

ADOPTED BUDGET



Fiscal Year 2013-
2014

Town of Carrboro, North Carolina

TOWN OF CARRBORO
NORTH CAROLINA

ADOPTED BUDGET
FISCAL YEAR 2013-14

BOARD OF ALDERMEN

MARK CHILTON, MAYOR
LYDIA LAVELLE, MAYOR PRO-TEMPORE
JACQUELYN GIST
RANDEE HAVEN-O'DONNELL
MICHELLE JOHNSON
DAMON SEILS
SAMMY SLADE

TOWN MANAGER

DAVID L. ANDREWS, ICMA-CM

DEPARTMENT HEADS

TRAVIS CRABTREE, FIRE
CAROLYN HUTCHISON, POLICE
ANITA JONES-MCNAIR, RECREATION & PARKS
ARCHE L. MCADOO, FINANCE
PATRICIA MCGUIRE, PLANNING
GEORGE SEIZ, PUBLIC WORKS
ANNETTE STONE, ECONOMIC AND COMMUNITY DEVELOPMENT
DESIREE WHITE, HUMAN RESOURCES
CATHY WILSON, TOWN CLERK

This document is printed on recycled paper.

This page intentionally left blank

DISTINGUISHED BUDGET PRESENTATION AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Town of Carrboro, North Carolina for its annual budget for the fiscal year beginning July 1, 2012.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only. It is believed our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



This page intentionally left blank

TABLE OF CONTENTS

Readers Guide.....	7
Town Manager’s Letter.....	9
Budget Message.....	11
Executive Summary.....	11
Budget Summary for All Funds.....	20
Annual Budget Ordinance, FY 2013-14.....	22
Section 1 - Community and Organizational Profile.....	25
About the Town of Carrboro.....	25
Key Intergovernmental Relationships.....	29
Governmental Structure.....	31
Board Priorities.....	32
Financial Policies.....	34
Budgetary Accounting and Reporting.....	44
Financial Fund Structure.....	46
Section 2 - General Fund.....	49
General Fund Revenue Descriptions.....	51
General Fund Balance as of June 30.....	55
General Fund Summary of Expenditures.....	55
Section 3 – General Government.....	58
Mayor and Board of Aldermen.....	58
Advisory Boards and Commissions.....	60
Governance Support.....	61
Town Manager.....	62
Information Technology.....	64
Economic and Community Development.....	67
Town Clerk.....	70
Management Services.....	73
Human Resources.....	76
Section 4 – Police.....	80
Section 5 – Fire and Rescue.....	88
Section 6 – Planning.....	94
Section 7– Transportation.....	100
Section 8– Public Works.....	104
Section 9 – Recreation and Parks.....	114
Section 10 – Nondepartmental.....	122
Section 11 – Debt Service.....	125
Section 12 - Special Revenue Funds.....	129
Special Revenue Funds.....	129
Affordable Housing Fund.....	130
Grant Fund.....	131
Revolving Loan Fund.....	133
Energy Efficiency Revolving Loan Fund.....	134
Section 13 - Capital Projects Fund.....	135
Capital Projects Fund.....	135

Capital Reserve Fund	138
Payment-in-Lieu Reserve Fund	139
Section 14 – Financial Trends Past, Present, and Future	141
Historical Financial Trends.....	141
Current Financial Trends	164
Future Trends	164
Section 15 – Line Item Budget	169
Section 16 - Glossary.....	203
Glossary	203

Reader's Guide to the Budget Document

The Mayor and Board of Aldermen, annually, adopt an operating budget ordinance for the Town as required by the North Carolina General Statutes (GS 159-13). The budget document describes the economic, financial, and environmental factors that translate community values into a dynamic web of services that contribute to the town's desired quality of living.

In addition to presenting the town's annual budget, the budget document includes the multi-year capital budget and five-year fiscal projections for all revenues and expenditures to present a complete picture of Board commitments. The purpose of presenting this holistic picture is to assist the Board, town staff, and the community in understanding the impact of current decisions on the future and to plan for expected changes or problems. This helps the Town to maintain a healthy financial condition and operate effectively.

The budget document is divided into the following sections.

- Budget Message** – This section includes the Executive Summary that describes the fiscal environment faced by the Town and identifies the expenditure and revenue budget actions to be considered by the elected governing board. This section also includes the Town's budget ordinance outlining proposed revenues and expenditures for various funds as appropriated by the Board, the largest operational budget being the Town's General Fund.
- Community and Organizational Profile** – This section of the document highlights the demographic, economic and cultural features of the Carrboro community, and the goals of the community expressed by the elected Board. It also describes the public budget process, financial policies and information pertinent to the Town's operations.
- General Fund** - This is the Town's major operating fund. The general fund is divided into operational functions that represent a department or expenditure category that is authorized within the budget ordinance, except for General Government, which includes numerous departments. Larger departments show divisions for each distinctive service provided. The reader is also provided information on each department with a description of the department's purpose, service activities, coming year work plan goals, objectives, and projects, table of authorized positions, performance measures and financial spending history and budget.
- Special Revenue Funds** – The Town currently maintains several special revenue funds, including Revolving Loan Fund, Energy Efficiency Revolving Loan Fund, Affordable Housing Fund, and Grants Fund.
- Capital Projects Fund** – This fund includes all active capital and bond funded projects, Capital Reserve Fund, and the Payment-in-Lieu Fund.
- Financial Trends - Past, Present, and Future** – This section provides information on the Town's financial trends, past, present, and future. A companion document, "*Adopted Capital Improvement Program for FY 2013-14 Through FY 2018-19*" (CIP)

describes planned capital improvement projects and potential funding sources for the next six fiscal years and is available at www.townofcarrboro.org/documents.

☐ **Glossary** – A list of common budgeting terms defined and explained.

Please direct any comments or questions to:

Arche L. McAdoo
Finance Director
Town of Carrboro
301 W. Main Street
Carrboro, NC 27510
Telephone: (919) 942-8541
Fax: (919) 918-4456
Email: amcadoo@townofcarrboro.org

Budget information is also available for viewing on the Internet at:
www.townofcarrboro.org/documents



May 7, 2013

To: Mayor and Board of Aldermen

I am pleased to submit to you the recommended budget for Fiscal Year 2013-14. The overall goals in the preparation of this budget were to:

1. Clearly reflect the implementation of the Board's strategic priorities,
2. Control costs while improving services, and
3. Develop a balanced budget with no property tax rate increase.

In addition to maintaining the current service levels, there were a number of challenges we had to address in developing the FY 2013-14 budget. First, the closing of the Orange County landfill on June 30, 2013 requires an additional full-time position to transport the Town's solid waste materials to a site in Durham. Second, with the issuance of general obligation bonds for sidewalks and greenways construction, we re-evaluated the Town's debt portfolio and concluded that by paying off of some old debt before maturity, we could minimize the impact of this additional debt service. Third, the North Carolina General Assembly is considering changes to the state and local tax systems, and depending upon such provisions and implementation schedule, municipalities may see significant changes in their revenues. For FY 2013-14 we have assumed that the General Assembly will not make changes that will affect municipal shares of State-collected revenues.

Through the reduction of operating expenses, keeping total staffing at 155.5 FTEs, paying off some old debt before maturity, re-prioritizing and deferring some \$1.8 million planned replacement of vehicles and equipment, we have achieved our budgetary goals for FY 2013-14. The accompanying Executive Summary provides additional highlights of overall budget priorities and strategies for fiscal year 2013-14.

On behalf of all Town of Carrboro employees, I want to thank the Mayor and Board of Aldermen for your leadership and dedication to the community. Your efforts are vitally important to Carrboro's unique identity and quality of life. I would also like to recognize and thank Mr. Arche McAdoo, Ms. Sandy Svoboda, and the entire Management Services Team for their dedicated efforts in the development of the FY 2013-14 Town budget.

Sincerely,

David L. Andrews, ICMA-CM
Town Manager

301 WEST MAIN STREET, CARRBORO, NC 27510 * (919) 942-8541 * FAX (919) 918-4465* VOICE/TTY/TDD/ASCII: 711

This page intentionally left blank.

EXECUTIVE SUMMARY

BUDGET OVERVIEW

North Carolina’s economy continues to improve at a slow pace. The state’s unemployment rate at 9.2% continues to exceed the national rate of 7.7%. Non-farm jobs in the state grew by 2.3% in 2012 compared to the 1.3% in 2011. However, almost half of the new jobs created were in lower-paying industries, such as retail, accommodation and food services and administrative services. While employment has grown slowly, personal income growth has been stronger. This has led to improvement in retail sales during FY 2011-12 for non-residential construction activity. Sales for non-construction related goods are expected to continue growing at a moderate rate. As noted by the North Carolina League of Municipalities, the housing market appears to be ready for a recovery this year. Housing prices have hit bottom and started to rise again. This indicates that demand for housing is on the increase.

Locally, signs of an economic recovery include the low unemployment rate, increased taxable sales, and increased building permits. Orange County’s unemployment rate is 5.9% as of March 2013, which is partially attributable to the nearby location of the University of North Carolina and Research Triangle Park. Total taxable sales in the County for FY 2011-12 (\$1,058,416,058) were 4% higher than for FY 2010-11 (\$1,017,355,199). As the table below shows, the number and value of commercial and residential building permits for the Town increased in FY 2011-12 from the prior year.

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>COMMERCIAL</u>		<u>RESIDENTIAL</u>	
	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>
2008	298	\$4,469,526	468	\$ 22,796,800
2009	320	1,581,608	425	19,858,118
2010	228	14,177,902	547	23,614,500
2011	123	2,794,123	556	16,089,505
2012	531	18,534,892	594	20,328,808

Through the third quarter of FY 2012-13, revenues for the Town total \$15.6 million or 80% of the adopted budget. Property tax revenue collections are \$11,491,154 (99% of budget) and slightly above the \$11,471,487 collected last year at this time. Sales tax revenue collections through January total \$1.6 million, compared to \$1.5 million last year. Restricted and unrestricted intergovernmental revenues are 95% and 49% of budget respectively. Overall, total revenue collections for FY 2012-13 are expected to exceed the adopted budget.

Although there are positive signs of economic recovery, the Town continues to be cautious in its revenue projections for FY 2013-14. The Town continued the use of fiscal tools used over the past several years. Operating expenses were identified for reduction, total number of Town employees remains unchanged, capital item requests were re-prioritized and some deferred for purchase in future years. These efforts were undertaken as part of an overall strategy to:

- Implement Board priorities,
- Maintain current service delivery levels, and

- Avoid increasing the tax burden for Town residents.

The total recommended general fund operating budget for FY 2012-13 is \$20,735,656, an increase of \$1,283,663 or 6.6%. By law, municipalities are required to have a balanced budget where revenues must equal budgeted expenditures. Highlights of Town revenues and expenditures follow.

BUDGET PROCESS

The budget process is similar to past years, requiring departments to justify their operating budget for the continuation of services as well as any proposed new or expanded services. The continuation budget includes adjustments for price increases in the cost of goods and services; and may include projects and infrastructure expenditures reflected in the annual CIP which includes street resurfacing costs, vehicles, equipment, and debt service payments for capital commitments. All other requests are defined as “proposed changes” and are budgeted in a separate column.

REVENUES

Carrboro’s revenue stream has two broad types of revenues: recurring revenues and other financing sources which represent certain one-time inflows of revenue. Recurring revenues consist of property taxes, sales taxes, other taxes/licenses, and intergovernmental revenues and comprise approximately 91% of general fund revenues.

For FY 2013-14 total recurring revenues are projected to increase by 4.7% over FY 2012-13. This increase stems from increase in property tax revenues by 3.8% due to increased valuations; expected sales tax growth; and permits and fees as a result of private developments beginning or nearing construction.

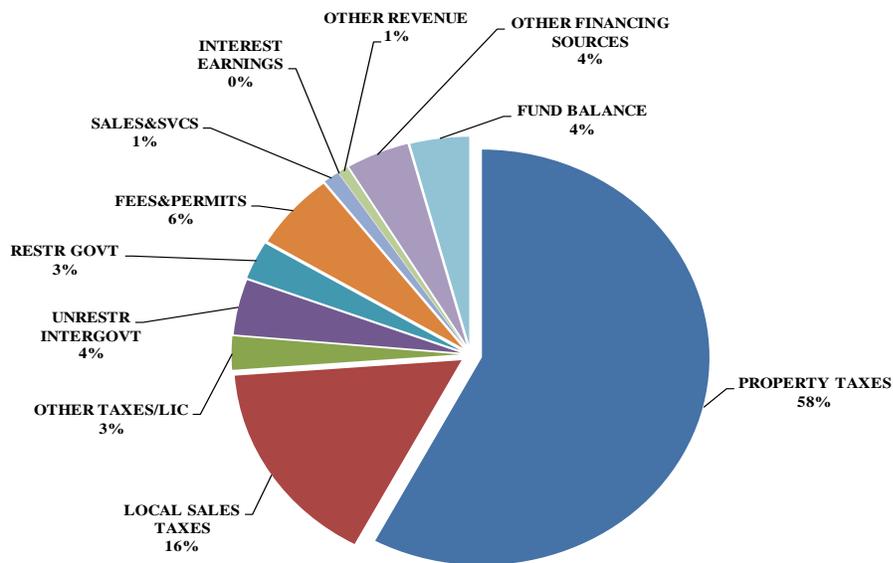
CATEGORY	% Change	CHANGES OVER PRIOR YEAR	FY 2013-14 RECOMMENDED REVENUE	FY 2012-13 ADOPTED REVENUE
PROPERTY TAXES	3.8%	\$441,352	\$11,979,989	\$11,538,637
LOCAL SALES TAXES	1.2%	\$38,571	\$3,325,816	\$3,287,245
OTHER TAXES/LIC	31.2%	\$127,556	\$536,046	\$408,490
UNRESTR INTERGOVT	2.8%	\$24,408	\$887,145	\$862,737
RESTR GOVT	1.1%	\$6,709	\$604,909	\$598,200
FEES & PERMITS	16.3%	\$172,144	\$1,226,295	\$1,054,151
SALES & SVCS	1.4%	\$3,300	\$233,145	\$229,845
INTEREST EARNINGS	-79.9%	(\$27,964)	\$7,036	\$35,000
OTHER REVENUE	93.3%	\$70,999	\$147,106	\$76,107
TOTAL RECURRING REVENUE	4.7%	\$857,075	\$18,947,487	\$18,090,412

Of the total general fund revenues, property and sales tax revenues make up 74% of total revenues and are projected to increase 3.8% and 1.2%, respectively, in FY 2013-14. The property tax valuation at January 31, 2013 was \$1,986,443,723 compared to \$1,972,777,796 at June 30, 2012. For FY 2013-14 total tax valuations are expected to grow by 3% from the June 30, 2012 value to \$2,031,961,150. Each penny on the tax rate is projected to generate approximately \$201,164. In addition, property tax relief is available for the elderly,

permanently-disabled persons, and veterans who meet income and other specific exemption requirements.

Overall sales tax receipts (\$1.6 million), reflecting seven months of collections for the year, are 50% of the FY 2012-13 adopted budget (\$3.2 million) with total collections for the year anticipated to be \$3.2 million. According to the N. C. League of Municipalities report, statewide sales tax distributions to local governments for the first six months of FY 2012-13 were 1.5% above the comparable period in FY 2011-12. The League of Municipalities anticipates that sales tax revenues for the current fiscal year will be 3% higher than FY 2011-12 collections. For FY 2013-14 statewide local sales tax are expected to grow by 3.0 – 3.5% from the FY 2012-13 level. This rate could be higher if single family residential construction rebounds in FY 2013-14.

FY 2013-14 GENERAL FUND - ALL REVENUES
\$20,735,656



Restricted intergovernmental revenues are not expected to experience any significant growth. In FY 2012-13 total Powell Bill revenues were \$477,977 versus budget of \$461,696; and, ABC Grant revenues were \$13,300 compared to a budget of \$12,500. No revenues are expected to be received from a SAFER grant or the Affordable Health Care Re-Insurance Program.

Unrestricted intergovernmental revenues overall are expected to grow by 3% in FY 2013-14, although not all sectors will experience growth. Revenues from Electricity Franchise Tax based on receipts from electric services within municipal boundaries are expected to increase statewide by 1.0% for FY 2012-13. The N. C. League of Municipalities is projecting a growth of 2.5% for

FY 2013-14. Electricity Franchise Tax revenues are highly sensitive to annual weather conditions.

Telecommunications Sales Tax revenues are expected to decrease by 5% statewide in FY 2012-13 according to the N. C. League of Municipalities. This decrease reflects the national decline in the number of landlines. This trend is expected to continue into FY 2013-14 with a projected 1.5% decrease in telecommunications Sales Tax revenues.

Piped Natural Gas Excise Tax revenues are highly dependent on winter temperatures which drive residential use of gas. Due to the colder temperatures last fall and winter, statewide distribution to municipalities for the first two quarters of FY 2012-13 have been 11.3% over FY 2011-12. However, they are not expected to continue this growth in the third and fourth quarter of 2012-13. For FY 2013-14 the League projects a statewide growth rate of 7% assuming that temperatures will continue to move towards normal levels. However, given the Town's population size and no expected significant change in residential use of gas, this level of growth may not be realized.

Video Programming Revenues are being affected by cable and satellite competition with internet based programs and the trend away from landlines to wireless services. For FY 2012-13, revenues statewide are expected to be 4.6% below FY 2011-12 level. For FY 2013-14 Video Programming Revenues are expected to decrease by 1%.

Unrestricted intergovernmental revenues from the beer and wine tax distributions are expected to grow modestly by 1%.

OTHER FINANCING

Other financing sources in the General Fund include inter-fund transfers, installment financing and fund balance appropriation. Revenues from other financing sources in FY 2013-14 total \$1,788,169. This is an increase of \$426,588 or 31.3% over the adopted FY 2012-13 budget.

CATEGORY	CHANGES OVER PRIOR YEAR	FY 2013-14 RECOMMENDED REVENUE	FY 2012-13 ADOPTED REVENUE
INTERFUND TRANSFERS	\$0	\$176,945	\$176,945
INSTALLMENT FINANCING	\$347,856	\$745,176	\$397,320
FUND BALANCE	\$78,732	\$866,048	\$787,316
TOTAL OTHER FINANCING SOURCES	\$426,588	\$1,788,169	\$1,361,581

The transfer from the Capital Reserve Fund of \$176,945 will be continued to partially offset the debt service for the fire station #2.

Installment financing will increase by 87.6% from \$397,320 to \$745,176. This increase is due to the acquisition of two solid waste vehicles at a cost of \$511,800. Also included are six replacement vehicles for police at a cost of \$233,376.

Following generally accepted accounting practices, the full cost of the financed equipment is budgeted (equipment purchased in that fiscal year) in addition to the lease payment. However,

an offsetting entry equal to the full cost value of the equipment is budgeted on the revenue side as lease proceeds. Thus, the true tax impact of the financed equipment is the lease value only. The full cost of financed equipment being purchased in FY 2013-14 equals \$745,176; the budgeted lease proceeds on the revenue side are also equal to this same amount. The debt service cost associated with borrowing the funds for the equipment and vehicles recommended for replacement is \$44,691 for 5 years.

Fund balance use is increased by 10% from \$787,316 to \$866,048; however as a percent of total revenues it remains at 4%.

EXPENDITURES

For FY 2013-14 total operating expenses increase by 6.7% to a total of \$20,735,656. Much of this increase is for \$511,800 capital outlay. Overall capital outlay expenses represent a 56% increase over the FY 2012-13 adopted budget.

Total personnel costs increase by 6% primarily due to a 3% across the board pay adjustment in FY 2012-13, a 1.9% across the board pay adjustment in FY 2013-14, and projected 10% increase in health insurance premiums.

EXPENDITURE	2012-13 ADOPTED BUDGET	2013-14 RECOMMENDED BUDGET	CHANGES OVER PRIOR YEAR BUDGET	% CHANGE
PERSONNEL	\$ 10,940,699	\$ 11,622,862	\$ 682,163	6.2%
OPERATIONS	\$ 7,879,692	\$ 8,175,299	\$ 295,607	3.8%
CAPITAL OUTLAY	\$ 601,100	\$ 937,495	\$ 336,395	56.0%
TOTAL	\$ 19,421,491	\$ 20,735,656	\$ 1,314,165	6.8%

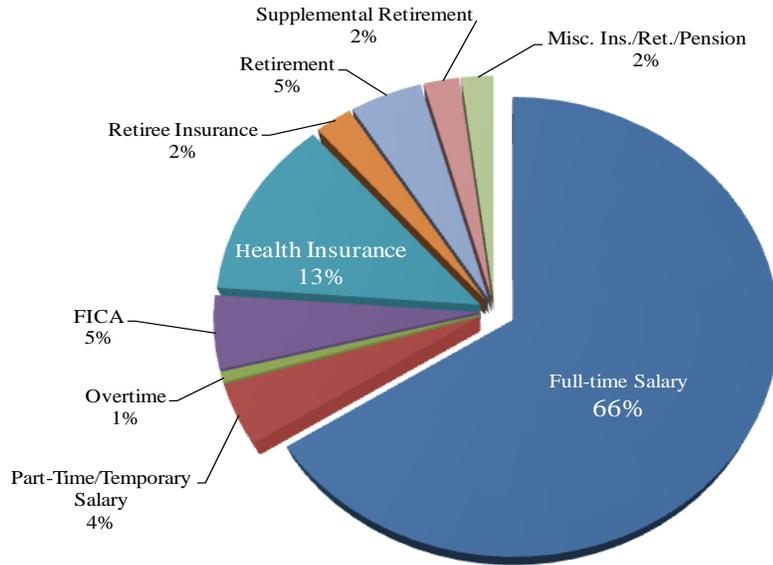
PERSONNEL

Total full-time equivalent positions for FY 2013-14 remain at 155.5. Because animal control services are now contracted to the county, the Animal Control Officer position has been eliminated. A new Solid Waste Equipment Operator position has been added to accommodate for travel time to Waste Industries Transfer Station in Durham.

Total personnel cost for FY 2013-14 increase by \$654,163 or 6.0%. This includes a 1.9% across the board pay increase for all regular employees at a cost of \$263,102. Other cost factors include the following increases:

- Health insurance premium increase by 10%;
- Retiree health insurance from \$240,000 to \$276,000;
- Tuition reimbursement from \$600 to \$5,250;
- Law Enforcement Officers Early Separation Allowance \$330,087 to \$420,397;
- Local Government Employees’ Retirement System (LGERS) mandatory employer contribution rate increase from 6.74% to 7.07% for general employees and 6.77% to 7.28% for law enforcement personnel. Depending upon future portfolio performance, these rates may increase in the coming years.

**FY 2013-14
Pay and Benefits**



In terms of health insurance costs for employees, a 10% increase in premiums is expected for the Town to maintain the existing plan and current level of benefits for the next year. A major factor that continues to affect personnel costs is the cost of health insurance for retirees, and early separation allowance for law enforcement officers. Since FY 2010-11 through the present, at least 12 employees have retired. At least two employees are expected to retire in FY 2013-14. As the number of retirees increase so does retiree health insurance costs. Subsequently, the cost of retiree health insurance is expected to total \$276,000 in FY 2013-14. This is an increase of 15% over the adopted FY 2012-13 budget. Similarly, there is an increase in the number of law enforcement officers retiring which drives the cost of the early separation allowance. As noted above, this cost will increase by \$54,310 or 60.3% in FY 2013-14.

Pay-for-performance is not included in the FY 2013-14 budget due to other service or program priorities requiring funding. When the Board of Aldermen approved the pay-for-performance plan, it was understood that performance pay amounts may vary from year to year depending on budget availability and labor market conditions. In future budget years, consideration will be given to funding a pay-for-performance system to financially reward individual employees based on their actual levels of performance.

OPERATING EXPENSES

The overall increase in General Fund operating expenses is \$303,607 more than last year. This is due mainly to increased costs for fair-free transit services (from \$1,240,000 to \$1,354,330); additional fuel to transport solid waste to Durham, and the upgrade of public safety radios

(\$95,000). Due to the payoff of some older debt with higher interest rates, debt service cost slightly decrease from \$1,415,681 to \$1,353,143.

CAPITAL OUTLAY

In accordance with the Town’s financial policies, the Town Manager develops and maintains a six-year capital improvement program (CIP) plan that includes long-term maintenance, infrastructure needs and technology needed for the community. The CIP for FY 203-14 through FY 2018-19 totals \$40.3 million as follows:

Type of Project	Amount	% of Total
Current Projects	\$10,757,219	26.7%
Mandated Storm Water	979,900	2.4%
Vehicles & Equipment	6,894,459	17.1%
Technology	207,500	0.5%
New Projects	21,470,384	53.3%
Total	\$40,309,462	100.0%

To undertake all projects in the CIP over the next six years, funding is anticipated to be needed from the following sources:

Type of Financing	Amount
Installment Financing	\$ 23,750,249
Capital Reserves	\$ 5,467,051
GO Bonds	\$ 4,365,975
General Fund	\$ 1,660,604
Capital Reserves - Matching Funds	\$ 1,390,776
Intergovernmental	\$ 3,122,033
Miscellaneous	\$ 552,773
Total	\$ 40,309,461

Details of the CIP can be reviewed on the Town’s web site at:
<http://www.townofcarrboro.org/MS/CIP/2011/TableofContents.htm>.

Projects in the CIP are incorporated into the annual operating budget request process based on affordability. Items are appropriated into the budget by the Board of Aldermen upon adoption of the budget. The CIP plan can affect all categories of spending in the budget, including personnel and operating costs in addition to capital outlay costs.

Based on the CIP, a total of \$1.8 million for vehicles and equipment was requested by departments for FY 2013-14. After re-prioritizing, these requests were reduced to a total of \$745,176 for the following departments.

Department	Vehicle	Cost
Police	Patrol - 6 Replacement Vehicles @ \$38,896 each	\$ 233,376
Public Works	Solid Waste - Fully Automated Autocar Expert 2000 - Replace #54	\$ 268,800
Public Works	Solid Waste - Front Loader - New Addition	\$ 243,000
	TOTAL	\$ 745,176

Other capital outlays include software upgrades to CAD and GIS information system (\$45,000), IT server replacement (\$28,750), police-2-citizen and live scan fingerprint system (\$39 000).

Contingent upon Town fund balance ratios remaining within the stated fiscal policy goal of 22.5% to 35%, CIP projects not funded or placed on hold may be proposed for funding through fund balance. In late June an agenda item is usually presented to the Board recommending projects to be funded via fund balance designation.

ALL OTHER FUNDS

While the general fund is the major operating budget for the Town, the annual budget includes the Special Revenue Fund and Capital Projects Fund. The Special Revenue Fund accounts for revenues and expenditures legally restricted or designated by the Board for specific program activities or services. Included in the Special Revenue Fund are: revolving loans for economic development or energy efficiency, affordable housing, and grants. The Capital Projects Fund accounts for capital projects that are financed (in whole or part) by the proceeds of bonds, notes, pay-go or other debt instruments for the construction or acquisition of a capital asset. Included in the Capital Projects Fund are: capital projects, capital reserve, GO bonds for sidewalks and greenways, and payment in lieu.

A transfer of \$176,945 is budgeted to offset debt service costs for the fire station #2. The transfer from the capital reserve fund is recognized as revenue to the general fund as Other Financing Sources with a corresponding expense budget in the debt service budget.

CONCLUSION

As the economy continues to slowly recover, we must continue to be cautiously optimistic. Town recurring revenues are showing signs of growth. Revenues from fees and permits are on track to exceed last year's, but this growth may not be sustainable if other approved private developments do not materialize.

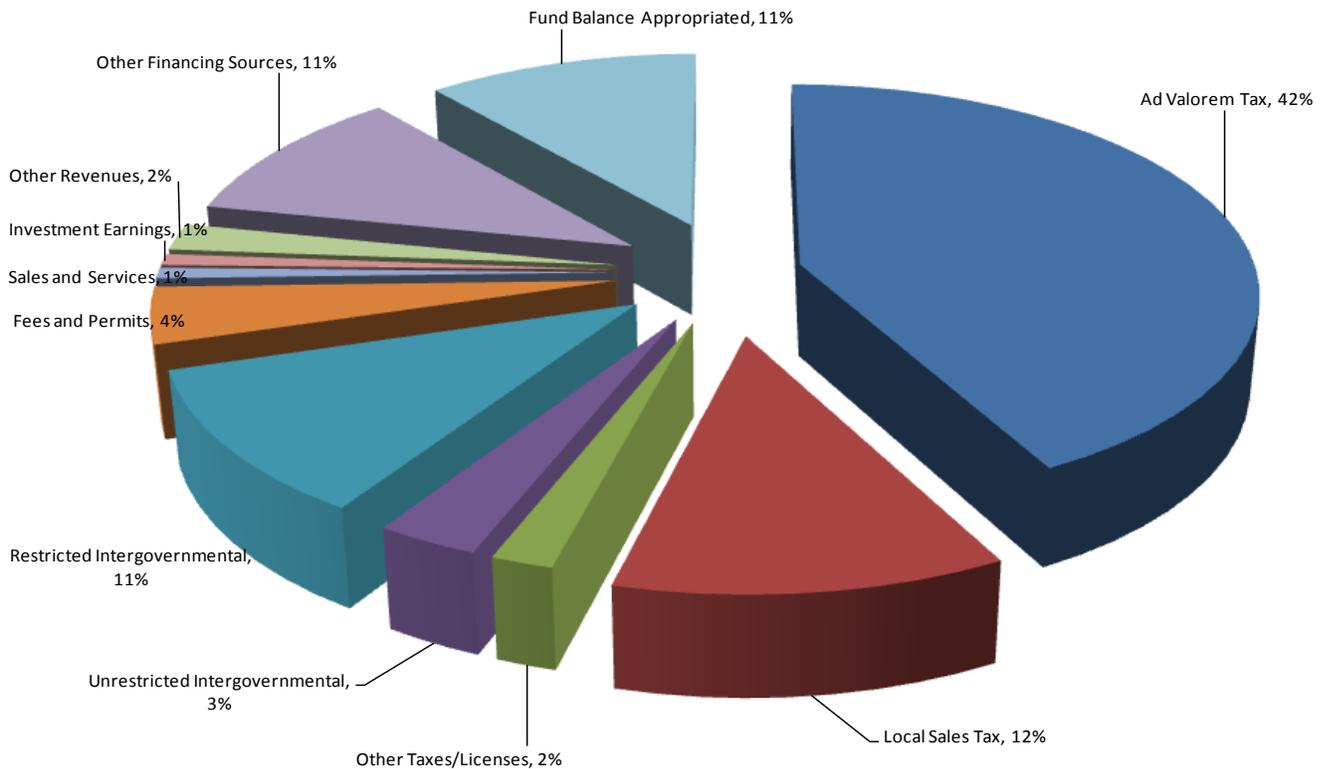
The challenge will be to adjust our operating environment to a slowly recovering economy with no clearly defined growth pattern(s). This will require evaluation and re-evaluation of priorities to maintain quality and delivery of Town services. We must continue to monitor and evaluate the potential impact of any state and local tax system changes that may be enacted by the General Assembly.

The Town has delayed some capital initiatives included in the CIP, including certain replacement vehicles and equipment. Whether these items get funded in a future year needs to be determined by a number of factors, including cost-benefit. As a general rule, all investments in capital equipment need to be scrutinized from a cost-benefit analysis and to gain maximum use of them to the fullest extent possible.

Given the slowly recovering economy and needs of the Town, careful and balanced choices are presented in the FY 2013-14 to provide for continued quality service delivery, carry out Board priorities, acquire needed capital items, and adjust the compensation for the Town's employees.

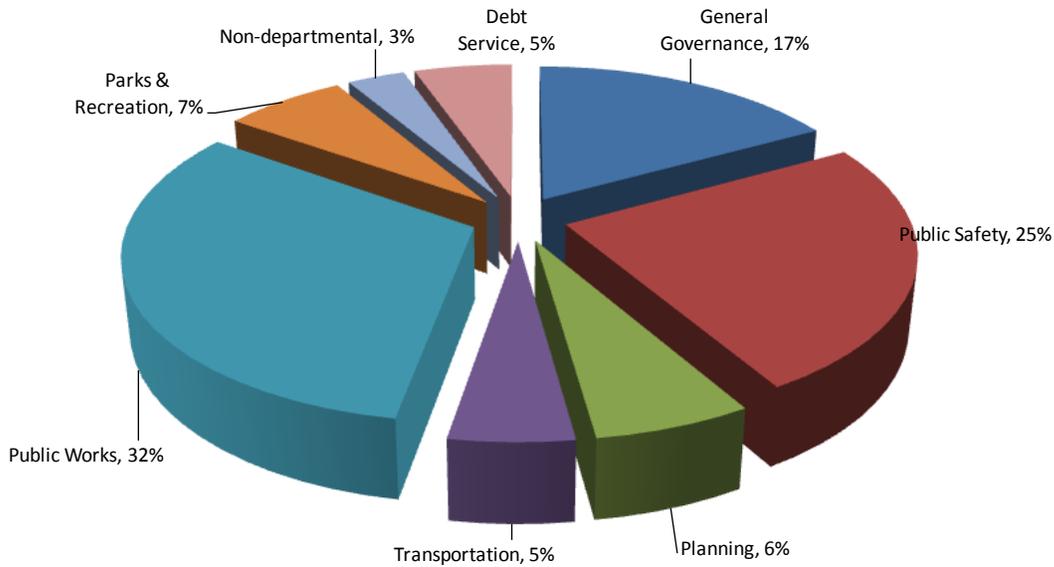
Revenue Summary - All Funds FY 2013-14 Budget by Fund Type

	General Fund	Special Revenue Funds	Capital Funds	Total All Funds
Ad Valorem Tax	\$11,979,989			\$ 11,979,989
Local Sales Tax	\$3,325,816			\$ 3,325,816
Other Taxes/Licenses	\$536,046			\$ 536,046
Unrestricted Intergovernmental	\$887,145			\$ 887,145
Restricted Intergovernmental	\$604,909	\$ 315,604	\$ 2,249,237	\$ 3,169,750
Fees and Permits	\$1,226,295			\$ 1,226,295
Sales and Services	\$233,145			\$ 233,145
Investment Earnings	\$7,036	\$ 84,267	\$ 153,895	\$ 245,198
Other Revenues	\$147,106	\$ 81,920	\$ 355,612	\$ 584,638
Other Financing Sources	\$922,121	\$ 36,397	\$ 2,041,798	\$ 3,000,316
Fund Balance Appropriated	\$866,048	\$ -	\$ 2,285,143	\$ 3,151,191
Total Budgeted Revenues	\$ 20,735,656	\$ 518,188	\$ 7,085,685	\$ 28,339,529



Expense Summary - All Funds FY 2013-14 Budget by Fund Type

	General Fund	Special Revenue Funds	Capital Funds	Total All Funds
Mayor and Board of Aldermen	\$ 256,249		\$ 30,099	\$ 286,348
Advisory Boards	\$ 16,550			\$ 16,550
Governance Support	\$ 444,468			\$ 444,468
Town Manager	\$ 272,170			\$ 272,170
Economic and Community Development	\$ 259,934	\$ 427,275	\$ -	\$ 687,209
Town Clerk	\$ 124,521			\$ 124,521
Management Services	\$ 1,062,435			\$ 1,062,435
Human Resources	\$ 540,044			\$ 540,044
Information Technology	\$ 1,169,068		\$ 219,198	\$ 1,388,266
Police	\$ 3,559,446			\$ 3,559,446
Fire	\$ 2,634,153	\$ 75,000	\$ 683,000	\$ 3,392,153
Planning	\$ 1,261,904	\$ 15,913	\$ 491,280	\$ 1,769,097
Transportation	\$ 1,396,423			\$ 1,396,423
Public Works	\$ 4,151,361		\$ 4,912,244	\$ 9,063,605
Parks and Recreation	\$ 1,505,496		\$ 400,025	\$ 1,905,521
Non-departmental	\$ 728,290		\$ 172,894	\$ 901,184
Debt Service	\$ 1,353,143		\$ 176,945	\$ 1,530,088
Total Budgeted Expenditures	\$ 20,735,656	\$ 518,188	\$ 7,085,685	\$ 28,339,529



MOTION WAS MADE BY ALDERMAN SEILS, SECONDED BY ALDERMAN GIST TO APPROVE THE FOLLOWING ORDINANCE:

ANNUAL BUDGET ORDINANCE

Town of Carrboro, North Carolina

FY 2013-14

Ordinance No. 20/2012-13

WHEREAS, the recommended budget for FY 2013-14 was submitted to the Board of Aldermen on May 7, 2013 by the Town Manager pursuant to G.S. 159-11 and filed with the Town Clerk pursuant to G.S. 159-12;

WHEREAS, on May 21, 2013, the Board of Aldermen held a public hearing on the budget pursuant to G.S. 159-12;

WHEREAS, on June 18, 2013, the Board of Aldermen adopted a budget ordinance making appropriations and levying taxes in such sums as the Board of Aldermen considers sufficient and proper in accordance with G.S. 159-13;

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE TOWN OF CARRBORO, NORTH CAROLINA:

Section 1. The following amounts are hereby appropriated for the operation of the Town of Carrboro and its activities for the fiscal year beginning July 1, 2013 and ending June 30, 2014, according to the following schedules.

SCHEDULE A - GENERAL FUND

GENERAL GOVERNMENT		\$ 4,145,440
Mayor & Board of Alderman	\$ 256,249	
Advisory Boards	\$ 16,550	
Governance Support	\$ 444,468	
Town Manager	\$ 272,170	
Economic & Community Development	\$ 259,934	
Town Clerk	\$ 124,521	
Management Services	\$ 1,062,435	
Human Resources	\$ 540,044	
Information Technology	\$ 1,169,068	
PUBLIC SAFETY		\$ 6,193,599
Police	\$ 3,559,446	
Fire	\$ 2,634,153	
PLANNING		\$ 1,261,904
TRANSPORTATION		\$ 1,396,423
PUBLIC WORKS		\$ 4,151,361
RECREATION & PARKS		\$ 1,505,496

NONDEPARTMENTAL	\$ 728,290
DEBT SERVICE	\$ 1,353,143
TOTAL GENERAL FUND	\$ 20,735,656

A)

SCHEDULE B – CAPITAL RESERVE FUND

Transfer to General Fund for Debt Service	\$176,945
Transfer to General Fund for Street Resurfacing	<u>\$601,400</u>
	<u>\$778,345</u>

Section 2. It is estimated that revenues from the following major sources will be available during the fiscal year beginning July 1, 2013 and ending June 30, 2014 to meet the foregoing schedules:

SCHEDULE A - GENERAL FUND

Ad Valorem Tax	\$ 11,979,989
Local Sales Tax	\$ 3,325,816
Other Taxes/Licenses	\$ 536,046
Unrestricted Intergovernmental	\$ 887,145
Restricted Intergovernmental	\$ 604,909
Fees and Permits	\$ 1,226,295
Sales and Services	\$ 233,145
Investment Earnings	\$ 7,036
Other Revenues	\$ 147,106
Other Financing Sources	\$ 922,121
Fund Balance Appropriated	\$ 866,048
TOTAL GENERAL FUND	\$ 20,735,656

B) SCHEDULE B – CAPITAL RESERVE FUND

Fund Balance Appropriated	\$778,345
---------------------------------	-----------

Section 3. Pursuant to GS 159-13.2, the Board of Aldermen may authorize and budget for capital projects and multi-year special revenue funds in its annual budget or project ordinance. The project ordinance authorizes all appropriations necessary for the completion of the projects.

Section 4. Charges for services and fees by Town Departments are levied in the amounts set forth in the Miscellaneous Fees and Charges Schedule.

Section 5. The following authorities shall apply:

- a. The Town Manager can transfer funds between departments and functions within the General Fund for pay plan adjustments, service level benefits, law enforcement separation allowance, unemployment insurance, and retiree, dependent, and permanent part-time health benefits without further action by the Board.
- b. The Town Manager can transfer funds within functions.

- c. When unassigned fund balance exceeds 35%, the Town Manager, in accordance with the Town fiscal policy, may set aside an amount in assigned fund balance for transfer to the capital projects fund for future projects.
- d. All operating funds encumbered or designated within fund balance for project expenditures as confirmed in the annual June 30, 2013 audit of the previous year shall be re-appropriated to Fiscal Year 2013-14 without further action by the Board.
- e. The Finance Officer may approve intradepartmental transfer requests between appropriation units and between programs (formally called “organizational units”) within the departmental budget.
- f. Transfers between funds and transfers from the non-fuel contingency account may be authorized only by the Board of Aldermen. The Board of Aldermen will appropriate funds from the Contingency account exclusively for government operations.
- g. In recognition of unpredictable fuel prices, a Fuel Contingency account has been established in the General Fund. The Town Manager may approve transfers from this Fuel Contingency account if needed by departments when their fuel line items are fully expended.
- h. The Orange County Tax Collector, is authorized, empowered, and commanded to collect the 2013 taxes set forth in the tax records filed in the office of the Orange County Tax Assessor, and in the tax receipts herewith delivered to the Tax Collector, in the amounts and from the taxpayers likewise set forth. Such taxes are hereby declared to be a first lien upon all real property of the respective taxpayers in the County of Orange. This section of the ordinance shall be a full and sufficient authority to direct, require, and enable the Orange County Tax Collector to levy on and sell any real or personal property of such taxpayers, for and on account thereof, in accordance with law.
- i. Under GS143-64.32, architectural, engineering, and surveying services with fees less than thirty thousand dollars (\$30,000) may in writing be exempt from the RFQ (Request for Qualification) process.

Section 6. There is hereby levied the following rates of tax on each one hundred dollars (\$100) valuation of taxable property as listed for taxes as of January 1, 2013 for the purpose of raising the revenue constituting the general property taxes as set forth in the foregoing estimates of revenue and in order to finance the foregoing appropriations.

General Fund\$5894

Section 7. In accordance with G.S. 159-13, a copy of this ordinance shall be filed with the Town Manager, the Finance Officer, and the Town Clerk.

The foregoing ordinance having been submitted to a vote received the following vote and was duly adopted this 18th day of June 2013:

The motion carried by the following vote:

Aye: Mayor Chilton, Alderman Gist, Alderman Haven-O'Donnell, Alderman Johnson, Alderman Lavelle, Alderman Slade and Alderman Seils

ABOUT THE TOWN OF CARRBORO

The Town of Carrboro is a small local government entity overseen by a Mayor and Board of Aldermen and professionally managed by a Town Manager. The Town is a growing community located within Orange County in the north central portion of North Carolina. The area's topography is characterized by rolling hills. The Town, which was incorporated in 1911, has a population of 19,905 and is situated next to Chapel Hill, the University of North Carolina and is near the Research Triangle Park.

The growth of the Town is directly related to the expansion of the University of North Carolina at Chapel Hill and growth in the Research Triangle Park. Enrollment at the University has risen from 29,137 in 2011 to 29,279 in 2012.

DEMOGRAPHICS

The American Community Survey (ACS) provides detailed information on population, housing occupancy and ownership, educational attainment, employment and travel. The ACS, a method of continuously collecting data on these characteristics by sampling three million households each year, has been underway since 2005. Aggregated estimates for the period 2007 to 2011 for smaller communities, including Carrboro, are used in this section. More frequent data collection is considered a viable method of providing more up-to-date information about the US population, particularly at the local community level.

POPULATION

The Carrboro added 323 people in 2012, which is approximately a 1.6 percent increase from 2011. These residents constitute 14.4 percent of the Orange County population.

ETHNIC COMPOSITION

The chart below shows the changes in ethnic composition since 2010. The groups that have seen the most change is the Other population (decreased 41.6%) and the American Indian and Alaska Native population which saw a decrease of 55.5%.

Ethnic Composition of Carrboro			
Race	2010	2012	Percent Change
Other (two or more races)	1,518	887	-41.6%
Asian	1,225	1,690	38.0%
American Indian and Alaska Native	189	84	-55.6%
Black or African American	1,949	2,203	13.0%
White	10,217	11,852	16.0%
Hispanic or Latino	2,485	3,189	28.3%

AGE COMPOSITION

The combined age groups of the years 20 to 54 continue to make up more than 63 percent of Carrboro's total population. The age group of 20 to 24 decreased 23 percent, an indication of a decline of the proportion of undergraduate students living in Carrboro. The school age population (age 10 to 19) decreased 48%. The biggest increases took place in the age groups of 55 to 59 and 85 and over. The largest age group in Carrboro continues to be the 25 to 34 age group, at 24 percent of the population.

Age	Number	% of Population	% Change
Under 5 Years	1,491	7.7	20%
5 to 9 Years	1,265	6.5	34%
10 to 14 Years	1,011	5.2	-17%
15 to 19 Years	761	3.9	-31%
20 to 24 Years	2,233	11.5	-23%
25 to 34 Years	4,642	24.0	36%
35 to 44 Years	2,782	14.4	8%
45 to 54 Years	2,633	13.6	10%
55-59 Years	1,295	6.7	55%
60 to 64 Years	444	2.3	22%
65 to 74 Years	264	1.4	-13%
75 to 84 Years	370	1.9	-19%
85 Years and Over	176	0.9	41%
Source: U. S. Census Bureau 2007-2011 American Community Survey			

HOUSING

Carrboro continues to be mostly a community consisting of rental units as 64 percent of the housing stock is renter occupied. Owner occupied housing is 36 percent of occupied housing units. The total housing stock of 9,418 housing units had a vacancy rate of 5.7 percent. Of the total housing units, 42 percent was in single-unit structures, 56 percent was in multi-unit structures, and 2 percent was mobile homes. Eleven percent of the housing units were built since 2000.

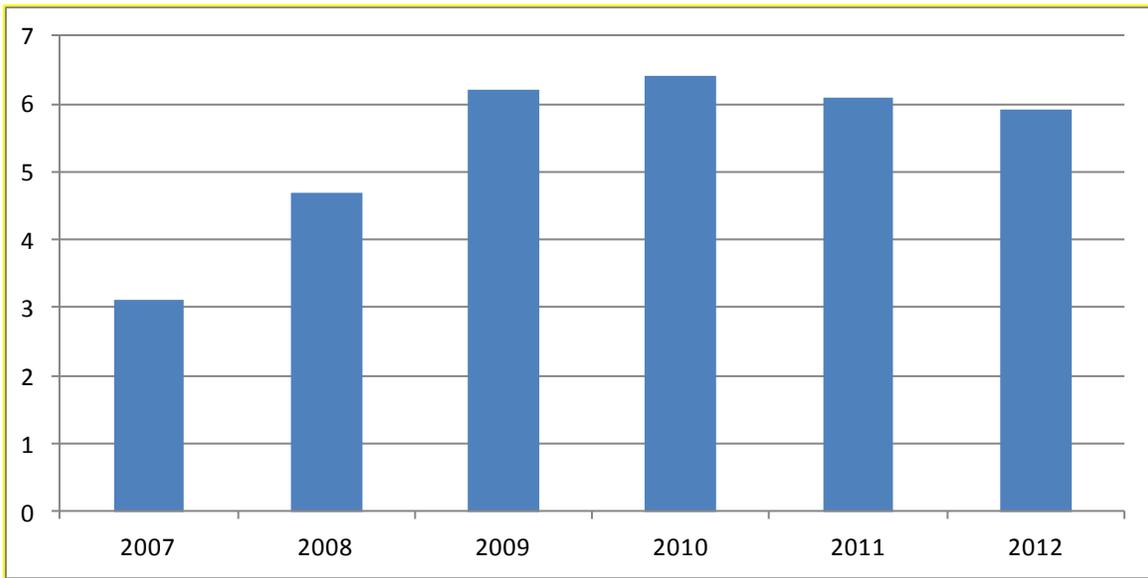
The median value of a housing unit in Carrboro in 2007-2011 was \$345,700. This is up from \$307,600 in 2010, a 12 percent increase.

