

TOWN OF CARRBORO
NORTH CAROLINA

ADOPTED BUDGET
FISCAL YEAR 2020-21

TOWN COUNCIL

Lydia Lavelle, Mayor
Barbara Foushee, Mayor Pro-Tempore
Jacquelyn Gist
Ranee Haven-O'Donnell
Susan Romaine
Damon Seils
Sammy Slade

TOWN MANAGER

David L. Andrews, ICMA-CM

DEPARTMENT HEADS

Rebecca Buzzard, Housing & Community Services Director
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, Parks, & Cultural Resources Director
David Schmidt, Fire Chief
Betsy Bertram, Interim Economic Development Director
Andy Vogel, Information Technology

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Table of Contents

Reader’s Guide	5
Town Manager’s Letter	7
Budget Message	9
Executive Summary	9
Section 1 – Community and Organizational Profile	27
About the Town of Carrboro	27
Key Intergovernmental Relationships	32
Governmental Structure	34
Town Council Priorities	35
Financial Policies	38
Budgetary Accounting and Reporting.....	47
Financial Fund Structure	49
Section 2 – General Fund	51
General Fund Revenue Descriptions.....	54
General Fund Balance as of June 30	58
Section 3 – General Government	61
Mayor and Town Council	61
Advisory Boards and Commissions	63
Governance Support.....	64
Town Manager	65
Climate Action	67
Information Technology.....	71
Economic Development	75
Housing and Community Services.....	78
Town Clerk.....	80
Finance	83
Human Resources.....	87
Section 4 – Police	91
Section 5 – Fire and Rescue	97
Section 6 – Planning	103
Section 7 – Transportation	109
Section 8 – Public Works	111
Section 9 – Recreation, Parks, and Cultural Resources	119
Section 10 – NonDepartmental	127
Section 11 – Debt Service	129
Section 12 – Special Revenue Funds	133
Affordable Housing Fund.....	134
Grant Fund.....	135
Energy Efficiency Revolving Loan Fund.....	136
Revolving Loan Fund.....	137
Emergency Loan Fund	138
Section 13 – Capital Project Funds	139
Capital Projects Fund	140

GO Bond-Funded Sidewalks and Greenways Projects Fund.....	141
Facilities Rehab Projects Fund.....	142
Capital Reserve Fund	143
Payment-in-Lieu Reserve Fund.....	144
Section 14 – Enterprise Funds	145
Stormwater Utility Enterprise Fund	145
Parking Utility Enterprise Fund	149
Section 15 – Financial Trends Past, Present, and Future	151
Historical Financial Trends	151
Section 16 – Line Item Budgets	179
Section 17 – Glossary	199
Glossary.....	199

Reader's Guide to the Budget Document

The Mayor and Town Council 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 Council's commitments. The purpose of presenting this holistic picture is to assist the Town Council, 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 council. This section also includes the Town's budget ordinance outlining proposed revenues and expenditures for various funds as appropriated by the Council, 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 Council. 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. The General Government section includes numerous departments. Larger departments show divisions based on distinctive service provided along 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, Emergency Loan Fund, Affordable Housing Fund, and Grants Fund.
- Capital Projects Fund** – This fund includes all active capital projects of the Capital Projects Fund, Bond Fund, Facilities Rehabilitation projects, Capital Reserve Fund, and the Payment-in-Lieu Fund.
- Enterprise Funds** – These are business type funds that are to eventually generate sufficient revenues to become self-supporting. The Town has two Enterprise Funds:
1) Stormwater Utility Enterprise Fund supported by a fee schedule for stormwater and

flood remediation activities; and, 2) Parking Enterprise Fund currently supported by the General Fund for parking management.

- ☐ **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 2020-21 Through FY 2024-25*” (CIP) describes capital improvement projects and identifies funding sources for the next five fiscal years and is available at <http://www.townofcarrboro.org/2318/Capital-Improvement-Plans-2020-2025>
- ☐ **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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Budget information is also available for viewing on the Internet at:
<http://www.townofcarrboro.org/250/Financial-Documents>



June 23, 2020

To: Mayor and Council Members:

I am pleased to submit the Manager's Adopted FY 2020-21 Budget for the Town of Carrboro. This budget totals \$71.3 million for all Funds as follows:

General Fund	\$ 25,063,106
Capital Projects Fund	42,150,375
Special Revenue Fund	2,832,922
Enterprise Fund	1,340,775
Total	<u>\$ 71,387,178</u>

The COVID-19 Pandemic has created an environment for budget development that heretofore was unthinkable and unimaginable. It has caused thousands to die, millions to be infected, hundreds of millions dealing with lock-down at home, lack of income, loss of job, and concern about the safety of their families. The economic and health uncertainty surrounding us makes it impossible to make solid revenue predictions due to many unknown factors (e.g., length of pandemic mitigation efforts, economic recovery, availability of federal and state financial assistance for local governments, etc.).

The financial effects of COVID-19 on the country is yet to be determined. Locally, we have identified things we will need to forego for now in anticipation of reduced revenues. These include: no employee wage adjustments; no new employees, except for Stormwater Utility Enterprise Fund; no new program initiatives; and deferral of some building and grounds repairs.

Our past projection tools have been of little use this year. Nevertheless, we have produced, as best we can, a budget based on revenue projections that are not overly aggressive, nor unduly regressive. The primary goal was to maintain the current level of services for Town residents in FY 2020-21. We realize that the COVID-19 Pandemic is a fluid situation and the Town may be required to make future budget adjustments depending upon the direction of the pandemic.

The General Fund is the Town's operating budget. This budget remains basically unchanged from the current year.

Special Revenue Funds change from year to year depending upon revenues from grants, revolving loan funds, and other program specific revenues. The Affordable Housing Fund seeks to increase affordable housing in the Town continues to be a major goal of the Town Council. To provide a steady and reliable revenue stream for affordable housing, the FY 2018-19 and FY

2019-20 adopted budgets, each included a ½ cent property tax increase to be dedicated exclusively for affordable housing activities. We had intended to recommend another ½ cent property tax increase in FY 2020-21 (for a total of 1.5 cents). However, due to the current uncertain economic environment, this has been deferred. To maintain the Affordable Housing Fund at its current budget level, the Town proposes a general fund subsidy of \$112,500 which, when combined with an estimated \$225,500 in property tax and other revenue, provides \$338,000 for affordable housing activities.

The Capital Projects Fund at \$42.1 million includes projects that will add new or renovate existing Town infrastructure. These include construction of greenways throughout the Town, The 203 Project, and renovation of existing Town buildings. The 203 Project, a joint development of the Town and Orange County, will house the Orange County Southern Branch Library and Town Recreation and Parks Programs. After some delay, design work will continue for the facility that will be located at 203 S. Greensboro Street.

For renovation of existing Town buildings, a financing plan needs to be done to undertake these building improvements over the next five years. A comprehensive facility assessment is currently being conducted by the Public Works Department to identify the necessary renovations and cost estimates. This assessment is expected to be completed in the coming year.

The Stormwater Utility Enterprise Fund, was established in 2017 to comprehensively address stormwater management and flood remediation needs of the Town. This Enterprise fund is supported by user fees which were increased for FY 2020-21. Also, for FY 2020-21, a Parking Enterprise Fund will be created to better manage parking activities. These parking activities will continue to be supported by the General Fund.

On behalf of all Town of Carrboro employees, I want to thank the Mayor and Council Members 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 2020-21 Town budget.

The accompanying Executive Summary provides additional highlights of the overall budget and strategies for fiscal year 2020-21.

Sincerely,



David L. Andrews, ICMA-CM
Town Manager

EXECUTIVE SUMMARY

BUDGET OVERVIEW

The budgeting process traditionally involves analysis and review of historical data and trends and the use of economic indicators and forecasting to estimate revenues for the upcoming fiscal year. At this time of year, the Town has typically collected the first six months of various revenues that are distributed by the State quarterly and/or monthly. Much of the narrative, on the following few pages, speaks to the trends related to the first two quarters of revenues received by the Town, which was prior to the arrival of the COVID-19 pandemic which has had a significant effect on the local, state, and national economy. The unknown factors of this pandemic, such as how long it will last, and how quickly the economy will bounce back once the pandemic has subsided, creates a challenge for forecasting revenues for the upcoming fiscal year. As a result, some of the budgeted revenues have been reduced in order to reflect the downturn of the economy.

Economic indicators are that North Carolina will continue its slow, steady economic growth once the effects of the pandemic have dissipated. The most recent data from Trading Economics indicates housing starts in the United States increased by over 25% from January 2019 to January 2020. Single-family home building permits in North Carolina increased 31.6 percent between January 2019 and 2020. The housing price index in North Carolina for the fourth quarter of 2019, compared to the fourth quarter of 2018, grew by 5.6 percent vs 7.6 percent for the United States.

North Carolina's unemployment rate was 3.5% as of December 2019, compared to 3.6% nationally. Orange County's unemployment rate was 2.9% below the statewide rate of 3.5%. This is related to the dominance of the professional services sector and close proximity to the University of North Carolina and Research Triangle Park. The unemployment rate rose to 4.4% for March 2020 for both North Carolina and the overall country.

Dr. John Connaughton at the University of North Carolina-Charlotte, Economic Forecast, predicted prior to the pandemic, that the state's Gross State Product (GSP) would finish 2019 with growth of 2.2 percent and grow 2.3 percent above that in 2020. Two of the major economic sectors for growth in 2020 will be agriculture (8.8 percent) and retail trade (3.1 percent).

North Carolina sales tax collections remained 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 2019-20, distributions were almost 1% ahead of FY 2018-19 for Article 39 and 40 combined. 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.*)

The total number of residential building permits increased in 2019 from the prior year, but the total value of those permits slightly decreased. Commercial permits and values both decreased in 2019 from the prior year.

COMMERCIAL AND RESIDENTIAL TOWN PERMITS, 2019

<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
2019	120	10,858,919	631	22,566,174

Through March, general fund revenue collections for FY 2019-20 total \$19.8 million or 86.0% of the adopted budget. Last year at this time, total general fund revenue collections were \$19.6 million or 86.0% of adopted budget. Property tax revenue collections to date are \$13.1 million, which exceeds budget by 1.0%. Local sales tax revenues total \$2.6 million compared to \$2.3 million at the same time last year. Unrestricted and restricted intergovernmental revenues year-to-date are 51% and 90% of budget, respectively.

A key factor related to collection of sales tax and intergovernmental revenues is the lag period between collection by the State and distribution to local governments. 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.

Because of the pandemic’s economic effects, local sales tax revenue collections for the last quarter of 2019-20 are anticipated to be under budget by 1.5%. However, because of the strong revenue collections in the first half of the year, there should be minimal impact on total revenue collections at June 30, 2020.

The Town continues to maintain its conservative approach in estimating revenues. The FY 2020-21 budget is based on revenue projections that are not overly optimistic, nor unduly pessimistic. The Town assumes that the North Carolina General Assembly will take no actions during its 2020 session that would negatively impact the Town’s existing revenue stream.

TOTAL TOWN BUDGET

In developing the FY 2020-21 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 2020-21 budget were to:

- Implement the Town Council’s strategic priorities,
- Manage costs while improving services to the citizens,
- Develop a balanced budget,
- Retain valued town employees, and,
- Conceptualize a long term financial sustainability plan for the Town.

The total General Fund Adopted budget for FY 2020-21 is \$25,063,106, which is a 2.0% increase from the adopted budget of \$24.6 million last year. When all other funds are considered, the total Town budget for FY 2020-21 is \$71.3 million as follows:

BUDGET SUMMARY

	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Amount Change	Pct Change
General Fund	24,577,008	25,063,106	486,098	2.0%
Special Revenue Funds	2,145,252	2,832,922	687,670	32.1%
Capital Project Funds	30,472,938	42,150,375	11,677,437	38.3%
<i>Total Governmental Funds</i>	<i>57,195,198</i>	<i>70,046,403</i>	<i>12,851,205</i>	<i>22.5%</i>
Enterprise Funds	798,775	1,340,775	542,000	67.9%
Grand Total	57,993,973	71,387,178	13,393,205	23.1%

BUDGET PROCESS

The budget process is similar to past years. Departments are required to justify their operating budget for the continuation of services. There are no new or expanded services proposed for 2020-21. 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.

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 84.0% of general fund revenues.

For FY 2020-21 total recurring revenues are projected to decrease by 0.9% over the FY 2019-20 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 increase by 1.9% due to added CARES Act grant funds, combined with lower estimates on sales tax collections from satellite sales and telecommunications. Sales tax revenues, which represent 16.9% of general fund revenues, are expected to decrease by 8.8% due to the recent economic impact from the COVID-19 pandemic.

Recurring Revenues – General Fund

	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Amount Change	Pct Change
Property Taxes	12,978,367	13,156,500	178,133	1.4%
Local Sales Tax	4,649,090	4,242,202	(406,888)	-8.8%
Other Taxes & Licenses	1,610,441	1,603,045	(7,396)	-0.5%
Intergovernmental	2,045,898	2,085,336	39,438	1.9%
Grand Total	21,283,796	21,087,083	(196,713)	-0.9%

Property and sales tax revenues make up 69.4% of total general fund revenues in FY 2020-21. The total property tax valuation is estimated to be \$2,274,811,835 based on valuation by the Orange County Tax Administrator. This is a 0.2% growth over the past year. In FY 2020-21 each penny on the tax rate is projected to generate approximately \$227,481. 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 were trending upward and consumer confidence was high prior to the recent pandemic. Overall local sales tax revenues (\$2.57 million to date), reflecting six months of collections for the year, are 55.3% of the Town’s FY 2019-20 adopted sales tax revenue budget (\$4.65 million). According to the FY 2020-21 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 2019-20 were up approximately 8.1% over the same period in FY 2018-19. When factoring in the effects of the pandemic related to sales for March through June, 2020, the League of Municipalities anticipates that sales tax revenues statewide for the current fiscal year 2019-20 will be 0 to 2% above the FY 2018-19 distributions. For next fiscal year 2020-21 local sales tax revenues statewide are expected to decrease by 2 or 3% of the FY 2019-20 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 2019-20 were up approximately 1.9% from the previous year. Projections for statewide electricity revenues for FY 2019-20 are expected to increase by 1.7%. For FY 2020-21, they are projected to increase by 1.0%.

Sales tax on piped natural gas statewide, on a percentage basis, declined sharply under the new distribution formula. Through the first two quarters of FY 2019-20, natural gas revenues have been 10.0% lower over the same period in FY 2018-19. The N. C. League of Municipalities has projected that statewide distributions to municipalities for FY 2019-20 will be 10.0% lower than the past year; and, for FY 2020-21 the projection is expected be 1.5% below that of FY 2019-20.

For FY 2019-20, the Town has collected \$549,771 (58% of budget) in electricity tax revenues, and \$11,562 (26% 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 2019-20 are expected to decrease by 7.5% with an additional decline of 9.2% in FY 2020-21. For the first two quarters of this fiscal year 2019-20 the Town has received revenue of \$78,847 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 have a slight growth of 1.0% in FY 2019-20, but will continue to decline in FY 2020-21 by 1.7%. For the first two quarters of FY 2019-20, the Town has received revenue of \$31,951 or 55.6% of the adopted budget

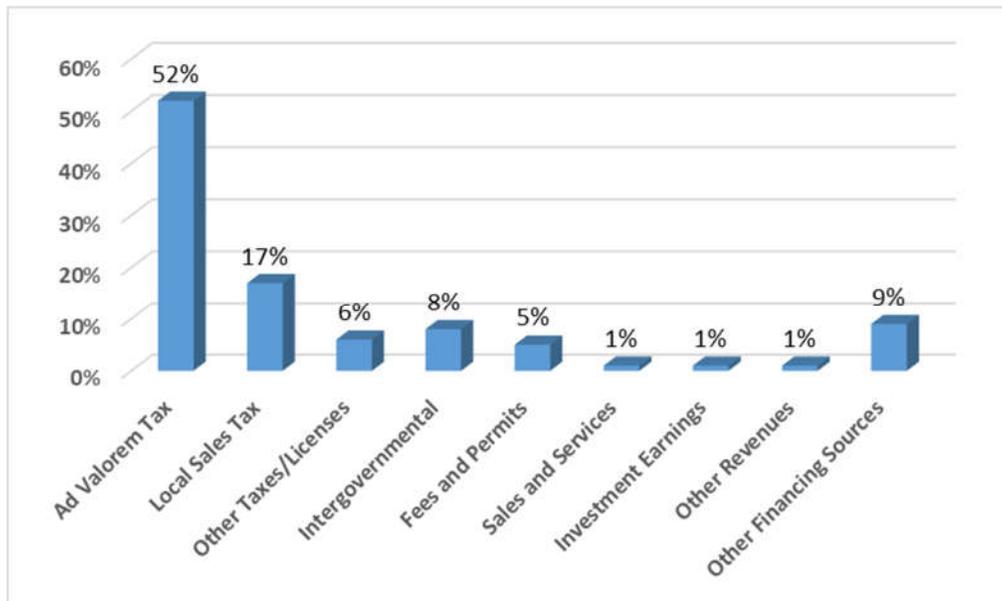
Municipalities with qualifying Public, Educational, and Governmental (PEG) channels are entitled to supplemental PEG channel support funds for up to three channels. The amount per channel for FY 2019-20 is approximately \$27,494 and is expected to remain the same for FY 2020-21.

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 2019-20 state officials have indicated that beer and wine sales tax distributions will be 0.5% higher than last year and no growth is expected for FY 2020-21.

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 2020-21 are from Fund Balance Appropriation and total \$2,239,574 or 8.9% of the total adopted budget. The Town has adopted a policy that “fund balance appropriation is not to exceed 10.0% of the total General Fund operating budget in any given year”. The fund balance appropriation increased by \$738,821 or 49.2% over the adopted FY 2019-20 budget, and is the result of the decrease in revenues due to the recent pandemic.

FY 2020-21 GENERAL FUND REVENUE SOURCES % of Total \$25,063,106



EXPENDITURES

For FY 2020-21, total General Fund operating expenses slightly increased by 2% over FY 2019-20. Of the total budget, personnel costs account for 59.7%, while operating costs account for 36.2%. Capital outlay and transfers account for the remaining 4.1%.

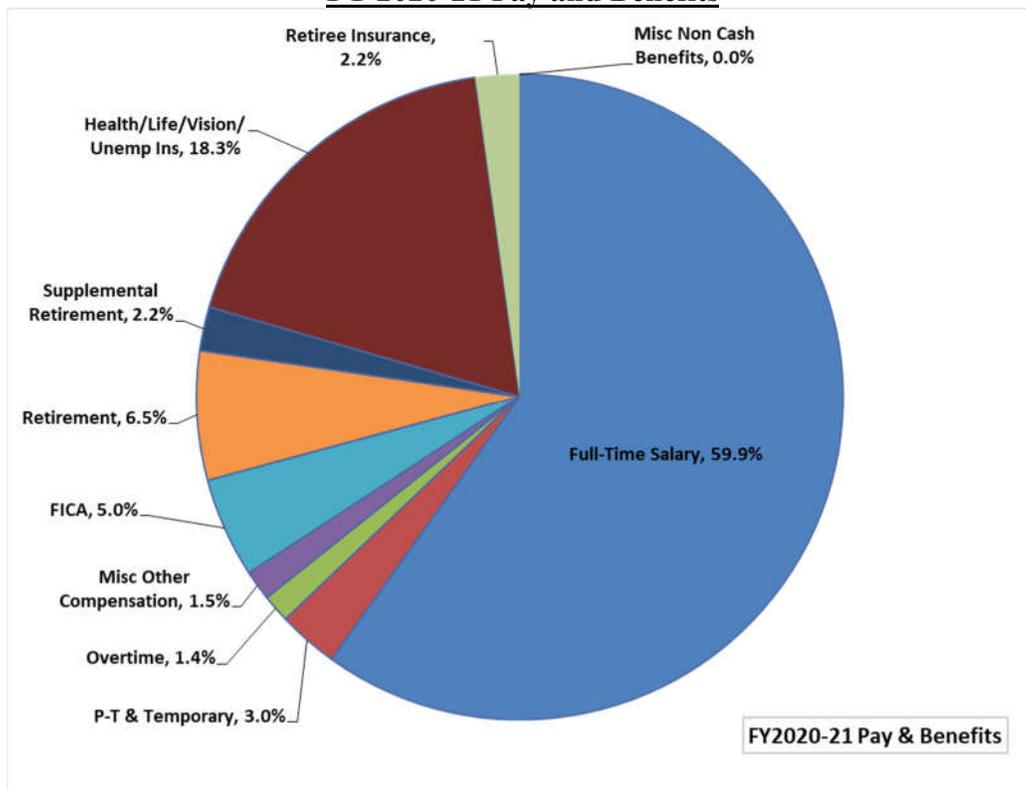
General Fund Budget Summary

	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	14,630,474	14,965,571	2.3%
Operating	9,203,734	9,072,885	-1.4%
Capital Outlay	285,600	118,600	-58.5%
Transfers	457,200	906,050	98.2%
TOTAL	\$24,577,008	\$25,063,106	2.0%

PERSONNEL

Personnel cost are expected to increase by 2.3%. For FY 2020-21, across the board pay adjustments to permanent employees is zero. Factors that affect personnel cost include: a) projected 15.0% increase in health insurance premiums; b) increases in employer contribution rate to Local Government Employees Retirement System.

FY 2020-21 Pay and Benefits



Contribution rates for the Local Government Employees' Retirement System (LGERS) will increase from 9.01% to 10.20% for general employees; and, from 9.70% to 10.84% for law enforcement officers in FY 2020-21. Below is the schedule of contribution rates through FY 2022-23.

Fiscal Year	LGERS Employer Contribution Rate	
	General Employees	Law Enforcement Officers
2019-20	9.01%	9.70%
2020-21	10.20%	10.84%
2021-22	11.35%	12.10%
2022-23	12.45%	13.20%

No merit or performance pay will be provided for employees in FY 2020-21. When the Town Council 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. Due to the COVID-19 budget concerns, the Town will not provide a compensation adjustment to its employees for FY21.

The number of full-time equivalent positions will increase from 167.0 to 168.5 (these totals include 3.5 FTE positions funded by Stormwater Utility Enterprise Fund). An additional Stormwater Administrator and a half time Stormwater GIS position will be added to, and funded in, the Stormwater Enterprise Fund. Funds to cover the proposed 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 2020-21 will decrease by 1.4% from \$9,203,734 to \$9,072,885. 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.). Due to the recent pandemic, most travel, training, and conference budgets were reduced to zero. Several initiatives begun in previous fiscal years will be continued in FY 2020-21. These include implementation of solid waste study pilot programs, gold level bicycle designation, and new payroll time and attendance software. 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 58.5% from \$285,600 to \$118,600 in FY 2020-21, and include snow removal equipment, a tire balancer for the fleet shop, and transit vehicle replacement cost. In the Capital Projects Fund, the Town is looking to finance a major building in 2020-21 as well as lease purchases for the following vehicles and equipment. For more information on capital projects, see the Capital Projects Fund section on page 139.

Department	Vehicles/Equipment	Cost Estimate
Police	6 Vehicles @ \$56,000	\$ 336,000
Fire	Fire Tanker Truck	350,000
Fire	Ford Explorer Hybrid	49,000
Public Works	Boom Truck	155,000
Public Works	2 Pickup Trucks	64,000
	Total	\$ 954,000

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 Town Council for specific program activities or services. Included in the Special Revenue Fund are: revolving loans for economic development or energy efficiency, business loan programs, affordable housing, and grants administration.

The total budget for the Special Revenue Fund in FY 2020-21 is \$2.8 million dollars.

SPECIAL REVENUE FUND SUMMARY

	Adopted Budget FY2019-20	Adopted Budget FY2020-21	Amount Change	Pct Change
Fund:				
Affordable Housing	358,500	338,000	-20,500	-5.7%
Grant Administration	998,096	893,249	-104,847	-10.5%
Emergency Loans	0	508,405	508,405	#DIV/0!
Revolving Loans for Energy Efficiency	267,388	240,572	-26,816	-10.0%
Revolving Loans for Economic Development	902,101	852,696	-49,405	-5.5%
Totals	\$2,526,085	\$2,832,922	\$306,837	12.1%

For FY 2021, a property tax rate of 1 cent will remain in place to be dedicated to the Affordable Housing Fund, along with a subsidy from the General Fund of \$112,500.

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; GO bonds for sidewalks and greenway; facilities rehab projects; capital reserves; 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 Town Council 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 35.0%, fund balance may be assigned or committed for future capital projects if the fund balance exceeds 35.0%. At June 30, 2019, unassigned fund balance in the general fund exceeded 35.0% and the Town Manager, in accordance with Town policy, assigned \$2.0 million for future capital projects. The Town Council 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 2020-21 is \$42.1 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 \$26.4 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 <u>FY2019-20</u>	Adopted Budget <u>FY2020-21</u>	Amount Change	Pct Change
Fund:				
Capital Projects	\$21,052,330	\$ 33,222,583	\$ 12,170,253	57.8%
GO Bonds, Sidewalks and Greenways	7,499,643	7,920,942	421,299	5.6%
Facilities Rehab	-	1,005,750	1,005,750	#DIV/0!
Capital Reserves	406,200	400	(405,800)	-99.9%
Payment In Lieu Reserves	950	700	(250)	-26.3%
Totals	\$28,959,123	\$ 42,150,375	\$ 13,191,252	45.6%

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 2025 can be reviewed on the Town’s web site at:

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

CONCLUSION

Prior to the COVID-19 pandemic, economic conditions in North Carolina continued to be positive with low unemployment rate, increased taxable sales and increased employment. The professional and business services sector continued its rapid growth, and the area economy was strong. The unknown factors of the pandemic make it difficult for financial forecasting, and national and state policies may affect the economy and consumer confidence in the coming months as the country begins to rebound from the effects of the pandemic.

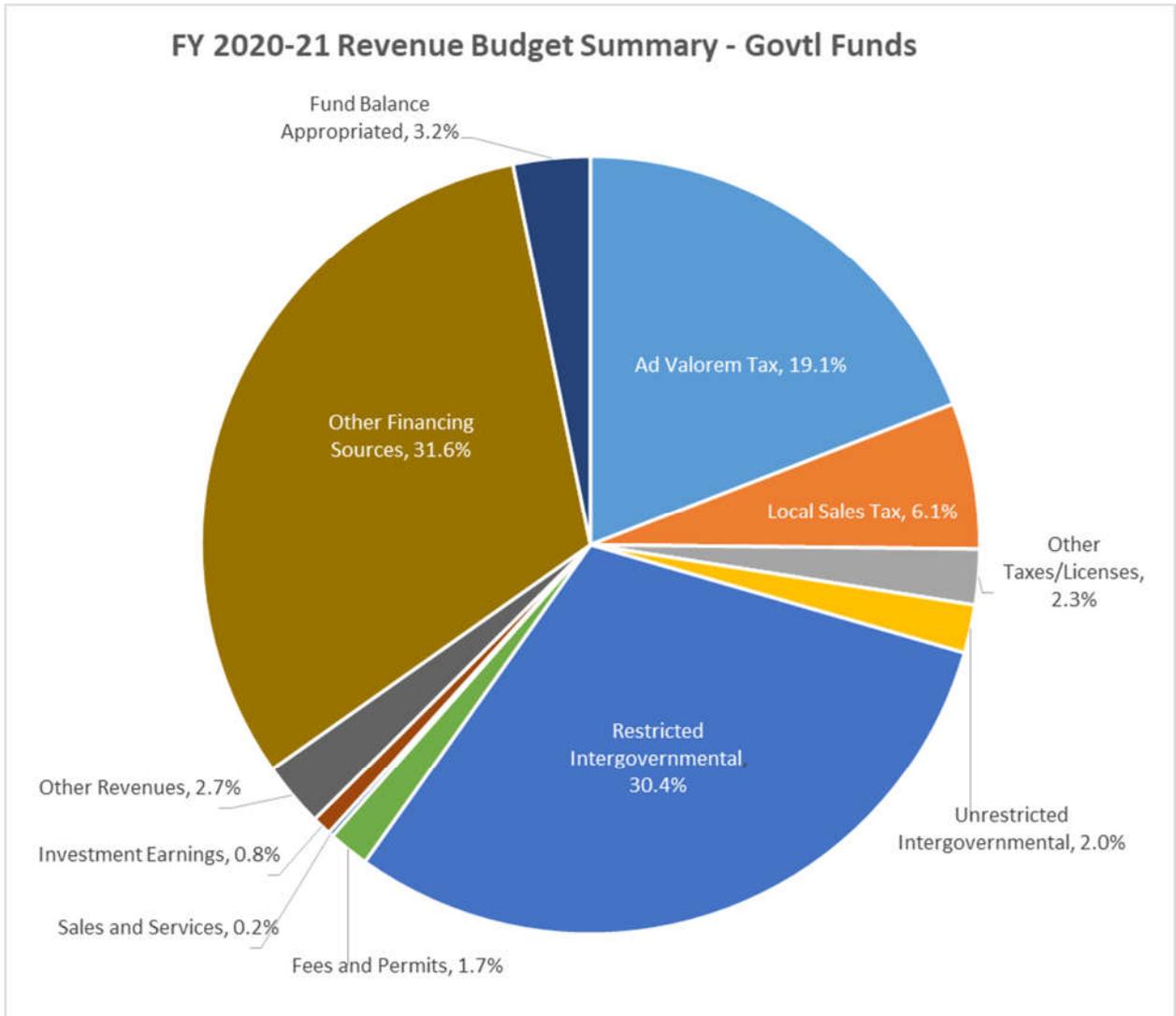
Once the pandemic subsides, hopefully our citizens, and potential visitors, will be able to revive our local economy to a level that resembles the pre-pandemic economy which included low unemployment rates and strong taxable sales. Town revenues are expected to fall slightly shy of the budget for the year ending June 30, 2020. Overall revenues for FY 2020-21 are budgeted to be less than FY20 as a result of the lingering effects of the pandemic.

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 2020-21 budget that provide for continued delivery of quality services, carrying out Town Council priorities, maintaining financial strength, and retaining qualified and productive employees.

