$ 1,172,049</b>	<b>\$ 1,158,135</b>	<b>\$ 172,300</b>
<b>PARKS AND OTHER PUBLIC USE FACILITIES</b>					
Greenways	\$ 9,726	\$ 40,000	\$ 38,600	\$ 21,679	\$ 40,000
Transfer to Grants Fund (Greenways Maps)	-	-	3,000	3,000	-
Battle Branch Trail	-	80,000	154,200	95,000	-
Transfer to Multi-Year Capital Project Fund (Percent for Art)	-	-	3,330	3,330	-
Southern Community Park	127	-	-	-	-
Playground Replacement	6,912	75,000	157,373	131,782	50,000
Homestead Park	-	-	3,375	3,375	-
Morgan Creek Greenway Signage	1,978	-	2,625	2,450	-
Cemetery Beautification	48,308	20,000	152,336	152,336	-
Small Park Improvements	62,996	75,000	71,242	73,942	67,524
Parks ADA Improvements	-	-	-	-	20,000
Athletic Field Light Replacement	161,661	-	2,400	-	-
Cedar Falls Parking Lot Paving	-	63,000	62,370	62,370	-
Skate Park	-	46,000	46,000	42,995	-
Community Center - Capital Construction Costs	26,720	-	-	-	-
Transfer to Multi-Year Capital Project Fund (Morgan Creek Project)	107,544	-	-	-	-
<b>Subtotal</b>	<b>\$ 425,972</b>	<b>\$ 399,000</b>	<b>\$ 696,851</b>	<b>\$ 592,259</b>	<b>\$ 177,524</b>
<b>TOTALS</b>	<b>\$ 690,580</b>	<b>\$ 1,237,800</b>	<b>\$ 2,920,708</b>	<b>\$ 2,491,979</b>	<b>\$ 509,824</b>

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

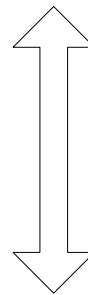
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This section provides descriptions of capital projects funded in the 2011-12 budget shown in Table 1. The projects listed are those funded or proposed to receive funding through the Capital Improvements Fund, Stormwater Management Funds, Grant Funds 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 description 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 items funded out of departments' operating budgets. The impact levels are shown in the adjacent chart.



*High:* More than \$25,000 a year  
*Moderate:* \$5,000 to \$25,000 a year  
*Low:* \$1,000 to \$5,000 a year  
*Very Low:* Less than \$1,000 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***

<b>Project Name</b>	<b>MUNICIPAL OPERATIONS FACILITIES</b>	<b>Project Category</b>
	<p><b><u>Extraordinary Maintenance, Emergency Repairs</u></b></p> <p>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.</p>	<b>Description</b>
<b>Effect on Town's operating budget when project is implemented.</b>	<p><i>Table and Ref #:</i> Table 1, Ref #2</p> <p><i>Location:</i> Various sites</p> <p><i>Operating Budget Impact:</i> Positive (Thousands annually): Funding will reduce need to use operating funds for emergency repairs.</p>	<b>Where to find project in Tables 1, 2 or 3, which appear after this section</b>

### ***Adopted 2011-12 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total*</i>	<i>Funding Source</i>
<b>2011-12</b>	2012-13	2013-14	2014-15	2015-16	<i>Through 2015-16</i>	<i>Through 2025-26</i>	
<b>\$70,000</b>	\$100,000	\$100,000	\$100,000	\$100,000	\$475,000	\$1,470,000	Capital Improvements Fund

**Summary of 2011-12 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 #2  
*Location:* Various sites  
*Operating Budget Impact:* Positive (Thousands annually): Funding will reduce need to use operating funds for emergency repairs.

### ***Adopted 2011-12 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total*</i>	<i>Funding Source</i>
<b>2011-12</b>	2012-13	2013-14	2014-15	2015-16	<i>Through 2015-16</i>	<i>Through 2025-26</i>	
\$70,000	\$100,000	\$100,000	\$100,000	\$100,000	\$475,000	\$1,470,000	Capital Improvements Fund

### **Comprehensive Public Housing Renovation**

Federal funding sources will be used to upgrade the condition of the public housing apartments and sites. In recent years work has been completed in the Trinity Court, South Estes Drive, Craig-Gomains, S. Roberson St. and Lindsay St. neighborhoods.

*Table and Ref #:* Table 2, Ref #36  
*Location:* Public Housing sites  
*Operating Budget Impact:* Positive (Tens of thousands annually): Renovations will reduce need to make repairs using operating budget funds.

### ***Adopted 2011-12 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2011-12</b>	2012-13	2013-14	2014-15	2015-16	<i>Through 2015-16</i>	<i>Through 2025-26</i>	
\$594,401	\$594,401	\$594,401	\$594,401	\$594,401	\$2,972,005	\$8,916,015	Community Development Block Grant Program

# ***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 #9  
*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 2011-12 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<i>Through 2015-16</i>	<i>Through 2025-26</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 #11  
*Location:* Various Sites  
*Operating Budget Impact:* No Impact

#### ***Adopted 2011-12 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<i>Through 2015-16</i>	<i>Through 2025-26</i>	
\$15,000	\$30,000	\$30,000	\$30,000	\$30,000	\$135,000	\$435,000	Capital Improvements Fund

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

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## **Stormwater Project Construction/Design**

Funding will provide stream channel and infrastructure improvements, stream restoration, and infrastructure repair/retrofit along Bolin Creek. This project will mitigate flooding/drainage problems as well as improve water quality conditions.

*Table and Ref #:* Table 2, Ref #48  
*Location:* Various Sites  
*Operating Budget Impact:* No Impact

### ***Adopted 2011-12 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<i>Through 2015-16</i>	<i>Through 2025-26</i>	
\$100,000	\$50,000	\$50,000	-	-	\$200,000	\$200,000	Stormwater Management Fund

## **Streets Infrastructure Improvements**

Funding will be used to carry out various street improvement projects. Potential projects include street realignments, grading, and/or shoulder and ditch profile improvements. The project will improve existing streets beyond ordinary maintenance.

*Table and Ref #:* Table 1, Ref #16  
*Location:* Various Sites  
*Operating Budget Impact:* No Impact

### ***Adopted 2011-12 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<i>Through 2015-16</i>	<i>Through 2025-26</i>	
\$50,000	\$100,000	\$50,000	\$50,000	\$50,000	\$300,000	\$800,000	Capital Improvements Fund

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

## **COMMUNICATIONS AND TECHNOLOGY**

### **Fiber Optic Network**

This project will provide for the installation of fiber optic cable in conjunction with the NCDOT Traffic Signal System Upgrade Project.

<i>Table and Ref #:</i>	Table 1, Ref #18
<i>Location:</i>	Various sites
<i>Operating Budget Impact:</i>	Positive (Thousands annually): Once complete, the project should reduce data communication service costs by \$75,000 per year.

### ***Adopted 2011-12 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2011-12</b>	2012-13	2013-14	2014-15	2015-16	<i>Through 2015-16</i>	<i>Through 2025-26</i>	
\$90,000	-	-	-	-	\$90,000	\$90,000	Capital Improvements Fund

### **Police Technology Upgrades**

Funding will allow for the purchase of various pieces of outdated technology necessary to carry out Police business. This project will allow the Police Department to purchase equipment that will replace outdated equipment that is no longer covered under service agreements.

<i>Table and Ref #:</i>	Table 1, Ref #20
<i>Location:</i>	Police Department
<i>Operating Budget Impact:</i>	Negative: Purchase of this equipment will require maintenance fees along with future replacement costs.

### ***Adopted 2011-12 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2011-12</b>	2012-13	2013-14	2014-15	2015-16	<i>Through 2015-16</i>	<i>Through 2025-26</i>	
\$82,300	-	-	-	-	\$82,300	\$82,300	Capital Improvements Fund

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

## **PARKS AND OTHER PUBLIC USE FACILITIES**

### **Small Park Improvements**

These projects involve improvements, repairs and replacement of equipment in Town parks. Examples of potential projects include bleacher replacements, replacement of playground equipment and turf repairs at athletic fields.

