

## Revenue Summary

### Summary of Changes to the Recommended Budget:

As is required by state law, the County Manager develops a “recommended” budget that is presented to County Commissioners in early May. Commissioners hold public hearings and work sessions to review the recommended budget in depth. Normally, Commissioners make changes to the recommended budget before the final budget is approved. Overall, Commissioners reduced the general fund budget by \$500,300 and reduced the tax rate increase by 0.1 cents. Below is a list of the changes Commissioners made to FY 2009-2010 budgeted revenues by fund (An offsetting reduction in expenditures was also made. Please see the Expenditure Assumptions section for an explanation.):

#### General Fund:

Action	Addition/ (Reduction)
Increase YMCA rent (per negotiated agreement)	3,000
Budget ARRA funding of Mobility Manager	41,000
Increase ABC revenues	40,000
Reduce sales tax to account for shortfall (state projections revised downward)	(200,000)
Reduce property taxes to account for greater than anticipated loss from appeals	(449,210)
Increase interest	170,000
Increase transfer from personnel savings account	200,000
Reduce tax rate from 60.32 to 60.22	(85,090)
Reduce transfer from 911 funds (for satellite backup system)	(220,000)
<b>Total Changes</b>	<b>(500,300)</b>

#### Water Fund:

Action	Addition/ (Reduction)
Reduce appropriated fund balance	(173)

#### Waste Management Fund:

Action	Addition/ (Reduction)
Reduce appropriated fund balance	(94)

#### Facility Reserve:

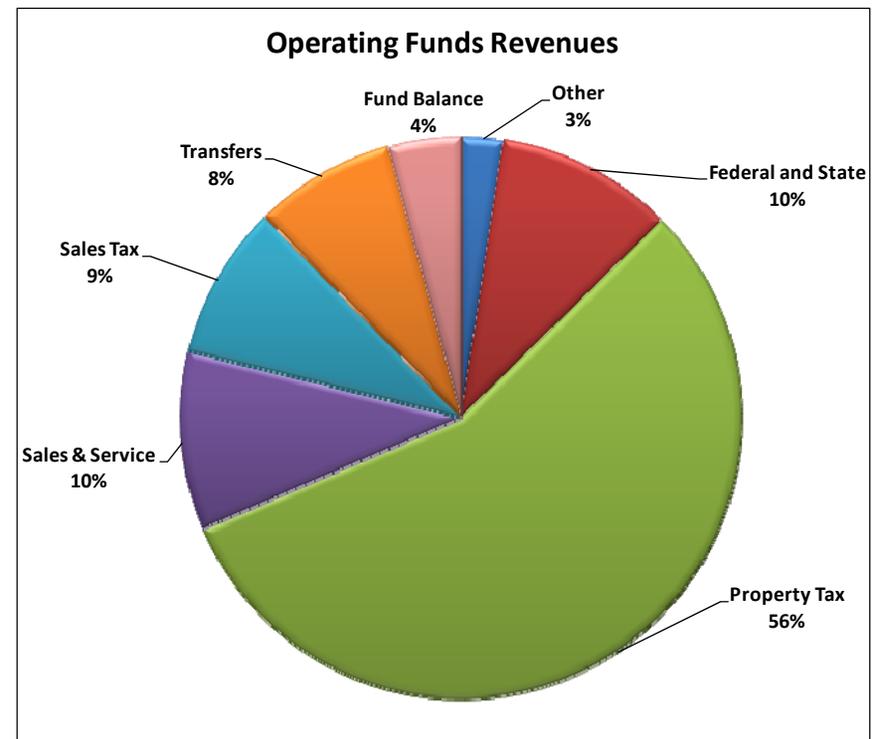
Action	Addition/ (Reduction)
Reduce transfer to parks capital reserve	(22,266)
Reduce transfer to debt reserve	(125,190)
<b>Total Changes</b>	<b>(147,456)</b>

## Major Revenue Highlights:

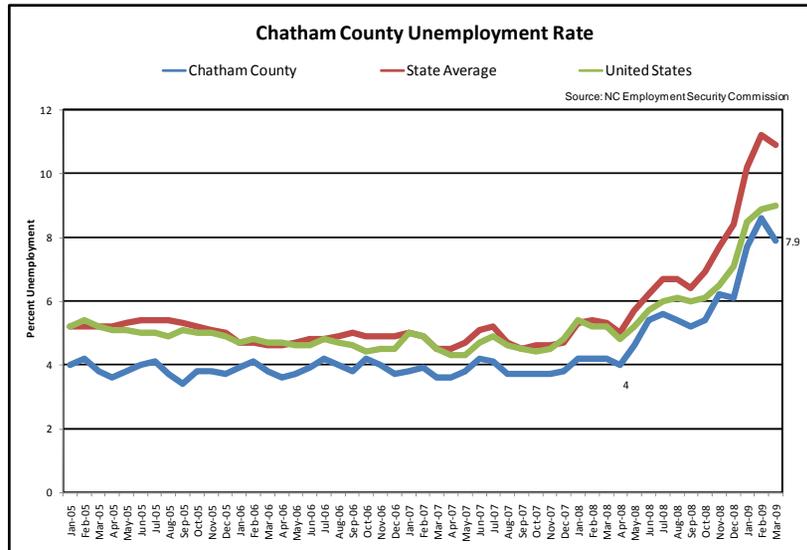
- The tax rate is recommended at the revenue-neutral tax rate, as defined by state statute: 60.32 cents. (Commissioners lowered the tax rate to 60.22 cents.)
- A few minor fee increases are proposed in building inspections, fire inspections, recreation, and health to reflect better the cost of delivering services. The fee increases would cumulatively generate \$32,255 in additional revenue. (Commissiones approved these fee changes.)
- Consistent with the Board of Commissioners Financial Policy, appropriated fund balance is earmarked for one-time items in the general, water, and waste management funds.