FY 2020-21 Revenue Budget Summary - All Funds by Major Fund

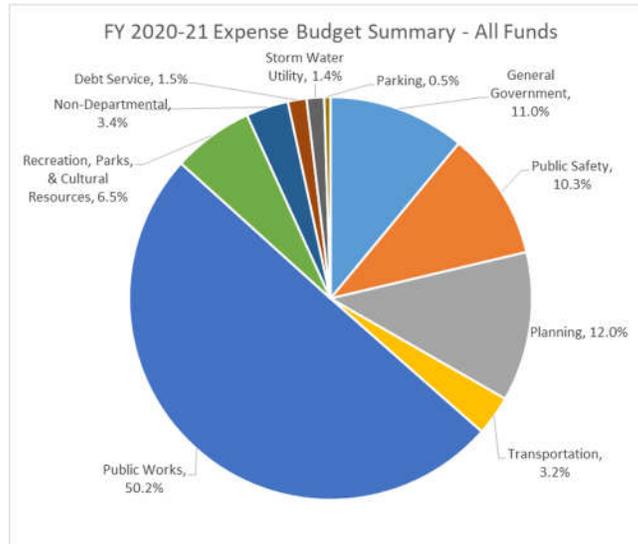
	General Fund	Special Revenue Funds	Capital Funds	Total All Govtl Funds	Percent All Govtl Funds	Enterprise Funds
Ad Valorem Tax	\$ 13,156,500	\$ 224,700		13,381,200	19.1%	
Local Sales Tax	4,242,202			4,242,202	6.1%	
Other Taxes/Licenses	1,603,045			1,603,045	2.3%	
Unrestricted Intergovernmental	1,389,688			1,389,688	2.0%	
Restricted Intergovernmental	695,648		20,573,499	21,269,147	30.4%	
Fees and Permits	1,222,929			1,222,929	1.7%	989,475
Sales and Services	131,250			131,250	0.2%	
Investment Earnings	140,000	253,875	156,413	550,288	0.8%	5,750
Other Revenues	242,270	1,617,719		1,859,989	2.7%	2,000
Other Financing Sources	-	736,628	21,420,463	22,157,091	31.6%	343,550
Fund Balance Appropriated	2,239,574			2,239,574	3.2%	
Totals	\$ 25,063,106	\$ 2,832,922	\$ 42,150,375	\$ 70,046,403	100.0%	\$ 1,340,775



FY 2020-21 Expense Budget Summary - All Funds

	General Fund	Special Revenue Funds	Capital Funds	Total All Govtl Funds	Enterprise Funds
Mayor and Town Council	\$ 391,313			\$ 391,313	
Advisory Boards	36,800			36,800	
Town Manager	384,939			384,939	
Economic Development	315,210	\$ 1,361,101		1,676,311	
Climate Action	129,591			129,591	
Housing & Community Services	538,144	578,572		1,116,716	
Town Clerk	156,147			156,147	
Finance	1,278,630			1,278,630	
Human Resources	647,907			647,907	
Information Technology	1,748,550		\$ 250,000	1,998,550	
Police	4,190,696			4,190,696	
Fire	3,186,183			3,186,183	
Planning	1,563,585	70,000	6,915,395	8,548,980	
Transportation	2,029,600		288,000	2,317,600	
Public Works	4,113,574	823,249	30,925,768	35,862,591	
Recreation, Parks, & Cultural Resources	1,844,009		2,761,896	4,605,905	
Non-Departmental	1,402,995		1,009,316	2,412,311	
Debt Service	1,105,233		-	1,105,233	
Storm Water Utility				-	\$ 994,475
Parking				-	346,300
Total Expenditure Budget	\$ 25,063,106	\$ 2,832,922	\$ 42,150,375	\$ 70,046,403	\$ 1,340,775

General Government	\$ 5,627,231	\$ 1,939,673	\$ 250,000	\$ 7,816,904	
Public Safety	7,376,879	-	-	7,376,879	
Planning	1,563,585	70,000	6,915,395	8,548,980	
Transportation	2,029,600	-	288,000	2,317,600	
Public Works	4,113,574	823,249	30,925,768	35,862,591	
Recreation, Parks, & Cultural Resources	1,844,009	-	2,761,896	4,605,905	
Non-Departmental	1,402,995	-	1,009,316	2,412,311	
Debt Service	1,105,233	-	-	1,105,233	
Storm Water Utility	-	-	-	-	\$ 994,475
Parking	-	-	-	-	346,300
Totals	\$ 25,063,106	\$ 2,832,922	\$ 42,150,375	\$ 70,046,403	\$ 1,340,775



A motion was made by Council Member ~~Seils~~, seconded by Council Member Gist, to approve the following ordinance:

**ANNUAL BUDGET ORDINANCE FY 2020-21
Town of Carrboro, North Carolina
Ordinance No. 21/19-20**

WHEREAS, the recommended budget for FY 2020-21 was submitted to the Town Council on May 26, 2020 by the Town Manager pursuant to G.S. 159-11 and filed with the Town Clerk pursuant to G.S. 159-12;

WHEREAS, on June 2, 2020, the Town Council held a public hearing on the budget pursuant to G.S. 159-12;

WHEREAS, on June 23, 2020, the Town Council adopted a budget ordinance making appropriations and levying taxes in such sums as the Town Council considers sufficient and proper in accordance with G.S. 159-13;

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

ARTICLE I – GENERAL FUND

Section 1. General Fund Appropriations

The General Fund is the Town of Carrboro’s operating account. The following amounts are hereby appropriated by function for the operation of the Town and its activities for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

⊕	GENERAL GOVERNMENT	\$ 5,627,231
	Mayor and Town Council	\$ 391,313
	Advisory Boards	36,800
	Town Manager	384,939
	Economic Development	315,210
	Climate Action	129,591
	Housing & Community Services	538,144
	Town Clerk	156,147
	Finance	1,278,630
	Human Resources	647,907
	Information Technology	1,748,550
	PUBLIC SAFETY	7,376,879
	Police	4,190,696
	Fire	3,186,183
	PLANNING	1,563,585
	TRANSPORTATION	2,029,600
	PUBLIC WORKS	4,113,574
	RECREATION, PARKS, & CULTURAL RESOURCES	1,844,009
	NONDEPARTMENTAL	1,402,995
	DEBT SERVICE	1,105,233
	TOTAL GENERAL FUND	<u>\$25,063,106</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, 2020 and ending June 30, 2021 to meet the general fund expenditures:

Ad Valorem Tax	\$ 13,156,500
Local Sales Tax	4,242,202
Other Taxes/Licenses	1,603,045
Intergovernmental	2,085,336
Fees and Permits	1,222,929
Sales and Services	131,250
Investment Earnings	140,000
Other Revenues	242,270
Other Financing Sources	2,239,574
Total General Fund	<u>\$ 25,063,106</u>

ARTICLE II – AFFORDABLE HOUSING FUND

Section 1. Affordable Housing Fund Appropriation

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

Community Home Trust	\$ 74,518
Home Consortium Match	14,057
Partnership to End Homelessness	35,232
AHSRF Deferred Loan Program	10,000
Affordable Hsg Advisory Board	500
Critical Home Repair	61,050
Rental Deposits Program	31,703
Acquisition and Development	100,000
Unexpended Reserves	10,940
Total Appropriation	<u>\$ 338,000</u>

Section 2. Affordable Housing Fund Revenues

There is hereby levied a tax rate of \$.0100 (1.0 cent) on each one hundred dollars (\$100) valuation of taxable property as listed for taxes on January 1, 2020 that shall be devoted solely to the affordable housing activities noted above.

ARTICLE III – CAPITAL PROJECTS

Pursuant to GS 159-13.2, the Town Council 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 \$994,475 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 2019-20 may be carried forward to fiscal year 2020-21.

ARTICLE V – PARKING ENTERPRISE FUND

Section 1. Parking Enterprise Fund

The Parking Enterprise Fund was created for the purpose of managing parking related facilities within the Town and tracking related expenses. A total of \$346,300 is appropriated for parking activities.

Section 2. Revenues for Parking Enterprise Fund

Revenues to support parking activities include a transfer of funds from the General Fund that will fund all of the parking related expenditures.

ARTICLE VI – MISCELLANEOUS FEES AND CHARGES

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

ARTICLE VII – GENERAL AUTHORITIES

Section 1. The following authorities shall apply:

- a. The Town Manager may transfer funds between departments and functions within the General Fund for pay adjustments; service level benefits; law enforcement separation allowance; unemployment insurance; retiree, dependent, health insurance benefits; and, for any other purpose deemed necessary by the Town Manager without further action by the Town Council.

- 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, 2020 shall be re-appropriated to the Fiscal Year 2020-21 Adopted Budget without further action by the Town Council.
- 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 Town Council.
- 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, 2020 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.....	\$.0100
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.

The foregoing ordinance having been submitted to a vote received the following vote and was duly adopted this 23rd day of June 2020:

Ayes: Mayor Lydia Lavelle, Council Member Barbara Foushee, Council Member Jacquelyn Gist, Council Member Randee Haven-O'Donnell, Council Member Susan Romaine, Council Member Damon Seils

Nays: Council Member Sammy Slade

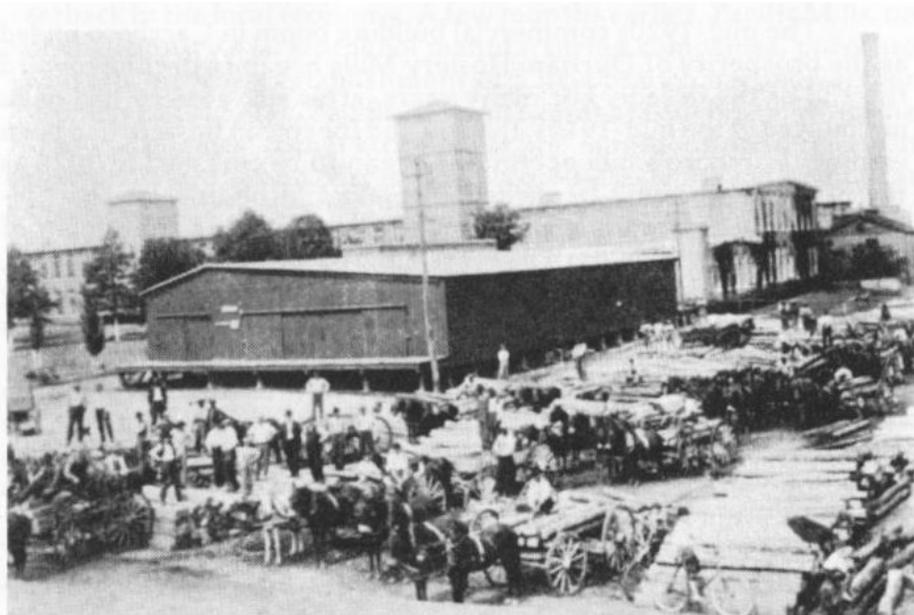
I, Catherine Dorando, Town Clerk for the Town of Carrboro, NC do hereby certify that the foregoing is a true and correct copy of an ordinance adopted by the Carrboro Board of Aldermen.



A handwritten signature in cursive script that reads "Catherine Dorando". Below the signature, the words "Town Clerk" are printed in a small, sans-serif font.

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 University of



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.

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 decreased slightly, from 30,011 in 2018 to 29,877 in 2019.



The Town of Carrboro is a small local government entity overseen by a Mayor and six Council Members, 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 2018 was 21,314, an increase of 215 people from 2017 (approx. 1.0 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	2017	% 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.

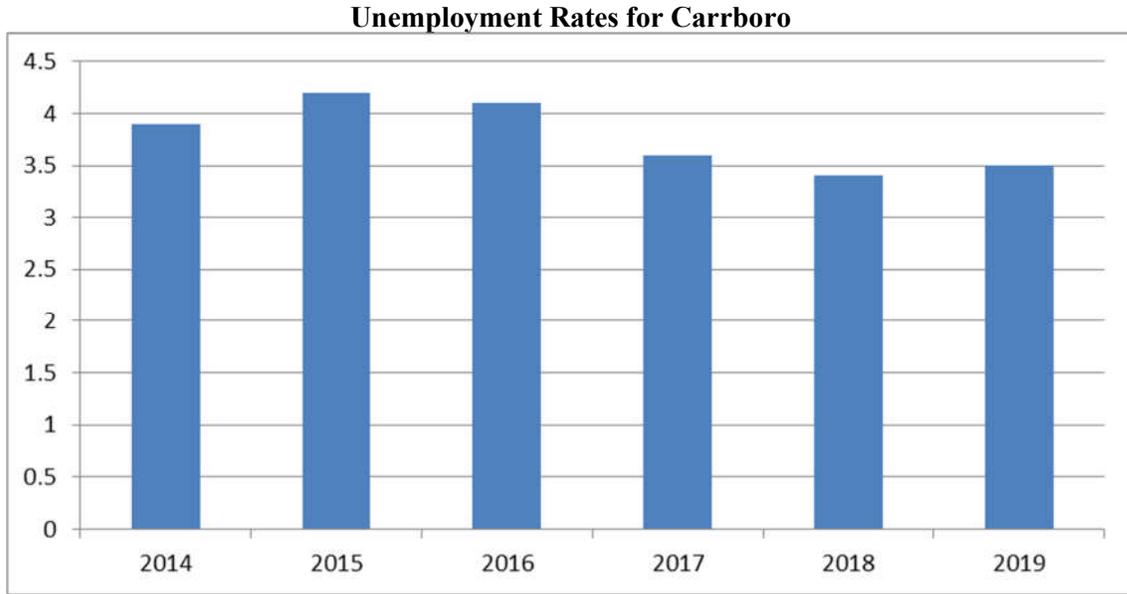
The median value of a housing unit in Carrboro in 2013-2017 was \$334,500, which is an 8.7 percent increase from \$307,600 in 2010.

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

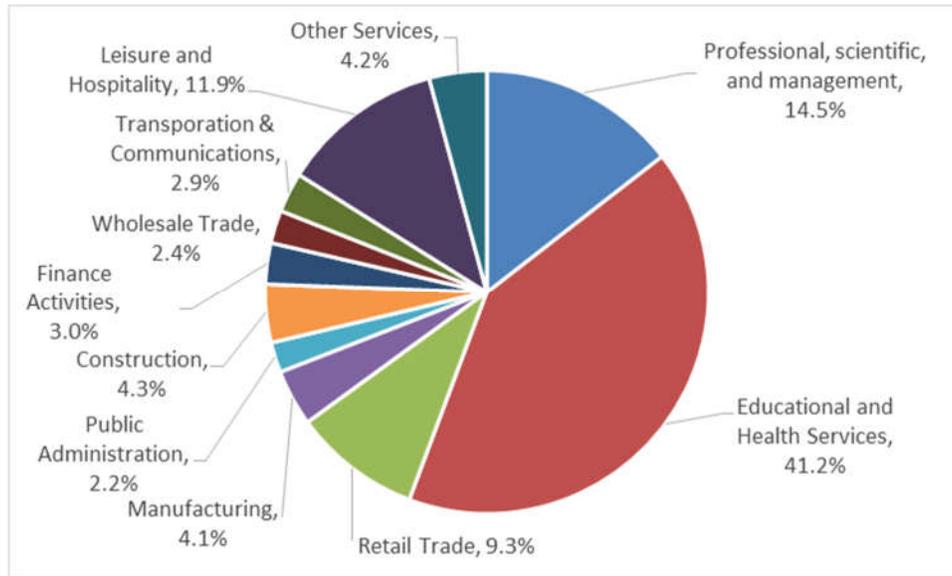
Employment levels in Carrboro reflect a slight decrease in the unemployment rate from 3.4% in 2018 to 2.9% in 2019, which is well below the state unemployment rate of 3.5%.



Source: homefacts.com



Carrboro Employment by Industry Sector, 2017



Source: American Community Survey

The major employers within Orange County in 2019 (those with 500 or more employees) reflect the dominance of the professional services sector.

Employer	# of Employees
UNC Health Care System	12,742
University of North Carolina at Chapel Hill	12,274
Chapel Hill-Carrboro City Schools	1,776
Orange County Government	1,135
Orange County Schools	1,031
Town of Chapel Hill	949
UNC Physicians Network LLC	697
ABB (formerly General Electric)	552

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 Town Council
- 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 council 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

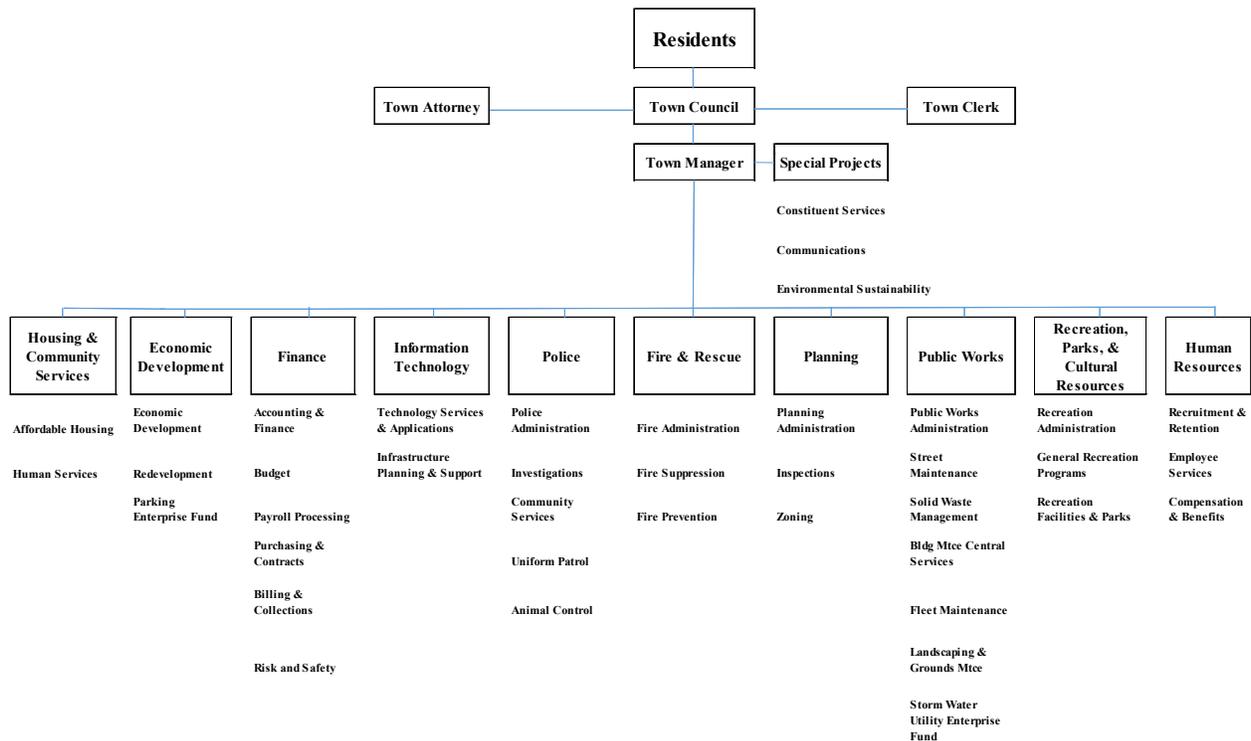
Chapel Hill-Carrboro School System

- 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 Town Council performs the legislative functions of the town: establishing laws and policies. The Town Council is an elected body by the residents of Carrboro which consists of a mayor and six council members. The mayor and the council members are elected by the voters of the entire town. The mayor is elected to serve a term of two years and the council members are elected to serve staggered terms of four years. The mayor acts as the official head of town government and presides at council meetings. The mayor is a voting member of the council. He or she also appoints council members to advisory boards and committees.

The Town Council also appoints a manager who carries out the laws and policies enacted by the council. The Town Manager is responsible for managing the town's employees, finances, and resources. The Town has 167 full-time and part-time employees with 10 departments reporting to the Town Manager (see chart below). The Town Council also appoints a Town Clerk to maintain official town records; and an attorney, who represents the town administration and Town Council 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 Parking Enterprise Fund includes operating expenses related to parking facilities.

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.

TOWN COUNCIL PRIORITIES

The Town Council has not undertaken a formal strategic planning process. However, the Town Council 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 Town Council 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 Town Council.

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 Council 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 Town Council 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 Town Council’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 16, 2020
M. L. King's Birthday Holiday	January 20, 2020
Public Hearing to Receive Community Input on FY 2020-21 Budget	January 21, 2020
FY 2020-21 Budget Instructions Distribution	January 30, 2020
FY 2019-20 Mid-Year Budget Status Report	January 30, 2020
Budget Requests from Departments	February 21, 2020
Finance Compiles Preliminary Budget Based on Department Requests	March 6, 2020
Manager Meets with Department Heads on Requested Budget	March 30 - April 12, 2020
Good Friday Holiday	April 10, 2020
Finance Compiles Manager's Recommended Budget	April 14, 2020
Manager Reviews Draft Recommended Budget and Makes Revisions	April 20, 2020
Manager Finalizes Presentation for the Town Council	April 21, 2020
Manager Meets One-On-One with Council Members	April 23 - May 1, 2020
Memorial Day Holiday	May 25, 2020
Public Notice of Required Public Hearing	May 26, 2020
Manager Submits FY 2020-21 Recommended Budget to Board	May 26, 2020
First Budget Work Session - Town Council	May 26, 2020
Second Budget Work Session (if needed) - Town Council	June 2, 2020
Public Hearing on Recommended Budget	June 2, 2020
Town Council Adopts FY 2020-21 Budget	June 23, 2020

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 Town Council 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 Town Council 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 Town Council 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 Town Council 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 80.0% 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 Town Council 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 35.0% 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 20.0%, 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 35.0%; 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 Town Council 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 Town Council, 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 Council Members no later than June 1st, that the Town Council hold a public hearing on the budget, and that the Town Council 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 Town Council'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 Town Council 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 Town Council 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 Town Council. 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 Town Council.

Transfers between funds may be authorized only by the Town Council. All other transfers may be approved by the Town Manager.

In instances where specific activities or purchases are authorized by the Town Council 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 Town Council'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, Emergency and Revolving Loan Funds, and Energy Efficiency Revolving Loan Fund. Special Funds shall be created when legally required, requested by the Town Council, 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 Town Council 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 Town Council.

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 council approval. This process ensures transparency and keeps the Town Council 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 Town Council. 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 Town Council. 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 Town Council.

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 Town Council.

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 Town Council, 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 Town Council. These decisions will be based upon the identified cash flow requirements for each project financed, market conditions, and other relevant factors.

The Town Council may fund upfront project costs and reimburse these costs when bonds are sold. In these situations, the Town Council 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 Town Council.

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 Town Council 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 Town Council by June 1 of each year, and the Town Council must adopt the Budget Ordinance by July 1. A formal public hearing is required to obtain community comments of the proposed budget before the Town Council 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, Storm Water Operations Fund, and Parking Operations Fund. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for the remaining Special Revenue Funds, Capital Projects Fund, and the Storm Water 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 Town Council, Advisory Boards, Town Manager, Climate Action, Economic Development, Housing and Community Services, Town Clerk, Finance, Human Resources, Police, Fire, Planning, Transportation, Public Works, Parks and Recreation, Non-departmental, Debt Service, Parking, and Stormwater.

The Town Council 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 Town Council 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 Town Council. 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 Town Council. All other types of amendments within the General Fund, or other funds, must be approved by the Town Council.

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 Town Council 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.

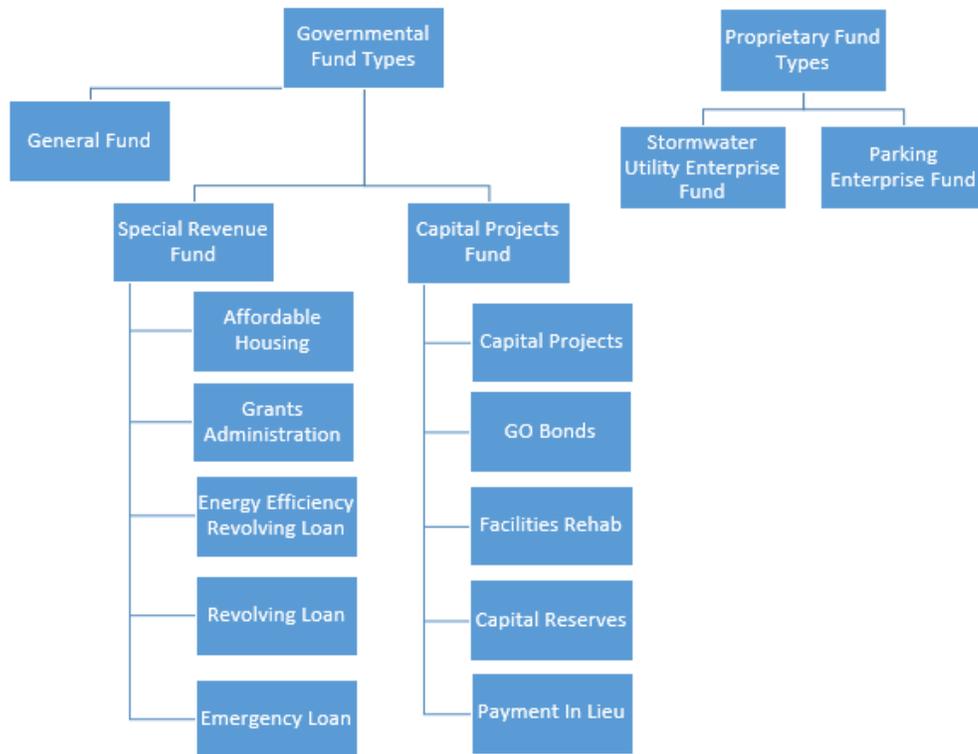
General Governmental Funds

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, Emergency 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, Facilities Rehab, 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 and parking activities and functions within the Town.



GENERAL FUND REVENUES

<u>Account Description</u>	<u>FY 2018-19 Actuals</u>	<u>FY 2019-20 Adopted Budget</u>	<u>FY 2020-21 Adopted Budget</u>	<u>FY20 to FY21 Percent Change</u>
AD VALOREM TAXES				
PRIOR YEAR TAXES	107,215	-	78,000	#DIV/0!
CURRENT YEAR TAXES	12,974,215	12,950,000	13,050,000	0.77%
PENALTY AND INTEREST	32,091	28,367	28,500	0.47%
AD VALOREM TAXES Total	13,113,521	12,978,367	13,156,500	1.37%

LOCAL SALES TAXES

LOCAL OPTION SALES TAX 1% 39	1,647,930	1,571,502	1,433,374	-8.79%
LOCAL OPTION SALES TAX 1/2% 40	1,154,298	1,099,086	1,002,454	-8.79%
LOCAL OPTION SALES TAX 1/2% 42	824,500	786,110	716,996	-8.79%
LOCAL OPTION SALES TAX 1/2% 44	28,922	28,051	27,406	-2.30%
CITY HOLD HARMLESS	1,225,031	1,164,341	1,061,972	-8.79%
LOCAL SALES TAXES Total	4,880,681	4,649,090	4,242,202	-8.75%

OTHER TAXES/LICENSES

MOTOR VEHICLE LICENSES	386,805	353,806	386,800	9.33%
MOTOR VEHICLE LIC - TRANS ONLY	68,975	117,926	70,000	-40.64%
MOTOR VEHICLE TAXES	1,041,887	1,016,697	1,042,000	2.49%
MOTOR VEHICLE GROSS RECEIPTS	47	22	45	104.55%
REFUNDS - NCVTS	(23,263)	(24,687)	(24,500)	-0.76%
COLLECTION FEES - NCVTS	(35,162)	(37,858)	(37,500)	-0.95%
BEER & WINE LICENSE	1,192	1,535	1,200	-21.82%
HOTEL/MOTEL OCCUPANCY TAX	190,358	183,000	165,000	-9.84%
OTHER TAXES/LICENSES Total	1,630,839	1,610,441	1,603,045	-0.46%

UNRESTRICTED INTERGOVERNMENTAL

FRANCHISE TAX	1,043,665	940,000	973,888	3.61%
PIPED NATURAL GAS TAX	50,842	43,000	47,600	10.70%
VIDEO SALES PROGRAMMING	58,413	57,500	56,500	-1.74%
DIRECT-TO-HOME SATELLITE SALES	60,001	62,000	57,800	-6.77%
WINE AND BEER	90,426	90,000	90,000	0.00%
NC DOT RIGHT-OF WAY REIM	-	6,200	6,300	1.61%
SALES TAX-TELECOMMUNICATIONS	176,680	190,000	145,600	-23.37%
EMS LOCATION	12,000	12,000	12,000	0.00%
UNRESTRICTED INTERGVTM Total	1,492,027	1,400,700	1,389,688	-0.79%

GENERAL FUND REVENUES

Account Description	FY 2018-19 Actuals	FY 2019-20 Adopted Budget	FY 2020-21 Adopted Budget	FY20 to FY21 Percent Change
RESTRICTED INTERGVMT				
SUPPLEMNTL PEG CHANNEL SUPPORT	54,054	53,500	53,750	0.47%
POWELL BILL	484,000	485,000	475,000	-2.06%
PLANNING WORK GRANT	18,275	25,000	25,000	0.00%
SOLID WASTE DISPOSAL TAX DIST	15,549	13,800	14,500	5.07%
RECREATION-MUNICIPAL SUPPLEM	35,898	35,898	35,898	0.00%
SEIZURES REVENUE STATE	4,182	5,000	5,000	0.00%
SCHOOL TRAFFIC CONTROL	10,000	10,000	10,000	0.00%
ABC BOARD GRANT	18,650	17,000	19,000	11.76%
SOFD FUND BALANCE	48,000	-	-	#DIV/0!
FEDERAL CARES ACT	-	-	57,500	#DIV/0!
RESTRICTED INTERGVMT Total	688,608	645,198	695,648	7.82%

PERMITS & FEES

STREET CUTS	-	100	100	0.00%
ENCROACHMENT FEE	2,010	3,000	2,000	-33.33%
RETURNED CHECK FEE	57	200	-	-100.00%
TECHNICAL REVIEW-FUTURE EQUIPMT	48,205	30,000	30,000	0.00%
COURT COST OFFICER FEES	3,142	2,500	2,750	10.00%
PARKING VIOLATIONS	3,065	2,000	-	-100.00%
ANIMAL VIOLATIONS	7,103	7,000	7,000	0.00%
FIRE PERMITTING FEES	4,486	1,200	1,600	33.33%
FIRE DISTRICT FEES	567,376	568,695	568,695	0.00%
SCHOOL RESOURCE OFFICER FEES	153,839	157,743	163,394	3.58%
CAR SEAT SALES	395	400	200	-50.00%
BUILDING PERMITS	66,886	57,000	60,000	5.26%
ELECTRICAL PERMITS	62,205	57,000	60,000	5.26%
MECHANICAL PERMITS	70,730	59,000	62,000	5.08%
RE-INSPECTION FEES	975	1,000	900	-10.00%
PLUMBING PERMITS	39,243	30,000	33,000	10.00%
HOMEOWNERS RECOVER FEES	126	-	-	#DIV/0!
SIGN PERMITS	1,045	500	500	0.00%
REFUSE COLLECTION FEES	2,037	2,500	2,200	-12.00%
ENGINEERING FEES	7,479	15,000	6,000	-60.00%
RECYCLING FEES	-	3,800	-	-100.00%
STOCKING FEE	535	-	-	#DIV/0!
REFUSE COLLECTION-DUMPSTER	54,524	65,000	54,000	-16.92%
DEVELOPMENT REVIEW FEES	32,393	30,000	30,000	0.00%
STREET SIGNS	150	-	100	#DIV/0!
DRIVEWAY PERMIT FEES	850	800	800	0.00%
STREET CLOSING	1,120	500	600	20.00%
TOWER REVENUE	123,586	127,081	130,890	3.00%
NETWORK HUT LEASE	10,400	5,200	5,200	0.00%
PERMITS & FEES Total	1,263,962	1,227,219	1,221,929	-0.43%

GENERAL FUND REVENUES

Account Description	FY 2018-19 Actuals	FY 2019-20 Adopted Budget	FY 2020-21 Adopted Budget	FY20 to FY21 Percent Change
SALES & SERVICES				
BANNER REVENUES	87	-	-	#DIV/0!
RECREATION FEES	188,540	204,000	95,000	-53.43%
DISCOUNT-RECREATION FEES	(5,896)	(15,000)	(2,750)	-81.67%
SALES-MERCHANDISE & CONCESSION	2,874	3,050	1,500	-50.82%
TOWN CENTER FEES	85,330	95,000	46,000	-51.58%
DISCOUNT-TOWN CENTER FEES	(17,824)	(14,000)	(8,500)	-39.29%
SALES & SERVICES Total	253,111	273,050	131,250	-51.93%

INVESTMENT EARNINGS

INTEREST EARNED	202,849	150,000	140,000	-6.67%
INVESTMENT EARNINGS Total	202,849	150,000	140,000	-6.67%

OTHER REVENUES

RENT-FARMERS MARKET	2,370	2,370	2,370	0.00%
ATM FEES	(129)	1,200	700	-41.67%
RENTAL INCOME	1,500	1,220	-	-100.00%
MISCELLANEOUS	177,011	12,100	12,300	1.65%
RISK MANAGEMENT/SAFETY REVENUE	100,159	-	25,000	#DIV/0!
REFUSE CART SALES	3,619	4,300	4,400	2.33%
YARD WASTE CONTAINERS	3,619	3,600	3,700	2.78%
LARGE COMPOST BIN	-	-	900	#DIV/0!
SMALL COMPOST BIN	-	-	100	#DIV/0!
DONATIONS	50,571	92,400	98,800	6.93%
SALE OF LOTS	34,775	25,000	30,000	20.00%
SALE OF FIXED ASSETS	27,413	-	60,000	#DIV/0!
SALE OF NON-FIXED ASSETS	90	-	5,000	#DIV/0!
OTHER REVENUES Total	400,998	142,190	243,270	71.09%

OTHER FINANCING SOURCES

TRF FROM BUSINESS LOAN FUND	115,471	-	-	#DIV/0!
TRF FROM BOND FUND	1,000	-	-	#DIV/0!
TRF FROM CAPITAL PROJECTS FUND	318,713	-	-	#DIV/0!
TRF FROM STORMWATER FUND	56,475	-	-	#DIV/0!
FUND BALANCE APPROPRIATED	-	1,500,753	2,239,574	49.23%
OTHER FINANCING SRCE Total	491,659	1,500,753	2,239,574	49.23%

Totals

\$ 24,418,255	\$ 24,577,008	\$ 25,063,106	1.98%
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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 2020-21 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.

Federal CARES Act – The Coronavirus Aid, Relief, and Economic Security Act, is a law intended to address the economic fallout of the COVID-19 pandemic in the United States.

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:

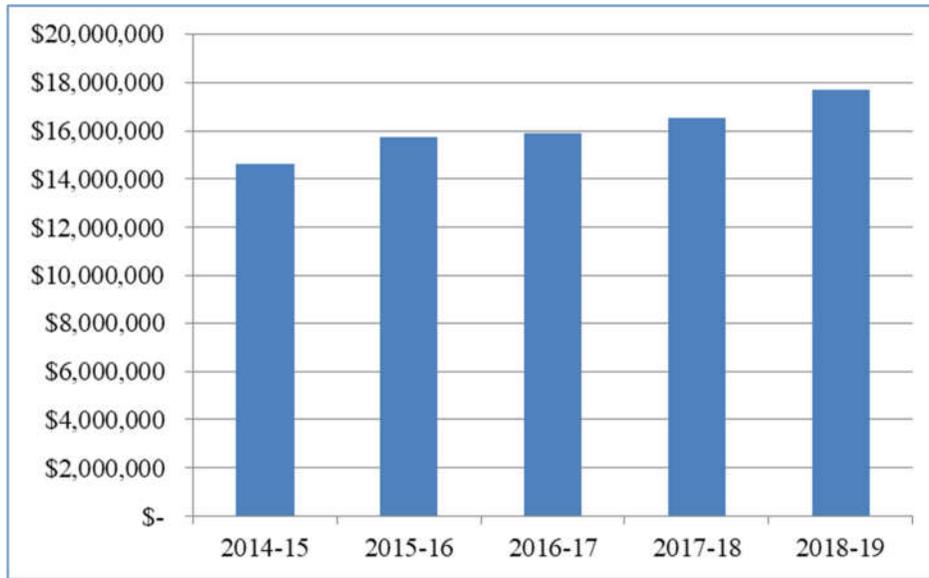
Lease-purchase – This represents the full cost of equipment or other capital purchase that the Town has obtained through installment financing. Following generally accepted accounting practices, the full cost of the financed equipment is budgeted (equipment purchased in that fiscal year) in addition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

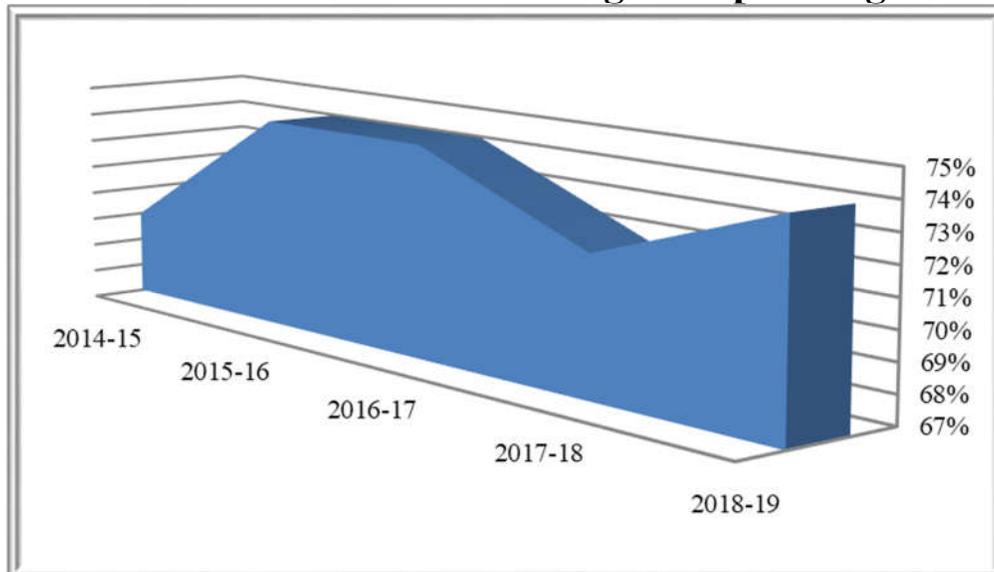
Funds accumulated through the under-expenditure of budgeted appropriations and the receipt of revenues that exceed budgeted projections result in fund balance or reserves. An appropriation of fund balance is sometimes necessary to balance projected revenues with expenditures. The level of appropriation 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 2018-19 was \$17,704,251, which was an increase of \$1,169,158 from FY 2017-18.

