

Town of Chapel Hill North Carolina



Manager's Recommended Budget FY 2021-22

Town of Chapel Hill
North Carolina

2021-22 Recommended Budget



Chapel Hill Town Council, 2021-2022

Your Town Council is **Mayor Pam Hemminger**,
Mayor Pro tem **Michael Parker**, and Council
members **Jessica Anderson**, **Allen Buansi**,
Hongbin Gu, **Tai Huynh**, **Amy Ryan** and **Karen
Stegman**.

Town Manager
Maurice Jones

Finance Officer
Amy Oland



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Letter of Transmittal

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

Ladies and Gentlemen:

I present to you the Town of Chapel Hill, North Carolina Annual Budget for Fiscal Year 2021-22. The total recommended combined property tax rate is 52.4 cents per \$100 of assessed value. The property tax rate for the Downtown Service District is at 6.4 cents per \$100 of assessed value.

The Recommended Budget for 2021-22 recognizes Council's most important goals and invests in strategic initiatives to achieve those objectives, even during these challenging and unprecedented times. We look forward to working with Council to continue offering the core services our residents expect.

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.

Respectfully submitted,

Maurice Jones
Town Manager

May 5, 2021

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May 5, 2021

Dear Mayor and Council:

I formally present for your consideration, the Fiscal year 2021-2022 Recommended Budget for the Town of Chapel Hill. The total budget of \$116,746,903 is a 5% increase from FY 2021.

The past year has been a true test of our organization and our community. Ultimately, it proved to be a testimony to our resilience and fortitude. We have all experienced change and loss and the Town of Chapel Hill has responded with courage and compassion. Last year, we focused on protecting the Town's core services and establishing flexibility to face the unknowns brought on by COVID-19. It is our hope that we have emerged on the far side of this global pandemic, but we recognize that our recovery will not be immediate and that our new normal will not be a matter of simply picking up where we left off last March.

There is, however, reason for optimism. A municipal budget is an expression of a community's values and this year is no exception. While we are grateful for the opportunity to receive federal funding to address some of our immediate needs and to support our Town's interests, we must also focus on the long-term future of our community. Recovery will include immediate action with one-time funding as well as a return to our longer-term vision and 5-year plan for the ongoing budget.

Last year, we invested in our core services and were able to pivot to provide public safety, transit, affordable housing, and modified library, parks and recreation, and public works resources to our community. This year's budget seeks to restore some of the services that were limited last year, and to make investments in our future with our recurring revenues. We are putting the Town in a strong position to recover from the immediate impacts of the COVID-19 pandemic and to restore our focus on long-term priorities, especially those that will require an ongoing commitment, such as climate action, social equity, and infrastructure.

Recovery

The COVID-19 pandemic had unequal impacts on our Town's departments. Some of the most significant negative effects were loss of revenues in our Parks and Recreation department since recreational activities could not be offered as usual. Similarly, hotel occupancy tax revenues and parking fees were nearly eliminated by the lock-down. On the other hand, our sales tax collections were better than expected. In response to the emerging pandemic, we anticipated a 9.5% decrease in sales tax revenues in FY 21 and a 5% decrease in sales tax revenues in FY 22. For a variety of reasons this expected decrease in sales tax revenues never came to pass. In fact, the Town has seen greater than a 10% increase in sales tax revenues for the first seven months of FY22 over the same period of FY21.

As vaccination rates improve and businesses return to more normal operations, we have taken a cautious approach to projecting revenues, anticipating some return in programming and downtown activity. The one-time federal recovery funds are ideal for helping us support our businesses and our community as we transition to a more typical economy.

During the current year, we were able to use CARES Act funding passed through Orange County to the Town to address COVID-related needs, such as supporting our housing partners in the community, sheltering unhoused residents, providing food-bank support, purchasing and distributing personal protective equipment (PPE) in the community, and supporting our workforce with safety supplies, remote work, and operational shifts.

With the American Rescue Plan Act (ARPA) funds—which have federal limitations on eligible uses, we expect to be able to backstop some of our budget shortfalls and to invest in recovery efforts, such as the ReVive economic plan, so our community can bridge the gap from the pandemic year to a more typical year.

Restore/Replenish Operations

In North Carolina, counties are required by state statute to revalue real property at least every eight years. The revaluation process is designed to set tax assessments to a market value as of the appraisal date in order to equalize the tax base. Orange County recently completed the revaluation process that will go into effect beginning with the FY 2022 tax year. Overall, the real property value within Chapel Hill increased 13%. This is the combination of a 36% increase in commercial properties and a 9% increase in residential properties. As the result of the revaluation of property values, our property tax revenues—our main source of revenues for ongoing operations—would increase by \$5.2 million at the current tax rate of 54.4 cents per \$100 of assessed valuation.

State law requires the Town to declare, but not institute, a revenue neutral tax rate for the year a revaluation takes effect. The revenue neutral tax rate is calculated to generate the same amount of revenue that was generated in the tax year prior to the new revaluation assessments becoming effective. The revenue neutral tax rate for FY 2021-2022 is 49.4 cents per \$100 of assessed valuation.

The Council has expressed an interest in restoring some of the cumulative reductions the Town has made over time, to maintain our critical assets, and to be responsive to the interests of community members and property owners. The revaluation offers an opportunity for the Town to apply some of the property tax growth to priorities that we have struggled to adequately fund in the past.

In an attempt to balance the needs of the community with the impact of the revaluation increase on property owners, we have based this recommended budget on a tax rate of 52.4 cents per \$100 assessed valuation, to capture some of the natural increase in property values, while slightly lowering the tax rate.

Last year, to respond to the pandemic, the Town made a series of significant reductions within our budget in response to the pandemic:

- Other Post Employment Benefit (OPEB) prefunding contribution - reduced funding allocation by \$250,000
- Ephesus Fordham Tax Increment Financing (TIF) - eliminated funding allocation - \$445,100
- Street Resurfacing – reduced funding allocation by \$300,000
- Facilities Maintenance - eliminated funding allocation - \$472,200
- Fleet Replacement – eliminated funding allocation - \$525,000

- Pay-Go Capital – eliminated funding allocation – \$237,500

We know that continuing to defer maintenance of our capital assets will cause greater costs in the long run, so we propose replenishing those funds to the following levels in FY '22:

	FY 2021 Budget Reduction	FY 2022 Budget Restoration
Buildings	(\$472,214)	\$350,000
Streets	(\$300,000)	\$250,000
Pay-Go Capital	(\$237,500)	\$350,000
Vehicles	(\$523,908)	\$344,660

We also recognize that the Town has made commitments to decrease future liabilities, so we recommend reinstating the OPEB pre-funding contribution and the Ephesus-Fordham (EF) TIF budgets to the following level:

	FY 2021 Budget Reduction	FY 2022 Budget Restoration
OPEB Contribution	(\$250,000)	\$500,000
EF TIF	(\$445,100)	\$445,100

Recognize Town Employees

Last year, we did not provide Town employees with a pay increase and we instituted a hiring freeze on all vacant positions to save personnel costs. We were able to offer a one-time payment to employees mid-year, but we recognize that this has been an extraordinary year of sacrifice and hard work for our employees, many of whom were out in the community providing front-line service. We are fortunate that our safety protocols and the responsible actions of our employees resulted in very limited cases of COVID and nearly no work-place transmission of the virus. For that, we must thank the employees themselves. This year, I am recommending a 3% of market pay increase.

Our healthcare broker continues to negotiate our health insurance premium to ensure the best possible rate. The recommended budget includes a 5.5% increase in health insurance, which is higher than last year's 4% increase. The increase 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.

Our goal is to retain and attract excellent employees in all areas of the organization. Last year, we paused the Class and Compensation study, due to a lack of funds to implement any findings. We have restarted that study and I am recommending \$400,000 to fund identified areas of need within the organization beginning on January 1, 2022.

One area of particular concern is in public safety where the competition for talent is considerable. We want to be in the best position possible to retain and attract the employees who make Chapel Hill a special place to live. We believe we can accomplish that goal by raising the starting pay and addressing the resulting compression of that increase in two phases, the first slated for FY 2022 and the other in FY 2023. We anticipate covering the costs of those increases with expected salary savings.

Return to the 5-year Budget Strategy

The Council Retreat in February 2021 focused on priorities for the future and how to pay for them. The Council reviewed the 2020-22 Strategic Goals and received an overview of the 5-year Budget Strategy. During the retreat, Council affirmed the overarching priorities of Environmental Stewardship, Economic

Development and Social Equity and discussed funding priorities for the upcoming year. The strategic initiatives funded in the recommended budget are listed below.

Environmental Stewardship

- **Climate Action:** On Wednesday, April 7, 2021, the Town Council voted to adopt the Town’s Climate Action and Response Plan. The Council also adopted a resolution declaring a climate emergency and requested that the Town Manager provide funding options as part of the Fiscal Year 2021-22 budget process. The recommended budget includes \$500,000 to begin implementation of the plan, which is roughly a half-penny on the tax rate.

Economic Development

- **ReVive:** This Recovery & Resiliency Plan offers a framework of goals, strategies and tactics that community leaders and volunteers can pursue to help Chapel Hill recover from the recession and lay a solid foundation for long-term transformation. This is a perfect use of one-time ARPA funding to help our downtown and other businesses bridge the gap between COVID and a more typical operating environment.
- **East Rosemary Street Parking Deck:** The recommended budget supports the construction of a new parking deck on East Rosemary Street using the Town’s Parking Enterprise Fund to pay the debt service for the cost of borrowing funds for the project.

Social Equity

- **Human Services:** The recommended budget increases the Human Services budget by \$100,000 to provide vital social services to low-wealth communities struggling with food and housing insecurity.
- **Reimagining Community Safety Task Force:** The recommended budget includes \$100,000 to implement recommendations from the Task Force to enhance our community safety initiatives, eliminate structural inequities in Town public safety systems; and enable all in the community to thrive.
- **Diversity Equity and Inclusion Officer:** The recommended budget includes \$143,250 to hire and support a Diversity Equity and Inclusion Officer for the Town. This position would report directly to the Town Manager and provide executive leadership on the Town’s racial equity goals and diversity initiatives.

Affordable Housing

- The Council continues to provide substantial annual funding for affordable housing and has approved leveraging Town-owned property to develop affordable housing. The recommended budget includes \$688,395 for affordable housing initiatives.
- The Town is expected to distribute the second half of the Affordable Housing Bond (approximately \$5 million) next year to assist with preserving and creating affordable housing units in Chapel Hill. We also anticipate utilizing ARPA funding to assist with housing assistance as folks continue to recover the financial impacts of the pandemic.

Refocusing on the Future

The recommended budget restores funding needed to continue to deliver high-quality core services to our residents, businesses, and visitors. The recommended budget also supports the Council’s strategic goal areas

from climate change to social equity and addresses critical workforce needs. Fiscal Year 2022 revenue projections are based on conservative assumptions about how funding levels will return to pre-pandemic levels. And in a revaluation year, the recommended budget establishes a municipal tax rate that captures a modest amount of property value growth.

Our community has weathered the dangerous storm of COVID-19 as well as any community in North Carolina. Our residents were determined to protect each other from infection and made significant sacrifices to do so. As we move cautiously into a better place, we know the goal is not to simply return to where we were before the pandemic but to learn from the experience and refocus our vision for a sustainable and equitable future. The pandemic exposed vulnerabilities in our community like food and housing insecurity and demonstrated the need for additional human services. And as the last year has also shown, our nation has much work to do to address our continued struggle with racism and its role in causing socio-economic disparities.

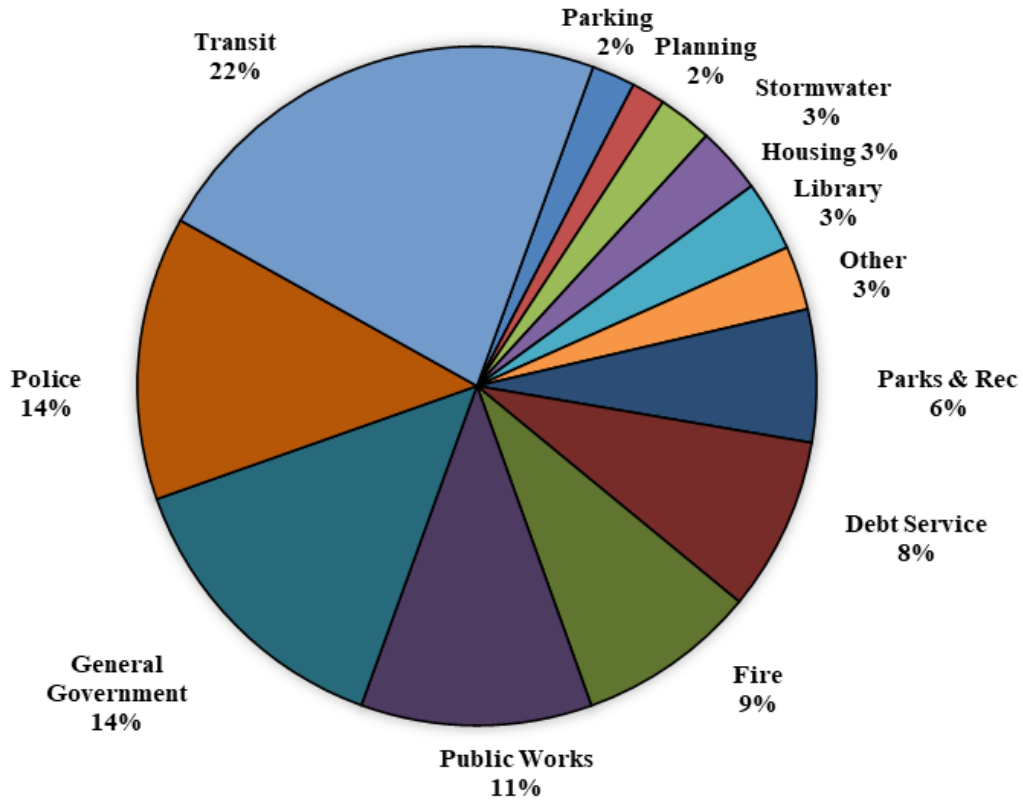
I believe this proposed budget offers the critical services and initiatives our community expects. It continues Chapel Hill's long history as a leader in addressing the critical issues of our times in a strategic, thoughtful and compassionate approach.

Sincerely,

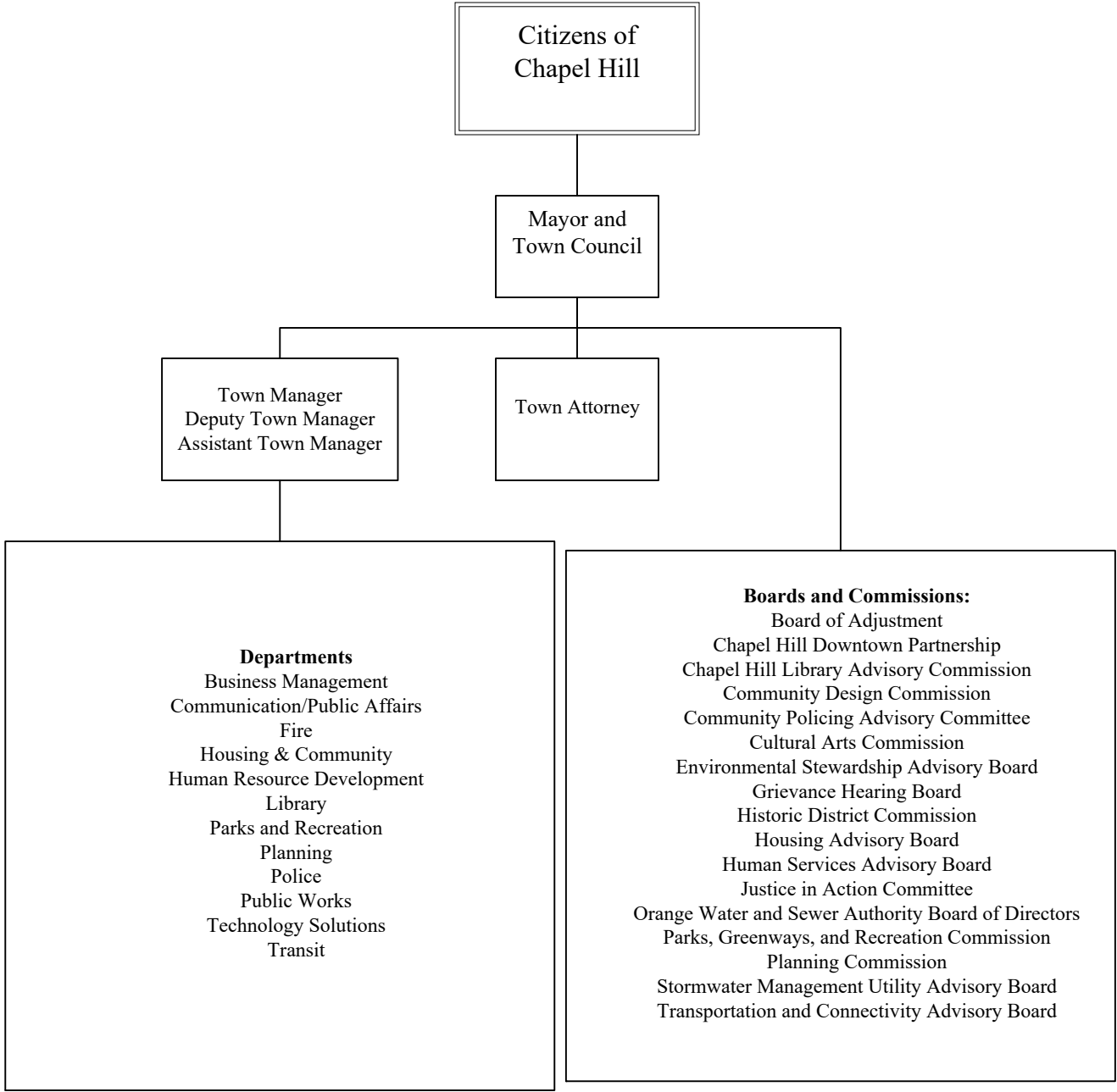
Maurice Jones
Town Manager
Chapel Hill, NC

ALL FUNDS SUMMARY

**TOTAL BUDGET EXPENDITURES \$116,746,903
(NET OF TRANSFERS)**



TOWN OF CHAPEL HILL ORGANIZATION CHART



***ALL FUNDS
SUMMARY OF APPROPRIATIONS
Recommended Budget 2021-22***

Fund	Appropriations	Less Transfers to Other Funds	Net Appropriations
General Fund	\$ 71,448,000	\$ 2,430,859	\$ 69,017,141
Transit Funds			
Transit	26,208,809	-	26,208,809
Transit Capital Reserve Fund	-	-	-
Stormwater Management Fund	3,009,500	-	3,009,500
Parking Funds			
Off-Street Parking Fund	2,548,423	916,832	1,631,591
On-Street Parking Fund	787,565	-	787,565
Housing Funds			
Public Housing Fund	2,176,756	-	2,176,756
Debt Service Fund	9,664,932	-	9,664,932
Capital Projects			
Capital Improvements Fund	797,241	-	797,241
Other Funds			
Affordable Housing Reserve Fund	688,395	-	688,395
Grants Fund	-	-	-
Downtown Service District Fund	465,500	-	465,500
Library Gift Fund	216,841	45,000	171,841
Vehicle Replacement Fund	344,660	-	344,660
Vehicle Maintenance Fund	1,605,222	-	1,605,222
Computer Replacement Fund	177,750	-	177,750
TOTAL	\$ 120,139,594	\$ 3,392,691	\$ 116,746,903

ALL FUNDS STAFFING SUMMARY

Personnel costs make up 60% of the Town's operating budget across all funds. Personnel costs in the General Fund make up 73% of total expenditures. The Staffing Summary represents a snapshot of the FTE's on which the FY22 Recommended Budget is based.