## Revenues by Source:

*The graph shows total county revenues by type for the General Fund, Water Fund, and Waste Management Fund. As the graph demonstrates, the majority of revenue comes from property tax (56%). Other significant sources include sales and service (10%), restricted state and federal funds (10%), the local option sales tax (9%) transfers (8%), fund balance (4%), and other (3%). Other includes interest income, fees and permits, grants, other taxes, and miscellaneous.*



## Economic Assumptions:

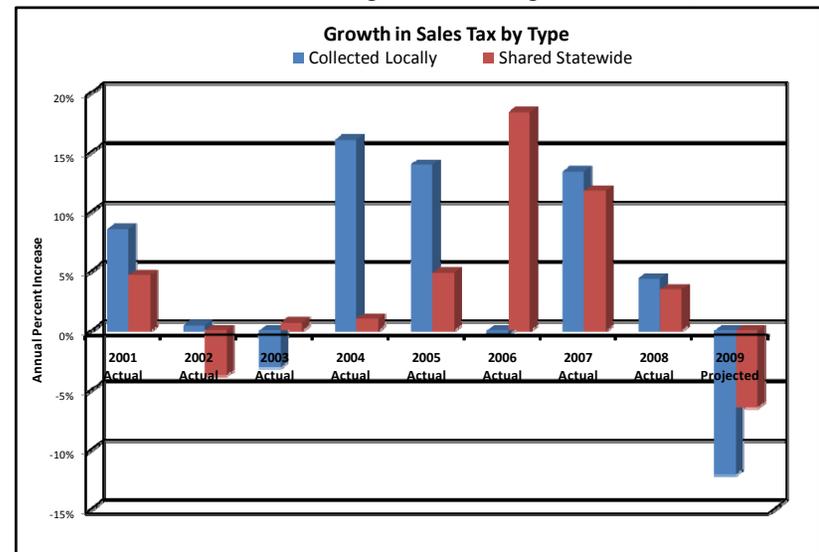


With the national economy in the worst recession since the Great Depression and the state facing a \$3 billion budget shortfall, estimating local revenues is particularly challenging this year. The recession has had a noticeable effect on development-related fees, such as deed stamps and erosion control permits. Locally collected sales tax is trending 6% below statewide collections, and both have declined significantly more than in the most recent recession (2001 to 2003).

The effect on property tax is not as obvious, but some troubling trends are underway, including declining motor vehicle, utility, and business personal property values. No doubt, the lack of building activity will reduce future growth of the property tax base, which had been robust in recent years. The number of foreclosures initiated by the Tax Office has

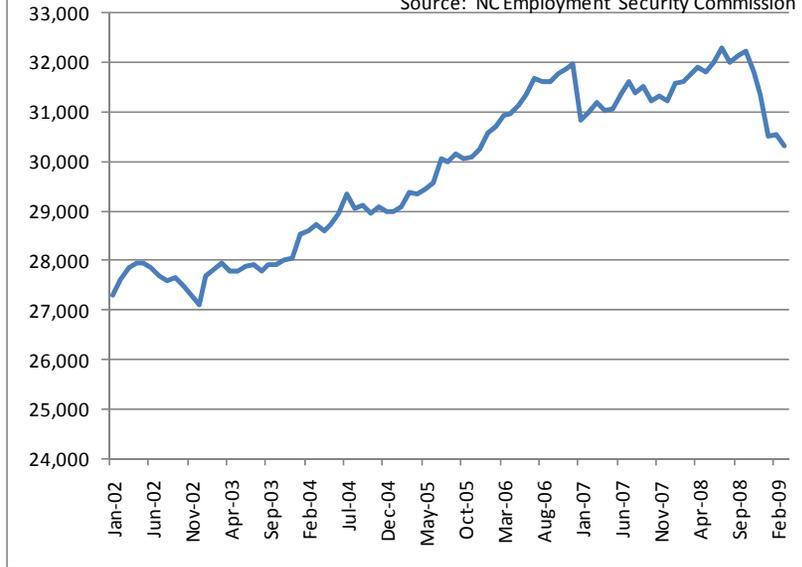
increased 13% over FY 2008. (Foreclosures filed with the Clerk of Court are actually down 8% in the first quarter of 2009 from 2008.) The number of bankruptcies filed in the county during the first nine months of FY 2009 has increased 70% over the same period last year (source: Chatham County Tax Office). These trends threaten the county's excellent property tax collection rate.