General Fund Balance as a Percentage of Operating Revenues



Fund balance as a percentage of operating revenues increased 2.3% from 71.8% in FY 2017-18 to 74.1% for FY 2018-19.

General Fund Summary of Expenditures

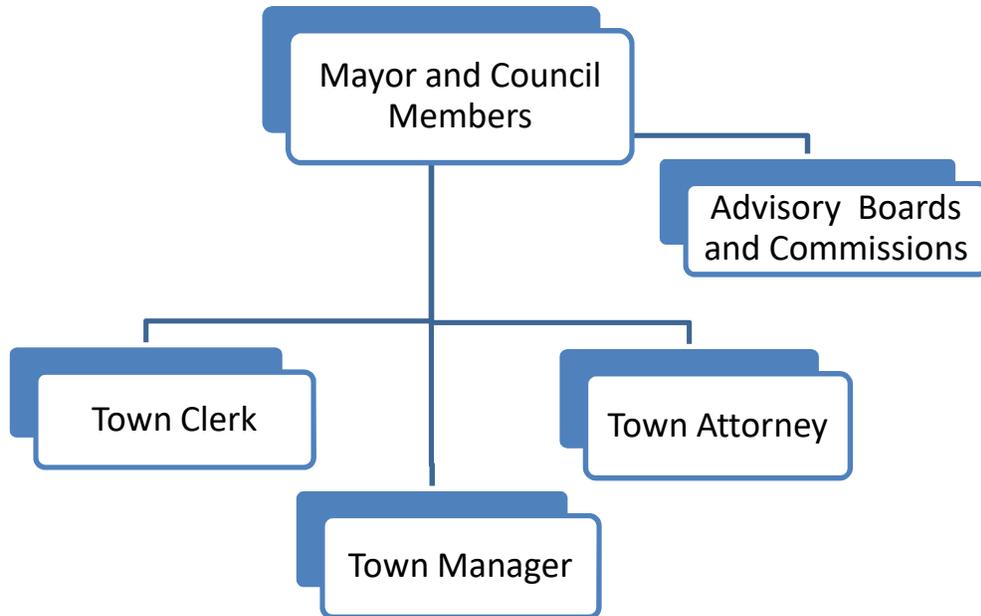
	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	12,709,066	14,630,474	14,965,571	2.3%
Operating	8,753,137	9,203,734	9,072,885	-1.4%
Capital Outlay	199,364	285,600	118,600	-58.5%
Transfers	1,587,450	457,200	906,050	98.2%
TOTAL	\$23,249,017	\$24,577,008	\$25,063,106	2.0%

FY 2020-21 General Fund Expenditures by Department

	Personnel Costs	Operating Costs	Capital Outlay	Transfers Out	Total	% Change vs FY20 Orig Bdgt
Mayor and Board of Aldermen	\$ 108,004	283,309			\$ 391,313	5.40%
Advisory Boards	-	36,800			36,800	22.87%
Town Manager	313,191	71,748	-		384,939	-31.62%
Economic & Community Development	124,940	190,270			315,210	25.40%
Climate Action	88,240	41,351	-		129,591	#DIV/0!
Housing & Community Services	205,864	332,280			538,144	#DIV/0!
Town Clerk	137,327	18,820			156,147	3.43%
Finance	774,102	504,528			1,278,630	2.38%
Human Resources	578,187	69,720			647,907	3.54%
Information Technology	337,303	1,411,247	-		1,748,550	0.56%
Police	3,702,405	488,291	-		4,190,696	6.58%
Fire	2,940,069	246,114	-		3,186,183	3.19%
Planning	1,309,817	253,768			1,563,585	-5.23%
Transportation		1,946,000	83,600		2,029,600	1.35%
Public Works	2,579,674	1,498,900	35,000		4,113,574	3.58%
Recreation, Parks, & Cultural Resources	1,359,503	484,506	-		1,844,009	6.23%
Non-Departmental	406,945	90,000		906,050	1,402,995	6.65%
Debt Service		1,105,233			1,105,233	-11.24%
Total Expenditure Budget	\$ 14,965,571	\$ 9,072,885	\$ 118,600	\$ 906,050	\$ 25,063,106	1.98%

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MAYOR AND TOWN COUNCIL



PURPOSE

As elected officials within the framework of the council/manager form of town government, members of the Town Council 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 - MAYOR AND COUNCIL MEMBERS

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	113,517	113,436	108,004	-4.8%
Operating	244,203	257,825	283,309	9.9%
TOTAL	\$357,720	\$371,261	\$391,313	5.4%
<u>Funding:</u>				
General Revenues	357,702	371,261	391,313	5.4%
Department Revenues	18	-	-	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

A \$36,009 increase due to a shift of expenses from the Governmental Support Department, a \$15,000 decrease in election costs for a non-election year, and a reduction of \$11,025 for conferences and travel.

ADVISORY BOARDS AND COMMISSIONS

PURPOSE

The Advisory Boards and Commissions advises the Town Council on issues and policy decisions as provided for in the Carrboro Town Code.

SERVICES PROVIDED & ACTIVITIES

- Review and make comments to the Town Council on proposed policies, plans and ordinances.
- Make recommendations to the Town Council as to the need for policies and ordinances.

BUDGET SUMMARY - ADVISORY BOARDS AND COMMISSIONS

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Operating	13,962	29,950	36,800	22.9%
TOTAL	\$13,962	\$29,950	\$36,800	22.9%
<u>Funding:</u>				
General Revenues	13,962	29,950	36,800	22.9%
Department Revenues	-	-	-	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Funding for miscellaneous expenses related to the Parks and Recreation Commission was added, along with funding for various appreciation events.

GOVERNANCE SUPPORT

PURPOSE

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

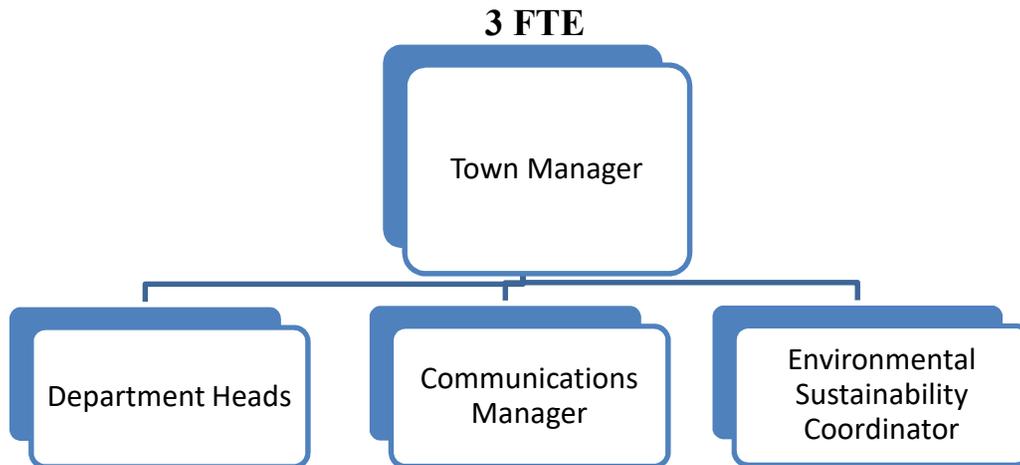
BUDGET SUMMARY - GOVERNMENTAL SUPPORT

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Operating	735,177	657,052	-	-100.0%
TOTAL	\$735,177	\$657,052	\$0	-100.0%
<u>Funding:</u>				
General Revenues	490,765	420,552	-	-100.0%
Department Revenues	244,412	236,500	-	-100.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

This department has been dissolved and the expenditure items have been moved to various other operating departments.

TOWN MANAGER



PURPOSE

The Town Manager serves as primary advisor to, and implements the policies of, the Mayor and Council Members. 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. The Town Manager Department consists of three full time employees, including the Town Manager, Communications Manager, and the Environmental Sustainability Coordinator. The Department Heads are supervised by the Town Manager and they report to him directly (see the organizational chart in the Community and Organizational Profile section of this budget book.

GOALS

- To lead an organization that functions well internally and implements Council policies in a timely, effective, efficient, and friendly manner.
- To give well-informed, helpful advice to the Council Members 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 Town Council.
- Provides support for the Town Council.

- 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 Town Council, residents, employees, and other users of town services.

PREVIOUS YEAR ACCOMPLISHMENTS

- Increased focus on communications and 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 – through membership with the 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.
- Development of a Comprehensive Plan.
- Completion of the 203 Project.

BUDGET SUMMARY - TOWN MANAGER

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	446,851	458,099	313,191	-31.6%
Operating	47,657	99,815	71,748	-28.1%
Capital Outlay	8,217	5,000	0	-100.0%
TOTAL	\$502,725	\$562,914	\$384,939	-31.6%
<u>Funding:</u>				
General Revenues	502,711	562,914	367,439	-34.7%
Department Revenues	14	-	17,500	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

The Town Manager's budget decreased due to a reorganization that created the Housing and Community Service Department and a shift of personnel. The training, conferences, and travel budgets in this department were reduced to zero.

CLIMATE ACTION

1 FTE



Environmental Sustainability
Coordinator

PURPOSE

The Climate Action budget, a high priority of the Town Council, is primarily guided by two Council accepted plans. The Energy and Climate Protection Plan, accepted by the Town Council in 2014, was developed as a step in supporting the Town in reducing greenhouse gas emissions, becoming more energy efficient and generating more renewable energy. The Community Climate Action Plan, accepted by the Town Council in 2017, articulates the Town's community greenhouse gas emissions reduction goals and emphasizes measures that the broader community is asked to take in order to achieve greenhouse gas reduction targets.

GOALS

- The Energy and Climate Protection Plan (ECPP) focuses on identifying opportunities, best practices, and planning through budgeting and the Capital Improvement Program.
- The ECPP outlines the Town's commitment to responsible energy management and greenhouse gas reductions.
- The ECPP was created with a near term focus, with a goal of approximately 5-10% reduction in municipal energy use over a two year period.
- The ECPP addresses energy use primarily for municipal operations but also recognizes municipal support for the community sector.
- The Community Climate Action Plan (CCAP) offers recommendations intended to reduce greenhouse gas emissions while raising the community's awareness of and involvement in solutions to global climate change and a post-carbon energy future, adaptation to changes, and enhancement of ecosystem resilience.
- The CCAP outlines a goal of a 50% reduction in greenhouse gas emissions by 2025, as supported by a broad community campaign.
- Additional CCAP recommendations are provided around the themes of community integration, energy efficiency of buildings, transportation, renewable energy, and ecosystem protection and restoration.

- Measures outlined in the CCAP to reduce greenhouse gas emissions not only contribute to overall climate change mitigation, but can also provide the community with many local benefits such as financial savings through energy efficiency, the creation of new jobs, improved air quality and public health, and a healthier forest and streams.

SERVICES PROVIDED & ACTIVITIES

- Continue implementation of the Energy and Climate Protection Plan and Community Climate Action Plan.
- Continue to implement current projects related to climate action.
- Implement new projects related to climate action.
- Provide climate action outreach to Carrboro residents.
- Pursue emissions reduction and sustainability in all Town efforts.

PREVIOUS YEAR ACCOMPLISHMENTS

- Provided reports and presentations for Energy and Climate Protection Plan (ECPP) and Community Climate Action Plan (CCAP) Implementation Updates to the Board of Aldermen.
- Submitted two grants to the Volkswagen Emissions Mitigation Trust funding source for a more efficient and alternative fuel vehicles.
- Calculated emissions reduction estimates in Carrboro for recent years.
- Composed a survey related to community food choices, composting, gardening, and commuting habits to be used for emissions reduction benchmarking.
- Performed extensive research on climate science, carbon reduction recommendations, climate equity, and carbon reduction goals set by other municipalities.
- Worked with EAB members to revise CCAP and ECPP carbon reduction goals and recommend new projects and plan sections.
- Compiled recommendations for the CCAP and ECPP from the EAB.
- Worked to complete 10-year Climate Budget by performing in-depth analyses to guide decisions to actualize CCAP and ECPP implementation.
- Researched emissions reductions and potential financial considerations involved with an every-other-week garbage collection and composting project.
- Implemented composting of coffee grounds at Town Hall.
- Participated in the internal event-planning committee to make Town events more sustainable.
- Held the first Green Neighborhoods Outreach Meeting.
- Performed Green Neighborhoods Initiative outreach at the Carrboro Farmers' Market.
- Collaborated with the Public Works Department to explore a Town-wide composting program.
- Purchased composting bins for sale to Town residents.
- Explored options for expanding Town Hall composting collection.
- Served as staff liaison to the Environmental Advisory Board (EAB).
- Provided additional support to staff liaison to Greenways Commission.

- Participated in collaborative initiatives, including the North Carolina Cities Initiative, the Orange County Climate Council, and the Government Alliance for Race and Equity (GARE) Initiative.
- Attended meetings for the Eno-Haw Regional Hazard Mitigation Plan.
- Helped to plan and implement the Mayors' Water Conservation Challenge with Chapel Hill and OWASA staff.
- Completed environmental development reviews for CUP and SUP projects:
- Began drafting update to the Town Code to allow for Managed Natural Landscapes.
- Continued work to write environmental articles the Carrboro Courier.
- Recorded an outreach message for Feel Free Fridays on WCHL radio.
- Presented a Community Climate Action Plan Implementation Update at a community meeting.
- Organized Father's Day Movie event for Bee City USA with an informational presentation and distribution of native pollinator plants.
- Performed native plant and pollinator outreach at the Carrboro Farmers' Market and distributed native seeds to residents.
- Worked to organize and safely implement invasive species removal volunteer events on Town property.

UPCOMING FISCAL YEAR OBJECTIVES

- To incrementally work towards emissions reduction and energy usage goals outlined in the Energy and Climate Protection Plan and Community Climate Action Plan.
- To expand Green Neighborhood Initiative by identifying community leaders from all Green Neighborhoods, toward a target of 100% neighborhood representation.
- To ensure Green Neighborhoods outreach is performed equitably for all neighborhoods.
- To implement composting and every-other-week garbage collection pilot projects in conjunction with Green Neighborhoods Initiative.
- To begin selling composting kitchen bins and outdoor composting bins.
- To revitalize Energy-Efficiency Revolving Loan Fund and increase the number of loans to Carrboro residents.
- To create a Green Buildings Recognition Program and recognize Carrboro businesses for their sustainability-related efforts.
- To pursue solar panel installation on Town building(s).
- To hold events and increase outreach related to food choices and emissions reduction.
- To install pollinator garden in Anderson Park.
- To continue to hold invasive species removal volunteer events in Wilson Park.

BUDGET SUMMARY - CLIMATE ACTION

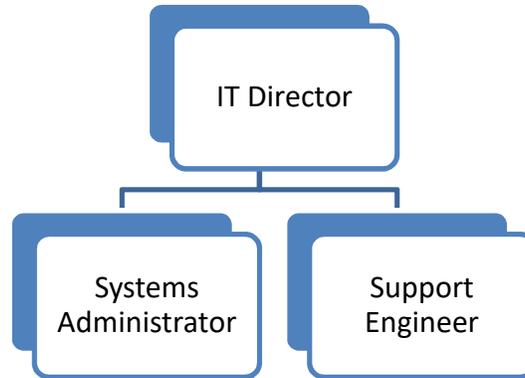
	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	-	-	88,240	#DIV/0!
Operating	-	-	41,351	#DIV/0!
TOTAL	\$0	\$0	\$129,591	#DIV/0!
<u>Funding:</u>				
General Revenues	-	-	128,591	#DIV/0!
Department Revenues	-	-	1,000	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

This is a newly created division and includes one employee that was previously reported under Planning Supervision. The expenses include new initiatives for the Community Climate Action Plan.

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 including 811 locating and wireless.

PREVIOUS YEAR ACCOMPLISHMENTS

- Completed replacement of the Town's outdated and no longer supported phone system with an IP based phone system that fully leverages the Town's existing data network and fiber optic infrastructure between buildings.
- Completed assisting Public Works in the implementation of a new GIS-centric enterprise asset and work management system.
- Completed assisting the Finance Department with replacing all standalone copy machines with multifunction printer/copiers/FAX/scanners that are network connected/available and provide automated reporting on usage.
- Completed assisting the Finance Department in replacing the forms management infrastructure in existing financial records management system.
- Completed installation of IT support ticketing system.
- Began assisting the Police Department in transitioning from paper based submittal of accident reports to electronically submitted reports.
- Began installation of conduit along Rogers Road for future fiber optic cabling and connectivity to promote local broadband competition and promote serving the unserved and underserved.
- Began assisting the Finance Department in implementing a time and attendance system that will automate and simplify timekeeping and replace the current paper based system.
- Implemented COVID-19 related work from home environment for Town staff and addressed related security issues.

UPCOMING FISCAL YEAR OBJECTIVES

- Continue assisting the Finance Department in implementing a time and attendance system.
- Continue installation of conduit along Rogers Road for future fiber optic cabling and connectivity.
- Continue assisting the Police Department in transitioning to electronically submitted accident reports.
- 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 Google to bring Google Fiber to the Carrboro Community.

TOWN COUNCIL PRIORITIES

IT supports all departments in their effort to meet Town Council 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

	FY2017-18 ACTUAL	FY2018-19 ACTUAL	FY2019-20 ESTIMATED	FY2020-21 PROJECTED
# of Workstations Supported	192	192	200	200
# of Emergency Services Mobile Terminals Supported	52	52	47	47
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 - INFORMATION TECHNOLOGY

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	317,215	320,602	337,303	5.2%
Operating	1,230,296	1,300,175	1,411,247	8.5%
Capital Outlay	36,749	118,000	0	-100.0%
TOTAL	\$1,584,260	\$1,738,777	\$1,748,550	0.6%
General Revenues	1,584,260	1,738,777	1,694,800	-2.5%
Department Revenues	-	-	53,750	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Operating costs increases for contractual services for computer software support, computer equipment, telephone, and expenses previously reported in Governmental Support. Capital outlay is being deferred to FY22.

ECONOMIC DEVELOPMENT

1 FTE



Economic Development Director

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 and 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 non-profit business enterprises that provide unmet human services for low-moderate income persons.
- 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 Carrboro Tourism Development Authority.
- Be the liaison to the Carrboro Business Alliance.
- Serve on the Chapel Hill Orange County Visitor Bureau Board as Town staff liaison.
- Update and 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 public parking.

PREVIOUS YEAR ACCOMPLISHMENTS

- Began bi-annual update of the 2017 Economic Sustainability Plan.
- Facilitated negotiations for leased and structured parking in the downtown.
- Executed a contract for parking study services with the Walker Parking Consultants.
- 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.
- Facilitated an agreement for collaboration between the CBA and the TDA to develop a website and creative digital content directed at tourism and visitors.
- Worked with the Arts Committee in selection of a new Art Curator.
- Worked with Town staff to transition departmental duties from Economic Development to Housing and Community Services and the Recreation, Parks and Cultural Resources Department.
- Continued Carrboro brand reinforcement by assisting the TDA with creation and launch of new bus wrap.

UPCOMING FISCAL YEAR OBJECTIVES

- Continue update and coordination with other departments for implementation of the Economic Sustainability Plan.
- Execute leases for short term and long term parking needs in the downtown.
- Coordinate up-fits as needed for newly leased parking lots.
- Launch new TDA website and other creative digital content.
- Continue to support the Carrboro Business Alliance and work toward a self-sustaining organization.
- Continue outreach to entrepreneurs, encourage makers, and support freelance workers.
- Assist the Planning Department as needed with public engagement and creation of Carrboro Comprehensive Plan.
- Increase minority business outreach efforts by establishing an annual CBA scholarship program for membership in the CBA.
- Retool both the revolving loan funds to be more accessible to businesses.
- Coordinate a study of the Town’s parking facilities and manage the newly created Parking Enterprise Fund.

TOWN COUNCIL 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

	FY2017-18 ACTUAL	FY 2018-19 ACTUAL	FY 19-20 ESTIMATED	FY 20-21 PROJECTED
Increase the Commercial Space Square Footage	2,020,820	2,036,126	2,076,248	2,107,248
Growth in the Commercial Tax Base of the Center Business District	\$149,574,992	\$161,373,500	\$170,472,400	\$179,877,400
Number of Business Contacts				60

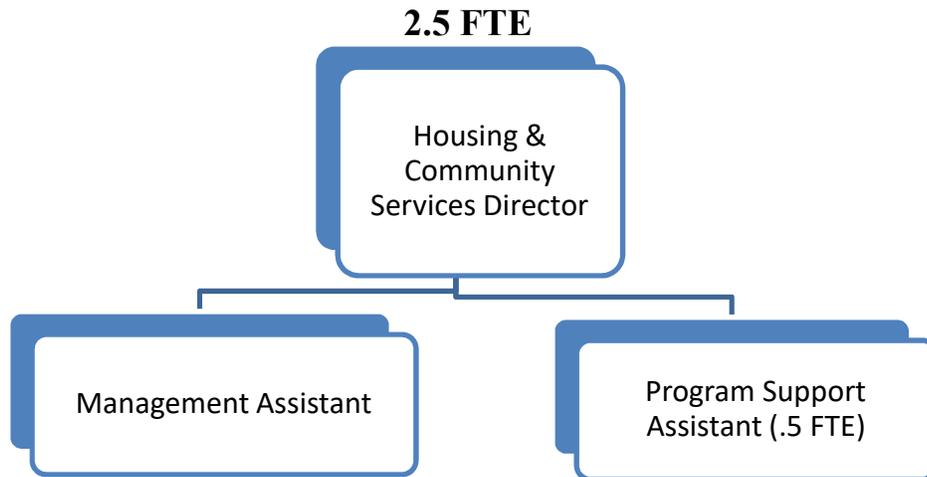
BUDGET SUMMARY - ECONOMIC DEVELOPMENT

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	141,083	142,059	124,940	-12.1%
Operating	141,331	109,312	190,270	74.1%
TOTAL	\$282,414	\$251,371	\$315,210	25.4%
Funding:				
General Revenues	230,213	251,371	150,210	-40.2%
Department Revenues	52,201	-	165,000	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Changes include a shift of one part-time employee and other housing related expenses to the new Housing and Community Services Department, and moving parking related expenses to the new Parking Enterprise. Conferences and travel budgets were reduced to zero.

HOUSING & COMMUNITY SERVICES



PURPOSE

The Housing and Community Services (HCS) department works to implement the Town’s affordable housing goals and its commitment to funding community nonprofits who provide human services. In addition, the department addresses the Town Council’s strategic priority area: enhance and sustain quality of life/place issues for everyone.

GOALS

- To implement the Town’s adopted Affordable Housing Goals and Strategies.
- To increase the number of affordable units for both homeownership and rent in Carrboro.
- To preserve/maintain the units currently in the affordable housing stock.
- To provide annual funding for community nonprofits who deliver services to households in need.
- To provide well-informed updates to the Town Council about progress toward its goals.
- To adhere to the professional code of ethics and always work towards the long-term best interests of the Town.

SERVICES PROVIDED & ACTIVITIES

- Supports the Town’s Affordable Housing Advisory and Human Services Commissions.
- Collaborates with community nonprofits and neighboring jurisdictions to achieve Town goals.
- Connects constituents to housing and human services resources.
- Manages the Affordable Housing Special Revenue Fund and its application process.
- Manages the Human Services application process.
- Researches relevant policy and/or programmatic topics and presents information and any recommendations to the Manager’s Office, Commissions, and Town Council as appropriate.

PREVIOUS YEAR ACCOMPLISHMENTS

- Launched a pilot application process for the Affordable Housing Special Revenue Fund.
- Increased support for households facing homelessness through rental and utility deposit assistance.

- \$310,723 awarded to housing nonprofits to support the creation and preservation of affordable housing in FY18-19.
- \$249,000 awarded to community nonprofits to support human services in FY18-19 (previously under the Economic Development department).
- In FY19-20 (as of February 2020): added 2 permanently affordable units to the inventory, supported 22 households facing homelessness, and funded critical repairs on 4 homes that are considered naturally occurring affordable housing.

UPCOMING FISCAL YEAR OBJECTIVES

- Increase the number of affordable units created and preserved in Carrboro.
- Continue to provide assistance to households facing homelessness.
- Develop a mobile/manufactured home policy.
- Develop a strategy for using Town owned-land to create affordable housing.
- Develop a framework to assist the Human Services Commission in the evaluation of funding applications.

Performance Measures

- Progress shown toward 2024 goal of 85 homeownership units and 470 rental units, as specified in the Town’s Affordable Housing Goals and Strategies document.
- Mobile/Manufactured home policy developed.
- Strategy for the use of Town-owned land for affordable housing defined.
- Human Services framework developed.
- Successful completion of the Affordable Housing Special Revenue Fund 3 award cycles.
- Successful completion of the Human Services application cycle.

BUDGET SUMMARY - HOUSING & COMMUNITY SERVICES

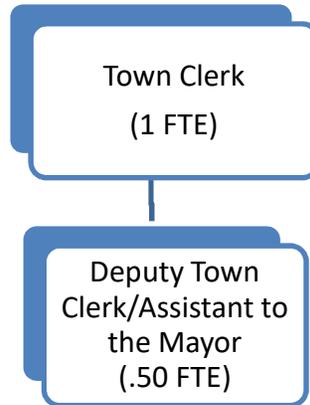
	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	-	-	205,864	#DIV/0!
Operating	-	-	332,280	#DIV/0!
TOTAL	\$0	\$0	\$538,144	#DIV/0!
General Revenues	-	-	498,144	#DIV/0!
Department Revenues	-	-	40,000	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

This is a newly created department that includes two employees previously reported under the Town Manager budget, and one part-time employee from the Economic Development budget. It also includes a number of expenses previously reported in the Governmental Support Department.

TOWN CLERK

1.50 FTE



PURPOSE

Prepares Town Council 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 Town Council.

GOALS

- Serve the Council and the public by facilitating the production of meeting agendas and minutes in a clear, timely fashion.
- Provide complete and accurate minutes to the Town Council so they can be approved in a timely fashion.
- Maintain and organize official town documents, including the Town Code and all Town Contracts, for the use of the Council, 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 Town Council meetings and makes these documents available electronically through the Town's website and stores the documents permanently.
- Posts video and audio of all Town Council meetings to the website.
- Maintains updated Town Code and posts on the town website.
- Maintains an accurate record of all ordinances approved by the Town Council.
- Maintains 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
- 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 Town Council meetings.
- Led Town's Citizen's Academy
- Conducted 2nd Citizen Satisfaction Survey
- Led Gender-Neutral Update and Comprehensive Update of Town Code

UPCOMING FISCAL YEAR OBJECTIVES

- To increase the number of electronically indexed contracts.
- To continue educational requirements for Master Municipal Clerk Designation from the International Institute of Municipal Clerks.
- To continue scanning of contracts.
- To continue using Granicus agenda, meeting, and minute management software for efficient meetings.

TOWN COUNCIL 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

	FY2017-18 ACTUAL	FY2018-19 ACTUAL	FY2019-20 ESTIMATED	FY2020-21 PROJECTED
# of Town Contracts on file with the Town Clerk	2130	2140	2160	2180
# of Town Council Minutes Prepared by Town Clerk	37	37	37	37
# Employee Hours Spent Electronically Indexing Contracts	12	12	40	40
# of Town Contracts Electronically Indexed	1920	2100	2100	2180
Employee Hours Per Set of Council Member Minutes Prepared	2.0	2.0	2.0	2.0

BUDGET SUMMARY - TOWN CLERK

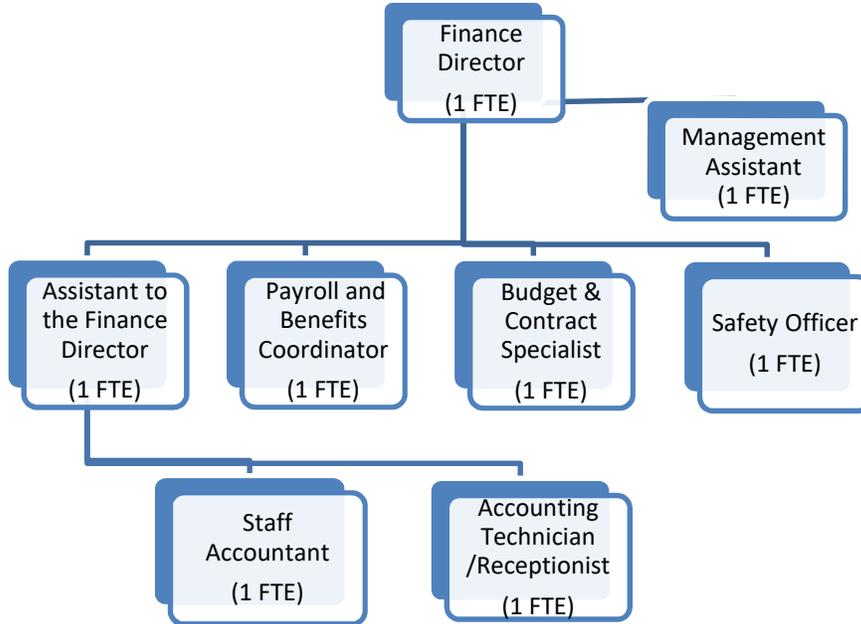
	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	124,841	129,905	137,327	5.7%
Operating	37,394	21,070	18,820	-10.7%
TOTAL	\$162,235	\$150,975	\$156,147	3.4%
General Revenues	162,235	150,975	156,147	3.4%
Department Revenues	-	-	-	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Training, conferences, and travel were reduced to nearly zero.

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 Retiree Health Insurance.
- 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, 2019 with no audit findings.
- Received Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.
- Successful sale of surplus property.
- Began implementation of on-line time and attendance system for payroll processing.
- Worked with Human Resources to implement holiday and compensatory time leave policies that reduce the Town's long-term financial liability.

UPCOMING FISCAL YEAR ACTIVITIES

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

TOWN COUNCIL PRIORITIES

The Finance Department supports all departments in their effort to meet Town Council 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. Ensure Town's internal control system safeguards the Town's assets.
4. Ensure all grant and project ordinances are approved by the Town Council.
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

	FY2017-18 ACTUAL	FY2018-19 ACTUAL	FY2019-20 ESTIMATED	FY2020-21 PROJECTED
Process Bi-Weekly Payroll for Town Employees	26	26	26	26
Number of Invoices Processed Annually	7841	8397	8400	8500
Number of Purchase Orders Issued Annually	242	223	270	300
Number of Contracts Issued Annually	158	197	390	420
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	(9.86%)	(4.20%)	(5.00%)	(5.00%)
Actual Revenues at year-end are within +/-5% of Original Budget	4.71%	10.17%	5.00%	5.00%

BUDGET SUMMARY - FINANCE

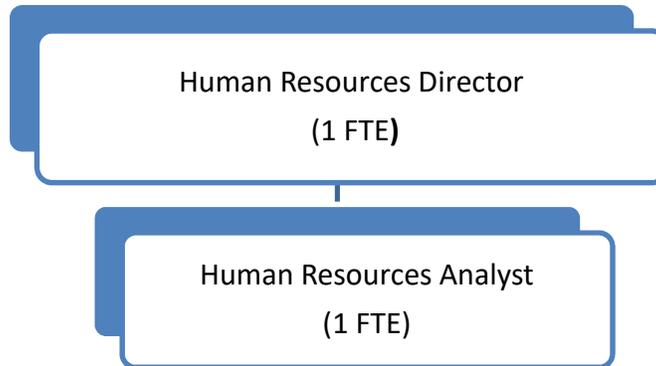
	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	602,764	721,284	774,102	7.3%
Operating	596,766	527,570	504,528	-4.4%
TOTAL	\$1,199,530	\$1,248,854	\$1,278,630	2.4%
General Revenues	1,064,938	1,239,654	1,244,630	0.4%
Department Revenues	134,592	9,200	34,000	269.6%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Training, conferences, and travel were reduced to zero, and reductions in general insurance costs.

