

GENERAL FUND REVENUES

<u>Account Description</u>	<u>FY 2017-18 Actuals</u>	<u>FY 2018-19 Adopted Budget</u>	<u>FY 2019-20 Adopted Budget</u>	<u>FY19 to FY20 Percent Change</u>
AD VALOREM TAXES				
PRIOR YEAR TAXES	77,829	-	-	#DIV/0!
CURRENT YEAR TAXES	12,806,591	11,917,569	12,950,000	8.66%
PENALTY AND INTEREST	37,526	28,086	28,367	1.00%
AD VALOREM TAXES Total	12,921,946	11,945,655	12,978,367	8.65%

LOCAL SALES TAXES

LOCAL OPTION SALES TAX 1% 39	1,540,688	1,503,483	1,571,502	4.52%
LOCAL OPTION SALES TAX 1/2% 40	1,077,536	1,063,289	1,099,086	3.37%
LOCAL OPTION SALES TAX 1/2% 42	770,697	752,998	786,110	4.40%
LOCAL OPTION SALES TAX 1/2% 44	27,501	26,570	28,051	5.57%
CITY HOLD HARMLESS	1,141,512	1,129,640	1,164,341	3.07%
LOCAL SALES TAXES Total	4,557,934	4,475,980	4,649,090	3.87%

OTHER TAXES/LICENSES

MOTOR VEHICLE LICENSES	342,393	353,806	353,806	0.00%
MOTOR VEHICLE LIC - TRANS ONLY	114,132	117,926	117,926	0.00%
MOTOR VEHICLE TAXES	1,002,952	1,016,697	1,016,697	0.00%
MOTOR VEHICLE GROSS RECEIPTS	47	22	22	0.00%
REFUNDS - NCVTS	(33,813)	(24,687)	(24,687)	0.00%
COLLECTION FEES - NCVTS	(6,227)	(37,858)	(37,858)	0.00%
BEER & WINE LICENSE	1,523	1,535	1,535	0.00%
HOTEL/MOTEL OCCUPANCY TAX	180,355	177,316	183,000	3.21%
OTHER TAXES/LICENSES Total	1,601,362	1,604,757	1,610,441	0.35%

UNRESTRICTED INTERGOVERNMENTAL

FRANCHISE TAX	930,610	933,174	940,000	0.73%
PIPED NATURAL GAS TAX	54,522	42,508	43,000	1.16%
VIDEO SALES PROGRAMMING	58,781	55,088	57,500	4.38%
DIRECT-TO-HOME SATELLITE SALES	64,838	72,432	62,000	-14.40%
WINE AND BEER	88,934	93,979	90,000	-4.23%
NC DOT RIGHT-OF WAY REIM	4,633	1,516	6,200	308.97%
SALES TAX-TELECOMMUNICATIONS	192,014	211,392	190,000	-10.12%
EMS LOCATION	12,000	12,000	12,000	0.00%
UNRESTRICTED INTERGVMT Total	1,406,332	1,422,089	1,400,700	-1.50%

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RESTRICTED INTERGVMT				
SUPPLEMENTAL PEG CHANNEL SUP	53,515	55,724	53,500	-3.99%
POWELL BILL	482,495	482,495	485,000	0.52%
PLANNING WORK GRANT	27,669	25,970	25,000	-3.74%
SOLID WASTE DISPOSAL TAX DIST	13,641	13,947	13,800	-1.05%
RECREATION-MUNICIPAL SUPPLEM	35,898	36,160	35,898	-0.72%
ORANGE CO. ARTS COMM. GRANT	-	1,515	-	-100.00%
SEIZURES REVENUE STATE	13,175	10,695	5,000	-53.25%
SCHOOL TRAFFIC CONTROL	10,000	10,100	10,000	-0.99%
ABC BOARD GRANT	9,000	17,000	17,000	0.00%
NC RISK MGMT AGENCY GRANT	1,000	-	-	#DIV/0!
DEPT JUSTICE BLOCK GRANT	581	1,180	-	-100.00%
RESTRICTED INTERGVMT Total	646,974	654,786	645,198	-1.46%

