

Town of Carrboro



North Carolina



Adopted Budget

FY 2022-23

TOWN OF CARRBORO
NORTH CAROLINA

ADOPTED BUDGET
FISCAL YEAR 2022-23

TOWN COUNCIL

Damon Seils, Mayor
Susan Romaine, Mayor Pro-Tempore
Barbara Foushee
Ranee Haven-O'Donnell
Danny Nowell
Eliazar Posada
Sammy Slade

TOWN MANAGER

Richard J. White III, ICMA-CM

TOWN CLERK

Wesley Barker

DEPARTMENT HEADS

Chris Atack, Police Chief
Rebecca Buzzard, Housing & Community Services
Julie Eckenrode, Human Resources
Jon Hartman-Brown, Economic Development
Anita Jones-McNair, Recreation and Parks
Catherine Lazorko, Communication & Engagement
Arche L. McAdoo, Finance
Patricia McGuire, Planning
David Schmidt, Fire Chief
Daniel Snipes, Interim Public Works
Andy Vogel, Information Technology

Cover photo: Adams Tract – a woodland preserve in Carrboro
Photo credit: Carrboro's Communications and Engagement Department

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Reader's Guide to the Budget Document

The Mayor and Town Council adopt a balanced annual operating budget ordinance for the Town as required by the North Carolina General Statutes (GS 159-13). The budget document describes the economic, financial, and environmental factors that translate community values into a dynamic web of services that contribute to the town's desired quality of living.

In addition to presenting the town's annual budget, the budget document includes the multi-year, special revenue funds, the capital budget, and financial trends and projections for general fund revenues and expenditures to present a complete picture of the Council's commitments. The purpose of presenting this holistic picture is to assist the Town Council, town staff, and the community in understanding the impact that current decisions have on future resources and to assist with development of strategies to address potential changes or problems.

The budget document is divided into the following sections.

- Budget Message** – This section includes the Executive Summary that describes the fiscal environment faced by the Town and identifies the expenditure and revenue budget actions to be considered by the elected governing council. This section also includes the Town's budget ordinance appropriating projected revenues and expenditures for various funds.
- Community and Organizational Profile** – This section of the budget document highlights the demographic, economic and cultural characteristics of the Carrboro community, and the goals of the community expressed by the elected Council. It also describes the Town's budget process, financial policies, and other pertinent information.
- General Fund** - This is the Town's operating fund. The General Fund is organized around functional areas and sub-divided by department or expenditure category that is authorized within the budget ordinance. The General Government section includes numerous departments that support the Town's operations and other departments. Larger departments show divisions based on distinctive service provided along with a description of the department's purpose, service activities, coming year work plan goals, objectives, and projects, table of authorized positions, performance measures and spending history and budget.
- Special Revenue Fund** – The Town currently maintains the following Special Revenue Funds: Revolving Loan Fund, Energy Efficiency Revolving Loan Fund, Emergency Loan Fund, Affordable Housing Fund, Powell Bill Fund, American Rescue Plan Act Fund, and Grants Fund.
- Capital Projects Fund** – This fund includes all active capital projects of the Capital Projects Fund, Bond Fund, Facilities Rehabilitation projects, Capital Reserve Fund, and the Payment-in-Lieu Fund.

- ☐ **Enterprise Funds** – These are business type funds that are intended to generate sufficient revenues to become self-supporting. The Town has two Enterprise Funds: 1) Stormwater Utility Enterprise Fund supported by user fees for stormwater management and flood remediation activities; and 2) Parking Enterprise Fund currently supported by the General Fund for parking management.

- ☐ **Financial Trends - Past, Present, and Future** – This section provides information on the Town’s financial trends, past, present, and future. A companion document, “*Adopted Capital Improvement Program for FY 2022-23 Through FY 2026-27*” (CIP) describes capital improvement projects and identifies funding sources and expenditures for the next five fiscal years. This document is available at the following link. <http://www.ci.carrboro.nc.us/250/Financial-Documents>

- ☐ **Line-Item Budget** – This section provides a detailed listing of proposed expenditures by departments for the current and upcoming budget year, along with actual amounts from the previous fiscal year audit.

- ☐ **Glossary** – A list of common budgeting terms defined and explained.

Please direct comments or questions to:

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Budget information is also available for viewing on the Internet at:
www.ci.carrboro.nc.us/250/Financial-Documents



June 21, 2022

To: Mayor and Council Members:

I am pleased to submit the Manager's Adopted FY23 Budget for the Town of Carrboro. This budget totals \$90.9 million for all Funds as follows:

General Fund	\$ 27,667,675
Capital Projects Fund	50,825,396
Special Revenue Fund	11,156,649
Enterprise Fund	1,224,791
Total	<u>\$ 90,874,511</u>

After more than two years, the COVID-19 Pandemic continues to affect our lives and the economy. Competition for talent, supply chain issues, rising fuel costs, and overall inflationary pressures are also influencing the state and local economies and in turn, local government budgets.

As we continue to adjust to the changing landscape, the task of budgeting continues to be challenging. Nevertheless, we have produced, as best we can, a budget based on revenue projections that are not overly aggressive, nor unduly regressive. Since the COVID-19 Pandemic and its effects on the economy are still a bit uncertain, the Town may be required to make future budget adjustments depending upon the direction of the pandemic.

The General Fund is the Town's operating budget. This FY23 budget is expected to increase by 9.2% over the FY22 budget. This increase is attributable to additional staffing and associated costs, increases in personnel salary and benefits, and inflation factors for supplies and materials, and debt payments.

Property and sales tax revenues make up 75.0% of total general fund revenues in FY23. The total property tax valuation is estimated to be \$2,717,302,115 based on valuation by the Orange County Tax Administrator. This is a 2.6% increase over the past year's estimate. The total property tax valuation net of exemptions is estimated at \$2,587,095,676. There is no property tax rate increase for FY23. The property tax rate will remain at 0.5894 per \$100 of valuation for the General Fund, and 0.0150 per \$100 of valuation for the Affordable Housing Fund. Through thoughtful and careful planning and execution, the Town continues to remain in strong financial condition.

Employee recruitment and retention will be high priorities in the upcoming fiscal year due to the increased competition for talent in the local government employment sector. To be better prepared

to meet this challenge, the Town has a compensation and classification study underway which is expected to be completed by the fall of 2022. In the amended FY22 operating budget, funds were appropriated to implement the results and recommendations stemming from this study and will be carried over for use in FY23. As a first step, this budget provides for \$3,000 to be added to all full-time employees' salaries and prorated for part-time positions. Health insurance costs will increase by 15 percent.

This budget includes several new positions including an Assistant Town Manager and an Assistant to the Town Manager. With the promotion of two Assistants previously in the Town Manager's Office to department heads during FY21, the Town Manager's Office has had no formal administrative or programmatic support throughout the current fiscal year. These positions will re-establish a functional Town Manager's Office and provide for increased managerial capacity. In support of Council's Race and Equity priority, the Race and Equity Officer position is to be moved to the Town Manager's Office and will be assisted by a Race and Equity Manager. Other positions include a Grants Manager and moving the Communication and Engagement Specialist position to full-time.

With the adoption of *Carrboro Connects*, the five-year comprehensive plan, staff will be engaged in implementing the new plan which may require additional resources. The Town will continue to implement the Energy and Climate Protection Plan and the Community Climate Action Plan. The Energy and Climate Protection Plan seeks to reduce Town greenhouse gas emissions, become more energy efficient and generate more renewable energy. The Community Climate Action Plan articulates the Town's community greenhouse gas emissions reduction goals and emphasizes measures that the broader community is asked to take to achieve greenhouse gas reduction targets.

Special Revenue Funds change from year to year depending upon revenues from grants, revolving loan funds, and other program specific revenues. The Affordable Housing Fund seeks to increase affordable housing in the Town, and this continues to be a major goal of the Town Council. To provide a steady and reliable revenue stream for affordable housing, the FY19, FY20, and FY22 adopted budgets, each included a ½ cent property tax increase to be dedicated exclusively for affordable housing activities. This 1.5 cent property tax provides 100% property tax funding for the fund and will continue for FY23.

The American Rescue Plan Act, signed into law on March 11, 2021, provides funding to state and local governments to help them meet COVID-19 pandemic public health emergency response needs and rebuild a stronger, more equitable economy as the country recovers. The Town will receive \$6.7 million under this Act and may use the funds for the following purposes: 1) replacement of local government revenues for the provision of government services; 2) premium pay to essential employees; 3) assistance to small businesses, nonprofits, household and hard-hit industries, and economic recovery; and 4) investments in water, sewer, and broadband infrastructure. A proposed spending plan is under development.

The Capital Projects Fund at \$50.8 million includes projects that will add new or renovate existing Town infrastructure. These include construction of greenways throughout the Town, the 203 Project, and renovation of existing Town buildings. The 203 Project, a joint development of the

Town and Orange County, will house the Orange County Southern Branch Library, Orange County Skills Development Center, Town Recreation, Parks, and Cultural Programs, and other activities. Construction of this facility will start in June 2022 and will be located at 203 S. Greensboro Street. Several replacement vehicles will be purchased.

For renovation of existing Town buildings, a financing plan needs to be created to undertake these building improvements over the next five years. A comprehensive facility assessment has been completed which will be the basis of defining the necessary renovations and cost estimates.

The Stormwater Utility Enterprise Fund, established in 2017, to comprehensively address stormwater management and flood remediation needs throughout the Town is supported by user fees. The current user fee for stormwater ranges from \$75 to \$90 based on portion of property affecting stormwater management. Staff plans to conduct a comprehensive stormwater infrastructure assessment during FY23.

A Parking Enterprise Fund was created in FY21 to better manage and account for the costs to maintain “free parking” throughout the Town. A parking study has been completed and implementation recommendations are being prepared. These parking activities will continue to be supported by the General Fund in FY23.

On behalf of all Town of Carrboro employees, I want to thank the Mayor and Council Members for your leadership, vision and dedication to Carrboro’s unique identity and quality of life. I would also like to recognize and thank Department Directors, and especially Arche McAdoo, Finance Director, Cary McNallan, Deputy Finance Director, and the entire Finance Team for their dedicated efforts in the development of the FY23 Town budget.

The accompanying Executive Summary provides additional highlights of the overall budget and strategies for fiscal year 2023.

Sincerely,



Richard J. White III, ICMA-CM
Town Manager

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EXECUTIVE SUMMARY

BUDGET OVERVIEW

The budgeting process involves analysis and review of historical data and trends, the use of economic indicators and forecasting to estimate revenues for the upcoming fiscal year. At this time of year, the Town has typically collected the first six months of various revenues that are distributed by the State quarterly and/or monthly. Much of the narrative, on the following pages, speaks to the trends related to the first two quarters of revenues distributed by the State to the Town.

The pandemic has had a significant effect on the local, state, and national economy. Although it appears that the pandemic is subsiding and the economy is bouncing back to some degree, there is still much uncertainty ahead, which has made it challenging for forecasting revenues for the upcoming fiscal year. Because of this, we have tried to be conservative in our approach but still optimistic that the economy will continue to steadily improve in the months ahead despite the inflationary pressures that currently exist.

Economic indicators are that North Carolina will continue its slow, steady economic growth once the effects of the pandemic have dissipated. The March 2022 data from the Federal Reserve Bank of Richmond indicates housing starts in the United States increased 7.25% from the same period 12 months ago. In North Carolina, March 2022 housing starts were down 6.1% from a year ago. The housing price index in North Carolina for February 2022, compared to the same month a year ago, grew by 23.5 percent vs 20.0 percent for the United States.

North Carolina's unemployment rate was 3.5% as of March 2022, compared to 3.6% nationally. Similar figures for the same time last year were 5.2% and 6.0% respectively, which was during the middle of the pandemic. The dominance of the professional services sector and proximity to the University of North Carolina and Research Triangle Park helps keep the unemployment levels lower in the Carrboro area.

In his March 16, 2022 report, *The University of North Carolina-Charlotte Economic Forecast*, Dr. John Connaughton predicts that the state's Gross Domestic Product (GDP) will finish 2021 with an increase of 6.7 percent and will grow 3.3 percent above that in 2022. He predicts that retail trade (-0.9 percent) will grow slower than overall GDP, while hospitality and leisure will outpace overall growth at 9.3 percent.

North Carolina sales tax collections remained a strong point for revenues at both the state and local levels. Through the first half of FY22, distributions were slightly more than 18% ahead of FY21. It should be noted that in June 2018, the United States Supreme Court ruled that states have the

authority to require online retailers without a physical presence in the state to collect and remit sales taxes (*South Dakota v. Wayfair, Inc.*)

In Carrboro, the total number of residential building permits increased in 2021 from the prior year, but the total value of those permits decreased slightly. Commercial permits remained steady, but the total value increased sharply in 2021 from the prior year.

COMMERCIAL AND RESIDENTIAL TOWN PERMITS

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>COMMERCIAL PERMITS</u>		<u>RESIDENTIAL PERMITS</u>	
	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>
2009	320	1,581,608	425	19,858,118
2010	228	14,177,902	547	23,614,500
2011	123	2,794,123	556	16,089,505
2012	531	18,534,892	594	20,328,808
2013	395	6,926,461	539	21,670,200
2014	319	8,424,490	564	16,305,265
2015	370	8,098,185	621	20,965,551
2016	348	6,449,249	607	17,125,298
2017	297	3,489,324	624	19,431,014
2018	303	27,118,248	579	23,384,464
2019	120	10,858,919	631	22,566,174
2020	121	2,287,336	673	21,710,878
2021	115	4,664,640	781	21,632,976

Through March, general fund revenue collections for FY22 total \$21.6 million or 90.8% of the adopted budget. Last year, at this time, total general fund revenue collections were \$19.5 million or 85.8% of adopted budget. Property tax revenue collections to date are \$15.36 million, which exceeds the budget by 10.3%. Local sales tax revenues total \$3.2 million compared to \$2.7 million at the same time last year. Unrestricted and restricted intergovernmental revenues year-to-date are 45% and 34% of budget, respectively.

A key factor related to collection of sales tax and intergovernmental revenues is the lag period between collection by the State and distribution to local governments. The North Carolina Department of Revenue distributes local sale tax revenues to localities three months after the month in which they are earned, and intergovernmental revenues three month after the end of the quarter.

The Town continues to maintain its conservative approach in estimating revenues. The FY23 budget is based on revenue projections that are not overly optimistic, nor unduly pessimistic. The Town assumes that the North Carolina General Assembly will take no actions during its 2022 session that would negatively impact the Town’s existing revenue stream.

TOTAL TOWN BUDGET

In developing the FY23 budget, some operating expenses were increased due to inflationary pressures. These expense categories include fuel, computer supplies and equipment, and building repair materials. Capital item requests were re-prioritized, and some vehicle/equipment purchases deferred to future years. The major goals in developing the FY23 budget were to:

- Implement the Town Council’s strategic priorities,
- Manage costs while improving services to the residents,
- Develop a balanced budget,
- Retain valued town employees, and,
- Conceptualize a long-term financial sustainability plan for the Town.

The total FY23 General Fund Adopted budget is \$27,667,675, which is a 9.2% increase from the adopted budget of \$25.3 million last year, which included conservative estimates due to uncertainties from the ongoing pandemic. When all other funds are considered, the total FY23 Town budget of \$90.9 million is as follows:

BUDGET SUMMARY

	2021-22 Adopted Budget	2022-23 Adopted Budget	Amount Change	Pct Change
General Fund	25,347,801	27,667,675	2,319,874	9.2%
Special Revenue Funds	9,567,341	11,156,649	1,589,308	16.6%
Capital Project Funds	41,985,403	50,825,396	8,839,993	21.1%
<i>Total Governmental Funds</i>	<i>76,900,545</i>	<i>89,649,720</i>	<i>12,749,175</i>	<i>16.6%</i>
Enterprise Funds	1,261,754	1,224,791	(36,963)	-2.9%
Grand Total	78,162,299	90,874,511	12,712,212	16.3%

BUDGET PROCESS

The budget process is similar to past years. Departments are required to justify their operating budget for the continuation of services. There are no new or expanded services for FY23. The continuing budget includes adjustments for price increases in the cost of goods and services; and includes project and infrastructure expenditures reflected in the annual Capital Improvement Plan (CIP) which includes street resurfacing costs, replacement of vehicles and equipment, and debt service payments.

REVENUES

Carrboro’s revenue stream has two broad types of revenues: recurring revenues and other financing sources which represent certain one-time inflows of revenue. Recurring revenues consist of property taxes, local sales taxes, other taxes/licenses, and intergovernmental revenues. Together these revenues comprise approximately 86.5% of general fund revenues.

For FY23, total recurring revenues are projected to increase by 6.5% over the FY22 Adopted Budget. The projection for property tax revenues were increased over last year’s budget due to the Orange County property assessment revaluation that is effective January 1, 2021, and the resulting actuals recorded for FY22. Local sales tax was not greatly increased last year due to the anticipated downturn in the economy due to the continuing pandemic but are anticipated to continue their upward trend in the coming year. Other Taxes and Licenses are increasing due to a change in an accounting procedure related to the occupancy tax, whereas the FY22 payment of these funds to the Carrboro Tourism Development Authority was to be netted with revenues instead of being shown as an expenditure. This was later reversed as a revision to the original FY22 budget.

Intergovernmental revenues, which comprise 5.5% of general fund revenues, are expected to decrease by 25.9% due to an accounting change in FY22 that setup the Powell Bill funds in a special revenue fund and therefore approximately \$460,000 of intergovernmental revenues are no longer reported in the General Fund.

Recurring Revenues – General Fund

	2021-22 Adopted Budget	2022-23 Recommended Budget	Amount Change	Pct Change
Property Taxes	14,063,175	15,340,000	1,276,825	9.1%
Local Sales Tax	4,895,670	5,419,200	523,530	10.7%
Other Taxes & Licenses	1,457,589	1,652,822	195,233	13.4%
Intergovernmental	2,038,398	1,510,298	(528,100)	-25.9%
Grand Total	22,454,832	23,922,320	1,467,488	6.5%

Property and sales tax revenues make up 75.0% of total general fund revenues in FY23. The total property tax valuation is estimated to be \$2,717,302,115 based on valuation by the Orange County Tax Administrator. This is a 2.6% increase over the past year’s estimate. The total property tax valuation net of exemptions is estimated at \$2,587,095,676. There is no property tax rate increase for FY23. The property tax rate will remain at 0.5894 per \$100 of valuation for the General Fund, and 0.0150 per \$100 of valuation for the Affordable Housing Fund. Each penny of the tax rate is projected to generate approximately \$258,710. Property tax relief is available for the elderly, permanently disabled persons, and veterans who meet income and other specific exemption requirements.

Retail sales statewide in North Carolina continue to trend upward and consumer confidence is gaining momentum thanks to stimulus funds from the federal government and the development of the vaccines for COVID-19. Overall local sales tax revenues (\$3.23 million to date), reflecting six months of collections for the year, are 66.0% of the Town’s FY22 adopted sales tax revenue budget (\$4.90 million). According to the FY23 Revenue Projections Report by N. C. League of Municipalities, sales tax distributions to local governments by the state during the first six months of FY22 were up approximately 16.0% over the same period in FY21. The League of Municipalities anticipates that sales tax revenues statewide for the current fiscal year FY22 will

be 10.25% above the FY21 distributions. For next fiscal year, FY23 local sales tax revenues statewide are expected to increase by 3.75% of the FY22 actuals.

In FY15 municipalities experienced growth in electricity tax revenues due to a change by the General Assembly in the method of distribution for electricity and piped natural gas sales. This change required general sales tax to be collected by the state and then get allocated to municipalities based on 44% and 20% for electricity and natural gas, respectively. In the past these revenues have been distributed based on the services within municipal boundaries.

Electricity distributions to municipalities statewide for the first two quarters of FY-22 was up approximately 0.5% from the previous year. Yearly projections for statewide electricity revenues for FY22 are expected to increase by 1.25%. For FY23, they are projected to increase by 1.0%.

Sales tax on piped natural gas statewide, on a percentage basis, declined sharply under the new distribution formula. Through the first two quarters of FY22, natural gas revenues have been 9.5% higher over the same period in FY21. The N.C. League of Municipalities has projected those statewide distributions to municipalities for FY22 will be 4.25% less than the past year; and, for FY23 the projection is expected be 3.25% above that of FY22.

For FY22, the Town has collected \$497,145 (50.2% of budget) in electricity tax revenues, and \$13,419 (32.0% of budget) in piped natural gas. In projecting electricity and natural gas tax revenues, it is important to remember that these revenues will depend on weather, consumption, and price of the utility. Significant fluctuations in local weather patterns and conditions directly affect consumption and may not mirror the statewide trend.

Telecommunications Sales Tax revenues statewide have declined every year since FY09, although FY21 was close to flat from the previous year. Consumers are continuing to move away from landline telephone service to mobile telephone service. Annual statewide telecommunications revenues for FY22 are expected to decrease by 13.0%. Revenues are expected to decline 7.5% in FY23. For the first two quarters of this fiscal year FY21 the Town has received revenue of \$58,473 or 37.7% of the adopted budget.

Local Video Programming revenue distributions continue to decrease statewide. The continuing revenue declines are due primarily to TV customers “cutting the cord” in favor of streaming services. The cable TV industry has responded with more streamlined cable packages that are more attractive to customers and seems to be slowing the decline rate. Projections of future video programming revenue vary. The N.C. League of Municipalities expects that video programming distributions statewide will decrease by 3.0% FY22 compared to FY21 and will continue to decline in FY23 by 1.75%. For the first two quarters of FY22, the Town has received revenue of \$34,350 or 56.3% of the adopted budget

Municipalities with qualifying Public, Educational, and Governmental (PEG) channels are entitled to supplemental PEG channel support funds for up to three channels. The amount per channel for FY22 is approximately \$26,316 and is expected to remain about the same for FY23.

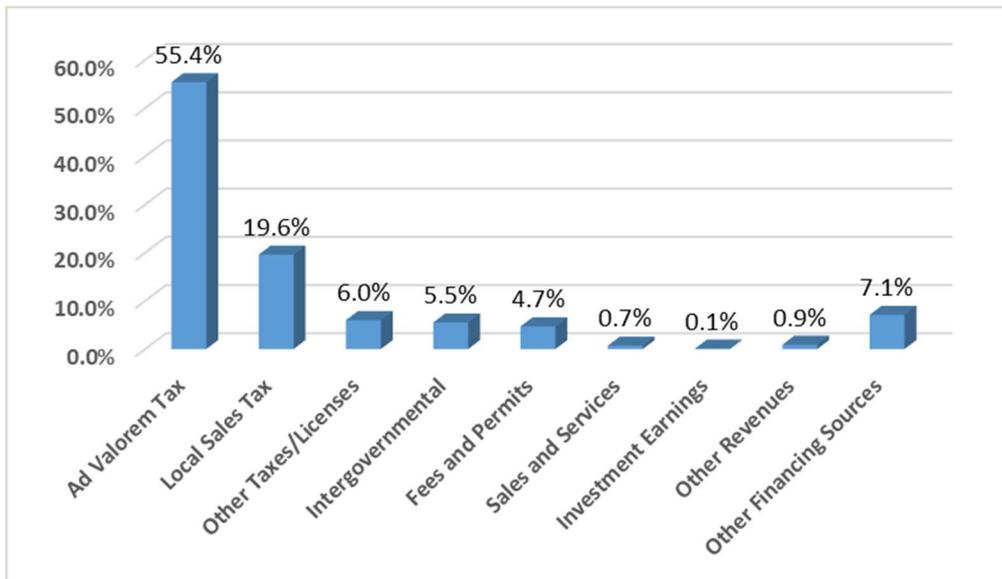
Beer and wine sales tax is an excise tax charged on the production of alcohol in North Carolina, and a portion is distributed to municipalities based on population. For FY22 state officials have indicated that beer and wine sales tax distributions will be 4.6% lower than last year and a 1.75% increase is expected for FY23.

OTHER FINANCING

Other financing sources in the General Fund include inter-fund transfers, installment financing and fund balance appropriation. For FY23 the fund balance appropriation will increase by \$795,002 or 66.8% over the adopted FY22 budget. This increase can be attributed to inflation for such things as building repair materials, computer supplies, fuel, equipment, and a transfer to the Affordable Housing Fund of \$188,193. The Fund Balance Appropriation in the FY23 budget is \$1,984,722 or 7.1% of the total General Fund adopted budget. The Town has a policy that “fund balance appropriation is not to exceed 10.0% of the total General Fund operating budget in any given year”.

With uncertainty about actual revenues and expected increased expenditures, Fund Balance Appropriation fills the gap. Historically, the Town budgets Fund Balance Appropriation, but has seldom needed to use it for actual expenditures due to revenues exceeding expenditures.

FY 2022-23 GENERAL FUND REVENUE SOURCES
% of Total \$27,667,675



EXPENDITURES

For FY23, total General Fund operating expenses increased by 9.2% over FY22. Of the total budget, personnel costs account for 61.0%, while operating costs account for 36.6%. Capital outlay and transfers account for the remaining 2.4%.

General Fund Budget Summary

	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	15,173,947	16,876,654	11.2%
Operating	9,308,954	10,140,068	8.9%
Capital Outlay	189,400	319,600	68.7%
Transfers	675,500	331,353	-50.9%
TOTAL	\$25,347,801	\$27,667,675	9.2%

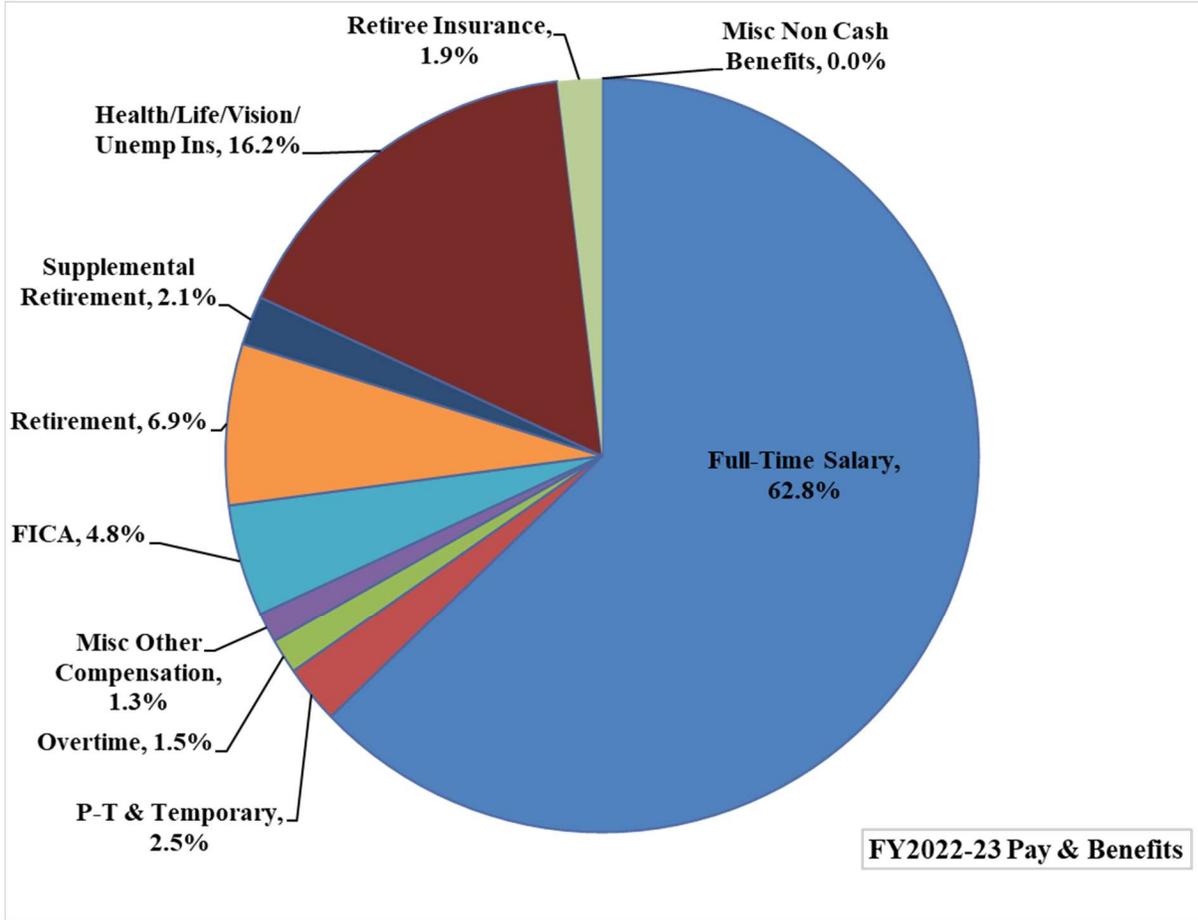
PERSONNEL

General Fund personnel costs are expected to increase by 11.2% and the number of full-time equivalent positions will increase by 4.5 to 174.0. Funds to cover the salary adjustments and benefit cost increases are budgeted in the Non-Departmental budget.

The increase in personnel costs is partially due to the addition of several positions. These include restoring an Assistant Town Manager position and an Assistant to the Town Manager position. With the promotion of two assistants previously in the Town Manager's Office to department heads during FY21, the Manager's Office has not had any formal administrative or programmatic support throughout the current fiscal year. These positions will re-establish a functional Town Manager's Office. To support the Town Council's Race and Equity priority, two new positions are included, a Chief Race and Equity Officer and a Race and Equity Manager. These positions will be moved to the Town Manager's Office. Also, the Communication and Engagement Specialist position will change from part-time to full-time. A Grants Manager position will be added to the American Rescue Plan Act Fund for FY23 and will be funded with grant funds.

Other factors affecting personnel costs include: a) projected 15.0% increase in health insurance premiums; b) increases in employer contribution rate to Local Government Employees Retirement System, and c) across the board pay adjustments to permanent employees of a flat \$3,000 per employee (pro-rated for part-time permanent employees), which will be added to base salary.

FY 2022-23 Pay and Benefits



As part of a five-year plan, contribution rates for the Local Government Employees’ Retirement System (LGERS) will increase from 11.40% to 12.10% for general employees; and, from 12.04% to 13.10% for law enforcement officers in FY23. Below is the schedule of contribution rates through FY23.

Fiscal Year	LGERS Employer Contribution Rate	
	General Employees	Law Enforcement Officers
2018-19	7.75%	8.50%
2019-20	9.01%	9.70%
2020-21	10.20%	10.84%
2021-22	11.40%	12.04%
2022-23	12.10%	13.10%

OPERATIONS EXPENSES

General Fund operating expenses in FY23 will increase by 9.2% from \$9,308,954 to \$10,140,068. In addition to maintaining the existing service levels, funds are budgeted for Employee and Organizational Development activities (e.g., risk management/safety, Government Alliance on Race and Equity (GARE) training, supervisor training, etc.). The Town will continue with the implementation of its Energy and Climate Protection Plan (ECPP) and the Community Climate Action Plan (CCAP). Particular attention will be given to new projects to incorporate energy savings strategies with the goal of reducing operating costs and greenhouse gas emissions.

CAPITAL OUTLAY

Capital outlays in the General Fund will increase by 68.7% from \$189,400 to \$319,600 in FY23, and include snow removal and lawn equipment, IT equipment, firearm training system, K-9 police dog, and transit vehicle replacement cost. In the Capital Projects Fund, the Town is financing a major building (The 203 Building) in FY23 as well as lease purchases for the following vehicles and equipment. For more information on capital projects, see the Capital Projects Fund section on page 146.

Department	Vehicles/Equipment	Cost Estimate
Fire	Ford Hybrid PIU	58,000
Public Works	Isuzu ODB Leaf Truck	195,000
Public Works	Ford F-250	45,000
Rec and Park	Ford F-150 Hybrid	38,000
Rec and Park	Ford Maverick	32,000
	Total	\$ 368,000

As part of the Town's ECPP, police patrol vehicles will continue to be equipped with a Havis Idle Manager. This allows officers to operate mission critical electrical loads such as lights, radio, laptop, and in-car video system without the engine running. This idle manager also reduces unnecessary engine idling, saves fuel, reduces wear and tear on engines, and reduces greenhouse gas emissions. In FY23 the Town anticipates completion of a fleet study and analysis of alternatives to the current gas driven fleet to reduce greenhouse gas emissions.

SPECIAL REVENUE FUND

The Special Revenue Fund accounts for revenues and expenditures legally restricted or designated by the Town Council for specific program activities or services. Included in the Special Revenue Fund are: revolving loans for economic development, energy efficiency loans, business loan programs, affordable housing, Powell Bill funds for street maintenance, pandemic relief funding, grants administration, and American Rescue Plan Act funding.

The total budget for the Special Revenue Fund in FY23 is \$11.2 million dollars.

SPECIAL REVENUE FUND SUMMARY

	Adopted Budget FY2021-22	Adopted Budget FY2022-23	Amount Change	Pct Change
Fund:				
Affordable Housing	338,525	568,423	229,898	67.9%
Grant Administration	1,723,249	1,918,824	195,575	11.3%
Powell Bill	0	560,600	560,600	#DIV/0!
American Rescue Plan Act	6,200,000	6,754,699	554,699	8.9%
Emergency Loans	584,473	636,063	51,590	8.8%
Revolving Loans for Energy Efficiency	241,703	205,227	-36,476	-15.1%
Revolving Loans for Economic Development	479,391	512,813	33,422	7.0%
Totals	\$9,567,341	\$11,156,649	\$1,589,308	16.6%

For FY23, 1.5 cents of the property tax will continue be dedicated to the Affordable Housing Fund. A General Fund transfer of \$188,193 will provide additional funding for the Affordable Housing Fund.

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for capital projects that are financed by the General Obligation bonds, other debt instruments, and pay-go for the construction or acquisition of a capital assets. Included in the Capital Projects Fund are: capital projects; GO bonds for sidewalks and greenway; facilities rehabilitation projects; capital reserves; and payment in lieu.

Capital projects (i.e., those costing more than \$100,000 or take more than one year to complete) are generally planned for in the Capital Improvements Plan (CIP). Capital projects are funded by the adoption of a Capital Project Ordinance by the Town Council that requires a balanced budget (i.e., expenses equal anticipated revenues) and is in effect until completion of the project.

Contingent upon fund balance ratios in the Town’s General Fund being within the stated policy goal of 22.5% to 35.0%, the Town Manager may assign the amount above 35% for future capital projects. On June 30, 2021, unassigned fund balance in the General Fund exceeded 35.0%. The Town Manager, in accordance with Town policy, assigned \$2.0 million for future capital projects. The Town Council is required to take formal action to commit the use of fund balance for specific proposed projects or any other activities.

The total Capital Project Fund budget for FY23 is \$50.8 million. The largest project is the development of the facility at 203 South Greensboro Street. This is a joint project by Orange County and the Town at an anticipated cost of \$41.2 million. This project will house the Orange County Southern Branch Library, Orange County Skills Development Center, Town Recreation, Parks, and Cultural Resources administrative offices, and several other compatible uses. In May

2022, the Town finalized installment financing in the amount of \$12.65M to assist with its share of the project costs.

Budget Summary - CAPITAL PROJECT FUNDS

Fund:	Adopted Budget FY2021-22	Adopted Budget FY2022-23	Amount Change	Pct Change
Capital Projects	\$ 33,233,356	\$ 44,557,221	\$ 11,323,865	34.1%
GO Bonds, Sidewalks and Greenways	7,911,177	5,705,097	(2,206,080)	-27.9%
Facilities Rehab	840,670	562,853	(277,817)	-33.0%
Other	200	225	25	12.5%
Totals	\$ 41,985,403	\$ 50,825,396	\$ 8,839,993	21.1%

In the GO Bond Sidewalk and Greenways Fund, the Town has been able to leverage state/federal funding for several of the sidewalk and greenway projects.

Project	Federal State	Local	Other	Total Funding
Morgan Creek Greenway Ph1	1,254,000	113,663	374,837	1,742,500
S Greensboro St Sidewalk	2,301,769	183,153	377,340	2,862,262
Jones Creek Greenway	680,200	170,050		850,250
Totals	4,235,969	466,866	752,177	5,455,012
% of Total	77.7%	8.6%	13.8%	100.0%

Because capital projects can affect all categories of spending in the operating budget, it is important to have a systematic planning process to prioritize needs, as well as identify possible financing plan. The Town Manager is responsible for developing and maintaining a five-year Capital Improvement Plan (CIP) that includes long-term maintenance, infrastructure needs, and technology needed for the community. As part of the Town’s ECPP and CCAP, all capital projects are to be evaluated for energy savings and greenhouse gas emissions reductions. The CIP through FY 2027 can be reviewed on the Town’s web site at:

www.ci.carrboro.nc.us/250/Financial-Documents

CONCLUSION

After nearly two years of enduring the COVID-19 pandemic, economic conditions appear to be on the rebound. The physical, emotional, and financial toll on residents has been significant. The production of multiple vaccines has given hope of a brighter tomorrow. Government subsidies from the national level have provided much needed relief.

However, inflation continues to be high and interest rates are increasing which may temper the economy in the upcoming year. Therefore, the budget was created with optimism that revenues

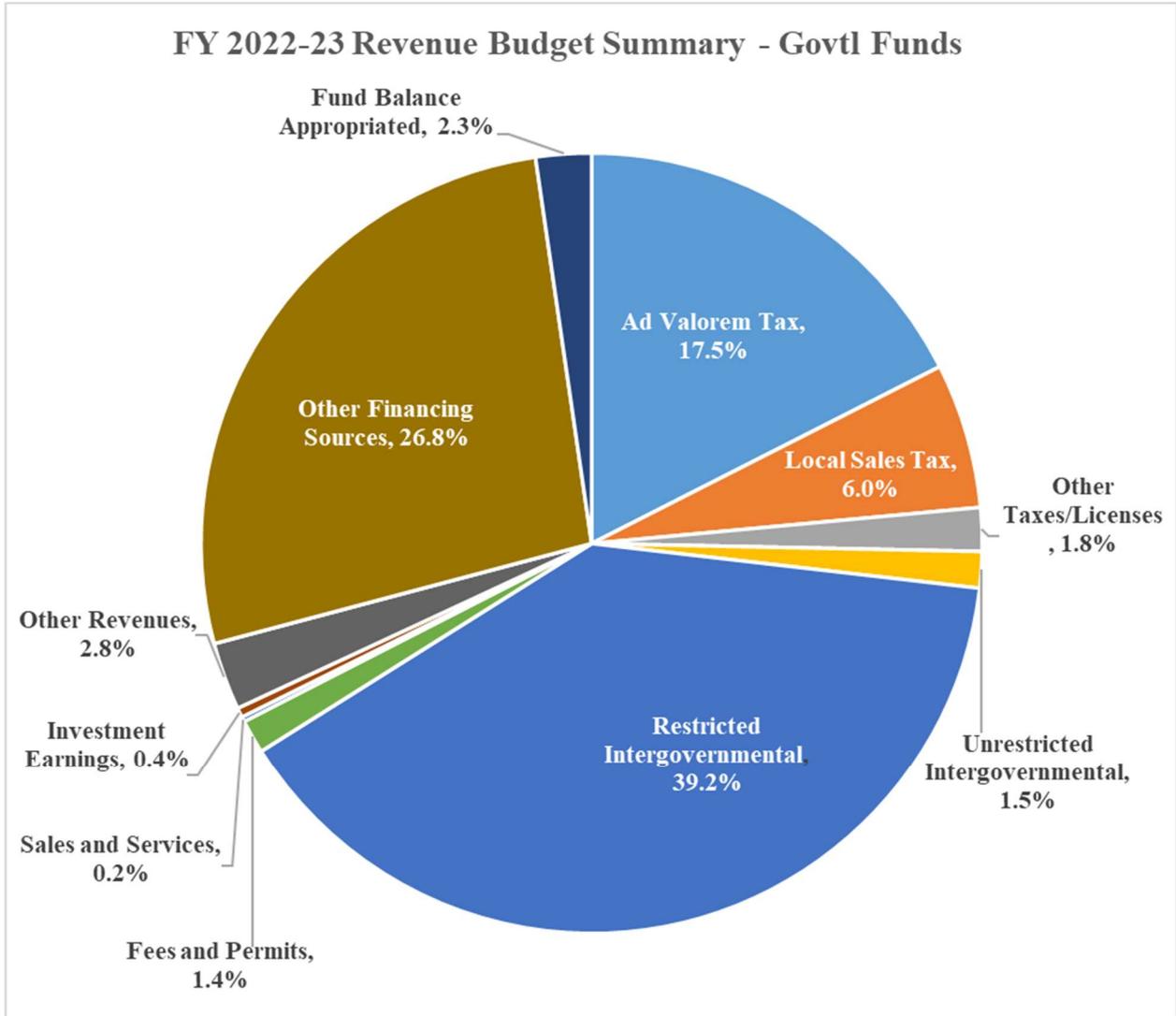
will regain some momentum, but it was also developed using a conservative approach for the overall budget. Budgeted Town revenues for FY23 are above last year's figures, and Town expenditures are slightly higher compared to FY22 to account for a portion of the inflationary increases.

The Town has begun to implement its energy and climate protection plan with the goal of not only saving energy, but also reducing operating costs as well. All capital projects, including vehicles and equipment, will be considered for energy saving measures that will also lead to reduced operating costs. As in the past, all investments in capital equipment will be scrutinized from a cost-benefit analysis and to fully gain maximum use of the asset possible.

Careful and balanced choices are presented in the FY23 budget that provide for continued delivery of quality services, carrying out Town Council priorities, maintaining financial strength, and retaining talented and productive employees.

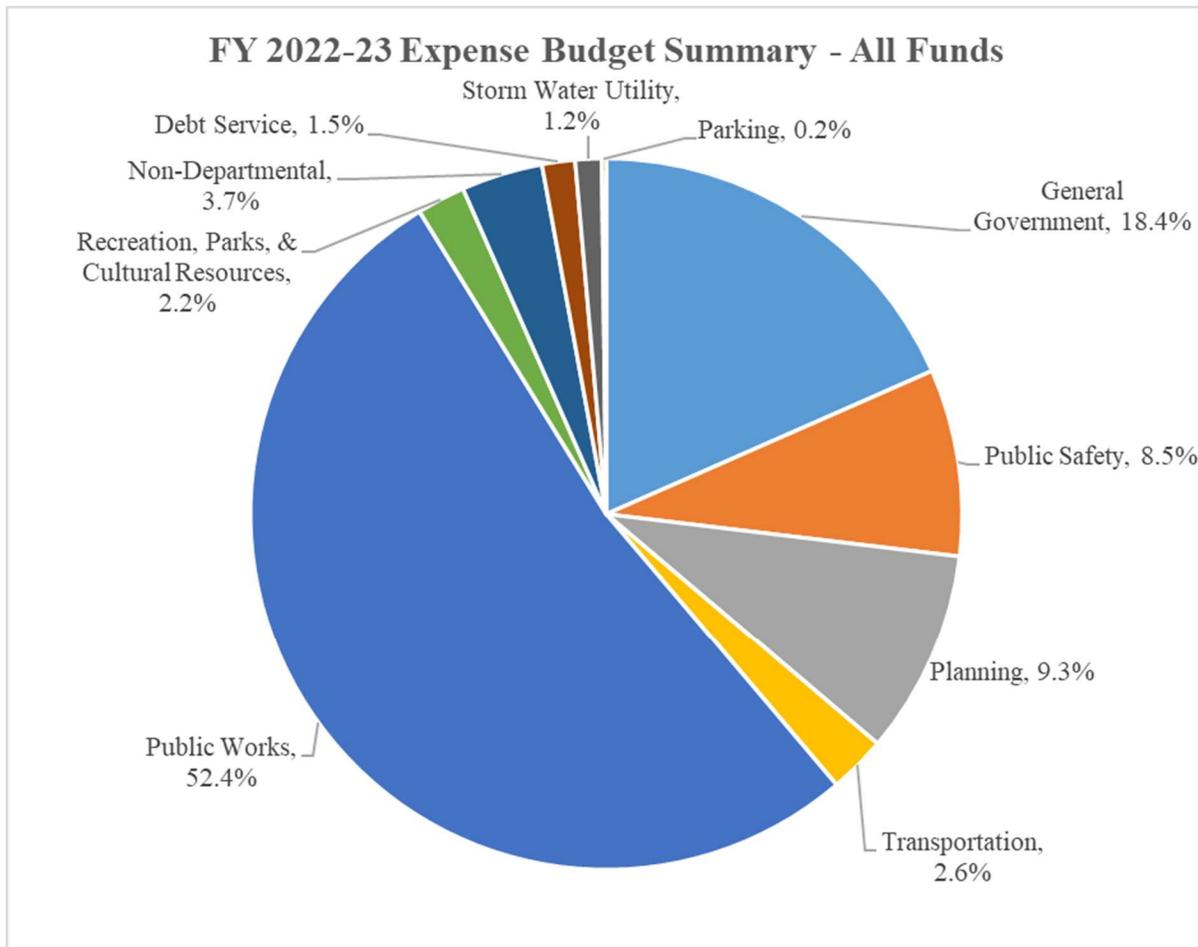
FY 2022-23 Revenue Budget Summary - All Funds by Major Fund

	General Fund	Special Revenue Funds	Capital Funds	Total All Govtl Funds	Percent All Govtl Funds	Enterprise Funds
Ad Valorem Tax	\$ 15,340,000	\$ 380,180		\$ 15,720,180	17.5%	
Local Sales Tax	5,419,200			5,419,200	6.0%	
Other Taxes/Licenses	1,652,822			1,652,822	1.8%	
Unrestricted Intergovernmental	1,351,000			1,351,000	1.5%	
Restricted Intergovernmental	159,298	7,416,193	\$ 27,542,028	35,117,519	39.2%	
Fees and Permits	1,299,813			1,299,813	1.4%	\$ 1,025,000
Sales and Services	184,700			184,700	0.2%	
Investment Earnings	15,000	248,585	51,903	315,488	0.4%	530
Other Revenues	261,120	2,239,970		2,501,090	2.8%	300
Other Financing Sources	-	791,321	23,231,465	24,022,786	26.8%	143,160
Fund Balance Appropriated	1,984,722	80,400		2,065,122	2.3%	55,801
Totals	\$ 27,667,675	\$ 11,156,649	\$ 50,825,396	\$ 89,649,720	100.0%	\$ 1,224,791



FY 2022-23 Expense Budget Summary - All Funds

	General Fund	Special Revenue Funds	Capital Funds	Total All Govtl Funds	Enterprise Funds
General Government	\$ 7,016,275	\$ 9,604,800	\$ 120,000	\$ 16,741,075	
Public Safety	7,744,873	-	-	7,744,873	
Planning	1,646,398	168,000	6,599,162	8,413,560	
Transportation	2,108,180	-	288,000	2,396,180	
Public Works	4,056,942	1,383,849	42,157,808	47,598,599	
Recreation, Parks, & Cultural Resources	1,980,683	-	110	1,980,793	
Non-Departmental	1,746,107	-	1,660,316	3,406,423	
Debt Service	1,368,217	-	-	1,368,217	
Storm Water Utility	-	-	-	-	\$ 1,081,601
Parking	-	-	-	-	143,190
Totals	\$ 27,667,675	\$ 11,156,649	\$ 50,825,396	\$ 89,649,720	\$ 1,224,791



A motion was made by Council Member Posada, seconded by Council Member Foushee, that the ordinance be approved.

ANNUAL BUDGET ORDINANCE FY 2022-23
Town of Carrboro, North Carolina
ORDINANCE NO. 12 / 2022-23

WHEREAS the recommended budget for FY 2022-23 was submitted to the Town Council on May 24, 2022, by the Town Manager pursuant to G.S. 159-11 and filed with the Town Clerk pursuant to G.S. 159-12; and

WHEREAS, on June 7, 2022, the Town Council held a public hearing on the budget pursuant to G.S. 159-12; and

WHEREAS, on June 21, 2022, the Town Council adopted a budget ordinance making appropriations and levying taxes in such sums as the Town Council considers sufficient and proper in accordance with G.S. 159-13;

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF CARRBORO, NORTH CAROLINA:

ARTICLE I – GENERAL FUND

Section 1. General Fund Appropriations

The General Fund is the Town of Carrboro’s operating account. The following amounts are hereby appropriated by function for the operation of the Town and its activities for the fiscal year beginning July 1, 2022, and ending June 30, 2023:

GENERAL GOVERNMENT		\$ 7,016,275
Mayor and Town Council	\$ 436,713	
Advisory Boards	60,600	
Town Manager	747,767	
Economic Development	395,916	
Climate Action	217,846	
Communication & Engagement	245,808	
Housing & Community Services	600,129	
Town Clerk	147,240	
Finance	1,299,080	
Human Resources	712,094	
Information Technology	2,153,082	
PUBLIC		7,744,873
SAFETY	4,498,675	
Fire	3,246,198	
PLANNING		1,646,398
TRANSPORTATION		2,108,180
PUBLIC WORKS		4,056,942
RECREATION, PARKS, & CULTURAL RESOURCES		1,980,683
NONDEPARTMENTAL		1,746,107
DEBT SERVICE		<u>1,368,217</u>
TOTAL GENERAL FUND		<u>\$ 27,667,675</u>

Section 2. General Fund Revenues

It is estimated that revenues from the following major sources will be available during the fiscal year beginning July 1, 2022, and ending June 30, 2023, to meet the general fund expenditures:

Ad Valorem Tax	\$ 15,340,000
Local Sales Tax	5,419,200
Other Taxes/Licenses	1,652,822
Intergovernmental	1,510,298
Fees and Permits	1,299,813
Sales and Services	184,700
Investment Earnings	15,000
Other Revenues	261,120
Other Financing Sources	1,984,722
Total General Fund	\$ 27,667,675

ARTICLE II – AFFORDABLE HOUSING SPECIAL REVENUE FUND

Section 1. Affordable Housing Fund Appropriation

The Affordable Housing Special Revenue Fund was created by the Town Council to increase the stock of affordable, safe and decent housing within the Town and its’ planning jurisdiction. The following amounts are hereby appropriated for Affordable Housing Special Revenue Fund activities:

Community Home Trust	\$ 73,452
Home Consortium Match	14,000
Partnership to End Homelessness	131,677
Interfaith Council Housing	92,950
AHSRF Deferred Loan Program	5,000
Affordable Hsg Advisory Board	500
Critical Home Repair	80,000
Rental Deposits Program	37,000
Acquisition and Development	120,000
Unexpended Reserves	13,844
Total Appropriation	\$ 568,423

Section 2. Affordable Housing Special Revenue Fund Revenues

There is hereby levied a tax rate of \$.0150 (1.5 cent) on each one hundred dollars (\$100) valuation of taxable property as listed for taxes on January 1, 2022, that shall be devoted solely to the affordable housing activities noted above. In addition, an amount of \$188,193 will be transferred in from the General Fund.

ARTICLE III – CAPITAL PROJECTS

Pursuant to GS 159-13.2, the Town Council may authorize and budget for capital projects and special revenue funds in its annual budget or project ordinance. The project ordinance appropriates revenues and expenditures for however long it takes to complete the project rather than for a single fiscal year.

ARTICLE IV – STORMWATER UTILITY ENTERPRISE FUND

Section 1. Stormwater Utility Enterprise Fund

The purpose of the Stormwater Utility Enterprise Fund is to comprehensively address stormwater management and flooding issues throughout the Town, including making sure the Town stays in compliance with state and federal rules and regulations. A total of \$1,081,601 is appropriated for stormwater activities.

Section 2. Revenues for Stormwater Utility Enterprise Fund

Revenues to support stormwater activities are generated through the fee structure established in the Town Code, Chapter 18, Article II, Section 18-6.