INCOME

The 2007-2011 median household income is \$43,276. Thirty-one percent of the households earn less than \$25,000 a year. Twenty- six percent of the households make between \$25,000 and \$50,000 a year, while 43 percent of households make more than \$50,000 a year.

EMPLOYMENT

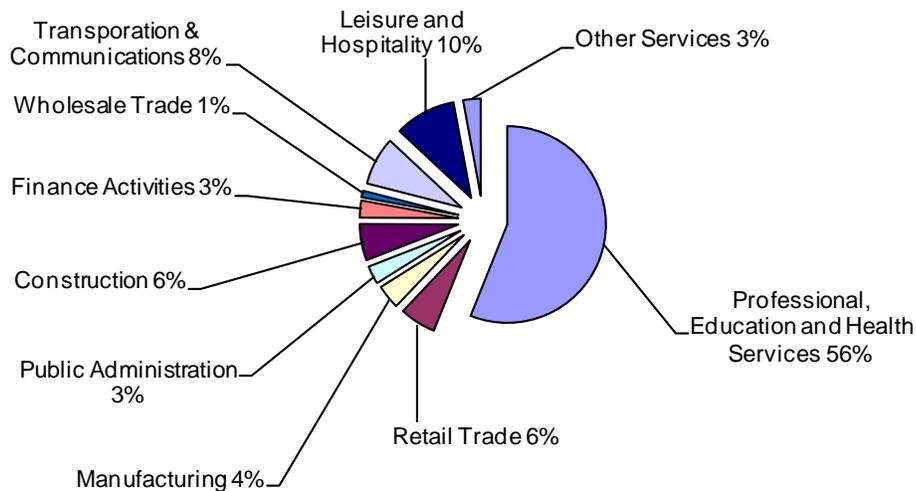
Employment levels in Carrboro reflect national and statewide trends with an increase in the unemployment rate from 6.5% in 2010 to 5.9 % in 2012. The unemployment rate for Orange County was 3.1 % in 2007 and due to the current national economic condition has climbed to 5.9% as of December 2012, which is well below the state unemployment rate of 9.4%.



The major employers within Orange County (those with 450 or more employees) reflect the dominance of the professional services and retail sectors.

Employer	# of Employees
University of North Carolina at Chapel Hill	16,220
UNC Health Care System	7,960
Blue Cross/Blue Shield of NC	1,240
Chapel Hill-Carrboro City Schools	2,140
Orange County Schools	1,160
Orange County Government	850
Town of Chapel Hill	910
Sports Endeavors	680
Harris Teeter	490

Employment by Sector, 2011



Source: Orange County Economic Development Commission

Key Intergovernmental Relationships

The Town of Carrboro has many relationships with surrounding communities and with other State and regional organizations that affect the services provided to the community. A summary of these relationships follows:

State of North Carolina

- Established the Town by granting a municipal charter
- Grants and imposes powers to the Town
- Constructs and maintains a road network within the Town limits
- Is the conduit for transportation improvement funds used to maintain roads
- Collects and distributes certain taxes to the Town (sales taxes, beer and wine taxes, etc.)

Triangle J Council of Governments (TJCOG)

- Provides planning and other services to towns that are members of this voluntary organization that represents a region of municipal and county governments, including Carrboro
- Includes one delegate and one alternate to its board of delegates

City of Durham

- Provides staff for the Durham/Chapel Hill/Carrboro Metropolitan Planning Organization (Transportation Advisory Committee)

Chatham County

- Meets with town staff via Orange-Chatham Work Group on occasion to review development issues. Development at the border affects each community.

University of North Carolina

- Has mutual aid agreement for police services and emergencies
- Involves town in planning for Carolina North
- Allows use of easement for Libba Cotten bikeway

Orange Water and Sewer Authority

- Provides a mutual aid agreement for emergency response
- Extends water and sewer services in Carrboro zoning jurisdiction in accordance with policies of the Board
- Maintains fire hydrants used by the Carrboro Fire Department

Orange County

- Provides mutual aid agreement for police services
- Provides landfill and recycling services to Carrboro
- Appoints two members to OWASA board of directors
- Participates in Joint Planning Agreement
- Plans jointly with Town for use of Housing and Urban Development Funds (HUD) and receives local contribution from Town toward affordable housing initiatives

- Has community, elected board members, and other Carrboro residents serve on numerous boards, commissions, and work groups including: Solid Waste Advisory Board, Orange County Economic Development Commission, JOCCA, EMS Council, Intergovernmental Parks Work Group, and the Orange County Housing and Land Trust
- Assists with funding of joint capital projects including recent purchase of Adams Tract for open space preservation
- Operates 911 emergency communications system; dispatches fire and police service units
- Provides jail services for Carrboro
- Provides tax assessing and collection services for Carrboro
- Provides grants to Carrboro for recreation
- Enforces soil and erosion control ordinance in the Town
- Program cooperative recreational and educational ventures with Orange County

Town of Chapel Hill

- Provides fixed-route, E-Z rider and Shared Ride transit services via an interlocal agreement with Town of Carrboro and the University of North Carolina
- Appoints two members to the Orange County Solid Waste Advisory Board, two members to the Orange Water and Sewer Authority (OWASA) board of directors.
- Has a mutual aid agreement for fire protection
- Provides use of Chapel Hill's fire training facilities
- Provides regular staff communications regarding services and policies
- Share resources with Chapel Hill, i.e., protective gear and hose tester in the Fire Department; special events staffing
- Program cooperative recreational and educational ventures with Chapel Hill

Town of Hillsborough

- Provides mutual aid agreement for fire and police protection
- Appoints two members of the Orange County Solid Waste Advisory Board

Chapel Hill-Carrboro School System

- Engages in joint use agreements for use of some recreation facilities
- Uses town services to provide school resource officer

GOVERNMENTAL STRUCTURE

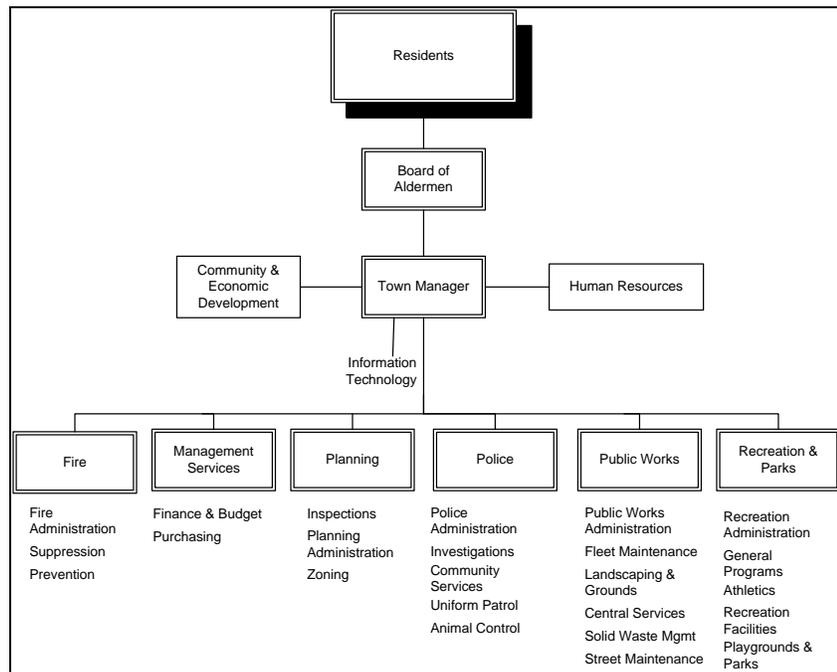
The Town of Carrboro has a council/manager form of municipal government. Under the council/manager form of government, the Board of Aldermen performs the legislative functions of the town: establishing laws and policies. The Board of Aldermen is an elected body representing the residents of Carrboro. Under the current electoral system, the Board of Aldermen consists of a mayor and six aldermen. The mayor and the aldermen are elected by the voters of the entire town. The mayor is elected to serve a term of two years and the aldermen are elected to serve staggered terms of four years. The mayor acts as the official head of town government and presides at board meetings. The mayor is a voting member of the board. He or she also appoints council members to advisory boards and committees.

The Board also appoints a manager who carries out the laws and policies enacted by the board. The Town Manager is responsible for managing the town's employees, finances, and resources. The Town has 162 full-time and part-time employees with 8 departments reporting to the Town Manager (see chart below). The Board of Aldermen also appoints a Town Clerk to maintain important town records, and an attorney, who represents the town administration and board in all legal matters.

Local governments in North Carolina exist to provide a wide range of basic services on which we all depend: police and fire protection; public works (garbage collection, street resurfacing, fleet maintenance, landscaping and building and grounds); planning; inspections and zoning; economic and community development; and parks and recreation programming. The major services provided by the Town include all of the services above but exclude water and sewer services

and tax collections. Certain large costs assumed by the Town reflect key services that are contracted with other governmental jurisdictions such as transit services, recycling, and landfill fees. The town also has administrative support units (personnel, technology, finance, budget, purchasing, town clerk, etc) that provide both direct services as well as indirect support services. The General Fund is the primary operating budget for the Town. The town has several other smaller funds primarily for capital reserves or for capital projects.

The budget for the town is largely supported by property taxes. The Town, facing growth in the Northern Transition Area, envisions the potential increase in the town's population to 24,000. In



addition, the Town, in an effort to reduce the tax burden on residents, is exploring ways to increase its commercial tax base (~11%) as a percentage of its tax base.

BOARD PRIORITIES

The Board of Aldermen annually reviews and defines strategic priorities for the Town with the ultimate goal of creating and maintaining Carrboro as a sustainable community that is a highly desirable place to live. The Board’s decisions ultimately affect the resource allocations for Town services and approved with the annual budget ordinance allocating expenditures and revenues for July 1 through June 30 of each year.

Budgeting in Carrboro has become a year-round event. After adoption of the operating budget in June, work on the CIP begins in August. Much of the work presented in the annual operating budget draws from the CIP, reports and assessments of community needs identified by residents, advisory boards, staff, and the Board.

Budget Calendar

FY 2013-14 Budget Kick-Off and Budget Manual Distribution	Thursday, January 31, 2013
FY 2012-13 Mid-Year Status Report and Board Input for FY 2013-14 Budget	Tuesday, February 12, 2013
Public Hearing to Receive Community Input on FY 2013-14 Budget	Tuesday, February 19, 2013
Requested Budget from Departments Due	Thursday, February 21, 2013
Preliminary Budget Compiled (Management Services)	Week of February 22 - 28, 2013
Manager Meets with Department Heads on Requested Budget	Week of March 4 - 8, 2013
Manager's Recommended Budget Compiled (Management Services)	Week of March 11-15, 2013
Review of Recommended Budget by Manager	Week of March 18-29, 2013
Revisions to Recommended Budget (Management Services)	Week of April 1-5, 2013
Manager Meets One-On-One with Board of Aldermen	Week of April 22-26, 2013
Manager Submits FY2013-14 Recommended Budget to Board	Tuesday, May 07, 2013
First Budget Work Session - Board	Tuesday, May 14, 2013
Public Hearing on Recommended Budget	Tuesday, May 21, 2013
Second Budget Work Session (if needed) - Board	Tuesday, June 04, 2013
Board Adopts FY 2013-14 Budget	Tuesday, June 18, 2013

Departmental budgets are prepared and justified using two components - a continuation budget with proposed change and/or expansion budget. In recognition that some costs incurred by the Town reflect increases beyond normal inflation, the continuation budget, includes those costs, as well as expenditures where the Town or Board has made a legal or budgetary commitment. The inclusion of these costs in the continuation budget will allow the Town to maintain the same high levels of service provided in the current year with similar operating funds. These costs include projects and infrastructure expenditures reflected in the annual Capital Improvements Plan which includes street resurfacing costs, vehicles, equipment, various specific capital projects and debt service payments for capital commitments. Other ongoing annual costs in the continuation

budget includes any pay adjustments for employees, and dependent and retiree health insurance, and numerous operating costs needed to provide daily services.

All other requests are defined as “proposed changes” and are budgeted in a separate column and are categorized in a manner such that the Board and residents can understand the various dynamics involved in making funding decisions. Dynamics include improved service levels, and capital outlay – recurring capital outlay that does not meet the capital thresholds for consideration in the CIP. Justifications for proposed changes are based on the Board’s adopted goals as well as individual departmental goals and objectives.

Also driving the services and budget process provided by the town are the strategic priorities and financial policies adopted by the Board. These financial policies address revenues, cash management, expenditures, debt and risk management, capital needs, and budgeting and management.

The current Board priorities (in bold) and departmental goals and work plans (in italics) are listed below:

A. Diversify revenue stream to maintain ethnic and economic diversity

1. *Maximize use and revenue at recreation facilities.(Recreation & Parks)*
2. *Diversify and expand the commercial the tax base, to create more high paying jobs in town, and to promote the town’s image as a place for businesses.(Economic and Community Development)*
3. *Create public/private partnerships for various special programs to maximize revenue and the marketing potential of the programming while minimizing program costs. (Recreation & Parks)*
4. *Offer diversified programs reflective of citizen needs and promotes sensitivity to cultural diversity. (Recreation & Parks)*

B. Protect historic neighborhoods and maintain Carrboro’s unique identity

1. *Evaluate and schedule completion of Comprehensive LUO review/update and evaluate need for strategic or comprehensive planning/update.(Planning)*

C. Improve walkability and public transportation

1. *Improve Quality of public transportation service. (Transportation)*
2. *Improve level of public transportation service. (Transportation)*
3. *Work with Chapel Hill Transit to more effectively manage current level of public transportation service in Carrboro, to extend service into areas of Carrboro not served by fixed route service, and evaluate the shared-ride service in Carrboro (number of participants). (Transportation)*
4. *Improve access to public transportation. (Transportation)*

D. Encourage development that is compact, dense, and appeals to diverse lifestyles and incomes

1. *Increase the number of affordable energy efficient housing units in the Town. (Economic and Community Development)*

E. Enhance and sustain quality of life/place issues for everyone

1. *Reduce the number of known drug houses and street-level drug sales locations. (Police)*
2. *Maintain index crime clearance rates at or above the national average for comparable towns. (Police)*
3. *Ensure the safety of all employees and citizens on town property. (Police)*
4. *Provide fire suppression, light duty rescue, and emergency medical technician services on a 24-hour basis covering the Town of Carrboro and the South Orange Fire District. (Fire-Rescue)*
5. *Provide fire education for schools, day care centers, and special interest groups. (Fire-Rescue)*
6. *Achieve a well-balanced public infrastructure. (Planning)*
7. *Help citizens develop a human environment that promotes trust, mutual respect, acceptance, happiness and well being. (Planning)*
8. *Develop innovative approaches to support the community, particularly with regard to housing, transportation, energy production and consumption, and ecological restoration and protection. (Planning)*
9. *Provide timely, cost-effective maintenance of public streets, bike paths, storm drainage system and right-of-way. (Public Works)*
10. *Provide cost effective, reliable solid waste collection and disposal. (Public Works)*
11. *Provide park facility and ball field maintenance. (Public Works)*
12. *Provide classes, workshops, trips, camps and other general recreational activities to meet the varied leisure interests and needs of the community. (Recreation & Parks)*
13. *Operates 10 parks and 1 indoor community facility. (Recreation & Parks)*

FINANCIAL POLICIES

Among the responsibilities of municipalities to its residents are the care of public funds and the wise and prudent management of municipal finances while providing for the adequate funding of the service delivery to the public and the maintenance of public facilities. These financial management policies adopted by the Board are designed to ensure the fiscal stability of the Town and guide the development and administration of the annual operating and capital budgets. Except for the revision of the fund balance policy on April 5, 2011 to comply with Governmental Accounting Standards Board Statement 54 (GASB 54), *Fund Balance Reporting and Government Fund Type Definitions*, no major changes have been made in the Town's Financial Policies.

The Town's financial policies address revenues, cash management, expenditures, debt and risk management, capital needs and budgeting and management. The specific policy objectives are to:

1. Protect the policy-making ability of the Board of Aldermen by ensuring that important policy decisions are not controlled by financial problems or emergencies.
2. Assist Town management by providing accurate and timely information on financial conditions.

3. Provide sound principles to guide the important decisions of the Board of Aldermen and of management which have significant fiscal impact.
4. Provide essential public facilities and prevent deterioration of the Town's public facilities and its capital plant.
5. Set forth-operational principles that minimize the cost of government and financial risk, to the extent consistent with services desired by the public.
6. Enhance the policy-making ability of the Board of Aldermen by providing accurate information on program costs.
7. Employ revenue policies that prevent undue or unbalanced reliance on certain revenues, which distribute the costs of municipal services fairly, and which provide adequate funds to operate desired programs.
8. Ensure the legal use of all Town funds through a system of financial security and internal controls.

Town staff shall develop and maintain methods of forecasting future revenues and expenditures. These methods shall project the Town's future revenues and expenditures through a variety of methods including but not limited to forecasts of the economy and future development of the Town. Town staff will estimate General Fund revenues using an objective and analytical process, as well as documenting and maintaining specific assumptions. In instances where there is uncertainty as to assumptions, conservative revenue projections shall be provided.

REVENUE POLICIES

Important issues to consider in revenue analysis are growth, flexibility, elasticity, dependability, diversity, and administration. Under ideal situations, revenues grow at a rate equal to or greater than the combined effects of inflation and expenditures. Revenues should be sufficiently flexible to allow adjustments to changing conditions.

The Town uses the following policies to govern its operations and methods regarding revenues that are used for operations.

Sources of revenue

The Town will strive to maintain a diversified and stable revenue system to shelter the government from short-run fluctuations in any single revenue source and ensure its ability to provide for ongoing service. A balance will be sought in the revenue structure between the proportions of elastic and inelastic revenues. New sources of revenue will be sought to achieve the desirable balance.

Restricted revenue shall only be used for the purpose intended and in a fiscally responsible manner. Programs and services funded by restricted revenue will be clearly designated as such.

Intergovernmental assistance may be in the form of restricted or unrestricted revenue. Unrestricted intergovernmental revenues generally support operational expenses; and restricted intergovernmental revenues are used for the designated purpose, activity and/or service.

Fees and cost recovery

User fees and charges shall be reviewed annually. Town departments that generate a significant amount of user fee revenue regularly monitor their fees by comparing them to other local area jurisdictions. Fees shall be adjusted where appropriate to reflect these increases.

Engineering Fees represent an exception to user fees whereby applicants are responsible for paying 80% of fees assessed by the Town's engineers. The engineers, who perform under a contractual agreement with the Town, bill the Town and the Town, in turn, sends a bill to the applicant for all such fees.

The Recreation and Parks Department, establishes recreation fees based on numerous factors, depending upon the program or services offered. Services offered may be available at no cost (a town-sponsored event), partially subsidized based on financial need, or may be based on 80%-100% direct cost recovery. Fees for nonresident users of recreation programs shall be established after the Board of Aldermen approves the upcoming fiscal year budget. The fee shall be established by dividing the annual appropriation for the Recreation and Parks Department by the number of town residents. This will provide for a per capita cost for recreation services. An average of two activities per year in the Athletic Program and three activities per year in the General program area has been determined.

Therefore, the per activity fee shall be established for those persons not residing nor owning property in Orange County by dividing the annual out-of-county fee by two or three in the Athletic and General Program areas, respectively. An exception to this policy will be in those programs where fees are based on recovering 100% of direct costs.

Grants and federal funds

The Town shall aggressively pursue all grant opportunities; however, before accepting grants, the Town will consider the current and future implications of both accepting and rejecting the monies, including:

- a. Amount of matching funds required;
- b. Any in-kind services that are to be provided;
- c. Impact on operating expenses; and
- d. Length of grant and whether the Town is obliged to continue the services after the grant ends.

Payment-in-Lieu Financing

Payment-in-lieu revenue represents payments from developers or property owners for the purpose of providing open space areas or recreational facilities that serves or benefits residents of the development generating the funds. The Town's ordinance allows developers of certain types of projects to either provide open space and recreational facilities according to standards set forth in the ordinance or pay a fee in accordance with the Town-established fee schedule.

Developers are also able to make payment-in-lieu of providing affordable housing under the applicable provisions of the Land Use Ordinance. Revenue is deposited in the Affordable Housing Fund.

Operating Transfers

To the maximum extent feasible and appropriate, General Fund transfers to other funds shall be defined as payments intended for the support of specific programs or services. Amounts not needed to support such specific program or service expenses shall revert back to the General Fund.

OPERATING BUDGET POLICIES

The Town uses the following policies to govern its operations and methods regarding operating budget expenditures.

Fund Balance

To maintain the Town's credit rating, meet seasonal cash flow shortfalls, economic downturns or a local disaster, the Town shall maintain and present fund balance for the general fund in accordance with the requirements of GASB 54. The Town will maintain an unassigned fund balance in the general fund at a level ranging from 22.5% to 35% of the General Fund budget. Unassigned fund balance will generally not be used for operating expenses.

Fund balance shall be confirmed at the end of each fiscal year by the annual independent audit and if the:

- 1) Unassigned fund balance falls below 20%, the Town Manager shall develop and implement a plan to rebuild the balance to 22.5% within one year; or
- 2) Unassigned fund balance exceeds 35%; the Town Manager may set aside an amount in assigned fund balance for transfer to the capital projects fund for future projects, unless the Town Manager determines it necessary to maintain fund balance at the current level due to existence of other fiscal, economic and/or operating conditions.

The Board of Aldermen shall take formal action to commit the use of fund balance for projects or purposes in any current year or future year's budget.

Absence a commitment of fund balance by the Board, the Town Manager has the authority to express intended uses of unrestricted or unassigned fund balance that will result in assigned funds for specific purpose.

Where an expenditure is incurred for which restricted and unrestricted fund balance is available, the restricted fund balance, to the extent feasible, should be used first.

When expenditure is incurred for which there is unrestricted fund balance available, funds should be spent in the following order: committed, assigned and unassigned.

- a. Committed fund balances are amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- b. Assigned fund balances are amounts intended to be used by the government for specific purposes and so expressed by the governing body or by an official or body to which the governing body delegates the authority.
- c. Unassigned fund balance is the residual classification of the general fund that includes all amounts not contained in other fund balance classifications. Unassigned amounts are technically available for any purpose.

Budget Process and Procedures

The North Carolina Local Government Budget and Fiscal Control Act requires that the Town Manager submit a recommended budget and budget message to the Mayor and Board of

Aldermen no later than June 1st, that the Board hold a public hearing on the budget, and that the Board adopt an annual budget or interim budget each year by July 1st. The budget must be balanced which is defined by the Fiscal Control Act as “the sum of estimated net revenues and appropriated fund balance in each fund shall be equal to appropriations in that fund.”

State laws also determine the types of services and regulatory authority, which the Town can provide as well as the revenue sources available to the Town. For example, the Town is authorized to provide police and fire protection, refuse collection, and street maintenance services, but is not authorized by the State to levy income taxes or to raise the local sales tax which is capped at the existing two and one-half (2.5) percent. In North Carolina, county governments are responsible for public health, education, and social services. County and state government decisions govern funding for the Chapel Hill- Carrboro school system.

While the budget process seeks to develop an annual financial plan for the Town, the budget is also a strategic plan whereby departmental goals and objectives are aligned with the Board’s strategic priorities, goals and commitments.

The budget is prepared by the Town Manager for a one-year fiscal cycle beginning July 1 and ending June 30 of the following year and must be adopted by the Board of Aldermen prior to the beginning of each fiscal year.

The recommended budget, as presented by the Town Manager, shall reflect the continuation of current service levels wherever appropriate and/or shall include an explanation of any decreases and increases. Any reprogramming or budget shifts from the previous budget shall be clearly identified in the budget document. The recommended budget shall be a balanced budget; recommended allocations shall not exceed projected revenues.

Public input and review of the recommended budget is encouraged. In addition to the required statutory public hearing, the Board generally holds a public hearing at the beginning of the budget development process to get input from the citizens. The entire budget document shall be available at the Town Clerk’s Office and the Town’s website for review.

General Fund Budgeting

The basic format of the budget shall identify programs within organizational structures defined primarily by department. Programs are defined as specific services provided to the public by a specific department. All assumptions, transfers, and other relevant budget data shall be clearly stated. The Town will avoid budgetary procedures that balance current expenditures at the expense of meeting future years’ expenses, such as postponing expenditures, accruing future years’ revenues, or rolling over short-term debt.

Requests for human services and nonprofit funding shall coincide with the budget process. The Town shall set aside funds for external organizational or program services through the grant application process. The amount recommended for funding shall increase each year based on the consumer price index (CPI) over the previous twelve months, or any amount determined by the Board. If the CPI remains flat or decreases, nonprofit funding shall remain unaffected. Requests from external organizations are reviewed by the Town’s Human Services Commission which in turn submits a funding recommendation to the Board of Aldermen.

Transfers between funds and transfers from the non-fuel contingency account may be authorized only by the Board of Aldermen. Appropriation of non-fuel contingency funds shall be exclusively for government operations. All other transfers may be approved by the Town Manager.

In instances where specific activities or purchases are authorized by the Board of Aldermen in a certain fiscal year and remain incomplete and thus, unexpended, fund balance may be carried forward, at Board of Aldermen's discretion, into the next fiscal year to support such activities or purchases.

Budgetary and accounting procedures will conform to Generally Accepted Accounting Principles (GAAP) for governmental agencies. Where possible, the budget and subsequent status reports will integrate performance measurement and productivity indicators.

Special Fund Budgeting

The term "Special Funds" shall be used to identify all funds other than the General Fund or Capital Project Fund, inclusive of the following fund types: Grants Administration Fund, Affordable Housing Fund, Revolving Loan Fund, and Energy Efficiency Revolving Loan Fund. Special Funds shall be created when legally required, requested by the Board of Aldermen, or to facilitate internal accounting and financial reporting procedures.

The annual budget for each Special Fund shall be prepared in conjunction with the General Fund budget and shall be submitted to the Board of Aldermen for adoption prior to the beginning of the fiscal year.

Special Funds budgetary and accounting procedures will conform to GAAP.

Capital Fund Budgeting

A local government may in its discretion, authorize and budget for a capital or grant project, either in its annual budget ordinance or in a project ordinance. At any time during the year, a capital project or grant project ordinance may be established. A project ordinance is for the life of the project and must be adopted by the governing board prior to commencement of the project.

A project ordinance must be balanced with the revenues estimated to be available for the project equal to appropriations for the project. A project ordinance shall clearly identify the project and authorize its undertaking, identify the revenues that will finance the project, and make the appropriations necessary to complete the project. An amendment is required when the budget established for the project is not sufficient to complete the project in its entirety. A project ordinance amending the project budget will require approval by the Board of Aldermen.

Major capital decisions tend to have a fiscal and operational impact more extensive than that required of annual operating and maintenance decisions and require different planning and budgetary methods. For projects that cost over \$100,000 and will require more than one year to accomplish, it is recommended that departments use a project ordinance rather than the General Fund operating budget.

Transfers

Line-item adjustments within one project will be allowed via an internal budget adjustment request form, as long as the scope of the project is substantially the same and total funding for the project will not increase as a result of the transfer.

Transfer requests are prepared and signed by the department head of the requesting department and submitted to Management Services for review. When transfers occur, the project manager or department head will state that the project scope can still be achieved without increasing the total funding of the project. Management Services will ensure that sufficient funds are available in the authorized budget and the transfer does not increase the total appropriation for the project. All transfer requests are approved by the Finance Director and Town Manager.

A transfer of funds between projects within the same fund is only allowed with formal board approval. This process ensures transparency and keeps the Board up-to-date regarding budget changes in capital projects.

Maintenance of Capital Assets

Provisions will be made for adequate maintenance of the capital plant and equipment and for their orderly rehabilitation and replacement, within available revenue and budgetary limits. The budget should provide sufficient funds for the regular repair and maintenance of all town capital assets. The budget should not be balanced by deferring these expenditures.

The budget shall incorporate tenets of the Technology Plan that recognize the importance and necessity of maintaining and updating the installed technological infrastructure. It is strongly suggested that end-user workstations are to be replaced on a five year cycle, servers to be replaced on a three year cycle and other network infrastructure and business applications to be replaced as dictated by financial, technical, and business criteria defined in the Technology Plan. It is noted that replacement of infrastructure with the latest technology, rather than applying major upgrades to existing infrastructure, is often the most cost effective path.

As with technology, town vehicles are also replaced on a predetermined schedule. Through a planned approach the Town looks to minimize fleet capital cost and operational cost. The Public Works Department utilizes a booklet containing replacement criteria (includes criteria such as age and usage) for recommending replacement. It should be noted that age and usage criteria provide general guidance for replacement and there can be other circumstances that factor in the decision to replace a vehicle or piece of equipment either sooner or later than the recommended guidelines. These factors may include high maintenance cost, excessive down time, resale value, standardization of fleet, or change of operation.

All vehicles and capital equipment identified in the capital improvements plan that exceeds \$25,000 per item shall be considered for installment financing.

CAPITAL IMPROVEMENT PROJECT POLICIES

The Town uses the following policies to govern its capital improvement program that address particular community needs.

Capital Improvement Program

The Town Manager shall develop and maintain a projection of capital improvement projects (Capital Improvement Program) for the next six years based on the previous capital improvement plans, community needs assessments, and projects approved by the Board of Aldermen. The Capital Improvement Program (CIP) should be tied to projected revenue and expenditure constraints. Future planning should consider periods of revenue surplus and shortfall and adjust future programs accordingly. The CIP includes long-term maintenance and other operational requirements for proposed projects that meet the following criteria: 1) requested item is equipment costing more than \$25,000, or is a vehicle, and 2) requested project is multi-year in nature and exceeds \$100,000 over the life of the project. The CIP also includes information technology projects with costs equal to or greater than \$15,000. Each fiscal year, the Town Manager will update the CIP to include current information for review by the Board of Aldermen. The CIP plan is incorporated into the annual operating budget request process. Provisions are made for adequate maintenance of capital infrastructure and equipment and for their orderly replacement within available revenue and budgetary limits. Items are appropriated into the budget by the board upon adoption of the budget.

The CIP budget process shall include a financial analysis and narrative of the impact of the CIP on the Town's financial condition, including but not limited to, debt levels and operating budget.

The Town shall actively pursue outside funding sources for all projects for the CIP funding. The Town's capital program will recognize the borrowing limitation and debt tolerance of the Town.

Capital Improvement Financing

Within the limitation of existing law, various funding sources may be utilized for capital improvements. Capital projects shall not be dictated by the nature of funding available except to the extent that the projects meet an initial test of being required to achieve Town goals or to the extent that projects must be placed in priority dictated by the nature of the funds available.

Unspent capital project funds shall revert to undesignated capital reserves within the Capital Reserve Fund for future capital funding. In no case shall projects incur a funding deficit without the express approval of the Board of Aldermen.

DEBT MANAGEMENT POLICY

POLICY STATEMENTS

Debt policies are written guidelines and restrictions affecting the amount, issuance, process, and type of debt issued by a governmental entity. The important functions of a debt policy are to:

- Provide guidance on the types and levels of the Town's outstanding debt obligations so as not to exceed acceptable levels of indebtedness and risk. Debt policies also serve as a framework within which the Town can evaluate each potential debt issuance;
- Direct staff on objectives to be achieved, both before bonds are sold and for the ongoing management of the debt program;
- Facilitate the debt issuance process by making important decisions ahead of time;

- Assist the Town in the management of its financial affairs, ensuring that the Town maintains a sound debt position and that its credit quality is protected;
- Allow for an appropriate balance between the established debt parameters and providing flexibility to respond to unforeseen circumstances and new opportunities; and
- Serve as a means of stimulating an open debate about the government's outstanding obligations and lead to an informed decision by elected officials.

Purpose and Type of Debt

Purpose:

Debt is only to be incurred for financing capital assets that, because of their long-term nature or because of budgetary constraints, cannot be acquired from current or budgeted resources. Debt is not to be used for operational needs or normal recurring maintenance. Ideally, the Town will strive to restrict debt issuance to capital needs identified and formalized in a capital improvement program (CIP).

Types of Debt:

The types of debt instruments can include general obligation bonds, bond anticipation notes, revenue bonds, lease-installment financings, certificates of participation, special obligation bonds, or any other financing instrument allowed under North Carolina statutes. The Town will strive to use the least costly and most appropriate form of financing for its project needs.

All debt issued, including short-term installment purchase financing that the Town incurs for recurring equipment, will be repaid within a period not to exceed the expected useful life of the improvements, equipment, or vehicles financed by the debt.

Debt Limits and Affordability

Debt policies should define limits or acceptable ranges for each type of debt. Limits are set for legal, financial, and policy reasons. State law dictates legal limits. Financial limits may be established to achieve a desired credit rating or to exist within budgetary or other resource constraints. Debt limits alone will not result in desired ratings, but limits on debt levels can have a material impact if the local government demonstrates adherence to the policy over time. Policy limits can include the purposes for which debt may be used, the types of debt that may be issued, and minimum credit ratings.

The Town will use an objective, analytical approach to determine the amount of debt to be considered for authorization and issuance.

Several standards or guidelines are available for establishing limits:

Outstanding Debt as a Percentage of Assessed Valuation

This ratio measures debt levels against assessed valuation and assumes that property taxes are the primary source of debt repayment.

Statutorily, the Town is subject to the Local Government Bond Act of North Carolina which limits the amount of net bonded debt the Town may have outstanding to 8% of the appraised

value of property subject to taxation. However, this is not considered a realistic ratio as other ratios that measure ability to pay (described below) would exceed the Town's desired debt levels.

The Town will also strive to avoid maintaining a "high" debt burden as measured by the Local Government Commission. This analysis is updated annually by the LGC.

Debt per Capita

This ratio reflects the philosophy that all taxes, and therefore the total principal on outstanding debt, are paid by the residents (as measured by population count). This ratio is widely used by analysts as a measure of an issuer's ability to repay debt.

The Town will also strive to avoid maintaining a "high" debt burden as measured by the Local Government Commission. This analysis is updated annually by the LGC.

Debt Service as a Percentage of Operating Expenditures

The ratio that measures the percentage of debt service to the general fund expenditures reflects the Town's budgetary flexibility to change spending and respond to economic downturns.

Annual debt service payments (like a house payment), can be a major fixed part of a government's fixed costs and its increase may indicate excessive debt and fiscal strain.

The North Carolina Local Government Commission (LGC) advises that local governments should have a reasonable debt burden. A heavy debt burden may be evidenced by a ratio of General Fund Debt Service to General Fund Expenditures exceeding 15%, or Debt per Capita or Debt to Appraised Property Value exceeding that of similar units. Credit rating agencies, on the other hand, consider debt exceeding 20% of operating budget to be excessive. Ten percent is considered acceptable. The Town will maintain this ratio at or below 12%, considering this to be a moderate level of debt.

Use of Debt Ratios

This measure of debt service expenditures as a percentage of operating expenditures will be the primary ratio used to relay the impact of debt to the Board, both in terms of tax rate and ability to pay debt within budgetary constraints. No project will be included in the CIP that increases the debt ratio above 12%. Any project that is considered outside of the Capital Improvement Plan shall be revisited in context of the plan to monitor the project's impact on the Town's debt ratios. Projects shall be considered for recommendation as long as the debt service expenditures as a percentage of operating expenditures remain at or below the 12% debt ratio.

The aforementioned measures, while defined with targets in mind, shall also be judged against the necessity of and benefits derived from the proposed acquisitions. The Town will continue to update its debt affordability analyses annually along with a review of peer groups to continue to analyze and control its debt effectively.

By establishing comparative debt ratios and targets over a period of time, the Town is demonstrating that there is an analytical and informed process for monitoring and making decisions about the Town's debt burden and maintaining the Town's fiscal position on behalf of the community.

Bond Ratings

The Town's current bond ratings are: Standard and Poor's AA+; and, Moody's Aa2. The Town will maintain continuing disclosure and good communications with bond rating agencies and financial institutions on the Town's financial condition and operations.

Debt Issuance and Structure

The Town will strive to issue bonds no more frequently than once in any fiscal year. The scheduling of bond sales and installment purchase decisions and the amount of bonds to be sold and installment financing to be sought will be determined each year by the Board of Aldermen. These decisions will be based upon the identified cash flow requirements for each project financed, market conditions, and other relevant factors.

If cash needs for bond projects are insignificant in any given year, the Board may choose not to issue bonds. Instead, the Board may fund upfront project costs and reimburse these costs when bonds are sold. In these situations, the Board will adopt reimbursement resolutions prior to the expenditure of project funds.

For most debt issues, the actual structure and sale is conducted in conjunction with the Local Government Commission (LGC), a division of the Office of State Treasurer. The LGC functions as the financial advisor to local governments when issuing debt. Structuring must take into consideration current conditions and practices in the municipal finance market.

The Town will seek level or declining debt repayment schedules on long-term bonded debt, as encouraged by the Local Government Commission. Debt requiring balloon principal payments reserved at the end of the issue term will be avoided. General obligation bonds will be generally competitively bid with no more than a 20-year life.

For short-term installment financings on capital items and equipment, the Town will rely on a competitive bidding process and the debt term will not exceed the useful life of the asset.

Capital Planning and Debt Determination

The Town will adopt a six-year capital improvements plan (CIP) annually. Debt financing and the associated policies will be considered in conjunction with the CIP with approval of funding and projects by the Board of Aldermen.

Any capital item that has not been included in the CIP or recurring lease-purchase schedule but because of its critical or emergency need where timing was not anticipated in the CIP or budgetary process, or is mandated immediately by either State or Federal requirements, will be considered for approval for debt financing.

BUDGETARY ACCOUNTING AND REPORTING

Budget Adoption

The Town operates under an annual budget ordinance administered in accordance with the Local Government Budget and Fiscal Control Act (North Carolina General Statutes Section 159). These statutes require that the Board of Aldermen adopt a balanced budget in which estimated

revenues and appropriated fund balances equal expenditures. The Town Manager must submit a balanced budget proposal to the Board by June 1 of each year, and the Board must adopt the Budget Ordinance by July 1. A formal public hearing is required to obtain community comments of the proposed budget before the Board adopts the budget. By state law, the fiscal year begins on July 1 and ends on June 30.

An annual budget is adopted for the General Fund, and for the Capital Reserve Fund, and the Payment-in-Lieu Fund (Special Revenue Fund types) as needed. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for the remaining Special Revenue Funds, and the Capital Projects Fund.

Basis of Accounting and Budgeting

The budget is adopted using the modified accrual method of accounting. Under this basis, revenues are recognized in the period received and accrued if considered to be both measurable and available to pay current liabilities. The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Those revenues susceptible to accrual include: investments, sales tax, and grants-in-aids earned. Expenditures are recognized when a liability is incurred. On a budgetary basis, revenues are recorded by source of revenue (property tax, intergovernmental, taxes and licenses, etc) and expenditures are recorded by department, function or project. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the fund level for multi-year funds.

Fund Type	Fund Category	Basis of Accounting	Budgetary Accounting
General Fund Group	Governmental	Modified Accrual	Modified Accrual
Special Revenue	Governmental	Modified Accrual	Modified Accrual
Capital Projects	Governmental	Modified Accrual	Modified Accrual

Within the budget ordinance, the general fund is further divided into functions, which represent the level of authorization, by the governing board. Revenue functions include Ad Valorem (Property Taxes), Local Sales Taxes, Other Taxes/Licenses, Restricted and Unrestricted Intergovernmental Revenues, Permit and Fees, Sales and Services, Investment Earnings, Other Revenues, Other Financing Sources, and Fund Balance Appropriated.

Expenditure functions are primarily budgeted at the departmental level and include: Mayor and Board of Aldermen, Advisory Boards, Governance Support, Town Manager, Economic and Community Development, Town Clerk, Management Services, Personnel, Police, Fire, Planning, Transportation, Public Works, Parks and Recreation, Non-departmental, and Debt Service.

The Board of Aldermen may authorize and budget for capital projects and multi-year special revenue funds in its annual budget ordinance. The project ordinance authorizes all appropriations necessary for the completion of projects.

Amending the Budget

The Board of Aldermen must approve all transfers between funds, transfers from non-fuel contingency, and amendments to capital project ordinances.

The Town Manager can transfer between departments and functions within the General Fund without further action by the Board. In addition, all operating funds encumbered or designated within fund balance for project expenditures as confirmed in the annual June 30 audit of the previous year shall be re-appropriated to the Fiscal Year 2012-13 without further action by the Board. All other types of amendments within the General Fund must be approved by the Board (i.e., approving revenues and expenditures associated with a grant, transferring operating funds from one function to another that is not related to pay adjustments).

Capital project ordinances are approved at the project level. The Town Manager may approve line item transfers within a project as long as the project can still be achieved without increasing the total funding of the project. An amendment is required when the budget established for the project is not sufficient to complete the project in its entirety.

Line Item Transfers

While budgets are approved at the functional level within the budget ordinance, line-item budgets are controlled at three broad levels (categories) within a departmental cost center: salaries, operating, and capital outlay. Departments are only required to do a budget transfer form if there is a need to transfer funds between the broad categories of expenditures. The Finance Officer can process the transfers within a department at the request of the department head.

Purchase Orders

Purchase orders must be issued for purchases exceeding \$500 with exception of purchases obtained via procurement card or purchases specifically exempted by the Town's purchasing policy. Purchase requisitions under \$500 do not require approval by the Purchasing Officer.

Capital Outlay

All capital items (items exceeding \$5,000 and having a useful life of more than one year) must be approved in accordance with the adopted budget. With GASB34, the definition of capital outlay was refined to include infrastructure inventory including roads, bridges, and sidewalks, amongst other assets). Thresholds exist for buildings (\$20,000 minimum) and for infrastructure inventory (\$100,000 minimum). The annual budget document outlines those capital outlay items approved for purchase. Any changes must be approved through the transfer process outlined above.

Position Control

The annual pay plan adopted by the Board in conjunction with the budget lists authorized permanent positions.

FINANCIAL FUND STRUCTURE

The accounts of the Town are organized on the basis of funds or account groups with each fund constituting 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, revenues and expenditures. Town resources are allocated to and accounted for individual funds based upon the purposes for which they are to be spent and the means by which spending

activities are controlled. The multiple Town funds are classified as General Governmental Funds and are grouped into three generic fund types as described below.

General Governmental Funds

General Fund – The General Fund is the primary operating fund of the Town, which accounts for normal recurring town functions such as public works, planning, public safety, recreation, debt service, and administration. All authorized positions are funded entirely within the General Fund. Activities within the general fund are funded by revenue sources such as property tax, sales tax, and user fees.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. Funds include the Revolving Loan Fund, Energy Efficiency Revolving Loan Fund, Affordable Housing Fund and the Grant Administration Fund.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources dedicated to the acquisition or construction of capital facilities and equipment. Include in the Capital Projects Fund are: Capital Reserve Fund, Capital Projects Fund, Capital Reserve Fund and Payment-in-Lieu Fund.

