

Manager's Recommended Budget
FY 2021-22

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

Budget Foundations

Total budget = \$116,746,903

5% increase from prior year

Revaluation

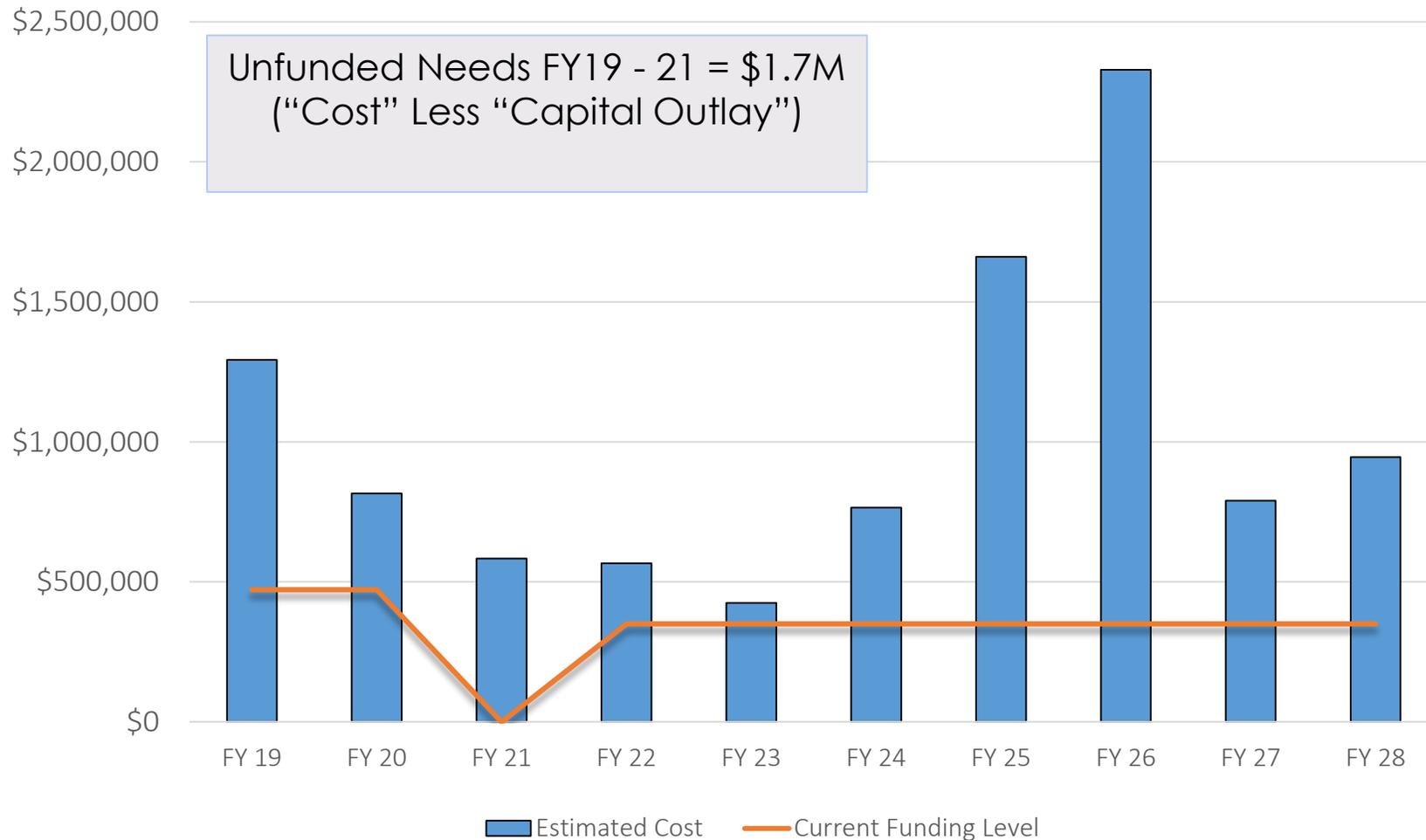
Property tax rate of 52.4 cents

3% of market pay increase

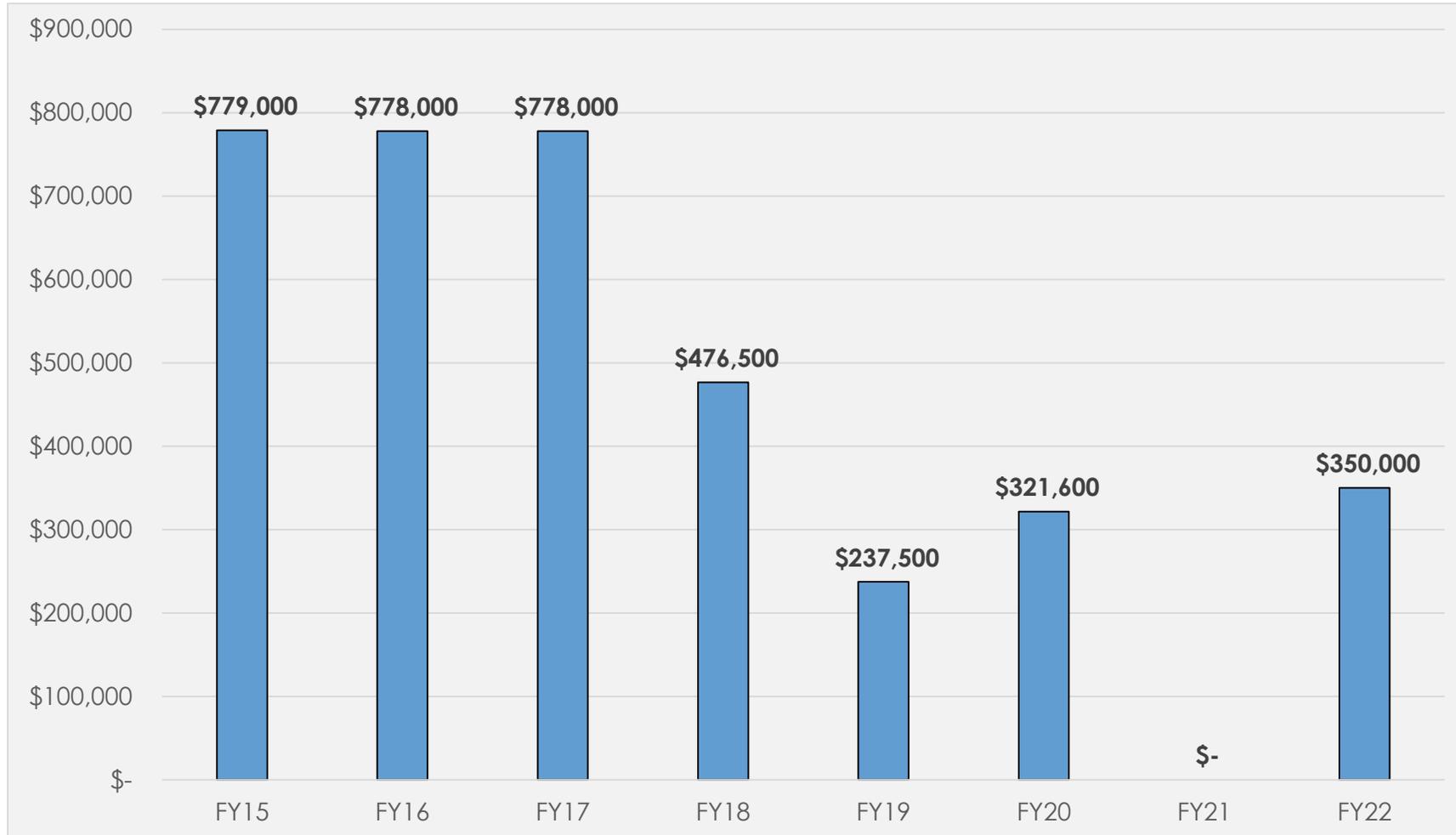
Investment in Council Priorities



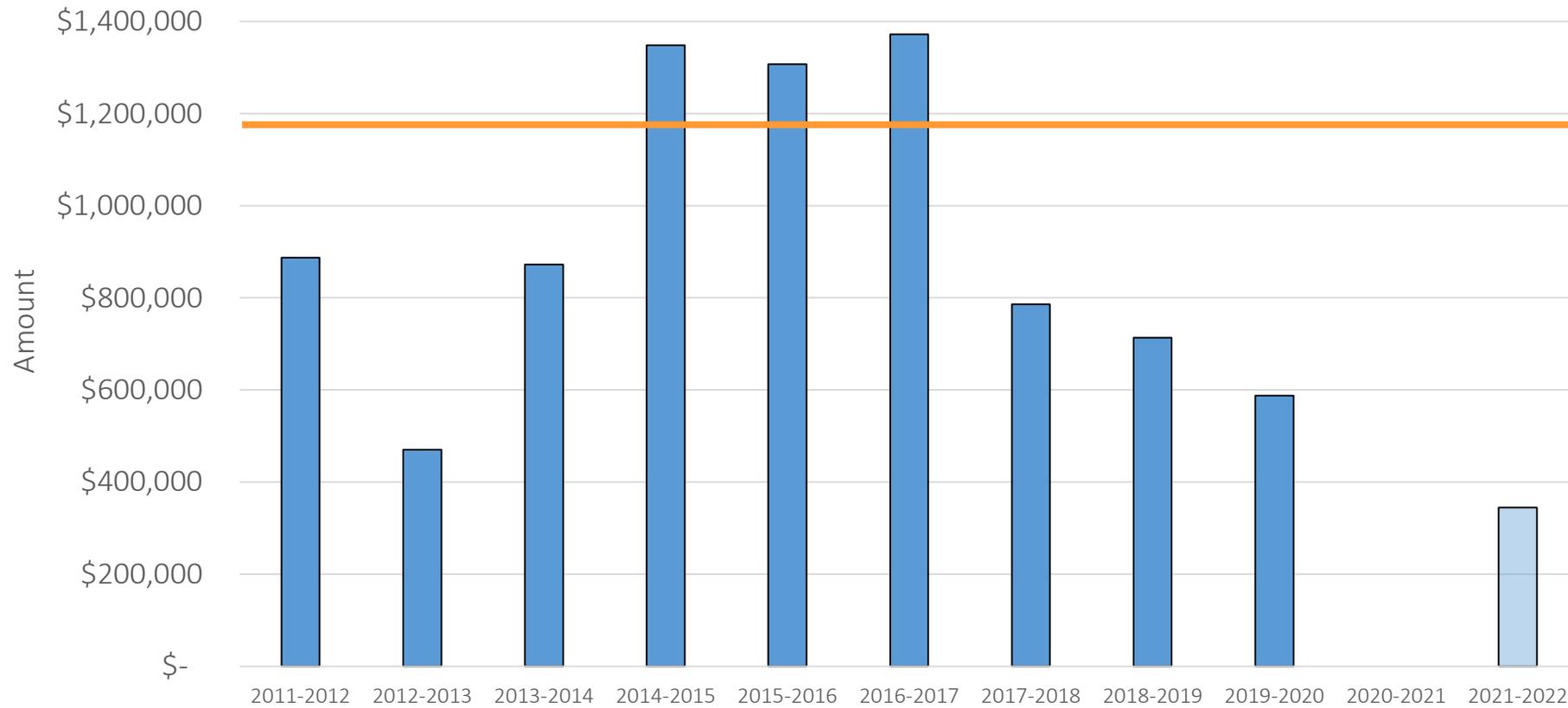
Building Maintenance



Pay Go Capital



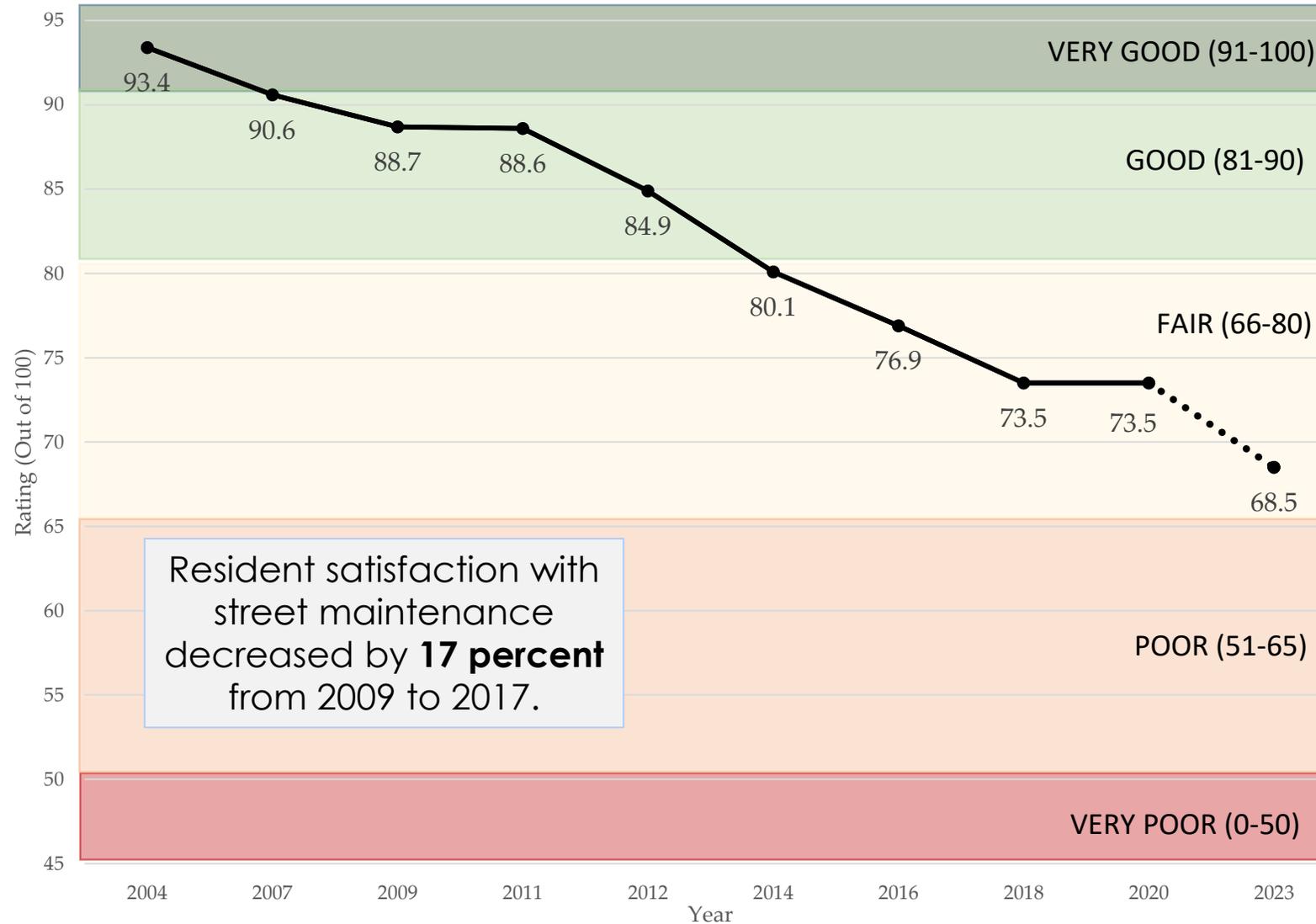
