

**FY 2025  
MANAGER'S RECOMMENDED  
BUDGET**



May 1, 2024

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# AGENDA

1. Budget Highlights
2. 5-Year Budget Focus Areas
3. Enterprise Funds
4. Looking Ahead

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# BUDGET HIGHLIGHTS

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# BUDGET HIGHLIGHTS

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- Total budget = \$156,259,106
- 4% increase from prior year
- Tax increase of 2 cents
- Property tax rate of 59.2 cents
- 6% of market cost of living adjustment

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# CHAPEL HILL TAXES OVER TIME

	FY 09	FY 10 *	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18 *	FY 19	FY 20	FY 21	FY 22 *	FY 23	FY 24	FY 25
<b>General Fund</b>	42.3	36.0	36.0	37.8	37.8	38.8	38.8	38.8	38.8	37.6	38.6	38.6	38.6	37.2	37.2	42.2	<b>43.7</b>
<b>Debt Fund</b>	11.0	9.3	9.3	7.5	7.5	7.5	8.5	8.5	8.5	8.2	8.2	9.8	9.8	8.8	8.8	8.8	<b>8.8</b>
<b>Transit Fund**</b>	4.8	4.1	4.1	4.1	4.1	5.1	5.1	5.1	5.1	5.0	6.0	6.0	6.0	5.4	6.2	6.2	<b>6.7</b>
<b>Town Total</b>	58.1	49.4	49.4	49.4	49.4	51.4	52.4	52.4	52.4	50.8	52.8	54.4	54.4	51.4	52.2	57.2	<b>59.2</b>

\* Revaluation years

# GENERAL FUND REVENUES

Revenue Source	Adopted FY2023-24	Estimated FY2023-24	Recommended FY2024-25
Property Taxes	\$ 41,128,500	\$ 40,685,000	\$ 42,835,000
Sales Taxes	21,993,943	22,108,800	22,993,152
Other Taxes	1,610,000	1,800,000	1,800,000
State Shared Revenues	7,817,600	8,213,894	8,313,708
Charges for Services	5,413,705	4,754,209	5,616,827
Licenses & Permits	3,112,660	3,270,834	3,462,693
Grants	775,748	787,944	749,862
Interest	100,000	1,000,000	750,000
Other Revenues	457,485	675,514	466,100
Approp. Fund Balance	2,469,359	2,321,597	2,422,658
<b>Total</b>	<b>\$ 84,879,000</b>	<b>\$ 85,617,792</b>	<b>\$ 89,410,000</b>

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# WHAT'S THE IMPACT OF THE 2 CENT INCREASE ON TAXPAYERS?

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Property Valuation	Annual Impact
\$ 250,000	\$ 50
\$ 500,000	\$ 100
\$ 750,000	\$ 150
\$ 1,000,000	\$ 200
\$ 13,000,000	\$ 2,600
\$ 64,000,000	\$ 12,800

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# WHAT'S THE IMPACT OF THE 2 CENT INCREASE ON OUR PRIORITIES?

PRIORITY	FY 2025
Operations	\$ 500,000
Facilities	250,000
Streets	250,000
Fleet	<u>500,000</u>
<b>Total General Fund</b>	<b>\$ 1,500,000</b>

PRIORITY	FY 2025
Operations	<u>\$ 488,000</u>
<b>Total Transit Fund</b>	<b>\$ 488,000</b>

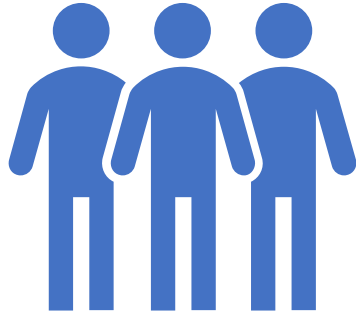
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 Budget Highlights



# **5-YEAR BUDGET FOCUS AREAS**

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## STAFFING

- 6% of Market Cost of Living Adjustment
- Living Wage Adjustments
- 0.75% increase to retirement system
- Health insurance remains steady (currently at 0.5% decrease)
- Funding to develop pay progression plan
- Two new positions in Transit funded by the Orange County Transit Plan

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## OPERATIONS

**\$500,000**

### **Cost of Doing Business Increases**

- Solid Waste tipping fees
- Athletic Field maintenance
- Aquatics pool supplies
- Technology cost increases
- Event programming cost increases

