

TOWN OF CARRBORO
NORTH CAROLINA

ADOPTED BUDGET
FISCAL YEAR 2019-20

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
Joe Guckavan, Public Works Director
Walter Horton, Police Chief
Arche L. McAdoo, Finance Director
Patricia McGuire, Planning Director
Anita Jones-McNair, Recreation and Parks Director
Annette Stone, Economic & Community Development Director
Andy Vogel, Information Technology
Susanna Williams, Fire Chief

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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 funds, the 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, 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 stormwater management needs of the Town. The Enterprise Fund establishes a fee schedule for dedication to funding local stormwater 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 2019-20 Through FY 2023-24*” (CIP) describes capital improvement projects and identifies funding sources for the next five fiscal years and is available at <http://www.townofcarrboro.org/250/Financial-Documents>.
- ☐ **Line Item Budget** – This section provides a detailed listing of proposed expenditures by departments for the current and upcoming budget year, along with actual amounts for the previously audited fiscal year.
- ☐ **Glossary** – A list of common budgeting terms defined and explained.

Please direct comments or questions to:

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Town of Carrboro
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Budget information is also available for viewing on the Internet at:
<http://www.townofcarrboro.org/250/Financial-Documents>



June 19, 2019

To: Mayor and Board of Aldermen:

I am pleased to submit the Manager's Adopted FY 2019-20 Budget for the Town of Carrboro. This budget is the largest and most challenging one during my tenure. It totals \$57.99 million as follows:

General Fund	\$ 24,577,008
Capital Projects Fund	30,472,938
Special Revenue Fund	2,145,252
Stormwater Utility Enterprise Fund	798,775
Total	<u>\$ 57,993,973</u>

As priorities were evaluated, careful and balanced choices are presented in the FY 2019-20 budget that provide for continued delivery of quality services, carrying out Board priorities, acquiring needed capital items, and adjusting compensation for employees for employee retention and to be more competitive with the local labor market.

The General Fund is the Town's operating budget and is proposed to be basically unchanged from the current year.

Special Revenue Funds change 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. To provide a steady and reliable revenue stream for affordable housing, the FY 2018-19 adopted budget included a ½ cent property tax increase to be dedicated exclusively for affordable housing activities. In the Adopted FY 2019-20 budget, another ½ cent property tax increase will be implemented for the Affordable Housing Fund. This will provide a total of 1 cent property tax increase exclusively for affordable housing activities. Based on the current budget for FY 2018-19 a penny on the tax rate yields \$227,000 in revenue. It is anticipated that another ½ cent increase in the property tax rate will be considered in the FY 2020-21 budget.

The Capital Projects Fund includes construction of greenways throughout the town and The 203 Project. The 203 Project is a joint development of the Town's 203 South Greensboro Street property by Orange County and the Town, which will be to construct a facility for Town program and administrative offices; and the Orange County Southern Branch Library. Other compatible uses may be considered for this project as well. The Town expects to do debt financing for its share of the costs; however, the actual amount is not known at this time.

The Town still needs to develop a financing plan to undertake needed building improvements throughout the Town over the next five years. A comprehensive facility assessment is currently being conducted by the Public Works Department and is expected to be completed in the coming year. This assessment will identify the necessary renovations and cost estimates.

The Stormwater Utility Enterprise Fund, established July 1, 2017, to comprehensively address stormwater management and flood remediation needs of the Town, implemented a schedule of fee charges in FY 2018-19. Revenue from the fee charges will be used exclusively for stormwater management.

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, Cary McNallan, and the entire Finance Team for their dedicated efforts in the development of the FY 2019-20 Town budget.

The accompanying Executive Summary provides additional highlights of the overall budget priorities and strategies for fiscal year 2019-20.

Sincerely,



David L. Andrews, ICMA-CM
Town Manager

EXECUTIVE SUMMARY

BUDGET OVERVIEW

Economic indicators are that North Carolina will continue its slow, steady economic growth in the coming months. The most recent data from the Federal Reserve Bank of Richmond indicates housing starts in the United States declined by over 14% from the same period 12 months ago. In North Carolina, however, housing starts were up 5.56%. The housing price index in North Carolina for the fourth quarter of 2018 grew by 7.5 percent compared to 6.0 percent for the United States. The down side is that single-family home building permits in North Carolina declined 5.3 percent between January 2018 and 2019.

North Carolina's unemployment remains under 4 percent and that of the country as a whole. Total payroll employment increased by 1.7 percent in January 2019; wages and salaries and real personal income grew year over year for the third quarter of 2018. Dr. John Connaughton at the University of North Carolina-Charlotte, Economic Forecast, predicts the state's Gross State Product (GSP) will finish 2018 with growth of 2.6 percent and will grow 3.3 percent above that in 2019. Two of the major economic sectors for growth in 2019 will be construction (4.8 percent) and retail trade (4.5 percent).

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 2018-19, distributions were about 5.1% ahead of FY 2017-18 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 by the North Carolina General Assembly as of March 1, 2015. Also, of particular note is the June 2018 Supreme Court ruling that gives states the authority to require online retailers without a physical presence in the state to collect and remit sales taxes (*South Dakota v. Wayfair, Inc.*)

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 2019 was 3.7%, below the statewide rate of 3.9%. This is related to the dominance of the professional services sector and close proximity to the University of North Carolina and Research Triangle Park. The total number of residential building permits decreased in 2018 from the prior year, however, the total value of those permits increased. Commercial permits and values both increased.

COMMERCIAL AND RESIDENTIAL TOWN PERMITS, 2018

<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>
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
2018	303	27,118,248	579	23,384,464

Through March, general fund revenue collections for FY 2018-19 total \$19.6 million or 86% of the adopted budget. Last year at this time, total general fund revenue collections were \$19.2 million or 84% of adopted budget. Property tax revenue collections to date are \$12.9 million or 108% of budget. Local sales tax revenues through January total \$2.3 million compared to \$2.2 million at the same time last year. Unrestricted and restricted intergovernmental revenues year-to-date are 50% 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 2018-19 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 2019-20 budget the Town assumes that the North Carolina General Assembly will make no changes during its 2019 session that would negatively impact the Town’s existing revenue stream.

TOTAL TOWN BUDGET

In developing the FY 2019-20 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 2019-20 budget were to:

- Implement the Board’s strategic priorities,
- Manage costs while improving services to the citizens,
- Develop a balanced budget,
- Increase funding for affordable housing
- Adjust compensation for employees to be more competitive with local labor market, as well as retention purposes, and,
- Conceptualize a long term financial sustainability plan for the Town.

The total Adopted General Fund budget for FY 2019-20 is \$24,577,008, which is a 7.5% increase from the adopted budget of \$22.8 million last year. When all other funds are considered, the total Town budget for FY 2019-20 is \$58.0 million as follows:

BUDGET SUMMARY

	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Amount Change	Pct Change
General Fund	22,862,722	24,577,008	1,714,286	7.5%
Special Revenue Funds	2,097,939	2,145,252	47,313	2.3%
Capital Project Funds	23,403,462	30,472,938	7,069,476	30.2%
<i>Total Governmental Funds</i>	<i>48,364,123</i>	<i>57,195,198</i>	<i>8,831,075</i>	<i>18.3%</i>
Storm Water Utility Fund	900,000	798,775	(101,225)	-11.2%
Grand Total	49,264,123	57,993,973	8,729,850	17.7%

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 Plan (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 87% of general fund revenues.

For FY 2019-20 total recurring revenues are projected to increase by 6.0% over the FY 2018-19 Adopted Budget. The projection for property tax revenues were increased over last year’s budget to be more in line with historical trends. Other Taxes and Licenses are expected to remain steady now that the 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 8.3% of general fund revenues, are expected to decrease by 0.5% due to lower estimates on sales tax collections from satellite sales and telecommunications. Sales tax revenues, which represent 18.9% of general fund revenues, are expected to continue positive growth trends as consumer confidence remains high.

Recurring Revenues – General Fund

	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Amount Change	Pct Change
Property Taxes	11,945,655	12,978,367	1,032,712	8.6%
Local Sales Tax	4,475,980	4,649,090	173,110	3.9%
Other Taxes & Licenses	1,604,757	1,610,441	5,684	0.4%
Intergovernmental	2,056,081	2,045,898	(10,183)	-0.5%
Grand Total	20,082,473	21,283,796	1,201,323	6.0%

Property and sales tax revenues continues to make up 72% of total general fund revenues in FY 2019-20. The total property tax valuation is estimated to be \$2,269,860,965 based on valuation by the Orange County Tax Administrator. This is a 0.2% growth over the past year. In FY 2019-20 each penny on the tax rate is projected to generate approximately \$226,986. 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 (\$2.3 million to date), reflecting six months of collections for the year, are 19.6% of the Town’s FY 2018-19 adopted budget (\$4.5 million). According to the FY 2019-20 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 2018-19 were up approximately 5.1% over the same period in FY 2017-18. The League of Municipalities anticipates that sales tax revenues statewide for the current fiscal year 2018-19 will be 5.1% above the FY 2017-18 distributions. For next fiscal year 2019-20 local sales tax revenues statewide are expected to increase by 4.5% above the FY 2018-19 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 2018-19 were up approximately 17.9% from the previous year. Projections for statewide electricity revenues for FY 2018-19 are expected to increase by 4.8%. For FY 2019-20, they are projected to increase by 1.5%.

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 2018-19, natural gas revenues have been 7.4% higher over the same period in FY 2017-18. The N. C. League of Municipalities has projected that statewide distributions to municipalities for FY 2018-19 will be 18.3% lower than the past year; and, for FY 2019-20 the projection is expected be 1.3% below that of FY 2018-19.

For FY 2018-19, the Town has collected \$542,838 (58% of budget) in electricity tax revenues, and \$13,305 (31% 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 2018-19 are expected to decrease by 3.3% with an additional decline of 3.9% in FY 2019-20. For the first two quarters of this fiscal year 2018-19 the Town has received revenue of \$89,684 or 42.0% 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 1.3% in FY 2018-19, and continue to decline in FY 2019-20. For the first two quarters of FY 2018-19, the Town has received revenue of \$29,823 or 54.0% 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 2018-19 is approximately \$27,027 and is expected to remain the same for FY 2019-20.

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 2018-19 state officials have indicated that beer and wine sales tax distributions will be 2.1% higher than last year and a 1.0% increase is expected for FY 2019-20.

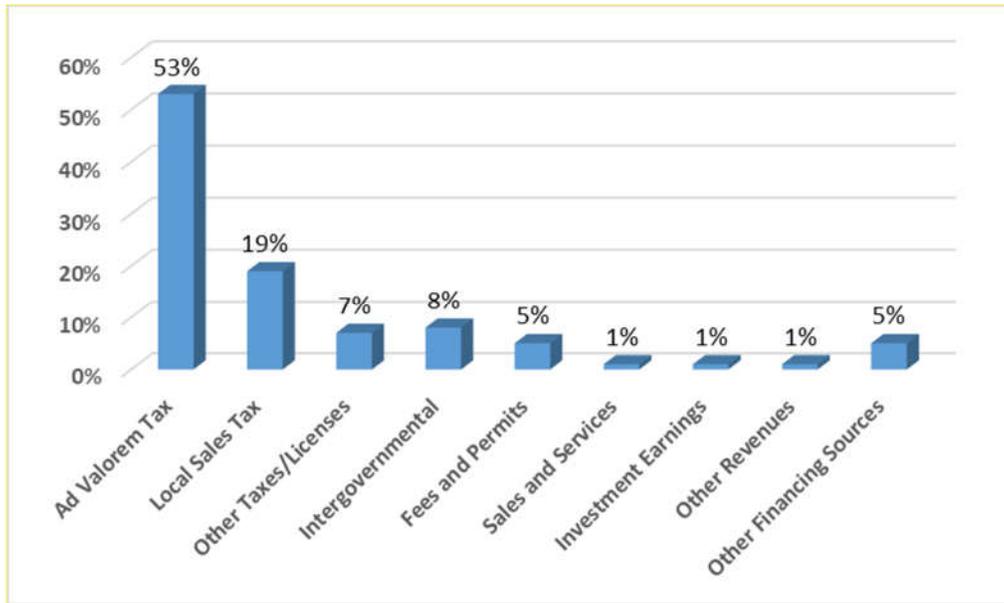
OTHER FINANCING

Other financing sources in the General Fund include inter-fund transfers, installment financing and fund balance appropriation. Revenues from other financing sources in FY 2019-20 are from Fund Balance Appropriation and total \$1,500,753 or 6.1% of the total adopted budget. This is an increase of \$412,362 or 37.9% over the adopted FY 2018-19 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 2019-20

	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Amount Change	Pct Change
Interfund Transfers	-	-	-	#DIV/0!
Fund Balance	1,088,391	1,500,753	412,362	37.9%
Grand Total	1,088,391	1,500,753	412,362	37.9%

FY 2019-20 GENERAL FUND REVENUE SOURCES
% of Total \$24,279,533



EXPENDITURES

For FY 2019-20 total General Fund operating expenses are essentially unchanged from FY 2018-19. Of the total budget, personnel costs account for 60%, while operating costs account for 37%. Capital outlay and transfers account for the remaining 3%.

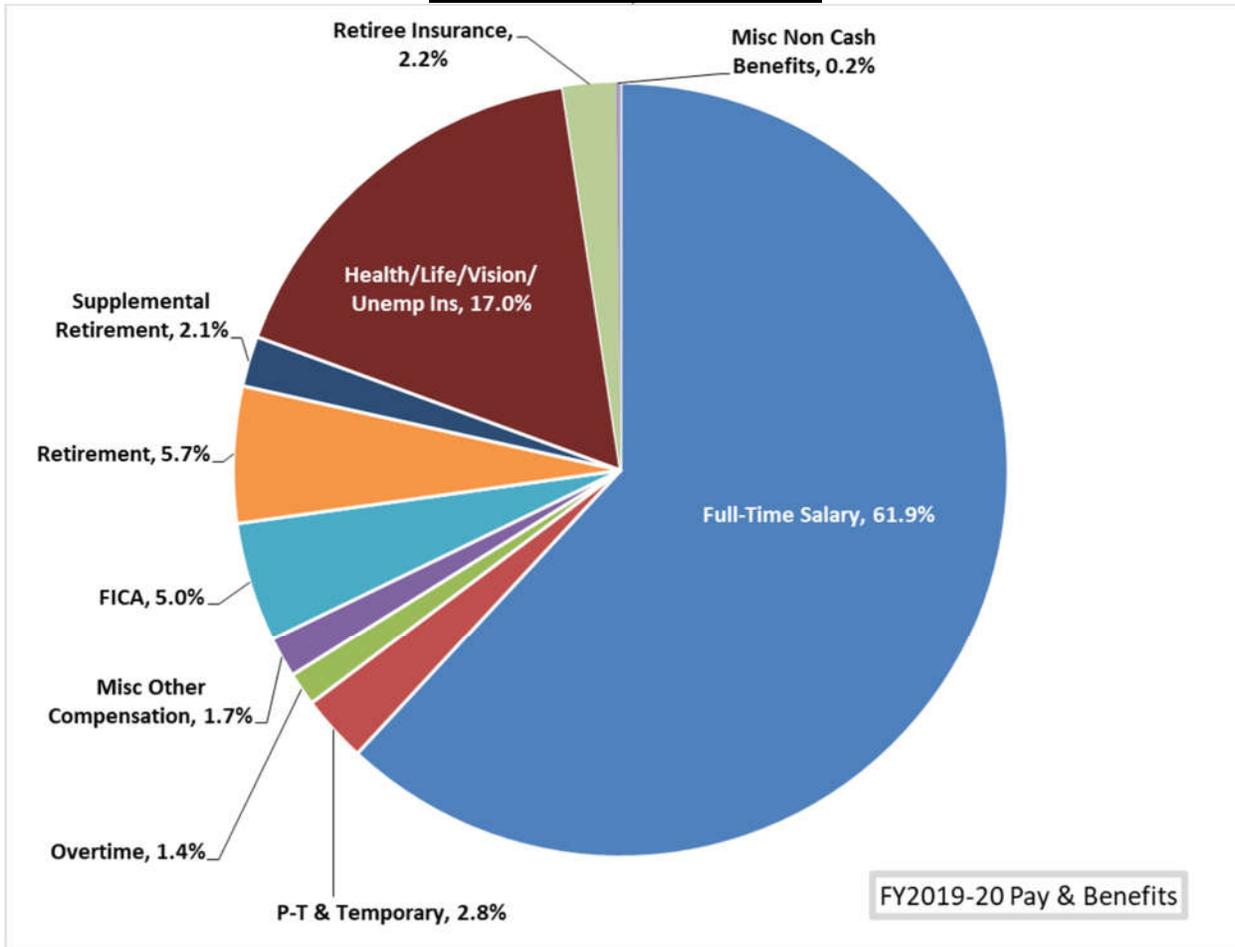
General Fund Budget Summary

	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	13,549,281	14,630,474	8.0%
Operating	8,764,062	9,203,734	5.0%
Capital Outlay	299,379	285,600	-4.6%
Transfers	250,000	457,200	82.9%
TOTAL	\$22,862,722	\$24,577,008	7.5%

PERSONNEL

Personnel cost are expected to increase by 8.0%. Factors that affect personnel cost include: a) 4.0% across the board pay adjustment to permanent employees in FY 2019-20; b) projected 15% increase in health insurance premiums; and increase in employer contribution rate to Local Government Employees Retirement System.

FY 2019-20 Pay and Benefits



Contribution rates for the Local Government Employees' Retirement System (LGERS) will increase from 7.75% to 8.95% for general employees; and, from 8.50% to 9.70% for law enforcement officers in FY 2019-20. Below is the schedule of contribution rates through FY 2022-23.

Fiscal Year	LGERS Employer Contribution Rate	
	General Employees	Law Enforcement Officers
2018-19	7.75%	8.50%
2019-20	8.95%	9.70%
2020-21	10.15%	10.90%
2021-22	11.35%	12.10%
2022-23	12.45%	13.20%

No merit or performance pay will be provided for employees in FY 2019-20. When the Board of Aldermen approved the pay-for-performance plan, it was understood that performance pay amounts may vary from year to year depending on budget availability and labor market conditions. In order to increase retention and become more competitive with the local labor market, the Town will provide a 4 percent across the board compensation adjustment for all regular employees.

The number of full-time equivalent positions will increase from 163.5 to 167.0 (these totals include two positions funded by Stormwater Utility Enterprise Fund). An additional Groundskeeper I and one Engineering Technician will be added to the Public Works Department; an Associate Planner will be added to the Planning Department; and a permanent part-time Program Support Assistant I will be changed to a full-time Program Support Assistant II in Recreation and Parks. 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 2019-20 will increase by 2.66% from \$8,964,869 to \$9,203,734. 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. The Town will continue with implementation of its Strategic Energy and Climate Protection Plan. Particular attention will be given to new projects to incorporate energy savings strategies with the goal of reducing operating costs.

CAPITAL OUTLAY

Capital outlays in the General Fund will decrease by 4.6% from \$299,379 to \$285,600 in FY 2019-20. In the Capital Projects Fund, the Town is looking to finance a major building in 2019-20 as well as lease purchase the following vehicles and equipment.

DEPARTMENT	VEHICLES/EQUIPMENT	COST ESTIMATE
Police	6 Vehicles @ \$55,469	\$332,814
Planning	Vehicle for Admin Staff	\$30,000
Public Works	Garbage Truck	\$430,000
	TOTAL	\$792,814

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 2019-20 is \$2.1 million dollars.

SPECIAL REVENUE FUND SUMMARY

	Adopted Budget FY2018-19	Adopted Budget FY2019-20	Amount Change	Pct Change
Fund:				
Affordable Housing	337,500	358,500	21,000	6.2%
Grant Administration	975,360	998,096	22,736	2.3%
Revolving Loans for Energy Efficiency	111,277	267,388	156,111	140.3%
Revolving Loans for Economic Development	558,331	521,268	-37,063	-6.6%
Business Loan Fund *	115,471	0	-115,471	-100.0%
Totals	\$2,097,939	\$2,145,252	\$47,313	2.3%

The Business Loan Fund was closed in FY 2019 *

For FY 2019, the Town’s property tax rate increased by ½ cents and was dedicated to funding the Affordable Housing Fund. For FY 2020, the property tax rate will increase by another ½

cents and be dedicated to the Affordable Housing Fund. An additional, and final, ½ cent increase for the Affordable Housing property tax is planned to occur in FY 2021.

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, 2018, 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 2019-20 is \$30.5 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 \$15.7 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.

BUDGET SUMMARY - TOTAL CAPITAL PROJECTS FUND

	Adopted Budget FY2018-19	Adopted Budget FY2019-20	Amount Change	Pct Change
Fund:				
Capital Projects	\$ 20,293,393	\$ 22,566,145	\$ 2,272,752	11.2%
GO Bonds, Sidewalks and Greenways	7,206,175	7,499,643	293,468	4.1%
Capital Reserves	250,000	406,200	156,200	62.5%
Payment In Lieu Reserves	-	950	950	#DIV/0!
Totals	\$ 27,749,568	\$ 30,472,938	\$ 2,723,370	9.8%

In the GO Bond Sidewalk and Greenways 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	\$ 1,149,912	\$ 323,812	\$ 48,046	\$ 1,521,770
Jones Creek Greenway	680,200	170,050	-	850,250
Morgan Creek Greenway	1,254,000	114,663	199,837	1,568,500
Rogers Road Sidewalk	542,600	829,058		1,371,658
South Greensboro Street Design	1,154,626	43,153	552,340	1,750,119
Total	\$ 4,781,338	\$ 1,480,736	\$ 800,223	\$ 7,062,297
% of Total	67.7%	21.0%	11.3%	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 five-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 2024 can be reviewed on the Town’s web site at:

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

CONCLUSION

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

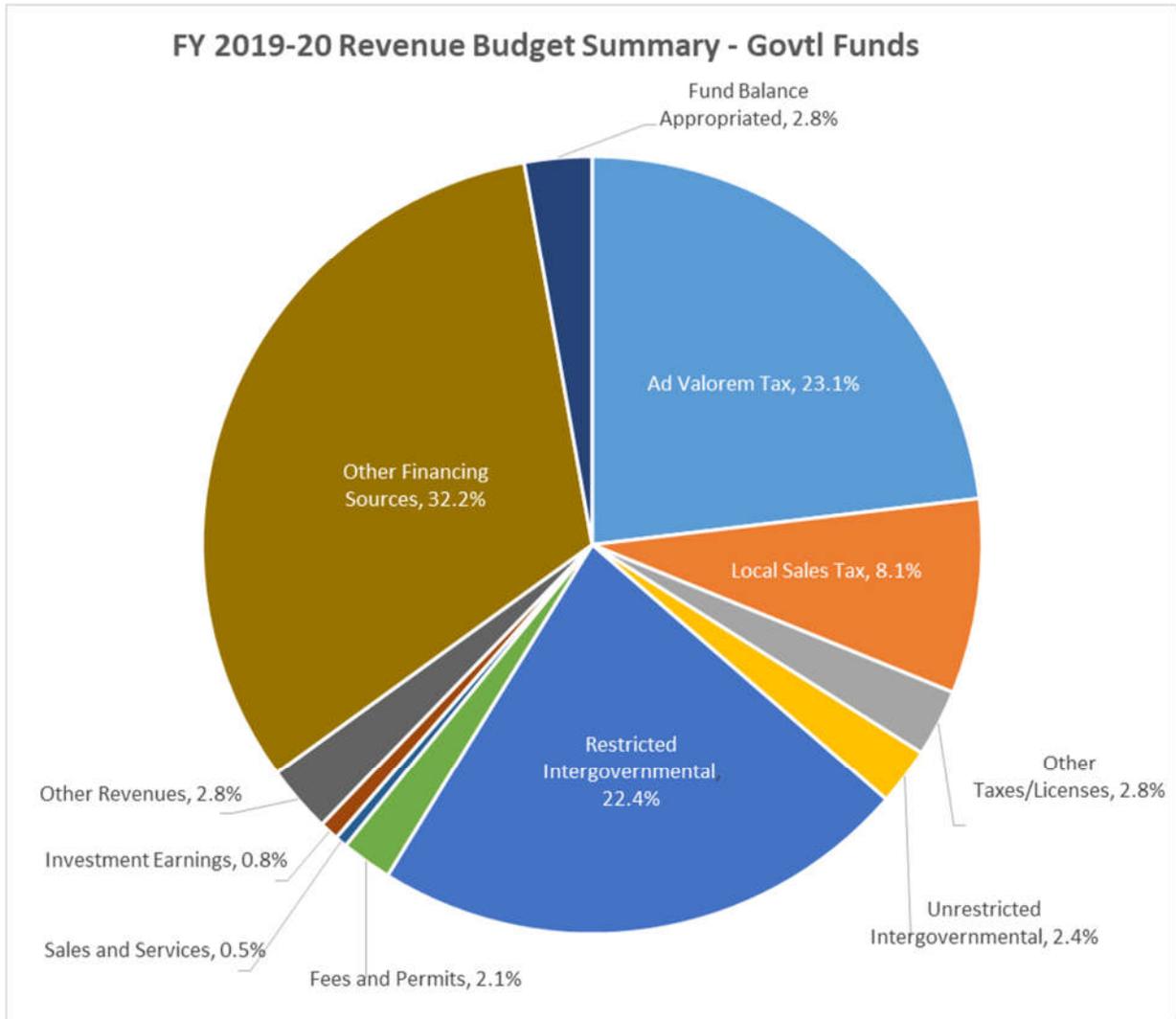
Locally, economic improvements are reflected in the low unemployment rate, taxable sales and increased value of building permits. Town revenues are projected to meet or exceed budget for the year ending June 30, 2019. Overall revenues for FY 2019-20 are expected to remain flat. The Town has begun to 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 2019-20 budget that provide for continued delivery of quality services, carrying out Board priorities, acquiring needed capital items, and adjusting the compensation for Town’s employees.

FY 2019-20 Revenue Budget Summary - All Funds by Major Fund

	General Fund	Special Revenue Funds	Capital Funds	Total All Govtl Funds	Percent All Govtl Funds	Storm Water Utility Fund
Ad Valorem Tax	\$ 12,978,367	\$ 225,000		13,203,367	23.1%	
Local Sales Tax	4,649,090			4,649,090	8.1%	
Other Taxes/Licenses	1,610,441			1,610,441	2.8%	
Unrestricted Intergovernmental	1,400,700			1,400,700	2.4%	
Restricted Intergovernmental	645,198		12,166,746	12,811,944	22.4%	
Fees and Permits	1,227,219			1,227,219	2.1%	792,975
Sales and Services	273,050			273,050	0.5%	
Investment Earnings	150,000	212,368	74,409	436,777	0.8%	5,800
Other Revenues	142,190	1,381,756	60,000	1,583,946	2.8%	
Other Financing Sources	-	246,128	18,171,783	18,417,911	32.2%	
Fund Balance Appropriated	1,500,753	80,000		1,580,753	2.8%	
	\$ 24,577,008	\$ 2,145,252	\$ 30,472,938	\$ 57,195,198	100.0%	\$ 798,775

FY 2019-20 Revenue Budget Summary - Govtl Funds



FY 2019-20 Expense Budget Summary - All Funds					
	General	Special		Total	Storm Water
	Fund	Revenue	Capital	All	Utility
	Fund	Funds	Funds	Govtl Funds	Fund
Mayor and Board of Aldermen	\$ 371,261			\$ 371,261	
Advisory Boards	29,950			29,950	
Governance Support	657,052			657,052	
Town Manager	562,914	\$ 358,500		921,414	
Economic and Community Development	251,371	788,656		1,040,027	
Town Clerk	150,975			150,975	
Finance	1,248,854			1,248,854	
Human Resources	625,752			625,752	
Information Technology	1,738,777		\$ 250,000	1,988,777	
Police	3,931,908		148,841	4,080,749	
Fire	3,087,637		314,924	3,402,561	
Planning	1,649,897	70,000	4,862,866	6,582,763	
Transportation	2,002,600		288,000	2,290,600	
Public Works	3,971,369	928,096	21,198,147	26,097,612	
Recreation and Parks	1,735,881		2,562,146	4,298,027	
Non-Departmental	1,315,566		792,814	2,108,380	
Debt Service	1,245,244		55,200	1,300,444	
Storm Water Utility				-	\$ 798,775
Total Expenditure Budget	\$ 24,577,008	\$ 2,145,252	\$ 30,472,938	\$ 57,195,198	\$ 798,775
General Government	\$ 5,636,906	\$ 1,147,156	\$ 250,000	\$ 7,034,062	
Public Safety	7,019,545	-	463,765	7,483,310	
Planning	1,649,897	70,000	4,862,866	6,582,763	
Transportation	2,002,600	-	288,000	2,290,600	
Public Works	3,971,369	928,096	21,198,147	26,097,612	
Recreation and Parks	1,735,881	-	2,562,146	4,298,027	
Non-Departmental	1,315,566	-	792,814	2,108,380	
Debt Service	1,245,244	-	55,200	1,300,444	
Storm Water Utility	-	-	-	-	\$ 798,775
	\$ 24,577,008	\$ 2,145,252	\$ 30,472,938	\$ 57,195,198	\$ 798,775

FY 2019-20 Expense Budget Summary - All Funds

Category	Percentage
Public Works	45.0%
Public Safety	12.9%
General Government	12.1%
Planning	11.4%
Recreation and Parks	7.4%
Non-Departmental	3.6%
Transportation	3.9%
Debt Service	2.2%
Storm Water Utility	1.5%

A motion was made by Alderman Gist, seconded by Alderman Haven-O'Donnell, that the following ordinance be approved:

**ANNUAL BUDGET ORDINANCE FY 2019-20
Town of Carrboro, North Carolina
Ordinance No.22/2019-20**

WHEREAS, the recommended budget for FY 2019-20 was submitted to the Board of Aldermen on May 7, 2019 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 28, 2019, the Board of Aldermen held a public hearing on the budget pursuant to G.S. 159-12;

WHEREAS, on June 18, 2019, 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 – GENERALL 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, 2019 and ending June 30, 2020:

GENERAL GOVERNMENT		\$ 5,636,906
Mayor & Board of Aldermen	\$ 371,261	
Advisory Boards	\$ 29,950	
Governance Support	\$ 657,052	
Town Manager	\$ 562,914	
Economic & Community Development	\$ 251,371	
Town Clerk	\$ 150,975	
Finance	\$ 1,248,854	
Human Resources	\$ 625,752	
Information Technology	\$ 1,738,777	
PUBLIC SAFETY		\$ 7,019,545
Police	\$ 3,931,908	
Fire	\$ 3,087,637	
PLANNING		\$ 1,649,897
TRANSPORTATION		\$ 2,002,600
PUBLIC WORKS		\$ 3,971,369
RECREATION & PARKS		\$ 1,735,881
NONDEPARTMENTAL		\$ 1,315,566
DEBT SERVICE		\$ 1,245,244
TOTAL GENERAL		<u>\$ 24,577,008</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, 2019 and ending June 30, 2020 to meet the general fund expenditures:

Ad Valorem Tax	\$	12,978,367
Local Sales Tax		4,649,090
Other Taxes/Licenses		1,610,441
Intergovernmental		2,045,898
Fees and Permits		1,227,219
Sales and Services		273,050
Investment Earnings		150,000
Other Revenues		142,190
Other Financing Sources		1,500,753
Total General Fund	\$	24,577,008

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	\$	73,783
Center for Community Self Help	\$	20,000
Home Consortium Match	\$	13,545
Human Services Grants	\$	21,000
Partnership to End Homelessness	\$	35,232
Deferred Loan Expense	\$	20,000
Affordable Housing Advisory Board	\$	500
Critical Home Repair	\$	90,000
Rental Deposits Program	\$	6,000
Acquisition and Development	\$	68,000
Unexpended Reserves	\$	10,440
TOTAL APPROPRIATION	\$	358,500

Section 2. Affordable Housing Fund Revenues

There is hereby levied a tax rate of \$.0100 (1 cent) on each one hundred dollars (\$100) valuation of taxable property as listed for taxes on January 1, 2019 that shall be devoted solely to the affordable housing activities noted above.