*Table and Ref #:* Table 1, Ref #23  
*Location:* Various Sites  
*Operating Budget Impact:* Positive (More than \$1,000 annually):  
 Projects will reduce need to use operating budget funds for repairs at parks.

### ***Adopted 2011-12 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<i>Through 2015-16</i>	<i>Through 2025-26</i>	
\$67,524	\$100,000	\$100,000	\$100,000	\$100,000	\$467,524	\$1,467,524	Capital Improvements Fund

### **Greenways**

The funds associated with this project will be used to replace bridges, signs, re-grade trails, correct erosion problems, and perform maintenance throughout trail system. In addition, long range plans include new trail construction. In addition, funds are expected to be used to match grants and pay for materials for volunteer projects.

*Table and Ref #:* Table 1, Ref #24  
*Location:* Various Sites  
*Operating Budget Impact:* Positive (Hundreds to thousands annually):  
 Projects will reduce need to use operating budget funds for greenway repairs.

### ***Adopted 2011-12 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<i>Through 2015-16</i>	<i>Through 2025-26</i>	
\$40,000	\$80,000	\$80,000	\$80,000	\$80,000	\$360,000	\$1,160,000	Capital Improvements Fund

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

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## **Playgrounds**

Playground equipment in various locations throughout the Town is in need of replacement in order to comply with current safety and ADA guidelines. Playground equipment will be replaced at one playground per year in the following priority order: Burlington Park, Umstead Park, Oakwood Park, North Forest Hills Park, and Westwood Park. Umstead Park equipment would be fully accessible for mobility challenged youth.

*Table and Ref #:* Table 1, Ref #32  
*Location:* Various locations  
*Operating Budget Impact:* Positive (Hundreds per year): Projects will reduce need to use operating budget for repairs.

### ***Adopted 2011-12 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2011-12</b>	2012-13	2013-14	2014-15	2015-16	<i>Through 2015-16</i>	<i>Through 2025-26</i>	
\$50,000	\$150,000	\$80,000	\$80,000	\$80,000	\$440,000	\$1,340,000	Capital Improvements Fund

## **Parks ADA Improvements**

Funding for this project will develop a priority list of ADA facility improvements in Town parks and contract to complete the top items on the list until funds are depleted. ADA improvements could include curb cuts, accessible paths to play areas, accessible site furnishings, accessible restrooms, accessible paths from handicap parking, and other improvements.

*Table and Ref #:* Table 1, Ref #31  
*Location:* Various locations  
*Operating Budget Impact:* No Impact

### ***Adopted 2011-12 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2011-12</b>	2012-13	2013-14	2014-15	2015-16	<i>Through 2015-16</i>	<i>Through 2025-26</i>	
\$20,000	-	-	-	-	\$20,000	\$20,000	Capital Improvements Fund

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

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**Bolin Creek Trail**

The Bolin Creek Trail (Phase 3) project includes an extension of the existing Bolin Creek Trail about .5 miles west along Bolin Creek to Umstead Park. The project will involve underpasses of Martin Luther King Jr. Blvd and Pritchard Avenue Extension and 2 bridges over Bolin Creek.

*Table and Ref #:*                      Table 3, Ref #72  
*Location:*                                      Bolin Creek  
*Operating Budget Impact:*              No Impact

***Adopted 2011-12 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2011-12</b>	2012-13	2013-14	2014-15	2015-16	<i>Through 2015-16</i>	<i>Through 2025-26</i>	
\$2,245,889	-	-	-	-	\$2,245,889	\$2,245,889	2010 Bond Issue

**Morgan Creek Trail**

The Morgan Creek Trail (Phase 2) project will connect the existing Morgan Creek and Fan Branch Trails. The new segment will be approximately 1/3 mile long and will include two bridges and a tunnel under Culbreth Road. The project will provide direct trail connections to Merritt’s Pasture, Southern Village, Culbreth Road, and Southern Community Park.

*Table and Ref #:*                      Table 3, Ref #74  
*Location:*                                      Morgan Creek  
*Operating Budget Impact:*              No Impact

***Adopted 2011-12 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2011-12</b>	2012-13	2013-14	2014-15	2015-16	<i>Through 2015-16</i>	<i>Through 2025-26</i>	
\$1,212,455	-	-	-	-	\$1,212,455	\$1,212,455	2010 Bond Issue



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

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## **Library Building Expansion**

Funding will provide for the expansion of the Chapel Hill Public Library. In addition to the expansion of the main collection areas, the building renovation will include a meeting room complex, a youth services library, teen activity room and a computer learning center.

<i>Table and Ref #:</i>	Table 3, Ref #77
<i>Location:</i>	Chapel Hill Library
<i>Operating Budget Impact:</i>	Negative: Will result in increased utility costs, personnel, and other operating costs.

### ***Adopted 2011-12 Budget and Projected Expenditures***

<i>Fiscal Year</i>					<i>5-Year Total</i>	<i>15-Year Total</i>	<i>Funding Source</i>
<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<i>Through 2015-16</i>	<i>Through 2025-26</i>	
\$14,504,703	-	-	-	-	\$14,504,703	\$14,504,703	2010 Bond Issue



## ***CAPITAL PROGRAM TABLES – INTRODUCTION***

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The Capital Improvements Program contains tables that outline the adopted budget for CIP projects in fiscal year 2011-12 and projected expenditures in future fiscal years for all funds, from 2011-12 through 2025-26. These tables are as follows:

- **Table 1. Capital Improvements.** Table 1 lists projects identified for Capital Improvements. Projects listed include adopted projects for 2011-12 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	2010-11 Budget Revised	2011-12 Adopted Budget	2012-13
<b>Municipal Operations Facilities</b>				
1	Town Hall HVAC Replacement	\$ 8,600	\$ -	\$ -
2	Extraordinary Maintenance	123,100	70,000	100,000
3	Library Capital Maintenance	14,500	-	-
4	Fire Station # 3 Capital Maintenance	120,000	-	-
5	Police Space Needs Study	30,000	-	-
6	Town Hall & Council Chamber Capital Improvements	33,134	-	-
<b>Public Safety</b>				
7	Reserve Fire Truck	300,000	-	-
<b>Town Facilities Leased by Others</b>				
8	523 East Franklin Maintenance	45,000	-	-
<b>Infrastructure</b>				
9	Parking Lots/Paths/Trails	87,000	25,000	50,000
10	Sidewalks	8,550	-	-
11	Curb Cut Improvements (ADA)	30,000	15,000	30,000
12	East Franklin Curb Repair	30,000	-	-
13	Stamped Asphalt	52,521	-	-
14	Tree Removal from Dams	50,000	-	-
15	Cameron Avenue Railroad Crossing	1,500	-	-
16	Street Infrastructure Improvements	117,903	50,000	100,000
<b>Communications</b>				
17	Traffic Signal System Upgrade (Town share - Design)	471,768	-	-
18	Fiber Optic Network	442,503	90,000	-
19	Fire House Mobile & GIS System for Response Units	123,978	-	-
20	Police Technology Upgrades	25,000	82,300	-
21	In-Car Police Cameras	108,800	-	-
<b>Parks and Other Public Use Facilities</b>				
22	Cemetery Beautification	152,336	-	-
23	Small Parks Improvements	71,242	67,524	100,000
24	Greenways	38,600	40,000	80,000
25	Transfer to Multi-Year Capital Project Fund (% for Art)	3,330	-	-
26	Battle Branch Trail	154,200	-	79,000
27	Cedar Falls Parking Lot Paving	62,370	-	-
28	Morgan Creek Signage Project	2,625	-	-
29	Transfer to Grants Fund (Greenways Maps)	3,000	-	-
30	Homestead Park Improvements	3,375	-	-
31	Parks ADA Improvements	-	20,000	-
32	Playgrounds	157,373	50,000	150,000
33	Skate Park	46,000	-	-
34	Athletic Field Light Replacement	2,400	-	-
	<b>Total</b>	<b>\$ 2,920,708</b>	<b>\$ 509,824</b>	<b>\$ 689,000</b>

\*Future years after FY2011-12 are for planning purposes only.

