

# 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%
<b>Grand Total</b>	<b>78,162,299</b>	<b>90,874,511</b>	<b>12,712,212</b>	<b>16.3%</b>

### 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%
<b>Grand Total</b>	<b>22,454,832</b>	<b>23,922,320</b>	<b>1,467,488</b>	<b>6.5%</b>

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.

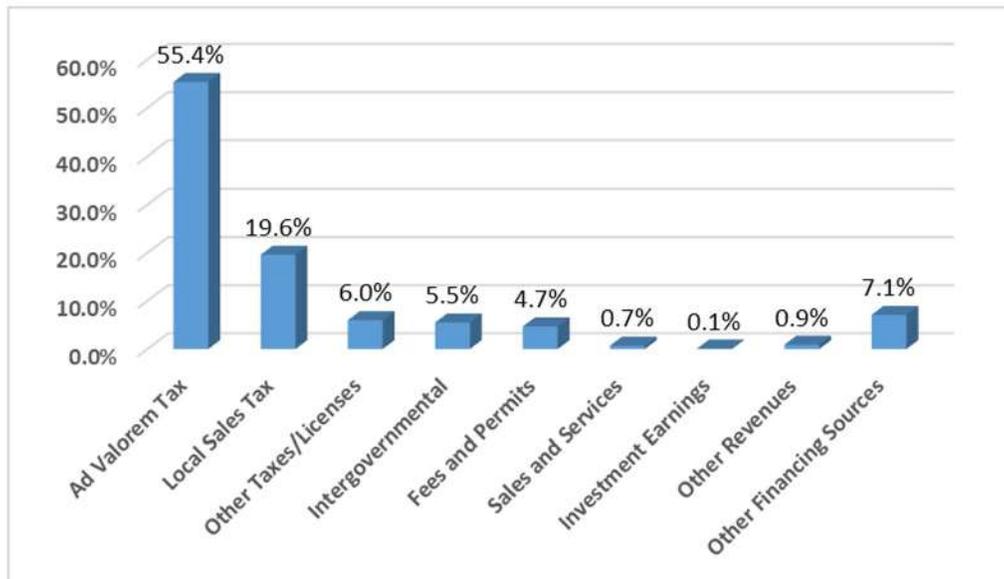
Beer and wine sales tax is an excise tax charged on the production of alcohol in North Carolina, and a portion is distributed to municipalities based on population. For FY22 state officials have indicated that beer and wine sales tax distributions will be 4.6% lower than last year and a 1.75% increase 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%
<b>TOTAL</b>	<b>\$25,347,801</b>	<b>\$27,667,675</b>	<b>9.2%</b>