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.
- 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.
- Implement wellbeing program 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
- 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
- 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 bi-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
- Assembled a wellbeing committee and surveyed employees on wellbeing initiatives
- Began tracking FLMA leave electronically for better compliance and record-keeping
- Reduced Town's fiscal liability and administrative burden by modifying emergency services' holiday time keeping.
- Implemented change from petty leave and school leave to a more equitable "Personal Time Off."
- Key player in G.A.R.E. initiative

UPCOMING FISCAL YEAR OBJECTIVES

- 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.

TOWN COUNCIL PRIORITIES

Enhance quality of life/place issues for everyone.

PERFORMANCE MEASURES

	FY2017-18 ACTUAL	FY2018-19 ACTUAL	FY 2019-20 PROJECTED	FY2020-21 PROJECTED
Positions Filled	55	44	53	47
Employee Appreciation Events and Rewards	4	4	4	4
Trainings, Orientations and other Information Sessions	28	26	30	30
Wellness Events	3	1	3	5
Individual Wellness Sessions, Referrals, Interventions	155	5	10	10
New Policies/Procedures/ Programs Revised or Developed	2	4	3	5
HR Staff - Trainings	6	2	5	5

BUDGET SUMMARY - HUMAN RESOURCES

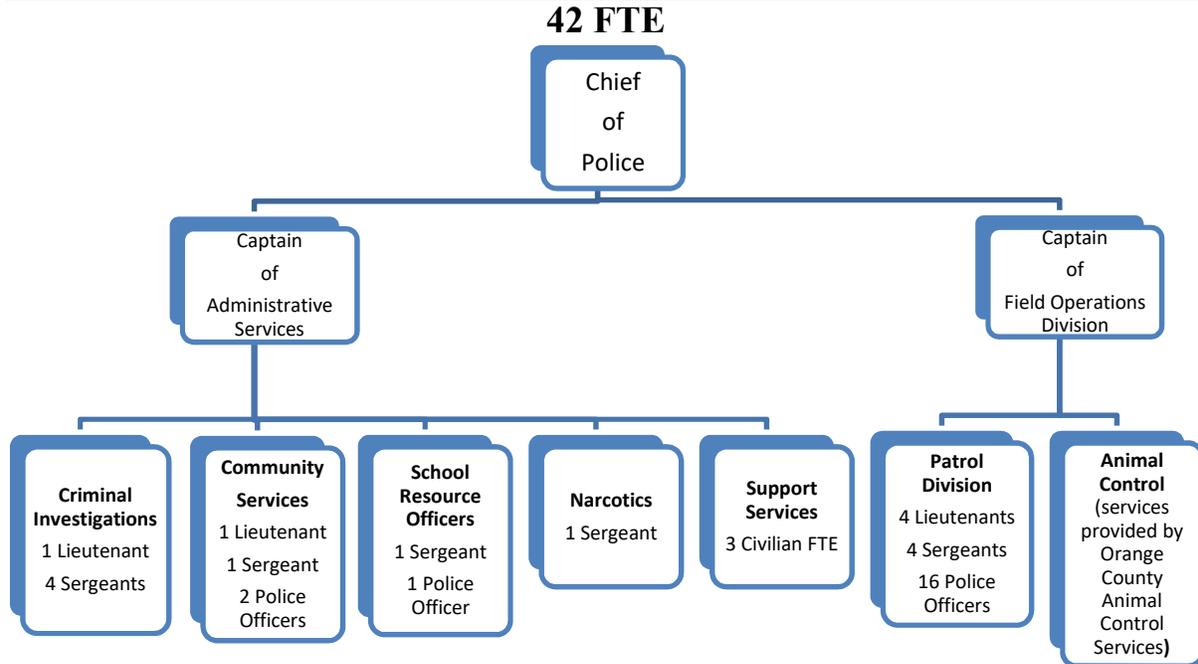
	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	477,185	519,032	578,187	11.4%
Operating	99,011	106,720	69,720	-34.7%
TOTAL	\$576,196	\$625,752	\$647,907	3.5%
General Revenues	576,144	625,752	647,907	3.5%
Department Revenues	52	-	-	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments, increased retiree insurance, and a new long term disability benefit. Operating expenses decreased due to a shift of the Government Alliance on Race and Equity program to Rec and Park, and reductions in training, conferences, and travel.

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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 Town Council, 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.
- 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 Town sponsored events.
- All officers trained on Fair and Impartial Policing.
- Maintained Coffee with A Cop Program for citizens.
- Participated in the NCWatch4Me program concerning pedestrian and bicycle safety.
- Completed NCLM Risk Management Policy Review Process

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.

TOWN COUNCIL 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 2017-18 ACTUAL	FY 2018-19 ACTUAL	FY 2019-20 ESTIMATED	FY 2020-21 PROJECTED
Calls for Service	23,825	23,522	23,159	23,654
Motor Vehicle Accidents	466	526	511	485
Criminal Arrests	488	399	387	344
Pedestrian Crossing Citations Issued	13	5	9	7
Bicycle Traffic Operations	0	4	5	6
Pedestrian Safety Operations	2	4	4	4
Narcotics Arrests	81	45	40	43
Community Events Involvement	87	108	96	104
Percent Change in Pedestrian Safety Operations	78% Decrease	100% Increase	0% Change	0% Change
Percent Change in Pedestrian Crossing Citations Issued	50% Decrease	62% Decrease	80% Increase	22% Decrease
Percent Change in Bicycle Traffic Operations	0% Change	400% Increase	25% Increase	20% Increase

DEPARTMENT BUDGET SUMMARY

BUDGET SUMMARY - POLICE DEPARTMENT

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	3,244,227	3,480,230	3,702,405	6.4%
Operating	417,917	451,678	488,291	8.1%
TOTAL	\$3,662,144	\$3,931,908	\$4,190,696	6.6%
General Revenues	3,457,790	3,729,465	3,982,252	6.8%
Department Revenues	204,354	202,443	208,444	3.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Operating costs increased due to stepped up recruitment efforts, uniform costs, and contractual services. Operating costs decreased in areas of training, conferences, and travel.

DIVISION LEVEL SUMMARIES

BUDGET SUMMARY - POLICE ADMINISTRATION

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	602,493	638,485	661,275	3.6%
Operating	38,291	48,260	42,510	-11.9%
TOTAL	\$640,784	\$686,745	\$703,785	2.5%
General Revenues	619,087	668,045	684,735	2.5%
Department Revenues	21,697	18,700	19,050	1.9%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Operating increases include stepped up recruitment efforts in contractual services and the budgeting of state seizure funds. Operating decreases include training, conferences, travel, and uniforms being reduced to zero.

BUDGET SUMMARY - POLICE PATROL

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	1,676,965	1,858,700	1,904,335	2.5%
Operating	230,184	222,484	274,614	23.4%
TOTAL	\$1,907,149	\$2,081,184	\$2,178,949	4.7%
General Revenues	1,885,434	2,062,184	2,159,949	4.7%
Department Revenues	21,715	19,000	19,000	0.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments, and overtime costs.
Operating expenses increased in uniform costs, and contractual services.

BUDGET SUMMARY - POLICE COMMUNITY SERVICES

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	477,061	496,665	622,871	25.4%
Operating	29,147	40,553	34,033	-16.1%
TOTAL	\$506,208	\$537,218	\$656,904	22.3%
General Revenues	352,369	379,475	493,510	30.1%
Department Revenues	153,839	157,743	163,394	3.6%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Training and uniforms were reduced to zero.

BUDGET SUMMARY - POLICE INVESTIGATIONS

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	487,708	486,380	513,924	5.7%
Operating	29,010	41,805	34,805	-16.7%
TOTAL	\$516,718	\$528,185	\$548,729	3.9%
General Revenues	516,718	528,185	548,729	3.9%
Department Revenues	-	-	-	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Training, conferences, and uniforms were reduced to zero.

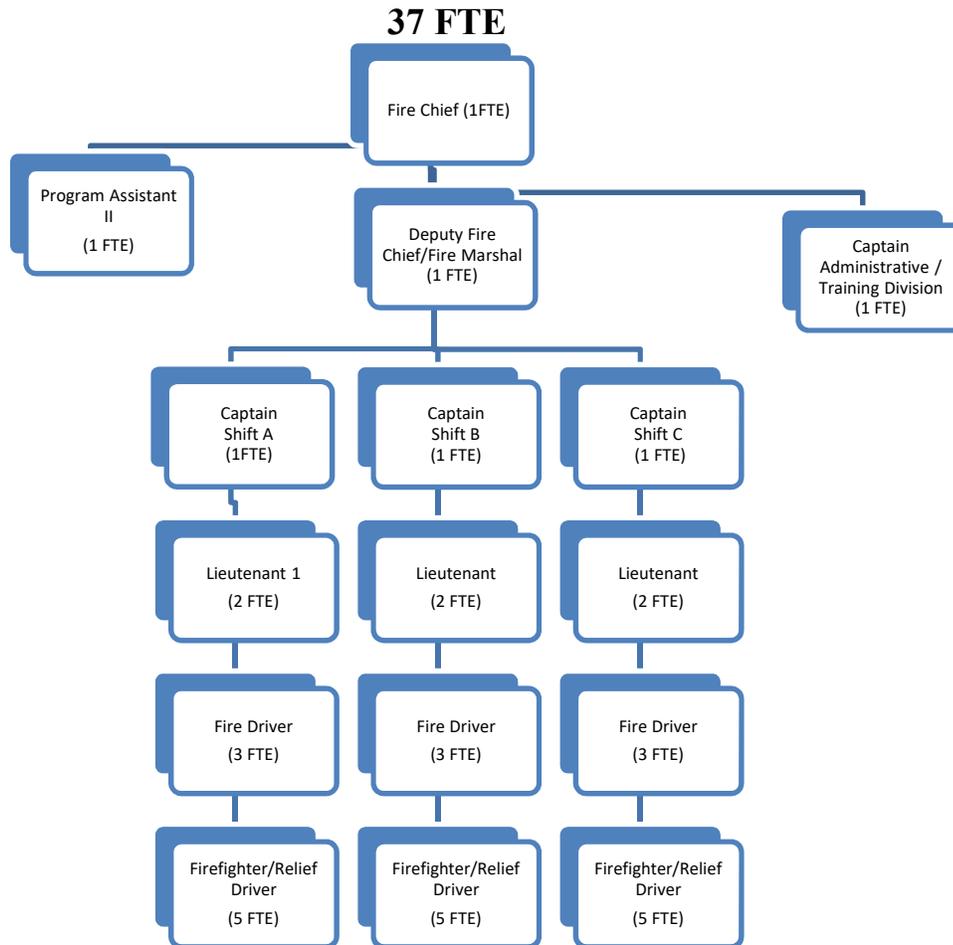
BUDGET SUMMARY - POLICE ANIMAL CONTROL

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Operating	91,285	98,576	102,329	3.8%
TOTAL	\$91,285	\$98,576	\$102,329	3.8%
General Revenues	84,182	91,576	95,329	4.1%
Department Revenues	7,103	7,000	7,000	0.0%

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, rescue, and emergency medical services.
- Conduct fire investigations in order to determine the cause and origin of fires.

- 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.
- Partner with Orange County EMS on risk reduction programs related to EMS.
- Provide fire prevention and code enforcement by performing fire inspections in accordance with the NC Fire Code.

PREVIOUS YEAR ACCOMPLISHMENTS

- Continued implementation of a comprehensive training plan with learning objectives and corresponding evaluations to ensure the department meets ISO training requirements.
- Continued monthly review of training records for ISO training hour requirements.
- Continue to evaluate resource deployment
- 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 Fire-Rescue Department developed and implemented policies and procedures to reduce personnel exposure to carcinogens on fire incidents.

UPCOMING FISCAL YEAR OBJECTIVES

- Develop procedures utilizing an outside testing vendor for entrance exams and promotional exams.
- Identify potential grant funding sources for future purchases.
- Expand automatic response areas with neighboring fire departments. This will help ensure an expedient response time as the closest apparatus will respond.
- Conduct community risk analysis to identify hazards and develop / adjust community risk reduction interventions to address identified risks.
- Conduct quarterly training with mutual/auto aid organizations to maintain or improve the Town's current ISO rating.
- Conduct all scheduled inspections to identify and address life safety violations in order to maintain a safe environment for community members.

TOWN COUNCIL 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. Conduct a community risk analysis to identify hazards and develop / adjust community risk reduction interventions to address identified risks.
4. Evaluate incident data in an effort to obtain a response time of 6 minutes and 30 seconds or less 90% of the time within the Town of Carrboro.
5. Evaluate incident data in an effort to obtain a response time of 10 minutes or less 90% of calls within the South Orange Fire District.
6. Confirm that fire-rescue personnel will meet the annual ISO training requirements.
7. Confirm that 100% of life safety violations will be documented and the occupant owner charged with repairing them within 90 days.

PERFORMANCE MEASURES

	FY 2017-18 ACTUAL	FY 2018-19 ACTUAL	FY 2019-20 ESTIMATED	FY 2020-21 PROJECTED
Fire Inspections	873	963	1102	942
Total Responses	2,308	2,184	1,750	1,500
Fire & EMS Responses - Town	1,878	1,732	1,371	1,170
Fire & EMS Responses - County	307	360	260	225
90% of calls within Town limits will have a response time of 6:30 or less	6:59	07:01	07:18	07:06
90% of calls within the SO District will have a response time of 10:00 or less	9:47	10:05	09:29	09:51
100% of fire-rescue personnel will meet the ISO training requirements	100%	97% facility training, 100% all other categories	100%	100%
100% of life safety violations repaired and documented w/in 90 days	100%	100%	100%	100%

DEPARTMENT BUDGET SUMMARY

BUDGET SUMMARY - FIRE DEPARTMENT

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	2,761,921	2,834,377	2,940,069	3.7%
Operating	225,289	253,260	246,114	-2.8%
Capital Outlay	75,580	-	-	#DIV/0!
TOTAL	\$3,062,790	\$3,087,637	\$3,186,183	3.2%

General Revenues	2,422,608	2,504,642	2,602,888	3.9%
Department Revenues	640,182	582,995	583,295	0.1%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

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

DIVISION LEVEL SUMMARIES

BUDGET SUMMARY - FIRE SUPER VISION

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	361,335	365,638	370,108	1.2%
Operating	33,362	39,200	42,150	7.5%
Capital Outlay	47,709	-	-	#DIV/0!
TOTAL	\$442,406	\$404,838	\$412,258	1.8%

General Revenues	-	-	-	#DIV/0!
Department Revenues	575,696	569,795	569,695	0.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Minimal increases in personnel and contractual costs.

BUDGET SUMMARY - FIRE SUPPRESSION

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	2,400,586	2,468,739	2,569,961	4.1%
Operating	191,927	214,060	203,964	-4.7%
Capital Outlay	27,871	-	-	#DIV/0!
TOTAL	\$2,620,384	\$2,682,799	\$2,773,925	3.4%
General Revenues	2,555,898	2,669,599	2,760,325	3.4%
Department Revenues	64,486	13,200	13,600	3.0%

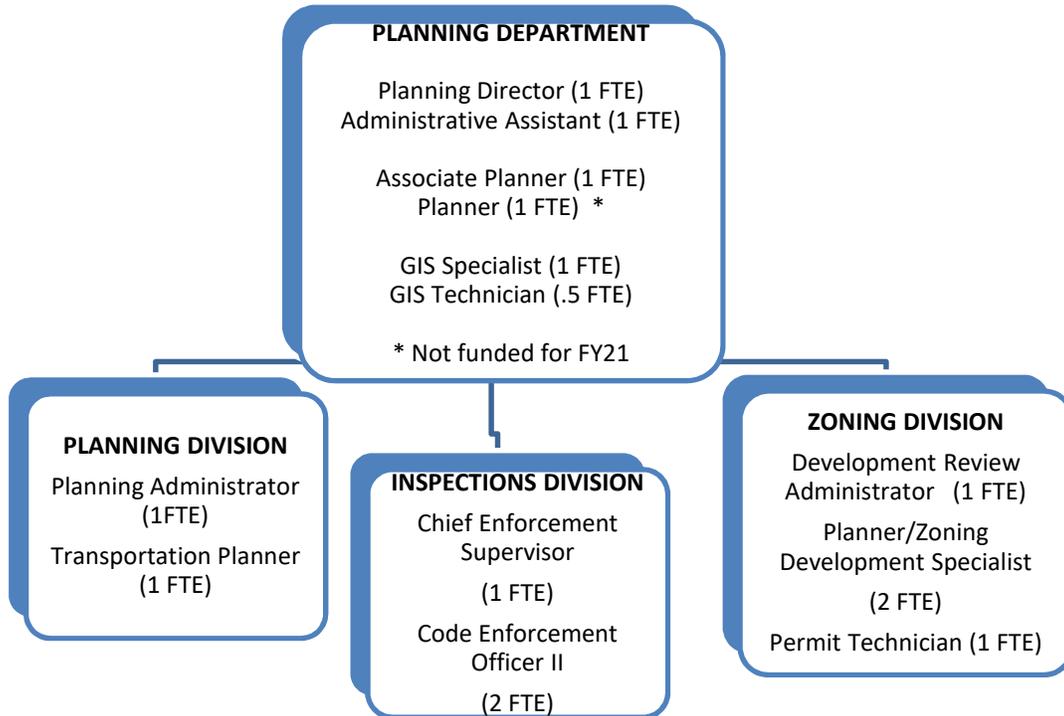
CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

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

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PLANNING DEPARTMENT

14.5 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.
- To use GIS technology to increase access to and quality of Town services, including downloadable data sets, location-based functions.

- To cooperate with federal, state, county and municipal governments and multi-national companies to provide new and leverage existing GIS technology and data in the service of the Town government, staff, and citizens.

SERVICES PROVIDED & ACTIVITIES

- Short- and Long-Range Land Use Planning and Development Management, Engineering, Minimum Housing, Multi-trade inspections
- Intergovernmental Relations
- Geographic Information Services and support to all Town departments, Transportation, and Environmental Planning
- Staff support for Town Council and advisory boards

PREVIOUS YEAR ACCOMPLISHMENTS

- Completion of Historic Rogers Road residential rezoning
- Rogers Road Interlocal agreements for sharing sewer connection fees for low and moderate income residents; environmental assessment for jointly owned Greene Tract
- Preparation of initial 10-year Climate Action Budget
- Design process for 203 Project, with new County partner, the Orange County Skills Development Center, underway.
- Bicycle Transportation Plan update completed (projected to be complete in June 2020)
- Energov, the integrated permitting database was launched in August 2019, followed six weeks later by PIPER, the online permitting portal. Processes have shifted so that applications for all building-related permits, plat reviews, sign and zoning permits are now completed online.
- GIS application, database, and web server upgrades
- Ongoing maintenance of Town boundaries with the U.S. Census for accurate data collection

UPCOMING FISCAL YEAR OBJECTIVES

- Coordinate development process, including permitting and construction authorization, 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
- Complete transition of zoning applications to Energov, including development of new Active Projects Report.
- Begin construction of Morgan Creek Greenway after successful selection of contractor

TOWN COUNCIL PRIORITIES

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

PERFORMANCE MEASURES

	FY2017-18 ACTUAL	FY 2018-19 ACTUAL	FY 2019-20 ESTIMATED	FY 2020-21 PROJECTED
# of LUO Amendments	9	6	7	7
# of Conditional Use Permits	2	3	2	3
# of Special Use Permits	2	0	0	1
# of Zoning Permits	96	63	70	75
# of Bldg Permits for New Residential Units in Town	149	31	25	10
Bldg Permit Construction Value for New Residential in Town	\$32.0M	\$7.5M	\$8.6M	\$3.5M
Bldg Permit Value for New Commercial in Town	\$3.6M	\$5.0M	\$5.0M	\$22.0M
# of Cos Issued for New Residential Units in Town	65	105	121	10
Inspections per day per Inspector FTE	8.5	9.5	11.7	8.5

DEPARTMENT BUDGET SUMMARY

BUDGET SUMMARY - PLANNING DEPARTMENT

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	1,158,101	1,431,962	1,309,817	-8.5%
Operating	173,338	217,935	253,768	16.4%
TOTAL	\$1,331,439	\$1,649,897	\$1,563,585	-5.2%

General Revenues	915,767	1,341,597	1,256,185	-6.4%
Department Revenues	415,672	308,300	307,400	-0.3%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs decreased due to a shift of personnel to other departments as noted below. Operating expenses changed as a result of shifting expenses from Governmental Support and to Climate Action, and reductions in training, conferences, and travel costs.

DIVISION LEVEL SUMMARIES

BUDGET SUMMARY - PLANNING SUPERVISION

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	550,855	811,942	656,710	-19.1%
Operating	159,856	196,340	233,693	19.0%
TOTAL	\$710,711	\$1,008,282	\$890,403	-11.7%
General Revenues	624,861	983,282	865,403	-12.0%
Department Revenues	85,850	25,000	25,000	0.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs decreased as a result of a shift of one employee to the Town Manager's budget and allocated costs to storm water. Operating expenses increased \$66,728 for the Rogers Rd interlocal previously reported in Governmental Support, and decreased \$25,000 by shifting Grassroots to Climate Action. Training, conferences, and travel were reduced to nearly zero.

BUDGET SUMMARY - PLANNING ZONING

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	342,286	346,966	361,547	4.2%
Operating	4,346	8,000	5,050	-36.9%
TOTAL	\$346,632	\$354,966	\$366,597	3.3%
General Revenues	305,715	309,466	330,097	6.7%
Department Revenues	40,917	45,500	36,500	-19.8%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Operating expenses decreased for conferences and travel.

BUDGET SUMMARY - PLANNING INSPECTIONS

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	264,960	273,054	291,560	6.8%
Operating	9,136	13,595	15,025	10.5%
TOTAL	\$274,096	\$286,649	\$306,585	7.0%
General Revenues	-	48,849	60,685	24.2%
Department Revenues	288,905	237,800	245,900	3.4%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Operating expenses increased for training.

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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	266,306
Annual Unlinked Trips	6,523,418	62,280
Average Weekday Unlinked Trips	25,242	220
Average Saturday Unlinked Trips	2,414	81
Average Sunday Unlinked Trips	1,251	34
Service Supplied		
Annual Vehicle Revenue Miles	2,136,942	284,687
Annual Vehicle Revenue Hours	163,427	26,406
Vehicles Operated in Maximum Service	93	14
Vehicles Available for Maximum Service	112	18

Source: National Transit Database, FY2018

- 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, including shelters at bus stops, in Carrboro.
- Work with Chapel Hill Transit to extend service into areas of Carrboro that are currently not served by fixed route service or to provide expanded service on weekends as described in the Chapel Hill Transit Short Range Transit Plan.
- Work with Chapel Hill Transit, GoTriangle, and Orange County jurisdictions on the update to the Orange County Transit Plan and planning for transit investments in the county, including service extensions to or within Carrboro.

PERFORMANCE MEASURES

	FY 2017-18 ACTUAL	FY 2018-19 ACTUAL	FY 2019-20 ESTIMATED	FY 2020-21 PROJECTED
Average Daily Ridership (Boarding)	3,535	3,593	3,650	3,690
Average Daily Ridership (Alighting)	3,283	3,339	3,390	3,420

BUDGET SUMMARY - TRANSPORTATION

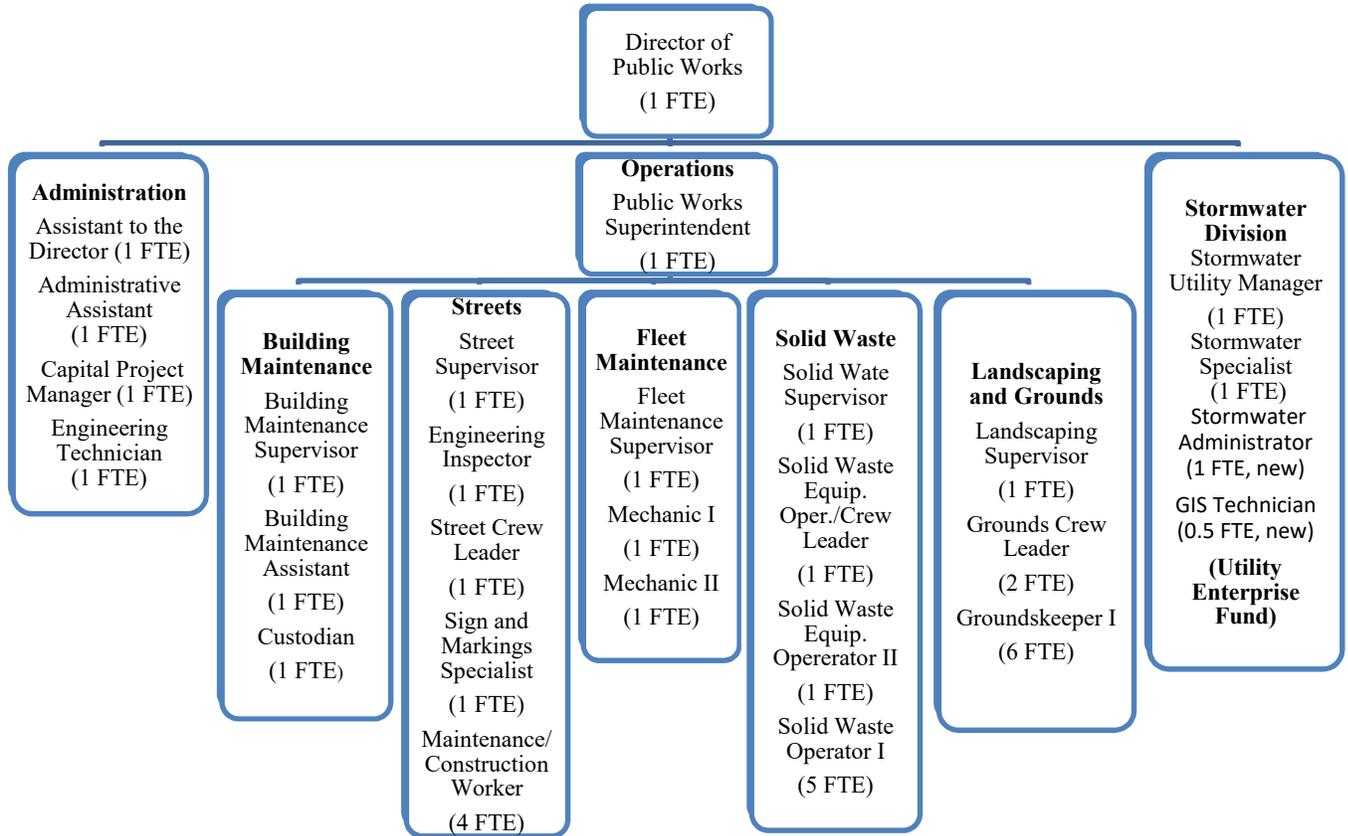
	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Operating	1,808,940	1,919,000	1,946,000	1.4%
Capital Outlay	-	83,600	83,600	0.0%
TOTAL	\$1,808,940	\$2,002,600	\$2,029,600	1.3%
General Revenues	1,739,965	1,884,674	1,959,600	4.0%
Department Revenues	68,975	117,926	70,000	-40.6%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

The Chapel Hill Transit Strategic Plan projects a \$2,029,600 payment from Carrboro in FY 2021.

PUBLIC WORKS DEPARTMENT

40.5 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, multi-use 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.
- Develop an engineering division to provide solutions in-house, cost effective solutions for the Town's engineering needs.
- 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 (including loose leaves) and bulky waste collection is provided to single family residences.
- Provide building maintenance and repair for Town Hall, Century Center, Fire Station 1, Fire Station 2, Public Works, bus shelters, and park facilities.
- Manage cemetery operations which includes selling and marking plots at the Town's two cemeteries
- Beautify the Town's parks and planting areas with landscaping and ornamental design.
- 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 administration for Town projects; coordinate with other departments; assess needs; develop plans, approvals, and contracts; and finalize projects.
- 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.
- Maintain and repair Town vehicles and equipment. Maintenance activities include preventative maintenance and inspections.

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, and St. Paul AME 5K Walk/Run).
- Completed necessary repairs and improved interior appearance and health of various facilities including Town Hall, Century Center, Public Works, Fire Station I, and Fire Station II.
- Completed Facilities Condition Assessment to understand the current condition, needs, and costs for repairs to Town assets and systematically address Town needs.
- Installed new roof on Town Hall which meets the highest efficiency standard of the NC Energy Code.
- Completed coordinated replacement of Town streetlights, leased from Duke Energy, with LED fixtures.
- Completed construction on Rogers Road sidewalk, a project which has recently been submitted to the NCDOT 2020 MOBI awards.

- Completed Pavement Condition Survey and Sidewalk and Curb Ramp Condition Survey to identify roadway, sidewalk, and curb maintenance needs throughout the Town.
- 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 four refillable water fountains allowing employees and visitors to minimize use of single-use plastic bottles and reduce energy consumption. Over 13,000 bottles of water were saved.
- Continued leaf mulch pile configuration adjustments and oversight to be in compliance with DENR requirements. Over 5,000 cubic yards of yard waste was composted on-site at the Public Works facility.
- Carrboro re-certified as a Tree City USA for its 35th 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.
- Enhanced service levels and efficiencies of existing operations by improving knowledge in and usage of already owned PubWorks software. Researched and selected new software, Cityworks.
- Hired new Engineer I and Engineering Inspector allowing for in-house technical review and compliance of construction projects.
- Continued to evaluate current safety practices, employee safety training, and record keeping procedures.
- Continued to cross training employees to respond to fluctuating workflows and staff shortages.
- Provided planning, administration, and oversight support of Capital Improvement Projects (Rogers Road sidewalk, LED streetlight conversion, 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, and 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 Sustainability Coordinator to identify other energy reducing projects.
- Implemented use of new leaf loader to reduce costs for loose leaf collection program.
- 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 programs.
- Administer contracts for bi-annual street resurfacing, sidewalk improvements, and pavement markings based on maintenance needs identified in the Pavement Condition Survey and Sidewalk and Curb Ramp Condition Survey.
- Develop a Master Plan for Town Facilities including strategies to improve energy efficiency and sustainability.
- Implement wayfinding signage for Town municipal parking lots.
- Continue to coordinate and provide support on Capital Improvement Projects for greenways, roadways, sidewalks, biking improvements, bus shelter replacement, and projects outlined in Facilities Rehabilitation Project.
- 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.
- Continue to evaluate and revise existing policies to improve operational efficiencies including vehicle replacement, employee overtime, safety policies, and emergency operations.
- Further enhance on the job training and certifications of employees to better service Town's needs.
- Continue to work with FEMA to obtain funding for relocation of Public Works facility due to high risk location hazards and on other grant opportunities.

TOWN COUNCIL PRIORITIES

Improve walkability and public transportation.

Enhance and sustain quality of life.

OBJECTIVES

1. Improve service levels of existing operations. (Ex. Solid waste, yard waste, and bulk items collections, mowing, street sweeping, street and row maintenance, and building maintenance).
2. Evaluate town facilities and seek to provide improvements to achieve net zero carbon output, energy efficiency, and environmentally responsible programs.
3. Improve and maintain existing infrastructure in order to protect Town's investments.
4. Coordinate and provide support on Capital Improvement Projects for greenways, sidewalks, biking improvements, bus shelter replacement, and projects outlined in Space Needs Study.
5. Collect energy data to assure efficiencies in Town buildings and LED street lights.
6. Continue to change out lighting fixtures to LED in various facilities to reduce energy consumption.
7. Design and implement alternative solid waste collection pilots based on results from solid waste study.
8. Administer street resurfacing and curb and ramp projects.

PERFORMANCE MEASURES

	FY 2017-18 ACTUAL	FY 2018-19 ACTUAL	FY 2019-20 ESTIMATED	FY 2020-21 PROJECTED
# of Construction Contracts Administered	2	3	9	5
Miles of Road Maintained	47.40	47.40	48.90	48.90
# of Rollout Containers	4,450	4,480	4,530	4,635
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	\$500,000	\$800,000
Refuse Tons per 1,000 Population (all sources)	312	329	312	315
Century Center Energy Cost Reductions (\$ Spent)	\$34,490	\$23,395	\$34,000	\$34,000
Solid waste mileage reduction tracker (Residential mileage driven/customer)	7.40	6.60	6.60	6.60

DEPARTMENT BUDGET SUMMARY

BUDGET SUMMARY - PUBLIC WORKS

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	2,101,521	2,445,218	2,579,674	5.5%
Operating	1,648,427	1,501,151	1,498,900	-0.1%
Capital Outlay	73,791	25,000	35,000	40.0%
TOTAL	\$3,823,739	\$3,971,369	\$4,113,574	3.6%
General Revenues	3,215,046	3,355,579	3,515,604	4.8%
Department Revenues	608,693	615,790	597,970	-2.9%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Operating expenses decreased slightly due to a variety of reasons noted in the division level summaries.

DIVISION LEVEL SUMMARIES

BUDGET SUMMARY - PUBLIC WORKS SUPERVISION

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	418,157	489,615	676,923	38.3%
Operating	65,141	43,900	71,750	63.4%
Capital Outlay	42,924	-	-	#DIV/0!
TOTAL	\$526,222	\$533,515	\$748,673	40.3%
General Revenues	523,523	532,315	747,473	40.4%
Department Revenues	2,699	1,200	1,200	0.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs increased due to a shift of employees from the PW Streets division.
 Operating expenses increased primarily due to a \$40,000 professional services request for the Westwood Cemetery design.