ARTICLE III – 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 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 \$798,775 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 2018-19 may be carried forward to fiscal year 2019-20.

ARTICLE V – 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 VI – 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, health insurance benefits; and, for any other purpose 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 funds encumbered or designated within fund balance for expenditures as confirmed in the annual audit for the year ending June 30, 2019 shall be re-appropriated to the Fiscal Year 2019-20 Adopted Budget without further action by the Board.
- e. The Finance Officer may approve transfer requests between programs or organizational units within the adopted general fund 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 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, 2019 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 cent of the total tax rate shall be devoted exclusively to the Affordable Housing Fund.

General Fund	\$.5894
Affordable Housing Fund.....	<u>\$.0100</u>
Total Tax Rate	\$.5994

Section 3. The Finance Officer shall distribute property tax collections to the appropriate fund(s) at least monthly as levied in Article I, 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 the 18th day of June, 2019.

The motion carried by the following vote:

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

Noes: Alderman Sammy Slade

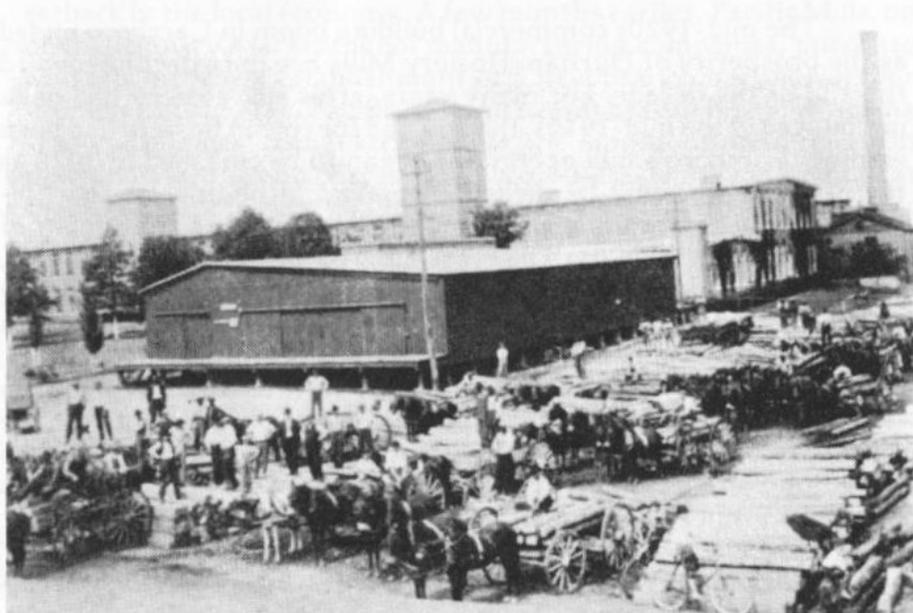
I, Catherine Dorando, Town Clerk for the Town of Carrboro, NC do hereby certify that the foregoing is a true and correct copy of an ordinance adopted by the Carrboro Board of Aldermen.



Catherine Dorando
Town Clerk

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 professor and



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.

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 29,911 in 2017 to 30,011 in 2018.



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 2013 to 2017 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 2017 was 21,099, an increase of 232 people from 2016 (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 62.4%, and the American Indian and Alaska Native population had the greatest decrease of 67.7%.

Race	2010	2016	% Change
Other (2 or more races)	1,518	867	-42.9%
Asian	1,225	1,990	62.4%
American Indian and Alaska Native	189	61	-67.7%
Black or African American	1,949	2,467	26.6%
White	10,217	13,838	35.4%
Hispanic or Latino	2,485	1,876	-24.5%

AGE COMPOSITION

The combined age groups of the years 20 to 54 makeup 58 percent of Carrboro’s total population (highlighted section). The biggest increase took place in the 85 years and over group, with an increase of 46.6%. The largest age group in Carrboro continues to be the 25 to 34 age group, at 3,963 or 18.8 percent of the population. The greatest decrease was with the age group of Under 5 years, showing a decrease of 30.2%.

Age	Number	% of Population	% Change from Prior Year
Under 5 Years	790	3.8	-30.2%
5 to 9 Years	1,248	5.9	-13.1%
10 to 14 Years	1627	7.7	6.5%
15 to 19 Years	1328	6.3	30.2%
20 to 24 Years	2541	12.0	9.3%
25 to 34 Years	3963	18.8	-8.5%
35 to 44 Years	2949	14.0	-6.4%
45 to 54 Years	2784	13.2	1.9%
55-59 Years	1058	5.0	-5.0%
60 to 64 Years	1060	5.0	25.0%
65 to 74 Years	1016	4.8	37.9%
75 to 84 Years	562	2.7	42.6%
85 Years and Over	173	0.8	46.6%
Source: U. S. Census Bureau 2013-2017 American Community Survey			

HOUSING

Carrboro continues to be mostly a community consisting of rental units as 56.5 percent of the housing stock is renter occupied. Owner occupied housing is 43.5 percent of occupied housing units. The total housing stock of 9,585 housing units had a vacancy rate of 6.2 percent. Of the total housing units, 49.5 percent are in single-unit structures, 49.8 percent are in multi-unit structures, and 0.7 percent is mobile homes. There have been 177 additional housing units built since 2010.

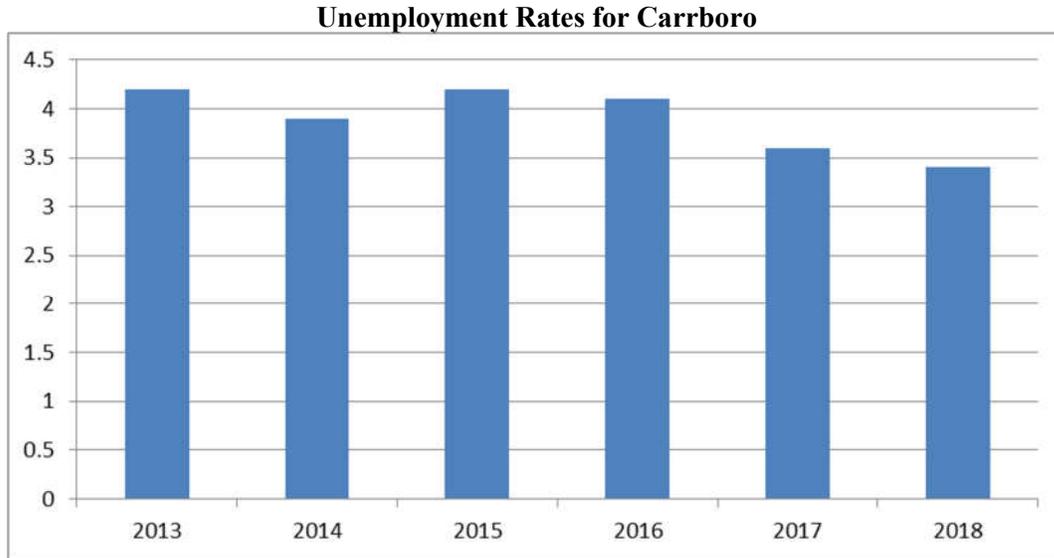
The median value of a housing unit in Carrboro in 2013-2017 was \$334,500, which is an 8.7 percent increase from \$307,600 in 2010.

INCOME

The 2013-2017 median household income is \$56,573. Twenty-two percent of the households earn less than \$25,000 a year. Twenty-one percent of the households make between \$25,000 and \$50,000 a year, while fifty-seven percent of households make more than \$50,000 a year.

EMPLOYMENT

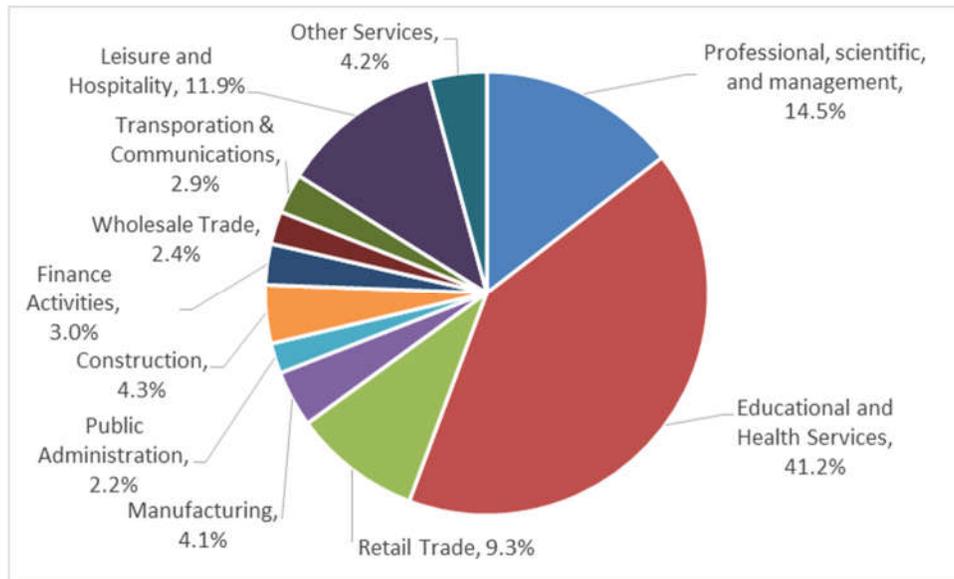
Employment levels in Carrboro reflect a slight decrease in the unemployment rate from 3.6% in 2017 to 3.4 % in 2018, which is well below the state unemployment rate of 4.5%.



Source: homefacts.com



Carrboro Employment by Industry Sector, 2017



Source: American Community Survey

The major employers within Orange County in 2018 (those with 500 or more employees) reflect the dominance of the professional services sector.

Employer	# of Employees
UNC Health Care System	12,475
University of North Carolina at Chapel Hill	11,079
Chapel Hill-Carrboro City Schools	2,262
Orange County Schools	1,297
Orange County Government	925
Town of Chapel Hill	657
UNC Physicians Network LLC	548

Source: Orange County Economic Development Commission, Employment Security Commission

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

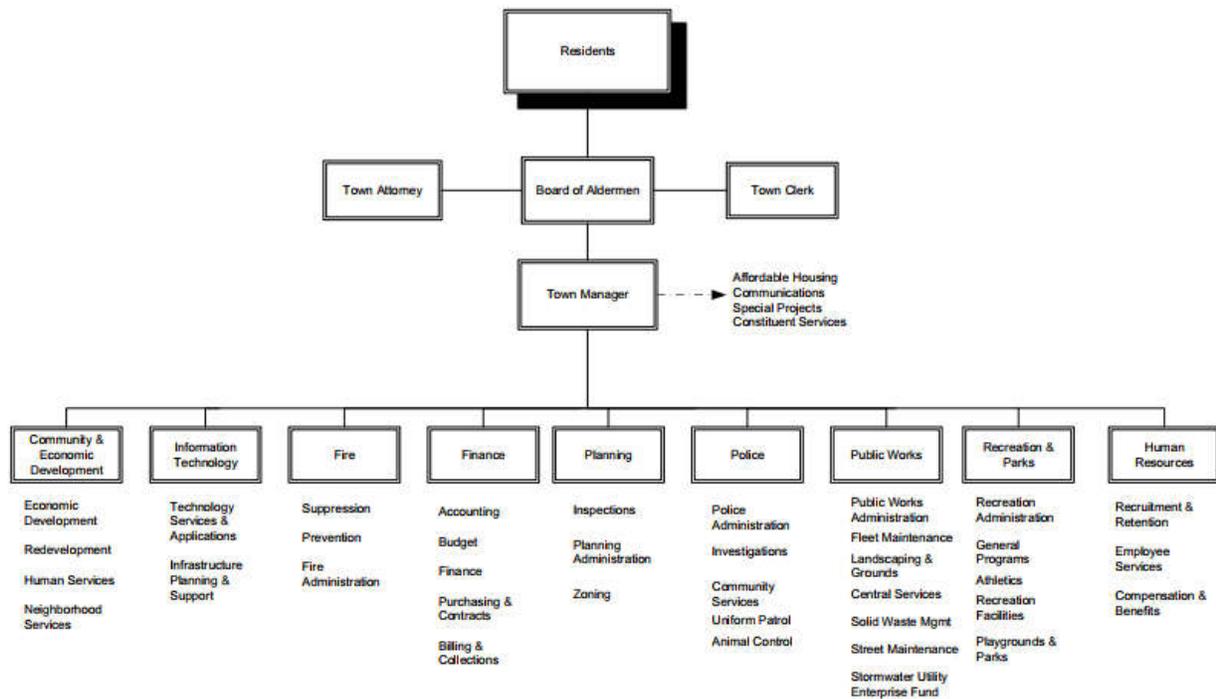
Chapel Hill-Carrboro School System

- 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 166 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.



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 (human resources, 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 Town's Stormwater Utility Enterprise Fund includes an operating and capital budget for stormwater related revenues and expenditures.

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 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

TASK	Target Date
Notice of Public Hearing for Community Input	January 17, 2019
Public Hearing to Receive Community Input on FY 2019-20 Budget	January 22, 2019
FY 2018-19 Mid-Year Budget Status Report	January 30, 2019
Budget Requests from Departments	February 22, 2019
Manager Meets with Department Heads on Requested Budget	March 11 - 15, 2019
Finance Compiles Manager's Recommended Budget	March 27, 2019
Manager Meets One-On-One with Board of Aldermen	April 8 - 18, 2019
Public Notice of Required Public Hearing	May 7, 2019
Manager Submits FY 2019-20 Recommended Budget to Board	May 7, 2019
First Budget Work Session - Board	May 14, 2019
Public Hearing on Recommended Budget	May 28, 2019
Second Budget Work Session (if needed) - Board	May 28, 2019
Board Adopts FY 2019-20 Budget	June 18, 2019

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. 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, and Energy Efficiency Revolving Loan Fund. Special Funds shall be created when legally required, requested by the Board of Aldermen, or to facilitate internal accounting and financial reporting procedures.

The annual budget for each Special Fund shall be prepared in conjunction with the General Fund budget and shall be submitted to the Board of Aldermen for adoption prior to the beginning of the fiscal year. Special Funds budgetary and accounting procedures will conform to GAAP.

Capital Fund Budgeting

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

A project ordinance must be balanced with the revenues estimated to be available for the project equal to appropriations for the project. A project ordinance shall clearly identify the project and authorize its undertaking, identify the revenues that will finance the project, and make the

appropriations necessary to complete the project. An amendment is required when the budget established for the project is not sufficient to complete the project in its entirety. A project ordinance amending the project budget will require approval by the Board of Aldermen.

Major capital decisions tend to have a fiscal and operational impact more extensive than that required of annual operating and maintenance decisions and require different planning and budgetary methods. For projects that cost over \$100,000 and will require more than one year to accomplish, 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 Plan

The Town Manager shall develop and maintain a projection of capital improvement projects (Capital Improvement Plan) for the next five years based on the previous capital improvement plans, community needs assessments, and projects approved by the Board of Aldermen. The Capital Improvement Plan (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 \$50,000. Each fiscal year, the Town Manager updates the CIP to include current information for review by the Board of Aldermen. 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 annual operating budget, or by project ordinance, by the Board of Aldermen.

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 back to the original source of funding, or undesignated capital reserves within the Capital Reserve Fund for future capital funding. In no case shall projects incur a funding deficit without the express approval of the Board of Aldermen.

DEBT MANAGEMENT POLICY

POLICY STATEMENTS

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

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

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

Purpose and Type of Debt

Purpose:

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

Types of Debt:

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

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

Debt Limits and Affordability

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

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

Several standards or guidelines are available for establishing limits:

Outstanding Debt as a Percentage of Assessed Valuation

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

Statutorily, the Town is subject to the Local Government Bond Act of North Carolina which limits the amount of net bonded debt the Town may have outstanding to 8% of the appraised value of property subject to taxation. However, this is not considered a realistic ratio as other ratios that measure ability to pay (described below) would exceed the Town's desired debt levels.

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

Debt per Capita

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

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

Debt Service as a Percentage of Operating Expenditures

The ratio that measures the percentage of debt service to the general fund expenditures reflects the Town's budgetary flexibility to change spending and respond to economic downturns. Annual debt service payments (like a house payment), can be a major fixed part of a government's fixed costs and its increase may indicate excessive debt and fiscal strain.

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

Use of Debt Ratios

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

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

By establishing comparative debt ratios and targets over a period of time, the Town is demonstrating that there is an analytical and informed process for monitoring and making

decisions about the Town's debt burden and maintaining the Town's fiscal position on behalf of the community.

Bond Ratings

The Town's current bond ratings are: Standard and Poor's 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 five-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
Enterprise	Proprietary	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, Finance, Human Resources, Police, Fire, Planning, Transportation, Public Works, Parks and Recreation, Non-departmental, Debt Service, and Stormwater.

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 and amendments to capital project ordinances.

The Town Manager can make budget transfers within the General Fund without further action by the Board. In addition, all operating funds encumbered or designated within fund balance for expenditure carryover to the following year, as confirmed in the annual June 30 audit, shall be re-appropriated to the next fiscal year without further action by the Board. All other types of amendments within the General Fund, or other funds, must be approved by the Board.

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: personnel, 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 either General Governmental Funds or Proprietary Funds and are grouped into four generic fund types as described below.

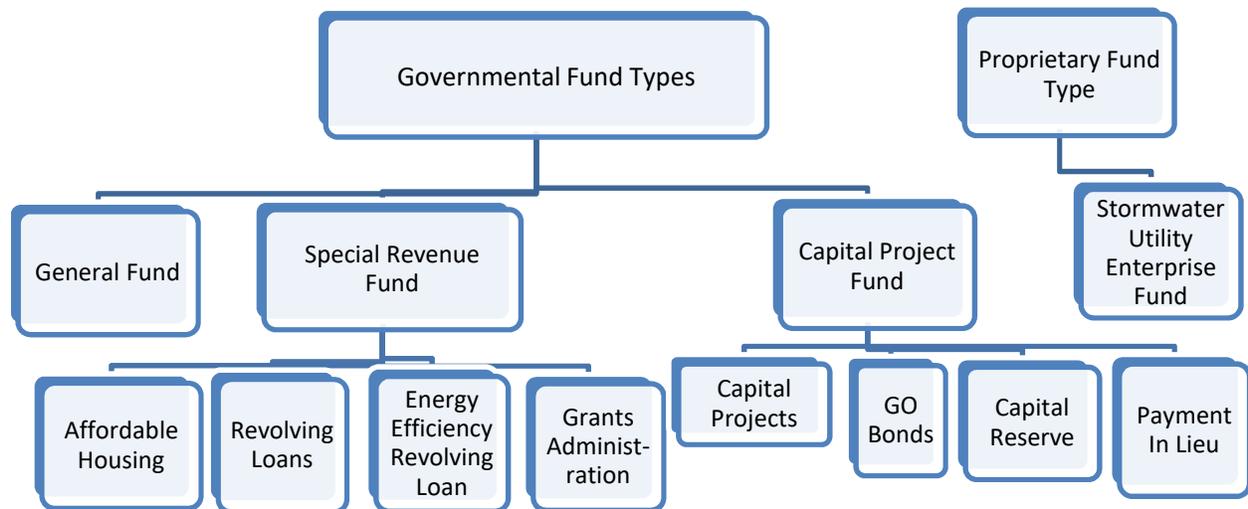
General Governmental Funds

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

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

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

Enterprise Fund – The Enterprise Fund is used to account for revenues, expenditures and capital assets related to stormwater activities and functions within the Town.



GENERAL FUND REVENUES

<u>Account Description</u>	<u>FY 2017-18 Actuals</u>	<u>FY 2018-19 Adopted Budget</u>	<u>FY 2019-20 Adopted Budget</u>	<u>FY19 to FY20 Percent Change</u>
AD VALOREM TAXES				
PRIOR YEAR TAXES	77,829	-	-	#DIV/0!
CURRENT YEAR TAXES	12,806,591	11,917,569	12,950,000	8.66%
PENALTY AND INTEREST	37,526	28,086	28,367	1.00%
AD VALOREM TAXES Total	12,921,946	11,945,655	12,978,367	8.65%

LOCAL SALES TAXES

LOCAL OPTION SALES TAX 1% 39	1,540,688	1,503,483	1,571,502	4.52%
LOCAL OPTION SALES TAX 1/2% 40	1,077,536	1,063,289	1,099,086	3.37%
LOCAL OPTION SALES TAX 1/2% 42	770,697	752,998	786,110	4.40%
LOCAL OPTION SALES TAX 1/2% 44	27,501	26,570	28,051	5.57%
CITY HOLD HARMLESS	1,141,512	1,129,640	1,164,341	3.07%
LOCAL SALES TAXES Total	4,557,934	4,475,980	4,649,090	3.87%

OTHER TAXES/LICENSES

MOTOR VEHICLE LICENSES	342,393	353,806	353,806	0.00%
MOTOR VEHICLE LIC - TRANS ONLY	114,132	117,926	117,926	0.00%
MOTOR VEHICLE TAXES	1,002,952	1,016,697	1,016,697	0.00%
MOTOR VEHICLE GROSS RECEIPTS	47	22	22	0.00%
REFUNDS - NCVTS	(33,813)	(24,687)	(24,687)	0.00%
COLLECTION FEES - NCVTS	(6,227)	(37,858)	(37,858)	0.00%
BEER & WINE LICENSE	1,523	1,535	1,535	0.00%
HOTEL/MOTEL OCCUPANCY TAX	180,355	177,316	183,000	3.21%
OTHER TAXES/LICENSES Total	1,601,362	1,604,757	1,610,441	0.35%

UNRESTRICTED INTERGOVERNMENTAL

FRANCHISE TAX	930,610	933,174	940,000	0.73%
PIPED NATURAL GAS TAX	54,522	42,508	43,000	1.16%
VIDEO SALES PROGRAMMING	58,781	55,088	57,500	4.38%
DIRECT-TO-HOME SATELLITE SALES	64,838	72,432	62,000	-14.40%
WINE AND BEER	88,934	93,979	90,000	-4.23%
NC DOT RIGHT-OF WAY REIM	4,633	1,516	6,200	308.97%
SALES TAX-TELECOMMUNICATIONS	192,014	211,392	190,000	-10.12%
EMS LOCATION	12,000	12,000	12,000	0.00%
UNRESTRICTED INTERGVMT Total	1,406,332	1,422,089	1,400,700	-1.50%

GENERAL FUND REVENUES

Account Description	FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2019-20 Adopted Budget	FY19 to FY20 Percent Change
RESTRICTED INTERGVMT				
SUPPLEMENTAL PEG CHANNEL SUP	53,515	55,724	53,500	-3.99%
POWELL BILL	482,495	482,495	485,000	0.52%
PLANNING WORK GRANT	27,669	25,970	25,000	-3.74%
SOLID WASTE DISPOSAL TAX DIST	13,641	13,947	13,800	-1.05%
RECREATION-MUNICIPAL SUPPLEM	35,898	36,160	35,898	-0.72%
ORANGE CO. ARTS COMM. GRANT	-	1,515	-	-100.00%
SEIZURES REVENUE STATE	13,175	10,695	5,000	-53.25%
SCHOOL TRAFFIC CONTROL	10,000	10,100	10,000	-0.99%
ABC BOARD GRANT	9,000	17,000	17,000	0.00%
NC RISK MGMT AGENCY GRANT	1,000	-	-	#DIV/0!
DEPT JUSTICE BLOCK GRANT	581	1,180	-	-100.00%
RESTRICTED INTERGVMT Total	646,974	654,786	645,198	-1.46%

PERMITS & FEES

STREET CUTS	110	111	100	-9.91%
ENCROACHMENT FEE	2,600	5,252	3,000	-42.88%
RETURNED CHECK FEE	300	-	200	#DIV/0!
REPORTS	525	-	-	#DIV/0!
TECHNICAL REVIEW-FUTURE EQUIPM	31,680	8,383	30,000	257.87%
COURT COST OFFICER FEES	4,556	2,014	2,500	24.13%
PARKING VIOLATIONS	9,614	10,308	9,000	-12.69%
FALSE ALARM FEES	106	-	-	#DIV/0!
FIRE PERMITTING FEES	2,384	1,121	1,200	7.05%
FIRE DISTRICT FEES	548,153	540,877	568,695	5.14%
SCHOOL RESOURCE OFFICER FEES	146,094	139,037	157,743	13.45%
CAR SEAT SALES	360	-	400	#DIV/0!
BUILDING PERMITS	109,009	55,463	57,000	2.77%
ELECTRICAL PERMITS	83,971	59,923	57,000	-4.88%
MECHANICAL PERMITS	94,588	61,000	59,000	-3.28%
RE-INSPECTION FEES	4,525	-	1,000	#DIV/0!
PLUMBING PERMITS	62,011	36,832	30,000	-18.55%
HOMEOWNERS RECOVER FEES	159	-	-	#DIV/0!
SIGN PERMITS	585	-	500	#DIV/0!
REFUSE COLLECTION FEES	2,449	2,531	2,500	-1.22%
ENGINEERING FEES	18,195	18,168	15,000	-17.44%
RECYCLING FEES	(4,315)	9,157	3,800	-58.50%
STOCKING FEE	558	-	-	#DIV/0!
REFUSE COLLECTION-DUMPSTER	53,599	69,029	65,000	-5.84%
DEVELOPMENT REVIEW FEES	66,260	31,024	30,000	-3.30%
DRIVEWAY PIPE INSTALLATION	16	-	-	#DIV/0!
STREET SIGNS	-	106	-	-100.00%
DRIVEWAY PERMIT FEES	1,090	667	800	19.94%
STREET CLOSING	720	465	500	7.53%
TOWER REVENUE	123,108	126,265	127,081	0.65%
NETWORK HUT LEASE	4,576	5,252	5,200	-0.99%
PERMITS & FEES Total	1,367,586	1,182,985	1,227,219	3.74%

GENERAL FUND REVENUES

Account Description	FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2019-20 Adopted Budget	FY19 to FY20 Percent Change
SALES & SERVICES				
RECREATION FEES	165,413	196,096	204,000	4.03%
DISCOUNT-RECREATION FEES	(771)	(11,800)	(15,000)	27.12%
SALES-MERCHANDISE & CONCESSION	2,319	2,327	3,050	31.07%
TOWN CENTER FEES	78,274	106,592	95,000	-10.88%
DISCOUNT-TOWN CENTER FEES	(176)	(7,694)	(14,000)	81.96%
SALES & SERVICES Total	245,059	285,521	273,050	-4.37%

INVESTMENT EARNINGS

INTEREST EARNED	135,490	51,812	150,000	189.51%
INVESTMENT EARNINGS Total	135,490	51,812	150,000	189.51%

OTHER REVENUES

RENT-FARMERS MARKET	2,370	2,394	2,370	-1.00%
ATM FEES	1,832	2,257	1,200	-46.83%
RENTAL INCOME	2,420	1,232	1,220	-0.97%
RENTAL INCOME-ROSEMARY LOT	1,606	145	-	-100.00%
MISCELLANEOUS	59,574	12,160	12,100	-0.49%
REFUSE CART SALES	3,474	5,304	4,300	-18.93%
YARD WASTE CONTAINERS	3,453	3,511	3,600	2.53%
DONATIONS	500	-	-	#DIV/0!
DONATIONS	17,137	16,543	92,400	458.54%
SALE OF LOTS	49,723	25,000	25,000	0.00%
SALE OF FIXED ASSETS	92,291	82,000	-	-100.00%
SALE OF NON-FIXED ASSETS	15,872	200	-	-100.00%
OTHER REVENUES Total	250,252	150,746	142,190	-5.68%

OTHER FINANCING SOURCES

TRANSFERS FROM CAPITAL RESERVES	551,000	-	-	#DIV/0!
INSTALLMENT FINANCING PROCEEDS	240,000	-	-	#DIV/0!
FUND BALANCE APPROPRIATED	-	1,088,391	1,500,753	37.89%
OTHER FINANCING SRCE Total	791,000	1,088,391	1,500,753	37.89%

Totals

\$ 23,923,935	\$ 22,862,722	\$ 24,577,008	7.50%
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GENERAL FUND REVENUE DESCRIPTIONS

The following information briefly explains the major sources of revenue for the Town of Carrboro in the FY 2019-20 Budget.

