

Town of Carrboro



Adopted Budget

FY 2021-22

TOWN OF CARRBORO
NORTH CAROLINA

ADOPTED BUDGET
FISCAL YEAR 2021-22

TOWN COUNCIL

Lydia Lavelle, Mayor
Barbara Foushee, Mayor Pro-Tempore
Jacquelyn Gist
Ranee Haven-O'Donnell
Susan Romaine
Damon Seils
Sammy Slade

TOWN MANAGER

David L. Andrews, ICMA-CM

DEPARTMENT HEADS

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

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Reader's Guide to the Budget Document

The Mayor and Town Council adopt an 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 five-year fiscal 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 of current decisions on the future and to plan for expected 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 outlining proposed revenues and expenditures for various funds as appropriated by the Council, the largest operational budget being the Town's General Fund.
- Community and Organizational Profile** – This section of the document highlights the demographic, economic and cultural features of the Carrboro community, and the goals of the community expressed by the elected Council. It also describes the public budget process, financial policies and information pertinent to the Town's operations.
- General Fund** - This is the Town's major operating fund. The general fund is divided into operational functions that represent a department or expenditure category that is authorized within the budget ordinance. The General Government section includes numerous 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 financial 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, 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 will eventually generate sufficient revenues to become self-supporting. The Town has two Enterprise Funds: 1) Stormwater Utility Enterprise Fund supported by a fee schedule for stormwater 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 2021-22 Through FY 2025-26*” (CIP) describes capital improvement projects and identifies funding sources for the next five fiscal years and is available at <http://www.townofcarrboro.org/2509/Capital-Improvement-Plans-2021-2026>

- ☐ **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 for the previously audited fiscal year.

- ☐ **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 22, 2021

To: Mayor and Council Members:

I am pleased to submit the Manager's Adopted FY 2021-22 Budget for the Town of Carrboro. This budget totals \$78.1 million for all Funds as follows:

General Fund	\$ 25,347,801
Capital Projects Fund	41,985,403
Special Revenue Fund	9,567,341
Enterprise Fund	1,261,754
Total	<u>\$ 78,162,299</u>

Last year at this time, the COVID-19 Pandemic was just beginning and preparing the FY 2020-21 budget was challenging due to all of the uncertainties ahead. Thankfully, with the development of multiple vaccines, we are hopefully on our way out of the pandemic that has gripped the nation for the past 15 months, and are expecting a brighter economic outlook in the months and years to come.

Due to the fluctuations in revenue trends, and cuts in spending, over the past 15 months, projections for next year's budget have been a challenge. Nevertheless, we have produced, as best we can, a budget based on revenue projections that are not overly aggressive, nor unduly regressive. The primary goal is to return to pre-pandemic level of services for Town residents in FY 2021-22. Since the COVID-19 Pandemic is 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 budget remains basically unchanged from the current year.

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 continues to be a major goal of the Town Council. To provide a steady and reliable revenue stream for affordable housing, the FY 2018-19 and FY 2019-20 adopted budgets, each included a ½ cent property tax increase to be dedicated exclusively for affordable housing activities. The Town had intended to recommend another ½ cent property tax increase in FY 2020-21 (for a total of 1.5 cents). However, due to the uncertain economic environment as a result of the pandemic, this was deferred. For FY 2021-22, we are

recommending that the 3rd and final ½ cent property tax increase be implemented for the Affordable Housing Fund, which would provide 100% property tax funding for the fund.

The Capital Projects Fund at \$41.9 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, Town Recreation and Parks Programs, and other agencies. After some delay, design work will continue for the facility that will be located at 203 S. Greensboro Street, with construction expected in early 2022.

For renovation of existing Town buildings, a financing plan needs to be done to undertake these building improvements over the next five years. A comprehensive facility assessment is currently being conducted by the Public Works Department to identify the necessary renovations and cost estimates. This assessment is expected to be completed soon.

The Stormwater Utility Enterprise Fund, was established in 2017 to comprehensively address stormwater management and flood remediation needs of the Town, and is supported by user fees. For FY 2020-21, the Town Council approved an increase in the equivalent service unit user fee rate from \$75 to \$90. In FY 2020-21, a Parking Enterprise Fund was created to better manage parking activities. These parking activities will continue to be supported by the General Fund.

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 Arche McAdoo, Cary McNallan, and the entire Finance Team for their dedicated efforts in the development of the FY 2021-22 Town budget.

The accompanying Executive Summary provides additional highlights of the overall budget and strategies for fiscal year 2021-22.

Sincerely,



David L. Andrews, ICMA-CM
Town Manager

EXECUTIVE SUMMARY

BUDGET OVERVIEW

The budgeting process involves analysis and review of historical data and trends and 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 received by the Town, which was during the most prevalent period of the COVID-19 pandemic.

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 steadily improve in the months ahead.

Economic indicators are that North Carolina will continue its slow, steady economic growth once the effects of the pandemic have dissipated. The most recent data from the Federal Reserve Bank of Richmond indicates housing starts in the United States declined 2.3% from the same period 12 months ago. In North Carolina, housing starts were down 1.5%. Single-family home building permits in North Carolina, which typically lead housing starts by two to three months, increased 24.3 percent between January 2020 and 2021. The housing price index in North Carolina for the fourth quarter of 2020, compared to the fourth quarter of 2019, grew by 6.6 percent vs 6.0 percent for the United States.

North Carolina's unemployment rate was 5.2% as of March 2021, compared to 6.0% nationally. Similar figures for the same time last year were 3.9% and 4.4% respectively, which was at the beginning of the pandemic. The dominance of the professional services sector and close proximity to the University of North Carolina and Research Triangle Park helps keep the unemployment levels lower in the Carrboro area.

In his March 5, 2021 report, The University of North Carolina-Charlotte Economic Forecast, Dr. John Connaughton predicts that the state's Gross State Product (GSP) will finish 2020 with a decrease of 2.6 percent but will grow 5.1 percent above that in 2021. He predicts that construction (3.6 percent) will grow slower than overall GSP, while retail trade will outpace overall growth at 6.7 percent.

North Carolina sales tax collections remained a strong point for revenues at both the state and local levels. Grocery and home improvement stores were some of the largest sales tax drivers. Through the first half of FY 2020-21, distributions were almost 10% ahead of FY 2019-20. It should be noted that the state and local sales tax base was expanded by the North Carolina General Assembly as of March 1, 2015. Also, of particular note is the June 2018 Supreme Court

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

The total number of residential building permits increased in 2020 from the prior year, but the total value of those permits slightly decreased. Commercial permits remained steady, but total value decreased sharply in 2020 from the prior year.

COMMERCIAL AND RESIDENTIAL TOWN PERMITS, 2020

<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

Through March, general fund revenue collections for FY 2020-21 total \$19.5 million or 85.8% of the adopted budget. Last year at this time, total general fund revenue collections were \$19.8 million or 86.0% of adopted budget. Property tax revenue collections to date are \$13.3 million, which exceeds budget by 1.8%. Local sales tax revenues total \$2.7 million compared to \$2.6 million at the same time last year. Unrestricted and restricted intergovernmental revenues year-to-date are 47% and 75% 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 FY 2021-22 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 2021 session that would negatively impact the Town’s existing revenue stream.

REVALUATION

The Orange County Tax Assessor's Office has undertaken a revaluation of assessed real property throughout the County, including property located in Carrboro. The last reappraisal of real property was in 2017. State law requires units of local governments, including public authorities, to publish a revenue-neutral tax rate in the budget following the completion of a reappraisal of real property. The purpose of the revenue-neutral tax rate is to provide residents with comparative information.

The revenue-neutral tax rate as set forth in the NCGS 159-11(e) is the rate that is estimated to produce revenues for the next fiscal year as 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 or new construction since the last general reappraisal. The revenue-neutral tax rate suggests taxes paid will be the same as in the previous year. However, taxes paid may vary by taxpayer based on the fair market value assessed on real property in the countywide reappraisal and the amount of personal property owned. Because real property is required to be revalued at least every seven years, and personal property is revalued annually, the reappraisal of real property re-equalizes real and personal property values. The reappraisal also re-equalizes the tax burden where some owners of real property may pay more, or less, following a revaluation.

The reappraisal produced a property tax base value at January 1, 2021 of \$2,806,444,019 for Carrboro. Using the formula mandated by state law, the revenue-neutral tax rate for Carrboro is 52.32 cents per \$100 compared to the existing tax rate of 59.94 cents. Both rates produce annual tax revenues of \$14,683,149. The growth factor over the past four years since the last general reappraisal is 1.24% for an adjusted revenue neutral tax rate adjusted for growth of 52.97 cents. The updated property tax base values will produce total revenues for real property and personal property taxes of \$16,821,825 for the Town. Given that Carrboro has not increased its real property tax rate, for the General Fund, in more than a decade, it is recommended that the overall tax rate be increased by a half cent, and that additional amount be dedicated towards funding for the Affordable Housing Fund.

TOTAL TOWN BUDGET

In developing the FY 2021-22 budget, some operating expenses, such as training and conferences, were restored to pre-pandemic levels; capital item requests were re-prioritized, and some vehicle/equipment purchases deferred to future years. The major goals in developing the 2021-22 budget were to:

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

The total General Fund Adopted budget for FY 2021-22 is \$25,347,801, which is a 1.1% increase from the adopted budget of \$25.1 million last year. When all other funds are considered, the total Town budget for FY 2021-22 is \$78.1 million as follows:

BUDGET SUMMARY

	2020-21 Adopted Budget	2021-22 Adopted Budget	Amount Change	Pct Change
General Fund	25,063,106	25,347,801	284,695	1.1%
Special Revenue Funds	2,832,922	9,567,341	6,734,419	237.7%
Capital Project Funds	42,150,375	41,985,403	(164,972)	-0.4%
<i>Total Governmental Funds</i>	<i>70,046,403</i>	<i>76,900,545</i>	<i>6,854,142</i>	<i>9.8%</i>
Enterprise Funds	1,340,775	1,261,754	(79,021)	-5.9%
Grand Total	71,387,178	78,162,299	6,775,121	9.5%

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 proposed for 2021-22. The continuing budget includes adjustments for price increases in the cost of goods and services; and may include projects 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 92.9% of general fund revenues.

For FY 2021-22, total recurring revenues are projected to increase by 6.5% over the FY 2020-21 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. Local sales tax was reduced last year due to the expected downturn in the economy due to the pandemic, but are anticipated to rebound in the coming year. Other Taxes and Licenses are decreasing due to a change in an accounting procedure related to occupancy tax, whereas the payment of these funds to the Carrboro Tourism Development Authority will now be netted with revenues instead of being shown as an expenditure.

Intergovernmental revenues, which comprise 8.4% of general fund revenues, are expected to decrease by 2.3% due to a reduction in federal grant funds, combined with lower estimates on sales tax collections from satellite sales and telecommunications.

Recurring Revenues – General Fund

	2020-21	2021-22		
	Adopted	Adopted	Amount	Pct
	Budget	Budget	Change	Change
Property Taxes	13,156,500	14,063,175	906,675	6.9%
Local Sales Tax	4,242,202	4,895,670	653,468	15.4%
Other Taxes & Licenses	1,603,045	1,457,589	(145,456)	-9.1%
Intergovernmental	2,085,336	2,038,398	(46,938)	-2.3%
Grand Total	21,087,083	22,454,832	1,367,749	6.5%

Property and sales tax revenues make up 78.5% of total general fund revenues in FY 2021-22. The total property tax valuation is estimated to be \$2,806,444,019 based on valuation by the Orange County Tax Administrator. This is a 23.4% growth over the past year due to the county’s revaluation of property assessments. In FY 2021-22 each penny on the tax rate is projected to generate approximately \$280,644. In addition, 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 (\$2.73 million to date), reflecting six months of collections for the year, are 64.4% of the Town’s FY 2020-21 adopted sales tax revenue budget (\$4.24 million). According to the FY 2021-22 Revenue Projections Report by N. C. League of Municipalities, sales tax distributions to local governments by the state during the first six months of FY 2020-21 were up approximately 10.0% over the same period in FY 2019-20. The League of Municipalities anticipates that sales tax revenues statewide for the current fiscal year 2020-21 will be 8.0% above the FY 2019-20 distributions. For next fiscal year, 2021-22 local sales tax revenues statewide are expected to decrease by 3.1% of the FY 2020-21 actuals.

In FY 2014-15 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 2020-21 were down approximately 5.4% from the previous year. Yearly projections for statewide electricity revenues for FY 2020-21 are expected to decrease by 1.0%. For FY 2021-22, they are projected to increase by 1.25%.

Sales tax on piped natural gas statewide, on a percentage basis, declined sharply under the new distribution formula. Through the first two quarters of FY 2020-21, natural gas revenues have been 2.0% higher over the same period in FY 2019-20. The N. C. League of Municipalities has

projected that statewide distributions to municipalities for FY 2020-21 will be 9.75% higher than the past year; and, for FY 2021-22 the projection is expected be 2.0% below that of FY 2020-21.

For FY 2020-21, the Town has collected \$494,519 (51% of budget) in electricity tax revenues, and \$12,254 (26% 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 FY 2008-09, however, so far this year we have seen a 2.65% increase, possibly due to the effects of the pandemic and the flexibility of delaying customer payments. Consumers are continuing to move away from landline telephone service to mobile telephone service. Annual statewide telecommunications revenues for FY 2020-21 are expected to increase by 3.75% but it is expected to be a one-time exception to the long-running historical trend. Revenues are expected to decline 9.5% in FY 2021-22. For the first two quarters of this fiscal year 2020-21 the Town has received revenue of \$80,666 or 55.4% 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 remain flat in FY 2020-21 compared to FY 2019-20, but will continue to decline in FY 2021-22 by 1.25%. For the first two quarters of FY 2020-21, the Town has received revenue of \$32,084 or 56.8% of the adopted budget

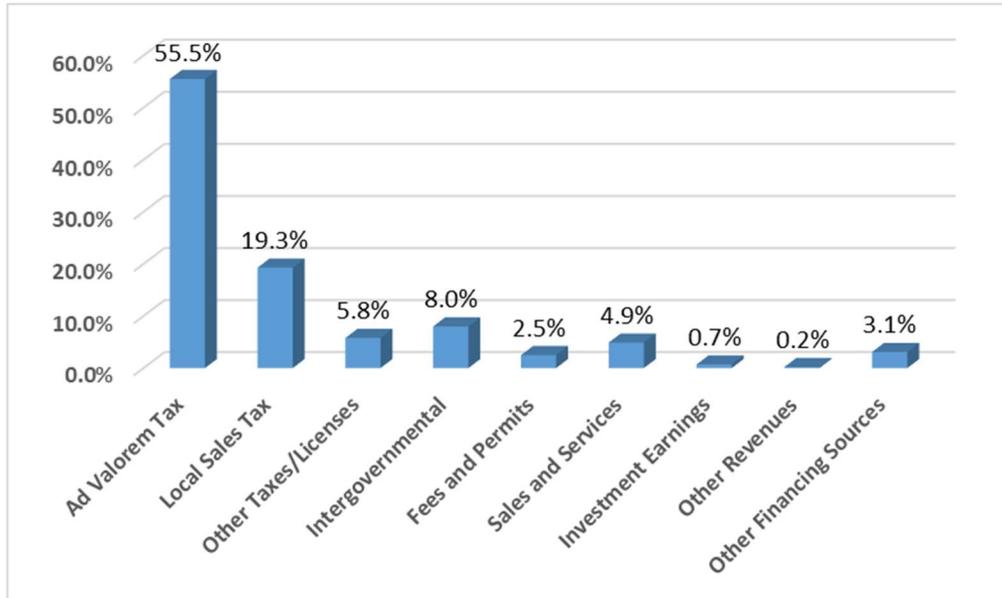
Municipalities with qualifying Public, Educational, and Governmental (PEG) channels are entitled to supplemental PEG channel support funds for up to three channels. The amount per channel for FY 2020-21 is approximately \$26,316 and is expected to remain the same for FY 2021-22.

Beer and wine sales taxes is an excise tax charged on the production of alcohol in North Carolina, and a portion is distributed to municipalities based on population. For FY 2020-21 state officials have indicated that beer and wine sales tax distributions will be 2.5% higher than last year and a 1.0% increase is expected for FY 2021-22.

OTHER FINANCING

Other financing sources in the General Fund include inter-fund transfers, installment financing and fund balance appropriation. Revenues in FY 2020-21 from Fund Balance Appropriation were \$1,189,720 or 3.1% of the total General Fund adopted budget. The Town has adopted a policy that “fund balance appropriation is not to exceed 10.0% of the total General Fund operating budget in any given year”. For FY 2021-22 the fund balance appropriation decreased by \$1,049,854 or 46.9% over the adopted FY 2020-21 budget.

FY 2021-22 GENERAL FUND REVENUE SOURCES
% of Total \$25,347,801



EXPENDITURES

For FY 2021-22, total General Fund operating expenses slightly increased by 1.1% over FY 2020-21. Of the total budget, personnel costs account for 59.9%, while operating costs account for 36.7%. Capital outlay and transfers account for the remaining 3.4%.

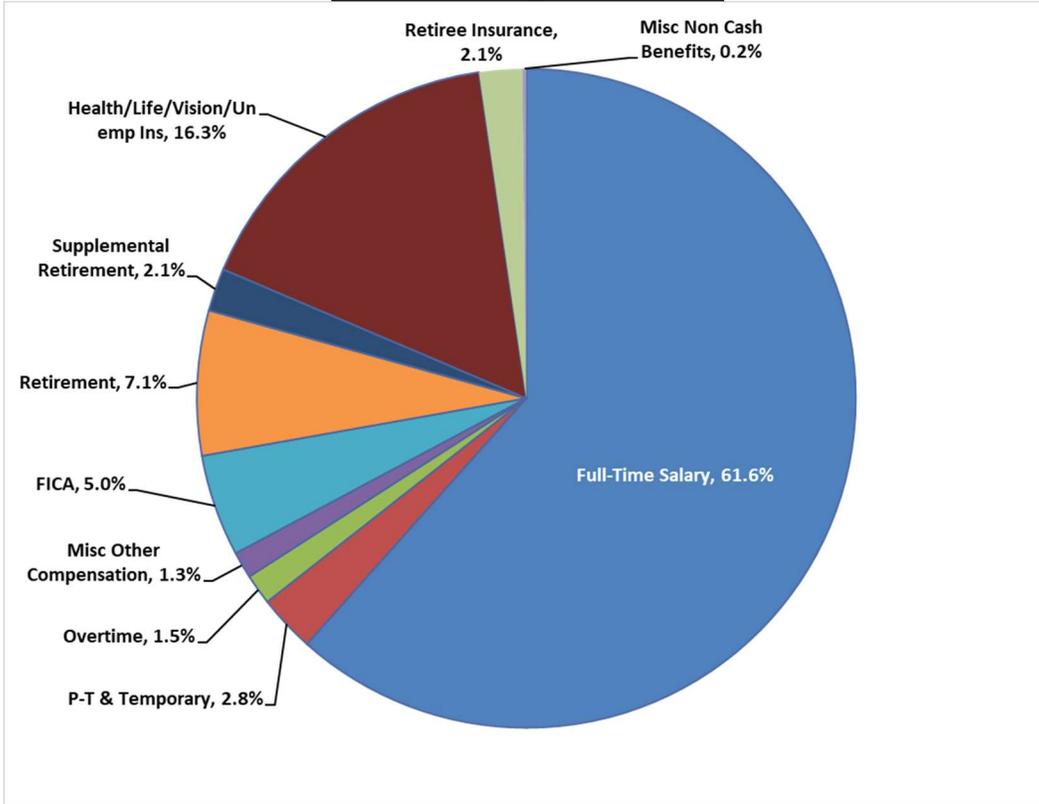
General Fund Budget Summary

	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	14,965,571	15,173,947	1.4%
Operating	9,072,885	9,308,954	2.6%
Capital Outlay	118,600	189,400	59.7%
Transfers	906,050	675,500	-25.4%
TOTAL	\$25,063,106	\$25,347,801	1.1%

PERSONNEL

Personnel cost are expected to increase by 1.4%. For FY 2021-22, across the board pay adjustments to permanent employees is 3.3%. Factors that affect personnel cost include: a) projected 9.6% decrease in health insurance premiums as a result of a shift to a high-deductible health plan; b) increases in employer contribution rate to Local Government Employees Retirement System.

FY 2020-21 Pay and Benefits



Contribution rates for the Local Government Employees’ Retirement System (LGERS) will increase from 10.20% to 11.35% for general employees; and, from 10.84% to 12.10% for law enforcement officers in FY 2021-22. Below is the schedule of contribution rates through FY 2022-23.

Fiscal Year	LGERS Employer Contribution Rate	
	General Employees	Law Enforcement Officers
2019-20	9.01%	9.70%
2020-21	10.20%	10.84%
2021-22	11.35%	12.10%
2022-23	12.45%	13.20%

A 3.3% salary adjustment has been approved for Town employees in FY 2021-22. The percent of adjustment is in line with other area government agencies. When the Town Council approved the pay-for-performance plan, it was understood that performance pay amounts may vary from year to year depending on budget availability and labor market conditions.

The number of full-time equivalent positions will increase by one to 169.5 (these totals include 3.5 FTE positions funded by Stormwater Utility Enterprise Fund). Details on employee position changes can be found on page 173. Funds to cover the salary adjustments and changes in

insurance premiums, and other proposed pay and classification changes have been budgeted in Non-Departmental.

OPERATIONS EXPENSES

General Fund operating expenses in FY 2021-22 will increase by 2.6% from \$9,072,885 to \$9,308,954. In addition to maintaining the existing service levels, funds are budgeted for Employee and Organizational Development activities (e.g., risk management/safety, racial sensitivity and equity training, supervisor training, etc.). The Town will continue with implementation of its Strategic Energy and Climate Protection Plan. Particular attention will be given to new projects to incorporate energy savings strategies with the goal of reducing operating costs.

CAPITAL OUTLAY

Capital outlays in the General Fund will increase by 59.7% from \$118,600 to \$189,400 in FY 2021-22, and include snow removal equipment, IT equipment, ballfield groomer, fire rescue equipment, and transit vehicle replacement cost. In the Capital Projects Fund, the Town is looking to finance a major building in 2021-22 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 141.

Department	Vehicles/Equipment	Cost Estimate
Police	6 Vehicles @ \$56,000	\$ 336,000
Fire	Fire Engine	650,000
IT	Ford F-150	32,000
Public Works	Cat Mini-Excavator	72,000
Public Works	Cat 420 Backhoe Loader	155,000
	Total	\$ 1,245,000

As part of the Town’s strategic energy and climate protection plan, police patrol vehicles will be equipped with a Havis Idle Manager. This will allow officers to operate mission critical electrical loads such as lights, radio, lap top and in-car video system without the engine running. This idle manager will also reduce unnecessary engine idling, save fuel, reduce wear and tear on engine, and reduce greenhouse gas emissions. The Town will continue to evaluate alternatives and options to convert its entire fleet to a fuel source other than gas 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 or energy efficiency, business loan programs, affordable housing, pandemic relief funding, and grants administration.

The total budget for the Special Revenue Fund in FY 2021-22 is \$9.6 million dollars.

SPECIAL REVENUE FUND SUMMARY

	Adopted Budget FY2020-21	Adopted Budget FY2021-22	Amount Change	Pct Change
Fund:				
Affordable Housing	338,000	338,525	525	0.2%
Grant Administration	893,249	1,723,249	830,000	92.9%
American Rescue Plan Act	0	6,200,000	6,200,000	#DIV/0!
Emergency Loans	508,405	584,473	76,068	15.0%
Revolving Loans for Energy Efficiency	240,572	241,703	1,131	0.5%
Revolving Loans for Economic Development	852,696	479,391	-373,305	-43.8%
Totals	\$2,832,922	\$9,567,341	\$6,734,419	237.7%

For FY 2022, the property tax rate will be increased from 1 cent to 1.5 cents and will be dedicated to the Affordable Housing Fund as the sole source of funding.

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 asset. Included in the Capital Projects Fund are: capital projects; GO bonds for sidewalks and greenway; facilities rehab 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 established in the Capital Improvements Plan (CIP). Most 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%, fund balance may be assigned or committed for future capital projects if the fund balance exceeds 35.0%. At June 30, 2020, unassigned fund balance in the general fund exceeded 35.0% and the Town Manager, in accordance with Town policy, assigned \$1.0 million for future capital projects. The Town Council is required to take formal action to commit the use of fund balance for projects or proposed in any current or future year's budget.

The total Capital Project Fund budget for FY 2021-22 is \$41.9 million. The largest project is the planned joint development of 203 South Greensboro Street by Orange County and the Town at an anticipated cost of \$28.3 million. This project is to construct a facility to house the Orange County Southern Branch Library and Town administrative offices with the potential for also accommodating other compatible uses. The Town expects to do debt financing for its share of

the costs; however, the actual amount is not known at this time. Further, the Town will also have to develop a financing plan to undertake needed building improvements over the next five years.

BUDGET SUMMARY - TOTAL CAPITAL PROJECTS FUND

Fund:	Adopted Budget FY2020-21	Adopted Budget FY2021-22	Amount Change	Pct Change
Capital Projects	\$ 33,222,583	\$ 33,233,356	\$ 10,773	0.0%
GO Bonds, Sidewalks and Greenways	7,920,942	7,911,177	(9,765)	-0.1%
Facilities Rehab	1,005,750	840,670	(165,080)	-16.4%
Capital Reserves	400	100	(300)	-75.0%
Payment In Lieu Reserves	700	100	(600)	-85.7%
Totals	\$ 42,150,375	\$ 41,985,403	\$(164,972)	-0.4%

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	1,679,000	113,663	274,837	2,067,500
Homestead Rd CHHS Multi-use Path	1,149,912	323,812	48,046	1,521,770
S Greensboro St Sidewalk	1,154,626	43,153	552,340	1,750,119
Rogers Road Sidewalk	542,600	829,058	120,889	1,492,547
Jones Creek Greenway	680,200	170,050		850,250
Totals	5,206,338	1,479,736	996,112	7,682,186
% of Total	67.8%	19.3%	13.0%	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 Strategic Energy and Climate Protection Plan, all capital projects are to be evaluated for energy savings which will reduce operating costs. The CIP through FY 2026 can be reviewed on the Town's web site at:

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

CONCLUSION

After more than a year of enduring the COVID-19 pandemic, economic conditions in North Carolina appear to be on the rebound. Although the physical and emotional toll on the area citizens has been a challenge, the production of multiple vaccines has given hope of a brighter

tomorrow; and government subsidies from the national level have provided much needed relief to the economy.

There are still uncertainties with the pandemic and how long the vaccines are effective, which does cause some apprehensiveness on how quick the economy will bounce back. Therefore, the budget was created with optimism that revenues will regain some momentum but was also developed using a conservative approach for the overall budget. Budgeted Town revenues for FY 2021-22 are above last year's figures, whereas Town expenditures are relatively flat compared to FY 2020-21.

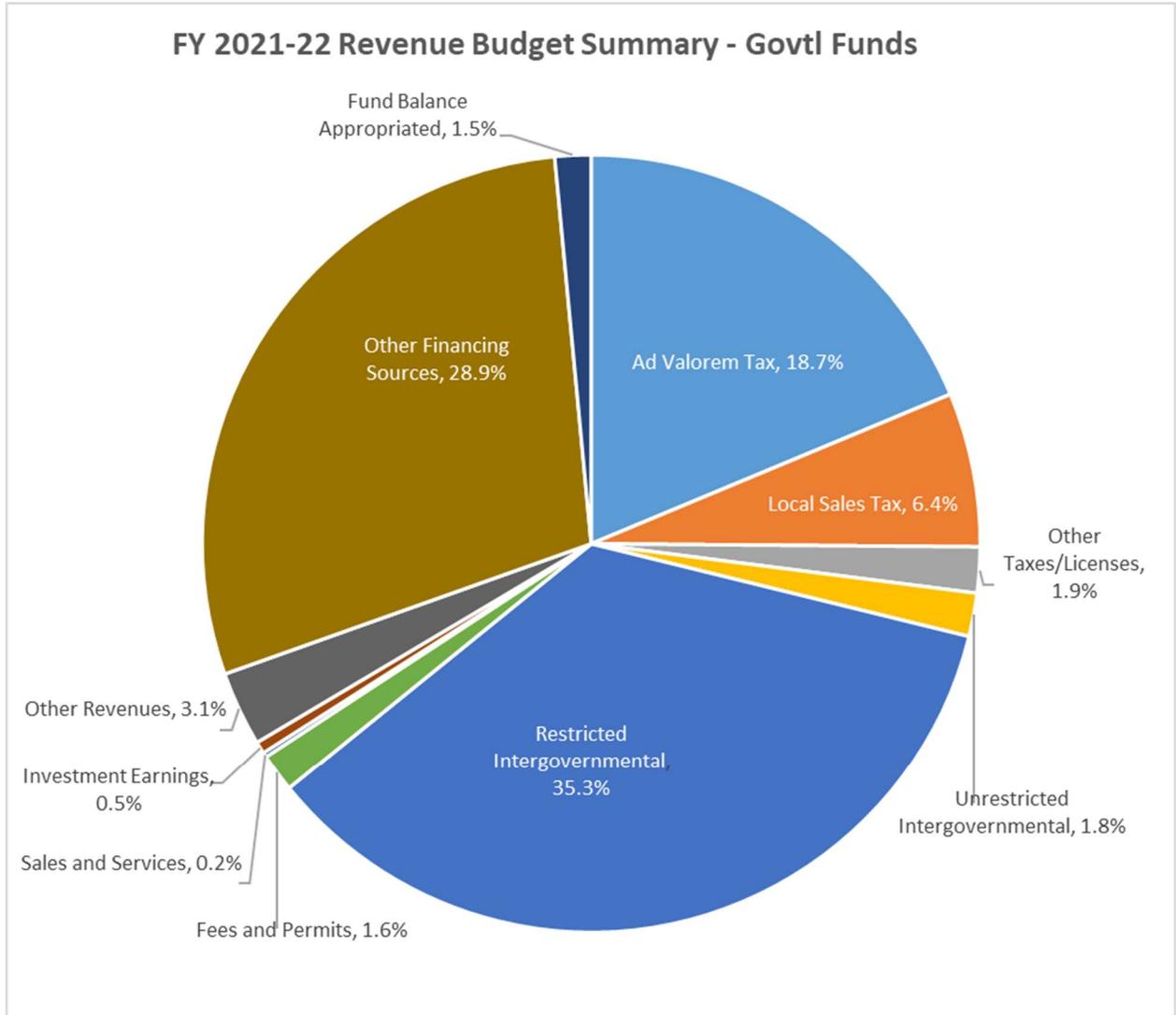
The Town has begun to implement its strategic energy and climate protection plan with the goal of not only saving energy, but to reduce operating costs as well. All capital projects, including vehicles and equipment, will be considered for energy saving measures that will also lead to reduced operating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

Careful and balanced choices are presented in the FY 2021-22 budget that provide for continued delivery of quality services, carrying out Town Council priorities, maintaining financial strength, and retaining qualified and productive employees.