Vehicle Replacement



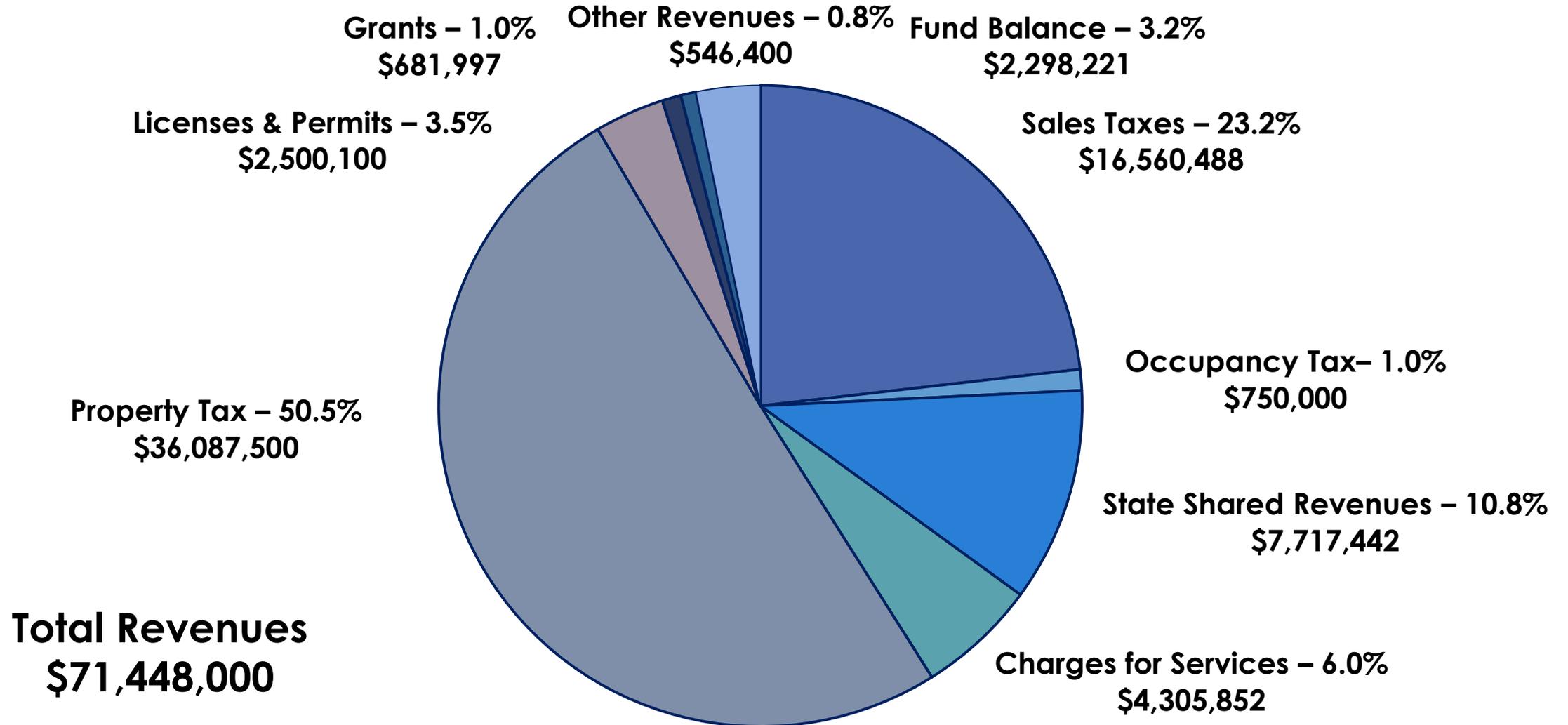
■ Vehicle Replacement Purchases

Recommended Funding Level =
\$1.2 Million

Pavement Condition Evaluation



General Fund Revenues FY 2021-22



Property Taxes

	2021 Valuation	2020 Valuation	\$ Difference	% Difference
Orange County Real Property*	\$ 8,513,978,013	\$ 7,500,585,640	\$ 1,013,392,373	13.51%
Durham County Real Property	540,018,520	539,506,906	511,614	0.09%
Orange County Motor Vehicles	360,324,200	353,259,020	7,065,180	2.00%