### **Cost of Expanding Services**

- More training for employees
- Planning Ambassador program
- GARE survey

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## **FACILITIES/ STREETS**

**\$500,000**

### **Planned Facility Projects:**

- Community Center HVAC Replacement
- Hargraves HVAC Replacement
- P&R Administration HVAC Replacement
- Public Works Roof Design
- Misc. Small Improvement Projects

### **Planned Streets Projects:**

- Resurface section of collector street & 2 residential streets (total of ~0.9 miles)

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**FLEET**

**\$500,000**

## **15 Vehicle Replacements + 4 Mowers**

- 7 Police vehicles
- 2 Solid Waste rear loaders
- Streets tandem dump truck
- Streets crew truck
- Streets roller
- Facilities maintenance crew truck
- Parks maintenance crew truck
- Parks van
- 4 Mowers

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# AFFORDABLE HOUSING

## We'll have nearly 3 pennies available for affordable housing

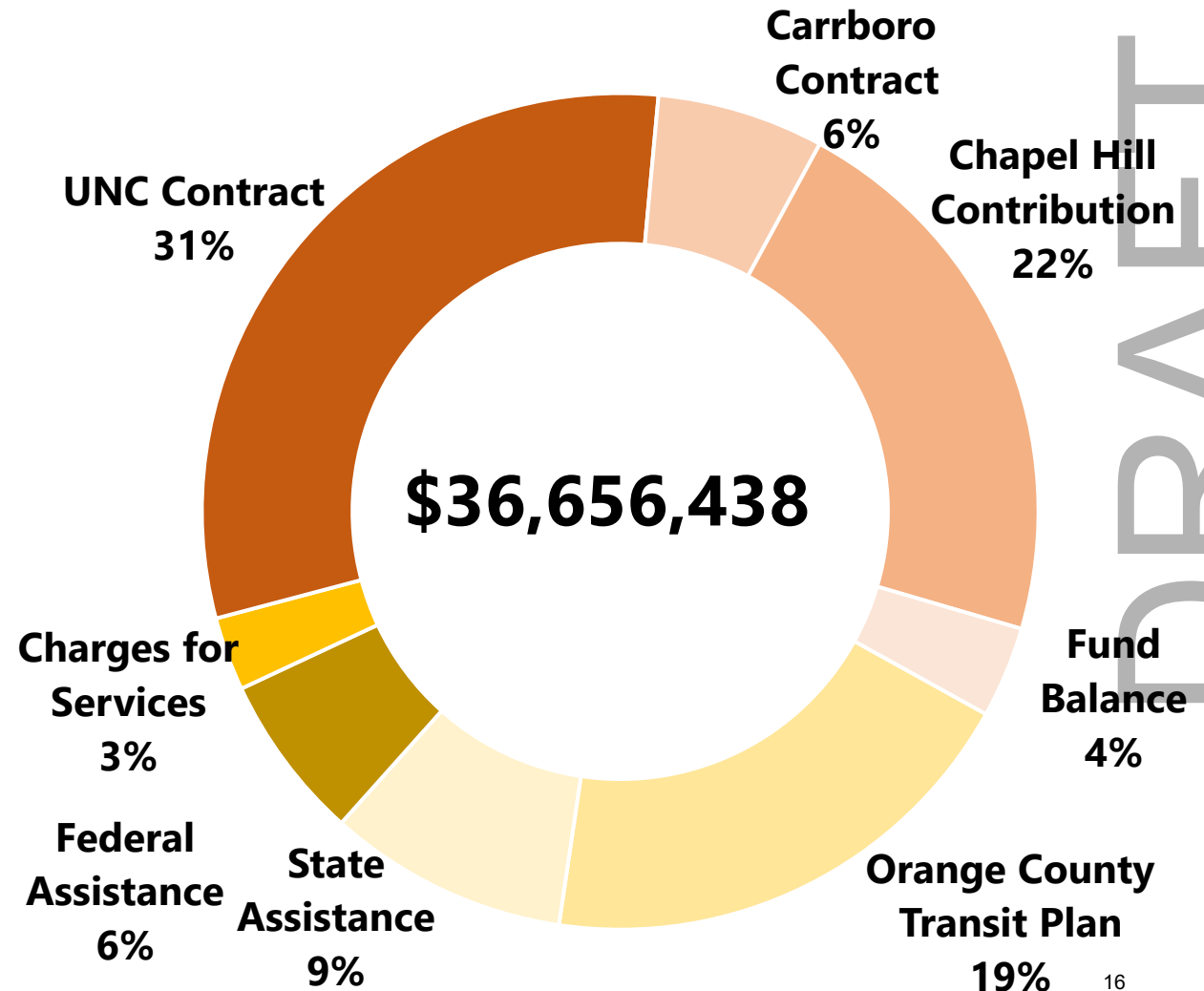
Local Funding	\$ 1,298,502
CDBG	341,250
Partner Initiatives	1,103,959
Property Tax Relief	<u>100,000</u>
Total	\$ 2,843,711

