

Manager's Recommended Budget FY 2020-21

Town of Chapel Hill
North Carolina



Manager's Recommended Budget
FY 2020-21

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Budget Foundations

Responsible, Resilient, Smart and Strategic

- Supporting Council's strategic priorities
- Supporting our most valuable resources
- Protecting fund balance to promote resiliency



Budget Foundations

Recommended Budget

- \$110,885,256
- 2.2% decrease from FY 2020
- No property tax increase proposed
- No pay increase proposed
- No staff furloughs or layoffs

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FY 2021 Budget Unknowns

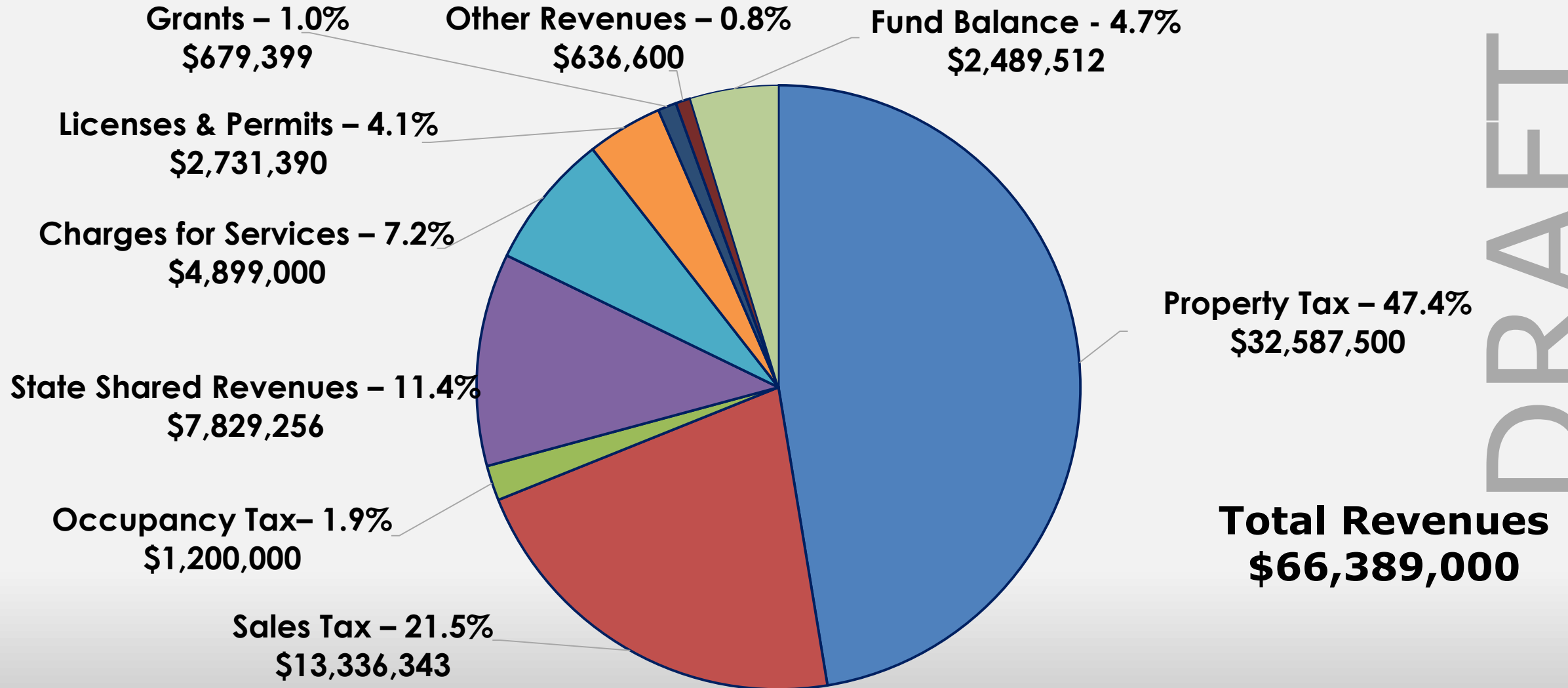
- Financial forecast continues to change with the many unknowns related to the effects COVID-19:
 - Longevity of event
 - Extent of revenue shortfalls
 - Impacts to service delivery
- Built in buffer in fund balance to help offset these unknowns
- Response aligned with 2008 recession
- Intent to come back before Council to provide updates and make any budget adjustments based on actual revenue impacts

