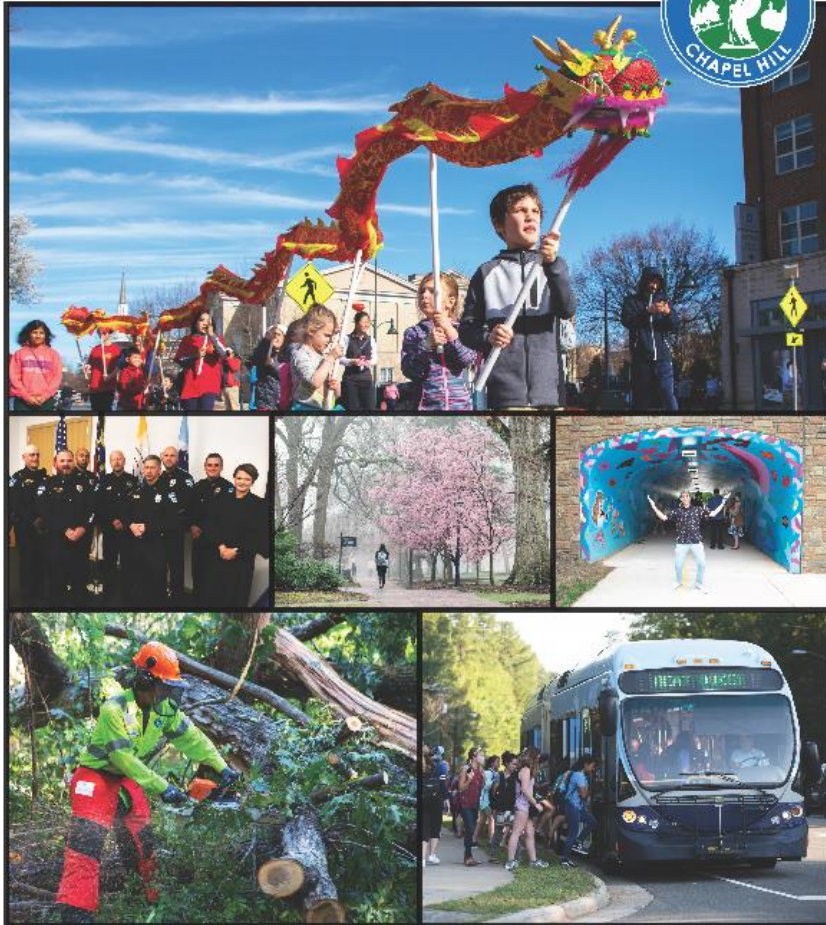


# PUBLIC HEARING: Manager's Recommended Budget FY2019-20

Town of Chapel Hill  
North Carolina



Manager's Recommended Budget  
FY 2019-20

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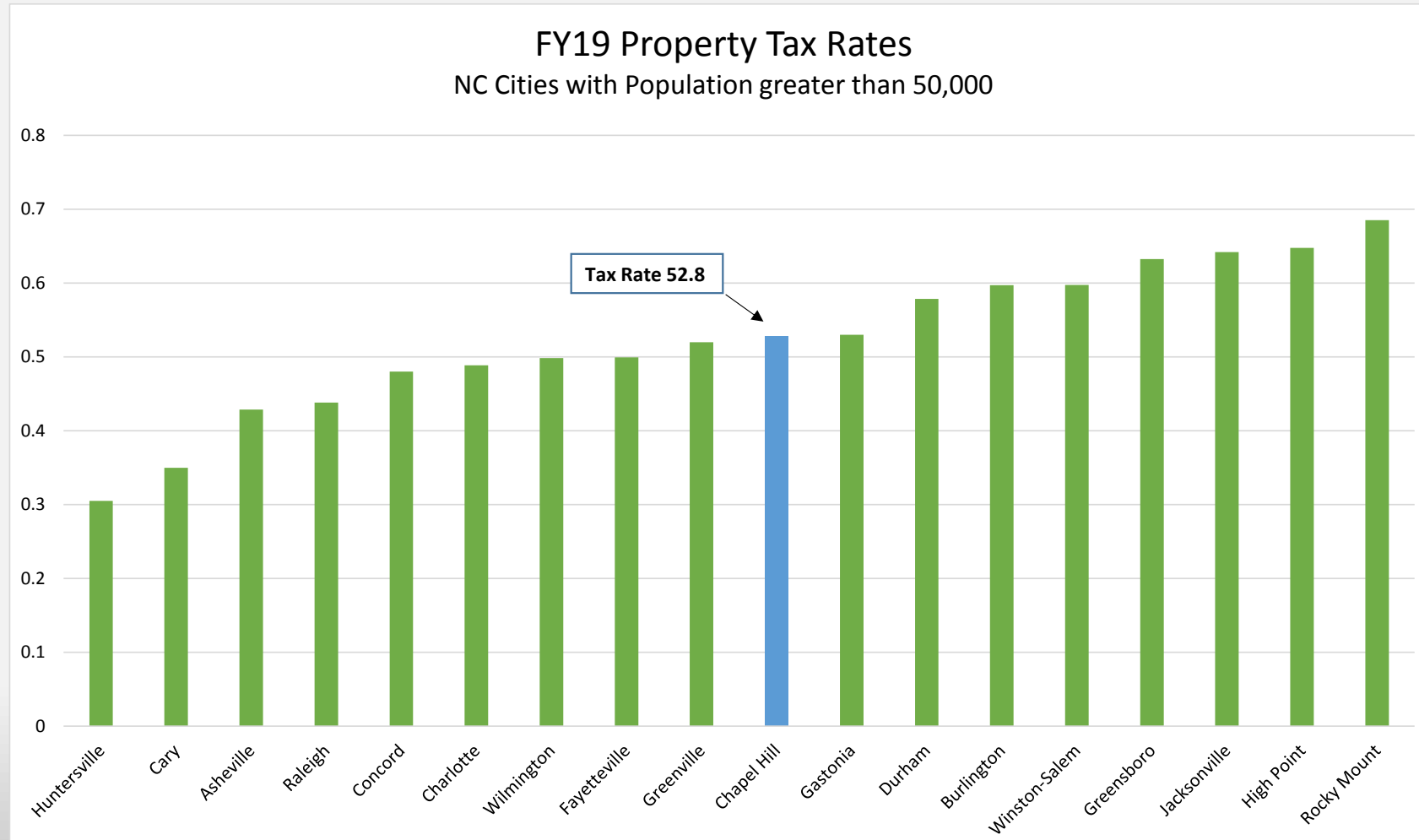
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# Recommended Budget Highlights