2021-22 STAFFING BY DEPARTMENT IN FULL-TIME EQUIVALENTS

<i>DEPARTMENTS</i>	2019-20 ADOPTED	2020-21 ADOPTED	2021-22 RECOMMENDED
Mayor	1.00	1.00	1.00
Manager	11.00	11.00	12.00
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	16.00	16.00	16.00
Attorney	2.00	2.00	3.00
Planning	15.65	15.65	15.65
Public Works ¹	91.20	91.20	91.20
Police	155.00	155.00	141.00
Fire	96.00	96.00	96.00
Parks & Recreation	53.80	53.80	53.80
Library	34.66	34.66	34.66
Transit	203.29	203.29	203.29
Stormwater	15.05	15.05	15.05
Parking	9.80	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	771.93	771.93	759.93

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

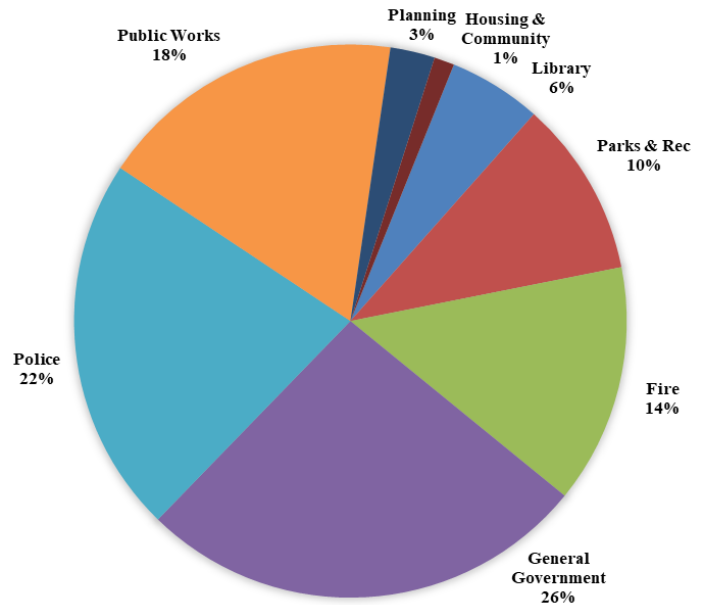
Recommended 2021-22

	2019-20 Actual	2020-21 Budget	2020-21 Estimated	2021-22 Recommended
Assessed Value of Real and Personal Property	\$ 8,283,264,338	\$ 8,441,580,000	\$ 8,423,583,270	\$ 9,443,201,995
Tax Rate Per \$100 Valuation				
General Fund	38.6	38.6	38.6	38.2
Transit Fund	6.0	6.0	6.0	5.4
Debt Service Fund	9.8	9.8	9.8	8.8
Total Tax Rate (cents)	54.4	54.4	54.4	52.4
Tax Levy	45,060,958	45,922,000	45,824,000	49,482,000
Estimated Collections at 99%	\$ 44,871,700	\$ 45,697,000	\$ 45,631,500	\$ 49,274,200
Distribution				
General Fund	31,839,127	32,420,000	32,380,000	35,920,000
Transit Fund	4,949,085	5,040,000	5,030,000	5,080,000
Debt Service Fund	8,083,330	8,230,000	8,220,000	8,280,000
Downtown Service District Fund				
Tax Rate (cents)	7.0	7.0	7.0	6.4
Assessed Value of Real and Personal Property	\$ 531,000,000	\$ 546,310,000	\$ 524,000,000	\$ 610,392,000
Tax Levy	372,000	382,000	367,000	391,000
1¢ of the Tax Rate Equals (to nearest 1,000)	\$ 824,000	\$ 840,000	\$ 839,000	\$ 940,000

GENERAL FUND

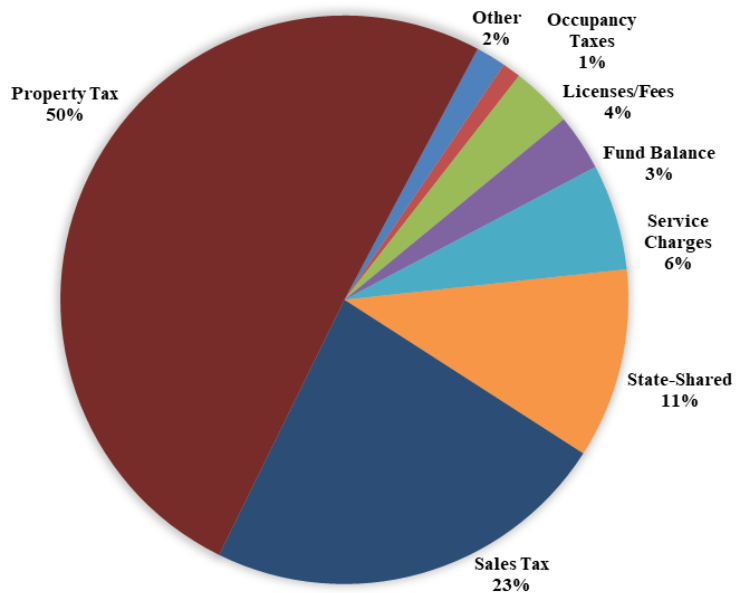
The General Fund is the general operating fund of the Town and is used to account for all revenues and expenditures except those required to be accounted for in another fund. The fund is established at the inception of a government and exists throughout the government's life.

General Fund Expenditures



Total \$71,448,000

General Fund Revenues



**GENERAL FUND
BUDGET SUMMARY**

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Government	\$ 15,567,308	\$ 14,958,553	\$ 15,906,461	\$ 14,137,036	\$ 18,851,780	26.0%
Environment & Development	14,491,948	14,726,275	15,449,748	13,730,482	15,556,557	5.6%
Public Safety	23,775,797	25,696,100	26,085,178	23,919,110	25,775,983	0.3%
Leisure	9,759,028	10,907,072	10,973,786	9,186,504	11,263,680	3.3%
Total	\$ 63,594,081	\$ 66,288,000	\$ 68,415,173	\$ 60,973,132	\$ 71,448,000	7.8%

REVENUES

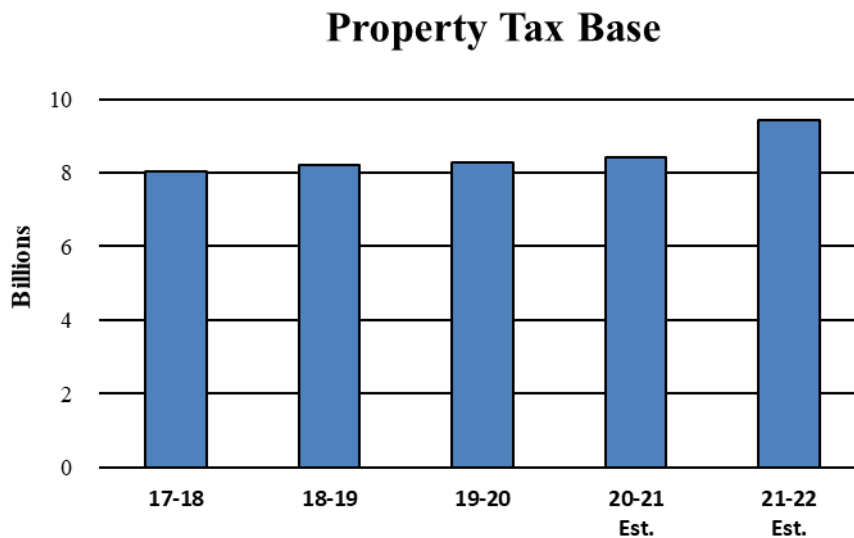
	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Revenues:						
Property Taxes	\$ 31,960,930	\$ 32,587,500	\$ 32,587,500	\$ 32,488,311	\$ 36,087,500	10.7%
Sales Taxes	14,562,458	13,336,343	13,336,343	16,156,574	16,560,488	24.2%
Occupancy Tax	986,188	1,200,000	1,200,000	460,000	750,000	-37.5%
Other Tax and Licenses	79,667	92,500	92,500	73,500	78,500	-15.1%
State-Shared Revenues	7,749,969	7,829,256	7,829,256	7,712,442	7,717,442	-1.4%
Interest on Investments	81,887	100,000	100,000	10,000	25,000	-75.0%
Other Revenues	786,958	399,100	962,848	836,035	397,900	-0.3%
Grants	1,010,285	679,399	691,899	950,914	681,997	0.4%
Charges for Services	4,546,422	4,899,000	4,899,000	3,096,951	4,305,852	-12.1%
Licenses/Permits/Fines	2,860,066	2,731,390	2,731,390	2,644,819	2,500,100	-8.5%
Transfers/Other Sources	45,000	45,000	45,000	45,000	45,000	0.0%
Appropriated Fund Balance	(1,075,749)	2,388,512	3,939,437	(3,501,414)	2,298,221	-3.8%
Total	\$ 63,594,081	\$ 66,288,000	\$ 68,415,173	\$ 60,973,132	\$ 71,448,000	7.8%

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 2021-22 is estimated to be \$9,443,201,995 with 1 cent on the tax rate equivalent to about \$940,000.



The combined property tax revenue we anticipate for 2021-22 totals about \$49.3 million, with \$35.92 million of that supporting the General Fund.

Other Local Taxes

Revenue from the 3 percent Hotel/Motel occupancy tax is expected to total \$460,000 in the current year and \$750,000 in 2021-22. Occupancy Tax is expected to rebound in 2021-22 as we continue to return to normal conditions post COVID-19. Generally, revenue trends are affected by University events and general economic conditions.

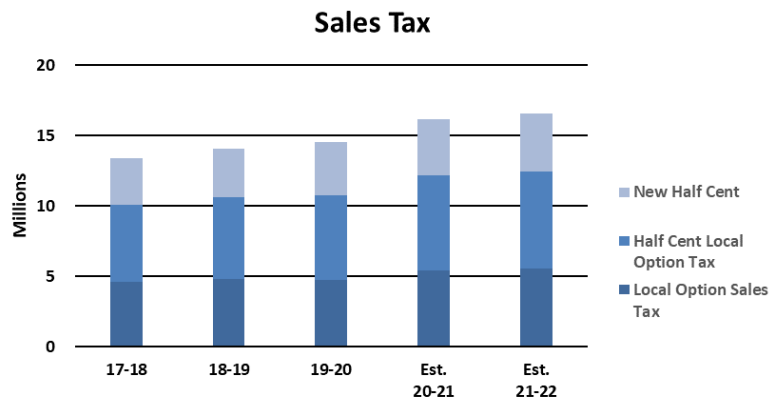
GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

State-Collected Revenues

Sales Taxes

Sales tax revenue is expected to come insignificantly over budget in 2020-21. Based on the uncertainty surrounding the pandemic, a reduction was budgeted at 5% for FY21. However, sales tax receipts are at a 19.27% increase over the previous year through the first seven months. Based on this



trend, we anticipate steady growth through the remainder of the fiscal year. We are estimating continued growth of 2.5% in sales taxes for FY22. We estimate combined sales taxes of about \$16,156,574 for 2020-21. 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 \$1,430,186 in 2020-21, about \$57,000 less than last year. For 2021-22, we anticipate revenues will remain flat for FY22 at around \$1,430,000.

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 2021-22.

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 \$4,877,000 in the current year in utility sales taxes. We anticipate that revenues will hold the line in 2021-22.

GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

Solid Waste Disposal Tax

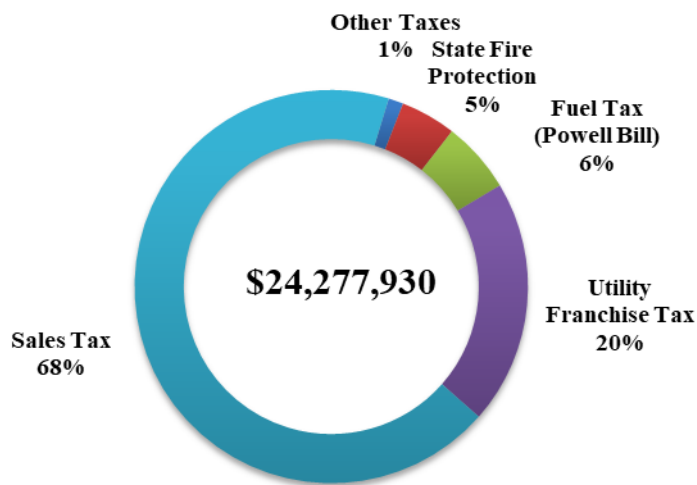
The Solid Waste Disposal Tax went into effect on July 1, 2008. This \$2 per-ton tax is charged on municipal solid waste and construction debris that is deposited in a landfill in the state or transferred at a transfer station for disposal outside of the state. 18.75% of this tax is distributed to cities and towns on a per capita basis. We anticipate receiving around \$39,000 for the current year and \$39,000 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 \$24,277,930 for next year.

State Collected Revenues



Other Revenue Sources

Grants

This category of revenue includes certain recurring local and State grants totaling about \$681,997 for 2021-22. 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 2021-22 includes level funding from the County at \$83,760 for the Parks and Recreation supplement. The recommended 2021-22 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 \$30,098.

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 significantly under budget in the current year by about \$1,802,000. This is largely because of closures and cancellations of Parks and Recreation activities for the majority of the fiscal year due to COVID-19. Charges for services are expected to decrease from a budgeted amount of \$4,899,000 in 2020-21 to \$4,305,852 for 2021-22 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 2021-22, these include \$84,019 from Parking Enterprise Funds, \$131,731 from the Stormwater Management Fund, and \$1,392,621 from the Transit Enterprise Fund.

Licenses/Permits/Fines & Forfeitures

Revenue from licenses, permits, and fines, are expected to come in under the current year's budget by about \$87,000 mainly due to a reduction in fire inspection permits due to the pandemic. Total licenses and permits are expected to decrease from about \$2.6 million in 2020-21 to \$2.5 million in 2021-22.

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 fall significantly below the current year's budget estimate of \$100,000 and generate about \$25,000 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 \$836,000 for 2020-21 and \$397,900 for 2021-22.

Transfers

Transfers include a transfer of \$45,000 for 2021-22 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 \$3.9 million of fund balance in 2020-21, but through cost-cutting measures, do not anticipate using any fund balance in the current fiscal year. This is based on conservative revenue estimates and departmental end-of-year expenditure estimates. The annual budget includes the use of \$2,298,221 in 2021-22 to maintain service levels.

GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

Summary of Revenues

In summary, the annual budget includes \$71.4 million in General Fund revenues, including the use of \$2,289,221 of fund balance.

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

	20-21 Revised Budget	20-21 Estimated	21-22 Recommended Budget
Property Taxes	\$ 32,587,500	\$ 32,488,311	\$ 36,087,500
Sales Taxes	13,336,343	16,156,574	16,560,488
Occupancy Tax	1,200,000	460,000	750,000
Other State-Collected	92,500	73,500	78,500
Other Revenues	8,892,104	8,558,477	8,140,342
Grants	691,899	950,914	681,997
Licenses/Permits	2,731,390	2,644,819	2,500,100
Service Charges	4,899,000	3,096,951	4,305,852
Interfund Transfers	45,000	45,000	45,000
Fund Balance	<u>3,939,437</u>	<u>-</u>	<u>2,298,221</u>
Total	\$ 68,415,173	\$ 64,474,546	\$ 71,448,000

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 \$71,448,000 for the 2021-22 budget.