As in previous years, the state's budget crisis has translated into adverse action against counties. The Governor has withheld distributions of corporate income tax and lottery proceeds that finance school capital needs. The NC Senate's version of the budget eliminates the corporate income tax distributions for the next two years. The loss of this revenue is roughly one-half cent on the property tax rate. The State's larger-than-expected budget deficit will likely lead to additional adverse actions against local governments, but it is



## Number of Employed Chatham County Residents

Source: NCEmployment Security Commission



extremely difficult to predict at this point. State and state-shared revenues account for approximately \$4.2 million of the county's general fund (about 5 cents on the property tax rate).

The county's unemployment rate has risen dramatically from 4.2% in March 2008 to 7.9% in March 2009, though it is still trending below the state and national rates. Plant closings and layoffs have resulted in the loss of 1,218 jobs since January

### **Property Taxes:**

New real property values as a result of revaluation go into effect in FY 2010. During their annual budget work session, commissioners directed staff to produce a budget using the

2008 (source: Employment Security Commission). The unemployment rate dropped from a high of 8.6% in February to 7.9% in March, but the number of employed county residents has been declining since November 2008. According to Dianne Reid, president of the Economic Development Corporation, this may mean that some residents have dropped out of the job market altogether, resulting in an artificially lower unemployment rate,

National economists predict the end of the recession as early as the last quarter of 2009. However, local revenue and employment growth will lag behind an economic recovery. For example, according to the most recent MLS data, the local real estate market reports 20.6 months of housing inventory currently for sale. Residential building permits fell 35% in FY 2008 and are expected to drop another 30% in FY 2009. Again, the robust growth Chatham County has experienced in real property values is not likely to be seen again for several years.

The State Fiscal Research Division predicts that revenue collections will not improve until mid-2010. For these reasons, revenues are projected conservatively in the FY 2009-2010 budget.

Fortunately, the county's financial condition is strong enough to weather a one-to-two year storm without drastic cuts in services. If the recession lasts longer than two years, the county will need to take more long-term actions to reduce services and personnel.

“revenue neutral tax rate.” North Carolina General Statute 159-11(e) sets forth the calculation of the revenue-neutral rate as follows:

*In each year in which a general reappraisal of real property has been conducted, the budget officer shall include in the budget, for comparison purposes, a statement of the revenue neutral property tax rate for the budget. The revenue neutral property tax rate is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no reappraisal had occurred. To calculate the revenue neutral tax rate, the budget officer shall first determine a rate that would produce revenues equal to those produced for the current fiscal year and then increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal. This growth factor represents the expected percentage increase in the value of the tax base due to improvements during the next fiscal year. The budget officer shall further adjust the rate to account for any annexation, deannexation, merger, or similar event.*

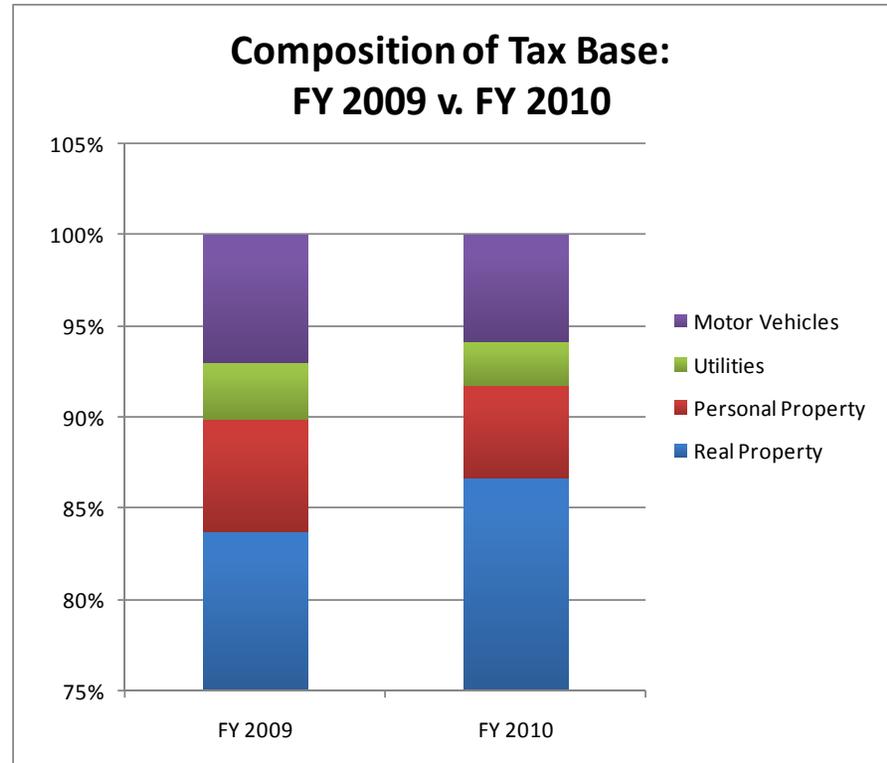
Countywide real property values increased by an average of 23.6%. To calculate the revenue neutral rate, one might assume that the property tax rate can simply be reduced by this increase. This method is not accurate for several reasons:

First, this increase represents real property values before appeals are taken into consideration. As property values are appealed successfully to staff and the Board of Equalization and Review, property values are reduced. More than 90% of appeals to tax appraisal staff have already been processed, resulting in an 11% loss in value. This same rate of loss was applied to the remaining appealed value. Estimating the loss of value as a result of Board of Equalization and Review adjustments is less straight forward. Staff based this estimate on the proportion of value lost from the Board of Equalization

and Review in FY 2006, 10% of informal appeal value loss. (Note that the actual appeals loss was \$93 million higher than what was reflected in the recommended budget, requiring Commissioners to reduce property tax revenue by \$449,210.)

