

**GENERAL FUND REVENUES**

	<b>FY 2015-16 ACTUAL REVENUES</b>	<b>FY 2016-17 ADOPTED BUDGET</b>	<b>FY 2017-18 ADOPTED REVENUES</b>	<b>% CHANGE</b>
<b>AD VALOREM TAX</b>				
PRIOR YEAR	290,158	335,647	70,252	-79.1%
CURRENT YEAR (ReValuation)	11,503,488	12,033,476	12,635,150	5.0%
PENALTY & INTEREST	35,790	24,240	24,240	0.0%
<b>TOTAL AD VALOREM TAX</b>	<b>11,829,436</b>	<b>12,393,363</b>	<b>12,729,642</b>	<b>2.7%</b>

**LOCAL SALES TAXES**

LOCAL OPTION SALES TAX 1% Art 39	1,372,600	1,258,276	1,270,859	1.0%
LOCAL OPTION SALES TAX 1/2% Art 40	1,000,778	1,010,701	1,020,808	1.0%
LOCAL OPTION SALES TAX 1/2% Art 42	688,823	633,456	639,791	1.0%
LOCAL OPTION SALES TAX 1/2% Art 44	2,586	766	774	1.0%
SALES TAX - CITY HOLD HARMLESS	1,040,498	1,075,513	1,086,268	1.0%
<b>TOTAL LOCAL SALES TAXES</b>	<b>4,105,285</b>	<b>3,978,713</b>	<b>4,018,500</b>	<b>1.0%</b>

**OTHER  
TAXES/LICENSES**

MOTOR VEHICLE LICENSES	357,304	375,379	482,364	28.5%
MOTOR VEHICLE LIC - TRANS ONLY	119,101	125,126	125,126	0.0%
MOTOR VEHICLE TAXES	766,640	721,937	1,044,235	44.6%
BEER & WINE PRIVILEGE LICENSE	2,192	1,000	1,000	0.0%
REFUNDS - NCVTS	(19,763)	-	-	N/A
COLLECTION FEES - NCVTS	(27,405)	-	-	N/A
HOTEL/MOTEL OCCUPANCY TAX	183,025	194,085	194,085	0.0%
<b>TOTAL OTHER TAXES/LICENSES</b>	<b>1,381,094</b>	<b>1,417,527</b>	<b>1,846,809</b>	<b>30.3%</b>

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<b>UNRESTRICTED INTERGOVERNMENTAL</b>				
FRANCHISE TAX- ELECTRIC	975,682	850,000	867,000	2.0%
PIPED NATURAL GAS TAX	43,041	31,660	32,293	2.0%
VIDEO SALES PROGRAMMING	83,404	54,472	34,760	-36.2%
HOME SATELLITE SALES	69,723	68,170	44,488	-34.7%
WINE AND BEER	90,328	95,000	95,000	0.0%
TELECOMMUNICATIO NS SALES TAX	184,133	138,208	132,233	-4.3%
NC DOT REIMBURSEMENT	5,910	5,010	-	-100.0%
EMS LOCATION RENT	12,000	12,000	14,000	16.7%
<b>TOTAL UNRESTRICTED INTERGV</b>	<b>1,464,221</b>	<b>1,254,520</b>	<b>1,219,773</b>	<b>-2.8%</b>

### RESTRICTED INTERGOVERNMENTAL

POWELL BILL	494,257	494,257	504,143	2.0%
SOLID WASTE DISPOSAL TAX DIST.	13,309	12,093	7,244	-40.1%
PLANNING WORK GRANT	31,159	27,000	27,000	0.0%
RECREATION- MUNICIPAL SUPPLEM	35,898	27,193	27,193	0.0%
STROWD ROSES GRANT-MUSIC	600	10,514	192	-98.2%
NC RISK MGMT AGENCY GRANT	1,500	1,515	-	-100.0%
DOJ BLOCK GRANT	2,544	-	-	N/A
PEG CHANNEL SUPPORT	55,944	55,944	55,172	-1.4%
ABC BOARD GRANT	16,000	13,300	13,300	0.0%
<b>TOTAL RESTRICTED INTERGVMT</b>	<b>651,211</b>	<b>641,816</b>	<b>634,244</b>	<b>-1.2%</b>

