



# TOWN OF CHAPEL HILL

## Town Council Meeting Agenda

Town Hall  
405 Martin Luther King Jr.  
Boulevard  
Chapel Hill, NC 27514

Mayor Pam Hemminger  
Mayor pro tem Karen Stegman  
Council Member Jessica Anderson  
Council Member Camille Berry  
Council Member Tai Huynh

Council Member Paris Miller-Foushee  
Council Member Michael Parker  
Council Member Amy Ryan  
Council Member Adam Searing

**Wednesday, March 1, 2023 5:00 PM**

**Library Room B**

### Language Access Statement

For interpretation or translation services, call 919-969-5105.

ဘာသာပြန်ဆိုခြင်းနှင့် စကားပြန်ခြင်းအတွက်၊ (၉၁၉) ၉၆၉-၅၁၀၅ ကို ဖုန်းခေါ်ပါ။

Para servicios de interpretación o traducción, llame al 919-969-5105.

如需口头或  
书面翻译服  
务，请拨打  
919-969-5105.

လၢတၢ်ကတိၤကျိးထံ မ့တမၢ် လၢတၢ်ကွဲးကျိးထံ အတၢ်မၤစၢၤအဂီၢ် ၢ ကိးဘၣ် (၉၁၉)-၉၆၉-၅၁၀၅

### In-Person Meeting Notification

#### View the Meeting

- Public attendance is welcome.
- We will not live stream the event, but will provide the Post-Meeting Video <https://www.townofchapelhill.org/councilvideo/>
- The Town of Chapel Hill wants to know more about who participates in its programs and processes, including Town Council meetings.
- Participate in a voluntary demographic survey <https://www.townofchapelhill.org/demosurvey>.

#### Parking

- Parking is available at the Library lots. The Library is served by CL Route, D Route, and GoTriangle Routes of Chapel Hill Transit

#### Entry and COVID-19 Protocols

- Meeting Room B is to the right from the main entrance.
- Visitors and employees will self-screen. Do not enter if you have these symptoms: Fever, chills, cough, sore throat, shortness of breath, loss of taste

*or smell, headache, muscle pain*

## **ROLL CALL**

## **OPENING**

## **ANNOUNCEMENTS BY COUNCIL MEMBERS**

## **AGENDA ITEM**

1. Discuss American Rescue Plan Act, FY 2022 Excess Fund Balance, FY 2024 Budget and Five-year Budget Planning.

[\[23-0183\]](#)

PRESENTER: Chris Blue, Interim Town Manager  
Amy Oland, Business Management Director

The purpose of this item is for the Council continue the budget discussions from the recent Council Retreat.

## **REQUEST FOR CLOSED SESSION TO DISCUSS ECONOMIC DEVELOPMENT, PROPERTY ACQUISITION, PERSONNEL, AND/OR LITIGATION MATTERS**



# TOWN OF CHAPEL HILL

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Chapel Hill, NC 27514

## Item Overview

**Item #:** 1., **File #:** [23-0183], **Version:** 1

**Meeting Date:** 3/1/2023

### **Discuss American Rescue Plan Act, FY 2022 Excess Fund Balance, FY 2024 Budget and Five-year Budget Planning.**

**Staff:**

Chris Blue, Interim Town Manager  
Amy Oland, Director

**Department:**

Manager's Office  
Business Management

**Overview:** The purpose of this item is for Council to receive a recommendation for the remaining \$1.85 million in American Rescue Plan funds and the \$4 million FY 2022 excess fund balance appropriation with a goal of returning to Council on March 22 with a consent agenda to enact the budget ordinances on those two items. The item will also continue the discussion on the FY 2024 budget and five-year budget planning to respond to feedback from the Council retreat.