2013-14	2014-15	2015-16	2016-26	Reference #
\$ -	\$ -	\$ -	\$ -	1
100,000	100,000	100,000	1,000,000	2
-	-	-	-	3
-	-	-	-	4
-	-	-	-	5
-	-	-	-	6
-	-	-	-	7
-	-	-	-	8
50,000	50,000	50,000	500,000	9
-	-	250,000	2,500,000	10
30,000	30,000	30,000	300,000	11
-	-	-	-	12
-	-	-	-	13
-	-	-	-	14
-	-	-	-	15
50,000	50,000	50,000	500,000	16
-	-	-	-	17
-	-	-	-	18
-	-	-	-	19
-	-	-	-	20
-	-	-	-	21
-	-	-	-	22
100,000	100,000	100,000	1,000,000	23
80,000	80,000	80,000	800,000	24
-	-	-	-	25
176,000	-	-	-	26
-	-	-	-	27
-	-	-	-	28
-	-	-	-	29
-	-	-	-	30
-	-	-	-	31
80,000	80,000	80,000	900,000	32
-	-	-	-	33
-	-	-	-	34
\$ 666,000	\$ 490,000	\$ 740,000	\$ 7,500,000	

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

Reference #	Project	Revised Budget 2010-11	Adopted 2011-12	2012-13
	<b>Municipal Operations Facilities</b>			
35	Parking Office Expansion	\$ 119,000	\$ -	\$ -
36	Comprehensive Public Housing Renovations	594,401	594,401	594,401
37	Comprehensive Public Housing Renovations	732,519	-	-
38	Town Hall Renovation	-	-	-
39	100 West Rosemary Renovation	-	-	-
40	Public Safety Headquarters	-	-	-
41	Parks & Recreation Administration Building	-	-	-
42	523 East Franklin Renovation	-	-	-
43	Roof Replacement at Town Operations Center	-	-	-
44	Town Data Center	-	-	-
45	Wallace Parking Facility	-	-	320,000
46	Energy Conservation	554,900	-	-
	<b>Infrastructure</b>			
47	Burning Tree Drive Drainage	117,699	-	-
48	Stormwater Projects	-	-	175,000
49	Bolin Creek Watershed Improvements	175,000	100,000	50,000
50	Watershed Restoration Project	-	-	-
51	Downtown Development Initiative	1,116,000	-	-
52	Traffic Signal System Upgrade	450,000	-	-
53	Rosemary/Columbia Lot Resurfacing	-	-	35,000
54	Bolin Creek Restoration	533,620	-	-
55	Bike Loops	175,000	-	-
	<b>Communications and Technology</b>			
56	Library Technology-Radio Frequency Control System	218,000	-	-
57	Parking Revenue Control Equipment	50,000	-	-
58	On Street Parking Pay Station	320,000	-	-
59	Development Software Project	300,000	-	-
	<b>Parks and Other Public Use Facilities</b>			
60	Fordham Landscape Buffer	50,000	-	-
61	Percent for Art - Art Purchase	12,500	-	-
62	Pritchard Park	184,000	-	-
63	Morgan Creek Trail	381,140	-	-
64	Bolin Creek Trail	238,560	-	-
	<b>TOTAL</b>	<b>\$ 6,322,339</b>	<b>\$ 694,401</b>	<b>\$ 1,174,401</b>

Note: Future years after FY2011-12 are for planning purposes only.

2013-14	2014-15	2015-16	2016-26	Fund Source	Reference #
\$ -	\$ -	\$ -	\$ -	Parking Revenues	35
594,401	594,401	594,401	5,944,010	HUD Grant	36
-	-	-	-	ARRA Grant	37
-	-	-	4,840,000	Future Bond Issuance	38
-	-	-	2,483,500	Future Bond Issuance	39
-	520,000	830,000	15,270,000	Future Bond Issuance	40
-	384,000	-	3,200,000	Future Bond Issuance	41
-	366,000	1,848,000	-	Future Bond Issuance	42
-	-	-	975,000	Future Bond Issuance	43
-	-	-	1,390,000	Future Bond Issuance	44
-	-	-	-	Parking Revenue	45
-	-	-	-	ARRA Grant	46
-	-	-	-	Stormwater Management Funds	47
175,000	175,000	425,000	2,500,000	Stormwater Management Funds	48
50,000	-	-	-	Stormwater Management Funds	49
-	-	-	2,500,000	Stormwater Management Funds	50
-	-	-	-	Multi-year Capital Bond Project Ord.	51
-	-	-	-	Multi-year Capital Bond Project Ord.	52
-	-	-	-	Parking Revenue	53
-	-	-	-	Multi-year Capital Bond Project Ord.	54
-	-	-	-	ARRA Grant	55
-	-	-	-	Library Gift Fund/General Fund	56
-	-	-	-	Parking Revenue	57
-	-	-	-	Parking Revenue	58
-	-	-	-	Multi-year Capital Bond Project Ord.	59
-	-	-	-	Multi-year Capital Bond Project Ord.	60
				Multi-year Capital Bond Project Ord.	61
-	-	-	-	Multi-year Capital Bond Project Ord.	62
-	-	-	-	Multi-year Capital Bond Project Ord.	63
-	-	-	-	Multi-year Capital Bond Project Ord.	64
<b>\$ 819,401</b>	<b>\$ 2,039,401</b>	<b>\$ 3,697,401</b>	<b>\$ 39,102,510</b>		

**Table 3: 2003 Bonds: Approved Bond Schedule**

Reference #	Council Priority	Project Name	Category	2004 Bond Sale (\$4,000,000)	
				2004-05	2005-06
<b>Municipal Operations Facilities</b>					
65	2	Energy Efficiency Projects	Public Buildings	\$ 392,600	\$ -
66	2	Sustainable Community Project - Local Match	Public Buildings	17,400	-
67	7	Energy Management System: Town Hall HVAC	Public Buildings	-	90,000
<b>Infrastructure</b>					
68	2	Downtown Improvements - Streetscape	Sidewalks & Streets	500,000	-
69	2	Neighborhood Traffic Calming, Pedestrian, and Bicycle Improvements	Sidewalks & Streets	50,000	250,000
70	2	Pedestrian Amenities at Town Owned Traffic Signals	Sidewalks & Streets	20,000	80,000
71	2	Sidewalks and Bicycle Facilities	Sidewalks & Streets	600,000	-
<b>Parks and Other Public Use Facilities</b>					
72	2	Bolin Creek Trail	Parks/Recreational Facilities	100,000	-
73	2	Dry Creek Trail	Parks/Recreational Facilities	125,000	-
74	2	Morgan Creek Trail	2003 Bond	75,000	-
75	2	Open Space Acquisition	Open Space and Areas	1,200,000	-
76	2	Upper Booker Creek Trail	2003 Bond	-	-
77	2	Library Expansion	Library Facilities	500,000	-
<b>TOTAL</b>				<b>\$ 3,580,000</b>	<b>\$ 420,000</b>

**COLUMN DESCRIPTION KEY**

**Council Priority**

- 1 - Council Authorized Contracts
- 2 - Projects that have a Council mandate
- 3 - Projects that we have a legal requirement to perform or complete
- 4 - Projects that would repair or maintain existing Town facilities/infrastructure above and beyond ordinary maintenance
- 5 - Projects involving public safety
- 6 - Projects which are part of an adopted master plan
- 7 - Other projects