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<b>FEES AND PERMITS</b>				
RETURNED CHECK FEE	75	25	25	0.0%
TOWER REVENUE	140,694	135,378	136,732	1.0%
NETWORK HUT LEASE	-	-	5,200	N/A
COURT COST OFFICER FEES	3,621	2,394	2,418	1.0%
PARKING VIOLATIONS	1,475	2,805	2,833	1.0%
SCHOOL TRAFFIC CONTROL	10,000	10,000	10,000	0.0%
CHCCS - SRO CONTRACT	126,396	110,852	110,852	0.0%
ANIMAL VIOLATIONS	7,344	5,964	11,375	90.7%
FIRE DIST. FEES	527,741	540,270	540,270	0.0%
CAR SEAT SALES	87	695	470	-32.4%
FALSE ALARM FEES	272	275	-	-100.0%
FIRE PERMIT FEES	2,072	5,000	1,000	-80.0%
RE-INSPECTION FEE	1,500	1,500	1,500	0.0%
REPORTS	90	100	-	-100.0%
SIGN PERMITS	1,120	900	500	-44.4%
ENGINEERING FEE	31,054	18,554	20,166	8.7%
DEV REVIEW FEE	53,241	33,832	26,780	-20.8%
TECHNICAL REVIEW- FUTURE EQPMT	33,296	14,413	14,123	-2.0%
BUILDING PERMITS	68,395	76,035	51,366	-32.4%
ELECTRIC PERMITS	67,082	80,281	62,464	-22.2%
MECH. PERMITS	67,359	67,337	60,597	-10.0%
RE-INSPECTION FEE	975	1,854	1,600	-13.7%
PLUMBING	46,453	50,623	38,451	-24.0%
HOMEOWNERS RECOVER FEES	143	168	115	-31.6%
RECYCLING FEES	6,525	7,506	7,033	-6.3%
STOCKING FEE	460	1,110	543	-51.0%
STREET CUTS	395	422	-	-100.0%
ENCROACHMENT FEE	2,900	1,803	4,242	135.3%
STREET SIGNS	-	288	-	-100.0%
DRIVEWAY PERMIT FEES	880	1,113	333	-70.0%
STREET CLOSING	425	5,527	-	-100.0%
REFUSE COLLECTION FEES	1,276	1,019	2,439	139.3%
REFUSE COLLECTION - DUMPSTER	66,844	67,051	65,438	-2.4%
<b>TOTAL FEES &amp; PERMITS</b>	<b>1,270,190</b>	<b>1,245,095</b>	<b>1,178,867</b>	<b>-5.3%</b>

**GENERAL FUND REVENUES**

	<b>FY 2015-16 ACTUAL REVENUES</b>	<b>FY 2016-17 ADOPTED BUDGET</b>	<b>FY 2017-18 ADOPTED REVENUES</b>	<b>% CHANGE</b>
<b>SALES &amp; SERVICES</b>				
RECREATION FEES	195,537	188,222	116,308	-38.2%
DISCOUNT -RECREATION FEES	(12,418)	(8,168)	(8,062)	-1.3%
SALES- MERCH & CONCESSIONS-MUSIC	20	1,125	1,663	47.8%
SALES- MERCH & CONCESSIONS-POETRY	-	60	15	-74.8%
SALES- MERCH & CONCESSIONS-JULY	305	305	516	69.2%
SALES- MERCH & CONCESSIONS-HALLO	373	376	696	85.1%
SALES- MERCH & CONCESSIONS-FILM	2,772	2,771	-	-100.0%
TOWN CENTER FEES	90,679	86,524	72,924	-15.7%
DISCOUNT - TOWN CENTER FEES	(13,824)	(11,619)	(13,190)	13.5%
<b>TOTAL SALES &amp; SERVICES</b>	<b>263,444</b>	<b>259,596</b>	<b>170,870</b>	<b>-34.2%</b>