This page intentionally left blank

GENERAL FUND REVENUE	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2012-13 ESTIMATED	ADOPTED 2013-14 BUDGET	% CHANGE
----------------------	-------------------	------------------------------	----------------------	------------------------------	-------------

AD VALOREM TAX

PRIOR YEAR	\$ 178,893	90,000	\$ 101,641	95,000	6%
CURRENT YEAR	11,489,648	11,424,637	11,743,828	11,861,266	4%
PENALTY & INTEREST	40,201	24,000	24,000	23,723	-1%
TOTAL AD VALOREM TAX	11,708,742	11,538,637	11,869,469	11,979,989	3.8%

LOCAL SALES TAXES

LOCAL OPTION SALES TAX 1% Art 39	1,116,295	1,100,863	1,098,284	1,109,267	1%
LOCAL OPTION SALES TAX 1/2% Art 40	794,602	826,555	805,325	813,378	-2%
LOCAL OPTION SALES TAX 1/2% Art 42	551,464	550,432	561,946	567,565	3%
LOCAL SALES TAX REALLOCATION	(7,353)	-	(1,155)	(1,167)	N/A
LOCAL OPTION SALES TAX 1/2% Art 44	44,350	-	660	667	N/A
SALES TAX - CITY HOLD HARMLESS	808,702	809,395	827,827	836,106	3%
TOTAL LOCAL SALES TAXES	3,308,060	3,287,245	3,292,887	3,325,816	1%

OTHER TAXES/LICENSES

MOTOR VEHICLE LICENSES	310,019	271,000	278,377	281,161	4%
MOTOR VEHICLE LIC - TRANS ONLY	54,782	55,000	58,384	58,968	7%
MOTOR VEHICLE LIC - GROSS RECEIPTS	-	750	917	926	23%
PRIVILEGE LICENSES	83,992	81,040	78,562	79,348	-2%
BEER & WINE PRIVILEGE LICENSE	830	700	1,015	1,025	46%
HOTEL/MOTEL OCCUPANCY TAX	-	-	-	114,618	N/A
TOTAL OTHER TAXES/LICENSES	449,623	408,490	417,255	536,046	31%

UNRESTRICTED INTERGOVERNMENTAL

FRANCHISE TAX-ELECTRIC	393,183	332,526	435,928	440,287	32%
PIPED NATURAL GAS TAX	43,156	46,274	33,314	33,647	-27%
VIDEO SALES PROGRAMMING	210,594	229,625	173,152	174,884	-24%
WINE AND BEER	85,203	29,571	29,571	29,867	1%
TELECOMMUNICATIONS SALES TAX	210,898	220,541	206,396	208,460	-5%
NC DOT REIMBURSEMENT	-	4,200	-	-	-100%
TOTAL UNRESTRICTED INTERGV	943,034	862,737	878,361	887,145	3%

RESTRICTED INTERGOVERNMENTAL

POWELL BILL	461,696	461,696	477,977	482,757	5%
SOLID WASTE DISPOSAL TAX DIST.	10,040	10,434	10,434	10,538	1%
PLANNING WORK GRANT	37,027	22,740	14,363	14,506	-36%
RECREATION-MUNICIPAL SUPPLEM	35,898	35,898	35,898	35,898	0%
RECREATION - ARTS COMM GRANT-MUS	3,500	1,500	1,500	1,500	0%
STROWD ROSES GRANT-MUSIC	2,000	-	-	-	N/A
NC RISK MGMT AGENCY GRANT	750	-	-	-	N/A
FIRE FIGHTERS GRANT	-	10,410	10,410	10,410	0%
SAFER GRANT	41,268	-	-	-	N/A
ECON DEV GRANT FR ORG COUNTY	-	-	-	-	N/A
FIRE GRANT FOR CAR SEATS	-	-	-	-	N/A
PEG CHANNEL SUPPORT	16,260	32,520	35,999	36,000	11%
RE-INSURANCE PROGRAM	60,368	-	-	-	N/A
NC DOT RIGHT-OF-WAY REIMBURSEMENT	3,057	-	-	-	N/A
BYRNE GRANT	8,597	-	-	-	N/A
K-9 DONATION GSRA	-	-	1,512	-	N/A
ABC BOARD GRANT	12,500	12,500	13,300	13,300	6%
SEIZURES REVENUE, STATE	-	10,502	-	-	-100%
SEIZURES REVENUE, FEDERAL	-	-	-	-	0%
TOTAL RESTRICTED INTERGVMT	692,961	598,200	601,393	604,909	1%

FEES AND PERMITS

RETURNED CHECK FEE	125	100	100	101	1%
TIME WARNER PEG FEES	-	8,900	-	-	-100%
TOWER REVENUE	125,185	125,112	125,113	126,364	1%
PRIVILEGE LICENSE, LATE FEE	1,560	1,886	1,466	1,481	-21%
COURT COST OFFICER FEES	3,853	3,000	3,000	3,030	1%
PARKING VIOLATIONS	3,700	3,500	3,500	3,535	1%
SCHOOL TRAFFIC CONTROL	-	-	10,000	10,000	N/A
CHCCS -SRO CONTRACT	107,624	107,624	107,624	107,624	0%
DOG FEES	7,315	5,000	349	353	-93%
ANIMAL VIOLATIONS	-	300	2,179	2,200	633%
FIRE DIST. FEES	426,563	420,878	420,878	446,280	6%
CAR SEAT SALES	1,038	-	360	364	N/A
FALSE ALARM FEES	500	500	500	505	1%
FIRE PERMIT FEES	10,052	8,000	10,461	10,566	32%

GENERAL FUND REVENUE	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2012-13 ESTIMATED	ADOPTED 2013-14 BUDGET	% CHANGE
RE-INSPECTION FEE	1,625	1,500	200	202	-87%
REPORTS	135	100	331	334	234%
SIGN PERMITS	768	500	907	916	83%
SIGN PERMITS	270	200	-	-	-100%
ENGINEERING FEE	24,255	26,000	25,800	26,058	0%
DEV REVIEW FEE	40,354	25,000	45,000	45,450	82%
TECHNICAL REVIEW-FUTURE EQPMT	19,010	12,000	21,000	21,210	77%
BUILDING PERMITS	135,763	65,000	134,627	135,973	109%
ELECTRIC PERMITS	107,848	55,000	71,211	71,923	31%
MECH. PERMITS	73,191	45,000	54,100	54,641	21%
RE-INSPECTION FEE	1,500	600	2,111	2,132	255%
PLUMBING	80,410	36,000	45,741	46,199	28%
HOMEOWNERS RECOVER FEES	208	150	161	163	9%
RECYCLING FEES	17,338	4,800	13,421	13,556	182%
STREET CUTS	487	500	853	862	72%
ENCROACHMENT FEE	-	-	160	162	N/A
STREET SIGNS	341	-	-	-	N/A
DRIVEWAY PERMIT FEES	640	-	240	242	N/A
BLDG STRUCTURE MOVING PERMIT FEE	80	-	-	-	N/A
STREET CLOSING	240	501	2,586	2,612	421%
REFUSE COLLECTION FEES	1,324	1,500	376	380	-75%
REFUSE COLLECTION - DUMPSTER	98,902	95,000	89,977	90,877	-4%
TOTAL FEES & PERMITS	1,292,204	1,054,151	1,194,332	1,226,295	16%

SALES & SERVICES

RECREATION FEES	196,676	168,587	168,587	170,273	1%
DISCOUNT -RECREATION FEES	(13,350)	(11,644)	(11,644)	(11,760)	N/A
SALES- MERCH & CONCESSIONS-CARRBORO DAY	-	-	-	-	N/A
SALES- MERCH & CONCESSIONS-MUSIC	1,026	-	1,803	1,821	N/A
SALES- MERCH & CONCESSIONS-POETRY	56	-	47	47	N/A
SALES- MERCH & CONCESSIONS-JULY	510	1,000	-	-	-100%
SALES- MERCH & CONCESSIONS-HALLO	171	150	191	193	29%
SALES- MERCH & CONCESSIONS-FILM	1,928	-	100	101	N/A
TOWN CENTER FEES	76,888	80,000	80,000	80,800	1%
DISCOUNT - TOWN CENTER FEES	(3,680)	(8,248)	(8,248)	(8,330)	N/A
TOTAL SALES & SERVICES	260,225	229,845	230,836	233,145	1%

INVESTMENT EARNINGS

INTEREST EARNED	38,283	35,000	6,967	7,036	-80%
TOTAL INVESTMENT EARNINGS	38,283	35,000	6,967	7,036	-80%

OTHER REVENUES

RENT-FARMER'S MKT	2,370	2,370	2,370	2,394	1%
MISCELLANEOUS	1,453	1,500	3,916	3,955	164%
MISC INVENTORY	141	-	-	-	N/A
SALES OF CEMETERY LOTS	6,550	6,000	16,425	16,589	176%
SALE/ FIXED ASSETS	21,328	30,000	20,528	70,733	136%
DONATIONS-ADVISORY BOARDS & COMM	486	-	255	258	N/A
DONATIONS - CD & MEMORABILIA	2,970	2,295	2,970	3,000	31%
BANNER REVENUES	-	-	3,150	3,182	N/A
DONATIONS	211	-	-	-	N/A
MISCELLANEOUS - MANAGEMENT SERVICES	2,625	500	4,721	4,768	854%
SEIZURE REVENUE-STATE	11,476	10,502	10,502	10,607	1%
DONATIONS BULLETPROOF VEST	-	-	-	-	N/A
POLICE MISCELLANEOUS	4,940	2,500	4,161	4,203	68%
SALARY REIMBURSEMENT/SPEC EVT	-	-	-	-	N/A
FIRE MISC ELLANEOUS	1,563	1,200	5,696	5,753	379%
MISCELLANEOUS-PW	4,804	1,000	352	356	-64%
REFUSE CART SALES	5,065	4,200	4,409	4,453	6%
YARD WASTE CONTAINERS	2,341	2,600	2,483	2,507	-4%
MISCELLANEOUS R & P	153	-	271	274	N/A
DONATIONS	135	-	1,960	1,980	N/A
DONATIONS - CARRBORO DAY	95	50	420	424	748%
DONATIONS - MUSIC FESTIVAL	8,966	9,000	7,558	7,634	-15%
DONATIONS-POETRY ALIVE IN CARRBORO	60	-	60	61	N/A
DONATIONS - JULY 4TH	1,285	-	-	-	N/A
DONATIONS - FILM FESTIVAL	2,615	2,000	3,882	3,921	96%
DONATIONS ARTS COMMITTEE	359	390	-	-	-100%
PLANNING MISC.	45	-	53	54	N/A
TOTAL OTHER REVENUES	82,036	76,107	96,142	147,106	93%

OTHER FINANCING SOURCES

INSTALLMENT FINANCING PROCEEDS	298,850	397,320	397,320	745,176	88%
FUND BALANCE APPROPRIATED	-	787,316	787,316	866,048	10%
TRANSFER FR CAP RESERVE FUND	607,858	176,945	176,945	176,945	0%
TOTAL OTHER FINANCING SRCE	906,708	1,361,581	1,361,581	1,788,169	31%
TOTAL REVENUES	\$19,681,876	\$19,451,993	\$19,949,223	\$20,735,656	7%

GENERAL FUND REVENUE DESCRIPTIONS

The following information briefly explains the major sources of revenue for the Town of Carrboro in the FY 2013-14 Budget.

AD VALOREM TAXES

The largest single source of revenue to municipalities in North Carolina is the Ad Valorem revenue which represents a tax paid by those owning property within the municipality. Ad Valorem Taxes or property tax income includes real property, motor vehicle and business personal property taxes.

The property tax base is estimated at \$2,032,355,685. Each penny on the tax rate generates approximately \$201,203.

The General Assembly has approved various higher exemptions for senior citizens aged 65 or older and for citizens, including veterans, who are 100% disabled and subsist on a specified household income.

LOCAL SALES TAXES

The State collects and distributes the proceeds from the local levied tax on retail sales consisting of a 1% sales tax (Article 39); and three ½% sales tax (Articles 40, 42 & 44). The Article 44 sales tax was implemented in 2002. Food is exempted from this tax. In exchange for Article 44, the General Assembly repealed local government reimbursements for inventory tax, intangibles tax, tax on food stamp purchases, and homestead exemption. In 2007, the General Assembly passed legislation to have the State assume county Medicaid costs and eliminate the Article 44 local sales tax. Effective October 1, 2008, the state took over one quarter cent of the Article 44 local options sales tax and effective October 1, 2009, the state took over the remaining one-quarter cent of that local tax. *The legislation provides for municipalities to be completely reimbursed for the loss of their share of these tax revenues, including growth.* The first one-quarter cent was replaced by a payment equal to 50% of the amount each municipality receives from the Article 40 local sales tax and the second one-quarter cent will be replaced by a payment equal to 25% of the amount each municipality receives for the Article 39 local sales tax.

Funds for the hold harmless payment to municipalities come from the counties' share of sales tax revenues. There is no expiration date on the hold harmless payments. The legislation also changes the distribution for the Article 42 local option sales tax from per capita to point of delivery distribution. *A hold harmless provision ensures that this change will not affect municipal distributions.*

OTHER TAXES AND LICENSES

This category of revenue is comprised of motor vehicle licenses, privilege licenses, and the Time-Warner Franchise.

Privilege Licenses - Privilege Licenses are issued annually to entities conducting business within the Town of Carrboro. The type of business conducted determines the fee charged. Businesses, where not restricted by state law, are assessed a fee based on gross receipts earnings.

Motor Vehicle License Tax –The vehicle license tax is \$30 per car. The Town allocates \$5 of this motor vehicle license fee to offset cost increases paid by the Town for the transit partnership with Chapel Hill and UNC-Chapel Hill.

Hotel and Motel Room Occupancy Tax – The occupancy tax implemented in 2013 is 3% of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn,

tourist camp, or similar place within the Town that is subject to sales tax imposed by the State under G.G. 105-164.4(a)(3).

UNRESTRICTED INTERGOVERNMENTAL REVENUE

This category of revenue is primarily comprised of state-collected *local* revenues that are not directed to specific programs or services. This category of revenue was previously known as utility franchise tax.

Local Video Programming Revenues- Beginning January 1, 2007, local governments were no longer able to impose franchise taxes on video programming services. A sales tax on video programming services was added by the State that covered some of the same revenue received directly by local governments.

Electricity Franchise Tax – represents actual receipts from electric services within the municipal boundaries. This revenue source is affected by changes in population and highly sensitive to weather.

Piped Natural Gas Excise Tax - This revenue represents an excise tax on piped natural gas. Amounts received are based on monthly therm volumes received by the end-user of the gas. This revenue was separated from electric franchise tax in 1998 and is distributed by a formula that establishes a “benchmark” or minimum revenue to be received by the municipality.

Wine and Beer Tax – provides for the distribution of state beer tax collections to local governmental units in which beer is legally sold. It further provides for taxes on unfortified wine and 22% of collections for taxes on fortified wine to local governmental units in which wine is legally sold. This revenue is distributed on a per capita basis.

Telecommunication Sales Tax- In 2001, the General Assembly replaced the utility franchise tax on local telephone service with a new sales tax on telecommunications.

RESTRICTED INTERGOVERNMENTAL REVENUE

Restricted intergovernmental revenues represent state and federal grants or other local governmental revenues received for specific purposes by the Town, the largest of which is the recurring Powell Bill grant funds for street resurfacing.

Powell Bill – These grant revenues are generated from the State’s gasoline tax and a percentage of this tax is returned to the municipality through a formula based on population and street mileage. Powell Bill funds can only be used for street maintenance, construction, traffic signs, sidewalks, curbs, gutters, drainage and other related needs.

Durham-Chapel Hill-Carrboro Urban Area Planning Work Program Grant – This grant provides support toward the Transportation Planner salary costs.

Recreation Municipal Supplement – Orange County provides a supplement to the Town for recreation programs in recognition of Town services offered to county residents.

ABC (Alcoholic Beverage Control) Board Grant – The Police Department applies annually for a grant to assist the ABC Board in managing alcohol violation programs.

FEES AND PERMITS

The Town charges various types of permits and fees to residences and commercial establishments needing specific services. A large portion of the fees and permits received by the Town relate to development and growth within the Town.

Fire District Fees - The Carrboro Fire Department provides fire protection services to the South Orange Fire District located in Orange County and outside of the Town's limits. A three-member fire district board meets annually and approves the tax rate for the fire district based on a formula developed by the County and the Town of Carrboro. Orange County pays the Town for the fire protection services based on the approved fire district tax rate.

Chapel Hill-Carrboro School District - It is anticipated that the Chapel Hill Carrboro School District will continue to contract with the Town to provide two School Resource Officers and traffic control management. One office is stationed at McDougle Middle School and one at Carrboro High School.

Engineering Fees - Applicants are responsible for paying 80% of fees assessed by the Town's Engineers (Sungate Design Group). Sungate bills the Town and the Town, in turn, sends a bill to the applicant for such fees.

Development Review Fees - Applicants wishing to receive a Zoning Permit, Special Use Permit, or Conditional Use Permit must pay the appropriate fee for the Town to review plans for adherence to the Land Use Ordinance before a permit may be issued. The fee is paid one-time even though the plans may be reviewed multiple times before a permit is issued.

Building Permits are issued on new and existing buildings when the buildings are renovated or newly constructed for commercial property, single-family dwellings, townhouses, condominiums and duplexes.

Electric Permits are issued on new and existing buildings for service changes, premises wiring and commercial up-fits.

Mechanical Permits are issued on new installation of residential and commercial buildings and replacement of heating and cooling equipment.

Plumbing Permits are issued on new and renovated buildings i.e. water and sewer, irrigation and backflow.

Dumpster Collection Fees represent the full cost of pickup and disposal of all refuse the Town collects from all commercial dumpsters in Town.

Tower Revenue - The Town owns a cell tower and leases space via a multi-year contract for antennas.

SALES AND SERVICES

Recreational Fees and Town Center Fees represent fees for a variety of recreational services and activities offered to town residents. The Town's Park facilities, such as picnic shelters, ball fields and the multi-purpose areas are also available for rent. The Town also offers for rent meeting rooms and facility space within the Century Center to the public for various functions.

INVESTMENT EARNINGS

Interest Income - The Town generates interest income by investing idle cash in interest paying checking accounts and money market accounts.

OTHER REVENUES

Representing a very small portion of the overall revenue stream, this revenue is comprised of donations, rent, reimbursements for town services provided to other jurisdictions, fixed asset sales, and other sundry sales.

OTHER FINANCING SOURCES

This category of revenue represents debt proceeds received by the Town or funds that are transferred from another fund into the General Fund. Highlights include:

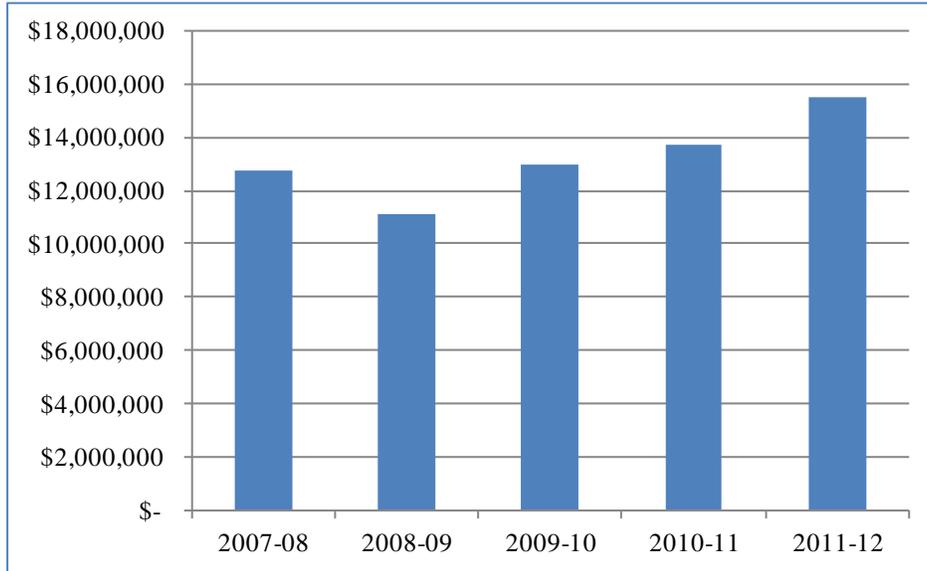
Lease-purchase or Bond Proceeds – This represents the full cost of equipment or other capital purchase that the Town has obtained through installment or bond financing. Following generally accepted accounting practices, the full cost of the financed equipment is budgeted (equipment purchased in that fiscal year) in addition to the lease payment. However, an offsetting entry equal to the full cost value of the equipment is budgeted on the revenue side as lease proceeds. Thus, the true tax impact of the financed equipment is the lease or debt service payment only.

Transfers from Other Funds – While the General Fund is the major operating budget for the Town, several other funds exist where the Town may choose to transfer resources from those funds to the General Fund. The most common transfers seen are from the capital reserve fund or from the capital projects fund.

FUND BALANCE APPROPRIATED

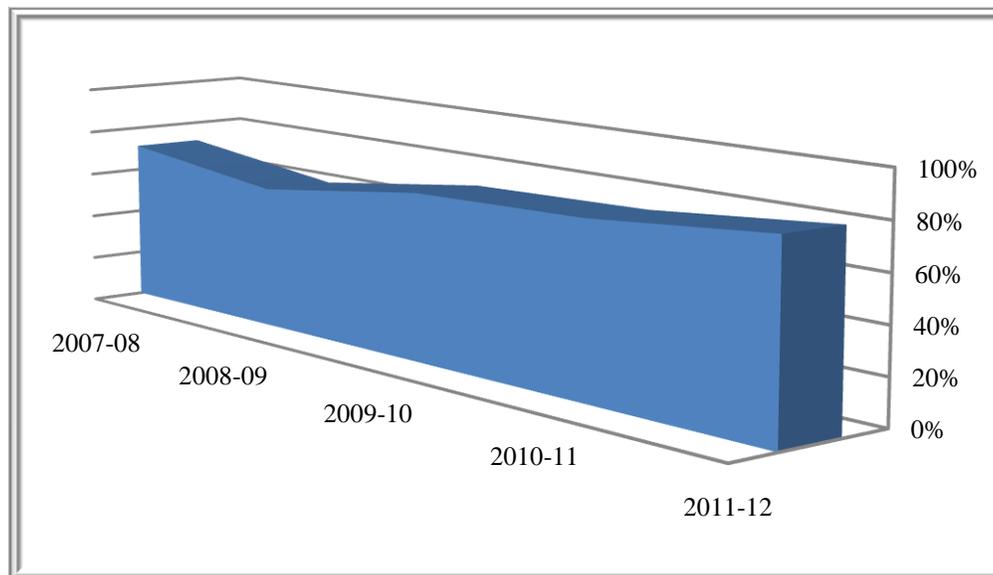
Funds accumulated through the under-expenditure of budgeted appropriations and the receipt of revenues that exceed budgeted projections result in fund balance or reserves. An appropriation of fund balance is sometimes necessary to balance projected revenues with expenditures. The level of appropriation is determined by the differences between estimated expenditures and the expected revenues.

General Fund Balance as of June 30



Fund balance at the end of FY 2011-12 was \$15,522,809, which was an increase of \$1,782,963 from FY 2010-11.

General Fund Balance as a Percentage of Operating Revenues



Fund balance as a percentage of operating revenues increased 6.8% from 74.1% in FY 2010-11 to 80.9% for FY 2011-12.

GENERAL FUND SUMMARY OF EXPENDITURES

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

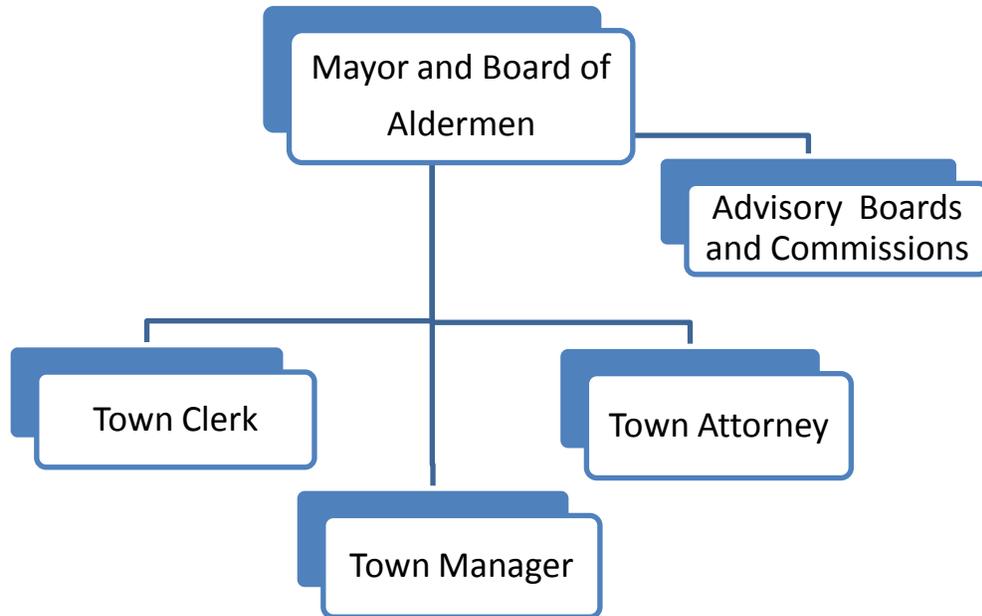
SUMMARY

PERSONNEL	10,488,016	10,940,699	11,614,862	6%
OPERATIONS	6,728,993	7,879,692	8,183,299	4%
CAPITAL OUTLAY	645,550	601,100	937,495	56%
 TOTAL	 17,862,560	 19,421,491	 20,735,656	 7%

DEPARTMENT	PERSONNEL SERVICES	OPERATING COSTS	CAPITAL OUTLAY	TOTAL
MAYOR & ALDERMEN	88,149	168,100	0	256,249
ADVISORY BOARDS	0	16,550	0	16,550
GOVERNANCE SUPPORT	0	444,468	0	444,468
TOWN MANAGER	260,570	10,600	1,000	272,170
ECONOMIC & COMM DEV.	118,141	141,793	0	259,934
TOWN CLERK	104,121	20,400	0	124,521
MANAGEMENT SERVICES	501,406	561,029	0	1,062,435
HUMAN RESOURCES	474,642	65,402	0	540,044
INFORMATION TECHNOLOGY	255,851	810,467	102,750	1,169,068
POLICE	2,853,401	464,469	241,576	3,559,446
FIRE	2,308,037	320,116	6,000	2,634,153
PLANNING	1,054,246	207,658	0	1,261,904
TRANSPORTATION	0	1,396,423	0	1,396,423
PUBLIC WORKS	1,961,898	1,603,294	586,169	4,151,361
PARKS & RECREATION	1,103,492	402,004	0	1,505,496
NON-DEPARTMENTAL	538,907	189,383	0	728,290
DEBT SERVICE	0	1,353,143	0	1,353,143
TOTALS	11,622,862	8,175,299	937,495	20,735,656

This page intentionally left blank

MAYOR AND BOARD OF ALDERMEN



PURPOSE

As elected officials within the framework of the council/manager form of town government, members of the Board of Aldermen make decisions and set policies to ensure the safety, health, attractiveness and social well-being of the community.

GOALS

- Diversify revenue stream to maintain ethnic and economic diversity.
- Protect historic neighborhoods and maintain Carrboro's unique identity.
- Improve walkability and public transportation.
- Encourage development that is compact, dense, and appeals to diverse lifestyles and incomes.
- Enhance and sustain quality of life / place issues for everyone.

SERVICES PROVIDED & ACTIVITIES

- Establishes annual goals for the organization.
- Reviews, reinforces, or alters public policies and long-range planning governing municipal operations and functions.
- Establishes priorities and funding limits through adoption of an annual budget.
- Grants or denies requests for conditional use permits.
- Responds to and communicates with citizens regarding their concerns, perspectives, and initiatives.
- Supervises work and responsibilities of Town Manager, Town Attorney, and Town Clerk.
- Makes appointments to and serves on committees and task forces.
- Participates in county and regional-wide planning and establishment of public policy.

PREVIOUS YEAR ACCOMPLISHMENTS

- Completion of three sidewalk/greenway bond projects - Elm St. sidewalk, Pine St. sidewalk, Wilson Park Multi-Use path.
- Held annual Arbor Day Observance.

- Tree City USA for 26th year.
- Solar energy system installed at Town Commons
- Groundbreaking of 300 E. Main Street Project and Parking Garage

UPCOMING FISCAL YEAR OBJECTIVES

- Review downtown parking situation.
- Encourage commercial development, especially local, “green collar”, and arts-related businesses, through zoning changes, the Revolving Loan Fund, the Local Living Economy Task Force, and other initiatives identified at the annual retreat.
- Work to improve housing affordability.

BUDGET SUMMARY

MAYOR AND BOARD OF ALDERMEN - DEPARTMENTAL TOTAL

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	120,411	120,902	88,149	-27%
OPERATIONS	147,465	162,650	168,100	3%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	267,876	283,552	256,249	-10%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Decrease in personnel costs is due to moving the Mayor’s assistant position to the Town Clerk’s budget. Changes in operating cost are associated with the addition of election costs as well as decreases in travel, departmental supplies and contract services.

ADVISORY BOARDS AND COMMISSIONS

PURPOSE

The Advisory Boards and Commissions advise the Board of Aldermen on issues and policy decisions as provided for in the Carrboro Town Code.

SERVICES PROVIDED & ACTIVITIES

- Review and make comments to the Board of Aldermen on proposed policies, plans and ordinances.
- Make recommendations to the Board of Aldermen as to the need for policies and ordinances.

BUDGET SUMMARY

ADVISORY BOARDS/COMMISSIONS - DEPARTMENTAL TOTAL

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	-	-	-	0%
OPERATIONS	8,322	11,800	16,550	40%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	8,322	11,800	16,550	40%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The increase in operations is mainly due to an increase in the Arts Committee budget.

GOVERNANCE SUPPORT

PURPOSE

This budget supports local and regional agencies providing community services or information vital to the execution of Board of Aldermen priorities.

BUDGET SUMMARY

GOVERNANCE SUPPORT - DEPARTMENTAL TOTAL

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
---------------------------	---------------------------------------	---------------------------------------	---------------

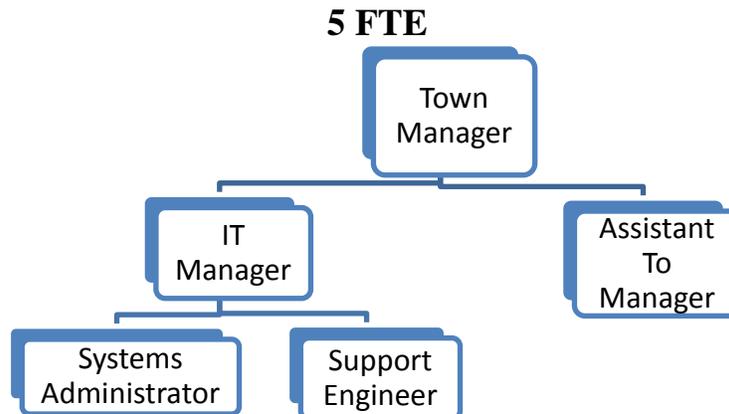
SUMMARY

PERSONNEL	-	-	-	0%
OPERATIONS	262,400	327,445	444,468	36%
CAPITAL OUTLAY	-	-	-	0%
 TOTAL	 262,400	 327,445	 444,468	 36%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The main increases in operations are in the Human Services Grant Program and Community Outreach. Two new line items include the Alliance for Innovation with a budget of \$1,825 and Carrboro Tourism and Development Authority with a budget of \$111,180.

TOWN MANAGER



PURPOSE

The Town Manager serves as primary advisor to, and implements the policies of, the Mayor and Board of Aldermen. The Town Manager communicates these policies to residents and staff, and effectively organizes and manages town staff and resources to respond to the community and residents' needs.

GOALS

- To lead an organization that functions well internally and implements Board policies in a timely, effective, efficient, and friendly manner.
- To give well-informed, helpful advice to the Board on policy options and other matters.
- To facilitate effective Board action through the presentation of clear, concise agendas.
- To adhere to the professional code of ethics and always work towards the long-term best interests of the Town.
- To ensure staff satisfaction and retention.

SERVICES PROVIDED & ACTIVITIES

- Provides general guidance and support to town departments in achieving town-wide goals and objectives.
- Seeks capital improvement strategies to meet the needs of the town and organization.
- Studies, develops, and implements policy and program recommendations at the direction of the Board of Aldermen.
- Provides support for the Board of Aldermen.
- Represents the town's interests on local, regional, and state-wide bodies dealing with issues important to Carrboro.
- Conducts and facilitates public communication with the Mayor and Board of Aldermen, residents, employees, and other users of town services.

PREVIOUS YEAR ACCOMPLISHMENTS

- Completed Solar Energy installation opportunity at Town Commons.
- Received upgrades of Town's Debt Ratings to AA+/Aa2
- Received Tree City USA designation for 27th Year
- Received GFOA Distinguished Budget Presentation
- Received GFOA Award for Excellence in Financial Reporting
- Held Business/Developer Roundtable Meeting

UPCOMING FISCAL YEAR OBJECTIVES

- Look for ways to continue providing quality services in ways that minimize the impact on the property tax rate.
- Focus on Board’s economic development initiatives.
- Continue Better Together process with emphasis on sustainability.

BUDGET SUMMARY

TOWN MANAGER - DEPARTMENTAL TOTAL

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
--	---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	180,439	239,376	260,570	9%
OPERATIONS	41,663	22,750	10,600	-53%
CAPITAL OUTLAY	-	-	1,000	0%
TOTAL	222,102	262,126	272,170	4%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The Town Manager’s budget increased slightly due to personnel changes (hiring an intern and the addition of a vehicle allowance with the end of the manager’s vehicle lease). Capital outlay includes office furniture.

INFORMATION TECHNOLOGY

PURPOSE:

Information Technology provides the highest quality technology-based services in the most cost-effective manner to increase the efficiency and effectiveness of Town services. This is accomplished in a spirit of customer service, partnership, and consultation with our stakeholders, which fosters a customer-focused environment that integrates people, processes, and technology.

GOALS

- To provide the technology to enhance the delivery of Town services and to increase the access to and the quality of vital government data.
- To partner with our customers to understand their business processes and needs and then identify activities that can be effectively streamlined through the application of technology in a manner that is cost-effective, convenient and satisfactory.
- To align technology to business processes throughout Town government.

SERVICES PROVIDED & ACTIVITIES

- Provide technology support services for computer, voice and web presence to all departments.
- Provide technology project support and management for departments.
- Manage ongoing departmental application upgrade, patching and security. Manage ongoing operating system upgrades, patching and security.
- Maintain a replacement cycle for desktops and emergency services mobile computers through ongoing replacement cycles of aging inventory.
- Facilitate the collection, storage, security and integrity of electronic data while ensuring appropriate access.
- Provide, maintain and upgrade a reliable, scalable and secure infrastructure.
- Maintain reliable historical data backups for discrete data loss incidents and catastrophic events.
- Maintain, expand and upgrade Town wide phone system.
- Provide technology purchasing expertise to all departments.

PREVIOUS YEAR ACCOMPLISHMENTS

- Completed NCDOT traffic signal upgrade project with Town owned IT fiber-optic overlay.
- Completed CIP initiative, traffic sign retroreflectivity management system implantation.
- Various departmental application upgrades and related hardware upgrades.

UPCOMING FISCAL YEAR OBJECTIVES

- Continue Town's website refresh and improved Board of Aldermen meeting internet streaming and archival.
- Continue to work with national Gig.U and regional North Carolina Next Generation Network (NCNGN) initiatives. NCNGN is a regional effort by four leading Universities and six municipalities seeking to accelerate the deployment of ultra high-speed networks to their surrounding communities.
- Continue server virtualization with goal of decreasing the number of physical servers maintained by the Town while improving business continuity. This effort will dramatically decrease the overall energy consumption of Town IT infrastructure.
- Continue desktop virtualization with goal of further aligning technology to business processes.
- Continue advanced/multi-factor authentication implementation for Police Department NCIC/DCI access.
- Potentially implement integration of existing Police and Fire Departments records management system with Orange County 911 computer aided dispatch.

- Potentially implement Police and Fire automatic vehicle locator (AVL) technology in patrol cars and fire apparatus.
- Investigate (potentially implement) PD patrol car in car video system.

BOARD PRIORITIES

IT supports all departments in their effort to meet board priorities & objectives.

OBJECTIVES

1. Identify activities that can be effectively streamlined through the application of technology in a manner that is cost-effective, convenient and satisfactory.
2. Increase access to and the quality of vital government data.
3. Provide the technology to enhance the delivery of town services.
4. Improve business continuity.
5. Maintain reliable historical data backups for discrete data loss incidents and catastrophic events.

PERFORMANCE MEASURES

	FY2010-11 ACTUAL	FY2011-12 ACTUAL	FY2012-13 ESTIMATED	FY2013-14 PROJECTED
# of Workstations Supported	165	170	175	175
# of Emergency Services Mobile Terminals Supported	40	43	43	44
Average Hours per Month of Unplanned Application Downtime During Business Hours	<1	<1	<1	<1
# Unsuccessful Backups per Month	3	4	3	1

BUDGET SUMMARY
INFORMATION TECHNOLOGY - DEPARTMENTAL TOTAL

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	180,099	262,779	255,851	-3%
OPERATIONS	746,608	755,596	810,467	7%
CAPITAL OUTLAY	21,589	108,750	102,750	-6%
TOTAL	948,297	1,127,125	1,169,068	4%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The main changes in the IT budget are in Operations due to rising license fees and contract services.

ECONOMIC AND COMMUNITY DEVELOPMENT



PURPOSE

The Economic and Community Development Department promotes and enhances the economic well being of Carrboro; administers the Human Services Grants program and promotes and facilitates the development of safe, decent, and affordable housing for Carrboro residents.

GOALS

- Diversify and expand the commercial tax base, to create more high paying jobs in town, and to promote the town's image as a place for businesses.
- Create synergy in the downtown through support for the arts and cultural events, promoting and supporting healthy lifestyles and creating a positive business environment for merchants and customers.
- Promote and support locally owned expanding and new start-up business with an emphasis on green and sustainable ventures.
- Provide adequate parking in the downtown to support existing and potential businesses.
- Increase the number of affordable energy efficient housing units.
- Support the outside agency organizations that provide unmet human services for low-moderate income persons.

SERVICES PROVIDED & ACTIVITIES

- Work with all developers and new or expanding businesses to facilitate the project review process and project implementation.
- Town liaison with neighborhood associations, non-profits, local and regional partners, and business leaders.
- Provide staffing to the Economic Sustainability Commission.
- Provide staffing to the Human Services Advisory Board and administer grant program.
- Coordinate housing as an Orange County HOME Consortium member.
- Produce annual Community Resource and Visitor's Guide.
- Market Carrboro Revolving Loan Fund and the Energy Efficiency Revolving Loan Fund.

PREVIOUS YEAR ACCOMPLISHMENTS

- Adopted new guidelines for existing Revolving Loan Fund.
- Applied for and was awarded and have begun administration of CDBG Grant for Roberson Street Sewer Project.

- Had two (2) Carrboro Business meetings and a Developers Roundtable meeting.
- Ran a successful business promotion campaign “For the Love of Carrboro.”
- Coordinated and outdoor concert in Town Commons in partnership with Cat’s Cradle.
- Began Marketing and Branding Campaign through selection of Creative Team.

UPCOMING FISCAL YEAR OBJECTIVES

- Continue to carry out recommendations of the Local Living Economy Task Force.
 - 1) By implementing a community branding process and initial marketing campaign.
 - 2) Establish a Carrboro Business organization to improve communication with and among the business community.
 - 3) Organize special events and business promotions i.e. For the Love of Carrboro, Tift Merritt Concert.
- Continue to market the Revolving Loan Fund, the Energy Efficiency Revolving Loan Fund and the newly created Carrboro Business Loan Fund.
- Work with the Arts Center on developing a plan for a Cultural Arts and Entertainment District.
- Work with the newly established TDA in administration of the local occupancy tax.
- Work with planning staff and UNC students to develop scope of work and schedules for developing a downtown parking plan.
- Explore second wave business development including services, infrastructure, and job development.
- Look for opportunities to encourage and facilitate walking and biking in the downtown.

BOARD PRIORITIES

Diversify revenue stream to maintain ethnic and economic diversity.
 Enhance and sustain quality of life/place issues for everyone.

OBJECTIVES

1. Diversify and expand the commercial tax base to create more high paying jobs in town and to promote the town’s image as a place for businesses.
2. Promote and support locally owned expanding and new start-up business with an emphasis on green and sustainable ventures.
3. Explore second wave business development, including services, infrastructure, and job development.
4. Increase the number of affordable energy efficient housing units.
5. Support the outside agency organizations that provide unmet human services for low-moderate income persons.

PERFORMANCE MEASURES

	FY2010-11 ACTUAL	FY2011-12 ACTUAL	FY2012-13 ESTIMATED	FY2013-14 PROJECTED
Increase the Commercial Space Square Footage	n/a	1,656,632	1,681,632	1,710,632
Business Privilege License Issued	n/a	948	950	950
Business Contacts/Counseling	n/a	6	10	12
Annual Savings on the EERLF	n/a	\$440	\$4,324	\$5,000
Funds Allocated to Non-Profits	n/a	\$145,883	\$153,177	\$175,000
Number of Non-Profits Applying	n/a	48	45	48
Number of Affordable Housing Units Approved	n/a	0	20	30
Number of Affordable Housing Units Built	n/a	3	8	9

BUDGET SUMMARY

ECONOMIC AND COMMUNITY DEVELOPMENT - DEPARTMENTAL TOTAL

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

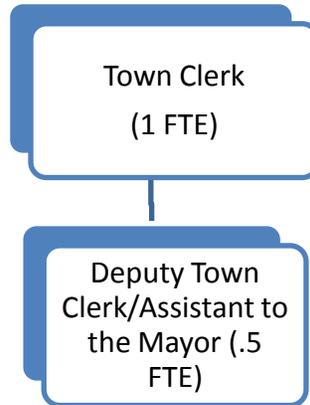
PERSONNEL	112,084	110,353	118,141	7%
OPERATIONS	37,012	44,043	141,793	222%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	149,097	154,396	259,934	68%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The primary change in the Economic and Community Development budget is the addition of the 300 E. Main St. parking lot lease.

TOWN CLERK

1.5 FTE



PURPOSE

The Town Clerk prepares Board of Aldermen meeting agendas and minutes and makes them available to citizens and town staff; maintains official town documents; prepares and makes available updates to the Town Code and provides support for the Mayor and Board of Aldermen.

GOALS

- Serve the Board and the public by facilitating the production of meeting agendas and minutes in a clear, timely fashion.
- Provide complete, accurate, and error free minutes to the Board of Aldermen so they can be approved without amendments.
- Maintain and organize official town documents, including the Town Code and all Town Contracts, for the use of the Board, staff, and the public.
- Provide multiple public access points for all minutes and agendas.
- Increase the use of available technology in storage and retrieval of all town documents.

SERVICES PROVIDED & ACTIVITIES

- Prepares minutes and agendas of Board of Aldermen meetings and makes these documents available electronically through the Town's website and stores the documents permanently.
- Posts video and audio of all Board of Aldermen meetings to the website.
- Maintains updated Town Code and posts on the town website.
- Maintains an accurate record of all ordinances approved by the Board of Aldermen.
- Prepares and distributes the monthly Calendar of Meetings.
- Prepares the Calendar of Agenda Items for review by the Town Manager.
- Maintains a roster of advisory boards and commissions and facilitates the application and appointment process.
- Plans the annual advisory board recognition dinner.
- Researches town records upon request.
- Indexes and stores all Town Contracts and/or agreements.

PREVIOUS YEAR ACCOMPLISHMENTS

- Scanned 10 years of Board of Aldermen's meeting minutes and made them available on the Town's website.

- Posted 100% of the updates to the Town Code on the Town's website within one week of adoption.
- Attended 42 Board of Aldermen meetings.
- Prepared agendas and minutes for 42 Board of Aldermen meetings.

UPCOMING FISCAL YEAR OBJECTIVES

- To increase the number of electronically indexed contracts.
- To continue scanning back-up files for pre-1994 Board of Aldermen's meetings and make them searchable on the town's website.
- To increase the number of scanned contracts from 15% to 25%.
- To implement Granicus agenda, meeting, and minute management software.

BOARD PRIORITIES

Enhance and sustain quality of life/place issues for everyone.

OBJECTIVES

1. Index and store all Town contracts and/or agreements.
2. Prepare minutes and make available on the website.
3. Increase the number of scanned contracts.
4. Increase the number of electronically indexed contracts.
5. Implement Granicus agenda, meeting, and minute management software.

PERFORMANCE MEASURES

	FY2010-11 ACTUAL	FY2011-12 ACTUAL	FY2012-13 ESTIMATED	FY2013-14 PROJECTED
# of Town Contracts on file with the Town Clerk	1,639	1,730	1,800	1,870
# of Board of Aldermen Minutes Prepared by Town Clerk	30	35	30	35
# Employee Hours Spent Electronically Indexing Contracts	120	120	120	120
# of Town Contracts Electronically Indexed	1,500	1,750	1,770	1,840
Employee Hours Per Set of Aldermen Minutes Prepared	2.5	2.5	2.5	2.0

BUDGET SUMMARY
TOWN CLERK - DEPARTMENTAL TOTAL

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
---------------------------	---------------------------------------	---------------------------------------	---------------

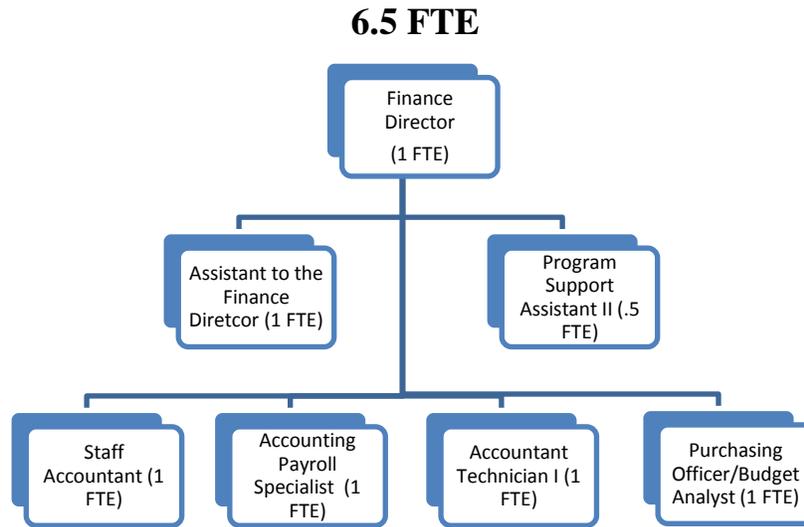
SUMMARY

PERSONNEL	74,174	71,967	104,121	45%
OPERATIONS	12,034	18,450	20,400	11%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	86,208	90,417	124,521	38%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Changes in the Town Clerk's budget are due to moving the Assistant to the Mayor/Deputy Clerk position from the Mayor and Board of Aldermen budget.

MANAGEMENT SERVICES



PURPOSE

To provide financial management support for the delivery of town-wide services through the administration of financial, budget, payroll, accounts payables, billing and collections, and project development through best business practices.

SERVICES PROVIDED & ACTIVITIES

- Coordinate the annual independent audit and CAFR.
- Coordinate development of operating and capital budgets.
- Provide financial reporting as required by state and federal law.
- Process payroll and accounts payables.
- Perform billing and collections for privilege license applications; dumpster billing; and other various Town delivered services.
- Manage cash and investments to ensure sufficient cash is available to pay current obligations and that idle cash is invested in accordance with state law.
- Issues purchase orders for goods and services, solicits bids, and manages procurement card program.
- Manage risk and insurance program, including claims management, general liability, police, and public officials, and auto/property liability.

GOALS

- To strengthen financial accountability throughout the organization.
- To process and record all transactions accurately and timely.
- To make financial information available to decision makers on a regular and timely basis.
- To evaluate and implement strategies to utilize technology for increased operating efficiency, effectiveness, and cost savings.

PREVIOUS YEAR ACCOMPLISHMENTS

- Implemented on-line processing in MUNIS system of purchase requisitions and purchase orders.
- Issued \$4.6 million general obligation bonds to continue financing sidewalk and greenways construction.
- Completed successful audit for year ending June 30, 2012 with no audit findings.

- Received Distinguished Budget Presentation Award from the Government Finance Officers Association.
- Received Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.
- Coordinated successful public auction for the sale of surplus property.

UPCOMING FISCAL YEAR ACTIVITIES

- Increase knowledge and awareness among departments on the use of MUNIS financial system.
- Secure favorable financing for vehicles and equipment replacement.
- Continue to identify strategies for streamlining administrative processes.
- Review and update policies and procedures.
- Coordinate annual audit and file all required financial reports with state and/or federal agencies.
- Continue to review opportunities for local purchasing.

BOARD PRIORITIES

Management Services supports all departments in their effort to meet board priorities & objectives.

OBJECTIVES

1. Process and record all transactions accurately and in a timely manner.
2. Coordinate development of operating and capital budgets.
3. Coordinate annual independent audit and CAFR.