ARTICLE V – PARKING ENTERPRISE FUND

Section 1. Parking Enterprise Fund

The purpose of the Parking Enterprise Fund is to manage parking facilities and services within the Town and monitor related expenses. A total of \$143,190 is appropriated for parking activities.

Section 2. Revenues for Parking Enterprise Fund

Revenues to support the Parking Enterprise Fund include a transfer of funds in the amount of \$143,160 from the General Fund to the Parking Enterprise Funds.

ARTICLE VI – MISCELLANEOUS FEES AND CHARGES

Charges for services and fees by Town Departments are levied in the amounts set forth in the Miscellaneous Fees and Charges Schedule (Attachment F-1 to this ordinance) as adopted by the Town Council.

ARTICLE VII – GENERAL AUTHORITIES

Section 1. The following authorities shall apply:

- a. The Town Manager may transfer funds between departments and functions within the General Fund for pay adjustments; service level benefits; law enforcement separation allowance; unemployment insurance; retiree, dependent, health insurance benefits; and, for any other purpose deemed necessary by the Town Manager without further action by the Town Council.

Noes: Council Member Sammy Slade

I, Wesley Barker, Town Clerk for the Town of Carrboro, NC, do hereby certify that the foregoing document is a true and correct copy of a resolution adopted by the Carrboro Town Council.



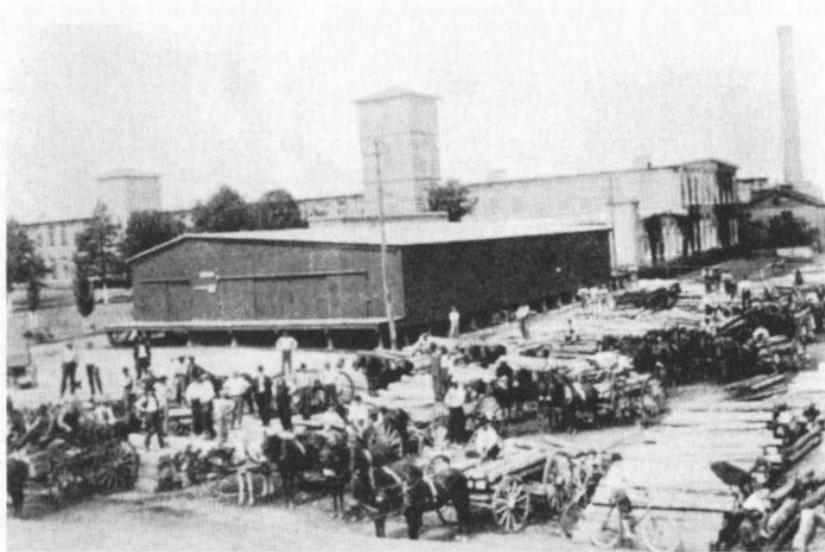
A handwritten signature in black ink, appearing to read "Wesley Barker", written over a horizontal line.

Wesley Barker, Town Clerk

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ABOUT THE TOWN OF CARRBORO

Carrboro's roots began in 1882 when a branch of the North Carolina Railroad extended south to the edge of Chapel Hill, and the first local textile mill opened nearby. Informally known as West End and Lloydville, in 1911, the community incorporated as a town named Venable, for chemistry professor and University of North Carolina president Francis Preston Venable.



Circa 1920 view of the cross tie market on East Main Street, in front of Durham Hosiery Mill No. 4. The frame cotton warehouse and the upper stories of the brick towers have been removed, and the east end of the mill has been extended with a brick addition. From copy in North Carolina Collection, UNC Library, Chapel Hill.

Two years later, the state legislature renamed the town Carrboro at the request of Julian S. Carr, a post-Civil War business leader. He was also an active and influential participant in Jim Crow era efforts to create a system of racial segregation. Although the town continues to bear his name, the values and actions of Carr do not represent Carrboro today.

In the 1970s, a group of Carrboro residents joined together to change the town's power structure and advocate for a community that fully included all residents. Thanks to their commitment, today Carrboro honors its working-class roots while reaching toward the goals of social equity, environmental harmony, and fiscal responsibility. For the first fifty years after its incorporation, Carrboro remained a small mill town with a slow, steady pace of growth. In 1960, approximately 2,000 people lived in the town. In the late 1960s, the town's population began to increase stemming from the growth occurring at UNC-Chapel Hill and growth in the Research Triangle Park. Enrollment at the University has increased 5.1%, from 30,092 in 2020 to 31,641 in 2021.

The Town of Carrboro is a small local government entity overseen by a Mayor and six Council Members, and professionally managed by a Town Manager under the Council-Manager form of government. The Town is located within Orange County in the north central portion of North Carolina. The area's topography is characterized by rolling hills. The Town is situated next to the Town of Chapel Hill home to the University of North Carolina and is near the Research Triangle Park.



The American Community Survey (ACS) provides detailed information on population, housing occupancy and ownership, educational attainment, employment, and travel. The ACS, a method of continuously collecting data on these characteristics by sampling three million households each year, has been underway since 2005. Aggregated estimates for the period 2016 to 2020 for smaller communities, including Carrboro, are used in this section. More frequent data collection is considered a viable method of providing more up-to-date information about the US population, particularly at the local community level.

POPULATION

Carrboro’s population in 2020 was 21,295. Since the last census in 2010, the population has grown by 1,713, or 8.7%. These residents constitute approximately 14.3 percent of the Orange County population of 148,696.

ETHNIC COMPOSITION

The chart below shows the changes in Carrboro’s ethnic composition since the 2010 Census.

Race and Ethnicity, 1990 to Present					
Sources: U.S. Census Bureau (decennial censuses)					
Year	Asian	Black	Hispanic *	White	All Other
2010	1592	1933	2706	12794	557
2020	1891	2142	2723	13238	1301
Year	% Asian	% Black	% Hispanic	White	% Other
2010	8%	10%	14%	65%	3%
2020	9%	10%	13%	62%	6%

* Any Race

AGE COMPOSITION

The age group of ages 18-64 accounts for 63.9% of the Town’s population, which is the only age group above the national average for Carrboro.

Age Group	Carrboro Population	% of Town	USA %
Under 5 years	809	3.8%	6.0%
Under 18 years	4,408	20.7%	22.3%
Age 18-64	13,608	63.9%	55.2%
Age 65 and over	2,470	11.6%	16.5%

Source: census.gov/quickfacts

HOUSING

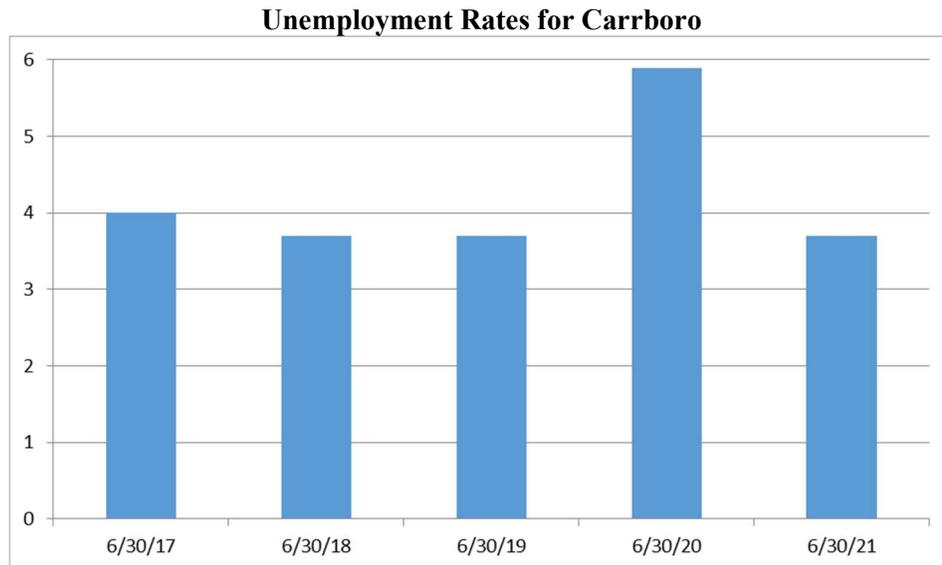
Carrboro continues to be mostly a community consisting of rental units as 57.4 percent of the housing stock is renter occupied with a median gross rent of \$1,152 per month. Owner-occupied housing is at 42.6 percent and the median value of an owner-occupied housing unit in Carrboro in 2020 was \$386,900, which is a 25.8 percent increase from \$307,600 in 2010.

INCOME

The 2020 median household income is \$67,469. Per capita income for 2020 was \$39,464 while 14.1% of the population were below the poverty level of income.

EMPLOYMENT

Employment levels in Carrboro reflect a slight decrease in the unemployment rate from 5.9% in June 2020 to 3.7% in June 2021, which is well below the state unemployment rate of 4.9% during that same time.



Source: homefacts.com

Key Intergovernmental Relationships

The Town of Carrboro has many relationships with surrounding communities, State, and regional organizations that affect the services provided to the community. A summary of these relationships follows:

State of North Carolina

- Established the Town by granting a municipal charter
- Grants and imposes powers to the Town
- Constructs and maintains a road network within the Town limits
- Considered the conduit for transportation improvement funds used to maintain roads
- Collects and distributes certain revenues to the Town (sales taxes, beer, and wine taxes, etc.)

Triangle J Council of Governments (TJCOG)

- Provides planning and other services to towns that are members of this voluntary organization that represents a region of municipal and county governments, including Carrboro
- Includes one delegate and one alternate to its board of delegates

City of Durham

- Provides staff for the Durham/Chapel Hill/Carrboro Metropolitan Planning Organization (Transportation Advisory Committee)

Chatham County

- Meets with town staff via Orange-Chatham Work Group on occasion to review development issues. Development at the border affects each community.

University of North Carolina

- Has mutual aid agreement for police services and emergencies
- Involves town in planning for Carolina North
- Allows use of easement for Libba Cotten bikeway

Orange Water and Sewer Authority

- Provides a mutual aid agreement for emergency response
- Extends water and sewer services in Carrboro zoning jurisdiction in accordance with policies of the Town Council
- Maintains fire hydrants used by the Carrboro Fire Department

Orange County

- Provides mutual aid agreement for police services
- Provides recycling services to Carrboro
- Participates in Joint Planning Agreement
- Plans jointly with Town for use of Housing and Urban Development Funds (HUD) and receives local contribution from Town toward affordable housing initiatives

- Has community, elected council members, and other Carrboro residents serve on numerous boards, commissions, and work groups including: Solid Waste Advisory Board, Orange County Economic Development Commission, JOCCA, EMS Council, Intergovernmental Parks Work Group, and the Orange County Housing and Land Trust
- Operates 911 emergency communications system; dispatches fire and police service units
- Provides jail services for Carrboro
- Provides tax assessing and collection services for Carrboro
- Provides grants to Carrboro for recreation
- Enforces soil erosion control ordinance in the Town
- Program cooperative recreational and educational ventures with Orange County

Town of Chapel Hill

- Provides fixed-route, E-Z rider and Shared Ride transit services via an interlocal agreement with Town of Carrboro and the University of North Carolina
- Has a mutual aid agreement with Carrboro for fire protection
- Provides use of Chapel Hill's fire training facilities
- Provides regular staff communications regarding services and policies
- Share resources with Chapel Hill - special events staffing
- Program cooperative recreational and educational ventures with Chapel Hill

Town of Hillsborough

- Provides mutual aid agreement for fire and police protection

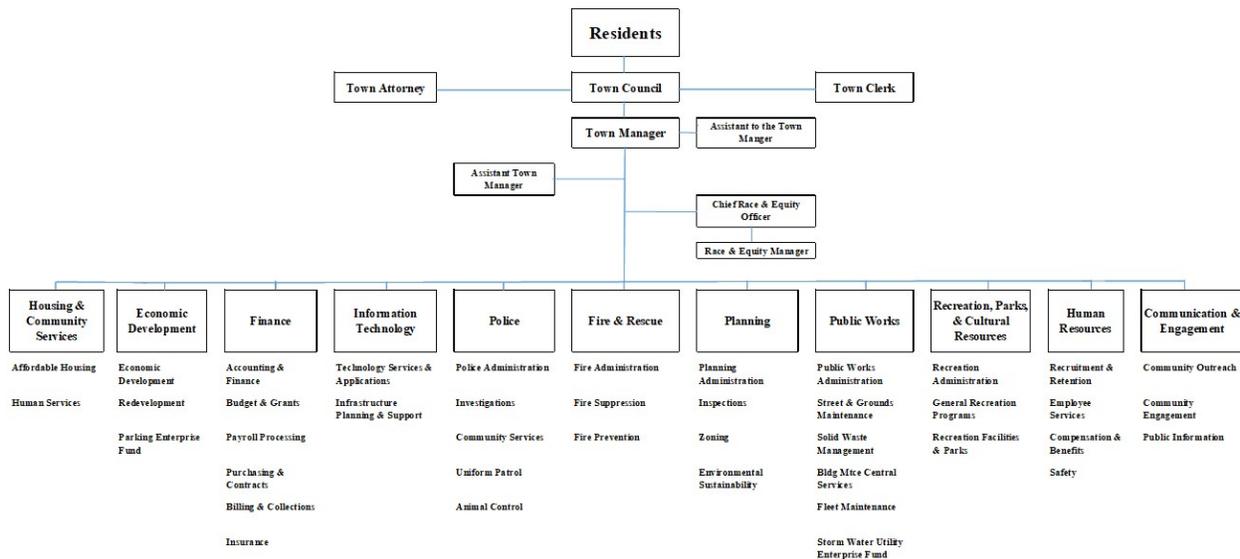
Chapel Hill-Carrboro School System

- Engages in joint use agreements for use of some recreation facilities
- Has used town services to provide school resource officers in the past

GOVERNMENTAL STRUCTURE

The Town of Carrboro has a council/manager form of municipal government. Under the council/manager form of government, the Town Council performs the legislative functions of the town: establishing laws and policies. The Town Council is an elected body by the residents of Carrboro which consists of a mayor and six council members. The mayor and the council members are elected by the voters of the entire town. The mayor is elected to serve a term of two years and the council members are elected to serve staggered terms of four years. The mayor acts as the official head of town government and presides at council meetings. The mayor is a voting member of the council. He or she also appoints council members to advisory boards and committees.

The Town Council also appoints a Town Manager who carries out the laws and policies enacted by the council. The Town Manager is responsible for managing the town's employees, finances, and resources. The Town has 175 permanent, full-time, and part-time, employees with 11 departments reporting to the Town Manager (see chart below). The Town Council also appoints a Town Clerk to maintain official town records; and an attorney, who represents the town administration and Town Council in all legal matters.



Local governments in North Carolina exist to provide a wide range of basic services on which we all depend, including police and fire protection; public works (garbage collection, street resurfacing, fleet maintenance, landscaping and building and grounds); planning; inspections and zoning; economic and community development; and parks and recreation programming. The major services provided by the Town include all the services above but exclude water and sewer services and tax collections. Certain large costs assumed by the Town reflect key services that are contracted with other governmental jurisdictions such as transit services, recycling, and landfill fees. The town also has administrative support units (human resources, technology, finance, budget, purchasing, town clerk, communications etc.) that provide both direct services as well as indirect support services.

The General Fund is the primary operating budget for the Town. The Town has a Special Revenue Fund and Capital Projects Fund. These are multi-year funds and dedicated to specific programs/activities/projects. The Town's Stormwater Utility Enterprise Fund includes an operating and capital budget for stormwater related revenues and expenditures. The Parking Enterprise Fund includes operating expenses related to parking facilities.

The budget for the Town is largely supported by property and local sales taxes. The Town, facing growth in the Northern Transition Area, envisions the potential increase in the town's population to 24,000. The Town, in an effort to reduce the tax burden on residential property owners, is exploring ways to increase its commercial tax base as a percentage of its tax base.

TOWN COUNCIL PRIORITIES

The Town Council has not undertaken a formal strategic planning process. However, the Town Council has adopted and annually reviews strategic priorities for the Town with the ultimate goal of creating and maintaining Carrboro as a sustainable community that is a highly desirable place to live.

The current Town Council priorities (in bold) and departmental goals and work plans (in italics) are listed below:

A. Diversify revenue stream to maintain ethnic and economic diversity

- 1. Maximize use and revenue at recreation facilities. (Recreation & Parks)*
- 2. Diversify and expand the commercial the tax base, to create more high paying jobs in town, and to promote the town's image as a place for businesses. (Economic and Community Development)*
- 3. Create public/private partnerships for various special programs to maximize revenue and the marketing potential of the programming while minimizing program costs. (Recreation & Parks)*
- 4. Offer diversified programs reflective of resident needs and promotes sensitivity to cultural diversity. (Recreation & Parks)*

B. Protect historic neighborhoods and maintain Carrboro's unique identity

- 1. Evaluate and schedule completion of Comprehensive LUO review/update and evaluate need for strategic or comprehensive planning/update. (Planning)*

C. Improve walkability and public transportation

- 1. Improve Quality of public transportation service. (Transportation)*
- 2. Improve level of public transportation service. (Transportation)*
- 3. Work with Chapel Hill Transit to manage current level of public transportation service more effectively in Carrboro, to extend service into areas of Carrboro not served by fixed-route service, and evaluate the shared-ride service in Carrboro (number of participants). (Transportation)*
- 4. Improve access to public transportation. (Transportation)*

D. Encourage development that is compact, dense, and appeals to diverse lifestyles and incomes

1. *Increase the number of affordable energy efficient housing units in the Town. (Economic and Community Development)*

E. Enhance and sustain quality of life/place issues for everyone

1. *Reduce the number of known drug houses and street-level drug sales locations. (Police)*
2. *Maintain index crime clearance rates at or above the national average for comparable towns. (Police)*
3. *Ensure the safety of all employees and residents on town property. (Police)*
4. *Provide fire suppression, light duty rescue, and emergency medical technician services on a 24-hour basis covering the Town of Carrboro and the South Orange Fire District. (Fire-Rescue)*
5. *Provide fire education for schools, day care centers, and special interest groups. (Fire-Rescue)*
6. *Achieve a well-balanced public infrastructure. (Planning)*
7. *Help residents develop a human environment that promotes trust, mutual respect, acceptance, happiness, and well-being. (Planning)*
8. *Develop innovative approaches to support the community, particularly with regard to housing, transportation, energy production and consumption, and ecological restoration and protection. (Planning)*
9. *Provide timely, cost-effective maintenance of public streets, bike paths, storm drainage system and right-of-way. (Public Works)*
10. *Provide cost effective, reliable solid waste collection and disposal. (Public Works)*
11. *Provide park facility and ball field maintenance. (Public Works)*
12. *Provide classes, workshops, trips, camps, and other general recreational activities to meet the varied leisure interests and needs of the community. (Recreation & Parks)*
13. *Operates 10 parks and 1 indoor community facility. (Recreation & Parks)*

Budgeting in Carrboro has become a year-round event. After adoption of the operating budget in June, work on the CIP begins in October. Much of the work presented in the annual operating budget draws from the CIP, reports and assessments, community needs identified by residents, advisory boards, staff, and the Town Council.

Departmental budgets are prepared and justified using two components - a continuation budget with proposed change and/or expansion budget. In recognition that some costs incurred by the Town reflect increases beyond normal inflation, the continuation budget includes those costs, as well as expenditures where the Town or Council has made a legal or budgetary commitment. The inclusion of these costs in the continuation budget will allow the Town to maintain the same high levels of service provided in the current year with similar operating funds. These costs include projects and infrastructure expenditures reflected in the annual Capital Improvements Plan which includes street resurfacing costs, vehicles, equipment, various specific capital projects and debt service payments for capital commitments. Other ongoing annual costs in the continuation budget includes any pay adjustments for employees, and dependent and retiree health insurance, and numerous operating costs needed to provide daily services.

All other requests are categorized in a manner such that the Town Council and residents can understand the various dynamics involved in making funding decisions. Dynamics include improved service levels, and capital outlay – recurring capital outlay that does not meet the capital thresholds for consideration in the CIP. Justifications for proposed changes are based on the Town Council’s adopted goals as well as individual departmental goals and objectives.

Budget Development Calendar

<i>Operating Budget Development Schedule FY 2022-23</i>	
TASK	Target Date
FY 2021-22 Mid-Year Budget Status Report to Town Manager	January 18, 2022
Publish Notice of Community Input on Upcoming Budget, FY 2022-23	January 23, 2022
Council Receives Community Input on FY 2022-23 Budget	February 1, 2022
FY 2022-23 Budget Instructions Distribution	February 4, 2022
Budget Requests from Departments	March 1, 2022
Finance Compiles Preliminary Budget Based on Department Requests	March 11, 2022
Manager Meets with Department Heads on Requested Budget	March 21-29, 2022
Finance Compiles Manager's Recommended Budget Draft	March 29, 2022
Manager Reviews Draft Recommended Budget and Makes Revisions	March 30, 2022
Manager Finalizes Presentation for the Town Council	March 31, 2022
Manager Meets One-On-One with Council Members	April 4 - 8, 2022
Public Notice of Required Public Hearing	May 24, 2022
Manager Submits FY 2022-23 Recommended Budget to Council	May 24, 2022
Public Hearing on Recommended Budget	June 7, 2022
Town Council Adopts FY 2022-23 Budget	June 21, 2022

FINANCIAL POLICIES

Among the responsibilities of municipalities to its residents are the care of public funds and the wise and prudent management of municipal finances while providing service delivery to the public and the maintenance of public facilities. These financial management policies adopted by the Town Council are designed to ensure the fiscal stability of the Town and guide the development and administration of the annual operating and capital budgets.

The Town's financial policies address revenues, cash management, expenditures, debt and risk management, capital needs and budgeting and management. The specific policy objectives are to:

1. Protect the policy-making ability of the Town Council by ensuring that important policy decisions are not controlled by financial problems or emergencies.
2. Assist Town management by providing accurate and timely information on financial conditions.
3. Provide sound principles to guide the important decisions of the Town Council and of management which have significant fiscal impact.
4. Provide essential public facilities and prevent deterioration of the Town's public facilities and its capital plant.
5. Set forth-operational principles that minimize the cost of government and financial risk, to the extent consistent with services desired by the public.
6. Enhance the policy-making ability of the Town Council by providing accurate information on program costs.
7. Employ revenue policies that prevent undue or unbalanced reliance on certain revenues, which distribute the costs of municipal services fairly, and which provide adequate funds to operate desired programs.
8. Ensure the legal use of all Town funds through a system of financial security and internal controls.

Town staff shall develop and maintain methods of forecasting future revenues and expenditures. These methods shall project the Town's future revenues and expenditures through a variety of methods including but not limited to forecasts of the economy and future development of the Town. Town staff will estimate General Fund revenues using an objective and analytical process, as well as documenting and maintaining specific assumptions. In instances where there is uncertainty as to assumptions, conservative revenue projections shall be provided.

REVENUE POLICIES

Important issues to consider in revenue analysis are growth, flexibility, elasticity, dependability, diversity, and administration. Under ideal situations, revenues grow at a rate equal to or greater than the combined effects of inflation and expenditures. Revenues should be sufficiently flexible to allow adjustments to changing conditions.

The Town uses the following policies to govern its operations and methods regarding revenues that are used for operations.

Sources of revenue

The Town will strive to maintain a diversified and stable revenue system to shelter the government from short-run fluctuations in any single revenue source and ensure its ability to provide for ongoing service. A balance will be sought in the revenue structure between the proportions of elastic and inelastic revenues. New sources of revenue will be sought to achieve the desirable balance.

Restricted revenue shall only be used for the purpose intended and in a fiscally responsible manner. Programs and services funded by restricted revenue will be clearly designated as such.

Intergovernmental assistance may be in the form of restricted or unrestricted revenue. Unrestricted intergovernmental revenues generally support operational expenses; and restricted intergovernmental revenues are used for the designated purpose, activity and/or service.

Fees and cost recovery

User fees and miscellaneous fees charged to residents are reviewed annually. Town departments that generate a user fee revenue regularly monitor their fees by comparing them to other local area jurisdictions. Fees are adjusted when appropriate to reflect increased costs and market rates.

The Recreation, Parks, and Cultural Resources Department establishes recreation fees based on numerous factors, depending upon the program or services offered. Services offered may be available at no cost (a town-sponsored event), partially subsidized based on financial need, or may be based on 80%-100% direct cost recovery. Fees for nonresident users of recreation programs shall be established after the Town Council approves the upcoming fiscal year budget. The fee shall be established by dividing the annual appropriation for the Recreation, Parks, and Cultural Resources Department by the number of town residents. This will provide for a per capita cost for recreation services.

Grants and federal funds

The Town shall aggressively pursue all grant opportunities; however, before accepting grants, the Town will consider the current and future implications of both accepting and rejecting the monies, including:

- a. Amount of matching funds required.
- b. Any in-kind services that are to be provided.
- c. Impact on operating expenses; and
- d. Length of grant and whether the Town is obliged to continue the services after the grant ends.

Payment-in-Lieu financing

Payment-in-lieu revenue represents payments from developers or property owners for the purpose of providing open space areas or recreational facilities that serves or benefits residents of the development generating the funds. The Town's ordinance allows developers of certain types of projects to either provide open space and recreational facilities according to standards set forth in the ordinance or pay a fee in accordance with the Town-established fee schedule.

Developers are also able to make payment-in-lieu of providing affordable housing under the applicable provisions of the Land Use Ordinance. These payment-in-lieu revenues are deposited into the Affordable Housing Fund.

Operating transfers

To the maximum extent feasible and appropriate, General Fund transfers to other funds shall be defined as payments intended for the support of specific programs or services. Amounts transferred but not needed to support such specific program or service expenses shall revert to the General Fund.

OPERATING BUDGET POLICIES

The Town uses the following policies to govern its operations and methods regarding operating budget expenditures.

Fund Balance

To maintain the Town's credit rating, meet seasonal cash flow shortfalls, economic downturns or a local disaster, the Town shall maintain and present fund balance for the general fund in accordance with the requirements of GASB. The Town will maintain an unassigned fund balance in the general fund at a level ranging from 22.5% to 35.0% of the General Fund budget. Unassigned fund balance will generally not be used for operating expenses.

Fund balance shall be confirmed at the end of each fiscal year by the annual independent audit and if the:

- 1) Unassigned fund balance falls below 20.0%, the Town Manager shall develop and implement a plan to rebuild the balance to 22.5% within one year; or
- 2) Unassigned fund balance exceeds 35.0%; the Town Manager may set aside an amount in assigned fund balance for transfer to the capital projects fund for future projects, unless the Town Manager determines it necessary to maintain fund balance at the current level due to existence of other fiscal, economic and/or operating conditions.

The Town Council shall take formal action to commit the use of fund balance for projects or purposes in any current year or future year's budget.

Absence a commitment of fund balance by the Town Council, the Town Manager has the authority to express intended uses of unrestricted or unassigned fund balance that will result in assigned funds for specific purpose.

Where an expenditure is incurred for which restricted and unrestricted fund balance is available, the restricted fund balance, to the extent feasible, should be used first.

When expenditures are incurred for which, there is unrestricted fund balance available, funds should be spent in the following order: committed, assigned and unassigned.

- a. Committed fund balances are amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

- b. Assigned fund balances are amounts intended to be used by the government for specific purposes and so expressed by the governing body or by an official or body to which the governing body delegates the authority.
- c. Unassigned fund balance is the residual classification of the general fund that includes all amounts not contained in other fund balance classifications. Unassigned amounts are technically available for any purpose.

Budget Process and Procedures

The North Carolina Local Government Budget and Fiscal Control Act requires that the Town Manager submit a recommended budget and budget message to the Mayor and Council Members no later than June 1st, that the Town Council hold a public hearing on the budget, and that the Town Council adopt an annual budget or interim budget each year by July 1st. The budget must be balanced which is defined by the Fiscal Control Act as “the sum of estimated net revenues and appropriated fund balance in each fund shall be equal to appropriations in that fund”.

State laws also determine the types of services and regulatory authority, which the Town can provide as well as the revenue sources available to the Town. For example, the Town is authorized to provide police and fire protection, refuse collection, and street maintenance services, but is not authorized by the State to levy income taxes or to raise the local sales tax which is capped at the existing two and one-half (2.5) percent. In North Carolina, county governments are responsible for public health, education, and social services. County and state government decisions govern funding for the Chapel Hill-Carrboro School System.

While the budget process seeks to develop an annual financial plan for the Town, the budget is also a strategic plan whereby departmental goals and objectives are aligned with the Town Council’s strategic priorities, goals, and commitments.

The budget is prepared by the Town Manager for a one-year fiscal cycle beginning July 1 and ending June 30 of the following year and must be adopted by the Town Council prior to the beginning of each fiscal year.

The recommended budget, as presented by the Town Manager, shall reflect the continuation of current service levels wherever appropriate and/or shall include an explanation of any decreases and increases. Any reprogramming or budget shifts from the previous budget shall be clearly identified in the budget document. The recommended budget shall be a balanced budget; recommended allocations shall not exceed projected revenues.

Public input and review of the recommended budget is encouraged. In addition to the one required statutory public hearing, the Town Council generally holds a public hearing at the beginning of the budget development process to get input from the residents. The entire budget document shall be available in the Town Clerk’s Office and on the Town’s website for review.

General Fund Budgeting

The basic format of the budget shall identify functional programs within organizational structures defined primarily by department. Programs are defined as specific services provided to the public by a specific department. All assumptions, transfers, and other relevant budget data shall be clearly stated. The Town will avoid budgetary procedures that balance current expenditures at the expense

of meeting future years' expenses, such as postponing expenditures, accruing future years' revenues, or rolling over short-term debt.

Requests for human services and nonprofit funding shall coincide with the budget process. The Town shall set aside funds for external organizational or program services through the grant application process. The amount recommended for funding shall increase each year based on the consumer price index (CPI) over the previous twelve months, or any amount determined by the Town Council. If the CPI remains flat or decreases, nonprofit funding shall remain unaffected. Requests from external organizations are reviewed by the Town's Human Services Commission which in turn submits a funding recommendation to the Town Council.

Transfers between funds may be authorized only by the Town Council. All other transfers may be approved by the Town Manager.

In instances where specific activities or purchases are authorized by the Town Council in a certain fiscal year and remain incomplete, these funds may be carried forward into the next fiscal year to support such activities or purchases at Town Council's discretion.

Budgetary and accounting procedures will conform to Generally Accepted Accounting Principles (GAAP) for governmental agencies. Where possible, the budget and subsequent status reports will integrate performance measurement and productivity indicators.

Special Fund Budgeting

The term "Special Funds" shall be used to identify all funds other than the General Fund or Capital Project Fund, inclusive of the following fund types: Grants Administration Fund, American Rescue Plan Act Fund, Affordable Housing Fund, Powell Bill Funds, Emergency and Revolving Loan Funds, and Energy Efficiency Revolving Loan Fund. Special Funds shall be created when legally required, requested by the Town Council, or to facilitate internal accounting and financial reporting procedures.

The annual budget for each Special Fund shall be prepared in conjunction with the General Fund budget and shall be submitted to the Town Council for adoption prior to the beginning of the fiscal year. Special Funds budgetary and accounting procedures will conform to GAAP.

Capital Fund Budgeting

A local government may in its discretion, authorize and budget for a capital or grant project, either in its annual budget ordinance or in a project ordinance. At any time during the year, a capital project or grant project ordinance may be established. A project ordinance is for the life of the project and must be adopted by the governing board prior to commencement of the project.

A project ordinance must be balanced with the revenues estimated to be available for the project equal to appropriations for the project. A project ordinance shall clearly identify the project and authorize its undertaking, identify the revenues that will finance the project, and make the appropriations necessary to complete the project. An amendment is required when the budget established for the project is not sufficient to complete the project in its entirety. A project ordinance amending the project budget will require approval by the Town Council.

Major capital decisions tend to have a fiscal and operational impact more extensive than that

required of annual operating and maintenance decisions and require different planning and budgetary methods. For projects that cost over \$100,000 and will require more than one year to accomplish, departments should use a project ordinance rather than the General Fund operating budget.

Transfers

Line-item adjustments within one project will be allowed via an internal budget adjustment request form if the scope of the project is substantially the same and total funding for the project will not increase because of the transfer.

Transfer requests are prepared and signed by the department head of the requesting department and submitted to Finance for review. When transfers occur, the project manager or department head will state that the project scope can still be achieved without increasing the total funding of the project. Finance will ensure that sufficient funds are available in the authorized budget and the transfer does not increase the total appropriation for the project. All transfer requests are approved by the Finance Director and Town Manager.

A transfer of funds between projects within the same fund is only allowed with formal council approval. This process ensures transparency and keeps the Town Council up to date regarding budget changes in capital projects.

Maintenance of Capital Assets

Provisions will be made for adequate maintenance of the capital plant and equipment and for their orderly rehabilitation and replacement, within available revenue and budgetary limits. The General Fund budget should provide sufficient funds for the regular repair and maintenance of all Town capital assets.

The budget shall incorporate and recognize the importance and necessity of maintaining and updating the installed technological infrastructure. End-user workstations are to be replaced on a five-year cycle, servers to be replaced on a four-year cycle and other network infrastructure and business applications to be replaced as dictated by financial, technical, and business criteria defined in the Technology Plan.

As with technology, town vehicles are also replaced on a predetermined schedule. Through a planned approach the Town looks to minimize fleet capital cost and operational cost. Age and usage criteria provide general guidance for replacement and there can be other circumstances that factor in the decision to replace a vehicle or piece of equipment either sooner or later than the recommended guidelines. These factors may include high maintenance cost, excessive down time, standardization of fleet, or change of operation. All vehicles and capital equipment that exceeds \$30,000 per item shall be considered for installment financing.

CAPITAL IMPROVEMENT PROJECT POLICIES

The Town uses the following policies to govern its capital improvement program that address specific community needs.

Capital Improvement Plan

The Town Manager shall develop and maintain a projection of capital improvement projects (Capital Improvement Plan) for the next five years based on the previous capital improvement plans, community needs assessments, and projects approved by the Town Council. The Capital Improvement Plan (CIP) should be tied to projected revenue and expenditure constraints. Future planning should consider periods of revenue surplus and shortfall and adjust future programs accordingly. The CIP includes long-term maintenance and other operational requirements for proposed projects that meet the following criteria: 1) requested item is equipment costing more than \$30,000, or is a vehicle, or 2) requested project is multi-year in nature and exceeds \$100,000 over the life of the project. The CIP also includes information technology projects with costs equal to or greater than \$50,000. Each fiscal year, the Town Manager updates the CIP to include current information for review by the Town Council. Provisions are made for adequate maintenance of capital infrastructure and equipment and for their orderly replacement within available revenue and budgetary limits. Items are appropriated into the annual operating budget, or by project ordinance, by the Town Council.

The CIP budget process shall include a financial analysis and narrative of the impact of the CIP on the Town's financial condition, including but not limited to, debt levels and operating budget. The Town shall actively pursue outside funding sources for all projects for the CIP funding. The Town's capital program will recognize the borrowing limitation and debt tolerance of the Town.

Capital Improvement Financing

Within the limitation of existing law, various funding sources may be utilized for capital improvements. Capital projects shall not be dictated by the nature of funding available except to the extent that the projects meet an initial test of being required to achieve Town goals or to the extent that projects must be placed in priority dictated by the nature of the funds available.

Unspent capital project funds shall revert to the original source of funding, or undesignated capital reserves within the Capital Reserve Fund for future capital funding. In no case shall projects incur a funding deficit without the express approval of the Town Council.

DEBT MANAGEMENT POLICY

POLICY STATEMENTS

Debt policies are written guidelines and restrictions affecting the amount, issuance, process, and type of debt issued by a governmental entity. The important functions of a debt policy are to:

- Provide guidance on the types and levels of the Town's outstanding debt obligations so as not to exceed acceptable levels of indebtedness and risk. Debt policies also serve as a framework within which the Town can evaluate each potential debt issuance.
- Direct staff on objectives to be achieved, both before bonds are sold and for the ongoing management of the debt program.

- Facilitate the debt issuance process by making important decisions ahead of time.
- Assist the Town in the management of its financial affairs, ensuring that the Town maintains a sound debt position and that its credit quality is protected.
- Allow for an appropriate balance between the established debt parameters and providing flexibility to respond to unforeseen circumstances and new opportunities; and
- Serve as a means of stimulating an open debate about the government's outstanding obligations and lead to an informed decision by elected officials.

Purpose and Type of Debt

Purpose:

Debt is only to be incurred for financing capital assets that, because of their long-term nature or because of budgetary constraints, cannot be acquired from current or budgeted resources. Debt is not to be used for operational needs or normal recurring maintenance. Ideally, the Town will strive to restrict debt issuance to capital needs identified and formalized in a capital improvement program (CIP).

Types of Debt:

The types of debt instruments can include general obligation bonds, bond anticipation notes, revenue bonds, lease-installment financings, certificates of participation, special obligation bonds, or any other financing instrument allowed under North Carolina statutes. The Town will strive to use the least costly and most appropriate form of financing for its project needs.

All debt issued, including short-term installment purchase financing that the Town incurs for recurring equipment, will be repaid within a period not to exceed the expected useful life of the improvements, equipment, or vehicles financed by the debt.

Debt Limits and Affordability

Debt policies should define limits or acceptable ranges for each type of debt. Limits are set for legal, financial, and policy reasons. State law dictates legal limits. Financial limits may be established to achieve a desired credit rating or to exist within budgetary or other resource constraints. Debt limits alone will not result in desired ratings, but limits on debt levels can have a material impact if the local government demonstrates adherence to the policy over time. Policy limits can include the purposes for which debt may be used, the types of debt that may be issued, and minimum credit ratings.

The Town will use an objective, analytical approach to determine the amount of debt to be considered for authorization and issuance.

Several standards or guidelines are available for establishing limits:

Outstanding Debt as a Percentage of Assessed Valuation

This ratio measures debt levels against assessed valuation and assumes that property taxes are the primary source of debt repayment.

Statutorily, the Town is subject to the Local Government Bond Act of North Carolina which limits the amount of net bonded debt the Town may have outstanding to 8% of the appraised value of property subject to taxation. However, this is not considered a realistic ratio as other ratios that measure ability to pay (described below) would exceed the Town's desired debt levels.

The Town will also strive to avoid maintaining a "high" debt burden as measured by the Local Government Commission. This analysis is updated annually by the LGC.

Debt per Capita

This ratio reflects the philosophy that all taxes, and therefore the total principal on outstanding debt, are paid by the residents (as measured by population count). This ratio is widely used by analysts as a measure of an issuer's ability to repay debt.

The Town will also strive to avoid maintaining a "high" debt burden as measured by the Local Government Commission. This analysis is updated annually by the LGC.

Debt Service as a Percentage of Operating Expenditures

The ratio that measures the percentage of debt service to the general fund expenditures reflects the Town's budgetary flexibility to change spending and respond to economic downturns. Annual debt service payments (like a house payment) can be a major fixed part of a government's fixed costs and its increase may indicate excessive debt and fiscal strain.

The North Carolina Local Government Commission (LGC) advises that local governments should have a reasonable debt burden. A heavy debt burden may be evidenced by a ratio of General Fund Debt Service to General Fund Expenditures exceeding 15%, or Debt per Capita or Debt to Appraised Property Value exceeding that of similar units. Credit rating agencies, on the other hand, consider debt exceeding 20% of operating budget to be excessive. Ten percent is considered acceptable. The Town will maintain this ratio at or below 12%, considering this to be a moderate level of debt.

Use of Debt Ratios

This measure of debt service expenditures as a percentage of operating expenditures will be the primary ratio used to relay the impact of debt to the Town Council, both in terms of tax rate and ability to pay debt within budgetary constraints. No project will be included in the CIP that increases the debt ratio above 12%. Any project that is considered outside of the Capital Improvement Plan shall be revisited in context of the plan to monitor the project's impact on the Town's debt ratios. Projects shall be considered for recommendation if the debt service expenditures as a percentage of operating expenditures remain at or below the 12% debt ratio.

The aforementioned measures, while defined with targets in mind, shall also be judged against the necessity of and benefits derived from the proposed acquisitions. The Town will continue to update its debt affordability analyses annually along with a review of peer groups to continue to analyze and control its debt effectively.

By establishing comparative debt ratios and targets over a period of time, the Town is demonstrating that there is an analytical and informed process for monitoring and making

decisions about the Town's debt burden and maintaining the Town's fiscal position on behalf of the community.

Bond Ratings

The Town's current bond ratings are: Standard and Poor's AAA; and Moody's Aa1. The Town will maintain continuing disclosure and good communications with bond rating agencies and financial institutions on the Town's financial condition and operations.

Debt Issuance and Structure

The Town will strive to issue general obligation bonds no more frequently than once in any fiscal year. The scheduling of bond sales and installment purchase decisions and the amount will be determined each year by the Town Council. These decisions will be based upon the identified cash flow requirements for each project financed, market conditions, and other relevant factors.

The Town Council may fund upfront project costs and reimburse these costs when bonds are sold. In these situations, the Town Council will adopt reimbursement resolutions prior to the expenditure of project funds.

For most debt issues, the actual structure and sale is conducted in conjunction with the Local Government Commission (LGC), a division of the Office of State Treasurer. The LGC functions as the financial advisor to local governments when issuing debt. Structuring must take into consideration current conditions and practices in the municipal finance market.

The Town will seek level or declining debt repayment schedules on long-term bonded debt, as encouraged by the LGC. Debt requiring balloon principal payments reserved at the end of the issue term will be avoided. General obligation bonds will be generally competitively bid with no more than a 20-year life.

For short-term installment financings on capital items and equipment, the Town will rely on a competitive bidding process and the debt term will not exceed the useful life of the asset.

Capital Planning and Debt Determination

The Town will adopt a five-year, capital improvements plan (CIP) annually. Debt financing and the associated policies will be considered in conjunction with the CIP with approval of funding and projects by the Town Council.

Any capital item that has not been included in the CIP, but because of its critical or emergency need where timing was not anticipated in the CIP or budgetary process or is mandated immediately by either State or Federal requirements, will be considered for approval for debt financing.

BUDGETARY ACCOUNTING AND REPORTING

Budget Adoption

The Town operates under an annual budget ordinance in accordance with the Local Government Budget and Fiscal Control Act (North Carolina General Statutes Section 159). These statutes require that the Town Council adopt a balanced budget in which estimated revenues and appropriated fund balances equal expenditures. The Town Manager must submit a balanced budget proposal to the Town Council by June 1 of each year, and the Town Council must adopt the Budget Ordinance by July 1. A formal public hearing is required to obtain community comments of the proposed budget before the Town Council adopts the budget. By state law, the fiscal year begins on July 1 and ends on June 30.

An annual budget is adopted for the General Fund, Storm Water Operations Fund, and Parking Operations Fund. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for the remaining Special Revenue Funds, Capital Projects Fund, and the Storm Water Capital Projects Fund.

Basis of Accounting and Budgeting

The budget is adopted using the modified accrual method of accounting. Under this basis, revenues are recognized in the period received and accrued if considered to be both measurable and available to pay current liabilities. The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Those revenues susceptible to accrual include: investments, sales tax, and grants-in-aids earned. Expenditures are recognized when a liability is incurred. On a budgetary basis, revenues are recorded by source of revenue (property tax, intergovernmental, taxes and licenses, etc.) and expenditures are recorded by department, function, or project. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the fund level for multi-year funds.

Fund Type	Fund Category	Basis of Accounting	Budgetary Accounting
General Fund Group	Governmental	Modified Accrual	Modified Accrual
Special Revenue	Governmental	Modified Accrual	Modified Accrual
Capital Projects	Governmental	Modified Accrual	Modified Accrual
Enterprise	Proprietary	Modified Accrual	Modified Accrual

Within the budget ordinance, the general fund is further divided into functions, which represent the level of authorization, by the governing board. Revenue functions include Ad Valorem (Property Taxes), Local Sales Taxes, Other Taxes/Licenses, Restricted and Unrestricted Intergovernmental Revenues, Permit and Fees, Sales and Services, Investment Earnings, Other Revenues, Other Financing Sources, and Fund Balance Appropriated. Expenditures are budgeted by function which may be delineated by departments and include the following: a) General Government which includes Mayor and Town Council, Advisory Boards, Town Manager, Economic Development, Communication & Engagement, Housing and Community Services, Town Clerk, Finance, Human Resources, Information Technology, and Non-departmental; b) Public Safety which includes Police and Fire; c) Planning; d) Transportation; e) Public Works; f) Parks, Recreation, and Cultural Resources; and g) Debt Service. Enterprise Funds include Parking and Stormwater.

The Town Council may authorize and budget for capital projects and multi-year special revenue funds in its annual budget ordinance. The project ordinance authorizes all appropriations necessary for the completion of projects.

Amending the Budget

The Town Council must approve all transfers between funds and amendments to capital project ordinances.

The Town Manager can make budget transfers within the General Fund without further action by the Town Council. In addition, all operating funds encumbered or designated within fund balance for expenditure carryover to the following year, as confirmed in the annual June 30 audit, shall be re-appropriated to the next fiscal year without further action by the Town Council. All other types of amendments within the General Fund, or other funds, must be approved by the Town Council.

Capital project ordinances are approved at the project level. The Town Manager may approve line-item transfers within a project if the project can still be achieved without increasing the total funding of the project. An amendment is required when the budget established for the project is not sufficient to complete the project in its entirety.

Line-Item Transfers

While budgets are approved at the functional level within the budget ordinance, line-item budgets are controlled at three broad levels (categories) within a departmental cost center: personnel, operating, and capital outlay. Departments are only required to do a budget transfer form if there is a need to transfer funds between the broad categories of expenditures. The Finance Officer can process the transfers within a department at the request of the department head.

Purchase Orders

Purchase orders must be issued for purchases exceeding \$1,000 with exception of purchases specifically exempted by the Town's purchasing policy. Purchase requisitions under \$1,000 do not require approval by the Purchasing Officer.

Capital Outlay

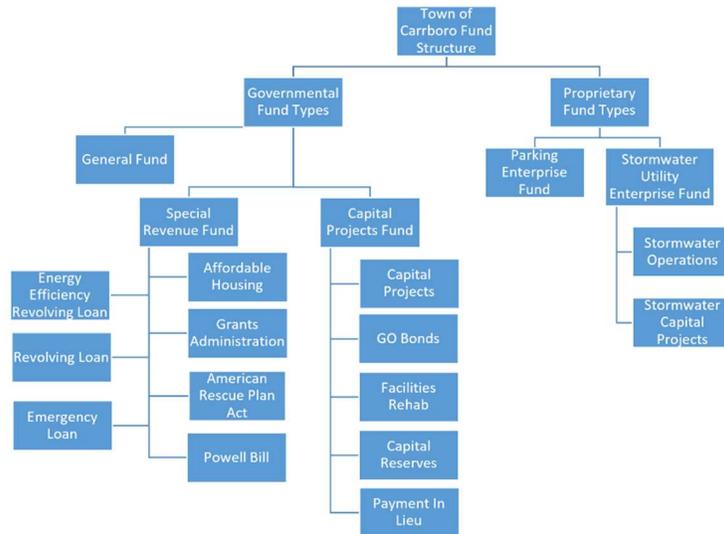
All capital items (items exceeding \$5,000 and having a useful life of more than one year) must be approved in accordance with the adopted budget. With GASB 34, the definition of capital outlay was refined to include infrastructure inventory including roads, bridges, and sidewalks, amongst other assets). Thresholds exist for buildings (\$20,000 minimum) and for infrastructure inventory (\$100,000 minimum). The annual budget document outlines those capital outlay items approved for purchase. Any changes must be approved through the transfer process outlined above.

Position Control

The annual pay plan adopted by the Town Council in conjunction with the budget lists authorized permanent positions.

FINANCIAL FUND STRUCTURE

The accounts of the Town are organized based on funds or account groups with each fund constituting a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts reflecting its assets, liabilities, fund balance, revenues, and expenditures. Town resources are allocated to and accounted for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The multiple Town funds are classified as either General Governmental Funds or Proprietary Funds and are grouped into four generic fund categories as described below.



Governmental Funds

General Fund – The General Fund is the primary operating fund of the Town, which accounts for normal recurring town functions such as public works, planning, public safety, recreation, debt service, and administration. All authorized positions are funded entirely within the General Fund. Activities within the general fund are funded by revenue sources such as property tax, sales tax, and user fees.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. Funds include the Revolving Loan Fund, Emergency Loan Fund, Energy Efficiency Revolving Loan Fund, Affordable Housing Fund, Powell Bill Fund, American Rescue Plan Act Fund, and the Grant Administration Fund.

Capital Projects Funds – The Capital Projects Fund is used to account for financial resources dedicated to the acquisition or construction of capital facilities and equipment. Included in the Capital Projects Fund: Capital Projects Fund, Bond Fund, Facilities Rehab, Capital Reserve Fund, and Payment-in-Lieu Fund.

Proprietary Funds

Enterprise Funds – The Enterprise Fund is used to account for revenues, expenditures and capital assets related to stormwater and parking activities and functions within the Town.

