

Town of Chapel Hill
North Carolina

2019-20 Recommended Budget



Chapel Hill Town Council, 2017-2019

Your Town Council is **Mayor Pam Hemminger** and **Mayor Pro tem Jessica Anderson** (both seated at center) with Council members (clockwise from lower left) **Michael Parker, Donna Bell, Karen Stegman, Rachel Schaevitz, Allen Buansi, Hongbin Gu** and **Nancy Oates**.

Town Manager
Maurice Jones

Finance Officer
Amy Oland



MANAGER'S
OFFICE
Town of Chapel
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405 Martin Luther King Jr.
Blvd.
Chapel Hill, NC 27514-
5705

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www.townofchapelhill.org

Letter of Transmittal

To the Honorable Mayor and
Members of Town Council
Town of Chapel Hill, North Carolina

Ladies and Gentlemen:

I am pleased to present the Town of Chapel Hill, North Carolina Annual Budget for Fiscal Year 2019-20. The budget is balanced with a proposed tax increase of 1.6 cents for the Debt Service Fund. There is no increase recommended for the General Fund or for the Transit Fund. The total recommended combined property tax rate is 54.4 cents per \$100 of assessed value. The property tax rate for the Downtown Service District is at 7.0 cents per \$100 of assessed value.

The Recommended Budget for 2019-20 recognizes Council's most important goals and makes investments in strategies to achieve those goals. We are pleased to work with Council in making the final decisions on continuing the Town's high level of services and how they would be funded in the 2019-20 budget year. In addition to continuing basic services, the recommended budget:

- Maintains a fare-free transit system as in past years;
- Maintains a competitive pay and benefits level;
- Maintains funding level for performance agreements with outside agencies;
- Provides for capital projects to maintain Town facilities and infrastructure.

This Recommended Budget document includes the fund summaries that utilize the governmental budget practices recommended by the Government Finance Officers Association of the United States and Canada. The Budget Message is organized around key themes and goals of the Council.

Respectfully submitted,

Maurice Jones
Town Manager

May 1, 2019

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May 1, 2019

Dear Mayor and Council:

It is my pleasure to formally present the Fiscal Year 2019-2020 Recommended Budget for the Town of Chapel Hill. The budget of \$113,030,494, is a 3.7% increase from FY 2019.

A municipal budget serves as a reflection of its community's values and this recommended budget is no exception. It continues to significantly invest in the core services offered by the Town and expected by our residents and businesses, including, but not limited to, public safety, transit, streets and sidewalks and parks and recreation. The budget also includes new investments in environmental sustainability, affordable housing and urban design.

In recent years, the cost of providing Town services has outpaced Town revenue trends. This budget includes slight growth in property tax (1%), continued strong growth in sales tax (5.3%), and a slight increase in the appropriation of fund balance. The budget is balanced with a proposed 1.6 cent property tax increase for the Debt Service Fund, with 1 cent dedicated to funding the \$10 million Affordable Housing Bond approved by 72% of the voters in November of 2018. The additional .6 cent increase will assist in paying the debt service on other bonded projects like the future Municipal Services Center. The total recommended tax rate is 54.4 cents per \$100 of assessed valuation. There is no increase recommended for the General Fund or for the Transit Fund.

Responding to Council and Community Priorities

The goal of the budget is to align allocations with Council and community priorities. This budget provides continued support for the delivery of high-quality core services and key investments in strategic goal areas identified as priorities by the Council. Below are summaries of the key priorities in the budget.

Strategic Initiatives

Vision, innovation, collaboration, and dedicated employees serve as the foundation of the Town's efforts to build a community where people thrive. In 2018, the Town Council established strategic goal areas to add specificity and short-term focus to the Chapel Hill 2020 Comprehensive Plan.

Strategic Work Plans were created by staff to identify actions and projects that will make progress towards the Council's goals. In addition to supporting the implementation of the Strategic Work Plans, the recommended budget includes targeted funds for key strategic interests expressed by Council.

- \$50,000 will support a Climate Action Plan. While it is generally understood this amount will not be adequate when it comes to implementing future programs or projects that are included in a completed Plan, this will fund the current stage of developing a framework and initiating a public engagement process needed to draft a Plan.
- \$315,000 to implement interim remedial actions based on the results of the ongoing assessments of coal ash remediation at the police station property (828 Martin Luther King Jr. Blvd.). As the community explores possible courses of action for remediation, the Town continues to work with an environmental engineering firm and a recently-hired firm performing human health and ecological risk assessments. The funds initially allocated to this project are almost depleted and interim remedial measures will need to be taken until a future for the property is determined by Council.
- \$100,000 for urban design services in FY2019-20 to include placemaking and urban design standards at the beginning stages of development project proposals. An early success of this effort came from the use of contracted urban design services for the Eastowne Medical Office Building project.

Debt Funds

Fiscal sustainability and prudent management of public finances are critical elements of a financial strategy that secures the public trust and maximizes the investment of limited resources. Maintaining a Aaa bond rating and producing award-winning budget documents and financial reports has allowed the Town to secure optimal long term debt terms for the Town. To this end, the budget includes a long term funding strategy for several key initiatives that contribute to the quality to life in Chapel Hill.

- A 0.6 cent tax increase for the Debt Service Fund, which will generate the revenue necessary for the Town to continue meeting its existing debt obligations and create the needed borrowing capacity for planned capital investments, including a new Municipal Services Center.
- A 1.0 cent tax increase for the Debt Service Fund will fund the repayment of new debt in the form of voter-approved general obligation bonds dedicated to affordable housing projects. This new borrowing capacity follows Chapel Hill voters' overwhelming approval of an Affordable Housing Bond Referendum in November 2018. Over the next several years, the bonds will help support several large-scale affordable housing projects including public housing redevelopment and development on Town-owned parcels.
- A \$2.82 increase to the annual Stormwater Management fee associated with the debt service to issue the remaining \$3.2 million general obligation bonds in FY2019-20. The new fee

will increase stormwater fees inside the town to \$34.97 for each 1,000 square feet of impervious surface.

Investment in Town Employees

The 2018 Community Survey reflects that Chapel Hill residents rank the overall quality of services at 79% which is 30 percentage points higher than the national average. As a service based organization, the Town relies on a skilled and nimble workforce to deliver a broad scope of governmental services. Personnel related costs account for 74% of the FY20 General Fund Recommended Budget. The costs of maintaining a high performing workforce are increasing as the competition for labor grows. In recent years we have seen increased turnover, including a significant increase in retirements. The Town's turnover rate of almost 14% is on the high end for local governments in our region. The Town can stay competitive in the labor market by maintaining its comprehensive benefits package and through annual market based salary adjustments. Key investments are described below.

- 3% pay increase for employees based on the market rate of their position, maintaining health insurance benefits for employees and their dependents, pay adjustments to meet the Orange County Living Wage standards, and keeping up with a required increase in employer contribution to the State retirement system.
- \$200,000 to adjust the starting pay for police officers and make additional adjustments throughout the officer pay ranges. During the past few years, the Police Department has had an increasingly difficult time recruiting and retaining Police Officers. One contributing factor is that we have fallen behind the market in our pay for sworn officers. We are at a critical time when action is needed.
- \$100,000 to fund a comprehensive classification and compensation study, to review all salary ranges to ensure they are competitive with the market, compare all job classes for appropriate compensation level and create a compensation policy which will allow us to be more competitive in the market and be sustainable for the Town.
- The FY20 Manager's Recommended Budget includes additional funding to pay for an increase in the Orange County Living Wage (OCLW) standard. The 2020 standard is \$14.25 per hour for employees without health benefits and \$12.75 with health benefits. This affects some seasonal and program support employees in the Parks and Recreation Department and the budget includes an additional funding to cover this cost. With this change, the Town will be in compliance with the OCLW standard for 2020.
- The projected FY20 increase for Medical Insurance is 4.9%. After several years of moderate increases including an 8.5% reduction in FY16, our rates increased substantially in FY17 and FY18. The spike in rates is due to a combination of significant claims experience from a relatively small number of high dollar claims and a general increase in the cost of healthcare. In FY19, the Town implemented a \$250 deductible which reduced premiums by 1.5%.

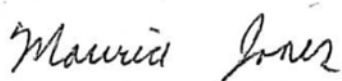
Meeting Current and Future Needs

This budget continues to support the delivery of high-quality core services to our residents, businesses and visitors. The budget also provides key investments in strategic goal areas identified as priorities by the Council, from affordable housing to climate action. Overall, it reflects a commitment to implementing the policy decisions of the Council and upholding the values of the community.

We recognize that more work must be done to address the growing gap between the wants and needs of our community and the resources to fund those initiatives. In order to reach a shared understanding of how we prioritize our resources in the future, I am proposing the creation of a long term budget strategy that will help guide future budgeting processes. While this recommended budget outlines a short-term path, it will be important to continue having in-depth, open discussions about the future of Chapel Hill with the Council and members of the community over the next 6-12 months. We anticipate initiating this process soon after the FY 20 budget is passed.

With this type of dialogue, we can build a five-year plan that identifies opportunities for new investment, and develops options for the Council to consider in order to make informed spending decisions in the future.

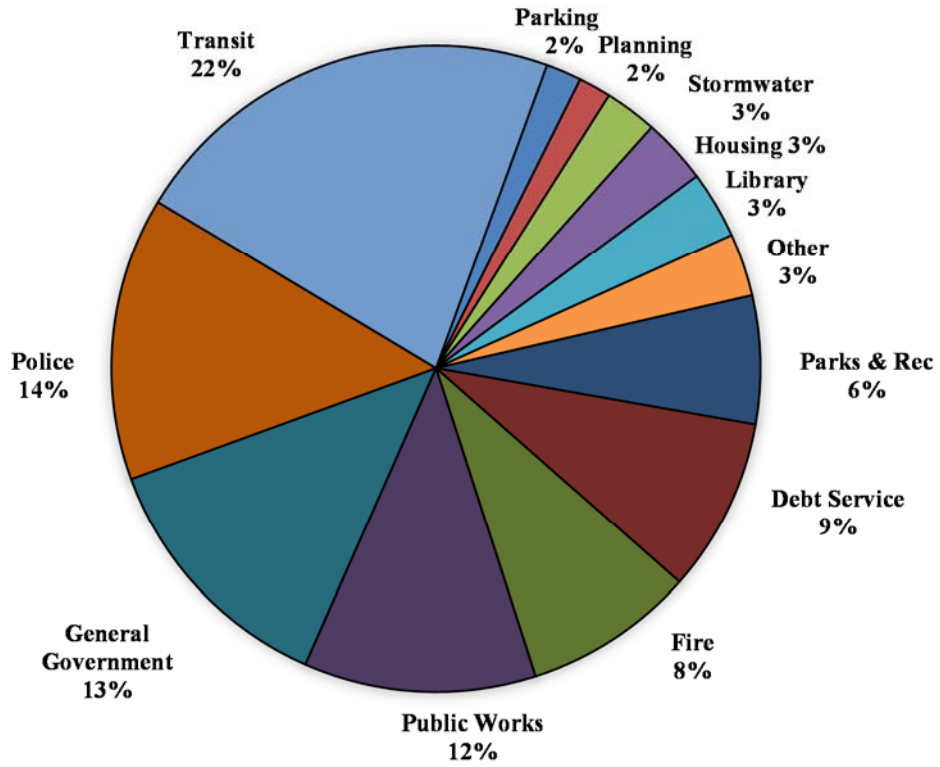
Sincerely,

A handwritten signature in cursive script that reads "Maurice Jones".

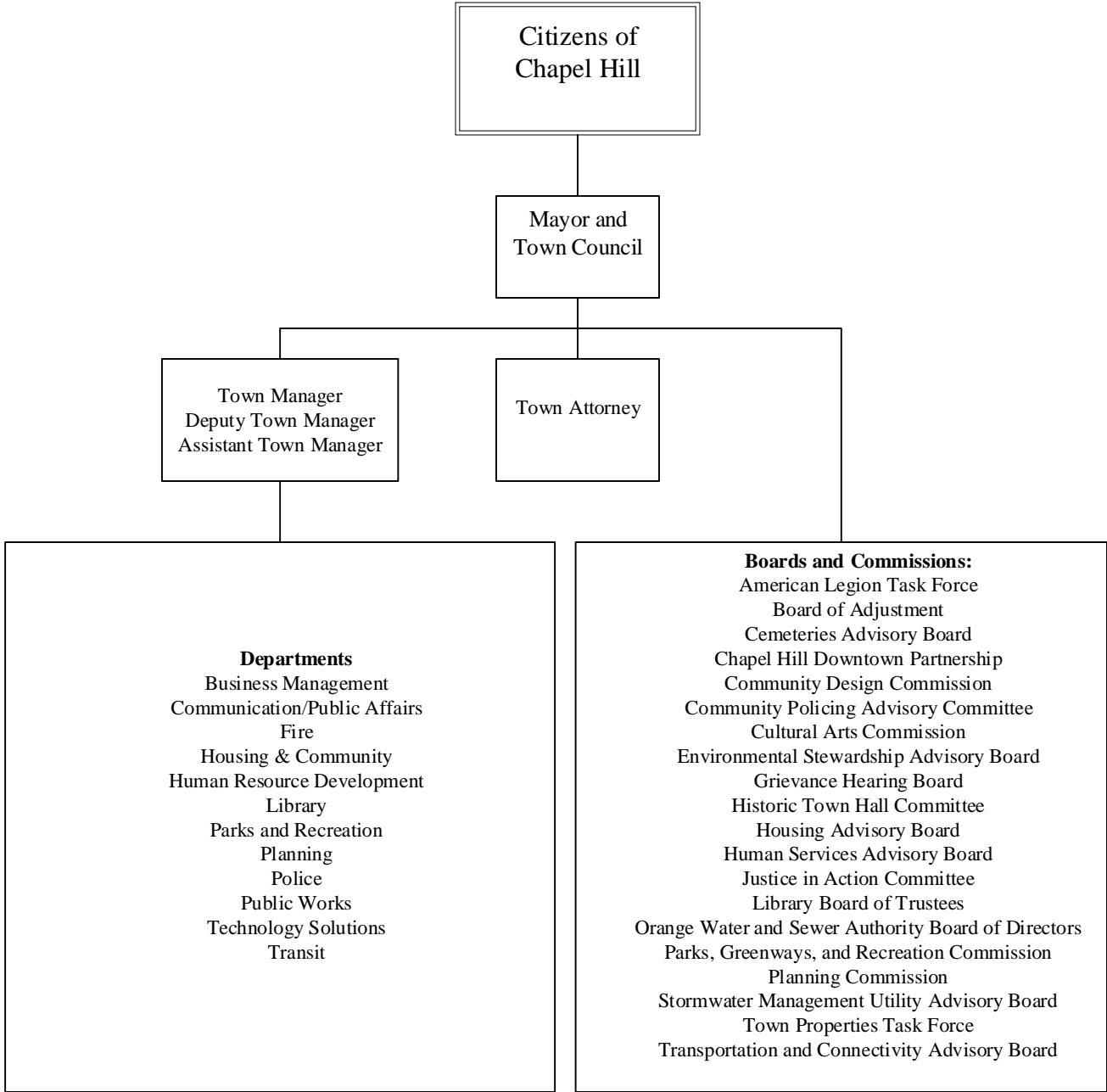
Maurice Jones
Town Manager

ALL FUNDS SUMMARY

**TOTAL BUDGET EXPENDITURES \$113,030,494
(NET OF TRANSFERS)**



TOWN OF CHAPEL HILL ORGANIZATION CHART



***ALL FUNDS
SUMMARY OF APPROPRIATIONS
Recommended Budget 2019-20***

Fund	Appropriations	Less Transfers to Other Funds	Net Appropriations
General Fund	\$ 68,448,000	\$ 1,465,345	\$ 66,982,655
Transit Funds			
Transit	24,792,491	-	24,792,491
Transit Capital Reserve Fund	10,000	-	10,000
Stormwater Management Fund	2,965,115	-	2,965,115
Parking Funds			
Off-Street Parking Fund	2,203,622	905,332	1,298,290
On-Street Parking Fund	707,239	-	707,239
Housing Funds			
Public Housing Fund	2,182,460	-	2,182,460
Debt Service Fund	9,845,432	-	9,845,432
Capital Projects			
Capital Improvements Fund	420,341	-	420,341
Other Funds			
Affordable Housing Reserve Fund	688,395	-	688,395
Grants Fund	-	-	-
Downtown Service District Fund	446,500	-	446,500
Library Gift Fund	180,235	45,000	135,235
Vehicle Replacement Fund	859,091	-	859,091
Vehicle Maintenance Fund	1,532,000	-	1,532,000
Computer Replacement Fund	165,250	-	165,250
TOTAL	\$ 115,446,171	\$ 2,415,677	\$ 113,030,494

ALL FUNDS STAFFING SUMMARY

Personnel costs make up 62% of the Town's operating budget across all funds. Personnel costs in the General Fund make up 74% of total expenditures. The Staffing Summary represents a snapshot of the FTE's on which the FY20 Recommended Budget is based.

2019-20 STAFFING BY DEPARTMENT IN FULL-TIME EQUIVALENTS

<i>DEPARTMENTS</i>	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 RECOMMENDED
Mayor	1.00	1.00	1.00
Manager	10.00	10.00	11.00
Communications & Public Affairs	7.53	7.53	7.53
Human Resource Development	10.00	10.00	10.00
Business Management	18.00	18.00	18.00
Technology Solutions	13.00	16.00	16.00
Attorney	2.00	2.00	2.00
Planning & Sustainability	22.65	20.65	15.65
Public Works ¹	92.55	90.20	91.20
Police	150.00	150.00	155.00
Fire	96.00	96.00	96.00
Parks & Recreation	57.80	56.50	53.80
Library	30.30	32.16	34.66
Transit	203.29	203.29	203.29
Stormwater	14.70	15.05	15.05
Parking	9.00	9.80	9.80
Housing & Community	23.20	23.20	23.20
Downtown Service District	1.00	1.00	1.00
Vehicle Maintenance	7.75	7.75	7.75
Total FTE's	769.77	770.13	771.93

¹ Three employees housed in Public Works also work in Stormwater. They have been split-coded to reflect time spent in each department.

TAX RATES AND TAX COLLECTIONS

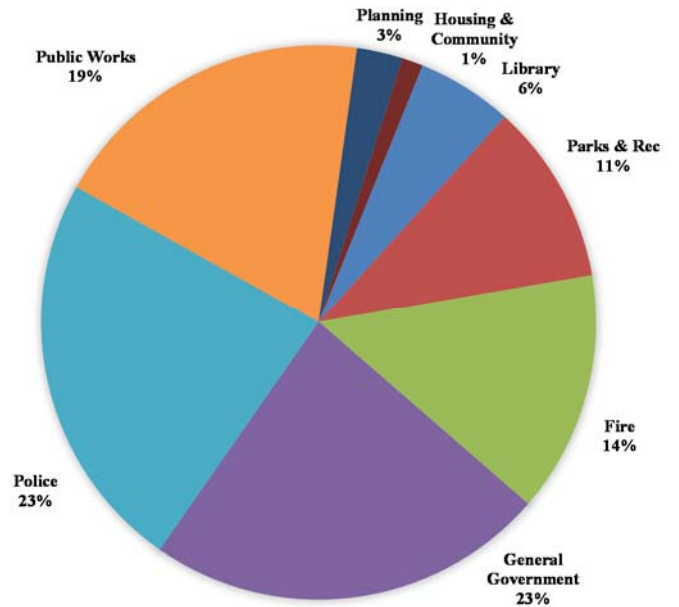
Recommended 2019-20

	2017-18 Actual	2018-19 Budget	2018-19 Estimated	2019-20 Recommended
Assessed Value of Real and Personal Property	\$ 8,034,649,409	\$ 8,225,444,551	\$ 8,226,000,000	\$ 8,307,698,997
Tax Rate Per \$100 Valuation				
General Fund	37.6	38.6	38.6	38.6
Transit Fund	5.0	6.0	6.0	6.0
Debt Service Fund	8.2	8.2	8.2	9.8
Total Tax Rate (cents)	50.8	52.8	52.8	54.4
Tax Levy	40,816,019	43,430,000	43,433,000	45,194,000
Estimated Collections at 99%	\$ 40,677,200	\$ 43,265,000	\$ 43,268,000	\$ 45,022,300
Distribution				
General Fund	30,108,999	31,630,000	31,630,000	31,950,000
Transit Fund	4,003,776	4,920,000	4,920,000	4,970,000
Debt Service Fund	6,566,255	6,720,000	6,720,000	8,110,000
Downtown Service District Fund				
Tax Rate (cents)	7.0	7.0	7.0	7.0
Assessed Value of Real and Personal Property	\$ 443,000,000	\$ 515,474,000	\$ 526,207,000	\$ 531,470,000
Tax Levy	310,000	361,000	368,000	372,000
1¢ of the Tax Rate Equals (to nearest 1,000)	\$ 801,000	\$ 819,000	\$ 820,000	\$ 828,000

GENERAL FUND

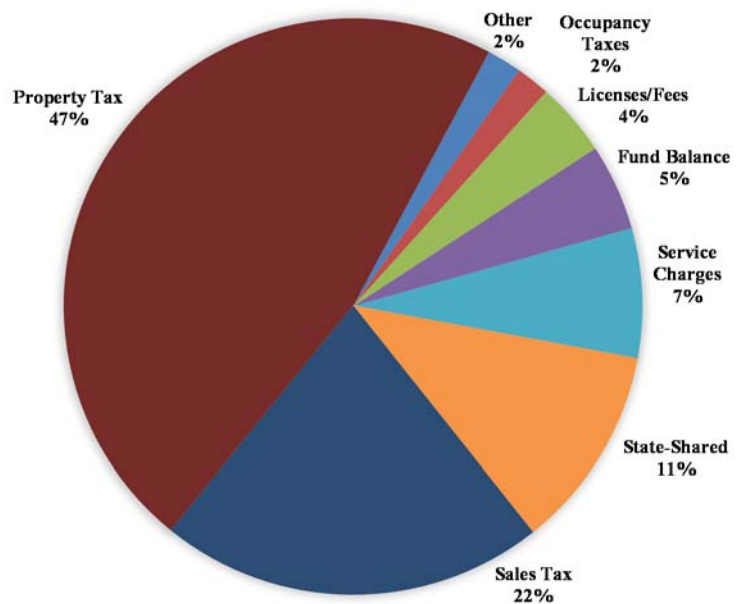
The General Fund is the general operating fund of the Town and is used to account for all revenues and expenditures except those required to be accounted for in another fund. The fund is established at the inception of a government and exists throughout the government's life.

