

Memorandum



To: Honorable Mayor and Board of Aldermen
From: David Andrews, Town Manager
Date: May 13, 2014
Re: Budget Follow-Up Questions – Memorandum #1

Several questions, comments, and requests for additional information were made by Board members during our preliminary budget review meetings. This memo provides brief responses and background information regarding these various issues and concerns.

Town Property Tax Revenues Associated with 300 E. Main

The following is the property tax information regarding the 300 E. Main Street project that was requested by Board members.

Tax Year	Hotel	Parking	Total Valuation January 1st	Town Taxes Estimate
2011	\$3,686,700	\$865,815	\$4,552,515	\$26,833
2012	\$3,683,700	\$865,815	\$4,549,515	\$26,815
2013 *	\$5,121,100	\$708,000	\$5,829,100	\$34,357
2014	\$13,325,800	\$5,112,000	\$18,437,800	\$108,672

Notes:

* 2013 Valuation based on partial completion of hotel and parking deck.

In March 2010 total property valuation was \$1.1 million.
Estimated property valuation upon project completion was \$21.0 million.
That amount would generate \$124,055 annually in tax revenues.

If office building is completed before end of 2014, it will be taxed at full value for fiscal year 2015-16.

10 Year Property Tax History

The following table provides a ten year history of the Town of Carrboro’s property tax rates, assessed valuations and local property tax revenues.

Fiscal Year	Tax Rate	Assessed Valuation	Taxes Levied
FY 2003-04 (A)	0.6852	\$1,128,464,441	\$7,988,802
FY 2004-05 (A)	0.7148	\$1,152,569,042	\$8,479,108
FY 2005-06 (A)	0.6244	\$1,372,401,330	\$8,820,233
FY 2006-07 (A)	0.6244	\$1,596,838,299	\$9,892,881
FY 2007-08 (A)	0.6537	\$1,538,585,984	\$10,303,874
FY 2008-09 (A)	0.6863	\$1,581,966,677	\$11,167,691
FY 2009-10 (A)	0.5894	\$1,915,872,793	\$11,686,026
FY 2010-11 (A)	0.5894	\$1,939,126,061	\$11,792,820
FY 2011-12 (A)	0.5894	\$1,972,777,796	\$11,999,523
FY 2012-13 (A)	0.5894	\$2,003,172,468	\$11,754,299
FY 2013-14 (B)	0.5894	\$2,031,961,150	\$11,979,989
FY 2014-15 (B)	0.5894	\$2,033,220,055	\$12,166,764
(A) = Actual			
(B) = Budget			

Since FY 2003-04, between 97.97% and 98.90% of property taxes levied are collected within that tax year. Concurrently, between 99.42% and 99.92% of the levies have been collected.

Intergovernmental Revenues

The following is a detail breakdown of Intergovernmental Revenues as requested by the Board of Aldermen.

	2012-13	2013-14	2014-15	
INTERGOVERNMENTAL REVENUES	ACTUAL	ADOPTED	RECOMMENDED	\$ CHANGE
		BUDGET	BUDGET	
UNRESTRICTED				
FRANCHISE TAX-ELECTRIC	\$ 419,259	\$ 440,287	\$ 446,891	\$ 6,604
PIPED NATURAL GAS TAX	54,116	33,647	34,152	505
VIDEO SALES PROGRAMMING	198,390	174,884	173,136	(1,748)
WINE AND BEER	80,366	29,867	40,000	10,133
TELECOMMUNICATIONS SALES TAX	200,265	208,460	206,375	(2,085)
TOTAL UNRESTRICTED	\$ 952,396	\$ 887,145	\$ 900,554	\$ 13,409
RESTRICTED				
POWELL BILL	\$ 483,582	\$ 482,757	\$ 487,937	\$ 5,180
SOLID WASTE DISPOSAL TAX DIST.	11,212	10,538	10,538	-
PLANNING WORK GRANT	20,915	14,506	20,915	6,409
RECREATION-MUNICIPAL SUPP.	38,269	35,898	28,269	(7,629)
RECREATION - ARTS COMM GRANT		1,500	-	(1,500)
FIRE FIGHTERS GRANT		10,410	-	(10,410)
PEG CHANNEL SUPPORT	23,999	36,000	36,000	-
ABC BOARD GRANT	13,300	13,300	13,300	-
TOTAL RESTRICTED	\$ 591,277	\$ 604,909	\$ 596,959	\$ (7,950)
TOTAL INTERGOVERNMENTAL	\$ 1,543,673	\$1,492,054	\$ 1,497,513	\$ 5,459

City of Durham COLA

The Board inquired about the cost of living adjustment that the City of Durham is planning for FY 2014-15. Staff contacted City of Durham representatives who indicated that the city manager will be presenting this information to the Durham City Council on May 19 at which time that information will become public.

