

TOWN OF CARRBORO
NORTH CAROLINA

ADOPTED BUDGET
FISCAL YEAR 2018-19

BOARD OF ALDERMEN

LYDIA LAVELLE, MAYOR
DAMON SEILS, MAYOR PRO-TEMPORE
BETHANY CHANEY
BARBARA FOUSHEE
JACQUELYN GIST
RANDEE HAVEN-O'DONNELL
SAMMY SLADE

TOWN MANAGER

DAVID L. ANDREWS, ICMA-CM

DEPARTMENT HEADS

CATHY DORANDO, TOWN CLERK
JULIE ECKENRODE, HUMAN RESOURCES, INTERIM DIRECTOR
JOE GUCKAVAN, PUBLIC WORKS
WALTER HORTON, POLICE
ANNETTE STONE, ECONOMIC AND COMMUNITY DEVELOPMENT
ARCHE L. MCADOO, FINANCE
PATRICIA MCGUIRE, PLANNING
ANITA JONES-McNAIR, RECREATION & PARKS
SUSANNA WILLIAMS, FIRE-RESCUE
ANDY VOGEL, INFORMATION TECHNOLOGY

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, 2017.

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.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Town of Carrboro

North Carolina

For the Fiscal Year Beginning

July 1, 2017

Christopher P. Morill

Executive Director

This page intentionally left blank

TABLE OF CONTENTS

Reader’s Guide.....	7
Town Manager’s Letter.....	9
Budget Message.....	11
Executive Summary.....	11
Budget Summary for All Funds.....	23
Annual Budget Ordinance, FY 2018-2019.....	25
Section 1 - Community and Organizational Profile.....	31
About the Town of Carrboro.....	31
Key Intergovernmental Relationships.....	36
Governmental Structure.....	38
Board Priorities.....	40
Financial Policies.....	43
Budgetary Accounting and Reporting.....	53
Financial Fund Structure.....	55
Section 2 - General Fund.....	56
General Fund Revenues.....	56
Description of General Fund Revenues.....	59
General Fund Balance as of June 30.....	63
General Fund Expenditures Summary.....	64
Summary of General Fund Expenditures By Department.....	64
Section 3 – General Government.....	65
Mayor and Board of Aldermen.....	65
Advisory Boards and Commissions.....	67
Governance Support.....	68
Town Manager.....	69
Information Technology.....	71
Economic and Community Development.....	74
Town Clerk.....	77
Finance.....	80
Human Resources.....	83
Section 4 – Police.....	87
Section 5 – Fire and Rescue.....	93
Section 6 – Planning.....	100
Section 7– Transportation.....	106
Section 8– Public Works.....	108
Section 9 – Recreation and Parks.....	114
Section 10 – Nondepartmental.....	122
Section 11 – Debt Service.....	124
Section 12 - Special Revenue Funds.....	128
Affordable Housing Fund.....	129
Revolving Loan Fund.....	130
Energy Efficiency Revolving Loan Fund.....	131
Business Loan Fund.....	132
Grant Fund.....	133

Section 13 - Capital Projects Fund	134
Capital Projects Fund	134
Capital Reserve Fund	137
Payment-in-Lieu Reserve Fund	138
Section 14 – Stormwater Utility Enterprise Fund	140
Section 15 – Financial Trends Past, Present, and Future	144
Historical Financial Trends	144
Current Financial Trends	166
Future Trends	166
Section 16 – Line Item Budget	172
Section 17 - Glossary	190
Glossary	190

Reader's Guide to the Budget Document

The Mayor and Board of Aldermen adopt an annual 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 special revenue, capital budget, and five-year fiscal projections for general fund revenues and expenditures to present a complete picture of the Board's 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.

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 Fund** – The Town currently maintains the following special revenue funds: Revolving Loan Fund, Energy Efficiency Revolving Loan Fund, Business Loan Fund, Affordable Housing Fund, and Grants Fund.
- ☐ **Capital Projects Fund** – This fund includes all active capital projects, Bond Fund, Capital Reserve Fund, and the Payment-in-Lieu Fund.

- ☐ **Stormwater Utility Enterprise Fund** – This fund comprehensively addresses the storm water management needs of the Town. The Enterprise Fund establishes a fee schedule for dedication to funding local storm water and flood remediation activities.

- ☐ **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 2017-18 Through FY 2021-22*” (CIP) describes capital improvement projects and identifies funding sources for the next six fiscal years and is available at <http://www.townofcarrboro.org/250/Financial-Documents>.

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

Please direct 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:
<http://www.townofcarrboro.org/250/Financial-Documents>



June 20, 2018

To: Mayor and Board of Aldermen:

I am pleased to submit the adopted budget for the Town of Carrboro for FY 2018-19. This budget is the largest and most challenging one during my tenure. It totals \$49.2 million as follows:

General Fund	\$ 22,862,722
Capital Projects Fund	23,403,462
Special Revenue Fund	2,097,939
Stormwater Utility Enterprise Fund	900,000
Total	\$ 49,264,123

Careful and balanced choices are presented in the FY 2018-19 budget that provide for continued delivery of quality services, carrying out Board priorities, acquiring needed capital items, adjusting compensation for employees, and implementing a storm water utility fee. Additionally, the adopted budget seeks to provide a steady and reliable revenue stream for affordable housing activities.

The General Fund is the Town's operating budget and basically unchanged from the current year. This is a "no growth" budget.

The Special Revenue Fund changes from year to year depending upon revenues from grants and the loan funds. The Affordable Housing Fund is included in this fund and increasing affordable housing is a major goal of the Board of Aldermen. Unfortunately, the current source of funding for affordable housing is expected to be depleted within the next year or two. To provide a steady and reliable revenue stream for affordable housing, the adopted budget includes a property tax increase of ½ cents to be dedicated exclusively to affordable housing activities. The expectation is that for each of the next two years the property tax rate will increase by ½ cents and be dedicated to affordable housing. Based on the current budget for FY 2017-18 a penny on the tax rate yields \$225,000 in revenue. Also, due to lack of interest shown in the Small Business or Micro Loan Fund, the adopted budget eliminates this program and returns the funds to the General Fund.

The Capital Projects Fund, in addition to other funded projects, includes the planned joint development of 203 South Greensboro Street by Orange County and the Town at an anticipated cost of \$15.0 million. This project is to construct a facility to house Town administrative offices and Orange County Southern Branch Library with the potential for also accommodating other

compatible uses. The Town expects to do debt financing for its share of the costs; however, the actual amount is not known at this time.

Also, the Town still needs to develop a financing plan to undertake needed building improvements throughout the Town over the next five years.

The Storm Water Utility Enterprise Fund was established July 1, 2017 to comprehensively address the storm water management and flooding needs of the Town. A Storm Water Utility Manager has been hired, and a fee schedule has been adopted.

On behalf of all Town of Carrboro employees, I want to thank the Mayor and Board of Aldermen for your leadership, vision and dedication to Carrboro's unique identity and quality of life. I would also like to recognize and thank Arche McAdoo, Sandy Svoboda, and the entire Finance Team for their dedicated efforts in the development of the FY 2018-19 Town budget.

The accompanying Executive Summary provides additional highlights of the overall budget priorities and strategies for fiscal year 2018-19.

Sincerely,



David L. Andrews, ICMA-CM
Town Manager

EXECUTIVE SUMMARY

BUDGET OVERVIEW

North Carolina’s economic outlook, as with the national economy, is good. GDP is up by 2.9 percent from last year. The Consumer Confidence Index in February found that consumer confidence was at its highest level since 2000. An average of 9,900 jobs were added during each of the last three months of 2017. The two challenges on the state’s economy are: 1) state unemployment rate is up to 4.5 percent compared to 4.1 nationally; and, 2) some firms are reportedly having difficulty finding employees with required skills.

North Carolina sales tax collections remain a strong point for revenues at both the state and local levels with continued activity in the construction sector. Through the first half of FY 2017-18, distributions were about 5.0% ahead of FY 2016-17 for Article 39 and 40 combined. This is after the statutory reallocation. (It should be noted that the state and local sales tax base was expanded as of March 1, 2015, and beginning with the July 2016 distribution, there was a statutory reallocation of almost \$90 million in local sales tax revenue.)

Consumer confidence in the economy is high at present, and sales tax revenue for the remainder of the fiscal year is expected to continue a growth pattern. There does not seem to be any immediate slowdown ahead in this growth; however given the nature and base of sales tax revenues this could change quickly.

Local signs of economic strength include the low unemployment rate and increased taxable sales. Orange County’s unemployment rate in February 2018 was 3.8%, below the statewide rate of 4.5%. This is related to the dominance of the professional services sector and close proximity to the University of North Carolina and Research Triangle Park. While the total number of commercial building permits decreased in 2017 from the prior year, residential permits and values both increased.

COMMERCIAL AND RESIDENTIAL TOWN PERMITS, 2017

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>COMMERCIAL PERMITS</u>		<u>RESIDENTIAL PERMITS</u>	
	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>
2008	298	\$ 4,469,526	468	\$ 2,796,800
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
2013	395	6,926,461	539	21,670,200
2014	319	8,424,490	564	16,305,265
2015	370	8,098,185	621	20,965,551
2016	348	6,449,249	607	17,125,298
2017	297	3,489,324	624	19,431,014

Through March, general fund revenue collections for FY 2017-18 total \$19.2 million or 84% of the adopted budget. Last year at this time, total general fund revenue collections were \$17.3 million or 81% of adopted budget. Property tax revenue collections to date are \$12.8 million or

101% of budget. Local sales tax revenues through January total \$2.2 million compared to \$2.1 million at the same time last year. Unrestricted and restricted intergovernmental revenues year-to-date are 52% and 90% of budget, respectively. (Note: In terms of distribution, the North Carolina Department of Revenue distributes local sale tax revenues to localities three months after the month in which they are earned, and intergovernmental revenues three month after the end of the quarter.) Overall, total general fund revenue collections for FY 2017-18 are anticipated to meet or exceed the adopted budget.

While most economic indicators for the state continue to be strong with high consumer confidence in the economy, the Town continues to take a conservative approach in estimating revenues. As noted above the state and local sales tax base has been expanded and statutory reallocation of sales tax revenues to certain rural areas are now in effect. For the FY 2018-19 budget the Town assumes that the North Carolina General Assembly will make no changes during its 2018 session that would negatively impact the Town's existing revenue stream.

On the national level, however, there are concerns beyond the coming year due to significant policy changes made by the Tax Cuts and Jobs Act of 2017. At this point it is uncertain as to the impact these changes will have on local government revenue projections, especially for sales tax. The Act almost doubles standard deductions and lowers corporate income tax rate to 21%. The Act may yield a reduction in individual federal taxes that will increase spending potential; and, the corporate tax cuts may be an incentive for hiring and wage growth. However, the lower corporate tax rate could make municipal bonds and loans less competitive when compared to other types of investments; thus, increasing municipal interest rates and cost of municipal debt. This Act also caps State and Local Tax deductions at \$10,000 which may make it more difficult for local governments to raise taxes.

TOTAL TOWN BUDGET

In developing the FY 2018-19 budget, operating expenses were identified for reduction, capital item requests were re-prioritized, and some vehicle/equipment purchases deferred to future years. The major goals in developing the 2018-19 budget were to:

- Implement the Board's strategic priorities,
- Manage costs while improving services to the citizens,
- Develop a balanced budget,
- Establish a fee system for the Storm Water Utility Enterprise Fund, and,
- Conceptualize a long term financial sustainability plan for the Town.

The total recommended General Fund budget for FY 2018-19 is \$22,862,722, which is essentially unchanged from the adopted budget of \$22.8 million last year. When all other funds are considered, the total Town budget for FY 2018-19 is \$49.2 million as follows:

BUDGET SUMMARY

	<u>FY 2017-18</u> <u>ADOPTED</u> <u>BUDGET</u>	<u>FY 2018-19</u> <u>ADOPTED</u> <u>BUDGET</u>	<u>\$ Change</u>	<u>% Change</u>
General Fund	22,869,686	22,862,722	(6,964)	0.0%
Capital Projects Fund	10,882,447	23,403,462	12,521,015	115.1%
Special Revenue Fund	2,287,784	2,097,939	(189,845)	-8.3%
Stormwater Utility Enterprise Fund	-	900,000	900,000	N/A
Total	36,039,917	49,264,123	13,224,206	36.7%

BUDGET PROCESS

The budget process is similar to past years. Departments are required to justify their operating budget for the continuation of services. Proposed new or expanded services are to be kept to a minimum or none at all. The continuing budget includes adjustments for price increases in the cost of goods and services; and may include projects and infrastructure expenditures reflected in the annual Capital Improvement Program (CIP) which includes street resurfacing costs, replacement of vehicles and equipment, and debt service payments for capital commitments. All other requests defined as “new program or service initiative” are evaluated and, if approved, added to the continuation budget.

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, local sales taxes, other taxes/licenses, and intergovernmental revenues. Together these revenues comprise approximately 88% of general fund revenues.

For FY 2018-19 total recurring revenues are projected to decrease by 2.0% over the FY 2017-18 Adopted Budget. The projection for property tax revenues were revised downward slightly to be more in line with historical trends. Other Taxes and Licenses are expected to decrease now that Tax and Tag System has eliminated the backlog of unpaid vehicle taxes and registration fees which had resulted in additional revenues over the past 2-3 years. This system was implemented by the North Carolina Department of Motor Vehicles that requires the collection of the motor vehicle tax and registration fee at the time of renewal. Previously motor vehicles could be registered and then taxes billed and collected by the County Tax Administrator in which the vehicle was registered.

Intergovernmental revenues, which comprise 9.0% of general fund revenues, are expected to increase by 11% due to increase sales tax collections on utility franchises. Sales tax revenues, which represent 7.0% of general fund revenues, are expected to continue positive growth trends as consumer confidence remains high.

Recurring Revenues

	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	\$ CHANGE	% CHANGE
Property Taxes	\$ 12,729,642	\$ 11,945,655	\$ (783,987)	-6.2%
Local Sales Tax	4,018,500	4,475,980	457,480	11%
Other Taxes & Licenses	1,846,809	1,604,757	(242,052)	-13%
Intergovernmental	1,854,017	2,056,081	202,064	11%
Total Recurring Revenues	\$ 20,448,968	\$ 20,082,473	\$ (366,495)	-2%

Property and sales tax revenues continues to make up 72% of total general fund revenues in FY 2018-19. The total property tax valuation is estimated to be \$2,265,330,304 based on valuation by the Orange County Tax Administrator. This is a 0.2% growth over the past year. In FY 2018-19 each penny on the tax rate is projected to generate approximately \$222,000. In addition, property tax relief is available for the elderly, permanently-disabled persons, and veterans who meet income and other specific exemption requirements.

Retail sales statewide in North Carolina are trending upward and consumer confidence is high. Overall local sales tax revenues (\$2.2 million to date), reflecting six months of collections for the year, are 20% of the Town's FY 2017-18 adopted budget (\$4.0 million). According to the FY 2018-19 Revenue Projections Report by N. C. League of Municipalities, sales tax distributions to local governments by the state during the first six months of FY 2017-18 were up approximately 5.2% over the same period in FY 2016-17. The League of Municipalities anticipates that sales tax revenues statewide for the current fiscal year 2017-18 will be 5.0% above the FY 2016-17 distributions. For next fiscal year 2018-19 local sales tax revenues statewide are expected to increase by 4.5% above the FY 2017-18 actuals.

In FY 2014-15 municipalities experienced growth in electricity tax revenues due to a change by the General Assembly in the method of distribution for electricity and piped natural gas sales. This change required general sales tax to be collected by the state and then get allocated to municipalities based on 44% and 20% for electricity and natural gas, respectively. In the past these revenues have been distributed based on the services within municipal boundaries.

Electricity distributions to municipalities statewide for the first two quarters of FY 2017-18 were down approximately 4.0% from the previous year. Projections for statewide electricity revenues for FY 2017-18 are expected to decrease slightly by 1.0%. For FY 2018-19, they are projected to increase by 1.0%.

Sales tax on piped natural gas statewide, on a percentage basis, declined sharply under the new distribution formula. Through the first two quarters of FY 2017-18 natural gas revenues have been 23% higher over the same period in FY 2015-16. The N. C. League of Municipalities has projected that statewide distributions to municipalities for FY 2017-18 will be 5.5% higher than the past year; and, for FY 2018-19 the projection are expected be 1.0% above that of FY 2017-18.

For FY 2017-18, the Town has collected \$406,605 (53% of budget) in electricity tax revenues, and \$123,392 (38% of budget) in piped natural gas. In projecting electricity and natural gas tax revenues, it is important to remember that these revenues will depend on weather, consumption, and price of the utility. Significant fluctuations in local weather patterns and conditions directly affect consumption and may not mirror the statewide trend.

Telecommunications Sales Tax revenues statewide continue to show decreases. Consumers are continuing to move away from landline telephone service to mobile telephone service. Annual statewide telecommunications revenues for FY 2017-18 are expected to decrease by 5.0% with an additional decline of 4.0% in FY 2018-19. For the first two quarters of this fiscal year 2017-18 the Town has received revenue of \$95,562 or 72.0% of the adopted budget.

Local Video Programming revenue distributions continue to decrease statewide. The continuing revenue declines are due primarily to TV customers “cutting the cord” in favor of streaming services. The cable TV industry has responded with more streamlined cable packages that are more attractive to customers and seems to be slowing the decline rate. Projections of future video programming revenue vary. The N. C. League of Municipalities expects that video programming distributions statewide will decrease by 1.0% in FY 2017-18, and continue to decline in FY 2018-19. For the first two quarters of FY 2017-18, the Town has received revenue of \$27,326 or 79.0% of the adopted budget.

Municipalities with qualifying Public, Educational, and Governmental (PEG) channels are entitled to supplemental PEG channel support funds for up to three channels. The amount per channel for FY 2017-18 is approximately \$27,027 and is expected to remain the same for FY 2018-19.

Beer and wine sales taxes is an excise tax charged on the production of alcohol in North Carolina, and a portion is distributed to municipalities based on population. For FY 2017-18 state officials have indicated that beer and wine sales tax distributions will be 5% less than last year and no increase is expected for FY 2018-19.

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 2018-19 are from Fund Balance Appropriation and total \$1,088,391 or 4.8% of total recommended budget. This is an increase of \$489,987 or 81.9% over the adopted FY 2017-18 budget. The Town has adopted a policy that “fund balance appropriation is not to exceed 10% of the total General Fund operating budget in any given year.”

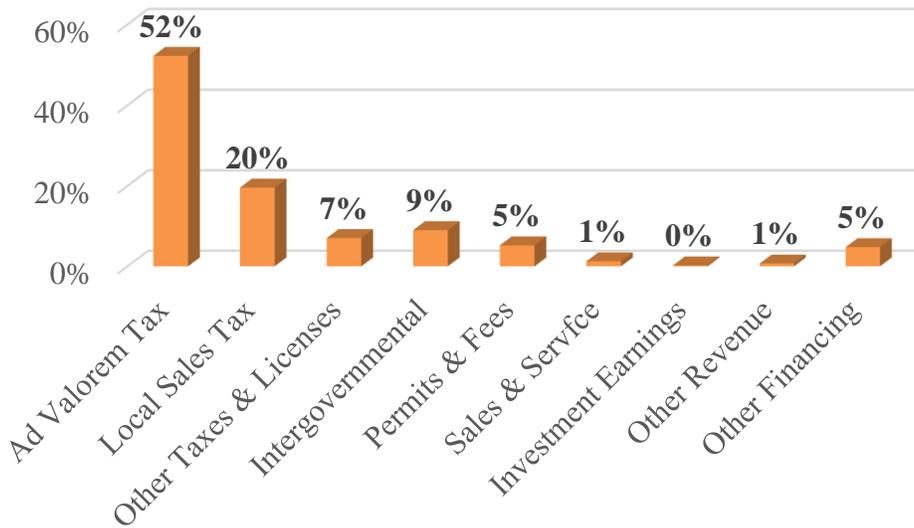
OTHER FINANCING FY 2018-19

	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	\$ CHANGE	% CHANGE
Interfund Transfers	-	-	-	0.0%
Installment Financing	304,292	-	(304,292)	-100.0%
Fund Balance	598,404	1,088,391	489,987	81.9%
Total Other Financing	902,696	1,088,391	185,695	20.6%

The transfer from the Capital Reserve Fund of \$176,945 was discontinued in FY 2016-17 since it was no longer necessary to help with debt service for the construction of fire station #2.

Installment financing has been used in the past to replace vehicles and equipment. In anticipation of some future major financing, the Town has elected to use \$443,814 of cash reserves to acquire replacement vehicles and equipment in FY 2018-19.

FY 2018-19 GENERAL FUND REVENUE SOURCES
% of Total \$22,862,722



EXPENDITURES

For FY 2018-19 total General Fund operating expenses are unchanged from FY 2017-18. Personnel costs account for 60% of the total budget with operations and capital outlays comprising 40% and less than 1% for capital.

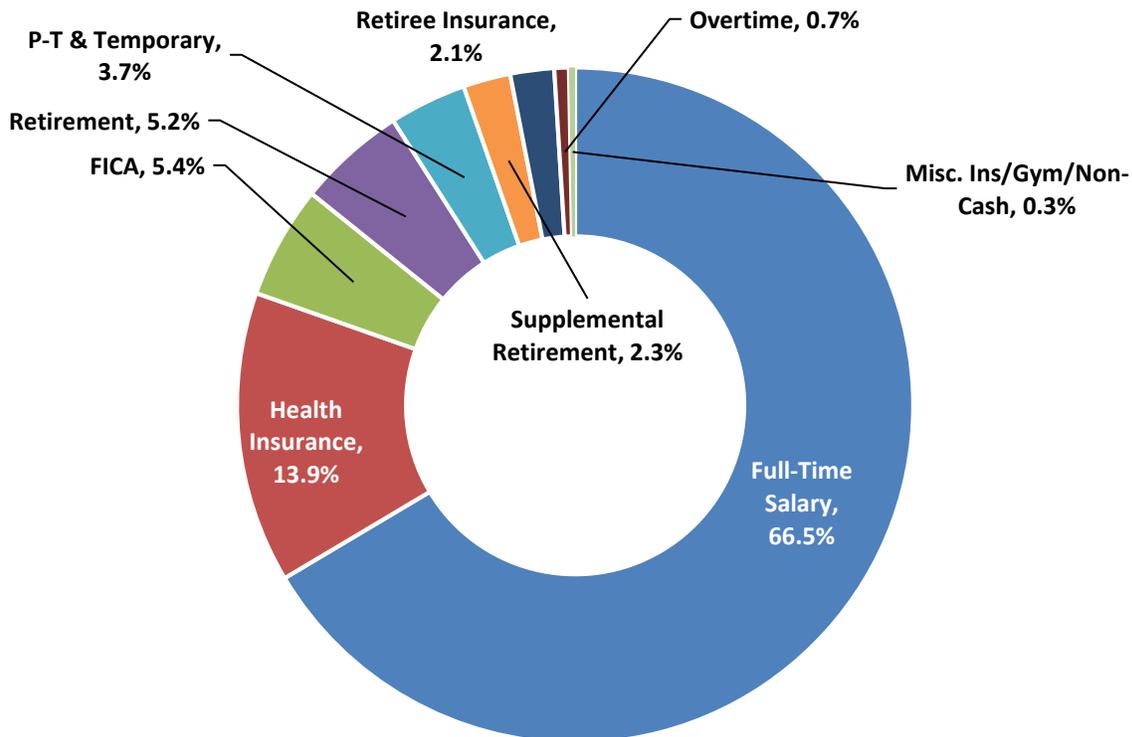
GENERAL FUND BUDGET SUMMARY

	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	% CHANGE
PERSONNEL	13,244,463	13,598,474	2.67%
OPERATING	9,168,046	9,048,469	-1.30%
CAPITAL OUTLAY	457,177	215,779	-52.80%
TOTAL	\$22,869,686	\$22,862,722	-0.03%

PERSONNEL

Personnel cost are expected to increase by 2.67%. Factors that affect personnel cost include: a) 2.0% across the board pay adjustment to permanent employees in FY 2017-18; b) proposed 3.0% pay adjustment for employees in FY 2018-19; c) projected 15% increase in health insurance premiums; and increase in employer contribution rate to Local Government Employees Retirement System. Additionally, based on the results of the compensation study completed in FY 2017-18, several employees received salary adjustments because they lagged behind the market.

FY 2018-19 Pay and Benefit



Contribution rates for the Local Government Employees' Retirement System (LGERS) will increase from 7.56% to 7.81% for general employees; and, from 8.25% to 8.50% for law enforcement officers in FY 2018-19. Below is the schedule of contribution rates through FY 2020-21.

Fiscal Year	LGERS Employer Contribution Rate	
	General Employees	Law Enforcement Officers
2017-18	7.56%	8.25%
2018-19	7.75%	8.50%
2019-20	8.00%	8.75%
2020-21	8.25%	9.00%

No merit or performance pay will be provided for employees in FY 2018-19. 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.

The number of full-time equivalent positions will increase from 160.5 to 162.5 (this includes the Storm Water Utility Manager). A Project Manager has been established in Town Manager's Office and a full-time Accounting Technician/Receptionist has been established in Finance.

Funds to cover the proposed across the board pay adjustments; health insurance premium increases, and other proposed pay and classification changes have been budgeted in Non-Departmental.

OPERATIONS EXPENSES

General Fund operating expenses in FY 2018-19 will decrease by 1.30% from \$9,168,046 to \$9,048,469. In addition to maintaining the existing service levels, funds are budgeted for Employee and Organizational Development activities (e.g., risk management/safety, racial sensitivity and equity training, supervisor training, etc.). Several initiatives begun in previous fiscal years will be continued in FY 2018-19. These include implementation of parking plan, implementation of solid waste study pilot programs, gold level bicycle designation, facility and space renovations, repair or construction, new permitting software for planning, body worn cameras for police, and implementation of a fee for storm water utility enterprise fund. The Town will continue with implementation of its Strategic Energy and Climate Protection Plan, which will be guided by the Assistant to the Manager for Strategic Initiatives. Particular attention will be given to new projects to incorporate energy savings strategies with the goal of reducing operating costs.

CAPITAL OUTLAY

Capital outlays will decrease by 52.8% from \$457,177 to \$215,779 in FY 2018-19. These outlays will be for the replacement of Board room audio/video equipment that is beyond its replacement schedule. The Town also plans to implement and integrate a Human Resources

Management System with its existing payroll system, including establishment of a Self-Service component for employees.

In the past the Town has used installment financing for replacement of vehicles and equipment. In anticipation of some future major financing, the Town has elected to use \$443,814 of cash reserves to acquire the following vehicles and equipment in FY 2018-19.

DEPARTMENT	VEHICLES/EQUIPMENT	COST ESTIMATE
Police	6 Vehicles @ \$55,469	\$332,814
Public Works	Skid Steer	\$70,000
Public Works	Broom Attachment for Skid Steer	\$5,000
Public Works	Bush Hog	\$6,000
Public Works	10-Ton Trailer	\$25,000
Public Works	Post Puller	\$5,000
	TOTAL	\$443,814

As part of the Town’s strategic energy and climate protection plan, police patrol vehicles will be equipped with a Havis Idle Manager. This will allow officers to operate mission critical electrical loads such as lights, radio, lap top and in-car video system without the engine running. This idle manager will also reduce unnecessary engine idling, save fuel, reduce wear and tear on engine, and reduce greenhouse gas emissions. The Town will continue to evaluate alternatives and options to convert its entire fleet to a fuel source other than gas to reduce greenhouse gas emissions.

SPECIAL REVENUE FUND

The Special Revenue Fund accounts for revenues and expenditures legally restricted or designated by the Board of Aldermen for specific program activities or services. Included in the Special Revenue Fund are: revolving loans for economic development or energy efficiency, business loan program, affordable housing, and grants administration.

The total budget for the Special Revenue Fund in FY 2018-19 is \$2.1 million dollars.

SPECIAL REVENUE FUND SUMMARY

	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	\$ CHANGE	% CHANGE
REVOLVING LOAN FUND	\$ 566,351	\$ 558,331	\$ (8,020)	-1.4%
GRANT FUND	\$ 938,096	\$ 975,360	\$ 37,264	4.0%
AFFORDABLE HOUSING FUND	\$ 1,170,771	\$ 337,500	\$(833,271)	-71.2%
ENERGY EFFICIENCE REVOLVING LOANS	\$ 83,902	\$ 111,277	\$ 27,375	32.6%
BUSINESS LOAN FUND	\$ 118,499	\$ 115,471	\$ (3,028)	-2.6%
TOTAL	\$ 2,877,619	\$ 2,097,939	\$(779,680)	-27.1%

A major priority for the Special Revenue Fund is to maintain a budget for the Affordable Housing Fund at a level equal to a penny of the Town's property tax rate. (Note: In FY 2017-18 a penny on the tax rate produces approximately \$224,453.) The current source(s) of funding for the Affordable Housing Fund is expected to be exhausted in the next year or two. In order to create a more permanent funding stream for affordable housing it has been proposed that the Town's property tax rate be increased by ½ cents for each of the next three years and be dedicated to the Affordable Housing Fund.

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for capital projects that are financed by the general obligation bonds, other debt instruments and pay-go 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 greenway; and payment in lieu.

Capital projects (i.e., those costing more than \$100,000 or take more than one year to complete) are generally established in the Capital Improvements Plan (CIP). Most capital projects are funded by the adoption of a Capital Project Ordinance by the Board of Aldermen that requires a balanced budget (i. e. expenses equal anticipated revenues) and is in effect until completion of the project.

Contingent upon fund balance ratios in the Town's general fund being within the stated policy goal of 22.5% to 35%, fund balance may be assigned or committed for future capital projects if the fund balance exceeds 35%. At June 30, 2017, unassigned fund balance in the general fund exceeded 35% and the Town Manager, in accordance with Town policy, assigned \$2.0 million for future capital projects. The Board of Aldermen is required to take formal action to commit the use of fund balance for projects or proposed in any current or future year's budget.

The total Capital Project Fund budget for FY 2018-19 is \$23.4 million. The largest project is the planned joint development of 203 South Greensboro Street by Orange County and the Town at an anticipated cost of \$15.0 million. This project is to construct a facility to house the Orange County Southern Branch Library and Town administrative offices with the potential for also accommodating other compatible uses. The Town expects to do debt financing for its share of the costs; however, the actual amount is not known at this time. Further, the Town will also have to develop a financing plan to undertake needed building improvements over the next five years.

CAPITAL PROJECT FUND SUMMARY

	FY 2017-18 ADOPTED	FY 2018-19 ADOPTED	\$ CHANGE	% CHANGE
	BUDGET	BUDGET		
CAPITAL PROJECTS	\$ 4,000,106	\$ 17,943,078	\$13,942,972	349%
GO SIDEWALK & GREENWAYS	4,828,568	\$ 4,078,710	\$ (749,858)	-16%
CAPITAL RESERVES	1,903,993	\$ 1,231,894	\$ (672,099)	-35%
PAYMENT IN-LIEU	149,780	\$ 149,780	\$ -	0%
SUBTOTAL	\$ 10,882,447	\$ 23,403,462	\$12,521,015	115%

In the GO Bond Sidewalk and Greenways Fund, all planned sidewalks, except for Rogers Road, has been completed. Using the bond fund, the Town has been able to leverage state/federal funding for several of the sidewalk and greenway projects.

Project	Federal/State	Local	Other	Total Funding
Homestead Road-CHHS MU Path	\$ 830,230	\$ 147,500	\$ 48,046	\$ 1,025,776
Jones Creek Greenway	336,000	84,000	-	420,000
Morgan Creek Greenway	1,210,000	302,500	-	1,512,500
Rogers Road Sidewalk	542,510	829,058		1,371,568
South Greensboro Street Design	84,000	21,000	-	105,000
Total	\$ 3,002,740	\$ 1,384,058	\$ 48,046	\$ 4,434,844
% of Total	67.7%	31.2%	1.1%	100.0%

Because capital projects can affect all categories of spending in the operating budget, it is important to have a systematic planning process to prioritize needs, as well as identify possible financing plan. The Town Manager is responsible for developing and maintaining a six-year Capital Improvement Plan (CIP) that includes long-term maintenance, infrastructure needs and technology needed for the community. As part of the Town’s Strategic Energy and Climate Protection Plan, all capital projects are to be evaluated for energy savings which will reduce operating costs.

The CIP through FY 2023 can be reviewed on the Town’s web site at:
<http://www.townofcarrboro.org/DocumentCenter/Home/view/4675>.

CONCLUSION

Economic conditions in North Carolina continue to be positive with low unemployment rate, increased taxable sales and increased employment. Total nonfarm employment has increased above last year’s level. The professional and business services sector continues its rapid growth.

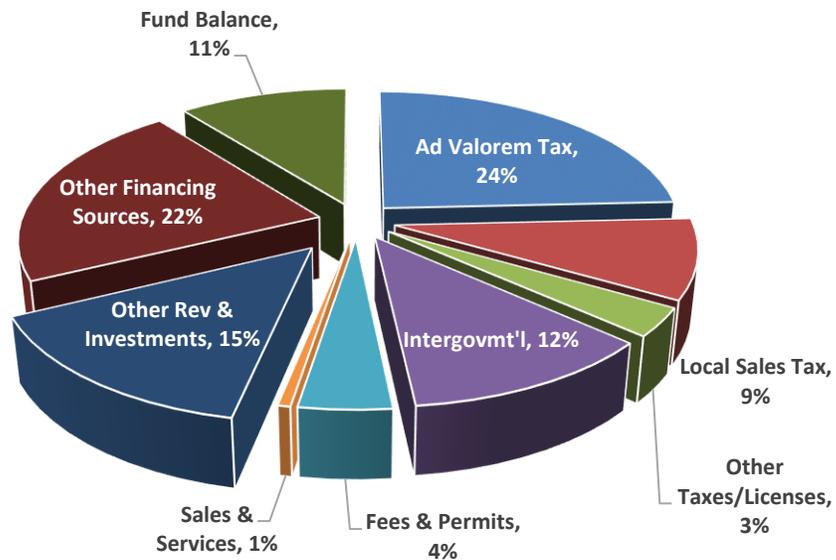
Locally, economic improvements are reflected in the low unemployment rate, taxable sales and increased value of building permits. Town revenues are projected to meet or exceed budget for the year ending June 30, 2018. Overall revenues for FY 2018-19 are expected to remain flat.