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GENERAL FUND REVENUES

Account Description	FY 2020-21 Actuals	FY 2021-22 Adopted Budget	FY 2022-23 Recommended Budget	FY22 to FY23 Percent Change
AD VALOREM TAXES				
PRIOR YEAR TAXES	68,556	65,000	60,000	-7.69%
CURRENT YEAR TAXES	13,350,692	13,969,675	15,248,000	9.15%
PENALTY AND INTEREST	32,776	28,500	32,000	12.28%
AD VALOREM TAXES Total	13,452,024	14,063,175	15,340,000	9.08%

LOCAL SALES TAXES

LOCAL OPTION SALES TAX 1% 39	1,745,530	1,536,947	1,701,000	10.67%
LOCAL OPTION SALES TAX 1/2% 40	1,345,387	1,211,427	1,344,600	10.99%
LOCAL OPTION SALES TAX 1/2% 42	875,762	790,621	867,000	9.66%
LOCAL OPTION SALES TAX 1/2% 44	30,849	30,904	32,400	4.84%
CITY HOLD HARMLESS	1,470,039	1,325,771	1,474,200	11.20%
LOCAL SALES TAXES Total	5,467,567	4,895,670	5,419,200	10.69%

OTHER TAXES/LICENSES

MOTOR VEHICLE LICENSES	396,648	386,000	386,000	0.00%
MOTOR VEHICLE LIC - TRANS ONLY	79,349	68,000	78,000	14.71%
MOTOR VEHICLE TAXES	1,150,094	1,070,000	1,100,000	2.80%
MOTOR VEHICLE GROSS RECEIPTS	47	46	47	2.17%
REFUNDS - NCVTS	(35,893)	(31,800)	(32,500)	2.20%
COLLECTION FEES - NCVTS	(40,403)	(39,000)	(40,000)	2.56%
BEER & WINE LICENSE	1,190	1,250	1,275	2.00%
HOTEL/MOTEL OCCUPANCY TAX	85,883	3,093	160,000	5072.97%
OTHER TAXES/LICENSES Total	1,636,915	1,457,589	1,652,822	13.39%

UNRESTRICTED INTERGOVERNMENTAL

FRANCHISE TAX	966,688	990,000	960,000	-3.03%
PIPED NATURAL GAS TAX	54,731	42,000	45,000	7.14%
VIDEO SALES PROGRAMMING	66,024	61,000	62,000	1.64%
DIRECT-TO-HOME SATELLITE SALES	50,148	54,000	50,000	-7.41%
WINE AND BEER	86,743	91,000	87,000	-4.40%
NC DOT RIGHT-OF WAY REIM	2,388	5,000	-	-100.00%
SALES TAX-TELECOMMUNICATIONS	142,714	155,000	120,000	-22.58%
EMS LOCATION	12,000	15,000	27,000	80.00%
UNRESTRICTED INTERGVMT Total	1,381,436	1,413,000	1,351,000	-4.39%

GENERAL FUND REVENUES

Account Description	FY 2020-21 Actuals	FY 2021-22 Adopted Budget	FY 2022-23 Recommended Budget	FY22 to FY23 Percent Change
RESTRICTED INTERGVMT				
SUPPLEMENTAL PEG CHANNEL SUPPORT	52,901	54,400	53,000	-2.57%
POWELL BILL	456,561	460,000	-	-100.00%
PLANNING WORK GRANT	14,650	25,000	20,000	-20.00%
SOLID WASTE DISPOSAL TAX DIST	15,545	15,500	15,800	1.94%
RECREATION-MUNICIPAL SUPPLEM	35,898	35,898	35,898	0.00%
SEIZURES REVENUE STATE	706	5,000	5,000	0.00%
SCHOOL TRAFFIC CONTROL	-	10,000	10,000	0.00%
ABC BOARD GRANT	16,000	19,000	19,000	0.00%
DEPT JUSTICE BLOCK GRANT	751	600	600	0.00%
RESTRICTED INTERGVMT Total	593,012	625,398	159,298	-74.53%

PERMITS & FEES

STREET CUTS	-	100	-	-100.00%
ENCROACHMENT FEE	2,810	1,900	2,200	15.79%
TECHNICAL REVIEW-FUTURE EQUPMT	55,570	50,000	60,000	20.00%
COURT COST OFFICER FEES	4,023	3,000	3,500	16.67%
PARKING VIOLATIONS	535	1,400	1,400	0.00%
ANIMAL VIOLATIONS	6,620	7,000	6,800	-2.86%
FIRE PERMITTING FEES	1,620	1,700	1,850	8.82%
FIRE DISTRICT FEES	586,324	570,000	600,000	5.26%
SCHOOL RESOURCE OFFICER FEES	21,168	163,394	179,622	9.93%
CAR SEAT SALES	120	200	200	0.00%
BUILDING PERMITS	58,865	60,000	60,000	0.00%
ELECTRICAL PERMITS	54,822	58,000	58,000	0.00%
MECHANICAL PERMITS	75,813	65,000	68,000	4.62%
RE-INSPECTION FEES	150	300	225	-25.00%
PLUMBING PERMITS	27,013	26,000	30,000	15.38%
HOMEOWNERS RECOVER FEES	92	100	100	0.00%
SIGN PERMITS	470	-	300	#DIV/0!
REFUSE COLLECTION FEES	2,132	2,000	500	-75.00%
REFUSE COLLECTION-DUMPSTER	53,737	54,000	53,600	-0.74%
DEVELOPMENT REVIEW FEES	46,767	32,500	25,000	-23.08%
DRIVEWAY PERMIT FEES	110	800	500	-37.50%
STREET CLOSING	85	600	500	-16.67%
TOWER REVENUE	96,525	135,666	142,316	4.90%
NETWORK HUT LEASE	5,200	5,200	5,200	0.00%
PERMITS & FEES Total	1,100,571	1,238,860	1,299,813	4.92%

GENERAL FUND REVENUES

Account Description	FY 2020-21 Actuals	FY 2021-22 Adopted Budget	FY 2022-23 Adopted Budget	FY22 to FY23 Percent Change
SALES & SERVICES				
BANNER REVENUES	-	-	-	#DIV/0!
RECREATION FEES	68,986	142,319	152,000	6.80%
DISCOUNT-RECREATION FEES	(1,063)	(10,000)	(7,000)	-30.00%
SALES-MERCHANDISE & CONCESSION	874	1,500	2,700	80.00%
TOWN CENTER FEES	57,384	45,000	55,000	22.22%
DISCOUNT-TOWN CENTER FEES	(38,075)	(7,000)	(18,000)	157.14%
SALES & SERVICES Total	88,106	171,819	184,700	7.50%

INVESTMENT EARNINGS

INTEREST EARNED	1,916	40,000	15,000	-62.50%
INVESTMENT EARNINGS Total	1,916	40,000	15,000	-62.50%

OTHER REVENUES

RENT-FARMERS MARKET	2,370	2,370	2,370	0.00%
ATM FEES	(1,169)	700	700	0.00%
CTDA CONTRIBUTION	77,454	98,400	98,400	0.00%
MISCELLANEOUS	29,039	12,600	18,600	47.62%
RISK MANAGEMENT/SAFETY REVENUE	16,458	25,000	20,000	-20.00%
REFUSE CART SALES	3,667	4,400	4,000	-9.09%
YARD WASTE CONTAINERS	4,150	3,700	4,000	8.11%
LARGE COMPOST BIN	-	200	-	-100.00%
SMALL COMPOST BIN	25	100	-	-100.00%
DONATIONS	-	100	50	-50.00%
SALE OF LOTS	79,150	40,000	48,000	20.00%
SALE OF FIXED ASSETS	82,606	60,000	60,000	0.00%
SALE OF NON-FIXED ASSETS	17,889	5,000	5,000	0.00%
OTHER REVENUES Total	311,639	252,570	261,120	3.39%

OTHER FINANCING SOURCES

TRF FROM CAPITAL PROJECTS FUND	125,168	-	-	#DIV/0!
FUND BALANCE APPROPRIATED	-	1,189,720	1,984,722	66.82%
OTHER FINANCING SRCE Total	125,168	1,189,720	1,984,722	66.82%

Totals	\$ 24,158,354	\$ 25,347,801	\$ 27,667,675	9.15%
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GENERAL FUND REVENUE DESCRIPTIONS

The following information briefly explains the major sources of revenue for the Town of Carrboro in the FY23 Budget.

AD VALOREM TAXES

The largest single source of revenue to municipalities in North Carolina is the Ad Valorem revenue which represents a tax paid by those owning property within the municipality. Ad Valorem Taxes or property tax income includes real property, motor vehicle and business personal property taxes. The General Assembly has approved various property tax exemptions for senior citizens aged 65 or older, and for residents, including veterans, who are 100% disabled and subsist on a specified household income.

LOCAL SALES TAXES

The State collects and distributes the proceeds from the local levied tax on retail sales consisting of a 1% sales tax (Article 39); and three ½% sales tax (Articles 40, 42 & 44). The Article 44 sales tax was implemented in 2002. Food is exempted from this tax. In exchange for Article 44, the General Assembly repealed local government reimbursements for inventory tax, intangibles tax, tax on food stamp purchases, and homestead exemption. In 2007, the General Assembly passed legislation to have the State assume county Medicaid costs and eliminate the Article 44 local sales tax. Effective October 1, 2008, the state took over one quarter cent of the Article 44 local options sales tax and effective October 1, 2009, the state took over the remaining one-quarter cent of that local tax. The legislation provides for municipalities to be completely reimbursed for the loss of their share of these tax revenues, including growth. The first one-quarter cent was replaced by a payment equal to 50% of the amount each municipality receives from the Article 40 local sales tax and the second one-quarter cent will be replaced by a payment equal to 25% of the amount each municipality receives for the Article 39 local sales tax.

Funds for the hold harmless payment to municipalities come from the counties' share of sales tax revenues. There is no expiration date on the hold harmless payments. The legislation also changes the distribution for the Article 42 local option sales tax from per capita to point of delivery distribution. A hold harmless provision ensures that this change will not affect municipal distributions.

OTHER TAXES AND LICENSES

This category of revenue is comprised of motor vehicle licenses, and hotel and motel room occupancy tax.

Motor Vehicle License Tax –The vehicle license fee is \$30 per car. The Town allocates \$5 of this motor vehicle license fee to offset costs paid by the Town for the transit partnership with Chapel Hill and UNC-Chapel Hill.

Hotel and Motel Room Occupancy Tax – The occupancy tax implemented in 2013 is 3% of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the Town that is subject to sales tax

imposed by the State under G.G. 105-164.4(a)(3). The Town is required to distribute these receipts to the Carrboro Tourism Development Authority.

UNRESTRICTED INTERGOVERNMENTAL REVENUE

This category of revenue is primarily comprised of state-collected *local* revenues that are not directed to specific programs or services. This category of revenue was previously known as utility franchise tax.

Local Video Programming Revenues- Beginning January 1, 2007, local governments were no longer able to impose franchise taxes on video programming services. A sales tax on video programming services was added by the State that covered some of the same revenue received directly by local governments.

Electricity Sales Tax – As part of the tax reform legislation approved by the General Assembly in 2013, effective July 1, 2014, the general sales tax rate is applied to the sale of electricity. From the proceeds of that tax, 44 percent is allocated to be distributed to cities and towns. Each city receives a franchise tax share and an ad valorem share of these proceeds. The franchise tax share is equivalent to the electricity franchise tax distribution that each city received as its quarterly distribution in Fiscal Year 2013-14. If there is insufficient revenue to provide each municipality with the same distribution that it received in FY 2013-14, then every municipality's distribution will be reduced proportionally. If there is excess sales tax revenue after distributing every municipality's franchise tax share, then each municipality will receive an ad valorem share. The excess sales tax revenue will be distributed based on each city's ad valorem taxes levied as a percentage of all cities' ad valorem taxes levied [G.S. 105-164.44K].

Piped Natural Gas Sales Tax - As part of the tax reform legislation approved by the General Assembly in 2013, effective July 1, 2014, the general sales tax rate is applied to the sale of piped natural gas. From the proceeds of that tax, 20 percent is allocated to be distributed to cities and towns. Each city receives a franchise tax share and an ad valorem share of these proceeds. The franchise tax share is equivalent to the piped natural gas franchise tax distribution that each city received as its quarterly distribution in Fiscal Year 2013-14. If there is insufficient revenue to provide each municipality with the same distribution that it received in FY 2013-14, then every municipality's distribution will be reduced proportionally. If there is excess sales tax revenue after distributing every municipality's franchise tax share, then each municipality will receive an ad valorem share. The excess sales tax revenue will be distributed based on each city's ad valorem taxes levied as a percentage of all cities' ad valorem taxes levied [G.S. 105-164.44L].

Wine and Beer Tax – provides for the distribution of state beer tax collections to local governmental units in which beer is legally sold. It further provides for taxes on unfortified wine and 22% of collections for taxes on fortified wine to local governmental units in which wine is legally sold. This revenue is distributed on a per capita basis.

Telecommunication Sales Tax- In 2001, the General Assembly replaced the utility franchise tax on local telephone service with a new sales tax on telecommunications.

RESTRICTED INTERGOVERNMENTAL REVENUE

Restricted intergovernmental revenues represent state and federal grants or other local governmental revenues received for specific purposes by the Town, the largest of which is the recurring Powell Bill grant funds for street resurfacing and maintenance. However, in FY22, an accounting change, adopted by the Town Council, moved this revenue source to a Special Revenue Fund so it is no longer being reported in the General Fund.

Powell Bill – These grant revenues are generated from the State’s gasoline tax and a percentage of this tax is returned to the municipality through a formula based on population and street mileage. Powell Bill funds can only be used for street maintenance, construction, traffic signs, sidewalks, curbs, gutters, drainage, and other street related needs.

Durham-Chapel Hill-Carrboro Urban Area Planning Work Program Grant – This grant provides support toward the Transportation Planner salary costs.

Recreation Municipal Supplement – Orange County provides a supplement to the Town for recreation programs in recognition of Town services offered to county residents.

ABC (Alcoholic Beverage Control) Board Grant – The Police Department applies annually for a grant to assist the ABC Board in managing alcohol violation programs.

FEES AND PERMITS

The Town charges various types of permits and fees to residences and commercial establishments needing specific services. A large portion of the fees and permits received by the Town relate to development and growth within the Town.

Fire District Fees - The Carrboro Fire Department provides fire protection services to the South Orange Fire District located in Orange County and outside of the Town’s limits. A three-member fire district board meets annually and approves the tax rate for the fire district based on a formula developed by the County and the Town of Carrboro. Orange County pays the Town for the fire protection services based on the approved fire district tax rate.

Chapel Hill-Carrboro School District - It is anticipated that the Chapel Hill Carrboro School District will continue to contract with the Town to provide two School Resource Officers and traffic control management. One officer is stationed at McDougale Middle School and one at Carrboro High School.

Development Review Fees - Applicants wishing to receive a Zoning Permit, Special Use Permit A, or Special Use Permit B must pay the appropriate fee for the Town to review plans for adherence to the Land Use Ordinance before a permit may be issued. The fee is paid one-time even though the plans may be reviewed multiple times before a permit is issued.

Building Permits are issued on new and existing buildings when the buildings are renovated or newly constructed for commercial property, single-family dwellings, townhouses, condominiums, and duplexes.

Electric Permits are issued on new and existing buildings for service changes, premises wiring and commercial up-fits.

Mechanical Permits are issued on new installation of residential and commercial buildings and replacement of heating and cooling equipment.

Plumbing Permits are issued on new and renovated buildings i.e., water and sewer, irrigation and backflow.

Dumpster Collection Fees are for the pickup and disposal of all refuse the Town collects from all commercial dumpsters in Town.

Tower Revenue - The Town owns a cell tower and leases space via a multi-year contract for antennas.

SALES AND SERVICES

Recreational Fees and Town Center Fees represent fees for a variety of recreational services and activities offered to town residents. The Town's Park facilities, such as picnic shelters, ball fields and the multi-purpose areas are also available for rent. The Town also offers for rent meeting rooms and facility space within the Century Center to the public for various functions.

INVESTMENT EARNINGS

Interest Income - The Town generates interest income by investing idle cash in interest paying checking accounts and money market accounts.

OTHER REVENUES

Other Revenues are a very small portion of the Town's overall revenue stream. This revenue consists of donations, rent, reimbursements for town services provided to other jurisdictions, fixed asset sales, and other sundry sales.

OTHER FINANCING SOURCES

This category of revenue represents debt proceeds received by the Town or funds that are transferred from another fund. Highlights include:

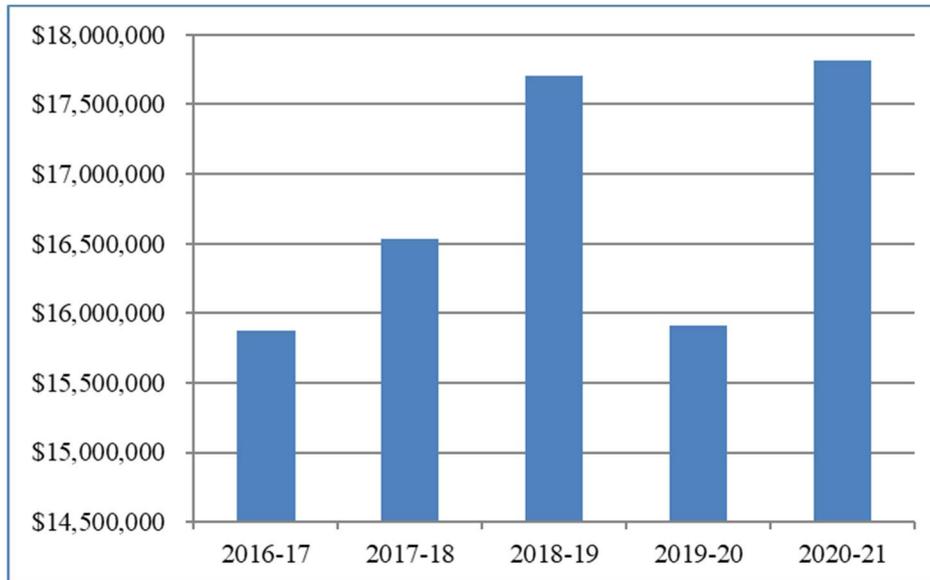
Lease-purchase – This represents the full cost of equipment or other major capital purchases that the Town obtains through installment financing. Following generally accepted accounting practices, the full cost of the financed equipment is budgeted (equipment purchased in that fiscal year) in addition to the lease payment. However, an offsetting entry equal to the full cost value of the equipment is budgeted on the revenue side as lease proceeds. Thus, the true tax impact of the financed equipment is the lease and debt service payment only.

Transfers from Other Funds – While the General Fund is the major operating budget for the Town, several other funds exist where the Town may choose to transfer resources between funds.

FUND BALANCE APPROPRIATED

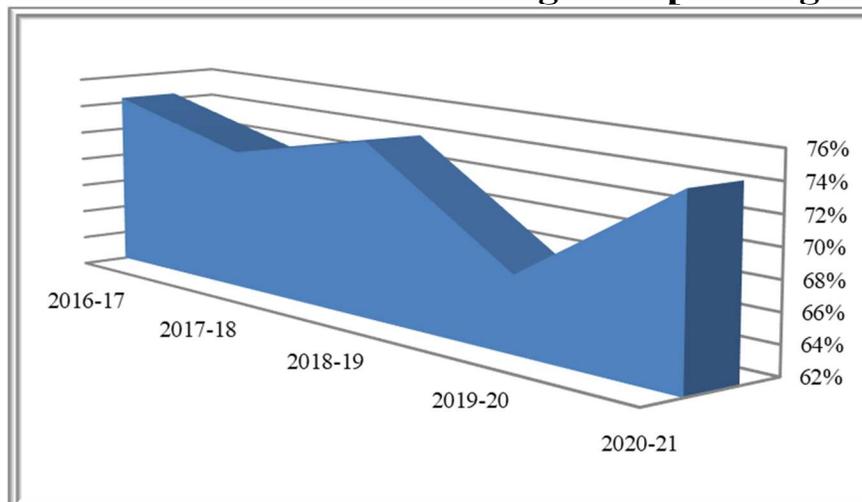
Funds accumulated when the receipt of total revenues exceed the total of actual expenditures results in the creation of fund balance or reserves. During the budget process, an appropriation of fund balance may sometimes be necessary to balance projected revenues with projected expenditures. An adjustment to fund balance may also occur during the fiscal year to account for unanticipated expenditures.

General Fund Balance as of June 30



Fund balance at the end of FY 2020-21 was \$17,818,427, which was an increase of \$1,906,818 from FY 2019-20.

General Fund Balance as a Percentage of Operating Revenues



Fund balance as a percentage of operating revenues increased 7.2% from 67.2% in FY 2019-20 to 74.4% for FY 2020-21.

General Fund Expenditures

General Fund Budget Summary

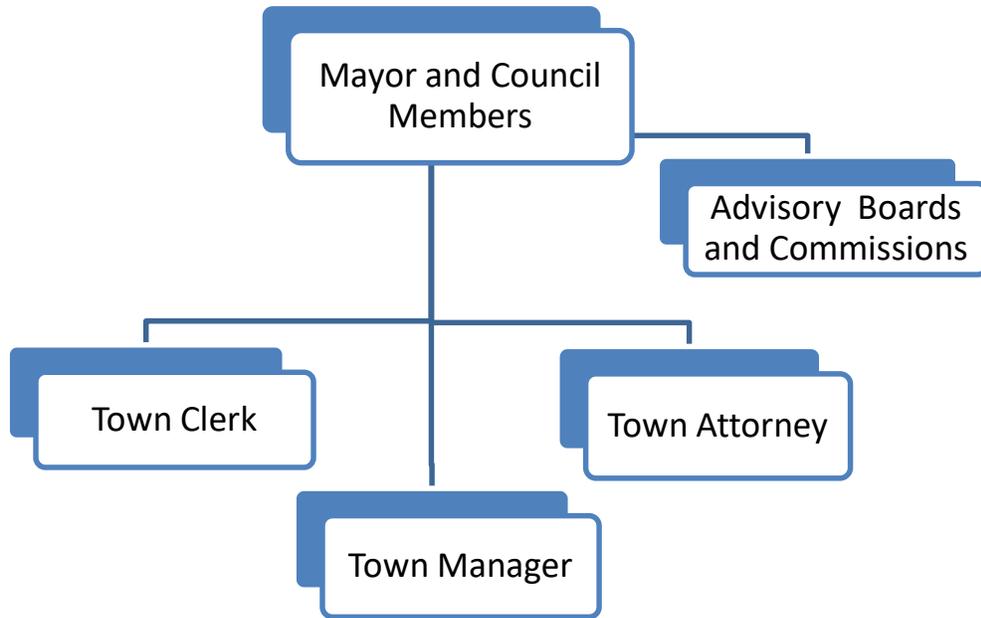
	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	15,173,947	16,876,654	11.2%
Operating	9,308,954	10,140,068	8.9%
Capital Outlay	189,400	319,600	68.7%
Transfers	675,500	331,353	-50.9%
TOTAL	\$25,347,801	\$27,667,675	9.2%

FY 2022-23 General Fund Expenditures by Organization code

	Personnel Costs	Operating Costs	Capital Outlay	Transfers Out	Total	% Change vs FY22 Orig Bdgt
Mayor and Town Council	\$ 129,053	307,660			\$ 436,713	-1.04%
Advisory Boards		60,600			60,600	12.33%
Town Manager	618,192	129,575			747,767	155.48%
Economic Development	113,811	282,105			395,916	199.65%
Climate Action	177,785	40,061			217,846	-29.33%
Communication & Engagement	209,981	35,827			245,808	38.65%
Housing & Community Services	251,039	349,090			600,129	1.91%
Town Clerk	125,325	21,915			147,240	-4.67%
Finance	715,831	583,249			1,299,080	3.46%
Human Resources	612,589	99,505			712,094	-1.68%
Information Technology	441,901	1,537,181	174,000		2,153,082	12.26%
Police	3,932,339	539,336	27,000		4,498,675	12.29%
Fire	2,954,297	291,901			3,246,198	1.40%
Planning	1,386,339	260,059			1,646,398	-1.32%
Transportation		2,024,580	83,600		2,108,180	4.79%
Public Works	2,454,508	1,567,434	35,000		4,056,942	0.75%
Recreation, Parks, & Cultural Resources	1,423,910	556,773			1,980,683	3.78%
Non-Departmental	1,329,754	85,000		331,353	1,746,107	9.07%
Debt Service		1,368,217			1,368,217	56.05%
Total Expenditure Budget	\$ 16,876,654	\$ 10,140,068	\$ 319,600	\$ 331,353	\$ 27,667,675	9.15%

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MAYOR AND TOWN COUNCIL



PURPOSE

As elected officials within the framework of the council/manager form of town government, members of the Town Council make decisions and set policies to ensure the safety, health, attractiveness, and social well-being of the community.

GOALS

- Diversify revenue stream to maintain ethnic and economic diversity.
- Protect historic neighborhoods and maintain Carrboro's unique identity.
- Improve walkability and public transportation.
- Encourage development that is compact, dense, and appeals to diverse lifestyles and incomes.
- Enhance and sustain quality of life / place issues for everyone.

SERVICES PROVIDED & ACTIVITIES

- Establishes annual goals for the organization.
- Reviews, reinforces, or alters public policies and long-range planning governing municipal operations and functions.
- Establishes priorities and funding limits through adoption of an annual budget.
- Grants or denies requests for conditional use permits.
- Responds to and communicates with residents regarding their concerns, perspectives, and initiatives.
- Supervises work and responsibilities of Town Manager, Town Attorney, and Town Clerk.
- Makes appointments to and serves on committees and task forces.
- Participates in county and regional-wide planning and establishment of public policy.

PREVIOUS YEAR ACCOMPLISHMENTS

- Maintained Standard and Poor AAA (“triple A”) Bond Rating
- Tree City USA for 36th year
- Continued work on Historic Rogers Road Infrastructure
- Maintained Silver Level Designation from the League of American Bicyclists
- Maintained certification as Orange County Certified Living Wage Employer
- Continued work regarding stormwater utilities
- Comprehensive Planning Process work
- Government Alliance on Race and Equity (GARE) training

UPCOMING FISCAL YEAR OBJECTIVES

- Continue to review downtown parking situation.
- Work to improve housing affordability and protection of existing neighborhoods.
- Work to improve stormwater/flooding problems
- Support the continued design and building of the 203 South Greensboro Street Project
- Continue to work with GARE and One Orange Racial Equity Framework initiatives
- Continue to work on Comprehensive Plan
- Concept and development of renovation plan for Town facilities (e.g., Town Hall, Century Center Fire Stations, Public Works)
- Continued implementation of Energy and Climate Protection Plan and the Community Climate Action Plan

BUDGET SUMMARY - MAYOR AND COUNCIL MEMBERS

	2020-21	2021-22	2022-23	
	Actual	Adopted Budget	Adopted Budget	Pct Change
Personnel	111,182	106,682	129,053	21.0%
Operating	184,991	334,600	307,660	-8.1%
TOTAL	\$ 296,173	\$ 441,282	\$ 436,713	-1.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

The FY22 budget included \$20,000 for election costs for an election year and \$25,000 for biennial citizen survey, both of which are not needed in FY23.

ADVISORY BOARDS AND COMMISSIONS

PURPOSE

The Advisory Boards and Commissions advises the Town Council on issues and policy decisions as provided for in the Carrboro Town Code.

SERVICES PROVIDED & ACTIVITIES

- Review and make comments to the Town Council on proposed policies, plans and ordinances.
- Make recommendations to the Town Council as to the need for policies and ordinances.

BUDGET SUMMARY - ADVISORY BOARDS AND COMMISSIONS

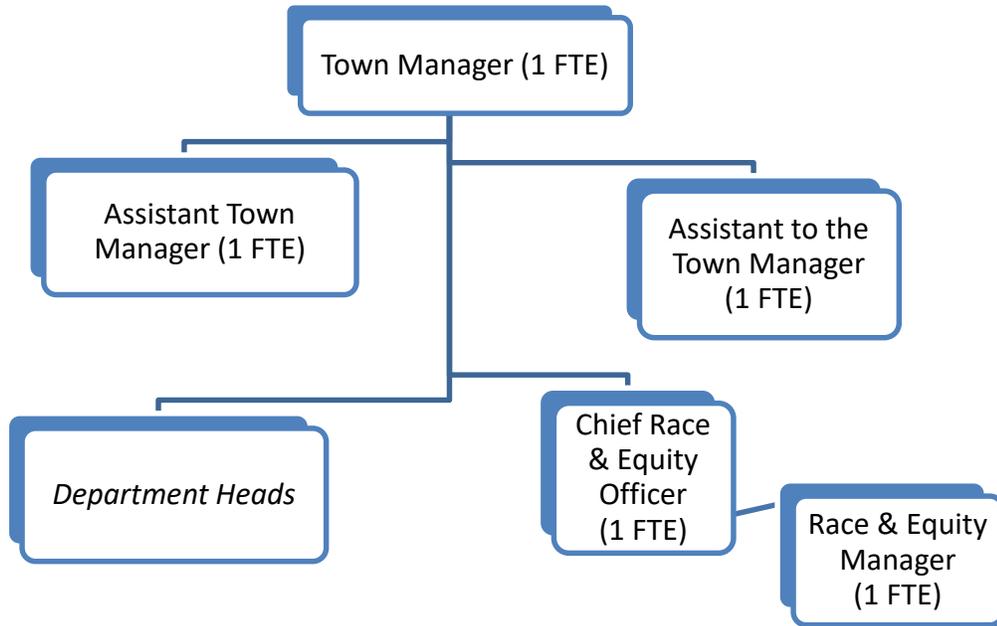
	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Operating	13,446	53,950	60,600	12.3%
TOTAL	\$ 13,446	\$ 53,950	\$ 60,600	12.3%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Funding for programs related to the Race and Equity Commission were increased by \$15,000 and the Food Council budget of \$10,650 was moved to the Econ Dev budget for FY23.

TOWN MANAGER

5 FTE



PURPOSE

The Town Manager serves as primary advisor to, and implements the policies of, the Mayor and Council Members. The Town Manager communicates these policies to residents and staff, and effectively organizes and manages town staff and resources to respond to the community and residents' needs. All Department Heads report directly to the Town Manager.

GOALS

- To lead an organization that functions well internally and implements Council policies in a timely, effective, efficient, and friendly manner.
- To give well-informed, helpful advice to the Council Members on policy options and other matters.
- To facilitate effective Board action through the presentation of clear, concise agendas.
- To adhere to the professional code of ethics and always work towards the long-term best interests of the Town.
- To ensure staff satisfaction and retention.
- To communicate Town policy, decisions, and activities clearly and efficiently to residents and staff.
- To coordinate and facilitate racial equity into Town policies, processes, practices, and services.

SERVICES PROVIDED & ACTIVITIES

- Provides general guidance and support to town departments in achieving town-wide goals and objectives.
- Seeks capital improvement strategies to meet the needs of the town and organization.
- Studies, develops, and implements policy and program recommendations at the direction of the Town Council.
- Provides support for the Town Council.
- Represents the town's interests on local, regional, and state-wide bodies dealing with issues important to Carrboro.
- Conducts and facilitates public communication with the Mayor and Town Council, residents, employees, and other users of town services.
- Serve as staff liaison to the resident-based Racial Equity Commission.

PREVIOUS YEAR ACCOMPLISHMENTS

- Maintained a standard of excellence in core service delivery to our community while actively responding to a pandemic.
- Increased focus on communications and community outreach, responding to need for clear, timely communications during the pandemic.
- Completed financing of the 203 South Greensboro Project and moved to the construction phase.
- Continued town facilities planning.
- Supported comprehensive racial equity training for all Town staff.

UPCOMING FISCAL YEAR OBJECTIVES

- Active participation in long-term recovery and resiliency post-pandemic.
- Continued emphasis on racial equity and climate action initiatives.
- Evaluate policies, practices, procedures, and services using the racial equity assessment lens.
- Work with GARE, Core Team, County, and Regional partners to establish a foundation that drives and advances racial equity to shape the Town's leadership, practices, procedures, and decision making.
- Organizational development and employee recruitment, retention, and engagement.
- Continued town financial sustainability.
- Implementation of Capital Improvements Plan.
- Implementation of the Comprehensive Plan and strategic planning.
- Completion of the 203 Project.

BUDGET SUMMARY - TOWN MANAGER

	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	347,146	230,715	618,192	167.9%
Operating	20,657	61,975	129,575	109.1%
TOTAL	\$ 367,803	\$ 292,690	\$ 747,767	155.5%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel for FY23 includes four new positions including, an Assistant Town Manager, an Assistant to the Town Manager, a Chief Race & Equity Officer, and a Race & Equity Manager. For operating, the GARE expense of \$35K was moved from RPCR, and funds added for training, travel, furniture, supplies for the four new employees.

RACIAL EQUITY ASSESSMENT

The Town of Carrboro has built a progressive reputation, one that residents are proud of. The commitment to the Government Alliance on Race and Equity (GARE) program and the Town’s dedication to racial equity continued throughout 2019. Within the year, Town Staff participated in the N.C. Convening on Race Equity and completed an employee-wide survey on race to inform future projects. Also in 2019, The Town’s first Race and Equity Officer was appointed, a CORE Team was created and participated in the first North Carolina Learning Cohort for 15 months. During the training component the mission and logo statement was created.



The Town of Carrboro envisions being a community where race does not determine outcomes, and all have equitable opportunities & resources. We envision a time when participation in community events, programs and advisory boards represent community demographics. All will feel safe, secure, and know their voice is valued.

We strive to be an inclusive and open-minded organization that has a culture created by its diverse staff, which serves the public through a social (racial) justice lens.

All jurisdictions in Orange County are now members of GARE and are working collectively and individually on this journey.

CURRENT STATUS: More opportunities to normalize the conversation and organize and operationalize the Town’s work, is underway. Staff members continue to research, create, and implement new initiatives. The One Orange Racial Equity Framework is an outgrowth of the County effort. Elected officials from each jurisdiction approved the framework as the catalyst for change. Use of the racial equity assessment lens began in all Carrboro

departments April 2022 evaluating policies, practices, and procedures.

ADDITIONAL BACKGROUND - COVID-19 hit in 2020 and created immediate service needs for town residents and an urgency to mitigate some of the disproportionate and adverse effects on our Black, Indigenous, and people of color (BIPOC) population. Two of the prominent actions implemented were monthly food distributions and providing emergency housing assistance. COVID-19 also led the Council to take on further “Action Steps related to COVIDs disproportionate effects on Blacks, Latinos and Other Underserved and Marginalized Communities”.

Other Town work was also placed on the fast track. This included the creation and adoption of the “Resolution on Next Steps in Advancing Racial Equity in Law Enforcement and Public Safety in Carrboro”, including the establishment of a Public Safety Task Force. The Town also committed to equity and racial justice with their announcement of “Supporting Reparations for Black Carrboro Resolution”. The latter is a culmination of research and analysis by Town Staff, the CORE Team, and the Race and Equity Officer. Among the background information created and gathered toward reparations discussions was a Jurisdictional Racial Equity Timeline and presentations on topics such as the Disproportionality of Trees in BIPOC Neighborhoods in Carrboro.

The Town’s ever-increasing actions included holding BIPOC Roundtable discussions; active Advisory Board recruitment for Black board members; and the development of the Community Liaison Program. Then in the summer of 2020 the town adopted Juneteenth as a Town Holiday for 2021 forward. The year’s end and the start to 2021 would see numerous other milestones: Black Lives Matter murals unveiled on two prominent town buildings; the GARE Cohort’s official graduation; the establishment of a Racial Equity Commission; and the launch of the GARE structured racial equity training for every staff member of the Town.

PROJECT HIGHLIGHTS:

- 2/9/2016 The Board had a discussion on applied justice/equity
- 4/9/2018 Carrboro Police provided a report on their efforts towards bias-free policing
- 9/10/2018 The Board of Aldermen discussed equity
- 10/9/2018 The Board approved membership in GARE
- 1/16-17/19 Staff attended the NC Convening on Race and Equity
- 1/2019 Town’s inaugural Race and Equity Officer appointed
- 3/12/2019 The Town’s CORE Team was developed
- 8/2019 Staff completed an employee survey
- 10/19-1/21 CORE team participating in GARE Monthly Regional Cohort and group work assignments
- 12/2019 Created vision statement and jurisdictional racial equity timeline
- 1/2020 Created racial equity logo
- 2/2020 Staff provided an update to the Council
- 4/2020 - Ongoing Participating in additional webinars and group works; working on the racial equity framework
- 10/6/2020 Racial Equity/GARE initiative update provided to Town Council

10/20/2020	Town Council adopted the ‘Supporting Reparations for Black Carrboro’ Resolution
1/2021-7/2021	Staff training sessions
1/19/2021	Town Council adopted the Establishment of the Racial Equity Commission
1/26/2021	GARE North Carolina Learning Cohort Symposium/Graduation
2/2021-ongoing	Offering staff ‘Can We Talk’ Sessions
2/2021-4/2021	Jurisdictions collectively worked on County Racial Equity Action Framework
5/2021	Staff attended and presented at the GARE Annual Membership Meeting
6/2021	Training sessions for the Carrboro Comprehensive Task Force
6/2021	Racial Equity Commission holds inaugural meeting
6/2021	Council presentation on County Racial Equity Plan
6/2021	Staff completed second employee survey
7/2021	Training sessions for Racial Equity Commission
7/2021	All Town of Carrboro staff have participated in the “Advancing Racial Equity: The Role of Government” training
8/2021-ongoing	Developing and distributing staff resources
8/2021- ongoing	Expanding “Can We Talk” sessions; providing more opportunities to normalize staff conversation
8-9/2021-10/2021	Orange County local government jurisdictions provided information and sought community input and direction on the development of a Countywide Racial Equity Plan
9/2021-ongoing	Training sessions for new staff members, board and commission members
12/2021-ongoing	Town departments will begin the use of the racial equity assessment lens during the upcoming CIP and budget process
1-2/2022	One Orange Countywide Racial Equity Framework presented to Elected Officials for approval
1/2022- ongoing	Departments began providing further opportunities to normalize the conversations
2/1/2022	The Town Council adopted the One Orange Racial Equity Framework.
3/2022	One Orange Racial Equity Jurisdictional Team Leads continue ongoing meetings and projects that advance racial equity. The group also began meeting at least once a month with a larger group of leaders – the Orange County Racial Equity Leadership Team - Local Government Agencies, Institutions of Higher Learning and Public Service Agencies. The idea is to form a larger coalition to advance racial equity.
3/2022	Town departments began the racial equity assessment lens orientation. This lens will evaluate policies, practices, procedures, and services
4/18/22	Departments are scheduled to begin using the racial equity assessment lens.

ECONOMIC DEVELOPMENT

1 FTE



Economic Development Director
(1 FTE)

PURPOSE

To support the creative economy, arts, and culture; foster a business friendly and supportive environment that encourages local for-profit, social enterprises and non-profit businesses to expand in and new businesses to locate in Carrboro; increase awareness of Carrboro as an arts and entertainment destination; support the travel and tourism industry; and encourage light manufacturing and enterprises.

GOALS

- Create a more inclusive (occupation, wages, education level, etc.) economy.
- Develop a more place-based, resilient, and more walkable economy.
- Grow the arts and entertainment sector.
- Transition our economy to one based in the green industry-sector.
- Reduce friction and barriers to redevelopment.
- Encourage more business start-ups and growth, preferably in the tech industry.
- Create more racial equity in business growth and start-ups.
- Promote travel and tourism in Carrboro and raise awareness of Carrboro as a destination.
- Seek to provide adequate parking in the downtown to support existing and potential businesses.

SERVICES PROVIDED & ACTIVITIES

- Be a resource for developers and new or expanding businesses to facilitate location of vacant space, the project review process and project implementation.
- Administer the Revolving Loan Funds including the application processing and billing.
- Provide staffing and administrative support to the Economic Sustainability Commission.
- Provide staffing and administrative support to the Carrboro Tourism Development Authority.
- Be the liaison to the Carrboro Business Alliance.
- Serve on the Chapel Hill Orange County Visitor Bureau Board as Town staff liaison.
- Update and implement the action items of the Economic Sustainability Plan.
- Promote Carrboro through implementation of Town adopted branding.
- Provide business counseling and support to new and expanding businesses.
- Manage leases for town leased public parking.

PREVIOUS YEAR ACCOMPLISHMENTS

- Reevaluating and revamping the Town’s Revolving Loan Program to make it more accessible to all types of businesses.
- Facilitated negotiations for leased and structured parking in the downtown.
- Executed a contract for parking study services with the Walker Parking Consultants.
- Developed and began hosting dialogs with BIPOC (black, indigenous, and people of color) Businesses and Owners to find ways to support BIPOC businesses as they start and grow.
- Partnered with Durham Tech to bring small business and entrepreneurial training to Carrboro.

UPCOMING FISCAL YEAR OBJECTIVES

- Beginning implementation of Economic Sustainability portions of the Comprehensive Plan.
- Continue to seek out and execute leases for short term and long-term parking needs in the downtown.
- Continue to develop and maintain a commercial real estate database for Carrboro.
- Continue to collaboratively work and partner with Chapel Hill, Orange County, and Chamber Economic Development Staff to resolve regional ED issues.
- Continue to work with the Carrboro Business Alliance.
- Continue outreach to entrepreneurs, encourage makers, and support freelance workers.
- Increase minority business outreach efforts by establishing an annual CBA scholarship program for membership in the CBA.
- Develop an Economic Sustainability Dashboard to continually monitor economic metrics.

TOWN COUNCIL PRIORITIES

Diversify revenue stream to maintain ethnic and economic diversity.

Enhance and sustain quality of life/place issues for everyone.

OBJECTIVES

1. Diversify and expand the commercial tax base to create more high paying jobs in town and to promote the town’s image as a place for businesses.
2. Support entrepreneurs, makers and freelancers development, including services, infrastructure, and job development.
3. Support locally owned and operated businesses for a strong local economy.
4. Create a more inclusive (occupation, wages, education level, etc.) economy.
5. Develop a more place-based, resilient, and more walkable economy.
6. Grow the arts and entertainment sector.
7. Transition our economy to one based in the green industry-sector.
8. Reduce friction and barriers to redevelopment.
9. Encourage more business start-ups and growth, preferably in the tech industry.
10. Create more racial equity in business growth and start-ups.

PERFORMANCE MEASURES

	FY2019-20 ESTIMATED	FY 2020-21 ESTIMATED	FY 21-22 PROJECTED	FY 22-23 GOAL
Growth in the Commercial Tax Base of the Center Business District	\$168,340,700	\$170,472,400	\$173,881,848	\$177,359,400
Number of Retention Visits			26	52
BIPOC Business			6	13
Non-BIPOC Business			20	39
Number of establishments w/ under 10 employees			296	Data no longer available

BUDGET SUMMARY - ECONOMIC DEVELOPMENT

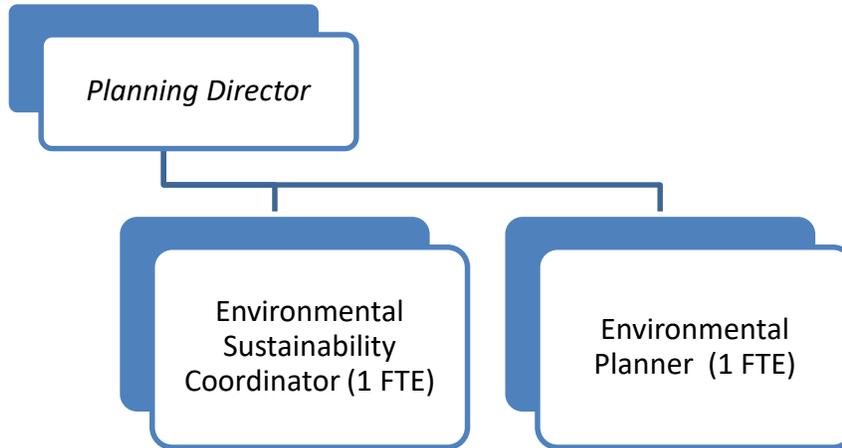
	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	116,171	110,497	113,811	3.0%
Operating	116,755	21,630	282,105	1204.2%
TOTAL	\$ 232,926	\$ 132,127	\$ 395,916	199.6%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

The allocation to the CTDA for hotel/motel tax revenues was reduced in FY22 due to a change in accounting procedures, however, this change was reversed during FY22 and the FY23 budget includes \$155,200 for the allocation to the CTDA. FY23 operating also includes \$100K for a disparity study.

CLIMATE ACTION

2 FTE



PURPOSE

The Climate Action budget, which is a division of the Planning Department, is a high priority of the Town Council, is primarily guided by two Council accepted plans. The Energy and Climate Protection Plan, accepted by the Town Council in 2014, was developed as a step in supporting the Town in reducing greenhouse gas emissions, becoming more energy efficient and generating more renewable energy. The Community Climate Action Plan, accepted by the Town Council in 2017, articulates the Town’s community greenhouse gas emissions reduction goals and emphasizes measures that the broader community is asked to take to achieve greenhouse gas reduction targets.

GOALS

- The Energy and Climate Protection Plan (ECPP) focuses on identifying opportunities, best practices, and planning through budgeting and the Capital Improvement Program.
- The ECPP outlines the Town’s commitment to responsible municipal energy management and greenhouse gas reductions while also supporting the community sector.
- The ECPP outlines a goal of an 80% reduction in 2010 levels of municipal greenhouse gas emissions by 2030.
- The Community Climate Action Plan (CCAP) offers recommendations intended to reduce community greenhouse gas emissions while raising the community’s awareness of and involvement in solutions to global climate change and a post-carbon energy future, adaptation to changes, and enhancement of ecosystem resilience.
- The CCAP outlines a goal of an 80% reduction in greenhouse gas emissions by 2030, as supported by a broad community campaign.
- CCAP recommendations focus on themes of community integration, building energy efficiency, transportation, renewable energy, and ecosystem protection and restoration.
- Measures outlined in the CCAP to reduce greenhouse gas emissions not only contribute to overall climate change mitigation, but can also provide the community with many local

benefits such as financial savings through energy efficiency, the creation of new jobs, improved air quality and public health, and a healthier forest and streams.

SERVICES PROVIDED & PROGRAM ACTIVITIES

- Continue implementation of the Energy and Climate Protection Plan and Community Climate Action Plan.
- Provide climate action outreach to Carrboro residents.
- Pursue emissions reduction and sustainability in all Town efforts.

PREVIOUS YEAR ACCOMPLISHMENTS

- Presented ECPP and CCAP implementation reports to the Town Council.
- Finalized grants to restore a stream buffer and installed two electric vehicle charging stations on Town property.
- Received two grants from the Orange County Community Climate Action Grant fund.
- Worked with graduate students to finalize updated community and municipal greenhouse gas emissions inventories and a dietary greenhouse gas emissions inventory.
- Released Requests for Proposals for renewable energy procurement and installation and town fleet electrification and alternative fuels exploration
- Designed the Green Neighborhoods Grant Initiative.
- Served as staff liaison to the Environmental Advisory Board and Climate Action Team.
- Participated in collaborative initiatives and sustainability organizations.
- Worked with staff to begin restructuring the Energy Efficiency Revolving Loan Fund.
- Finalized update to the Town Code to allow for Managed Natural Landscapes.
- Worked with Communications staff to develop climate action outreach messaging.
- Organized invasive species removal events and designed independent volunteer program.
- Completed annual Bee City USA and Mayors' Monarch Pledge reporting; held National Pollinator Week outreach events
- Worked with volunteers to create and edit presentations for the Modules Project.
- Collaborated with partners on a Transportation Demand Management Grant Project.
- Finalized contribution to Piedmont Electric Membership Corporation for electric vehicle charging station at Carrboro Plaza
- Began work with local jurisdictions on an EV Charging Station Priority Areas Analysis.
-

UPCOMING FISCAL YEAR OBJECTIVES

- To incrementally work towards ECPP and CCAP goals.
- Create a budgeting and accounting tool to track Town climate action activities.
- Maintain Green Neighborhood Grant Program and ensure equitable outreach.
- To implement composting and every-other-week garbage collection pilot projects.
- To continue selling composting bins to Town residents.
- Redesign and relaunch the Energy-Efficiency Revolving Loan Fund.
- Hold events and increase outreach related to food choices.
- Continue coordinating volunteer invasive species removal.
- Continue Bee City USA and Mayors' Monarch Pledge participation and outreach.

- Hire and support an intern position.
- Continue participation in collaborative initiatives and sustainability organizations.
- Continue collaboration on a Transportation Demand Management Grant Project.
- Provide a staff monitor for the Carrboro Farmers' Market organic waste collection.
- Continue working with volunteers on presentations for the Modules Project.

BUDGET SUMMARY - CLIMATE ACTION

	2020-21	2021-22	2022-23	
	Actual	Adopted	Adopted	Pct Change
		Budget	Budget	
Personnel	80,317	169,059	177,785	5.2%
Operating	9,251	139,190	40,061	-71.2%
TOTAL	\$ 89,568	\$ 308,249	\$ 217,846	-29.3%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

The FY22 budget included \$100,000 for a one-time study for the electrification of the Town's fleet.

ENERGY AND CLIMATE PROTECTION PLAN

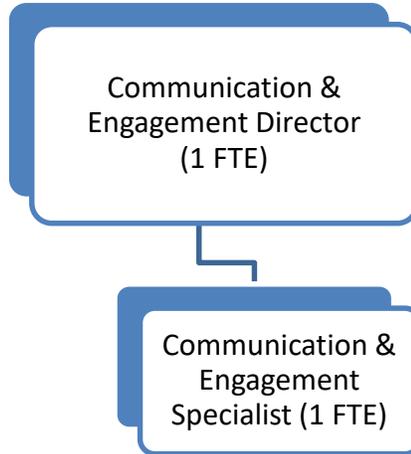
The following two pages include energy and sustainability measures to reduce or eliminate carbon footprint by the Town's departments. These measures include goals, accomplishments, and related budget impacts.

Climate change and sustainability GOALS		Climate change and sustainability ACCOMPLISHMENTS TO DATE		Climate change and sustainability FY23 RECOMMENDED BUDGET	
Climate Action	<ul style="list-style-type: none"> Implement ECPP and CCAP Municipal goal: 80% reduction in 2010 greenhouse gas (GHG) emissions by 2030 Community goal: 80% reduction in 2010 per capita GHG emissions by 2030 Increase e-marketing; reduce printing; shop local Re-think promotional items Reduce, reuse, recycle Prioritize weatherization in repair and rehabilitation projects and affordable housing projects utilizing green building techniques Flexible work schedules Reduce printer, paper, energy use 	<ul style="list-style-type: none"> ECPP and CCAP implementation updates provided quarterly to Town Council: http://www.townofcarrboro.org/262/Sustainability-Energy-Climate-Change See Planning Department accomplishments Staff and advisory board support Promoting environmental practices, services, ideas Climate Action Plan added to website menu Sustainability prioritized in Affordable Housing Special Revenue Fund application process Repair, rehabilitation, weatherization: 5 homes, 7 rooms Permanent Supported Housing (FY21) Orange County Home Preservation Coalition support and participation All Human Services applications are now electronic Transition from gas to battery-powered hydraulic rescue tools Discontinued use of foam containing PFOs or PFAS to prevent introduction of chemicals into the environment or stormwater system 	<ul style="list-style-type: none"> Invasive species removal events; outreach events Green Neighborhoods Grant Program 1.5 FTE; Bee City USA; sustainability organization participation; grant matches Create year-round messaging campaign to inform and involve the community in climate action initiatives Affordable Housing funds: home weatherization for low-income homeowners Staff time: collaborate on the revitalization of the Energy Efficiency Revolving Loan Fund program New fire engine is replacing a 23-year-old diesel motor built before current emission standards; place old motor into reserve status PFO- and PFAS-free foam is three to four times as expensive as previous option Transportation/mobility projects provide for a mode choice and substitute for vehicle trips TDM, bicycling, pedestrian safety outreach events Leadership in Energy and Environmental Design Comprehensive Plan implementation 		
Communications & Engagement					
Housing & Community Services					
Fire	<ul style="list-style-type: none"> Look for opportunities to transition from fossil-fuel powered portable tools and equipment to battery-powered 				
Planning, Zoning, & Inspections	<ul style="list-style-type: none"> Support and intensify focus of activities on Town GHG reduction goals Update Land Use Ordinance and develop review process to address climate action, and environmental protection Encourage flexible work schedules, alternative vehicles/travel modes, energy conservation, and environmental sustainability 	<ul style="list-style-type: none"> ICLEI Cities for Climate Protection (2001) Emissions inventories: County (2005); Community (2011, 2015, 2019), Municipal (annually since 2012) Energy Efficiency Revolving Loan Fund (2010) ECPP (2014), CCAP (2017) implementation SolSmart Gold designation (2017) Conditional & Conditional Use Zoning Districts (2015, 2017), Stormwater Utility (2018) Updated tree cover requirements (2019) EV charging station, requirements (2017, 2021) PIPER online permitting (2021) 203 Project Design: LEED Gold equivalent Comprehensive Plan Draft (2022) 			

Climate change and sustainability GOALS		Climate change and sustainability ACCOMPLISHMENTS TO DATE		Climate change and sustainability FY23 RECOMMENDED BUDGET	
Police	<ul style="list-style-type: none"> • Avoid unnecessary vehicle idling • Encourage foot patrols • Introduce hybrid police vehicles into the fleet 	<ul style="list-style-type: none"> • Idling reduction • Increased foot patrols • Replace police vehicles with hybrid models; early data shows a 66% increase in fuel efficiency. 	<ul style="list-style-type: none"> • Reduction in fuel consumption • Reduction in vehicle repairs 		
Public Works	<ul style="list-style-type: none"> • Incorporate energy and climate protection strategies and upgrades; reduce Town's energy usage, GHG emissions • Implement Town Facility Master Plan • Evaluate, design, and implement Solid Waste Study recommendations; and identify waste reduction programs • Collaborate with staff, local and state agencies on energy efficiencies • Explore funding/grant options for energy improvement 	<ul style="list-style-type: none"> • Vehicle replacements, hybrid refuse truck • LED light conversion; EV charging stations • Street resurfacing, parking lot paving, retaining wall construction; building renovations • Wayfinding signage • 203 S. Greensboro St design • Facility Rehabilitation Project - energy efficiency upgrades, Net Zero energy audit, Net Zero strategies • HVAC units replaced with high efficiency models; converted natural gas unit to electric • Installed motion sensors, and insulation in Town buildings • Yard waste composting; replaced gas-powered with battery-operated equipment 	<ul style="list-style-type: none"> • Improve, maintain Town buildings; incorporate energy efficiency and climate protection strategies recommended by net zero consultant • Improve and maintain green space and bicycle and pedestrian infrastructure • Leaf mulch pile operations • Maintain vehicles and equipment; replace older gas-powered with battery-operated equipment • Purchase hybrid vehicles to replace older fleet 		
Recreation, Parks, & Cultural Resources	<ul style="list-style-type: none"> • Implement sustainable use practices during programs and events • Reduce overall department operations carbon footprint • Provide educational opportunities to advance sustainability goals 	<ul style="list-style-type: none"> • Carboro Farmers' Market liaison provided • COVID-19 operations support and led composting efforts • Implemented food truck sustainability practices at Town events. • Collaborated with staff on EV charger site identification/installation; discussed athletic field LED light conversion 	<ul style="list-style-type: none"> • Town special events: outreach and education • Several department camps/clinics encourage alternative modes of transportation. • Farmers' Market: opportunities for collaboration support 		
Stormwater Utility	<ul style="list-style-type: none"> • Manage a well-balanced public infrastructure • Plan for and establish new green infrastructure in developed areas • Finalize, implement a new town-wide Flood Resilience Framework 	<ul style="list-style-type: none"> • Stream restoration; stormwater infrastructure projects/retrofits; culvert replacements • Tree Tag outreach project (2019) • Support FEMA Public Assistance and Hazard Mitigation grants • RainReady; study (2020); 319 Grant award (2021) • Flood Resilience Framework (2022) 	<ul style="list-style-type: none"> • Implement current projects: Flood Resilience Framework; demonstration sites; repair, rehabilitate, retrofit grey stormwater infrastructure • Contractual services to support home assessments, stormwater infrastructure inspections, maintenance, and condition assessments 		
Admin	<ul style="list-style-type: none"> • Town Clerk • Economic Development • Finance • Human Resources • Information Technology 	<ul style="list-style-type: none"> • Electronic agendas/reduced paper and transport • Energy Efficiency Revolving Loan Fund • Paperless requisitions, time sheets, budget submittals, Green Neighborhoods Grant • Flexible Work Policy; Staff shared bicycles • IT infrastructure for meeting and working remotely 	<ul style="list-style-type: none"> • Support for internal and external programs described above. • Reduction in printing and supply costs 		

COMMUNICATION & ENGAGEMENT

2.0 FTE



PURPOSE

The Communication & Engagement Department works to provide public information, encourage participation, improve trust in local government, and enhance the Carrboro brand and reputation. Through implementation of the Inclusive Carrboro Communications and Community Engagement Plan, it strives to ensure accessible communications to serve our diverse community with new pathways for resident engagement.