General Fund Expenditures



Total \$68,448,000

General Fund Revenues



**GENERAL FUND
BUDGET SUMMARY**

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
General Government	\$ 14,192,913	\$ 15,263,182	\$ 16,369,629	\$ 16,191,519	\$ 15,972,586	4.6%
Environment & Development	15,088,530	15,726,875	15,969,968	15,126,067	15,734,510	0.0%
Public Safety	22,398,098	24,599,694	24,638,888	22,864,440	25,681,693	4.4%
Leisure	10,044,146	10,767,249	10,819,165	10,214,238	11,059,211	2.7%
Total	\$ 61,723,687	\$ 66,357,000	\$ 67,797,650	\$ 64,396,264	\$ 68,448,000	3.2%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
General Revenues:						
Property Taxes	\$ 30,273,964	\$ 31,771,000	\$ 31,771,000	\$ 31,800,000	\$ 32,117,500	1.1%
Sales Taxes	13,364,922	13,853,827	13,853,827	14,039,875	14,741,869	6.4%
Occupancy Tax	1,281,461	1,275,000	1,275,000	1,300,000	1,300,000	2.0%
Other Tax and Licenses	86,182	82,500	82,500	86,250	86,000	4.2%
State-Shared Revenues	7,781,256	7,820,590	7,820,590	7,782,181	7,791,256	-0.4%
Interest on Investments	72,812	50,000	50,000	80,000	80,000	60.0%
Other Revenues	526,074	398,600	451,503	536,810	440,681	10.6%
Grants	713,355	680,899	690,899	691,301	679,399	-0.2%
Charges for Services	4,538,954	4,820,808	4,820,808	4,798,433	5,002,662	3.8%
Licenses/Permits/Fines	3,211,232	2,461,890	2,461,890	2,781,955	2,842,305	15.5%
Transfers/Other Sources	45,000	45,000	45,000	45,000	45,000	0.0%
Appropriated Fund Balance	(171,525)	3,096,886	4,474,633	454,459	3,321,328	7.2%
Total	\$ 61,723,687	\$ 66,357,000	\$ 67,797,650	\$ 64,396,264	\$ 68,448,000	3.2%

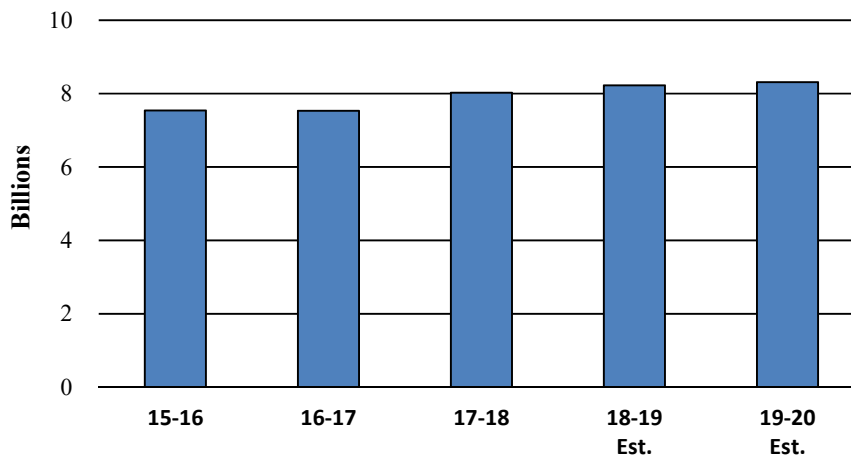
GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

Property Tax

The largest component of the property tax is the levy on real property. The property tax consists of three components – General Fund, Debt Service Fund and Transit Fund. We have based our estimate on historic trends and current information from Orange and Durham Counties for the overall tax base. The tax base for 2019-20 is estimated to be \$8,307,698,997 with 1 cent on the tax rate equivalent to about \$828,000.

Property Tax Base



The combined property tax revenue we anticipate for 2019-20 totals about \$45 million, with \$31.95 million of that supporting the General Fund.

Other Local Taxes

Revenue from the 3 percent Hotel/Motel occupancy tax is expected to total \$1,300,000 in the current year and the same level in 2019-20. Revenue trends are affected by University events and general economic conditions.

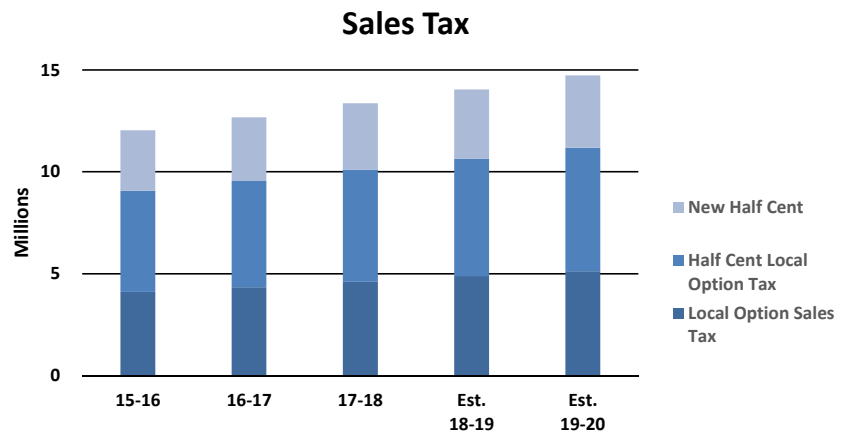
GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

State-Collected Revenues

Sales Taxes

Sales tax revenue is expected to come in over budget in 2018-19. Based on recent trends, growth was budgeted at 5% for FY19. Sales tax receipts are at 3.25% increase over the previous year through the first seven months, however typically



Chapel Hill ends the year with strong growth (6-7%), that should bring the Town to a 5.2% overall increase at year end. Based on this information, we are estimating an overall growth rate of 5.3% in sales taxes for FY20. We estimate combined sales taxes of about \$14,039,875 for 2018-19. Orange County has the option to change the allocation method for sales taxes from per capita to ad valorem, which would result in a significant reduction in sales tax receipts for the Town.

Motor Fuel Taxes (known as Powell Bill funds)

Motor fuel tax revenue is based on receipts of 1¾ cents of the State gasoline tax allocated to local governments, based on population and local street mileage in each jurisdiction. This revenue is anticipated to total \$1,437,425 in 2018-19, about \$20,000 less than last year. For 2019-20, we anticipate revenues will drop slightly for FY20 at around \$1,431,500.

State Fire Protection Funds

We are expecting about \$1,106,256 in State Fire Protection Funds in the current year, and we expect that figure to hold at 1,106,256 in 2019-20.

Utility Sales Tax

Utility sales taxes are derived from a 3 percent tax on gross revenues from public utilities in each jurisdiction, and are collected by the State for distribution to cities and towns. Because the fees are dependent upon utility charges, they are affected by weather conditions and can vary from year to year. In 2007, the State changed the distribution method for cable franchise fees and included them in the utility sales tax distribution. We estimate that we will receive approximately \$4,940,500 in the current year in utility sales taxes. We anticipate that revenues will hold the line in 2019-20.

GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

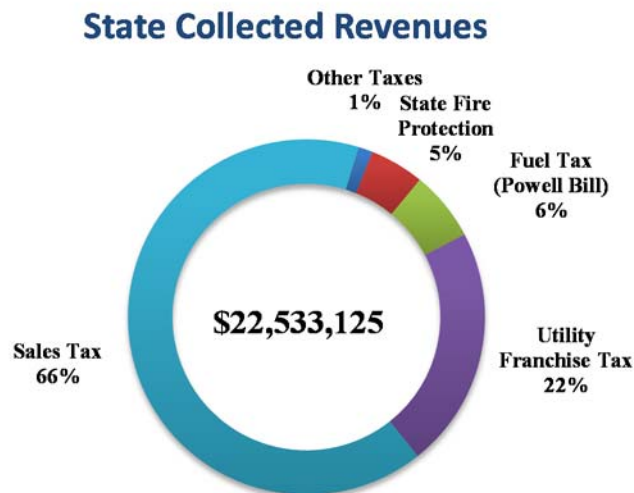
Solid Waste Disposal Tax

The Solid Waste Disposal Tax went into effect on July 1, 2008. This \$2 per-ton tax is charged on municipal solid waste and construction debris that is deposited in a landfill in the state or transferred at a transfer station for disposal outside of the state. 18.75% of this tax is distributed to cities and towns on a per capita basis. We anticipate receiving around \$38,000 for the current year and \$38,000 next year.

Beer and Wine Taxes

Assuming full receipt of the Beer and Wine tax revenue normally distributed in May to cities and counties, we estimate allocations from this source of about \$260,000 for the current year and \$260,000 next year.

In summary, we estimate State-collected revenues would total about \$22,533,125 for next year.



Other Revenue Sources

Grants

This category of revenue includes certain recurring local and State grants totaling about \$679,399 for 2019-20. Beginning in 2004-05, we began using a separate Grants Fund for non-recurring grants.

Local grants include an appropriation from Orange County to supplement the Town's Parks and Recreation programs and the Town's Library. The recommended budget for 2019-20 includes level funding from the County at \$83,760 for the Parks and Recreation supplement. The recommended 2019-20 budget includes \$568,139 in Orange County funding to support the Chapel Hill Library, which is equal to the current year's allocation. The State appropriation for Library services is budgeted at \$27,500.

Charges for Services

Service Charges for various Town services and programs (including zoning compliance review and Parks and Recreation programs) are estimated to come in slightly under budget in the current year by about \$22,000. Charges for services are expected to increase from a budgeted amount of \$4,798,433 in 2018-19 to \$5,002,662 for 2019-20 due to projected activity.

GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

This category also reflects amounts transferred from other Town funds to the General Fund, primarily to recover administrative and indirect costs from other Town enterprise funds and services. For 2019-20, these include \$83,472 from Parking Enterprise Funds, \$130,337 from the Stormwater Management Fund, and \$1,388,884 from the Transit Enterprise Fund.

Licenses/Permits/Fines & Forfeitures

Revenue from licenses, permits, and fines, are expected to exceed the current year's budget by about \$320,000 due to higher than expected revenues in inspection permits. Total licenses and permits are expected to increase from about \$2.5 million in 2018-19 to \$2.8 million in 2019-20.

Interest on Investments

The General Fund share of interest earned on the Town's investments is recorded in this category. Investment income is expected to far exceed the current year's budget estimate of \$50,000 and generate about \$80,000 next year.

Miscellaneous, Transfers, Net Assets (Fund Balance)

Miscellaneous Revenues

The primary miscellaneous revenues include mutual aid reimbursements, court cost reimbursements, and donations (Carol Woods). Miscellaneous revenues are expected to total about \$536,810 for 2018-19 (approximately \$40,000 was received for revenue-in-lieu for recreation & open space and traffic signs that was not budgeted) and \$440,681 for 2019-20.

Transfers

Transfers include a transfer of \$45,000 for 2019-20 from the Library Gift Fund for Library purposes.

Fund Balance

This appropriation represents a use of net assets (fund balance) for general operations. We are currently budgeted to use about \$4.5 million of fund balance in 2018-19, but through cost-cutting measures, will use only about \$450,000 based on conservative revenue estimates and departmental end-of-year expenditure estimates. The annual budget includes the use of about \$3,321,328 in 2019-20 to maintain service levels.

GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

Summary of Revenues

In summary, the annual budget includes \$68.4 million in General Fund revenues, including the use of \$3,321,328 of fund balance.

The table below shows comparative estimates of total General Fund revenues for the current year and next year.

	18-19 Revised Budget	18-19 Estimated	19-20 Recommended Budget
Property Taxes	\$ 31,771,000	\$ 31,800,000	\$ 32,117,500
Sales Taxes	13,853,827	14,039,875	14,741,869
Other State-Collected	7,820,590	7,782,181	7,791,256
Other Revenues	2,549,902	2,694,361	2,586,080
Licenses/Permits	2,461,890	2,781,955	2,842,305
Service Charges	4,820,808	4,798,433	5,002,662
Interfund Transfers	45,000	45,000	45,000
Fund Balance	<u>4,474,633</u>	<u>454,459</u>	<u>3,321,328</u>
Total	\$ 67,797,650	\$ 64,396,264	\$ 68,448,000

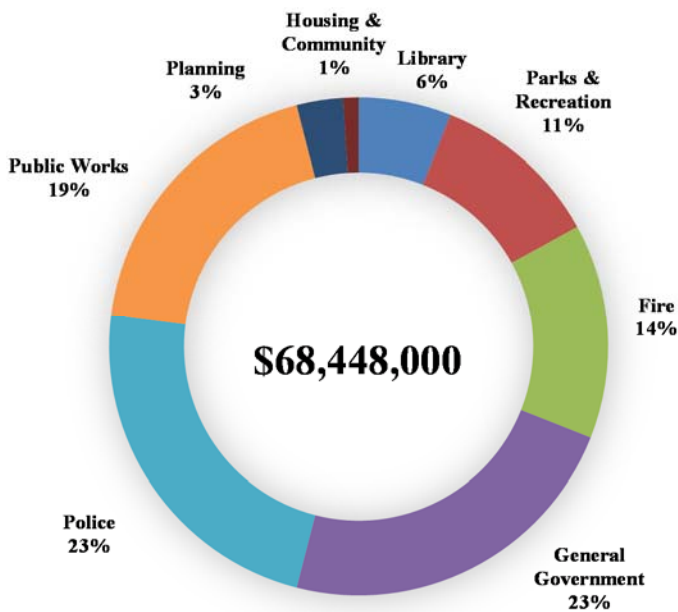
GENERAL FUND

Major Expenditures - Descriptions and Estimates

The General Fund provides basic services for Town citizens including police and fire protection, environment and development services (including planning, public works, engineering, and inspections), general administration and planning for growth and development in the community.

The pie chart below shows the relative proportions of expenditures for the various functions and departments in the General Fund budget totaling \$68,448,000 for the 2019-20 budget.

The largest category of expenditures for the General Fund is Public Safety services, with Police Department expenditures of about \$16 million and Fire Department expenditures of about \$9.7 million.



Environment and Development is the second largest category in the General Fund at about \$15.7 million, including Planning & Development Services, Housing & Community and Public Works which provide services of affordable housing, planning for growth, engineering, solid waste collection, maintenance of streets, and maintenance of Town facilities.

Police, Fire and Public Works together comprise about 56.6% of total General Fund expenditures.

Other General Fund services include Parks and Recreation programs totaling about \$7.2 million, Library services of \$3.8 million, and General Governmental activities (Administration, Communications & Public Affairs, Business Management, Human Resources, Attorney, and Non-Departmental) totaling about \$15.9 million.

Other General Fund services include Parks and Recreation

Non-departmental expenditures total \$5.8 million. Non-departmental expenditures include a transfer for capital improvements of \$321,600. \$1,127,547 is included in the annual budget for distribution to other agencies in support of human services, cultural and arts programs, economic development and development of affordable housing as adopted by the Council. The non-departmental budget also includes funding for “penny for housing” (\$688,395) and legal funds (\$100,000). The budget for liability and property insurance totals \$375,000.

GENERAL FUND

Major Expenditures - Descriptions and Estimates

The 2019-20 budget includes changes to medical insurance rates. The recommended budget includes a 4.9% increase in rates for active employees and under-65 retirees, or about a \$247,190 increase. The Town's contribution to employee retirement increased by about \$371,000, which reflects a 1.2% increase to the contribution over the prior year.

Additional expenses in the budget include a 3.0% of market rate salary adjustment starting July 1, 2019 (\$1,007,687). The FY20 budget also includes an emphasis to bringing our police salaries up to our regional market (\$200,000 increase) in an effort to remain competitive and continue to recruit and retain the best employees. This will bring our starting police officer salary up to \$42,000. The budget also includes a comprehensive pay study of the entire organization (\$100,000).

Additional increases to the FY20 budget include funding for an Urban Designer (\$100,000), initial investment for Climate Action Planning (\$50,000), and \$315,000 towards coal ash remediation at the site of the Police Department.

The 2019-20 Recommended Budget continues to fund retiree medical costs on a pay-as-you-go basis (\$1,620,000), and contributes \$500,000 towards the post-employment benefit (OPEB) liability, a reduction of \$130,000 from the current year.

The table below shows expenditure levels for General Fund personnel, operating costs and capital outlay.

EXPENDITURES	2017-18	2018-19	2018-19		2019-20	% Change
	Actual	Original Budget	Revised Budget	2018-19 Estimated	Recommended Budget	from 2018-19
Personnel	\$ 44,925,349	\$ 48,981,421	\$ 48,870,846	\$ 45,959,839	\$ 50,849,626	3.8%
Operating Costs	16,179,795	16,580,365	18,184,524	17,653,246	16,803,660	1.3%
Capital Outlay	618,543	795,214	742,280	783,179	794,714	-0.1%
Total	\$ 61,723,687	\$ 66,357,000	\$ 67,797,650	\$ 64,396,264	\$ 68,448,000	3.2%

**GENERAL FUND
EXPENDITURES BY DEPARTMENT**

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
General Government						
Mayor/Council	\$ 480,990	\$ 426,968	\$ 427,218	\$ 426,759	\$ 475,446	11.4%
Town Manager	1,710,908	1,762,127	2,046,727	2,043,366	1,911,919	8.5%
Communications & Public Affairs	814,291	870,205	879,243	850,258	909,142	4.5%
Human Resource Dev't	1,669,232	1,768,953	1,889,942	1,869,456	1,859,535	5.1%
Business Management	2,140,442	2,254,949	2,154,949	2,079,251	2,310,602	2.5%
Technology Solutions	1,849,164	2,333,858	2,361,621	2,315,531	2,366,219	1.4%
Town Attorney	337,189	351,379	376,289	375,367	386,581	10.0%
Non-Departmental	5,190,697	5,494,743	6,233,640	6,231,531	5,753,142	4.7%
Subtotal	\$ 14,192,913	\$ 15,263,182	\$ 16,369,629	\$ 16,191,519	\$ 15,972,586	4.6%
Environment & Development						
Planning & Development Services	\$ 2,507,058	\$ 2,115,477	\$ 2,423,016	\$ 2,103,915	\$ 1,830,881	-13.5%
Housing & Community	733,577	833,548	843,548	796,458	837,649	0.5%
Public Works	11,847,895	12,777,850	12,703,404	12,225,694	13,065,980	2.3%
Subtotal	\$ 15,088,530	\$ 15,726,875	\$ 15,969,968	\$ 15,126,067	\$ 15,734,510	0.0%
Public Safety						
Police	\$ 13,611,650	\$ 15,206,077	\$ 15,226,547	\$ 13,858,197	\$ 16,027,754	5.4%
Fire	8,786,448	9,393,617	9,412,341	9,006,243	9,653,939	2.8%
Subtotal	\$ 22,398,098	\$ 24,599,694	\$ 24,638,888	\$ 22,864,440	\$ 25,681,693	4.4%
Leisure						
Parks and Recreation	\$ 6,752,391	\$ 7,365,091	\$ 7,103,116	\$ 6,671,847	\$ 7,236,607	-1.7%
Library	3,291,755	3,402,158	3,716,049	3,542,391	3,822,604	12.4%
Subtotal	\$ 10,044,146	\$ 10,767,249	\$ 10,819,165	\$ 10,214,238	\$ 11,059,211	2.7%
General Fund Total	\$ 61,723,687	\$ 66,357,000	\$ 67,797,650	\$ 64,396,264	\$ 68,448,000	3.2%

GENERAL GOVERNMENT BUDGET SUMMARY

This section includes management, human resources, finance, information technology and legal functions to support all Town departments, as well as budget for non-departmental expenses.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Mayor/Council	\$ 480,990	\$ 426,968	\$ 427,218	\$ 426,759	\$ 475,446	11.4%
Town Manager	1,710,908	1,762,127	2,046,727	2,043,366	1,911,919	8.5%
Communications & Public Affairs	814,291	870,205	879,243	850,258	909,142	4.5%
Human Resources	1,669,232	1,768,953	1,889,942	1,869,456	1,859,535	5.1%
Business Management	2,140,442	2,254,949	2,154,949	2,079,251	2,310,602	2.5%
Technology Solutions	1,849,164	2,333,858	2,361,621	2,315,531	2,366,219	1.4%
Town Attorney	337,189	351,379	376,289	375,367	386,581	10.0%
Non-Departmental	5,190,697	5,494,743	6,233,640	6,231,531	5,753,142	4.7%
Total	\$ 14,192,913	\$ 15,263,182	\$ 16,369,629	\$ 16,191,519	\$ 15,972,586	4.6%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
General Revenues	\$ 14,192,913	\$ 15,263,182	\$ 16,369,629	\$ 16,191,519	\$ 15,972,586	4.6%
Total	\$ 14,192,913	\$ 15,263,182	\$ 16,369,629	\$ 16,191,519	\$ 15,972,586	4.6%