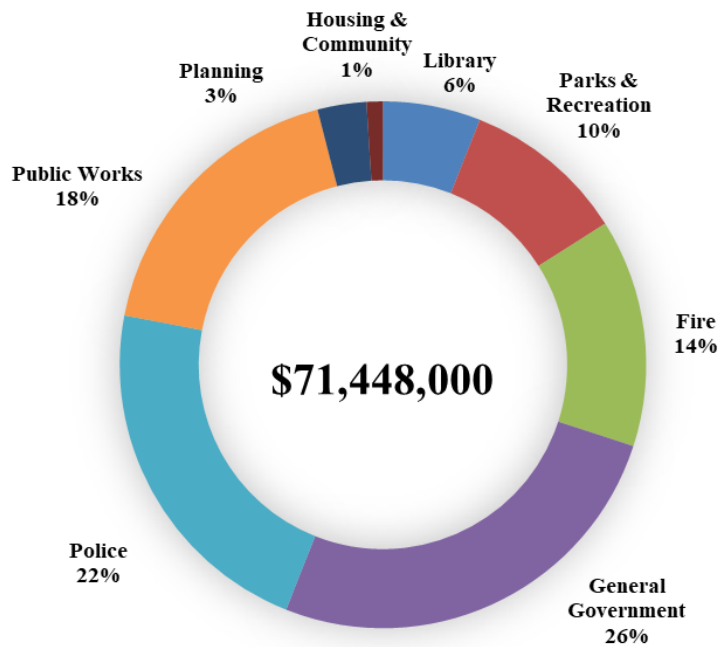
The largest category of expenditures for the General Fund is Public Safety services, with Police Department expenditures of about \$15.8 million and Fire Department expenditures of about \$10 million.

Environment and Development is the second largest category in the General Fund at about \$15.6 million, including Planning, 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 54% of total General Fund expenditures.

Other General Fund services include Parks and Recreation programs totaling about \$7.4 million, Library services of \$3.9 million, and General Governmental activities (Administration, Communications & Public Affairs, Business Management, Human Resources, Attorney, and Non-Departmental) totaling about \$18.9 million.

Non-departmental expenditures total \$8 million. \$1,323,419 is included in the recommended 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 \$350,000.



GENERAL FUND

Major Expenditures - Descriptions and Estimates

The 2021-22 budget includes changes to medical insurance rates. The recommended budget includes a 5.5% increase in rates for active employees and under-65 retirees, or about a \$285,000 increase. The Town’s contribution to employee retirement increased by about \$387,000, which reflects a 1.2% increase to the contribution over the prior year. Other personnel increases to the budget include a 3.0% of market rate salary adjustment starting July 1, 2021 (\$992,256) as well as 3 new positions, an Assistant Town Attorney (\$209,510), a Crisis Counselor (\$91,434) and a Diversity, Equity, and Inclusion Officer (\$143,250). 15 Vacant Police Officer positions have been eliminated from the budget, generating \$1,000,365 in savings. The recommended budget also includes \$400,000 towards the implementation of the comprehensive pay study.

As we continue to recover from the budgetary effects of COVID-19, a number of operational reductions from 2020-21 have been restored in some capacity. Funding has been partially restored for street resurfacing by \$250,000, building maintenance by \$350,000, vehicle replacement by \$344,660, and pay-go Capital Improvements by \$350,000. Funding for Library operations have also been restored by \$78,000. The 2021-22 recommended budget also reinstates the transfer to the Debt Service Fund for the Ephesus-Fordham (EF) tax increment financing (TIF) to the pre-pandemic level (\$445,100).

Additional increases to the FY22 budget include \$500,000 to begin implementing the Climate Action Plan and \$100,000 to implement recommendations from the Reimagining Community Safety Task Force.

The 2021-22 Recommended Budget continues to fund retiree medical costs on a pay-as-you-go basis (\$1,460,000) and contributes \$500,000 towards the post-employment benefit (OPEB) liability, which restores funding to pre-COVID 19 levels.

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

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 46,507,294	\$ 50,530,836	\$ 50,917,713	\$ 45,178,422	\$ 52,043,274	3.0%
Operating Costs	16,941,835	15,672,164	17,326,268	15,691,010	19,319,726	23.3%
Capital Outlay	144,952	85,000	171,192	103,700	85,000	0.0%
Total	\$ 63,594,081	\$ 66,288,000	\$ 68,415,173	\$ 60,973,132	\$ 71,448,000	7.8%

GENERAL FUND
EXPENDITURES BY DEPARTMENT

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Government						
Mayor/Council	\$ 444,024	\$ 418,280	\$ 419,020	\$ 387,703	\$ 492,606	17.8%
Town Manager	1,761,606	1,955,941	2,001,549	1,831,655	2,166,624	10.8%
Communications & Public Affairs	863,683	946,778	947,492	712,343	979,154	3.4%
Human Resource Dev't	1,650,037	1,769,797	1,902,810	1,664,417	1,766,539	-0.2%
Business Management	2,099,834	2,330,886	2,330,886	2,144,997	2,419,766	3.8%
Technology Solutions	2,431,142	2,379,166	2,386,765	2,282,359	2,456,616	3.3%
Town Attorney	383,430	390,963	391,747	394,721	577,687	47.8%
Non-Departmental	5,933,552	4,766,742	5,526,192	4,718,841	7,992,788	67.7%
Subtotal	\$ 15,567,308	\$ 14,958,553	\$ 15,906,461	\$ 14,137,036	\$ 18,851,780	26.0%
Environment & Development						
Planning	\$ 1,641,073	\$ 1,810,542	\$ 2,177,472	\$ 1,563,417	\$ 1,865,219	3.0%
Housing & Community	802,551	834,709	834,709	677,501	843,694	1.1%
Public Works	12,048,324	12,081,024	12,437,567	11,489,564	12,847,644	6.3%
Subtotal	\$ 14,491,948	\$ 14,726,275	\$ 15,449,748	\$ 13,730,482	\$ 15,556,557	5.6%
Public Safety						
Police	\$ 14,320,286	\$ 16,112,146	\$ 16,356,934	\$ 14,173,743	\$ 15,771,418	-2.1%
Fire	9,455,511	9,583,954	9,728,244	9,745,367	10,004,565	4.4%
Subtotal	\$ 23,775,797	\$ 25,696,100	\$ 26,085,178	\$ 23,919,110	\$ 25,775,983	0.3%
Leisure						
Parks and Recreation	\$ 6,272,636	\$ 7,234,154	\$ 7,258,077	\$ 5,893,539	\$ 7,374,790	1.9%
Library	3,486,392	3,672,918	3,715,709	3,292,965	3,888,890	5.9%
Subtotal	\$ 9,759,028	\$ 10,907,072	\$ 10,973,786	\$ 9,186,504	\$ 11,263,680	3.3%
General Fund Total	\$ 63,594,081	\$ 66,288,000	\$ 68,415,173	\$ 60,973,132	\$ 71,448,000	7.8%

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

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Mayor/Council	\$ 444,024	\$ 418,280	\$ 419,020	\$ 387,703	\$ 492,606	17.8%
Town Manager	1,761,606	1,955,941	2,001,549	1,831,655	2,166,624	10.8%
Communications & Public Affairs	863,683	946,778	947,492	712,343	979,154	3.4%
Human Resources	1,650,037	1,769,797	1,902,810	1,664,417	1,766,539	-0.2%
Business Management	2,099,834	2,330,886	2,330,886	2,144,997	2,419,766	3.8%
Technology Solutions	2,431,142	2,379,166	2,386,765	2,282,359	2,456,616	3.3%
Town Attorney	383,430	390,963	391,747	394,721	577,687	47.8%
Non-Departmental	5,933,552	4,766,742	5,526,192	4,718,841	7,992,788	67.7%
Total	\$ 15,567,308	\$ 14,958,553	\$ 15,906,461	\$ 14,137,036	\$ 18,851,780	26.0%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Revenues	\$ 15,567,308	\$ 14,958,553	\$ 15,906,461	\$ 14,137,036	\$ 18,851,780	26.0%
Total	\$ 15,567,308	\$ 14,958,553	\$ 15,906,461	\$ 14,137,036	\$ 18,851,780	26.0%

MAYOR
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2019-20 ADOPTED	2020-21 ADOPTED	2021-22 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 4.6% increase from the 2020-21 budget. The 4.6% increase in personnel costs reflects a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. The 4.4% increase in operating costs reflects a small increase in funds allocated to business meetings & trainings and computer replacements.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 87,221	\$ 87,741	\$ 87,767	\$ 87,525	\$ 91,795	4.6%
Operating Costs	10,396	18,689	18,663	18,582	19,504	4.4%
Total	\$ 97,617	\$ 106,430	\$ 106,430	\$ 106,107	\$ 111,299	4.6%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Revenues	\$ 97,617	\$ 106,430	\$ 106,430	\$ 106,107	\$ 111,299	4.6%
Total	\$ 97,617	\$ 106,430	\$ 106,430	\$ 106,107	\$ 111,299	4.6%

COUNCIL

BUDGET SUMMARY

The recommended budget for the Town Council reflects an increase of 22.3% from the 2020-21 budget, primarily due to an increase in operating expenses because FY21-22 is an election year, resulting in a \$49,176 increase. Personnel expenses increased 8.6% due to filling the 8th Town Council seat.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 173,162	\$ 183,930	\$ 183,930	\$ 153,148	\$ 199,730	8.6%
Operating Costs	173,245	127,920	128,660	128,448	181,577	41.9%
Total	\$ 346,407	\$ 311,850	\$ 312,590	\$ 281,596	\$ 381,307	22.3%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Revenues	\$ 346,407	\$ 311,850	\$ 312,590	\$ 281,596	\$ 381,307	22.3%
Total	\$ 346,407	\$ 311,850	\$ 312,590	\$ 281,596	\$ 381,307	22.3%

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

	2019-20 ADOPTED	2020-21 ADOPTED	2021-22 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	0.00	0.00
Ombuds	1.00	1.00	1.00
Assistant to the Manager	1.00	1.00	1.00
Director of Organization & Strategy Initiatives	1.00	1.00	1.00
Diversity, Equity & Inclusion Officer	0.00	0.00	1.00
Office Assistant	1.00	1.00	1.00
Economic Development Specialist	0.00	1.00	1.00
Urban Designer	1.00	1.00	1.00
Town Manager's Office Totals	11.00	11.00	12.00

TOWN MANAGER

BUDGET SUMMARY

The recommended budget for the Manager’s Office reflects a 3.4% increase from the 2020-21 budget. The 11.2% increase in personnel expenses captures the cost of a new Diversity, Equity & Inclusion Officer position, as well as 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase for existing staff. The 7.4% increase in operating expenses is due to increases in business meetings & trainings and costs associated with the new position.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 1,545,012	\$ 1,738,212	\$ 1,713,462	\$ 1,653,687	\$ 1,932,833	11.2%
Operating Costs	216,594	217,729	288,087	177,968	233,791	7.4%
Total	\$ 1,761,606	\$ 1,955,941	\$ 2,001,549	\$ 1,831,655	\$ 2,166,624	10.8%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Revenues	\$ 1,761,606	\$ 1,955,941	\$ 2,001,549	\$ 1,831,655	\$ 2,166,624	10.8%
Total	\$ 1,761,606	\$ 1,955,941	\$ 2,001,549	\$ 1,831,655	\$ 2,166,624	10.8%

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

	2019-20	2020-21	2021-22
	ADOPTED	ADOPTED	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	1.00	1.00	1.00
Office Assistant	0.53	0.53	0.53
Communications Manager	1.00	1.00	1.00
Records Manager	1.00	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 3.4% increase from the 2020-21 budget. Personnel expenses increased by 0.7% due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. Operating expenses increased by 13.4% due to the Biennial Community Survey.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 681,761	\$ 746,667	\$ 747,025	\$ 512,822	\$ 752,253	0.7%
Operating Costs	181,922	200,111	200,467	199,521	226,901	13.4%
Total	\$ 863,683	\$ 946,778	\$ 947,492	\$ 712,343	\$ 979,154	3.4%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Revenues	\$ 863,683	\$ 946,778	\$ 947,492	\$ 712,343	\$ 979,154	3.4%
Total	\$ 863,683	\$ 946,778	\$ 947,492	\$ 712,343	\$ 979,154	3.4%

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

	2019-20 ADOPTED	2020-21 ADOPTED	2021-22 RECOMMENDED
Human Resource Development Director	1.00	1.00	1.00
Human Resources Manager	2.00	2.00	1.00
Risk Manager	1.00	1.00	1.00
Claims Coordinator	1.00	1.00	1.00
Human Resources Technician	2.00	1.00	1.00
Human Resources Consultant	2.00	2.00	3.00
Assistant Human Resource Consultant	0.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
	<hr/>		
Human Resource Development Totals	10.00	10.00	10.00

HUMAN RESOURCE DEVELOPMENT BUDGET SUMMARY

The recommended budget for the Human Resource Development department reflects a 0.2% decrease from the 2020-21 budget. Personnel expenses increased by 3.0% due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. The 4.6% decrease in operating expenses is due to decreases in software licenses and the Town Wellness Program fees.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 977,288	\$ 1,031,380	\$ 1,032,796	\$ 898,484	\$ 1,062,454	3.0%
Operating Costs	672,749	738,417	870,014	765,933	704,085	-4.6%
Total	\$ 1,650,037	\$ 1,769,797	\$ 1,902,810	\$ 1,664,417	\$ 1,766,539	-0.2%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Revenues	\$ 1,650,037	\$ 1,769,797	\$ 1,902,810	\$ 1,664,417	\$ 1,766,539	-0.2%
Total	\$ 1,650,037	\$ 1,769,797	\$ 1,902,810	\$ 1,664,417	\$ 1,766,539	-0.2%

***BUSINESS MANAGEMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

	2019-20 ADOPTED	2020-21 ADOPTED	2021-22 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	0.00	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	0.00
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
Accountant	0.00	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 3.8% increase from the 2020-21 budget. Personnel expenses increased by 4.7% due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 1,519,413	\$ 1,771,961	\$ 1,698,961	\$ 1,532,929	\$ 1,855,116	4.7%
Operating Costs	580,421	558,925	631,925	612,068	564,650	1.0%
Total	\$ 2,099,834	\$ 2,330,886	\$ 2,330,886	\$ 2,144,997	\$ 2,419,766	3.8%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Revenues	\$ 2,099,834	\$ 2,330,886	\$ 2,330,886	\$ 2,144,997	\$ 2,419,766	3.8%
Total	\$ 2,099,834	\$ 2,330,886	\$ 2,330,886	\$ 2,144,997	\$ 2,419,766	3.8%

Technology Solutions

STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2019-20	2020-21	2021-22
	ADOPTED	ADOPTED	RECOMMENDED
Executive Director - Technology Solutions	1.00	1.00	1.00
Director-Technology Solutions	0.00	0.00	0.00
Senior Analyst	1.00	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	2.00	2.00	2.00
Planning Manager	1.00	1.00	1.00
Technology Solutions Department Totals	<u>16.00</u>	<u>16.00</u>	<u>16.00</u>

TECHNOLOGY SOLUTIONS

BUDGET SUMMARY

The recommended budget for the Technology Solutions department reflects a 3.3% increase from the 2020-21 budget. Personnel expenses increased by 2.8% due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. Operating expenses increased by 5.2% due to computer replacements and software licenses.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 1,728,246	\$ 1,794,507	\$ 1,794,507	\$ 1,698,112	\$ 1,844,018	2.8%
Operating Costs	587,578	534,659	462,258	534,247	562,598	5.2%
Capital Outlay	115,318	50,000	130,000	50,000	50,000	0.0%
Total	\$ 2,431,142	\$ 2,379,166	\$ 2,386,765	\$ 2,282,359	\$ 2,456,616	3.3%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Revenues	\$ 2,431,142	\$ 2,379,166	\$ 2,386,765	\$ 2,282,359	\$ 2,456,616	3.3%
Total	\$ 2,431,142	\$ 2,379,166	\$ 2,386,765	\$ 2,282,359	\$ 2,456,616	3.3%

TOWN ATTORNEY
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2019-20	2020-21	2021-22
	ADOPTED	ADOPTED	RECOMMENDED
Town Attorney	1.00	1.00	1.00
Assistant Town Attorney	0.00	0.00	1.00
Assistant to the Town Attorney	1.00	1.00	1.00
Attorney Department Totals	2.00	2.00	3.00

TOWN ATTORNEY BUDGET SUMMARY

The recommended budget for the Attorney's Office reflects a 47.8% increase from the 2020-21 budget. Personnel expenses increased by 40.1% due to the addition of an Assistant Town Attorney, as well as a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase for existing staff. Operating expenses increased by 310.6% due to costs associated with the new position.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 375,820	\$ 379,873	\$ 379,873	\$ 383,611	\$ 532,157	40.1%
Operating Costs	7,610	11,090	11,874	11,110	45,530	310.6%
Total	\$ 383,430	\$ 390,963	\$ 391,747	\$ 394,721	\$ 577,687	47.8%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Revenues	\$ 383,430	\$ 390,963	\$ 391,747	\$ 394,721	\$ 577,687	47.8%
Total	\$ 383,430	\$ 390,963	\$ 391,747	\$ 394,721	\$ 577,687	47.8%