Second, as real property values increase, exemptions, or those amounts excluded from the property tax base, increase. Exempted property includes non-profit and religious property and the senior citizens exemption. FY 2009 exemptions totaled \$499,507,623. FY 2010 exemptions are estimated to be \$664,396,089.

Third, this methodology does not account for natural increases in the property tax base, absent revaluation. Chatham



County's real property tax base increased by an average of 6.47 percent for the last three years. Consistent with the statutory definition of "revenue-neutral," staff used the average increase for the last three years to determine what the property tax revenue would have been if revaluation had not occurred.

Finally, and most importantly, the increase represents only REAL property values. None of the other parts of the property tax base (motor vehicles, business personal, and utilities) were included in revaluation. These parts of the tax base are valued annually. Because of the economy, these values are projected to decrease in FY 2010. The NC Department of Revenue has advised us to budget 10% less in utility values. Motor vehicle values have been declining 4% consistently over the past five months. In addition, business personal property has likewise

declined because of plant closings and idlings and businesses not replacing equipment that has depreciated. Therefore, the overall property tax base increased by just 15%. As the graph above shows, real property has increased from 84% to 87% of the total tax base. All other parts of the base are shrinking.

Staff used an automated spreadsheet produced by the Department of Revenue to calculate the revenue neutral rate, resulting in a rate of 60.32, as shown in the table below.

Staff again used conservative collection percentages recommended by the Chatham County Tax Collector:

- Real and personal property collection percentage: 97.5%.
- Motor vehicle collection percentage: 89.7%.

<b>Department of Revenue Spreadsheet to Calculate "Revenue Neutral"</b>			
	Assessed Value	Tax Rate	Estimated Levy
Last year prior to revaluation (2008-09)	7,386,924,794	0.6530	\$48,236,619
Tax rate to produce equivalent levy	8,513,983,175	0.5666	\$48,236,619
Revenue neutral tax rate: Increase tax rate for average growth rate (6.47%)		0.6032	\$51,359,682

### **Fire District Tax Rates:**

As part of its annual operating budget, the Chatham County Board of Commissioners establishes tax rates for the 12 fire districts in the county. Staff provided "revenue-neutral" tax rates for each department and thoroughly reviewed each budget. All rates are set at or below revenue neutral.

	<b>FY 2009 Tax Rate</b>	<b>FY 2010 Revenue Neutral</b>	<b>FY 2010 Recommended</b>	<b>FY 2010 Approved</b>	<b>Contract Amount Requested</b>	<b>Contract Amount Approved</b>	<b>Approved Versus Requested</b>
Bells Annex	0.0700	0.0649	0.0620	0.0620	Included in North Chatham		
Bennett	0.0700	0.0655	0.0655	0.0655	85,692	80,783	(4,909)
Bonlee	0.0700	0.0639	0.0570	0.0570	184,536	186,822	2,286

	<b>FY 2009 Tax Rate</b>	<b>FY 2010 Revenue Neutral</b>	<b>FY 2010 Recommended</b>	<b>FY 2010 Approved</b>	<b>Contract Amount Requested</b>	<b>Contract Amount Approved</b>	<b>Approved Versus Requested</b>
Central Chatham	0.0600	0.0552	0.0552	0.0552	198,132	197,538	(594)
Circle City	0.1000	0.0967	0.0900	0.0900	1,011,387	1,016,669	5,282
Goldston	0.0800	0.0659	0.0659	0.0659	181,010	187,770	6,760
Hope	0.0700	0.0614	0.0614	0.0614	318,890	319,035	145
Moncure	0.0850	0.0839	0.0839	0.0839	528,000	537,077	9,000
North Chatham	0.0700	0.0649	0.0620	0.0620	2,537,212	2,557,671	20,459
Parkwood	0.1000	0.1063	0.0960	0.0960	260,540	264,118	3,578
Staley	0.1000	0.0905	0.0905	0.0905	60,433	51,366	(9,067)
West Sanford	0.1090	0.0922	*Unknown	*Unknown	24,936	28,982	4,046
*West Sanford's tax rate must be set equivalent to the tax rate established in Lee County, which was unknown at the time of budget adoption.							

### **Fee Increases:**

The County Manager is proposing to institute or change the following fees (all fee recommendations were adopted by Commissioners.)