Durham County Motor Vehicles	<u>28,881,262</u>	<u>30,231,704</u>	<u>(1,350,442)</u>	<u>(4.47%)</u>
TOTAL VALUATION	\$ 9,443,201,995	\$ 8,423,583,270	\$ 1,019,618,725	12.10%

* Values Impacted by Revaluation

Property Taxes



Current Tax Rate 54.4

Proposed Tax Rate 52.4

Revenue Neutral Tax Rate 49.4

Example Residential Tax Bill Impacts (Town rate only)

Pre-Revaluation	Pre-Tax Bill	Post-Revaluation	Post-Tax Bill	Annual Increase	1 cent difference
\$200,000	\$1,088	\$218,000	\$1,142	\$54	\$22
\$400,000	\$2,176	\$436,000	\$2,285	\$109	\$44
\$600,000	\$3,264	\$654,000	\$3,427	\$163	\$66
\$ 800,000	\$4,352	\$872,000	\$4,569	\$217	\$88
\$1,000,000	\$5,440	\$1,090,000	\$5,712	\$272	\$110
\$5,000,000	\$27,200	\$5,450,000	\$28,558	\$1,358	\$545

Assumes tax rate of 52.4 cents

Assumes 9% average residential property valuation growth

Average home price in Chapel Hill is \$483,643

Example Commercial Tax Bill Impacts

(Town rate only)

Pre-Revaluation	Pre-Tax Bill	Post-Revaluation	Post-Tax Bill	Annual Increase	1 cent difference
\$1,000,000	\$5,440	\$1,360,000	\$7,126	\$1,686	\$136
\$2,500,000	\$13,600	\$3,400,000	\$17,816	\$4,216	\$340
\$5,000,000	\$27,200	\$6,800,000	\$35,632	\$8,432	\$680
\$7,500,000	\$40,800	\$10,200,000	\$53,448	\$12,648	\$1,020
\$10,000,000	\$54,400	\$13,600,000	\$71,264	\$16,864	\$1,360

Assumes tax rate of 52.4 cents

Assumes 36% average commercial property valuation growth

Actual Commercial Tax Bill Examples (Town Only)