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General Fund – Revenue Comparisons

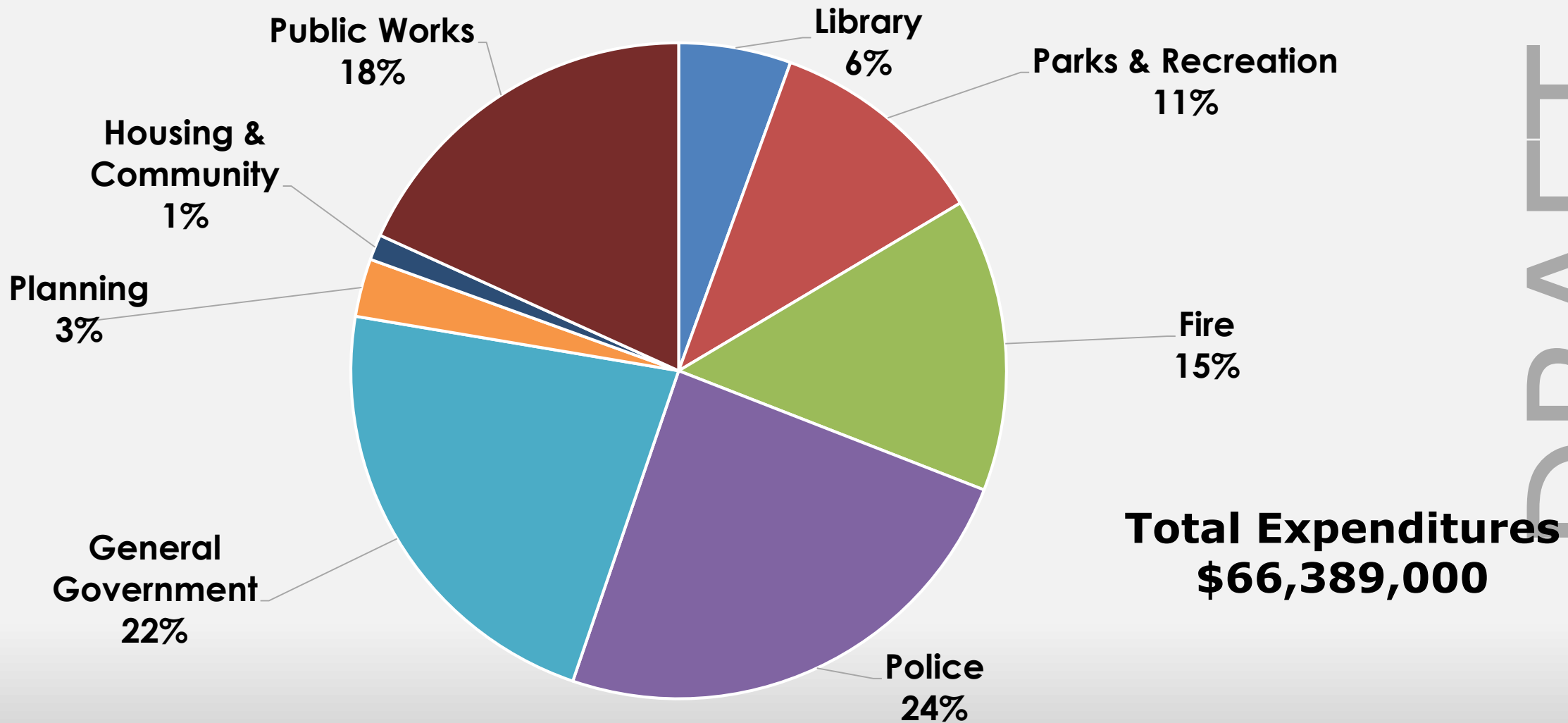
| Revenue Source | Adopted FY2019-20 | Recommended FY2020-21 | Difference |
|-----------------------|------------------------------|----------------------------------|-------------------|
| Property Taxes | \$ 32,117,500 | \$ 32,587,500 | 1.5% |
| Sales Taxes | 14,741,869 | 13,336,343 | (9.5%) |
| Other 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 | 4,899,000 | (2.1%) |
| Licenses & Permits | 2,842,305 | 2,731,390 | (3.9%) |
| Grants | 679,399 | 679,399 | 0.0% |
| Other Revenues | 566,243 | 544,100 | (3.9%) |
| Approp. Fund Balance | 3,355,766 | 2,489,512 | (25.8%) |
| Total | \$ 68,483,000 | \$ 66,389,000 | (3.0%) |