PERMITS & FEES

STREET CUTS	110	111	100	-9.91%
ENCROACHMENT FEE	2,600	5,252	3,000	-42.88%
RETURNED CHECK FEE	300	-	200	#DIV/0!
REPORTS	525	-	-	#DIV/0!
TECHNICAL REVIEW-FUTURE EQUIPM	31,680	8,383	30,000	257.87%
COURT COST OFFICER FEES	4,556	2,014	2,500	24.13%
PARKING VIOLATIONS	9,614	10,308	9,000	-12.69%
FALSE ALARM FEES	106	-	-	#DIV/0!
FIRE PERMITTING FEES	2,384	1,121	1,200	7.05%
FIRE DISTRICT FEES	548,153	540,877	568,695	5.14%
SCHOOL RESOURCE OFFICER FEES	146,094	139,037	157,743	13.45%
CAR SEAT SALES	360	-	400	#DIV/0!
BUILDING PERMITS	109,009	55,463	57,000	2.77%
ELECTRICAL PERMITS	83,971	59,923	57,000	-4.88%
MECHANICAL PERMITS	94,588	61,000	59,000	-3.28%
RE-INSPECTION FEES	4,525	-	1,000	#DIV/0!
PLUMBING PERMITS	62,011	36,832	30,000	-18.55%
HOMEOWNERS RECOVER FEES	159	-	-	#DIV/0!
SIGN PERMITS	585	-	500	#DIV/0!
REFUSE COLLECTION FEES	2,449	2,531	2,500	-1.22%
ENGINEERING FEES	18,195	18,168	15,000	-17.44%
RECYCLING FEES	(4,315)	9,157	3,800	-58.50%
STOCKING FEE	558	-	-	#DIV/0!
REFUSE COLLECTION-DUMPSTER	53,599	69,029	65,000	-5.84%
DEVELOPMENT REVIEW FEES	66,260	31,024	30,000	-3.30%
DRIVEWAY PIPE INSTALLATION	16	-	-	#DIV/0!
STREET SIGNS	-	106	-	-100.00%
DRIVEWAY PERMIT FEES	1,090	667	800	19.94%
STREET CLOSING	720	465	500	7.53%
TOWER REVENUE	123,108	126,265	127,081	0.65%
NETWORK HUT LEASE	4,576	5,252	5,200	-0.99%
PERMITS & FEES Total	1,367,586	1,182,985	1,227,219	3.74%

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SALES & SERVICES				
RECREATION FEES	165,413	196,096	204,000	4.03%
DISCOUNT-RECREATION FEES	(771)	(11,800)	(15,000)	27.12%
SALES-MERCHANDISE & CONCESSION	2,319	2,327	3,050	31.07%
TOWN CENTER FEES	78,274	106,592	95,000	-10.88%
DISCOUNT-TOWN CENTER FEES	(176)	(7,694)	(14,000)	81.96%
SALES & SERVICES Total	245,059	285,521	273,050	-4.37%

INVESTMENT EARNINGS

INTEREST EARNED	135,490	51,812	150,000	189.51%
INVESTMENT EARNINGS Total	135,490	51,812	150,000	189.51%

OTHER REVENUES

RENT-FARMERS MARKET	2,370	2,394	2,370	-1.00%
ATM FEES	1,832	2,257	1,200	-46.83%
RENTAL INCOME	2,420	1,232	1,220	-0.97%
RENTAL INCOME-ROSEMARY LOT	1,606	145	-	-100.00%
MISCELLANEOUS	59,574	12,160	12,100	-0.49%
REFUSE CART SALES	3,474	5,304	4,300	-18.93%
YARD WASTE CONTAINERS	3,453	3,511	3,600	2.53%
DONATIONS	500	-	-	#DIV/0!
DONATIONS	17,137	16,543	92,400	458.54%
SALE OF LOTS	49,723	25,000	25,000	0.00%
SALE OF FIXED ASSETS	92,291	82,000	-	-100.00%
SALE OF NON-FIXED ASSETS	15,872	200	-	-100.00%
OTHER REVENUES Total	250,252	150,746	142,190	-5.68%