Funding for Chapel Hill Transit

The initial indication from Chapel Hill Transit was that a budget increase for FY 2014-15 from the current FY 2013-14 amount of \$1,396,423 would not be needed. The Town's Recommended Budget was prepared based on that assumption. However, the Transit Partners are currently reviewing several alternative scenarios that would require additional funding from the Town in an amount between \$40,000 (2.9%) and \$95,000 (6.8%). Staff is recommending that funding for FY 2014-15 be increased by \$76,000 as a contingency amount based on further deliberations by the Transit Partners.

Street Resurfacing

The Board requested a list of the names of the streets that will be resurfaced.

	Length	PCR
Roberson St. (Greensboro to Main St.)	0.17	46
Maple Ave. (Roberson to E. Carr St.)	0.02	46
E. Carr St. (Greensboro to Maple Ave)	0.11	52
Pine St. (Greensboro to Hillsborough Rd.)	0.32	56
Merritt St. (Oak Ave. to Lindsay St.)	0.05	62
Shelton St. (Greensboro to Hillsborough Rd.)	0.50	66
Lake Ridge Place (Lake Manor to end)	0.10	68
Williams St. (Greensboro to end)	0.15	72
Davie Rd. (Jones Ferry to W. Main)	0.59	73
Hanna St. (Greensboro to cul-de-sac)	0.23	74
Robert Hunt Dr.(Greensboro to Richard Dixon Ct.)	0.30	76
Stratford Dr. (Homestead to Autumn Dr.)	0.32	77
Lake Hogan Farm Rd.(Homestead to Commons Way)	0.42	77
Simpson St. (Main to Hillsborough)	0.41	79
Oak Ave. (W. Weaver to Greensboro St.)	0.59	84
Total Miles	4.28	

PCR is the acronym for pavement condition index; zero is the lowest possible rating and 100 is the highest possible rating.

MLK Master Plan – Phase-in Approach

The MLK Master Planning effort is in process. Several Board members asked if improvements could be phased in over time as contrasted to complete project construction in a single design and build effort. Construction and improvements can be phased in over time and phasing options will be included in the master plan.

Orange County funding for free Internet Hotspots

The Orange County Board of County Commissioners has discussed the possibility of providing funding for free internet hotspots around Orange County. The Town has made inquiries to Orange County to determine how and to whom those funds might be distributed.

Orange County provided the following response:

During a BOCC CIP Budget Workshop on April 10, 2014 this subject was brought up by Commissioner Dorosin. Chair Jacobs, suggested before we move forward with any large scale project, he would like to see a strategic wireless plan. In the meantime, there seemed to be a consensus by the Board for staff to come up with budget numbers to help "bridge the digital divide."

Staff was instructed to return to the BOCC with the costs associated to do the following:

Buildings that already have public wireless for meeting rooms, etc... We would install antennas on the outside of those buildings to offer wireless in parking lots and any residential/commercial areas.

Price installing hotspots in every building the county owns.

Partner with the Town of Hillsborough to install wireless in the downtown area.

Price what it would take to bring the Internet to every home in the County via a wireless signal.

Town Provision of “Loaner” Tennis Racquets, Balls, and Related Equipment

The Board asked if it would be possible for the Town to provide “loaner” racquets, balls, and related equipment to kids and adults who might be interested in playing tennis but don’t have or cannot afford the equipment. The Recreation and Parks Department has indicated that they will look into purchasing tennis equipment and the creation of a program similar to the Town of Carrboro’s Fishing Loaner Program.

Advisory Board Training and Community Outreach

Funding is included in the FY 2104-15 Town Budget for advisory boards. Staff has indicated that each advisory board is allocated a certain amount of funding per year. These funds haven’t been depleted in the past. The allocated funding could be used for training and community outreach or other possible uses.

Tuition Assistance Program

The Board asked if it would be possible for staff to explore the possibility of partnering with Durham Tech as part of the Town of Carrboro’s Tuition Assistance Program. The Human Resources Director has indicated she will discuss possible partnering opportunities with Durham Tech during next fiscal year.

We also want to partner with UNC Hospital, Chapel Hill, Orange County, and Carrboro Family Practice regarding possible Wellness Initiatives.

Orange County Critical Housing Repair Fund

The Planning Director spoke with Orange County Interim Housing Director James Davis and learned that Orange County does have an Urgent Repair Fund, which is used for small projects (up to \$5000) for selected populations in the county (e.g. elderly residents, residents with disabilities). The Orange County Housing Department has been revising some of its information on this program and all the

program information is not yet available. Staff expects to have a more complete picture (e.g. specific definitions of populations served by the funds, the amount budgeted in the current and upcoming fiscal year) within the next few weeks.

Privilege License Tax Revenues History

The following table provides a recent history for the privilege license tax.

Fiscal Year	Revenue
FY 2007-08	\$76,070
FY 2008-09	\$82,964
FY 2009-10	\$72,117
FY 2010-11	\$82,617
FY 2011-12	\$84,822
FY 2012-13	\$101,291

Outstanding Items

In addition to these issues, Board members also inquired about Bolin Creek Invertebrate Monitoring and requested a 10 year history of the results of the monitoring as well as erosion concerns. Staff will follow up with the Board as soon as that information is compiled and assessed.

Please give Arche or me a call if you have any questions or need additional information.

Copy: Department Directors