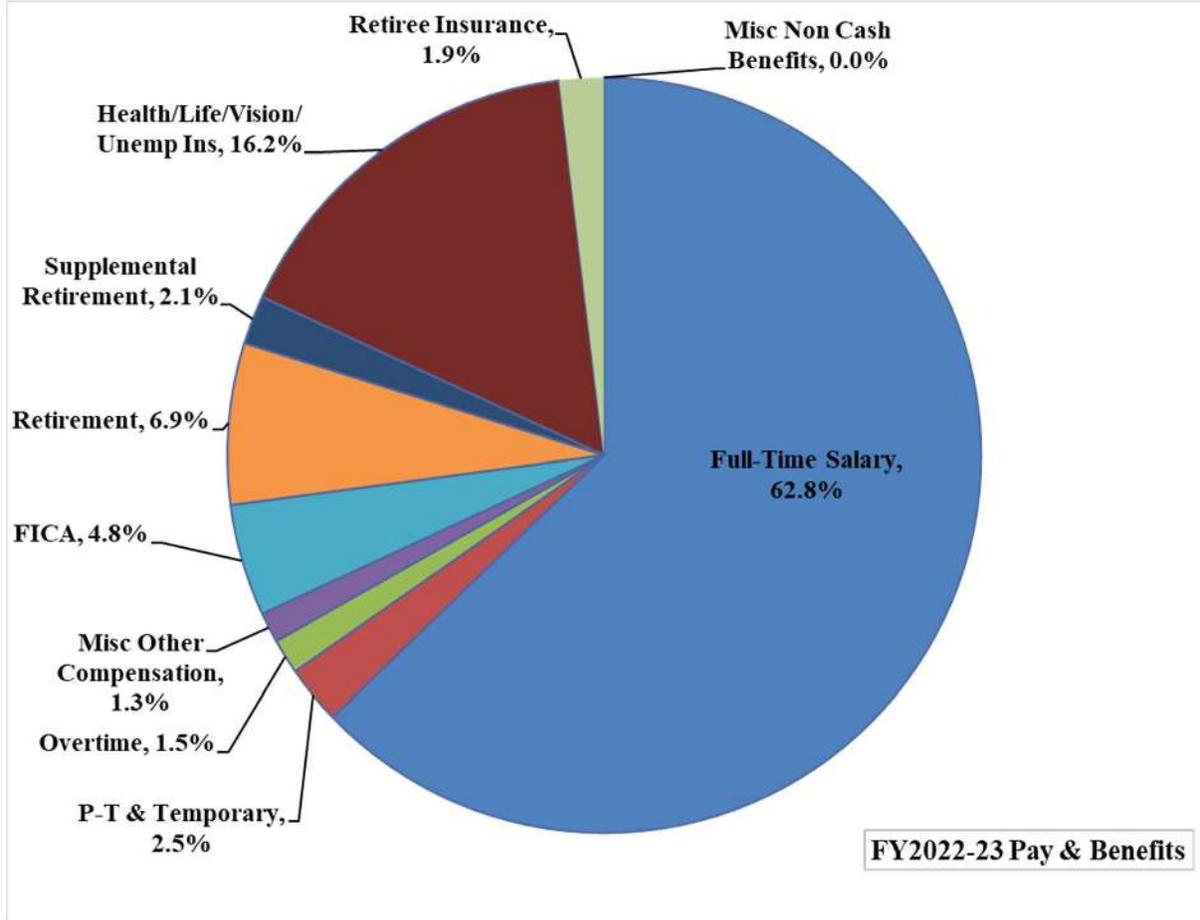
## PERSONNEL

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.

<b>Department</b>	<b>Vehicles/Equipment</b>	<b>Cost Estimate</b>
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
	<b>Total</b>	<b>\$ 368,000</b>

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

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**

<u>Fund:</u>	<u>Adopted Budget FY2021-22</u>	<u>Adopted Budget FY2022-23</u>	<u>Amount Change</u>	<u>Pct Change</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%
<b>Totals</b>	<b>\$ 41,985,403</b>	<b>\$ 50,825,396</b>	<b>\$ 8,839,993</b>	<b>21.1%</b>

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.

<u>Project</u>	<u>Federal State</u>	<u>Local</u>	<u>Other</u>	<u>Total Funding</u>
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
<b>Totals</b>	<b>4,235,969</b>	<b>466,866</b>	<b>752,177</b>	<b>5,455,012</b>
<b>% of Total</b>	<b>77.7%</b>	<b>8.6%</b>	<b>13.8%</b>	<b>100.0%</b>

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](http://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