BUDGET SUMMARY - PUBLIC WORKS STREETS

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	381,520	553,900	410,858	-25.8%
Operating	471,095	377,850	376,894	-0.3%
Capital Outlay	6,994	25,000	18,000	-28.0%
TOTAL	\$859,609	\$956,750	\$805,752	-15.8%
General Revenues	371,479	461,150	320,852	-30.4%
Department Revenues	488,130	495,600	484,900	-2.2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs decreased due to a shift of employees to the PW Supervision division.
 Operating expenses remained steady. Capital Outlay costs include the use of Powell Bill funds for snow equipment and street resurfacing.

BUDGET SUMMARY - PUBLIC WORKS SOLID WASTE

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	465,664	485,667	512,521	5.5%
Operating	523,844	496,897	514,295	3.5%
TOTAL	\$989,508	\$982,564	\$1,026,816	4.5%
General Revenues	910,160	893,364	948,016	6.1%
Department Revenues	79,348	89,200	78,800	-11.7%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Operating expenses increased primarily due to vehicle repairs and fuel costs.

BUDGET SUMMARY - PUBLIC WORKS CENTRAL SERVICES

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	198,870	200,306	201,484	0.6%
Operating	319,048	310,460	307,536	-0.9%
TOTAL	\$517,918	\$510,766	\$509,020	-0.3%
General Revenues	479,402	480,976	475,950	-1.0%
Department Revenues	38,516	29,790	33,070	11.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Overall operating expenses remained steady, with a slight increase in utilities, and decreases in contractual services. Also included is an allocation of materials and equipment to the parking enterprise for parking lot maintenance costs.

BUDGET SUMMARY - PUBLIC WORKS FLEET MAINTENANCE

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	182,330	196,444	222,448	13.2%
Operating	34,392	67,200	43,000	-36.0%
Capital Outlay	-	-	17,000	#DIV/0!
TOTAL	\$216,722	\$263,644	\$282,448	7.1%

General Revenues	216,722	263,644	282,448	7.1%
Department Revenues	-	-	-	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Operating expenses decreased in contractual services, training, and equipment maintenance, while cost for supplies increased. The Capital Outlay request is for a Road Force Tire Balancer.

BUDGET SUMMARY - PUBLIC WORKS LANDSCAPING

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	454,980	519,286	555,440	7.0%
Operating	234,907	204,844	185,425	-9.5%
Capital Outlay	23,873	-	0	#DIV/0!
TOTAL	\$713,760	\$724,130	\$740,865	2.3%

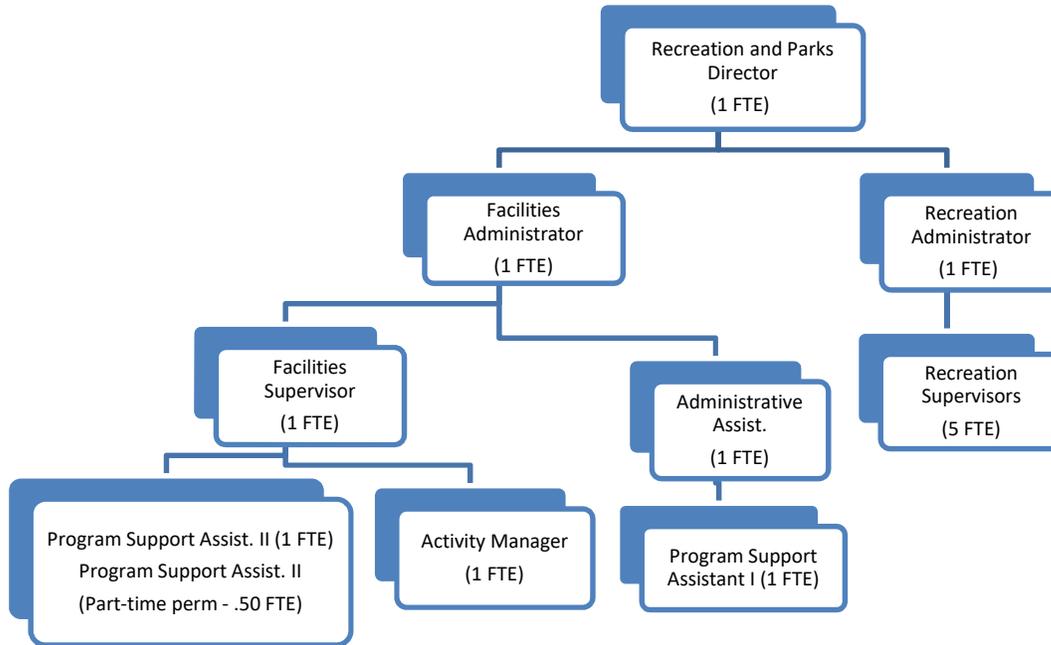
General Revenues	713,760	724,130	740,865	2.3%
Department Revenues	-	-	-	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments. Operating expenses increased for park and grounds supplies, park utilities, and fuel. Operating expenses decreased for training, rent, and contractual services, and also includes an allocation of materials and equipment to the parking enterprise for parking lot maintenance costs.

RECREATION, PARKS, & CULTURAL RESOURCES 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

- Continue to 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.
- Continue to provide excellent customer service, which will encourage patrons to continue to participate in recreation programs and use recreation facilities.
- Continue to manage facilities in a manner, which minimizes usage conflicts, overcrowding, and costs.
- Continue to ensure the attractiveness of the Century Center and parks by providing properly functioning equipment and facilities that are properly maintained to ensure they are aesthetically pleasing, clean, sanitary and safe.

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

SERVICES PROVIDED & ACTIVITIES

- Director serves as the Town’s Race and Equity Officer
- 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

- Department title changed to include additional services
- Staff appointed Town lead for GARE race and equity initiative
- Completed construction on Dr. Martin Luther King, Jr. Park, including the installation of student-created murals and community-submitted quotes honoring Dr. King’s legacy
- Staff attended GARE, NRPA Conference, NCRPA-SCRPA Joint Conference, NCRPA Marketing & Special Events Summit, NCRPA Inclusion/Therapeutic Recreation Conference and NCSU Recreation Resources Service LeadHERship Conference, Supervisory training and numerous seminars, workshops, and training sessions through NCRPA, NCSU Recreation Resources Service, and other entities
- Several staff members re-certified as Certified Park and Recreation Professionals
- Hired three full-time employees
- Compiled a list of various holidays/awareness days/celebrations to enhance programming and marketing. Examples include new programming during Pride Month and Black History Month
- Added metal covers over dugouts at Hank Anderson Park
- Expanded the Program Brochure to account for increased programming and allow room for promotion on Town initiatives, such as the Bike Plan Update, the 2020 Census and recruitment for Town Advisory Boards
- Secured a \$5,000 grant through Carol Woods to increase access to programming for seniors
- Implemented transportation services to our two largest community events (July 4th and the Carrboro Music Festival) for local senior facilities
- Oversaw the transition of new contractual event coordinators for three of the Town’s signature events, including the Carrboro Music Festival, Carrboro Film Festival, and the West End Poetry Festival

- Worked with Public Works to facilitate getting water to the Hank Anderson Park in a cost savings manner
- Rebranded the Film Festival to celebrate Southern films and filmmakers and developed promotional partnerships with other film festivals around the region. The Festival also highlighted the ongoing immigration crisis on the US/Mexico border. The festival also added a third day with a kickoff event on Friday.
- Partnered with the Music Maker Relief Foundation and the Carrboro Tourism Development Authority to expand the Freight Train Blues Concert Series
- Implemented a new youth athletic activities Youth Flag Football program in partnership with the National Football League as well as a new Flag Football Summer Camp and tennis-related programming
- Partnered with Chapel Hill Parks and Recreation, Hillsborough Youth Athletic Association, and Parkwood Sports Association on joint athletic league programming
- Added new bicycle-related programming to help further the Town's efforts to become a Gold-level Bicycle Friendly Community
- Offered a variety of programs with an emphasis on underserved populations and increasing cultural diversity, including Latin Dance, Flamenco Dance, West African Dance, and increased programming for Black History Month
- Carrboro Youth Council volunteered through our Homework Helpers program to provide tutoring services for McDougle Middle School students and expanded the program to Smith Middle School
- Worked with the Town Clerk, Carrboro Youth Council, Youth Advisory Board and the NAACP to offer the Dr. Martin Luther King Commemoration Event
- Department transitioned to increase scope of services to include more arts and cultural resources (Arts Committee, Orange County Library-related partnerships, etc.)
- Staff led the Town Special Events Committee to help facilitate community-requested events

UPCOMING FISCAL YEAR OBJECTIVES

Administration

- Work with GARE and Core Team to establish a foundation that drives racial equity to shape the Town's leadership, practices, procedures and decision making.
- Reduce inventory of extant records, files, and equipment in accordance with state records retention schedules and property disposition requirements.
- Expand the utilization of volunteers and department staff in effective program leadership roles, including working with the Youth Council and Youth Advisory Board to engage the youth and teen population.
- Develop private, public, and neighborhood partnerships and sponsorships to support our recreational facilities and programs with a focus on agencies (El Centro, Refugee Support Center, and NAACP) that help to reach underserved populations.
- Collaborate with event planning committees and the business community to continue to expand and improve programs and special events.

Marketing

- Update and implement revised Programs Division Marketing Plan. Include Town Communications Manager to identify areas of collaboration.
- Coordinate marketing with local businesses and partnering agencies to increase publicity for Department programs and events in a cost-effective manner.
- Improve marketing of parks and facilities for patron use and reservations.

Operations

- Conduct a department-wide inventory of equipment and assets and explore options for equipment and supply storage to maximize utilization of these resources and to improve access for staff and volunteers.
- Improve amenities at Hank Anderson and Baldwin Parks.
- Work with Public Works to improve appearance/safety of parks and Century Center.

Programming

- Collaborate with local partners and Town staff 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 G.A.R.E. initiative 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).

TOWN COUNCIL PRIORITIES

Diversify revenue stream to maintain ethnic and economic diversity.

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

PERFORMANCE MEASURES

	FY2017-18 ACTUAL	FY 2018-19 ACTUAL	FY 2019-20 ESTIMATED	FY 2020-21 PROJECTED
% Change in Volunteer Hours Supporting Programs	-4%	4%	-1%	0%
Revenue Driven Facility Usage Hours (External, Courses, Administrative)	17,133	17,989	18,888	20,399
Revenue Driven Facility Usage Hours Percent Change (External, Courses, Administrative)	3%	5%	5%	8%
Non-Revenue Facility Usage Hours (Partnerships, Community/Informational Meetings)	1,268	1,530	1,607	1,719
Non-Revenue Facility Usage Hours Percent Change (Partnerships, Community/Informational Meetings)	149%	21%	5%	7%
% Change in Program Division Revenue	2%	1%	1%	1%
% Change in Programming Hours	9%	3%	0%	1%
% Change of Operational Budget Supported by Program Revenue Generated	2%	3%	1%	-1%
% Change in Enrolled participants	-12%	3%	-2%	1%

DEPARTMENT BUDGET SUMMARY

BUDGET SUMMARY - RECREATION, PARKS, & CULTURAL RESOURCES

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	1,219,840	1,275,904	1,359,503	6.6%
Operating	382,260	405,977	484,506	19.3%
Capital Outlay	5,027	54,000	-	-100.0%
TOTAL	\$1,607,127	\$1,735,881	\$1,844,009	6.2%
General Revenues	1,269,937	1,334,533	1,578,061	18.2%
Department Revenues	337,190	401,348	265,948	-33.7%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Department expenses increased due to a variety of reasons noted in the following division level summaries.

DIVISION LEVEL SUMMARIES

BUDGET SUMMARY - RECREATION AND PARKS SUPERVISION

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	135,348	136,395	149,932	9.9%
Operating	19,347	8,764	71,364	714.3%
TOTAL	\$154,695	\$145,159	\$221,296	52.5%
General Revenues	154,548	145,159	221,296	52.5%
Department Revenues	147	-	-	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel and operating expenses increased due to the Town Manager's reorganization in FY20. Various expenses that were previously reported in the Governmental Support budget were shifted to this division. Some of these include GARE, Art Center, Library and Social Equity Initiative. Training and conferences were reduced to zero.

BUDGET SUMMARY - RECREATION PLAYGROUND PARKS

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Operating	2,904	-	-	#DIV/0!
TOTAL	\$2,904	\$0	\$0	#DIV/0!
General Revenues	2,904	-	-	#DIV/0!
Department Revenues	-	-	-	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

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

BUDGET SUMMARY - RECREATION GENERAL PROGRAMS

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	643,252	666,498	699,533	5.0%
Operating	304,725	362,053	334,982	-7.5%
TOTAL	\$947,977	\$1,028,551	\$1,034,515	0.6%
General Revenues	678,440	708,203	806,067	13.8%
Department Revenues	269,537	320,348	228,448	-28.7%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments, and additional temporary salaries. Operating expenses decreased due to reductions in training, conferences, rent, departmental supplies, and contractual services.

BUDGET SUMMARY - RECREATION AND PARK FACILITIES

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	441,240	473,011	510,038	7.8%
Operating	55,284	35,160	78,160	122.3%
Capital Outlay	5,027	54,000	-	-100.0%
TOTAL	\$501,551	\$562,171	\$588,198	4.6%
General Revenues	434,045	481,171	550,698	14.4%
Department Revenues	67,506	81,000	37,500	-53.7%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to salary and insurance adjustments, and additional temporary salaries.
 Operating expenses increased due to the inclusion of the Century Center cleaning contract that was not budgeted last year.

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 - NON-DEPARTMENTAL

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	-	758,366	406,945	-46.3%
Operating	-	100,000	90,000	-10.0%
Transfers	1,587,450	457,200	906,050	98.2%
TOTAL	\$1,587,450	\$1,315,566	\$1,402,995	6.6%
General Revenues	1,587,450	1,315,566	1,402,995	6.6%
Department Revenues	-	-	-	#DIV/0!

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 reduction in FY21 is due to zero salary adjustments being budgeted.

The Operating expense includes \$90,000 budgeted for the remediation of building safety issues that may arise during the year for Town owned facilities.

The FY2021 Transfers include a \$112,500 transfer of funds from the General Fund to the Affordable Housing Fund, \$450,000 to the Capital Fund for street resurfacing, and a \$343,550 transfer to the newly formed Parking Enterprise 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, 2019, the Town had approximately \$29.1 million in long term debt. Of this total, 16% represented general obligation debt and installment purchases for improvements and equipment. The other 84% of long term debt is related to other post-employment benefits and the two pension plans (LGERS and LEO).

	Long Term Debt 6/30/2018	Long Term Debt 6/30/2019
General Obligation debt	\$3,350,000	\$3,100,000
Premium on bond	\$65,698	\$60,831
Installment purchases - improvements & equipment	\$2,162,730	\$1,588,182
Compensated absences	\$737,005	\$805,969
Other Post-employment benefits	\$19,639,836	\$19,474,398
Net pension liability (LGERS)	\$2,013,788	\$2,701,088
Total pension liability (LEO)	\$1,517,471	\$1,428,599
Total	\$29,486,528	\$29,159,067

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	\$67,500	\$317,500
TOTAL GENERAL OBLIGATION BONDS		\$250,000	\$67,500	\$317,500
FIRE SUBSTATION	\$3,250,000	\$216,667	\$23,850	\$240,517
TOTAL LONG-TERM INSTALLMENT DEBT		\$216,667	\$23,850	\$240,517
EQUIPMENT/VEHICLES *		\$518,637	\$28,579	\$547,216

** Includes estimated payments for new installment financing to be issued in FY 2020 and FY 2021.*

The Town is looking to finance a major building next year. In addition, the Town plans to finance the 2020-21 equipment purchases, shown below, with installment financing.

VEHICLES AND EQUIPMENT TO BE PURCHASED IN FY 2020-21:

Department	Vehicles/Equipment	Cost Estimate
Police	6 Vehicles @ \$56,000	\$ 336,000
Fire	Fire Tanker Truck	350,000
Fire	Ford Explorer Hybrid	49,000
Public Works	Boom Truck	155,000
Public Works	2 Pickup Trucks	64,000
	Total	\$ 954,000

BUDGET SUMMARY - DEBT SERVICE

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Operating	951,169	1,245,244	1,105,233	-11.2%
TOTAL	\$951,169	\$1,245,244	\$1,105,233	-11.2%
General Revenues	951,169	1,245,244	1,105,233	-11.2%
Department Revenues	-	-	-	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Principal and interest payments will decrease in FY21 primarily due to the absence of installment financing in FY19 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 Town Council 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
- Emergency Loans

BUDGET SUMMARY

	Adopted Budget FY2019-20	Adopted Budget FY2020-21	Amount Change	Pct Change
Fund:				
Affordable Housing	358,500	338,000	-20,500	-5.7%
Grant Administration	998,096	893,249	-104,847	-10.5%
Emergency Loans	0	508,405	508,405	#DIV/0!
Revolving Loans for Energy Efficiency	267,388	240,572	-26,816	-10.0%
Revolving Loans for Economic Development	902,101	852,696	-49,405	-5.5%
Totals	\$2,526,085	\$2,832,922	\$306,837	12.1%

AFFORDABLE HOUSING FUND

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

BUDGET SUMMARY

	<u>FY2018-19</u> <u>Actuals</u>	<u>Adopted</u> <u>Budget</u> <u>FY2019-20</u>	<u>Adopted</u> <u>Budget</u> <u>FY2020-21</u>	<u>FY20 to FY21</u> <u>Percent</u> <u>Change</u>
<u>Revenues:</u>				
Ad Valorem Tax	110,071	225,000	223,500	-0.7%
Interest Earnings	3,553	1,500	800	-46.7%
Prior Year Taxes	-	-	900	#DIV/0!
Penalty and Interest	-	-	300	#DIV/0!
Transfer from General Fund	-	52,000	112,500	116.3%
Appropriated Fund Balance	-	80,000	-	-100.0%
Total Revenues	113,624	358,500	338,000	-5.7%
<u>Expenditures:</u>				
Human Services Grants	24,500	21,000	-	-100.0%
Community Home Trust	110,428	73,783	74,518	1.0%
Home Consortium Match	13,545	13,545	14,057	3.8%
Northside Neighborhood	30,000	-	-	#DIV/0!
Partnership to End Homelessness	23,378	35,232	35,232	0.0%
Center fo Community Self Help	20,000	20,000	-	-100.0%
AHSRF Deferred Loan Program	-	20,000	10,000	-50.0%
Affordable Hsg Advisory Board	-	500	500	0.0%
Critical Home Repair	46,757	90,000	61,050	-32.2%
Rental Deposits Program	5,115	6,000	31,703	428.4%
Acquisition and Development	-	68,000	100,000	47.1%
Unexpended Reserves	-	10,440	10,940	4.8%
Total Expenditures	630,931	358,500	338,000	-5.7%

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.

BUDGET SUMMARY

	LTD Actuals thru 6/30/19	Adopted Budget FY2019-20	Adopted Budget FY2020-21	FY20 to FY21 Percent Change
<u>Revenues:</u>				
Grant Revenue	20,165	977,096	872,249	-10.7%
Transfer from General Fund	21,000	21,000	21,000	0.0%
Total Revenues	41,165	998,096	893,249	-10.5%
<u>Expenditures:</u>				
Hazard Mitigation Grant	23,523	928,096	823,249	-11.3%
Bicycle Transportation Plan	38,801	70,000	70,000	0.0%
Unexpended Reserves	-	-	-	#DIV/0!
Total Expenditures	62,324	998,096	893,249	-10.5%

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 Actuals thru 6/30/19	Adopted Budget FY2019-20	Adopted Budget FY2020-21	FY20 to FY21 Percent Change
<u>Revenues:</u>				
Interest Earnings	1,548	1,125	2,525	124.4%
Loan Interest Earnings	15,469	15,937	17,146	7.6%
Loan Principal Payments	70,700	77,198	92,773	20.2%
Other Financing Sources	173,128	173,128	128,128	-26.0%
Total Revenues	260,845	267,388	240,572	-10.0%
<u>Expenditures:</u>				
Loan Disbursements	107,128	107,128	107,128	0.0%
Reserves for Loans	45,000	160,260	133,444	-16.7%
Total Expenditures	152,128	267,388	240,572	-10.0%

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

Business	Amount 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 Actuals thru 6/30/19	Adopted Budget FY2019-20	Adopted Budget FY2020-21	FY20 to FY21 Percent Change
Revenues:				
Interest Earnings	207,243	241,038	250,038	3.7%
Loan Interest Earnings	52,307	402,297	396,435	-1.5%
Loan Principal Payments	263,431	258,766	206,223	-20.3%
Total Revenues	522,981	902,101	852,696	-5.5%
Expenditures:				
General Government Exp	17,453	26,679	26,679	0.0%
Loan Disbursements	333,000	333,000	228,000	-31.5%
Reserves for Loans	-	542,422	598,017	10.2%
Total Expenditures	350,453	902,101	852,696	-5.5%

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 Music	90,000	2004
Carrboro Co-Working	90,000	2008
Total	\$ 333,000	

* Paid in full in FY19

EMERGENCY LOAN FUND

The purpose of the Emergency Loan Fund is to assist Carrboro based businesses and non-profits that serve Carrboro with short term payroll and other recurring expenses during the State/Town declared COVID 19 Emergency in order to maintain and sustain operations for existing viable enterprises. The fund is intended to assist small local businesses and non-profits that are in current good standing with creditors, but are low on capital to maintain operations. Loan approval is at the discretion of the Town of Carrboro. Ten percent of the provided funding is considered a grant and ninety percent is considered a loan. The loan portion is to be repaid to the Town at zero percent interest.

BUDGET SUMMARY

	LTD Actuals thru 6/30/19	Adopted Budget FY2019-20	Adopted Budget FY2020-21	FY20 to FY21 Percent Change
Revenues:				
Interest Earnings	-	-	512	#DIV/0!
Loan Principal Payments	-	-	32,893	#DIV/0!
Other Financing Sources	-	-	475,000	#DIV/0!
Total Revenues	-	-	508,405	#DIV/0!
Expenditures:				
Grant Disbursements	-	-	47,500	#DIV/0!
Loan Disbursements	-	-	427,500	#DIV/0!
Reserves for Loans	-	-	33,405	#DIV/0!
Total Expenditures	-	-	508,405	#DIV/0!

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
- Facilities Rehab
- Capital Reserve
- Payment In Lieu Reserves

BUDGET SUMMARY - TOTAL CAPITAL PROJECTS FUND

	Adopted Budget <u>FY2019-20</u>	Adopted Budget <u>FY2020-21</u>	Amount Change	Pct Change
<u>Fund:</u>				
Capital Projects	\$ 21,052,330	\$ 33,222,583	\$ 12,170,253	57.8%
GO Bonds, Sidewalks and Greenways	7,499,643	7,920,942	421,299	5.6%
Facilities Rehab	-	1,005,750	1,005,750	#DIV/0!
Capital Reserves	406,200	400	(405,800)	-99.9%
Payment In Lieu Reserves	950	700	(250)	-26.3%
Totals	<u>\$28,959,123</u>	<u>\$ 42,150,375</u>	<u>\$ 13,191,252</u>	45.6%

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 Actuals thru 6/30/19	Adopted Budget FY2019-20	Adopted Budget FY2020-21	FY20 to FY21 Percent Change
<u>Revenues:</u>				
Interest Earnings	36,173	28,481	55,316	94.2%
Restricted Intergovernmental	932,904	6,586,500	14,444,095	119.3%
Transfer from General Fund	3,357,591	3,357,591	8,317,591	147.7%
Other Financing Sources	457,500	11,039,758	10,405,581	-5.7%
Other Revenue	-	40,000	-	-100.0%
Total Revenues	4,784,168	21,052,330	33,222,583	57.8%
<u>Expenditures:</u>				
203 S Greensboro St	1,103,210	15,699,895	26,432,490	68.4%
South Greensboro St Conduit	-	95,000	95,000	0.0%
Rogers Road Conduit	-	155,000	155,000	0.0%
Planning Permitting Software *	183,046	230,000	-	-100.0%
Self-Contained Breathing Apparatus Repl*	-	314,924	-	-100.0%
Comprehensive Plan	-	200,000	250,000	25.0%
Estes Drive Bike-Ped Improvements	-	170,000	170,000	0.0%
Bus Shelter Replacement	-	288,000	288,000	0.0%
Bicycle Loop Detectors	18,525	57,500	57,500	0.0%
LED Street Lights *	35,396	40,000	-	-100.0%
Town Hall Roof Replacement *	-	100,000	-	-100.0%
Town Hall Basement Waterproofing *	-	100,000	-	-100.0%
Unpaved Road Upgrades	-	230,000	230,000	0.0%
MLK Jr Park	1,190,126	2,561,196	2,761,196	7.8%
2020 Vehicle & Equipment Replacements*	-	792,814	-	-100.0%
2021 Vehicle & Equipment Replacements	-	-	954,000	#DIV/0!
Ped Safety Imprvmnts & Bike Plan	-	-	257,000	#DIV/0!
Playground Equip Replacement	-	-	100,000	#DIV/0!
FY20 Street Resurfacing	-	-	967,081	#DIV/0!
FY21 Street Resurfacing	-	-	450,000	#DIV/0!
Capital Expense Reserve	36,173	18,001	55,316	207.3%
Total Expenditures	2,566,476	21,052,330	33,222,583	57.8%

* Project was closed in FY 2020

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 Actuals thru 6/30/19	Adopted Budget FY2019-20	Adopted Budget FY2020-21	FY20 to FY21 Percent Change
<u>Revenues:</u>				
Interest Earnings	79,845	43,978	94,247	114.3%
Restricted Intergovernmental	1,664,201	5,533,515	6,129,404	10.8%
Other Financing Sources	1,873,842	1,922,150	1,697,291	-11.7%
Total Revenues	3,617,888	7,499,643	7,920,942	0.6%
<u>Expenditures:</u>				
Morgan Creek Greenway Ph1	422,810	1,568,500	2,068,500	31.9%
Homestead Rd CHHS Multi-use Path	1,311,453	1,521,770	1,521,770	0.0%
S Greensboro St Sidewalk	43,836	1,750,119	1,750,119	0.0%
Rogers Road Sidewalk	1,374,764	1,371,658	1,492,547	8.8%
Jones Creek Greenway	54,998	850,250	850,250	0.0%
Sidewalk Repairs	-	115,000	190,000	65.2%
Capital Expense Reserve	423,517	322,346	47,756	-85.2%
Total Expenditures	3,631,378	7,499,643	7,920,942	0.6%

FACILITIES REHAB

On November 12, 2019 the Board of Aldermen authorized the establishment of a Facilities Rehabilitation Fund. The purpose of this Fund is to repair and rehabilitate existing Town Facilities. No new construction is permitted under this Fund.

BUDGET SUMMARY - CAPITAL RESERVE FUND

	<u>LTD</u> <u>Actuals</u> <u>thru 6/30/19</u>	<u>Adopted</u> <u>Budget</u> <u>FY2019-20</u>	<u>Adopted</u> <u>Budget</u> <u>FY2020-21</u>	<u>FY20 to FY21</u> <u>Percent</u> <u>Change</u>
<u>Revenues:</u>				
Interest Earnings	-	-	5,750	#DIV/0!
Transfer from General Fund	-	-	1,000,000	#DIV/0!
Total Revenues	-	-	1,005,750	#DIV/0!
<u>Expenditures:</u>				
Century Center Drainage	-	-	5,028	#DIV/0!
CC Interior Improvements	-	-	12,582	#DIV/0!
Fire Sta 1 Concrete Pad	-	-	27,000	#DIV/0!
Fire Sta 2 Improvements	-	-	2,109	#DIV/0!
Fire Sta 1 Interior Improvements	-	-	7,888	#DIV/0!
Fire Sta 1 Bay Roof Repl	-	-	58,606	#DIV/0!
Wilson Park Improvements	-	-	5,000	#DIV/0!
Anderson Park Improvements	-	-	3,793	#DIV/0!
Playgrnd Equip Power Washing	-	-	1,650	#DIV/0!
Pavillion Roof for Fleet Mtce	-	-	18,445	#DIV/0!
Town Hall Exterior Painting/Repair	-	-	17,500	#DIV/0!
Town Hall Interior Improvements	-	-	2,353	#DIV/0!
Capital Expense Reserve	-	-	843,796	#DIV/0!
Total Expenditures	-	-	1,005,750	#DIV/0!

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 Actuals <u>thru 6/30/19</u>	Adopted Budget <u>FY2019-20</u>	Adopted Budget <u>FY2020-21</u>	FY20 to FY21 Percent <u>Change</u>
<u>Revenues:</u>				
Interest Earnings	2,085	1,000	400	-60.0%
Other Financing Sources	417,373	405,200	-	-100.0%
Total Revenues	419,458	406,200	400	-12.3%
<u>Expenditures:</u>				
Street Resurfacing	250,000	350,000	-	-100.0%
Future Debt Service	2,085	55,200	400	-99.3%
Uncommitted Reserves	167,373	1,000	-	-100.0%
Total Expenditures	419,458	406,200	400	-12.3%

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 Actuals thru 6/30/19	Adopted Budget FY2019-20	Adopted Budget FY2020-21	FY20 to FY21 Percent Change
<u>Revenues:</u>				
Interest Earnings	1,590	950	700	-26.3%
Payment in Lieu	149,780	-	-	#DIV/0!
Total Revenues	151,370	950	700	-26.3%
<u>Expenditures:</u>				
Reserves	151,370	950	700	-26.3%
Total Expenditures	151,370	950	700	-26.3%

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	27,858
Total	\$ 151,370

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
- Supporting community members with flooding and drainage concerns, within certain constraints
- Stormwater related grant pursuit and administration
- Stormwater review for development projects

PREVIOUS YEAR ACCOMPLISHMENTS

- Successfully obtained \$60,000 of FEMA Public Assistance funds; maintained potential for up to \$350,000 of additional funds.
- Updated rate structure to support expanded and accelerated service delivery
- Supported HGMP elevation project grant, and completed applications for new HMGP funding
- Completed preliminary engineering for two capital projects (construction pending)
- Administered Interlocal Agreement with Orange County for billing support
- Managed Stormwater Enterprise Fund
- Provided support to the Stormwater Advisory Commission
- Provided regulatory support for NPDES permits and Jordan Lake Rules compliance
- Reached out to Plantation Acres residents, including completing the Toms Creek RainReady pilot project

- Responded to citizen inquiries and provided stormwater related outreach
- Supported Public Works operations
- Coordinated stormwater outreach internship (UNC student) and collaborated with UNC Institute of the Environment/Capstone Team

UPCOMING FISCAL YEAR OBJECTIVES

- Continue to provide and improve all established stormwater services
- Complete construction to repair and stabilize eroding streambank that is threatening Public Works facility (FEMA support being sought). This is the highest priority and a high risk situation.
- Replace Broad Street culvert
- Improve performance for NPDES permits (audit scheduled for calendar year 2020).
- Provide support related to FEMA Hazard Mitigation Grant Program
- Hire Stormwater Administrator to support utility administrative needs, regulatory performance, and meeting demands for services
- Follow up on RainReady pilot project by coordinating review of residential assistance policy.
- Initiate work with GIS Assistant to provide stormwater program support
- Configure and implement CityWorks/GIS based asset management and workflow systems; initiate MS4 condition assessment; inspect culverts and plan for culvert repair, rehab, and replacement
- Increase Stormwater Control Measure maintenance and inspection activities
- Support new contracting services including on call infrastructure maintenance and inspection
- Update Appendix I (Storm Drainage Manual) of Land Use Ordinance; consider other stormwater LUO text amendments to address resiliency interests.
- Create capital project prioritization matrix.

TOWN COUNCIL PRIORITIES

Diversify revenue stream.

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

BUDGET ISSUES FOR FY 2020/21

- A new staff position is needed to address existing service demand and to expand services.
- Additional GIS support is needed; proposed to be met through GIS staff change from part time to full time position.
- Based on experience from the past two years, the Stormwater Enterprise Fund and staff time is subject to uncertain demands, providing challenges to staff and budget management. Examples include Enterprise Funds use for public facility improvements and equipment replacement; discussion of future uses for public infrastructure improvements, property acquisition and flood mitigation; and staff demands for: grant administration and requests for pursuing new grant funding; responding to community inquiries (many of which relate to private property with no, limited, or unclear Town/Stormwater Utility responsibilities); preparing for an NPDES permit audit; time spent on emergency preparedness, response and management; and unknown new requirements from implementation of the Jordan Lake Rules.

PERFORMANCE MEASURES

	FY 2018-2019 ACTUAL	FY 2019-2020 ESTIMATED	FY 2020-21 PROJECTED
<u>Operational</u>			
Miles of street sweeping	1800	1800	1800
SCM inspections	2	5-10	40
<u>Capital/Project</u>			
Retrofits/stream repairs completed	0	0	1
Grants supported/applied for	0	4	2
Culvert replacements	0	0	1
Flood prone residences supported with FEMA grants	0	2	2
<u>Financial</u>			
Revenue generated from utility fees	\$778K	\$810K	\$1-\$1.3M
Reserve balance	\$134K	\$240K	\$240K

BUDGET SUMMARY - STORM WATER

	2018-19	2019-20	FY 2020-21	
	Actual	Adopted	Adopted	Pct Change
	Actual	Budget	Budget	
Personnel	174,005	180,257	299,527	66.2%
Operating	180,922	212,915	180,045	-15.4%
Depreciation	9,150	-	10,000	#DIV/0!
Capital Outlay	182,995	-		#DIV/0!
Transfers	156,475	235,400	350,000	48.7%
Reserves	-	170,203	154,903	-9.0%
TOTAL	\$703,547	\$798,775	\$994,475	24.5%
General Revenues	-	-	-	#DIV/0!
Department Revenues	703,547	798,775	994,475	24.5%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel expenses increased due to the addition of 1.5 FTE's, while operating expenses are down slightly from FY20. Enterprise funds require depreciation expense to be accounted for, which was not budgeted last year. There's an increase in the amount of transfers to the Storm Water capital fund, and also a decrease in the amount added to the fund's reserves.