- Manager's Recommended Budget presented to Council on May 1<sup>st</sup>  
<https://www.townofchapelhill.org/town-hall/departments-services/business-management/budget/2019-20-recommended-budget>
- \$113,030,494 budget for all funds (3.7% increase from FY19)
- No Property Tax Increase for General Fund or Transit Fund
- 1.6 Cent Property Tax Increase for Debt Service Fund:
  - Support debt service for \$10 million Affordable Housing Bond (1 cent)
  - Support debt service for General Obligation Bonds (0.6 cent)

# Property Tax Rates



# Town Mission and Council's Goals

**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 Highlights

- Environmental Sustainability
  - \$315,000 for Coal Ash Remediation
  - \$50,000 to develop a Climate Action Plan
  - Debt service payments to complete Stormwater bond projects
- \$100,000 for Urban Design position
- No Change in Core Service Levels



# Recommended Budget Highlights

## Personnel

- 3% of Market Pay Raise (\$1,401,851)
- Living Wage Adjustment (\$47,915)
- 4.9% Medical Insurance Increase (\$358,301)
- 1.2% Retirement System Increase (\$515,000)
- Sworn Police Officer Pay Adjustments to recruit and retain officers (\$200,000)
- Comprehensive Classification and Compensation Study (\$100,000)



# Budget Resolution 2018-06-13/R-5.1

Framework for the FY 2019-20 Manager's Recommended Budget is centered around budget resolution 2018-06-13/R-5.1:

WHEREAS, the Council seeks to consider and review the foundational policies for budget development early in the process, including but not limited to:

- Investment in employee compensation to recruit, retain, and promote Town employees that carry out consistently excellent service to the community as well as the strategic priorities of the Town Council;
- Pre-funding contributions to Other Post-Employment Benefits (OPEB);
- Balancing growth in the property tax base and other revenue sources to cover the increasing costs of providing service;
- Targets for fund balance levels;
- Priorities for capital investments in infrastructure and facilities, including public transit rolling stock;
- Debt management;
- Operational trends, priorities and needs;

# Budget Resolution Highlights

- Investment in employee compensation
- Other Post-Employment Benefit pre-funding contributions
- Balancing growth in the property tax base to cover increasing expenditures
- Fund balance reserve target
- Capital investments
- Debt management
- Operational trends, priorities and needs



# Enterprise Fund Summary

- **STORMWATER FUND:**

- \$2.82 per ERU recommended fee increase to issue \$3.2 million GO bonds: Lake Ellen Flood Storage Project, Red Bud Flood Storage Project, Booker Creek Road Project



- **TRANSIT FUND:**

- No recommended tax increase; No proposed use of fund balance
- \$686,000 potential decrease in State Maintenance Aid Program funds
- \$1.3 million increase from Orange County Transit Plan for bus replacements

- **PARKING FUND:**

- Proposed use of fund balance of \$233,861 to balance budget
- No proposed parking fee increases
- Will review rate structure and hours in FY 2020

- **HOUSING FUND:**

- Less fund balance needed to balance as HUD contributions and rent increases



# Pending Budget Considerations

Potential amendments not included in Manager's Recommended Budget:

• Downtown Partnership Executive Director	\$ 10,000
• Food Council	\$ 29,110
• Community Home Trust	\$ 5,370
• Project to End Homelessness	<u>\$ 17,958</u>
	<b>\$ 62,438</b>

**Recommendation will be made for these items plus anything that arises from tonight's public hearing at the May 15<sup>th</sup> budget worksession**

# 5-Year Budget Plan

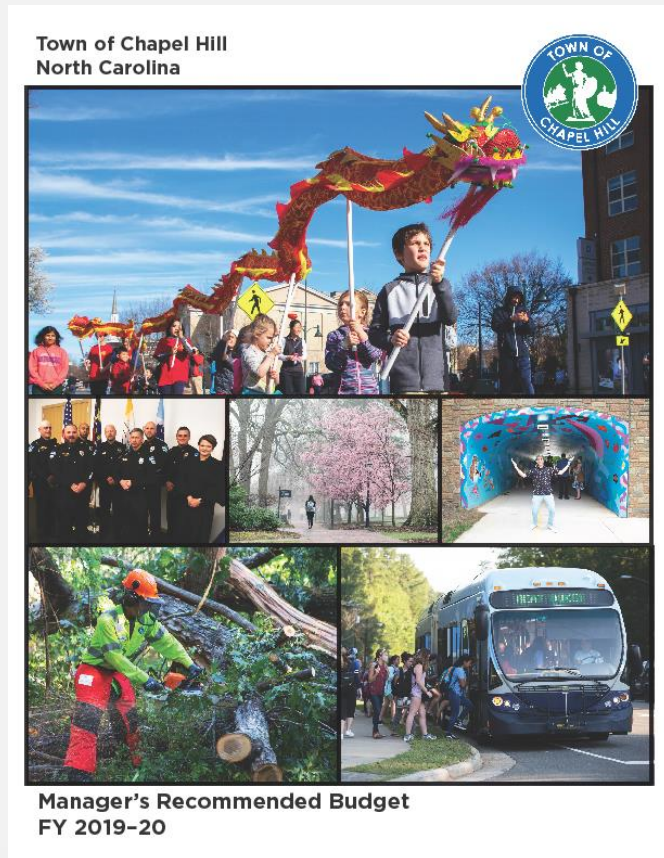
5-year long-range plan to accomplish:

- Environmental resiliency
- Connections between strategic work plans to budget program expansions
- Expansion of building maintenance and street paving programs
- Restoration of pay-go capital and vehicle replacement programs
- Sustainability of Town's enterprise funds
- Conversations with Council and community to begin Fall 2019

# Next Steps

- May 1      Presentation of Manager's Recommended Budget
- May 8      Public Hearing  
7:00 p.m. Council Chamber
- May 15     Budget Worksession  
6:30 p.m. Chapel Hill Public Library
- June 5      Budget Worksession  
6:30 p.m. Chapel Hill Public Library
- June 12     Proposed Budget Adoption  
7:00 p.m. Council Chamber

# Budget Resources



**Manager's Recommended  
Budget Notebook**

**2019-2020 BUDGET DEVELOPMENT**

Through the Town's annual budget process, the Town Council makes decisions on the level and types of services provided to residents with local, State and federal funds.

Adoption of a budget determines in many respects the level of resources to be available for Town services over the coming budget year. The budget process is one of the most important functions and responsibilities of the Council, and it is also a key opportunity for residents' participation in Town government.

The Town's [2020 Comprehensive Plan](#) will help guide the development of this and future budgets.

**BUDGET MEETINGS**

BUDGET MEETINGS	DISCUSSION / PURPOSE
January 25 - 26	<a href="#">Council Retreat</a>
February 20	<a href="#">Initial Public Forum</a>
March 4	<a href="#">Budget Work Session</a>
March 20	<a href="#">Public Forum</a>
May 1	<a href="#">Manager's Recommended Budget</a>
May 8	<a href="#">Public Hearing on Recommended Budget</a>
May 15	<a href="#">Budget Work Session</a>
June 5	<a href="#">Budget Work Session</a>
June 12	<a href="#">Proposed Date of Adoption of FY 2019-2020 Budget</a>

**Reports Made to Date**

- January 26, 2019
  - [Council Retreat - Budget Financial Overview Presentation](#)
  - [Davenport and Company - Discussion Materials](#)
- February 20, 2019
  - [FY20 Initial Budget Public Forum - Presentation](#)
  - [FY20 Initial Budget Public Forum - Memo](#)
  - [Attachment 1 - 2019 Council Retreat - Strategic Work Plans](#)
  - [Attachment 2 - FY2019-33 Capital Program](#)

**Budget Development Page on website:**

**<https://www.townofchapelhill.org/town-hall/departments-services/business-management/budget/2019-2020-budget-development>**



# Manager's Recommended FY20 Budget

**Council may open up the  
public hearing to receive  
comments from the public  
on the FY20 budget**

<https://www.townofchapelhill.org/town-hall/departments-services/business-management/budget/2019-2020-budget-development>