The Town has begun to implement its strategic energy and climate protection plan with the goal of not only saving energy, but to reduce operating costs as well. All capital projects, including vehicles and equipment, will be considered for energy saving measures that will also lead to reduced operating costs. As in the past, all investments in capital equipment will be scrutinized from a cost-benefit analysis and to gain maximum use of the asset to the fullest extent possible.

Careful and balanced choices are presented in the FY 2018-19 budget that provide for continued delivery of quality services, carrying out Board priorities, acquiring needed capital items, adjusting the compensation for Town's employees.

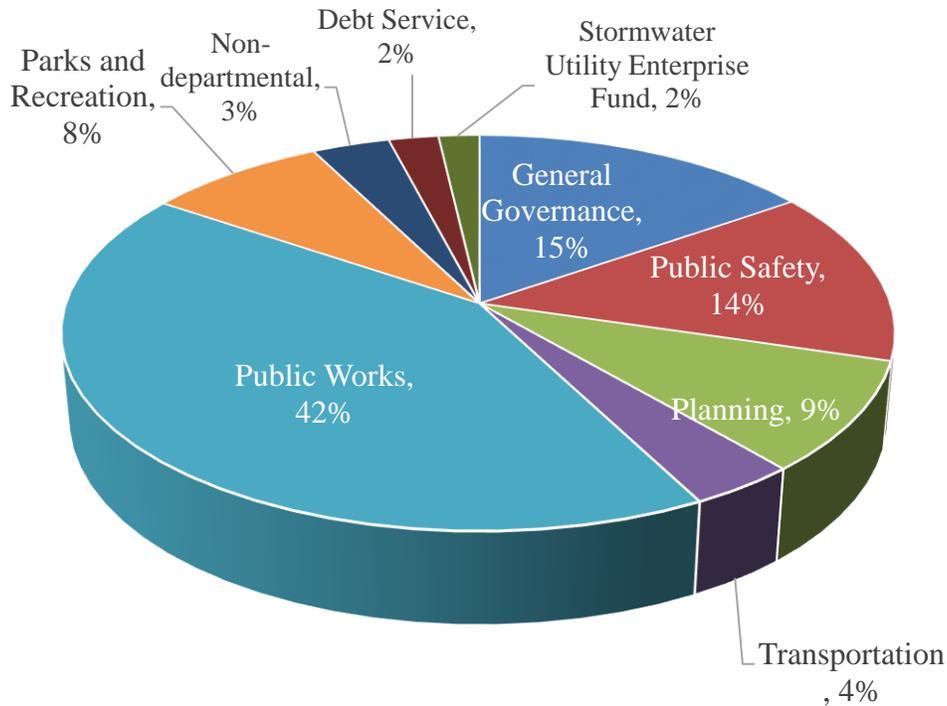
FY 2018-19 Revenue Summary - All Funds by Major Fund

	General Fund	Special Revenue Funds	Capital Funds	Stormwater Utility Enterprise Fund	Total
Ad Valorem Tax	\$ 11,945,655				\$ 11,945,655
Local Sales Tax	4,475,980				4,475,980
Other Taxes/Licenses	1,604,757				1,604,757
Unrestricted Intergovernmental	1,422,090		-		1,422,090
Restricted Intergovernmental	633,991	975,360	2,752,669	-	4,362,020
Fees and Permits	1,193,085			900,000	2,093,085
Sales and Services	285,520				285,520
Investment Earnings	51,812	52,805	2,000		106,617
Other Revenues	161,441	74,528	6,852,581		7,088,550
Other Financing Sources	-	-	10,649,643		10,649,643
Fund Balance Appropriated	1,088,391	995,246	3,146,569		5,230,206
Total Revenues	\$ 22,862,722	\$ 2,097,939	\$ 23,403,462	\$ 900,000	\$ 49,264,123



FY 2018-19 Expense Summary - All Funds by Fund

	General Fund	Special Revenue Funds	Capital Funds	Stormwater Utility Enterprise Fund	Total All Funds
Mayor and Board of Aldermen	\$ 356,941		\$ -		\$ 356,941
Advisory Boards	17,350				17,350
Governance Support	633,904				633,904
Town Manager	511,658	337,500			849,158
Economic and Community Development	248,619	1,760,439	-		2,009,058
Town Clerk	161,981		100,000		261,981
Finance	1,147,641				1,147,641
Human Resources	560,982				560,982
Information Technology	1,588,387		128,840		1,717,227
Police	3,865,788		82,523		3,948,311
Fire	3,070,325	-	14,644		3,084,969
Planning	1,477,419	-	2,996,988		4,474,407
Transportation	1,811,000		-		1,811,000
Public Works	3,657,432	-	17,081,090		20,738,522
Parks and Recreation	1,604,901	-	2,349,070		3,953,971
Non-departmental	1,054,109		650,307		1,704,416
Debt Service	1,094,285		-		1,094,285
Stormwater Utility Enterprise Fund				900,000	900,000
Total Expenditures	\$ 22,862,722	\$ 2,097,939	\$ 23,403,462	\$ 900,000	\$ 49,264,123



A motion was made by Alderman Seils, seconded by Alderman Haven-O'Donnell, that this ordinance be approved.

**ANNUAL BUDGET ORDINANCE FY 2018-19
Town of Carrboro, North Carolina
Ordinance No. 26/2017-18**

WHEREAS, the recommended budget for FY 2018-19 was submitted to the Board of Aldermen on May 1, 2018 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 22, 2018, the Board of Aldermen held a public hearing on the budget pursuant to G.S. 159-12;

WHEREAS, on June 19, 2018, 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:

ARTICLE I – GENERAL FUND

Section 1. General Fund Appropriations

The General Fund is the Town of Carrboro’s operating account. The following amounts are hereby appropriated by function for the operation of the Town and its activities for the fiscal year beginning July 1, 2018 and ending June 30, 2019:

GENERAL GOVERNMENT		\$ 5,237,626
Mayor & Board of Aldermen	\$	356,941
Advisory Boards	\$	17,350
Governance Support	\$	643,067
Town Manager	\$	511,658
Economic & Community Development	\$	248,619
Town Clerk	\$	162,981
Finance	\$	1,147,641
Human Resources	\$	560,982
Information Technology	\$	1,588,387
PUBLIC SAFETY		\$ 6,936,113
Police	\$	3,865,788
Fire	\$	3,070,325

PLANNING	\$	1,477,419
TRANSPORTATION	\$	1,811,000
PUBLIC WORKS	\$	3,705,212
RECREATION & PARKS	\$	1,604,901
NONDEPARTMENTAL	\$	996,166
DEBT SERVICE	\$	1,094,285
TOTAL GENERAL FUND	\$	<u>22,862,722</u>

Section 2. General Fund Revenues

It is estimated that revenues from the following major sources will be available during the fiscal year beginning July 1, 2018 and ending June 30, 2019 to meet the general fund expenditures:

Ad Valorem Tax	\$	11,945,655
Local Sales Tax	\$	4,475,980
Other Taxes & Licenses	\$	1,604,757
Intergovernmental	\$	2,056,081
Permits & Fees	\$	1,193,085
Sales & Service Fees	\$	285,521
Investment Earnings	\$	51,812
Other Revenue	\$	161,441
Other Financing	\$	1,088,391
TOTAL GENERAL FUND	\$	<u>22,862,722</u>

ARTICLE II – AFFORDABLE HOUSING FUND

Section 1. Affordable Housing Fund Appropriation

The Affordable Housing Fund is a special revenue fund created by the Town to increase the stock of affordable, safe and decent housing within the Town and its planning jurisdiction. The following amounts are hereby appropriated for Affordable Housing Fund activities:

Community Home Trust	\$	74,036
Center for Community Self Help	\$	20,000
Home Consortium Match	\$	10,970
Human Services Grants	\$	28,950
Partnership to End Homelessness	\$	23,378
Northside Neighborhood Initiative	\$	30,000
Deferred Loan Expense	\$	20,000
Unexpended Reserves	\$	130,166
TOTAL APPROPRIATION	\$	337,500

Section 2. Affordable Housing Fund Revenues

There is hereby levied a tax rate of \$.0050 (1/2 cents) on each one hundred dollars (\$100) valuation of taxable property as listed for taxes on January 1, 2018 that shall be devoted solely to the affordable housing activities noted above.

ARTICLE III – BUSINESS LOAN PROGRAM

The Business Loan Program in the Special Revenue Fund is hereby terminated as of June 30, 2018 and any remaining revenues shall be transferred to the General Fund.

ARTICLE IV – STORMWATER UTILITY ENTERPRISE FUND

Section 1. Stormwater Utility Enterprise Fund

The Stormwater Utility Enterprise Fund was created for the purpose of comprehensively addressing stormwater management and flooding issues throughout the Town, including making sure the Town stays in compliance with state and federal rules and regulations. A total of \$900,000 is appropriated for stormwater activities.

Section 2. Revenues for Stormwater Utility Enterprise Fund

Revenues to support stormwater activities are generated through the rate structure established in the Town Code, Chapter 18, Article II, Section 18-6. Unexpended budget amounts from fiscal year 2017-18 may be carried forward to fiscal year 2018-19.

ARTICLE V – CAPITAL PROJECTS

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 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.

ARTICLE VI – MISCELLANEOUS FEES AND CHARGES

Charges for services and fees by Town Departments are levied in the amounts set forth in the Miscellaneous Fees and Charges Schedule as adopted by the Board of Aldermen.

ARTICLE VII – GENERAL AUTHORITIES

Section 1. The following authorities shall apply:

- a. The Town Manager may transfer funds between departments and functions within the General Fund for pay adjustments; service level benefits; law enforcement separation allowance; unemployment insurance; retiree, dependent, permanent part-time health benefits; and, for other purposes deemed necessary by the Town Manager without further action by the Board.
- b. The Town Manager may transfer funds within departments and functions.
- c. When unassigned fund balance exceeds 35% in the General Fund, the Town Manager, in accordance with the Town’s Fund Balance 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 audit for the year ending June 30, 2017 shall be re-appropriated to the Fiscal Year 2017-18 Adopted Budget without further action by the Board.
- e. The Finance Officer may approve intradepartmental transfer requests between appropriation units and between programs or organizational units within the departmental budget.
- f. Transfers between Funds may be authorized only by the Board of Aldermen.
- g. The Orange County Tax Collector, is authorized, empowered, and commanded to collect the 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.
- h. Pursuant to NCGS 160A-314.1 and 160A-317 the Town of Carrboro authorizes Orange County to provide recycling collection services within the Town and to impose and administer a basic annual services fee of \$132 per household for recycling services and a solid waste convenience center fee for residents within the Town.
- i. Under GS143-64.32, architectural, engineering, and surveying services with fees less than thirty thousand dollars (\$30,000) may be exempt from the RFQ (Request for Qualification) process.

Section 2. 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, 2018 for the purpose of raising the revenue constituting the general property taxes as set forth in the foregoing estimates of revenue (Article I, Section 2), to finance the foregoing General Fund appropriations (Article I, Section 1). One half cents of the total tax rate shall be devoted exclusively to the Affordable Housing Fund.

General Fund \$.5894

Affordable Housing Fund.....	<u>\$.0050</u>
Total Tax Rate	\$.5944

Section 3. The Finance Officer shall distribute property tax collections to the appropriate fund(s) at least monthly as levied in Section 2 above.

Section 4. 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.

This 19th day of June 2018.

The motion is carried by the following vote:

Aye: Mayor Lydia Lavelle, Alderman Sammy Slade, Alderman Bethany Chaney, Alderman Barbara Foushee, Alderman Jacquelyn Gist, Alderman Haven-O'Donnell, Alderman Damon Seils

I, Catherine Dorando, Town Clerk for the Town of Carrboro, NC do hereby certify that the foregoing is a true and correct copy of an ordinance adopted by the Carrboro Board of Aldermen.

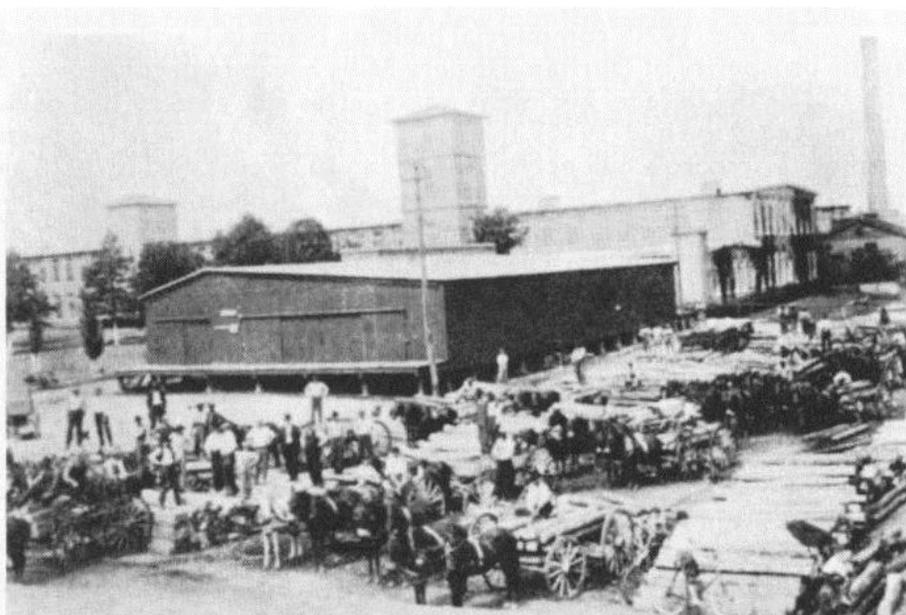


Catherine Dorando
Town Clerk

This page intentionally left blank

ABOUT THE TOWN OF CARRBORO

Carrboro was first settled in 1882 around a University of North Carolina railroad spur. It was originally known as West End, due to its geographic location directly west of Chapel Hill. In 1911, the town was incorporated under the name Venable, for chemistry



Circa 1920 view of the cross tie market on East Main Street, in front of Durham Hosiery Mill No. 4. The frame cotton warehouse and the upper stories of the brick towers have been removed, and the east end of the mill has been extended with a brick addition. From copy in North Carolina Collection, UNC Library, Chapel Hill.

professor and University of North Carolina president Francis Preston Venable. It wasn't until 1913 that the town made its final name change in honor of Julian Shakespeare Carr, owner of the local textile mill, after Carr expanded the mill and provided electricity to the community.

For the first fifty years after its incorporation, Carrboro remained a small mill town with a slow, steady pace of growth. In 1960, approximately 2,000 people lived in the town. In the late 1960s the town's population began to increase stemming from the growth occurring at UNC-Chapel Hill and growth in the Research Triangle Park. Enrollment at the University has increased from 29,084 in 2016 to 29,911 in 2017.



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 located within Orange County in the north central portion of North Carolina. The area’s topography is characterized by rolling hills. The Town is situated next to Chapel Hill, the University of North Carolina and is near the Research Triangle Park.

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 2011 to 2015 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

Carrboro’s population in 2016 was 20,867, an increase of 228 people from 2015 (approx. 1.1 percent increase). These residents constitute approximately 14.6 percent of the Orange County population.

ETHNIC COMPOSITION

The chart below shows the changes in ethnic composition since the 2010 Census. The Asian population had the greatest increase of 78%, and the American Indian and Alaska Native population had the greatest decrease of 72%.

Race	2010	2016	% Change
Other (2 or more races)	1,518	928	-39%
Asian	1,225	2,182	78%
American Indian and Alaska Native	189	53	-72%
Black of African American	1,949	1,751	-10%
White	10,217	13,573	33%
Hispanic or Latino	2,485	2,380	-4%

AGE COMPOSITION

The combined age groups of the years 20 to 54 make up 60 percent of Carrboro’s total population (highlighted section). The biggest increase took place in the 65 to 74 age group, with an increase of 27%. The largest age group in Carrboro continues to be the 25 to 34 age group, at 4,333 or 20.8 percent of the population. The greatest decrease was with the age group of 85 years and over, showing a decrease of 13%.

Age	Number	% of Population	% Change from Prior Year
Under 5 Years	1,131	5.4	-8%
5 to 9 Years	1,436	6.9	-5%
10 to 14 Years	1,528	7.3	8%
15 to 19 Years	1,020	4.9	-6%
20 to 24 Years	2,324	11.1	-5%
25 to 34 Years	4,333	20.8	5%
35 to 44 Years	3,152	15.1	3%
45 to 54 Years	2,732	13.1	1%
55-59 Years	1,114	5.3	-11%
60 to 64 Years	848	4.1	20%
65 to 74 Years	737	3.5	27%
75 to 84 Years	394	1.9	5%
85 Years and Over	118	0.6	-13%
Source: U. S. Census Bureau 2012-2016 American Community Survey			

HOUSING

Carrboro continues to be mostly a community consisting of rental units as 59 percent of the housing stock is renter occupied. Owner occupied housing is 41 percent of occupied housing units. The total housing stock of 9,549 housing units had a vacancy rate of 6.4 percent. Of the total housing units, 50 percent are in single-unit structures, 49 percent are in multi-unit structures, and 1 percent is mobile homes. There have been 2.7 percent housing units built since 2010.

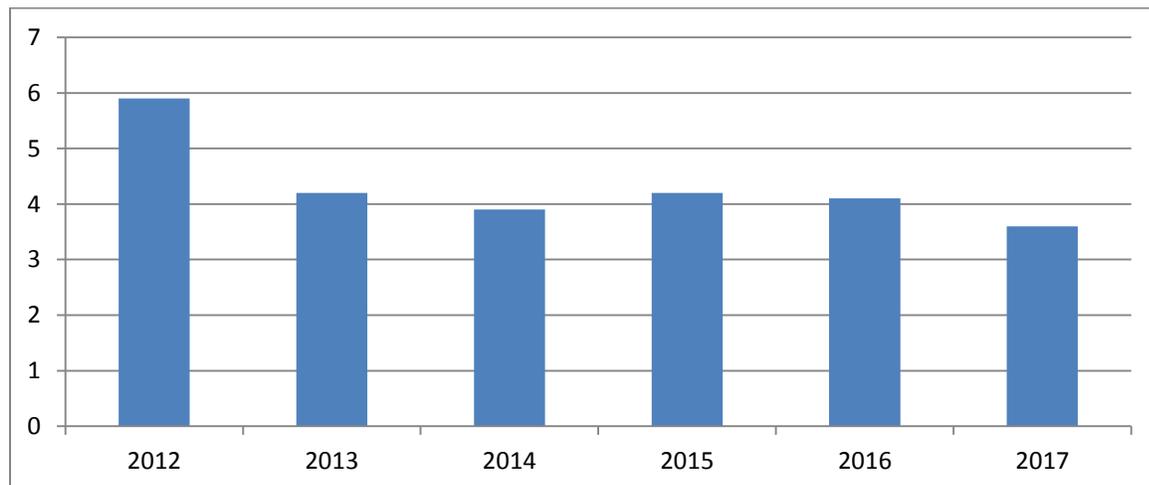
The median value of a housing unit in Carrboro in 2012-2016 was \$326,700, which is a 6.2 percent increase from \$307,600 in 2010.

INCOME

The 2012-2016 median household income is \$53,513. Twenty two percent of the households earn less than \$25,000 a year. Twenty five percent of the households make between \$25,000 and \$50,000 a year, while fifty three percent of households make more than \$50,000 a year.

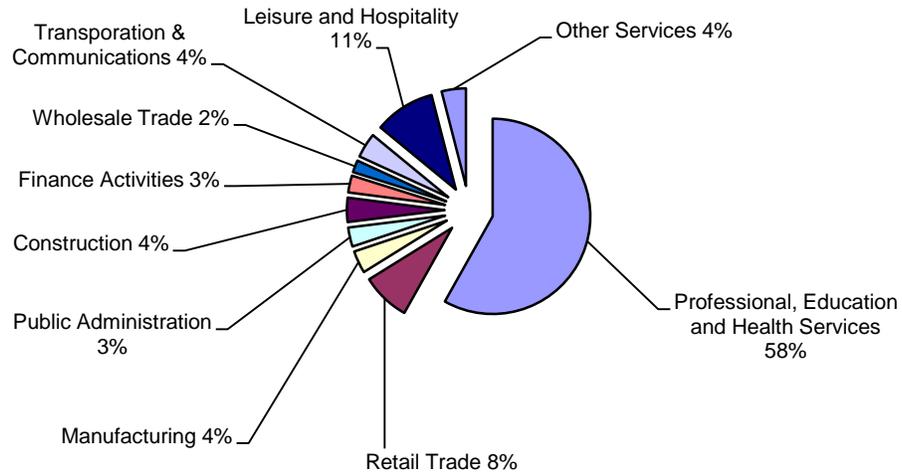
EMPLOYMENT

Employment levels in Carrboro reflect a slight decrease in the unemployment rate from 4.1% in 2016 to 3.6 % in 2017, which is well below the state unemployment rate of 4.4%.



Source: homefacts.com

Employment by Sector, 2016



Source: American Community Survey

The major employers within Orange County in 2017 (those with 500 or more employees) reflect the dominance of the professional services sector.

Employer	# of Employees
UNC Health Care System	13,175
University of North Carolina at Chapel Hill	12,411
Chapel Hill-Carrboro City Schools	2,043
Orange County Schools	1,311
Orange County Government	1,115
Town of Chapel Hill	903
General Electric	512

Source: Orange Co.gov (AFIR)

Key Intergovernmental Relationships

The Town of Carrboro has many relationships with surrounding communities, 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 revenues 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 recycling services to Carrboro
- 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
- 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 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
- 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 - special events staffing
- Program cooperative recreational and educational ventures with Chapel Hill

Town of Hillsborough

- Provides mutual aid agreement for fire and police protection

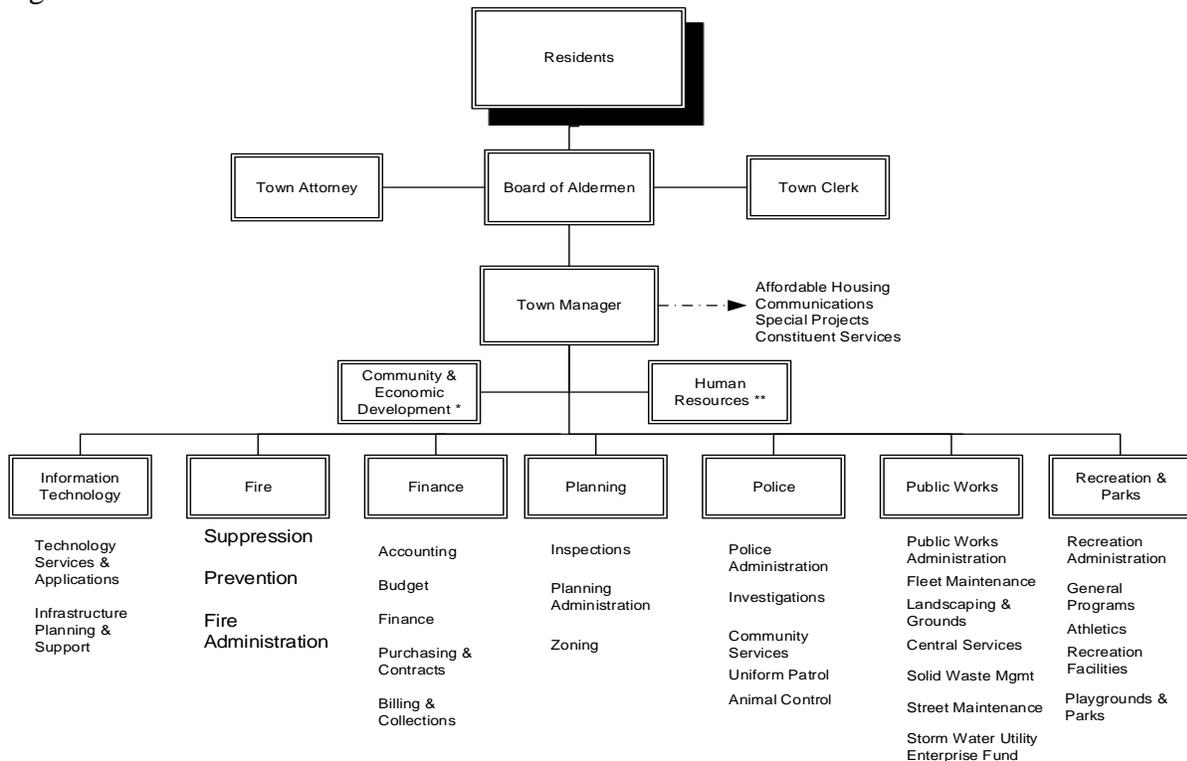
Chapel Hill-Carrboro School System

- 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 by the residents of Carrboro which 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 159 full-time and part-time employees with 9 departments reporting to the Town Manager (see chart below). The Board of Aldermen also appoints a Town Clerk to maintain official town records; and an attorney, who represents the town administration and board in all legal matters.



* Economic Development, Redevelopment, Human Services, Neighborhood services

** Recruitment & Retention, Employee Services, Compensation & Benefits

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 a Special Revenue Fund and Capital Projects Fund. These are multi-year funds and dedicated to specific programs/activities.

The budget for the Town is largely supported by property and local sales taxes. The Town, facing growth in the Northern Transition Area, envisions the potential increase in the town's population to 24,000. The Town, in an effort to reduce the tax burden on residential property owners, is exploring ways to increase its commercial tax base as a percentage of its tax base.

BOARD PRIORITIES

The Board has not undertaken a formal strategic planning process. However, the Board of Aldermen has adopted and annually reviews 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 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)*

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

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.

Budget Development Calendar

Notice of Public Hearing for Community Input	January 18, 2018
Public Hearing to Receive Community Input on FY 2018-19 Budget	January 23, 2018
FY 2018-19 Budget Instructions Distribution	January 26, 2018
FY 2017-18 Mid-Year Budget Status Report	January 26, 2018
Budget Requests from Departments	February 23, 2018
Finance Compiles Preliminary Budget Based on Department Requests	February 26 - March 6, 2018
Manager Meets with Department Heads on Requested Budget	March 8 - 9; 14-15, 2018
Finance Compiles Manager's Recommended 2018-19 Budget	March 16-23, 2018
Manager Reviews Draft Recommended Budget and Makes Revisions	March 24- 27, 2018
Manager Finalizes Presentation for BOA	March 27 - 30, 2018
Good Friday Holiday	March 30, 2018
Manager Meets One-On-One with Board of Aldermen	April 2-13, 2018
Public Notice of Required Public Hearing	May 1, 2018
Manager Submits FY 2018-19 Recommended Budget to Board	May 1, 2018
First Budget Work Session - Board	May 8, 2018
Public Hearing on Recommended Budget	May 22, 2018
Second Budget Work Session (if needed) - Board	May 22, 2018
Memorial Day Holiday	May 28, 2018
Board Adopts FY 2018-19 Budget	June 19, 2018

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 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 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

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 transferred but 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 functional 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 may be authorized only by the Board of Aldermen. 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, these funds may be carried forward into the next fiscal year to support such activities or purchases at Board of Aldermen's discretion.

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, Energy Efficiency Revolving Loan Fund, and Business 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, departments should 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 Finance 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. Finance 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 General Fund budget should provide sufficient funds for the regular repair and maintenance of all Town capital assets.

The budget shall incorporate and recognize the importance and necessity of maintaining and updating the installed technological infrastructure. End-user workstations are to be replaced on a five year cycle, servers to be replaced on a four 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.

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. 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, standardization of fleet, or change of operation. All vehicles and capital equipment 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 issuers' 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 AAA; and, Moody's Aa1. 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 general obligation bonds no more frequently than once in any fiscal year. The scheduling of bond sales and installment purchase decisions and the amount 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.

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 LGC. 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, 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 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. 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 next fiscal year 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 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 GASB 34, 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

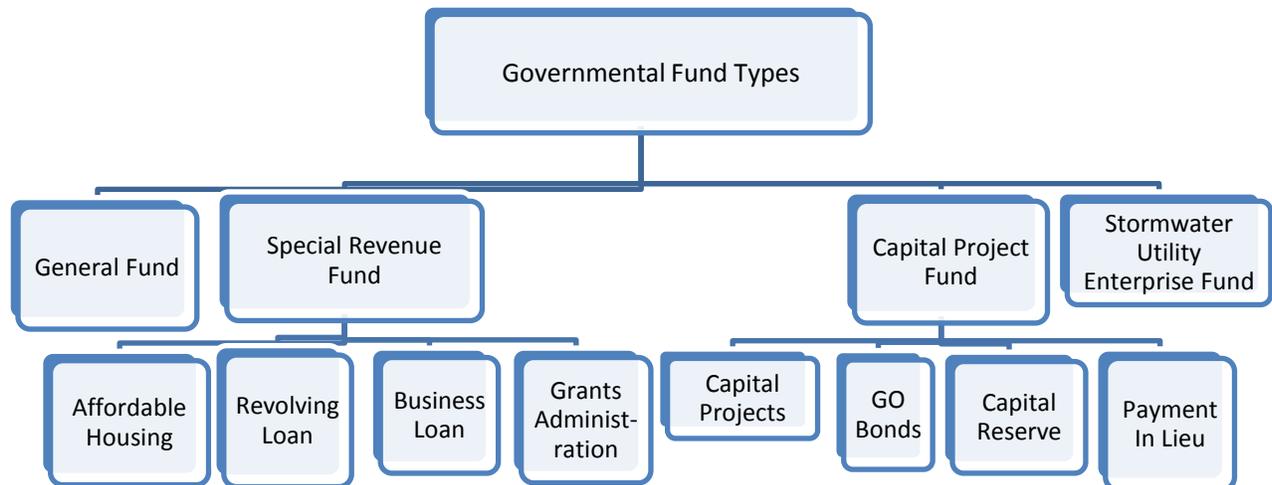
The accounts of the Town are organized on the basis of funds or account groups with each fund constituting a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts reflecting its assets, liabilities, fund balance, revenues and 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, Business Loan 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, Bond Fund, Capital Reserve Fund and Payment-in-Lieu Fund.



