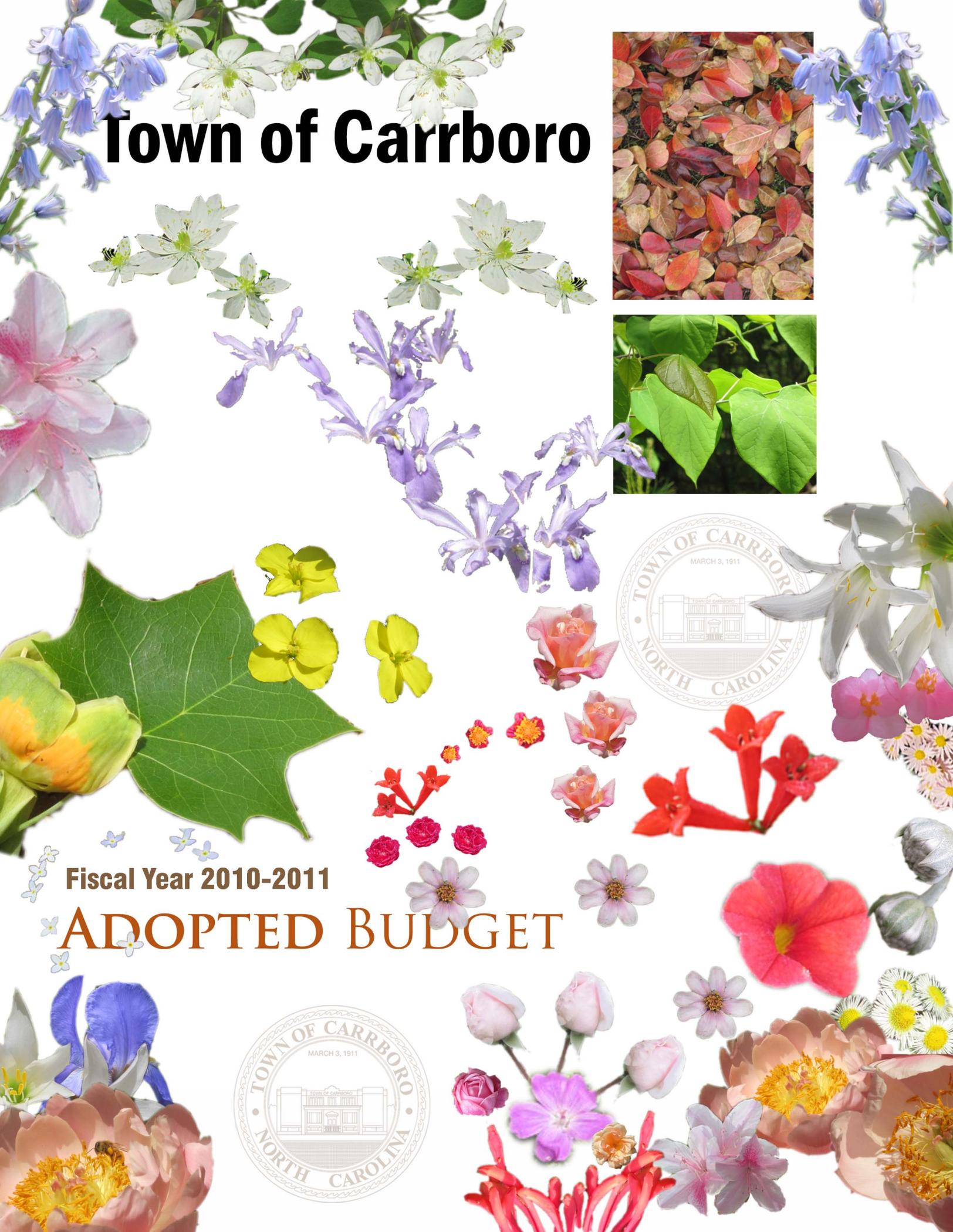


Town of Carrboro



Fiscal Year 2010-2011

ADOPTED BUDGET



TOWN OF CARRBORO
NORTH CAROLINA

ADOPTED BUDGET
FISCAL YEAR 2010-11

BOARD OF ALDERMEN

MARK CHILTON, MAYOR
RANDEE HAVEN-O'DONNELL, MAYOR PRO-TEMPORE
JOAL HALL BROUN, ALDERMAN
DAN COLEMAN, ALDERMAN
JACQUELYN GIST, ALDERMAN
LYDIA LAVELLE, ALDERMAN
SAMMY SLADE, ALDERMAN

TOWN MANAGER

STEVEN E. STEWART

DEPARTMENT HEADS

TRAVIS CRABTREE, FIRE
JAMES HARRIS, ECONOMIC AND COMMUNITY DEVELOPMENT
CAROLYN HUTCHISON, POLICE
ANITA JONES-McNAIR, RECREATION & PARKS
L. BINGHAM ROENIGK, FINANCE DIRECTOR
GEORGE SEIZ, PUBLIC WORKS
DESIREE WHITE, HUMAN RESOURCES
SARAH WILLIAMSON, TOWN CLERK
ROY WILLIFORD, PLANNING

MANAGEMENT SERVICES DEPARTMENT

JANE BOWDEN, ACCOUNTING TECHNICIAN I
TONYA COUNTS, ACCOUNTING TECHNICIAN II
NANCY EMSLIE, ACCOUNTING OFFICER
MARY JANE JENKINSON, PROGRAM SUPPORT ASSISTANT II
KARIN PECAUT, STAFF ACCOUNTANT
SANDY SVOBODA, PURCHASING OFFICER/BUDGET ANALYST

Thanks to Jeff Kleaveland, Planning Department, for the cover design.

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DISTINGUISHED BUDGET PRESENTATION AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Town of Carrboro, North Carolina for its annual budget for the fiscal year beginning July 1, 2009.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only. It is believed our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



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Reader's Guide to the Budget Document

The Mayor and Board of Aldermen, annually, adopt an operating budget for the Town via a budget ordinance as required by the North Carolina General Statutes (GS 159-13). The budget document describes the driving 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.

The annual budget, as presented in the budget document, has a companion document, called the Capital Improvement Program (CIP). In addition to presenting the town's annual budget, the budget document includes the multi-year capital budget and five-year fiscal projections for all expenditures to present a complete picture of Board commitments. The purpose of presenting this holistic picture is to assist the Board, town staff, and the community in understanding the impact of current decisions on the future and to plan for expected changes or problems. This enables the Town to maintain a positive fiscal health and to operate effectively. Thus, the document is divided into sections that explain the services and commitments of the Town. The following tabs divide the document:

- Budget Message** -The Summary 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 board. This section also includes the Town's budget ordinance that outlines proposed revenues and expenditures for various funds as appropriated by the Board, 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, documents the broad goals of the community expressed via the elected Board, and describes the public budget process and financial policies that ultimately represent funding commitments allocated toward meeting the Board goals. Also shows important information pertinent to the Town's operations.
- General Fund** - This section describes the Town's major operating fund, which is the General Fund. The general fund is further divided into operational functions (identified by tabs). Each of the tabbed sections represents a department or expenditure category that is authorized within the budget ordinance. The first tabbed section, General Government, is an exception reflecting numerous departments. Larger departments may also show divisions for each distinctive service provided. The reader is also provided information on each department that contains 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 Funds** – The Town currently maintains several special revenue funds, including Revolving Loan Fund, Economic Development Initiative Fund, Affordable Housing Fund, Grants Fund, Capital Reserve Fund, and the Payment-in-Lieu Capital Reserve Fund.

- ☐ **Capital Projects Fund and Bond Fund** - All active capital and bond-funded projects are listed.
- ☐ **Financial Trends - Past, Present, and Future** – The section provides information on town’s financial trends, past, present, and future. This section also provides information on the town’s annual update of the capital improvement plan. A companion document, “Adopted Capital Improvement Program” (CIP) describes planned capital improvement projects and funding sources for the next six fiscal years.
- ☐ **Glossary** – a list of common budgeting terms defined and explained.

Please direct any comments or questions to:

L. Bingham Roenigk, Finance Director
Town of Carrboro
301 W. Main Street
Carrboro, NC 27510
Telephone: (919) 942-8541
Fax: (919) 918-4456
Email: broenigk@townofcarrboro.org

Budget information is also available for viewing on the Internet at:
www.townofcarrboro.org/documents



July 1, 2010

To: Mayor and Board of Aldermen

It is with pleasure that I transmit to you the adopted budget for fiscal year 2010-2011. The Town Manager's recommended budget was adopted with no changes by the Board of Aldermen.

The adopted budget, faced with a decrease in its overall revenue stream, is focused on the similar primary interests that marked the FY09-10 budget process:

- Avoid a tax rate increase,
- Maintain current service delivery levels,
- Maintain current active employees' jobs and benefits,
 - Set aside the pay-for-performance plan for second year in a row,
 - Provide for a lump sum payment for each employee (prorated for part-time permanent employees) equivalent to 1% of total budgeted payroll,
 - Afford the recently completed market pay and position reclassification study at minimum levels as recommended by Springsted,
 - Continue current health insurance plan,
 - Grant employees an additional leave day to be taken off for their birthday, effective July 1, 2010 and for FY 10-11 only, and
 - Continue with freeze on specific vacant positions.
- Continue with planned long-term capital initiatives to extent possible.

By tightening the operating expenditures, the Town can continue the capital initiatives, including the Weaver Street reconstruction project, sidewalk and greenways bond initiatives, and proceed with the opening of northern area fire substation. The Town is also able to fund vehicle replacements that are considered critical to providing day-to-day services.

The fiscal year 2010-2011 budget document reflects the budget appropriations and program information as adopted by the Board on June 15, 2010. The Town Manager's Executive Summary however, is included as in the recommended budget of May 11, 2009.

Sincerely,

Steven E. Stewart
Town Manager

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EXECUTIVE SUMMARY

BUDGET OVERVIEW

In FY09-10, the budget was adopted in the midst of a full blown recession. While recent news indicates key business trends such as employment, business returns, and investments are improving, public sector revenues, which rely on property and sales tax receipts, lag behind the private sector in economic recovery. For this reason, the FY10-11 budget process mirrors the difficulty experienced in FY09-10.

Like other local governments, The Town of Carrboro is still experiencing sluggishness in the revenue stream. However, staff has continued to maintain the current course of budget strategies to protect the short and long-term positive fiscal condition of the Town. The FY10-11 budget requires ongoing use of fiscal tools currently in place to adapt the budget and capital plans and financing to meet necessary expenditures such as opening of the new fire substation on Homestead Road. Town staff continues to delay capital projects, freeze vacant positions, and cut less vital operating expenses. Frozen positions include a Planner/Zoning Development Specialist position, Landscape and Grounds Supervisor, and two new Police Officer positions that were approved to begin in January 2009, as well as a number of seasonal positions. These efforts are part of an overall strategy to avoid increasing the tax burden for Town residents in this time of economic difficulty.

The FY10-11 recommended budget, which features a decrease in the Town's overall revenue stream, is focused on the primary interests that were included in the FY09-10 budget process:

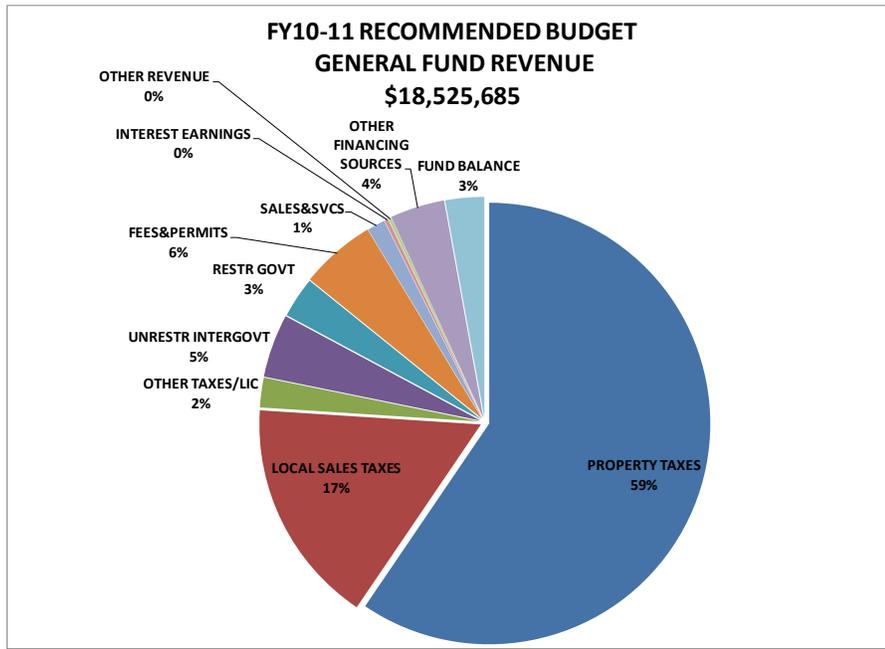
- Avoid a tax rate increase,
- Maintain current service delivery levels,
- Maintain current active employees' jobs and benefits,
 - Set aside the pay-for-performance plan for second year in a row
 - Provide for a lump sum payment for each employee (prorated for part-time permanent employees) equivalent to 1% of total budgeted payroll,
 - Fund the recently completed market pay and position reclassification study at minimum levels as recommended by Springsted,
 - Continue to provide current health insurance benefits,
 - Grant employees an additional leave day to be taken off for their birthday, effective July 1, 2010 and for FY10-11 only, and
 - Continue with freeze on specific vacant positions.
- Continue with planned long-term capital initiatives to the extent possible.

By tightening the operating expenditures, the Town can continue to fund capital initiatives, including the Weaver Street reconstruction project, sidewalk and greenways bond initiatives, and the northern area fire substation. The Town is also able to fund vehicle replacements that are considered critical to providing day-to-day services. Some items remain unfunded and will be considered in future years. An attempt has been made to balance the significant pressure to hold down expenditures while acknowledging the danger of delaying the replacement of capital items that will become more costly in the long run-both on the capital side and the operating budget.

The total recommended budget is \$18,525,685, representing a \$549,749 decrease over the prior year budget. By law, municipalities are required to have a balanced budget, meaning that budgeted revenues must equal budgeted expenditures. Highlights of revenues and expenditures follow.

REVENUE REALITIES

Carrboro’s revenue stream has two broad types of revenues: recurring revenues and other financing sources which represent certain one-time inflows of revenue that might otherwise distort a governmental fund’s regular ongoing revenue trends. Recurring revenues, primarily driven by property taxes, sales taxes, and



intergovernmental revenues, are down by over \$100,000 over the current year budget.

The bulk of the decrease in the recommended budget (\$447,572) is in the Other Financing Sources category as shown in the chart. Of this decrease, \$367,861 represents reserves transferred from the Capital Reserve Fund. In the previous year, \$544,806 was transferred to support the biennial street resurfacing program.

	CHANGES OVER PRIOR YEAR	FY10-11 RECOMMENDED REVENUE	FY09-10 ADOPTED REVENUE
INTERFUND TRANSFERS	(\$367,861)	\$176,945	\$544,806
INSTALLMENT FINANCING	(\$59,996)	\$560,500	\$620,496
FUND BALANCE	(\$19,715)	\$526,591	\$546,306
TOTAL OTHER FINANCING SOURCES	(\$447,572)	\$1,264,036	\$1,711,608

In the FY10-11 budget, \$176,945 represents a transfer from the Capital Reserve Fund to partially offset the increase in debt service costs for the new fire station and to offset the first year of debt service for installment financing for replacement vehicles.

Installment financing represents the full cost of vehicles and equipment that the Town is planning to finance through a loan. 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 value only. The full cost of financed equipment being purchased in FY2010-11 equals \$560,500; the budgeted lease proceeds on the revenue side are also equal to

this same amount. The projected installment financing revenue is \$59,996 less than the previous year. The debt expenditure associated with borrowing the funds for the equipment and vehicles recommended for replacement is \$126,087 and is offset by the Capital Reserve Fund transfer as mentioned above. Fund Balance Appropriations remain conservatively budgeted at an amount close to previous year levels.

Making up the remainder of the revenue portfolio are the recurring revenues. These revenues are comprised of property taxes, sales taxes, intergovernmental revenues and fees. The chart below reflects the recurring revenues available to the Town, showing an overall decrease of \$102,177.

While revenues are decreasing overall, the two largest sources of revenue, property taxes and sales taxes, remain flat. The property tax base is

CATEGORY	% change	CHANGES OVER PRIOR YEAR	FY10-11 RECOMMENDED REVENUE	FY09-10 ADOPTED REVENUE
PROPERTY TAXES	0.6%	\$64,904	\$11,021,222	\$10,956,318
LOCAL SALES TAXES	0.0%	\$91	\$3,062,136	\$3,062,045
OTHER TAXES/LIC	2.8%	\$11,007	\$402,750	\$391,743
UNRESTR INTERGOVT	-6.6%	(\$60,850)	\$860,018	\$920,868
RESTR GOVT	-1.8%	(\$9,934)	\$553,981	\$563,915
FEES & PERMITS	0.2%	\$2,305	\$1,022,867	\$1,020,562
SALES & SVCS	-18.3%	(\$54,694)	\$244,606	\$299,300
INTEREST EARNINGS	-50.0%	(\$50,000)	\$50,000	\$100,000
OTHER REVENUE	-10.2%	(\$5,006)	\$44,069	\$49,075
TOTAL EARNED REVENUE	-0.6%	(\$102,177)	\$17,261,649	\$17,363,826

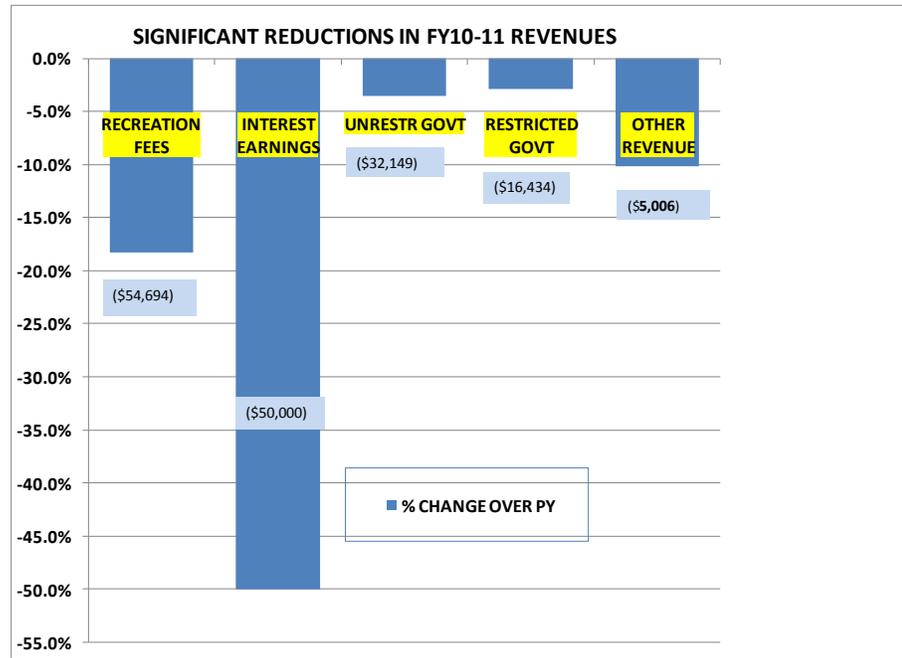
estimated at \$1,900,491,499 for FY10-11, representing a \$9,941,090 increase in value, or growth of less than 1%. Each penny on the tax rate generates approximately \$185,277. In addition, property tax relief is available to taxpayers that meet specific guidelines. Relief is available for the elderly, permanently-disabled persons, and veterans who meet income and other specific exemption requirements. These relief benefits are expected to reduce the tax base available for taxation by an estimated \$7,009,327, resulting in a reduction of \$41,313 in property tax income to Carrboro.

Overall sales tax receipts, reflecting seven months of collections, are down by \$74,687, representing a 4.1% decrease over actual FY08-09 sales tax revenue collections through the same time period. The League of Municipalities anticipates that sales tax revenue distributions will be at least 7.6% lower than the FY08-09 collections. For FY10-11, the League only expects the statewide sales tax to increase 1%. The one cent sales tax, driven by the local economy, is showing a 1.0% decrease in current year collections through February. However, with these unique times, the Town is projecting no increase over FY09-10 budgeted estimates in the upcoming year.

Given the economy, the Town is seeing a decrease in the majority of revenues across the board. The decrease in interest earnings is due to historically low interest rates. Intergovernmental revenues, recreation programming, rentals, and donations (reported in the Other Revenue category) have all been affected.

The Recreation Department estimates a drop in recreation programming fees based on current activity. The department plans to continue assisting residents with low incomes and qualifying groups with its scholarships and subsidies that, in FY08-09, equaled \$19,900. Through February 2010, the department has provided \$5,073 in similar support. The FY10-11 budget estimates that \$19,892 will be provided in support. Other significant budget shortfalls include decreases in Intergovernmental Revenues. The Town is expecting the General Assembly to extend the beer and wine tax reduction for another year, resulting in a \$56,159 decrease in revenue. This represents the majority of the decrease in the Unrestricted Intergovernmental revenue stream.

The planned graduated annual reduction in the Staffing for Adequate Fire and Emergency Response (SAFER) grant for three firefighters explains the bulk of the decrease in Restricted Intergovernmental revenues (\$23,876). Offsetting this decrease is \$8,500 from the relatively new excise tax imposed on municipal solid waste



and construction debris that is deposited in a landfill in the state and another planned Alcoholic Beverage Control (ABC) Board grant for the Police Department to provide supplies for the enforcement of alcohol violations. The excise tax on solid waste is returned to local governments to support solid waste management programs and services. The decrease in the Other Revenue category reflects an anticipated decrease in donations for various recreation events sponsored by the Town.

BUDGET PROCESS

The budget process is similar to past years, requiring departments to justify their operating budget, the continuation of services as well as any expansions. The continuation budget includes adjustments for price increases in the cost of goods and services; and may include projects and infrastructure expenditures reflected in the annual CIP which includes street resurfacing costs, vehicles, equipment, various specific capital projects and debt service payments for capital commitments. All other requests are defined as “proposed changes” and are budgeted in a separate column.

EXPENDITURES

Town staff, in preparing budget requests, was asked to limit requests for expenditure increases to those things that are considered critical to have in FY10-11. The reduced flexibility in the

revenue portfolio has required a sharp focus on what is important and necessary to performing day-to-day services. No expansion requests are funded.

As shown in the chart below, the recommended budget equals \$18,525,685, representing a \$549,749 decrease from the current year adopted budget, a decrease of 3%. Much of this decrease is due to decreases in capital spending. The current year budget also includes a major street resurfacing project (\$544,806).

EXPENDITURE CATEGORY	2009-10 ADOPTED BUDGET	2010-11 RECOMMENDED BUDGET	CHANGES OVER PRIOR YEAR BUDGET	2010-11 RECOMMENDED BUDGET	% CHANGE
PERSONNEL	\$ 10,529,785	\$ 10,671,163	\$ 141,378	\$ 10,671,163	1.3%
OPERATIONS	\$ 7,331,347	\$ 7,227,512	\$ (103,835)	\$ 7,227,512	-1.4%
CAPITAL OUTLAY	\$ 1,214,302	\$ 627,010	\$ (587,292)	\$ 627,010	-48.4%
TOTAL	\$ 19,075,434	\$ 18,525,685	\$ (549,749)	\$ 18,525,685	-2.9%

PERSONNEL

The increased personnel costs provide for several compensation strategies that target the following:

- maintaining employee benefits at current levels
- providing for an increased minimum living wage as proposed by the Springsted study
- adjusting specific positions and employees in those positions that are currently below market ranges as determined by Springsted
- providing for a small lump sum payment (equal to 1% of total budgeted payroll) to help offset health insurance increases
- granting employees an additional leave day to be taken off for their birthday, effective July 1, 2010 and for FY10-11 only.

Maintaining employee benefits includes the unfunded mandate to increase the employer contribution to the Local Government Employees' Retirement System (LGERS) in the amount of \$103,854. This is the first rate increase since 1983. The State Treasurer's Office also anticipates an additional increase each year for the next several fiscal years keep the pension fund solvent. Town staff worked with its benefits broker to review health insurance benefits and was able to maintain the current benefits and negotiate an increase of 13% (after anticipating an increase in excess of 20%) for the upcoming year (\$113,023). Retiree insurance experienced an increase as well (\$11,441). There were no increases in the costs of other benefits.

The continuing financial situation makes it impossible in FY 10-11 to consider a return to the pay-for-performance plan in its original form where employees are rewarded for varying levels of performance. When the Board of Aldermen approved the plan, it was explained that performance pay amounts may vary from year to year depending on budget availability and labor market conditions. However, the recommended budget does include a small one-time lump sum payment at a total cost of \$86,748 for all permanent full-time and part-time employees. The amount provided for each full-time employee is \$455 plus taxes and retirement costs; permanent part-time employees will receive a prorated amount based on hours worked.

It will be important in future budget years to return to properly funding the pay-for- performance system which financially rewards individual employees based on their actual levels of performance. Routinely providing no performance increases can affect our competitiveness with other jurisdictions and can create morale problems. Use of a lump sum payment that is the same for everyone is an acceptable compensation strategy if used on a very infrequent basis. Otherwise, it can also hurt employee morale because there is no performance standard to differentiate between levels of performance. In addition, there is no recognition of the different levels of job responsibilities, skill levels, education and licensing requirements, supervisory responsibilities, consequences of employee decisions, etc. that would normally afford a larger increase to employees with greater job responsibilities. This compensation strategy can also negatively impact our competitiveness.

The recommended budget also includes the following:

- Funding for the minimum implementation option for the pay and classification study performed by Springsted (\$52,672). This ensures that town positions are properly classified both internally and in the market while addressing the change in the organizational structure within the Fire Department. When the pay- for- performance system is funded again, it will be important to review the compression issues associated with being able to fund only the minimum implementation option in FY 10-11.
- Funds in a nondepartmental account that would cover the cost of raising the living wage from \$10.12 to \$13.00 per hour as proposed by Justice United. Approximately six employees are affected by this change (\$9,904); however, this action is not recommended. The proposed minimum starting hourly rate in the Springsted study is \$11.78 which is \$.39 per hour higher than the living wage for Carrboro using the methodology of Justice United and the Town of Chapel Hill. Furthermore, the \$11.78 per hour rate is higher than the following jurisdictions in the areas that have living wage rates: City of Durham, Durham County, Durham County Board of Education, Orange County, and the Town of Chapel Hill. To maintain the current internal equity, Springsted has estimated that the \$13.00 per hour minimum would cost over \$222,000 plus the cost of associated fringe benefits. This would increase the salaries of approximately 70 employees.

Overall, the increase in personnel costs is offset by freezing several vacant positions for the upcoming year, saving the Town \$177,419. These positions will continue to be frozen and may, depending on the state of the economy, be filled at the last quarter of FY10-11. In addition, the Town plans to open the new fire station with existing fire personnel while awaiting word on a recent grant application to fund the final three firefighter positions planned for the new fire station. At minimum, staffing the new fire station will need to be reviewed in the FY11-12 budget.

OPERATING EXPENSES

Overall operating expenses are down by \$103,835, reflecting numerous decreases and increases. Many of the decreases occur when one-time expenses such as capital outlay or transfers are budgeted in the current year and are not reflected in the upcoming year. Other decreases reflect

expired costs or changes in cost estimates for providing services. Debt service costs decreased \$72,147 in spite of the increased debt service cost for the fire substation and the lease payment for FY10-11 vehicles (\$268,601) due to lower overall debt costs associated with matured short- and long-term debt. Another significant decrease in the recommended budget is due to a one-time allocation in the General Fund budgeted in the current year budget for Weaver Street reconstruction (\$151,883) that is not needed for the FY10-11 budget.

Other decreases in the operating budget reflect one-time or revised estimates based on current levels of service. Reductions include municipal election costs which occur every two years (\$12,700); engineering fees (\$15,000); utility costs (\$9,922); departmental supplies across departments (\$19,290); and landfill fees (\$14,454).

Increases, on the other hand, often reflect increased operating costs, new or replacement capital needs, and personnel costs. Increases in the recommended FY10-11 budget include bringing the new fire station online (\$81,144 excluding debt service costs); nonprofit support based on the CPI rate as dictated by current fiscal policy (\$3,794); local match for the HOME Consortium program (\$2,096); additional invertebrate study on Bolin Creek (\$2,200); ABC Board grant to provide supplies needed in alcohol violation program (\$6,500); additional building repair costs at the Century Center (\$9,650); and community events in recreation (\$2,150). The budget experiences increases in several existing contractual arrangements including the property tax collections contract with Orange County (\$37,000); town attorney (\$10,000); New Hope annexation payment (\$3,662); Andrews -Riggsbee parking lot lease (\$7,500); streets pavement study (\$8,500); IT contractual costs (\$12,540); and phone costs (\$6,750). The budget also affords a radio maintenance contract to maintain the 800 Mhz radios used by Police Department (\$13,000).

CAPITAL OUTLAY

As mentioned earlier in the budget message, capital initiatives are an important component of this budget. In accordance with the Town's financial policies, the Town Manager develops and maintains a six-year capital improvement program (CIP). The CIP is a plan that includes long-term maintenance, infrastructure needs and technology needed for the community. The CIP is incorporated into the annual operating budget request process. Items are appropriated into the budget by the Board of Aldermen upon adoption of the budget. The CIP plan can affect all categories of spending in the budget, including personnel and operating costs in addition to capital outlay costs.

The total \$627,010 budgeted for capital outlay reflects curtailed capital spending that is largely limited to the annual vehicle and equipment needs (\$560,500). Several replacement items are also funded including a riding mower and Vbox salt spreader for Public Works (43,760), and servers for the town computer system (\$22,750).

Department	Vehicle	Cost	Debt Svc
Public Works	Administration - Mid size Hybrid SUV - Replace vehicle #001	\$ 33,500	\$ 7,536
Public Works	Streets - utility truck - Replace vehicle #042	\$ 44,000	\$ 9,898
Public Works	Streets - pickup - Replace vehicle #043	\$ 22,000	\$ 4,949
Public Works	Solid Waste - boom truck - Replace vehicle #57	\$ 154,000	\$ 34,643
Police	Patrol Vehicle-Replace vehicle #199	\$ 32,000	\$ 7,199
Public Works	L&G - Full Size Truck - Replace #003	\$ 25,000	\$ 5,624
Police	Investigations vehicle #198	\$ 26,000	\$ 5,849
Police	Community Services-Replace vehicle #200	\$ 32,000	\$ 7,199
Police	Community Services-Replace vehicle #201	\$ 32,000	\$ 7,199
Fire	Fire Suppression 4x4 Brush-Truck Replace-#985	\$ 160,000	\$ 35,993
TOTAL		\$ 560,500	\$ 126,087

Other capital initiatives are funded including the annual street resurfacing allocation (\$300,650 of which \$200,000 is in general fund budget and \$100,650 is funded within the Capital Reserve Fund), and operating and debt service costs for the bond-funded sidewalk program and the new fire substation previously discussed.

In addition, numerous capital projects currently on hold in FY09-10 (all of which were on hold in FY08-09 except for the traffic counter replacements) are proposed for funding

CAPITAL PROJECTS DELAYED - SET ASIDE IN DESIGNATED FUND BALANCE	
ADAMS TRACT PEDESTRIAN BRIDGE	\$ 30,000
TRAFFIC COUNTERS - REPLACEMENT	\$ 15,000
REPLACE CARPET IN FIRE DEPT HALLWAY	\$ 4,000
DOG PARK FENCE RENOVATION	\$ 10,500
WILSON PARK PLAYGROUND EQUIPMENT FOR 2-5 YEAR OLDS, FY08-09 CIP (FULL COST = \$30k; DEBT SERVICE = \$10k)	\$ 10,000
WILSON PARK BATHROOM RENOVATION, FY08-09 CIP	\$ 133,955
GRAND TOTAL	\$ 203,455

through designated fund balance contingent upon fund balance ratios remaining within the stated fiscal policy goal of 22.5% to 35%. These projects will remain in the designated fund balance to be considered for funding as signs of economic stability and improvement occur. Annually an agenda item is presented to the Board in late June designating funds for projects that are not yet completed. The items in this chart will be added to that agenda item.

Due to fiscal constraints, a few capital items and operating costs associated with capital items (firefighters) remain unfunded as indicated in the chart on the right.

FY10-11 CIP INITIATIVES NOT FUNDED	
THREE FIREFIGHTERS	\$ 129,923
FIELD #4 RENOVATION AT ANDERSON PARK	\$ 48,510
MULTIPURPOSE FIELD RENOVATIONS AT ANDERSON PARK	\$ 42,130
TOTAL	\$ 220,563

As done annually, the Town will revisit its CIP in November 2010 and will review the status of all capital needs. The items proposed above for funding with designated fund balance and in the six-year planning cycle will be reviewed in context of the economic environment and spending plans will be revised accordingly.

ALL OTHER FUNDS

While the general fund is the major operating budget for the Town, numerous other funds are used to track expenditures funded with legally restricted revenues including reserves for capital projects as designated by the Board, revolving loans for economic development, and capital projects. The activities of these funds are budgeted when board action is needed.

In the recommended budget, the amounts allocated within the capital reserve fund are adjusted to appropriate an additional \$100,650 from undesignated reserves to support the biennial street resurfacing program at the levels indicated in the CIP. In addition, a transfer of \$176,945 is budgeted to offset debt service costs for the fire substation and vehicle financing costs in the General Fund. The transfer from the capital reserve fund is recognized as revenue to the general fund as Other Financing Sources with a corresponding expense budget in the debt service budget.

CONCLUSION

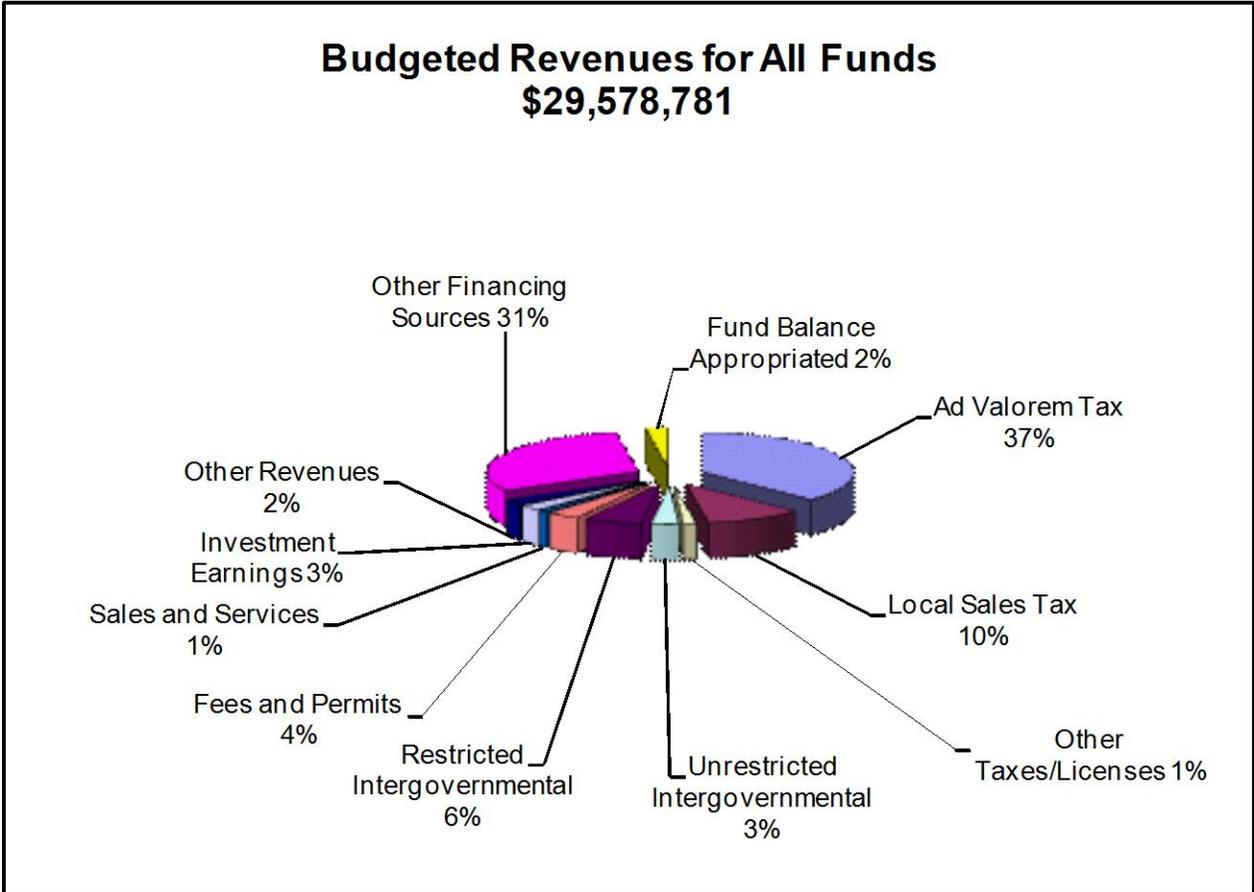
A significant concern in the overall decrease in the revenue portfolio is the fact that the major revenues, property tax receipts and sales taxes, remained anemic, showing less than 1% growth over the FY09-10 adopted budget. Many other recurring revenues also decreased such as intergovernmental revenue, interest earnings, and recreation fees, all revenues that represent a response to the economic conditions. The remainder of the decrease in the revenue stream reflects decreases associated with the Town's capital program.

Understanding the limited growth of town revenues, a word of caution is needed in understanding that the interests of maintaining town services and employee benefits without increasing the tax rate in this recommended budget will require the Town to pay for short and long-term commitments in the future that can only be covered through growth in the revenue stream and/or future tax increases. Specific large ticket items to consider in addition to delayed capital initiatives discussed above may include paying additional mandated state retirement costs; restoring the pay-for-performance program; increased debt service costs for vehicles and bond-funded sidewalk and greenways program to be supported by the General Fund, and continued health insurance cost increases. These items could impact the FY11-12 budget by a minimum of \$500,000. Debt service funding from the General Fund, funding for three new fire fighters and funding current frozen positions could add another \$300,000 or more.

The sales tax and the lackluster growth in the Town's property tax base are two large and important sources of funding for the Town that severely limit what can be afforded in the way of community services. The Town will continue to make careful and balanced choices in providing for, day-to-day services, longer term capital needs and the recognition of the valuable contributions made by all of our employees. It is important in our community to continue the commitment to quality service delivery and strong fiscal health in a manner that is sustainable for future generations.

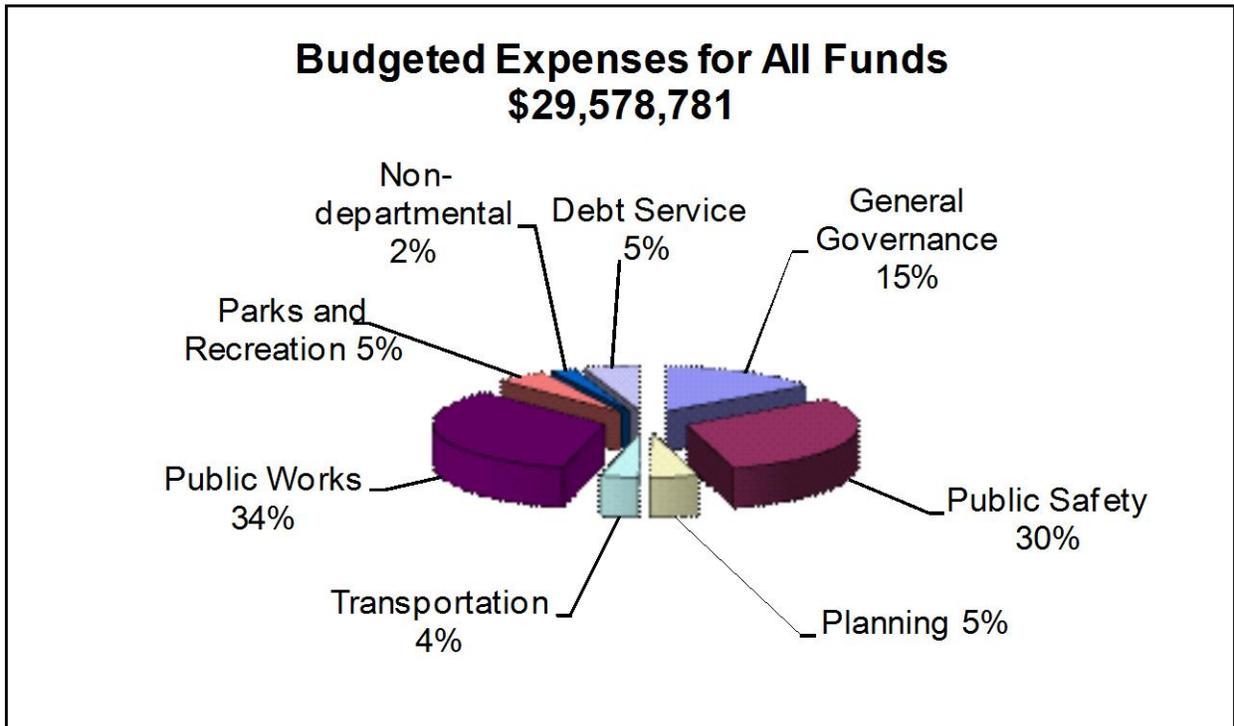
Revenue Summary for All Funds FY2010-11 Budget By Fund Type

	General Fund	Special Revenue Funds	Capital Funds	Total All Funds
Budgeted Revenues				
Ad Valorem Tax	\$11,021,222			\$ 11,021,222
Local Sales Tax	\$3,062,136			\$ 3,062,136
Other Taxes/Licenses	\$402,750			\$ 402,750
Unrestricted Intergovernmental	\$860,018			\$ 860,018
Restricted Intergovernmental	\$553,981	\$ 200,000	\$ 1,043,804	\$ 1,797,785
Fees and Permits	\$1,022,867			\$ 1,022,867
Sales and Services	\$244,606			\$ 244,606
Investment Earnings	\$50,000	\$ 488,865	\$ 177,989	\$ 716,854
Other Revenues	\$44,069	\$ 539,575	\$ 98,607	\$ 682,251
Other Financing Sources	\$737,445	\$ 129,750	\$ 8,197,551	\$ 9,064,746
Fund Balance Appropriated	\$526,591	\$ 176,955		\$ 703,546
Total Budgeted Revenues	\$ 18,525,685	\$ 1,535,145	\$ 9,517,951	\$ 29,578,781



Expense Summary for All Funds FY10-11 Budget By Fund Type

	General Fund	Special Revenue Funds	Capital Funds	Total All Funds
Budgeted Expenditures				
Mayor and Board of Aldermen	\$ 281,736			\$ 281,736
Advisory Boards	\$ 12,750			\$ 12,750
Governance Support	\$ 266,003			\$ 266,003
Town Manager	\$ 276,988			\$ 276,988
Economic and Community Development	\$ 152,955	\$ 1,158,190		\$ 1,311,145
Town Clerk	\$ 114,870			\$ 114,870
Management Services	\$ 1,012,742			\$ 1,012,742
Human Resources	\$ 374,377			\$ 374,377
Information Technology	\$ 855,933			\$ 855,933
Police	\$ 3,213,111			\$ 3,213,111
Fire	\$ 2,523,335		\$ 3,250,000	\$ 5,773,335
Planning	\$ 1,159,198	\$ 200,000		\$ 1,359,198
Transportation	\$ 1,064,150			\$ 1,064,150
Public Works	\$ 3,608,031	\$ 176,955	\$ 6,221,396	\$ 10,006,382
Parks and Recreation	\$ 1,372,343		\$ 46,555	\$ 1,418,898
Non-departmental	\$ 688,248			\$ 688,248
Debt Service	\$ 1,548,915			\$ 1,548,915
Total Budgeted Expenditures	\$ 18,525,685	\$ 1,535,145	\$ 9,517,951	\$ 29,578,781



**SUMMARY OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES
GENERAL FUND**

	2008-09 Actual	2009-10 Estimated Projection	2009-10 Adopted	2010-11 Adopted	% Change 2010/11 from 2009/10
Estimated Fiscal Year Beginning Fund Balance	\$ 12,766,779	\$ 11,127,377	n/a	n/a	n/a
Revenues					
Ad Valorem Taxes	\$ 10,824,129	\$ 11,021,505	\$ 10,956,318	\$ 11,021,222	0.59%
Local Option Sales Taxes	\$ 3,137,836	\$ 3,011,144	\$ 3,062,045	\$ 3,062,136	0.00%
Other Taxes and Licenses	\$ 428,655	\$ 414,250	\$ 391,743	\$ 402,750	2.81%
Unrestricted Intergovernmental	\$ 947,801	\$ 894,143	\$ 920,868	\$ 860,018	-6.61%
Restricted Intergovernmental	\$ 810,401	\$ 657,813	\$ 563,915	\$ 553,981	-1.76%
Permits and Services	\$ 1,062,026	\$ 1,162,874	\$ 1,020,562	\$ 1,022,867	0.23%
Sales and Services	\$ 260,829	\$ 270,213	\$ 299,300	\$ 244,606	-18.27%
Investment Earnings	\$ 151,318	\$ 66,300	\$ 100,000	\$ 50,000	-50.00%
Other	\$ 142,015	\$ 46,024	\$ 49,075	\$ 44,069	-10.20%
Transfers In:					
Installment Financing Proceeds			\$ 620,496	\$ 560,500	-9.67%
Fund Balance Appropriated			\$ 546,306	\$ 526,591	-3.61%
Transfer from General Fund					
Transfer from Grant Fund	\$ 34,200				
Transfer from Capital Reserve Fund			\$ 544,806	\$ 176,945	-67.52%
Transfer from Non-Departmental					
Bond Proceeds					
Revenues	\$ 17,799,211	\$ 17,544,266	\$ 19,075,434	\$ 18,525,685	-2.88%
Expenditures					
General Government	\$ 3,027,115	\$ 3,129,952	\$ 3,246,374	\$ 3,348,354	3.14%
Public Safety	\$ 5,222,589	\$ 5,600,961	\$ 5,607,907	\$ 5,736,446	2.29%
Planning	\$ 1,110,797	\$ 1,120,385	\$ 1,228,776	\$ 1,159,198	-5.66%
Transportation	\$ 1,033,837	\$ 1,147,595	\$ 1,064,150	\$ 1,064,150	0.00%
Public Works	\$ 3,004,354	\$ 3,025,316	\$ 4,167,122	\$ 3,608,031	-13.42%
Parks and Recreation	\$ 1,207,492	\$ 1,271,623	\$ 1,410,212	\$ 1,372,343	-2.69%
Economic and Physical Development	\$ -	\$ -	\$ -	\$ -	
Nondepartmental	\$ -	\$ -	\$ 365,948	\$ 476,248	30.14%
Capital Outlay	\$ 1,804,428	\$ -	\$ -	\$ -	
Transfers To:					
General Fund					
Capital Reserve Fund	\$ 1,121,099	\$ 40,679	\$ 212,000	\$ 212,000	0.00%
Capital Project Fund	\$ 430,000		\$ 151,883		-100.00%
Bond Fund	\$ 1,000				
Affordable Housing Fund	\$ 48,000				
Debt Service:					
Principal	\$ 1,101,593	\$ 293,427	\$ 1,329,451	\$ 1,237,001	-6.95%
Interest and Other Charges	\$ 326,309	\$ 206,023	\$ 291,611	\$ 311,914	6.96%
Total Expenditures	\$ 19,438,613	\$ 15,835,961	\$ 19,075,434	\$ 18,525,685	-2.88%
Estimated Fiscal Year Ending Fund Balance	\$ 11,127,377	\$ 12,835,681	n/a	n/a	n/a

Notes: In North Carolina, adopted budgets must be balanced. In some cases, fund balance is appropriated as part of the adopted budget. The ending fund balance presented in this chart is not relevant on the columns showing adopted budget figures.