MAYOR
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 RECOMMENDED
Mayoral Aide	1.00	1.00	1.00
Mayor's Office Totals	1.00	1.00	1.00

MAYOR

BUDGET SUMMARY

The recommended budget for the Mayor’s Office reflects a 3.4% increase from the 2018-19 budget. The 6.3% increase in personnel expenses is due to a 3% salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs. The 5.9% decrease in operating costs reflects a small decrease in funds allocated to business meetings and training.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 80,110	\$ 83,794	\$ 83,794	\$ 83,270	\$ 89,063	6.3%
Operating Costs	14,000	25,556	25,806	26,067	24,049	-5.9%
Total	\$ 94,110	\$ 109,350	\$ 109,600	\$ 109,337	\$ 113,112	3.4%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
General Revenues	\$ 94,110	\$ 109,350	\$ 109,600	\$ 109,337	\$ 113,112	3.4%
Total	\$ 94,110	\$ 109,350	\$ 109,600	\$ 109,337	\$ 113,112	3.4%

COUNCIL

BUDGET SUMMARY

The recommended budget for the Town Council reflects an increase of 14.1% from the 2018-19 budget, primarily due to the addition of \$40,000 in operating funds to cover 2019 municipal election expenses. Personnel expenses increased by 2.8% due to a 3% salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 191,447	\$ 187,440	\$ 187,440	\$ 185,374	\$ 192,613	2.8%
Operating Costs	195,433	130,178	130,178	132,048	169,721	30.4%
Total	\$ 386,880	\$ 317,618	\$ 317,618	\$ 317,422	\$ 362,334	14.1%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
General Revenues	\$ 386,880	\$ 317,618	\$ 317,618	\$ 317,422	\$ 362,334	14.1%
Total	\$ 386,880	\$ 317,618	\$ 317,618	\$ 317,422	\$ 362,334	14.1%

***TOWN MANAGER'S OFFICE
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 RECOMMENDED
Town Manager	1.00	1.00	1.00
Deputy Town Manager	1.00	1.00	1.00
Assistant Town Manager	1.00	1.00	1.00
Economic Development Coordinator	1.00	1.00	1.00
Senior Ombuds	1.00	1.00	1.00
Program Coordinator	1.00	1.00	1.00
Ombuds	1.00	1.00	1.00
Assistant to the Manager	2.00	1.00	1.00
Director of Organization & Strategy Initiatives	0.00	1.00	1.00
Office Assistant	1.00	1.00	1.00
Urban Designer	0.00	0.00	1.00
	<hr/>		
Town Manager's Office Totals	10.00	10.00	11.00
	<hr/> <hr/>		

TOWN MANAGER

BUDGET SUMMARY

The recommended budget for the Manager’s Office reflects an 8.5% increase from the 2018-19 budget, primarily due to the addition of an Urban Designer position. The 9.5% increase in personnel expenses captures the cost of this new position along with a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs for existing employees.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 1,478,155	\$ 1,552,043	\$ 1,826,543	\$ 1,821,964	\$ 1,700,041	9.5%
Operating Costs	232,753	210,084	220,184	221,402	211,878	0.9%
Total	\$ 1,710,908	\$ 1,762,127	\$ 2,046,727	\$ 2,043,366	\$ 1,911,919	8.5%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
General Revenues	\$ 1,710,908	\$ 1,762,127	\$ 2,046,727	\$ 2,043,366	\$ 1,911,919	8.5%
Total	\$ 1,710,908	\$ 1,762,127	\$ 2,046,727	\$ 2,043,366	\$ 1,911,919	8.5%

COMMUNICATIONS & PUBLIC AFFAIRS OFFICE
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 RECOMMENDED
Communications & Public Affairs Director / Town Clerk	1.00	1.00	1.00
Town Clerk-Deputy	1.00	1.00	1.00
Administrative Assistant	0.00	0.00	0.00
Assistant Town Clerk	2.00	1.00	1.00
Office Assistant	0.53	0.53	0.53
Communications Manager	1.00	1.00	1.00
Records Manager	0.00	1.00	1.00
Graphic Artist	1.00	1.00	1.00
Communications Specialist	1.00	1.00	1.00
Communications and Public Affairs Department Totals	<u>7.53</u>	<u>7.53</u>	<u>7.53</u>

COMMUNICATIONS & PUBLIC AFFAIRS/ TOWN CLERK BUDGET SUMMARY

The recommended budget for the Communications & Public Affairs department reflects a 4.5% increase from the 2018-19 budget. Personnel expenses increased by 2.1% due to a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs. Operating expenses increased by 13% to cover the costs of the biennial Community Survey, which is scheduled to be complete in FY20.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 614,600	\$ 681,837	\$ 663,437	\$ 657,651	\$ 696,219	2.1%
Operating Costs	199,691	188,368	215,806	192,607	212,923	13.0%
Total	\$ 814,291	\$ 870,205	\$ 879,243	\$ 850,258	\$ 909,142	4.5%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
General Revenues	\$ 814,291	\$ 870,205	\$ 879,243	\$ 850,258	\$ 909,142	4.5%
Total	\$ 814,291	\$ 870,205	\$ 879,243	\$ 850,258	\$ 909,142	4.5%

***HUMAN RESOURCE DEVELOPMENT DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 RECOMMENDED
Human Resource Development Director	1.00	1.00	1.00
Assistant Director-Human Resource Development	1.00	1.00	1.00
Assistant HR Consultant	1.00	0.00	0.00
Risk Manager	1.00	1.00	1.00
Claims Coordinator	1.00	1.00	1.00
Learning & Development Manager	1.00	1.00	1.00
Human Resources Technician	2.00	2.00	2.00
Human Resource Consultant	1.00	2.00	2.00
Administrative Assistant	1.00	1.00	1.00
Human Resource Development Totals	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>

HUMAN RESOURCE DEVELOPMENT BUDGET SUMMARY

The recommended budget for the Human Resource Development department reflects a 5.1% increase from the 2018-19 budget. Personnel expenses increased by 3.3% due to a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs. Operating expenses increased by 7.4% to cover the costs of a comprehensive classification and compensation study (\$100,000). This increase is partially mitigated by a \$40,000 decrease in operating funds to align budget to actuals.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 822,434	\$ 990,551	\$ 941,728	\$ 936,671	\$ 1,023,181	3.3%
Operating Costs	846,798	778,402	948,214	932,785	836,354	7.4%
Total	\$ 1,669,232	\$ 1,768,953	\$ 1,889,942	\$ 1,869,456	\$ 1,859,535	5.1%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2017-18
General Revenues	\$ 1,669,232	\$ 1,768,953	\$ 1,889,942	\$ 1,869,456	\$ 1,859,535	5.1%
Total	\$ 1,669,232	\$ 1,768,953	\$ 1,889,942	\$ 1,869,456	\$ 1,859,535	5.1%

BUSINESS MANAGEMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 RECOMMENDED
<u>Finance</u>			
Director - Business Management	1.00	1.00	1.00
Assistant Director - Business Management	1.00	1.00	1.00
Financial Systems Administrator	1.00	1.00	1.00
Budget Manager	1.00	1.00	1.00
Budget Analyst	2.00	2.00	2.00
Accountant - Payroll & Payables	1.00	1.00	1.00
Accountant - Revenue	1.00	1.00	1.00
Accountant Supervisor - Treasury	1.00	1.00	1.00
Accountant - Housing	1.00	1.00	1.00
Purchasing & Contracts Manager	1.00	1.00	1.00
Purchasing Specialist	1.00	1.00	1.00
Payroll Coordinator	1.00	1.00	1.00
Payroll Technician	1.00	1.00	1.00
Accounting Technician II	1.00	1.00	1.00
Accounts Payable Supervisor	1.00	1.00	1.00
Revenue Collector	2.00	2.00	2.00
Business Management Department Totals	18.00	18.00	18.00

BUSINESS MANAGEMENT

BUDGET SUMMARY

The recommended budget for the Business Management department reflects a 2.5% increase from the 2018-19 budget. Personnel expenses increased by 3.2% due to a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 1,611,524	\$ 1,698,450	\$ 1,573,343	\$ 1,525,007	\$ 1,752,590	3.2%
Operating Costs	528,918	556,499	581,606	554,244	558,012	0.3%
Total	\$ 2,140,442	\$ 2,254,949	\$ 2,154,949	\$ 2,079,251	\$ 2,310,602	2.5%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
General Revenues	\$ 2,140,442	\$ 2,254,949	\$ 2,154,949	\$ 2,079,251	\$ 2,310,602	2.5%
Total	\$ 2,140,442	\$ 2,254,949	\$ 2,154,949	\$ 2,079,251	\$ 2,310,602	2.5%

Technology Solutions

STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 RECOMMENDED
Executive Director - Technology Solutions	1.00	1.00	1.00
Director-Technology Solutions	1.00	0.00	0.00
Senior Analyst	0.00	1.00	1.00
Network Administrator	1.00	1.00	1.00
Systems & Support Manager	1.00	1.00	1.00
Business Analyst	1.00	1.00	1.00
Information Technology Analyst	2.00	2.00	2.00
Senior Information Technology Analyst	2.00	2.00	2.00
Web Administrator	1.00	1.00	1.00
Technical Services Manager	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Systems Administrator	1.00	1.00	1.00
GIS Analyst II	0.00	2.00	2.00
Planning Manager	0.00	1.00	1.00
Technology Solutions Department Totals	13.00	16.00	16.00

TECHNOLOGY SOLUTIONS

BUDGET SUMMARY

The recommended budget for the Technology Solutions department reflects a 1.4% increase from the 2018-19 budget. Personnel expenses increased by 1.7% due to a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 1,273,160	\$ 1,750,969	\$ 1,711,469	\$ 1,683,530	\$ 1,780,902	1.7%
Operating Costs	503,492	532,889	600,152	582,001	535,317	0.5%
Capital Outlay	72,512	50,000	50,000	50,000	50,000	0.0%
Total	\$ 1,849,164	\$ 2,333,858	\$ 2,361,621	\$ 2,315,531	\$ 2,366,219	1.4%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
General Revenues	\$ 1,849,164	\$ 2,333,858	\$ 2,361,621	\$ 2,315,531	\$ 2,366,219	1.4%
Total	\$ 1,849,164	\$ 2,333,858	\$ 2,361,621	\$ 2,315,531	\$ 2,366,219	1.4%

TOWN ATTORNEY
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 RECOMMENDED
Town Attorney	1.00	1.00	1.00
Assistant to the Town Attorney	1.00	1.00	1.00
Attorney Department Totals	2.00	2.00	2.00

TOWN ATTORNEY

BUDGET SUMMARY

The recommended budget for the Attorney's Office reflects a 10% increase from the 2018-19 budget. Personnel expenses increased by 10.5% due to the reclassification of the Legal Services Administrator position and a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs for the Office. Operating expenses decreased by 4.5% due to a small reduction in costs related to professional services.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 328,878	\$ 339,877	\$ 364,787	\$ 364,342	\$ 375,591	10.5%
Operating Costs	8,311	11,502	11,502	11,025	10,990	-4.5%
Total	\$ 337,189	\$ 351,379	\$ 376,289	\$ 375,367	\$ 386,581	10.0%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
General Revenues	\$ 337,189	\$ 351,379	\$ 376,289	\$ 375,367	\$ 386,581	10.0%
Total	\$ 337,189	\$ 351,379	\$ 376,289	\$ 375,367	\$ 386,581	10.0%

**NON-DEPARTMENTAL DIVISION
BUDGET SUMMARY**

The Non-Departmental Division is used to account for activities in the General Fund that are not allocated to other departmental functions. These activities include contributions to other agencies, transfers to other funds, and liability insurance. The recommended budget includes a 4.9% increase to health insurance costs. The Town does not receive grants until mid-late May, so that line item will be adjusted for the adopted budget once the Town has received the grants. Agency contributions are unchanged from last year's budget. The largest increase in expenditures, of \$315,000, accounts for the planned coal ash remediation on town owned property.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Retiree Medical Insurance	\$ 1,431,190	\$ 1,450,000	\$ 1,450,000	\$ 1,560,000	\$ 1,620,000	11.7%
Other Personnel Costs	644	40,000	10,000	1,447	2,500	-93.8%
Liability Insurance	335,987	425,000	405,000	350,000	375,000	-11.8%
Transfer to Affordable Housing Operations	688,395	688,395	688,395	688,395	688,395	0.0%
Supplemental PEG Fees	118,692	172,250	213,891	190,250	171,750	-0.3%
Transfer to Other Funds	180,435	190,000	190,000	180,000	176,000	-7.4%
Transfer to Multi-Year Capital Projects	9,400	7,400	7,400	10,250	10,250	38.5%
Transfer to Capital Improvement Funds	10,300	-	-	-	-	N/A
Transfer to Debt Fund	490,700	237,500	566,991	566,991	321,600	35.4%
OPEB Liability Contributions	-	445,100	445,100	445,100	445,100	0.0%
Launch Initiative	630,000	630,000	630,000	630,000	500,000	-20.6%
Grant Matching Funds	33,500	-	-	-	-	N/A
Agency Contributions	96,023	81,551	81,551	81,551	-	-100.0%
Technology Fund	1,165,431	1,127,547	1,128,047	1,127,547	1,127,547	0.0%
Coal Ash Remediation	-	-	17,265	-	-	N/A
Community Center	-	-	-	-	315,000	N/A
	-	-	400,000	400,000	-	N/A
Total	\$ 5,190,697	\$ 5,494,743	\$ 6,233,640	\$ 6,231,531	\$ 5,753,142	4.7%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
General Revenues	\$ 5,190,697	\$ 5,494,743	\$ 6,233,640	\$ 6,231,531	\$ 5,753,142	4.7%
Total	\$ 5,190,697	\$ 5,494,743	\$ 6,233,640	\$ 6,231,531	\$ 5,753,142	4.7%

ENVIRONMENT & DEVELOPMENT

BUDGET SUMMARY

This section includes the Planning, Housing & Community, and Public Works Departments.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Planning	\$ 2,507,058	\$ 2,115,477	\$ 2,423,016	\$ 2,103,915	\$ 1,830,881	-13.5%
Housing & Community	733,577	833,548	843,548	796,458	837,649	0.5%
Public Works	11,847,895	12,777,850	12,703,404	12,225,694	13,065,980	2.3%
Total	\$ 15,088,530	\$ 15,726,875	\$ 15,969,968	\$ 15,126,067	\$ 15,734,510	0.0%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
General Revenues	\$ 13,447,198	\$ 13,961,117	\$ 14,204,210	\$ 13,200,949	\$ 13,972,500	0.1%
State-Shared Revenues	39,763	38,000	38,000	38,000	38,000	0.0%
Charges for Services	1,130,918	1,277,868	1,277,868	1,441,460	1,216,674	-4.8%
Licenses/Permits/Fines	307,716	376,890	376,890	335,485	437,055	16.0%
Other Revenues	162,935	73,000	73,000	110,173	70,281	-3.7%
Total	\$ 15,088,530	\$ 15,726,875	\$ 15,969,968	\$ 15,126,067	\$ 15,734,510	0.0%

PLANNING DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 RECOMMENDED
<u>Planning & Development Services</u>			
Director - Planning	1.00	1.00	1.00
Operations Manager - Planning	1.00	1.00	1.00
Community Resilience Officer	0.00	1.00	1.00
Planning Manager ¹	5.00	3.00	1.00
Planner/Planner II/Senior Planner ²	7.00	8.00	8.00
GIS Analyst II	2.00	0.00	0.00
Transportation Demand Community Manager ³	1.00	1.00	1.00
Code Enforcement Officer	1.00	1.00	0.00
Administrative Coordinator	0.65	0.65	0.65
Downtown Project Manager	1.00	1.00	1.00
LUMO Project Manager	1.00	1.00	1.00
Permitting Systems Technician	1.00	1.00	0.00
Planning Technician	1.00	1.00	0.00
Division Totals	22.65	20.65	15.65

¹ Planning Manager is partially grant-funded.

² A number of Planner positions are partially or fully grant funded in FY20.

³ Transportation Demand Community Manager is 50% grant-funded.

PLANNING

BUDGET SUMMARY

The recommended budget for the Planning Department reflects a 13.5% decrease from the 2018-19 budget. The majority of this decrease is due to a reorganization that allocated five employees (5 FTEs) to the Inspections division that had been previously budgeted in the Planning Department. Personnel expenses also reflect a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs. Operating expenses increased by 13.7%, driven by an increase in funds allocated towards local match grant requirements.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 1,788,389	\$ 1,667,066	\$ 1,673,101	\$ 1,395,005	\$ 1,320,966	-20.8%
Operating Costs	718,669	448,411	749,915	708,910	509,915	13.7%
Total	\$ 2,507,058	\$ 2,115,477	\$ 2,423,016	\$ 2,103,915	\$ 1,830,881	-13.5%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
General Revenues	\$ 2,018,430	\$ 1,532,737	\$ 1,840,276	\$ 1,484,277	\$ 1,266,425	-17.4%
Charges for Services	322,497	398,740	398,740	535,560	313,535	-21.4%
Licenses/Permits/Fines	159,513	180,000	180,000	80,085	246,140	36.7%
Other Revenues	6,618	4,000	4,000	3,993	4,781	19.5%
Total	\$ 2,507,058	\$ 2,115,477	\$ 2,423,016	\$ 2,103,915	\$ 1,830,881	-13.5%

PUBLIC WORKS DEPARTMENT
STAFFING COMPARISONS - IN FULL TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 RECOMMENDED
<u>Administration</u>			
Director-Public Works	1.00	1.00	1.00
Management Analyst	1.00	1.00	1.00
Administrative Analyst	1.00	1.00	1.00
Manager - Operations	1.00	1.00	1.00
Occupational Health and Safety Officer	1.00	1.00	1.00
Office Assistant	1.00	1.00	1.00
Accounting Technician II	1.00	1.00	1.00
Administrative Coordinator	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Division Totals	9.00	9.00	9.00
<u>Engineering and Design Services</u>			
Manager of Engineering & Infrastructure	1.00	1.00	1.00
Engineering Coordinator-Sr	1.00	1.00	1.00
Project Manager	1.00	1.00	1.00
Survey/Project Coordinator ¹	0.75	0.75	0.75
Senior Engineer ¹	0.85	0.50	0.50
Engineering Inspector	1.00	1.00	1.00
Engineering Inspector - Sr ¹	0.70	0.70	0.70
Landscape Architect	1.00	0.00	0.00
Engineering Technician	1.00	1.00	1.00
Capital Projects Manager	0.00	0.00	1.00
Urban Forester/Special Projects	1.00	0.00	0.00
Unit Totals	9.30	6.95	7.95
<u>Traffic Engineering and Operations</u>			
Traffic Engineering Manager	1.00	1.00	1.00
Traffic Signal System Engineer	1.00	1.00	1.00
Engineering Technician	1.00	1.00	1.00
Traffic Signal Systems Analyst	1.00	1.00	1.00
Lead Traffic Signal Tech	1.00	1.00	1.00
Traffic Signal Technician (Levels I-III)	3.00	3.00	3.00
Lead Sign & Marking Tech	1.00	1.00	1.00
Sign and Marketing Technician (Levels I-II)	2.00	2.00	2.00
Unit Totals	11.00	11.00	11.00
Division Totals	20.30	17.95	18.95

PUBLIC WORKS DEPARTMENT
STAFFING COMPARISONS - IN FULL TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 RECOMMENDED
<u>Streets and Construction Services</u>			
Streets			
Superintendent-Streets/Construction/Services	1.00	1.00	1.00
Streets Supervisor	1.00	1.00	1.00
Street Inspector	1.00	1.00	1.00
Street Crew Supervisor	1.00	1.00	1.00
Construction Worker (Levels I-IV)	8.00	8.00	8.00
Senior Heavy Equipment Officer	1.00	1.00	1.00
Lead Construction Worker	1.00	1.00	1.00
Unit Totals	14.00	14.00	14.00
Construction			
Supervisor-Construction Crew	2.00	2.00	1.00
Construction Worker (Levels I - IV)	3.00	3.00	4.00
Senior Heavy Equipment Operator	1.00	1.00	1.00
Unit Totals	6.00	6.00	6.00
Division Totals	20.00	20.00	20.00
<u>Facilities Management</u>			
Buildings			
Facilities Manager	1.00	1.00	1.00
Facilities Supervisor	1.00	1.00	1.00
Building Maintenance Mechanic (Levels I-III)	6.00	6.00	6.00
Facilities Systems Technician	1.00	1.00	1.00
Processing Technician ²	0.25	0.25	0.25
Unit Totals	9.25	9.25	9.25
Division Totals	9.25	9.25	9.25
<u>Solid Waste and Fleet Services</u>			
Solid Waste			
Solid Waste Services Manager	1.00	1.00	1.00
Supervisor-Solid Waste (Residential and Commercial)	2.00	2.00	2.00
Solid Waste Services Crew Supervisor	1.00	1.00	1.00
Solid Waste Equipment Operator III	4.00	4.00	4.00
Solid Waste Equipment Operator II	10.00	10.00	10.00
Solid Waste Equipment Operator I	3.00	3.00	3.00
Solid Waste Collector	13.00	13.00	13.00
Division Totals	34.00	34.00	34.00
Public Works Totals	92.55	90.20	91.20

¹ The Stormwater fund assumes a portion of salaries of the Survey/Project Coordinator, Senior Engineer, and Engineering Inspector - Sr.
² Position split between Building Maintenance and Vehicle Maintenance.