Type of Business	Pre-Reval Valuation	Pre-Reval Tax Bill	Post-Reval Valuation	Post-Reval Tax Bill	Annual Change	% Change
Single Tenant Restaurant – W Downtown	\$292,400	\$1,591	\$341,800	\$1,791	\$200	16.89%
Single Tenant Restaurant – E Downtown	\$1,767,900	\$9,617	\$1,505,100	\$7,887	(\$1,731)	(14.87%)
Single Tenant Retail – E Downtown	\$2,877,000	\$15,651	\$2,715,200	\$14,228	(\$1,423)	(5.62%)
Multiple Tenant Office/Retail - Downtown	\$7,350,000	\$39,984	\$6,193,100	\$32,452	(\$7,532)	(15.74%)
Mixed Retail/Service – near Eastgate	\$2,071,000	\$11,266	\$2,473,900	\$12,963	\$1,697	19.45%
Mixed Retail/Service – N Chapel Hill	\$1,220,400	\$6,639	\$1,587,900	\$8,321	\$1,682	30.11%
Multiple Tenant Office Building	\$30,593,700	\$166,430	\$38,938,900	\$204,040	\$37,610	27.28%
Mixed Use Development	\$52,390,200	\$285,003	\$59,154,000	\$309,967	\$24,964	12.91%
Apartment Building – Blue Hill	\$69,227,900	\$376,600	\$82,602,800	\$432,839	\$56,239	19.32%

American Rescue Plan Funding

Possible Investments

Micro Grant Programs for Small Businesses

Marketing for Small Businesses

Housing Assistance

Assistance to Non-Profits

FY 2022 Priorities

Budget Topic	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2022 Recommended Budget
Pay Adjustment	3%	0%	3%
New Positions	\$ 0	\$ 0	\$444,000
Ephesus Fordham TIF Transfer	\$445,100	\$ 0	\$445,100
Climate Action	\$ 50,000	\$ 0	\$500,000
Human Services	\$446,500	\$446,500	\$556,500
Community Safety Task Force	\$ 0	\$ 0	\$100,000
Pay Study/Implementation	\$100,000	\$ 0	\$400,000

FY 2022 Priorities

Budget Topic	FY 2020 Adopted Budget	FY 2021 Adopted Budget	FY 2022 Recommended Budget
OPEB Prefunding Contribution	\$500,000	\$250,000	\$500,000
Buildings Maintenance	\$472,000	\$ 0	\$350,000
Vehicle Replacements	\$524,000	\$ 0	\$345,000
Street Resurfacing	\$669,000	\$369,000	\$619,000
Pay-Go Capital	\$237,500	\$ 0	\$350,000
Position Savings	\$ 0	\$ 0	(\$1,000,000)

Human Services Funding History

Fiscal Year	\$ Requested	\$ Funded
FY 2022	\$1,186,005	\$ 546,500
FY 2021	\$ 1,026,463	\$ 446,500
FY 2020	\$ 1,320,018	\$ 446,500
FY 2019	\$ 772,944	\$ 419,500
FY 2018	\$ 573,971	\$ 419,500
FY 2017	\$ 510,363	\$ 337,100
FY 2016	\$ 497,993	\$ 337,100
FY 2015	\$ 492,604	\$ 337,100
FY 2014	\$ 343,900	\$ 337,100

Climate Action Spending Plan

- Advancing land use and building energy policy to support net-zero emissions new construction
- Upgrading outdoor lighting to energy efficient LEDs
- Developing wayfinding strategies for the Town's Mobility Plan
- Planning for a Town-wide EV charging station network
- Transitioning fleet to electric vehicles and adding more charging stations
- Starting the process of creating a green infrastructure ordinance
- Creating a more interactive, dynamic web and social media presence for climate action
- Growing the climate action staff team to expand our work and the speed at which we accomplish it

Total in FY 21-22 = Over \$500,000

5-Year Budget Strategy

Strategy to ramp up the Town's investments in:

- Environmental Resiliency
- Infrastructure
- Maintenance
- Vehicles
- Human Capital
- Affordable Housing & Human Services
- Social Equity
- Transportation

Dates for Budget Process

May 12

Budget Work Session

May 19

Budget Public Hearing

May 26 & June 2

Budget Discussions (if needed)

June 9

Budget Adoption

2021-22 Budget Development Page

www.townofchapelhill.org/budget