FY 2021-22 Revenue Budget Summary - All Funds by Major Fund

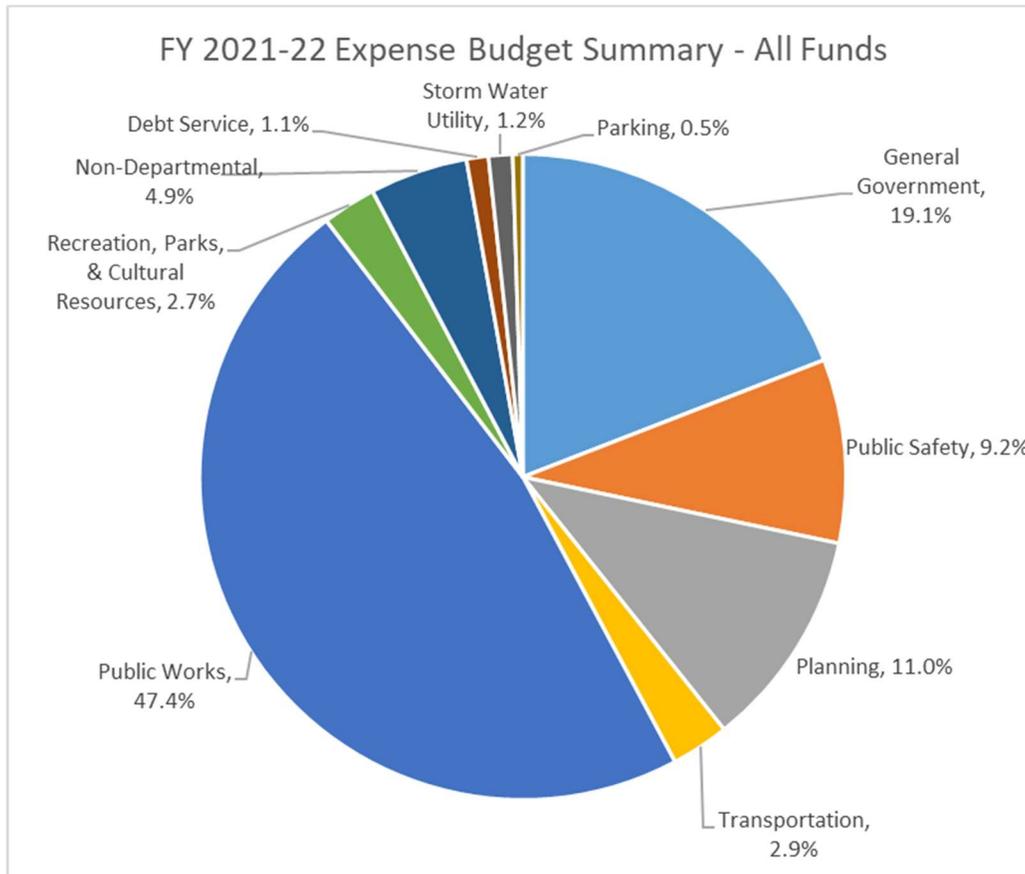
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Funds</u>	<u>Total All Govtl Funds</u>	<u>Percent All Govtl Funds</u>	<u>Enterprise Funds</u>
Ad Valorem Tax	\$ 14,063,175	\$ 338,450		14,401,625	18.7%	
Local Sales Tax	4,895,670			4,895,670	6.4%	
Other Taxes/Licenses	1,457,589			1,457,589	1.9%	
Unrestricted Intergovernmental	1,413,000			1,413,000	1.8%	
Restricted Intergovernmental	625,398	6,233,890	20,310,499	27,169,787	35.3%	
Fees and Permits	1,239,160			1,239,160	1.6%	970,444
Sales and Services	171,819			171,819	0.2%	
Investment Earnings	40,000	244,903	61,341	346,244	0.5%	950
Other Revenues	252,270	2,146,970		2,399,240	3.1%	60
Other Financing Sources	-	603,128	21,613,563	22,216,691	28.9%	290,300
Fund Balance Appropriated	1,189,720			1,189,720	1.5%	
Totals	\$ 25,347,801	\$ 9,567,341	\$ 41,985,403	\$ 76,900,545	100.0%	\$ 1,261,754

FY 2021-22 Revenue Budget Summary - Govtl Funds



FY 2021-22 Expense Budget Summary - All Funds

	General Fund	Special Revenue Funds	Capital Funds	Total All Govtl Funds	Enterprise Funds	
General Government	\$ 6,046,823	\$ 8,744,092	\$ 120,000	\$ 14,910,915		19.1%
Public Safety	7,207,887	-	-	7,207,887		9.2%
Planning	1,668,342	-	6,915,630	8,583,972		11.0%
Transportation	2,011,768	-	288,000	2,299,768		2.9%
Public Works	4,026,756	823,249	32,187,357	37,037,362		47.4%
Recreation, Parks, & Cultural Resources	1,908,568	-	220,100	2,128,668		2.7%
Non-Departmental	1,600,867	-	2,254,316	3,855,183		4.9%
Debt Service	876,790	-	-	876,790		1.1%
Storm Water Utility	-	-	-	-	\$ 971,254	1.2%
Parking	-	-	-	-	290,500	0.5%
Totals	\$ 25,347,801	\$ 9,567,341	\$ 41,985,403	\$ 76,900,545	\$ 1,261,754	100.0%



A motion was made by Council Member Seils, seconded by Council Member Haven-O'Donnell to approve the ordinance below:

**ANNUAL BUDGET ORDINANCE FY 2021-22
Town of Carrboro, North Carolina
Ordinance No. 20/20-21**

WHEREAS, the recommended budget for FY 2021-22 was submitted to the Town Council on May 25, 2021 by the Town Manager pursuant to G.S. 159-11 and filed with the Town Clerk pursuant to G.S. 159-12;

WHEREAS, on June 8, 2021, the Town Council held a public hearing on the budget pursuant to G.S. 159-12;

WHEREAS, on June 22, 2021, 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, 2021 and ending June 30, 2022:

GENERAL GOVERNMENT		\$ 6,046,823
Mayor and Town Council	\$ 441,282	
Advisory Boards	53,950	
Town Manager	292,690	
Economic Development	132,127	
Climate Action	308,249	
Communication & Engagement	177,288	
Housing & Community Services	588,904	
Town Clerk	154,450	
Finance	1,255,625	
Human Resources	724,265	
Information Technology	1,917,993	
PUBLIC SAFETY		\$7,207,887
Police	4,006,374	
Fire	3,201,513	
PLANNING		1,668,342
TRANSPORTATION		2,011,768
PUBLIC WORKS		4,026,756
RECREATION, PARKS, & CULTURAL RESOURCES		1,908,568
NONDEPARTMENTAL		1,600,867
DEBT SERVICE		876,790

TOTAL GENERAL FUND

\$25,347,801

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, 2021 and ending June 30, 2022 to meet the general fund expenditures:

Ad Valorem Tax	\$ 14,063,175
Local Sales Tax	4,895,670
Other Taxes/Licenses	1,457,589
Intergovernmental	2,038,398
Fees and Permits	1,239,160
Sales and Services	171,819
Investment Earnings	40,000
Other Revenues	252,270
Other Financing Sources	1,189,720
Total General Fund	\$ 25,347,801

ARTICLE II – AFFORDABLE HOUSING FUND

Section 1. Affordable Housing Fund Appropriation

The Affordable Housing Fund is a special revenue fund created by the Town 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 Fund activities:

Community Home Trust	\$ 70,582
Home Consortium Match	12,488
Partnership to End Homelessness	35,202
AHSRF Deferred Loan Program	10,000
Affordable Hsg Advisory Board	500
Critical Home Repair	65,000
Rental Deposits Program	33,258
Acquisition and Development	100,000
Unexpended Reserves	11,495
Total Appropriation	\$338,525

Section 2. Affordable Housing 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, 2021 that shall be devoted solely to the affordable housing activities noted above.

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 \$971,254 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. Unexpended funds from fiscal year 2020-21 may be carried forward to fiscal year 2021-22.

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 \$290,500 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 \$290,500 from the General Fund to the Parking Enterprise Funds. Unexpended funds from fiscal year 2020-21 may be carried forward to fiscal year 2021-22.

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 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.
- b. The Town Manager may transfer funds within departments and functions.
- c. When unassigned fund balance exceeds 35% in the General Fund, the Town Manager, in accordance with the Town's Fund Balance Policy, may set aside an

- amount in assigned fund balance for transfer to the Capital Projects Fund for future projects.
- d. All funds encumbered or designated within fund balance for expenditures as confirmed in the annual audit for the year ending June 30, 2021 shall be re-appropriated to the Fiscal Year 2021-22 Adopted Budget without further action by the Town Council.
 - e. The Finance Officer may approve transfer requests between programs or organizational units within the adopted general fund budget.
 - f. Transfers between Funds may be authorized only by the Town Council.
 - g. The Orange County Tax Collector, is authorized, empowered, and commanded to collect the taxes set forth in the tax records filed in the office of the Orange County Tax Assessor, and in the tax receipts herewith delivered to the Tax Collector, in the amounts and from the taxpayers likewise set forth. Such taxes are hereby declared to be a first lien upon all real property of the respective taxpayers in the County of Orange. This section of the ordinance shall be a full and sufficient authority to direct, require, and enable the Orange County Tax Collector to levy on and sell any real or personal property of such taxpayers, for and on account thereof, in accordance with law.
 - h. Pursuant to NCGS 160A-314.1 and 160A-317 the Town of Carrboro authorizes Orange County to provide recycling collection services within the Town and to impose and administer a basic annual services fee per household for recycling services and a solid waste convenience center fee for residents within the Town.
 - i. Under GS143-64.32, architectural, engineering, and surveying services with fees less than thirty thousand dollars (\$30,000) may be exempt from the RFQ (Request for Qualification) process if approved by the Town Manager.

Section 2. There is hereby levied the following rates of tax on each one hundred dollars (\$100) valuation of taxable property as listed for taxes as of January 1, 2021 for the purpose of raising the revenue constituting the general property taxes as set forth in the foregoing estimates of revenue (Article I, Section 2), to finance the foregoing General Fund appropriations (Article I, Section 1). One and one half cents of the total tax rate shall be devoted exclusively to the Affordable Housing Fund.

General Fund	\$.5894
Affordable Housing Fund.....	<u>\$.0150</u>
Total Tax Rate	\$.6044

Section 3. The Finance Officer shall distribute property tax collections to the appropriate fund(s) at least monthly as levied in Article VII, Section 2 above.

Section 4. In accordance with G.S. 159-13, a copy of this ordinance shall be filed with the Town Manager, the Finance Officer, and the Town Clerk.

The foregoing ordinance, having been submitted to a vote of the Town Council, received the following vote and was duly adopted this 22nd day of June 2021:

Ayes: Mayor Lydia Lavelle, Council Member Barbara Foushee, Council Member Jacquelyn 81 Gist, Council Member Randee Haven-O'Donnell, Council Member Susan Romaine, Council Member Damon Seils, Council Member Sammy Slade

I, Catherine Dorando, Town Clerk for the Town of Carrboro, NC do hereby certify that the foregoing is a true and correct copy of an ordinance duly adopted by the Carrboro Town Council.

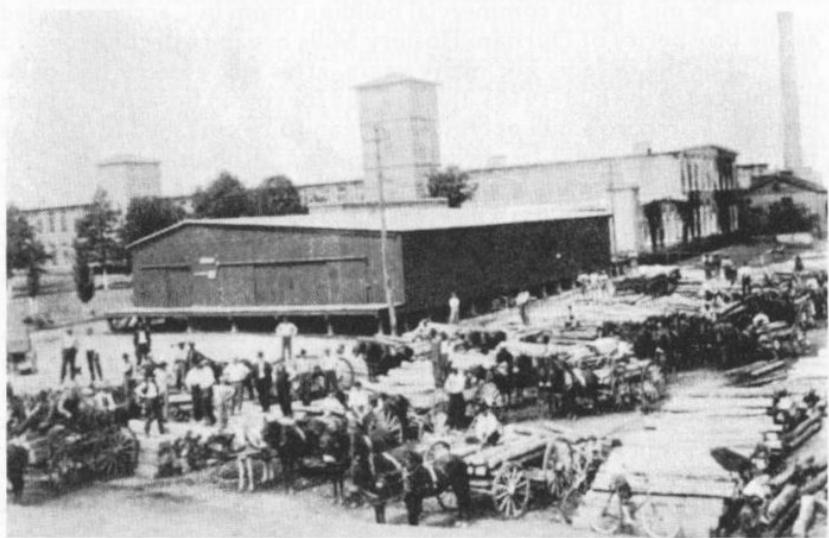


Catherine Dorando
Town Clerk

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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 slightly, from 29,877 in 2019 to 30,092 in 2020.

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. 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 Chapel Hill, 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 2015 to 2019 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 2019 was 21,190, a decrease of 124 people from 2018 (approx. 0.6 percent decrease). These residents constitute approximately 14.3 percent of the Orange County population of 148,476.

ETHNIC COMPOSITION

The chart below shows the changes in Carrboro’s ethnic composition since the 2010 Census. The White population has the greatest increase at 10.1%, and the Hispanic and Latino population had the greatest decrease of 7.0%.

Percent of the Total Population			
Race	2010	2019	Change
American Indian and Alaska Native	1.1%	0.3%	-0.8%
Asian	7.0%	9.4%	2.4%
Black or African American	11.1%	11.0%	-0.1%
Hispanic or Latino	14.1%	7.1%	-7.0%
White	58.1%	68.2%	10.1%
Other (2 or more races)	8.6%	4.0%	-4.6%

Source: census.gov/quickfacts

AGE COMPOSITION

The 65 and over age group makes up 9.5% of the population which is a 15% increase over last year, while 20.9% of the population is school age.

Age	Number	% of Population	% Change from Prior Year
Under 5 years	784	3.7%	-0.8%
Under 18 years	4,429	20.9%	25.1%
Age 18-64	13,964	65.9%	-8.3%
Age 65 and over	2,013	9.5%	15.0%

Source: census.gov/quickfacts

HOUSING

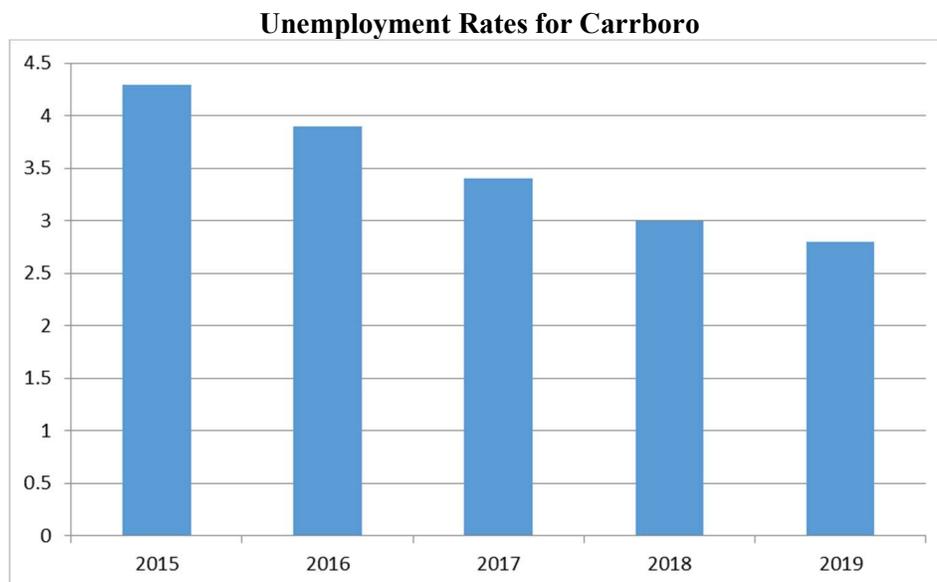
Carrboro continues to be mostly a community consisting of rental units as 57.2 percent of the housing stock is renter occupied with a median gross rent of \$1,078 per month. Owner occupied housing is at 42.8 percent and the median value of an owner-occupied housing unit in Carrboro in 2019 was \$368,800, which is a 19.9 percent increase from \$307,600 in 2010.

INCOME

The 2019 median household income is \$58,702. Per capita income for 2019 was \$40,199 while 15.7% of the population were below the poverty level of income.

EMPLOYMENT

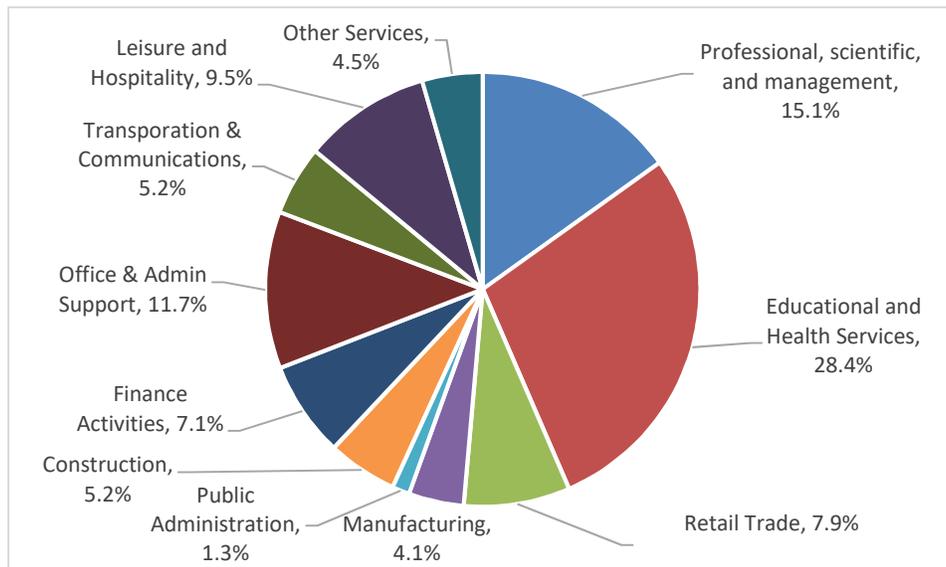
Employment levels in Carrboro reflect a slight decrease in the unemployment rate from 3.0% in November 2018 to 2.8% in November 2019, which is well below the state unemployment rate of 3.5% during that same time.



Source: homefacts.com



Durham-Chapel Hill Employment by Industry Sector, 2019



Source: US Bureau of Labor Statistics

Specific Data for Carrboro not available

The major employers within Orange County in 2019 (those with 500 or more employees) reflect the dominance of the professional services sector.

Employer	# of Employees
UNC Health Care System	12,742
University of North Carolina at Chapel Hill	12,274
Chapel Hill-Carrboro City Schools	1,776
Orange County Government	1,135
Orange County Schools	1,031
Town of Chapel Hill	949
UNC Physicians Network LLC	697
ABB (formerly General Electric)	552

Source: Orange County Economic Development Commission, Employment Security Commission

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 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

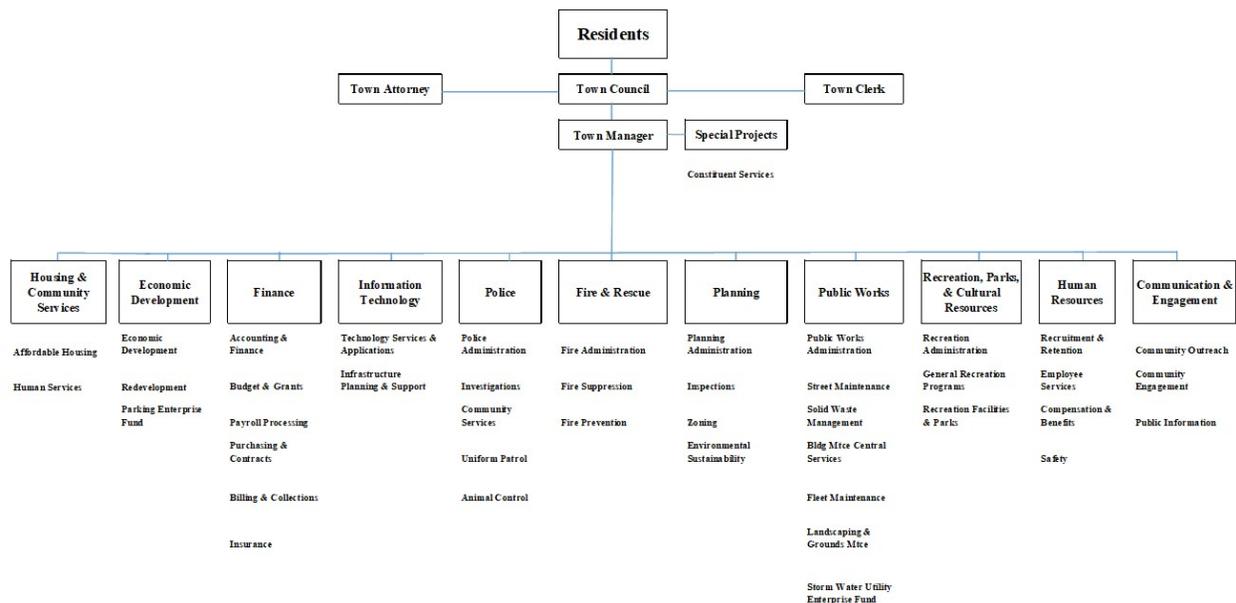
Chapel Hill-Carrboro School System

- 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 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 173 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: 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 of 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 citizen 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 more effectively manage current level of public transportation service 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 citizens 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 citizens 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>Development of the Operating Budget FY 2021-22</i>	
TASK	Target Date
FY 2020-21 Mid-Year Budget Status Report to Town Manager	January 6, 2021
M. L. King's Birthday Holiday	January 18, 2021
Notice of Public Hearing for Community Input	February 2, 2021
Public Hearing to Receive Community Input on FY 2021-22 Budget	February 2, 2021
FY 2021-22 Budget Instructions Distribution	February 5, 2021
Budget Requests from Departments	March 1, 2021
Finance Compiles Preliminary Budget Based on Department Requests	March 10, 2021
Manager Meets with Department Heads on Requested Budget	March 17-26, 2021
Good Friday Holiday	April 2, 2021
Finance Compiles Manager's Recommended Budget	April 13, 2021
Manager Reviews Draft Recommended Budget and Makes Revisions	April 19, 2021
Manager Finalizes Presentation for the Town Council	April 20, 2021
Manager Meets One-On-One with Council Members	April 22 - 30, 2021
Public Notice of Required Public Hearing	May 25, 2021
Manager Submits FY 2021-22 Recommended Budget to Council	May 25, 2021
First Budget Work Session - Town Council	May 25, 2021
Memorial Day Holiday	May 31, 2021
Second Budget Work Session (if needed) - Town Council	June 8, 2021
Public Hearing on Recommended Budget	June 8, 2021
Juneteenth Holiday	June 18, 2021
Town Council Adopts FY 2021-22 Budget	June 22, 2021

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 charges shall be reviewed annually. Town departments that generate a user fee revenue regularly monitor their fees by comparing them to other local area jurisdictions. Fees shall be adjusted where appropriate to reflect these increases.

Engineering Fees represent an exception to user fees whereby applicants are responsible for paying 80.0% of fees assessed by the Town's engineers. The engineers, who perform under a contractual agreement with the Town, bill the Town and the Town, in turn, sends a bill to the applicant for all such fees.

The Recreation and Parks 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 and Parks 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. Revenue is deposited in 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 back 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 expenditure is 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 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 citizens. The entire budget document shall be available at the Town Clerk’s Office and 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, 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, as long as the scope of the project is substantially the same and total funding for the project will not increase as a result 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 \$25,000 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 particular 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 \$25,000, 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 back 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 as long as 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.

Expenditure functions are primarily budgeted at the departmental level and include: Mayor and Town Council, Advisory Boards, Town Manager, Climate Action, Economic Development, Communication & Engagement, Housing and Community Services, Town Clerk, Finance, Human Resources, Police, Fire, Planning, Transportation, Public Works, Parks and Recreation, Non-departmental, Debt Service, 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 as long as 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 \$500 with exception of purchases specifically exempted by the Town's purchasing policy. Purchase requisitions under \$500 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 on the basis of 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

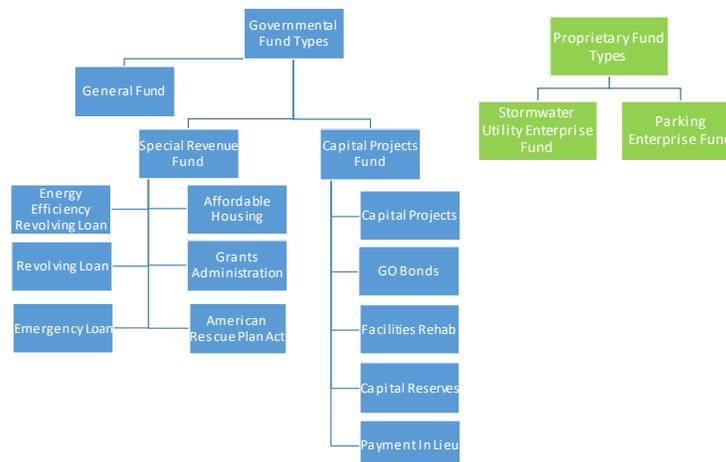
General Fund – The General Fund is the primary operating fund of the Town, which accounts for normal recurring town functions such as public works, planning, public safety, recreation, debt service, and administration. All authorized positions are funded entirely within the General Fund. Activities within 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, 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. Include in the Capital Projects Fund are: 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 2019-20 Actuals	FY 2020-21 Adopted Budget	FY 2021-22 Adopted Budget	FY21 to FY22 Percent Change
AD VALOREM TAXES				
PRIOR YEAR TAXES	64,675	78,000	65,000	-16.67%
CURRENT YEAR TAXES	13,174,882	13,050,000	13,969,675	7.05%
PENALTY AND INTEREST	35,613	28,500	28,500	0.00%
AD VALOREM TAXES Total	13,275,170	13,156,500	14,063,175	6.89%

LOCAL SALES TAXES

LOCAL OPTION SALES TAX 1% 39	1,526,866	1,433,374	1,536,947	7.23%
LOCAL OPTION SALES TAX 1/2% 40	1,174,894	1,002,454	1,211,427	20.85%
LOCAL OPTION SALES TAX 1/2% 42	766,912	716,996	790,621	10.27%
LOCAL OPTION SALES TAX 1/2% 44	29,695	27,406	30,904	12.76%
CITY HOLD HARMLESS	1,273,951	1,061,972	1,325,771	24.84%
LOCAL SALES TAXES Total	4,772,318	4,242,202	4,895,670	15.40%

OTHER TAXES/LICENSES

MOTOR VEHICLE LICENSES	369,355	386,800	386,000	-0.21%
MOTOR VEHICLE LIC - TRANS ONLY	66,549	70,000	68,000	-2.86%
MOTOR VEHICLE TAXES	1,018,497	1,042,000	1,070,000	2.69%
MOTOR VEHICLE GROSS RECEIPTS	47	45	46	2.22%
REFUNDS - NCVTS	(33,663)	(24,500)	(31,800)	29.80%
COLLECTION FEES - NCVTS	(34,811)	(37,500)	(39,000)	4.00%
BEER & WINE LICENSE	1,235	1,200	1,250	4.17%
HOTEL/MOTEL OCCUPANCY TAX	148,658	165,000	3,093	-98.13%
OTHER TAXES/LICENSES Total	1,535,867	1,603,045	1,457,589	-9.07%

UNRESTRICTED INTERGOVERNMENTAL

FRANCHISE TAX	999,131	973,888	990,000	1.65%
PIPED NATURAL GAS TAX	41,235	47,600	42,000	-11.76%
VIDEO SALES PROGRAMMING	63,408	56,500	61,000	7.96%
DIRECT-TO-HOME SATELLITE SALES	55,242	57,800	54,000	-6.57%
WINE AND BEER	89,096	90,000	91,000	1.11%
NC DOT RIGHT-OF WAY REIM	4,777	6,300	5,000	-20.63%
SALES TAX-TELECOMMUNICATIONS	144,092	145,600	155,000	6.46%
EMS LOCATION	12,000	12,000	15,000	25.00%
UNRESTRICTED INTERGVMT Total	1,408,981	1,389,688	1,413,000	1.68%

GENERAL FUND REVENUES

Account Description	FY 2019-20 Actuals	FY 2020-21 Adopted Budget	FY 2021-22 Adopted Budget	FY21 to FY22 Percent Change
RESTRICTED INTERGVMT				
SUPPLEMENTAL PEG CHANNEL SUPPORT	54,705	53,750	54,400	1.21%
POWELL BILL	475,126	475,000	460,000	-3.16%
PLANNING WORK GRANT	17,371	25,000	25,000	0.00%
SOLID WASTE DISPOSAL TAX DIST	15,676	14,500	15,500	6.90%
RECREATION-MUNICIPAL SUPPLEM	35,898	35,898	35,898	0.00%
SEIZURES REVENUE STATE	13,835	5,000	5,000	0.00%
SCHOOL TRAFFIC CONTROL	10,000	10,000	10,000	0.00%
ABC BOARD GRANT	19,000	19,000	19,000	0.00%
DEPT JUSTICE BLOCK GRANT	1,242	-	600	#DIV/0!
FEMA REIMBURSEMENT GRANT	76,046	-	-	#DIV/0!
FEDERAL CARES ACT	41,500	57,500	-	-100.00%
RESTRICTED INTERGVMT Total	760,399	695,648	625,398	-10.10%

PERMITS & FEES

STREET CUTS	220	100	100	0.00%
ENCROACHMENT FEE	1,500	2,000	1,900	-5.00%
REPORTS	100	-	-	#DIV/0!
TECHNICAL REVIEW-FUTURE EQUIPMT	51,253	30,000	50,000	66.67%
COURT COST OFFICER FEES	3,709	2,750	3,000	9.09%
PARKING VIOLATIONS	1,975	-	1,400	#DIV/0!
ANIMAL VIOLATIONS	7,358	7,000	7,000	0.00%
FIRE PERMITTING FEES	2,120	1,600	1,700	6.25%
FIRE DISTRICT FEES	575,344	568,695	570,000	0.23%
SCHOOL RESOURCE OFFICER FEES	163,395	163,394	163,394	0.00%
CAR SEAT SALES	160	200	200	0.00%
BUILDING PERMITS	60,560	60,000	60,000	0.00%
ELECTRICAL PERMITS	56,455	60,000	58,000	-3.33%
MECHANICAL PERMITS	65,293	62,000	65,000	4.84%
RE-INSPECTION FEES	75	900	300	-66.67%
PLUMBING PERMITS	25,954	33,000	26,000	-21.21%
HOMEOWNERS RECOVER FEES	96	-	100	#DIV/0!
SIGN PERMITS	900	500	-	-100.00%
REFUSE COLLECTION FEES	1,939	2,200	2,000	-9.09%
ENGINEERING FEES	880	6,000	-	-100.00%
REFUSE COLLECTION-DUMPSTER	54,951	54,000	54,000	0.00%
DEVELOPMENT REVIEW FEES	73,361	30,000	32,500	8.33%
STREET SIGNS	-	100	-	-100.00%
DRIVEWAY PERMIT FEES	860	800	800	0.00%
STREET CLOSING	475	600	600	0.00%
TOWER REVENUE	128,609	130,890	135,666	3.65%
NETWORK HUT LEASE	5,200	5,200	5,200	0.00%
PERMITS & FEES Total	1,282,742	1,221,929	1,238,860	1.39%

Town of Carrboro, NC

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Adopted Annual Budget
Fiscal Year 2022

GENERAL FUND REVENUES

Account Description	FY 2019-20 Actuals	FY 2020-21 Adopted Budget	FY 2021-22 Adopted Budget	FY21 to FY22 Percent Change
SALES & SERVICES				
RECREATION FEES	128,531	95,000	142,319	49.81%
DISCOUNT-RECREATION FEES	(5,658)	(2,750)	(10,000)	263.64%
SALES-MERCHANDISE & CONCESSION	2,931	1,500	1,500	0.00%
TOWN CENTER FEES	61,335	46,000	45,000	-2.17%
DISCOUNT-TOWN CENTER FEES	(15,201)	(8,500)	(7,000)	-17.65%
SALES & SERVICES Total	171,938	131,250	171,819	30.91%
INVESTMENT EARNINGS				
INTEREST EARNED	146,084	140,000	40,000	-71.43%
INVESTMENT EARNINGS Total	146,084	140,000	40,000	-71.43%
OTHER REVENUES				
RENT-FARMERS MARKET	2,370	2,370	2,370	0.00%
ATM FEES	2,195	700	700	0.00%
RENTAL INCOME	10	-	-	#DIV/0!
MISCELLANEOUS	37,339	12,300	12,600	2.44%
RISK MANAGEMENT/SAFETY REVENUE	60,217	25,000	25,000	0.00%
REFUSE CART SALES	5,549	4,400	4,400	0.00%
YARD WASTE CONTAINERS	4,584	3,700	3,700	0.00%
LARGE COMPOST BIN	45	900	200	-77.78%
SMALL COMPOST BIN	-	100	100	0.00%
DONATIONS	109,905	98,800	98,500	-0.30%
SALE OF LOTS	85,575	30,000	40,000	33.33%
SALE OF FIXED ASSETS	32,418	60,000	60,000	0.00%
SALE OF NON-FIXED ASSETS	31,436	5,000	5,000	0.00%
OTHER REVENUES Total	371,643	243,270	252,570	3.82%
OTHER FINANCING SOURCES				
TRF FROM CAPITAL PROJECTS FUND	92,432	-	-	#DIV/0!
FUND BALANCE APPROPRIATED	-	2,239,574	1,189,720	-46.88%
OTHER FINANCING SRCE Total	92,432	2,239,574	1,189,720	-46.88%
Totals	\$ 23,817,574	\$ 25,063,106	\$ 25,347,801	1.14%

GENERAL FUND REVENUE DESCRIPTIONS

The following information briefly explains the major sources of revenue for the Town of Carrboro in the FY 2021-22 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 higher exemptions for senior citizens aged 65 or older and for citizens, 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.

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 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.

Federal CARES Act – The Coronavirus Aid, Relief, and Economic Security Act, is a law intended to address the economic fallout of the COVID-19 pandemic in the United States.

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.

Engineering Fees - Applicants are responsible for paying 80% of fees assessed by the Town's Engineers (Sungate Design Group). Sungate bills the Town and the Town, in turn, sends a bill to the applicant for such fees.

Development Review Fees - Applicants wishing to receive a Zoning Permit, Special Use Permit, or Conditional Use Permit 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

Representing a very small portion of the overall revenue stream, this revenue is comprised 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:

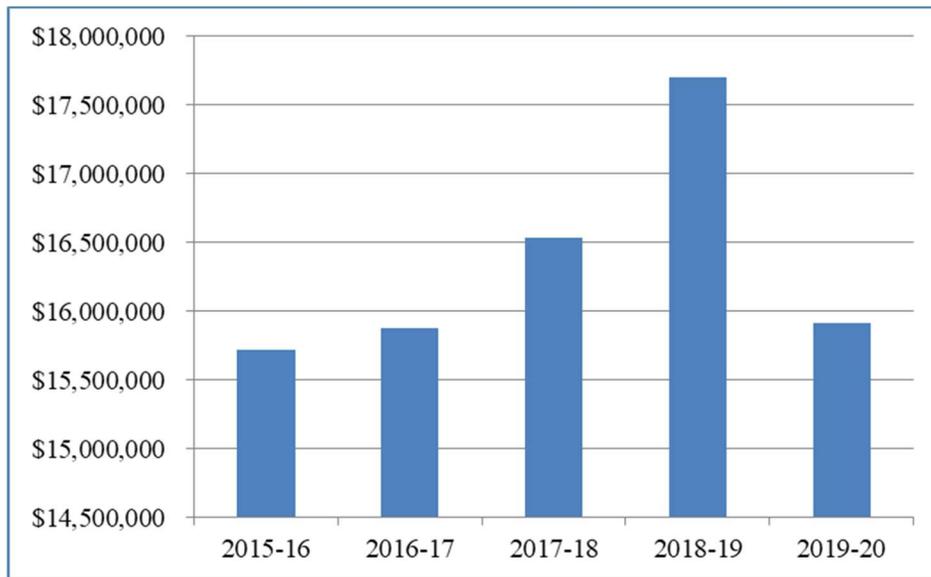
Lease-purchase – This represents the full cost of equipment or other capital purchase that the Town has obtained through installment financing. Following generally accepted accounting practices, the full cost of the financed equipment is budgeted (equipment purchased in that fiscal year) in addition 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 or 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

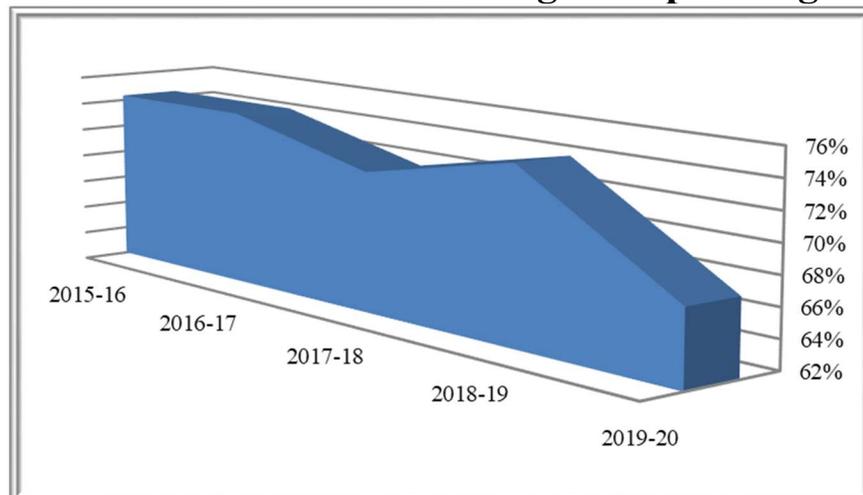
Funds accumulated through the under-expenditure of budgeted appropriations and the receipt of revenues that exceed budgeted projections result in fund balance or reserves. An appropriation of fund balance is sometimes necessary to balance projected revenues with expenditures. The level of appropriation is determined by the differences between estimated expenditures and the expected revenues.

General Fund Balance as of June 30



Fund balance at the end of FY 2019-20 was \$15,911,609, which was a decrease of \$1,792,642 from FY 2018-19.

General Fund Balance as a Percentage of Operating Revenues



Fund balance as a percentage of operating revenues decreased 6.9% from 74.1% in FY 2018-19 to 67.2% for FY 2019-20.