PERFORMANCE MEASURES

	FY2010-11 ACTUAL	FY2011-12 ACTUAL	FY2012-13 ESTIMATED	FY2013-14 PROJECTED
Process Payroll for Town Employees According to Schedule	26	26	26	26
Number of Invoices Processed	4,792	4,992	5,091	5,091
Number of Purchase Orders Issued	292	370	400	492
Close Each Accounting Period According to Schedule	12	12	12	12
Develop an Annual Budget that Qualifies for GFOA Distinguished Budget Presentation Award	1	1	1	1
Issue a CAFR that Qualifies for the GFOA Certificate of Achievement	1	1	1	1

BUDGET SUMMARY

MANAGEMENT SERVICES - DEPARTMENTAL TOTAL

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

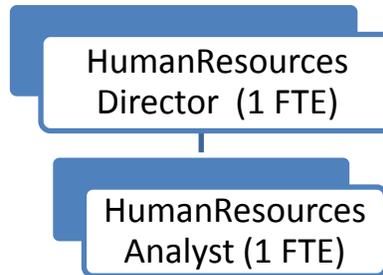
PERSONNEL	452,819	483,918	501,406	4%
OPERATIONS	546,769	544,034	561,029	3%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	999,588	1,027,952	1,062,435	3%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects an increase in salary due to last fiscal year increase which was budgeted in non-departmental. The increase in Operations is in Contractual Services.

HUMAN RESOURCES

2 FTE



PURPOSE

Partner with the management team to recruit, hire, develop, and retain a highly qualified diverse staff dedicated to delivering exemplary customer service and to creating an atmosphere of positive employee relations that focuses on the health and well-being of all employees.

GOALS

- Provide rewarding equal employment opportunities conducive to attracting applicants and retaining employees who have the education and experience commensurate with the position requirements.
- Focus on efforts to maintain positive employee relations through training, communication, and better together initiatives.
- Seek ways to improve and/or maintain a competitive and affordable fringe benefits package.
- Maintain a pay and position classification plan that is competitive with the external market while providing internal equity.

SERVICES PROVIDED & ACTIVITIES

- Advertises vacant positions, receives and screens employment applications, and assists departments with the hiring process.
- Conducts new employee orientations, including benefits enrollment sessions and surveys.
- Administers benefits program, including counseling all employees on benefits plan(s) and options.
- Sponsors munch-n-learn wellness activities.
- Counsels supervisors and employees on performance issues.
- Conducts salary surveys.
- Provides staff development training to employees.
- Assists departments with personnel and employee relations issues.
- Administers and monitors the performance evaluation process.
- Keeps supervisors and department heads abreast of legislative changes and guidelines that affect personnel administration.
- Maintains confidential personnel files in accordance with the General Statutes and completes reports according to state and federal regulations.

PREVIOUS YEAR ACCOMPLISHMENTS

- Implemented the board directive to “ban the box” from Town employment applications.
- Provided opportunity for employees to learn about affordable housing through Community Home Trust.
- Sponsored BB&T “At Work” Program for employees.
- Conducted benefits enrollment meetings townwide.

- Successfully negotiated a decrease in health insurance premiums.
- Provided customer service and supervisory training to staff.
- Sponsored flu shot clinic.
- Provided career counseling and interviewing techniques to unemployed residents.
- Coordinated the Combined Giving Campaign.
- Provided mini wellness day with chair massages and healthy snack options.
- Offered stress management munch 'n learn.
- Hosted receptions for retiring personnel.
- Sponsored employee recognition and appreciation activities and hosted potluck luncheon.
- Provided employment training sessions for high school students and the Employment Security Commission.
- Conducted new employee orientation sessions and benefits enrollment seminars.
- Assisted in the resolution of numerous employee relations matters.
- Used various methods to demonstrate appreciation of Town staff to enhance employee morale.

UPCOMING FISCAL YEAR OBJECTIVES

- Work with IT to implement on-line employment applications and explore digital implementation of the performance review and development system in conjunction with the website redesign project.
- Continue to work with the Town's benefits broker and insurance providers to seek ways to reduce benefits costs while maintaining a comprehensive and competitive benefits package.
- Offer on-site training opportunities in the area of technology.
- Document department work procedures for the purposes of succession planning.
- Collaborate with Management Services to integrate human resources and payroll operations and procedures using the MUNIS Financial System.
- Provide enhanced wellness education opportunities to staff and explore the use of incentives to boost participation in wellness events.
- Continue to offer customer service and supervisory training opportunities.
- Assist in implementing the results of the employee survey conducted by the Manager's Office.

BOARD PRIORITIES

Enhance quality of life/place issues for everyone.

OBJECTIVES

1. Provide wellness education opportunities.

PERFORMANCE MEASURES

	FY2010-11 ACTUAL	FY2011-12 ACTUAL	FY2012-13 ESTIMATED	FY2013-14 PROJECTED
# Applications Received and Processed	500	520	650	675
# Trainings, Orientation & Other Information Sessions	20	23	25	28
# Positions Advertised	13	18	22	20
Employee Turnover Rate	10.4%	7.5%	8%	7.5%
Probationary Completion Rate	96%	87%	90%	95%
Average # Days from Position Post to Date of Hire	89	78	70	70
% Commercial Drivers Passing Random Alcohol & Drug Testing	100%	100%	100%	100%

BUDGET SUMMARY

HUMAN RESOURCES- DEPARTMENTAL TOTAL

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

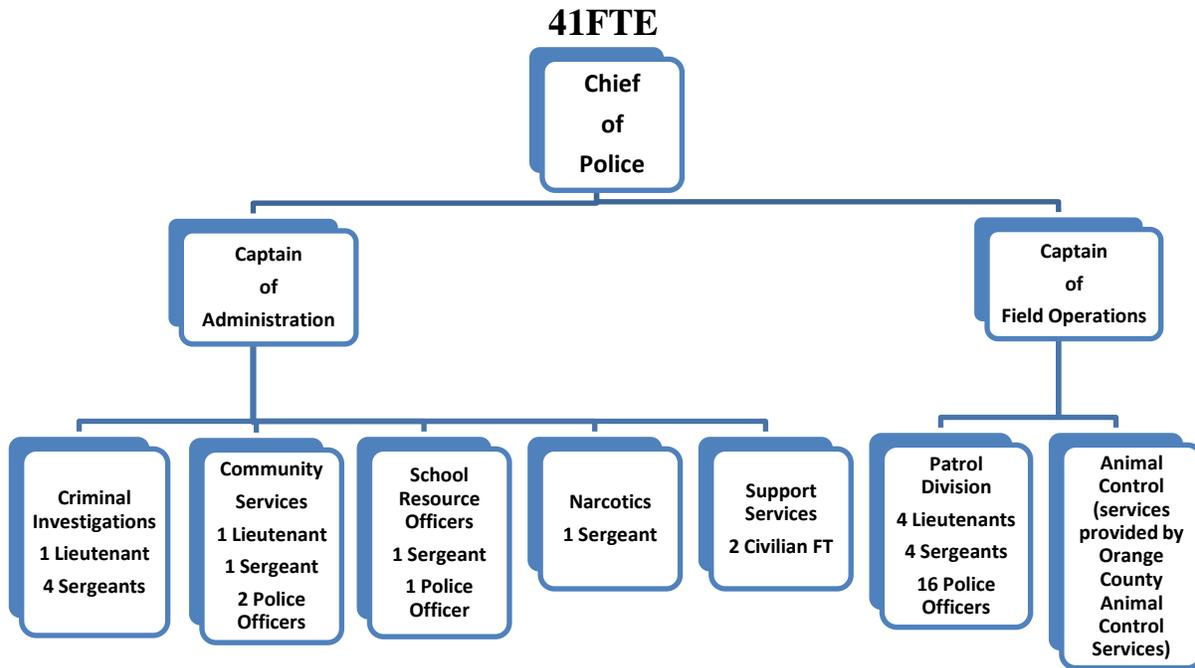
PERSONNEL	372,522	443,554	474,642	7%
OPERATIONS	53,090	63,720	65,402	3%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	425,612	507,274	540,044	6%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The increase in personnel is due to increased costs for retiree insurance. Operations increased in Contract Services.

This page intentionally left blank

POLICE DEPARTMENT



PURPOSE

The Police Department maintains public safety and contributes to improving the quality of life through the enforcement of criminal and traffic laws. Police Department personnel utilize and maximize all available resources, technological advances, and educational opportunities in an effort to provide professional police services.

GOALS

- Ensure Carrboro will continue to be a safe community for all residents, business owners/operators, and guests.
- Monitor and address traffic and pedestrian safety issues.
- Meet mandated training requirements.
- Develop and retain personnel who effectively deal with emergency, crisis, and/or complex situations and handle routine duties carefully and professionally.
- Train and develop employees for advancement and/or for expanding job responsibilities.

SERVICES PROVIDED & ACTIVITIES

- The Uniform Patrol Division provides 24-hour service and emergency response; effectively answers and initiates calls for service; conducts preliminary criminal investigations and initiates arrests; provides necessary traffic control and enforcement; investigates traffic accidents; and provides basic business/residential security checks.
- The Criminal Investigations Division investigates major criminal cases and offenses involving juveniles, sexual assault, and domestic violence; processes crime scenes; coordinates efforts with relevant area authorities and service providers; maintains the evidence/ property room; conducts prospective employee background investigations; and provides on-call service.

- The Community Services Division provides law enforcement and other community-related services; partners with the community to meet specific neighborhood-driven requests for assistance; follows-up on complaints of suspected gang-related activity; initiates narcotics investigations; provides School Resource Officers at McDougle Middle and Carrboro High Schools and works with other schools to enhance safety and security; provides general crime prevention and community watch services; works with business owners to enhance safety and security; and provides other community outreach activities.
- The Administrative Division provides direct service to walk-in visitors and answers telephone inquiries; maintains incident reports and other departmental records and compiles monthly Uniform Crime Report; administers Department budget; and ensures that Department personnel receive appropriate training and adhere to the Department's policies and procedures.
- As of July 1, 2013, Animal Control services will be provided by Orange County Animal Control.

PREVIOUS YEAR ACCOMPLISHMENTS

- Met all mandated training goals.
- Designed and Implemented the Fit for Duty Program to ensure that all officers are physically and mentally prepared to protect and serve.
- Partnered with local law enforcement agencies, NC SBI, NC National Guard Narcotics Task Force, US Marshals, US Drug Enforcement Agency, and US Alcohol, Tobacco and Firearms during narcotics investigations thus reducing the number of drug houses and street-level drug sales locations.
- Provided police services during all special events that required them.
- Increased the number of directed patrols and speed enforcement campaigns involving Uniform Patrol Division personnel from 1500 to 1700 (estimated).
- Increased the number of pedestrian safety operations involving Community Services Division personnel by 200% to date.
- Obtained new or enhanced revenue sources.
- Continued succession planning efforts.
- Maintained staffing levels at, or near, full by hiring 3 new officers. In addition, we will continue with promotion of current officers following the retirement of three senior staff members (March, July, and October).
- Partnered with Public Works and Recreation and Parks staff to provide a safe setting for 4th of July Celebration, Carrboro Day, Carrboro Music Festival, the Tift Merritt concert, and several road races.

UPCOMING FISCAL YEAR OBJECTIVES

- Decrease Fuel Consumption by 5 %
- Meet mandated training goals.
- Complete Policy Manual Update.
- Maintain Carrboro's Safety for residents, business owners/operators and visitors.
- Increase the number of directed patrols and speed enforcement campaigns involving Uniform Patrol Division personnel.
- Increase the number of pedestrian safety operations involving Community Services Division personnel.
- Reduce the number of traffic accidents.
- Implement management/leadership training for career progression.
- Reduce the number of known drug houses and street-level drug sales locations.

- Obtain new or enhanced revenue sources.
- Maintain staffing levels: hire new officers and promote current officers following the retirement of three senior staff members.
- Continue partnership with Public Works and Recreation and Parks staff to provide a safe setting for all special events.

BOARD PRIORITIES

Enhance and sustain quality of life/place issues for everyone.
 Improve walkability and public transportation.

OBJECTIVES

1. Maintain Carrboro’s safety for residents.
2. Reduce number of traffic accidents.
3. Increase pedestrian safety operations.
4. Maintain Carrboro’s safety for residents by reducing open air drug market.

PERFORMANCE MEASURES

	FY2010-11 ACTUAL	FY2011-12 ACTUAL	FY2012-13 ESTIMATED	FY2013-14 PROJECTED
Calls for Service	17,926	21,586	22,505	23,505
Motor Vehicle Accidents	479	475	502	485
Criminal Arrests	687	829	778	764
Pedestrian Crossing Citations Issued	NA	29	78	82
# of Safety Operations	N/A	5	19	25
Narcotics Arrests	157	149	133	146

**BUDGET SUMMARY
POLICE - DEPARTMENTAL TOTAL**

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	2,832,426	2,774,400	2,853,401	3%
OPERATIONS	367,594	366,255	464,469	27%
CAPITAL OUTLAY	222,644	141,120	241,576	71%
TOTAL	3,422,663	3,281,775	3,559,446	8%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Personnel costs increased with the increase in early separation expenses. The operations budget increased primarily due to the P25 radio flash upgrades and the Animal Control contract with Orange County as they take over the Town's animal control services. Increase in capital outlay reflects the purchase of more replacement vehicles than the prior year.

Division Level Summaries

**POLICE ADMINISTRATIVE SUPPORT
510**

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	482,278	460,816	471,647	2%
OPERATIONS	33,842	40,223	37,553	-7%
CAPITAL OUTLAY	-	-	38,896	0%
TOTAL	516,120	501,039	548,096	9%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The increase in the Administrative Support Division personnel budget is due to the added costs of early separation. Operations costs decreased with decreases in training and fuel costs and Capital Outlay increased due to a vehicle replacement.

**POLICE PATROL
511**

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	1,645,312	1,482,146	1,561,757	5%
OPERATIONS	243,138	238,359	292,795	23%
CAPITAL OUTLAY	161,491	105,840	202,680	91%
TOTAL	2,049,941	1,826,345	2,057,232	13%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The Patrol Division personnel budget reflects an increase with the added cost of early separation. Changes in Operations include an increase for P25 flash radio upgrades. Capital Outlay increased with the purchase of more replacement vehicles then the prior year.

**POLICE COMMUNITY SERVICES
512**

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	351,900	429,622	471,947	10%
OPERATIONS	40,585	39,668	38,588	-3%
CAPITAL OUTLAY	-	35,280	-	-100%
TOTAL	392,485	504,570	510,535	1%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The Community Services Division budget reflects an increase in personnel cost due to early separation costs. Operations budget changed due to a decrease in fuel and vehicle supplies and capital outlay decreased with no purchase of a replacement vehicle as in the prior year.

POLICE INVESTIGATIONS
515

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	297,744	347,003	348,050	0%
OPERATIONS	40,913	37,515	37,311	-1%
CAPITAL OUTLAY	47,171	-	-	0%

TOTAL	385,828	384,518	385,361	0%
--------------	----------------	----------------	----------------	-----------

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The Investigations Division budget remains relatively stable.

POLICE ANIMAL CONTROL
518

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	55,191	54,813	-	-100%
OPERATIONS	9,116	10,490	58,222	455%
CAPITAL OUTLAY	13,982	-	-	0%

TOTAL	78,289	65,303	58,222	-11%
--------------	---------------	---------------	---------------	-------------

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

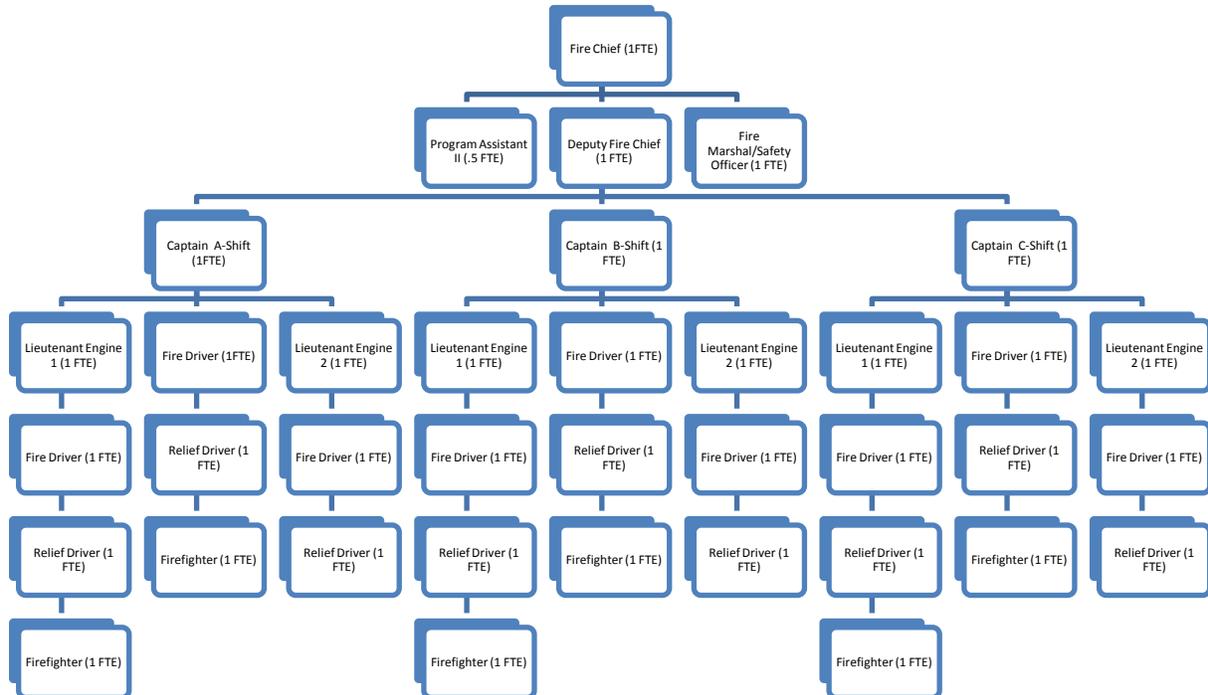
The decrease in the Animal Control budget is due to contracting with Orange County Animal Control Services for the Town.

This page intentionally left blank

This page intentionally left blank

FIRE AND RESCUE DEPARTMENT

36.5 FTE



PURPOSE

To protect lives, property, and the community from the destructive effects of fire, natural disasters, and hazards by providing public education, incident prevention, and emergency response services.

GOALS

- Provide OSHA-mandated safety training to applicable employees within ten days of employment and annually, thereafter.
- For fiscal year 2014, attain an annual cardiac arrest save rate of 28%.
- Provide bi-monthly safety inspections of all town properties to ensure the safety of citizens and employees.
- Quarterly, conduct a minimum of one training session per shift with a mutual-aid partner, on a rotating basis.
- Contain at least half of all structure fires in the Town limits to the room of origin in order to reduce property damage.

SERVICES PROVIDED & ACTIVITIES

- Provides 24-hour fire suppression, light rescue, and emergency medical services for the Town of Carrboro and the South Orange Fire District.
- Certified as a Light Rescue agency recognized by the North Carolina Association of Rescue and Emergency Medical Services.
- Conducts fire investigations in order to effectively determine the cause and origin of fires within the Town and the extra-territorial jurisdiction (ETJ).
- Delivers fire and life safety education to schools, day cares, and community groups.

- Provides fire prevention and code enforcement by performing fire inspections throughout the Town in accordance with the NC Fire Code.
- Provides plan reviews, acceptance tests and fire inspections with cooperation from Orange County Fire Marshal's Office and the Carrboro Planning Department.
- Provides emergency staffing and special services during town-sanctioned activities and events.
- Responds to and/or initiates Chapter 11 complaints and enforces town code.
- Ensures department personnel receive all mandated training as required by OSHA, OSFM, and NFPA.
- Educates parents and guardians on the proper care, use, and maintenance of child passenger safety seats.
- Administers a smoke alarm installation and maintenance program that is free to all residents of Carrboro and the South Orange Fire District.

PREVIOUS YEAR ACCOMPLISHMENTS

- Maintained a cardiac arrest save rate of 25%.
- Recorded 4,696(estimate) public education contacts.
- Checked and/or installed 321 child passenger seats.
- Installed 98 smoke alarms and distributed 45 address markers.
- Promoted three new Relief Drivers.

UPCOMING FISCAL YEAR OBJECTIVES

- Pursue Accreditation through the Commission on Fire Accreditation International; develop a Strategic Plan and Standard of Cover for Carrboro Fire-Rescue Dept.
- Move to unit dispatching with Orange County 9-1-1 to provide for faster, more appropriate emergency response based on the nature of calls, their location, and available resources.
- Purchase new Rescue Pumper Tanker.

BOARD PRIORITIES

Protect historic neighborhoods and maintain Carrboro's unique identity.
Enhance and sustain quality of life/place issues for everyone.

OBJECTIVES

1. Provide OSHA mandated safety training. Conduct quarterly training session with mutual-aid partner.
2. Move to unit dispatching with Orange County 9-1-1 to provide faster response.
3. Conduct state mandated fire inspections.
4. Provide 24-hour fire suppression, light rescue, and emergency medical services for the Town and South Orange Fire District.
5. Conduct OSHA mandated safety inspections.
6. Contain at least half of all structure fires in the Town limits to the room of origin in order to reduce property damage.

PERFORMANCE MEASURES

	FY2010-11 ACTUAL	FY2011-12 ACTUAL	FY2012-13 ESTIMATED	FY2013-14 PROJECTED
Training Hours	288.5	230.25	280	300
Median Response Times	4:26	4:25	4:25	4:20
Plans Reviewed	143	193	135	145
Turnout time	75 seconds	55 seconds	35 seconds	33 seconds
Fire Inspections	1,006	1,047	1,050	1,060
Fire & EMS Responses - Town	1,136	1,179	1,234	1,260
Fire & EMS Responses - County	256	227	248	260
Safety Inspections	27	18	30	30
Cost per Response	\$1,813	\$1,782	\$1,718	\$1,730
Fire Loss	\$334,805	\$68,805	\$118,348	\$80,000

**BUDGET SUMMARY
FIRE - DEPARTMENTAL TOTAL**

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	2,358,622	2,219,345	2,308,037	4%
OPERATIONS	236,713	286,414	320,116	12%
CAPITAL OUTLAY	143,330	25,200	6,000	0%
TOTAL	2,738,665	2,530,959	2,634,153	4%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects an increase in salary due to last fiscal year increase which was budgeted in non-departmental and budgeting for shift wages. Changes in Operations include an increase for P25 flash radio updates. Capital Outlay decreased due to no replacement vehicle purchase.

Division Level Summaries

FIRE SUPERVISION

530

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	121,766	119,229	122,225	3%
OPERATIONS	24,398	32,269	31,838	-1%
CAPITAL OUTLAY	-	-	3,000	0%

TOTAL	146,164	151,498	157,063	4%
--------------	----------------	----------------	----------------	-----------

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects an increase in salary due to last fiscal year increase which was budgeted in non-departmental. Capital Outlay includes replacement of office furniture and kitchen chairs.

FIRE SUPPRESSION

531

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	2,165,911	2,031,507	2,114,745	4%
OPERATIONS	196,422	238,110	272,910	15%
CAPITAL OUTLAY	143,330	25,200	3,000	-88%

TOTAL	2,505,663	2,294,817	2,390,655	4%
--------------	------------------	------------------	------------------	-----------

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects an increase in salary due to last fiscal year increase which was budgeted in non-departmental and budgeting for shift wages. Changes in Operations include an increase for P25 flash radio updates. Capital Outlay decreased due to no replacement vehicle purchase and includes replacement of office furniture and kitchen chairs.

FIRE PREVENTION AND SAFETY

532

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

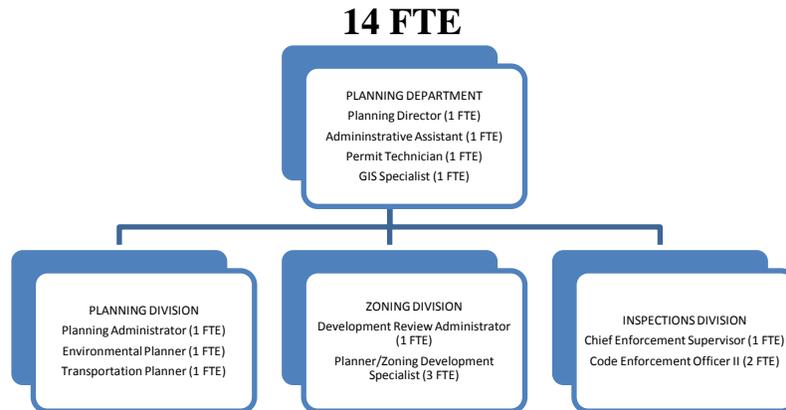
PERSONNEL	70,944	68,609	71,067	4%
OPERATIONS	15,893	16,035	15,368	-4%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	86,837	84,644	86,435	2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects an increase in salary due to last fiscal year increase which was budgeted in non-departmental.

This page intentionally left blank

PLANNING DEPARTMENT



PURPOSE

The Planning Department's mission is to help the Town define and carry out its vision for sustaining existing and future populations. The department monitors the availability and use of resources needed to maintain a balance desired by the community as a whole. The department fulfills this mission by offering professional planning, zoning, building code, and engineering and geographic information services to residents, property owners, and businesses.

GOALS

- To deliver excellent service in a timely and responsive manner, ensuring effective and efficient use of financial, human and physical resources, innovative and engaging support for community initiatives, and clear and successful communication strategies.
- To emphasize the protection of existing neighborhoods, development that is compact, energy-considerate and ecologically appropriate, therefore promoting trust, mutual respect, acceptance, happiness, and well-being.
- To coordinate development of a well balanced public infrastructure, including green infrastructure which improves walkability and access to transit.
- To evaluate and support commercial/ office/business/residential mixed use developments in new or redeveloping areas in support of strategic priorities to diversify revenue streams and maintain ethnic and economic diversity.

SERVICES PROVIDED & ACTIVITIES

- Development Review and Permitting
- Minimum Housing Code Enforcement
- Building Inspections and Code Enforcement
- Intergovernmental Relations
- Geographic Information Services
- Land Use Planning
- Transportation Planning – bikeways, greenways, sidewalks, streets
- Environmental Planning
- Engineering Review Services
- Storm Water, Floodplain, and Watershed Management
- Energy Planning and climate protection/resiliency
- Staff Support for Advisory Boards

PREVIOUS YEAR ACCOMPLISHMENTS

- Completion of Physical Activity Action Planning and Safe Routes to Schools Action Plans; adoption by the Board of Aldermen
- Establishment of Community Solar Investment Group and installation of photovoltaic array at Town Commons.
- Successful completion/close-out of EPA 319 Bolin Creek BMP grants activities including Dry Gulch stream restoration.
- Creation of detailed transportation data network for use in analyzing local transportation; published the Carrboro Community Map on the Internet as part of ESRI's national Topographic basemap, making town data available to all users of GIS worldwide.

UPCOMING FISCAL YEAR OBJECTIVES

- Evaluate and schedule completion of Comprehensive LUO review/update and evaluate need for strategic or comprehensive planning/update.
- Complete construction planning and support for construction administration of Bolin Creek Phase 1B and Morgan Creek greenways.
- Coordinate sustainability action planning effort; maintain engagement with local governments in the region and statewide on energy efficiency initiatives, including planning for ongoing sustainability of local efforts (e.g. residential and commercial retrofits, LED street lights) .
- Update and streamline permit application processes, maximizing use of technology.

BOARD PRIORITIES

Diversify revenue stream.

Enhance and sustain quality of life/place issues for everyone.

Protect historic neighborhoods and maintain Carrboro's unique identity.

OBJECTIVES

1. Evaluate and schedule completion of Comprehensive LUO review/update.
2. Evaluate need for strategic or comprehensive planning/update.

PERFORMANCE MEASURES

	FY2010-11 ACTUAL	FY2011-12 ACTUAL	FY2012-13 ESTIMATED	FY2013-14 PROJECTED
# of LUO Amendments	5	5	6	8
# of Conditional Use Permits	1	3	2	1
# of Special Use Permits	1	2	1	1
# of Zoning Permits	91	86	85	90
# of Bldg Permits for New Residential Units in Town	50	92	51	130
Estimated Building Permit Construction Value for New Residential in Town	\$8.9 M	\$14.5 M	\$10.4 M	\$15.9M
Estimated Building Permit Value for New Commercial in Town	\$1 M	\$15.6 M	\$ 3.1 M	\$2.1 M
# of Cos Issued for New Residential Units in Town	117	79	55	60
Inspections per day per Inspector FTE	11.5	8.7	10.1	9.4

**BUDGET SUMMARY
PLANNING - DEPARTMENTAL TOTAL**

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
SUMMARY				
PERSONNEL	934,187	1,033,654	1,054,246	2%
OPERATIONS	111,667	201,334	207,658	3%
CAPITAL OUTLAY	-	9,190	-	0%
TOTAL	1,045,855	1,244,178	1,261,904	1%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects an increase in salary due to last fiscal year increase which was budgeted in non-departmental. Operations increased with additional contract services and training costs.

Planning Department *Division Level Summaries*

PLANNING SUPERVISION

540

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
SUMMARY				
PERSONNEL	395,942	453,943	463,498	2%
OPERATIONS	53,269	170,306	175,734	3%
CAPITAL OUTLAY	-	9,190	-	0%
TOTAL	449,211	633,439	639,232	1%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects an increase in salary due to last fiscal year increase which was budgeted in non-departmental. Operations increased due to additional contract services.

PLANNING ZONING
541

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	283,330	333,477	334,503	0%
OPERATIONS	47,113	13,757	13,968	2%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	330,443	347,234	348,471	0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects an increase in salary due to last fiscal year increase which was budgeted in non-departmental. Operations increase due to training costs.

PLANNING INSPECTIONS
542

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	254,916	246,234	256,245	4%
OPERATIONS	11,285	17,271	17,956	4%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	266,201	263,505	274,201	4%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects an increase in salary due to last fiscal year increase which was budgeted in non-departmental. Operations increased due to additional training costs.

This page intentionally left blank

TRANSPORTATION

PURPOSE

The Transportation cost center is used to account for expenditures associated with the Town's contract for public transportation services. The Town of Carrboro is a financial partner with the Town of Chapel Hill and the University of North Carolina for the provision of public transportation services throughout the Chapel Hill, Carrboro, and UNC community. Carrboro provides transportation services through an annual contract with Chapel Hill Transit, which is a municipal department within the Town of Chapel Hill. Carrboro's annual expenditures are determined through a locally developed formula which allocates system expenses based upon population. FY2010-2011 annual budget for Chapel Hill Transit was \$16.8 million.

GOALS

- Improve quality of public transportation service.
- Improve level of public transportation service.
- Improve access to public transportation.

SERVICES PROVIDED & ACTIVITIES

- Fixed route transit encompasses all regular bus service to Carrboro residents.
- EZ Rider is a special demand-response service using lift-equipped vehicles to transport individuals with mobility limitations that prevent them from using regular fixed route buses.
- Tar Heel Express is a special service for UNC home basketball and football games.
- Bike-on-bus allows transit riders to put their bicycle on the front of any bus.

PREVIOUS YEAR ACCOMPLISHMENTS

Chapel Hill Transit overall:

- Service area of approximately 62 square miles.
- Statistics for calendar year 2011 are provided in the table below.

Service Consumption	Amount
Annual Passenger Miles	15,920,979
Annual Unlinked Trips	7,200,748
Average Weekday Unlinked Trips	28,041
Average Saturday Unlinked Trips	2,160
Average Sunday Unlinked Trips	1,085
Service Supplied	
Annual Vehicle Revenue Miles	2,240,118
Annual Vehicle Revenue Hours	190,757

- In the 2011-2012 fiscal year, total system ridership was 7 million which was virtually equal to the 2010-2011 fiscal year.
- 91% of customer survey respondents rated Chapel Hill Transit service as excellent or good.
- Chapel Hill Transit's fleet increased from 98 vehicles in 2005 to 143 in 2012.
- Fleet fuel economy increased from 4.10 MPG in 2005 to 4.74 in 2012.
- Chapel Hill Transit is conducting studies such as a long-term financial sustainability plan and Martin Luther King, Jr., Blvd. Alternatives Analysis, which are expected to carry into FY 13-14.
- On average between 2007 and 2011, 15.5 percent of Carrboro residents used transit to commute, according to the American Community Survey, compared to 9.1 percent in 2000.

UPCOMING FISCAL YEAR OBJECTIVES

- Work with Chapel Hill Transit to more effectively manage current level of public transportation service in Carrboro.
- Work with Chapel Hill Transit to extend service into areas of Carrboro that are currently not served by fixed route service.

Work with Chapel Hill Transit, Triangle Transit, and Orange County jurisdictions to continue planning for transit investments in the county, including service extensions to or within Carrboro.

PERFORMANCE MEASURES	FY2010-11 ACTUAL	FY2011-12 ACTUAL	FY2012-13 ESTIMATED	FY2013-14 PROJECTED
Average Daily Ridership (Boarding)	3,649	3,436	3,567	3,632
Average Daily Ridership (Alighting)	3,486	3,353	3,324	3,402

BUDGET SUMMARY

TRANSPORTATION- DEPARTMENTAL TOTAL

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	-	-	-	0%
OPERATIONS	1,032,825	1,240,000	1,396,423	13%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	1,032,825	1,240,000	1,396,423	13%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

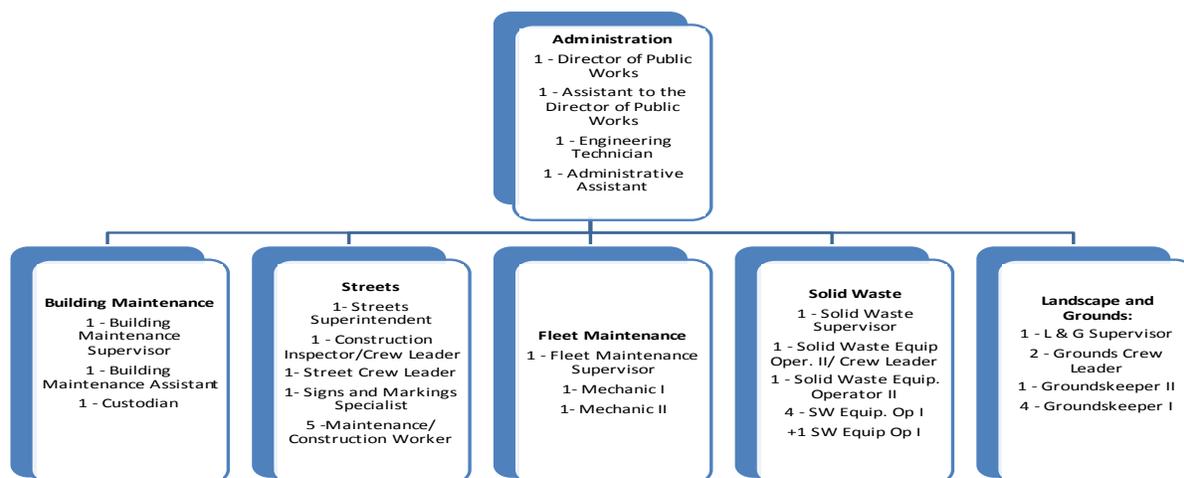
The transportation budget increased due to the increase in cost share.

This page intentionally left blank

This page intentionally left blank

PUBLIC WORKS DEPARTMENT

35 FTEs



PURPOSE

The Public Works Department provides basic municipal services that promote a healthy and safe environment for the residents of Carrboro and the general public.

GOALS

- Provide timely, cost effective maintenance of public street system, including signage, storm drainage system, bike paths, and right-of-way.
- Provide cost effective, reliable solid waste collection and disposal services.
- Maintain public buildings and grounds in an environmentally friendly manner so they are pleasant and safe gathering spaces.
- Provide cost effective maintenance of the town's motor vehicle fleet and equipment.
- Administer construction projects within budget and on schedule.

SERVICES PROVIDED & ACTIVITIES

- Provide administration and general support for service delivery and construction projects.
- Provide general street and right-of-way maintenance services which include street repair, street sweeping, sign installations, pavement markings, mowing, and litter control.
- Responsible for inclement weather street maintenance, e.g. ice and snow removal, hurricane and other types of storm clean-up.
- Provide municipal solid waste collection to single family residences and multi-family units. Solid Waste collection is also provided to commercial users who elect to use the town's service. Yard waste collection and bulky waste collection is provided to single family residences.
- Provide building maintenance and repair for Town Hall, Century Center complex, Fire Department, Public Works facility, bus shelters, and park facilities.
- Manage cemetery operations which include selling and marking plots at the town's two cemeteries.
- Maintain and repair town vehicles and equipment. Maintenance activities include preventative maintenance and inspections.

- Beautify the town's parks and planting areas with landscaping and ornamental design.
- Provide annual leaf collection program.
- Provide park facility and ball field maintenance at the town's parks, and assist the Recreation and Parks Department with special annual events such as Carrboro and Independence Day celebrations, Halloween, and the Carrboro Music Festival.
- Provide construction monitoring and inspection of public improvements within private development projects.

PREVIOUS YEAR ACCOMPLISHMENTS

- Provided routine municipal services – solid waste collection, street and right-of-way maintenance, mowing of town properties, tree trimming and removal, ball field preparation, leaf collection, facility maintenance, vehicle and equipment maintenance.
- Provided construction inspection and administration for Elm Street sidewalk project. Project completed.
- Provided construction inspection and administration for Pine Street sidewalk projection. Project completed.
- Negotiated design contract with consultant for Rogers Road sidewalk project. Project under design.
- Assisted Planning Department with construction administration of Wilson Park Multi-Use path. Project completed.
- Design completed for Davie Road sidewalk project. Obtained 10 easements and 9 pieces of right-of-way and 1 encroachment agreement.
- Preliminary engineering completed for proposed Roberson Street sanitary sewer.
- Construction monitoring and inspection for the following developments: 300 E. Main St, Winmore, Claremont North, The Legends, Ballentine.
- Continued Town wide effort for fuel conservation with the purchase of fuel efficient vehicles when possible, monitoring town wide fuel usage, encouraging all employees to conserve fuel when distributing quarterly fuel usage reports.
- Conducted annual Arbor Day Observance.
- Completed annual purchase of new vehicles and equipment.
- Helped to facilitate annual town auction of vehicles and equipment.
- Provided support for 8 special events (4 races, Carrboro Day, July 4th, concert on the Town Commons, Fall Music Fest)
- Removed traffic island in Cobblestone Place cul-de-sac and re-paved area.
- Used contractor to refinish floor in Century Hall.
- Implemented first year of Adopt-A-Planting Bed program.
- Re-decorated Board Room and installed TV monitor for improved viewing of presentations.
- Continued replacing T-12 bulbs with T-8 bulbs. Completed first year of 4 year replacement program.
- Painted lower lever of Century Center including hallways and meeting rooms.

UPCOMING FISCAL YEAR OBJECTIVES

- Provide construction inspection and administration of Davie Road sidewalk project.
- Finish design and start construction for Rogers Road sidewalk project.
- Implement construction of proposed Roberson Street sanitary sewer.
- Assist Planning Department with implementation of the Bolin Creek Greenway and Morgan Creek Greenway projects. Anticipate finishing Bolin Creek Greenway and starting construction on Morgan Creek greenway.
- Conduct pavement condition survey (done every three years).
- Plan and administer bi-annual resurfacing of streets.

- Provide construction monitoring and inspection of the following developments: Winmore, Ballentine, PTA Thrift Shop.
- Implement solid waste service modifications due to Orange County landfill closing June 30, 2013.
- Expand Adopt-a-Planting Bed program by adding one or two new locations.
- Purchase and begin using a fully automated leaf collection unit to improve efficiency of leaf collection operations.
- Continue replacement of T-12 bulbs with T-8 bulbs in various facilities to reduce energy consumption.
- Increase amount of interior painting at various facilities to improve appearance. Use low VOL paints where possible.
- Hire a consultant to perform study of potential improvements to the Town Commons in-field area.
- Maintain service levels of existing operations.

BOARD PRIORITIES

Improve walkability and public transportation.
Enhance and sustain quality of life.

OBJECTIVES

1. Provide construction inspection and administration of Davie Road sidewalk project, finish design and start construction for Rogers Road sidewalk project, conduct pavement condition survey.
2. Maintain service levels of existing operations.
3. Implement solid waste service modifications due to Orange County landfill closing June 30, 2013.
4. Continue replacement of T-12 bulbs with T-8 bulbs in various facilities to reduce energy consumption.
5. Increase amount of interior painting at various facilities to improve appearance. Use low VOL paints where possible.
6. Plan and administer bi-annual resurfacing of streets.
7. Conduct pavement condition survey (every 3 years).

PERFORMANCE MEASURES

	FY2010-11 ACTUAL	FY2011-12 ACTUAL	FY2012-13 ESTIMATED	FY2013-14 PROJECTED
# of Construction Contracts Administered	3	3	3	3
# of Maintenance Contracts Administered	3	3	4	3
Miles of Road Maintained	43.27	44.22	44.22	47.52
Miles of Bike Path Maintained	1.15	1.15	1.45	2.25
# of Rollout Containers	3930	4002	4060	4120

	FY2010-11 ACTUAL	FY2011-12 ACTUAL	FY2012-13 ESTIMATED	FY2013-14 PROJECTED
# of Multi-family and Commercial Dumpsters	187	187	187	187
Square feet of Building Space Maintained	61,317	61,317	61,317	61,317
# of Burials	16	10	20	15
Total # of Vehicles Maintained	966	97	97	98
Total # of Additional Rolling Stock Maintained	28	28	28	28
Acres of Park Maintained	96	96	96	96
# of Play Fields Maintained	7	7	7	7
Cost of Asphalt Maintenance per Lane Mile	\$442	\$440	\$442	\$455
Cost of Centerline Mile Resurfaced (every 2 yrs)	N/A	\$104,824	N/A	\$120,280
Refuse Tons per 1,000 Population (all sources)	377	387	388	386
Cost per Ton Collected (all tons)	\$105	\$128	\$149	\$189
# of Work Orders per Fleet Technician FTE per Year	574	535	547	550
% of Construction Contracts Completed	100%	100%	100%	100%
% of Maintenance Contracts Completed	100%	100%	100%	100%
Street Pavement Index Rating (Average Pavement Condition Rating for Town-Maintained System)	89	N/A	89	N/A

**BUDGET SUMMARY
PUBLIC WORKS - DEPARTMENTAL TOTAL**

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	1,875,064	1,881,686	1,961,898	4%
OPERATIONS	1,488,456	1,571,821	1,603,294	2%
CAPITAL OUTLAY	109,453	281,725	586,169	108%
TOTAL	3,472,972	3,735,232	4,151,361	11%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects an increase in salary due to last fiscal year increase which was budgeted in non-departmental and the addition of a solid waste operator. Operating costs increased due to utility costs, fuel and vehicle maintenance and repairs. Capital Outlay costs increased with the replacement and addition of solid waste vehicles. Details of the changes are highlighted in the division descriptions.

Public Works Department *Division Level Summaries*

PUBLIC WORKS SUPERVISION

550

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	323,578	316,451	324,756	3%
OPERATIONS	19,515	32,670	43,429	33%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	343,093	349,121	368,185	5%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects an increase in salary due to last fiscal year increase which was budgeted in non-departmental. A study the Town Commons is included in operations for 2013-14.

PUBLIC WORKS STREET MAINTENANCE

560

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
--	---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	542,640	505,138	507,741	1%
OPERATIONS	372,514	400,348	413,123	3%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	915,154	905,486	920,864	2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects an increase in salary due to last fiscal year increase which was budgeted in non-departmental. Operations cost increased with an increase in utilities.

PUBLIC WORKS SOLID WASTE MANAGEMENT

580

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
--	---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	338,009	341,991	395,300	16%
OPERATIONS	546,064	589,528	540,087	-8%
CAPITAL OUTLAY	103,058	231,000	583,800	0%
TOTAL	987,131	1,162,519	1,519,187	31%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects an increase in salary due to last fiscal year increase which was budgeted in non-departmental and the addition of a solid waste operator. Operations expenses decreased due to reduction in landfill fees by using Waste Industries transfer center. Capital Outlay reflects an increase based on the purchase of a new front loader refuse truck and replacement of a side loader refuse truck.

PUBLIC WORKS CENTRAL SERVICES

590

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	165,517	159,060	162,605	2%
OPERATIONS	293,794	310,245	335,178	8%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	459,311	469,305	497,783	6%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects an increase in salary due to last fiscal year increase which was budgeted in non-departmental. Operating costs increased due to increased utilities and contract services.

PUBLIC WORKS FLEET MAINTENANCE

591

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	179,113	171,037	178,885	5%
OPERATIONS	56,466	31,885	45,009	41%
CAPITAL OUTLAY	6,395	7,800	0	0%
TOTAL	241,973	210,722	223,894	6%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects an increase in salary due to last fiscal year increase which was budgeted in non-departmental. The Fleet Division operating costs increased with added equipment repairs and maintenance. The decrease in capital outlay is for a tire machine that was purchased in the previous fiscal year.

PUBLIC WORKS LANDSCAPING
592

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
--	---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	326,208	388,009	392,612	1%
OPERATIONS	200,103	207,145	226,468	9%
CAPITAL OUTLAY	-	42,925	2,369	-94%
TOTAL	526,311	638,079	621,449	-3%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

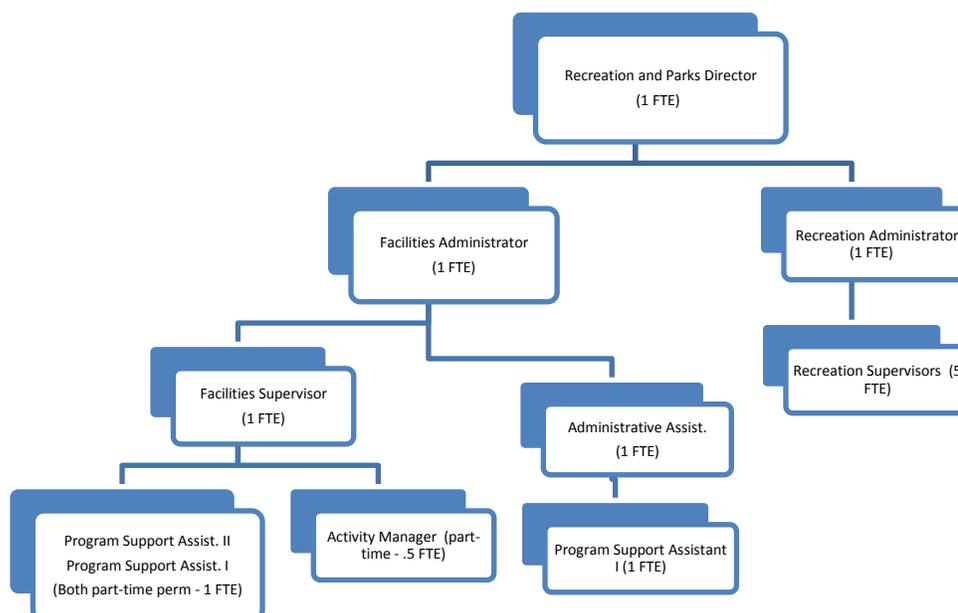
The change in personnel reflects an increase in salary due to last fiscal year increase which was budgeted in non-departmental. Operating costs increased due to an increase in contract services. Capital Outlay includes the purchase of small tools.