**Recommendation(s):**

That the Council:

- Continue the discussion on the American Rescue Plan Act and receive a recommendation for the remaining parks & recreation and greenways funds;
- Continue the discussion on the FY 2022 excess fund balance appropriation and receive a recommendation for the intended uses of these funds; and
- Continue the FY 2024 budget discussion and five-year budget planning from the recent Council Retreat.



**Attachments:**

- Draft Staff Presentation

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**The Agenda will reflect the text below and/or the motion text will be used during the meeting.**

**PRESENTER:** Chris Blue, Interim Town Manager  
Amy Oland, Business Management Director

The purpose of this item is for the Council continue the budget discussions from the recent Council Retreat.

# BUDGET WORK SESSION

March 1, 2023

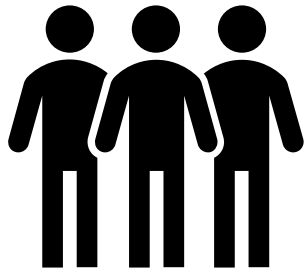
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# AGENDA

- ARPA Funding Recommendation
- FY 2022 Excess Fund Balance Recommendation
- FY 2024 Budget Discussion & Activity

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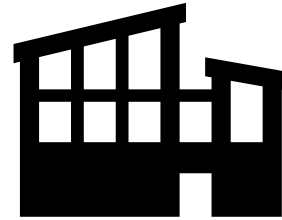
# FIVE YEAR PRIORITIES



**PEOPLE**



**SERVICES**



**FACILITIES**



**FLEET**



**HOUSING**

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**AMERICAN  
RESCUE  
PLAN ACT  
(ARPA)**

**REALITY CHECK**

- **We are running out of time** – projects must be under contract by 12/31/2024
- **We've talked about this a lot** - fourteen Council presentations
- **We have one pot of money left** – that could help address identified priorities

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# ARPA FUNDING ALLOCATIONS PLAN

• Community partner funding	\$ 1,000,000	}	\$10.7M
• Affordable housing/homelessness	2,500,000		
• Community based projects	500,000		
• ReVive program	650,000		
• <b>Parks &amp; Recreation facilities</b>	<b>*2,500,000</b>	}	<b>*1.85 million left to approve</b>
• <b>Bike, ped and greenways</b>	<b>*1,000,000</b>		
• Town facilities	1,200,000		
• Downtown revitalization	1,000,000		
• Digital access	300,000		

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# ARPA FUNDING RECOMMENDATION

## PARKS & RECREATION FACILITIES

• Inclusive Playground Equipment @ Community Ctr	\$ 500,000
• System-wide Playground Accessibility	285,000
• Skate Park Replacement	500,000
• Teen Center Study	<u>65,000</u>
	<b>\$ 1,350,000</b>

## GREENWAYS

• Bolin Creek Greenway Design (Umstead to Estes Drive Ext)	<b>\$ 500,000</b>
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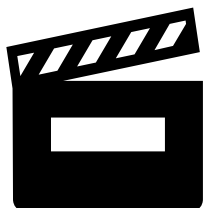
**DO WE HAVE A THUMBS UP FOR THIS ALLOCATION?**

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**FY2022  
EXCESS FUND  
BALANCE**

## **REALITY CHECK**

- **This is one-time funding**, not for needs with significant ongoing costs
- **We do not recommend additional appropriation**, based on best practices for fiscal stewardship
- **This is a both/and opportunity** - to fund organizational needs and Council priorities



140 West Parking Deck Repairs	\$ 240,000
Fire Station Design	200,000
American Legion Pond Dam	540,000
Facilities Maintenance	500,000
Public Safety Radios	250,000
Parks & Rec Field Painter	62,700
Council Chamber Upgrades (Hybrid)	250,000
Website Redesign	50,000
Vehicle Replacements	603,248
Motor Grader	240,000
Pilot EV Garbage Truck Match	330,552
LUMO Re-Write (Year 1 – 50%)	650,000
Fiscal Impact Study	70,000
Veteran's Memorial – Phase III	13,500
<b>TOTAL</b>	<b>\$ 4,000,000*</b>