General Fund Expenditures

General Fund Budget Summary

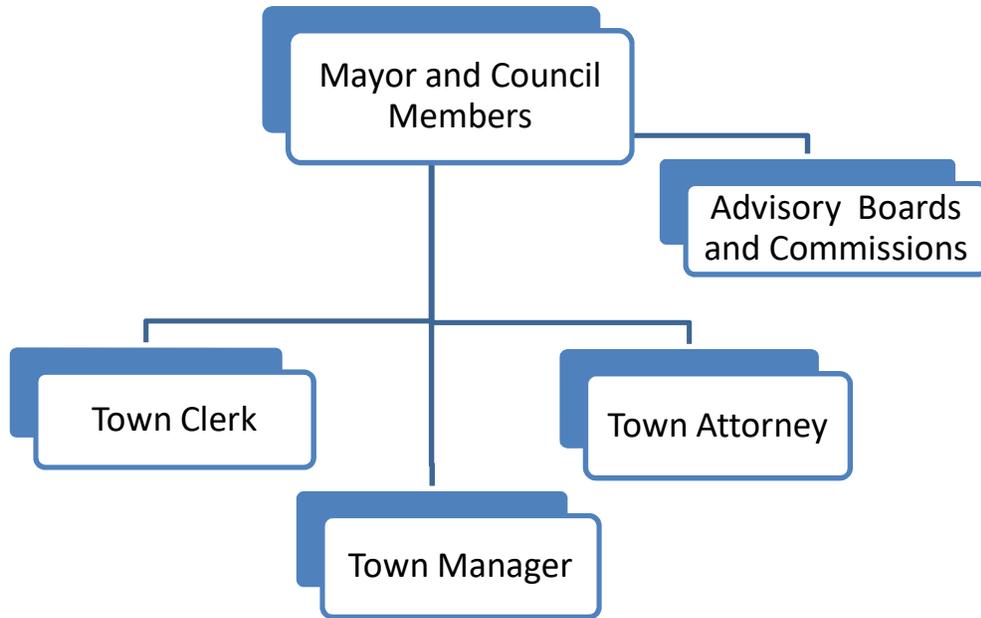
	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	14,965,571	15,173,947	1.4%
Operating	9,072,885	9,308,954	2.6%
Capital Outlay	118,600	189,400	59.7%
Transfers	906,050	675,500	-25.4%
TOTAL	\$25,063,106	\$25,347,801	1.1%

FY 2021-22 General Fund Expenditures by Department

	Personnel Costs	Operating Costs	Capital Outlay	Transfers Out	Total	% Change vs FY21 Orig Bdgt
Mayor and Town Council	\$ 106,682	334,600			\$ 441,282	12.77%
Advisory Boards	-	53,950			53,950	46.60%
Town Manager	230,715	61,975	-		292,690	-23.96%
Economic Development	110,497	21,630			132,127	-58.08%
Climate Action	169,059	139,190	-		308,249	137.86%
Communication & Engagement	147,071	30,217			177,288	#DIV/0!
Housing & Community Services	242,199	346,705			588,904	9.43%
Town Clerk	132,905	21,545			154,450	-1.09%
Finance	699,450	556,175			1,255,625	-1.80%
Human Resources	634,545	89,720			724,265	11.79%
Information Technology	435,943	1,452,050	30,000		1,917,993	9.69%
Police	3,528,094	478,280	-		4,006,374	-4.40%
Fire	2,874,299	270,414	56,800		3,201,513	0.48%
Planning	1,368,029	300,313			1,668,342	6.70%
Transportation		1,928,168	83,600		2,011,768	-0.88%
Public Works	2,438,242	1,569,514	19,000		4,026,756	-2.11%
Recreation, Parks, & Cultural Resources	1,362,850	545,718	-		1,908,568	3.50%
Non-Departmental	693,367	232,000		675,500	1,600,867	14.10%
Debt Service		876,790			876,790	-20.67%
Total Expenditure Budget	\$ 15,173,947	\$ 9,308,954	\$ 189,400	\$ 675,500	\$ 25,347,801	1.14%

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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 citizens 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 34th 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
- Opened Dr. MLK, Jr. Park
- Started the Comprehensive Planning Process
- Started 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 initiatives
- Continue to work on Comprehensive Plan

BUDGET SUMMARY - MAYOR AND COUNCIL MEMBERS

	2019-20	2020-21	2021-22	
	Actual	Adopted	Adopted	Pct Change
		Budget	Budget	
Personnel	112,389	108,004	106,682	-1.2%
Operating	276,921	283,309	334,600	18.1%
TOTAL	\$ 389,310	\$ 391,313	\$ 441,282	12.8%

Funding:

General Revenues	389,310	391,313	441,282	12.8%
Department Revenues	-	-	-	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

A \$20,000 increase for election costs for an election year, \$25,000 increase for biennial citizen survey, and an increase of \$5,950 for conferences.

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

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Operating	7,982	36,800	53,950	46.6%
TOTAL	\$ 7,982	\$ 36,800	\$ 53,950	46.6%

Funding:

General Revenues	7,982	36,800	53,950	46.6%
Department Revenues		-	-	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Funding for miscellaneous expenses related to the Race and Equity Commission was added, along with \$6,000 of funding for training and reimbursement of child/adult care for advisory board members.

GOVERNANCE SUPPORT

PURPOSE

This budget supports local and regional agencies providing community services or information vital to the execution of Town Council priorities. This department was dissolved at the end of FY2020.

BUDGET SUMMARY - GOVERNMENTAL SUPPORT

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Operating	630,767	-	-	#DIV/0!
TOTAL	\$ 630,767	\$ -	\$ -	#DIV/0!
<u>Funding:</u>				
General Revenues	427,404	-	-	#DIV/0!
Department Revenues	203,363	-	-	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

This department has been dissolved and the expenditure items have been moved to various other operating departments.

TOWN MANAGER



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.

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.

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.
- Significant progress on the 203 South Greensboro Project.
- 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 equity initiative.
- Organizational and employee development.
- Continued town financial sustainability.
- Implementation of Capital Improvements Plan.
- Development of a Comprehensive Plan.
- Completion of the 203 Project.

BUDGET SUMMARY - TOWN MANAGER

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	477,949	313,191	230,715	-26.3%
Operating	40,359	71,748	61,975	-13.6%
TOTAL	\$ 518,308	\$ 384,939	\$ 292,690	-24.0%

Funding:

General Revenues	518,308	367,439	292,690	-20.3%
Department Revenues	-	17,500	-	-100.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

The Town Manager's budget decreased due to a reorganization that created the Communication & Engagement Department and a shift of personnel. The training, conferences, and travel budgets were restored for FY22 for a total amount of \$8,600.

ECONOMIC DEVELOPMENT

1 FTE



Economic Development Director

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

- Working with Town Council and the ESC, developed seven goals for Economic Development and started developing a new strategic plan.
- Facilitated negotiations for leased and structured parking in the downtown.
- Executed a contract for parking study services with the Walker Parking Consultants.
- Worked with Town staff to transition departmental duties from Economic Development to Housing and Community Services and the Recreation, Parks and Cultural Resources Department.
- Developed, and began hosting, dialogs with BIPOC Businesses and Owners to find ways to support BIPOC businesses as they start and grow.

UPCOMING FISCAL YEAR OBJECTIVES

- Full completion and beginning implementation of Economic Development Strategic Plan.
- Full implementation of recommendations of the BIPOC Business Roundtable Report.
- 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.
- Retool both the revolving loan funds to be more accessible to businesses.

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

	FY2018-19 ACTUAL	FY 2019-20 ACTUAL	FY 20-21 ESTIMATED	FY 21-22 PROJECTED
Growth in the Commercial Tax Base of the Center Business District	\$161,373,500	\$168,340,700	\$170,472,400	\$173,881,848
Number of Retention Visits				52
BIPOC Business				20
Non-BIPOC Business				32
Number of establishments w/ under 10 employees				296

BUDGET SUMMARY - ECONOMIC DEVELOPMENT

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	172,279	124,940	110,497	-11.6%
Operating	95,130	190,270	21,630	-88.6%
TOTAL	\$ 267,409	\$ 315,210	\$ 132,127	-58.1%

Funding:

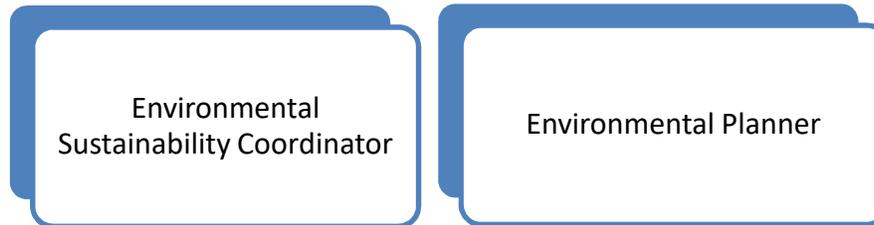
General Revenues	266,304	150,210	129,034	-14.1%
Department Revenues	1,105	165,000	3,093	-98.1%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs are lower due to a retirement and a new director. The allocation to the CTDA was reduced by \$160,050 due to a change in accounting procedures. The training, conferences, and travel budgets were restored for FY22 for a total amount of \$7,600.

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 in order 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 energy management and greenhouse gas reductions.
- The ECPP was created with a near term focus, with a goal of approximately 5-10% reduction in municipal energy use over a two-year period.
- The ECPP addresses energy use primarily for municipal operations but also recognizes municipal support for the community sector.
- The Community Climate Action Plan (CCAP) offers recommendations intended to reduce 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.

- Additional CCAP recommendations are provided around the 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.
- Continue to implement current projects related to climate action.
- Implement new projects related to climate action outlined in the FY21-22 Environmental Sustainability Work Plan.
- Provide climate action outreach to Carrboro residents.
- Pursue emissions reduction and sustainability in all Town efforts.

PREVIOUS YEAR ACCOMPLISHMENTS

- Provided Energy and Climate Protection Plan (ECPP) and Community Climate Action Plan (CCAP) implementation reports and presentations to the Town Council.
- Received a grant from the North Carolina Urban Forest Council’s Legacy Tree Fund Program to restore a stream buffer in Henry “Hank” Anderson III Community Park.
 - Organized a large-scale volunteer planting event for the project.
- Received two grants from Phase 1 of the North Carolina Volkswagen Settlement’s Zero Emission Vehicle Infrastructure Program to install two electric vehicle charging stations on Town property.
- Worked with a graduate student on a Master’s Project to calculate an updated 2019 community and municipal greenhouse gas emissions inventory.
- Worked with a graduate student to perform a community dietary greenhouse gas emissions inventory using data from the 2019 CCAP survey.
- Incorporated recommendations from the EAB into the CCAP and ECPP and brought draft revised plans to the Town Council for approval.
- Designed a program for a Green Neighborhoods Grant Initiative to begin in Spring 2021.
- Worked with staff and Orange County to explore an alternative means of staffing the compost collection at the Carrboro Farmers’ Market.
- Worked with staff to design pandemic-safe methods of selling composting bins to Town residents.
- Served as staff liaison to the Environmental Advisory Board (EAB).
 - Presented a climate action overview to the Comprehensive Plan Task Force.
- Worked with staff to develop a charge for a new advisory board, the Climate Action Team (CAT)
- Participated in collaborative initiatives, including the North Carolina Cities Initiative, the Orange County Climate Council, the Government Alliance for Race and Equity (GARE) Initiative, and the Southeast Sustainability Directors’ Network (SSDN).

- Worked with staff to design plans for moving forward to redesign and revitalize the Energy Efficiency Revolving Loan Program (EERLF).
- Drafted update to the Town Code to allow for Managed Natural Landscapes.
- Worked with Communications staff to develop messaging for climate action outreach.
- Worked to organize and safely implement monthly invasive species removal volunteer events on Town property.
- Designed a program for independent volunteer work to remove invasive species on Town property.
- Organized virtual screening for a Bee City USA Father’s Day Movie to celebrate National Pollinator Week.
 - Completed annual reporting requirements for the Town’s Bee City USA participation.
- Provided support to the Town Facilities Rehabilitation Project.
- Provided guidance and support to an Eagle Scout Stormwater Project to redesign a Town rain garden.
- Outlined a work plan and job description for hiring a climate action intern.
- Worked with volunteers to create and edit educational presentations for the CCAP Modules Project.

UPCOMING FISCAL YEAR OBJECTIVES

- To incrementally work towards emissions reduction and energy usage goals outlined in the ECPP and CCAP.
- To continue Green Neighborhood Grant Program implementation.
 - To ensure Green Neighborhoods Grant Program outreach is performed equitably for all neighborhoods.
- To implement composting and every-other-week garbage collection pilot projects in conjunction with Green Neighborhoods Grant Program.
- To continue selling composting bins to Town residents.
- To move forward and relaunch the Energy-Efficiency Revolving Loan Fund
 - Increase the number of loans and/or grants to Carrboro residents.
- To hold events and increase outreach related to food choices.
- To continue to hold invasive species removal events and support an independent invasive species removal volunteer program.
- To continue to provide support to the Town Facilities Rehabilitation Project
- To meet requirements for participation in the Bee City USA and hold pollinator outreach events.
- To continue to support an Eagle Scout Stormwater Project to improve and restore a Town rain garden.
- To continue participation in collaborative initiatives such as the Orange County Climate Council and North Carolina Cities Initiative and continue membership in organizations including Local Governments for Sustainability (ICLEI) and the Southeast Sustainability Directors’ Network (SSDN).
- To work with Center for Advanced Hindsight and Orange County on a Transportation Demand Management (TDM) Grant Project.

- To explore participation in TDM programs such as the Best Workplace for Commuters Program.
- To create and implement a Recognition Program for Climate Action-Friendly Businesses.
- To continue working with volunteers to create and distribute educational presentations for the CCAP Modules Project.
- To assist Piedmont Electric Membership Corporation (EMC) with part of a grant match to install a Level 1 Electric Vehicle (EV) Charging Station at Carrboro Plaza.
- To provide a staff monitor for the Carrboro Farmers' Market compost collection and provide input to the Town Hall dumpster enclosure redesign for composting storage.
- To hire and support an intern position.
- To explore grants for potential future Town applications, including the NCFS Urban & Community Forestry (U&CF) Grant Program
- Implement a study to consider the total electrification of the Town's fleet.

BUDGET SUMMARY - CLIMATE ACTION

	2019-20	2020-21	2021-22	
	Actual	Adopted Budget	Adopted Budget	Pct Change
Personnel	-	88,240	169,059	91.6%
Operating	-	41,351	139,190	236.6%
TOTAL	\$ -	\$ 129,591	\$ 308,249	137.9%

Funding:

General Revenues	-	128,591	307,949	139.5%
Department Revenues	45	1,000	300	-70.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

The expenses include new initiatives for the Community Climate Action Plan. Personnel expenses increased due to the addition of an Environmental Planner position and for temporary salaries for a Farmer's Market organics program.

COMMUNICATION & ENGAGEMENT

1.5 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

- Developed the Inclusive Carrboro Communications and Community Engagement Plan.
- Initiated a Neighborhood Message Center Network and Neighborhood Liaisons Program.
- Initiated the weekly newsletter *Carrboro This Week*.
- Expanded video as a core tool for virtual engagement.
- Established Town Multimedia Image Library.
- Initiated Monthly Analytics for Town communications channels.
- Coordinated with County communicators on COVID-19, 2020 General Election, and Census.

UPCOMING FISCAL YEAR OBJECTIVES

- Complete Town Website redesign.
- Expand Neighborhood Information Network.
- Develop organizational communications guidance.
- Hold community conversations with liaisons and partners.
- Establish organizational graphic design tool/platform.

BUDGET SUMMARY - COMMUNICATION & ENGAGEMENT

	2019-20	2020-21	2021-22	
	Actual	Adopted Budget	Adopted Budget	Pct Change
Personnel	-	-	147,071	█ #DIV/0!
Operating	-	-	30,217	█ #DIV/0!
TOTAL	\$ -	\$ -	\$ 177,288	█ #DIV/0!

Funding:

General Revenues	-	-	177,288	█ #DIV/0!
Department Revenues	-	-	-	█ #DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

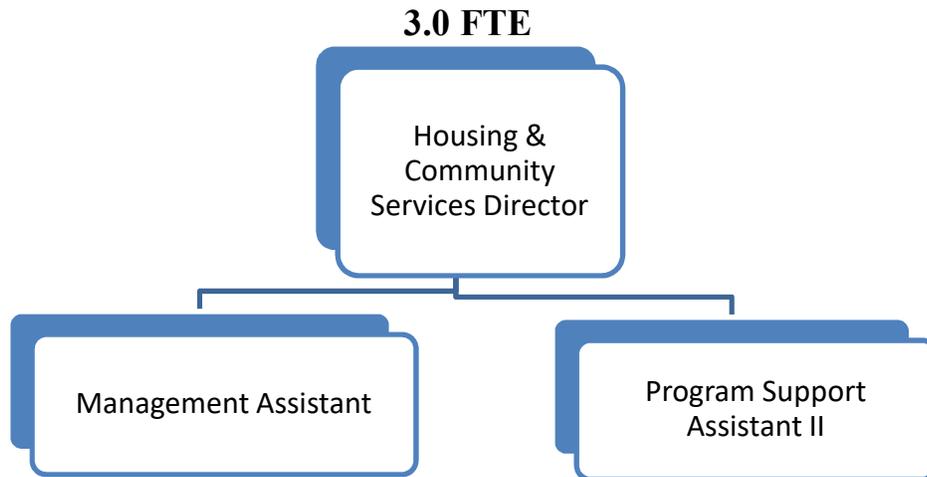
This is a newly created division and includes one employee that was previously reported under the Town Manager budget. The expenses include items related to providing clear and timely communications to citizens and staff.

PERFORMANCE MEASURES

	FY2018-19 ACTUAL	FY 2019-20 ACTUAL	FY 20-21 ESTIMATED	FY 21-22 PROJECTED
Meet or exceed Audience Growth Rate of 5% on Twitter, Facebook, Instagram, Nextdoor and Town email *	N/A	N/A	5%	5%
Meet or exceed the 2018 Biennial Citizen Survey results for respondents who are “satisfied” with Carrboro making information available to citizens concerning important services, projects, issues, and programs.	64%	N/A	N/A	64%
Meet or exceed the 2018 Biennial Citizen Survey results for respondents who are “satisfied” with the opportunities Carrboro gives them to participate in the decision-making process.	61%	N/A	N/A	61%
Meet or exceed the 2018 Biennial Citizen Survey results for respondents who are “informed” about government services, projects, issues, and programs that affect them.	59%	N/A	N/A	59%

* **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 for community nonprofits who deliver services to households in need.
- 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.
- Researches 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

- Responded to the pandemic crisis by organizing and supporting food and mask distributions, streamlining emergency housing assistance, and conducting tenant and landlord outreach and education regarding evictions.
- Streamlined the emergency housing application process that provided over \$300,000 in CARES Act funding to Carrboro residents.
- Awarded \$900,000 in CDBG-CV 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.
- Created an application process for CARES Act funding of nonprofits who provided vital services to Carrboro residents. \$55,000 was awarded to 16 nonprofits.
- Strengthened the reporting process for Human Services funded-nonprofits and improved support of the Human Services Commission.
- \$274,000 awarded to 47 community nonprofits to support Human Services in FY20-21.

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.
- Development of an updated Affordable Housing Goals and Strategies document, in conjunction with the Comprehensive Plan.
- Develop and adopt a manufactured home policy.
- Develop and implement a strategy for using Town owned-land to create affordable housing.
- Develop a framework to assist the Human Services Commission in the evaluation of funding applications.

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, total funding amount.
- Continued successful completion of the Human Services annual application cycle; number of non-profits assisted, number of Carrboro residents served.

	FY 2018-2019 ACTUAL	FY 2019-2020 ACTUAL	FY 2020-2021 ESTIMATED	FY 2021-2022 PROJECTED
# new affordable units - homeownership	69	70	74	76
# new affordable units - rental	368	370	377	380
# of households receiving EHA	9	24	247* (COVID)	212
% satisfied with affordable housing efforts - Community Survey	51.1%	N/A	N/A	60.0%
# affordable housing grants awarded	6	6	5	6
\$ affordable housing funds awarded	\$310,723	\$352,440	\$355,500	\$360,500
# nonprofits assisted - Human Services	48	47	48 (+16, COVID)	49
# Carrboro residents served – Human Services	6,394	9,419	9,885	10,054

* since the beginning of the pandemic, March 2020

BUDGET SUMMARY - HOUSING & COMMUNITY SERVICES

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	-	205,864	242,199	17.7%
Operating	-	332,280	346,705	4.3%
TOTAL	\$ -	\$ 538,144	\$ 588,904	9.4%
General Revenues	-	498,144	588,904	18.2%
Department Revenues	-	40,000	-	-100.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel services increased due to a retirement of part-time staff and replaced with a full-time person. The training, conferences, and travel budgets were restored for FY22 for a total amount of \$8,050. Human Service Grants are \$6,400 higher than the FY21 budget because payments were advanced in late FY20.

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 citizens 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.
- Researches 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

- Continued North Carolina Certified Municipal Clerk Designation
- 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.
- Led Town’s Citizen’s Academy
- Led Gender-Neutral Update and Comprehensive Update of Town Code

UPCOMING FISCAL YEAR OBJECTIVES

- To increase the number of electronically indexed contracts.
- To continue educational requirements for Master Municipal Clerk Designation from the International Institute of Municipal Clerks.
- To continue scanning of contracts.
- To continue using Granicus agenda, meeting, and minute management software for efficient meetings.

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

	FY2018-19 ACTUAL	FY2019-20 ACTUAL	FY2020-21 ESTIMATED	FY2021-22 PROJECTED
# of Town Contracts on file with the Town Clerk	2140	2160	2180	2200
# of Council Minutes Prepared by Town Clerk	37	37	37	40
# Employee Hours Spent Electronically Indexing Contracts	12	40	40	20
# of Town Contracts Electronically Indexed	2100	2100	2180	2200
Employee Hours Per Set of Council Minutes Prepared	2.0	2.0	2.0	2.0

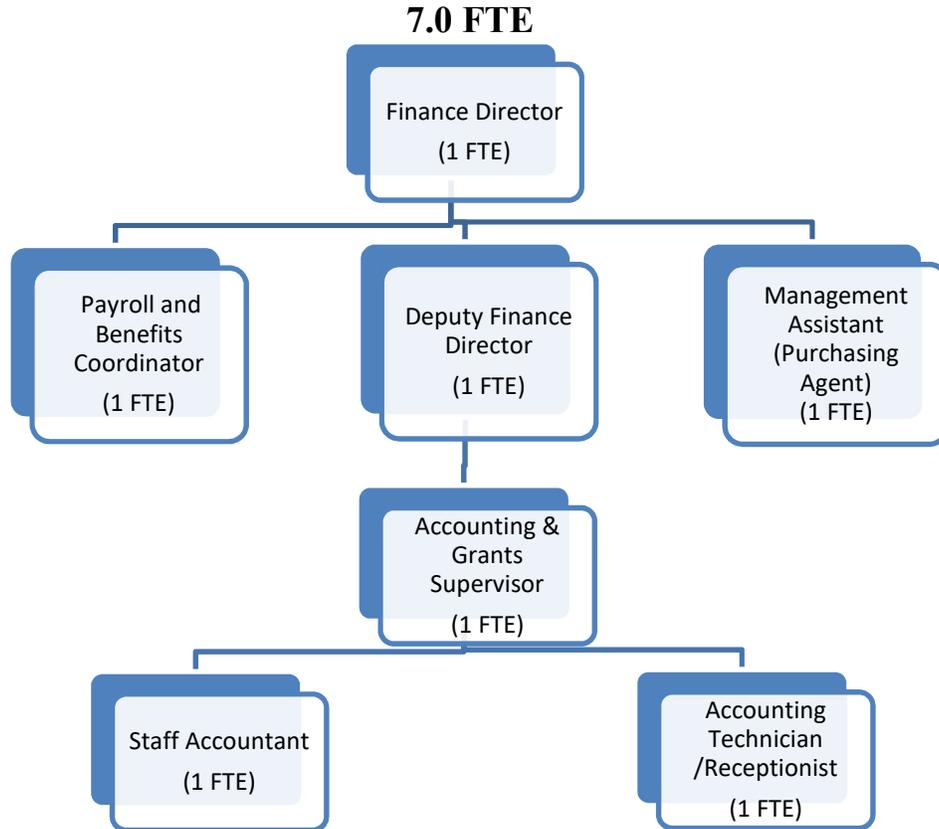
BUDGET SUMMARY - TOWN CLERK

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	135,752	137,327	132,905	-3.2%
Operating	18,129	18,820	21,545	14.5%
TOTAL	\$ 153,881	\$ 156,147	\$ 154,450	-1.1%
General Revenues	153,881	156,147	154,450	-1.1%
Department Revenues	-	-	-	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

The training, conferences, and travel budgets were restored for FY22 for a total amount of \$3,000.

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

- Implemented Executive Time, on-line time and attendance system integrated with MUNIS Payroll System.
- Successful on-site auction sale of surplus property.
- Implemented comprehensive purchasing and contracts manual.
- Completed successful audit for year ending June 30, 2020 with no major audit findings.
- Received Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.
- Worked with Human Resources to implement holiday and compensatory time leave policies that reduce the Town's long-term financial liability.

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.
- 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

	FY2018-19 ACTUAL	FY2019-20 ACTUAL	FY2020-21 ESTIMATED	FY2021-22 PROJECTED
Process Bi-Weekly Payroll for Town Employees	26	26	26	26
Number of Invoices Processed Annually	8397	7775	8164	8572
Percent of Invoices paid within 30 days	72%	75%	80%	90%
Number of Purchase Orders Issued Annually	223	213	180	220
Number of Contracts Issued Annually	197	346	350	370
Number of capital/grant projects managed	26	45	53	59
Number of capital/grant projects closed out	12	13	15	12
% 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	N/A	100%
Receive less than 2 audit findings & response comments by Independent Auditors Each Year	0	1	0	0
Gen Fund Expenditures at year-end are within +/-5% of the Original Budget	(4.20%)	(7.70%)	(5.00%)	(5.00%)
Actual Revenues at year-end are within +/-5% of Original Budget	10.17%	3.03%	5.00%	5.00%

BUDGET SUMMARY - FINANCE

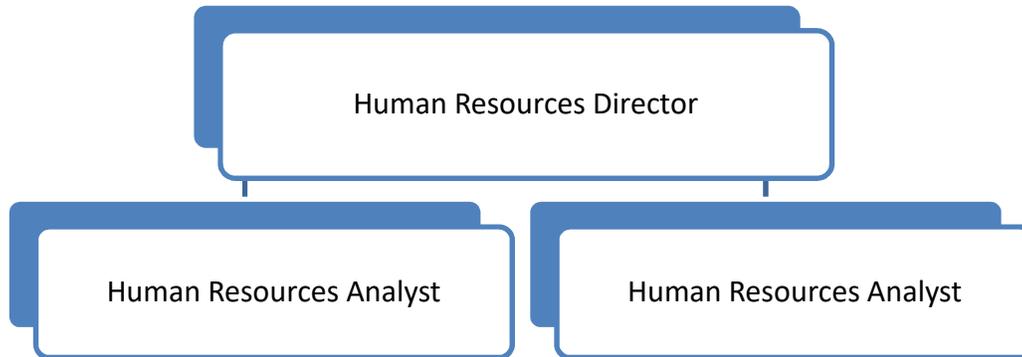
	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	715,854	774,102	699,450	-9.6%
Operating	470,852	504,528	556,175	10.2%
TOTAL	\$1,186,706	\$1,278,630	\$ 1,255,625	-1.8%
General Revenues	1,113,834	1,244,630	1,221,625	-1.8%
Department Revenues	72,872	34,000	34,000	0.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs have decreased due to the shift of the Safety Officer from Finance to HR. The training, conferences, and travel budgets were restored for FY22 for a total amount of \$12,340. Other operating cost increases include audit costs and general insurance.

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 gifts in lieu of in-person spring picnic.
- Kept employee abreast of Covid-19 information and Town precautions.
- Conducted new employee orientation sessions and benefits enrollment seminars.
- Virtual employee holiday party.
- Recognized and rewarded employee service milestones.
- Conducted coaching and counseling sessions for department directors.
- Attended bi-monthly Area HR meetings, and host once a year.
- Provided direct communication to each employee on benefits deductions.
- Provided each employee with a total compensation statement.
- Assembled a wellbeing committee and surveyed employees on wellbeing initiatives.
- Began tracking FLMA leave electronically for better compliance and record-keeping.
- Key player in G.A.R.E. initiative.
- Implemented system to track eFMLA and EPSL according to federal mandate.
- Organized supervisory training for 60 of the Town's supervisors.

UPCOMING FISCAL YEAR OBJECTIVES

- Partner with the Town's benefits broker and insurance providers to seek ways to reduce town-provided, and voluntary benefits, 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.
- Provide computer skills, character building, and leadership training for employees so that job performance and job satisfaction will improve.
- 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.
- Establish regular Employee Safety Committee meetings.
- Create a comprehensive wellbeing plan for employees.

TOWN COUNCIL PRIORITIES

Enhance quality of life/place issues for everyone.

PERFORMANCE MEASURES

	FY2018-19 ACTUAL	FY2019-20 ACTUAL	FY 2020-21 ESTIMATED	FY2021-22 PROJECTED
Positions Filled	44	53	40	48
Employee Appreciation Events and Rewards	4	4	4	4
Trainings, Orientations and other Information Sessions	26	30	28	30
Wellness Events	1	3	1	3
Individual Wellness Sessions, Referrals, Interventions	5	10	5	10
New Policies/Procedures/ Programs Revised or Developed	4	3	2	5
HR Staff - Trainings	2	5	2	5

BUDGET SUMMARY - HUMAN RESOURCES

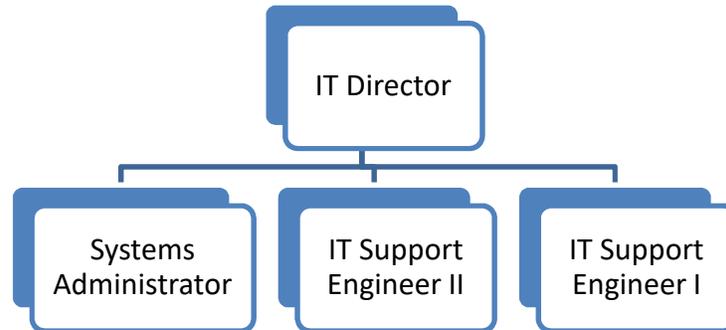
	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	535,276	578,187	634,545	9.7%
Operating	90,228	69,720	89,720	28.7%
TOTAL	\$ 625,504	\$ 647,907	\$ 724,265	11.8%
General Revenues	625,504	647,907	724,265	11.8%
Department Revenues	-	-	-	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs have increased due to the shift of the Safety Officer from Finance to HR. The training, conferences, and travel budgets were restored for FY22 for a total amount of \$5,000, and \$5,000 added for organizational development.

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, citizens 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

	FY2018-19 ACTUAL	FY2019-20 ACTUAL	FY2020-21 ESTIMATED	FY2021-22 PROJECTED
# of Workstations, Laptops, iPads Supported	184	192	203	203
# of Emergency Services Mobile Terminals Supported	50	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

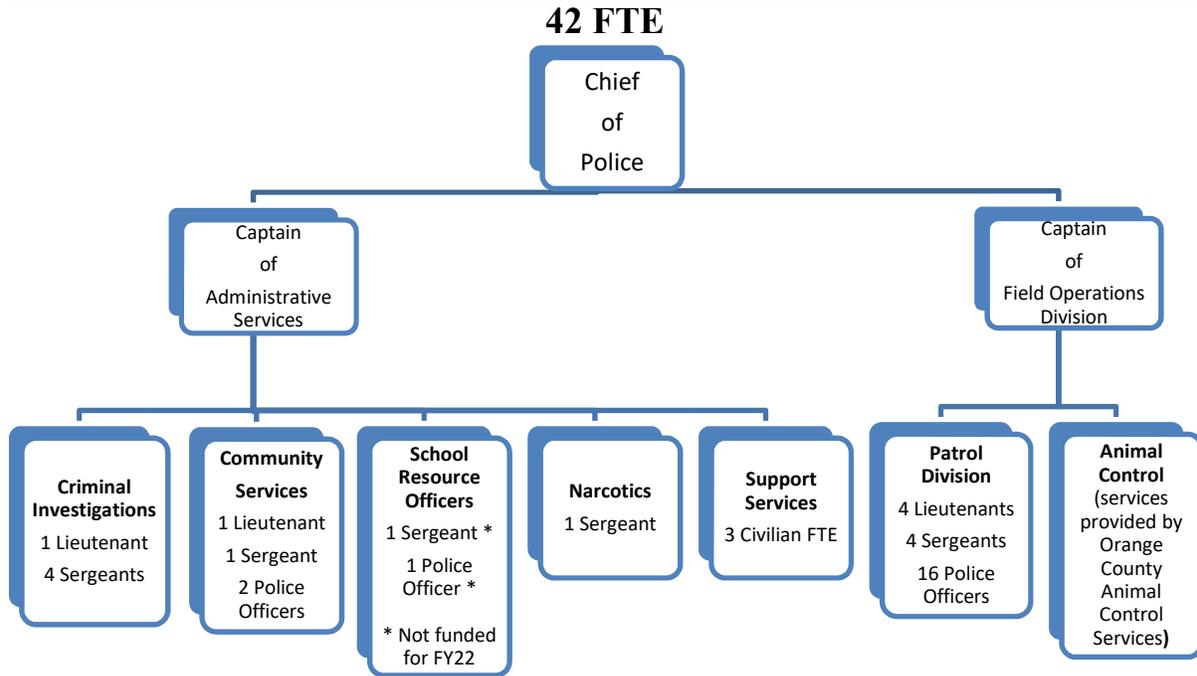
	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	338,482	337,303	435,943	29.2%
Operating	1,315,432	1,411,247	1,452,050	2.9%
Capital Outlay	148,193	-	30,000	#DIV/0!
TOTAL	\$1,802,107	\$1,748,550	\$ 1,917,993	9.7%
General Revenues	1,760,607	1,694,800	1,863,593	10.0%
Department Revenues	41,500	53,750	54,400	1.2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs increased due to the addition of another position. The training, conferences, and travel budgets were restored for FY22 for a total amount of \$11,300. Additional operating cost increases include expenditures for computer equipment, contractual services for computer software/hardware support, hosted services, network connectivity, dues, and capital equipment.

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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, however, the SROs are not being funded in FY22; 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.
- Adjusted 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 (PPE) 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 trained on Fair and Impartial Policing.
- Participated in the NCWatch4Me program concerning pedestrian and bicycle safety.
- Completed the Town of Carrboro GARE training for all employees.

UPCOMING FISCAL YEAR OBJECTIVES

- 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.
- Maintain the number of 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.
- Maintain current staffing levels.
- Continue partnership with Public Works and Recreation and Parks staff to provide a safe setting for all special events.