OTHER FINANCING SOURCES

TRANSFERS FROM CAPITAL RESERVES	551,000	-	-	#DIV/0!
INSTALLMENT FINANCING PROCEEDS	240,000	-	-	#DIV/0!
FUND BALANCE APPROPRIATED	-	1,088,391	1,500,753	37.89%
OTHER FINANCING SRCE Total	791,000	1,088,391	1,500,753	37.89%

Totals	\$ 23,923,935	\$ 22,862,722	\$ 24,577,008	7.50%
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GENERAL FUND REVENUE DESCRIPTIONS

The following information briefly explains the major sources of revenue for the Town of Carrboro in the FY 2019-20 Budget.

AD VALOREM TAXES

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

LOCAL SALES TAXES

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

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

OTHER TAXES AND LICENSES

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

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

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

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

UNRESTRICTED INTERGOVERNMENTAL REVENUE

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

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

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

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

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

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

RESTRICTED INTERGOVERNMENTAL REVENUE

Restricted intergovernmental revenues represent state and federal grants or other local governmental revenues received for specific purposes by the Town, the largest of which is the recurring Powell Bill grant funds for street resurfacing and maintenance.

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

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

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

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

FEES AND PERMITS

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

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

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

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

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

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

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

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

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

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

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

SALES AND SERVICES

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

INVESTMENT EARNINGS

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

OTHER REVENUES

Representing a very small portion of the overall revenue stream, this revenue is comprised of donations, rent, reimbursements for town services provided to other jurisdictions, fixed asset sales, and other sundry sales.

OTHER FINANCING SOURCES

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

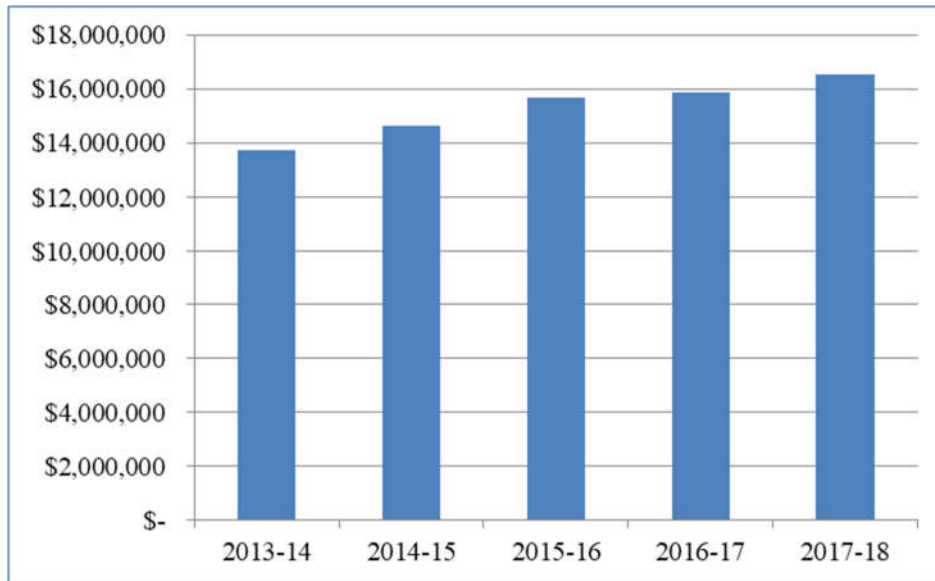
Lease-purchase – This represents the full cost of equipment or other capital purchase that the Town has obtained through installment financing. Following generally accepted accounting practices, the full cost of the financed equipment is budgeted (equipment purchased in that fiscal year) in addition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