This page intentionally left blank

This page intentionally left blank

RECREATION AND PARKS DEPARTMENT

12.5 FTE



PURPOSE

Enrich the leisure needs and quality of life for citizens by providing accessible facilities, creative and diverse recreation opportunities and a safe public park system.

GOALS

- Develop new marketing strategies and tools to make the public aware of programs and events.
- Continue to manage facilities in a manner which minimizes usage conflicts, overcrowding, and costs.
- Create public/private partnerships for various special programs to maximize revenue and the marketing potential of the programming while minimizing program costs for the Town of Carrboro.
- Ensure the attractiveness of the Century Center and parks by providing properly functioning equipment and facilities that are properly maintained to ensure they are aesthetically pleasing, clean, sanitary and safe.
- Evaluate community events and related marketing efforts to further promote Carrboro's local economic development efforts with emphasis on the arts and entertainment industries.
- Use evaluations and surveys to provide citizens with creative programs.
- Increase and improve our cultural diversity in programs through outreach and program accessibility.
- Work as needed with local citizens' group to raise money for park enhancements.

- Expand volunteer recruitment and enhance utilization of volunteers to offset costs of events and programs.
- Improve the efficiency and effectiveness of the Facilities Division by continuing to update standard operating procedures and obtaining evaluations from renters and other patrons.

SERVICES PROVIDED & ACTIVITIES

- Develop, market, and implement recreation and leisure programs such as leagues, classes and other events that improve the quality of life for the citizens of Carrboro.
- Participants engage in activities that promote socialization, friendship, teamwork and sportsmanship. Many of these programs help to improve mental, physical, emotional and social well-being by promoting positive interactions in a well-planned, organized and safe environment.
- Oversee parks and facilities that provide space to enjoy nature, build family unity, meet friends and build strong bodies.
- Through the recruitment and hiring of staff and volunteers, we build a connection between residents in the community. We provide the opportunity for these individuals to serve in their community and build relationships with other citizens that create memories and further interactions outside our organization.
- Offer diversified programs reflective of citizen needs and promotes sensitivity to cultural diversity.
- Recognize the importance of citizen involvement and input through local citizen groups and board appointed committees.
- Demonstrate excellent customer service to citizens who register for programs and reserve or use recreation and park facilities.
- Facilitate in planning and staging community events that enhance the Paris of the Piedmont philosophy and community pride.
- Operate a variety of indoor and outdoor facilities which help bring the community together by providing space, promoting values, community activity and healthy living.

PREVIOUS YEAR ACCOMPLISHMENTS

- In addition to ongoing programs and classes new program offerings this year included - Big & Little Disc Golf Tournament, Corn Hole Tournament, Mountain Biking Camp, Kayaking Camp, Little Dragons Martial Arts Instruction, Family Paddle Class & Trip, Vocal Group Lessons, Practical Self-Defense Class, Basic Bicycle Commuting, Basic Bicycle Maintenance, Exploring Raw Foods & Juicing, Community Choral Jam, and 3 parenting classes.
- Completed disc golf course maintenance including tee pad work.
- Partnered with Planning Department to plan and implement classes and programs related to energy efficiency, transportation and watershed guidelines.
- Enhanced website information and extended pages, including development of a face book page
- Expanded Carrboro Day to include interactive programming.
- Expanded the Music Festival featuring 180 performances at 25 venues throughout town. The teen stage has included a good cross section of talented youth. Carrboro Day & Music Festival included local artisan craft vendors, food trucks and additional activities for participants.
- Extended 4th of July festivities to include more performers.
- Revamped Music in the Streets to include free performers and jam sessions. Some of those in attendance brought their own instruments, while others utilized the instruments provided.
- Purchased and installed the Wilson Park Playground.

- Increased marketing of events and programs including cross marketing. Local businesses and non-profit organizations assist in promoting the community events through their list-serv, web site and via of other promotional material.
- Redesigned the department brochure and enhanced the community event section to be more cost effective. Also replaced the benefit newsletter with a colorful document that is distributed through the school system. We can distribute 9,000 copies for lower price.

UPCOMING FISCAL YEAR OBJECTIVES

- Utilize more audio visual components in the overall marketing plan.
- Redesign web pages (happening Town-wide by Fall 2013).
- Explore new marketing strategies to increase promotions of programs and special events.
- Continue to utilize the benefits of social media.
- Utilize Town owned and other area parks, and nature sites.
- Continue to develop and maintain positive relationships with all affiliate organizations for the purpose of advancing opportunities (Arts Center, Schools, Non-profits, Other Governmental Agencies).
- Conduct joint programs with other agencies and organizations that promote wellness and recreation.
- Strengthen the relationship with Chapel Hill-Carrboro City Schools in order to develop more programming opportunities.
- Collaborating with the Arts Center to achieve goals and objectives set forth in the “Our Town” NEA Grant (if awarded).
- Develop and expand programs and special events that build on the Town’s unique identity and have an artistic and cultural focus groups included but are not limited to the NC Folklore Society, ArtCenter, Farmers Market, and local performers.
- Summarize current responses to existing evaluations
- Evaluate offerings and events through surveys, evaluations and public input.
- Research evolving market trends.
- Utilize current staff, youth council, volunteers and participants to reach target groups.
- Provide creative programs to meet the needs of its residents per the surveys, evaluations, and other research tools.
- Develop new volunteer recruitment marketing material/web pages/video/pamphlet.
- Provide volunteer training and recognition.
- Create a database of volunteer agencies
- Contract with reputable janitorial service for Century Center cleaning that will meet or exceed all aspects of the agreement.
- Replace aging/worn facilities and equipment ensuring public safety and maintaining or exceeding current levels for park amenities.
- Provide long term renters with reduced deposit requirements.
- Continue to work with Programs Division to facilitate long range bookings.
- Work with Carrboro Parks Project on fundraising opportunities for park improvements.
- Update Front Office standard operating procedures.
- Increase the return rate of evaluations by Century Center event sponsors, park renters and patrons.

BOARD PRIORITIES

Enhance and sustain quality of life/place issues for everyone.
 Diversify revenue stream to maintain ethnic and economic diversity.

OBJECTIVES

1. Form a Teen Council to increase teen involvement and input.
2. Conduct research into local, state and national policies regarding issues with athletic volunteers, participants, parents and spectators.
3. Utilize town-owned and other area parks and nature sites.
4. Conduct a broad evaluation of marketing practices of local, state, and national Recreation & Parks Departments to seek innovative marketing techniques.
5. Partner with local businesses to create affordable programs.
6. Offer diversified programs reflective of citizen needs that promote sensitivity to cultural diversity.
7. Following the Town’s Social Media Guidelines, increase use of social and digital media such as Twitter and department web pages.

PERFORMANCE MEASURES

	FY2010-11 ACTUAL	FY2011-12 ACTUAL	FY2012-13 ESTIMATED	FY2013-14 PROJECTED
% Change in Volunteer Hours Supporting Programs	-10%	1%	6%	2%
Revenue Driven Facility Usage Hours (External, Courses, Administrative)	13749.55	13300.05	15623.16	15677.14
Revenue Driven Facility Usage Hours Percent Change (External, Courses, Administrative)	-5%	-3	17%	2%
Non-Revenue Facility Usage Hours (Partnerships, Community/Informational Meetings)	184	225	300	306
Non-Revenue Facility Usage Hours Percent Change (Partnerships, Community/Informational Meetings)	9%	22%	33%	2%
% Change in Program Division Revenue	-4%	2%	5%	4%
% Change of Operational Budget Supported by Program Revenue Generated	-3%	1%	3%	-1%
% Change of Fees Waived for Low Income Participants	14%	4%	2%	2%
% Change in Enrolled Participants	3%	2%	2%	7%

**BUDGET SUMMARY
RECREATION AND PARKS - DEPARTMENTAL TOTAL**

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	995,169	1,043,764	1,103,492	6%
OPERATIONS	276,288	346,999	402,004	16%
CAPITAL OUTLAY	148,535	35,115	-	-100%
TOTAL	1,419,991	1,425,878	1,505,496	6%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects an increase in salary due to last fiscal year increase which was budgeted in non-departmental and the addition of a part-time temporary employee. Operations increased with the additions of special programs and events and the update of the Martin Luther King, Jr. Park master plan.

**Recreation and Parks Department
Division Level Summaries**

RECREATION SUPERVISION

620

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	112,098	110,161	113,586	3%
OPERATIONS	17,310	19,104	19,104	0%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	129,408	129,265	132,690	3%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects an increase in salary due to last fiscal year increase which was budgeted in non-departmental.

RECREATION PLAYGROUNDS AND PARKS

621

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
--	---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	-	-	-	0%
OPERATIONS	3,123	17,078	17,078	0%
CAPITAL OUTLAY	148,535	35,115	-	-100%
TOTAL	151,658	52,193	17,078	-67%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Capital outlay decreased due to the Century Center drupe replacement and installation of three (3) LCD televisions in the classrooms done the previous fiscal year.

GENERAL PROGRAMS

623

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
--	---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	244,933	585,744	629,345	7%
OPERATIONS	164,150	295,284	325,289	10%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	409,083	881,028	954,634	8%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects an increase in salary due to last fiscal year increase which was budgeted in non-departmental and the addition of a part-time temporary employee. Operations increased with the addition of special programs and events.

RECREATION FACILITIES

624

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
--	---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	341,016	347,859	360,561	4%
OPERATIONS	6,329	15,533	40,533	161%
CAPITAL OUTLAY	-	-	-	0%

TOTAL	347,345	363,392	401,094	10%
--------------	----------------	----------------	----------------	------------

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects an increase in salary due to last fiscal year increase which was budgeted in non-departmental. Operations expenses include the update of the Martin Luther King, Jr. Park master plan.

This page intentionally left blank

NONDEPARTMENTAL

PURPOSE

Non-Departmental appropriations are used to account for items not readily identified with other organizational functions.

SERVICES PROVIDED & ACTIVITIES

- Budgeted funds, when necessary and available, are set aside for:
 - Compensation Adjustments
 - Dependent Health Insurance
 - General and fuel Contingency
 - Transfers to Other Funds

With exception of contingency funds, non-department funds are allocated to departments as needed. The fuel contingency funds may be transferred to departments by the Town Manager. Funds from the general contingency may only be approved by the Board of Aldermen.

BUDGET SUMMARY

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	-	255,001	530,907	108%
OPERATIONS	-	485,700	197,383	-59%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	-	740,701	728,290	-2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The personnel budget sets aside funds for a 1.9% across-the-board salary adjustment for employees, anticipated increase in health insurance costs and a newly required unemployment insurance reserve.

The operating cost includes a \$136,704 transfer of funds from the General Fund to Capital Reserve Fund for street resurfacing; \$15,000 for Board general contingency; and \$20,000 for possible fuel increases beyond what is budgeted.

Nondepartmental *Division Level Summaries*

NON-DEPARTMENTAL

660

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
SUMMARY				
PERSONNEL	-	255,001	530,907	108%
OPERATIONS	-	35,000	60,679	73%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	-	290,001	591,586	104%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Personnel costs increased due to 1.9% across-the-board salary adjustment for employees, increased health insurance costs and unemployment insurance reserve. Operations increased due to the additions of the Partnership to End Homelessness, rental of a handicap ramp for the Century Center and purchase of bike racks for various locations in Carrboro.

TRANSFERS

661

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
SUMMARY				
PERSONNEL	-	-	-	0%
OPERATIONS	-	450,700	136,704	-70%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	-	450,700	136,704	-70%

CHANGE IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Transfer to the Capital Reserve Fund for street resurfacing is \$164,022 less than last year and there are no provisions to transfer funds to the Revolving Loan Fund.

This page intentionally left blank

DEBT SERVICE

PURPOSE

The Debt Service cost center accounts for expenditures used for the payment of principal and interest associated with the Town’s general obligation bonds and other financings.

BACKGROUND

In North Carolina, the Local Government Commission in the State Treasurer’s Office oversees local government bonded debt and assists municipalities and counties in all areas of fiscal management. This agency conducts all bond sales, and ensures that local units have sufficient fiscal capacity to repay debt. The Town is subject to the Local Government Bond Act of North Carolina which limits the amount of net bonded debt the Town may have outstanding to 8% of the appraised value of property subject to taxation.

Like most municipalities, the Town of Carrboro uses debt as a means to finance long-term capital projects and it is the Town’s policy that the financing period shall not exceed the useful life of the project. As of June 30, 2012, the Town had approximately \$12.6 million dollars in general debt as shown in the chart:

	Long Term Debt 6/30/2011	Long Term Debt 6/30/2012
General Obligation debt	\$ -	\$ -
Bond Anticipation Note	\$ 2,590,000	\$ 2,590,000
Installment purchases - improvements & equipment	\$ 6,319,304	\$ 5,405,219
Compensated absences	\$ 593,906	\$ 519,865
Other Post-employment benefits	\$ 2,473,455	\$ 3,701,243
Net pension obligation	\$ 359,549	\$ 372,766
Total	\$ 12,336,214	\$ 12,589,093

Approximately \$5.4 million or 43% of this debt is for installment financing to purchase major equipment and vehicles, finance land and building purchases. The NC General Statutes 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 equipment or project until the governmental unit repays the loan over a specified loan term. 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 Local Government Commission (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 improvements to land or buildings require approval by the LGC regardless of the dollar amount or maturity involved.

In January 2013 the Town issued \$4.6 million of general obligation bonds for construction of sidewalks and greenways. These general obligation bonds were authorized by the voters in November 2003. The Town began construction of projects in FY 2005-06 by issuing a series of bond anticipation notes requiring only interest payments until the issuance of the general obligation bonds in January 2013. General obligation bonds are collateralized by the full faith, credit, and taxing power of the Town and generally allow for longer term loan terms than other types of financing (up to 20 years) and require a lower interest rate than other types of financing.

Other long term debt noted above includes reserves for compensated absences which is the amount the Town owes for future payments for employee vacation. Net pension obligations represent the annual required contribution for retirement benefit to law enforcement officers.

CURRENT AND FUTURE DEBT

Below is a list of the current installment and general obligation bond debt for improvements and equipment at June 30, 2012 with the addition of the general obligation bonds.

Description	Balance at 6/30/2012	Balance at 6/30/2013 Estimated
Public Works Land	\$ 281,240	\$ -
Century Center	\$ 1,026,492	\$ -
MLK/Hillsborough Rd. Park	\$ 58,156	\$ -
Adams Tract	\$ 280,000	\$ -
Fire Sub-Station	\$ 2,708,333	\$ 2,491,666
Vehicle & Equipment (BB&T 7yr 2008)	\$ 278,776	\$ 143,570
Vehicle & Equipment (SunTrust-FY2010)	\$ 249,272	\$ 125,741
Vehicle & Equipment (SunTrust-FY2011)	\$ 285,794	\$ 191,995
Vehicle & Equipment (BB&T 5yr 2012)	\$ 237,156	\$ 179,280
TOTAL INSTALLMENT FINANCING	\$ 5,405,219	\$ 3,132,252
Bond Anticipation Note	\$ 2,590,000	\$ -
GO Sidewalk & Greenways Bond Series 2013	\$ -	\$ 4,600,000
TOTAL INSTALLMENT & GO DEBT	\$ 7,995,219	\$ 7,732,252

Since June 2012, the Town has retired some higher interest rate debt prior to scheduled maturity. The following debt has been paid off: Public Works Land, Century Center, MLK/Hillsborough Rd. Park, and Adams Tract. This has resulted in a reduction in outstanding principal balance and the associated annual debt service of \$373,271. The overall net reduction in debt service for FY 2013-14 is \$77,538.

Except for installment financing for vehicles and equipment, the Town does not anticipate acquiring any additional major debt in the next three to five years.

BUDGET SUMMARY
DEBT SERVICE - DEPARTMENTAL TOTAL

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	% CHANGE CHANGE 0
---------------------------	---------------------------------------	---------------------------------------	----------------------------------

SUMMARY

PERSONNEL	-	-	-	0%
OPERATIONS	1,360,087	1,430,681	1,353,143	-5%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	1,360,087	1,430,681	1,353,143	-5%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET
 Debt Service costs decreased slightly due to retiring some of the debt.

Project	Issue \$	Principal	Interest	Total
SIDEWALKS & GREENSWAYS GO BONDS	\$ 4,600,000	\$ 250,000	\$ 109,667	\$ 359,667
TOTAL GENERAL OBLIGATION BONDS		\$ 250,000	\$ 109,667	\$ 359,667
CENTURY CTR	\$ 3,080,000	\$ -	\$ -	\$ -
MARTIN LUTHER KING PARK LAND	\$ 274,000	\$ -	\$ -	\$ -
PUBLIC WORKS LAND	\$ 767,000	\$ -	\$ -	\$ -
ADAMS TRACT	\$ 600,000	\$ -	\$ -	\$ -
FIRE SUBSTATION	\$ 3,250,000	\$ 216,667	\$ 99,206	\$ 315,873
TOTAL LONG-TERM INSTALLMENT DEBT		\$ 216,667	\$ 99,206	\$ 315,873

FY 2011-12 and prior Vehicle/Equipment

EQUIPMENT/VEHICLES		\$ 650,476	\$ 27,127	\$ 677,603
---------------------------	--	-------------------	------------------	-------------------

FY 2013-14 PURCHASES TO BE FUNDED WITH INSTALLMENT DEBT:

Department	Vehicle	Cost	Debt Service
Police	Patrol - 6 Replacement Vehicles @ \$38,896 each	\$ 233,376	\$ 13,996
Public Works	Solid Waste - Fully Automated Autocar Expert 2000 - Replace #54	\$ 268,800	\$ 16,121
Public Works	Solid Waste - Front Loader - New Addition	\$ 243,000	\$ 14,574
	TOTAL	\$ 745,176	\$ 44,691

This page intentionally left blank

SPECIAL REVENUE FUNDS

The Special Revenue Fund was restructured in 2011 to comply with GASB 54. The Capital Reserve Fund and Payment In Lieu Fund previously presented as part of the Special Revenue Fund are now part of the Capital Projects Fund. The Special Revenue Fund includes: Affordable Housing Fund, Grant Fund, Revolving Loan Fund, and Energy Efficiency Revolving Loan Fund.

Affordable Housing Fund – This fund was created to advance the Town’s goal of increasing the stock of affordable, safe and decent housing within the Town and its’ planning jurisdiction. The fund was established by a resolution on June 26, 2007. Payments to the fund, made by developers, in lieu of providing affordable housing under the applicable provisions of the Land Use Ordinance, are deposited into the fund in addition to any other revenues such as grants, donations, loans, interest payments, or other contributions.

Grant Fund – This fund accounts for grant awards made to the Town that are legally restricted to expenditures for specific programs, activities, and purposes.

Revolving Loan Fund - The Revolving Loan Fund is used to encourage economic and community development in Carrboro by offering loans to new businesses and encouraging businesses to locate in Carrboro.

Energy Efficiency Revolving Loan Fund – The Energy Efficiency Revolving Loan Fund was initially funded with grant funds from the US Department of Energy through a grant award to the Southeast Energy Efficiency Alliance to offer loans to businesses with the goal of increasing energy efficiency in commercial buildings.

BUDGET SUMMARY

SPECIAL REVENUE FUNDS, TOTAL

	TOTAL APPROPRIATED	PRIOR YEAR ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
<i>REVENUE</i>					
INVESTMENT EARNINGS	305,000	592,305	81,952	84,267	3%
GRANT REVENUES	770,814	272,038	313,341	315,604	1%
OTHER REVENUES	913,440	725,613	102,713	81,920	-20%
TRANSFERS	110,900	259,025	23,500	36,397	55%
TOTAL REVENUE	2,100,154	1,848,981	521,506	518,188	-1%
<i>EXPENDITURE</i>					
COMMUNITY DEVELOPMENT	-	36,213	11,750	12,707	8%
GENERAL GOVERNMENT	29,397	17,453	12,921	12,921	0%
OTHER APPROPRIATIONS (LOANS)	967,073	897,072	28,774	25,000	-13%
TRANSFERS TO OTHER FUNDS	208,200	253,200	-	24,647	N/A
GRANT EXPENDITURES	800,764	274,888	313,341	315,604	1%
COMMITMENTS	-	-	60,000	-	-100%
RESERVES	94,720	-	94,720	127,309	34%
TOTAL EXPENDITURES	2,100,154	1,478,826	521,506	518,188	-1%

AFFORDABLE HOUSING FUND

This fund was created in 2007 with the goal of increasing the stock of affordable, safe and decent housing within the Town and its planning jurisdiction. Funding for the fund is from developers that make a cash payment, in lieu of providing affordable housing under the applicable provisions of the Land Use Ordinance, and other revenues such as grants, donations, loans, interest payments, or other contributions that are received.

BUDGET SUMMARY

AFFORDABLE HOUSING FUND	TOTAL APPROPRIATED	PRIOR YEAR ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
<i>REVENUE</i>					
INVESTMENT EARNINGS				957	
TRANSFERS	11,750	5,825	11,750	11,750	0%
SUBTOTAL	11,750	5,825	11,750	12,707	8%
<i>EXPENDITURE</i>					
105 COBB ST.		8,250	-	-	0%
109 JONES FERRY ROAD		27,963	-	-	N/A
HILLSBOROUGH HOUSING CO-OPERATIVE		-	-	9,000	
PEST CONTROL		-	-	3,707	
RESERVES	11,750	-	11,750	-	-100%
SUBTOTAL	11,750	36,213	11,750	12,707	8%

GRANT FUND

The Grant Fund accounts for grant awards made to the Town by other public or private funding sources. Below is a summary of the grants currently in the Grant Fund:

- Fire Sprinkler System Grant from the Federal Emergency Management Agency and Department of Homeland Security to install a fire sprinkler system in Fire Station #1. All activities are expected to be completed by June 2013.
- Clean Water Act Grant issued by the NC Department of Environmental and Natural Resources to continue watershed restoration work in the Bolin Creek watershed, including installation of a demonstration cistern and rain garden at McDougale School, stream stabilization and restoration at a site on Dry Gulch Creek, and continued monitoring of storm water at the Pacifica neighborhood. This grant is expected to be closed out in FY 2012-13.
- Southeast Energy Efficiency Alliance (SEEA) Grant totaling \$242,900 funded by the US Department of Energy for an energy efficiency program for single-family residents, energy efficiency revolving loan fund, and a multi-family residential energy pilot program. With the exception of the Energy Efficiency Revolving Loan Fund, all program activities expected to be completed by June 2013.
- Physical Activity ARRA Grant received from the North Carolina Department of Health and Human Services (NCDHHS) for planning activities to encourage physical activities and active lifestyles. This grant is part of NCDHHS's "Physical Activity in the Built Environment" initiative and will be used to provide training, hire an internship and acquire traffic analysis software to evaluate traffic conditions that may discourage walking and cycling.
- Small Business and Entrepreneurial Assistance Community Development Block Grant award from the North Carolina Department of Commerce, Community Investment and Assistance, for Roberson Street Sewer Project in downtown.
- Safe Route to School Non-Infrastructure Grant awarded by the North Carolina Department of Transportation (NCDOT) is to support two Walk and Roll events at Carrboro Elementary School, including education materials for students and parents during the month prior to the event; safe walking and biking skills workshop; and two designated "park and walk/bike" locations for the day of events for families too far to walk or bike directly from their homes. This grant is expected to be closed out in FY 2012-13.

BUDGET SUMMARY

GRANT FUND	TOTAL APPROPRIATED	PRIOR YEAR ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
REVENUE					
INVESTMENT EARNINGS	-	20	-	-	N/A
NC DENR - CLEAN WATER	205,000	119,450	43,550	-	-100%
SOUTHEAST ENERGY EFFICIENCY ALLIANCE GRANT	242,900	75,000	161,645	-	-100%
NC DHHS - PHYSICAL ACTIVITY	24,900	7,714	9,447	9,447	0%
NC SAFE ROUTES TO SCHOOL NON-INFRA.	12,864	654	12,210	2,860	-77%
FIRE SPRINKLER SYSTEM GRANT	75,000	-	75,000	75,000	0%
CDBG - ROBERSON STREET SEWER	171,700	-	-	171,700	N/A
CDBG PRORAM/OTHER INCOME	36,950	-	-	31,950	N/A
ORANGE COUNTY ARTS COMM - OUR TOWN GRANT	1,500	-	-	-	
TRANSFER	99,150	69,200	11,489	24,647	115%
SUBTOTAL	869,964	272,038	313,341	315,604	1%
EXPENDITURE					
WATER RESTORATION - CLEAN WATER	205,000	192,450	44,000	-	-100%
ENERGY EFFICIENCY PROGRAM	242,900	6,255	173,695	-	-100%
PHYSICAL ACTIVITY GRANT - NC DHHS	24,900	5,825	9,295	13,053	40%
NC SAFE ROUTES TO SCHOOL NON-INFRASTRUCTURE	12,864	1,158	11,351	2,860	-75%
FIRE SPRINKLER SYSTEM	75,000	-	75,000	75,000	0%
CDBG - ROBERSON STREET SEWER	238,600	-	-	223,191	N/A
ORANGE COUNTY ARTS COMM - OUR TOWN GRANT	1,500	-	-	1,500	
TRANSFERS	69,200	69,200	-	-	N/A
SUBTOTAL	869,964	274,888	313,341	315,604	1%

REVOLVING LOAN FUND

The Revolving Loan Fund sustains itself with the interest earned on loans provided to businesses. With this interest, a reserve is created that enables the Town to continue loaning funds to businesses. As loans are paid off, the Town closes the loans and removes them from financial records.

The Revolving Loan Fund contains the following active loans to businesses:

Business	Amount Borrowed	Date of Original Loan
Alphabet Soup	\$48,000	2001
Bryan's Guitar and Music, Inc	\$90,000	2004
Art in a Pickle	\$105,000	2007
Carrboro Co-Working	\$90,000	2008
Beehive	\$56,000	2009
Carrboro Citizen	\$50,000	2009
The Kind Coffee	\$57,000	2009
Second Wind, LLC	\$45,000	2012
PTA Thrift Store	\$24,000	2013

BUDGET SUMMARY

REVOLVING LOAN FUND	TOTAL APPROPRIATED	PRIOR YEAR ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
<i>REVENUE</i>					
INVESTMENT EARNINGS	305,000	592,285	81,070	81,070	0%
OTHER REVENUE - LOAN REPAYMENTS	723,440	545,613	74,821	74,821	0%
OTHER FINANCING SOURCES	90,000	80,000	-	-	N/A
SUBTOTAL	1,118,440	1,217,898	155,891	155,891	0%
<i>EXPENDITURE</i>					
GENERAL GOVERNMENT EXPENSE	29,397	17,453	12,921	12,921	0%
ECONOMIC AND PHYSICAL DEVELOPMENT LOANS	867,073	797,072	-	25,000	N/A
TRANSFERS	139,000	184,000	-	-	N/A
COMMITMENTS	-	-	60,000	-	-100%
RESERVES FOR LOANS	82,970	-	82,970	117,970	42%
SUBTOTAL	1,118,440	998,525	155,891	155,891	0%

ENERGY EFFICIENCY REVOLVING LOAN FUND

The Energy Efficiency Revolving Loan was started in 2010 with US Department of Energy funds through a grant to Southeastern Energy Efficiency Alliance (SEEA) for the Town to implement a small business energy efficiency revolving loan fund with the goal of increasing energy efficiency in commercial buildings.

ENERGY EFFICIENCY REVOLVING LOAN FUND	TOTAL	PRIOR	2012-13	2013-14	CHANGE
	APPROPRIATED	YEAR	ADOPTED	ADOPTED	
		ACTUAL	BUDGET	BUDGET	
<i>REVENUE</i>					
INVESTMENT EARNINGS	-		882	2,240	154%
OTHER REVENUE - LOAN REPAYMENTS	-		3,005	7,099	1077%
OTHER FINANCING SOURCES	100,000	100,000	24,887	-	-100%
SUBTOTAL	100,000	100,000	28,774	9,339	-68%
<i>EXPENDITURE</i>					
ECONOMIC AND PHYSICAL DEVELOPMENT LOANS	100,000	79,000	28,774	-	-100%
RESERVES			-	9,339	N/A
SUBTOTAL	100,000	79,000	28,774	9,339	-68%

Below is a list of active Energy Efficiency Revolving Loan Fund loans:

Business	Amount Borrowed
Surplus Sids	\$ 30,000.00
Sophie Piesse	\$ 7,000.00
LB Bradley	\$ 7,000.00
Dispute Settlement Center	\$ 35,000.00
The Arts Center	\$ 28,128.00

CAPITAL PROJECTS FUND

The Capital Projects Fund is comprised of the following:

- Capital Projects
- GO Bonds, Sidewalks and Greenways
- Capital Reserve
- Payment In Lieu

Capital projects are projects financed (in whole or in part) by the proceeds of bonds, notes or debt instruments involving the construction or acquisition of a capital asset. Capital projects are approved via a balanced project ordinance as required by the North Carolina General Statutes (GS 159-13.2) whereby the Town budgets for the life of the capital project. A project ordinance is balanced when revenues estimated to be available for the project equal appropriations for the project. Projects that show a zero balance are no longer active and considered completed and are removed from the general ledger one year following project completion.

CAPITAL PROJECTS FUND, SUMMARY

	TOTAL APPROPRIATED	PRIOR YEAR ACTUALS	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
REVENUE					
INVESTMENT EARNINGS	178,282	31,344	155,757	153,895	-1%
OTHER FINANCING SOURCES	8,617,000	5,589,560	2,713,189	2,041,798	-25%
RESTRICTED INTERGOVERNMENTAL	2,663,811	532,666	1,724,632	2,249,237	30%
OTHER	1,508,093	272,408	333,642	355,612	7%
FUND BALANCE APPROPRIATED	1,348,315	143,270	326,725	2,285,143	599%
SUBTOTAL	14,315,501	6,569,248	5,253,945	7,085,685	35%
EXPENDITURES					
CAPITAL PROJECTS	5,653,621	4,313,378	379,156	1,869,723	393%
GO SIDEWALK & GREENWAYS	7,313,272	2,612,386	4,548,064	3,860,844	-15%
CAPITAL RESERVES	1,205,338	544,806	176,945	1,205,338	581%
PAYMENT IN-LIEU	143,270	149,780	149,780	149,780	0%
SUBTOTAL	14,315,501	7,620,350	5,253,945	7,085,685	35%

Capital Projects

For FY 2013-14 active capital projects total \$1.7 million. Capital Improvement Project Ordinances have been authorized for the following projects:

- Storm Water Management - \$80,000
- Rogers Road Remediation - \$450,000
- Anderson Park bathroom Renovations - \$251,459
- Anderson Park Multi-Purpose Field Renovations and Lights - \$148,566
- Recreational Trails Program - \$93,751
- Bicycle Loop Detectors - \$37,500
- Fire Pumper Truck Acquisition - \$683,000

CAPITAL PROJECTS	TOTAL APPROPRIATED	PRIOR YEAR ACTUALS	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
REVENUE					
INVESTMENT EARNINGS	22,232	25,548	0	0	N/A
FUND BALANCE APPROPR	-		0	930,025	0%
OTHER FINANCING SOURCES	4,017,000	2,730,285	341,656	902,198	164%
RESTRICTED INTERGOVERNMENTAL	106,296	479,119	30,000	30,000	0%
OTHER	1,508,093	270,611	7,500	7,500	0%
SUBTOTAL	5,653,621	3,505,563	379,156	1,869,723	393%
EXPENDITURES					
LAND - PUBLIC WORKS	767,000	756,486	-	-	0%
BUS SHELTERS	76,296	74,513	-	-	0%
TRANSFERS	46,555		-		0%
WEAVER ST. RECONSTRUCTION	1,476,270	711,415	-	-	0%
ROGERS ROAD REMEDIATION			-	450,000	
STORM WATER MANAGEMENT PROJECTS				80,000	
ANDERSON PARK BATHROOM RENOVATIONS				251,459	
ANDERSON PARK MULTI-PURPOSE FIELD RENOVATION AND LIGHTS				148,566	
BICYCLE LOOP DECTECTORS	37,500	-	37,500	37,500	0%
FIRE PUMPER TRUCK				683,000	
FIBER OPTICS PROJECT AT FIRE STATION #2	-	43,104	-	219,198	
FIRE STATION #2	3,250,000	2,727,860	341,656	-	-100%
SUBTOTAL	5,653,621	4,313,378	379,156	1,869,723	393%

GO Bond-Funded Sidewalks and Greenways

The Town continues its sidewalks and greenways construction program authorized by the voters in 2003. In January 2013, the Town discontinued the use of bond anticipation notes to finance this construction and issued \$4.6 million of general obligation bonds.

GO BOND, SIDEWALK AND GREENWAYS	TOTAL APPROPRIATED	PRIOR YEAR ACTUALS	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
--	-------------------------------	-----------------------------------	---------------------------------------	---------------------------------------	---------------

REVENUE

INTEREST EARNINGS	155,757	1,650	155,757	153,895	-1%
OTHER FINANCING SOURCES	4,600,000	2,853,228	2,371,533	1,139,600	-52%
RESTRICTED INTERGOVERNMENTAL	2,557,515	53,547	1,694,632	2,219,237	31%
OTHER	-	-	326,142	348,112	7%
SUBTOTAL	7,313,272	2,908,425	4,548,064	3,860,844	-15%

EXPENDITURES

QUAIL ROOST SIDEWALK	145,999	145,999	-	-	0%
LISA DRIVE SIDEWALK	127,800	127,800	-	-	0%
BOLIN FOREST SIDEWALK	25,141	25,141	-	-	0%
HANNAH ST SIDEWALK	66,659	66,659	-	-	0%
N. GREENSBORO ST SIDEWALK	348,864	348,864	-	-	0%
WILLIAMS ST SIDEWALK	31,555	31,555	-	-	0%
LLOYD ST SIDEWALK	10,855	10,855	-	-	0%
JONES FERRY RD SIDEWALK	15,918	15,918	-	-	0%
FOWLER ST. SIDEWALK	16,535	16,535	-	-	0%
S GREENSBORO ST SIDEWALK	43,153	43,153	-	-	0%
ASHE/BIM SIDEWALKS	327,300	112,321	-	214,839	0%
MORGAN CREEK/BOLIN CREEK GREENWAY	1,361,471	259,603	1,207,215	1,030,212	-15%
ELM ST. SIDEWALK	382,200	18,045	360,852	163,898	-55%
PHASE IB SIDEWALK PROJECTS	1,257,900	1,227,620	371,533	-	-100%
NCDOT ENHANCEMENT PROJECTS	126,848	126,848	-	-	0%
WILSON PARK MULTIUSE PATH	341,000	35,470	295,849	84,879	-71%
SHELTON STREET SIDEWALK	212,000	-	212,000	212,000	0%
DA VIE STREET SIDEWALK	648,000	-	651,000	636,410	0%
PINE STREET SIDEWALK	353,000	-	362,000	71,321	0%
ROGERS ROAD SIDEWALK	1,088,000	-	1,087,615	1,058,243	0%
PROFESSIONAL SVCS	73,000	-	-	-	0%
MISCELLANEOUS	68,141	-	-	147,459	0%
DESIGN	1,945	-	-	1,595	0%
TRANSFER TO CAP RES FD	239,988	-	-	239,988	0%
SUBTOTAL	7,313,272	2,612,386	4,548,064	3,860,844	-15%

CAPITAL RESERVE

The Town has established a capital reserve fund to set aside funds for specific purposes and future projects. The Town has set aside funds for specific purposes.

Teal Place Sidewalk Installation - The Town of Carrboro received \$2,000 from the Teal Place Townhouse Association towards construction of the sidewalk.

Brewer Lane Signal Crossings – The Town has been advised to setup signal crossings on Brewer Lane.

Street Resurfacing – The Town sets aside reserves annually for street resurfacing.

Debt Service- funds set aside for debt related to capital projects..

Smith Level Sidewalk project –To cover the cost of sidewalk construction for DOT planned project.

Undesignated – Revenues generated from unexpended project funds and interest earnings within the fund that have not been designated by the Board.

CAPITAL RESERVE FUND	TOTAL APPROPRIATED	PRIOR YEAR ACTUALS	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
----------------------	-----------------------	--------------------------	------------------------------	------------------------------	--------

REVENUE

INVESTMENT EARNINGS		3,683			N/A
OTHER		1,797			N/A
FUND BALANCE APPROPRIATION	1,205,338	904,638	176,945	1,205,338	581%
SUBTOTAL	1,205,338	910,118	176,945	1,205,338	581%

EXPENDITURE

OTHER FINANCING SOURCES	176,945	544,806	176,945	1,205,338	581%
SUBTOTAL	176,945	544,806	176,945	1,205,338	581%

RESERVES AUTHORIZED FOR FOLLOWING:	FY 2011-12	FY 2012-13	TOTAL RESERVE
TEAL PLACE SIDEWALK INSTALLATION	2,000		2,000
BREWER LANE SIGNAL CROSSINGS	15,000		15,000
STREET RE-SURFACING	300,700	300,700	601,400
BOARD ROOM EQUIPMENT	30,099		30,099
SMITH LEVEL ROAD SIDEWALKS - DOT LOCAL MATCH	207,000		207,000
DEBT SERVICE	176,945	-	176,945
UNDESIGNATED	172,894		172,894
TOTAL RESERVES	904,638	300,700	1,205,338

PAYMENT IN LIEU RESERVE

The Payment-in-Lieu Reserve Fund was established in 1985. Developers whose residential developments are required to provide on-site active recreational areas and open space areas may choose to make a payment-in-lieu of providing such facilities with Town approval.

These funds are held in reserve for one of four geographically defined quadrants of the town (where the residential development is located) for use in acquisition and development of recreational facilities, present or future. A requisite of the payment use is that the improvement be reasonably expected to serve the subdivision from which the payment was made.

PAYMENT IN LIEU RESERVE	TOTAL APPROPRIATED	PRIOR YEAR ACTUALS	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
REVENUE					
INVESTMENT EARNINGS	293	463	-		N/A
OTHER FINANCING SOURCES		6,047	-		N/A
FUND BALANCE APPROPRIATION	142,977	143,270	149,780	149,780	0%
SUBTOTAL	143,270	149,780	149,780	149,780	0%
EXPENDITURE					
UNEXPENDED RESERVES	143,270	149,780	149,780	149,780	0%
SUBTOTAL	143,270	149,780	149,780	149,780	0%

RESERVES AUTHORIZED FOR FOLLOWING PURPOSES:	
SIDEWALK: HARLAN GROUP	3,062
SIDEWALK: WILSON PARK DEV	5,180
SOUTH SECTOR	16,530
CENTRAL SECTOR	6,729
DOWNTOWN- UNDESIGNATED	89,569
NORTH SECTOR	2,442
UNRESERVED	26,268
TOTAL RESERVES	149,780

This page intentionally left blank

FINANCIAL TRENDS

PAST, PRESENT AND FUTURE

The Town monitors its financial condition in various ways, from forecasting future revenue and expenditure trends to aggregating financial information into ratios that provide meaningful data about the Town's fiscal health. The Town is considered to be on solid economic footing. The Town currently holds a credit rating of AA+ with Standard and Poor's and Moody's Aa2. These are considered very favorable ratings, particularly for municipalities similar to Carrboro.

The Town's financial condition through the last audited year is evaluated using methodology recommended by the International City/County Management Association (ICMA). This analysis, formally known as FTMS (Financial Trends Monitoring System), offers governments a systematic way to monitor changes and to anticipate future problems.

The town also projects future financial activity based on the most current budget. In forecasting the future, the five-year plan is designed to show the tax rate impact of Town services over the long-term if growth continues at the current rates assumed in the model. The five-year plan provides information about underlying trends in the Town's fiscal position and budgetary trends monitoring key revenue and expenditures, debt and debt ratios, and the impact of capital investments and improvements on the Town's budget. It is used as a tool for reflecting trends rather than actual revenues, expenditures, and tax rates.

Historical Financial Trends

Incorporated in the FTMS analysis are indicators used by credit rating firms that analyze major components of governmental operations (revenue, expenditures, operating position, and debt) to quantify changes or trends in financial condition. Minimum standards are not declared for most indicators. Instead, potential "warning trends" are identified and suggestions for analysis are offered. In a few cases, however, relevant credit industry benchmarks are noted by the FTMS. These benchmarks are identified for each indicator, where relevant, within the report. When analyzing financial conditions, we are attempting to:

- ☆ Maintain existing service levels,
- ☆ Withstand local and regional economic disruption,
- ☆ Meet demands of natural growth, decline, and change,
- ☆ Maintain facilities to protect investment and keep in usable condition,
- ☆ Meet future obligations (debt, leases, etc), and
- ☆ Take advantage of cost-effective opportunities that may arise.

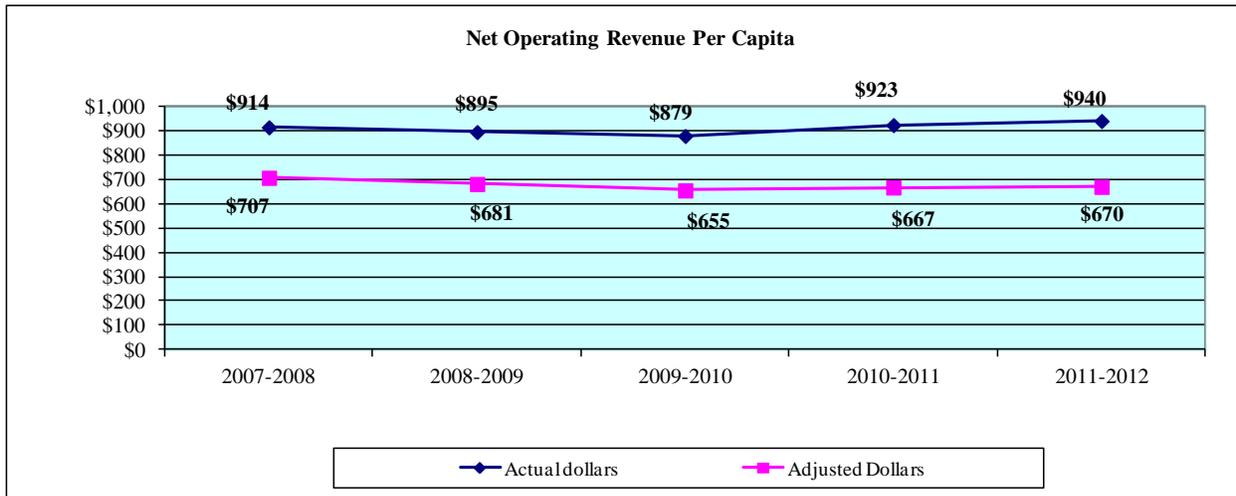
Included with every indicator is a description of the indicator, a table and graphical representation of the trend over the fiscal years for which we have audited budget reports, and an explanation of the implications of that trend for the government and residents of the Town. All the financial figures in the report are taken from the approved annual Town audit reports and other official Town records.

Several indicators used throughout the report present dollar figures that have been adjusted for inflation using the Consumer Price Index (CPI) provided by the Bureau of Labor Statistics. By illustrating figures in constant dollars the effects of inflation are removed. The analyses illustrate historical trends for the General Fund and Special Revenue Funds (Grant Funds and Revolving Loan Fund). All per capita figures were calculated using population figures used by the North Carolina Department of Revenue to distribute sales tax revenue. They, in turn, rely on Census and state demographics information.

Revenue Indicators

Revenues can be analyzed to determine the local government’s capacity to provide services. Important issues to consider in revenue analysis are growth, flexibility, elasticity, dependability, diversity, and administration. Under ideal situations revenues grow at a rate equal to or greater than the combined effects of inflation and expenditures. Revenues should be sufficiently flexible to allow adjustments to changing conditions.

Operating Revenue Per Capita



Year	2007-08	2008-09	2009-10	2010-11	2011-12
Net Operating Revenue (adjusted)	\$13,154,204	\$13,270,130	\$13,027,292	\$13,062,944	\$13,328,336
Population	18,611	19,479	19,891	19,582	19,905

Warning Trend: Decreasing operating revenues per capita (constant dollars).

Formula: Operating Revenues per Capita (adjusted dollars)/Population

Description

Examining per capita revenues shows changes in revenues relative to changes in population size. As population increases, it might be expected that revenues and the need for services would increase proportionally, and therefore the level of per capita revenues would remain at least constant in real terms. If per capita revenues are decreasing, the government may be unable to maintain existing service levels unless it finds new revenue sources or ways to provide existing

services more efficiently. The reasoning in both cases assumes that the cost of services is directly related to population size.

Operating revenues, as defined in this chart, are that portion of gross revenues collected by the Town that is available for general municipal operations. Thus, revenues legally restricted to capital improvements or other special purposes are excluded. The only legally restricted revenue deducted to calculate operating revenue is Powell Bill revenue that is used for street resurfacing.

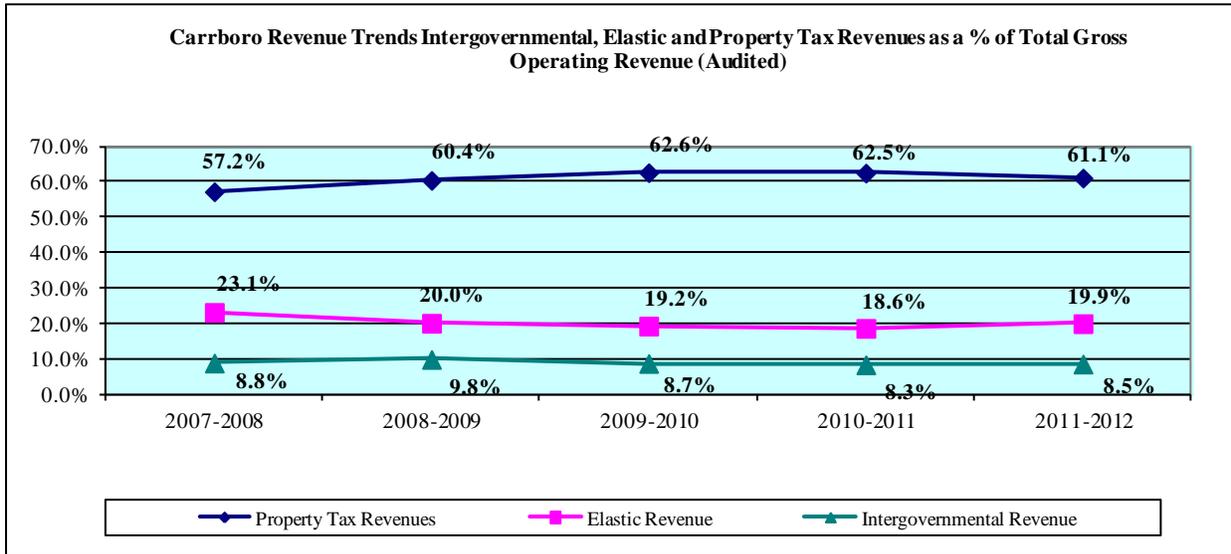
Discussion

In real terms (adjusted for inflation), revenues per capita in Carrboro have experienced a 6.2 percent decrease in the past 5 fiscal years. In actual dollars collected (adjusted for inflation), revenue increased by 1.3 percent. Ad valorem tax revenues, other taxes and licenses, intergovernmental revenues, and permits and fees are the revenue sources that have increased in the past 5 years. The following chart shows distinct revenue trends as reflected in the Town’s audit reports.