General Fund Recommended Budget Revenues FY 2020-21



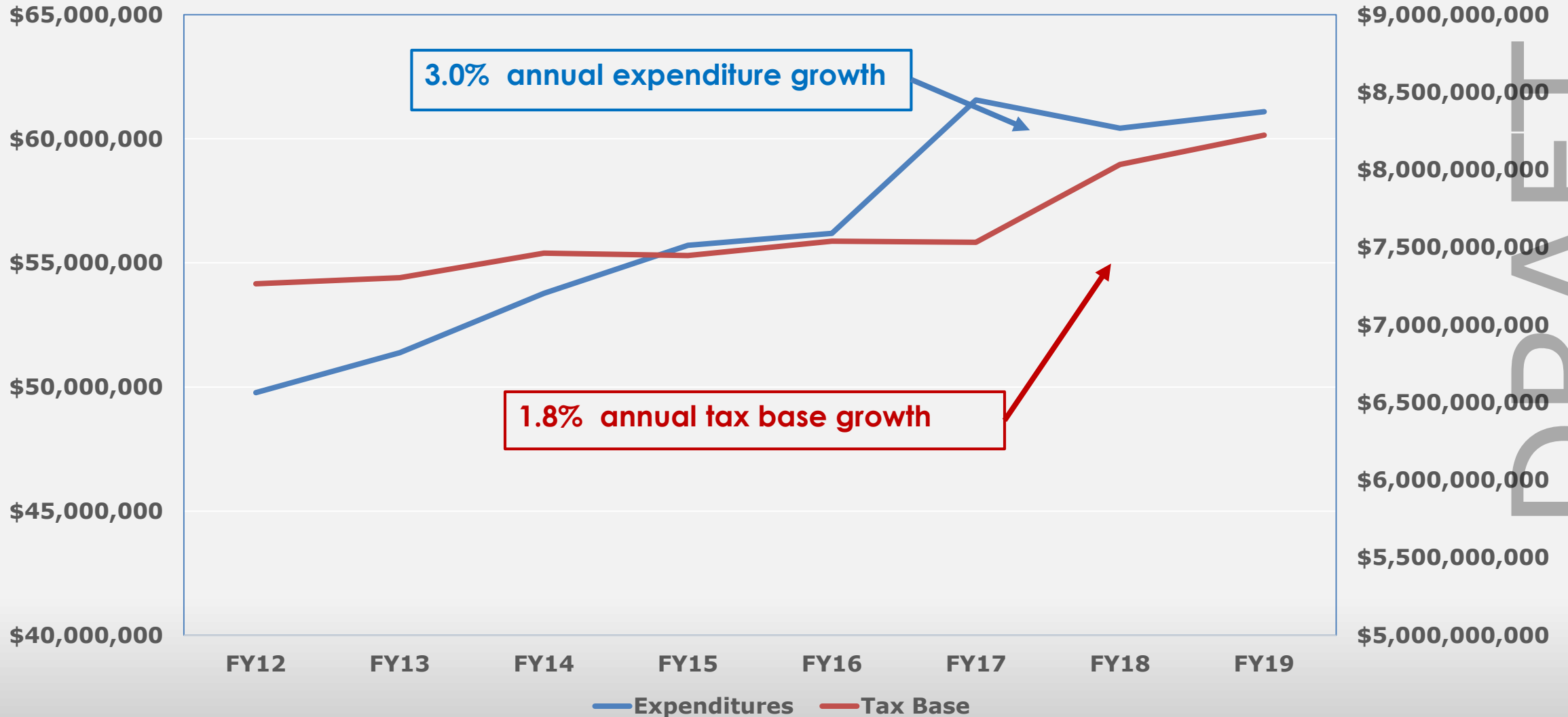
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General Fund Recommended Budget Expenditures FY 2020-21