Note: Vehicle Maintenance employees are supervised by Public Works, but included with the Vehicle Maintenance Fund Staffing Summary.

PUBLIC WORKS BUDGET SUMMARY

The recommended budget for the Public Works Department reflects a 2.3% increase from the 2018-19 budget. Personnel expenses in the recommended budget reflect a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Administration	\$ 947,015	\$ 1,047,072	\$ 1,085,685	\$ 1,087,263	\$ 1,090,877	4.2%
Engineering & Design	789,025	827,104	799,054	803,051	975,815	18.0%
Traffic	2,047,745	2,026,088	2,086,415	1,859,741	2,023,599	-0.1%
Construction	648,991	689,388	689,028	586,259	676,386	-1.9%
Streets	2,142,332	2,238,876	2,416,293	2,443,082	2,316,635	3.5%
Building Maintenance	1,606,966	2,200,640	1,871,149	1,755,423	2,144,423	-2.6%
Solid Waste	3,665,821	3,748,682	3,755,780	3,690,875	3,838,245	2.4%
Total	\$ 11,847,895	\$ 12,777,850	\$ 12,703,404	\$ 12,225,694	\$ 13,065,980	2.3%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
General Revenues	\$ 10,695,191	\$ 11,594,832	\$ 11,520,386	\$ 10,920,214	\$ 11,868,426	2.4%
State Shared	39,763	38,000	38,000	38,000	38,000	0.0%
Charges for Services	808,421	879,128	879,128	905,900	903,139	2.7%
Licenses/Permits/Fines	148,203	196,890	196,890	255,400	190,915	-3.0%
Other Revenues	156,317	69,000	69,000	106,180	65,500	-5.1%
Total	\$ 11,847,895	\$ 12,777,850	\$ 12,703,404	\$ 12,225,694	\$ 13,065,980	2.3%

PUBLIC WORKS - Administration Division
BUDGET SUMMARY

The recommended budget for the Administration Division of the Public Works Department reflects a 4.2% increase from the 2018-19 budget. Personnel expenses increased by 5% due to a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 811,693	\$ 865,677	\$ 885,977	\$ 885,388	\$ 908,947	5.0%
Operating Costs	135,322	181,395	199,708	201,875	181,930	0.3%
Total	\$ 947,015	\$ 1,047,072	\$ 1,085,685	\$ 1,087,263	\$ 1,090,877	4.2%

PUBLIC WORKS - Engineering
BUDGET SUMMARY

The recommended budget for the Engineering Division of the Public Works Department reflects an 18% increase from the 2018-19 budget. This large increase is due to the transfer of a position (1 FTE) from the Parks Maintenance division to the Engineering Division. Personnel expenses also increased due to a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs. Operating expenses increased by 9.4% due to additional fleet use charges.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 736,379	\$ 773,636	\$ 755,736	\$ 753,092	\$ 917,329	18.6%
Operating Costs	52,646	53,468	43,318	49,959	58,486	9.4%
Total	\$ 789,025	\$ 827,104	\$ 799,054	\$ 803,051	\$ 975,815	18.0%

PUBLIC WORKS - Traffic

BUDGET SUMMARY

The recommended budget for the Traffic Division of the Public Works Department reflects a 0.1% decrease from the 2018-19 budget. Personnel expenses increased by 3.3% due to a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs. Operating expenses decreased by 3.6% due to a reduction in street lighting electricity budget to match actuals.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 940,314	\$ 1,013,884	\$ 1,013,884	\$ 1,007,879	\$ 1,047,566	3.3%
Operating Costs	1,107,431	1,012,204	1,072,531	851,862	976,033	-3.6%
Total	\$ 2,047,745	\$ 2,026,088	\$ 2,086,415	\$ 1,859,741	\$ 2,023,599	-0.1%

PUBLIC WORKS - Construction
BUDGET SUMMARY

The recommended budget for the Construction Division of the Public Works Department reflects a 1.9% decrease from the 2018-19 budget. Personnel expenses decreased by 3.3% due to employee turnover. Personnel expenses also include a 3% of market salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs for existing employees. Operating expenses increased slightly due to additional fleet use charges.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 432,818	\$ 466,159	\$ 463,759	\$ 356,755	\$ 450,586	-3.3%
Operating Costs	216,173	223,229	225,269	229,504	225,800	1.2%
Total	\$ 648,991	\$ 689,388	\$ 689,028	\$ 586,259	\$ 676,386	-1.9%

PUBLIC WORKS - Streets

BUDGET SUMMARY

The recommended budget for the Streets division reflects an overall expenditure increase of 3.5% from last year's budget. The 4.2% increase in personnel is due to a 3% pay adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs. The 2.9% increase in operating reflects an increase to fleet use charges. Some of the operation costs have been offset by a decrease to the vehicle replacement fund.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 1,002,775	\$ 1,060,255	\$ 1,053,240	\$ 1,005,216	\$ 1,104,866	4.2%
Operating Costs	1,113,242	1,153,621	1,324,728	1,383,941	1,186,769	2.9%
Capital Outlay	26,315	25,000	38,325	53,925	25,000	0.0%
Total	\$ 2,142,332	\$ 2,238,876	\$ 2,416,293	\$ 2,443,082	\$ 2,316,635	3.5%

PUBLIC WORKS - Building Maintenance

BUDGET SUMMARY

The recommended budget for the Building Maintenance division reflects an overall expenditure decrease of 2.6% from last year's budget. The 4.7% increase in personnel costs reflects a 3% pay adjustment, a 1.2% retirement increase, and a 4.9% health insurance increase. The 0.8% decrease in operation costs reflects a decrease in personnel agency payments. Capital outlay expenditures have decreased by 17.8% due to \$84,100 of the planned facility maintenance funding being transferred to the Capital Improvements Fund to better account for capital expenditures.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 728,608	\$ 761,711	\$ 761,711	\$ 679,587	\$ 797,626	4.7%
Operating Costs	878,358	966,715	1,028,314	973,113	958,683	-0.8%
Capital Outlay	-	472,214	81,124	102,723	388,114	-17.8%
Total	\$ 1,606,966	\$ 2,200,640	\$ 1,871,149	\$ 1,755,423	\$ 2,144,423	-2.6%

PUBLIC WORKS - Solid Waste Services
BUDGET SUMMARY

The recommended budget for the Solid Waste Services division reflects an overall expenditure increase of 2.4% from last year's budget. The 2.5% increase in personnel costs reflect a 3% pay adjustment, a 1.2% retirement increase, and a 4.9% health insurance increase. The 2.3% increase in operating cost is due to an increase in vehicle replacement services.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 2,172,810	\$ 2,293,918	\$ 2,241,418	\$ 2,175,063	\$ 2,350,204	2.5%
Operating Costs	1,493,011	1,454,764	1,514,362	1,515,812	1,488,041	2.3%
Total	\$ 3,665,821	\$ 3,748,682	\$ 3,755,780	\$ 3,690,875	\$ 3,838,245	2.4%

HOUSING & COMMUNITY
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 RECOMMENDED
Housing & Community			
Executive Director - Housing & Community	1.00	1.00	1.00
Assistant Director - Housing & Community	1.00	1.00	1.00
Resident Services Coordinator	1.00	1.00	1.00
Administrative Coordinator	0.20	0.20	0.20
Principal Planner	1.00	0.00	0.00
Affordable Housing Manager	0.00	1.00	1.00
Affordable Housing Officer	1.00	1.00	1.00
Community Development Program Manager	1.00	1.00	1.00
Human Services Coordinator	1.00	1.00	1.00
Division Totals	7.20	7.20	7.20

HOUSING & COMMUNITY BUDGET SUMMARY

The recommended budget reflects an overall increase of 0.5% from the previous fiscal year's budget. The 0.5% increase in personnel costs reflects a 3% pay adjustment, 4.9% increase in health insurance costs, and a 1.2% retirement increase. This is mostly offset by employee turnover. Operating costs have remained about the same.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 670,232	\$ 749,608	\$ 759,608	\$ 714,029	\$ 753,729	0.5%
Operating Costs	63,345	83,940	83,940	82,429	83,920	0.0%
Total	\$ 733,577	\$ 833,548	\$ 843,548	\$ 796,458	\$ 837,649	0.5%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
General Revenues	\$ 733,577	\$ 833,548	\$ 843,548	\$ 796,458	\$ 837,649	0.5%
Total	\$ 733,577	\$ 833,548	\$ 843,548	\$ 796,458	\$ 837,649	0.5%

***PUBLIC SAFETY
BUDGET SUMMARY***

Public Safety includes the Town's Police and Fire Departments.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Police	\$ 13,611,650	\$ 15,206,077	\$ 15,226,547	\$ 13,858,197	\$ 16,027,754	5.4%
Fire	8,786,448	9,393,617	9,412,341	9,006,243	9,653,939	2.8%
Total	\$ 22,398,098	\$ 24,599,694	\$ 24,638,888	\$ 22,864,440	\$ 25,681,693	4.4%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
General Revenues	\$ 18,063,259	\$ 21,042,019	\$ 21,071,213	\$ 18,938,422	\$ 21,807,523	3.6%
State-Shared Revenues	1,106,256	1,115,590	1,115,590	1,106,256	1,106,256	-0.8%
Grants	10,000	-	10,000	10,000	-	N/A
Charges for Services	668,973	667,085	667,085	673,862	672,664	0.8%
Licenses/Permits/Fines	2,448,492	1,630,000	1,630,000	1,990,900	1,950,250	19.6%
Other Revenues	101,118	145,000	145,000	145,000	145,000	0.0%
Total	\$ 22,398,098	\$ 24,599,694	\$ 24,638,888	\$ 22,864,440	\$ 25,681,693	4.4%

POLICE DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 RECOMMENDED
Support Services			
Police Chief/Executive Director for Community Safety	1.00	1.00	1.00
Police Captain	0.00	0.00	0.00
Police Attorney/Legal Advisor	2.00	2.00	2.00
Police Analyst	1.00	1.00	1.00
Crisis Unit Supervisor	1.00	1.00	1.00
Crisis Counselor	4.00	4.00	4.00
Records Supervisor	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Administrative Coordinator	1.00	0.00	0.00
Management Analyst	0.00	1.00	1.00
Communications Specialist	1.00	1.00	1.00
Customer Service Technician	3.00	3.00	3.00
Community Safety Outreach Coordinator	0.00	0.00	1.00
Division Totals	16.00	16.00	17.00
Operations			
Assistant Police Chief	2.00	2.00	2.00
Police Captain	4.00	4.00	4.00
Police Lieutenant	9.00	8.00	8.00
Police Sergeant	11.00	11.00	12.00
Forensic and Evidence Specialist	2.00	2.00	2.00
Police Officer	90.00	90.00	88.00
Division Totals	118.00	117.00	116.00
<u>Inspections</u>			
Building Inspector Director	1.00	1.00	1.00
Code Enforcement Officer	2.00	2.00	2.00
Code Compliance Officer	1.00	0.00	0.00
Building Operations Manager	0.00	1.00	1.00
Commercial Plans Reviewer - Sr.	0.00	1.00	1.00
Customer Service Technician	1.00	1.00	2.00
Administrative Assistant	1.00	1.00	1.00
Inspector	7.00	7.00	7.00
Inspector Supervisor	1.00	1.00	1.00
Permit Technician	2.00	2.00	2.00
Planning Manager	0.00	0.00	2.00
Permitting Systems Admin	0.00	0.00	1.00
Planning Technician	0.00	0.00	1.00
Division Totals	16.00	17.00	22.00
Police Department Totals	150.00	150.00	155.00

POLICE

BUDGET SUMMARY

While the Police Department generates revenues from grants, charges for services, and licenses, permits and fines, the majority of the revenues are not department specific. Most grant revenues were moved to a separate Grants Fund in 2007-08. Revenues are expected to increase due to an increase of licenses, permits, and fines (\$260,000). Personnel expenditure increases are attributed to a 3% market adjustment, a 4.9% health insurance increase, and a 1.2% retirement increase.

Starting in fiscal year 2014-15, the Inspections division was combined with Planning to create the Planning & Sustainability department. Beginning in fiscal year 2017-18, Inspections became a division under the Police department.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 11,862,873	\$ 13,462,290	\$ 13,403,290	\$ 12,079,239	\$ 14,203,584	5.5%
Operating Costs	1,748,777	1,743,787	1,823,257	1,778,958	1,824,170	4.6%
Total	\$ 13,611,650	\$ 15,206,077	\$ 15,226,547	\$ 13,858,197	\$ 16,027,754	5.4%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
General Revenues	\$ 10,809,593	\$ 13,157,077	\$ 13,167,547	\$ 11,431,520	\$ 13,718,754	4.3%
Grants	10,000	-	10,000	10,000	-	N/A
Charges for Services	396,309	400,000	400,000	406,777	400,000	0.0%
Licenses/Permits/Fines	2,294,630	1,504,000	1,504,000	1,864,900	1,764,000	17.3%
Other Revenues	101,118	145,000	145,000	145,000	145,000	0.0%
Total	\$ 13,611,650	\$ 15,206,077	\$ 15,226,547	\$ 13,858,197	\$ 16,027,754	5.4%

POLICE - Support Services Division
BUDGET SUMMARY

The recommended budget for the Support Services division reflects an overall expenditure increase of 2.7% from last year's budget. The 4.0% increase in personnel is the result of a 3% pay adjustment, 4.9% increase in health insurance, and a 1.2% retirement increase. Additionally, a position was reorganized from the Operations Division to create a Community Safety Outreach Coordinator (1 FTE). There is a 0.2% increase in operating costs to match budget to actual expenditures.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 1,450,713	\$ 1,540,455	\$ 1,540,455	\$ 1,384,790	\$ 1,601,919	4.0%
Operating Costs	750,608	805,642	870,317	839,882	807,617	0.2%
Total	\$ 2,201,321	\$ 2,346,097	\$ 2,410,772	\$ 2,224,672	\$ 2,409,536	2.7%

POLICE - Operations Division
BUDGET SUMMARY

The Operations Division reflects a 3.2% increase in the 2019-20 budget. The personnel budget for the Operations Division reflects a 2.7% increase in personnel costs, due to a 3% pay adjustment and a 4.9% increase in health insurance costs. Additionally, the budgt includes a proposed salary increase for sworn officers to maintain compensation competitiveness in the region. The 9.2% increase in operating is primarily attributed to an increase in fleet use charges, and an increase in revenues directed toward the fleet vehicle replacement fund to replace vehicles as they reach their useful life.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 9,132,222	\$ 10,274,004	\$ 10,228,504	\$ 9,227,817	\$ 10,554,916	2.7%
Operating Costs	767,735	721,765	720,676	719,175	788,108	9.2%
Total	\$ 9,899,957	\$ 10,995,769	\$ 10,949,180	\$ 9,946,992	\$ 11,343,024	3.2%

POLICE - Special Events
BUDGET SUMMARY

The Special Events division tracks the cost of additional police presence at special events including impromptu University of North Carolina student celebrations, Halloween and Festifall. Efforts to contain the downtown Halloween celebration in recent years have been successful. The recommended budget for 2019-20 reflects a 0.9% increase in operating costs for equipment rental to adjust budget to actual expenditures.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Operating Costs	\$ 113,703	\$ 111,350	\$ 111,350	\$ 108,262	\$ 112,350	0.9%
Total	\$ 113,703	\$ 111,350	\$ 111,350	\$ 108,262	\$ 112,350	0.9%

POLICE - Building & Development Services

BUDGET SUMMARY

The recommended budget for the Inspections division reflects an overall expenditure increase of 23.4% from last year's budget. Due to a reorganization the Inspections division gained five employees (5 FTEs) from the Planning department. Personnel costs increased by 24.2% due to increased cost the of skill-based pay program (\$18,000) for employee acquisition of additional qualifying certifications. Additionally, the increase includes a 3% pay adjustment, a 1.2% retirement increase, and a 4.9% health insurance increase. The operating costs increased by 10.5% as the operating costs associated with the reorganized personnel were moved to the Building and Development Services division.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 1,279,938	\$ 1,647,831	\$ 1,634,331	\$ 1,466,632	\$ 2,046,749	24.2%
Operating Costs	116,731	105,030	120,914	111,639	116,095	10.5%
Total	\$ 1,396,669	\$ 1,752,861	\$ 1,755,245	\$ 1,578,271	\$ 2,162,844	23.4%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
General Revenues	\$ (784,219)	\$ 344,861	\$ 347,245	\$ (184,629)	\$ 501,844	45.5%
Licenses/Permits/Fines	2,180,888	1,408,000	1,408,000	1,762,900	1,661,000	18.0%
Total	\$ 1,396,669	\$ 1,752,861	\$ 1,755,245	\$ 1,578,271	\$ 2,162,844	23.4%

FIRE DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 RECOMMENDED
Administration			
Fire Chief	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Management Analyst	1.00	0.00	0.00
Assistant Chief - Admin Services	0.00	1.00	1.00
Emergency Management Planner	0.00	0.00	1.00
Emergency Management Coordinator	1.00	1.00	1.00
Division Totals	<u>4.00</u>	<u>4.00</u>	<u>5.00</u>
Emergency Operations			
Fire Chief - Deputy Operations	1.00	0.00	0.00
Fire/Emergency Management Planner	0.00	1.00	0.00
Battalion Fire Chief	4.00	3.00	3.00
Fire Captain\Lieutenant	19.00	19.00	23.00
Fleet & Logistics Officer	1.00	1.00	0.00
Assistant Fire Chief of Operations	1.00	1.00	1.00
Assistant Fire Chief of Training	0.00	1.00	1.00
Fire Comms Tech Officer	1.00	1.00	1.00
Fire Equipment Operator	17.00	19.00	21.00
Firefighter/Master	40.00	38.00	33.00
Division Totals	<u>84.00</u>	<u>84.00</u>	<u>83.00</u>
Life Safety			
Fire Marshall	1.00	1.00	1.00
Fire Inspector	2.00	2.00	2.00
Fire Protection Specialist	1.00	1.00	0.00
Deputy Fire Marshal	1.00	1.00	2.00
Assistant Fire Marshal	3.00	3.00	3.00
Division Totals	<u>8.00</u>	<u>8.00</u>	<u>8.00</u>
Fire Department Totals	<u><u>96.00</u></u>	<u><u>96.00</u></u>	<u><u>96.00</u></u>

FIRE

BUDGET SUMMARY

While the Fire Department generates revenues from grants, charges for services, and licenses, permits and fines, the majority of the revenues are not department specific. Changes related to expenditures are noted on division summaries. Personnel costs have increased due to 3% market adjustments, a 4.9% increase in medical insurance costs, and a 1.2% retirement increase.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 7,781,134	\$ 8,306,586	\$ 8,306,586	\$ 7,908,436	\$ 8,588,252	3.4%
Operating Costs	1,003,308	1,076,531	1,105,755	1,088,267	1,055,687	-1.9%
Capital Outlay	2,006	10,500	-	9,540	10,000	-4.8%
Total	\$ 8,786,448	\$ 9,393,617	\$ 9,412,341	\$ 9,006,243	\$ 9,653,939	2.8%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
General Revenues	\$ 7,253,666	\$ 7,884,942	\$ 7,903,666	\$ 7,506,902	\$ 8,088,769	2.6%
State-Shared Revenues	1,106,256	1,115,590	1,115,590	1,106,256	1,106,256	-0.8%
Charges for Services	272,664	267,085	267,085	267,085	272,664	2.1%
Licenses/Permits/Fines	153,862	126,000	126,000	126,000	186,250	47.8%
Total	\$ 8,786,448	\$ 9,393,617	\$ 9,412,341	\$ 9,006,243	\$ 9,653,939	2.8%

FIRE - Administration Division
BUDGET SUMMARY

The recommended budget for the Administration division reflects an overall expenditure increase of 19.8% from last year's budget. One position (1 FTE) was moved and reclassified from the Fire Emergency Operations division to create an Emergency Management Coordinator. In addition to the reorganization, the increase in personnel cost is the result of a 3% pay adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs. The operating budget reflects a 3.2% increase to align budget to actuals.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 400,369	\$ 492,506	\$ 492,506	\$ 486,852	\$ 614,508	24.8%
Operating Costs	134,946	146,118	146,118	145,968	150,764	3.2%
Total	\$ 535,315	\$ 638,624	\$ 638,624	\$ 632,820	\$ 765,272	19.8%

FIRE - Emergency Operations Division
BUDGET SUMMARY

The recommended budget for the Emergency Operations Division reflects a 1.1% increase overall. This is due to a 3% pay adjustment, a 4.9% increase in health insurance costs, and a 1.2% retirement. The reorganization of one employee (1 FTE) to the Fire Administration division offset some personnel costs. Operating expenditures saw a 2.3% decrease, reflecting reductions to vehicle replacement charges. There is a reduction in the capital outlay to align budget to actuals.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 6,685,703	\$ 6,986,286	\$ 6,986,286	\$ 6,702,306	\$ 7,093,775	1.5%
Operating Costs	795,028	845,982	874,458	867,599	826,173	-2.3%
Capital Outlay	2,006	10,500	-	9,540	10,000	-4.8%
Total	\$ 7,482,737	\$ 7,842,768	\$ 7,860,744	\$ 7,579,445	\$ 7,929,948	1.1%