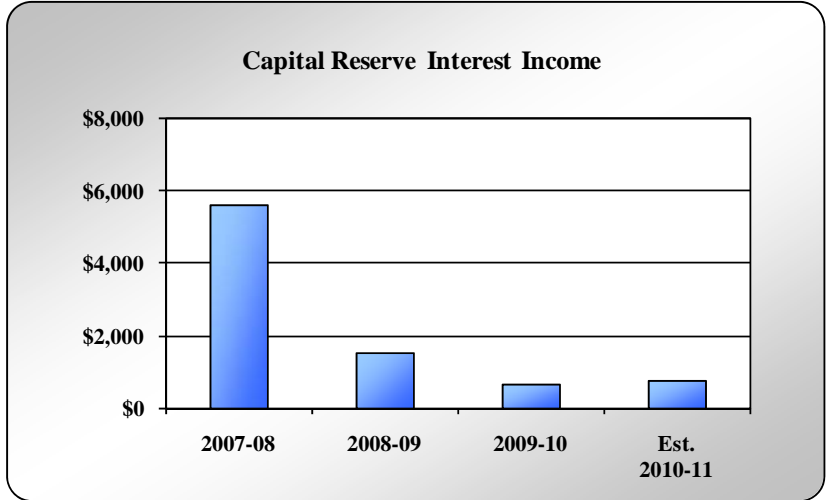


2006 Bond Sale (\$4,950,000)				2010 Bond Sale (\$20,760,237)			
2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	TOTAL	Reference #
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 392,600	65
-	-	-	-	-	-	\$ 17,400	66
-	-	-	-	-	-	\$ 90,000	67
1,000,000	-	-	-	500,000	-	\$ 2,000,000	68
-	-	-	-	350,000	-	\$ 650,000	69
50,000	-	-	-	200,000	-	\$ 350,000	70
600,000	-	-	-	1,442,042	-	\$ 2,642,042	71
-	-	-	-	2,245,889	-	\$ 2,345,889	72
16,000	-	-	-	150,540	-	\$ 291,540	73
968,000	-	-	-	1,212,455	-	\$ 2,255,455	74
800,000	-	-	-	-	-	\$ 2,000,000	75
16,000	-	-	-	154,608	-	\$ 170,608	76
1,500,000	-	-	-	14,504,703	-	\$ 16,504,703	77
\$ 4,950,000	\$ -	\$ -	\$ -	\$ 20,760,237	\$ -	\$ 29,710,237	

# ***CAPITAL RESERVE FUND***

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The Capital Reserve Fund accounts for funds reserved for specific capital improvement projects including water and sewer improvements.



## ***CAPITAL RESERVE FUND BUDGET SUMMARY***

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*No appropriations are planned for the Capital Reserve Fund for 2011-12, which had a balance of \$213,630 at June 30, 2010.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Reserved for CIP	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Transfer to Capital Improvements Fund	-	-	-	-	-	N/A
Transfer to General Fund	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>

### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Interest on Investments Appropriated	\$ 673	\$ 780	\$ -	\$ 780	\$ -	-100.0%
Fund Balance	(673)	(780)	-	(780)	-	N/A
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>

## **MAJOR CAPITAL BOND PROJECTS**

---

Several major capital improvement projects were approved by bond referenda in November of 1996 and November of 2003.

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 March 31, 2011 are shown in the table at the right.

<u>Major Capital Bond Projects</u>	<u>Budget</u>	<u>Estimated Expenditures as of June 30, 2011</u>
<b>1996 Bond Projects</b>		
Parks and Recreation Facilities	\$ 5,000,000	\$ 5,000,000
Open Space/Greenways	3,000,000	3,000,000
Public Safety Improvements	2,000,000	2,000,000
Streets and Sidewalks	3,000,000	2,929,000
Public Works Facilities	500,000	477,000
Subtotal	\$ 13,500,000	\$ 13,406,000
<b>2003 Bond Projects</b>		
Public Buildings	\$ 500,000	\$ 153,000
Streets and Sidewalks	5,600,000	1,919,000
Library Expansion	16,260,000	1,239,000
Open Space	2,000,000	2,000,000
Parks and Recreation	5,000,000	1,419,000
Subtotal	\$ 29,360,000	\$ 6,730,000
<b>TOTAL</b>	<b>\$ 42,860,000</b>	<b>\$ 20,136,000</b>

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

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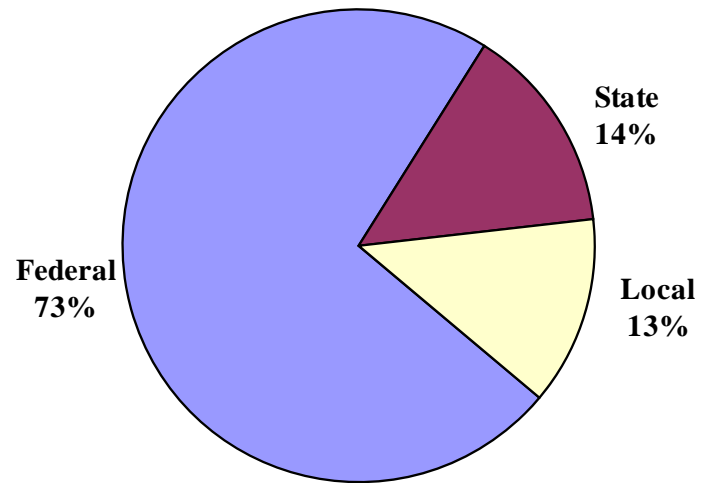


# ***GRANTS FUND***

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

**Grant Sources - Historical Trend**



## **GRANTS FUND**

### **BUDGET SUMMARY**

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The Grants Fund was established in 2004-05 to account for grants previously included in the General Fund. The grant already included for 2011-12 is the final portion of a five-year grant for firefighter positions.

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Police Grants	\$ 406,656	\$ -	\$ 286,870	\$ 170,066	\$ -	N/A
Fire Grants	505,584	564,206	564,206	564,206	252,456	-55.3%
Planning Grants	345,273	312,538	693,401	468,401	297,080	-4.9%
Other Grants	5,066	-	173,131	122,648	-	N/A
<b>Total</b>	<b>\$ 1,262,579</b>	<b>\$ 876,744</b>	<b>\$ 1,717,608</b>	<b>\$ 1,325,321</b>	<b>\$ 549,536</b>	<b>-37.3%</b>

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### **REVENUES**

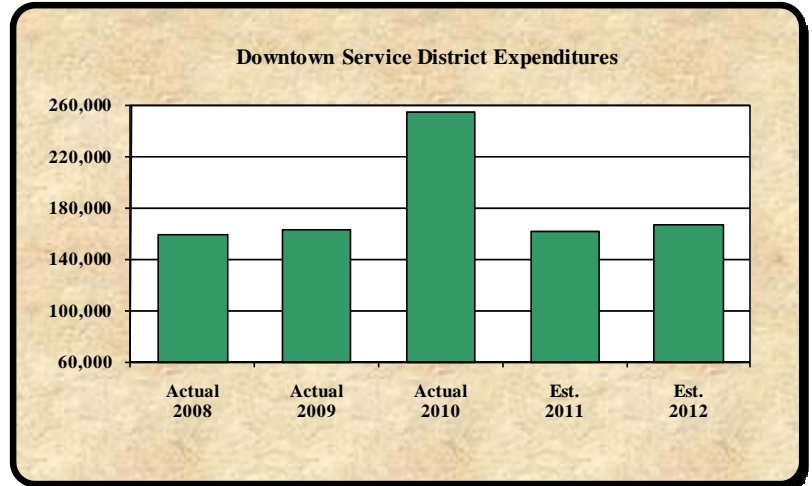
	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Grants	\$ 890,352	\$ 310,318	\$ 905,757	\$ 677,619	\$ 229,641	-26.0%
Charges for Service	27,356	-	-	-	-	N/A
Transfer from General Fund	350,395	554,423	717,400	572,514	316,656	-42.9%
Transfer from Transit	18,548	12,003	34,003	24,003	3,239	-73.0%
Transfer from Capital Imp. Fund	-	-	3,000	3,000	-	N/A
Appropriated Fund Balance	(24,072)	-	57,448	48,185	-	N/A
<b>Total</b>	<b>\$ 1,262,579</b>	<b>\$ 876,744</b>	<b>\$ 1,717,608</b>	<b>\$ 1,325,321</b>	<b>\$ 549,536</b>	<b>-37.3%</b>



# ***DOWNTOWN SERVICE DISTRICT FUND***

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The Downtown Service District Fund accounts for the programs and capital improvements for the downtown service district established by the Town Council.