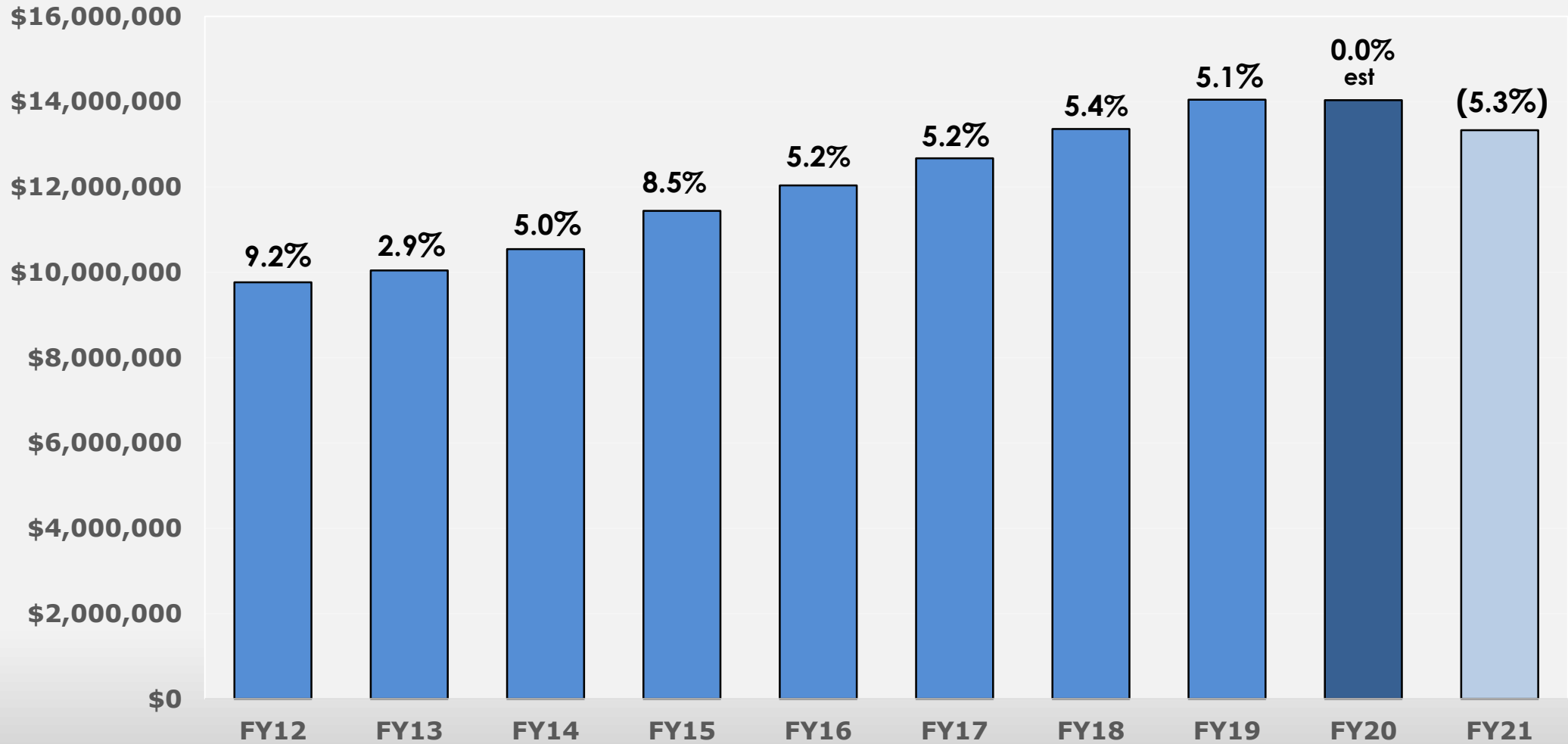


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Expenditures vs Tax Base - Rate of Growth