**INVESTMENT  
EARNINGS**

INTEREST EARNED	20,278	1,110	27,089	2340.4%
<b>TOTAL INVESTMENT EARNINGS</b>	<b>20,278</b>	<b>1,110</b>	<b>27,089</b>	<b>2340.4%</b>

## GENERAL FUND REVENUES

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<b>OTHER REVENUES</b>				
RENT-FARMER'S MKT	2,370	2,370	2,370	0.0%
ATM FEES	1,556	1,662	2,406	44.8%
PARKING CONTRIBUTION - CTDA	43,370	26,842	0	-100.0%
MISCELLANEOUS	7,430	978	102	-89.6%
SALES OF CEMETERY LOTS	17,215	12,145	22,375	84.2%
SALE/ FIXED ASSETS	491,287	30,000	13,219	-55.9%
RENTAL INCOME - CSFP UNDER 6	1,200	1,500	1,500	0.0%
RENTAL INCOME - CARRBORO COMM SOLAR	-	20	20	0.0%
DONATIONS - CD & MEMORABILIA	2,815	3,000	20	-99.3%
MISCELLANEOUS - TOWN MANAGER	15,000	-	-	N/A
MISCELLANEOUS - MANAGEMENT SERVICES	9,642	2,836	6,232	119.7%
SEIZURE REVENUE- STATE	2,494	-	3,683	N/A
POLICE MISCELLANEOUS	2,853	2,511	1,345	-46.4%
FIRE MISCELLANEOUS	1,304	1,125	263	-76.7%
MISCELLANEOUS-PW	2,280	2,302	-	-100.0%
REFUSE CART SALES	4,240	3,262	1,136	-65.2%
YARD WASTE CONTAINERS	2,869	2,457	2,325	-5.4%
MISCELLANEOUS R & P	1,185	1,172	18	-98.4%
DONATIONS	705	343	4,257	1139.7%
DONATIONS - CARRBORO DAY	215	-	-	N/A
DONATIONS - MUSIC FESTIVAL	17,233	34,989	45,989	31.4%
FREIGHT TRAIN BLUES SERIES	8,100	-	0	N/A
DONATIONS-POETRY ALIVE IN CARRBORO	2,060	3,060	5,060	65.4%
DONATIONS - JULY 4TH	995	-	-	N/A
DONATIONS - FILM FESTIVAL	14,655	18,746	27,946	49.1%
DONATIONS ARTS COMMITTEE	300	75	76	1.0%
OPEN STREETS	2,404	2,110	2,131	1.0%
PLANNING MISC.	-	47	1,141	2332.0%
<b>TOTAL OTHER REVENUES</b>	<b>655,777</b>	<b>153,752</b>	<b>143,615</b>	<b>-6.6%</b>

	<b>FY 2015-16 ACTUAL REVENUES</b>	<b>FY 2016-17 ADOPTED BUDGET</b>	<b>FY 2017-18 ADOPTED REVENUES</b>	<b>% CHANGE</b>
<b>OTHER FINANCING SOURCES</b>				
INSTALLMENT FINANCING PROCEEDS	621,180	411,306	301,872	-26.6%
FUND BALANCE APPROPRIATED	-	275,559	598,404	117.2%
TRANSFER FR CAP RESERVE FUND	176,945	-	-	N/A
<b>TOTAL OTHER FINANCING SRCE</b>	<b>798,125</b>	<b>686,865</b>	<b>900,276</b>	<b>31.1%</b>
<b>TOTAL REVENUES</b>	<b>22,439,060</b>	<b>22,032,357</b>	<b>\$ 22,869,686</b>	<b>3.8%</b>

## **GENERAL FUND REVENUE DESCRIPTIONS**

The following information briefly explains the major sources of revenue for the Town of Carrboro in the FY 2016-17 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 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* – The NC General Assembly eliminated Privilege Licenses as of July 1, 2015.