AD VALOREM TAXES

The largest single source of revenue to municipalities in North Carolina is the Ad Valorem revenue which represents a tax paid by those owning property within the municipality. Ad Valorem Taxes or property tax income includes real property, motor vehicle and business personal property taxes. The General Assembly has approved various higher exemptions for senior citizens aged 65 or older and for citizens, including veterans, who are 100% disabled and subsist on a specified household income.

LOCAL SALES TAXES

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

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

OTHER TAXES AND LICENSES

This category of revenue is comprised of motor vehicle licenses, and hotel and motel room occupancy tax.

Motor Vehicle License Tax –The vehicle license fee 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 and maintenance.

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 officer 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 are for the 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. Highlights include:

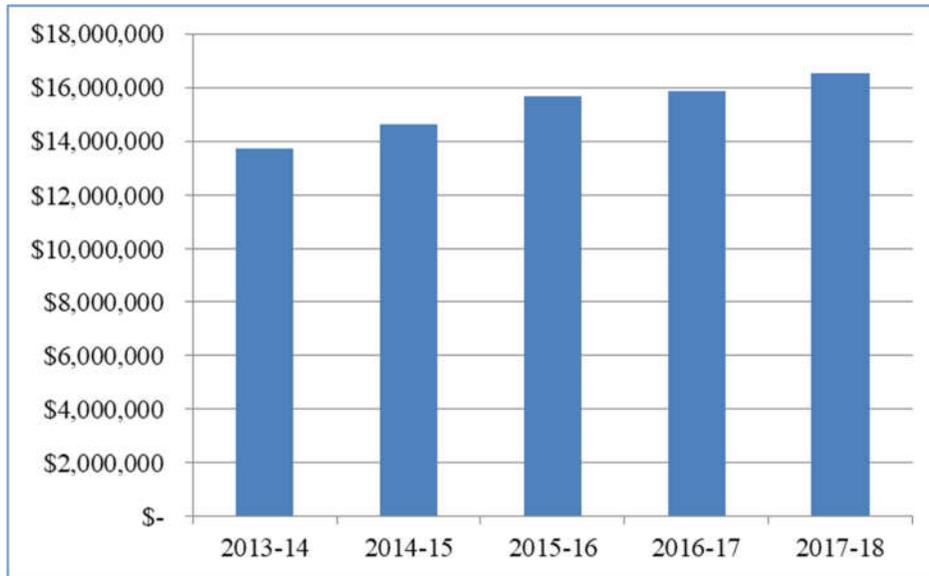
Lease-purchase – This represents the full cost of equipment or other capital purchase that the Town has obtained through installment financing. Following generally accepted accounting practices, the full cost of the financed equipment is budgeted (equipment purchased in that fiscal year) in addition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

Fund Balance Appropriated

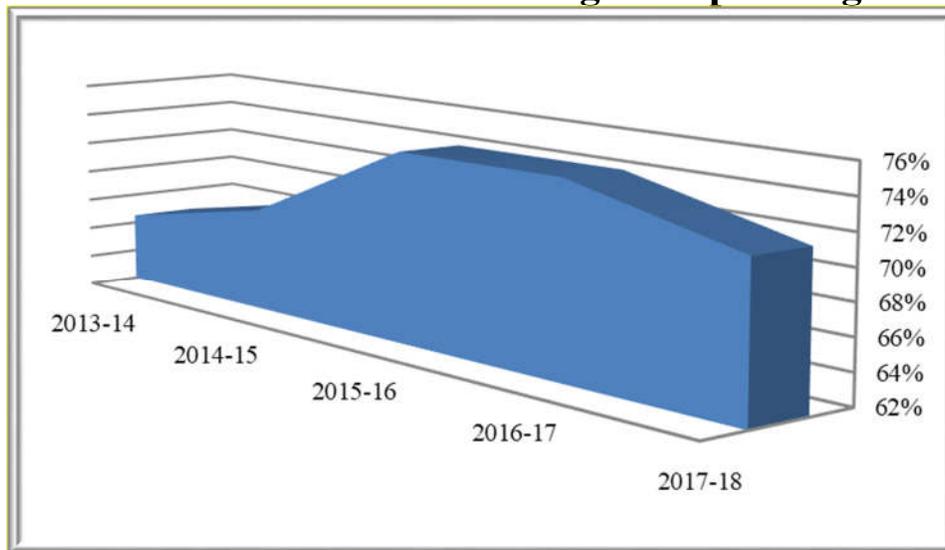
Funds accumulated through the under-expenditure of budgeted appropriations and the receipt of revenues that exceed budgeted projections result in fund balance or reserves. An appropriation of fund balance is sometimes necessary to balance projected revenues with expenditures. The level of appropriation 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 2017-18 was \$16,535,093, which was an increase of \$656,989 from FY 2016-17.

General Fund Balance as a Percentage of Operating Revenues



Fund balance as a percentage of operating revenues decreased 2.6% from 74.2% in FY 2016-17 to 71.6% for FY 2017-18.

General Fund Summary

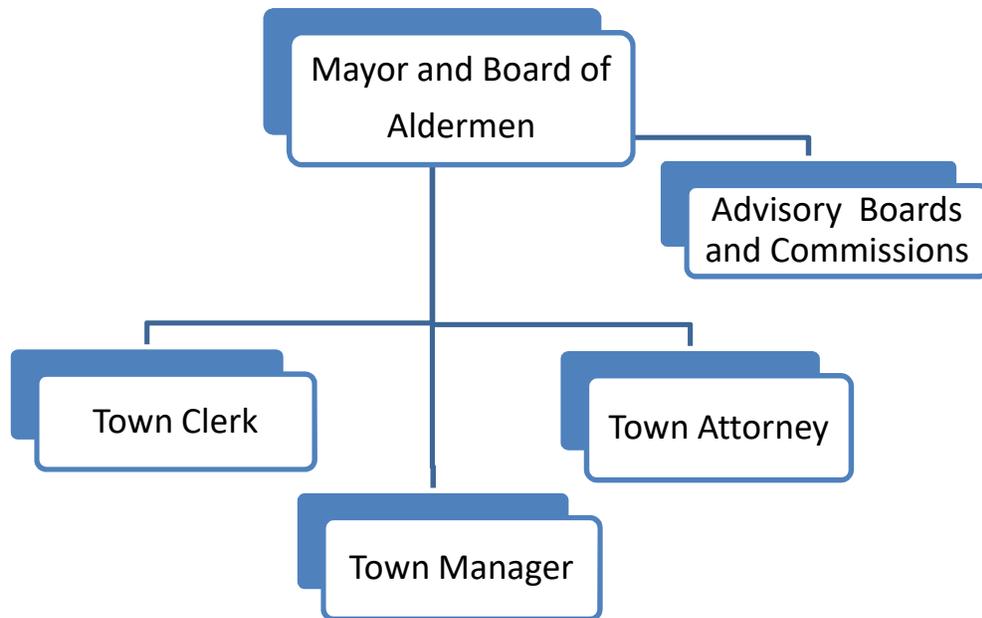
BUDGET SUMMARY FOR GENERAL FUND

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	11,704,379	13,549,281	14,630,474	8.0%
Operating	7,919,347	8,764,062	9,203,734	5.0%
Capital Outlay	720,731	299,379	285,600	-4.6%
Transfers	300,000	250,000	457,200	82.9%
TOTAL	\$20,644,457	\$22,862,722	\$24,577,008	7.5%

FY 2019-20 General Fund Expenditures by Department						
	Personnel Costs	Operating Costs	Capital Outlay	Transfers Out	Total	% Change vs FY19 Orig Bdgt
Mayor and Board of Aldermen	\$ 113,436	257,825			\$ 371,261	4.01%
Advisory Boards	-	29,950			29,950	72.62%
Governance Support	-	657,052			657,052	3.65%
Town Manager	458,099	99,815	5,000		562,914	10.02%
Economic & Community Development	142,059	109,312			251,371	1.11%
Town Clerk	129,905	21,070			150,975	-6.79%
Finance	721,284	527,570			1,248,854	8.82%
Human Resources	519,032	106,720			625,752	11.55%
Information Technology	320,602	1,300,175	118,000		1,738,777	9.47%
Police	3,480,230	451,678	-		3,931,908	1.71%
Fire	2,834,377	253,260	-		3,087,637	0.56%
Planning	1,431,962	217,935			1,649,897	11.67%
Transportation		1,919,000	83,600		2,002,600	10.58%
Public Works	2,445,218	1,501,151	25,000		3,971,369	8.58%
Recreation and Parks	1,275,904	405,977	54,000		1,735,881	8.16%
Non-Departmental	758,366	100,000		457,200	1,315,566	24.80%
Debt Service		1,245,244			1,245,244	13.80%
Total Expenditure Budget	\$ 14,630,474	\$ 9,203,734	\$ 285,600	\$ 457,200	\$ 24,577,008	7.50%

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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

- Maintained Standard and Poor AAA (“triple A”) Bond Rating
- Tree City USA for 33rd year
- Continued work on Historic Rogers Road Infrastructure
- Maintained Silver Level Designation from the League of American Bicyclists
- Maintained certification as Orange County Certified Living Wage Employer
- Maintained A- Citizen Survey
- Established stormwater rate structure
- Broke ground on Dr. MLK, Jr. Park Construction

UPCOMING FISCAL YEAR OBJECTIVES

- Continue to review downtown parking situation.
- Work to improve housing affordability and protection of existing neighborhoods.
- Work to improve stormwater/flooding problems
- Support the continued design and building of the 203 South Greensboro Street Project
- Begin work on Comprehensive Plan

BUDGET SUMMARY FOR MAYOR AND BOARD OF ALDERMEN

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	103,027	116,341	113,436	-2.5%
Operating	227,486	240,600	257,825	7.2%
TOTAL	\$330,513	\$356,941	\$371,261	4.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

The primary increase is related to the costs of the local elections.

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 FOR ADVISORY BOARDS AND COMMISSIONS

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Operating	11,582	17,350	29,950	72.6%
TOTAL	\$11,582	\$17,350	\$29,950	72.6%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

There was a decrease in Appreciation Events budget and an increase in the Art Committee budget.

GOVERNANCE SUPPORT

PURPOSE

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

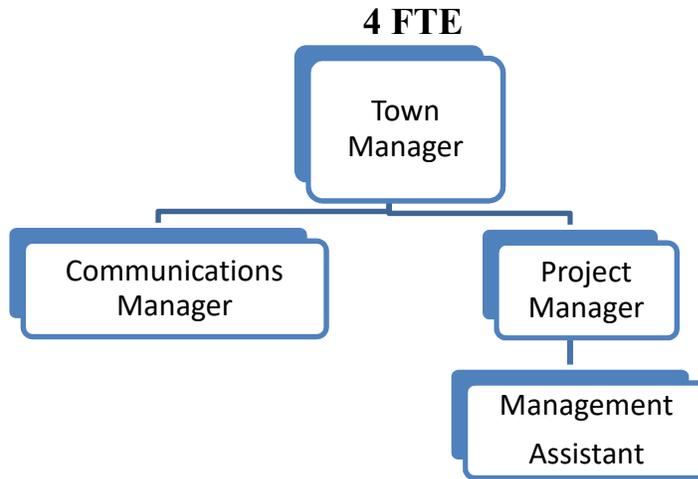
BUDGET SUMMARY FOR GOVERNANCE SUPPORT

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Operating	642,555	643,067	657,052	2.2%
TOTAL	\$642,555	\$643,067	\$657,052	2.2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

There was no significant change in this budget.

TOWN MANAGER



PURPOSE

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

GOALS

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

- Implementation of Communications Plan and increased community outreach
- Significant progress on the 203 South Greensboro Project
- Continued town facilities planning
- Development of a robust Capital Improvements Plan
- Moved the Town’s equity initiative forward - joined Government Alliance on Race and Equity

UPCOMING FISCAL YEAR OBJECTIVES

- Build on communications strategy and capacity
- Continued emphasis on equity initiative
- Organizational and employee development
- Continued town financial sustainability
- Implementation of Capital Improvements Plan

BUDGET SUMMARY FOR TOWN MANAGER

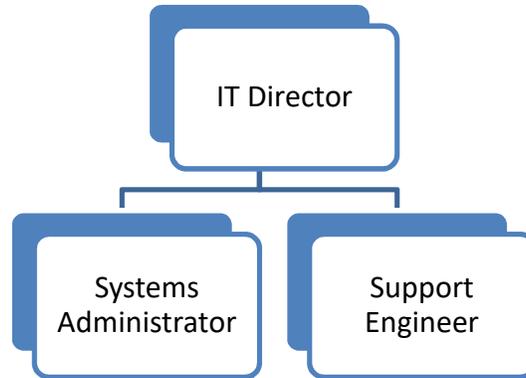
	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	371,161	441,272	458,099	3.8%
Operating	20,853	63,041	99,815	58.3%
Capital Outlay		7,345	5,000	-31.9%
TOTAL	\$392,014	\$511,658	\$562,914	10.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

The Town Manager's budget increased due to personnel costs and an increase in the advertising and printing budgets related to town communications.

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.
- To apply various technologies that enable staff, citizens and others to decrease their carbon footprint while working for the Town or interacting with the Town.

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.
- Maintain reliable historical data backups for discrete data loss incidents and catastrophic events.
- Provide technology purchasing expertise to all departments.
- Provide, maintain and upgrade a reliable, scalable and secure computing infrastructure.
- Maintain, upgrade and expand the Town's phone system.
- 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

- Completed 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.
- Completed work with Chapel Hill Carrboro City Schools to interconnect school campuses located in Carrboro with fiber optic cabling. CHCCS leveraged existing Town of Carrboro owned fiber-optic infrastructure to greatly reduce the construction costs of the interconnectivity. This provides 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. The following seven schools are now using these fiber optic interconnections: Carrboro High, Frank Porter Graham Elementary, Lincoln Center, Carrboro Elementary, McDougle Middle School and Elementary and Chapel Hill High.
- Implemented new Police Officer body worn camera system for Patrol and Community Service Officers
- Worked with AT&T to bring U-verse with AT&T GigaPower to the Carrboro Community. AT&T high-speed fiber based internet service throughout Carrboro was established when the Carrboro Board of Aldermen entered into an agreement with AT&T through their membership with the North Carolina Next Generation Network (NCNGN) to overbuild Carrboro with a fiber optic network that had one gigabyte symmetrical throughput capabilities.
- Implemented a Public Works cost accounting and work ticketing software solution.
- Connected UNC at Chapel Hill off campus programs, UNC TEACCH Autism Program and the Frank Porter Graham Child Development Institute (FPG), to campus resources through high speed fiber optic infrastructure owned by the Town of Carrboro. This removed significant ongoing monthly expenditures that now can be redirected to activities directly related to their core missions.
- Completed replacement of Board of Aldermen meeting broadcasting and streaming equipment.

UPCOMING FISCAL YEAR OBJECTIVES

- Install conduit along Rogers Road for future fiber optic cabling and connectivity to promote local broadband competition and promote serving the unserved and underserved.
- 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.

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.
6. Create telecommuting and in the field data access and input opportunities where possible to reduce the carbon footprint of Town staff.

PERFORMANCE MEASURES

	FY2016-17 ACTUAL	FY2017-18 ACTUAL	FY2018-19 ESTIMATED	FY2019-20 PROJECTED
# of Workstations Supported	184	192	192	186
# of Emergency Services Mobile Terminals Supported	50	52	52	45
Average Hours per Month of Unplanned Application Downtime During Business Hours	<1	<1	<1	<1
# Unsuccessful Backups per Month	0	0	0	0

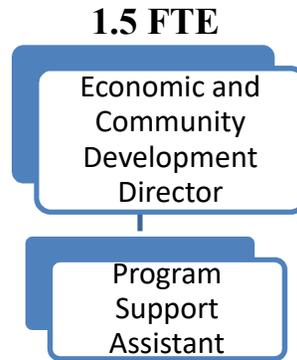
BUDGET SUMMARY FOR INFORMATION TECHNOLOGY

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	293,698	279,250	320,602	14.8%
Operating	1,150,615	1,137,137	1,300,175	14.3%
Capital Outlay	5,821	172,000	118,000	-31.4%
TOTAL	\$1,450,134	\$1,588,387	\$1,738,777	9.5%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs increased due to changes in salaries and insurance elections. Telephone expenses will have a one-time increase related to the replacement of the Town's entire phone system. Contractual services continue to increase due primarily to software support agreements.

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 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

- Began implementation of the Economic Sustainability Plan by hosting an info After-Edu Hours events.
- Developed a short-term parking strategy for the 203 construction period.
- Worked with the CBA to increase staff capacity and establish the CBA as an independent organization.
- Worked with the CBA to 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.
- Worked with Arts Committee to expand public art opportunities by growing the Art Walk by adding the Century Center as a second exhibit hall.
- Worked with the Arts Committee in executing 3 scholarships for student artist.
- Worked with the Arts Committee in selection of a new Poet Laureate.
- Facilitated the Wayfinding Program up to design selection.
- Worked with Chapel Hill Orange County staff to launch new application for grant framework for Human Services funding.

UPCOMING FISCAL YEAR OBJECTIVES

- Continue implementation of the Economic Sustainability Plan.
- Work toward a long term parking solution for the 203 Project.
- Work with the TDA to develop a website and other creative digital content.
- Study pilot program of new Human Services funding application and grant framework process.
- 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

	FY2016-17 ACTUAL	FY2017-18 ACTUAL	FY 2018-19 ESTIMATED	FY 2019-20 PROJECTED
Increase the Commercial Space Square Footage	1,930,820	2,020,820	2,050,548	2,050,548
Funds Allocated to Non-profits	\$250,000	\$300,000	\$300,000	\$300,000
Number of Non-profits applying	53	55	55	56
Growth in the Commercial Tax Base of the Center Business District	\$148,387,889	\$149,574,992	\$161,373,500	\$168,340,700

BUDGET SUMMARY FOR ECONOMIC AND COMMUNITY DEVELOPMENT

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	135,909	133,709	142,059	6.2%
Operating	96,199	114,910	109,312	-4.9%
TOTAL	\$232,108	\$248,619	\$251,371	1.1%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments.

TOWN CLERK

1.50 FTE

Town Clerk
(1 FTE)

Deputy Town
Clerk/Assistant to
the Mayor
(.50 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
- Citizen Surveys and Citizen Academy

PREVIOUS YEAR ACCOMPLISHMENTS

- Continued North Carolina Certified Municipal Clerk Designation
- Continued required education 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.
- Led Town's first Citizen's Academy
- Conducted 2nd Citizen Satisfaction Survey

UPCOMING FISCAL YEAR OBJECTIVES

- To increase the number of electronically indexed contracts.
- To 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 80% to 100%.
- To continue using Granicus agenda, meeting, and minute management software for efficient meetings.

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

	FY2016-17 ACTUAL	FY2017-18 ACTUAL	FY2018-19 ESTIMATED	FY2019-20 PROJECTED
# of Town Contracts on file with the Town Clerk	2125	2130	2140	2160
# of Board of Aldermen Minutes Prepared by Town Clerk	35	37	37	37
# Employee Hours Spent Electronically Indexing Contracts	120	12	12	40
# of Town Contracts Electronically Indexed	1890	1920	2100	2100
Employee Hours Per Set of Aldermen Minutes Prepared	2.0	2.0	2.0	2.0

BUDGET SUMMARY FOR TOWN CLERK

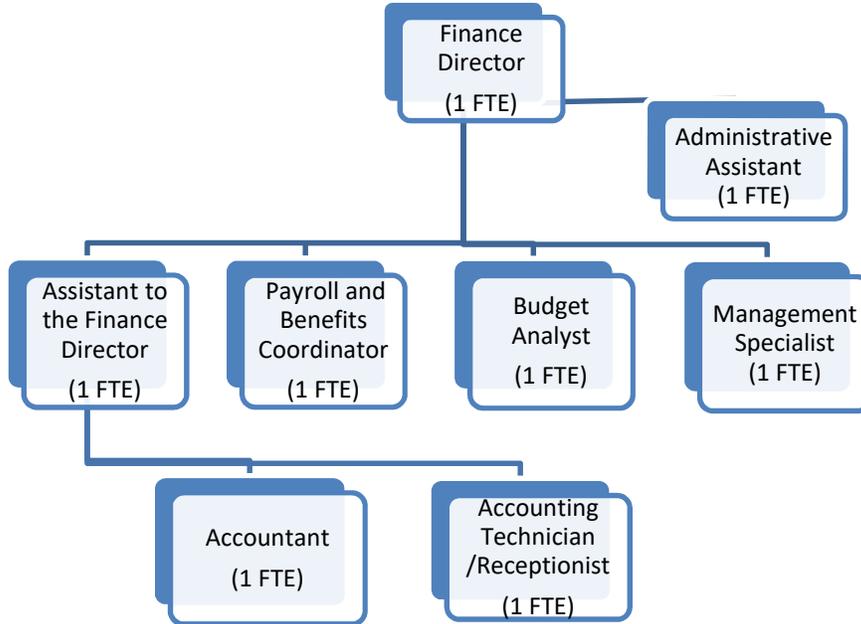
	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	134,760	124,531	129,905	4.3%
Operating	14,801	38,450	21,070	-45.2%
TOTAL	\$149,561	\$162,981	\$150,975	-7.4%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Contractual costs decreased from FY19, which included the cost of the Town's survey.

FINANCE

8.0 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, 2018 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.
- Expanded online availability of employee compensation data.

UPCOMING FISCAL YEAR ACTIVITIES

- Continue to increase knowledge among departments on the use of MUNIS financial system.
- Implement 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

	FY2016-17 ACTUAL	FY2017-18 ACTUAL	FY2018-19 ESTIMATED	FY2019-20 PROJECTED
Process Bi-Weekly Payroll for Town Employees	26	26	26	26
Number of Invoices Processed Annually	5901	5675	5800	5800
Number of Purchase Orders Issued Annually	329	242	300	300
Number of Contracts Issued Annually	74	120	158	196
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	(7.60%)	(9.86%)	(5.00%)	(5.00%)
Actual Revenues at year-end are within +/-5% of Original Budget	0.17%	4.71%	5.00%	5.00%

BUDGET SUMMARY FOR FINANCE

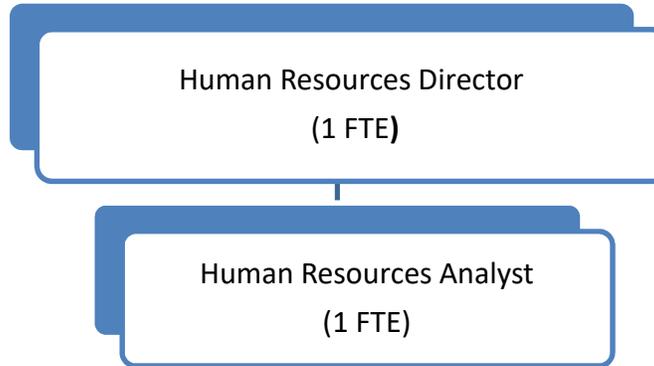
	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	480,236	577,539	721,284	24.9%
Operating	513,416	570,102	527,570	-7.5%
TOTAL	\$993,652	\$1,147,641	\$1,248,854	8.8%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to additional staff and insurance adjustments.
Operating expenses of contractual services and general insurance decreased.

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
- Responsible for Worker's Compensation administration
- Advertises vacant positions, receives employment applications, assists departments with interview process, background checks, and verifies employment eligibility (E-Verify)
- 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 family medical leave (FMLA) benefits
- Coordinates employee assistance program (EAP) services
- Coordinates COBRA administration services
- Counsels supervisors and employees on performance issues
- Conducts and responds to salary surveys
- Provides staff development training to management and employees
- Assists departments with personnel and employee relations issues
- Administers and monitors the performance evaluation process
- Keeps supervisors and department heads abreast of legislative changes and guidelines that affect personnel administration
- Maintains confidential personnel files in accordance with the General Statutes and completes reports according to state and federal regulations.

PREVIOUS YEAR ACCOMPLISHMENTS

- Employee Spring Picnic and Wellness (Physical Activities) Event
- Implemented Medicare Advantage plan for retirees to improve coverage and lower cost for the town
- Flu Shot Clinic for Employees (>60 participants)
- 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
- Attend monthly Area HR Meetings; host once a year
- Provided direct communication to each employee on benefits deductions
- Provided each employee with a total compensation statement

UPCOMING FISCAL YEAR OBJECTIVES

- 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, Character Building, and Leadership Training for Employees so job performance and job satisfaction will improve
- Work to digitize Personnel Transaction Notices, Open Enrollment and other records to improve efficiency, accuracy and ability to make data driven decisions.

BOARD PRIORITIES

Enhance quality of life/place issues for everyone.

PERFORMANCE MEASURES

	FY2016-17 ACTUAL	FY2017-18 ACTUAL	FY2018-19 PROJECTED	FY 2019-20 PROJECTED
Positions Filled	32	55	44	TBD
Employee Appreciation Events and Rewards	4	4	4	4
Trainings, Orientations and other Information Sessions	34	28	26	30
Wellness Events	12	3	1	3
Individual Wellness Sessions, Referrals, Interventions	12	155	5	10
New Policies/Procedures/ Programs Revised or Developed	4	2	4	2
HR Staff - Trainings	4	6	2	5

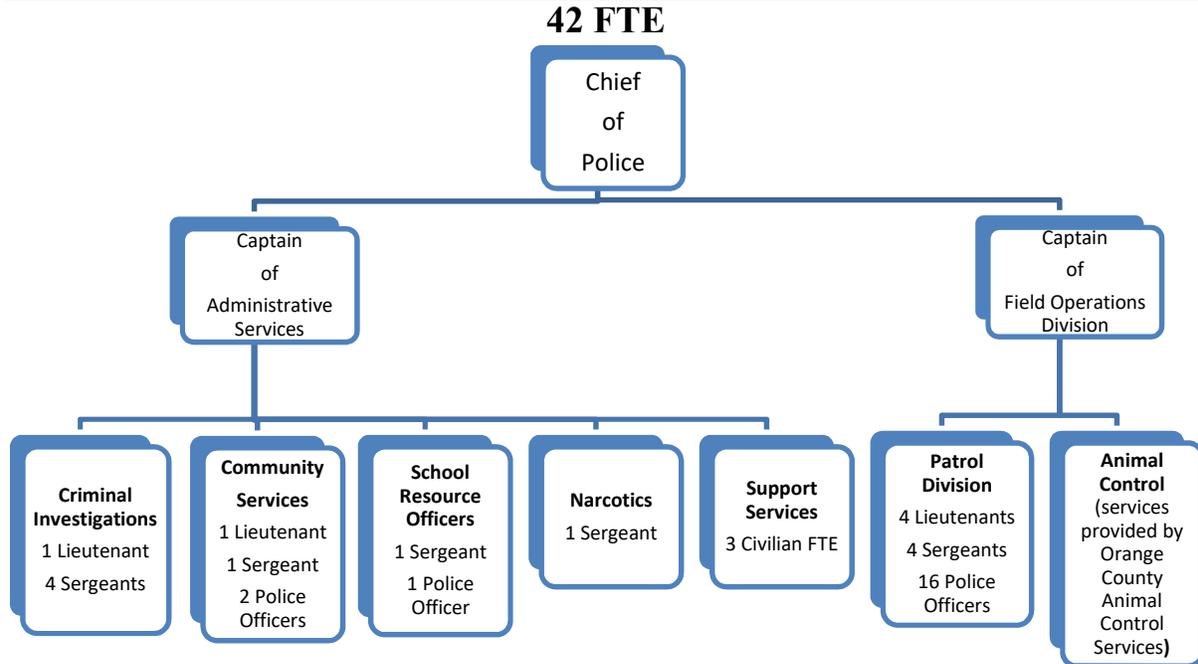
BUDGET SUMMARY FOR HUMAN RESOURCES

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	452,072	484,382	519,032	7.2%
Operating	80,956	76,600	106,720	39.3%
TOTAL	\$533,028	\$560,982	\$625,752	11.5%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Operating expense increases include Organizational Development, online benefit portal support fees, and Government Alliance on Race and Equity program funding.

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.
- Increase our efforts in Community Policing.
- Continue to use social media to inform and involve the community.

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 the Holiday Parade, 4th of July Celebration, Carrboro Day, Carrboro Music Festival, Easter Egg Hunt and several road races.
- All officers trained on Fair and Impartial Policing.
- Implementation of Body Worn Cameras
- Maintained Coffee with A Cop Program for citizens.
- Maintained Pizza with a Cop at Carrboro High School
- 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.
- Complete NCLM Risk Management Policy Review Process
- Handled high risk call without injury to citizens or officers

UPCOMING FISCAL YEAR OBJECTIVES

- Maintain current fuel consumption.
- Meet mandated training goals.
- 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.
- Continue 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.
- Successfully promote internal candidates for Captain and Sergeant through internal assessment

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

	FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY2018-19 ESTIMATED	FY2019-20 PROJECTED
Calls for Service	24,547	23,825	23,756	23,875
Motor Vehicle Accidents	514	466	480	470
Criminal Arrests	458	488	479	467
Pedestrian Crossing Citations Issued	26	13	18	14
Bicycle Traffic Operations	0	0	4	4
Pedestrian Safety Operations	9	2	4	5
Narcotics Arrests	79	81	55	70
Community Events Involvement	108	87	77	80
Percent Change in Pedestrian Safety Operations	50% Increase	78% Decrease	100% Increase	25% Increase
Percent Change in Pedestrian Crossing Citations Issued	38% Decrease	50% Decrease	38% Decrease	22% Decrease
Percent Change in Bicycle Traffic Operations	0% Change	0% Change	400% Change	0% Change

DEPARTMENT BUDGET SUMMARY

BUDGET SUMMARY FOR POLICE DEPARTMENT

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	3,253,762	3,318,393	3,480,230	4.9%
Operating	399,560	543,395	451,678	-16.9%
Capital Outlay	248,337	4,000	0	-100.0%
TOTAL	\$3,901,659	\$3,865,788	\$3,931,908	1.7%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Operating expenses decreased in departmental and vehicle supplies, fuel and uniform costs.