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 5.5% 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. Personnel costs include a \$400,000 reserve for the implementation of the pay study. Operations include a nearly \$1 million increase to economic development incentives. Transfers to capital improvement funds and debt service funds have been restored to pre-COVID levels. OPEB liability contributions have also been restored to pre-COVID levels. Agency contributions include a \$100,000 increase to human services from last year's budget. There is also \$500,000 dedicated to Climate Action and \$100,000 set aside for reimagining community safety.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Retiree Medical Insurance	\$ 1,531,691	\$ 1,690,000	\$ 1,690,000	\$ 1,439,730	\$ 1,460,000	-13.6%
Other Personnel Costs	34,398	2,000	552,000	4,174	402,500	20025.0%
Liability Insurance	363,584	360,000	360,000	345,000	350,000	-2.8%
Transfer to Affordable Housing	688,395	688,395	688,395	688,395	688,395	0.0%
Operations	138,880	270,564	280,014	298,259	1,251,010	362.4%
Supplemental PEG Fees	173,578	185,000	185,000	172,500	175,000	-5.4%
Transfer to Other Funds	11,719	12,000	12,000	12,000	12,000	0.0%
Transfer to Capital Improvement Funds	321,600	-	-	-	700,000	N/A
Transfer to Debt Fund	445,100	-	-	-	445,100	N/A
OPEB Liability Contributions	500,000	250,000	250,000	250,000	500,000	100.0%
Transfer to Climate Action Fund	-	-	-	-	500,000	N/A
Reimagining Community Safety	-	-	-	-	100,000	N/A
Grant Matching Funds	93,706	85,364	85,364	85,364	85,364	0.0%
Agency Contributions	1,384,901	1,223,419	1,423,419	1,423,419	1,323,419	8.2%
Orange County Contribution	-	-	-	-	-	N/A
Coal Ash Remediation	246,000	-	-	-	-	N/A
Total	\$ 5,933,552	\$ 4,766,742	\$ 5,526,192	\$ 4,718,841	\$ 7,992,788	67.7%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Revenues	\$ 5,933,552	\$ 4,766,742	\$ 5,526,192	\$ 4,718,841	\$ 7,992,788	67.7%
Total	\$ 5,933,552	\$ 4,766,742	\$ 5,526,192	\$ 4,718,841	\$ 7,992,788	67.7%

ENVIRONMENT & DEVELOPMENT BUDGET SUMMARY

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

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Planning	\$ 1,641,073	\$ 1,810,542	\$ 2,177,472	\$ 1,563,417	\$ 1,865,219	3.0%
Housing & Community	802,551	834,709	834,709	677,501	843,694	1.1%
Public Works	12,048,324	12,081,024	12,437,567	11,489,564	12,847,644	6.3%
Total	\$ 14,491,948	\$ 14,726,275	\$ 15,449,748	\$ 13,730,482	\$ 15,556,557	5.6%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Revenues	\$ 12,201,350	\$ 13,044,325	\$ 13,217,798	\$ 11,280,251	\$ 13,933,312	6.8%
State-Shared Revenues	47,810	39,000	39,000	39,000	39,000	0.0%
Grants	252,614	-	-	256,417	-	N/A
Charges for Services	1,427,628	1,141,560	1,141,560	1,109,225	1,277,445	11.9%
Licenses/Permits/Fines	314,840	427,390	427,390	398,340	236,600	-44.6%
Other Revenues	247,706	74,000	624,000	647,249	70,200	-5.1%
Total	\$ 14,491,948	\$ 14,726,275	\$ 15,449,748	\$ 13,730,482	\$ 15,556,557	5.6%

PLANNING DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2019-20	2020-21	2021-22
	ADOPTED	ADOPTED	RECOMMENDED
Planning			
Director - Planning	1.00	1.00	1.00
Assistant Director - Planning	0.00	0.00	1.00
Operations Manager - Planning	1.00	1.00	0.00
Community Resilience Officer	1.00	1.00	1.00
Planning Manager ¹	1.00	1.00	1.00
Planner/Planner II/Senior Planner ²	8.00	8.00	8.00
Transportation Demand Community Manager ³	1.00	1.00	1.00
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
Division Totals	15.65	15.65	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 3.0% increase from the 2020-21 budget. The 3.5% increase in personnel expenses is due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. Operating expenses increased by 1.7%, driven by computer replacements.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 1,234,302	\$ 1,338,990	\$ 1,338,990	\$ 1,165,579	\$ 1,385,552	3.5%
Operating Costs	406,771	471,552	838,482	397,838	479,667	1.7%
Total	\$ 1,641,073	\$ 1,810,542	\$ 2,177,472	\$ 1,563,417	\$ 1,865,219	3.0%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Revenues	\$ 1,038,337	\$ 1,296,182	\$ 1,663,112	\$ 1,103,927	\$ 1,379,159	6.4%
Charges for Services	422,619	256,360	256,360	291,090	402,860	57.1%
Licenses/Permits/Fines	169,276	250,000	250,000	160,400	75,000	-70.0%
Other Revenues	10,841	8,000	8,000	8,000	8,200	2.5%
Total	\$ 1,641,073	\$ 1,810,542	\$ 2,177,472	\$ 1,563,417	\$ 1,865,219	3.0%

PUBLIC WORKS DEPARTMENT
STAFFING COMPARISONS - IN FULL TIME EQUIVALENTS

	2019-20 ADOPTED	2020-21 ADOPTED	2021-22 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	2.00
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	0.00
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	0.50	0.50	0.50
Engineering Inspector	1.00	1.00	1.00
Engineering Inspector - Sr ¹	0.70	0.70	0.70
Landscape Architect	0.00	0.00	0.00
Engineering Technician	1.00	1.00	1.00
Capital Projects Manager	1.00	1.00	1.00
Unit Totals	7.95	7.95	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	18.95	18.95	18.95

PUBLIC WORKS DEPARTMENT

STAFFING COMPARISONS - IN FULL TIME EQUIVALENTS

	2019-20 ADOPTED	2020-21 ADOPTED	2021-22 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	1.00	1.00
Construction Worker (Levels I - IV)	3.00	4.00	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	1.00
Solid Waste Services Crew Supervisor	1.00	1.00	2.00
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	91.20	91.20	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 6.3% increase from the 2020-21 budget. Personnel expenses in the recommended budget reflect a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Administration	\$ 1,069,156	\$ 1,117,644	\$ 1,111,059	\$ 1,048,615	\$ 1,154,249	3.3%
Engineering & Design	921,686	854,007	849,407	777,120	883,039	3.4%
Traffic	2,161,013	2,029,986	2,116,330	2,012,692	1,957,711	-3.6%
Construction	520,197	660,252	655,804	436,088	683,987	3.6%
Streets	1,868,528	1,974,639	2,140,611	1,904,587	2,279,734	15.5%
Building Maintenance	1,930,340	1,890,737	1,982,677	1,966,795	1,933,306	2.3%
Solid Waste	3,577,404	3,553,759	3,581,679	3,343,667	3,955,618	11.3%
Total	\$ 12,048,324	\$ 12,081,024	\$ 12,437,567	\$ 11,489,564	\$ 12,847,644	6.3%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Revenues	\$ 10,360,462	\$ 10,913,434	\$ 10,719,977	\$ 9,498,823	\$ 11,710,459	7.3%
State Shared	47,810	39,000	39,000	39,000	39,000	0.0%
Grants	252,614	-	-	256,417	-	N/A
Charges for Services	1,005,009	885,200	885,200	818,135	874,585	-1.2%
Licenses/Permits/Fines	145,564	177,390	177,390	237,940	161,600	-8.9%
Other Revenues	236,865	66,000	616,000	639,249	62,000	-6.1%
Total	\$ 12,048,324	\$ 12,081,024	\$ 12,437,567	\$ 11,489,564	\$ 12,847,644	6.3%

PUBLIC WORKS - Administration Division
BUDGET SUMMARY

The recommended budget for the Administration Division of the Public Works Department reflects a 3.3% increase from the 2020-21 budget. Personnel expenses increased by 3.3% due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. The 3.1% increase to operating expenses is due to an increase in computer replacements and contracted services.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 898,728	\$ 930,179	\$ 934,679	\$ 886,805	\$ 960,989	3.3%
Operating Costs	170,428	187,465	176,380	161,810	193,260	3.1%
Total	\$ 1,069,156	\$ 1,117,644	\$ 1,111,059	\$ 1,048,615	\$ 1,154,249	3.3%

PUBLIC WORKS - Engineering

BUDGET SUMMARY

The recommended budget for the Engineering Division of the Public Works Department reflects a 3.4% increase from the 2020-21 budget. Personnel costs have increased 3.8% due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. Operating expenses decreased by 3.0% due to a decrease in professional services.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 871,176	\$ 802,126	\$ 797,526	\$ 739,533	\$ 832,709	3.8%
Operating Costs	50,510	51,881	51,881	37,587	50,330	-3.0%
Total	\$ 921,686	\$ 854,007	\$ 849,407	\$ 777,120	\$ 883,039	3.4%

PUBLIC WORKS - Traffic
BUDGET SUMMARY

The recommended budget for the Traffic Division of the Public Works Department reflects a 3.6% decrease from the 2020-21 budget. Personnel expenses increased by 3.0% due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. Operating expenses decreased by 10.7% due to a reduction in street lighting electricity costs.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 1,034,435	\$1,058,561	\$ 1,058,561	\$ 1,044,435	\$ 1,090,240	3.0%
Operating Costs	1,122,350	971,425	1,057,769	968,257	867,471	-10.7%
Capital Outlay	4,228	-	-	-	-	N/A
Total	\$ 2,161,013	\$ 2,029,986	\$ 2,116,330	\$ 2,012,692	\$ 1,957,711	-3.6%

PUBLIC WORKS - Construction

BUDGET SUMMARY

The recommended budget for the Construction Division of the Public Works Department reflects a 3.6% increase from the 2020-21 budget. Personnel expenses increased by 2.5% due to a 1.2% retirement increase, a 5.5% increase in health insurance costs for existing employees, and a 3% salary increase. Operating expenses increased 5.8% due to an increase in pavement markings.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 243,706	\$ 444,662	\$ 439,662	\$ 216,558	\$ 455,987	2.5%
Operating Costs	276,491	215,590	216,142	219,530	228,000	5.8%
Total	\$ 520,197	\$ 660,252	\$ 655,804	\$ 436,088	\$ 683,987	3.6%

PUBLIC WORKS - Streets
BUDGET SUMMARY

The recommended budget for the Streets division reflects an overall expenditure increase of 15.5% from last year's budget. The 2.6% increase in personnel is due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. The 32.2% increase in operating costs reflects a return to pre-COVID funding levels for maintenance & repairs and vehicle replacement charges.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 994,736	\$ 1,091,504	\$ 1,091,504	\$ 907,502	\$ 1,119,394	2.6%
Operating Costs	848,386	858,135	1,007,915	953,385	1,135,340	32.3%
Capital Outlay	25,406	25,000	41,192	43,700	25,000	0.0%
Total	\$ 1,868,528	\$ 1,974,639	\$ 2,140,611	\$ 1,904,587	\$ 2,279,734	15.5%

PUBLIC WORKS - Building Maintenance
BUDGET SUMMARY

The recommended budget for the Building Maintenance division reflects an overall expenditure increase of 2.3% from last year's budget. The 4.2% increase in personnel costs reflects a 1.2% retirement increase, a 5.5% health insurance increase, and a 3% salary increase. The 0.3% increase in operation costs reflects a slight increase to contracted services and supplies.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 761,015	\$ 929,965	\$ 925,065	\$ 922,843	\$ 969,381	4.2%
Operating Costs	1,169,325	960,772	1,057,612	1,043,952	963,925	0.3%
Total	\$ 1,930,340	\$ 1,890,737	\$ 1,982,677	\$ 1,966,795	\$ 1,933,306	2.3%

PUBLIC WORKS - Solid Waste Services
BUDGET SUMMARY

The recommended budget for the Solid Waste Services division reflects an overall expenditure increase of 11.3% from last year's budget. The 3.2% increase in personnel costs is due to a 1.2% retirement increase, a 5.5% health insurance increase, and a 3% salary increase. The 25.6% increase in operating costs is due to a return to pre-COVID vehicle replacement charges.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 2,142,386	\$ 2,271,974	\$ 2,231,974	\$ 2,025,892	\$ 2,345,771	3.2%
Operating Costs	1,435,018	1,281,785	1,349,705	1,317,775	1,609,847	25.6%
Total	\$ 3,577,404	\$ 3,553,759	\$ 3,581,679	\$ 3,343,667	\$ 3,955,618	11.3%

HOUSING & COMMUNITY
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2019-20	2020-21	2021-22
	ADOPTED	ADOPTED	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
Affordable Housing Manager	1.00	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 1.1% from the previous fiscal year's budget. The 0.8% increase in personnel costs is due to a 5.5% increase in health insurance costs, a 1.2% retirement increase, and a 3% salary increase. Operating costs increased 3.2% due to an increase in computer replacements.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 765,446	\$ 750,688	\$ 750,688	\$ 607,236	\$ 756,963	0.8%
Operating Costs	37,105	84,021	84,021	70,265	86,731	3.2%
Total	\$ 802,551	\$ 834,709	\$ 834,709	\$ 677,501	\$ 843,694	1.1%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Revenues	\$ 802,551	\$ 834,709	\$ 834,709	\$ 677,501	\$ 843,694	1.1%
Total	\$ 802,551	\$ 834,709	\$ 834,709	\$ 677,501	\$ 843,694	1.1%

PUBLIC SAFETY BUDGET SUMMARY

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

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Police	\$ 14,320,286	\$ 16,112,146	\$ 16,356,934	\$ 14,173,743	\$ 15,771,418	-2.1%
Fire	9,455,511	9,583,954	9,728,244	9,745,367	10,004,565	4.4%
Total	\$ 23,775,797	\$ 25,696,100	\$ 26,085,178	\$ 23,919,110	\$ 25,775,983	0.3%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Revenues	\$ 21,558,215	\$ 23,522,680	\$ 23,904,258	\$ 22,352,602	\$ 24,090,841	2.4%
State-Shared Revenues	1,081,968	1,106,256	1,106,256	1,106,256	1,106,256	0.0%
Grants	48,059	-	7,500	7,500	-	N/A
Charges for Services	733,927	684,664	684,664	317,619	275,386	-59.8%
Licenses/Permits/Fines	221,467	272,500	272,500	125,133	203,500	-25.3%
Other Revenues	132,161	110,000	110,000	10,000	100,000	-9.1%
Total	\$ 23,775,797	\$ 25,696,100	\$ 26,085,178	\$ 23,919,110	\$ 25,775,983	0.3%

POLICE DEPARTMENT

STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2019-20 ADOPTED	2020-21 ADOPTED	2021-22 RECOMMENDED
Support Services			
Police Chief/Executive Director for Community Safety	1.00	1.00	1.00
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	5.00
Records Supervisor	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Management Analyst	1.00	1.00	1.00
Communications Specialist	1.00	1.00	1.00
Customer Service Technician	3.00	0.00	0.00
Community Safety Outreach Coordinator	1.00	1.00	1.00
Records Technician	0.00	3.00	3.00
Division Totals	17.00	17.00	18.00
Operations			
Assistant Police Chief	2.00	2.00	2.00
Police Captain	4.00	4.00	4.00
Police Lieutenant	8.00	8.00	8.00
Police Sergeant	12.00	12.00	12.00
Forensic and Evidence Specialist	2.00	2.00	2.00
Police Officer	88.00	88.00	73.00
Division Totals	116.00	116.00	101.00
<u>Inspections</u>			
Building Inspector Director	1.00	1.00	1.00
Code Enforcement Officer	2.00	1.00	1.00
Building Operations Manager	1.00	1.00	1.00
Commercial Plans Reviewer - Sr.	1.00	1.00	1.00
Customer Service Technician	2.00	3.00	3.00
Construction Inspector- Sr.	0.00	1.00	1.00
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	1.00	1.00
Planning Manager	2.00	2.00	2.00
Permitting Systems Admin	1.00	1.00	1.00
Planning Technician	1.00	1.00	1.00
Division Totals	22.00	22.00	22.00
Police Department Totals	155.00	155.00	141.00

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. Personnel expenditure increases are attributed to a 5.5% health insurance increase, a 1.2% retirement increase, and a 3% salary 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

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 12,532,769	\$ 14,404,219	\$ 14,384,219	\$ 12,620,773	\$ 14,001,345	-2.8%
Operating Costs	1,787,517	1,707,927	1,972,715	1,552,970	1,770,073	3.6%
Total	\$ 14,320,286	\$ 16,112,146	\$ 16,356,934	\$ 14,173,743	\$ 15,771,418	-2.1%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Revenues	\$ 13,686,674	\$ 15,507,646	\$ 15,744,934	\$ 14,088,010	\$ 15,598,918	0.6%
Grants	9,000	-	7,500	7,500	-	N/A
Charges for Services	432,342	412,000	412,000	42,233	-	-100.0%
Licenses/Permits/Fines	60,109	82,500	82,500	26,000	72,500	-12.1%
Other Revenues	132,161	110,000	110,000	10,000	100,000	-9.1%
Total	\$ 14,320,286	\$ 16,112,146	\$ 16,356,934	\$ 14,173,743	\$ 15,771,418	-2.1%

POLICE - Support Services Division
BUDGET SUMMARY

The recommended budget for the Support Services division reflects an overall expenditure increase of 8.2% from last year's budget. The 10.3% increase in personnel is the result of the addition of a crisis counselor position, as well as a 5.5% increase in health insurance, a 1.2% retirement increase, and a 3% salary increase to existing positions. There is a 3.9% increase in operating costs due an increase in computer replacement costs.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 1,526,192	\$ 1,617,237	\$ 1,617,237	\$ 1,459,903	\$ 1,784,315	10.3%
Operating Costs	986,630	826,087	901,786	842,148	858,609	3.9%
Total	\$ 2,512,822	\$ 2,443,324	\$ 2,519,023	\$ 2,302,051	\$ 2,642,924	8.2%

POLICE - Operations Division
BUDGET SUMMARY

The Operations Division reflects a 6.7% decrease in the 2021-22 budget. The personnel budget for the Operations Division reflects a 6.9% decrease in personnel costs due to the elimination of 15 vacant police officer positions, offset by a 1.2% increase in retirement costs, a 5.5% increase in health insurance costs, and a 3% salary increase. The 3.8% decrease in operating costs is primarily attributed to a decrease in network & communications charges.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 9,164,590	10,726,294	\$ 10,706,294	9,246,250	9,990,107	-6.9%
Operating Costs	674,503	679,515	726,514	578,026	653,669	-3.8%
Total	\$ 9,839,093	\$ 11,405,809	\$ 11,432,808	\$ 9,824,276	\$ 10,643,776	-6.7%

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 2021-22 reflects a 20.2% decrease in operating costs to match a historical decrease in the size and scale of the events.