Revenue Source	2012 Revenue Adjusted for Inflation	2008 Revenue Adjusted for Inflation	% Change in Revenue Since 2008	2012 per capita	2008 per capita	% Change Since 2008 (per capita)
Ad valorem taxes	\$ 8,338,998	\$ 7,762,487	7.4%	\$ 419	\$ 421	-0.6%
Local option sales taxes	\$ 2,356,000	\$ 2,615,005	-9.9%	\$ 118	\$ 142	-16.6%
Other taxes and licenses	\$ 320,225	\$ 274,656	16.6%	\$ 16	\$ 15	7.9%
Intergovernmental revenues	\$ 972,165	\$ 774,792	25.5%	\$ 49	\$ 42	16.1%
Permits and fees	\$ 931,945	\$ 830,830	12.2%	\$ 47	\$ 45	3.8%
Sales and services	\$ 185,332	\$ 209,140	-11.4%	\$ 9	\$ 11	-18.0%
Investment earnings	\$ 34,079	\$ 353,034	-90.3%	\$ 2	\$ 19	-91.1%
Other	\$ 189,592	\$ 334,260	-43.3%	\$ 10	\$ 18	-47.5%
Total revenues by source	\$ 13,328,336	\$ 13,154,204	1.3%	\$ 670	\$ 714	-6.2%

Having a significant impact on the revenue stream is the property tax and sales taxes revenue per capita, representing 80% of the total revenue per capita in 2012. The significant impact of property taxes as a source of revenue is largely a reflection of the state restrictions on the ability of local government to use other types of revenues to support community needs. Sales tax per capita, as well as investment earnings, and sales and services, and other revenue have decreased due to the current economic conditions.

Major Revenue Sources



Revenues	2007-08	2008-09	2009-10	2010-11	2011-12
Property Tax	\$ 10,041,553	\$ 10,824,131	\$ 11,213,669	\$ 11,578,630	\$ 11,708,787
Elastic Revenue	\$ 4,055,341	\$ 3,589,969	\$ 3,446,206	\$ 3,445,133	\$ 3,820,856
Intergovernmental Revenue	\$ 1,542,745	\$ 1,758,203	\$ 1,554,121	\$ 1,537,295	\$ 1,631,211
Total Revenue	\$ 15,639,639	\$ 16,172,303	\$ 16,213,996	\$ 16,561,058	\$ 17,160,854

Description

This graph reflects the Town’s revenue base composition by property tax, elastic (economically responsive) revenue, and intergovernmental revenue. An increasing reliance on federal and state revenues may signal a warning trend. A balance between property tax and more elastic revenue sources such as sales tax is desirable and considered healthy.

Discussion

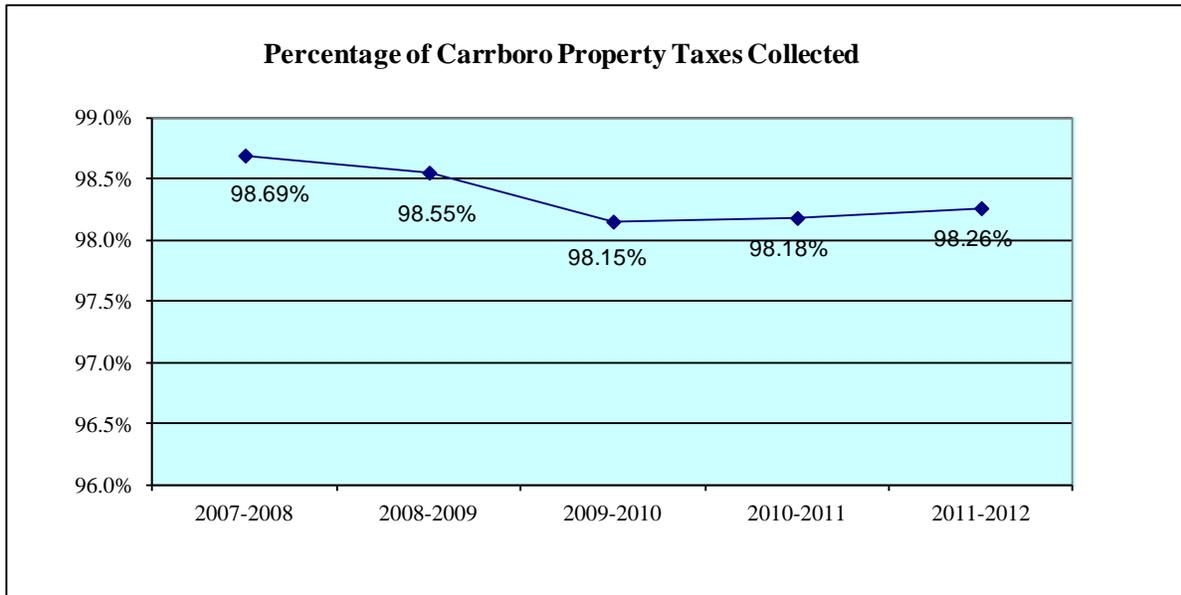
Overall revenues have remained stable. Property tax revenue has decreased slightly and elastic and intergovernmental revenues have increased with the increased permitting activity and receipt of various grants.

Intergovernmental revenue, as a share of the revenue stream in FY11-12 increased slightly from FY10-11. The largest sources of grant funding on an annual basis include Powell Bill for street resurfacing and the utility franchise and the telecommunications sales tax, all of which have remained relatively stable over time.

Elastic revenue increased 1.3% which included increases in sales tax revenues, and building, electrical, mechanical and plumbing permit fees.

The chart also shows that property tax revenue as a percent of gross revenues has decreased 1.4%.

Property Tax Collection Rate



Warning Trend: Decreasing amount of collected property taxes as a percentage of net property tax levy.

Formula: Collected property taxes/Net property tax levy

Description

If the percentage of property tax collected decreases over time, it may indicate overall decline in the local government’s economic health. Additionally, as uncollected property taxes rise, liquidity is decreased, and there is less cash on hand to pay bills or to invest. Credit-rating firms assume that a local government normally will be unable to collect from 2 to 3 percent of its property taxes within the year that taxes are due. If uncollected property taxes rise to more than 5 to 8 percent, rating firms consider this a negative factor because it signals potential instability in the property tax base. An increase in the rate of delinquency for two consecutive years is also considered a negative factor.

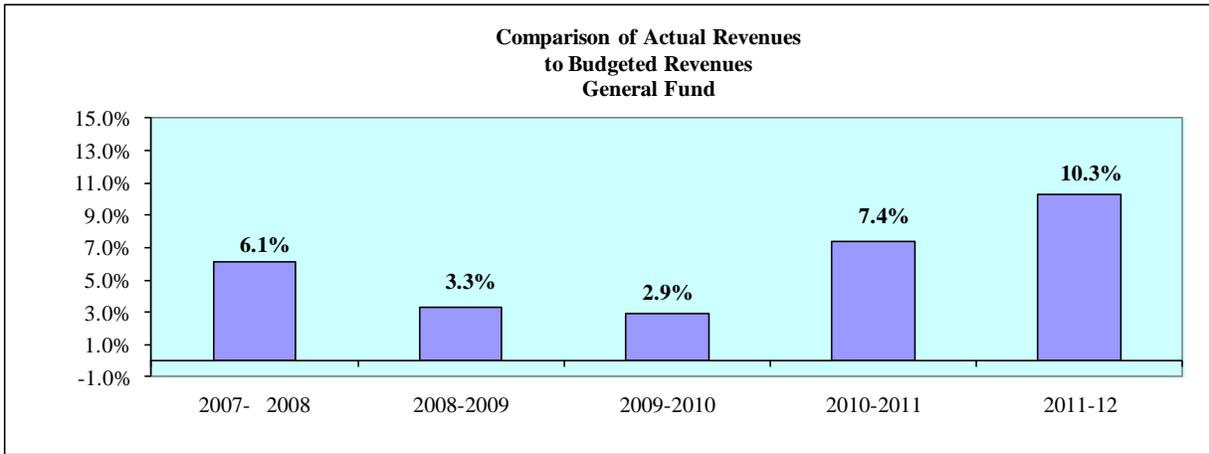
Discussion

The graph above shows that Orange County, which provides continuous assessment services, annual tax collections, and in-house revaluations every four years to both Carrboro and Chapel Hill, shows a positive collection rate for the Town’s property tax base; that is generally above 98 percent which is within the ranges acceptable to credit-rating firms.

Tax Collection Rates in Carrboro and Neighboring Cities

	2007-08	2008-09	2009-10	2010-11	2011-12
Carrboro	98.69%	98.55%	98.15%	98.18%	98.26%
Chapel Hill	99.44%	99.43%	99.20%	99.10%	99.21%
City of Durham	98.70%	98.19%	96.90%	98.70%	98.75%
Hillsborough	94.89%	98.50%	98.80%	97.16%	99.00%

Comparison of Actual Revenues to Budgeted Revenues



	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Budgeted Operating Revenue	\$15,631,027	\$16,540,942	\$17,351,816	\$17,411,883	\$17,253,999	\$17,391,017
Actual Operating Revenue	\$17,235,388	\$17,556,752	\$17,921,040	\$17,917,191	\$18,533,066	\$19,176,013
Revenue Variance	\$1,604,361	\$1,015,810	\$569,224	\$505,308	\$1,279,067	\$1,784,996

Warning Trend: Increase in revenue shortfalls or surpluses as a percentage of budgeted revenues.

Formula: Revenue Variance/Budgeted Operating Revenues

Description

This indicator examines the differences between revenue estimates and revenues actually received during the fiscal year. Major discrepancies that continue year after year can indicate a declining economy, inefficient collection procedures, changes in the law, or inaccurate estimating techniques. One of the criteria reviewed by Standard and Poor’s for the quality of financial management in a local government is financial results compared against original expectations. Variances between budget and actual results are indicative of management’s financial planning capabilities over time. The Town aims to have variances exceeding budgeted estimates no larger than 3-5 percent and seeks to avoid shortfalls to maintain the Town’s fiscal health as surplus is one critical component of maintaining or improving fund balance levels.

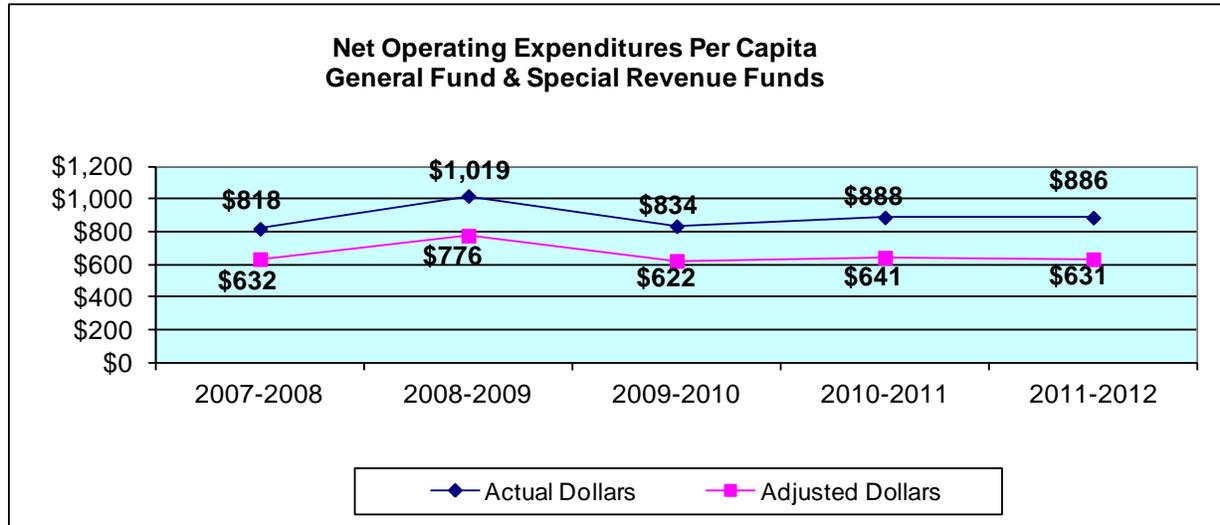
Discussion

The variances in the graph indicate the Town’s conservative approach to estimating revenues. In FY 08-09, only three revenue categories showed an increase from FY07-08. Those categories were: property tax revenue (\$782,578), other taxes and licenses (\$73,359), and grants and other revenues (\$339,264). The small variance in FY08-09 and FY09-10 is due to the slow economic growth. The main increases in FY10-11 were with intergovernmental funds (\$160,115), investment earnings and other revenues (\$357,839). In FY11-12 the major increases in actual revenue include property taxes (\$322,544), permits and fees (\$218,443), and sales tax (\$194,704).

Expenditure Indicators

Expenditures are a rough measure of a local government's service output. Generally, the more a government spends in constant dollars (adjusted for inflation), the more services it is providing. This formula does not take into account how effective the services are or how efficiently they are delivered.

Net Operating Expenditures per Capita



	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Net Operating Expenditures (Adjusted)	\$11,767,717	\$15,115,324	\$12,364,201	\$12,557,753	\$12,567,744
Population	18,611	19,479	19,891	19,582	19,905

Warning Trend: Increasing net operating expenditures per capita (constant dollars).

Formula: Net Operating Expenditures/Population

Description

Changes in per capita expenditures reflect changes in expenditures relative to changes in population. Increasing per capita expenditures can indicate the provision of new services, rising costs of providing services (or supporting the personnel who provide them), or changes in accounting practices (see next section). If expenditures are greater than can be accounted for by inflation or the addition of new services, it may indicate declining productivity – that is, the government is spending more real dollars to support the same level of services.

Discussion

Net operating expenditures, adjusted for inflation, show an increase in expenditures made by the Town since FY07-08, from \$11,767,717 to \$12,567,744 in FY11-12. When adjusted for the combined impact of inflation and population, per capita spending decreased from \$632 in FY07-08 to \$631 in FY 11-12.

Over the past five years, expenditures per capita have fluctuated, with FY2008-09 showing the biggest jump in per capita expenditures. The following highlights variations in fiscal years presented in the graph:

FY 2007-08 - Per capita expenditures dropped due to several capital improvement projects that had been budgeted but were not completed until FY 08-09, including street resurfacing, northern area sewer outfall, etc.

FY 2008-09 – Per capita expenditures increased with an increase in the Town’s share of public transportation and the purchase of a ladder truck for the Fire Department plus an increase in loans to local businesses through the Revolving Loan Fund.

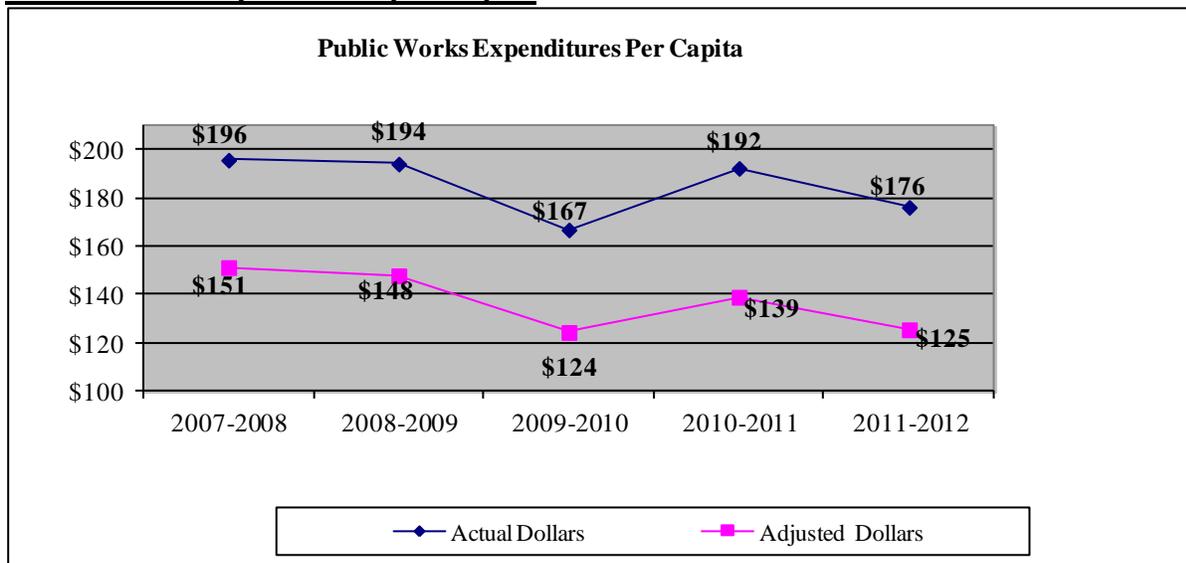
FY 2009-10 – Per capita expenditures decreased due to a reduction in capital expenditures and a decrease in debt service costs.

FY 2010-11 – Per capita expenditures changed slightly (\$19) from the previous year.

FY 2011-12 - Per capita expenditures changed slightly (\$2) from the previous year.

Changes in net operating per capita expenditures can be explained by highlighting events that have contributed to changes in expenditure levels. The following section looks at the various components of expenditures and service levels.

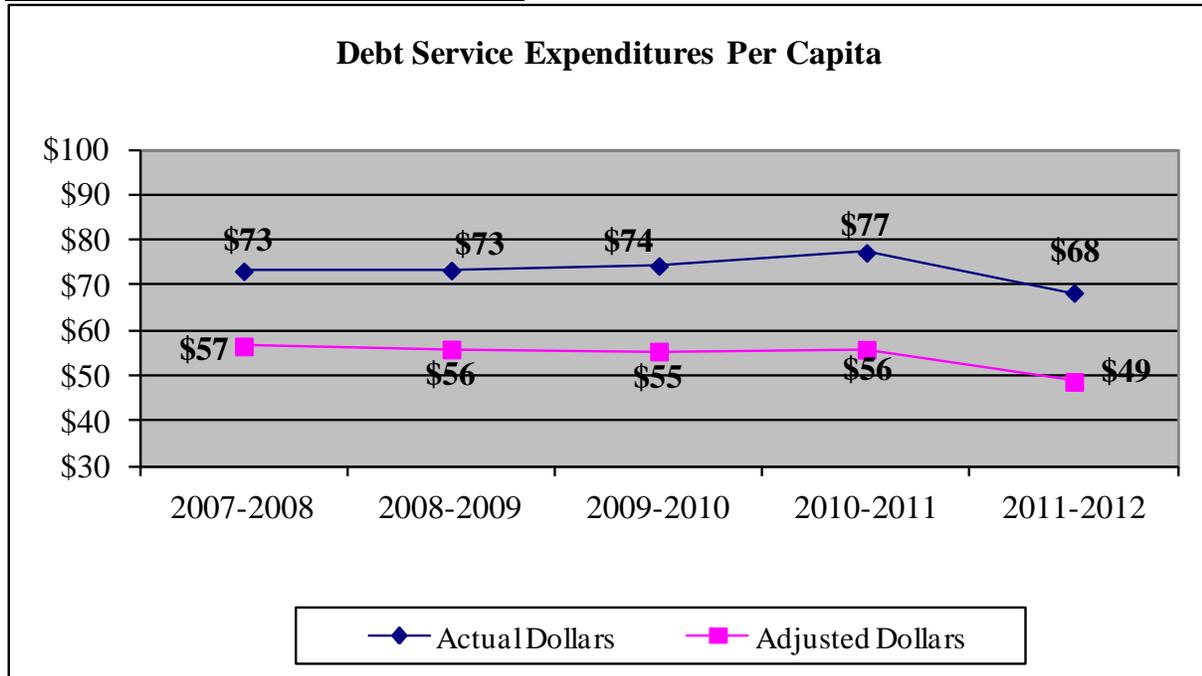
Public Works Expenditures per Capita



In inflation-adjusted dollars, Carrboro’s per capita expenditures on public works have varied. The variability of public works spending is related to ongoing capital and maintenance needs including street maintenance, storm water system repairs, and responding to major natural disasters. Even though expenditures increased in FY08-09, per capita costs decreased with a greater increase in population. Expenses in FY09-10 decreased substantially based on fewer vehicle purchases and street resurfacing costs from the prior year. The increase in FY 10-11 is

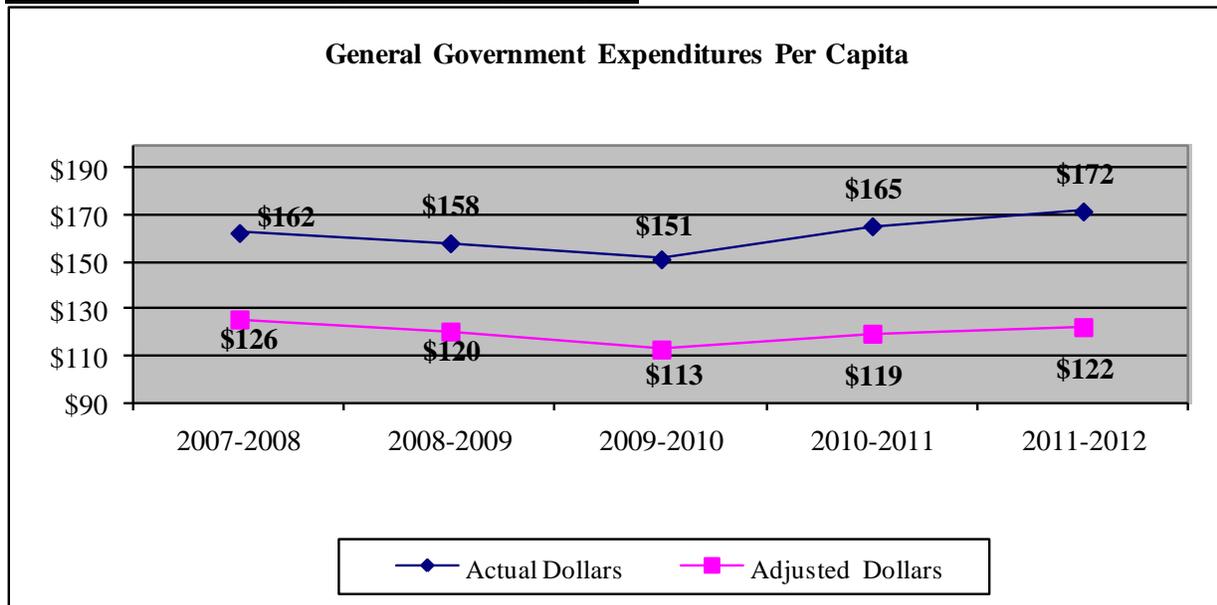
mainly due to street resurfacing costs. The decrease in FY 11-12 is due to the street resurfacing costs from the previous year.

Debt Service Expenditures Per Capita



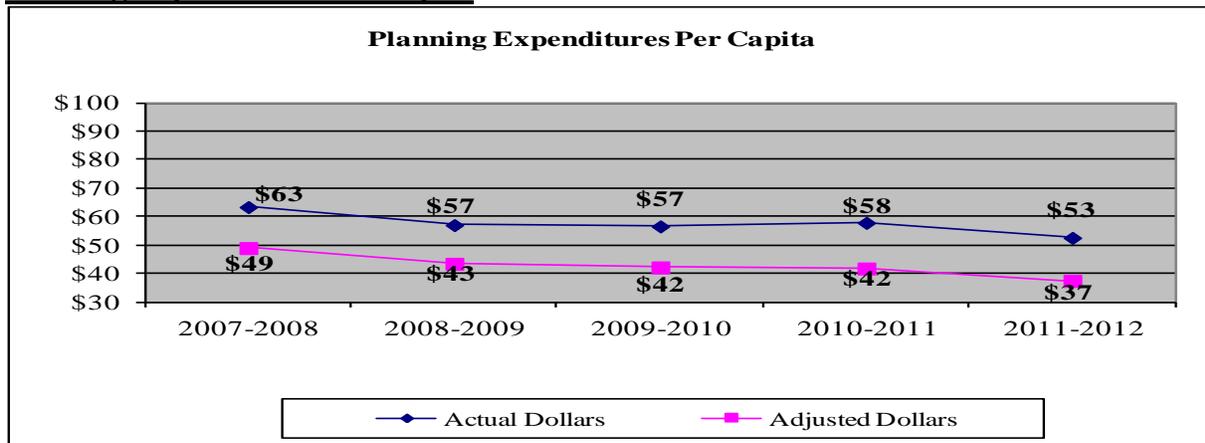
Debt costs include debt paid on general obligation bonds, installment financing for property and town infrastructure as well as equipment and vehicles. The Town has been able to take advantage of retiring debt and low interest rates to borrow for major infrastructure needs and maintain debt service at a relatively constant level. Costs for FY08-09 remained level because there was no financing for equipment or vehicles, interest rates were low on sidewalk Bond Anticipation Notes and the maturity of long-term debt. The slight increase in costs in FY09-10 is due to financing for the new fire station for part of the year. FY10-11 costs increased with the purchase of equipment and vehicles and financing a full year of the new fire station. The decrease in costs for FY11-12 is due to a reduction in vehicle and equipment financing.

General Government Expenditures per Capita



Adjusted for inflation, general government expenditures per capita have decreased about 10 percent for the five year period. The Town continues to maintain regular replacement of technology infrastructure, support wireless technology, implement mobile laptop technology in police cars, and more recently, purchased an automated record management system for the Police Department. Per capita costs decreased in FY08-09 due to a dramatic increase in population. FY09-10 costs decreased in organizational development and contract services in the HR Department and the IT Department replaced fewer servers and computers. Per capita costs for FY 10-11 included increases for professional service fees for the Town Attorney, the Human Services Grant Program, contract services for property tax collections and banking services and various IT services for the new fire station. FY 11-12 per capita increased slightly due to property and liability insurance costs and various contract services.

Planning Expenditures Per Capita

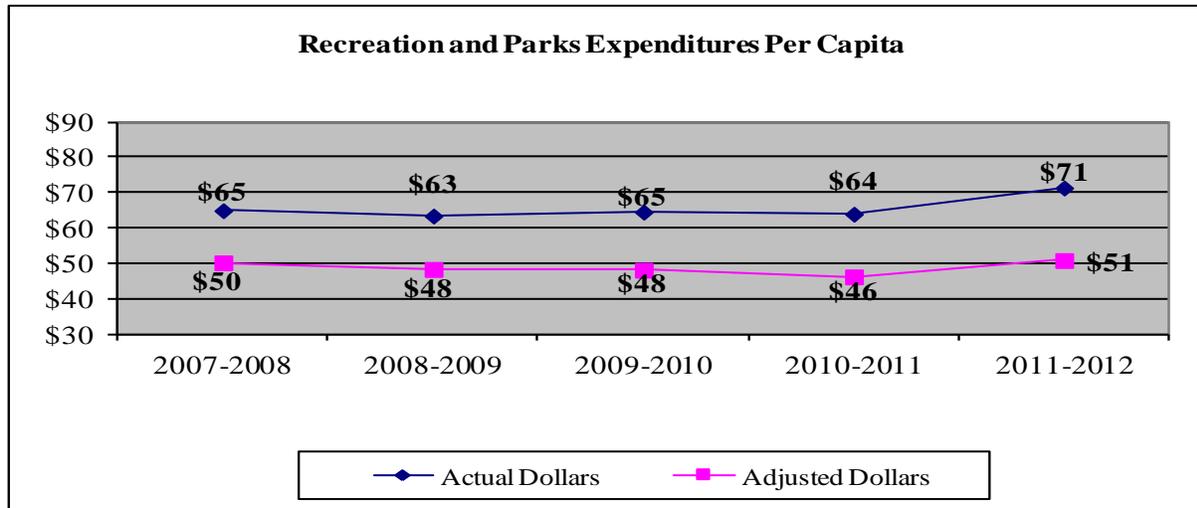


The slight variations in the Planning Department highlight two key dynamics that affect the departmental budget: permitting activity and personnel turnover. Expenses for 07-08 increased

slightly with the filling of the Transportation and Environmental Planner positions. Contracted services and engineering costs decreased in FY08-09 due to the slow economy. Costs remained stable in FY09-10 and FY 10-11. Expenses in FY11-12 decreased due to personnel retirement.

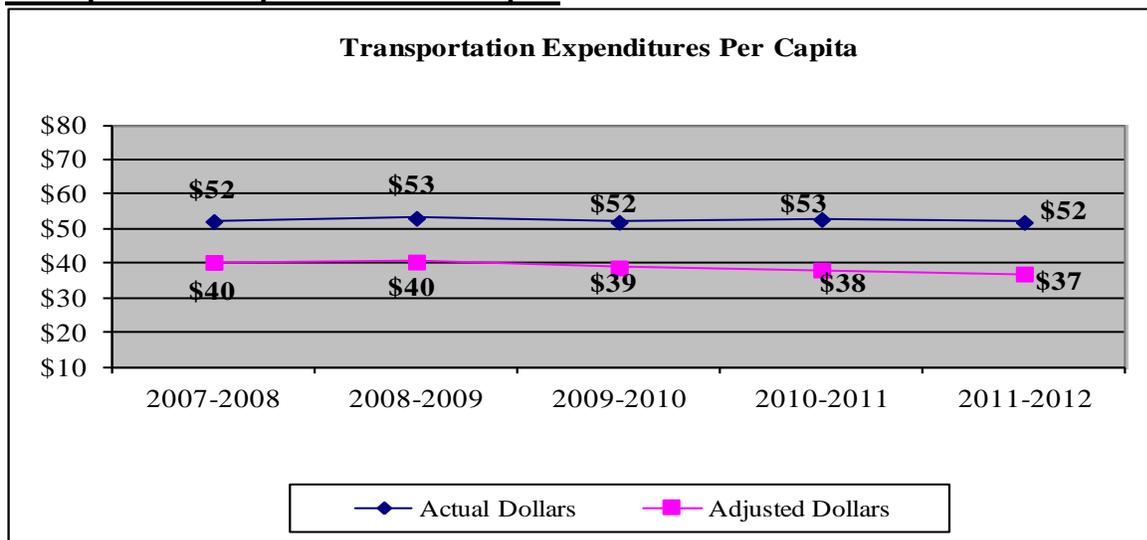
Recreation and Parks Expenditures per Capita

Per capita expenditures in the Recreation and Parks department, adjusted for inflation, have fluctuated over the past 5 years due several capital projects put on hold (Wilson Park playground equipment replacement, dog park fence renovation, Anderson Park field #4 renovation, and Anderson multi-use field renovation).



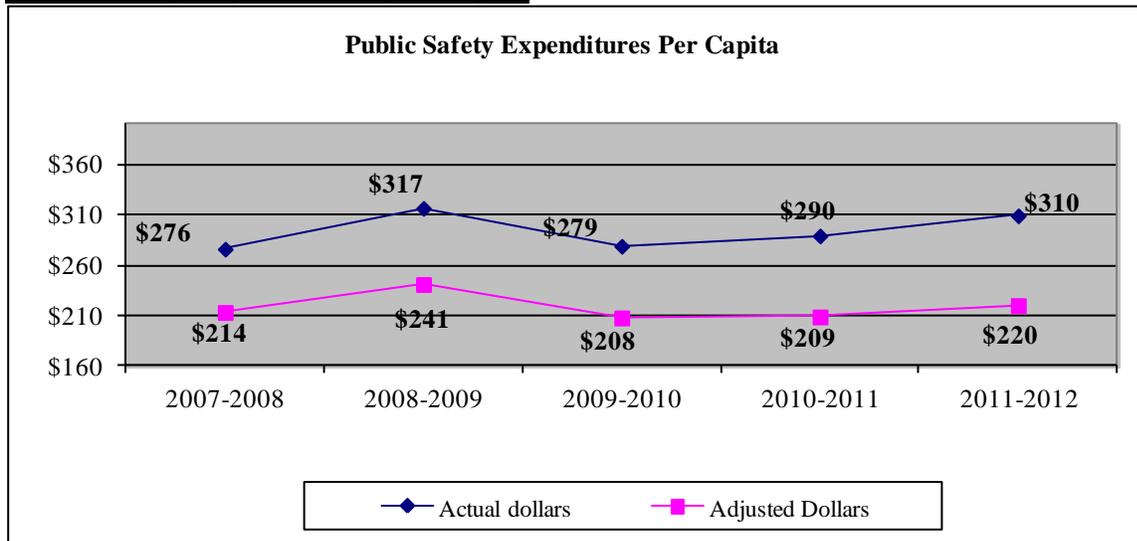
Even though expenditures increased in FY08-09, per capita costs decreased with a greater increase in population. Per capita costs remained stable in FY09-10 and decreased slightly in FY10-11. Expenditures per capita increased in FY11-12 with the construction of the Wilson Park Restroom.

Transportation Expenditures Per Capita



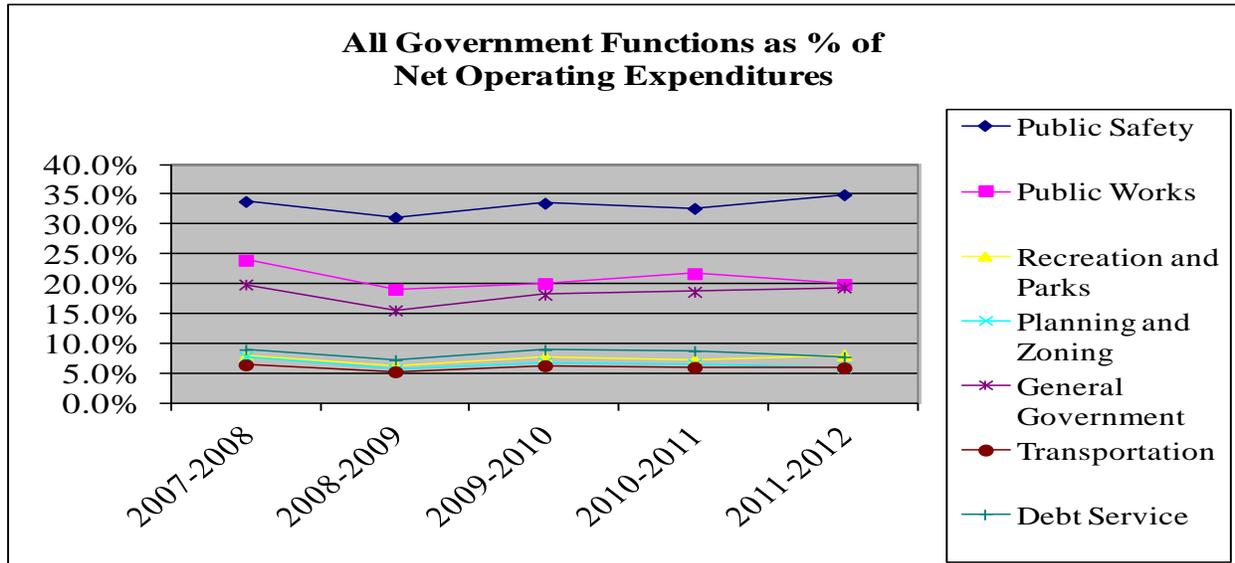
The Town and UNC-Chapel Hill are partners in the transit system administered by the Town of Chapel Hill. Carrboro’s contribution into this partnership, adjusted for inflation has remained fairly stable since 2006-2007. The transit contract remained unchanged in FY11-12, in spite of increased fuel costs and other ongoing operational costs. This is primarily due to increased state and federal pass-through funds that supported the transit operations and thus mitigated the local match required. With a grant and local funds, Shared Ride Feeder services were enabled in areas of Carrboro that do not have regular bus service. Trips are provided between designated bus stops in the “feeder” zones and the nearest bus routes or to another “feeder” service. This service extends largely to the northern areas of town.

Public Safety Expenditures per Capita



Public safety expenditures per capita, adjusted for inflation experienced an increase of \$6 per capita total or an increase of almost 3 percent in the past five years. FY08-09 costs increased with the purchase of a ladder truck for the Fire Department. Per capita costs decreased in FY09-10 primarily due to the one time capital outlay cost for the ladder truck in the previous year. Per capita costs increased slightly in FY10-11 due to vehicle repair and fuel costs, and changes in population. FY 11-12 increased costs were for vehicle replacement, fuel and uniforms.

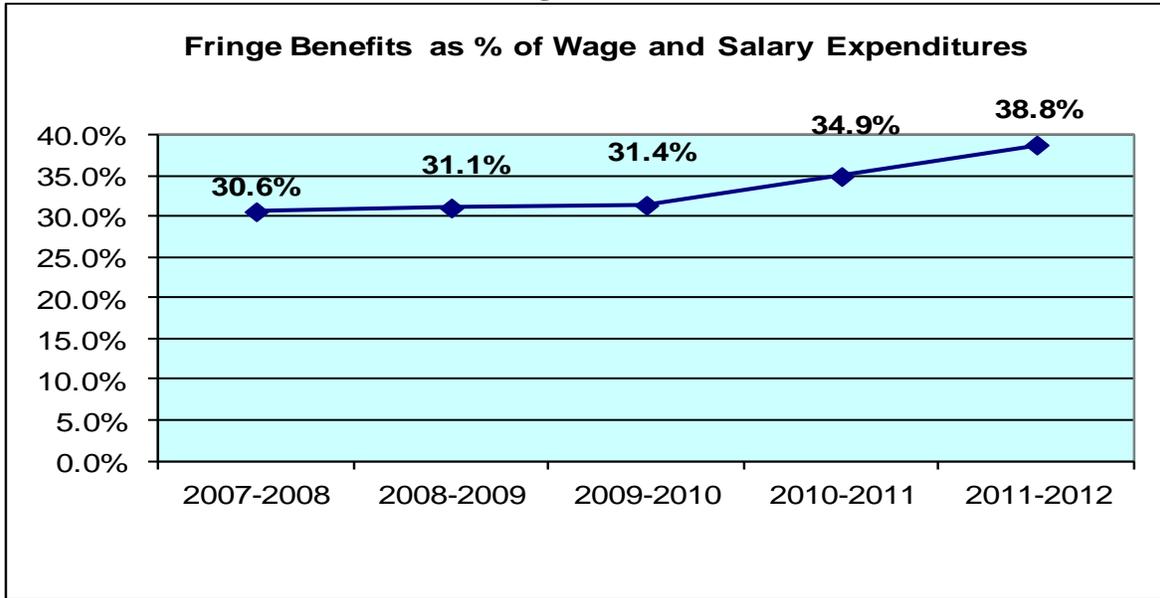
Net Operating Expenditures by Function



The chart above represents the allocation of funding for the various services provided by the Town. Approximately 55 percent of the Town’s spending is dedicated to public safety (fire protection and law enforcement services) and public works (street and sidewalk maintenance; solid waste collections; building, grounds, and parks maintenance; and fleet maintenance).

General government, which largely represents Board functions (Town Clerk, Mayor and Board of Aldermen, nonprofit and advisory boards) and support services (finance, technology, human services, Town Manager), represents approximately 19 percent of total spending. The remainder of the programs (debt service, transportation, planning and recreation programs) combined represent approximately 28 percent of the net operating expenses.

Fringe Benefits



	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Expenditures for fringe benefits	\$2,200,596	\$2,320,487	\$2,373,906	\$2,662,896	\$2,876,753
Salaries/Wages (FT,PT,OT, Temp)	\$7,191,755	\$7,471,114	\$7,563,563	\$7,655,183	\$7,418,189

Warning Trend: Unexplained, uncontrolled, or unanticipated increases in fringe benefit costs may signal a warning trend to credit rating industries.

Formula: Expenditures for Fringe Benefits/Salaries & Wages

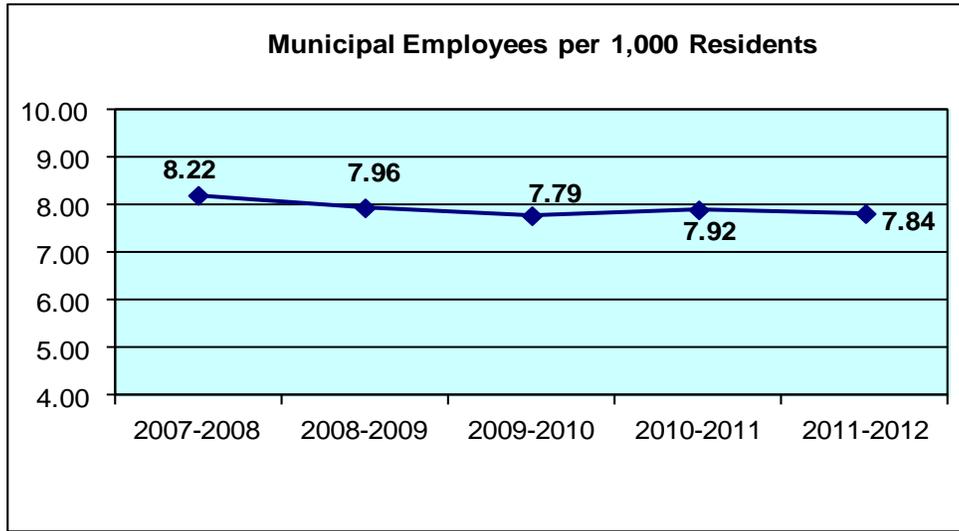
Description

Fringe benefits represent the costs, in addition to salaries and wages, incurred by a jurisdiction to support the personnel it employs. The calculation in this indicator includes FICA payments, health insurance payments, retiree insurance payments, separation allowance payments for retired police officers, retirement payments, and supplemental retirement insurance payments. FICA, retirement, and supplemental retirement benefits are fixed as a certain percentage of salaries and will rise accordingly. Vacation pay and sick leave programs are not considered fringe benefits since both are usually paid out of regular salary expense line items.

Discussion

Fringe benefits, as a percentage of the overall wages and salaries paid in Carrboro, have continued to rise since FY07-08. The increase in fringe benefits over the entire period of time is largely due to double-digit increases in the cost of health insurance costs for employees and retirees. Other factors include an increase in the number of retirees benefiting from the Town's insurance coverage subsidy therefore increasing retiree insurance costs, an increase in retiring police officers who are eligible for a separation allowance benefit, additional positions in departments, and an increase in the Town's contribution to the State Retirement Fund.

Municipal Employees per 1,000 Residents



	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Population	18,611	19,479	19,891	19,582	19,905
Number of municipal employees approved	153	155	155	155	156

Warning Trend: Increasing number of full-time municipal employees per (1,000) capita.

Formula: Number of Municipal Employees (approved)/Population/1000

Description

Because personnel costs are a major portion of a local government's operating budget, plotting changes in the number of employees per capita (or per thousand residents) is a good way to measure changes in expenditures. An increase in employees per capita might indicate that expenditures are rising faster than revenues that the government is becoming more labor intensive, or that personnel productivity is declining.

Discussion

The number of municipal employees per capita has remained relatively stable over the past five years. In FY 2008-09 two police officer positions were approved – one in Community Services and one in Criminal Investigations. A Systems Administrator position was added in Information Technology in FY11-12.

Work Force Totals Permanent Full-time Equivalent

FY	Mayor & Board	Manager	Economic Development	Clerk	Management Services	Human Resource	Police	Fire	Planning	Public Works	Recreation & Parks	TOTAL
2007-08	0	2	1	1	8	2	42	36	14	36	11	153
2008-09	0	2	1	1	8	2	44	36	14	36	11	155
2009-10	0	2	1	1	8	2	44	36	14	36	11	155
2010-11	0	4	1	1	6	2	44	36	14	36	11	155
2011-12	.5	4	1.5	1	6.5	2	44	36.5	14	36	12.5	158.5
2012-13	.5	5	1.5	1	6.5	2	42	36.5	14	34	12.5	155.5
2013-14	0	5	1.5	1.5	6.5	2	41	36.5	14	35	12.5	155.5

Note: All positions are budgeted within the General Fund

Description of Position Changes

FY07-08 – Increase one Police Officer I, four firefighters (3 beginning May 2008), one recreation supervisor (from part-time), and eliminate safety officer position in Fire Department.

FY08-09 – Add one Police Officer I in Community Services and one Police Officer II in Criminal Investigations, (effective January 2009).

FY09-10 – No position changes.

FY 2011-12 – IT division has been reorganized to report to the Town Manager instead of Management Services.

FY11-12 – No position changes. Reporting changed to FTE instead of positions.

FY 12-13 – Eliminate 4 frozen positions – Maintenance/Construction Worker, Groundskeeper, Police Officer I in Community Services, Police Officer I in Criminal Investigations. Add an Information Technology Support II position and unfreeze Planning/Zoning Specialist position. Began reporting FTEs instead of positions.

FY13-14 – Part-time position moved from Mayor and Board of Aldermen to Town Clerk, eliminated the Animal Control Officer position and added a Solid Waste Operator in Public Works.

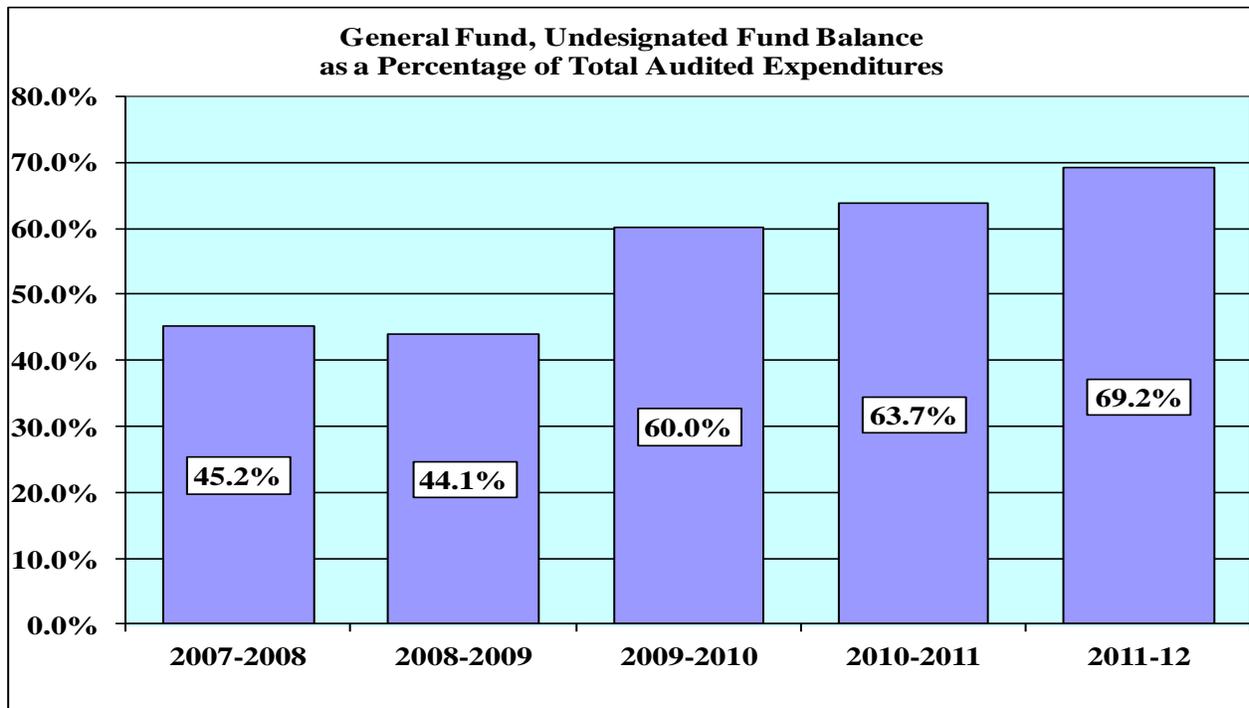
Operating Position Indicators

Revenues and Expenditures have a direct impact on a town's operating position. The term "operating position" refers to a local government's ability to: (1) balance its budget on a current basis, (2) maintain reserves for emergencies, and (3) have sufficient liquidity to pay its bills on time. The primary indicator that is tracked by the Town is fund balance.