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. Maintain pedestrian safety operations.
4. Increase bicycle safety operations.
5. Maintain Carrboro’s safety for residents by reducing open-air drug market.
6. Increase Community Service outreach.

PERFORMANCE MEASURES

	FY 2018-19 ACTUAL	FY 2019-20 ACTUAL	FY 2020-21 ESTIMATED	FY 2021-22 PROJECTED
Calls for Service	23,522	21,533	20,990	22,019
Motor Vehicle Accidents	526	452	439	488
Criminal Arrests	399	324	312	344
Pedestrian Crossing Citations Issued	5	0	4	4
Bicycle Traffic Operations	4	5	4	5
Pedestrian Safety Operations	4	2	2	3
Narcotics Arrests	45	11	15	22
Community Events Involvement	108	153	192	180
Percent Change in Pedestrian Safety Operations	100% Increase	50% Decrease	0% Change	50% Increase
Percent Change in Pedestrian Crossing Citations Issued	62% Decrease	100% Decrease	400% Increase	0% Change
Percent Change in Bicycle Traffic Operations	400% Increase	25% Increase	20% Decrease	25% Increase

DEPARTMENT BUDGET SUMMARY

BUDGET SUMMARY - POLICE DEPARTMENT

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	3,513,170	3,702,405	3,528,094	-4.7%
Operating	440,785	488,291	478,280	-2.1%
TOTAL	\$3,953,955	\$4,190,696	\$ 4,006,374	-4.4%
General Revenues	3,732,234	3,982,252	3,795,780	-4.7%
Department Revenues	221,721	208,444	210,594	1.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in personnel costs due to insurance adjustments. Operating costs decreased due to a shift of the ALERT program from contractual to personnel expense.

DIVISION LEVEL SUMMARIES

BUDGET SUMMARY - POLICE ADMINISTRATION

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	668,053	661,275	621,100	-6.1%
Operating	39,588	42,510	42,510	0.0%
TOTAL	\$ 707,641	\$ 703,785	\$ 663,610	-5.7%
General Revenues	677,648	684,735	643,810	-6.0%
Department Revenues	29,993	19,050	19,800	3.9%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Decrease in personnel costs due to retirements and new staff and a reduction in early separation allowances.

BUDGET SUMMARY - POLICE PATROL

	2019-20	2020-21	2021-22	
	Actual	Adopted	Adopted	Pct Change
		Budget	Budget	
Personnel	1,864,336	1,904,335	1,800,189	-5.5%
Operating	244,011	274,614	255,614	-6.9%
TOTAL	\$2,108,347	\$2,178,949	\$ 2,055,803	-5.7%
General Revenues	2,087,372	2,159,949	2,035,403	-5.8%
Department Revenues	20,975	19,000	20,400	7.4%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in personnel costs reflect a budget at full staffing levels and a shift of \$19,000 from contractual services for the ALERT program, which also explains the decrease in operating expenditures.

BUDGET SUMMARY - POLICE COMMUNITY SERVICES

	2019-20	2020-21	2021-22	
	Actual	Adopted	Adopted	Pct Change
		Budget	Budget	
Personnel	521,592	622,871	610,634	-2.0%
Operating	32,037	34,033	34,033	0.0%
TOTAL	\$ 553,629	\$ 656,904	\$ 644,667	-1.9%
General Revenues	390,234	493,510	481,273	-2.5%
Department Revenues	163,395	163,394	163,394	0.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in personnel costs due to insurance adjustments.

BUDGET SUMMARY - POLICE INVESTIGATIONS

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	459,189	513,924	496,171	-3.5%
Operating	26,573	34,805	38,010	9.2%
TOTAL	\$ 485,762	\$ 548,729	\$ 534,181	-2.7%
General Revenues	485,762	548,729	534,181	-2.7%
Department Revenues	-	-	-	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in operating costs due to \$3,500 in uniforms that was not budgeted in FY21.

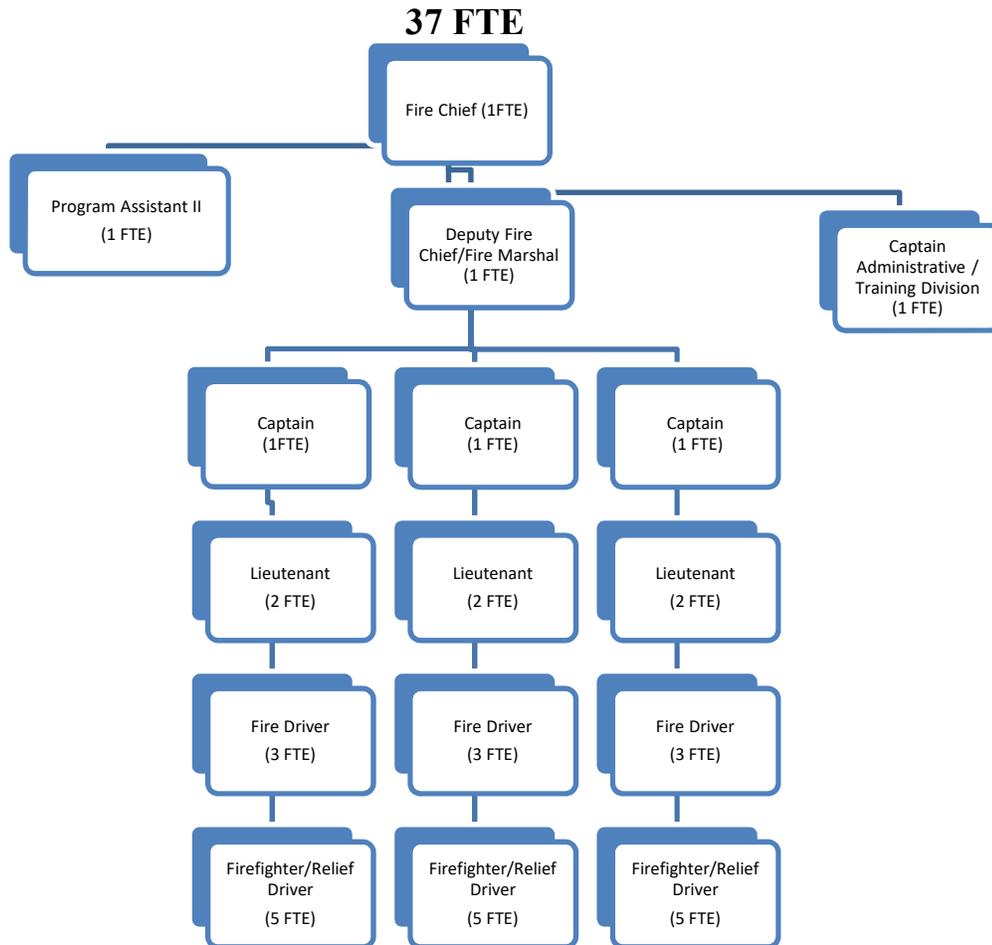
BUDGET SUMMARY - POLICE ANIMAL CONTROL

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Operating	98,576	102,329	108,113	5.7%
TOTAL	\$ 98,576	\$ 102,329	\$ 108,113	5.7%
General Revenues	91,218	95,329	101,113	6.1%
Department Revenues	7,358	7,000	7,000	0.0%

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

- Underwent the Insurance Services Office (ISO) Public Protection Classification (PPC) evaluation and improved from a Class 3 to a Class 2 for fire insurance. This new rating places Carrboro in the top three percent of communities in North Carolina, and the top four percent of communities nationwide in regards to fire protection abilities.
- Replaced the organizational divisions with functional workgroups. This organizational change allows for employees working across the three shifts to be involved in a workgroup.
- Revised the components of the promotional process to become a more inclusive process for the following ranks: Relief Driver, Driver Operator, Lieutenant, and Captain.
- Completed promotional process for all eligible ranks which resulted in eight promotions of CFRD employees.
- Revised the components of the new hire process, as well as partnered with local and National organizations, to market job openings to underserved/marginalized communities.
- Completed a new hire process which included hosting practice sessions for the written exam as well as the physical agility aspects of the exam. The new process resulted in the hiring of three new employees, all three were Orange County residents, including one Carrboro resident.
- Oversaw the purchasing of three disinfection machines in an effort to sanitize Town facilities as a result of the COVID-19 pandemic.
- Purchased a water tank truck, the first for Carrboro Fire Rescue since 1993.
- Began to develop succession planning, as well as professional development, for ranks within the Fire Department.
- Sought grant funding opportunities from the Federal Emergency Management Agency.

UPCOMING FISCAL YEAR ACTIVITIES

- Annually host an open house to deliver safety messages to the community based upon the top three identified community risks. The goal of the open house will be to reach a minimum of 300 individuals.
- Conduct public education to independent and assisted living occupancies to educate the geriatric community on the top three issues directly affecting this demographic. The public education will be conducted quarterly to meet the goal of reaching 75% of independent and assisted living occupancies by June 30, 2022.
- Research and develop comprehensive third grade lesson plans to address the top three identified community risks applicable to youth by June 30, 2022, if children return to normal school schedules.
- Develop a comprehensive inventory system by December 31, 2021 that will list all tools, equipment, and materials that have an end-of life. The system would also show items in need of replacement and their corresponding costs.
- Conduct a canvas of neighborhoods, to ensure the installation and operation of smoke detectors. Special attention will be paid to neighborhoods/areas where smoke detector installation has been in question or non-existent. The fire department will canvas a minimum of four neighborhoods that house marginalized individuals.

TOWN COUNCIL PRIORITIES

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

OBJECTIVES

1. Quarterly and annually review total call volume in the Town of Carrboro and the South Orange Fire District to identify trends in call volume.
2. 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.
3. Conduct a community risk analysis to identify hazards and develop/adjust community risk reduction interventions to address identified risks.
4. Evaluate incident data in an effort to obtain a response time of 6 minutes and 30 seconds or less, 90% of the time within the Town of Carrboro.
5. Evaluate incident data in an effort to obtain a response time of 10 minutes or less, 90% of the calls within the South Orange Fire District.
6. Confirm that fire-rescue personnel will meet the annual ISO training requirements.
7. Confirm that 100% of life safety violations will be documented and the occupant owner charged with repairing them within 90 days.

PERFORMANCE MEASURES

	FY 2018-19 ACTUAL	FY 2019-20 ACTUAL	FY 2020-21 ESTIMATED	FY 2021-22 PROJECTED
Fire Inspections	963	1,054	87	1,000
Total Responses	2,184	1,786	1,228	1,517
Fire & EMS Responses - Town	1,732	1,388	911	1,252
Fire & EMS Responses - County	360	268	218	251
90% of calls within Town limits will have a TOTAL response time of 6:30 or less*	07:01	07:24	07:20	06:57
90% of calls within the SO District will have a TOTAL response time of 10:00 or less*	10:05	09:43	09:54	10:06
100% of fire-rescue personnel will meet the ISO training requirements	97% facility training, 100% all other categories	91% facility training, 100% all other categories	100%	100%
100% of life safety violations repaired and documented w/in 90 days	100%	100%	100%	100%

DEPARTMENT BUDGET SUMMARY

BUDGET SUMMARY - FIRE DEPARTMENT

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	2,857,507	2,940,069	2,874,299	-2.2%
Operating	271,602	246,114	270,414	9.9%
Capital Outlay	11,813	-	56,800	#DIV/0!
TOTAL	\$3,140,922	\$3,186,183	\$ 3,201,513	0.5%
General Revenues	2,550,335	2,602,888	2,613,713	0.4%
Department Revenues	590,587	583,295	587,800	0.8%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs remained steady and operating expenses increased primarily due to training and conferences.

DIVISION LEVEL SUMMARIES

BUDGET SUMMARY - FIRE SUPERVISION

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	368,913	370,108	379,529	2.5%
Operating	39,342	42,150	43,250	2.6%
TOTAL	\$ 408,255	\$ 412,258	\$ 422,779	2.6%

General Revenues	-	-	-	#DIV/0!
Department Revenues	576,467	569,695	571,100	0.2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in personnel services is due to insurance and retirement benefits. Conference expense increased \$1,800.

BUDGET SUMMARY - FIRE SUPPRESSION

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	2,488,594	2,569,961	2,494,770	-2.9%
Operating	232,260	203,964	227,164	11.4%
Capital Outlay	11,813	-	56,800	#DIV/0!
TOTAL	\$2,732,667	\$2,773,925	\$ 2,778,734	0.2%

General Revenues	2,718,547	2,760,325	2,762,034	0.1%
Department Revenues	14,120	13,600	16,700	22.8%

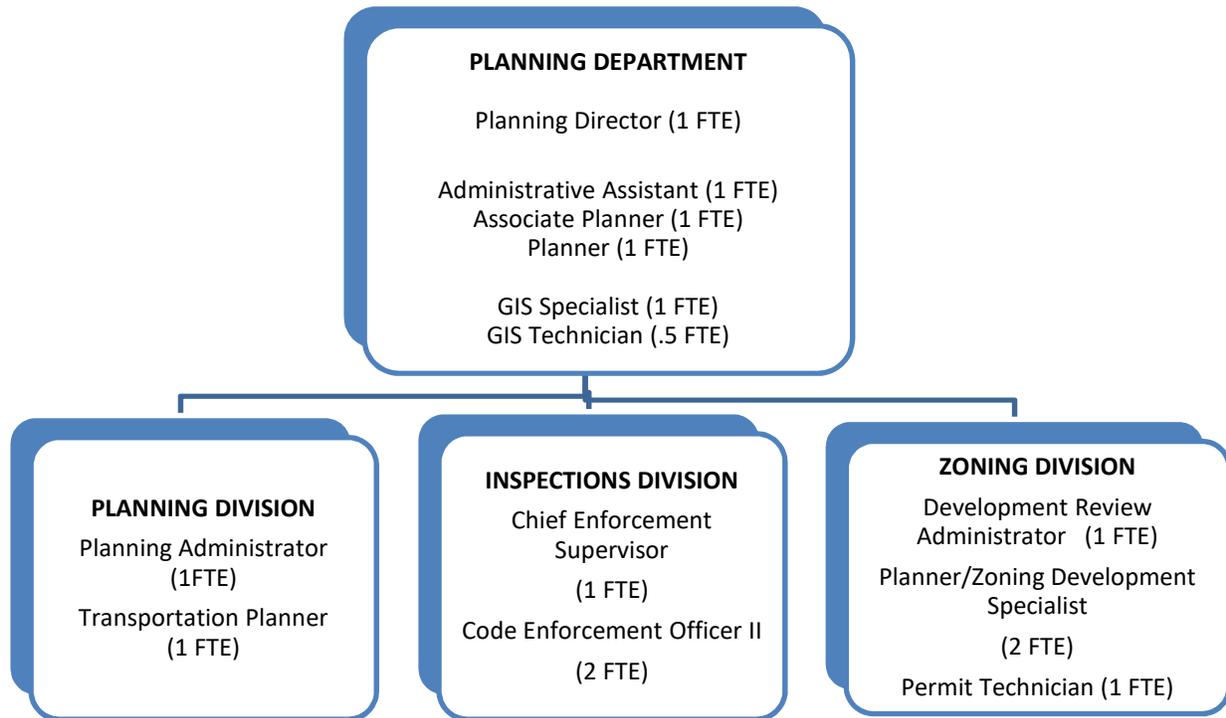
CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Training costs increased \$10,000.

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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, 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 evaluate and support commercial/office/business/residential mixed use developments in new or redeveloping areas in support of strategic priorities to diversify revenue streams and maintain ethnic and economic diversity.
- To excel in GIS technology and other means of access to Town information and services, including downloadable data sets, location-based functions.

- To cooperate with federal, state, county and municipal governments and multi-national companies to provide new and leverage existing GIS technology and data in the service of the Town government, staff, and citizens.

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

- Completion of Historic Rogers Road residential rezoning.
- Preparation of initial 10-year Climate Action Budget.
- Schematic Design approval for the 203 Project, with a new County partner...the Orange County Skills Development Center.
- Bicycle Transportation Plan update completed December 2020.
- Seamless transition to remote work/virtual work due to the COVID-19 pandemic. Additional permit process (special and conditional use permits) through online portal.
- GIS application, database, and web server upgrades.
- Ongoing maintenance of Town boundaries with the U.S. Census for accurate data collection.
- Substantial completion of HMGP home elevation projects.

UPCOMING FISCAL YEAR OBJECTIVES

- Coordinate the development process, including permitting and construction authorization, for uses at the 203 South Greensboro property.
- Complete the design process for pedestrian and bicycle improvements (e.g. South Greensboro Street and Jones Creek).
- Coordinate and manage the completion of the comprehensive planning process.
- Complete transition of zoning applications to Energov, including development of new Active Projects Report.
- 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

	FY2018-19 ACTUAL	FY 2019-20 ACTUAL	FY 2020-21 ESTIMATED	FY 2021-22 PROJECTED
# of LUO Amendments	6	8	3	12
# of Conditional Use Permits	3	4	2	2
# of Special Use Permits	0	1	0	1
# of Zoning Permits	63	98	115	105
# of Bldg Permits for New Residential Units in Town	31	25	21	48
Bldg Permit Construction Value for New Residential in Town	\$7.5M	\$8.6M	\$9.4M	\$17.3M
Bldg Permit Value for New Commercial in Town	\$5.0M	\$1.0M	\$3.7M	\$28.0M
# of Cos Issued for New Residential Units in Town	105	121	27	48
Inspections per day per Inspector FTE	9.5	11.7	8.2	8.1

DEPARTMENT BUDGET SUMMARY

BUDGET SUMMARY - PLANNING DEPARTMENT

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	1,289,083	1,309,817	1,368,029	4.4%
Operating	134,470	253,768	300,313	18.3%
TOTAL	\$1,423,553	\$1,563,585	\$ 1,668,342	6.7%

General Revenues	1,071,185	1,256,185	1,351,442	7.6%
Department Revenues	352,368	307,400	316,900	3.1%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs increased due to a return to full funded staffing and some temporary salaries, along with insurance and retirement adjustments. Operating increased slightly due to training and conferences.

DIVISION LEVEL SUMMARIES

BUDGET SUMMARY - PLANNING SUPERVISION

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	636,947	656,710	725,258	10.4%
Operating	124,673	233,693	275,943	18.1%
TOTAL	\$ 761,620	\$ 890,403	\$ 1,001,201	12.4%
General Revenues	744,079	865,403	976,201	12.8%
Department Revenues	17,541	25,000	25,000	0.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs increased as a result of a shift of one part-time employee to full-time status, and one position being unfunded in FY21. The training, conferences, and travel budgets were restored for FY22 for a total amount of \$6,800, which was offset by a reduction of \$6,750 in furniture and equipment (non-cap).

BUDGET SUMMARY - PLANNING ZONING

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	361,256	361,547	341,668	-5.5%
Operating	3,069	5,050	8,095	60.3%
TOTAL	\$ 364,325	\$ 366,597	\$ 349,763	-4.6%
General Revenues	289,184	330,097	317,263	-3.9%
Department Revenues	75,141	36,500	32,500	-11.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs decreased due to a retirement in FY21. The training budget was restored for FY22 for a total amount of \$2,800,

BUDGET SUMMARY - PLANNING INSPECTIONS

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	290,880	291,560	301,103	3.3%
Operating	6,728	15,025	16,275	8.3%
TOTAL	\$ 297,608	\$ 306,585	\$ 317,378	3.5%
General Revenues	37,922	60,685	57,978	-4.5%
Department Revenues	259,686	245,900	259,400	5.5%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs increased for insurance and \$14,400 for temporary salaries for inspection assistance during peak times. The training budget increased by \$900 and supplies by \$250.

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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.

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 2019 are provided in the table below.

Service Consumption FY2019	Fixed Route	Demand Response
Annual Passenger Miles	11,760,560	312,514
Annual Unlinked Trips	6,573,363	68,200
Average Weekday Unlinked Trips *	26,226	
Average Saturday Unlinked Trips *	2,752	
Average Sunday Unlinked Trips *	1,582	
Service Supplied	Fixed Route	Demand Response
Annual Vehicle Revenue Miles	1,790,736	335,799
Annual Vehicle Revenue Hours	162,690	28,637
Vehicles Operated in Maximum Service	87	14
Vehicles Available for Maximum Service	94	18

Source: National Transit Database, FY2019

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

- In FY2019, the total system ridership was 6.64 million, which was a 0.75 percent increase from FY2018.
- 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 more effectively manage current level of public transportation service, including shelters at bus stops, in Carrboro.
- 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 2018-19 ACTUAL	FY 2019-20 ACTUAL	FY 2020-21 ESTIMATED	FY 2021-22 PROJECTED
Average Daily Ridership (Boarding)	3,593	3,650	3,200	3,600
Average Daily Ridership (Alighting)	3,339	3,390	3,010	3,300

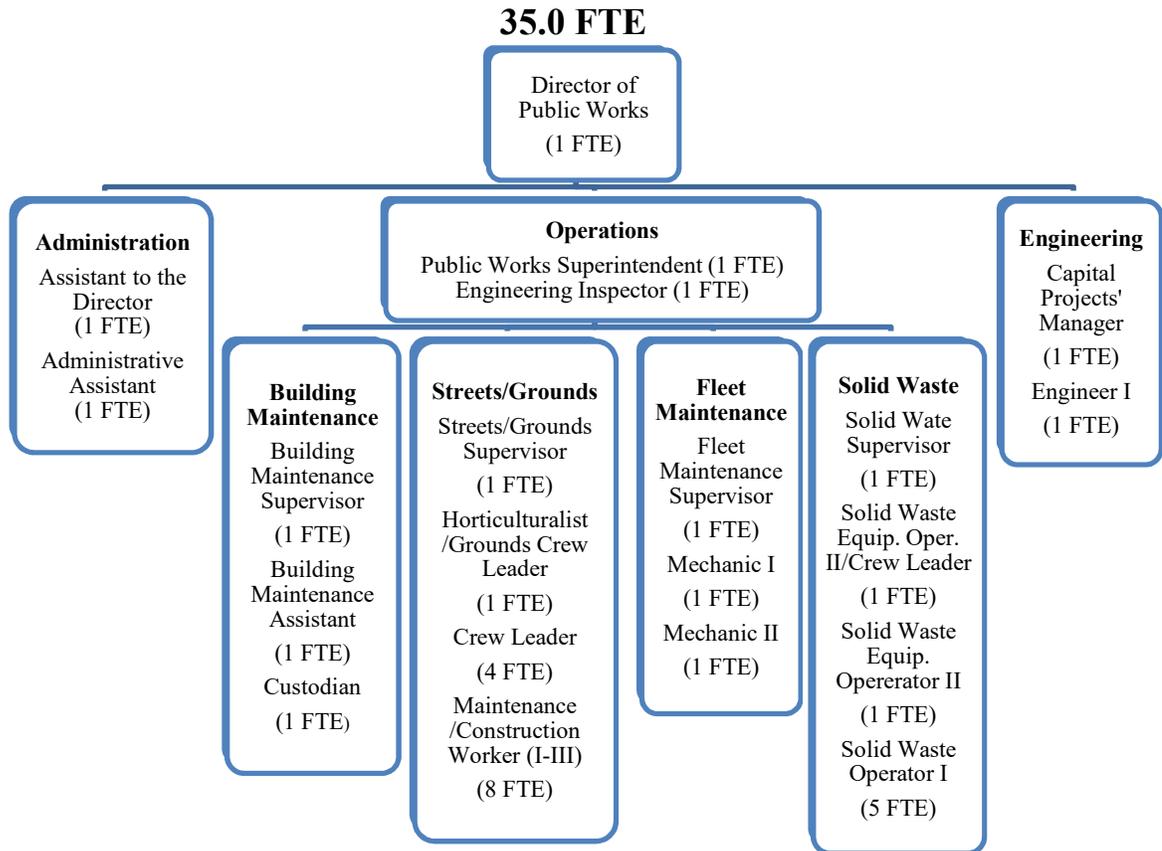
BUDGET SUMMARY - TRANSPORTATION

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Operating	1,835,146	1,946,000	1,928,168	-0.9%
Capital Outlay	-	83,600	83,600	0.0%
TOTAL	\$1,835,146	\$2,029,600	\$ 2,011,768	-0.9%
General Revenues	1,768,597	1,959,600	1,943,768	-0.8%
Department Revenues	66,549	70,000	68,000	-2.9%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

The Chapel Hill Transit agreement for FY21 totals \$1,872,008.

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

- Provide timely, cost effective maintenance of 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.
- Administer construction projects within budget and on schedule.
- To assist the Town to meet their overarching goals and objectives by providing various engineering services.
- To achieve, and exceed where possible, stormwater performance standards established in the Town Code, Land Use Ordinance, and by the State.

SERVICES PROVIDED & ACTIVITIES

- Provide administration and general support for service delivery and construction projects.
- Provide engineering services to improve public health and safety related to streets, stormwater, pedestrian and bicycle safety, Planning department plan review, and other services as needed.
- Provide general street and right-of-way maintenance services which include street repair, street sweeping, sign installation, pavement markings, mowing, 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 Hall, Century Center, Fire Station 1, Fire Station 2, Public Works, bus shelters, and park facilities.
- Manage cemetery operations which includes selling and marking plots at the Town's two cemeteries.
- Beautification of the Town's parks and planting areas, with landscaping and ornamental design.
- Provide park facility and ball field maintenance at the Town's parks, and assist the Recreation, Parks and Cultural Resources Department with special annual events such as Carrboro Day and Independence Day celebrations, Halloween, and the Carrboro Music Festival.
- Provided support for special events within the Town, such as Carrboro Day, Open Streets, Carrboro Music Festival, and Holiday Parade.
- Provide construction administration for Town projects; coordinate with other departments; assess needs; develop plans, approvals, and contracts; and finalize projects.
- Provide construction monitoring and inspection of public improvements within private development projects.
- Provide stormwater services to the Town to address, both the quality, and quantity of stormwater within the Town.
- Maintain and repair Town vehicles and equipment. Maintenance activities include preventative maintenance and inspections.

PREVIOUS YEAR ACCOMPLISHMENTS

- 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.
- Provided support for special events within the Town.
- Identified necessary repairs in the Facility Conditions Assessment and implemented strategies to improve interior appearance and health of various facilities including Town Hall, Century Center, Public Works, Fire Station I, and Fire Station II.
- Installed a new roof on Town Hall which meets the highest efficiency standard of the NC Energy Code.

- Completed/coordinated replacement of Town streetlights leased from Duke Energy, with LED fixtures.
- Continued upgrading light fixtures to LED, replacement of light switches with occupancy sensors in various facilities to reduce energy consumption, and replacement of bulbs that are on 24/7 fixtures.
- Purchased and installed refillable water fountains in all Town facilities, allowing employees and visitors to minimize use of single-use plastic bottles and reduce energy consumption.
- In coordination with the Planning Department, designed several preliminary plans for bicycle and pedestrian improvement projects.
- Design traffic control plans (TCP) for the Century Center Mural and obtained approval from NCDOT for the completion of this project.
- Maintained, organized, and coordinated plan review and comments to assist the Planning Department with various project plan reviews.
- Provided planning, administration, and oversight support of Capital Improvement Projects.
- Completed construction on Rogers Road sidewalk, a project which has recently been submitted to the NCDOT 2020 MOBI awards.
- Implemented the 2020 Street Resurfacing Project to keep the streets and curb ramps safe and in good condition for all users; and made improvements strategically and efficiently to ensure safer and longer-lasting streets and curbs.
- Continued leaf mulch pile configuration adjustments and oversight to be in compliance with DENR requirements. Over 3,000 cubic yards of yard waste was composted on-site at the Public Works facility.
- Implemented use of new leaf loader to offer year-round loose leaf collection and improve service to residents.
- Carrboro re-certified as a Tree City USA for its 34th year.
- Continued pollinator promoting vegetation plan, installing water wise, native, pollinator producing perennials as primary vegetation throughout Town properties.
- Continued implementation of invasive aquatic vegetation control in Anderson Park Pond.
- Continued pest management plan to control fire ants.
- Maintained and repaired Town vehicles and equipment.
- Purchased new asset management software to enhance service levels and efficiencies of existing operations.
- Hired a new Engineer I and Engineering Inspector allowing for in-house technical review and compliance of construction projects.
- Implemented monthly OSHA safety training for all employees.
- Continued to evaluate current safety practices and record keeping procedures.
- Continued cross training employees to respond to fluctuating workflows and staff shortages.
- Merged the Streets and Landscaping & Grounds Divisions to streamline operations and improve efficiencies.

UPCOMING FISCAL YEAR OBJECTIVES

- Continue to provide residents with aesthetically pleasing and safe facilities.
- Continue to provide Town services in the most efficient, safe, and quality manner including support for special events within the Town.
- Continue to enhance service levels and efficiencies of existing operations by improving knowledge in, and usage of, the Town's GIS capabilities. (Ex. solid waste collection, loose leaf collection, mowing, street sweeping, street and ROW maintenance, street sign maintenance, park assets, and building maintenance).
- Improve and maintain existing infrastructure in order to protect the Town's investments; including interior appearance of various facilities (wall repair, painting, and routine cleaning). Improve public infrastructure so that public perception increases from a B- to an A for the biennial community survey.
- Implement a Master Plan for Town Facilities including strategies to improve energy efficiency and sustainability.
- Incorporate energy and climate protection strategies and upgrades; and work with the Environmental Sustainability Coordinator to identify other energy reducing projects.
- Administer contracts for bi-annual street resurfacing, sidewalk improvements, and pavement markings based on maintenance needs identified in the Pavement Condition Survey and Sidewalk and Curb Ramp Condition Survey.
- Continue to prepare design documents for "Pedestrian and Bicycle Safety projects".
- Continue to coordinate all Planning Department application reviews.
- Continue to assist the Stormwater Division with engineering services for various stormwater management needs.
- Support the continued design and building of the 203 South Greensboro Street Project.
- Assist the Streets and Grounds Division with various engineering services for public benefit and public safety.
- Assist the Capital Improvements Projects with various engineering and construction needs.
- Implement bulk item collection route to improve customer service and efficiency.
- Update all roadway regulatory signs to MUTCD standards with high reflectivity for better visibility.
- Continue to explore funding and grant options for capital projects.
- Work with NCDOT to improve the ADA compliance of pedestrian infrastructure.
- Implement wayfinding signage for the Town municipal parking lots.
- Continue to coordinate and provide support on Capital Improvement Projects for greenways, roadways, sidewalks, biking improvements, bus shelter replacement, and projects outlined in the Facilities Rehabilitation Project Fund.
- Continue to evaluate and revise existing policies to improve operational efficiencies including vehicle replacement, employee overtime, safety policies, and emergency operations.
- Further enhance on the job training and certifications of employees to better serve the Town's needs and ensure all Public Works staff complete the Government Alliance on Race and Equity (G.A.R.E.) training.
- Continue to seek out minority firms for contract procurement.

- Continue to evaluate, design, and implement recommendations from the Solid Waste Study including Every-Other-Week collection, and education and outreach. Continue to investigate food waste disposal options. Work with Orange County and the Solid Waste Advisory Group to identify other programs.
- Continue to prepare Public Works for increasingly severe weather due to climate change.
- Continue to work with FEMA to obtain funding, and/or other grant opportunities, for relocation of the Public Works facility due to high risk location hazards.

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. Assist the Town meet its goals and objectives by provide various engineering services.
6. Collect energy data to assure efficiencies in Town buildings and LED street lights.
7. Design and implement alternative solid waste collection pilots based on results from solid waste study.
8. Administer street resurfacing, sidewalk, curb, and ramp projects.

PERFORMANCE MEASURES

	FY 2018-19 ACTUAL	FY 2019-20 ACTUAL	FY 2020-21 ESTIMATED	FY 2021-22 PROJECTED
# of Construction Contracts Administered	3	9	15	15
Miles of Road Maintained	47.40	48.90	48.90	48.90
# of Rollout Containers	4,480	4,530	4,550	4,575
Square feet of Building Space Maintained	61,317	61,317	61,317	61,317
Cost of Centerline Mile Resurfaced (every 2 yrs.)	\$395,460	\$118,117	\$834,450	\$1,000,000
Refuse Tons per 1,000 Population (all sources)	329	312	328	315

DEPARTMENT BUDGET SUMMARY

BUDGET SUMMARY - PUBLIC WORKS

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	2,402,227	2,579,674	2,438,242	-5.5%
Operating	1,463,418	1,498,900	1,569,514	4.7%
Capital Outlay	30,778	35,000	19,000	-45.7%
TOTAL	\$3,896,423	\$4,113,574	\$ 4,026,756	-2.1%

General Revenues	3,154,242	3,515,604	3,434,186	-2.3%
Department Revenues	742,181	597,970	592,570	-0.9%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs decreased due to a departmental reorganization. Operating expenses increased due to a variety of reasons noted in the division level summaries.

DIVISION LEVEL SUMMARIES

BUDGET SUMMARY - PUBLIC WORKS SUPERVISION

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	646,832	676,923	676,982	0.0%
Operating	37,747	71,750	40,667	-43.3%
TOTAL	\$ 684,579	\$ 748,673	\$ 717,649	-4.1%

General Revenues	681,551	747,473	716,149	-4.2%
Department Revenues	3,028	1,200	1,500	25.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs increased due to insurance adjustments. Operating expenses decreased primarily due to a \$40,000 professional services request for the Westwood Cemetery design budgeted in FY21.

BUDGET SUMMARY - PUBLIC WORKS STREETS & GROUNDS

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	370,613	410,858	837,061	103.7%
Operating	366,367	376,894	633,037	68.0%
Capital Outlay	13,185	18,000	19,000	5.6%
TOTAL	\$ 750,165	\$ 805,752	\$ 1,489,098	84.8%
General Revenues	185,161	320,852	1,020,698	218.1%
Department Revenues	565,004	484,900	468,400	-3.4%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

In FY22, the PW Streets and Landscaping divisions were combined into the PW Streets & Grounds division. Personnel costs decreased approximately \$76,000 due to the reorganization. Operating increases include \$40K for parks and grounds mtce, \$9K vehicle repair, \$10K utilities, \$10K supplies, \$60K contractual services, \$14K for a ballfield groomer, and \$12,500 COVID19 related expenses.

BUDGET SUMMARY - PUBLIC WORKS SOLID WASTE

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	474,839	512,521	511,563	-0.2%
Operating	514,712	514,295	512,494	-0.4%
TOTAL	\$ 989,551	\$1,026,816	\$ 1,024,057	-0.3%
General Revenues	905,552	948,016	944,457	-0.4%
Department Revenues	83,999	78,800	79,600	1.0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to insurance adjustments.

BUDGET SUMMARY - PUBLIC WORKS CENTRAL SERVICES

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	208,876	201,484	212,197	5.3%
Operating	306,091	307,536	341,793	11.1%
Capital Outlay	9,279	-	-	#DIV/0!
TOTAL	\$ 524,246	\$ 509,020	\$ 553,990	8.8%

General Revenues	434,096	475,950	510,920	7.3%
Department Revenues	90,150	33,070	43,070	30.2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Increase in Personnel costs due to retirement, insurance, and allocated salaries adjustments. Operating costs saw decreases in building mtce of \$10K, and increases in contractual services of \$20K, and COVID19 expenses of \$22K.