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

Fund Balance Appropriated

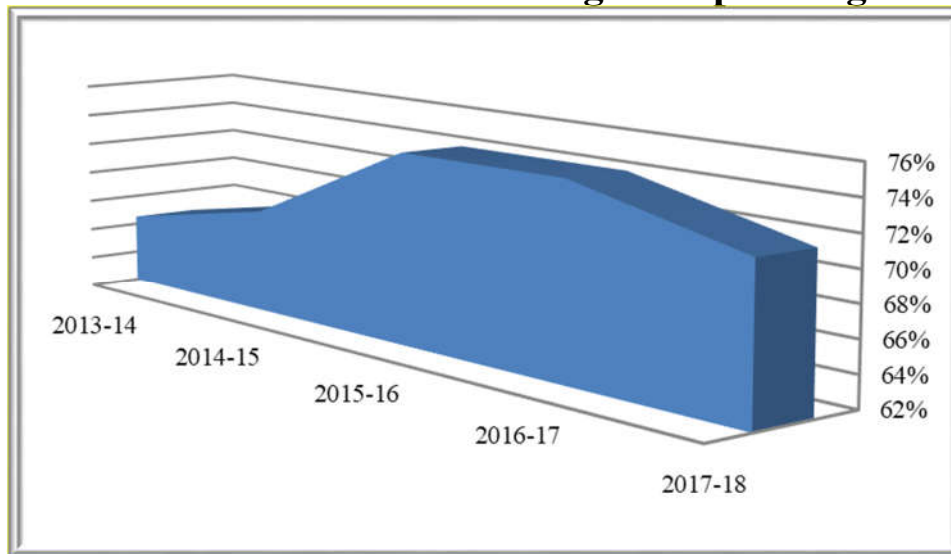
Funds accumulated through the under-expenditure of budgeted appropriations and the receipt of revenues that exceed budgeted projections result in fund balance or reserves. An appropriation of fund balance is sometimes necessary to balance projected revenues with expenditures. The level of appropriation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

General Fund Balance as of June 30



Fund balance at the end of FY 2017-18 was \$16,535,093, which was an increase of \$656,989 from FY 2016-17.

General Fund Balance as a Percentage of Operating Revenues



Fund balance as a percentage of operating revenues decreased 2.6% from 74.2% in FY 2016-17 to 71.6% for FY 2017-18.

General Fund Summary

BUDGET SUMMARY FOR GENERAL FUND

	2017-18 Actual	2018-19 Adopted Budget	FY 2019-20 Adopted Budget	Pct Change
Personnel	11,704,379	13,549,281	14,630,474	8.0%
Operating	7,919,347	8,764,062	9,203,734	5.0%
Capital Outlay	720,731	299,379	285,600	-4.6%
Transfers	300,000	250,000	457,200	82.9%
TOTAL	\$20,644,457	\$22,862,722	\$24,577,008	7.5%

FY 2019-20 General Fund Expenditures by Department						
	Personnel Costs	Operating Costs	Capital Outlay	Transfers Out	Total	% Change vs FY19 Orig Bdgt
Mayor and Board of Aldermen	\$ 113,436	257,825			\$ 371,261	4.01%
Advisory Boards	-	29,950			29,950	72.62%
Governance Support	-	657,052			657,052	3.65%
Town Manager	458,099	99,815	5,000		562,914	10.02%
Economic & Community Development	142,059	109,312			251,371	1.11%
Town Clerk	129,905	21,070			150,975	-6.79%
Finance	721,284	527,570			1,248,854	8.82%
Human Resources	519,032	106,720			625,752	11.55%
Information Technology	320,602	1,300,175	118,000		1,738,777	9.47%
Police	3,480,230	451,678	-		3,931,908	1.71%
Fire	2,834,377	253,260	-		3,087,637	0.56%
Planning	1,431,962	217,935			1,649,897	11.67%
Transportation		1,919,000	83,600		2,002,600	10.58%
Public Works	2,445,218	1,501,151	25,000		3,971,369	8.58%
Recreation and Parks	1,275,904	405,977	54,000		1,735,881	8.16%
Non-Departmental	758,366	100,000		457,200	1,315,566	24.80%
Debt Service		1,245,244			1,245,244	13.80%
Total Expenditure Budget	\$ 14,630,474	\$ 9,203,734	\$ 285,600	\$ 457,200	\$ 24,577,008	7.50%

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