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\*Assumes \$250,000 for Inman Property (Greene Tract adjacent) is funded with Council Initiatives funding

**DO WE HAVE A THUMBS UP FOR THIS ALLOCATION?**

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# **FY2024 BUDGET DISCUSSION**

- Tax Base/Tax Rate
- Partial vs Fuller Funding Scenarios
- Department Budget Examples
- Enterprise Fund Examples
- Interactive Budget Activity

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# TAX BASE - REALITY CHECK

**\$1 million** added to base = **\$5,220** in revenue

**\$97 million (1%)** added to base\* = **\$506,340** in revenue

\* \$97 million = 2 University Places or 3 Europa Centers or 4 AC Hotels

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# TAX RATE – REALITY CHECK

	FY09	FY10*	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18*	FY19	FY20	FY21	FY22*	FY23
<b>General Fund</b>	42.3	36.0	36.0	37.8	37.8	38.8	38.8	38.8	38.8	37.6	38.6	38.6	38.6	37.2	37.2
<b>Debt Fund</b>	11.0	9.3	9.3	7.5	7.5	7.5	8.5	8.5	8.5	8.2	8.2	9.8	9.8	8.8	8.8
<b>Transit Fund</b>	4.8	4.1	4.1	4.1	4.1	5.1	5.1	5.1	5.1	5.0	6.0	6.0	6.0	5.4	6.2
<b>Town Total</b>	<b>58.1</b>	<b>49.4</b>	<b>49.4</b>	<b>49.4</b>	<b>49.4</b>	<b>51.4</b>	<b>52.4</b>	<b>52.4</b>	<b>52.4</b>	<b>50.8</b>	<b>52.8</b>	<b>54.4</b>	<b>54.4</b>	<b>51.4</b>	<b>52.2</b>

\* Revaluation years

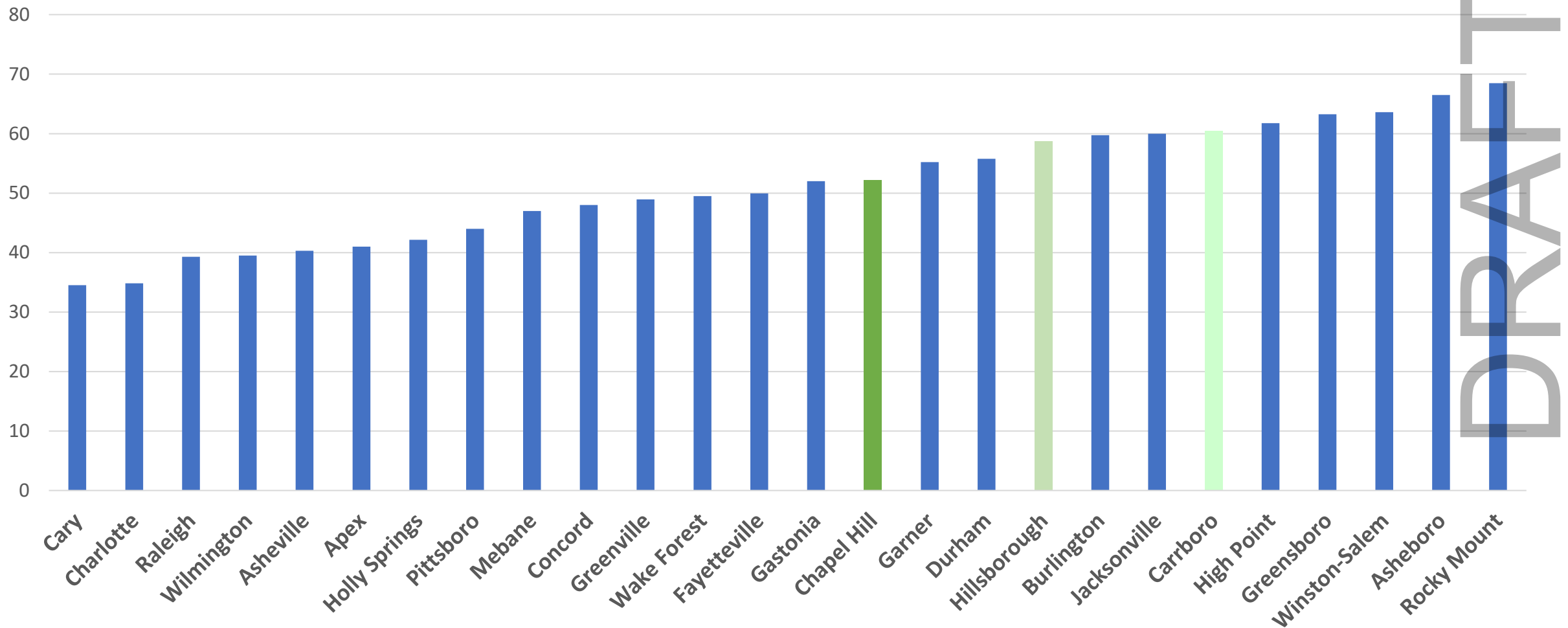
General Fund decreased 12%  
 Debt Fund decreased 20%  
 Transit Fund increased 30%