BUDGET SUMMARY - PUBLIC WORKS FLEET MAINTENANCE

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	198,306	222,448	200,439	-9.9%
Operating	55,087	43,000	41,523	-3.4%
Capital Outlay	-	17,000	-	-100.0%
TOTAL	\$ 253,393	\$ 282,448	\$ 241,962	-14.3%

General Revenues	253,393	282,448	241,962	-14.3%
Department Revenues	-	-	-	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Decrease in personnel costs due to staff turnover. Operating expenditures remained steady.

BUDGET SUMMARY - PUBLIC WORKS LANDSCAPING

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	502,761	555,440	-	-100.0%
Operating	183,414	185,425	-	-100.0%
Capital Outlay	8,314	-	-	#DIV/0!
TOTAL	\$ 694,489	\$ 740,865	\$ -	-100.0%
General Revenues	694,489	740,865	-	-100.0%
Department Revenues	-	-	-	#DIV/0!

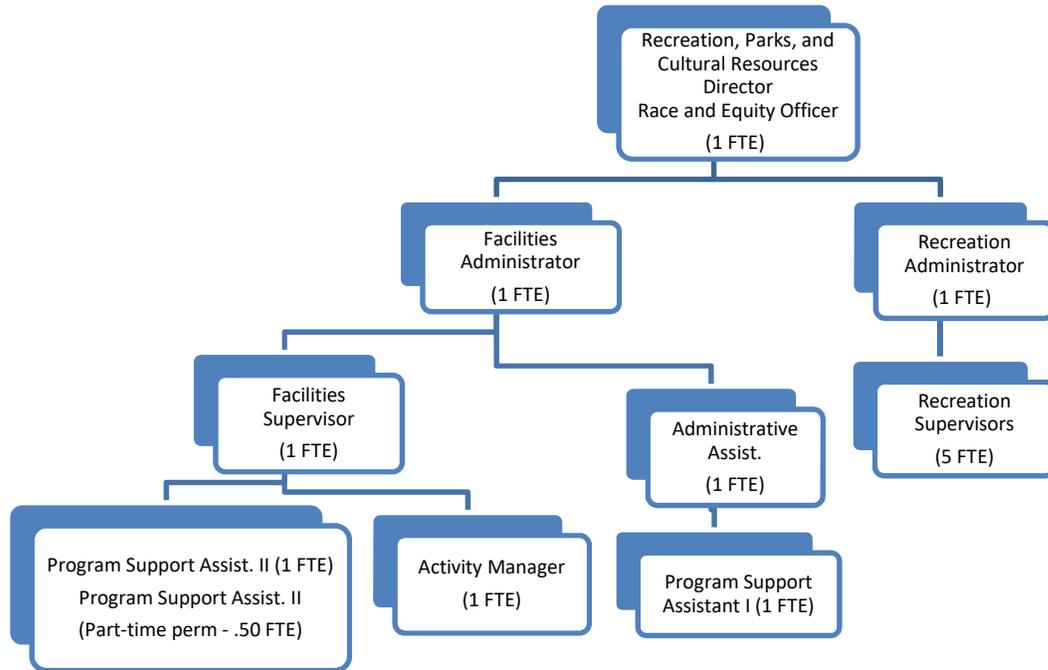
CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

In FY22, 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 citizens, by providing accessible facilities, creative and diverse recreation opportunities, and a safe public park system.

GOALS

- To enhance department marketing strategies for enhancing communication and to better inform local citizens of events, programs, and resources.
- Increase citizen 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 park related Capital Improvements 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 reservations.

SERVICES PROVIDED & ACTIVITIES

- Director serves as the Town's Race and Equity Officer.
- Develop, market, and implement recreation and leisure programs such as leagues, classes, and other events that improve the quality of life for the citizens 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 citizens 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 citizen-based committees, various community groups and organizations, and internal Town committees.

PREVIOUS YEAR ACCOMPLISHMENTS

- Facilitated accessibility of park amenities under Covid-19 guidelines.
- Worked with the Town Clerk, Carrboro Youth Council, Youth Advisory Board, and the NAACP to offer the Dr. Martin Luther King Commemoration Event.
- The Director worked with Town Council, CORE Team, and Orange County teams to normalize, organize, and operationalize racial equity in services, practices and procedures.
- Staffer worked on GARE core team to help facilitate diversity training.
- Partnered with the Town of Chapel Hill, the Chapel Hill-Carrboro City Schools Office of Equity & Inclusion, and other community partners on the first-ever local Juneteenth Festival.
- Staff served on a number of community committees, including Orange County Senior Games, Healthy Carolinians of Orange County, Durham Orange Community Tennis Association, the Orange County Master Aging Plan, Bike Plan Update, and Safe Kids.
- Helped oversee Black Lives Matter mural projects.
- Expanded list of various holidays/awareness days/celebrations to enhance programming and marketing. Examples included new programming during Pride Month and Black History Month.
- Increased the number of businesses and civic organizations utilized for brochure/flyer distribution.
- Utilized the Program Brochure to help with promotion on Town initiatives, such as the Bike Plan Update, recruitment for Town Advisory Boards, and Town development projects.

- Increased the number of recipients for distribution of the Program Brochure, Monthly Program Newsletter, and Poetry Newsletter.
- Worked with the Communications Manager on the re-established Communications Team to increase community outreach and marketing.
- Created the first town YouTube Channel to increase public engagement and promotion of Town communications.
- Secured a \$5,000 grant through Carol Woods to increase access to programming for seniors and created a ‘Thank You’ video that was shared with residents of their living community.
- Presented Open Streets and Carrboro Day virtually via Facebook as the department’s first large virtual community events.
- Partnered with the Music Maker Relief Foundation, Carrboro Tourism Development Authority, and 97.9 The Hill to offer virtual and over-the-air concerts for the Freight Train Blues Concert Series.
- Implemented a virtual edition of the annual Carrboro Music Festival and provided a combination of ~100 live and pre-recorded performances online and via local radio broadcast.
- Offered the annual July 4th Celebration virtually with livestreamed music, online activities, and a socially-distant parade, all throughout the town.
- Coordinated the West End Poetry Festival as a virtual event with the Poets Council; offering an interactive workshop, poetry via Zoom, and the creation of a community poem.
- The Department Director served as the Racial Equity Officer and led the Town with race and equity work, including staff training.
- Implemented the Carrboro Film Festival as a virtual event with live music, dance, filmmaker interviews and entertainment while offering the selected films online for week-long viewing.
- Offered a variety of programs with an emphasis on underserved populations and increasing cultural diversity, including Latin Dance, Flamenco Dance, and West African Dance.
- Became the coordinating department for the annual Holiday Tree Lighting event.
- Continued to expand Black History Month programming with additional virtual and online activities, including hosting United States Congressman G.K. Butterfield.
- Created new COVID-19 protocols that allowed the safe return to participation for summer camps and other department programs.
- Increased safe community engagement through projects such as the distribution of Halloween treat bags to children in local apartment complexes and Valentine’s Day treats to local senior living facilities.
- Created numerous virtual activities and transitioned many traditional classes and programs to online platforms to provide recreational and learning opportunities.
- Continued to increase scope of services to include more arts and cultural resources (Arts Committee, Orange County Library-related partnerships, etc.).
- Utilized county funding to create a Community Resources Guide to highlight programs and services related to the COVID-19 response and promoted local businesses.

- The Department became the liaison department to the Carrboro Farmers Market and provided staffing and assistance to implement COVID-19 related protocols to allow the community to continue to safely access fresh food.
- Collaborated with several local partners on the creation and installation of multiple mural projects.
- Staff attended racial equity training.
- Staff attended the virtual NCRPA Conference.
- Several staff members re-certified as Certified Park and Recreation Professionals.
- Staff attended Supervisory training.
- Staff attended numerous seminars, workshops, and training sessions through NCRPA, NCSU Recreation Resources Service, and other entities, to take advantage of free opportunities and to collaborate on ideas related to the pandemic.
- Staff led the Town Special Events Committee to help facilitate community-requested events.
- Participated in community engagement sessions and worked with staff and project partners related to the Comprehensive Plan and The 203 Project, including a special work session with local teens.
- Added a pump at the Dr. MLK Jr. Park to pump water from water cisterns to a spigot near the community garden for the gardeners' use.
- Worked on the Facility Renovation Planning Committee.
- Updated inventory of sound equipment and assets.
- Cross trained Information and Front Office staff.

UPCOMING FISCAL YEAR OBJECTIVES

Administration

- Work with GARE and Core Team to establish a foundation that drives racial equity to shape the Town's leadership, practices, procedures, and decision making.
- 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

- Update and implement revised Programs Division Marketing Plan. Include Town Communications Manager to identify areas of collaboration.
- 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 and explore options for equipment and supply storage to maximize utilization of these resources and to improve access for staff and volunteers.
- Improve amenities at Hank Anderson and Baldwin Parks.
- Work with Public Works to improve appearance/safety of parks and Century Center.
- Improve tennis and basketball courts 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 the G.A.R.E. initiative, to make and 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).

Challenges

- Phasing in programs, events, and other offerings adhering to Covid-19 guidelines and protocols.
- Safely reopening Century Center and all park facilities for public use adhering to Covid-19 guidelines and protocols.
- Balancing the use of tennis courts for pickle ball and tennis for fair and equitable use.
- Improving stormwater drainage/treatment at the Dr. MLK Jr. Park.

TOWN COUNCIL PRIORITIES

Diversify revenue stream to maintain ethnic and economic diversity.

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

PERFORMANCE MEASURES

	FY2018-19 ACTUAL	FY 2019-20 ACTUAL	FY 2020-21 ESTIMATED	FY 2021-22 PROJECTED
% Change in Volunteer Hours Supporting Programs	-2%	-4%	2%	2%
Revenue Driven Facility Usage Hours (External, Courses, Administrative)	17,989	20,062	19,469	20,500
Revenue Driven Facility Usage Hours Percent Change (External, Courses, Administrative)	5%	11.5%	-3%	5%
Non-Revenue Facility Usage Hours (Partnerships, Community/Informational Meetings)	1,530	1,250	552	700
Non-Revenue Facility Usage Hours Percent Change (Partnerships, Community/Informational Meetings)	21%	-18%	-56%	26%
% Change in Program Division Revenue	1%	-30%	-59%	145%
% Change in Programming Hours	3%	-29%	-50%	90%
% Change of Operational Budget Supported by Program Revenue Generated	3%	-19%	-19%	34%
% Change in Enrolled participants	-3%	-40%	-53%	161%

DEPARTMENT BUDGET SUMMARY

BUDGET SUMMARY - RECREATION, PARKS, & CULTURAL RESOU

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	1,256,802	1,359,503	1,362,850	0.2%
Operating	315,877	484,506	545,718	12.6%
Capital Outlay	55,435	-	-	#DIV/0!
TOTAL	\$1,628,114	\$1,844,009	\$ 1,908,568	3.5%
General Revenues	1,299,362	1,578,061	1,602,351	1.5%
Department Revenues	328,752	265,948	306,217	15.1%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs increased due to retirement and insurance adjustments. The training, conferences, and travel budgets were restored for FY22. The July 4th celebration funding was restored for FY22 and contractual services increased for resurfacing tennis courts.

DIVISION LEVEL SUMMARIES

BUDGET SUMMARY - RECREATION AND PARKS SUPERVISION

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	145,957	149,932	151,099	0.8%
Operating	4,847	71,364	55,314	-22.5%
TOTAL	\$ 150,804	\$ 221,296	\$ 206,413	-6.7%
General Revenues	131,388	221,296	206,413	-6.7%
Department Revenues	19,416	-	-	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs increased due to retirement and insurance adjustments. The training, conferences, and travel budgets were restored for FY22 for a total amount of \$3,950. Professional services and park supplies also increased.

BUDGET SUMMARY - RECREATION GENERAL PROGRAMS

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	633,526	699,533	701,341	0.3%
Operating	263,620	334,982	355,932	6.3%
TOTAL	\$ 897,146	\$1,034,515	\$ 1,057,273	2.2%
General Revenues	633,944	806,067	789,056	-2.1%
Department Revenues	263,202	228,448	268,217	17.4%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs increased due to retirement and insurance adjustments. The training, conferences, and travel budgets were restored for FY22 for a total amount of \$4,450. The July 4th event was increased by \$15,000 over FY21.

BUDGET SUMMARY - RECREATION AND PARK FACILITIES

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	477,319	510,038	510,410	0.1%
Operating	47,410	78,160	134,472	72.0%
Capital Outlay	55,435	-	-	#DIV/0!
TOTAL	\$ 580,164	\$ 588,198	\$ 644,882	9.6%
General Revenues	534,030	550,698	606,882	10.2%
Department Revenues	46,134	37,500	38,000	1.3%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel costs increased due to retirement and insurance adjustments. The training, conferences, and travel budgets were restored for FY22 for a total amount of \$3,400. Contractual services increased by \$28,500 for the Hank Anderson tennis court resurfacing.

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

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	-	406,945	693,367	70.4%
Operating	-	90,000	232,000	157.8%
Transfers	3,348,062	906,050	675,500	-25.4%
TOTAL	\$3,348,062	\$1,402,995	\$ 1,600,867	14.1%
General Revenues	3,348,062	1,402,995	1,600,867	14.1%
Department Revenues	-	-	-	#DIV/0!

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, a pilot housing stipend of \$50K, and required unemployment insurance reserve. The increase in FY22 is due to a 3.3% salary adjustments and a 15% increase in insurance costs.

The Operating expense includes \$90,000 budgeted for the remediation of building safety issues that may arise during the year for Town owned facilities, \$42K for a possible capital contribution to the Rogers Rd Community Center, and \$100K for an electrification study of the Town's fleet.

The FY22 Transfers include a decrease of \$112,500 in transfers from the General Fund to the Affordable Housing Fund, a \$64,800 decrease in transfers to the Capital Fund for street resurfacing, and a \$53,250 decrease in transfers to the Parking Enterprise 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, 2020, the Town had approximately \$25.8 million in long-term debt. Of this total, 15.7% represented general obligation debt and installment purchases for improvements and equipment. The other 84.3% of long-term debt is related to other post-employment benefits and the two pension plans (LGERS and LEO).

	Long Term Debt 6/30/2019	Long Term Debt 6/30/2020
General Obligation debt	\$3,100,000	\$2,850,000
Premium on bond	\$60,831	\$55,964
Installment purchases - improvements	\$1,191,667	\$975,000
Installment purchases - equipment	\$396,515	\$170,976
Compensated absences	\$805,969	\$826,999
Other Post-employment benefits	\$19,474,398	\$16,065,479
Net pension liability (LGERS)	\$2,701,088	\$3,375,107
Total pension liability (LEO)	\$1,428,599	\$1,498,927
Total	\$29,159,067	\$25,818,452

The NC 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.

CURRENT AND FUTURE DEBT

Project	Issue \$	Principal	Interest	Total
SIDEWALKS & GREENSWAYS GO BONDS	\$4,600,000	\$250,000	\$62,500	\$312,500
TOTAL GENERAL OBLIGATION BONDS		\$250,000	\$62,500	\$312,500
FIRE SUBSTATION	\$3,250,000	\$216,667	\$18,238	\$234,905
TOTAL LONG-TERM INSTALLMENT DEBT		\$216,667	\$18,238	\$234,905
EQUIPMENT/VEHICLES		\$308,565	\$20,820	\$329,385

The Town is looking to finance a major building next year. In addition, the Town may finance the 2021-22 vehicles and equipment purchases, shown below, with installment financing.

VEHICLES AND EQUIPMENT TO BE PURCHASED IN FY 2021-22:

Department	Vehicles/Equipment	Cost Estimate
Police	6 Vehicles @ \$56,000	\$ 336,000
Fire	Fire Engine	650,000
IT	Ford F-150	32,000
Public Works	Cat Mini-Excavator	72,000
Public Works	Cat 420 Backhoe Loader	155,000
	Total	\$ 1,245,000

BUDGET SUMMARY - DEBT SERVICE

	2019-20	2020-21	2021-22	
	Actual	Adopted	Adopted	Pct Change
		Budget	Budget	
Operating	802,148	1,105,233	876,790	-20.7%
TOTAL	\$ 802,148	\$1,105,233	\$ 876,790	-20.7%
General Revenues	802,148	1,105,233	876,790	-20.7%
Department Revenues	-	-	-	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Principal and interest payments will decrease in FY22 primarily due to the retirement of earlier installment financing and better than expected rates for the FY21 installment financing.

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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
- American Rescue Plan Act
- Revolving Loans for Energy Efficiency
- Revolving Loans for Economic Development
- Emergency Loans

BUDGET SUMMARY

	Adopted Budget <u>FY2020-21</u>	Adopted Budget <u>FY2021-22</u>	Amount Change	Pct Change
Fund:				
Affordable Housing	338,000	338,525	525	0.2%
Grant Administration	893,249	1,723,249	830,000	92.9%
American Rescue Plan Act	0	6,200,000	6,200,000	#DIV/0!
Emergency Loans	508,405	584,473	76,068	15.0%
Revolving Loans for Energy Efficiency	240,572	241,703	1,131	0.5%
Revolving Loans for Economic Development	852,696	479,391	-373,305	-43.8%
Totals	\$2,832,922	\$9,567,341	\$6,734,419	237.7%

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

	FY2019-20 <u>Actuals</u>	Adopted Budget <u>FY2020-21</u>	Adopted Budget <u>FY2021-22</u>	FY21 to FY22 Percent <u>Change</u>
<u>Revenues:</u>				
Ad Valorem Tax	110,071	223,500	338,000	51.2%
Interest Earnings	3,553	800	75	-90.6%
Prior Year Taxes	-	900	400	-55.6%
Penalty and Interest	-	300	50	-83.3%
Transfer from General Fund	-	112,500	-	-100.0%
Total Revenues	113,624	338,000	338,525	0.2%
<u>Expenditures:</u>				
Human Services Grants	21,000	-	-	#DIV/0!
Community Home Trust	73,784	74,518	70,582	-5.3%
Home Consortium Match	22,236	14,057	12,488	-11.2%
Partnership to End Homelessness	35,232	35,232	35,202	-0.1%
Center fo Community Self Help	15,000	-	-	#DIV/0!
AHSRF Deferred Loan Program	-	10,000	10,000	0.0%
Affordable Hsg Advisory Board	159	500	500	0.0%
Critical Home Repair	48,371	61,050	65,000	6.5%
Rental Deposits Program	103,243	31,703	33,258	4.9%
Acquisition and Development	35,000	100,000	100,000	0.0%
Unexpended Reserves	-	10,940	11,495	5.1%
Total Expenditures	354,025	338,000	338,525	0.2%

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 6/30/20	Adopted Budget FY2020-21	Adopted Budget FY2021-22	FY21 to FY22 Percent Change
<u>Revenues:</u>				
Grant Revenue	322,287	872,249	1,723,249	97.6%
Transfer from General Fund	21,000	21,000	-	-100.0%
Total Revenues	343,287	893,249	1,723,249	92.9%
<u>Expenditures:</u>				
Hazard Mitigation Grant	279,293	823,249	823,249	0.0%
Bicycle Transportation Plan *	62,744	70,000	-	-100.0%
NC CDBG Coronavirus Prgm	-	-	900,000	#DIV/0!
Total Expenditures	342,037	893,249	1,723,249	92.9%

* Grant was closed in FY 2021

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 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 6/30/20	Adopted Budget FY2020-21	Adopted Budget FY2021-22	FY21 to FY22 Percent Change
<u>Revenues:</u>				
Grant Revenue	-	-	6,200,000	#DIV/0!
Total Revenues	-	-	6,200,000	#DIV/0!
<u>Expenditures:</u>				
Unexpended Reserves	-	-	6,200,000	#DIV/0!
Total Expenditures	-	-	6,200,000	#DIV/0!

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 6/30/20	Adopted Budget FY2020-21	Adopted Budget FY2021-22	FY21 to FY22 Percent Change
Revenues:				
Interest Earnings	2,531	2,525	2,525	0.0%
Loan Interest Earnings	16,452	17,146	16,573	-3.3%
Loan Principal Payments	79,987	92,773	94,477	1.8%
Other Financing Sources	173,128	128,128	128,128	0.0%
Total Revenues	272,098	240,572	241,703	0.5%
Expenditures:				
Loan Disbursements	107,128	107,128	100,128	-6.5%
Reserves for Loans	45,000	133,444	141,575	6.1%
Total Expenditures	152,128	240,572	241,703	0.5%

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

Business	Amount Borrowed
Surplus Sids	\$ 30,000
Sophie Piesse	7,000
Dispute Settlement Center	35,000
The Arts Center	28,128
Total	\$ 100,128

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 6/30/20	Adopted Budget FY2020-21	Adopted Budget FY2021-22	FY21 to FY22 Percent Change
Revenues:				
Interest Earnings	104,669	250,038	242,038	-3.2%
Loan Interest Earnings	65,313	396,435	104,435	-73.7%
Loan Principal Payments	249,951	206,223	132,918	-35.5%
Total Revenues	419,933	852,696	479,391	-43.8%
Expenditures:				
General Government Exp	17,453	26,679	26,679	0.0%
Loan Disbursements	228,000	228,000	240,000	5.3%
Trf to Emerg Loan Fund	300,000	-	-	#DIV/0!
Reserves for Loans	-	598,017	212,712	-64.4%
Total Expenditures	545,453	852,696	479,391	-43.8%

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

Business	Date of Original Loan	FY2020-21 Amount Borrowed	FY2021-22 Amount Borrowed
Alphabet Soup *	2001	\$ 48,000	
Bryan's Guitar and Music	2004	90,000	\$ 90,000
Carrboro Co-Working	2008	90,000	90,000
Tesoro LLC	2021		60,000
Total		\$ 228,000	\$ 240,000

* Paid in full in FY21

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 6/30/20	Adopted Budget FY2020-21	Adopted Budget FY2021-22	FY21 to FY22 Percent Change
Revenues:				
Interest Earnings	265	512	265	-48.2%
CARES Grant Revenues	33,890	-	33,890	#DIV/0!
Loan Principal Payments	-	32,893	75,318	129.0%
Other Financing Sources	475,000	475,000	475,000	0.0%
Total Revenues	509,155	508,405	584,473	15.0%
Expenditures:				
Grant Disbursements	33,890	47,500	47,500	0.0%
Loan Disbursements	305,010	427,500	461,390	7.9%
Reserves for Loans	-	33,405	75,583	126.3%
Total Expenditures	338,900	508,405	584,473	15.0%

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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 - TOTAL CAPITAL PROJECTS FUND

	Adopted Budget <u>FY2020-21</u>	Adopted Budget <u>FY2021-22</u>	Amount Change	Pct Change
<u>Fund:</u>				
Capital Projects	\$ 33,222,583	\$ 33,233,356	\$ 10,773	0.0%
GO Bonds, Sidewalks and Greenways	7,920,942	7,911,177	(9,765)	-0.1%
Facilities Rehab	1,005,750	840,670	(165,080)	-16.4%
Capital Reserves	400	100	(300)	-75.0%
Payment In Lieu Reserves	700	100	(600)	-85.7%
Totals	<u>\$ 42,150,375</u>	<u>\$ 41,985,403</u>	<u>\$(164,972)</u>	-0.4%

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

	LTD Actuals thru 6/30/20	Adopted Budget FY2020-21	Adopted Budget FY2021-22	FY21 to FY22 Percent Change
<u>Revenues:</u>				
Interest Earnings	47,189	55,316	55,316	0.0%
Restricted Intergovernmental	189,267	14,444,095	14,156,095	-2.0%
Transfer from General Fund	4,035,591	8,317,591	1,689,395	-79.7%
Transfer from Stormwater Fund	-	-	65,000	#DIV/0!
Other Financing Sources	1,289,581	10,405,581	17,267,550	65.9%
Total Revenues	5,561,628	33,222,583	33,233,356	0.0%
<u>Expenditures:</u>				
203 S Greensboro St	1,119,625	26,432,490	28,311,340	7.1%
South Greensboro St Conduit	-	95,000	120,000	26.3%
Rogers Road Conduit *	-	155,000	-	-100.0%
Comprehensive Plan	9,680	250,000	200,000	-20.0%
Estes Drive Bike-Ped Improvements	-	170,000	170,000	0.0%
Bus Shelter Replacement	-	288,000	288,000	0.0%
Bicycle Loop Detectors	18,525	57,500	57,500	0.0%
Unpaved Road Upgrades	29,977	230,000	310,000	34.8%
MLK Jr Park *	2,669,264	2,761,196	-	-100.0%
2021 Vehicle & Equip Replacements	-	954,000	954,000	0.0%
2022 Vehicle & Equip Replacements	-	-	1,245,000	#DIV/0!
Ped Safety Imprvmnts & Bike Plan	-	257,000	257,000	0.0%
Playground Equip Replacement	-	100,000	100,000	0.0%
FY20 Street Resurfacing *	118,117	967,081	-	-100.0%
FY22 Street Resurfacing	-	450,000	835,200	85.6%
108 Bim St Renovations	-	-	50,000	#DIV/0!
Jones Ferry Rd Retaining Wall	-	-	100,000	#DIV/0!
Park Parking Lot Paving	-	-	120,000	#DIV/0!
East Main Street Restriping	-	-	60,000	#DIV/0!
Capital Expense Reserve	47,189	55,316	55,316	0.0%
Total Expenditures	4,012,377	33,222,583	33,233,356	0.0%

* Project was closed in FY 2021

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 6/30/20</u>	<u>Adopted Budget FY2020-21</u>	<u>Adopted Budget FY2021-22</u>	<u>FY21 to FY22 Percent Change</u>
<u>Revenues:</u>				
Interest Earnings	92,629	94,247	75	-99.9%
Restricted Intergovernmental	1,946,465	6,129,404	6,154,404	0.4%
Other Financing Sources	1,739,245	1,697,291	1,756,698	3.5%
Total Revenues	<u>3,778,339</u>	<u>7,920,942</u>	<u>7,911,177</u>	-0.9%
<u>Expenditures:</u>				
Morgan Creek Greenway Ph1	422,654	2,068,500	2,067,500	0.0%
Homestead Rd CHHS Multi-use Path	1,332,996	1,521,770	1,521,770	0.0%
S Greensboro St Sidewalk	68,678	1,750,119	1,750,119	0.0%
Rogers Road Sidewalk	1,488,082	1,492,547	1,492,547	0.0%
Jones Creek Greenway	117,313	850,250	850,250	0.0%
Sidewalk Repairs	60,599	190,000	190,000	0.0%
Capital Expense Reserve	361,104	47,756	38,991	-18.4%
Total Expenditures	<u>3,851,426</u>	<u>7,920,942</u>	<u>7,911,177</u>	-0.9%

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

	<u>LTD</u> <u>Actuals</u> <u>thru 6/30/20</u>	<u>Adopted</u> <u>Budget</u> <u>FY2020-21</u>	<u>Adopted</u> <u>Budget</u> <u>FY2021-22</u>	<u>FY21 to FY22</u> <u>Percent</u> <u>Change</u>
<u>Revenues:</u>				
Interest Earnings	3,691	5,750	5,750	0.0%
Transfer from General Fund	1,000,000	1,000,000	834,920	-16.5%
Total Revenues	<u>1,003,691</u>	<u>1,005,750</u>	<u>840,670</u>	-16.4%
<u>Expenditures:</u>				
Century Center Drainage *	3,871	5,028	-	-100.0%
CC Interior Improvements	13,270	12,582	20,151	60.2%
CC Roof Replacement	-	-	50,000	#DIV/0!
Fire Sta 1 Concrete Pad *	33,977	27,000	-	-100.0%
Fire Sta 2 Improvements *	2,109	2,109	-	-100.0%
Fire Sta 1 Interior Improvements *	8,205	7,888	-	-100.0%
Fire Sta 1 Bay Roof Repl *	58,606	58,606	-	-100.0%
Fire Sta 1 Kitchen Renovations	-	-	45,386	#DIV/0!
Fire Sta 1 Painting	-	-	10,000	#DIV/0!
Fire Sta 1 Carpet	-	-	4,000	#DIV/0!
Wilson Park Improvements *	4,992	5,000	-	-100.0%
Anderson Park Improvements *	6,273	3,793	-	-100.0%
Playgrnd Equip Power Washing *	1,650	1,650	-	-100.0%
Pavillion Roof for Fleet Mtce *	18,445	18,445	-	-100.0%
Survey of PW Property *	6,900	-	-	#DIV/0!
Town Hall Exterior Painting/Repair *	17,500	17,500	-	-100.0%
Town Hall Interior Improvements	2,553	2,353	3,250	38.1%
Architectural Services	-	-	124,910	#DIV/0!
PW Renovation/Relocation	-	-	100,000	#DIV/0!
Century Center Renovations	-	-	100,000	#DIV/0!
Capital Expense Reserve	-	843,796	382,973	-54.6%
Total Expenditures	<u>178,351</u>	<u>1,005,750</u>	<u>840,670</u>	-16.4%

* Project was closed in FY 2021

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 6/30/20	Adopted Budget FY2020-21	Adopted Budget FY2021-22	FY21 to FY22 Percent Change
<u>Revenues:</u>				
Interest Earnings	5,992	400	100	-75.0%
Other Financing Sources	472,573	-	-	#DIV/0!
Total Revenues	478,565	400	100	0.0%
<u>Expenditures:</u>				
Street Resurfacing	54,143	-	-	#DIV/0!
Future Debt Service	-	400	100	-75.0%
Total Expenditures	54,143	400	100	0.0%

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

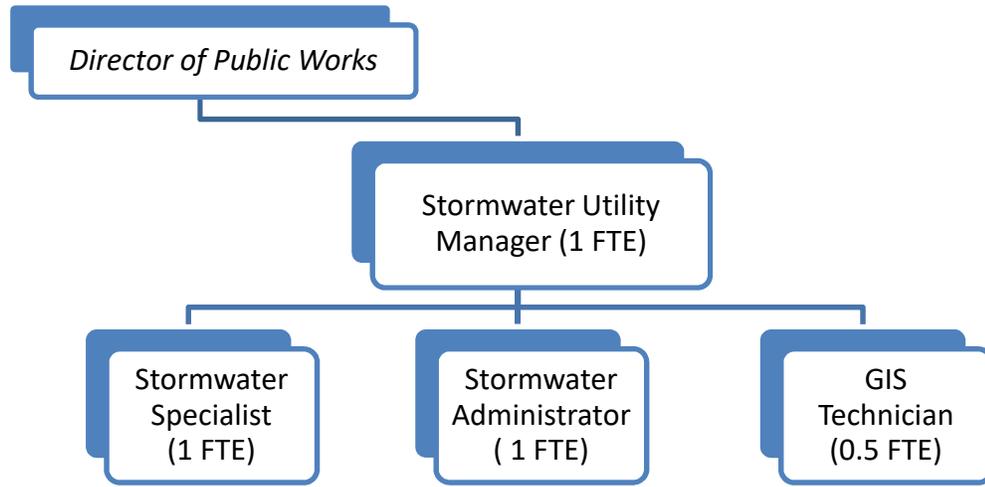
	LTD Actuals thru 6/30/20	Adopted Budget FY2020-21	Adopted Budget FY2021-22	FY21 to FY22 Percent Change
<u>Revenues:</u>				
Interest Earnings	2,910	700	100	-85.7%
Payment in Lieu	149,780	-	-	#DIV/0!
Total Revenues	152,690	700	100	-85.7%
<u>Expenditures:</u>				
Reserves	152,690	700	100	-85.7%
Total Expenditures	152,690	700	100	-85.7%

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	29,178
Total	\$ 152,690

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 manage the water quality and quantity of stormwater runoff 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
- State and Federal stormwater regulatory compliance and administration
 - 2 NPDES stormwater permits
 - Jordan Lake Rules
 - Bolin Creek impaired waters/watershed restoration
- Stormwater Control Measure maintenance and inspections
- Stream/benthic, hydrologic, and illicit discharge monitoring
- Coordination with Public Works Divisions
 - Stormwater conveyance system and facility maintenance
 - Street sweeping
- Coordination with the Planning Department for stormwater related aspects of development
- Staff Support for the Stormwater Advisory Commission
- Supporting community members with flooding & drainage concerns, within certain constraints

- Stormwater related grant pursuit and administration

PREVIOUS YEAR ACCOMPLISHMENTS

- Completed two capital projects (stream restoration and culvert replacement).
- Successfully obtained FEMA Public Assistance funds; investigating EPA 319 funds.
- Provided regulatory support for the Land Use Ordinances (LUO), NPDES permits and Jordan Lake Rules compliance, including reviewing development applications and preparing for and following up on the Town's first NPDES audit.
- Initiated a program for inspection and maintenance oversight for privately owned Stormwater Control Measures.
- Enhanced the Illicit Discharge Detection and Elimination Program.
- Administered an Interlocal Agreement with Orange County for billing support.
- Managed the Stormwater Enterprise Fund.
- Provided support to the Stormwater Advisory Commission.
- Responded to citizen inquiries and provided stormwater related outreach.
- Began using CityWorks for stormwater related workflow management; improved GIS stormwater data and tools.
- Completed new Homeowner's Stormwater Manual and other outreach materials; supported stream clean up following Covid-19 protocol.
- Supported the Public Works operations.

UPCOMING FISCAL YEAR OBJECTIVES

- Continue to provide and improve all established stormwater services.
- Renew NPDES permits and successfully implement new Stormwater Management Plan.
- Follow up on Rain Ready projects by coordinating review of residential assistance policy.
- Continue to investigate grant opportunities.
- Continue working with GIS staff to provide stormwater program support.
- Continue to implement CityWorks/GIS based asset management and workflow systems; initiate MS4 condition assessment; inspect culverts and plan for culvert repair, rehab, and replacement.
- Increase Stormwater Control Measure maintenance and inspection activities.
- Support new contracting services including infrastructure maintenance and inspection.
- Update Appendix I (Storm Drainage Manual) of the LUO; consider other stormwater LUO text amendments to address resiliency interests.

TOWN COUNCIL PRIORITIES

Diversify revenue stream.

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

BUDGET ISSUES FOR FY 2021/22

- Based on experience from the past three years, the Stormwater Enterprise Fund and staff time is subject to uncertain demands, providing challenges to staff, and budget management. Examples include discussion of future uses for public infrastructure improvements, property acquisition and flood mitigation, and new development stormwater compliance; and staff demands for: grant administration and requests for pursuing new grant funding; responding to community inquiries

(many of which relate to private property with no, limited, or unclear Town/Stormwater Utility responsibilities); following up on the NPDES permit audit; time spent on emergency preparedness, response and management; and unknown new requirements from implementation of the Jordan Lake Rules.