<b>Department</b>	<b>Fee Name</b>	<b>Current Fee Amount</b>	<b>Proposed Fee Amount</b>	<b>Justification</b>	<b>Projected Revenue</b>
Building Inspections	Preliminary Plan Review	\$0	\$300	Currently, for large projects, contractors often request a preliminary plan review prior to receiving bids on a project. The county currently does not charge for this service, even though it may be as time consuming as a plan review required for the building permit. It also requires the Permitting Office to track and store the plans. Charging for preliminary plan review would help recover some of the staff costs associated with this service.	\$1,500
Fire Inspections	Vacant building less than 501 square feet	\$0	\$30	Recently, the Fire Marshal's Office has seen an increase in the number of vacant buildings requiring an inspection. Since these buildings are unoccupied, they are often easier to inspect than their former occupancy. Rather than charging them based on their former occupancy, staff is proposing to set a standard amount based on square footage.	\$0

Department	Fee Name	Current Fee Amount	Proposed Fee Amount	Justification	Projected Revenue
Fire Inspections	Vacant building 501 to 2,500 square feet	\$0	\$45	Recently, the Fire Marshal's Office has seen an increase in the number of vacant buildings requiring an inspection. Since these buildings are unoccupied, they are often easier to inspect than their former occupancy. Rather than charging them based on their former occupancy, staff is proposing to set a standard amount based on square footage.	\$0
Fire Inspections	Vacant building 2,501 to 20,000 square feet	\$0	\$60	Recently, the Fire Marshal's Office has seen an increase in the number of vacant buildings requiring an inspection. Since these buildings are unoccupied, they are often easier to inspect than their former occupancy. Rather than charging them based on their former occupancy, staff is proposing to set a standard amount based on square footage.	\$0
Fire Inspections	Vacant building 20,000 square feet and above	\$0	\$100	Recently, the Fire Marshal's Office has seen an increase in the number of vacant buildings requiring an inspection. Since these buildings are unoccupied, they are often easier to inspect than their former occupancy. Rather than charging them based on their former occupancy, staff is proposing to set a standard amount based on square footage.	\$0
Planning	Minor Subdivision Fee	\$50 per lot	\$250 per subdivision	The fee for minor subdivisions (five lots or less) is currently \$50 per lot. Staff is proposing to charge a flat fee of \$250. The steps involved in reviewing a minor subdivision are typically the same, regardless of the number of lots.	\$5,000
Health-- Preventive	Fee for oral contraceptives	\$0 per pack	\$5 per pack	According to state guidelines, health departments now have the ability to charge \$5.00 per pack for oral contraceptives. The Health Department is proposing to institute this fee.	\$8,280
Health- Environmental Health	VOC Well Sample	\$0 per application	\$150 per application	<u>This fee would not be effective until October 1, 2009.</u> G.S. 89-97(h) requires that all drinking water wells constructed after October 1, 2009 be tested for certain Volatile Organic Compound (VOC) contaminants. The fee would cover only the estimated cost of the testing kit, not staff time.	\$16,875
Recreation	Kitchen Rental	\$0	\$50	The community has expressed interest in reserving the Southwest Park kitchen for special events. In order to recover the utility costs, staff is proposing to charge a rental fee.	\$200
<b>TOTAL</b>					<b>\$32,255</b>

## **Medicaid Relief:**

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Beginning with FY 2008, the state has gradually taken over the counties' share of Medicaid expense in exchange for county sales tax revenue and other sales tax changes. Chatham County will lose more from sales tax revenue reductions and changes than we will gain in Medicaid relief. However, the Medicaid relief legislation guarantees counties a \$500,000 benefit annually. Therefore, the county should receive "hold harmless" funds each year to ensure that we benefit by at least \$500,000, calculated for FY 2010 as follows:

- County loses all of Article 44 sales tax that is shared statewide on a per capita basis: Loss of \$1.4 million.
- Effective October 1, county loses remaining locally collected Article 44: Loss of \$563,000.

- Effective October 1, Article 42, which is currently shared statewide on a per capita basis, will be distributed based on local collections: Loss of \$872,000.
- State takes over 100% of county's Medicaid costs: Gain of \$2.9 million.
- County must reimburse towns for their share of lost sales tax revenues: Loss of \$658,000.
- Total loss: \$100,000.
- Guaranteed "hold harmless" amount: \$500,000.
- Net gain: Chatham County should receive approximately \$600,000 in hold harmless funds from the state.

## **Local Option Sales Tax:**

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Because of Medicaid relief and a slowing economy, sales tax is down as a percent of general fund revenues from 14% in FY 2009 to 10% in FY 2010.

The four parts of sales tax are:

- Article 39: One cent on every dollar. Comes back to the county where it is collected.
- Article 40: One-half cent on every dollar. Goes into a statewide pot and is distributed back based on population. Thirty percent must be spent on school capital or debt.
- Article 42: One-half cent on every dollar. Currently, goes into a statewide pot and is distributed back based on population. Effective October 1, will come back to

the county based on where it is collected. Sixty percent must be spent on school capital or debt.

- Article 44: One-quarter cent on every dollar. Comes back to the county directly based on delivery of goods (this is ceded to the state effective October 1, 2009).

Last year, staff followed the advice of the North Carolina League of Municipalities and North Carolina Association to budget a 1% increase in sales tax over FY 2008. Unfortunately, the recession was far worse than predicted. Statewide collection of sales tax is projected to be down almost 6% from FY 2008. Local sales tax collections are trending below this and are projected to be down about 12% for the year. Overall, staff estimates a shortfall of \$1,365,179 in FY 2009.