Sales Tax History



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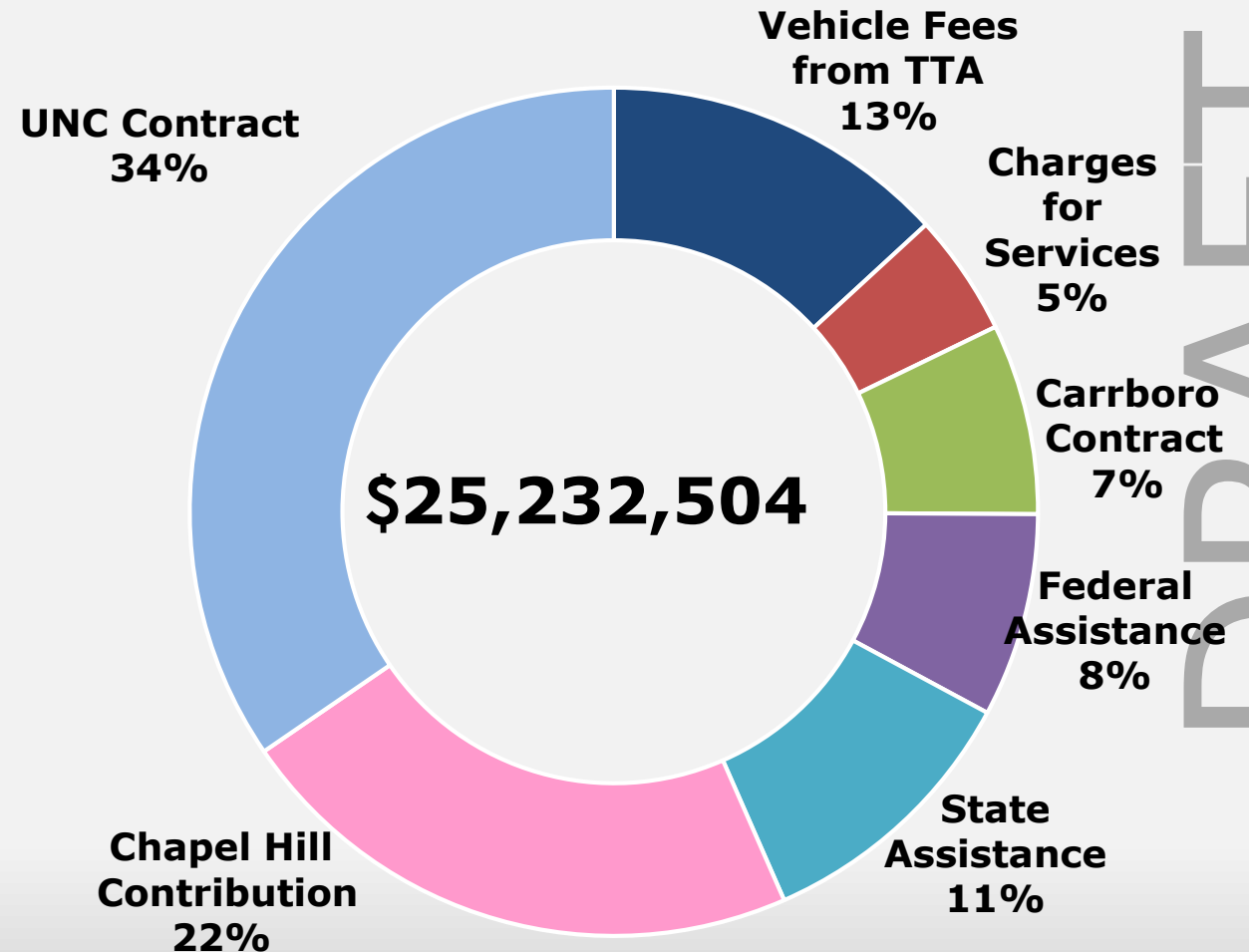
Balancing Strategy Proposed for FY 2021 Budget