The Town only has governmental funds.

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 change in the general fund balance is based on spending levels being at 83% of the total budget. Carrboro has maintained the fund balance level within the range stated in the Town's fiscal policy. In recent years, fund balance has exceeded the range ceiling of 35%.

**SUMMARY OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES
BOND FUND**

	2008-09 Actual	2009-10 Estimated Projection	2009-10 Adopted	2010-11 Adopted	% Change 2010/11 from 2009/10
Estimated Fiscal Year Beginning Fund Balance	\$ (1,353,291)	\$ (1,985,170)	n/a	n/a	n/a
Revenues					
Ad Valorem Taxes					
Local Option Sales Taxes					
Other Taxes and Licenses					
Unrestricted Intergovernmental					
Restricted Intergovernmental	\$ 15,960	\$ 53,327	\$ 526,824	\$ 967,508	83.65%
Permits and Services					
Sales and Services					
Investment Earnings	\$ 11,157	\$ 915	\$ 175,757	\$ 155,757	-11.38%
Other	\$ 7,862	\$ -	\$ 98,607	\$ 98,607	0.00%
Transfers In:					
Installment Financing Proceeds					
Fund Balance Appropriated					
Transfer from General Fund			\$ 12,700	\$ 12,700	0.00%
Transfer from Grant Fund					
Transfer from Capital Reserve Fund			\$ 239,988	\$ 239,988	0.00%
Transfer from Non-Departmental	\$ 1,000				
Bond Proceeds			\$ 2,600,540	\$ 2,600,540	0.00%
Revenues	\$ 35,979	\$ 54,242	\$ 3,654,416	\$ 4,075,100	11.51%
Expenditures					
General Government					
Public Safety					
Planning					
Transportation					
Public Works					
Parks and Recreation					
Economic and Physical Development					
Nondepartmental					
Capital Outlay	\$ 667,858	\$ 72,922	\$ 3,414,428	\$ 3,835,112	12.32%
Transfers To:					
General Fund					
Capital Reserve Fund			\$ 239,988	\$ 239,988	0.00%
Capital Project Fund					
Bond Fund					
Affordable Housing Fund					
Debt Service:					
Principal					
Interest and Other Charges					
Total Expenditures	\$ 667,858	\$ 72,922	\$ 3,654,416	\$ 4,075,100	11.51%
Estimated Fiscal Year Ending Fund Balance	\$ (1,985,170)	\$ (2,003,850)	n/a	n/a	n/a

The Town continues to issue bond anticipation notes (BANS) to construct sidewalks and greenways. Upon completion of these bond-funded projects, the Town will issue bonds, eliminating the deficit currently recorded in the fund. GAAP requires short-term notes to be recorded as liabilities and not revenues.

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.

**SUMMARY OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES
NONMAJOR FUNDS**

	2008-09 Actual	2009-10 Estimated Projection	2009-10 Adopted	2010-11 Adopted	% Change 2010/11 from 2009/10
Estimated Fiscal Year Beginning Fund Balance	\$ 1,513,804	\$ 2,677,651	n/a	n/a	n/a
Revenues					
Ad Valorem Taxes					
Local Option Sales Taxes					
Other Taxes and Licenses					
Unrestricted Intergovernmental					
Restricted Intergovernmental	\$ 76,710	\$ 4,800	\$ 130,811	\$ 276,296	111.22%
Permits and Services					
Sales and Services					
Investment Earnings	\$ 39,354	\$ 5,811	\$ 488,775	\$ 511,097	4.57%
Other	\$ 39,963	\$ 57,044	\$ 533,193	\$ 539,575	1.20%
Transfers In:					
Installment Financing Proceeds			\$ 4,017,000	\$ 4,017,000	0.00%
Fund Balance Appropriated					
Transfer from General Fund	\$ 1,599,099	\$ 3,250,000	\$ 2,005,806	\$ 1,634,028	-18.54%
Transfer from Grant Fund					
Transfer from Capital Reserve Fund					
Transfer from Non-Departmental					
Bond Proceeds					
Revenues	\$ 1,755,126	\$ 3,317,654	\$ 7,175,585	\$ 6,977,996	-2.75%
Expenditures					
General Government	\$ 2,268	\$ 8,672	\$ 94,994	\$ 229,397	141.49%
Public Safety	\$ 56,556				
Planning					
Transportation					
Public Works					
Parks and Recreation					
Economic and Physical Development	\$ 413,790	\$ -	\$ 994,289	\$ 989,793	-0.45%
Nondepartmental					
Capital Outlay	\$ 84,465	\$ 784,452	\$ 5,388,296	\$ 5,442,851	1.01%
Transfers To:					
General Fund	\$ 34,200	\$ 26,555	\$ 698,006	\$ 315,955	
Capital Reserve Fund					
Capital Project Fund					
Bond Fund					
Affordable Housing Fund					
Debt Service:					
Principal					
Interest and Other Charges					
Total Expenditures	\$ 591,279	\$ 819,679	\$ 7,175,585	\$ 6,977,996	-2.75%
Estimated Fiscal Year Ending Fund Balance	\$ 2,677,651	\$ 5,175,626	n/a	n/a	n/a

The Non-major Funds include the Revolving Loan, Capital Projects, Grant, Capital Reserve, Payment in Lieu Reserve, and Affordable Housing Funds.

The primary reason for the change in fund balance is due to current construction activity on the northern area fire substation (\$3M).

**SUMMARY OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES
TOTAL GOVERNMENTAL FUNDS**

	2008-09 Actual	2009-10 Estimated Projection	2009-10 Adopted	2010-11 Adopted	% Change 2010/11 from 2009/10
Estimated Fiscal Year Beginning Fund Balance	\$ 12,927,292	\$ 11,819,858	n/a	n/a	n/a
Revenues					
Ad Valorem Taxes	\$ 10,824,129	\$ 11,021,505	\$ 10,956,318	\$ 11,021,222	0.59%
Local Option Sales Taxes	\$ 3,137,836	\$ 3,011,144	\$ 3,062,045	\$ 3,062,136	0.00%
Other Taxes and Licenses	\$ 428,655	\$ 414,250	\$ 391,743	\$ 402,750	2.81%
Unrestricted Intergovernmental	\$ 947,801	\$ 894,143	\$ 920,868	\$ 860,018	-6.61%
Restricted Intergovernmental	\$ 903,071	\$ 715,940	\$ 1,221,550	\$ 1,797,785	47.17%
Permits and Services	\$ 1,062,026	\$ 1,162,874	\$ 1,020,562	\$ 1,022,867	0.23%
Sales and Services	\$ 260,829	\$ 270,213	\$ 299,300	\$ 244,606	-18.27%
Investment Earnings	\$ 201,829	\$ 73,026	\$ 764,532	\$ 716,854	-6.24%
Other	\$ 189,840	\$ 103,068	\$ 680,875	\$ 682,251	0.20%
Transfers In:					
Installment Financing Proceeds	\$ -	\$ -	\$ 4,637,496	\$ 4,577,500	-1.29%
Fund Balance Appropriated	\$ -	\$ -	\$ 546,306	\$ 526,591	-3.61%
Transfer from General Fund	\$ 1,599,099	\$ 3,250,000	\$ 2,018,506	\$ 1,646,728	-18.42%
Transfer from Grant Fund	\$ 34,200	\$ -	\$ -	\$ -	
Transfer from Capital Reserve Fund	\$ -	\$ -	\$ 784,794	\$ 416,933	-46.87%
Transfer from Non-Departmental	\$ 1,000	\$ -	\$ -	\$ -	
Bond Proceeds	\$ -	\$ -	\$ 2,600,540	\$ 2,600,540	0.00%
Revenues	\$ 19,590,316	\$ 20,916,163	\$ 29,905,435	\$ 29,578,781	-1.09%
Expenditures					
General Government	\$ 3,029,383	\$ 3,138,624	\$ 3,341,368	\$ 3,577,751	7.07%
Public Safety	\$ 5,279,145	\$ 5,600,961	\$ 5,607,907	\$ 5,736,446	2.29%
Planning	\$ 1,110,797	\$ 1,120,385	\$ 1,228,776	\$ 1,159,198	-5.66%
Transportation	\$ 1,033,837	\$ 1,147,595	\$ 1,064,150	\$ 1,064,150	0.00%
Public Works	\$ 3,004,354	\$ 3,025,316	\$ 4,167,122	\$ 3,608,031	-13.42%
Parks and Recreation	\$ 1,207,492	\$ 1,271,623	\$ 1,410,212	\$ 1,372,343	-2.69%
Economic and Physical Development	\$ 413,790	\$ -	\$ 994,289	\$ 989,793	-0.45%
Nondepartmental	\$ -	\$ -	\$ 365,948	\$ 476,248	30.14%
Capital Outlay	\$ 2,556,751	\$ 857,374	\$ 8,802,724	\$ 9,277,963	5.40%
Transfers To:					
General Fund	\$ 34,200	\$ 26,555	\$ 698,006	\$ 315,955	-54.73%
Capital Reserve Fund	\$ 1,121,099	\$ 40,679	\$ 451,988	\$ 451,988	0.00%
Capital Project Fund	\$ 430,000	\$ -	\$ 151,883	\$ -	-100.00%
Bond Fund	\$ 1,000	\$ -	\$ -	\$ -	
Affordable Housing Fund	\$ 48,000	\$ -	\$ -	\$ -	
Debt Service:					
Principal	\$ 1,101,593	\$ 293,427	\$ 1,329,451	\$ 1,237,001	-6.95%
Interest and Other Charges	\$ 326,309	\$ 206,023	\$ 291,611	\$ 311,914	6.96%
Total Expenditures	\$ 20,697,750	\$ 16,728,562	\$ 29,905,435	\$ 29,578,781	-1.09%
Estimated Fiscal Year Ending Fund Balance	\$ 11,819,858	\$ 16,007,458	n/a	n/a	n/a

The following ordinance was introduced by Alderman Dan Coleman and duly seconded by Alderman Joal Hall Broun.

ANNUAL BUDGET ORDINANCE

Town of Carrboro, North Carolina

FY 2010-11

Ordinance No. 27/2009-10

WHEREAS, the recommended budget for FY 2010-11 was submitted to the Board of Aldermen on May 11, 2010 by the Town Manager and filed with the Town Clerk on that date pursuant to G.S. 159-11;

WHEREAS, on May 25, 2010, the Board of Aldermen held a public hearing on the budget pursuant to G.S. 159-12;

WHEREAS, on June 15, 2010, the Board of Aldermen adopted a budget ordinance making appropriations and levying taxes in such sums as the Board of Aldermen considers sufficient and proper in accordance with G.S. 159-13;

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

Section 1. The following amounts are hereby appropriated for the operation of the Town of Carrboro and its activities for the fiscal year beginning July 1, 2010 and ending June 30, 2011, according to the following schedules.

SCHEDULE A - GENERAL FUND

GENERAL GOVERNMENT	\$3,348,354
Mayor & Board of Aldermen.....	\$ 281,736
Advisory Boards	\$ 12,750
Governance Support.....	\$ 266,003
Town Manager	\$ 276,988
Economic & Community Development.....	\$ 152,955
Town Clerk	\$ 114,870
Management Services	\$1,012,742
Human Resources	\$ 374,377
Information Technology	\$ 855,933
PUBLIC SAFETY	\$5,736,446
Police.....	\$3,213,111
Fire	\$2,523,335
PLANNING	\$1,159,198
TRANSPORTATION.....	\$1,064,150
PUBLIC WORKS.....	\$3,608,031
PARKS & RECREATION	\$1,372,343

NONDEPARTMENTAL.....	\$688,248
DEBT SERVICE	\$1,548,915
TOTAL GENERAL FUND.....	\$18,525,685

SCHEDULE B – SPECIAL REVENUE FUNDS

Capital Reserve Fund

Transfer to General Fund	\$176,945
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In addition to the Transfer to the General Fund, the adopted budget ordinance also authorizes a reallocation within the Capital Reserve Fund of \$100,650 from undesignated reserves to reserves designated for street resurfacing.

Section 2. It is estimated that revenues from the following major sources will be available during the fiscal year beginning July 1, 2010 and ending June 30, 2011 to meet the foregoing schedules:

SCHEDULE A - GENERAL FUND

Ad Valorem Taxes	\$11,021,222
Local Sales Taxes	\$3,062,136
Other Taxes/Licenses.....	\$402,750
Unrestricted Intergovernmental Revenue	\$860,018
Restricted Intergovernmental Revenue.....	\$553,981
Fees and Permits	\$1,022,867
Sales & Services	\$244,606
Investment Earnings.....	\$50,000
Other Revenues.....	\$44,069
Other Financing Sources.....	\$737,445
Fund Balance Appropriated	\$526,591
TOTAL GENERAL FUND.....	\$18,525,685

SCHEDULE B – SPECIAL REVENUE FUNDS

Capital Reserve Fund

Fund Balance Appropriated	\$176,945
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Section 3. Pursuant to GS 159-13.2 (a), the Board of Aldermen 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 the projects. No project ordinances are needed at this time.

Section 4. Charges for services and fees by Town Departments are levied in the amounts set forth in the Miscellaneous Fees and Charges Schedule (See Attachment C).

Section 5. The following authorities shall apply:

- a. The Town Manager can transfer between departments and functions within the General Fund for pay plan adjustments, service level benefits, law enforcement separation allowance, unemployment insurance, and retiree, dependent, and permanent part-time health benefits without further action by the Board.
- b. The Town Manager can transfer within functions.
- c. The Town Manager, in accordance with the Town fiscal policy, may at the end of a fiscal year, upon confirming that the undesignated fund balance available in the annual audit exceeds the policy ceiling of 35%, set aside an amount in designated fund balance for transfer to the capital reserve fund for future projects.
- d. All operating funds encumbered or designated within fund balance for project expenditures as confirmed in the annual June 30th, 2010 audit of the previous year shall be re-appropriated to the Fiscal Year 2010-11 without further action by the Board.
- e. The Finance Officer may approve intradepartmental transfer requests between appropriation units and between programs (formally called “organizational units”) within the departmental budget.
- f. Transfers between funds and transfers from the contingency account may be executed only by the Board of Aldermen. The Carrboro Board of Aldermen will appropriate funds from the Contingency account exclusively for government operations.
- g. In recognition of unpredictable fuel prices, a Fuel Contingency account has been established in the General Fund. The Town Manager may approve transfers from this Fuel Contingency account if needed by departments when their fuel line items are fully expended.
- h. The Orange County Tax Collector, is authorized, empowered, and commanded to collect the 2010 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.
- i. Under GS143-64.32, architectural, engineering, and surveying services with fees less than thirty thousand dollars (\$30,000) may in writing be exempt from the RFQ (Request for Qualification) process.

Section 6. There is hereby levied the following rates of tax on each one hundred (\$100) valuation of taxable property as listed for taxes as of January 1, 2010 for the purpose of raising the revenue constituting the general property taxes as set forth in the foregoing estimates of revenue and in order to finance the foregoing appropriations.

General Fund\$5894

Section 7. 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 received the following vote and was duly adopted this 15th day of June 2010:

Ayes: Dan Coleman, Sammy Slade, Lydia Lavelle, Mark Chilton, Joal Hall Broun, Jacquelyn Gist, Randee Haven-O'Donnell

Noes: None

Absent or Excused: None

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ABOUT THE TOWN OF CARRBORO...

The Town of Carrboro is a small local government entity overseen by a Mayor and Board of Aldermen and professionally managed by a Town Manager. The Town is a growing community located within Orange County in the north central portion of North Carolina. The area's topography is characterized by rolling hills. The Town, which was incorporated in 1911, has a population of 19,479 and is situated next to Chapel Hill, the University of North Carolina and is near the Research Triangle Park.

The growth of the Town is directly related to the expansion of the University of North Carolina at Chapel Hill and growth in the Research Triangle Park. Enrollment at the University has risen from 8,791 in 1960 to 28,916 in 2009. It is anticipated that the expansion will continue to occur in University-related health facilities such as the University of North Carolina Hospitals.

DEMOGRAPHICS

The 2000 Census revealed interesting demographic trends occurring in the community that promise to affect the services provided by the Town in the near future.

POPULATION

The 2000 population of Carrboro was 16,782. This is a 45 percent increase from 1990, the highest percentage increase in Orange County. Carrboro added over 5,200 people to its population between 1990 and 2000. About 62 percent of the people that were added to Orange county in the 1990s were added in either Carrboro or Chapel Hill. Since 2000, though, the population has increased by only 1,641 people. The following paragraphs highlight important demographic changes that have taken place over the past decade.

ETHNIC COMPOSITION

Carrboro has the highest Hispanic/Latino population in Orange county with 2,062. This is a 936 percent increase from 1990 when the Hispanic/Latino population was listed at a count of 199. This group now accounts for 12.3 percent of the population. Specifically, those with a Mexican origin have increased from 64 in

1990 to 1,530 in 2000. This represents a 2,291 percent increase. This sub-group now accounts for 9.1 percent of the population in Carrboro.

Race	%
White	72.7%
Black	13.5%
Asian	5.2%
Other	8.6%

Note regarding the chart: The reason the Hispanic/Latino population cannot be shown in this chart is because of the way the census defines Hispanic origin. A person can be of any race and be of Hispanic/Latino origin. If one's origin is either Mexican-American, Chicano, Mexican, Mexicano, Puerto Rican, Cuban, or Central or South American then one is considered of Hispanic/Latino origin.

AGE COMPOSITION

The combined age groups of the years 20 to 54 make up more than 69 percent of Carrboro's total population. The percent changes from 1990 highlights some changes worthy of notice. The age group of 20 to 24 has decreased 5 percent since 1990, an indication of a decline of the proportion of undergraduate students living in Carrboro. The population increased in the rest of the age groups between 25 to 54 since 1990. This points to the growing trend of Carrboro's population as a community of graduate students, young professionals, married couples and families. The school age population (age 5 to 19) has increased from 1,281 in 1990 to 2,653 in 2000. This is a 107 percent increase. This raises obvious concerns about school overcrowding and the need to build more schools and hire more teachers. Along with this increase in children, married couple families with children under 18 increased by 91 percent. About 25 percent of the households in Carrboro are now "family" households, defined as having individuals under the age of 18. All of this points to the fact that Carrboro has become a place where families

desire to live. The biggest increase took place in the age groups of 45 to 54 and those over the age of 85. The largest age group in

Carrboro is the 25 to 34 age group. They account for about 25 percent of the population.

Age	Number	% of Population	% Change from 1990
Under 5 Years	905	5.4	63%
5 to 9 Years	934	5.6	97%
10 to 14 Years	844	5.0	122%
15 to 19 Years	875	5.2	104%
20 to 24 Years	3,221	19.2	-5%
25 to 34 Years	4,177	24.9	23%
35 to 44 Years	2,587	15.4	73%
45 to 54 Years	1,722	10.3	173%
55-59 Years	367	2.2	117%
60 to 64 Years	292	1.7	23%
65 to 74 Years	402	2.4	26%
75 to 84 Years	315	1.9	110%
85 Years and Over	141	0.8	513%

Source: U.S. Census Bureau

HOUSING

Carrboro continues to be mostly a community consisting of rental units as 68 percent of the housing stock is renter occupied. However, in the last ten years, owner occupied housing has increased at a rate three times faster than that of rental housing. Rental housing increased 22 percent in the 1990s while owner occupied housing jumped 74 percent. In 1990, owner occupied housing accounted for 22.4 percent of the housing stock and in 2000 it accounted for 32 percent. In 1980, owner occupied housing only comprised 21.2 percent of the housing stock. Carrboro continues to have the highest population density in the state. Density increased from 2,584 persons/square mile in 1990 to 3,753 persons/square mile in 2000.

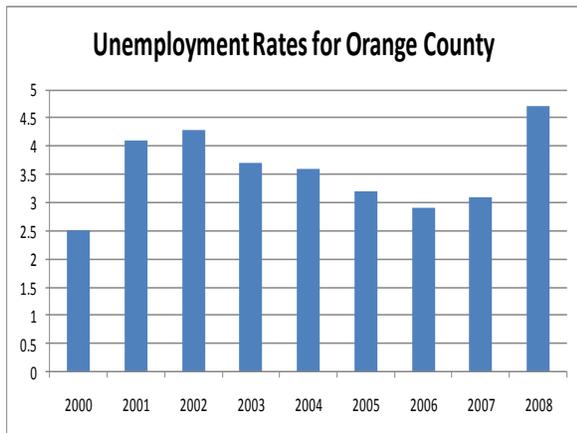
The median cost of an owner-occupied housing unit in Carrboro in 2000 was \$143,242. This is up from \$93,008 in 1990, a 54 percent increase (Source: AnySite Technologies, LLC, 2000).

INCOME

The 2000 per capita income for Carrboro is \$22,303 and the median household income is \$35,273. This is much lower than the median household income level of the Raleigh-Durham metro area which is around \$66,000. The household income levels of Carrboro break roughly into equal thirds. Thirty percent of the households earn less than \$20,000 a year. Thirty five percent of the households make between \$20,000 and \$50,000 a year, while 35 percent of households make more than \$50,000 a year.

EMPLOYMENT

Current employment levels in Carrboro were strong as indicated by the 2000 Census unemployment rate of 3.6 percent. That was better than the national unemployment rate of 4 percent but higher than the Raleigh-Durham rate of 1.8 percent. The unemployment rate for Orange County has fluctuated since 2000 and due to the current national economic condition has climbed to 6.2% as of December 2009.

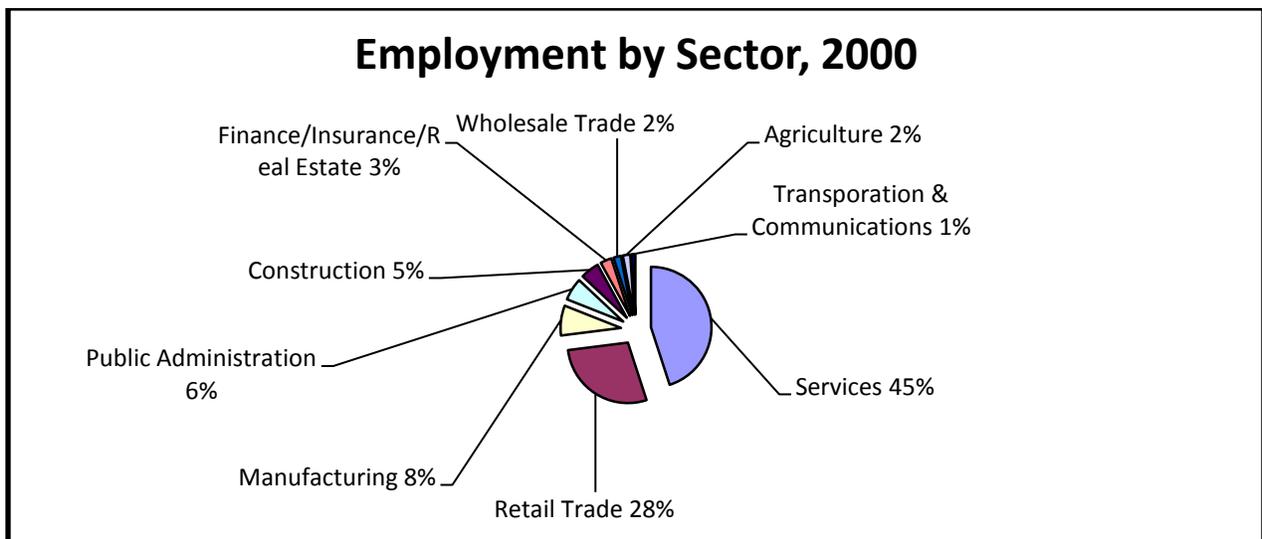


The overwhelming majority of employment in Carrboro is concentrated in two sectors, services and retail. These two sectors provide 73 percent of the employment in Carrboro.

Some of the biggest employers in Carrboro are the school system, businesses that provide services to other businesses, management services, grocery stores, and restaurants.

The major employers within Orange County (those with 450 or more employees) reflect the dominance of the professional services and retail sectors.

Employer	# of Employees
University of North Carolina at Chapel Hill	11,000
UNC Hospitals	6,956
Blue Cross/Blue Shield of NC	1,612
Chapel Hill-Carrboro City Schools	1,573
Orange County Schools	1,031
Orange County Government	963
Town of Chapel Hill	678
A Southern Season	501
General Electric Corp	501



Source: Orange County Economic Development Commission

Key Intergovernmental Relationships

The Town of Carrboro has many relationships with surrounding communities and with other 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
- Is the conduit for transportation improvement funds used to maintain roads
- Collects and distributes certain taxes 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. Parks Work Group, and the Orange County Housing and Land Trust

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 Board
- Maintains fire hydrants used by the Carrboro Fire Department

Orange County

- Provides mutual aid agreement for police services
- Provides landfill and recycling services to Carrboro
- Appoints two members to OWASA board of directors
- 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 board 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

- Assists with funding of joint capital projects including recent purchase of Adams Tract for open space preservation
- 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 and 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
- Appoints two members to the Orange County Solid Waste Advisory Board, two members to the Orange Water and Sewer Authority (OWASA) board of directors.
- 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, i.e., protective gear and hose tester in the Fire Department; special events staffing
- Program cooperative recreational and educational ventures with Chapel Hill

Town of Hillsborough

- Provides mutual aid agreement for fire and police protection
- Appoints two members of the Orange County Solid Waste Advisory Board

Chapel Hill-Carrboro School System

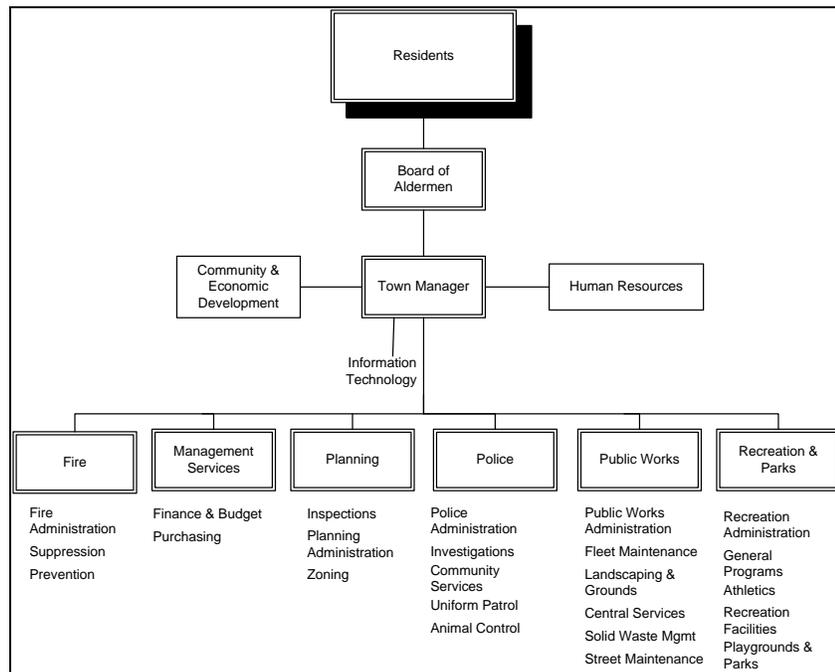
- Engages in joint use agreements for use of some recreation facilities
- Uses town services to provide school resource officer

GOVERNMENTAL STRUCTURE

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

The Board also appoints a manager who carries out the laws and policies enacted by the board. The Town Manager is responsible for managing the town's employees, finances, and resources. The Town has 153 full-time employees with 8 departments reporting to the Town Manager (see chart below). The Board of Aldermen also appoints a Town Clerk to maintain important town records, and an attorney, who represents the town administration and board 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 (personnel, technology, finance, budget, purchasing, town clerk, 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 several other smaller funds primarily for capital reserves or for capital projects.

The budget for the town is largely supported by property taxes. The Town, facing growth in the Northern Transition Area, envisions the potential increase in the town's population to 24,000. In

addition, the Town, in an effort to reduce the tax burden on residents, is exploring ways to increase its commercial tax base (~11%) as a percentage of its tax base.

BOARD PRIORITIES

The Board of Aldermen spends considerable time annually reviewing and defining 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 Board’s decisions ultimately affect the resource allocations for Town services approved by the Board the annual budget ordinance allocating expenditures and revenues for July 1 through June 30 of each year.

Budgeting in Carrboro has become a year-round event. Kicking off with the capital improvements program in August to a final adopted budget the following June involves staff, community, and board interaction. Much of the work presented annual operating budget draws from the CIP and reports and assessments of community needs identified by residents, advisory boards, staff, and the Board.

Budget Calendar

August 20	Distribute CIP Manual to Departments
September 17	Departments submit CIP Document to Management Svcs
November 3	Final Draft of Recommended CIP due to Town Clerk
November 10	Present CIP to Board
January 4	Management Services distributes budget manual
February 1	Board Retreat
February 15	Departmental budgets, work plans, and performance measures due
February 23	Board holds public hearing to receive community input on the 2009-10 budget
March 1-9	Town Manager meets with department heads to review budget requests
March 15-26	Final review of budget requests by Town Manager
May 11	Town Manager submits budget to Board First budget work session
May 25	Board holds public hearing on recommended budget
June 1	Second budget work session (if needed) & Board directs Town Manager to prepare final budget
June 15	Board adopts final budget

Beginning in December, departmental budgets are prepared and justified using two components - a continuation budget and a proposed change 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 Board 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 performance pay for employees, and dependent and retiree health insurance, and numerous operating costs needed to provide daily services.

All other requests are defined as “proposed changes” and are budgeted in a separate column and are categorized in a manner such that the Board 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 Board’s adopted goals as well as individual departmental goals and objectives.

Also driving the services and budget process provided by the town are the strategic priorities and financial policies adopted by the Board. These financial policies address revenues, cash management, expenditures, debt and risk management, capital needs, and budgeting and management.

The current Board priorities (in bold) and their relationship to departmental goals and work plans (in italics) are listed below:

- ❖ **Diversify revenue stream to maintain ethnic and economic diversity**
 - ◆ *Maximize use and revenue at recreation facilities.(Recreation & Parks)*
 - ◆ *Enhance recreation programming opportunities to better serve diverse populations within the community. (Recreation & Parks)*
 - ◆ *Increase recreation program offerings for underserved citizens.(Recreation & Parks)*
 - ◆ *Work with the Small Business and Technology Development Center to provide business plan and entrepreneurship training to 30 aspiring entrepreneurs. (Economic and Community Development)*
 - ◆ *Increase the number of women and minority-owned businesses. (Economic and Community Development)*

- ❖ **Improve walkability and public transportation**
 - ◆ *Improve Quality of public transportation service. (Transportation)*
 - ◆ *Improve level of public transportation service. (Transportation)*
 - ◆ *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)*
 - ◆ *Assist the Carrboro Greenways Commission implement a system of greenways. (Planning)*

- ❖ **Encourage development that is compact, dense, and appeals to diverse lifestyles and incomes**
 - ◆ *Increase the number of affordable housing units in the Town. (Economic and Community Development)*
 - ◆ *Engage in productive work with the newly created Local Living Economy Task Force. (Economic and Community Development)*

- ❖ **Enhance and sustain quality of life/place issues for everyone**
 - ◆ *Reduce the number of known drug houses and street-level drug sales locations. (Police)*

- ◆ *Maintain index crime clearance rates at or above the national average for comparable towns. (Police)*
- ◆ *Ensure the safety of all employees and citizens on town property. (Police)*
- ◆ *Monitor fire trends and create public education programs to target these issues. (Fire-Rescue)*
- ◆ *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)*
- ◆ *Provide fire education for schools, day care centers, and special interest groups. (Fire-Rescue)*
- ◆ *Achieve a well-balanced public infrastructure. (Planning)*
- ◆ *Promote a human environment that facilitates a community of trust, mutual respect, and a sense of acceptance, happiness and well being by emphasizing positive relationships. (Planning)*
- ◆ *Develop new and innovative approaches to support human activity within the community, particularly with regard to housing, transportation, energy production and consumption, resource protection and conservation. (Planning)*
- ◆ *Complete the comprehensive review of Carrboro's Land Use Ordinance. (Planning)*
- ◆ *Provide timely, cost-effective maintenance of public streets, bike paths, storm drainage system and right-of-way. (Public Works)*
- ◆ *Provide cost effective, reliable solid waste collection and disposal. (Public Works)*
- ◆ *Provide park facility and ball field maintenance. (Public Works)*
- ◆ *Provide classes, workshops, trips, camps and other general recreational activities to meet the varied leisure interests and needs of the community. (Recreation & Parks)*
- ◆ *Operates 10 parks and 1 indoor community facility. (Recreation & Parks)*

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 for the adequate funding of the services desired by the public and the maintenance of public facilities. These financial management policies are designed to ensure the fiscal stability of the Town and to guide the development and administration of the annual operating and capital budgets.

Objectives

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

- Protect the policy-making ability of the Board of Aldermen by ensuring that important policy decisions are not controlled by financial problems or emergencies.
- Assist Town management by providing accurate and timely information on financial conditions.
- Provide sound principles to guide the important decisions of the Board of Aldermen and of management which have significant fiscal impact.
- Provide essential public facilities and prevent deterioration of the Town's public facilities and its capital plant.
- Set forth-operational principles that minimize the cost of government and financial risk, to the extent consistent with services desired by the public.
- Enhance the policy-making ability of the Board of Aldermen by providing accurate information on program costs.
- 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.
- Ensure the legal use of all Town funds through a good system of financial security and internal controls.

Achieving These Objectives:

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 shall be used to finance only those capital improvements that are consistent with the capital improvement plan and local government priorities, and whose operation and maintenance costs have been included in operating budget forecasts.

Fees and cost recovery

User fees and charges shall be reviewed annually. Town departments that generate a significant amount of 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% 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 Board of Aldermen 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. An average of two activities per year in the Athletic Program and three activities per year in the General program area has been determined.

Therefore, the per activity fee shall be established for those persons not residing nor owning property in Orange County by dividing the annual out-of-county fee by two or three in the Athletic and General Program areas, respectively. An exception to this policy will be in those programs where fees are based on recovering 100% of direct costs.

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:

- the amount of matching funds required;
- in-kind services that are to be provided;
- the related operating expenses; and

- length of grant and consequential disposition of service (i.e., is the Town obliged to continue the services after the grant has ended).

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 the 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.

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 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

The amount of fund balance is considered to be one of the key indicators of the financial condition of a town. To maintain the Town's credit rating and to meet seasonal cash flow shortfalls, economic downturns or a local disaster, the budget shall provide for an anticipated fund balance for the general fund.

Key purposes for maintaining fund balance include:

- ▶ Having a reserve for emergencies as in the case of lawsuits, ice storms, hurricanes and other natural disasters;
- ▶ Providing a sufficient cash flow for the Town given the amount of revenues received on a monthly basis is not consistent and the tax rate cannot be changed during the fiscal year even though cash flow problems may develop;
- ▶ Weathering unforeseen shortfalls in revenues; and,
- ▶ Taking advantage of an unforeseen opportunity when it arises (i.e., purchasing land that comes available)

The Town will maintain an undesignated balance in the general fund at a level ranging from 22.5% to 35% of the General Fund budget. The Town may earmark funds exceeding the 22.5% undesignated fund balance level for capital projects or financing only.

If, at the end of a fiscal year, the undesignated fund balance falls below 20%, the Town will rebuild the balance to 22.5% within one year.

If, on the other hand, at the end of a fiscal year, the undesignated fund balance exceeds 35%, the Town Manager, upon confirming the undesignated fund balance available in the annual audit, may set aside an amount in designated fund balance for transfer to capital reserve fund for future projects, unless there are other conditions that exist which would allow the Town Manager to conclude it necessary to maintain fund balance at the current reserve level. Undesignated fund balance will generally not be used for operating expenses.

Budget Process and Procedures

State Laws

The North Carolina Local Government Budget and Fiscal Control Act requires that the Town Manager submit a recommended budget to the Mayor and Board of Aldermen no later than May 1st, that the Board hold a public hearing on the budget, and that the Board adopt an annual budget or interim budget each year by July 1st. The budget must be balanced. Defined by the Fiscal Control Act, “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.

Local procedures

The budget process follows a familiar process in that the primary mission continues to be the development of an annual financial plan for the Town. However, just as important, the budget is a strategic plan whereby departmental missions and objectives are aligned with the Board goals and commitments made today and the impact of those decisions are projected and planned for into the future.

Public input and review of the recommended budget is encouraged. The entire budget document shall be available at the Town Clerk’s Office and the Town’s website for review. The Board of Aldermen shall hold at least two meetings prior to their adoption of an annual budget.

The fiscal 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 Board of Aldermen 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, as presented by the Town Manager, shall represent a balanced budget; recommended allocations shall not exceed projected revenues.

General Fund Budgeting

The basic format of the budget shall identify 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. If the CPI remains flat or decreases, nonprofit funding shall remain unaffected. The requests are reviewed by the Town's Human Services Commission which in turn submits a funding recommendation to the Board of Aldermen.

Transfers between funds and transfers from the contingency account may be executed only by the Board of Aldermen. The Carrboro Board of Aldermen will appropriate funds from the Contingency Fund exclusively for government operations.

Where possible, the budget and subsequent status reports will integrate performance measurement and productivity indicators.

In instances where specific activities or purchases are authorized by the Board of Aldermen in a certain fiscal year and remain incomplete and thus, unexpended, fund balance may be carried forward, at Board of Aldermen's discretion, into the next fiscal year to support such activities or purchases.

Budgetary and accounting procedures will conform to Generally Accepted Accounting Principles (GAAP) for governmental agencies.

Special Fund Budgeting

The term "Special Funds" shall be used to identify all funds other than the General Fund, inclusive of the following fund types: Capital Reserve Fund, Payment-in-Lieu Capital Reserve Fund, Revolving Loan Fund, and Capital Projects Fund.

Special Funds shall be created when legally required, requested by the Board of Aldermen, 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 Board of Aldermen 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 project or grant project, either in its annual budget ordinance or in a project ordinance. At any time during the year, a project ordinance may be established. A local government shall not begin a capital project until it has adopted a balanced project ordinance for the life of the project.

A project ordinance is balanced when revenues estimated to be available for the project equal 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.

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, it is recommended that departments use a project ordinance rather than the General Fund operating budget.

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 Board of Aldermen.

Transfers

Line-item adjustments within one project will be allowed via an internal “budget adjustment request form”, assuming the project scope is substantially the same and total funding will not increase as a result of the transfer. Transfer requests will be prepared and signed by the department head of the requesting department and submitted to Management Services to be reviewed. When these transfers occur, the project manager will state that the project scope can still be achieved without increasing the total funding of the project. Management Services will ensure that all transfer requests are approved by the Town Manager.

A transfer between projects within the same fund is only allowed with formal board approval. This process ensures transparency and keeps the Board 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 budget should provide sufficient funds for the regular repair and maintenance of all town capital assets. The budget should not be balanced by deferring these expenditures.

The budget shall incorporate tenets of the technology plan that recognize the importance and necessity of maintaining and updating the installed technological infrastructure. It is strongly suggested that end-user workstations are to be replaced on a four year cycle, servers to be replaced on a three 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. Finally, it is noted that replacement of infrastructure with the latest technology, rather than applying major upgrades to existing infrastructure, is often the most cost effective path.

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. The Public Works Department utilizes a booklet containing replacement criteria (includes criteria such as age and usage) for recommending replacement. It should be noted that 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, resale value, standardization of fleet, or change of operation.

All vehicles and capital equipment that exceed \$25,000 per item shall be considered for town's installment financing schedule identified in the capital improvements plan. All vehicles are funded with 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 program

The Town Manager shall develop and maintain a projection of capital improvement projects (Capital Improvement Program) for the next six years based on the previous capital improvement plans, community needs assessments, and on projects approved by the Board of Aldermen. The Capital Improvement Program (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, and 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 \$15,000. Each fiscal year, the Town Manager will update the CIP to include current information for review by the Board of Aldermen. The CIP plan is incorporated into the annual operating budget request process. 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 budget by the board upon adoption of the budget.

Unexpended project balances shall be carried forward to future fiscal years to complete the intent of the original budget, contingent upon approval by the Board of Aldermen.

The Town's capital program will recognize the borrowing limitation and debt tolerance of the Town.

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.

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 and to the extent that projects must be placed in priority dictated by the nature of the funds available.

Unspent capital project funds shall revert to 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 Board of Aldermen.

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:

A. 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.

B. 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 Board, 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 will seek to maintain its current A+ (Standard and Poors) and A1 (Moody's) bond ratings. The Town will maintain good communications with bond rating agencies about its financial condition and operations.

Debt Issuance and Structure

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

If cash needs for bond projects are insignificant in any given year, the Board may choose not to issue bonds. Instead, the Board may fund upfront project costs and reimburse these costs when bonds are sold. In these situations, the Board 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 Local Government Commission. 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 six-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 Board of Aldermen.

Any capital item that has not been included in the CIP or recurring lease-purchase schedule 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.

Policy last updated: June 3, 2008

BUDGETARY ACCOUNTING AND REPORTING

Budget Adoption

The Town operates under an annual budget ordinance administered in accordance with the Local Government Budget and Fiscal Control Act (North Carolina General Statutes Section 159). These statutes require that the Board of Aldermen 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 Board by June 1 of each year, and the Board must adopt the Budget Ordinance by July 1. A formal public hearing is required to obtain community comments of the proposed budget before the Board 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, and for the Capital Reserve Fund, and the Payment-in-Lieu Fund (Special Revenue Fund types) as needed. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for the remaining Special Revenue Funds, and the 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

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 Board of Aldermen, Advisory Boards, Governance Support, Town Manager, Economic and Community Development, Town Clerk, Management Services, Personnel, Police, Fire, Planning, Transportation, Public Works, Parks and Recreation, Non-departmental, and Debt Service.

The Board of Aldermen 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 Board of Aldermen must approve all transfers between funds, transfers from contingency, and amendments to capital project ordinances.

Within the annual general fund, the Town Manager can transfer between functions for pay plan adjustments, service level benefits, and health benefits without further action by the Board. In addition, all operating funds encumbered or designated within fund balance for project expenditures as confirmed in the annual year-end audit of the previous year without further action by the Board. All other types of amendments within the General Fund must be approved by the Board (i.e., approving revenues and expenditures associated with a grant, transferring operating funds from one function to another that is not related to pay adjustments).

Capital project ordinances are approved at the project level. The capital fiscal policy, approved by the Board of Aldermen in November 2006, creates flexibility for the Town Manager to 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 departmental level within the budget ordinance, line-item budgets are controlled at three broad levels (categories) within a departmental cost center: salaries, 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 obtained via procurement card or 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 GASB34, 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 Board in conjunction with the budget lists authorized permanent positions. On the following pages are the Town's organizational chart and history of 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 General Governmental Funds and are grouped into three generic fund types as described below.

General Governmental Funds

General Fund – The General Fund is the primary operating fund of the Town, which accounts for normal recurring town activities 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, Economic Development Initiative Fund, Capital Reserve Funds, Payment-in-Lieu Fund, Affordable Housing Fund and the Grant Fund.

Capital Projects Fund – The Town has two Capital Projects Fund which are used to account for financial resources used for acquisition or construction of major capital facilities and equipment. One Capital Projects Fund tracks projects financed with bond funding and the other fund tracks all other capital projects.