NC Fiscal Research is projecting 0% growth in sales tax revenue for FY 2010. The North Carolina Association of County Commissioners and the North Carolina League of Municipalities are recommending that cities and counties budget a more conservative 1% decrease for FY 2010. Staff

followed these recommendations. After the recommended budget was presented, the state revised down its forecast to a 4% decrease. In order to address the shortfall, Commissioners reduced budgeted sales tax by \$200,000.

## **Intergovernmental:**

Intergovernmental revenues are those that the state and federal government “share” with counties, generally to fund specific programs. Intergovernmental revenues are expected to increase by 6%. Intergovernmental revenues have historically been declining as a portion of total revenue, because of the state’s elimination of intangibles tax, inventory tax, and senior citizen exemption reimbursements.

- **Hold Harmless Payment:** Projected to be approximately \$600,000, up from \$6,121 in FY 2009. The calculation is explained above in the Medicaid Relief section.
- **Social Services Reimbursements:** The state and federal government partially reimburse the county for the salaries and operating costs of social services programs. All federal and state reimbursements are based on estimates provided by the NC Department of Health and Human Services and adjusted for local conditions. These reimbursements are linked directly to expenditures in Social Services. This revenue source is expected to increase by 12%, to reflect increased expenditures in foster care and adoptions, day care

subsidy, and uncapped federal revenue for administrative expenses, which includes depreciation and interest on the new Social Services Building.

- **Safe Havens Grant:** Federal funding for the Safe Havens Program, which provides secure court-ordered visitation services for families, ended March 2009 (a small balance and other revenues generated by the program will allow staff to continue through September 30, 2009). The county has applied for funding from several sources to continue this program through FY 2010.
- **State-shared Corporate Income Tax (ADM):** The Governor has withheld the February distribution of ADM funds, and most analysts predict no additional distributions through the end of FY 2009, resulting in a shortfall of \$158,000. Because the Senate’s version of the budget withholds this source for the next two years, no revenue is projected for FY 2010.
- **State Aid to Libraries:** The Governor’s budget reduces this amount by 6%.

## **Sales and Service:**

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Sales and service revenue is generated when county departments provide services directly to residents and are reimbursed either directly from residents or from a third party, such as Medicaid. In general, the county has more control over the “prices” of its services than any other revenue type, besides property taxes. The exception is Medicaid, because reimbursement rates are set by the Federal government. In the general fund, this revenue source is expected to increase 4% because of increased foreclosure charges and rent charged to tenants of the Performance Building.

This category of revenue has also experienced significant reductions because of the slowdown in building activity. Environmental health and erosion control fees will have a

shortfall of 50% (\$277,000) in FY 2009. Next year, fees are expected to be down a similar amount.

Sales and service account for a greater portion of the Water and Waste Management Funds. In the Water Fund, sales and service are expected to decrease 11%, reflecting declines in water usage because of watering restrictions and a slowdown in building activity (resulting in fewer meter and tap installations and plan reviews.)

This revenue source is projected to be down slightly in waste management, reflecting a decline in revenues from the sale of recyclables.