PERFORMANCE MEASURES

	FY 2018-2019 ACTUAL	FY 2019-2020 ACTUAL	FY 2020-2021 ESTIMATED	FY 2021-22 PROJECTED
<u>Operational</u>				
Miles of street sweeping	1800	1800	1800	1800
SCM inspections	2	4	5*	30
Illicit discharge investigations	N/A	N/A	12	15
Stream clean ups	0	1	1	1
<u>Capital/Project</u>				
Retrofits/stream repairs completed	0	0	1	4
Grants supported/applied for	0	3	3	TBD
Infrastructure improvement projects	2	2	1	1
<u>Community</u>				
Flood studies completed	0	1	1	TBD
Residents receiving technical assistance	N/A	N/A	105	120
<u>Administrative</u>				
Revenue generated from utility fees (<i>including grants</i>)	\$784K	\$816K	\$1.2M**	\$1M
Contracts/agreements administered	5	5	6	8

* Staff have focused on informing property owners of maintenance and inspection requirements.

** This assumes Town will receive about \$200k in FEMA Public Assistance reimbursement by year end.

BUDGET SUMMARY - STORM WATER

	2019-20 Actual	2020-21 Adopted Budget	2021-22 Adopted Budget	Pct Change
Personnel	305,284	299,527	310,622	3.7%
Operating	115,593	180,045	175,895	-2.3%
Depreciation	40,432	10,000	51,025	410.3%
Capital Outlay	-	-	15,000	#DIV/0!
Transfers	431,000	350,000	300,000	-14.3%
Reserves	-	154,903	118,712	-23.4%
TOTAL	\$ 892,309	\$ 994,475	\$ 971,254	-2.3%
General Revenues	-	-	-	#DIV/0!
Department Revenues	892,309	994,475	971,254	-2.3%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

Personnel expenses increased due to insurance and retirement adjustments and allocated personnel costs from the General Fund. Depreciation is expected to increase because of the completion of two capital projects in FY21. The amount of transfers to capital projects decreases in FY22.

PARKING ENTERPRISE

PURPOSE

The Parking Enterprise Fund was established in FY 2021 in order 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

	2019-20	2020-21	2021-22	
	Actual	Adopted	Adopted	Pct Change
		Budget	Budget	
Personnel	-	21,000	2,000	-90.5%
Operating	-	325,300	288,500	-11.3%
TOTAL	\$ -	\$ 346,300	\$ 290,500	-16.1%
General Revenues	-	346,300	290,500	-16.1%
Department Revenues	-	-	-	#DIV/0!

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET:

The Parking Enterprise Fund was newly created for 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, which is down in FY22. Additional operating costs for FY22 include parking lot renovations for the Fitch Lumber parking lot.

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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 considered to be 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 similar to 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.

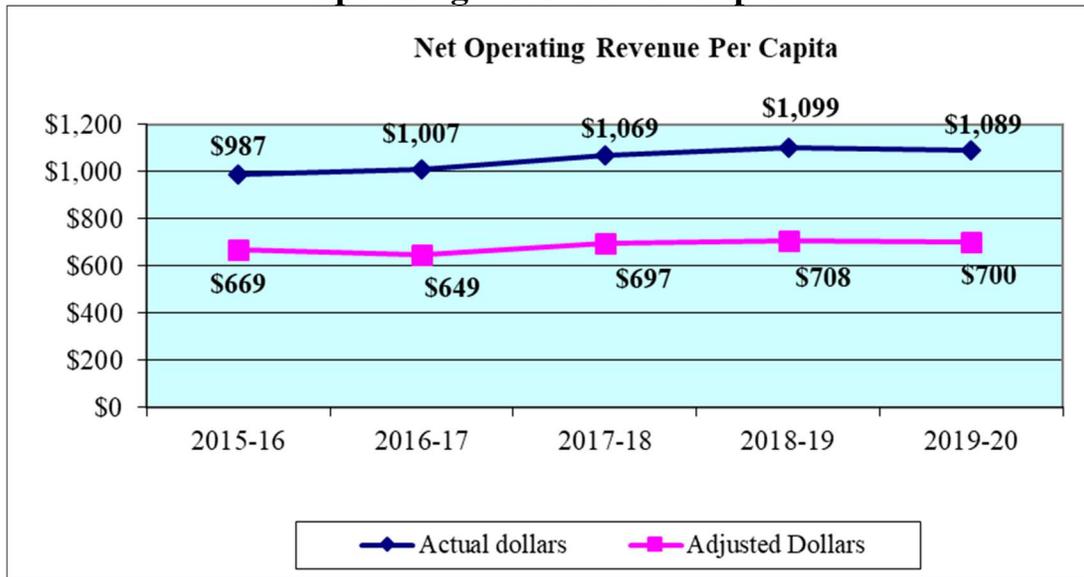
Included with every indicator is a description of the indicator, a table and graphical representation of the trend over the fiscal years for which we have audited budget reports, and an explanation of the implications of that trend for the government and residents of the Town. All the financial figures 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	2015-16	2016-17	2017-18	2018-19	2019-20
Net Operating Revenue (adjusted)	\$14,048,440	\$13,541,892	\$14,704,481	\$15,092,938	\$14,922,348
Population	20,984	20,867	21,099	21,314	21,314
Net Operating Revenue Per Capita (adjusted)	\$669	\$649	\$697	\$708	\$700

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.

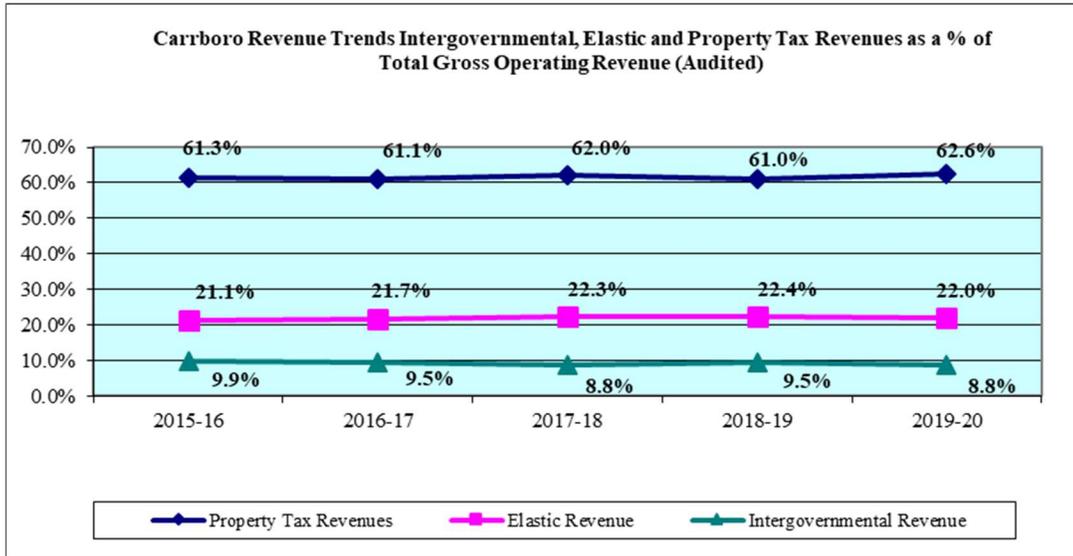
Discussion

In real terms (adjusted for inflation), revenues per capita in Carrboro have remained constant since FY2016. In actual dollars collected (adjusted for inflation), revenue increased by 4.6% 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	2020 Revenue Adjusted for Inflation	2016 Revenue Adjusted for Inflation	% Change in Revenue Since 2016	2020 per capita	2016 per capita	% Change Since 2016 (per capita)
Ad valorem taxes	\$ 8,532,148.60	\$ 8,025,942.06	6.3%	\$ 400	\$ 382	4.7%
Local option sales taxes	\$ 3,067,240.18	\$ 2,785,319.90	10.1%	\$ 144	\$ 133	8.3%
Other taxes and licenses	\$ 987,124.49	\$ 937,033.04	5.3%	\$ 46	\$ 45	2.2%
Intergovernmental revenues	\$ 1,112,305.42	\$ 1,091,780.31	1.9%	\$ 52	\$ 52	0.0%
Permits and fees	\$ 830,892.73	\$ 861,786.42	-3.6%	\$ 39	\$ 41	-4.9%
Sales and services	\$ 110,506.46	\$ 178,739.40	-38.2%	\$ 5	\$ 9	-44.4%
Investment earnings	\$ 93,944.98	\$ 19,551.53	380.5%	\$ 4	\$ 1	300.0%
Other	\$ 188,185.62	\$ 148,287.54	26.9%	\$ 10	\$ 6	54.2%
Total revenues by source	\$14,922,348.48	\$14,048,440.19	6.2%	\$ 700	\$ 669	4.6%

Having a significant impact on the revenue stream is the property tax and sales taxes revenue per capita, representing 76% of the total revenue per capita in 2020. 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	2015-16	2016-17	2017-18	2018-19	2019-20
Property Tax	\$12,989,241	\$13,143,645	\$14,276,093	\$14,587,583	\$14,831,028
Elastic Revenue	\$4,467,684	\$4,654,349	\$5,127,457	\$5,362,465	\$5,200,981
Intergovernmental Revenue	\$2,103,432	\$2,042,392	\$2,030,130	\$2,266,614	\$2,088,216
Total Revenue	\$19,560,357	\$19,840,386	\$21,433,680	\$22,216,662	\$22,120,225

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.

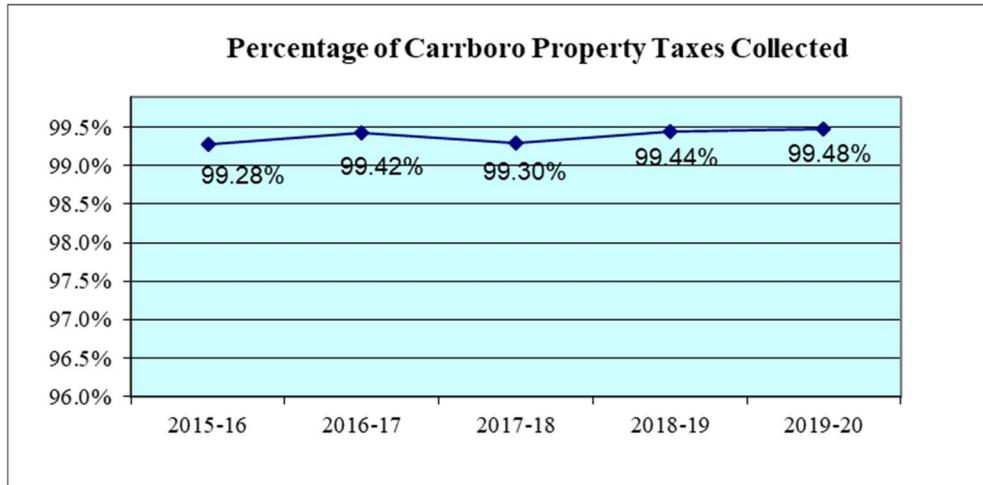
Discussion

As a percentage of total gross operating revenue, all revenues have remained fairly stable. Property tax increased by 1.6%, elastic revenues decreased by 0.4%, and intergovernmental revenues decreased by 0.7%.

Intergovernmental revenue, as a share of the revenue stream in FY19-20 decreased from FY18-19 mainly due to decreases in the franchise tax and grants.

Elastic revenue had a decrease in sales tax and interest earnings, and 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.

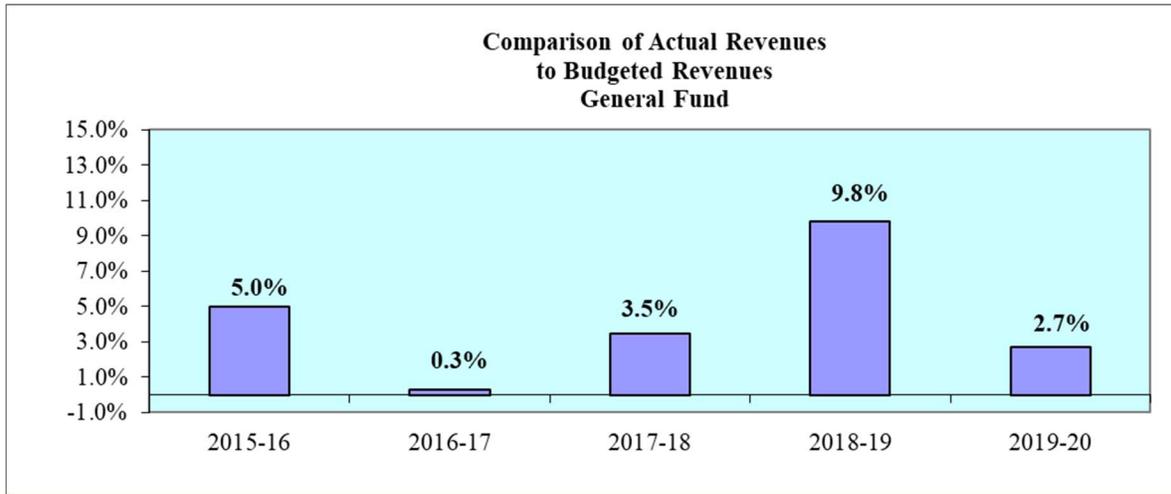
Discussion

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 99.48% in FY2019-20.

Tax Collection Rates in Carrboro and Neighboring Cities

	2015-16	2016-17	2017-18	2018-19	2019-20
Carrboro	99.28%	99.42%	99.30%	99.44%	99.48%
Chapel Hill	99.62%	99.60%	99.66%	99.51%	99.58%
Durham	99.69%	99.80%	99.84%	99.67%	99.28%
Hillsborough	98.72%	99.18%	99.13%	99.24%	99.18%

Comparison of Actual Revenues to Budgeted Revenues



	2015-16	2016-17	2017-18	2018-19	2019-20
Budgeted Operating Revenue	\$20,189,109	\$21,430,027	\$22,271,483	\$21,774,331	\$23,076,255
Actual Operating Revenue	\$21,200,253	\$21,495,739	\$23,040,640	\$23,899,184	\$23,692,807
Revenue Variance	\$1,011,144	\$65,712	\$769,157	\$2,124,853	\$616,552
Revenue Budgeted Operating Revenues	5.0%	0.3%	3.5%	9.8%	2.7%

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

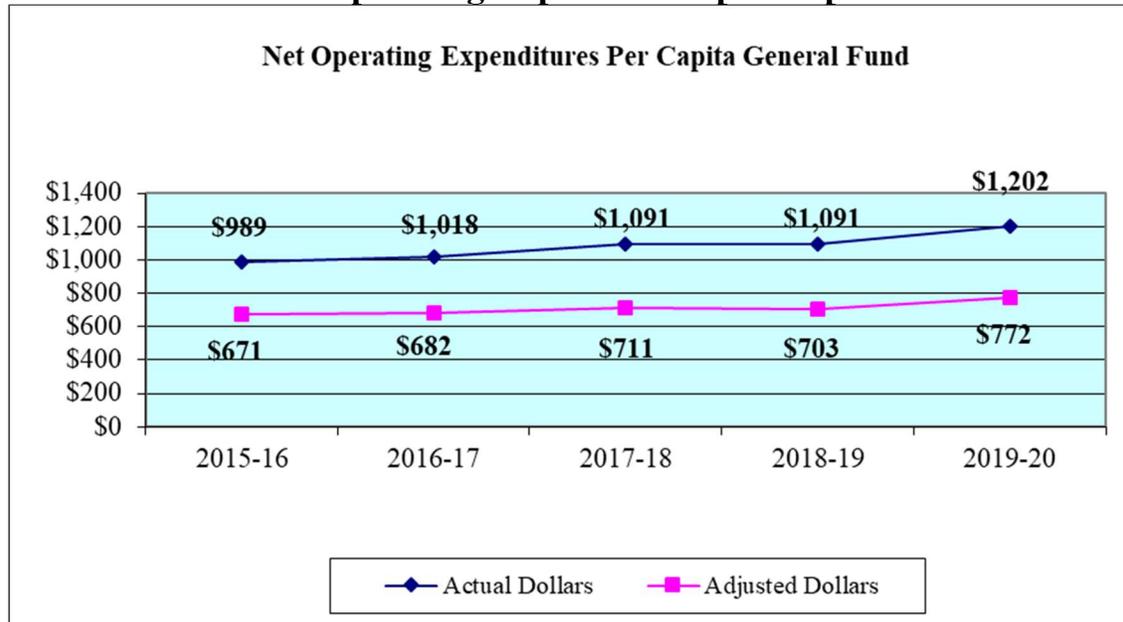
The variances in the graph indicate the Town's conservative approach to estimating revenues. In FY 15-16, major increases included unrestricted intergovernmental revenues (\$576,627), other taxes and licenses (\$501,715) and local option sales taxes (\$279,597). In FY 16-17, the main increases were property taxes (\$154,404), 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).

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 take into account how effective the services are or how efficiently they are delivered.

Net Operating Expenditures per Capita



	2015-16	2016-17	2017-18	2018-19	2019-20
Net Operating Expenditures (Adjusted)	\$14,074,303	\$14,221,815	\$15,010,066	\$14,985,882	\$16,460,119
Population	20,984	20,867	21,099	21,314	21,314

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 an increase in expenditures made by the Town since FY15-16, from \$14,074,303 to \$16,460,119 in FY19-20. When adjusted for the Town of Carrboro, NC

combined impact of inflation and population, per capita spending increased from \$671 in FY15-16 to \$772 in FY 19-20, or 15.1%.

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

FY 2015-16 – Per capita expenditures decreased \$16 from the previous year due to reduction in Public Works expenditures.

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

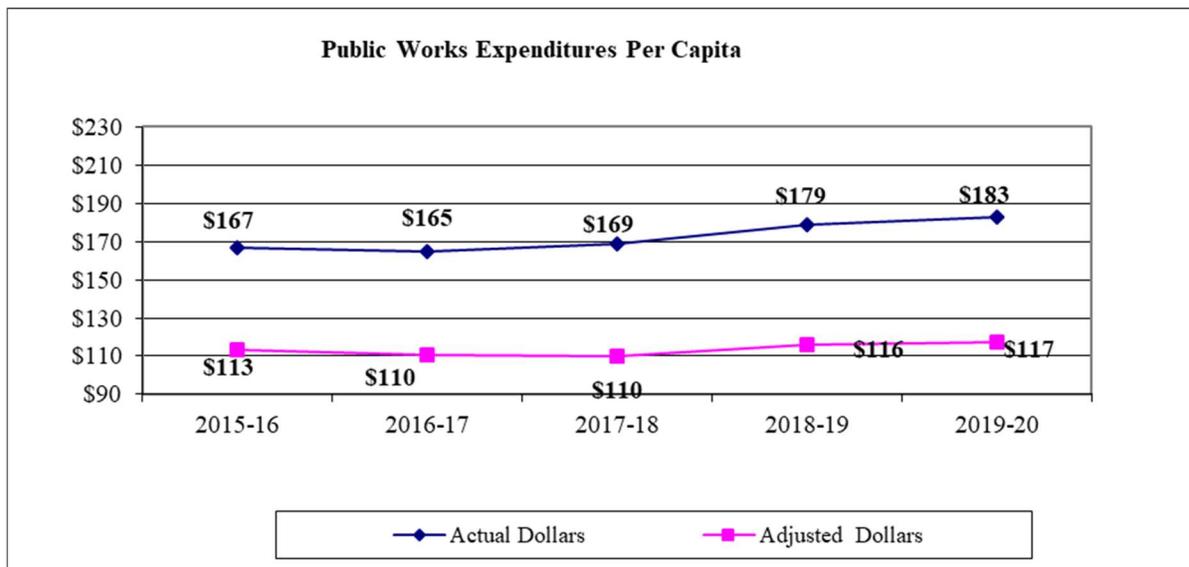
FY 2017-18 - Per capita expenditures increased \$29 from the previous year primarily due to transfers to the capital fund for capital projects.

FY 2018-19 - Per capita expenditures decreased \$8 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 \$69 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.

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.

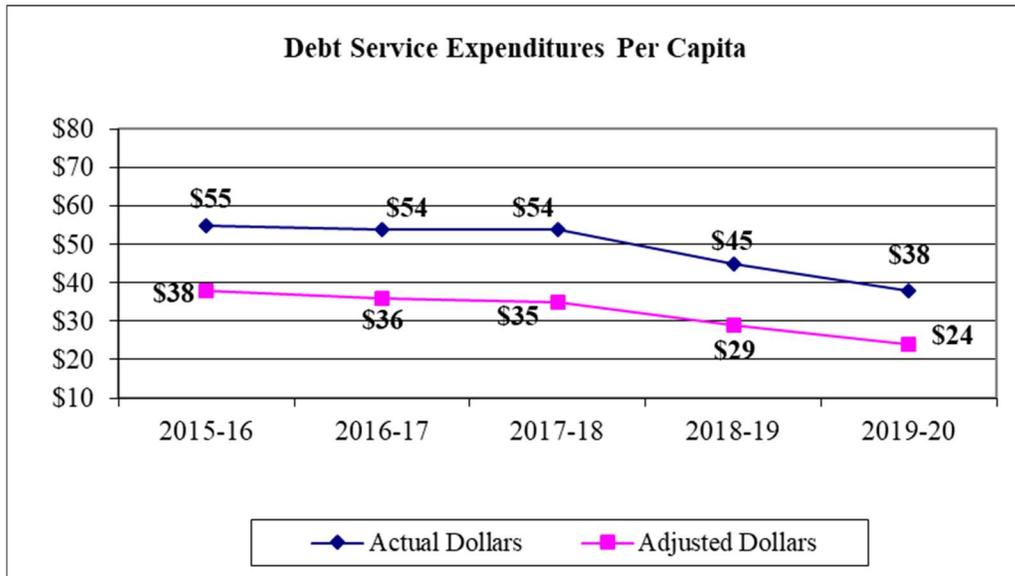
Public Works Expenditures per Capita



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
Town of Carrboro, NC 164 Adopted Annual Budget
Fiscal Year 2022

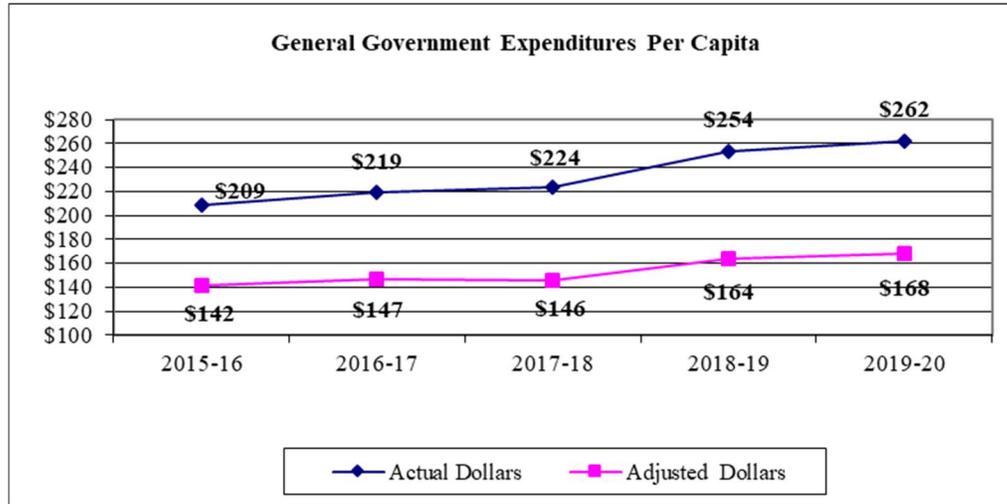
including street maintenance, stormwater system repairs, and responding to major natural disasters. The decrease in FY 15-16 is due to the one-time cost of equipment and contract services from the previous year and personnel changes. The decrease in FY 16-17 is due to vacant personnel positions. The 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.

Debt Service Expenditures Per Capita



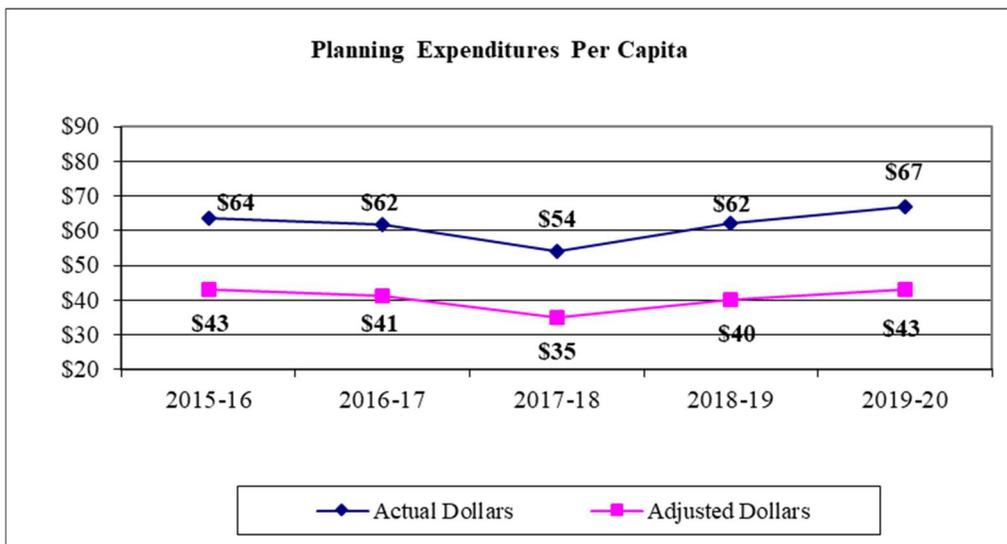
Debt costs include debt paid on general obligation bonds, installment financing for property and town infrastructure as well as equipment and vehicles. The Town has been able to take advantage of retiring debt and low interest rates to borrow for major infrastructure needs and maintain debt service at 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



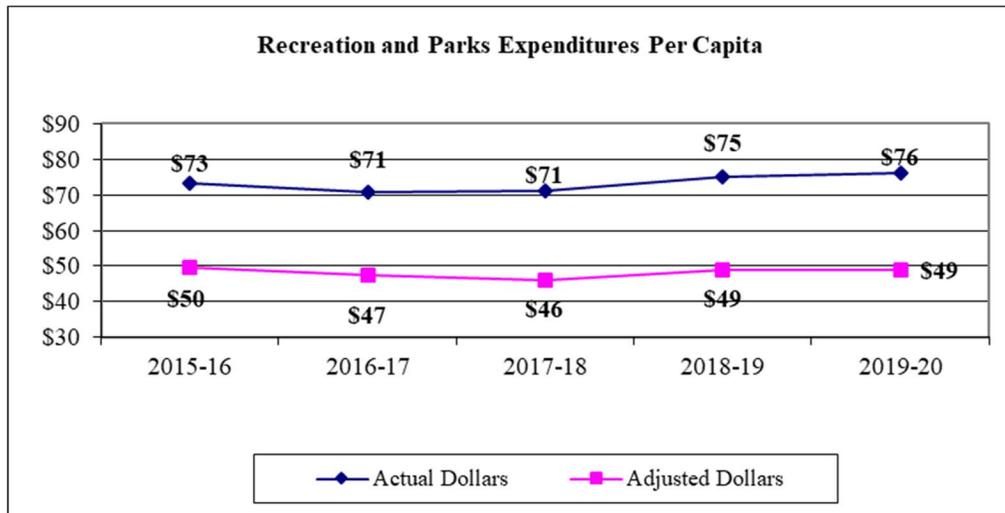
The Town continues to maintain regular replacement of technology infrastructure, support wireless technology, and implement mobile laptop technology in police cars. In FY 17-18, the combination of an increase in population and a larger deflator rate caused a slight decrease in the per capita amount for 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.

Planning Expenditures Per Capita



The increase in per capita costs in FY 2015-16 is due to the addition of a part-time GIS technician. 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.

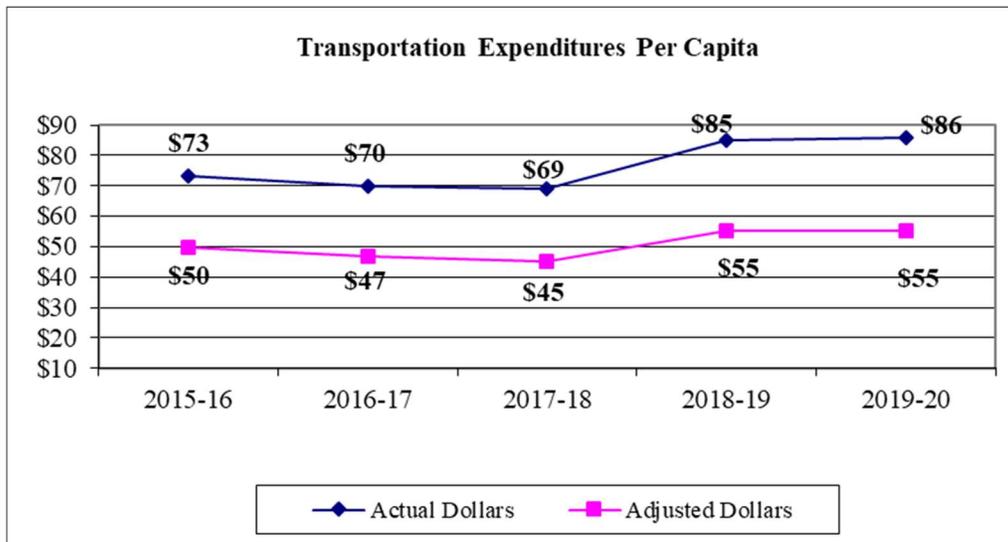
Recreation and Parks Expenditures per Capita



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.

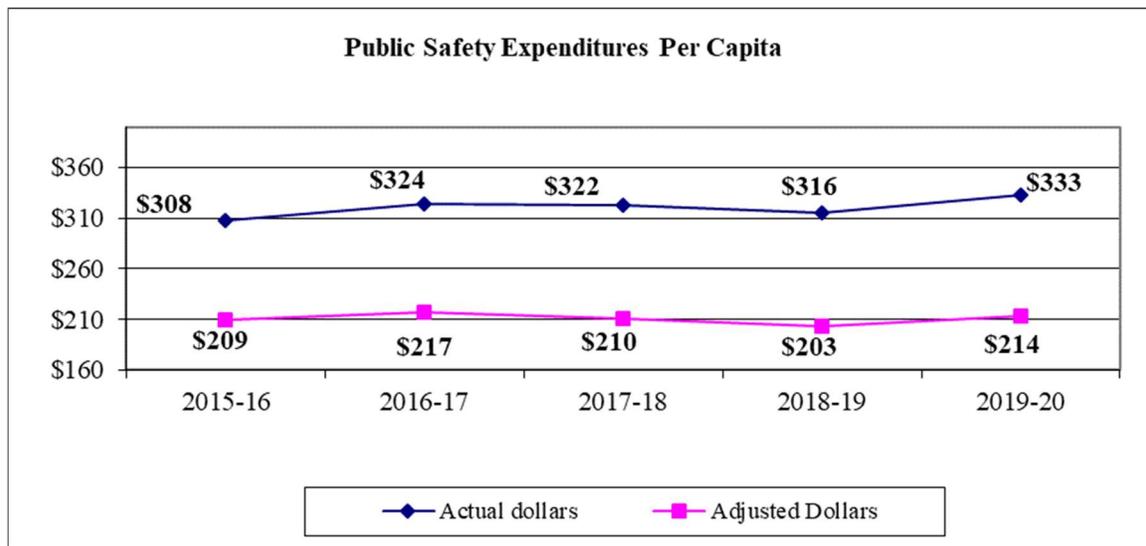
FY 2015-16 per capita costs remained fairly constant. FY 2016-17 per capita decrease is due to the completion of Anderson Park projects. FY 2017-18 remained constant. The increases in FY 2018-19 and FY 2019-20 are primarily due to personnel costs.

Transportation Expenditures Per Capita



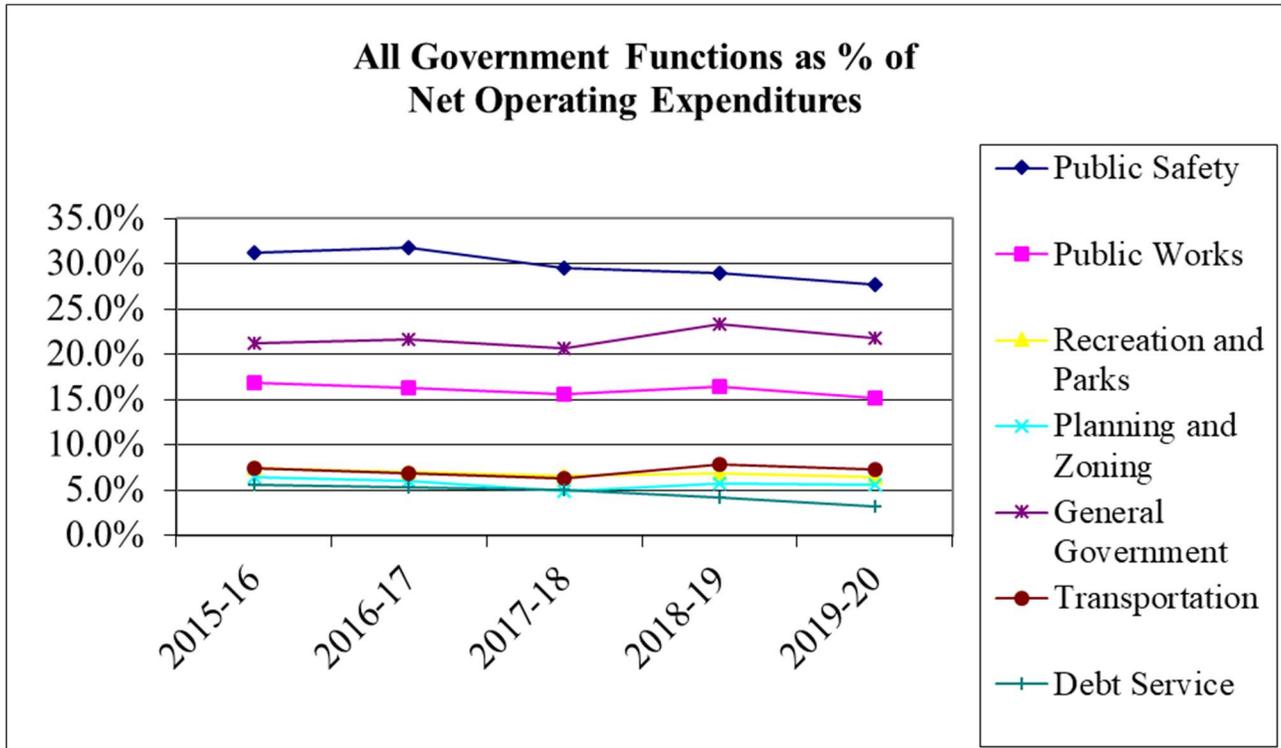
The Town and UNC-Chapel Hill are partners in the transit system administered by the Town of Chapel Hill. Costs for FY 2015-16 remained constant. The decrease in per capita costs in FY 2016-17 is due to revised calculation of the bus replacements. FY 2017-18 remained at previous year levels because a 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.