# ENTERPRISE FUNDS

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# Transit Fund Revenues

- 14% increase in overall budget
- 0.5 cent tax increase; increases in UNC & Carrboro contributions
- No new federal recovery \$
- \$1.29 million fund balance appropriation to balance budget



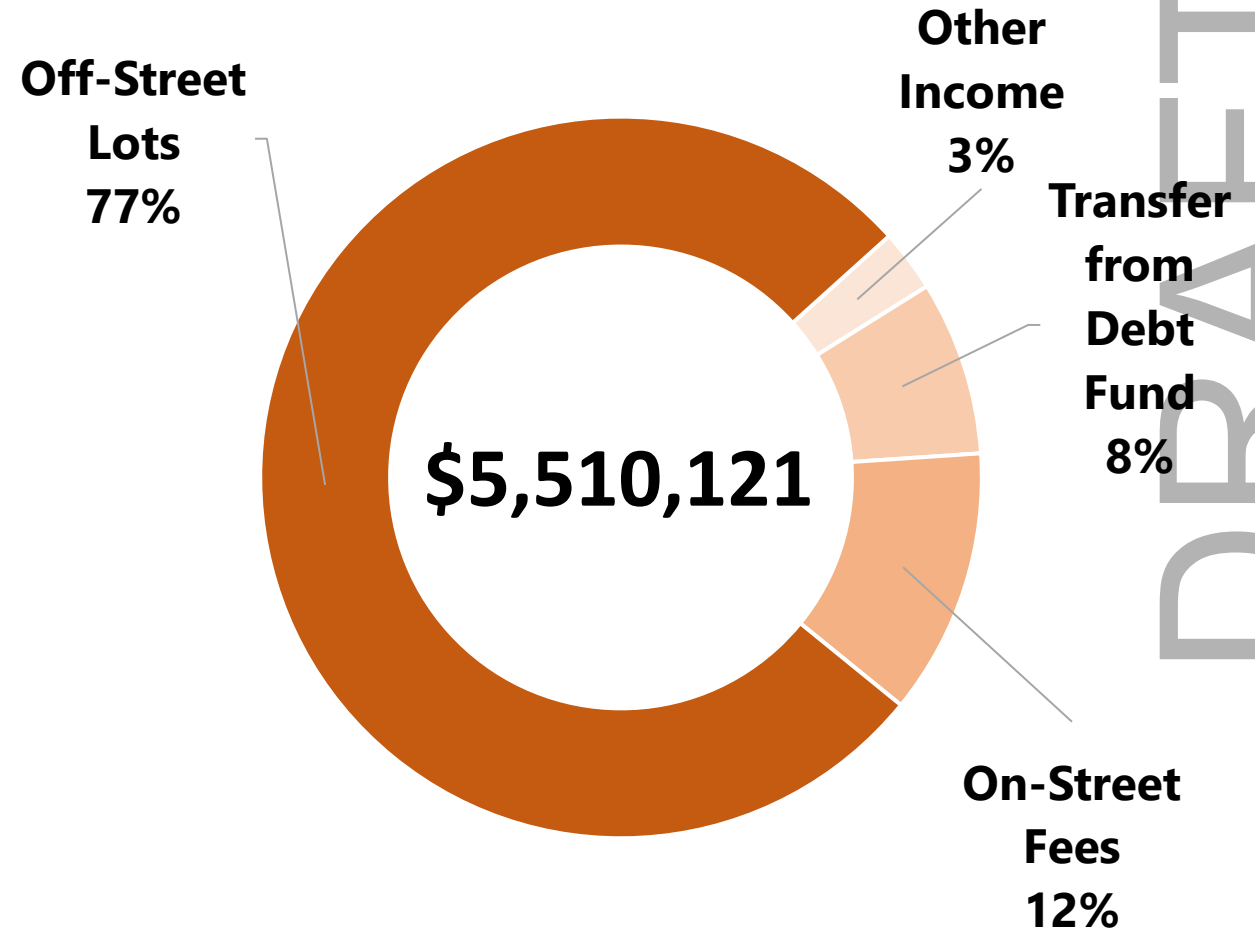
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# Parking Fund Revenues