GOALS

- To implement the Inclusive Carrboro Communications and Community Engagement Plan.
- To increase public awareness of and participation in Town decisions, programs, and services.
- To create opportunities for stakeholders to provide feedback to the Town.
- To create internal systems to standardize and enhance communications.
- To coordinate and standardize emergency communications.

SERVICES PROVIDED & ACTIVITIES

- Manages the Town's communications and engagement platforms.
- Educates public on where to obtain information on Town services and programs.
- Seeks feedback and evaluation on current Town programs and services.
- Ensures culturally appropriate messaging and equitable access to information.
- Manages a permanent communications team.
- Controls overall town communication during emergency situations.
- Assists with efforts to recruit and train residents for service on advisory boards.
- Improves internal communications with Staff.

PREVIOUS YEAR ACCOMPLISHMENTS

- Completed the Carrboro Resident Survey including the town’s Qualified Census Tract.
- Conducted outreach for input on ARPA Funding Priorities.
- Assisted with outreach and engagement for Carrboro Connects Comprehensive Plan.
- Initiated Carrboro Conversations as an engagement program to be further developed.
- Created signage for the Town Information Centers (TICs).
- Created a graphic design team through Canva involving all departments.
- Initiated the employee newsletter *The Carrboro Roundtable*.
- Coordinated with outside-agency communicators on COVID-19, Pride Month, Juneteenth, Trailblazers Mural, and Black History Month BIPOC Elected Officials Poetry Reading.

UPCOMING FISCAL YEAR OBJECTIVES

- Complete Town Website redesign.
- Expand Neighborhood Information & Engagement Network.
- Complete Town Style Guide.
- Engage with liaisons, partners, and residents through Carrboro Conversations.

BUDGET SUMMARY - COMMUNICATION & ENGAGEMENT

	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	-	147,071	209,981	42.8%
Operating	-	30,217	35,827	18.6%
TOTAL	\$ -	\$ 177,288	\$ 245,808	38.6%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

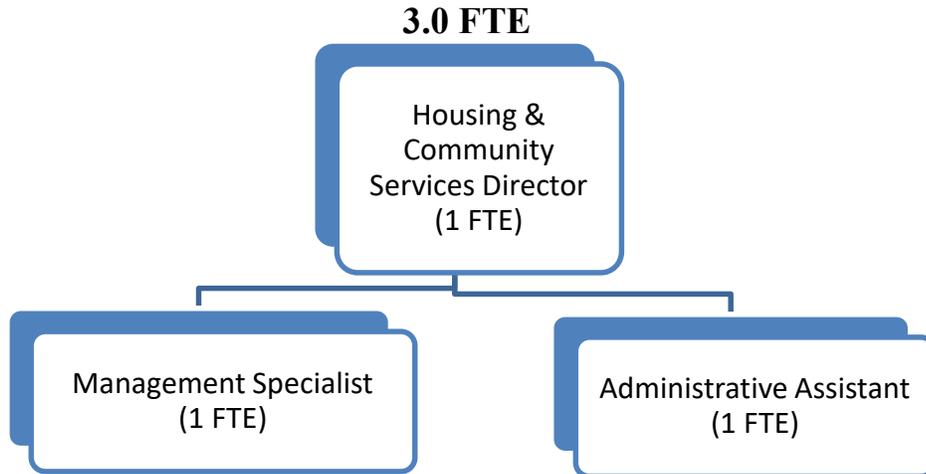
Personnel costs increased due to the change of a part-time employee being moved to a full-time status. Dues and subscriptions increased by \$5,000.

PERFORMANCE MEASURES

	FY2019-20 ACTUAL	FY 2020-21 ACTUAL	FY 21-22 ESTIMATED	FY 22-23 PROJECTED
Meet or exceed Audience Growth Rate of 5% on Twitter, Facebook, Instagram, Nextdoor and Town email *	N/A	5%	14%	N/A
Meet or exceed the Resident Survey results of respondents “satisfied” with access to information about Town programs and services.	64%	N/A	68%	N/A
Meet or exceed the Resident Survey results of respondents “satisfied” with experience engaging with Town Government process.	61%	N/A	59%	N/A
Meet or exceed the Resident Survey results of respondents “satisfied” with Town efforts to inform residents about local issues.	59%	N/A	58%	N/A

* **Measure net new followers** (on each platform) over a reporting period.
 Divide net new **followers** by total audience (on each platform) and multiply by 100 to get audience **growth rate percentage**.

HOUSING & COMMUNITY SERVICES



PURPOSE

The Housing and Community Services (HCS) department works to implement the Town’s affordable housing goals and its commitment to funding community nonprofits who provide human services. In addition, the department addresses the Town Council’s strategic priority area: enhance and sustain quality of life/place issues for everyone.

GOALS

- To implement the Town’s adopted Affordable Housing Goals and Strategies.
- To increase the number of affordable units for both homeownership and rent in Carrboro.
- To preserve/maintain the units currently in the affordable housing stock.
- To provide annual funding to nonprofits who deliver community services to Carrboro households.
- To provide well-informed updates to the Town Council about progress toward its goals.

SERVICES PROVIDED & ACTIVITIES

- Supports the Town’s Affordable Housing Advisory and Human Services Commissions.
- Collaborates with community nonprofits and neighboring jurisdictions to achieve Town goals.
- Connects constituents to housing and human services resources.
- Manages the Affordable Housing Special Revenue Fund and its application process.
- Manages the Human Services application process.
- Research relevant policy and/or programmatic topics and presents information and any recommendations to the Manager’s Office, Commissions, and Town Council as appropriate.

PREVIOUS YEAR ACCOMPLISHMENTS

- Continued to respond to the pandemic crisis by organizing and supporting mask distributions, emergency housing assistance, and other resident services.
- Supported the development of an American Rescue Plan Act (ARPA) funding strategy to support affordable housing and nonprofits who provide essential basic needs and services to people who have been impacted by the pandemic.
- Managed and reported on the \$900,000 Community Development Block Grant – Coronavirus funds for housing assistance to benefit Carrboro residents.
- Managed awards of special revenue funding to housing nonprofits to support the creation and preservation of affordable housing, homelessness prevention, and emergency housing assistance.
- Launched racial equity analysis of the Human Services program.
- \$274,000 awarded to 45 community nonprofits to support Human Services in FY21-22.
- Created strategy to use Town-owned land for affordable housing, adopted by Council in February 2022.
- Worked with Chapel Hill, Hillsborough, and Orange County to draft a regional strategy for Mobile Home Park Preservation and Displacement Prevention.

UPCOMING FISCAL YEAR OBJECTIVES

- Increase the number of affordable units created and preserved in Carrboro.
- Continue to provide support and assistance to households facing eviction or homelessness.
- Continue to provide pandemic response and participate in long-term recovery.
- Develop an updated Affordable Housing Goals and Strategies document, in conjunction with the Comprehensive Plan.
- Draft a comprehensive tenant information guide and engage nonprofit groups to support tenant education activities.
- Administer community funding through ARPA allocations, as directed by the Town Council.
- Develop a framework to assist the Human Services Commission in the evaluation of funding applications.
- Continue to foster the preservation of the manufactured home communities.
- Continue to conduct a racial equity assessment using the adopted framework of departmental policies, practices, and procedures.
- Work to integrate and emphasize climate action priorities into departmental work.
- Participation with the Community Safety Task Force.

PERFORMANCE MEASURES

- Progress shown toward 2024 goal of achieving 85 affordable homeownership units and 470 rental units, as specified in the Town’s Affordable Housing Goals and Strategies document.
- Number of Carrboro households receiving Emergency Housing Assistance (EHA).
- Increase in resident satisfaction levels with affordable housing on the Community survey.
- Continued successful implementation of the Affordable Housing Special Revenue Fund to meet housing goals, number of grants awarded (includes preservation), total funding amount.
- Continued successful completion of the Human Services annual application cycle; number of non-profits assisted; number of Carrboro residents served.

	FY 2019-2020 ACTUAL	FY 2020-2021 ACTUAL	FY 2021-2022 ESTIMATED	FY 2022-2023 PROJECTED
# new affordable units - homeownership	70	74	75	76
# new affordable units - rental	370	377	378	381
# of households receiving EHA	24	247* (COVID)	194* (COVID)	144
% satisfied with affordable housing efforts - Community Survey	N/A	N/A	53%	N/A
# affordable housing grants awarded	6	7	8	6
\$ affordable housing funds awarded	\$352,440	\$330,700	\$356,761	\$350,000
# nonprofits assisted - Human Services	47	48 (+16, COVID)	45	47
# Carrboro residents served – Human Services	9,419	9,885	10,054	10,372

* since the beginning of the pandemic, March 2020

BUDGET SUMMARY - HOUSING & COMMUNITY SERVICES

	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	244,635	242,199	251,039	3.6%
Operating	264,276	346,705	349,090	0.7%
TOTAL	\$ 508,911	\$ 588,904	\$ 600,129	1.9%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increases in postage, travel, printing, and contractual services.

TOWN CLERK

1.50 FTE

Town Clerk
(1 FTE)

Deputy Town
Clerk/Assistant to
the Mayor
(.50 FTE)

PURPOSE

Prepares Town Council meeting agendas and minutes and make them available to residents and town staff; maintain official town documents; prepare and make available updates to the Town Code and provide support for the Mayor and Town Council.

GOALS

- Serve the Council and the public by facilitating the production of meeting agendas and minutes in a clear, timely fashion.
- Provide complete and accurate minutes to the Town Council so they can be approved in a timely fashion.
- Maintain and organize official town documents, including the Town Code and all Town Contracts, for the use of the Council, staff, and the public.
- Provide multiple public access points for all minutes and agendas.
- Increase the use of available technology in storage and retrieval of all town documents.

SERVICES PROVIDED & ACTIVITIES

- Prepares minutes and agendas of Town Council meetings and makes these documents available electronically through the Town's website and stores the documents permanently.
- Posts video and audio of all Town Council meetings to the website.
- Maintains updated Town Code and posts on the town website.
- Maintains an accurate record of all ordinances approved by the Town Council.
- Maintains the Calendar of Agenda Items for review by the Town Manager.
- Maintains a roster of advisory boards and commissions and facilitates the application and appointment process.
- Plans the annual advisory board recognition dinner.
- Research town records upon request.
- Indexes and stores all Town Contracts and/or agreements.
- Intergovernmental Affairs Liaison with State and Federal Delegates
- Citizen Surveys
- Citizen Academy

PREVIOUS YEAR ACCOMPLISHMENTS

- The Former Town Clerk continued North Carolina Certified Municipal Clerk Designation.
- The Former Town Clerk continued required education for International Institute of Municipal Clerks Master Municipal Clerks Designation.
- Filed 100% of executed Town Contracts.
- Posted 100% of the updates to the Town Code on the Town's website within one week of adoption.
- Prepared agendas and minutes for Town Council meetings.

UPCOMING FISCAL YEAR OBJECTIVES

- To increase the number of electronically indexed contracts.
- New Town Clerk & Deputy Clerk will continue educational requirements for Master Municipal Clerk Designation from the International Institute of Municipal Clerks.
- Continue scanning of contracts.
- To continue using Granicus agenda, meeting, and minute management software for efficient agenda preparations and meetings.
- To continue recruitment and marketing efforts of advisory boards members in conjunction with Communications and Engagement staff.

TOWN COUNCIL PRIORITIES

Enhance and sustain quality of life/place issues for everyone.

OBJECTIVES

1. Index and store all Town contracts and/or agreements.
2. Prepare minutes and make available on the website.
3. Increase the number of scanned contracts.
4. Increase the number of electronically indexed contracts.
5. Continue Granicus agenda, meeting, and minute management software.

PERFORMANCE MEASURES

	FY2019-20 ACTUAL	FY2020-21 ACTUAL	FY2021-22 ESTIMATED	FY2022-23 PROJECTED
# of Town Contracts on file with the Town Clerk	2160	2180	2200	2220
# of Council Minutes Prepared by Town Clerk’s Office	37	37	40	40
# Employee Hours Spent Electronically Indexing Contracts	40	40	20	25
# of Town Contracts Electronically Indexed	2100	2180	2200	2220
Employee Hours Per Set of Council Minutes Prepared	2.0	2.0	2.0	2.0

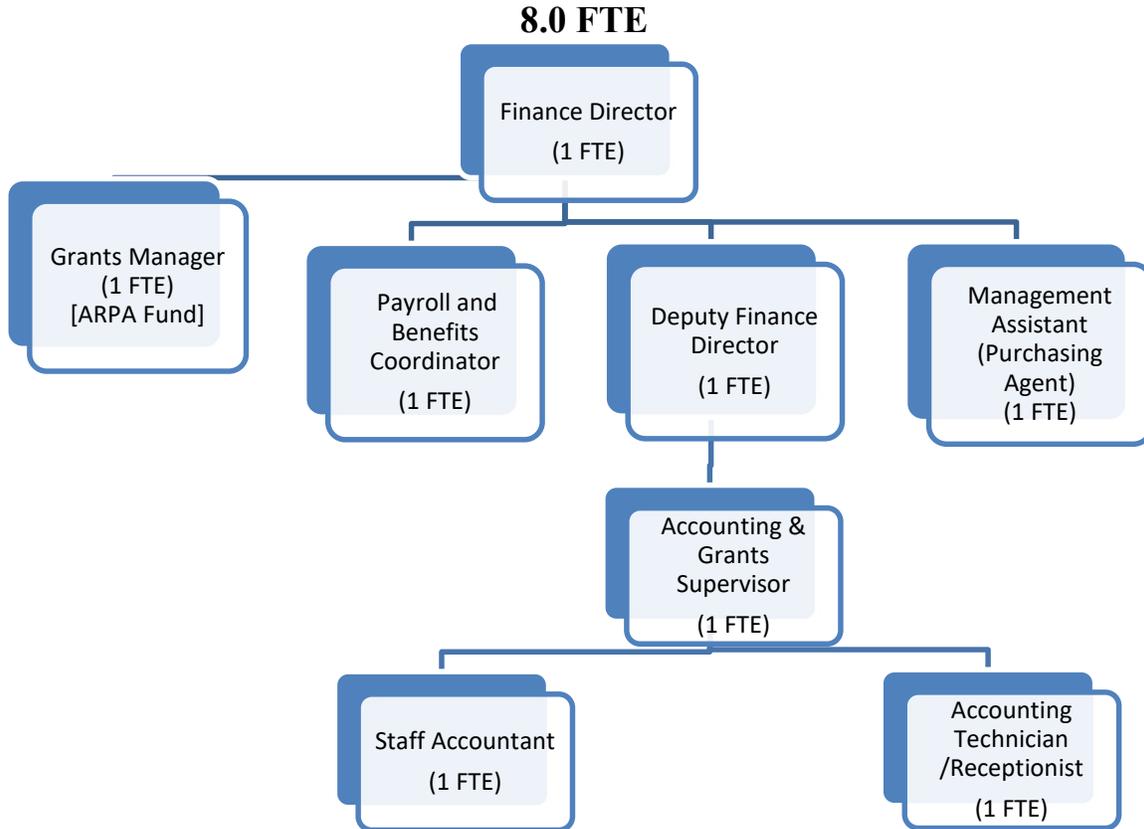
BUDGET SUMMARY - TOWN CLERK

	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	122,892	132,905	125,325	-5.7%
Operating	6,920	21,545	21,915	1.7%
TOTAL	\$ 129,812	\$ 154,450	\$ 147,240	-4.7%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs declined slightly as a result of hiring a new Town Clerk.

FINANCE



PURPOSE

To provide financial management support for the delivery of town-wide services through the administration of financial, budget, payroll, accounts payables, billing and collections, and project development through best business practices.

SERVICES PROVIDED & ACTIVITIES

- Coordinate the annual independent audit and Comprehensive Annual Financial Report.
- Coordinate development of operating and capital budgets.
- Provide financial reporting as required by state and federal law.
- Process payroll and accounts payables.
- General Billing for Retiree Health Insurance.
- Manage cash and investments to ensure sufficient cash is available to pay current obligations and that idle cash is invested in accordance with state law.
- Issue purchase orders for goods and services, solicit bids, manage procurement card program, and manage service contracts.
- Manage risk and insurance program, including claims management, general liability, police, and public officials, and auto/property liability.

GOALS

- To strengthen financial accountability throughout the organization.
- To process and record all transactions accurately and timely.
- To make financial information available to decision makers on a regular and timely basis.
- To evaluate and implement strategies to utilize technology for increased operating efficiency, effectiveness, and cost savings.

PREVIOUS YEAR ACCOMPLISHMENTS

- Completed successful audit for year ending June 30, 2021, with no major audit findings.
- Received Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.
- Updated the Town's purchasing and contract policy and procedures document.
- Monitored and reported on multiple new grants for the Town, including American Rescue Plan Act, Community Development Block Grant COVID-19, etc.

UPCOMING FISCAL YEAR ACTIVITIES

- Financing for 203 South Greensboro Street Project.
- Secure favorable financing for vehicles and equipment replacement.
- Continue to increase knowledge among departments on the use of MUNIS financial system.
- Implement an upgrade for the Munis accounting software.
- Continue to identify strategies for streamlining administrative processes.
- Review and update policies and procedures.
- Coordinate annual audit and prepare Comprehensive Annual Financial Report.
- File all required financial reports with state and/or federal agencies.
- Increase use of EFTs with vendors.

TOWN COUNCIL PRIORITIES

The Finance Department supports all departments in their effort to meet Town Council priorities & objectives.

OBJECTIVES

1. Process and record all transactions accurately and in a timely manner.
2. Utilize technology to ensure best business practices are effective and efficient.
3. Ensure Town's internal control system safeguards the Town's assets.
4. Ensure all grant and project ordinances are approved by the Town Council.
5. Ensure all transactions are completed and posted by the 5th working day of each month.
6. Monitor the Town's revenues and expenditures for compliance with the annual budget ordinance.
7. Develop annual operating and multi-year budgets by June 30.
8. Complete annual independent audit and prepare Comprehensive Annual Financial Report.

PERFORMANCE MEASURES

	FY2019-20 ACTUAL	FY2020-21 ACTUAL	FY2021-22 ESTIMATED	FY2022-23 PROJECTED
Process Bi-Weekly Payroll for Town Employees	26	26	26	26
Number of Invoices Processed Annually	7,775	6,195	9,990	10,190
Percent of Invoices paid within 30 days	75%	75%	80%	90%
Number of Purchase Orders Issued Annually	213	207	190	210
Number of Contracts Issued Annually	346	290	296	310
Number of capital/grant projects managed	45	38	45	50
Number of capital/grant projects closed out	13	17	12	15
% of Monthly Accounting Periods closed in 5 business days	100%	100%	100%	100%
Produce and Distribute Quarterly Financial Statement within 15 days after end of quarter	N/A	N/A	100%	100%
Receive less than 2 audit findings & response comments by Independent Auditors Each Year	1	0	0	0
Gen Fund Expenditures at year-end are within +/-5% of the Original Budget	(7.70%)	(11.22%)	(5.00%)	(5.00%)
Actual Revenues at year-end are within +/-5% of Original Budget	3.03%	5.85%	5.00%	5.00%

BUDGET SUMMARY - FINANCE

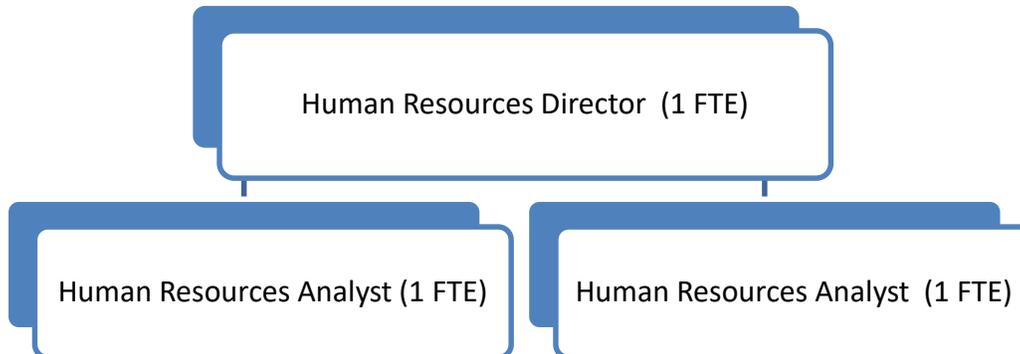
	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	751,570	699,450	715,831	2.3%
Operating	472,334	556,175	583,249	4.9%
TOTAL	\$1,223,904	\$1,255,625	\$ 1,299,080	3.5%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increases in conferences, training, bank fees, and contractual services for county tax collection fees.

HUMAN RESOURCES

3 FTE



PURPOSE

Partner with the management team to recruit, hire, develop, and retain a highly qualified diverse staff dedicated to delivering exemplary customer service and to creating an atmosphere of positive employee relations that focuses on the health and well-being of all employees.

GOALS

- Work with Town Manager and Management Team to maintain a fair, respectful, and effective work environment through Organizational Development work and initiatives, training, and communication.
- Research, review, and recommend competitive and cost-effective benefits.
- Research and review pay and position classification policies and programs that support the Council's goals for competitive, living wages that also provide employees with an affordable housing wage.
- Implement a wellbeing program for employees in keeping with the Council's goal of enhancing quality of life for everyone.
- Provide a fair and equitable process for attracting applicants and retaining employees who have the education and experience commensurate with position requirements.

SERVICES PROVIDED & ACTIVITIES

- Provide Organizational Development assistance to Town Manager and Management Team.
- Advertise vacant positions, receive employment applications, assist departments with the interview process, background checks, and verify employment eligibility with E-Verify.
- Conduct new employee orientations, including benefits enrollment sessions and surveys.
- Administer town provided and voluntary benefits, including counseling all employees on benefits plan(s) and options.
- Coordinate administration of Department of Transportation substance abuse testing.
- Coordinate administration of family medical leave (FMLA) benefits.
- Coordinate employee assistance program (EAP) services.
- Coordinate COBRA administration services.
- Counsel supervisors and employees on performance issues.
- Conduct and respond to salary surveys.

- Provide staff development training to management and employees.
- Assist departments with personnel and employee relations issues.
- Administer and monitor the performance evaluation process.
- Keep supervisors and department heads abreast of legislative changes and guidelines that affect personnel administration.
- Maintain confidential personnel files in accordance with the North Carolina General Statutes and complete reports according to state and federal regulations.

PREVIOUS YEAR ACCOMPLISHMENTS

- Employee “welcome back” luncheon in August 2021.
- Kept employees abreast of Covid-19 information and Town operational updates and changes.
- Conducted new employee orientation sessions and benefits enrollment seminars.
- Virtual Employee Holiday Party and takeout lunches.
- Recognized and rewarded employee service milestones.
- Conducted coaching and counseling sessions for Department Directors.
- Attended bi-monthly Area HR Meetings and hosted once a year.
- Provided direct communication to each employee on benefits deductions.
- Provided each employee with a total compensation statement.
- Assembled wellbeing and safety committees.
- Electronic tracking of FMLA and paid parental leave for better compliance and record-keeping.
- Key player in G.A.R.E. initiative.
- Launched safety e-learning system organization-wide.
- Conducted COVID-conscious flu shot clinic.

UPCOMING FISCAL YEAR OBJECTIVES

- Partner with the Town’s benefits broker and insurance providers to seek ways to reduce town-provided and voluntary benefit costs while maintaining a comprehensive and competitive benefits package.
- Provide training and development for department directors and supervisors that will enhance their leadership, operations management, and employee development skills.
- Implement a compensation strategy to help recruit and retain diverse and highly qualified individuals.
- Work to digitize Personnel Transaction Notices, open enrollment, and other records to improve efficiency, accuracy, and ability to make data driven decisions.
- Formalize HR and safety/risk management policies and educate employees.
- Create a comprehensive wellbeing plan for employees.

TOWN COUNCIL PRIORITIES

Enhance quality of life/place issues for everyone.
Town of Carrboro, NC

PERFORMANCE MEASURES

	FY2019-20 ACTUAL	FY2020-21 ACTUAL	FY 2021-22 ESTIMATED	FY2022-23 PROJECTED
Positions Filled	44	21	49	TBD
Employee Appreciation Events and Rewards	4	4	4	4
Trainings, Orientations, and other Information Sessions	26	30	28	30
Wellness Events	3	1	3	3
Individual Wellness Sessions, Referrals, Interventions	10	5	5	10
New Policies/Procedures/ Programs Revised or Developed	3	2	3	5
HR Staff - Trainings	5	2	4	5

BUDGET SUMMARY - HUMAN RESOURCES

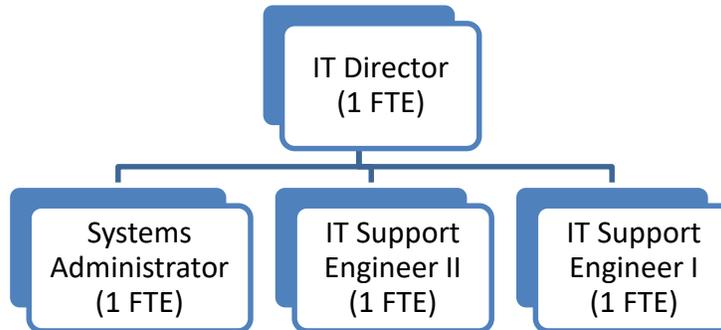
	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	569,570	634,545	612,589	-3.5%
Operating	52,794	89,720	99,505	10.9%
TOTAL	\$ 622,364	\$ 724,265	\$ 712,094	-1.7%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs decreased due to lower insurance costs. Operating increased for safety related expenses and contractual expense.

INFORMATION TECHNOLOGY

4 FTE



PURPOSE

To deliver technology-based solutions that are cost-effective and increase the effectiveness and efficiency of many Town services. To work with various external and community organizations, as directed by the Town Manager, to discover mutually beneficial relationships, sharing technology infrastructure, resources, and strengths.

GOALS

- To provide the technology to enhance the delivery of Town services and to increase the access to and the quality of vital government data.
- To partner with our customers to understand their business processes and needs and then identify activities that can be effectively streamlined through the application of technology in a manner that is cost-effective, convenient, and satisfactory.
- To align technology to business processes throughout Town government.
- To increase business continuity and limit service interruption through the application of technology and infrastructure redundancy.
- To work with county, municipal, educational, and other agencies to share, cooperatively build and leverage existing infrastructure.
- To apply various technologies that enable staff, residents, and others to decrease their carbon footprint while working for the Town or interacting with the Town.

SERVICES PROVIDED & ACTIVITIES

- Create a Town wide Information Technology Budget and facilitate long term planning through the Capital Improvements Program.
- Provide technology support services for computer, voice, and web presence to all departments.
- Provide technology project support and management for departments.
- Manage ongoing departmental application upgrade, patching and security. Manage ongoing operating system upgrades, patching and security.
- Maintain a replacement cycle for desktops and emergency services mobile computers through ongoing replacement cycles of aging inventory.

- Facilitate the collection, storage, security, and integrity of electronic data while ensuring appropriate access.
- Maintain reliable historical data backups for discrete data loss incidents and catastrophic events.
- Provide technology purchasing expertise to all departments.
- Provide, maintain, and upgrade a reliable, scalable, and secure computing infrastructure.
- Maintain, upgrade, and expand the Town's phone system.
- Maintain, upgrade, and expand the Town's public free Wi-Fi to www.townofcarrboro.net.
- Maintain, upgrade, and expand Town wide data and telecommunications physical plant of copper, fiber optics, and wireless.

PREVIOUS YEAR ACCOMPLISHMENTS

- Continued implementing work from home technologies and surrounding security measures for staff during the COVID-19 pandemic.
- Continued to work with Google to bring Google Fiber to the Carrboro Community.
- Assisted Finance in the implementation of Executime time and attendance software and hardware for all departments Town wide.
- Replaced end-of-life Storage Area Network hardware (SAN) at Town Hall. Included migrating all file data and VMWare storage from old SAN to new SAN. Included implementing a new replication technology for continuous data protection between Town Hall and the Century Center.
- Updated email server (software was at end of life) to newer version and augmented surrounding security.
- Implemented email SPF, DKIM and DMARC for increased email security.
- Installed conduit along Rogers Road for future fiber optic cabling and connectivity to promote local broadband competition and promote serving the unserved and underserved.
- Assisted the Fire Department in implementation of a cellular to Wi-Fi hot spot technology that now surrounds most of their vehicles and apparatus with Wi-Fi coverage (to support on scene command center setups).
- Continue to work with Chapel Hill-Carrboro City Schools, UNC-Chapel Hill, Town of Chapel Hill, and Orange County to interconnect Carrboro Fire Station 2 to Chapel Hill High/Smith Middle School to create a shared extended redundant fiber loop.
- Assisted Public Works in implementing a new fuel delivery system that replaces a system that is more than two decades old and was at end of life.
- Began assisting Finance with looking at various online payment options and its integration with existing Town technological infrastructure.
- Continue working with architects on IT/technology related aspects of the 203 Project.

UPCOMING FISCAL YEAR OBJECTIVES

- Continue to work with Orange County, OWASA, UNC-Chapel Hill, Town of Chapel Hill, and Chapel Hill-Carrboro City Schools to interconnect and expand fiber optic networks and share knowledge.

- Continue to work with various North Carolina Next Generation Network (NCNGN) initiatives. NCNGN is a regional effort by four leading universities and six municipalities seeking to accelerate the deployment of ultra-high-speed networks to their surrounding communities.
- Continue to work with Google to bring Google Fiber to the Carrboro Community.
- Install conduit along South Greensboro Road during NCDOT sidewalk project for fiber optic cabling to connect the Town’s Century Center and 203 Project (potentially) to Public Works.
- Continue working with architects on IT/technology related aspects of the 203 Project.

TOWN COUNCIL PRIORITIES

IT supports all departments in their effort to meet Town Council priorities & objectives. IT, as directed by the Town Manager, partners with local community organizations and other regional governmental bodies to leverage and share the Town’s existing technology and technological knowledge to assist the underserved or unserved in the community.

OBJECTIVES

1. Identify activities that can be effectively streamlined through the application of technology in a manner that is cost-effective, convenient, and satisfactory.
2. Increase access to and the quality of vital government data.
3. Provide the technology to enhance the delivery of town services.
4. Improve business continuity.
5. Maintain reliable historical data backups for discrete data loss incidents and catastrophic events.
6. Create telecommuting and in the field data access and input opportunities where possible to reduce the carbon footprint of Town staff.

PERFORMANCE MEASURES

	FY2019-20 ACTUAL	FY2020-21 ACTUAL	FY2021-22 ESTIMATED	FY2022-23 PROJECTED
# of Workstations, Laptops, iPads Supported	192		203	203
# of Emergency Services Mobile Terminals Supported	52		52	50
Average Hours per Month of Unplanned Application Downtime During Business Hours	<1	<1	<1	<1
# Unsuccessful Backups per Month	0	0	0	0

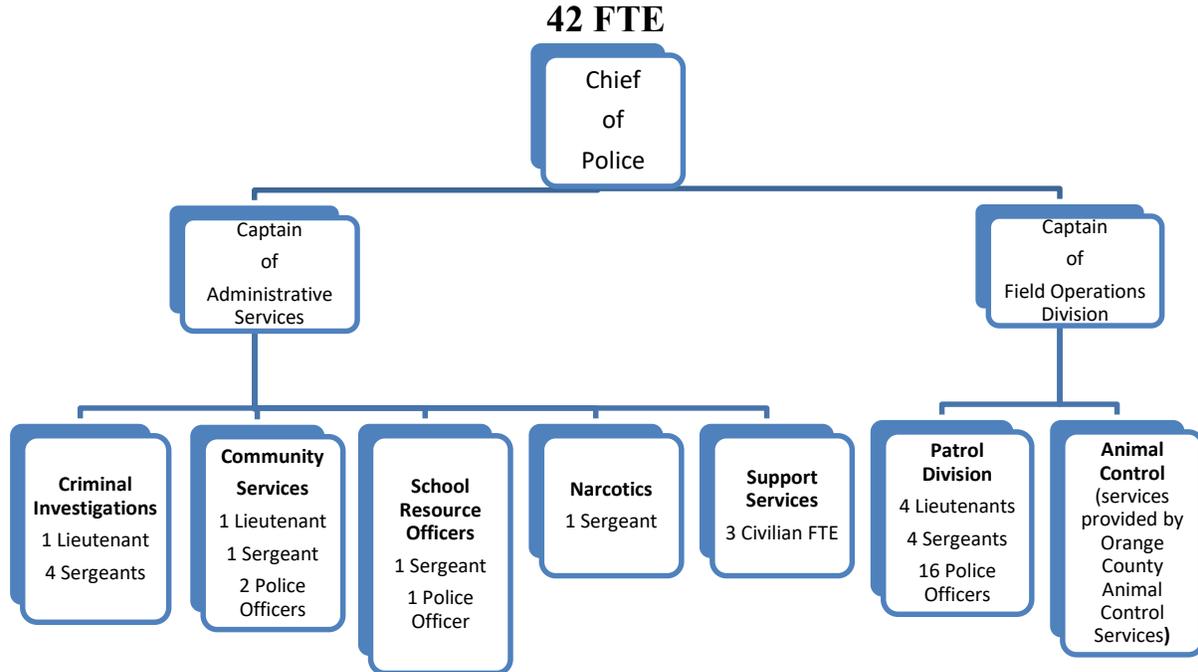
BUDGET SUMMARY - INFORMATION TECHNOLOGY

	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	357,618	435,943	441,901	1.4%
Operating	1,245,918	1,452,050	1,537,181	5.9%
Capital Outlay	68,962	30,000	174,000	480.0%
TOTAL	\$1,672,498	\$1,917,993	\$ 2,153,082	12.3%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Operating cost increases include expenditures for telephone, maintenance of equipment, computer equipment, contractual services for computer software/hardware support, and hosted services. Capital equipment for FY23 includes one Dell Server (\$14K) and one CC SAN unit (\$160K).

POLICE DEPARTMENT



PURPOSE

The Police Department maintains public safety and contributes to improving the quality of life through the enforcement of criminal and traffic laws. Police Department personnel utilize and maximize all available resources, technological advances, and educational opportunities in an effort to provide professional police services.

GOALS

- Ensure Carrboro will continue to be a safe community for all residents, business owners/operators, and guests.
- Monitor and address traffic and pedestrian safety issues.
- Meet mandated training requirements.
- Recruit and hire diverse officers.
- Develop and retain personnel who effectively deal with emergency, crisis, and/or complex situations and handle routine duties carefully and professionally.
- Train and develop employees for advancement and/or for expanding job responsibilities.
- Increase our efforts in Community Policing.
- Continue to use social media to inform and involve the community.

SERVICES PROVIDED & ACTIVITIES

- The Uniform Patrol Division provides 24-hour service and emergency response; effectively answers and initiates calls for service; conducts preliminary criminal investigations and initiates arrests; provides necessary traffic control and enforcement; investigates traffic accidents; and provides basic business/residential security checks.

- The Criminal Investigations Division investigates major criminal cases and offenses involving juveniles, sexual assault, and domestic violence; processes crime scenes; coordinates efforts with relevant area authorities and service providers; maintains the evidence/ property room; conducts prospective employee background investigations; and provides on-call service.
- The Community Services Division provides law enforcement and other community-related services; partners with the community to meet specific neighborhood-driven requests for assistance; follows-up on complaints of suspected gang-related activity; initiates narcotics investigations; provides School Resource Officers (SROs) at McDougle Middle and Carrboro High Schools and works with other schools to enhance safety and security, provides general crime prevention and community watch services; works with business owners to enhance safety and security; and provides other community outreach activities.
- The Administrative Division provides direct service to walk-in visitors, email requests, and telephone inquiries; maintains incident reports and multiple departmental records (including but not limited to warrants, monthly FBI and SBI data reporting, etc.); administers Department budget; answers requests for statistics and analysis; ensures that Department personnel receive appropriate training and adhere to the Department's, Federal, and State policies and procedures; and provides support services to Town Council, Town staff and other agencies.

PREVIOUS YEAR ACCOMPLISHMENTS

- Met all mandated training goals.
- Continued adaptation to the COVID-19 pandemic by distributing masks, developing safe operating routines, delivering food for Meals on Wheels, suspending traditional outreach activities, and procuring personal protective equipment and sanitation equipment.
- Partnered with local law enforcement agencies, NC SBI, NC National Guard Narcotics Task Force, US Marshals, US Drug Enforcement Agency, and US Alcohol, Tobacco and Firearms during narcotics investigations thus reducing the number of drug houses and street-level drug sales locations.
- Continued directed patrols and speed enforcement campaigns involving Uniform Patrol Division and Community Services Division.
- All officers were trained on Fair and Impartial Policing.
- Participated in activities to address pedestrian and bicycle safety.
- Maintained service levels amid staffing shortages.

UPCOMING FISCAL YEAR OBJECTIVES

- Implement staff recruitment plan
- Re-start community outreach programs.
- Maintain current fuel consumption.
- Meet mandated training goals.
- Maintain Carrboro's safety for residents, business owners/operators, and visitors.
- Increase the number of directed patrols and speed enforcement campaigns involving Uniform Patrol Division personnel.
- Restart pedestrian safety operations involving Community Services Division personnel.

- Reduce the number of traffic accidents.
- Continue management/leadership training for supervisors.
- Reduce the number of known drug houses and street-level drug sales locations.
- Obtain new or enhanced revenue sources.
- Increase current staffing levels.
- Continue partnership with Public Works and Recreation and Parks staff to provide a safe setting for all special events.
- Participation with the Community Safety Task Force.

TOWN COUNCIL PRIORITIES

Enhance and sustain quality of life/place issues for everyone.

Improve walkability and public transportation.

OBJECTIVES

1. Maintain Carrboro’s safety for residents.
2. Reduce number of traffic accidents.
3. Restart pedestrian safety operations.
4. Restart bicycle safety operations.
5. Maintain Carrboro’s safety for residents by reducing open-air drug market.
6. Maintain Community Service outreach.

PERFORMANCE MEASURES

	FY 2019-20 ACTUAL	FY 2020-21 ACTUAL	FY 2021-22 ESTIMATED	FY 2022-23 PROJECTED
Calls for Service	21,533	19,806	19,282	20,170
Motor Vehicle Accidents	452	329	369	404
Criminal Arrests	324	316	304	318
Pedestrian Crossing Citations Issued	0	0	0	0
Bicycle Traffic Operations	2	0	0	0
Pedestrian Safety Operations	2	0	0	0
Narcotics Arrests	11	16	18	21
Community Events Involvement	153	200	21	25
Percent Change in Pedestrian Safety Operations	50% Decrease	100% Decrease	0% Change	0% Change
Percent Change in Pedestrian Crossing Citations Issued	100% Decrease	0% Change	0% Change	0% Change
Percent Change in Bicycle Traffic Operations	25% Increase	100% Decrease	0% Change	0% Change

DEPARTMENT BUDGET SUMMARY

BUDGET SUMMARY - POLICE DEPARTMENT

	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	3,591,257	3,528,094	3,932,339	11.5%
Operating	347,611	478,280	539,336	12.8%
Capital Outlay	15,851	-	27,000	#DIV/0!
TOTAL	\$3,954,719	\$4,006,374	\$ 4,498,675	12.3%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

See explanations listed in the following division summaries.

DIVISION LEVEL SUMMARIES

BUDGET SUMMARY - POLICE ADMINISTRATION

	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	687,207	621,100	675,436	8.7%
Operating	32,853	42,510	94,290	121.8%
Capital Outlay	10,651	-	-	#DIV/0!
TOTAL	\$ 730,711	\$ 663,610	\$ 769,726	16.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in personnel costs due to salary and insurance adjustments and retirement costs. Operating increased for travel and training. In addition, \$50,000 is budgeted for a contract for Community mental health services.

BUDGET SUMMARY - POLICE PATROL

	2020-21	2021-22	2022-23	
	Actual	Adopted	Adopted	Pct Change
		Budget	Budget	
Personnel	2,049,431	1,800,189	2,128,914	18.3%
Operating	172,746	255,614	258,274	1.0%
Capital Outlay	5,200		27,000	#DIV/0!
TOTAL	\$2,227,377	\$2,055,803	\$ 2,414,188	17.4%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in operating costs is due to fuel costs. Capital outlay includes a Firearms Training System (\$12K) and one K-9 police dog (\$15K).

BUDGET SUMMARY - POLICE COMMUNITY SERVICES

	2020-21	2021-22	2022-23	
	Actual	Adopted	Adopted	Pct Change
		Budget	Budget	
Personnel	449,333	610,634	645,937	5.8%
Operating	19,622	34,033	34,571	1.6%
TOTAL	\$ 468,955	\$ 644,667	\$ 680,508	5.6%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in operating costs is due to fuel costs.

BUDGET SUMMARY - POLICE INVESTIGATIONS

	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	405,286	496,171	482,052	-2.8%
Operating	20,061	38,010	38,682	1.8%
TOTAL	\$ 425,347	\$ 534,181	\$ 520,734	-2.5%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in operating costs is due to fuel costs.

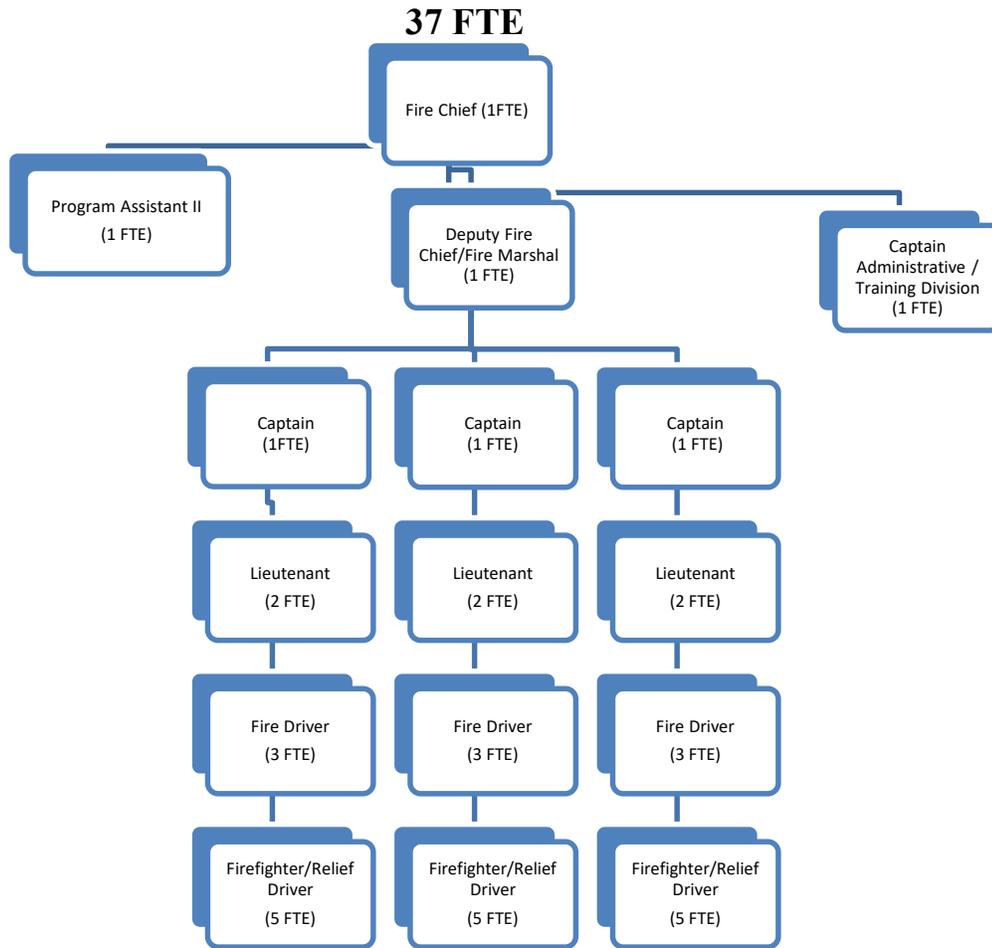
BUDGET SUMMARY - POLICE ANIMAL CONTROL

	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Operating	102,329	108,113	113,519	5.0%
TOTAL	\$ 102,329	\$ 108,113	\$ 113,519	5.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

The Animal Control budget is based on the contract with Orange County Animal Control Services for the Town.

FIRE AND RESCUE DEPARTMENT



PURPOSE

The Carrboro Fire-Rescue Department is dedicated to protecting the lives, property, and the community from the destructive effects of all hazards by providing community risk reduction and emergency response services.

GOAL

- To provide all hazards response in accordance with industry best practices to ensure Carrboro remains a safe place to live, work, and visit.
- To provide community risk reduction services, including public education and fire prevention efforts, to foster an environment of awareness and collaboration in which risks are proactively reduced making our community safer.
- Identify the most common causes of personal injury and property damage, locally and regionally, to implement public education strategies to reduce risks due to identified causes.
- Provide comprehensive training to all personnel to maximize operational capabilities.

- Creation of a succession plan to prepare personnel for advancement as opportunities arise, and to assist with personnel retention.

SERVICES PROVIDED & ACTIVITIES

- Provide 24-hour all hazards response: fire suppression, rescue, and emergency medical services.
- Conduct fire investigations in order to determine the cause and origin of fires.
- Provide community risk reduction programs: code enforcement, plan review, fire prevention education, CPR and First Aid classes, Child Safety Seat program, and smoke alarm installations.
- Partner with Orange County EMS on risk reduction programs related to EMS.
- Provide fire prevention and code enforcement by performing fire inspections in accordance with the NC Fire Code.

PREVIOUS YEAR ACCOMPLISHMENTS

- Modified the service delivery model and incorporated community mask distribution/delivery as well as food distribution planning and operation.
- Ordered replacement fire engine – this will result in a reduction of carbon footprint.
- Took delivery of a water tanker truck.
- Installation of inventory software to distribute EMS equipment – cost recovery/containment measure.
- Awarded multiple grants from NCLM – health and safety & cancer reductions initiatives.
- Developed programs (professional development) related to: Acting Lieutenant, Probationary Firefighter, Peer Support, and Mentoring of Probationary Firefighters.
- Completion of promotional process and promoted three personnel with a 66% diversity rate.
- Completion of a “certified firefighter” new hire eligibility process with a 33% diversity rate.
- Completed installation of emergency VHF radio ceiling speakers for the incident notification system – a health and wellness initiative.
- Participated in multiple research projects related to cancer remediation in the fire service.
- Assisted in the coordination of Camp Ignite – a summer camp for high school aged females to learn about firefighting.
- Took delivery of state-of-the-art battery-operated hydraulic vehicle rescue equipment which will reduce the Town’s carbon footprint.

UPCOMING FISCAL YEAR ACTIVITIES

- Perform quarterly and annual reviews of total call volume in the Town of Carrboro and the South Orange Fire District to identify trends in call volume.
- Quarterly, and annually, review property loss from fire, total property value, and the percentage of property saved to be a piece of analyzing fire ground performance of the department.

- Conduct a community risk analysis to identify hazards and develop / adjust community risk reduction interventions to address identified risks.
- Evaluate incident data to obtain a response time of 6 minutes and 30 seconds or less 90% of the time within the Town of Carrboro.
- Evaluate incident data to obtain a response time of 10 minutes or less 90% of calls within the South Orange Fire District.
- Confirm that fire-rescue personnel will meet the annual ISO training requirements.
- Confirm that 100% of life safety violations will be documented and the occupant owner charged with repairing them within 90 days.

TOWN COUNCIL PRIORITIES

Protect historic neighborhoods and maintain Carrboro’s unique identity.
Enhance and sustain quality of life/place issues for everyone.

PERFORMANCE MEASURES

	FY 2019-20 ACTUAL	FY 2020-21 ACTUAL	FY 2021-22 ESTIMATED	FY 2022-23 PROJECTED
Fire Inspections	1,054	763	765	886
Total Responses	1,786	1,349	1,686	1,751
Fire & EMS Responses - Town	1,388	1,018	1,296	1,358
Fire & EMS Responses - County	268	219	256	276
90% of calls within Town limits will have a TOTAL response time of 6:30 or less*	07:24	07:35	06:49	07:12
90% of calls within the SO District will have a TOTAL response time of 10:00 or less*	9:43	09:54	08:58	9:40
100% of fire-rescue personnel will meet the ISO training requirements	91% company training, 100% all other categories	100%	100%	100%
100% of life safety violations repaired and documented w/in 90 days	100%	100%	100%	100%

* Total response time includes call processing time, which is handled by the Orange County Emergency Communications Center.

DEPARTMENT BUDGET SUMMARY

BUDGET SUMMARY - FIRE DEPARTMENT

	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	3,005,409	2,874,299	2,954,297	2.8%
Operating	255,576	270,414	291,901	7.9%
Capital Outlay	28,042	56,800	-	-100.0%
TOTAL	\$3,289,027	\$3,201,513	\$ 3,246,198	1.4%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

See explanations listed in the following division summaries.