EXPENDITURES

	2019-20	2020-21	2020-21	2020-21	2021-22	% Change
	Actual	Original	Revised	Estimated	Recommended	from
		Budget	Budget		Budget	2020-21
Operating Costs	\$ 49,484	\$ 75,000	\$ 2,090	\$ 25	\$ 59,850	-20.2%
Total	\$ 49,484	\$ 75,000	\$ 2,090	\$ 25	\$ 59,850	-20.2%

POLICE - Building & Development Services

BUDGET SUMMARY

The recommended budget for the Inspections division reflects an overall expenditure increase of 10.8% from the 2020-21 budget. Personnel expenses increased 8.1% due to a 1.2% retirement increase, a 5.5% health insurance increase, and a 3% salary increase. The operating costs increased by 55.5% due to increases to computer replacements and contracted services.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 1,841,987	\$ 2,060,688	\$ 2,060,688	\$ 1,914,620	\$ 2,226,923	8.1%
Operating Costs	76,900	127,325	342,325	132,771	197,945	55.5%
Total	\$ 1,918,887	\$ 2,188,013	\$ 2,403,013	\$ 2,047,391	\$ 2,424,868	10.8%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Revenues	\$ 25,659	\$ 611,513	\$ 826,513	\$ 463,691	\$ 819,868	34.1%
Licenses/Permits/Fines	1,893,228	1,576,500	1,576,500	1,583,700	1,605,000	1.8%
Total	\$ 1,918,887	\$ 2,188,013	\$ 2,403,013	\$ 2,047,391	\$ 2,424,868	10.8%

FIRE DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2019-20 ADOPTED	2020-21 ADOPTED	2021-22 RECOMMENDED
Administration			
Fire Chief	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Assistant Chief - Admin Services	1.00	1.00	1.00
Management Analyst	0.00	0.00	1.00
Emergency Management Planner	1.00	1.00	1.00
Emergency Management Coordinator	1.00	1.00	1.00
Division Totals	<u>5.00</u>	<u>5.00</u>	<u>6.00</u>
Emergency Operations			
Fire/Emergency Management Planner	0.00	0.00	0.00
Battalion Fire Chief	3.00	3.00	3.00
Fire Captain\Lieutenant	23.00	26.00	32.00
Fleet & Logistics Officer	0.00	0.00	0.00
Assistant Fire Chief of Operations	1.00	1.00	1.00
Assistant Fire Chief of Training	1.00	1.00	1.00
Fire Comms Tech Officer	1.00	0.00	0.00
Fire Equipment Operator	21.00	19.00	12.00
Firefighter/Master	33.00	33.00	34.00
Division Totals	<u>83.00</u>	<u>83.00</u>	<u>83.00</u>
Life Safety			
Fire Marshall- Assistant Chief	1.00	1.00	1.00
Fire Inspector	2.00	3.00	3.00
Fire Protection Specialist	0.00	0.00	0.00
Deputy Fire Marshal	2.00	2.00	2.00
Assistant Fire Marshal	3.00	2.00	1.00
Division Totals	<u>8.00</u>	<u>8.00</u>	<u>7.00</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 revenues are not department specific. Changes related to expenditures are noted on division summaries. Fire Department costs have increased 4.4% due to personnel increases and increases to vehicle fuel and vehicle maintenance charges.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 8,383,407	\$ 8,543,215	\$ 8,543,215	\$ 8,552,399	\$ 8,902,751	4.2%
Operating Costs	1,072,104	1,030,739	1,185,029	1,182,968	1,091,814	5.9%
Capital Outlay	-	10,000	-	10,000	10,000	0.0%
Total	\$ 9,455,511	\$ 9,583,954	\$ 9,728,244	\$ 9,745,367	\$ 10,004,565	4.4%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Revenues	\$ 7,871,541	\$ 8,015,034	\$ 8,159,324	\$ 8,264,592	\$ 8,491,923	5.9%
State-Shared Revenues	1,081,968	1,106,256	1,106,256	1,106,256	1,106,256	0.0%
Grants	39,059	-	-	-	-	N/A
Charges for Services	301,585	272,664	272,664	275,386	275,386	1.0%
Licenses/Permits/Fines	161,358	190,000	190,000	99,133	131,000	-31.1%
Total	\$ 9,455,511	\$ 9,583,954	\$ 9,728,244	\$ 9,745,367	\$ 10,004,565	4.4%

FIRE - Administration Division
BUDGET SUMMARY

The recommended budget for the Administration division reflects an overall expenditure decrease of 6.7% from last year's budget. The decrease in personnel costs is the result of one position moving from Administration to Emergency Management. This is partially offset by a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. The operating budget reflects a 35.3% increase due to computer replacements and a return to pre-COVID funding levels in vehicle replacement charges.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 735,763	\$ 580,121	\$ 345,700	\$ 382,504	\$ 482,645	-16.8%
Operating Costs	151,659	\$ 139,680	139,180	142,910	\$ 184,433	32.0%
Total	\$ 887,422	\$ 719,801	\$ 484,880	\$ 525,414	\$ 667,078	-7.3%

FIRE - Emergency Operations Division
BUDGET SUMMARY

The recommended budget for the Emergency Operations Division reflects a 3.9% increase overall. Personnel expenditures experienced a 4.2% increase due to a 5.5% increase in health insurance costs, a 1.2% retirement costs increase, and a 3% salary increase. Operating expenditures saw a 1.0% increase, reflecting increases to vehicle fuel and vehicle maintenance charges. Capital outlay expenditures remain the same.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 6,864,590	\$ 7,112,538	\$ 7,112,538	\$ 7,160,314	\$ 7,413,073	4.2%
Operating Costs	796,802	820,199	837,178	827,355	828,456	1.0%
Capital Outlay	-	10,000	-	10,000	10,000	0.0%
Total	\$ 7,661,392	\$ 7,942,737	\$ 7,949,716	\$ 7,997,669	\$ 8,251,529	3.9%

FIRE - Life Safety Division
BUDGET SUMMARY

The recommended budget for the Life Safety division reflects an overall expenditure decrease of 5.7% from the 2020-21 budget. The 6.6% decrease in personnel is due to turnover, which is partially offset by a 5.5% increase in health insurance costs, a 1.2% retirement increase, and a 3% salary increase. The operating budget increased by 4.9% due to increases in vehicle fuel and vehicle maintenance charges.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 783,054	\$ 850,556	\$ 850,556	\$ 834,192	\$ 794,129	-6.6%
Operating Costs	65,718	70,860	70,860	70,092	74,325	4.9%
Total	\$ 848,772	\$ 921,416	\$ 921,416	\$ 904,284	\$ 868,454	-5.7%

FIRE - Emergency Management

BUDGET SUMMARY

The Emergency Management division was created during FY21. Personnel costs are decreased from the FY21 revised budget due to staff turnover, which is partially offset by a 5.5% increase in health insurance costs, a 1.2% retirement increase, and a 3% salary increase. The decrease in operating costs reflects COVID-19 related expenditures during FY21.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ -	\$ -	\$ 234,421	\$ 175,389	\$ 212,904	N/A
Operating Costs	57,925	-	137,811	142,611	4,600	N/A
Total	\$ 57,925	\$ -	\$ 372,232	\$ 318,000	\$ 217,504	N/A

LEISURE
BUDGET SUMMARY

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

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Parks and Recreation	\$ 6,272,636	\$ 7,234,154	\$ 7,258,077	\$ 5,893,539	\$ 7,374,790	1.9%
Library	3,486,392	3,672,918	3,715,709	3,292,965	3,888,890	5.9%
Total	\$ 9,759,028	\$ 10,907,072	\$ 10,973,786	\$ 9,186,504	\$ 11,263,680	3.3%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Revenues	\$ 7,992,296	\$ 8,665,423	\$ 8,713,389	\$ 8,258,268	\$ 9,363,033	8.1%
Grants	709,612	679,399	684,399	686,997	681,997	0.4%
Charges for Services	948,473	1,464,750	1,464,750	161,191	1,119,650	-23.6%
Other Revenues	63,538	52,500	66,248	35,048	54,000	2.9%
Transfers/Other Sources	45,000	45,000	45,000	45,000	45,000	0.0%
Total	\$ 9,759,028	\$ 10,907,072	\$ 10,973,786	\$ 9,186,504	\$ 11,263,680	3.3%

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

	2019-20 ADOPTED	2020-21 ADOPTED RECOMMENDED	2021-22
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	1.00
Municipal Arborist	1.00	1.00	1.00
Senior Planner	0.00	0.00	1.00
Project Manager	0.00	0.00	1.00
Assistant Arborist	1.00	1.00	1.00
Landscape Specialist/Landscape Crew Leader	17.00	17.00	18.00
Administrative Assistant	1.00	1.00	1.00
Landscape Architect	1.00	1.00	0.00
Division Totals	<u>25.00</u>	<u>25.00</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	1.50	1.50	1.50
Division Totals	<u>4.50</u>	<u>4.50</u>	<u>4.50</u>
Community Center			
Recreation Supervisor	1.00	1.00	1.00
Recreation Specialist	1.00	1.00	1.00
Recreation Assistant	2.50	2.50	2.50
Division Totals	<u>4.50</u>	<u>4.50</u>	<u>4.50</u>

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

	2019-20 ADOPTED	2020-21 ADOPTED	2021-22 RECOMMENDED
<i>continued</i>			
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>
Hargraves Center			
Recreation Supervisor	1.00	1.00	1.00
Assistant Recreation Supervisor	1.00	1.00	1.00
Recreation Specialist	1.80	1.80	1.80
Recreation Assistant	1.00	1.00	1.00
Division Totals	<u>4.80</u>	<u>4.80</u>	<u>4.80</u>
Community Cultural Arts			
Recreation Supervisor	0.00	0.00	0.00
Festivals & Event Technician	0.00	0.00	0.00
Division Totals	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Parks & Recreation Department Totals	<u><u>53.80</u></u>	<u><u>53.80</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 1.9% overall increase. The budget includes a 5.5% increase in health insurance costs, a 1.2% retirement increase, and a 3% salary increase. The slight decrease in operations is due to reductions to water and sewer usage associated costs.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 4,789,835	\$ 5,431,413	\$ 5,431,413	\$ 4,412,549	\$ 5,592,946	3.0%
Operating Costs	1,482,801	1,802,741	1,826,664	1,480,990	1,781,844	-1.2%
Capital Outlay	-	-	-	-	-	N/A
Total	\$ 6,272,636	\$ 7,234,154	\$ 7,258,077	\$ 5,893,539	\$ 7,374,790	1.9%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Revenues	\$ 5,277,850	\$ 5,757,144	\$ 5,762,319	\$ 5,635,140	\$ 6,221,380	8.1%
Grants	112,760	83,760	88,760	88,760	83,760	0.0%
Charges for Services	866,001	1,388,750	1,388,750	136,091	1,058,650	-23.8%
Other Revenues	16,025	4,500	18,248	33,548	11,000	144.4%
Total	\$ 6,272,636	\$ 7,234,154	\$ 7,258,077	\$ 5,893,539	\$ 7,374,790	1.9%

PARKS & RECREATION - Administration Division
BUDGET SUMMARY

The recommended budget for the Administration division reflects an overall expenditure increase of 2.8% from the 2020-21 budget. The 0.7% increase in personnel costs due a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. The operating budget has an increase of 11.4% due to increases in computer replacements and professional services.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 944,481	\$ 949,177	\$ 949,177	\$ 797,270	\$ 956,253	0.7%
Operating Costs	188,747	231,215	248,747	203,559	257,607	11.4%
Total	\$ 1,133,228	\$ 1,180,392	\$ 1,197,924	\$ 1,000,829	\$ 1,213,860	2.8%

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 FY21 represents 140 West programming funds.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Operating Costs	-	-	5,175	-	-	N/A
Total	\$ -	\$ -	\$ 5,175	\$ -	\$ -	N/A

PARKS & RECREATION - Parks Maintenance
BUDGET SUMMARY

The recommended budget for the Parks Maintenance division reflects an overall expenditure increase of 3.4% from last year's budget. The 4.7% increase in personnel costs is due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. Operating costs remain relatively the same.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 1,611,869	\$ 1,823,550	\$ 1,823,550	\$ 1,647,004	\$ 1,908,494	4.7%
Operating Costs	584,000	608,962	613,962	579,198	607,302	-0.3%
Total	\$ 2,195,869	\$ 2,432,512	\$ 2,437,512	\$ 2,226,202	\$ 2,515,796	3.4%

PARKS & RECREATION - Athletics
BUDGET SUMMARY

The recommended budget for the Athletics division reflects an overall expenditure decrease of 3.9% from the 2020-21 budget. The 0.2% increase in personnel costs reflects a 5.5% increase in health insurance costs, a 1.2% retirement increase, and a 3% salary increase. The 9.0% decrease in operating costs is attributed to an decrease in water and sewer usage associated costs.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 520,353	\$ 526,917	\$ 526,917	\$ 463,947	\$ 528,138	0.2%
Operating Costs	276,700	419,396	400,796	232,375	381,447	-9.0%
Total	\$ 797,053	\$ 946,313	\$ 927,713	\$ 696,322	\$ 909,585	-3.9%

PARKS & RECREATION - Community Center
BUDGET SUMMARY

The recommended budget for the Community Center division reflects an overall expenditure increase of 2.5% from the 2020-21 budget. The 3.1% increase in personnel costs reflects a 5.5% increase in health insurance costs, a 1.2% retirement increase, and a 3% salary increase. Operating costs are nearly identical to the previous fiscal year.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 529,794	\$ 534,703	\$ 534,703	\$ 457,271	\$ 551,527	3.1%
Operating Costs	119,910	138,217	138,559	111,484	138,255	0.0%
Total	\$ 649,704	\$ 672,920	\$ 673,262	\$ 568,755	\$ 689,782	2.5%

PARKS & RECREATION - Aquatics
BUDGET SUMMARY

The recommended budget for the Aquatics division reflects an overall expenditure increase of 1.8% from last year's budget. The 3.3% increase in personnel costs reflects a 5.5% increase in health insurance costs, a 1.2% retirement increase, and a 3% salary increase. The 3.1% decrease in operating costs is attributed to an decrease in water and sewer usage associated costs.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 630,580	\$ 945,189	\$ 945,189	\$ 666,314	\$ 976,037	3.3%
Operating Costs	215,993	273,094	277,788	258,943	264,760	-3.1%
Total	\$ 846,573	\$ 1,218,283	\$ 1,222,977	\$ 925,257	\$ 1,240,797	1.8%

PARKS & RECREATION - Hargraves
BUDGET SUMMARY

The recommended budget for the Hargraves division reflects an overall expenditure increase of 2.7% from the 2020-21 budget. The 3.2% increase in personnel costs reflects a 5.5% increase in health insurance costs, a 1.2% retirement increase, and a 3% salary increase. Operating costs remain at similar levels to the previous fiscal year.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 552,758	\$ 651,877	\$ 651,877	\$ 380,743	\$ 672,497	3.2%
Operating Costs	97,451	131,857	141,637	95,431	132,473	0.5%
Total	\$ 650,209	\$ 783,734	\$ 793,514	\$ 476,174	\$ 804,970	2.7%

LIBRARY DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2019-20 ADOPTED	2020-21 ADOPTED	2021-22 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	0.00	0.00
Project Coordinator	0.00	1.00	1.00
Training Coordinator	1.00	0.00	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	0.00	0.00
Administrative Analyst	0.00	1.00	1.00
Library Experience Specialist	7.00	6.00	7.00
Library Experience Assistant	11.66	12.16	11.66
Library Systems Manager	1.00	1.00	1.00
Learning and Development Coordinator	0.00	1.00	0.00
Environmental Education	0.00	0.50	0.00
Marketing & Communications Manager	1.00	1.00	1.00
Division Total	30.66	30.66	30.66
Public Arts			
Public Arts Administrator	0.00	0.00	0.00
Public Arts Coordinator	1.00	1.00	1.00
Marketing & Communications Coordinator	1.00	1.00	1.00
Division Total	2.00	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	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Division Total	2.00	2.00	2.00
Library Department Total	34.66	34.66	34.66

LIBRARY

BUDGET SUMMARY

The recommended budget for the Library reflects an overall expenditure increase of 5.9% from the 2020-21 budget. The 4.9% increase in personnel is the result of a 5.5% increase in health insurance costs, a 1.2% retirement increase, and a 3% salary increase. Operating costs have increased 9.4% due to a return to pre-COVID funding levels for circulation materials and the community arts & culture division.

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 2020-21.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 2,701,341	\$ 2,857,069	\$ 2,859,896	\$ 2,462,096	\$ 2,996,390	4.9%
Operating Costs	785,051	815,849	855,813	830,869	892,500	9.4%
Total	\$ 3,486,392	\$ 3,672,918	\$ 3,715,709	\$ 3,292,965	\$ 3,888,890	5.9%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
General Fund	\$ 2,714,446	\$ 2,908,279	\$ 2,951,070	\$ 2,623,128	\$ 3,141,653	8.0%
Grants	596,852	595,639	595,639	598,237	598,237	0.4%
Charges for Services	82,472	76,000	76,000	25,100	61,000	-19.7%
Licenses/Permits/Fines	109	-	-	-	-	N/A
Other Revenues	47,513	48,000	48,000	1,500	43,000	-10.4%
Transfers/Other Sources	45,000	45,000	45,000	45,000	45,000	0.0%
Total	\$ 3,486,392	\$ 3,672,918	\$ 3,715,709	\$ 3,292,965	\$ 3,888,890	5.9%

DEBT FUND

As of March 31, 2021 the Town had about \$65.3 million in debt outstanding.