GENERAL FUND REVENUES

	FY 2016-17 ACTUAL REVENUES	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED REVENUE	% CHANGE
AD VALOREM TAX				
PRIOR YEAR		70,252	-	-100.0%
CURRENT YEAR	11,741,447	12,635,150	11,917,569	-5.7%
PENALTY & INTEREST	27,671	24,240	28,086	15.9%
TOTAL AD VALOREM TAX	11,769,118	12,729,642	11,945,655	-6.2%

LOCAL SALES TAXES

LOCAL OPTION SALES TAX 1% Art 39	1,459,692	1,270,859	1,503,483	18.3%
LOCAL OPTION SALES TAX 1/2% Art 40	1,032,319	1,020,808	1,063,289	4.2%
LOCAL OPTION SALES TAX 1/2% Art 42	731,066	639,791	752,998	17.7%
LOCAL OPTION SALES TAX 1/2% Art 44	25,796	774	26,570	3332.8%
SALES TAX - CITY HOLD HARMLESS	1,096,739	1,086,268	1,129,641	4.0%
TOTAL LOCAL SALES TAXES	4,345,612	4,018,500	4,475,980	11.4%

OTHER TAXES/LICENSES

MOTOR VEHICLE LICENSES	350,303	482,364	353,806	-26.7%
MOTOR VEHICLE LIC - TRANS ONLY	116,758	125,126	117,926	-5.8%
MOTOR VEHICLE TAXES	1,006,631	1,044,234	1,016,697	-2.6%
MOTOR VEHICLE LIC - GROSS RECEIPTS	22	-	22	N/A
BEER & WINE PRIVILEGE LICENSE	1,520	1,000	1,535	53.5%
REFUNDS - NCVTS	(24,443)	-	(24,687)	N/A
COLLECTION FEES - NCVTS	(37,483)	-	(37,858)	N/A
HOTEL/MOTEL OCCUPANCY TAX	175,560	194,085	177,316	-8.6%
TOTAL OTHER TAXES/LICENSES	1,588,868	1,846,809	1,604,757	-13.1%

UNRESTRICTED INTERGOVERNMENTAL

FRANCHISE TAX-ELECTRIC	923,935	867,000	933,174	7.6%
PIPED NATURAL GAS TAX	42,087	32,292	42,508	31.6%
VIDEO SALES PROGRAMMING	54,543	34,760	55,088	58.5%
HOME SATELLITE SALES	71,715	44,488	72,432	62.8%
WINE AND BEER	93,049	95,000	93,979	-1.1%
TELECOMMUNICATIONS SALES TAX	209,299	132,233	211,392	59.9%
NC DOT REIMBURSEMENT	1,501	-	1,516	N/A
EMS LOCATION RENT	12,000	14,000	12,000	-14.3%
TOTAL UNRESTRICTED INTERGV	1,408,129	1,219,773	1,422,090	16.6%

GENERAL FUND REVENUES

	FY 2016-17 ACTUAL REVENUES	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED REVENUE	% CHANGE
RESTRICTED INTERGOVERNMENTAL				
POWELL BILL	486,848	504,143	482,495	-4.3%
SOLID WASTE DISPOSAL TAX DIST.	13,809	7,244	13,947	92.5%
PLANNING WORK GRANT	25,713	27,000	25,970	-3.8%
RECREATION-MUNICIPAL SUPPLEM	35,802	27,193	36,160	33.0%
RECREATION - ARTS COMM GRANT-MUS	1,500	-	1,515	N/A
STROWD ROSES GRANT-MUSIC	-	192	-	-100.0%
DEPT OF JUSTICE BLOCK GRANT	1,168	-	1,180	N/A
PEG CHANNEL SUPPORT	55,172	55,172	55,724	1.0%
ABC BOARD GRANT	12,750	13,300	17,000	27.8%
TOTAL RESTRICTED INTERGVMT	632,762	634,244	633,991	0.0%

FEES AND PERMITS

RETURNED CHECK FEE	-	25	-	-100.0%
TOWER REVENUE	125,015	136,732	126,265	-7.7%
NETWORK HUT LEASE	5,200	5,200	5,252	1.0%
COURT COST OFFICER FEES	1,994	3,683	2,014	-45.3%
PARKING VIOLATIONS	975	2,833	985	-65.2%
SCHOOL TRAFFIC CONTROL	10,000	10,000	10,100	1.0%
CHCCS - SRO CONTRACT	137,660	110,852	139,037	25.4%
ANIMAL VIOLATIONS	9,231	11,375	9,323	-18.0%
FIRE DIST. FEES	535,522	540,270	540,877	0.1%
CAR SEAT SALES		470	-	-100.0%
FIRE PERMITTING FEES	1,110	1,000	1,121	12.1%
RE-INSPECTION FEE		1,500	-	-100.0%
SIGN PERMITS		500	-	-100.0%
ENGINEERING FEE	17,988	20,166	18,168	-9.9%
DEV REVIEW FEE	30,717	26,780	31,024	15.8%
TECHNICAL REVIEW -FUTURE EQPMT	8,300	14,123	8,383	-40.6%
BUILDING PERMITS	54,914	51,366	55,463	8.0%
ELECTRIC PERMITS	59,330	62,464	59,923	-4.1%
MECH. PERMITS	60,025	60,597	61,000	0.7%
RE-INSPECTION FEE	-	1,600	-	-100.0%
PLUMBING	36,467	38,451	36,832	-4.2%
HOMEOWNERS RECOVER FEES		115	-	-100.0%
RECYCLING FEES	9,066	7,033	9,157	30.2%
STOCKING FEE		543	-	-100.0%
STREET CUTS	110	-	111	N/A
ENCROACHMENT FEE	5,200	4,242	5,252	23.8%
STREET SIGNS	105	-	106	N/A
DRIVEWAY PERMIT FEES	660	335	667	99.0%
STREET CLOSING	460	-	465	N/A
REFUSE COLLECTION FEES	2,506	2,439	2,531	3.8%
REFUSE COLLECTION - DUMPSTER	68,346	65,438	69,029	5.5%
TOTAL FEES & PERMITS	1,180,901	1,180,132	1,193,085	1.1%

GENERAL FUND REVENUES

	FY 2016-17 ACTUAL REVENUES	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED REVENUE	% CHANGE
SALES & SERVICES				
RECREATION FEES	194,154	116,308	196,096	68.6%
DISCOUNT -RECREATION FEES	(11,683)	(8,062)	(11,800)	46.4%
SALES- MERCH & CONCESSIONS-MUSIC	1,683	1,663	1,700	2.2%
SALES- MERCH & CONCESSIONS-POETRY	15	15	15	1.0%
SALES- MERCH & CONCESSIONS-JULY	258	516	261	-49.5%
SALES- MERCH & CONCESSIONS-HALLO	348	696	351	-49.5%
TOWN CENTER FEES	105,537	72,924	106,592	46.2%
DISCOUNT - TOWN CENTER FEES	(7,618)	(13,190)	(7,694)	-41.7%
TOTAL SALES & SERVICES	282,694	170,870	285,521	67.1%
INVESTMENT EARNINGS				
INVESTMENT EARNINGS	20,278	27,089	51,812	91.3%
INVESTMENT EARNINGS	20,278	27,089	51,812	91.3%
OTHER REVENUES				
RENT-FARMER'S MKT	2,370	2,370	2,394	1.0%
ATM FEES	2,235	2,406	2,257	-6.2%
MISCELLANEOUS	261	102	264	158.4%
SALES OF CEMETERY LOTS	22,032	22,375	25,000	11.7%
SALE/ FIXED ASSETS	8,740	13,219	82,000	520.3%
SALE OF NON-FIXED ASSETS	786	-	200	N/A
RENTAL INCOME - CSFP UNDER 6	1,200	1,500	1,212	-19.2%
RENTAL INCOME - CARRBORO COMM SOLAR	20	20	20	0.0%
ROSEMARY LOT RENTAL	144	-	145	N/A
DONATIONS - CD & MEMORABILIA	-	20	-	-100.0%
MISCELLANEOUS - MANAGEMENT SERVICES	-	6,232	-	-100.0%
SEIZURE REVENUE-STATE	10,589	-	10,695	N/A
PRECIOUS METAL FEE	-	200	-	-100.0%
POLICE MISCELLANEOUS	10,260	1,345	10,363	670.5%
FIRE MISCELLANEOUS	1,004	263	1,014	285.6%
MISCELLANEOUS-PW	496	-	501	N/A
REFUSE CART SALES	5,251	1,136	5,304	366.9%
YARD WASTE CONTAINERS	3,476	2,325	3,511	51.0%
MISCELLANEOUS R & P	18	18	18	1.0%
DONATIONS	4,215	4,257	4,257	0.0%
DONATIONS - MUSIC FESTIVAL	3,600	45,989	3,636	-92.1%
DONATIONS-POETRY ALIVE IN CARRBORO	45	5,060	45	-99.1%
DONATIONS - JULY 4TH	710	-	717	N/A
DONATIONS - FILM FESTIVAL	6,235	27,946	6,297	-77.5%
DONATIONS ARTS COMMITTEE	-	76	-	-100.0%
OPEN STREETS	1,575	2,131	1,591	-25.4%
PLANNING MISC.	-	1,142	-	-100.0%
TOTAL OTHER REVENUES	85,262	140,132	161,441	15.2%
OTHER FINANCING SOURCES				
INSTALLMENT FINANCING PROCEEDS	362,091	304,292	-	-100.0%
FUND BALANCE APPROPRIATED	-	598,404	1,088,391	81.9%
TOTAL OTHER FINANCING SRCE	362,091	902,696	1,088,391	20.6%
TOTAL REVENUES				
	21,675,715	22,869,887	\$22,862,722	0.0%

DESCRIPTION OF GENERAL FUND REVENUES

The following information briefly explains the major sources of revenue for the Town of Carrboro in the FY 2018-19 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 taxes and licenses, and hotel and motel room occupancy tax.

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:

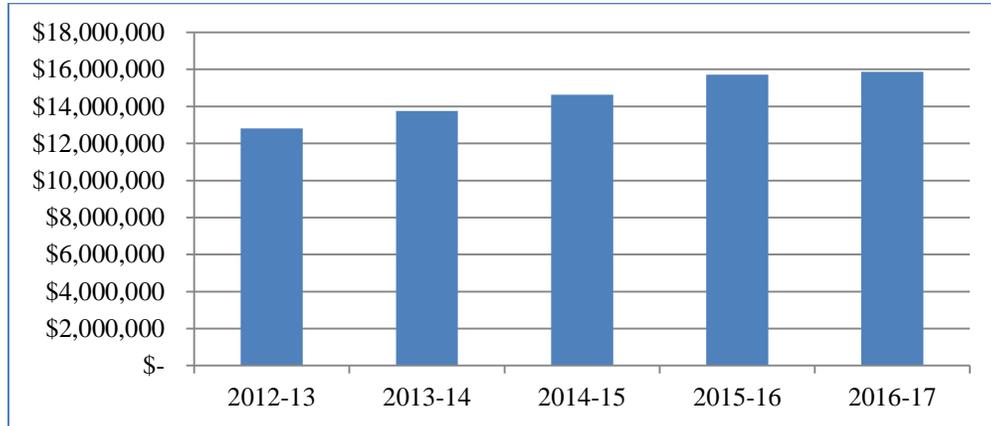
Lease-purchase – This represents the full cost of equipment or other capital purchase that the Town has obtained through installment financing. Following generally accepted accounting practices, the full cost of the financed equipment is budgeted (equipment purchased in that fiscal year) in addition 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

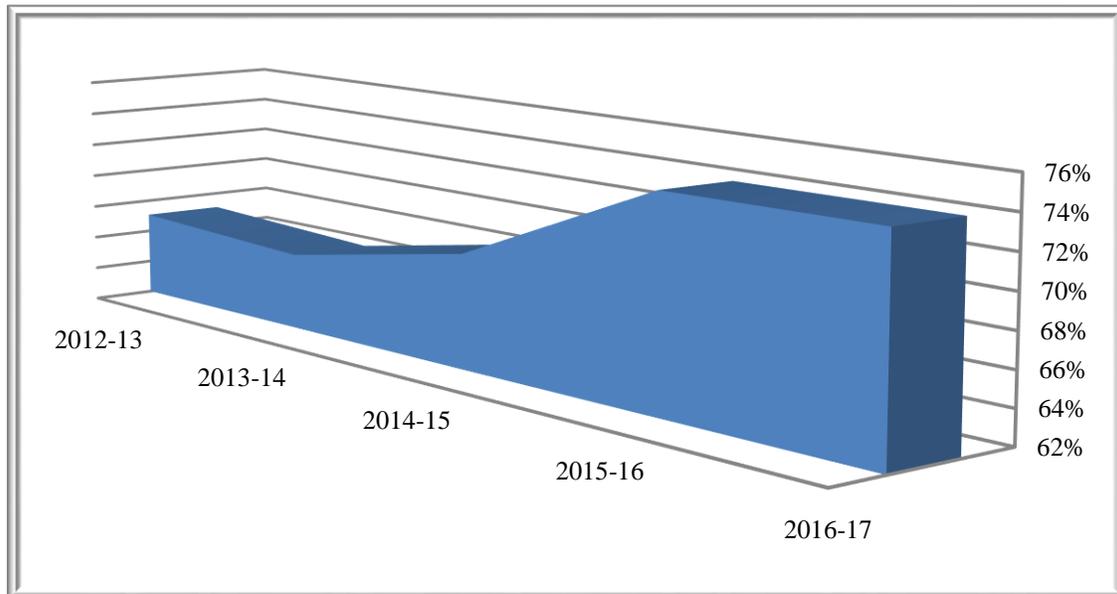
Funds accumulated through the under-expenditure of budgeted appropriations and the receipt of revenues that exceed budgeted projections result in fund balance or reserves. An appropriation of fund balance is sometimes necessary to balance projected revenues with expenditures. The level of appropriation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

General Fund Balance as of June 30



Fund balance at the end of FY 2016-17 was \$15,878,104, which was an increase of \$162,763 from FY 2015-16.

General Fund Balance as a Percentage of Operating Revenues



Fund balance as a percentage of operating revenues increased from 74.1% in FY 2015-16 to 74.2% in FY 2016-17.

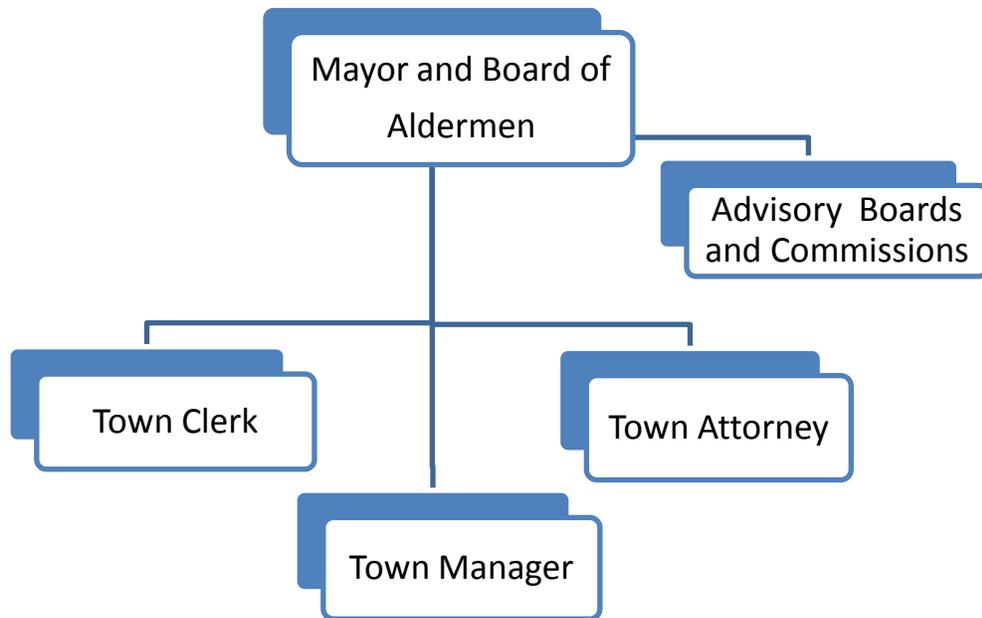
GENERAL FUND EXPENDITURES SUMMARY

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	11,535,695	13,244,463	13,598,474	2.67%
OPERATING	8,152,404	9,168,046	9,048,469	-1.30%
CAPITAL OUTLAY	572,593	457,177	215,779	-52.80%
TOTAL	\$20,260,692	\$22,869,686	\$22,862,722	-0.03%

SUMMARY OF GENERAL FUND EXPENDITURES BY DEPARTMENT

DEPARTMENT	PERSONNEL SERVICES	OPERATING COSTS	CAPITAL OUTLAY	TOTAL	% CHANGE 2017-18 TOTAL ADOPTED BUDGET
MAYOR & ALDERMEN	\$ 116,341	\$ 240,600	\$ -	\$ 356,941	-3.1%
ADVISORY BOARDS	\$ -	\$ 17,350	\$ -	\$ 17,350	0.0%
GOVERNANCE SUPPORT	\$ -	\$ 642,654	\$ -	\$ 642,654	-13.6%
TOWN MANAGER	\$ 441,272	\$ 63,041	\$ 7,345	\$ 511,658	30.1%
ECONOMIC & COMM DEV.	\$ 133,709	\$ 114,910	\$ -	\$ 248,619	-1.9%
TOWN CLERK	\$ 124,531	\$ 37,450	\$ -	\$ 161,981	20.0%
FINANCE	\$ 577,539	\$ 570,102	\$ -	\$ 1,147,641	6.6%
HUMAN RESOURCES	\$ 484,382	\$ 76,600	\$ -	\$ 560,982	-10.2%
INFORMATION TECHNOLOGY	\$ 279,250	\$ 1,137,137	\$ 172,000	\$ 1,588,387	11.8%
POLICE	\$ 3,318,393	\$ 543,395	\$ 4,000	\$ 3,865,788	-3.0%
FIRE	\$ 2,769,858	\$ 273,033	\$ 27,434	\$ 3,070,325	5.0%
PLANNING	\$ 1,210,196	\$ 267,223	\$ -	\$ 1,477,419	0.0%
TRANSPORTATION	\$ -	\$ 1,811,000	\$ -	\$ 1,811,000	-1.3%
PUBLIC WORKS	\$ 2,130,411	\$ 1,522,021	\$ 5,000	\$ 3,657,432	1.4%
PARKS & RECREATION	\$ 1,217,233	\$ 387,668	\$ -	\$ 1,604,901	-2.7%
NON-DEPARTMENTAL	\$ 795,359	\$ 250,000	\$ -	\$ 1,045,359	-15.2%
DEBT SERVICE	\$ -	\$ 1,094,285	\$ -	\$ 1,094,285	-2.7%
TOTAL	\$ 13,598,474	\$ 9,048,469	\$ 215,779	\$22,862,722	-0.03%

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

- Adoption of Development Agreement with Orange County 203 South Greensboro Street Project including Town Offices and the Orange County Southern Branch Library.
- Launched stormwater utility program.
- Continued work on Historic Rogers Road Infrastructure.
- Tree City USA for 32nd year.
- Held annual Arbor Day Observance.
- Maintained Silver Level Bicycle Friendly Community Status.
- Supported Police and Fire Departments’ radio upgrades that enhanced communications for emergency responders and reinforced intergovernmental emergency response and coordination.

UPCOMING FISCAL YEAR OBJECTIVES

- Continue to review downtown parking situation.
- Work to improve housing affordability and protection of existing neighborhoods.
- Establish stormwater rate structure.
- Support the continued design and building of the 203 South Greensboro Street Project.
- Conduct second Comprehensive Citizen Survey.

BUDGET SUMMARY

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	104,185	116,304	116,341	0.0%
OPERATING	278,930	252,100	240,600	-4.6%
TOTAL	\$383,115	\$368,404	\$356,941	-3.1%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Changes in operating cost are associated with the cost of elections from the prior year.

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

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
OPERATING	7,884	17,350	17,350	0.0%
TOTAL	\$7,884	\$17,350	\$17,350	0.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The Advisory Board and Commissions budget remains the same as the previous year.

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

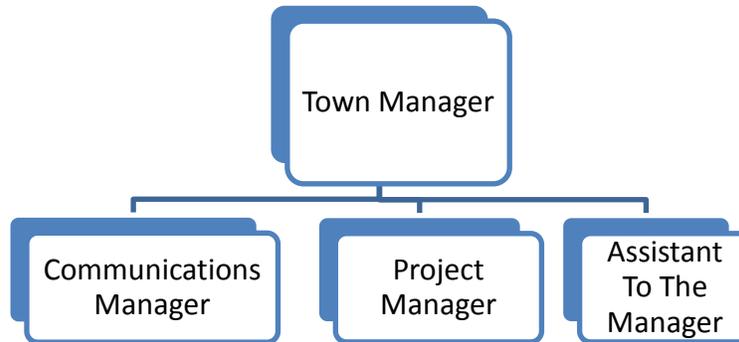
	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
OPERATING	518,025	743,124	643,067	-13.5%
TOTAL	\$518,025	\$743,124	\$643,067	-13.5%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The decrease in operating is due to moving funds from the Human Services Grant Program to the Affordable Housing Fund.

TOWN MANAGER

4 FTE



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.
- To communicate Town policy, decisions, and activities clearly and efficiently, as well as promoting and marketing all town related functions to the general public.

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

- Establishment of Communications Plan and hiring of Communications Manager.
- Renovation of Town Commons
- Completed Planning process for 203 South Greensboro
- Solid Waste Study
- Town Facilities Planning

UPCOMING FISCAL YEAR OBJECTIVES

- Implement Communications Plan
- Social Equality and Inclusion Initiatives
- Government Advanced Racial Equity Training
- Organizational and Employee Development
- Town Financial Sustainability

BUDGET SUMMARY

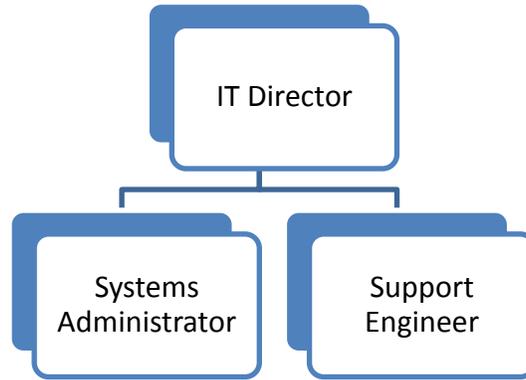
	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	348,414	344,410	441,272	28.1%
OPERATING	58,244	48,989	63,041	28.7%
CAPITAL OUTLAY	0	0	7,345	N/A
TOTAL	\$406,658	\$393,399	\$511,658	30.1%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The Town Manager’s budget increased due to personnel changes and increases in training, advertising and equipment.

INFORMATION TECHNOLOGY

3 FTE



PURPOSE

To deliver technology-based solutions that are cost-effective and increase the effectiveness and efficiency of many Town services. To work with various external and community organizations, as directed by the Town Manager, to discover mutually beneficial relationships, sharing technology infrastructure, resources and strengths.

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.
- To increase business continuity and limit service interruption through the application of technology and infrastructure redundancy.
- To work with county, municipal, educational and other agencies to share, cooperatively build and leverage existing infrastructure.

SERVICES PROVIDED & ACTIVITIES

- Create a Town wide Information Technology Budget and facilitate long term planning through the Capital Improvements Program.
- 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.
- Maintain, upgrade and expand the Town's public free Wi-Fi to tocwireless.net.
- Maintain, upgrade and expand Town wide data and telecommunications physical plant of copper, fiber optics and wireless.

PREVIOUS YEAR ACCOMPLISHMENTS

- Continued implementation of a software package to automate and manage land use planning and project review, regulatory management, inspections, code enforcement, citizen requests, asset management and work order management for the Planning Department.
- Created partnership with Chapel Hill Carrboro City Schools to interconnect school campuses located in Carrboro with fiber optic cabling. CHCCS will build out to and leverage existing Town of Carrboro owned fiber-optic infrastructure to greatly reduce the construction costs of the interconnectivity.

UPCOMING FISCAL YEAR OBJECTIVES

- Complete implementation of land use planning and project review software, regulatory management, inspections, code enforcement, citizen requests, asset management and work order management for the Planning Department.
- Complete work with Chapel Hill Carrboro City Schools to interconnect school campuses located in Carrboro with fiber optic cabling. CHCCS will build out to and leverage existing Town of Carrboro owned fiber-optic infrastructure to greatly reduce the construction costs of the interconnectivity. This will provide the school system with almost unlimited data and telecommunications bandwidth between many of their schools allowing CHCCS to keep pace with modern technology based learning initiatives.
- Install conduit along Rogers Road for future fiber optic cabling and connectivity to promote local broadband competition and promote serving the unserved and underserved.
- Implement new Police Officer body worn camera system for Patrol and Community Service Officers.
- Replace the Town's current phone system that serves all Town departments across all Town owned buildings.
- Continue to work with Orange County, OWASA, UNC-Chapel Hill, Town of Chapel Hill and Chapel Hill-Carrboro City Schools to interconnect and expand fiber optic networks and share knowledge.
- Continue to work with various 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 to work with Google to bring Google Fiber to the Carrboro Community.
- Continue to work with AT&T to bring U-verse with AT&T GigaPower to the Carrboro Community.

BOARD PRIORITIES

IT supports all departments in their effort to meet board priorities & objectives. IT, as directed by the Town Manager, partners with local community organizations and other regional governmental bodies to leverage and share the Town’s existing technology and technological knowledge to assist the underserved or unserved in the community.

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

	FY2015-16 ACTUAL	FY2016-17 ACTUAL	FY2017-18 ESTIMATED	FY2018-19 PROJECTED
# of Workstations Supported	180	184	192	192
# of Emergency Services Mobile Terminals Supported	50	50	52	52
Average Hours per Month of Unplanned Application Downtime During Business Hours	<1	<1	<1	<1
# Unsuccessful Backups per Month	0	0	0	0

BUDGET SUMMARY

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	270,210	269,791	279,250	3.5%
OPERATING	1,077,890	1,034,598	1,137,137	9.9%
CAPITAL OUTLAY	76,507	116,000	172,000	48.3%
TOTAL	\$1,424,607	\$1,420,389	1,588,387	11.8%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Operations increased due to the increase of annual software and hardware support contracts. Capital outlay increased with the replacement of Board Room recording equipment.

ECONOMIC AND COMMUNITY DEVELOPMENT



PURPOSE

To support the creative economy, arts and culture; foster a business friendly and supportive environment that encourages local for-profit, social enterprises and non-profit businesses to expand in and new businesses to locate in Carrboro; increase awareness of Carrboro as a arts and entertainment destination; support the travel and tourism industry; and encourage light manufacturing enterprises.

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.
- Seek to provide adequate parking in the downtown to support existing and potential businesses.
- Support the non-profit organizations that provide unmet human services for low-moderate income persons through the Human Services Grant program.
- Promote travel and tourism in Carrboro and raise awareness of Carrboro as a destination.
- Help establish the Carrboro Business Alliance as a self-supporting organization.
- Expand opportunities for Light Manufacturing in the manufacturing zoning districts.

SERVICES PROVIDED & ACTIVITIES

- Be a resource for developers and new or expanding businesses to facilitate location of vacant space, the project review process and project implementation.
- Administer the Revolving Loan Funds including the application processing and billing.
- Provide staffing and administrative support to the Economic Sustainability Commission.
- Provide staffing and administrative support to the Human Services Advisory Board.
- Provide staffing and administrative support to the Carrboro Tourism Development Authority.
- Provide staffing and administrative support to the Arts Committee.

- Be the liaison to the Carrboro Business Alliance.
- Serve on the Chapel Hill Orange County Visitor Bureau Board as Town staff liaison.
- Implement the action items of the Economic Sustainability Plan.
- Promote the Economic Development goals and strategies of the Town.
- Promote Carrboro through implementation of Town adopted branding.
- Provide business counseling and support to new and expanding businesses.
- Manage leases for town leased parking lots.

PREVIOUS YEAR ACCOMPLISHMENTS

- Completed the planning process and facilitated the adoption of a new Economic Sustainability Plan for the town.
- Facilitated execution of a lease with Main Street Partners that helped in moving forward approval of the new Hilton Garden Inn.
- Continued developing concept plan for Old 86 Light Manufacturing project.
- Continued to represent the Town on the Master Plan on Aging initiative.
- Worked with the CBA to increase capacity, and coordinate business events, including Christmas business promotion and CBA networking opportunities.
- Ran February For the Love of Carrboro campaign pairing businesses with non-profits to encourage partnerships within the community and grow brand awareness.
- Grew social media communications outreach For the Love of Carrboro Facebook page has 2794 followers (7.5% growth) and 966 Twitter followers (10% growth).
- Worked with Arts Committee to re-establish quarterly art exhibits at Town Hall.

UPCOMING FISCAL YEAR OBJECTIVES

- Begin identifying priorities and strategies for implementation of the Economic Sustainability Plan.
- Development of a Wayfinding Program.
- Identify short-term parking to facilitate construction of 203 South Greensboro Street.
- Work with the TDA to develop a website.
- Work to automate the Outside Agency Funding Application process and establish funding priorities.
- Work with planning staff on implementation of the downtown parking plan and facilitate shared parking strategy.
- Continue to support the Carrboro Business Alliance and work toward a self-sustaining organization.
- Work with Orange County Economic Development on bringing economic development incentives to Carrboro.
- Continue outreach to entrepreneurs, encourage makers, and support freelance workers.

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. Support entrepreneurs, makers and freelancers development, including services, infrastructure, and job development.
3. Support locally owned and operated businesses for a strong local economy.
4. Support the outside agency organizations that provide unmet human services for low-moderate income persons.

PERFORMANCE MEASURES

	FY2015-16 ACTUAL	FY2016-17 ACTUAL	FY 2017-18 ESTIMATED	FY 2018-19 PROJECTED
Increase the Commercial Space Square Footage	1,991,786	1,930,820	2,020,820	2,050,548
Annual Savings on the EERLF	\$25,000	\$25,000	\$25,000	\$25,000
Funds Allocated to Non-profits	\$230,000	\$250,000	\$300,000	\$300,000
Number of Non-profits applying	53	53	55	56
Growth in the Commercial Tax Base of the Center Business District	\$147,132,039	\$148,387,889	\$149,574,992	161,373,500

BUDGET SUMMARY

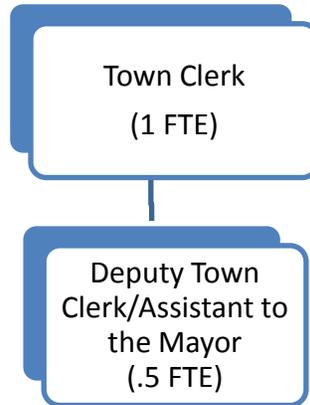
	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	131,634	131,121	133,709	2.0%
OPERATING	104,310	122,349	114,910	-6.1%
TOTAL	\$235,945	\$253,470	\$248,619	-1.9%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in the Personnel budget is due to increased insurance costs. Operating expenses decreased in contract services.

TOWN CLERK

1.5 FTE



PURPOSE

Prepares Board of Aldermen meeting agendas and minutes and make them available to citizens and town staff; maintain official town documents; prepare and make available updates to the Town Code and provide 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.
- Intergovernmental Affairs Liaison with State and Federal Delegates

PREVIOUS YEAR ACCOMPLISHMENTS

- Continued North Carolina Certified Municipal Clerk Designation
- Increased training for International Institute of Municipal Clerks Master Municipal Clerks Designation
- Filed 100% of executed Town Contracts
- Posted 100% of the updates to the Town Code on the Town's website within one week of adoption.
- Prepared agendas and minutes for Board of Aldermen meetings.

UPCOMING FISCAL YEAR OBJECTIVES

- To increase the number of electronically indexed contracts.
- Continue to seek Master Municipal Clerk Designation from the International Institute of Municipal Clerks.
- To continue scanning back-up files for pre-1982 Board of Aldermen's meetings and make them searchable on the town's website.
- To increase the number of scanned contracts from 65% to 67%.
- To continue using 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. Continue Granicus agenda, meeting, and minute management software.

PERFORMANCE MEASURES

	FY2015-16 ACTUAL	FY2016-17 ACTUAL	FY2017-18 ACTUAL	FY2018-19 PROJECTED
# of Town Contracts on file with the Town Clerk	2,025	2,125	2,250	2,350
# of Board of Aldermen Minutes Prepared by Town Clerk	42	42	42	42
# Employee Hours Spent Electronically Indexing Contracts	120	120	120	120
# of Town Contracts Electronically Indexed	1,890	1,920	1,990	2,100
Employee Hours Per Set of Aldermen Minutes Prepared	2.0	2.0	2.0	2.0

BUDGET SUMMARY

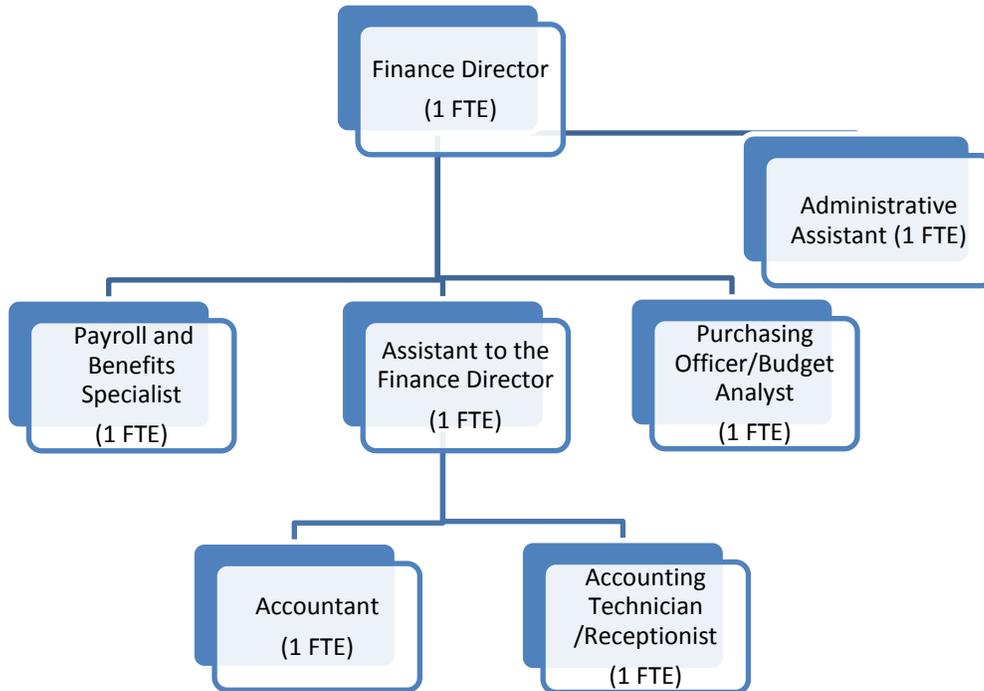
	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	115,519	116,071	124,531	7.3%
OPERATING	16,024	18,900	38,450	103.4%
TOTAL	\$131,543	\$134,971	\$162,981	20.8%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Personnel change is due to increase cost of insurance. Operating costs increase due to Citizen Survey costs.

FINANCE

7.0 FTE



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.
- General Billing for various Town delivered services (i.e. - Dumpster, Retiree Health Insurance, etc.).
- 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.
- Issue purchase orders for goods and services, solicit bids, manage procurement card program, and manage service contracts.
- 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

- Completed successful audit for year ending June 30, 2017 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.
- Successful sale of surplus property.
- Initiated fuel card program.
- Established a Storm Water Utility Enterprise Fund.

UPCOMING FISCAL YEAR ACTIVITIES

- Continue to increase knowledge among departments on the use of MUNIS financial system.
- Identify and develop on-line time and attendance system for payroll processing.
- 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 prepare CAFR.
- File all required financial reports with state and/or federal agencies.
- Increase use of EFTs with vendors.
- Financing of 203 South Greensboro Street.

BOARD PRIORITIES

The Finance Department 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. Utilize technology to ensure best business practices are effective and efficient.
3. Insure Town's internal control system safeguards the Town's assets.
4. Ensure all grant and project ordinances are approved by the Board of Aldermen.
5. Ensure all transactions are completed and posted by the 5th working day of each month.
6. Monitor the Town's revenues and expenditures for compliance with the annual budget ordinance.
7. Complete development of annual operating and multi-year budgets by June 30.
8. Complete annual independent audit and prepare Comprehensive Annual Financial Report.

PERFORMANCE MEASURES

	FY2015-16 ACTUAL	FY2016-17 ACTUAL	FY2017-18 ESTIMATED	FY2018-19 PROJECTED
Process Bi-Weekly Payroll for Town Employees	26	26	26	26
Number of Invoices Processed Annually	5,684	5,901	6,500	6,500
Number of Purchase Orders Issued Annually	425	329	350	350
Number of Contracts Issued Annually	NA	74	120	130
Close Each Accounting Period by the 5 th of each Month	12	12	12	12
Produce and Distribute Monthly Financial Statement by the 10 th of each Month	100%	100%	100%	100%
Receive less than 2 audit findings & response comments by Independent Auditors Each Year	0	0	0	0
Expenditures at year-end are within +/-5% of the Original Budget	(5.14%)	(7.60%)	(5.00%)	(5.00%)
Actual Revenues at year-end are within +/-5% of Original Budget	5.14%	0.17%	5.00%	5.00%

BUDGET SUMMARY

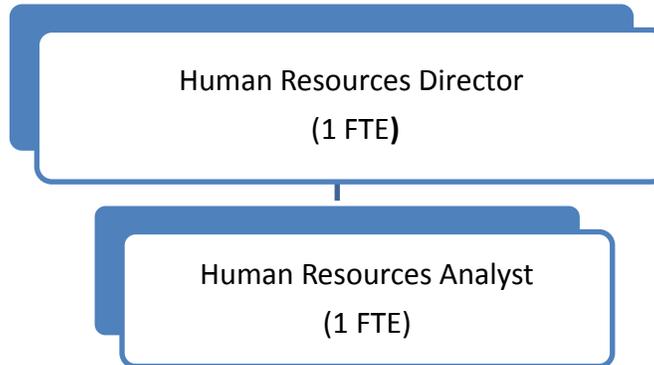
	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	493,683	514,243	577,539	12.3%
OPERATING	495,183	562,672	570,102	1.3%
TOTAL	\$988,866	\$1,076,915	\$1,147,641	6.6%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in Personnel is due to personnel changes and insurance cost increase. Operating costs increased due to conference and training increases.