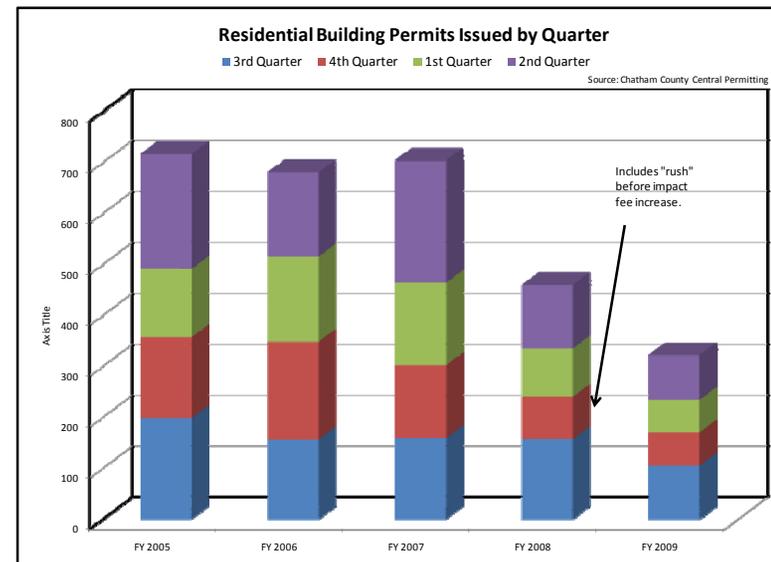
## **Fees & Permits:**

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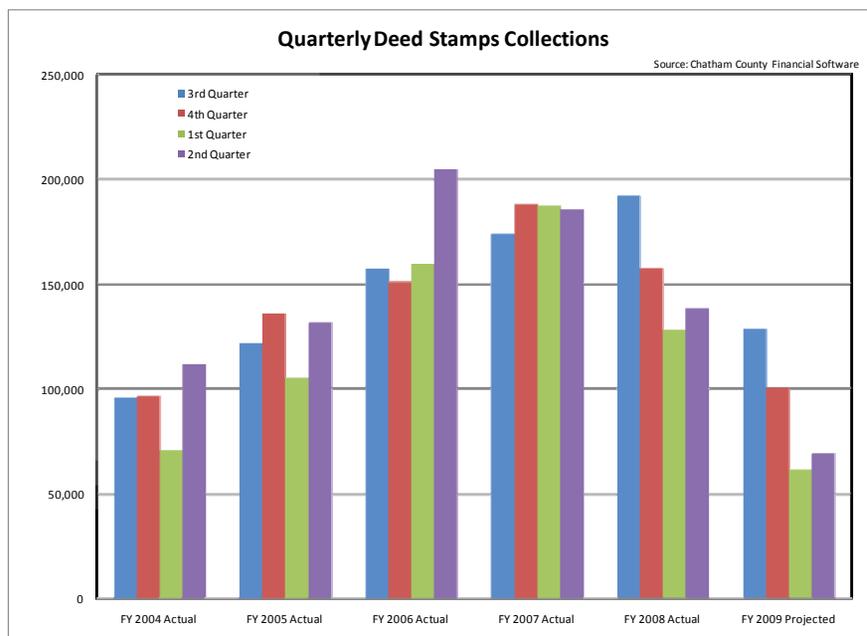
Fees are generated when county residents and others pay for permits charged for regulations the county is required to enforce. Some fees, such as Register of Deeds recording fees, are set by state law. Most other fees are established locally and can be set at various levels. Overall, this source of revenue category is expected to decline by 27%, a clear reflection of the economic downturn.

- **Register of Deeds Fees:** Recording fees are charged when legal documents, such as deeds, plats, and marriage licenses, are recorded. Because of fewer deed and plat recordings, this revenue is expected to decrease by 5%. Staff did not estimate a larger reduction because the office is starting to see an increase in the number of home refinancings.

- Building Inspection Fees:** Despite beating the FY 2009 budget amount by a projected \$75,000, staff estimates a 37% decline in revenue in FY 2010. Much of the revenue generated in FY 2009 has been the result of commercial building activity, including several major public buildings (Briar Chapel Middle School and Chatham Community Library). The Uniboard expansion alone generated almost \$180,000. We are not likely to see this level of commercial activity in FY 2010. The number of residential building permits, a major source of revenue, has decreased dramatically. Permits fell by 35% in FY 2008 and are projected to decrease another 30% in FY 2009. For FY 2010, staff projected a more modest decline of 10%.



### Other Taxes and Licenses:



Other Taxes and Licenses represent locally collected taxes, other than the property tax. Overall, this revenue category is expected to decline by 18%.

- Register of Deeds Revenue Stamps:** Revenue stamps are charged when properties are sold within the county. We are required to share half of the revenue generated with the state. Because of the significant decline in houses being sold within the county, this revenue source is expected to decrease 30% from budgeted amounts. Since 2008, this revenue is down 43% (\$264,000). Projections for FY 2010 are based on a slight decline from FY 2009 actual amounts.
- Occupancy Tax:** The closing of Governor’s Club golf cottages and the economic downturn have had a dramatic effect on occupancy tax revenues. A shortfall of \$48,300 (40%) is projected for FY 2009. Revenues

for FY 2010 are projected to be down another 12%. As a practical matter, the expenses of the Pittsboro-Siler City Convention and Visitors Bureau are set equal to occupancy tax revenues. Any deficit is subtracted from the occupancy tax reserve, while any excess contributes

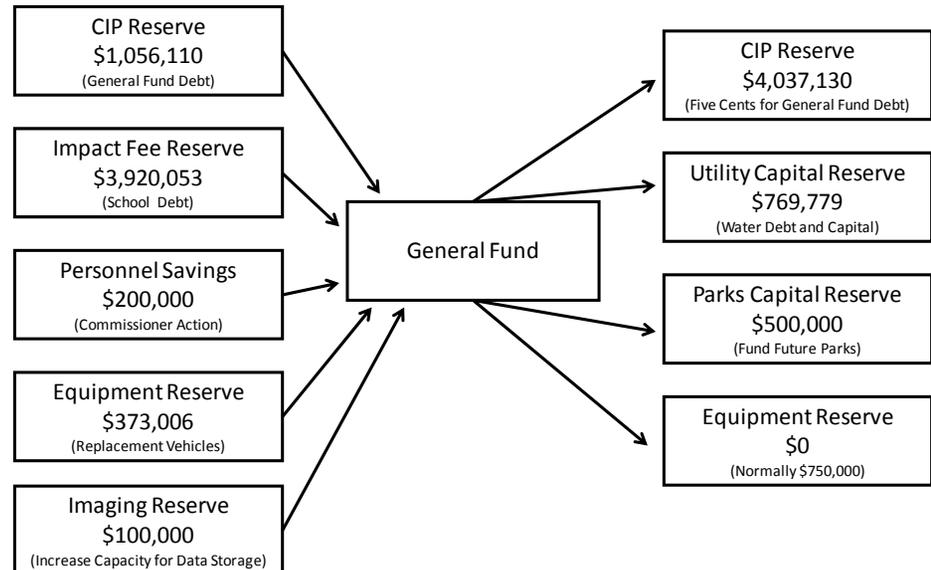
to the reserve. At the end of FY 2009, the reserve is estimated to be approximately \$150,118. Another \$20,500 is projected to be needed from reserve in FY 2010.