DIVISION LEVEL SUMMARIES

BUDGET SUMMARY FOR POLICE ADMINISTRATION

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	593,135	570,862	638,485	11.8%
Operating	43,808	75,556	48,260	-36.1%
TOTAL	\$636,943	\$646,418	\$686,745	6.2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments.

BUDGET SUMMARY FOR POLICE PATROL

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	1,780,786	1,745,605	1,858,700	6.5%
Operating	212,526	287,566	222,484	-22.6%
Capital Outlay	248,337	4,000	0	-100.0%
TOTAL	\$2,241,649	\$2,037,171	\$2,081,184	2.2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Operating expenses decreased in departmental and vehicle supplies, fuel and uniform costs.

BUDGET SUMMARY FOR POLICE COMMUNITY SERVICES

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	437,873	550,563	496,665	-9.8%
Operating	26,084	43,833	40,553	-7.5%
TOTAL	\$463,957	\$594,396	\$537,218	-9.6%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel services decreased based on historical data and changes in staff. Operating expenses decreased in conferences, fuel and uniforms.

BUDGET SUMMARY FOR POLICE INVESTIGATIONS

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	441,968	451,363	486,380	7.8%
Operating	31,378	45,155	41,805	-7.4%
TOTAL	\$473,346	\$496,518	\$528,185	6.4%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Operating expenses decreased in training, departmental supplies, and maintenance and repair of equipment.

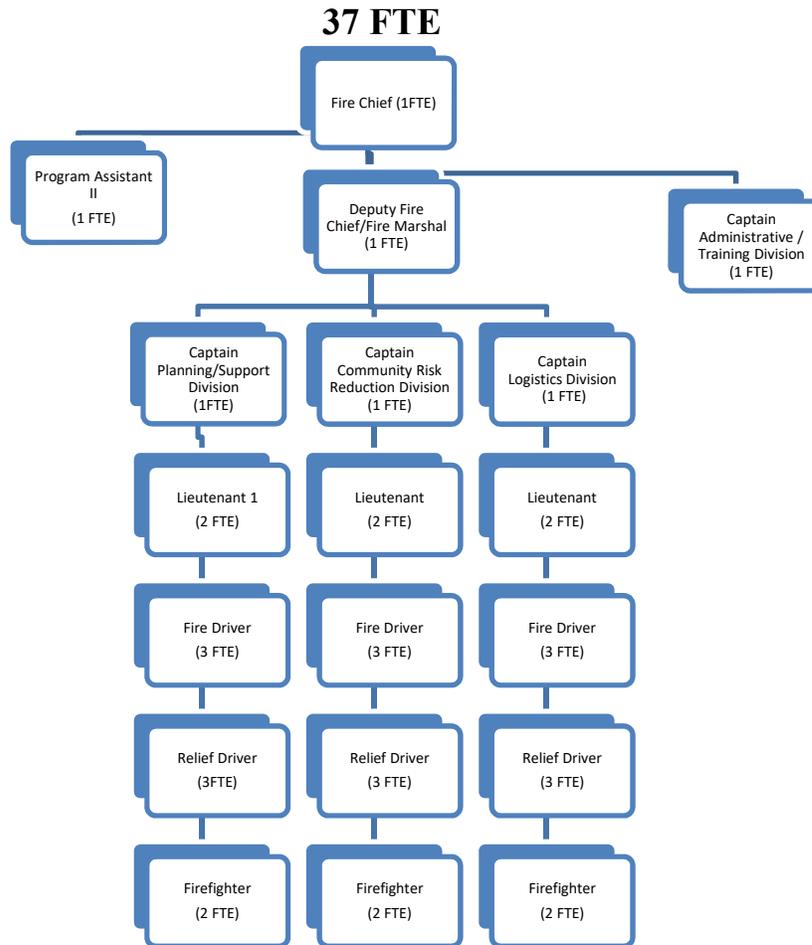
BUDGET SUMMARY FOR POLICE ANIMAL CONTROL

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Operating	85,764	91,285	98,576	8.0%
TOTAL	\$85,764	\$91,285	\$98,576	8.0%

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: code enforcement, plan review, 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

- Restructure to four department divisions: Planning/Support, Community Risk Reduction, Logistics, and Administrative/Training.
 - *The divisions allow for increased efficiencies in department day to day operations as well as meeting the growing needs of the community under the current budget.*
 - *The divisions allow for succession planning. Each captain will rotate to a different division every two years. This will allow for increased professional development of personnel in leadership positions.*
- Continued implementation of a comprehensive training plan with learning objectives and corresponding evaluations to ensure the department meets or exceeds ISO training requirements.
 - *Training Division provides monthly training objectives to divisions and conducts monthly evaluation of crew performance on training objectives.*
- Continued 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 resource deployment
 - *CFRD could benefit from alternate resource deployments as a cost savings measure. Utilizing alternate resource deployment will allow for greater life span of large fire apparatus to meet the current vehicle replacement schedule.*
- Continued evaluation of community risks/hazards and development of programs to meet identified risks.
- Continued partnership with the Relief Fund to supplement the annual physical budget to provide a more in-depth annual NFPA physical for Fire-Rescue personnel. The enhanced physical through Life Scan is able to identify conditions before personnel experience symptoms.
 - *The physical will have a potential cost savings in reduced time out of work and health insurance costs by identifying conditions early.*
- The Fire-Rescue Department developed and implemented policies and procedures to reduce personnel exposure to carcinogens on fire incidents.
 - *These policies and procedures will have a potential cost savings in reduced time out of work and health insurance costs for cancer.*

UPCOMING FISCAL YEAR OBJECTIVES

- Participate in town strategic planning to guide the department in fiscal decisions and aid in decision making while providing service to the community.
- 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

	FY2016-17 ACTUAL	FY2017-18 ACTUAL	FY2018-19 ESTIMATED	FY 2019-20 PROJECTED
Fire Inspections	1,023	873	850	900
Total Responses*	2,300	2,308	2,300	2,250
Fire & EMS Responses - Town	1,899	1,878	1,697	1,625
Fire & EMS Responses - County	293	307	387	370
Property Loss (Fire)	\$311,470	\$768,780	\$292,570 ³	\$2,700,000 ⁴
Property Value Fire)**	\$2,865,646	\$9,729,330	\$8,119,760 ³	\$18,000,000 ⁴
Property Saved %**	89.13%	92.10%	96.52%	85%
Conduct CRR analysis	80% Complete	100% Complete	100% Complete	100% Complete
90% of calls within Town limits will have a response time of 6:30 or less	6:23	6:59	7:01	6:30
90% of calls within the SO District will have a response time of 10:00 or less	9:45	9:47	9:41	9:40
100% of fire-rescue personnel will meet the ISO training requirements	80%	100%	97% facility training, 100% all other categories	100%
100% of life safety violations repaired and documented w/in 90 days	100%	100%	100%	100%

¹ 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.

² 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.

³ Figures represent Fiscal YTD values as of 20 FEB 19.

⁴ Figures represent the best estimate based upon available data and fire trends. Projection of fire loss can vary greatly based on numerous factors making this difficult to project.

DEPARTMENT BUDGET SUMMARY

BUDGET SUMMARY FOR FIRE DEPARTMENT

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	2,650,629	2,769,858	2,834,377	2.3%
Operating	252,029	273,033	253,260	-7.2%
Capital Outlay	0	27,434	0	-100.0%
TOTAL	\$2,902,658	\$3,070,325	\$3,087,637	0.6%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Operating expenses decreased in a variety of expense categories, and Capital Outlay returned to zero after a one-time purchase in FY19.

DIVISION LEVEL SUMMARIES

BUDGET SUMMARY FOR FIRE SUPERVISION

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	300,645	348,128	365,638	5.0%
Operating	25,848	45,447	39,200	-13.7%
Capital Outlay			0	#DIV/0!
TOTAL	\$326,493	\$393,575	\$404,838	2.9%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Operating expenses decreased in fuel and contractual services.

BUDGET SUMMARY FOR FIRE SUPPRESSION

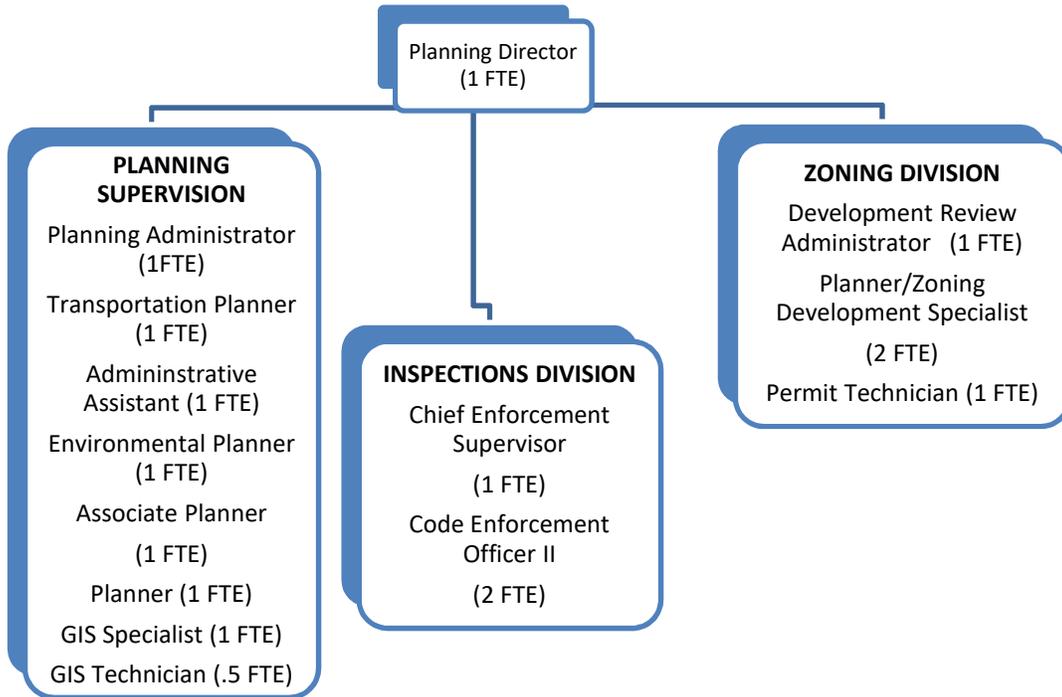
	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	2,349,984	2,421,730	2,468,739	1.9%
Operating	226,181	227,586	214,060	-5.9%
Capital Outlay		27,434	0	-100.0%
TOTAL	\$2,576,165	\$2,676,750	\$2,682,799	0.2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Operating expenses decreased in departmental supplies, fuel and uniform costs. Capital Outlay returned to zero after a one-time purchase in FY19.

PLANNING DEPARTMENT

15.5 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 of the built and natural environments. 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

- Short- and Long-Range Land Use Planning and Development Management, Engineering, Minimum Housing, Multi-trade inspections

- Intergovernmental Relations
- Geographic Information Services, Transportation, and Environmental Planning
- Energy Planning and climate action/resiliency
- Staff support for Board of Aldermen and advisory boards

PREVIOUS YEAR ACCOMPLISHMENTS

- Support for establishment and placement of new zoning districts to facilitate neighborhood protection (including Lloyd-Broad and Rogers Road) and new commercial and residential development
- Coordination of conceptual and schematic design and public input process for 203 Project
- Successful application for funding for Bicycle Transportation Plan update
- Development of Energov to streamline applications for planning, zoning, and inspections functions and services.

UPCOMING FISCAL YEAR OBJECTIVES

- Coordinate development process for 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.

PERFORMANCE MEASURES

	FY2016-17 ACTUAL	FY2017-18 ACTUAL	FY2018-19 ESTIMATED	FY 2019-20 PROJECTED
# of LUO Amendments	7	9	4	12
# of Conditional Use Permits	2	2	3	2
# of Special Use Permits	3	0	1	1
# of Zoning Permits	75	61	60	65
# of Bldg Permits for New Residential Units in Town	52	149	31	31
Bldg Permit Construction Value for New Residential in Town	\$12.0M	\$32.0M	\$7.5M	\$7.5M
Bldg Permit Value for New Commercial in Town	\$1.1M	\$3.6M	\$5.0M	\$??M
# of Cos Issued for New Residential Units in Town	59	65	105	40
Inspections per day per Inspector FTE	12.4	8.5	9.5	??

DEPARTMENT BUDGET SUMMARY

BUDGET SUMMARY FOR PLANNING DEPARTMENT

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	1,010,456	1,210,196	1,431,962	18.3%
Operating	124,201	267,223	217,935	-18.4%
TOTAL	\$1,134,657	\$1,477,419	\$1,649,897	11.7%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments, and the addition of one Associate Planner. Operating expenses decreased primarily in Engineering Services.

DIVISION LEVEL SUMMARIES

BUDGET SUMMARY FOR PLANNING SUPERVISION

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	439,643	636,838	811,942	27.5%
Operating	111,618	244,683	196,340	-19.8%
TOTAL	\$551,261	\$881,521	\$1,008,282	14.4%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments, and the addition of one Associate Planner. Operating expenses decreased in Engineering Services.

BUDGET SUMMARY FOR PLANNING ZONING

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	323,552	321,875	346,966	7.8%
Operating	2,596	8,280	8,000	-3.4%
TOTAL	\$326,148	\$330,155	\$354,966	7.5%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Operating expenses decreased slightly.

BUDGET SUMMARY FOR PLANNING INSPECTIONS

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	247,261	251,483	273,054	8.6%
Operating	9,987	14,260	13,595	-4.7%
TOTAL	\$257,248	\$265,743	\$286,649	7.9%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Operating expenses decreased slightly.

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 2018 are provided in the table below.

Service Consumption FY2018	Fixed Route	Demand Response
Annual Passenger Miles	12,133,936	309,531
Annual Unlinked Trips	6,527,665	61,747
Average Weekday Unlinked Trips	25,035	220
Average Saturday Unlinked Trips	2,333	81
Average Sunday Unlinked Trips	1,217	34
Service Supplied		
Annual Vehicle Revenue Miles	1,766,028	284,687
Annual Vehicle Revenue Hours	163,299	23,934
Vehicles Operated in Maximum Service	83	14
Vehicles Available for Maximum Service	94	18

Source: Chapel Hill Transit, FY2018 data

- In FY2018, the total system ridership was 6.59 million, which was an increase of 8 percent from FY2017.
- 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

	FY2016-17 ACTUAL	FY2017-18 ACTUAL	FY2018-19 ESTIMATED	FY2019-20 PROJECTED
Average Daily Ridership (Boarding)	3,466	3,535	3,593	3,650
Average Daily Ridership (Alighting)	3,219	3,283	3,339	3,390

BUDGET SUMMARY FOR TRANSPORTATION

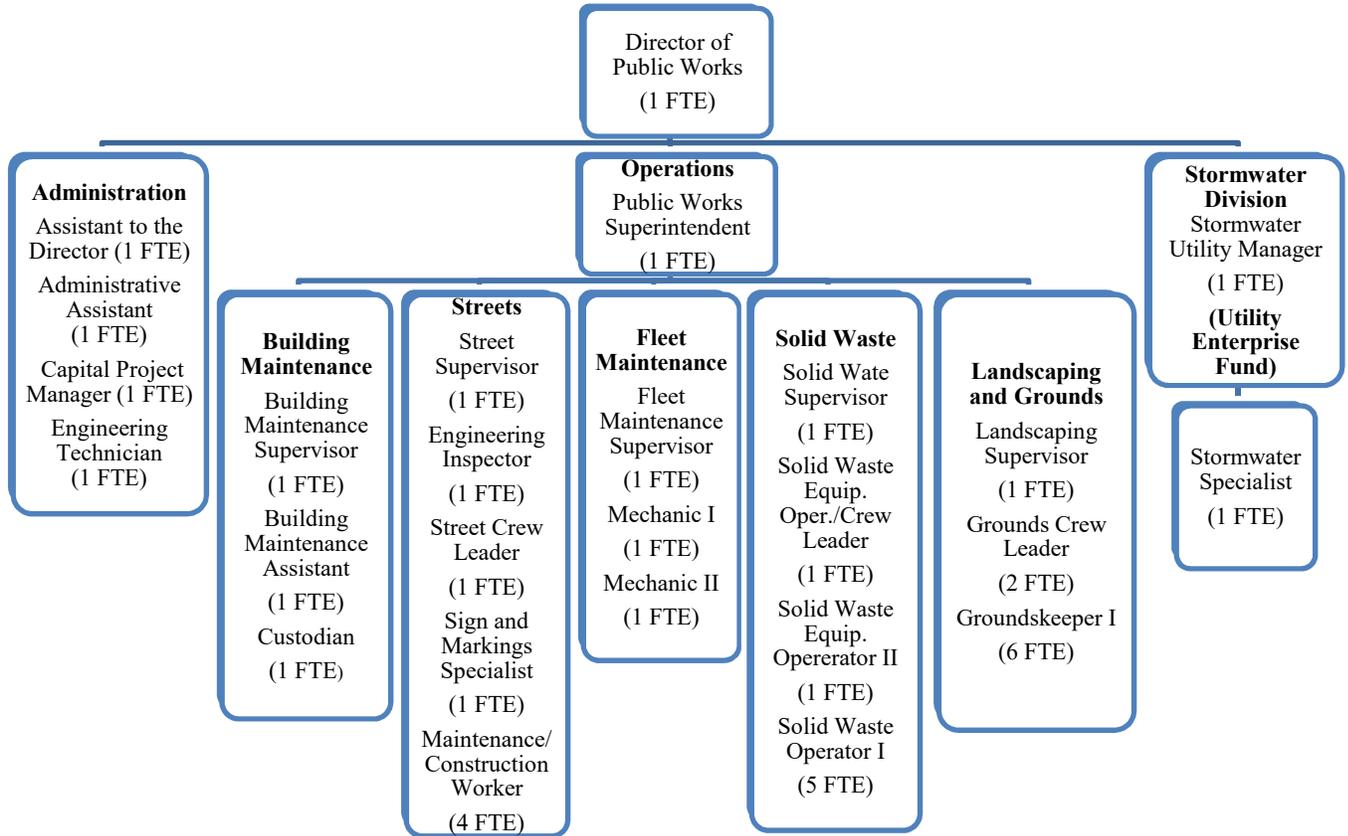
	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Operating	1,455,012	1,727,400	1,919,000	11.1%
Capital Outlay		83,600	83,600	0.0%
TOTAL	\$1,455,012	\$1,811,000	\$2,002,600	10.6%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

The Chapel Hill Transit Strategic Plan projects a \$2,002,600 payment from Carrboro in FY 2020.

PUBLIC WORKS DEPARTMENT

39 FTE



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, Fire Station I and Fire Station II, Public Works, 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 loose 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.
- Provide construction administration for Town projects; coordinate with other departments; assess needs; develop plans, approvals, and contracts; and finalize projects.

PREVIOUS YEAR ACCOMPLISHMENTS

- Provided routine municipal services – solid waste collection, street and right-of-way maintenance, snow removal, mowing of town properties, tree trimming and removal, ball field preparation, loose leaf collection, facility maintenance, vehicle and equipment maintenance, and cemetery maintenance and burials.
- Provided support for special events within Town (Carrboro Day, Open Streets, Carrboro Music Festival, Holiday Parade, Carrboro 10K, Gallop and Gorge, 4th on the Fourth, St. Paul AME 5K Walk/Run, and Not So Normal Race).
- Completed necessary repairs and improved interior appearance of various facilities including Town Hall, Century Center, Public Works, Fire Station I, and Fire Station II.
- Completed upgrade to Town Commons to better accommodate Carrboro Farmers Market.
- Coordinated replacement of Town streetlights, leased from Duke Energy, with LED fixtures.
- Continue to upgrade light fixtures to LED, replacement of light switches with occupancy sensors in various facilities to reduce energy consumption, and replacement of bulbs that are on 24/7 fixtures.
- Purchased and installed two refillable water fountains (Public Works and Town Hall) allowing employees and visitors to minimize use of single-use plastic bottles and reduce energy consumption.
- 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.

- Continued leaf mulch pile configuration adjustments and oversight to be in compliance with DENR requirements.
- Carrboro re-certified as a Tree City USA for its 34rd year.
- Continued pollinator promoting vegetation plan, installing water wise, native, pollinator producing perennials as primary vegetation throughout Town properties.
- Continued implementation of invasive aquatic vegetation control in Anderson Park Pond.
- Continued pest management plan to control fire ants.
- Maintained and repaired Town vehicles and equipment.
- Signed and implemented inter-local recycling agreement.
- Enhanced service levels and efficiencies of existing operations by improving knowledge in and usage of already owned PubWorks software. Researched and selected new software, Dude Solutions.
- Hired new Public Works Superintendent and Assistant to Public Works Director.
- Evaluated current safety practices and implemented employee safety training and record keeping procedures.
- Cross training employees to respond to fluctuating workflows and staff shortages.
- Acquisition of compact tracker, loose leaf loader, and salt spreader to increase operational efficiencies.
- Provided planning, administration, and oversight support of Capital Improvement Projects (Rogers Road sidewalk, LED streetlight conversion, Public Works renovation, and various others)

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, loose leaf collection, mowing, street sweeping, street and ROW maintenance, street sign maintenance, building maintenance).
- Continue to provide Town services in the most efficient, safe, and quality manner including support for special events within Town.
- Continue to provide residents with esthetical pleasing and safe facilities.
- Improve and maintain existing infrastructure in order to protect Town's investments, including interior appearance of various facilities (wall repair, painting, and routine cleaning). Improve public infrastructure so that perception increases from B- to A)
- Incorporate energy and climate protection strategies, upgrades, work with Environmental Planner to identify other energy reducing projects.
- 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.
- Evaluate, design, and implement recommendations from the Solid Waste Study including Every-Other-Week collection, and education and outreach. Continue to investigate food waste disposal options. Work with Orange County and the Solid Waste Advisory Group to identify other program.
- Administer contracts for bi-annual street resurfacing, sidewalk improvements, and pavement markings.
- Perform analysis of Town's unpaved roadways.

- Continue to coordinate and provide support on Capital Improvement Projects for greenways, sidewalks, biking improvements, bus shelter replacement, and projects outlined in Space Needs Study.
- Acquire and implement use of new facility software allowing Public Works to provide more effective service, reduce costs, educate the public, and make well-informed decisions through better record keeping, reporting, and analyzing.
- Evaluate and revise existing policies to improve operational efficiencies including vehicle replacement, employee overtime, snow removal, and emergency operations.
- Further enhance on the job training and certifications of employees to better service Town's needs.
- Apply for and obtain funding for relocation of Public Works facility due to high risk location hazards. Continue to work with FEMA and other grant opportunities.

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, loose leaf collection, mowing, street sweeping, street and row maintenance, building maintenance).
2. Improve and maintain existing infrastructure in order to protect Town's investments,
3. Coordinate and provide support on Capital Improvement Projects for greenways, sidewalks, biking improvements, bus shelter replacement, and projects outlined in Space Needs Study.
4. Collect energy data to assure efficiencies for Century Center mechanical upgrades and LED street lights.
5. Continue to change out lighting fixtures to LED in various facilities to reduce energy consumption.
6. Design and implement alternative solid waste collection pilots based on results from solid waste study.
7. Administer bi-annual street resurfacing project.
8. Implement use of new leaf loader to reduce costs for loose leaf collection program.

PERFORMANCE MEASURES

	FY2016-17 ACTUAL	FY2017-18 ACTUAL	FY 2018-19 ESTIMATED	FY 2019-20 PROJECTED
# of Construction Contracts Administered	1	2	3	5
Miles of Road Maintained	47.40	47.40	47.40	48.90
# of Rollout Containers	4,400	4,450	4,480	4,530
Square feet of Building Space Maintained	61,317	61,317	61,317	61,317
Cost of Centerline Mile Resurfaced (every 2 yrs.)	\$0	\$395,460	\$0	\$600,000
Refuse Tons per 1,000 Population (all sources)	327	312	329	345
Century Center Energy Cost Reductions (\$ Spent)	\$40,176	\$34,490	\$35,116	\$34,000
Solid waste mileage reduction tracker (Residential mileage driven/customer)	8.13	7.40	6.90	6.50

DEPARTMENT BUDGET SUMMARY

BUDGET SUMMARY FOR PUBLIC WORKS

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	1,683,030	2,130,411	2,445,218	14.8%
Operating	1,421,533	1,569,801	1,501,151	-4.4%
Capital Outlay	466,573	5,000	25,000	400.0%
TOTAL	\$3,571,136	\$3,705,212	\$3,971,369	7.2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel services increased due to the addition of another Groundskeeper I position and an Engineering Technician position. Operating expenses decreased due to a variety of reasons noted in the division level summaries.

DIVISION LEVEL SUMMARIES

BUDGET SUMMARY FOR PUBLIC WORKS SUPERVISION

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	236,021	370,110	489,615	32.3%
Operating	53,157	38,750	43,900	13.3%
Capital Outlay			0	#DIV/0!
TOTAL	\$289,178	\$408,860	\$533,515	30.5%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments, and the addition of an Engineering Technician.

BUDGET SUMMARY FOR PUBLIC WORKS STREETS

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	345,375	508,633	553,900	8.9%
Operating	423,375	413,050	377,850	-8.5%
Capital Outlay	455,275	5,000	25,000	400.0%
TOTAL	\$1,224,025	\$926,683	\$956,750	3.2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Operating expenses decreased in contractual services due to the elimination of the snow removal contract which will now be done in house. Capital Outlay increased for the purchase of a brine sprayer and snowplow blades.

BUDGET SUMMARY FOR PUBLIC WORKS SOLID WASTE

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	386,019	444,658	485,667	9.2%
Operating	449,130	468,772	496,897	6.0%
Capital Outlay			0	#DIV/0!
TOTAL	\$835,149	\$913,430	\$982,564	7.6%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Operating expenses increased primarily due to landfill fees.

BUDGET SUMMARY FOR PUBLIC WORKS CENTRAL SERVICES

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	190,649	190,109	200,306	5.4%
Operating	235,836	332,155	310,460	-6.5%
Capital Outlay			0	#DIV/0!
TOTAL	\$426,485	\$522,264	\$510,766	-2.2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Operating expenses decreased in utilities and departmental supplies.

**BUDGET SUMMARY FOR PUBLIC WORKS FLEET
MAINTENANCE**

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	177,794	192,794	196,444	1.9%
Operating	45,459	38,875	67,200	72.9%
Capital Outlay			0	#DIV/0!
TOTAL	\$223,253	\$231,669	\$263,644	13.8%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel services increased slightly while Operating expenses increased in contractual services for a new fuel management system support and various fuel related inspections and maintenance.

BUDGET SUMMARY FOR PUBLIC WORKS LANDSCAPING

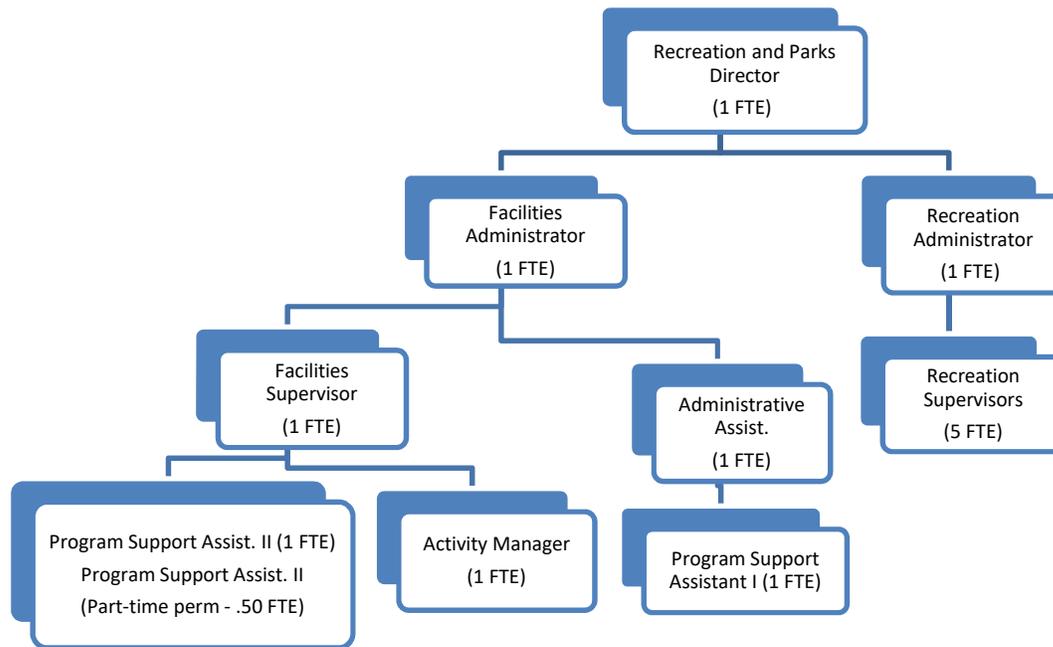
	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	347,172	424,107	519,286	22.4%
Operating	214,576	278,199	204,844	-26.4%
Capital Outlay	11,298		0	#DIV/0!
TOTAL	\$573,046	\$702,306	\$724,130	3.1%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel services increased due to insurance adjustments and the addition of a new Groundskeeper I position, which is offset by a reduction in the number of contractual temporary workers that will be needed in operating expenses. Other operating decreases include utilities and park supplies.

RECREATION AND PARKS DEPARTMENT

13.50 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

- Enhance department marketing strategies for 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.
- Provide excellent customer service, which will encourage patrons to continue to participate in recreation programs and use recreation facilities.
- Manage facilities in a manner, which minimizes usage conflicts, overcrowding, and costs.
- 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.

- Examine departmental operations to identify areas of opportunity for increased efficiency.

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.
- Serve as staff liaisons, citizen based committees, various community groups and organizations and internal town committees.