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

- Work with Manager and Management Team to maintain a fair, respectful, and effective work environment through Organizational Development work and initiatives, training, and communication.
- Research, review, and recommend competitive and cost-effective benefits.
- Continue providing Diversity Training to Management Team and all Town employees.
- Research and review pay and position classification policies and programs that support the Board's goals for competitive, living wages that also provide employees with an affordable housing wage.
- Continue Wellness Education for employees in keeping with the Board's goal of enhancing quality of life for everyone.
- Provide a fair and equitable process for attracting applicants and retaining employees who have the education and experience commensurate with position requirements.
- Participate in the Club Nova Education Program for people in our community who strive to overcome the challenges of mental illness.

SERVICES PROVIDED & ACTIVITIES

- Provides Organizational Development assistance to Town Manager and Management Team.
- Acts as liaison for all payroll issues and questions between Finance and all employees.
- Provides comprehensive Safety Program through Town-wide Safety Committee, training sessions, audits, accident investigations, etc.
- Responsible for Worker's Compensation administration and OSHA compliance and reporting
- Advertises vacant positions, processes applications, background/drug screens, job offers, etc.
- Participates in final interviews for all positions.

- Conducts new employee orientations, including benefits enrollment sessions and surveys.
- Administers town provided and voluntary benefits, including counseling all employees on benefits plan(s) and options.
- Coordinates administration of DOT substance abuse testing.
- Coordinates administration of workers compensation benefits.
- Coordinates administration of family medical leave (FMLA) benefits.
- Coordinates employee assistance program (EAP) services.
- Coordinates COBRA administration services.
- Counsels supervisors and employees on performance issues.
- Conducts benefit and salary surveys.
- Completes benefit and salary surveys requested by outside organizations.
- Provides staff development training to management and employees.
- Assists departments with personnel and employee relations issues.
- Provides reference information for former employees.
- Provides information for employment verification.
- Administers and monitors the performance evaluation process
- Monitors third party vendor/consultant services to insure compliance with contractual performance standards, terms and conditions.
- 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

- Performed comprehensive Salary Survey – implemented salary increases by department as appropriate
- Developed and implemented Paid Parental Leave Policy
- Implemented Town’s first automated Applicant Tracking System
- Implemented online, one-click Application System, connected to largest national job ad website
- Health Insurance Loss Ratio lower than expected; did not increase.
- Changed Flexible Spending Account process to allow employees to carry over unspent funds
- Coordinated Groundwater Workshop offered through OAR for residents and employees
- Employee Spring Picnic and Wellness Event (Physical Activities)
- Hosted Medicare Education Workshop for retirees
- Provided onsite Flu Shot Clinic for Employees
- Conducted new employee orientation sessions and benefits enrollment seminars
- Employee Holiday Party
- Recognized and Rewarded Employee Service Milestones
- Conducted Coaching and Counseling Sessions for Department Directors, Supervisors, and Employees
- Attend monthly Area HR Meetings; host once a year

UPCOMING FISCAL YEAR OBJECTIVES

- Provide education about the real cost of benefits, in dollars, to the Town
- Create Wellness Culture – employees take better care of their mental and physical health
- Create ‘Safety Culture’ – every employee responsible for safety, every day
- Continue providing education for all employees in Diversity/Racial Sensitivity/Multiculturalism
- Partner with the Town’s benefits broker and insurance providers to seek ways to reduce town-provided and voluntary benefits costs while maintaining a comprehensive and competitive benefits package
- Provide Training and Development for Department Directors and Supervisors that will enhance their leadership, operations management, and employee development skills.
- Provide Computer Skills training for employees

BOARD PRIORITIES

Enhance quality of life/place issues for everyone.

OBJECTIVES

1. Provide wellness education opportunities.

PERFORMANCE MEASURES

	FY2015-16 ACTUAL	FY2016-17 ACTUAL	FY 2017-18 ESTIMATED	FY2018-19 PROJECTED
Positions Filled	8 F/T	32FT & PT	22 FT & 33 PT	TBD
Employee Appreciation Events and Rewards	4	4	4	8
Trainings, Orientations and other Information Sessions	28	34	55	20
Wellness Events *	3	12	16	2
Individual Wellness Sessions, Referrals, Interventions *	24	12	155	12
Safety Trainings, Events, and Internal Safety Audits *	5	16	60	24
New Policies/Procedures/ Programs Revised or Developed *	*	4	2	1
HR Staff - Trainings *	*	4	6	4

* These Performance Measures created FY 2015-16.

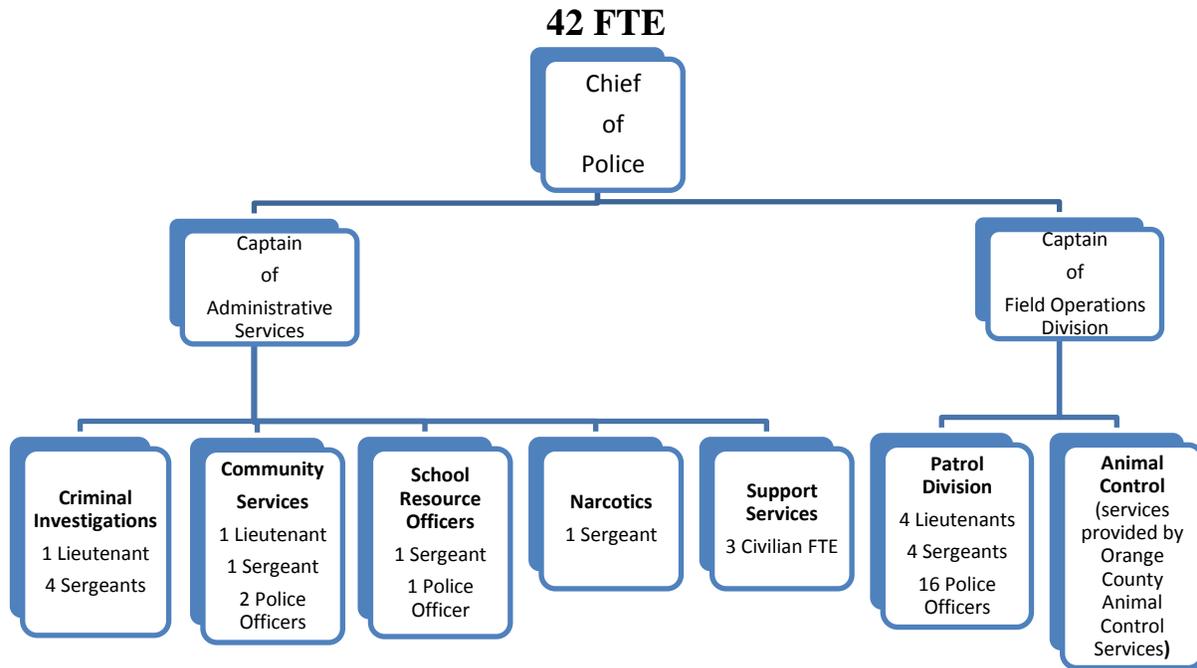
BUDGET SUMMARY

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	411,554	538,617	484,382	-10.1%
OPERATING	68,004	85,850	76,600	-10.8%
TOTAL	\$479,558	\$624,467	\$560,982	-10.2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The decrease in personnel is due to the decrease in part-time salaries. Operations decreased with the decrease in contract services.

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.
- Continue Naloxone program.
- Increase our efforts in Community Policing.
- Continue to use social media to inform and involve the community.
- Maintain and provide two Citizen’s Academies.

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, email requests, and telephone inquiries; maintains incident reports and multiple departmental records (including but not limited to warrants, monthly FBI and SBI data reporting, etc.); administers Department budget; answers requests for statistics and analysis; ensures that Department personnel receive appropriate training and adhere to the Department's, Federal, and State policies and procedures; and provides support services to Board of Aldermen, Town staff and other agencies.

PREVIOUS YEAR ACCOMPLISHMENTS

- Met all mandated training goals.
- 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.
- Maintained the number of directed patrols and speed enforcement campaigns involving Uniform Patrol Division.
- Maintained the number of pedestrian safety operations involving Community Services Division.
- Partnered with Public Works and Recreation and Parks staff to provide a safe setting for 4th of July Celebration, Carrboro Day, Carrboro Music Festival, Easter Egg Hunt and several road races.
- All officers trained on Fair and Impartial Policing.
- Continued implementation of Mobile Video Recording Devices in patrol cars.
- Maintained Coffee with A Cop Program for citizens.
- Maintained Pizza with a Cop at Carrboro High School
- Continued Citizen Police Academy trainings.
- Participated in the NCWatch4Me program concerning pedestrian and bicycle safety.
- Successfully filled vacant Police Officer positions.
- Utilized Crime Analyst to provide data and statistical information on police operations.

UPCOMING FISCAL YEAR OBJECTIVES

- Maintain current fuel consumption.
- Meet mandated training goals.
- Finalize 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.
- Maintain the number of pedestrian safety operations involving Community Services Division personnel.
- Reduce the number of traffic accidents.
- Implement management/leadership training for supervisors.
- Reduce the number of known drug houses and street-level drug sales locations.
- Obtain new or enhanced revenue sources.
- Maintain current staffing levels.
- Continue partnership with Public Works and Recreation and Parks staff to provide a safe setting for all special events.
- Utilization of Crime Analyst to provide data and statistical information on police operations.
- Implementation of Body Worn Camera Program (BWCP).

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. Maintain pedestrian safety operations.
4. Increase bicycle safety operations.
5. Maintain Carrboro's safety for residents by reducing open air drug market.
6. Increase Community Service outreach.

**PERFORMANCE MEASURES
DEPARTMENT BUDGET SUMMARY**

	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY2017-18 ESTIMATED	FY2018-19 PROJECTED
Calls for Service	23,983	24,547	24,573	24,853
Motor Vehicle Accidents	540	514	499	509
Criminal Arrests	550	458	476	467
Pedestrian Crossing Citations Issued	42	26	14	22
Bicycle Safety Ops Conducted	0	0	0	2
Pedestrian Safety Operations	6	9	5	9
Narcotics Arrests	93	79	75	81
Community Events Involvement	56	108	77	85
Percent Change in Pedestrian Safety Operations	50% Increase	50% Increase	44% Decrease	80% Increase
Percent Change in Pedestrian Crossing Citations Issued	147% Increase	38% Decrease	46% Decrease	57% Increase
Percent Change in Bicycle Safety Operations Conducted	0% Change	0% Change	0% Change	^ Increase

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	3,127,677	3,165,946	3,318,393	4.8%
OPERATING	494,964	519,075	543,395	4.7%
CAPITAL OUTLAY	247,032	301,872	4,000	-98.7%
TOTAL	\$3,869,672	\$3,986,893	\$3,865,788	-3.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The increase in personnel is due to the increase in insurance costs. The operations budget increased based on increases in motor vehicle and equipment repair. Decrease in capital outlay is due to vehicle replacement costs being expended through the Capital Fund.

Division Level Summaries

ADMINISTRATION

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	581,264	560,303	570,862	1.9%
OPERATING	119,690	72,875	75,556	3.7%
CAPITAL OUTLAY	0	0	0	0.0%
TOTAL	\$700,953	\$633,178	\$646,418	2.1%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The increase in the Administrative Support Division operating budget is due to conferences, and rent increased costs.

PATROL

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	1,700,034	1,674,631	1,745,605	4.2%
OPERATING	238,404	277,237	287,566	3.7%
CAPITAL OUTLAY	247,032	301,872	4,000	-98.7%
TOTAL	\$2,185,470	\$2,253,740	\$2,037,171	-9.6%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The Patrol Division personnel budget increased due to increase in insurance costs. Changes in operating include increases in equipment repair and furnishings. Capital outlay decreased based on replacement vehicle costs being expended in the Capital Fund.

COMMUNITY SERVICES

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	433,526	507,574	550,563	8.5%
OPERATING	23,831	40,078	43,833	9.4%
TOTAL	\$457,357	\$547,652	\$594,396	8.5%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The Community Services Division personnel budget reflects an increase in insurance and workers comp. Operations budget changed due to an increase in community events.

INVESTIGATIONS

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	412,853	423,438	451,363	6.6%
OPERATING	34,211	42,885	45,155	5.3%
TOTAL	\$447,064	\$466,323	\$496,518	6.5%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The Investigations Division personnel budget reflects an increase in service benefits. Operations budget increased in training and uniforms.

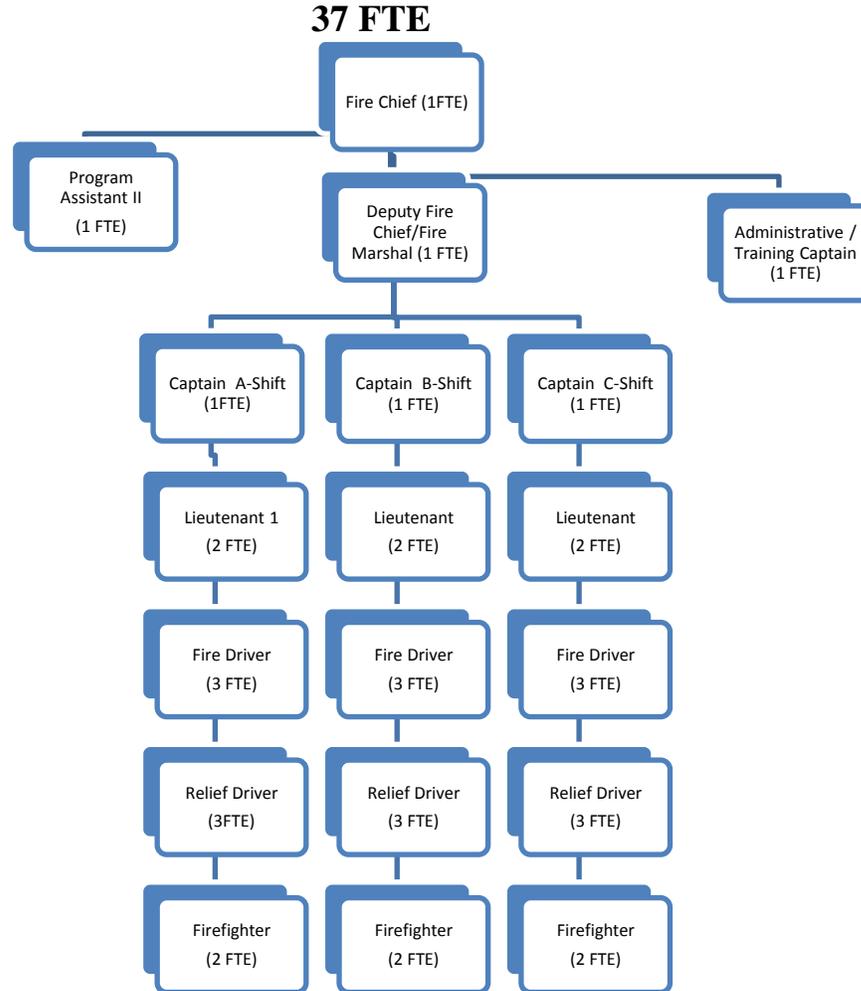
ANIMAL CONTROL

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
OPERATING	78,828	86,000	91,285	6.1%
TOTAL	\$78,828	\$86,000	\$91,285	6.1%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The Animal Control budget is based on the contract with Orange County Animal Control Services for the Town.

FIRE AND RESCUE DEPARTMENT



PURPOSE

The Carrboro Fire-Rescue Department is dedicated to protecting the lives, property, and the community from the destructive effects of all hazards by providing community risk reduction and emergency response services.

GOAL

- To provide all hazard response and community risk reduction in accordance with industry best practices, at a level desired by the community, in order to enhance and sustain quality of life/place issues for everyone.

SERVICES PROVIDED & ACTIVITIES

- Provide 24-hour all hazards response: fire suppression, light rescue, and emergency medical services for the Town of Carrboro and the South Orange Fire District.
- Conduct fire investigations in order to effectively determine the cause and origin of fires within the Town and the South Orange Fire District.

- Provide community risk reduction programs: fire prevention education, CPR and First Aid classes, Child Safety Seat program, and smoke alarm installations - to citizens, visitors, schools, day cares, businesses and community groups.
- Partner with Orange County EMS on risk reduction programs related to EMS.
- Provide fire prevention and code enforcement by performing fire inspections throughout the Town and South Orange Fire District in accordance with the NC Fire Code.

PREVIOUS YEAR ACCOMPLISHMENTS

- Community Risk Reduction efforts:
 - *Risk analysis conducted. CFRD has programs in place to address the risks identified. CFRD will continue on an annual basis to conduct a risk analysis for risk reduction and adjust programs as needed.*
- Developed a comprehensive training plan with learning objectives and corresponding evaluations to ensure the department meets or exceeds ISO training requirements.
 - *Currently meeting ISO training requirements.*
- Conducted monthly review of training records to ensure department stays on target for ISO training hour requirements.
 - *Monthly analysis of training continues to occur.*
- Continue to evaluate response to Alpha and Bravo level medical calls.
 - *CFRD response to Alpha and Bravo calls provide an enhanced level of service to the community. However, CFRD has implemented potentially responding non-emergency to enhance safety during response. The decision is at the officer's discretion based upon information received at the time of dispatch. Additionally, during times of heavy call volume with simultaneous calls, the department may not respond to Alpha calls.*
- Two personnel completed the final class of the Managing Officer Program at the National Fire Academy. Their capstone projects are complete and they have been awarded the Managing Officer Certificate from the National Fire Academy.
- Chief Williams completed the Executive Fire Officer Program at the National Fire Academy. She is currently working on her final applied research project. Her previous three have been published in the library at the National Fire Academy.

UPCOMING FISCAL YEAR OBJECTIVES

- Develop Standards of Cover and Strategic Plan documents to guide the department in fiscal decisions and aid in decision making while providing service to the community by June 30, 2019.
- Annually conduct community risk analysis to identify hazards and develop / adjust community risk reduction interventions to address identified risks.

- Annually meet or exceed ISO training requirements and conduct quarterly training with mutual/auto aid organizations to maintain or improve the current ISO rating for the Town of Carrboro and the South Orange Fire District.
- Annually conduct all scheduled inspections to identify and address life safety violations in order to maintain a safe environment for those who live, work, and play in the Town of Carrboro and South Orange Fire District.

BOARD PRIORITIES

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

OBJECTIVES

1. Quarterly and annually review total call volume in the Town of Carrboro and the South Orange Fire District to identify trends in call volume.
2. Quarterly and annually review property loss from fire, total property value, and the percentage of property saved to be a piece of analyzing fire ground performance of the department.
3. Annually conduct a community risk analysis to identify hazards and develop / adjust community risk reduction interventions to address identified risks.
4. 90% of calls within the Town of Carrboro limits will have a response time of 6 minutes and 30 seconds or less.
5. 90% of calls within the South Orange Fire District will have a response time of 10 minutes or less.
6. 100% of fire-rescue personnel will meet the annual ISO training requirements.
7. 100% of life safety violations will be documented and the occupant owner charged with repairing them within 90 days.

PERFORMANCE MEASURES

	FY2015-16 ACTUAL	FY2016-17 ACTUAL	FY2017-18 ESTIMATED	FY 2018-19 PROJECTED
Fire Inspections	1,050	1,023	800	958
Total Responses*	2,227	2,300	2,241	2,256
Fire & EMS Responses - Town	1,871	1,899	1,632	1,800
Fire & EMS Responses - County	234	293	264	263
Property Loss (Fire)	\$1,084,537	\$311,470	\$711,780***	\$2,700,000****
Property Value (Fire)**	\$17,961,445	\$2,865,646	\$9,080,930***	\$18,000,000****
Property Saved %**	93.96%	89.13%	92.16%***	85%****
Conduct CRR analysis	30% complete	80% Complete	100% Complete	100% Complete
90% of calls within Town limits will have a response time of 6:30 or less	6:11	6:23	6:27	6:20
90% of calls within the SO District will have a response time of 10:00 or less	10:08	9:45	9:06	9:39
100% of fire-rescue personnel will meet the ISO training requirements	60%	80%	100%	100%
100% of life safety violations repaired and documented w/in 90 days	100%	100%	100%	100%

* Includes all Calls for Service (CFS) with a response by Carrboro Fire-Rescue Department. This includes CFS that Carrboro Fire-Rescue resources were requested by a Mutual-Aid agency.

** Property Value is the dollar figure for all property involved in a fire. Property Saved % is the percent of property saved based on the property loss and property saved for all property involved in a fire.

*** Figures represent Fiscal YTD values as of 19 FEB 18.

**** Figures represent the best estimate based upon available national data and fire trends. Projection of fire loss can vary greatly based on numerous factors making this difficult to project.

DEPARTMENT BUDGET SUMMARY

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	2,645,226	2,636,833	2,769,858	5.0%
OPERATING	227,248	287,499	273,033	-5.0%
CAPITAL OUTLAY	0	0	27,434	N/A
TOTAL	\$2,872,475	\$2,924,332	\$3,070,325	5.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel is due to increased insurance costs. Changes in Operations include decreases in motor vehicle repair and departmental supplies. Capital Outlay includes cost for a replacement VHF repeater.

Division Level Summaries

SUPERVISION

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	308,727	335,391	348,128	3.8%
OPERATING	30,384	46,152	45,447	-1.5%
TOTAL	339,111	381,543	393,575	3.2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel is due to increased insurance costs. The decreased operating budget is due to a decrease in motor vehicle repair.

SUPPRESSION

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	2,336,499	2,301,442	2,421,730	5.2%
OPERATING	196,864	241,347	227,586	-5.7%
CAPITAL OUTLAY	0	0	27,434	N/A
TOTAL	\$2,533,364	\$2,542,789	\$2,676,750	5.3%

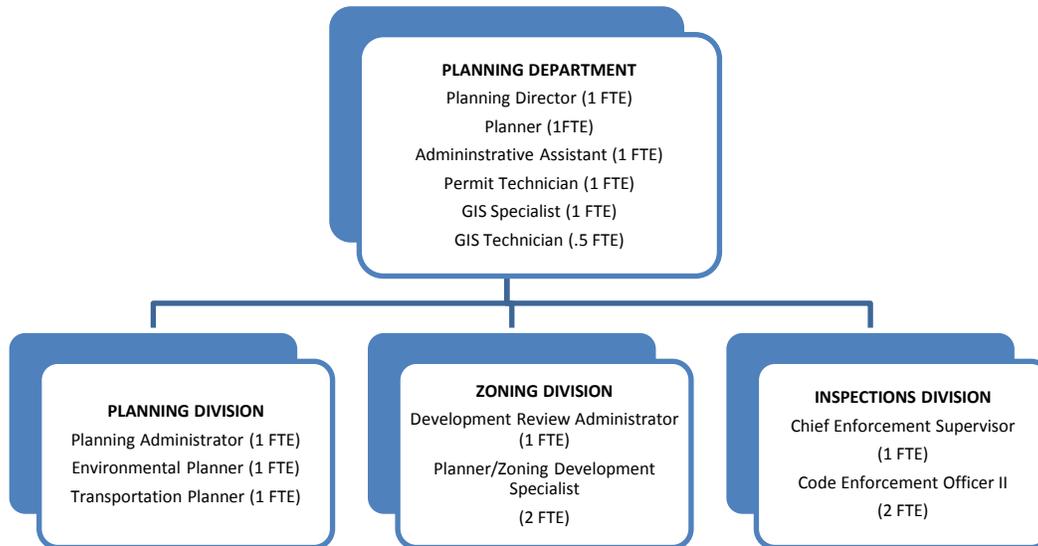
CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel is due to increased insurance costs. Changes in the operating budget are due to the decrease in departmental supplies.

This page intentionally left blank

PLANNING DEPARTMENT

13.5 FTE



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 Permitting, Engineering, Minimum Housing, Multi-trade inspections
- Intergovernmental Relations
- Geographic Information Services, Land Use, Transportation, and Environmental Planning
- Energy Planning and climate protection/resiliency
- Staff Support for Advisory Boards

PREVIOUS YEAR ACCOMPLISHMENTS

- Support for adoption and implementation of Community Climate Action Plan, Parking Plan and updated floodplain maps
- Coordinate bicycle- and pedestrian-friendly improvements (e.g. Bolin Creek, Phase 1B, Morgan Creek greenway design, Phases 1 and 2, funding for Jones Creek Greenway and South Greensboro sidewalk)
- Participation in Metropolitan Planning Organization, updated CTP, MTP and NC54 Corridor Study.

UPCOMING FISCAL YEAR OBJECTIVES

- Coordinate development process for siting Southern Branch Library and other uses at 203 S. Greensboro property
- Complete design process for pedestrian and bicycle improvements (e.g. South Greensboro Street and Jones Creek)
- Coordinate and manage initiation of comprehensive planning process

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

	FY2015-16 ACTUAL	FY 2016- 2017 ACTUAL	FY 2017-2018 ESTIMATED	FY 2018-2019 PROJECTED
# of LUO Amendments	4	7	9	4
# of Conditional Use Permits	3	2	3	4
# of Special Use Permits	0	3	1	1
# of Zoning Permits	63	75	60	68
# of Building Permits for New Residential Units in Town	45	52	135	45
Building Permit Construction Value for New Residential in Town	\$9.5M	\$12M	\$19M	\$11M
Building Permit Value for New Commercial in Town	\$2.8M	\$1.1M	\$3.9M	\$28M
# of Cos Issued for New Residential Units in Town	70	59	55	105
Inspections per day per Inspector FTE	9.5	14.1	12.4	9.5

DEPARTMENT BUDGET SUMMARY

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	1,068,602	1,222,430	\$1,210,196	-1%
OPERATING	217,105	254,334	267,223	5.1%
TOTAL	\$1,285,707	\$1,476,764	\$1,477,419	0.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Personnel decreased due to personnel changes. Operations increased due to the addition of a Community Climate Action Plan Initiative.

Division Level Summaries

SUPERVISION

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	525,538	625,379	636,838	1.8%
OPERATING	203,749	232,684	244,683	5.2%
TOTAL	\$729,288	\$858,063	\$881,521	2.7%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel is due to increased insurance costs. Operations increased due to the addition of a Community Climate Action Plan Initiative.

ZONING

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	312,786	311,731	321,875	3.3%
OPERATING	6,227	8,245	8,280	0.4%
TOTAL	\$319,012	\$319,976	\$330,155	3.2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects an increase in insurance costs. The operating budget remains relatively stable.

INSPECTIONS

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	230,278	285,320	251,483	-11.9%
OPERATING	7,129	13,405	14,260	6.4%
TOTAL	\$237,407	\$298,725	\$265,743	-11.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects personnel changes. Operations increased due to office supplies and telephone increased costs.

This page intentionally left blank

TRANSPORTATION

PURPOSE

The Transportation Cost Center is used to account for expenditures associated with the partnership 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.

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 2017 are provided in the table below.

Service Consumption FY2017	Fixed Route	Demand Response
Annual Passenger Miles	11,861,996	282,043
Annual Unlinked Trips	6,092,877	61,423
Average Weekday Unlinked Trips	23,550	218
Average Saturday Unlinked Trips	2,019	83
Average Sunday Unlinked Trips	1,106	26
Service Supplied		
Annual Vehicle Revenue Miles	1,780,813	239,510
Annual Vehicle Revenue Hours	155,410	22,980
Vehicles Operated in Maximum Service	83	14
Vehicles Available for Maximum Service	98	18

Source: Chapel Hill Transit, FY2017 data

- In FY2017, the total system ridership was 6.1 million, which was a decrease of 2 percent from FY2016.
- Most recent surveying, completed in 2016, found that 89% of riders surveyed rate the overall quality of Chapel Hill Transit as either excellent or good.

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

	FY2015-16 ACTUAL	FY2016-17 ACTUAL	FY2017-18 ESTIMATED	FY2018-19 PROJECTED
Average Daily Ridership (Boarding)	3,612	3,466	3,535	3,593
Average Daily Ridership (Alighting)	3,357	3,219	3,283	3,339

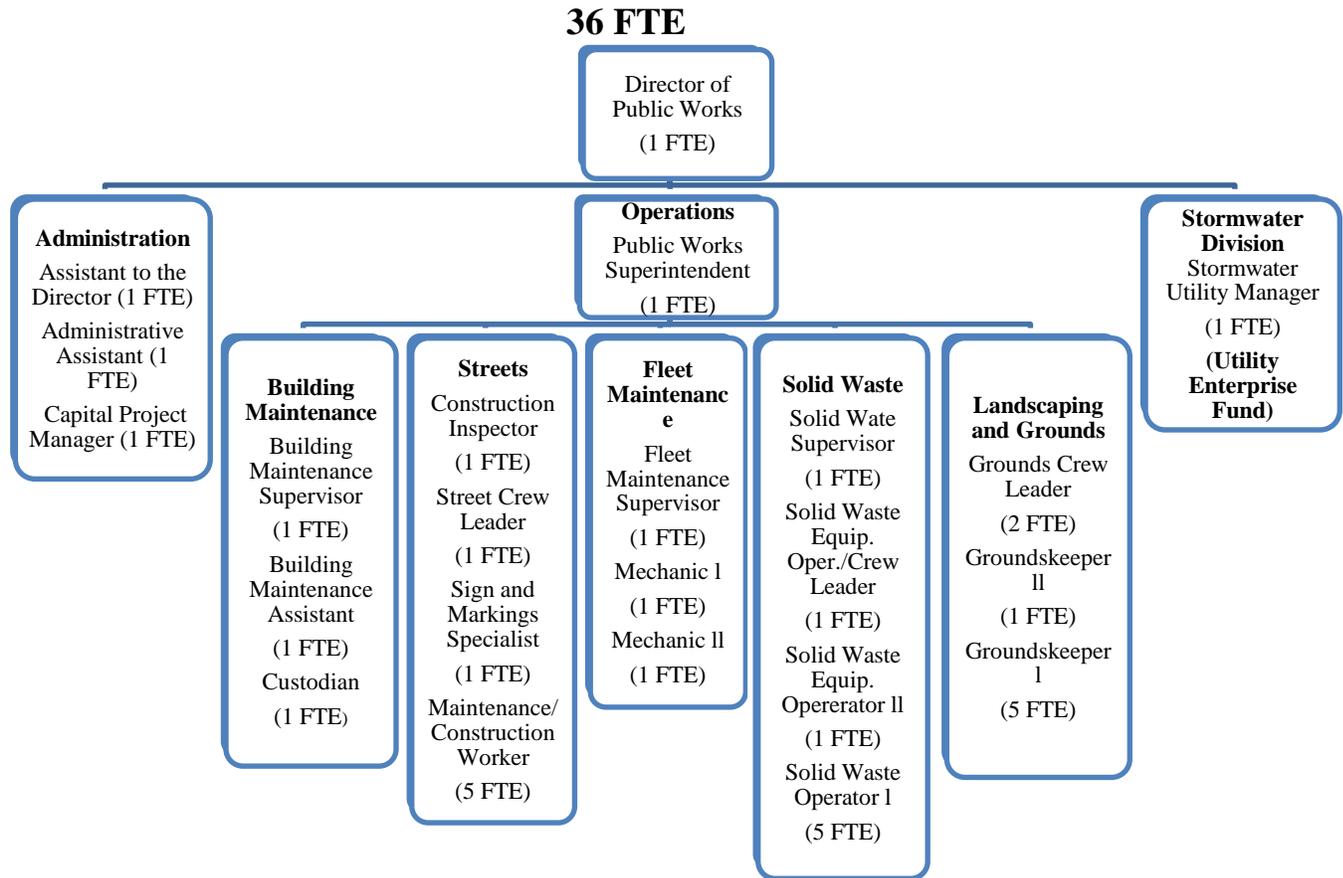
BUDGET SUMMARY

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
OPERATING	1,455,012	1,751,256	1,727,400	-1.4%
CAPITAL OUTLAY	0	83,600	83,600	0.0%
TOTAL	\$1,455,012	\$1,834,856	1,811,000	-1.3%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The Chapel Hill Transit Strategic Plan projects a \$1,811,000 payment from Carrboro in FY 2019.

PUBLIC WORKS DEPARTMENT



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.
- To achieve, and exceed where possible, stormwater performance standards established in the Town Code and Land Use Ordinance, and by the State.

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.
- Provide Stormwater services to the Town to address both the quality and quantity of Stormwater within Town.

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, cemetery maintenance and burials.
- Provided support for special events within Town (6 races – St. Paul AME 5K, Kidney Care Run, Not So 5K, 4 on the 4th).
- Continued implementation of invasive aquatic vegetation control in Anderson Park Pond.
- Carrboro re-certified as a Tree City USA for its 33rd year.
- Continued leaf mulch pile configuration adjustments and oversight to be in compliance with DENR requirements.
- Continued pollinator promoting vegetation plan, installing water wise, native, pollinator producing perennials as primary vegetation throughout Town properties.
- Installation of two speed tables in-house.
- Continued training for and implementation of street and sidewalk snow removal utilizing Town owned equipment and personnel.
- Enhanced service levels and efficiencies of existing operations by improving knowledge in and usage of already owned PubWorks software.
- Hired Stormwater Manager to assist with creation and implementation of Town Stormwater utility to include funding and operational bylaws plus regulations.
- Administered installation of electric vehicle charging stations funded by Duke Energy grant.
- Increased usability of sign shop by providing updated software and additional personnel training.

