

GENERAL FUND REVENUES			
	FY2022-23	FY2023-2024	FY23 to FY24
	Adopted	Adopted	Percent
			<u>Change</u>
AD VALOREM TAXES			
PRIOR YEAR TAXES	\$60,000	\$60,000	0.00%
CURRENT YEAR TAXES	\$15,248,000	\$15,707,700	2.93%
PENALTY AND INTEREST	\$32,000	\$32,500	1.54%
AD VALOREM TAXES Total	\$15,340,000	\$15,800,200	2.91%

LOCAL SALES TAXES			
LOCAL OPTION SALES TAX 1% 39	\$1,701,000	\$1,698,000	-0.18%
LOCAL OPTION SALES TAX 1/2% 40	\$1,344,600	\$1,343,500	-0.08%
LOCAL OPTION SALES TAX 1/2% 42	\$867,000	\$867,000	0.00%
LOCAL OPTION SALES TAX 1/2% 44	\$32,400	\$31,000	-4.52%
CITY HOLD HARMLESS	\$1,474,200	\$2,176,500	32.27%
LOCAL SALES TAXES Total	\$5,419,200	\$6,116,000	11.39%

OTHER TAXES/LICENSES			
MOTOR VEHICLE LICENSES	\$386,000	\$390,000	1.03%
MOTOR VEHICLE LIC - TRANS ONLY	\$78,000	\$81,000	3.70%
MOTOR VEHICLE TAXES	\$1,100,000	\$1,100,000	0.00%
MOTOR VEHICLE (ROSS RECEIPTS	\$47	\$47	0.00%
REFUNDS - NCVTS	-\$32,500	-\$32,000	-1.56%
COLLECTION FEES - NCVTS	-\$40,000	-\$40,000	0.00%
BEER & WINE LICENSE	\$1,275	\$2,214	42.41%
HOTEL/MOTEL OCCUPANCY TAX	\$160,000	\$225,000	28.89%
OTHER TAXES/LICENSES Total	\$1,652,822	\$1,726,261	4.25%

UNRESTRICTED INTERGOVERNMENTAL			
FRANCHISE TAX	\$960,000	\$960,000	0.00%
PIPED NATURAL GAS TAX	\$45,000	\$45,000	0.00%
VIDEO SALES PROGRAMMING	\$62,000	\$62,000	0.00%
DIRECT-TO-HOME SATELLITE SALES	\$50,000	\$50,000	0.00%
WINE AND BEER	\$87,000	\$87,000	0.00%
NC DOT RIGHT-OF WAY REM	-	-	

SALES TAX-TELECOMMUNICATIONS	\$120,000	\$120,000	0.00%
EMS LOCATION	\$27,000	\$27,000	0.00%
UNRESTRICTED INTERGVMT Total	\$1,351,000	\$1,351,000	0.00%

RESTRICTED INTERGVMT Total			
SUPPLEMENTAL PEG CHANNEL SUPPORT	\$53,000	\$53,000	0.00%
POWELL BILL	-	-	
PLANNING WORK GRANT	\$20,000	\$20,000	0.00%
SOLID WASTE DISPOSAL TAX DIST	\$15,800	\$15,800	0.00%
RECREATION-MUNICIPAL SUPPLEM	\$35,898	\$35,898	0.00%
SEIZURES REVENUE STATE	\$5,000	\$5,000	0.00%
SCHOOL TRAFFIC CONTROL	\$10,000	\$10,000	0.00%
ABC BOARD GRANT	\$19,000	\$19,000	0.00%
DEPT JUSTICE BLOCK GRANT	\$600	\$600	0.00%
RESTRICTED INTERGVMT Total	\$159,298	\$159,298	0.00%

SALES & SERVICES			
BANNER REVENUES	-	-	
RECREATION FEES	\$152,000	\$152,000	0.00%
DISCOUNT-RECREATION FEES	-\$7,000	-\$7,000	0.00%
SALES-MERCHANDISE & CONCESSION	\$2,700	\$2,700	0.00%
TOWN CENTER FEES	\$55,000	\$55,000	0.00%
DISCOUNT-TOWN CENTER FEES	-\$18,000	-\$18,000	0.00%
SALES & SERVICES Total	\$184,700	\$184,700	0.00%