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- 9.5% decrease in total budget
- Includes opening of new deck at 125 E Rosemary
- Budget balanced with \$431K transfer from Debt Service Fund

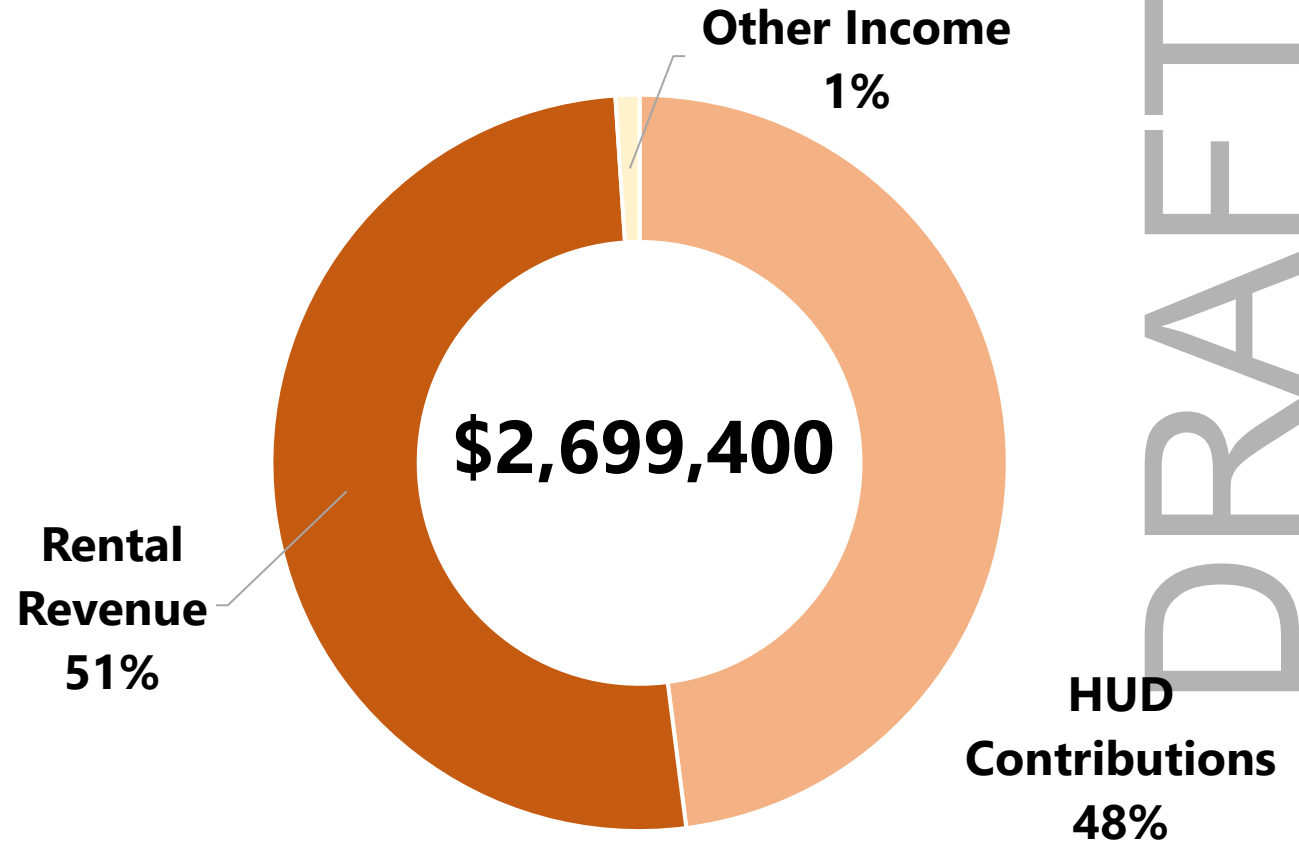


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# Public Housing Fund Revenues