Public Safety Expenditures per Capita



The decrease in FY 2015-16 is due to a decrease in fuel, uniform and training costs. 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 as a result of less capital outlay and unfilled staffing positions. The FY 2019-20 increase was related to personnel costs.

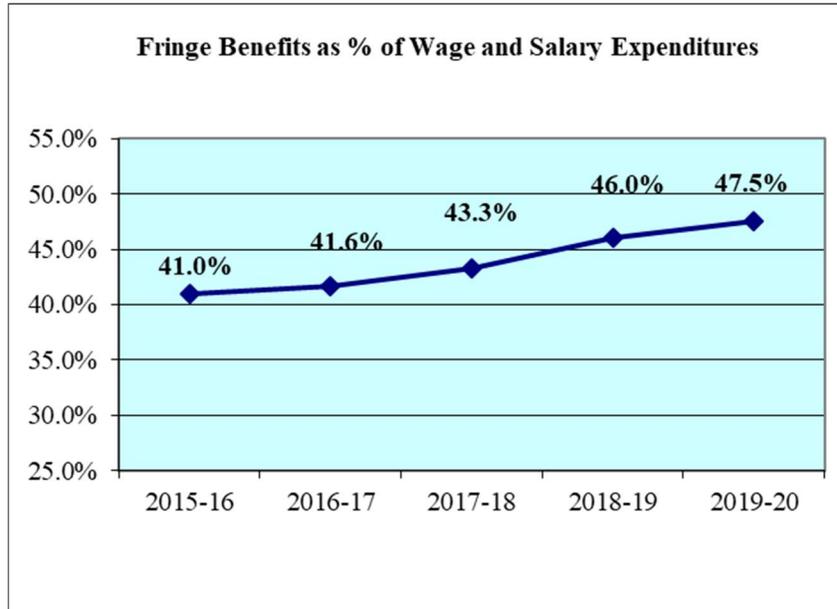
Net Operating Expenditures by Function



The chart above represents the allocation of funding for the various services provided by the Town. Approximately 28 percent of the Town’s spending is dedicated to public safety (fire protection and law enforcement services) and 15 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 22 percent of total spending. The remainder of the programs (debt service, transportation, planning and recreation programs) combined represent approximately 35 percent of the net operating expenses.

Fringe Benefits



	2015-16	2016-17	2017-18	2018-19	2019-20
Expenditures for fringe benefits	\$3,307,824	\$3,379,677	\$3,550,472	\$4,013,773	\$4,443,664
Salaries/Wages (FT,PT,OT, Temp)	\$8,068,980	\$8,115,182	\$8,205,705	\$8,734,764	\$9,363,106
Fringe benefits as % of overall wage and salary expenditures	41.0%	41.6%	43.3%	46.0%	47.5%

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

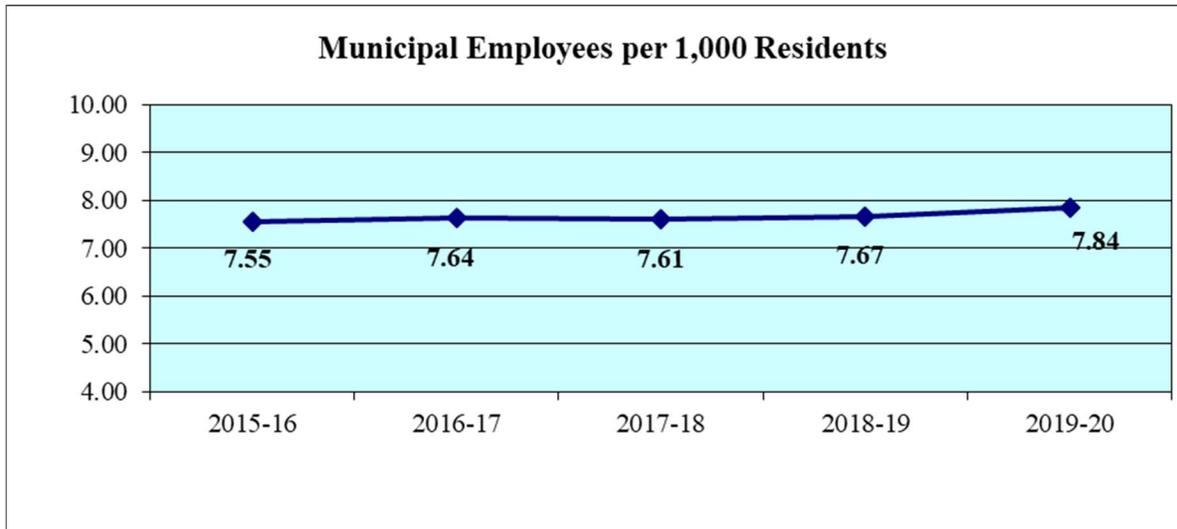
Fringe benefits represent the costs, in addition to salaries and wages, incurred by a jurisdiction to support the personnel it employs. The calculation in this indicator includes FICA payments, health insurance payments, retiree insurance payments, separation allowance payments for retired police officers, 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 FY15-16 to FY 19-20. The increase in fringe benefits is largely due to double-digit 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



	2015-16	2016-17	2017-18	2018-19	2019-20
Population	20,984	20,867	21,099	21,314	21,314
Number of municipal employees approved	158.5	159.5	160.5	163.5	167

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 15-16 through FY 19-20 are based on the combination of population and personnel changes.

Work Force Totals - Permanent Full-time Equivalent

Department	FY	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Mayor & Council		0.5									
Town Manager		5.0	5.0	3.0	3.0	3.0	3.0	4.0	4.0	2.0	1.0
Economic Development		1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.0	1.0
Climate Action										1.0	2.0
Communications											1.5
Housing & Community Svcs										2.5	3.0
Town Clerk		1.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Finance		6.5	6.5	6.5	7.0	6.0	6.0	8.0	8.0	8.0	7.0
Human Resources		2.0	2.0	2.0	2.0	3.0	3.0	2.0	2.0	2.0	3.0
Information Technology				3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0
Police		42.0	41.5	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0
Fire		36.5	36.5	37.0	37.0	37.0	37.0	37.0	37.0	37.0	37.0
Planning		14.0	14.0	14.0	13.5	13.5	14.5	14.5	15.5	14.5	14.5
Public Works		34.0	35.0	35.0	35.0	36.0	35.0	35.0	37.0	37.0	35.0
Recreation, Parks, & Culture		12.5	12.5	12.5	13.0	13.0	13.0	13.0	13.5	13.5	13.5
General Fund Totals		155.5	156.0	158.0	158.5	159.5	159.5	161.5	165.0	165.0	166.0
Stormwater Enterprise							1.0	2.0	2.0	3.5	3.5
Grand Totals		155.5	156.0	158.0	158.5	159.5	160.5	163.5	167.0	168.5	169.5

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 Mgmt 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.

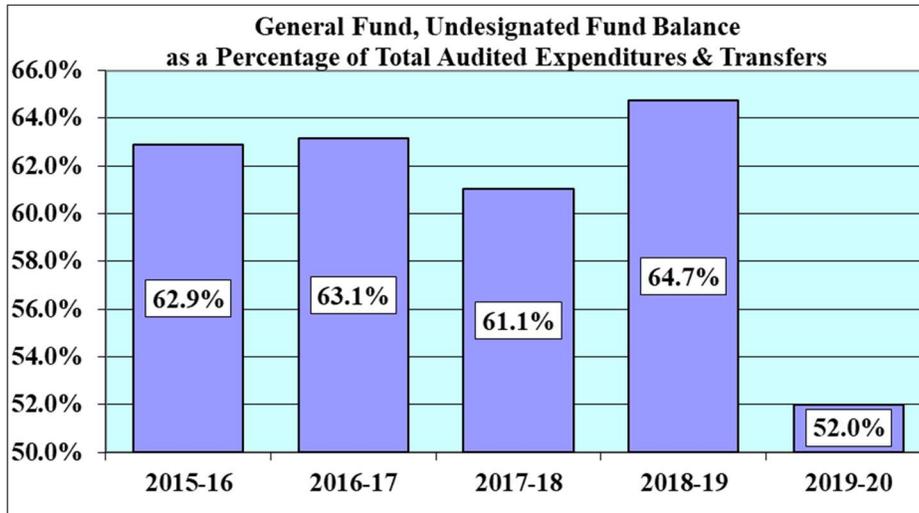
Operating Position Indicators

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, 2019), unreserved fund balance that includes designated and undesignated reserves is at 64.42% 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.

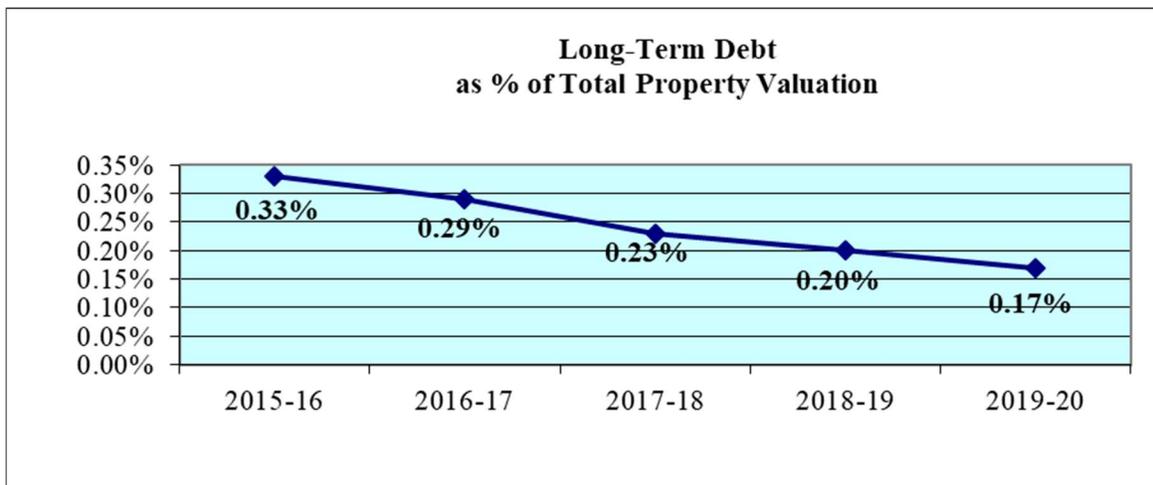
Debt ratios are considered by the LGC and credit rating agencies to ascertain the fiscal health of a municipality. High debt ratios may adversely affect the ability of the Town to obtain the lowest possible interest rate when borrowing funds.

Town of Carrboro, North Carolina Computation of Legal Debt Margin June 30, 2020	
Total assessed valuation at June 30, 2020	\$ 2,411,084,066
Debt limit - eight percent (8%) of assessed value	\$ 192,886,725
Amount of debt applicable to debt limit - Net Bonded Debt	\$ 3,995,976
Legal Debt Margin	\$ 188,890,749

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, 2020 audited valuation is \$188,890,749.

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 4.0% of the total expenditures for the year ending June 30, 2020.

Long-Term Debt



	2015-16	2016-17	2017-18	2018-19	2019-20
Long-Term Debt	\$6,971,705	\$6,274,461	\$5,512,730	\$4,688,182	\$3,995,976
Property Valuation	\$2,135,604,701	\$2,163,259,569	\$2,360,764,978	\$2,389,985,868	\$2,411,084,066

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

Formula: Long-term Debt/Total Property Valuation.

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

Description

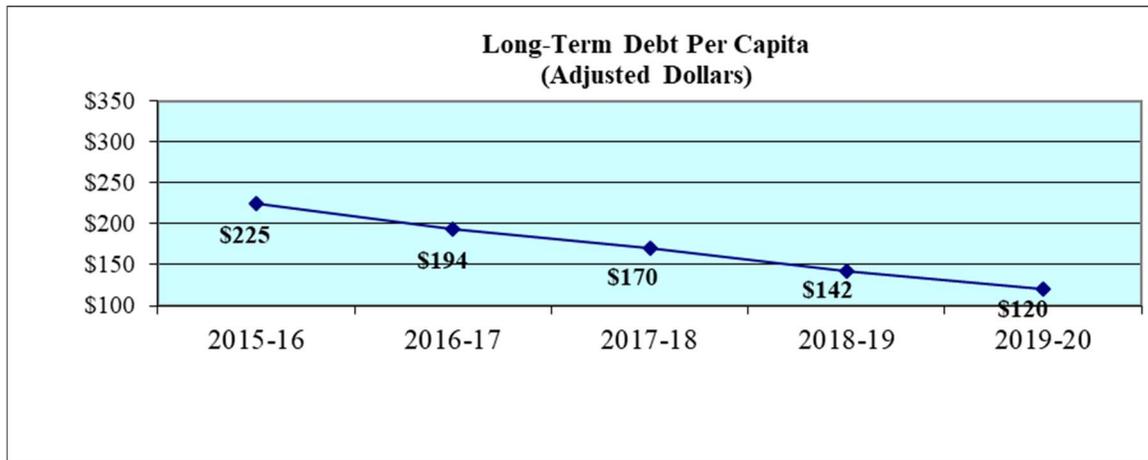
The definition of debt considered by rating agencies is generally limited to bonded debt because of the fact that this debt is backed by the full faith and credit of the town which is represented by the Town’s property valuation. However, given that all debt by the Town is considered a fixed cost and 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 FY19-20 was .282 percent; a high level is considered 1.361 percent. The debt-to-assessed valuation ratio for Carrboro in the last audited year was .154 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.

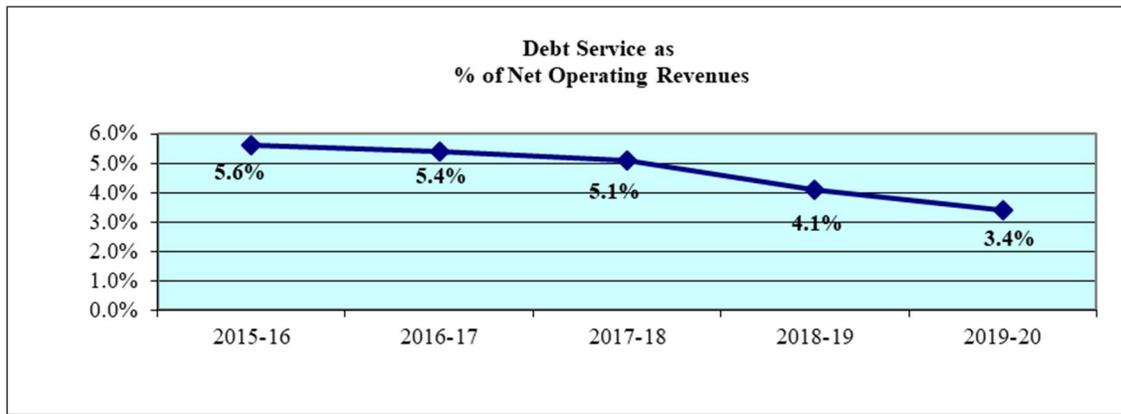
Debt per Capita



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 FY19-20 was \$306 per capita; \$2,485 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 \$184 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 decreases in FY15-16 through FY19-20 are due to lease-purchase of fewer vehicles and equipment and continued principal payments on bonded debt.

Debt Service



	2015-16	2016-17	2017-18	2018-19	2019-20
Debt Service	\$1,164,298	\$1,136,832	\$1,140,714	\$951,169	\$802,148
Net Operating Revenue	\$20,705,996	\$21,008,891	\$22,558,145	\$23,415,184	\$23,415,184

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.

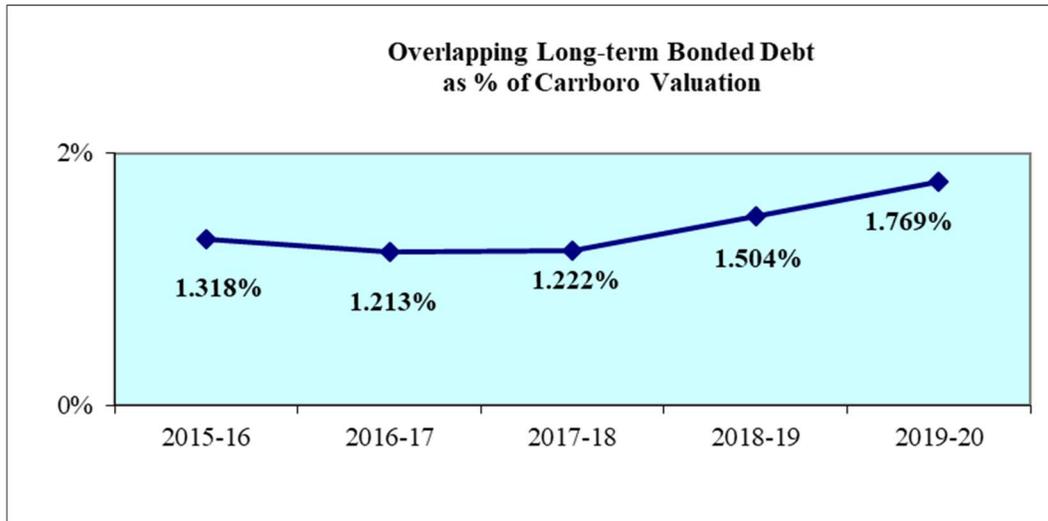
Discussion

The graph shows that debt expenditures are approximately 3.4 percent of net operating revenues in FY19-20. 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

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

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



	2015-16	2016-17	2017-18	2018-19	2019-20
Carrboro Debt	\$3,850,000	\$3,600,000	\$3,350,000	\$3,100,000	\$2,850,000
Orange County Debt	\$24,286,596	\$22,637,920	\$25,505,518	\$32,835,150	\$39,808,275
Total Overlapping Debt	\$28,136,596	\$26,237,920	\$28,855,518	\$35,935,150	\$42,658,275

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 of 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 of its governmental and quasi-governmental jurisdictions.

Discussion

The overlapping debt ratio does not present any warning signs. From FY15-16 to FY16-17, the overlapping debt rate for Orange County has decreased. FY17-18 and FY19-20 are trending slightly higher due to an increase in the Orange County total debt.

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. At June 30, 2020 the Town's unassigned fund balance as a percentage of total expenditures and net fund transfers was 36.7%. For the last nine years through FY 2019-20, 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 75% of total revenues. Sales tax revenues decreased slightly in FY20 due to the recent national health emergency and related downturn in the nation's economy, however, the estimate for FY21 sales tax revenues indicates that we are returning to pre-pandemic sales and approximately a 2% growth rate going forward. Fortunately, because of the Town's close 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, 2026.

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
General Fund	Adopted Budget	Adopted Budget	Projected			
Property Tax Revenues						
Property Valuation	2,274,811,835	2,806,444,019	2,862,572,899	2,919,824,357	2,978,220,844	3,037,785,261
Tax Collection Rate	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Collectible Tax Base	2,229,315,598	2,750,315,139	2,805,321,441	2,861,427,870	2,918,656,427	2,977,029,556
Tax Base per \$100 Levy	22,293,156	27,503,151	28,053,214	28,614,279	29,186,564	29,770,296
Ad Valorem Revenue Est.	13,139,586	16,210,357	16,534,564	16,865,256	17,202,561	17,546,612
Tax Levy per Penny	222,932	275,032	280,532	286,143	291,866	297,703
Tax Rate	0.5894	0.5894	0.5894	0.5894	0.5894	0.5894
Current Levy - Ad Valorem	13,050,000	13,969,675	16,534,564	16,865,256	17,202,561	17,546,612
Prior Year Ad Valorem Tax	78,000	65,000	66,300	67,626	68,979	70,359
Penalty/Interest Revenue	28,500	28,500	29,070	29,651	30,244	30,849
Total Ad Valorem Revenues	13,156,500	14,063,175	16,629,934	16,962,533	17,301,784	17,647,820

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.

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
General Fund	Adopted Budget	Adopted Budget	Projected			
Revenues						
Ad Valorem Tax	13,156,500	14,063,175	14,344,439	14,631,328	14,923,955	15,222,434
Local Sales Tax	4,242,202	4,895,670	4,993,583	5,093,455	5,195,324	5,299,230
Other Taxes/Licenses	1,603,045	1,457,589	1,486,741	1,516,476	1,546,806	1,577,742
Unrestricted Intergovernmental	1,389,688	1,413,000	1,427,130	1,441,401	1,455,815	1,470,373
Restricted Intergovernmental	695,648	625,398	631,652	637,969	644,349	650,792
Fees and Permits	1,221,929	1,239,160	1,263,943	1,289,222	1,315,006	1,341,306
Sales and Services	131,250	171,819	175,255	178,760	182,335	185,982
Investment Earnings	140,000	40,000	40,400	40,804	41,212	41,624
Other Revenues	243,270	252,270	254,793	257,341	259,914	262,513
Fund Balance Appropriated	2,239,574	1,189,720	2,143,724	3,673,571	4,367,058	5,109,463
General Fund Total Revenues	25,063,106	25,347,801	26,761,660	28,760,327	29,931,774	31,161,459

Assumptions used in revenue projections are as follows:

Ad Valorem Tax Base	2% per year thereafter
Local Sales Tax	2% 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 FY 2020-21 the Town had budgeted 168.5 full-time equivalent positions, and that total will increase to 169.5 for FY22. 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.

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
General Fund	Adopted	Adopted	Projected			
<i>Expenditures</i>	Budget	Budget				
Salary and Wages	9,852,829	10,196,006	10,450,906	10,712,179	10,979,983	11,254,483
Fringe Benefits	5,112,742	4,977,941	5,475,735	6,023,309	6,625,640	7,288,204
Total Personnel Costs	14,965,571	15,173,947	15,926,641	16,735,488	17,605,623	18,542,687
Operating Costs:						
General Operating Costs	5,150,377	5,786,396	5,959,988	6,138,788	6,322,952	6,512,641
Human Services Grant	267,625	274,000	270,000	270,000	270,000	270,000
Carrboro Tourism Dev Authority *	160,050	-	-	-	-	-
Landfill Fees	360,000	360,000	370,800	381,924	393,382	405,183
Transportation Costs	2,029,600	2,011,768	2,112,356	2,217,974	2,328,873	2,445,317
Debt Service	1,105,233	876,790	1,127,072	2,016,286	2,005,390	1,973,704
Transfer to Affordable Housing	112,500	-	-	-	-	-
Transfers to Other Funds	343,550	290,300	290,300	290,300	290,300	290,300
Transfers to Other Funds	450,000	385,200	500,000	500,000	500,000	500,000
Total Operating Costs	9,978,935	9,984,454	10,630,516	11,815,272	12,110,897	12,397,145
Capital Outlay	118,600	189,400	200,000	200,000	200,000	200,000
Total Expenditures	25,063,106	25,347,801	26,757,157	28,750,760	29,916,520	31,139,832

* Change in accounting procedure in FY22

The expenditure assumptions are:

Salary and Wages	<i>2.5% per year & increase FTEs to 169.5 in FY22</i>
Fringe Benefits	<i>10% increase per year</i>
General Operating Costs	<i>3% per year</i>
Human Services	<i>0% per year</i>
Other Governance Support	<i>2% per year</i>
Landfill Fees	<i>3% per year</i>
Transportation Costs	<i>5% per year</i>
Debt Service	<i>Based on Debt Service projections-see following pages</i>
Transfer to Affordable Hsg	<i>Amount needed to balance the AH Fund prior to FY22</i>
Transfer to Parking Fund	<i>Funding transfer for parking related expenditures</i>
Transfers to Other Funds	<i>Funding transfer to Capital Projects Fund for street re-surfacing.</i>

Affordable Housing Fund

Below is a summary of projected property tax rates, revenue sources and expenditures through fiscal year ending June 30, 2026.

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Affordable Housing Fund	Adopted	Adopted	Projected			
Property Tax Revenues	Budget	Budget				
Property Valuation	2,274,811,835	2,806,444,019	2,862,572,899	2,919,824,357	2,978,220,844	3,037,785,261
Tax Collection Rate	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Collectible Tax Base	2,229,315,598	2,750,315,139	2,805,321,441	2,861,427,870	2,918,656,427	2,977,029,556
Tax Base per \$100 Levy	22,293,156	27,503,151	28,053,214	28,614,279	29,186,564	29,770,296
Ad Valorem Revenue Est.	222,932	412,547	420,798	429,214	437,798	446,554
Tax Levy per Penny	222,932	275,032	280,532	286,143	291,866	297,703
Tax Rate	0.0100	0.0150	0.0150	0.0150	0.0150	0.0150
Current Levy - Ad Valorem	223,500	338,000	420,798	429,214	437,798	446,554
Prior Year Ad Valorem Tax	900	400	404	408	412	416
Penalty/Interest Revenue	300	50	51	52	53	54
Investment Earnings	800	75	75	75	75	75
Total Ad Valorem Revenues	225,500	338,525	421,328	429,749	438,338	447,099
Transfer from General Fund	112,500	-	-	-	-	-
Total Operating Costs	338,000	338,525	421,328	429,749	438,338	447,099

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 2021-22 through FY 2025-26

	Previous Appropriations	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY22-FY26 Total	Project Total
Expenses								
Planning/Design	4,839,670	678,000	1,003,604	718,000	280,000	80,000	2,759,604	7,599,274
Construction	28,060,920	1,631,000	2,749,000	10,706,841	7,836,000	3,063,000	25,985,841	54,046,761
Land/ROW	651,395	-	9,809	103,000	20,000	63,000	195,809	847,204
Equipment/Furnishings	1,089,814	2,421,850	1,537,000	966,000	679,000	1,459,691	7,063,541	8,153,355
Total Expenditures	\$ 34,641,799	\$4,730,850	\$5,299,413	\$ 12,493,841	\$ 8,815,000	\$ 4,665,691	\$36,004,795	\$70,646,594
Appropriations								
Intergovernmental Funds	16,919,921	736,000	267,598	7,263,811	537,000	1,512,000	10,316,409	27,236,330
General Fund	2,832,021	-	-	400,000	-	400,000	800,000	3,632,021
Capital Project Fund	-	899,000	869,815	1,208,030	699,000	474,000	4,149,845	4,149,845
Storm Water Fund	531,000	350,000	405,000	525,000	750,000	650,000	2,680,000	3,211,000
GO Bonds	516,866	-	-	-	-	-	-	516,866
Installment Financing	13,089,814	2,711,850	3,707,000	3,038,000	6,779,000	1,459,691	17,695,541	30,785,355
Other *	752,177	34,000	50,000	59,000	50,000	170,000	363,000	1,115,177
Total Funding	\$ 34,641,799	\$4,730,850	\$5,299,413	\$ 12,493,841	\$ 8,815,000	\$ 4,665,691	\$36,004,795	\$70,646,594
* Includes Orange Cnty Transit Fnds of:	752,177	34,000	-	9,000		170,000	213,000	965,177

The Capital Improvements Plan (CIP) for FY 2021-22 through FY 2025-26 includes a number of new projects related to facility improvements and stormwater retrofits. The Town currently has 16 capital projects underway totaling \$34.6 million. The largest project is the 203 S. Greensboro Street project at \$26.4 million, 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 is expected to contribute \$13.8 million and the Town anticipates debt financing of \$12.0 million. Over the next five years, the Town will need funds to undertake the following projects;

- Street Re-surfacing: \$3.0 million;
- Vehicles and Equipment: \$3.6 million;
- Town Facility Improvements: \$17.3 million;
- Stormwater improvements: \$2.5 million;
- Infrastructure Projects (e.g., sidewalks, bike ways, etc.): \$9.2 million.

The Facilities Assessment and Space Needs Study in 2016 identified a need to renovate several Town building. 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 2025-26.

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<i>Debt Service</i>	Adopted Budget	Adopted Budget	Projected			
Sidewalk & Greenways GO Bonds	317,500	312,500	307,500	302,500	296,875	291,250
Fire Substation	240,517	234,905	229,293	223,682	109,736	-
Vehicle and Equipment	547,216	329,385	278,649	278,649	278,649	278,649
Current Debt Service	1,105,233	876,790	815,442	804,831	685,260	569,899
Future Vehicle & Equipment Debt			156,642	256,642	381,642	481,642
Future Long-Term Debt Service:						
203 S Greensboro Development			154,988	954,813	938,488	922,163
Total Current & Future Debt	1,105,233	876,790	1,127,072	2,016,286	2,005,390	1,973,704

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LINE-ITEM BUDGET DETAIL...

Department Summary for the:
Mayor and Town Council

<u>Account Description</u>	FY 2019-20	FY 2020-21	FY 2021-22	FY21 to FY22
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
PART TIME SALARIES	80,530	80,531	80,531	0.00%
FICA	6,140	6,189	6,189	0.00%
INSURANCE	25,718	21,284	19,962	-6.21%
TRAINING	150	3,500	3,500	0.00%
PROFESSIONAL SERVICES	2,130	-	-	#DIV/0!
LEGAL SERVICES	193,766	200,000	200,000	0.00%
CONFERENCES	3,283	-	5,950	#DIV/0!
POSTAGE	44	300	50	-83.33%
TRAVEL	2,564	-	7,500	#DIV/0!
OFFICE SUPPLIES	255	500	500	0.00%
DEPARTMENTAL SUPPLIES	1,434	2,000	2,000	0.00%
CONTRACTUAL SERVICES	51,395	12,000	34,000	183.33%
TRIANGLE J COG *	-	9,000	9,500	5.56%
NC LEAGUE OF MUNICIPALITIES *	-	18,000	18,500	2.78%
COMMUNITY DINNER *	-	1,000	1,500	50.00%
METROPOLITAN COALITION *	-	8,009	8,100	1.14%
COMMUNITY ENGAGEMENT **	-	7,500	-	-100.00%
CRIMINAL JUSTICE DEBT	-	7,500	7,500	0.00%
ELECTIONS	15,731	-	20,000	#DIV/0!
DUES AND SUBSCRIPTION	5,170	4,000	6,000	50.00%
CONTINGENCY	1,000	10,000	10,000	0.00%
Totals	\$ 389,310	\$ 391,313	\$ 441,282	12.77%

* Expense was budgeted in Governmental Support in FY20.

** Expense is budgeted in Communications in FY22.

Department Summary for the:
Advisory Boards

<u>Account Description</u>	FY 2019-20	FY 2020-21	FY 2021-22	FY21 to FY22
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
TRAINING	-	-	6,000	#DIV/0!
CONTRACTUAL SERVICES	25	5,000	-	-100.00%
FOOD COUNCIL *	-	-	10,650	#DIV/0!
APPEARANCE COMMITTEE	-	200	200	0.00%
PLANNING BOARD	64	500	500	0.00%
BOARD OF ADJUSTMENT	32	500	500	0.00%
RECREATION & PARKS COMMISSION	158	2,400	2,400	0.00%
TRANSPORTATION ADVISORY BOARD	-	500	500	0.00%
HUMAN SERVICES COMMISSION	279	500	500	0.00%
NORTHERN AREA TRANSITION ADV	-	200	200	0.00%
APPRECIATION EVENTS	-	4,000	4,000	0.00%
ECONOMIC SUSTAINABILITY COMMIS	-	500	500	0.00%
GREENWAY COMMISSION	-	500	500	0.00%
ART COMMITTEE	7,061	21,000	21,000	0.00%
ENVIRONMENTAL ADVISORY BOARD	-	500	500	0.00%
YOUTH ADVISORY BOARD	364	500	500	0.00%
RACE & EQUITY ADVISORY BOARD	-	-	500	#DIV/0!
TRUTH PLAQUE TASK FORCE	-	-	5,000	#DIV/0!
Totals	\$ 7,983	\$ 36,800	\$ 53,950	46.60%

* Expense was budgeted in Econ Dev in FY21.

Department Summary for the:
Governmental Support

<u>Account Description</u>	FY 2019-20	FY 2020-21	FY 2021-22	FY21 to FY22
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
TRIANGLE J COG	\$ 8,162	\$ -	\$ -	▶ #DIV/0!
NC LEAGUE OF MUNICIPALITIES	18,023	-	-	▶ #DIV/0!
INSTITUTE OF GOVERNMENT	2,716	-	-	▶ #DIV/0!
HUMAN SERVICES GRANTS	294,875	-	-	▶ #DIV/0!
LIBRARY PROJECT	4,000	-	-	▶ #DIV/0!
THE PEOPLES CHANNEL	27,307	-	-	▶ #DIV/0!
METROPOLITAN COALITION	8,169	-	-	▶ #DIV/0!
COMMUNITY OUTREACH	42,970	-	-	▶ #DIV/0!
CARRBORO TOURISM DEV AUTHORITY	144,198	-	-	▶ #DIV/0!
ROGERS ROAD INTERLOCAL	66,728	-	-	▶ #DIV/0!
FOOD COUNCIL	10,650	-	-	▶ #DIV/0!
DACA	2,970	-	-	▶ #DIV/0!
Totals	\$ 630,768	\$ -	\$ -	▶ #DIV/0!

* In FY21, this department was inactivated and the various expenses distributed to other departments.

Department Summary for the:

Town Manager

<u>Account Description</u>	FY 2019-20	FY 2020-21	FY 2021-22	FY21 to FY22
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	334,323	225,451	165,089	-26.77%
SERVICE BENEFIT	868	868	868	0.00%
TEMP. SALARY	13,124	7,000	7,000	0.00%
FICA	24,151	16,191	11,884	-26.60%
INSURANCE	58,721	27,802	15,514	-44.20%
LONG TERM DISABILITY	-	-	460	#DIV/0!
RETIREMENT	30,606	23,085	18,919	-18.05%
SUPPLMENTAL RETIREMENT	10,156	6,794	4,981	-26.69%
CAR ALLOWANCE	6,000	6,000	6,000	0.00%
TRAINING	904	-	2,200	#DIV/0!
CONFERENCES	496	-	2,600	#DIV/0!
POSTAGE	23	50	50	0.00%
TELEPHONE	590	1,000	1,000	0.00%
TRAVEL	3,521	-	3,800	#DIV/0!
PRINTING	951	1,500	100	-93.33%
ADVERTISING	17,202	4,500	100	-97.78%
OFFICE SUPPLIES	532	300	600	100.00%
DEPARTMENTAL SUPPLIES	4,276	2,100	2,000	-4.76%
FURNITURE & EQUIPMENT NON-CAP	3,870	3,000	1,700	-43.33%
CONTRACTUAL SERVICES	3,472	22,500	22,500	0.00%
INSTITUTE OF GOVERNMENT *	-	2,593	2,825	8.95%
DUES AND SUBSCRIPTION	3,774	4,205	2,500	-40.55%
MISCELLANEOUS	750	30,000	20,000	-33.33%
Totals	\$ 518,310	\$ 384,939	\$ 292,690	-23.96%

* Expense was budgeted in Governmental Support in FY20.