# ***DOWNTOWN SERVICE DISTRICT FUND***

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

The revenue source for the Downtown Service District is the special district property tax. The tax rate of 7.1 cents is unchanged from FY 2010-11, and is expected to yield a total of about \$166,000 in FY 2011-12.

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 continued funding for the Chapel Hill Downtown Partnership of about \$120,000. The Chapel Hill Downtown Partnership brings 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. The budget for FY12 continues funding for a groundskeeper (\$46,764) dedicated to the downtown area.

<b><i>DOWNTOWN SERVICE DISTRICT FUND</i></b>			
<b><i>STAFFING COMPARISONS - IN FULL-TIME</i></b>			
<b><i>EQUIVALENTS</i></b>			
	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>
	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>ADOPTED</b>

	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>
	<b>ADOPTED</b>	<b>ADOPTED</b>	<b>ADOPTED</b>
Groundskeeper*	1.00	1.00	1.00
Downtown Service District Fund Totals	1.00	1.00	1.00

\*Position supervised by Parks and Recreation

## ***DOWNTOWN SERVICE DISTRICT FUND BUDGET SUMMARY***

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*The recommended Downtown Service District Fund tax rate of 7.1 cents for 2011-12 provides for continued funding of the groundskeeper position dedicated to the downtown area, including a 10.1% increase in medical insurance. The balance of revenues is allocated to the Chapel Hill Downtown Partnership.*

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 44,582	\$ 46,924	\$ 46,924	\$ 45,517	\$ 46,764	-0.3%
Professional Services	50,000	-	20,000	20,000	-	N/A
Contracted Services	120,000	116,376	116,376	116,376	119,236	2.5%
Grants/Deferred Loans	40,000	-	-	-	-	N/A
<b>Total</b>	<b>\$ 254,582</b>	<b>\$ 163,300</b>	<b>\$ 183,300</b>	<b>\$ 181,893</b>	<b>\$ 166,000</b>	<b>1.7%</b>

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### **REVENUES**

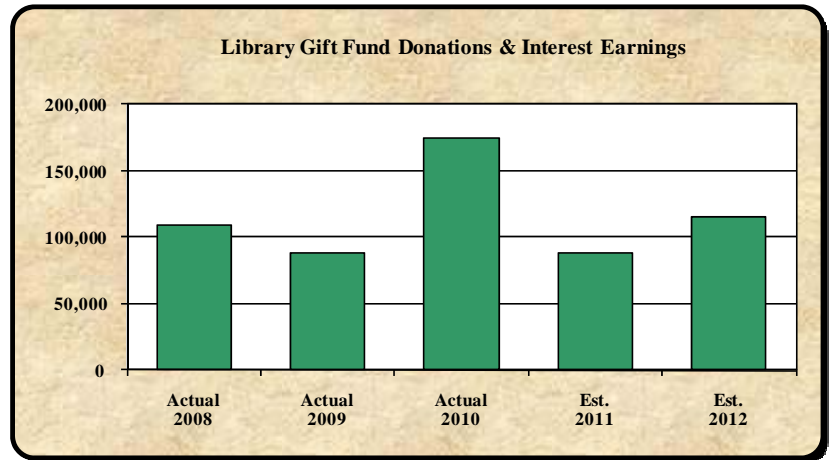
	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Property Taxes	\$ 164,272	\$ 163,300	\$ 163,300	\$ 165,000	\$ 166,000	1.7%
Interest Income	999	-	-	275	-	0.0%
Gifts and Donations	20,000	-	-	-	-	0.0%
Appropriated Fund Balance	69,311	-	20,000	16,618	-	N/A
<b>Total</b>	<b>\$ 254,582</b>	<b>\$ 163,300</b>	<b>\$ 183,300</b>	<b>\$ 181,893</b>	<b>\$ 166,000</b>	<b>1.7%</b>

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# ***LIBRARY GIFT FUND***

---

The Library Gift Fund accounts for private contributions to the Town's library.



# **LIBRARY GIFT FUND**

## **BUDGET SUMMARY**

The adopted budget for the Library Gift Fund for 2011-12 reflects an increase in expected donations as patrons help to prepare for the new facility. Purchases during FY11 include computers for the lab and additions to the collection. Computer purchases and a Friends' bookshelf for the new facility are planned for FY12. The Library Gift Fund continues to budget a transfer to the General Fund to support Library operations, at an amount of \$45,000 for FY11. At the time of budget adoption, there was uncertainty about the funding from Orange County, therefore the FY12 adopted budget reflects a \$206,000 transfer to the general fund to offset the loss of Orange County funding. A later decision was made to accept funding from Orange County which will result in an amendment to the budget.

\*\*\*\*\*

### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Computers/Database	\$ 9,936	\$ 24,400	\$ 55,678	\$ 11,000	\$ 24,400	0.0%
Collection Purchases	-	-	61,722	50,602	-	N/A
Other	-	-	-	-	8,000	N/A
Contribution to Reserve	-	6,600	-	-	-	-100.0%
Transfer to General Fund	175,000	45,000	45,000	45,000	206,000	357.8%
Transfer to Multi-Year Capital Project Fund	71,025	-	-	-	-	N/A
<b>Total</b>	<b>\$ 255,961</b>	<b>\$ 76,000</b>	<b>\$ 162,400</b>	<b>\$ 106,602</b>	<b>\$ 238,400</b>	<b>213.7%</b>

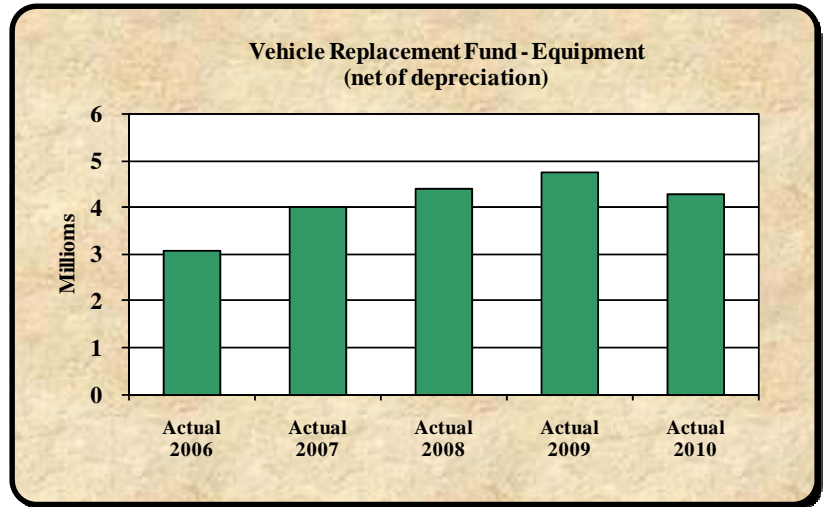
### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Interest Income	\$ 1,236	\$ -	\$ -	\$ -	\$ -	N/A
Gifts and Donations	174,016	76,000	76,000	87,879	116,000	52.6%
Appropriated Fund Balance	80,709	-	86,400	18,723	122,400	N/A
<b>Total</b>	<b>\$ 255,961</b>	<b>\$ 76,000</b>	<b>\$ 162,400</b>	<b>\$ 106,602</b>	<b>\$ 238,400</b>	<b>213.7%</b>

# ***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 2011-12 for the Vehicle Replacement Fund includes a pared-down list of the most critical capital equipment needs, with one garbage truck, a dump truck and a pumper truck accounting for the majority of the cost. The estimates for FY11 include about \$57,000 in purchases made possible by two federal grants in support of the Town's green fleet initiatives.