INVESTMENT EARNINGS			
INTEREST EARNED	\$15,000	\$15,000	0.00%
INVESTMENT EARNINGS Total	\$15,000	\$15,000	0.00%

PERMITS & FEES			
STREET CUTS	-	-	
ENCROACHMENT FEE	\$2,200	\$2,200	0.00%
TECHNICAL REVIEW-FUTURE EQUIPMT	\$60,000	\$60,000	0.00%
COURT COST OFFICER FEES	\$3,500	\$3,500	0.00%
PARKINGVIOLATIONS	\$1,400	\$4,200	66.67%
ANIMAL VIOLATIONS	\$6,800	\$7,000	2.86%
FIRE PERMITTINGFEES	\$1,850	\$2,000	7.50%
FIRE DISTRICT FEES	\$600,000	\$600,000	0.00%
SCHOOL RESOURCE OFFICER FEES	\$179,622	\$179,622	0.00%

CAR SEAT SALES	\$200	\$200	0.00%
BUILDING PERMITS	\$60,000	\$60,000	0.00%
ELECTRICAL PERMITS	\$58,000	\$60,000	3.33%
MECHANICAL PERMITS	\$68,000	\$70,000	2.86%
RE-INSPECTION FEES	\$225	\$400	43.75%
PLUMBING PERMITS	\$30,000	\$30,000	0.00%
HOMEOWNERS RECOVER FEES	\$100	\$100	0.00%
SIGN PERMITS	\$300	\$500	40.00%
REFUSE COLLECTION FEES	\$500	\$500	0.00%
REFUSE COLLECTION-DUMPSTER	\$53,600	\$57,000	5.96%
DEVELOPMENT REVIEW FEES	\$25,000	\$27,000	7.41%
DRIVEWAY PERMIT FEES	\$500	\$500	0.00%
STREET CLOSING	\$500	\$500	0.00%
TOWER REVENUE	\$142,316	\$142,389	0.05%
NETWORK HUT LEASE	\$5,200	\$5,200	0.00%
PERMITS & FEES Total	\$1,299,813	\$1,312,811	0.99%

OTHER REVENUES			
RENT-FARMERS MARKET	\$2,370	\$2,370	0.00%
ATM FEES	\$700	\$700	0.00%
CTDA CONTRIBUTION	\$98,400	\$98,400	0.00%
MISCELLANEOUS	\$18,600	\$18,600	0.00%
RISK MANAGEMENT/SAFETY REVENUE	\$20,000	\$20,000	0.00%
REFUSE CART SALES	\$4,000	\$4,000	0.00%
YARD WASTE CONTAINERS	\$4,000	\$4,000	0.00%
LARGE COMPOST BIN	-	-	
SMALL COMPOST BIN	-	-	
DONATIONS	\$50	\$50	0.00%
SALE OF LOTS	\$48,000	\$48,000	0.00%
SALE OF FIXED ASSETS	\$60,000	\$60,000	0.00%
SALE OF NON-FIXED ASSETS	\$5,000	\$5,000	0.00%
OTHER REVENUES Total	\$261,120	\$261,120	0.00%

OTHER FINANCING SOURCES			
TRF FROM CAPITAL PROJECTS FUND	-	-	
FUND BALANCE APPROPRIATED	\$1,984,722	\$2,404,059	17.44%
OTHER FINANCING SOURCES TOTAL	\$1,984,722	\$2,404,059	17.44%

Total	\$27,667,675	\$29,330,449	6%
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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 McDougle 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:

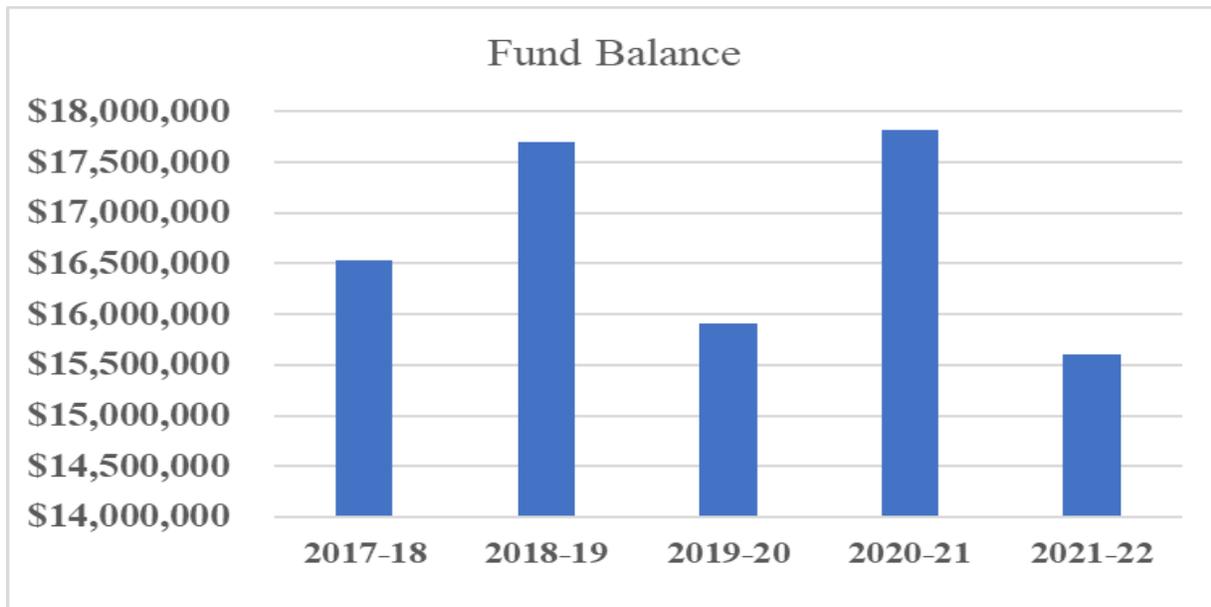
Lease-purchase – This represents the full cost of equipment or other major capital purchases that the Town obtains through installment financing. Following generally accepted accounting practices, the full cost of the financed equipment is budgeted (equipment purchased in that fiscal year) in addition 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. 2021-22 was \$15,601,262, which as a decrease of \$2,217,165 from FY. 2020-21.

General Fund Budget Summary

General Fund Budget Summary			
	FY. 23 Adopted	FY. 24 Adopted	Pct Change
Personnel	\$16,876,654	\$18,549,164	
Operating	\$10,140,068	\$10,640,285	
Capital Outlay	\$319,600	\$0	
Transfers	\$331,353	\$141,000	
Total	\$27,667,675	\$29,330,449	6%

	Personnel Costs	Operating Costs	Transfers	Total
Mayor and Town	\$ 129,053	\$316,890		\$445,943
Advisory Boards		\$62,418		\$62,418
Town Manager	\$618,192	\$133,462		\$751,654
Race and Equity	\$270,886	\$150,000		\$420,886
Economic	\$118,524	\$290,568		\$409,092
Climate Action	\$195,989	\$41,263		\$237,252
Communication &	\$213,450	\$36,902		\$250,352
Housing &	\$272,486	\$359,563		\$632,049
Town Clerk	\$144,412	\$22,572		\$166,984
Finance	\$724,331	\$600,746		\$1,325,077
Human Resources	\$634,075	\$102,490		\$736,565
Information	\$454,114	\$1,583,296		\$2,037,410
Police	\$4,013,527	\$289,494		\$4,303,021
Fire	\$3,051,493	\$300,659		\$3,352,152
Planning	\$1,460,482	\$267,862		\$1,728,344
Transportation		\$2,168,917		\$2,168,917
Public Works	\$2,575,541	\$1,614,457		\$4,189,998
Rec & Parks	\$1,467,068	\$573,476		\$2,040,544
Non-Departmental	\$1,304,711	\$804,550		\$2,109,261
Debt Service		\$1,821,530		\$1,821,530
Transfers			\$141,000	\$141,000
Total Expenditure	\$16,876,654	\$10,140,068		\$29,330,449

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