*Motor Vehicle License Tax* –The vehicle license tax is \$30 per car. The Town allocates \$5 of this motor vehicle license fee to offset costs 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). The Town is required to distribute these receipts to the Carrboro Tourism Development Authority.

## **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 Sales Tax –* As part of the tax reform legislation approved by the General Assembly in 2013, effective July 1, 2014, the general sales tax rate is applied to the sale of electricity. From the proceeds of that tax, 44 percent is allocated to be distributed to cities and towns. Each city receives a franchise tax share and an ad valorem share of these proceeds. The franchise tax share is equivalent to the electricity franchise tax distribution that each city received as its quarterly distribution in Fiscal Year 2013-14. If there is insufficient revenue to provide each municipality with the same distribution that it received in FY 2013-14, then every municipality's distribution will be reduced proportionally. If there is excess sales tax revenue after distributing every municipality's franchise tax share, then each municipality will receive an ad valorem share. The excess sales tax revenue will be distributed based on each city's ad valorem taxes levied as a percentage of all cities' ad valorem taxes levied [G.S. 105-164.44K].

*Piped Natural Gas Sales Tax -* As part of the tax reform legislation approved by the General Assembly in 2013, effective July 1, 2014, the general sales tax rate is applied to the sale of piped natural gas. From the proceeds of that tax, 20 percent is allocated to be distributed to cities and towns. Each city receives a franchise tax share and an ad valorem share of these proceeds. The franchise tax share is equivalent to the piped natural gas franchise tax distribution that each city received as its quarterly distribution in Fiscal Year 2013-14. If there is insufficient revenue to provide each municipality with the same distribution that it received in FY 2013-14, then every municipality's distribution will be reduced proportionally. If there is excess sales tax revenue after distributing every municipality's franchise tax share, then each municipality will receive an ad valorem share. The excess sales tax revenue will be distributed based on each city's ad valorem taxes levied as a percentage of all cities' ad valorem taxes levied [G.S. 105-164.44L]. .

*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.

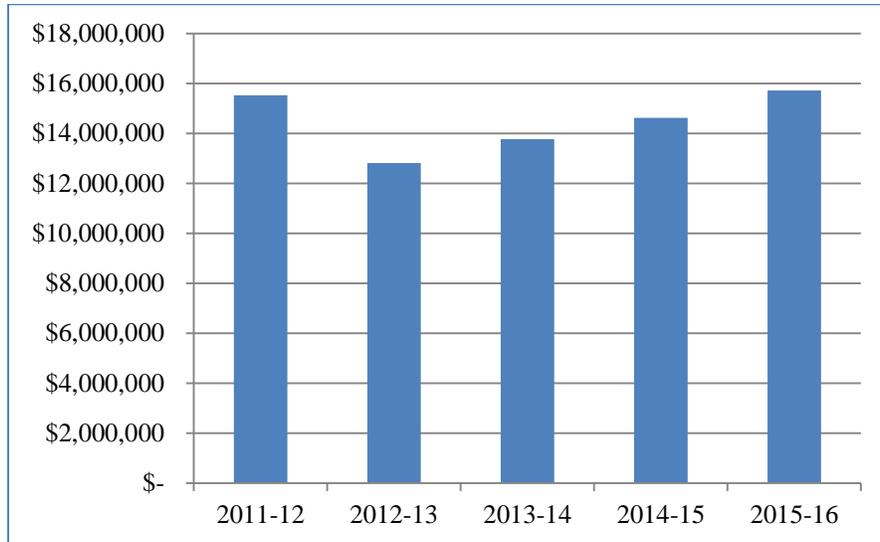
**Fund Balance Appropriated**

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.