- Acquisition of two solar powered message boards.
- Acquisition of a bucket truck

UPCOMING FISCAL YEAR OBJECTIVES

- Enhance service levels and efficiencies of existing operations by improving knowledge in and usage of Town’s GIS capabilities. (Ex. Solid waste collection, leaf collection, mowing, street sweeping, street and ROW maintenance, street sign maintenance, building maintenance)
- Continue replacement of T-12 bulbs with LED fixtures and replace light switches with occupancy sensors in various facilities to reduce energy consumption and replace bulbs that are on 24/7 fixtures.
- Further investigate options to replace Town streetlights, leased from Duke Energy, with LED fixtures.
- Reduce costs for leaf collection program with further implementation of fully automated leaf loader. Investigate alternatives and solutions to increase operation efficiencies.
- Continue to look for ways to reduce fuel consumption. Monitor fuel savings with implementation of the hybrid solid waste vehicle and route analysis data from solid waste study. Investigate use of Biogas vehicles with OWASA. Investigate electric vehicles.
- Design and implement solid waste operational reduction pilots to include single side of the road and/or every other week collection. Continue to investigate organic disposal options.
- Explore inter-local agreement for recycling and potentially solid waste.
- Improve interior appearance of various facilities – wall repair, painting and routine cleaning.
- Evaluate current practices and provide safety training, tools and equipment to assure proper and safe practices for all tasks.

BOARD PRIORITIES

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

OBJECTIVES

1. Improve service levels of existing operations. (Ex. Solid waste collection, leaf collection, mowing, street sweeping, street and row maintenance, building maintenance).
2. Continue replacement of T-12 bulbs with T-8 bulbs in various facilities to reduce energy consumption and further investigate LED streetlights
3. Improve interior appearance of various facilities. Wall repair, painting and routine cleaning.
4. Collect energy data to validate return on investment for Century Center mechanical upgrades and new smart control system.
5. Design and implement alternative solid waste collection pilots based on results from solid waste study.

PERFORMANCE MEASURES

	FY2015-16 ACTUAL	FY2016-17 ACTUAL	FY 2017-18 ESTIMATED	FY 2018-19 PROJECTED
# of Construction Contracts Administered	2	1	2	2
Miles of Road Maintained	46.93	47.40	47.40	47.40
# of Rollout Containers	4370	4400	4450	4480
Square feet of Building Space Maintained	61,317	61,317	61,317	61,317
Cost of Centerline Mile Resurfaced (every 2 yrs.)	0	0	\$430,000	\$500,000
Refuse Tons per 1,000 Population (all sources)	487	327	322	330
Century Center Energy Cost Reductions (\$ Spent)	\$40,623	\$40,176	\$34,548	\$33,000
Solid waste mileage reduction tracker (Residential mileage driven/customer)	7.09	8.13	7.4	6.9

DEPARTMENT BUDGET SUMMARY

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	1,730,458	2,039,918	2,130,411	4.4%
OPERATING	1,462,185	1,527,692	1,569,801	2.8%
CAPITAL OUTLAY	249,054	39,305	5,000	-87.3%
TOTAL	\$3,441,697	\$3,606,915	\$3,705,212	2.7%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Personnel increase is due to increased cost of insurance. Operating costs decreased due to a decrease in printing costs. Capital Outlay costs decreased with the expenses for the purchase new vehicles and equipment being charged to the Capital Project Fund. Details of the changes are highlighted in the division descriptions.

Division Level Summaries

SUPERVISION

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	254,396	350,369	370,110	5.6%
OPERATING	72,673	37,204	38,750	4.2%
TOTAL	\$327,068	\$387,573	\$408,860	5.5%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel is due to personnel changes. Operating costs increased due to increases in conferences and fuel costs.

STREET MAINTENANCE

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	337,953	463,241	508,633	9.8%
OPERATING	360,396	363,767	413,050	13.5%
CAPITAL OUTLAY	212,646	39,305	5,000	-87.3%
TOTAL	\$910,995	\$866,313	\$926,683	7.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel is due to personnel changes. Contract Services in Operating increased and Capital Outlay costs decreased with the expenses for the purchase new vehicles and equipment being charged to the Capital Project Fund.

SOLID WASTE

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	354,722	393,152	444,658	13.1%
OPERATING	518,011	468,400	468,772	0.1%
CAPITAL OUTLAY	0	0	0	0.0%
TOTAL	\$872,733	\$861,552	\$913,430	6.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel is due to personnel changes and increased insurance costs.

CENTRAL SERVICES

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	183,856	183,307	190,109	3.7%
OPERATING	267,038	341,070	332,155	-2.6%
TOTAL	\$450,894	\$524,377	\$522,264	-0.4%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects an increase in insurance costs. Operating costs decreased in training costs.

FLEET MAINTENANCE

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	187,066	188,469	192,794	2.3%
OPERATING	32,723	38,875	38,875	0.0%
CAPITAL OUTLAY	29,501	0	0	N/A
TOTAL	\$249,289	\$227,344	\$231,669	1.9%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel is due insurance cost increase.

LANDSCAPING

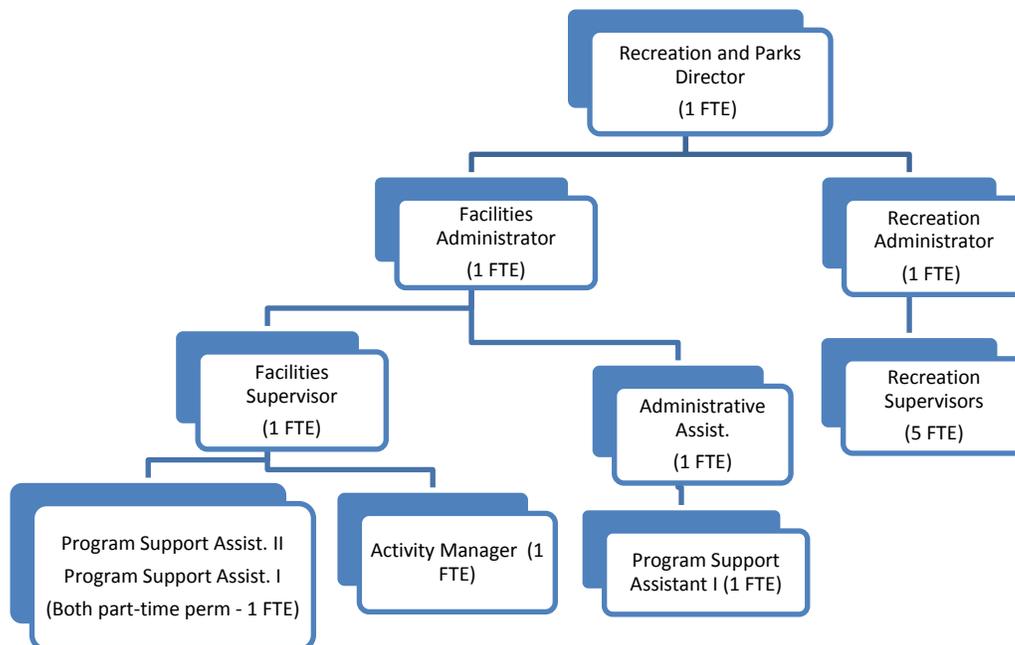
	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	412,467	461,380	424,107	-8.1%
OPERATING	211,344	278,376	278,199	-0.1%
CAPITAL OUTLAY	6,907	0	0	N/A
TOTAL	\$630,718	\$739,756	\$702,306	-5.1%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects changes in personnel.

RECREATION AND PARKS DEPARTMENT

13 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

- Continue to enhance department marketing strategies for the purpose of enhancing communication and to better inform local citizens of events, programs, and resources.
- Increase citizen and public involvement in the creation and coordination of recreation programs and events.
- Expand the utilization of volunteers and department staff in effective program leadership roles.
- Provide diverse recreational programs that address the needs of all residents.
- Complete CIP projects.
- Continue to provide excellent customer service which will encourage patrons to continue to participate in recreation programs and use recreation facilities.
- Continue to manage facilities in a manner which minimizes usage conflicts, overcrowding, and costs.
- Continue to 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.

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.
- Oversee parks and facilities that provide space to enjoy nature, build family unity, meet friends and build strong bodies.
- 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

- Replaced carpet in rooms 2/3, 4, lobby and Cybrary in the Century Center.
- Replaced tables for program and reservation use in rooms downstairs in Century Center.
- Repaired floor in Century Hall.
- Completed construction design of Dr. Martin Luther King Jr. Park.
- Began Project Management for Town Commons renovation project.
- Completed fencing project for Hank Anderson Park multipurpose field #1.
- Staff attended a wide-range of seminars and conferences for professional development.
- Conducted a comprehensive update of local media outlets and contact information.
- Increased the utilization of social media to market programs including the creation of a social media account for the Carrboro Music Festival.
- Initiated the creation of Facebook events for special events and community events.
- Worked with Chapel Hill-Carrboro City Schools to create a list of PTA fairs and events that invite agencies to participate to market programs and services
- Created new sign-up forms for attendees to provide their contact information to receive monthly program newsletters, our poetry newsletter, brochures, etc.
- Expanded our use of both banners and coro boards for visual marketing around Town.
- Worked with PW to purchase two new variable message boards to publicize community events and street closures which will result in cost savings for the Town.
- Increased our utilization of bulletin boards for marketing within our parks by using laminated marketing materials for upcoming programs.
- Increased our use of local marketing resources such as The Poster Guys to distribute information around Town and in neighboring cities and towns for larger events.
- Attending the Carrboro Farmer's Market on a quarterly basis to set up a booth to distribute information about Department programs directly to attendees.
- Increased the amount of radio ads & web-based marketing for various community events.
- Solicited and incorporated feedback from seniors and youth regarding potential MLK Park amenities.
- Increased the number of sport-specific training sessions to better prepare volunteer coaches.
- Increased utilization of volunteer instructors to teach tennis lessons and camps, which led to cost savings.

- Increased the total number of volunteers in several programs, including our summer camps and the recent Halloween Carnival.
- Staff served as Chair of the Orange County Senior Games and attended a 2-day workshop for NC Senior Games Coordinators.
- The Youth Council took on a leadership role in helping to coordinate the outdoor Spooky Movie Night. The Council created a booth where kids could create slime and play games to earn prizes while helping to promote their group.
- The President of the Carrboro Youth Council was named a Finalist for the prestigious Park Scholarships at North Carolina State University.
- Worked with our Public Works Department on the purchase and installation of a new portable pitching mound at Anderson Park. The mound allows for a safer playing environment and saves on the cost of maintenance.
- Purchased new bats for our Youth Baseball programs to comply with new manufacturing specifications designed to increase participant safety.
- Added a range of new classes including Indian Cooking (previously offered in conjunction with the ArtsCenter), Learning to Bead for Adults and Teens, Vegetarian Pressure Cooking, Cycling with Confidence for Women, Creative Collage, and more.
- Our Breakfast with an Expert series offered new speakers, including partnering with The Compass Center for Women to offer two presentations for Domestic Violence Awareness Month.
- The various series that were offered (Jam Series, Family Fun Sunday, etc.) included more diverse programming such as Latin Jams, Flamenco Dance, etc.
- Partnered with the Town of Chapel Hill, Orange County, and the Chapel Hill-Carrboro NAACP to celebrate the 200th Anniversary of the birth of Frederick Douglass.
- Increased program offerings related to the celebration of Black History Month.
- The Carrboro Music Festival celebrated its 20th Anniversary by having over 200 performances for the first time ever. This included our first-ever venue dedicated solely to hip-hop artists.
- The West End Poetry Festival had a theme of ‘resistance’ this year, which featured a diverse group of poets from all over the country. The featured poet for this year was North Carolina Literary Hall of Fame member, Jaki Shelton Green.
- The Carrboro Film Festival included a diverse range of films and celebrated the great Buster Keaton.
- Staff continue to provide excellent customer service to our patrons. Staff have worked directly with participants to address their concerns, answer questions, and assist in finding classes and programs to fit their specific needs.
- Staff have worked with participants to transfer between classes or find additional programs if a particular course has been canceled due to weather or low enrollment.
- In the most recent Biennial Citizen Survey, the Recreation & Parks Department had the highest level of satisfaction.

UPCOMING FISCAL YEAR OBJECTIVES

- Complete ongoing Capital Improvement Projects.
- Begin construction of Dr. Martin Luther King Jr. Park.
- Complete renovation of Town Commons.
- Increase marketing for Century Center and Park facilities.
- Reduce barriers for individuals with disabilities to use facilities.
- Work with the Town's new Communications Manager to review and refine marketing strategies for the Department.
- Research and potentially install new kiosks or billboards specifically for the promotion of Department programs and events in new locations around Town.
- Implement new marketing materials for promotion through Chapel Hill-Carrboro City Schools Peachair system that comply with newly implemented electronic file regulations.
- Increase promotion of Department opportunities/processes such as Program Service Proposals, needs for contractual instructors, etc.
- Coordinate marketing with local businesses and partnering agencies to increase publicity for Department programs and events in a cost-effective manner.
- Hold an Open House to allow the community to meet directly with Department staff to learn about the various programs, events, and volunteer opportunities that exist.
- Develop private, public, and neighborhood partnerships and sponsorships to support our recreational facilities and programs.
- Collaborate with event planning committees and the business community to continue to expand and improve programs and special events.
- Actively engage participants during programs and events to solicit and document feedback outside of formal written evaluations to be incorporated into future event planning.
- Utilize the Carrboro Youth Council membership to engage directly with the local youth and teen population to stay informed of current trends and program desires.
- Expand the utilization of volunteers and department staff in effective program leadership roles.
- Examine youth and adult volunteerism in parks and programs to identify areas for new volunteer opportunities.
- Increase training opportunities for Department staff and volunteers in specific areas pertaining to programming needs and leadership.
- Maintain an inventory of staff, volunteer and instructor knowledge, certifications and skills and analyze how these resources may be utilized to enhance operations and service delivery.
- Collaborate with local partners to create multi-purpose, outdoor programs that provide educational opportunities and increase environmental awareness.
- Identify new funding sources, such as community partnerships, sponsorships, and grants, to broaden the Department's revenue stream to maintain and enhance service levels.
- Utilize a broad range of evaluation criteria to ensure program offerings are meeting the needs of the participants.
- Expand recreational opportunities for underserved populations (teens, seniors, immigrants/refugees).

BOARD PRIORITIES

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

OBJECTIVES

1. Examine youth and adult volunteerism in parks and programs to identify areas for new volunteer opportunities.
2. Utilize Town owned and other area parks, and nature sites.
3. Complete ongoing Capital Improvement Projects.
4. Research local funding resources to assist with healthy programs such as Eat Smart Move More.
5. Develop private, public, and neighborhood partnerships and sponsorships to support the recreational facilities and programs.

PERFORMANCE MEASURES

	FY2015-16 ACTUAL	FY2016-17 ACTUAL	FY2017-18 ESTIMATED	FY2018-19 PROJECTED
% Change in Volunteer Hours Supporting Programs	-7%	-2%	-4%	2%
Revenue Driven Facility Usage Hours (External, Courses, Administrative)	16,213	16,703	16,870	17,207
Revenue Driven Facility Usage Hours Percent Change (External, Courses, Administrative)	18%	3%	1%	2%
Non-Revenue Facility Usage Hours (Partnerships, Community/Informational Meetings)	495	510	525	540
Non-Revenue Facility Usage Hours Percent Change (Partnerships, Community/Informational Meetings)	48%	3%	3%	3%
% Change in Program Division Revenue	-8%	1%	4%	1%
% Change in Programming Hours	-22%	7%	9%	1%
% Change of Operational Budget Supported by Program Revenue Generated	-5%	1%	2%	1%
% Change in Enrolled participants	-11%	2%	-12%	9%

DEPARTMENT BUDGET SUMMARY

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	\$1,088,531	\$1,215,894	\$1,217,233	0.1%
OPERATING	\$385,739.51	\$434,148	\$387,668	-10.7%
TOTAL	\$1,474,271	\$1,650,042	\$1,604,901	-2.7%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Operations decreased due to the moving school rental budget to public works budget.

Division Level Summaries

SUPERVISION

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	127,865	125,451	125,785	0.3%
OPERATING	13,206	21,304	21,304	0.0%
TOTAL	\$141,071	\$146,755	\$147,089	0.2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The Supervision budget remains fairly constant.

PLAYGROUNDS AND PARKS

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
OPERATING	2,637	12,078	10,078	-16.6%
TOTAL	\$2,637	\$12,078	\$10,078	-16.6%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Professional services budget decreased in the Operating budget.

GENERAL PROGRAMS

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	571,317	660,670	660,435	0.0%
OPERATING	305,795	335,916	291,136	-13.3%
TOTAL	\$877,111	\$996,586	\$951,571	-4.5%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Operations decreased due to the school rental costs being transferred to the Public Works budget.

**RECREATION
FACILITIES**

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	389,350	429,773	431,013	0.3%
OPERATING	64,103	64,850	64,850	0.0%
TOTAL	\$453,453	\$494,623	\$495,863	0.3%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Recreation Facilities budget remains fairly constant.

This page intentionally left blank

NONDEPARTMENTAL

PURPOSE

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

SERVICES PROVIDED & ACTIVITIES

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

Non-department funds are allocated to departments as needed.

BUDGET SUMMARY

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	0	932,885	746,166	-20.0%
TRANSFERS	136,704	301,000	250,000	-16.9%
TOTAL	\$136,704	\$1,233,885	\$996,166	-19.2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The personnel budget sets aside funds for a salary adjustment and minimum housing wage adjustments for employees, anticipated increase in health insurance costs and required unemployment insurance reserve. The decrease in costs is due to a decrease in salary adjustments.

The operating cost includes a \$250,000 transfer of funds from the General Fund to Capital Reserve Fund for street resurfacing.

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 local governments 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 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 asset. As of June 30, 2017, the Town had approximately \$20.4 million in long term debt. Of this total, 31% represented general obligation debt and installment purchases for improvements and equipment. The other 69% of long term debt is related to other post-employment benefits and the two pension plans (LGERS and LEO).

	Long Term Debt 6/30/2016	Long Term Debt 6/30/2017
General Obligation debt	\$3,850,000	\$3,600,000
Premium on bond	\$75,430	\$70,564
Installment purchases - improvements & equipment	\$3,046,275	\$2,674,461
Compensated absences	\$631,373	\$657,746
Other Post-employment benefits	\$8,147,822	\$9,013,297
Net pension liability (LGERS)	\$664,576	\$2,892,957
Total pension liability (LEO)	\$359,080	\$1,496,019
Total	\$16,774,556	\$20,405,044

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. 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 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

Project	Issue \$	Principal	Interest	Total
SIDEWALKS & GREENSWAYS GO BONDS	\$ 4,600,000	\$ 250,000	\$ 77,500	\$ 327,500
TOTAL GENERAL OBLIGATION BONDS		\$ 250,000	\$77,500	\$ 327,500
FIRE SUBSTATION	\$ 3,250,000	\$ 216,667	\$ 35,073	\$ 251,740
TOTAL LONG-TERM INSTALLMENT DEBT		\$ 216,667	\$ 35,073	\$ 251,740

EQUIPMENT/VEHICLES		\$ 301,586	\$ 17,226	\$ 318,812
---------------------------	--	-------------------	------------------	-------------------

Includes principal payment for FY 2017-18 to be issued June 2018.

The Town is looking to finance a major building in the next two years. In anticipation of his major financing, the Town intends to use \$443,814 of cash reserve for equipment purchases in 2018-19, rather than installment financing.

VEHICLES AND EQUIPMENT TO BE PURCHASED IN FY 2018-19:

DEPARTMENT	VEHICLES/EQUIPMENT	COST ESTIMATE
Police	6 Vehicles @ \$55,469	\$332,814
Public Works	Skid Steer	\$70,000
Public Works	Broom Attachment for Skid Steer	\$5,000
Public Works	Bush Hog	\$6,000
Public Works	10-Ton Trailer	\$25,000
Public Works	Post Puller	\$5,000
	TOTAL	\$443,814

BUDGET SUMMARY

	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
OPERATING	1,148,954	1,124,510	1,094,285	-2.7%
TOTAL	\$1,148,954	\$1,124,510	\$1,094,285	-2.7%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Debt Service costs decreased due to retiring some of the debt.

This page intentionally left blank

SPECIAL REVENUE FUNDS

The Special Revenue Fund accounts for revenues and expenditures legally restricted or designated by the Board of Aldermen for specific program activities or services. The Special Revenue Fund was restructured in 2011 to comply with GASB 54. Included in the Special Revenue Fund are the following funds:

- Affordable Housing,
- Revolving Loans for economic development,
- Revolving Loans for energy efficiency,
- Business Loan Program, and
- Grants Administration.

BUDGET SUMMARY

	2017-18 ADOPTED BUDGET	2018-19 ADOPTED BUDGET	\$ CHANGE	% CHANGE
REVOLVING LOAN FUND	\$ 566,351	\$ 558,331	\$ (8,020)	-1.4%
GRANT FUND	\$ 938,096	\$ 975,360	\$ 37,264	4.0%
AFFORDABLE HOUSING FUND	\$ 1,170,771	\$ 337,500	\$ (833,271)	-71.2%
ENERGY EFFICIENCE REVOLVING	\$ 83,902	\$ 111,277	\$ 27,375	32.6%
BUSINESS LOAN FUND	\$ 118,499	\$ 115,471	\$ (3,028)	-2.6%
TOTAL	\$ 2,877,619	\$ 2,097,939	\$ (779,680)	-27.1%

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 and guidelines for allowable activities are revised periodically. 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.

BUDGET SUMMARY

	TOTAL	PRIOR	2017-18	2018-19	PCT
	APPROP	YEARS	ADOPTED	ADOPTED	CHANGE
		ACTUAL	BUDGET	BUDGET	
REVENUE					
FUND BALANCE AVAILABLE 2018-19				337,500	
DONATIONS	-	10,335		-	N/A
INVESTMENT EARNINGS	-	420	-	-	N/A
OTHER	-	1,800			N/A
PAYMENT IN LIEU		96,501	-	-	N/A
TRANSFERS FROM BUSINESS LOAN FUN	10,000	10,000	10,000	-	-100%
TRANSFERS FROM GENERAL FUND	1,160,771	1,160,771	1,160,771		-100%
TOTAL REVENUES	1,170,771	1,279,827	1,170,771	337,500	-71%
EXPENDITURE					
COMMUNITY HOME TRUST	213,649	157,689	213,649	74,036	-65%
CENTER FOR COMMUNITY SELF HELP	55,000	20,000	55,000	20,000	-64%
HOME CONSORTIUM MATCH	31,211	9,719	31,211	13,545	-57%
HUMAN SERVICES GRANTS	94,700	94,700	94,700	28,950	-69%
PARTNERSHIP TO END HOMELESSNESS	48,711	29,786	23,378	23,378	0%
NORTHSIDE NEIGHBORHOOD INITIATIV	-	-	-	30,000	N/A
DEFERRED LOAN EXPENSE	45,250	45,211	45,250	20,000	-56%
UNEXPENDED RESERVES	682,250	52,223	707,583	127,591	-82%
TOTAL EXPENDITURES	1,170,771	409,328	1,170,771	337,500	-71%

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. The Fund sustains itself with the interest earned on loans and repayment of the principal 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

BUDGET SUMMARY

	TOTAL APPROP.	PRIOR YEARS ACTUAL	2017-18 ADOPTED BUDGET	2018-19 ADOPTED BUDGET	PCT CHANGE
REVENUE					
<i>BEGINNING FUND BALANCE</i>	-	-		525,093	N/A
CUMULATIVE INVESTMENT EARNINGS	744,760	744,760			
LOAN P & I REPAYMENTS	743,000	743,000	57,182	33,238	-42%
TRANSFER FROM GENERAL FUND	139,000	139,000			
OTHER FINANCING SOURCES	-	-	509,169		-100%
TOTAL REVENUES	1,626,760	1,626,760	566,351	558,331	-1%
EXPENDITURE					
GENERAL GOVERNMENT EXPENSE	26,679	26,679	-	-	N/A
ECONOMIC & PHYSICAL DEVELOPMENT LOANS	743,000	743,000	-	-	N/A
TRANSFER TO ENERGY EFFICIENCY RLF	90,000	90,000			
TRANSFER TO GENERAL FUND	139,000	139,000			
RESERVES FOR LOANS	628,081	628,081	566,351	558,331	-1%
TOTAL EXPENDITURES	1,626,760	1,626,760	566,351	558,331	-1%

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.

BUDGET SUMMARY

<i>REVENUE</i>	TOTAL APPROP.	PRIOR YEARS ACTUAL	2017-18 ADOPTED BUDGET	2018-19 ADOPTED BUDGET	PCT CHANGE
<i>BEGINNING FUND BALANCE</i>	-	-		91,710	N/A
CUMULATIVE INVESTMENT EARNINGS		-		19,567	
INVESTMENT EARNINGS		125			
LOAN P & I REPAYMENTS	7,128	36,673	3,004		-100%
OTHER FINANCING SOURCES	100,000	183,272	80,898		-100%
<i>TOTAL REVENUES</i>	107,128	220,070	83,902	111,277	33%
GENERAL GOVERNMENT EXPENSE					N/A
TRANSFERS	-				N/A
COMMUNITY SOLAR PROGRAM					N/A
RESERVES FOR LOANS	-	-	83,902	111,277	33%
<i>TOTAL EXPENDITURES</i>	107,128	107,128	83,902	111,277	33%

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

BUSINESS LOAN FUND

The Business Loan Fund was created to provide loans to supplement other financing where a project may not meet the requirement for job creation, but the Board believes the business would contribute to the Towns commercial growth.

BUDGET SUMMARY

	TOTAL	PRIOR	2017-18	2018-19	PCT
	APPROP.	YEARS	ADOPTED	ADOPTED	CHANGE
<i>REVENUE</i>		ACTUAL	BUDGET	BUDGET	
BEGINNING FUND BALANCE	-	32,000	113,873	115,471	1%
INVESTMENT EARNINGS	-	-	-	-	N/A
OTHER REVENUE - LOAN REPAYMENTS	-	-	-	-	N/A
TRANSFER FROM GENERAL FUND	125,000	(10,000.00)	4,626	-	-100%
<i>TOTAL REVENUES</i>	125,000	22,000	118,499	115,471	-3%
<i>EXPENDITURE</i>					
ECONOMIC AND PHYSICAL DEVELOPMENT LOANS	-	22,000	-	-	N/A
TRANSFER TO GENERAL FUND				115,471	
TRANSFERS	-	-	-	-	N/A
<i>TOTAL EXPENDITURES</i>	125,000	22,000	118,499	115,471	-3%

GRANT ADMINISTRATION FUND

This fund accounts for grant awards made to the Town that are legally restricted to expenditures for specific programs, activities, and purposes. Recent grant awards include FEMA and North Carolina Hazard Mitigation Program for flooding remediation; and charging station grant from Duke Energy.

BUDGET SUMMARY

	TOTAL APPROP.	PRIOR YEARS ACTUAL	2017-18 ADOPTED BUDGET	2018-19 ADOPTED BUDGET	PCT CHANGE
<i>REVENUE</i>					
INVESTMENT EARNINGS	-	-	-	-	N/A
NC HAZARD MITIGATION PROGRAM	185,619	-	185,619	185,619	0%
FEMA HAZARD MITIGATION PROGRAM	742,477		742,477	742,477	0%
DUKE ENERGY	10,000	-	10,000	10,000	0%
TRANSFER	40,000	2,736	-	37,264	N/A
TOTAL REVENUES	978,096	2,736	938,096	975,360	4%
-					
<i>EXPENDITURE</i>					
NC HAZARD MITIGATION PROGRAM	185,619	-	185,619	185,619	0%
FEMA HAZARD MITIGATION PROGRAM	742,477	-	742,477	742,477	
DUKE ENERGY CHARGING STATIONS	10,000	-	10,000	10,000	0%
OTHER	40,000	2,736	-	37,264	N/A
TRANSFERS		-	-		N/A
TOTAL EXPENDITURES	978,096	2,736	938,096	975,360	4%

CAPITAL PROJECTS FUND

The Capital Projects Fund is comprised of the following funds:

- 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.

BUDGET SUMMARY – TOTAL CAPITAL PROJECTS FUND

	2017-18 ADOPTED BUDGET	2018-19 ADOPTED BUDGET	\$ CHANGE	% CHANGE
CAPITAL PROJECTS	\$ 4,000,106	\$17,943,078	\$13,942,972	349%
GO SIDEWALK & GREENWAYS	4,828,568	\$ 4,078,710	\$ (749,858)	-16%
CAPITAL RESERVES	1,903,993	\$ 1,231,894	\$ (672,099)	-35%
PAYMENT IN-LIEU	149,780	\$ 149,780	\$ -	0%
SUBTOTAL	\$10,882,447	\$23,403,462	\$12,521,015	115%

CAPITAL PROJECTS

For FY 2018-19 the total Capital Project Fund budget is \$17.9 million. The largest project is the 203 South Greensboro Street Development at \$15.0 million. This is a joint project with Orange County to erect a building that will house the Orange County Southern Branch Library, provide needed space for Town operations, and possibly others in partnership. Funds are appropriated for capital projects 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; or capital projects may be appropriated in the annual general fund budget.

BUDGET SUMMARY - CAPITAL PROJECTS

	TOTAL APPROP.	PRIOR YEAR ACTUALS	2017-18 ADOPTED BUDGET	2018-19 ADOPTED BUDGET	PCT CHANGE
REVENUE					
INVESTMENT EARNINGS	22,232	25,548	9,555	2,000	-79%
FUND BALANCE APPROP	3,040,376	1,103,014	3,953,051	1,914,675	-52%
OTHER FINANCING SOURCES	8,392,170	2,750,285	-	9,000,000	N/A
RESTRICTED INTERGOVERNMENTAL	805,627	479,119	30,000	326,508	988%
OTHER	8,207,988	270,611	7,500	6,699,895	89232%
TOTAL REVENUES	20,468,393	4,628,577	4,000,106	17,943,078	349%
EXPENDITURES					
BICYCLE LOOP DECTECTORS	57,500	18,525	7,500	38,975	420%
ANDERSON PARK BLEACHERS/FENCE	95,000	95,000	95,000	-	
LED STREET LIGHTS PROJECT	100,000	-	100,000	100,000	0%
MARTIN LUTHER KING PARK	1,697,654	183,049	1,291,146	1,514,605	17%
PD BODY WORN CAMERAS	121,000	66,318	121,000	82,523	-32%
PLANNING PERMITTING SOFTWARE	230,000	101,160	230,000	128,840	-44%
PUBLIC SAFETY RADIO UPGRADES	927,370	912,726	937,370	14,644	-98%
ROGERS ROAD CONDUIT	155,000	-	155,000	155,000	0%
203 S. GREENSBORO ST PROJECT	15,699,895	625,869	-	15,074,026	N/A
STORM WATER MANAGEMENT PROJECTS (STATE MANDATE)	80,000	-	80,000	-	-100%
TOWN COMMONS IMPROVEMENTS	1,304,974	470,509	983,090	834,465	-15%
TRANSFERS	-	-	-	-	N/A
TOTAL EXPENDITURES	20,468,393	2,473,156	4,000,106	17,943,078	349%

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. The Town does not have any other outstanding general obligation bonds.

BUDGET SUMMARY - GO BOND-FUNDED SIDEWALKS AND GREENWAYS

<i>REVENUE</i>	TOTAL APPROP.	PRIOR YEAR ACTUALS	2017-18 ADOPTED BUDGET	2018-19 ADOPTED BUDGET	PCT CHANGE
INTEREST EARNINGS	155,757	127,873	30,279	-	-100%
OTHER FINANCING SOURCES	4,600,000	2,853,228	1,188,477	1,649,643	39%
RESTRICTED INTERGOVERNMENTAL	3,960,245	238,714	2,617,939	2,276,381	-13%
OTHER	152,686	-	991,873	152,686	-85%
TOTAL REVENUE	8,868,688	3,219,815	4,828,568	4,078,710	-16%
 <i>EXPENDITURES</i>					
HOMESTEAD CHAPEL HILL HIGH SCHOOL MUP	1,327,110	440,743	832,662	886,367	6%
JONES CREEK GREENWAY	420,000	-	420,000	420,000	0%
MORGAN CREEK GREENWAY	1,771,346	344,818	1,277,986	1,426,528	12%
PHASE IB SIDEWALK PROJECTS	1,257,900	1,210,782	67,567	47,118	-30%
PROFESSIONAL SVCS	73,000	-	53,563	73,000	36%
ROGERS ROAD SIDEWALK	1,371,568	250,871	1,371,568	1,120,697	-18%
SOUTH GREENSBORO ST SIDEWALK DESIGN PHASE 1	105,000	-	105,000	105,000	0%
TRANSFER TO CAPITAL RESERVE FUND	239,988	239,988	700,222	-	-100%
TOTAL EXPENDITURES	6,565,912	2,487,202	4,828,568	4,078,710	-16%

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 the following.

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.

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.

BUDGET SUMMARY - CAPITAL RESERVE FUND

	TOTAL APPROP.	PRIOR YEAR ACTUALS	2017-18 ADOPTED BUDGET	2018-19 ADOPTED BUDGET	PCT CHANGE
REVENUE					
INVESTMENT EARNINGS	-	13,703	-	-	N/A
OTHER FINANCING SOURCES	-	-	-	-	N/A
TRANSFER FROM GENERAL FUND	1,786,338	2,100,625	1,903,993	1,231,894	-35%
FUND BALANCE APPROPRIATION	-	-	-	-	N/A
TOTAL REVENUES	1,786,338	2,116,125	1,903,993	1,231,894	-35%
EXPENDITURE					
OTHER	1,235,338	544,806	1,903,993	1,231,894	-35%
TRANSFER TO CAPITAL PROJECT FUND		179,454	-	-	
TRANSFER TO GENERAL FUND		1,391,865	-	-	
STREET RE-SURFACING	551,000	-	-	-	N/A
TOTAL EXPENDITURES	1,786,338	2,116,125	1,903,993	1,231,894	-35%

RESERVES AUTHORIZED FOR FOLLOWING:

SMITH LEVEL ROAD SIDEWALKS - LOCAL MATCH	207,000
STREET RE-SURFACING	250,000
TEAL PLACE SIDEWALK INSTALLATION	2,000
UNDESIGNATED	772,894
TOTAL RESERVES	1,231,894

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.