PREVIOUS YEAR ACCOMPLISHMENTS

- Worked with the Mayor's Office to assist with Play Ball City designation through the United States Conference of Mayors.
- Received Leadership and Partners Award from the Durham Orange Community Tennis Association.
- Revised marketing materials for promotion through Peachjar to comply with newly-implemented ADA electronic file regulations.
- Shifted design and creation of the school e-flyer from a contractor to being created in-house.
- Created new staff orientation materials for new hires.
- Increased the number of businesses and residents Program Brochure, Monthly Program Newsletter, and Poetry Newsletter and various flyers were utilized and distributed.
- Implemented a new phone app for the Carrboro Music Festival.
- Updated department vendor lists and purchase solicitation processes.
- Membership of Carrboro Youth Council increased to over 20 active members and increased utilization of the Carrboro Youth Council as program volunteers.
- Carrboro Youth Council volunteered through our Homework Helpers program to provide tutoring services for McDougle Middle School students.
- Worked with the Town Clerk to provide an interactive tour of town parks as part of the first annual Citizens Academy.
- Revised the department's Inclusivity Statement.
- Worked with several agencies to develop the vision and plans for The 203 Project.
- In the most recent Biennial Citizen Survey, the Recreation & Parks Department again scored a high level of satisfaction.
- Finalized plans and began construction on Dr. Martin Luther King, Jr. Park.
- Assessed the Adams Tract Tree Species Identification Map and identified updates needed.
- Installed bleachers on Hank Anderson Park Multipurpose field #1.

- Installed a chin up bar on Libba Cotten bike path.
- Renovated Century Hall sound system.
- Installed new temporary fencing around the horseshoe pits at Anderson Park to meet NCHPA safety requirements.
- Century Center flooring was professionally refinished, along with carpets and window professional cleaned.
- Staff attended/completed Active Assailant training.
- Staffed attended NRPA conference and several staff members re-certified as National Certified Park and Recreation Professionals.
- Staff represented the town for the Inter-City visit to Lawrence, Kansas with the Chapel Hill-Carrboro Chamber of Commerce and other community leaders.
- Staff attended The People Map Team Building.
- Completed Town Commons Renovation project.
- Staff attended numerous seminars, workshops, and training sessions through NCRPA, NCSU Recreation Resources Service, and other entities including Marketing & Special Event Summit and Inclusion Workshop.
- Staff served on a number of community committees, including Orange County Senior Games, Healthy Carolinians of Orange County, Durham Orange Community Tennis Association, and the Orange County Master Aging Plan.
- Staff attended GARE training and serving as lead staff for GARE initiative.
- Staff attended training to review and update processes related to the RecTrac registration and reservation system.
- Staff attended the Carrboro Farmer's Market on a quarterly basis to set up a booth to distribute information and directly engage citizens.
- Staff attended a variety of local staff, volunteer, and activity fairs to promote the department.
- Conducted a review of traditional youth athletic league names and re-named leagues/teams that may be deemed inappropriate.
- Expanded the number of programs offered to the senior population through a grant from Carol Woods and expanded partnerships with Covenant Place and Carolina Springs Apartments.
- Implemented two new athletic special events: MLB Pitch, Hit, & Run and Jr. NBA Skills Challenge.
- Implemented new athletic activities for youth girls, including Fall Instructional Softball, Field Hockey Open Play, Sunday Series Volleyball Clinics, and a Spring Girls Softball League.
- Expanded adventure and nature-based programming, including additional sections of Kayaking, outdoor arts programs, and walks through the Adams Tract.
- Offered a variety of programs with an emphasis on underserved populations and increasing cultural diversity, including Latin Dance, Philippine Culture and Dance, Korean Fan Dance and Drumming, West African Dance, and Black History Month
- The West End Poetry Festival had a theme of 'intersections' this year with a diverse group of poets that featured Fatima Abdullah, Ruth Awad, Shadab Zeest Hasmi, Sandra Beasley, and North Carolina Literary Hall of Fame member and current North Carolina Poet Laureate, Jaki Shelton Green.

- The Carrboro Film Festival included a diverse range of films and saw an increase in film submissions and attendance.
- Worked with the new Communications Manager to increase community outreach and engagement.
- Created and displayed new banners around town to recognize all town volunteers during National Volunteer Week.
- Collaborated with Dr. Cece Conway to offer programming celebrating traditional roots music and created a proclamation for 'Libba Cotten Day' in January 2019.
- Worked with the Town Clerk, Carrboro Youth Council, Youth Advisory Board and the NAACP to offer a Dr. Martin Luther King Commemoration Event.
- Collaborated with Residential Services, Inc. staff to discuss program ideas and build contacts for marketing to people with disabilities.
- Developed a partnership with local businesses to host monthly poetry events.
- Collaborated with Music Maker Relief Foundation to offer the Freight Train Blues Concert Series.

UPCOMING FISCAL YEAR OBJECTIVES

- Complete construction of Dr. Martin Luther King Jr. Park.
- Cover ballfield dugouts, replace basketball courts and add water in Dog Park at Hank Anderson Park.
- Add cleaning maintenance to playground equipment that will improve appearance and possibly increase longevity of equipment/surface material.
- Improve Facility Division marketing of parks and facilities for patron use and reservations.
- Work with Public Works to improve appearance/safety of parks and Century Center.
- Update and implement revised Programs Division Marketing Plan.
- Create new banners, coroboards, and similar marketing materials to display in high-visibility areas throughout the service area.
- Work with town staff in the implementation of the Wayfinding Project as it relates to town parks and recreational facilities.
- Increase promotion of Department opportunities/processes such as Program Service Proposals, needs for contractual instructors, etc.
- Coordinate marketing with local businesses and collaborating agencies to increase publicity for Department programs and events in a cost-effective manner.
- Collaborate with local agencies (El Centro, Refugee Support Center, and NAACP) to enhance marketing to underserved populations.
- Increase citizen and public involvement in the creation and coordination of recreation programs and events.
- 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.
- Collaborate with the town’s Communications Manager to identify new avenues of public engagement (HOAs, Nextdoor, etc.)
- Expand the utilization of volunteers and department staff in effective program leadership roles.
- Seek out additional volunteer fairs, websites, and other recruitment tools and events to increase the department’s volunteer pool.
- 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.
- Examine departmental operations to identify areas of opportunity for increased efficiency.
- Conduct a department-wide inventory of equipment and assets.
- Explore options for equipment and supply storage to maximize utilization of these resources and to improve access for staff and volunteers.
- Reduce inventory of extant records, files, and equipment in accordance with state records retention schedules and property disposition requirements.
- Provide diverse recreational programs that address the needs of all residents.
- 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.
- Work with town staff in the development of the Comprehensive Plan and the Equity Plan to make and implement recommendations related to recreation programming.
- 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

Diversify revenue stream to maintain ethnic and economic diversity.

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

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

	FY2016-17 ACTUAL	FY2017-18 ACTUAL	FY2018-19 ESTIMATED	FY2019-20 PROJECTED
% Change in Volunteer Hours Supporting Programs	-2%	-4%	2%	2%
Revenue Driven Facility Usage Hours (External, Courses, Administrative)	16,703	17,133	17,150	17,250
Revenue Driven Facility Usage Hours Percent Change (External, Courses, Administrative)	3%	3%	1%	.5%
Non-Revenue Facility Usage Hours (Partnerships, Community/Informational Meetings)	510	1268	1280	1290
Non-Revenue Facility Usage Hours Percent Change (Partnerships, Community/Informational Meetings)	3%	149%	.95%	.78%
% Change in Program Division Revenue	1%	2%	1%	1%
% Change in Programming Hours	7%	9%	-2%	1%
% Change of Operational Budget Supported by Program Revenue Generated	1%	2%	2%	1%
% Change in Enrolled participants	2%	-12%	3%	1%

DEPARTMENT BUDGET SUMMARY

BUDGET SUMMARY FOR RECREATION AND PARKS

	<u>2017-18 Actual</u>	<u>2018-19 Adopted Budget</u>	<u>FY 2019-20 Adopted Budget</u>	<u>Pct Change</u>
Personnel	1,135,639	1,217,233	1,275,904	4.8%
Operating	367,835	387,668	405,977	4.7%
Capital Outlay	0	0	54,000	#DIV/0!
TOTAL	\$1,503,474	\$1,604,901	\$1,735,881	8.2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments, and a position change in the General Programs division. Operating expenses decreased in contractual services and building maintenance, while Capital Outlay includes improvements to the Hank Anderson Park.

DIVISION LEVEL SUMMARIES

BUDGET SUMMARY FOR RECREATION AND PARKS SUPERVISION

	<u>2017-18 Actual</u>	<u>2018-19 Adopted Budget</u>	<u>FY 2019-20 Adopted Budget</u>	<u>Pct Change</u>
Personnel	136,485	125,785	136,395	8.4%
Operating	11,109	21,304	8,764	-58.9%
TOTAL	\$147,594	\$147,089	\$145,159	-1.3%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Operating expenses decreased in contractual services.

**BUDGET SUMMARY FOR RECREATION PLAYGROUND
PARKS**

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Operating	1,828	10,078	0	-100.0%
TOTAL	\$1,828	\$10,078	\$0	-100.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

This division will be merged into the Rec and Park Facilities division in FY20.

**BUDGET SUMMARY FOR RECREATION GENERAL
PROGRAMS**

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	566,084	660,435	666,498	0.9%
Operating	299,998	291,136	362,053	24.4%
TOTAL	\$866,082	\$951,571	\$1,028,551	8.1%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Operating expenses increased in the rent expense category due to a shift from Public Works...this was also a budget amendment in FY19.

BUDGET SUMMARY FOR RECREATION AND PARK FACILITIES

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	433,070	431,013	473,011	9.7%
Operating	54,900	65,150	35,160	-46.0%
Capital Outlay			54,000	#DIV/0!
TOTAL	\$487,970	\$496,163	\$562,171	13.3%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments, and the change in staffing to move a (.75 FTE) Program Support Assistant I position to a (1.0 FTE) Program Support Assistant II position. Operating expenses decreased as a result of budget cuts in building maintenance and repairs, and Capital Outlay increased for improvements at the Hank Anderson Park, for baseball dugouts and dog park amenities.

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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
 - Risk and Safety Remediation
 - Transfers to Other Funds

Non-department funds are allocated to departments as needed.

BUDGET SUMMARY FOR NON-DEPARTMENTAL

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel		746,166	758,366	1.6%
Operating			100,000	#DIV/0!
Transfers	300,000	250,000	457,200	82.9%
TOTAL	\$300,000	\$996,166	\$1,315,566	32.1%

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 Operating expense includes \$100,000 budgeted for the remediation of building safety issues that may arise during the year for Town owned facilities.

The FY2020 Transfers include a \$405,200 transfer of funds from the General Fund to Capital Reserve Fund for street resurfacing and future debt service, and a \$52,000 transfer to the Affordable Housing Fund.

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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, 2018, the Town had approximately \$29.4 million in long term debt. Of this total, 19% represented general obligation debt and installment purchases for improvements and equipment. The other 81% of long term debt is related to other post-employment benefits and the two pension plans (LGERS and LEO).

	Long Term Debt 6/30/2017	Long Term Debt 6/30/2018
General Obligation debt	\$3,600,000	\$3,350,000
Premium on bond	\$70,564	\$65,698
Installment purchases - improvements & equipment	\$2,674,461	\$2,162,730
Compensated absences	\$657,746	\$737,005
Other Post-employment benefits	\$9,013,297	\$19,639,836
Net pension liability (LGERS)	\$2,892,957	\$2,013,788
Total pension liability (LEO)	\$1,496,019	\$1,517,471
Total	\$20,405,044	\$29,486,528

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	\$ 72,136	\$ 322,136
TOTAL GENERAL OBLIGATION BONDS		\$ 250,000	\$72,136	\$ 322,136
FIRE SUBSTATION	\$ 3,250,000	\$ 216,667	\$ 35,073	\$ 251,740
TOTAL LONG-TERM INSTALLMENT DEBT		\$ 216,667	\$ 35,073	\$ 251,740

EQUIPMENT/VEHICLES		\$ 656,685	\$ 14,683	\$ 671,368
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Includes principal payment for FY 2018-19 to be issued June 2019.

The Town is looking to finance a major building next year. In addition, the Town plans to finance the 2019-20 equipment purchases, shown below, with installment financing.

VEHICLES AND EQUIPMENT TO BE PURCHASED IN FY 2019-20:

DEPARTMENT	VEHICLES/EQUIPMENT	COST ESTIMATE
Police	6 Vehicles @ \$55,469	\$332,814
Planning	Vehicle for Admin Staff	\$30,000
Public Works	Garbage Truck	\$430,000
	TOTAL	\$792,814

BUDGET SUMMARY FOR DEBT SERVICE

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Operating	1,140,714	1,094,285	1,245,244	13.8%
TOTAL	\$1,140,714	\$1,094,285	\$1,245,244	13.8%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Principal and interest payments will increase in FY20 primarily due to the increase in installment financing for the purchase of Town vehicles.

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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
- Grant Administration
- Revolving Loans for Energy Efficiency
- Revolving Loans for Economic Development
- Business Loan Fund *

BUDGET SUMMARY

	Adopted Budget FY2018-19	Adopted Budget FY2019-20	Amount Change	Pct Change
Fund:				
Affordable Housing	337,500	358,500	21,000	6.2%
Grant Administration	975,360	998,096	22,736	2.3%
Revolving Loans for Energy Efficiency	111,277	267,388	156,111	140.3%
Revolving Loans for Economic Development	558,331	521,268	-37,063	-6.6%
Business Loan Fund *	115,471	0	-115,471	-100.0%
Totals	\$2,097,939	\$2,145,252	\$47,313	2.3%

* The Business Loan Fund was closed in FY 2019

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				
		Adopted	Adopted	FY19 to FY20
	FY2017-18	Budget	Budget	Percent
	Actuals	FY2018-19	FY2019-20	Change
Revenues:				
Ad Valorem Tax	-	112,500	225,000	100.0%
Interest Earnings	-	-	1,500	#DIV/0!
Payment in Lieu	16,733	-	-	#DIV/0!
Transfer from General Fund	131,092	-	52,000	#DIV/0!
Appropriated Fund Balance	63,377	225,000	80,000	-64.4%
Total Revenues	211,202	337,500	358,500	6.2%
Expenditures:				
Human Services Grants	28,950	28,950	21,000	-27.5%
Community Home Trust	74,547	74,036	73,783	-0.3%
Home Consortium Match	9,777	13,545	13,545	0.0%
Northside Neighborhood	-	30,000	-	-100.0%
Partnership to End Homelessness	16,575	23,378	35,232	50.7%
Center fo Community Self Help	-	20,000	20,000	0.0%
AHSRF Deferred Loan Program	-	20,000	20,000	0.0%
Affordable Hsg Advisory Board	-	-	500	#DIV/0!
Critical Home Repair	81,353	-	90,000	#DIV/0!
Rental Deposits Program	-	-	6,000	#DIV/0!
Acquisition and Development	-	-	68,000	#DIV/0!
Unexpended Reserves	-	127,591	10,440	-91.8%
Total Expenditures	211,202	337,500	358,500	6.2%

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				
	LTD	Adopted	Adopted	FY19 to FY20
	Actuals	Budget	Budget	Percent
	thru 6/30/18	FY2018-19	FY2019-20	Change
Revenues:				
Grant Revenue	9,082	938,096	977,096	4.2%
Transfer from General Fund	21,000	37,264	21,000	-43.6%
Total Revenues	30,082	975,360	998,096	2.3%
Expenditures:				
Hazard Mitigation Grant	927	928,096	928,096	0.0%
Bicycle Transportation Plan	-	-	70,000	#DIV/0!
Duke Energy Charging Sta *	9,082	10,000	-	-100.0%
Culture A & E District *	-	37,264	-	-100.0%
Total Expenditures	10,009	975,360	998,096	2.3%
* Grant was closed in FY 2019				

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				
	LTD	Adopted	Adopted	FY19 to FY20
	Actuals	Budget	Budget	Percent
	<u>thru 6/30/18</u>	<u>FY2018-19</u>	<u>FY2019-20</u>	<u>Change</u>
Revenues:				
Interest Earnings	125	-	1,125	#DIV/0!
Loan Interest Earnings	14,184	1,957	15,937	714.4%
Loan Principal Payments	60,382	17,610	77,198	338.4%
Other Financing Sources	173,128	91,710	173,128	88.8%
Total Revenues	247,819	111,277	267,388	140.3%
Expenditures:				
Loan Disbursements	107,128	-	107,128	#DIV/0!
Reserves for Loans	-	111,277	160,260	44.0%
Total Expenditures	107,128	111,277	267,388	140.3%

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

	Amount
Business	Borrowed
Surplus Sids	\$ 30,000
Sophie Piesse	7,000
LB Bradley	7,000
Dispute Settlement Center	35,000
The Arts Center	28,128
Total	\$ 107,128

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.

BUDGET SUMMARY				
	LTD	Adopted	Recommended	FY19 to FY20
	Actuals	Budget	Budget	Percent
	thru 6/30/18	FY2018-19	FY2019-20	Change
Revenues:				
Interest Earnings	207,243	207,243	209,743	1.2%
Loan Interest Earnings	50,641	58,117	52,759	-9.2%
Loan Principal Payments	225,293	292,971	258,766	-11.7%
Total Revenues	483,177	558,331	521,268	-6.6%
Expenditures:				
General Government Exp	17,453	26,679	26,679	0.0%
Loan Disbursements	333,000	333,000	333,000	0.0%
Reserves for Loans	-	198,652	161,589	-18.7%
Total Expenditures	350,453	558,331	521,268	-6.6%

Below is a list of active business loans in the Revolving Loan Fund:

Business	Amount Borrowed	Date of Original Loan
Alphabet Soup	\$ 48,000	2001
Art in a Pickle	105,000	2007
Bryan's Guitar and Mus	90,000	2004
Carrboro Co-Working	90,000	2008
Total	\$ 333,000	

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CAPITAL PROJECTS FUND

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.

The Capital Projects Fund is comprised of the following funds:

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

BUDGET SUMMARY - TOTAL CAPITAL PROJECTS FUND

	Adopted Budget <u>FY2018-19</u>	Adopted Budget <u>FY2019-20</u>	Amount Change	Pct Change
<u>Fund:</u>				
Capital Projects	\$ 20,293,393	\$ 22,566,145	\$ 2,272,752	11.2%
GO Bonds, Sidewalks and Greenways	7,206,175	7,499,643	293,468	4.1%
Capital Reserves	250,000	406,200	156,200	62.5%
Payment In Lieu Reserves	-	950	950	#DIV/0!
Totals	\$ 27,749,568	\$ 30,472,938	\$ 2,723,370	9.8%

CAPITAL PROJECTS

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

	LTD	Adopted	Adopted	FY19 to FY20
	Actuals	Budget	Budget	Percent
	<u>thru 6/30/18</u>	<u>FY2018-19</u>	<u>FY2019-20</u>	<u>Change</u>
Revenues:				
Interest Earnings	10,481	-	28,481	#DIV/0!
Restricted Intergovernmental	14,820	6,147,390	6,633,231	7.9%
Transfer from General Fund	2,554,049	2,554,049	3,357,591	31.5%
Other Financing Sources	2,553,344	11,571,954	12,486,842	7.9%
Other Revenue	20,135	20,000	60,000	200.0%
Total Revenues	5,152,829	20,293,393	22,566,145	11.2%
Expenditures:				
203 S Greensboro St	644,506	15,699,895	15,699,895	0.0%
Bicycle Loop Detectors	18,525	57,500	57,500	0.0%
Police Body Worn Cameras	66,318	121,000	148,841	23.0%
Public Safety Radio Upgrades *	923,736	927,370	-	-100.0%
Planning Permitting Software	129,755	230,000	230,000	0.0%
Town Commons Improvements	1,029,388	1,304,974	1,304,974	0.0%
Rogers Road Conduit	-	155,000	155,000	0.0%
LED Street Lights	-	100,000	40,000	-60.0%
MLK Jr Park	186,940	1,697,654	2,561,196	50.9%
Town Commons Pavillion Ceiling Fans	-	-	60,000	#DIV/0!
Self-Contained Breathing Apparatus Repl	-	-	314,924	#DIV/0!
South Greensboro St Conduit	-	-	95,000	#DIV/0!
Estes Drive Bike-Ped Improvements	-	-	170,000	#DIV/0!
Town Hall Roof Replacement	-	-	100,000	#DIV/0!
Bus Shelter Replacement	-	-	288,000	#DIV/0!
Town Hall Basement Waterproofing	-	-	100,000	#DIV/0!
Comprehensive Plan	-	-	200,000	#DIV/0!
Unpaved Road Upgrades	-	-	230,000	#DIV/0!
Vehicle & Equipment Replacements	-	-	792,814	#DIV/0!
Capital Expense Reserve	10,481	-	18,001	#DIV/0!
Total Expenditures	3,009,649	20,293,393	22,566,145	11.2%
* Project was closed in FY 2019				

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

	LTD	Adopted	Adopted	FY19 to FY20
	Actuals	Budget	Budget	Percent
	thru 6/30/18	FY2018-19	FY2019-20	Change
Revenues:				
Interest Earnings	144,433	140,757	43,978	-68.8%
Restricted Intergovernmental	795,429	3,501,651	5,533,515	58.0%
Other Financing Sources	3,321,234	3,280,812	1,922,150	-41.4%
Other Revenue	7,862	7,863	-	-100.0%
Total Revenues	4,268,958	6,931,083	7,499,643	26.7%
Expenditures:				
Morgan Creek Greenway Ph1	358,359	1,771,346	1,568,500	-11.5%
Homestead Rd CHHS Multi-use Path	1,054,760	1,521,770	1,521,770	0.0%
S Greensboro St Sidewalk	43,152	105,000	1,750,119	1566.8%
Wilson Park Multi-use Path *	371,282	371,282	-	-100.0%
Phase IB Sidewalk Projects *	1,210,782	1,257,900	-	-100.0%
Rogers Road Sidewalk	257,350	1,371,658	1,371,658	0.0%
Jones Creek Greenway	1,302	420,000	850,250	102.4%
Sidewalk Repairs	-	-	115,000	#DIV/0!
Capital Expense Reserve	130,317	112,127	322,346	187.5%
Total Expenditures	3,427,304	6,931,083	7,499,643	26.7%
* Project was closed in FY 2019				

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.

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

Future Debt Service – The Town has set aside reserves in anticipation of debt to be issued in the future for facility improvements.

BUDGET SUMMARY - CAPITAL RESERVE FUND

	LTD	Adopted	Adopted	FY19 to FY20
	Actuals	Budget	Budget	Percent
	thru 6/30/18	FY2018-19	FY2019-20	Change
<u>Revenues:</u>				
Interest Earnings	-	-	1,000	#DIV/0!
Other Financing Sources	167,373	250,000	405,200	62.1%
Total Revenues	167,373	250,000	406,200	0.0%
<u>Expenditures:</u>				
Street Resurfacing	-	250,000	350,000	40.0%
Future Debt Service	-	-	55,200	#DIV/0!
Uncommitted Reserves	167,373	-	1,000	#DIV/0!
Total Expenditures	167,373	250,000	406,200	0.0%

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

	LTD	Adopted	Adopted	FY19 to FY20
	Actuals	Budget	Budget	Percent
	thru 6/30/18	FY2018-19	FY2019-20	Change
Revenues:				
Interest Earnings	-	-	950	#DIV/0!
Payment in Lieu	149,780	-	-	#DIV/0!
Total Revenues	149,780	-	950	#DIV/0!
Expenditures:				
Reserves	149,780	-	950	#DIV/0!
Total Expenditures	149,780	-	950	#DIV/0!
Reserves authorized for the following purposes:				
Description	Amount			
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			

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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 hydrology from less developed landscapes.

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 Control Measure maintenance and inspections
- Water quality/benthic, hydrologic, and illicit discharge monitoring
- Coordination with Public Works Divisions
 - Stormwater conveyance system and facility maintenance
 - Street sweeping
- Staff Support for the Stormwater Advisory Commission
- Stormwater related grant pursuit and administration
- Stormwater review for development projects

PREVIOUS YEAR ACCOMPLISHMENTS

- Implemented new rate structure
- Administered Interlocal Agreement with Orange County for billing support.
- Managed Stormwater Enterprise Fund
- Provided support to the Stormwater Advisory Commission
- Hired Stormwater Specialist
- Supported HGMP Elevation Project grant, and submitted Letter of Interest for new funding
- Supported response for storm events, including FEMA Public Assistance application
- Provided regulatory support for NPDES permits and Jordan Lake Rules compliance
- Initiated work to update the current (1984) Drainage Policy
- Responded to citizen inquiries and provided stormwater related outreach
- Supported Public Works operations and office improvements at Public Works
- Coordinated urban forestry/stormwater internship and collaborated with UNC Institute of the Environment/Capstone Team

UPCOMING FISCAL YEAR OBJECTIVES

- Repair eroding streambank that is threatening Public Works facility (FEMA support being sought). This is the highest priority and a high risk situation.
- Replace Public Works driveway culvert; coordinate with stream repair and greenway project.
- Replace Broad Street culvert (FEMA support being sought)
- Complete preliminary engineering work for stormwater retrofits at Anderson Park
- Provide support to FEMA Hazard Mitigation Grant Program grants
- Hire Stormwater Technician to support utility implementation, regulatory performance, and meeting demands for services
- Continue to provide and improve all established stormwater services
 - Pending Drainage Policy update, create outreach materials that a) clarify residential stormwater related assistance that the Town can and cannot offer; and b) support residents dealing with stormwater related issues.
 - Improve performance for NPDES permits (audit anticipated).
- Continue to coordinate efforts with and support the Stormwater Advisory Commission
- Improve impervious surface GIS data used to establish rates; pending management/policy direction, consider tiered residential rate
- Provide first annual Stormwater Report

BOARD PRIORITIES

Diversify revenue stream.

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

OBJECTIVES

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

PERFORMANCE MEASURES

	FY 2018-2019 ESTIMATED	FY 2019-2020 PROJECTED
<u>Operational</u>		
Miles of street sweeping	1800	1800
SCM inspections	5-10	40
Responses to citizen requests	75	125

	FY 2018-2019 ESTIMATED	FY 2019-2020 PROJECTED
<u>Capital/Project</u>		
Retrofits/stream repairs completed	0	1
Grants supported/applied for	3	1
Public culvert replacements	0	2
<u>Financial</u>		
Revenue generated from utility	\$780k	\$790k
Reserve balance	\$239k	Pending FEMA funding

BUDGET SUMMARY FOR STORM WATER

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	102,439	94,173	180,257	91.4%
Operating	13,352	148,800	212,915	43.1%
Capital Outlay		191,000	235,400	23.2%
Reserves		466,027	170,203	-63.5%
TOTAL	\$115,791	\$900,000	\$798,775	-11.2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel expenses increased due to the addition of another staff member in mid-FY19. Operating expenses increased in departmental supplies and contractual services as storm water activities are further defined and shifted from the General Fund operations. Capital Outlay increased and the FY20 amount is all related to capital storm water projects that have been defined in the Capital Improvements Plan for the Town.

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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.

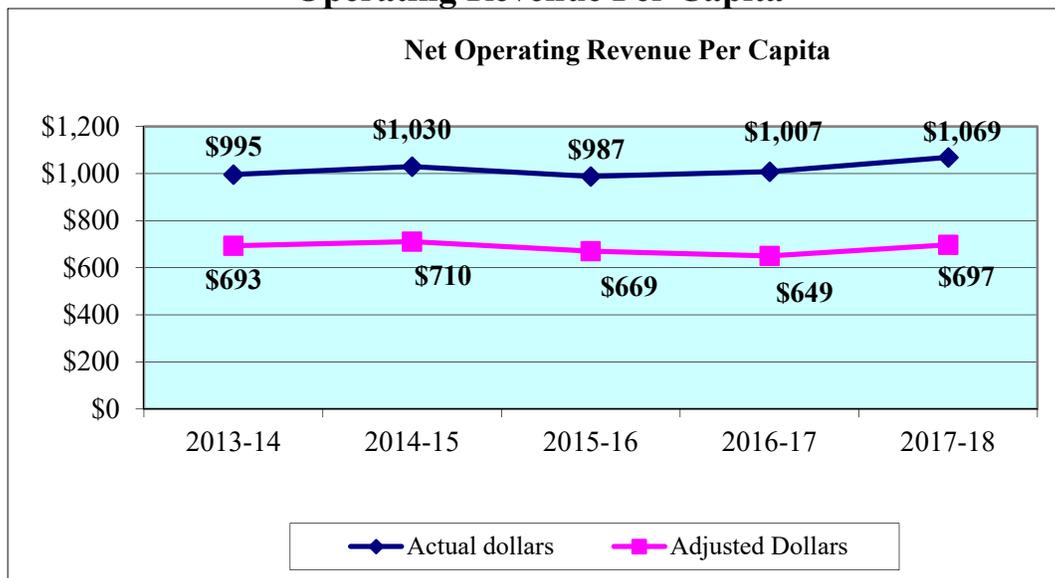
Included with every indicator is a description of the indicator, a table and graphical representation of the trend over the fiscal years for which we have audited budget reports, and an explanation of the implications of that trend for the government and residents of the Town. All the financial figures 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	2013-14	2014-15	2015-16	2016-17	2017-18
Net Operating Revenue (adjusted)	\$14,203,573	\$14,439,376	\$14,048,440	\$13,541,892	\$14,704,481
Population	20,510	20,337	20,984	20,867	21,099
Net Operating Revenue Per Capita (adjusted)	\$693	\$710	\$669	\$649	\$697

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.