The Town is issuing \$3.205 million of G.O. two-thirds bonds for parks and recreation, public safety, and streets and sidewalks projects in May 2021.

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. The Town is issuing \$4.755 million in May 2021 and anticipates issuing the remaining \$5.245 million in spring 2022.

		Long-Term Debt March 31, 2021
Governmental Debt		
General obligation debt	\$	30,256,000
Limited Obligation Bonds		6,570,000
Installment debt		6,958,000
Separation allowance		5,342,000
Compensated absences		<u>2,834,000</u>
Total	\$	<u>51,960,000</u>
Proprietary Fund Debt		
Enterprise Funds		
General obligation debt	\$	2,430,000
Limited Obligation Bonds		5,735,000
Installment debt		4,330,000
Compensated absences		<u>822,000</u>
Total	\$	<u>13,317,000</u>

There is \$18.8 million of G.O. bond authority remaining from the 2015 Referendum. It is anticipated that the remaining \$3.2 million Stormwater Bonds, \$2.7 million Recreation Facilities Bonds, and \$7.7 million Streets and Sidewalks Bonds will be issued in spring 2022. There are no current plans to issue the \$5.2 million of Solid Waste Facility bonds.

Major Revenue Sources

The chief revenue source for the Debt Fund is the dedicated property tax rate. The recommended tax rate for FY22 decreases from 9.8 cents to 8.8 cents as a result of the Orange County revaluation. Total Debt Fund tax revenues are expected to be \$8,293,000.

A transfer from the Parking Fund (\$915,000 in FY21 and \$917,000 in FY22) 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.

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

DEBT FUND

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 FY22. As a result of the impacts that the Town experienced related to COVID-19, the Town is deferred this transfer for FY 2021.

Major Expenditures

Debt service payments due in FY22 total about \$7.5 million, \$917,000 of which is being funded by the Parking Fund.

The fund is balanced with a contribution to reserve of about \$2,154,000. This increase in reserves will help offset planned increases in debt service over the few years as the Town issues the remaining 2015 and 2018 referendum 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 FY 2008-09, a portion of the property tax rate was allocated to debt service payments to pay the Town's debt service. The FY 2021-22 budget reduces the dedicated Debt Service Fund tax rate to 8.8 cents as a result of the Orange County revaluation, which is expected to generate \$8.28 million in revenues in FY 2021-22.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Principal Payments	\$ 5,572,000	\$ 5,224,000	\$ 5,224,000	\$ 5,224,000	\$ 5,556,000	6.4%
Interest Expense	2,092,683	1,965,646	1,965,646	1,965,646	1,954,975	-0.5%
Bond Issuance Costs	12,320	-	-	-	-	N/A
Contribution to Reserve	2,070,853	2,143,185	2,143,185	1,969,185	2,153,957	0.5%
Total	\$ 9,747,856	\$ 9,332,831	\$ 9,332,831	\$ 9,158,831	\$ 9,664,932	3.6%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Property Taxes	\$ 8,090,695	\$ 8,243,000	\$ 8,243,000	\$ 8,238,000	\$ 8,293,000	0.6%
Transfer from Off-Street Parking	905,332	914,831	914,831	914,831	916,832	0.2%
Transfer from General Fund	445,100	-	-	-	445,100	N/A
BABS Interest Subsidy	122,138	-	-	-	-	N/A
Interest Income	184,591	175,000	175,000	6,000	10,000	-94.3%
Total	\$ 9,747,856	\$ 9,332,831	\$ 9,332,831	\$ 9,158,831	\$ 9,664,932	3.6%

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.)

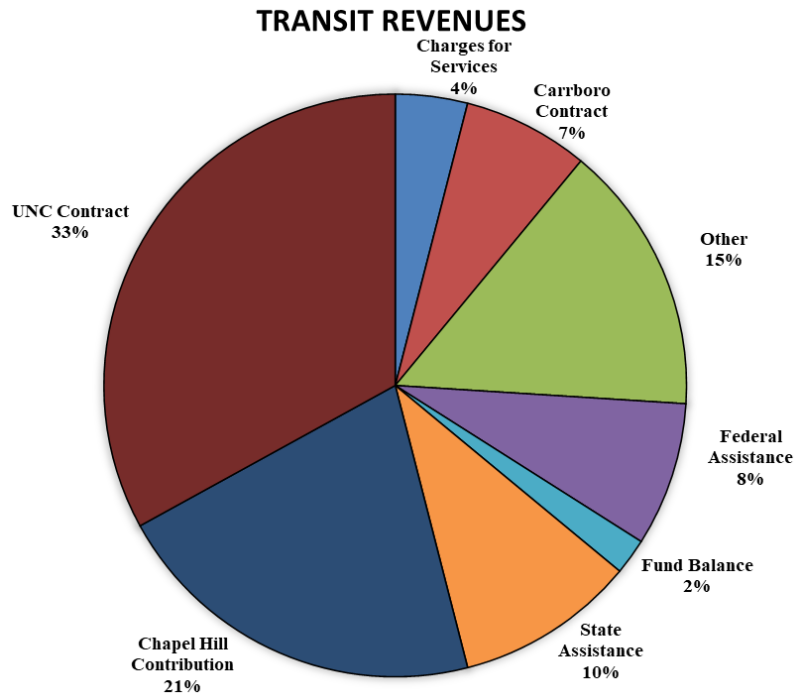
The recommended budget for the Transit Fund for fiscal year 2021-22 totals about \$26.2 million, an increase of 4% from 2020-21. Below is a description of the major revenue sources for the Transit Fund and the pie chart below shows the major revenue sources for fiscal year 2021-22. Please note that due 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 remain flat from 2020-21 levels at \$1.96 million. Additional operating grants will be sought for 2021-22 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. There is no subsidy expected for 2020-21, but that is anticipated to return in 2021-22 at \$2.6 million.



TRANSIT FUND

Major Revenue Sources - Descriptions and Estimates

University Contract

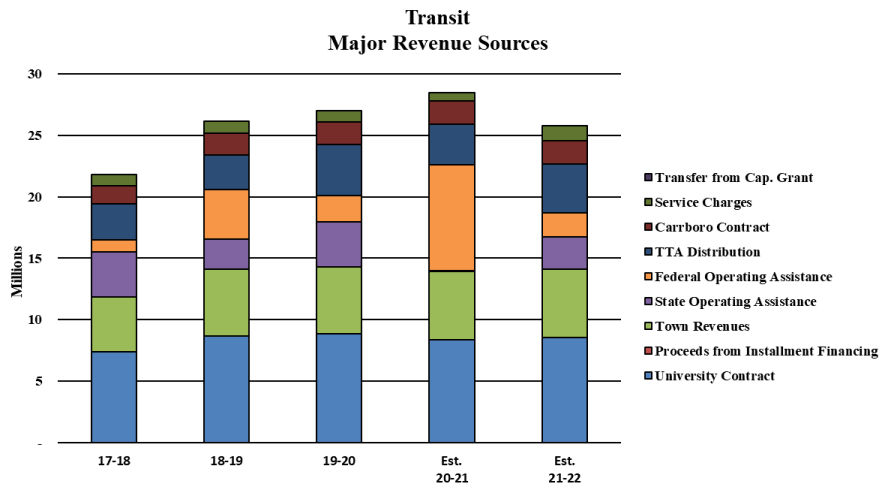
The University of North Carolina contracts with the Town for bus service for routes on and surrounding the campus of the University and UNC Health Care System. The University contract also covers routes determined to serve mainly students and employees of the University. The cost of these services is 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 \$8.8 million in 2019-20 and \$8.4 million in 2020-21. UNC’s allocation for 2021-22 is up slightly at \$8.5 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 2020-21 was about \$1.85 million and the budget for 2021-22 increased to \$1.9 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 2021-22 is about \$5.6 million. Also included in Town revenues are interest income and \$450,000 for vehicle license fees.



TRANSIT FUND

Major Revenue Sources - Descriptions and Estimates

Park and Ride Fees

The recommended budget for 2021-22 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 2021-22 recommended budget includes fee revenues of \$95,000.

Other revenues expected for the system include about \$306,000 in fares for the Tar Heel Express and other special events, and about \$375,000 in services for Triangle Transit Authority.

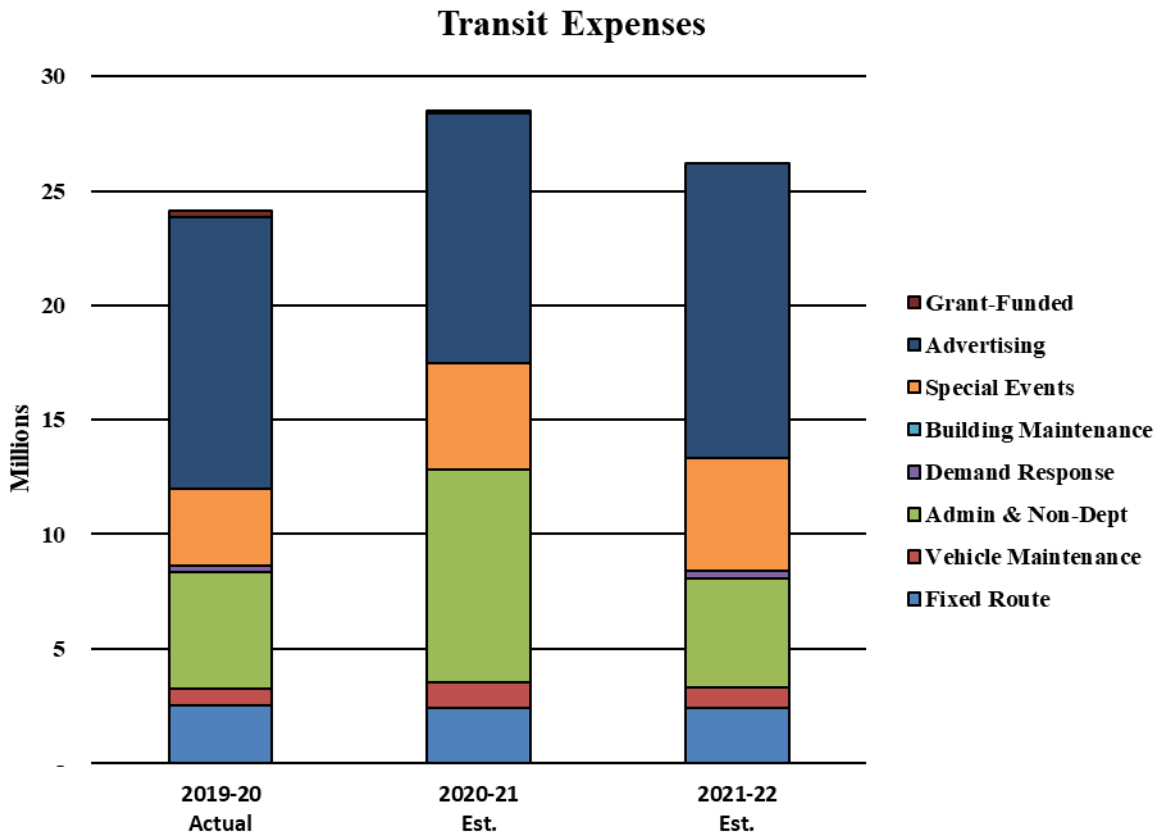
Fund Balance

The Transit system expects to add approximately \$4.1 million to fund balance in 2020-21. The 2021-22 recommended budget was balanced with an appropriation of \$446,494 in fund balance only as a placeholder due to the next round of CARES funding that will be allocated to the Transit Fund.

TRANSIT FUND

Major Expenditures - Descriptions and Estimates

The recommended budget for Transit for 2021-22 continues fare free services for fixed routes in the system and totals \$25.23 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 \$15.6 million and Maintenance costs total about \$5.8 million.



Expenditures for 2021-22 include a 5.5% health insurance cost increase, a 3% pay increase, and a 1.2% retirement increase. There is \$184,800 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

	2019-20 ADOPTED	2020-21 ADOPTED	2021-22 RECOMMENDED
Administration			
Director-Transportation	1.00	1.00	1.00
Assistant Director-Transportation	1.00	1.00	1.00
Assistant Director - Admin Services	1.00	1.00	0.00
Management Analyst	1.00	1.00	1.00
Community Outreach Manager	1.00	1.00	1.00
Advertising Sales Manager	0.00	0.00	0.00
Grants Coordinator	1.00	1.00	1.00
Procurement Specialist	1.00	1.00	1.00
Transit Services Planner	1.00	1.00	1.00
Administrative Assistant	3.00	3.00	3.00
Human Resources Consultant	1.00	1.00	1.00
Transit Planning Coordinator	1.00	1.00	1.00
Accounting Technician II	1.00	1.00	1.00
Division Totals	14.00	14.00	13.00
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	1.00	1.00	2.00
Administrative Assistant	2.00	2.00	2.00
Division Totals	156.29	156.29	157.29
Equipment Maintenance			
Maintenance Manager	1.00	1.00	1.00
Assistant Maintenance Manager	1.00	1.00	1.00
Mechanic Supervisor	3.00	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	5.00	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 and State assistance remained flat. There is a 19.9% increase in TTA fees. The 2021-22 recommended budget also includes revenues from the partners including the Town of Carrboro and the University of North Carolina at Chapel Hill. Cost increases include a 1.2% retirement increase, a 3% pay increase, and a 5.5% increase in health insurance costs.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Admin & Non-Dept	\$ 5,090,951	\$ 4,411,585	\$ 8,579,004	\$ 9,261,701	\$ 4,783,010	8.4%
Grant-Funded	241,023	-	1,290,904	68,763	-	N/A
Fixed Route	11,863,316	12,335,149	11,463,845	10,952,501	12,874,947	4.4%
Demand Response	2,515,966	2,345,924	2,392,011	2,423,087	2,395,884	2.1%
Special Events	329,526	312,193	312,193	60	309,653	-0.8%
Vehicle Maintenance	3,350,419	4,866,862	5,137,055	4,637,583	4,951,906	1.7%
Building Maintenance	716,781	925,044	1,480,005	1,135,469	893,409	-3.4%
Total	\$ 24,107,982	\$ 25,196,757	\$ 30,655,017	\$ 28,479,164	\$ 26,208,809	4.0%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Charges for Services	\$ 925,561	\$ 1,174,187	\$ 1,174,187	\$ 697,759	\$ 1,174,187	0.0%
Federal Assistance	2,023,003	1,960,178	1,960,178	1,960,178	1,960,178	0.0%
Federal Ops Grants	109,878	-	6,622,586	6,622,586	-	N/A
State Assistance	3,628,189	2,629,698	55,705	55,705	2,629,698	0.0%
TTA Fees	4,141,703	3,321,849	3,321,849	3,321,849	3,983,186	19.9%
UNC Contract	8,880,048	8,719,868	8,719,868	8,393,248	8,519,147	-2.3%
Carrboro Contract	1,835,148	1,835,146	1,835,146	1,872,008	1,900,088	3.5%
Chapel Hill Revenues	5,443,254	5,555,831	5,555,831	5,555,831	5,595,831	0.7%
Appropriated Fund Balance	(2,878,802)	-	1,409,667	-	446,494	N/A
Total	\$ 24,107,982	\$ 25,196,757	\$ 30,655,017	\$ 28,479,164	\$ 26,208,809	4.0%

***TRANSIT - Administration and Non-Departmental
BUDGET SUMMARY***

The recommended budget for 2021-22 includes a 8.4% increase to the overall budget. Personnel has decreased by 5.8% due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase, offset by staff turnover.

Operating costs are increased due to contracted services related to the Bus Rapid Transit (BRT) Project.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 1,554,373	\$ 1,757,309	\$ 1,757,309	\$ 1,545,015	\$ 1,655,915	-5.8%
Operating Costs	3,536,578	2,403,386	6,570,805	7,465,796	3,127,095	30.1%
Transfer to Capital Reserve	-	250,890	250,890	250,890	-	-100.0%
Total	\$ 5,090,951	\$ 4,411,585	\$ 8,579,004	\$ 9,261,701	\$ 4,783,010	8.4%

TRANSIT - Grants
BUDGET SUMMARY

As of the time of the recommended budget, there were no planned grant related expenditures for 2021-22.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 39,342	\$ -	\$ 352,438	\$ -	\$ -	N/A
Operating Costs	201,681	-	938,466	68,763	-	N/A
Total	\$ 241,023	\$ -	\$ 1,290,904	\$ 68,763	\$ -	N/A

TRANSIT - Fixed Route
BUDGET SUMMARY

The recommended budget reflects a 4.4% increase in overall costs. Personnel costs are up 5.6% due to a 5.5% increase in health insurance costs, a 1.2% increase in retirement costs, and a 3% salary increase.