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GENERAL FUND REVENUE	2007-08	2008-09	2009-10	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ESTIMATED	ADOPTED	2010/11 FROM
	06/30/08	06/30/09	BUDGET		BUDGET	2009/10
AD VALOREM TAX						
PRIOR YEAR	\$71,938	\$79,176	\$72,500	\$80,283	\$80,000	10%
CURRENT YEAR	\$9,950,734	\$10,723,627	\$10,863,818	\$10,920,222	\$10,920,222	1%
PENALTY & INTREST	\$18,881	\$21,326	\$20,000	\$21,000	\$21,000	5%
TOTAL AD VALOREM TAX	\$ 10,041,553	\$ 10,824,129	\$10,956,318	\$11,021,505	\$11,021,222	1%
LOCAL SALES TAXES						
LOCAL OPTION SALES TAX 1%	\$ 1,113,869	\$ 1,093,269	\$986,963	\$1,056,819	\$1,078,500	9%
LOCAL OPTION SALES TAX 1/2% #1	\$ 835,434	\$ 760,211	\$735,606	\$710,340	\$720,992	-2%
LOCAL OPTION SALES TAX 1/2% #2	\$ 829,642	\$ 753,381	\$782,721	\$630,265	\$639,716	-18%
LOCAL SALES TAX REALLOCATION	\$ -	\$ (3,876)	\$0	\$ -	\$0	
LOCAL OPTION SALES TAX 1/2% #3	\$ 603,825	\$ 285,697	\$0	\$ 179,775	\$182,473	
SALES TAX - CITY HOLD HARMLESS	\$ -	\$ 249,154	\$556,755	\$ 433,945	\$440,455	-21%
TOTAL LOCAL SALES TAXES	\$ 3,382,770	\$ 3,137,836	\$3,062,045	\$3,011,144	\$3,062,136	0%
OTHER TAXES/LICENSES						
MOTOR VEHICLE LICENSES	\$ 185,230	\$ 219,588	\$ 268,000	\$268,000	\$ 271,000	1%
MOTOR VEHICLE LIC - TRANS ONLY	\$ 61,743	\$ 92,822	\$ 61,743	\$62,500	\$ 55,000	-11%
MOTOR VEHICLE LIC - GROSS RECEIPTS	\$ -	\$ 1,403	\$ -	\$750	\$ 750	
PRIVILEGE LICENSES	\$ 76,070	\$ 82,964	\$62,000	\$83,000	\$76,000	23%
TIME WARNER FRANCHISE	\$ 32,252	\$ 31,878	\$0	\$0	\$0	
TOTAL OTHER TAXES/LICENSES	\$ 355,295	\$ 428,655	\$391,743	\$414,250	\$402,750	3%
UNRESTRICTED INTERGV						
FRANCHISE TAX	\$ 329,932	\$ 337,786	\$ 326,208	\$327,000	\$ 329,298	1%
PIPED NATURAL GAS TAX	\$ 40,851	\$ 49,676	\$ 41,525	\$48,186	\$ 46,741	13%
UTILITY FRANCHISE REALLOCATION	\$ (3,061)	\$ (1,225)	\$ -	\$0	\$ -	
VIDEO SALES PROGRAMMING	\$ 200,343	\$ 234,379	\$ 220,837	\$229,692	\$ 227,395	3%
WINE AND BEER	\$ 85,730	\$ 86,128	\$ 85,730	\$57,706	\$ 29,571	-66%
SALES TAX-TELECOMMUNICATIONS	\$ 216,265	\$ 236,833	\$ 242,368	\$227,360	\$ 222,813	-8%
NC DOT REIMBURSEMENT	\$ 4,726	\$ 4,223	\$ 4,200	\$4,200	\$ 4,200	0%
TOTAL UNRESTRICTED INTERGV	\$ 874,785	\$ 947,801	\$920,868	\$894,143	\$860,018	-7%
RESTRICTED INTERGVMT						
POWELL BILL	\$ 540,474	\$ 493,378	\$411,702	\$441,079	\$415,154	1%
NC RISK MGMT AGENCY GRANT	\$ 750	\$ -	\$750	\$750	\$750	0%
NCDEHNR AAT	\$ -	\$ -	\$0	\$ -	\$ -	
SOLID WASTE DISPOSAL TAX DIST.	\$ -	\$ 8,925	\$0	\$8,925	\$8,500	
PLANNING WORK GRANT	\$ 25,061	\$ 25,406	\$22,740	\$22,740	\$22,740	0%
NCDOT BIKE AND PED PROGRAM	\$ 10,850	\$ 34,650	\$0	\$0	\$0	
CHAPEL HILL SUPPLEMENT	\$ 3,725	\$ -	\$0	\$0	\$0	
50006 CLEAN WATER ACT GRANT	\$ -	\$ 45,000	\$0	\$0	\$0	
RECREATION-MUNICIPAL SUPPLEM	\$ 35,898	\$ 35,933	\$35,898	\$35,898	\$35,898	0%
RECREATION - ARTS COMM GRANT	\$ 1,500	\$ 1,500	\$0	\$1,500	\$1,500	
RECREATION - ARTS COMM GRANT	\$ 1,500	\$ 1,500	\$0	\$750	\$750	
DEPT JUSTICE BLOCK GRANT	\$ -	\$ -	\$0	\$ -	\$ -	
RECREATION - ARTS COMM GRANT	\$ -	\$ -	\$0	\$1,500	\$ -	
STROWD ROSES GRANT	\$ -	\$ -	\$0	\$3,500	\$ -	
STROWD ROSES GRANT	\$ -	\$ -	\$0	\$500	\$ -	
STROWD ROSES GRANT	\$ -	\$ -	\$0	\$1,000	\$ -	
NC DOJ FINGERPRINT GRANT	\$ -	\$ 23,780	\$0	\$0	\$0	
DEPT OF JUSTICE BLOCK GRANT	\$ -	\$ 6,777	\$0	\$0	\$0	
BYRNE GRANT	\$ -	\$ -	\$0	\$ -	\$ -	
FEMA REIMBURSEMENT GRANT	\$ -	\$ -	\$0	\$ -	\$ -	
FIREFIGHTERS GRANT	\$ -	\$ -	\$0	\$ -	\$ -	
CHANNEL 18 GOVT ACCESS GRANT	\$ -	\$ 7,136	\$0	\$0	\$0	
SAFER GRANT	\$ -	\$ 110,716	\$86,065	\$86,065	\$62,189	-28%
ECON DEV GRANT FR ORG COUNTY	\$ -	\$ 1,000	\$0	\$0	\$0	
FIRE GRANT FOR CAR SEATS	\$ 1,379	\$ 4,259	\$0	\$0	\$0	
BYRNE GRANT	\$ -	\$ -	\$0	\$35,646	\$ -	
BYRNE GRANT	\$ -	\$ -	\$0	\$8,663	\$ -	
ABC BOARD GRANT	\$ 11,725	\$ -	\$5,800	\$6,605	\$6,500	12%
SEIZURES REVENUE, STATE	\$ 14,076	\$ 10,442	\$960	\$2,692	\$0	-100%
SEIZURES REVENUE, FEDERAL	\$ 21,021	\$ -	\$0	\$0	\$0	
TOTAL RESTRICTED INTERGVMT	\$ 667,959	\$ 810,401	\$563,915	\$657,813	\$553,981	-2%

GENERAL FUND REVENUE	2007-08	2008-09	2009-10	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ESTIMATED	ADOPTED	2010/11 FROM
	06/30/08	06/30/09	BUDGET		BUDGET	2009/10
FEES AND PERMITS						
MISC. RETURNED CHECK FEE	\$ 397	\$ 225	\$0	\$75	\$0	
TIME WARNER PEG FEES	\$ 14,415	\$ 11,609	\$12,000	\$5,954	\$12,000	0%
TOWER REVENUE	\$ 134,360	\$ 120,417	\$119,984	\$119,984	\$123,477	3%
PRIVILEGE LICENSE, LATE FEE	\$ 1,336	\$ 2,222	\$0	\$1,699	\$0	
COURT COST OFFICER FEES	\$ 6,043	\$ 5,105	\$3,000	\$3,195	\$3,000	0%
PARKING VIOLATIONS	\$ 7,775	\$ 5,850	\$3,500	\$3,500	\$3,500	0%
CHCCS -SRO CONTRACT	\$ 97,468	\$ 107,624	\$107,624	\$107,624	\$107,624	0%
DOG FEES	\$ 4,900	\$ 6,495	\$5,000	\$5,000	\$5,000	0%
ANIMAL VIOLATIONS	\$ 25	\$ 25	\$300	\$25	\$300	0%
FIRE DIST. FEES	\$ 442,900	\$ 429,969	\$423,966	\$423,966	\$420,878	-1%
CAR SEAT SALES	\$ 1,020	\$ 630	\$0	\$840	\$0	
FALSE ALARM FEES			\$0	\$0	\$0	
FIRE PERMIT FEES	\$ 775	\$ 4,700	\$3,200	\$4,953	\$4,800	50%
RE-INSPECTION FEE				\$700	\$0	
REPORTS	\$ 435	\$ 144	\$250	\$40	\$100	-60%
SIGN PERMITS	\$ 480	\$ 420	\$350	\$680	\$500	43%
SIGN PERMITS			\$0	\$135	\$0	
ENGINEERING FEE	\$ 47,214	\$ 38,084	\$40,000	\$23,164	\$30,000	-25%
DEV REVIEW FEE	\$ 21,352	\$ 36,303	\$25,000	\$24,592	\$20,000	-20%
STREET INSPECTION FEES	\$ -	\$ -	\$500	\$0	\$100	-80%
TECHNICAL REVIEW-FUTURE EQPMT	\$ -		\$0		\$0	
TECHNICAL REVIEW		\$ 7,698	\$0	\$19,200	\$10,000	
BUILDING PERMITS	\$ 63,204	\$ 50,613	\$50,000	\$99,079	\$55,000	10%
ELECTRIC PERMITS	\$ 59,745	\$ 55,561	\$45,000	\$89,136	\$50,000	11%
MECH. PERMITS	\$ 47,115	\$ 40,739	\$40,000	\$72,391	\$40,000	0%
RE-INSPECTION FEE	\$ 1,845	\$ 1,185	\$3,500	\$500	\$600	-83%
PLUMBING	\$ 39,140	\$ 38,976	\$40,000	\$59,288	\$40,000	0%
HOMEOWNERS RECOVER FEES	\$ 150	\$ 103	\$100	\$400	\$400	300%
RECYCLING FEES	\$ 5,350	\$ 4,872	\$6,500	\$5,200	\$4,800	-26%
STREET CUTS	\$ 180	\$ -	\$0	\$518	\$0	
DRIVEWAY PIPE INSTALLATION	\$ -		\$0			
STREET SIGNS	\$ 5,132	\$ 255	\$0	\$178	\$0	
DRIVEWAY PERMIT FEES	\$ 170	\$ 480	\$0	\$80	\$0	
STREET CLOSING	\$ 600	\$ 6,315	\$500	\$1,185	\$500	0%
PERM RGT OF WAY CLOSING FEE	\$ 120	\$ 80	\$0	\$120	\$0	
REFUSE COLLECTION FEES	\$ 1,950	\$ 875	\$1,500	\$685	\$1,500	0%
REFUSE COLLECTION - DUMPSTER	\$ 69,166	\$ 84,453	\$88,788	\$88,788	\$88,788	0%
BLDG STRUCTURE MVG PERMIT FEE			\$0		\$0	
TOTAL FEES & PERMITS	\$ 1,074,761	\$ 1,062,026	\$1,020,562	\$1,162,874	\$1,022,867	0%
SALES & SERVICES						
RECREATION FEES	\$ 184,877	\$ 198,109	\$203,000	\$205,760	\$ 168,587	-17%
DISCOUNT -RECREATION FEES	\$ -	\$ (11,644)	\$0	\$ (11,644)	\$ (11,644)	
TOWN CENTER FEES	\$ 85,666	\$ 82,612	\$96,300	\$84,345	\$ 94,760	-2%
DISCOUNT - TOWN CENTER FEES	\$ -	\$ (8,248)	\$0	\$ (8,248)	\$ (8,248)	
SALES- MERCH & CONCESSIONS		\$ -	\$0		\$ 1,000	
SALES- MERCH & CONCESSIONS		\$ -	\$0		\$ 150	
TOTAL SALES & SERVICES	\$ 270,543	\$ 260,829	\$ 299,300	\$ 270,213	\$ 244,606	-18%

GENERAL FUND REVENUE	2007-08	2008-09	2009-10	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ESTIMATED	ADOPTED	2010/11 FROM
	06/30/08	06/30/09	BUDGET		BUDGET	2009/10
INVESTMENT EARNINGS						
INTEREST EARNED-OWASA SUBSIDY	\$ -	\$ 1,358	\$0	\$1,300	\$0	
INTEREST EARNED	\$ 392,956	\$ 149,960	\$100,000	\$65,000	\$50,000	-50%
TOTAL INVESTMENT EARNINGS	\$ 392,956	\$ 151,318	\$ 100,000	\$ 66,300	\$ 50,000	-50%
OTHER REVENUES						
RENT-FARMER'S MKT	\$ 2,000	\$ 2,370	\$2,000	\$2,370	\$2,000	0%
MISC INVENTORY	\$ -	\$ 660	\$0	\$0	\$0	
MISCELLANEOUS	\$ 50,759	\$ 44,462	\$1,500	\$624	\$1,500	0%
SALE OF MATERIAL	\$ 6,296	\$ 2,917	\$0	\$481	\$0	
SALES OF CEMETERY LOTS	\$ 12,870	\$ 9,060	\$5,000	\$9,000	\$6,000	20%
SALE/ FIXED ASSETS	\$ 57,880	\$ 32,764	\$10,000	\$4,529	\$10,000	0%
DONATIONS - ART COMM	\$ 141	\$ -	\$0	\$0	\$0	
DONATIONS - CD & MEMORABILIA	\$ 975	\$ 2,630	\$1,200	\$2,600	\$1,200	0%
DONATIONS, CRAFT MKT						
54800 DONATIONS-WALK CARRBORO	\$ -	\$ 4,996	\$0	\$0	\$0	
54900 DONATIONS-COMEDY THEATER	\$ -	\$ 500	\$0	\$0	\$0	
GREEN AWAKENING PROJECT		\$ 1,500	\$0	\$0	\$0	
MISCELLANEOUS	\$ 6,829	\$ 319	\$500	\$21	\$500	0%
DONATIONS BULLETPROOF VEST	\$ -	\$ 750	\$0	\$0	\$0	
POLICE MISC	\$ 5,783	\$ 3,926	\$2,500	\$5,692	\$2,500	0%
SALARY REIMBURSEMENT/SPEC EVT	\$ 953	\$ -	\$0	\$0	\$0	
FIRE MISC	\$ 4,259	\$ 2,146	\$1,000	\$2,577	\$1,000	0%
MISCELLANEOUS	\$ 2,733	\$ 492	\$500	\$827	\$500	0%
REFUSE CART SALES	\$ 3,730	\$ 4,138	\$3,500	\$3,408	\$3,500	0%
YARD WASTE CONTAINERS	\$ 2,767	\$ 2,430	\$2,600	\$1,651	\$2,600	0%
MISCELLANEOUS	\$ 504	\$ 1,508	\$0	\$31	\$0	
DONATIONS	\$ -	\$ 467		\$31		
DONATIONS - CARRBORO DAY	\$ 45		\$50	\$0	\$50	0%
DONATIONS - MUSIC FESTIVAL	\$ 10,504	\$ 10,441	\$12,500	\$8,100	\$10,439	-16%
DONATIONS-POETRY ALIVE IN CARRBORO	\$ 152	\$ -	\$100	\$30	\$0	-100%
DONATIONS - JULY 4TH	\$ 1,417	\$ 1,547	\$1,250	\$135	\$0	-100%
DONATIONS - CARRBORO PARKS PROJECTS	\$ 7,533	\$ 5,450	\$0	\$883	\$0	
DONATIONS - FILM FESTIVAL	\$ 3,514	\$ 4,504	\$4,500	\$3,034	\$1,890	-58%
DONATIONS ARTS COMMITTEE	\$ 35	\$ 340	\$375	\$0	\$390	4%
DONATIONS - RECREATION MISC	\$ 224	\$ -	\$0	\$0	\$0	
PLANNING MISC.	\$ -	\$ 1,699	\$0	\$0	\$0	
TOTAL OTHER REVENUES	\$ 181,901	\$ 142,015	\$49,075	\$46,024	\$44,069	-10%
		\$ -				
OTHER FINANCING SOURCES						
INSTALLMENT FINANCING PROCEEDS	\$ 1,668,939	\$ -	\$620,496	\$620,496	\$560,500	-10%
FUND BALANCE APPROPRIATED	\$ -		\$546,306	\$0	\$526,591	-4%
TRANSFER FR GRANT FUND		\$ 34,200	\$0		\$0	
TRANSFER FR CAP RESERVE FUND	\$ 357,000		\$544,806	\$544,806	\$176,945	-68%
TRANSFER FROM CAPITAL PROJ FD	\$ -	\$ -	\$0		\$0	
TOTAL OTHER FINANCING SRCE	\$ 2,025,939	\$ 34,200	\$1,711,608	\$1,165,302	\$1,264,036	-26%
TOTAL REVENUES	\$ 19,268,463	\$ 17,799,211	\$19,075,434	\$18,709,568	\$18,525,685	-3%

GENERAL FUND REVENUE DESCRIPTIONS

The following information briefly explains the major sources of revenue and describes the means used to project anticipated income for the Town of Carrboro in the FY10-11 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 reappraisal of real property for the Town produced an estimated total property valuation of \$1,900,491,499 including motor vehicle billings. Each penny on the tax rate generates approximately \$185,277.

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. These exemptions are expected to reduce the tax base available for taxation by an estimated \$7,009,327. This action, while attempting to reduce the impact of the overall tax burden of this population, does result in a loss in property tax revenue of \$41,313.

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.*

With these unique economic times, town staff is projecting no change in the sales tax receipts.

OTHER TAXES AND LICENSES

This category of revenue is comprised of motor vehicle licenses, privilege licenses, and the Time-Warner Franchise.

Privilege Licenses - Privilege Licenses are issued annually to entities conducting business within the Town of Carrboro. The type of business conducted determines the fee charged. Businesses, where not restricted by state law, are assessed a fee based on gross receipts earnings. Expected revenue from privilege licenses is expected to remain stable showing approximately \$76,000 based on historical and current trends.

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

Time Warner Franchise Agreement - The largest revenue in this category was the franchise revenues received from Time Warner franchise agreement where the Town is paid five percent of the gross revenues collected on Carrboro subscribers. Given the legislative changes, this revenue capacity became limited.

The Town's definition of "gross revenues" or "gross receipts" is broader than the state's for its sales tax, and is eligible to collect franchise taxes on those items not covered by the state definition. The town, like numerous other municipalities, expected to collect these revenues until franchise agreement expired. The Town's agreement ends in 2011. *These revenues are available so long as no other cable competitor identifies Carrboro as a service area. At this time, the Town does not expect to earn revenue under the Time Warner Cable Franchise.*

UNRESTRICTED INTERGOVERNMENTAL REVENUE

This category of revenue is primarily comprised of state-collected local revenues that are not directed to specific programs or services. Primarily comprised of state-collected local revenues that once was simply known as the utility franchise tax, this category of revenue shows an increase due to growth despite the effects of a recession.

Local Video Programming Revenues- Beginning January 1, 2007, local governments were no longer able to impose franchise taxes on video programming services. In conjunction, a sales tax on video programming services was added by the State that covered some of the same revenue received directly by local governments. The first distribution of the state video programming revenues to local governments was in early June 2007.

According to the North Carolina League of Municipalities, video programming revenues in the current year are expected to be 1-2 percent below the FY08-09 receipts. It is expected that the receipts for FY10-11 will remain at FY09-10 levels or increase by 1%. The Town estimates a slight increase based on trends.

Electricity Franchise Tax – represents actual receipts from electric services within the municipal boundaries. This revenue source is affected by changes in population and highly sensitive to weather. Based on previous and current collections, this revenue is estimated to increase remain relatively flat at \$329,298.

Piped Natural Gas Excise Tax - This revenue represents an excise tax on piped natural gas. Amounts received are based on monthly therm volumes received by the end-user of the gas. This revenue was separated from electric franchise tax (formerly called utility franchise revenue) in 1998 and is distributed by a formula that establishes a "benchmark" or minimum revenue to be received by the municipality. Additional revenue may accrue to the jurisdiction once all municipalities receive their share of the benchmark. Per the League of Municipalities, these revenues are expected to be flat next year or even decline given that natural gas use by industry is declining due to the recession.

Wine and Beer Tax – provides for the distribution of 23.75% 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, on a per capita basis. The Town's share of these revenues is expected to be reduced by two-thirds, the difference representing the portion retained by the State of North Carolina as a measure to balance the state budget. This action was taken by the state in balancing the FY09-10 budget and is anticipated to continue through the next budget cycle.

Telecommunication Sales Tax- In 2001, the General Assembly replaced the utility franchise tax on local telephone service with a new sales tax on telecommunications. The Town experienced its first full fiscal year of telecommunications tax revenue effective June 30, 2003. According to the League, the statewide growth in this revenue is estimated to decline in FY09-10 and continue to decline in FY10-11 by another 1.5-2.5 percent.

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.

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. While the budget is slightly increased, Carrboro shows a 16 percent decrease over actual receipts based on population and street mileage maintained.

Durham-Chapel Hill-Carrboro Urban Area Planning Work Program Grant – This grant provides support toward the Transportation Planner salary costs. This grant of \$22,740 is based on estimates provided by the grant program.

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

SAFER Grant – The fire department was awarded a SAFER (Staffing for Adequate Fire and Emergency Response Program) four-year grant in April 2008 for three firefighters. The grant will subsidize salary costs over with a graduated but declining amount over several years (beginning with 90% in the first year and 80% in the second year, 50% in the third year, and 30% in the final year). The town is in the third year of this grant.

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

FEES AND PERMITS

The Town charges various types of permits and fees to residences and commercial establishments needing specific services. A large portion of the fees and permits received by the Town relate to development and growth within the Town. Fees and permits continue to remain flat in FY10-11, given the economy.

Time Warner Public Education and Government Fees (PEG) – The Time Warner Franchise agreement allows the Board of Aldermen to assess a special fee to cable consumers to purchase cable equipment for televising board meetings. This fee was implemented in FY04-05 to fund improvements to the cable casting equipment for televising board meetings. *It is possible that the Town will not receive these revenues in FY09-10 due to the entry of other competitors in Carrboro’s service area.*

However, the Town is budgeting for \$12,000 to be collected on this special cable fee, with the intent of setting aside those funds in a reserve account for future equipment costs, if collected.

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. One shall be stationed at McDougle Middle School and one at the new Carrboro High.

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 all such fees. Expected revenue \$30,000

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. Expected Revenue: \$20,000.

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. Anticipated revenue is \$55,000.

Electric Permits are issued on new and existing buildings for service changes, premises wiring and commercial up-fits. Anticipated revenue is \$50,000.

Mechanical Permits are issued on new installation of residential and commercial buildings and replacement of heating and cooling equipment. Anticipated revenue is \$40,000.

Plumbing Permits are issued on new and renovated buildings i.e. water and sewer, irrigation and backflow. Anticipated revenue is \$40,000.

Dumpster Collection Fees represent a fee added in FY02-03 for the collection of commercial refuse on October 1, 2002. The Town began at that time charging the full cost of pickup and disposal of all refuse the Town collects from all commercial dumpsters in Town. Collection is estimated at \$88,788.

Tower Revenue - The Town owns a cell tower and leases space via a multi-year contract for antennas. Anticipated revenue is \$123,477.

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. In the past few years, the town has been able to offer meeting rooms and facility space within the Century Center to the public for rental for various functions. The Town sponsors various team sports and programs for the Town's citizens. The revenues are expected to increase slightly based on planned program registrations and reservations.

INVESTMENT EARNINGS

Interest Income - The Town generates interest income by investing idle cash in interest paying checking accounts and money market accounts. The FY10-11 estimate is at \$50,000.

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 into the General Fund. Highlights include:

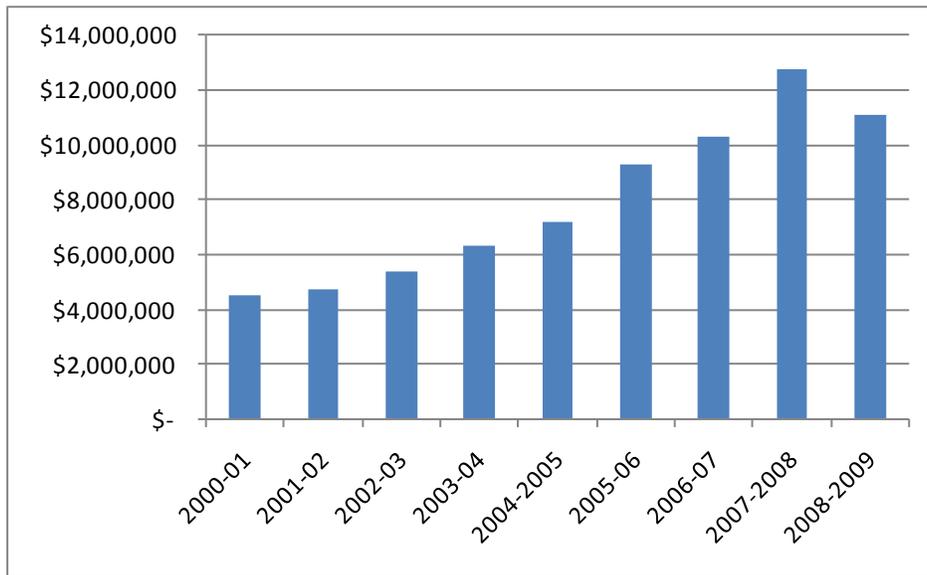
Lease-purchase or Bond Proceeds - This represents the full cost of equipment or other capital purchase that the Town has obtained through installment or bond financing. Following generally accepted accounting practices, the full cost of the financed equipment is budgeted (equipment purchased in that 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 from those funds to the General Fund. The most common transfers seen are from the capital reserve fund or from the capital projects fund.

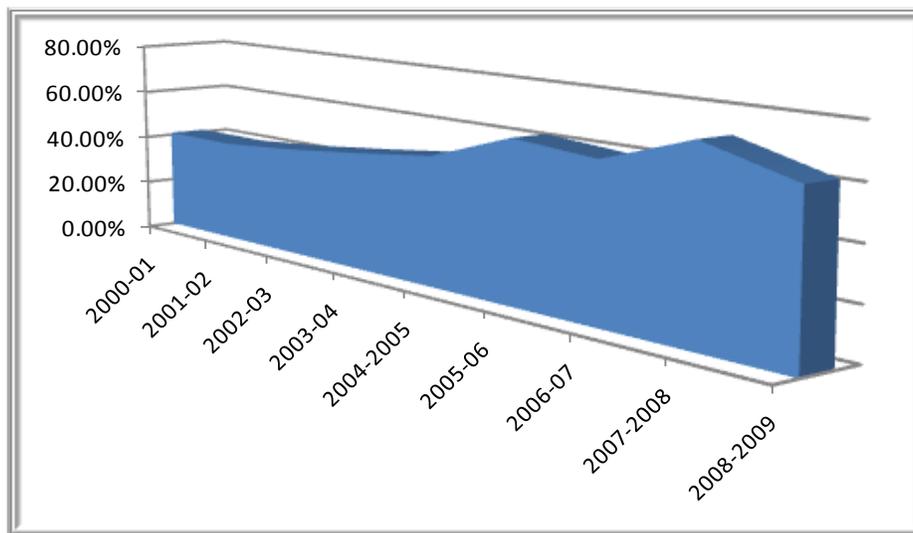
FUND BALANCE APPROPRIATED - Funds accumulated through the under-expenditure of budgeted appropriations and the receipt of revenues that exceed budgeted projections result in fund balance or reserves. An appropriation of fund balance is sometimes necessary to balance

projected revenues with expenditures. The level of appropriation is determined by the differences between estimated expenditures and the expected revenues. The FY10-11 budget appropriates \$526,591 in fund balance reserves.

General Fund Balance as of June 30



General Fund Balance as a Percentage of Operating Revenues



GENERAL FUND SUMMARY OF EXPENDITURES					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	9,384,191	9,805,519	10,529,785	10,671,163	1%
OPERATIONS	6,340,677	7,895,598	7,331,347	7,227,512	-1%
CAPITAL OUTLAY	1,063,957	1,737,495	1,214,302	627,010	-48%
TOTAL	16,788,825	19,438,612	19,075,434	18,525,685	-3%

GENERAL FUND FY2010-11 BUDGET CATEGORY OF EXPENDITURE BY DEPARTMENT				
DEPARTMENT	PERSONNEL SERVICES	OPERATING COSTS	CAPITAL OUTLAY	TOTAL
MAYOR & ALDERMEN	119,086	162,650	0	281,736
ADVISORY BOARDS	0	12,750	0	12,750
GOVERNANCE SUPPORT	0	266,003	0	266,003
TOWN MANAGER	252,538	24,450	0	276,988
ECONOMIC & COMM DEV.	118,614	34,341	0	152,955
TOWN CLERK	99,570	15,300	0	114,870
MANAGEMENT SERVICES	467,863	544,879	0	1,012,742
HUMAN RESOURCES	311,207	63,170	0	374,377
INFORMATION TECHNOLOGY	170,233	662,950	22,750	855,933
POLICE	2,749,381	341,730	122,000	3,213,111
FIRE	2,082,208	281,127	160,000	2,523,335
PLANNING	993,263	165,935	0	1,159,198
TRANSPORTATION	0	1,064,150	0	1,064,150
PUBLIC WORKS	1,839,740	1,446,031	322,260	3,608,031
PARKS & RECREATION	1,026,212	346,131	0	1,372,343
NON-DEPARTMENTAL	441,248	247,000	0	688,248
DEBT SERVICE	0	1,548,915	0	1,548,915
TOTALS	10,671,163	7,227,512	627,010	18,525,685

*General Fund – Summary of Full and Part-time Positions
Department and Division Level (if applicable)*

BOARD OF ALDERMEN

Position	FY 2008-09	FY 2009-10	FY 2010-11
Assistant to the Mayor (part-time @ 20 hours per week)	1	1	1
Total Count, Board of Aldermen	1	1	1

TOWN MANAGER

Position	FY 2008-09	FY 2009-10	FY 2010-11
Town Manager	1	1	1
Assistant to the Town Manager	1	1	1
Total Count, Town Manager	2	2	2

ECONOMIC AND COMMUNITY DEVELOPMENT

Position	FY 2008-09	FY 2009-10	FY 2010-11
Economic & Community Development Director	1	1	1
Program Support Assistant II (part-time @ 20 hrs/week)	1	1	1
Total Count, Economic & Community Development	2	2	2

TOWN CLERK

Position	FY 2008-09	FY 2009-10	FY 2010-11
Town Clerk	1	1	1
Total Count, Town Clerk	1	1	1

MANAGEMENT SERVICES

Position	FY 2008-09	FY 2009-10	FY 2010-11
Finance Director	1	1	1
Accounting Officer	1	1	1
Purchasing Officer/Budget Analyst	1	1	1
Staff Accountant	1	1	1
Accounting Technician II	1	1	1
Accounting Technician I	1	1	1
Program Support Assistant II (part-time @32 hrs/week)	1	1	1
Total Count, Management Services	7	7	7

INFORMATION TECHNOLOGY

Position	FY 2008-09	FY 2009-10	FY 2010-11
Information & Technology Manager	1	1	1
Information Technology Support Engineer	1	1	1
Total Count, Information Technology Division	2	2	2

Positions by Department and Division Level, Continued

HUMAN RESOURCES

Position	FY 2008-09	FY 2009-10	FY 2010-11
Human Resources Director	1	1	1
Human Resources Analyst	1	1	1
Total Count, Human Resources	2	2	2

POLICE

Position	FY 2008-09	FY 2009-10	FY 2010-11
Police Chief	1	1	1
Police Captain	2	2	2
Administrative Assistant	1	1	1
Program Support Assistant II	1	1	1
Administrative Services Division	5	5	5
Police Lieutenant	4	4	4
Police Officer II	4	4	4
Police Officer I	17	17	17
Police Patrol Division	25	25	25
Police Lieutenant	1	1	1
Police Officer II	2	2	2
Police Officer I	4	4	4
Police Community Services	7	7	7
Police Lieutenant	1	1	1
Police Officer II	5	5	5
Police Investigations Division	6	6	6
Animal Control Officer	1	1	1
Animal Control Division	1	1	1
Total Count, Police	44	44	44

FIRE-RESCUE

Position	FY 2008-09	FY 2009-10	FY 2010-11
Fire Chief	1	1	1
Program Support Assistant I (part-time @ 20 hrs/week)	1	1	1
Fire Supervision Division	2	2	2
Deputy Fire Chief	1	1	1
Fire Captain	3	3	3
Fire Lieutenant	3	3	3
Fire Driver/Mechanic	1	1	1
Fire Driver/Operator	5	5	5
Fire Fighter	21	21	21
Fire Suppression Division	34	34	34
Fire Marshal	1	1	1
Fire Prevention Division	1	1	1
Total Count, Fire-Rescue	37	37	37

PLANNING

Position	FY 2008-09	FY 2009-10	FY 2010-11
Planning Director	1	1	1
Planning Administrator	1	1	1
Transportation Planner	1	1	1
Environmental Planner	1	1	1
GIS Specialist	1	1	1
Administrative Assistant	1	1	1
Planning Division	6	6	6
Development Review Administrator	1	1	1
Planner/Zoning Specialist	3	3	3
Program Support Assistant II	1	1	1
Zoning Division	5	5	5
Code Enforcement Supervisor	1	1	1
Code Enforcement Officer III	2	2	2
Inspections Division	3	3	3
Total Count, Planning	14	14	14

RECREATION AND PARKS

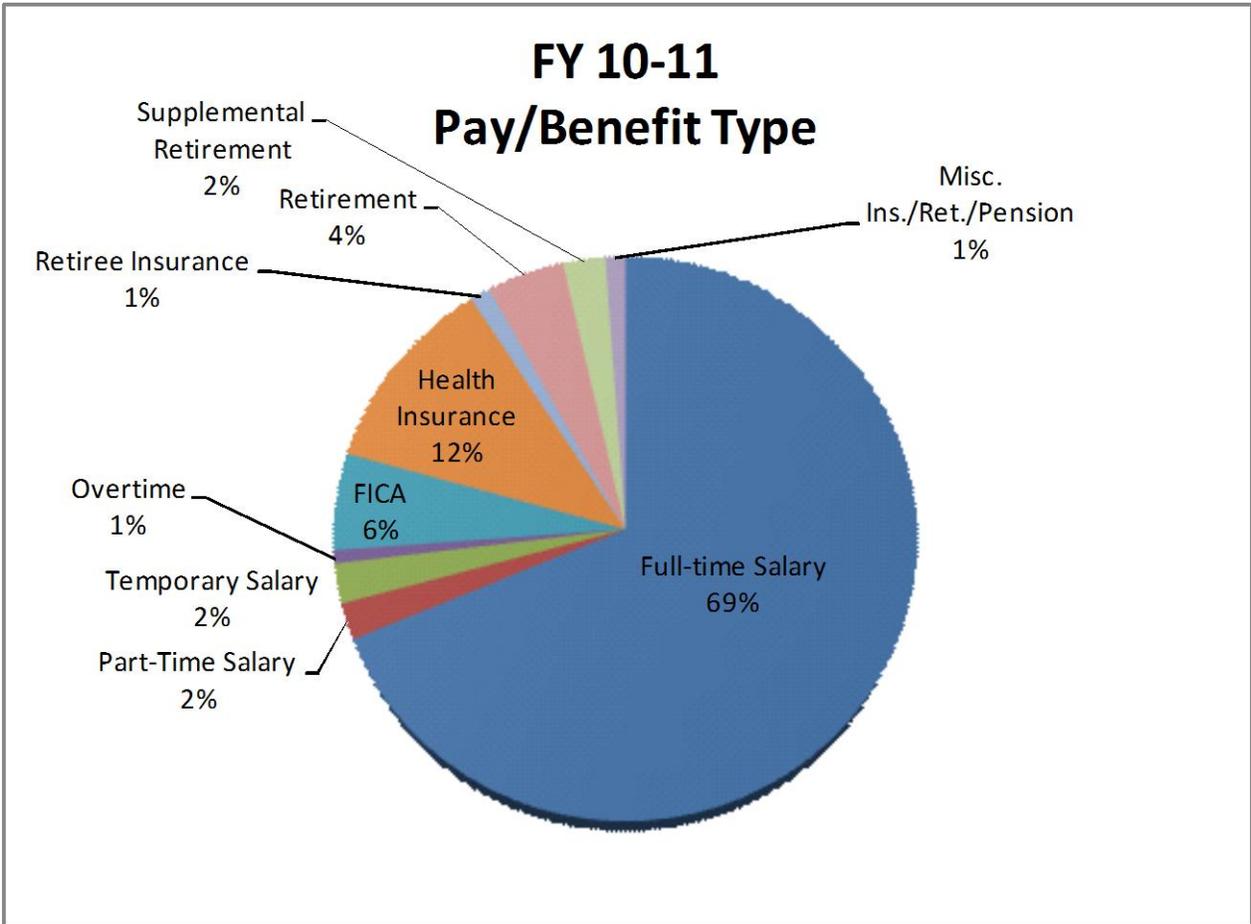
Position	FY 2008-09	FY 2009-10	FY 2010-11
Recreation and Parks Director	1	1	1
Recreation Supervision Division	1	1	1
Recreation Administrator (Org 622)	1	1	1
Recreation Supervisor (Org 622- 2) & (Org 623 -3)	5	5	5
Recreation Athletics (Org 622) & General Programming (Org 623)	6	6	6
Facilities Administrator	1	1	1
Facilities Supervisor	1	1	1
Activity Manager (part-time at 30 hours per week)	1	1	1
Administrative Assistant	1	1	1
Program Support Assistant II (part-time at 30 hours per week)	1	1	1
Program Support Assistant I(1 full-time & 1 part-time at 30 hours per week)	2	2	2
Total Count, Facilities Division	7	7	7
Total Count, Recreation and Parks	14	14	14

Positions by Department and Division Level, Continued

PUBLIC WORKS

Position	FY 2008-09	FY 2009-10	FY 2010-11
Public Works Director	1	1	1
Administrative Analyst	1	1	1
Engineering Technician	1	1	1
Administrative Assistant	1	1	1
Public Works Supervision	4	4	4
Street Superintendent	1	1	1
Construction Inspector/Crew Leader	1	1	1
Street Crew Leader	1	1	1
Maintenance/Construction Worker	5	5	5
Signs and Marking Specialist	1	1	1
Maintenance/Construction Worker/Signs & Marking Assistant	1	1	1
Street Maintenance Division	10	10	10
Solid Waste Supervisor	1	1	1
Solid Waste Equipment Operator II/Crew Leader	1	1	1
Solid Waste Equipment Operator II	1	1	1
Solid Waste Equipment Operator I	4	4	4
Solid Waste Management Division	7	7	7
Building Maintenance Supervisor	1	1	1
Building Maintenance Assistant	1	1	1
Custodian	1	1	1
Central Services Division	3	3	3
Fleet Maintenance Supervisor	1	1	1
Mechanic II	1	1	1
Mechanic I	1	1	1
Fleet Maintenance Division	3	3	3
Landscaping/Grounds Supervisor	1	1	1
Grounds Crew Leader	2	2	2
Groundskeeper II	1	1	1
Groundskeeper	5	5	5
Landscaping Division	9	9	9
Total Count, Public Works	36	36	36

Total Count, Town of Carrboro	162	162	162
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FY 10-11 Pay/Benefit Type	Amount	Percent
Full-time Salary	\$ 7,330,744	68.70%
Part-Time Salary	\$ 223,410	2.09%
Temporary Salary	\$ 242,884	2.28%
Overtime	\$ 80,625	0.76%
FICA	\$ 591,148	5.54%
Health Insurance	\$ 1,225,124	11.48%
Retiree Insurance	\$ 123,456	1.16%
Retirement	\$ 473,461	4.44%
Supplemental Retirement	\$ 257,575	2.41%
Misc. Ins./Ret./Pension	\$ 122,736	1.15%
TOTAL	\$ 10,671,163	100.00%

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MAYOR AND BOARD OF ALDERMEN

PURPOSE:

As elected officials within the framework of the council/manager form of town government, members of the Board of Aldermen 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.

UPCOMING FISCAL YEAR OBJECTIVES

- Review downtown parking situation.
- Encourage commercial development, especially local, "green collar", and arts-related businesses, through zoning changes, the Revolving Loan Fund, the Local Living Economy Task Force, and other initiatives identified at the annual retreat.
- Work to improve housing affordability.

PREVIOUS YEAR ACCOMPLISHMENTS

- Arranged interim uses for property at site of future Martin Luther King (MLK) Jr. Park.
- Refined plans for increasing commercial development in Carrboro.
- Started design and construction process for Fire Station #2.
- Adopted Comprehensive Bicycle Plan.

BUDGET SUMMARY

MAYOR AND BOARD OF ALDERMEN - DEPARTMENTAL TOTAL					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	105,300	110,828	116,787	119,086	2%
OPERATIONS	138,297	141,254	165,350	162,650	-2%
CAPITAL OUTLAY	5,115	0	0	0	0%
TOTAL	248,711	252,082	282,137	281,736	0%

AUTHORIZED PERMANENT FULL-TIME EQUIVALENTS	FY2007-08	FY2008-09	FY2009-10	FY2010-11
FULL-TIME POSITIONS				
PART-TIME POSITIONS	1	1	1	1
TOTAL	1	1	1	1

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The decrease in personnel costs reflects a difference in supplemental benefits. Changes in operating costs are a reflection of the deletion of one time election costs

(\$12,700) and an increase in professional services for Town Attorney (\$10,000).

ADVISORY BOARDS AND COMMISSIONS

PURPOSE:

The Advisory Boards and Commissions advise the Board of Aldermen on issues and policy decisions as provided for in the Carrboro Town Code.

SERVICES PROVIDED & ACTIVITIES

- Review and make comments to the Board of Aldermen on proposed policies, plans and ordinances.
- Make recommendations to the Board of Aldermen as to the need for policies and ordinances.

BUDGET SUMMARY

ADVISORY BOARDS/COMMISSIONS - DEPARTMENTAL TOTAL					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	0	0	0	0	0%
OPERATIONS	6,451	7,791	12,750	12,750	0%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	6,451	7,791	12,750	12,750	0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The Advisory Board budget will remain constant for FY 2010-11.

GOVERNANCE SUPPORT

PURPOSE:

This budget category supports local and regional agencies providing community services or information vital to the execution of Board of Aldermen priorities.

BUDGET SUMMARY

GOVERNANCE SUPPORT - DEPARTMENTAL TOTAL					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	0	0	0	0	0%
OPERATIONS	201,891	258,632	261,091	266,003	2%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	201,891	258,632	261,091	266,003	2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The budget reflects an increase of \$3,794 for the Human Services Grant Fund.

TOWN MANAGER

PURPOSE

The Town Manager serves as primary advisor to, and implements the policies of, the Mayor and Board of Aldermen. 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.

GOALS

- To lead an organization that functions well internally and implements Board policies in a timely, effective, efficient, and friendly manner.
- To give well-informed, helpful advice to the Board 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.

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 Board of Aldermen
- Provides support for the Board of Aldermen.

- 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 Board of Aldermen, residents, employees, and other users of town services.

UPCOMING FISCAL YEAR OBJECTIVES

- Look for ways to continue providing quality services in ways that minimize the impact on the property tax rate.
- Focus on Board's economic development initiatives.
- Continue Better Together process with emphasis on sustainability.

PREVIOUS YEAR ACCOMPLISHMENTS

- Solid progress in all areas listed in "Goals" section.
- Completed construction of new Fire Station. (Anticipated before start of FY 2010)

BUDGET SUMMARY

TOWN MANAGER - DEPARTMENTAL TOTAL					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	240,797	234,252	248,043	252,538	2%
OPERATIONS	16,117	14,332	24,480	24,450	0%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	256,914	248,584	272,523	276,988	0

AUTHORIZED PERMANENT FULL-TIME EQUIVALENTS	FY2007-08	FY2008-09	FY2009-10	FY2010-11
FULL-TIME POSITIONS	2	2	2	2
PART-TIME POSITIONS				
TOTAL	2	2	2	2

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The primary increase in the Town Manager's budget is due to health insurance and retirement increases.

ECONOMIC AND COMMUNITY DEVELOPMENT

PURPOSE:

The Economic and Community Development Department promotes and enhances the economic well being of Carrboro and promotes and facilitates the development of safe, decent, and affordable housing for Carrboro residents.

GOALS

- Create opportunities to diversify the tax base, to create more high paying jobs in town, and to promote the town's image as a place for businesses.
- Provide opportunities for the homeless to have adequate shelter and support services as outlined in the Ten Year Plan to End Homelessness.
- Provide for emergency housing rehabilitation through the Carrboro Affordable Housing Fund.
- Provide adequate parking in the downtown to support existing and potential businesses.
- Maintain current working relationships with the community, business leaders, banks, property owners, and staff.
- Prepare citizens and newcomers for new business ownership.
- Increase the number of affordable housing units in the Town.
- Increase the number of women and minority-owned businesses.
- Improve and increase services to populations in need.
- Promote and support locally owned businesses through as many venues as possible.
- Enhance characteristics of downtown as cultural, recreational, and economic destination and engine.

SERVICES PROVIDED & ACTIVITIES

- Work with all potential and current developers to facilitate the project review process and project implementation.
- Administer Human Services grant program.

- Coordinate housing as a Consortium member to help local non-profits secure funding to provide affordable housing throughout Orange County and oversee project development.
- Produce annual Community Resource and Visitor's Guide.
- Serve as the liaison to the Chamber as a Board member.

UPCOMING FISCAL YEAR OBJECTIVES

- Carry out proposed projects approved by the Board of Aldermen from the Local Living Economy Task Force.
- Improve services for home-based businesses.
- Improve opportunities for green businesses to have access to the Revolving Loan Fund.
- Work with planning staff and UNC students to complete a downtown parking plan.
- Explore Green Collar business development including services, infrastructure, and job development.
- Look for opportunities to encourage and facilitate multi-modal access to downtown.
- Continue to help the Arts Center raise funds for a new facility.
- Continue work with the Walk Carrboro Project team.

PREVIOUS YEAR ACCOMPLISHMENTS

- Evaluated and leased a parking lot in the central business district.
- Developed training for 60 people interested in starting small businesses in Carrboro.
- Provided a financial workshop for local businesses to address the current economic crisis.
- Facilitated approval and initial funding to support the Ten Year Plan to End Homelessness initiative.
- Funded 10 units of housing for the homeless through CASA.

BUDGET SUMMARY

ECONOMIC AND COMMUNITY DEVELOPMENT - DEPARTMENTAL TOTAL					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	115,243	119,286	116,463	118,614	2%
OPERATIONS	53,947	6,997	32,245	34,341	7%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	169,190	126,283	148,708	152,955	3%

AUTHORIZED PERMANENT FULL-TIME EQUIVALENTS	FY2007-08	FY2008-09	FY2009-10	FY2010-11
FULL-TIME POSITIONS	1	1	1	1
PART-TIME POSITIONS	1	1	1	1
TOTAL	2	2	2	2

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The primary increase in the Economic and Community Development budget is due to increases in health insurance and retirement costs.

PERFORMANCE MEASURES	FY2007-08 ACTUAL	FY2008-09 ACTUAL	FY2009-10 ESTIMATED	FY2010-11 PROJECTED
Economic Development				
# Referrals for Counseling to the Small Business and Technology Development Center From Carrboro and score	42	38	29	45
# Referrals sent to Good Works	6	7	3	5
# Revolving Loan Inquiries	45	51	50	50
Affordable Housing Initiatives				
# One-to-One Business Counseling	210	260	250	260
# Neighborhood Association Meetings	3	4	40	60
Business Visits	N/A	N/A	364	400
Loans Approved	\$195,000	\$315,540	0	\$40,000
Housing Grant Reviews	12	12	13	12
# of New Affordable Housing Units Countywide (Includes Carrboro)	N/A	10	8	7
# of Affordable Rehab to Pre-existing Units HOME Countywide (includes Carrboro Units)	N/A	44	30	30
# Affordable Units for Disabled	N/A	N/A	10	10

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TOWN CLERK

PURPOSE:

The Town Clerk prepares Board of Aldermen meeting agendas and minutes and makes them available to citizens and town staff; maintains official town documents; prepares and makes available updates to the Town Code and provides support for the Mayor and Board of Aldermen.

GOALS

- Serve the Board and the public by facilitating the production of meeting agendas and minutes in a clear, timely fashion.
- Maintain and organize official town documents, including the Town Code, for the use of the Board, staff, and the public.

SERVICES PROVIDED & ACTIVITIES

- Prepares minutes and agendas of Board of Aldermen meetings and makes these documents available electronically through the Town's website.
- Maintains updated Town Code and posts on the town website.
- Prepares and distributes the monthly Calendar of Meetings.
- Prepares 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.
- Researches town records upon request.

UPCOMING FISCAL YEAR OBJECTIVES

- To continue scanning back-up files for pre-1998 Board of Aldermen's meetings and make them searchable on the town's website.