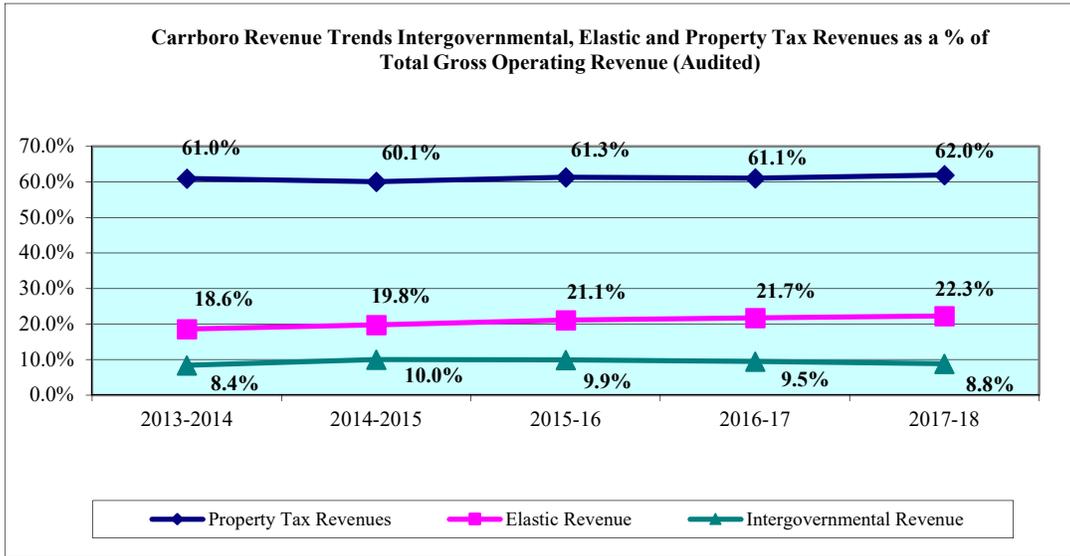
Discussion

In real terms (adjusted for inflation), revenues per capita in Carrboro have remained constant since FY2014. In actual dollars collected (adjusted for inflation), revenue increased by 3.5% percent. Ad valorem tax, local option sales tax, other taxes and licenses, permits and fees, 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	2018 Revenue Adjusted for Inflation	2014 Revenue Adjusted for Inflation	% Change in Revenue Since 2014	2018 per capita	2014 per capita	% Change Since 2014 (per capita)
Ad valorem taxes	\$ 8,423,144.51	\$ 8,206,147.53	2.6%	\$ 399	\$ 400	-0.3%
Local option sales taxes	\$ 2,971,079.46	\$ 2,482,340.29	19.7%	\$ 141	\$ 121	16.5%
Other taxes and licenses	\$ 1,043,844.60	\$ 916,406.40	13.9%	\$ 49	\$ 45	8.9%
Intergovernmental revenues	\$ 1,008,822.76	\$ 1,379,222.69	-26.9%	\$ 48	\$ 67	-28.4%
Permits and fees	\$ 897,976.66	\$ 869,393.88	3.3%	\$ 43	\$ 42	2.4%
Sales and services	\$ 159,741.22	\$ 197,363.26	-19.1%	\$ 8	\$ 10	-20.0%
Investment earnings	\$ 88,318.88	\$ 8,181.63	979.5%	\$ 4	\$ -	#DIV/0!
Other	\$ 111,553.35	\$ 144,517.05	-22.8%	\$ 5	\$ 7	-28.6%
Total revenues by source	\$14,704,481.45	\$14,203,572.72	3.5%	\$ 697	\$ 692	0.7%

Having a significant impact on the revenue stream is the property tax and sales taxes revenue per capita, representing 77% of the total revenue per capita in 2018. 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. Intergovernmental Revenues had the most significant decrease.

Major Revenue Sources



Revenues	2013-14	2014-15	2015-16	2016-17	2017-18
Property Tax	\$ 12,741,993	\$ 12,887,757	\$12,989,241	\$13,143,645	\$14,276,093
Elastic Revenue	\$ 3,894,719	\$ 4,251,370	\$4,467,684	\$4,654,349	\$5,127,457
Intergovernmental Revenue	\$ 1,757,458	\$ 2,148,129	\$2,103,432	\$2,042,392	\$2,030,130
Total Revenue	\$ 18,394,170	\$ 19,287,256	\$19,560,357	\$19,840,386	\$21,433,680

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.

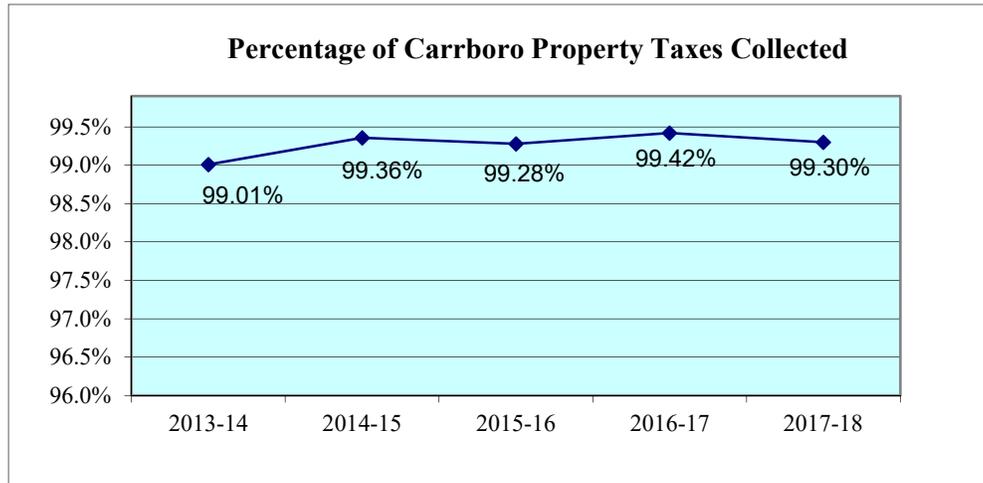
Discussion

As a percentage of total gross operating revenue, all revenues have remained fairly stable. Property tax increased by .9%, elastic revenues increased by .6%, and intergovernmental revenues decreased by .7%.

Intergovernmental revenue, as a share of the revenue stream in FY17-18 decreased from FY16-17 mainly due to decreases in the beer and wine tax and Powell Bill funding.

Elastic revenue had an increase in all revenue categories, including sales tax, all permit fees, and interest earnings.

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.

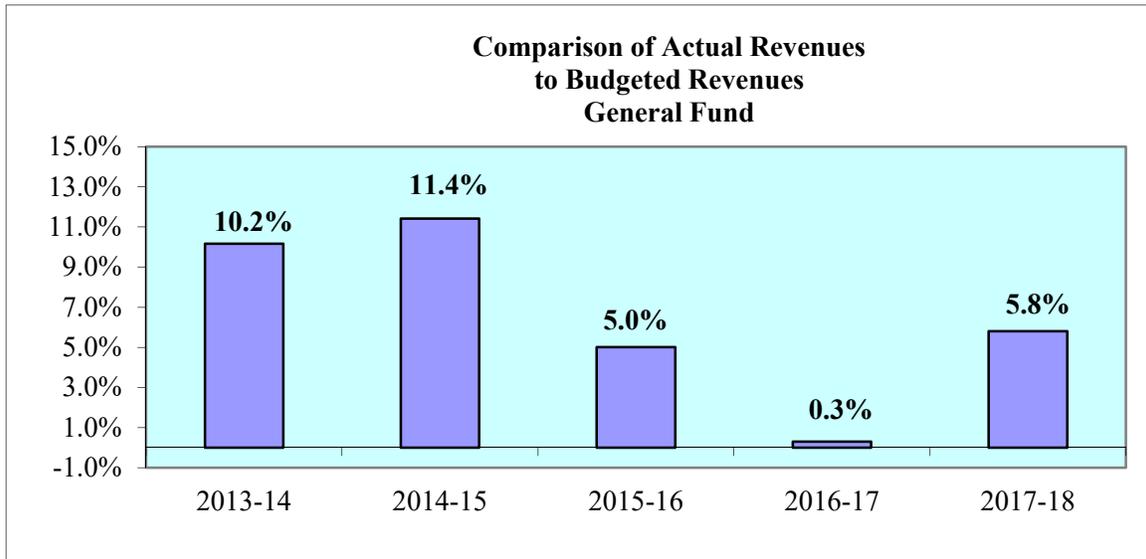
Discussion

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 decreased slightly to 99.30% in FY2017-18.

Tax Collection Rates in Carrboro and Neighboring Cities

	2013-14	2014-15	2015-16	2016-17	2017-18
Carrboro	99.01%	99.36%	99.28%	99.42%	99.30%
Chapel Hill	99.36%	99.59%	99.62%	99.60%	99.66%
City of Durham	99.00%	99.57%	99.69%	99.80%	99.84%
Hillsborough	98.00%	98.11%	98.72%	99.18%	99.13%

Comparison of Actual Revenues to Budgeted Revenues



	2013-14	2014-15	2015-16	2016-17	2017-18
Budgeted Operating Revenue	\$18,970,318	\$19,236,874	\$20,189,109	\$21,430,027	\$21,774,331
Actual Operating Revenue	\$20,898,471	\$21,432,760	\$21,200,253	\$21,495,739	\$23,040,640
Revenue Variance	\$1,928,153	\$2,195,886	\$1,011,144	\$65,712	\$1,266,309
Revenue Budgeted Operating Revenues	10.2%	11.4%	5.0%	0.3%	5.8%

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

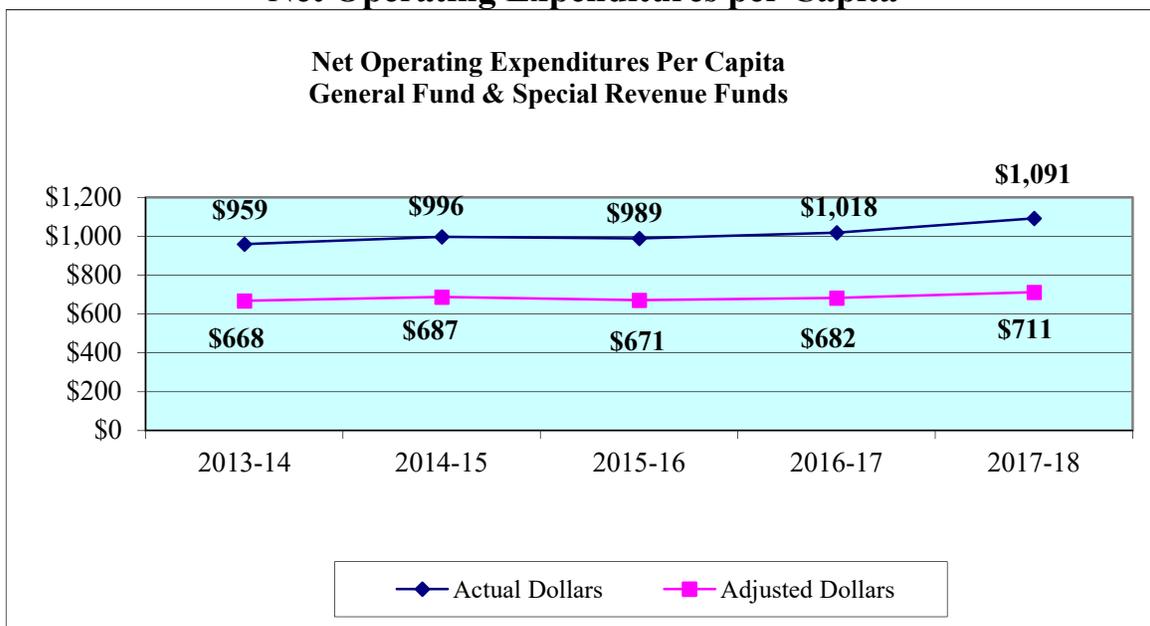
The variances in the graph indicate the Town's conservative approach to estimating revenues. In FY13-14, the main increases were with local option sales taxes (\$241,307), other taxes and licenses (\$780,830) and restricted intergovernmental revenues (\$134,509). Fiscal year 14-15 had increases in local 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). In FY 17-18, the main increases were property taxes (\$192,304), sales tax (\$539,434), unrestricted intergovernmental revenues (\$186,557), permits and fees (\$197,457), and investment earnings (\$108,401).

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



	2013-14	2014-15	2015-16	2016-17	2017-18
Net Operating Expenditures (Adjusted)	\$13,694,031	\$13,968,450	\$14,074,303	\$14,221,815	\$15,010,066
Population	20,510	20,337	20,984	20,867	21,099

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

Formula: Net Operating Expenditures/Population

Description

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

Discussion

Net operating expenditures, adjusted for inflation, show an increase in expenditures made by the Town since FY13-14, from \$13,694,031 to \$15,010,066 in FY17-18. When adjusted for the combined impact of inflation and population, per capita spending increased from \$668 in FY13-14 to \$711 in FY 17-18, or 6.4%.

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

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.

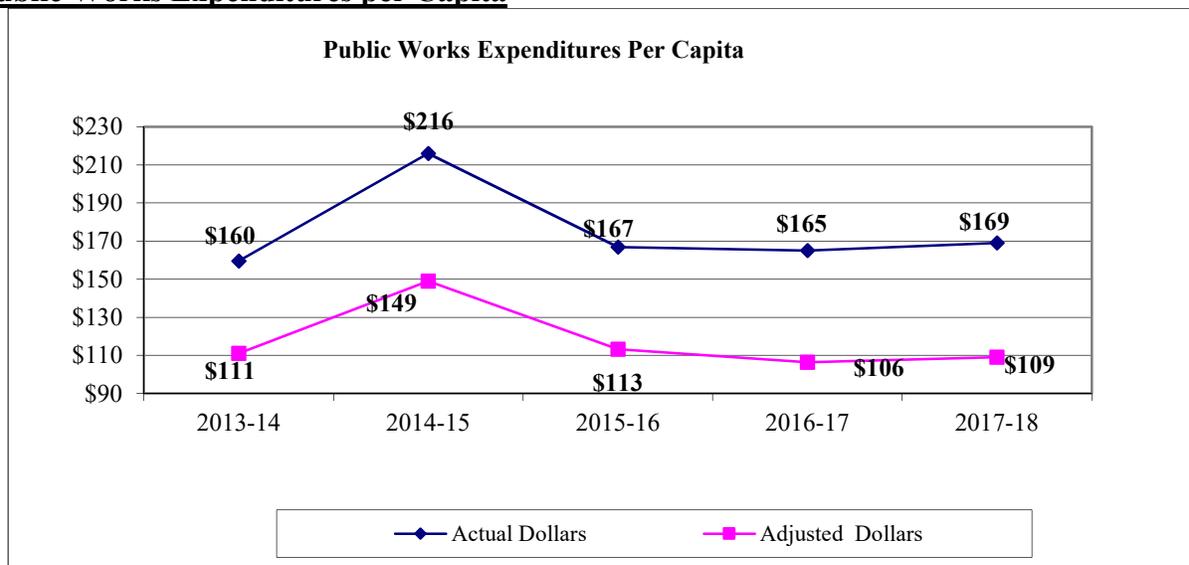
FY 2015-16 – Per capita expenditures decreased \$16 from the previous year due to reduction in Public Works expenditures.

FY 2016-17 - Per capita expenditures increased \$11 from the previous year due to change in population.

FY 2017-18 - Per capita expenditures increased \$29 from the previous year primarily due to transfers to the capital fund for capital projects.

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.

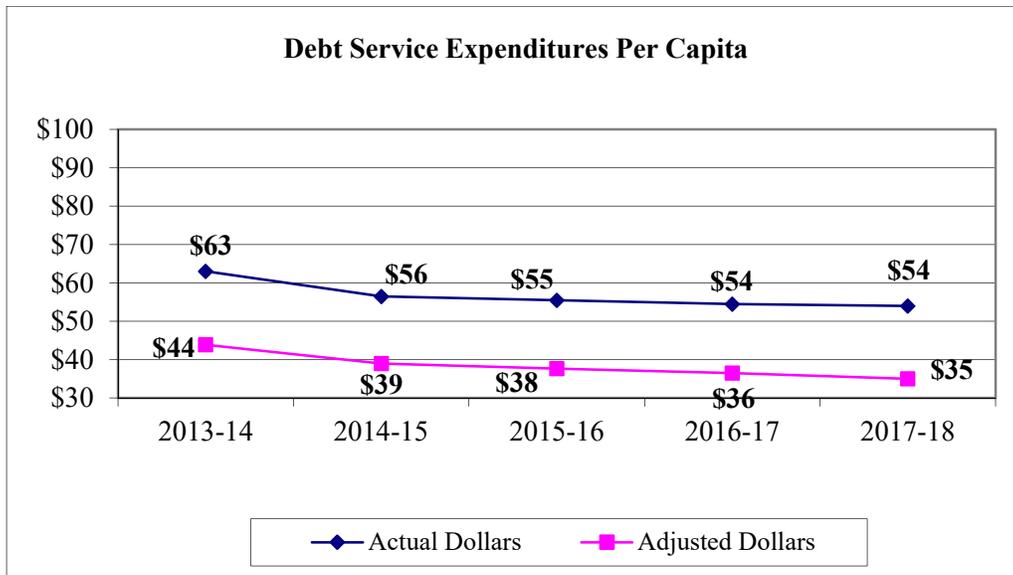
Public Works Expenditures per Capita



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

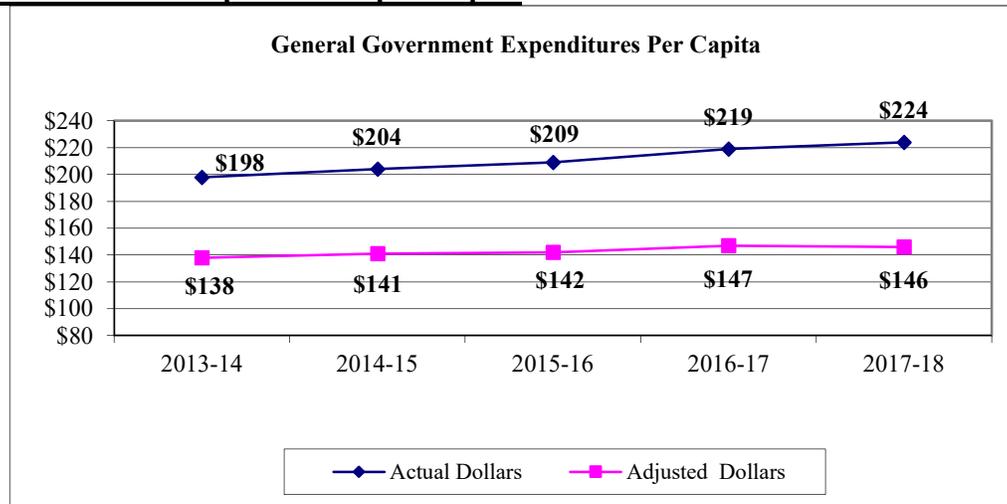
including street maintenance, stormwater system repairs, and responding to major natural disasters. The increase in FY 14-15 is due to the purchase of new Town signs, contract services for the mulch pile relocation and the purchase of an automated leaf truck. The decrease in FY 15-16 is due to the one-time 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. The uptick in FY 17-18 is due to an increase in street resurfacing costs.

Debt Service Expenditures Per Capita



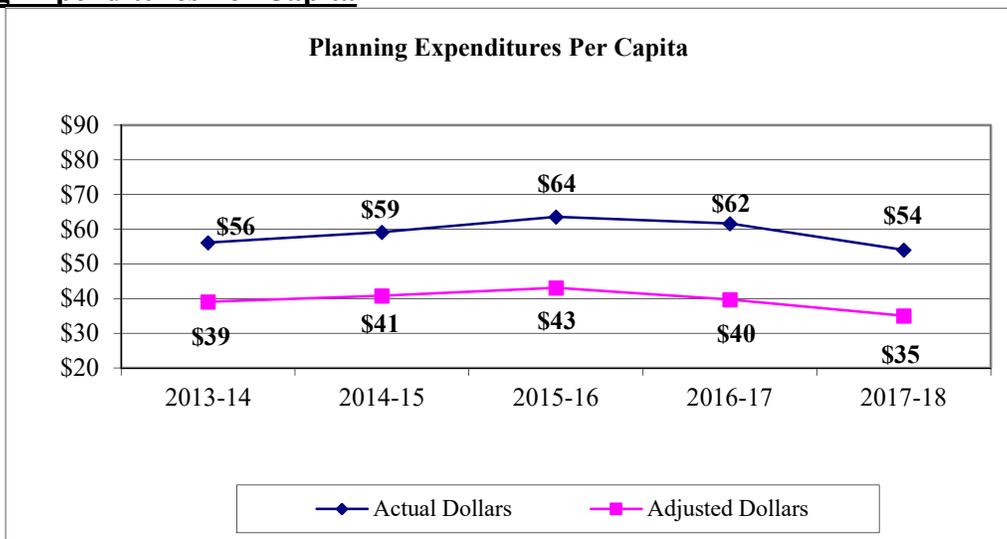
Debt costs include debt paid on general obligation bonds, installment financing for property and town infrastructure as well as equipment and vehicles. The Town has been able to take advantage of retiring debt and low interest rates to borrow for major infrastructure needs and maintain debt service at a relatively constant level. 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 during the next few years.

General Government Expenditures per Capita



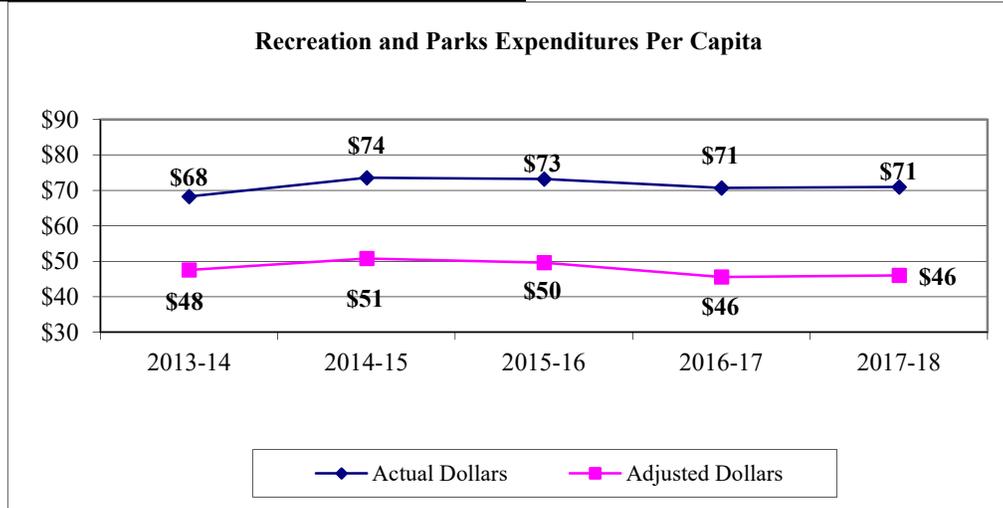
The Town continues to maintain regular replacement of technology infrastructure, support wireless technology, implement mobile laptop technology in police cars, and more recently, dashboard cameras for the Police Department. In FY17-18, the combination of an increase in population and a larger deflator rate caused a slight decrease in the per capita amount for adjusted dollars.

Planning Expenditures Per Capita



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. The FY 2017-18 decrease is the result of vacant positions and a decrease in engineering and contractual services.

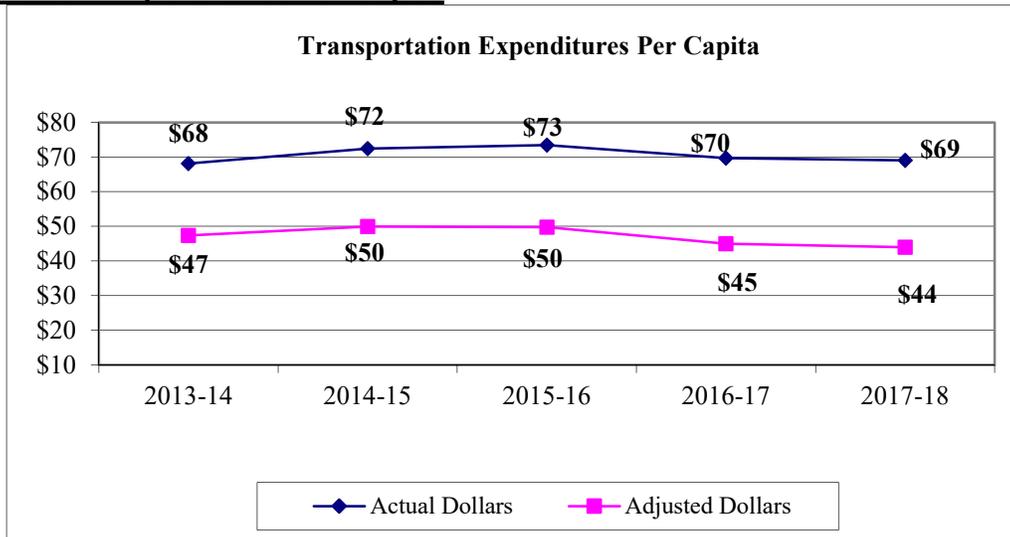
Recreation and Parks Expenditures per Capita



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.

The increase in per capita expenditures in FY 2014-15 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. FY 2017-18 remained constant.

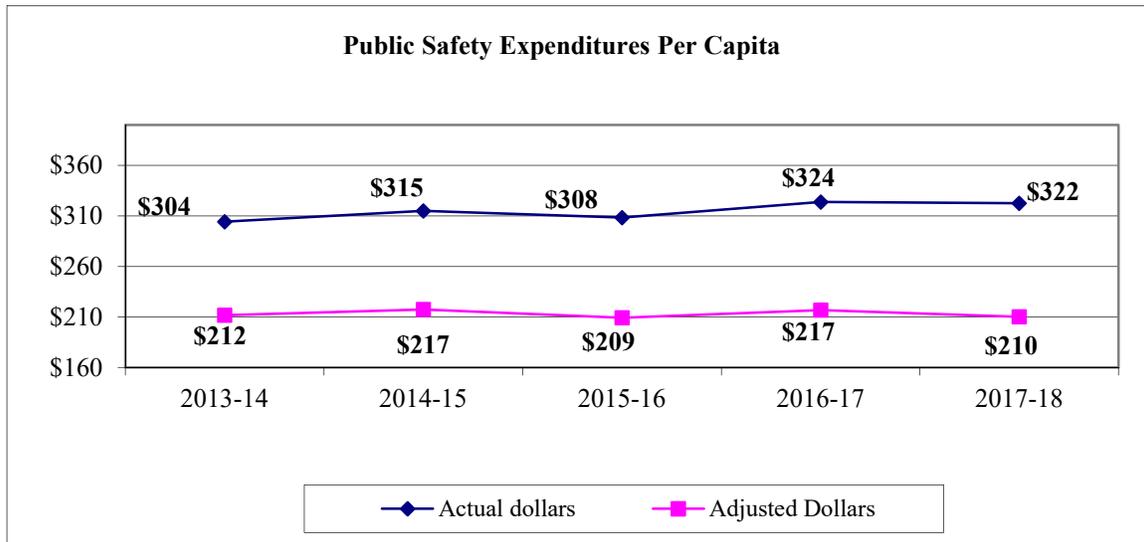
Transportation Expenditures Per Capita



The Town and UNC-Chapel Hill are partners in the transit system administered by the Town of Chapel Hill. 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. FY 2017-18 remained at previous year levels because a new contract has not yet been negotiated. The increases are primarily due to decreased

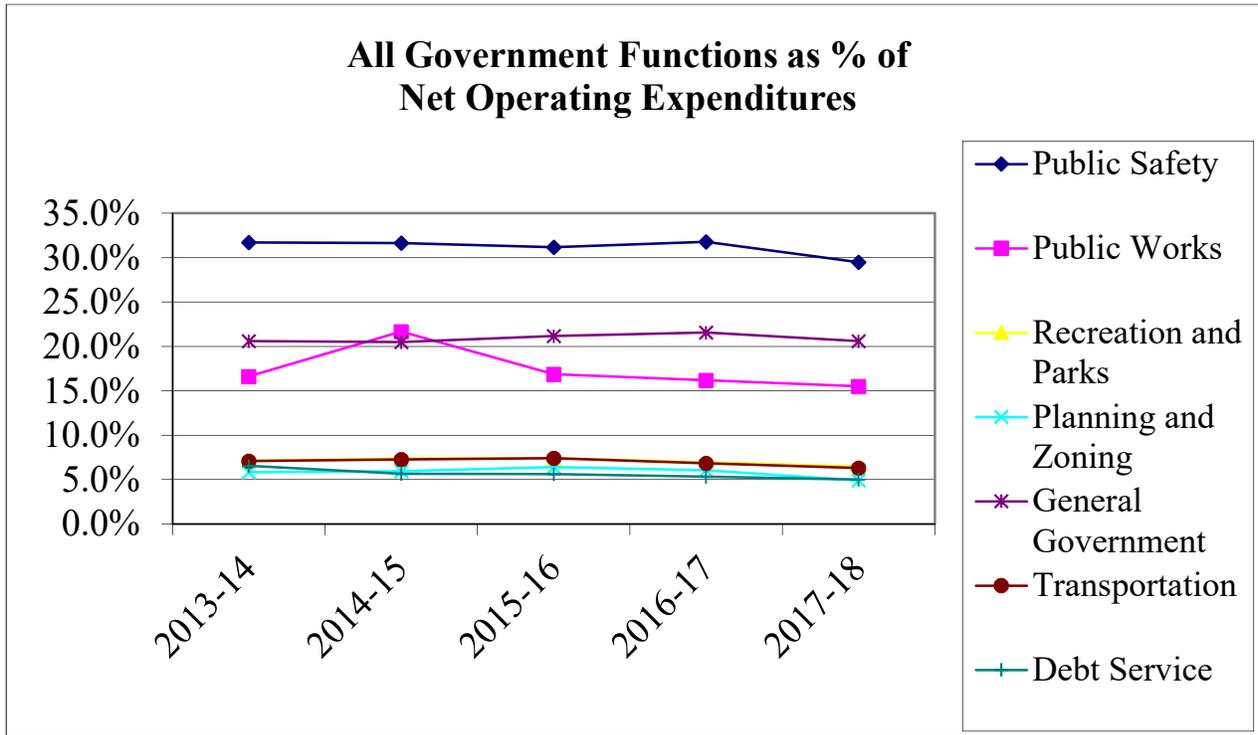
state and federal pass-through funds that supported the transit, which affected the local match. With a grant and local funds, Shared Ride Feeder services were enabled in areas of Carrboro that do not have regular bus service. Trips are provided between designated bus stops in the “feeder” zones and the nearest bus routes or to another “feeder” service. This service extends largely to the northern areas of town.