FIRE - Life Safety Division
BUDGET SUMMARY

The recommended budget for the Life Safety division reflects an overall expenditure increase of 5.1% from last year's budget. The 6.3% increase in personnel is due to a 3% pay adjustment, a 4.9% increase in health insurance costs, as well as a 1.2% retirement increase. This is slightly offset by a reduction to overtime salary. The operating budget decreased by 6.7% to align budget to actuals.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 695,062	\$ 827,794	\$ 827,794	\$ 719,278	\$ 879,969	6.3%
Operating Costs	73,334	84,431	85,179	74,700	78,750	-6.7%
Total	\$ 768,396	\$ 912,225	\$ 912,973	\$ 793,978	\$ 958,719	5.1%

**LEISURE
BUDGET SUMMARY**

Leisure includes the Parks and Recreation Department and the Chapel Hill Public Library.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Parks and Recreation	\$ 6,752,391	\$ 7,365,091	\$ 7,103,116	\$ 6,671,847	\$ 7,236,607	-1.7%
Library	3,291,755	3,402,158	3,716,049	3,542,391	3,822,604	12.4%
Total	\$ 10,044,146	\$ 10,767,249	\$ 10,819,165	\$ 10,214,238	\$ 11,059,211	2.7%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
General Revenues	\$ 7,916,514	\$ 8,751,382	\$ 8,803,298	\$ 8,167,099	\$ 8,794,417	0.5%
Grants	703,355	680,899	680,899	681,301	679,399	-0.2%
Charges for Services	1,344,140	1,261,718	1,261,718	1,258,603	1,477,395	17.1%
Other Revenues	35,137	28,250	28,250	62,235	63,000	123.0%
Transfers/Other Sources	45,000	45,000	45,000	45,000	45,000	0.0%
Total	\$ 10,044,146	\$ 10,767,249	\$ 10,819,165	\$ 10,214,238	\$ 11,059,211	2.7%

PARKS & RECREATION DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 RECOMMENDED
Administration			
Director-Parks & Recreation	1.00	1.00	1.00
Assistant Director-Parks and Recreation	1.00	1.00	1.00
Planning & Development Manager	1.00	1.00	1.00
Administrative Coordinator	1.00	1.00	1.00
Recreation Manager	1.00	1.00	1.00
Administrative Assistant	2.00	2.00	2.00
Administrative Services Manager	1.00	1.00	1.00
Marketing & Sponsorship Coordinator	1.00	1.00	1.00
Division Totals	<u>9.00</u>	<u>9.00</u>	<u>9.00</u>
Landscape Services and Park Maintenance			
Parks Maintenance Superintendent	1.00	1.00	1.00
Landscape Supervisor	3.00	3.00	3.00
Municipal Arborist	1.00	1.00	1.00
Project Manager	1.00	1.00	0.00
Assistant Arborist	1.00	1.00	1.00
Landscape Specialist/Landscape Crew Leader	17.00	17.00	17.00
Administrative Assistant	1.00	1.00	1.00
Landscape Architect	0.00	1.00	1.00
Division Totals	<u>25.00</u>	<u>26.00</u>	<u>25.00</u>
Athletics			
Recreation Supervisor	1.00	1.00	1.00
Adaptive Recreation Coordinator	1.00	1.00	1.00
Special Olympics Coordinator	1.00	1.00	1.00
Recreation Specialist	1.53	1.50	1.50
Division Totals	<u>4.53</u>	<u>4.50</u>	<u>4.50</u>
Community Center			
Recreation Supervisor	1.00	1.00	1.00
Recreation Specialist	0.50	1.00	1.00
Recreation Assistant	2.00	2.00	2.50
Division Totals	<u>3.50</u>	<u>4.00</u>	<u>4.50</u>

continued

PARKS & RECREATION DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 RECOMMENDED
Aquatics Center			
Recreation Supervisor	1.00	1.00	1.00
Assistant Recreation Supervisor	1.00	1.00	1.00
Aquatics Specialist	4.00	4.00	4.00
Division Totals	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>
Public Arts			
Public Arts Administrator	1.00	0.00	0.00
Public Arts Coordinator	1.00	0.00	0.00
Division Totals	<u>2.00</u>	<u>0.00</u>	<u>0.00</u>
Hargraves Center			
Recreation Supervisor	1.00	1.00	1.00
Assistant Recreation Supervisor	1.00	1.00	1.00
Recreation Specialist	1.80	1.50	1.80
Recreation Assistant	2.00	1.50	1.00
Division Totals	<u>5.80</u>	<u>5.00</u>	<u>4.80</u>
Community Cultural Arts			
Recreation Supervisor	1.00	1.00	0.00
Festivals & Event Technician	1.00	1.00	0.00
Division Totals	<u>2.00</u>	<u>2.00</u>	<u>0.00</u>
Parks & Recreation Department Totals	<u><u>57.83</u></u>	<u><u>56.50</u></u>	<u><u>53.80</u></u>

¹ One additional Groundskeeper is funded by the Downtown Service District.

PARKS AND RECREATION

BUDGET SUMMARY

The recommended budget for Parks & Recreation has a slight overall decrease. The budget includes a 3% pay adjustment, a 4.9% increase in health insurance costs, and a 1.2% retirement increase. The overall decrease is attributed to the reorganization of two full time employees (2.0 FTEs) from the Parks and Recreation Special Event's division to the Library Department, as well as aligning budget to actuals for some line items.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 5,111,161	\$ 5,507,882	\$ 5,286,898	\$ 4,922,987	\$ 5,422,411	-1.6%
Operating Costs	1,624,520	1,857,209	1,810,378	1,748,860	1,814,196	-2.3%
Capital Outlay	16,710	-	5,840	-	-	N/A
Total	\$ 6,752,391	\$ 7,365,091	\$ 7,103,116	\$ 6,671,847	\$ 7,236,607	-1.7%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
General Revenues	\$ 5,444,899	\$ 6,155,005	\$ 5,893,030	\$ 5,439,454	\$ 5,806,027	-5.7%
Grants	106,760	83,760	83,760	85,656	83,760	0.0%
Charges for Services	1,188,482	1,124,326	1,124,326	1,131,937	1,342,820	19.4%
Other Revenues	12,250	2,000	2,000	14,800	4,000	100.0%
Total	\$ 6,752,391	\$ 7,365,091	\$ 7,103,116	\$ 6,671,847	\$ 7,236,607	-1.7%

PARKS & RECREATION - Administration Division

BUDGET SUMMARY

The recommended budget for the Administration division reflects an overall expenditure increase of 4.6% from last year's budget. The 4.8% increase in personnel costs reflects a 3% pay adjustment, a 1.2% retirement increase, as well as a 4.9% increase in health insurance costs. This is somewhat offset by employee turnover. The operating budget has an increase of 3.9% due to a slight increase in credit card fees, telephone costs, and contracted services.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 850,529	\$ 914,066	\$ 880,891	\$ 822,090	\$ 958,144	4.8%
Operating Costs	212,363	208,224	258,509	263,636	216,314	3.9%
Total	\$ 1,062,892	\$ 1,122,290	\$ 1,139,400	\$ 1,085,726	\$ 1,174,458	4.6%

PARKS & RECREATION - Special Events
BUDGET SUMMARY

The Parks and Recreation Special Events division was moved to the Library department in Fiscal Year 2018-19. The remaining budget in FY19 represents 140 West programming funds.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 151,857	\$ 175,309	\$ -	\$ -	\$ -	-100.0%
Operating Costs	122,300	113,322	17,309	-	-	-100.0%
Total	\$ 274,157	\$ 288,631	\$ 17,309	\$ -	\$ -	-100.0%

PARKS & RECREATION - Parks Maintenance
BUDGET SUMMARY

The recommended budget for the Parks Maintenance division reflects an overall expenditure decrease of 1.8% from last year's budget. The 3.3% decrease in personnel costs reflects a reorganization, which moved a FTE (Project Manager) to Public Work's Engineering division. This is slightly offset by a 3% pay adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs. Temporary employee's salaries were increased to align with the Orange County Living Wage standard. The 2.8% increase in operating costs is due to increased charges for vehicle replacements.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 1,788,493	\$ 1,899,049	\$ 1,886,549	\$ 1,663,612	\$ 1,836,390	-3.3%
Operating Costs	529,890	633,034	631,194	606,545	650,952	2.8%
Capital Outlay	16,710	-	5,840	-	-	N/A
Total	\$ 2,335,093	\$ 2,532,083	\$ 2,523,583	\$ 2,270,157	\$ 2,487,342	-1.8%

PARKS & RECREATION - Athletics
BUDGET SUMMARY

The recommended budget for the Athletics division reflects an overall expenditure increase of 2.0% from last year's budget. The 2.5% increase in personnel costs reflects a 3% pay adjustment, a 4.9% increase in health insurance costs, and a 1.2% retirement increase. Temporary employee's salaries were increased to align with the Orange County Living Wage standard. The 1.4% increase in operating costs is attributed to an increase in recreational programs and events.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 477,638	\$ 512,128	\$ 512,128	\$ 513,772	\$ 525,111	2.5%
Operating Costs	288,125	389,603	355,413	342,319	395,077	1.4%
Total	\$ 765,763	\$ 901,731	\$ 867,541	\$ 856,091	\$ 920,188	2.0%

PARKS & RECREATION - Community Center
BUDGET SUMMARY

The recommended budget for the Community Center division reflects an overall expenditure increase of 6.0% from last year's budget. The 3.2% increase in personnel costs reflects a 3% pay adjustment, a 4.9% increase in health insurance costs, and a 1.2% retirement increase. Temporary employee's salaries were increased to align with the Orange County Living Wage standard. The 17.6% increase in operating costs can be attributed to an increase in electricity costs.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 474,153	\$ 517,259	\$ 517,259	\$ 476,706	\$ 533,866	3.2%
Operating Costs	114,346	126,642	136,158	145,443	148,974	17.6%
Total	\$ 588,499	\$ 643,901	\$ 653,417	\$ 622,149	\$ 682,840	6.0%

PARKS & RECREATION - Aquatics
BUDGET SUMMARY

The recommended budget for the Aquatics division reflects an overall expenditure increase of 3.0% from last year's budget. The 4.3% increase in personnel costs reflects a 3% pay adjustment, a 4.9% increase in health insurance costs and a 1.2% retirement increase. Temporary employee's salaries were increased to align with the Orange County Living Wage standard. The 1.0% decrease in operating cost aligns budget to actuals.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 797,483	\$ 902,454	\$ 902,454	\$ 904,156	\$ 940,914	4.3%
Operating Costs	236,787	271,861	278,732	262,905	269,113	-1.0%
Total	\$ 1,034,270	\$ 1,174,315	\$ 1,181,186	\$ 1,167,061	\$ 1,210,027	3.0%

PARKS & RECREATION - Hargraves
BUDGET SUMMARY

The recommended budget for the Hargraves division reflects an overall expenditure increase of 8.5% from last year's budget. The 6.9% increase in personnel costs reflects a 3% pay adjustment, a 4.9% increase in health insurance costs, and a 1.2% retirement increase. Temporary employee's salaries were increased to align with the Orange County Living Wage standard. The 16.8% increase in operating costs can be attributed to costs associated with expanding the Reading to Achieve program and the Drama Kids Spring Break program.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 571,008	\$ 587,617	\$ 587,617	\$ 542,651	\$ 627,986	6.9%
Operating Costs	120,709	114,523	133,063	128,012	133,766	16.8%
Total	\$ 691,717	\$ 702,140	\$ 720,680	\$ 670,663	\$ 761,752	8.5%

LIBRARY DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 RECOMMENDED
Director-Library	1.00	1.00	1.00
Assistant Director-Library/Head of Public Services	1.00	1.00	1.00
Acquisitions & Collections Manager	1.00	1.00	1.00
Library Experience Manager	1.00	1.00	1.00
Children's & Family Outreach Coordinator	1.00	1.00	1.00
Reader Service Coordinator	1.00	1.00	1.00
Reference Librarian	1.00	0.00	0.00
Training Coordinator	0.00	1.00	1.00
Youth & Family Experience Manager	1.00	1.00	1.00
Library Accounts Coordinator	1.00	1.00	1.00
Administrative Coordinator	1.00	1.00	1.00
Library Experience Specialist	6.60	6.00	7.00
Library Experience Assistant	10.70	12.16	11.66
Teen Engagement Coordinator	1.00	0.00	0.00
Library Systems Manager	1.00	1.00	1.00
Marketing & Communications Manager	1.00	1.00	1.00
Division Total	30.30	30.16	30.66
Public Arts			
Public Arts Administrator	0.00	1.00	0.00
Public Arts Coordinator	0.00	1.00	1.00
Marketing & Communications Coordinator	0.00	0.00	1.00
Division Total	0.00	2.00	2.00
Community Cultural Arts			
Recreation Supervisor	0.00	0.00	0.00
Festival & Events Technician	0.00	0.00	0.00
Special Events Coordinator	0.00	0.00	1.00
Administrative Assistant	0.00	0.00	1.00
Division Total	0.00	0.00	2.00
Library Department Totals	30.30	32.16	34.66

LIBRARY

BUDGET SUMMARY

The recommended budget for the Library reflects an overall expenditure increase of 12.4% from last year's budget. The 10.9% increase in personnel is the result of a 3% pay adjustment, a 4.9% increase in health insurance costs, and a 1.2% retirement increase. In addition, two employees (2 FTE) from the Special Events division of the Parks and Recreation department moved to the Library department during the 2018-19 fiscal year. The operating costs associated with the employees from the Special Events division have led to an increase in the operating cost for the Library. In addition, the operating budget has increased due to increases in electricity and contracted services costs.

Library revenues reflect support from Orange County in the amount of \$568,139. Transfer from the Library Gift Fund remains at the historic level of \$45,000 in 2019-20.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 2,424,021	\$ 2,647,788	\$ 2,823,097	\$ 2,627,907	\$ 2,935,860	10.9%
Operating Costs	867,734	754,370	892,952	914,484	886,744	17.5%
Total	\$ 3,291,755	\$ 3,402,158	\$ 3,716,049	\$ 3,542,391	\$ 3,822,604	12.4%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
General Fund	\$ 2,471,615	\$ 2,596,377	\$ 2,910,268	\$ 2,727,645	\$ 2,988,390	15.1%
Grants	596,595	597,139	597,139	595,645	595,639	-0.3%
Charges for Services	155,658	137,392	137,392	126,666	134,575	-2.1%
Other Revenues	22,887	26,250	26,250	47,435	59,000	124.8%
Transfers/Other Sources	45,000	45,000	45,000	45,000	45,000	0.0%
Total	\$ 3,291,755	\$ 3,402,158	\$ 3,716,049	\$ 3,542,391	\$ 3,822,604	12.4%

DEBT FUND

As of March 31, 2019 the Town had about \$79.6 million in debt outstanding.

There is \$18.8 million of G.O. bond authority remaining from the 2015 Referendum. It is anticipated that the remaining Stormwater Bonds and Recreation Facilities Bonds, \$3.2 million and \$2.7 million, respectively will be issued in FY20, and the Streets & Sidewalk Bonds of \$7.7 million will be issued in FY22. There are no current plans to issue the \$5.2 million of Solid Waste Facility bonds.

In November 2018, the Town held a general obligation bond referendum. The voters approved the referendum for a maximum of \$10 million of bonds to fund affordable housing projects developed by the Town and non-profit providers.

		Long-Term Debt March 31, 2019
Governmental Debt		
General obligation debt	\$	37,895,000
Limited Obligation Bonds		9,200,000
Installment debt		8,468,000
Separation allowance		4,945,000
Compensated absences		<u>2,813,000</u>
Total	\$	<u>63,321,000</u>
Proprietary Fund Debt		
Enterprise Funds		
General Obligation Bonds	\$	2,700,000
Limited Obligation Bonds		6,955,000
Installment debt		5,550,000
Compensated absences		638,000
Internal Service Funds		
Motor vehicle equipment		<u>424,000</u>
Total	\$	<u>16,267,000</u>

Major Revenue Sources

The chief revenue source for the Debt Fund is the dedicated property tax rate. The recommended tax rate is 9.8 cents. This represents a rate increase of 1.6 cents over FY2018-19. The recommended increase is made up of two components. The first component is a proposed 1.0 cent to fund the issuance of the Affordable Housing bonds. The Town disclosed during the election that if the voters approved the bonds, a one cent tax increase would be necessary to pay for the project related debt service. The second component is a proposed 0.6 cents to help offset the debt fund's capacity to issue and repay the proposed debt service over the next 5 years. Total Debt Fund tax revenues for FY2019-20 are expected to be \$8,150,000.

A transfer from the Parking Fund (\$915,000 in FY19 and \$905,000 in FY20) represents the portion of the 2012 Limited Obligation Bonds (LOBs) used to pay for the deck at 140 West and for refunding the Wallace Deck, which was consolidated in the new LOBs.

DEBT FUND

The Debt Fund will receive a transfer from the General Fund of \$445,100 for the Ephesus Fordham District Tax Increment Financing (TIF). A TIF was used to fund public road improvements in the Ephesus Fordham (Blue Hill) District. The transfer represents the increase in the General Fund property taxes generated in the district over the FY2013-14 base assessment year. The actual amount of the transfer may be subject to change based on interim changes in valuation that may affect revenues for FY20.

Major Expenditures

Debt service payments due in FY19 total about \$7.8 million, \$905,000 of which is being funded by the Parking Fund.

The fund is balanced with a contribution to reserve of about \$2,084,000. This increase in reserves will help offset planned increases in debt service over the next year as the Town issues the Affordable Housing bonds and as the Town finances the Municipal Service Center project.

DEBT SERVICE FUND
BUDGET SUMMARY

The Debt Service Fund is used to account for debt payments on the Town's general obligation bonds issued for capital improvement projects and on the limited obligation bonds issued to refund the Town Operations Center debt and to pay for the Town's parking deck at 140 West. In FY2008-09, a portion of the property tax rate was allocated to debt service payments to pay the Town's debt service. The FY2019-20 recommended tax rate increase of 1.6 cents will bring the dedicated Debt Service Fund tax rate to 9.8 cents, which is expected to generate \$8.15 million in revenues in FY2019-20.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Principal Payments	\$ 5,338,000	\$ 5,845,000	\$ 5,845,000	\$ 5,845,000	\$ 5,572,000	-4.7%
Interest Expense	2,204,661	2,412,312	2,412,312	2,412,312	2,189,064	-9.3%
Contribution to Reserve	-	16,919	16,919	281,419	2,084,368	12219.7%
Total	\$ 7,542,661	\$ 8,274,231	\$ 8,274,231	\$ 8,538,731	\$ 9,845,432	19.0%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Property Taxes	\$ 6,581,420	\$ 6,733,000	\$ 6,733,000	\$ 6,734,000	\$ 8,150,000	21.0%
Transfer from Off-Street Parking	906,831	914,631	914,631	914,631	905,332	-1.0%
Transfer from General Fund	-	445,100	445,100	445,100	445,100	0.0%
BABS Interest Subsidy	170,188	170,000	170,000	170,000	170,000	0.0%
Interest Income	25,357	11,500	11,500	275,000	175,000	1421.7%
Appropriated Fund Balance	(141,135)	-	-	-	-	N/A
Total	\$ 7,542,661	\$ 8,274,231	\$ 8,274,231	\$ 8,538,731	\$ 9,845,432	19.0%

TRANSIT FUND

Major Revenue Sources - Descriptions and Estimates

The Town provides public transit services for the Town of Chapel Hill and the neighboring Town of Carrboro and the University of North Carolina. The two towns and the university share annual operating costs of the transit system on a contractual basis. In 2001, the transit system initiated fare free services, eliminating fare box and pass sale revenues previously collected for the basic system. (Exceptions are fares for specific routes to Hillsborough and the Tar Heel Express service provided for athletic and other special events for the University.)

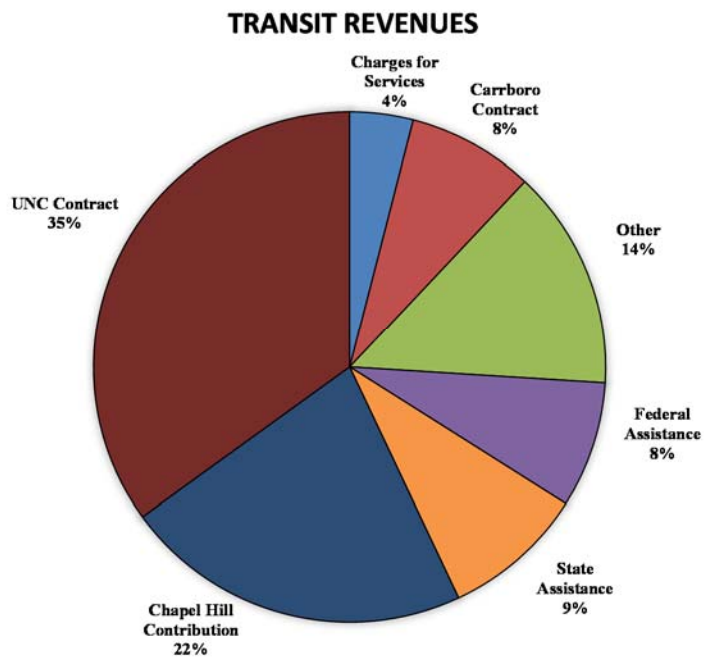
The recommended budget for the Transit Fund for fiscal year 2019-20 totals about \$24.8 million, an increase of 4.3% from 2018-19. Below is a description of the major revenue sources for the Transit Fund and the pie chart below shows the major revenue sources for fiscal year 2019-20. Please note that due to the partnership between the Town of Chapel Hill, Town of Carrboro, and the University of North Carolina, some financial aspects are still being discussed by the partners and are subject to change.