BUDGET SUMMARY – PAYMENT IN LIEU RESERVE

	TOTAL APPROP.	PRIOR YEAR ACTUALS	2017-18 ADOPTED BUDGET	2018-19 ADOPTED BUDGET	PCT CHANGE
REVENUE					
INVESTMENT EARNINGS	293	463	-	-	N/A
OTHER FINANCING SOURCES	-	6,047	-	-	N/A
RESTRICTED INTERGOVERNMENTAL	-	-	-	-	N/A
OTHER	-	-	-	-	N/A
FUND BALANCE APPROPRIATION	142,977	143,270	149,780	149,780	0%
TOTAL REVENUES	143,270	149,780	149,780	149,780	0%

EXPENDITURE					
TRANSFERS	-	-	-	-	N/A
UNEXPENDED RESERVES	143,270	149,780	149,780	149,780	0%
TOTAL EXPENDITURES	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	149,780

This page intentionally left blank

STORMWATER UTILITY

PURPOSE

The Stormwater Utility's mission is to comprehensively address stormwater management. The Utility fulfills this mission by offering professional services to manage the water quality and quantity of stormwater runoff and maximize quality of life/place and resiliency in relation to rainfall and runoff.

GOALS

- To deliver excellent service in a timely and responsive manner, ensuring effective and efficient use of financial, human and physical resources and innovative and engaging support for stormwater initiatives.
- To manage a well-balanced public infrastructure, including planning for and establishing new green infrastructure for currently developed areas that more closely mimics the natural hydrology from less developed landscapes.
- To achieve, and exceed where possible, performance standards established in the Town Code and Land Use Ordinance, and by the State.

SERVICES PROVIDED & ACTIVITIES

- Administer Stormwater Utility Enterprise Fund
- State and Federal Stormwater Regulatory Compliance and Administration
 - 2 NPDES stormwater permits
 - Jordan Lake Rules
 - Bolin Creek TMDL/Watershed Restoration
- Stormwater Review for Development Projects
- Stormwater Control Measure Maintenance and Inspections
- Stream biology and hydrology, Pollution Prevention, and Illicit Discharge Monitoring
- Coordination with Public Works
 - Stormwater Conveyance System Maintenance
 - Street Sweeping
 - Public Works Facility Pollution Prevention
- Staff Support for the Stormwater Advisory Commission

PREVIOUS YEAR ACCOMPLISHMENTS

- Established Stormwater Advisory Commission
- Hired Stormwater Utility Manager
- Drafted stormwater utility rate structure study
- Initiated exploration of Interlocal Agreement with Orange County for billing support.
- Began tracking stormwater related expenses and managing Stormwater Enterprise Fund

UPCOMING FISCAL YEAR OBJECTIVES

- Continue to provide and enhance all established stormwater services
- Hire Stormwater Specialist to support utility implementation, regulatory performance, and meeting demands for services
- Successfully implement new rate structure to provide dedicated revenue

- Improve impervious surface GIS data used to establish rates
- Successfully implement Interlocal Agreement with Orange County to provide stormwater billing services
- Provide first annual Stormwater Report
- Update Stormwater Management Plan
- Establish a Drainage Assistance Program and work with property owners experiencing drainage problems

BOARD PRIORITIES

Diversify revenue stream.

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

OBJECTIVES

1. Plan for future stormwater retrofits and stream repair and green infrastructure projects.
2. Evaluate participation in the North Carolina MS4 Sustainable Stormwater Management Program.

PERFORMANCE MEASURES

	FY 2017-2018 ESTIMATED	FY 2018-2019 PROJECTED
Regulatory reports in compliance	3	3
Meetings with community members/outreach events	15	30
Databases/systems maintained	2	4
Stormwater Control Measures inspections	5-10	50
Illicit discharge outfall inspections	5	25
Retrofits/stream repairs completed	0	0
Stormwater plan reviews	10	12
Stream determinations	7	10
Revenue generated from utility	\$0	\$900,000

DEPARTMENT BUDGET SUMMARY

	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	YTD EXPENSES as of 3/31/18	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PERSONNEL	0	105,383	26,065	94,173	-10.6%
OPERATING	0	203,000	211	614,827	202.9%
CAPITAL	0	0	0	191,000	N/A
TOTAL	0	\$308,383	\$26,276	\$900,000	191.8%

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 AAA with Standard and Poor's and Moody's Aa1. 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.

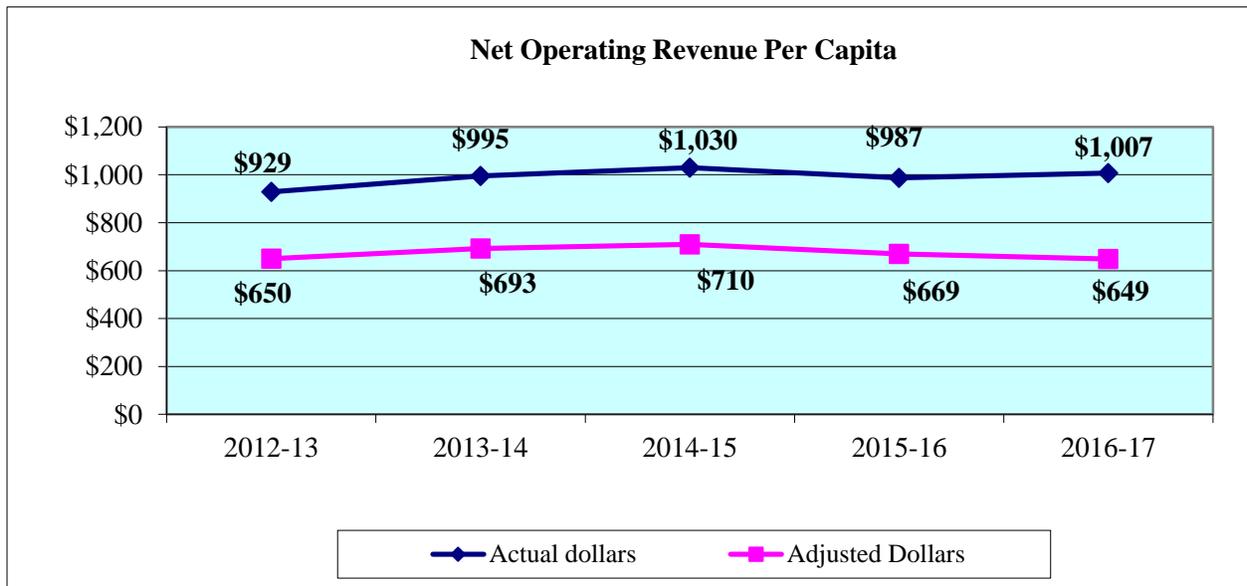
Included with every indicator is a description of the indicator, a table and graphical representation of the trend over the fiscal years for which we have audited budget reports, and an explanation of the implications of that trend for the government and residents of the Town. All the financial figures 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	2012-13	2013-14	2014-15	2015-16	2016-17
Net Operating Revenue (adjusted)	\$13,277,760	\$14,203,573	\$14,439,376	\$14,048,440	\$13,541,892
Population	20,433	20,510	20,337	20,984	20,867
Net Operating Revenue Per Capita (adjusted)	\$650	\$693	\$710	\$669	\$649

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.

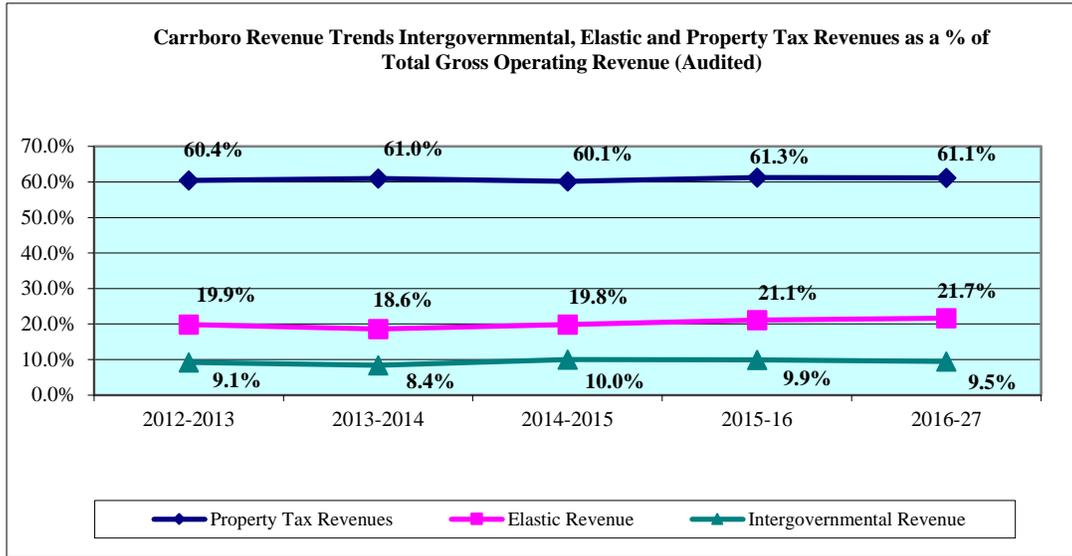
Discussion

In real terms (adjusted for inflation), revenues per capita in Carrboro have remained constant since FY2013. In actual dollars collected (adjusted for inflation), revenue increased by 2.0% percent. Local option sales tax, other taxes and licenses, and investment earnings have increased in the past 5 years. The following chart shows distinct revenue trends as reflected in the Town’s audit reports.

Revenue Source	2017 Revenue Adjusted for Inflation	2013 Revenue Adjusted for Inflation	% Change in Revenue Since 2013	2017 per capita	2013 per capita	% Change Since 2013 (per capita)
Ad valorem taxes	\$ 7,586,127.37	\$ 8,224,966.06	-7.8%	\$ 364	\$ 402	-9.6%
Local option sales taxes	\$ 2,801,090.63	\$ 2,398,487.16	16.8%	\$ 134	\$ 117	14.4%
Other taxes and licenses	\$ 1,032,052.34	\$ 322,618.43	219.9%	\$ 49	\$ 16	213.4%
Intergovernmental revenues	\$ 1,060,790.25	\$ 1,157,288.50	-8.3%	\$ 51	\$ 57	-10.2%
Permits and fees	\$ 758,895.19	\$ 878,825.83	-13.6%	\$ 36	\$ 43	-15.4%
Sales and services	\$ 182,370.12	\$ 182,893.43	-0.3%	\$ 9	\$ 9	-2.3%
Investment earnings	\$ 37,678.87	\$ 18,161.08	107.5%	\$ 2	\$ 1	103.3%
Other	\$ 82,887.07	\$ 94,519.63	-12.3%	\$ 4	\$ 5	-14.1%
Total revenues by source	\$ 13,541,891.84	\$ 13,277,760.13	2.0%	\$ 649	\$ 650	-0.1%

Having a significant impact on the revenue stream is the property tax and sales taxes revenue per capita, representing 56% of the total revenue per capita in 2017. 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. Permits and had the most significant decrease due to the slow housing market.

Major Revenue Sources



Revenues	2012-13	2013-14	2014-15	2015-16	2016-17
Property Tax	\$ 11,754,299	\$ 12,741,993	\$ 12,887,757	\$12,989,241	\$13,143,645
Elastic Revenue	\$ 3,870,059	\$ 3,894,719	\$ 4,251,370	\$4,467,684	\$4,654,349
Intergovernmental Revenue	\$ 1,779,137	\$ 1,757,458	\$ 2,148,129	\$2,103,432	\$2,042,392
Total Revenue	\$ 17,403,495	\$ 18,394,170	\$ 19,287,256	\$19,560,357	\$19,840,386

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.

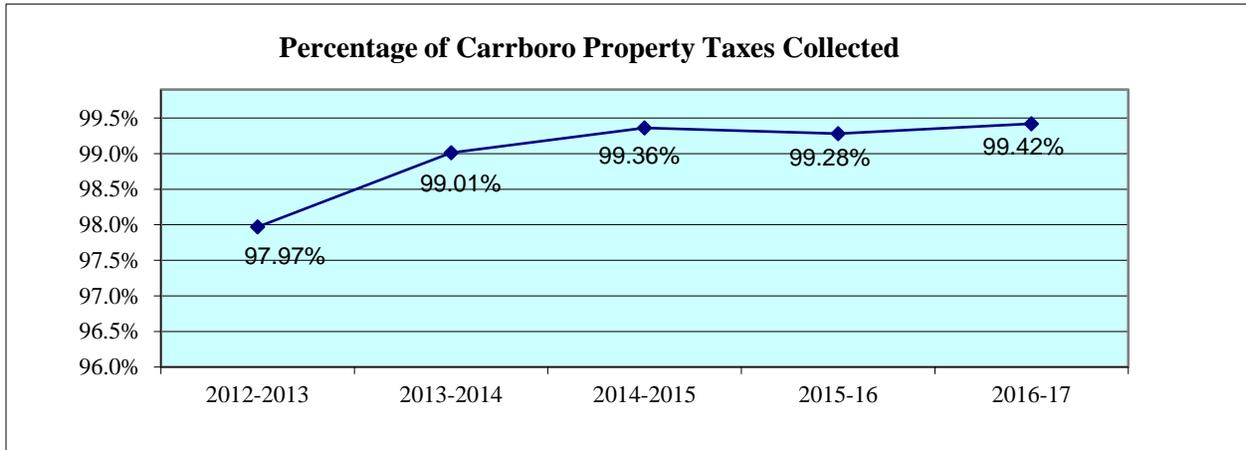
Discussion

As a percentage of total gross operating revenue, all revenues have remained fairly stable. Property tax decreased by .2%, elastic revenues increased by .6%, and intergovernmental revenues decreased slightly by .4%.

Intergovernmental revenue, as a share of the revenue stream in FY16-17 decreased from FY15-16 mainly due to decreases in the telecommunications sales tax and Powell Bill funding.

Elastic revenue had an increase in sales tax, and interest earnings. The greatest decrease was in building, electrical, plumbing permits, development review and engineering fees.

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.

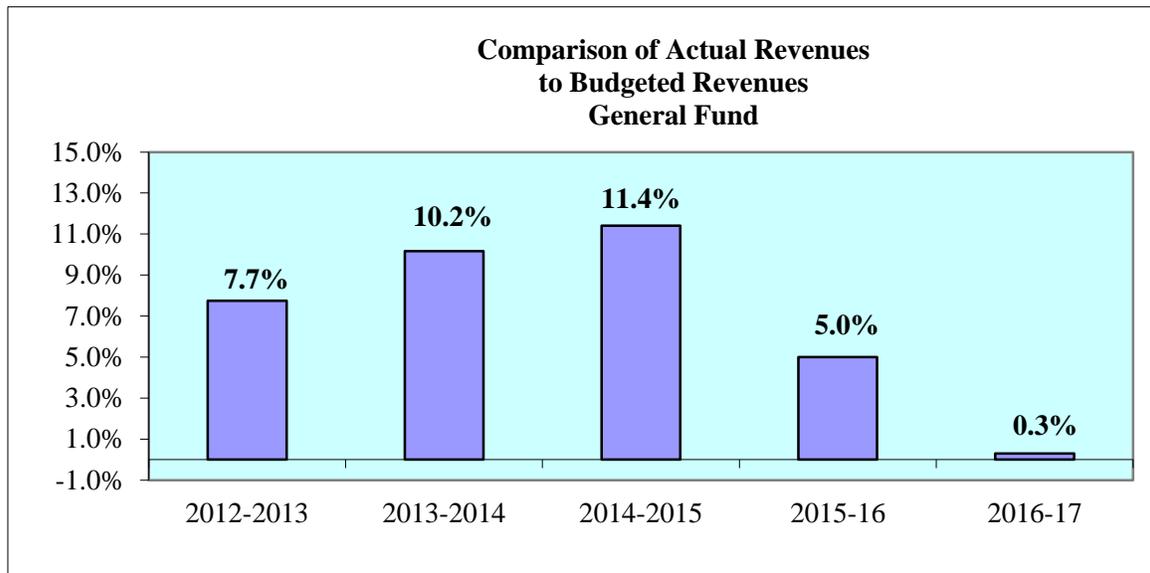
Discussion

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, has a positive collection rate for the Town’s property tax base. Collections increased slightly to 99.42% in FY2016-17.

Tax Collection Rates in Carrboro and Neighboring Cities

	2012-13	2013-14	2014-15	2015-16	2016-17
Carrboro	97.97%	99.01%	99.36%	99.28%	99.42%
Chapel Hill	99.24%	99.36%	99.59%	99.62%	99.60%
City of Durham	98.83%	99.00%	99.57%	99.69%	99.80%
Hillsborough	97.61%	98.00%	98.11%	98.72%	99.18%

Comparison of Actual Revenues to Budgeted Revenues



	2012-13	2013-14	2014-15	2015-16	2016-17
Budgeted Operating Revenue	\$18,055,160	\$18,970,318	\$19,236,874	\$20,189,109	\$21,430,027
Actual Operating Revenue	\$19,453,224	\$20,898,471	\$21,432,760	\$21,200,253	\$21,495,739
Revenue Variance	\$1,398,064	\$1,928,153	\$2,195,886	\$1,011,144	\$65,712
Revenue Variance as % of Budgeted Operating Revenues	7.7%	10.2%	11.4%	5.0%	0.3%

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

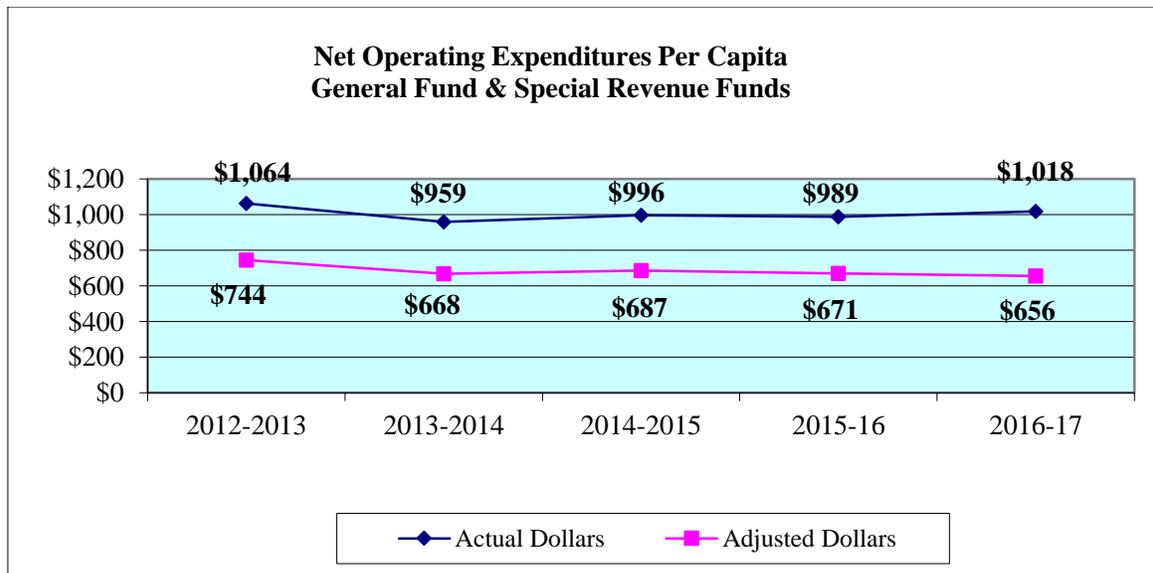
The variances in the graph indicate the Town's conservative approach to estimating revenues. In FY 12-13, the main increases were with property taxes (\$215,662), sales tax (\$140,433), and permits and fees (\$201,779). In FY13-14, the main increases were with local option sales taxes (\$241,307), other taxes and licenses (\$780,830) and restricted intergovernmental revenues (\$134,509). Fiscal year 14-15 had increases in local option sales taxes (\$525,663), other taxes and

licenses (\$829,973) and restricted intergovernmental revenues (\$581,077). Major increases in FY 15-16 include unrestricted intergovernmental revenues (\$576,627), other taxes and licenses (\$501,715) and local option sales taxes (\$279,597). In FY 16-17, the main increases were property taxes (\$154,404), sales tax (\$240,329), and other taxes and licenses (\$220,033).

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



	2012-13	2013-14	2014-15	2015-16	2016-17
Net Operating Expenditures (Adjusted)	\$15,208,859	\$13,694,031	\$13,968,450	\$14,074,303	\$13,692,874
Population	20,433	20,510	20,337	20,984	20,867

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 a decrease in expenditures made by the Town since FY12-13, from \$15,208,859 to \$13,692,874 in FY16-17. When adjusted for the combined impact of inflation and population, per capita spending decreased from \$744 in FY12-13 to \$656 in FY 16-17.

Over the past five years, expenditures per capita have fluctuated. The following highlights variations in fiscal years presented in the graph:

FY 2012-13 – Per capita expenditures increased \$113 due mainly to the transfer of funds to the Capital Projects Fund.

FY 2013-14 – Per capita expenditures decreased \$76 due to reduction in capital expenditures.

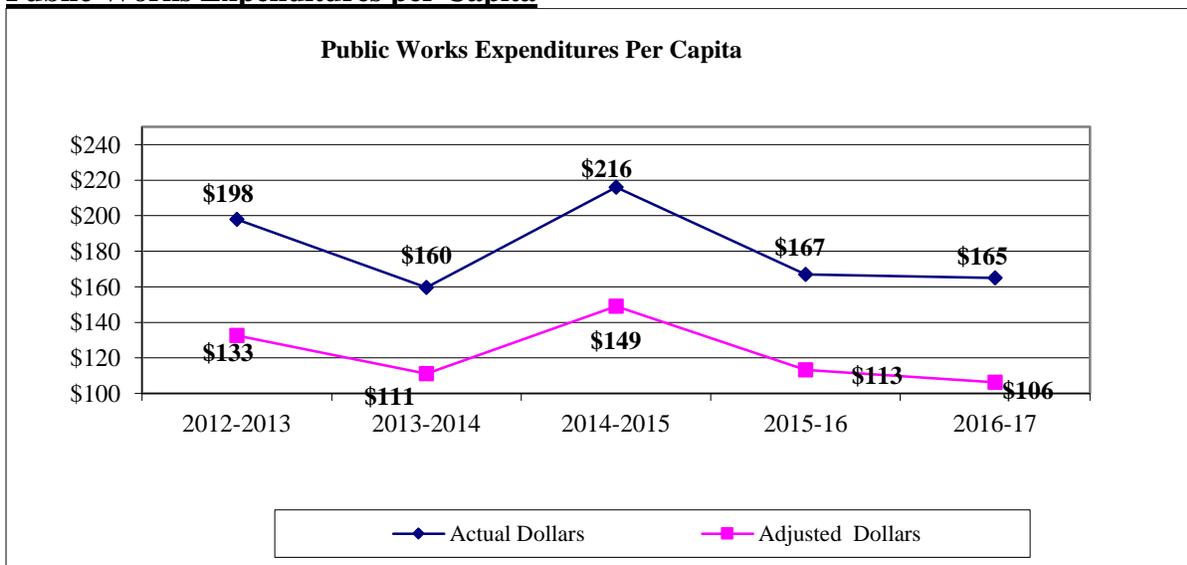
FY 2014-15 – Per capita expenditures changed slightly (\$19) from the previous year.

FY 2015-16 – Per capita expenditures decreased \$16 from the previous year due to reduction in Public Works expenditures.

FY 2016-17 - Per capita expenditures decreased \$15 from the previous year due to change in population.

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.

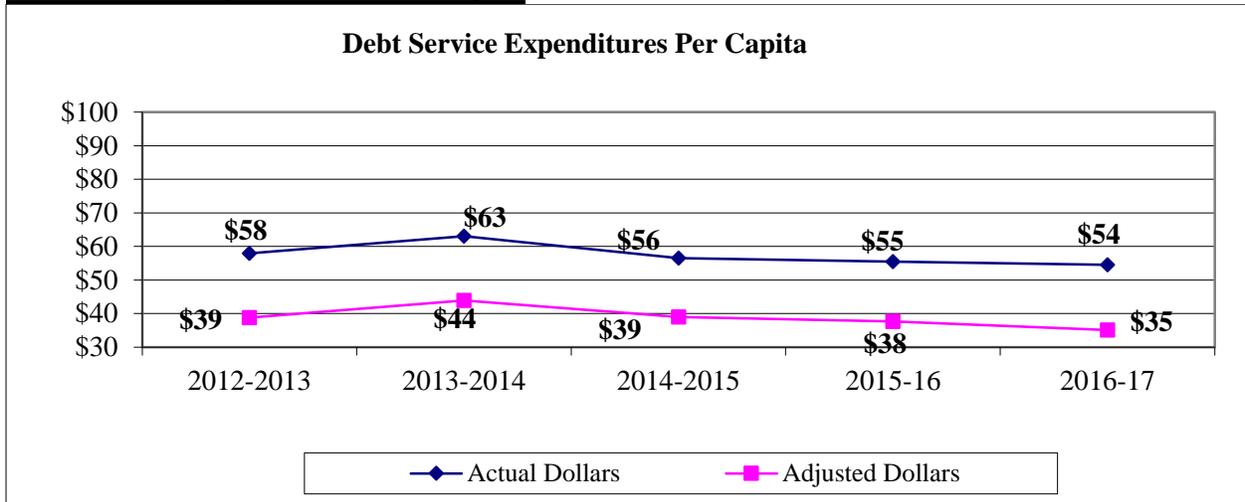
Public Works Expenditures per Capita



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

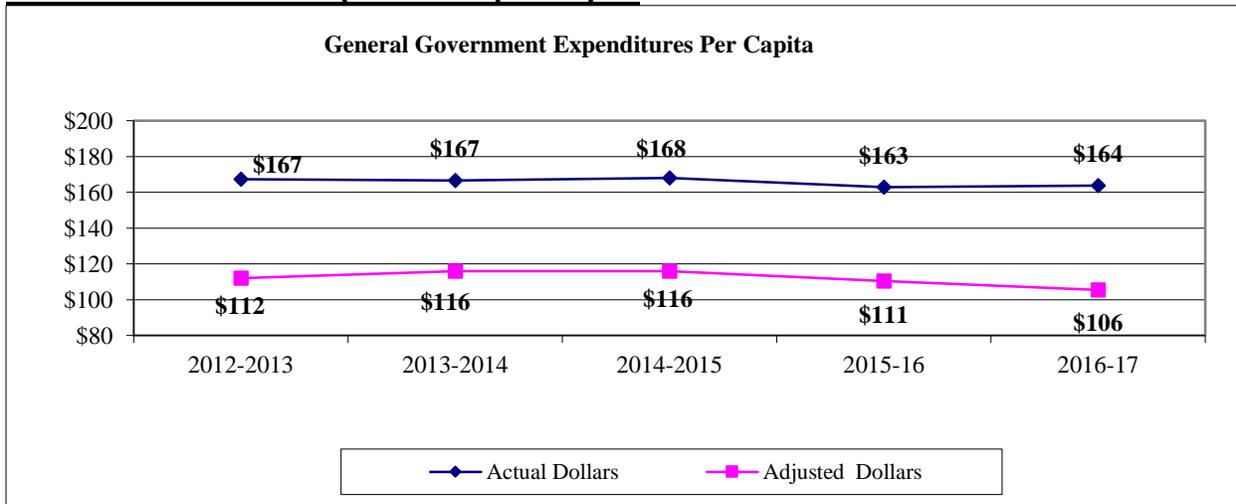
including street maintenance, storm water system repairs, and responding to major natural disasters. The decrease in FY 13-14 is due to the one-time cost of equipment and street resurfacing costs from the previous year. The increase in FY 14-15 is due to the purchase of new Town signs, contract services for the mulch pile relocation and the purchase of an automated leaf truck. The decrease in FY 15-16 is due to the one-time cost of equipment and contract services from the previous year and personnel changes. The decrease in FY 16-17 is due to vacant personnel positions.

Debt Service Expenditures Per Capita



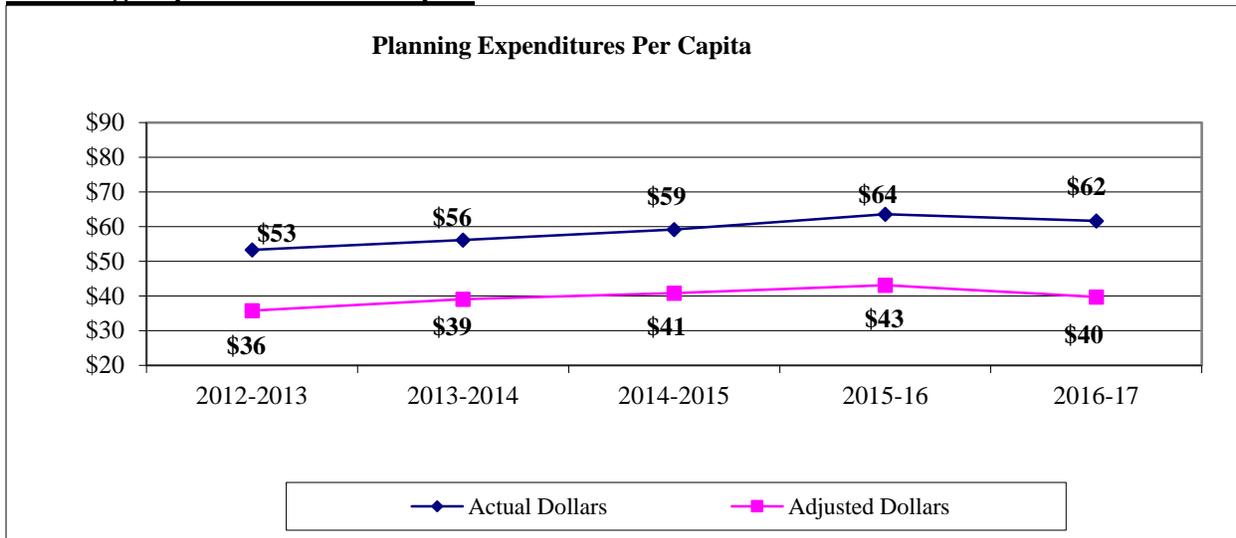
Debt costs include debt paid on general obligation bonds, installment financing for property and town infrastructure as well as equipment and vehicles. The Town has been able to take advantage of retiring debt and low interest rates to borrow for major infrastructure needs and maintain debt service at a relatively constant level. FY13-14 per capita costs increased with the financing of the sidewalk bonds and increase in equipment and vehicle financing. The decrease in costs for FY 14-15 is due to a decrease in equipment and vehicle financing. There was very little change in per capita costs in FY 2015-16 and in FY 2016-17.

General Government Expenditures per Capita



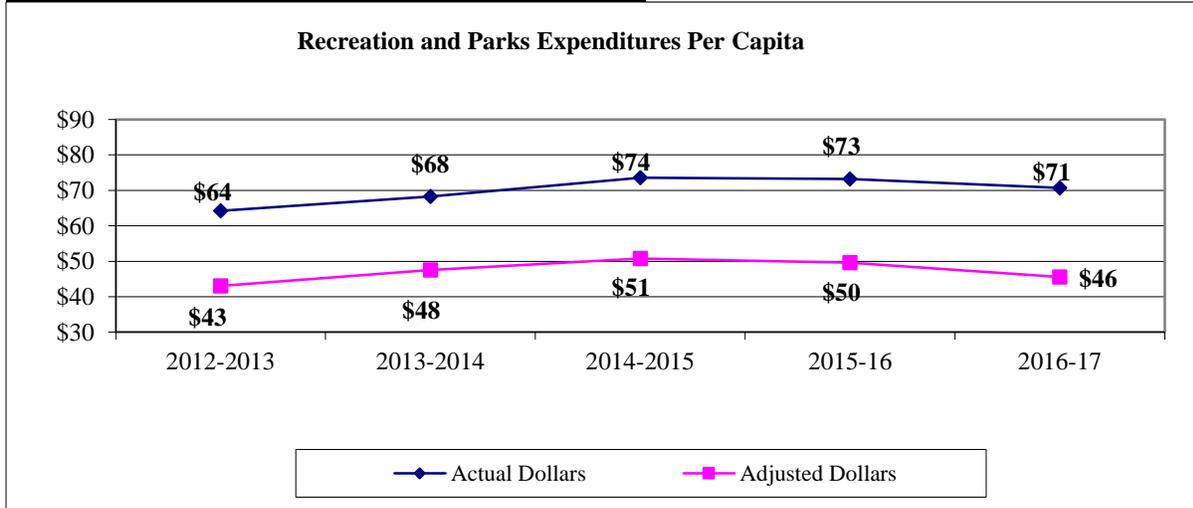
The Town continues to maintain regular replacement of technology infrastructure, support wireless technology, implement mobile laptop technology in police cars, and more recently, dashboard cameras for the Police Department. FY 13-14 and FY 14-15 per capita costs have remained stable. The decrease in FY 15-16 is due to a decrease in property and liability insurance costs and personnel changes. FY 16-17 decrease is due to personnel vacancies.

Planning Expenditures Per Capita



FY 13-14 and FY 14-15 per capita costs increased due to an increase in engineering services. The increase in per capita costs in FY 2015-16 is due to the addition of a part-time GIS technician. The FY 2016-17 decrease is due to a decrease in engineering services.