Public Safety Expenditures per Capita



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 increased due to personnel costs. FY 2017-18 figures decreased primarily due to an increase in population.

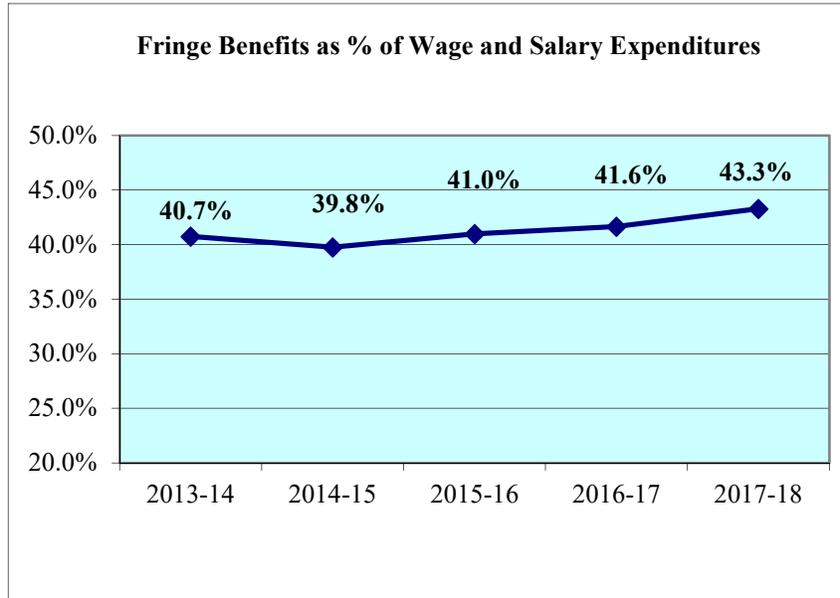
Net Operating Expenditures by Function



The chart above represents the allocation of funding for the various services provided by the Town. Approximately 45 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 Resources, and Town Manager), represents approximately 21 percent of total spending. The remainder of the programs (debt service, transportation, planning and recreation programs) combined represent approximately 34 percent of the net operating expenses.

Fringe Benefits



	2013-14	2014-15	2015-16	2016-17	2017-18
Expenditures for fringe benefits	\$3,201,670	\$3,215,876	\$3,307,824	\$3,379,677	\$3,550,472
Salaries/Wages (FT,PT,OT, Temp)	\$7,858,124	\$8,088,265	\$8,068,980	\$8,115,182	\$8,205,705
Fringe benefits as % of overall wage and salary expenditures	40.7%	39.8%	41.0%	41.6%	43.3%

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

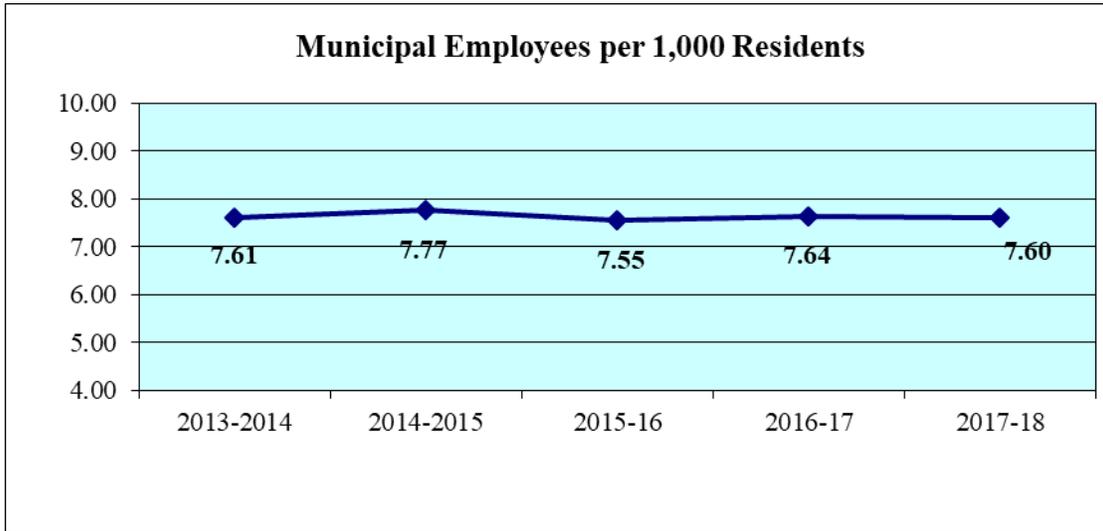
Description

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 FY13-14 to FY 17-18. 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



	2013-14	2014-15	2015-16	2016-17	2017-18
Population	20,510	20,337	20,984	20,867	21,099
Number of municipal employees approved	156	158	158.5	159.5	160.5

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 FY 13-14 are based on changes in population. The changes in FY 14-15 through FY 17-18 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	8	3	2	42	37	14.5	37	13	163.5
2019-20	0	4	1.5	1.5	8	3	2	42	37	15.5	39	13.5	167.0

Note: Through FY17, all positions are budgeted within the General Fund. Starting in FY18, one of the Public Works positions was budgeted in the Stormwater Utility Enterprise Fund, and another position was added in FY19.

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. Added a new Stormwater Utility Manager to Public Works. Planning Department will add an additional Planner position.

FY18-19 – Added a Communications Manager to Town Manager; an Accounting Tech/Receptionist and Management Specialist to Finance, and a Stormwater Specialist to the Stormwater Utility Fund. Deleted Human Resources Representative in Human Resources.

FY19-20 – Add an Associate Planner in Planning; add a Groundskeeper I and an Engineering Technician in Public Works; and change a permanent part-time Program Support Assistant I to a full-time Program Support Assistant II in Recreation and Parks.

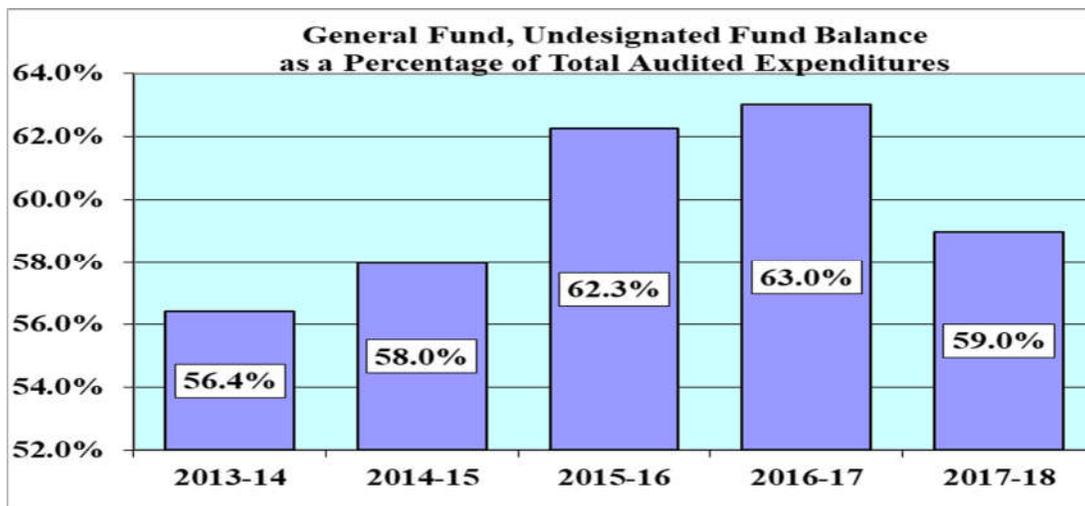
Operating Position Indicators

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, 2017), unreserved fund balance that includes designated and undesignated reserves is at 65.81% in Carrboro.



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.

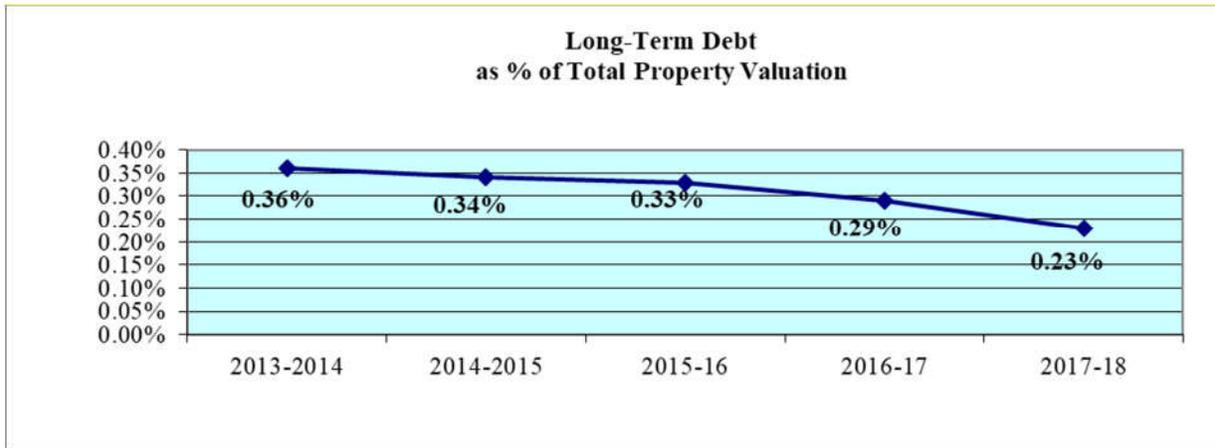
Town of Carrboro, North Carolina Computation of Legal Debt Margin June 30 ,2018	
Total assessed valuation at June 30, 2017	\$2,360,764,978
Debt limit – eight percent (8%) of assessed value	\$ 188,861,198
Amount of debt applicable to debt limit	
Net Bonded Debt	\$ 5,512,730
Legal Debt Margin	\$ 183,348,468

One measure of a unit’s debt capacity is debt expressed in terms of assessed or market valuation. It is important to note, however, the Town’s debt is far below the legal limit in the NC General Statutes (GS 159-55) that limits net debt to eight percent (8%) or less of a local government’s total property valuation. Outstanding debt in most governmental units falls well below this limit, and typically ranges from about 1% to 4% for most governments. The legal margin or the maximum amount of outstanding debt allowable by law, based on the June 30, 2018 audited valuation is \$183,348,468.

Debt service, annual interest and principal payments, can be a major part of a government’s fixed costs, and its increase may indicate excessive debt and fiscal strain; credit firms consider debt exceeding 20% of operating revenues as a potential problem. Ten percent is considered

acceptable (footnote1). The North Carolina Local Government Commission (LGC) advises that a heavy debt burden may be evidenced by a ratio of General Fund Debt Service to General Fund Expenditures exceeding 15%. The Town will maintain this ratio at or below 12%, considering this to be a moderate level of debt. In the last audited year, the Town shows that debt expenditures are approximately 5.0% of the total expenditures for the year ending June 30, 2018. The Five-Year Plan shows the percentage of debt service expenditures remaining at or below this level.

Long-Term Debt



	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Long-Term Debt	\$7,477,109	\$7,248,164	\$6,971,705	\$6,274,461	\$5,512,730
Property Valuation	\$2,088,514,087	\$2,113,902,961	\$2,135,604,701	\$2,163,259,569	\$2,360,764,978

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.

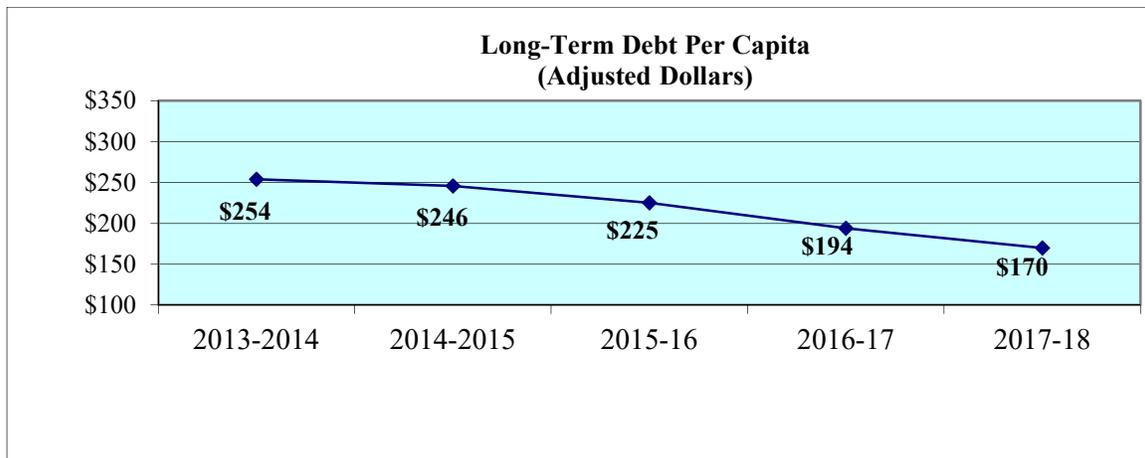
¹ “Evaluating Financial Condition, A Handbook for Local Government,” ICMA, Sanford M. Groves and Maureen Godsey Valente, pp 83

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 FY17-18 was .415 percent; a high level is considered 1.804 percent. The debt-to-assessed valuation ratio for Carrboro in the last audited year was .234 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.

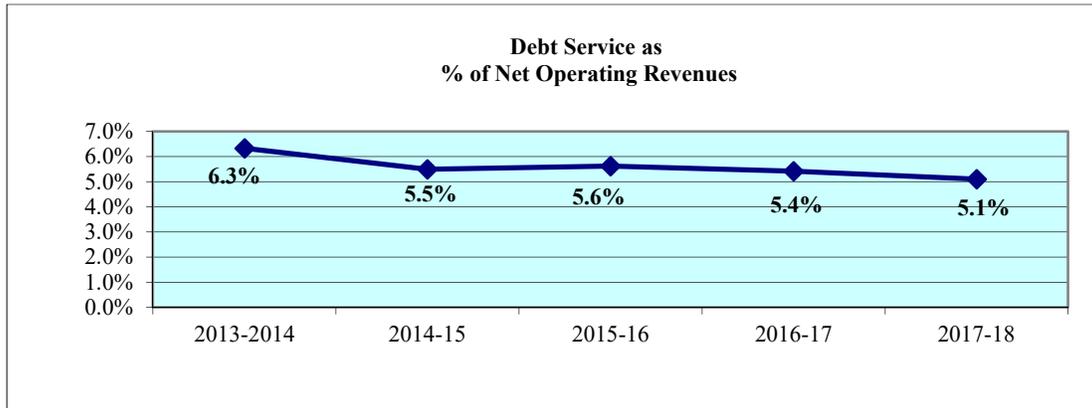
Debt per Capita



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 FY17-18 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 \$170 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 FY14-15 through FY17-18 are due to lease-purchase of fewer vehicles and equipment and continued principal payments on bonded debt.

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

Debt Service



	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Debt Service	\$1,292,484	\$1,148,954	\$1,164,298	\$1,136,832	\$1,140,714
Net Operating Revenue	\$20,410,534	\$20,938,539	\$20,705,996	\$21,008,891	\$22,558,145

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

Formula: Debt Service/Operating Revenue

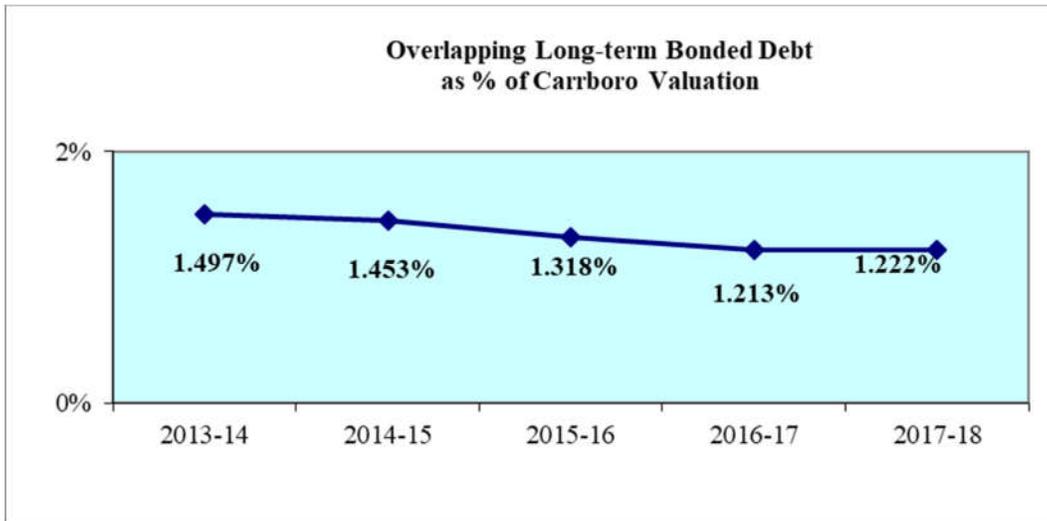
Description

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 5.1 percent of net operating revenues in FY17-18. 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



	2013-14	2014-15	2015-16	2016-17	2017-18
Carrboro Debt	\$4,350,000	\$4,100,000	\$3,850,000	\$3,600,000	\$3,350,000
Orange County Debt	\$26,912,280	\$26,617,234	\$24,286,596	\$22,637,920	\$25,505,518
Total Overlapping Debt	\$31,262,280	\$30,717,234	\$28,136,596	\$26,237,920	\$28,855,518

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 FY13-14 to FY16-17, the overlapping debt rate for Orange County has decreased. FY17-18 trended slightly higher due to an increase in the Orange County total debt.

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, 2018 the Town's unassigned fund balance as a percentage of total expenditures was 52%. For the last nine years through FY 2018-19, 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 3-5% 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.

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. Unassigned fund balance on June 30, 2018 was 52% of total FY18 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, 2024.

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
General Fund	Adopted Budget	Recommended Budget	Projected			
Property Tax Revenues						
Property Valuation	2,265,330,304	2,269,860,965	2,315,258,184	2,361,563,348	2,408,794,615	2,456,970,507
Tax Collection Rate	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Collectible Tax Base	2,220,023,698	2,224,463,746	2,268,953,020	2,314,332,081	2,360,618,723	2,407,831,097
Tax Base per \$100 Levy	22,200,237	22,244,637	22,689,530	23,143,321	23,606,187	24,078,311
Ad Valorem Revenue	13,084,820	13,110,989	13,373,209	13,640,673	13,913,487	14,191,757
Tax Levy per Penny	222,002	222,446	226,895	231,433	236,062	240,783
Tax Rate	0.5894	0.5894	0.5894	0.5894	0.5894	0.5894
Current Levy - Ad Valorem	11,805,069	12,950,000	13,373,209	13,640,673	13,913,487	14,191,757
Prior Year Ad Valorem Tax	-	-	-	-	-	-
Penalty/Interest Revenue	28,086	28,367	28,934	29,513	30,103	30,705
Total Ad Valorem Revenues	11,833,155	12,978,367	13,402,143	13,670,186	13,943,590	14,222,462

Note: The above property tax rate does not include the amount devoted to Affordable Housing Fund...see related chart on the following pages. Property tax valuation assumes growth of 2% per year.

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
General Fund	Adopted Budget	Recommended Budget	Projected			
Revenues						
Ad Valorem Tax	11,833,155	12,978,367	13,237,934	13,502,693	13,772,747	14,048,202
Local Sales Tax	4,475,980	4,649,090	4,788,563	4,932,220	5,080,187	5,232,593
Other Taxes/Licenses	1,604,757	1,610,441	1,642,650	1,675,503	1,709,013	1,743,193
Unrestricted Intergovernmental	1,422,090	1,400,700	1,414,707	1,428,854	1,443,143	1,457,574
Restricted Intergovernmental	633,991	645,198	651,650	658,167	664,749	671,396
Fees and Permits	1,193,085	1,227,219	1,251,763	1,276,798	1,302,334	1,328,381
Sales and Services	285,521	273,050	278,511	284,081	289,763	295,558
Investment Earnings	51,812	150,000	151,500	153,015	154,545	156,090
Other Revenues	161,441	142,190	143,612	145,048	146,498	147,963
Other Financing Sources	-	-	-	-	-	-
Fund Balance Appropriated	1,088,391	1,500,753	886,677	1,362,010	1,891,301	2,479,868
General Fund Total Revenues	22,750,223	24,577,008	24,447,567	25,418,389	26,454,280	27,560,818

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
Fund Balance Appropriation	Per balanced budget 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 2018-19 the Town has 163.5 full-time equivalent positions with an additional 1.5 full-time equivalent positions projected for next year. 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.

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
General Fund	Adopted	Recommended	Projected			
<i>Expenditures</i>	Budget	Budget				
Salary and Wages	9,729,183	9,939,112	10,137,894	10,340,652	10,547,465	10,758,414
Fringe Benefits	3,820,098	4,691,362	5,160,498	5,676,548	6,244,203	6,868,623
Total Personnel Costs	13,549,281	14,630,474	15,298,392	16,017,200	16,791,668	17,627,037
Operating Costs:						
General Operating Costs	4,939,117	4,938,838	5,087,003	5,239,613	5,396,801	5,558,705
Human Services Grant	270,000	249,000	249,000	249,000	249,000	249,000
Other Governance Support	373,067	408,052	416,213	424,537	433,028	441,689
Landfill Fees	311,000	360,000	370,800	381,924	393,382	405,183
Transportation Costs	1,811,000	2,002,600	2,102,730	2,207,867	2,318,260	2,434,173
Debt Service	1,094,285	1,245,244	1,211,346	1,550,612	1,550,765	1,601,654
Transfer to Affordable Housing	-	52,000	18,242	14,986	11,629	8,169
Transfers to Other Funds	250,000	405,200	405,200	405,200	405,200	405,200
Total Operating Costs	9,048,469	9,660,934	9,860,534	10,473,739	10,758,065	11,103,773
Capital Outlay	215,779	285,600	250,000	250,000	250,000	250,000
Total Expenditures	22,813,529	24,577,008	25,408,926	26,740,939	27,799,733	28,980,810

The expenditure assumptions are:

- Salary and Wages *2% per year and maintain current 167 FTEs after FY20*
- Fringe Benefits *10% increase per year*
- General Operating Costs *3% per year*
- Human Services *0% per year*
- Other Governance Support *2% per year*
- Landfill Fees *3% per year*
- Transportation Costs *5% per year*
- Debt Service *Based on Debt Service projections-see following pages*
- Transfer to Affordable Hsg *Amount needed to balance the AH Fund*
- Transfers To Other Funds *Level funding transfer to Capital Reserve for street re-surfacing and future debt service of facilities*

Affordable Housing Fund

Below is a summary of projected property tax rates, revenue sources and expenditures through fiscal year ending June 30, 2024.

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Affordable Housing Fund	Adopted Budget	Recommended Budget	Projected			
Property Tax Revenues						
Property Valuation	2,265,330,304	2,269,860,965	2,315,258,184	2,361,563,348	2,408,794,615	2,456,970,507
Tax Collection Rate	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Collectible Tax Base	2,220,023,698	2,224,463,746	2,268,953,020	2,314,332,081	2,360,618,723	2,407,831,097
Tax Base per \$100 Levy	22,200,237	22,244,637	22,689,530	23,143,321	23,606,187	24,078,311
Ad Valorem Revenue	111,001	222,446	340,343	347,150	354,093	361,175
Tax Levy per Penny	222,002	222,446	226,895	231,433	236,062	240,783
Tax Rate	0.0050	0.0100	0.0150	0.0150	0.0150	0.0150
Current Levy - Ad Valorem	112,500	225,000	340,343	347,150	354,093	361,175
Prior Year Ad Valorem Tax	-	-	3,000	3,060	3,121	3,183
Penalty/Interest Revenue	-	-	500	510	520	530
Total Ad Valorem Revenues	112,500	225,000	343,843	350,720	357,734	364,888
Transfer from General Fund	-	52,000	18,242	14,986	11,629	8,169
Total Operating Costs	337,500	358,500	362,085	365,706	369,363	373,057

The above chart uses the below assumptions:

- Ad Valorem Tax Base 2% per year thereafter
- Transfer fr General Fund *Amount needed to balance the AH Fund*
- Operating Costs 1% per year

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 2019-20 through FY 2023-24**

	Previous Appropriations	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY20-FY24 Total	Project Total
Expenses								
Planning/Design	2,400,124	460,406	55,000	1,154,897	447,000	6,110,000	8,227,303	10,627,427
Construction	19,684,645	1,993,516	1,495,000	1,592,500	3,445,000	4,368,907	12,894,923	32,579,568
Land/ROW	696,480	125,000	46,000	-	43,196	-	214,196	910,676
Equipment/Furnishings	-	1,144,800	771,003	476,560	639,377	428,904	3,460,644	3,460,644
Total Expenditures	\$ 22,781,249	\$3,723,722	\$2,367,003	\$3,223,957	\$4,574,573	\$10,907,811	\$24,797,066	\$47,578,315
Appropriations								
Intergovernmental Funds	8,231,100	969,472	477,000	1,312,718	164,557	6,635,125	9,558,872	17,789,972
General Fund	4,218,591	300,000	300,000	300,000	300,000	300,000	1,500,000	5,718,591
Capital Project Fund	248,823	1,058,974	225,000	251,179	8,639	133,782	1,677,574	1,926,397
Storm Water Fund	-	235,400	375,000	381,000	462,000	510,000	1,963,400	1,963,400
GO Bonds	882,898	-	-	-	-	-	-	882,898
Installment Financing	9,000,000	651,876	771,003	576,560	3,539,377	3,328,904	8,867,720	17,867,720
Other	199,837	508,000	219,000	402,500	100,000	-	1,229,500	1,429,337
Total Funding	\$ 22,781,249	\$3,723,722	\$2,367,003	\$3,223,957	\$4,574,573	\$10,907,811	\$24,797,066	\$47,578,315

The Capital Improvements Plan (CIP) for FY 2019-20 through FY 2023-24 includes a number of new projects related to facility improvements and stormwater retrofits. The Town currently has 9 capital projects underway totaling \$22.7 million. The largest project is the 203 S. Greensboro Street project at \$15.7 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: \$2.8 million;
- Town Facility Improvements: \$12.4 million;
- Stormwater improvements: \$2.2 million;
- Infrastructure Projects (e.g., sidewalks, bike ways, etc.): \$3.6 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 2013. 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 and the facility improvement projects.

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 2023-24.

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<i>Debt Service</i>	Adopted Budget	Recommended Budget	Projected			
Sidewalk & Greenways GO Bonds	327,500	322,136	317,500	312,500	307,500	302,500
Fire Substation	251,740	251,740	240,517	234,905	229,293	223,682
Vehicle and Equipment	515,045	671,368	125,732	50,735		
Current Debt Service	1,094,285	1,245,244	683,749	598,140	536,793	526,182
Future Vehicle & Equipment Debt			167,597	242,597	317,597	392,597
Future Long-Term Debt Service:						
203 S Greensboro Development			360,000	709,875	696,375	682,875
Total Current & Future Debt	1,094,285	1,245,244	1,211,346	1,550,612	1,550,765	1,601,654

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LINE-ITEM BUDGET DETAIL...