Federal Operating Assistance

The Transit system receives an operating assistance allocation each year from the federal government based on a variety of factors and funding formulas. We estimate federal funding for operations to keep increase slightly from 2018-19 levels at \$1.96 million. Additional operating grants will be sought for 2019-20 as opportunities arise, and will be added to the budget through amendment if awarded.

State Operating Assistance

The Transit system also receives an operating assistance allocation each year from the State based on a formula involving various operating statistics for the system. The subsidy for 2018-19 is expected to be almost \$3.1 million, about \$145,000 more than budgeted, with a recommended 2019-20 budget amount of \$2.25 million. The reduction can be attributed to the decrease in State Maintenance Assistance Program (SMAP) funding of \$686,000.



TRANSIT FUND

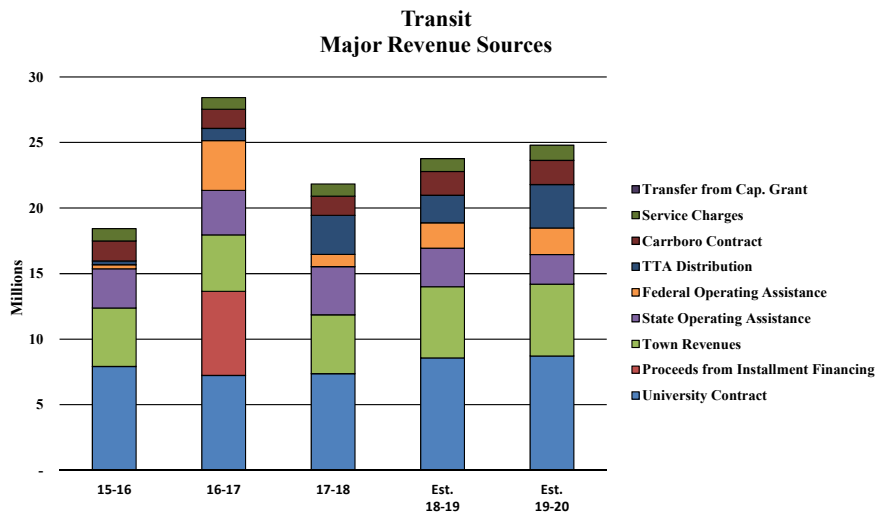
Major Revenue Sources - Descriptions and Estimates

University Contract

The University of North Carolina contracts with the Town for bus service for routes on and surrounding the campus of the University and UNC Health Care System. The University contract also covers routes determined to serve mainly students and employees of the University. The cost of these services is based on cost sharing arrangements among the Town, the University and Carrboro, as agreed to in an annual contract. The University's contracted share was about \$7.36 million in 2017-18 and \$8.57 million in 2018-19. UNC's allocation for 2019-20 reflects an increase of about \$146,000 million to \$8.72 million.

Carrboro Contract

The Town of Carrboro also contracts with the Town for transit service with costs also based on the Memorandum of Understanding. Carrboro's cost for 2018-19 was about \$1.81 million and the budget for 2019-20 reflects an increase of about \$26,000 to \$1.84 million based on the funding formula.



Town Revenues

The Town's share of cost for the Transit system is funded primarily by a property tax levy for transit. The recommended budget for the Transit Fund in fiscal year 2019-20 is about \$5.48 million. Also included in Town revenues are interest income and \$454,000 for vehicle license fees.

TRANSIT FUND

Major Revenue Sources - Descriptions and Estimates

Park and Ride Fees

The recommended budget for 2019-20 includes fees for use of park and ride lots. The University charges a fee for the lots they operate, which would result in overflow to our lots if they remained free of charge. The 2019-20 recommended budget includes fee revenues of \$95,000.

Other revenues expected for the system include about \$340,000 in fares for the Tar Heel Express and other special events, and about \$348,000 in services for Triangle Transit Authority.

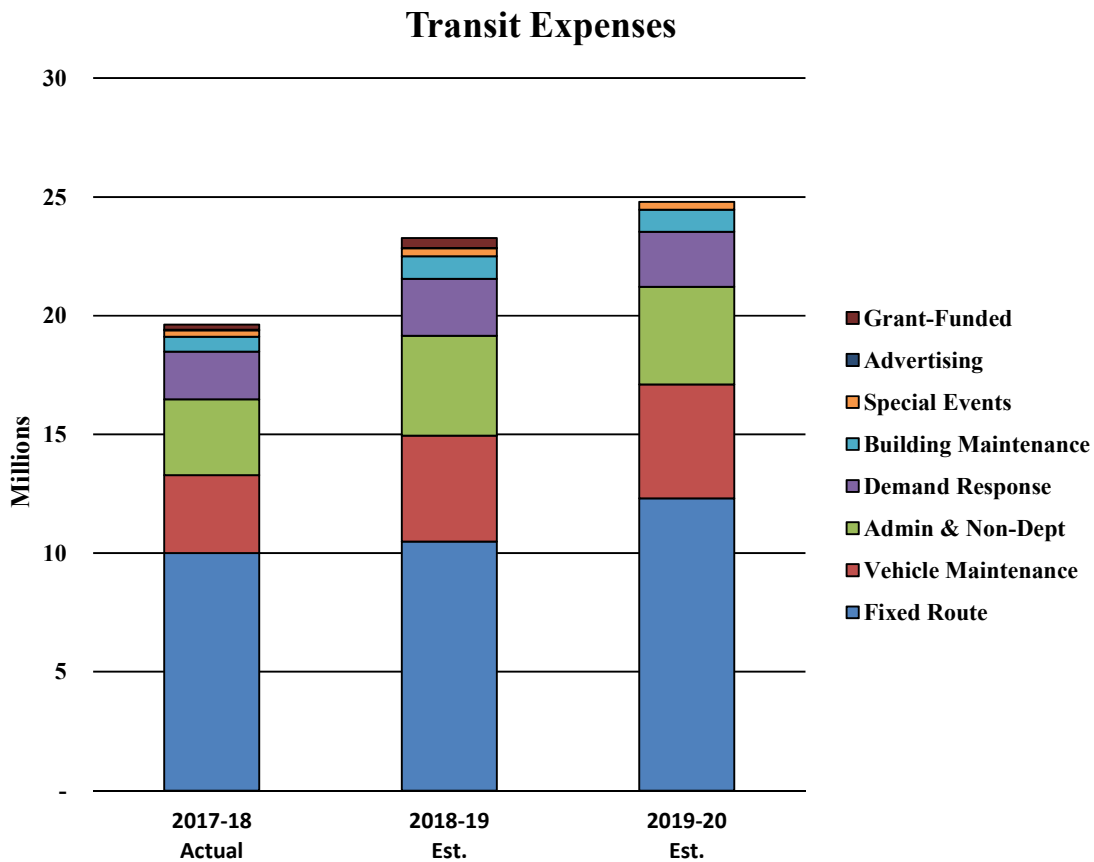
Fund Balance

The Transit system expects to add approximately \$840,000 to fund balance in 2018-19. The 2019-2020 recommended budget was balanced without the appropriation of fund balance.

TRANSIT FUND

Major Expenditures - Descriptions and Estimates

The recommended budget for Transit for 2019-20 continues fare free services for fixed routes in the system and totals \$24.79 million. Major expenditures of the system consist primarily of personnel, operating and maintenance costs for a planned fleet of 99 buses, two 15-passenger vans, 15 lift-equipped vans, 13 minivans, and four maintenance service trucks that provide transit service to the entire community. Operational costs total about \$15 million and Maintenance costs total about \$5.7 million.



Expenditures for 2019-20 include a 3% of market pay adjustment, a 4.9% health insurance cost increase, and a 1.2% retirement increase. There is \$146,500 budgeted cost for other post-employment benefits (OPEB) and also includes \$716,110 for debt payments for the purchase of 14 buses.

TRANSIT DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 RECOMMENDED
Administration			
Director-Transportation	1.00	1.00	1.00
Assistant Director-Transportation	1.00	1.00	1.00
Assistant Director - Admin Services	0.00	1.00	1.00
Management Analyst	1.00	1.00	1.00
Community Outreach Manager	1.00	1.00	1.00
Advertising Sales Manager	1.00	1.00	0.00
Grants Coordinator	1.00	1.00	1.00
Customer Service Coordinator	1.00	0.00	0.00
Procurement Specialist	1.00	1.00	1.00
Transit Services Planner	1.00	1.00	1.00
Administrative Assistant	3.00	4.00	3.00
Human Resources Consultant	1.00	1.00	1.00
Transit Planning Coordinator	1.00	1.00	1.00
Accounting Technician II	0.00	0.00	1.00
Administrative Services Manager	1.00	0.00	0.00
Division Totals	15.00	15.00	14.00
Operations			
OCC Health & Safety Officer	1.00	1.00	1.00
Demand Response Manager	1.00	1.00	1.00
Training Coordinator	1.00	1.00	1.00
Manager - Transit Operations	1.00	1.00	1.00
Assistant Manager - Transit	2.00	2.00	2.00
Supervisor-Transit	10.00	10.00	10.00
Transit Operator - Demand Response	14.63	14.63	14.63
Transit Operator - Fixed Route	122.66	122.66	122.66
Training Coordinator	0.00	0.00	1.00
Administrative Assistant	2.00	2.00	2.00
Division Totals	155.29	155.29	156.29
Equipment Maintenance			
Maintenance Manager	1.00	1.00	1.00
Assistant Maintenance Manager	1.00	1.00	1.00
Mechanic Supervisor	2.00	3.00	3.00
Parts Manager	1.00	1.00	1.00
Mechanic (I-III)	16.00	16.00	16.00
Bus Service Technician	2.00	2.00	2.00
Mechanic Helper	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Parts Clerk	2.00	2.00	2.00
Service Attendant	6.00	5.00	5.00
Division Totals	33.00	33.00	33.00
Transit Department Totals	203.29	203.29	203.29

TRANSIT

BUDGET SUMMARY

The recommended budget for the Transit Department continues fare-free service. Federal assistance remained flat, while state assistance has decreased 23.4%. This is offset by additional revenue in federal operations grants, increases from the UNC contract, the Carrboro contract, and increases in TTA Fees collected. The 2019-20 recommended budget also includes revenues from the Orange County Transit Plan (formerly entitled the Orange County Bus and Rail Plan), administered by GoTriangle. Cost increases include a 3% pay adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Admin & Non-Dept	\$ 3,187,847	\$ 3,362,955	\$ 4,612,220	\$ 4,213,086	\$ 4,119,754	22.5%
Grant-Funded	207,675	-	419,145	419,145	-	N/A
Advertising	28,032	91,916	-	6,500	-	-100.0%
Fixed Route	10,004,187	11,899,399	11,899,399	10,484,836	12,313,207	3.5%
Demand Response	2,012,767	2,381,391	2,381,391	2,388,559	2,310,518	-3.0%
Special Events	272,490	336,905	336,905	339,682	340,605	1.1%
Vehicle Maintenance	3,280,206	4,766,675	4,900,368	4,459,984	4,788,402	0.5%
Building Maintenance	622,342	929,054	993,717	953,440	920,005	-1.0%
Total	\$ 19,615,546	\$ 23,768,295	\$ 25,543,145	\$ 23,265,232	\$ 24,792,491	4.3%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Charges for Services	\$ 791,786	\$ 834,655	\$ 834,655	\$ 857,813	\$ 976,997	17.1%
Federal Assistance	833,990	1,944,719	1,944,719	1,960,178	1,960,178	0.8%
Federal Ops Grants	110,615	-	145,462	157,299	63,576	N/A
State Assistance	3,667,530	2,939,769	3,087,906	3,084,906	2,253,325	-23.4%
TTA Fees	2,964,287	2,094,000	2,094,000	2,094,000	3,321,849	58.6%
UNC Contract	7,363,164	8,573,655	8,573,655	8,573,655	8,719,868	1.7%
Carrboro Contract	1,455,012	1,808,945	1,808,945	1,808,945	1,835,146	1.4%
Advertising Revenue	147,837	150,000	150,000	150,000	185,000	23.3%
Chapel Hill Revenues	4,496,788	5,422,552	5,422,552	5,418,838	5,476,552	1.0%
Appropriated Fund Balance	(2,215,463)	-	1,481,251	(840,402)	-	N/A
Total	\$ 19,615,546	\$ 23,768,295	\$ 25,543,145	\$ 23,265,232	\$ 24,792,491	4.3%

TRANSIT - Administration and Non-Departmental BUDGET SUMMARY

The recommended budget for 2019-20 includes a 22.5% increase to the overall budget. A reorganization of personnel caused a decrease in personnel costs. The Advertising Sales Manager (1 FTE) was moved to the Fixed Route division. In addition, a 1.2% retirement increase, a 3% raise adjustment, and a 4.9% increase in health insurance costs in encompassed in the personnel line item.

Operating costs have increased 89.7% due to contracted work costs associated with the Bus Rapid Transit project.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 1,510,162	\$ 1,846,934	\$ 1,915,628	\$ 1,585,720	\$ 1,719,379	-6.9%
Operating Costs	1,426,995	1,265,131	2,445,702	1,660,366	2,400,375	89.7%
Transfer to Capital Reserve	250,690	250,890	250,890	967,000	-	-100.0%
Total	\$ 3,187,847	\$ 3,362,955	\$ 4,612,220	\$ 4,213,086	\$ 4,119,754	22.5%

TRANSIT - Grants
BUDGET SUMMARY

As of the time of the recommended budget, there were no planned grant related expenditures for 2019-20.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 67,612	\$ -	\$ 77,893	\$ 77,893	\$ -	N/A
Operating Costs	140,063	-	341,252	341,252	-	N/A
Total	\$ 207,675	\$ -	\$ 419,145	\$ 419,145	\$ -	N/A

TRANSIT - Advertising
BUDGET SUMMARY

The recommended budget for 2019-20 has an overall expenditure decrease of 100%. Due to a reorganization, the Advertising Sales Manager position (1 FTE) has moved to the Fixed Route division of the Transit department.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 27,882	\$ 78,194	\$ -	\$ -	\$ -	-100.0%
Operating Costs	150	13,722	-	6,500	-	-100.0%
Total	\$ 28,032	\$ 91,916	\$ -	\$ 6,500	\$ -	-100.0%

TRANSIT - Fixed Route

BUDGET SUMMARY

The recommended budget reflects a 3.5% increase in overall costs. There is a 2.6% increase in personnel costs, which is a result of a 3% pay adjustment, a 4.9% increase in health insurance costs, and a 1.2% increase in retirement costs. Workers compensation insurance is also increased to align budget to actuals. Due to a reorganization of the department a Training coordinator (1 FTE) has been added, leading to an increase in personnel costs.

There is an increase of 6.1% in operating costs due to contractual services including the NextBus Subscription.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 7,628,109	\$ 8,998,652	\$ 8,832,652	\$ 7,608,434	\$ 9,234,369	2.6%
Operating Costs	2,349,117	2,900,747	3,066,747	2,819,533	3,078,838	6.1%
Capital Outlay	26,961	-	-	56,869	-	N/A
Total	\$ 10,004,187	\$ 11,899,399	\$ 11,899,399	\$ 10,484,836	\$ 12,313,207	3.5%

TRANSIT - Demand Response
BUDGET SUMMARY

The recommended budget for Demand Response division in 2019-20 has a 3.0% decrease from the previous year. Personnel expenditures experienced a 3% pay adjustment, a 4.9% health insurance increase, and a 1.2% increase in retirement costs. This is offset by employee turnover. The decrease in operating are due to budget to actual alignment.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 1,538,679	\$ 1,717,793	\$ 1,717,793	\$ 1,487,510	\$ 1,656,470	-3.6%
Operating Costs	435,518	663,598	663,598	663,407	654,048	-1.4%
Capital Outlay	38,570	-	-	237,642	-	N/A
Total	\$ 2,012,767	\$ 2,381,391	\$ 2,381,391	\$ 2,388,559	\$ 2,310,518	-3.0%

TRANSIT - Tarheel Express / Special Events
BUDGET SUMMARY

The recommended budget for Tarheel Express & Special Events in 2019-20 reflects a 1.1% increase in overall expenditures. There is a 1.5% increase in personnel due to the 1.2% increase to the retirement rate.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 219,351	\$ 254,571	\$ 254,571	\$ 257,348	\$ 258,271	1.5%
Operating Costs	53,139	82,334	82,334	82,334	82,334	0.0%
Total	\$ 272,490	\$ 336,905	\$ 336,905	\$ 339,682	\$ 340,605	1.1%

TRANSIT - Vehicle Maintenance
BUDGET SUMMARY

The recommended budget for 2019-20 represents a 0.5% increase in expenditures from the previous fiscal year. The 3.3% increase in personnel costs is due to a 3% pay adjustment, a 4.9% increase in health insurance costs, and an increase of 1.2% for retirement costs. The decrease of 2.7% in operating costs reflects decreases to the costs related to maintenance and repair of transit vehicles.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 2,039,298	\$ 2,517,402	\$ 2,496,402	\$ 2,300,791	\$ 2,600,100	3.3%
Operating Costs	1,240,908	2,229,273	2,381,943	2,139,193	2,168,302	-2.7%
Capital Outlay	-	20,000	22,023	20,000	20,000	0.0%
Total	\$ 3,280,206	\$ 4,766,675	\$ 4,900,368	\$ 4,459,984	\$ 4,788,402	0.5%

TRANSIT - Building Maintenance

BUDGET SUMMARY

The recommended budget for Transit's Building Maintenance division reflects a 1.0% decrease overall. The 20.0% decrease in personnel expenditures is due to adjusting the new retiree medical figure to align better with prior year actuals. The 0.8% decrease in operating costs is due to a decrease in utility costs.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 6,343	\$ 6,500	\$ 6,500	\$ 5,200	\$ 5,200	-20.0%
Operating Costs	615,999	922,554	987,217	948,240	914,805	-0.8%
Total	\$ 622,342	\$ 929,054	\$ 993,717	\$ 953,440	\$ 920,005	-1.0%

TRANSIT CAPITAL RESERVE BUDGET SUMMARY

The Transit Capital Reserve Fund is intended to accumulate funding to make capital purchases and to meet matching requirements for capital grants for replacement buses and other equipment. Matching funds for 2019-20 are estimates for grants historically received each year, but not yet awarded.

The contribution to reserve budgeted for 2019-20 is intended for bus replacement expenditures.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Contribution to Capital Grant Reserve	\$ 621,771	\$ -	\$ 339,331	\$ 339,331	\$ -	N/A
	-	255,890	255,890	-	10,000	-96.1%
Total	\$ 621,771	\$ 255,890	\$ 595,221	\$ 339,331	\$ 10,000	-96.1%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Interest Income	\$ 9,058	\$ 5,000	\$ 5,000	\$ 10,000	\$ 10,000	100.0%
Transfer from Transit Fund	250,690	250,890	250,890	250,890	-	-100.0%
Appropriated Fund Balance	362,023	-	339,331	78,441	-	N/A
Total	\$ 621,771	\$ 255,890	\$ 595,221	\$ 339,331	\$ 10,000	-96.1%

TRANSIT CAPITAL GRANT PROJECT ORDINANCES

Transit capital and planning grants awarded by the Federal Transit Administration are implemented pursuant to grant project ordinances authorized by General Statute 159-13.12. Budgets are adopted throughout the year as grant awards are received. Seven current project ordinances in the Transit Department are shown below:

2015-2016 Capital Grant 5339

The project ordinance for the fiscal year 2015-2016 Section 5339 Transit Capital Grant was executed on May 14, 2018. The funds will be used to expand transit's employee/visitor parking lot, install a new security gate to the bus fleet yard and fund and preliminary review and analysis of constructing a solar canopy over the bus yard. 80% is federally funded. 20% will be funded through local budget.

	Project Budget	Estimated Expenditures Through June 30, 2020
2015-2016 Transit Capital Grant	\$534,124.00	\$534,124.00

2017-2018 Capital Grant 5339

The project ordinance for the fiscal year 2017-18 Section 5339 capital grant was executed on August 29, 2018. Funds will be used to purchase replacement Light Transit Vehicles (LTVs) for the demand response fleet and to improve transit amenities and ADA access at existing bus stops. 80% is federally funded. 20% will be funded through local budget.

	Project Budget	Estimated Expenditures Through June 30, 2020
2017-2018 Transit Capital Grant	\$592,707.00	\$592,707.00

2018 Capital Grant 5307 STP-DA Flex Funds

The project ordinance for the fiscal year 2017-2018 Section 5307 capital grant for Surface Transportation Program – Direct Attributable (STP-DA) was executed August 29, 2018. Funds are to be used to purchase two 40' diesel buses for the Fixed Route Department. An order was placed for the buses, however they are not expected to be delivered FY19. The Federal portion of this project is \$697,000.00 The Town will provide the remainder through local budget. Current costs have local share at \$218,901.00.