Fund Balance

As an accounting calculation, fund balance is the difference between current assets and current liabilities. Unreserved fund balance, also called "*fund balance available for appropriation*," is the maximum amount that can be used to finance expenditures in next year's budget. Available fund balance is also considered a non-recurring financial resource that provides a local government with flexibility. Once used, it is difficult to replace. As a result, it should be protected and maintained at a reasonable level to provide for emergencies, unforeseen shortfalls in revenue, or to take advantage of unforeseen opportunities.

The Local Government Commission (LGC) considers the amount of unreserved fund balance to be one of the key indicators of the financial condition of a town. LGC, as part of the process of reviewing audited financial statements each year, calculates the amount of fund balance available for appropriation in the general fund and the amount of reserves in other funds. The LGC has an 8 percent minimum as a guideline for fund balance but this is not applicable to all governments, especially smaller governments like the Town of Carrboro. The 8 percent ratio is intended to represent 1/12th of a government's operating expenditures. However, 1/12th of a small government's budget is not considered an adequate reserve level due to the sheer small dollar amount that it reflects. The LGC uses, as its guideline for Carrboro, the average unreserved fund balance (commonly referred to as "fund balance available for appropriation (FBAA)" for units with similar populations. If a jurisdiction's unreserved fund balance falls to half of the group average, the LGC will write a letter to alert the Board of Aldermen and Town administration and to advise them that the municipality review the current level of fund balance and determine what fund balance level the municipality should have. Using the latest year available from LGC (year ending June 30, 2012), unreserved fund balance that includes designated and undesignated reserves is at 75.96% in Carrboro. This ratio is higher than the 51.11% average for municipalities with populations of 10,000-49,999.



The graph above illustrates the five-year undesignated fund balance trends. The Town policy is to maintain undesignated reserves within a range of 22.5% to 35% as in its financial policy on fund balance.

Debt / Liability Indicators

Another large expenditure that credit rating industries monitor is the debt load. Debt is an obligation resulting from the borrowing of money. Under favorable conditions, debt:

- ☆ Is proportionate in size and growth to the government's tax base,
- ☆ Does not extend past the facilities useful life which it finances,
- ☆ Is not used to balance the operating budget,
- ☆ Does not put excessive burdens on operating expenditures, and
- ☆ Is not so high as to jeopardize the credit rating.

The Board has approved a debt policy that addresses guidelines and restrictions affecting the amount, issuance, process, and type of debt issued by a governmental entity. The policy also requires Town staff to monitor various debt ratios that are used to evaluate ability to repay as well as the government's capacity to incur debt (see Town's fiscal policies within the Community and Organizational Profile section). The Town's debt structure primarily consists of installment financing and GO bond debt to support its capital improvements and equipment and vehicle replacements. Debt load is a large expenditure that credit rating industries monitor.

Debt ratios are considered by the LGC and credit rating agencies to ascertain the fiscal health of a municipality. High debt ratios may adversely affect the ability of the Town to obtain the lowest possible interest rate when borrowing funds.

One measure of a unit's debt capacity is debt expressed in terms of assessed or market valuation.

It is important to note, however, the Town's

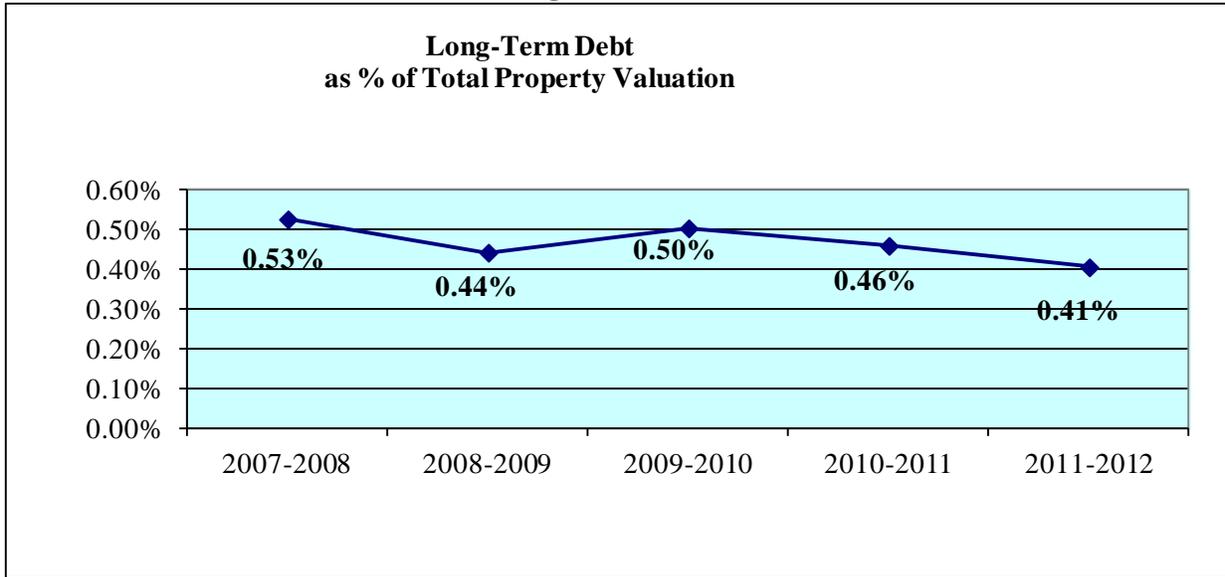
debt is far below the legal limit in the NC General Statutes (GS 159-55) that limits net debt to eight percent (8%) or less of a local government's total property valuation. Outstanding debt in most governmental units falls well below this limit, and typically ranges from about 1% to 4% for most governments. Based on the most recent year end of June 30, 2012, the Town's outstanding debt that applied to this limit is 1% as evidenced in the table. The legal margin or the maximum amount of outstanding debt allowable by law, based on the June 30, 2012 audited valuation is \$152,417,005.

Town of Carrboro, North Carolina Computation of Legal Debt Margin June 30, 2012	
Total assessed valuation at June 30, 2012	\$1,972,777,796
Debt limit – eight percent (8%) of assessed value	\$ 157,822,224
Amount of debt applicable to debt limit	
Net Bonded Debt	\$ 5,405,219
Legal Debt Margin	\$ 152,417,005

Debt service, annual interest and principal payments, can be a major part of a government's fixed costs, and its increase may indicate excessive debt and fiscal strain; credit firms consider debt exceeding 20% of operating revenues as a potential problem. Ten percent is considered acceptable (footnote1). The North Carolina Local Government Commission (LGC) advises that a heavy debt burden may be evidenced by a ratio of General Fund Debt Service to General Fund Expenditures exceeding 15%. The Town will maintain this ratio at or below 12%, considering this to be a moderate level of debt. In the last audited year, the Town shows that debt expenditures are approximately 7.6% of the total expenditures for the year ending June 30, 2012. The Five-Year Plan shows the percentage of debt service expenditures remaining at or below this level.

¹ "Evaluating Financial Condition, A Handbook for Local Government," ICMA, Sanford M. Groves and Maureen Godsey Valente, pp 83

Long-Term Debt



	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Long-Term Debt	\$8,098,535	\$6,996,943	\$9,650,641	\$8,909,304	\$7,995,219
Property Valuation	\$1,538,585,984	\$1,581,966,677	\$1,915,872,793	\$1,939,126,061	\$1,972,777,796

Warning Trend: Increasing ratio of long-term debt to total property valuation.

Formula: Long-term Debt/Total Property Valuation.

Description

The definition of debt considered by rating agencies is generally limited to bonded debt because of the fact that this debt is backed by the full faith and credit of the town which is represented by the Town's property valuation. However, given that all debt by the Town is considered a fixed cost and property taxes are the primary revenue source for the Town, the analysis of debt above includes long-term installment financing for infrastructure and land as well as equipment and vehicle debt. An increase in total long-term debt as a percentage of taxable assessed valuation can mean that the government's ability to repay debt is diminishing - assuming that the government depends on the property tax to repay its debts.

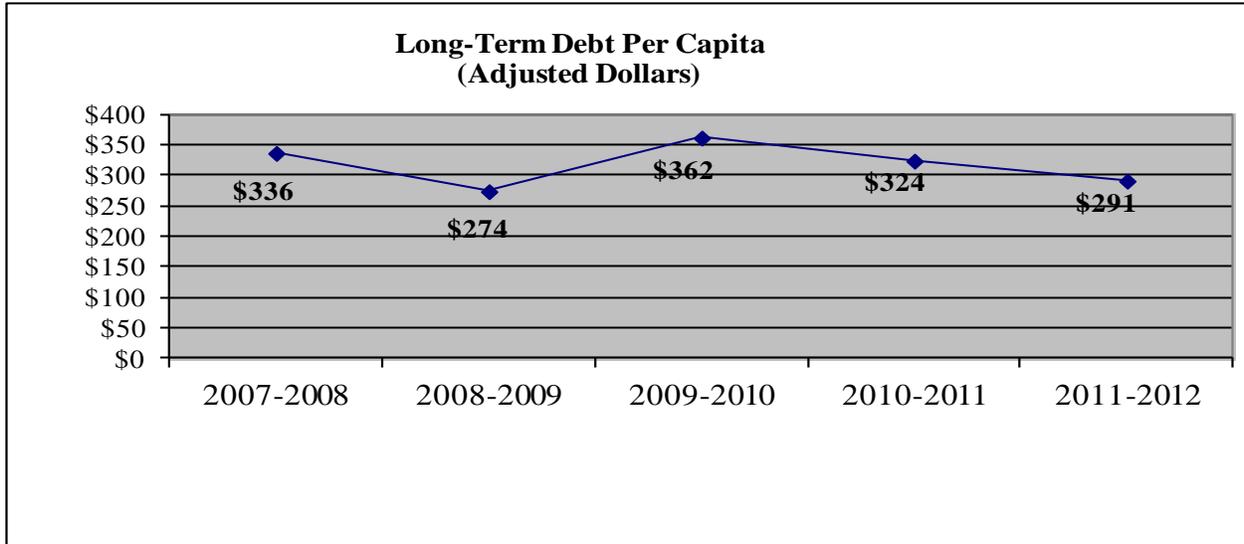
Standard and Poor's (S&P) reviews the level of long-term debt, recognizing that accelerated debt issuance can overburden a municipality. However, S&P also recognizes that a low debt profile may not be a positive credit factor since it may indicate underinvestment in capital facilities. Investment in public infrastructure is believed to enhance the growth prospects of the private sector.

Discussion

For municipalities comparable to Carrboro (populations ranging from 10,000 to 24,999), the average debt-to-assessed valuation ratio (computed by the Local Government Commission) in FY11-12 was .253 percent; a high level is considered 1.475 percent. The debt-to-assessed

valuation ratio for Carrboro in the last audited year was .46 percent, which is higher than the average valuation for jurisdictions of similar size but well below the high valuation. The LGC includes authorized but unissued debt in its debt ratio formula. For Carrboro, the LGC included the \$4.6 million dollar bond referendum for sidewalks and greenways that had not yet been issued in FY 2011-12. The graph above reflects the historical perspective that credit-rating agencies and audit reports consider; only issued debt is calculated in the debt ratio and thus Town debt ratios in the presented graphs are slightly different.

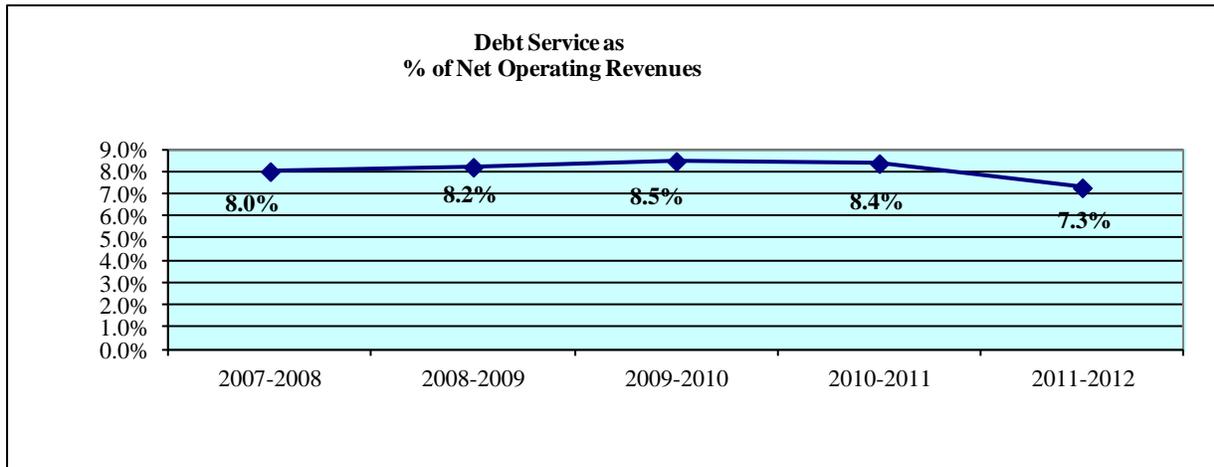
Debt per Capita



Debt can also be monitored on a per capita basis. It is especially useful for communities that do not rely heavily on property taxes and that cannot easily compute a substitute revenue base for comparison (footnote2). This is an indicator that is monitored by the LGC and is useful for comparison with other similar jurisdictions. The average for comparable jurisdictions in FY11-12 was \$242 per capita; \$1,580 per capita is considered a high ratio. According to the LGC, the Town’s ratio of outstanding general obligation bond debt which includes authorized and unissued general obligation bond debt and installment purchase debt is \$454 per capita. The graph above shows a lower per capita figure that is based on different assumptions than LGC. This figure is adjusted for inflation, relies on actual audited valuation, and does not include authorized but unissued debt. However, the message is the same as the LGC; the outstanding debt owed (principal) is increasing. In FY08-09 debt obligation is lower than in previous years due to the expiration of some old general obligation bond and lease-purchase commitments. In FY09-10, the Town financed the construction of the northern area fire substation, adding to outstanding debt. The decrease in FY10-11 is due to lease-purchase of fewer vehicles and equipment as well as a decrease in population. In FY11-12 the decrease is due to the expiration of lease-purchase commitments and debt.

² Evaluating Financial Condition, A Handbook for Local Government,” ICMA, Sanford M. Groves and Maureen Godsey Valente, pp 81

Debt Service



	2007-08	2008-2009	2009-2010	2010-2011	2011-2012
Debt Service	\$1,360,897	\$1,427,902	\$1,477,718	\$1,511,630	\$1,360,087
Net Operating Revenue	\$17,016,278	\$17,427,662	\$17,476,112	\$18,083,033	\$18,714,317

Warning Trend: Increasing debt service as a percentage of operating revenue.

Formula: Debt Service/Operating Revenue

Description

Debt service is defined here as the amount of principal and interest that a local government must pay each year on its long-term debt plus the interest it must pay on short-term debt. Increasing debt service reduces expenditure flexibility by adding to the government's obligations.

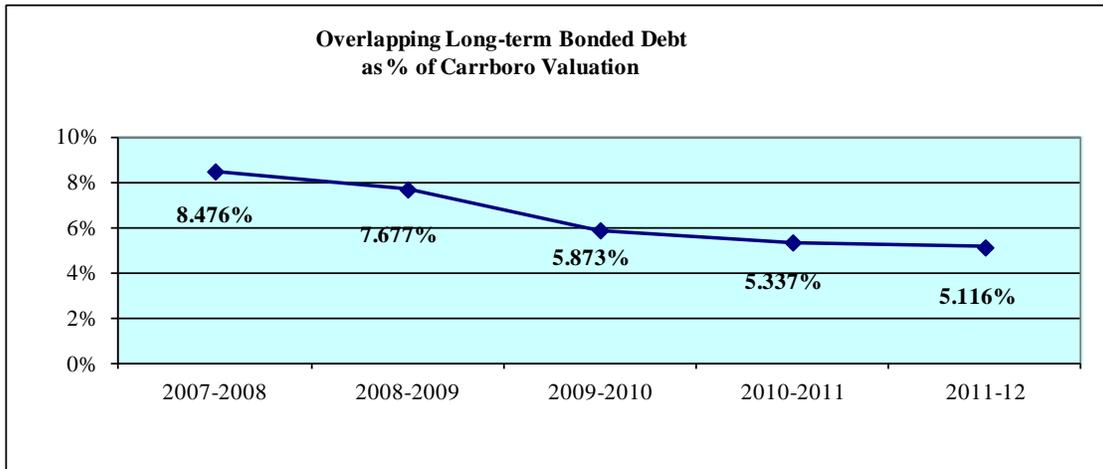
According to the ICMA, debt service under 10 percent of net operating revenue is considered acceptable while anything approaching 20 percent is considered excessive. Debt service can be a major part of a government's fixed costs, and increases may indicate excessive debt and fiscal strain.

Discussion

Debt service as a percentage of operating revenue has risen from FY07-08 to FY09-10 due to increased financing of vehicles, equipment, the new fire station, and bond funded sidewalk and greenways construction.

The graph shows that debt expenditures are approximately 7.3 percent of net operating revenues in FY11-12. This ratio, while different in focus than the Town's debt policy which monitors debt service as a percentage of expenditures, tells a similar story of relatively stable debt service that is below the stated ceiling of 12%. In January 2013 the Town issued \$4.6 million of general obligation bonds which will require principal and interest payment beginning in FY 2013-14. Previously, the Town had issued bond anticipation notes requiring the payment of only interest.

Overlapping Debt



	2007-08	2008-09	2009-10	2010-11	2011-12
Carrboro Debt	\$127,964	\$26,107	\$0	\$0	\$5,405,219
Orange County Debt	\$130,290,000	\$121,415,000	\$112,520,000	\$103,490,000	\$95,520,000
Total Overlapping Debt	\$130,417,964	\$121,441,107	\$112,520,000	\$103,490,000	\$100,925,219

Warning Trend: Increasing overlapping debt as a percentage of total assessed property valuation.

Formula: Carrboro Long-Term Debt Plus Orange County Long-Term Debt/Carrboro Assessed Property Valuation

Description

Overlapping debt is the net direct bonded debt of another jurisdiction that is issued against a tax base within part or all of the boundaries of the community. The level of overlapping debt is only that debt which is applicable to the property shared by the two jurisdictions. The overlapping debt indicator measures the ability of the community's tax base to repay the debt obligations issued by all of its governmental and quasi-governmental jurisdictions.

Discussion

The overlapping debt ratio does not present any warning signs. Since FY2007-08, the overlapping debt rate for Orange County has decreased.

Current Town Financial Condition

The Town's current financial condition is very strong. The Town has consistently maintained a fund balance exceeding 35% of total expenditures. At June 30, 2012 the Town had a fund balance of 69.2% of total expenditures. In six of the last eight years through the FY 2013-14 recommended budget, the Town has been able to maintain service levels without a property tax increase.

Future Trends

The Town makes projections about future costs based on the most recent adopted budget and the adopted FY 2012-13 Capital Improvements Plan (CIP). This is a tool for reflecting trends rather than actual revenues, expenditures, and tax rates. The five-year plan is designed to show the tax rate impact of town services over the long-term if growth continues at the current rates assumed in the model. The projections contained in the plan are best estimates based upon current information and the assumptions outlined within this section. The model is built with a fund balance objective of maintaining undesignated fund balance levels at a minimum of twenty-two and one-half percent (22.5%) of budgeted expenditures. It is the Town Manager's goal to take action to keep tax rates at the lowest possible level while continuing to provide a high level of services.

The assumptions built into this model are very conservative, projecting slow growth in the revenue base while continuing to fund expenditures at historical levels or higher, creating a budgetary gap that in the model, is filled by anticipated revenue increases.

Revenues

The five-year projected tax rates in previous years have been significant but have not generally materialized at projected levels. This has been due primarily to lower overall spending, and lower debt services costs associated with debt for various capital projects due to lower interest rates than projected for vehicle installment debt and changes in timing of capital projects (such as the fire substation, and parking lot purchases). In addition, the Town made a decision to issue bond anticipation notes (BANS) requiring only payment of interest costs until the \$4.6 million general obligation bonds were issued in January 2013.

In addition to property and sales tax revenues, the Town includes projections for certain intergovernmental revenues collected by the state that are distributed to local governments based upon a formula. These intergovernmental revenues include utility franchise, telecommunications sales tax, and natural piped gas taxes. The Town also receives occasional grant funding for specific projects or programs.

Fund balance is used to balance the budget and to minimize tax increases. Budgets are balanced with the goal of maintaining the undesignated fund balance within the range of 22.5% to 35% of total expenditures. Undesignated fund balance was 69.2% of total expenditures on June 30, 2012. This reflects a healthy fund balance level above the established policy that may provide some options to offset some of the committed capital costs in future years.

Below is a summary projected property tax rates and general fund revenues through FY 2017-18.

	2011-12	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
	Actual	Adopted Budget	Adopted Budget	Projected			
ESTIMATED VALUE PER ONE CENT LEVY	203,589	193,835	201,164	203,115	207,177	211,321	215,547
REQUIRED RATE PER \$100 VALUATION	58.94	58.94	58.94	68.25	70.25	78.25	78.25

GENERAL FUND REVENUES							
AD VALOREM TAXES	\$ 11,708,742	\$ 11,538,637	\$ 11,979,989	\$ 13,984,872	\$ 14,680,147	\$ 16,665,575	\$ 17,000,183
LOCAL SALES TAX	3,308,060	3,287,245	3,325,816	3,392,332	3,460,179	3,529,383	3,599,970
OTHER TAXES/LICENSES	449,623	408,490	536,046	546,767	557,702	568,856	580,233
UNRESTRICTED INTERGOVERNMENTAL	943,034	862,736	887,145	904,888	922,986	941,445	960,274
RESTRICTED INTERGOVERNMENTAL	692,961	598,200	604,909	617,007	629,347	641,934	654,773
FEES AND PERMITS	1,292,204	1,054,151	1,226,295	1,250,821	1,275,837	1,301,354	1,327,381
SALES AND SERVICES	260,225	229,845	233,145	244,802	257,042	269,894	283,389
INTEREST EARNINGS	38,283	35,000	7,036	7,177	7,320	7,467	7,616
OTHER REVENUES	82,036	65,605	147,106	150,048	153,049	156,110	159,232
LEASE PURCHASE PROCEEDS	298,850	397,320	745,176	750,000	750,000	750,000	750,000
OTHER TRANSFERS	607,858	176,945	176,945	538,845	471,945	419,945	176,945
FUND BAL APPROP	0	787,316	866,048	752,341	967,232	836,759	878,597
GENERAL FUND TOTAL REVENUES	\$ 19,681,877	\$ 19,441,491	\$ 20,735,656	\$ 23,139,900	\$ 24,132,787	\$ 26,088,723	\$ 26,378,595

Assumptions used in revenue projections are as follows:

Ad Valorem Tax Base	2% per year thereafter
Local Sales Tax	2 % per year
Other Taxes and Licenses	2% per year
Unrestricted Intergovernmental	2% per year
Restricted Intergovernmental	2% per year
Fees and Permits	2% per year
Sales and Services	5% per year
Interest Earnings/Other Revenue	No change
Lease Purchase Proceeds	Assumes level amount each year
Other Transfers	Fire debt service and storm water management
Fund Bal Appropriated	All other Fund Balance appropriated per financial policy.

General Fund Operating Expenditures

Personnel costs represent over half of the budget, which underscores the nature of government as a service industry and the primary asset is the people who work for it. Consequently, the five-year plan is impacted by assumptions regarding employee salaries and related expenses. For FY 2013-14 the Town has 155.5 full-time equivalent positions with no additional positions projected in future years. The assumptions within the plan assume an average 3% increase in salaries. In addition, the plan accounts for annual significant increases in health insurance that have been a trend over time.

The five-year plan generally shows operating expenditures at rates that mirror historical trends and commitments of the Town for specific policy or capital initiatives.

	<u>2011-12</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
GENERAL FUND	<u>Actual</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Projected</u>			
SALARY/WAGES	\$ 7,401,152	\$ 7,943,793	\$ 8,207,948	\$ 8,454,186	\$ 8,707,812	\$ 8,969,046	\$ 9,238,118
FRINGE BENEFITS	2,907,397	3,016,905	3,406,914	4,037,193	4,784,073	5,669,127	6,717,916
TOTAL PERSONNEL	\$ 10,308,550	\$ 10,960,698	\$ 11,614,862	\$ 12,491,379	\$ 13,491,886	\$ 14,638,173	\$ 15,956,033
GEN OPERATING COSTS	\$ 3,643,450	\$ 3,859,885	\$ 4,584,243	\$ 4,721,770	\$ 4,863,423	\$ 5,009,326	\$ 5,159,606
AFFORDABLE HOUSING	57,099	226,467	18,000	18,540	19,096	19,669	20,259
GOVNANCE SUPPORT	82,517	88,288	62,911	64,799	66,743	68,745	70,807
LANDFILL FEES	407,132	443,520	305,776	336,354	369,989	406,988	447,687
TRANSPORTATION COSTS	1,032,825	1,240,000	1,396,423	1,536,065	1,689,672	1,858,639	2,044,503
HUMAN SERVICES	145,883	151,718	175,000	183,750	192,938	202,584	212,714
TRANSFERS TO OTHER FUNDS, MISC.	0	450,700	136,704	450,700	450,700	450,700	450,700
TOTAL OPERATING COSTS	\$ 5,368,906	\$ 6,508,928	\$ 6,727,406	\$ 7,311,978	\$ 7,652,560	\$ 8,016,651	\$ 8,406,275

The expenditure assumptions are:

<i>Salary and Wages</i>	3% per year beginning FY12-13; maintain current 155.5 FTEs
<i>Fringe Benefits</i>	18.5% increase per year
<i>General Operating Costs</i>	3% per year beginning FY 12-13
<i>Affordable Housing</i>	3% per year
<i>Governance Support</i>	3% per year plus Greene Tract payment of \$29,524
<i>Landfill Fees</i>	10% per year
<i>Transportation Costs</i>	5% per year following recommended budget
<i>Human Services</i>	5% per year
<i>Transfers To Other Funds</i>	Assume level funding of transfer to Capital Reserve for street re-surfacing

Capital Investments

The Board adopts a Capital Improvements Plan (CIP) annually and the five-year plan assumptions consider the capital needs identified in the CIP. The Town, due to limited resources, will continue to prioritize capital needs as opportunities and funding arises. The Town is underway with the construction sidewalks, greenway and park facilities, and storm water management projects

In the adopted CIP for FY 2013-14 through FY 2018-19 the need for capital investment totals \$40.3 million:

- FY 2013-14 \$5.7 million
- FY 2014-15 \$3.9 million
- FY 2015-16 \$3.2 million
- FY 2016-17 \$1.9 million
- FY 2017-18 \$3.1million
- FY 2018-19 Beyond \$14.6 million

The Board regularly allocates funding for street resurfacing and other construction projects. The amount needed to cover street resurfacing costs is anticipated to increase over the next five years.

The purchase of vehicles and equipment to maintain day-to-day services is expected to increase due to delayed replacements in prior years.

Past CIPs anticipated increased pressure on the tax rate when the Town issued the \$4.6 million general obligation bonds approved by the voters for construction of sidewalks and greenways. The Town had used a strategy of issuing bond anticipation notes that only required annual interest payments. In FY13-14, upon issuance of the \$4.6 million bonds in January 2013, both interest and principal payments will be required. To maintain a level rate of debt service, the Town re-evaluated its debt portfolio and elected to pay off some old debt before maturity that had interest rates higher than the current market. This yielded a reduction of outstanding debt principal from \$10.5 million in FY 2012 to \$8.3 in FY 2013-14. Other than vehicle and equipment installment financing, the Town does not plan to issue any major debt for the next three to five years.

In monitoring the Town's financial position via fund balance ratios, it is clear that there are limited resources which will require prioritization of capital improvement and operating plans to meet the Town's most pressing needs.

Below is a summary of the Town's debt service payments projected through FY 2016-17.

	<u>2011-12</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
LEASE-PURCHASE DEBT SERVICE - EQP/VEHICLES	592,065	692,641	677,603	1,006,913	1,104,018	1,188,889	934,401
DEBT SERVICE	401,004	384,610	0	0	0	0	0
DEBT SERVICE - FIRE SUBSTATION	333,510	324,692	315,873	315,873	315,873	315,873	315,873
SIDEWALKS & GREENWAYS - GO BONDS	33,508	28,738	359,667	359,667	359,667	359,667	359,667
TOTAL DEBT PAYMENTS	1,360,087	1,430,681	1,353,143	1,682,453	1,779,558	1,864,429	1,609,941

Current outstanding debt:

OUTSTANDING DEBT	<u>2011-12</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
MARTIN LUTHER KING, JR. PARK LAND (\$274,000)	\$ 90,389	\$ 69,113	\$ -	\$ -	\$ -	\$ -	\$ -
CENTURY CENTER	1,303,131	930,799	-	-	-	-	-
PUBLIC WORKS LAND	332,367	281,233	-	-	-	-	-
ADAMS TRACT (\$600,000)	360,000	320,000	-	-	-	-	-
CONSTRUCTION - FIRE SUBSTATION (\$3,250,000)	3,141,667	2,925,000	2,708,333	2,491,667	2,275,000	2,058,333	1,841,666
CAPITAL LEASE (PROJECTED)	2,153,357	1,394,655	1,051,779	1,626,184	2,446,549	2,364,573	1,970,270
GO SIDEWALKS & GREENWAYS	4,600,000	4,600,000	4,600,000	4,370,000	4,140,000	3,910,000	3,680,000
TOTAL OUTSTANDING DEBT	\$ 11,980,911	\$ 10,520,800	\$ 8,360,112	\$ 8,487,851	\$ 8,861,549	\$ 8,332,906	\$ 7,491,936
	<u>2011-12</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
% DEBT TO ASSESSED VALUATION	0.61%	0.53%	0.41%	0.41%	0.42%	0.39%	0.34%
DEBT PER CAPITA	\$480	\$448	\$373	\$344	\$315	\$287	\$261
% DEBT SVC TO TOTAL BUDGET	8.6%	7.5%	6.8%	7.5%	7.6%	7.4%	6.3%
POPULATION	19,582	19,582	19,582	19,974	20,373	20,781	21,196
ASSESSED VALUATION	\$ 1,972,777,796	\$ 1,992,505,574	\$ 2,031,961,130	\$ 2,072,600,352	\$ 2,114,052,360	\$ 2,156,333,407	\$ 2,199,460,075

This page intentionally left blank

LINE-ITEM BUDGET DETAIL...

Mayor and Board of Aldermen

410

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	120,411	120,902	88,149	-27%
OPERATIONS	147,465	162,650	168,100	3%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	267,876	283,552	256,249	-10%

DETAIL

500203	LUMP SUM PAYMENT	5,783		-	0%
500300	PART-TIME SALARIES	86,593	86,814	69,707	-20%
500500	FICA	6,619	6,690	5,333	-20%
500600	INSURANCE	25,763	26,180	13,109	-50%
500700	RETIREMENT	1,436	1,218	-	-100%
500800	TRAINING	475	2,000	2,000	0%
500900	PROF SERVICES	130,225	130,000	130,000	0%
501000	CONFERENCES	300	3,500	3,500	0%
501100	POSTAGE	136	850	300	-65%
501400	TRAVEL	1,210	8,500	5,000	-41%
502500	PRINTING	42	1,000	500	-50%
503200	OFFICE SUPPLIES	203	300	300	0%
503300	DEPT SUPPLIES	3,212	3,000	2,000	-33%
504500	CONTRACT SERVICES	4,789	11,500	7,500	-35%
504700	ELECTIONS	4,946		15,000	0%
505300	DUES/SUBSCRIPTIONS	1,926	2,000	2,000	0%
	SUBTOTAL	273,659	283,552	256,249	-10%

Advisory Boards

ADVISORY BOARDS AND COMMISSIONS

415

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	-	-	-	0%
OPERATIONS	8,322	11,800	16,550	40%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	8,322	11,800	16,550	40%

DETAIL

500800	TRAINING	-	500	500	0%
505701	APPEARANCE COMM	356	400	400	0%
505702	PLANNING BOARD	-	500	400	-20%
505703	BD OF ADJUSTMENT	116	300	200	-33%
505704	PARKS & RECREATION	2,345	2,400	2,400	0%
	TRANSPORTATION				
505705	ADVISORY BOARD	454	500	500	0%
505707	HUMAN SERVICES	282	300	300	0%
	N. TRANSITION AREA				
505708	ADVISORY COMM	1	300	150	-50%
505710	RECOGNITION BANQUET	2,568	3,500	3,500	0%
	ECONOMIC				
	SUSTAINABILITY				
505711	COMMISSION	-	500	1,200	140%
505712	GREENWAY COMM	-	800	500	-38%
505718	ARTS COMMITTEE	2,201	1,000	6,000	500%
	ENVIRONMENTAL				
505719	ADVISORY BOARD	-	800	500	-38%
	SUBTOTAL	8,322	11,800	16,550	40%

Governance Support

418

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	-	-	-	0%
OPERATIONS	262,400	327,445	444,468	36%
CAPITAL OUTLAY	-	-	-	0%

TOTAL

262,400	327,445	444,468	36%
----------------	----------------	----------------	------------

DETAIL

504501	TRIANGLE J COG	7,370	7,500	7,900	5%
504502	NC LEAGUE OF MUNIC.	13,313	13,971	14,390	3%
504503	ECON. DEV. COM.	6,000	-	-	0%
504504	SCHOOL OF GOVERNMENT	2,021	2,127	2,209	4%
504505	ARTS CENTER	15,000	15,000	15,300	2%
504506	HUMAN SERVICES GRANT	145,883	151,718	175,000	15%
504508	LEAGUE WOMEN VOTERS	-	250	250	0%
504510	COMMUNITY DINNER	500	500	500	0%
504512	THE COMMUNITY HOME TRUST	34,000	34,000	35,000	3%
504513	ORANGE COUNTY	-	29,524	29,524	0%
504516	DOWNTOWN BUS ASSOC	500	-	-	0%
504517	LIBRARY PROJECT	4,000	4,000	4,000	0%
504518	MEDIATION	-	500	500	0%
504519	CABLE TV CONSULTATION	4,500	5,000	5,000	0%
504531	THE PEOPLES CHANNEL	24,390	32,520	-	0%
504533	METROPOLITAN COALITION	2,435	2,435	2,520	3%
504535	COMMUNITY OUTREACH	-	26,000	36,970	0%
504548	CD & MEMORABILIA SHOW	2,487	2,400	2,400	0%
504600	ALLIANCE FOR INNOVATION			1,825	0%
504620	CARRBORO TOURISM AND DEVELOPMENT AUTHORITY			111,180	0%
SUBTOTAL		262,400	327,445	444,468	36%

Town Manager
420

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	180,439	239,376	260,570	9%
OPERATIONS	41,663	22,750	10,600	-53%
CAPITAL OUTLAY	-	-	1,000	0%
TOTAL	222,102	262,126	272,170	4%

DETAIL

500200	SALARIES	141,379	194,000	199,640	3%
500202	SERVICE BENEFITS		868	868	0%
500203	LUMP SUM PAYMENT	2,000		-	0%
500400	TEMP SALARIES			6,300	0%
500500	FICA	10,727	12,757	13,877	9%
500600	INSURANCE	10,935	13,232	20,178	52%
500601	DISABILITY INSURANCE	68	208	208	0%
500700	RETIREMENT	10,025	12,671	13,690	8%
500701	SUPPL RETIREMENT	4,327	5,640	5,809	3%
500704	ICMA RETIREMENT	978	-	-	0%
500800	TRAINING	-	1,200	2,400	100%
501000	CONFERENCES	374	4,200	1,700	-60%
501100	POSTAGE	13	300	100	-67%
501400	TRAVEL	11,570	1,900	2,250	18%
501600	M & R EQUIP	-	250	-	-100%
501700	MOTOR VEHICLE REPAIR	19	900	-	-100%
502100	RENT	7,678	7,500	-	-100%
502500	PRINTING	12	250	100	-60%
502600	ADVERTISING	-	100	-	-100%
503100	FUEL	422	1,200	-	-100%
503200	OFFICE SUPPLIES	754	450	750	67%
503300	DEPT SUPPLIES	869	1,000	1,200	20%
504500	CONTRACT SERVICES	19,625	-	-	0%
505300	DUES/SUBS	329	3,500	2,100	-40%
507400	FURNITURE/EQPMT		-	1,000	0%
	SUBTOTAL	222,102	262,126	272,170	4%

Economic and Community Development

421

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	112,084	110,353	118,141	7%
OPERATIONS	37,012	44,043	141,793	222%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	149,097	154,396	259,934	68%

DETAIL

500200 SALARIES	72,479	72,000	78,000	8%
500203 LUMP SUM PAYMENT	667		-	0%
500300 PARTTIME SALARIES	16,868	16,766	17,224	3%
500500 FICA	6,870	6,805	7,299	7%
500600 INSURANCE	6,683	6,564	6,476	-1%
500601 DISABILITY INSURANCE	74	180	180	0%
500700 RETIREMENT	6,268	5,878	6,622	13%
500701 SUPPL RETIREMENT	2,177	2,160	2,340	8%
500800 TRAINING	-	500	2,000	300%
501000 CONFERENCES	919	1,000	-	-100%
501100 POSTAGE	142	600	600	0%
501400 TRAVEL	1,425	1,500	1,000	-33%
502500 PRINTING	70	600	600	0%
502600 ADVERTISING	3,000	3,000	11,000	267%
503200 OFFICE SUPPLIES	429	600	600	0%
503300 DEPT SUPPLIES	1,498	1,800	2,050	14%
504500 CONTRACT SERVICES			17,000	0%
504511 HOLIDAY EVENTS	1,000	1,000	-	-100%
504546 HOME CONSORTIUM MATCH	23,099	12,943	12,943	0%
504549 LOCAL LIVING ECONOMY	5,000	20,000	3,000	0%
504630 300 E. MAIN PARKING LEASE			90,000	0%
505300 DUES/SUBS	430	500	1,000	100%
SUBTOTAL	149,097	154,396	259,934	68%

Town Clerk

426

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	74,174	71,967	104,121	45%
OPERATIONS	12,034	18,450	20,400	11%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	86,208	90,417	124,521	38%

DETAIL

500200 SALARIES	57,373	56,000	58,280	4%
500202 SERVICE BENEFITS		-	-	0%
500300 PART-TIME SALARIES			24,819	0%
500500 FICA	4,373	4,284	6,367	49%
500600 INSURANCE	6,683	6,121	6,476	6%
500601 DISABILITY INSURANCE	29	29	29	0%
500700 RETIREMENT	3,993	3,853	5,722	49%
500701 SUPPL RETIREMENT	1,724	1,680	2,428	45%
500800 TRAINING	100	200	1,200	500%
501000 CONFERENCES	130	1,300	1,300	0%
501100 POSTAGE	143	500	250	-50%
501400 TRAVEL	23	300	900	200%
501600 M & R EQUIP	-	350	350	0%
502500 PRINTING	403	2,000	500	-75%
502600 ADVERTISING	7,440	10,000	10,000	0%
503200 OFFICE SUPPLIES	618	750	750	0%
503300 DEPT SUPPLIES	1,738	1,750	2,750	57%
504500 CONTRACT SERVICES	1,125	1,000	2,000	0%
505300 DUES/SUBSCRIPTIONS	314	300	400	33%
SUBTOTAL	86,208	90,417	124,521	38%

Management Services

445

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
--	-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	452,819	483,918	501,406	4%
OPERATIONS	546,769	544,034	561,029	3%
CAPITAL OUTLAY	-	-	-	0%

TOTAL	999,588	1,027,952	1,062,435	3%
--------------	----------------	------------------	------------------	-----------

DETAIL

500200 SALARIES	318,515	336,074	346,108	3%
500201 OVERTIME	1,035	-	1,035	0%
500202 SERVICE BENEFITS	-	744	704	0%
500203 LUMP SUM PAYMENT	4,600	-	-	0%
500300 PART-TIME SALARIES	18,701	26,522	33,686	27%
500500 FICA	24,357	27,855	29,133	5%
500600 INSURANCE	51,451	57,797	53,255	-8%
500601 DISABILITY INSURANCE	707	510	510	0%
500700 RETIREMENT	23,853	24,334	26,636	9%
500701 SUPPL RETIREMENT	9,599	10,082	10,339	3%
500800 TRAINING	8,682	8,145	5,000	-39%
501000 CONFERENCES	659	900	3,433	281%
501100 POSTAGE	3,451	2,700	3,760	39%
501400 TRAVEL	201	1,177	500	-58%
502100 RENT	8,827	10,000	10,000	0%
502500 PRINTING	1,870	2,200	1,870	-15%
502600 ADVERTISING	763	2,000	2,000	0%
503200 OFFICE SUPPLIES	2,162	2,000	2,000	0%
503300 DEPT SUPPLIES	7,028	7,500	8,000	7%
504500 CONTRACT SERVICES	154,103	150,342	164,262	9%
504704 BANK SERVICE CHARGES	2,652	-	-	0%
505300 DUES/SUBS	1,462	2,100	2,100	0%
505600 CASH OVER/SHORT	(25)	-	-	0%
505700 MISCELLANEOUS	2,919	700	700	0%
506000 INSUR-GENERAL	313,013	313,437	316,571	1%
506001 PUBLIC OFFICIALS	39,002	40,833	40,833	0%
SUBTOTAL	999,588	1,027,952	1,062,435	3%

Human Resources

446

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	372,522	443,554	474,642	7%
OPERATIONS	53,090	63,720	65,402	3%
CAPITAL OUTLAY	-	-	-	0%

TOTAL	425,612	507,274	540,044	6%
--------------	----------------	----------------	----------------	-----------

DETAIL

500200 SALARIES	139,942	137,716	141,848	3%
500202 SERVICE BENEFITS	-	1,324	1,324	0%
500203 LUMP SUM PAYMENT	2,000	-	-	0%
500400 TEMPORARY SALARIES	3,135	9,360	-	0%
500500 FICA	9,927	11,369	11,446	1%
500600 INSURANCE	24,932	25,270	24,638	-3%
500601 DISABILITY INS	123	102	102	0%
500602 RETIREE INSURANCE	156,563	240,000	276,000	15%
500604 UNEMPLOYMENT INS	21,758	5,000	5,000	0%
500700 RETIREMENT	9,878	9,282	10,029	8%
500701 SUPPL RETIREMENT	4,264	4,131	4,255	3%
500800 TRAINING	1,802	2,500	2,500	0%
500801 TUITION ASSISTANCE	300	600	5,250	775%
500810 ORG DEV	7,105	15,000	12,000	-20%
501000 CONFERENCES	393	425	425	0%
501100 POSTAGE	160	525	525	0%
501400 TRAVEL	504	550	550	0%
501600 M&R EQPMT	-	-	-	0%
502100 RENT	1,251	1,500	1,500	0%
502500 PRINTING	107	750	375	-50%
502600 ADVERTISING	4,329	7,500	7,500	0%
503200 OFFICE SUPPLIES	78	700	-	-100%
503300 DEPT SUPPLIES	2,087	1,650	1,650	0%
504500 CONTRACT SERVICES	23,418	22,200	23,307	5%
505300 DUES/SUBSCRIPTIONS	673	820	820	0%
505710 EMPLOYEE RECOGNITION	10,883	9,000	9,000	0%

SUBTOTAL	425,612	507,274	540,044	6%
----------	---------	---------	---------	----

Information Technology

447

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
--	---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	180,099	262,779	255,851	-3%
OPERATIONS	746,608	755,596	810,467	7%
CAPITAL OUTLAY	21,589	108,750	102,750	-6%
TOTAL	948,297	1,127,125	1,169,068	4%

DETAIL

500200 SALARIES	136,406	203,676	193,917	-5%
500202 SERVICE BENEFITS	-	704	1,363	0%
500203 LUMP SUM PAYMENT	2,000	-	-	0%
500500 FICA	10,113	15,599	14,956	-4%
500600 INSURANCE	17,497	22,749	25,805	13%
500601 DISABILITY INSURANCE	291	282	282	0%
500700 RETIREMENT	9,632	13,680	13,710	0%
500701 SUPPL RETIREMENT	4,161	6,089	5,818	-4%
500800 TRAINING	348	7,200	7,200	0%
501000 CONFERENCES	-	750	750	0%
501200 TELEPHONE	65,788	75,580	75,580	0%
501400 TRAVEL	-	500	500	0%
501600 M & R EQUIP	48,374	32,050	32,050	0%
501700 M & R VEH REPAIR	451	350	350	0%
503100 FUEL	584	591	538	-9%
503200 OFFICE SUPPLIES	1,018	1,000	1,000	0%
503300 DEPT SUPPLIES	3,337	25,125	25,125	0%
COMPUTERS &				
503305 PERIPHERALS	308,065	228,300	234,200	3%
504500 CONTRACT SERVICES	317,991	380,050	429,074	13%
505300 DUES/SUBS	652	4,100	4,100	0%
507400 EQUIPMENT	21,589	108,750	102,750	-6%
SUBTOTAL	948,297	1,127,125	1,169,068	4%

Police Department

POLICE - DEPARTMENTAL TOTAL

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	2,832,426	2,774,400	2,853,401	3%
OPERATIONS	367,594	366,255	464,469	27%
CAPITAL OUTLAY	222,644	141,120	241,576	71%
TOTAL	3,422,663	3,281,775	3,559,446	8%