PARKING ENTERPRISE

PURPOSE

The Parking Enterprise Fund was established in FY 2021 in order to track all parking related expenses for the growing needs of parking facilities in the Town. The Town Council has requested a parking study to consider the implementation of parking fees for various parking facilities. The Parking Enterprise Fund will be funded with a transfer from the General Fund, until such time that the Fund can generate its own revenue source.

BUDGET SUMMARY - PARKING ENTERPRISE

	2018-19 Actual	2019-20 Adopted Budget	FY 2020-21 Adopted Budget	Pct Change
Personnel	-	-	21,000	#DIV/0!
Operating	-	-	325,300	#DIV/0!
TOTAL	\$0	\$0	\$346,300	#DIV/0!
 General Revenues	 -	 -	 346,300	 #DIV/0!
Department Revenues	-	-	-	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

The Parking Enterprise Fund is newly created for FY21 and will be funded with a transfer from the General Fund, until such time that the Town implements fees for parking facilities.

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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.

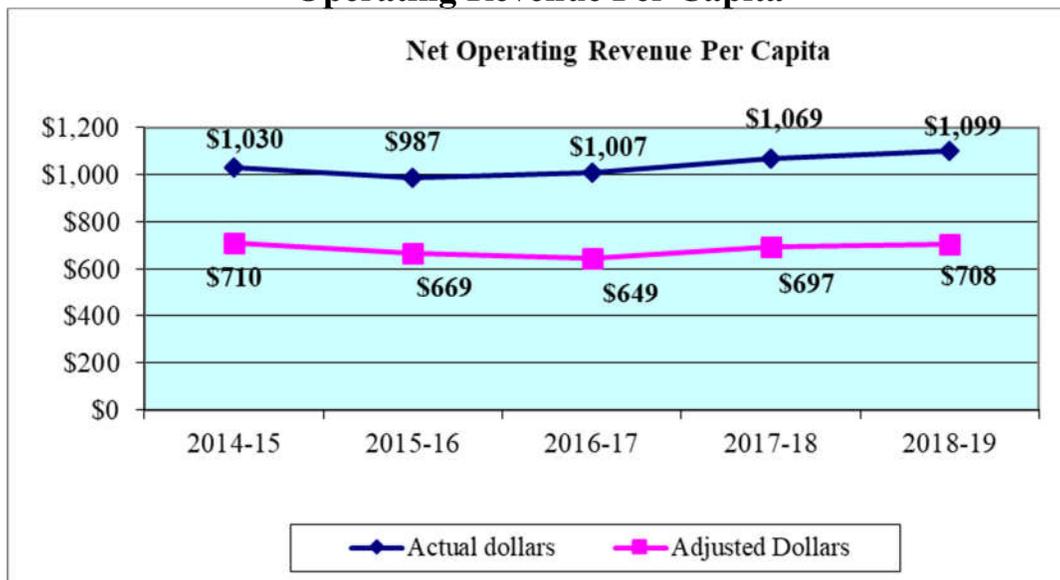
Included with every indicator is a description of the indicator, a table and graphical representation of the trend over the fiscal years for which we have audited budget reports, and an explanation of the implications of that trend for the government and residents of the Town. All the financial figures 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	2014-15	2015-16	2016-17	2017-18	2018-19
Net Operating Revenue (adjusted)	\$14,439,376	\$14,048,440	\$13,541,892	\$14,704,481	\$15,092,938
Population	20,337	20,984	20,867	21,099	21,314
Net Operating Revenue Per Capita (adjusted)	\$710	\$669	\$649	\$697	\$708

Warning Trend: Operating revenues per capita trending less than Expenses 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.

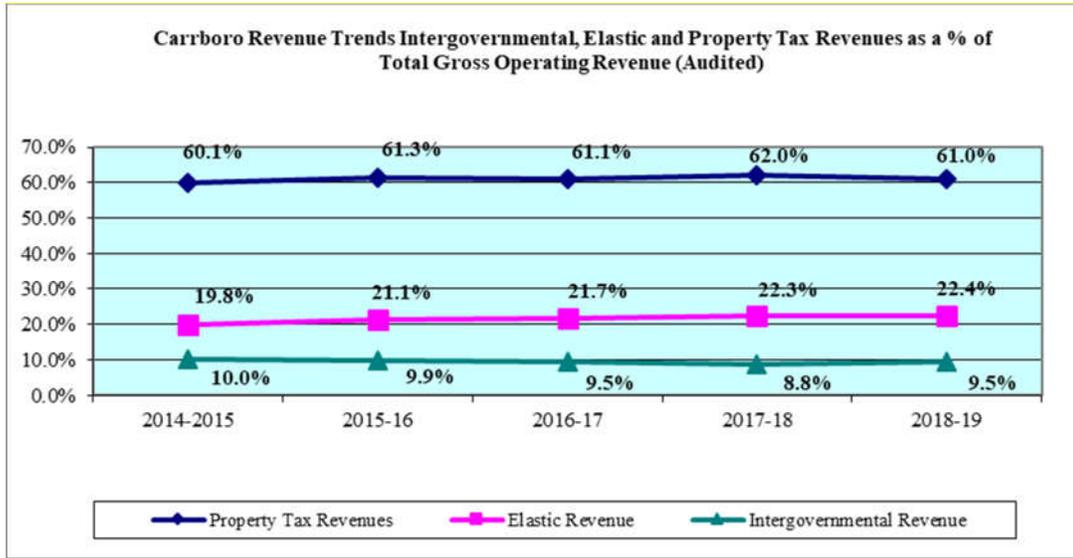
Discussion

In real terms (adjusted for inflation), revenues per capita in Carrboro have remained constant since FY2015. In actual dollars collected (adjusted for inflation), revenue decreased by 0.3% percent. Local option sales tax and other taxes and licenses have increased in the past 5 years. The following chart shows distinct revenue trends as reflected in the Town's audit reports.

Revenue Source	2019 Revenue Adjusted for Inflation	2015 Revenue Adjusted for Inflation	% Change in Revenue Since 2015	2019 per capita	2015 per capita	% Change Since 2015 (per capita)
Ad valorem taxes	\$ 8,452,701.43	\$ 8,117,918.07	4.1%	\$ 397	\$ 399	-0.5%
Local option sales taxes	\$ 3,145,984.27	\$ 2,687,538.79	17.1%	\$ 148	\$ 132	12.1%
Other taxes and licenses	\$ 1,051,205.36	\$ 955,971.31	10.0%	\$ 49	\$ 47	4.3%
Intergovernmental revenues	\$ 1,149,035.71	\$ 1,335,762.36	-14.0%	\$ 54	\$ 66	-18.2%
Permits and fees	\$ 821,169.27	\$ 869,497.97	-5.6%	\$ 39	\$ 43	-9.3%
Sales and services	\$ 163,093.34	\$ 189,193.85	-13.8%	\$ 8	\$ 9	-11.1%
Investment earnings	\$ 130,752.22	\$ 7,225.02	1709.7%	\$ 6	\$ -	#DIV/0!
Other	\$ 178,996.39	\$ 276,268.53	-35.2%	\$ 7	\$ 14	-50.0%
Total revenues by source	\$15,092,937.99	\$14,439,375.91	4.5%	\$ 708	\$ 710	-0.3%

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 2019. 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	2014-15	2015-16	2016-17	2017-18	2018-19
Property Tax	\$ 12,887,757	\$12,989,241	\$13,143,645	\$14,276,093	\$14,587,583
Elastic Revenue	\$ 4,251,370	\$4,467,684	\$4,654,349	\$5,127,457	\$5,362,465
Intergovernmental Revenue	\$ 2,148,129	\$2,103,432	\$2,042,392	\$2,030,130	\$2,266,614
Total Revenue	\$ 19,287,256	\$19,560,357	\$19,840,386	\$21,433,680	\$22,216,662

Description

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

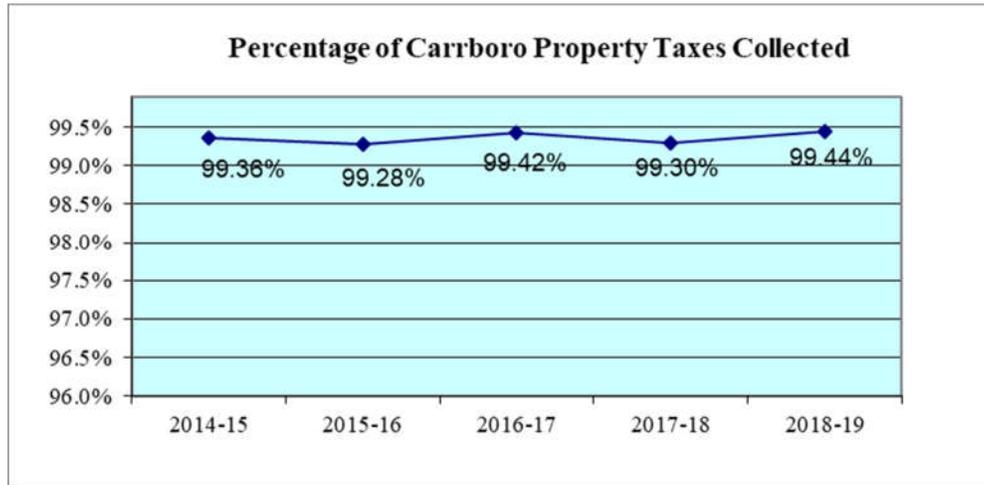
Discussion

As a percentage of total gross operating revenue, all revenues have remained fairly stable. Property tax decreased by 1.0%, elastic revenues increased by 0.1%, and intergovernmental revenues increased by 0.7%.

Intergovernmental revenue, as a share of the revenue stream in FY18-19 increased from FY17-18 mainly due to increases in the franchise tax and risk management agency grants.

Elastic revenue had an increase in sales tax and interest earnings, however, all permit categories showed a decrease.

Property Tax Collection Rate



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

Formula: Collected property taxes/Net property tax levy

Description

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

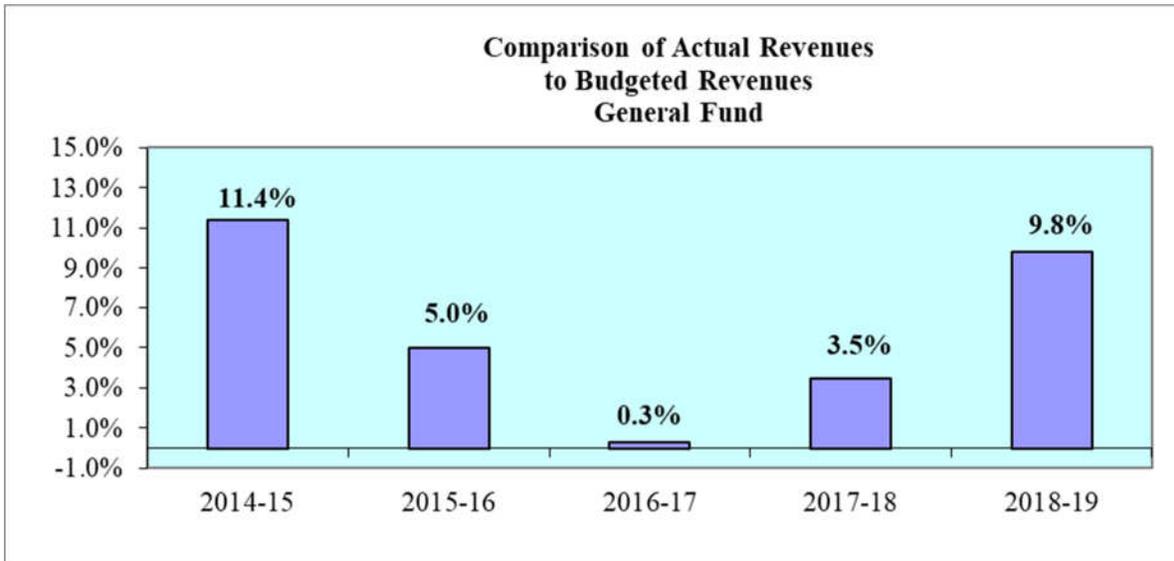
Discussion

The graph above shows that Orange County, which provides continuous assessment services, annual tax collections, and in-house revaluations every four years to both Carrboro and Chapel Hill, has a positive collection rate for the Town’s property tax base. Collections increased slightly to 99.44% in FY2018-19.

Tax Collection Rates in Carrboro and Neighboring Cities

	2014-15	2015-16	2016-17	2017-18	2018-19
Carrboro	99.36%	99.28%	99.42%	99.30%	99.44%
Chapel Hill	99.59%	99.62%	99.60%	99.66%	99.51%
Durham	99.57%	99.69%	99.80%	99.84%	99.67%
Hillsborough	98.11%	98.72%	99.18%	99.13%	99.24%

Comparison of Actual Revenues to Budgeted Revenues



	2014-15	2015-16	2016-17	2017-18	2018-19
Budgeted Operating Revenue	\$19,236,874	\$20,189,109	\$21,430,027	\$22,271,483	\$21,774,331
Actual Operating Revenue	\$21,432,760	\$21,200,253	\$21,495,739	\$23,040,640	\$23,899,184
Revenue Variance	\$2,195,886	\$1,011,144	\$65,712	\$769,157	\$2,124,853
Revenue Budgeted Operating Revenues	11.4%	5.0%	0.3%	3.5%	9.8%

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

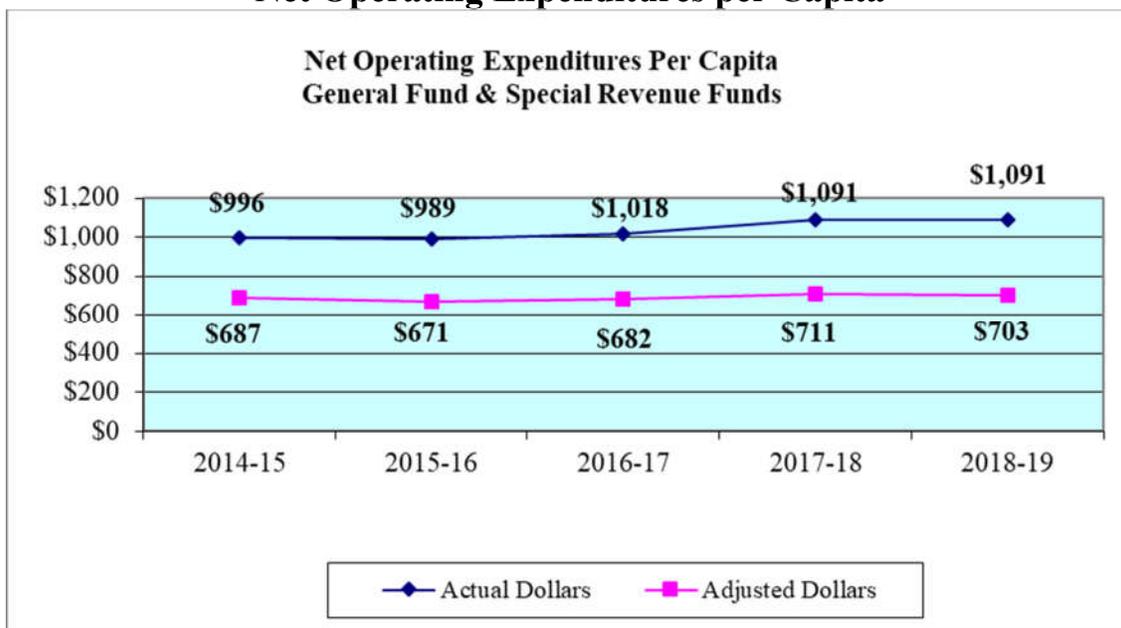
The variances in the graph indicate the Town's conservative approach to estimating revenues. In FY14-15, the main increases were with local option sales taxes (\$525,663), other taxes and licenses (\$829,973) and restricted intergovernmental revenues (\$581,077). Major increases in FY 15-16 include unrestricted 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). In FY 18-19, the main increases were property taxes (\$1,167,866), sales tax (\$404,700), and investment earnings (\$151,037).

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



	2014-15	2015-16	2016-17	2017-18	2018-19
Net Operating Expenditures (Adjusted)	\$13,968,450	\$14,074,303	\$14,221,815	\$15,010,066	\$14,985,882
Population	20,337	20,984	20,867	21,099	21,314

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 FY14-15, from \$13,968,450 to \$14,985,882 in FY18-19. When adjusted for the combined impact of inflation and population, per capita spending increased from \$687 in FY14-15 to \$703 in FY 18-19, or 2.3%.

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

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.

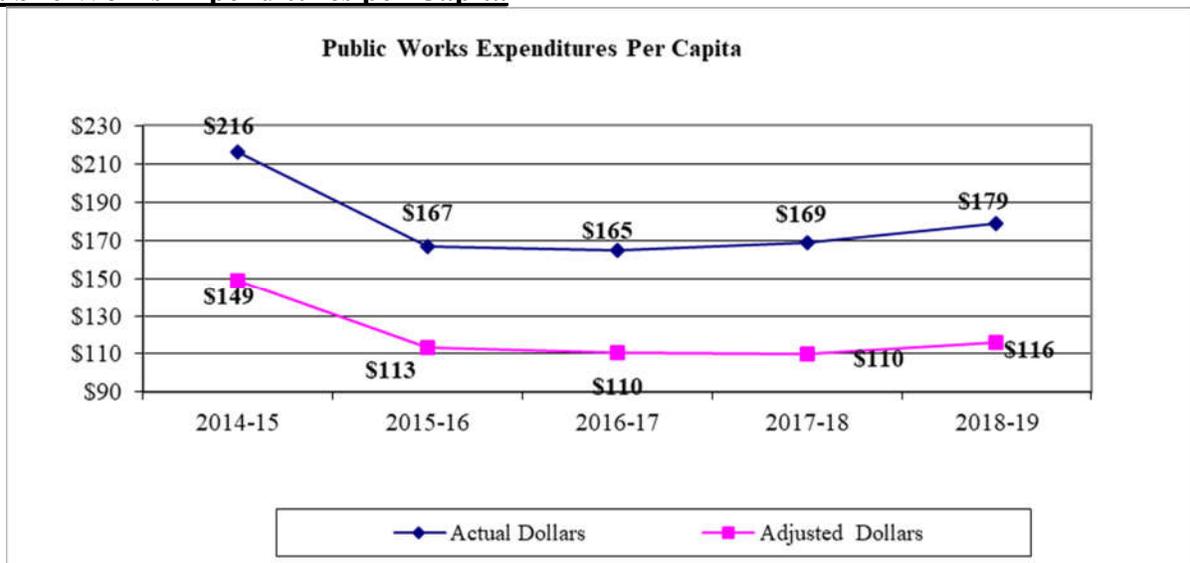
FY 2016-17 - Per capita expenditures increased \$11 from the previous year due to change in population.

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

FY 2018-19 - Per capita expenditures decreased \$8 from the previous year primarily due to a reduction of transfers to the capital fund for capital projects, and decreases in capital outlay.

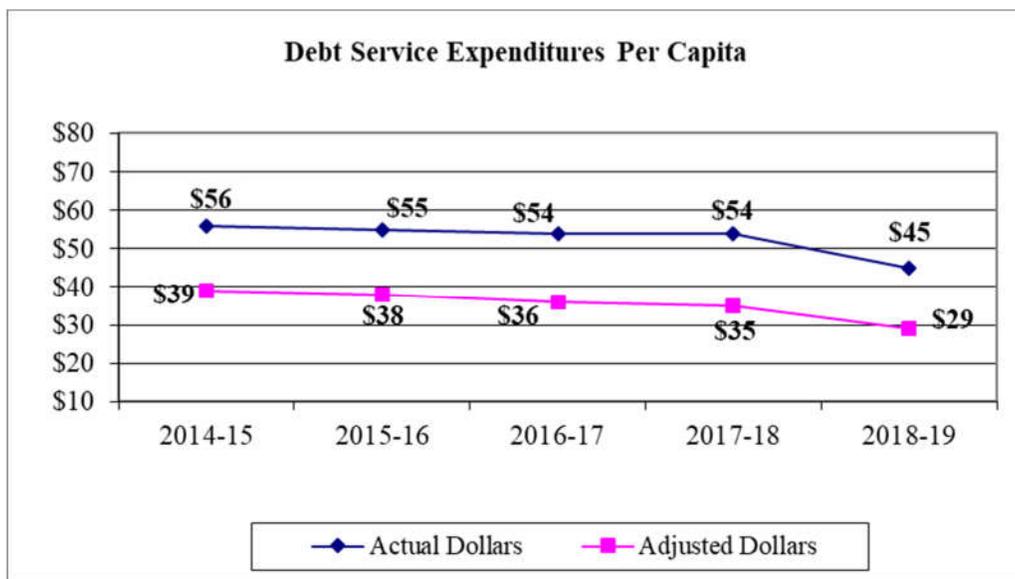
Changes in net operating per capita expenditures can be explained by highlighting events that have contributed to changes in expenditure levels. The following section looks at the various components of expenditures and service levels.

Public Works Expenditures per Capita



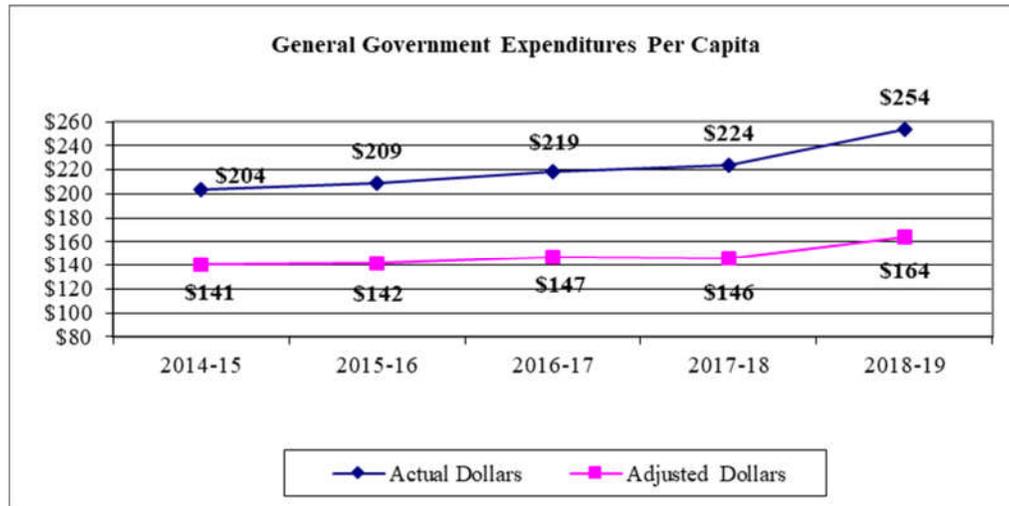
In inflation-adjusted dollars, Carrboro’s per capita expenditures on public works have varied. The variability of public works spending is related to ongoing capital and maintenance needs including street maintenance, stormwater system repairs, and responding to major natural disasters. The increase 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, while the increase in FY 18-19 was related to personnel costs.

Debt Service Expenditures Per Capita



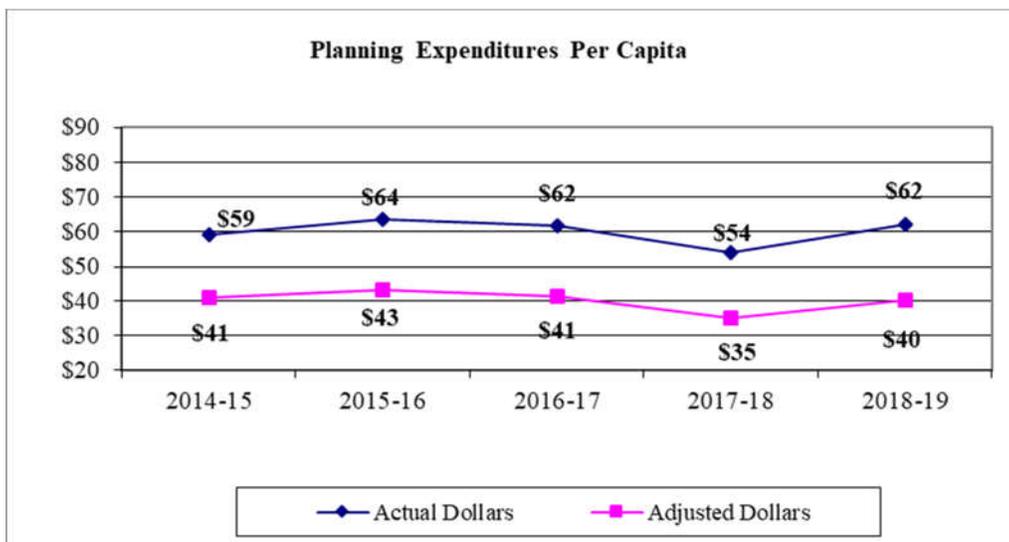
Debt costs include debt paid on general obligation bonds, installment financing for property and town infrastructure as well as equipment and vehicles. The Town has been able to take advantage of retiring debt and low interest rates to borrow for major infrastructure needs and maintain debt service at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

General Government Expenditures per Capita



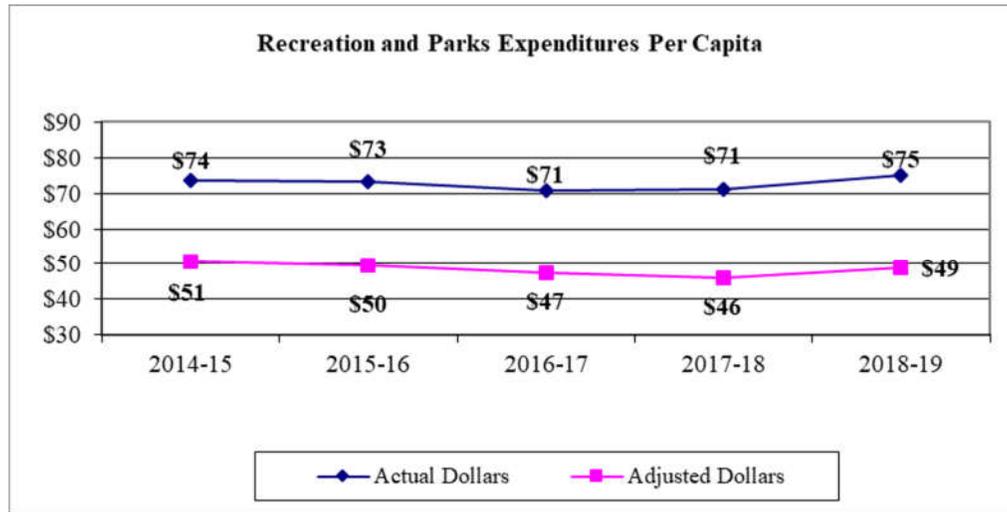
The Town continues to maintain regular replacement of technology infrastructure, support wireless technology, implement mobile laptop technology in police cars, and more recently, dashboard cameras for the Police Department. In FY 17-18, the combination of an increase in population and a larger deflator rate caused a slight decrease in the per capita amount for adjusted dollars. The increase in FY 18-19 was primarily due to increased staffing and personnel costs.

Planning Expenditures Per Capita



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. The increase in FY 18-19 is primarily due to personnel costs.

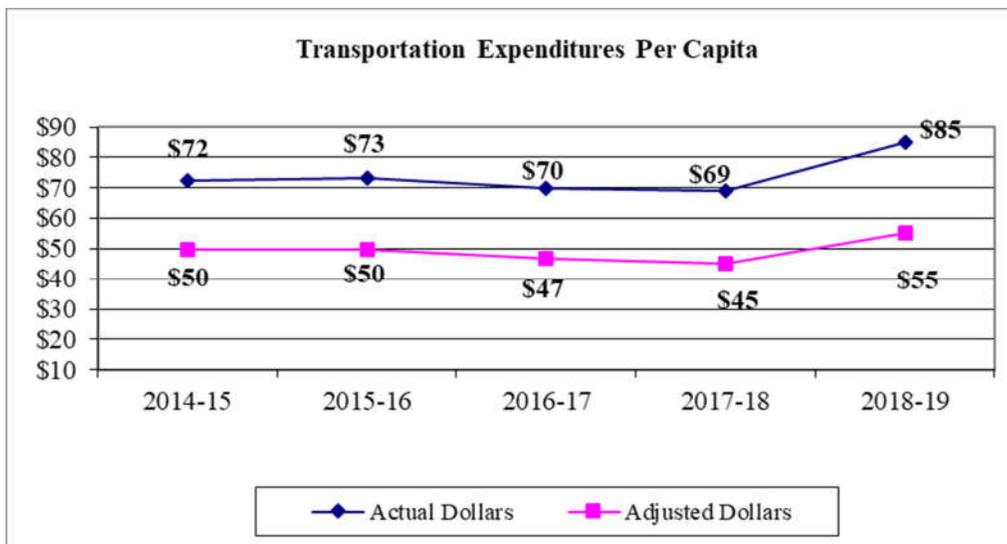
Recreation and Parks Expenditures per Capita



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 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. The increase in FY 2018-19 is primarily due to personnel costs.

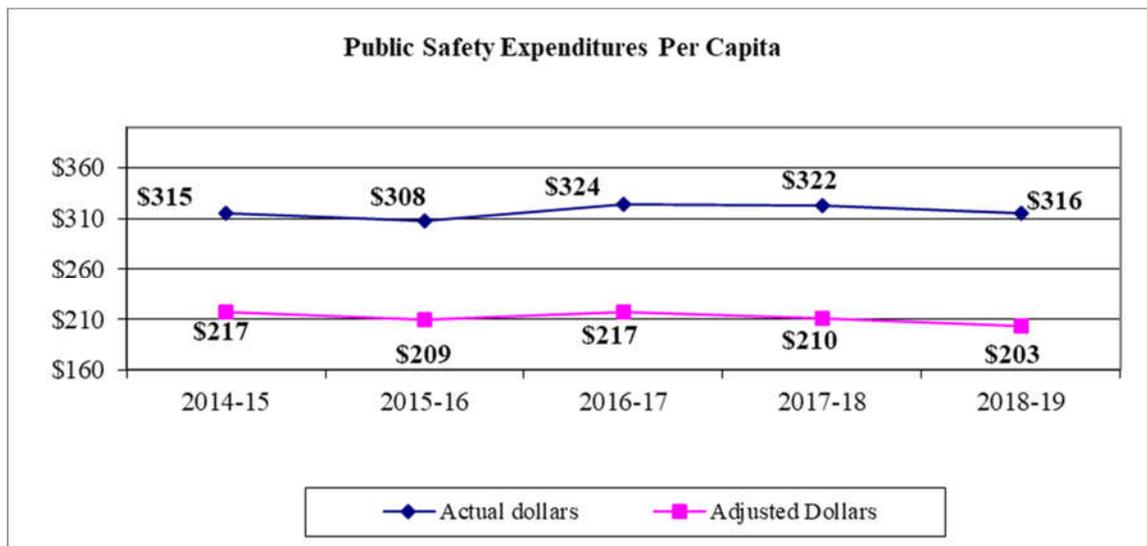
Transportation Expenditures Per Capita



The Town and UNC-Chapel Hill are partners in the transit system administered by the Town of Chapel Hill. Costs for FY 2015-16 remained constant. The decrease in per capita costs in FY

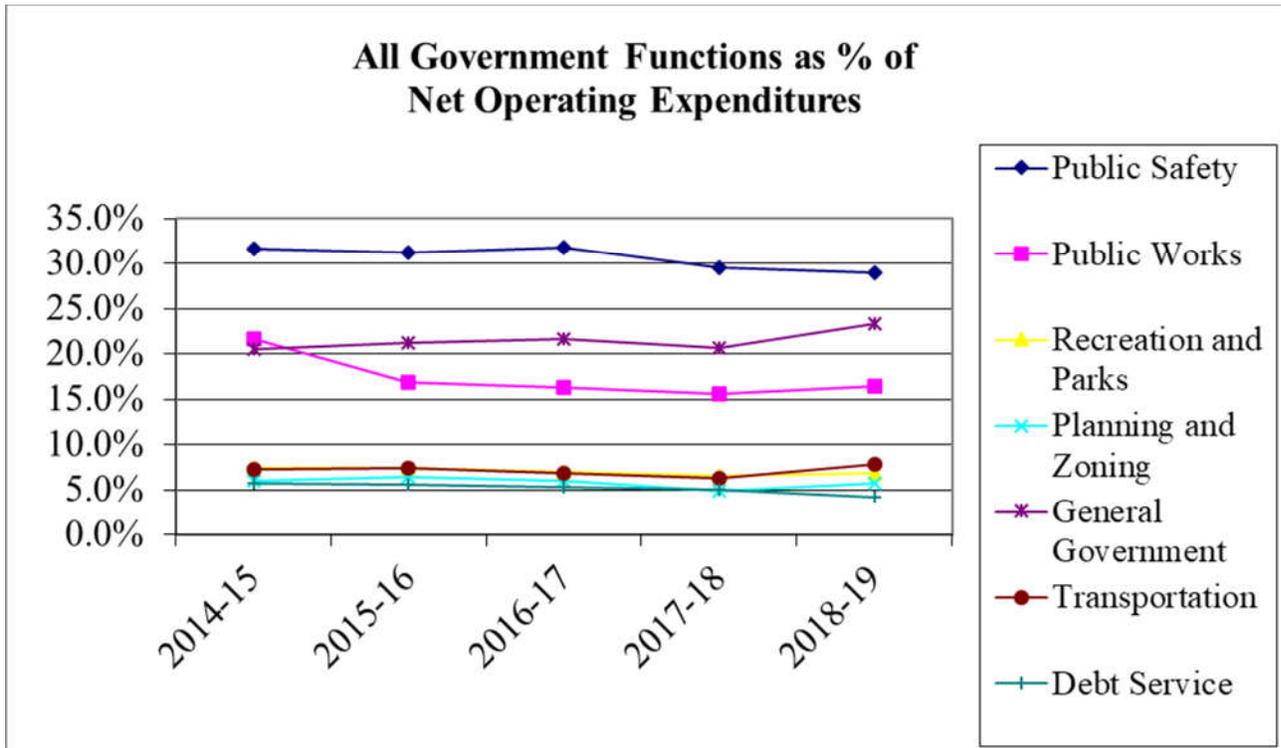
2016-17 is due to revised calculation of the bus replacements. FY 2017-18 remained at previous year levels because a new contract had not yet been negotiated until FY19, which explains that year's increase. The increases are primarily due to decreased state and federal pass-through funds that supported 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 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. FY 2018-19 decreased as a result of less capital outlay and unfilled staffing positions.