PREVIOUS YEAR ACCOMPLISHMENTS

- Began scanning pre-1999 backup files of Board of Aldermen's meetings and made them available on the Town's website.
- Provided updates to Town Code to IT for posting on the Town's website within two weeks of adoption.

BUDGET SUMMARY

TOWN CLERK - DEPARTMENTAL TOTAL					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	96,892	101,702	97,579	99,570	2%
OPERATIONS	8,807	9,246	15,400	15,300	-1%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	105,699	110,947	112,979	114,870	2%

AUTHORIZED PERMANENT FULL-TIME EQUIVALENTS	FY2007-08	FY2008-09	FY2009-10	FY2010-11
FULL-TIME POSITIONS	1	1	1	1
PART-TIME POSITIONS				
TOTAL	1	1	1	1

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The increase in the Town Clerk's budget is due to increases in health insurance and retirement costs.

MANAGEMENT SERVICES

PURPOSE:

The Management Services Department is dedicated to improving town-wide delivery of services through financial and budget administration, research, and project development that meet the highest standard of professional performance and citizen satisfaction.

SERVICES PROVIDED & ACTIVITIES

- Formulates and administers the annual audit, and operating and capital budgets.
- Satisfies all principal duties regarding financial reporting and transactions as required by state and federal law.
- Performs billing and collections for privilege license applications; dumpster billing; and other various town revenues.
- Manages cash and investments to ensure sufficient cash is always available to pay current obligations and that idle cash is invested in accordance with state law.
- Issues purchase orders for goods and services, solicits bids, and manages procurement card program according to town policies and state law.
- Manages insurance program attending to claims including general liability, police and public officials, and auto and property liability.

GOALS

- Monitor financial condition to ensure budgetary goals are met and a healthy financial condition is maintained.
- Identify programmatic and technological activities that can be effectively streamlined in a manner that is cost-effective and is convenient and satisfactory.

UPCOMING FISCAL YEAR OBJECTIVES

- Review and update existing cash management policy to increase idle cash available for investment.
- Implement new banking services.

- Work with Human Resource Department to enhance human resources and payroll operations and procedures.
- Complete accrual process modification.
- Continue to review opportunities for local purchasing.

PREVIOUS YEAR ACCOMPLISHMENTS

- Completed successful audit for year ending June 30, 2009 with no audit findings.
- Obtained both the GFOA budget and CAFR awards.
- Performed sixth round of financing for sidewalk and greenways bond anticipation notes.
- Prepared and bid for banking services.
- Reviewed opportunities for local purchasing.
- Developed and implemented red flag policy.
- Developed and implemented grants management policy.
- Initiated two auctions for the sale of surplus property.
- Began modifying vacation and sick leave accruals to match employee's scheduled work day.

BUDGET SUMMARY

MANAGEMENT SERVICES - DEPARTMENTAL TOTAL					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	446,073	433,169	455,149	467,863	3%
OPERATIONS	451,272	473,687	504,807	544,879	8%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	897,345	906,855	959,956	1,012,742	5%

AUTHORIZED PERMANENT FULL-TIME EQUIVALENTS	FY2007-08	FY2008-09	FY2009-10	FY2010-11*
FULL-TIME POSITIONS	8	8	8	6
PART-TIME POSITIONS	1	1	1	1
TOTAL	9	9	9	7

*Information Technology Division reorganized into a separate division reporting to Town Manager

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

<p>The increases in the Management Services Department include salary changes associated with turnover, increases in health insurance and retirement contribution costs</p>	<p>and increased costs for contract services (\$39,772) for property tax collections and banking services.</p>
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PERFORMANCE MEASURES	FY2007-08 ACTUAL	FY2008-09 ACTUAL	FY2009-10 ESTIMATED	FY2010-11 PROJECTED
Obtain Government Finance Officers' Budget and Comprehensive Annual Financial Report Awards	2	2	2	2
% Actual Revenues to General Fund Revenue Projections	4.3%	2.4%	3.0%	3.0%

HUMAN RESOURCES

PURPOSE

Partner with departments to recruit, develop, and retain diverse customer-focused employees who desire to deliver exemplary services.

GOALS

- Provide rewarding equal employment opportunities conducive to attracting applicants and retaining employees who have the education and experience commensurate with the position requirements.
- Focus on efforts to maintain positive employee relations through training, communication, and better together initiatives.
- Seek ways to improve and/or maintain a competitive and affordable fringe benefits package.
- Maintain a pay and position classification plan that is competitive with the external market while providing internal equity.

SERVICES PROVIDED & ACTIVITIES

- Advertises vacant positions, receives and screens employment applications, and assists departments with the hiring process.
- Conducts new employee orientations, including benefits enrollment sessions and surveys.
- Administers benefits program, including counseling all employees on benefits plan(s) and options.
- Sponsors quarterly munch-n-learn wellness activities.
- Counsels supervisors and employees on performance issues.
- Conducts salary surveys.
- Provides staff development training to employees.
- Assists departments with personnel and employee relations issues.
- Administers and monitors the performance evaluation process.
- Keeps supervisors and department heads abreast of legislative changes and guidelines that affect personnel administration.

- Maintains confidential personnel files in accordance with the General Statutes and completes reports according to state and federal regulations.

UPCOMING FISCAL YEAR OBJECTIVES

- Partner with Management Services to enhance human resources and payroll operations and procedures.
- Continue to provide wellness education opportunities to staff and explore the use of incentives to boost participation in wellness events.
- Work with the Information Technology Division to provide onsite computer training opportunities.
- Continue to review and update human resources policies for compliance with federal and state laws.

PREVIOUS YEAR ACCOMPLISHMENTS

- Provided customer service training to all permanent employees and other municipalities.
- Sponsored two flu shot clinics and wellness seminars.
- Coordinated transition to a new health plan carrier.
- Continued work to finalize the pay and classification study results for presentation to the staff and Board of Aldermen.
- Coordinated the Combined Giving Campaign efforts.
- Coordinated employee recognition activities and hosted employee potluck luncheons.
- Assisted with the Better Together Retreat, served on project leadership team, and strategy groups.
- Served on the board of the Municipal and County Alumni Association.
- Attended human resources training conferences and seminars.
- Assisted in the resolution of several employee relations matters.

BUDGET SUMMARY

HUMAN RESOURCES- DEPARTMENTAL TOTAL					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	264,128	273,821	296,367	311,207	5%
OPERATIONS	55,625	72,621	63,170	63,170	0%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	319,753	346,442	359,537	374,377	4%

AUTHORIZED PERMANENT FULL-TIME EQUIVALENTS	FY2007-08	FY2008-09	FY2009-10	FY2010-11
FULL-TIME POSITIONS	2	2	2	2
PART-TIME POSITIONS				
TOTAL	2	2	2	2

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The increase in the Human Resources budget is due to increased costs for health insurance and retirement contributions.

PERFORMANCE MEASURES	FY2007-08	FY2008-09	FY2009-10	FY2010-11
	ACTUAL	ACTUAL	ESTIMATED	PROJECTED
Employee Turnover Rate	10.6%	7.8%	6%	6.5%
Probationary Completion Rate	98.7%	91.7%	100%	100%
Average # of applications received per recruitment cycle	40	58	70	64
Average # of days from position post to date of hire	83	92	78	50
# Training & other informational sessions	14	19	28	21
% of Commercial Drivers Passing Random Alcohol and Drug Testing	93%	100%	100%	100%

INFORMATION TECHNOLOGY

PURPOSE:

Information Technology provides the highest quality technology-based services in the most cost-effective manner to increase the efficiency and effectiveness of Town services. This is accomplished in a spirit of customer service, partnership, and consultation with our stakeholders, which fosters a customer-focused environment that integrates people, processes, and technology.

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.

SERVICES PROVIDED & ACTIVITIES

- 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.
- Provide, maintain and upgrade a reliable, scalable and secure infrastructure.
- Maintain reliable historical data backups for discrete data loss incidents and catastrophic events.
- Maintain, expand and upgrade Town wide phone system.
- Provide technology purchasing expertise to all departments.

UPCOMING FISCAL YEAR OBJECTIVES

- Continue to work with the NCDOT on the IT fiber optic overlay with the upgrade of the traffic light system.
- Implementation of new traffic counters.

PREVIOUS YEAR ACCOMPLISHMENTS

- Assist the Fire Department in deploying technology for the new fire station.
- Deployment/Upgrade of latest domain controller infrastructure.
- Implementation of Recreation and Parks hosted payment server.
- Implementation of Police Department's SPEX latent fingerprint multi-jurisdictional comparison system.
- Various departmental application upgrades and related hardware upgrades.

BUDGET SUMMARY

INFORMATION TECHNOLOGY - DEPARTMENTAL TOTAL					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	159,296	160,174	166,720	170,233	2%
OPERATIONS	442,622	609,325	620,973	662,950	7%
CAPITAL OUTLAY	107,455	49,459	49,000	22,750	-54%
TOTAL	709,373	818,957	836,693	855,933	2%

AUTHORIZED PERMANENT FULL-TIME EQUIVALENTS	FY2007-08	FY2008-09	FY2009-10	FY2010-11
FULL-TIME POSITIONS	2	2	2	2
PART-TIME POSITIONS				
TOTAL	2	2	2	2

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The changes in personnel cost is due to the increase in health insurance and retirement contribution costs. The operations budget increased due to the additional telephone costs for the new fire station (\$11,000) plus an increase of \$6,020 for other telephone costs to be more in line with actual expenditures, a \$5,000 increase in M&R

Equipment, and contractual services increase of \$28,380 for the new fire station and other software licenses. These increases were offset with a decrease in peripherals and computers of \$8,500. Capital outlay costs decreased since fewer servers will be replaced.

PERFORMANCE MEASURES	FY2007-08 ACTUAL	FY2008-09 ACTUAL	FY2009-10 ESTIMATED	FY2010-11 PROJECTED
# of Workstations Supported	N/A	155	165	165
# of Emergency Services Mobile Terminals Supported	N/A	37	40	50
Average hours per month of unplanned application downtime during business hours	<1	<1	<1	<1
# unsuccessful backups per month	0	3	2	2

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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.
- 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.

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 at McDougle Middle and Carrboro High Schools and works with other schools to enhance safety and security; provides general crime prevention and community watch services; works with business owners to enhance safety and security; and provides other community outreach activities.

- The Administrative Division provides direct service to walk-in visitors and answers telephone inquiries; maintains incident reports and other departmental records and compiles monthly Uniform Crime Report; administers Department budget; and ensures that Department personnel receive appropriate training and adhere to the Department's policies and procedures.
- The Animal Control Division responds to and/or initiates animal control complaints; provides educational material; investigates serious cases; and enforces the Town's Animal Control Ordinance.

UPCOMING FISCAL YEAR OBJECTIVES

- Increase the number of proactive programs and activities of the Community Services Division.
- Increase the number of directed patrols of the Uniform Patrol Division.
- Maintain index crime clearance rates at or above the national average for comparable towns.
- Reduce the number of traffic accidents.
- Maintain staffing levels.
- Obtain new or enhanced revenue sources.

PREVIOUS YEAR ACCOMPLISHMENTS

- Met all mandated training goals.
- Obtained approximately \$59,000 in grant funding.
- With the Management Services staff, updated and revised the Town's response to privilege license and permit solicit issues, taxi rules and regulations, and issues related to towing.
- Maintained staffing levels at, or near, full.

BUDGET SUMMARY

POLICE - DEPARTMENTAL TOTAL					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	2,539,547	2,652,819	2,796,846	2,749,381	-2%
OPERATIONS	276,615	263,530	337,745	341,730	1%
CAPITAL OUTLAY	194,037	37,980	56,544	122,000	116%
TOTAL	3,010,199	2,954,329	3,191,135	3,213,111	1%

AUTHORIZED PERMANENT FULL-TIME EQUIVALENTS	FY2007-08	FY2008-09	FY2009-10	FY2010-11
FULL-TIME POSITIONS	42	44	44	44
PART-TIME POSITIONS				
TOTAL	42	44	44	44

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The decrease in the personnel budget is primarily due to budgeting two vacant positions for only one quarter instead of 100% as was done in the previous year, which offsets the increased cost of health insurance and retirement contribution costs. The operations budget increased primarily due to higher training and radio maintenance

costs and expenses for the ABC Grant for alcohol violations even though there was a decrease in vehicle supplies and uniform costs. Increase in capital outlay reflects the purchase of replacement vehicles in the FY10-11 CIP.

PERFORMANCE MEASURES	FY2007-08	FY2008-09	FY2009-10	FY2010-11
	ACTUAL	ACTUAL	ESTIMATED	PROJECTED
Calls for Service	17,684	17,620	18,204	18,001
Calls for Service per 1,000 population	950	918	887	819
Part I Major Crimes	972	987	928	1022
Part I Major Crimes per 1,000 population	52	51	45	46
Motor Vehicle Accidents	474	573	498	522
Motor Vehicle Accidents per 1,000 pop.	30	30	24	24
Criminal Arrests	881	826	786	821
Criminal Arrests per 1,000 population	48	43	39	38
Traffic Citations Issued	1705	1382	1420	1527
Traffic Citations Issued per 1,000 pop.	110	72	69	70
Sworn Officers	39	41	41	41
Sworn Officers per 10,000 population	21	22	20	19

Police Department *Division Level Summaries*

BUDGET SUMMARY

POLICE ADMINISTRATIVE SUPPORT					
510					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	112,436	414,978	437,055	445,807	2%
OPERATIONS	4,820	18,795	25,878	27,596	7%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	117,256	433,772	462,933	473,403	2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The increase in the Administrative Support budget is primarily due to higher insurance and retirement contribution costs.

Contractual Services increased (\$1,077) for storage rental space.

BUDGET SUMMARY

POLICE PATROL					
511					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	1,909,144	1,561,914	1,489,408	1,493,605	0%
OPERATIONS	199,821	173,444	225,151	228,243	1%
CAPITAL OUTLAY	194,037	37,980	30,000	32,000	7%
TOTAL	2,303,002	1,773,338	1,744,559	1,753,848	1%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The Patrol Division personnel budget reflects an increase based on increased costs of health insurance and retirement contributions. Several changes occurred in Operations: Training increased \$3,000 based on the cost of ammunition, vehicle supplies

increased \$6,000 due to radar retrofit costs, and contract services increased with the addition of a radio maintenance contract (\$13,000). Increased Capital Outlay is due to vehicle replacement.

BUDGET SUMMARY

POLICE COMMUNITY SERVICES					
512					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	4,205	285,616	415,678	387,414	-7%
OPERATIONS	0	35,361	35,949	39,796	11%
CAPITAL OUTLAY	0	0	0	64,000	0%
TOTAL	4,205	320,977	451,627	491,210	9%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The Community Services Division budget reflects a decrease in salary due to budgeting one vacant position for only one quarter instead of 100% as was done in the previous year, which offsets the increased cost of

health insurance and retirement contribution costs. Operations budget increased due to fuel costs and capital outlay reflects the purchase of replacement vehicles in the FY10-11 CIP.

BUDGET SUMMARY

POLICE INVESTIGATIONS					
515					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	344,506	339,528	407,817	374,252	-8%
OPERATIONS	55,071	27,514	41,038	36,835	-10%
CAPITAL OUTLAY	0	0	26,544	26,000	-2%
TOTAL	399,577	367,041	475,399	437,087	-8%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The decrease in the Investigations Division budget is primarily due to budgeting one vacant position for only one quarter instead of 100% as was done in the previous year, which offsets the increased cost of health insurance and retirement contribution costs. Operational decrease is due to reduction in

vehicle supplies (\$1,676) and uniforms now being charged under personnel as a uniform stipend instead of being charged under operations. Capital outlay reflects the purchase of a replacement vehicle in the FY10-11 CIP.

BUDGET SUMMARY

POLICE ANIMAL CONTROL					
518					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	48,256	50,784	46,888	48,303	3%
OPERATIONS	7,724	8,417	9,729	9,260	-5%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	55,981	59,201	56,617	57,563	2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Increases in the Animal Control budget are due to increased health insurance and

retirement contribution costs. Operations costs decreased based on lower fuel usage.

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FIRE AND RESCUE DEPARTMENT

PURPOSE

To protect lives, property, and the community from the destructive effects of fire, natural disasters, and hazards by providing public education, incident prevention, and emergency response services.

GOALS

- Provide OSHA-mandated safety training to applicable employees within ten days of employment and annually, thereafter.
- For fiscal year 2011, attain an annual cardiac arrest save rate of 35%.
- Provide bi-monthly safety inspections of all town properties to ensure the safety of citizens and employees.
- Quarterly, conduct a minimum of one training session per shift with a mutual-aid partner, on a rotating basis.
- By June 30, 2011, deliver targeted fire safety and risk reduction programs to 70% of Carrboro's multi-family rental communities.
- Contain at least half of all structure fires in the Town limits to the room of origin.

SERVICES PROVIDED & ACTIVITIES

- Provides 24-hour fire suppression, light rescue, and emergency medical services for the Town of Carrboro and the South Orange Fire District.
- Conducts fire investigations in order to effectively determine the cause and origin of fires within the Town and the extra-territorial jurisdiction (ETJ).
- Delivers fire and life safety education to schools, day cares, and community groups.
- Provides fire prevention and code enforcement by performing fire inspections throughout the Town in accordance with the NC Fire Code.
- Provides plan reviews with cooperation from Orange County Fire Marshal's Office and the Carrboro Planning Department.
- Provides emergency staffing and special services during town-sanctioned activities and events.
- Responds to and/or initiates Chapter 11 complaints and enforces town code.

- Ensures department personnel receive all mandated training as required by OSHA, OSFM, and NFPA.
- Educates parents and guardians on the proper care, use, and maintenance of child passenger safety seats.
- Administers a smoke alarm installation and maintenance program that is free to all residents of Carrboro and the South Orange Fire District.

UPCOMING FISCAL YEAR OBJECTIVES

- See that Fire Station 2 comes online and is made fully operational for service in the northern part of town.
- Work with the Chapel Hill Fire Department to integrate fire response along the towns' borders to better utilize the resources of both departments.
- Move to unit dispatching to provide for faster, more appropriate emergency response based on the nature of calls, their location, and available resources.

PREVIOUS YEAR ACCOMPLISHMENTS

- Equipped apparatus with six EMT medications and blind insertion airway devices that allow personnel to provide critical care for cardiac and respiratory patients.
- Maintained a cardiac arrest save rate of 25%.
- Equipped, staffed, and trained the first fully-operational ladder company in the department's history.
- Completed the transition to low-pressure fire hose nozzles that cost one-third less than previous models and flow 50% more water at one-half the pressure.
- Upgraded the department's self contained breathing apparatus to meet the latest requirements for resistance to chemical, biological, radioactive, and nuclear agents.
- Recorded 6,192 (estimate) public education contacts.
- Checked and/or installed 233* child passenger seats.

BUDGET SUMMARY

FIRE - DEPARTMENTAL TOTAL					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	1,883,057	2,026,911	2,025,956	2,082,208	3%
OPERATIONS	215,618	279,328	240,816	281,127	17%
CAPITAL OUTLAY	36,169	912,656	150,000	160,000	7%
TOTAL	2,134,843	3,218,896	2,416,772	2,523,335	4%

AUTHORIZED PERMANENT FULL-TIME EQUIVALENTS	FY2007-08	FY2008-09	FY2009-10	FY2010-11
FULL-TIME POSITIONS	36	36	36	36
PART-TIME POSITIONS	1	1	1	1
TOTAL	37	37	37	37

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The increase in personnel costs is due to increased health insurance and retirement contribution costs as well as the increased local match for the SAFER grant.

Operational costs increased based mainly on the opening of the new fire station. Capital Outlay reflects the purchase of a replacement vehicle.

PERFORMANCE MEASURES	FY2007-08	FY2008-09	FY2009-10	FY2010-11
	ACTUAL	ACTUAL	ESTIMATED	PROJECTED
Fire and EMS Responses per 1,000 population – Town	65.1	64.5	65	66
Fire and EMS Responses per 1,000 population – South Orange Fire District	53.7	47.5	50	52
Actual Fires per 1,000 population in Town	3.6	3.4	3.5	3.6
Median Response Time to “Priority 1” calls in Town (minutes)	4.09	4:04	3:50	3:50
Total fire safety inspections completed	486	955	1000	1000
Inspections completed per inspector FTE	320	1270	1300	1300
Training hours with mutual aid partner departments (hours)	113	840	300	300
Cost per Fire Department response	\$1342	\$1579	\$1500	\$1500
Fire loss as % of total valuation in Town and South Orange Fire District	.00182	.00008	.0005	.0005

Fire and Rescue Department *Division Level Summaries*

BUDGET SUMMARY

FIRE SUPERVISION					
530					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	113,843	116,304	115,423	118,257	2%
OPERATIONS	43,903	43,559	23,825	25,344	6%
CAPITAL OUTLAY	1,665	0	0	0	0%
TOTAL	159,410	159,863	139,248	143,601	3%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Increase in salary reflects the increased costs of health insurance and retirement

contributions. Operations increased due to increasing fuel costs.

BUDGET SUMMARY

FIRE SUPPRESSION					
531					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	1,684,483	1,842,499	1,846,700	1,898,710	3%
OPERATIONS	161,252	222,727	200,911	240,174	20%
CAPITAL OUTLAY	34,504	912,656	113,000	160,000	42%
TOTAL	1,880,239	2,977,881	2,160,611	2,298,884	6%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Increase in salary reflects the increased costs of health insurance and retirement contributions. Operational costs increased

due to expenses for the new fire station. Capital Outlay reflects the purchase of a replacement brush truck.

BUDGET SUMMARY

FIRE PREVENTION AND SAFETY					
532					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	84,731	68,109	63,833	65,241	2%
OPERATIONS	5,308	13,043	16,080	15,609	-3%
CAPITAL OUTLAY	0	0	37,000	0	-100%
TOTAL	90,039	81,152	116,913	80,850	-31%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Salary costs increased due to rising costs of health insurance and retirement contributions. Operations costs decreased

due to one-time expense of tax and tags for the replacement vehicle purchased last year. Capital outlay decreased with the purchase of a replacement vehicle the previous year.

BUDGET SUMMARY

SAFETY MANAGEMENT					
533					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	0	0	0	0	0%
OPERATIONS	5,155	0	0	0	0%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	5,155	0	0	0	0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The Safety Management Division no longer exists and all duties of this division are now the responsibility of the Fire Marshal,

budgeted in the Fire Prevention and Safety cost center.

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PLANNING DEPARTMENT

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 will do this by monitoring the availability and use of resources needed to maintain a balance desired by the community as a whole. The department intends to fulfill its mission by offering a pallet of professional planning, zoning, building code, engineering and geographic information services.

GOALS

- Deliver community oriented planning, development review, inspections, engineering and geographic information services.
- Administer departmental policies and procedures to ensure effective and efficient use of dedicated financial, human and physical resources.
- Develop new and innovative approaches to support human activity within the community particularly with regard to housing, transportation, energy production and consumption, resource protection and conservation.
- Promote a human environment that helps citizens develop a community of trust, mutual respect, a sense of acceptance, happiness and well being by emphasizing positive relationships.
- Achieve a well balanced public infrastructure.

SERVICES PROVIDED & ACTIVITIES

- Minimum Housing Code Enforcement
- Building Inspections and Code Enforcement
- Intergovernmental Relations
- Geographic Information Services
- Land Use Planning
- Transportation Planning
- Environmental Planning
- Engineering Review Services
- Storm Water and Floodplain Management
- Staff Support for Advisory Boards

UPCOMING FISCAL YEAR OBJECTIVES

- Administer and/or participate in the management/implementation of Safe Routes to Schools, greenway planning or construction projects, ARRA and 319 stream restoration projects and possible energy block grant projects.
- Continue to refine approaches needed by the town for the implementation of the Northern Small Area Plan.
- Explore ways to encourage commercial/ office/business/residential mixed use developments in new or redeveloping areas.
- Continue effort to remove Bolin Creek from 303D list through Bolin Creek Watershed Restoration Team, NPDES and Jordan Lake rules-related initiatives.
- Continue efforts to complete the Comprehensive LUO review/update.
- Establish greenhouse gas emissions reduction targets and plan implementation measures.
- Staff support for Short Range Transit Plan and MPO's 2040 Comprehensive Long Range Transportation Plan.
- Assist the Greenways Commission implement a system of greenways.
- Continue to assist with management of neighborhood traffic initiatives.

PREVIOUS YEAR ACCOMPLISHMENTS

- Revised Natural Constraints and Stream Buffer Map Completed and Available as a GIS Map on the Town's Web Site.
- Completion of Greenhouse Gas Emissions Inventory.
- Processed ten LUO text amendments and administered three LUO map amendments.
- Prepared successful grant applications for EPA 319 Bolin Creek BMP retrofit and stream restoration grant (\$363,000), NCDOT Safe Routes to Schools infrastructure and non-infrastructure projects.
- Long Range Transit Plan
- Completion of the Comprehensive Bicycle Transportation Plan.

BUDGET SUMMARY

PLANNING - DEPARTMENTAL TOTAL					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	938,563	967,266	1,017,309	993,263	-2%
OPERATIONS	240,576	143,531	181,467	165,935	-9%
CAPITAL OUTLAY	0	0	30,000	0	-100%
TOTAL	1,179,139	1,110,796	1,228,776	1,159,198	-6%

AUTHORIZED PERMANENT FULL-TIME EQUIVALENTS	FY2007-08	FY2008-09	FY2009-10	FY2010-11
FULL-TIME POSITIONS	14	14	14	14
PART-TIME POSITIONS				
TOTAL	14	14	14	14

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The change in personnel reflects a decrease in salary due to budgeting one vacant position for only one quarter instead of 100% as was done in the previous year, which offsets the increased cost of health insurance and retirement contribution costs.

Operations decreased engineering fees to be more in line with actual expenses, which have decreased due to the slow economic growth.

PERFORMANCE MEASURES	FY2007-08 ACTUAL	FY2008-09 ACTUAL	FY2009-10 ESTIMATED	FY2010-11 PROJECTED
# of Land Use Ordinance Revision	12	7	8	8
# of Conditional Use Permits	6	4	4	3
# Special Use Permits	0	1	1	1
# Zoning Permits	57	77	100	115
# Bldg. Permits for New Residential Units in Town	53	53	57	55
Estimated Building Permit Construction Value for New Residential in Town	\$14.9 million	\$15.1 million	\$14 million	\$14 million
Estimated Building Permit Construction Value for New Commercial in Town	\$1.96 million	\$.03 million	\$2.77 million	\$2.0 million
Inspections per day per Inspector FTE	13.11	12.26	11.08	12
# of CO's Issued for New Residential Units in Town	49	50	48	52
Amount New Commercial Square Footage "CO" in Town	16,557	96	13,905	10,000

Planning Department *Division Level Summaries*

BUDGET SUMMARY

PLANNING SUPERVISION					
540					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	434,034	467,667	466,238	472,398	1%
OPERATIONS	137,146	55,736	46,145	47,175	2%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	571,181	523,403	512,383	519,573	1%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The Supervision Division salary costs are associated with the increase in health insurance and retirement contribution costs.

Operations increased due to the addition of one invertebrate monitoring study at Bolin Creek.

BUDGET SUMMARY

PLANNING ZONING					
541					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	279,273	263,798	316,804	281,590	-11%
OPERATIONS	88,965	75,013	116,465	101,265	-13%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	368,238	338,810	433,269	382,855	-12%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The Zoning Division shows decreases associated with budgeting one vacant position for only one quarter instead of 100% as was done in the previous year, which offsets the increased cost of health

insurance and retirement contribution costs. Engineering fees have been adjusted (\$15,000) to be more in line with actual expenses, which have decreased due to the slow economic growth.

BUDGET SUMMARY

PLANNING INSPECTIONS					
542					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	225,255	235,801	234,267	239,275	2%
OPERATIONS	14,465	12,782	18,857	17,495	-7%
CAPITAL OUTLAY	0	0	30,000	0	-100%
TOTAL	239,720	248,583	283,124	256,770	-9%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Increases are due to health insurance and retirement contribution increases. Operations decreased due to the one-time cost of tax and tags associated with the

replacement vehicles purchased in the prior year. Capital Outlay also decreased with the one-time cost of replacement vehicles in the prior year.

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TRANSPORTATION

PURPOSE

The Transportation cost center is used to account for expenditures associated with the Town's contract for public transportation services. The Town of Carrboro is a financial partner 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. Carrboro provides transportation services through an annual contract with Chapel Hill Transit, which is a municipal department within the Town of Chapel Hill. Carrboro's annual expenditures are determined through a locally developed formula which allocates system expenses based upon population. FY2008-2009 annual budget for Chapel Hill Transit was \$16.3 million.

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;
- Shared Ride service is an extension of transit services to areas not receiving regular bus service; and
- EZ Rider is a special service using lift-equipped vehicles to transport individuals with mobility limitations that prevent them from using regular fixed route buses.
- Bike-on-bus allows transit riders to put their bicycle on the front of any bus.
- Tar Heel Express is a special service for UNC home basketball and football games.

UPCOMING FISCAL YEAR OBJECTIVES

- Work with Chapel Hill Transit to more effectively manage current level of public transportation service in Carrboro.
- Work with Chapel Hill Transit to extend service into areas of Carrboro that are currently not served by fixed route service.
- Evaluate shared-ride service in Carrboro (number of participants).
- Work with Chapel Hill Transit and consultants in completing a Comprehensive Operations Analysis of the efficiency and effectiveness of transit routes.

PREVIOUS YEAR ACCOMPLISHMENTS

Chapel Hill Transit overall:

- Service area of approximately 25 square miles.
- Over 191,000 annual hours of service scheduled.
- In the 2008-2009 fiscal year, fixed route ridership was over 6.9 million which was an increase of 9% over the previous year.

BUDGET SUMMARY

TRANSPORTATION- DEPARTMENTAL TOTAL					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	0	0	0	0	0%
OPERATIONS	970,617	1,033,837	1,064,150	1,064,150	0%
CAPITAL OUTLAY	0	0	0	0	0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The transit budget, representing Carrboro's participation in the transit system administered by Chapel Hill, will remain unchanged.

PERFORMANCE MEASURES	FY2007-08 ACTUAL	FY2008-09 ACTUAL	FY2009-10 ESTIMATED	FY2010-11 PROJECTED
Average Daily Ridership (Boarding)	3,316	3,670	3,340	3,423
Average Daily Ridership (Alighting)	3,275	3,464	3,152	3,231

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PUBLIC WORKS DEPARTMENT

PURPOSE

The Public Works Department provides basic municipal services that promote a healthy and safe environment for the residents of Carrboro and the general public.

GOALS

- Provide timely, cost effective maintenance of public streets, bike paths, storm drainage system and right-of-way.
- Provide cost effective, reliable solid waste collection and disposal.
- 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.
- Implement the town's Capital Improvement projects.

SERVICES PROVIDED & ACTIVITIES

- Provide administration and general support for service delivery and construction projects.
- Provide general street and right-of-way maintenance services which include street repair, street sweeping, sign installations, pavement markings, mowing, and litter control.
- Responsible for inclement weather street maintenance, i.e. 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 and bulky waste collection is provided to single family residences.
- Provide building maintenance and repair for Town Hall, Century Center complex, Fire Department, Public Works facility, bus shelters, and park facilities.
- Manage cemetery operations which include selling and marking plots at the town's two cemeteries.

- Maintain and repair town vehicles and equipment. Maintenance activities include preventative maintenance and inspections.
- Beautify the town's parks and planting areas with landscaping and ornamental design.
- Provide annual leaf collection program.
- Provide park facility and ball field maintenance at the town's parks, and assist the Recreation and Parks Department with special annual events such as Carrboro and Independence Day celebrations, Halloween, and the Carrboro Music Festival.

UPCOMING FISCAL YEAR OBJECTIVES

- Continue to reduce water consumption at Town facilities and use OWASA recycled water for plant irrigation.
- Continue implementation of the next Phase IB sidewalk bond projects - 4 projects.
- Finish engineering design and begin construction for the Weaver Street Reconstruction project.
- Begin implementation of Wilson Park Multi-Use Path project.

PREVIOUS YEAR ACCOMPLISHMENTS

- Conducted several bid openings for ARRA funded projects (Bim/Ashe sidewalk; Bus Shelters)
- Provided construction administration on ARRA funded projects.
- Constructed temporary parking lot at former Andrew-Riggsbee site.
- Continued Town wide effort for fuel conservation.
- Conducted annual Arbor Day Observance.
- Continued water conservation efforts with the installation of 2 new motion activated faucets at Town Hall and low flow flush valves all units in the Century Center.
- Contracted for refinishing of Century Hall wooden floor.
- Implemented stairwell modifications at Town Hall (fire rated doors/windows)
- Implemented bi-annual street resurfacing program.
- Assembled and installed 15 new sets of bleachers throughout the park system.

BUDGET SUMMARY

PUBLIC WORKS - DEPARTMENTAL TOTAL					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	1,683,591	1,774,097	1,848,132	1,839,740	0%
OPERATIONS	1,256,846	1,297,218	1,442,732	1,446,031	0%
CAPITAL OUTLAY	702,261	709,845	876,258	322,260	-63%
TOTAL	3,642,698	3,781,160	4,167,122	3,608,031	-13%

AUTHORIZED PERMANENT FULL-TIME EQUIVALENTS	FY2007-08	FY2008-09	FY2009-10	FY2010-11
FULL-TIME POSITIONS	36	36	36	36
PART-TIME POSITIONS				
TOTAL	36	36	36	36

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Salary decreases are associated with budgeting vacant positions for only one quarter instead of 100% as was done in the previous year, which offsets the increased cost of health insurance and retirement contribution costs. While operating costs changed overall, numerous costs were

adjusted based on revised cost estimates and/or service priorities. Details of the changes are highlighted in the division descriptions. Capital Outlay costs decreased due to the cost of street resurfacing which is in the prior years' budget.

PERFORMANCE MEASURES	FY2007-08 ACTUAL	FY2008-09 ACTUAL	FY2009-10 ESTIMATED	FY2010-11 PROJECTED
Workload:				
# of construction contracts administered	5	2	4	3
# of maintenance contracts administered	3	3	3	3
Miles of road maintained	38.79	38.79	38.79	41.72
Miles of bike path maintained	3.41	3.41	3.41	3.41
# rollout containers	3897	3901	3930	3960
# multi-family and commercial dumpsters	187	187	187	187
Sq. ft. of building space maintained	55,900	55,900	61,317	61,317
# of burials	20	9	15	15
Total # vehicles maintained	100	96	96	96
Total # additional rolling stock maintained	27	27	27	27
Acres of park maintained	96	96	96	96
# of play fields maintained	7	7	7	7
Efficiency:				
Cost of asphalt maintenance per lane mile	\$525	\$525	\$530	\$540
Cost of centerline mile resurfaced (every 2 yrs)	\$100,600	\$0	\$109,000	\$0
Refuse Tons per 1,000 population (all sources)	364	413	400	400
Cost per ton collected (all tons)	\$109	\$115	\$115	\$115
# work orders per fleet technician FTE per year	613	643	640	640
Effectiveness:				
% of construction contracts completed	100%	100%	100%	100%
% of maintenance contracts completed	100%	100%	100%	100%
Street segments rated 85% or better	75%	73%	79%	79%

Public Works Department *Division Level Summaries*

BUDGET SUMMARY

PUBLIC WORKS SUPERVISION					
550					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	258,157	295,125	287,572	296,900	3%
OPERATIONS	19,899	17,640	28,275	30,546	8%
CAPITAL OUTLAY	13,319	23,704	0	33,500	0%
TOTAL	291,374	336,469	315,847	360,946	14%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The Supervision Division salary increases are associated with the increased costs for health insurance and retirement contributions. The increase in the operating

expense is largely due to vehicle supply costs associated with the capital outlay cost for the replacement on one vehicle.

BUDGET SUMMARY

PUBLIC WORKS STREET MAINTENANCE					
560					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	472,359	511,508	532,052	539,145	1%
OPERATIONS	369,314	408,794	387,027	404,921	5%
CAPITAL OUTLAY	259,964	366,221	585,840	87,630	-85%
TOTAL	1,101,637	1,286,523	1,504,919	1,031,696	-31%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The Street Maintenance Division budget shows an increase in salaries associated with the increased costs for health insurance and retirement contributions. The recommended operating costs show a small increase. The main increase is contract services (\$16,337) which includes a pavement study and the new Andrews/Riggsbee parking lot lease.

Offsetting these increases are M&R equipment (\$4,000) and departmental supplies (\$5,000). The capital outlay budget decreased based on street resurfacing costs in the prior year but includes vehicle replacements in the FY10-11 CIP and a v-box salt spreader used for snow and ice control.

BUDGET SUMMARY

PUBLIC WORKS SOLID WASTE MANAGEMENT					
580					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	280,795	305,348	306,358	317,549	4%
OPERATIONS	435,214	482,560	511,313	493,793	-3%
CAPITAL OUTLAY	209,014	233,371	241,418	154,000	-36%
TOTAL	925,022	1,021,279	1,059,089	965,342	-9%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The Solid Waste Division budget shows an increase in salaries associated with the increased costs for health insurance and retirement contributions. Operating costs are decreasing due to printing (\$3,150) and

landfill fees (\$14,454). Capital outlay reflects a decrease based on the purchase of one truck from the FY10-11 CIP compared to two vehicles last year.

BUDGET SUMMARY

PUBLIC WORKS CENTRAL SERVICES					
590					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	142,062	150,076	150,879	156,290	4%
OPERATIONS	210,178	205,560	271,398	276,259	2%
CAPITAL OUTLAY	132,552	85,949	22,000	0	-100%
TOTAL	484,792	441,585	444,277	432,549	-3%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The salary increases are due to increased costs for health insurance and retirement contributions. Operating costs increased due to maintenance and building repairs (\$6,100), and utilities (\$6,633) including the new fire station. However, several operating

cost decreases are budgeted for departmental supplies (\$2,790) and contract services (\$4,455) due to better estimate for janitorial services and wash pit maintenance. Capital Outlay decreased based on the purchase of a replacement truck the prior year.

BUDGET SUMMARY

PUBLIC WORKS FLEET MAINTENANCE					
591					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	150,098	155,681	165,151	168,035	2%
OPERATIONS	41,533	22,712	32,902	31,876	-3%
CAPITAL OUTLAY	14,117	0	27,000	0	-100%
TOTAL	205,748	178,392	225,053	199,911	-11%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The salary increases are due to the increased costs for health insurance and retirement contributions. Operating costs have

remained relatively stable. Capital outlay decreased due to the purchase of a replacement vehicle in the previous year.

BUDGET SUMMARY

PUBLIC WORKS LANDSCAPING					
592					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	380,121	356,360	406,120	361,821	-11%
OPERATIONS	180,709	159,953	211,817	208,636	-2%
CAPITAL OUTLAY	73,296	600	0	47,130	0%
TOTAL	634,125	516,913	617,937	617,587	0%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The salary decrease is associated with budgeting vacant positions for only one quarter instead of 100% as was done in the previous year, which offsets the increased cost of health insurance and retirement

contribution cost. Operating costs decreased mainly due to fuel costs (\$2,467). Capital Outlay includes the replacement of a lawnmower and vehicle.

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RECREATION AND PARKS DEPARTMENT

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

- Assist with the centennial anniversary and promote the town as a fit community.
- Continue to improve service delivery and increase operational efficiency.
- Continue staff training and performance improvement.
- Maximize use & revenue at facilities.
- Increase collaboration with other agencies in both the public & private sector.
- Continue facility enhancement.
- Maximize participation in programs.
- Work with local citizens' group to raise money for park enhancements.
- Continue to enhance volunteer program.
- Enhance program policies and procedures.

SERVICES PROVIDED & ACTIVITIES

- Provides leagues, classes & events for all.
- Operates 10 parks & 1 community facility center offering outdoor & indoor recreation & rental opportunities.
- Provides special & community events.
- Develops & distributes marketing materials and promotes activities and services.
- Provides supervision & general management of school & facility rentals & coordinates departmental & town uses of Century Center.
- Serves as the liaison to the Recreation & Parks Commission, Arts Committee & Greenways Commission.
- Provides customer service, supervision & program support services.

UPCOMING FISCAL YEAR OBJECTIVES

- Identify new and diverse sources of revenue to lower operational cost.
- Utilize the CAPRA accreditation process to identify areas of improvements.

- Increase cost savings practices through collaborating and using satellite facilities.
- Evaluate effectiveness of communicating facility rules, guidelines and consistency of rental process.
- Emphasize participation in current programs.
- Increase promotion and publicity of programs by targeting specific groups.
- Work with staff to address training needs & locate local venues to receive training.
- Create an interactive web page that includes bios & photos of volunteers.
- Offer health & fitness activities.
- Utilize current community groups & organizations to obtain volunteers.
- Create centennial logo & provide designated programs to celebrate centennial anniversary.
- Pursue staff development through conference attendance and certifications.
- Identify local, state & national trends & policies in recreation programming.

PREVIOUS YEAR ACCOMPLISHMENTS

- Created a disc course at Anderson Park.
- Replaced slide and resurfaced tennis courts at Wilson Park.
- Planted trees in Baldwin Park and dog park.
- Enhanced programming through collaboration with other agencies including increased offerings for seniors & those with special needs.
- Developed website for senior events.
- Continued cost-saving measures.
- Increased grant & donation revenues.
- Staff participated in & provided leadership for several internal & external committees.
- Upgraded wiring of sound equipment in Century Hall and replaced one speaker.
- Self-help & time flexible programs offered.
- Staff attended numerous training seminars, working on advanced degrees/certificates.
- Improved & expanded marketing through redesigns of current literature.

BUDGET SUMMARY

RECREATION AND PARKS - DEPARTMENTAL TOTAL					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	911,706	951,195	1,013,486	1,026,212	1%
OPERATIONS	277,565	256,269	344,226	346,131	1%
CAPITAL OUTLAY	18,920	27,555	52,500	0	-100%
TOTAL	1,208,191	1,235,019	1,410,212	1,372,343	-3%

AUTHORIZED PERMANENT FULL-TIME EQUIVALENTS	FY2007-08	FY2008-09	FY2009-10	FY2010-11
FULL-TIME POSITIONS	11	11	11	11
PART-TIME POSITIONS	3	3	3	3
TOTAL	14	14	14	14

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Increase in personnel costs is associated with the increased costs for health insurance and retirement contributions. Community events, under operations, increased with the

increase in cost for performers and sound technicians. Capital Outlay decreased with the bleacher replacements for Anderson and Wilson Parks being funded in FY09-10.

PERFORMANCE MEASURES	FY2007-08	FY2008-09	FY2009-10	FY2010-11
	ACTUAL	ACTUAL	ESTIMATED	PROJECTED
Total Department Revenues	\$256,263	\$282,516	\$263,166	\$280,926
% change in total department revenue	-3%	10%	-7%	8%
% change of operational budget supported by program revenue generated	-4%	14%	-4%	2%
Total paid reservations	1263	943	1037	1090
% change in paid reservations	1%	-25%	10%	5%
Total nonpaid reservations	28	25	23	23
% change in nonpaid facility reservations	-12%	-11%	-8%	0%
% change in enrolled participants	2%	9%	3%	2%
% change in recreation programming hours	3.5%	-1%	-4%	2.5%
% change in volunteer hours supporting programs	14%	3%	14%	6%
% change of fees waived for low income participants	28%	49%	-5%	0%

Recreation and Parks Department *Division Level* Summaries

BUDGET SUMMARY

RECREATION SUPERVISION					
620					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	100,166	105,308	106,995	109,056	2%
OPERATIONS	8,046	8,983	18,134	18,134	0%
CAPITAL OUTLAY	3,500	6,232	0	0	0%
TOTAL	111,712	120,523	125,129	127,190	2%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGE

Increase in salary is due to the increased costs for health insurance and retirement contributions.

BUDGET SUMMARY

RECREATION PLAYGROUNDS AND PARKS					
621					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	0	0	0	0	0%
OPERATIONS	16,793	4,502	16,390	16,390	0%
CAPITAL OUTLAY	15,420	21,323	52,500	0	-100%
TOTAL	32,213	25,825	68,890	16,390	-76%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Operating expenses will remain constant in FY09-10. Capital Outlay costs decreased because the bleachers at Anderson and

Wilson parks were expensed in the previous year.

BUDGET SUMMARY

RECREATION ATHLETICS					
622					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	277,292	282,251	308,867	313,040	1%
OPERATIONS	78,796	76,950	98,962	98,843	0%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	356,087	359,201	407,829	411,883	1%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Increases are mainly due to the increased costs for health insurance and retirement

contributions. Operations expenses remain relatively stable.

BUDGET SUMMARY

GENERAL PROGRAMS					
623					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	236,919	260,408	274,486	277,387	1%
OPERATIONS	165,164	161,284	195,207	197,231	1%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	402,083	421,692	469,693	474,618	1%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Salary increases are due to the increased costs for health insurance and retirement contributions. Increases in operations are

due to the increase in performer and sound technician costs for the various activities.

BUDGET SUMMARY

RECREATION FACILITIES					
624					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	297,329	303,228	323,138	326,729	1%
OPERATIONS	8,766	4,550	15,533	15,533	0%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	306,095	307,778	338,671	342,262	1%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Salary increases are due to the increased costs for health insurance and retirement contributions.

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NONDEPARTMENTAL

PURPOSE:

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

SERVICES PROVIDED & ACTIVITIES

- Budgeted funds, when available, are set aside for:
 - Pay for performance compensation
 - Dependent Health Insurance
 - Service level benefits
 - Contingency – regular and fuel
 - Transfers to Other Funds

With exception of contingency, these funds are distributed later in the year once the benefit is expended.

Contingency funds are only transferred with approval of the Board of Aldermen.

BUDGET SUMMARY

NONDEPARTMENTAL - TOTAL					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	0	0	330,948	441,248	33%
OPERATIONS	366,914	1,600,099	398,883	247,000	-38%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	366,914	1,600,099	729,831	688,248	-6%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

The recommended budget provides a 50% subsidy for dependent health insurance, pay reclassifications resulting from the pay and compensation study performed by Springsted, a 1% amount set-aside to provide employee compensation, and service level benefits.

The operating cost primarily represents transfer of funds from the General Fund to other funds. A transfer of 200,000 is allocated for the street resurfacing program as in years past. Another transfer, \$12,000, represents an amount that must be set aside for future board room equipment. The Town, under the original Time Warner cable franchise, opted for a surcharge to pay for

board room equipment upgrades in FY04-05. The equipment is fully reimbursed with this surcharge in FY08-09, with the remainder going to the capital reserve fund for future equipment purchases. This revenue will be eliminated upon expiration of the Time Warner franchise agreement in 2011. It is possible that the Town may not receive this revenue as indicated in the Executive Summary. However, if funds are received, they will be transferred.

Funds of \$35,000 are set aside for contingency, of which \$20,000 is for possible fuel increases beyond what is budgeted.