DIVISION LEVEL SUMMARIES

BUDGET SUMMARY - FIRE SUPERVISION

	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	391,491	379,529	399,716	5.3%
Operating	40,065	43,250	48,350	11.8%
TOTAL	\$ 431,556	\$ 422,779	\$ 448,066	6.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in personnel services is due to salary and insurance adjustments. Contractual expense increased \$5,000.

BUDGET SUMMARY - FIRE SUPPRESSION

	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	2,613,918	2,494,770	2,554,581	2.4%
Operating	215,511	227,164	243,551	7.2%
Capital Outlay	28,042	56,800	-	-100.0%
TOTAL	\$2,857,471	\$2,778,734	\$ 2,798,132	0.7%

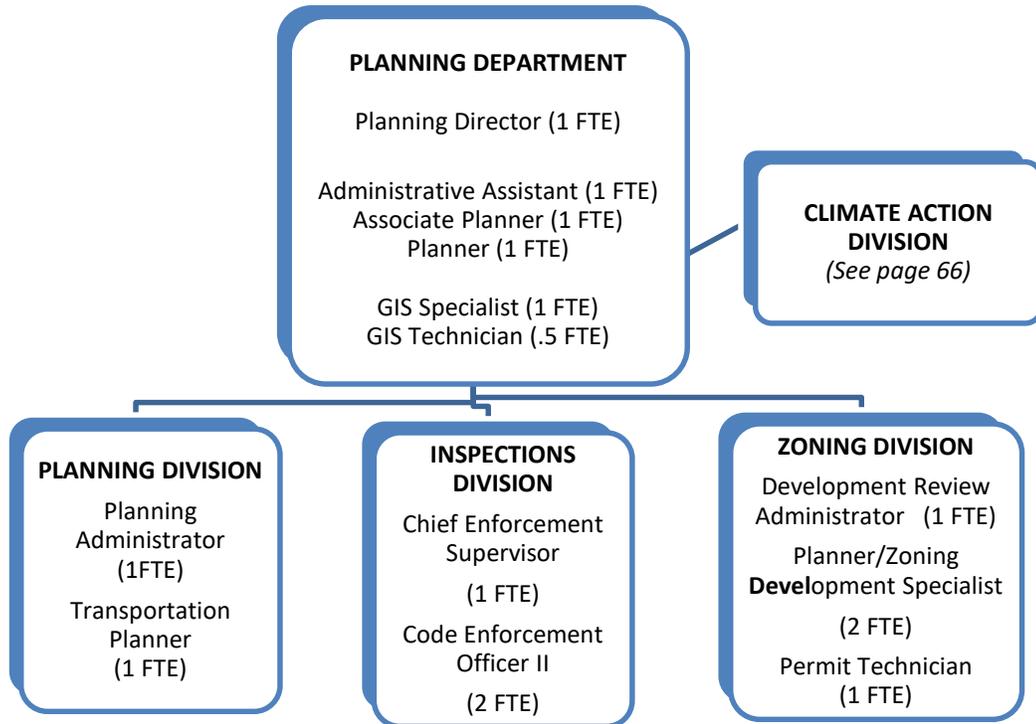
CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Reduction in non-capitalized furniture and equipment and an increase in medical exams.

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PLANNING DEPARTMENT

14.5 FTE



PURPOSE

The Planning Department's mission is to help the Town define and carry out its vision for sustaining existing and future populations. The department monitors the availability and use of resources needed to maintain a balance of the built and natural environments. The department fulfills this mission by offering professional planning, zoning, building code, environmental and engineering and geographic information services to residents, property owners, and businesses.

GOALS

- To provide thorough, timely and responsive service; ensuring accuracy, effective and efficient use of financial, human and physical resources, innovative and engaging support for community initiatives, and clear and successful communication strategies.
- To emphasize the protection of existing neighborhoods, development that is compact, energy-considerate, and ecologically appropriate, therefore promoting trust, mutual respect, acceptance, happiness, and well-being.
- To coordinate development of a well-balanced public infrastructure, including green infrastructure which improves walkability and access to transit.
- To excel in GIS technology and other means of access to Town information and services, including downloadable data sets, location-based functions.
- To advance social justice so that it does not predict outcomes, including participation in all aspects of the operation of planning, zoning, and inspections in Town governance.

- To recognize a special responsibility for the needs of the disadvantaged and to promote racial, ethnic, and economic integration.
- To promote excellence in design that incorporates the diverse range and cultures of community members in the built environment.

SERVICES PROVIDED & ACTIVITIES

- Direct services to users, including Short- and Long-Range Land Use Planning and Development Management, Engineering, Minimum Housing, Multi-trade inspections.
- Intergovernmental Relations.
- Geographic Information Services and support to all Town departments, Transportation, and Environmental Sustainability/Climate Action Plan implementation.
- Staff support for Town Council and advisory boards.

PREVIOUS YEAR ACCOMPLISHMENTS

- Staff CORE team membership.
- Approval of East Main Street re-design.
- Completion of community engagement for Comprehensive Plan, Carrboro Connects 2022-2042, development.
- Design development, construction plan and construction bidding completed for 203 Project.
- Seamless transition to remote work/virtual work due to COVID-19. Additional permit process (special and conditional use permits) through online portal.
- Stream buffer updates using LIDAR.
- Installation of Jones Ferry Buffered Bike Lanes pilot project.
- Ongoing maintenance of Town boundaries with the U.S. Census for accurate data collection.
 - Closeout of HMGP Elevation projects.
 - Greene Tract Resolutions on reconfiguration and land uses approved.

UPCOMING FISCAL YEAR OBJECTIVES

- Coordinate installation of pavement reconfiguration on E. Main Street and related bike loop detectors.
- Complete design process for pedestrian and bicycle improvements (e.g., South Greensboro Street and Jones Creek).
- Coordinate and manage completion of comprehensive planning process and begin implementation.
- Complete transition of zoning applications to Energov, including development of new Active Projects Report.
- Complete revisions to bid package and begin construction of Morgan Creek Greenway after successful selection of contractor.

TOWN COUNCIL PRIORITIES

Diversify revenue stream to maintain ethnic and economic diversity.
 Protect historic neighborhoods and maintain Carrboro's unique identity.
 Improve walkability and public transportation.
 Encourage development that is compact, dense, and appeals to diverse lifestyles and incomes.

Enhance and sustain quality of life/place issues for all residents.

PERFORMANCE MEASURES

	FY2019-20 ACTUAL	FY 2020-21 ACTUAL	FY 2021-22 ESTIMATED	FY 2022-23 PROJECTED
# of LUO Amendments	8	4	2	6
# of Conditional Use Permits	4	2	2	1
# of Special Use Permits	1	0	1	1
# of Zoning Permits	98	90	65	60
# of Bldg Permits for New Residential Units in Town	25	27	30	25
Bldg Permit Construction Value for New Residential in Town	\$8.6M	\$8.2M	\$10.8M	\$8.75M
Bldg Permit Value for New Commercial in Town	\$1.0M	\$1.6M	\$25.0M *	\$4.0M
# of Cos Issued for New Residential Units in Town	N/A	31	34	44
Inspections per day per Inspector FTE	11.7	7.5	10.1	8.0

* Lloyd Farm pending

DEPARTMENT BUDGET SUMMARY

BUDGET SUMMARY - PLANNING DEPARTMENT

	2020-21	2021-22	2022-23	
	Actual	Adopted	Adopted	Pct Change
	Actual	Budget	Budget	
Personnel	1,191,481	1,368,029	1,386,339	1.3%
Operating	188,487	300,313	260,059	-13.4%
TOTAL	\$1,379,968	\$1,668,342	\$ 1,646,398	-1.3%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

See explanations listed in the following division summaries.

DIVISION LEVEL SUMMARIES

BUDGET SUMMARY - PLANNING SUPERVISION

	2020-21	2021-22	2022-23	
	Actual	Adopted	Adopted	Pct Change
	Actual	Budget	Budget	
Personnel	646,391	725,258	750,088	3.4%
Operating	178,323	275,943	235,984	-14.5%
TOTAL	\$ 824,714	\$1,001,201	\$ 986,072	-1.5%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

The FY22 budget included \$50,000 for contractual services related to the implementation of the comp plan. Other changes include a reduction in Bicycle Friendly Community expenses and an increase in engineering services.

BUDGET SUMMARY - PLANNING ZONING

	2020-21	2021-22	2022-23	
	Actual	Adopted	Adopted	Pct Change
		Budget	Budget	
Personnel	269,979	341,668	350,142	2.5%
Operating	1,822	8,095	7,950	-1.8%
TOTAL	\$ 271,801	\$ 349,763	\$ 358,092	2.4%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in personnel costs due to salary and insurance adjustments.

BUDGET SUMMARY - PLANNING INSPECTIONS

	2020-21	2021-22	2022-23	
	Actual	Adopted	Adopted	Pct Change
		Budget	Budget	
Personnel	275,111	301,103	286,109	-5.0%
Operating	8,342	16,275	16,125	-0.9%
TOTAL	\$ 283,453	\$ 317,378	\$ 302,234	-4.8%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs decreased due to employee turnover.

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TRANSPORTATION

PURPOSE

The Transportation Cost Center is used to account for expenditures associated with the partnership with the Town of Chapel Hill and the University of North Carolina for the provision of public transportation services throughout the Chapel Hill, Carrboro, and UNC community.

GOALS

- Improve quality of public transportation service.
- Improve level of public transportation service.
- Improve access to public transportation for the community regardless of ability, race, ethnicity, or income.

SERVICES PROVIDED & ACTIVITIES

- Fixed route transit encompasses all regular bus service to Carrboro residents.
- EZ Rider is a special demand-response service using lift-equipped vehicles to transport individuals with mobility limitations that prevent them from using regular fixed route buses.
- Tar Heel Express is a special service for UNC home basketball and football games.
- Bike-on-bus allows transit riders to put their bicycle on the front of any bus.

PREVIOUS YEAR ACCOMPLISHMENTS

Chapel Hill Transit overall:

- Service area of approximately 62 square miles.
- Statistics for calendar year 2020 are provided in the table below.

Service Consumption FY2020	Fixed Route	Demand Response
Annual Passenger Miles	8,206,034	258,824
Annual Unlinked Trips	4,713,325	57,676
Average Weekday Unlinked Trips *	18,657	
Average Saturday Unlinked Trips *	1,810	
Average Sunday Unlinked Trips *	1,026	
Service Supplied	Fixed Route	Demand Response
Annual Vehicle Revenue Miles	1,786,378	281,019
Annual Vehicle Revenue Hours	154,763	25,496
Vehicles Operated in Maximum Service	88	15
Vehicles Available for Maximum Service	95	20

Source: National Transit Database, FY2020

*Fixed Route and Demand Response combined for average daily unlinked trips

- In FY2020, the total system ridership was 4,751,977 million, ridership was greatly decreased from the previous year due to the impacts of the COVID-19 pandemic.
- Most recent surveying, completed in 2018, found that 89% of riders surveyed rate the overall quality of Chapel Hill Transit as either excellent or good.

UPCOMING FISCAL YEAR OBJECTIVES

- Work with Chapel Hill Transit to manage current level of public transportation service more effectively, including shelters at bus stops, in Carrboro.
- Continue to upgrade and replace, as needed, existing transit shelters.
- Work with Chapel Hill Transit to extend service into areas of Carrboro that are currently not served by fixed route service or to provide expanded service on weekends as described in the Chapel Hill Transit Short Range Transit Plan.
- Work with Chapel Hill Transit, GoTriangle, and Orange County jurisdictions on the update to the Orange County Transit Plan and planning for transit investments in the county, including service extensions to or within Carrboro.

PERFORMANCE MEASURES

	FY 2019-20 ACTUAL	FY 2020-21 ACTUAL	FY 2021-22 ESTIMATED	FY 2022-23 PROJECTED
Average Daily Ridership (Boarding)	3,650	937	1,600	3,000
Average Daily Ridership (Alighting)	3,390	861	1,600	3,000

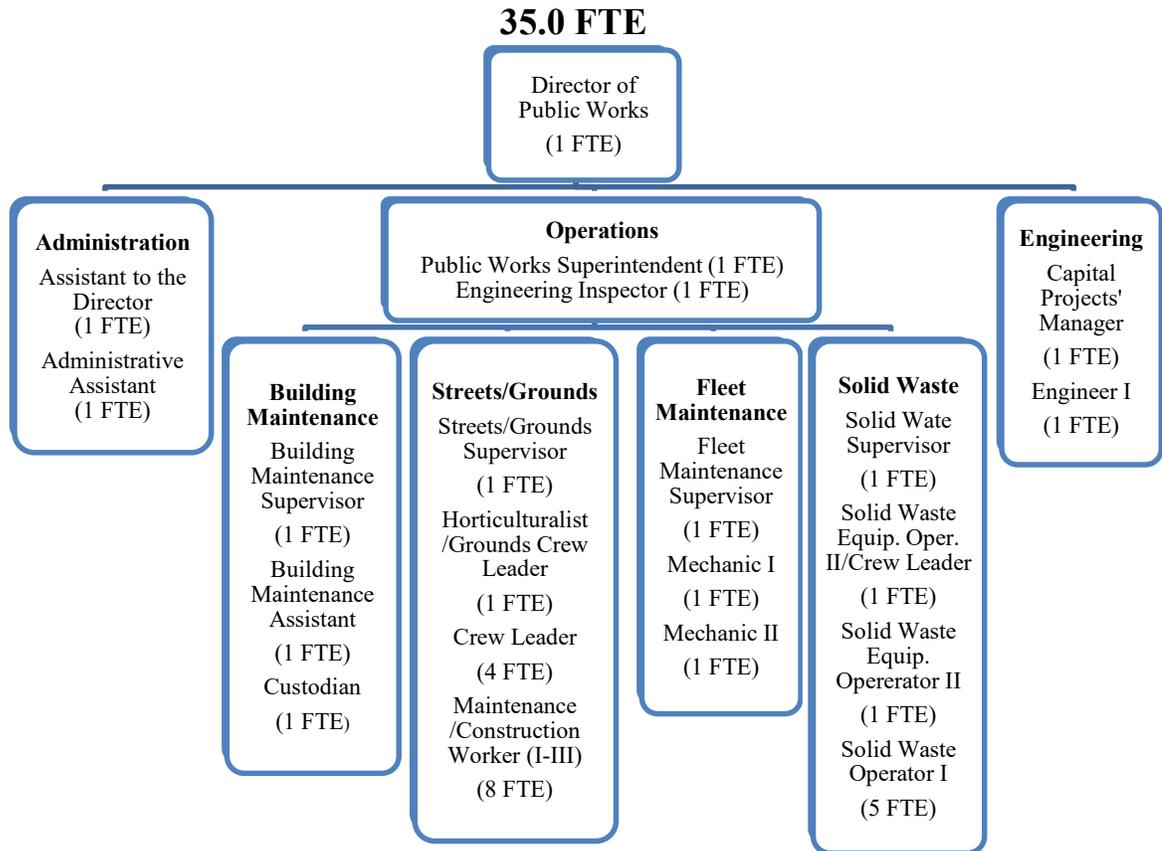
BUDGET SUMMARY - TRANSPORTATION

	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Operating	1,872,010	1,928,168	2,024,580	5.0%
Capital Outlay	-	83,600	83,600	0.0%
TOTAL	\$1,872,010	\$2,011,768	\$ 2,108,180	4.8%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Estimated increase for the Chapel Hill Transit contract is 5%.

PUBLIC WORKS DEPARTMENT



PURPOSE

Promote a safe, healthy, and pleasing environment and community for residents and the general public through ever progressing projects, programs, and services.

GOALS

- Administer construction projects within budget and on schedule.
- Provide timely, cost-effective maintenance of the public street system including signage, storm drainage system, multi-use paths, and right-of-way.
- Provide cost effective, reliable solid waste collection, and disposal services.
- Maintain public buildings and grounds in an environmentally friendly manner so they are pleasant and safe gathering spaces.
- Provide cost effective maintenance of the Town's motor vehicle fleet and equipment.
- To achieve, and exceed where possible, Climate & Equity stormwater performance standards established in the Town Code, Land Use Ordinance, and by the Town.

SERVICES PROVIDED & ACTIVITIES

- Provide administration and general support for service delivery and construction projects.

- Provide construction administration for Town projects; coordinate with other departments; assess needs; develop plans, approvals, contracts, and finalize projects.
- Provide construction monitoring and inspection of public improvements within private development projects.
- Provide engineering services to improve public health and safety for projects such as streets, stormwater, pedestrian and bicycle safety, Planning Department plan review, and other services as needed.
- Provide general street and right-of-way maintenance services including street repair, sign installation, pavement markings, mowing, street sweeping, and litter control.
- Responsible for inclement weather street maintenance (e.g., ice and snow removal, hurricane, and other types of storm clean-up).
- Provide municipal solid waste collection to single family residences and multi-family units. Solid Waste collection is also provided to commercial users who elect to use the Town's service. Yard waste collection, including loose leaves, and bulky waste collection is provided to single family residences.
- Provide building maintenance and repairs for Town assets.
- Manage cemetery operations which includes selling and marking plots at the Town's two cemeteries.
- Provide Park facility and ball field maintenance at the Town's parks and assist with special events.
- Maintain and repair Town vehicles and equipment.

PREVIOUS YEAR ACCOMPLISHMENTS

- Provided planning, administration, and oversight support of Capital Improvement Projects.
- Provided routine municipal services – solid waste collection, loose leaf collection, street and right-of-way maintenance, snow removal, mowing of Town properties, tree trimming and removal, ball field preparation and maintenance, facility maintenance, vehicle and equipment maintenance, and cemetery maintenance and burials.
- Implemented bi-monthly bulk item collection route to improve customer service and efficiency.
- Completed necessary Town facility repairs identified in the Facility Conditions Assessment.
- Completed sidewalk repairs and improvements including ADA pedestrian infrastructure.
- Completed asphalt paving of Roberts Street.
- Applied for and received approval to relocate the leaf compost program to 7917 Old 86. Over 5,000 cubic yards of loose leaves composted on-site.
- Carrboro re-certified as a Tree City USA for its 36th year.
- Implemented use of new asset management software to enhance service levels and efficiencies of existing operations.
- Update roadway regulatory signs to MUTCD standards with high reflective for better visibility.

UPCOMING FISCAL YEAR OBJECTIVES

- Continue to provide residents with esthetical pleasing and safe facilities.
- Continue to provide Town services in the most efficient, safe, and quality manner including support for special events within Town.
- Improve and maintain existing infrastructure to protect the Town's investments, including interior appearance of various facilities.
- Administer contracts for bi-annual street resurfacing, sidewalk improvements, and pavement markings.
- Support the continued work on the 203 Project as it moves from design to construction.
- Support the operations of Westwood Cemetery, including improved maintenance and beautification.
- Update the Street Lighting policy to be in line with Duke offerings and current technology.
- Improve landscaping at Town facilities with the use of native and pollinating plant species.
- Continue to work with NCDOT to improve the ADA compliance of pedestrian infrastructure.
- Implement installation of wayfinding signage for Town municipal parking lots.
- Continue to coordinate and provide support on Capital Improvement Projects for greenways, roadways, sidewalks, and biking improvements.
- Continue to investigate new revenue/grant opportunities. Specifically, to develop plans/projects to support submittal for ARPA funding.
- Incorporate the Town's racial equity and inclusion goals and objectives; and use the racial equity lens to identify and prioritize services and projects.
- Continue to assist the Stormwater Division with engineering services for various stormwater management needs.

TOWN COUNCIL PRIORITIES

Improve walkability and public transportation.

Enhance and sustain quality of life/place issues for everyone.

Protect historic neighborhoods and maintain Carrboro's unique identity.

OBJECTIVES

1. Improve service levels of existing operations. (Ex. Solid waste, yard waste, and bulk items collections, mowing, street sweeping, street and row maintenance, and building maintenance).
2. Evaluate town facilities and seek to provide improvements to achieve net zero carbon output, energy efficiency, and environmentally responsible programs.
3. Improve and maintain existing infrastructure in order to protect Town's investments.
4. Coordinate and provide support on Capital Improvement Projects for greenways, sidewalks, biking improvements, bus shelter replacement, and projects outlined in Space Needs Study.
5. Administer street resurfacing, sidewalk, curb, and ramp projects.

PERFORMANCE MEASURES

	FY 2019-20 ACTUAL	FY 2020-21 ACTUAL	FY 2021-22 ESTIMATED	FY 2022-23 PROJECTED
Number of Construction Contracts Administered	9	27	14	20
Square feet of Building Space Maintained	61,317	61,317	62,599	62,599
Miles of Road Maintained	46.68	46.68	47.04	47.04
Miles of Roadways Resurfaced	3.57	0	1.85	1.25
Cubic Yards of leaves composted	3,165	5,730	5,750	6,000
Solid waste pounds/person/day	1.73	1.83	1.80	1.80
Number of Household Waste Rollout Containers	4,530	4,550	4,575	4,585

DEPARTMENT BUDGET SUMMARY

BUDGET SUMMARY - PUBLIC WORKS

	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	2,405,171	2,438,242	2,454,508	0.7%
Operating	1,427,349	1,569,514	1,567,434	-0.1%
Capital Outlay	33,044	19,000	35,000	84.2%
TOTAL	\$3,865,564	\$4,026,756	\$ 4,056,942	0.7%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

See explanations listed in the following division summaries.

DIVISION LEVEL SUMMARIES

BUDGET SUMMARY - PUBLIC WORKS SUPERVISION

	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	684,880	676,982	640,184	-5.4%
Operating	84,016	40,667	49,666	22.1%
TOTAL	\$ 768,896	\$ 717,649	\$ 689,850	-3.9%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs decreased due to the vacancy of the department director. Operating expenses increased for professional services and non-capitalized furniture and equipment.

BUDGET SUMMARY - PUBLIC WORKS STREETS & GROUNDS

	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	388,886	837,061	868,508	3.8%
Operating	390,980	633,037	575,813	-9.0%
Capital Outlay	16,901	19,000	35,000	84.2%
TOTAL	\$ 796,767	\$1,489,098	\$ 1,479,321	-0.7%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

For the FY22 budget, the PW Streets and Landscaping divisions were combined into the PW Streets & Grounds division. Operating increases include \$4K fuel, \$10K utilities, \$10K supplies, and \$31K contractual services while decreases include non-capitalized furniture, allocated enterprise expenses. During FY22, \$69,800 of powell bill expenses were shifted to a special revenue fund and are not budgeted here for FY23.

BUDGET SUMMARY - PUBLIC WORKS SOLID WASTE

	2020-21	2021-22	2022-23	
	Actual	Adopted	Adopted	Pct Change
		Budget	Budget	
Personnel	477,070	511,563	526,255	2.9%
Operating	475,422	512,494	511,020	-0.3%
TOTAL	\$ 952,492	\$1,024,057	\$ 1,037,275	1.3%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in personnel costs due to salary and insurance adjustments.

BUDGET SUMMARY - PUBLIC WORKS CENTRAL SERVICES

	2020-21	2021-22	2022-23	
	Actual	Adopted	Adopted	Pct Change
		Budget	Budget	
Personnel	208,677	212,197	213,678	0.7%
Operating	309,072	341,793	390,220	14.2%
TOTAL	\$ 517,749	\$ 553,990	\$ 603,898	9.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Operating costs increases in building mtce of \$15K, utilities of \$11K, and contractual services of \$17K.

BUDGET SUMMARY - PUBLIC WORKS FLEET MAINTENANCE

	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	203,725	200,439	205,883	2.7%
Operating	28,302	41,523	40,715	-1.9%
Capital Outlay	16,143		-	#DIV/0!
TOTAL	\$ 248,170	\$ 241,962	\$ 246,598	1.9%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in personnel costs due to salary and insurance adjustments.

BUDGET SUMMARY - PUBLIC WORKS LANDSCAPING

	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	441,933		-	#DIV/0!
Operating	139,557		-	#DIV/0!
TOTAL	\$ 581,490	\$ -	\$ -	#DIV/0!

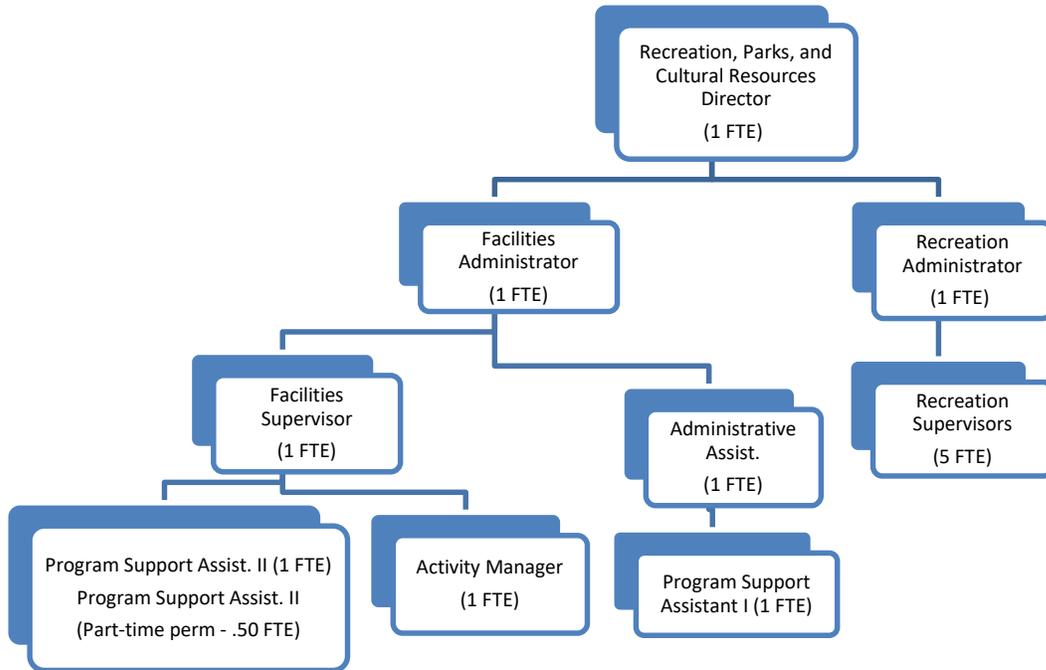
CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

For the FY22 budget, the PW Streets and Landscaping divisions were combined into the PW Streets & Grounds division.

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RECREATION, PARKS, & CULTURAL RESOURCES DEPARTMENT

13.50 FTE



PURPOSE

Enrich the leisure needs and quality of life for residents, by providing accessible facilities, creative and diverse recreation opportunities, and a safe public park system.

GOALS

- To enhance department marketing strategies to better inform the community of events, programs, and resources.
- Increase resident and public involvement in the creation and coordination of recreation programs and events.
- Expand the utilization of volunteers and department staff in effective program leadership roles.
- Provide diverse recreational programs that address the needs of all residents.
- Complete CIP projects.
- Continue to provide excellent customer service, which will encourage patrons to continue to participate in recreation programs and use recreation facilities.
- Continue to manage facilities in a manner, which minimizes usage conflicts, overcrowding, and costs.

- Continue to ensure the attractiveness of the Century Center and parks by providing properly functioning equipment and facilities that are properly maintained to ensure they are aesthetically pleasing, clean, sanitary, and safe.
- Examine departmental operations to identify areas of opportunity for increased efficiency.
- Improve marketing of parks and facilities for patron use and reservation.

SERVICES PROVIDED & ACTIVITIES

- Develop, market, and implement recreation and leisure programs such as leagues, classes, and other events that improve the quality of life for the residents of Carrboro.
- Oversee parks and facilities that provide space to enjoy nature, build family unity, meet friends, and build strong bodies.
- Demonstrate excellent customer service to residents who register for programs and reserve, or use, recreation and park facilities.
- Facilitate the planning and implementation of programs and events that promote local arts and culture and enhance civic pride.
- Operate a variety of indoor and outdoor facilities, which help bring the community together by providing space, promoting values, community activity, and healthy living.
- Serve as staff liaisons to resident-based committees, various community groups and organizations, and internal town committees including Recreation and Parks Commission, Arts Committee, and Carrboro Farmers Market.
- Facilitate community-requested events through the Carrboro Special Events Committee.

PREVIOUS YEAR ACCOMPLISHMENTS

- Staff served on several community and regional committees, including Orange County Senior Games, Healthy Carolinians of Orange County, Durham Orange Community Tennis Association, the Orange County Master Aging Plan, the Safe Kids Committee, the North Carolina Recreation and Parks Association Board of Directors, and the Diversity and Inclusion Committee.
- Increased the number of recipients and points of distribution of the Program Brochure, Monthly Program Newsletter, and Poetry Newsletter and utilized the Program Brochure to help with promotion on Town initiatives, such as the Comprehensive Plan, Community Services, recruitment for Town Advisory Boards, and Town development projects.
- Worked with the Communications & Engagement Department as a member of the Town's Communications Team, including work on the ongoing website redevelopment project.
- Presented Open Streets and Carrboro Day virtually via Facebook and successfully implemented modified community events including July 4th, the West End Poetry Festival, the Carrboro Film Festival, and the Holiday Tree Lighting to offer a return to in-person activities in a COVID-safe manner.
- Hosted a United States Senate candidate Cheri Beasley as a special guest speaker for the annual Frederick Douglass July 4th event on the front lawn of Town Hall.
- Partnered with the Music Maker Relief Foundation, Carrboro Tourism Development Authority, and WUNC to offer professionally produced concerts for the Freight Train Blues Concert Series.

- Offered a variety of programs with an emphasis on underserved populations and increasing cultural diversity, including Latin Dance and West African Dance programs.
- Partnered with the Orange County Community Remembrance Coalition and the BIPOC Elected Officials of Orange County to enhance Black History Month programming, hosting a talk with local leaders and a virtual poetry reading.
- Worked with the Town Clerk, Carrboro Youth Council, Youth Advisory Board, and the NAACP to offer the youth-led Dr. Martin Luther King Commemoration Event.
- Partnered with the Town of Chapel Hill, the Chapel Hill-Carrboro City Schools Office of Equity & Inclusion, the NAACP, and other community partners on the first-ever local Juneteenth Festival.
- Emphasis placed on meeting community where they are and participating in programs by establishing community-based recreation events using the mobile play unit and programs in senior living facilities collaborating with staff to conduct stay to safely program in place along with senior transportation increasing program access.
- Expanded popular programs such as mountain biking, gymnastics, tennis, flag football, ultimate frisbee, and poetry.
- Assisted the Farmer's Market in providing staffing and assistance to implement COVID-related protocols and to administer the composting stations, helping with the Town's Climate Action goals.
- The Department Director served as the Racial Equity Officer and led Town's efforts on the Government Alliance on Race and Equity initiatives, including working with Town Council in establishing the Racial Equity Commission.
- Collaborated with several local partners on the creation and installation of another community mural on Merritt Mill Road and continued to increase more arts and cultural resources (Arts Committee, Orange County Library-related partnerships, county-wide arts partners, etc.).
- Staff attended annual conferences, seminars and workshops and took advantage of some free opportunities on ideas related to the pandemic hosted by organizations such as NRPA, NCRPA, RSS, NCRPA Therapeutic Recreation, NCSU and NC Seniors Games.
- Several staff members re-certified as Certified Park and Recreation Professionals.
- Staff attended GARE training along with other racial equity opportunities and facilitated monthly departmental Continuing the Conversation meetings.
- Participated in interdepartmental and consultant collaboration along with community engagement related to the 203 Project and comprehensive plan.
- Continued to make park amenities available for use under Covid-19 guidelines.
- Assisted Public Works with painting project inside Century Center offices and meeting rooms.
- Began monthly information postings from Facilities Division to Facebook, Twitter.
- Facility/Activity Supervisor staff continued receiving numerous compliments on their performance facilitating program and reservation events.

UPCOMING FISCAL YEAR OBJECTIVES

Administration

- Evaluate policies, practices, procedures, and services using the racial equity assessment lens.
- Reduce inventory of extant records, files, and equipment in accordance with state records retention schedules and property disposition requirements.
- Expand the utilization of volunteers and department staff in effective program leadership roles, including working with the Youth Council and Youth Advisory Board to engage the youth and teen population.
- Develop private, public, and neighborhood partnerships and sponsorships to support our recreational facilities and programs with a focus on agencies (El Centro, Refugee Support Center, and NAACP) that help to reach underserved populations.
- Collaborate with event planning committees and the business community to continue to expand and improve programs and special events.

Marketing

- Collaborate with the Town's Communications & Engagement Department to utilize new avenues of public engagement. (HOAs, Town Information Centers, etc.)
- Coordinate marketing with local businesses and partnering agencies to increase publicity for department programs and events in a cost-effective manner.
- Improve marketing of parks and facilities for patron use and reservations.

Operations

- Conduct a department-wide inventory of equipment and assets, explore options for equipment and supply storage needs to maximize utilization of resources and improve access for staff and volunteers.
- Work with Public Works to improve appearance/safety of parks and Century Center.
- Replace basketball court surface at Hank Anderson Park.

Programming

- Collaborate with local partners and Town staff to create multi-purpose, outdoor programs that provide educational opportunities and increase environmental awareness.
- Identify new funding sources, such as community partnerships, sponsorships, and grants, to broaden the Department's revenue stream to maintain and enhance service levels.
- Work with Town staff in the development of the Comprehensive Plan and use the One Orange Racial Equity Framework to implement recommendations related to recreation programming.
- Utilize a broad range of evaluation criteria to ensure program offerings are meeting the needs of the participants.
- Expand recreational opportunities for underserved populations. (teens, seniors, immigrants/refugees)

TOWN COUNCIL PRIORITIES

Diversify revenue stream to maintain ethnic and economic diversity.
 Enhance and sustain quality of life/place issues for everyone.

PERFORMANCE MEASURES

	FY2019-20 ACTUAL	FY 2020-21 ACTUAL	FY 2021-22 ESTIMATED	FY 2022-23 PROJECTED
% Change in Volunteer Hours Supporting Programs	-50.0%	-73.0%	251.0%	20.0%
Revenue Driven Facility Usage Hours (External, Courses, Administrative)	20,062	24,906	20,500	30,000
Revenue Driven Facility Usage Hours Percent Change (External, Courses, Administrative)	11.5%	24.0%	-17.0%	46.0%
Non-Revenue Facility Usage Hours (Partnerships, Community/Informational Meetings)	1,250	1,647	580	650
Non-Revenue Facility Usage Hours Percent Change (Partnerships, Community/Informational Meetings)	-18.0%	32.0%	-64.0%	12.0%
% Change in Program Division Revenue	-30.0%	-56.0%	175.0%	5.0%
% Change in Programming Hours	-29.0%	-47.0%	94.0%	15.0%
% Change of Operational Budget Supported by Program Revenue Generated	-19.0%	-25.0%	258.0%	1.0%
% Change in Enrolled participants	-40.0%	-46.0%	154.0%	6.0%

DEPARTMENT BUDGET SUMMARY

BUDGET SUMMARY - RECREATION, PARKS, & CULTURAL RESOURCES

	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	1,171,354	1,362,850	1,423,910	4.5%
Operating	241,591	545,718	556,773	2.0%
TOTAL	\$1,412,945	\$1,908,568	\$ 1,980,683	3.8%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

See explanations listed in the following division summaries.

DIVISION LEVEL SUMMARIES

BUDGET SUMMARY - RECREATION AND PARKS SUPERVISIO

	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	153,007	151,099	155,692	3.0%
Operating	31,518	55,314	33,080	-40.2%
TOTAL	\$ 184,525	\$ 206,413	\$ 188,772	-8.5%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

FY22 included \$20K for expenses related to government alliance on racial equity (GARE). In FY23, this expense was shifted to the Town Manager's budget.

BUDGET SUMMARY - RECREATION GENERAL PROGRAMS

	2020-21	2021-22	2022-23	
	Actual	Adopted	Adopted	Pct Change
		Budget	Budget	
Personnel	537,421	701,341	737,524	5.2%
Operating	157,836	355,932	397,932	11.8%
TOTAL	\$ 695,257	\$1,057,273	\$ 1,135,456	7.4%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increased budgets for departmental supplies, uniforms, contractual services, and active life programs.

BUDGET SUMMARY - RECREATION AND PARK FACILITIES

	2020-21	2021-22	2022-23	
	Actual	Adopted	Adopted	Pct Change
		Budget	Budget	
Personnel	480,926	510,410	530,694	4.0%
Operating	52,237	134,472	125,761	-6.5%
TOTAL	\$ 533,163	\$ 644,882	\$ 656,455	1.8%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Decrease in contractual services of \$19K offset by a \$10K increase in non-capitalized equipment.

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NONDEPARTMENTAL

PURPOSE

Non-Departmental appropriations are used to account for items not readily identified with other organizational departments or functions.

SERVICES PROVIDED & ACTIVITIES

- Budgeted funds are set aside for:
 - Compensation Adjustments
 - Dependent Health Insurance
 - Unemployment Insurance Reserves
 - Risk and Safety Remediation
 - Miscellaneous Town Council initiatives
 - Transfers to Other Funds

Non-department funds are allocated to departments as needed.

BUDGET SUMMARY - NON-DEPARTMENTAL

	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	-	693,367	1,329,754	91.8%
Operating	-	232,000	85,000	-63.4%
Transfers	636,149	675,500	331,353	-50.9%
TOTAL	\$ 636,149	\$1,600,867	\$ 1,746,107	9.1%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

The personnel budget sets aside funds for a salary adjustment and minimum housing wage adjustments for employees, anticipated increase in health insurance costs, and required unemployment insurance reserve. The FY23 personnel amount includes a 15% increase in insurance costs.

The Operating expense includes \$85,000 budgeted for the remediation of building safety issues that may arise during the year for Town owned facilities.

The FY23 Transfers include transfers of \$143,160 to the parking fund and \$188,193 to the Affordable Housing Fund.

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DEBT SERVICE

PURPOSE

The Debt Service cost center accounts for expenditures used for the payment of principal and interest associated with the Town’s general obligation bonds and other financings.

BACKGROUND

In North Carolina, the Local Government Commission in the State Treasurer’s Office oversees local government bonded debt and assists local governments in all areas of fiscal management. This agency conducts all bond sales and ensures that local units have sufficient fiscal capacity to repay debt. The Town is subject to the Local Government Bond Act of North Carolina which limits the amount of net bonded debt the Town may have outstanding to 8% of the appraised value of property subject to taxation.

Like most municipalities, the Town of Carrboro uses debt to finance long-term capital projects and it is the Town’s policy that the financing period shall not exceed the useful life of the asset. As of June 30, 2021, the Town had approximately \$33.3 million in long-term debt. Of this total, 16.0% represented general obligation debt and installment purchases for improvements and equipment. The other 84.0% of long-term debt is related to other post-employment benefits and the two pension plans (LGERS and LEO).

	Long Term Debt 6/30/2020	Long Term Debt 6/30/2021
General Obligation debt	\$2,850,000	\$2,600,000
Premium on bond	\$55,964	\$51,097
Installment purchases - improvements	\$975,000	\$758,333
Installment purchases - equipment	\$170,976	\$1,921,252
Compensated absences	\$826,999	\$867,973
Other Post-employment benefits	\$16,065,479	\$20,745,094
Net pension liability (LGERS)	\$3,375,107	\$4,314,590
Total pension liability (LEO)	\$1,498,927	\$2,057,740
Total	\$25,818,452	\$33,316,079

The N.C. General Statutes 160A-20 allows local governments to enter into installment contracts to finance the purchase of equipment and land, or for construction projects. Under this method of financing, the unit enters into a contract with a financial institution in which the financial institution provides funding for the purchase of equipment, land, or for construction projects. The financial institution maintains a security interest in the equipment or project until the governmental unit repays the loan. For these contracts, local units pledge to pay the installments from any revenues available, but do not pledge the “full faith and credit” of the unit. Contracts under \$500,000 and less than a five-year maturity do not require approval by the Local Government Commission (LGC). Installment contracts for equipment greater than \$500,000 or maturities over five years require approval by the LGC, except the purchase of vehicles and rolling stock, which may be purchased in any amount without LGC approval. Installment contracts involving improvements

to land or buildings require approval by the LGC regardless of the dollar amount or maturity involved.

In January 2013, the Town issued \$4.6 million of general obligation bonds for construction of sidewalks and greenways. These general obligation bonds were authorized by the voters in November 2003. The Town began construction of projects in FY 2005-06 by issuing a series of bond anticipation notes requiring only interest payments until the issuance of the general obligation bonds in January 2013. General obligation bonds are collateralized by the full faith, credit, and taxing power of the Town and generally allow for longer loan terms than other types of financing (up to 20 years) and require a lower interest rate than other types of financing.

Other long-term debt noted above includes reserves for compensated absences which is the amount the Town owes for future payments for employee vacation. Net pension obligations represent the annual required contribution for retirement benefit to law enforcement officers.

In May 2022, the Town finalized installment financing of \$12,650,000 for the Town’s share of the \$41.2M 203 Project which includes a facility to house the Orange County Southern Branch Library and Town administrative offices with the potential for also accommodating other compatible uses.

CURRENT AND FUTURE DEBT

Project	Issue \$	Principal	Interest	Total
SIDEWALKS & GREENSWAYS GO BONDS	\$4,600,000	\$250,000	\$57,500	\$307,500
TOTAL GENERAL OBLIGATION BONDS		\$250,000	\$57,500	\$307,500
FIRE SUBSTATION	\$3,250,000	\$216,667	\$12,627	\$229,294
203 PROJECT	\$12,650,000	\$0	\$286,716	\$286,716
TOTAL LONG-TERM INSTALLMENT DEBT		\$216,667	\$299,343	\$516,010
EQUIPMENT/VEHICLES *		\$499,922	\$44,785	\$544,707

** Includes estimated payments for new installment financing to be issued in FY 2022.*

The Town is planning to finance the FY23 vehicles and equipment purchases, shown below, with installment financing.

VEHICLES AND EQUIPMENT TO BE PURCHASED IN FY 2022-23:

Department	Vehicles/Equipment	Cost Estimate
Fire	Ford Hybrid PIU	58,000
Public Works	Isuzu ODB Leaf Truck	195,000
Public Works	Ford F-250	45,000
Rec and Park	Ford F-150 Hybrid	38,000
Rec and Park	Ford Maverick	32,000
	Total	\$ 368,000

BUDGET SUMMARY - DEBT SERVICE

	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Operating	683,748	876,790	1,368,217	56.0%
TOTAL	\$ 683,748	\$ 876,790	\$ 1,368,217	56.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Principal and interest payments will increase in FY23 due to the FY22 vehicle financing and the new debt related to the 203 Project.

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SPECIAL REVENUE FUNDS

The Special Revenue Fund accounts for revenues and expenditures legally restricted or designated by the Town Council for specific program activities or services. The Special Revenue Fund was restructured in 2011 to comply with GASB 54. Included in the Special Revenue Fund are the following funds:

- Affordable Housing
- Grant Administration
- Powell Bill
- American Rescue Plan Act
- Emergency Loans
- Revolving Loans for Energy Efficiency
- Revolving Loans for Economic Development

BUDGET SUMMARY

	Adopted Budget FY2021-22	Adopted Budget FY2022-23	Amount Change	Pct Change
Fund:				
Affordable Housing	338,525	568,423	229,898	67.9%
Grant Administration	1,723,249	1,918,824	195,575	11.3%
Powell Bill	0	560,600	560,600	#DIV/0!
American Rescue Plan Act	6,200,000	6,754,699	554,699	8.9%
Emergency Loans	584,473	636,063	51,590	8.8%
Revolving Loans for Energy Efficiency	241,703	205,227	-36,476	-15.1%
Revolving Loans for Economic Development	479,391	512,813	33,422	7.0%
Totals	\$9,567,341	\$11,156,649	\$1,589,308	16.6%

AFFORDABLE HOUSING FUND

This fund was created to advance the Town’s goal of increasing the stock of affordable, safe, and decent housing within the Town and its’ planning jurisdiction. The fund was established by a resolution on June 26, 2007, and guidelines for allowable activities are revised periodically. Payments to the fund, made by developers, in lieu of providing affordable housing under the applicable provisions of the Land Use Ordinance, are deposited into the fund in addition to any other revenues such as grants, donations, loans, interest payments, or other contributions.

BUDGET SUMMARY

	FY2020-21	Adopted Budget FY2021-22	Adopted Budget FY2022-23	FY22 to FY23 Percent Change
	<u>Actuals</u>			
<u>Revenues:</u>				
Ad Valorem Tax	226,606	338,000	380,000	12.4%
Interest Earnings	53	75	50	-33.3%
Prior Year Taxes	583	400	180	-55.0%
Penalty and Interest	-	50	-	-100.0%
Payment in Lieu	82,026	-	-	#DIV/0!
Transfer from General Fund	112,500	-	188,193	#DIV/0!
Total Revenues	\$421,768	\$338,525	\$568,423	67.9%
<u>Expenditures:</u>				
Community Home Trust	74,518	70,582	73,452	4.1%
Home Consortium Match	12,651	12,488	14,000	12.1%
Partnership to End Homelessness	35,232	35,202	131,677	274.1%
Interfaith Council Housing	-	-	92,950	#DIV/0!
Center fo Community Self Help	27,248	-	-	#DIV/0!
AHSRF Deferred Loan Program	-	10,000	5,000	-50.0%
Affordable Hsg Advisory Board	7	500	500	0.0%
Critical Home Repair	96,318	65,000	80,000	23.1%
Rental Deposits Program	300	33,258	37,000	11.3%
Acquisition and Development	103,390	100,000	120,000	20.0%
Unexpended Reserves	-	11,495	13,844	20.4%
Total Expenditures	\$349,664	\$338,525	\$568,423	67.9%

GRANT ADMINISTRATION FUND

This fund accounts for grant awards made to the Town that are legally restricted to expenditures for specific programs, activities, and purposes. Recent grant awards include North Carolina Community Development Block Grant (CDBG) to provide rental assistance to qualified Carrboro residents.

BUDGET SUMMARY

	LTD Actuals thru 6/30/21	Adopted Budget FY2021-22	Adopted Budget FY2022-23	FY22 to FY23 Percent Change
<u>Revenues:</u>				
Grant Revenue	316,247	1,723,249	1,900,824	10.3%
Other Revenues	-	-	18,000	#DIV/0!
Total Revenues	\$316,247	\$1,723,249	\$1,918,824	11.3%
<u>Expenditures:</u>				
Hazard Mitigation Grant	308,233	823,249	823,249	0.0%
NC CDBG Coronavirus Prgm	174,350	900,000	900,000	0.0%
Article 46 Expenses	-	-	27,575	#DIV/0!
Bolin Crk Watershed Restoration	-	-	168,000	#DIV/0!
Total Expenditures	\$482,583	\$1,723,249	\$1,918,824	11.3%

POWELL BILL FUND

Annually, State Street-Aid (Powell Bill) allocations are made to incorporated municipalities which establish their eligibility and qualify as provided by G.S. 136-41.1 through 136-41.4. The Town's special revenue fund for Powell Bill was established by council on September 14, 2021.

BUDGET SUMMARY

	FY2020-21	Adopted Budget FY2021-22	Adopted Budget FY2022-23	FY22 to FY23 Percent Change
	<u>Actuals</u>	<u>FY2021-22</u>	<u>FY2022-23</u>	<u>Change</u>
<u>Revenues:</u>				
Interest Earnings	-	-	200	#DIV/0!
Powell Bill Revenue	-	-	480,000	#DIV/0!
Fund Balance Appropriated	-	-	80,400	#DIV/0!
Total Revenues	\$0	\$0	\$560,600	#DIV/0!
<u>Expenditures:</u>				
Professional Services	-	-	40,000	#DIV/0!
M & R Equipment	-	-	5,000	#DIV/0!
Advertising	-	-	600	#DIV/0!
Departmental Supplies	-	-	30,000	#DIV/0!
Contractual Services	-	-	85,000	#DIV/0!
Construction	-	-	400,000	#DIV/0!
Total Expenditures	\$0	\$0	\$560,600	#DIV/0!

AMERICAN RESCUE PLAN ACT FUND

The American Rescue Plan Act was signed into law on March 11, 2021, and provides funding to state and local governments to assist with pandemic rescue and recovery efforts. These funds may be used for a range of activities including: 1) revenue replacement for the provision of government services to the extent the reduction in revenue is due to the COVID-19 public health emergency; 2) premium pay to essential employees; 3) assistance to small businesses, nonprofits, household and hard-hit industries, and economic recovery; and 4) investments in water, sewer, and broadband infrastructure.

BUDGET SUMMARY

	LTD Actuals thru 6/30/21	Adopted Budget FY2021-22	Adopted Budget FY2022-23	FY22 to FY23 Percent Change
<u>Revenues:</u>				
Interest Earnings	-	-	1,500	#DIV/0!
Grant Revenue	-	6,200,000	6,753,199	8.9%
Total Revenues	\$0	\$6,200,000	\$6,754,699	8.9%
<u>Expenditures:</u>				
Negative Economic Impacts	-	300,000	326,522	8.8%
Premium Pay	-	224,795	224,795	0.0%
Revenue Replacement	-	1,834,730	1,834,730	0.0%
Unexpended Reserves	-	3,840,475	4,368,652	13.8%
Total Expenditures	\$0	\$6,200,000	\$6,754,699	8.9%

EMERGENCY LOAN FUND

The purpose of the Emergency Loan Fund is to assist Carrboro based businesses and non-profits that serve Carrboro with short term payroll and other recurring expenses during the State/Town declared COVID 19 Emergency in order to maintain and sustain operations for existing viable enterprises. The fund is intended to assist small local businesses and non-profits that are in current good standing with creditors but are low on capital to maintain operations. Loan approval is at the discretion of the Town of Carrboro. Ten percent of the provided funding is considered a grant and ninety percent is considered a loan. The loan portion is to be repaid to the Town at zero percent interest.

BUDGET SUMMARY

	LTD Actuals thru 6/30/21	Adopted Budget FY2021-22	Adopted Budget FY2022-23	FY22 to FY23 Percent Change
<u>Revenues:</u>				
Interest Earnings	289	265	469	77.0%
CARES Grant Revenues	32,994	33,890	32,994	-2.6%
Loan Principal Payments	52,171	75,318	127,600	69.4%
Other Financing Sources	475,000	475,000	475,000	0.0%
Total Revenues	\$560,454	\$584,473	\$636,063	8.8%
<u>Expenditures:</u>				
Grant Disbursements	32,994	47,500	32,994	-30.5%
Loan Disbursements	296,942	461,390	537,004	16.4%
Other Financing Uses	65,596	-	65,596	#DIV/0!
Reserves for Loans	-	75,583	469	-99.4%
Total Expenditures	\$395,532	\$584,473	\$636,063	8.8%

ENERGY EFFICIENCY REVOLVING LOAN FUND

The Energy Efficiency Revolving Loan was started in 2010 with US Department of Energy funds through a grant to Southeastern Energy Efficiency Alliance (SEEA) for the Town to implement a small business energy efficiency revolving loan fund with the goal of increasing energy efficiency in commercial buildings.

