



MANAGER'S OFFICE
Town of Chapel Hill
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May 5, 2023

Dear Mayor and Council,

After several years of conversation about our community's values, our needs, and our long-term vision, I am pleased to present a budget that implements long-awaited change.

We developed this recommendation as a team. Our departments have worked hard to identify our unaddressed core needs in support of the Council and the community's vision for Chapel Hill.

This budget includes a recommended increase of 5 cents to our tax rate because, as we have discussed with you, without additional revenues, we simply cannot keep pace with our basic services. For too many years, we have maintained funding levels while costs have risen and we are unable to continue operating this way. It is time to acknowledge that, in order to address the significant backlog of unaddressed needs, we need this increase. What I am recommending this year is not excessive. It only *begins* to address some of our needs, and we appreciate the Council's ongoing commitment to implementing a 5-year budget strategy to meet those long-term needs.

Instead of a lengthy written message, we have prepared a clear visual presentation to show the priorities this recommended budget will allow us to address: ***People, Services, Facilities, Fleet, and Housing***. This budget supports our employees, without whom we cannot deliver the exceptional service to which our community is accustomed, and it would begin to restore key operational funds for fleet, streets, greenways, and our departments' most critical needs. It brings the Affordable Housing Development Reserve to a full penny and includes a penny for Parks and Recreation, both of which are key elements of the Council's Complete Community Framework and the newly-adopted Council goals. There are also significant funds recommended to address the increased cost of services and the expansion of priority programs.

We appreciate the Council's collaborative approach to our budget conversations, and we look forward to your questions and continued support.

Sincerely,

Christopher C. Blue
Interim Town Manager