	Project Budget	Estimated Expenditures Through June 30, 2020
2018 Transit Capital Grant	\$916,000.00	\$916,000.00

TRANSIT CAPITAL GRANT PROJECT ORDINANCES

2017 Capital Grant 5307 CMAQ Flex Funds

The project ordinance for the fiscal year 2018 Section 5307 Congestion Mitigation and Air Quality (CMAQ) capital grant is currently under review by the FTA for execution. Funds will be used for the purchase of three 40' diesel buses. The Federal portion of this project is \$1,093,015.00. The Town's share is \$280,538.00

	Project Budget	Estimated Expenditures Through June 30, 2020
2018 Transit Capital Grant	\$1,373,553.00	\$1,373,553.00

2018 Capital Grant 5339c Lo/No Emissions

The project ordinance for the fiscal year 2018 5339c Competitive Lo/No Emission Transit Capital Grant is currently under review by the FTS for execution. The funds will be used to purchase two 40' electric buses. 80% is federally funded. 10% will be funded through local budget and 10% through the State.

	Project Budget	Estimated Expenditures Through June 30, 2020
2018 Transit Capital Grant	\$1,727,500.00	\$1,727,500.00

STORMWATER MANAGEMENT FUND

Major Revenue Sources – Descriptions and Estimates

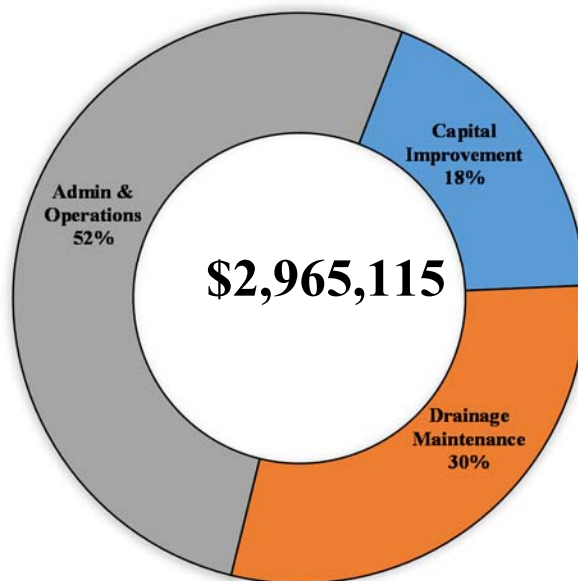
In order to continue to enhance stormwater management services currently provided by the Town, and to implement stormwater management activities necessary to comply with State and federal regulations, the Town established a Stormwater Management Fund in 2004-05. Stormwater management activities are funded by a fee charged to property owners based on the amount of impervious surface area on a property. The recommended budget includes a \$2.82 per equivalent rate unit (ERU) fee increase to fund the remaining balance associated with the debt service related to the 2015 Stormwater Bonds. This will bring the Stormwater fee to \$34.97 for each 1,000 square feet of impervious surface. At this rate, fees are estimated at about \$2.95 million in 2019-20. In the current year, the budget is expected to be balanced with \$241,405 in fund balance. For 2019-20, the budget is balanced without the use of fund balance.

Major Expenditures and Estimates

The budget for 2019-20 totals \$2,965,115. This is an 8.8% increase compared to FY19 due to a 3% pay adjustment, a 4.9% health insurance increase, an increase to capital reserve. \$230,344 is in the recommended budget for the debt payment related to the G.O. bond issuance. Approximately \$237,000 is budgeted for capital reserve.

As indicated in the chart below, 30% of the 2019-20 budget provides for the Drainage division to conduct stormwater-related drainage and maintenance projects.

STORMWATER EXPENSES



STORMWATER MANAGEMENT FUND
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED RECOMMENDED	2019-20
Stormwater			
Senior Engineer	1.15	1.50	1.50
Engineer III	2.00	2.00	2.00
Engineering Inspector - SR	0.30	0.30	0.30
Stormwater Specialist	1.00	1.00	1.00
Stormwater Analyst	1.00	1.00	1.00
Survey/Project Coordinator	0.25	0.25	0.25
Community Education Coordinator	1.00	1.00	1.00
Accounting Tech II	1.00	1.00	1.00
Unit Totals	<u>7.70</u>	<u>8.05</u>	<u>8.05</u>
Drainage			
Drainage Maintenance Supervisor	1.00	1.00	1.00
Drainage Crew Supervisor	1.00	1.00	1.00
Senior Street Sweeper Equipment Operator	1.00	1.00	1.00
Street Sweeper Equipment Operator	1.00	1.00	1.00
Senior Heavy Equipment Operator	2.00	2.00	2.00
Construction Worker II	1.00	1.00	1.00
Unit Totals	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>
Stormwater Management Fund Totals	<u>14.70</u>	<u>15.05</u>	<u>15.05</u>

Note: The Stormwater Fund also assumes a portion of salaries of the Senior Engineering Inspector, Surveyor and Senior Engineer positions.

STORMWATER MANAGEMENT FUND

BUDGET SUMMARY

The recommended budget for 2019-20 includes the continuation of existing services. The 2.6% increase in personnel expenditures includes a 3% pay adjustment, a 1.2% retirement increase, as well as a 4.9% increase in health insurance costs. Operating costs increased due to increases in contractual services. Capital reserve increased due to increases in stormwater fees.

The recommended budget includes a \$2.82 per ERU fee increase to issue the remaining \$3.2 million general obligation bonds and pay the related debt service for the 2015 Stormwater Bonds. The budget is balanced without the use of fund balance.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 1,214,118	\$ 1,367,025	\$ 1,367,025	\$ 1,104,361	\$ 1,402,696	2.6%
Operating Costs	1,195,821	998,176	1,909,193	1,219,619	1,014,403	1.6%
Capital Outlay	380,790	320,897	2,952,768	641,325	310,744	-3.2%
Capital Reserve	-	38,302	238,664	-	237,272	519.5%
Total	\$ 2,790,729	\$ 2,724,400	\$ 6,467,650	\$ 2,965,305	\$ 2,965,115	8.8%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Stormwater Fees	\$ 2,850,732	\$ 2,713,400	\$ 2,713,400	\$ 2,713,400	\$ 2,954,115	8.9%
Fee Exemption	(9,457)	(7,400)	(7,400)	(7,200)	(10,500)	N/A
Transfer from General Fund	9,400	7,400	7,400	7,200	10,500	41.9%
Interest Income	15,163	3,000	3,000	3,000	3,000	0.0%
Other Income	7,500	8,000	8,000	7,500	8,000	0.0%
Proceeds from Bond Sale	2,700,000	-	-	-	-	N/A
Premium on Bonds	129,554	-	-	-	-	N/A
Revenue in Lieu	6,071	-	-	-	-	N/A
Appropriated Fund Balance	(2,918,234)	-	3,743,250	241,405	-	N/A
Total	\$ 2,790,729	\$ 2,724,400	\$ 6,467,650	\$ 2,965,305	\$ 2,965,115	8.8%

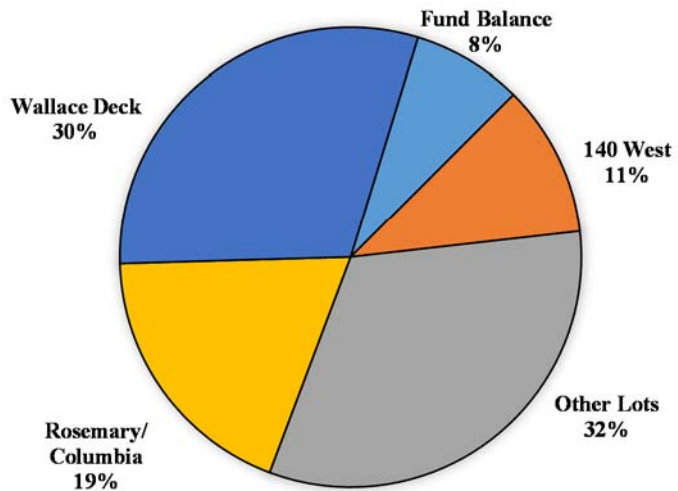
PARKING FUNDS

Major Revenue Sources – Descriptions and Estimates

The Off-Street Parking Fund, with a recommended budget of \$2,203,622 for 2019-20, accounts for revenues from the James Wallace Deck and other parking lots in the downtown area. Revenues consist almost exclusively of the fees charged for parking in these lots. About \$665,000, or 30% of total off-street parking revenues, is budgeted from the James Wallace Deck and \$415,000, or 19%, is budgeted from the Rosemary/Columbia Street lot. The deck at 140 West is budgeted to generate about \$236,500 in 2019-20.

The On-Street Parking Fund, with a recommended budget for 2019-20 of \$707,239, has two major revenue sources: parking meter fees and parking ticket fines. Meter fees are estimated to generate about \$406,000 and parking ticket fines about \$185,000 in 2019-20.

OFF-STREET PARKING REVENUES



Major Expenditures and Estimates

The primary expenditure of the Off-Street Parking Fund is the cost of personnel to manage the lots (approximately \$445,000). The budget of \$2,203,622 includes a 3% pay adjustment, a 4.9% health insurance increase, and a 1.2% increase in retirement.

The On-Street Parking Fund includes expenditures primarily for the personnel to administer and collect meter revenues and parking tickets of about \$451,000. The budget of \$707,239 includes a 3% pay adjustment, a 4.9% health insurance increase, and a 1.2% increase in retirement.

PARKING SERVICES
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 RECOMMENDED
Superintendent-Parking Services	1.00	1.00	0.00
Supervisor-Parking Services	1.00	1.00	1.00
Assistant Parking Services Supervisor	0.00	1.00	1.00
Parking Enforcement Officer	2.00	3.00	3.00
Records Technician	1.00	1.80	1.80
Parking Attendant	3.00	2.00	2.00
Community Services Planner	0.00	0.00	1.00
Parking Attendant - SR	1.00	0.00	0.00
	<hr/>		
Parking Fund Totals	9.00	9.80	9.80
	<hr/> <hr/>		

Note: Parking Services is supervised by the Police Chief

PARKING SERVICES

BUDGET SUMMARY

The Parking Services Fund is comprised of two divisions: On-Street Parking accounts for meters and enforcement and Off-Street Parking that accounts for the parking deck and lots.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
On-Street Parking	\$ 1,055,891	\$ 716,810	\$ 749,254	\$ 664,542	\$ 707,239	-1.3%
Off-Street Parking	1,918,998	1,990,020	2,420,985	2,119,956	2,203,622	10.7%
Total	\$ 2,974,889	\$ 2,706,830	\$ 3,170,239	\$ 2,784,498	\$ 2,910,861	7.5%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
On-Street Parking	\$ 1,055,891	\$ 716,810	\$ 749,254	\$ 664,542	\$ 707,239	-1.3%
Off-Street Parking	1,918,998	1,990,020	2,420,985	2,119,956	2,203,622	10.7%
Total	\$ 2,974,889	\$ 2,706,830	\$ 3,170,239	\$ 2,784,498	\$ 2,910,861	7.5%

ON-STREET PARKING BUDGET SUMMARY

The recommended budget for On-Street Parking represents a 1.3% decrease over the fiscal year 2019-20 budget. There is a 6.3% decrease in personnel for Enforcement. This is mainly due to the transfer of a position from Off-Street Parking along with a 3% pay adjustment, a 4.9% health insurance increase, a 1.2% retirement cost increase, and the reorganization of a part-time employee (0.5 FTE).

There is a \$69,239 fund balance appropriation. Due to decreases in parking ticket fines/fees and other incomes, fund balance appropriation is necessary to balance the fund.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Enforcement:						
Personnel	\$ 322,175	\$ 403,302	\$ 403,302	\$ 340,047	\$ 377,973	-6.3%
Operations	185,207	135,883	138,883	129,633	129,375	-4.8%
Capital	285,300	-	32,444	30,000	30,000	N/A
Meters:						
Personnel	67,803	67,985	67,985	70,031	73,398	8.0%
Operations	81,371	85,050	82,050	94,831	96,493	13.5%
Transfer to Off-Street	114,035	24,590	24,590	-	-	-100.0%
Total	\$ 1,055,891	\$ 716,810	\$ 749,254	\$ 664,542	\$ 707,239	-1.3%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Transfer from Capital Improvemen	\$ 400,000	\$ -	\$ -	\$ -	\$ -	N/A
Parking Meter Fees	394,192	426,560	426,560	406,000	406,000	-4.8%
Parking Ticket Fines/Fees	192,912	207,000	207,000	185,000	185,000	-10.6%
Interest Income	424	250	250	500	500	100.0%
Other Income	102,271	83,000	83,000	61,500	46,500	-44.0%
Appropriated Fund Balance	(33,908)	-	32,444	11,542	69,239	N/A
Total	\$ 1,055,891	\$ 716,810	\$ 749,254	\$ 664,542	\$ 707,239	-1.3%

OFF-STREET PARKING BUDGET SUMMARY

Off-Street Parking revenues for the recommended 2019-20 budget reflects a increase of 10.7% from the 2019-20 budget. The budget was balanced with a \$164,622 appropriation of fund balance.

The overall increase in expenditures for 2019-20 is due to an increase in expenditures to the parking lots. There is a slight increase in personnel costs due to a 3% market rate salary adjustment, a 1.2% retirement increase, and a 4.9% increase in health insurance costs. The Off-Street Parking budget also includes a transfer of \$905,332 to the Debt Fund for the portion of the 2012 Limited Obligation Bonds (LOBs) used to pay for the deck at 140 West and for refunding the Wallace Deck, which was consolidated in the new LOBs. Revenue projections of multiple lots, including Rosemary, West Rosemary, and Jones Park, are expected to decrease.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
James Wallace Deck	\$ 339,951	\$ 371,215	\$ 369,956	\$ 347,934	\$ 380,143	2.4%
Parking Lots	553,075	467,318	589,630	712,384	769,751	64.7%
140 West Deck	52,192	63,330	35,982	70,874	70,450	11.2%
Administration	963,780	1,088,157	1,135,417	988,764	983,278	-9.6%
Wallace Renovation	10,000	-	290,000	-	-	N/A
Total	\$ 1,918,998	\$ 1,990,020	\$ 2,420,985	\$ 2,119,956	\$ 2,203,622	10.7%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
James Wallace Deck	\$ 646,904	\$ 704,000	\$ 704,000	\$ 665,000	\$ 665,000	-5.5%
Rosemary/Columbia Lot	422,771	455,000	455,000	415,000	415,000	-8.8%
415 West Franklin Lot	91,900	106,600	106,600	101,500	102,000	-4.3%
West Rosemary Lot	26,439	31,500	31,500	21,000	21,500	-31.7%
Rosemary/Sunset	60,893	54,800	54,800	67,000	67,500	23.2%
127 West Rosemary Lot	2,707	-	-	-	-	N/A
South Graham Lot	17,933	11,700	11,700	28,500	29,000	147.9%
West Franklin/Basnight Lot	108,956	134,030	134,030	117,000	117,500	-12.3%
427 West Franklin Lot	53,602	45,000	45,000	51,500	52,000	15.6%
Jones Park Lot	11,580	17,500	17,500	11,000	11,000	-37.1%
Mallette Lot	132	22,000	22,000	36,500	37,000	68.2%
Courtyard Lot	76,621	76,500	76,500	69,000	69,000	-9.8%
140 West Deck	274,057	305,300	305,300	236,000	236,500	-22.5%
125 East Rosemary	9,179	-	-	210,000	210,000	N/A
Interest Income	905	1,500	1,500	1,500	1,500	0.0%
Miscellaneous Income	304,365	-	-	4,500	4,500	N/A
Transfer from Capital Improvement	115,000	-	-	-	-	N/A
Transfer from On-Street Parking	114,034	24,590	24,590	-	-	-100.0%
Appropriated Fund Balance	(418,980)	-	430,965	84,956	164,622	N/A
Total	\$ 1,918,998	\$ 1,990,020	\$ 2,420,985	\$ 2,119,956	\$ 2,203,622	10.7%

PUBLIC HOUSING FUND

Major Revenue Sources - Descriptions and Estimates

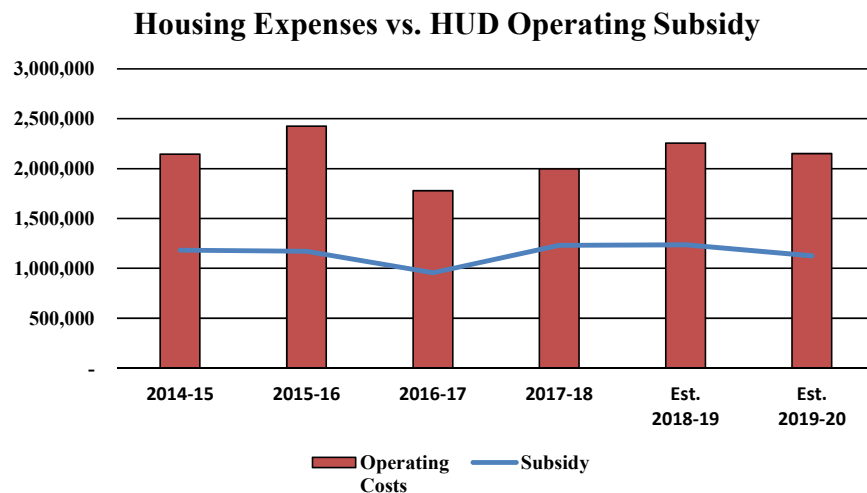
The Town’s Public Housing program provides for the administration and operation of the Town's 336 public housing units, and is funded primarily through federal grants and rents paid by residents.

In 1987, the Chapel Hill Public Housing Authority was abolished by the Chapel Hill Town Council. Since then, the Town’s public housing program has been operated as a Town Department administered by Town staff and a Public Housing Director.

Primary revenue sources include dwelling rents paid by residents and operating grants from the Department of Housing and Urban Development (HUD). In the fall of 2005, HUD adopted a “new Operating Fund final rule” which prescribed a phased series of changes to public housing management and reporting requirements. As a first step of implementation, HUD determined to begin budgeting on a calendar year basis. Difficulty with the new online reporting model delayed funding determination, and HUD has been funding housing agencies for a few months at a time since 2008.

Smaller housing agencies have been allowed to opt out of Asset Management since 2008. HUD has continued to provide the exception to smaller units, one a year at a time. We

believe that “opting out” will continue permanently, and so have prepared the budget for 2019-20 under a simpler budget model that more closely reflects the way we are reporting to HUD, eliminating the necessity of separating expenditures into AMPs or Asset Management Projects.



HUD has provided funding estimates for calendar year 2019 but we have no information about calendar 2020. Based on interim allocations, our estimate of HUD’s subsidy for 2018-19 is \$1,236,797, about a 0.6% increase from the 2017-18 subsidy of \$1,229,562.

The Housing Department estimates dwelling rents, the second largest revenue for the Public Housing Fund, at about \$1,017,881 decrease over current year estimates due to a number of vacant units, tenant’s income, and subsequent rent requirements.

Major Expenditures and Estimates

Major expenditure categories include about \$1,243,895 for salaries and benefits, \$192,000 for utilities, \$92,200 for liability and flood insurance and about \$521,650 for maintenance of the units.

The personnel costs include a 3% pay adjustment and a 4.9% increase in health insurance costs.

	2018-19 Original Budget	2019-20 Recommended Budget	% Change from 2018-19
Salary & Benefits - Administration	\$ 563,062	\$ 499,595	-11.3%
Salary & Benefits - Maintenance	698,435	744,300	6.6%
Maintenance Costs	518,100	521,650	0.7%
Utilities	177,200	192,000	8.4%
Liability & Flood Insurance	90,200	92,200	2.2%
Other Expenses	157,375	132,715	-15.7%
Total Budget	\$ 2,204,372	\$ 2,182,460	-1.0%

PUBLIC HOUSING
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 RECOMMENDED
Administration			
Director-Housing	1.00	1.00	1.00
Assistant Director	1.00	0.00	0.00
Operations Manager - Housing	0.00	1.00	1.00
Management Analyst	0.00	1.00	1.00
Office Assistant	1.00	1.00	1.00
Housing Officer II	1.00	1.00	1.00
Housing Officer I	1.00	1.00	1.00
Assistant Housing Officer	1.00	0.00	0.00
Division Totals	6.00	6.00	6.00
Maintenance			
Mechanic Supervisor	1.00	1.00	1.00
Maintenance Mechanic (Repair Worker, I, II, III)	8.00	8.00	8.00
Administrative Assistant	1.00	1.00	1.00
Division Totals	10.00	10.00	10.00
Housing Department Totals	16.00	16.00	16.00

¹ Grant-funded position.

PUBLIC HOUSING BUDGET SUMMARY

The Town's public housing units are funded primarily through federal grants from the U.S. Department of Housing and Urban Development and rents paid by residents. HUD's funding formula changed to implement Asset Based Budgeting in 2007-08, but each year, HUD has waived many Asset-based requirements for housing authorities of our size. We believe it is likely the waiver will be made permanent, so the budget for 2019-20 retains a simpler model that includes an Administrative Division and a Maintenance Division.

The 1.4% decrease in personnel is the result of a 3% pay adjustment, 4.9% increase in health insurance, and a 1.2% retirement increase, which is offset by employee turnover. The budget for 2019-20 reflects an estimate of the HUD subsidy anticipated for calendar year 2019. The Town anticipates a 5.0% increase in HUD subsidies and a 12.6% increase in rental revenues. Due to these increases, the town is anticipating it will have a significantly lower fund balance appropriation in 2019-20.