Nondepartmental Division Level Summaries

BUDGET SUMMARY

NON-DEPARTMENTAL					
660					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	0	0	330,948	441,248	33%
OPERATIONS	0	0	35,000	35,000	0%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	0	0	365,948	476,248	30%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Personnel costs are higher in the recommended budget because of the funding required to implement the pay and classification study performed by

Springsted, and an allocation of 1% of budgeted payroll for employee compensation. Operating costs for contingency remain the same.

BUDGET SUMMARY

TRANSFERS					
661					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	0	0	0	0	0%
OPERATIONS	366,914	1,600,099	363,883	212,000	-42%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	366,914	1,600,099	363,883	212,000	-42%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Transfers include \$200,000 for street resurfacing and \$12,000 represents an

amount that must be set aside for future board room equipment.

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DEBT SERVICE

PURPOSE:

The Debt Service cost center provides for the retirement of the Town’s outstanding indebtedness, accounting for expenditures used for the payment of principal and interest associated with bonds and other financing instruments.

BACKGROUND

In North Carolina, an agency known as the Local Government Commission in the State Treasurer’s Office oversees local government bonded debt and assists municipalities and counties 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 as a means 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 project. As of June 30, 2009, the Town had approximately \$7.8 million dollars in general debt as shown in the chart:

Of the \$7.8 million, \$4.3 million is for installment financing that is typically used by the Town to purchase major equipment and vehicles and to finance land and building purchases. 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 over a specified loan term. 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.

To a lesser extent, the Town uses general obligation debt. The bond referendum whereby residents voted to fund sidewalk construction in November 2003 will shift the balance of the debt financing portfolio to general obligation bonds. The Town, beginning sidewalk construction in FY05-06, issued a portion of this general obligation debt in the form of a note to be

	Long Term Debt 6/30/2008	Long Term Debt 6/30/2009
General Obligation debt	\$127,964	26,107
Bond Anticipation Note	\$2,590,000	\$2,590,000
Installment purchases - improvements & equipment	\$5,380,571	\$4,380,835
Compensated absences	\$532,229	\$575,056
Net pension obligation	\$274,832	\$293,117
Total	\$8,905,596	\$7,865,115

payable in 9 months (Bond Anticipation Note – BAN). General obligation bonds are collateralized by the full faith, credit, and taxing power of the Town and generally allow for longer term loan terms than other types of financing (up to 20 years) and require a lower interest rate than other types of financing. The Town has seven years to issue general obligation debt once it is approved by the tax payers. This allows the Town to phase in debt as it is needed and as older debt is retired and paid off.

Other long term debt includes reserves for compensated absences which is the amount the Town owes for future payments for employee vacation and net pension obligations represents the annual required contribution for retirement benefit to law enforcement officers.

CURRENT AND FUTURE DEBT

The Town of Carrboro shows a lower debt obligation than in previous years due to expiration of some old general obligation bond and lease-purchase commitments. The long-term debt obligation anticipated over a ten-year period is listed below (includes debt obligations noted in the June 30, 2009 audit, adds the authorized but unissued debt approved for sidewalks and greenways in November 2003, and anticipates funding the vehicle and

equipment needs over a five-year period as planned in the recommended budget).

For the years 2009 through 2012, outstanding debt increases. This is due to the fact that the Town plans to issue bond anticipation notes (BANs) for sidewalks and greenways through June 2011 and then issue the entire \$4,600,000 in year ending June 30, 2012. Until the bonds are actually issued, the Town’s audited records report both the BANs and the authorized but unissued debt obligations. For policy purposes in tracking outstanding debt per capita in the Town’s fiscal policy, the authorized but unissued and issued debt will be included, but not BANs since that reflects the true total debt the Town to which the Town is committed.

The Town anticipates increases in debt repayment costs in subsequent fiscal years for sidewalk construction and greenway projects (\$4.6 million dollars authorized), and for potential debt issuances in the next five years for the projects envisioned in the Town’s Capital Improvements Program (CIP). The minimum amount of anticipated debt service repayments and impact on debt ratios and levels are projected in the Five-Year Plan (p 180).

June 30, Year Ending	Existing Long Term Installment and General Obligation Debt & Notes	Vehicle & Equipment Installment Debt	Authorized and Unissued Debt for Sidewalks and Greenways	Total Long-Term Debt
2009	\$5,270,042	\$1,755,671	\$4,600,000	\$11,625,713
2010	\$8,105,184	\$2,127,358	\$4,600,000	\$14,832,542
2011	\$8,896,700	\$1,394,655	\$4,600,000	\$14,891,355
2012	\$9,099,103	\$865,220	\$0	\$9,964,323
2013	\$8,349,545	\$501,250	\$0	\$8,850,795
2014	\$7,591,918	\$118,670	\$0	\$7,710,588
2015	\$6,825,914	\$0	\$0	\$6,825,914
2016	\$6,076,132	\$0	\$0	\$6,076,132
2017	\$5,318,326	\$0	\$0	\$5,318,326
2018	\$4,708,334	\$0	\$0	\$4,708,334

SUMMARY

DEBT SERVICE - DEPARTMENTAL TOTAL					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	0	0	0	0	0%
OPERATIONS	1,360,896	1,427,902	1,621,062	1,548,915	-4%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	1,360,896	1,427,902	1,621,062	1,548,915	-4%

CHANGES IN BUDGET FROM PRIOR YEAR ADOPTED BUDGET

Debt Service costs are decreasing in the upcoming year for several reasons. The Town experienced lower interest costs for the bond anticipation note issued in the current year due to lower interest rates and as a result of project spending being lower than anticipated (\$99,832). In addition,

previous vehicle lease purchase payments and other long-term debt have expired or is reduced (\$115,129). The recommended budget also provides for the first full year of debt service payment on the fire substation (\$142,814 increase). Debt service obligations in summary format follow:

Debt service obligations in summary format

Project	Issue \$	Principal	Interest	Total
Sidewalks & Greenways – Bond Anticipation Note	\$2,590,000	\$0	\$22,573	\$22,573
Total General Obligation Bonds		\$0	\$22,573	\$22,573

Project	Issue \$	Principal	Interest	Total
Century Center (Issued 1997); 3.75% interest; due until 2018	\$3,080,000	\$176,045	\$53,834	\$229,879
Land - Martin Luther King, Jr. Park (Issued 2000; refinanced 2003); 3.99% interest, due until 2015	\$ 274,000	\$ 20,452	\$ 4,221	\$24,673
Land – Public Works Facility (Issued 2002); 3.96% interest; due until 2018	\$ 767,000	\$ 51,133	\$14,880	\$ 66,013
Adams Tract (Issued 2005); 4.10% interest; due until 2020	\$ 600,000	\$ 40,000	\$16,400	\$ 56,400
Fire Substation	\$3,250,000	\$216,667	\$125,661	\$342,328
Total Long-term Installment Debt		\$504,297	\$214,996	\$719,293

Annual vehicle and equipment debt service costs are comprised of borrowings dating to FY06-07 with annual amortization periods ranging from five to seven years.

FY10-11 and prior Vehicle/Equipment	\$732,704	\$64,345	\$797,049
Equipment & Vehicles	Principal	Interest	Total

FY10-11 PURCHASES TO BE FUNDED WITH INSTALLMENT DEBT:

Department	Vehicle	Cost	Debt Svc
Public Works	Administration - Mid size Hybrid SUV - Replace vehicle #001	\$ 33,500	\$ 7,536
Public Works	Streets - utility truck - Replace vehicle #042	\$ 44,000	\$ 9,898
Public Works	Streets - pickup - Replace vehicle #043	\$ 22,000	\$ 4,949
Public Works	Solid Waste - boom truck - Replace vehicle #57	\$ 154,000	\$ 34,643
Police	Patrol Vehicle-Replace vehicle #199	\$ 32,000	\$ 7,199
Public Works	L&G - Full Size Truck - Replace #003	\$ 25,000	\$ 5,624
Police	Investigations vehicle #198	\$ 26,000	\$ 5,849
Police	Community Services-Replace vehicle #200	\$ 32,000	\$ 7,199
Police	Community Services-Replace vehicle #201	\$ 32,000	\$ 7,199
Fire	Fire Suppression 4x4 Brush-Truck Replace-#985	\$ 160,000	\$ 35,993
	TOTAL	\$ 560,500	\$ 126,087

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SPECIAL REVENUE FUNDS

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 approved on June 26, 2007. 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 other revenues such as grants, donations, loans, interest payments, or other contributions that are received.

Economic Development Initiative (EDI) Grant Fund – The Board of Aldermen, FY04-05, agreed to serve as the fiscal agent for the Grape Arbor Development Corporation. A grant fund was established so that the Town may receive the grant funds and ensure that the funds are spent in accordance with federal guidelines. The funds have been used by the Grape Arbor Development Corporation to purchase a permanent site for a youth enhancement center.

Grant Fund – Two grants are currently recorded in the Grant Fund. The Paul Coverdell Forensic Science Improvements Grant was used to create and finance a fingerprint identification network in and around Orange County. The grant was completed in FY09-10.

The Clean Water Act Grant issued by the NC Department of Environmental and Natural Resources is for the purpose of continuing watershed restoration work in the Bolin Creek watershed. Activities will include installation of a demonstration cistern and rain garden at McDougale School, stream stabilization and restoration at a site on Dry Gulch Creek, and continued monitoring of stormwater at the Pacifica neighborhood.

Revolving Loan Fund - The Revolving Loan Fund is used to encourage economic and community development in Carrboro by offering loans to new businesses, encouraging businesses to locate in Carrboro. Annually, the fund is updated (following the audit) to reflect estimated annual interest and principal payments on loans from the various businesses.

Capital Reserve Funds - By law, capital reserve funds are designed to enable public municipalities to set aside funds for any purpose for which it may issue bonds. Amounts that accumulate in this fund cannot be withdrawn without board approval. Upon board approval, funds are transferred from the reserve fund to another fund, typically the General Fund or Capital Projects Fund, for direct expenditure. Currently the Town has two reserve funds – **Capital Reserve Fund and Recreation Payment-in-Lieu Capital Reserve Fund.**

SUMMARY**SPECIAL REVENUE FUNDS, SUMMARY**

<i>REVENUE</i>					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
BEGINNING FUND BALANCE	1,687,064	1,091,397	N/A	N/A	N/A
OTHER FINANCING SOURCES	351,914	1,169,099	138,000	129,750	-6%
INVESTMENT EARNINGS	55,475	30,624	488,775	488,865	0%
GRANT REVENUES	198,820	76,710	82,515	200,000	142%
OTHER REVENUES	(15,069)	39,963	533,193	539,575	1%
FUND BAL APPROP	-	-	544,806	176,945	-68%
TOTAL REVENUE	591,140	1,316,396	1,787,289	1,535,135	-14%
<i>EXPENDITURE</i>					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
COMMUNITY DEVELOPMENT	198,820	-	36,250	28,000	-23%
GENERAL GOVERNMENT	2,988	58,824	94,994	229,397	141%
OTHER APPROPRIATIONS	30,000	413,790	917,073	867,073	-5%
TRANSFERS TO OTHER FUNDS	955,000	14,200	698,006	315,945	-55%
RESERVES	-	-	40,966	94,720	131%
TOTAL EXPENDITURES	1,186,808	486,814	1,787,289	1,535,135	-14%
ENDING FUND BALANCE	\$1,091,396	\$1,920,979	N/A	N/A	N/A

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 approved on June 26, 2007. 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 other revenues such as grants, donations, loans, interest payments, or other contributions that are received.

AFFORDABLE HOUSING FUND	2007-08	2008-09	2009-10	2010-11	% CHANGE
<i>REVENUE</i>	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
BEGINNING FUND BALANCE	-	-	-	N/A	N/A
INVESTMENT EARNINGS		297			0%
TRANSFERS	-	48,000	48,000	39,750	-17%
<i>SUBTOTAL</i>	-	48,297	48,000	39,750	-17%
<i>EXPENDITURE</i>	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
105 COBB ST.	-	8,250	8,250		-100%
109 JONES FERRY ROAD	-	-	28,000	28,000	0%
UNEXPENDED RESERVES			11,750	11,750	0%
<i>SUBTOTAL</i>		8,250	48,000	39,750	-17%
ENDING FUND BALANCE	-	40,047	-	N/A	N/A

ECONOMIC DEVELOPMENT INITIATIVE **GRANT FUND**

Grant 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 grant.

In FY 04-05, the Board of Aldermen agreed to serve as the fiscal agent for the Grape

Arbor Development Corporation. A grant fund was established so that the Town may receive the grant funds and ensure that the funds are spent in accordance with federal guidelines. The funds were spent in FY07-08 by the Grape Arbor Development Corporation purchasing a permanent site for a youth enhancement center in Chapel Hill.

ECONOMIC DEVELOPMENT INITIATIVE GRANT FUND					
<i>REVENUE</i>					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
BEGINNING FUND BALANCE	-	-	N/A	N/A	N/A
RESTRICTED INTERGOVERNMENTAL	198,820			-	0%
SUBTOTAL	198,820	-	-	-	0%
<i>EXPENDITURE</i>					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
COMMUNITY DEVELOPMENT	198,820		-	-	0%
SUBTOTAL	198,820	-	-	-	0%
ENDING FUND BALANCE	\$0	\$0	N/A	N/A	N/A

GRANT FUND

The Grant Fund represents grants that generally reflect multi-year capital efforts. The Paul Coverdell Forensic Science Improvements Grant funds, approved in FY08-09, were used to create and finance a fingerprint identification network in and around Orange County. The Carrboro Police Department purchased and distributed equipment to the Burlington, Chapel Hill and Hillsborough Police Departments and the Orange County Sheriff's Office. This effort was completed in FY09-10.

The Clean Water Act Grant, approved by the Board in FY09-10, issued by the NC Department of Environmental and Natural Resources will be used to continue watershed restoration work in the Bolin Creek watershed. Activities will include installation of a demonstration cistern and rain garden at McDougle School, stream stabilization and restoration at a site on Dry Gulch Creek, and continues monitoring of stormwater at the Pacifica neighborhood.

GRANT FUND	2007-08	2008-09	2009-10	2010-11	% CHANGE
<i>REVENUE</i>	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
BEGINNING FUND BALANCE	-	-	-	N/A	N/A
INTEREST EARNED		100			0%
COVERDELL	-	76,710	82,515		-100%
CLEAN WATER				200,000	0%
<i>SUBTOTAL</i>		76,810	82,515	200,000	142%
<i>EXPENDITURE</i>	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
TRANSFERS		14,200	14,200		-100%
OTHER		56,556	68,315	200,000	193%
<i>SUBTOTAL</i>	-	70,756	82,515	200,000	142%
ENDING FUND BALANCE	-	5,954	-	N/A	N/A

REVOLVING LOAN FUND

The Revolving Loan Fund sustains itself with the interest earned on loans provided to businesses. With this interest, a reserve is created that enables the Town to continue loaning funds to businesses. When a loan is made, the Board amends the Revolving Loan Fund to acknowledge the loan of funds and decrease the available reserves to reflect

the outflow of cash. The Fund is updated annually to reflect total interest and principal repayments that will accrue to the Town for that year. As loans are paid off, the Town closes the loans and removes them from financial records.

The Revolving Loan Fund contains the following active loans to businesses:

Loan	Amount Borrowed	Date of Original Loan
Alphabet Soup	\$48,000	2001
Science Learning Resources	\$75,000	2004
Bryan's Guitar and Music, Inc	\$90,000	2004
Blue Icon Hair Stylists	\$18,000	2005
Cycling Specifics	\$45,000	2006
Art in a Pickle	\$105,000	2007
Carrboro Co-Working	\$90,000	2008
Beehive	\$56,000	2009
Cycle 9	\$68,540	2009
Original Ornament	\$70,000	2009
Carrboro Citizen	\$50,000	2009
Carrboro Raw	\$40,000	2009
The Kind Coffee	\$57,000	2009

REVOLVING LOAN FUND					
<i>REVENUE</i>	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
BEGINNING FUND BALANCE	451,362	416,651	N/A	N/A	N/A
INVESTMENT EARNINGS	15,431	13,820	488,775	488,865	0%
OTHER REVENUE(LOAN REPAYMENTS)	(17,155)	32,813	533,193	539,575	1%
OTHER FINANCING SOURCES	-		90,000	90,000	0%
SUBTOTAL	(1,724)	46,633	1,111,968	1,118,440	1%
<i>EXPENDITURE</i>	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
GENERAL GOVERNMENT	2,988	2,268	26,679	29,397	10%
OTHER APPROPRIATIONS	30,000	405,540	917,073	867,073	-5%
OTHER FINANCING SOURCES			139,000	139,000	0%
RESERVES	-	-	29,216	82,970	184%
SUBTOTAL	32,988	407,808	1,111,968	1,118,440	1%
ENDING FUND BALANCE	\$416,651	\$55,476	N/A	N/A	N/A

CAPITAL RESERVE FUND

By North Carolina General Statutes (GS159-18), local governments may establish and maintain a capital reserve fund for any purposes for which it may issue bonds. A capital reserve fund is established via an ordinance of the board, where funds are accumulated for each purpose. The Town has set aside funds for specific purposes as identified in the chart on the financial page. Below is a description of each project with a reserve account that has an existing balance in FY09-10.

Teal Place Sidewalk Installation

Brewer Lane Signal Crossings – The Town has been advised to setup signal crossings on Brewer Lane.

Streets – The Town sets aside reserves annually for street resurfacing.

Debt Service- funds set aside for future debt related to the Town's Capital Plan. The remainder of this allocation is used in the

FY10-11 budget to support debt service for the Fire Station.

PEG Funds – These are revenues transferred from the General Fund that are collected through the Time Warner Franchise. These funds support boardroom technology improvements.

Weaver St. Reconstruction – In FY09-10, following review of the annual CIP, the Board allocated additional reserves to support this project.

Rogers Road and Smith Level sidewalk projects – In FY09-10, following review of the annual CIP, the Board allocated additional reserves to support these sidewalk projects planned with the bond-funded sidewalk program.

Undesignated – Reserves generated from unexpended project funds and interest earnings within the fund that are not currently designated by the Board.

CAPITAL RESERVE FUND					
<i>REVENUE</i>	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
BEGINNING FUND BALANCE	1,104,849	539,105	N/A	N/A	N/A
INVESTMENT EARNINGS	35,255	14,737	-	-	0%
OTHER REVENUES	2,087	1,721	-	-	0%
OTHER FINANCING SOURCES	351,914	1,121,099	-	-	0%
FUND BAL APPROP	-	-	544,806	176,945	-68%
<i>SUBTOTAL</i>	389,256	1,137,557	544,806	176,945	-68%
<i>EXPENDITURE</i>					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
OTHER FINANCING SOURCES	955,000	-	544,806	176,945	-68%
<i>SUBTOTAL</i>	955,000	-	544,806	176,945	-68%
ENDING FUND BALANCE	539,105	1,676,662	N/A	N/A	N/A
RESERVES AVL FOR:					
	6/30/2008	6/30/2009	6/30/2010	6/30/2011	
TEAL PLACE SIDEWALK INSTALLATION	2,000	2,000	2,000	2,000	
BREWER LANE SIGNAL CROSSINGS STREETS	15,000	15,000	15,000	15,000	
WEAVER ST RECONSTRUCTION	251,809	453,531	150,510	451,190	
PEG FUNDS FOR BOARD ROOM EQUIPMENT	-	-	370,117	370,117	
SMITH LEVEL ROAD SIDEWALKS, LOCAL MATCH	-	6,099	18,099	30,099	
ROGERS ROAD SIDEWALK	-	-	207,000	207,000	
DEBT SERVICE	-	-	143,823	143,823	
MISC CAPITAL PROJECTS	50,868	50,868	50,868	-	
UNDESIGNATED	19,776	19,776	-	-	
UNDESIGNATED	199,652	1,126,588	399,631	172,894	
TOTAL RESERVES	539,105	1,673,862	1,357,048	1,392,123	

PAYMENT IN LIEU RESERVE FUND

By North Carolina General Statutes (GS159-18), local governments may establish and maintain a capital reserve fund for any purposes for which it may issue bonds. A capital reserve fund is established via an ordinance of the board, where funds are accumulated for each purpose.

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.

To date, the payment-in-lieu fund has supported two major recreational efforts. Within the Central quadrant, the Town has used payment-in-lieu funds to purchase land on Hillsborough Road for a neighborhood park. Funds in the North quadrant subsidized the cost of designing soccer fields at the Smith Middle School – a collaborative intergovernmental effort with the Chapel Hill-Carrboro School System.

The project budget for these projects is located in the Capital Projects Fund.

PAYMENT IN LIEU RESERVE FUND					
<i>REVENUE</i>	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
BEGINNING FUND BALANCE	130,853	135,641	N/A	N/A	N/A
INVESTMENT EARNINGS	4,788	1,670	-	0	0%
TRANSFERS			-	0	0%
OTHER		5,429	-	0	0%
FUND BAL APPROP			-	0	0%
SUBTOTAL	4,788	7,099	-	-	0%
<i>EXPENDITURE</i>	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
TRANSFERS			-	0	0%
UNEXPENDED RESERVES		-	-	0	0%
SUBTOTAL	-	-	-	-	0%
ENDING FUND BALANCE	135,641	142,740	N/A	N/A	N/A
RESERVES AVL FOR:	6/30/2008	6/30/2009	6/30/2010	6/30/2011	
SIDEWALK: HARLAN GROUP	3,062	3,062	3,062	3,062	
SIDEWALK: WILSON PARK DEV	5,180	5,180	5,180	5,180	
SOUTH SECTOR	16,530	16,530	16,530	16,530	
CENTRAL SECTOR	1,300	6,729	6,729	6,729	
DOWNTOWN- UNDESIGNATED	83,522	83,522	83,522	83,522	
NORTH SECTOR	2,442	2,442	2,442	2,442	
UNRESERVED	23,604	25,275	25,512	25,512	
TOTAL RESERVES	135,640	142,740	142,977	142,977	

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CAPITAL PROJECTS FUND

The Town maintains two capital projects funds to track all capital projects, one for bond-funded sidewalk and greenways projects and the other for all other capital projects. Capital projects are projects financed in whole or in part by the proceeds of bonds or notes or debt instruments or a project 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 and have been completed and are removed from the general ledger one year following completion.

Current Active Projects Include:

Capital Projects Fund

Weaver Street Reconstruction – The Weaver Street Reconstruction project includes the removal and reconstruction of the existing road, removal and replacement of curb and gutter, the installation of additional storm inlets and piping to improve storm drainage in the block of W. Main Street to N. Greensboro, and the replacement of an existing 12-inch water

main in both blocks. Design of the project is underway.

Land Purchase for future Public Works Facility –The Board approved, in FY02-03, the purchase of land for a future public works facility. \$5,000 is set aside within this budget to design and implement a landscape buffer for the property. Design and construction of the Public Works Facility are scheduled into the future.

Bus Shelters - The Town received ARRA (American Recovery Reinvestment Act) funds to construct bus shelters.

Fire Substation #2 – Construction on the station is underway with occupancy planned sometime by mid-fall 2010.

Bond-Funded Sidewalks and Greenways Capital Projects Fund

The Town, as documented in its Capital Improvement Program document (CIP), is pursuing sidewalk and greenways construction to increase the safety and convenience of walking through the Town's neighborhoods and to major facilities such as schools, bus stops, shopping areas and recreational facilities. A separate bond fund, created in FY04-05, tracks the various phases of sidewalk and greenways construction.

CAPITAL FUNDS, SUMMARY					
<i>REVENUE</i>					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
BEGINNING FUND BALANCE	(914,530)	(930,878)	N/A	N/A	N/A
INVESTMENT EARNINGS	68,776	19,649	175,757	177,989	1%
OTHER FINANCING SOURCES	613,000	431,000	8,193,228	8,197,551	0%
RESTRICTED INTERGOVTL REV	165,798	15,960	575,120	1,043,804	81%
OTHER	0	7,862	98,607	98,607	0%
<i>SUBTOTAL</i>	847,574	474,471	9,042,712	9,517,951	5%
<i>EXPENDITURES</i>					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
CAPITAL PROJECTS FUND	434,101	104,465	5,388,296	5,442,851	1%
GO SIDEWALK & GREENWAYS FUND	429,821	667,858	3,654,416	4,075,100	12%
<i>SUBTOTAL</i>	863,922	772,323	9,042,712	9,517,951	5%
ENDING FUND BALANCE	(930,878)	(1,228,730)	N/A	N/A	N/A

CAPITAL PROJECTS FUND					
<i>REVENUE</i>					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
BEGINNING FUND BALANCE	126,090	422,411	N/A	N/A	N/A
INVESTMENT EARNINGS	7,188	8,492	-	22,232	0%
FUND BALANCE APPROPR			-		0%
OTHER FINANCING SOURCES	613,000	430,000	5,340,000	5,344,323	0%
RESTRICTED INTERGOVTL REV	110,234		48,296	76,296	58%
OTHER					0%
SUBTOTAL	730,423	438,492	5,388,296	5,442,851	1%
<i>EXPENDITURES</i>					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
LAND - PUBLIC WORKS			767,000	767,000	0%
OLD FAYETTEVILLE SIDEWALK (E4545)	117,406		0	0	0%
JONES FERRY RD SIDEWALK (E4780)	6,215		0	0	0%
BREWER LANE SIDEWALK (E4781)	79,854		0	0	0%
MAIN ST. SIDEWALK (E4942)	70		0	0	0%
BUS SHELTERS			48,296	76,296	58%
TRANSFERS		20,000	20,000	46,555	133%
WEAVER ST. RECONSTRUCTION	5,309	15,103	1,303,000	1,303,000	0%
FIRE STATION #2	225,247	69,362	3,250,000	3,250,000	0%
SUBTOTAL	434,101	104,465	5,388,296	5,442,851	1%
ENDING FUND BALANCE	422,411	756,438	N/A	N/A	N/A

GO SIDEWALK AND GREENWAYS BOND FUND					
<i>REVENUE</i>	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
BEGINNING FUND BALANCE	(1,040,620)	(1,353,289)	N/A	N/A	N/A
INTEREST EARNINGS	61,588	11,157	175,757	155,757	-11%
OTHER FINANCING SOURCES		1,000	2,853,228	2,853,228	0%
RESTRICTED INTERGOVTL REV	55,564	15,960	526,824	967,508	84%
OTHER		7,862	98,607	98,607	0%
SUBTOTAL	117,152	35,979	3,654,416	4,075,100	12%
<i>EXPENDITURES</i>	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
MORGAN CREEK/BOLIN CREEK GREENWAY	-	67,094	145,000	125,000	-14%
QUAIL ROOST SIDEWALK	-		145,999	145,999	0%
LISA DRIVE SIDEWALK	-		127,800	127,800	0%
BOLIN FOREST SIDEWALK	125		54,901	54,901	0%
HANNAH ST SIDEWALK	230		210,867	210,867	0%
N. GREENSBORO ST SIDEWALK	-		348,864	348,864	0%
WILLIAMS ST SIDEWALK	-		31,555	31,555	0%
LLOYD ST SIDEWALK	-		10,855	10,855	0%
JONES FERRY RD SIDEWALK	-		15,918	15,918	0%
FOWLER ST. SIDEWALK	-		16,535	16,535	0%
S, GREENSBORO ST SIDEWALK	-		43,153	43,153	0%
ASHE/BIM SIDEWALKS	-		599,943	327,300	-45%
ELM ST. SIDEWALK			-	316,000	0%
PHASE IB SIDEWALK PROJECTS	291,580	579,961	1,479,244	1,590,571	8%
NCDOT ENHANCEMENT PROJECT	126,848		126,849	126,849	0%
WILSON PARK MULTIUSE PATH			-	266,000	0%
PROFESSIONAL SVCS	11,038	20,803	53,000	73,000	38%
MISCELLANEOUS			2,000	2,000	0%
DESIGN			1,945	1,945	0%
TRANSFER TO CAP RES FD			239,988	239,988	0%
SUBTOTAL	429,821	667,858	3,654,416	4,075,100	12%
ENDING FUND BALANCE	(1,353,289)	(1,985,168)	N/A	N/A	N/A

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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 A+ with Standard and Poor's and a grade of 83 with the North Carolina Municipal Council. 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 best 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 authors. 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.

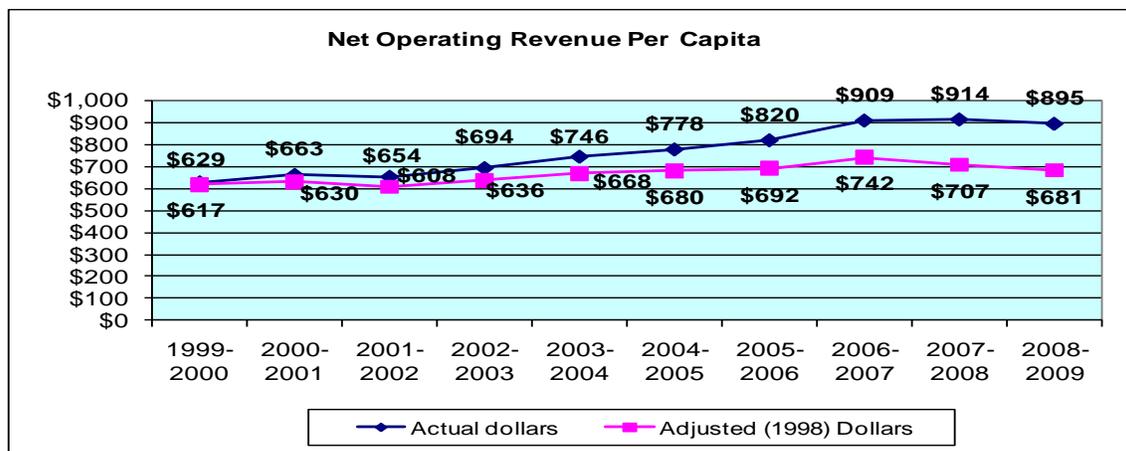
Included with every indicator is a description of the indicator, a table and graphical representation of the trend over the fiscal years for which we have audited budget reports, and an explanation of the implications of that trend for the government and residents of the Town of Carrboro. All the financial 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. All dollar amounts are adjusted back to the base year 1999. 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 (Capital Reserve Funds, Grant Funds and Revolving Loan Fund). 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	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Net Operating Revenue (1998 dollars)	\$9,580,623	\$10,090,509	\$10,307,191	\$10,970,843	\$11,664,263	\$11,993,594	\$12,213,171	\$13,672,741	\$13,154,204	\$13,270,130
Population	15,520	16,012	16,958	17,240	17,460	17,585	17,648	18,423	18,611	19,479
Net Operating Revenue Per Capita (1998 dollars)	\$617	\$630	\$608	\$636	\$668	\$680	\$692	\$742	\$707	\$681

Warning Trend: Decreasing operating revenues per capita (constant dollars).

Formula: Operating Revenues per Capita (1998 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 experienced a 14.5 percent increase in the past ten fiscal years. In actual dollars collected (adjusted for inflation), the increase is 47.4 percent. Investment earnings revenues are the only revenue source that has decreased in the past 10 years. The following chart shows distinct revenue trends as reflected in the Town’s audit reports.

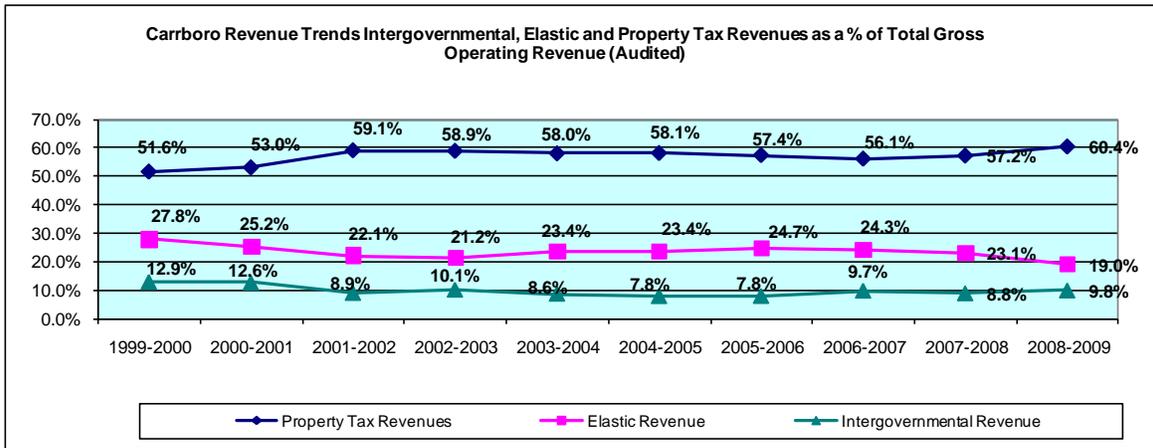
Revenue Source	2009 Revenue Adjusted for Inflation	1999 Revenue Adjusted for Inflation	% Change Since 1999	2009 per capita	1999 per capita	% Change Since 1999 (per capita)
Ad valorem taxes	\$ 8,241,933	\$ 4,818,643	71.0%	\$ 423	\$ 318	33.1%
Local option sales taxes	\$ 2,389,276	\$ 1,900,287	25.7%	\$ 123	\$ 126	-2.7%
Other taxes and licenses	\$ 326,395	\$ 278,939	17.0%	\$ 17	\$ 18	-6.9%
Intergovernmental revenues	\$ 1,021,499	\$ 799,600	27.8%	\$ 52	\$ 53	-1.1%
Permits and fees	\$ 808,671	\$ 791,466	2.2%	\$ 42	\$ 52	-20.2%
Sales and services	\$ 198,606	\$ 108,100	83.7%	\$ 10	\$ 7	45.7%
Investment earnings	\$ 145,185	\$ 174,295	-16.7%	\$ 7	\$ 12	-37.9%
Other	\$ 138,565	\$ 130,322	6.3%	\$ 7	\$ 9	-21.0%
Total	\$ 13,270,130	\$ 9,001,652	47.4%	\$ 681	\$ 595	14.5%

Having a significant impact on the revenue stream is the property tax and sales taxes revenue per capita, representing 80% of the total revenue per capita in 2009. 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 tax per capita has begun to decrease due to the current economic conditions.

Other taxes and licenses, permits and fees, investment earnings and intergovernmental revenues have also decreased due to slower economic growth and receipt of fewer grants.

The increase in sales and services revenue reflects the earnings of the Recreation Department and suggests the positive impact of the Town’s Century Center as a community center with its variety of programs and activities throughout the year.

Major Revenue Sources



% of Total Gross Operating Revenues	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Property Tax	51.6%	53.00%	59.10%	58.90%	58.00%	58.10%	57.40%	56.10%	57.20%	60.4%
Elastic Revenue	27.8%	25.20%	22.10%	21.20%	23.40%	23.40%	24.70%	24.30%	23.10%	19.0%
Intergovernmental Revenue	12.9%	12.60%	8.90%	10.10%	8.60%	7.80%	7.80%	9.70%	8.80%	9.8%
% of Total Revenue Reflected:	92.30%	90.80%	90.10%	90.20%	90.00%	89.30%	89.90%	90.10%	89.10%	89.20%

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

Elastic revenues (sales, permitting revenue, interest earnings, intangibles tax reimbursement [ended in 2002-03]), while decreasing as a percentage of the revenue stream since FY99-00, have actually increased by \$757,101 since FY99-00 largely due to the increase in sales taxes. The repeal of the intangibles tax reimbursement diminishes the growth seen in sales tax. Permitting activity (building, electrical, development review, etc) for the year ended June 30, 2009 has decreased since FY99-00 (unadjusted for inflation) due to little or no growth. FY10-11 permitting activity is expected to remain flat.

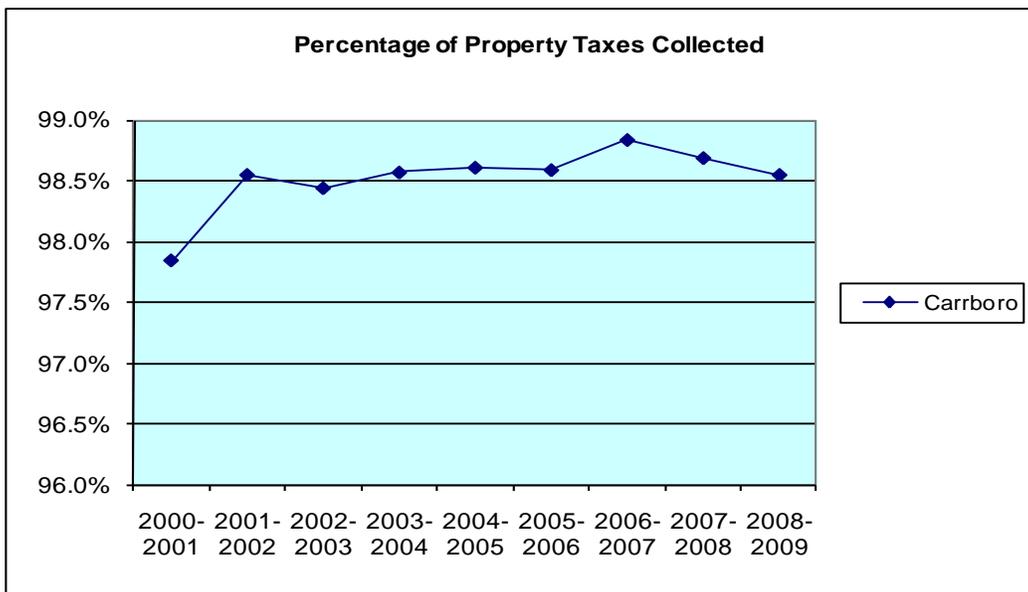
Intergovernmental revenue, as a share of the revenue stream increased 1% from FY07-08, primarily due to the receipt of a SAFER grant for the hiring of three new firefighters, a couple of grants from the NC Justice Department and NCDENR. The largest sources of grant funding on an annual basis include Powell Bill for street resurfacing and the utility franchise and the telecommunications sales tax, all of which have remained relatively stable over time. The drop in FY01-02 represents the state-collected local revenues withheld by the State of North Carolina to address its budget crisis. In FY02-03, the N.C. Legislature’s implemented a new half-cent sales tax to replace unrestricted intergovernmental revenues received by the Town (inventories

tax reimbursement, food stamp tax reimbursement, intangibles tax reimbursement, and homestead reimbursement, representing approximately \$250,000). Another observation regarding intergovernmental revenue is that the grants received by the Police Department have dwindled over the past few years. Currently, the Town does not have an active COPs (Community-Oriented Policing) grant. However, the Police Department has applied for a COPs grant in the current year. COPs grants, are one-time, three-year grants that were instrumental in enabling Carrboro to add and fully fund the goal of having school resource officers in Carrboro. Other smaller grants (Crime Commission and the Local Law Enforcement Block Grants) as sources of funding have been dwindling over time due to competition and less funding overall. In the upcoming year, intergovernmental revenue will increase due to reclassification of cable franchise fees from fees/other taxes to state-collected revenue.

Another dynamic in this revenue stream that is not predictable is the revenue received for natural disaster aid. FEMA (Federal Emergency Management Act) grants that are received as reimbursement for costs incurred with natural disasters. The Town did receive FEMA funds in FY02-03. Intergovernmental revenues have remained stable continued Powell Bill funds, the telecommunications tax, and other small miscellaneous ongoing grants.

The chart also shows that property tax revenue is important in meeting community needs despite economic strains. In FY2008-09, even in difficult economic times, the property tax as a percentage of the revenue stream peaked at 60.4 percent.

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

Every year, some residents are unable to pay property taxes. 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.

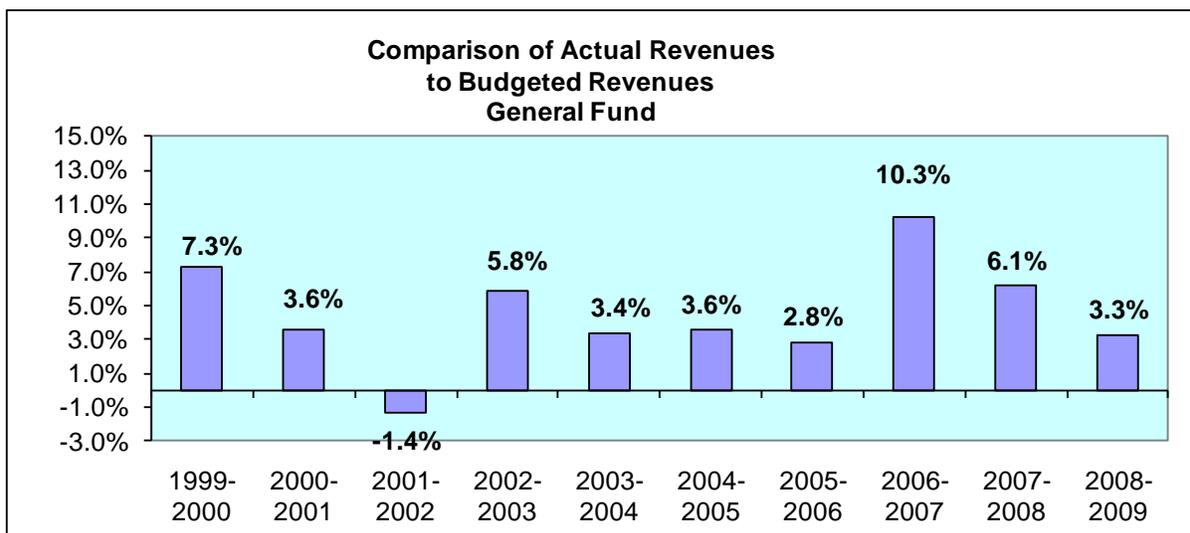
Discussion

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, shows a positive collection rate for the Town’s property tax base; that is generally above 98 percent which is within the ranges acceptable to credit-rating firms. The slight dip in FY2000-2001 (still within acceptable range) is the result of a decline in real property tax collections that coincided with impending economic stress in 2001 and 2002. Collections for FY10-11 are expected to remain stable given that Orange County has remained economically stable in spite of the economy.

Tax Collection Rates in Carrboro and Neighboring Cities

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Carrboro	98.25%	97.84%	98.55%	98.44%	98.57%	98.61%	98.59%	98.84%	98.69%	98.55%
Chapel Hill	99.13%	99.00%	99.30%	99.31%	99.43%	99.45%	99.49%	99.48%	99.44%	99.43%
City of Durham	95.26%	96.17%	96.59%	97.37%	97.84%	97.84%	98.36%	98.60%	100%	98.19%
Hillsborough	96.67%	96.90%	97.87%	97.65%	97.65%	98.23%	98.23%	98.47%	94.89%	98.5%
Roxboro	92.32%	94.63%	96.25%	96.17%	96.66%	96.39%	95.52%	97.31%	97.63%	97.05%

Comparison of Actual Revenues to Budgeted Revenues



	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Budgeted Operating Revenue	\$9,507,659	\$10,699,798	\$11,735,655	\$11,742,866	\$13,004,301	\$13,673,653	\$14,533,843	\$15,631,027	\$16,540,942	\$17,351,816
Actual Operating Revenue	\$10,201,691	\$11,079,661	\$11,577,023	\$12,426,868	\$13,441,792	\$14,161,999	\$14,945,970	\$17,235,388	\$17,556,752	\$17,921,040
Revenue Variance	\$694,032	\$379,863	(\$158,632)	\$684,002	\$437,491	\$488,346	\$412,127	\$1,604,361	\$1,015,810	\$569,224
Revenue Variance as % of Budgeted Operating Revenues	7.3%	3.6%	-1.4%	5.8%	3.4%	3.6%	2.8%	10.3%	6.1%	3.3%

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.

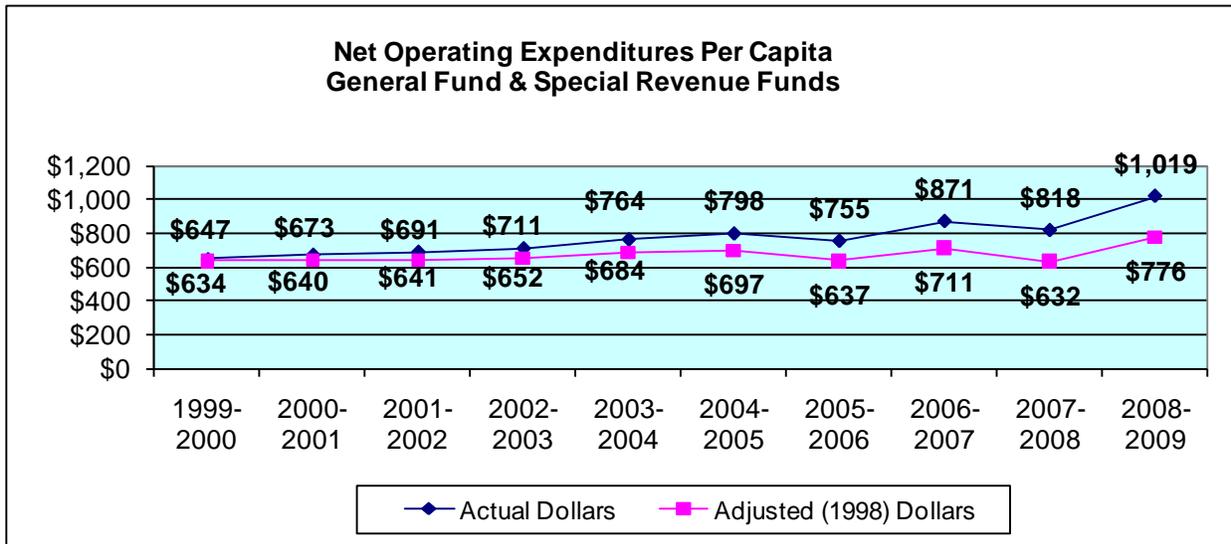
Discussion

The variances in the graph indicate the Town's conservative approach to estimating revenues. The primary reason for the shortfall in FY01-02 is that the State of North Carolina withheld state-collected local revenues including the inventories tax reimbursement, utilities franchise and state telecommunications taxes, and intangible taxes, creating a revenue shortfall of approximately \$426,000. The Board and town staff worked diligently to reduce expenditures, and defer major capital outlay to preserve fund balance. This effort was fruitful in that the Town maintained undesignated fund balance at 25.6 percent, despite the shortfall in revenue. In FY05-06, the primary contributing reason for the slight decrease in revenue variance is due to the narrow margin between the property tax levy estimate and what was received. It is more difficult to estimate property tax levy in a year where properties are being revalued countywide. FY06-07 variance jumped largely to a surprisingly strong showing across all categories of revenue. In FY 08-09, only three categories showed an increase from FY07-08. Those categories were: property tax revenue (\$782,578), other taxes and licenses (\$73,359), and grants and other revenues (\$339,264).

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.