Operating expenses remain mostly flat from FY21.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 8,331,077	\$ 9,197,467	\$ 8,703,587	\$ 7,928,132	\$ 9,710,143	5.6%
Operating Costs	3,532,239	3,137,682	2,760,258	3,024,369	3,164,804	0.9%
Total	\$ 11,863,316	\$ 12,335,149	\$ 11,463,845	\$ 10,952,501	\$ 12,874,947	4.4%

TRANSIT - Demand Response
BUDGET SUMMARY

The recommended budget for Demand Response division has a 2.1% increase over the 2020-21 budget. Personnel expenditures experienced a 5.5% health insurance increase, a 1.2% increase in retirement costs, and a 3% salary increase. Operating expenses remain mostly flat from FY21.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 1,692,721	\$ 1,683,668	\$ 1,683,668	\$ 1,699,359	\$ 1,731,495	2.8%
Operating Costs	430,445	662,256	708,343	723,728	664,389	0.3%
Capital Outlay	392,800	-	-	-	-	N/A
Total	\$ 2,515,966	\$ 2,345,924	\$ 2,392,011	\$ 2,423,087	\$ 2,395,884	2.1%

TRANSIT - Tarheel Express / Special Events
BUDGET SUMMARY

The recommended budget for Tarheel Express & Special Events in 2021-22 reflects an 0.8% decrease in overall expenditures. The Special Events budget is largely unchanged from FY21.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 220,390	\$ 229,859	\$ 229,859	\$ 60	\$ 227,319	-1.1%
Operating Costs	109,136	82,334	82,334	-	82,334	0.0%
Total	\$ 329,526	\$ 312,193	\$ 312,193	\$ 60	\$ 309,653	-0.8%

TRANSIT - Vehicle Maintenance
BUDGET SUMMARY

The recommended budget for 2021-22 represents a 1.7% increase in expenditures from the 2020-21 fiscal year. The 3.1% increase in personnel costs is due to a 5.5% increase in health insurance costs, an increase of 1.2% for retirement costs, and a 3% salary increase. Operating costs are largely unchanged from FY21.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 2,237,429	\$ 2,615,059	\$ 2,589,059	\$ 2,196,752	\$ 2,696,060	3.1%
Operating Costs	1,112,990	2,231,803	2,527,996	2,420,831	2,235,846	0.2%
Capital Outlay	-	20,000	20,000	20,000	20,000	0.0%
Total	\$ 3,350,419	\$ 4,866,862	\$ 5,137,055	\$ 4,637,583	\$ 4,951,906	1.7%

TRANSIT - Building Maintenance

BUDGET SUMMARY

The recommended budget for Transit's Building Maintenance division reflects a 3.4% decrease overall. The 47.2% decrease in personnel expenditures is due to adjusting the new retiree medical figure to align better with prior year actuals. The 3.2% reduction in operating expenditures is mainly tied to budgeting utility costs to better align with actuals.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 3,839	\$ 4,750	\$ 4,750	\$ 2,508	\$ 2,508	-47.2%
Operating Costs	712,942	920,294	1,475,255	1,132,961	890,901	-3.2%
Total	\$ 716,781	\$ 925,044	\$ 1,480,005	\$ 1,135,469	\$ 893,409	-3.4%

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 2021-22 are estimates for grants historically received each year, but not yet awarded.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Contribution to Capital Grant Reserve	\$ 443,777 -	\$ - 260,890	\$ 465,000 260,890	\$ 465,000 251,690	\$ - -	N/A -100.0%
Total	\$ 443,777	\$ 260,890	\$ 725,890	\$ 716,690	\$ -	-100.0%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Interest Income	\$ 8,571	\$ 10,000	\$ 10,000	\$ 800	\$ -	-100.0%
Transfer from Transit Fund	-	250,890	250,890	250,890	-	-100.0%
Appropriated Fund Balance	435,206	-	465,000	465,000	-	N/A
Total	\$ 443,777	\$ 260,890	\$ 725,890	\$ 716,690	\$ -	-100.0%

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, 2021
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, 2021
2017-2018 Transit Capital Grant	\$592,707.00	\$592,707.00

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. Delivery December 2020.

	Project Budget	Estimated Expenditures Through June 30, 2021
2018 Transit Capital Grant	\$1,727,500.00	\$1,727,500.00

STORMWATER MANAGEMENT FUND

Major Revenue Sources – Descriptions and Estimates

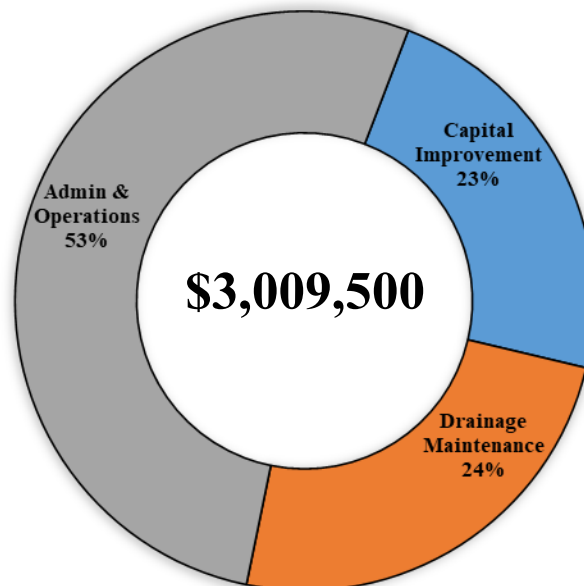
In order to continue to enhance stormwater management services currently provided by the Town, and to implement stormwater management activities necessary to comply with State and federal regulations, the Town established a Stormwater Management Fund in 2004-05. Stormwater management activities are funded by a fee charged to property owners based on the amount of impervious surface area on a property. The recommended budget maintains the fee of \$34.97 for each 1,000 square feet of impervious surface. At this rate, fees are estimated at about \$3 million in 2021-22. In the current year, the budget is expected to be balanced with \$2.97 million in fund balance. For 2021-22, the budget is balanced without the use of fund balance.

Major Expenditures and Estimates

The budget for 2021-22 totals \$3,009,500. This represents largely no change from the FY21 budget. Changes to the budget include a 5.5% health insurance increase, a 3% pay increase, and a 1.2% retirement rate increase, offset by a reduction to the reserve for capital. \$216,844 is in the recommended budget for the debt payment related to the G.O. bond issuance. Approximately \$168,000 is budgeted for capital reserve.

As indicated in the chart below, 24% of the 2021-22 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***

	2019-20 ADOPTED	2020-21 ADOPTED	2021-22 RECOMMENDED
Stormwater			
Senior Engineer	1.50	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	2.00
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	0.00
Unit Totals	<u>8.05</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>15.05</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 FY 2021-22 includes the continuation of existing services. The 4.4% increase in personnel expenditures includes a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase. Operating costs are mostly unchanged from FY 2020-21. The budget for capital reserve has decreased by roughly \$44,000.

The budget is balanced without the use of fund balance.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 1,219,951	\$ 1,406,046	\$ 1,406,046	\$ 1,300,435	\$ 1,467,359	4.4%
Operating Costs	682,990	1,089,210	1,706,175	1,768,839	1,077,178	-1.1%
Capital Outlay	857,294	303,994	2,842,421	2,942,870	297,244	-2.2%
Capital Reserve	457,850	211,250	211,250	-	167,719	-20.6%
Total	\$ 3,218,085	\$ 3,010,500	\$ 6,165,892	\$ 6,012,144	\$ 3,009,500	0.0%

REVENUES

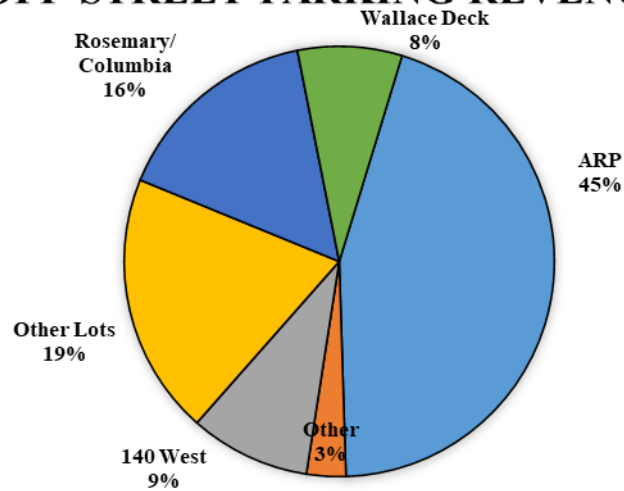
	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Stormwater Fees	\$ 3,170,004	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	0.0%
Fee Exemption	(11,719)	(12,000)	(12,000)	(12,000)	(12,000)	N/A
Transfer from General Fund	11,719	12,000	12,000	12,000	12,000	0.0%
Interest Income	40,581	3,000	3,000	3,000	2,000	-33.3%
Other Income	7,500	7,500	7,500	7,500	7,500	0.0%
FEMA Grant	-	-	34,300	34,300	-	N/A
Appropriated Fund Balance	-	-	3,121,092	2,967,344	-	N/A
Total	\$ 3,218,085	\$ 3,010,500	\$ 6,165,892	\$ 6,012,144	\$ 3,009,500	0.0%

PARKING FUNDS

Major Revenue Sources – Descriptions and Estimates

The Off-Street Parking Fund, with a recommended budget of \$2,548,423 for 2021-22, 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 \$130,000, or 8% of total off-street parking revenues, is budgeted from the James Wallace Deck and \$400,000, or 16%, is budgeted from the Rosemary/Columbia Street lot. The deck at 140 West is budgeted to generate about \$231,000 in 2021-22. The anticipated revenue loss is offset by funding from the American Rescue Plan Act in the amount of \$1,141,223.

OFF-STREET PARKING REVENUES



The On-Street Parking Fund, with a recommended budget for 2021-22 of \$787,565, has two major revenue sources: parking meter fees and parking ticket fines. Meter fees are estimated to generate about \$455,000 and parking ticket fines about \$265,000 in 2021-22.

Major Expenditures and Estimates

The primary expenditure of the Off-Street Parking Fund is the cost of personnel to manage the lots (approximately \$475,000). The budget of \$2,388,423 includes a 5.5% health insurance increase, a 3% pay 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 \$472,000. The budget of \$787,565 includes a 5.5% health insurance increase, a 3% pay increase, and a 1.2% increase in retirement.

PARKING SERVICES
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2019-20 ADOPTED	2020-21 ADOPTED	2021-22 RECOMMENDED
Superintendent-Parking Services	0.00	0.00	0.00
Supervisor-Parking Services	1.00	1.00	1.00
Assistant Parking Services Supervisor	1.00	1.00	1.00
Parking Enforcement Officer	3.00	3.00	3.00
Records Technician	1.80	1.80	1.80
Parking Attendant	2.00	2.00	2.00
Community Services Planner	1.00	1.00	1.00
Parking Fund Totals	9.80	9.80	9.80

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

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
On-Street Parking	\$ 657,337	\$ 781,500	\$ 781,500	\$ 651,345	\$ 787,565	0.8%
Off-Street Parking	1,884,874	2,422,787	2,671,525	1,785,868	2,548,423	5.2%
Total	\$ 2,542,211	\$ 3,204,287	\$ 3,453,025	\$ 2,437,213	\$ 3,335,988	4.1%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
On-Street Parking	\$ 657,337	\$ 781,500	\$ 781,500	\$ 651,345	\$ 787,565	0.8%
Off-Street Parking	1,884,874	2,422,787	2,671,525	1,785,868	2,548,423	5.2%
Total	\$ 2,542,211	\$ 3,204,287	\$ 3,453,025	\$ 2,437,213	\$ 3,335,988	4.1%

ON-STREET PARKING BUDGET SUMMARY

The recommended budget for On-Street Parking represents a 0.8% increase over the fiscal year 2020-21 budget. There is a slight increase in personnel for Enforcement. This is mainly due to the transfer of a 5.5% health insurance increase, a 1.2% retirement cost increase, and a 3% salary increase. Personnel for meters also experienced an increase for the same reasons.

There is no fund balance appropriation in Fiscal Year 2021-22.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Enforcement:						
Personnel	\$ 380,643	\$ 377,199	\$ 377,199	\$ 384,284	\$ 386,329	2.4%
Operations	117,681	174,782	174,782	124,693	185,892	6.4%
Capital	-	30,000	30,000	2,000	15,000	-50.0%
Meters:						
Personnel	76,328	82,872	82,872	78,847	85,411	3.1%
Operations	82,685	114,993	114,993	61,521	114,933	-0.1%
Transfer to Off-Street	-	1,654	1,654	-	-	-100.0%
Total	\$ 657,337	\$ 781,500	\$ 781,500	\$ 651,345	\$ 787,565	0.8%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Parking Meter Fees	\$ 353,831	\$ 455,000	\$ 455,000	\$ 252,500	\$ 455,000	0.0%
Parking Ticket Fines/Fees	214,853	265,000	265,000	125,000	265,000	0.0%
Interest Income	914	500	500	500	500	0.0%
Other Income	53,276	61,000	61,000	50,000	61,000	0.0%
American Rescue Plan Act Appropriated Fund Balance	-	-	-	223,345	6,065	N/A
	34,463	-	-	-	-	N/A
Total	\$ 657,337	\$ 781,500	\$ 781,500	\$ 651,345	\$ 787,565	0.8%

OFF-STREET PARKING BUDGET SUMMARY

Off-Street Parking revenues for the recommended 2021-22 budget reflects an increase of 5.2% from the 2020-21 budget. The budget is balanced with funding from the American Rescue Plan Act.

The overall increase in expenditures for 2021-22 is due to a increase in expenditures to the parking lots. There is a slight overall decrease in personnel costs due to a 1.2% retirement increase, a 5.5% increase in health insurance costs, and a 3% salary increase, which is offset by turnover. Revenue projections of multiple lots, including Rosemary, West Rosemary, and Jones Park, are expected to decrease.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
James Wallace Deck	\$ 175,757	\$ 350,560	\$ 353,695	\$ 163,481	\$ 351,091	0.2%
Parking Lots	601,508	951,668	948,533	454,235	1,083,458	13.8%
140 West Deck	31,463	53,315	53,315	26,427	53,300	0.0%
Administration	1,035,484	1,067,244	1,067,244	1,055,617	1,060,574	-0.6%
Wallace Renovation	40,662	-	248,738	86,108	-	N/A
Total	\$ 1,884,874	\$ 2,422,787	\$ 2,671,525	\$ 1,785,868	\$ 2,548,423	5.2%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
James Wallace Deck	\$ 426,620	\$ 720,000	\$ 720,000	\$ 138,000	\$ 200,000	-72.2%
Rosemary/Columbia Lot	266,353	450,000	450,000	117,000	400,000	-11.1%
415 West Franklin Lot	56,559	76,000	76,000	13,500	76,000	0.0%
West Rosemary Lot	12,130	15,500	15,500	5,250	15,500	0.0%
Rosemary/Sunset	45,851	54,000	54,000	41,500	54,000	0.0%
South Graham Lot	7,093	11,500	11,500	5,750	11,500	0.0%
West Franklin/Basnight Lot	114,218	124,000	124,000	100,600	124,000	0.0%
427 West Franklin Lot	37,616	52,000	52,000	6,500	52,000	0.0%
Jones Park Lot	14,625	12,000	12,000	7,000	12,000	0.0%
Mallette Lot	51,692	77,200	77,200	26,500	77,200	0.0%
Courtyard Lot	66,722	79,000	79,000	12,000	79,000	0.0%
140 West Deck	173,999	268,500	268,500	155,500	231,000	-14.0%
125 East Rosemary	193,511	295,000	295,000	45,000	-	-100.0%
Interest Income	67	1,500	1,500	500	1,500	0.0%
Miscellaneous Income	49,406	73,500	73,500	12,800	73,500	0.0%
American Rescue Plan Act	-	-	-	1,098,468	1,141,223	N/A
Transfer from On-Street Parking	-	1,654	1,654	-	-	-100.0%
Appropriated Fund Balance	368,412	111,433	360,171	-	-	-100.0%
Total	\$ 1,884,874	\$ 2,422,787	\$ 2,671,525	\$ 1,785,868	\$ 2,548,423	5.2%

PUBLIC HOUSING FUND

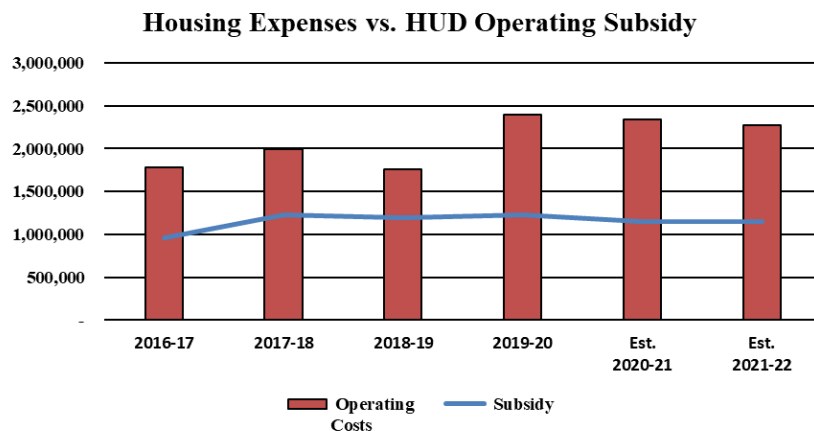
Major Revenue Sources - Descriptions and Estimates

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 2021-22 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 2021 but we have no information about calendar 2022. Based on interim allocations, our estimate of HUD’s subsidy for 2020-21 is \$1,145,793, about a 7% decrease from the 2019-20 subsidy of \$1,224,531.

The Housing Department estimates dwelling rents, the second largest revenue for the Public Housing Fund, at about \$1,029,048, which is in line with current year estimates.

Major Expenditures and Estimates

Major expenditure categories include about \$1,213,455 for salaries and benefits, \$213,400 for utilities, \$75,000 for liability and flood insurance and about \$549,500 for maintenance of the units.

The personnel costs include a 5.5% increase in health insurance costs, a 3% of market pay increase, and a 1.2% retirement contribution increase.