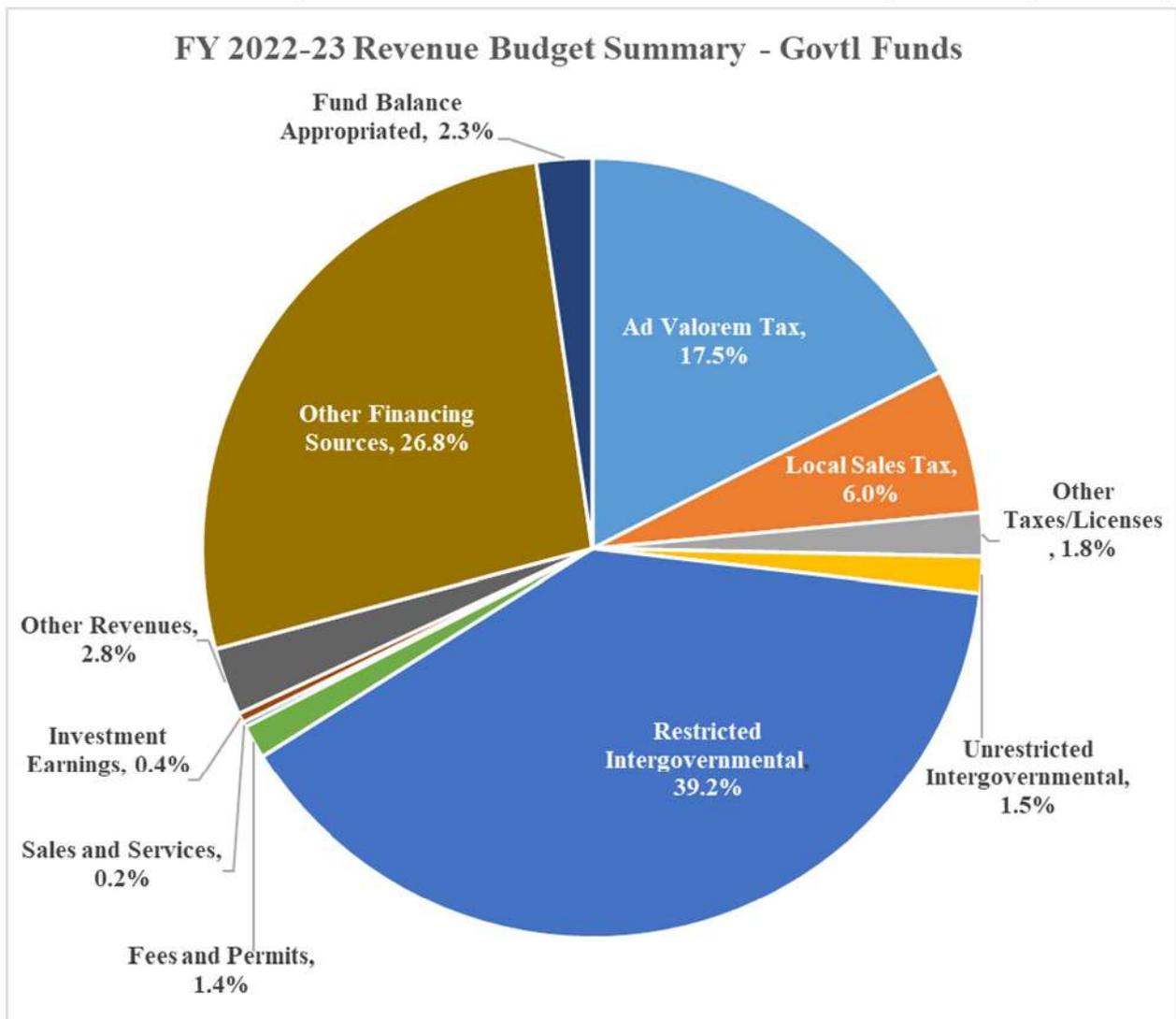
will regain some momentum, but it was also developed using a conservative approach for the overall budget. Budgeted Town revenues for FY23 are above last year's figures, and Town expenditures are slightly higher compared to FY22 to account for a portion of the inflationary increases.

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.