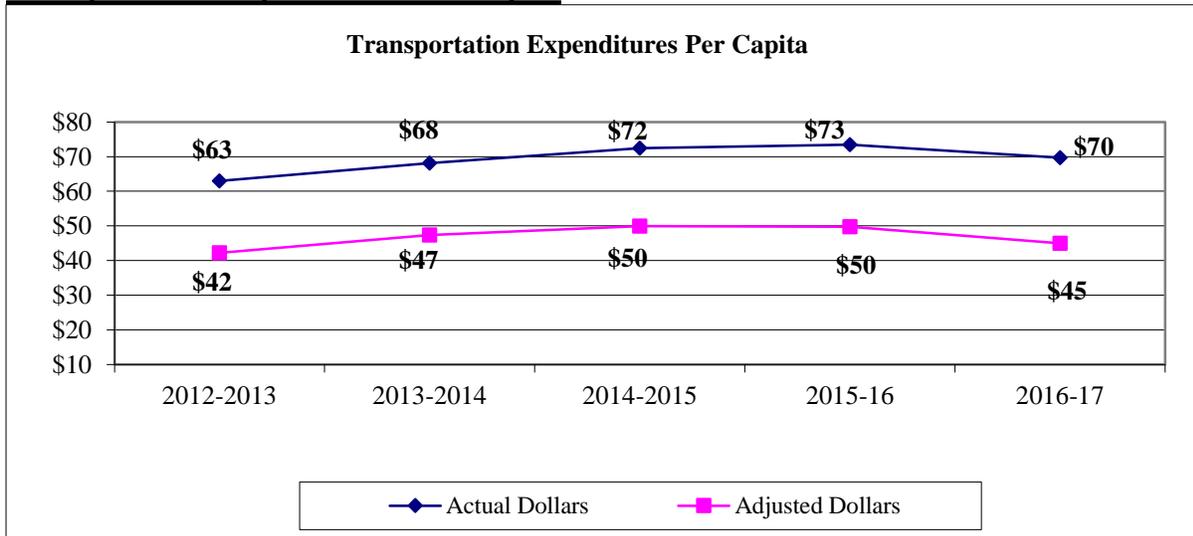
Recreation and Parks Expenditures per Capita



Per capita expenditures adjusted for inflation, have fluctuated over the past 5 years due to the completion of several capital projects and addition of special programs and events.

FY 13-14 per capita expenditures increased with additions of special programs and events. The increase in per capita expenditures in FY 14-15 included the resurfacing of the tennis court and basketball court at Anderson Park and the basketball court renovation and expansion at Baldwin Park. FY 2015-16 per capita costs remained fairly constant. FY 2016-17 per capita decrease is due to the completion of Anderson Park projects.

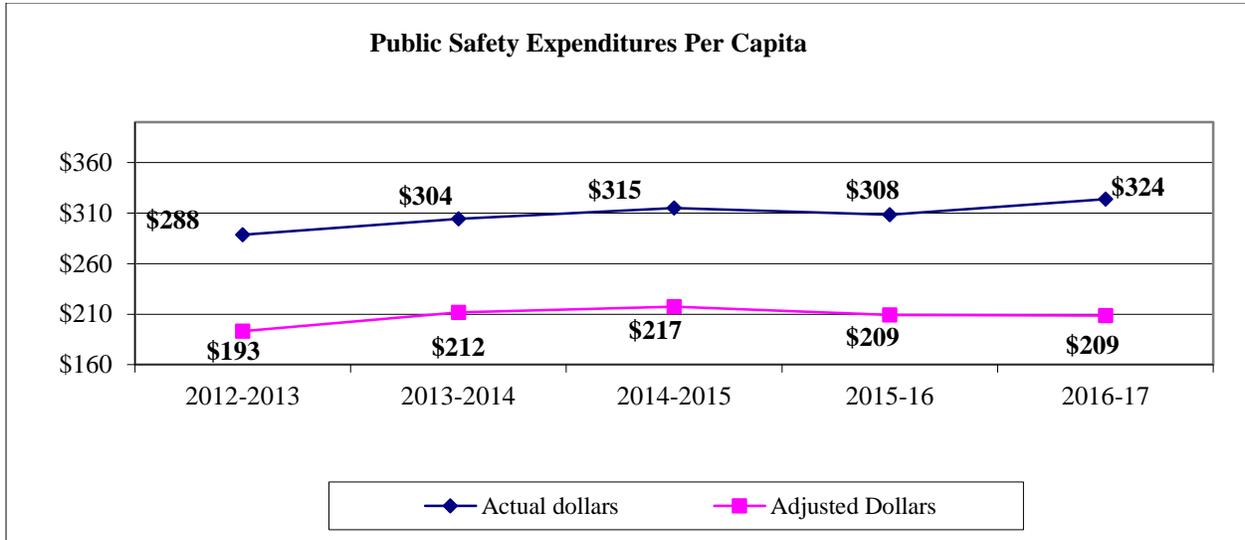
Transportation Expenditures Per Capita



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 continues to increase from FY 2012-13. The transit contract increased in FY 13-14, due to increased fuel and other ongoing operational costs. The contract increased in FY 14-15 due to the necessity for bus

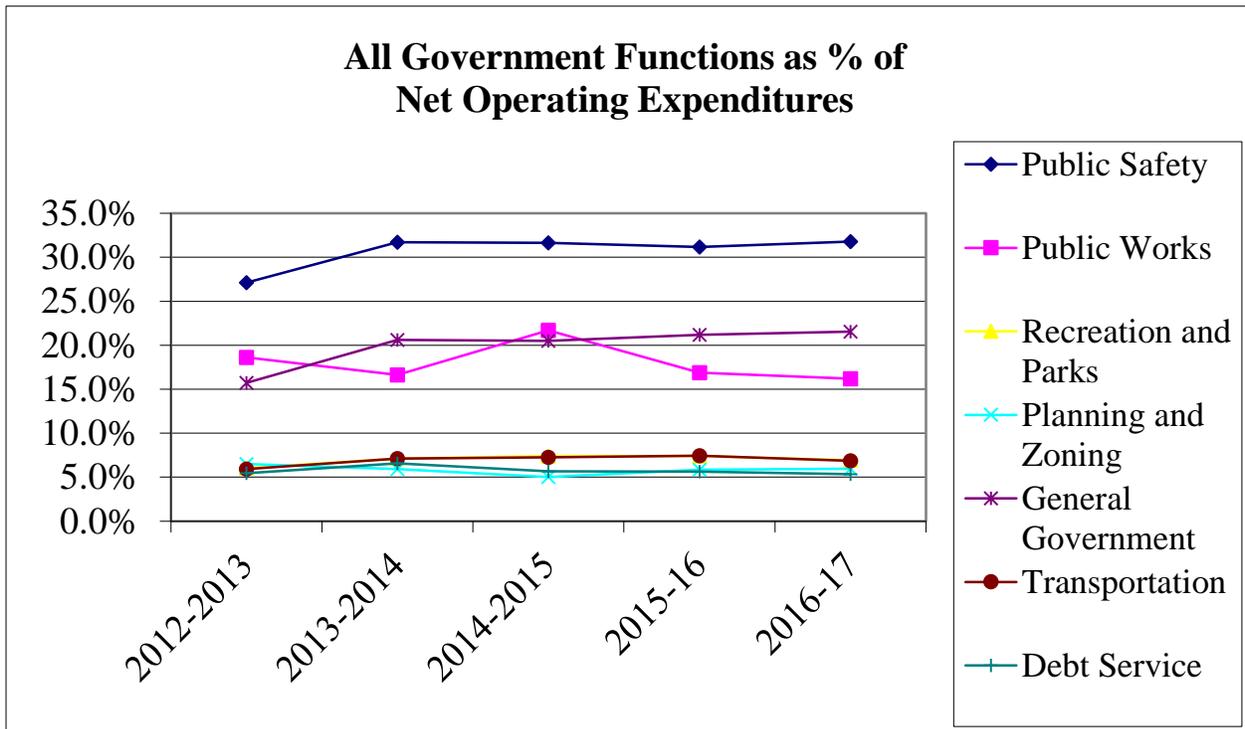
replacements. Costs for FY 2015-16 have remained constant. The decrease in per capita costs in FY 2016-17 is due to revised calculation of the bus replacements. The increases are primarily due to decreased state and federal pass-through funds that supported the transit, which affected the local match. 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



FY 2013-14 costs increased with the upgrade of radios. The increase in per capita expenditures in FY 2014-15 included the purchase of defibrillators for Century Center and Town Hall and increased cost for replacement vehicles. The decrease in FY 2015-16 is due to a decrease in fuel, uniform and training costs. FY 2016-17 per capita costs remain constant.

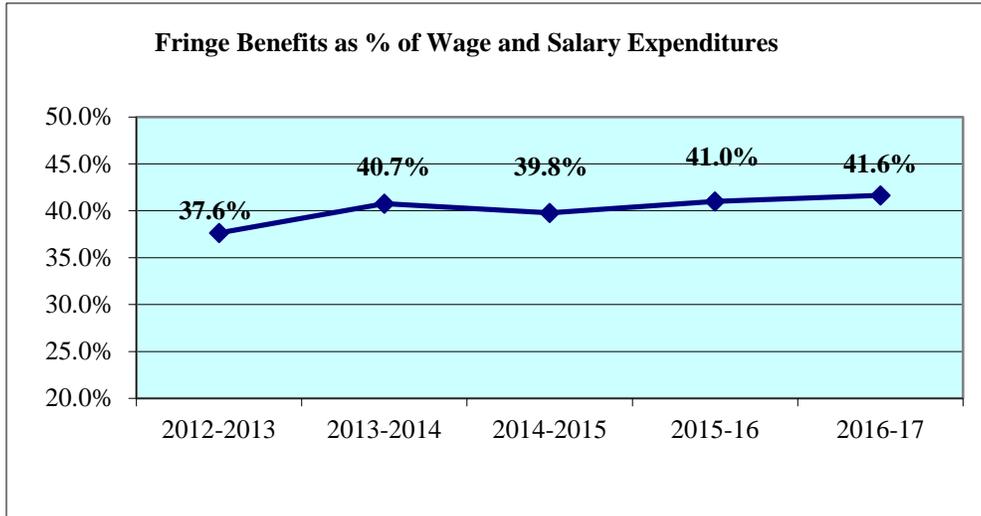
Net Operating Expenditures by Function



The chart above represents the allocation of funding for the various services provided by the Town. Approximately 48 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 22 percent of total spending. The remainder of the programs (debt service, transportation, planning and recreation programs) combined represent approximately 30 percent of the net operating expenses.

Fringe Benefits



	2012-13	2013-14	2014-15	2015-16	2016-17
Expenditures for fringe benefits	\$2,818,270	\$3,201,670	\$3,215,876	\$3,307,824	\$3,379,677
Salaries/Wages (FT,PT,OT, Temp)	\$7,486,057	\$7,858,124	\$8,088,265	\$8,068,980	\$8,115,182
Fringe benefits as % of overall wage and salary expenditures	37.6%	40.7%	39.8%	41.0%	41.6%

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

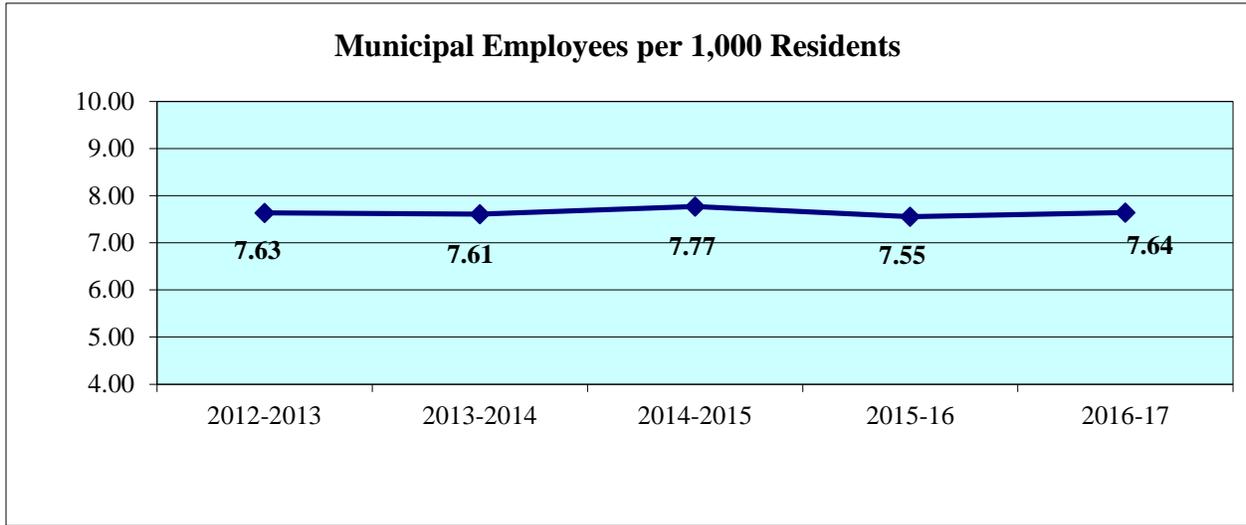
Description

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 risen from FY12-13 to FY 16-17. The increase in fringe benefits is largely due to double-digit increases in 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



	2012-13	2013-14	2014-15	2015-16	2016-17
Population	20,433	20,510	20,337	20,984	20,867
Number of municipal employees approved	156	156	158	158.5	159.5

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. The changes in FY12-13 and FY 13-14 are based on changes in population. The changes in FY 14-15 through FY 16-17 are based on the combination of population and personnel changes.

Work Force Totals Permanent Full-time Equivalent

FY	Mayor & Board	Manager	Economic Development	Clerk	Management Services	Information Technology	Human Resource	Police	Fire	Planning	Public Works	Recreation & Parks	TOTAL
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	41.5	36.5	14	35	12.5	156
2014-15	0	3	1.5	1.5	6.5	3	2	42	37	14	35	12.5	158
2015-16	0	3	1.5	1.5	7	3	2	42	37	13.5	35	13	158.5
2016-17	0	3	1.5	1.5	6	3	3	42	37	13.5	36	13	159.5
2017-18	0	3	1.5	1.5	6	3	3	42	37	14.5	36	13	160.5
2018-19	0	4	1.5	1.5	7	3	2	42	37	14.5	36	13	161.5

Note: All positions are budgeted within the General Fund

Description of Position Changes

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.

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.

FY14-15 – Convert one part-time position in Police Department and one part-time position Fire Department to full-time. Add Assistant to Town Manager position. Move Information Technology from a division within the Manager’s office to a department.

FY15-16 - Two part-time administrative positions (one in Finance; and one in Recreation and Parks) will be converted to full-time. A full-time position in Planning has been converted to a part-time GIS position.

FY16-17 – Program Support Assistant II position transferred from Finance to Human Resources as Human Resources Representative. A Capital Projects Manager position was added to Public Works.

FY17-18 – Capital Projects Manager position added to Public Works in the previous year is being combined with the Engineering Tech position. A new Stormwater Utility Manager position is added to Public Works. Planning Department will add an additional Planner position.

FY18-19 – Added Communications Manager to Town Manager and Accounting Tech/Receptionist to Finance. Deleted Human Resources Representative in Human Resources.

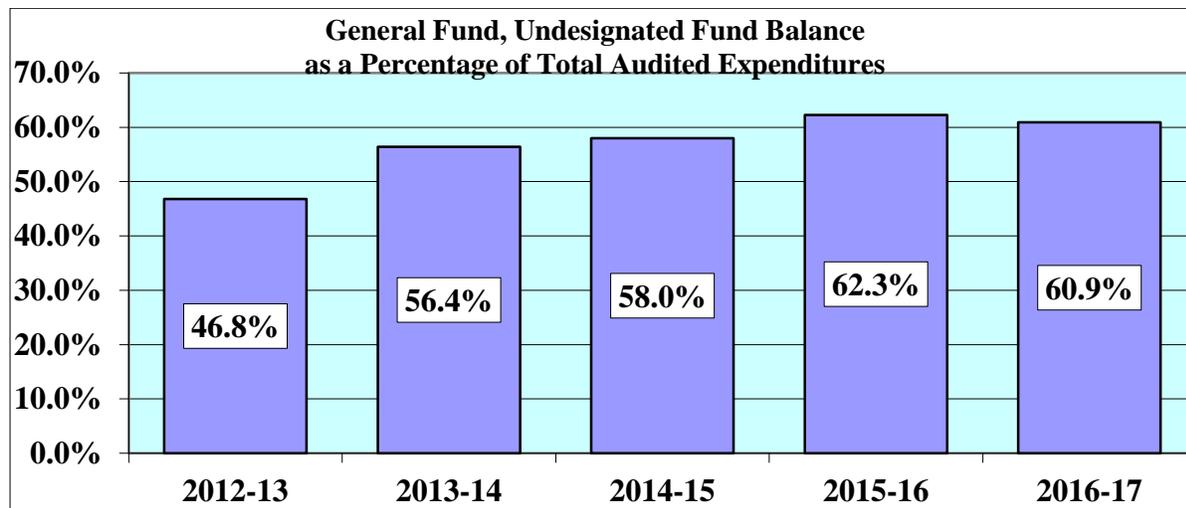
Operating Position Indicators

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, 2016), unreserved fund balance that includes designated and undesignated reserves is at 65.76% in Carrboro. This ratio is higher than the 53.95% average but well below the highest range of 393.52 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

Town of Carrboro, North Carolina Computation of Legal Debt Margin June 30 ,2017	
Total assessed valuation at June 30, 2016	\$2,163,259,569
Debt limit – eight percent (8%) of assessed value	\$ 173,060,766
Amount of debt applicable to debt limit	
Net Bonded Debt	\$ 6,274,461
Legal Debt Margin	\$ 166,786,305

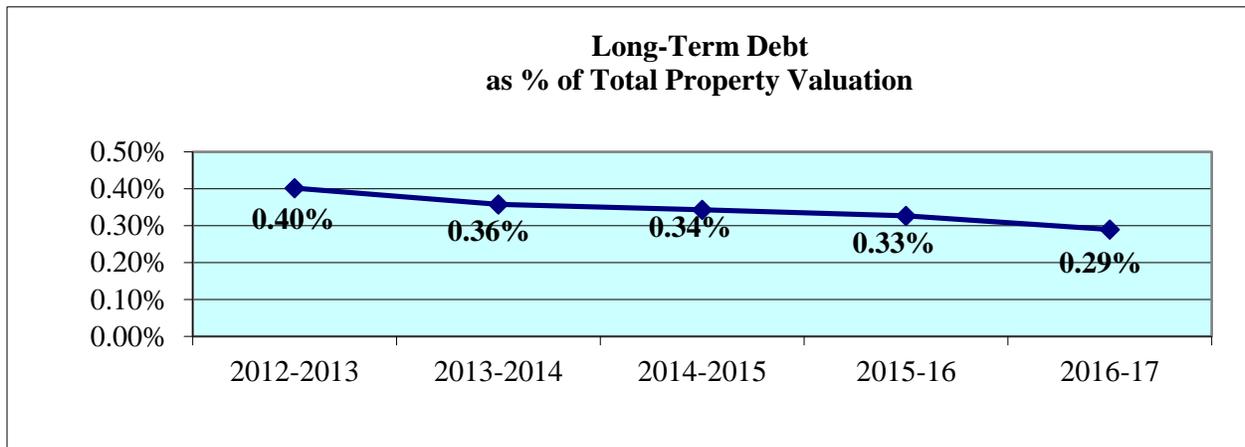
debt is far below the legal limit in the NC General Statutes (GS 159-55) that limits net debt to eight percent (8%) or less of a local government’s total property valuation. Outstanding debt in most governmental units falls well below this limit, and typically ranges from about 1% to 4% for most governments. The legal margin or the maximum amount of outstanding debt allowable by law, based on the June 30, 2017 audited valuation is \$166,786,305.

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

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

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 5.4% of the total expenditures for the year ending June 30, 2017. The Five-Year Plan shows the percentage of debt service expenditures remaining at or below this level.

Long-Term Debt



	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Long-Term Debt	\$8,044,436	\$7,477,109	\$7,248,164	\$6,971,705	\$6,274,461
Property Valuation	\$2,003,172,468	\$2,088,514,087	\$2,113,902,961	\$2,135,604,701	\$2,163,259,569

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

Formula: Long-term Debt/Total Property Valuation.

Description

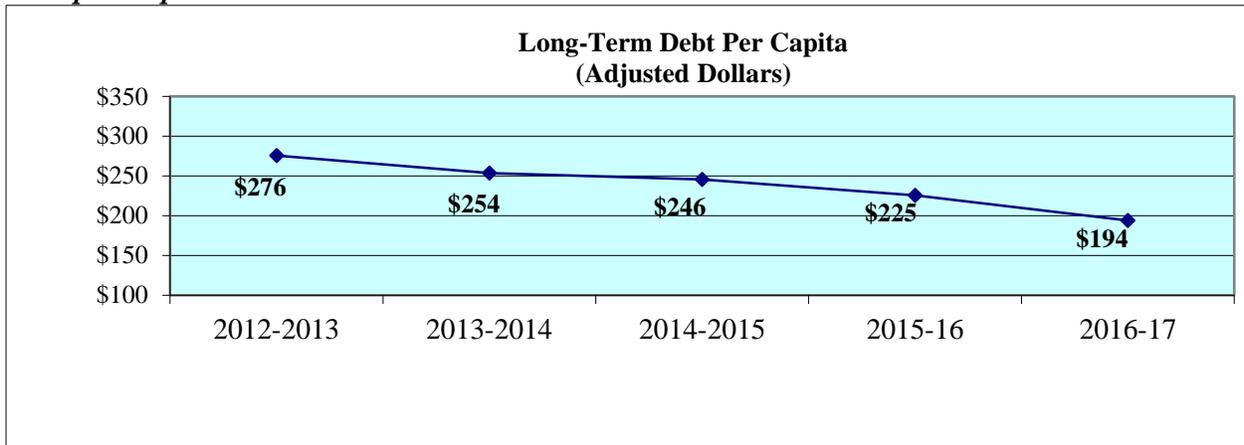
The definition of debt considered by rating agencies is generally limited to bonded debt because of the fact that this debt is backed by the full faith and credit of the town which is represented by the Town’s property valuation. However, given that all debt by the Town is considered a fixed cost and 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 FY16-17 was .299 percent; a high level is considered 1.332 percent. The debt-to-assessed valuation ratio for Carrboro in the last audited year was .237 percent, which is below the average valuation for jurisdictions of similar size. The LGC includes authorized but unissued debt in its debt ratio formula. 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.

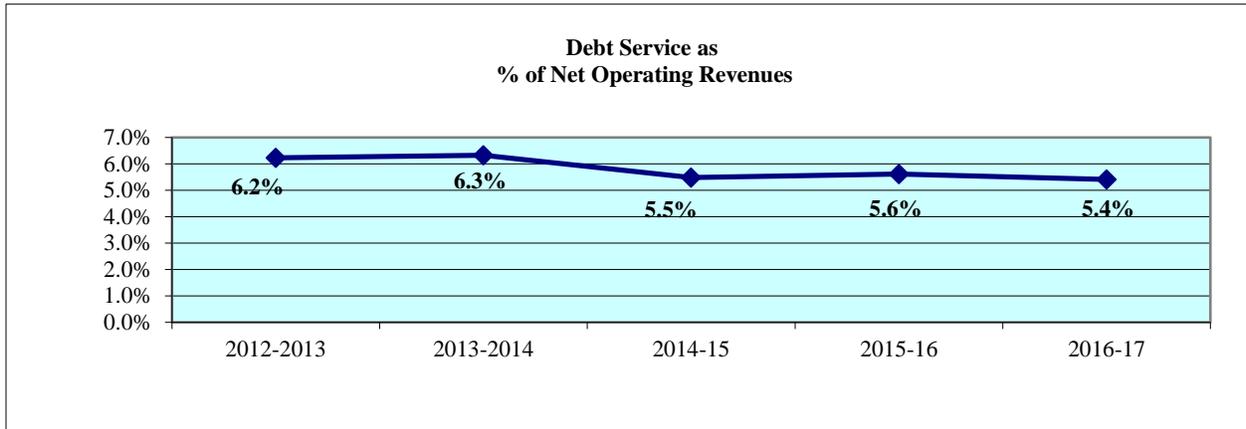
Debt per Capita



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 FY16-17 was \$303 per capita; \$1,534 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 \$254 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. The decreases in FY13-14 through FY16-17 are due to lease-purchase of fewer vehicles and equipment.

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

Debt Service



	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Debt Service	\$1,183,033	\$1,292,484	\$1,148,954	\$1,164,298	\$1,136,832
Net Operating Revenue	\$18,975,247	\$20,410,534	\$20,938,539	\$20,705,996	\$21,008,891

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

Formula: Debt Service/Operating Revenue

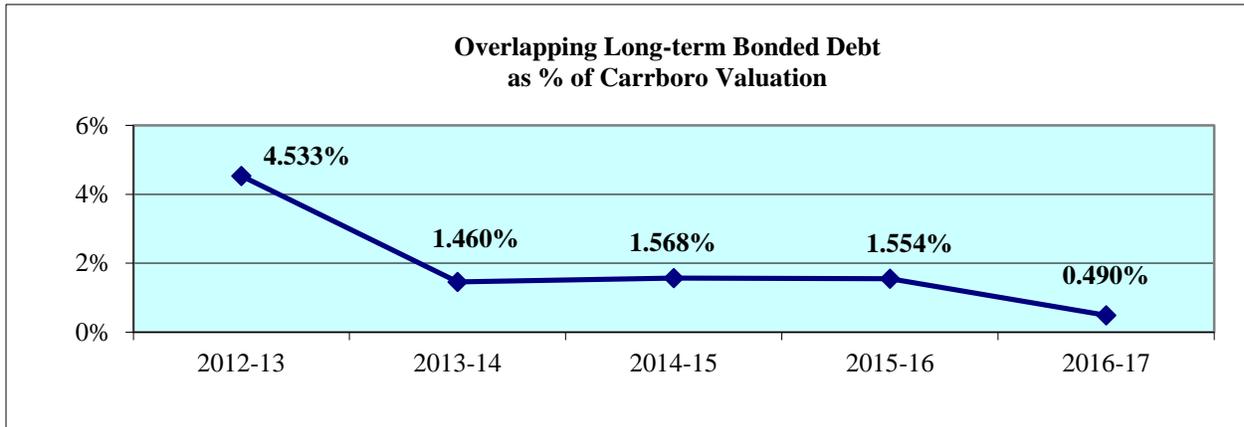
Description

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

The graph shows that debt expenditures are approximately 5.4 percent of net operating revenues in FY16-17. 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 required principal and interest payment beginning in FY 2013-14.

Overlapping Debt



	2012-13	2013-14	2014-15	2015-16	2016-17
Carrboro Debt	\$4,600,000	\$4,350,000	\$4,100,000	\$3,850,000	\$3,600,000
Orange County Debt	\$86,205,000	\$26,132,240	\$29,040,646	\$29,340,697	\$6,994,641

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. From FY12-13 to FY13-14, the overlapping debt rate for Orange County has decreased. Beginning in FY14-15 and continuing through FY15-16, the overlapping debt rate for Orange County has been increasing. Orange County overlapping debt rate for FY 2016 decrease dramatically.

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, 2017 the Town's unassigned fund balance as a percentage of total expenditures was 51%. For the last eight years through FY 2017-18, 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 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, past trends, and the assumptions outlined within this section.

The model is built with the objective of maintaining undesignated fund balance levels at a minimum of twenty-two and one-half percent (22.5%) of budgeted expenditures. The Town Manager's goal is to keep tax rates at the lowest possible level while continuing to provide a high quality 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

Over the last five years total revenue has grown by roughly 2%. The Town has four sources of recurring revenue: Property Taxes, Local Sales Tax, Other Taxes and Licenses, and Intergovernmental. Property and sales tax revenues are 72% of total revenues. Based on the past five-year trend, we expect property taxes to grow at a modest 2%. On the other hand, sales tax revenues have rebounded over the last five years. Sales tax revenues are expected to increase 5-7% in the coming year. Because of the Town's close proximity to Research Triangle Park, UNC-Chapel Hill, and UNC Hospitals, the Town has maintained a steady flow of economic activities.

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 sales tax on electricity, natural piped gas, telecommunications sales tax, and beer and wine sales. The Town occasionally receives grant funding for specific projects or programs. In FY 2015-16 the Town received grant awards totaling \$928,096 from FEMA and NC Hazard Mitigation Program to address storm water management and flooding in the Town. The Police Department has also received a grant from the U.S. Department of Justice to outfit all officers with a Body Worn Camera.

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 on June 30, 2017 was 50% of total expenditures. This reflects a healthy fund balance level above the established policy that may provide options to offset some of the capital costs in future years.

Below is a summary of projected property tax rates and general fund revenues through fiscal year ending June 30, 2023.

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
PROPERTY TAX REVENUES	Adopted Budget	Adopted Budget	Projected			
PROPERTY VALUATION	2,260,808,687	2,265,330,304	2,310,636,910	2,356,849,648	2,403,986,641	2,452,066,374
TAX COLLECTION RATE	99.00%	98.00%	98.00%	98.00%	98.00%	98.00%
COLLECTIBLE TAX BASE	2,238,200,600	2,220,023,698	2,264,424,172	2,309,712,655	2,355,906,908	2,403,025,047
TAX BASE PER \$100 LEVY	22,382,006	22,200,237	22,644,242	23,097,127	23,559,069	24,030,250
AD VALOREM REVENUE	13,191,954	13,084,820	13,346,516	13,613,446	13,885,715	14,163,430
TAX LEVY PER PENNY	224,453	222,002	226,442	230,971	235,591	240,303
TAX RATE	0.5894	0.5894	0.5894	0.5894	0.5894	0.5894
CURRENT LEVY - AD VALOREM	12,635,150	13,084,820	13,346,516	13,613,446	13,885,715	14,163,430
PRIOR YEAR	70,252	0	0	0	0	0
PENALTY/INTEREST	24,240	28,086	24,967	25,716	26,488	27,282
TOTAL AD VALOREM REVENUES	12,729,642	13,112,906	13,371,483	13,639,163	13,912,203	14,190,712

Note: The above property tax rate does not include the ½ cents tax rate devoted to Affordable Housing Fund. Property tax valuation assumes growth of 2% per year.

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
GENERAL FUND REVENUES	Adopted Budget	Adopted Budget	Projected			
AD VALOREM TAXES	\$ 12,729,642	\$ 11,945,655	\$ 12,184,568	\$ 12,428,259	\$ 12,676,824	\$ 12,930,361
LOCAL SALES TAX	4,018,500	\$ 4,475,980	\$ 4,610,260	\$ 4,748,568	\$ 4,891,025	\$ 5,037,755
OTHER TAXES/LICENSES	1,846,809	\$ 1,604,757	\$ 1,636,852	1,669,589	1,702,981	1,737,040
UNRESTRICTED INTERGOVERNMENTAL	1,219,773	\$ 1,422,090	1,436,311	1,450,674	1,465,181	1,479,833
RESTRICTED INTERGOVERNMENTAL	634,244	\$ 633,991	640,331	646,734	653,201	659,733
FEES AND PERMITS	1,178,867	\$ 1,193,085	1,216,946	1,241,285	1,266,111	1,291,433
SALES AND SERVICES	170,870	\$ 285,521	291,231	297,056	302,997	309,057
INTEREST EARNINGS	27,089	\$ 51,812	52,330	52,853	53,382	53,916
OTHER REVENUES	143,615	\$ 161,441	164,670	167,963	171,323	174,749
LEASE PURCHASE PROCEEDS	301,872	0	500,000	500,000	500,000	500,000
OTHER TRANSFERS	0	0	0	0	0	0
FUND BAL APPROP	598,404	1,088,391	1,611,347	1,693,024	1,902,081	2,379,111
GENERAL FUND TOTAL REVENUES	\$ 22,869,685	\$ 22,862,722	\$ 24,344,846	\$24,896,006	\$ 25,585,107	\$ 26,552,989

Assumptions used in revenue projections are as follows:

Ad Valorem Tax Base	2% per year thereafter
Local Sales Tax	3% per year
Other Taxes and Licenses	2% per year
Unrestricted Intergovernmental	1% per year
Restricted Intergovernmental	1% per year
Fees and Permits	2% per year
Sales and Services	2% per year
Interest Earnings/Other Revenue	1% per year
Lease Purchase Proceeds	Level amount each year
Fund Balance Appropriation	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 2017-18 the Town has 160.5 full-time equivalent positions with no additional positions projected in future years. The assumptions within the plan assume an average 2% increase in salaries and a 10% increase in fringe benefits.

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.

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
GENERAL FUND OPERATING	Adopted Budget	Adopted Budget	Projected			
SALARY/WAGES	\$ 8,979,715	\$ 9,729,183	\$ 9,923,767	\$ 10,122,242	\$ 10,324,687	\$10,531,181
FRINGE BENEFITS	3,614,555	3,820,098	4,202,108	4,622,319	5,084,550	5,593,005
TOTAL PERSONNEL	\$12,594,270	\$ 13,549,281	\$ 14,125,874	\$ 14,744,561	\$ 15,409,237	\$16,124,186
OPERATING COSTS						
GEN OPERATING COSTS	\$ 4,305,289	\$ 4,297,789	\$ 4,426,723	\$ 4,559,524	\$ 4,696,310	\$ 4,837,199
AFFORDABLE HOUSING	585,562	337,500	340,875	344,284	347,727	351,204
GOV'NANCE SUPPORT	442,189	643,067	655,928	669,047	682,428	696,076
LANDFILL FEES	311,000	311,000	320,330	329,940	339,838	350,033
TRANSPORTATION COSTS	1,834,856	1,811,000	1,901,550	1,996,628	2,096,459	2,201,282
HUMAN SERVICES	300,000	300,000	300,000	300,000	300,000	300,000
TRANSFERS TO OTHER FUNDS, MISC.	300,000	250,000	250,000	250,000	250,000	250,000
TOTAL OPERATING COSTS	\$ 8,078,896	\$ 7,950,356	\$ 8,195,406	\$ 8,449,422	\$ 8,712,761	\$ 8,985,795

The expenditure assumptions are:

Salary and Wages	<i>2% per year and maintain current 158 FTEs</i>
Fringe Benefits	<i>10% increase per year</i>
General Operating Costs	<i>3% per year beginning FY 12-13</i>
Affordable Housing	<i>1% per year</i>
Governance Support	<i>2% per year plus Greene Tract payment of \$29,524</i>
Landfill Fees	<i>3% per year</i>
Transportation Costs	<i>5% per year following recommended budget</i>
Human Services	<i>0% per year</i>
Transfers To Other Funds	<i>Level funding Capital Reserve for street re-surfacing</i>

Capital Investments

The Board adopts a 5-year Capital Improvements Plan (CIP) annually. The table below is a summary of capital projects, current and new requests with estimated cash needs per year.