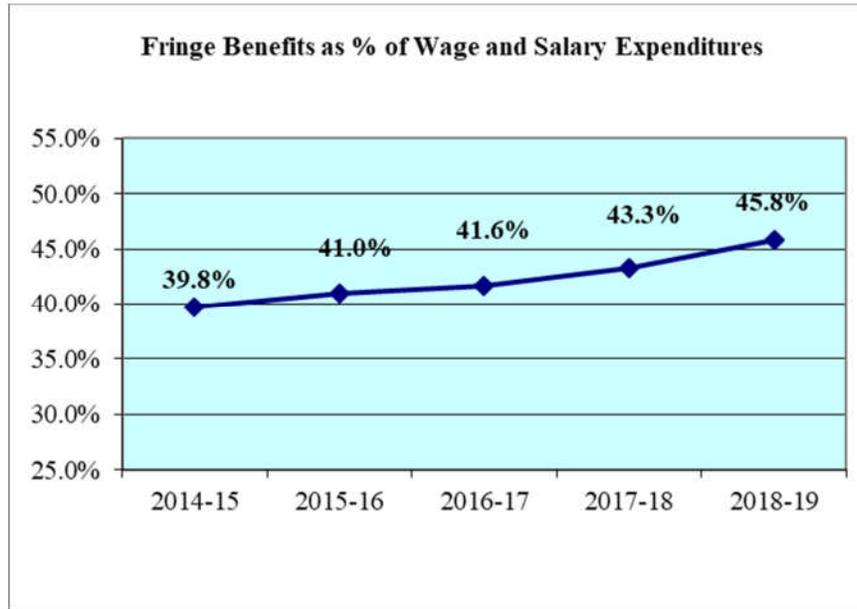
Net Operating Expenditures by Function



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 council functions (Town Clerk, Mayor and Town Council, nonprofit and advisory boards) and support services (Finance, Technology, Human Resources, and Town Manager), represents approximately 23 percent of total spending. The remainder of the programs (debt service, transportation, planning and recreation programs) combined represent approximately 32 percent of the net operating expenses.

Fringe Benefits



	2014-15	2015-16	2016-17	2017-18	2018-19
Expenditures for fringe benefits	\$3,215,876	\$3,307,824	\$3,379,677	\$3,550,472	\$4,013,773
Salaries/Wages (FT,PT,OT, Temp)	\$8,088,265	\$8,068,980	\$8,115,182	\$8,205,705	\$8,764,362
Fringe benefits as % of overall wage and salary expenditures	39.8%	41.0%	41.6%	43.3%	45.8%

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

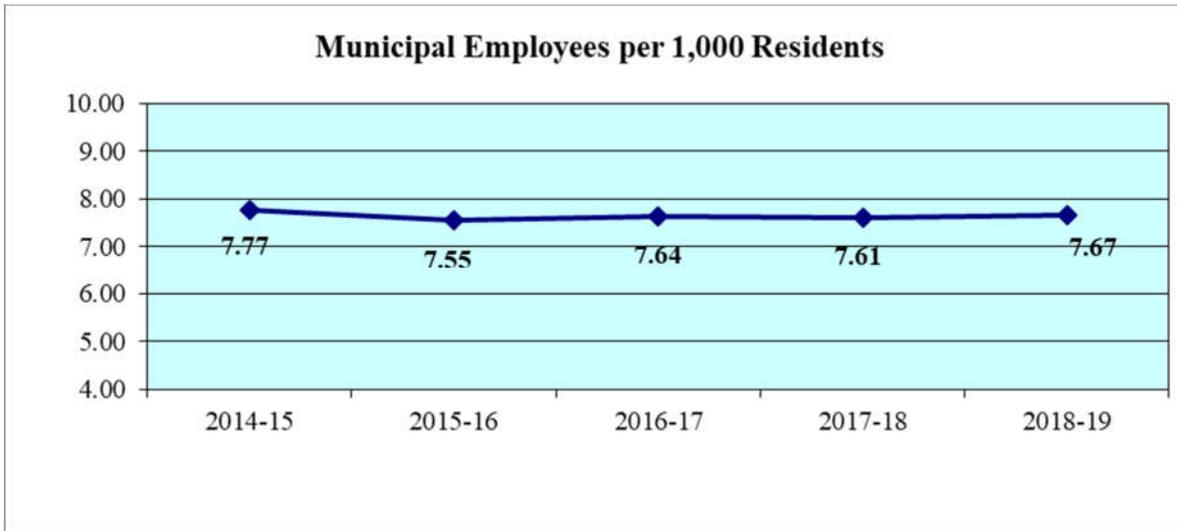
Description

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 FY14-15 to FY 18-19. 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



	2014-15	2015-16	2016-17	2017-18	2018-19
Population	20,337	20,984	20,867	21,099	21,314
Number of municipal employees approved	158	158.5	159.5	160.5	163.5

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 14-15 through FY 18-19 are based on the combination of population and personnel changes.

Work Force Totals - Permanent Full-time Equivalent

FY	Mayor & Board	Town Manager	Economic Development	Hsg & Comm	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
2020-21	0	3	1	2.5	1.5	8	3	2	42	37	14.5	40.5	13.5	168.5

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, another position was added in FY19, and 1.5 positions added in FY21.

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 Town Council 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.

FY20-21 – Convert Project Manager position (in Town Manager) to Housing & Community Service (HSC) Director. Move Mgmt Assistant (in Town Manager) and PSA2 (in Econ Dev) to HSC. Move Environmental Sustainability Coord (in Planning) to Town Manager. The Planner position in Planning is not funded for FY21. Add a Stormwater Administrator position and a half time Stormwater GIS Technician position to the Stormwater Utility Fund...listed under Public Works in the chart above.

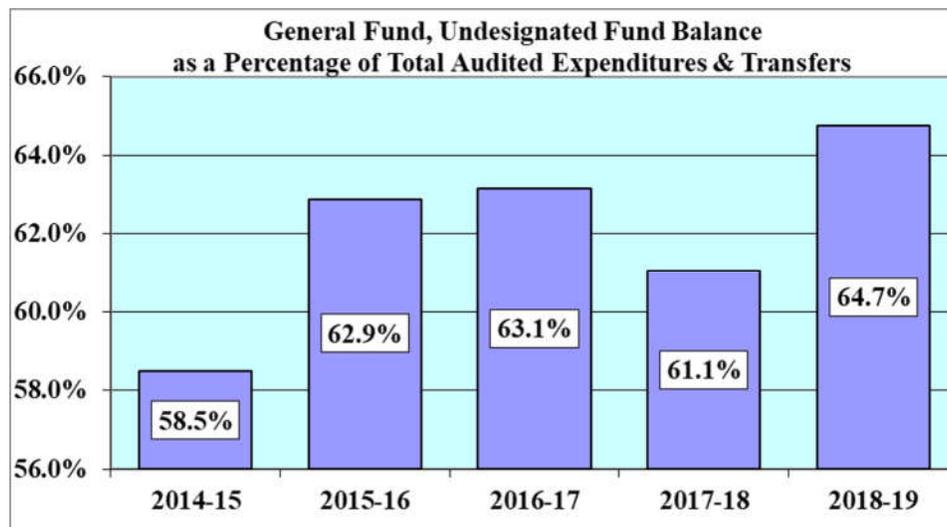
Operating Position Indicators

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 Town Council 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, 2018), unreserved fund balance that includes designated and undesignated reserves is at 60.64% 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 Town Council 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.

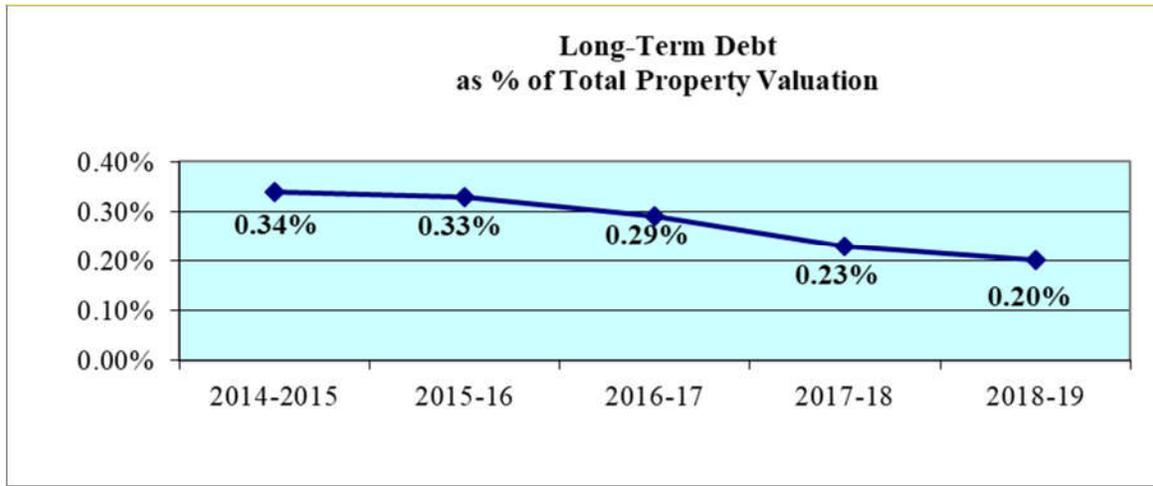
Town of Carrboro, North Carolina Computation of Legal Debt Margin June 30 ,2019	
Total assessed valuation at June 30, 2018	\$2,389,985,868
Debt limit – eight percent (8%) of assessed value	\$ 191,198,869
Amount of debt applicable to debt limit	
Net Bonded Debt	\$ 4,688,182
Legal Debt Margin	\$ 186,510,687

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, 2019 audited valuation is \$186,510,687.

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 4.0% of the total expenditures for the year ending June 30, 2019. The Five-Year Plan shows the percentage of debt service expenditures remaining at or below this level.

Long-Term Debt



	2014-2015	2015-16	2016-17	2017-18	2018-19
Long-Term Debt	\$7,248,164	\$6,971,705	\$6,274,461	\$5,512,730	\$4,688,182
Property Valuation	\$2,113,902,961	\$2,135,604,701	\$2,163,259,569	\$2,360,764,978	\$2,389,985,868

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.

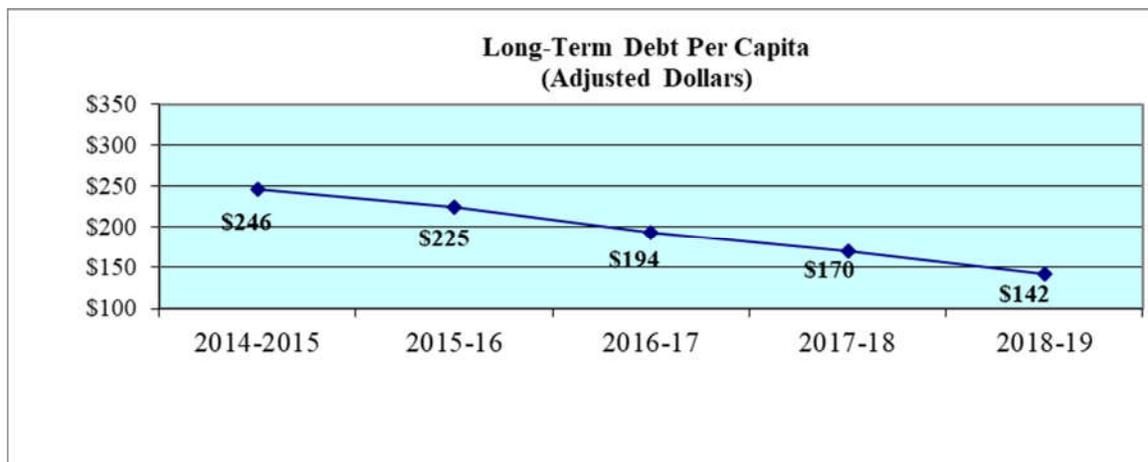
¹ “Evaluating Financial Condition, A Handbook for Local Government,” ICMA, Sanford M. Groves and Maureen Godsey Valente, pp 83

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 FY18-19 was .261 percent; a high level is considered 1.475 percent. The debt-to-assessed valuation ratio for Carrboro in the last audited year was .176 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.

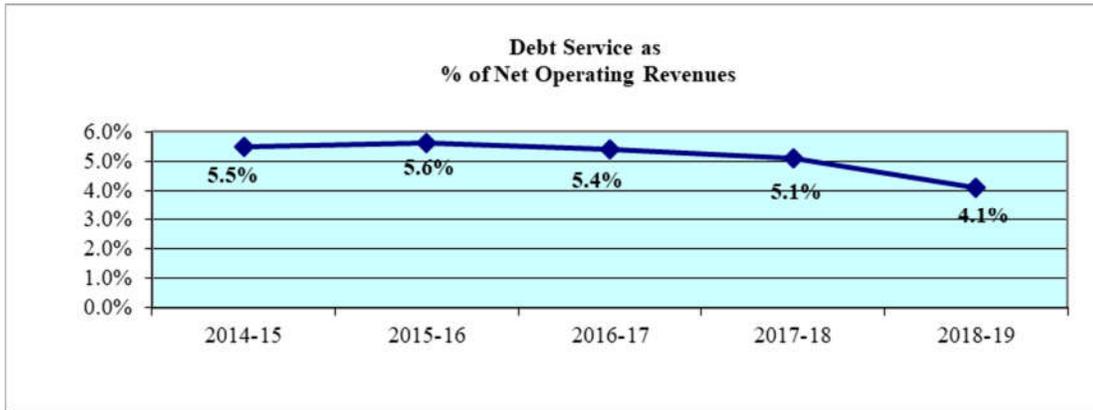
Debt per Capita



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 \$267 per capita; \$1,514 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 \$207 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 FY15-16 through FY18-19 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



	2014-15	2015-16	2016-17	2017-18	2018-19
Debt Service	\$1,148,954	\$1,164,298	\$1,136,832	\$1,140,714	\$951,169
Net Operating Revenue	\$20,938,539	\$20,705,996	\$21,008,891	\$22,558,145	\$23,415,184

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

Formula: Debt Service/Operating Revenue

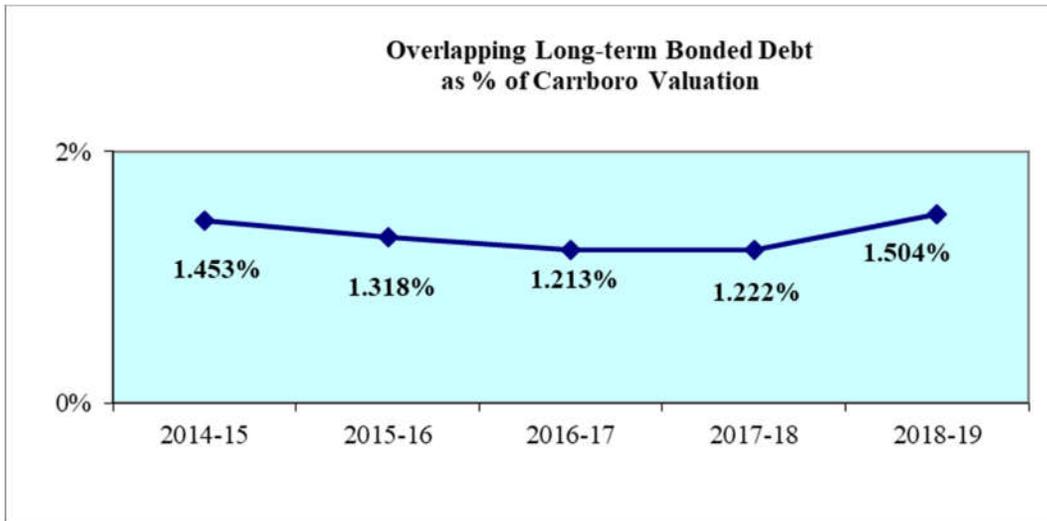
Description

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 4.1 percent of net operating revenues in FY18-19. 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



	2014-15	2015-16	2016-17	2017-18	2018-19
Carrboro Debt	\$4,100,000	\$3,850,000	\$3,600,000	\$3,350,000	\$3,100,000
Orange County Debt	\$26,617,234	\$24,286,596	\$22,637,920	\$25,505,518	\$32,835,150
Total Overlapping Debt	\$30,717,234	\$28,136,596	\$26,237,920	\$28,855,518	\$35,935,150

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 FY14-15 to FY16-17, the overlapping debt rate for Orange County has decreased. FY17-18 and FY18-19 are trending 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, 2019 the Town's unassigned fund balance as a percentage of total expenditures and net fund transfers was 64.7%. For the last nine years through FY 2018-19, the Town has been able to maintain service levels without a property tax increase for the General Fund.

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% annually. 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 75% of total revenues. Sales tax revenues had been rebounding the last five years, and were expected to grow at a modest 2%, however, the recent national health emergency and possibility of a recession may slow this revenue considerably. Fortunately, 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. The Town's unassigned fund balance exceeds this range, as noted earlier. 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, 2025.

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Fund	Adopted Budget	Recommended Budget	Projected			
Property Tax Revenues						
Property Valuation	2,269,860,965	2,274,811,835	2,320,308,072	2,366,714,233	2,414,048,518	2,462,329,488
Tax Collection Rate	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Collectible Tax Base	2,224,463,746	2,229,315,598	2,273,901,911	2,319,379,948	2,365,767,548	2,413,082,898
Tax Base per \$100 Levy	22,244,637	22,293,156	22,739,019	23,193,799	23,657,675	24,130,829
Ad Valorem Revenue	13,110,989	13,139,586	13,402,378	13,670,425	13,943,834	14,222,711
Tax Levy per Penny	222,446	222,932	227,390	231,938	236,577	241,308
Tax Rate	0.5894	0.5894	0.5894	0.5894	0.5894	0.5894
Current Levy - Ad Valorem	12,950,000	13,050,000	13,402,378	13,670,425	13,943,834	14,222,711
Prior Year Ad Valorem Tax	-	78,000	79,560	81,151	82,774	84,429
Penalty/Interest Revenue	28,367	28,500	29,070	29,651	30,244	30,849
Total Ad Valorem Revenues	12,978,367	13,156,500	13,511,008	13,781,227	14,056,852	14,337,989

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.

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Fund	Adopted Budget	Recommended Budget	Projected			
Revenues						
Ad Valorem Tax	12,978,367	13,156,500	13,419,630	13,688,023	13,961,783	14,241,019
Local Sales Tax	4,649,090	4,242,202	4,369,468	4,500,552	4,635,569	4,774,636
Other Taxes/Licenses	1,610,441	1,603,045	1,635,106	1,667,808	1,701,164	1,735,187
Unrestricted Intergovernmental	1,400,700	1,389,688	1,403,585	1,417,621	1,431,797	1,446,115
Restricted Intergovernmental	645,198	695,648	702,604	709,630	716,726	723,893
Fees and Permits	1,227,219	1,222,929	1,247,388	1,272,336	1,297,783	1,323,739
Sales and Services	273,050	131,250	133,875	136,553	139,284	142,070
Investment Earnings	150,000	140,000	141,400	142,814	144,242	145,684
Other Revenues	142,190	242,270	244,693	247,140	249,611	252,107
Other Financing Sources	-	-	-	-	-	-
Fund Balance Appropriated	1,500,753	2,239,574	3,442,862	4,062,797	4,789,615	5,251,531
General Fund Total Revenues	24,577,008	25,063,106	26,740,611	27,845,274	29,067,574	30,035,981

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 2019-20 the Town has 167 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.

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Fund	Adopted	Recommended	Projected			
<i>Expenditures</i>	Budget	Budget				
Salary and Wages	9,939,112	9,852,829	10,049,886	10,250,884	10,455,902	10,665,020
Fringe Benefits	4,691,362	5,112,742	5,624,016	6,186,418	6,805,060	7,485,566
Total Personnel Costs	14,630,474	14,965,571	15,673,902	16,437,302	17,260,962	18,150,586
Operating Costs:						
General Operating Costs	5,169,380	5,194,377	5,350,208	5,510,714	5,676,035	5,846,316
Human Services Grant	249,000	223,625	270,000	270,000	270,000	270,000
Carrboro Tourism Dev Authority	177,510	160,050	163,251	166,516	169,846	173,243
Landfill Fees	360,000	360,000	370,800	381,924	393,382	405,183
Transportation Costs	2,002,600	2,029,600	2,131,080	2,237,634	2,349,516	2,466,992
Debt Service	1,245,244	1,105,233	1,737,820	1,797,634	1,904,283	1,680,111
Transfer to Affordable Housing	52,000	112,500	-	-	-	-
Transfers to Other Funds	405,200	793,550	793,550	793,550	793,550	793,550
Total Operating Costs	9,660,934	9,978,935	10,816,709	11,157,972	11,556,612	11,635,395
Capital Outlay	285,600	118,600	250,000	250,000	250,000	250,000
Total Expenditures	24,577,008	25,063,106	26,740,611	27,845,274	29,067,574	30,035,981

The expenditure assumptions are:

Salary and Wages	<i>2% per year & maintain current 168.5 FTEs after FY21</i>
Fringe Benefits	<i>10% increase per year</i>
General Operating Costs	<i>3% per year</i>
Human Services	<i>0% per year</i>
Other Governance Support	<i>2% per year</i>
Landfill Fees	<i>3% per year</i>
Transportation Costs	<i>5% per year</i>
Debt Service	<i>Based on Debt Service projections-see following pages</i>
Transfer to Affordable Hsg	<i>Amount needed to balance the AH Fund</i>
Transfers To Other Funds	<i>Level funding transfer to Capital Projects Fund for street re-surfacing and</i>

Affordable Housing Fund

Below is a summary of projected property tax rates, revenue sources and expenditures through fiscal year ending June 30, 2025.

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Affordable Housing Fund	Adopted Budget	Recommended Budget	Projected			
Property Tax Revenues						
Property Valuation	2,269,860,965	2,274,811,835	2,320,308,072	2,366,714,233	2,414,048,518	2,462,329,488
Tax Collection Rate	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Collectible Tax Base	2,224,463,746	2,229,315,598	2,273,901,911	2,319,379,948	2,365,767,548	2,413,082,898
Tax Base per \$100 Levy	22,244,637	22,293,156	22,739,019	23,193,799	23,657,675	24,130,829
Ad Valorem Revenue	222,446	222,932	341,085	347,907	354,865	361,962
Tax Levy per Penny	222,446	222,932	227,390	231,938	236,577	241,308
Tax Rate	0.0100	0.0100	0.0150	0.0150	0.0150	0.0150
Current Levy - Ad Valorem	225,000	223,500	341,085	347,907	354,865	361,962
Prior Year Ad Valorem Tax	-	900	909	918	927	936
Penalty/Interest Revenue	-	300	303	306	309	312
Investment Earnings	1,500	800	804	808	812	816
Total Ad Valorem Revenues	226,500	225,500	343,101	349,939	356,913	364,026
Transfer from General Fund	52,000	112,500	-	-	-	-
Total Operating Costs	358,500	338,000	343,101	349,939	356,913	364,026

The above chart uses the below assumptions:

Ad Valorem Tax Base 2% per year thereafter

Capital Investments

The Town Council 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 2020-21 through FY 2024-25

	Previous Appropriations	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY21-FY25 Total	Project Total
Expenses								
Planning/Design	2,801,635	740,262	748,000	1,443,200	559,520	146,240	3,637,222	6,438,857
Construction	21,995,253	1,773,250	1,943,000	3,149,800	8,732,480	8,857,760	24,456,290	46,451,543
Land/ROW	746,480	400,000	93,363	52,000	10,000	-	555,363	1,301,843
Equipment/Furnishings	1,404,738	1,099,000	476,500	639,400	601,500	525,000	3,341,400	4,746,138
Total Expenditures	\$ 26,948,106	\$4,012,512	\$3,260,863	\$5,284,400	\$ 9,903,500	\$ 9,529,000	\$31,990,275	\$58,938,381
Appropriations								
Intergovernmental Funds	9,385,726	1,226,500	785,200	1,296,000	7,071,200	1,350,400	11,729,300	21,115,026
General Fund	5,135,515	400,000	200,000	200,000	200,000	200,000	1,200,000	6,335,515
Capital Project Fund	143,823	1,071,050	1,642,600	2,239,400	1,565,800	1,013,600	7,532,450	7,676,273
Storm Water Fund	100,000	228,700	100,000	390,000	215,000	440,000	1,373,700	1,473,700
GO Bonds	1,341,051	25,000	-	-	-	-	25,000	1,366,051
Installment Financing	10,089,814	921,000	476,500	989,400	851,500	6,525,000	9,763,400	19,853,214
Other *	752,177	140,262	56,563	169,600	-	-	366,425	1,118,602
Total Funding	\$ 26,948,106	\$4,012,512	\$3,260,863	\$5,284,400	\$ 9,903,500	\$ 9,529,000	\$31,990,275	\$58,938,381
* Includes Orange Cnty Transit Fnds of:	752,177	140,262	56,563	169,600			366,425	1,118,602

The Capital Improvements Plan (CIP) for FY 2020-21 through FY 2024-25 includes a number of new projects related to facility improvements and stormwater retrofits. The Town currently has 20 capital projects underway totaling \$39.8 million. The largest project is the 203 S. Greensboro Street project at \$26.4 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 \$13.8 million and the Town anticipates debt financing of \$7.0 million along with cash outlay of \$5.6 million. Over the next five years, the Town will need funds to undertake the following projects;

- Street Re-surfacing: \$3.0 million;
- Vehicles and Equipment: \$3.0 million;
- Town Facility Improvements: \$17.3 million;
- Stormwater improvements: \$1.6 million;
- Infrastructure Projects (e.g., sidewalks, bike ways, etc.): \$6.1 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 2024-25.

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<i>Debt Service</i>	Adopted Budget	Recommended Budget	Projected			
Sidewalk & Greenways GO Bonds	322,136	317,500	312,500	307,500	302,500	296,875
Fire Substation	251,740	240,517	234,905	229,293	223,682	109,736
Vehicle and Equipment	671,368	547,216	288,315	231,041	224,501	
Current Debt Service	1,245,244	1,105,233	835,720	767,834	750,683	406,611
Future Vehicle & Equipment Debt			275,600	417,300	555,100	689,000
Future Long-Term Debt Service:						
203 S Greensboro Development			626,500	612,500	598,500	584,500
Total Current & Future Debt	1,245,244	1,105,233	1,737,820	1,797,634	1,904,283	1,680,111

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LINE-ITEM BUDGET DETAIL...

<i>Department Summary for the:</i>				
<i>Mayor and Board of Aldermen</i>				
		FY 2019-20	FY 2020-21	FY20 to FY21
	FY 2018-19	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
PART TIME SALARIES	77,655	77,524	80,531	3.88%
FICA	5,909	5,957	6,189	3.89%
INSURANCE	29,953	29,955	21,284	-28.95%
TRAINING	1,699	3,500	3,500	0.00%
LEGAL SERVICES	206,623	200,000	200,000	0.00%
CONFERENCES	6,225	4,025	-	-100.00%
POSTAGE	9	300	300	0.00%
TRAVEL	8,268	7,000	-	-100.00%
PRINTING	-	500	-	-100.00%
OFFICE SUPPLIES	425	500	500	0.00%
DEPARTMENTAL SUPPLIES	3,832	2,000	2,000	0.00%
CONTRACTUAL SERVICES	12,521	12,000	12,000	0.00%
TRIANGLE J COG *	-	-	9,000	#DIV/0!
NC LEAGUE OF MUNICIPALITIES *	-	-	18,000	#DIV/0!
COMMUNITY DINNER *	-	-	1,000	#DIV/0!
METROPOLITAN COALITION *	-	-	8,009	#DIV/0!
COMMUNITY ENGAGEMENT	-	-	7,500	#DIV/0!
CRIMINAL JUSTICE DEBT	-	-	7,500	#DIV/0!
ELECTIONS	-	15,000	-	-100.00%
DUES AND SUBSCRIPTION	4,601	3,000	4,000	33.33%
CONTINGENCY	-	10,000	10,000	0.00%
Totals	\$ 357,720	\$ 371,261	\$ 391,313	5.40%
<i>* Expense was budgeted in Governmental Support in previous years.</i>				

<i>Department Summary for the:</i>				
<i>Advisory Boards</i>				
		FY 2019-20	FY 2020-21	FY20 to FY21
	FY 2018-19	Adopted	Adopted	Percent
Account Description	Actuals	Budget	Budget	Change
CONTRACTUAL SERVICES	1,978	5,000	5,000	0.00%
APPEARANCE COMMITTEE	-	200	200	0.00%
PLANNING BOARD	149	500	500	0.00%
BOARD OF ADJUSTMENT	79	500	500	0.00%
PARKS & RECREATION COMMISSION	-	-	2,400	#DIV/0!
TRANSPORTATION ADVISORY BOARD	-	500	500	0.00%
HUMAN SERVICES COMMISSION	300	300	500	66.67%
NORTHERN AREA TRANSITION ADV	-	200	200	0.00%
APPRECIATION EVENTS	3,576	-	4,000	#DIV/0!
ECONOMIC SUSTAINABILITY COMMIS	232	500	500	0.00%
GREENWAY COMMISSION	-	500	500	0.00%
SAFE ROUTES TO SCHOOL	-	250	-	-100.00%
ART COMMITTEE	7,102	21,000	21,000	0.00%
ENVIRONMENTAL ADVISORY BOARD	329	500	500	0.00%
YOUTH ADVISORY BOARD	217	-	500	#DIV/0!
Totals	\$ 13,962	\$ 29,950	\$ 36,800	22.87%

<i>Department Summary for the:</i>				
<i>Governmental Support</i>				
		FY 2019-20	FY 2020-21	FY20 to FY21
	FY 2018-19	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
TRIANGLE J COG	\$ 8,008	\$ 9,000	\$ -	-100.00%
NC LEAGUE OF MUNICIPALITIES	17,917	18,000	-	-100.00%
INSTITUTE OF GOVERNMENT	2,593	2,593	-	-100.00%
ART CENTER	20,000	20,000	-	-100.00%
HUMAN SERVICES GRANTS	260,500	249,000	-	-100.00%
COMMUNITY DINNER	1,000	1,000	-	-100.00%
LIBRARY PROJECT	4,000	4,000	-	-100.00%
SOCIAL EQUITY & INCLUSION INIT	-	20,000	-	-100.00%
THE PEOPLES CHANNEL	26,893	27,297	-	-100.00%
METROPOLITAN COALITION	8,169	8,009	-	-100.00%
COMMUNITY OUTREACH	42,970	42,970	-	-100.00%
ALLIANCE FOR INNOVATION	1,860	1,860	-	-100.00%
CARRBORO TOURISM DEV AUTHORITY	184,647	177,510	-	-100.00%
ROGERS ROAD INTERLOCAL	67,978	66,728	-	-100.00%
FOOD COUNCIL	-	8,750	-	-100.00%
UNC GOOD NEIGHBOR PROGRAM	-	335	-	-100.00%
NON PROFIT CAPITAL CAMPAIGN	88,642	-	-	#DIV/0!
Totals	\$ 735,177	\$ 657,052	\$ -	-100.00%
<i>* In FY21, this department was inactivated and the various expenses distributed to other departments.</i>				

<i>Department Summary for the:</i>				
<i>Town Manager</i>				
		FY 2019-20	FY 2020-21	FY20 to FY21
	FY 2018-19	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	316,870	324,183	225,451	-30.46%
SERVICE BENEFIT	868	868	868	0.00%
TEMP. SALARY	7,658	7,000	7,000	0.00%
FICA	22,176	23,852	16,191	-32.12%
INSURANCE	58,167	57,230	27,802	-51.42%
RETIREMENT	25,389	29,233	23,085	-21.03%
SUPPLMENTAL RETIREMENT	9,723	9,733	6,794	-30.20%
CAR ALLOWANCE	6,000	6,000	6,000	0.00%
TRAINING	1,590	3,625	-	-100.00%
CONFERENCES	3,489	5,740	-	-100.00%
POSTAGE	13	100	50	-50.00%
TELEPHONE	799	1,000	1,000	0.00%
TRAVEL	3,941	5,070	-	-100.00%
PRINTING	236	2,500	1,500	-40.00%
ADVERTISING	2,869	20,700	4,500	-78.26%
OFFICE SUPPLIES	973	600	300	-50.00%
DEPARTMENTAL SUPPLIES	1,783	1,200	2,100	75.00%
FURNITURE & EQUIPMENT NON-CAP	2,926	4,000	3,000	-25.00%
CONTRACTUAL SERVICES	18,137	21,075	22,500	6.76%
INSTITUTE OF GOVERNMENT *	-	-	2,593	#DIV/0!
DUES AND SUBSCRIPTION	3,486	4,205	4,205	0.00%
MISCELLANEOUS	7,415	30,000	30,000	0.00%
EQUIPMENT	8,217	5,000	-	-100.00%
Totals	\$ 502,725	\$ 562,914	\$ 384,939	-31.62%
* Expense was budgeted in Governmental Support in previous years.				