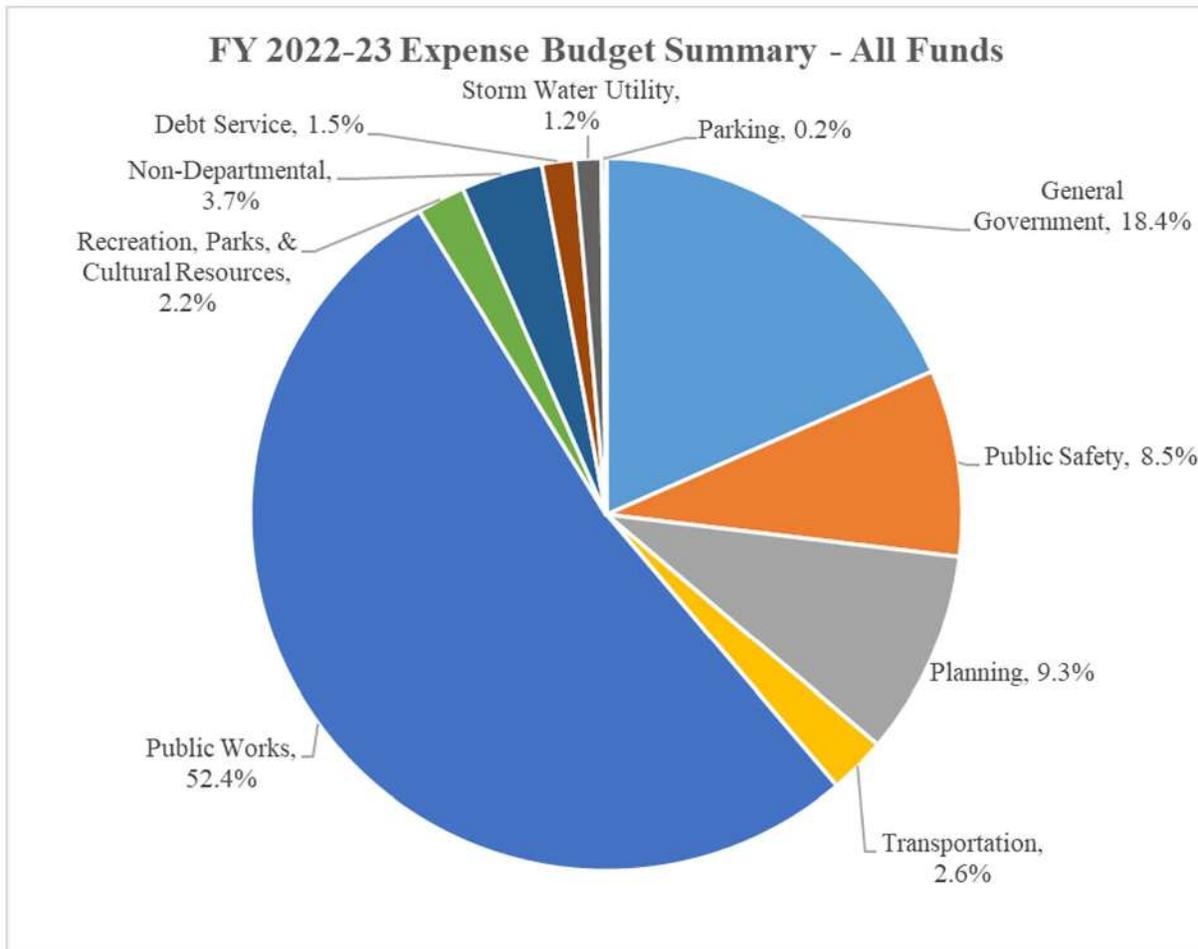
**FY 2022-23 Revenue Budget Summary - All Funds by Major Fund**

	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Capital Funds</b>	<b>Total All Govtl Funds</b>	<b>Percent All Govtl Funds</b>	<b>Enterprise Funds</b>
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
<b>Totals</b>	<b>\$ 27,667,675</b>	<b>\$ 11,156,649</b>	<b>\$ 50,825,396</b>	<b>\$ 89,649,720</b>	<b>100.0%</b>	<b>\$ 1,224,791</b>



**FY 2022-23 Expense Budget Summary - All Funds**

	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Capital Funds</b>	<b>Total All Govtl Funds</b>	<b>Enterprise Funds</b>
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
<b>Totals</b>	<b>\$ 27,667,675</b>	<b>\$ 11,156,649</b>	<b>\$ 50,825,396</b>	<b>\$ 89,649,720</b>	<b>\$ 1,224,791</b>



**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
<b>Total General Fund</b>	<b>\$ 27,667,675</b>

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
<b>Total Appropriation</b>	<b>\$ 568,423</b>

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

This page intentionally left blank