Department Summary for the:
Economic Development

<u>Account Description</u>	FY 2019-20	FY 2020-21	FY 2021-22	FY21 to FY22
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	\$ 99,590	\$ 94,349	\$ 82,000	-13.09%
SERVICE BENEFIT	248	248	-	-100.00%
PART TIME SALARIES	20,898	-	-	#DIV/0!
TEMP. SALARY	16,888	-	-	#DIV/0!
FICA	10,512	7,242	6,279	-13.30%
INSURANCE	10,215	10,691	10,030	-6.18%
LONG TERM DISABILITY	-	-	378	#DIV/0!
RETIREMENT	10,928	9,588	9,348	-2.50%
SUPPLMENTAL RETIREMENT	3,001	2,822	2,462	-12.76%
TRAINING	15	-	3,000	#DIV/0!
CONFERENCES	1,105	-	1,600	#DIV/0!
POSTAGE	21	600	100	-83.33%
TRAVEL	23	-	3,000	#DIV/0!
PRINTING	75	600	100	-83.33%
ADVERTISING	1,201	1,500	1,400	-6.67%
OFFICE SUPPLIES	-	300	200	-33.33%
DEPARTMENTAL SUPPLIES	369	500	500	0.00%
CONTRACTUAL SERVICES	40,714	-	-	#DIV/0!
HOLIDAY EVENT **	113	1,500	-	-100.00%
CD & MEMORABILIA SHOW	1,166	-	-	#DIV/0!
LOCAL LIVING ECONOM INITIATIVE	4,155	4,000	1,500	-62.50%
ENTREPRENEURIAL INITIATIVE	99	4,000	5,000	25.00%
MEMBER SCHOLARSHIPS - CBA	-	2,000	2,000	0.00%
ECONOMIC DEVELOPMENT INCENTIVE	-	5,970	1,950	-67.34%
CARRBORO TOURISM DEV AUTHORITY ^	-	160,050	-	-100.00%
300 E MAIN PARKING	45,000	-	-	#DIV/0!
DUES AND SUBSCRIPTION	1,073	500	1,280	156.00%
FOOD COUNCIL *	-	8,750	-	-100.00%
Totals	\$ 267,409	\$ 315,210	\$ 132,127	-58.08%

* Expense was budgeted in Governmental Support in FY20, and moved to Advisory Boards in FY22.

** Expense was moved to RPCR in FY22

^ Expense was eliminated and will be netted against revenues in FY22

Department Summary for the:
Climate Action

<u>Account Description</u>	<u>FY 2019-20</u> <u>Actuals</u>	<u>FY 2020-21</u> <u>Adopted</u> <u>Budget</u>	<u>FY 2021-22</u> <u>Adopted</u> <u>Budget</u>	<u>FY21 to FY22</u> <u>Percent</u> <u>Change</u>
SALARIES	\$ -	\$ 53,506	\$ 103,394	93.24%
TEMP. SALARY	-	6,000	6,000	0.00%
FICA	-	4,558	8,232	80.61%
INSURANCE	-	17,111	36,351	112.44%
LONG TERM DISABILITY	-	-	468	#DIV/0!
RETIREMENT	-	5,458	11,566	111.91%
SUPPLMENTAL RETIREMENT	-	1,607	3,048	89.67%
POSTAGE	-	1,600	1,600	0.00%
TELEPHONE	-	-	1,200	#DIV/0!
PRINTING	-	600	500	-16.67%
ADVERTISING	-	3,000	600	-80.00%
UTILITIES	-	-	3,200	#DIV/0!
OFFICE SUPPLIES	-	344	350	1.74%
DEPARTMENTAL SUPPLIES	-	5,157	900	-82.55%
CONTRACTUAL SERVICES	-	4,800	104,800	2083.33%
DUES AND SUBSCRIPTION	-	850	1,040	22.35%
GRASSROOTS PARTNERSHIPS INIT	-	25,000	25,000	0.00%
Totals	\$ -	\$ 129,591	\$ 308,249	137.86%

The Climate Action Department was created in FY21.

Department Summary for the:
Communication & Engagement Department

<u>Account Description</u>	FY 2019-20	FY 2020-21	FY 2021-22	FY21 to FY22
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	\$ -	\$ -	\$ 88,600	#DIV/0!
PART TIME SALARIES	-	-	20,600	#DIV/0!
FICA	-	-	8,366	#DIV/0!
INSURANCE	-	-	14,260	#DIV/0!
LONG TERM DISABILITY	-	-	405	#DIV/0!
RETIREMENT	-	-	12,198	#DIV/0!
SUPPLMENTAL RETIREMENT	-	-	2,642	#DIV/0!
TRAINING	-	-	950	#DIV/0!
CONFERENCES	-	-	950	#DIV/0!
POSTAGE	-	-	50	#DIV/0!
TRAVEL	-	-	400	#DIV/0!
PRINTING	-	-	5,000	#DIV/0!
ADVERTISING	-	-	5,000	#DIV/0!
OFFICE SUPPLIES	-	-	150	#DIV/0!
DEPARTMENTAL SUPPLIES	-	-	1,000	#DIV/0!
CONTRACTUAL SERVICES	-	-	5,500	#DIV/0!
COMMUNITY ENGAGEMENT *	-	-	7,500	#DIV/0!
DUES AND SUBSCRIPTION	-	-	3,717	#DIV/0!
Totals	\$ -	\$ -	\$ 177,288	#DIV/0!

The Communications Department is new for FY22.

* Expense was budgeted in Mayor and Council in FY21.

Department Summary for the:
Housing & Community Services

<u>Account Description</u>	FY 2019-20	FY 2020-21	FY 2021-22	FY21 to FY22
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	\$ -	\$ 122,770	\$ 164,366	33.88%
PART TIME SALARIES	-	20,767	-	-100.00%
FICA	-	10,998	12,592	14.49%
INSURANCE	-	33,238	40,897	23.04%
LONG TERM DISABILITY	-	-	755	#DIV/0!
RETIREMENT	-	14,421	18,669	29.46%
SUPPLMENTAL RETIREMENT	-	3,670	4,920	34.06%
TRAINING	-	-	1,650	#DIV/0!
CONFERENCES	-	-	2,600	#DIV/0!
POSTAGE	-	100	100	0.00%
TRAVEL	-	-	3,800	#DIV/0!
PRINTING	-	1,000	1,000	0.00%
ADVERTISING	-	500	500	0.00%
OFFICE SUPPLIES	-	600	600	0.00%
DEPARTMENTAL SUPPLIES	-	1,500	1,500	0.00%
FURNITURE & EQUIPMENT NON-CAP	-	2,000	2,000	0.00%
CONTRACTUAL SERVICES	-	5,000	5,000	0.00%
HUMAN SERVICES GRANTS *^	-	267,625	274,000	2.38%
COMMUNITY OUTREACH *	-	42,970	42,970	0.00%
DUES AND SUBSCRIPTION	-	650	650	0.00%
DACA *	-	10,000	10,000	0.00%
UNC GOOD NEIGHBOR PROGRAM *	-	335	335	0.00%
Totals	\$ -	\$ 538,144	\$ 588,904	9.43%

* Expense was budgeted in Governmental Support in FY20.

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

The Housing & Community Services Department was created in FY21.

Department Summary for the:
Town Clerk

<u>Account Description</u>	<u>FY 2019-20</u> <u>Actuals</u>	<u>FY 2020-21</u> <u>Adopted</u> <u>Budget</u>	<u>FY 2021-22</u> <u>Adopted</u> <u>Budget</u>	<u>FY21 to FY22</u> <u>Percent</u> <u>Change</u>
SALARIES	\$ 71,186	\$ 70,224	\$ 70,224	0.00%
SERVICE BENEFIT	248	456	456	0.00%
PART TIME SALARIES	30,517	31,392	27,200	-13.35%
FICA	6,921	7,814	7,500	-4.02%
INSURANCE	15,516	15,207	14,260	-6.23%
LONG TERM DISABILITY	-	-	321	#DIV/0!
RETIREMENT	9,233	10,129	10,839	7.01%
SUPPLMENTAL RETIREMENT	2,132	2,105	2,105	0.00%
TRAINING	-	-	1,200	#DIV/0!
CONFERENCES	846	-	1,300	#DIV/0!
POSTAGE	2	25	-	-100.00%
TRAVEL	428	200	500	150.00%
PRINTING	-	500	-	-100.00%
ADVERTISING	9,888	10,000	10,000	0.00%
OFFICE SUPPLIES	96	750	1,200	60.00%
DEPARTMENTAL SUPPLIES	523	1,275	1,275	0.00%
CONTRACTUAL SERVICES	4,449	3,120	3,120	0.00%
DUES AND SUBSCRIPTION	265	750	750	0.00%
CARRBORO CITIZENS ACADEMY	1,631	2,200	2,200	0.00%
Totals	\$ 153,881	\$ 156,147	\$ 154,450	-1.09%

Department Summary for the:
Finance Department

<u>Account Description</u>	FY 2019-20	FY 2020-21	FY 2021-22	FY21 to FY22
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	\$ 501,864	\$ 531,553	\$ 484,004	-8.95%
SERVICE BENEFIT	1,403	1,611	1,611	0.00%
TEMP. SALARY	-	-	1,800	#DIV/0!
FICA	36,178	41,287	37,782	-8.49%
INSURANCE	108,992	119,256	96,215	-19.32%
UNEMPLOYMENT INSURANCE	-	4,000	-	-100.00%
LONG TERM DISABILITY	-	-	2,096	#DIV/0!
RETIREMENT	46,107	54,383	55,359	1.79%
SUPPLMENTAL RETIREMENT	15,310	16,012	14,583	-8.92%
CAR ALLOWANCE	6,000	6,000	6,000	0.00%
TRAINING	4,818	-	720	#DIV/0!
CONFERENCES	4,407	-	3,320	#DIV/0!
POSTAGE	1,987	3,000	1,600	-46.67%
RISK MANAGEMENT/SAFETY	6,566	-	-	#DIV/0!
TRAVEL	2,411	-	8,300	#DIV/0!
RENT	6,323	15,480	16,196	4.63%
PRINTING	8,782	6,804	5,340	-21.52%
ADVERTISING	100	1,000	-	-100.00%
OFFICE SUPPLIES	3,405	2,350	4,800	104.26%
DEPARTMENTAL SUPPLIES	2,716	2,750	-	-100.00%
FURNITURE & EQUIPMENT NON-CAP	3,398	2,000	700	-65.00%
CONTRACTUAL SERVICES	138,247	141,750	146,150	3.10%
BANK SERVICE CHARGES	4,297	8,500	4,500	-47.06%
DUES AND SUBSCRIPTION	2,571	3,394	2,049	-39.63%
MISCELLANEOUS	809	-	-	#DIV/0!
GENERAL INSURANCE	268,866	305,000	350,000	14.75%
PUBLIC OFFICIALS LIABILITY INS	11,148	12,500	12,500	0.00%
Totals	\$ 1,186,705	\$ 1,278,630	\$ 1,255,625	-1.80%

Department Summary for the:
Human Resources Department

<u>Account Description</u>	FY 2019-20	FY 2020-21	FY 2021-22	FY21 to FY22
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	\$ 138,917	\$ 137,965	\$ 197,520	43.17%
SERVICE BENEFIT	248	248	248	0.00%
TEMP. SALARY	-	3,000	2,000	-33.33%
FICA	11,763	10,815	15,300	41.47%
INSURANCE	40,077	37,754	55,934	48.15%
RETIREE INSURANCE	323,254	330,000	330,000	0.00%
RETIREE INSURANCE STIPEND	4,236	4,236	4,236	0.00%
LONG TERM DISABILITY	-	36,000	908	-97.48%
RETIREMENT	12,598	14,037	22,478	60.13%
SUPPLMENTAL RETIREMENT	4,183	4,132	5,921	43.30%
TRAINING	1,295	-	2,000	#DIV/0!
EMPLOYEE TUITION ASSISTANCE	519	3,000	3,000	0.00%
ORGANIZATIONAL DEVELOPMENT	12,605	5,000	10,000	100.00%
CONFERENCES	942	-	2,500	#DIV/0!
POSTAGE	132	300	300	0.00%
GOVT ADVANCED RACIAL EQUITY *	24,414	-	-	#DIV/0!
RISK MANAGEMENT/SAFETY	-	-	10,000	#DIV/0!
TRAVEL	(485)	500	1,000	100.00%
PRINTING	93	300	300	0.00%
ADVERTISING	325	1,000	1,000	0.00%
OFFICE SUPPLIES	341	500	500	0.00%
DEPARTMENTAL SUPPLIES	756	1,500	1,500	0.00%
CONTRACTUAL SERVICES	33,670	16,500	17,000	3.03%
GO PASSES - TRIANGLE TRANSIT	-	750	250	-66.67%
DUES AND SUBSCRIPTION	642	620	620	0.00%
EMPLOYEE WELLNESS PROGRAM	1,452	24,750	24,750	0.00%
APPRECIATION EVENTS	13,527	15,000	15,000	0.00%
Totals	\$ 625,504	\$ 647,907	\$ 724,265	11.79%

* Expense was budgeted in RPCR starting in FY21.

Department Summary for the:

Information Technology Department

<u>Account Description</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY21 to FY22</u>
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	\$ 244,698	\$ 241,308	\$ 304,181	26.06%
SERVICE BENEFIT	2,192	2,192	2,192	0.00%
FICA	17,941	18,645	23,460	25.82%
INSURANCE	43,883	43,009	60,641	41.00%
LONG TERM DISABILITY	-	-	1,342	#DIV/0!
RETIREMENT	22,348	24,837	34,927	40.62%
SUPPLMENTAL RETIREMENT	7,421	7,312	9,200	25.82%
TRAINING	850	-	7,500	#DIV/0!
PROFESSIONAL SERVICES	-	-	25,700	#DIV/0!
CONFERENCES	-	-	2,800	#DIV/0!
TELEPHONE	132,261	118,200	88,800	-24.87%
TRAVEL	-	-	1,000	#DIV/0!
M & R EQUIPMENT	45,556	77,500	50,500	-34.84%
MOTOR VEHICLE REPAIR	359	350	350	0.00%
FUEL	132	400	400	0.00%
OFFICE SUPPLIES	1,439	1,500	1,500	0.00%
DEPARTMENTAL SUPPLIES	19,991	25,000	30,000	20.00%
COMPUTER & PERIPHERALS	383,977	286,000	300,000	4.90%
CONTRACTUAL SERVICES	730,409	875,000	-	-100.00%
THE PEOPLES CHANNEL *	-	27,297	27,200	-0.36%
HARDWARE SUPPORT	-	-	194,900	#DIV/0!
SOFTWARE SUPPORT	-	-	429,400	#DIV/0!
HOSTED SERVICES	-	-	141,200	#DIV/0!
NETWORK CONNECTIVITY	-	-	118,500	#DIV/0!
FIBER INSTALL / REPAIR	-	-	28,200	#DIV/0!
DUES AND SUBSCRIPTION	459	-	4,100	#DIV/0!
EQUIPMENT	148,193	-	30,000	#DIV/0!
Totals	\$ 1,802,109	\$ 1,748,550	\$ 1,917,993	9.69%

* Expense was budgeted in Governmental Support in FY20.

Department Summary for the:
Police Department

<u>Account Description</u>	FY 2019-20	FY 2020-21	FY 2021-22	FY21 to FY22
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	2,261,852	2,316,189	2,239,861	-3.30%
OVERTIME	46,619	50,000	69,000	38.00%
SERVICE BENEFIT	11,858	12,354	14,259	15.42%
WORKERS COMPENSATION	2,921	6,000	6,000	0.00%
POLICE OFFICERS AGILITY TEST	10,000	19,500	11,500	-41.03%
FICA	182,531	193,672	186,685	-3.61%
INSURANCE	502,996	597,502	493,809	-17.35%
LONG TERM DISABILITY	-	-	10,314	#DIV/0!
RETIREMENT	226,160	257,456	277,710	7.87%
SUPPLMENTAL RETIREMENT	114,113	118,894	115,814	-2.59%
EARLY SEPARATION ALLOWANCE	154,120	130,838	103,142	-21.17%
TRAINING	34,212	30,000	30,000	0.00%
CONFERENCES	5,139	3,400	3,400	0.00%
POSTAGE	321	650	650	0.00%
TELEPHONE	13,486	17,120	17,120	0.00%
M & R EQUIPMENT	13,150	13,940	13,940	0.00%
MOTOR VEHICLE REPAIR	60,991	54,885	54,885	0.00%
RENT	8,274	10,000	10,000	0.00%
PRINTING	9	1,140	1,140	0.00%
FUEL	57,147	59,298	59,298	0.00%
OFFICE SUPPLIES	1,977	4,850	4,850	0.00%
CANINE SUPPLIES	3,610	3,000	3,000	0.00%
DEPARTMENTAL SUPPLIES	29,842	39,461	39,461	0.00%
VEHICLE SUPPLIES	1,445	8,477	8,477	0.00%
FURNITURE & EQUIPMENT NON-CAP	4,755	7,000	7,000	0.00%
UNIFORMS	55,538	50,000	53,500	7.00%
STATE SEIZURE EXPENSES	3,689	5,000	5,000	0.00%
FEDERAL SEIZURE EXPENSES	428	-	-	#DIV/0!
COFFEE WITH A COP	3,445	3,000	3,000	0.00%
CONTRACTUAL SERVICES	133,803	166,554	153,043	-8.11%
DUES AND SUBSCRIPTION	4,024	4,816	4,816	0.00%
PRECIOUS METAL BUSSINESS	-	200	200	0.00%
MISCELLANEOUS	5,500	5,500	5,500	0.00%
Totals	\$ 3,953,955	\$ 4,190,696	\$ 4,006,374	-4.40%

Department Summary for the:
Fire and Rescue Department

<u>Account Description</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY21 to FY22</u>
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	\$ 1,825,372	\$ 1,854,164	\$ 1,816,238	-2.05%
OVERTIME	44,728	40,000	40,000	0.00%
SERVICE BENEFIT	11,199	11,819	12,485	5.63%
WORKERS COMPENSATION	1,712	-	1,500	#DIV/0!
SHIFT WAGES - FIRE DEPT	113,866	110,000	110,000	0.00%
FICA	145,464	154,433	151,578	-1.85%
INSURANCE	470,333	500,219	445,871	-10.86%
UNEMPLOYMENT INSURANCE	2,800	-	-	#DIV/0!
LONG TERM DISABILITY	-	-	8,371	#DIV/0!
RETIREMENT	177,269	205,632	225,574	9.70%
SUPPLMENTAL RETIREMENT	58,842	60,562	59,442	-1.85%
FIREFIGHTERS PENSION	3,241	3,240	3,240	0.00%
HOUSING STIPEND	2,682	-	-	#DIV/0!
TRAINING	12,216	5,000	15,000	200.00%
EMPLOYEE TUITION ASSISTANCE	-	700	-	-100.00%
CONFERENCES	2,654	1,700	3,500	105.88%
POSTAGE	131	200	200	0.00%
TELEPHONE	3,527	5,054	5,054	0.00%
RISK MANAGEMENT/SAFETY	7,319	-	-	#DIV/0!
M & R EQUIPMENT	25,350	35,000	35,000	0.00%
MOTOR VEHICLE REPAIR	53,015	36,500	36,500	0.00%
FUEL	19,578	20,910	20,910	0.00%
OFFICE SUPPLIES	773	1,500	1,500	0.00%
DEPARTMENTAL SUPPLIES	54,109	40,000	40,000	0.00%
FURNITURE & EQUIPMENT NON-CAP	9,376	-	13,200	#DIV/0!
MEDICAL SUPPLIES	10,719	10,000	10,000	0.00%
UNIFORMS	47,001	46,260	46,260	0.00%
CONTRACTUAL SERVICES	19,041	26,626	26,626	0.00%
DUES AND SUBSCRIPTION	2,491	3,620	3,620	0.00%
MEDICAL EXAMS	-	10,000	10,000	0.00%
PROGRAM INSURANCE	4,304	3,044	3,044	0.00%
EQUIPMENT	11,813	-	56,800	#DIV/0!
Totals	\$ 3,140,925	\$ 3,186,183	\$ 3,201,513	0.48%

Department Summary for the:
Planning Department

<u>Account Description</u>	FY 2019-20	FY 2020-21	FY 2021-22	FY21 to FY22
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	\$ 895,158	\$ 886,710	\$ 949,930	7.13%
SERVICE BENEFIT	4,868	5,495	4,836	-11.99%
PART TIME SALARIES	24,094	28,280	-	-100.00%
TEMP. SALARY	3,420	4,500	4,500	0.00%
FICA	66,596	70,830	73,461	3.71%
INSURANCE	192,780	199,955	202,463	1.25%
LONG TERM DISABILITY	-	-	4,323	#DIV/0!
RETIREMENT	83,731	93,476	108,844	16.44%
SUPLMENTAL RETIREMENT	27,042	27,521	28,672	4.18%
PERSONNEL COST - OTHER DEPTS	(8,606)	(6,950)	(9,000)	29.50%
TRAINING	3,884	6,500	11,200	72.31%
CONFERENCES	227	-	5,800	#DIV/0!
POSTAGE	1,605	2,100	2,100	0.00%
TELEPHONE	1,692	1,800	1,800	0.00%
TRAVEL	33	475	475	0.00%
M & R EQUIPMENT	109	500	400	-20.00%
MOTOR VEHICLE REPAIR	546	950	950	0.00%
RENT	420	-	-	#DIV/0!
PRINTING	557	2,700	2,700	0.00%
ADVERTISING	1,935	3,300	2,600	-21.21%
FUEL	1,335	1,995	1,995	0.00%
OFFICE SUPPLIES	1,883	1,550	1,550	0.00%
DEPARTMENTAL SUPPLIES	2,390	3,800	4,150	9.21%
FURNITURE & EQUIPMENT NON-CAP	-	6,750	-	-100.00%
UNIFORMS	567	1,100	1,100	0.00%
CONTRACTUAL SERVICES	26,147	32,550	79,550	144.39%
ENGINEERING SERVICES	57,738	86,500	76,500	-11.56%
BICYCLE FRIENDLY COMMUNITY	11,780	30,000	36,000	20.00%
ENERGY & CLIMATE ACTION PLAN	8,830	-	-	#DIV/0!
ROGERS ROAD INTERLOCAL *	-	66,728	66,728	0.00%
DUES AND SUBSCRIPTION	3,398	4,470	4,715	5.48%
GRASSROOTS PARTNERSHIPS INIT	9,393	-	-	#DIV/0!
Totals	\$ 1,423,552	\$ 1,563,585	\$ 1,668,342	6.70%

* Expense was budgeted in Governmental Support in FY20.

** Expense was budgeted in Climate Action starting in FY21.

Department Summary for the:
Transportation

<u>Account Description</u>	FY 2019-20 <u>Actuals</u>	FY 2020-21 <u>Adopted</u> <u>Budget</u>	FY 2021-22 <u>Adopted</u> <u>Budget</u>	FY21 to FY22 <u>Percent</u> <u>Change</u>
CONTRACTUAL SERVICES	\$ 1,835,146	\$ 1,946,000	\$ 1,928,168	-0.92%
VEHICLES	-	83,600	83,600	0.00%
Totals	\$ 1,835,146	\$ 2,029,600	\$ 2,011,768	-0.88%

Department Summary for the:

Public Works Department

<u>Account Description</u>	FY 2019-20	FY 2020-21	FY 2021-22	FY21 to FY22
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	\$ 1,624,135	\$ 1,699,824	\$ 1,626,220	-4.33%
OVERTIME	9,820	20,750	20,750	0.00%
SERVICE BENEFIT	8,067	8,478	9,589	13.10%
WORKERS COMPENSATION	1,024	3,000	3,000	0.00%
FICA	118,874	132,806	127,247	-4.19%
INSURANCE	447,517	513,059	416,433	-18.83%
LONG TERM DISABILITY	-	-	7,367	#DIV/0!
RETIREMENT	149,017	175,812	188,232	7.06%
SUPPLMENTAL RETIREMENT	49,466	51,779	49,604	-4.20%
PERSONNEL COST - OTHER DEPTS	(5,692)	(25,834)	(10,200)	-60.52%
TRAINING	3,323	-	8,340	#DIV/0!
COMMERCIAL DRIVERS LICENSE	225	825	1,275	54.55%
PROFESSIONAL SERVICES	1,260	40,000	7,400	-81.50%
CONFERENCES	425	4,250	4,250	0.00%
POSTAGE	42	200	200	0.00%
TELEPHONE	2,925	3,000	2,500	-16.67%
RISK MANAGEMENT/SAFETY	500	-	-	#DIV/0!
TRAVEL	20	300	300	0.00%
M & R EQUIPMENT	27,969	29,800	29,800	0.00%
M AND R BUILDINGS	121,743	115,000	105,000	-8.70%
M & R PARKS	23,112	10,000	15,000	50.00%
M & R GROUNDS	440	1,000	1,000	0.00%
MOTOR VEHICLE REPAIR	145,514	138,700	138,200	-0.36%
RENT	32,160	1,500	1,500	0.00%
PRINTING	73	750	750	0.00%
ADVERTISING	1,015	500	3,500	600.00%
UTILITIES	263,632	287,000	297,000	3.48%
PARK UTILITIES	28,810	42,000	34,000	-19.05%
FUEL	76,653	92,950	87,950	-5.38%
OFFICE SUPPLIES	2,336	4,000	4,000	0.00%
DEPARTMENTAL SUPPLIES	122,572	137,250	147,250	7.29%
PARK SUPPLIES	25,621	25,000	25,000	0.00%
PURCHASE FOR RESALE	8,752	9,620	9,620	0.00%
TRAFFIC CALMING DEVICES	-	30,000	20,000	-33.33%
YARD WASTE CARTS	4,850	5,200	5,200	0.00%
VEHICLE SUPPLIES	155	3,500	2,500	-28.57%
FURNITURE & EQUIPMENT NON-CAP	23,194	3,100	6,000	93.55%
UNIFORMS	14,774	17,050	17,050	0.00%
CONTRACTUAL SERVICES	200,887	157,380	234,179	48.80%
LANDFILL FEES	323,554	360,000	360,000	0.00%
DUES AND SUBSCRIPTION	2,043	2,525	2,550	0.99%
MISCELLANEOUS	839	-	-	#DIV/0!
OWASA SEWER FEE REIMBURSEMENT	4,000	-	-	#DIV/0!
EQUIPMENT	30,778	35,000	19,000	-45.71%
OPER EXP ALLOCATIONS-ST/W FND	-	(9,500)	-	-100.00%
OPER EXP ALLOCATIONS PRKG FUND	-	(14,000)	(1,800)	-87.14%
Totals	\$ 3,896,424	\$ 4,113,574	\$ 4,026,756	-2.11%

Town of Carrboro, NC

Fiscal Year 2022

Department Summary for the:

Recreation, Parks, & Cultural Resources Department

<u>Account Description</u>	FY 2019-20	FY 2020-21	FY 2021-22	FY21 to FY22
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	\$ 702,051	\$ 709,881	\$ 713,667	0.53%
SERVICE BENEFIT	4,625	5,324	5,533	3.93%
PART TIME SALARIES	38,318	34,123	34,123	0.00%
TEMP. SALARY	171,274	246,250	250,250	1.62%
FICA	66,983	76,229	76,830	0.79%
INSURANCE	183,166	188,838	170,655	-9.63%
LONG TERM DISABILITY	-	-	3,379	#DIV/0!
RETIREMENT	69,144	76,370	85,810	12.36%
SUPPLMENTAL RETIREMENT	21,241	22,488	22,603	0.51%
TRAINING	2,689	500	2,800	460.00%
PROFESSIONAL SERVICES	-	-	1,500	#DIV/0!
CONFERENCES	5,295	-	9,500	#DIV/0!
POSTAGE	5,325	7,265	7,265	0.00%
GOVT ADVANCED RACIAL EQUITY	-	25,000	20,000	-20.00%
TELEPHONE	451	810	810	0.00%
M & R EQUIPMENT	1,490	1,622	1,622	0.00%
M AND R BUILDINGS	38,527	55,600	51,400	-7.55%
M & R PARKS	-	3,920	3,920	0.00%
MOTOR VEHICLE REPAIR	147	1,050	1,050	0.00%
RENT	25,296	41,870	41,870	0.00%
PRINTING	13,502	14,000	14,000	0.00%
ADVERTISING	2,901	3,410	3,410	0.00%
FUEL	620	1,000	1,000	0.00%
OFFICE SUPPLIES	2,375	3,134	3,134	0.00%
DEPARTMENTAL SUPPLIES	26,322	39,225	36,437	-7.11%
PARK SUPPLIES	-	-	3,500	#DIV/0!
VEHICLE SUPPLIES	110	-	-	#DIV/0!
FURNITURE & EQUIPMENT NON-CAP	-	-	14,700	#DIV/0!
UNIFORMS	13,307	20,000	20,000	0.00%
CONTRACTUAL SERVICES	68,416	96,000	141,200	47.08%
ART CENTER *	-	20,000	20,000	0.00%
HOLIDAY EVENT **	-	-	1,500	#DIV/0!
LIBRARY PROJECT *	-	4,000	4,000	0.00%
SOCIAL EQUITY & INCLUSION INIT *	-	20,000	-	-100.00%
CD & MEMORABILIA SHOW	-	2,800	2,800	0.00%
COMMUNITY EVENTS	105,720	119,400	134,400	12.56%
DUES AND SUBSCRIPTION	3,384	3,900	3,900	0.00%
MISCELLANEOUS CONSTRUCTION	55,434	-	-	#DIV/0!
Totals	\$ 1,628,113	\$ 1,844,009	\$ 1,908,568	3.50%

* Expense was budgeted in Governmental Support in FY20.

Department Summary for the:

General Non-Departmental

<u>Account Description</u>	FY 2019-20	FY 2020-21	FY 2021-22	FY21 to FY22
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	\$ -	\$ 38,695	\$ 346,939	796.60%
DEPENDENT HEALTH INSURANCE	-	348,250	336,428	-3.39%
UNEMPLOYMENT INS RESERVE	-	20,000	10,000	-50.00%
RISK MANAGEMENT/SAFETY	-	90,000	90,000	0.00%
CONTRACTUAL SERVICES	-	-	142,000	#DIV/0!
Totals	\$ -	\$ 496,945	\$ 925,367	86.21%

Department Summary for the:

Transfers

<u>Account Description</u>	FY 2019-20	FY 2020-21	FY 2021-22	FY21 to FY22
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
TR TO AFFORDABLE HOUSING	\$ 52,000	\$ 112,500	\$ -	-100.00%
TR TO CAPITAL RESERVE FUND	55,200	-	-	#DIV/0!
TR TO CAPITAL PROJECTS	2,240,862	450,000	385,200	-14.40%
TR TO FACILITIES REHAB FUND	1,000,000	-	-	#DIV/0!
TR TO PARKING FUND	-	343,550	290,300	-15.50%
Totals	\$ 3,348,062	\$ 906,050	\$ 675,500	-25.45%

Department Summary for the:

Debt Service

<u>Account Description</u>	FY 2019-20	FY 2020-21	FY 2021-22	FY21 to FY22
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
LEASE PAYMENT PRINCIPAL	\$ 225,328	\$ 518,637	\$ 308,565	-40.50%
LEASE PAYMENT INTEREST	8,192	28,579	20,820	-27.15%
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	72,500	67,500	62,500	-7.41%
FIRE SUBSTATION INTEREST	29,461	23,850	18,238	-23.53%
Totals	\$ 802,148	\$ 1,105,233	\$ 876,790	-20.67%

Department Summary for the:

Storm Water Utility Operations Department

<u>Account Description</u>	FY 2019-20	FY 2020-21	FY 2021-22	FY21 to FY22
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
SALARIES	\$ 126,893	\$ 191,093	\$ 202,679	6.06%
SERVICE BENEFIT	456	456	456	0.00%
TEMP. SALARY	-	-	5,000	#DIV/0!
FICA	9,234	14,670	15,937	8.64%
INSURANCE	26,424	56,312	39,336	-30.15%
LONG TERM DISABILITY	-	-	929	#DIV/0!
RETIREMENT	11,523	19,477	23,021	18.20%
SUPLMENTAL RETIREMENT	3,827	5,735	6,064	5.74%
PERSONNEL COST - OTHER DEPTS	14,298	11,784	17,200	45.96%
LGERS PENSION EXPENSE	21,106	-	-	#DIV/0!
OPEB EXPENSE	91,522	-	-	#DIV/0!
TRAINING	1,655	1,495	1,495	0.00%
LEGAL SERVICES	1,026	1,000	1,000	0.00%
CONFERENCES	1,262	2,300	2,900	26.09%
POSTAGE	5	1,000	500	-50.00%
TELEPHONE	701	1,000	1,000	0.00%
RISK MANAGEMENT/SAFETY	-	500	250	-50.00%
MOTOR VEHICLE REPAIR	10,853	8,000	21,000	162.50%
PRINTING	824	1,000	750	-25.00%
ADVERTISING	966	1,000	1,000	0.00%
FUEL	1,249	500	3,000	500.00%
OFFICE SUPPLIES	94	500	500	0.00%
DEPARTMENTAL SUPPLIES	1,605	10,000	10,000	0.00%
FURNITURE & EQUIPMENT NON-CAP	-	2,500	-	-100.00%
UNIFORMS	214	500	500	0.00%
CONTRACTUAL SERVICES	72,207	92,500	95,500	3.24%
ENGINEERING SERVICES	17,480	40,000	30,000	-25.00%
DUES AND SUBSCRIPTION	5,213	6,250	6,000	-4.00%
STORMWATER ADVISORY COMMISSI	240	500	500	0.00%
EQUIPMENT	-	-	15,000	#DIV/0!
DEPR EXP-PW SUPERVISION	40,432	10,000	51,025	410.25%
OPER EXP ALLOCATIONS-GEN FND	-	9,500	-	-100.00%
UNEXPENDED RESERVES	-	154,903	118,712	-23.36%
TR TO CAPITAL PROJECTS	-	-	15,000	#DIV/0!
TR TO SWUE PROJECTS FUND	431,000	350,000	285,000	-18.57%
Totals	\$ 892,309	\$ 994,475	\$ 971,254	-2.34%

Department Summary for the:

Parking Enterprise Operations Department

<u>Account Description</u>	FY 2019-20	FY 2020-21	FY 2021-22	FY21 to FY22
	<u>Actuals</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>	<u>Percent Change</u>
PERSONNEL COST - OTHER DEPTS	\$ -	\$ 21,000	\$ 2,000	-90.48%
300 E MAIN PARKING	-	45,000	45,000	0.00%
PARKING LEASE PAYMENTS	-	106,300	81,700	-23.14%
PARKING DESIGN & UP-FIT	-	160,000	160,000	0.00%
OPER EXP ALLOCATIONS-GEN FND	-	14,000	1,800	-87.14%
Totals	\$ -	\$ 346,300	\$ 290,500	-16.11%

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GLOSSARY

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

Annual Budget - A budget covering a single fiscal year.

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.

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

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 half way 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.