} FY09 – FY23



# TAX RATE – REALITY CHECK

Neighboring FY 23 Tax Rates: Town of Carrboro = 60.44 & Town of Hillsborough = 58.7



## **FIVE YEAR SCENARIOS**

- Based on Five Year Priorities
- Include \$\$ for Council initiatives
- Does not include a “zero” option

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# PARTIAL PRIORITIES SCENARIO

	FY 2024	FY 2025	FY 2026 *	FY 2027	FY 2028
<b>Staffing</b>	1,100,000	200,000	300,000	400,000	500,000
<b>Operations</b>	250,000	350,000	450,000	550,000	650,000
<b>Facilities</b>	250,000	250,000	250,000	250,000	250,000
<b>Fleet</b>	500,000	250,000	500,000	250,000	250,000
<b>Parks Capital</b>	971,000	18,000	18,000	18,000	18,000
<b>Fire Capital</b>	250,000	250,000	250,000	250,000	47,000
<b>Affordable Housing</b>	282,605	18,000	18,000	18,000	18,000
<b>Council Initiatives*</b>	500,000	0	0	0	0
<b>TOTAL</b>	<b>4,103,605</b>	<b>1,336,000</b>	<b>1,786,000</b>	<b>1,736,000</b>	<b>1,733,000</b>
<b>Scenario Proposal</b>	<b>4.00 cents</b>	<b>1.50 cents</b>	<b>1.50 cents</b>	<b>1.50 cents</b>	<b>1.50 cents</b>

# WHAT'S THE IMPACT OF A PENNY ON TAXPAYERS?

Property Valuation	Impact of a Penny	4 cent Impact
\$ 250,000	\$ 25	\$ 100
\$ 454,300*	\$ 45	\$ 180
\$ 750,000	\$ 75	\$ 300
\$ 1,000,000	\$ 100	\$ 400

\$ 13,000,000	\$ 1,300	\$ 5,200
\$ 64,000,000	\$ 6,400	\$ 25,600

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# FULLER PRIORITIES SCENARIO