Expenditures per Capita



	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Net Operating Expenditures (1998 dollars)	\$9,845,082	\$10,246,230	\$10,874,451	\$11,242,265	\$11,946,170	\$12,298,023	\$13,329,892	\$13,098,397	\$11,771,356	\$15,111,872
Population	15,520	16,012	16,958	17,240	17,460	17,585	17,648	18,423	18,611	19,479
Net Operating Expenditures Per Capita (1998 dollars)	\$634	\$640	\$641	\$652	\$684	\$697	\$637	\$711	\$632	\$776

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.

Expenditures per Capita in Carrboro

Net operating expenditures, adjusted for inflation, show an increase in expenditures made by the Town since 1999-2000, from \$9,845,082 to \$15,111,872 in FY08-09, an increase of 53 percent. When adjusted for the combined impact of inflation and population, per capita spending increased from \$634 in FY99-00 to \$776 in FY 08-09, an increase of 22 percent.

Over the past ten years, expenditures per capita have risen incrementally, with FY2008-09 showing the biggest jump in per capita expenditures. In 1999-2000, the Board approved several notable initiatives: implementing the Integrated Pest Management program to limit the use of

conventional pesticides used by the Town; setting aside reserves to provide for mapping services to identify storm water systems and their components as mandated by the federal government; establishing an enabling technology environment and core network infrastructure in addition to funding a network administration position; funding three firefighters to meet OSHA mandates for fire ground operations; and creation of a groundskeeper position to maintain mowing as needed on Highway 54, playing fields, and for special events. The following highlights variations in fiscal years presented in the graph:

FY2001-02 - Local governments and the state government were facing difficult economic straits. The State chose to freeze a number of state-collected local revenues beginning in February, catapulting the Town into a mid-year freeze on spending to preserve fund balance. Thus, expenditures were held to a level that mirrored spending in the previous year.

FY2002-03 - At the time the budget was adopted, the Town was faced with uncertainty around the state's plans to freeze state-collected local revenues. With exception of the Board commitment to market adjustments for Public Works employees, neither market adjustments nor merit increases were budgeted, due to the budget crisis. In addition, the Town deferred capital and equipment replacement needs normally funded with lease financing. Later in that fiscal year, upon return of unexpected receipts from the State, the Board of Aldermen restored funding to pay for market adjustments for Town employees and restored \$50,000 for the street resurfacing program.

FY2004-05 - The Town implemented the pay-for-performance appraisal system to reduce turnover, improve market competitiveness, and meet aggressive Board work plans. Expansion items include the investment in technology infrastructure such as the wireless technology to promote economic development, the placement of mobile laptops in police cars, and also increased support for transit services.

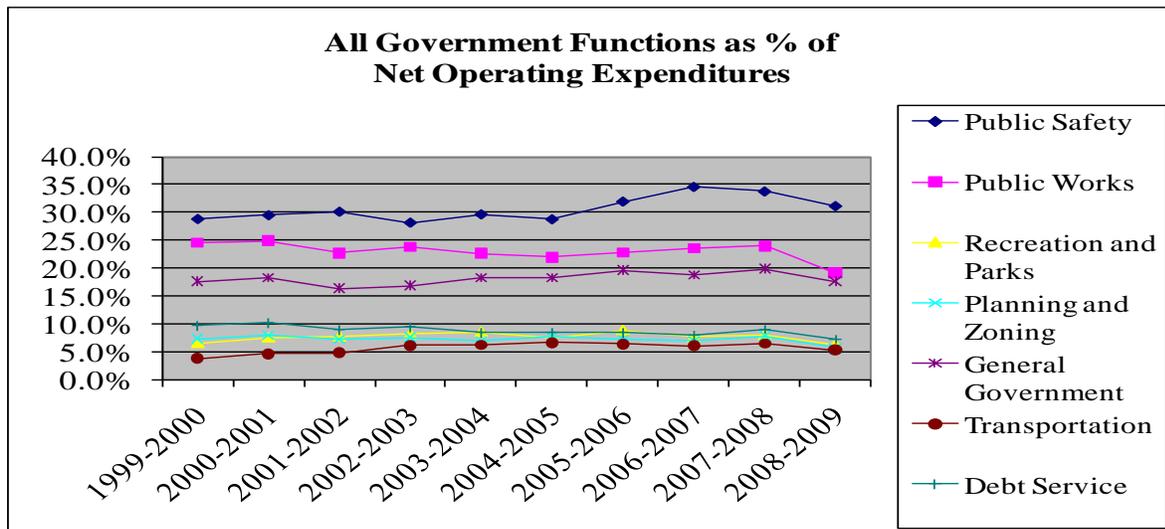
FY2005-06 - The per capita expenditures dropped. Carrboro maintained its tax rate at the same level and leveraged organizational spending to save or avoid future costs. Moving to a new phone contract, the Town saved phone costs; identified new fees, reorganized departmental activities to save on staffing costs, and transferred the cost of providing school resource officers to the Chapel Hill Carrboro School System. Actual savings in the budget approximated \$66,000. Cost avoidance measures saved another \$69,500, that if alternatives were not considered, the adopted budget would have been higher by that amount. In addition, the Town budget provided funds to prepare for serving the northern area of town that was to be annexed in January 2006. The drop in per capita shows the effort made by the Town to monitor its spending and services, given the population grew by a small amount – 63 people. This population count does not include the annexed area, which increased the Town's population by an estimated 775 people.

FY 2006-07 - Per capita expenditures increased significantly primarily due to the increased capital investments including construction of the Roberson Bike Path and purchase of the records management software for the Police Department; and costs incurred for the new fire station.

FY 2007-08 - Per capita expenditures dropped due to several capital improvement projects that had been budgeted but were not completed until FY 08-09, including street resurfacing, northern area sewer outfall, etc.

FY 2008-09 – Per capita expenditures increased with an increase in the Town’s share of public transportation and the purchase of a ladder truck for the Fire Department plus an increase in loans to local businesses through the Revolving Loan Fund.

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

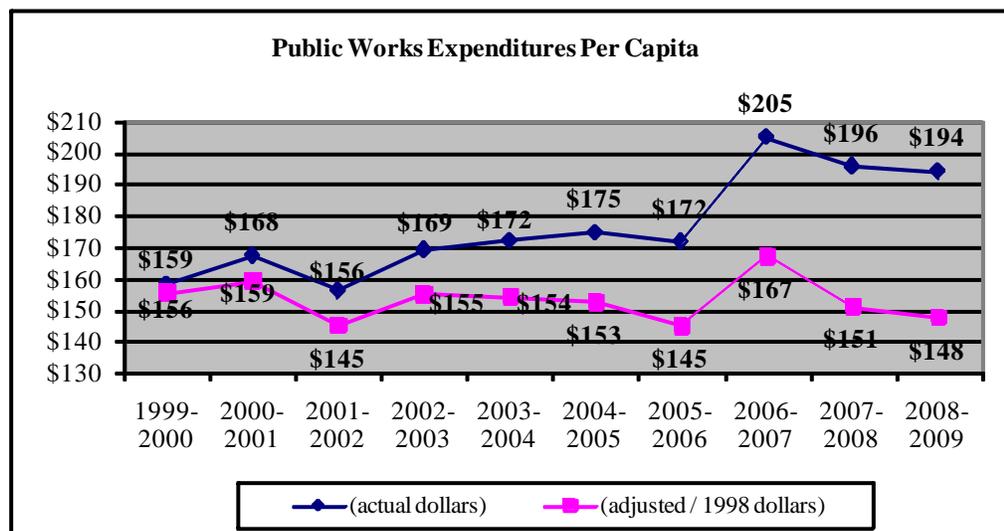


The chart above represents the allocation of funding for the various services provided by the Town. Approximately 64 percent of the Town’s spending is dedicated to public safety (fire protection and law enforcement services) and public works (street and sidewalk maintenance; solid waste collections; building, grounds, and parks maintenance; and fleet maintenance). General government, which largely represents support services (finance, technology, personnel, town manager), and Board functions (town clerk, board, and nonprofit and advisory board budgets), represents approximately 15 percent of total spending. The remainder of programs (debt service, transportation, planning and recreation programs) combined represent approximately 21 percent of the net operating expenses.

Public Works Expenditures per Capita

In inflation-adjusted dollars, Carrboro’s per capita expenditures on public works have varied. The variability of public works spending is related to ongoing capital and maintenance needs including

Town of Carrboro

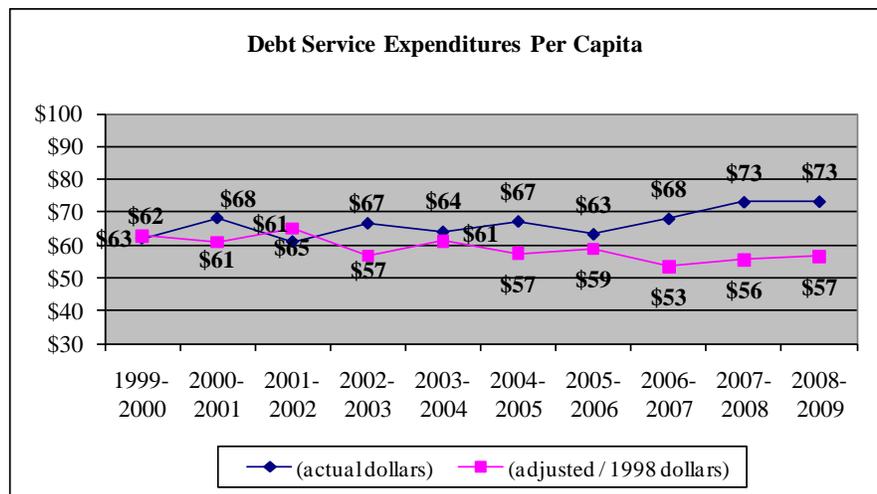


street maintenance, addressing storm water system repairs, and responding to major natural disasters (Jan 2000 & Dec 2002 ice storms). FY99-00 expenditures reflect a new groundskeeper position and the implementation of the Integrated Pest Management program to use least toxic materials in landscaping and grounds maintenance. In FY01-02, actual expenditures declined due to one-time non-recurring truck purchases made for the solid waste division in the prior year. The increase in FY02-03 reflects market adjustment salary increases in response to the 2001 salary study for public work employees to maintain market competitiveness; furnishings needed for the Century Center (drapes, acoustics system, etc) and expenditures associated with the December 2002 ice storm. The dip in FY05-06 is partially the result of an accounting change whereby lease payments on financed vehicles and equipment were reclassified to the debt service function to be consistent with the annual audit, reducing the actual costs by \$136,000. In addition, reorganization within the department moved a vacant position from Solid Waste to Streets to prepare for servicing the northern area of town upon annexation. The department continues to take advantage of truck technology in garbage collections, improving the cost effectiveness of services provided. Street resurfacing, which is done biennially, was performed in FY04-05, thus also contributing to the dip in FY05-06 per capita figures. The significant increase in FY06-07 is attributable to the hiring of an Engineering Technician, purchase of a solid waste vehicle, and engineering and construction costs for Roberson Bike Path. The decrease in FY07-08 is primarily due to the decrease in capital outlay expenditures. Even though expenditures increased in FY08-09, per capita costs decreased with a greater increase in population.

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

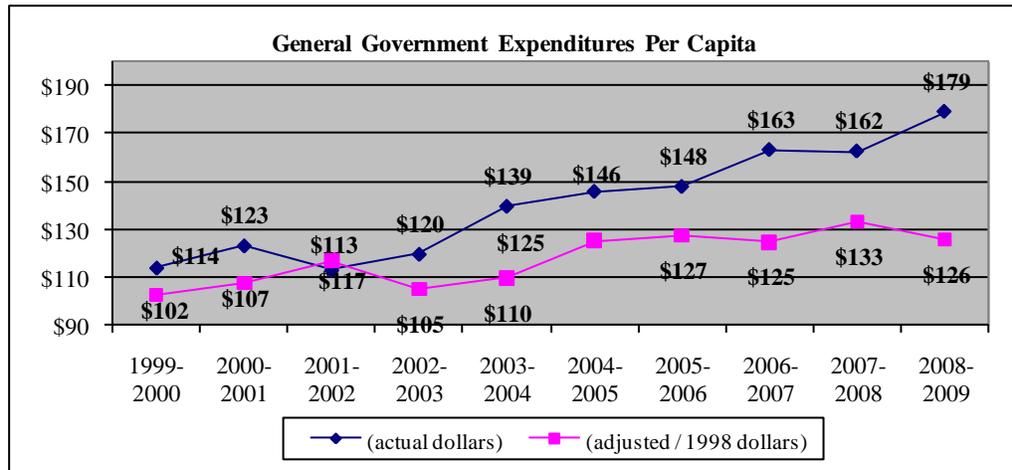


relatively constant level. In FY00-01, the Town made significant capital investments, purchasing land for the future Martin Luther King, Jr. Park; furnishings for the newly renovated Century Center; and major technology infrastructure (fiber optic outlay and phone system). In FY01-02, the Town experienced a fiscal downturn with the state freezing local revenues, forcing the Town to postpone lease payments for items purchased in FY01-02 until the following year. In FY02-03, the Town also continued its initiatives cited in the capital improvements plan to purchase land for the future public works facility and a parking lot in the downtown area (Rosemary and Sunset Streets). In FY03-04, a significant amount of lease-purchase debt was retired. The slight increase in debt service in FY04-05 reflects a small increase in lease-purchase

debt for vehicles and equipment. Debt costs dropped slightly as lease-purchase debt expired and the Town extended loan periods from three to five years to more closely reflect the life of the vehicles and equipment financed. In FY06-07, the increase in debt service is due to the bond funded sidewalk construction program and financing of vehicles and equipment. Debt service expenditures continue to increase in FY07-08 with the financing of larger equipment such as the Solid Waste rear loader and for the aerial truck for the Fire Department. Costs for FY08-09 remained level because there was no financing for equipment or vehicles, interest rates were low on sidewalk BANS and the maturity of long-term debt.

General Government Expenditures per Capita

Adjusted for inflation, general government expenditures per capita have increased about 23.4 percent for the ten year period. The Town began investing significantly in technology beginning in FY99-00, hiring a fulltime network administrator to implement



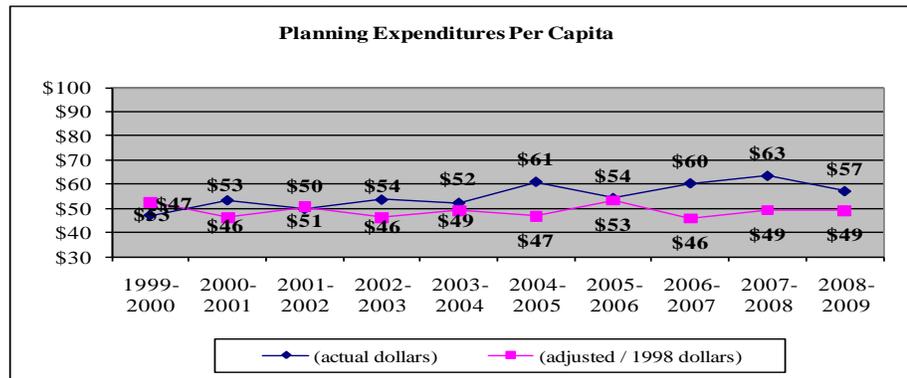
and automate town operations. Beginning in FY00-01, the Town purchased a new automated phone system, financial system, and implemented a network infrastructure to connect three town facilities via fiber optic outlay. In FY03-04, the Town added another IT position to support desktop and end-user support needs and began to automate and upgrade various departmental applications including GIS, downtown wireless access, fleet maintenance and recreation registration programs. The increase in FY02-03 is due to a budgetary decision to centralize all technology purchases in the IT budget to gain standardization and cost efficiencies in technology purchases. Other initiatives have also accounted for the overall increases in the general government category including support for Assistant to the Mayor (FY99-00); downtown visioning study and introduction of employee tuition assistance program (FY00-01); and camera services for Board meetings (FY01-02). Since FY04-05, the Town has continued to maintain regular replacement of technology infrastructure, support for wireless technology, implemented mobile laptop technology in police cars, and more recently, purchased an automated record management system for the Police Department. In FY07-08, the Town added an online system for recreation registration and a cost accounting system for the Public Works Department. Per capita costs increased in FY08-09 due to an increase in loans to local businesses through the Revolving Loan Fund.

Planning Expenditures Per Capita

Adjusted for inflation, planning expenditures on a per capita basis have been fairly stable the past ten years. The slight variations in the Planning Department highlight two key dynamics that

affect the departmental budget: permitting activity and personnel turnover. The decreases in FY99-00 and FY03-04 are due to turnover of planning and zoning staff (Environmental Planner and Zoning Specialists). The

decrease in FY01-02 is due to lower permitting activity that resulted in a significant decrease in engineering costs. Engineering costs also declined again in FY02-03. The increase in FY00-01 is due to the creation of an Environmental Planner position and filling of positions vacant in the prior year. The increase in FY02-03 is due to salary adjustments recommended in the pay study performed in 2001. In FY04-05, the Board funded a transit contract to explore transportation circulation options through the downtown area. In addition, salary costs increased over the previous year due to less staff turnover. FY05-06 continues to show a slightly declining per capita spending trend in Planning. The trend follows the pattern seen in previous years - staffing vacancies in the planning and zoning divisions and even lower engineering costs associated with development. FY06-07 is marked by vacancies in planning positions (transportation and environmental planners, which are now currently filled). However, land use applications have been in process that will result in construction activity and improvements in the downtown and northern areas of town. Expenses for 07-08 increased slightly with the filling of the Transportation and Environmental Planner positions. Contracted services and engineering costs decreased in FY08-09.

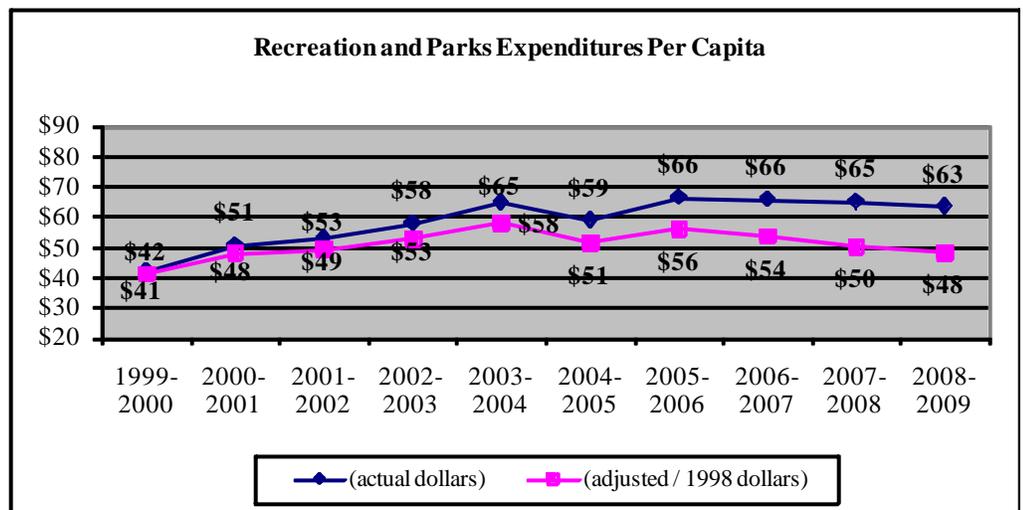


Recreation and Parks Expenditures per Capita

Per capita expenditures in the Recreation and Parks department, adjusted for inflation, increased 16 percent in the past ten years. The increase is due to the addition of new programs and services, replacement of

aging park infrastructure, and the addition of a new facility, the Century Center, in the downtown area that offers numerous meeting rooms and facility services.

Recreation programs that have been added include: teen camp, movies on Town Commons (FY98-99); midget football team

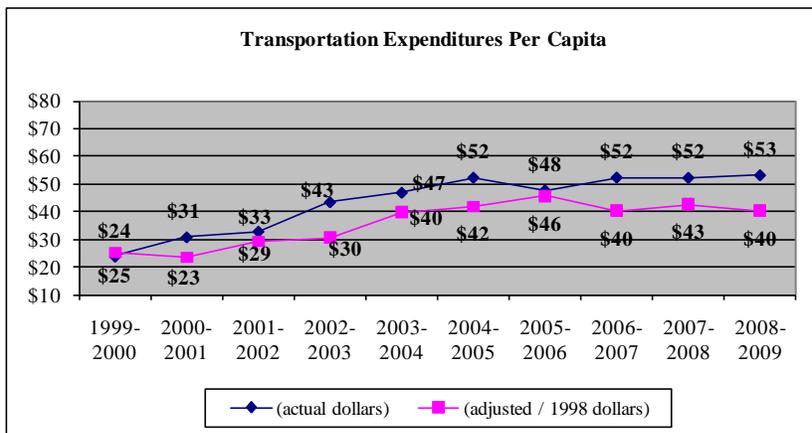


(FY99-00); Century Center facility services (FY00-01); concert series at both the Century Center and Town Commons, and Music Festival (FY03-04). Beginning in FY02-03, the Town began an aggressive capital program to replace aging park infrastructure, purchasing playground equipment for Anderson and Wilson Parks, and in FY03-04, replacing the ball field lights and tennis court fencing in Anderson Park, and tennis court lights in Wilson Park. The increase in FY01-02 reflects the annualized operating costs incurred from bringing the Century Center online in March 2001. In FY04-05, the department experienced turnover and also reorganized reflecting a \$30,000 decrease in overall salary. Decreased capital spending also contributed to overall lower spending (\$96,000). In FY05-06, the department replaced a vehicle and continued with park improvements such as playgrounds, returning to levels experienced in FY03-04. Since FY05-06, the department has continued improvements to the park infrastructure through FY07-08. The delay in construction of the Wilson Park Bathroom resulted in the decrease in adjusted dollars for FY07-08. Even though expenditures increased in FY08-09, per capita costs decreased with a greater increase in population.

Transportation Expenditures Per Capita

The Town and UNC-Chapel Hill are partners in the transit system administered by the Town of Chapel Hill. Carrboro’s contribution into this partnership, adjusted for inflation has increased 60 percent since 1999-2000. In FY00-01, transit expenditures increased due to several factors. The Town’s per capita share (based on ridership use) increased from 13 percent to 15.66 percent. Overtime costs, market adjustment and personnel reclassification costs stemming from a shortage of transit personnel along with rising fuel costs also contributed to cost increases in FY00-01. In FY01-02, the

Board approved upgrading the F route to improve transit access within the Town and participating in fare-free transit services beginning in January 2002. The increase in FY02-03 represents the annualized and successful impact of the fare-free transit program. FY03-04 expenses afforded the addition of the Jones Ferry Park and Ride lot;



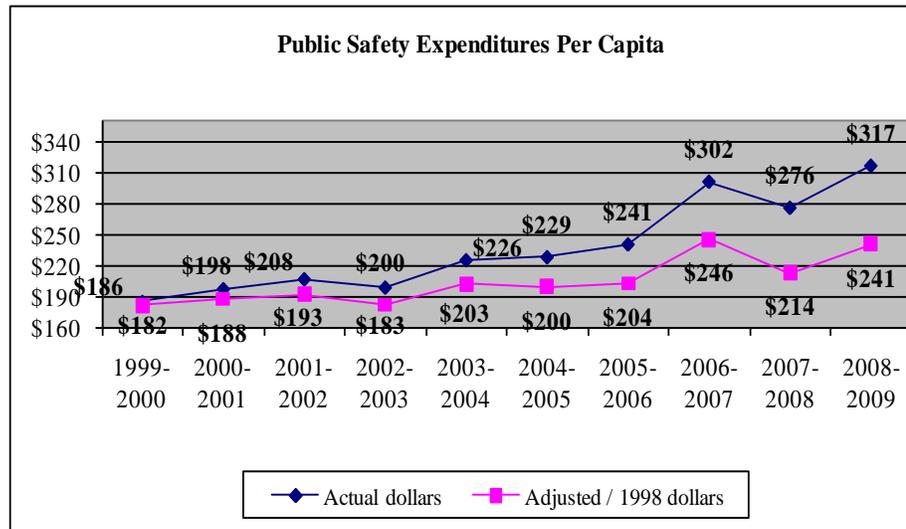
health insurance increases and pay adjustments for transit employees; reserves needed for replacing the transit facility in 2006; increased vehicle replacement costs; additional positions for the fleet maintenance division, holiday route services; and an additional route to Chapel Hill High School. The Town funded the increase in the local share of the transit contract for pay adjustments for a full-time EZ Rider driver and a part-time reservationist in FY04-05. The transit contract remained unchanged in FY05-06, in spite of increased fuel costs and other ongoing operational costs. This is primarily due to increased state and federal pass-through funds that supported the transit operations and thus mitigated the local match required. 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 transit budget has remained stable due to continued federal and state grant funding.

Public Safety Expenditures per Capita

Public safety expenditures per capita experienced an increase of \$59 per capita total or an increase of 32 percent (adjusted for inflation) in the past ten years. In all, 12 fire fighters, 1 safety officer, and 6 law enforcement personnel (1 School Resource Officer, 1 Investigator, 3 patrol officers, and 1 community policing officer) have been added since 1998. Several positions were added in FY03-04 (3 firefighters and 3 police officers). The firefighters were funded to address OSHA and national standards in providing fire suppression services. Over time, adding the

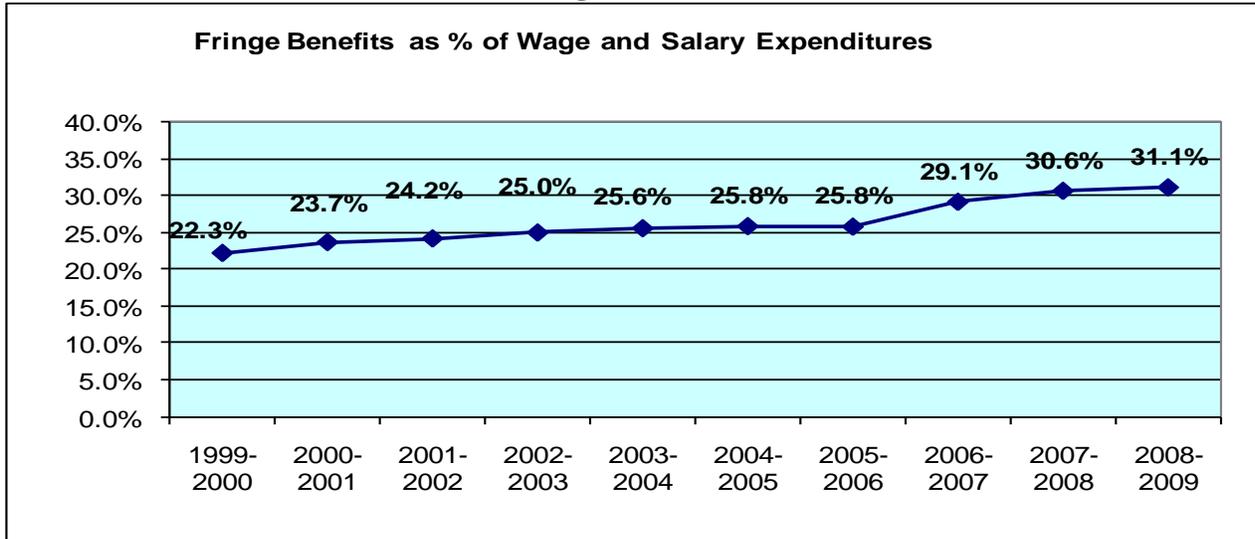
firefighters has moved the department forward to meeting the intent of the recommended standards for the necessary number of personnel to combat single-family, full alarm dwelling fires. Six fire fighters have been added in anticipation of the opening of the new fire substation in the



northern area. The police personnel have been added primarily due to increases in the population, calls for services, and heavy caseloads in the Investigations division. In addition, maintaining competitive salaries has been a challenge in the public safety arena over the past several years, requiring special pay adjustments for police and fire personnel in FY2001-02 to compete with external market forces and to avoid high turnover rates experienced in FY1999-00 and 2000-01.

Spending, as shown in the FY02-03 audit report, decreased by approximately \$80,000. The lower spending reflects a decrease in actual salary costs in the patrol division of the police department, presumably due to high turnover. In addition, the fire department had completed renovations on the fire department that had been funded in the previous year (\$33,000 decrease). The jump in per capita spending in FY05-06 provided for policing services to the annexed area; increase in the number of police vehicles outfitted with mobile data terminals; and contractual fire services with the New Hope Fire District to provide service coverage in the transition area. FY 06-07 per capita costs increased based on staffing for the new northern area fire substation and will continue to rise with the upcoming opening of the northern area fire substation. The decrease in expenditures in FY 07-08 is due to the one time capital outlay cost for the fire truck in FY 06-07. FY08-09 costs increased with the purchase of a ladder truck for the Fire Department.

Fringe Benefits



	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Expenditures for fringe benefits	\$865,000	\$974,473	\$1,148,495	\$1,292,969	\$1,359,093	\$1,543,963	\$1,610,894	\$1,626,443	\$1,939,339	\$2,200,596	\$2,320,487
Salaries/Wages (FT,PT,OT, Temp)	\$4,056,448	\$4,379,422	\$4,844,854	\$5,342,799	\$5,439,196	\$6,038,242	\$6,231,917	\$6,309,042	\$6,660,107	\$7,191,755	\$7,471,114
Fringe benefits as % of overall wage and salary expenditures	21.3%	22.3%	23.7%	24.2%	25.0%	25.6%	25.8%	25.8%	29.1%	30.6%	31.1%

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 (including benefits)

Description

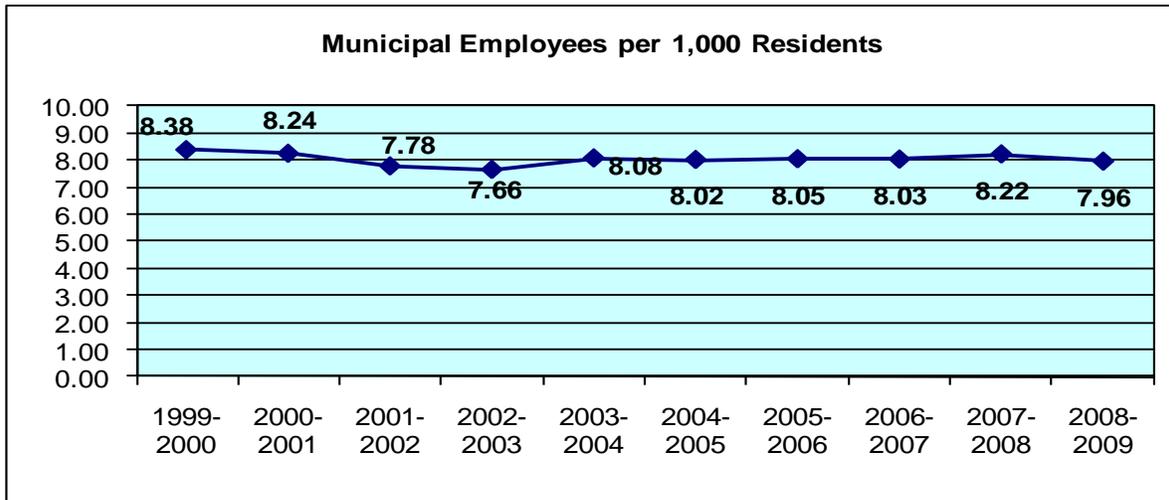
Fringe benefits represent the costs, in addition to salaries and wages, incurred by a jurisdiction to support the personnel it employs. The calculation in this indicator includes FICA payments, health insurance payments, retiree insurance payments, separation allowance payments for retired police officers, 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, rose steadily from FY99-00 through FY02-03 and increased slightly through FY05-06. The increase in fringe benefits over the entire period of time is largely due to double-digit increases in the cost of health insurance costs for employees and retirees. Some of the increase includes the decision by the Board to increase the Town's subsidy for dependent health insurance from 30 percent in FY98-99 up to 50 percent in FY99-00. In addition, the number of retirees benefiting from the Town's insurance coverage subsidy has increased retiree insurance costs over the past few years. Police officers who retire and are eligible for a separation allowance benefit are also part of increasing fringe costs. To stem double digit increases, the Town renegotiated health benefits with a new

provider three years ago. The Town, through its broker continues to monitor and negotiate for good benefit rates. Costs have increased monumentally since FY05-06 due to increases in insurance premiums and additional positions for departments.

Municipal Employees per 1,000 Residents



	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Population	15,133	15,520	16,012	16,958	17,240	17,460	17,585	17,648	18,423	18,611	19,479
Number of municipal employees approved	124	130	132	132	132	141	141	142	148	153	155
Municipal Employees per 1,000 reside	8.19	8.38	8.24	7.78	7.66	8.08	8.02	8.05	8.03	8.22	7.96

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 six years. The budgetary history shows sporadic jumps in the number of positions approved by fiscal year, with significant increases in positions approved in FY 00-01, FY 03-04 and FY 06-07. The increase in positions has largely been for the public safety function to meet OSHA ground fire operations requirements and to manage the increased calls for service due to increased population. In the past ten years, twenty five new positions have been approved. Of those, 12 are firefighters (includes 9 hired for the eventual opening of the second fire station in

the northern transition area in FY 09-10) and 7 are police officers (2 Investigator and 5 Police Officers). Other positions include 2 technology positions to support the technology needs within the organization, 1 environmental planner, 1 engineering technician for the public works department, and 2 recreation and parks positions that changed from part-time to full-time. In FY 2008-09 two police officer positions were approved – one in Community Services and one in Criminal Investigations. Even with these 2 approved positions, the number of employees per 1,000 residents decreased due to an increase in population.

Work Force Totals Permanent Full-time *Twenty-Year History*

FY	Attrny	Mayor & Board	Mngr	Econ Dev.	Clerk	Mgmt Svcs	Personnel	Police	Fire	Planning	Public Works	Parks & Rec	TOTAL
1990-91	0	0	2	0	1	5	0	26	10	13	31	5	93
1991-92	0	0	2	0	1	6	0	26	12	13	31	5	96
1992-93	0	0	2	0	1	6	0	29	12	13	31	5	99
1993-94	0	0	2	0	1	7	0	29	13	13	32	6	103
1994-95	0	0	3	0	1	7	0	31	15	12	33	6	108
1995-96	0	0	3	0	1	7	0	34	19	12	32.5	6.5	115
1996-97	0	0	3	0	1	7	0	35	19	12	32.5	6.5	116
1997-98	0	0	3	0	1	7	0	36	21	13	33	8	122
1998-99	0	0	2	1	1	5	2	36	21	13	34	9	124
1999-00	0	0	2	1	1	6	2	37	24	13	35	9	130
2000-01	0	0	2	1	1	6	2	38	24	14	35	9	132
2001-02	0	0	2	1	1	7	2	37	24	14	35	9	132
2002-03	0	0	2	1	1	7	2	37	24	14	35	9	132
2003-04	0	0	2	1	1	8	2	40	28	14	35	10	141
2004-05	0	0	2	1	1	8	2	40	28	14	35	10	141
2005-06	0	0	2	1	1	8	2	41	28	14	35	10	142
2006-07	0	0	2	1	1	8	2	41	33	14	36	10	148
2007-08	0	0	2	1	1	8	2	42	36	14	36	11	153
2008-09	0	0	2	1	1	8	2	44	36	14	36	11	155
2009-10	0	0	2	1	1	8	2	44	36	14	36	11	155
2010-11	0	0	4	1	1	6	2	44	36	14	36	11	155

Note: All positions are budgeted within the General Fund

Description of Position Changes

FY90-91 - Zoning Development Coordinator added.

FY91-92 - Program Support Assistant added to Management Services, 2 Fire Drivers/Operators added

FY92-93 - 2 Police Officers, 1 DARE Officer added.

FY93-94 - Personnel Technician added in Management Services, Fire Fighter, Recreation Specialist, and Sanitation Equipment Operator added.

FY94-95 - 2 Police Officers and 2 Firefighters added, Community and Economic Development Officer transferred from Planning to Manager's Office, Sanitation Equipment Operator added to Public Works Department.

FY95-96 - 1 Police Call-taker and 1 Police Investigator added, 3 Firefighters added, 1 Program Support Assistant shared by the Recreation and Public Works Department. During the 1995-96 year, one Groundskeeper/First Responder position was reassigned to the Fire Department.

FY96-97 – added one Investigator position (Police Officer II) mid-year

FY97-98 – 1 Police Officer I, 2 Firefighters, 1 Planning and Zoning Development Specialist, 1 Recreation Supervisor from half-time Youth Coordinator, 1 Program Support Assistant II from Program Support Assistant I and Program Support Assistant

FY98-99 – Added one street construction worker; reclassified an Asst. to the Manager position to Economic and Community Development Director; reclassified Personnel function to a department level and moved two positions out of Management Services; added 2 part-time (20 hr.) positions – Facility Specialist and Program Support Assistant for upcoming opening of Century Center.

FY99-00 – Add 1 Network Administrator position in Management Services; 1 grant-funded School Resource Officer position in Police Department; 3 Firefighter positions; and 1 groundskeeper position for Landscaping Division in Public Works.

FY00-01 – Adds Investigator position to Police Department (grant-funded); Added Environmental Planner position to Planning Department

FY01-02 – Staff Accountant position added to Management Services; Eliminates grant-funded Investigator position due to loss of funding but restores position by reclassifying a Community Police Officer position to Investigations.

FY02-03 – No position changes

FY03-04 – Added 3 Police Officer Is, 3 Firefighters, 1 Safety Officer, 1 Information Technology Support Engineer, and increase in hours of Recreation Specialist in Athletics division to full-time.

FY04-05– No position changes

FY05-06 – Net increase of 1 Police Officer I. (net increase; 2 Police Officers are approved for annexation coverage; 1 Police Officer I position eliminated to acknowledge discontinuation of School Resource Officer at Carrboro Elementary School).

FY06-07 - Increase of 5 firefighters (3 effective in April 2007) and 1 Engineering Technician in Public Works (effective October 2006)

FY07-08 – Increase one Police Officer I, four firefighters (3 beginning May 2008), one recreation supervisor (from part-time), and eliminate safety officer position in Fire Department.

FY08-09 – Add one Police Officer I in Community Services and one Police Officer II in Criminal Investigations, (effective January 2009).

FY09-10 – No position changes.

FY10-11 – IT division has been reorganized to report to the Town Manager instead of Management Services.

Operating Position Indicators

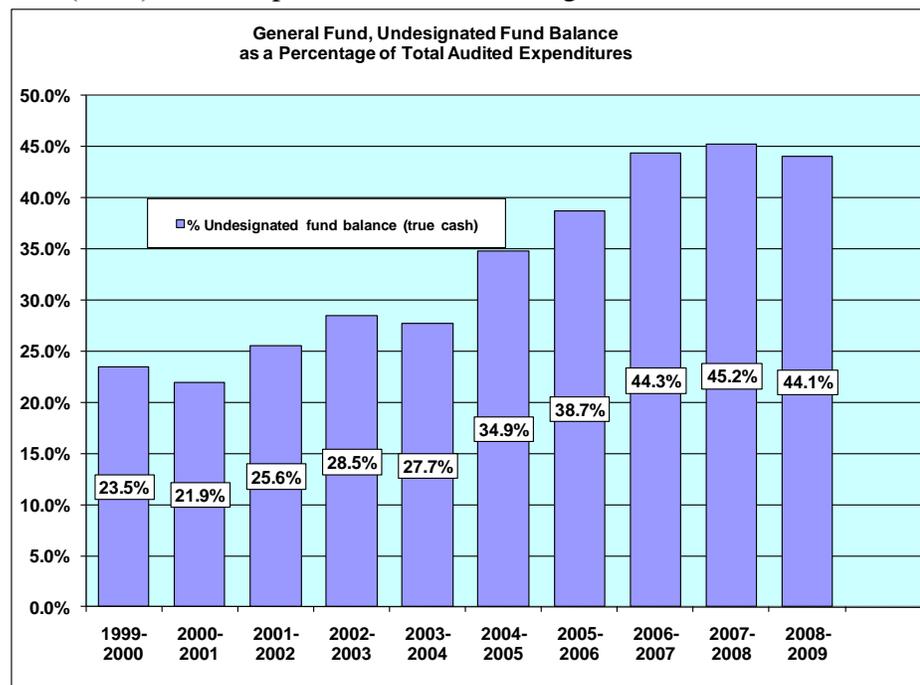
Revenues and Expenditures have a direct impact on a town's operating position. The term "operating position" refers to a local government's ability to: (1) balance its budget on a current basis, (2) maintain reserves for emergencies, and (3) have sufficient liquidity to pay its bills on time. The primary 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 Local Government Commission's (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 Board of Aldermen 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, 2009), unreserved fund balance that includes designated and undesignated reserves is at 49.28% in Carrboro. This ratio is higher than the 41.06% average for municipalities with populations of 10,000-49,999.

Carrboro, for its own accounting purposes, however, uses “undesignated fund balance” as a true measure of reserves available for emergency appropriation. This portion of fund balance represents true cash. Fund balance as defined by the Local Government Commission is considered “unreserved” fund balance, or fund balance available for appropriation, a much more liberal definition of fund balance than defined by the current Town policy. The graph above illustrates the ten-year undesignated fund balance trends. The Town budgets this fund balance or “surplus” with the anticipation of maintaining 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. The Town’s debt structure primarily consists of installment financings and some bonded debt to support its capital improvements. 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 Board 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).

Debt ratios are considered by the Local Government Commission and by 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. Debt is an obligation resulting from the borrowing of money. 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.

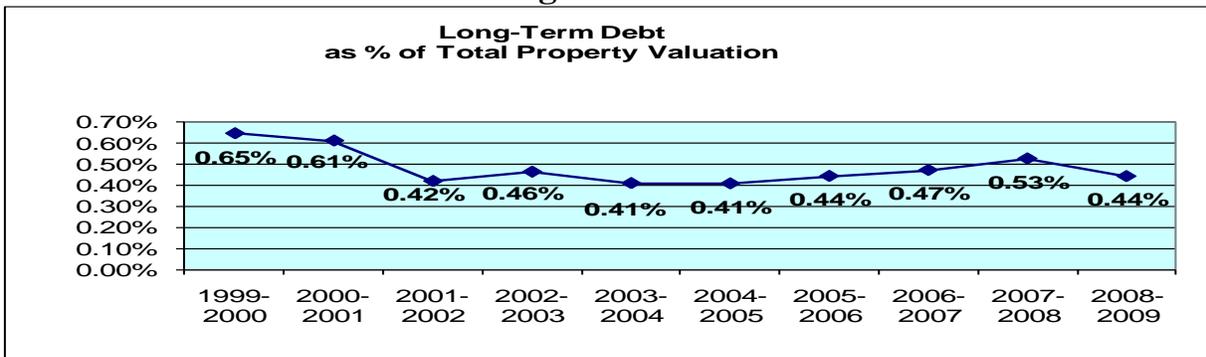
One measure of a unit’s debt capacity is debt expressed in terms of assessed or market valuation. It is important to note, however, the Town’s debt is far below the

Town of Carrboro, North Carolina Computation of Legal Debt Margin June 30 ,2009	
Total assessed valuation at June 30, 2009	\$1,581,966,677
Debt limit – eight percent (8%) of assessed value	\$ 126,557,334
Amount of debt applicable to debt limit	
General Obligation bonds	\$ 26,107
Legal Debt Margin	\$ 126,531,227

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. Based on the most recent year end of June 30, 2009, the Town's outstanding debt that applied to this limit is .0002% as evidenced in the table. The legal margin or the maximum amount of outstanding debt allowable by law, based on the June 30, 2009 audited valuation is \$126,531,227.

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 8.0% of the total audited expenditures for the year ending June 30, 2009. The Five-Year Plan shows the percentage of debt service expenditures peaking at 11.3% in FY12-13 almost reaching the 12% debt policy goal.

Long-Term Debt



	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Long-Term Debt	\$5,031,628	\$5,079,301	\$4,347,570	\$7,969,030	\$4,618,983	\$4,699,792	\$6,082,837	\$7,530,559	\$8,098,535	\$6,996,943
Property Valuation	\$778,730,814	\$830,744,735	\$1,036,750,609	\$1,072,172,066	\$1,128,465,441	\$1,152,569,042	\$1,372,401,330	\$1,596,838,299	\$1,538,585,984	\$1,581,966,677
Long-term Debt as % of Prop. Val.	0.65%	0.61%	0.42%	0.46%	0.41%	0.41%	0.44%	0.47%	0.53%	0.44%

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

Formula: Long-term Debt/Total Property Valuation.

Description

The definition of debt considered by rating agencies is generally limited to bonded debt because 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

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

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.

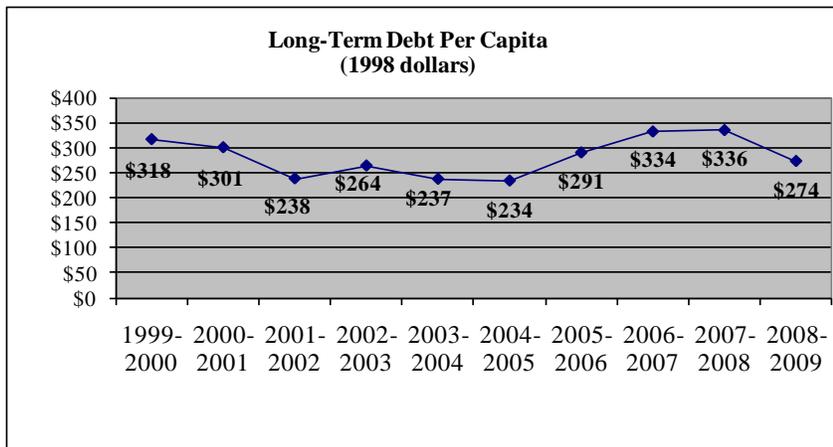
Discussion

The long-term debt load has increased steadily in the last three years. Debt as a percentage of property valuation dipped in FY01-02 due to the growth in the property base and valuation following the four-year revaluation cycle. 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 FY08-09 was .354 percent; a high level is considered 1.87 percent. The debt-to-assessed valuation ratio for Carrboro in the last audited year was .451 percent, which is a little higher than the average valuation for jurisdictions of similar size but well below the high valuation. The Local Government Commission (LGC) includes authorized but unissued debt in its debt ratio formula. For Carrboro, the LGC included the \$4.6 million dollar bond referendum for sidewalks and greenways that has not yet been issued. 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 our 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 Local Government Commission, and is useful for comparison with other similar jurisdictions. The average for comparable jurisdictions in FY08-09 was \$315 per capita; \$1,673 per capita is considered a high ratio.

