



Legislation Details (With Text)

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Title: FY 2021 Budget Update and Preliminary FY 2022 Budget Discussion.

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Attachments: 1. Draft Staff Presentation, 2. Staff Presentation, 3. Council Questions with Staff Response

Date	Ver.	Action By	Action	Result
3/31/2021	1	Town Council		received and filed

FY 2021 Budget Update and Preliminary FY 2022 Budget Discussion.

Staff:

Maurice Jones, Town Manager
Amy Oland, Director

Department:

Manager’s Office
Business Management

Key Topics: At the March 31st work session, staff will present an update on the current state of the FY 2021 budget and share preliminary projections for development of the FY 2022 budget. We will also briefly discuss the American Rescue Plan Act of 2021.

FY 2021 Budget Update

Staff will provide FY 2021 financials through the end of the 3rd quarter. We will focus on the Town’s largest revenue sources and those most impacted by the COVID-19 pandemic. Revenues will include: property tax collections, which are generally on-trend with past years; sales taxes, which have been erratic month-to-month through the first six months of this year, but are overall trending in a positive direction; occupancy taxes, which are significantly down over prior years; and department fees, with a focus on parks and recreation charges for services, which have also been negatively impacted due to facility closures and cancelled programming. The nature of this past year means identifying trends and making projections for next year is difficult, but it is fair to say that our conservative approach to budgeting, including our hiring freeze and budget cuts, means that we are likely to break even at the end this unprecedented year.

Developing the FY 2022 Budget

The Council began discussing budget priorities at their February 2021 retreat and the Manager has begun reviewing department budget presentations. As we collect new data about the end-of-year financials, staff will work with the Council in a series of discussions and updates to develop the Manager’s recommended budget. The Orange County property tax revaluation will be a key factor in the FY 2021-2022 budget. The anticipated increase in property values is one opportunity for the Town to fund new initiatives and to address long-standing maintenance and operations needs. Town staff will provide the Council with an analysis of the revaluation and options for the Council to consider at the April 14th work session.

The American Rescue Plan Act of 2021

The Town anticipates receiving direct Federal aid through the Coronavirus Local Fiscal Recovery Fund. The

funding will be limited to certain types of COVID-related recovery activities, but it is also an important piece of our budget planning. As additional guidance is available, staff will provide Council with updates and recommendations for leveraging those funds to aid our community's recovery from the COVID-19 pandemic.

Key Dates in the Budget Development Process

- **April 14** Budget Work Session
- **May 5** Presentation of Manager's Recommended Budget
- **May 12** Budget Work Session
- **May 19** Public Hearing
- **May 26** Budget Work Session
- **June 2** Budget Work Session
- **June 9** Proposed FY 2021-22 Budget Adoption

Information on the development of the FY 2022 budget can be found on the Town's website at www.townofchapelhill.org/budget <<http://www.townofchapelhill.org/budget>>.



Attachments:

- Draft Staff Presentation

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

PRESENTER: Maurice Jones, Town Manager
Amy Oland, Business Management Director

The purpose of this item is for staff to present an update on the current state of the FY 2021 budget and share preliminary projections for development of the FY 2022 budget. Staff will also briefly discuss the American Rescue Plan Act of 2021.