

FY 2020 Budget Update and Preliminary FY 2020-21 Budget Projections



ORANGE COUNTY
STAY AT HOME
MARCH 27 - APRIL 30, 2020

YOU CAN

- Go to the grocery store
- Go to medical appointments and the pharmacy
- Get take-out, delivery or drive thru from restaurants
- Walk your dog, ride your bike, be in nature
- Pick up essentials for neighbors or loved ones in need of assistance

YOU SHOULD NOT

- Go to work unless providing an essential service
- Socialize or gather in groups
- Visit loved ones in the hospital or nursing home, except under limited circumstances

ORANGE COUNTY HEALTH DEPARTMENT

orangecountync.gov/Coronavirus

Silhouettes of people engaged in various activities: a person with a shopping cart, a person with a cane, a person with a child, and a person with a dog.

FY 2020 Budget Update

- Financial forecast very different today compared to one month ago
- Adjusted revenue estimates:
 - Sales Tax
 - Occupancy Tax
 - Utility Sales Tax
- Initiated a hiring freeze to generate personnel savings
- Individual department budget meetings to discuss opportunities for operational savings
- Focus = to protect the services that the Town provides to the community

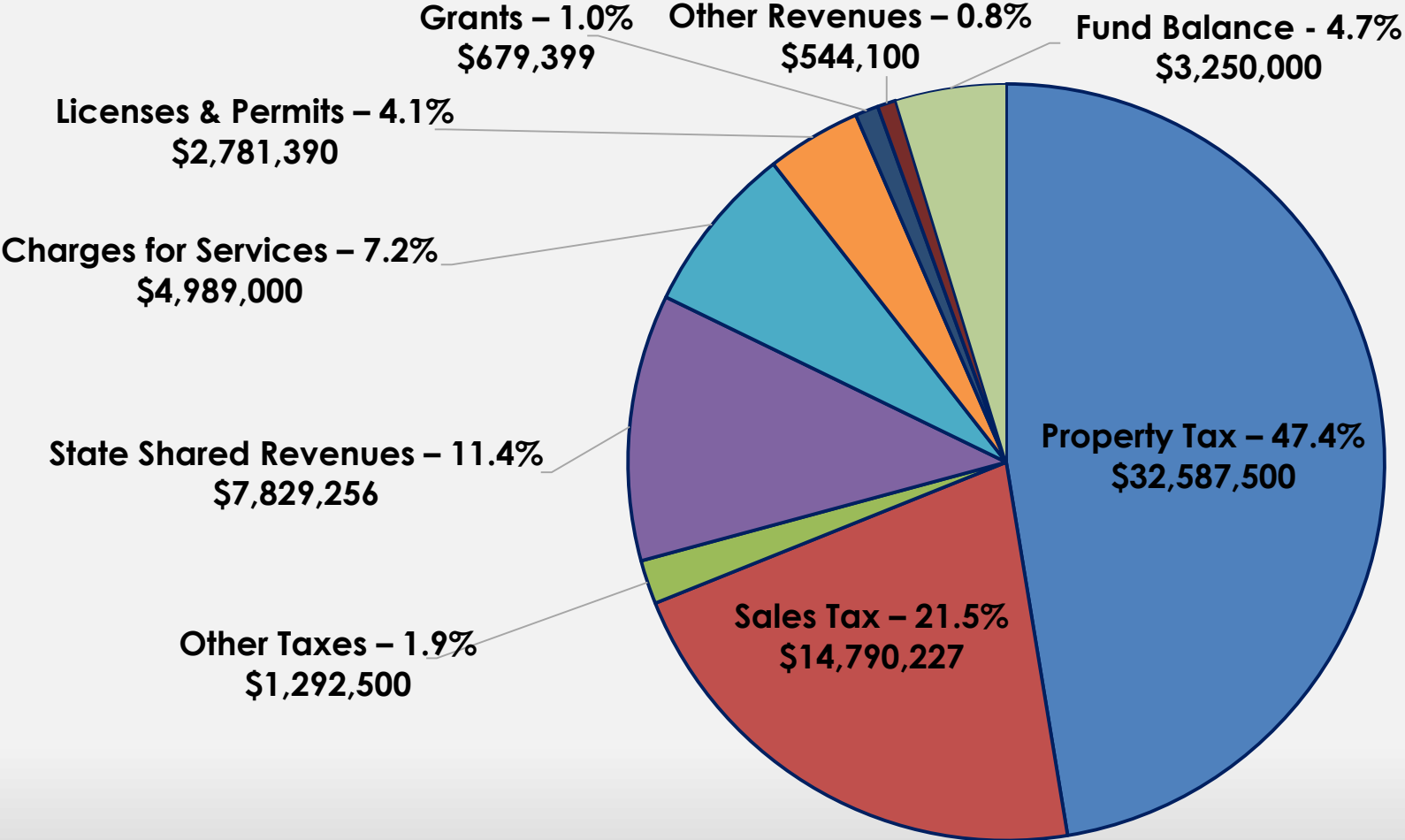
Long-Term Budget Planning

- Staff began working on the development of a 5 –Year Budget Strategy in the fall to be responsive to the needs of the organization and the needs of the community to:
 - Build connections between strategic work plans and budget program expansions
 - Strengthen department operating budgets to meet operational needs
 - Promote environmental resiliency
 - Restore pay-go capital and vehicle replacement programs
 - Expand building maintenance and street paving programs
 - Sustain enterprise funds