**Summary of Capital Improvements Plan
FY 2018-19 through FY 2022-23**

	FUNDING	PROJECT REQUESTS					TOTAL	TOTAL
PROJECT COSTS	TO DATE	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	REQUEST	COST
CURRENT PROJECTS	23,879,782	300,000	300,000	300,000	300,000	300,000	1,500,000	25,379,782
VEHICLES / EQUIPMENT	-	357,014	577,635	363,383	535,077	746,252	2,579,361	2,579,361
TECHNOLOGY PROJECTS	1,461,201	-	-	-	-	-	-	1,461,201
NEW PROJECTS	105,000	218,413	687,651	1,664,844	232,907	-	2,803,815	2,908,815
TOTAL PROJECT COSTS	25,445,983	875,427	1,565,286	2,328,227	1,067,984	1,046,252	6,883,176	32,329,159
PROJECT REVENUES								
Capital Reserves	5,151,921	300,000	410,000	300,000	300,000	300,000	1,610,000	6,761,921
Capital Reserves - Matching Funds	105,000	-	-	-	-	-	-	105,000
General Fund Operating Funds	602,395	110,497	71,347	-	-	-	181,844	784,239
GO Bonds	1,282,635	-	-	-	-	-	-	1,282,635
Installment Financing	9,000,000	357,014	577,635	363,383	535,077	746,252	2,579,361	11,579,361
Intergovernmental	9,228,015	107,916	201,547	1,030,680	174,507	-	1,514,650	10,742,665
Miscellaneous (e.g., PIL)	76,017	-	304,757	634,164	58,400	-	997,321	1,073,338
TOTAL REVENUES	25,445,983	875,427	1,565,286	2,328,227	1,067,984	1,046,252	6,883,176	32,329,159

The Capital Improvements Plan (CIP) for FY 2018-19 through FY 2022-23 concentrates primarily on the completion of current projects rather than the initiation of new projects. The Town has 15 capital projects underway totaling \$25.4 million. The largest project is the 203 S. Greensboro Street project at \$15.6 million, a joint endeavor between the Town and Orange County, to develop a facility to house the Orange County Southern Branch Library, administrative offices for the Town, and other possible uses. The County is expected to contribute \$6.0 million and the Town anticipates debt financing of \$9.0 million. Over the next five years, the Town will need funds to undertake the following projects;

- Street Re-surfacing: \$1.5 million;
- Vehicles and Equipment: \$2.5 million; and,
- Infrastructure Projects (e.g., sidewalks, bike ways, etc.): \$2.8 million.

The Facilities Assessment and Space Needs Study in 2016 identified a need to renovate several Town building. However, these projects will required further definition to allow for better evaluation of funding options as well as impact analysis on the General Fund.

Past CIPs anticipated increased pressure on the tax rate when the Town issued the \$4.6 million general obligation bonds for construction of sidewalks and greenways in 2016. However, after evaluating its debt portfolio, the Town elected to pay off some old debt before maturity that had interest rates higher than the current market. This allowed the Town to maintain a level rate of debt service. The only major debt over the next three to five years is expected to be financing for the 203 S. Greensboro Project.

The Town historically has not carried a significant amount of debt. Below is a summary of the Town's current and future debt service projected through FY 2022-23.

CURRENT DEBT SERVICE	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
SIDEWALK AND GREENWAYS GO BONDS	\$ 332,500	\$ 327,500	\$ 322,500	\$ 317,500	\$ 312,500	\$ 307,500
FIRE SUBSTATION	280,600	271,781	262,963	254,145	245,326	236,508
VEHICLE AND EQUIPMENT	452,233	349,947	202,712	74,998	-	-
CURRENT DEBT SERVICE	\$ 1,065,332	\$ 949,229	\$ 788,175	\$ 646,643	\$ 557,826	\$ 544,008
FUTURE LONG-TERM DEBT SERVICE						
203 S GREENSBORO DEVELOPMENT		\$ 360,000	\$ 709,875	\$ 696,375	\$ 682,875	\$ 669,375
FUTURE LONG-TERM DEBT SERVICE	\$ -	\$ 360,000	\$ 709,875	\$ 696,375	\$ 682,875	\$ 669,375
FUTURE VEHICLE & EQUIPMENT DEBT		\$ 123,135	\$ 223,690	\$ 284,767	\$ 370,348	\$ 422,360
TOTAL CURRENT & FUTURE DEBT	\$ 1,065,332	\$ 1,432,364	\$ 1,721,740	\$ 1,627,785	\$ 1,611,049	\$ 1,635,743

This page intentionally left blank

LINE-ITEM BUDGET DETAIL...

Mayor and Board of Aldermen

DESCRIPTION	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
PART TIME SALARIES	\$69,696	\$75,389	\$75,389	0.0%
TEMP. SALARY	2,160	5,000	5,000	0.0%
FICA	5,275	6,149	5,767	-6.2%
INSURANCE	27,054	29,766	30,185	1.4%
RETIREMENT	0	0	0	N/A
TRAINING	685	2,000	3,500	75.0%
LEGAL SERVICES	261,555	200,000	200,000	0.0%
CONFERENCES	3,881	3,500	3,500	0.0%
POSTAGE	129	300	300	0.0%
TRAVEL	3,244	5,000	7,000	40.0%
PRINTING	235	500	500	0.0%
OFFICE SUPPLIES	376	300	300	0.0%
DEPARTMENTAL SUPPLIES	1,988	2,000	2,000	0.0%
CONTRACTUAL SERVICES	4,348	10,500	10,500	0.0%
ELECTIONS	0	15,000	0	-100.0%
DUES AND SUBSCRIPTION	2,489	3,000	3,000	0.0%
CONTINGENCY	0	10,000	10,000	0.0%
TOTAL	383,115	368,404	356,941	-3.1%

Advisory Boards

DESCRIPTION	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
APPEARANCE COMMITTEE	5	\$200	\$200	0.0%
PLANNING BOARD	179	500	500	0.0%
BOARD OF ADJUSTMENT	46	500	500	0.0%
PARKS & RECREATION COMMITTEE	42	2,400	2,400	0.0%
TRANSPORTATION BOARD	380	500	500	0.0%
HUMAN SERVICES COMMISSION	239	300	300	0.0%
NORTHERN AREA TRANSITION BOARD	0	200	200	0.0%
RECOGNITION BANQUET	2,558	3,500	3,500	0.0%
ECONOMIC SUSTAINABILITY COMMISSION	0	500	500	0.0%
GREENWAY COMMISSION	0	500	500	0.0%
SAFE ROUTES TO SCHOOL	110	250	250	0.0%
ART COMMITTEE	4,200	7,000	7,000	0.0%
ENVIORNMENTAL ADVISORY BOARD	125	500	500	0.0%
YOUTH ADVISORY BOARD	0	500	500	0.0%
TOTAL	7,884	17,350	17,350	0.0%

Governance Support

DESCRIPTION	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
TRIANGLE J COUNCIL	\$8,008	\$9,000	\$9,000	0.0%
NC LEAGUE OF MUNICIPALITIES	18,139	18,000	18,000	0.0%
INSTITUTE OF GOVERNMENT	2,464	2,450	2,450	0.0%
ART CENTER	15,000	20,000	20,000	0.0%
HUMAN SERVICES GRANTS	203,821	300,000	270,000	-10.0%
EMPOWERMENT, INC	5,000	0	0	N/A
COMMUNITY DINNER	500	500	1,000	100.0%
ORANGE COUNTY HOUSING	0	74,597	0	-100.0%
LIBRARY PROJECT	0	4,000	4,000	0.0%
THE PEOPLES CHANNEL	34,676	32,000	32,000	0.0%
METROPOLITAN COALITION	7,929	8,009	8,009	0.0%
COMMUNITY OUTREACH	36,970	36,970	42,970	15.1%
HOME CONSORTIUM MATCH	0	10,970	0	-100.0%
ALLIANCE FOR INNOVATION	1,860	2,000	2,000	0.0%
PARTNERSHIP TO END HOMELESS	0	16,575	0	-100.0%
CARRBORO TOURISM AND DEVELOPMENT AUTHORITY	183,658	152,000	152,000	0.0%
UNC GOOD NEIGHBOR PROGRAM	0	500	335	-33.0%
ROGERS ROAD INTERLOCAL	0	52,553	52,553	0.0%
FOOD COUNCIL	0	3,000	8,750	191.7%
SOCIAL EQUITY & INCLUSION INITIATIVE	0	0	20,000	N/A
TOTAL	518,025	743,124	643,067	-13.5%

Town Manager

DESCRIPTION	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
SALARIES	\$254,096	\$252,877	\$320,509	26.7%
SERVICE BENEFIT	868	868	868	0.0%
TEMP. SALARY	6,011	7,000	7,000	0.0%
FICA	17,402	16,666	21,814	30.9%
INSURANCE	37,249	34,372	50,434	46.7%
RETIREMENT	19,137	19,077	25,032	31.2%
SUPPLMENTAL RETIREMENT	7,831	7,550	9,615	27.4%
CAR ALLOWANCE	5,820	6,000	6,000	0.0%
TRAINING	2,056	2,090	3,510	67.9%
CONFERENCES	1,346	4,149	5,681	36.9%
POSTAGE	13	100	100	0.0%
TELEPHONE	0	0	1,000	N/A
TRAVEL	2,698	3,000	5,100	70.0%
PRINTING	0	100	100	0.0%
ADVERTISING	0	0	4,000	N/A
OFFICE SUPPLIES	555	500	500	0.0%
DEPARTMENTAL SUPPLIES	1,527	1,200	1,200	0.0%
FURNITURE & EQUIPMENT NON-CAP	990	0	4,000	N/A
CONTRACTUAL SERVICES	39,720	10,000	15,000	50.0%
DUES AND SUBSCRIPTION	2,763	2,850	2,850	0.0%
MISCELLANEOUS	6,575	25,000	20,000	-20.0%
EQUIPMENT	0	0	7,345	N/A
TOTAL	406,658	393,399	511,658	30.1%

Economic and Community Development

DESCRIPTION	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
SALARIES	\$85,964	\$84,969	\$87,518	3.0%
SERVICE BENEFIT	248	248	248	0.0%
PART TIME SALARIES	19,012	18,968	17,928	-5.5%
FICA	8,106	7,985	8,266	3.5%
INSURANCE	8,235	8,642	8,888	2.8%
RETIREMENT	7,728	7,760	8,235	6.1%
SUPPLMENTAL RETIREMENT	2,590	2,549	2,626	3.0%
CONFERENCES	2,188	2,800	2,400	-14.3%
POSTAGE	332	600	600	0.0%
TRAVEL	68	200	200	0.0%
PRINTING	150	600	600	0.0%
ADVERTISING	2,529	3,000	3,000	0.0%
OFFICE SUPPLIES	552	600	600	0.0%
DEPARTMENTAL SUPPLIES	973	1,000	1,000	0.0%
CONTRACTUAL SERVICES	44,655	47,785	40,582	-15.1%
HOLIDAY EVENT	1,400	1,500	1,500	0.0%
CD & MEMORABILIA SHOW	1,270	2,800	2,800	0.0%
LOCAL LIVING ECONOMY INITIATIVE	290	6,000	6,000	0.0%
ENTREPRENEURIAL INITIATIVE	0	4,000	4,000	0.0%
ECONOMIC DEVELOPMENT INCENTIVE	5,305	5,464	5,628	3.0%
300 E MAIN PARKING	45,000	45,000	45,000	0.0%
DUES AND SUBSCRIPTION	1,000	1,000	1,000	0.0%
TOTAL	239,186	253,470	248,619	-1.9%

Town Clerk

DESCRIPTION	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
SALARIES	\$63,983	\$63,703	\$65,599	3.0%
SERVICE BENEFIT	248	248	248	0.0%
PART TIME SALARIES	27,542	27,282	28,229	3.5%
FICA	6,842	6,989	7,209	3.1%
INSURANCE	8,233	8,451	14,137	67.3%
RETIREMENT	6,742	6,733	7,159	6.3%
SUPPLMENTAL RETIREMENT	1,930	2,665	1,950	-26.8%
TRAINING	1,035	1,200	1,200	0.0%
CONFERENCES	1,209	1,300	1,300	0.0%
POSTAGE	193	250	250	0.0%
TRAVEL	279	900	900	0.0%
PRINTING	0	500	500	0.0%
ADVERTISING	7,906	8,350	8,350	0.0%
OFFICE SUPPLIES	539	750	750	0.0%
DEPARTMENTAL SUPPLIES	2,249	2,250	1,300	-42.2%
CONTRACTUAL SERVICES	2,388	3,000	22,000	633.3%
DUES AND SUBSCRIPTION	227	400	400	0.0%
CITIZENS ACADEMY	0	0	1,500	N/A
TOTAL	131,543	134,971	162,981	20.0%

Finance

DESCRIPTION	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
SALARIES	\$363,559	\$379,790	\$418,908	10.3%
OVERTIME	0	1,035	1,035	0.0%
SERVICE BENEFIT	1,160	1,160	1,160	0.0%
WORKERS COMPENSATION	321	0	0	N/A
PART TIME SALARIES	-382	0	0	N/A
FICA	27,291	28,542	31,257	9.5%
INSURANCE	57,572	63,534	75,000	18.0%
UNEMPLOYMENT INS RESERVE	4,814	0	5,000	N/A
RETIREMENT	26,325	28,788	32,641	13.4%
SUPPLMENTAL RETIREMENT	13,344	11,394	12,538	10.0%
TRAINING	1,214	4,000	4,000	0.0%
CONFERENCES	1,922	3,500	5,739	64.0%
POSTAGE	6,465	3,760	1,850	-50.8%
TRAVEL	953	500	1,000	100.0%
RENT	4,676	10,000	10,000	0.0%
PRINTING	2,286	1,870	2,500	33.7%
ADVERTISING	1,825	2,000	2,000	0.0%
OFFICE SUPPLIES	1,910	2,000	2,000	0.0%
DEPARTMENTAL SUPPLIES	2,444	8,000	8,000	0.0%
CONTRACTUAL SERVICES	130,226	188,505	170,613	-9.5%
BANK SERVICE CHARGES	9,543	0	0	N/A
DUES AND SUBSCRIPTION	1,707	2,100	2,100	0.0%
MISCELLANEOUS	0	700	300	-57.1%
GENERAL INSURANCE	300,923	300,737	325,000	8.1%
PUBLIC OFFICIALS LIABILITY INSURANCE	29,089	35,000	35,000	0.0%
TOTAL	989,186	1,076,915	1,147,641	6.6%

Human Resources

DESCRIPTION	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
SALARIES	\$121,034	\$183,323	\$152,315	-16.9%
PART TIME SALARIES	0	10,400	0	N/A
TEMP. SALARY	16,740	0	0	N/A
FICA	10,503	14,049	11,652	-17.1%
INSURANCE	22,672	30,449	22,973	-24.6%
RETIREE INSURANCE	228,434	276,000	276,000	0.0%
UNEMPLOYMENT INSURANCE	0	5,000	5,000	0.0%
RETIREMENT	8,861	13,896	11,879	-14.5%
SUPPLMENTAL RETIREMENT	3,311	5,500	4,563	-17.0%
TRAINING	1,030	2,000	1,000	-50.0%
EMPLOYEE TUITION ASSISTANCE	3,186	2,250	0	-100.0%
ORGANIZATIONAL DEVELOPMENT	7,009	15,000	5,000	-66.7%
CONFERENCES	967	3,000	3,000	0.0%
POSTAGE	388	300	300	0.0%
GOV ADVANCED RACIAL EQUITY	0	0	20,000	N/A
MENTAL HEALTH TRAINING	0	0	1,000	N/A
TRAVEL	411	1,000	1,000	0.0%
RENT	1	0	0	N/A
PRINTING	0	300	300	0.0%
ADVERTISING	2,122	1,000	1,000	0.0%
OFFICE SUPPLIES	1,674	500	500	0.0%
DEPARTMENTAL SUPPLIES	1,414	1,500	1,500	0.0%
CONTRACTUAL SERVICES	21,273	40,000	20,000	-50.0%
GO PASSES	0	1,500	1,500	0.0%
DUES AND SUBSCRIPTION	10,679	500	500	0.0%
EMPLOYEE WELLNESS PROGRAM	2,751	5,000	5,000	0.0%
EMPLOYEE APPRECIATION EVENTS	15,101	12,000	15,000	25.0%
TOTAL	479,558	624,467	560,982	-10.2%

Information Technology

DESCRIPTION	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
SALARIES	\$199,623	\$201,560	207,607	3.0%
SERVICE BENEFIT	1,775	1,983	1,774	-10.5%
FICA	14,640	15,572	16,035	3.0%
INSURANCE	33,334	29,351	31,392	7.0%
RETIREMENT	14,787	15,278	16,214	6.1%
SUPPLMENTAL RETIREMENT	6,051	6,047	6,228	3.0%
TRAINING	3,892	4,800	4,800	0.0%
CONFERENCES	0	750	750	0.0%
TELEPHONE	77,862	75,580	75,580	0.0%
TRAVEL	374	500	500	0.0%
M & R EQUIPMENT	38,464	32,050	87,050	171.6%
MOTOR VEHICLE REPAIR	523	350	350	0.0%
FUEL	121	543	543	0.0%
OFFICE SUPPLIES	381	1,000	1,000	0.0%
DEPARTMENTAL SUPPLIES	31,094	25,125	25,125	0.0%
COMPUTER & PERIPHERALS	362,469	254,400	264,339	3.9%
HR MODULE IMPLEMENT. & TRAINING	0	0	50,000	N/A
CONTRACTUAL SERVICES	558,634	635,400	623,000	-2.0%
DUES AND SUBSCRIPTION	4,076	4,100	4,100	0.0%
EQUIPMENT	76,507	116,000	172,000	48.3%
TOTAL	1,424,607	1,420,389	1,588,387	11.8%

Police Department

Department Summary

DESCRIPTION	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
SALARIES	\$2,059,718	\$2,075,496	\$2,168,433	4.5%
OVERTIME	36,089	43,125	48,125	11.6%
SERVICE BENEFIT	11,362	11,323	11,493	1.5%
WORKERS COMPENSATION	811	2,500	3,500	N/A
TEMP. SALARY	18,125	0	0	N/A
FICA	164,538	159,834	170,636	6.8%
INSURANCE	434,457	440,739	468,707	6.3%
RETIREMENT	168,366	171,867	181,856	5.8%
SUPPLMENTAL RETIREMENT	103,454	101,553	106,134	4.5%
EARLY SEPARATION ALLOWANCE	130,757	159,509	159,509	0.0%
TRAINING	31,041	32,907	33,907	3.0%
CONFERENCES	485	8,690	9,200	5.9%
POSTAGE	497	650	650	0.0%
TELEPHONE	13,571	17,120	17,120	0.0%
TRAVEL	0	250	250	0.0%
M & R EQUIPMENT	7,313	7,670	14,940	94.8%
MOTOR VEHICLE REPAIR	41,290	50,086	54,885	9.6%
RENT	5,037	8,329	10,000	20.1%
PRINTING	153	1,140	1,140	0.0%
FUEL	50,657	65,000	65,000	0.0%
OFFICE SUPPLIES	2,543	4,235	4,850	14.5%
CANINE SUPPLIES	1,743	3,500	4,500	28.6%
DEPARTMENTAL SUPPLIES	32,103	43,754	45,764	4.6%
DEPARTMENTAL SUPPLIES (ABC Grant)	12,750	17,000	17,000	0.0%
VEHICLE SUPPLIES	5,667	10,477	10,477	0.0%
FURNITURE & EQUIPMENT NON-CAP	-2,061	10,000	15,000	50.0%
UNIFORMS	76,986	56,596	66,766	18.0%
SEIZURES EXPENSE	0	0	0	N/A
FEDERAL SEIZURE EXPENSES	92,698	0	0	N/A
COMMUNITY EVENTS	1,755	1,500	4,000	166.7%
CONTRACTUAL SERVICES	108,421	160,650	145,430	-9.5%
DUES AND SUBSCRIPTION	3,033	4,656	4,816	3.4%
PRECIOUS METALS DEALERS	0	200	200	0.0%
MISCELLANEOUS	5,500	5,500	5,500	0.0%
MEDICAL EXAMS	3,778	9,165	12,000	30.9%
EQUIPMENT	0	0	4,000	N/A
VEHICLES	247,032	301,872	0	-100.0%
TOTAL	3,869,672	3,986,893	3,865,788	-3.0%

Fire and Rescue

Department Summary

DESCRIPTION	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
SALARIES	\$1,760,978	\$1,760,124	\$1,848,305	5.0%
OVERTIME	40,835	36,000	38,800	7.8%
SERVICE BENEFIT WORKERS COMPENSATION	13,218	12,648	12,776	1.0%
SHIFT WAGES	0	0	0	N/A
PART TIME SALARIES	109,885	106,500	106,500	0.0%
FICA	-118	0	0	N/A
INSURANCE	139,681	135,821	141,395	4.1%
RETIREMENT	380,253	396,880	425,286	7.2%
SUPPLEMENTAL RETIREMENT	141,269	133,417	138,930	4.1%
FIREMENS PENSION	57,805	52,803	54,986	4.1%
TRAINING	1,420	2,640	2,880	9.1%
CONFERENCES	17,509	20,800	20,000	-3.8%
POSTAGE	1,408	3,500	3,500	0.0%
TELEPHONE	467	300	325	8.3%
M & R EQUIPMENT	4,149	4,454	5,054	13.5%
MOTOR VEHICLE REPAIR	33,609	37,550	36,234	-3.5%
PRINTING	18,544	33,000	35,500	7.6%
FUEL	0	200	0	-100.0%
OFFICE SUPPLIES	18,037	25,000	25,660	2.6%
DEPARTMENTAL SUPPLIES	1,680	1,756	1,756	0.0%
DEPT SUPPLIES-CAR SEATS	39,766	63,105	44,850	-28.9%
VEHICLE SUPPLIES	1,131	2,500	2,500	0.0%
FURNITURE & EQUIPMENT NON-CAP	-10	0	1,500	N/A
MEDICAL SUPPLIES	3,661	0	0	0.0%
UNIFORMS	8,386	10,000	10,000	0.0%
CONTRACTUAL SERVICES	45,299	42,798	42,798	0.0%
DUES AND SUBSCRIPTION	16,608	23,992	23,562	-1.8%
MEDICAL EXAMS	3,291	5,000	4,000	-20.0%
PROGRAM INSURANCE	11,233	10,500	10,500	0.0%
EMPLOYEE TUITION ASSIST.	2,480	3,044	3,044	0.0%
EQUIPMENT	0	0	2,250	N/A
TOTAL	2,872,475	2,924,332	3,070,325	5.0%

Planning

Department Summary

DESCRIPTION	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
SALARIES	\$767,249	\$876,459	\$863,969	-1.4%
SERVICE BENEFIT	6,806	4,252	4,049	-4.8%
PART TIME SALARIES	23,575	24,521	22,620	-7.8%
FICA	57,873	69,460	68,359	-1.6%
INSURANCE	131,301	153,267	156,038	1.8%
RETIREMENT	58,507	68,176	69,242	1.6%
SUPPLMENTAL RETIREMENT	23,290	26,295	25,919	-1.4%
TRAINING	3,937	7,000	6,370	-9.0%
PROFESSIONAL SERVICES	0	600	600	0.0%
CONFERENCES	1,841	4,300	6,400	48.8%
POSTAGE	2,100	1,350	1,350	0.0%
TELEPHONE	1,207	1,600	1,800	12.5%
TRAVEL	1,127	850	850	0.0%
M & R EQUIPMENT	0	500	0	-100.0%
MOTOR VEHICLE REPAIR	2,219	1,700	1,700	0.0%
RENT	4,620	5,500	5,500	0.0%
PRINTING	2,359	3,600	3,400	-5.6%
ADVERTISING	2,981	2,900	2,900	0.0%
FUEL	1,233	2,050	2,050	0.0%
OFFICE SUPPLIES	225	1,575	1,800	14.3%
DEPARTMENTAL SUPPLIES	6,004	4,200	4,300	2.4%
FURNITURE & EQUIPMENT NON-CAP	0	1,600	0	-100.0%
UNIFORMS	166	1,100	1,100	0.0%
CONTRACTUAL SERVICES	97,180	50,169	38,238	-23.8%
ENGINEERING SERVICES	83,757	135,000	135,000	0.0%
BICYCLE FRIENDLY COMMUNITY	3,736	25,000	25,000	0.0%
DUES AND SUBSCRIPTION	2,412	3,740	3,865	3.3%
STORMWATER ACTIVITY	0	0	0	N/A
GRASSROOTS PARTNERSHIPS	0	0	25,000	N/A
TOTAL	1,285,707	1,476,764	1,477,419	0.0%

Transportation

DESCRIPTION	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
CONTRACTUAL SERVICES	\$1,455,012	\$1,751,256	1,727,400	-1.4%
VEHICLES	0	83,600	83,600	0.0%
TOTAL	1,455,012	1,834,856	1,811,000	-1.3%

Public Works

Department Summary

DESCRIPTION	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
SALARIES	\$1,208,477	\$1,409,598	\$1,478,057	4.9%
OVERTIME	17,886	12,250	12,250	0.0%
SERVICE BENEFIT	8,643	8,475	6,323	-25.4%
WORKERS COMPENSATION	500	0	0	N/A
FICA	89,520	109,096	113,039	3.6%
INSURANCE	277,188	351,364	361,367	2.8%
RETIREMENT	91,069	106,847	115,145	7.8%
SUPLMENTAL RETIREMENT	37,175	42,288	44,230	4.6%
TRAINING	7,853	9,000	11,500	27.8%
COMMERCIAL DRIVERS LICENSE	375	870	870	0.0%
PROFESSIONAL SERVICES	9,505	15,000	16,000	6.7%
CONFERENCES	0	1,000	2,000	100.0%
POSTAGE	277	200	200	0.0%
TRAVEL	0	0	0	N/A
TELEPHONE	4,833	7,420	7,420	0.0%
M & R EQUIPMENT	39,095	26,800	26,800	0.0%
M AND R BUILDINGS	104,680	120,400	111,800	-7.1%
M & R PARKS	0	2,500	2,500	0.0%
M & R GROUNDS	596	1,200	1,200	0.0%
MOTOR VEHICLE REPAIR	102,056	106,450	106,450	0.0%
RENT	1,507	9,800	9,800	0.0%
PRINTING	658	4,600	3,600	-21.7%
ADVERTISING	465	750	750	0.0%
UTILITIES	294,083	319,000	319,000	0.0%
PARK UTILITIES	37,278	41,900	41,900	0.0%
FUEL	58,701	80,047	80,593	0.7%
FUEL SYSTEM	840	900	900	0.0%
OFFICE SUPPLIES	3,443	5,000	5,000	0.0%
DEPARTMENTAL SUPPLIES	108,704	125,200	123,506	-1.4%
PARK SUPPLIES	13,735	51,900	51,900	0.0%
PURCHASE FOR RESALE	9,652	9,700	9,700	0.0%
YARD WASTE CARTS	4,825	4,850	4,850	0.0%
TRAFFIC CALMING DEVICES	555	0	0	N/A
VEHICLE SUPPLIES	732	6,700	6,700	0.0%
FURNITURE & EQUIPMENT NON-CAP	21,798	3,250	3,250	0.0%
UNIFORMS	13,161	17,300	18,316	5.9%
CONTRACTUAL SERVICES	292,573	242,355	242,516	0.1%
LANDFILL FEES	326,837	311,000	311,000	0.0%
DUES AND SUBSCRIPTION	1,320	2,600	2,000	-23.1%
MISCELLANEOUS	48	0	0	N/A
OWASA SEWER FEE REIMBURSEMENT	2,000	0	0	N/A
STORMWATER ACTIVITY	0	0	0	N/A
EQUIPMENT	228,243	27,305	5,000	-81.7%
VEHICLES	20,811	12,000	0	-100.0%
TOTAL	3,441,697	3,606,915	3,705,212	2.7%

Recreation and Parks

Department Summary

DESCRIPTION	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
SALARIES	\$592,648	\$625,815	\$614,079	-1.9%
SERVICE BENEFIT	4,670	3,842	5,909	53.8%
WORKERS COMPENSATION	0	0	0	N/A
PART TIME SALARIES	54,854	54,569	56,206	3.0%
TEMP. SALARY	183,719	253,756	251,038	-1.1%
FICA	62,315	70,982	70,845	-0.2%
INSURANCE	119,656	136,078	146,698	7.8%
RETIREMENT	51,389	50,760	52,349	3.1%
SUPLMENTAL RETIREMENT	19,281	20,092	20,109	0.1%
TRAINING	1,268	3,150	3,150	0.0%
PROFESSIONAL SERVICES	\$290	\$2,000	0	-100.0%
CONFERENCES	3,361	6,850	6,850	0.0%
POSTAGE	5,438	7,440	7,440	0.0%
TELEPHONE	769	1,190	1,190	0.0%
M & R EQUIPMENT	240	1,790	1,790	0.0%
M AND R BUILDINGS	48,210	49,902	49,902	0.0%
M & R PARKS	0	\$3,920	3,920	0.0%
MOTOR VEHICLE REPAIR	1,264	\$1,050	1,050	0.0%
RENT	36,642	56,350	8,570	-84.8%
PRINTING	11,652	15,000	15,000	0.0%
ADVERTISING	1,210	3,910	3,910	0.0%
FUEL	681	1,000	1,000	0.0%
OFFICE SUPPLIES	2,205	3,000	3,000	0.0%
DEPARTMENTAL SUPPLIES	33,201	44,500	45,000	1.1%
UNIFORMS	18,138	20,000	20,000	0.0%
FURNITURE & EQUIPMENT NON-CAP	10,173	0	0	N/A
CONTRACTUAL SERVICES	90,964	113,696	113,996	0.3%
COMMUNITY EVENTS	1,600	0	0	N/A
COMMUNITY EVENTS-CARRBORO DAY	7,714	9,200	9,200	0.0%
COMMUNITY EVENTS-MUSIC FEST	44,797	38,500	38,500	0.0%
COMMUNITY EVENTS-FREIGHT TRAIN BLUES	14,534	0	3,000	N/A
COMMUNITY EVENTS-POETRY ALIVE	6,141	4,250	4,250	0.0%
COMMUNITY EVENTS-JULY 4TH	15,173	20,000	20,000	0.0%
COMMUNITY EVENTS-FILM FEST	23,060	13,950	13,950	0.0%
COMMUNITY EVENTS - OPEN STREETS	4,498	10,000	10,000	0.0%
DUES AND SUBSCRIPTION	2,517	3,500	3,000	-14.3%
CASH OVER/SHORT	0	0	0	N/A
TOTAL	1,474,271	1,650,042	1,604,901	-2.7%

Nondepartmental

General

DESCRIPTION	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
SALARIES	0	306065	\$315,888	3.2%
PAY PLAN STUDY ADJUSTMENTS	0	\$300,000	\$100,000	-66.7%
DEPENDENT HEALTH INSURANCE	0	293,836	293,836	16.3%
EMPLOYEE VISION INSURANCE	0	0	13,621	N/A
UNEMPLOYMENT INS RESERVE	0	32,984	22,821	-26.5%
TOTAL	0	932,885	746,166	-14.7%

Transfers

DESCRIPTION	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
TRANSFER TO CAPITAL RESERVE	\$136,704	\$300,000	\$250,000	-17%
TOTAL	\$136,704	300,000	250,000	-17%

Debt Service

DESCRIPTION	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
LEASE PAYMENT PRINCIPAL	\$479,380	\$517,808	\$499,639	-3.5%
LEASE PAYMENT INTEREST	12,519	16,850	15,406	-8.6%
GO BOND-SIDEWALKS- PRINCIPAL	250,000	250,000	250,000	0.0%
FIRE SUBSTATION PRINCIPAL	216,667	216,667	216,667	0.0%
GO BOND-SIDEWALKS- INTEREST	100,000	82,500	77,500	-6.1%
FIRE SUBSTATION INTEREST	90,388	40,685	35,073	-13.8%
TOTAL	1,148,954	1,124,510	1,094,285	-2.7%

Stormwater Utility Enterprise Fund

DESCRIPTION	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	FY 2018-19 ADOPTED BUDGET	PCT CHANGE
SALARIES	\$0	\$75,116	\$67,100	-10.7%
SERVICE BENEFIT	0	0	456	N/A
FICA	0	5,746	5,133	-10.7%
INSURANCE	0	16,586	14,230	-14.2%
RETIREMENT	0	5,685	5,241	-7.8%
SUPPLMENTAL RETIREMENT	0	2,250	2,013	-10.5%
TRAINING	0	3,000	2,000	-33.3%
LEGAL SERVICES	0	25,000	5,000	-80.0%
CONFERENCES	0	0	600	N/A
POSTAGE	0	0	4,000	N/A
TELEPHONE	0	1,000	1,000	0.0%
ADVERTISING	0	0	1,000	N/A
FUEL	0	5,000	500	-90.0%
OFFICE SUPPLIES	0	3,000	200	-93.3%
DEPARTMENTAL SUPPLIES	0	15,000	1,000	-93.3%
CONTRACTUAL SERVICES	0	0	16,000	N/A
ENGINEERING SERVICES	0	50,000	10,000	-80.0%
DUES AND SUBSCRIPTION	0	1,000	6,000	500.0%
PW STREETS M & R	0	0	0	N/A
RAIN GARDEN MAINTENANCE	0	0	0	N/A
LOOSE LEAF COLLECTION	0	0	0	N/A
STREETS & SW SYSTEM M & R	0	0	0	N/A
EMERGENCY RESERVES SW UTILITY	0	100,000	100,000	0.0%
RESERVES	0	0	466,027	N/A
EQUIPMENT - LEAFLOADER	0	0	191,000	N/A
TOTAL	0	308,383	900,000	191.8%

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.

Stormwater Utility Enterprise Fund – This fund comprehensively addresses the storm water management needs of the Town. The Enterprise Fund establishes a dedicated source of funding for storm water and flood remediation.

Tax Levy - Revenue produced by applying a given tax rate to a property’s assessed, or tax value.