**Transfers:**

Transfers of revenues generally occur from special revenue funds to the operating funds for one-time expenditures. Overall, this revenue source is expected to increase by 73% in the General Fund because of transfers from the CIP and Impact Fee reserves to pay for debt and capital outlay.

- CIP Reserve:** This reserve was established as part of the county’s financial plan to fund capital improvements. Five cents on the property tax rate is transferred annually to this reserve to pay for debt service on general county projects. In turn, funds to cover principle and interest on the county’s debt-financed CIP projects are transferred to the general fund each year. This approach avoids large increases in property taxes to pay for debt service. A transfer of \$1,056,100 is needed to cover debt service for the Social Services Addition and Central Carolina Business Campus. Depending on the timing of borrowing, an additional amount may need to be transferred to cover debt for the Chatham Community

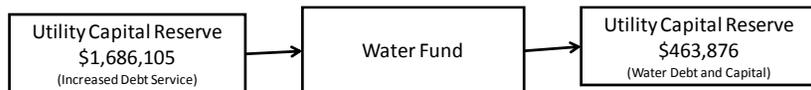
**General Fund Transfers**



Library, Sustainable Technologies Building, and the Siler City Campus of Central Carolina Community College.

- School Impact Fee Reserve:** This reserve accumulates school impact fees to pay for capital and debt service for Chatham County Schools. A transfer of \$3,920,053 is needed to cover debt for Virginia Cross Elementary,

**Water Fund Transfers**



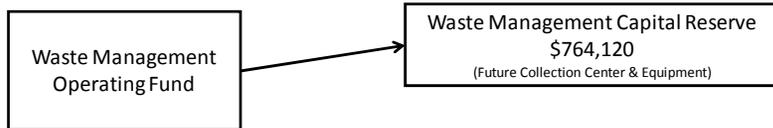
Northwood High School Renovations, and Briar Chapel Middle School.

- **Equipment Capital Reserve:** Funds are accumulated in the reserve to pay for replacement vehicles and one-time capital items requested during the budget process. The budget recommends a total transfer of \$373,006 to fund replacement vehicles.
- **Imaging Reserve:** This reserve accumulates funds to pay for scanning county documents. To date, \$400,000 has been transferred to the reserve. About \$200,000 has been spent. Staff is proposing to transfer \$100,000 of

the balance to increase capacity for data storage. Scanning has created much of the need for additional data storage.

- **Personnel Savings:** Commissioners voted to take \$200,000 from the Personal Savings Reserve, which is used to fund pay-for-performance, to help balance the budget.
- **Utility Capital Reserve:** This reserve accumulates funds from the General Fund transfer (previously two cents, reduced to one cent in FY 2010), availability fees paid when new meters are installed, and a transfer from the water operating fund. A transfer of \$1,686,105 into the Water Operating Fund is needed to pay for increased debt service for the Western Transmission and Group B projects.
- **Waste Management Fund:** No transfers to the Waste Management Fund are recommended.

## Waste Management Transfers



### Fund Balance:

Fund balance is typically used as “revenue” to balance the budget. Consistent with the commissioners adopted financial policy, the use of fund balance is tied to one-time or capital expenditures, as shown below. Overall, the general fund appropriation from fund balance is down 53% from FY 2009; the water fund appropriation is down 23%; and the waste management appropriation is down 24%.

### **Water Fund Balance:**

Replacement Backhoe	89,000
Replacement Trailer	11,000
Replacement Utility Truck	48,765
<b>Total</b>	<b>\$148,765</b>
Less Operating Fund Surplus	(173)
<b>Total Fund Balance Appropriated</b>	<b>148,592</b>

**General Fund Balance:**

Tourism (to balance revenues & expenditures)	20,504
Safe Havens Program (balance of revenues)	24,078
School Capital	999,668
School CIP projects	996,467
Emergency Communications Equipment (CIP)	382,143
Increase Data Storage Capacity (CIP)	57,000
Chapel Hill-Pittsboro Bus Service Pilot *	130,000
Affordable Housing Match	250,000
Land Use Plan Update	60,000
Total	2,919,860
Less Operating Fund Surplus	(51,311)
Total Fund Balance Appropriated	\$2,868,549

*\*The expense for the Chapel Hill-Pittsboro Bus Service was reduced to \$43,000 to account for the Town of Pittsboro's match and revenue from fares. The fund balance appropriation was not reduced to reflect the reduced expense.*

**Waste Management:**

Replacement Equipment	29,000
Replacement Roll-off Truck	175,000
Forklift Grant	13,100
Transfer to Capital Reserve	600,000
Methane Monitoring Well	18,000
Operating Surplus	(100)
Total	835,000
Less Operating Fund Surplus	(94)
Total Fund Balance Appropriated	\$834,906

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