<i>Department Summary for the:</i>				
<i>Climate Action</i>				
		FY 2019-20	FY 2020-21	FY20 to FY21
	FY 2018-19	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	\$ -	\$ -	\$ 53,506	#DIV/0!
TEMP. SALARY	-	-	6,000	#DIV/0!
FICA	-	-	4,558	#DIV/0!
INSURANCE	-	-	17,111	#DIV/0!
RETIREMENT	-	-	5,458	#DIV/0!
SUPPLMENTAL RETIREMENT	-	-	1,607	#DIV/0!
POSTAGE	-	-	1,600	#DIV/0!
PRINTING	-	-	600	#DIV/0!
ADVERTISING	-	-	3,000	#DIV/0!
OFFICE SUPPLIES	-	-	344	#DIV/0!
DEPARTMENTAL SUPPLIES	-	-	5,157	#DIV/0!
CONTRACTUAL SERVICES	-	-	4,800	#DIV/0!
DUES AND SUBSCRIPTION	-	-	850	#DIV/0!
GRASSROOTS PARTNERSHIPS INIT	-	-	25,000	#DIV/0!
Totals	\$ -	\$ -	\$ 129,591	#DIV/0!

<i>Department Summary for the:</i>				
<i>Economic Development</i>				
		FY 2019-20	FY 2020-21	FY20 to FY21
	FY 2018-19	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	\$ 90,852	\$ 90,743	\$ 94,349	3.97%
SERVICE BENEFIT	248	248	248	0.00%
PART TIME SALARIES	20,049	20,028	-	-100.00%
FICA	8,409	8,505	7,242	-14.85%
INSURANCE	10,067	10,015	10,691	6.75%
RETIREMENT	8,720	9,808	9,588	-2.24%
SUPPLMENTAL RETIREMENT	2,737	2,712	2,822	4.06%
CONFERENCES	419	1,600	-	-100.00%
POSTAGE	110	600	600	0.00%
TRAVEL	1,695	200	-	-100.00%
PRINTING	99	600	600	0.00%
ADVERTISING	345	1,500	1,500	0.00%
OFFICE SUPPLIES	299	600	300	-50.00%
DEPARTMENTAL SUPPLIES	463	1,000	500	-50.00%
CONTRACTUAL SERVICES	73,678	37,700	-	-100.00%
HOLIDAY EVENT	1,459	1,500	1,500	0.00%
CD & MEMORABILIA SHOW	2,654	2,800	-	-100.00%
LOCAL LIVING ECONOM INITIATIVE	4,650	6,000	4,000	-33.33%
ENTREPRENEURIAL INITIATIVE	4,000	4,000	4,000	0.00%
MEMBER SCHOLARSHIPS - CBA	-	-	2,000	#DIV/0!
ECONOMIC DEVELOPMENT INCENTIVE	5,464	5,712	5,970	4.52%
CARRBORO TOURISM DEV AUTHORITY *	-	-	160,050	#DIV/0!
300 E MAIN PARKING	45,000	45,000	-	-100.00%
DUES AND SUBSCRIPTION	997	500	500	0.00%
FOOD COUNCIL *	-	-	8,750	#DIV/0!
Totals	\$ 282,414	\$ 251,371	\$ 315,210	25.40%

* Expense was budgeted in Governmental Support in previous years.

<i>Department Summary for the:</i>				
<i>Housing & Community Services</i>				
		FY 2019-20	FY 2020-21	FY20 to FY21
	FY 2018-19	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	\$ -	\$ -	\$ 122,770	#DIV/0!
PART TIME SALARIES	-	-	20,767	#DIV/0!
FICA	-	-	10,998	#DIV/0!
INSURANCE	-	-	33,238	#DIV/0!
RETIREMENT	-	-	14,421	#DIV/0!
SUPPLMENTAL RETIREMENT	-	-	3,670	#DIV/0!
POSTAGE	-	-	100	#DIV/0!
PRINTING	-	-	1,000	#DIV/0!
ADVERTISING	-	-	500	#DIV/0!
OFFICE SUPPLIES	-	-	600	#DIV/0!
DEPARTMENTAL SUPPLIES	-	-	1,500	#DIV/0!
FURNITURE & EQUIPMENT NON-CAP	-	-	2,000	#DIV/0!
CONTRACTUAL SERVICES	-	-	5,000	#DIV/0!
HUMAN SERVICES GRANTS *^	-	-	267,625	#DIV/0!
COMMUNITY OUTREACH *	-	-	42,970	#DIV/0!
DUES AND SUBSCRIPTION	-	-	650	#DIV/0!
DACA *	-	-	10,000	#DIV/0!
UNC GOOD NEIGHBOR PROGRAM *	-	-	335	#DIV/0!
Totals	\$ -	\$ -	\$ 538,144	#DIV/0!
* Expense was budgeted in Governmental Support in previous years.				
^ The FY21 budget was reduced from \$274K due to early disbursements of various grants in May 2020 due to COVID-19.				

<i>Department Summary for the:</i>				
<i>Town Clerk</i>				
		FY 2019-20	FY 2020-21	FY20 to FY21
	FY 2018-19	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	\$ 67,627	\$ 67,546	\$ 70,224	3.96%
SERVICE BENEFIT	248	248	456	83.87%
PART TIME SALARIES	23,774	29,668	31,392	5.81%
FICA	6,173	7,467	7,814	4.65%
INSURANCE	14,584	14,374	15,207	5.80%
UNEMPLOYMENT INSURANCE	3,192	-	-	#DIV/0!
RETIREMENT	7,203	8,586	10,129	17.97%
SUPPLMENTAL RETIREMENT	2,039	2,016	2,105	4.41%
TRAINING	109	1,200	-	-100.00%
CONFERENCES	1,343	1,300	-	-100.00%
POSTAGE	20	250	25	-90.00%
TRAVEL	604	900	200	-77.78%
PRINTING	-	500	500	0.00%
ADVERTISING	8,787	9,500	10,000	5.26%
OFFICE SUPPLIES	102	750	750	0.00%
DEPARTMENTAL SUPPLIES	1,216	1,300	1,275	-1.92%
CONTRACTUAL SERVICES	22,428	3,120	3,120	0.00%
DUES AND SUBSCRIPTION	683	550	750	36.36%
CARRBORO CITIZENS ACADEMY	2,103	1,700	2,200	29.41%
Totals	\$ 162,235	\$ 150,975	\$ 156,147	3.43%

<i>Department Summary for the:</i>				
<i>Finance Department</i>				
		FY 2019-20	FY 2020-21	FY20 to FY21
	FY 2018-19	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	\$ 458,530	\$ 508,702	\$ 531,553	4.49%
SERVICE BENEFIT	1,403	1,403	1,611	14.83%
FICA	32,748	39,069	41,287	5.68%
INSURANCE	97,028	107,564	119,256	10.87%
UNEMPLOYMENT INSURANCE	2,610	4,000	4,000	0.00%
UNEMPLOYMENT INS RESERVE	(39,471)	-	-	#DIV/0!
RETIREMENT	36,090	45,422	54,383	19.73%
SUPPLMENTAL RETIREMENT	13,826	15,124	16,012	5.87%
CAR ALLOWANCE	-	-	6,000	#DIV/0!
TRAINING	2,580	1,000	-	-100.00%
CONFERENCES	2,209	5,825	-	-100.00%
POSTAGE	3,319	3,000	3,000	0.00%
RISK MANAGEMENT/SAFETY	70,294	-	-	#DIV/0!
TRAVEL	1,349	500	-	-100.00%
RENT	5,423	1,960	15,480	689.80%
PRINTING	7,063	5,930	6,804	14.74%
ADVERTISING	425	1,000	1,000	0.00%
OFFICE SUPPLIES	3,182	1,900	2,350	23.68%
DEPARTMENTAL SUPPLIES	4,078	2,000	2,750	37.50%
FURNITURE & EQUIPMENT NON-CAP	7,503	-	2,000	#DIV/0!
CONTRACTUAL SERVICES	143,639	153,500	141,750	-7.65%
BANK SERVICE CHARGES	9,636	8,500	8,500	0.00%
DUES AND SUBSCRIPTION	2,055	2,455	3,394	38.25%
GENERAL INSURANCE	334,011	310,000	305,000	-1.61%
PUBLIC OFFICIALS LIABILITY INS	-	30,000	12,500	-58.33%
Totals	\$ 1,199,530	\$ 1,248,854	\$ 1,278,630	2.38%

<i>Department Summary for the:</i>				
<i>Human Resources Department</i>				
		FY 2019-20	FY 2020-21	FY20 to FY21
	FY 2018-19	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	\$ 120,598	\$ 132,682	\$ 137,965	3.98%
SERVICE BENEFIT	-	248	248	0.00%
TEMP. SALARY	2,373	5,000	3,000	-40.00%
FICA	8,341	10,563	10,815	2.39%
INSURANCE	31,206	35,410	37,754	6.62%
RETIREE INSURANCE	297,344	315,000	330,000	4.76%
RETIREE INSURANCE STIPEND	4,236	4,236	4,236	0.00%
LONG TERM DISABILITY	-	-	36,000	#DIV/0!
RETIREMENT	9,463	11,923	14,037	17.73%
SUPPLMENTAL RETIREMENT	3,624	3,970	4,132	4.08%
TRAINING	1,378	2,000	-	-100.00%
EMPLOYEE TUITION ASSISTANCE	-	-	3,000	#DIV/0!
ORGANIZATIONAL DEVELOPMENT	3,156	10,000	5,000	-50.00%
CONFERENCES	2,353	2,500	-	-100.00%
POSTAGE	51	300	300	0.00%
GOVT ADVANCED RACIAL EQUITY	-	25,000	-	-100.00%
MENTAL HEALTH TRAINING	-	1,000	-	-100.00%
TRAVEL	235	1,000	500	-50.00%
PRINTING	-	300	300	0.00%
ADVERTISING	-	1,000	1,000	0.00%
OFFICE SUPPLIES	465	500	500	0.00%
DEPARTMENTAL SUPPLIES	389	1,500	1,500	0.00%
CONTRACTUAL SERVICES	74,764	40,000	16,500	-58.75%
GO PASSES - TRIANGLE TRANSIT	-	1,000	750	-25.00%
DUES AND SUBSCRIPTION	597	620	620	0.00%
EMPLOYEE WELLNESS PROGRAM	1,947	5,000	24,750	395.00%
APPRECIATION EVENTS	13,676	15,000	15,000	0.00%
Totals	\$ 576,196	\$ 625,752	\$ 647,907	3.54%

<i>Department Summary for the:</i>				
<i>Technology Services Department</i>				
		FY 2019-20	FY 2020-21	FY20 to FY21
	FY 2018-19	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	\$ 232,304	\$ 232,027	\$ 241,308	4.00%
SERVICE BENEFIT	1,983	2,192	2,192	0.00%
FICA	16,987	17,934	18,645	3.96%
INSURANCE	40,528	40,319	43,009	6.67%
RETIREMENT	18,374	21,103	24,837	17.69%
SUPPLMENTAL RETIREMENT	7,039	7,027	7,312	4.06%
TRAINING	4,206	7,500	-	-100.00%
CONFERENCES	200	2,800	-	-100.00%
TELEPHONE	71,680	105,900	118,200	11.61%
TRAVEL	1,003	1,000	-	-100.00%
M & R EQUIPMENT	80,774	72,500	77,500	6.90%
MOTOR VEHICLE REPAIR	45	350	350	0.00%
FUEL	98	400	400	0.00%
OFFICE SUPPLIES	843	1,500	1,500	0.00%
DEPARTMENTAL SUPPLIES	44,373	33,000	25,000	-24.24%
COMPUTER & PERIPHERALS	221,599	279,800	286,000	2.22%
FURNITURE & EQUIPMENT NON-CAP	7,404	-	-	#DIV/0!
CONTRACTUAL SERVICES	777,332	791,325	875,000	10.57%
THE PEOPLES CHANNEL *	-	-	27,297	#DIV/0!
HUMAN RESOURCES MGMT INFO SYS	13,050	-	-	#DIV/0!
DUES AND SUBSCRIPTION	7,689	4,100	-	-100.00%
EQUIPMENT	36,749	118,000	-	-100.00%
Totals	\$ 1,584,260	\$ 1,738,777	\$ 1,748,550	0.56%
<i>* Expense was budgeted in Governmental Support in previous years.</i>				

<i>Department Summary for the:</i>				
<i>Police Department</i>				
		FY 2019-20	FY 2020-21	FY20 to FY21
	FY 2018-19	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	2,079,118	2,203,329	2,316,189	5.12%
OVERTIME	39,249	44,625	50,000	12.04%
SERVICE BENEFIT	12,354	13,385	12,354	-7.70%
WORKERS COMPENSATION	376	4,000	6,000	50.00%
POLICE OFFICERS AGILITY TEST	12,000	19,000	19,500	2.63%
TEMP. SALARY	9,645	-	-	#DIV/0!
FICA	169,861	187,093	193,672	3.52%
INSURANCE	468,285	514,033	597,502	16.24%
RETIREMENT	182,383	219,059	257,456	17.53%
SUPLMENTAL RETIREMENT	105,136	112,918	118,894	5.29%
EARLY SEPARATION ALLOWANCE	165,820	162,788	130,838	-19.63%
TRAINING	32,560	38,607	30,000	-22.29%
CONFERENCES	7,656	8,600	3,400	-60.47%
POSTAGE	812	650	650	0.00%
TELEPHONE	14,132	17,120	17,120	0.00%
M & R EQUIPMENT	9,742	13,940	13,940	0.00%
MOTOR VEHICLE REPAIR	29,699	54,885	54,885	0.00%
RENT	7,152	10,000	10,000	0.00%
PRINTING	227	1,140	1,140	0.00%
FUEL	54,097	59,298	59,298	0.00%
OFFICE SUPPLIES	2,657	4,850	4,850	0.00%
CANINE SUPPLIES	3,700	4,500	3,000	-33.33%
DEPARTMENTAL SUPPLIES	34,118	39,461	39,461	0.00%
VEHICLE SUPPLIES	7,984	8,477	8,477	0.00%
FURNITURE & EQUIPMENT NON-CAP	15,876	6,000	7,000	16.67%
UNIFORMS	52,333	46,933	50,000	6.53%
STATE SEIZURE EXPENSES	1,008	-	5,000	#DIV/0!
COFFEE WITH A COP	2,864	4,000	3,000	-25.00%
CONTRACTUAL SERVICES	131,508	122,701	166,554	35.74%
DUES AND SUBSCRIPTION	3,692	4,816	4,816	0.00%
PRECIOUS METAL BUSSINESS	-	200	200	0.00%
MISCELLANEOUS	5,500	5,500	5,500	0.00%
MEDICAL EXAMS	600	-	-	#DIV/0!
Totals	\$ 3,662,144	\$ 3,931,908	\$ 4,190,696	6.58%

<i>Department Summary for the:</i>				
<i>Fire and Rescue Department</i>				
		FY 2019-20	FY 2020-21	FY20 to FY21
	FY 2018-19	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	\$ 1,776,885	\$ 1,820,040	\$ 1,854,164	1.87%
OVERTIME	48,708	38,800	40,000	3.09%
SERVICE BENEFIT	12,731	13,683	11,819	-13.62%
WORKERS COMPENSATION	1,102	-	-	#DIV/0!
SHIFT WAGES - FIRE DEPT	124,200	106,500	110,000	3.29%
FICA	143,405	151,596	154,433	1.87%
INSURANCE	439,124	462,835	500,219	8.08%
RETIREMENT	153,778	178,310	205,632	15.32%
SUPPLMENTAL RETIREMENT	58,926	59,373	60,562	2.00%
FIREFIGHTERS PENSION	3,062	3,240	3,240	0.00%
TRAINING	18,017	15,000	5,000	-66.67%
EMPLOYEE TUITION ASSISTANCE	-	700	700	0.00%
CONFERENCES	3,162	3,500	1,700	-51.43%
POSTAGE	338	200	200	0.00%
TELEPHONE	4,067	5,054	5,054	0.00%
TRAVEL	5	-	-	#DIV/0!
M & R EQUIPMENT	16,804	36,234	35,000	-3.41%
MOTOR VEHICLE REPAIR	48,202	35,000	36,500	4.29%
FUEL	20,379	20,660	20,910	1.21%
OFFICE SUPPLIES	998	1,500	1,500	0.00%
DEPARTMENTAL SUPPLIES	28,313	40,362	40,000	-0.90%
VEHICLE SUPPLIES	311	-	-	#DIV/0!
FURNITURE & EQUIPMENT NON-CAP	481	-	-	#DIV/0!
MEDICAL SUPPLIES	9,052	10,000	10,000	0.00%
UNIFORMS	40,043	46,260	46,260	0.00%
CONTRACTUAL SERVICES	18,258	22,126	26,626	20.34%
DUES AND SUBSCRIPTION	4,163	3,620	3,620	0.00%
MEDICAL EXAMS	10,000	10,000	10,000	0.00%
PROGRAM INSURANCE	2,697	3,044	3,044	0.00%
EQUIPMENT	27,871	-	-	#DIV/0!
VEHICLES	47,709	-	-	#DIV/0!
Totals	\$ 3,062,791	\$ 3,087,637	\$ 3,186,183	3.19%

<i>Department Summary for the:</i>				
<i>Planning Department</i>				
		FY 2019-20	FY 2020-21	FY20 to FY21
	FY 2018-19	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	\$ 808,696	\$ 972,498	\$ 886,710	-8.82%
SERVICE BENEFIT	4,659	4,868	5,495	12.88%
PART TIME SALARIES	22,798	27,349	28,280	3.40%
TEMP. SALARY	3,450	4,500	4,500	0.00%
FICA	60,255	76,969	70,830	-7.98%
INSURANCE	173,318	225,599	199,955	-11.37%
RETIREMENT	65,574	90,158	93,476	3.68%
SUPPLMENTAL RETIREMENT	24,414	30,021	27,521	-8.33%
PERSONNEL COST - OTHER DEPTS	(5,062)	-	(6,950)	#DIV/0!
TRAINING	1,615	8,120	6,500	-19.95%
CONFERENCES	3,998	5,450	-	-100.00%
POSTAGE	1,660	1,350	2,100	55.56%
TELEPHONE	1,818	1,800	1,800	0.00%
TRAVEL	450	350	475	35.71%
M & R EQUIPMENT	-	500	500	0.00%
MOTOR VEHICLE REPAIR	1,049	1,450	950	-34.48%
RENT	2,126	5,500	-	-100.00%
PRINTING	2,912	3,400	2,700	-20.59%
ADVERTISING	5,344	3,300	3,300	0.00%
FUEL	1,270	2,095	1,995	-4.77%
OFFICE SUPPLIES	1,809	1,700	1,550	-8.82%
DEPARTMENTAL SUPPLIES	4,176	4,300	3,800	-11.63%
FURNITURE & EQUIPMENT NON-CAP	-	2,500	6,750	170.00%
UNIFORMS	65	1,200	1,100	-8.33%
CONTRACTUAL SERVICES	31,474	45,050	32,550	-27.75%
ENGINEERING SERVICES	71,992	93,000	86,500	-6.99%
BICYCLE FRIENDLY COMMUNITY	24,656	5,000	30,000	500.00%
ENERGY & CLIMATE ACTION PLAN	2,014	-	-	#DIV/0!
ROGERS ROAD INTERLOCAL *	-	-	66,728	#DIV/0!
DUES AND SUBSCRIPTION	3,349	3,870	4,470	15.50%
BICYCLE & PED MINOR IMPV PROJ	-	3,000	-	-100.00%
GRASSROOTS PARTNERSHIPS INIT	11,561	25,000	-	-100.00%
Totals	\$ 1,331,440	\$ 1,649,897	\$ 1,563,585	-5.23%
<i>* Expense was budgeted in Governmental Support in previous years.</i>				

<i>Department Summary for the:</i>				
<i>Transportation</i>				
		FY 2019-20	FY 2020-21	FY20 to FY21
	FY 2018-19	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
CONTRACTUAL SERVICES	\$ 1,808,940	\$ 1,919,000	\$ 1,946,000	1.41%
VEHICLES	-	83,600	83,600	0.00%
Totals	\$ 1,808,940	\$ 2,002,600	\$ 2,029,600	1.35%

<i>Department Summary for the:</i>				
<i>Public Works Department</i>				
		FY 2019-20	FY 2020-21	FY20 to FY21
	FY 2018-19	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	\$ 1,448,985	\$ 1,624,363	\$ 1,699,824	4.65%
OVERTIME	21,132	19,250	20,750	7.79%
SERVICE BENEFIT	7,819	8,067	8,478	5.09%
WORKERS COMPENSATION	645	-	3,000	#DIV/0!
FICA	108,045	126,752	132,806	4.78%
INSURANCE	378,643	481,133	513,059	6.64%
RETIREMENT	116,264	148,654	175,812	18.27%
SUPPLMENTAL RETIREMENT	44,525	49,499	51,779	4.61%
PERSONNEL COST - OTHER DEPTS	(24,536)	(12,500)	(25,834)	106.67%
TRAINING	3,676	11,900	-	-100.00%
COMMERCIAL DRIVERS LICENSE	255	725	825	13.79%
PROFESSIONAL SERVICES	420	-	40,000	#DIV/0!
CONFERENCES	-	2,000	4,250	112.50%
POSTAGE	16	200	200	0.00%
TELEPHONE	6,608	7,500	3,000	-60.00%
TRAVEL	687	300	300	0.00%
M & R EQUIPMENT	19,774	30,600	29,800	-2.61%
M AND R BUILDINGS	128,314	112,000	115,000	2.68%
M & R PARKS	975	1,000	10,000	900.00%
M & R GROUNDS	710	1,200	1,000	-16.67%
MOTOR VEHICLE REPAIR	208,242	122,700	138,700	13.04%
RENT	2,179	8,000	1,500	-81.25%
PRINTING	209	750	750	0.00%
ADVERTISING	375	500	500	0.00%
UTILITIES	276,895	294,000	287,000	-2.38%
PARK UTILITIES	29,641	38,900	42,000	7.97%
FUEL	131,124	78,906	92,950	17.80%
FUEL SYSTEM	840	-	-	#DIV/0!
OFFICE SUPPLIES	5,209	4,500	4,000	-11.11%
DEPARTMENTAL SUPPLIES	152,600	130,623	137,250	5.07%
PARK SUPPLIES	16,574	15,000	25,000	66.67%
PURCHASE FOR RESALE	9,462	9,700	9,620	-0.82%
TRAFFIC CALMING DEVICES	90	-	30,000	#DIV/0!
YARD WASTE CARTS	4,684	4,850	5,200	7.22%
VEHICLE SUPPLIES	3,984	4,000	3,500	-12.50%
FURNITURE & EQUIPMENT NON-CAP	1,492	3,250	3,100	-4.62%
UNIFORMS	16,125	15,892	17,050	7.29%
CONTRACTUAL SERVICES	289,811	249,930	157,380	-37.03%
LANDFILL FEES	335,569	360,000	360,000	0.00%
DUES AND SUBSCRIPTION	1,334	1,725	2,525	46.38%
MISCELLANEOUS	552	-	-	#DIV/0!
EQUIPMENT	28,667	25,000	35,000	40.00%
VEHICLES	42,924	-	-	#DIV/0!
OTHER CAPITAL ASSETS	2,200	-	-	#DIV/0!
OPER EXP ALLOCATIONS-ST/W FND	-	(9,500)	(9,500)	0.00%
OPER EXP ALLOCATIONS PRKG FUND	-	-	(14,000)	#DIV/0!
Totals	\$ 3,823,739	\$ 3,971,369	\$ 4,113,574	3.58%

<i>Department Summary for the:</i>				
<i>Recreation, Parks, & Cultural Resources Department</i>				
		FY 2019-20	FY 2020-21	FY20 to FY21
	FY 2018-19	Adopted	Adopted	Percent
Account Description	Actuals	Budget	Budget	Change
SALARIES	\$ 643,528	\$ 677,338	\$ 709,881	4.80%
SERVICE BENEFIT	4,625	4,625	5,324	15.11%
WORKERS COMPENSATION	330	-	-	#DIV/0!
PART TIME SALARIES	45,104	32,810	34,123	4.00%
TEMP. SALARY	213,179	223,210	246,250	10.32%
FICA	66,608	70,039	76,229	8.84%
INSURANCE	165,085	182,108	188,838	3.70%
UNEMPLOYMENT INSURANCE	5,840	-	-	#DIV/0!
RETIREMENT	56,067	64,347	76,370	18.68%
SUPPLMENTAL RETIREMENT	19,474	21,427	22,488	4.95%
TRAINING	2,308	2,800	500	-82.14%
CONFERENCES	6,545	9,800	-	-100.00%
POSTAGE	5,510	7,265	7,265	0.00%
GOVT ADVANCED RACIAL EQUITY	-	-	25,000	#DIV/0!
TELEPHONE	671	810	810	0.00%
M & R EQUIPMENT	1,995	1,622	1,622	0.00%
M AND R BUILDINGS	48,009	9,400	55,600	491.49%
M & R PARKS	413	3,920	3,920	0.00%
MOTOR VEHICLE REPAIR	282	1,050	1,050	0.00%
RENT	34,094	47,870	41,870	-12.53%
PRINTING	11,317	14,000	14,000	0.00%
ADVERTISING	1,826	3,910	3,410	-12.79%
FUEL	603	1,000	1,000	0.00%
OFFICE SUPPLIES	2,090	3,134	3,134	0.00%
DEPARTMENTAL SUPPLIES	37,274	44,500	39,225	-11.85%
UNIFORMS	17,784	20,000	20,000	0.00%
CONTRACTUAL SERVICES	83,586	103,496	96,000	-7.24%
ART CENTER *	-	-	20,000	#DIV/0!
LIBRARY PROJECT *	-	-	4,000	#DIV/0!
SOCIAL EQUITY & INCLUSION INIT *	-	-	20,000	#DIV/0!
CD & MEMORABILIA SHOW	-	-	2,800	#DIV/0!
COMMUNITY EVENTS	123,561	127,900	119,400	-6.65%
ACTIVE LIFE PROGRAMS	1,004	-	-	#DIV/0!
DUES AND SUBSCRIPTION	3,386	3,500	3,900	11.43%
MISCELLANEOUS CONSTRUCTION	-	54,000	-	-100.00%
EQUIPMENT	5,027	-	-	#DIV/0!
Totals	\$ 1,607,125	\$ 1,735,881	\$ 1,844,009	6.23%
* Expense was budgeted in Governmental Support in previous years.				

<i>Department Summary for the:</i>				
<i>General Non-Departmental</i>				
		FY 2019-20	FY 2020-21	FY20 to FY21
	FY 2018-19	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
SALARIES	\$ -	\$ 420,274	\$ 38,695	-90.79%
DEPENDENT HEALTH INSURANCE	-	315,271	348,250	10.46%
UNEMPLOYMENT INS RESERVE	-	22,821	20,000	-12.36%
RISK MANAGEMENT/SAFETY	-	100,000	90,000	-10.00%
Totals	\$ -	\$ 858,366	\$ 496,945	-42.11%
<i>Department Summary for the:</i>				
<i>Transfers</i>				
		FY 2019-20	FY 2020-21	FY20 to FY21
	FY 2018-19	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
TR TO AFFORDABLE HOUSING	\$ -	\$ 52,000	\$ 112,500	116.35%
TR TO CAPITAL RESERVE FUND	250,000	405,200	-	-100.00%
TR TO CAPITAL PROJECTS	1,337,450	-	450,000	#DIV/0!
TR TO PARKING FUND	-	-	343,550	#DIV/0!
Totals	\$ 1,587,450	\$ 457,200	\$ 906,050	98.17%
<i>Department Summary for the:</i>				
<i>Debt Service</i>				
		FY 2019-20	FY 2020-21	FY20 to FY21
	FY 2018-19	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
LEASE PAYMENT PRINCIPAL	\$ 357,881	\$ 656,685	\$ 518,637	-21.02%
LEASE PAYMENT INTEREST	14,048	14,683	28,579	94.64%
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	77,500	72,136	67,500	-6.43%
FIRE SUBSTATION INTEREST	35,073	35,073	23,850	-32.00%
Totals	\$ 951,169	\$ 1,245,244	\$ 1,105,233	-11.24%

<i>Department Summary for the:</i>				
<i>Storm Water Utility Operations Department</i>				
		FY 2019-20	FY 2020-21	FY20 to FY21
	FY 2018-19	Adopted	Adopted	Percent
Account Description	Actuals	Budget	Budget	Change
SALARIES	\$ 110,857	\$ 119,510	\$ 191,093	59.90%
SERVICE BENEFIT	456	456	456	0.00%
FICA	8,121	9,183	14,670	59.75%
INSURANCE	21,440	24,272	56,312	132.00%
RETIREMENT	189	10,755	19,477	81.10%
SUPLMENTAL RETIREMENT	3,344	3,581	5,735	60.15%
PERSONNEL COST - OTHER DEPTS	29,598	12,500	11,784	-5.73%
TRAINING	277	1,915	1,495	-21.93%
LEGAL SERVICES	513	1,000	1,000	0.00%
ARCHITECTURAL SERVICES	5,900	-	-	#DIV/0!
CONFERENCES	452	2,000	2,300	15.00%
POSTAGE	3	1,000	1,000	0.00%
TELEPHONE	659	1,000	1,000	0.00%
RISK MANAGEMENT/SAFETY	-	-	500	#DIV/0!
MOTOR VEHICLE REPAIR	-	1,000	8,000	700.00%
PRINTING	36	1,000	1,000	0.00%
ADVERTISING	200	500	1,000	100.00%
FUEL	30	1,000	500	-50.00%
OFFICE SUPPLIES	207	1,000	500	-50.00%
DEPARTMENTAL SUPPLIES	3,874	6,000	10,000	66.67%
FURNITURE & EQUIPMENT NON-CAP	11,854	-	2,500	#DIV/0!
UNIFORMS	226	500	500	0.00%
CONTRACTUAL SERVICES	36,802	69,000	92,500	34.06%
ENGINEERING SERVICES	420	10,000	40,000	300.00%
DUES AND SUBSCRIPTION	4,471	6,000	6,250	4.17%
STORMWATER ADVISORY COMM	-	500	500	0.00%
EQUIPMENT	182,995	-	-	#DIV/0!
EMERGENCY RESERVES SW UTILITY	-	100,000	-	-100.00%
RENOVATIONS	114,998	-	-	#DIV/0!
DEPR EXP-PW SUPERVISION	9,150	-	10,000	#DIV/0!
OPER EXP ALLOCATIONS-GEN FND	-	9,500	9,500	0.00%
UNEXPENDED RESERVES	-	170,203	154,903	-8.99%
TR TO GENERAL FUND	56,475	-	-	#DIV/0!
TR TO SWUE PROJECTS FUND	100,000	235,400	350,000	48.68%
Totals	\$ 703,547	\$ 798,775	\$ 994,475	24.50%

<i>Department Summary for the:</i>				
<i>Parking Enterprise Operations Department</i>				
		FY 2019-20	FY 2020-21	FY20 to FY21
	FY 2018-19	Adopted	Adopted	Percent
<u>Account Description</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
PERSONNEL COST - OTHER DEPTS	\$ -	\$ -	\$ 21,000	█ #DIV/0!
300 E MAIN PARKING	-	-	45,000	█ #DIV/0!
PARKING LEASE PAYMENTS	-	-	106,300	█ #DIV/0!
PARKING DESIGN & UP-FIT	-	-	160,000	█ #DIV/0!
OPER EXP ALLOCATIONS-GEN FND	-	-	14,000	█ #DIV/0!
Totals	\$ -	\$ -	\$ 346,300	█ #DIV/0!

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 Town Council legally authorizes through the budget ordinance.

Approved Budget - The budget as formally adopted by the Town Council for the upcoming fiscal year.

Assessed Valuation - The estimated dollar value placed upon real and personal property by the county assessor as the basis for levying property taxes. The General Assembly exempted household personal property from taxation effective July 1, 1987.

Audit – An examination, usually by an official or private accounting firm retained by the Town Council 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 Town Council be balanced.

Bond - A written promise to pay a specific amount of money with interest within a specific time period, usually long-term.

Bond Rating - A grade indicating a governmental unit's investment qualities. Generally speaking, the higher 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 Town Council. This overview discusses the major budget items of the Manager's budget.

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.

Comprehensive Annual Financial Report (CAFR) - The official annual report of a government.

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 Town Council controls transfer of these funds into an expendable account.

COVID-19 - COVID-19 is a new strain of coronavirus that has not been previously identified in humans. The COVID-19 is the cause of an outbreak of respiratory illness first detected in Wuhan, Hubei province, China.

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 broad 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 Town Council, the Chapel Hill Town Council, and the Orange County Board of Commissioners.

Ordinance - A formal legislative enactment by the Town Council 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.

Pandemic – An outbreak of a disease that is prevalent over a whole country or the world.

Parking Utility Enterprise Fund – This fund comprehensively addresses the vehicle parking needs of the Town. The Enterprise Fund will be funded with a transfer from the General Fund until such time the Town implements a fee structure for parking facilities.

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.