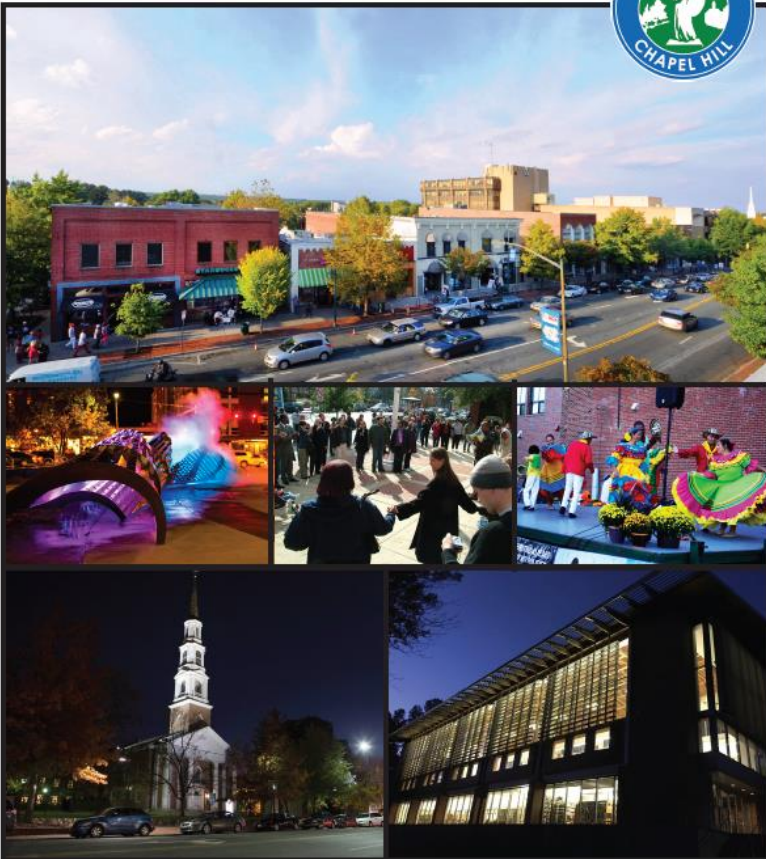


Public Hearing

Manager's Recommended Budget FY18-19

Town of Chapel Hill
North Carolina



Manager's Recommended Budget
FY 2018-19

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Recommended Budget FY18-19

Highlights



- 3 Cent combined tax increase
- Supports Council Strategic Priorities
- No Change in Core Service Levels
- No change in the number of FT employees
- Rebuilding General Fund Reserves
- Invests in Maintenance
- Implementation of Cost controls

Recommended Budget FY18-19

Highlights



Tax rate increase for:

- Maintaining our Transit System (1.0 cent)
- Funding major capital projects (0.8 cents)
- Supporting core services & restoring reserves (1.2 cents)

Manager's Recommended Budget FY18-19



Support Council's Strategic Priorities

Our Mission. Learning, serving, and working together to build a community where people thrive.

Council's Strategic Goals

- | | |
|---|--|
| I. Connected Community | V. Vibrant & Inclusive Community |
| II. Economic & Financial Sustainability | VI. Environmental Stewardship |
| III. Safe Community | VII. Collaborative & Innovative Organization |
| IV. Affordable Housing | |

Recommended Budget FY18-19

Highlights



No Change in Core Service Levels

- Town services are highly valued by the Community
 - Satisfaction rates are 29% higher than the national benchmark
 - The services we provide help create a community where people want to live – changing service levels can have negative consequences

Recommended Budget FY18-19

Highlights



No Change in the Number of Employees

- 75% of General Fund Costs are Personnel
- Maintaining Competitive Compensation
 - 3% of Market Salary Adjustment for current employees
- Cost controls
 - Instituting a medical insurance deductible

Recommended Budget FY18-19

Highlights



Rebuilding Reserves

- Fund balance has dropped below our target of 22% due to increased use of fund balance
- Use of fund balance and lapsed salaries allowed us to avoid a tax increase in FY17 and FY18
 - We have crossed the tipping point and need to reduce dependence on “non-current” revenues

Recommended Budget FY18-19

Highlights



Investment in Maintenance

- Failure to maintain public facilities and infrastructure creates higher future costs
- Recommended budget includes investments in the maintenance of public assets that will save money in the long-term
- The cost of these investments is off-set by cuts in non-mission critical costs

Recommended Budget FY18-19

Highlights



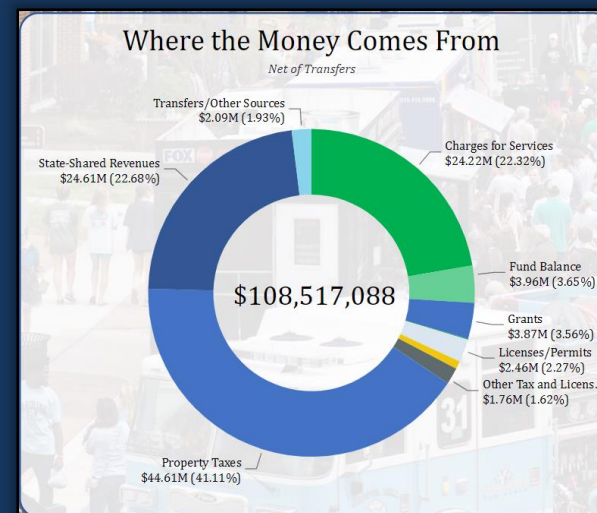
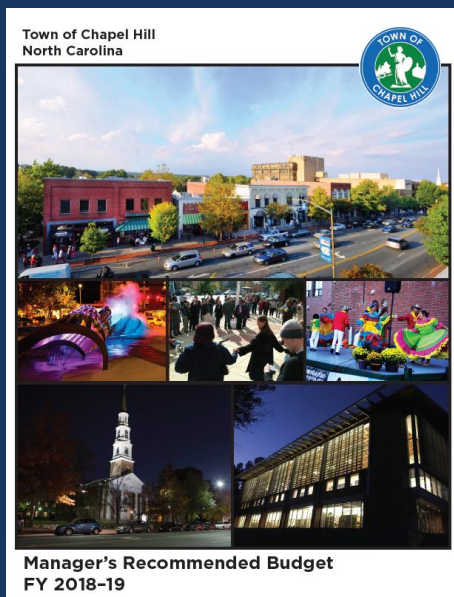
Cost Control Measures

- Deductible for employee medical insurance
- Maintain OPEB Funding at FY18 Level
- Reduction on Pay-go Capital of \$230,000
- General fund operating cost reduction \$472,000
 - Savings Invested in maintenance to avoid future costs



Budget Resources

- Budget Notebook
- Budget Dashboard
- Budget Development web-page
- Responses to your questions





Next Steps

- **May 9 – Public Hearing**
- **May 16 – Budget Work Session**
- **May 30 – Budget Work Session**
- **June 6 – Budget Work Session**
- **June 13 – Budget Adoption**