	2020-21 Original Budget	2021-22 Recommended Budget	% Change from 2020-21
Salary & Benefits - Administration	\$ 487,535	\$ 492,874	1.1%
Salary & Benefits - Maintenance	728,862	720,581	-1.1%
Maintenance Costs	517,680	549,564	6.2%
Utilities	184,700	213,400	15.5%
Liability & Flood Insurance	100,500	75,000	-25.4%
Other Expenses	157,479	125,337	-20.4%
Total Budget	\$ 2,176,756	\$ 2,176,756	0.0%

PUBLIC HOUSING
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2019-20 ADOPTED	2020-21 ADOPTED	2021-22 RECOMMENDED
Administration			
Director-Housing	1.00	1.00	1.00
Operations Manager - Housing	1.00	1.00	1.00
Management Analyst	1.00	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
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 2021-22 retains a simpler model that includes an Administrative Division and a Maintenance Division.

The 0.2% decrease in personnel is the result of a 5.5% increase in health insurance, a 1.2% retirement increase, and a 3% salary increase, which is offset by turnover. The budget for 2021-22 reflects an estimate of the HUD subsidy anticipated for calendar year 2021. The Town anticipates level HUD subsidies and rental revenues. The town is anticipating it will have a higher fund balance appropriation in 2021-22.

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Revenue Summary						
HUD Contributions	\$ 1,224,531	\$ 1,145,793	\$ 1,145,793	\$ 1,145,793	\$ 1,145,793	0.0%
Rental Revenue	998,645	1,029,048	1,029,048	1,029,048	1,029,048	0.0%
Other Revenues	267	200	162,370	162,370	200	0.0%
Interest Income	1,841	1,715	1,715	1,715	1,715	0.0%
Insurance Claims	173,205	-	-	-	-	N/A
Appropriated Fund Balance	-	-	1,500	-	-	N/A
Total Revenues	\$ 2,398,489	\$ 2,176,756	\$ 2,340,426	\$ 2,338,926	\$ 2,176,756	0.0%

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 954,535	\$ 1,216,397	\$ 1,220,431	\$ 1,131,674	\$ 1,213,455	-0.2%
Operating	871,286	949,893	1,109,529	926,086	963,301	1.4%
Contribution to Reserve	572,668	10,466	10,466	281,166	-	-100.0%
Total	\$ 2,398,489	\$ 2,176,756	\$ 2,340,426	\$ 2,338,926	\$ 2,176,756	0.0%

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.

The 2019 project ordinance budgets a grant of \$386,584 for homeownership assistance, housing improvement programs for homeowners, code enforcement, neighborhood revitalization activities, the summer youth employment program, youth counseling services, and homelessness case management.

The 2020 project ordinance budgets a \$417,591 grant and \$7,339 program income, for homeownership assistance, homeowner housing improvement programs, emergency housing assistance, the summer youth employment program, youth counseling services,

and homelessness case management. There were also two COVID-19 related CDBG-CV ordinances in 2020:

- The Coronavirus funding round 1 project ordinance budgets a grant of \$245,693 for emergency housing assistance and homelessness case management.
- The Coronavirus funding round 3 project ordinance budgets a grant of \$290,902 for remote learning scholarships, neighborhood support centers and staffing and supplies for the food bank.

CAPITAL IMPROVEMENTS FUND

BUDGET SUMMARY

The budget for the Capital Improvements Program for 2021-22 totals \$797,241 and includes projects to be completed in 2021-22. 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.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget
Municipal Facilities	\$ 132,276	\$ 62,500	\$ 395,546	\$ 395,546	\$ 430,000
Public Safety	-	-	-	-	-
Facilities Leased by Others	22,533	36,449	134,599	134,599	36,241
Infrastructure	97,044	-	48,750	48,750	86,000
Communication/Technology	-	-	117,166	117,166	-
Parks/Public Use Facilities	79,997	-	72,712	72,712	245,000
Transfers/Financing Costs	-	-	50,000	50,000	-
Total	\$ 331,850	\$ 98,949	\$ 818,773	\$ 818,773	\$ 797,241

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget
Housing Rent Proceeds	\$ 36,250	\$ 36,449	\$ 36,449	\$ 36,449	\$ 36,241
Cell Tower Rental Fees	66,033	60,000	60,000	60,000	60,000
Interest on Investments	2,557	2,500	2,500	2,500	1,000
Transfer from Capital Project	-	-	9,500	9,500	-
Insurance Claims	-	-	137,045	137,045	-
Transfer from General Fund	321,600	-	-	-	700,000
Appropriated Fund Balance	(94,590)	-	573,279	573,279	-
Total	\$ 331,850	\$ 98,949	\$ 818,773	\$ 818,773	\$ 797,241

CAPITAL IMPROVEMENTS FUND

DETAIL EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget
MUNICIPAL OPERATIONS FACILITIES					
Extraordinary Maintenance, Emergency Repairs	\$ 87,780	\$ 62,500	\$ 307,545	\$ 307,545	\$ 100,000
Facilities Maintenance	27,191	-	81,536	81,536	-
Town Hall Parking Lot	-	-	6,465	6,465	-
Town Hall Roof	-	-	-	-	330,000
Fire Extraordinary Maintenance	17,305	-	-	-	-
Subtotal	\$ 132,276	\$ 62,500	\$ 395,546	\$ 395,546	\$ 430,000
TOWN FACILITIES LEASED BY OTHERS					
Housing Maintenance	\$ 22,533	\$ 36,449	\$ 134,599	\$ 134,599	\$ 36,241
Subtotal	\$ 22,533	\$ 36,449	\$ 134,599	\$ 134,599	\$ 36,241
INFRASTRUCTURE					
Path, Trail and Lot Maintenance	\$ 97,044	-	-	-	\$ 36,000
Curbs / ADA	-	-	48,750	48,750	50,000
Subtotal	\$ 97,044	\$	48,750	\$ 48,750	\$ 86,000

***CAPITAL IMPROVEMENTS FUND
DETAIL EXPENDITURES***

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget
COMMUNICATIONS AND TECHNOLOGY					
GovTV Equipment	\$ -	\$ -	\$ 75,250	\$ 75,250	\$ -
General Technology	-	-	41,916	41,916	-
Subtotal	\$ -	\$ -	\$ 117,166	\$ 117,166	\$ -
PARKS AND OTHER PUBLIC USE FACILITIES					
Greenways	\$ 6,997	\$ -	\$ -	\$ -	\$ 50,000
Playground Replacement	122	-	59,378	59,378	75,000
Cemetery Beautification	-	-	-	-	20,000
Small Park Improvements	72,878	-	13,334	13,334	100,000
Subtotal	\$ 79,997	\$ -	\$ 72,712	\$ 72,712	\$ 245,000
TRANSFER TO OTHER FUNDS AND FINANCING COSTS					
Capital Projects Ordinance Fund	-	-	50,000	50,000	-
Subtotal	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ -
TOTALS	\$ 331,850	\$ 98,949	\$ 818,773	\$ 818,773	\$ 797,241

***CAPITAL RESERVE FUND
BUDGET SUMMARY***

No appropriations are planned for the Capital Reserve Fund for 2021-22, which had a fund balance of \$217,969 at June 30, 2020.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Reserved for CIP	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Transfer to Capital Improvements Fund	-	-	-	-	-	N/A
Transfer to General Fund	-	-	-	-	-	N/A
Total	\$ -	\$ -	\$ -	\$ -	\$ -	N/A

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Interest on Investments Appropriated	\$ 774	\$ -	\$ -	\$ -	\$ -	N/A
Fund Balance	(774)	-	-	-	-	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, 2021 are shown in the table at the right.

Major Capital Bond Projects	Budget	Expenditures as of March 31, 2021
2003 Bond Projects		
Streets and Sidewalks	\$ 5,600,000	\$ 5,524,000
Library Expansion	16,260,000	16,260,000
Parks and Recreation	5,000,000	4,875,000
Subtotal	<u>\$ 26,860,000</u>	<u>\$ 26,659,000</u>
2012 LOBS Projects		
Lot 5 Project	\$ 5,770,000	\$ 5,770,000
Parking Projects	836,000	626,000
TOC Projects	202,000	151,000
Subtotal	<u>\$ 6,808,000</u>	<u>\$ 6,547,000</u>
2015 Bond Projects		
Streets and Sidewalks	\$ 8,500,000	\$ 4,861,000
Parks Trails	5,000,000	3,340,000
Parks Facilities	5,300,000	4,729,000
Subtotal	<u>\$ 18,800,000</u>	<u>\$ 12,930,000</u>
TOTAL	<u>\$ 52,468,000</u>	<u>\$ 46,136,000</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 FY22, the funding level remains at \$688,395.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Land Acquisitions	\$ 523,461	\$ -	\$ 263,465	\$ 263,465	\$ -	N/A
Rental Subsidies	118,906	-	432,267	432,267	-	N/A
Homeownership Assist.	70,000	-	67,000	67,000	-	N/A
Future Development	91,255	-	321,180	321,180	-	N/A
Reserve	-	688,395	547,976	547,976	688,395	0.0%
Total	\$ 803,622	\$ 688,395	\$ 1,631,888	\$ 1,631,888	\$ 688,395	0.0%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Transfer from General Fund	\$ 688,395	\$ 688,395	\$ 688,395	\$ 688,395	\$ 688,395	0.0%
Appropriated Fund Balance	115,227	-	943,493	943,493	-	N/A
Total	\$ 803,622	\$ 688,395	\$ 1,631,888	\$ 1,631,888	\$ 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 2021-22 had not been awarded at the time of this submission.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Police Grants	\$ 136,778	\$ -	\$1,720,636	\$1,720,636	\$ -	N/A
Planning Grants	380,826	386,237	386,237	386,237	-	-100.0%
Total	\$ 517,604	\$ 386,237	\$2,106,873	\$2,106,873	\$ -	-100.0%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Grants	\$ 418,236	\$ 300,873	\$1,215,785	\$1,215,785	\$ -	-100.0%
Transfer from General Fund	93,706	85,364	85,364	85,364	-	-100.0%
Appropriated Fund Balance	5,662	-	805,724	805,724	-	N/A
Total	\$ 517,604	\$ 386,237	\$2,106,873	\$2,106,873	\$ -	-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 \$610,392,000. The tax rate of 6.4 cents represents the revenue neutral rate based on the Orange County revaluation and is expected to yield a total of about \$391,000 in FY 2021-22. This represents an increase of \$24,000 from the current year estimates, due to the increase in value from new development in the downtown area and the revaluation.

FY22 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 \$140,000 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 (\$147,000) along with 140 West expenses (\$110,000).

DOWNTOWN SERVICE DISTRICT FUND BUDGET SUMMARY

The recommended Downtown Service District Fund tax rate of 6.4 cents for 2021-22 provides for continued funding of the groundskeeper position dedicated to the downtown area (including a 5.5% rate increase in medical insurance). The recommended budget continues an allocation of about \$140,000 for services related to the district, and includes expenses related to the "Launch" initiative (\$147,000) along with 140 West expenses (\$110,000).

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 58,058	\$ 59,954	\$ 59,954	\$ 57,786	\$ 62,177	3.7%
Contracted Services	242,599	250,000	250,000	240,000	250,000	0.0%
Grants/Deferred Loans	147,000	147,000	147,000	147,000	147,000	0.0%
Reserve	-	-	-	-	6,323	N/A
Total	\$ 447,657	\$ 456,954	\$ 456,954	\$ 444,786	\$ 465,500	1.9%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Property Taxes	\$ 372,377	\$ 382,000	\$ 382,000	\$ 367,000	\$ 391,000	2.4%
Interest Income	572	1,000	1,000	1,750	1,000	0.0%
Gifts and Donations	73,500	73,500	73,500	73,500	73,500	0.0%
Interest on Receivable	395	-	-	-	-	N/A
Appropriated Fund Balance	813	454	454	2,536	-	-100.0%
Total	\$ 447,657	\$ 456,954	\$ 456,954	\$ 444,786	\$ 465,500	1.9%

LIBRARY GIFT FUND

BUDGET SUMMARY

The recommended budget for the Library Gift Fund for 2021-22 reflects a decrease from the previous year due to a one-time grant received in FY21. Gifts for 2021-22 include a decrease in funding from the current year (\$75,000) and level funding for miscellaneous donations (\$47,500). 2021-22 expenses include additions to the collection, staff support, 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 2021-22.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Computers/Database	\$ 9,624	\$ 532	\$ -	\$ -	\$ -	-100.0%
Furniture	14,421	-	-	-	-	N/A
Collection Purchases	28,942	40,000	40,000	27,000	32,000	-20.0%
Other	187,634	183,059	567,526	414,420	139,841	-23.6%
Transfer to General Fund	45,000	45,000	45,000	45,000	45,000	0.0%
Total	\$ 285,621	\$ 268,591	\$ 652,526	\$ 486,420	\$ 216,841	-19.3%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Interest Income	\$ 765	\$ 441	\$ 441	\$ 87	\$ 341	-22.7%
Friends' Donations	185,000	100,000	202,486	184,486	75,000	-25.0%
Grants	68,662	106,975	364,864	220,829	84,600	-20.9%
Misc Donations	51,359	47,500	47,500	46,898	47,500	0.0%
Appropriated Fund Balance	(20,165)	13,675	37,235	34,120	9,400	-31.3%
Total	\$ 285,621	\$ 268,591	\$ 652,526	\$ 486,420	\$ 216,841	-19.3%

VEHICLE REPLACEMENT FUND BUDGET SUMMARY

The recommended budget for 2021-22 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 2021-22 recommended budget is the replacement of a solid waste rear loader, a Fire training vehicle, and a truck for the Streets Division. The Vehicle Replacement Fund has moved to a pay-as-you-go system. Beginning in 2014-15, vehicle purchases were bought outright rather than financed.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Lease Purchase Payments	\$ 268,186	\$ 66,596	\$ 66,596	\$ 66,596	\$ -	-100.0%
Other Expense	22	6,000	6,000	6,000	-	-100.0%
Capital Equipment	745,707	-	131,246	131,246	344,660	N/A
Total	\$ 1,013,915	\$ 72,596	\$ 203,842	\$ 203,842	\$ 344,660	374.8%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Vehicle Use Fees	\$ 453,089	\$ -	\$ -	\$ -	\$ 344,660	N/A
Interest Income	1,578	3,000	3,000	3,000	-	-100.0%
Sale of Fixed Assets	44,943	50,000	50,000	50,000	-	-100.0%
Insurance Claims	7,959	-	-	-	-	N/A
Appropriated Fund Balance	506,346	19,596	150,842	150,842	-	-100.0%
Total	\$ 1,013,915	\$ 72,596	\$ 203,842	\$ 203,842	\$ 344,660	374.8%

VEHICLE MAINTENANCE FUND
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2019-20 ADOPTED	2020-21 ADOPTED	2021-22 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 2021-22 recommended budget for the Vehicle Maintenance Fund reflects an overall increase in expenditures of 3.2% from last year's budget. The increase in personnel is the result of a 5.5% rate increase in medical insurance, a 3% pay increase, and a 1.2% increase in retirement costs. The 1.9% increase in the operating budget is due to the increase in maintenance due to the aging fleet.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Personnel	\$ 585,188	\$ 672,087	\$ 672,087	\$ 656,860	\$ 705,003	4.9%
Operating Costs	839,527	883,775	883,775	838,997	900,219	1.9%
Capital Outlay	-	-	-	-	-	N/A
Total	\$ 1,424,715	\$ 1,555,862	\$ 1,555,862	\$ 1,495,857	\$ 1,605,222	3.2%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Vehicle Maintenance Fees	\$ 1,274,051	\$ 1,529,000	\$ 1,529,000	\$ 1,491,000	\$ 1,559,100	2.0%
Interest Income	2,034	-	-	-	-	N/A
Insurance Claims	23,547	18,000	18,000	18,000	18,000	0.0%
Appropriated Fund Balance	125,083	8,862	8,862	(13,143)	28,122	217.3%
Total	\$ 1,424,715	\$ 1,555,862	\$ 1,555,862	\$ 1,495,857	\$ 1,605,222	3.2%

COMPUTER REPLACEMENT FUND BUDGET SUMMARY

The recommended budget for 2021-22 provides for replacement of computer equipment on a pay-as-you-go basis.

EXPENDITURES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Small Equipment	\$ 66,002	\$ 167,000	\$ 167,000	\$ 167,000	\$ 177,750	6.4%
Other Expense	-	-	-	-	-	N/A
Total	\$ 66,002	\$ 167,000	\$ 167,000	\$ 167,000	\$ 177,750	6.4%

REVENUES

	2019-20 Actual	2020-21 Original Budget	2020-21 Revised Budget	2020-21 Estimated	2021-22 Recommended Budget	% Change from 2020-21
Computer Use Fees	\$ -	\$ -	\$ -	\$ -	\$ 177,750	N/A
Interest Income	856	-	-	-	-	N/A
Appropriated Fund Balance	65,146	167,000	167,000	167,000	-	-100.0%
Total	\$ 66,002	\$ 167,000	\$ 167,000	\$ 167,000	\$ 177,750	6.4%

Performance Agreements with Other Agencies

Performance Agreements with Other Agencies	2010-21 Adopted Budget	2021-22 Recommended Budget
Human Services		
Human Services Advisory Board Recommendations	\$ 446,500	\$ 546,500
Total Human Services	446,500	546,500
Arts		
Cultural Arts	23,500	23,500
Total Arts	23,500	23,500
Public Health		
Orange County Food Council	29,110	29,110
Total Public Health	29,110	29,110
Affordable Housing		
Community Home Trust	358,009	358,009
Orange County Partnership to End Homelessness	96,300	96,300
Total Affordable Housing	454,309	454,309
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	\$ 1,223,419	\$ 1,323,419