BUDGET SUMMARY

	LTD Actuals thru 6/30/21	Adopted Budget FY2021-22	Adopted Budget FY2022-23	FY22 to FY23 Percent Change
Revenues:				
Interest Earnings	2,546	2,525	2,696	6.8%
Loan Interest Earnings	17,091	16,573	16,615	0.3%
Loan Principal Payments	86,053	94,477	57,788	-38.8%
Other Financing Sources	128,128	128,128	128,128	0.0%
Total Revenues	\$233,818	\$241,703	\$205,227	-15.1%
Expenditures:				
Loan Disbursements	100,128	100,128	58,128	-41.9%
Reserves for Loans	-	141,575	147,099	3.9%
Total Expenditures	\$100,128	\$241,703	\$205,227	-15.1%

Below is a list of active Energy Efficiency Revolving Loan Fund loans:

Business	FY2021-22 Amount Borrowed	FY2022-23 Amount Borrowed
Surplus Sids	\$ 30,000	\$ 30,000
Sophie Piesse *	\$ 7,000	
Dispute Settlement Center *	\$ 35,000	
The Arts Center	28,128	28,128
Total	\$ 100,128	\$ 58,128

* Paid in full in FY22

REVOLVING LOAN FUND

The Revolving Loan Fund is used to encourage economic and community development in Carrboro by offering loans to new businesses and encouraging businesses to locate in Carrboro. The Fund sustains itself with the interest earned on loans and repayment of the principal provided to businesses. With this interest, a reserve is created that enables the Town to continue loaning funds to businesses. As loans are paid off, the Town closes the loans and removes them from financial records.

BUDGET SUMMARY

	LTD Actuals thru 6/30/21	Adopted Budget FY2021-22	Adopted Budget FY2022-23	FY22 to FY23 Percent Change
<u>Revenues:</u>				
Interest Earnings	243,510	242,038	243,670	0.7%
Loan Interest Earnings	104,329	104,435	107,729	3.2%
Loan Principal Payments	132,914	132,918	161,414	21.4%
Total Revenues	\$480,753	\$479,391	\$512,813	7.0%
<u>Expenditures:</u>				
General Government Exp	17,453	26,679	26,679	0.0%
Loan Disbursements	240,000	240,000	240,000	0.0%
Reserves for Loans	-	212,712	246,134	15.7%
Total Expenditures	\$257,453	\$479,391	\$512,813	7.0%

Below is a list of active business loans in the Revolving Loan Fund:

Business	Date of Original Loan	FY2021-22 Amount Borrowed	FY2022-23 Amount Borrowed
Bryan's Guitar and Music	2004	90,000	\$ 90,000
Carrboro Co-Working	2008	90,000	90,000
Tesoro LLC	2021	60,000	60,000
Total		\$ 240,000	\$ 240,000

CAPITAL PROJECTS FUND

Capital projects are projects financed (in whole or in part) by the proceeds of bonds, notes or debt instruments involving the construction or acquisition of a capital asset. Capital projects are approved via a balanced project ordinance as required by the North Carolina General Statutes (GS 159-13.2) whereby the Town budgets for the life of the capital project. A project ordinance is balanced when revenues estimated to be available for the project equal appropriations for the project. Projects that show a zero balance are no longer active, considered completed, and are removed from the general ledger one year following project completion.

The Capital Projects Fund is comprised of the following funds:

- Capital Projects
- GO Bonds, Sidewalks and Greenways
- Facilities Rehab
- Capital Reserve
- Payment In Lieu Reserves

Budget Summary - CAPITAL PROJECT FUNDS

	Adopted Budget <u>FY2021-22</u>	Adopted Budget <u>FY2022-23</u>	Amount Change	Pct Change
<u>Fund:</u>				
Capital Projects	\$ 33,233,356	\$ 44,557,221	\$ 11,323,865	34.1%
GO Bonds, Sidewalks and Greenways	7,911,177	5,705,097	(2,206,080)	-27.9%
Facilities Rehab	840,670	562,853	(277,817)	-33.0%
Other	200	225	25	12.5%
Totals	<u>\$ 41,985,403</u>	<u>\$ 50,825,396</u>	<u>\$ 8,839,993</u>	21.1%

CAPITAL PROJECTS

Funds are appropriated for capital projects via a balanced project ordinance as required by the North Carolina General Statutes (GS 159-13.2) whereby the Town budgets for the life of the capital project; or capital projects may be appropriated in the annual general fund budget.

BUDGET SUMMARY - CAPITAL PROJECTS

	<u>LTD</u> Actuals thru 6/30/21	<u>Adopted</u> Budget FY2021-22	<u>Adopted</u> Budget FY2022-23	<u>FY22 to FY23</u> Percent Change
<u>Revenues:</u>				
Interest Earnings	47,279	55,316	47,316	-14.5%
Restricted Intergovernmental	1,042,040	14,156,095	22,418,882	58.4%
Transfer from General Fund	1,051,131	1,689,395	7,976,023	372.1%
Transfer from Stormwater Fund	-	65,000	-	-100.0%
Other Financing Sources	990,569	17,267,550	14,115,000	-18.3%
Total Revenues	\$ 3,131,019	\$ 33,233,356	\$ 44,557,221	34.1%
<u>Expenditures:</u>				
203 S Greensboro St	1,778,499	28,311,340	41,174,840	45.4%
South Greensboro St Conduit	-	120,000	120,000	0.0%
Comprehensive Plan	173,943	200,000	250,000	25.0%
Estes Drive Bike-Ped Improvements	-	170,000	170,000	0.0%
Bus Shelter Replacement	-	288,000	288,000	0.0%
Ped Safety Imprvmnts & Bike Plan	-	257,000	257,000	0.0%
Bicycle Loop Detectors	18,525	57,500	57,500	0.0%
Unpaved Road Upgrades *	68,965	310,000	-	-100.0%
2021 Vehicle & Equip Replacements *	918,199	954,000	-	-100.0%
2022 Vehicle & Equip Replacements	-	1,245,000	1,245,000	0.0%
2023 Vehicle & Equip Replacements	-	-	368,000	#DIV/0!
Playground Equip Replacement	-	100,000	100,000	0.0%
FY22 Street Resurfacing **	-	835,200	-	-100.0%
108 Bim St Renovations	-	50,000	50,000	0.0%
Jones Ferry Rd Retaining Wall	-	100,000	100,000	0.0%
Anderson Park Parking Lot Paving	-	120,000	120,000	0.0%
Wayfinding - Town Signage	-	-	50,000	#DIV/0!
East Main Street Signal & Pavement Mrkg	-	60,000	159,565	165.9%
Capital Expense Reserve	-	55,316	47,316	-14.5%
Total Expenditures	\$ 2,958,131	\$ 33,233,356	\$ 44,557,221	34.1%

* Project was closed in FY 2022

** Project was moved to the Special Revenue Fund

GO BOND-FUNDED SIDEWALKS AND GREENWAYS

The Town continues its sidewalks and greenways construction program authorized by the voters in 2003. In January 2013, the Town discontinued the use of bond anticipation notes to finance this construction and issued \$4.6 million of general obligation bonds. The Town does not have any other outstanding general obligation bonds.

BUDGET SUMMARY - GO BOND-FUNDED SIDEWALKS AND GREENWAYS

	<u>LTD Actuals thru 6/30/21</u>	<u>Adopted Budget FY2021-22</u>	<u>Adopted Budget FY2022-23</u>	<u>FY22 to FY23 Percent Change</u>
<u>Revenues:</u>				
Interest Earnings	75	75	85	13.3%
Restricted Intergovernmental	1,974,299	6,154,404	5,128,146	-16.7%
Other Financing Sources	1,708,652	1,756,698	576,866	-67.2%
Total Revenues	\$ 3,683,026	\$ 7,911,177	\$ 5,705,097	-27.9%
<u>Expenditures:</u>				
Morgan Creek Greenway Ph1	422,654	2,067,500	1,742,500	-15.7%
Homestead Rd CHHS Multi-use Path*	1,494,908	1,521,770	-	-100.0%
S Greensboro St Sidewalk	188,781	1,750,119	2,862,262	63.5%
Rogers Road Sidewalk *	1,492,547	1,492,547	-	-100.0%
Jones Creek Greenway	165,900	850,250	850,250	0.0%
Sidewalk Repairs	146,868	190,000	250,000	31.6%
Capital Expense Reserve	-	38,991	85	-99.8%
Total Expenditures	\$ 3,911,658	\$ 7,911,177	\$ 5,705,097	-27.9%

* Project was closed in FY 2022

FACILITIES REHABILITATION FUND

On November 12, 2019, the Board of Aldermen authorized the establishment of a Facilities Rehabilitation Fund. The purpose of this Fund is to repair and rehabilitate existing Town Facilities. No new construction is permitted under this Fund.

BUDGET SUMMARY – FACILITIES REHABILITATION FUND

	LTD Actuals thru 6/30/21	Adopted Budget FY2021-22	Adopted Budget FY2022-23	FY22 to FY23 Percent Change
<u>Revenues:</u>				
Interest Earnings	3,787	5,750	4,277	-25.6%
Transfer from General Fund	742,369	834,920	558,576	-33.1%
Total Revenues	\$ 746,156	\$ 840,670	\$ 562,853	-33.0%
<u>Expenditures:</u>				
CC Interior Improvements *	20,132	20,151	-	-100.0%
CC Roof Replacement *	37,550	50,000	-	-100.0%
Fire Sta 1 Kitchen Renovations *	33,313	45,386	-	-100.0%
Fire Sta 1 Painting *	8,668	10,000	-	-100.0%
Fire Sta 1 Carpet *	3,807	4,000	-	-100.0%
Town Hall Interior Improvements *	2,553	3,250	-	-100.0%
Architectural Services *	77,210	124,910	-	-100.0%
PW Renovation/Relocation *	-	100,000	-	-100.0%
Repl Windows & Chiller at Century Ctr	-	100,000	562,753	462.8%
Capital Expense Reserve	506,973	382,973	100	-100.0%
Total Expenditures	\$ 690,206	\$ 840,670	\$ 562,853	-33.0%

* Project was closed in FY 2022

CAPITAL RESERVE

The Town has established a capital reserve fund to set aside funds for specific future capital projects. The Town has set aside funds for the following.

Street Resurfacing – In past years, the Town has set aside reserves for street resurfacing.

Future Debt Service – The Town has set aside reserves in anticipation of debt to be issued in the future for facility improvements.

BUDGET SUMMARY - CAPITAL RESERVE FUND

	LTD Actuals thru 6/30/21	Adopted Budget FY2021-22	Adopted Budget FY2022-23	FY22 to FY23 Percent Change
<u>Revenues:</u>				
Interest Earnings	6,045	100	115	15.0%
Other Financing Sources	418,430	-	-	#DIV/0!
Total Revenues	\$ 424,475	\$ 100	\$ 115	15.0%
<u>Expenditures:</u>				
Future Debt Service	-	100	115	15.0%
Total Expenditures	\$ -	\$ 100	\$ 115	15.0%

PAYMENT IN LIEU RESERVE

The Payment-in-Lieu Reserve Fund was established in 1985. Developers whose residential developments are required to provide on-site active recreational areas and open space areas may choose to make a payment-in-lieu of providing such facilities with Town approval.

These funds are held in reserve for one of four geographically defined quadrants of the town (where the residential development is located) for use in acquisition and development of recreational facilities, present or future. A requisite of the payment use is that the improvement be reasonably expected to serve the subdivision from which the payment was made.

BUDGET SUMMARY – PAYMENT IN LIEU RESERVE

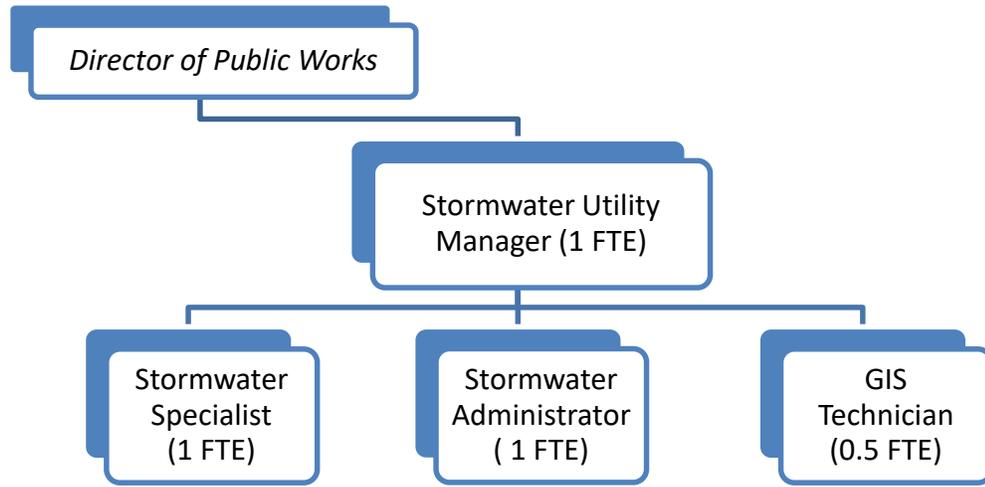
	LTD Actuals thru 6/30/21	Adopted Budget FY2021-22	Adopted Budget FY2022-23	FY22 to FY23 Percent Change
<u>Revenues:</u>				
Interest Earnings	2,929	100	110	10.0%
Payment in Lieu	149,780	-	-	#DIV/0!
Total Revenues	\$ 152,709	\$ 100	\$ 110	10.0%
<u>Expenditures:</u>				
Reserves	152,709	100	110	10.0%
Total Expenditures	\$ 152,709	\$ 100	\$ 110	10.0%

Reserves authorized for the following purposes:

Description	Amount
Sidewalk: Harlan Group	\$ 3,062
Sidewalk: Wilson Park Dev	5,180
South Sector	16,530
Central Sector	6,729
Downtown - Undesignated	89,569
North Sector	2,442
Unreserved	29,197
Total	\$ 152,709

STORMWATER UTILITY

3.5 FTE



PURPOSE

The Stormwater Utility's mission is to comprehensively address stormwater management. The Utility fulfills this mission by offering professional services to protect and restore surface waters and maximize quality of life/place and resiliency in relation to rainfall and runoff.

GOALS

- To deliver excellent service in a timely and responsive manner, ensuring effective and efficient use of financial, human, and physical resources, and innovative and engaging support for stormwater initiatives.
- To manage a well-balanced public infrastructure, including planning for and establishing new green infrastructure for currently developed areas that more closely mimics the hydrology from less developed landscapes.

SERVICES PROVIDED & ACTIVITIES

- Administer Stormwater Utility Enterprise Fund.
- Pursue additional/other revenue streams, with policy and management direction.
- State and Federal stormwater regulatory compliance and administration.
 - 2 NPDES stormwater permits (town wide and for Public Works facility).
 - Jordan Lake Rules.
 - Bolin Creek impaired waters/watershed restoration; town wide stream and riparian ecosystem protection and restoration.
- Stormwater Control Measure maintenance and inspections.
- Stream/benthic, hydrologic, and illicit discharge monitoring.
- Stormwater infrastructure asset management.
- Supporting the community in addressing flooding concerns and creating resilience in the face of a changing precipitation regime due to climate change, within certain constraints.
- Coordination with Public Works Divisions.
 - Stormwater conveyance system and facility maintenance.
 - Street sweeping.

- Coordination with the Planning Department for stormwater and floodplain management related aspects of planning and development.
- Coordination with many other local, state, and federal agencies, organizations, businesses, and stakeholders.
- Staff support for the Stormwater Advisory Commission.

PREVIOUS YEAR ACCOMPLISHMENTS

- Obtained EPA 319 grant funding (\$150k) for regenerative stormwater conveyance installation.
- Provided regulatory support for NPDES permits, LUO, and Jordan Lake Rules compliance. Completed post audit follow up for the Town’s first audit by NCDEQ including updating the NPDES permit’s Stormwater Management Plan (major accomplishment).
- Initiated program for inspection and maintenance oversight for privately owned Stormwater Control Measures.
- Significantly enhanced Illicit Discharge Detection and Elimination Program.
- Completed preliminary engineering for a capital project to improve stormwater conveyance on and near West Main Street, pursued planning for future green and grey infrastructure projects.
- Provided financial support for Roberts Street stormwater infrastructure improvements.
- Obtained FEMA Public Assistance reimbursement following on Hurricane Florence.
- Managed Stormwater Enterprise Fund: updated impervious surface data which is the basis of the stormwater fees collected.
- Administered Interlocal Agreement with Orange County for billing support.
- Pursued new contractual services for stormwater maintenance and inspection activities.
- Followed up on RainReady study and initiated work on a town wide Flood Resilience Framework. Published new Flood Mitigation Techniques report.
- Provided staff support to the Stormwater Advisory Commission and monthly reports to the Town Council.
- Improved and expanded community outreach and engagement. Coordinated with other staff; enhanced website; support new solid waste cart sticker project; helped plan and implement first Orange County Creek Week.
- Responded professionally to resident inquiries and demands and provided stormwater related outreach. Enhanced outreach efforts including promoting the new Homeowner’s Stormwater Manual and other outreach materials.
- Used CityWorks for stormwater related workflow management, improved GIS stormwater data and tools.
- Supported Public Works and Planning Department operations and initiatives. Provided substantial support for: review of several development projects; stream buffer reviews; Comprehensive Plan development.

UPCOMING FISCAL YEAR OBJECTIVES

- Continue to provide and improve all established stormwater services.
- Successfully implement new NPDES permit Stormwater Management Plan.
- Successfully administer new 319 Grant.
- Finalize and begin to implement new town wide Flood Resilience Framework. Include 5-year action plan.
- Prepare stormwater fee increase request given service delivery cost increases and expansion.

- Continue to investigate new revenue/grant opportunities. Specifically: develop plans/projects to support submittal for ARPA funding; investigate State Clean Water Revolving Loan Fund.
- If FEMA/NCDPS approve HMGP residential acquisition project (116 Carol Street) and owner/representative agree to participate, support the grant administration of the grant.
- Initiate new stormwater infrastructure condition assessment, including culvert and closed (CCTV) and open system inspections. Utilize new contracting services to support this work.
- Continue to implement CityWorks/GIS based asset management and workflow systems.
- Increase Stormwater Control Measure maintenance and inspection activities.
- Work with PZI to update Appendix I (Storm Drainage Manual) of Land Use Ordinance; consider other stormwater LUO text amendments to address resiliency interests.
- Apply racial equity lens to program activities in general and to flood resilience, new grant opportunities, capital project planning, comprehensive stormwater infrastructure assessment, illicit discharge, and community outreach activities specifically.

TOWN COUNCIL PRIORITIES

Diversify revenue stream.

Enhance and sustain quality of life/place issues for everyone.

PERFORMANCE MEASURES

	FY 2019-2020 ACTUAL	FY 2020-2021 ACTUAL	FY 2021-2022 ESTIMATED	FY 2022-23 PROJECTED
<u>Operational</u>				
Miles of street sweeping	1800	1800	1800	1800
Properties receiving SCM compliance assistance	0	0	50	53
SCM inspections	4	5	11	11
Outfall inspections	0	8	15	16
PW NPDES inspections	4	4	4	4
Stream determinations	3	4	7	6
Stream clean ups	1	1	1	1
Major studies completed	0	1	1	TBD
Number staff trained in pollution prevention	N/A	N/A	38	100

<u>Capital/Project</u>				
Retrofits/stream repairs completed	0	1	0	2
% Infrastructure assessed for condition	< 1%	< 1%	< 2%	15%
Grey infrastructure projects	0	1	1 construction 1 design	1 construction 1 design
Green infrastructure projects	0	0	2-3 plan/design	2 construction 1 design
<u>Community</u>				
Outreach events	N/A	N/A	4	12
Staff hrs pursuing outreach w/racial and social equity lens	N/A	N/A	N/A	60
Property owners receiving technical assistance	N/A	N/A	22	25
<u>Administrative</u>				
Revenue generated from utility fees (<i>including grants</i>)	\$816K	\$1.03M	\$1.1M	\$1.3M
Grants supported/applied for	3	2	2	TBD
Contracts/agreements administered	5		16	19
Council and Advisory Board agenda items prepared	22	25	23	27

BUDGET SUMMARY - STORMWATER

	2020-21	2021-22	2022-23	
	Actual	Adopted	Adopted	Pct Change
Personnel	311,175	310,622	348,433	12.2%
Operating	157,598	345,632	388,168	12.3%
Capital Outlay	-	15,000	-	-100.0%
Transfers	205,000	300,000	345,000	15.0%
TOTAL	\$ 673,773	\$ 971,254	\$ 1,081,601	11.4%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel expenses increased due to allocated personnel costs from the General Fund.
 Operating costs increase due to allocated equipment charges from the General Fund and contractual services, including a stormwater infrastructure assessment. The amount of transfers to capital projects increases in FY23.

PARKING ENTERPRISE

PURPOSE

The Parking Enterprise Fund was established in FY 2021 to track all parking related expenses for the growing needs of parking facilities in the Town. The Town Council has requested a parking study to consider the implementation of parking fees for various parking facilities. The Parking Enterprise Fund will be funded with a transfer from the General Fund, until such time that the Fund can generate its own revenue source.

BUDGET SUMMARY - PARKING ENTERPRISE

	2020-21 Actual	2021-22 Adopted Budget	2022-23 Adopted Budget	Pct Change
Personnel	1,849	2,000	2,000	0.0%
Operating	84,472	288,500	141,190	-51.1%
TOTAL	\$ 86,321	\$ 290,500	\$ 143,190	-50.7%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

The Parking Enterprise Fund was newly created in FY21 and is funded with a transfer from the General Fund, until such time that the Town implements fees for parking facilities. Personnel costs include allocated costs from the General Fund's Public Works Department for parking lot maintenance and this budget remains steady. Operating costs for FY22 included parking lot renovations which are not included for FY23.

FINANCIAL TRENDS

PAST, PRESENT AND FUTURE

The Town monitors its financial condition in various ways, from forecasting future revenue and expenditure trends to aggregating financial information into ratios that provide meaningful data about the Town's fiscal health. The Town is on solid economic footing. The Town currently holds a credit rating of AAA with Standard and Poor's and Moody's Aa1. These are considered very favorable ratings, particularly for municipalities like Carrboro.

The Town's financial condition through the last audited year is evaluated using methodology recommended by the International City/County Management Association (ICMA). This analysis, formally known as FTMS (Financial Trends Monitoring System), offers governments a systematic way to monitor changes and to anticipate future problems.

The town also projects future financial activity based on the most current budget. In forecasting the future, the five-year plan is designed to show the tax rate impact of Town services over the long-term if growth continues at the current rates assumed in the model. The five-year plan provides information about underlying trends in the Town's fiscal position and budgetary trends monitoring key revenue and expenditures, debt and debt ratios, and the impact of capital investments and improvements on the Town's budget. It is used as a tool for reflecting trends rather than actual revenues, expenditures, and tax rates.

Historical Financial Trends

Incorporated in the FTMS analysis are indicators used by credit rating firms that analyze major components of governmental operations (revenue, expenditures, operating position, and debt) to quantify changes or trends in financial condition. Minimum standards are not declared for most indicators. Instead, potential "warning trends" are identified and suggestions for analysis are offered. In a few cases, however, relevant credit industry benchmarks are noted by the FTMS. These benchmarks are identified for each indicator, where relevant, within the report. When analyzing financial conditions, we are attempting to:

- ☆ Maintain existing service levels,
- ☆ Withstand local and regional economic disruption,
- ☆ Meet demands of natural growth, decline, and change,
- ☆ Maintain facilities to protect investment and keep in usable condition,
- ☆ Meet future obligations (debt, leases, etc.), and
- ☆ Take advantage of cost-effective opportunities that may arise.

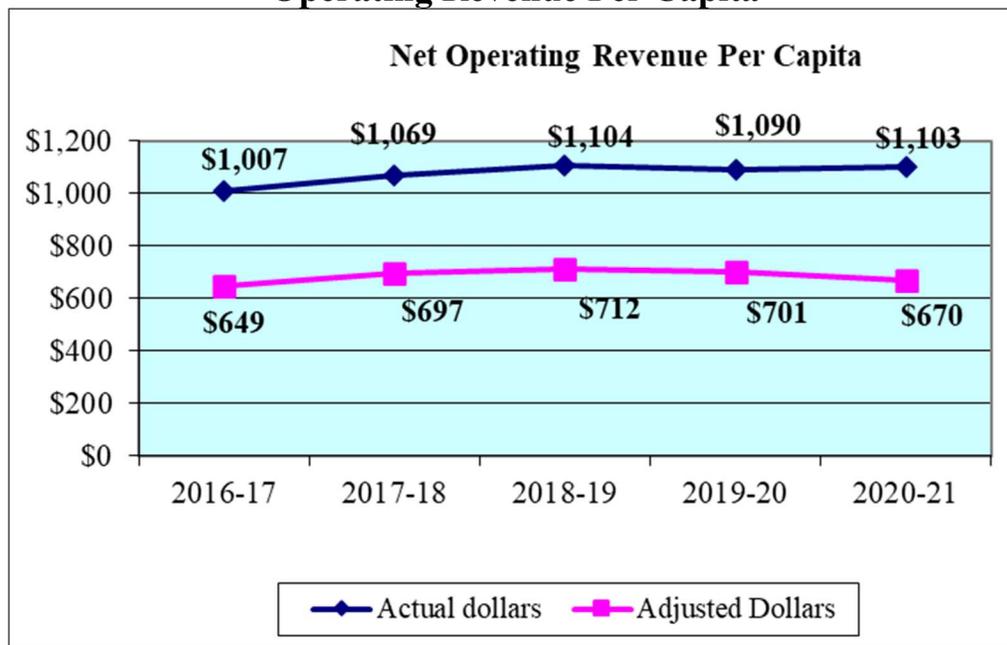
Included with every indicator is a description of the indicator, a table and graphical representation of the trend over the fiscal years for which we have audited budget reports, and an explanation of the implications of that trend for the government and residents of the Town. All the financial figures in the report are taken from the approved annual Town audit reports and other official Town records.

Several indicators used throughout the report present dollar figures that have been adjusted for inflation using the Consumer Price Index (CPI) provided by the Bureau of Labor Statistics. By illustrating figures in constant dollars, the effects of inflation are removed. The analyses illustrate historical trends for the General Fund and Special Revenue Funds (Grant Funds and Revolving Loan Funds). All per capita figures were calculated using population figures used by the North Carolina Department of Revenue to distribute sales tax revenue. They, in turn, rely on Census and state demographics information.

Revenue Indicators

Revenues can be analyzed to determine the local government’s capacity to provide services. Important issues to consider in revenue analysis are growth, flexibility, elasticity, dependability, diversity, and administration. Under ideal situations revenues grow at a rate equal to or greater than the combined effects of inflation and expenditures. Revenues should be sufficiently flexible to allow adjustments to changing conditions.

Operating Revenue Per Capita



Year	2016-17	2017-18	2018-19	2019-20	2020-21
Net Operating Revenue (adjusted)	\$13,541,892	\$14,704,481	\$15,092,938	\$14,922,348	\$14,266,468
Population	20,867	21,099	21,200	21,295	21,295
Net Operating Revenue Per Capita (adjusted)	\$649	\$697	\$712	\$701	\$670

Warning Trend: Operating revenues per capita trending less than Expenses per capita (constant dollars).

Formula: Operating Revenues per Capita (adjusted dollars)/Population

Description

Examining per capita revenues shows changes in revenues relative to changes in population size. As population increases, it might be expected that revenues and the need for services would increase proportionally, and therefore the level of per capita revenues would remain at least constant in real terms. If per capita revenues are decreasing, the government may be unable to maintain existing service levels unless it finds new revenue sources or ways to provide existing services more efficiently. The reasoning in both cases assumes that the cost of services is directly related to population size.

Operating revenues, as defined in this chart, are that portion of gross revenues collected by the Town that is available for general municipal operations. Thus, revenues legally restricted to capital improvements or other special purposes are excluded. The only legally restricted revenue deducted to calculate operating revenue is Powell Bill revenue that is used for street resurfacing.

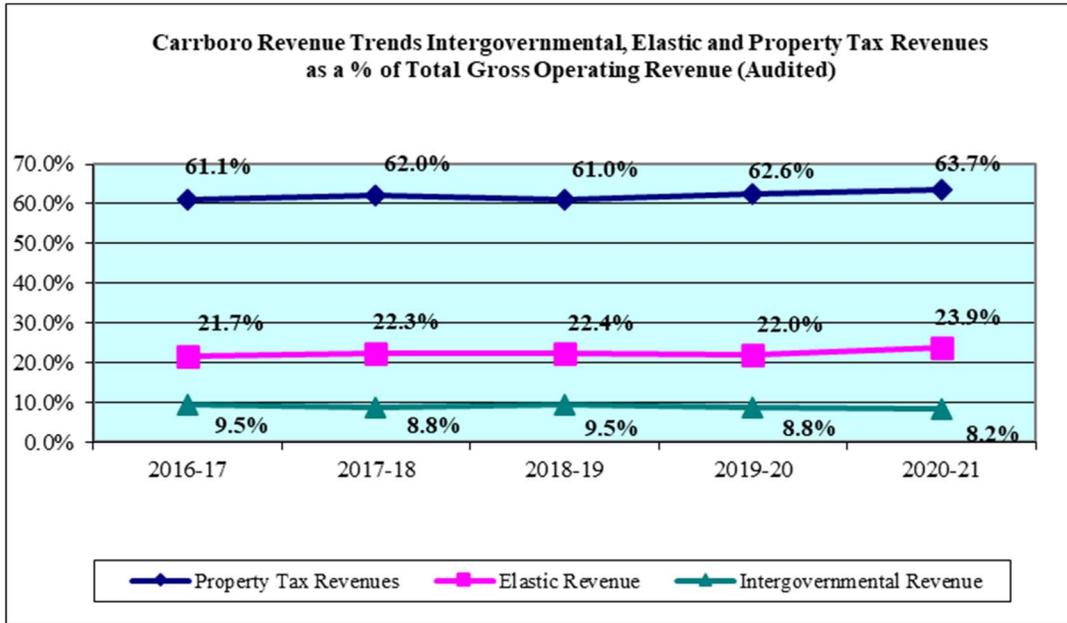
Discussion

In real terms (adjusted for inflation), revenues per capita in Carrboro have remained constant since FY2017. In actual dollars collected (adjusted for inflation), revenue increased by 4.7% percent. Local option sales tax and other taxes and licenses have increased in the past 5 years. The following chart shows distinct revenue trends as reflected in the Town's audit reports.

Revenue Source	2021 Revenue Adjusted for Inflation	2017 Revenue Adjusted for Inflation	% Change in Revenue Since 2017	2021 per capita	2017 per capita	% Change Since 2017 (per capita)
Ad valorem taxes	\$ 8,168,583.92	\$ 7,586,127.37	7.7%	\$ 384	\$ 364	5.5%
Local option sales taxes	\$ 3,320,115.38	\$ 2,801,090.63	18.5%	\$ 156	\$ 134	16.4%
Other taxes and licenses	\$ 993,998.06	\$ 1,032,052.34	-3.7%	\$ 47	\$ 49	-4.1%
Intergovernmental revenues	\$ 931,284.31	\$ 1,060,790.25	-12.2%	\$ 44	\$ 51	-13.7%
Permits and fees	\$ 668,324.02	\$ 758,895.19	-11.9%	\$ 31	\$ 36	-13.9%
Sales and services	\$ 53,501.34	\$ 182,370.12	-70.7%	\$ 3	\$ 9	-66.7%
Investment earnings	\$ 1,163.47	\$ 37,678.87	-96.9%	\$ -	\$ 2	-100.0%
Other	\$ 129,497.21	\$ 82,887.07	56.2%	\$ 36	\$ 24	47.0%
Total revenues by source	\$14,266,467.69	\$13,541,891.84	5.4%	\$ 701	\$ 669	4.7%

Having a significant impact on the revenue stream is the property tax and sales taxes revenue per capita, representing 80% of the total revenue per capita in 2021. The significant impact of property taxes as a source of revenue is largely a reflection of the state restrictions on the ability of local government to use other types of revenues to support community needs. Sales and Services revenues had the most significant decrease.

Major Revenue Sources



Revenues	2016-17	2017-18	2018-19	2019-20	2020-21
Property Tax	\$13,143,645	\$14,276,093	\$14,587,583	\$14,831,028	\$15,247,066
Elastic Revenue	\$4,654,349	\$5,127,457	\$5,362,465	\$5,200,981	\$5,732,912
Intergovernmental Revenue	\$2,042,392	\$2,030,130	\$2,266,614	\$2,088,216	\$1,974,448
Total Revenue	\$19,840,386	\$21,433,680	\$22,216,662	\$22,120,225	\$22,954,426

Description

This graph reflects the Town’s revenue base composition by property tax, elastic (economically responsive) revenue, and intergovernmental revenue. An increasing reliance on federal and state revenues may signal a warning trend. A balance between property tax and more elastic revenue sources such as sales tax is desirable and considered healthy.

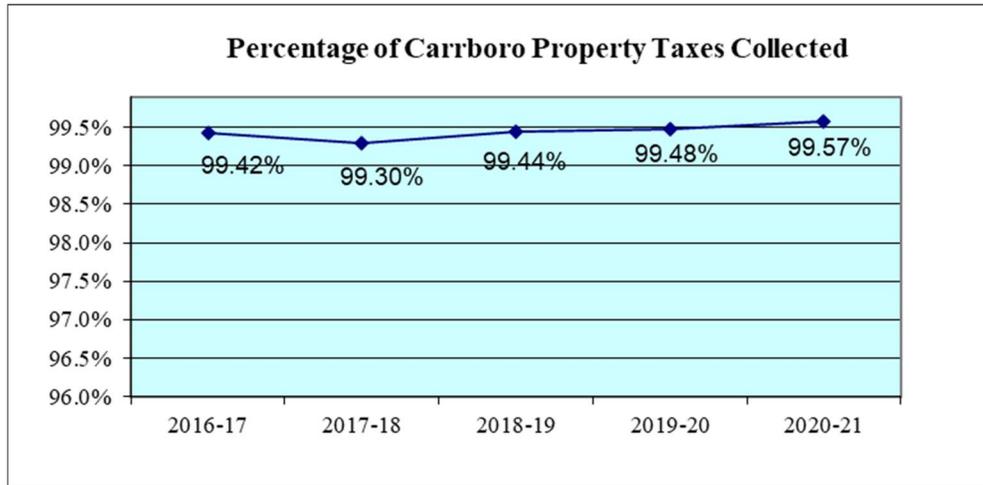
Discussion

As a percentage of total gross operating revenue, all revenues have remained stable. Property tax increased by 1.1%, elastic revenues increased by 2.9%, and intergovernmental revenues decreased by 0.6%.

Intergovernmental revenue, as a share of the revenue stream in FY20-21 decreased from FY19-20 mainly due to decreases in the state tax and grants.

Elastic revenue had an increase in sales tax, but a decrease in interest earnings, while overall permit categories remained steady.

Property Tax Collection Rate



Warning Trend: Decreasing amount of collected property taxes as a percentage of net property tax levy.

Formula: Collected property taxes/Net property tax levy

Description

If the percentage of property tax collected decreases over time, it may indicate overall decline in the local government’s economic health. Additionally, as uncollected property taxes rise, liquidity is decreased, and there is less cash on hand to pay bills or to invest. Credit-rating firms assume that a local government normally will be unable to collect from 2 to 3 percent of its property taxes within the year that taxes are due. If uncollected property taxes rise to more than 5 to 8 percent, rating firms consider this a negative factor because it signals potential instability in the property tax base. An increase in the rate of delinquency for two consecutive years is also considered a negative factor.

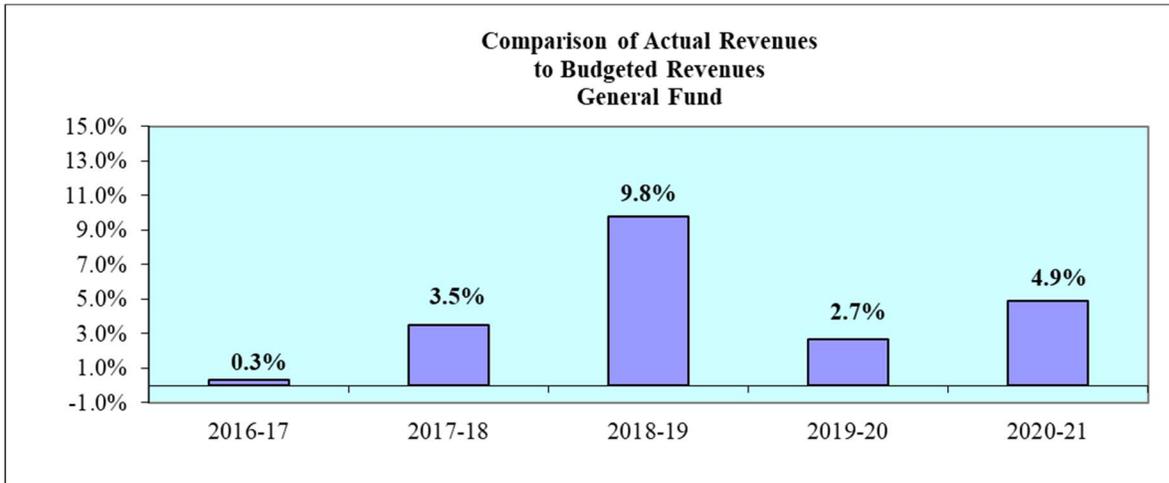
Discussion

The graph above shows that Orange County, which provides continuous assessment services, annual tax collections, and in-house revaluations every four years to both Carrboro and Chapel Hill, has a positive collection rate for the Town’s property tax base. Collections increased slightly to 99.57% in FY2020-21.

Tax Collection Rates in Carrboro and Neighboring Cities

	2016-17	2017-18	2018-19	2019-20	2020-21
Carrboro	99.42%	99.30%	99.44%	99.48%	99.57%
Chapel Hill	99.60%	99.66%	99.51%	99.58%	99.63%
Durham	99.80%	99.84%	99.67%	99.28%	99.46%
Hillsborough	99.18%	99.13%	99.24%	99.18%	99.18%

Comparison of Actual Revenues to Budgeted Revenues



	2016-17	2017-18	2018-19	2019-20	2020-21
Budgeted Operating Revenue	\$21,430,027	\$22,271,483	\$21,774,331	\$23,076,255	\$22,823,532
Actual Operating Revenue	\$21,495,739	\$23,040,640	\$23,899,184	\$23,692,807	\$23,950,581
Revenue Variance	\$65,712	\$769,157	\$2,124,853	\$616,552	\$1,127,049
Revenue Budgeted Operating Revenues	0.3%	3.5%	9.8%	2.7%	4.9%

Warning Trend: Increase in revenue shortfalls or surpluses as a percentage of budgeted revenues.

Formula: Revenue Variance/Budgeted Operating Revenues

Description

This indicator examines the differences between revenue estimates and revenues actually received during the fiscal year. Major discrepancies that continue year after year can indicate a declining economy, inefficient collection procedures; changes in the law, or inaccurate estimating techniques. One of the criteria reviewed by Standard and Poor's for the quality of financial management in a local government is financial results compared against original expectations. Variances between budget and actual results are indicative of management's financial planning capabilities over time. The Town aims to have variances exceeding budgeted estimates no larger than 3-5 percent and seeks to avoid shortfalls to maintain the Town's fiscal health as surplus is one critical component of maintaining or improving fund balance levels.

Discussion

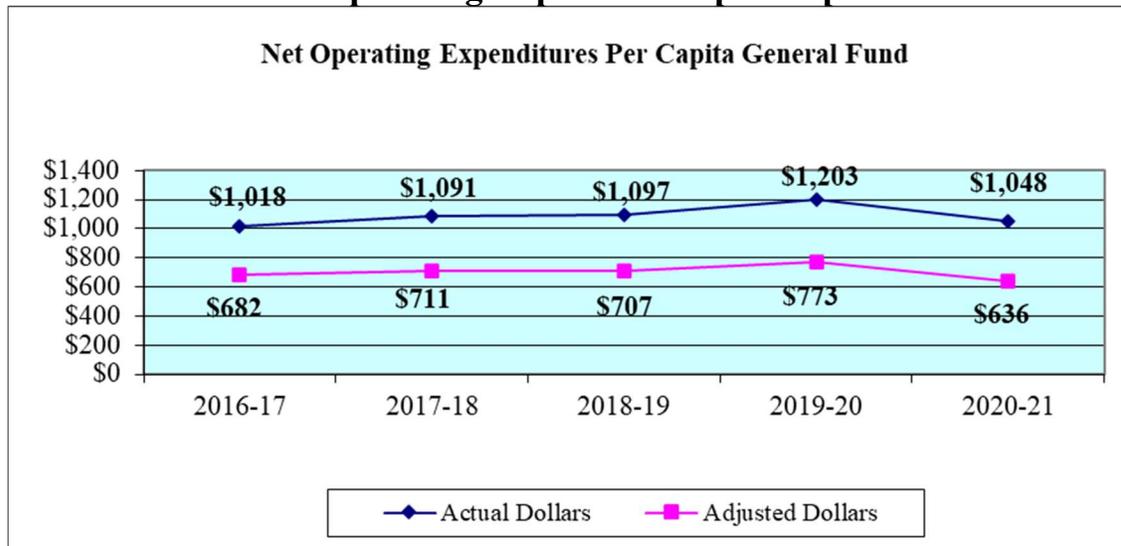
The variances in the graph indicate the Town's conservative approach to estimating revenues. In FY 16-17, main increases included unrestricted intergovernmental revenues (\$36,535), sales tax (\$240,329), and other taxes and licenses (\$220,033). In FY 17-18, the main increases were property taxes (\$192,304), sales tax (\$539,434), unrestricted intergovernmental revenues (\$186,557), permits and fees (\$197,457), and investment earnings (\$108,401). In FY 18-19, the main increases were property taxes (\$1,167,866), sales tax (\$404,700), and investment earnings (\$151,037). In FY 19-20, the main increases were property taxes (\$296,803), sales tax (\$123,229), and other revenues

(\$210,652). In FY 20-21, the main increases were property taxes (\$176,854), sales tax (\$695,247), and other taxes and licenses (\$101,049).

Expenditure Indicators

Expenditures are a rough measure of a local government’s service output. Generally, the more a government spends in constant dollars (adjusted for inflation), the more services it is providing. This formula does not consider how effective the services are or how efficiently they are delivered.

Net Operating Expenditures per Capita



	2016-17	2017-18	2018-19	2019-20	2020-21
Net Operating Expenditures (Adjusted)	\$14,221,815	\$15,010,066	\$14,985,882	\$16,460,119	\$13,547,509
Population	20,867	21,099	21,200	21,295	21,295

Warning Trend: Increasing net operating expenditures per capita (constant dollars).

Formula: Net Operating Expenditures/Population

Description

Changes in per capita expenditures reflect changes in expenditures relative to changes in population. Increasing per capita expenditures can indicate the provision of new services, rising costs of providing services (or supporting the personnel who provide them), or changes in accounting practices (see next section). If expenditures are greater than can be accounted for by inflation or the addition of new services, it may indicate declining productivity – that is, the government is spending more real dollars to support the same level of services.

Discussion

Net operating expenditures, adjusted for inflation, show a decrease in expenditures made by the Town since FY16-17, from \$14,221,815 to \$13,547,509 in FY20-21. When adjusted for the combined impact of inflation and population, per capita spending decreased from \$682 in FY16-17 to \$636 in FY 20-21, or 6.7%.

Over the past five years, expenditures per capita have fluctuated. The following highlights variations in fiscal years presented in the graph:

FY 2016-17 - Per capita expenditures increased \$11 from the previous year due to change in population.

FY 2017-18 - Per capita expenditures increased \$29 from the previous year primarily due to transfers to the capital fund for capital projects.

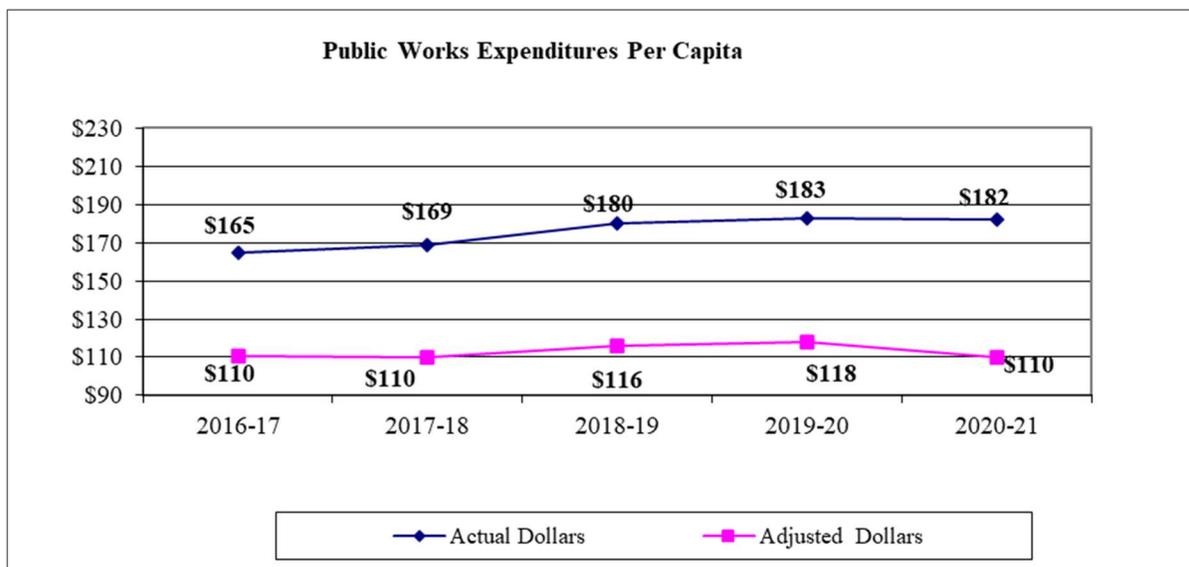
FY 2018-19 - Per capita expenditures decreased \$4 from the previous year primarily due to a reduction of transfers to the capital fund for capital projects, and decreases in capital outlay.

FY 2019-20 - Per capita expenditures increased \$66 from the previous year primarily due to a \$1.8M increase in transfers to the capital fund for capital projects, and expenditures related to the corona pandemic that started in March 2020.

FY 2020-21 - Per capita expenditures decreased \$137 due to effects of the corona pandemic and economic factors that resulted in higher than usual inflation.

Changes in net operating per capita expenditures can be explained by highlighting events that have contributed to changes in expenditure levels. The following section looks at the various components of expenditures and service levels.

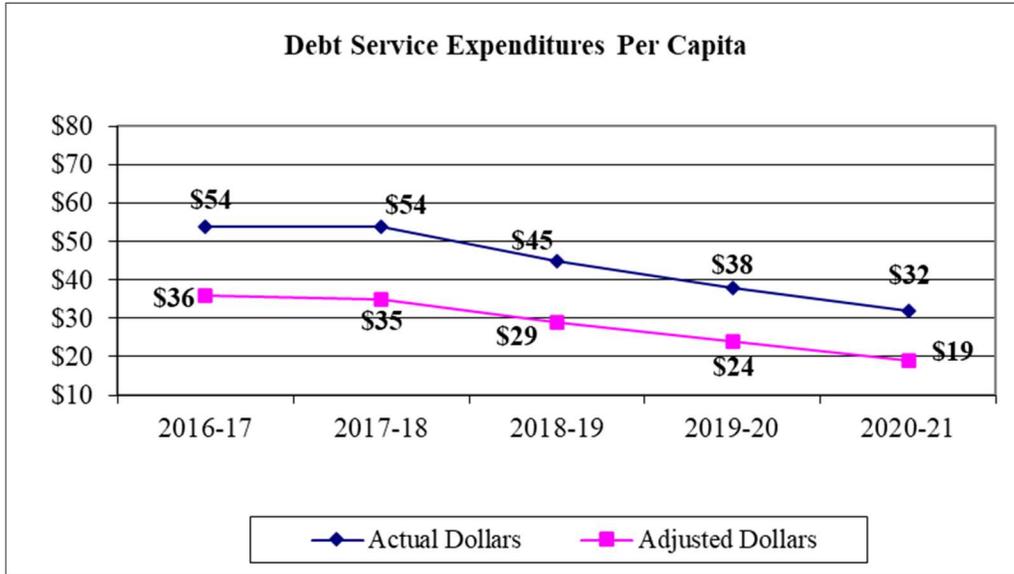
Public Works Expenditures per Capita



In inflation-adjusted dollars, Carrboro’s per capita expenditures on public works have varied. The variability of public works spending is related to ongoing capital and maintenance needs including street maintenance, stormwater system repairs, and responding to major natural disasters. The decrease in FY 16-17 is due to vacant personnel positions. The uptick in FY 17-18 is due to an

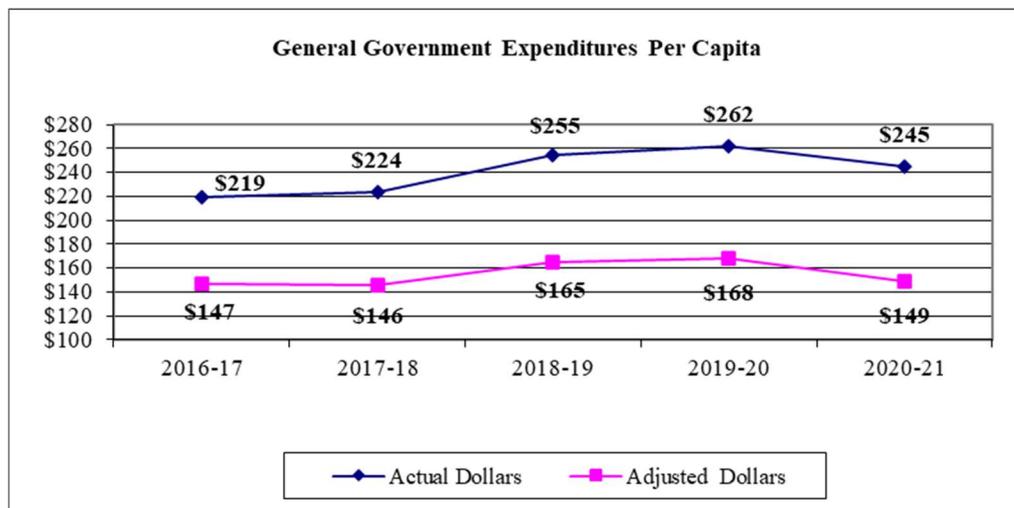
increase in street resurfacing costs, while the increase in FY 18-19 and FY 19-20 was related to personnel costs. The decrease in FY 20-21 was due to lower personnel costs and vacant positions.

Debt Service Expenditures Per Capita



Debt costs include debt paid on general obligation bonds, installment financing for property and town infrastructure as well as equipment and vehicles. The Town has been able to take advantage of retiring debt and low interest rates to borrow for major infrastructure needs and maintain debt service at a relatively constant level. The steady decline during the five years is due to a decrease in equipment and vehicle financing.