\*\*\*\*\*

### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Lease Purchase Payments	\$ 1,063,246	\$ 1,240,000	\$ 1,240,000	\$ 1,240,000	\$ 1,510,000	21.8%
Other Expense	1,567	25,000	28,600	23,600	25,000	0.0%
Capital Equipment	749,690	1,600,000	2,532,662	2,532,662	887,000	-44.6%
Contribution to Reserve	1,350,764	485,000	485,000	-	54,900	-88.7%
<b>Total</b>	<b>\$ 3,165,267</b>	<b>\$ 3,350,000</b>	<b>\$ 4,286,262</b>	<b>\$ 3,796,262</b>	<b>\$ 2,476,900</b>	<b>-26.1%</b>

### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Vehicle Use Fees	\$ 1,651,600	\$ 1,650,000	\$ 1,650,000	\$ 1,650,000	\$ 1,486,900	-9.9%
Interest Income	5,488	-	-	6,000	3,000	N/A
Sale of Fixed Assets	15,120	100,000	100,000	160,000	100,000	0.0%
Insurance Claims	22,173	-	-	-	-	N/A
Financing Proceeds	1,604,000	1,600,000	1,600,000	1,600,000	887,000	-44.6%
Clean Fuels Grant	-	-	35,260	35,260	-	N/A
ARRA Grant	-	-	22,252	22,252	-	N/A
Transfer from On Street Parking Fund	4,240	-	-	-	-	N/A
Transfer from General Fund	(137,354)	-	-	-	-	N/A
Appropriated Fund Balance	-	-	878,750	322,750	-	N/A
<b>Total</b>	<b>\$ 3,165,267</b>	<b>\$ 3,350,000</b>	<b>\$ 4,286,262</b>	<b>\$ 3,796,262</b>	<b>\$ 2,476,900</b>	<b>-26.1%</b>

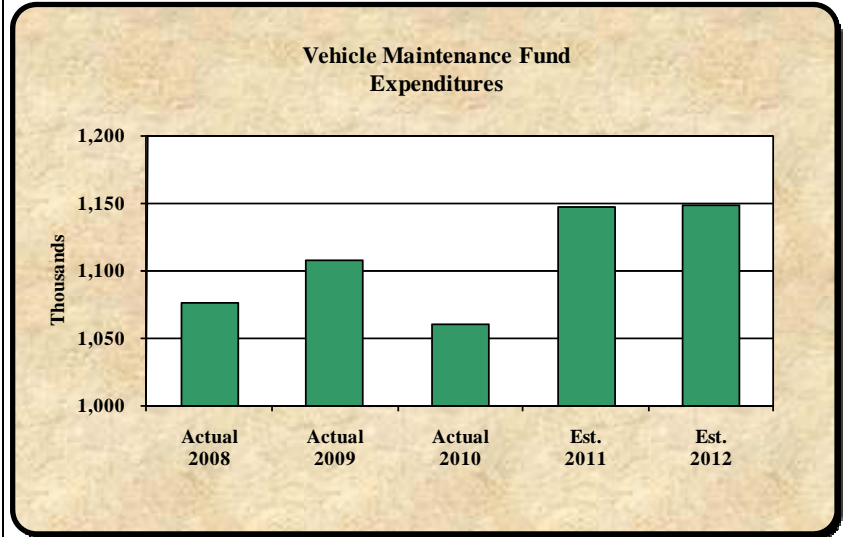
# VEHICLE MAINTENANCE FUND

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

Vehicle maintenance is an internal service fund; its cost is charged out to other Town departments based on actual repairs.

The division is supervised by Public Works.





# ***VEHICLE MAINTENANCE***

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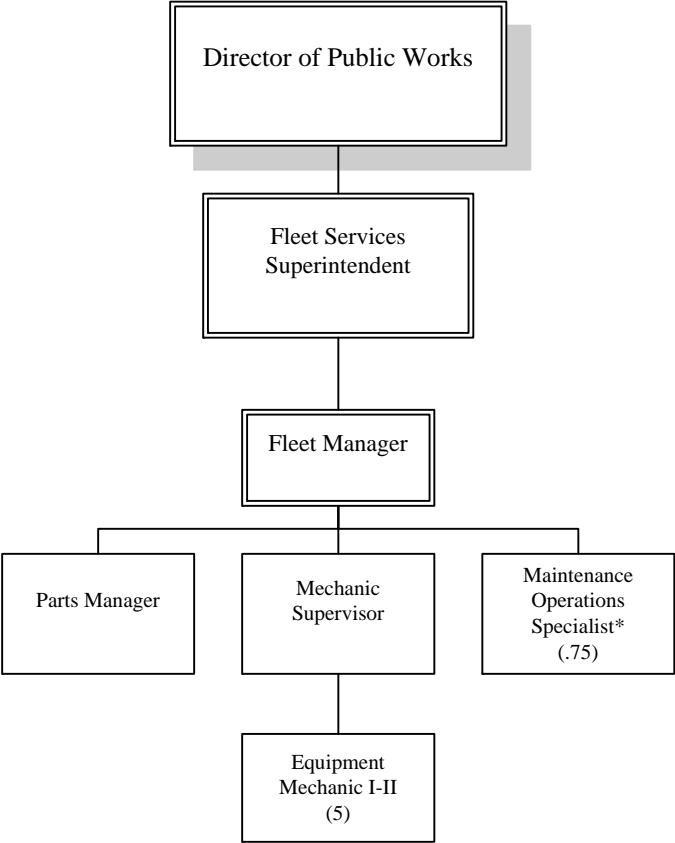
## **MISSION STATEMENT:**

*The overall mission of the Fleet Maintenance Fund is to ensure safe, reliable fleet and equipment essential for provision of public services, with an emphasis on sustainability, efficiency and effectiveness.*

Summary of services provided in support of department's mission:

- Full-service automotive garage, including refueling station.
- Use of state-of-art fuel efficiency techniques.
- Comprehensive preventive maintenance program for vehicles and equipment.
- Major repair program, including both in-house and outside vendors.
- Around-the-clock emergency road services.
- Overall management of the Town's vehicle replacement program with emphasis on greening our fleet.

VEHICLE MAINTENANCE



\*Position is split with Building Maintenance.

***VEHICLE MAINTENANCE FUND***  
***STAFFING COMPARISONS - IN FULL-TIME***

---

	<b>2009-10 ADOPTED</b>	<b>2010-11 ADOPTED</b>	<b>2011-12 ADOPTED</b>
Superintendent-Solid Waste <sup>1</sup>	0.50	0.50	0.00
Supervisor-Mechanic	1.00	1.00	1.00
Parts Manager	1.00	1.00	1.00
Mechanic (I-III)	5.00	5.00	5.00
Manager-Fleet	1.00	1.00	1.00
Maintenance Operations Specialist <sup>1</sup>	0.75	0.75	0.75
Unit Totals	<u>9.25</u>	<u>9.25</u>	<u>8.75</u>

<sup>1</sup> Superintendent and Maintenance Operations Specialist positions were split between Solid the Vehicle Maintenance Fund through FY2010-11.

Note: Vehicle Maintenance is supervised by the Public Works Department.