- Goal of FY 2021 budget is to maintain current level of core operational services
- One-Time Reductions to Budget:
 - Hiring Freeze to continue into FY 2021
 - Streets
 - Building Maintenance
 - Vehicle Replacement
 - Pay-Go capital projects
 - Transfer to Blue Hill Tax Increment Financing
 - OPEB pre-funding contribution
- No reductions in AHDR funds/Human Services Agency Funding

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Transit Fund Revenues FY 2020-21

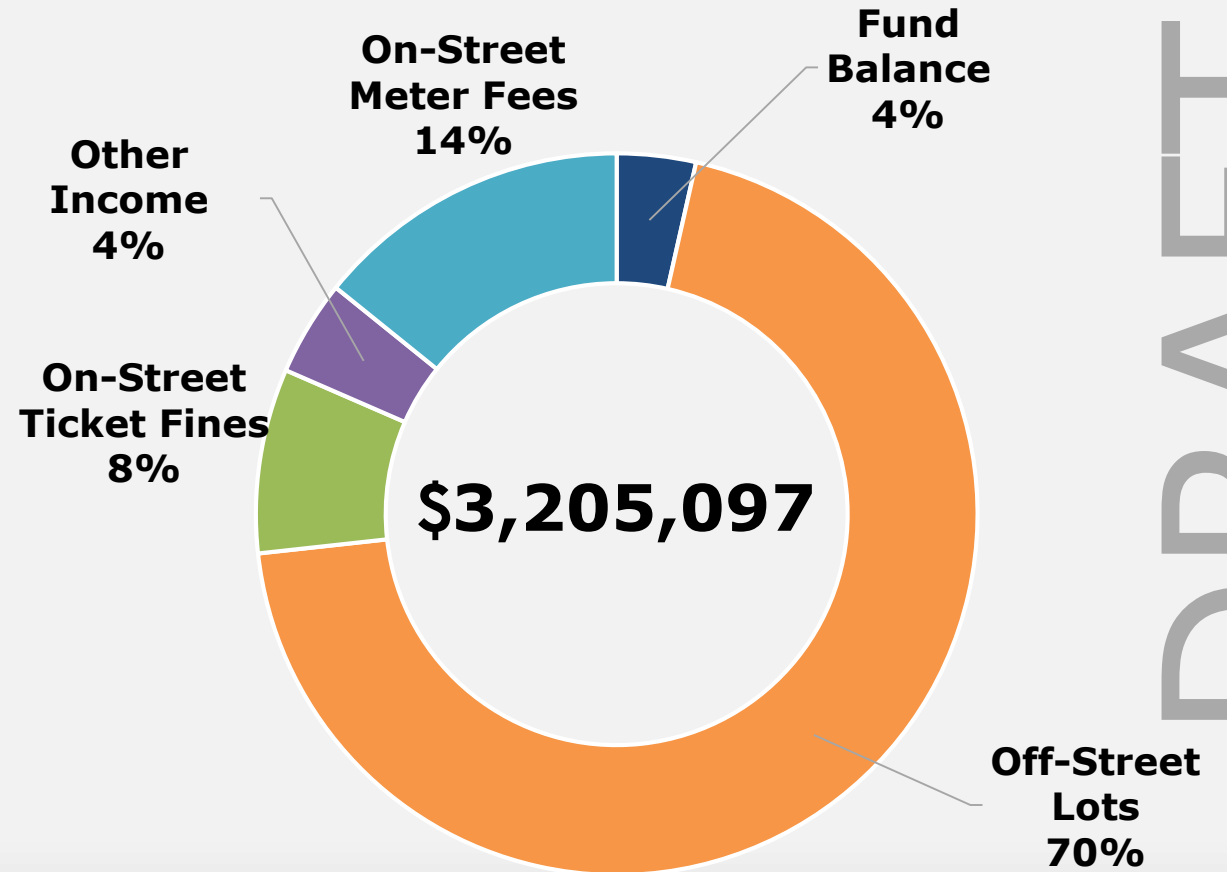
- **No recommended tax increase**
- **1.8% increase overall**
- **No use of Fund Balance**
- **Status quo budget for partners (UNC, Carrboro & Town)**
- **Federal Assistance unchanged**
- **State Assistance increase \$412,000**
- **\$5.7 million CARES Act future budgetary impact**
- **Transit Fund in relatively good fiscal condition – dependent on fed/state monies & bus replacement needs**