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Revenue Summary						
HUD Contributions	\$ 1,229,562	\$ 1,072,644	\$ 1,072,644	\$ 1,236,797	\$ 1,126,092	5.0%
Rental Revenue	996,848	903,642	903,642	1,015,970	1,017,881	12.6%
Other Revenues	35,631	200	200	200	200	0.0%
Interest Income	1,454	1,394	1,394	1,663	1,680	20.5%
Appropriated Fund Balance	(266,569)	226,492	231,022	-	36,607	-83.8%
Total Revenues	\$ 1,996,926	\$ 2,204,372	\$ 2,208,902	\$ 2,254,630	\$ 2,182,460	-1.0%

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 961,730	\$ 1,261,497	\$ 1,261,497	\$ 925,154	\$ 1,243,895	-1.4%
Operating	1,035,196	942,875	947,405	951,884	938,565	-0.5%
Contribution to Reserve	-	-	-	377,592	-	N/A
Total	\$ 1,996,926	\$ 2,204,372	\$ 2,208,902	\$ 2,254,630	\$ 2,182,460	-1.0%

COMMUNITY DEVELOPMENT PROJECT ORDINANCES
U.S. Department of Housing and Urban Development
Community Development Program
Summary of Activities

The Town became an "entitlement" Community Development city in 1984, which means that the Town is entitled to receive Community Development grant funds annually upon submission of a final statement. Community Development grants awarded by Housing and Urban Development are implemented pursuant to grant project ordinances authorized by General Statute 159-13.12. Budgets are adopted throughout the year as the grant awards are received.

The 2014 project ordinance budgets a \$403,505 grant and \$7,338 program income, for public housing improvements, homeownership assistance, code enforcement, after school programs, community and homelessness outreach, and youth skills development programs.

The 2015 project ordinance budgets a \$404,761 grant and \$7,338 program income, for public housing improvements, homeownership assistance, code enforcement, after-school programs, summer youth employment programs, and youth skills development programs, community and homelessness outreach, homeowner housing improvements.

The 2016 project ordinance budgets a \$387,702 grant and \$7,338 program income, for public housing improvements, homeownership assistance, homeowner housing improvement programs, code enforcement, neighborhood revitalization activities, summer youth employment programs, homelessness outreach and case management, youth skills development and community literacy programs.

The 2017 project ordinance budgets a \$380,825 grant and \$38,046 program income, for public housing improvements, homeownership assistance, homeowner housing improvement programs, code enforcement, neighborhood revitalization activities, summer youth employment programs, and homelessness case management.

The 2018 project ordinance budgets a \$418,344 grant and \$21,777 program income, for public housing improvements, homeownership assistance, homeowner housing improvement programs, code enforcement, neighborhood revitalization activities, summer youth employment programs, and homelessness case management.

CAPITAL IMPROVEMENTS FUND

BUDGET SUMMARY

The budget for the Capital Improvements Program for 2019-20 totals \$420,341 and includes projects to be completed in 2019-20. Beginning in FY 2018-19, the Town began budgeting funds for facility maintenance in the General Fund. Each year, depending on the nature of the planned projects, a portion of those funds will be transferred into the Capital Improvements Fund. The FY20 budget includes \$84,100 in planned facility maintenance.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget
Municipal Facilities	\$ 185,452	\$ 100,000	\$ 605,945	\$ 605,945	\$ 184,100
Public Safety	1,456,827	-	315,369	315,369	-
Facilities Leased by Others	4,804	22,260	68,387	68,387	36,241
Infrastructure	84,686	100,000	109,590	109,590	100,000
Communication/Technology	-	-	80,000	80,000	-
Parks/Public Use Facilities	294,361	100,000	287,021	287,021	100,000
Transfers/Financing Costs	815,709	-	-	-	-
Total	\$ 2,841,839	\$ 322,260	\$ 1,466,312	\$ 1,466,312	\$ 420,341

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget
Orange County Contribution	\$ 520,000	\$ -	\$ -	\$ -	\$ -
Revenue in Lieu	57,276	-	-	-	-
Housing Rent Proceeds	22,590	22,260	22,260	22,260	36,241
Cell Tower Rental Fees	59,650	60,000	60,000	60,000	60,000
Sale of Equipment	-	-	210,000	210,000	-
Interest on Investments	7,449	2,500	2,500	2,500	2,500
Transfer from General Fund	490,700	237,500	566,991	566,991	321,600
Appropriated Fund Balance	1,684,174	-	604,561	604,561	-
Total	\$ 2,841,839	\$ 322,260	\$ 1,466,312	\$ 1,466,312	\$ 420,341

CAPITAL IMPROVEMENTS FUND

DETAIL EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget
MUNICIPAL OPERATIONS FACILITIES					
Extraordinary Maintenance, Emergency Repairs	\$ 101,944	\$ 100,000	\$ 103,163	\$ 103,163	\$ 100,000
Facilities Maintenance	-	-	295,341	295,341	84,100
Town Hall Parking Lot	-	-	18,591	18,591	-
Small Capital Improvements	70,308	-	-	-	-
Fire Extraordinary Maintenance	13,200	-	188,850	188,850	-
Subtotal	\$ 185,452	\$ 100,000	\$ 605,945	\$ 605,945	\$ 184,100
PUBLIC SAFETY					
Hamilton Rd. Fire Station	\$ 1,456,827	\$ -	\$ 315,369	\$ 315,369	\$ -
Subtotal	\$ 1,456,827	\$ -	\$ 315,369	\$ 315,369	\$ -
TOWN FACILITIES LEASED BY OTHERS					
Housing Maintenance	\$ 4,804	\$ 22,260	\$ 68,387	\$ 68,387	\$ 36,241
Subtotal	\$ 4,804	\$ 22,260	\$ 68,387	\$ 68,387	\$ 36,241
INFRASTRUCTURE					
Variable Message Sign System	\$ 15,317	\$ -	\$ -	\$ -	\$ -
Path, Trail and Lot Maintenance	23,590	50,000	56,340	56,340	50,000
Traffic Calming/Bike & Ped.	4,029	-	-	-	-
Curbs / ADA	41,750	50,000	53,250	53,250	50,000
Subtotal	\$ 84,686	\$ 100,000	\$ 109,590	\$ 109,590	\$ 100,000

CAPITAL IMPROVEMENTS FUND

DETAIL EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget
COMMUNICATIONS AND TECHNOLOGY					
General Technology	\$ -	\$ -	\$ 80,000	\$ 80,000	\$ -
Subtotal	\$ -	\$ -	\$ 80,000	\$ 80,000	\$ -
PARKS AND OTHER PUBLIC USE FACILITIES					
Greenways	\$ 30,147	\$ -	\$ 21,428	\$ 21,428	\$ -
Playground Replacement	195,100	100,000	86,176	86,176	100,000
Cemetery Beautification	2,982	-	105,662	105,662	-
Small Park Improvements	66,132	-	73,755	73,755	-
Subtotal	\$ 294,361	\$ 100,000	\$ 287,021	\$ 287,021	\$ 100,000
TRANSFER TO OTHER FUNDS AND FINANCING COSTS					
Basnight Lane Parking Expansion	\$ 115,000	\$ -	\$ -	\$ -	\$ -
Replace Parking Meters	400,000	-	-	-	-
Capital Projects Ordinance Fund	300,709	-	-	-	-
Subtotal	\$ 815,709	\$ -	\$ -	\$ -	\$ -
TOTALS	\$ 2,841,839	\$ 322,260	\$ 1,466,312	\$ 1,466,312	\$ 420,341

***CAPITAL RESERVE FUND
BUDGET SUMMARY***

No appropriations are planned for the Capital Reserve Fund for 2019-20, which had a fund balance of \$216,186 at June 30, 2018.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Reserved for CIP	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Transfer to Capital Improvements Fund	-	-	-	-	-	N/A
Transfer to General Fund	-	-	-	-	-	N/A
Total	\$ -	\$ -	\$ -	\$ -	\$ -	N/A

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Interest on Investments Appropriated	\$ 661	\$ -	\$ -	\$ -	\$ -	N/A
Fund Balance	(661)	-	-	-	-	N/A
Total	\$ -	\$ -	\$ -	\$ -	\$ -	N/A

MAJOR CAPITAL BOND PROJECTS

Several major capital improvement projects were approved by bond referenda in November 2003 and November 2015.

As authorized by General Statute 159.13.2, capital project ordinances were established for each of the projects for the life of the projects.

Expenditures for these projects through March 31, 2019 are shown in the table at the right.

Major Capital Bond Projects	Budget	Expenditures as of March 31, 2019
2003 Bond Projects		
Public Buildings	\$ 500,000	\$ 500,000
Streets and Sidewalks	5,600,000	5,524,000
Library Expansion	16,260,000	16,260,000
Open Space	2,000,000	2,000,000
Parks and Recreation	5,000,000	4,872,000
Subtotal	<u>\$ 29,360,000</u>	<u>\$ 29,156,000</u>
2012 LOBS Projects		
Lot 5 Project	\$ 6,000,000	\$ 5,770,000
Parking Projects	606,000	606,000
TOC Projects	202,000	135,000
Subtotal	<u>\$ 6,808,000</u>	<u>\$ 6,511,000</u>
2012 Two-Thirds Projects		
Street Resurfacing	\$ 982,000	\$ 982,000
Bolinwood Drive Bridge	17,000	17,000
Cedar Falls Park Building	227,000	227,000
Unstead Playground	7,000	7,000
Tennis Court Reconstruction	229,000	229,000
Southern Comm Park Lighting	106,000	106,000
Cedar Falls Artificial Turf	246,000	246,000
Inclusive Playground	7,000	5,000
Subtotal	<u>\$ 1,821,000</u>	<u>\$ 1,819,000</u>
2015 Bond Projects		
Streets and Sidewalks	\$ 8,500,000	\$ 3,120,000
Parks Trails	5,000,000	2,548,000
Parks Facilities	5,300,000	4,579,000
Subtotal	<u>\$ 18,800,000</u>	<u>\$ 10,247,000</u>
TOTAL	<u>\$ 56,789,000</u>	<u>\$ 47,733,000</u>

AFFORDABLE HOUSING DEVELOPMENT RESERVE FUND

BUDGET SUMMARY

The Affordable Housing Development Reserve Fund is dedicated exclusively for the development and preservation of affordable housing. Funds had been budgeted annually in the General Fund through the "penny for Housing", but in September of 2017, the Town Council approved the creation of the Affordable Housing Development Reserve Fund. For FY20, the funding level remains at \$688,395.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Land Acquisitions	\$ -	\$ -	\$ 412,803	\$ 412,803	\$ -	N/A
Rental Subsidies	673,328	-	672,926	672,926	-	N/A
Homeownership Assist.	95,000	-	107,000	107,000	-	N/A
Future Development Reserve	150,000	-	-	196,932	-	N/A
	-	688,395	326,118	129,186	688,395	0.0%
Total	\$ 918,328	\$ 688,395	\$ 1,518,847	\$ 1,518,847	\$ 688,395	0.0%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Transfer from General Fund	\$ 688,395	\$ 688,395	\$ 688,395	\$ 688,395	\$ 688,395	0.0%
Appropriated Fund Balance	229,933	-	830,452	830,452	-	N/A
Total	\$ 918,328	\$ 688,395	\$ 1,518,847	\$ 1,518,847	\$ 688,395	0.0%

GRANTS FUND

BUDGET SUMMARY

The Grants Fund was established in 2004-05 to account for grants previously included in the General Fund. Grants for 2019-20 had not been awarded at the time of this submission.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Police Grants	\$ 61,781	\$ -	\$ 132,019	\$ 132,019	\$ -	N/A
Planning Grants	371,693	384,640	384,640	384,640	-	-100.0%
Total	\$ 433,474	\$ 384,640	\$ 516,659	\$ 516,659	\$ -	-100.0%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Grants	\$ 347,177	\$ 303,089	\$ 328,507	\$ 328,507	\$ -	-100.0%
Transfer from General Fund	96,023	81,551	81,551	81,551	-	-100.0%
Appropriated Fund Balance	(9,726)	-	106,601	106,601	-	N/A
Total	\$ 433,474	\$ 384,640	\$ 516,659	\$ 516,659	\$ -	-100.0%

DOWNTOWN SERVICE DISTRICT FUND

Major Revenue Sources – Descriptions and Estimates

The revenue source for the Downtown Service District is the special district property tax on the assessed value of \$531,470,000. The tax rate of 7.0 cents is unchanged from FY 2018-19, and is expected to yield a total of about \$372,000 in FY 2019-20. This represents an increase of \$4,000 from the current year estimates, due to the increase in value from new development in the downtown area.

FY20 continues funding from Orange County in the amount of \$73,500 for the “Launch” initiative, which is a partnership between Orange County, the University and the Town of Chapel Hill with the goal of providing incentives to assist in small and local business development.

Adjustments to the Downtown Service District border were last made for the 2006-07 fiscal year to take into account changes in business status between commercial and residential uses.

Major Expenditures and Estimates

The recommended budget provides for \$120,000 in continued funding for services related to the downtown service district. These services include efforts to bring the resources of the Town, University and downtown community together to maintain, enhance and promote downtown as the social, cultural and spiritual center of Chapel Hill through economic development. Additionally, there are expenses related to the “Launch” initiative (\$142,000) along with 140 West expenses (\$105,000).

DOWNTOWN SERVICE DISTRICT FUND

BUDGET SUMMARY

The recommended Downtown Service District Fund tax rate of 7.0 cents for 2019-20 provides for continued funding of the groundskeeper position dedicated to the downtown area (including a 3% of market rate salary adjustment, effective July 1, and a 4.9% rate increase in medical insurance). The recommended budget continues an allocation of about \$120,000 for services related to the district, and includes expenses related to the "Launch" initiative (\$142,000) along with 140 West expenses (\$105,000).

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 54,874	\$ 56,597	\$ 56,597	\$ 57,725	\$ 59,107	4.4%
Contracted Services	216,471	235,000	235,000	235,000	235,000	0.0%
Grants/Deferred Loans	103,500	137,000	137,000	142,000	142,000	3.6%
Reserve	-	6,903	6,903	8,775	10,393	50.6%
Total	\$ 374,845	\$ 435,500	\$ 435,500	\$ 443,500	\$ 446,500	2.5%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Property Taxes	\$ 310,286	\$ 361,000	\$ 361,000	\$ 368,000	\$ 372,000	3.0%
Interest Income	1,664	1,000	1,000	2,000	1,000	0.0%
Gifts and Donations	73,500	73,500	73,500	73,500	73,500	0.0%
Interest on Receivable	228	-	-	-	-	N/A
Appropriated Fund Balance	(10,833)	-	-	-	-	N/A
Total	\$ 374,845	\$ 435,500	\$ 435,500	\$ 443,500	\$ 446,500	2.5%

LIBRARY GIFT FUND

BUDGET SUMMARY

The recommended budget for the Library Gift Fund for 2019-20 reflects an increase from the previous year due to a larger donation from the Friends of the Library. Gifts for 2019-20 include an increase in donations from the Friends of the Library due to increased membership and revenue from book sales (\$130,000) and miscellaneous donations (\$49,700). 2019-20 expenses include additions to the collection, computers, software and other miscellaneous expenses. The Library Gift Fund continues to budget a transfer to the General Fund to support Library operations, at an amount of \$45,000 for 2019-20.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Computers/Database	\$ 19,868	\$ 11,200	\$ 21,000	\$ 23,500	\$ 9,000	-19.6%
Furniture	24,358	21,676	103,026	95,910	-	-100.0%
Collection Purchases	34,871	26,000	29,382	32,000	34,160	31.4%
Other	175,766	36,200	235,084	236,491	92,075	154.4%
Pop-Up Library	1,107	-	2,414	2,414	-	N/A
Transfer to General Fund	45,000	45,000	45,000	45,000	45,000	0.0%
Total	\$ 300,970	\$ 140,076	\$ 435,906	\$ 435,315	\$ 180,235	28.7%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Interest Income	\$ 1,031	\$ 476	\$ 476	\$ 1,022	\$ 535	12.4%
Friends' Donations	115,000	65,000	99,000	99,000	130,000	100.0%
Grants	56,979	-	61,751	61,751	-	N/A
Misc Donations	58,916	50,600	75,600	74,463	49,700	-1.8%
Appropriated Fund Balance	69,044	24,000	199,079	199,079	-	-100.0%
Total	\$ 300,970	\$ 140,076	\$ 435,906	\$ 435,315	\$ 180,235	28.7%

VEHICLE REPLACEMENT FUND BUDGET SUMMARY

The recommended budget for 2019-20 for the Vehicle Replacement Fund includes a list of the most critical capital equipment needs pending a comprehensive review of the Town's fixed assets. Included in the 2019-20 recommended budget is the replacement of three mowers, five Public Works vehicles, and three police cars. The Vehicle Replacement Fund is moving to a pay-as-you-go system. Beginning in 2014-15, vehicle purchases are bought outright rather than financed.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Lease Purchase Payments	\$ 650,394	\$ 400,630	\$ 400,630	\$ 400,630	\$ 265,591	-33.7%
Other Expense	7,430	6,000	6,000	8,431	6,000	0.0%
Capital Equipment	600,152	713,500	1,132,926	1,132,926	587,500	-17.7%
Total	\$ 1,257,976	\$ 1,120,130	\$ 1,539,556	\$ 1,541,987	\$ 859,091	-23.3%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Vehicle Use Fees	\$ 835,995	\$ 387,129	\$ 387,129	\$ 387,129	\$ 453,089	17.0%
Interest Income	4,494	3,500	3,500	4,000	4,000	14.3%
Sale of Fixed Assets	85,294	50,000	50,000	102,468	50,000	0.0%
Appropriated Fund Balance	332,193	679,501	1,098,927	1,048,390	352,002	-48.2%
Total	\$ 1,257,976	\$ 1,120,130	\$ 1,539,556	\$ 1,541,987	\$ 859,091	-23.3%

VEHICLE MAINTENANCE FUND
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2017-18 ADOPTED	2018-19 ADOPTED	2019-20 RECOMMENDED
Supervisor-Mechanic	1.00	1.00	1.00
Mechanic (I-III)	5.00	5.00	5.00
Manager-Fleet	1.00	1.00	1.00
Processing Technician ¹	0.75	0.75	0.75
Unit Totals	<u>7.75</u>	<u>7.75</u>	<u>7.75</u>

¹ Processing Technician is split between Building Maintenance and the Vehicle Maintenance Fund.

Note: Vehicle Maintenance is supervised by the Public Works Department.

VEHICLE MAINTENANCE FUND BUDGET SUMMARY

The 2019-20 recommended budget for the Vehicle Maintenance Fund reflects an overall increase in expenditures of 6.5% from last year's budget. The increase in personnel is the result of a 3% market rate salary adjustment and a 4.9% rate increase in medical insurance, and a 1.2% increase in retirement costs. The 8.7% increase in the operating budget is due to the increase in maintenance due to the aging fleet.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Personnel	\$ 616,840	\$ 633,675	\$ 633,675	\$ 630,925	\$ 657,101	3.7%
Operating Costs	733,688	804,625	804,625	807,375	874,899	8.7%
Total	\$ 1,350,528	\$ 1,438,300	\$ 1,438,300	\$ 1,438,300	\$ 1,532,000	6.5%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Vehicle Maintenance Fees	\$ 1,373,350	\$ 1,420,300	\$ 1,420,300	\$ 1,420,300	\$ 1,514,000	6.6%
Interest Income	1,919	-	-	-	-	N/A
Insurance Claims	51,671	18,000	18,000	18,000	18,000	0.0%
Appropriated Fund Balance	(76,412)	-	-	-	-	N/A
Total	\$ 1,350,528	\$ 1,438,300	\$ 1,438,300	\$ 1,438,300	\$ 1,532,000	6.5%

COMPUTER REPLACEMENT FUND BUDGET SUMMARY

The recommended budget for 2019-20 provides for replacement of computer equipment on a pay-as-you-go basis. For fiscal year 2019-20, \$165,250 of appropriated fund balance will be used to balance the budget and provide financial assistance to all Town funds.

EXPENDITURES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Small Equipment	\$ 144,502	\$ 150,875	\$ 150,875	\$ 150,875	\$ 165,250	9.5%
Other Expense	-	-	-	-	-	N/A
Total	\$ 144,502	\$ 150,875	\$ 150,875	\$ 150,875	\$ 165,250	9.5%

REVENUES

	2017-18 Actual	2018-19 Original Budget	2018-19 Revised Budget	2018-19 Estimated	2019-20 Recommended Budget	% Change from 2018-19
Computer Use Fees	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Interest Income	1,563	-	-	1,600	-	N/A
Appropriated Fund Balance	142,939	150,875	150,875	149,275	165,250	9.5%
Total	\$ 144,502	\$ 150,875	\$ 150,875	\$ 150,875	\$ 165,250	9.5%

Performance Agreements with Other Agencies

Performance Agreements with Other Agencies	2018-19 Adopted Budget	2019-20 Recommended Budget
Human Services		
Human Services Advisory Board Recommendations	\$ 419,500	\$ 446,500
Total Human Services	419,500	446,500
Arts		
Cultural Arts Dinner	1,000	-
ArtsCenter	12,500	-
Total Arts	13,500	-
Affordable Housing		
Orange Community Housing and Land Trust	347,148	347,148
Affordable Rentals Group/Empowerment Inc.	13,500	-
Homeless Initiative	63,899	63,899
Total Affordable Housing	424,547	411,047
Economic Development		
Chapel Hill/Orange County Visitors Bureau	200,000	200,000
Chapel Hill Downtown Partnership	70,000	70,000
Total Economic Development	270,000	270,000
Total Contributions to Agencies	\$ 1,127,547	\$ 1,127,547