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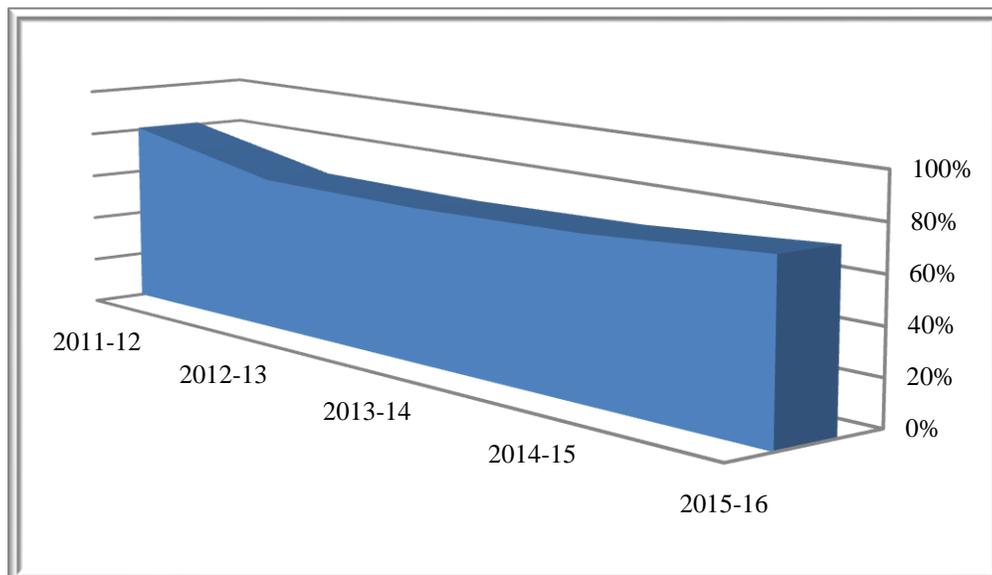
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## General Fund Balance as of June 30



Fund balance at the end of FY 2015-16 was \$15,715,341, which was an increase of \$1,089,911 from FY 2014-15.

## General Fund Balance as a Percentage of Operating Revenues



Fund balance as a percentage of operating revenues increased 5.4% from 68.7% in FY 2014-15 to 74.1% for FY 2015-16.

**GENERAL FUND SUMMARY OF EXPENDITURES**

	2015-16 ACTUAL	2016-17 ADOPTED BUDGET	2017-18 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	11,376,803	12,554,270	13,244,463	5.5%
OPERATING	8,211,813	8,961,498	9,168,046	2.3%
CAPITAL OUTLAY	666,422	516,589	457,177	-12.1%
<b>TOTAL</b>	<b>\$20,255,038</b>	<b>\$22,032,357</b>	<b>\$22,869,686</b>	<b>3.8%</b>

**GENERAL FUND EXPENDITURES BY DEPARTMENT**

DEPARTMENT	PERSONNEL SERVICES	OPERATING COSTS	CAPITAL OUTLAY	TOTAL
MAYOR & ALDERMEN	116,304	252,100	0	368,404
ADVISORY BOARDS	0	17,350	0	17,350
GOVERNANCE SUPPORT	0	743,124	0	743,124
TOWN MANAGER	344,410	48,989	0	393,399
ECONOMIC & COMM DEV.	131,121	122,349	0	253,470
TOWN CLERK	116,071	18,900	0	134,971
FINANCE	514,243	562,672	0	1,076,915
HUMAN RESOURCES	538,617	85,850	0	624,467
INFORMATION TECHNOLOGY	269,791	1,034,598	116,000	1,420,389
POLICE	3,165,946	519,075	301,872	3,986,893
FIRE	2,636,833	287,499	0	2,924,332
PLANNING	1,222,430	254,334	0	1,476,764
TRANSPORTATION	0	1,834,856	0	1,834,856
PUBLIC WORKS	2,039,918	1,527,692	39,305	3,606,915
PARKS & RECREATION	1,215,894	434,148	0	1,650,042
NON-DEPARTMENTAL	932,885	300,000	0	1,232,885
DEBT SERVICE	0	1,124,510	0	1,124,510
<b>TOTAL</b>	<b>\$13,244,463</b>	<b>\$9,168,046</b>	<b>\$457,177</b>	<b>\$22,869,686</b>