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Parking Fund Revenues FY 2020-21

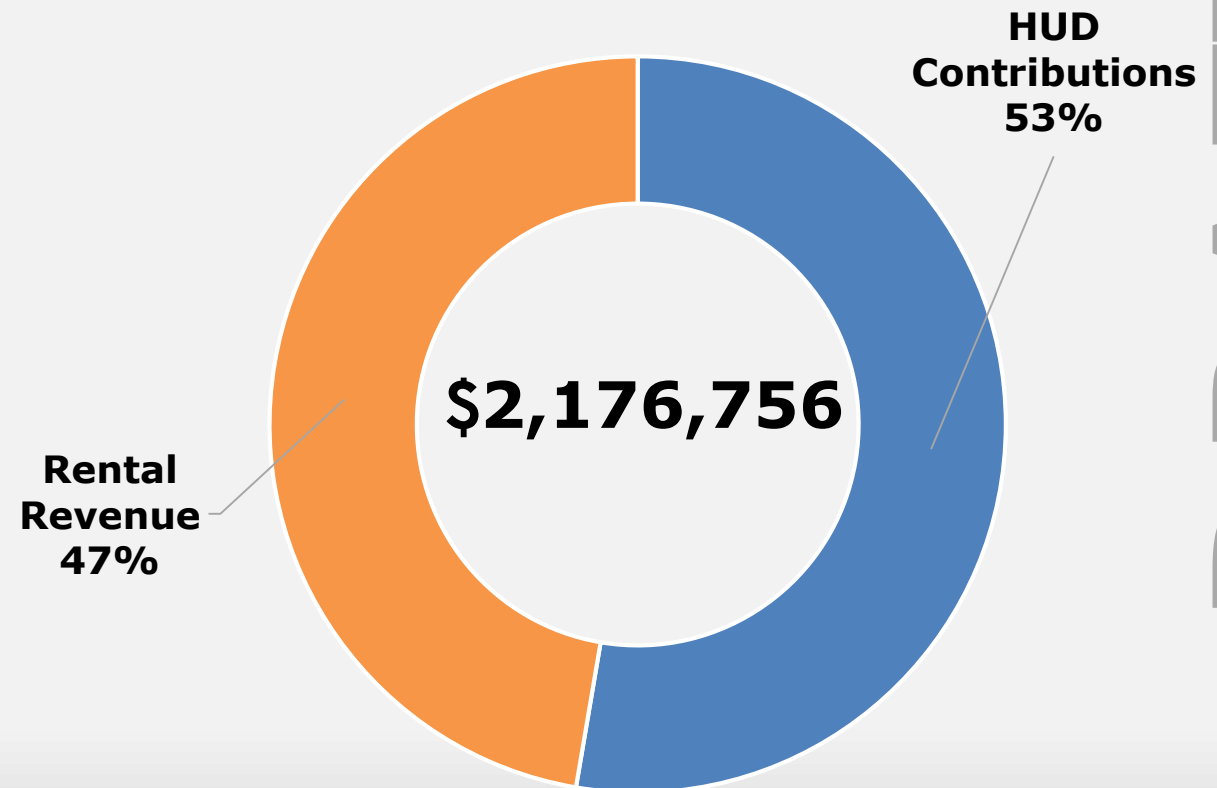
- **10.1% increase in total budget**
- **Increase tied to lot rental cost increases**
- **Expenditures exceed revenues by \$113,392**
- **Expenditures include \$914,831 for debt service**
- **Anticipate using \$400K in fund balance for FY 2020**
- **Parking Fund needs an influx of revenues to continue existing operations**
- **Reviewing rate structure and hours**



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Housing Fund Revenues FY 2020-21