	FY 2024	FY 2025	FY 2026 *	FY 2027	FY 2028
<b>Staffing</b>	1,500,000	750,000	750,000	750,000	750,000
<b>Operations</b>	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>Facilities</b>	1,000,000	1,000,000	500,000	500,000	250,000
<b>Fleet</b>	1,000,000	1,000,000	500,000	500,000	250,000
<b>Parks Capital</b>	971,000	18,000	18,000	18,000	18,000
<b>Fire Capital</b>	971,000	18,000	18,000	18,000	18,000
<b>Affordable Housing*</b>	282,605	18,000	18,000	18,000	18,000
<b>Council Initiatives</b>	500,000	0	0	0	0
<b>TOTAL</b>	<b>7,224,605</b>	<b>3,804,000</b>	<b>2,804,000</b>	<b>2,804,000</b>	<b>2,304,000</b>
<b>Scenario Proposal</b>	<b>7.50 cents</b>	<b>4.00 cents</b>	<b>2.75 cents</b>	<b>2.75 cents</b>	<b>2.25 cents</b>

\* - To meet Affordable Housing needs would take about 3 pennies financed over 20 years or 6 cents in FY 2024

# WHAT'S THE IMPACT OF A PENNY ON TAXPAYERS?

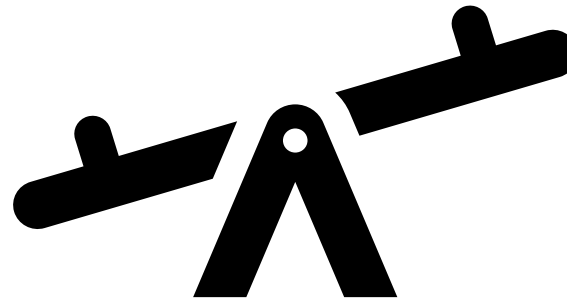
Property Valuation	Impact of a Penny	7.5 cent Impact
\$ 250,000	\$ 25	\$ 188
\$ 454,300*	\$ 45	\$ 341
\$ 750,000	\$ 75	\$ 563
\$ 1,000,000	\$ 100	\$ 750
\$ 13,000,000	\$ 1,300	\$ 9,750
\$ 64,000,000	\$ 6,400	\$ 48,000

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# REALITY CHECK – LIBRARY BUDGET

- Personnel
- Contracted Services
- Collections & Programs
- Staff Training & Development

**\$3.6 MILLION**



- Inflationary Costs
- Competing Priorities
- Community Demand
- Council Goals

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# REALITY CHECK – CAPA BUDGET

Target budget for CaPA	\$1 Million
<b>Personnel</b> Salaries & benefits	78%
<b>Contracted Services</b> Support for programs, software and services	20%
<b>Items “set” for budget</b> Computer use charges, telephone, cell phones	1%
<b>What’s left</b> Training, supplies, anything new	1%



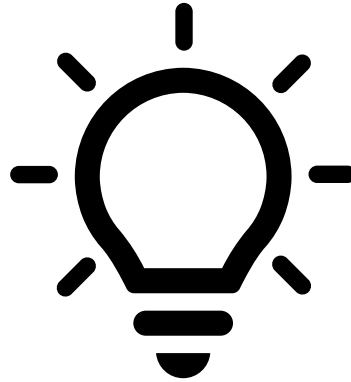
# REALITY CHECK – POLICE BUDGET

## \$15 MILLION



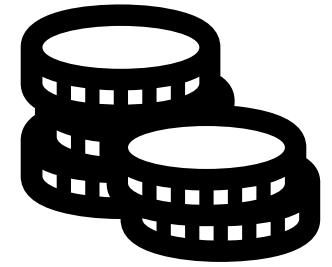
**89%**

**Personnel**



**9%**

**“Keep the  
Lights On”**



**2%**

**What’s  
Left**

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**ENTERPRISE  
FUNDS**

—

**TRANSIT**

**STORMWATER**

**PARKING**

**PUBLIC  
HOUSING**

## **REALITY CHECK**

- **Need to increase staff capacity**, in order to meet regular – and regulatory – demand.
- **We've absorbed annual increased costs**, resulting in an effective budget decrease.
- **Projects coming out of the ground soon**, but we aren't feeling their impact yet.

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**WHAT QUESTIONS DO YOU HAVE?**

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# **BUDGET INTERACTIVE ACTIVITY WITH COUNCIL**

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