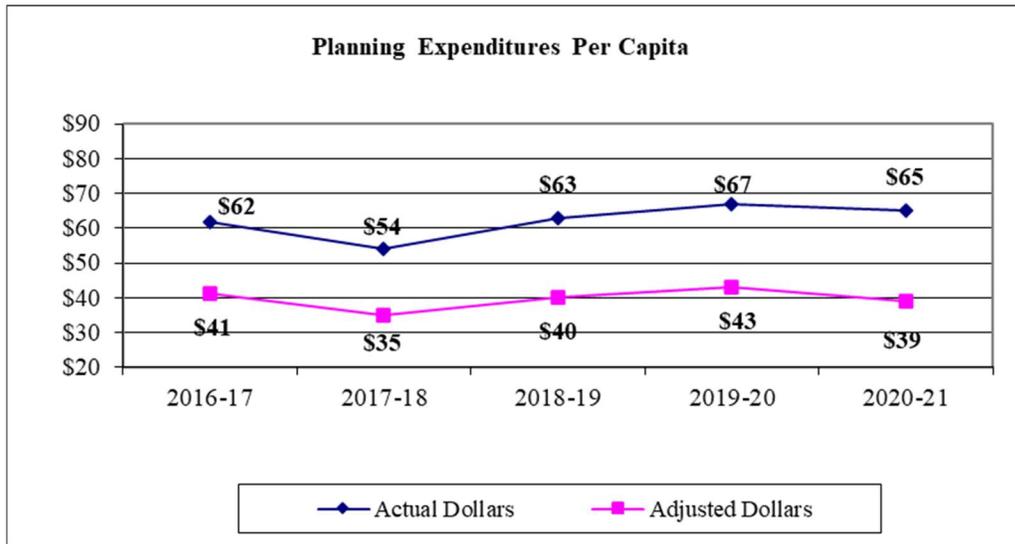
General Government Expenditures per Capita



The Town continues to maintain regular replacement of technology infrastructure, support wireless technology, and implement mobile laptop technology in police cars. In FY 17-18, the combination

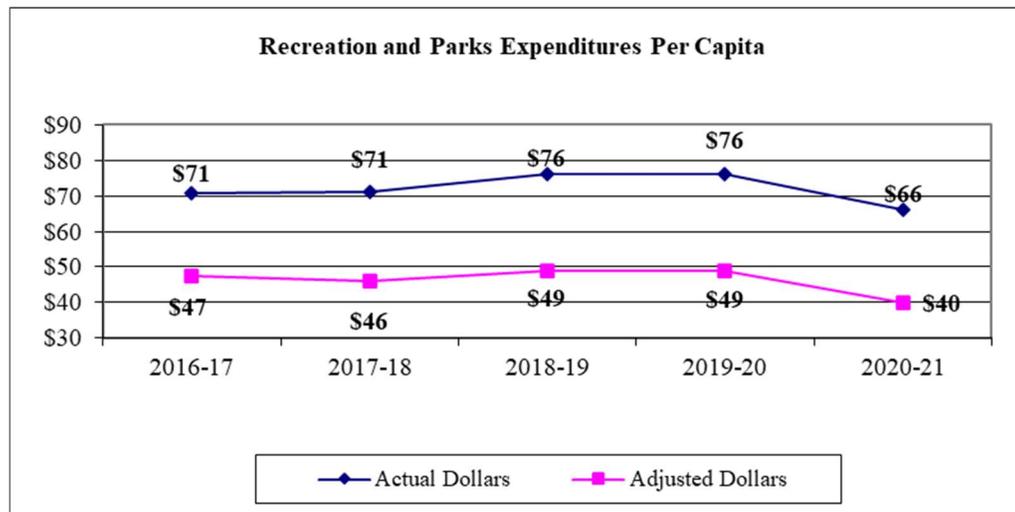
of an increase in population and a larger deflator rate caused a slight decrease in the per capita amount for adjusted dollars. The increase in FY 18-19 was primarily due to increased staffing and personnel costs. The increase in FY 19-20 was related to additional IT equipment and personnel costs. The decrease in FY 20-21 was related to zero salary adjustments and higher than usual inflation rate.

Planning Expenditures Per Capita



The FY 2016-17 decrease is due to a decrease in engineering services. The FY 2017-18 decrease is the result of vacant positions and a decrease in engineering and contractual services. The increases in FY 18-19 and FY 19-20 are primarily due to personnel costs. The decrease in FY 20-21 was related to zero salary adjustments and higher than usual inflation rate.

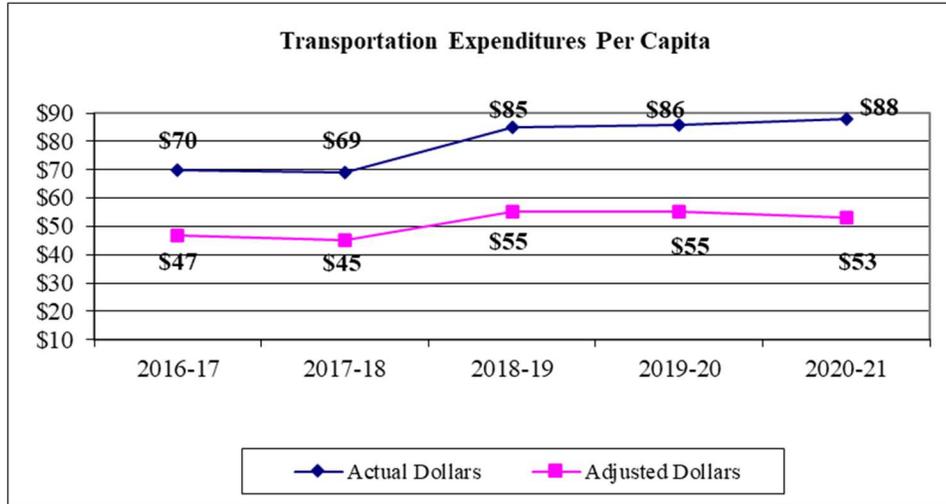
Recreation and Parks Expenditures per Capita



Per capita expenditures adjusted for inflation, have fluctuated over the past 5 years due to the completion of several capital projects and addition of special programs and events.

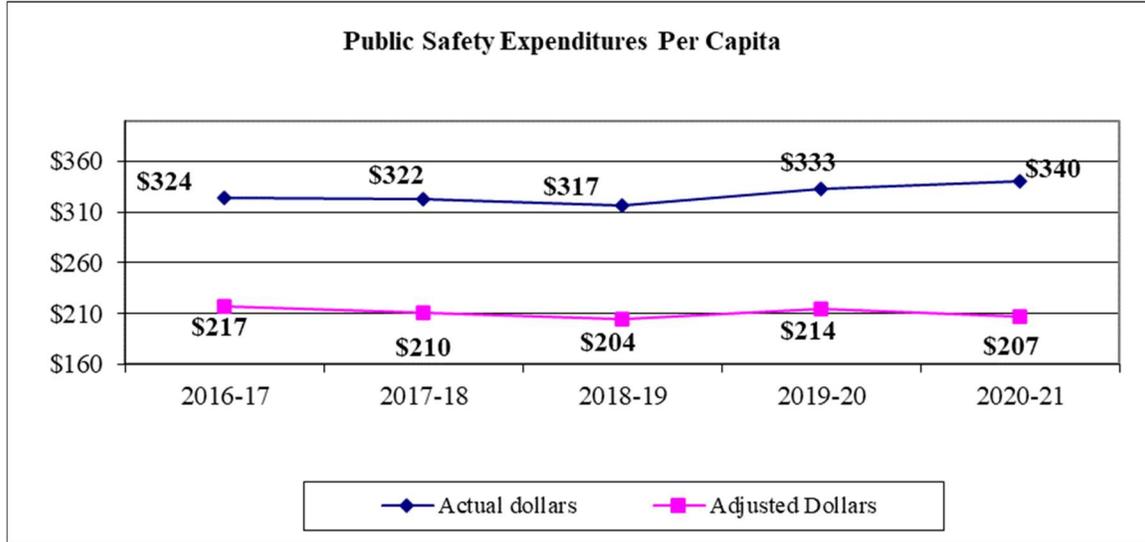
FY 2016-17 per capita decrease is due to the completion of Anderson Park projects. FY 2017-18 remained constant. The increases in FY 2018-19 and FY 2019-20 are primarily due to personnel costs. The decrease in FY 20-21 was related to zero salary adjustments, less programs offered due to the pandemic, and higher than usual inflation rate.

Transportation Expenditures Per Capita



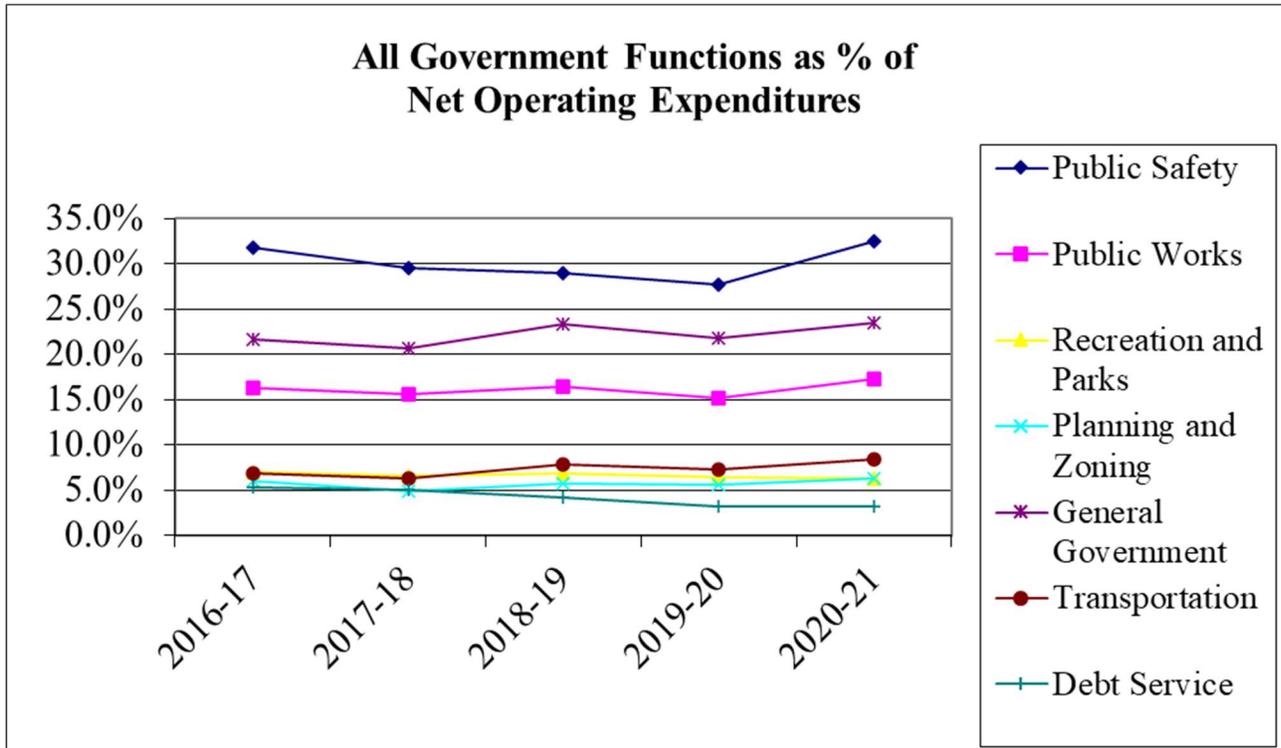
The Town and UNC-Chapel Hill are partners in the transit system administered by the Town of Chapel Hill. The decrease in per capita costs in FY 2016-17 is due to revised calculation of the bus replacements. FY 2017-18 remained at previous year levels because a new contract had not yet been negotiated until FY19, which explains that year’s increase. The increases are primarily due to decreased state and federal pass-through funds that supported the transit, which affected the local match. With a grant and local funds, Shared Ride Feeder services were enabled in areas of Carrboro that do not have regular bus service. Trips are provided between designated bus stops in the “feeder” zones and the nearest bus routes or to another “feeder” service. This service extends largely to the northern areas of town. The increase in FY 2019-20 was the result of a slight increase in the new contract. The decrease in FY 2020-21 was due to a higher than usual inflation rate.

Public Safety Expenditures per Capita



The FY 2016-17 per capita costs increased due to personnel costs. FY 2017-18 figures decreased primarily due to an increase in population. FY 2018-19 decreased because of less capital outlay and unfilled staffing positions. The FY 2019-20 increase was related to personnel costs. The decrease in FY 20-21 was related to zero salary adjustments and higher than usual inflation rate.

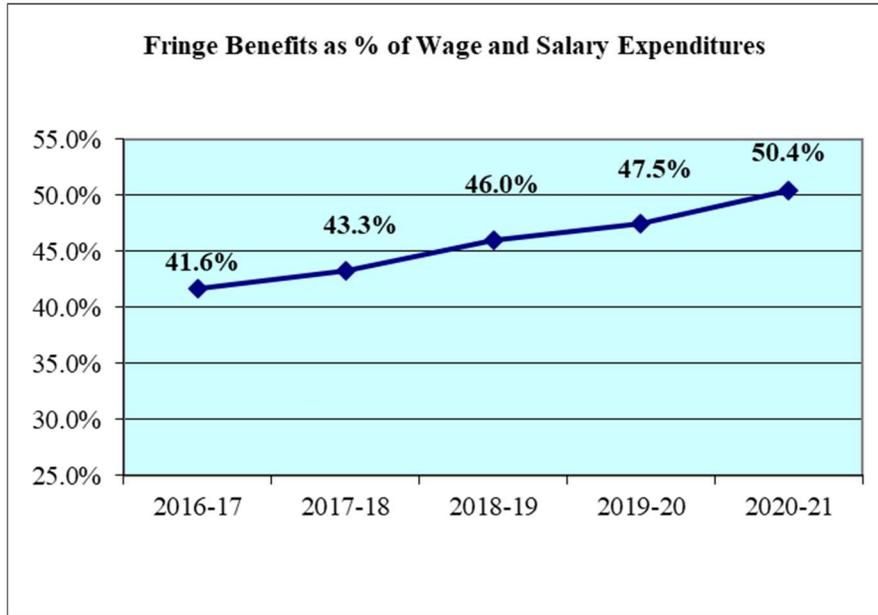
Net Operating Expenditures by Function



The chart above represents the allocation of funding for the various services provided by the Town. Approximately 32 percent of the Town’s spending is dedicated to public safety (fire protection and law enforcement services) and 17 percent is related to public works (street and sidewalk maintenance; solid waste collections; building, grounds, and parks maintenance; and fleet maintenance).

General government, which largely represents council functions (Town Clerk, Mayor and Town Council, nonprofit and advisory boards) and support services (Finance, Technology, Human Resources, and Town Manager), represents approximately 23 percent of total spending. The remainder of the programs (debt service, transportation, planning, recreation programs, and operating transfers) combined represent approximately 28 percent of the net operating expenses.

Fringe Benefits



	2016-17	2017-18	2018-19	2019-20	2020-21
Expenditures for fringe benefits	\$3,379,677	\$3,550,472	\$4,013,773	\$4,443,664	\$4,713,705
Salaries/Wages (FT,PT,OT, Temp)	\$8,115,182	\$8,205,705	\$8,734,764	\$9,363,106	\$9,352,069
Fringe benefits as % of overall wage and salary expenditures	41.6%	43.3%	46.0%	47.5%	50.4%

Warning Trend: Unexplained, uncontrolled, or unanticipated increases in fringe benefit costs may signal a warning trend to credit rating industries.

Formula: Expenditures for Fringe Benefits/Salaries & Wages

Description

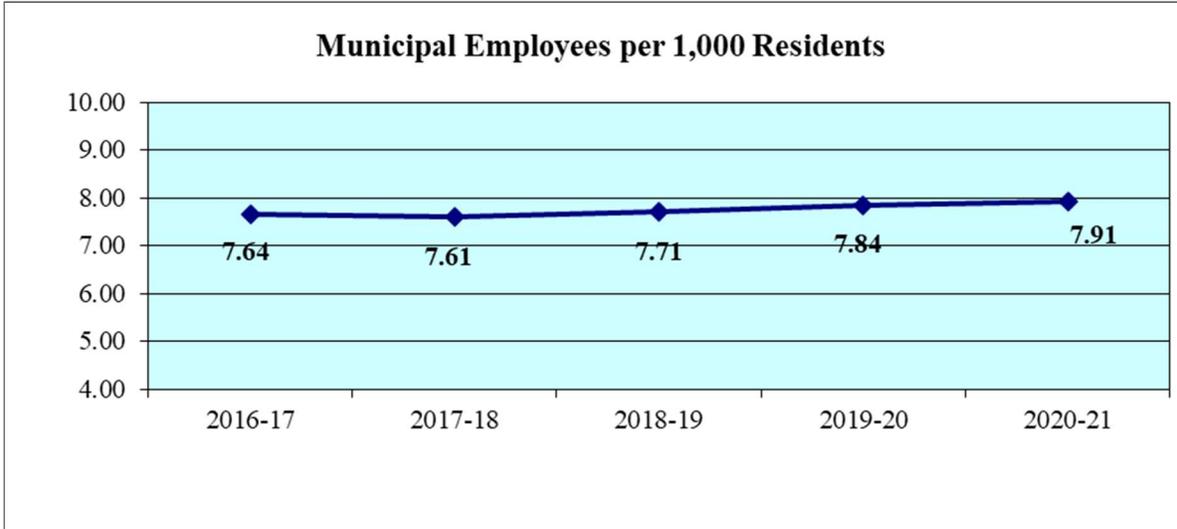
Fringe benefits represent the costs, in addition to salaries and wages, incurred by a jurisdiction to support the personnel it employs. The calculation in this indicator includes FICA payments, health insurance payments, retiree insurance payments, separation allowance payments for retired police officers, retirement payments, and supplemental retirement insurance payments. FICA, retirement, and supplemental retirement benefits are fixed as a certain percentage of salaries and will rise accordingly. Vacation pay and sick leave programs are not considered fringe benefits since both are usually paid out of regular salary expense line items.

Discussion

Fringe benefits, as a percentage of the overall wages and salaries paid in Carrboro, have risen from FY16-17 to FY 20-21. The increase in fringe benefits is largely due to double-digit percent increases in health insurance costs for employees and retirees. Other factors include an increase in the number of retirees benefiting from the Town’s insurance coverage subsidy, therefore increasing retiree insurance costs; an increase in retiring police officers who are eligible for a separation

allowance benefit; additional positions in departments, and an increase in the Town’s contribution to the State Retirement Fund.

Municipal Employees per 1,000 Residents



	2016-17	2017-18	2018-19	2019-20	2020-21
Population	20,867	21,099	21,200	21,295	21,295
Number of municipal employees approved	159.5	160.5	163.5	167	168.5

Warning Trend: Increasing number of full-time municipal employees per (1,000) capita.

Formula: Number of Municipal Employees (approved)/Population/1000

Description

Because personnel costs are a major portion of a local government's operating budget, plotting changes in the number of employees per capita (or per thousand residents) is a good way to measure changes in expenditures. An increase in employees per capita might indicate that expenditures are rising faster than revenues that the government is becoming more labor intensive, or that personnel productivity is declining.

Discussion

The number of municipal employees per capita has remained relatively stable over the past five years. The changes in FY 16-17 through FY 20-21 are based on the combination of population and personnel changes.

Work Force Totals - Permanent Full-time Equivalent

Department	FY	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Mayor & Council											
Town Manager		5.0	3.0	3.0	3.0	3.0	4.0	4.0	2.0	1.0	5.0
Economic Development		1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.0	1.0	1.0
Climate Action									1.0	2.0	2.0
Communications										1.5	2.0
Housing & Community Svcs									2.5	3.0	3.0
Town Clerk		1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Finance		6.5	6.5	7.0	6.0	6.0	8.0	8.0	8.0	7.0	7.0
Human Resources		2.0	2.0	2.0	3.0	3.0	2.0	2.0	2.0	3.0	3.0
Information Technology			3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0
Police		41.5	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0
Fire		36.5	37.0	37.0	37.0	37.0	37.0	37.0	37.0	37.0	37.0
Planning		14.0	14.0	13.5	13.5	14.5	14.5	15.5	14.5	14.5	14.5
Public Works		35.0	35.0	35.0	36.0	35.0	35.0	37.0	37.0	35.0	35.0
Recreation, Parks, & Culture		12.5	12.5	13.0	13.0	13.0	13.0	13.5	13.5	13.5	13.5
General Fund Totals		156.0	158.0	158.5	159.5	159.5	161.5	165.0	165.0	166.0	170.5
Stormwater Enterprise						1.0	2.0	2.0	3.5	3.5	3.5
Grand Totals		156.0	158.0	158.5	159.5	160.5	163.5	167.0	168.5	169.5	174.0

Description of Position Changes

FY 12-13 – Eliminate 4 frozen positions – Maintenance/Construction Worker, Groundskeeper, Police Officer I in Community Services, Police Officer I in Criminal Investigations. Add an Information Technology Support II position and unfreeze Planning/Zoning Specialist position.

FY13-14 – Part-time position moved from Mayor and Town Council to Town Clerk, eliminated the Animal Control Officer position and added a Solid Waste Operator in Public Works.

FY14-15 – Convert one part-time position in Police Department and one part-time position Fire Department to full-time. Add Assistant to Town Manager position. Move Information Technology from a division within the Manager’s office to a department.

FY15-16 - Two part-time administrative positions (one in Finance; and one in Recreation and Parks) will be converted to full-time. A full-time position in Planning has been converted to a part-time GIS position.

FY16-17 – Program Support Assistant II position transferred from Finance to Human Resources as Human Resources Representative. A Capital Projects Manager position was added to Public Works.

FY17-18 – Capital Projects Manager position added to Public Works in the previous year is being combined with the Engineering Tech position. Added a new Stormwater Utility Manager to Public Works. Planning Department will add an additional Planner position.

FY18-19 – Added a Communications Manager to Town Manager; an Accounting Tech/Receptionist and Management Specialist to Finance, and a Stormwater Specialist to the Stormwater Utility Fund. Deleted Human Resources Representative in Human Resources.

FY19-20 – Add an Associate Planner in Planning; add a Groundskeeper I and an Engineering Technician in Public Works; and change a permanent part-time Program Support Assistant I to a full-time Program Support Assistant II in Recreation and Parks.

FY20-21 – Convert Project Manager position (in Town Manager) to Housing & Community Service (HSC) Director. Move Management Assistant (in Town Manager) and PSA2 (in Econ

Dev) to HSC. Move Environmental Sustainability Coordinator (in Planning) to Town Manager. The Planner position in Planning is not funded for FY21. Add a Stormwater Administrator position and a half time Stormwater GIS Technician position to the Stormwater Utility Fund...listed under Public Works in the chart above.

FY21-22 – Changes in personnel include creating a Communication & Engagement Department and promoting the Communications Manager to the Communication & Engagement Director and hiring a half time Communication & Engagement Specialist, adding an Environmental Planner to the Climate Action Division, adding an IT Support Engineer to the IT Department, moving the Safety Officer from the Finance Department to the Human Resources Department, and increasing the half time Program Support Assistant II, in the Housing & Community Services Department, to fulltime. In FY21, the Public Works Department completed a reorganization which combined the Streets Division and the Landscaping Division into one Streets and Grounds Division, which eliminated two unfilled positions.

FY22-23 – Changes in personnel include adding four positions to the Town Manager’s Department including an Assistant Town Manager, an Assistant to the Town Manager, a Chief Race & Equity Officer, and a Race & Equity Manager. In the Communications and Engagement Department, the current part-time position will be changed to a full-time position.

Operating Position Indicators

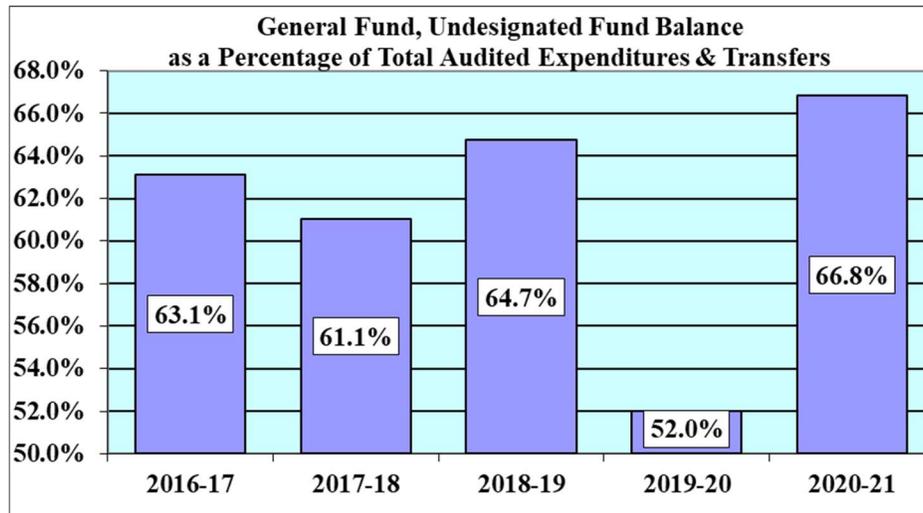
Revenues and Expenditures have a direct impact on a town’s operating position. The term “operating position” refers to a local government’s ability to: (1) balance its budget on a current basis, (2) maintain reserves for emergencies, and (3) have sufficient liquidity to pay its bills on time. The primary indicator that is tracked by the Town is fund balance.

Fund Balance

As an accounting calculation, fund balance is the difference between current assets and current liabilities. Unreserved fund balance, also called “*fund balance available for appropriation*,” is the maximum amount that can be used to finance expenditures in next year’s budget. Available fund balance is also considered a non-recurring financial resource that provides a local government with flexibility. Once used, it is difficult to replace. As a result, it should be protected and maintained at a reasonable level to provide for emergencies, unforeseen shortfalls in revenue, or to take advantage of unforeseen opportunities.

The Local Government Commission (LGC) considers the amount of unreserved fund balance to be one of the key indicators of the financial condition of a town. LGC, as part of the process of reviewing audited financial statements each year, calculates the amount of fund balance available for appropriation in the general fund and the amount of reserves in other funds. The LGC has an 8 percent minimum as a guideline for fund balance, but this is not applicable to all governments, especially smaller governments like the Town of Carrboro. The 8 percent ratio is intended to represent 1/12th of a government’s operating expenditures. However, 1/12th of a small government’s budget is not considered an adequate reserve level due to the sheer small dollar amount that it reflects. The LGC uses, as its guideline for Carrboro, the average unreserved fund balance (commonly referred to as “fund balance available for appropriation (FBAA)” for units with similar populations. If a jurisdiction’s unreserved fund balance falls to half of the group average, the LGC will write a letter to alert the Town Council and Town administration and to advise them that the municipality review the current level of fund balance and determine what fund balance

level the municipality should have. Using the latest year available from LGC (year ending June 30, 2020), unreserved fund balance that includes designated and undesignated reserves is at 53.53% in Carrboro.



The graph above illustrates the five-year undesignated fund balance trends. The Town policy is to maintain undesignated reserves within a range of 22.5% to 35% as in its financial policy on fund balance.

Debt / Liability Indicators

Another large expenditure that credit rating industries monitor is the debt load. Debt is an obligation resulting from the borrowing of money. Under favorable conditions, debt:

- ☆ Is proportionate in size and growth to the government’s tax base,
- ☆ Does not extend past the facilities useful life which it finances,
- ☆ Is not used to balance the operating budget,
- ☆ Does not put excessive burdens on operating expenditures, and
- ☆ Is not so high as to jeopardize the credit rating.

The Town Council has approved a debt policy that addresses guidelines and restrictions affecting the amount, issuance, process, and type of debt issued by a governmental entity. The policy also requires Town staff to monitor various debt ratios that are used to evaluate ability to repay as well as the government’s capacity to incur debt (see Town’s fiscal policies within the Community and Organizational Profile section). The Town’s debt structure primarily consists of installment financing and GO bond debt to support its capital improvements and equipment and vehicle replacements. Debt load is a large expenditure that credit rating industries monitor.

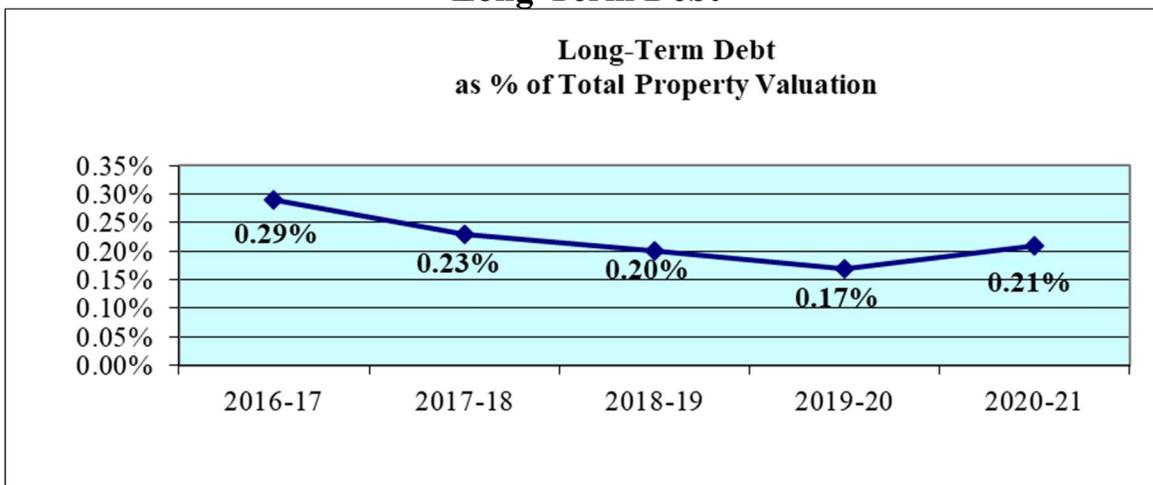
Debt ratios are considered by the LGC and credit rating agencies to ascertain the fiscal health of a municipality. High debt ratios may adversely affect the ability of the Town to obtain the lowest possible interest rate when borrowing funds.

Town of Carrboro, North Carolina Computation of Legal Debt Margin June 30, 2021	
Total assessed valuation at June 30, 2021	\$ 2,474,230,018
Debt limit - eight percent (8%) of assessed value	\$ 197,938,401
Amount of debt applicable to debt limit - Net Bonded Debt	\$ 5,279,585
Legal Debt Margin	\$ 192,658,816

One measure of a unit’s debt capacity is debt expressed in terms of assessed or market valuation. It is important to note, however, the Town’s debt is far below the legal limit in the NC General Statutes (GS 159-55) that limits net debt to eight percent (8%) or less of a local government’s total property valuation. Outstanding debt in most governmental units falls well below this limit, and typically ranges from about 1% to 4% for most governments. The legal margin or the maximum amount of outstanding debt allowable by law, based on the June 30, 2021, audited valuation is \$192,658,816.

Debt service, annual interest and principal payments, can be a major part of a government’s fixed costs, and its increase may indicate excessive debt and fiscal strain; credit firms consider debt exceeding 20% of operating revenues as a potential problem. Ten percent is considered acceptable (footnote1). The North Carolina Local Government Commission (LGC) advises that a heavy debt burden may be evidenced by a ratio of General Fund Debt Service to General Fund Expenditures exceeding 15%. The Town will maintain this ratio at or below 12%, considering this to be a moderate level of debt. In the last audited year, the Town shows that debt expenditures are approximately 3.1% of the total expenditures for the year ending June 30, 2021.

Long-Term Debt



¹ “Evaluating Financial Condition, A Handbook for Local Government,” ICMA, Sanford M. Groves and Maureen Godsey Valente, pp 83

	2016-17	2017-18	2018-19	2019-20	2020-21
Long-Term Debt	\$6,274,461	\$5,512,730	\$4,688,182	\$3,995,976	\$5,279,585
Property Valuation	\$2,163,259,569	\$2,360,764,978	\$2,389,985,868	\$2,411,084,066	\$2,474,230,018

Warning Trend: Increasing ratio of long-term debt to total property valuation.

Formula: Long-term Debt/Total Property Valuation.

Description

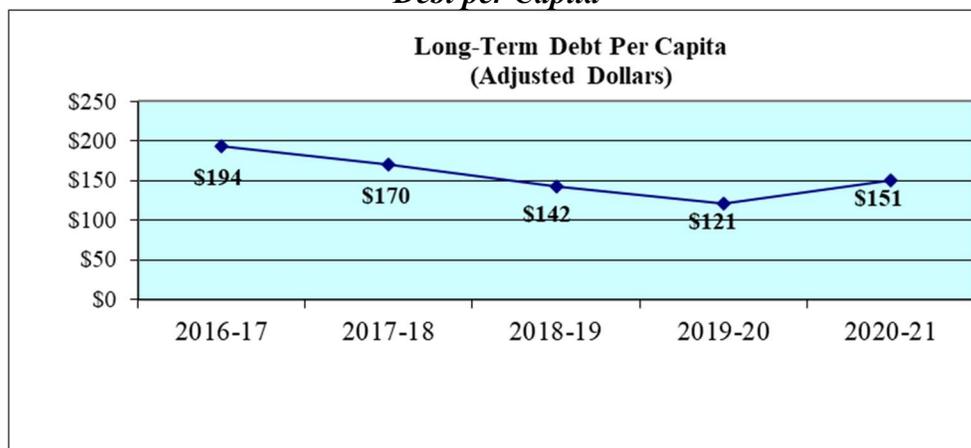
The definition of debt considered by rating agencies is generally limited to bonded debt because this debt is backed by the full faith and credit of the town which is represented by the Town’s property valuation. However, given that all debt by the Town is considered a fixed cost and property taxes are the primary revenue source for the Town, the analysis of debt above includes long-term installment financing for infrastructure and land as well as equipment and vehicle debt. An increase in total long-term debt as a percentage of taxable assessed valuation can mean that the government's ability to repay debt is diminishing - assuming that the government depends on the property tax to repay its debts.

Standard and Poor’s (S&P) reviews the level of long-term debt, recognizing that accelerated debt issuance can overburden a municipality. However, S&P also recognizes that a low debt profile may not be a positive credit factor since it may indicate underinvestment in capital facilities. Investment in public infrastructure is believed to enhance the growth prospects of the private sector.

Discussion

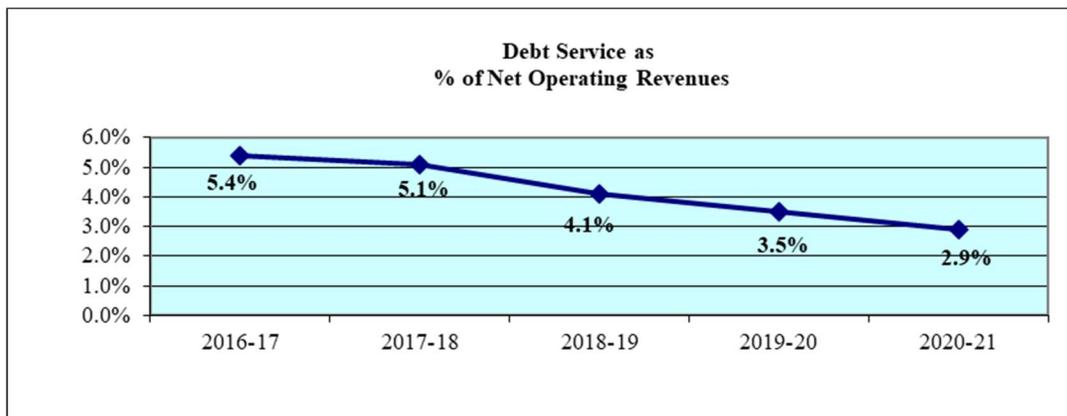
For municipalities comparable to Carrboro (populations ranging from 10,000 to 24,999), the average debt-to-assessed valuation ratio (computed by the Local Government Commission) in FY20-21 was .271 percent; a high level is considered 1.158 percent. The debt-to-assessed valuation ratio for Carrboro in the last audited year was .134 percent, which is below the average valuation for jurisdictions of similar size. The LGC includes authorized but unissued debt in its debt ratio formula. The graph above reflects the historical perspective that credit-rating agencies and audit reports consider; only issued debt is calculated in the debt ratio and thus Town debt ratios in the presented graphs are slightly different.

Debt per Capita



Debt can also be monitored on a per capita basis. It is especially useful for communities that do not rely heavily on property taxes and that cannot easily compute a substitute revenue base for comparison (footnote2). This is an indicator that is monitored by the LGC and is useful for comparison with other similar jurisdictions. The average for comparable jurisdictions in FY20-21 was \$297 per capita; \$2,203 per capita is considered a high ratio. According to the LGC, the Town’s ratio of outstanding general obligation bond debt which includes authorized and unissued general obligation bond debt and installment purchase debt is \$157 per capita. The graph above shows a lower per capita figure that is based on different assumptions than LGC. This figure is adjusted for inflation, relies on actual audited valuation, and does not include authorized but unissued debt. The overall decrease from FY16-17 through FY20-21 is due to lease-purchase of fewer vehicles and equipment and continued principal payments on bonded debt.

Debt Service



	2016-17	2017-18	2018-19	2019-20	2020-21
Debt Service	\$1,136,832	\$1,140,714	\$951,169	\$802,148	\$683,749
Net Operating Revenue	\$21,008,891	\$22,558,145	\$23,415,184	\$23,217,681	\$23,494,020

Warning Trend: Increasing debt service as a percentage of operating revenue.

Formula: Debt Service/Operating Revenue

Description

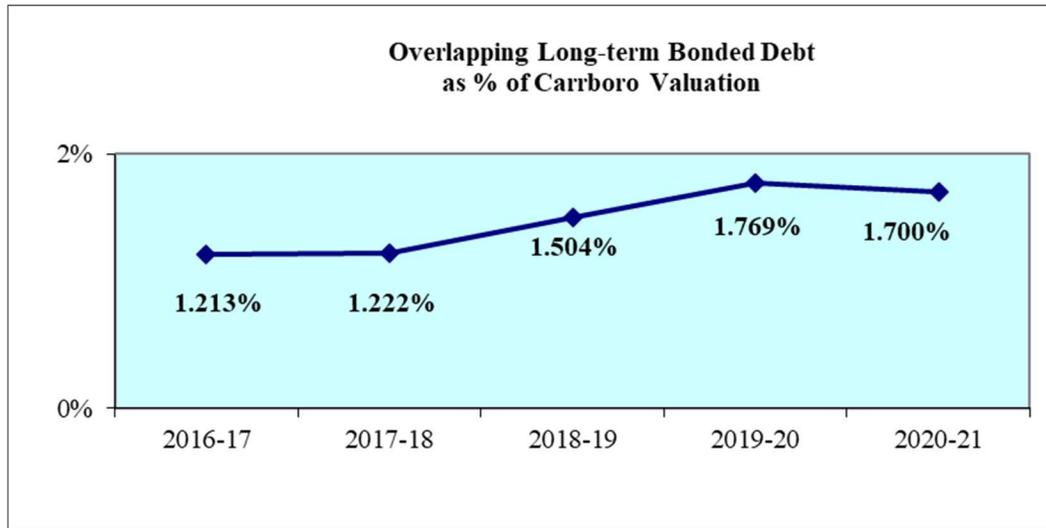
Debt service is defined here as the amount of principal and interest that a local government must pay each year on its long-term debt plus the interest it must pay on short-term debt. Increasing debt service reduces expenditure flexibility by adding to the government's obligations. According to the ICMA, debt service under 10 percent of net operating revenue is considered acceptable while anything approaching 20 percent is considered excessive. Debt service can be a major part of a government's fixed costs, and increases may indicate excessive debt and fiscal strain.

² Evaluating Financial Condition, A Handbook for Local Government,” ICMA, Sanford M. Groves and Maureen Godsey Valente, pp 81

Discussion

The graph shows that debt expenditures are approximately 2.9 percent of net operating revenues in FY20-21. This ratio, while different in focus than the Town’s debt policy which monitors debt service as a percentage of expenditures, tells a similar story of relatively stable debt service that is below the stated ceiling of 12%. In January 2013, the Town issued \$4.6 million of general obligation bonds which required principal and interest payment beginning in FY 2013-14.

Overlapping Debt



	2016-17	2017-18	2018-19	2019-20	2020-21
Carrboro Debt	\$3,600,000	\$3,350,000	\$3,100,000	\$2,850,000	\$2,600,000
Orange County Debt	\$22,637,920	\$25,505,518	\$32,835,150	\$39,808,275	\$39,466,234
Total Overlapping Debt	\$26,237,920	\$28,855,518	\$35,935,150	\$42,658,275	\$42,066,234

Warning Trend: Increasing overlapping debt as a percentage of total assessed property valuation.

Formula: Carrboro Long-Term Debt Plus Orange County Long-Term Debt/Carrboro Assessed Property Valuation

Description

Overlapping debt is the net direct bonded debt of another jurisdiction that is issued against a tax base within part or all the boundaries of the community. The level of overlapping debt is only that debt which is applicable to the property shared by the two jurisdictions. The overlapping debt indicator measures the ability of the community’s tax base to repay the debt obligations issued by all its governmental and quasi-governmental jurisdictions.

Discussion

The overlapping debt ratio does not present any warning signs. From FY16-17 to FY19-20, the overlapping debt rate for Orange County increased due to an increase in the Orange County total debt. FY20-21 showed a slight decrease as a result of principal payments and less new debt issued.

Current Town Financial Condition

The Town's current financial condition is very strong. The Town has consistently maintained a fund balance exceeding 35% of total expenditures. On June 30, 2021, the Town's unassigned fund balance as a percentage of total expenditures and net fund transfers was 52.0%. For the last ten years through FY 2020-21, the Town has been able to maintain service levels without a property tax increase for the General Fund.

Future Trends

The Town makes projections about future costs based on the most recent adopted budget and the Capital Improvements Plan (CIP). This is a tool for reflecting trends rather than actual revenues, expenditures, and tax rates. The five-year plan is designed to show the tax rate impact of town services over the long-term if growth continues at the current rates assumed in the model. The projections contained in the plan are best estimates based upon current information, past trends, and the assumptions outlined within this section.

The model is built with the objective of maintaining undesignated fund balance levels at a minimum of twenty-two and one-half percent (22.5%) of budgeted expenditures. The Town Manager's goal is to keep tax rates at the lowest possible level while continuing to provide a high-quality level of services. The assumptions built into this model are very conservative, projecting slow growth in the revenue base while continuing to fund expenditures at historical levels or higher, creating a budgetary gap that in the model, is filled by anticipated revenue increases.

Revenues

Over the last five years, total revenue has grown by roughly 2% annually. The Town has four sources of recurring revenue: Property Taxes, Local Sales Tax, Other Taxes and Licenses, and Intergovernmental. Property and sales tax revenues are 80% of total revenues. Sales tax revenues in FY20 were down considerably due to the national health emergency and related downturn in the nation's economy, however, the FY21 sales tax revenues were nearly \$700K higher than FY20 as we returned to pre-pandemic sales. We anticipate a 3% growth rate going forward. Fortunately, because of the Town's proximity to Research Triangle Park, UNC-Chapel Hill, and UNC Hospitals, the Town has maintained a steady flow of economic activities.

In addition to property and sales tax revenues, the Town includes projections for certain intergovernmental revenues collected by the state that are distributed to local governments based upon a formula. These intergovernmental revenues include sales tax on electricity, natural piped gas, telecommunications sales tax, and beer and wine sales. The Town occasionally receives grant funding for specific projects or programs.

Fund balance is used to balance the budget and to minimize tax increases. Budgets are balanced with the goal of maintaining the undesignated fund balance within the range of 22.5% to 35% of total expenditures. The Town's unassigned fund balance exceeds this range, as noted earlier. This reflects a healthy fund balance level above the established policy that may provide options to offset some of the capital costs in future years.

Below is a summary of projected property tax rates and general fund revenues through fiscal year ending June 30, 2027.

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
General Fund	Adopted Budget	Adopted Budget	Projected			
Property Tax Revenues						
Property Valuation	2,710,159,530	2,717,302,115	2,771,648,157	2,827,081,120	2,883,622,742	2,941,295,197
Tax Collection Rate	96.4%	95.2%	95.2%	95.2%	95.2%	95.2%
Collectible Tax Base	2,612,466,508	2,587,095,676	2,638,609,045	2,691,381,226	2,745,208,850	2,800,113,028
Tax Base per \$100 Levy	26,124,665	25,870,957	26,386,090	26,913,812	27,452,089	28,001,130
Ad Valorem Revenue Est.	15,397,878	15,248,342	15,551,961	15,863,001	16,180,261	16,503,866
Tax Levy per Penny	261,247	258,710	263,861	269,138	274,521	280,011
Tax Rate	0.5894	0.5894	0.5894	0.5894	0.5894	0.5894
Current Levy - Ad Valorem	13,969,675	15,248,000	15,551,961	15,863,001	16,180,261	16,503,866
Prior Year Ad Valorem Tax	65,000	60,000	61,200	62,424	63,672	64,945
Penalty/Interest Revenue	28,500	32,000	32,640	33,293	33,959	34,638
Total Ad Valorem Revenues	14,063,175	15,340,000	15,645,801	15,958,718	16,277,892	16,603,449

Note: The above property tax rate does not include the amount devoted to Affordable Housing Fund...see related chart on the following pages. Property tax valuation assumes growth of 2% per year after FY22, which was a revaluation year for property assessed values.

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
General Fund	Adopted Budget	Adopted Budget	Projected			
Revenues						
Ad Valorem Tax	14,063,175	15,340,000	15,645,801	15,958,718	16,277,892	16,603,449
Local Sales Tax	4,895,670	5,419,200	5,581,776	5,749,229	5,921,706	6,099,357
Other Taxes/Licenses	1,457,589	1,652,822	1,685,878	1,719,596	1,753,988	1,789,068
Unrestricted Intergovernmental	1,413,000	1,351,000	1,364,510	1,378,155	1,391,937	1,405,856
Restricted Intergovernmental	625,398	159,298	160,891	162,500	164,125	165,766
Fees and Permits	1,239,160	1,299,813	1,325,809	1,352,325	1,379,372	1,406,959
Sales and Services	171,819	184,700	188,394	192,162	196,005	199,925
Investment Earnings	40,000	15,000	15,150	15,302	15,455	15,610
Other Revenues	252,270	261,120	263,731	266,368	269,032	271,722
Fund Balance Appropriated	1,189,720	1,984,722	3,619,549	4,336,333	5,100,526	5,989,332
General Fund Total Revenues	25,347,801	27,667,675	29,851,489	31,130,688	32,470,038	33,947,044

Assumptions used in revenue projections are as follows:

Ad Valorem Tax Base	2% per year thereafter
Local Sales Tax	3% per year
Other Taxes and Licenses	2% per year
Unrestricted Intergovernmental	1% per year
Restricted Intergovernmental	1% per year
Fees and Permits	2% per year
Sales and Services	2% per year
Interest Earnings/Other Revenue	1% per year
Fund Balance Appropriation	Per balanced budget financial policy.

General Fund Operating Expenditures

Personnel costs represent over half of the budget, which underscores the nature of government as a service industry and the primary asset is the people who work for it. Consequently, the five-year plan is impacted by assumptions regarding employee salaries and related expenses. For FY22 the Town had budgeted 169.5 full-time equivalent positions, and that total will increase to 174.0 for FY23. The assumptions within the plan assume an average 2.5% increase in salaries and a 10% increase in fringe benefits.

The five-year plan generally shows operating expenditures at rates that mirror historical trends and commitments of the Town for specific policy or capital initiatives.

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
General Fund	Adopted	Adopted	Projected			
<i>Expenditures</i>	Budget	Budget				
Salary and Wages	10,196,006	12,085,318	12,387,451	12,697,137	13,014,565	13,339,929
Fringe Benefits	4,977,941	4,791,336	5,270,470	5,797,517	6,377,269	7,014,996
Total Personnel Costs	15,173,947	16,876,654	17,657,921	18,494,654	19,391,834	20,354,925
Operating Costs:						
General Operating Costs	5,786,396	6,087,664	6,270,294	6,458,403	6,652,155	6,851,720
Human Services Grant	274,000	274,000	274,000	274,000	274,000	274,000
Carrboro Tourism Dev Authority *	-	155,200	158,304	161,470	164,699	167,993
Landfill Fees	360,000	335,000	345,050	355,402	366,064	377,046
Transportation Costs	2,011,768	2,108,180	2,213,589	2,324,268	2,440,481	2,562,505
Debt Service	876,790	1,368,217	2,089,171	2,219,331	2,337,645	2,515,695
Transfers to Other Funds	290,300	143,160	143,160	143,160	143,160	143,160
Transfers to Capital Funds	385,200	-	500,000	500,000	500,000	500,000
Total Operating Costs	9,984,454	10,471,421	11,993,568	12,436,034	12,878,204	13,392,119
Capital Outlay	189,400	319,600	200,000	200,000	200,000	200,000
Total Expenditures	25,347,801	27,667,675	29,851,489	31,130,688	32,470,038	33,947,044

* Change in accounting procedure in FY22

The expenditure assumptions are:

- Salary and Wages *2.5% per year & increase FTEs to 174.0 in FY23*
- Fringe Benefits *10% increase per year*
- General Operating Costs *3% per year*
- Human Services *0% per year*
- Other Governance Support *2% per year*
- Landfill Fees *3% per year*
- Transportation Costs *5% per year*
- Debt Service *Based on Debt Service projections-see following pages*
- Transfer to Parking Fund *Funding transfer for parking related expenditures*
- Transfers to Other Funds *Funding transfer to Capital Projects Fund for street re-surfacing.*

Affordable Housing Fund

Below is a summary of projected property tax rates, revenue sources and expenditures through fiscal year ending June 30, 2027.

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Affordable Housing Fund	Adopted	Adopted	Projected			
Property Tax Revenues	Budget	Budget				
Property Valuation	2,710,159,530	2,717,302,115	2,771,648,157	2,827,081,120	2,883,622,742	2,941,295,197
Tax Collection Rate	96.4%	95.2%	95.2%	95.2%	95.2%	95.2%
Collectible Tax Base	2,612,466,508	2,587,095,676	2,638,609,045	2,691,381,226	2,745,208,850	2,800,113,028
Tax Base per \$100 Levy	26,124,665	25,870,957	26,386,090	26,913,812	27,452,089	28,001,130
Ad Valorem Revenue Est.	391,870	388,064	395,791	403,707	411,781	420,017
Tax Levy per Penny	261,247	258,710	263,861	269,138	274,521	280,011
Tax Rate	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150
Current Levy - Ad Valorem	338,000	380,000	395,791	403,707	411,781	420,017
Prior Year Ad Valorem Tax	400	180	182	184	186	188
Penalty/Interest Revenue	50	-	-	-	-	-
Investment Earnings	75	50	50	50	50	50
Investment Earnings	-	188,193	-	-	-	-
Total Ad Valorem Revenues	338,525	568,423	396,023	403,941	412,017	420,255
Total Operating Costs	338,525	568,423	396,023	403,941	412,017	420,255

The above chart assumes: Tax Base Growth of 2% per year

Capital Investments

The Town Council adopts a 5-year Capital Improvements Plan (CIP) annually. The table below is a summary of capital projects, current and new requests with estimated cash needs per year.

Summary of Capital Improvements Plan FY 2022-23 through FY 2026-27

	Previous						FY23-FY27	Project
	Appropriations	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total	Total
Expenses								
Planning/Design	5,157,546	547,879	930,700	270,000	445,820	82,400	2,276,799	7,434,345
Construction	28,405,921	2,333,800	2,415,141	6,119,300	5,508,010	7,215,200	23,591,451	51,997,372
Land/ROW	726,395	44,809	102,000	56,000	43,000	-	245,809	972,204
Equipment/Furnishings	-	3,303,850	824,000	882,000	2,129,500	753,000	7,892,350	7,892,350
Total Expenditures	\$ 34,289,862	\$ 6,230,338	\$ 4,271,841	\$ 7,327,300	\$ 8,126,330	\$ 8,050,600	\$34,006,409	\$68,296,271
Funding Sources								
Intergovernmental Funds	18,963,424	2,424,398	1,937,311	1,029,000	634,000	2,078,000	8,102,709	27,066,133
General Fund	257,000	2,691,125	660,500	478,300	578,830	349,600	4,758,355	5,015,355
Capital Project Fund	1,990,395	-	-	-	-	-	-	1,990,395
Storm Water Fund	-	40,000	65,000	195,000	250,000	-	550,000	550,000
GO Bonds	326,866	-	-	-	-	-	-	326,866
Installment Financing	12,000,000	815,000	1,324,000	5,482,000	6,654,500	5,453,000	19,728,500	31,728,500
Matching Funds	-	175,815	135,030	134,000	9,000	-	453,845	453,845
Other *	752,177	84,000	150,000	9,000	-	170,000	413,000	1,165,177
Total Funding	\$ 34,289,862	\$ 6,230,338	\$ 4,271,841	\$ 7,327,300	\$ 8,126,330	\$ 8,050,600	\$34,006,409	\$68,296,271
* Includes Orange Cnty Transit Tax of:	752,177	34,000	150,000	9,000		170,000	363,000	1,115,177

The Capital Improvements Plan (CIP) for FY23 through FY27 includes several new projects related to facility improvements and stormwater retrofits. The Town currently has 14 capital projects underway totaling \$34.3 million. The largest project is the 203 S. Greensboro Street project, a joint endeavor between the Town and Orange County, to develop a facility to house the Orange County Southern Branch Library, administrative offices for the Town, and other possible uses. The County’s expected share of the project is approximately 56%, and the Town anticipates debt financing of \$12 million. Over the next five years, the Town will need funds to undertake the following projects.