## **VEHICLE MAINTENANCE FUND BUDGET SUMMARY**

*Despite the increases in medical insurance costs and retirement, the Vehicle Maintenance Fund's adopted budget for personnel reflects a decrease from the prior year due to the Superintendent position being wholly paid by the General Fund rather than being split as in prior years. The increase in operating costs provides for the rising prices of petroleum-based products, for casualty repairs contingent upon receipt of insurance claims, and for a small increase in training for the more sophisticated technologies of the greening fleet. There are no planned capital expenditures.*

\*\*\*\*\*

### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Personnel	\$ 592,047	\$ 654,181	\$ 653,731	\$ 578,150	\$ 608,329	-7.0%
Operating Costs	468,104	494,350	494,800	568,450	539,671	9.2%
Capital Outlay	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 1,060,151</b>	<b>\$ 1,148,531</b>	<b>\$ 1,148,531</b>	<b>\$ 1,146,600</b>	<b>\$ 1,148,000</b>	<b>0.0%</b>

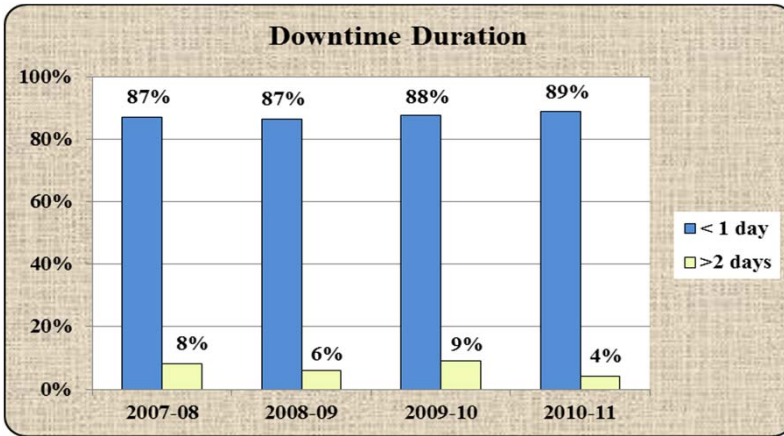
### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Vehicle Maintenance Fees	\$ 1,039,737	\$ 1,125,805	\$ 1,125,805	\$ 1,126,600	\$ 1,128,000	0.2%
Transfer from General Fund	-	-	-	-	-	N/A
Insurance Claims	3,612	20,000	20,000	20,000	20,000	0.0%
Appropriated Fund Balance	16,802	2,726	2,726	-	-	-100.0%
<b>Total</b>	<b>\$ 1,060,151</b>	<b>\$ 1,148,531</b>	<b>\$ 1,148,531</b>	<b>\$ 1,146,600</b>	<b>\$ 1,148,000</b>	<b>0.0%</b>

# VEHICLE MAINTENANCE TRENDS

**COUNCIL SERVICE GOALS :** Maintain basic Town services.

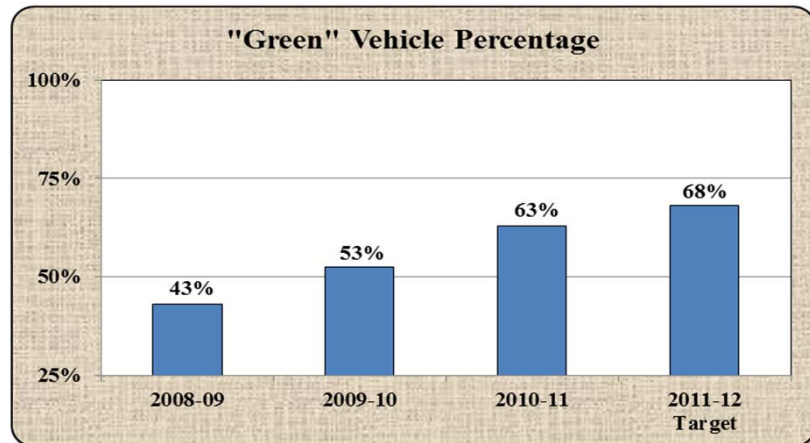
**GOAL :** To complete 85% of repair orders within 1 day, with no more than 10% requiring in excess of 2 days.



In 2010-11, 89% of work orders were completed in less than one day, with only 4% in excess of two days, as compared to 87.6% and 9% respectively in 2009-10.

**GOAL :** Achieve 100% replacement of unleaded vehicles with “green” vehicles—hybrids, alternative fuels, etc.—by 2016

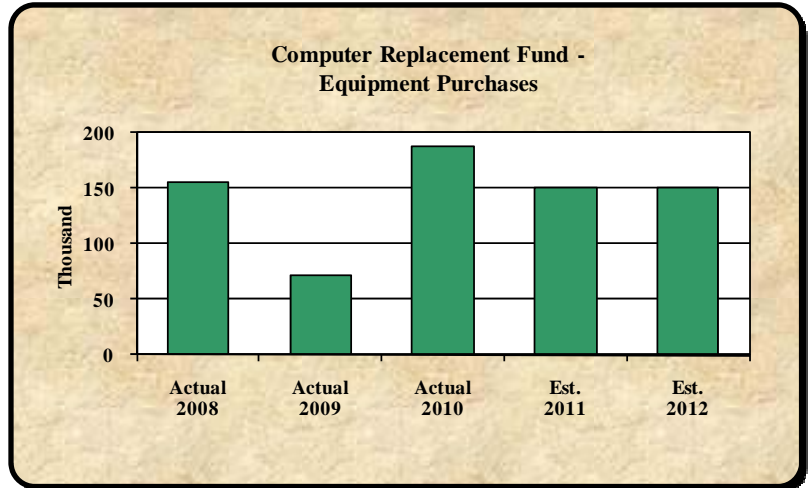
In 2010-11, the percentage of "green" vehicles in the Town's fleet increased by 10% from the previous year, and by 20% from 2008-09.



# ***COMPUTER REPLACEMENT FUND***

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



## **COMPUTER REPLACEMENT FUND BUDGET SUMMARY**

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The adopted budget for 2011-12 provides for replacement of computer equipment on a pay-as-you-go basis. \$100,000 is included in the FY12 Budget to purchase standard desktop software.

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### **EXPENDITURES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Small Equipment	\$ 187,350	\$ 150,000	\$ 151,471	\$ 151,000	\$ 150,000	0.0%
Other Expense	372	100,000	100,000	-	100,000	0.0%
Reserve	-	-	-	-	-	N/A
<b>Total</b>	<b>\$ 187,722</b>	<b>\$ 250,000</b>	<b>\$ 251,471</b>	<b>\$ 151,000</b>	<b>\$ 250,000</b>	<b>0.0%</b>

### **REVENUES**

	<b>2009-10 Actual</b>	<b>2010-11 Original Budget</b>	<b>2010-11 Revised Budget</b>	<b>2010-11 Estimated</b>	<b>2011-12 Adopted Budget</b>	<b>% Change from 2010-11</b>
Computer Use Fees	\$ 160,159	\$ 150,000	\$ 150,000	\$ 150,000	\$ 159,375	6.3%
Interest Income	1,254	-	-	770	-	N/A
Sale of Equipment	4,978	-	-	-	-	N/A
Appropriated Fund Balance	21,331	100,000	101,471	230	90,625	-9.4%
<b>Total</b>	<b>\$ 187,722</b>	<b>\$ 250,000</b>	<b>\$ 251,471</b>	<b>\$ 151,000</b>	<b>\$ 250,000</b>	<b>0.0%</b>





# BUDGET ORDINANCE

Appendix 1

## AN ORDINANCE CONCERNING THE ESTABLISHMENT OF THE TOWN BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2011 (2011-06-13/O-6)

BE IT ORDAINED by the Council of the Town of Chapel Hill, the following appropriations are hereby made:

### ARTICLE I

#### GENERAL FUND

<u>Department</u>	<u>Department Total</u>
Mayor/Council	\$ 484,664
Town Manager/CaPA	1,818,297
Human Resources Development	1,321,970
Business Management	2,766,889
Attorney	294,448
Planning	1,530,158
Public Works	11,470,638
Police	12,004,806
Fire	7,407,627
Parks and Recreation	5,963,430
Library	2,231,645
Non-Departmental	3,245,428
<b>GENERAL FUND TOTAL</b>	<b>\$ 50,540,000</b>