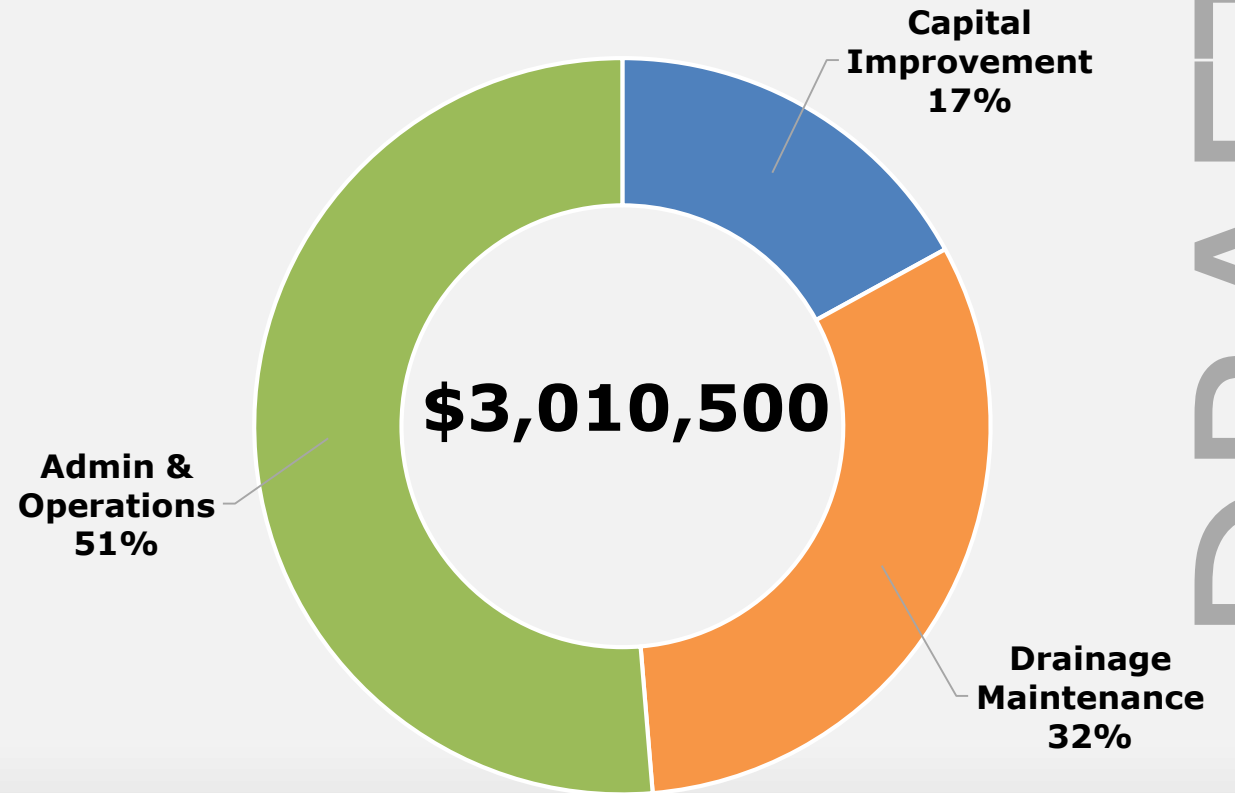
- **0.3% Decrease (-\$5,704)**
- **53% of FY 2021 housing expenses are covered with HUD Operating Subsidy**
- **47% of FY 2021 housing expenses are covered with tenant rents (unknown impact of COVID-19 on ability of tenants to pay)**
- **Housing Fund in relatively good fiscal condition assuming federal monies remain stable**



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Stormwater Fund Expenses FY 2020-21

- **1.5% Increase (\$45,385)**
- **No stormwater fee increase proposed**
- **Stormwater Fund in good fiscal condition**



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REVISED DATES for Budget Process as of 05.20.20

- May 20** Presentation of Manager's Recommended Budget
- May 27** Budget Work Session
- June 3** Budget Work Session (if needed)
- June 10** Public Hearing
- June 24** Budget Adoption

2020-21 Budget Development Page

www.townofchapelhill.org/budget

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