- Stormwater improvements: \$765 thousand
- Park Improvements: \$872 thousand
- Street Resurfacing: \$2.0 million
- Vehicles and Equipment: \$4.6 million
- Town Facility Improvements: \$16.6 million
- Infrastructure Projects (e.g., sidewalks, bike ways, etc.): \$6.7 million

The Facilities Assessment and Space Needs Study in 2016 identified a need to renovate several Town buildings. However, these projects will require further definition to allow for better evaluation of funding options as well as impact analysis on the General Fund.

Past CIPs anticipated increased pressure on the tax rate when the Town issued the \$4.6 million general obligation bonds for construction of sidewalks and greenways in 2013. However, after evaluating its debt portfolio, the Town elected to pay off some old debt before maturity that had interest rates higher than the current market. This allowed the Town to maintain a level rate of debt service. The only major debt over the next three to five years is expected to be financing for the 203 S. Greensboro Project and the facility improvement projects.

The Town historically has not carried a significant amount of debt. Below is a summary of the Town’s current and future debt service projected through FY 2026-27.

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
<i>Debt Service</i>	Adopted Budget	Adopted Budget	Projected			
Sidewalk & Greenways GO Bonds	312,500	307,500	302,500	296,875	291,250	285,625
Fire Substation	234,905	229,294	223,682	109,736		
203 Project	-	286,716	954,813	938,488	922,163	905,838
Vehicle and Equipment	329,385	544,707	544,707	544,707	544,707	544,707
Current Debt Service	876,790	1,368,217	2,025,702	1,889,806	1,758,120	1,736,170
Future Vehicle & Equipment Debt			63,469	329,525	579,525	779,525
Total Current & Future Debt	876,790	1,368,217	2,089,171	2,219,331	2,337,645	2,515,695

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LINE-ITEM BUDGET DETAIL...

Department Summary for the:
Mayor and Town Council

<u>Account Description</u>	FY 2020-21	FY 2021-22	FY 2022-23	FY22 to FY23
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
PART TIME SALARIES	80,530	80,531	82,507	2.45%
FICA	6,137	6,189	6,348	2.57%
INSURANCE	24,515	19,962	40,198	101.37%
TRAINING	60	3,500	3,500	0.00%
LEGAL SERVICES	130,042	200,000	200,000	0.00%
CONFERENCES	300	5,950	5,950	0.00%
POSTAGE	16	50	50	0.00%
TRAVEL	-	7,500	7,500	0.00%
PRINTING	4	-	-	#DIV/0!
OFFICE SUPPLIES	76	500	560	12.00%
DEPARTMENTAL SUPPLIES	187	2,000	2,000	0.00%
CONTRACTUAL SERVICES	16,452	34,000	27,000	-20.59%
TRIANGLE J COG	8,079	9,500	9,500	0.00%
NC LEAGUE OF MUNICIPALITIES	18,099	18,500	18,500	0.00%
COMMUNITY DINNER	-	1,500	1,500	0.00%
METROPOLITAN COALITION	8,089	8,100	8,100	0.00%
CRIMINAL JUSTICE DEBT	-	7,500	7,500	0.00%
ELECTIONS	-	20,000	-	-100.00%
COMMUNITY EVENTS	500	-	-	#DIV/0!
DUES AND SUBSCRIPTION	2,357	6,000	6,000	0.00%
CONTINGENCY	731	10,000	10,000	0.00%
Totals	\$ 296,174	\$ 441,282	\$ 436,713	-1.04%

Department Summary for the:
Advisory Boards

<u>Account Description</u>	<u>FY 2020-21</u> <u>Actuals</u>	<u>FY 2021-22</u> <u>Adopted</u> <u>Budget</u>	<u>FY 2022-23</u> <u>Adopted</u> <u>Budget</u>	<u>FY22 to FY23</u> <u>Percent</u> <u>Change</u>
TRAINING	-	6,000	6,000	0.00%
CONTRACTUAL SERVICES	3,586	-	-	#DIV/0!
FOOD COUNCIL *	-	10,650	-	-100.00%
APPEARANCE COMMITTEE	-	200	200	0.00%
PLANNING BOARD	-	500	500	0.00%
BOARD OF ADJUSTMENT	-	500	500	0.00%
RECREATION & PARKS COMMISSION	-	2,400	2,400	0.00%
TRANSPORTATION ADVISORY BOARD	-	500	500	0.00%
HUMAN SERVICES COMMISSION	-	500	500	0.00%
NORTHERN AREA TRANSITION ADV	-	200	500	150.00%
APPRECIATION EVENTS	-	4,000	4,000	0.00%
ECONOMIC SUSTAINABILITY COMMIS	-	500	500	0.00%
GREENWAY COMMISSION	-	500	500	0.00%
SAFE ROUTES TO SCHOOL	-	-	500	#DIV/0!
ART COMMITTEE	9,500	21,000	22,000	4.76%
ENVIRONMENTAL ADVISORY BOARD	-	500	500	0.00%
YOUTH ADVISORY BOARD	360	500	500	0.00%
RACE & EQUITY ADVISORY BOARD	-	500	15,500	3000.00%
TRUTH PLAQUE TASK FORCE	-	5,000	5,000	0.00%
CLIMATE ACTION ADVISORY BOARD	-	-	500	#DIV/0!
Totals	\$ 13,446	\$ 53,950	\$ 60,600	12.33%

* Expense was budgeted in Econ Dev in FY21 and FY23.

Department Summary for the:

Town Manager

<u>Account Description</u>	FY 2020-21	FY 2021-22	FY 2022-23	FY22 to FY23
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	247,367	165,089	418,203	153.32%
SERVICE BENEFIT	868	868	868	0.00%
TEMP. SALARY	5,972	7,000	7,000	0.00%
FICA	17,122	11,884	32,504	173.51%
INSURANCE	35,311	15,514	91,170	487.66%
LONG TERM DISABILITY	828	460	1,693	268.04%
RETIREMENT	26,040	18,919	47,695	152.10%
SUPPLMENTAL RETIREMENT	7,638	4,981	12,562	152.20%
CAR ALLOWANCE	6,000	6,000	6,497	8.28%
TRAINING	6,419	2,200	5,000	127.27%
CONFERENCES	404	2,600	7,200	176.92%
POSTAGE	15	50	100	100.00%
GOVT ADVANCED RACIAL EQUITY *	-	-	35,000	#DIV/0!
TELEPHONE	(32)	1,000	-	-100.00%
TRAVEL	3	3,800	14,450	280.26%
PRINTING	53	100	100	0.00%
ADVERTISING	317	100	900	800.00%
OFFICE SUPPLIES	256	600	2,000	233.33%
DEPARTMENTAL SUPPLIES	716	2,000	2,000	0.00%
FURNITURE & EQUIPMENT NON-CAP	-	1,700	18,250	973.53%
CONTRACTUAL SERVICES	6,196	22,500	15,800	-29.78%
INSTITUTE OF GOVERNMENT	2,759	2,825	2,975	5.31%
DUES AND SUBSCRIPTION	3,552	2,500	5,800	132.00%
MISCELLANEOUS	-	20,000	20,000	0.00%
Totals	\$ 367,804	\$ 292,690	\$ 747,767	155.48%

* Expense was budgeted in Rec, Park, & Cultural Resources in FY21 and FY22.

Department Summary for the:
Economic Development

<u>Account Description</u>	FY 2020-21	FY 2021-22	FY 2022-23	FY22 to FY23
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	\$ 83,116	\$ 82,000	\$ 84,706	3.30%
TEMP. SALARY	2,822	-	-	#DIV/0!
FICA	6,534	6,279	6,486	3.30%
INSURANCE	12,309	10,030	10,030	0.00%
LONG TERM DISABILITY	377	378	390	3.17%
RETIREMENT	8,516	9,348	9,656	3.29%
SUPPLMENTAL RETIREMENT	2,496	2,462	2,543	3.29%
TRAINING	2,099	3,000	2,000	-33.33%
CONFERENCES	-	1,600	525	-67.19%
POSTAGE	1	100	100	0.00%
TRAVEL	-	3,000	1,475	-50.83%
PRINTING	-	100	600	500.00%
ADVERTISING	394	1,400	1,700	21.43%
OFFICE SUPPLIES	-	200	150	-25.00%
DEPARTMENTAL SUPPLIES	-	500	500	0.00%
CONTRACTUAL SERVICES	18,307	-	100,000	#DIV/0!
LOCAL LIVING ECONOM INITIATIVE	-	1,500	1,500	0.00%
ENTREPRENEURIAL INITIATIVE	-	5,000	1,500	-70.00%
MEMBER SCHOLARSHIPS - CBA	2,500	2,000	2,500	25.00%
ECONOMIC DEVELOPMENT INCENTIVE	-	1,950	2,000	2.56%
CARRBORO TOURISM DEV AUTHORITY ^	83,306	-	155,200	#DIV/0!
DUES AND SUBSCRIPTION	1,399	1,280	1,705	33.20%
FOOD COUNCIL *	8,750	-	10,650	#DIV/0!
Totals	\$ 232,926	\$ 132,127	\$ 395,916	199.65%

* Expense was budgeted in Advisory Boards in FY22.

^ Expense was eliminated and netted against revenues in FY22

Department Summary for the:

Communication & Engagement Department

<u>Account Description</u>	FY 2020-21	FY 2021-22	FY 2022-23	FY22 to FY23
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	\$ -	\$ 88,600	\$ 143,568	62.04%
PART TIME SALARIES	-	20,600	-	-100.00%
FICA	-	8,366	10,995	31.42%
INSURANCE	-	14,260	34,168	139.61%
LONG TERM DISABILITY	-	405	659	62.72%
RETIREMENT	-	12,198	16,298	33.61%
SUPPLMENTAL RETIREMENT	-	2,642	4,293	62.49%
TRAINING	-	950	950	0.00%
CONFERENCES	-	950	660	-30.53%
POSTAGE	-	50	50	0.00%
TRAVEL	-	400	1,300	225.00%
PRINTING	-	5,000	5,000	0.00%
ADVERTISING	-	5,000	5,000	0.00%
OFFICE SUPPLIES	-	150	150	0.00%
DEPARTMENTAL SUPPLIES	-	1,000	1,000	0.00%
CONTRACTUAL SERVICES	-	5,500	5,500	0.00%
COMMUNITY ENGAGEMENT *	-	7,500	7,500	0.00%
DUES AND SUBSCRIPTION	-	3,717	8,717	134.52%
Totals	\$ -	\$ 177,288	\$ 245,808	38.65%

The Communications Department, which was previously part of the Town Manager budget, was created for FY22.

* Expense was budgeted in Mayor and Council in FY21.

Department Summary for the:
Housing & Community Services

<u>Account Description</u>	FY 2020-21	FY 2021-22	FY 2022-23	FY22 to FY23
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	\$ 159,213	\$ 164,366	\$ 171,784	4.51%
SERVICE BENEFIT	-	-	248	#DIV/0!
PART TIME SALARIES	6,243	-	-	#DIV/0!
FICA	11,976	12,592	13,178	4.65%
INSURANCE	44,715	40,897	40,345	-1.35%
LONG TERM DISABILITY	743	755	790	4.64%
RETIREMENT	16,960	18,669	19,544	4.69%
SUPPLMENTAL RETIREMENT	4,786	4,920	5,150	4.67%
TRAINING	1,167	1,650	3,450	109.09%
CONFERENCES	-	2,600	2,850	9.62%
POSTAGE	106	100	3,000	2900.00%
TRAVEL	36	3,800	3,800	0.00%
PRINTING	-	1,000	1,600	60.00%
ADVERTISING	1,224	500	1,000	100.00%
OFFICE SUPPLIES	112	600	800	33.33%
DEPARTMENTAL SUPPLIES	668	1,500	2,320	54.67%
FURNITURE & EQUIPMENT NON-CAP	-	2,000	2,000	0.00%
CONTRACTUAL SERVICES	-	5,000	10,000	100.00%
HUMAN SERVICES GRANTS *	217,475	274,000	274,000	0.00%
COMMUNITY OUTREACH	42,970	42,970	42,970	0.00%
DUES AND SUBSCRIPTION	518	650	800	23.08%
DACA	-	10,000	-	-100.00%
UNC GOOD NEIGHBOR PROGRAM	-	335	500	49.25%
Totals	\$ 508,912	\$ 588,904	\$ 600,129	1.91%

* The FY21 budget was reduced from \$274K due to early disbursements of various grants in May 2020 due to COVID-19.

Department Summary for the:

Town Clerk

<u>Account Description</u>	<u>FY 2020-21</u> <u>Actuals</u>	<u>FY 2021-22</u> <u>Adopted</u> <u>Budget</u>	<u>FY 2022-23</u> <u>Adopted</u> <u>Budget</u>	<u>FY22 to FY23</u> <u>Percent</u> <u>Change</u>
SALARIES	\$ 71,924	\$ 70,224	\$ 68,000	-3.17%
SERVICE BENEFIT	456	456	-	-100.00%
PART TIME SALARIES	16,293	27,200	26,858	-1.26%
FICA	6,180	7,500	7,268	-3.09%
INSURANCE	16,466	14,260	10,030	-29.66%
LONG TERM DISABILITY	320	321	313	-2.49%
RETIREMENT	9,093	10,839	10,814	-0.23%
SUPPLMENTAL RETIREMENT	2,160	2,105	2,042	-2.99%
TRAINING	163	1,200	1,200	0.00%
CONFERENCES	175	1,300	1,300	0.00%
POSTAGE	1	-	25	#DIV/0!
TRAVEL	-	500	750	50.00%
ADVERTISING	4,745	10,000	10,000	0.00%
OFFICE SUPPLIES	64	1,200	750	-37.50%
DEPARTMENTAL SUPPLIES	67	1,275	1,500	17.65%
CONTRACTUAL SERVICES	1,250	3,120	3,600	15.38%
DUES AND SUBSCRIPTION	455	750	590	-21.33%
CARRBORO CITIZENS ACADEMY	-	2,200	2,200	0.00%
Totals	\$ 129,812	\$ 154,450	\$ 147,240	-4.67%

Department Summary for the:
Finance Department

<u>Account Description</u>	FY 2020-21	FY 2021-22	FY 2022-23	FY22 to FY23
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	\$ 515,223	\$ 484,004	\$ 506,354	4.62%
SERVICE BENEFIT	1,611	1,611	1,363	-15.39%
TEMP. SALARY	-	1,800	1,800	0.00%
FICA	36,675	37,782	39,472	4.47%
INSURANCE	120,634	96,215	85,539	-11.10%
LONG TERM DISABILITY	2,162	2,096	2,178	3.91%
RETIREMENT	53,541	55,359	57,880	4.55%
SUPPLMENTAL RETIREMENT	15,724	14,583	15,245	4.54%
CAR ALLOWANCE	6,000	6,000	6,000	0.00%
TRAINING	50	720	800	11.11%
CONFERENCES	1,013	3,320	3,455	4.07%
POSTAGE	1,597	1,600	1,680	5.00%
RISK MANAGEMENT/SAFETY	1,000	-	1,000	#DIV/0!
TRAVEL	181	8,300	8,900	7.23%
M & R EQUIPMENT	-	-	800	#DIV/0!
RENT	16,047	16,196	15,600	-3.68%
PRINTING	5,754	5,340	5,350	0.19%
ADVERTISING	100	-	-	#DIV/0!
OFFICE SUPPLIES	2,778	4,800	4,194	-12.63%
DEPARTMENTAL SUPPLIES	2,130	-	-	#DIV/0!
FURNITURE & EQUIPMENT NON-CAP	119	700	-	-100.00%
CONTRACTUAL SERVICES	135,378	146,150	166,350	13.82%
BANK SERVICE CHARGES	4,667	4,500	9,900	120.00%
DUES AND SUBSCRIPTION	1,720	2,049	2,095	2.24%
MISCELLANEOUS	8,175	-	-	#DIV/0!
GENERAL INSURANCE	280,118	350,000	350,000	0.00%
PUBLIC OFFICIALS LIABILITY INS	11,507	12,500	13,125	5.00%
Totals	\$ 1,223,904	\$ 1,255,625	\$ 1,299,080	3.46%

Department Summary for the:

Human Resources Department

<u>Account Description</u>	FY 2020-21	FY 2021-22	FY 2022-23	FY22 to FY23
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	\$ 146,575	\$ 197,520	\$ 196,171	-0.68%
SERVICE BENEFIT	248	248	496	100.00%
TEMP. SALARY	-	2,000	2,000	0.00%
FICA	9,959	15,300	15,215	-0.56%
INSURANCE	42,060	55,934	45,419	-18.80%
RETIREE INSURANCE	346,390	330,000	320,000	-3.03%
RETIREE INSURANCE STIPEND	4,236	4,236	4,236	0.00%
LONG TERM DISABILITY	646	908	898	-1.10%
RETIREMENT	15,042	22,478	22,283	-0.87%
SUPPLMENTAL RETIREMENT	4,414	5,921	5,871	-0.84%
TRAINING	1,769	2,000	3,000	50.00%
EMPLOYEE TUITION ASSISTANCE	1,032	3,000	3,000	0.00%
ORGANIZATIONAL DEVELOPMENT	-	10,000	10,000	0.00%
CONFERENCES	-	2,500	3,025	21.00%
POSTAGE	70	300	300	0.00%
RISK MANAGEMENT/SAFETY	-	10,000	15,000	50.00%
TRAVEL	500	1,000	750	-25.00%
PRINTING	-	300	300	0.00%
ADVERTISING	230	1,000	1,000	0.00%
OFFICE SUPPLIES	313	500	500	0.00%
DEPARTMENTAL SUPPLIES	1,096	1,500	1,500	0.00%
CONTRACTUAL SERVICES	36,457	17,000	18,500	8.82%
GO PASSES - TRIANGLE TRANSIT	-	250	500	100.00%
DUES AND SUBSCRIPTION	1,056	620	1,130	82.26%
EMPLOYEE WELLNESS PROGRAM	326	24,750	25,000	1.01%
APPRECIATION EVENTS	9,946	15,000	16,000	6.67%
Totals	\$ 622,365	\$ 724,265	\$ 712,094	-1.68%

Department Summary for the:

Information Technology Department

<u>Account Description</u>	FY 2020-21	FY 2021-22	FY 2022-23	FY22 to FY23
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	\$ 255,053	\$ 304,181	\$ 318,521	4.71%
SERVICE BENEFIT	2,192	2,192	2,192	0.00%
FICA	18,667	23,460	24,558	4.68%
INSURANCE	46,565	60,641	49,047	-19.12%
LONG TERM DISABILITY	1,052	1,342	1,392	3.73%
RETIREMENT	26,355	34,927	36,561	4.68%
SUPPLMENTAL RETIREMENT	7,733	9,200	9,630	4.67%
TRAINING	-	7,500	7,500	0.00%
PROFESSIONAL SERVICES	-	25,700	26,905	4.69%
CONFERENCES	-	2,800	2,800	0.00%
TELEPHONE	79,861	88,800	106,952	20.44%
TRAVEL	-	1,000	1,000	0.00%
M & R EQUIPMENT	54,613	50,500	55,000	8.91%
MOTOR VEHICLE REPAIR	198	350	350	0.00%
FUEL	107	400	400	0.00%
OFFICE SUPPLIES	1,303	1,500	1,500	0.00%
DEPARTMENTAL SUPPLIES	28,624	30,000	35,000	16.67%
COMPUTER & PERIPHERALS	181,175	300,000	338,785	12.93%
FURNITURE & EQUIPMENT NON-CAP	7,312	-	-	#DIV/0!
CONTRACTUAL SERVICES	859,419	-	-	#DIV/0!
THE PEOPLES CHANNEL	33,307	27,200	26,500	-2.57%
HARDWARE SUPPORT	-	194,900	211,200	8.36%
SOFTWARE SUPPORT	-	429,400	435,100	1.33%
HOSTED SERVICES	-	141,200	176,700	25.14%
NETWORK CONNECTIVITY	-	118,500	79,189	-33.17%
FIBER INSTALL / REPAIR	-	28,200	28,200	0.00%
DUES AND SUBSCRIPTION	-	4,100	4,100	0.00%
EQUIPMENT	68,962	30,000	174,000	480.00%
Totals	\$ 1,672,498	\$ 1,917,993	\$ 2,153,082	12.26%

FY23 Equipment includes 1 Dell Server (\$14,000) and 1 CC SAN unit (\$160,000).

Department Summary for the:
Police Department

<u>Account Description</u>	FY 2020-21	FY 2021-22	FY 2022-23	FY22 to FY23
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	2,292,017	2,239,861	2,485,327	10.96%
OVERTIME	44,131	69,000	69,000	0.00%
SERVICE BENEFIT	12,354	14,259	13,514	-5.22%
WORKERS COMPENSATION	1,424	6,000	6,000	0.00%
POLICE OFFICERS AGILITY TEST	10,500	11,500	13,000	13.04%
TEMP. SALARY	1,575	-	-	#DIV/0!
FICA	183,977	186,685	207,855	11.34%
INSURANCE	521,902	493,809	565,888	14.60%
LONG TERM DISABILITY	9,417	10,314	11,408	10.61%
RETIREMENT	256,018	277,710	307,922	10.88%
SUPPLMENTAL RETIREMENT	115,497	115,814	125,626	8.47%
EARLY SEPARATION ALLOWANCE	142,446	103,142	126,799	22.94%
TRAINING	24,059	30,000	30,000	0.00%
CONFERENCES	-	3,400	3,400	0.00%
POSTAGE	152	650	650	0.00%
TELEPHONE	11,089	17,120	17,120	0.00%
TRAVEL	1,122	-	1,500	#DIV/0!
M & R EQUIPMENT	5,323	13,940	13,940	0.00%
MOTOR VEHICLE REPAIR	26,543	54,885	54,885	0.00%
RENT	7,716	10,000	10,000	0.00%
PRINTING	-	1,140	1,140	0.00%
FUEL	52,892	59,298	63,448	7.00%
OFFICE SUPPLIES	2,944	4,850	4,850	0.00%
CANINE SUPPLIES	1,921	3,000	3,000	0.00%
DEPARTMENTAL SUPPLIES	26,379	39,461	39,461	0.00%
VEHICLE SUPPLIES	8,040	8,477	8,477	0.00%
FURNITURE & EQUIPMENT NON-CAP	3,343	7,000	7,000	0.00%
UNIFORMS	46,687	53,500	53,500	0.00%
STATE SEIZURE EXPENSES	4,515	5,000	5,000	0.00%
COFFEE WITH A COP	1,289	3,000	3,000	0.00%
CONTRACTUAL SERVICES	119,254	153,043	208,449	36.20%
DUES AND SUBSCRIPTION	4,344	4,816	4,816	0.00%
PRECIOUS METAL BUSSINESS	-	200	200	0.00%
MISCELLANEOUS	-	5,500	5,500	0.00%
EQUIPMENT	15,851	-	12,000	#DIV/0!
OTHER CAPITAL ASSETS	-	-	15,000	#DIV/0!
Totals	\$3,954,721	\$4,006,374	\$ 4,498,675	12.29%

FY23 Equipment includes a Firearms Training System (\$12,000).

FY23 Other Capital Assets include one K-9 Police Dog (\$15,000).

Department Summary for the:
Fire and Rescue Department

<u>Account Description</u>	FY 2020-21	FY 2021-22	FY 2022-23	FY22 to FY23
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	\$ 1,904,122	\$ 1,816,238	\$ 1,855,474	2.16%
OVERTIME	61,774	40,000	109,614	174.04%
SERVICE BENEFIT	11,819	12,485	11,786	-5.60%
WORKERS COMPENSATION	1,625	1,500	1,500	0.00%
SHIFT WAGES - FIRE DEPT	84,080	110,000	55,000	-50.00%
FICA	148,680	151,578	155,643	2.68%
INSURANCE	508,597	445,871	460,581	3.30%
UNEMPLOYMENT INSURANCE	350	-	-	#DIV/0!
LONG TERM DISABILITY	8,086	8,371	8,553	2.17%
RETIREMENT	211,230	225,574	231,630	2.68%
SUPPLMENTAL RETIREMENT	61,963	59,442	61,036	2.68%
FIREFIGHTERS PENSION	3,084	3,240	3,480	7.41%
TRAINING	3,210	15,000	15,000	0.00%
CONFERENCES	1,310	3,500	3,500	0.00%
POSTAGE	121	200	200	0.00%
TELEPHONE	5,203	5,054	5,054	0.00%
M & R EQUIPMENT	41,220	35,000	35,000	0.00%
MOTOR VEHICLE REPAIR	34,345	36,500	36,500	0.00%
FUEL	15,759	20,910	22,380	7.03%
OFFICE SUPPLIES	1,383	1,500	1,500	0.00%
DEPARTMENTAL SUPPLIES	52,470	40,000	40,000	0.00%
VEHICLE SUPPLIES	212	-	-	#DIV/0!
FURNITURE & EQUIPMENT NON-CAP	13,385	13,200	8,600	-34.85%
MEDICAL SUPPLIES	10,052	10,000	10,000	0.00%
UNIFORMS	46,195	46,260	54,121	16.99%
CONTRACTUAL SERVICES	21,266	26,626	31,626	18.78%
DUES AND SUBSCRIPTION	5,226	3,620	5,420	49.72%
MEDICAL EXAMS	-	10,000	20,000	100.00%
PROGRAM INSURANCE	4,220	3,044	3,000	-1.45%
EQUIPMENT	28,042	56,800	-	-100.00%
Totals	\$ 3,289,029	\$ 3,201,513	\$ 3,246,198	1.40%

Department Summary for the:
Planning Department

<u>Account Description</u>	<u>FY 2020-21</u> <u>Actuals</u>	<u>FY 2021-22</u> <u>Adopted</u> <u>Budget</u>	<u>FY 2022-23</u> <u>Adopted</u> <u>Budget</u>	<u>FY22 to FY23</u> <u>Percent</u> <u>Change</u>
SALARIES	\$ 833,388	\$ 949,930	\$ 964,656	1.55%
SERVICE BENEFIT	4,627	4,836	5,292	9.43%
PART TIME SALARIES	3,821	-	-	#DIV/0!
TEMP. SALARY	5,007	4,500	4,500	0.00%
FICA	61,389	73,461	74,613	1.57%
INSURANCE	177,396	202,463	200,205	-1.12%
LONG TERM DISABILITY	3,713	4,323	4,373	1.16%
RETIREMENT	86,238	108,844	110,575	1.59%
SUPPLMENTAL RETIREMENT	25,186	28,672	29,125	1.58%
PERSONNEL COST - OTHER DEPTS	(9,287)	(9,000)	(7,000)	-22.22%
TRAINING	4,440	11,200	10,300	-8.04%
CONFERENCES	310	5,800	5,800	0.00%
POSTAGE	1,727	2,100	2,200	4.76%
TELEPHONE	1,887	1,800	1,900	5.56%
TRAVEL	-	475	723	52.21%
M & R EQUIPMENT	-	400	500	25.00%
MOTOR VEHICLE REPAIR	737	950	950	0.00%
PRINTING	320	2,700	2,700	0.00%
ADVERTISING	2,516	2,600	2,600	0.00%
FUEL	1,283	1,995	1,995	0.00%
OFFICE SUPPLIES	1,521	1,550	1,550	0.00%
DEPARTMENTAL SUPPLIES	2,339	4,150	3,800	-8.43%
FURNITURE & EQUIPMENT NON-CAP	624	-	3,300	#DIV/0!
UNIFORMS	452	1,100	1,100	0.00%
CONTRACTUAL SERVICES	29,706	79,550	46,943	-40.99%
ENGINEERING SERVICES	69,680	76,500	90,000	17.65%
BICYCLE FRIENDLY COMMUNITY	38	36,000	10,000	-72.22%
ROGERS ROAD INTERLOCAL	66,728	66,728	66,728	0.00%
DUES AND SUBSCRIPTION	2,775	4,715	4,470	-5.20%
BICYCLE & PED MINOR IMPV PROJ	-	-	2,500	#DIV/0!
GRASSROOTS PARTNERSHIPS INIT	1,408	-	-	#DIV/0!
Totals	\$ 1,379,969	\$ 1,668,342	\$ 1,646,398	-1.32%

Division Summary for:
Climate Action

<u>Account Description</u>	<u>FY 2020-21</u> <u>Actuals</u>	<u>FY 2021-22</u> <u>Adopted</u> <u>Budget</u>	<u>FY 2022-23</u> <u>Adopted</u> <u>Budget</u>	<u>FY22 to FY23</u> <u>Percent</u> <u>Change</u>
SALARIES	\$ 50,556	\$ 103,394	\$ 103,222	-0.17%
TEMP. SALARY	-	6,000	9,978	66.30%
FICA	3,235	8,232	8,671	5.33%
INSURANCE	19,576	36,351	40,570	11.61%
LONG TERM DISABILITY	246	468	476	1.71%
RETIREMENT	5,185	11,566	11,767	1.74%
SUPPLMENTAL RETIREMENT	1,520	3,048	3,101	1.74%
POSTAGE	-	1,600	1,500	-6.25%
TELEPHONE	-	1,200	-	-100.00%
PRINTING	50	500	500	0.00%
ADVERTISING	-	600	600	0.00%
UTILITIES	-	3,200	3,000	-6.25%
OFFICE SUPPLIES	-	350	250	-28.57%
DEPARTMENTAL SUPPLIES	2,511	900	1,500	66.67%
CONTRACTUAL SERVICES	750	104,800	-	-100.00%
DUES AND SUBSCRIPTION	1,140	1,040	2,211	112.60%
GRASSROOTS PARTNERSHIPS INIT	4,800	25,000	30,500	22.00%
Totals	\$ 89,569	\$ 308,249	\$ 217,846	-29.33%

Department Summary for the:
Transportation

<u>Account Description</u>	FY 2020-21 <u>Actuals</u>	FY 2021-22 <u>Adopted</u> <u>Budget</u>	FY 2022-23 <u>Adopted</u> <u>Budget</u>	FY22 to FY23 <u>Percent</u> <u>Change</u>
CONTRACTUAL SERVICES	\$ 1,872,010	\$ 1,928,168	\$ 2,024,580	5.00%
VEHICLES	-	83,600	83,600	0.00%
Totals	\$ 1,872,010	\$ 2,011,768	\$ 2,108,180	4.79%

Department Summary for the:
Public Works Department

<u>Account Description</u>	FY 2020-21	FY 2021-22	FY 2022-23	FY22 to FY23
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	\$ 1,609,904	\$ 1,626,220	\$ 1,642,137	0.98%
OVERTIME	780	20,750	18,750	-9.64%
SERVICE BENEFIT	8,478	9,589	8,969	-6.47%
WORKERS COMPENSATION	125	3,000	3,000	0.00%
FICA	117,060	127,247	128,251	0.79%
INSURANCE	455,760	416,433	448,109	7.61%
UNEMPLOYMENT INSURANCE	630	-	-	#DIV/0!
LONG TERM DISABILITY	6,980	7,367	7,548	2.46%
RETIREMENT	166,271	188,232	189,747	0.80%
SUPPLMENTAL RETIREMENT	48,773	49,604	49,997	0.79%
PERSONNEL COST - OTHER DEPTS	(9,590)	(10,200)	(42,000)	311.76%
TRAINING	410	8,340	6,865	-17.69%
COMMERCIAL DRIVERS LICENSE	1,000	1,275	1,645	29.02%
PROFESSIONAL SERVICES	40,610	7,400	10,000	35.14%
CONFERENCES	-	4,250	1,900	-55.29%
POSTAGE	53	200	200	0.00%
TELEPHONE	1,934	2,500	2,500	0.00%
RISK MANAGEMENT/SAFETY	3,000	-	-	#DIV/0!
TRAVEL	-	300	600	100.00%
M & R EQUIPMENT	25,516	29,800	25,300	-15.10%
M AND R BUILDINGS	124,987	105,000	120,000	14.29%
M & R PARKS	18,137	15,000	12,500	-16.67%
M & R GROUNDS	995	1,000	1,000	0.00%
MOTOR VEHICLE REPAIR	122,995	138,200	140,500	1.66%
RENT	1,543	1,500	1,500	0.00%
PRINTING	42	750	7,750	933.33%
ADVERTISING	-	3,500	500	-85.71%
UTILITIES	296,307	297,000	318,500	7.24%
PARK UTILITIES	31,310	34,000	36,500	7.35%
FUEL	61,845	87,950	104,000	18.25%
OFFICE SUPPLIES	610	4,000	4,000	0.00%
DEPARTMENTAL SUPPLIES	111,055	147,250	124,750	-15.28%
PARK SUPPLIES	26,633	25,000	25,000	0.00%
PURCHASE FOR RESALE	8,859	9,620	12,500	29.94%
TRAFFIC CALMING DEVICES	8,554	20,000	20,000	0.00%
YARD WASTE CARTS	5,034	5,200	9,000	73.08%
VEHICLE SUPPLIES	1,215	2,500	3,500	40.00%
FURNITURE & EQUIPMENT NON-CAP	2,090	6,000	6,500	8.33%
UNIFORMS	12,751	17,050	18,100	6.16%
CONTRACTUAL SERVICES	173,210	234,179	245,989	5.04%
LANDFILL FEES	334,228	360,000	335,000	-6.94%
DUES AND SUBSCRIPTION	1,593	2,550	2,835	11.18%
OWASA SEWER FEE REIMBURSEMENT	11,632	-	-	#DIV/0!
EQUIPMENT	33,045	19,000	35,000	84.21%
OPER EXP ALLOCATIONS-ST/W FND	-	-	(29,000)	#DIV/0!
OPER EXP ALLOCATIONS PRKG FUND	(799)	(1,800)	(2,500)	38.89%
Totals	\$ 3,865,565	\$ 4,026,756	\$ 4,056,942	0.75%

FY23 Equipment includes 2 mowers (\$29,000) and a snowplow attachment (\$6,000).

Department Summary for the:

Recreation, Parks, & Cultural Resources Department

<u>Account Description</u>	FY 2020-21	FY 2021-22	FY 2022-23	FY22 to FY23
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	\$ 686,908	\$ 713,667	\$ 735,667	3.08%
SERVICE BENEFIT	5,324	5,533	7,060	27.60%
PART TIME SALARIES	35,083	34,123	35,249	3.30%
TEMP. SALARY	105,818	250,250	261,867	4.64%
FICA	60,961	76,830	79,599	3.60%
INSURANCE	176,339	170,655	189,039	10.77%
UNEMPLOYMENT INSURANCE	339	-	-	#DIV/0!
LONG TERM DISABILITY	2,991	3,379	3,468	2.63%
RETIREMENT	76,014	85,810	88,621	3.28%
SUPPLMENTAL RETIREMENT	21,579	22,603	23,340	3.26%
TRAINING	744	2,800	2,800	0.00%
PROFESSIONAL SERVICES	4,250	1,500	1,500	0.00%
CONFERENCES	620	9,500	9,500	0.00%
POSTAGE	5,107	7,265	7,265	0.00%
GOVT ADVANCED RACIAL EQUITY ^	1,304	20,000	-	-100.00%
TELEPHONE	362	810	810	0.00%
M & R EQUIPMENT	1,352	1,622	3,132	93.09%
M AND R BUILDINGS	44,856	51,400	70,600	37.35%
M & R PARKS	700	3,920	3,920	0.00%
MOTOR VEHICLE REPAIR	443	1,050	1,050	0.00%
RENT	1,681	41,870	41,870	0.00%
PRINTING	12,356	14,000	15,050	7.50%
ADVERTISING	999	3,410	3,410	0.00%
FUEL	432	1,000	1,000	0.00%
OFFICE SUPPLIES	550	3,134	3,300	5.30%
DEPARTMENTAL SUPPLIES	12,115	36,437	40,448	11.01%
PARK SUPPLIES	550	3,500	1,005	-71.29%
FURNITURE & EQUIPMENT NON-CAP	-	14,700	25,313	72.20%
UNIFORMS	7,121	20,000	22,000	10.00%
CONTRACTUAL SERVICES	41,857	141,200	106,000	-24.93%
ART CENTER	20,000	20,000	20,000	0.00%
HOLIDAY EVENT *	-	1,500	1,500	0.00%
LIBRARY PROJECT	4,000	4,000	4,000	0.00%
CD & MEMORABILIA SHOW	-	2,800	2,800	0.00%
COMMUNITY EVENTS	75,944	134,400	159,400	18.60%
ACTIVE LIFE PROGRAMS	1,338	-	5,000	#DIV/0!
DUES AND SUBSCRIPTION	2,910	3,900	4,100	5.13%
Totals	\$ 1,412,947	\$ 1,908,568	\$ 1,980,683	3.78%

* Expense was moved from Econ Dev in FY22

^ Expense was moved to the Town Manager budget for FY23.

Department Summary for the:

General Non-Departmental

<u>Account Description</u>	FY 2020-21	FY 2021-22	FY 2022-23	FY22 to FY23
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	\$ -	\$ 346,939	\$ 931,891	168.60%
DEPENDENT HEALTH INSURANCE	-	336,428	387,863	15.29%
UNEMPLOYMENT INS RESERVE	-	10,000	10,000	0.00%
RISK MANAGEMENT/SAFETY	-	90,000	85,000	-5.56%
CONTRACTUAL SERVICES	-	142,000	-	-100.00%
Totals	\$ -	\$ 925,367	\$ 1,414,754	52.89%

Department Summary for the:

Transfers

<u>Account Description</u>	FY 2020-21	FY 2021-22	FY 2022-23	FY22 to FY23
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
TR TO AFFORDABLE HOUSING	\$ 112,500	\$ -	\$ 188,193	#DIV/0!
TR TO GRANT FUND	18,744	-	-	#DIV/0!
TR TO CAPITAL PROJECTS	333,131	385,200	-	-100.00%
TR TO PARKING FUND	171,775	290,300	143,160	-50.69%
Totals	\$ 636,150	\$ 675,500	\$ 331,353	-50.95%

Department Summary for the:

Debt Service

<u>Account Description</u>	FY 2020-21	FY 2021-22	FY 2022-23	FY22 to FY23
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
LEASE PAYMENT PRINCIPAL	\$ 121,647	\$ 308,565	\$ 499,922	62.02%
LEASE PAYMENT INTEREST	4,085	20,820	44,785	115.11%
GO BOND-SIDEWALKS-PRINCIPAL	250,000	250,000	250,000	0.00%
FIRE SUBSTATION PRINCIPAL	216,667	216,667	216,667	0.00%
GO BOND-SIDEWALKS-INTEREST	67,500	62,500	57,500	-8.00%
FIRE SUBSTATION INTEREST	23,850	18,238	12,627	-30.77%
PROJECT 203 INTEREST	-	-	286,716	#DIV/0!
Totals	\$ 683,749	\$ 876,790	\$ 1,368,217	56.05%

Department Summary for the:

Storm Water Utility Operations Department

<u>Account Description</u>	FY 2020-21	FY 2021-22	FY 2022-23	FY22 to FY23
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	\$ 200,896	\$ 202,679	\$ 209,328	3.28%
SERVICE BENEFIT	456	456	659	44.52%
TEMP. SALARY	-	5,000	5,000	0.00%
FICA	14,420	15,937	16,458	3.27%
INSURANCE	40,152	39,336	38,959	-0.96%
LONG TERM DISABILITY	942	929	959	3.23%
RETIREMENT	2,555	23,021	23,802	3.39%
SUPLMENTAL RETIREMENT	5,717	6,064	6,268	3.36%
PERSONNEL COST - OTHER DEPTS	17,027	17,200	47,000	173.26%
LGERS PENSION EXPENSE	26,913	-	-	#DIV/0!
OPEB EXPENSE	2,097	-	-	#DIV/0!
TRAINING	960	1,495	1,000	-33.11%
LEGAL SERVICES	665	1,000	1,000	0.00%
CONFERENCES	184	2,900	3,800	31.03%
POSTAGE	15	500	500	0.00%
TELEPHONE	550	1,000	1,000	0.00%
RISK MANAGEMENT/SAFETY	-	250	250	0.00%
M & R STORMWATER	-	-	20,000	#DIV/0!
MOTOR VEHICLE REPAIR	10,879	21,000	21,000	0.00%
PRINTING	-	750	1,000	33.33%
ADVERTISING	-	1,000	1,000	0.00%
FUEL	3,510	3,000	2,000	-33.33%
OFFICE SUPPLIES	21	500	500	0.00%
DEPARTMENTAL SUPPLIES	9,409	10,000	10,000	0.00%
UNIFORMS	387	500	700	40.00%
CONTRACTUAL SERVICES	54,387	95,500	185,500	94.24%
ENGINEERING SERVICES	31,022	30,000	50,000	66.67%
DUES AND SUBSCRIPTION	4,299	6,000	5,000	-16.67%
MISCELLANEOUS	36	-	-	#DIV/0!
STORMWATER ADVISORY COMMISSI	-	500	500	0.00%
EQUIPMENT	-	15,000	-	-100.00%
DEPR EXP-STORMWATER ASSETS	41,275	51,025	54,418	6.65%
OPER EXP ALLOCATIONS-GEN FND	-	-	29,000	#DIV/0!
UNEXPENDED RESERVES	-	118,712	-	-100.00%
TR TO CAPITAL PROJECTS	50,000	15,000	-	-100.00%
TR TO SWUE PROJECTS FUND	155,000	285,000	345,000	21.05%
Totals	\$ 673,774	\$ 971,254	\$ 1,081,601	11.36%

Department Summary for the:

Parking Enterprise Operations Department

<u>Account Description</u>	FY 2020-21	FY 2021-22	FY 2022-23	FY22 to FY23
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
PERSONNEL COST - OTHER DEPTS	\$ 1,849	\$ 2,000	\$ 2,000	0.00%
300 E MAIN PARKING	45,000	45,000	45,000	0.00%
PARKING LEASE PAYMENTS	38,673	81,700	73,690	-9.80%
PARKING DESIGN & UP-FIT	-	160,000	20,000	-87.50%
OPER EXP ALLOCATIONS-GEN FND	799	1,800	2,500	38.89%
Totals	\$ 86,321	\$ 290,500	\$ 143,190	-50.71%

GLOSSARY

Ad Valorem tax - A tax levied in proportion to the value of a property.

Annual Budget - A budget covering a single fiscal year.

Annual Comprehensive Financial Report (ACFR) - The official annual report of a government.

Appropriated Fund Balance – The amount of fund balance budgeted as revenue to offset expenses that exceed current revenue.

Appropriation - The amount budgeted on a yearly basis to cover projected expenditures which the Town Council legally authorizes through the budget ordinance.

Approved Budget - The budget as formally adopted by the Town Council for the upcoming fiscal year.

Assessed Valuation - The estimated dollar value placed upon real and personal property by the county assessor as the basis for levying property taxes. The General Assembly exempted household personal property from taxation effective July 1, 1987.

Audit – An examination, usually by an official or private accounting firm retained by the Town Council that reports on the accuracy of the annual financial report.

Authorized Positions - Employee positions that are authorized in the adopted budget to be filled during the fiscal year.

Balanced Budget - Occurs when planned expenditures equal anticipated revenues. In North Carolina, it is required that the budget submitted to the Town Council be balanced.

Bond - A written promise to pay a specific amount of money with interest within a specific time period, usually long-term.

Bond Rating - A grade indicating a governmental unit's investment qualities. Generally speaking, the higher bond rating, the more favorable the interest rate and the lower the cost of financing capital projects funded by bonds. A high rating is indicative of the government's strong financial position. Ratings range from AAA (highest) to D (lowest).

Budget - A financial plan for a specified period of time that matches planned revenues and expenditures with various Town services.

Budget Message - A written overview of the proposed budget from the Town Manager to the Town Council. This overview discusses the major budget items of the Manager's budget.

Capital Improvements Plan (CIP) - A long term plan of proposed capital improvement projects including estimated project costs and funding sources the Town expects to undertake within a five-year period. The plan is updated annually to reassess capital needs.

Capital Outlay - An expenditure that results in the acquisition of, or addition to, a fixed asset.

Capital Project Fund - A fund used to account for the acquisition or construction of major capital facilities and equipment.

Consumer Price Index (CPI) – A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (economic inflation).

Contingency - Appropriation intended for unanticipated expenditures. The Town Council controls transfer of these funds into an expendable account.

COVID-19 - COVID-19 is a new strain of coronavirus that has not been previously identified in humans. The COVID-19 is the cause of an outbreak of respiratory illness first detected in Wuhan, Hubei province, China.

Debt Service - Principal, interest and administrative costs associated with the repayment of long-term debt.

Department - A major administrative division of the Town that has overall management responsibility for an operation within a functional area.

Encumbrances – An approved financial commitment for services, contracts, or goods which have not been delivered or performed.

Enterprise Fund - A grouping of activities whose expenditures are wholly or partially offset by revenues collected from consumers in the form of fees and charges.

Expenditures - The total cost of a program or capital project.

Fiscal Year (FY) - A 12-month period (July 1 through June 30) in which the annual operating budget applies and at the end of which an assessment is made of the Town's financial condition and performance of operations.

Fixed Asset – A capital item that has an acquisition cost of \$5,000 or more, is tangible, and has an expected minimum life of 1 year.

Fund - An accounting entity created to record the financial activity for a selected financial group.

Fund Balance - Funds accumulated through the under expenditure of appropriation and/or receiving revenues greater than anticipated and included in the budget.

General Fund - A fund which provides for the accounting for most of the basic government services, such as police, fire, sanitation, inspections, law enforcement, recreation, and other general services.

General Obligation Bonds - Bonds issued by a government which are backed by the full faith and credit of its taxing authority.

Geographic Information System (GIS) - An organized collection of computer hardware, software, geographic data, and personnel designed to efficiently capture, store, update, manipulate, analyze, and display all forms of geographically referenced information.

Goal - A broad statement of desired conditions to be maintained or achieved through the efforts of an organization.

Governmental Funds – consists of the General Fund, Special Revenue Fund and Capital Project Fund.

Interest and Penalties Receivable on Taxes - Uncollected interest and penalties on property taxes.

Lease Purchase - A method of purchasing equipment in which payments are spread over a period of time.

Levy - The amount of tax, service charge, and assessment imposed by the government.

Line Item - A budgetary account representing a specific object of expenditure.

Local Government Commission (LGC) - The Local Government Commission, which is chaired by the State Treasurer, is an oversight body that ensures municipalities and other governmental units fulfill their statutory obligations with regard to State and local government finance.

LTD – Life to Date

Major Fund Reporting – General Government Accounting Principles require governmental fund data be presented separately for each individual major governmental fund. General Fund is always considered a major fund. The Non-Major Funds include the Revolving Loan, Capital Projects, Grant, Capital Reserve, Payment in Lieu Reserve, and Affordable Housing Funds.

At a minimum, governmental funds other than the general fund must be reported as major funds if they meet both of the following criteria:

- 10% criterion. An individual governmental fund reports at least 10% of any of the following: a) total governmental fund assets, b) total governmental fund liabilities, c) total governmental fund revenues, or d) total governmental fund expenditures

- 5% criterion. An individual governmental fund reports at least 5% of the aggregated total for both governmental funds and enterprise funds of any one of the items for which it met the 10% criterion.

Modified Accrual - The basis of accounting for the Town. Under this system, expenditures are recognized when encumbered.

Midpoint of Salary – a rate that is halfway between the minimum rate and maximum rate of a budgeted position.

National Fire Protection Association (NFPA) - An international nonprofit NFPA is to reduce the worldwide burden of fire and other hazards on the quality of life by providing and advocating consensus on codes and standards, research, training, and education.

Non-major Fund – see definition for Major Fund Reporting.

Objective - A specific statement of what is to be accomplished or achieved for a particular program during the fiscal year.

Operating Budget - The Town’s financial plan which outlines proposed expenditures for the upcoming fiscal year and estimates revenues which will be used to finance them.

Operating Expenses - Those expenditures of a recurring nature, covering services and supplies necessary to operate individual departmental activities.

Orange Water and Sewer Authority (OWASA) – OWASA is the public, nonprofit water and sewer utility serving the Carrboro-Chapel Hill community. OWASA’s nine-member Board of Directors is appointed by the Carrboro Town Council, the Chapel Hill Town Council, and the Orange County Board of Commissioners.

Ordinance - A formal legislative enactment by the Town Council which has the full force and effect of law within the boundaries of the Town.

Occupational Safety and Health Act (OSHA) – Regulations passed by the US Department of Occupational Safety and Health Administration to assure safe and healthful working conditions for working men and women by authorizing enforcement of the standards developed under the Act.

Pandemic – An outbreak of a disease that is prevalent over a whole country or the world.

Parking Utility Enterprise Fund – This fund comprehensively addresses the vehicle parking needs of the Town. The Enterprise Fund will be funded with a transfer from the General Fund until such time the Town implements a fee structure for parking facilities.

Personal Property - Movable property classified within two categories: tangible and intangible. “Tangible” or touchable property includes items of visible and movable property not permanently affixed to real property. “Intangible” or non-touchable property includes stocks, bonds, notes, cash, bank deposits, accounts receivable, patents, trademarks, copyrights, and similar assets.

Personnel Services - Salaries and wages paid to employees for full-time, part-time, and temporary work, including overtime and similar compensation. Also included in this account group are fringe benefits paid for employees.

Program - A well-defined portion of the operating plan for which a distinct set of goals and objective may be developed.

Property Tax - Tax paid by those owning property in the Town.

Property Tax Rate - The rate at which real property in the Town is taxed in order to produce revenues sufficient to conduct necessary governmental activities.

Proprietary Funds – consists of the Stormwater Utility Fund.

Real Property - Land, buildings, and items permanently affixed to land or buildings.

Real Property Value - The value of land and buildings which are taxable.

Reclassification - A change in the classification and corresponding job title of an existing position which results from a major change in assigned responsibilities.

Reserve - An account designed for a portion of the fund balance which is to be used for a specific purpose.

Revaluation - The process of revaluing a jurisdiction’s real property in order to adjust the tax value to the market value; by North Carolina law, a revaluation must be conducted at a minimum of every eight years. Orange County revalues property every four years. Property was revalued as of January 1, 2017.

Revenue - All funds that the Town government receives as income, including items such as tax payments, fees for specific services, receipts from other governments, fines, forfeitures, shared revenues, and interest income.

Revenue-neutral Tax Rate - The revenue-neutral tax rate, as defined by G.S. 159-11(e), is the rate that is estimated to produce revenue for the next fiscal year if no reappraisal had occurred. The rate is then adjusted by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal. State law requires that units of local government, including public authorities, publish a revenue-neutral tax rate in the budget immediately following the completion of the general reappraisal of real

property. The purpose of the revenue-neutral tax rate is to provide residents with comparative information.

Sales Tax - Tax paid by retail consumers in the Town.

Service Level - The amount of service provided during the fiscal year as indicated by one or more performance indicators.

Special Revenue Funds – Specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

Stormwater Utility Enterprise Fund – This fund comprehensively addresses the stormwater management needs of the Town. The Enterprise Fund establishes a dedicated source of funding for stormwater and flood remediation.

Tax Levy - Revenue produced by applying a given tax rate to a property’s assessed, or tax value.