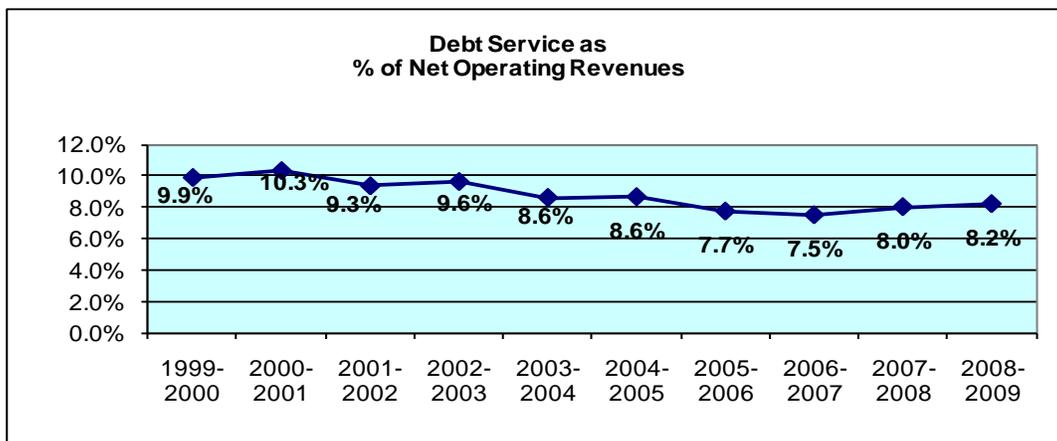


According to the Local Government Commission, the Town's ratio of outstanding general obligation bond debt which includes authorized and unissued general obligation bond debt and installment purchase debt is

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

\$367 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. However, the message is the same as the LGC; the outstanding debt owed (principal) is increasing. The Town is in the midst of embarking on a capital plan that moves beyond land purchases to construction which requires financing. In FY05-06, the Town witnessed the first full debt service payment on the Adams Tract for recreational use. Since FY05-06, the Town has been implementing the bond funded sidewalk and greenways plan. In FY08-09 debt obligation is lower than in previous years due to the expiration of some old general obligation bond and lease-purchase commitments. In FY09-10, the Town will finance the construction of the northern area fire substation, adding to outstanding debt.

Debt Service



	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-2009
Debt Service	\$963,311	\$1,093,658	\$1,035,389	\$1,149,108	\$1,117,976	\$1,182,179	\$1,116,743	\$1,252,941	\$1,360,897	\$1,427,902
Net Operating Revenue	\$9,767,445	\$10,617,234	\$11,098,783	\$11,964,801	\$13,017,317	\$13,687,737	\$14,472,877	\$16,753,209	\$17,016,278	\$17,427,662
Debt Service as % of Net Operating Revenue	9.9%	10.3%	9.3%	9.6%	8.6%	8.6%	7.7%	7.5%	8.0%	8.2%

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

Formula: Debt Service/Operating Revenue

Description

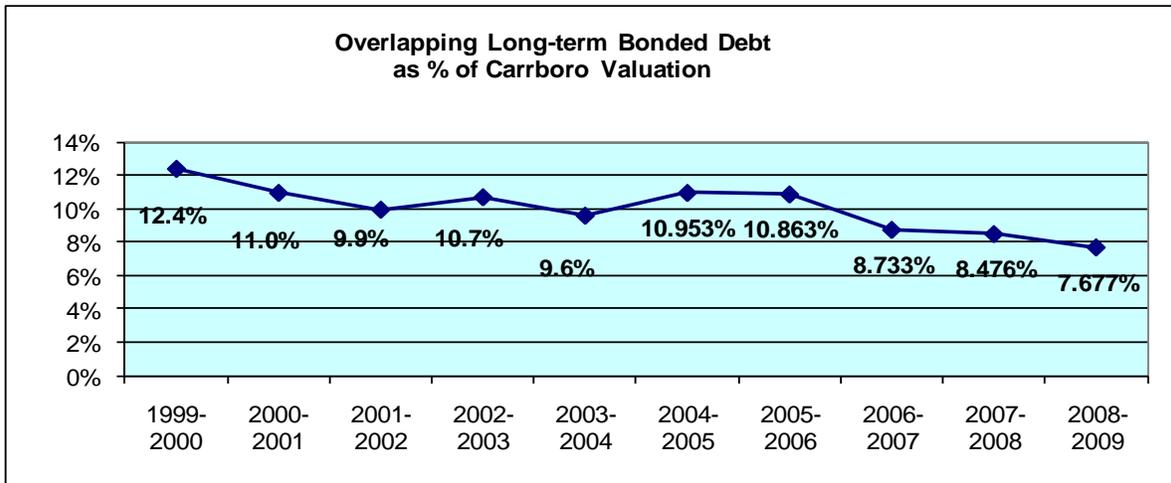
Debt service is defined here as the amount of principal and interest that a local government must pay each year on its long-term debt plus the interest it must pay on short-term debt. Increasing debt service reduces expenditure flexibility by adding to the government's obligations. According to the ICMA, 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

Debt service as a percentage of operating revenue has remained relatively stable, declining slightly over the past eight years due to the revenues rising at a faster rate than the debt service,

The graph shows that debt expenditures are approximately 8.2 percent of net operating revenues in FY08-09. This ratio, while different in focus than the Town’s debt policy which monitors debt service as a percentage of expenditures, tells a similar story of relatively stable debt service that is below the stated ceiling of 12%. The Town will incur debt service costs for the fire substation beginning in FY09-10, at which time the debt service costs as a percentage of operating revenue will begin to rise. In addition, the Town is underway with its sidewalk and greenways efforts that will use bond funding. The Town plans on issuing BANS until the entire amount of authorized bonds are spent, at which time the Town will issue the bonds requiring full debt service payments that include both principal and interest costs. This level of debt service will likely appear in or after FY11-12. The five-year plan discussed later shows that the Town does not expect to exceed the 12 percent goal.

Overlapping Debt



	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Carrboro Debt	\$1,119,000	\$991,000	\$859,000	\$737,250	\$575,393	\$433,536	\$331,679	\$229,822	\$127,964	\$26,107
Orange County Debt	\$95,475,000	\$90,030,000	\$102,255,000	\$113,955,000	\$107,585,000	\$125,810,000	\$148,750,000	\$139,215,000	\$130,290,000	\$121,415,000
Total Overlapping Debt	\$96,594,000	\$91,021,000	\$103,114,000	\$114,692,250	\$108,160,393	\$126,243,536	\$149,081,679	\$139,444,822	\$130,417,964	\$121,441,107

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. Since FY1999-00, debt has decreased. The changes in the debt ratio are primarily affected by debt incurred by Orange County.

Current Town Financial Condition

Overall, the indicators highlight the growth in the Town's population, the conscious decisions by the Board to add services needed and requested by the community and to maintain a solid financial position even through difficulties experienced over the years. The Executive Summary identifies the specific revenue and expenditure trends affecting the Town board and service delivery choices in the upcoming year. Notably, the Town has been able to maintain tax rates in three of the last five years through FY10-11 recommended budget.

Future Trends

The Town also makes projections about future costs based on the most recent adopted budget. The projections contained in the plan are our best estimates based upon current information and the assumptions outlined within this section. It is best used as a tool for reflecting trends rather than actual revenues, expenditures, and tax rates. This plan is based on the Recommended Budget for 2010-11 and the recently Adopted FY10-11 Capital Improvements Plan (CIP). 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. It is the Town Manager's goal to take action to keep tax rates at the lowest possible level while continuing to provide a high level of services.

The five-year plan model 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.

Personnel services represent the largest component of the Town's general fund budget. Consequently, the five-year plan is impacted by assumptions regarding employee salaries and related expenses. The only additional positions projected in the model are associated with the opening of the northern fire substation.

The model is built with two fund balance objectives in mind: (1) maintaining undesignated fund balance levels at a minimum of twenty-two and one-half percent (22.5%) of budgeted expenditures; and (2) appropriating no more than three percent (3%) of budget from General Fund balance.

Undesignated fund balance increased to 47.3% on June 30, 2009, reflecting a healthy fund balance level that may provide some options to offset some committed capital costs in future years.

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 tax rate increases.

The five-year projected tax rates in previous models have been significant but have not generally materialized at projected levels. For example, in the FY05-06 adopted budget document, the five-year plan forecast a tax increase of six cents in FY06-07 that did not materialize. The primary factor in avoiding a tax increase in FY06-07 is attributable to lower overall spending.

The bulk of the savings is where the Town incurred lower debt service costs associated with various capital projects due to lower projected interest rates for vehicle installment debt and changes in timing of capital projects such as the fire substation, and parking lot purchases. In addition, the Town made a decision to issue bond anticipation notes (BANS) which only requires interest costs until all the authorized debt is expended, at which time a bond issue will occur and debt payments will include not only interest, but principal payments as well. A more detailed explanation for other expenditures is explained in the Executive Summary of the budget document.

Nevertheless, the model serves a useful purpose: looking into the future and thinking about ways to mitigate and plan for budgetary gaps while achieving specific initiatives. Opportunities or strategies to improve the Town's expenditure and revenue stream continue to be explored by Town staff.

Assumptions about specific revenue and expenditures in the five- year model are identified on the following pages.

Revenues

The five-year plan, due to added legal protection granted by the General Assembly for state-collected local revenue, budgets for utility franchise, telecommunications sales tax, and natural piped gas taxes. In addition, the Town does receive occasional funding for bikeway or sidewalk improvements. 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.

Expenditures

Salary costs, representing over half of the budget, underscore the nature of government as a service industry; the primary asset of such an industry is the people that work for it. For future years, the assumptions within the plan assume an average 3% increase in salaries. No other new positions are projected. In addition, the plan accounts for annual significant increases in health insurance that have been a trend over time. In all of the fiscal years, it is important to note that salaries, being the largest component of general fund spending, significantly affect the total general fund budget.

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.

The Board adopts a capital improvements plan (CIP) annually. It should be noted that the five-year plan assumptions consider the capital needs identified in the CIP. The Town, due to limited resources, will continue to prioritize capital needs as opportunities and funding arises. The Town is underway with the construction of a new fire station, sidewalk, road and storm water repairs, and will develop greenway and park facilities and pay debt service costs for these various projects. The timelines and associated cost and tax impacts generally reflect numbers last considered in the FY10-11 CIP.

Capital Investments

The Board regularly allocates funding for street resurfacing and other Public Works construction projects. The amount needed to cover street resurfacing costs is anticipated to increase over the next five years. Also important in the Town’s capital investment program is the purchase of vehicles and equipment to maintain day-to-day services.

A significant force creating pressure on the tax rate over the next five years is the cost of the construction of sidewalks and greenways and the eventual construction of the Martin Luther King, Jr. Park. In this model, an assumption has been made that the Town will issue the entire \$4.6 million dollars approved by the voters for sidewalks and greenways in FY11-12. Meanwhile, the town continues its sidewalk construction program issuing bond anticipation notes that require annual interest payments. In FY11-12, upon issuance of bonds, both interest and principal payments will begin. Debt service expenditures and operating impact of the substation will likely create pressure to increase the tax rate. These efforts, however, are only one of many capital needs faced by the Town as indicated in the chart below.

FISCAL YEAR	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15
CONSTRUCTION - STREET RESURFACING, BIKE PATHS, SIDEWALKS,ETC	957,282	896,689	200,000	300,650	331,700	331,700	365,750
TRANSFER TO CAP RESERVE FUND FOR FUTURE CAPITAL	921,099	12,000	12,000	0	0	0	0
PARK MAINTENANCE AND REPAIR	21,323	52,500	0	85,470	207,350	286,000	129,880
INFO TECHNOLOGY	49,459	49,000	22,750	15,000	15,500	55,000	0
EQUIPMENT & VEHICLES	1,407,392	1,112,802	604,260	1,284,000	746,000	398,000	1,557,000
CAPITAL INVESTMENTS	3,356,555	2,122,991	839,010	1,685,120	1,300,550	1,070,700	2,052,630

LEASE-PURCHASE DEBT SERVICE - EQP/VEHICLES	808,680	881,784	797,049	836,206	824,408	892,924	821,169
DEBT SERVICE	491,287	616,873	386,965	373,271	382,090	390,908	399,726
DEBT SERVICE - FIRE SUBSTATION CONSTRUCTION @\$3,250,000	0	199,514	342,328	333,510	324,691	315,873	307,055
SIDEWALKS & GREENWAYS - BAN/BOND ISSUE	127,935	122,405	22,573	362,931	555,163	538,488	521,813
DEBT SERVICE -MARTIN LUTHER KING, JR. PARK	0	0	0	0	253,483	245,982	238,481
DEBT PAYMENTS	1,427,902	1,820,576	1,548,915	1,905,918	2,339,835	2,384,175	2,288,244

In monitoring the Town’s operating position via fund balance ratios, it is clear that there are limited resources and that the capital improvement and operating plans must be prioritized to meet the Town’s most pressing needs as determined by the Board.

Projected Expenditures

	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-14	2014-15
GENERAL FUND	<i>Actual</i>	<i>Adopted Budget</i>	<i>Adopted Budget</i>	Projected			
SALARY/WAGES	7,471,114	7,914,060	7,877,663	8,247,814	8,495,248	8,750,105	9,012,609
FRINGE BENEFITS	2,334,405	2,615,725	2,793,500	3,208,929	3,500,632	3,830,434	4,203,882
TOTAL PERSONAL SVCS	9,805,519	10,529,786	10,671,163	11,456,742	11,995,880	12,580,539	13,216,490

GEN OPERATING COSTS	3,155,015	2,875,496	3,747,457	3,859,881	3,975,677	4,094,947	4,217,796
AFFORDABLE HOUSING	111,524	55,345	86,465	89,059	91,731	94,483	97,317
GOV'NANCE SUPPORT	64,606	86,089	58,183	59,928	61,726	63,578	65,485
LANDFILL FEES	353,152	380,500	366,046	402,651	442,916	487,207	535,928
TRANSPORTATION COSTS	1,033,837	1,064,150	1,064,150	1,117,358	1,173,225	1,231,887	1,293,481
HUMAN SERVICES	130,502	140,502	144,296	151,511	159,086	167,041	175,393
TRANSFERS TO OTHER FUNDS, MISC.	0	0	0	24,000	0	0	0
OPERATING COSTS	4,848,636	4,602,082	5,466,597	5,704,387	5,904,362	6,139,143	6,385,400

CONSTRUCTION - STREET RESURFACING, BIKE PATHS, SIDEWALKS,ETC	957,282	896,689	200,000	300,650	331,700	331,700	365,750
TRANSFER TO CAP RESERVE FUND FOR FUTURE CAPITAL	921,099	12,000	12,000	0	0	0	0
PARK MAINTENANCE AND REPAIR	21,323	52,500	0	85,470	207,350	286,000	129,880
INFO TECHNOLOGY	49,459	49,000	22,750	15,000	15,500	55,000	0
EQUIPMENT & VEHICLES	1,407,392	1,112,802	604,260	1,284,000	746,000	398,000	1,557,000
CAPITAL INVESTMENTS	3,356,555	2,122,991	839,010	1,685,120	1,300,550	1,070,700	2,052,630

LEASE-PURCHASE DEBT SERVICE - EQP/VEHICLES	808,680	881,784	797,049	836,206	824,408	892,924	821,169
DEBT SERVICE	491,287	616,873	386,965	373,271	382,090	390,908	399,726
DEBT SERVICE - FIRE SUBSTATION CONSTRUCTION @\$3,250,000	0	199,514	342,328	333,510	324,691	315,873	307,055
SIDEWALKS & GREENWAYS - BAN/BOND ISSUE	127,935	122,405	22,573	362,931	555,163	538,488	521,813
DEBT SERVICE -MARTIN LUTHER KING, JR. PARK	0	0	0	0	253,483	245,982	238,481
DEBT PAYMENTS	1,427,902	1,820,576	1,548,915	1,905,918	2,339,835	2,384,175	2,288,244

GENERAL FUND TOTAL	19,438,612	19,075,435	18,525,685	20,752,167	21,540,626	22,174,557	23,942,764
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Operational Impact of CIP Projects Included in Operating Budget Above

N. AREA FIRE STATION	409,822	405,911	246,389	395,128	414,884	435,628	457,410
INFO. TECHNOLOGY	5,000	0	500	0	0	0	0
CIP PROJECTS (OPERATING IMPACT)	414,822	405,911	246,889	395,128	414,884	435,628	457,410

Projected Revenues

	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-14	2014-15
	<i>Actual</i>	<i>Adopted Budget</i>	<i>Adopted Budget</i>	Projected			
ESTIMATED VALUE PER ONE CENT LEVY	156,251	184,320	185,277	190,857	196,583	202,480	208,554
REQUIRED RATE PER \$100 VALUATION	68.63	58.94	58.94	64.75	68.25	70.25	70.25
GENERAL FUND							
AD VALOREM TAXES	10,824,129	10,956,318	11,021,222	12,462,012	13,523,911	14,334,588	14,764,626
LOCAL SALES TAX	3,137,836	3,062,045	3,062,136	3,154,000	3,248,620	3,346,079	3,446,461
OTHER TAXES/LICENSES	428,655	391,743	402,750	410,805	419,021	427,402	435,950
UNRESTRICTED INTERGOVERNMENTAL	947,801	920,868	860,018	885,819	912,393	939,765	967,958
RESTRICTED INTERGOVERNMENTAL	810,401	563,915	553,981	567,831	582,026	596,577	611,491
FEES AND PERMITS	1,062,026	1,020,562	1,022,867	1,043,324	1,064,191	1,085,475	1,107,184
SALES AND SERVICES	260,829	299,300	244,606	256,836	269,678	283,162	297,320
INTEREST EARNINGS	151,318	100,000	50,000	50,000	50,000	50,000	50,000
OTHER REVENUES	142,015	49,075	44,069	44,069	44,069	44,069	44,069
LEASE PURCHASE PROCEEDS	0	620,496	560,500	1,284,000	746,000	398,000	1,557,000
OTHER TRANSFERS	0	544,806	176,945	0	0	0	0
FUND BAL APPROP - CEMETERY FUND			0	0	0	0	0
FUND BAL APPROP	0	546,306	526,591	593,472	680,717	669,441	660,706
GENERAL FUND TOTAL	17,765,010	19,075,435	18,525,685	20,752,167	21,540,626	22,174,557	23,942,765

FUND BALANCE APPROP AS A % OF TOTAL REVENUE							
	0.00%	2.86%	2.84%	2.86%	3.16%	3.11%	2.98%

PROJECTED

UNDESIGNATED FUND

BALANCE 6/30/XX	6,956,301	8,563,125	8,369,085	8,134,216	7,832,050	7,559,206	7,310,016
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FUND BALANCE AS %

PROJECTED

EXPENDITURES							
	47.3%	44.9%	45.2%	39.2%	36.4%	35.1%	33.0%

OUTSTANDING DEBT	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-14	2014-15
GO BOND	\$ 26,107	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MARTIN LUTHER KING, JR. PARK LAND (\$274,000)	\$ 130,502	\$ 110,842	\$ 90,389	\$ 69,113	\$ 46,979	\$ 23,954	\$ -
CENTURY CENTER & PUBLIC WORKS LAND	\$ 2,083,433	\$ 1,862,676	\$ 1,635,498	\$ 1,341,656	\$ 1,160,899	\$ 912,965	\$ 657,581
ADAMS TRACT (\$600,000)	\$ 440,000	\$ 400,000	\$ 360,000	\$ 320,000	\$ 280,000	\$ 240,000	\$ 200,000
CONSTRUCTION - FIRE SUBSTATION (\$3,250,000)	\$ -	\$ 3,141,667	\$ 2,925,000	\$ 2,708,333	\$ 2,491,667	\$ 2,275,000	\$ 2,058,333
CAPITAL LEASE (PROJECTED)	\$ 1,755,671	\$ 2,153,357	\$ 1,394,655	\$ 1,781,698	\$ 1,708,531	\$ 1,221,632	\$ 1,814,713
GO SIDEWALKS & GREENWAYS	\$ 4,600,000	\$ 4,600,000	\$ 4,600,000	\$ 4,600,000	\$ 4,370,000	\$ 4,140,000	\$ 3,910,000
MARTIN LUTHER KING, JR. PARK CONSTRUCTION (\$2,069,246)	\$ -	\$ -			\$ 1,965,784	\$ 1,862,322	\$ 1,758,860
ADDITIONAL/FUTURE LT DEBT	\$ 4,600,000	\$ 4,600,000	\$ 4,600,000	\$ 4,600,000	\$ 6,335,784	\$ 6,002,322	\$ 5,668,860
TOTAL OUTSTANDING DEBT	\$ 9,035,713	\$ 12,268,542	\$ 11,005,542	\$ 10,820,800	\$ 12,023,860	\$ 10,675,873	\$ 10,399,487

	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-14	2014-15
% DEBT TO ASSESSED VALUATION	0.57%	0.65%	0.58%	0.55%	0.60%	0.51%	0.49%
DEBT PER CAPITA	\$373	\$514	\$479	\$443	\$497	\$447	\$399
% DEBT SVC TO TOTAL BUDGET	8.04%	9.86%	8.62%	9.79%	11.25%	10.95%	10.22%
POPULATION	19,178	19,479	19,869	20,266	20,671	21,085	21,506
ASSESSED VALUATION	\$1,581,966,677	\$ 1,890,550,409	\$ 1,900,491,499	\$ 1,957,506,244	\$ 2,016,231,431	\$ 2,076,718,374	\$ 2,139,019,925

Assumptions Used in Five-Year Plan

	FY10-11	FY11-12	FY12-13	FY13-14 & FY14-15
EXPENDITURES				
Salary & Wages:				
<i>Fulltime, Overtime, Part-time, & Temporary Salaries:</i>	3% per year beginning FY11-12; hire 3 firefighters in FY11-12			
Fringe Benefits:				
<i>Fica (7.65%) Retirement (4.78% for police officers; 4.88% for all others), Supplemental Retirement (5% - Police Officers; 3% - all other employees)</i>	19.06 of salaries for LEO; 17% non-LEO			
<i>Health Insurance</i>	15% per year beginning FY11-12			
<i>Dependent Health/Retiree Insurance Subsidies</i>	15% per year beginning FY11-12			
<i>Service Level Benefits</i>	2.5% per year beginning FY11-12			
<i>LEO Early Separation Allowance</i>	5.0% per year beginning FY11-12			
Operating Costs:				
<i>General Operating Costs</i>	3% per year beginning FY10-11			
<i>Computers & Peripherals</i>	PCs – GOAL: 4 yr replacement cycle; servers – 3 yr replacement cycle			
<i>Affordable Housing</i>	3% per year			
<i>Governance Support</i>	3% per year plus Greene Tract payment of \$29,524			
<i>Landfill Fees</i>	5% per year			
<i>Transportation Costs</i>	5% per year following recommended budget			
<i>Human Services</i>	5% per year			
<i>Transfers To Other Funds</i>	franchise surcharge \$6K in FY08-09; franchise surcharge FY09-10 & FY10-11- \$12K; reimburse Revolving Loan Fund for Gen Fund Loans \$24K in FY10-11			
Capital Investments:				
<i>Street Resurfacing & Construction Reserves</i>	Annual Street Resurfacing Allocation based on CIP; Weaver St. Reconstruction			
<i>Park Maintenance</i>	Based on CIP			
<i>Computers & Peripherals</i>	Based on CIP			
<i>Equipment</i>	Lease-Purchase CIP+ \$100,000/YR			
CIP Projects – Operating Impact:				
<i>N. Area Fire Substation</i>	operations FY10-11; 3 addtl Firefighters (12 total) in FY11-12, 5% thereafter			
<i>IT Technology</i>	Per CIP projections			
Debt Payments:				
<i>Lease-Purchase Payments/Debt Svc</i>	Projected per CIP projections			
REVENUES				
<i>Ad Valorem Tax Base</i>	3% per year thereafter			
<i>Local Sales Tax</i>	3 % per year			
<i>Other Taxes and Licenses</i>	2% per year			
<i>Unrestricted Intergovernmental</i>	3% per year			
<i>Restricted Intergovernmental</i>	2.5% per year			
<i>Fees and Permits</i>	2% per year			
<i>Sales and Services</i>	5% per year			
<i>Interest Earnings/Other Revenue</i>	No change			
<i>Lease Purchase Proceeds</i>	Lease-purchase CIP			
<i>Other Transfers</i>	Funds are transferred from other funds as needed			
<i>Fund Bal Appropriated</i>	All other Fund Balance appropriated per financial policy.			

LINE-ITEM BUDGET DETAIL...

Mayor and Board of Aldermen

410						
		2007-08	2008-09	2009-10	2010-11	% CHANGE
		ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
				BUDGET	BUDGET	2009/10
SUMMARY						
	PERSONNEL	105,300	110,828	116,787	119,086	2%
	OPERATIONS	138,297	141,254	165,350	162,650	-2%
	CAPITAL OUTLAY	5,115	0	0	0	0%
	TOTAL	248,711	252,082	282,137	281,736	0%
DETAIL						
500300	PART-TIME SALARIES	81,576	87,626	87,133	86,814	0%
500500	FICA	5,938	6,338	6,666	6,641	0%
500600	INSURANCE	16,865	15,831	21,984	24,484	11%
500700	RETIREMENT	920	1,032	1,004	1,147	14%
500800	TRAINING	0	-	2,000	2,000	0%
500900	PROF SERVICES	112,515	129,303	120,000	130,000	8%
501000	CONFERENCES	2,095	201	3,500	3,500	0%
501100	POSTAGE	101	114	850	850	0%
501400	TRAVEL	1,130	1,205	8,500	8,500	0%
502500	PRINTING	36	59	1,000	1,000	0%
503200	OFFICE SUPPLIES	43	31	300	300	0%
503300	DEPT SUPPLIES	1,577	3,282	3,000	3,000	0%
504500	CONTRACT SERVICES	8,378	5,627	11,500	11,500	0%
504700	ELECTIONS	11,045	-	12,700	0	-100%
505300	DUES/SUBSCRIPTIONS	1,377	1,432	2,000	2,000	0%
507400	EQUIPMENT	5,115			0	0%
	SUBTOTAL	248,711	252,082	282,137	281,736	0%

Advisory Boards

415						
		2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY						
	PERSONNEL	0	0	0	0	0%
	OPERATIONS	6,451	7,791	12,750	12,750	0%
	CAPITAL OUTLAY	0	0	0	0	0%
	TOTAL	6,451	7,791	12,750	12,750	0%
DETAIL						
500800	ADVISORY BOARD TRAINING	0	0	500	500	0%
505701	APPEARANCE COMM	0	5	400	400	0%
505702	PLANNING BOARD	386	141	700	700	0%
505703	BD OF ADJUSTMENT	155	42	350	350	0%
505704	PARKS & RECREATION	2463	2319	2,400	2,400	0%
505705	TRANSPORTATION ADVISORY BOARD	264	206	700	700	0%
505707	HUMAN SERVICES	163	263	300	300	0%
505708	N. TRANSITION AREA ADVISORY COMM	34	14	400	400	0%
505710	RECOGNITION BANQUET	1570	3461	3,500	3,500	0%
505711	ECONOMIC SUSTAINABILITY COMMISSION	0	24	500	500	0%
505712	GREENWAY COMM	152	298	1,000	1,000	0%
505718	ARTS COMMITTEE	1189	927	1,000	1,000	0%
505719	ENVIRONMENTAL ADVISORY BOARD	74	92	1,000	1,000	0%
	SUBTOTAL	6,451	7,791	12,750	12,750	0%

Governance Support

418					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	0	0	0	0	0%
OPERATIONS	201,891	258,632	261,091	266,003	2%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	201,891	258,632	261,091	266,003	2%
DETAIL					
501602 M&R PARKS - GREEN AWAKENING	0	1,400	0	0	0%
502600 ADVERTISING	0	6,536	0	0	0%
504501 TRIANGLE J COG	6,941	7,258	7,479	7,597	2%
504502 NC LEAGUE OF MUNIC.	11,336	11,886	12,180	13,180	8%
504503 ECON. DEV. COM.	6,000	6,000	6,000	6,000	0%
504504 SCHOOL OF GOVERNMENT	1,878	2,021	2,021	2,021	0%
504505 ARTS CENTER	15,000	15,000	15,000	15,000	0%
504506 HUMAN SERVICES GRANT	122,362	130,502	140,502	144,296	3%
504508 LEAGUE WOMEN VOTERS	250	0	250	250	0%
504510 COMMUNITY DINNER	500	500	500	500	0%
504512 THE COMMUNITY HOME TRUST	26,000	34,000	34,000	34,000	0%
504513 ORANGE COUNTY	0	29,524	29,524	29,524	0%
504516 DOWNTOWN BUS ASSOC	522	7	500	500	0%
504517 LIBRARY PROJECT	4,000	4,000	4,000	4,000	0%
504518 MEDIATION	0	0	500	500	0%
504519 CABLE TV CONSULTATION	3,750	5,000	5,000	5,000	0%
504533 METROPOLITAN COALITION	2,340	2,435	2,435	2,435	0%
504548 CD & MEMORABILIA SHOW	1,013	2,564	1,200	1,200	0%
SUBTOTAL	201,891	258,632	261,091	266,003	2%

Town Manager

420						
		2007-08	2008-09	2009-10	2010-11	% CHANGE
		ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
				BUDGET	BUDGET	2009/10
SUMMARY						
	PERSONNEL	240,797	234,252	248,043	252,538	2%
	OPERATIONS	16,117	14,332	24,480	24,450	0%
	CAPITAL OUTLAY	0	0	0	0	0%
	TOTAL	256,914	248,584	272,523	276,988	2%
DETAIL						
500200	SALARIES	194,497	191,951	203,645	203,645	0%
500500	FICA	11,443	11,609	12,860	12,884	0%
500600	INSURANCE	15,005	10,757	10,992	12,242	11%
500601	DISABILITY INSURANCE	211	200	0	208	0%
500700	RETIREMENT	9,473	9,386	9,918	12,931	30%
500701	SUPPL RETIREMENT	5,838	5,797	6,109	6,109	0%
500704	ICMA RETIREMENT	4,330	4,551	4,519	4,519	0%
500800	TRAINING	513	131	1,200	1,200	0%
501000	CONFERENCES	3,345	3,393	4,200	4,200	0%
501100	POSTAGE	41	11	300	300	0%
501400	TRAVEL	253	999	1,925	1,900	-1%
501600	M & R EQUIP	0	0	250	250	0%
	MOTOR VEHICLE					
501700	REPAIR	721	29	900	900	0%
502100	RENT	6,266	6,626	7,500	7,500	0%
502500	PRINTING	122	47	250	250	0%
502600	ADVERTISING	0	0	100	100	0%
503100	FUEL	1,016	1,038	2,000	2,000	0%
503200	OFFICE SUPPLIES	163	104	450	450	0%
503300	DEPT SUPPLIES	1,015	262	1,000	1,000	0%
504500	CONTRACT SERVICES	531	665	1,000	1,000	0%
505300	DUES/SUBS	2,132	1,027	3,405	3,400	0%
507400	FURNITURE/EQPMT	0		0	0	0%
	SUBTOTAL	256,914	248,584	272,523	276,988	2%

Economic and Community Development

421					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	115,243	119,286	116,463	118,614	2%
OPERATIONS	53,947	6,997	32,245	34,341	7%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	169,190	126,283	148,708	152,955	3%
DETAIL					
500200 SALARIES	75,443	77,958	79,728	79,728	0%
500300 PARTTIME SALARIES	16,358	16,797	16,766	16,766	0%
500500 FICA	6,671	6,886	7,382	7,399	0%
500600 INSURANCE	9,865	10,507	5,496	6,121	11%
500601 DISABILITY INSURANCE	170	181	0	180	0%
500700 RETIREMENT	4,471	4,614	4,699	6,028	28%
500701 SUPPL RETIREMENT	2,265	2,345	2,392	2,392	0%
500800 TRAINING	0	0	500	500	0%
501000 CONFERENCES	1,246	50	1,000	1,000	0%
501100 POSTAGE	155	129	600	600	0%
501400 TRAVEL	2,106	114	1,500	1,500	0%
502500 PRINTING	71	1,478	600	600	0%
502600 ADVERTISING	2,000	2,039	3,000	3,000	0%
503200 OFFICE SUPPLIES	62	216	600	600	0%
503300 DEPT SUPPLIES	2,436	1,138	1,800	1,800	0%
504511 HOLIDAY EVENTS	1,000	1,000	1,000	1,000	0%
504546 HOME CONSORTIUM MATCH	44,109	0	20,845	22,941	10%
505300 DUES/SUBS	762	833	800	800	0%
507400 FURNITURE/EQPMT			0	0	0%
SUBTOTAL	169,190	126,283	148,708	152,955	3%

Town Clerk

426						
		2007-08	2008-09	2009-10	2010-11	% CHANGE
		ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
				BUDGET	BUDGET	2009/10
	SUMMARY					
	PERSONNEL	96,892	101,702	97,579	99,570	2%
	OPERATIONS	8,807	9,246	15,400	15,300	-1%
	CAPITAL OUTLAY	0	0	0	0	0%
	TOTAL	105,699	110,947	112,979	114,870	2%
	DETAIL					
500200	SALARIES	75,526	79,038	79,712	79,712	0%
500500	FICA	5,426	5,669	6,098	6,104	0%
500600	INSURANCE	9,865	10,598	5,496	6,121	11%
500601	DISABILITY INSURANCE	130	181	0	180	0%
500700	RETIREMENT	3,678	3,842	3,882	5,062	30%
500701	SUPPL RETIREMENT	2,267	2,374	2,391	2,391	0%
500800	TRAINING	286	0	200	200	0%
501000	CONFERENCES	0	0	100	100	0%
501100	POSTAGE	298	152	600	500	-17%
501400	TRAVEL	0	0	100	100	0%
501600	M & R EQUIP	0	0	350	350	0%
502500	PRINTING	1,723	2,050	2,000	2,000	0%
502600	ADVERTISING	4,928	5,491	10,000	10,000	0%
503200	OFFICE SUPPLIES	561	790	750	750	0%
503300	DEPT SUPPLIES	771	507	1,000	1,000	0%
505300	DUES/SUBSCRIPTIONS	240	255	300	300	0%
507400	FURNITURE/EQUIPMENT	0	0	0	0	0%
	SUBTOTAL	105,699	110,947	112,979	114,870	2%

Management Services

445						
		2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY						
	PERSONNEL	446,073	433,169	455,149	467,863	3%
	OPERATIONS	451,272	473,687	504,807	544,879	8%
	CAPITAL OUTLAY	0	0	0	0	0%
	TOTAL	897,345	906,855	959,956	1,012,742	5%
DETAIL						
500200	SALARIES	324,912	313,159	337,210	342,259	1%
500300	PART-TIME SALARIES	27,383	28,664	28,998	26,522	-9%
500500	FICA	25,574	24,598	28,015	28,260	1%
500600	INSURANCE	40,881	40,259	32,976	36,726	11%
500601	DISABILITY INSURANCE	431	450	0	510	0%
500700	RETIREMENT	17,138	16,630	17,834	23,318	31%
500701	SUPPL RETIREMENT	9,754	9,409	10,116	10,268	2%
500800	TRAINING	2,138	1,780	8,145	8,145	0%
501000	CONFERENCES	480	465	816	816	0%
501100	POSTAGE	2,624	2,306	2,700	2,400	-11%
501400	TRAVEL	1,353	254	1,176	1,176	0%
502100	RENT	8,963	9,586	10,500	10,000	-5%
502500	PRINTING	803	330	1,100	2,000	82%
502600	ADVERTISING	1,816	636	2,000	2,000	0%
503200	OFFICE SUPPLIES	2,822	1,166	2,000	2,000	0%
503300	DEPT SUPPLIES	4,219	5,968	5,500	5,700	4%
504500	CONTRACT SERVICES	107,970	136,590	114,500	154,272	35%
504705	PENALTIES & INTEREST	283	597	0	0	0%
505300	DUES/SUBS	2,012	1,791	2,100	2,100	0%
505600	CASH OVER/SHORT	9	-12	0	0	0%
505700	MISCELLANEOUS	2,099	3,438	0	0	0%
506000	INSUR-GENERAL	288,502	271,670	313,437	313,437	0%
506001	PUBLIC OFFICIALS	25,179	37,122	40,833	40,833	0%
507400	FURNITURE/EQPMT	0	0	0	0	0%
	SUBTOTAL	897,345	906,855	959,956	1,012,742	5%

Human Resources

446						
		2007-08	2008-09	2009-10	2010-11	% CHANGE
		ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
				BUDGET	BUDGET	2009/10
SUMMARY						
PERSONNEL		264,128	273,821	296,367	311,207	5%
OPERATIONS		55,625	72,621	63,170	63,170	0%
CAPITAL OUTLAY		0	0	0	0	0%
TOTAL		319,753	346,442	359,537	374,377	4%
DETAIL						
500200	SALARIES	129,025	135,564	137,716	137,716	0%
500400	TEMPORARY SALARIES	6,881	4,308	8,612	8,612	0%
500500	FICA	9,901	10,124	11,194	11,203	0%
500600	INSURANCE	15,005	16,128	10,992	12,242	11%
500601	DISABILITY INS	78	102	0	102	0%
500602	RETIREE INSURANCE	83,428	94,116	112,015	123,456	10%
500604	UNEMPLOYMENT INS	9,653	2,807	5,000	5,000	0%
500700	RETIREMENT	6,284	6,598	6,707	8,745	30%
500701	SUPL RETIREMENT	3,874	4,073	4,131	4,131	0%
500800	TRAINING	2,470	2,293	2,500	2,500	0%
500801	TUITION ASSISTANCE	230	552	600	600	0%
500810	ORG DEV	20,841	17,141	15,000	15,000	0%
501000	CONFERENCES	1,000	272	425	425	0%
501100	POSTAGE	423	383	525	525	0%
501400	TRAVEL	349	695	550	550	0%
501600	M&R EQPMT	0	0	450	450	0%
502100	RENT	2,166	2,785	1,500	1,500	0%
502500	PRINTING	-13	19	750	750	0%
502600	ADVERTISING	7,889	4,868	7,500	7,500	0%
503200	OFFICE SUPPLIES	134	513	700	700	0%
503300	DEPT SUPPLIES	2,807	1,208	1,650	1,650	0%
504500	CONTRACT SERVICES	10,558	34,448	23,200	23,200	0%
505300	DUES/SUBSCRIPTIONS	450	1,050	820	820	0%
505710	EMPLOYEE RECOGNITION	6,322	6,393	7,000	7,000	0%
507400	EQUIPMENT	0	0	0	0	0%
	SUBTOTAL	319,753	346,442	359,537	374,377	4%

Information Technology

447						
		2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY						
	PERSONNEL	159,296	160,174	166,720	170,233	2%
	OPERATIONS	442,622	609,325	620,973	662,950	7%
	CAPITAL OUTLAY	107,455	49,459	49,000	22,750	-54%
	TOTAL	709,373	818,957	836,693	855,933	2%
DETAIL						
500200	SALARIES	125,038	125,526	134,806	134,805	0%
500500	FICA	9,180	9,180	10,313	10,329	0%
500600	INSURANCE	14,945	15,305	10,992	12,242	11%
500601	DISABILITY INSURANCE	230	224	0	253	0%
500700	RETIREMENT	6,127	6,144	6,565	8,560	30%
500701	SUPL RETIREMENT	3,776	3,796	4,044	4,044	0%
500800	TRAINING	3,805	4,778	4,800	4,800	0%
501000	CONFERENCES	52	50	750	750	0%
501200	TELEPHONE	44,469	51,901	58,630	75,380	29%
501400	TRAVEL	0	0	500	500	0%
501600	M & R EQUIP	14,661	18,938	27,050	32,050	18%
501700	M & R VEH REPAIR	93	33	350	350	0%
503100	FUEL	477	664	1,008	605	-40%
503200	OFFICE SUPPLIES	729	1,177	1,000	1,000	0%
503300	DEPT SUPPLIES	3,393	3,555	2,375	3,125	32%
	COMPUTERS &					
503305	PERIPHERALS	191,020	310,602	225,500	217,000	-4%
503307	VEHICLE SUPPLIES	0	0	0	0	0%
404500	CONTRACT SERVICES	181,840	217,131	294,910	323,290	10%
505300	DUES/SUBS	2,083	495	4,100	4,100	0%
507400	EQUIPMENT	107,455	49,459	49,000	22,750	-54%
	SUBTOTAL	709,373	818,957	836,693	855,933	2%

Police Department

POLICE - DEPARTMENTAL TOTAL					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	2,539,547	2,652,819	2,796,846	2,749,381	-2%
OPERATIONS	276,615	263,530	337,745	341,730	1%
CAPITAL OUTLAY	194,037	37,980	56,544	122,000	116%
TOTAL	3,010,199	2,954,329	3,191,135	3,213,111	1%

Police- Administrative Support

POLICE ADMINISTRATIVE SUPPORT 510					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	112,436	414,978	437,055	445,807	2%
OPERATIONS	4,820	18,795	25,878	27,596	7%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	117,256	433,772	462,933	473,403	2%
DETAIL					
500200 SALARIES	90,619	310,202	321,241	321,242	0%
500400 TEMPORARY SALARY	150	11,487	12,480	12,480	0%
500500 FICA	6,944	24,970	25,530	25,565	0%
500600 INSURANCE	5,758	29,034	27,480	30,605	11%
500601 DISABILITY INSURANCE	54	413	0	491	0%
500700 RETIREMENT	4,402	15,118	16,229	21,329	31%
500701 SUPPL RETIREMENT	4,510	13,826	14,240	14,240	0%
500703 EARLY SEPARATION	0	9,927	19,855	19,855	0%
500800 TRAINING	913	4,330	5,091	5,804	14%
501000 CONFERENCES	0	47	600	600	0%
501100 POSTAGE	0	354	650	650	0%
501200 TELEPHONE	1,594	2,684	2,489	2,892	16%
501600 M&R EQUIPMENT	0	0	653	800	23%
501700 VEHICLE REPAIR	6	650	1,192	1,192	0%
502100 RENT	0	1,853	1,680	1,680	0%
502500 PRINTING	17	407	1,300	1,300	0%
503100 FUEL	550	1,341	1,396	1,457	4%
503200 OFFICE SUPPLIES	26	1,900	2,229	2,000	-10%
503300 DEPT SUPPLIES	538	4,793	5,136	5,136	0%
503307 VEHICLE SUPPLIES	0	0	454	0	-100%
503600 UNIFORMS	181	0	2,596	2,596	0%
504500 CONTRACT SERVICES	0	40	0	1,077	0%
505300 DUES & SUBSCRIPTIONS	995	395	412	412	0%
507400 EQUIPMENT			0	0	0%
507401 VEHICLES	\$ -		0	0	0%
SUBTOTAL	117,256	433,772	462,933	473,403	2%

Police – Patrol

511								
	2007-08	2008-09	2009-10	2009-10	%	2010-11	2010-11	2010-11
	ACTUAL	ACTUAL	YTD	ADOPTED	SPENT	CONT.	PROPOSED	RECOMMENDED
			31-Mar-10	BUDGET		BUDGET	CHANGES	BUDGET
SUMMARY								
PERSONNEL	1,909,144	1,561,914	1,184,577	1,489,408	79.5%	1,493,605	0	1,493,605
OPERATIONS	199,821	173,444	118,242	225,151	52.5%	228,243	0	228,243
CAPITAL OUTLAY	194,037	37,980	26,556	30,000	88.5%	32,000	0	32,000
TOTAL	2,303,002	1,773,338	1,329,375	1,744,559	76.2%	1,753,848	0	1,753,848
DETAIL								
500200 SALARIES	1,388,135	1,127,948	862,792	1,105,549	78.0%	1,080,196		1,080,196
500201 OVERTIME	53,784	31,431	18,336	21,970	83.5%	21,970		21,970
500500 FICA	109,520	88,619	66,513	86,255	77.1%	84,406		84,406
500600 INSURANCE	177,775	161,924	128,715	137,400	93.7%	153,024		153,024
500601 DISABILITY INSURANCE	1,383	1,205	965	0	N/A	1,190		1,190
500700 RETIREMENT	70,118	56,448	42,859	54,798	78.2%	70,650		70,650
500701 SUPPL RETIREMENT	72,182	58,095	44,103	56,376	78.2%	55,109		55,109
500703 EARLY SEPARATION	36,246	36,246	20,294	27,060	75.0%	27,060		27,060
500800 TRAINING	28,697	15,483	20,229	25,527	79.2%	28,527		28,527
501200 TELEPHONE	4,180	2,877	2,378	2,800	84.9%	3,840		3,840
501600 M & R EQUIP	2,427	778	5,289	7,427	71.2%	3,802		3,802
501700 VEHICLE REPAIR	23,213	22,637	14,495	9,344	155.1%	12,000		12,000
503100 FUEL	78,484	60,392	41,207	90,022	45.8%	86,109		86,109
503200 OFFICE SUPPLIES	698	1,022	588	585	100.6%	585		585
503300 DEPT SUPPLIES	16,885	28,939	9,805	37,650	26.0%	22,510		22,510
503300-51008 DEPT SUPPLIES						6,500		6,500
503307 VEHICLE SUPPLIES	5,367	7,987	2,103	9,377	22.4%	16,060		16,060
503600 UNIFORMS	29,223	23,979	12,931	30,326	42.6%	26,526		26,526
504500 CONTRACT SERVICES	9,573	9,156	9,127	11,929	76.5%	21,620		21,620
505300 DUES/SUBSCRIPTIONS	278	195	90	164	54.9%	164		164
505700 MISCELLANEOUS	797	0	0	0	N/A	0		0
507400 EQUIPMENT	0	37,980	0	0	N/A	0		0
507401 VEHICLES	194,037	0	26,556	30,000	88.5%	32,000		32,000
507402 OTHER CAPITAL ASSETS			31,812					
SUBTOTAL	2,303,002	1,773,338	1,361,187	1,744,559	78.0%	1,753,848	0	1,753,848

Police – Community Services

512					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	4,205	285,616	415,678	387,414	-7%
OPERATIONS	0	35,361	35,949	39,796	11%
CAPITAL OUTLAY	0	0	0	64,000	0%
TOTAL	4,205	320,977	451,627	491,210	9%
DETAIL					
500200 SALARIES	2,876	219,684	317,973	289,925	-9%
500201 OVERTIME	0	0	3,030	3,030	0%
500500 FICA	214	16,488	24,557	22,435	-9%
500600 INSURANCE	847	27,492	38,472	38,256	-1%
500601 DISABILITY	-16	261	0	341	0%
500700 RETIREMENT	140	10,689	15,595	18,779	20%
500701 SUPPL RETIREMENT	144	11,003	16,051	14,648	-9%
500800 TRAINING		5,311	3,782	3,780	0%
501000 CONFERENCES		0	1,700	1,700	0%
501200 TELEPHONE		2,300	3,060	3,000	-2%
501600 M & R EQUIP		20	1,140	1,140	0%
501700 VEHICLE REPAIR		2,765	1,384	1,384	0%
503100 FUEL		5,786	4,592	7,260	58%
503200 OFFICE SUPPLIES		257	87	316	263%
503300 DEPT SUPPLIES		6,298	9,061	9,061	0%
503307 VEHICLE SUPPLIES		0	908	1,920	111%
503600 UNIFORMS		500	9,493	9,493	0%
504200 SEIZURES EXPENSE		12,003	0	0	0%
504500 CONTRACT SERVICES		0	500	500	0%
505300 DUES/SUBSCRIPTIONS		120	242	242	0%
505700 MISCELLANEOUS				0	0%
507400 EQUIPMENT				0	0%
507401 VEHICLES			0	64,000	0%
SUBTOTAL	4,205	320,977	451,627	491,210	9%