#### OTHER FUNDS

Transit Fund	\$ 17,708,327
Transit Capital Reserve Fund	315,000
Debt Service Fund	6,760,930
Vehicle Replacement Fund	2,476,900
Vehicle Maintenance Fund	1,148,000
Computer Replacement Fund	250,000
Public Housing Fund	1,722,770
Housing Loan Trust Fund	1,260
On-Street Parking Fund	745,750
Off-Street Parking Facilities Fund	1,358,420
Library Gift Fund	238,400
Capital Improvements Fund	509,824
Downtown Service District Fund	166,000
Stormwater Management Fund	1,919,966
Grants Fund	549,536
<b>TOTAL ALL FUNDS</b>	<b>\$ 86,411,083</b>

## ARTICLE II

It is estimated that the following revenues will be available during the fiscal year beginning July 1, 2011 and ending June 30, 2012 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	\$ 27,264,000
Other Taxes & Licenses	852,000
State-Shared Revenues	15,410,550
Grants	201,550
Charges for Services	2,009,728
Licenses/Permits/Fines	1,862,320
Interest on Investments	45,000
Other Revenues	251,250
Transfers/Other Sources	1,521,997
Fund Balance Appropriated	1,121,605
<b>General Fund Total</b>	<b>\$ 50,540,000</b>

### OTHER FUNDS

Transit Fund	\$ 17,708,327
Transit Capital Reserve Fund	315,000
Debt Service Fund	6,760,930
Vehicle Replacement Fund	2,476,900
Vehicle Maintenance Fund	1,148,000
Computer Replacement Fund	250,000
Public Housing Fund	1,722,770
Housing Loan Trust Fund	1,260
On-Street Parking Fund	745,750
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Library Gift Fund	238,400
Capital Improvements Fund	509,824
Downtown Service District Fund	166,000
Stormwater Management Fund	1,919,966
Grants Fund	549,536
<b>TOTAL ALL FUNDS</b>	<b>\$ 86,411,083</b>

ARTICLE III

There is hereby levied the following tax on each one hundred dollars (\$100) valuation of taxable property, located within the Town of Chapel Hill, as listed for taxes as of January 1, 2011 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)	\$0.378/\$100
Debt Service Fund (for the payment of expenses of the Town of Chapel Hill)	\$0.075/\$100
Transit Fund (for the payment of expenses related to transportation approved by referendum)	\$0.041/\$100
TOTAL	\$0.494/\$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	\$0.071/\$100
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This the 13<sup>th</sup> day of June, 2011.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Town of Chapel Hill  
North Carolina**

For the Fiscal Year Beginning

**July 1, 2010**

President

Executive Director

## *Performance Agreements with Other Agencies*

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	<b>2011-12 Adopted Budget</b>
<b>Performance Agreements with Other Agencies</b>	
<b>Human Services</b>	
Human Services Advisory Board Recommendations	\$ 321,100
<b>Total Human Services</b>	<b>321,100</b>
<b>Environment</b>	
Piedmont Wildlife	1,000
<b>Total Arts</b>	<b>1,000</b>
<b>Arts</b>	
Cultural Arts Dinner	500
ArtsCenter	10,000
Chapel Hill Museum	-
<b>Total Arts</b>	<b>10,500</b>
<b>Affordable Housing</b>	
Orange Community Housing and Land Trust	200,000
Homeless Initiative	28,600
Empowerment	13,500
<b>Total Affordable Housing</b>	<b>242,100</b>
<b>Economic Development</b>	
Chapel Hill/Orange County Visitors Bureau	130,000
North Carolina High School Athletic Association	15,000
Chapel Hill Downtown Partnership	70,000
Additional allocation to the Chapel Hill Orange County Visitor's Bureau	20,000
<b>Total Economic Development</b>	<b>235,000</b>
<b>Total Contributions to Agencies</b>	<b>\$ 809,700</b>

## ***GLOSSARY***

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**Accrual** – Revenues are recorded when earned and expenses are recorded as soon as they result in liabilities for benefits received.

**Ad Valorem tax** - A tax levied in proportion to the value of a property.

**ADA** - American Disabilities Act

**Allocate** - To set apart portions of budgeted expenditures which are specifically designated to organizations for special activities and purposes.

**AMP** - Asset Management Project. A division of the Town's public housing communities.

**ARRA** - American Recovery and Reinvestment Act.

**Annual Budget** - A budget covering a single fiscal year.

**Appropriation** - The amount budgeted on a yearly basis to cover projected expenditures which the Town Council legally authorizes through the Budget Ordinance.

**Approved Budget** - The budget as formally adopted by the Town Council for the upcoming fiscal year.

**Assessed Valuation** - The estimated dollar value placed upon real and personal property by the County Assessor as the basis for levying property taxes. The General Assembly exempted household personal property from taxation effective July 1, 1987.

**Authorized Bonds** - Bonds which have been legally authorized but may or may not have been sold.

**Balanced Budget** - Occurs when planned expenditures equal anticipated revenues. In North Carolina, it is required that the budget submitted to the Town Council be balanced.

**Bond** - A written promise to pay a specific amount of money with interest within a specific time period, usually long-term.

**Bond Rating** - A grade indicating a governmental unit's investment qualities. Generally speaking, the higher the bond rating, the more favorable the interest rate and the lower the cost of financing capital projects funded by bonds. A high rating is indicative of the government's strong financial position. Ratings range from AAA (highest) to D (lowest).

**Bonds Issued** - Bonds that are sold.

**Budget** - A financial plan for a specified period of time that matches planned revenues and expenditures with various Town services.

## ***GLOSSARY***

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**Budget Message** - A written overview of the proposed budget from the Town Manager to the Town 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.

## ***GLOSSARY***

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**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 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.



## ***GLOSSARY***

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**Goal** - A broad statement of desired conditions to be maintained or achieved through the efforts of an organization.

**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

## ***GLOSSARY***

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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.

**Operating Budget** - The Town's financial plan which outlines proposed expenditures for the upcoming fiscal year and estimates revenues which will be used to finance them.

**Operating Expenses** - Those expenditures of a recurring nature, covering services and supplies necessary to operate individual departmental activities.

**Personal Property** - Movable property classified within two categories: tangible and intangible. "Tangible" or touchable, property includes items of visible and movable property not permanently affixed to real property. "Intangible" or non-touchable, property includes stocks, bonds, notes, cash, bank deposits, accounts receivable, patents, trademarks, copyrights and similar assets.

**Personnel Services** - Salaries and wages paid to employees for full-time, part-time and temporary work, including overtime and similar compensation. Also included in this account group are employee benefits paid for employees.

**Program** - A well-defined portion of the operating plan for which a distinct set of goals and objective may be developed.

**Property Tax Rate** - The rate at which real property in the Town is taxed in order to produce revenues sufficient to conduct necessary governmental activities.

**Property Tax** - Tax paid by those owning property in the Town.

**Proprietary Fund** - A fund used to account for the operations similar to those in the private sector. This includes enterprise funds. The focus is on determination of net income, financial position and changes in financial position.

**Public Safety** - A group of expenditures related to the provision and enforcement of law enforcement and fire and disaster protection.

**Real Property** - Land, buildings, and items permanently affixed to land or buildings.

**Real Property Value** - The value of land and buildings which are taxable.

**Reappraisal** - The process of revaluing a jurisdiction's real property in order to adjust the tax value to the market value; by North Carolina law, a revaluation must be conducted at a minimum of every eight years. Property was revalued as of January 1, 2001.

**Reclassification** - A change in the classification and corresponding job title of an existing position

## ***GLOSSARY***

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which results from a major change in assigned responsibilities.

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

**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.

## ***GLOSSARY***

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**Town Council** - Nine-member Council elected at large by the voters of the Town for four year terms.

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

**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.