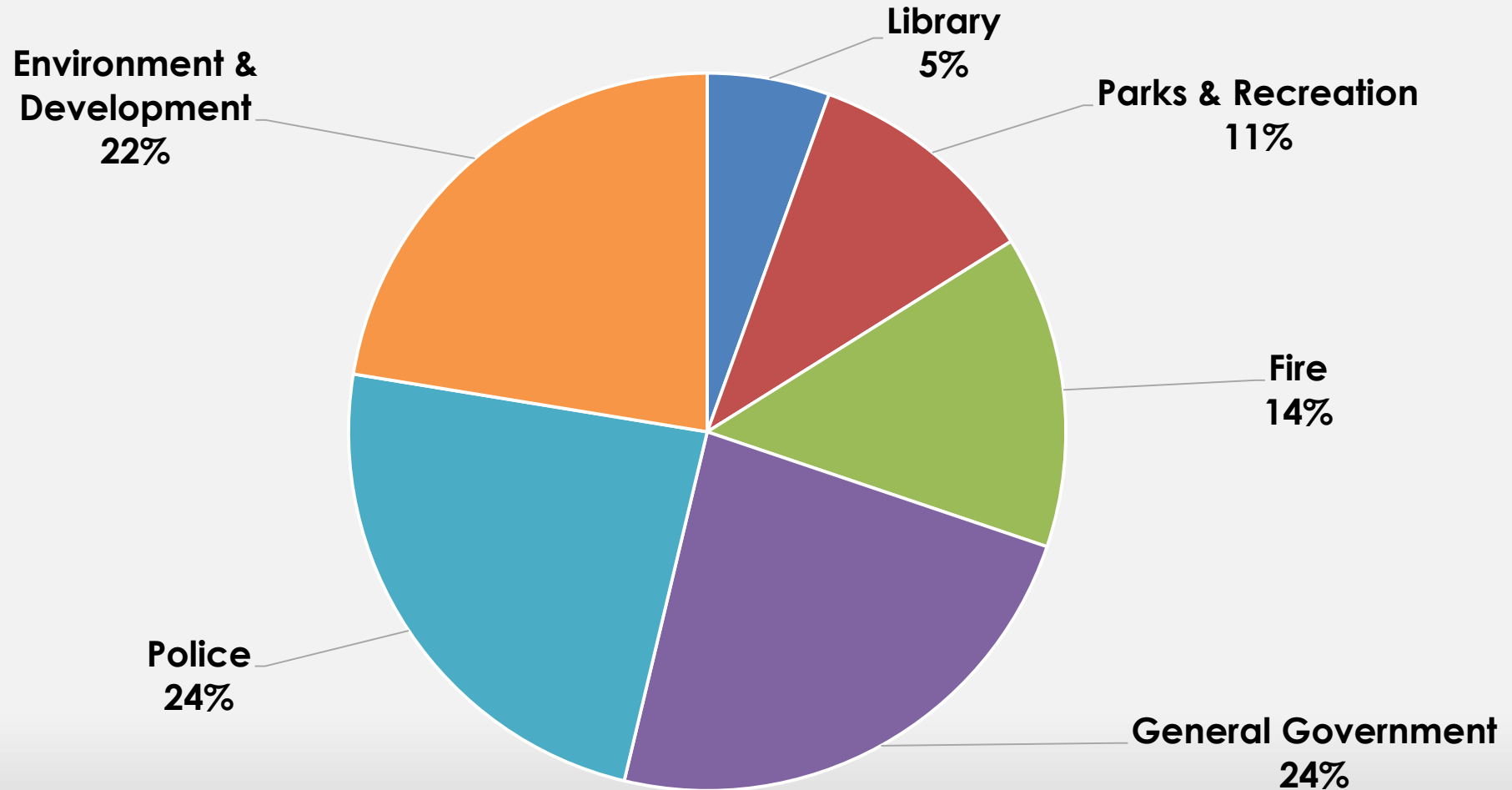
General Fund – Revenue Comparisons

Revenue Source	Adopted FY2019-20	Preliminary FY2020-21	Difference
Property Taxes	\$ 32,117,500	\$ 32,587,500	1.5%
Sales Taxes	14,741,869	14,790,227	0.3%
Other Taxes	1,386,000	1,292,500	(6.7%)
State Shared Revenues	7,791,256	7,829,256	0.5%
Charges for Service	5,002,662	4,989,000	(0.3%)
Licenses & Permits	2,842,305	2,781,390	(2.1%)
Grants	679,399	679,399	0.0%
Other Revenues	566,243	544,100	(3.9%)
Approp. Fund Balance	3,355,766	3,250,000	(3.2%)
Total	\$ 68,483,000	\$ 68,743,372	0.4%

General Fund Preliminary Revenues FY 2020-21



General Fund Preliminary Expenditures FY 2020-21



AFTER COVID-19

Potential Focus Areas for FY 2021 Budget

- Maintaining a status quo budget
- Limited number of budget adds included in the preliminary budget
- No pay increase recommended
- Preliminary budget includes a 6.5% (\$325K) health insurance rate increase & 1.2% (\$335K) retirement system increase & \$62,000 for the maintenance of coal ash at 828 MLK Jr Blvd site
- Hiring freeze to continue tentatively through FY 21 Q1 to address budget gap

Enterprise Funds

- **Transit**
 - Federal Funding relief for transit systems impacted by COVID-19
 - Stable budget outlook
- **Public Housing**
 - Additional federal monies released by HUD to housing authorities
 - Stable budget outlook
- **Stormwater**
 - No revenue impact in FY 2020
 - Stable budget outlook
- **Parking**
 - Hourly parking fees waived during Stay at Home Order to help downtown businesses, employees & customers with ease of access
 - Hourly & monthly fee increase required to balance FY 2021 budget

Next Steps in Budget Process

- | | |
|-----------------|--|
| April 13 | Budget Work Session |
| May 6 | Presentation of Manager's Recommended Budget |
| May 13 | Budget Work Session |
| May 20 | Public Hearing |
| May 27 | Budget Work Session |
| June 3 | Budget Work Session |
| June 10 | Proposed Budget Adoption |

2020-21 Budget Development Page

www.townofchapelhill.org/budget

Questions from Council?