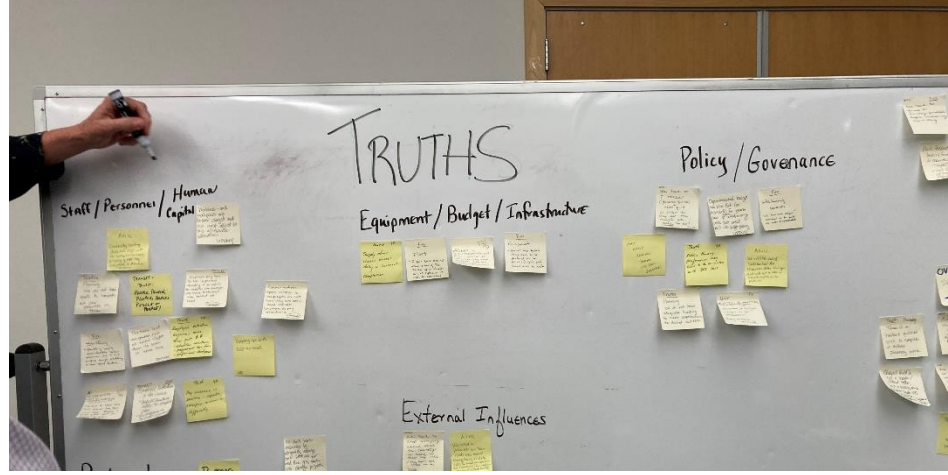


5 Year Budget Plan Update





Developing a 5 Year Budget Strategy

Working across departments to prioritize

Chapel Hill is a college town PLUS.

A college town PLUS:



**a great place to raise a family
a great place to start a business
a great place to learn**

Chapel Hill is a place for all.

Hard Truths

Our underfunded needs have grown over time and it is time to address them.

We have a long list of deferred needs.



We have bold ideas for Chapel Hill and they need a solid foundation.

Hard Truths

Our employees don't have the tools they need to deliver our long-term vision.

Employees are our number one resource.



They are doing more with less.

Hard Truths

**Revenue generation is not keeping pace
with our needs.**

It takes a lot to move the needle.

Our core funding has not kept pace with
basic increases in costs.

Priorities



Fleet



Annual fleet replacement reduced from \$1 million (10-year average) to \$350,000 in FY23

Current backlog is \$9.1 million

Short-term funding goal = \$1 million

Long-term funding goal = \$2 million

Various needs for fleet additions throughout organization

Priorities

Facilities



Annual facilities funding reduced from \$800K (10-year average) to \$500K in FY 23

Current backlog is \$11.4 based on Facilities Condition Assessment

Short-term funding goal - \$1 million

Long-term funding goal - \$1.5 million

Priorities

Salaries need to remain consistent with cost of living to keep up with market

Competitive benefits, including employee training

Concerns about employee workloads to maintain services

Fund program support pay plan

Staffing



Truths

Staffing

Workplaces forever changed by COVID

Town at greatest risk of talent flight than it has seen in some time

Employee retention requires more than just salary (professional development)



Truths

Operating Resources



Current backlog is:

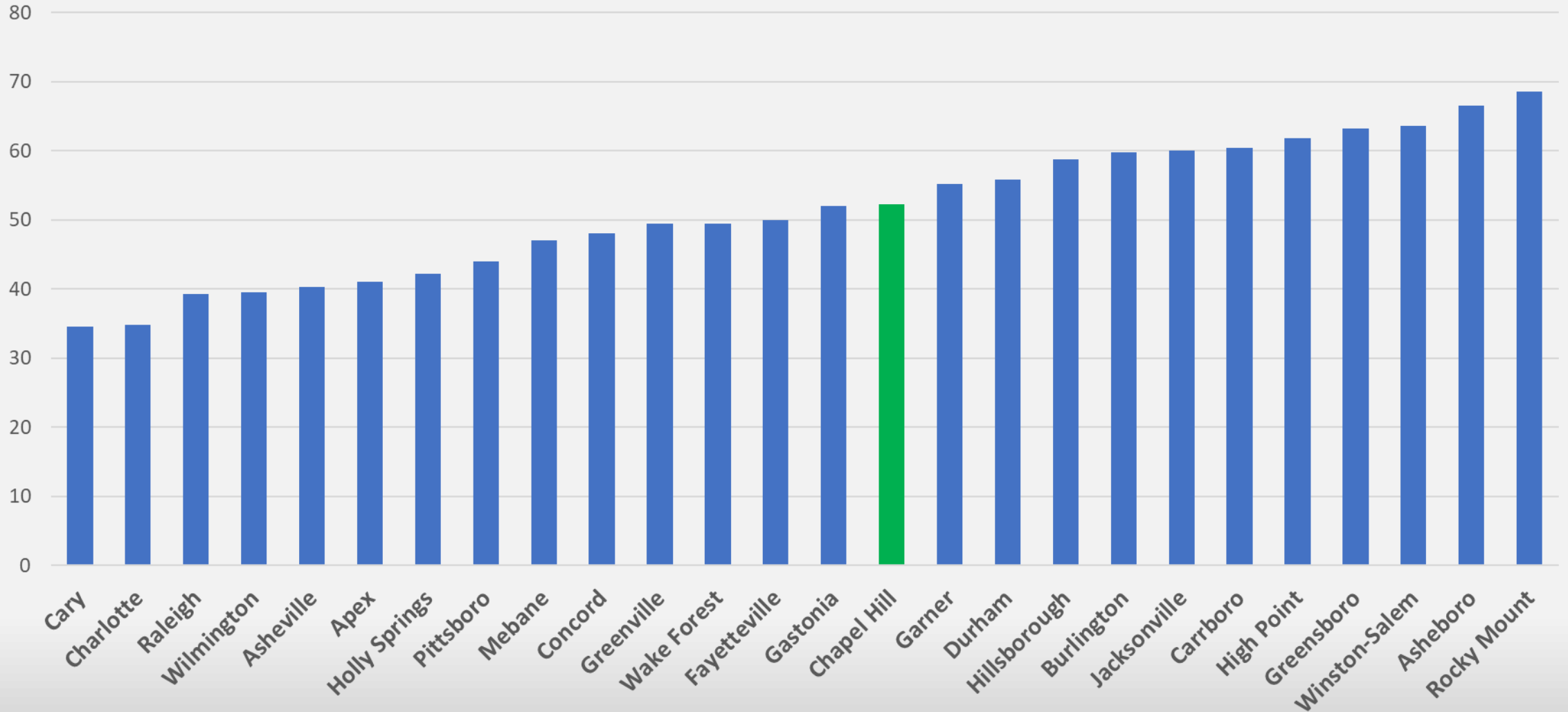
- **\$2 million in program increases**
- **\$7.8 million in program expansions**

Departments lack the resources to address core services for next five years

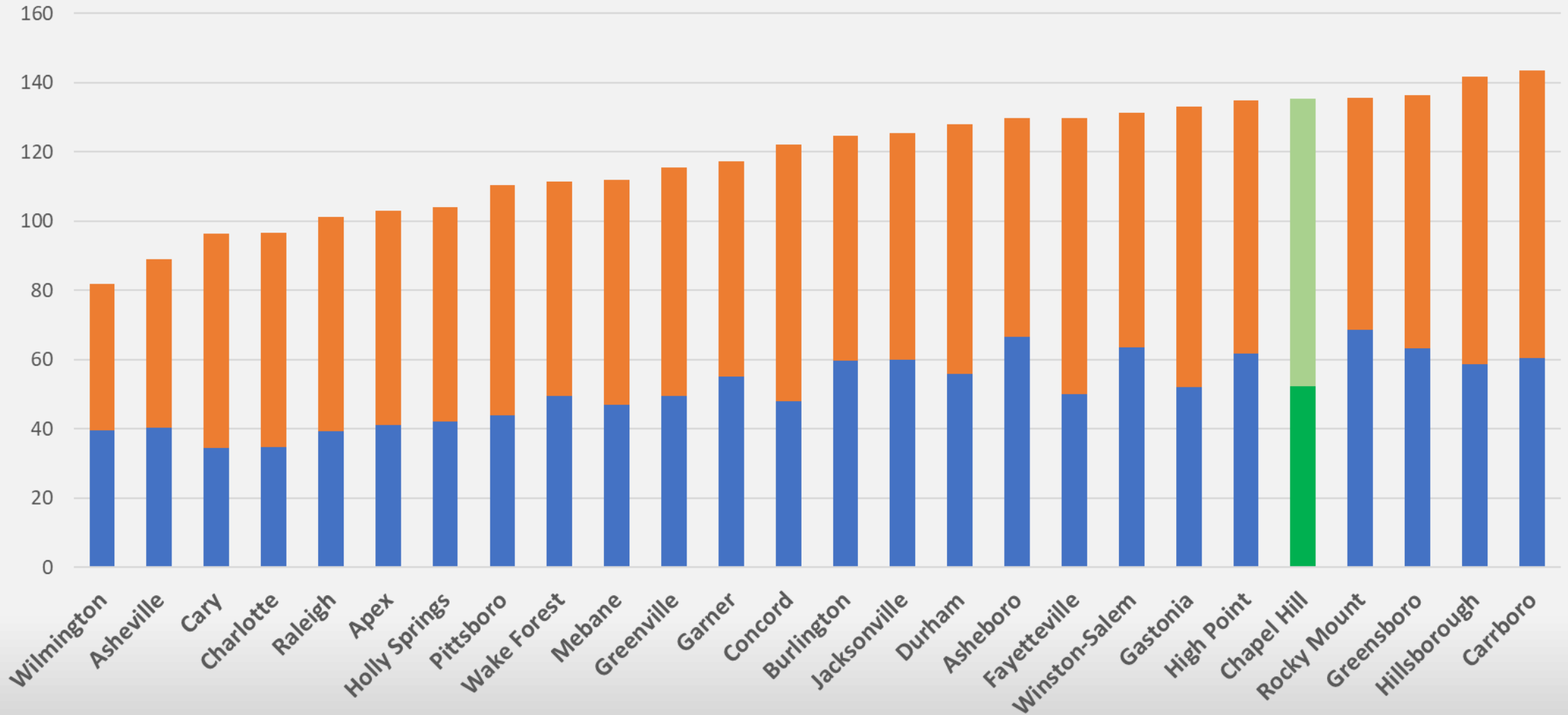
Ongoing consideration:

- **Supply chain issues**
- **Inflation**

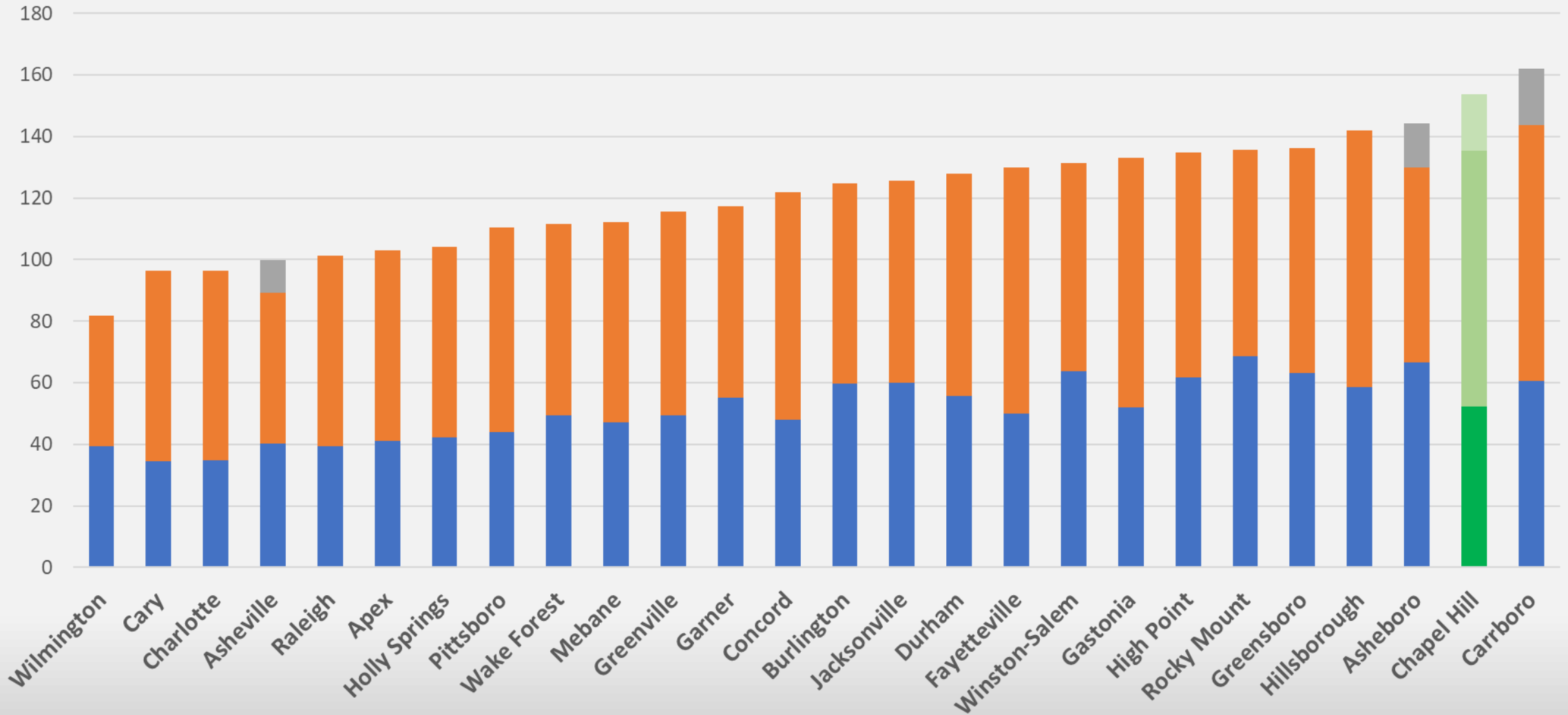
Municipal Tax Rate Comparisons



Municipal & County Tax Rate Comparisons



Municipal, County & School Tax Rate Comparisons



What's Next?

- Take feedback and work with departments on scenarios
- January – share scenarios (spending and revenue sources)
- February – Continue discussion at Council Retreat
- Develop FY23-24 budget



Questions?