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- 4.3% increase in budget
- 48% of expenses covered with HUD Operating Subsidy
- 51% of expenses covered with tenant rents
- 1% of expenses covered with other income
- No fund balance appropriated

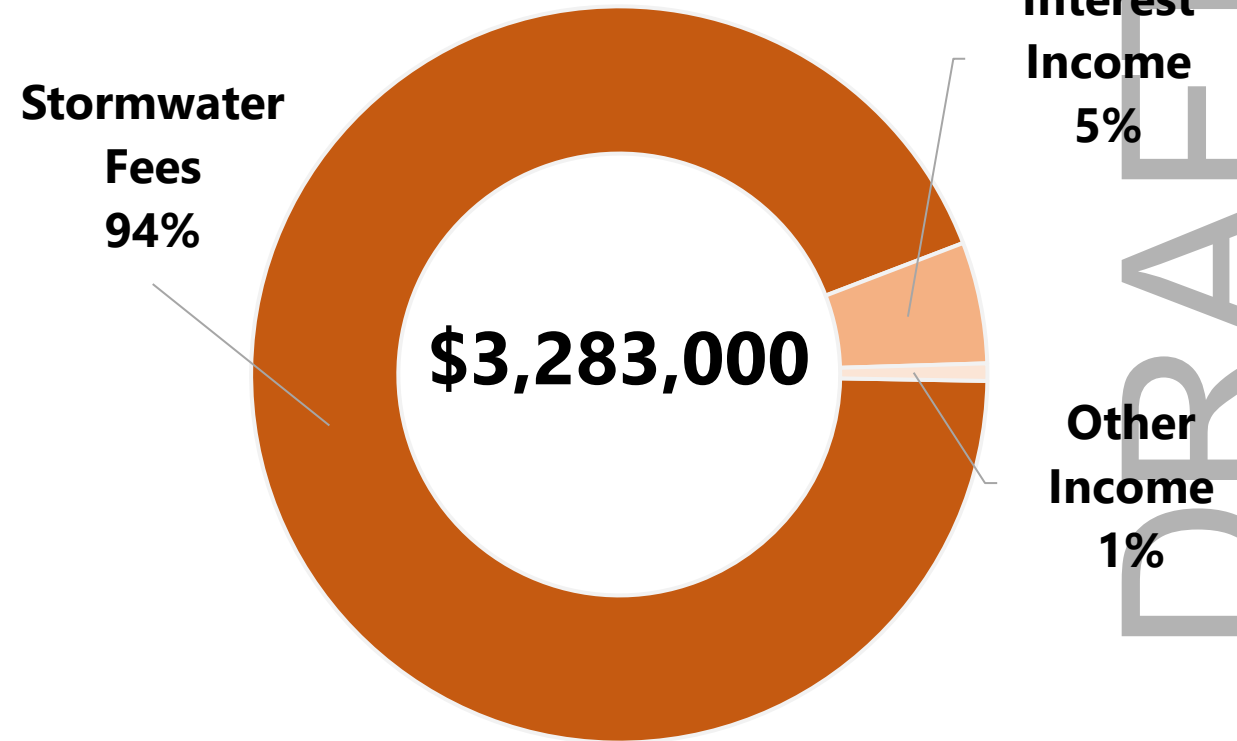


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# Stormwater Fund Revenues

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- 7.3% increase in budget
- No stormwater fee increase proposed
- Future impact of NPDES permit requirements



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# LOOKING AHEAD

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# IN SUMMARY...

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This budget:

- Continues funding the priorities in the 5-year budget strategy & the Complete Community Framework
- Addresses the increased costs to carry out the services provided by Transit
- Bridges the gap to next year's revaluation, where we propose to use the expected tax growth to "right-size" our budget.

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# FY25 Proposed Budget Schedule

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**MAY**  
**1**

**Manager's  
Recommended  
Budget**

**MAY**  
**8**

**Work  
Session**

**MAY**  
**15**

**Public  
Hearing**

**JUNE**  
**5**

**Council  
Vote**

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**2024-25 Budget Development Page**  
[www.townofchapelhill.org/budget](http://www.townofchapelhill.org/budget)