<i>Department Summary for the:</i>				
<i>Mayor and Board of Aldermen</i>				
		FY 2018-19	FY 2019-20	FY19 to FY20
	FY 2017-18	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
PART TIME SALARIES	76,178	75,389	77,524	2.83%
TEMP. SALARY	1,875	5,000	-	-100.00%
FICA	5,845	5,767	5,957	3.29%
INSURANCE	19,129	30,185	29,955	-0.76%
TRAINING	353	3,500	3,500	0.00%
LEGAL SERVICES	192,723	200,000	200,000	0.00%
CONFERENCES	4,641	3,500	4,025	15.00%
POSTAGE	35	300	300	0.00%
TRAVEL	771	7,000	7,000	0.00%
PRINTING	47	500	500	0.00%
OFFICE SUPPLIES	556	300	500	66.67%
DEPARTMENTAL SUPPLIES	1,652	2,000	2,000	0.00%
CONTRACTUAL SERVICES	5,800	10,500	12,000	14.29%
ELECTIONS	16,427	-	15,000	#DIV/0!
DUES AND SUBSCRIPTION	4,481	3,000	3,000	0.00%
CONTINGENCY	-	10,000	10,000	0.00%
Totals	\$ 330,513	\$ 356,941	\$ 371,261	4.01%

<i>Department Summary for the:</i>				
<i>Advisory Boards</i>				
		FY 2018-19	FY 2019-20	FY19 to FY20
	FY 2017-18	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
CONTRACTUAL SERVICES	-	-	5,000	#DIV/0!
APPEARANCE COMMITTEE	-	200	200	0.00%
PLANNING BOARD	-	500	500	0.00%
BOARD OF ADJUSTMENT	144	500	500	0.00%
PARKS & RECREATION COMMISSION	263	2,400	-	-100.00%
TRANSPORTATION ADVISORY BOARD	209	500	500	0.00%
HUMAN SERVICES COMMISSION	312	300	300	0.00%
NORTHERN AREA TRANSITION ADV	-	200	200	0.00%
APPRECIATION EVENTS	2,510	3,500	-	-100.00%
ECONOMIC SUSTAINABILITY COMMIS	134	500	500	0.00%
GREENWAY COMMISSION	320	500	500	0.00%
SAFE ROUTES TO SCHOOL	-	250	250	0.00%
ART COMMITTEE	7,319	7,000	21,000	200.00%
ENVIRONMENTAL ADVISORY BOARD	195	500	500	0.00%
YOUTH ADVISORY BOARD	176	500	-	-100.00%
Totals	\$ 11,582	\$ 17,350	\$ 29,950	72.62%

<i>Department Summary for the:</i>				
<i>Governance Support</i>				
		FY 2018-19	FY 2019-20	FY19 to FY20
	FY 2017-18	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
TRIANGLE J COG	\$ 8,018	\$ 9,000	\$ 9,000	0.00%
NC LEAGUE OF MUNICIPALITIES	17,187	18,000	18,000	0.00%
INSTITUTE OF GOVERNMENT	2,518	2,450	2,593	5.84%
ART CENTER	20,000	20,000	20,000	0.00%
HUMAN SERVICES GRANTS	271,215	270,000	249,000	-7.78%
COMMUNITY DINNER	500	1,000	1,000	0.00%
LIBRARY PROJECT	4,000	4,000	4,000	0.00%
SOCIAL EQUITY & INCLUSION INIT	-	20,000	20,000	0.00%
THE PEOPLES CHANNEL	27,031	32,000	27,297	-14.70%
METROPOLITAN COALITION	8,089	8,009	8,009	0.00%
COMMUNITY OUTREACH	36,970	42,970	42,970	0.00%
ALLIANCE FOR INNOVATION	1,860	2,000	1,860	-7.00%
CARRBORO TOURISM DEV AUTHORITY	174,953	152,000	177,510	16.78%
ROBERS ROAD INTERLOCAL	66,728	52,553	66,728	26.97%
FOOD COUNCIL	-	8,750	8,750	0.00%
UNC GOOD NEIGHBOR PROGRAM	-	335	335	0.00%
Totals	\$ 639,069	\$ 643,067	\$ 657,052	2.17%

<i>Department Summary for the:</i>				
<i>Town Manager</i>				
		FY 2018-19	FY 2019-20	FY19 to FY20
	FY 2017-18	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	262,488	320,509	324,183	1.15%
SERVICE BENEFIT	868	868	868	0.00%
TEMP. SALARY	12,359	7,000	7,000	0.00%
FICA	18,756	21,814	23,852	9.34%
INSURANCE	42,207	50,434	57,230	13.48%
RETIREMENT	20,394	25,032	29,233	16.78%
SUPPLMENTAL RETIREMENT	8,089	9,615	9,733	1.23%
CAR ALLOWANCE	6,000	6,000	6,000	0.00%
TRAINING	1,800	3,510	3,625	3.28%
CONFERENCES	1,668	5,681	5,740	1.04%
POSTAGE	98	100	100	0.00%
TELEPHONE	225	1,000	1,000	0.00%
TRAVEL	387	5,100	5,070	-0.59%
PRINTING	147	100	2,500	2400.00%
ADVERTISING	79	4,000	20,700	417.50%
OFFICE SUPPLIES	1,024	500	600	20.00%
DEPARTMENTAL SUPPLIES	1,447	1,200	1,200	0.00%
FURNITURE & EQUIPMENT NON-CAP	-	4,000	4,000	0.00%
CONTRACTUAL SERVICES	248	15,000	21,075	40.50%
DUES AND SUBSCRIPTION	2,944	2,850	4,205	47.54%
MISCELLANEOUS	10,786	20,000	30,000	50.00%
EQUIPMENT	-	7,345	5,000	-31.93%
Totals	\$ 392,014	\$ 511,658	\$ 562,914	10.02%

<i>Department Summary for the:</i>				
<i>Economic and Community Development</i>				
		FY 2018-19	FY 2019-20	FY19 to FY20
	FY 2017-18	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	\$ 88,203	\$ 87,518	\$ 90,743	3.68%
SERVICE BENEFIT	248	248	248	0.00%
PART TIME SALARIES	19,502	17,928	20,028	11.71%
FICA	8,237	8,266	8,505	2.89%
INSURANCE	8,883	8,888	10,015	12.68%
RETIREMENT	8,178	8,235	9,808	19.10%
SUPLMENTAL RETIREMENT	2,658	2,626	2,712	3.27%
CONFERENCES	2,037	2,400	1,600	-33.33%
POSTAGE	73	600	600	0.00%
TRAVEL	-	200	200	0.00%
PRINTING	44	600	600	0.00%
ADVERTISING	2,451	3,000	1,500	-50.00%
OFFICE SUPPLIES	261	600	600	0.00%
DEPARTMENTAL SUPPLIES	745	1,000	1,000	0.00%
CONTRACTUAL SERVICES	35,837	40,582	37,700	-7.10%
HOLIDAY EVENT	1,500	1,500	1,500	0.00%
CD & MEMORABILIA SHOW	2,187	2,800	2,800	0.00%
LOCAL LIVING ECONOM INITIATIVE	-	6,000	6,000	0.00%
ENTREPRENEURIAL INITIATIVE	4,974	4,000	4,000	0.00%
MEMBER SCHOLARSHIPS - CBA	3,486	-	-	#DIV/0!
ECONOMIC DEVELOPMENT INCENTIVE	-	5,628	5,712	1.49%
300 E MAIN PARKING	45,000	45,000	45,000	0.00%
DUES AND SUBSCRIPTION	1,090	1,000	500	-50.00%
Totals	\$ 235,594	\$ 248,619	\$ 251,371	1.11%

<i>Department Summary for the:</i>				
<i>Town Clerk</i>				
		FY 2018-19	FY 2019-20	FY19 to FY20
	FY 2017-18	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	\$ 73,873	\$ 65,599	\$ 67,546	2.97%
SERVICE BENEFIT	248	248	248	0.00%
PART TIME SALARIES	27,451	28,229	29,668	5.10%
FICA	6,877	7,209	7,467	3.58%
INSURANCE	16,680	14,137	14,374	1.68%
RETIREMENT	7,404	7,159	8,586	19.93%
SUPPLMENTAL RETIREMENT	2,227	1,950	2,016	3.38%
TRAINING	200	1,200	1,200	0.00%
CONFERENCES	2,270	1,300	1,300	0.00%
POSTAGE	46	250	250	0.00%
TRAVEL	622	900	900	0.00%
PRINTING	42	500	500	0.00%
ADVERTISING	6,945	8,350	9,500	13.77%
OFFICE SUPPLIES	-	750	750	0.00%
DEPARTMENTAL SUPPLIES	2,416	1,300	1,300	0.00%
CONTRACTUAL SERVICES	1,629	22,000	3,120	-85.82%
DUES AND SUBSCRIPTION	631	400	550	37.50%
CARRBORO CITIZENS ACADEMY	-	1,500	1,700	13.33%
Totals	\$ 149,561	\$ 162,981	\$ 150,975	-7.37%

<i>Department Summary for the:</i>				
<i>Finance Department</i>				
		FY 2018-19	FY 2019-20	FY19 to FY20
	FY 2017-18	Adopted	Adopted	Percent
Account Description	Actuals	Budget	Budget	Change
SALARIES	\$ 351,222	\$ 418,908	\$ 508,702	21.44%
OVERTIME	-	1,035	-	-100.00%
SERVICE BENEFIT	1,160	1,160	1,403	20.95%
TEMP. SALARY	6,849	-	-	#DIV/0!
FICA	25,692	31,257	39,069	24.99%
INSURANCE	56,073	75,000	107,564	43.42%
UNEMPLOYMENT INSURANCE	-	-	4,000	#DIV/0!
UNEMPLOYMENT INS RESERVE	3,847	5,000	-	-100.00%
RETIREMENT	27,165	32,641	45,422	39.16%
SUPPLMENTAL RETIREMENT	8,228	12,538	15,124	20.63%
TRAINING	1,500	4,000	1,000	-75.00%
CONFERENCES	3,827	5,739	5,825	1.50%
POSTAGE	1,765	1,850	3,000	62.16%
TELEPHONE	334	-	-	#DIV/0!
TRAVEL	128	1,000	500	-50.00%
RENT	5,970	10,000	1,960	-80.40%
PRINTING	1,714	2,500	5,930	137.20%
ADVERTISING	1,646	2,000	1,000	-50.00%
OFFICE SUPPLIES	1,545	2,000	1,900	-5.00%
DEPARTMENTAL SUPPLIES	3,867	8,000	2,000	-75.00%
FURNITURE & EQUIPMENT NON-CAP	597	-	-	#DIV/0!
CONTRACTUAL SERVICES	186,308	170,613	153,500	-10.03%
BANK SERVICE CHARGES	8,839	-	8,500	#DIV/0!
DUES AND SUBSCRIPTION	2,247	2,100	2,455	16.90%
MISCELLANEOUS	39	300	-	-100.00%
GENERAL INSURANCE	265,077	325,000	310,000	-4.62%
PUBLIC OFFICIALS LIABILITY INS	28,013	35,000	30,000	-14.29%
Totals	\$ 993,652	\$ 1,147,641	\$ 1,248,854	8.82%

<i>Department Summary for the:</i>				
<i>Human Resources Department</i>				
		FY 2018-19	FY 2019-20	FY19 to FY20
	FY 2017-18	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	\$ 120,993	\$ 152,315	\$ 132,682	-12.89%
SERVICE BENEFIT	-	-	248	#DIV/0!
TEMP. SALARY	28,959	-	5,000	#DIV/0!
FICA	10,851	11,652	10,563	-9.35%
INSURANCE	19,458	22,973	35,410	54.14%
RETIREE INSURANCE	255,330	276,000	315,000	14.13%
UNEMPLOYMENT INSURANCE	-	5,000	-	-100.00%
RETIREE INSURANCE STIPEND	3,177	-	4,236	#DIV/0!
RETIREMENT	9,521	11,879	11,923	0.37%
SUPPLMENTAL RETIREMENT	3,783	4,563	3,970	-13.00%
TRAINING	1,050	1,000	2,000	100.00%
ORGANIZATIONAL DEVELOPMENT	5,149	5,000	10,000	100.00%
CONFERENCES	12	3,000	2,500	-16.67%
POSTAGE	343	300	300	0.00%
GOVT ADVANCED RACIAL EQUITY	-	20,000	25,000	25.00%
MENTAL HEALTH TRAINING	-	1,000	1,000	0.00%
TRAVEL	500	1,000	1,000	0.00%
PRINTING	-	300	300	0.00%
ADVERTISING	12,944	1,000	1,000	0.00%
OFFICE SUPPLIES	894	500	500	0.00%
DEPARTMENTAL SUPPLIES	1,165	1,500	1,500	0.00%
FURNITURE & EQUIPMENT NON-CAP	2,743	-	-	#DIV/0!
CONTRACTUAL SERVICES	42,789	20,000	40,000	100.00%
GO PASSES - TRIANGLE TRANSIT	-	1,500	1,000	-33.33%
DUES AND SUBSCRIPTION	3,062	500	620	24.00%
EMPLOYEE WELLNESS PROGRAM	942	5,000	5,000	0.00%
APPRECIATION EVENTS	9,363	15,000	15,000	0.00%
Totals	\$ 533,028	\$ 560,982	\$ 625,752	11.55%

<i>Department Summary for the:</i>				
<i>Technology Services Department</i>				
		FY 2018-19	FY 2019-20	FY19 to FY20
	FY 2017-18	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	\$ 216,931	\$ 207,607	\$ 232,027	11.76%
SERVICE BENEFIT	1,983	1,774	2,192	23.56%
FICA	15,902	16,035	17,934	11.84%
INSURANCE	35,727	31,392	40,319	28.44%
RETIREMENT	16,578	16,214	21,103	30.15%
SUPPLMENTAL RETIREMENT	6,577	6,228	7,027	12.83%
TRAINING	2,995	4,800	7,500	56.25%
CONFERENCES	578	750	2,800	273.33%
TELEPHONE	61,499	75,580	105,900	40.12%
TRAVEL	-	500	1,000	100.00%
M & R EQUIPMENT	40,433	87,050	72,500	-16.71%
MOTOR VEHICLE REPAIR	-	350	350	0.00%
FUEL	81	543	400	-26.34%
OFFICE SUPPLIES	1,922	1,000	1,500	50.00%
DEPARTMENTAL SUPPLIES	41,985	25,125	33,000	31.34%
COMPUTER & PERIPHERALS	250,499	264,339	279,800	5.85%
CONTRACTUAL SERVICES	750,215	623,000	791,325	27.02%
HUMAN RESOURCES MGMT INFO	-	50,000	-	-100.00%
DUES AND SUBSCRIPTION	408	4,100	4,100	0.00%
EQUIPMENT	5,821	172,000	118,000	-31.40%
Totals	\$ 1,450,134	\$ 1,588,387	\$ 1,738,777	9.47%

<i>Department Summary for the:</i>				
<i>Police Department</i>				
		FY 2018-19	FY 2019-20	FY19 to FY20
	FY 2017-18	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	2,110,049	2,168,433	2,203,329	1.61%
OVERTIME	42,148	48,125	44,625	-7.27%
SERVICE BENEFIT	11,323	11,493	13,385	16.46%
WORKERS COMPENSATION	1,365	3,500	4,000	14.29%
POLICE OFFICERS AGILITY TEST	-	-	19,000	#DIV/0!
TEMP. SALARY	18,205	-	-	#DIV/0!
FICA	171,234	170,636	187,093	9.64%
INSURANCE	455,640	468,707	514,033	9.67%
RETIREMENT	178,440	181,856	219,059	20.46%
SUPPLMENTAL RETIREMENT	106,040	106,134	112,918	6.39%
EARLY SEPARATION ALLOWANCE	159,318	159,509	162,788	2.06%
TRAINING	34,712	33,907	38,607	13.86%
CONFERENCES	4,982	9,200	8,600	-6.52%
POSTAGE	527	650	650	0.00%
TELEPHONE	14,049	17,120	17,120	0.00%
TRAVEL	-	250	-	-100.00%
M & R EQUIPMENT	4,674	14,940	13,940	-6.69%
MOTOR VEHICLE REPAIR	43,582	54,885	54,885	0.00%
RENT	7,214	10,000	10,000	0.00%
PRINTING	105	1,140	1,140	0.00%
FUEL	48,030	65,000	59,298	-8.77%
OFFICE SUPPLIES	3,703	4,850	4,850	0.00%
CANINE SUPPLIES	4,559	4,500	4,500	0.00%
DEPARTMENTAL SUPPLIES	41,898	62,764	39,461	-37.13%
VEHICLE SUPPLIES	3,591	10,477	8,477	-19.09%
FURNITURE & EQUIPMENT NON-CAP	13,379	15,000	6,000	-60.00%
UNIFORMS	36,058	63,930	46,933	-26.59%
STATE SEIZURE EXPENSES	4,095	-	-	#DIV/0!
COFFEE WITH A COP	2,094	4,000	4,000	0.00%
CONTRACTUAL SERVICES	123,937	145,430	122,701	-15.63%
DUES AND SUBSCRIPTION	2,872	4,816	4,816	0.00%
PRECIOUS METAL BUSSINESS	-	200	200	0.00%
MISCELLANEOUS	5,500	5,500	5,500	0.00%
MEDICAL EXAMS	-	14,836	-	-100.00%
EQUIPMENT	-	4,000	-	-100.00%
VEHICLES	248,337	-	-	#DIV/0!
Totals	\$ 3,901,660	\$ 3,865,788	\$ 3,931,908	1.71%

<i>Department Summary for the:</i>				
<i>Fire and Rescue Department</i>				
		FY 2018-19	FY 2019-20	FY19 to FY20
	FY 2017-18	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	\$ 1,751,961	\$ 1,848,305	\$ 1,820,040	-1.53%
OVERTIME	40,011	38,800	38,800	0.00%
SERVICE BENEFIT	14,506	12,776	13,683	7.10%
WORKERS COMPENSATION	330	-	-	#DIV/0!
SHIFT WAGES - FIRE DEPT	102,423	106,500	106,500	0.00%
FICA	139,519	141,395	151,596	7.21%
INSURANCE	397,160	425,286	462,835	8.83%
RETIREMENT	144,575	138,930	178,310	28.35%
SUPPLMENTAL RETIREMENT	57,355	54,986	59,373	7.98%
FIREFIGHTERS PENSION	2,788	2,880	3,240	12.50%
TRAINING	20,503	20,100	15,000	-25.37%
EMPLOYEE TUITION ASSISTANCE	-	2,250	700	-68.89%
CONFERENCES	1,067	3,500	3,500	0.00%
POSTAGE	197	325	200	-38.46%
TELEPHONE	4,228	5,054	5,054	0.00%
M & R EQUIPMENT	35,469	36,234	36,234	0.00%
MOTOR VEHICLE REPAIR	29,525	35,500	35,000	-1.41%
PRINTING	30	-	-	#DIV/0!
FUEL	19,485	25,660	20,660	-19.49%
OFFICE SUPPLIES	1,772	1,656	1,500	-9.42%
DEPARTMENTAL SUPPLIES	62,525	47,350	40,362	-14.76%
VEHICLE SUPPLIES	-	1,500	-	-100.00%
FURNITURE & EQUIPMENT NON-CAP	4	-	-	#DIV/0!
MEDICAL SUPPLIES	8,784	10,000	10,000	0.00%
UNIFORMS	39,881	42,798	46,260	8.09%
CONTRACTUAL SERVICES	11,881	23,562	22,126	-6.09%
DUES AND SUBSCRIPTION	4,903	4,000	3,620	-9.50%
MEDICAL EXAMS	9,900	10,500	10,000	-4.76%
PROGRAM INSURANCE	1,878	3,044	3,044	0.00%
EQUIPMENT	-	27,434	-	-100.00%
Totals	\$ 2,902,660	\$ 3,070,325	\$ 3,087,637	0.56%

<i>Department Summary for the:</i>				
<i>Planning Department</i>				
		FY 2018-19	FY 2019-20	FY19 to FY20
	FY 2017-18	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	\$ 722,559	\$ 863,969	\$ 972,498	12.56%
SERVICE BENEFIT	5,070	4,049	4,868	20.23%
PART TIME SALARIES	14,976	22,620	27,349	20.91%
TEMP. SALARY	(3,038)	-	4,500	#DIV/0!
FICA	55,121	68,359	76,969	12.60%
INSURANCE	136,052	156,038	225,599	44.58%
RETIREMENT	57,401	69,242	90,158	30.21%
SUPPLMENTAL RETIREMENT	22,314	25,919	30,021	15.83%
TRAINING	4,813	6,370	8,120	27.47%
PROFESSIONAL SERVICES	-	600	-	-100.00%
CONFERENCES	3,146	6,400	5,450	-14.84%
POSTAGE	1,331	1,350	1,350	0.00%
TELEPHONE	1,529	1,800	1,800	0.00%
TRAVEL	356	850	350	-58.82%
M & R EQUIPMENT	-	-	500	#DIV/0!
MOTOR VEHICLE REPAIR	595	1,700	1,450	-14.71%
RENT	2,940	5,500	5,500	0.00%
PRINTING	2,841	3,400	3,400	0.00%
ADVERTISING	4,965	2,900	3,300	13.79%
FUEL	1,202	2,050	2,095	2.20%
OFFICE SUPPLIES	1,273	1,800	1,700	-5.56%
DEPARTMENTAL SUPPLIES	2,806	4,300	4,300	0.00%
FURNITURE & EQUIPMENT NON-CAP	2,024	-	2,500	#DIV/0!
UNIFORMS	150	1,100	1,200	9.09%
CONTRACTUAL SERVICES	37,473	38,238	45,050	17.81%
ENGINEERING SERVICES	53,475	135,000	93,000	-31.11%
BICYCLE FRIENDLY COMMUNITY	266	25,000	5,000	-80.00%
DUES AND SUBSCRIPTION	3,015	3,865	3,870	0.13%
BICYCLE & PED MINOR IMPV PROJ	-	-	3,000	#DIV/0!
GRASSROOTS PARTNERSHIPS INIT	-	25,000	25,000	0.00%
VEHICLES	-	-	-	#DIV/0!
Totals	\$ 1,134,655	\$ 1,477,419	\$ 1,649,897	11.67%

<i>Department Summary for the:</i>				
<i>Transportation</i>				
		FY 2018-19	FY 2019-20	FY19 to FY20
	FY 2017-18	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
CONTRACTUAL SERVICES	\$ 1,455,012	\$ 1,727,400	\$ 1,919,000	11.09%
VEHICLES	-	83,600	83,600	0.00%
Totals	\$ 1,455,012	\$ 1,811,000	\$ 2,002,600	10.58%

<i>Department Summary for the:</i>				
<i>Public Works Department</i>				
		FY 2018-19	FY 2019-20	FY19 to FY20
	FY 2017-18	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	\$ 1,160,501	\$ 1,478,058	\$ 1,624,363	9.90%
OVERTIME	9,129	12,250	19,250	57.14%
SERVICE BENEFIT	8,350	6,323	8,067	27.58%
FICA	89,038	113,040	126,752	12.13%
INSURANCE	287,323	361,367	481,133	33.14%
RETIREMENT	92,138	115,144	148,654	29.10%
SUPPLMENTAL RETIREMENT	36,552	44,229	49,499	11.92%
PERSONNEL COSTS - OTHER DEPTS	-	-	(12,500)	#DIV/0!
TRAINING	5,183	11,500	11,900	3.48%
COMMERCIAL DRIVERS LICENSE	680	870	725	-16.67%
PROFESSIONAL SERVICES	5,360	16,000	-	-100.00%
CONFERENCES	-	2,000	2,000	0.00%
POSTAGE	24	200	200	0.00%
TELEPHONE	7,494	7,420	7,500	1.08%
TRAVEL	884	-	300	#DIV/0!
M & R EQUIPMENT	23,267	26,800	30,600	14.18%
M AND R BUILDINGS	62,080	111,800	112,000	0.18%
M & R PARKS	1,395	2,500	1,000	-60.00%
M & R GROUNDS	1,000	1,200	1,200	0.00%
MOTOR VEHICLE REPAIR	131,284	106,450	122,700	15.27%
RENT	1,458	9,800	8,000	-18.37%
PRINTING	220	3,600	750	-79.17%
ADVERTISING	3,929	750	500	-33.33%
UTILITIES	286,708	319,000	294,000	-7.84%
PARK UTILITIES	40,547	41,900	38,900	-7.16%
FUEL	89,394	80,593	78,906	-2.09%
FUEL SYSTEM	840	900	-	-100.00%
OFFICE SUPPLIES	3,917	5,000	4,500	-10.00%
DEPARTMENTAL SUPPLIES	154,281	123,506	130,623	5.76%
PARK SUPPLIES	24,034	51,900	15,000	-71.10%
PURCHASE FOR RESALE	-	9,700	9,700	0.00%
YARD WASTE CARTS	-	4,850	4,850	0.00%
VEHICLE SUPPLIES	2,387	6,700	4,000	-40.30%
FURNITURE & EQUIPMENT NON-CAP	4,499	3,250	3,250	0.00%
UNIFORMS	12,481	18,316	15,892	-13.23%
CONTRACTUAL SERVICES	238,536	290,296	249,930	-13.91%
LANDFILL FEES	316,396	311,000	360,000	15.76%
DUES AND SUBSCRIPTION	1,114	2,000	1,725	-13.75%
MISCELLANEOUS	145	-	-	#DIV/0!
OWASA SEWER FEE REIMBURSEMENT	2,000	-	-	#DIV/0!
EQUIPMENT	38,298	5,000	25,000	400.00%
VEHICLES	12,000	-	-	#DIV/0!
OTHER CAPITAL ASSETS	416,275	-	-	#DIV/0!
OPER EXP ALLOCATNS - ST/W FND	-	-	(9,500)	#DIV/0!
Totals	\$ 3,571,141	\$ 3,705,212	\$ 3,971,369	7.18%

<i>Department Summary for the:</i>				
<i>Recreation and Parks Department</i>				
		FY 2018-19	FY 2019-20	FY19 to FY20
	FY 2017-18	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	\$ 588,466	\$ 614,079	\$ 677,338	10.30%
SERVICE BENEFIT	3,802	5,909	4,625	-21.73%
WORKERS COMPENSATION	94	-	-	#DIV/0!
PART TIME SALARIES	56,244	56,206	32,810	-41.63%
TEMP. SALARY	215,841	251,038	223,210	-11.09%
FICA	64,088	70,845	70,039	-1.14%
INSURANCE	138,456	146,698	182,108	24.14%
RETIREMENT	50,590	52,349	64,347	22.92%
SUPPLMENTAL RETIREMENT	17,797	20,109	21,427	6.55%
TRAINING	1,126	3,150	2,800	-11.11%
CONFERENCES	3,445	6,850	9,800	43.07%
POSTAGE	5,327	7,440	7,265	-2.35%
TELEPHONE	381	1,190	810	-31.93%
M & R EQUIPMENT	265	1,790	1,622	-9.39%
M AND R BUILDINGS	40,568	49,902	9,400	-81.16%
M & R PARKS	-	3,920	3,920	0.00%
MOTOR VEHICLE REPAIR	2,857	1,050	1,050	0.00%
RENT	27,505	8,570	47,870	458.58%
PRINTING	10,646	15,000	14,000	-6.67%
ADVERTISING	2,475	3,910	3,910	0.00%
FUEL	705	1,000	1,000	0.00%
OFFICE SUPPLIES	2,233	3,000	3,134	4.47%
DEPARTMENTAL SUPPLIES	35,145	44,500	44,500	0.00%
UNIFORMS	14,473	20,000	20,000	0.00%
CONTRACTUAL SERVICES	93,782	113,996	103,496	-9.21%
COMMUNITY EVENTS	123,918	98,900	127,900	29.32%
DUES AND SUBSCRIPTION	2,985	3,500	3,500	0.00%
MISCELLANEOUS CONSTRUCTION	-	-	54,000	#DIV/0!
Totals	\$ 1,503,214	\$ 1,604,901	\$ 1,735,881	8.16%

<i>Department Summary for the:</i>				
<i>General Non-Departmental</i>				
		FY 2018-19	FY 2019-20	FY19 to FY20
	FY 2017-18	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	\$ -	\$ 315,888	\$ 420,274	33.05%
PAY PLAN ADJUSTMENTS	-	100,000	-	-100.00%
DEPENDENT HEALTH INSURANCE	-	307,457	315,271	2.54%
UNEMPLOYMENT INS RESERVE	-	22,821	22,821	0.00%
RISK MANAGEMENT/SAFETY	-	-	100,000	#DIV/0!
Totals	\$ -	\$ 746,166	\$ 858,366	15.04%
<i>Department Summary for the:</i>				
<i>Transfers</i>				
		FY 2018-19	FY 2019-20	FY19 to FY20
	FY 2017-18	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
TRF TO AFFORDABLE HOUSING	\$ -	\$ -	\$ 52,000	#DIV/0!
TRF TO GRANT FUND	21,000	-	-	#DIV/0!
TRF TO AFFORDABLE HOUSING	131,092	-	-	#DIV/0!
TRF TO CAPITAL RESERVE	2,462,006	250,000	405,200	62.08%
TRF TO STORM WATER UTILITY	308,383	-	-	#DIV/0!
Totals	\$ 2,922,481	\$ 250,000	\$ 457,200	82.88%
<i>Department Summary for the:</i>				
<i>Debt Service</i>				
		FY 2018-19	FY 2019-20	FY19 to FY20
	FY 2017-18	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
LEASE PAYMENT PRINCIPAL	\$ 535,064	\$ 499,639	\$ 656,685	31.43%
LEASE PAYMENT INTEREST	15,448	15,406	14,683	-4.69%
MISCELLANEOUS	350	-	-	#DIV/0!
GO BOND-SIDEWALKS-PRINCIPAL	250,000	250,000	250,000	0.00%
FIRE SUBSTATION PRINCIPAL	216,667	216,667	216,667	0.00%
GO BOND-SIDEWALKS-INTEREST	82,500	77,500	72,136	-6.92%
FIRE SUBSTATION INTEREST	40,685	35,073	35,073	0.00%
Totals	\$ 1,140,714	\$ 1,094,285	\$ 1,245,244	13.80%

<i>Department Summary for the:</i>				
<i>Storm Water Utility Operations Department</i>				
		FY 2018-19	FY 2019-20	FY19 to FY20
	FY 2017-18	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	\$ 39,282	\$ 67,100	\$ 119,510	78.11%
SERVICE BENEFIT	456	456	456	0.00%
FICA	3,024	5,133	9,183	78.90%
INSURANCE	4,834	14,230	24,272	70.57%
RETIREMENT	3,008	5,241	10,755	105.21%
SUPPLMENTAL RETIREMENT	1,194	2,013	3,581	77.89%
PERSONNEL COSTS - OTHER DEPT	-	-	12,500	#DIV/0!
TRAINING	-	2,000	1,915	-4.25%
LEGAL SERVICES	1,088	5,000	1,000	-80.00%
CONFERENCES	-	600	2,000	233.33%
POSTAGE	-	4,000	1,000	-75.00%
TELEPHONE	-	1,000	1,000	0.00%
MOTOR VEHICLE REPAIR	-	500	1,000	100.00%
PRINTING	-	1,000	1,000	0.00%
ADVERTISING	1,869	1,000	500	-50.00%
FUEL	-	500	1,000	100.00%
OFFICE SUPPLIES	109	200	1,000	400.00%
DEPARTMENTAL SUPPLIES	2,498	1,000	6,000	500.00%
UNIFORMS	-	-	500	#DIV/0!
CONTRACTUAL SERVICES	-	16,000	69,000	331.25%
ENGINEERING SERVICES	7,789	10,000	10,000	0.00%
DUES AND SUBSCRIPTION	-	6,000	6,000	0.00%
STORMWATER ADVISORY COMM	-	-	500	#DIV/0!
EQUIPMENT	-	191,000	-	-100.00%
STORMWATER ACTIVITY	50,641	-	-	#DIV/0!
EMERGENCY RESERVES SW UTILIT	-	100,000	100,000	0.00%
OPER EXP ALLOCATNS - GEN FND	-	-	9,500	#DIV/0!
UNEXPENDED RESERVES	-	466,027	170,203	-63.48%
TR TO SWUE PROJECTS FUND	-	-	235,400	#DIV/0!
Totals	\$ 115,792	\$ 900,000	\$ 798,775	-11.25%

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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.

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).

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.

LTD – Life to Date

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.

Proprietary Funds – consists of the Stormwater Utility Fund.

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, 2017.

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 stormwater management needs of the Town. The Enterprise Fund establishes a dedicated source of funding for stormwater and flood remediation.

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