Police – Special Services

POLICE SPECIAL SERVICES						
514						
		2007-08	2008-09	2009-10	2010-11	% CHANGE
		ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
				BUDGET	BUDGET	2009/10
SUMMARY						
	PERSONNEL	121,000	0	0	0	0%
	OPERATIONS	9,179	0	0	0	0%
	CAPITAL OUTLAY	0	0	0	0	0%
	TOTAL	130,178	0	0	0	0%
DETAIL						
500200	SALARIES	86,092			0	0%
500400	TEMPORARY SAL	10,663			0	0%
500500	FICA	7,289			0	0%
500600	INSURANCE	9,955			0	0%
500601	DISABILITY INSURANCE	222			0	0%
500700	RETIREMENT	4,193			0	0%
500701	SUPPL RETIREMENT	2,586			0	0%
500800	TRAINING	747			0	0%
501100	POSTAGE	641			0	0%
502100	RENT	4,256			0	0%
502500	PRINTING	42			0	0%
503200	OFFICE SUPPLIES	1,561			0	0%
503300	DEPT SUPPLIES	1,932			0	0%
504500	CONTRACT SVCS	0			0	0%
507400	FURNITURE/EQUIPMENT	0			0	0%
	SUBTOTAL	130,178	0	0	0	0%

This cost center has been reclassified to Administrative Support (Org 510)

Police – Investigations

POLICE INVESTIGATIONS					
515					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	344,506	339,528	407,817	374,252	-8%
OPERATIONS	55,071	27,514	41,038	36,835	-10%
CAPITAL OUTLAY	0	0	26,544	26,000	-2%
TOTAL	399,577	367,041	475,399	437,087	-8%
DETAIL					
500200 SALARIES	254,375	248,228	305,766	274,261	-10%
500201 OVERTIME	9,523	9,330	13,125	13,125	0%
500500 FICA	19,481	18,610	24,396	22,017	-10%
500600 INSURANCE	34,689	37,587	32,976	32,135	-3%
500601 DISABILITY INSURANCE	181	253	0	235	0%
500700 RETIREMENT	12,931	12,575	15,498	18,246	18%
500701 SUPPL RETIREMENT	13,325	12,944	16,056	14,233	-11%
500800 TRAINING	1,348	814	5,050	4,400	-13%
501000 CONFERENCES	0	0	0	0	0%
501200 TELEPHONE	1,663	1,388	1,320	1,320	0%
501400 TRAVEL	11	0	250	250	0%
501600 M & R EQUIP	1,183	438	1,230	1,230	0%
501700 VEHICLE REPAIR	2,948	2,114	3,000	3,000	0%
502500 PRINTING	0	0	0	0	0%
503100 FUEL	8,747	7,063	11,043	10,966	-1%
503200 OFFICE SUPPLIES	584	231	1,000	1,000	0%
503300 DEPT SUPPLIES	1,578	2,512	8,389	8,389	0%
503307 VEHICLE SUPPLIES	160	1,218	2,456	780	-68%
503600 UNIFORMS	2,285	1,065	1,800	0	-100%
504200 SEIZURES EXPENSE	32,060	2,723	0	0	0%
504500 CONTRACT SVCS	4	0	0	0	0%
505700 MISCELLANEOUS	2,500	7,949	5,500	5,500	0%
507401 VEHICLES	0	0	26,544	26,000	-2%
SUBTOTAL	399,577	367,041	475,399	437,087	-8%

Police – Animal Control

POLICE ANIMAL CONTROL					
518					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	48,256	50,784	46,888	48,303	3%
OPERATIONS	7,724	8,417	9,729	9,260	-5%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	55,981	59,201	56,617	57,563	2%
DETAIL					
500200 SALARIES	33,477	35,061	35,831	35,831	0%
500500 FICA	2,205	2,296	2,741	2,741	0%
500600 INSURANCE	9,865	10,598	5,496	6,121	11%
500601 DISABILITY INSURANCE	74	74	0	73	0%
500700 RETIREMENT	1,630	1,704	1,745	1,745	0%
500701 SUPPL RETIREMENT	1,004	1,052	1,075	1,792	67%
500800 TRAINING	0	0	400	400	0%
501200 TELEPHONE	0	265	250	0	-100%
501600 M & R EQUIP	62	0	83	83	0%
501700 VEHICLE REPAIR	83	1,032	300	300	0%
503100 FUEL	1,486	1,053	1,596	1,377	-14%
503200 OFFICE SUPPLIES	0	0	100	100	0%
503300 DEPT SUPPLIES	93	67	600	600	0%
503307 VEHICLE SUPPLIES	0	0	0	0	0%
503600 UNIFORMS	0	0	300	300	0%
504500 CONTRACT SVCS	6,000	6,000	6,000	6,000	0%
505300 DUES & SUBSCRIPTIONS	0	0	100	100	0%
507401 VEHICLE	0	0	0	0	0%
SUBTOTAL	55,981	59,201	56,617	57,563	2%

Fire and Rescue

FIRE - DEPARTMENTAL TOTAL					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	1,883,057	2,026,911	2,025,956	2,082,208	3%
OPERATIONS	215,618	279,328	240,816	281,127	17%
CAPITAL OUTLAY	36,169	912,656	150,000	160,000	7%
TOTAL	2,134,843	3,218,896	2,416,772	2,523,335	4%

Fire and Rescue - Supervision

530					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	113,843	116,304	115,423	118,257	2%
OPERATIONS	43,903	43,559	23,825	25,344	6%
CAPITAL OUTLAY	1,665	0	0	0	0%
TOTAL	159,410	159,863	139,248	143,601	3%
DETAIL					
500200 SALARIES	75,405	78,560	79,081	79,081	0%
500300 PART-TIME SALARY	15,823	17,719	16,506	17,254	5%
500500 FICA	6,596	7,298	7,313	7,382	1%
500600 INSURANCE	9,160	5,530	5,496	6,121	11%
500601 DISABILITY INSURANCE	29	29		29	0%
500700 RETIREMENT	4,443	4,688	4,655	6,018	29%
500701 SUPPL RETIREMENT FIREFIGHTER'S	2,264	2,360	2,372	2,372	0%
500705 PENSION FUNDS	124	121	0	0	0%
500800 TRAINING	0	262	0	0	0%
501000 CONFERENCES	1,250	564	1,000	1,000	0%
501100 POSTAGE	288	533	300	300	0%
501200 TELEPHONE	5,255	4,898	6,479	5,250	-19%
501600 M & R EQUIP	0	0	250	250	0%
501700 VEHICLE REPAIR	1,293	99	250	950	280%
502500 PRINTING	289	352	400	400	0%
503000 UTILITIES	17,081	16,777	0	0	0%
503100 FUEL	2,657	2,191	4,589	4,730	3%
503200 OFFICE SUPPLIES	2,230	2,354	1,750	1,750	0%
503300 DEPT SUPPLIES	629	206	0	0	0%
503307 VEHICLE SUPPLIES	0	0	0	0	0%
504500 CONTRACT SVCS DUES &	9,894	12,545	6,532	8,397	29%
505300 SUBSCRIPTIONS	2,758	2,511	2,275	2,317	2%
505700 MISCELLANEOUS	0	265	0	0	0%
506002 PROGRAM INSURANCE	280		0	0	0%
507401 VEHICLE	1,665		0	0	0%
SUBTOTAL	159,410	159,863	139,248	143,601	3%

Fire-Rescue – Fire Suppression

531						
		2007-08	2008-09	2009-10	2010-11	% CHANGE
		ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
				BUDGET	BUDGET	2009/10
SUMMARY						
	PERSONNEL	1,684,483	1,842,499	1,846,700	1,898,710	3%
	OPERATIONS	161,252	222,727	200,911	240,174	20%
	CAPITAL OUTLAY	34,504	912,656	113,000	160,000	42%
	TOTAL	1,880,239	2,977,881	2,160,611	2,298,884	6%
DETAIL						
500200	SALARIES	1,246,064	1,378,290	1,401,621	1,408,941	1%
500201	OVERTIME	40,378	21,682	32,000	32,000	0%
500500	FICA	93,494	102,158	109,672	110,402	1%
500600	INSURANCE	200,619	226,320	186,864	207,516	11%
500601	DISABILITY INSURANCE	1,153	1,346	0	1,392	0%
500700	RETIREMENT	62,655	68,086	69,814	91,500	31%
500701	SUPPL RETIREMENT	38,619	42,019	43,009	43,229	1%
	FIREFIGHTER'S					
500705	PENSION FUNDS	1,502	2,598	3,720	3,730	0%
500800	TRAINING	13,724	24,326	20,490	23,040	12%
501100	POSTAGE	19	0	0	0	0%
501200	TELEPHONE		58		0	0%
501600	M & R EQUIP	11,771	14,036	13,950	16,080	15%
501700	VEHICLE REPAIR	16,994	22,900	23,125	26,625	15%
502500	PRINTING	32	24	0	0	0%
503100	FUEL	15,561	15,531	20,000	24,713	24%
503300	DEPT SUPPLIES	34,252	68,393	40,486	49,426	22%
503300-						
53001	CAR SEAT PROGRAM	-1,671	2,420	2,500	2,500	0%
503307	VEHICLE SUPPLIES	946	1,006	0	1,006	0%
503600	UNIFORMS	28,748	30,583	29,188	41,188	41%
504500	CONTRACT SVCS	31,702	31,818	39,134	42,796	9%
505800	MEDICAL EXAMS	7,705	8,942	9,045	9,756	8%
506002	PROGRAM INSURANCE	1,468	2,689	2,993	3,044	2%
507400	EQUIPMENT	0	0	0	0	0%
507401	VEHICLES	34,504	912,656	113,000	160,000	42%
	SUBTOTAL	1,880,239	2,977,881	2,160,611	2,298,884	6%

Fire-Rescue – Fire Prevention and Safety

532						
		2007-08	2008-09	2009-10	2010-11	% CHANGE
		ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
				BUDGET	BUDGET	2009/10
SUMMARY						
	PERSONNEL	84,731	68,109	63,833	65,241	2%
	OPERATIONS	5,308	13,043	16,080	15,609	-3%
	CAPITAL OUTLAY	0	0	37,000	0	-100%
	TOTAL	90,039	81,152	116,913	80,850	-31%
DETAIL						
500200	SALARIES	68,783	54,814	50,500	50,500	0%
500500	FICA	5,266	3,798	3,863	3,869	0%
500600	INSURANCE	5,139	5,158	5,496	6,121	11%
500601	DISABILITY INSURANCE	128	23	0	29	0%
500700	RETIREMENT	3,350	2,669	2,459	3,207	30%
500701	SUPPL RETIREMENT	2,065	1,647	1,515	1,515	0%
	FIREFIGHTER'S					
500705	PENSION FUNDS	0		0	0	0%
500800	TRAINING	0	99	2,500	2,500	0%
501700	VEHICLE REPAIR	489	1,726	2,500	2,500	0%
502500	PRINTING	99	85	450	450	0%
503100	FUEL	1,138	2,671	3,014	3,659	21%
503200	OFFICE SUPPLIES	27	1,519	1,500	1,500	0%
503300	DEPT SUPPLIES	3,554	6,343	5,000	5,000	0%
503307	VEHICLE SUPPLIES		0	1,116	0	-100%
503600	UNIFORMS		600	0	0	0%
507400	FURNITURE/EQUIPMENT		0		0	0%
507401	VEHICLE		0	37,000	0	-100%
	SUBTOTAL	90,039	81,152	116,913	80,850	-31%

Fire and Rescue – *Safety Management*

533						
		2007-08	2008-09	2009-10	2010-11	% CHANGE
		ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
				BUDGET	BUDGET	2009/10
SUMMARY						
PERSONNEL		0	0	0	0	0%
OPERATIONS		5,155	0	0	0	0%
CAPITAL OUTLAY		0	0	0	0	0%
TOTAL		5,155	0	0	0	0%
DETAIL						
500200	SALARIES	0			0	0%
500300	PART-TIME SALARIES	0			0	0%
500500	FICA	0			0	0%
500600	INSURANCE	0			0	0%
500700	RETIREMENT	0			0	0%
500701	SUPL RETIREMENT	0			0	0%
	FIREFIGHTER'S					
500705	PENSION FUNDS	0			0	0%
500800	TRAINING	915			0	0%
501700	VEHICLE REPAIR	555			0	0%
502500	PRINTING	150			0	0%
503100	FUEL	1,550			0	0%
503200	OFFICE SUPPLIES	69			0	0%
503300	DEPT SUPP	1,916			0	0%
507401	VEHICLE				0	0%
	SUBTOTAL	5,155	0	0	0	0%

This cost center has been reclassified to Org 532, Fire Prevention and Safety

Planning

PLANNING - DEPARTMENTAL TOTAL					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	938,563	967,266	1,017,309	993,263	-2%
OPERATIONS	240,576	143,531	181,467	165,935	-9%
CAPITAL OUTLAY	0	0	30,000	0	-100%
TOTAL	1,179,139	1,110,796	1,228,776	1,159,198	-6%

Planning – Supervision

540					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	434,034	467,667	466,238	472,398	1%
OPERATIONS	137,146	55,736	46,145	47,175	2%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	571,181	523,403	512,383	519,573	1%
DETAIL					
500200 SALARIES	340,946	367,636	375,232	371,910	-1%
500500 FICA	23,870	26,369	28,499	28,275	-1%
500600 INSURANCE	41,812	44,053	32,976	36,726	11%
500601 DISABILITY INSURANCE	621	663	0	714	0%
500700 RETIREMENT	16,572	17,894	18,274	23,616	29%
500701 SUPPL RETIREMENT	10,214	11,052	11,257	11,157	-1%
500800 TRAINING	1,850	165	3,250	4,000	23%
501000 CONFERENCES	3,739	575	4,155	4,500	8%
501100 POSTAGE	542	397	1,500	1,500	0%
501400 TRAVEL	171	129	650	700	8%
501600 M & R EQUIP	0	0	550	550	0%
501700 VEHICLE REPAIR	76	145	0	0	0%
502100 RENT	4,065	3,657	5,640	4,000	-29%
502500 PRINTING	1,343	1,242	2,250	2,250	0%
502600 ADVERTISING	2,401	1,460	2,700	2,700	0%
503100 FUEL	331	221	350	350	0%
503200 OFFICE SUPPLIES	2	36	1,000	1,000	0%
503300 DEPT SUPPLIES	4,782	2,666	5,000	5,000	0%
503305 COMPUTERS				0	0%
503600 UNIFORMS	0	0	200	200	0%
504500 CONTRACT SVCS	116,026	41,867	15,900	17,159	8%
504500-54004					0%
505300 DUES & SUBSCRIPTIONS	1,818	2,062	3,000	3,266	9%
505700 MISCELLANEOUS	0	1,114	0	0	0%
507400 EQUIPMENT	0		0	0	0%
SUBTOTAL	571,181	523,403	512,383	519,573	1%

Planning – Zoning

541						
		2007-08	2008-09	2009-10	2010-11	% CHANGE
		ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
				BUDGET	BUDGET	2009/10
SUMMARY						
	PERSONNEL	279,273	263,798	316,804	281,590	-11%
	OPERATIONS	88,965	75,013	116,465	101,265	-13%
	CAPITAL OUTLAY	0	0	0	0	0%
	TOTAL	368,238	338,810	433,269	382,855	-12%
DETAIL						
500200	SALARIES	216,190	202,095	250,453	218,183	-13%
500500	FICA	15,610	14,515	19,160	16,708	-13%
500600	INSURANCE	30,206	31,027	27,480	26,014	-5%
500601	DISABILITY INSURANCE	244	258	0	285	0%
500700	RETIREMENT	10,529	9,832	12,197	13,855	14%
500701	SUPPL RETIREMENT	6,492	6,070	7,514	6,545	-13%
500800	TRAINING	284	0	2,000	2,000	0%
500900	PROFESSIONAL SERV	3,060	0	0	0	0%
501000	CONFERENCES	150	390	2,600	3,000	15%
501100	POSTAGE	200	257	1,000	500	-50%
501200	PHONES	0	0	250	250	0%
501400	TRAVEL	0	0	300	300	0%
501600	M & R EQUIPMENT	0	0	780	630	-19%
501700	MOTOR VEH REPAIR	31	210	600	600	0%
502500	PRINTING	371	1,349	1,500	1,500	0%
502600	ADVERTISING	365	447	450	500	11%
503100	FUEL	248	193	700	700	0%
503200	OFFICE SUPPLIES	0	0	500	500	0%
503300	DEPT SUPPLIES	327	353	1,400	1,400	0%
503305	COMPUTERS & PERIPHERALS				0	0%
503600	UNIFORMS	0	0	400	400	0%
504500	CONTRACT SVCS	0	0	600	600	0%
504536	ENGINEERING	83,105	70,887	102,000	87,000	-15%
505300	DUES & SUBSCRIPTIONS	825	927	1,385	1,385	0%
507401	VEHICLES	0	0	0	0	0%
	SUBTOTAL	368,238	338,810	433,269	382,855	-12%

Planning – Inspections

542					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	225,255	235,801	234,267	239,275	2%
OPERATIONS	14,465	12,782	18,857	17,495	-7%
CAPITAL OUTLAY	0	0	30,000	0	-100%
TOTAL	239,720	248,583	283,124	256,770	-9%
DETAIL					
500200 SALARIES	177,657	185,515	188,520	188,520	0%
500500 FICA	13,137	13,710	14,422	14,439	0%
500600 INSURANCE	20,144	21,659	16,488	18,363	11%
500601 DISABILITY INSURANCE	330	328	0	326	0%
500700 RETIREMENT	8,653	9,019	9,181	11,971	30%
500701 SUPPL RETIREMENT	5,335	5,571	5,656	5,656	0%
500800 TRAINING	3,573	3,772	5,050	4,500	-11%
501000 CONFERENCES	1,213	2,511	2,100	2,200	5%
501100 POSTAGE	83	80	100	100	0%
501200 PHONES	1,437	1,415	1,400	1,400	0%
501400 TRAVEL	0	0	500	500	0%
501600 M & R EQUIPMENT				0	0%
501700 VEHICLE REPAIR	984	793	1,200	1,200	0%
502500 PRINTING	1,073	723	730	730	0%
502600 ADVERTISING	45	0	100	100	0%
503100 FUEL	2,618	2,034	3,000	3,000	0%
503200 OFFICE SUPPLIES	290	0	425	425	0%
503300 DEPT SUPPLIES	1,156	639	1,200	1,200	0%
503307 VEHICLE SUPPLIES	0	0	912	0	-100%
503600 UNIFORMS	709	588	1,200	1,200	0%
504500 CONTRACT SVCS	968	0	400	400	0%
505300 DUES & SUBSCRIPTIONS	315	227	540	540	0%
507401 VEHICLE	0	0	30,000	0	-100%
SUBTOTAL	239,720	248,583	283,124	256,770	-9%

Transportation

543					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	0	0	0	0	0%
OPERATIONS	970,617	1,033,837	1,064,150	1,064,150	0%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	970,617	1,033,837	1,064,150	1,064,150	0%
DETAIL					
504500 CONTRACT SERVICES	970,617	1,033,837	1,064,150	1,064,150	0%

Public Works

PUBLIC WORKS - DEPARTMENTAL TOTAL					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	1,683,591	1,774,097	1,848,132	1,839,740	0%
OPERATIONS	1,256,846	1,297,218	1,442,732	1,446,031	0%
CAPITAL OUTLAY	702,261	709,845	876,258	322,260	-63%
TOTAL	3,642,698	3,781,160	4,167,122	3,608,031	-13%

Public Works – Supervision

550					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	258,157	295,125	287,572	296,900	3%
OPERATIONS	19,899	17,640	28,275	30,546	8%
CAPITAL OUTLAY	13,319	23,704	0	33,500	0%
TOTAL	291,374	336,469	315,847	360,946	14%
DETAIL					
500200 SALARIES	196,370	225,036	229,907	231,567	1%
500201 OVERTIME	0	0	0	1,000	0%
500500 FICA	13,804	15,827	17,588	17,792	1%
500600 INSURANCE	32,224	36,181	21,984	24,484	11%
500601 DISABILITY INSURANCE	300	311	0	310	0%
500700 RETIREMENT	9,564	10,987	11,196	14,769	32%
500701 SUPPL RETIREMENT	5,895	6,784	6,897	6,978	1%
500800 TRAINING	2,834	366	3,400	3,600	6%
500900 PROFESSIONAL SERVICE	5,203	6,290	10,000	10,000	0%
501000 CONFERENCES	997	903	3,000	3,000	0%
501100 POSTAGE	272	571	375	375	0%
501400 TRAVEL	0	0	0	0	0%
501600 M & R EQUIP	706	0	1,000	1,000	0%
501700 VEHICLE REPAIR	476	285	750	750	0%
502100 RENT	3,247	3,029	1,800	1,800	0%
502500 PRINTING	204	684	1,000	1,000	0%
502600 ADVERTISING	563	330	500	500	0%
503100 FUEL	2,173	2,260	2,750	2,960	8%
503200 OFFICE SUPPLIES	718	1,123	1,500	1,500	0%
503300 DEPT. SUPPLIES	330	406	300	1,000	233%
503307 VEHICLE SUPPLIES	372	0	0	1,011	0%
503600 UNIFORMS	524	476	600	750	25%
504500 CONTRACT SVCS	0	26	0	0	0%
505300 DUES&SUBS	1,280	840	1,300	1,300	0%
505700 MISCELLANEOUS	0	50	0	0	0%
507400 EQUIPMENT	0	23,704	0	0	0%
507401 VEHICLE	13,319		0	33,500	0%
SUBTOTAL	291,374	336,469	315,847	360,946	14%

Public Works – Street Maintenance

560						
		2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY						
	PERSONNEL	472,359	511,508	532,052	539,145	1%
	OPERATIONS	369,314	408,794	387,027	404,921	5%
	CAPITAL OUTLAY	259,964	366,221	585,840	87,630	-85%
	TOTAL	1,101,637	1,286,523	1,504,919	1,031,696	-31%
DETAIL						
500200	SALARIES	357,742	384,775	407,995	402,940	-1%
500201	OVERTIME	1,436	1,914	5,000	5,000	0%
500500	FICA	26,388	28,389	31,595	31,208	-1%
500600	INSURANCE	57,968	65,291	54,960	61,210	11%
500601	DISABILITY INSURANCE	617	643	0	643	0%
500700	RETIREMENT	17,426	18,855	20,112	25,905	29%
500701	SUPPL RETIREMENT	10,782	11,641	12,390	12,239	-1%
500800	TRAINING	2,781	1,140	3,000	3,000	0%
500811	COMM DR LICENSE	118	221	160	160	0%
501600	M & R EQUIP	1,008	7,657	11,000	7,000	-36%
501700	VEHICLE REPAIR	22,690	15,069	14,000	18,000	29%
502100	RENT	2,076	2,492	3,500	3,500	0%
503000	UTILITIES	141,771	144,275	134,385	141,210	5%
503100	FUEL	20,398	18,543	25,098	24,360	-3%
503300	DEPTL SUPPLIES	71,739	62,643	86,900	81,900	-6%
503304	TRAFFIC CALMING	0	0	9,800	9,800	0%
503307	VEHICLE SUPPLIES	0	1,006	966	1,812	88%
503600	UNIFORMS	3,528	3,554	4,376	4,000	-9%
504500	CONTRACT SVCS	91,933	85,094	93,567	109,904	17%
505300	DUES & SUBSCRIPTIONS	0	140	275	275	0%
	OWASA SEWER FEE					
506200	REIMBURSEMENT	4,041	0	0	0	0%
507300	STREET CONSTRUCTION	7,232	66,961	0	0	0%
507400	EQUIPMENT	0	0	0	21,630	0%
507401	VEHICLES	14,360	106,900	41,034	66,000	61%
507402	OTHER ASSETS	2,087	259,321	544,806	0	-100%
507403	CONSTRUCTION ACTIVITY	243,517	0		0	0%
	SUBTOTAL	1,101,637	1,286,523	1,504,919	1,031,696	-31%

Public Works – Solid Waste Management

580					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	280,795	305,348	306,358	317,549	4%
OPERATIONS	435,214	482,560	511,313	493,793	-3%
CAPITAL OUTLAY	209,014	233,371	241,418	154,000	-36%
TOTAL	925,022	1,021,279	1,059,089	965,342	-9%
DETAIL					
500200 SALARIES	210,173	223,691	231,396	233,983	1%
500201 OVERTIME	470	755	500	500	0%
500500 FICA	15,584	16,101	17,740	17,938	1%
500600 INSURANCE	37,655	46,777	38,472	42,847	11%
500601 DISABILITY INSURANCE	308	351	0	356	0%
500700 RETIREMENT	10,273	10,928	11,293	14,890	32%
500701 SUPPL RETIREMENT	6,331	6,745	6,957	7,035	1%
500800 TRAINING	260	170	1,000	1,000	0%
500811 COMM DRIVERS LIC	264	0	150	150	0%
501600 M & R EQUIP	0	0	750	750	0%
501700 M&R VEHICLES	28,676	45,305	35,000	35,000	0%
502500 PRINTING	3,215	4,360	5,700	2,550	-55%
503100 FUEL	51,640	49,789	67,940	68,891	1%
503300 DEPT SUPPLIES	7,458	6,096	7,600	7,600	0%
503303 PUR FOR RESALE	0	16,625	4,400	4,400	0%
503306 YARD WASTE CARTS	0	3,120	3,600	3,600	0%
503307 VEHICLE SUPPLIES	1,006	1,006	1,582	1,006	-36%
503600 UNIFORMS	2,919	2,707	3,091	2,800	-9%
504500 CONTRACT SERVICES	21	35	0	0	0%
504701 LANDFILL FEES	339,754	353,152	380,500	366,046	-4%
505700 MISCELLANEOUS	0	197	0	0	0%
507401 VEHICLES	209,014	233,371	241,418	154,000	-36%
SUBTOTAL	925,022	1,021,279	1,059,089	965,342	-9%

Public Works – Central Services

590						
		2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY						
	PERSONNEL	142,062	150,076	150,879	156,290	4%
	OPERATIONS	210,178	205,560	271,398	276,259	2%
	CAPITAL OUTLAY	132,552	85,949	22,000	0	-100%
	TOTAL	484,792	441,585	444,277	432,549	-3%
DETAIL						
500200	SALARIES	108,672	113,917	115,516	115,516	0%
500201	OVERTIME	108	1,142	800	2,000	150%
500500	FICA	8,268	8,754	8,898	8,990	1%
500600	INSURANCE	16,116	16,749	16,488	18,363	11%
500601	DISABILITY INSURANCE	349	435	0	432	0%
500700	RETIREMENT	5,298	5,614	5,688	7,463	31%
500701	SUPL RETIREMENT	3,251	3,465	3,489	3,526	1%
500800	TRAINING	0	0	500	500	0%
501200	TELEPHONE	5,925	5,750	6,300	6,000	-5%
501600	M & R EQUIP	2	50	600	500	-17%
501601	M & R BUILDINGS	49,734	43,736	65,250	71,350	9%
501700	M VEHICLE REPAIR	843	446	1,000	700	-30%
502100	RENT	0	0	500	500	0%
503000	UTILITIES	84,069	80,108	112,567	119,200	6%
503100	FUEL	2,217	2,366	2,520	3,509	39%
503101	FUEL SYSTEM	817	600	0	0	0%
503300	DEPARTMENTAL SUPPLIES	9,357	12,574	15,790	13,000	-18%
503307	VEHICLE SUPPLIES	372	0	1,166	250	-79%
503600	UNIFORMS	1,698	1,299	1,400	1,400	0%
504500	CONTRACT SVCS	55,143	58,632	63,805	59,350	-7%
507400	EQUIPMENT	118,905	2,034	0	0	0%
507401	VEHICLE	13,647	0	22,000	0	-100%
507402	OTHER CAPITAL ASSETS	0	83,915	0	0	0%
	SUBTOTAL	484,792	441,585	444,277	432,549	-3%

Public Works – Fleet Maintenance

591					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	150,098	155,681	165,151	168,035	2%
OPERATIONS	41,533	22,712	32,902	31,876	-3%
CAPITAL OUTLAY	14,117	0	27,000	0	-100%
TOTAL	205,748	178,392	225,053	199,911	-11%
DETAIL					
500200 SALARIES	117,295	121,032	127,190	127,190	0%
500201 OVERTIME	258	138	1,500	500	-67%
500500 FICA	9,062	9,312	9,845	9,769	-1%
500600 INSURANCE	13,995	15,415	16,488	18,363	11%
500601 DISABILITY INSURANCE	207	217	0	273	0%
500700 RETIREMENT	5,740	5,915	6,267	8,109	29%
500701 SUPPL RETIREMENT	3,540	3,652	3,861	3,831	-1%
500800 TRAINING	1,081	250	3,200	2,150	-33%
500811 COM DRIVERS LIC	88	253	0	100	0%
501600 M & R EQUIP	250	2,024	2,000	2,000	0%
501700 MOTOR VEHICLE REPAIR	1,353	1,627	2,250	2,626	17%
503100 FUEL	4,240	3,676	5,161	4,025	-22%
503300 DEPT SUPPLIES	26,112	6,041	6,800	6,600	-3%
503307 VEHICLE SUPPLIES	372	0	816	0	-100%
503600 UNIFORMS	1,496	1,481	1,400	1,400	0%
504500 CONTRACT SERVICES	6,542	7,359	11,275	12,975	15%
507400 EQUIPMENT	0		0	0	0%
507401 VEHICLES	14,117	0	27,000	0	-100%
SUBTOTAL	205,748	178,392	225,053	199,911	-11%

Public Works – Landscaping

592						
		2007-08	2008-09	2009-10	2010-11	% CHANGE
		ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
				BUDGET	BUDGET	2009/10
SUMMARY						
	PERSONNEL	380,121	356,360	406,120	361,821	-11%
	OPERATIONS	180,709	159,953	211,817	208,636	-2%
	CAPITAL OUTLAY	73,296	600	0	47,130	0%
	TOTAL	634,125	516,913	617,937	617,587	0%
DETAIL						
500200	SALARIES	283,513	255,986	305,875	262,591	-14%
500201	OVERTIME	1,311	1,331	1,100	1,500	36%
500500	FICA	21,050	18,883	23,483	20,203	-14%
500600	INSURANCE	49,483	57,573	49,464	50,498	2%
500601	DISABILITY INSURANCE	300	274	0	296	0%
500700	RETIREMENT	13,872	12,535	14,949	16,770	12%
500701	SUPL RETIREMENT	8,551	7,737	9,209	7,923	-14%
500702	RETIRE SETTLEMT	2,040	2,040	2,040	2,040	0%
500800	TRAINING	663	305	1,500	1,500	0%
500811	COM.DRIVERS LICENSE	176	165	200	200	0%
501600	M & R EQUIP	623	7,074	9,000	9,000	0%
501602	M & R PARKS	280	1,440	2,500	2,500	0%
501603	M & R GROUNDS	2,910	0	1,500	1,500	0%
501700	VEHICLE REPAIR	6,235	2,964	8,000	8,000	0%
502100	RENT	0	0	1,000	1,000	0%
503000	UTILITIES	1,301	1,552	0	0	0%
503001	UTILITIES-PARKS	24,404	28,573	36,000	35,120	-2%
503100	FUEL	15,620	14,159	22,267	19,800	-11%
503300	DEPT SUPPLIES	27,188	19,014	27,300	27,050	-1%
503301	PARKS/SUPPLIES	40,159	27,773	31,000	30,230	-2%
503307	VEHICLE SUPPLIES	1,502	0	0	756	0%
503600	UNIFORMS	3,627	3,724	3,950	3,600	-9%
504500	CONTRACT SERVICES	55,630	53,211	67,300	68,080	1%
505300	DUES AND SUBSCRIPTIONS	390	0	300	300	0%
507400	EQUIPMENT	12,156	0	0	22,130	0%
507401	VEHICLES	61,139	600	0	25,000	0%
	SUBTOTAL	634,125	516,913	617,937	617,587	0%

Recreation and Parks

RECREATION AND PARKS - DEPARTMENTAL TOTAL					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	911,706	951,195	1,013,486	1,026,212	1%
OPERATIONS	277,565	256,269	344,226	346,131	1%
CAPITAL OUTLAY	18,920	27,555	52,500	0	-100%
TOTAL	1,208,191	1,235,019	1,410,212	1,372,343	-3%

Recreation and Parks – Supervision

620					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	100,166	105,308	106,995	109,056	2%
OPERATIONS	8,046	8,983	18,134	18,134	0%
CAPITAL OUTLAY	3,500	6,232	0	0	0%
TOTAL	111,712	120,523	125,129	127,190	2%
DETAIL					
500200 SALARIES	82,260	86,367	87,863	87,863	0%
500500 FICA	6,216	6,537	6,721	6,730	0%
500600 INSURANCE	5,139	5,530	5,496	6,121	11%
500601 DISABILITY INSURANCE	74	76	0	127	0%
500700 RETIREMENT	4,006	4,202	4,279	5,579	30%
500701 SUPPL RETIREMENT	2,469	2,595	2,636	2,636	0%
500800 TRAINING	1,751	1,429	1,330	1,330	0%
501000 CONFERENCES	0	390	500	500	0%
501100 POSTAGE	594	430	550	550	0%
501200 TELEPHONE	0	0	0	0	0%
502100 RENT	3,407	5,933	6,000	6,000	0%
502500 PRINTING	71	0	865	865	0%
503200 OFFICE SUPPLIES	379	0	1,700	1,700	0%
503300 DEPT SUPPLIES	1,551	511	1,989	1,989	0%
504500 CONTRACT SERVICES	0	0	4,900	4,900	0%
505300 DUES/SUBSCRIPTIONS	288	300	300	300	0%
505600 CASH OVER/SHORT	1	-10	0	0	0%
505700 MISCELLANEOUS	3	0	0	0	0%
507400 EQUIPMENT	3,500	6,232	0	0	0%
SUBTOTAL	111,712	120,523	125,129	127,190	2%

Recreation and Parks – *Playgrounds and Parks*

621						
		2007-08	2008-09	2009-10	2010-11	% CHANGE
		ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
				BUDGET	BUDGET	2009/10
SUMMARY						
	PERSONNEL	0	0	0	0	0%
	OPERATIONS	16,793	4,502	16,390	16,390	0%
	CAPITAL OUTLAY	15,420	21,323	52,500	0	-100%
	TOTAL	32,213	25,825	68,890	16,390	-76%
DETAIL						
500800	TRAINING	0	0	0	0	0%
500900	PROF SERVICES	0	0	7,000	7,000	0%
501200	PHONE	1,228	1,400	1,050	1,050	0%
501602	M & R PARKS	-200	796	2,870	2,870	0%
502100	RENT	1,808	1,855	2,870	2,870	0%
502600	ADVERTISING	0	13	500	500	0%
503300	DEPT SUPPLIES	885	438	2,100	2,100	0%
503301	PARK SUPPLIES	7,467	0	0	0	0%
507304	MISC CONSTRUCTION	5,605	0	0	0	0%
507400	EQUIPMENT	0		0	0	0%
507401	VEHICLES	0		0	0	0%
507402	OTHER CAPITAL ASSETS	15,420	21,323	52,500	0	-100%
	SUBTOTAL	32,213	25,825	68,890	16,390	-76%

Recreation and Parks – Athletics

622					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	277,292	282,251	308,867	313,040	1%
OPERATIONS	78,796	76,950	98,962	98,843	0%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	356,087	359,201	407,829	411,883	1%
DETAIL					
500200 SALARIES	158,942	165,323	165,661	165,355	0%
500300 PART TIME SALARIES	0	0	0	0	0%
500400 TEMPORARY SALARIES	72,498	69,190	93,830	93,830	0%
500500 FICA	17,713	17,942	19,850	19,828	0%
500600 INSURANCE	15,418	16,591	16,488	18,363	11%
500601 DISABILITY INSURANCE	206	204	0	203	0%
500700 RETIREMENT	7,741	8,037	8,068	10,500	30%
500701 SUPPL RETIREMENT	4,773	4,963	4,970	4,961	0%
500800 TRAINING	209	239	900	900	0%
501100 POSTAGE	397	1,541	2,290	2,290	0%
501200 TELEPHONE	442	458	396	360	-9%
501600 M & R EQUIP	0	0	150	150	0%
501700 MOTOR VEH REPAIR	87	43	500	500	0%
502100 RENT	22,322	19,183	26,805	26,805	0%
502500 PRINTING	904	5,223	2,300	2,300	0%
502600 ADVERTISING	159	0	200	200	0%
503100 FUEL	465	445	633	550	-13%
503200 OFFICE SUPPLIES	490	115	700	700	0%
503300 DEPT SUPPLIES	22,260	18,474	23,456	23,456	0%
503600 UNIFORMS	19,428	18,084	22,922	22,922	0%
504500 CONTRACTS	11,119	12,646	16,940	16,940	0%
505300 DUES/SUBSCRIPTIONS	514	499	770	770	0%
507400 EQUIPMENT	0	0		0	0%
507401 VEHICLES	0	0		0	0%
SUBTOTAL	356,087	359,201	407,829	411,883	1%

Recreation and Parks – General Programs

623					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	236,919	260,408	274,486	277,387	1%
OPERATIONS	165,164	161,284	195,207	197,231	1%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	402,083	421,692	469,693	474,618	1%
DETAIL					
500200 SALARIES	129,350	134,001	137,203	136,216	-1%
500300 PARTTIME SALARIES	0	407	0	0	0%
500400 TEMPORARY SALARIES	63,304	77,958	92,430	92,430	0%
500500 FICA	14,176	15,642	17,567	17,492	0%
500600 INSURANCE	19,809	21,745	16,488	18,363	11%
500601 DISABILITY INSURANCE	95	107	0	150	0%
500700 RETIREMENT	6,300	6,522	6,682	8,650	29%
500701 SUPPL RETIREMENT	3,885	4,026	4,116	4,086	-1%
500800 TRAINING	873	1,013	1,600	1,600	0%
501100 POSTAGE	3,332	2,959	4,200	4,200	0%
501200 TELEPHONE	390	371	360	360	0%
501400 TRAVEL				0	0%
501600 M & R EQUIP	0	0	150	150	0%
501700 VEHICLE REPAIR	5,024	88	550	550	0%
502100 RENT	4,513	3,853	5,527	5,527	0%
502500 PRINTING	16,185	8,832	19,700	19,700	0%
502600 ADVERTISING	2,362	1,603	2,000	2,000	0%
503100 FUEL	731	884	1,258	1,132	-10%
503200 OFFICE SUPPLIES	480	975	700	700	0%
503300 DEPT SUPPLIES	16,982	19,980	20,750	20,750	0%
503600 UNIFORMS	716	2,180	2,400	2,400	0%
504500 CONTRACT SERVICES	51,844	60,122	75,844	75,844	0%
504702 SPECIAL CLASSES	6,689	0	0	0	0%
504703 COMMUNITY EVENTS	54,577	57,795	59,250	61,400	4%
505300 DUES/SUBSCRIPTIONS	466	630	918	918	0%
507400 FURNITURE/EQUIPMENT	0	0	0	0	0%
507401 VEHICLES	0	0	0	0	0%
SUBTOTAL	402,083	421,692	469,693	474,618	1%

Recreation and Parks – *Recreation Facilities*

624					
	2007-08	2008-09	2009-10	2010-11	% CHANGE
	ACTUAL	ACTUAL	ADOPTED	ADOPTED	2010/11 FROM
			BUDGET	BUDGET	2009/10
SUMMARY					
PERSONNEL	297,329	303,228	323,138	326,729	1%
OPERATIONS	8,766	4,550	15,533	15,533	0%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	306,095	307,778	338,671	342,262	1%
DETAIL					
500200 SALARIES	139,466	144,326	153,504	151,668	-1%
500300 PARTTIME SALARIES	62,833	74,292	76,054	76,054	0%
500400 TEMPORARY SERVICES	38,171	29,262	35,532	35,532	0%
500500 FICA	17,920	18,785	20,279	20,139	-1%
500600 INSURANCE	24,542	21,436	21,984	24,484	11%
500601 DISABILITY INSURANCE	126	156	0	204	0%
500700 RETIREMENT	9,842	10,637	11,180	14,119	26%
500701 SUPPL RETIREMENT	4,429	4,334	4,605	4,529	-2%
500800 TRAINING	111	0	1,500	1,500	0%
501000 CONFERENCES	205	390	400	400	0%
501100 POSTAGE	247	107	700	700	0%
501200 TELEPHONE	239	204	510	510	0%
501400 TRAVEL	370	771	800	800	0%
501600 M & R EQUIP	315	190	1,519	1,490	-2%
501601 M & R BUILDINGS	833	200	1,200	1,200	0%
502500 PRINTING	186	0	800	800	0%
502600 ADVERTISING	238	130	800	800	0%
503200 OFFICE SUPPLIES	721	339	1,000	1,000	0%
503300 DEPT SUPPLIES	3,254	455	3,796	3,796	0%
504500 CONTRACTUAL SVCS	205	0	600	600	0%
505300 DUES/SUBSCRIPTIONS	1,843	1,765	1,908	1,937	2%
507400 EQUIPMENT	0	0	0	0	0%
SUBTOTAL	306,095	307,778	338,671	342,262	1%

Nondepartmental

NONDEPARTMENTAL - TOTAL					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	0	0	330,948	441,248	33%
OPERATIONS	366,914	1,600,099	398,883	247,000	-38%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	366,914	1,600,099	729,831	688,248	-6%

Nondepartmental – General Nondepartmental

660					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY					
PERSONNEL	0	0	330,948	441,248	33%
OPERATIONS	0	0	35,000	35,000	0%
CAPITAL OUTLAY	0	0	0	0	0%
TOTAL	0	0	365,948	476,248	30%
DETAIL					
500202 SERVICE BENEFIT	0	0	51,000	51,000	0%
500203 PAY PLAN	0	0	0	119,400	0%
500601 DISABILITY INS		0	9,100	0	-100%
500603 DEPENDENT HLTH INS	0	0	270,848	270,848	0%
505700 MISCELLANEOUS	0	0	0	0	0%
580000 CONTINGENCY	0	0	15,000	15,000	0%
581008 FUEL CONTINGENCY	0	0	20,000	20,000	0%
SUBTOTAL	0	0	365,948	476,248	30%

Nondepartmental – Transfers

661						
		2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY						
	PERSONNEL	0	0	0	0	0%
	OPERATIONS	366,914	1,600,099	363,883	212,000	-42%
	CAPITAL OUTLAY	0	0	0	0	0%
	TOTAL	366,914	1,600,099	363,883	212,000	-42%
DETAIL						
595007	TRANSFER TO REVOLVING LOAN FUND			0	0	0%
592007	TRANSFER TO CAPITAL RESERVE	351,914	1,121,099	212,000	212,000	0%
593007	TRANSFER TO CAPITAL PROJ FUND	15,000	430,000	151,883	0	-100%
594009	TRANSFER TO BOND FUND	0	1,000	0	0	0%
597009	TRANSFER TO AFFORDABLE HOUSING	0	48,000	0	0	0%
	SUBTOTAL	366,914	1,600,099	363,883	212,000	-42%

Debt Service

662						
		2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ADOPTED BUDGET	2010-11 ADOPTED BUDGET	% CHANGE 2010/11 FROM 2009/10
SUMMARY						
	PERSONNEL	0	0	0	0	0%
	OPERATIONS	1,360,896	1,427,902	1,621,062	1,548,915	-4%
	CAPITAL OUTLAY	0	0	0	0	0%
	TOTAL	1,360,896	1,427,902	1,621,062	1,548,915	-4%
DETAIL						
502102	EQP/VEHICLE - PRINCIPAL	732,329	726,266	823,413	732,704	-11%
502103	EQP/VEHICLE - INTEREST	55,482	82,414	58,371	64,345	10%
504500	CONTRACTED SERVICES	94	1,599	10,000	10,000	0%
505700	MISCELLANEOUS	774	0	0	0	0%
571000	FIRE&RECREATION PRINCIPAL	75,750	75,750	0	0	0%
571002	90 STREETS BOND PRINCIPAL	26,107	26,107	26,107	0	-100%
571003	CENTURY CTR PRINCIPAL	157,477	163,438	169,624	176,045	4%
571004	MARTIN LUTHER KING PARK -PRINCIPAL	18,166	18,898	19,660	20,452	4%
571005	PUBLIC WORKS LAND - PRINCIPAL	51,133	51,133	51,133	51,133	0%
571007	ADAMS TRACT - PRINCIPAL	40,000	40,000	40,000	40,000	0%
571008	SIDEWALKS - PRINCIPAL	0		0	0	0%
571009	FIRE SUBSTATION - PRINCIPAL	0	0	199,514	216,667	9%
572000	FIRE&RECREATION INTEREST	4,784	2,047	0	0	0%
572002	90 STREETS BOND INTEREST	2,182	1,386	594	0	-100%
572003	CENTURY CTR INTEREST	72,402	66,441	60,255	53,834	-11%
572004	MARTIN LUTHER KING PARK -INTEREST	6,506	5,774	5,013	4,221	-16%
572005	PUBLIC WORKS LAND - INTEREST	20,991	19,034	16,933	14,880	-12%
572007	ADAMS TRACT - INTEREST	21,320	19,680	18,040	16,400	-9%
572008	SIDEWALKS - INTEREST	75,398	127,935	122,405	22,573	-82%
572009	FIRE SUBSTATION - INTEREST		0	0	125,661	0%
	SUBTOTAL	1,360,896	1,427,902	1,621,062	1,548,915	-4%

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 Board of Aldermen legally authorizes through the budget ordinance.

Approved Budget - The budget as formally adopted by the Board of Aldermen 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 Board 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 Board of Aldermen be balanced.

“Better Together” Initiative – an internal organizational development process begun in FY05-06 with the vision of growing a better organization: by promoting a quality work environment for all employees, and an effective organizational communication and teamwork in order to provide excellent service to the community.

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).

Bond Anticipation Note (BAN) – The Town may issue bond anticipation notes to provide preliminary financing of bond-funded projects in anticipation of the later issuance of a portion of the previously-authorized bonds.

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 Board of Aldermen. This overview discusses the major budget items of the Manager’s budget.

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

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

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

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

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

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

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 board statement of desired conditions to be maintained or achieved through the efforts of an organization.

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.

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 Board of Aldermen, the Chapel Hill Town Council, and the Orange County Board of Commissioners.

Ordinance - A formal legislative enactment by the Board of Aldermen which as 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.

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.

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, 2005.

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.

Tax Levy - Revenue produced by applying a given tax rate to a property's assessed, or tax value.