Police- Administrative Support

510

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	482,278	460,816	471,647	2%
OPERATIONS	33,842	40,223	37,553	-7%
CAPITAL OUTLAY	-	-	38,896	0%
TOTAL	516,120	501,039	548,096	9%

DETAIL

SALARIES	310,171	303,236	292,067	-4%
SERVICE BENEFITS	-	3,713	3,054	0%
LUMP SUM PAYMENT	5,000	-	-	0%
TEMPORARY SALARY	8,998	12,480	12,844	3%
FICA	27,370	24,476	23,599	-4%
INSURANCE	45,877	42,500	41,522	-2%
DISABILITY INSURANCE	516	535	437	0%
RETIREMENT	21,982	20,939	21,394	2%
SUPPL RETIREMENT	13,949	13,340	13,132	-2%
EARLY SEPARATION	48,415	39,597	63,598	61%
TRAINING	4,839	10,704	8,563	-20%
CONFERENCES	-	600	600	0%
POSTAGE	374	650	650	0%
TELEPHONE	2,537	2,892	2,892	0%
M&R EQUIPMENT	360	800	800	0%
VEHICLE REPAIR	5,343	2,045	2,045	0%
RENT	1,593	1,680	1,680	0%
PRINTING	140	1,300	1,300	0%
FUEL	7,275	8,286	7,608	-8%
OFFICE SUPPLIES	1,397	2,000	2,000	0%
DEPT SUPPLIES	5,153	5,136	5,136	0%
VEHICLE SUPPLIES	54	-	1,173	0%
UNIFORMS	2,102	2,596	2,596	0%
SEIZURE EXPENSES	1,219			
CONTRACT SERVICES	1,051	1,077	-	-100%
DUES & SUBSCRIPTIONS	405	457	510	12%
VEHICLES	-	-	38,896	0%
SUBTOTAL	516,120	501,039	548,096	9%

Police – Patrol

511

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	1,645,312	1,482,146	1,561,757	5%
OPERATIONS	243,138	238,359	292,795	23%
CAPITAL OUTLAY	161,491	105,840	202,680	91%

TOTAL	2,049,941	1,826,345	2,057,232	13%
--------------	------------------	------------------	------------------	------------

DETAIL

500200 SALARIES	1,120,261	1,025,513	1,061,075	3%
500201 OVERTIME	20,110	21,970	21,970	0%
500202 SERVICE BENEFITS	-	5,003	3,639	0%
500203 LUMP SUM PAYMENT	22,250	-	-	0%
500500 FICA	85,917	80,632	81,560	1%
500600 INSURANCE	223,981	189,203	196,352	4%
500601 DISABILITY INSURANCE	1,188	1,161	1,177	1%
500700 RETIREMENT	82,098	70,914	77,246	9%
500701 SUPPL RETIREMENT	58,301	52,375	53,054	1%
500703 EARLY SEPARATION	31,207	35,375	65,684	86%
500800 TRAINING	21,025	28,527	31,527	11%
501200 TELEPHONE	6,700	5,740	5,740	0%
501600 M & REQUIP	2,892	3,607	67,095	1760%
501700 VEHICLE REPAIR	31,675	26,580	26,580	0%
503100 FUEL	72,637	81,872	72,746	-11%
503200 OFFICE SUPPLIES	1,092	585	585	0%
503300 DEPT SUPPLIES	40,189	29,609	29,609	0%
503307 VEHICLE SUPPLIES	16,259	10,791	5,865	-46%
503600 UNIFORMS	26,707	26,526	26,526	0%
504500 CONTRACT SERVICES	23,891	24,358	26,358	8%
505300 DUES/SUBSCRIPTIONS	70	164	164	0%
507400 EQUIPMENT			8,200	0%
507401 VEHICLES	161,491	105,840	194,480	84%

SUBTOTAL	2,049,941	1,826,345	2,057,232	13%
----------	-----------	-----------	-----------	-----

Police – Community Services

512

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	351,900	429,622	471,947	10%
OPERATIONS	40,585	39,668	38,588	-3%
CAPITAL OUTLAY	-	35,280	-	-100%
TOTAL	392,485	504,570	510,535	1%

DETAIL

500200 SALARIES	249,093	300,993	326,174	8%
500201 OVERTIME	5,708	3,030	3,030	0%
500202 SERVICE BENEFITS	-	2,072	2,528	0%
500203 LUMP SUM PAYMENT	5,750	-	-	0%
500500 FICA	19,122	23,439	25,175	7%
500600 INSURANCE	40,508	48,901	59,627	22%
500601 DISABILITY	315	289	244	-16%
500700 RETIREMENT	18,361	20,582	23,745	15%
500701 SUPPL RETIREMENT	13,044	15,201	16,309	7%
500703 EARLY SEPARATION	-	15,115	15,115	0%
500800 TRAINING	4,293	3,780	3,780	0%
501000 CONFERENCES	1,267	1,700	1,700	0%
501200 TELEPHONE	3,900	3,593	3,593	0%
501600 M & R EQUIP	262	1,140	1,140	0%
501700 VEHICLE REPAIR	4,267	3,700	4,400	19%
503100 FUEL	12,440	14,196	13,448	-5%
503200 OFFICE SUPPLIES	383	316	316	0%
503300 DEPT SUPPLIES	8,323	4,495	4,495	0%
503307 VEHICLE SUPPLIES	-	650	-	0%
503600 UNIFORMS	4,730	2,500	2,500	0%
504500 CONTRACT SERVICES	300	382	-	-100%
505300 DUES/SUBSCRIPTIONS	419	3,216	3,216	0%
507401 VEHICLES	-	35,280	-	0%
SUBTOTAL	392,485	504,570	510,535	1%

Police – Investigations

515

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	297,744	347,003	348,050	0%
OPERATIONS	40,913	37,515	37,311	-1%
CAPITAL OUTLAY	47,171	-	-	0%
TOTAL	385,828	384,518	385,361	0%

DETAIL

500200 SALARIES	215,826	245,855	248,092	1%
500201 OVERTIME	5,706	13,125	13,125	0%
500202 SERVICE BENEFITS	-	1,656	2,067	0%
500203 LUMP SUM PAYMENT	3,000	-	-	0%
500500 FICA	16,806	19,950	19,149	-4%
500600 INSURANCE	29,187	35,773	34,989	-2%
500601 DISABILITY INSURANCE	228	162	162	0%
500700 RETIREMENT	15,769	17,533	18,061	3%
500701 SUPPL RETIREMENT	11,222	12,949	12,405	-4%
500800 TRAINING	4,277	4,400	4,400	0%
501200 TELEPHONE	2,520	2,320	2,320	0%
501400 TRAVEL	-	250	250	0%
501600 M & REQUIP	-	1,230	1,230	0%
501700 VEHICLE REPAIR	4,137	2,600	3,000	15%
502500 PRINTING	38	-	-	0%
503100 FUEL	7,942	9,650	9,526	-1%
503200 OFFICE SUPPLIES	814	1,000	1,000	0%
503300 DEPT SUPPLIES	5,382	7,500	7,500	0%
503307 VEHICLE SUPPLIES	6,390	780	-	-100%
503600 UNIFORMS	-	2,285	2,285	0%
504500 CONTRACTUAL SERVICES	55	-	300	0%
505700 MISCELLANEOUS	9,360	5,500	5,500	0%
507401 VEHICLES	47,171	-	-	0%
SUBTOTAL	385,828	384,518	385,361	0%

Police – Animal Control

518

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	55,191	54,813	-	-100%
OPERATIONS	9,116	10,490	58,222	455%
CAPITAL OUTLAY	13,982	-	-	0%
TOTAL	78,289	65,303	58,222	-11%

DETAIL

500200 SALARIES	35,352	35,831	-	-100%
500202 SERVICE BENEFITS	-	248	-	0%
500203 LUMP SUM PAYMENT	1,000	-	-	0%
500500 FICA	2,255	2,760	-	-100%
500600 INSURANCE	12,816	11,683	-	-100%
500601 DISABILITY INSURANCE	128	73	-	-100%
500700 RETIREMENT	2,543	2,426	-	-100%
500701 SUPPL RETIREMENT	1,097	1,792	-	-100%
500800 TRAINING	-	400	-	-100%
501600 M & REQUIP	-	83	-	-100%
501700 VEHICLE REPAIR	510	300	-	-100%
503100 FUEL	1,937	2,128	-	-100%
503200 OFFICE SUPPLIES	2	100	-	-100%
503300 DEPT SUPPLIES	-	600	-	-100%
503307 VEHICLE SUPPLIES	425	479	-	0%
503600 UNIFORMS	230	300	-	-100%
504500 CONTRACT SVCS	6,000	6,000	58,222	870%
505300 DUES & SUBSCRIPTIONS	11	100	-	-100%
507401 VEHICLE	13,982	-	-	0%
SUBTOTAL	78,289	65,303	58,222	-11%

Fire and Rescue

FIRE - DEPARTMENTAL TOTAL

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	2,358,622	2,219,345	2,308,037	4%
OPERATIONS	236,713	286,414	320,116	12%
CAPITAL OUTLAY	143,330	25,200	6,000	0%
TOTAL	2,738,665	2,530,959	2,634,153	4%

Fire and Rescue - *Supervision*

530

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	121,766	119,229	122,225	3%
OPERATIONS	24,398	32,269	31,838	-1%
CAPITAL OUTLAY	-	-	3,000	0%
TOTAL	146,164	151,498	157,063	4%

DETAIL

500200 SALARIES	79,188	79,081	81,453	3%
500202 SERVICE BENEFITS	-	248	248	0%
500203 LUMP SUM PAYMENT	1,667	-	-	0%
500300 PART-TIME SALARY	17,451	17,254	17,141	-1%
500500 FICA	7,457	7,344	7,574	3%
500600 INSURANCE	6,683	6,564	6,476	-1%
500601 DISABILITY INSURANCE	49	29	29	0%
500700 RETIREMENT	6,844	6,337	6,860	8%
500701 SUPPL RETIREMENT	2,428	2,372	2,444	3%
501000 CONFERENCES	400	1,000	1,000	0%
501100 POSTAGE	270	300	300	0%
501200 TELEPHONE	5,066	5,250	5,250	0%
501600 M & R EQUIP	-	250	250	0%
501700 VEHICLE REPAIR	140	1,300	1,300	0%
502500 PRINTING	257	400	400	0%
503100 FUEL	1,968	2,742	2,311	-16%
503200 OFFICE SUPPLIES	2,738	3,000	3,000	0%
504500 CONTRACT SVCS	10,624	14,897	14,897	0%
505300 DUES & SUBSCRIPTIONS	2,935	3,130	3,130	0%
507400 FURNITURE & EQUIPMENT			3,000	0%
SUBTOTAL	146,164	151,498	157,063	4%

Fire-Rescue – Fire Suppression

531

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
--	-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	2,165,911	2,031,507	2,114,745	4%
OPERATIONS	196,422	238,110	272,910	15%
CAPITAL OUTLAY	143,330	25,200	3,000	-88%

TOTAL	2,505,663	2,294,817	2,390,655	4%
--------------	------------------	------------------	------------------	-----------

DETAIL

500200 SALARIES	1,461,105	1,449,199	1,494,204	3%
500201 OVERTIME	30,053	32,000	32,000	0%
500202 SERVICE BENEFITS	-	12,857	12,609	0%
500203 LUMP SUM PAYMENT	25,250	-	-	0%
500210 SHIFT WAGES	85,400		32,000	0%
500500 FICA	115,688	114,470	115,455	1%
500600 INSURANCE	285,630	273,710	273,553	0%
500601 DISABILITY INSURANCE	1,559	1,392	1,348	-3%
500700 RETIREMENT	111,491	99,833	105,640	6%
500701 SUPPL RETIREMENT	48,095	44,436	44,826	1%
FIREFIGHTER'S PENSION				
500705 FUNDS	1,640	3,610	3,110	-14%
500800 TRAINING	22,224	33,040	33,040	0%
501600 M & R EQUIP	27,127	31,136	66,586	114%
501700 VEHICLE REPAIR	29,066	26,925	26,925	0%
503100 FUEL	29,521	27,933	31,952	14%
503300 DEPT SUPPLIES	45,164	52,626	52,926	1%
503300-				
53001 CAR SEAT PROGRAM	-	2,500	2,500	0%
53002 EMS SUPPLIES		7,000	7,000	0%
503307 VEHICLE SUPPLIES	1,006	762	1,006	32%
503600 UNIFORMS	29,409	43,188	38,688	-10%
505800 MEDICAL EXAMS	9,900	9,956	9,243	-7%
506002 PROGRAM INSURANCE	3,004	3,044	3,044	0%
507400 EQUIPMENT	-	-	3,000	0%
507401 VEHICLES	143,330	25,200	-	-100%
SUBTOTAL	2,505,663	2,294,817	2,390,655	4%

Fire-Rescue – *Fire Prevention and Safety*

532

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	70,944	68,609	71,067	4%
OPERATIONS	15,893	16,035	15,368	-4%
CAPITAL OUTLAY	-	-	-	0%

TOTAL	86,837	84,644	86,435	2%
--------------	---------------	---------------	---------------	-----------

DETAIL

500200 SALARIES	51,245	50,918	52,446	3%
500203 LUMP SUM PAYMENT	1,000	-	-	0%
500500 FICA	3,777	3,902	4,019	3%
500600 INSURANCE	9,666	8,800	9,292	6%
500601 DISABILITY INSURANCE	49	29	29	0%
500700 RETIREMENT	3,637	3,432	3,708	8%
500701 SUPPL RETIREMENT	1,570	1,528	1,573	3%
500800 TRAINING	2,458	2,500	2,500	0%
501700 VEHICLE REPAIR	250	1,700	1,700	0%
502500 PRINTING	598	750	750	0%
503100 FUEL	2,851	3,585	2,918	-19%
503200 OFFICE SUPPLIES	1,293	2,000	2,000	0%
503300 DEPT SUPPLIES	8,443	5,500	5,500	0%
SUBTOTAL	86,837	84,644	86,435	2%

Planning

PLANNING - DEPARTMENTAL TOTAL

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
SUMMARY				
PERSONNEL	934,187	1,033,654	1,054,246	2%
OPERATIONS	111,667	201,334	207,658	3%
CAPITAL OUTLAY	-	9,190	-	0%
TOTAL	1,045,855	1,244,178	1,261,904	1%

Planning – Supervision

540

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
SUMMARY				
PERSONNEL	395,942	453,943	463,498	2%
OPERATIONS	53,269	170,306	175,734	3%
CAPITAL OUTLAY	-	9,190	-	0%
TOTAL	449,211	633,439	639,232	1%

DETAIL

500200	SALARIES	296,283	343,306	351,145	2%
500202	SERVICE BENEFITS	-	1,611	2,022	0%
500203	LUMP SUM PAYMENT	5,000	-	-	0%
500400	TEMPORARY SALARY	(140)	-	-	0%
500500	FICA	22,288	26,424	27,055	2%
500600	INSURANCE	41,224	48,556	47,308	-3%
500601	DISABILITY INSURANCE	579	608	608	0%
500700	RETIREMENT	21,446	23,139	24,826	7%
500701	SUPL RETIREMENT	9,262	10,299	10,534	2%
500800	TRAINING	2,240	4,000	4,000	0%
501000	CONFERENCES	415	4,500	4,500	0%
501100	POSTAGE	665	1,500	1,500	0%
501400	TRAVEL	471	700	700	0%
501600	M & R EQUIP	-	100	100	0%
501700	VEHICLE REPAIR	328	-	-	0%
502100	RENT	4,013	4,000	4,000	0%
502500	PRINTING	1,284	2,050	2,050	0%
502600	ADVERTISING	1,919	2,300	2,300	0%
503100	FUEL	338	-	-	0%
503200	OFFICE SUPPLIES	101	1,000	1,000	0%
503300	DEPT SUPPLIES	5,214	5,000	5,000	0%
503600	UNIFORMS	-	100	100	0%
504500	CONTRACT SVCS	24,649	27,556	53,609	95%
504536	ENGINEERING SVCS	-	90,000	90,000	0%
504500-					
54004	RAIN DEMO GARDEN	-	-	4,000	0%
505300	DUES & SUBSCRIPTIONS	1,942	2,500	2,875	15%
505700	MISCELLANEOUS	9,690	25,000	-	0%
507400	EQUIPMENT	-	9,190	-	0%
	SUBTOTAL	449,211	633,439	639,232	1%

Planning – Zoning
541

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
--	---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	283,330	333,477	334,503	0%
OPERATIONS	47,113	13,757	13,968	2%
CAPITAL OUTLAY	-	-	-	0%

TOTAL	330,443	347,234	348,471	0%
--------------	----------------	----------------	----------------	-----------

DETAIL

500200 SALARIES	207,458	242,702	245,256	1%
500202 SERVICE BENEFITS	-	1,824	1,368	0%
500203 LUMP SUM PAYMENT	4,000	-	-	0%
500500 FICA	15,168	18,736	18,904	1%
500600 INSURANCE	35,367	46,319	44,020	-5%
500601 DISABILITY INSURANCE	275	257	257	0%
500700 RETIREMENT	14,710	16,358	17,340	6%
500701 SUPPL RETIREMENT	6,351	7,281	7,358	1%
500800 TRAINING	225	2,000	2,555	28%
501000 CONFERENCES	-	3,000	3,100	3%
501100 POSTAGE	395	500	500	0%
501400 TRAVEL	-	300	300	0%
501600 M & R EQUIPMENT	-	630	630	0%
501700 MOTOR VEH REPAIR	151	600	600	0%
502500 PRINTING	631	1,500	1,500	0%
502600 ADVERTISING	188	500	500	0%
503100 FUEL	215	557	498	-11%
503200 OFFICE SUPPLIES	-	200	200	0%
503300 DEPT SUPPLIES	338	1,400	1,400	0%
503600 UNIFORMS	-	400	400	0%
504500 CONTRACT SVCS	-	600	600	0%
504536 ENGINEERING	43,765	-	-	0%
505300 DUES & SUBSCRIPTIONS	1,205	1,570	1,185	-25%
SUBTOTAL	330,443	347,234	348,471	0%

Planning – Inspections

542

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
--	---------------------------	---------------------------------------	---------------------------------------	---------------

SUMMARY

PERSONNEL	254,916	246,234	256,245	4%
OPERATIONS	11,285	17,271	17,956	4%
CAPITAL OUTLAY	-	-	-	0%

TOTAL	266,201	263,505	274,201	4%
--------------	----------------	----------------	----------------	-----------

DETAIL

500200	SALARIES	191,530	186,364	194,176	4%
500202	SERVICE BENEFITS	-	1,983	1,983	0%
500203	LUMP SUM PAYMENT	3,000	-	-	0%
500500	FICA	14,343	14,441	15,039	4%
500600	INSURANCE	26,181	24,968	25,168	1%
500601	DISABILITY INSURANCE	474	326	326	0%
500700	RETIREMENT	13,539	12,561	13,728	9%
500701	SUPL RETIREMENT	5,849	5,591	5,825	4%
500800	TRAINING	1,906	4,500	6,500	44%
501000	CONFERENCES	678	2,200	400	-82%
501100	POSTAGE	72	100	100	0%
501200	PHONES	1,225	1,400	1,400	0%
501400	TRAVEL	125	500	500	0%
501700	VEHICLE REPAIR	82	1,200	1,200	0%
502500	PRINTING	252	730	730	0%
502600	ADVERTISING	-	100	100	0%
503100	FUEL	2,494	2,526	2,371	-6%
503200	OFFICE SUPPLIES	-	375	375	0%
503300	DEPT SUPPLIES	3,803	1,400	2,000	43%
503600	UNIFORMS	76	1,300	1,300	0%
504500	CONTRACT SVCS	-	400	400	0%
505300	DUES & SUBSCRIPTIONS	572	540	580	7%

SUBTOTAL	266,201	263,505	274,201	4%
----------	---------	---------	---------	----

Transportation

543

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	-	-	-	0%
OPERATIONS	1,032,825	1,240,000	1,396,423	13%
CAPITAL OUTLAY	-	-	-	0%

TOTAL	1,032,825	1,240,000	1,396,423	13%
--------------	------------------	------------------	------------------	------------

DETAIL

504500 CONTRACT SERVICES	1,032,825	1,240,000	1,396,423	13%
---------------------------------	-----------	-----------	-----------	-----

SUBTOTAL	1,032,825	1,240,000	1,396,423	13%
----------	-----------	-----------	-----------	-----

Public Works

PUBLIC WORKS - DEPARTMENTAL TOTAL

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
SUMMARY				
PERSONNEL	1,875,064	1,881,686	1,961,898	4%
OPERATIONS	1,488,456	1,571,821	1,603,294	2%
CAPITAL OUTLAY	109,453	281,725	586,169	108%
TOTAL	3,472,972	3,735,232	4,151,361	11%

Public Works – Supervision

550

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
SUMMARY				
PERSONNEL	323,578	316,451	324,756	3%
OPERATIONS	19,515	32,670	43,429	33%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	343,093	349,121	368,185	5%

DETAIL

500200	SALARIES	235,648	231,567	238,514	3%
500201	OVERTIME	37	1,000	1,000	0%
500202	SERVICE BENEFITS	-	744	744	0%
500203	LUMP SUM PAYMENT	3,750	-	-	0%
500500	FICA	16,568	17,848	18,380	3%
500600	INSURANCE	43,473	42,258	41,790	-1%
500601	DISABILITY INSURANCE	403	310	310	0%
500700	RETIREMENT	16,558	15,725	16,863	7%
500701	SUPL RETIREMENT	7,140	6,999	7,155	2%
500800	TRAINING	1,486	3,600	3,600	0%
500900	PROFESSIONAL SERVICE	13,366	10,000	10,000	0%
501000	CONFERENCES	1,058	3,000	3,000	0%
501100	POSTAGE	123	375	375	0%
501600	M & R EQUIP	-	1,000	-	-100%
501700	VEHICLE REPAIR	(809)	750	750	0%
502100	RENT	1,578	1,800	1,800	0%
502500	PRINTING	1,105	1,000	1,000	0%
502600	ADVERTISING	-	500	500	0%
503100	FUEL	(2,073)	2,382	1,941	-19%
503200	OFFICE SUPPLIES	1,200	5,500	6,700	22%
503300	DEPT. SUPPLIES	1,055	713	1,713	140%
503600	UNIFORMS	521	750	750	0%
504500	CONTRACT SVCS	-	-	10,000	0%
505300	DUES&SUBS	903	1,300	1,300	0%
	SUBTOTAL	343,093	349,121	368,185	5%

Public Works – Street Maintenance

560

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
--	-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	542,640	505,138	507,741	1%
OPERATIONS	372,514	400,348	413,123	3%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	915,154	905,486	920,864	2%

DETAIL

500200	SALARIES	375,027	347,509	354,115	2%
500201	OVERTIME	5,078	5,300	6,000	13%
500202	SERVICE BENEFITS	-	2,688	2,896	0%
500203	LUMP SUM PAYMENT	9,000	-	-	0%
500500	FICA	27,078	27,196	27,415	1%
500600	INSURANCE	86,966	87,274	81,080	-7%
500601	DISABILITY INSURANCE	678	546	576	0%
500700	RETIREMENT	27,110	23,960	25,036	4%
500701	SUPPL RETIREMENT	11,703	10,665	10,623	0%
500800	TRAINING	2,107	3,000	3,000	0%
500811	COMM DR LICENSE	-	200	200	0%
501600	M & R EQUIP	20,535	15,000	12,500	-17%
501700	VEHICLE REPAIR	5,053	10,000	12,500	25%
502100	RENT	2,265	3,500	3,500	0%
503000	UTILITIES	145,921	152,310	165,347	9%
503100	FUEL	27,453	25,648	27,535	7%
503300	DEPTL SUPPLIES	59,418	70,864	69,775	-2%
503600	UNIFORMS	2,998	4,520	4,776	6%
504500	CONTRACT SVCS	104,606	115,006	113,690	-1%
505300	DUES & SUBSCRIPTIONS	159	300	300	0%
	OWASA SEWER FEE				
506200	REIMBURSEMENT	2,000	-	-	0%
507404	TRAMORE PROJECT	33,068	-	-	0%
	SUBTOTAL	948,222	905,486	920,864	2%

Public Works – Solid Waste Management

580

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
--	-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	338,009	341,991	395,300	16%
OPERATIONS	546,064	589,528	540,087	-8%
CAPITAL OUTLAY	103,058	231,000	583,800	0%
TOTAL	987,131	1,162,519	1,519,187	31%

DETAIL

500200	SALARIES	230,500	232,500	278,610	20%
500201	OVERTIME	145	500	1,340	168%
500202	SERVICE BENEFITS	-	2,023	2,687	0%
500203	LUMP SUM PAYMENT	6,250	-	-	0%
500500	FICA	16,564	17,979	21,571	20%
500600	INSURANCE	60,557	65,838	62,448	-5%
500601	DISABILITY INSURANCE	393	259	250	-3%
500700	RETIREMENT	16,485	15,841	19,935	26%
500701	SUPPL RETIREMENT	7,115	7,051	8,459	20%
500800	TRAINING	-	1,000	1,000	0%
500811	COMM DRIVERS LIC	-	150	150	0%
501600	M & R EQUIP	-	1,100	2,300	109%
501700	M&R VEHICLES	64,470	36,750	55,077	50%
502500	PRINTING	1,316	3,737	5,823	56%
503100	FUEL	62,589	78,195	111,909	43%
503300	DEPT SUPPLIES	7,888	6,605	8,605	30%
503303	PUR FOR RESALE	-	9,265	9,090	-2%
503306	YARD WASTE CARTS	-	5,200	4,845	-7%
503307	VEHICLE SUPPLIES	1,006	1,006	2,012	100%
503600	UNIFORMS	1,663	3,000	3,500	17%
504500	CONTRACT SERVICES		-	30,000	0%
504701	LANDFILL FEES	407,132	443,520	305,776	-31%
507401	VEHICLES	103,058	231,000	583,800	0%
	SUBTOTAL	987,131	1,162,519	1,519,187	31%

Public Works – Central Services

590

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
--	-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	165,517	159,060	162,605	2%
OPERATIONS	293,794	310,245	335,178	8%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	459,311	469,305	497,783	6%

DETAIL

500200	SALARIES	117,748	115,516	118,981	3%
500201	OVERTIME	2,724	2,000	2,000	0%
500202	SERVICE BENEFITS	-	704	704	0%
500203	LUMP SUM PAYMENT	2,750	-	-	0%
500500	FICA	9,414	9,044	9,234	2%
500600	INSURANCE	20,048	19,849	19,273	-3%
500601	DISABILITY INSURANCE	494	432	432	0%
500700	RETIREMENT	8,617	7,968	8,412	6%
500701	SUPL RETIREMENT	3,722	3,547	3,569	1%
500800	TRAINING	-	500	500	0%
501200	TELEPHONE	5,290	8,582	7,420	-14%
501601	M & R BUILDINGS	80,310	80,050	84,050	5%
501700	M VEHICLE REPAIR	832	700	700	0%
503000	UTILITIES	122,733	128,950	141,845	10%
503100	FUEL	3,169	3,773	3,998	6%
503101	FUEL SYSTEM	840	-	-	0%
503300	DEPARTMENTAL SUPPLIES	20,387	18,469	20,329	10%
503600	UNIFORMS	933	1,400	1,500	7%
504500	CONTRACT SVCS	59,300	67,821	74,836	10%
	SUBTOTAL	459,311	469,305	497,783	6%

Public Works – Fleet Maintenance

591

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
--	-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	179,113	171,037	178,885	5%
OPERATIONS	56,466	31,885	45,009	41%
CAPITAL OUTLAY	6,395	7,800	0	0%
TOTAL	241,973	210,722	223,894	6%

DETAIL

500200 SALARIES	128,878	127,190	131,006	3%
500201 OVERTIME	-	500	500	0%
500202 SERVICE BENEFITS	-	868	868	0%
500203 LUMP SUM PAYMENT	3,000	-	-	0%
500500 FICA	9,853	9,835	10,127	3%
500600 INSURANCE	23,861	19,849	22,781	15%
500601 DISABILITY INSURANCE	330	273	273	0%
500700 RETIREMENT	9,213	8,665	9,359	8%
500701 SUPPL RETIREMENT	3,978	3,857	3,971	3%
500800 TRAINING	170	2,250	2,350	4%
501600 M & R EQUIP	36,305	2,000	15,000	650%
501700 MOTOR VEHICLE REPAIR	364	2,700	2,700	0%
503100 FUEL	4,484	4,091	3,949	-3%
503300 DEPT SUPPLIES	5,340	5,869	5,910	1%
503600 UNIFORMS	1,125	1,400	1,500	7%
504500 CONTRACT SERVICES	8,677	13,575	13,600	0%
507400 EQUIPMENT	6,395	7,800	-	0%
SUBTOTAL	241,973	210,722	223,894	6%

Public Works – Landscaping

592

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
--	-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	326,208	388,009	392,612	1%
OPERATIONS	200,103	207,145	226,468	9%
CAPITAL OUTLAY	-	42,925	2,369	-94%
TOTAL	526,311	638,079	621,449	-3%

DETAIL

500200	SALARIES	221,317	266,069	271,361	2%
500201	OVERTIME	2,101	3,000	3,000	0%
500202	SERVICE BENEFITS	-	2,727	2,727	0%
500203	LUMP SUM PAYMENT	6,500	-	-	0%
500500	FICA	16,332	20,792	20,951	1%
500600	INSURANCE	55,888	68,680	66,966	-2%
500601	DISABILITY INSURANCE	428	268	268	0%
500700	RETIREMENT	15,803	18,319	19,185	5%
500701	SUPPL RETIREMENT	6,820	8,154	8,154	0%
500702	RETIRE SETTLEMT	1,020	-	-	0%
500800	TRAINING	83	1,500	1,500	0%
500811	COM.DRIVERS LICENSE	110	200	200	0%
501600	M & R EQUIP	10,769	9,000	12,000	33%
501602	M & R PARKS	-	2,500	2,500	0%
501603	M & R GROUNDS	-	1,000	1,200	20%
501700	VEHICLE REPAIR	12,576	7,500	7,500	0%
502100	RENT	-	1,000	1,000	0%
503000	UTILITIES	15	-	-	0%
503001	UTILITIES-PARKS	30,149	36,976	35,250	-5%
503100	FUEL	17,084	19,471	21,591	11%
503300	DEPT SUPPLIES	28,423	24,448	29,644	21%
503301	PARKS/SUPPLIES	25,606	29,770	28,747	-3%
503307	VEHICLE SUPPLIES	-	-	1,006	0%
503600	UNIFORMS	1,931	3,200	4,400	38%
504500	CONTRACT SERVICES	73,356	70,580	79,480	13%
505300	DUES AND SUBSCRIPTIONS	-	-	450	0%
507400	EQUIPMENT	-	42925	2,369	0%
	SUBTOTAL	526,311	638,079	621,449	-3%

Recreation and Parks

RECREATION AND PARKS - DEPARTMENTAL TOTAL

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	995,169	1,043,764	1,103,492	6%
OPERATIONS	276,288	346,999	402,004	16%
CAPITAL OUTLAY	148,535	35,115	-	-100%
TOTAL	1,419,991	1,425,878	1,505,496	6%

Recreation and Parks – Supervision

620

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	112,098	110,161	113,586	3%
OPERATIONS	17,310	19,104	19,104	0%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	129,408	129,265	132,690	3%

DETAIL

500200 SALARIES	88,696	87,863	90,499	3%
500202 SERVICE BENEFITS	-	248	456	0%
500203 LUMP SUM PAYMENT	1,000	-	-	0%
500500 FICA	6,657	6,749	6,967	3%
500600 INSURANCE	6,683	6,616	6,424	-3%
500601 DISABILITY INSURANCE	128	127	127	0%
500700 RETIREMENT	6,240	5,922	6,398	8%
500701 SUPPL RETIREMENT	2,694	2,636	2,715	3%
500800 TRAINING	-	1,300	1,000	-23%
501000 CONFERENCES	245	1,500	1,800	20%
501100 POSTAGE	60	550	250	-55%
502100 RENT	4,775	6,000	6,000	0%
502500 PRINTING	249	865	465	-46%
503200 OFFICE SUPPLIES	-	1,700	1,200	-29%
503300 DEPT SUPPLIES	444	1,989	1,489	-25%
504500 CONTRACT SERVICES	11,477	4,900	6,600	35%
505300 DUES/SUBSCRIPTIONS	60	300	300	0%
SUBTOTAL	129,408	129,265	132,690	3%

Recreation and Parks – *Playgrounds and Parks*

621

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	-	-	-	0%
OPERATIONS	3,123	17,078	17,078	0%
CAPITAL OUTLAY	148,535	35,115	-	-100%
TOTAL	151,658	52,193	17,078	-67%

DETAIL

500900 PROF SERVICES	-	7,000	7,000	0%
501200 PHONE	620	-	-	0%
501602 M & R PARKS	-	3,920	3,920	0%
502100 RENT	2,323	2,870	2,870	0%
502600 ADVERTISING	-	500	500	0%
503300 DEPT SUPPLIES	180	2,788	2,788	0%
507402 OTHER CAPITAL ASSETS	145,912	35,115	-	0%
580000 CONTINGENCY	2,623		-	0%
SUBTOTAL	151,658	52,193	17,078	-67%

Recreation and Parks – General Programs

623

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	244,933	585,744	629,345	7%
OPERATIONS	164,150	295,284	325,289	10%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	409,083	881,028	954,634	8%

DETAIL

500200 SALARIES	118,709	290,679	298,203	3%
500202 SERVICE BENEFITS	-	2,023	2,231	0%
500203 LUMP SUM PAYMENT	1,750	-	-	0%
500400 TEMPORARY SALARIES	77,458	185,177	215,506	16%
500500 FICA	14,665	36,593	39,299	7%
500600 INSURANCE	20,228	42,649	41,414	-3%
500601 DISABILITY INSURANCE	134	310	310	0%
500700 RETIREMENT	8,375	19,592	22,735	16%
500701 SUPPL RETIREMENT	3,614	8,721	9,647	11%
500800 TRAINING	650	2,500	2,500	0%
501100 POSTAGE	4,159	6,490	6,490	0%
501200 TELEPHONE	423	680	680	0%
501600 M & R EQUIP	-	300	300	0%
501700 VEHICLE REPAIR	77	1,050	1,050	0%
502100 RENT	3,675	32,332	32,332	0%
502500 PRINTING	13,229	22,000	22,000	0%
502600 ADVERTISING	445	2,200	2,400	9%
503100 FUEL	806	1,721	1,661	-3%
503200 OFFICE SUPPLIES	994	1,400	1,400	0%
503300 DEPT SUPPLIES	21,242	43,417	44,212	2%
503600 UNIFORMS	1,946	25,322	25,542	1%
504500 CONTRACT SERVICES	59,386	92,731	101,581	10%
504702 SPECIAL CLASSES	110	-	-	0%
504703 COMMUNITY EVENTS	-	-	-	0%
54100 Carrboro Day	5,154	5,700	5,700	0%
54200 Music Festival	23,462	25,500	31,500	0%
54300 Poetry Alive	3,151	3,250	3,250	0%
54400 July 4th	17,059	19,200	19,200	0%
54600 Film Festival	7,522	7,750	11,750	0%
54850 Open Streets	-	-	10,000	0%
505300 DUES/SUBSCRIPTIONS	660	1,741	1,741	0%
SUBTOTAL	409,083	881,028	954,634	8%

Recreation and Parks – *Recreation Facilities*

624

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	341,016	347,859	360,561	4%
OPERATIONS	6,329	15,533	40,533	161%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	347,345	363,392	401,094	10%

DETAIL

500200 SALARIES	161,676	157,564	162,291	3%
500202 SERVICE BENEFITS	-	1,160	1,363	0%
500203 LUMP SUM PAYMENT	4,200	-	-	0%
500300 PARTTIME SALARIES	75,237	77,427	79,612	3%
500400 TEMPORARY SERVICES	21,965	35,532	35,532	0%
500500 FICA	19,228	20,804	21,349	3%
500600 INSURANCE	36,801	32,692	36,277	11%
500601 DISABILITY INSURANCE	254	248	248	0%
500700 RETIREMENT	16,760	15,523	16,772	8%
500701 SUPPL RETIREMENT	4,895	6,909	7,117	3%
500800 TRAINING	568	1,500	1,500	0%
501000 CONFERENCES	-	400	400	0%
501100 POSTAGE	475	700	700	0%
501200 TELEPHONE	292	510	510	0%
501400 TRAVEL	-	800	800	0%
501600 M & R EQUIP	790	1,490	1,490	0%
501601 M & R BUILDINGS	639	1,200	1,200	0%
502500 PRINTING	46	800	800	0%
502600 ADVERTISING	107	800	800	0%
503200 OFFICE SUPPLIES	325	1,000	1,000	0%
503300 DEPT SUPPLIES	1,551	3,796	3,796	0%
504500 CONTRACTUAL SVCS	-	600	25,600	4167%
505300 DUES/SUBSCRIPTIONS	1,536	1,937	1,937	0%
SUBTOTAL	347,345	363,392	401,094	10%

Nondepartmental

NONDEPARTMENTAL - TOTAL

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	-	255,001	530,907	108%
OPERATIONS	-	485,700	197,383	-59%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	-	740,701	728,290	-2%

Nondepartmental – General Nondepartmental

660

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
SUMMARY				
PERSONNEL	-	255,001	530,907	108%
OPERATIONS	-	35,000	60,679	73%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	-	290,001	591,586	104%

DETAIL

500203 PAY PLAN ADJUSTMENTS	-	255,001	311,102	22%
500603 HEALTH INSURANCE	-	-	186,742	N/A
500606 UNEMPLOYMENT INS RESERVE	-	-	33,063	N/A
PARTNERSHIP TO END				
504601 HOMELESSNESS	-	-	15,079	N/A
500810 ORG DEVELOPMENT	-	-	3,000	N/A
505700 MISCELLANEOUS	-	20,000	7,600	-62%
580000 CONTINGENCY	-	15,000	15,000	0%
581008 FUEL CONTINGENCY	-	20,000	20,000	0%
SUBTOTAL	-	310,001	591,586	91%

Nondepartmental – Transfers

661

2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
-------------------	------------------------------	------------------------------	--------

SUMMARY

PERSONNEL	-	-	-	0%
OPERATIONS	-	450,700	136,704	-70%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	-	450,700	136,704	-70%

DETAIL

595007	TRANSFER TO REVOLVING LOAN FUND	150,000	-	0%	
592007	TRANSFER TO CAPITAL RESERVE	300,700	136,704	-55%	
	SUBTOTAL	-	450,700	136,704	-70%

Debt Service

662

	2011-12 ACTUAL	2012-13 ADOPTED BUDGET	2013-14 ADOPTED BUDGET	CHANGE
SUMMARY				
PERSONNEL	-	-	-	0%
OPERATIONS	1,360,087	1,430,681	1,353,143	-5%
CAPITAL OUTLAY	-	-	-	0%
TOTAL	1,360,087	1,430,681	1,353,143	-5%
DETAIL				
502102 EQP/VEHICLE - PRINCIPAL	556,245	650,354	650,476	0%
502103 EQP/VEHICLE - INTEREST	35,821	42,287	27,127	-36%
504500 CONTRACTED SERVICES	25,322	15,000	-	-100%
571003 CENTURY CTR PRINCIPAL	182,725	189,624	-	-100%
571004 MARTIN LUTHER KING PARK -PRINCIPAL	21,276	22,134	-	-100%
571005 PUBLIC WORKS LAND - PRINCIPAL	51,133	51,133	-	-100%
571007 ADAMS TRACT - PRINCIPAL	40,000	40,000	-	-100%
571008 SIDEWALKS - PRINCIPAL		-	250,000	0%
571009 FIRE SUBSTATION - PRINCIPAL	216,667	216,667	216,667	0%
572003 CENTURY CTR INTEREST	47,153	40,255	-	-100%
572004 MARTIN LUTHER KING PARK -INTEREST	3,396	2,539	-	-100%
572005 PUBLIC WORKS LAND - INTEREST	12,821	10,805	-	-100%
572007 ADAMS TRACT - INTEREST	14,760	13,120	-	-100%
572008 SIDEWALKS - INTEREST	33,508	28,738	109,667	282%
572009 FIRE SUBSTATION - INTEREST	116,843	108,025	99,206	0%
SUBTOTAL	1,360,087	1,430,681	1,353,143	-5%

GLOSSARY

Ad Valorem tax - A tax levied in proportion to the value of a property.

Annual Budget - A budget covering a single fiscal year.

Appropriated Fund Balance – The amount of fund balance budgeted as revenue to offset expenses that exceed current revenue.

Appropriation - The amount budgeted on a yearly basis to cover projected expenditures which the Board of Aldermen legally authorizes through the budget ordinance.

Approved Budget - The budget as formally adopted by the Board of Aldermen 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.

Audit – An examination, usually by an official or private accounting firm retained by the Board that reports on the accuracy of the annual financial report.

Authorized Positions - Employee positions that are authorized in the adopted budget to be filled during the fiscal year.

Balanced Budget - Occurs when planned expenditures equal anticipated revenues. In North Carolina, it is required that the budget submitted to the Board of Aldermen be balanced.

“Better Together” Initiative – an internal organizational development process begun in FY05-06 with the vision of growing a better organization: by promoting a quality work environment for all employees, and an effective organizational communication and teamwork in order to provide excellent service to the community.

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 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).

Bond Anticipation Note (BAN) – The Town may issue bond anticipation notes to provide preliminary financing of bond-funded projects in anticipation of the later issuance of a portion of the previously-authorized bonds.

Budget - A financial plan for a specified period of time that matches planned revenues and expenditures with various Town services.

Budget Message - A written overview of the proposed budget from the Town Manager to the Board of Aldermen. This overview discusses the major budget items of the Manager's budget.

Comprehensive Annual Financial Report (CAFR) - The official annual report of a government.

Capital Improvements Plan (CIP) - A long term plan of proposed capital improvement projects including estimated project costs and funding sources the Town expects to undertake within a five year period. The plan is updated annually to reassess capital needs.

Capital Outlay - An expenditure that results in the acquisition of or addition to a fixed asset.

Capital Project Fund - A fund used to account for the acquisition or construction of major capital facilities and equipment.

Consumer Price Index (CPI) – A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (economic inflation).

Contingency - Appropriation intended for unanticipated expenditures. The Board of Aldermen controls transfer of these funds into an expendable account.

Debt Service - Principal, interest and administrative costs associated with the repayment of long-term debt.

Department - A major administrative division of the Town that has overall management responsibility for an operation within a functional area.

Encumbrances – An approved 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.

Expenditures - The total cost of a program or capital project.

Fiscal Year (FY) - 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 – A capital item that has an acquisition cost of \$5,000 or more, is tangible, and has an expected minimum life of 1 year.

Fund - An accounting entity created to record the financial activity for a selected financial group.

Fund Balance - Funds accumulated through the under expenditure of appropriation and/or receiving revenues greater than anticipated and included in the budget.

General Fund - A fund which provides for the accounting for most of the basic government services, such as police, fire, sanitation, inspections, law enforcement, 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.

Geographic Information System (GIS) - An organized collection of computer hardware, software, geographic data, and personnel designed to efficiently capture, store, update, manipulate, analyze, and display all forms of geographically referenced information.

Goal - A board statement of desired conditions to be maintained or achieved through the efforts of an organization.

Governmental Funds – consists of the General Fund, Special Revenue Fund and Capital Project Fund.

Interest and Penalties Receivable on Taxes - Uncollected interest and penalties on property taxes.

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 assessment imposed by the government.

Line Item - A budgetary account representing a specific object of expenditure.

Local Government Commission (LGC) - The Local Government Commission, which is chaired by the State Treasurer, is an oversight body that ensures municipalities and other governmental units fulfill their statutory obligations with regard to State and local government finance.

Major Fund Reporting – General Government Accounting Principles require governmental fund data be presented separately for each individual major governmental fund. General Fund is always considered a major fund. The Non-major Funds include the Revolving Loan, Capital Projects, Grant, Capital Reserve, Payment in Lieu Reserve, and Affordable Housing Funds.

At a minimum, governmental funds other than the general fund must be reported as major funds if they meet both of the following criteria:

- 10% criterion. An individual governmental fund reports at least 10% of any of the following: a)total governmental fund assets, b)total governmental fund liabilities, c) total governmental fund revenues, or d) total governmental fund expenditures
- 5% criterion. An individual governmental fund reports at least 5% of the aggregated total for both governmental funds and enterprise funds of any one of the items for which it met the 10% criterion.

Modified Accrual - The basis of accounting for the Town. Under this system, expenditures are recognized when encumbered.

Midpoint of Salary – a rate that is half way between the minimum rate and maximum rate of a budgeted position.

National Fire Protection Association (NFPA) - An international nonprofit NFPA is to reduce the worldwide burden of fire and other hazards on the quality of life by providing and advocating consensus on codes and standards, research, training, and education.

Non-major Fund – see definition for Major Fund Reporting.

Objective - A specific statement of what is to be accomplished or achieved for a particular program during the fiscal year.

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.

Orange Water and Sewer Authority (OWASA) – OWASA is the public, nonprofit water and sewer utility serving the Carrboro-Chapel Hill community. OWASA’s nine-member Board of Directors is appointed by the Carrboro Board of Aldermen, the Chapel Hill Town Council, and the Orange County Board of Commissioners.

Ordinance - A formal legislative enactment by the Board of Aldermen which has the full force and effect of law within the boundaries of the Town.

Occupational Safety and Health Act

(OSHA) – Regulations passed by the US Department of Occupational Safety and Health Administration to assure safe and healthful working conditions for working men and women by authorizing enforcement of the standards developed under the Act.

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 fringe 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 - Tax paid by those owning property in the Town.

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.

Real Property - Land, buildings, and items permanently affixed to land or buildings.

Real Property Value - The value of land and buildings which are taxable.

Reclassification - A change in the classification and corresponding job title of an existing position which results from a major change in assigned responsibilities.

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

Revaluation - 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. Orange County revalues property every four years. Property was revalued as of January 1, 2005.

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 - The revenue-neutral tax rate, as defined by G.S. 159-11(e), is the rate that is estimated to produce revenue for the next fiscal year if no reappraisal had occurred. The rate is then adjusted by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal. State law requires that units of local government, including public authorities, publish a revenue-neutral tax rate in the budget immediately following the completion of the general reappraisal of real property. The purpose of the revenue-neutral tax rate is to provide residents with comparative information.

Sales Tax - Tax paid by retail consumers in the Town.

Service Level - The amount of service provided during the fiscal year as indicated by one or more performance indicators.

Special Revenue Funds – Specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

Tax Levy - Revenue produced by applying a given tax rate to a property's assessed, or tax value.